

# Annual Securities Report

(Report based on Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan)

121st term

(from April 1, 2022  
to March 31, 2023)

ISUZU MOTORS LIMITED

2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa

(E02143)

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Submitted document	Annual Securities Report
Applicable law	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Submitted to	Director-General of the Kanto Local Finance Bureau
Date of submission	June 28, 2023
Business term	The 121st Term (from April 1, 2022 to March 31, 2023)
Company name	いすゞ自動車株式会社 (Isuzu Jidosha Kabushiki-Kaisha)
Company name in English	ISUZU MOTORS LIMITED
Title and name of representative	Shinsuke Minami, President and Representative Director, COO
Address of head office	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
Telephone number	045 (299) 9305
Name of contact person	Tatsuhiko Yoshiura, General Manager of Accounting Department
Nearest place of contact	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
Telephone number	045 (299) 9305
Name of contact person	Tatsuhiko Yoshiura, General Manager of Accounting Department
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

## Part I. Company Information

### I. Overview of the Company

#### 1. Trend of key business indices, etc.

##### (1) Consolidated business indices, etc.

Term		117th	118th	119th	120th	121st
Year Ended		March 2019	March 2020	March 2021	March 2022	March 2023
Net sales	(millions of yen)	2,149,168	2,079,936	1,908,150	2,514,291	3,195,537
Ordinary profit	(millions of yen)	189,001	150,876	104,265	208,406	269,872
Profit attributable to owners of parent	(millions of yen)	113,444	81,232	42,708	126,193	151,743
Comprehensive income	(millions of yen)	141,468	67,526	104,098	208,023	224,390
Net assets	(millions of yen)	1,116,335	1,133,381	1,205,013	1,394,425	1,510,232
Total assets	(millions of yen)	2,130,894	2,152,090	2,244,970	2,856,139	3,046,777
Net assets per share	(yen)	1,260.70	1,292.05	1,385.36	1,540.51	1,688.01
Net income per share	(yen)	150.18	110.14	57.91	162.87	195.75
Capital adequacy ratio	(%)	43.6	44.3	45.5	41.8	42.9
Return on equity	(%)	12.3	8.6	4.3	11.4	12.1
Price earnings ratio	(times)	9.68	6.49	20.53	9.75	8.07
Net cash provided by (used in) operating activities	(millions of yen)	156,546	123,701	222,918	172,056	227,085
Net cash provided by (used in) investing activities	(millions of yen)	(86,569)	(92,659)	(93,413)	(420,867)	(80,527)
Net cash provided by (used in) financing activities	(millions of yen)	(106,914)	(25,153)	(55,275)	186,145	(140,372)
Cash and cash equivalents at end of period	(millions of yen)	305,311	303,974	386,670	341,713	364,396
Number of employees	(people)	37,263	36,856	36,224	44,299	44,495
[Separately, average number of temporary workers]		[9,992]	[10,069]	[10,183]	[14,320]	[15,146]

- (Notes)
1. The parenthesis appeared in cash flow represents an outflow.
  2. Net income per share after dilution of potential stock is not presented because there are no dilutive shares.
  3. In computing net assets per share and net income per share, treasury shares as well as the Company's shares held by the trust fund with Directors of the Board, etc. as beneficiaries are deducted.
  4. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 120th fiscal year (the fiscal year ended March 31, 2022). Accordingly, the key business indices, etc. for the 120th fiscal year onward to which the said accounting standard, etc. has been applied are used.

## (2) Business indices, etc. of the reporting company

Term		117th	118th	119th	120th	121st
Year Ended		March 2019	March 2020	March 2021	March 2022	March 2023
Net sales	(millions of yen)	1,130,825	1,074,968	922,628	1,111,891	1,306,768
Ordinary profit	(millions of yen)	100,413	89,796	60,425	96,297	194,923
Profit	(millions of yen)	83,719	70,964	49,275	88,928	186,650
Share capital	(millions of yen)	40,644	40,644	40,644	40,644	40,644
Shares issued	(shares)	848,422,669	848,422,669	777,442,069	777,442,069	777,442,069
Net assets	(millions of yen)	573,641	604,015	657,786	751,628	871,042
Total assets	(millions of yen)	1,035,508	1,030,852	1,117,071	1,444,294	1,528,953
Net assets per share	(yen)	777.75	818.89	891.79	969.62	1,123.60
Dividend per share	(yen)	37.000	38.000	30.000	66.000	79.000
[Interim dividend per share, included in the above]		[18.000]	[19.000]	[10.000]	[29.000]	[36.000]
Net income per share	(yen)	110.82	96.21	66.81	114.77	240.77
Capital adequacy ratio	(%)	55.4	58.6	58.9	52.0	57.0
Return on equity	(%)	14.3	12.1	7.8	12.6	23.0
Price earnings ratio	(times)	13.12	7.43	17.80	13.84	6.56
Dividend payout ratio	(%)	33.4	39.5	44.9	57.5	32.8
Number of employees	(people)	8,186	8,172	8,149	8,056	8,056
[Separately, average number of temporary workers]		[2,952]	[3,083]	[2,955]	[4,010]	[4,361]
Total shareholder return	(%)	91.4	48.4	79.3	107.8	112.1
[Comparison indicator: TOPIX (including dividends)]	(%)	[95.0]	[85.9]	[122.1]	[124.6]	[131.8]
Highest stock price	(yen)	1,820	1,611.5	1,259.0	1,693.0	1,857.0
Lowest stock price	(yen)	1,378	599.1	612.7	1,070.0	1,419.0

- (Notes)
1. Net income per share after dilution of potential stock is not presented because there are no dilutive shares.
  2. In computing net assets per share and net income per share, treasury shares as well as the Company's shares held by the trust fund with Directors of the Board, etc. as beneficiaries are deducted.
  3. The highest and lowest stock prices are based on the market quotation on the Tokyo Stock Exchange (Prime Market) from April 4, 2022 and on the Tokyo Stock Exchange (First Section) before that date.
  4. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 120th fiscal year (the fiscal year ended March 31, 2022). Accordingly, the key business indices, etc. for the 120th fiscal year onward to which the said accounting standard, etc. has been applied are used.

## 2. History

Month/Year	Item
April 1937	Tokyo Automobile Industries Co., Ltd. (capitalization: 1 million yen, currently ISUZU MOTORS LIMITED) is established.
July 1938	The Kawasaki Plant begins operations.
April 1941	The Company's name is changed to Diesel Automobile Industry Co., Ltd.
March 1944	The Company's head office is relocated from Higashi-shinagawa, Shinagawa-ku to Minami-oi, Shinagawa-ku.
May 1949	The Company's shares are listed on the Tokyo Stock Exchange.
July	The Company's name is changed to ISUZU MOTORS LIMITED.
February 1953	The Company signs a technical assistance agreement with Rootes, Ltd. of the UK for the Hillman passenger car.
January 1962	The Fujisawa Plant begins operations.
July 1971	The Company signs a basic agreement outlining an across-the-board alliance with General Motors Corporation (GM).
June 1972	The Tochigi Plant begins operations.
June 1984	The Hokkaido Plant begins operations.
May 1994	Shatai-Kogyo Co., Ltd. (capitalization: 1,000 million yen) merges with the Company.
September 1998	DMAX, Ltd. (DMAX) is established as a joint venture with GM (ownership ratio: 60:40).
November 2002	The Hokkaido Plant is demerged and Isuzu Engine Manufacturing Hokkaido Co., Ltd. is established. A 20% stake in DMAX is sold to GM.
May 2004	The Kawasaki Plant is closed and restructured to the existing Fujisawa and Tochigi plants.
July	The Company increases its share of voting rights in Isuzu Motors Co., (Thailand) Ltd. to 70.9% from 47.9% and converts both that company and Isuzu Engine Manufacturing Co., (Thailand) Ltd. into consolidated subsidiaries.
April 2006	The Company and GM agree to dissolve their equity tie-up. GM sells all its shares of the Company to Mitsubishi Corporation, ITOCHU Corporation, and Mizuho Corporate Bank, Ltd.
April 2013	The Company establishes new auto-lease company Isuzu Leasing Service Co., Ltd.
October	Three companies, which are the Company's subsidiary I Metal Technology Co., Ltd., and affiliates TDF Corporation and Jidosha Buhin Kogyo Co., Ltd., form a joint holding company IJT Technology Holdings Co., Ltd. as a subsidiary of the Company by means of a share transfer.
April 2016	Isuzu Motors India opens an assembly plant for pickup trucks.
February 2017	The Company acquires shares held by General Motors East Africa (GMEA) and converts that company into a consolidated subsidiary. Its name is changed to Isuzu East Africa.
May	The Company acquires the shares of Isuzu Truck South Africa, held by General Motors South Africa, and converts that company into a wholly owned subsidiary. Its name is changed to Isuzu Motors South Africa.
April 2019	IJT Technology Holdings Co., Ltd. absorbs and merges its group companies TDF Corporation, I Metal Technology Co., Ltd., and Jidosha Buhin Kogyo Co., Ltd., and changes its name to IJTT Co., Ltd.
May	The Company signs a comprehensive agreement with Cummins Inc. to develop powertrains.
October 2020	The Company signs the Collaboration Master Agreement and the Share Transfer Agreement with AB Volvo. The Company agrees to acquire the whole stake owned by AB Volvo in UD Trucks Corporation.
March 2021	The Company enters into a consortium agreement with Toyota Motor Corporation and Hino Motors, Ltd. on collaboration efforts for the CV business. The Company enters into a capital partnership with Toyota Motor Corporation.
April	The Company acquires the shares of UD Trucks Corporation and converts that company into a wholly owned subsidiary.
April 2022	The Company is listed on the Prime Market section of the Tokyo Stock Exchange.
May	A 40% stake in DMAX is sold to GM and the joint venture is dissolved.
June	The head office is relocated to the current address (2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi).
March 2023	The Company launches the full-model changes of the ELF light-duty truck and Forward medium-duty truck.
May	The Company formulates its new corporate philosophy, "ISUZU ID."

### 3. Businesses

The Group is comprised of the Company, 119 subsidiaries, and 44 affiliates. It mainly manufactures and sells vehicles, parts, and industrial engines, and offers various services including logistics, etc. related to these products. The positions of the Company as well as its principal subsidiaries and affiliates are as follows:

The Group manufactures and sells CV and LCV, mainly heavy-duty trucks and buses and light-duty trucks, as well as powertrains <sup>(Note)</sup>, and engages in related businesses; they are developed in Japan and overseas as its core businesses.

Its production system is comprised of manufacturing and assembling by the Company as well as local production by overseas group companies assembling components provided by the Company. In addition, engines, mainstay products other than vehicles, are manufactured through a three-pillar structure consisting of Japan, Asia, and the U.S.

In its domestic sales structure, the Company directly sells heavy-duty trucks and buses to government ministries and agencies as well as some large-lot consumers. To other consumers who buy heavy-duty trucks and buses as well as light-duty trucks, etc., distributors are tasked with selling those products.

Its overseas sales are conducted through the sales networks of the Group companies and the GM Group companies, etc., as well as trading companies, etc.

#### Principal subsidiaries and affiliates

##### (Manufacturing)

UD Trucks Corporation, IJTT Co., Ltd., Shonan Unitec Co., Ltd., Nippon Fruehauf Co., Ltd., J-Bus Limited, Isuzu Motors Co., (Thailand) Ltd., ISUZU (CHINA) ENGINE CO., LTD., Isuzu Motors South Africa (Pty) Limited

##### (Sales)

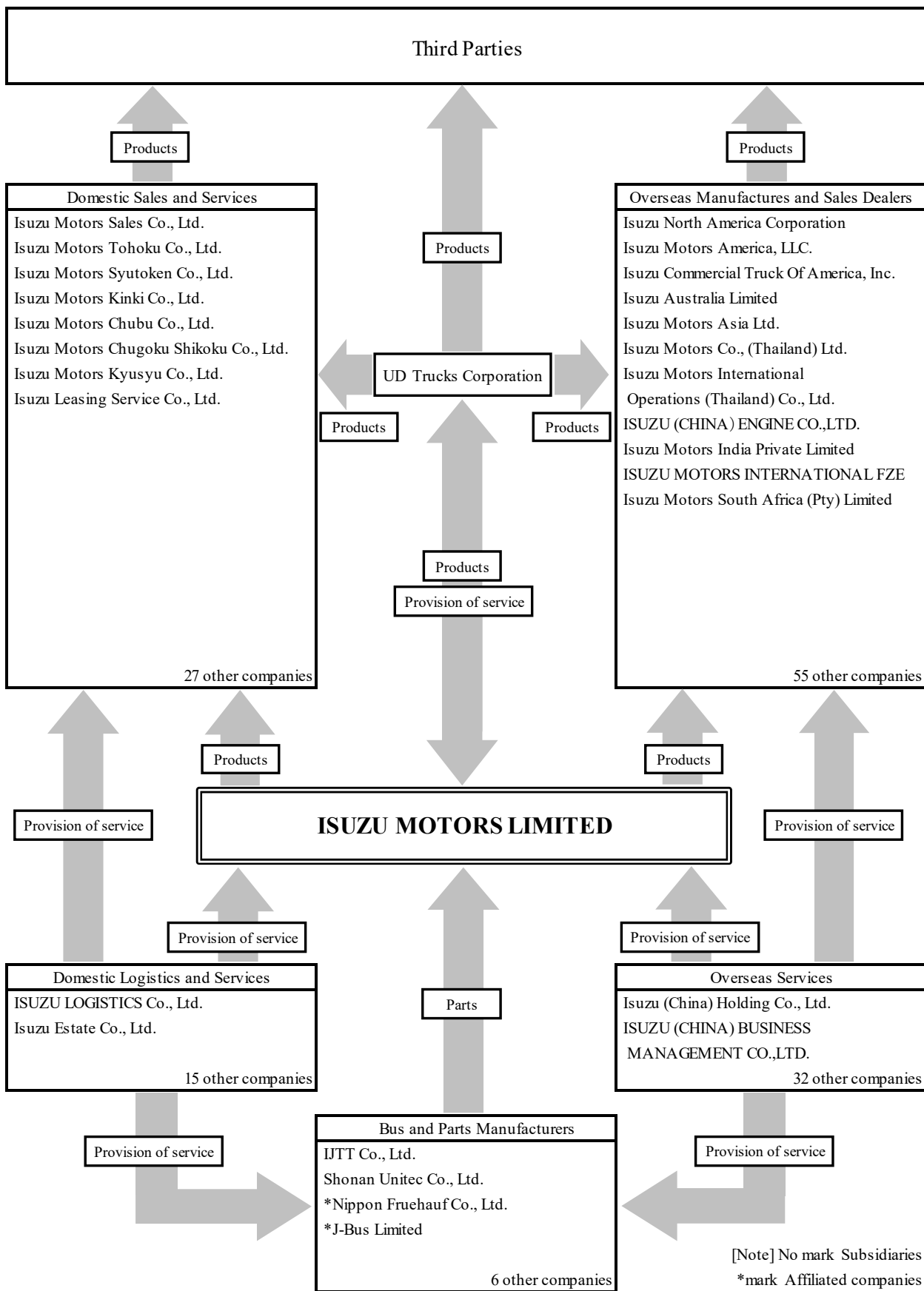
Isuzu Motors Sales Co., Ltd., Isuzu Motors Tohoku Co., Ltd., Isuzu Motors Syutoken Co., Ltd., Isuzu Motors Kinki Co., Ltd., Isuzu Motors Chubu Co., Ltd., Isuzu Motors Chugoku Shikoku Co., Ltd., Isuzu Motors Kyusyu Co., Ltd., Isuzu Leasing Service Co., Ltd., Isuzu North America Corporation, Isuzu Motors America, LLC, Isuzu Commercial Truck of America, Inc., Isuzu Australia Limited, Isuzu Motors Asia Ltd., Isuzu Motors International Operations (Thailand) Co., Ltd., Isuzu Motors India Private Limited, ISUZU MOTORS INTERNATIONAL FZE

##### (Logistics, services, and others)

ISUZU LOGISTICS Co., Ltd., Isuzu Estate Co., Ltd., Isuzu (China) Holding Co., Ltd., ISUZU (CHINA) BUSINESS MANAGEMENT CO., LTD.

(Note) “CV,” “LCV,” and “powertrains” indicate “commercial vehicles,” “pickup trucks and derivatives,” and “engines, transmissions and driveline components,” respectively.

Items stated above are indicated in a business flow chart as follows:





#### 4. Status of principal subsidiaries and affiliates

##### Consolidated subsidiaries

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
Isuzu Motors Tohoku Co., Ltd.	Miyagino-ku, Sendai, Miyagi	100	Selling and repairing vehicles	100.00 (100.00)	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Syutoken Co., Ltd.	Koto-ku, Tokyo	100	Ditto	100.00 (100.00)	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Kinki Co., Ltd.	Moriguchi-shi, Osaka	100	Ditto	100.00 (100.00)	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Chubu Co., Ltd.	Minami-ku, Nagoya, Aichi	100	Ditto	100.00 (100.00)	Yes	The Company supplies vehicles and parts under an exclusive agent agreement. It also leases sales facilities.
Isuzu Motors Chugoku-Shikoku Co., Ltd.	Saeki-ku, Hiroshima, Hiroshima	100	Ditto	100.00 (100.00)	Yes	The Company supplies vehicles and parts under an exclusive agent agreement.
Isuzu Motors Kyusyu Co., Ltd.	Higashi-ku, Fukuoka, Fukuoka	100	Ditto	100.00 (100.00)	Yes	The Company supplies vehicles and parts under an exclusive agent agreement.
Isuzu Motors Sales Co., Ltd.* <sup>1</sup>	Nishi-ku, Yokohama-shi, Kanagawa	25,025	Selling vehicles	100.00	Yes	The Company supplies vehicles and parts under an exclusive agent agreement.
UD Trucks Corporation* <sup>1</sup>	Ageo-shi, Saitama	77,500	Producing and selling vehicles, and selling service parts	100.00	Yes	The Company provides loans for working capital.
IJTT Co., Ltd.* <sup>1, *2</sup>	Kanagawa-ku, Yokohama-shi, Kanagawa	5,500	Producing parts	43.32 (0.07)	Yes	The Company receives parts supply.
Shonan Unitec Co., Ltd.	Samukawa-machi, Koza-gun, Kanagawa	940	Producing parts	88.34	Yes	The Company receives parts supply.
ISUZU LOGISTICS Co., Ltd.	Nishi-ku, Yokohama-shi, Kanagawa	800	Logistics Services	100.00	Yes	The Company receives services related to logistics.
Isuzu Estate Co., Ltd.	Nishi-ku, Yokohama-shi, Kanagawa	1,990	Real estate lease and sales	100.00	Yes	The Company receives services related to real estate management.
Isuzu Leasing Service Co., Ltd.* <sup>1</sup>	Nishi-ku, Yokohama-shi, Kanagawa	14,375	Lease sale	51.00 (51.00)	Yes	–
Isuzu North America Corporation* <sup>1</sup>	Anaheim, California, U.S.A.	millions of USD 232	Selling vehicles	100.00	Yes	The Company supplies vehicles and parts.
Isuzu Motors America, LLC* <sup>1</sup>	Anaheim, California, U.S.A.	millions of USD 50	Ditto	100.00 (100.00)	Yes	The Company supplies parts.
Isuzu Commercial Truck of America, Inc.	Anaheim, California, U.S.A.	thousands of USD 25	Ditto	80.00 (80.00)	Yes	The Company supplies parts.
Isuzu Australia Limited	Truganina, Victoria	millions of AUD 47	Ditto	100.00	Yes	The Company supplies vehicles and parts.
Isuzu Motors Asia Ltd.* <sup>1</sup>	Singapore	millions of USD 220	Selling parts	100.00	Yes	The Company supplies parts.
Isuzu Motors Co., (Thailand) Ltd.* <sup>1, *3</sup>	Phrapradaeng, Samutprakan, Thailand	millions of Thai baht 8,500	Producing vehicles	71.15 (71.15)	Yes	The Company supplies parts.
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Latkrabang, Bangkok, Thailand	millions of Thai baht 1,025	Manufacturing engines	100.00 (98.60)	Yes	The Company supplies parts.
Isuzu Motors International Operations (Thailand) Co., Ltd.* <sup>1, *3</sup>	Chatuchak, Bangkok, Thailand	millions of Thai baht 678	Selling vehicles	70.00 (70.00)	Yes	–
ISUZU (CHINA) ENGINE CO., LTD.* <sup>1</sup>	Chongqing, China	millions of RMB 2,110	Producing, assembling and selling engines: selling parts of vehicles and engines	50.61	Yes	–

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
Isuzu Motors India Private Limited* <sup>1</sup>	Tamil Nadu, Republic of India	millions of INR 50,000	Producing and selling vehicles	62.00 (42.16)	Yes	–
ISUZU MOTORS INTERNATIONAL FZE	Dubai, United Arab Emirates	thousands of USD 7,434	Exporting and selling service parts and selling vehicles for the Middle and Near East	100.00	Yes	The Company supplies vehicles and parts.
Isuzu Motors South Africa (Pty) Limited* <sup>1</sup>	Port Elizabeth, East Cape, South Africa	millions of ZAR 2,708	Producing and selling vehicles	100.00	Yes	The Company supplies vehicles and parts.
73 other companies						

Affiliates accounted for under the equity method

Name	Address	Capital (millions of yen)	Main operations	Holding ratio of voting rights (%)	Concurrent positions, etc. of officers	Relationship
J-Bus Limited	Komatsu-shi, Ishikawa	1,900	Producing and selling buses	50.00	Yes	The Company receives the supply of rear bodies for vehicles.
Nippon Fruehauf Co., Ltd.	Atsugi-shi, Kanagawa	1,002	Producing parts	34.00	Yes	The Company receives the supply of rear bodies for vehicles.
General Motors Egypt S.A.E.	Cairo, Arab Republic of Egypt	millions of EGP 1,819	Producing and selling vehicles	21.84	Yes	The Company supplies parts.
Qingling Motors Co., Ltd.	Chongqing, China	millions of RMB 2,482	Producing and selling vehicles	20.00	Yes	The Company supplies parts.
33 other companies						

- (Notes)
- \*1: It is classified as specified subsidiary company.
  - \*2: It submits its own annual securities reports. The ratio of its stake owned by the Company is 50% or less, but it is classified as a subsidiary because it is substantially controlled by the Company.
  - In the column of Holding Ratio of Voting Rights, the number in parentheses indicates the indirect holding ratio, as part of the above.
  - \*3: Regarding Isuzu Motors Co., (Thailand) Ltd. and Isuzu Motors International Operations (Thailand) Co., Ltd., the rate of their net sales (excluding internal sales between consolidated companies) to consolidated net sales exceeds 10%.  
Main information on profits and losses, etc.

As of March 31, 2023

Name	Net sales (millions of yen)	Ordinary profit (millions of yen)	Profit (millions of yen)	Net assets (millions of yen)	Total assets (millions of yen)
Isuzu Motors Co., (Thailand) Ltd.	1,026,341	101,069	81,103	207,985	362,135
Isuzu Motors International Operations (Thailand) Co., Ltd.	424,347	10,788	8,612	30,490	131,814

## 5. Status of employees

### (1) Status of consolidated companies

As of March 31, 2023

Number of employees (people)	44,495	(15,146)
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- (Notes) 1. “Number of Employees” is the workforce (excluding employees seconded from the Group to outside organizations, but including employees seconded from outside the Group). The number of temporary workers (including seasonal workers, part-time workers, and temp employees dispatched by temp agencies) is indicated in parentheses, and is the average for the current fiscal year and not included in total.
2. The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

### (2) Status of reporting company

As of March 31, 2023

Number of employees (people)	Average age (years)	Average years of service (years)	Average annual salary (thousands of yen)
8,056 (4,361)	41.0	18.3	7,770

- (Notes) 1. “Number of employees” is the workforce (excluding employees seconded from the Company to outside organizations, but including employees seconded from outside the Company). The number of temporary workers (including part-time workers, temp employees dispatched by temp agencies, and seasonal workers) is indicated in parentheses and is the average for the current fiscal year and not included in total.
2. “Average annual salary” includes extra remuneration and bonus.
3. The Company is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

### (3) Status of labor unions

As of March 31, 2023, the Isuzu Motors Workers’ Union at the reporting company and the majority of labor unions at the consolidated subsidiaries belong to the Federation of All Isuzu Automobile Workers’ Unions, their superior organization, and to the Japanese Trade Union Confederation through the Confederation of Japan Automobile Workers’ Unions. There are no particular items to be reported regarding labor relations.

### (4) Percentage of female workers in management positions, percentage of male workers taking childcare leave, and difference in wages between male and female workers

#### (i) Reporting company

Current fiscal year				
Percentage of female workers in management positions (%) (Note) 1.	Percentage of male workers taking childcare leave (%) (Note) 2.	Difference in wages between male and female workers (%) (Note 1)		
		All workers	Full-time employees	Part-time and fixed-term workers
3.4	87.7	84.8	81.1	105.8

- (Note) 1. Calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).
- (Note) 2. The percentage of workers taking childcare leave, etc. or leave for childcare purpose is calculated as per Article 71-4, Item 2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

#### (ii) Consolidated subsidiaries

##### a. Percentage of female workers in management positions

The percentage of female workers in management positions is calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional

Life” (Act No. 64 of 2015). Information on consolidated subsidiaries that are not subject to disclosure requirements is omitted.

Name	Result (current fiscal year) (%)
UD Trucks Corporation	5.9
Isuzu Motors Chugoku Shikoku Co., Ltd.	3.0
IJTT Co., Ltd.	2.1
Isuzu Motors Chubu Co., Ltd.	0.5

b. Percentage of male workers taking childcare leave

The percentage of male workers taking childcare leave is calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015) or the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991). Information on consolidated subsidiaries that are not subject to disclosure requirements is omitted.

- The percentage of childcare leave taken calculated as per the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015)

Name	Result (current fiscal year) (%)		
	All workers	Full-time employees	Part-time and fixed-term workers
Shonan Unitec Co., Ltd.	33.3	33.3	–
Isuzu Leasing Service Co., Ltd.	16.7	16.7	–

- The percentage of workers taking childcare leave, etc. calculated as per Article 71-4, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

Name	Result (current fiscal year) (%)
Isuzu Motors Tohoku Co., Ltd.	29.2
Isuzu Motors Syutoken Co., Ltd.	11.5
Isuzu Motors Kyusyu Co., Ltd.	3.7

- The percentage of workers taking childcare leave, etc. or leave for childcare purpose calculated as per Article 71-4, Item 2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

Name	Result (current fiscal year) (%)
IJTT Co., Ltd.	85.7
Isuzu Motors Chubu Co., Ltd.	72.7
UD Trucks Corporation	57.3
Isuzu Motors Kinki Co., Ltd.	51.9

c. Difference in wages between male and female workers

The difference in wages between male and female workers is calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015). Information on consolidated subsidiaries that are not subject to disclosure requirements is omitted.

Name	Result (current fiscal year) (%)		
	All workers	Full-time employees	Part-time and fixed-term workers
Isuzu Motors Tohoku Co., Ltd.	88.6	89.6	62.2
Isuzu Motors Syutoken Co., Ltd.	84.9	82.8	76.7
Isuzu Motors Chubu Co., Ltd.	74.0	74.5	58.5
Isuzu Motors Kinki Co., Ltd.	83.7	84.1	80.0
Isuzu Motors Chugoku Shikoku Co., Ltd.	75.7	73.6	78.0
Isuzu Motors Kyusyu Co., Ltd.	65.0	57.5	99.2
IJTT Co., Ltd.	74.2	74.0	62.0
Shonan Unitec Co., Ltd.	64.4	66.3	60.8
Isuzu Engineering Co., Ltd.	78.3	84.1	70.1
ISUZU LOGISTICS Co., Ltd.	74.8	77.8	62.6
Isuzu Engine Manufacturing Hokkaido Co., Ltd.	62.6	62.3	60.9
UD Trucks Corporation	85.2	85.6	62.3
Isuzu Motors Sales Co., Ltd.	73.2	70.2	94.4

## II. Status of Business

### 1. Management policy, management environment, issues to be addressed, etc.

The Group's management policy, management environment, issues to be addressed, etc. are as follows.

The forward-looking statements within the following information reflect the judgment of the management as of the end of the current fiscal year.

#### (1) Management policy, corporate vision, and action policy

Given the volatility of the business environment surrounding the Group, these are extremely difficult times for projecting the short-term future. Amid these circumstances, we recognize the need to reexamine our value to society as a Company. We also acknowledge how extremely important it is to work with society to realize both economic and social value with the aim of achieving mid- and long-term growth for the Group.

Based on this understanding of these issues, the Group reconstructed its corporate philosophy in the form of "ISUZU ID" in anticipation of the next Mid-Term Business Plan beginning in April 2024 and in order to transform into a more global, sustainable company.

The structure of ISUZU ID is as follows.

#### ◆ PURPOSE: Moving the World – for You

This statement represents our determination to go beyond our previous corporate vision\*. It emphasizes transport solutions for all goods and people, creating value that enriches society, while addressing pressing issues such as carbon neutrality and a changing logistics landscape.

#### ◆ VISION: Advance the world as an innovation leader with "Reliability x Creativity"

In addressing the many challenges facing society today, Isuzu is committed to leading the way in innovation to bring positive change by combining the power of "Reliability" and "Creativity," attributes that Isuzu has long cherished.

#### ◆ MISSION: Creating a better life with better transport

Isuzu aims to be No.1 in the areas of "Satisfaction," "Sustainability," "Engagement" and "Social Impact," to move society forward together with all stakeholders.

#### ◆ CORE VALUE: Mutual Growth

Each and every employee is encouraged to embrace challenges and change, with a willingness to contribute. This coupled with respect, trust and empowerment will drive innovation and mutual growth.

The Group intends to use ISUZU ID as a springboard for further refining its strengths in current businesses and solidifying its financial foundation to proactively invest in innovation and address social issues.

\* Previous corporate vision: Isuzu will always mean the best. A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment.

#### (2) Issues to be addressed

As the pace of change accelerates and causes business operations to become more and more complex, the Group finds itself in what can accurately be described as a once-in-a-century transformation. It is the Group's social mission and responsibility to deal with such environmental changes and challenges. The Group recognizes that flexible adaptation to those changes is indispensable for sustainable growth. Therefore, the Group makes efforts to address social issues by embodying the highest-level concept of ISUZU ID: "Moving the World – for You."

To achieve this purpose, the Group will conduct research and development and invest in capital and business on the order of 1 trillion yen to make progress in carbon neutrality, DX for logistics, and other areas by 2030.

The following challenges have been extracted on a mid- to long-term basis, not only for realizing ISUZU ID, but also for addressing customers' expectations and technical innovations in the automobile industry and the commercial vehicle industry.

#### Expansion of current businesses and profitability improvement

Addressing the social issues of carbon neutrality and DX for logistics requires massive R&D expenses and investments. Although the Group plans to invest a total of 1 trillion yen into innovation by 2030, further expansion of current businesses and profitability improvement are essential for securing necessary funds while maintaining financial soundness.

In order to be continually chosen by customers in the commercial vehicle market and other current businesses, the Group regards capabilities in the following as indispensable: products that can meet diversified needs, sales that deliver the products' attractiveness to customers, and services that provide value to customers even after the sales. So far, the Group has achieved an increase in sales by launching the new models of pickup truck D-MAX, which has renewed functions such as eco-friendliness, safety, and comfortableness, as well as its derivative MU-X. Also, on the domestic front, the development of the uptime support business, with advanced genuine equipment "PREISM" mounted in all the vehicles as default, has strengthened the profit base.

Thanks to the steady implementation of efforts to be described later, net sales and operating profit for the fiscal year ended March 31, 2023 were 3,195.5 billion yen and 253.5 billion yen, respectively, an early achievement of the quantitative targets set out in Mid-Term Business Plan 2024 for the fiscal year ending March 31, 2024 (net sales of 2,750 billion yen and operating profit of 250 billion yen). We intend to further enhance our products and services to continue expanding current businesses and improving profitability.

#### (Efforts during the current fiscal year)

In the fiscal year ended March 31, 2023, we carried out full model changes for our key products: the ELF light-duty truck and our Forward medium-duty truck. These changes have brought great advancements to the new ELF and Forward models, mainly with respect to six points: Design, Hospitality, Economy, Safety, Connected and Lineup. The new ELF and Forward are our first mass-produced products designed based on I-MACS, our proprietary modular architecture and component standard, which we intend to continue using in more flexible product development corresponding to the needs as well as the power sources of different countries and regions.

We also put the new tractor units GIGA and Quon on the market—our first jointly developed products with UD Trucks Corporation, a consolidated subsidiary acquired from the Volvo Group in April 2021. The new models have higher load-carrying efficiency, improved operability, enhanced safety features, and other advancements thanks to the combination of technology from the Company and UD, and are being sold through both Isuzu and UD channels.

#### (Future plan)

The full model change announced for the new Forward involves a total renovation of the interior and exterior design in addition to substantially enhanced comfort, safety, and driver-assist features. The new Forward models are scheduled for release in around summer 2023. We made these improvements to address issues in the logistics industry as well as increasingly advanced, complex challenges faced in business and society.

We also intend to continue to enhance the products and services we introduced in the fiscal year ended March 31, 2023 in order to address societal issues—namely driver shortages and work environment improvement—and expand current business and improve profitability, thereby solidifying our profit base.



## Pillars of innovation

To achieve the purpose of ISUZU ID (“Moving the World – for You”), the Group will conduct research and development and invest in capital and business on the order of 1 trillion yen to make progress in carbon neutrality, DX for logistics, and other areas by 2030. Efforts to achieve carbon neutrality include adding to our lineup of electrified vehicles, enhancing services that contribute to decarbonization for customers and local communities, and reducing CO<sub>2</sub> and promoting recycling at our operating bases. As for DX for logistics, the Group will accelerate efforts to craft new drivers of growth looking toward 2030 to solve issues related to customers’ transport needs and create new value by focusing management resources on software and digital technology.

The Group has already taken steps to achieve carbon neutrality and DX for logistics by releasing GIGA LNG, the first LNG heavy-duty truck by a commercial vehicle manufacturer in Japan, and launching connected technologies ahead of the industry (e.g. fleet management and driver support service “MIMAMORI,” advanced genuine equipment “PREISM”).

(Efforts during the current fiscal year)

As one key solution for achieving carbon neutrality, the Group released ELF EV, the first mass-produced BEV. Coinciding with the release, the Group launched EVision, a total solution program that offers support for finding solutions to commercial BEV introduction issues and quantifies greenhouse gas emission reduction benefits. Thus, the Group offers products as well as services that provide total support to customers for introducing and operating EV.

The Group also began offering maintenance leases for heavy-duty trucks with remanufactured units (high-mileage vehicles at the end of their leases with engines and transmissions replaced to restore functionality). Many parts of these vehicles with remanufactured units are reused as part of recycling efforts, reducing CO<sub>2</sub> emissions and helping to achieve a carbon neutral society. Additionally, in June 2022, we formulated the 2030 Environmental Roadmap to guide us to the end of the decade on our way to steadily realizing efforts of Isuzu Environmental Vision 2050.

As for DX for logistics, the Company teamed with Fujitsu Limited and Transtron Inc. to launch the GATEX commercial vehicle information platform, which provides fleet management and operational support services for commercial vehicles and uses vast amounts of data to address challenges in the logistics industry.

(Future plan)

To achieve carbon neutrality, the Group plans to further accelerate the development of electrified vehicles with the goal of putting BEV and FCV on the market in all commercial vehicle categories by 2030. We will also research and develop onboard batteries, motors, and inverters and the associated control technology in addition to making efforts to improve the value-added of electrified vehicles. To offer a multitude of options tailored to local energy circumstances, we will continue to implement efforts involving carbon-neutral fuels and to develop technology for hydrogen internal combustion engines. In fact, we established a Carbon Neutral Strategy Division to accelerate these efforts, pool internal resources to develop more products, strive to make decisions more quickly, and consolidate and manage resources and know-how through various means, including collaboration with external entities. Furthermore, based on the 2030 Environmental Roadmap formulated in 2022, we will take steps to begin investing in earnest in achieving a 50% reduction of CO<sub>2</sub> emissions from domestic and foreign operating bases from 2013 levels by 2030.

As for DX for logistics, we plan to enhance the functionality of the GATEX commercial vehicle information platform and, anticipating the creation of new solutions through links to other information platforms in other industries and the future popularization of electrified commercial vehicles, will set our sights on utilizing it not only as an energy management system (EMS),\* but also as many other types of databases in the future to help achieve a carbon neutral society. We also aim to provide more convenient solutions by further enhancing EVision, the total solution program for introducing commercial electrified vehicles launched in the fiscal year ended March 31, 2023. Furthermore, in anticipation of the arrival of Level 4 autonomous driving in the future, we will continue efforts to develop and prove the viability of autonomous driving technology.

Regarding the aforementioned efforts and investment in the associated innovations, we will continue to co-create and share output with our alliance partners and customers to spread the benefits far and wide throughout society.

\* Energy management system (EMS): A system for developing policies, targets, goals, and plans for energy usage, determining procedures, and systematically implementing control activities.

### Evolution to management from ESG perspectives

It is essential to promote a metamorphosis into a company capable of surviving what can accurately be described as a once-in-a-century transformation so that we can address societal challenges and be a leader in the industry in such an era. Therefore, the Group promotes efforts to emphasize shareholder value, improve governance and disclosure, and transform into a professional group that creates innovation.

(Efforts during the current fiscal year)

In terms of emphasizing shareholder value, efforts to further improve capital efficiency resulted in an ROE of 12.1% in the fiscal year ended March 31, 2023. Also, regarding shareholder returns, dividend per share marked a record high of 79 yen, with a dividend payout ratio of 40.4%.

In terms of improving governance and disclosure, the Company transitioned to a Company with an Audit and Supervisory Committee in the fiscal year ended March 31, 2022 and is striving to further strengthen the supervisory functions of management. Also, in an effort to ensure diversity of the Board of Directors, the Company increased the number of Outside Directors of the Board to five (out of 13 Directors of the Board in total), with two female Directors of the Board.

To transform into a professional group that creates innovation, the Company relocated its Head Office to Yokohama in May 2022 and consolidated Group companies. The Company utilizes the latest office equipment and IT environment of the new headquarters to activate communication within the Company and the Group including overseas offices. Furthermore, by exerting the strength of Yokohama-shi, where companies in various sectors have their bases, the Company strives to promote communication with other industries.

Then, to add the essence of Isuzu to management from ESG perspectives, the Company created ISUZU ID, a new corporate philosophy that systematizes the Group's purpose, vision, and mission as well as ideal individual and collective values.

(Future plan)

In terms of emphasizing shareholder value, the Group will continue to promote management that focuses on shareholder value and further increase capital efficiency with the aim of achieving an ROE of 15% in the fiscal year ending March 31, 2026. Also, shareholder returns will continue to be enhanced. The Group aims to achieve an average dividend payout ratio of 40% during the period of the Mid-Term Business Plan (FY2022 to FY2024). In addition, flexible stock buybacks will be considered in light of cash flow. Furthermore, given the importance of creating value together with shareholders as well as employees, business partners, clients, creditors, local communities, and other diverse stakeholders, efforts are underway to return benefits to employees, consideration for business partners, and more based on the Multi-Stakeholder Policy formulated in April 2023.

To improve governance and disclosure, the Company is preparing for the application of IFRS in the future in order to enable the comparison of financial statements between international companies, improve financing, and increase shareholder value.

In terms of transforming into a professional group that creates innovation, the Company will continue efforts to further invigorate internal communication and communication with external entities and undertake initiatives such as the VOIS social network formed between the Group and the Volvo Group for promoting diversity and inclusion, with the aim of bringing positive change to employees' career advancement.

Through the purpose of ISUZU ID ("Moving the World – for You"), the Group aims to address societal challenges and advance the world as an innovation leader.

## 2. Sustainability approach and efforts

The following information includes forward-looking statements that reflect the judgment of management as of the date of submission of the Annual Securities Report (June 28, 2023).

Under ISUZU ID, the new corporate philosophy, the Group aims to be No.1 in the areas of “Satisfaction,” “Sustainability,” “Engagement” and “Social Impact,” to fulfill the “MISSION: Creating a better life with better transport.” To bring these to fruition, the Group will improve governance and disclosure, combat climate change, transform into a professional group that creates innovation, and otherwise promote sustainability activities to add depth to management from ESG perspectives implemented to date.

### (1) Sustainability in general

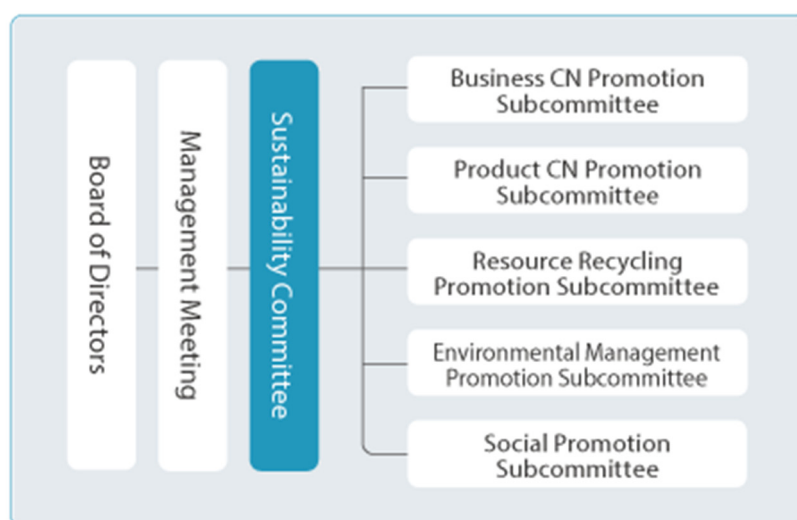
#### (i) Governance

To promote sustainability throughout the Group, the Company has established a Sustainability Committee chaired by the Executive Vice President and Director with standing members including officers in charge of individual domains.

The Sustainability Committee meets regularly (at least four times per year) to deliberate and make decisions on climate change risk, human rights, diversity, and other matters of sustainability, and, depending on the urgency and other factors, reports the matters they deliberate to attendees at the Management Meeting and the Board of Directors Meetings.

Additionally, subcommittees specializing in environmental and social matters and chaired by the associated standing members have been established under the Sustainability Committee. These subcommittees hold detailed discussions about individual issues.

(Structure of the Sustainability Committee)



CN: Carbon Neutrality

#### (ii) Risk management

The Company has established a risk management system headed by a Group Chief Risk Management Officer (CRMO) who is responsible for the Group’s risk management process. The Group CRMO regularly identifies and assesses management and operational risks in terms of the sustainability of society and the Company, and properly manages the risks with particular focus on mitigating them.

Specific risks identified to date are listed in “3. Business and other risks,” and include “Recruitment and retention of a talented workforce and creation of results” and “Climate change.” These and other risks are controlled and managed as Group-wide risks.

(2) Climate change

(i) Governance

The system for steadily promoting efforts to achieve carbon neutrality is headed by the aforementioned Sustainability Committee, which deliberates and makes decisions on matters involving climate change. Subcommittees include the Business CN Promotion Subcommittee, which promotes activities for achieving carbon neutrality in production and other business activities, and the Product CN Promotion Subcommittee, which promotes activities that contribute to the carbon neutrality of products through decarbonization technology, energy, etc. These subcommittees underpin the system for considering and institutionalizing specific policies and activities.

(ii) Strategy

The Company conducted analysis based on environmental scenarios for 2050 in reference to long-term environmental scenarios of the IPCC <sup>(\*1)</sup> and socioeconomic scenarios prepared by the IPCC and IEA <sup>(\*2)</sup>. The analysis identified the following transition risks and opportunities associated with transitioning to a decarbonized society, and physical risks and opportunities stemming from the physical impact of augmented natural disasters, etc.

Under ISUZU ID, our new corporate philosophy, we will accelerate responses to these risks as well as measures for creating and expanding opportunities as a way to achieve carbon neutrality, the cornerstone of our innovation promotion.

(\*1) IPCC: Intergovernmental Panel on Climate Change

(\*2) IEA: International Energy Agency

(Risks and opportunities)

Category	Risk	Opportunity	Measures	Impact on operations
Transition risks and opportunities (risks and opportunities associated with the transition a decarbonized society)	Loss of share due to delayed response to further tightened environmental regulations	Increase in demand for zero-emission vehicles	Promote efforts to establish a full lineup to accommodate the transition to carbon neutrality	Major
	Increase in development and production costs to accommodate a wider range of power trains (e.g. EV, FCV)	Expansion of open innovation Wider availability of affordable clean energy	Efficient, alliance-based joint development Implement lower-carbon operations and reduce costs by switching to affordable clean energy	Major
	Contraction of market for internal combustion engine vehicles that run on fossil fuels	–	Use next-generation (carbon-neutral) fuels to make use of existing internal combustion engine technology and infrastructure	Major
	Deterioration of brand strength due to inability to meet diverse needs for logistics infrastructure	Expansion of needs for autonomous driving, truck platooning, and full trailers	Co-create with customers to create logistics innovation to achieve carbon neutrality	Major
	Increase of energy costs and reputational risks due to delayed introduction of renewable energy and measures to reduce greenhouse gas (GHG) emissions in overall operations	Reduction of costs and improvement of corporate image through early introduction of renewable energy	Expand introduction of renewable energy Reduce energy cost by further promoting energy-saving activities	Moderate
Physical risks and opportunities (physical risks and opportunities stemming from augmented natural disasters, water resource depletion, etc.)	Operational damage due to an increase in abnormal weather events (e.g. floods, typhoons)	Increase in demand for disaster-ready vehicles Expansion of needs for natural disaster-resilient infrastructure and services	Provide disaster-ready vehicles Provide services for recovering vehicles inundated in floods, etc. Bolster corporate character with enhanced BCP	Major

For information about specific efforts to reduce CO<sub>2</sub> in the Group's products, services, and business activities, and long-term environmental scenarios, please see the sections on the environment section in Sustainability Report 2022.

(iii) Risk management

General risks associated with climate change are managed under the Group-wide risk management system as described in “(1) (ii) Risk management.” The Sustainability Committee identifies and assesses the specific climate change risks listed in “(2) (ii) Strategy” and manages the progress of measures accounting for the impact on operations.

(iv) Indicators and targets

The Company formulated Isuzu Environmental Vision 2050, which describes the goal of zero GHG throughout the lifecycles of the Group’s products by 2050. To achieve this goal, the Group set an intermediary goal to achieve a 50% reduction of CO<sub>2</sub> emissions (Scope 1 and 2) from 2013 levels by 2030 in the 2030 Environmental Roadmap.

(Reporting company FY2021 actual CO<sub>2</sub> emissions)

Scope 1		Scope 2		Scope 3	
128,074	tCO <sub>2</sub>	78,192	tCO <sub>2</sub>	94,477,471	tCO <sub>2</sub>
Category	1	Purchased goods and services		4,903,215	tCO <sub>2</sub>
	3	Fuel- and energy-related activities outside of Scope 1 and 2		44,081	tCO <sub>2</sub>
	4	Upstream transportation and distribution		37,402	tCO <sub>2</sub>
	5	Waste generated in operations		5,312	tCO <sub>2</sub>
	6	Business travel		1,050	tCO <sub>2</sub>
	7	Employee commuting		3,486	tCO <sub>2</sub>
	10	Processing of sold products		166,537	tCO <sub>2</sub>
	11	Usage of sold products		89,314,699	tCO <sub>2</sub>
	12	Disposal of sold products		1,689	tCO <sub>2</sub>

Scope 1: Direct GHG emissions from the operator (fuel combustion, industrial processes)

Scope 2: Indirect emissions associated with the consumption of electricity, heat, and steam supplied by other companies

Scope 3: Indirect emissions outside of Scope 1 and 2 (other companies’ emissions associated with the operator’s activities)

The Company plans to release results from FY2022 in the Sustainability Report to be published in August 2023.

(3) Human capital and diversity

(i) Governance

The Company regularly holds Workstyles Reform Promotion Meetings and makes efforts to promote and deploy measures in terms of engagement and working comfort with the aim of “achieving equitable work styles and the ideal state of each workplace” in the Company. These matters involving personnel measures are reported at the Management Meeting.

Additionally, regarding occupational safety and health, monthly meetings of Health and Safety Committee are held at each operating base. These meetings offer opportunities for labor and management to discuss employees’ occupational and traffic safety and health management, improvements for work environments, and more. The details of discussions at Health and Safety Committee meetings are reported to an officer in charge of Health and Safety Department as needed.

(ii) Strategy

While the external environment is shifting in terms of moves toward carbon neutrality and electrification, the internal environment is also changing drastically, exemplified by recent efforts to build an alliance system. In light of these changes, in order to transform into a global, sustainable company, the Company started reforming its HR platform and preparing to introduce a new HR system during the current fiscal year with the aim of being No. 1 in Engagement, one of four areas under ISUZU ID, the Group's new corporate philosophy.

- Human resource development policy

In this volatile, fiercely competitive business environment, the Company's basic approach to human resource development is to implement measures to help employees take charge of their own career development and provide educational opportunities to impart the knowledge and insight they need to flourish on a global stage.

- Internal environment development policy

The Company's basic approach of respecting employees entails developing environments in which employees can maximize their talents and work in safety and comfort so that both they and the Company exhibit visible growth.

In terms of employee safety, the Company's Policy for Safety and Health Activities requires each and every employee to think and act while prioritizing safety and referring back to Isuzu Health and Safety Philosophy in addition to engaging in activities that maintain everyone's safety and improve their awareness of safety and health. Everyone at every Company workplace makes these proactive efforts on a daily basis to achieve the safety management goals.

On aspects other than safety, the Company develops environments and operates programs to maintain and promote physical and mental health, prevent and mitigate infectious diseases, facilitate work-life balance, and more with the aim of improving employee productivity and motivation.

(iii) Risk management

As described in "(1) (ii) Risk management," "Recruitment and retention of a talented workforce and creation of results" has been identified as a risk associated with human capital and diversity. This risk is managed under the Group-wide management system.

As measures to counter this risk, the Company will develop written job descriptions and remuneration systems to secure the right people for each position, create appealing work environments that support autonomous career development, and strengthen efforts under the new HR system, for example support for growth of lower-ranking employees by ensuring frequent opportunities for dialogue with their supervisors. Additionally, in accordance with the Isuzu Group's Human Rights Policy, officers and employees are trained and educated to raise their awareness of and respect for human rights, a prerequisite for measures to counter this risk.

(iv) Indicators and targets

The Company has set the following indicators to measure the status of efforts related to human resource development policy and internal environment development policy. In the future, the Company will start setting additional indicators to measure the outputs of the efforts.

- Indicators for human resource development

Indicator	Result (current fiscal year)
Number of people trained for managerial positions	417 people
Number of people trained for general clerical positions	1,031 people

- Indicators for internal environment development

Indicator		Result (current fiscal year)
Number of people who used the family care support program	Child care leave	81 people
	Nursing care leave	1 people
	Reduced working hours (nursing/child care)	33 people
Number of work-related accidents	Total number of accidents (Target: 6 accidents)	31 accidents



### 3. Business and other risks

We have appointed a Group Chief Risk Management Officer (CRMO), who is responsible for group-wide risk management and leads the organization-wide risk management process.

The Group CRMO is responsible for:

- Regularly identifying and assessing risks associated with the management and operation of the Group's businesses;
- Appropriately managing these risks, with a focus on mitigating them, as well as planning and implementing various risk responses in the event that any risk should materialize and turn into a crisis, such as minimizing the impact of such a risk; and
- Regularly holding the "Risk Management Confirmation Meeting" to assess the progress of implementing risk responses, identify materialized risks, and continually review risk responses and awareness.

Additionally, to ensure independence and enhance the specialization of risk management promotion organizations, the Company separated the Legal Dept. from the Administration Division and established a new Risk Management Dept. to promote risk management and compliance independently of the Legal Dept.

The information related to the operational and financial information as well as other information provided in this Annual Securities Report includes the following risk factors that may have a significant impact on investors' decisions.

The following information includes forward-looking statements that reflect the judgment of the management as of the date of submission of the Annual Securities Report (June 28, 2023).

#### 1. Risks arising from global economic conditions, financial markets, and automotive markets

##### (1) Fluctuations in economic conditions and aggregate demand in major markets

Demand for automobiles, from which a major portion of our worldwide sales are generated, is affected by economic conditions in the countries and regions where we sell our products, especially in major markets such as Japan, Thailand, and the United States.

We have designated some emerging markets as priority regions and are working to expand sales since demand for logistics services is expected to increase in emerging economies while the commercial vehicle market is expected to gradually decline in Japan. For this reason, economic conditions of some emerging markets could also affect our performance and financial position.

Although we strive to accurately assess economic conditions and demand trends while diversifying the markets in which we sell our products in order to minimize their impact, an economic recession in our major markets and the resulting shrinkage in demand could have a material adverse effect on our performance and financial position.

However, since demand for automobiles is strongly influenced by the economic conditions of the markets, changes in national and local social and economic conditions (e.g. surging commodity and gasoline prices) could have an adverse effect on our business activities, performance, and financial position. Additionally, production constraints materializing again due to shortages of semiconductors or other external goods, or increases in the cost of materials, energy, logistics, etc. could have a material adverse effect on our business activities, performance, and financial position.

##### (2) Competition in the automotive market

The automotive market, where a major portion of our worldwide sales is generated, is fiercely competitive. Such an increasingly competitive environment could affect the competitiveness of our products and cause price and market share fluctuations. There are a wide variety of factors that affect competition, including product performance, safety, fuel efficiency, environmental performance, pricing, and after-sales services, and the factors that are considered important vary from one market to another in each country.

In order to maintain or boost our competitive edge in key markets, we continuously develop, produce, and sell highly competitive products, and provide after-sales services for them while working to improve these factors. However, if we fall behind the competition in our major markets

or emerging markets, or in the event of unexpected industry restructuring, our performance and financial position could be materially adversely affected.

(3) Fluctuations in exchange rates and interest rates

Our operations include the production and sale of products worldwide. Local currency-denominated accounting items, including sales, expenses, assets, and liabilities, in each region are translated into yen for the purpose of preparing the consolidated financial statements. Exchange rates at the time of conversion, particularly for the U.S. dollar and Thai baht, may affect the yen value of these items, even if the value in the original local currency remains unchanged. Furthermore, exchange rate fluctuations affect the pricing of the raw materials we purchase and the products we sell.

Although we make daily efforts to manage our cash flows, the costs associated with financing could have an adverse effect on our performance and financial position, such as an increase in interest expenses, if market interest rates rise sharply.

In addition to local production, we utilize derivative financial instruments, including forward exchange contracts, to minimize the impact of exchange and interest rate fluctuations.

However, major fluctuations in foreign exchange and interest rates could have a material adverse effect on our performance and financial position.

2. Business risks

2-1. Business risks arising primarily from “the Group’s response to the external environment”

(4) Response to new technological innovations, changes in business models, etc.

The external environment related to our Group’s operations is drastically changing. Technological and social changes, including diversification of customer needs in the commercial vehicle market, changes in business models using commercial vehicles, technological innovations such as CASE, promotion of digital innovation in production, sales, after-sales service, and back-office operations, as well as a growing interest in ESG investing and achievement of the SDGs, are opportunities for us to expand and further develop our business.

In order to quickly respond to such technological and social changes, we have established a permanent department dedicated to implementing multiple organization-wide projects. However, in the unlikely event that we are unable to respond quickly and sufficiently to these technological and social changes, our performance and financial position may be materially adversely affected.

(5) Research and development

The business environment in which our Group operates is expected to see intensifying competition and diversifying product needs that differ from market to market. In order to adopt to this business environment and focus on the manufacturing of products that support customers’ transportation needs, we must possess advanced technologies and engage in research and development that will enable us to provide products that meet the exact needs of the market.

We develop new technologies and products by forecasting future market needs and prioritizing areas for research and development. However, if we fail or are delayed in reaching the required level of technology or accurately identifying market needs, our performance and financial position could be adversely affected.

We also obtain new technologies and products through alliances and cooperation with component manufacturers. However, if alliance partners or component manufacturers fail or are delayed in reaching the required level of technology, our performance and financial position could be adversely affected.

(6) Joint ventures and other alliances

Our Group participates in joint ventures in several countries according to laws or other requirements of the countries in which they operate. We also partner with dealers and distributors for domestic and overseas sales, and form joint ventures and business alliances for research and development.

We consider whether or not to enter into business alliances based on a variety of information, including the operational status, governance, and other important non-financial information of joint venture partners and alliance partners.

However, factors beyond our control, such as changes in the management policies or business environment of joint venture partners or alliance partners, could have a significant adverse effect on our performance and financial position.

(7) Dependence on specific channels for sales and supply

We sell and supply our products, such as automobiles and their component parts, through specific internal and external channels, including Tri Petch Isuzu Sales Co., Ltd. (Bangkok, Thailand) and General Motors Corporation (Detroit, Michigan, United States). Due to our dependence on specific sales and supply channels, if the volume of supply or distribution to the market decreases due to the deterioration of our business partner's business performance, or if bad debts occur due to credit concerns of our business partner, our business performance and financial position may be adversely affected.

We maintain relationships with large corporate clients and diversify risk by cultivating new customers. However, sales to these client companies are affected by factors beyond our control, such as fluctuations in their production and sales volumes, and they could adversely affect our performance and financial position.

(8) Delays or shortfalls in the procurement of materials, parts, and other supplies; rising procurement prices

Our Group procures raw materials, parts, and products necessary for production from external suppliers. If demand significantly exceeds their capacity, if their supply capacity is significantly reduced due to supplier's accident or unforeseen circumstances, if shipping containers and other logistics services essential for procurement are not sufficiently available, or if suppliers suffer cyberattacks, we may not be able to secure raw materials, parts, and products in the quantities required for production or experience delays in securing them. In addition, if prices of raw materials soar due to limited supply and cannot be absorbed through internal efforts, such as improving productivity or by passing the cost on to the consumer, it could have an adverse effect on our performance and financial position.

We regularly monitor our suppliers' production capacity, credit risk, product quality, costs, and other factors to ensure that there will be no delays or shortages in procurement. However, in the event of a significant shortage or price hike in materials and components, including semiconductors, or in the event of a natural disaster such as a large-scale earthquake, an epidemic, or other unforeseen event, our performance and financial position could be adversely affected.

We are also working on human rights due diligence in accordance with the Isuzu Group's Human Rights Policy to ensure that there are no human rights violations related to work environments or health and safety in our supply chain. In addition to that, we monitor compliance with laws and regulations as well as responses to climate change in our supply chain. However, if problems other than quality, cost, and delivery emerge in our supply chain, we may not be able to secure raw materials, parts, and products in the quantities required for production or experience delays in securing them.

2-2. Business risks arising primarily from "the Group's internal operations"

(9) Compliance and reputation

We are committed to compliance not only to ensure that all relevant laws and regulations are followed but also to meet the expectations of our stakeholders.

We have a system in place to prevent any legal violation as well as a system to promptly respond to compliance issues should they be detected.

We have also set up a Compliance Committee, an advisory body to the President that provides objective advice, oversight, and evaluation on the promotion of compliance and the establishment of

compliance systems. The committee members include outside experts (lawyers, etc.) in order to ensure the fairness and transparency needed to promote compliance.

However, we cannot completely eliminate the possibility that a legal violation will occur in the future, and if one should actually occur or if we fail to respond to it appropriately and quickly enough, it may have a material adverse effect on our Group's public credibility. In such an event, our performance and financial position could be adversely affected. In particular, if we are found to be in serious violation of privacy, anti-bribery, or antitrust/competition laws or regulations in countries in which we operate and are subject to significant fines, our performance and financial position could be materially adversely affected.

#### (10) Product defects

We manufacture a variety of products at our plants in Japan and overseas in accordance with strict quality control standards that are accepted worldwide. To maintain and improve quality, the Group strives for early detection and sharing of information on defects, conducts assessment for quality improvement throughout the company, and monitors the operational status of company-wide quality management through the Quality Assurance & Customer Satisfaction Improvement Committee. We also have product liability insurance in case we need to be compensated for damages caused by product defects, etc.

However, in the unlikely event of a large-scale recall, our performance and financial position may be materially adversely affected. In addition, if actual costs incurred significantly exceed the accrued expenses recorded in advance, or if product liability insurance does not cover the costs of product liability claims, our performance and financial position could be materially adversely affected.

#### (11) Risks related to information security in IT society

Our Group's operations call for the collection and use of customer information, use of technical information as trade secrets, use of information technology for automatic control of facilities, and the stable use of IT networks in all aspects of operations, including production activities. Our business depends on such information, information technology, and IT networks.

We have appointed a person responsible for managing such risks and set up a specialized organization to implement various security measures to maintain and improve information security, such as protecting personal and confidential information, maintaining data and system availability, and preventing falsification of information.

However, if an information leak or other security breach occurs due to an unforeseen event, we may lose credibility as a company, become liable for damages to customers, etc., which could have a material adverse effect on our performance and financial position. In addition, system failures, computer virus infections, cyberattacks, etc. may cause business interruptions and data corruption or loss. As a result, our performance and financial position may be materially adversely affected.

We also sign information security agreements with our alliance partners and implement various security measures to maintain and improve information security, such as protecting personal and confidential information, maintaining data and system availability, and preventing falsification of information. However, if an information leak or other security breach occurs due to an unforeseen event, we may lose credibility as a company, become liable for damages to customers or alliance partners, etc., which could have a material adverse effect on our performance and financial position.

#### (12) Risks related to intellectual property protection

We have accumulated technologies and know-how that set our products apart from our competitors' products. Some of our proprietary technologies and know-how cannot be fully protected or can only be protected to a limited extent by intellectual property rights in certain countries and regions due to legal restrictions.

We are making efforts to protect our intellectual property. However, if we are unable to effectively prevent third parties from using our intellectual property to manufacture similar products, or if an intellectual property infringement lawsuit against our Group were to result in the suspension of manufacturing and sales or a claim for damages, our performance and financial position could be adversely affected.

(13) Recruitment and retention of a talented workforce and creation of results

Believing that human resources are our most important business asset, we are working to secure a diverse workforce with the skills and abilities needed to carry out our Group's operations, and are working to increase the motivation, enthusiasm, skills, abilities, and performance of each employee and retain them within the Group. However, if the job market becomes more competitive in the future, it may become more difficult to secure and retain excellent human resources.

On top of that, a large portion of our Group's workforce is older as is the case with many Japanese companies. This may make it difficult to seamlessly pass on skills and appropriately assign personnel in the future.

As measures to counter this risk, the Group will develop written job descriptions and remuneration systems to secure the right people for each position, create appealing work environments that support autonomous career development, and strengthen efforts under the new HR system, for example support for growth of lower-ranking employees by ensuring frequent opportunities for dialogue with their supervisors.

Regarding respect for human rights—a prerequisite for measures to counter this risk—and in accordance with the Isuzu Group's Human Rights Policy, the Group provides training and education to officers and employees to raise their awareness of human rights, implements human rights due diligence, and more. Recognizing the importance of respecting human rights in business, we also engage in dialogue with our stakeholders and strive to promote a better understanding of human rights issues among our business partners and suppliers.

However, if these measures are not sufficient, our performance and financial position could be adversely affected by employee turnover, a decline in employee motivation, failure to meet quantitative expectations, a failure to pass on skills, and reduced competitiveness.

2-3. Business risks deriving primarily from “external factors”

(14) Legal requirements

Our Group is subject to various government regulations in the countries in which we operate, including business and investment permits, national security, tariffs, and other import/export restrictions. We are also subject to commerce, antitrust, patent, consumer, taxation, exchange control, environmental, recycling, and safety laws and regulations. In particular, regulations on emissions and fuel consumption/CO<sub>2</sub> are likely to be tightened further as environmental awareness grows. Complying with these laws and regulations requires significant investments, etc., and we may not be able to generate sales commensurate with these investments in the future.

We gather information on legal trends in various countries, especially in Japan, the U.S., Thailand, China, and Europe, and invest and develop new technologies and products to prepare for changes in laws and regulations.

However, in the unlikely event of an unexpected amendment or abolishment of regulations or other changes in the law, our performance and financial position may be materially adversely affected.

(15) Potential risks associated with international activities and foreign ventures

We produce and sell our products not only in Japan but also in various overseas locations. Operations in these overseas markets particularly involve certain risks as listed below.

- Changes in political and economic conditions
- Unilateral changes in policies on permission, authorization, and other issues as well as direct or indirect expropriation of the Group's assets
- Restrictions on imports and exports as well as technology transfers
- Restrictions on information and data management and transfer
- Restrictions on the use and procurement of facilities, software, cloud services, and contractors that pose security risks
- Potentially adverse tax consequences
- Regulation of remittance and exchange
- Difficulty in recruiting and securing human resources
- Undeveloped technological and social infrastructure (power, water, sewage, roads, ports, etc.)

- Social disruption due to terrorism, warfare, natural disasters, economic sanctions, or other factors

Although we are working to identify risks and taking measures in each country, if such risks materialize, they could have an adverse impact on our performance and financial position.

Due to the situation in Ukraine, which has been ongoing since February 2022, the business environment in Russia has changed drastically. If the political and economic situation in Ukraine, Russia, and neighboring countries deteriorates further, our performance and financial position may be adversely affected.

#### (16) Disasters

Operating around the world, our Group is exposed to various disaster risks. In the event there is a large-scale earthquake, windstorm, flood, volcanic eruption, or other natural disaster; power outage or other disruptive event; epidemic or infectious disease outbreak then our production, sales, and other business activities may be affected. In particular, in the event that a major disaster occurs in Japan's southern Kanto region, where our key business locations are concentrated, our performance and financial position may be adversely affected.

In order to minimize the potential adverse impact of disruptions in production processes, etc., we conduct regular disaster preparedness assessments and equipment inspections at all our facilities, have emergency action plans ready, and conduct drills based on these plans. We have also established prevention and response plans for new strains of influenza and other unknown infectious diseases and conduct drills based on these plans. Furthermore, we are making daily efforts to obtain global information on new strains of influenza and other unknown infectious diseases as early as possible through the use of outside consultants, etc. and take appropriate measures as necessary in addition to stockpiling masks and other supplies in appropriate quantities.

However, we may not be able to completely prevent or mitigate the impact of a disaster, etc., which could have a material adverse effect on our performance and financial position.

#### (17) Climate change

The Group considers climate change risk to be one of the most pressing societal challenges. Therefore, the Group must accommodate tightened regulations on environmental issues attributable to climate change and adapt to climate change and more frequent, severe natural disasters. Meanwhile, we will take action based on our view that developing new technology and creating innovation to contribute to a decarbonized society leads to opportunities for further growth.

We endorse the Paris Agreement, which commits countries to limiting the increase in the global average temperature to well below 2°C above pre-industrial levels and to aim for 1.5°C. Additionally, the Group identified "balancing the global environment and economic development" as a material issue, and in March 2020 formulated Isuzu Environmental Vision 2050, which outlines our long-term approach to addressing environmental problems. Climate change initiatives are positioned as a key environmental issue in Isuzu Environmental Vision 2050, and we aim to achieve zero greenhouse gas (GHG) emissions throughout the life cycle of our products and zero GHG emissions coming directly from our operations by 2050. Additionally, in June 2022, we issued our new 2030 Environmental Roadmap to chart an ambitious path to achieving our long-term environmental vision.

In response to climate change risks, the Group's Sustainability Committee identifies and assesses risks and manages the progress of measures accounting for the impact on operations. For example, we are studying and analyzing the specific impact climate change and rising global temperatures may have on our products, services, and business activities based on several long-term environmental scenarios. We are taking measures to address the risks and opportunities associated with the transition to a decarbonized society as well as the increase in natural disasters and depletion of water resources caused by climate change in light of the severity of the impact on our operations. At the same time, we make climate change-related disclosures in line with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). See the environment section of Sustainability Report 2022 for more information.

Notably, the Group's climate change initiatives are highly regarded by external organizations such as the CDP, an influential international environmental non-profit organization.

In order to minimize the impact on our performance and financial position from any disruptions in operations caused by frequent weather disasters associated with climate change and various regulations aimed at a decarbonized society, we are working to enhance our business continuity capability while developing and marketing GHG-free products, building production systems, and otherwise striving to decarbonize our entire value chain.

However, if efforts to mitigate climate change itself or to address the impacts of climate change are not sufficient, our performance and financial position may be materially adversely affected.

#### 4. Management's discussion and analysis of financial condition and results of operations and cash flows

##### (1) Overview of results of operations

###### (i) Results of operations

Demand for commercial vehicles for the current fiscal year largely remained steady, mainly in overseas markets. In terms of production, although the supply chain was disrupted due in large part to semiconductor shortages, efforts to operate in such a way as to minimize the impact resulted in a total of 671,493 units sold in Japan and overseas, an increase of 91,536 units (+15.8%) over the previous fiscal year.

Despite supply chain disruptions damping production, the situation is gradually improving. The total number of units sold in Japan increased 3,259 units (+6.0%) year on year to 57,848 units. The total number of units sold overseas rose 88,277 units (+16.8%) year on year to 613,645 units thanks mainly to an increase in the number of pickup trucks sold.

As regards sales amounts of products other than vehicles, sales of parts for overseas production fell 10.6 billion yen (-19.3%) year on year to 44.3 billion yen due to declining demand in some markets, while engines and components sales rose 1.0 billion yen (+0.6%) year on year to 171.4 billion yen. Other sales climbed 94.8 billion yen (+16.9%) year on year to 657.3 billion yen on the strength of the expansion of existing businesses.

Consequently, net sales rose 681.2 billion yen (+27.1%) year on year to 3,195.5 billion yen, and they were comprised of 989.8 billion yen posted for Japan, up 12.7% year on year, and 2,205.7 billion yen for the rest of the world, up 34.8% year on year.

Consolidated financial results for the current fiscal year are as follows.

	Current fiscal year		Year on year	
Net sales	3,195.5 billion yen	681.2 billion yen	27.1%	
Operating profit	253.5 billion yen	66.3 billion yen	35.4%	
Ordinary profit	269.8 billion yen	61.4 billion yen	29.5%	
Profit attributable to owners of parent	151.7 billion yen	25.5 billion yen	20.2%	

###### (Exchange rates)

USD/JPY	135.5 yen (112.4 yen)
THB/JPY	3.84 yen (3.44 yen)
AUD/JPY	92.6 yen (83.1 yen)

Note: Figures in parentheses indicate exchange rates for the previous fiscal year

On the profit and loss front, despite an increase in costs due to the surging price of raw materials and other commodities, operating profit increased 35.4% year on year to 253.5 billion yen because sales units increased and in part because of the weak yen. Ordinary profit reached 269.8 billion yen, up 29.5% year on year, and profit attributable to owners of the parent stood at 151.7 billion yen, up 20.2% year on year.

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.



(ii) Financial position

Total assets as of the end of the current fiscal year rose 190.6 billion yen from the previous fiscal year to 3,046.7 billion yen.

Liabilities grew 74.8 billion yen from the previous fiscal year to 1,536.5 billion yen.

Net assets increased 115.8 billion yen from the previous fiscal year to 1,510.2 billion yen.

The capital adequacy ratio stood at 42.9%, compared with 41.8% as of the end of the previous fiscal year.

Interest-bearing liabilities decreased 17.3 billion yen from the previous fiscal year to 513.1 billion yen.

(iii) Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the current fiscal year rose 22.6 billion yen from the end of the previous fiscal year to 364.3 billion yen; more specifically, out of the funds from operating activities of 227.0 billion yen, 80.5 billion yen was used for investing activities and 140.3 billion yen was used for financing activities.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, recorded an inflow of funds of 146.5 billion yen, against an outflow of funds of 248.8 billion yen as of the end of the previous fiscal year.

Cash flow from operating activities

Funds provided by operating activities amounted to 227.0 billion yen, up 32.0% from the previous fiscal year.

This was mainly due to inflows of funds of 269.8 billion yen and 107.2 billion yen recorded for profit before income taxes and depreciation, respectively, and 39.3 billion yen derived from an increase in notes and accounts payable, partially offset by outflows of funds of 113.0 billion yen from an increase in inventories and 71.9 billion yen from income taxes paid.

Cash flow from investing activities

Funds used in investing activities fell to 80.5 billion yen, down 80.9% from the previous fiscal year.

This was mainly due to outflows of funds of 107.3 billion yen from acquisition of non-current assets, partially offset by an inflow of 23.9 billion yen from the sale of investment securities.

Cash flow from financing activities

Funds used in financing activities reached 140.3 billion yen, against an inflow of funds of 186.1 billion yen for the previous fiscal year.

This was mainly due to outflows of funds of 90.5 billion yen from repayment of long-term borrowings, 56.7 billion yen from dividend payment, and 48.1 billion yen from dividend payment to non-controlling interests, partially offset by an inflow of 117.0 billion yen from execution of long-term borrowings.

(iv) Production results, orders received, and sales

a. Production results

Consolidated production results for the current fiscal year are as follows.

	Current fiscal year (From April 1, 2022 to March 31, 2023)		Year on year	
	Volume (units)	Amount (millions of yen)	Volume (%)	Amount (%)
Heavy-duty and medium-duty vehicles	62,115	–	3.6	–
Light-duty vehicles	574,009	–	14.0	–
Total	636,124	–	12.9	–
Parts for overseas production	–	41,411	–	(26.6)
Engines and components	–	221,188	–	(2.1)
Other	–	181,512	–	21.5

(Notes) 1. The amounts for parts for overseas production, engines and components, and other are based on the selling prices.

2. The above table does not include production results of affiliates.

b. Orders received

We build products to stock based on past sales data and sales forecasts.

c. Sales

Consolidated sales for the current fiscal year are as follows.

		Current fiscal year (From April 1, 2022 to March 31, 2023)		Year on year	
		Amount (millions of yen)		Change (%)	
	Japan	332,066		11.4	
	Overseas	394,775		49.2	
Total heavy-duty and medium-duty vehicles		726,842		29.2	
	Japan	116,163		20.3	
	Overseas	1,479,463		38.6	
Total light-duty vehicles and others		1,595,626		37.1	
	Japan	448,229		13.6	
	Overseas	1,874,238		40.7	
Total vehicles		2,322,468		34.5	
	Overseas	44,310		(19.3)	
Parts for overseas production		44,310		(19.3)	
	Japan	59,086		1.4	
	Overseas	112,320		0.2	
Engines and components		171,407		0.6	
	Japan	482,517		13.5	
	Overseas	174,833		27.3	
Other		657,351		16.9	
	Japan	989,833		12.7	
	Overseas	2,205,703		34.8	
Total net sales		3,195,537		27.1	

(Note) Sales by major buyer and percentage of total sales are as follows.

Buyer	Previous fiscal year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)	
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)
Tri Petch Isuzu Sales Co., Ltd.	419,210	16.7	559,810	17.5

(2) Analysis of financial condition and results of operations in the view of management

The following provides an analysis of the Isuzu Group's financial condition and results of operations in the view of management.

The following information includes forward-looking statements that reflect the judgment of the management as of the date of submission of the Annual Securities Report (June 28, 2023).

(i) Recognition, analysis, and discussion of financial condition and results of operations

a. Overview

CVs

Total CV unit sales for the current fiscal year were up 29,431 units (+11.1%) year on year to total 294,289 units.

In Japan, despite supply chain disruptions damping production, the situation is gradually improving. The total number of units sold in Japan increased 3,259 units (+6.0%) year on year to 57,848 units. Overseas, although demand slowed in some markets, it is strong in most markets due in part to less severe semiconductor shortages. The total number of units sold overseas increased 26,172 (+12.4%) year on year to 236,441 units.

Notably, our market share for heavy-duty and medium-duty trucks in Japan increased 6.9% from the previous fiscal year to 39.9% (or 58.2% when we include UD Trucks). Also, our market share for light-duty trucks increased 3.1% year on year to 37.0% due to less severe production constraints.

• Sales units of CV

		Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Japan	Heavy-duty/medium-duty	29,323	30,157	834	2.8
	Light-duty	25,266	27,691	2,425	9.6
	Total	54,589	57,848	3,259	6.0
North America	Heavy-duty/medium-duty	378	4,568	4,190	1,108.5
	Light-duty	25,364	27,042	1,678	6.6
	Total	25,742	31,610	5,868	22.8
Asia	Heavy-duty/medium-duty	22,916	27,835	4,919	21.5
	Light-duty	51,861	58,935	7,074	13.6
	Total	74,777	86,770	11,993	16.0
Other	Heavy-duty/medium-duty	25,797	29,701	3,904	15.1
	Light-duty	83,953	88,360	4,407	5.2
	Total	109,750	118,061	8,311	7.6
Total	Heavy-duty/medium-duty	78,414	92,261	13,847	17.7
	Light-duty	186,444	202,028	15,584	8.4
	Total	264,858	294,289	29,431	11.1

### LCVs

Total LCV unit sales for the current fiscal year increased 62,105 units (+19.7%) year on year to total 377,204 units.

LCV production in Asia increased substantially from the previous fiscal year due to improvements in the supply of semiconductor components. As a result, sales were up 36,699 units (+19.1%) year on year to reach 228,768 units. The impact of the semiconductor shortage began to dissipate in other regions as well, and thanks to a significant increase in the sales of new models and other factors, the overall sales volume increased 25,406 units (+20.7%) year on year to total 148,436 units.

Notably, in Thailand, although overall demand for LCVs has stalled after increasing slightly, new models continue to be well received, and our sales share reached 43%, higher than the previous year.

- Sales units of LCV

	Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Asia	192,069	228,768	36,699	19.1
Other	123,030	148,436	25,406	20.7
Total	315,099	377,204	62,105	19.7

### Powertrains

The shipment volume of industrial engines for the current fiscal year decreased 12,990 units (-8.7%) year on year to total 136,162 units due to a slowdown in demand for construction machinery in China and semiconductor shortages.

- Shipment units of industrial engines

	Previous fiscal year (units)	Current fiscal year (units)	Change (units)	Change (%)
Total	149,152	136,162	(12,990)	(8.7)

b. Analysis of results of operations for the current fiscal year

#### Net sales

Net sales rose 681.2 billion yen (+27.1%) year on year to 3,195.5 billion yen thanks in part to an increase in sales units in Japan and overseas, and they were comprised of 989.8 billion yen posted for Japan, up 12.7% year on year, and 2,205.7 billion yen for the rest of the world, up 34.8% year on year.

#### Operating profit

Operating profit grew 66.3 billion yen (+35.4%) year on year to 253.5 billion yen.

Regarding fluctuations in the price of raw materials and other commodities in the current fiscal year, record-breaking surges in the cost of raw materials, logistics, etc. due to supply chain disruptions put a big dent in our bottom line, leading to a 130.0-billion-yen year-on-year decrease in operating profit. Meanwhile, exchange rate fluctuations resulted in an 80.0 billion-yen year-on-year increase in operating profit due to the further weakening of the yen, sales and model mix fluctuations resulted in a 69.0 billion-yen increase due to rising sales units, price accommodations resulted in a 55.0 billion-yen increase due to price increases, and cost-reduction activities resulted in a 21.0 billion-yen increase. These developments had a stronger impact on our bottom line than rapid economic fluctuations.

As a result, the operating margin for the current fiscal year came to 7.9% (compared with 7.4% for the previous fiscal year).

Major factors for year-on-year changes in operating profit are as shown below.

- Analysis of fluctuations of operating profit (year on year)

	(billions of yen)
Exchange rate fluctuations	80.0
Sales and model mix fluctuations	69.0
Price accommodations	55.0
Cost-reduction activities	21.0
Changes in expenses	(28.7)
Fluctuations in the price of raw materials and other commodities	(130.0)
<hr/> Total	<hr/> 66.3

#### Non-operating income/losses

A net non-operating income of 16.3 billion yen was recognized in the current fiscal year, down 4.8 billion yen compared to the previous fiscal year.

Although there was a year-on-year increase of 2.4 billion yen in net interest (interest and dividend income minus interest expenses), which totaled 8.9 billion yen, foreign exchange losses increased by 8.2 billion yen, resulting in the decrease in income.

#### Extraordinary income/losses

Extraordinary income of 3.7 billion yen and extraordinary losses of 3.7 billion yen in the current fiscal year contributed to a 4.0 billion-yen income increase from to the previous fiscal year. Principal factors for the current fiscal year were extraordinary losses, including a loss on disposal of non-current assets and loss related to the Russian business, and extraordinary income, including a gain on sale of investment securities.

#### Taxes

Taxes in the current fiscal year including income taxes - current and income taxes - deferred were 73.2 billion yen while taxes for the previous fiscal year were 47.5 billion yen.

#### Profit attributable to non-controlling interests

Profit attributable to non-controlling interests consists primarily of profits returned to the non-controlling shareholders of Isuzu's locally incorporated subsidiaries in the ASEAN region and North America as well as parts manufacturers or sales companies in Japan. Profit attributable to non-controlling interests for the current fiscal year totaled 44.8 billion yen, compared with 30.5 billion yen in the previous fiscal year.

#### Profit attributable to owners of parent

Profit attributable to owners of parent for the current fiscal year was 151.7 billion yen, up 25.5 billion yen from the previous fiscal year. Net income per share came to 195.75 yen.

- c. Analysis of financial condition for the current fiscal year

#### Assets

Total assets as of the end of the current fiscal year rose 190.6 billion yen from the previous fiscal year to 3,046.7 billion yen.

Primary factors included increases in inventories of 135.7 billion yen, trade receivables of 27.3 billion yen, and property, plant and equipment of 16.7 billion yen.

#### Liabilities

Liabilities grew 74.8 billion yen from the previous fiscal year to 1,536.5 billion yen.

Primary factors included increases in trade payables of 66.9 billion yen and accrued expenses of 15.1 billion yen.

#### Net assets

Net assets increased 115.8 billion yen from the previous fiscal year to 1,510.2 billion yen.

Primary factors included 151.7 billion yen posted as profit attributable to owners of parent and an increase in foreign currency translation adjustment of 29.7 billion yen, partially offset by a decrease in retained earnings of 56.7 billion yen as a result of dividend payments.

#### d. Analysis of progress on business objectives

The Group's business objectives in Mid-Term Business Plan 2024 (FY2022 to FY2024) and progress toward achieving them are as follows.

	Current fiscal year (Fiscal year ended March 31, 2023)	Mid-term target (Fiscal year ending March 31, 2024)
Net sales	3,195.5 billion yen	2,750.0 billion yen
Operating profit	253.5 billion yen	250.0 billion yen
ROE	12.1 %	12.5 %
Dividend payout ratio	40.4 %	Average for the period: 40.0 %

Of the business objectives in Mid-Term Business Plan 2024, net sales have increased substantially beyond the target because the yen has become much weaker than expected, and also due to price revisions, rising sales units, and other factors.

As for operating profit, we achieved the target amid record-breaking surges in the cost of raw materials, logistics, and energy primarily due to price revisions, rising sales units, and the weak yen. Other contributors to the increase in operating profit include robust after-sale services and streamlining efforts typified by cost cutting.

ROE reached 12.1% in the current fiscal year as a result of our efforts to improve capital efficiency. The aim is to achieve the mid-term target of 12.5% with a further increase in operating profit. Concurrently, we will continue to consider stock buybacks.

The dividend payout ratio, standing at 40.4%, exceeded the target as a result of paying dividends from retained earnings after taking into full consideration the balance between various factors, such as returning profits to shareholders, strengthening our operational foundation, and enhancing our internal reserves to prepare for future business developments.

e. Information on capital resources and fund liquidity

Cash flows

Information on cash flows is provided in “(1) Overview of results of operations, etc.” in “3. Management’s discussion and analysis of financial condition and results of operations and cash flows” in “II. Status of Business.”

Demand for funds

At Isuzu, funds are mainly needed to cover the purchase of materials and parts used in manufacturing products, manufacturing expenses, purchases of merchandise and finished goods, selling, general and administrative expenses, working capital, and capital investments.

Information on capital investments is provided in “1. Overview of capital investment, etc.” in “III. Status of Facilities.”

Financing

Working capital is basically financed by each company in their local currency through short-term borrowings with a repayment period of one year or less. As a general rule, capital investments are funded by internal sources, such as share capital and internal reserves. Going forward, we may consider raising funds through borrowings, bonds, etc. when making an investment or taking out a loan.

The annual repayment amount on interest-bearing liabilities as of the end of the current fiscal year is shown in “Schedule of corporate bonds” and “Schedule of borrowings” of “(v) Consolidated supplementary schedules” in “1. Consolidated financial statements, etc.” in “V. Financial Information.”

Fund liquidity

As we enter the CASE era, our competitors, partners, and stakeholders are growing more diverse and expanding globally. We are keenly aware of the need to transform our management culture in order to remain relevant in these rapidly changing times.

We will work on this transformation with a focus on “evolving management from an ESG perspective” while benchmarking ourselves against leading global manufacturers. As part of that perspective, we place great emphasis on shareholder value. Working with the aim of improving profitability for steady dividend growth, we set the average dividend payout ratio at 40.0% for the period of our Mid-Term Business Plan 2024 (running from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024). This figure was arrived at in light of keeping an overall balance between growth investments aimed at the sustainable enhancement of our corporate value, higher retained earnings for better financial health, and shareholder value. On top of that, as part of our management focus on capital efficiency, we will consider flexible stock buybacks. As we work to achieve these goals, we will use operating cash flow generated through our business operations to fund investments, repay debts, and pay out dividends to shareholders, while mainly using borrowings and corporate bonds to finance M&As and other activities, in accordance with Mid-Term Business Plan 2024.

While we should always keep a close eye on the liquidity of available funds, we believe that we are maintaining the kind of liquidity needed to respond to sudden changes in the financial markets since we have commitment line agreements with major banks in addition to cash and cash equivalents.

(ii) Critical accounting estimates and assumptions

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in Japan. The preparation of consolidated financial statements requires management to use accounting policies and make judgments, estimates, and assumptions that affect the amounts of assets, liabilities, revenues, and expenses. Due to the uncertainties inherent in estimates, actual results could differ from our initial estimates, which could adversely affect the results of our operations.



Significant accounting policies which we believe to have a material effect on our critical estimates and judgments used in the preparation of our consolidated financial statements include the following.

Those that could have a particularly material effect on our consolidated and non-consolidated financial statements for the next fiscal year are noted in “(Critical accounting estimates)” in “1. Consolidated financial statements, etc.” in “V. Financial Information” and “(Critical accounting estimates)” in “2. Financial statements, etc.” in “V. Financial Information.”

#### Allowance for doubtful accounts

The majority of receivables held by us consist of accounts receivable from distributors and sales companies. Of these receivables, we record an estimated amount of uncollectible accounts based on the historical default rate, etc. for general receivables, and based on the assessment of the collectability of specific accounts, such as doubtful accounts.

Therefore, an additional allowance may be required in the event that the default rate increases due to economic trends or in the event that the financial condition of the debtor of a specific account, such as a doubtful account, deteriorates or that the debtor’s ability to pay their debt declines.

#### Inventories

We hold inventories of raw materials, parts, etc., in addition to finished products and work in process, such as vehicles and engines. When the profitability of these inventories declines due to deterioration of market conditions, etc., we estimate the extent of the decline in profitability based on projected future supply and demand, etc. and record write-downs.

Therefore, if actual demand or supply is worse than estimated, additional write-downs may be required.

#### Deferred tax assets

We record deferred tax assets up to the amount deemed recoverable based on tax planning strategies that allow for the realization of deferred tax assets in the future.

Therefore, in the event that our business performance declines due to the deterioration of market or economic conditions, decline in our competitiveness, or other factors, and that we deem all or part of the deferred tax assets to be unrecoverable in the future, the deferred tax assets may be adjusted during the period in which such judgement is made, resulting in an increase in costs.

#### Retirement benefit expenses and liability

Calculations of retirement benefit expenses and obligations are based on actuarial assumptions. These assumptions include discount rates, future compensation levels, retirement rates, mortality rates, and long-term rates of return on pension assets.

Although each of the assumptions is calculated using a method that is deemed fully reasonable at present, a decline in the discount rate due to changes in the economic environment, a decline in the expected long-term rate of return on pension assets due to a deterioration in market conditions, or any change in the retirement and mortality rates could adversely affect retirement benefit expenses and liability and increase expenses and liability.

#### Provision for product warranties

We provide for product warranties to cover the cost of after-sales services of our products. The provision for product warranties is the cost that could be incurred over the warranty period of our products, which is estimated on the basis of historical warranty rates in accordance with the contract terms specified in the warranty documents for each product and region.

Therefore, if the actual cost incurred is higher than the estimated amount, it may be necessary to revise the estimated amount.

## 5. Important business agreements

Time agreement was signed	The other party (parties) to agreement		Type of agreement	Overview of agreement
	Country	Name		
August 2004	Japan	Hino Motors, Ltd.	Shareholders' agreement	Isuzu and Hino Motors agreed to integrate their bus production operations and part of their bus development operations into J-Bus Limited to merge three companies, J-Bus Limited, a company established jointly by both companies, its wholly-owned subsidiaries, Hino Auto Body, Ltd. and Isuzu Bus Manufacturing Co., Ltd.
October 2014	Japan	Mitsubishi Corporation	Basic memorandum of understanding	Isuzu and Mitsubishi Corporation agreed to change the partnership framework, which included increasing Isuzu's stake in Isuzu Engine Manufacturing Co., (Thailand) Ltd., Isuzu Motors International Operations (Thailand) Co., Ltd., and other local affiliates in Thailand, with an eye to optimizing collaboration between the two companies in Thailand.
October 2020	Sweden	Aktiebolaget Volvo (AB Volvo)	Basic alliance agreement	Isuzu and AB Volvo agreed on areas of collaboration and the decision-making framework for collaboration.
Same as the above	Same as the above	Volvo Technology Aktiebolaget (VTEC)	Basic agreement on technology alliance	Isuzu and VTEC, a development management company wholly owned by AB Volvo, agreed on a decision-making framework for technological collaboration, cost-sharing principles, and the handling of intellectual property rights.
March 2021	Japan	Toyota Motor Corporation Hino Motors, Ltd.	Joint planning agreement	Isuzu agreed with Toyota Motor Corporation and its subsidiary Hino Motors, Ltd. to collaborate on CASE technologies for commercial vehicles.
Same as the above	Same as the above	Toyota Motor Corporation	Capital alliance agreement	Isuzu and Toyota agreed to a capital alliance under which they hold each other's shares.

Important business agreements that expired during the current fiscal year are as follows.

Time agreement was signed	The other party (parties) to agreement		Type of agreement	Overview of agreement
	Country	Name		
December 2006	Japan	ITOCHU Corporation Isuzu Motors Sales Co., Ltd.	Shareholders' agreement	Isuzu and ITOCHU agreed to invest in and operate a new company that engages in a life cycle business related to Isuzu's domestic sales business, and the new company, Isuzu Motors Sales Co., Ltd., started the operation of the life cycle business.

## 6. Research and development

In order to provide products and services that will satisfy customers around the world, we conduct research and development on the latest technologies for trucks, buses, pickup trucks, diesel engines, etc., and use these technologies to develop optimal products that meet the needs of customers in various countries and regions.

Operating in a constantly changing business environment, we believe the most significant changes in the commercial vehicle industry are the accelerated trends toward electrification and decarbonization as well as growing expectations for an uninterrupted logistics infrastructure. We recognize that it is our social mission and responsibility to respond to these changes and help usher in a new era in logistics that will pave the way to a decarbonized society.

Under Mid-Term Business Plan 2024 (running from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024), we are focusing on implementing a carbon neutral strategy as we help drive the logistics evolution forward as a commercial vehicle manufacturer. These two axes of innovation form the basis of our ongoing research and development efforts.

Our research and development activities during the current fiscal year resulted in a full model change for the ELF light-duty truck, which has already been released. This model change has brought advancements to the new ELF, mainly with respect to six points: Design, Hospitality, Economy, Safety, Connected and Lineup. In terms of fuel consumption and driving performance, we paired our further improved 4JZ1 cutting-edge diesel engine with Isuzu Smooth Intelligent TransMission (ISIM), our newly developed nine-speed dual clutch transmission (DCT), to stay 15% ahead of the JH25 heavy-duty vehicle mode standard for fuel consumption in FY2025. With nine gears, the automatic transition is faster and limits engine revolutions, delivering next-level fuel consumption and engine performance. In terms of safety, we have taken steps to enhance advanced safety features and driver assistance functions with the aim of eliminating fatal traffic accidents. In addition to improving stereo camera performance, we added short-range millimeter-wave radar and driver status monitors and offer nine new optional safety assist feature packages <sup>(\*)1</sup>. We also introduced ELF EV, Isuzu's first mass-produced battery electric vehicle (BEV). Our proprietary product development platform I-MACS <sup>(\*)2</sup> allows us to install various power sources and give customers the freedom of choice. In addition to putting a BEV on the market, we also developed and launched EVision,<sup>(\*)3</sup> our total solution program for achieving carbon neutrality by helping customers consider and address issues in the process of introducing commercial BEV, quantifying the effects of CO<sub>2</sub> emission reductions, and proposing further decarbonization. Regarding light-duty fuel-cell trucks, we are working with Toyota and CJPT on joint plans and development for achieving a hydrogen-based society. Under these efforts, we have put new models on the market and begun trial distribution in the cities of Koriyama and Iwaki in Fukushima.

We also announced a full model change for our Forward medium-duty truck. The change involves a total renovation of the interior and exterior design in addition to substantially enhanced comfort, safety, and driver-assist features intended to address increasingly advanced, complex challenges in the logistics industry. The new Forward models are scheduled for release around summer 2023.

As for GIGA heavy-duty trucks, we began selling an improved model that meets fuel consumption standards for FY2025. We also announced and released new GIGA and Quon tractor units jointly developed with UD Trucks. These are our first jointly developed products since bringing UD Trucks into the Isuzu Group, and the amalgamation of our respective technologies enables us to downsize our engines in pursuit of higher load-carrying efficiency and to improve operability, enhance safety features, and take other steps to address societal issues, namely driver shortages and work environment improvement. Additionally, together with Denso, Toyota, and CJPT, we began planning and basic research on hydrogen engines for heavy-duty commercial vehicles with the aim of continuing to use internal combustion engines to achieve carbon neutrality. We also began offering maintenance leases for high-mileage heavy-duty trucks with engines, transmissions, and other reusable parts restored using remanufacturing technology at the end of their original short-term leases.

Regarding buses, we improved and released our ERGA large and ERGA Mio medium mass-transit buses. We made the improvements in an effort to improve safety, thereby reducing accidents and helping drivers drive safely. Specific improvements include adding an automatic detection function to the Emergency Driving Stop System (EDSS), adding a function that automatically turns low-beam headlights on and off in response to the brightness of the surroundings, and making the rear camera and monitor a part of the standard package.

We also instituted a full model change of the MIMAMORI telematics system for commercial vehicles. Coupled with our new GATEX commercial vehicle information platform, a broader range of services are now available. Specifically, we added commercial vehicle navigation, video drive recorders, and other new

functions, and strengthened labor management and dynamic management and enhanced other functions to address problems associated with the new overtime regulations scheduled to take effect in 2024.

Research and development expenses for the current fiscal year totaled 118.9 billion yen.

(\*1) The nine new optional safety assist feature packages are as follows.

Pre-collision Braking System (in turning), Full Speed Range Adaptive Cruise Control, Lane Keep Assist, Driver Status Monitor, Emergency Driving Stop System & Driver Emergency Assist System, Adaptive Driving Beam, Traffic Sign Recognition Assist, Intelligent Speed Limiter, Front Blind Spot Monitor

(\*2) An abbreviation of Isuzu Modular Architecture and Component Standard. A method of development that makes it possible to combine components, parts, devices, etc. to meet diverse needs in anticipation of further technological advancements and model development.

(\*3) A portmanteau of electric vehicle (EV) and “vision” in every sense of the word (e.g. sight, foresight, outlook), created to express Isuzu’s attitude toward customers and efforts on their behalf to visualize challenges in EV introduction and EV operation and provide forward-looking solutions in pursuit of carbon neutrality.

### III. Status of Facilities

#### 1. Overview of capital investment, etc.

Isuzu Group made a total of 82.2 billion yen in capital investment for the current fiscal year. Ongoing capital investment is typified by enhancement of support through our service network of more than 400 domestic locations. There was no retirement or sale of important facilities in the current fiscal year.

#### 2. Status of major facilities

The main facilities of the Group are as follows:

##### (1) Company submitting the Annual Securities Report

Name of operating base (Location)	Details of facilities	Book value (millions of yen)					Number of employees (people)
		Buildings and structures	Machinery, equipment and vehicles	Land (area in 1,000 m <sup>2</sup> )	Other	Total	
Tochigi Plant (Tochigi-shi, Tochigi)	Manufacturing engines and parts	17,216	25,834	33,695 (1,120)	2,034	78,780	1,230
Fujisawa Plant (Fujisawa-shi, Kanagawa)	Total assembly of trucks and manufacturing parts	34,768	30,419	[2] 108,531 (816)	22,723	196,442	5,717
Engine manufacturing facility (Tomakomai-shi, Hokkaido)	Manufacturing engines (Loaned to Isuzu Engine Manufacturing Hokkaido Co., Ltd.)	2,052	2,148	10,218 (1,480)	348	14,768	–
Comprehensive testing facility (Mukawa-cho, Yufutsu-gun, Hokkaido)	Automobile comprehensive test site (Loaned to ISUZU HOKKAIDO PROVING GROUND Co., Ltd.)	4,528	516	3,180 (4,428)	84	8,309	–
Head Office (Yokohama-shi, Kanagawa)	Activities of Head Office	7,638	556	–	8,204	16,399	1,109
Sales/logistics facilities Welfare facilities Other	Motor pool, retail facilities, and welfare facilities	19,673	703	[34] 39,113 (999)	1,564	61,053	–

## (2) Domestic subsidiaries

Company Name (Location)	Details of facilities	Book value (millions of yen)					Number of employees (people)
		Buildings and structures	Machinery, equipment and vehicles	Land (area in 1,000 m <sup>2</sup> )	Other	Total	
Isuzu Motors Syutoken Co., Ltd. (Koto-ku, Tokyo) 6 other domestic sales subsidiaries	Sales facilities	165	253	11 (1)	814	1,245	6,880
Isuzu Motors Sales Co., Ltd. (Yokohama-shi, Kanagawa)	Sales facilities (Loaned to the sales subsidiaries above)	36,642	3,615	60,245 (1,230)	2,524	103,026	345
Shonan Unitec Co., Ltd. (Samukawa-machi, Koza-gun, Kanagawa)	Press parts production facility	2,250	762	1,326 (135)	1,906	6,245	447
ISUZU LOGISTICS Co., Ltd. (Yokohama-shi, Kanagawa)	Warehouse and parts packing facility	4,433	724	31 (3)	1,271	6,460	719
Isuzu Estate Co., Ltd. (Yokohama-shi, Kanagawa)	Land and buildings for rent	1,219	–	1,345 (14)	10	2,575	46
Isuzu Engine Manufacturing Hokkaido Co., Ltd. (Tomakomai-shi, Hokkaido)	Engine manufacturing facility	475	2,233	–	336	3,046	357
IJTT Co., Ltd. (Yokohama-shi, Kanagawa)	Facility to manufacture and assembly parts	12,005	19,990	8,852 (719)	6,266	47,115	2,616
Isuzu Leasing Service Ltd. (Yokohama-shi, Kanagawa)	Sales facilities, vehicles on operating leases (others)	118	–	–	89,265	89,384	278
UD Trucks Corporation (Ageo-shi, Saitama)	Facility for total assembly of trucks and manufacturing and selling engines	32,898	3,398	63,085 (1,432)	4,745	104,488	6,103

## (3) Overseas subsidiaries

Company Name (Location)	Details of facilities	Book value (millions of yen)					Number of employees (people)
		Buildings and structures	Machinery, equipment and vehicles	Land (area in 1,000 m <sup>2</sup> )	Other	Total	
Isuzu Motors America, LLC (Anaheim, California, United States)	Other facilities	254	15	502 (60)	133	905	41
Isuzu Motors Co., (Thailand) Ltd. (Papaden City, Samut Prakan Province, Thailand)	Automobile assembly facility	7,974	21,612	7,704 (987)	4,332	41,623	3,283
Isuzu Engine Manufacturing Co., (Thailand) Ltd. (Lat Krabang, Bangkok, Thailand)	Parts assembly facility	3,191	16,778	2,076 (106)	848	22,730	956
Isuzu Autoparts Manufacturing Corporation Laguna, Philippines	Parts assembly facility	503	2,047	–	1,485	4,036	488
P.T. Asian Isuzu Casting Center (Karawang, West Java, Indonesia)	Casting facility and others	1,033	4,355	119 (78)	222	5,730	461
ISUZU (CHINA) ENGINE CO., LTD. (Jiulongpo District, Chongqing, China)	Engine processing plant and others	38	4,868	–	4,354	9,261	476
Isuzu Motors India Private Limited (Tamil Nadu, India)	Vehicle assembly facility	3,239	1,877	–	1,126	6,244	334
P.T. TJForge Indonesia (West Java, Republic of Indonesia)	Forging plant and others	1,511	4,873	1,166 (117)	753	8,018	292
IJTT (Thailand) Co., Ltd. (Chonburi, Thailand)	Facility to manufacture and assembly parts	2,604	1,869	1,746 (88)	776	7,043	528
ISUZU MOTORS INTERNATIONAL FZE (Jebel Ali Free Zone, Dubai, United Arab Emirates)	Parts warehouse and others	2,597	–	–	1,472	4,070	76
Isuzu East Africa Limited (Nairobi City, Kenya)	Automobile assembly facility	1,232	746	–	1,102	3,081	428
Isuzu Australia Limited (Truganina, Victoria and Brisbane, Queensland)	Parts warehouse and others	471	56	590 (4)	1,283	2,402	133

- (Notes)
1. The amounts shown are rounded down to the nearest million yen.
  2. Figures in brackets denote rental to entities other than the consolidated companies and are included numbers, and the rental is mainly for sales/logistics facilities and others (land of 34,000 m<sup>2</sup> for an annual rent of 29 million yen), and they are used as offices, factory land and logistics facilities of our business partners.
  3. The “Other” item in the book value column includes leased assets, right-of-use assets, construction in progress, and vehicles on operating leases.
  4. The number of employees shown denotes full-time employees.



5. In addition to the above, major rental and leasing facilities are as follows:

(1) Company submitting the Annual Securities Report

Name of operating base (Location)	Details of facilities	Land (area in 1,000 m <sup>2</sup> )	Annual rent or lease fee (millions of yen)
Sales/logistics facilities	Motor pool (rental)	463	2,008
Each operating base	Automobile manufacturing facility, computer equipment/office equipment and others (lease)	–	30
Head Office (Yokohama-shi, Kanagawa)	Office facilities, etc. (rental)	27	1,352

(2) Subsidiaries

Company Name	Name of operating base (Location)	Details of facilities	Land (area in 1,000 m <sup>2</sup> )	Annual rent or lease fee (millions of yen)
Isuzu Motors Syutoken Co., Ltd.	Shiroi Branch / Shiroi Service Center (Shiroi-shi, Chiba)	Sales facility (rental)	23	60
Ditto	Chuo Branch / Koto Service Center (Koto-ku, Tokyo)	Ditto	5	84
Ditto	Mizuho Branch / Mizuho Service Center (Mizuho-machi, Nishitama-gun, Tokyo)	Ditto	7	76
Isuzu Motors Kinki Co., Ltd.	Kobe Branch / Kobe Service Center (Higashinada-ku, Kobe-shi)	Ditto	27	193
Ditto	Settsu Branch / Settsu Service Center (Settsu-shi, Osaka)	Ditto	8	60
Ditto	Himeji Branch / Himeji Service Center (Himeji-shi, Hyogo)	Ditto	10	60
Isuzu Motors Kyusyu Co., Ltd.	Head Office / Fukuoka-Chuo Service Center (Higashi-ku, Fukuoka-shi)	Ditto	14	97
Isuzu U-MAX Co., Ltd.	IMA Kobe auction venue (Nada-ku, Kobe-shi)	Ditto	61	281
Ditto	Osaka Sales Department (Konohana-ku, Osaka-shi)	Ditto	13	78
Ditto	Kobe Sales Department (Kobe-shi, Hyogo)	Ditto	14	87

### 3. Plans for new construction, retirement, etc. of facilities

The Group's capital investment is planned by comprehensively considering the demand forecast, production plan, investment ratio to profits, etc. for the next year, and adjustments are being made focusing on the company submitting the Annual Securities Report.

The planned investment amount for significant new construction and renovation at the end of the current fiscal year is 140.0 billion yen, which will be funded by cash on hand and borrowings.

The plans for new construction and renovation of important facilities are as follows: Since it is difficult to make a rational calculation for the capacity increase after the completion, the description is omitted.

#### (1) Company submitting the Annual Securities Report

Company Name	Name of operating base (Location)	Details of facilities	Planned amount (millions of yen)	Year/month of starting construction	Scheduled completion date	Amount paid so far (millions of yen)	Future required funds (millions of yen)
The Company	Tochigi Plant (Tochigi-shi, Tochigi)	Facility for machining and assembling engines	9,837	January 2022	March 2023	1,232	8,605
Ditto	Fujisawa Plant (Fujisawa-shi, Kanagawa)	Facility for producing truck engines	42,120	Ditto	Ditto	7,785	34,336
Ditto	Engine manufacturing facility (Tomakomai-shi, Hokkaido)	Facility for machining and assembling engines	928	Ditto	Ditto	155	773
Ditto	Comprehensive testing facility (Mukawa-cho, Yufutsu-gun, Hokkaido)	Facility for various types of testing and research	578	Ditto	Ditto	74	503
Ditto	Head Office (Yokohama-shi, Kanagawa)	Systems and head office equipment	8,998	Ditto	Ditto	1,606	7,392

## (2) Domestic subsidiaries

Company Name	Name of operating base (Location)	Details of facilities	Planned amount (millions of yen)	Year/month of starting construction	Scheduled completion date	Amount paid so far (millions of yen)	Future required funds (millions of yen)
UD Trucks Corporation	Ageo Plant (Ageoshi, Saitama) and other places	Production facility and others	11,025	January 2023	March 2024	2,280	8,745
IJTT Co., Ltd.	Ebina Plant (Ebina-shi, Kanagawa) and other places	Facility for assembling engines and others	14,611	Ditto	Ditto	3,628	10,983
Isuzu Motors Sales Co., Ltd.	Kohoku Service Center (Yokohama-shi, Kanagawa) and other places	Sales facilities	25,479	Ditto	Ditto	1,479	24,000

## (3) Overseas subsidiaries

Company Name	Name of operating base (Location)	Details of facilities	Planned amount (millions of yen)	Year/month of starting construction	Scheduled completion date	Amount paid so far (millions of yen)	Future required funds (millions of yen)
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Head office (Lat Krabang, Bangkok, Thailand)	Facility for assembling engines	4,985	January 2023	March 2024	726	4,259
Isuzu Motors Co., (Thailand) Ltd.	Head office (Papaden City, Samut Prakan Province, Thailand)	Vehicle assembly facility	11,589	Ditto	Ditto	1,477	10,112

#### IV. Status of Company Submitting Annual Securities Report

##### 1. Status of stocks, etc.

###### (1) Total number of shares, etc.

###### (i) Total number of shares

Class	Total number of authorized shares (shares)
Common stock	1,700,000,000
Total	1,700,000,000

###### (ii) Issued shares

Class	Number of issues as of the end of the fiscal year (shares) (As of March 31, 2023)	Number of shares issued as of submission date (shares) (As of June 28, 2023)	Name of financial instruments exchange listed on or of authorized financial instruments firms association	Description
Common stock	777,442,069	777,442,069	Tokyo Stock Exchange, Inc. Prime Market	It is the Company's standard stock with no restrictions on rights, and the number of shares constituting one unit is 100.
Total	777,442,069	777,442,069	—	—

###### (2) Status of stock acquisition rights, etc.

###### (i) Details of stock option system

Not applicable.

###### (ii) Details of the rights plan

Not applicable.

###### (iii) Status of other stock acquisition rights, etc.

Not applicable.

###### (3) Exercise status, etc. of convertible bonds with an exercise price adjustment clause

Not applicable.

###### (4) Changes in the total number of issued shares, share capital, etc.

Date	Change in total number of issued shares (shares)	Total number of outstanding shares (shares)	Change in share capital (thousands of yen)	Balance of share capital (thousands of yen)	Change in legal capital surplus (thousands of yen)	Balance of legal capital surplus (thousands of yen)
March 31, 2021 (Note)	(70,980,600)	777,442,069	—	40,644,857	—	49,855,132

(Note) Based on the resolution of the Board of Directors of the Company on March 24, 2021, we cancelled treasury shares of 70,980,600 shares of the Company's common stock.

## (5) Status by shareholder

As of March 31, 2023

Category	Share status (100 shares per unit)								Status of shares less than one unit (shares)
	Government and local governments	Financial institutions	Financial instruments business operators	Other domestic corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (people)	–	86	58	527	763	99	52,612	54,145	–
Number of shares held (unit)	–	2,523,642	352,054	1,788,343	2,495,718	346	609,707	7,769,810	461,069
Percentage of shares held (%)	–	32.48	4.53	23.02	32.12	0.00	7.85	100.00	–

- (Notes)
- Regarding treasury shares of 31,150 shares, 311 units are included in “Individuals and others” and 50 shares in “Status of shares less than one unit.”
  - The “Financial institutions” column includes 21,852 units of the Company’s shares acquired from the market by a trust whose beneficiaries are the Company’s Directors of the Board, etc. and held in the name of The Master Trust Bank of Japan, Ltd.
  - The “Other domestic corporations” column includes 40 units of the shares in the name of Japan Securities Depository Center, Inc.

## (6) Status of major shareholders

As of March 31, 2023

Name	Address	Number of shares held (1,000 shares)	Ratio of the number of shares owned to the total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	109,087	14.03
Mitsubishi Corporation	2-3-1, Marunouchi, Chiyoda-ku, Tokyo	63,633	8.19
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	53,074	6.83
Itochu Automobile Investment LLC	2-5-1, Kita-Aoyama, Minato-ku, Tokyo	52,938	6.81
Toyota Motor Corporation	1 Toyota-cho, Toyota-shi, Aichi	39,000	5.02
Mizuho Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	1-5-5 Otemachi, Chiyoda-ku, Tokyo (1-8-12 Harumi, Chuo-ku, Tokyo)	15,965	2.05
JOHN HANCOCK FUNDS III INTERNATIONAL GROWTH FUND (Standing proxy: Citibank, N.A., Tokyo Branch)	200 Berkeley Street, Boston, MA 02116 (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	10,788	1.39
National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy: The Master Trust Bank of Japan, Ltd.)	JA Kyosai Building, 2-7-9 Hirakawa-cho, Chiyoda-ku, Tokyo (2-11-3 Hamamatsu-cho, Minato-ku, Tokyo)	10,000	1.29
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo	9,952	1.28
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo	9,073	1.17
Total	—	373,513	48.04

- (Notes) 1. Of the above number of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), shares related to the trust business were 107,601,200 shares.
2. Of the above number of shares held by The Custody Bank of Japan, Ltd. (Trust Account), shares related to the trust business were 46,643,600 shares.
3. In the Large Shareholding Report made available for public perusal on April 6, 2021, it is stated that Sumitomo Mitsui Trust Bank Limited and its co-owners Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. hold the following shares as of March 31, 2021. However, we cannot confirm the actual number of shares held as of March 31, 2023, and those shares are not included in the above “Status of Major Shareholders.” Details of the Large Shareholding Report are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	1,581	0.20
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1, Shibakoen, Minato-ku, Tokyo	20,280	2.61
Nikko Asset management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	17,275	2.22
Total	–	39,137	5.03

4. In the Large Shareholding Report made available for public perusal on July 7, 2021, it is stated that Nomura Securities Co., Ltd. and its co-owners Nomura International Plc and Nomura Asset Management Co., Ltd. hold the following shares as of June 30, 2021. However, we cannot confirm the actual number of shares held as of March 31, 2023, and those shares are not included in the above “Status of Major Shareholders.”

Details of the Large Shareholding Report are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Nomura Securities Co., Ltd.	1-13-1 Nihonbashi, Chuo-ku, Tokyo	16	0
Nomura International Plc	1 Angel Lane, London EC4R 3AB, United Kingdom	2,293	0.29
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo	37,421	4.81
Total	–	39,730	5.11

5. In the Large Shareholding Report made available for public perusal on March 23, 2022, it is stated that Mizuho Bank, Ltd. and its co-owners, Mizuho Securities Co., Ltd., Asset Management One Co., Ltd. and Asset Management One International Ltd. hold the following shares as of March 15, 2022. However, we cannot confirm the actual number of shares held as of March 31, 2023, and those shares are not included in the above “Status of Major Shareholders.”

Details of the Large Shareholding Report (Revised Report) are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	15,965	2.05
Mizuho Securities Co., Ltd.	1-5-1 Otemachi, Chiyoda-ku, Tokyo	888	0.11
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo	30,409	3.91
Asset Management One International Ltd.	30 Old Bailey, London, EC4M 7AU, UK	778	0.10
Total	–	48,042	6.18

6. In the Large Shareholding Report made available for public perusal on February 7, 2023, it is stated that Wellington Management Japan Pte Ltd and its co-owners Wellington Management Company LLP, Wellington Management International Ltd, and Wellington Management Singapore Pte. Ltd. hold the following shares as of January 31, 2023. However, we cannot confirm the actual number of shares held as of March 31, 2023, and those shares are not included in the above “Status of Major Shareholders.”

Details of the Large Shareholding Report are as follows:

Name	Address	Number of shares held (1,000 shares)	Shareholding ratio (%)
Wellington Management Japan Pte Ltd	Palace Building 7F, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo (business office in Japan)	1,867	0.24
Wellington Management Company LLP	280 Congress Street, Boston, Massachusetts 02210 United States	31,066	4
Wellington Management International Ltd	Cardinal Place, 80 Victoria Street, London SW1E 5JL United Kingdom	5,437	0.7
Wellington Management Singapore Pte. Ltd.	Marina Bay Financial Centre, Tower 1, #03-01, 8 Marina Boulevard 018981 Singapore	881	0.11
Total	–	39,253	5.05



## (7) Status of voting rights

## (i) Issued shares

As of March 31, 2023

Category	Number of shares (shares)	Number of voting rights (rights)	Description
Non-voting stock	–	–	–
Voting-restricted shares (treasury shares, etc.)	–	–	–
Voting-restricted shares (others)	–	–	–
Full-voting-rights shares (treasury shares, etc.)	(Own-held shares) Common stock 31,100 (Cross-held shares) Common stock 138,000	–	Company's standard stock with no restrictions on rights
Full-voting-rights shares (others)	Common stock 776,811,900	7,768,119	Same as the above
Shares less than one unit	Common stock 461,069	–	Same as the above
Shares issued	777,442,069	–	–
Voting rights of all shareholders	–	7,768,119	–

- (Notes) 1. The “Full-voting-rights shares (others)” column includes 4,000 shares in the name of Japan Securities Depository Center, Incorporated. In addition, the “Number of voting rights” column includes 40 voting rights for fully voting shares in the name of the organization.
2. The common stock in the “Full-voting-rights shares (Other)” column includes 2,185,204 shares (21,852 voting rights) of the Company, which were acquired from the market by a trust whose beneficiaries are the Company's Directors of the Board, etc. and are held in the name of The Master Trust Bank of Japan, Ltd.

## (ii) Treasury Shares, etc.

As of March 31, 2023

Name of the holder	Address of the holder	Number of shares held in own name (shares)	Number of shares held in others' names (shares)	Total number of shares held (shares)	Ratio of the number of shares held to the total number of issued shares (%)
(Own-held shares) ISUZU MOTORS LIMITED	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa	31,100	–	31,100	0.00
(Cross-held shares) Takada Syatai Co., Ltd.	1959-1 Iwafune-machi, Maganoshima, Tochigi-shi, Tochigi	79,000	31,500	110,500	0.01
Yamagata Isuzu Motors Ltd.	5-1-5 Narisawanishi, Yamagata-shi, Yamagata	27,500	–	27,500	0.00
Total	–	137,600	31,500	169,100	0.02

- (Notes) 1. The “(Own-held shares)” column does not include shares held by a trust whose beneficiaries are Directors of the Board, etc.
2. For the number of shares held in “others' names” of the “Number of shares held,” the number of shares equivalent to the shareholder's equity falling under cross-held shares in the number of shares held under the name of ISUZU MOTORS LIMITED Cooperative Company Shareholding Association (8 Tsuchidana, Fujisawa-shi, Kanagawa) is treated as the number of shares that should be excluded from the “Full-voting-rights shares (others)” of “(i) Issued shares” above, and units of less than 100 shares are rounded up to the nearest 100 shares.

(8) Details of the officer/employee stock ownership system

(i) Overview of the share-based remuneration plan for Directors of the Board, etc. of the Company

Based on the resolution of the 114th Annual General Meeting of Shareholders held on June 29, 2016, Isuzu Motors introduced a performance-linked share-based remuneration plan for Directors of the Board and Executive Officers excluding Outside Directors of the Board. And at the 119th Annual General Meeting of Shareholders held on June 25, 2021, with the transition to a Company with an Audit and Supervisory Committee, a proposal to re-establish and continue a performance-linked share-based remuneration plan (hereinafter referred to as the “Plan”) for the Company’s Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (hereinafter referred to as “Directors of the Board, etc.”) was considered, and approved.

The Plan aims to further raise awareness of the Directors of the Board, etc. about achieving medium- to long-term management goals and improving the enterprise value by clarifying the link between the compensation of Directors of the Board, etc. and the performance and stock value of the Company, by which they will share the merits and risks of stock price fluctuations and see matters from the same perspective as shareholders.

In addition, the Plan employs a scheme called BIP trust as part of it. BIP trust is a trust established by the money contributed by the Company (hereinafter referred to as the “Trust”), and the Company’s shares will be acquired from the market using the contributed money as a source of funds. After that, the Company’s shares and money equivalent to the redemption will, in accordance with the degree of achievement of the performance targets of the Mid-Term Business Plan, etc., be paid and provided to the Directors of the Board, etc. (hereinafter referred to as “Delivery, etc.”) as their remuneration based on the stock remuneration rules established in advance. The Trust period is currently scheduled for the end of August 2024. However, the Trust will be continued by changing the trust contract and making additional contributions to the Trust, and in response to renewal of the period covered by the Plan (the period covered by the Mid-Term Business Plan set forth by the Company and three business years in principle), we plan to extend the Plan accordingly. However, after the start date of the above target period, non-resident Directors of the Board, etc. who have lived abroad during the target period shall, in place of the Delivery, etc. of the Company’s shares, etc. from the Trust, be paid a monetary amount equivalent to it as a cash plan by the Company.

(ii) Total number of shares planned to be acquired by the target Directors of the Board, etc.

The total number of shares of the Company (including shares subject to redemption) to undergo Delivery, etc. to the Directors of the Board, etc. in the Trust is limited to 4,160 thousand shares for each applicable period. In addition, the total of the sum of money paid by the Company under the above-mentioned cash plan and the sum of acquisition price of the Company’s shares (including the shares subject to redemption) made a Delivery, etc. by the Trust to the Directors of the Board, etc. is up to 3,500 million yen for each target period.

(iii) Scope of persons who can receive beneficiary rights and other rights under the Plan

Among the Directors of the Board, etc., those who meet the beneficiary requirements such as having been in office as Directors of the Board, etc. during the target period (including those who newly became Directors of the Board, etc. after the start date of the target period) are subject to the Plan.

2. Status of acquisition of treasury shares, etc.

Class of stock, etc.

Acquisition of common stock that falls under Article 155, Item 7 of the Companies Act

(1) Status of acquisition by resolution of general meeting of shareholders

Not applicable.

(2) Status of acquisition by resolution of the Board of Directors

Not applicable.

(3) Details of matters not based on shareholders' meeting resolution or board resolution

Category	Number of shares (shares)	Total value (yen)
Treasury shares acquired in the current fiscal year	23,200	38,445,674
Treasury shares acquired during the period	1,299	2,046,338

(Note) The treasury shares acquired during the period do not include shares less than one unit acquired during the period from June 1, 2023 to the date of submission of the Annual Securities Report.

(4) Status of disposition and holding of acquired treasury shares

Category	Current fiscal year		Current period	
	Number of shares (shares)	Total disposal value (yen)	Number of shares (shares)	Total disposal value (yen)
Acquired treasury shares for which we have solicited underwriters	–	–	–	–
Acquired treasury shares that have been canceled	–	–	–	–
Acquired treasury shares that have undergone a merger, share exchange, share issuance, or company split	–	–	–	–
Other (–)	–	–	–	–
Number of treasury shares held	31,150	–	32,449	–

(Notes) 1. The number of treasury shares held during the period does not include treasury shares acquired during the period from June 1, 2023 to the date of submission of the Annual Securities Report.

2. The number of treasury shares held does not include 2,185,204 shares of the Company held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

### 3. Dividend policy

For the implementation of profit distribution to shareholders, we make a decision in order to develop together with diversifying stakeholders, after taking into account the balance between enhancement of internal reserves for the purpose of securing growth investment funds and maintaining financial soundness, and emphasis on shareholder value in an integrated fashion.

The Articles of Incorporation provide that the Company may pay the interim dividend stipulated in Article 454, Paragraph 5 of the Companies Act with September 30 as the record date every year, and it is our basic policy to distribute the surplus twice a year as interim dividends and year-end dividends. The decision-making bodies for these dividends of surplus are the General Meeting of Shareholders for year-end dividends and the Board of Directors for interim dividends.

As for the dividend of common stock for the current fiscal year, we have decided to pay an interim dividend of 36 yen per share and a year-end dividend of 43 yen per share, for a total of 79 yen per share.

Internal reserves will be used for investment funds for further growth in the future and will be allocated to shareholder returns such as dividends and flexible acquisition of own shares according to the situation as part of management that emphasizes capital efficiency.

Dividends of surplus for the current fiscal year are as follows:

Resolution date	Total dividends (millions of yen)	Dividend per share (yen)
November 9, 2022 Board resolution	27,987	36
June 28, 2023 Annual shareholders' meeting resolution	33,428	43

4. Status of corporate governance, etc.

(1) Overview of corporate governance

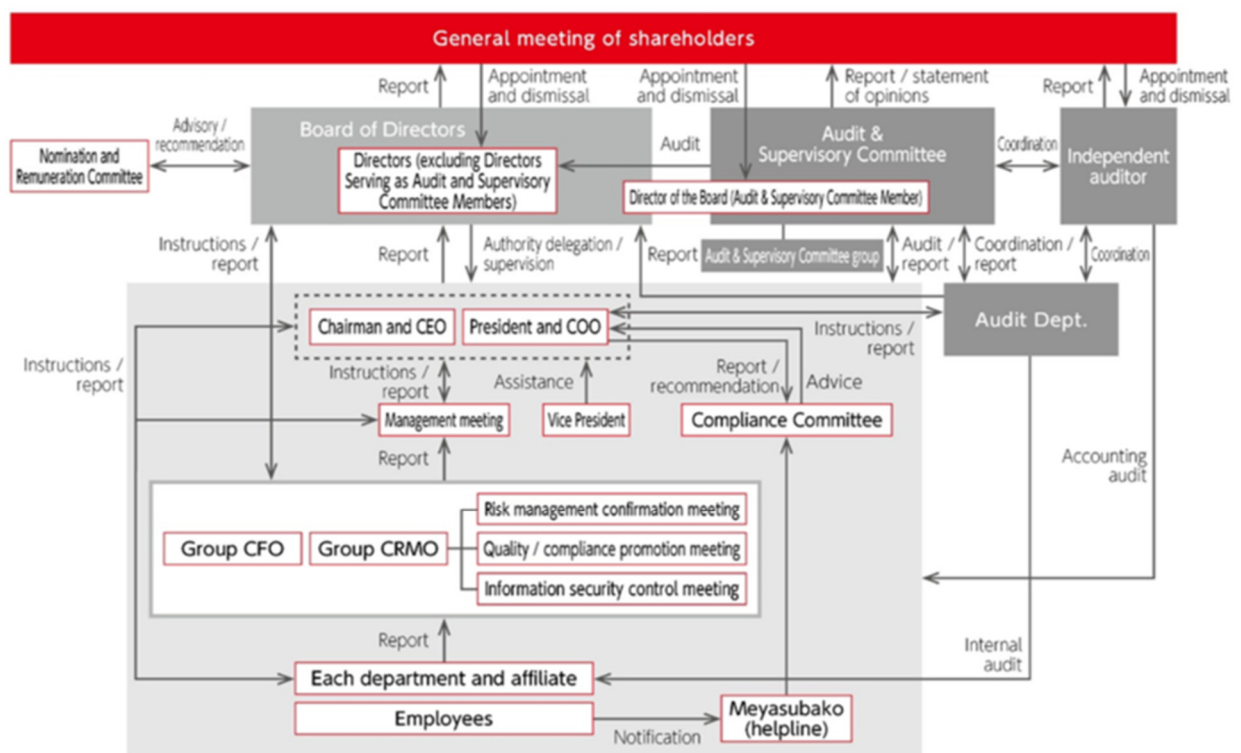
As for Isuzu’s basic concept of corporate governance, we believe that it is indispensable to put in place the system of corporate governance, which is the framework that governs our activities, in order for us to continuously earn profits and increase corporate value through our corporate activities.

Isuzu believes that respecting the positions of all stakeholders surrounding the Company and building smooth relationships with them is the basic purpose of corporate governance. To that end, we strive to ensure the fairness and transparency of our corporate activities through disclosing important information in a timely and appropriate manner. In particular, we believe that an important element of corporate governance is to put in place the internal structure and environment in order to protect the rights and interests of all stakeholders and ensure equality among stakeholders.

(i) Corporate governance system

- Overview of corporate governance system

Isuzu is a Company with an Audit and Supervisory Committee, and has a Board of Directors and an Audit and Supervisory Committee as statutory meeting bodies, and through them it resolves, supervises and audits major business executions. In addition to the statutory meeting bodies, we have the Management Meeting for deliberating important policies and measures, business management, and other general types of business execution, as well as various advisory bodies and meeting bodies for contributing to supervision and decision-making about business execution.



*Board of Directors*

The Board of Directors makes important management decisions and supervises management in order to continuously increase corporate value in response to the mandate and confidence of shareholders. In principle, the Board of Directors holds regular monthly meetings and extraordinary meetings as necessary to deliberate and decide on necessary matters.

As of the date of submission of the Annual Securities Report, the Board of Directors consists of 13 Directors of the Board. The chair is Chairman and Representative Director, CEO Masanori Katayama, and five of the 13 Directors of the Board are independent Outside Directors of the Board.

### Meetings of the Board of Directors and attendance status of Directors of the Board

During the 121st Term (from April 1, 2022 to March 31, 2023), a total of 15 Board of Directors Meetings averaging roughly one hour were held. The attendance status of each Director of the Board at the Board of Directors Meetings during the 121st Term was as follows:

Category	Name	Attendance status
Representative Director	Masanori Katayama	15 out of 15 meetings
Director of the Board	Shinsuke Minami	15 out of 15 meetings
Director of the Board	Shinichi Takahashi	15 out of 15 meetings
Director of the Board	Shun Fujimori	15 out of 15 meetings
Director of the Board	Tetsuya Ikemoto	15 out of 15 meetings
Director of the Board	Koichi Seto	4 out of 4 meetings (through his resignation on June 28, 2022)
Director of the Board	Naohiro Yamaguchi	11 out of 11 meetings (since his appointment on June 28, 2022)
Outside Director of the Board	Mitsuyoshi Shibata	15 out of 15 meetings
Outside Director of the Board	Kozue Nakayama	15 out of 15 meetings
Outside Director of the Board* <sup>1</sup>	Tetsuhiko Shindo	15 out of 15 meetings
Director of the Board* <sup>1</sup>	Masayuki Fujimori	15 out of 15 meetings
Director of the Board* <sup>1</sup>	Kenji Miyazaki	15 out of 15 meetings
Outside Director of the Board* <sup>2</sup>	Kanji Kawamura	15 out of 15 meetings
Outside Director of the Board* <sup>2</sup>	Kimie Sakuragi	15 out of 15 meetings

\*1 Also serves as a Standing Audit and Supervisory Committee Member.

\*2 Also serves as an Audit and Supervisory Committee Member.

### Specific considerations of the Board of Directors

During the 121st Term, the Board of Directors deliberated over 101 proposals that constitute matters to be resolved and reported. The Board of Directors considered management strategy and governance in general, financial results and financial matters, audit-related matters, risk management, internal control, compliance, personnel matters, and other individual matters (including changing the address of the head office, reconstructing our corporate philosophy, and efforts to achieve carbon neutrality).

### *Audit and Supervisory Committee*

The Audit and Supervisory Committee audits and supervises decision-making by the Board of Directors and execution of duties by the Directors of the Board in accordance with the audit plan determined by the Audit and Supervisory Committee.

As of the date of submission of the Annual Securities Report, the Audit and Supervisory Committee consists of five Directors Serving as Audit and Supervisory Committee Members. Three members (Makoto Anayama, Kenji Miyazaki and Masao Watanabe) have been appointed as Standing Audit and Supervisory Committee Members, in order to strengthen the auditing and supervision functions of the Audit and Supervisory Committee Members, share information by collecting information on a daily basis and attending important internal meetings, and they fully cooperate with the Accounting Auditor and the Internal Audit Department.

The chair is Makoto Anayama, Director Serving as Standing Audit and Supervisory Committee Member, and three of the five Directors Serving as Audit and Supervisory Committee Members are independent Outside Directors of the Board.

All of the five Directors Serving as Audit and Supervisory Committee Members have been appointed.

For the meetings of the Audit and Supervisory Committee, attendee and specific considerations of the committee, please see “(3) Status of audits (i) Status of audits by the Audit and Supervisory Committee.”

### *Nomination and Remuneration Committee*

In addition to the above statutory institutions, Isuzu has the Nomination and Remuneration Committee as a voluntary body relating to Corporate Governance in order to strengthen the independence, transparency, and objectivity in Board of Directors' functions related to such matters as the nomination of officer candidates, appointment of management executives, and determination of executive remuneration.

As of the date of submission of the Annual Securities Report, our Nomination and Remuneration Committee consists of five members: Chairman and Representative Director, CEO Masanori Katayama, President and Representative Director, COO Shinsuke Minami, and three Outside Directors of the Board (Mitsuyoshi Shibata, Kozue Nakayama, and Makoto Anayama). It deliberates and reports on matters referred to it by the Board of Directors.

### Meetings of the Nomination and Remuneration Committee and attendance status of Members

During the 121st Term (from April 1, 2022 to March 31, 2023), a total of eight Nomination and Remuneration Committee Meetings averaging roughly 90 minutes were held.

The attendance status of each Member at the Nomination and Remuneration Committee Meetings during the 121st Term was as follows:

Category	Position	Name	Attendance status
Member (Chairperson)	President and Representative Director	Masanori Katayama	8 out of 8 meetings
Member	Outside Director of the Board*	Mitsuyoshi Shibata	8 out of 8 meetings
Member	Outside Director of the Board*	Kozue Nakayama	8 out of 8 meetings
Member	Outside Director of the Board, and Standing Audit and Supervisory Committee Member	Tetsuhiko Shindo	8 out of 8 meetings

\* Independent Officer

### Specific considerations of the Nomination and Remuneration Committee

During the 121st Term, the Nomination and Remuneration Committee deliberated over 14 proposals that constitute matters to be reported, deliberated over, and resolved. The Nomination and Remuneration Committee considered nomination and remuneration in general (including basic approach and system design), specific matters of nomination and remuneration in addition to succession plans (including a succession plan for the President and the particulars of developing that person), etc.

### *Executive Officer System and Management Meeting*

Isuzu Motors aims, by separating supervision and business execution, to enhance the deliberation of the Board of Directors, which is the supervisory body, and establish a system to swiftly determine and execute matters through delegation of appropriate authority from the Board of Directors.

The Company has installed EVP and SVP to work on strategic issues in their respective domains to spearhead the transformation of management, and VPs to work on operational issues in their respective domains and departments, focusing mainly on business execution.

The Company has also established a Management Meeting consisting of Chairman and Representative Director, CEO Masanori Katayama, President and Representative Director, COO Shinsuke Minami, the EVPs of each department, and others. The chair is Shinsuke Minami, President and Representative Director, COO, and matters related to management and business execution are resolved and deliberated on within the scope of authority delegated to it by the Board of Directors.

- Reason for adopting the corporate governance system

In order for a company to improve its corporate value in response to the trust and confidence of all stakeholders surrounding the company, the management must strive to enhance the common interests of all stakeholders and coordinate the interests of each stakeholder without being biased toward its own position, the company's interests, or the interests of a specific stakeholder.

As a corporate governance system that is considered appropriate for the company and the management team to secure the trust of all stakeholders, and in order to further increase the rationality and speed of management decision-making, as well as to realize further enhance deliberation and strengthen the supervisory function at the Board of Directors, we employ a Company with an Audit and Supervisory Committee, in which a significant portion of decisions of important business execution to be made by the Board of Directors may be delegated to Executive Directors.

- (ii) Concept of internal control system and status of its maintenance

As for the basic policy on the development of internal control systems, the Board of Directors of the Company has resolved as follows:

- a. System for ensuring that Directors of the Board and employees execute their duties in compliance with the laws and regulations and the Articles of Incorporation
  - The Company places utmost importance on thorough compliance. The Company defines "compliance" to mean that all officers and employees comply with the laws, and behave in line with high ethical standards to gain the trust of society.
  - To secure thorough compliance, we will make sure that all officers and employees are familiar with and fully understand the "Basic Policy Measures Relating to Compliance" and the "Code of Conduct Relating to Compliance."
  - The Compliance Committee including outside experts provides the Company with objective advice, supervision, and assessments regarding its compliance promotion system and activities. The Risk Management Dept. manages and promotes compliance activities which are developed across the Company through the "Quality & Compliance Promotion Meeting" that is attended by representatives from each division. Additionally, compliance-related internal auditing functions are secured via auditing by the Corporate Audit Dept.
  - The Corporate Audit Dept. conducts internal audits by fairly and objectively evaluating the status of management activities regarding compliance, risk management structure, corporate governance, etc. from an independent standpoint and providing instructions and making requests for improvements with the objectives of gaining public trust in the Company and the Group based on our policy of serving society in meaningful ways, and contributing to the achievement of the Company's management goals.
  - The Company has independent Outside Directors of the Board to bring more objectivity, neutrality, and transparency to the Board of Directors in their function as supervisors of our business operations.
  - The Company rejects any relationships with antisocial forces or groups, and will respond to them resolutely and refuse their unreasonable demands in the future.
- b. System for maintaining and managing information relating to Directors of the Board's performance of their duties
  - Minutes of the Board of Directors Meetings and other information relating to the Directors of the Board's performance of their duties are appropriately maintained and managed by different departments in accordance with laws and regulations, the "Board of Directors Regulation," and the Company's other bylaws, designating what information is handled by which department. The Chief Executive for Confidential Information Management manages confidential information appropriately in accordance with laws and regulations and the "Rules for Handling Confidential Information."
  - The "Information Security Management Meeting" composed of the Group CRMO and division representatives evaluates the implementation status of measures for managing information and information security at each division to put in place an appropriate



information management system and reports on its status to the Board of Directors when needed to implement thorough information management.

- We have established collaborative information handling rules with the objective of preventing situations that compromise the trust built between the Company and its collaborative partners. These rules guide rigorous efforts to ensure that employees prevent collaborative partners' confidential information from leaking outside the Company (including to other collaborative partners) or being mixed into or appropriated for research and development with other collaborative partners.

c. Rules and other systems for managing loss risk

- In accordance with the "Rules for Risk Management," based on three lines of defense, each Division Executive, as the first line of defense and a risk owner, undertakes preventive efforts against risks and response to materialized events including Group companies through their execution of business, and the Group CRMO and Risk Management Dept., the second line of defense, establish a risk management structure for the entire Group and manages and supervises the first line's response to the risks. Additionally, the Corporate Audit Dept., the third line of defense, decides the rationality of risk management structure and systems independently from the divisions and the Group CRMO.
- The Group CRMO regularly reports the status of risk management to the Representative Directors and the Board of Directors and follows any instructions given by the Representative Directors and the Board of Directors. Notably, the Group CRMO reports the status of risk management to the Representative Directors and the Board of Directors whenever the Group CRMO deems it necessary.
- The Group CRMO convenes the "Risk Management Confirmation Meeting" on a regular basis to follow up the progress of preventive efforts against risks, identify the risks that are manifested, and review countermeasures and risk recognition on an ongoing basis. The status of risk management is followed up and assessed by the Board of Directors Meetings on a regular basis. In a crisis with a major impact on management, the Company strives to minimize the impact and reduce damage to the corporate value of the Company by having the Group CRMO oversee such risk managements and determine and implement proper responses (including implementation systems) to the risks.

d. System for assuring Directors of the Board's efficient execution of their duties

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

e. System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries

- With the objective of enhancing public trust in the Company and the Group based on our policy of serving society in meaningful ways, the Company has unveiled ISUZU ID as the new corporate philosophy and established the "Group Basic Compliance Initiative." The Company takes proper measures to ensure that all officers and employees of the Group act in accordance with the "Group Basic Compliance Initiative."
- The Company has asked the Group companies to develop their own compliance systems suited to their respective circumstances and to fully implement said systems, and has additionally asked to develop appropriate risk management structure and response to risks.

- The Company has established “Group Company Management Rules” and “Detailed Rules for Group Company Management,” and taken steps to strengthen systems for ensuring the propriety of the Group company operations.
  - Company Management continually monitors the activities of the Group companies’ managements, receives reports on the status of compliance and risk management and systems for ensuring business efficiency at the Group companies, and requests improvements if the Company determines that they are necessary.
  - Internal audits of Group companies are conducted in accordance with the Company’s Internal Audit Rules, and the necessary notifications, requests, and reports are made to the Group company departments in charge of business management. However, for Group companies with internal audit functions in place, it depends on the results of their internal audits.
  - The Company adopts a system to ensure the reliability of financial reports made under the Financial Instruments and Exchange Act.
- f. Matters regarding employees who assist Audit and Supervisory Committee Members in their duties when Audit and Supervisory Committee Members request the assignment of such employees
- At the request of Audit and Supervisory Committee Members, the Company has set up a department called “the Audit and Supervisory Committee Member Support Group,” and has assigned employees to assist the Audit and Supervisory Committee Members with their duties.
- g. Maintaining the independence of employees who assist Audit and Supervisory Committee Members from Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and enhancing the effectiveness of instructions to employees
- The Company ensures that employees who assist Audit and Supervisory Committee Members with their duties are independent from the Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and that instructions to such employees are effective. In order to achieve this, such employees are placed under the direct control and supervision of Audit and Supervisory Committee and the Company obtains the prior consent of the Audit and Supervisory Committee when changing, assessing, rewarding, or punishing them.
- h. System for encouraging Directors of the Board, employees, and others of the Company and its subsidiaries to report to Audit and Supervisory Committee Members
- The Company adopts a system in which Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and Executive Officers and those of equivalent rank and employees of the Company and the Group companies report to Audit and Supervisory Committee on the status of business operations, the status of the Company’s and the Group companies’ management, and any other matters that need to be reported as agreed by the Company and Audit and Supervisory Committee, to disclose or report necessary and sufficient information whenever requested by Audit and Supervisory Committee.
  - The Company cooperates with a liaison conference held on a regular basis to enhance and strengthen audits of the entire Group through mutual collaboration among Audit and Supervisory Committee Members of the Company and Audit & Supervisory Board Members of the Group companies as necessary.
- i. System for ensuring that those who make a report to Audit and Supervisory Committee Members are not treated unfairly for making such a report
- The Company prohibits any discriminatory treatment of those who has made a report to the Audit and Supervisory Committee Members in accordance with the preceding Paragraph, and ensures that all officers and employees of the Company and Group companies are familiar with and fully understand the above.

- j. Policy for advance payment or reimbursement of expenses relating to execution of duties by Directors Serving as Audit and Supervisory Committee Members and other handling of expenses or obligations arising from the execution of such duties
  - If a Director Serving as Audit and Supervisory Committee Member requests the Company to make an advance payment of expenses, reimburse expenses, or fulfill obligations related to the execution of his or her duties, the Company promptly deals with such expenses or obligations in accordance with laws and regulations.
  - The Company will annually allot an appropriate budget to pay expenses arising from the execution of duties by Directors Serving as Audit and Supervisory Committee Members and other costs.
  
- k. Other systems for ensuring effective audits by Audit and Supervisory Committee Members
  - The Company will ensure that the Corporate Audit Dept. has a direct reporting line to the Audit and Supervisory Committee in addition to a reporting line to the President and COO.
  - The Company will obtain the prior consent of the Audit and Supervisory Committee regarding personnel transfers of the General Manager of Corporate Audit Dept. and corporate officers who rank above the General Manager of Corporate Audit Dept. in the chain of command.
  - The Company ensures opportunities for Directors Serving as Audit and Supervisory Committee Members to attend the Management Meeting.

(iii) Outline of contracts for limitation of liability

The Company has entered into contracts to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act with Outside Directors of the Board, based on the provisions of Article 427, Paragraph 1 of the Companies Act, and the limit of liability shall be the amount specified in Article 425, Paragraph 1 of the Companies Act.

(iv) Overview of contracts for directors and officers liability insurance

The Company concludes a directors and officers liability insurance as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The scope of the insured of the insurance contract is the Directors of the Board and Executive Officers of the Company and its subsidiaries, as well as the Directors of the Board, Audit & Supervisory Board Members and Executive Officers of some affiliates, and the insured does not bear the insurance premiums. The insurance contract will cover the damages caused by a third party claiming damages during the insurance period due to the insured's business activities.

(v) Fixed number of Directors of the Board and requirements for resolution to appoint Directors of the Board

- Fixed number of Directors of the Board

The Articles of Incorporation stipulate that the number of Directors of the Board of the Company (excluding Directors Serving as Audit and Supervisory Committee Members) shall be 12 or less, and the number of Directors Serving as Audit and Supervisory Committee Members shall be six or less.

- Requirements for resolution to appoint Directors of the Board

The Company's Articles of Incorporation stipulate that, for both of the Directors Serving as Audit and Supervisory Committee Members and the other Directors of the Board, the resolution to appoint Directors of the Board shall be made by a majority of the voting rights of the shareholders at the meeting where the shareholders holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present. And the resolution to appoint Directors of the Board shall not be based on cumulative voting.

(vi) Matters to be resolved at the General Meeting of Shareholders that may be resolved by the Board of Directors

- Acquisition of own shares

The Articles of Incorporation stipulate that the Company may acquire its own shares by a resolution of the Board of Directors pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act. This aims to acquire own shares through market transactions, etc., in order to enable flexible execution of capital policies in response to changes in the business environment.

- Exemption from liability of Directors of the Board

The Articles of Incorporation stipulate that the Company may exempt the liability of Directors (including those who were Directors) regarding the acts of Article 423, Paragraph 1 of the Companies Act to the extent of laws and regulations by a resolution of the Board of Directors pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act. This aims to put in place an environment in which Directors of the Board can fully demonstrate their abilities and fulfill their expected roles in performing their duties.

- Interim dividend

The Articles of Incorporation stipulate that the Company can pay an interim dividend with September 30 as the record date every year by a resolution of the Board of Directors pursuant to the provisions of Article 454, Paragraph 5 of the Companies Act. This aims to provide agile return of profits to shareholders.

(vii) Special resolution requirements for general meetings of shareholders

In the Articles of Incorporation, the Company stipulates that the special resolution requirements of the General Meeting of Shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be met by two-thirds or more of the voting rights at the meeting where the shareholders holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present. This aims to facilitate the smooth operation of the General Meeting of Shareholders by relaxing the quorum of special resolutions at the General Meeting of Shareholders.

## (2) Status of officers

## (i) List of officers

11 males and 2 females (15.4% of officers are female)

Job title	Name	Date of birth	Brief career history	Term	Number of shares held (1,000 shares)
Chairman and Representative Director, CEO	Masanori Katayama	May 16, 1954	<p>April 1978 Joined ISUZU MOTORS LIMITED</p> <p>June 2007 Director of the Board, ISUZU MOTORS LIMITED</p> <p>April 2014 Executive Vice President and Director, ISUZU MOTORS LIMITED</p> <p>June 2015 President and Representative Director, ISUZU MOTORS LIMITED</p> <p>April 2023 to present Chairman and Representative Director, CEO, ISUZU MOTORS LIMITED</p>	(Note) 2	127
President and Representative Director, COO	Shinsuke Minami	September 29, 1959	<p>April 1983 Joined ISUZU MOTORS LIMITED</p> <p>April 2014 Executive Officer, Associate Division Executive of Sales Planning Dept., Sales Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2017 Senior Executive Officer, Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED</p> <p>June 2018 Director of the Board, Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2019 Director of the Board, Senior Division Executive of Quality Assurance Division, Division Executive of Corporate Planning &amp; Finance Division, ISUZU MOTORS LIMITED</p> <p>April 2020 Director of the Board, Division Executive of Corporate Strategy Division and Corporate Planning &amp; Finance Division, ISUZU MOTORS LIMITED</p> <p>April 2022 Director of the Board, Group CCO, Division Executive of Corporate Planning &amp; Finance Division, and Executive in charge of CV Alliance Planning, ISUZU MOTORS LIMITED</p> <p>April 2023 to present President and Representative Director, COO, ISUZU MOTORS LIMITED</p>	(Note) 2	33

Job title	Name	Date of birth	Brief career history	Term	Number of shares held (1,000 shares)
Executive Vice President and Director	Shinichi Takahashi	January 28, 1958	<p>April 1980    Joined ISUZU MOTORS LIMITED</p> <p>October 2013    Senior Executive Officer, Division Executive of Quality Assurance Division, ISUZU MOTORS LIMITED</p> <p>April 2014    Senior Executive Officer, Division Executive of CSR Division and Quality Assurance Division, ISUZU MOTORS LIMITED</p> <p>April 2015    Senior Executive Officer, Associate Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED</p> <p>2016 April    Senior Executive Officer, Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED</p> <p>June 2017    Director of the Board, Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2020    Director of the Board, Senior Division Executive of Quality Assurance Division, Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2021    Executive Vice President and Director, Senior Division Executive of Operations Headquarters, Senior Division Executive of Quality Assurance Division and Product &amp; Technology Strategies Division, ISUZU MOTORS LIMITED</p> <p>April 2023 to present    Executive Vice President and Director, ISUZU MOTORS LIMITED</p>	(Note) 2	59

Job title	Name	Date of birth	Brief career history	Term	Number of shares held (1,000 shares)
<p>Director of the Board EVP of Product &amp; Technology Strategies Division, EVP of CV Alliance Planning Dept.</p>	<p>Shun Fujimori</p>	<p>June 30, 1960</p>	<p>April 1984    Joined ISUZU MOTORS LIMITED</p> <p>April 2017    Executive Officer, Assistant Division Executive of Corporate Planning &amp; Finance Division, ISUZU MOTORS LIMITED</p> <p>April 2020    Senior Executive Officer, Division Executive of Product Strategy Division, Deputy Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED</p> <p>June 2021    Director of the Board, Division Executive of Product &amp; Technology Strategies Division, Deputy Division Executive of Engineering Division, Operations Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2023 to present    Director of the Board, EVP of Product &amp; Technology Strategies Division, EVP of CV Alliance Planning Dept., ISUZU MOTORS LIMITED</p>	<p>(Note) 2</p>	<p>13</p>

Job title	Name	Date of birth	Brief career history	Term	Number of shares held (1,000 shares)
Director of the Board EVP of Sales Division	Tetsuya Ikemoto	February 8, 1960	<p>April 1983    Joined ISUZU MOTORS LIMITED</p> <p>April 2015    Executive Officer, ISUZU MOTORS LIMITED and Managing Executive Officer, Isuzu Motors Sales Co., Ltd.</p> <p>April 2017    Senior Executive Officer, ISUZU MOTORS LIMITED and Executive Vice President and Director, Isuzu Motors Sales Co., Ltd.</p> <p>April 2018    Senior Executive Officer, ISUZU MOTORS LIMITED and President and Representative Director, Isuzu Motors Sales Co., Ltd.</p> <p>June 2019    Director of the Board, ISUZU MOTORS LIMITED and President and Representative Director, Isuzu Motors Sales Co., Ltd.</p> <p>April 2021    Director of the Board, Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED and Chairman and Representative Director, Isuzu Motors Sales Co., Ltd.</p> <p>October 2021    Director of the Board, Division Executive of Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2023 to present    Director of the Board, EVP of Sales Division, ISUZU MOTORS LIMITED</p>	(Note) 2	22



Job title	Name	Date of birth	Brief career history	Term	Number of shares held (1,000 shares)
Director of the Board Group CFO EVP of Corporate Strategy Division EVP of Corporate Planning & Finance Division Executive of administrative and liaison affairs	Naohiro Yamaguchi	December 8, 1962	<p>April 1986 Joined ISUZU MOTORS LIMITED</p> <p>May 2015 President, Isuzu Motors India Private Limited</p> <p>April 2019 Executive Officer, Associate Division Executive of Sales No. 2, Sales Planning Dept., Sales Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2021 Senior Executive Officer, and Division in charge Executive of LCV Business Dept., Executive of LCV Business Dept. Sales Division, Sales Headquarters, ISUZU MOTORS LIMITED</p> <p>April 2022 Senior Executive Officer, Deputy Division Executive of Sales Division, Sales Headquarters, Executive in charge of Sales Planning Dept., Trade Management Dept., International Product Marketing Dept., CV Application Planning Dept., Sales Operation Dept. Executive Chief Engineer of LCV, Engineering Division, Operations Headquarters, Division in charge Executive of LCV Business Dept., ISUZU MOTORS LIMITED</p> <p>June 2022 Director of the Board, Deputy Division Executive of Sales Division, Sales Headquarters, Executive in charge of Sales Planning Dept., Trade Management Dept., International Product Marketing Dept., CV Application Planning Dept., Sales Operation Dept., Executive Chief Engineer of LCV, Engineering Division, Operations Headquarters, Division in charge Executive of LCV Business Dept., ISUZU MOTORS LIMITED</p> <p>April 2023 to present Director of the Board, Group CFO, EVP of Corporate Strategy Division, EVP of Corporate Planning &amp; Finance Division, Executive in charge of administrative and liaison affairs, ISUZU MOTORS LIMITED</p>	(Note) 2	7

Job title	Name	Date of birth	Brief career history	Term	Number of shares held (1,000 shares)
Director of the Board (Note) 1	Mitsuyoshi Shibata	November 5, 1953	<p>April 1977    Joined Furukawa Electric Co., Ltd.</p> <p>June 2009    Corporate Senior Vice President and President of Metals Company, Furukawa Electric Co., Ltd.</p> <p>June 2010    Director, Corporate Senior Vice President and President of Metals Company, Furukawa Electric Co., Ltd.</p> <p>April 2012    President and Representative Director, Furukawa Electric Co., Ltd.</p> <p>April 2017 to present    Chairman of the Board, Furukawa Electric Co., Ltd.</p> <p>June 2018 to present    Outside Director, Tobu Railway Co., Ltd.</p> <p>                    Outside Director of the Board, ISUZU MOTORS LIMITED</p> <p>July 2018    Outside Statutory Auditor, Asahi Mutual Life Insurance Company</p> <p>April 2023    Director, Furukawa Electric Co., Ltd.</p> <p>June 2023 to present    Special Advisor, Furukawa Electric Co., Ltd.</p>	(Note) 2	—
Director of the Board (Note) 1	Kozue Nakayama	February 25, 1958	<p>April 1982    Joined Nissan Motor Co., Ltd.</p> <p>April 2011    Director General for Urban Management Bureau, City of Yokohama</p> <p>April 2012    Director General of Culture and Tourism Bureau, City of Yokohama</p> <p>June 2012    Outside Director, Pacific Convention Plaza Yokohama (Abbreviated name: PACIFICO Yokohama)</p> <p>April 2018    Director, Pacific Convention Plaza Yokohama</p> <p>June 2018    President &amp; CEO, Pacific Convention Plaza Yokohama (resigned in June 2020)</p> <p>June 2019 to present    Outside Auditor, Imperial Hotel, Ltd.</p> <p>June 2020 to present    Outside Director, TDK Corporation</p> <p>                    Outside Director of the Board, ISUZU MOTORS LIMITED</p> <p>June 2022 to present    Outside Director, The Nanto Bank, Ltd.</p>	(Note) 2	—

Job title	Name	Date of birth	Brief career history	Term	Number of shares held (1,000 shares)
Director of the Board Standing Audit and Supervisory Committee Member (Note) 1	Makoto Anayama	March 14, 1963	<p>April 1986    Joined Japan Development Bank (current Development Bank of Japan Inc.)</p> <p>September 2013    Executive Officer and Head of Business Planning &amp; Coordination Department, Development Bank of Japan Inc.</p> <p>June 2015    Managing Executive Officer, Development Bank of Japan Inc.</p> <p>June 2018    Member of the Board of Directors, Managing Executive Officer, Development Bank of Japan Inc. (resigned in June 2022)</p> <p>March 2019    Member of the Board of Directors, Managing Executive Officer, Executive Director of the Research Institute of Capital Formation, Development Bank of Japan Inc.</p> <p>June 2022    Executive Director of the Research Institute of Capital Formation, Development Bank of Japan Inc.</p> <p>June 2023 to present    Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED</p>	(Note) 3	—
Director of the Board Standing Audit and Supervisory Committee Member	Kenji Miyazaki	January 31, 1959	<p>April 1981    Joined ISUZU MOTORS LIMITED Executive Officer, Assistant Division Executive of Corporate Planning &amp; Finance Division, ISUZU MOTORS LIMITED</p> <p>April 2013    President and Representative Director, Isuzu Motors Asia (Thailand) Co., Ltd. Director of the Board and Senior Vice President, Isuzu Motors Co., (Thailand) Ltd.</p> <p>June 2018    Managing Director, Nippon Fruehauf Co., Ltd.</p> <p>June 2020    Standing Audit &amp; Supervisory Board Member, ISUZU MOTORS LIMITED Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED</p> <p>June 2021 to present    Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED</p>	(Note) 3	10

Job title	Name	Date of birth	Brief career history		Term	Number of shares held (1,000 shares)
Director of the Board Standing Audit and Supervisory Committee Member	Masao Watanabe	March 9, 1961	April 1983 April 2008 April 2013 April 2019 April 2023 June 2023 to present	Joined ISUZU MOTORS LIMITED General Manager of General Affairs & HR Dept., ISUZU MOTORS LIMITED Executive Vice President and Director, Isuzu Motors Co., (Thailand) Ltd. Chief Executive of Audit Dep., ISUZU MOTORS LIMITED Senior Expert of the Administration Division, ISUZU MOTORS LIMITED Director of the Board, and Standing Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED	(Note) 3	3
Director of the Board Audit and Supervisory Committee Member (Note) 1	Kanji Kawamura	December 15, 1947	April 1971 March 1998 April 1998 June 2011 April 2013 April 2017 to present June 2017 June 2021 to present	Joined ITOCHU Corporation Retired from ITOCHU Corporation Faculty of Law Professor, Meiji Gakuin University Outside Audit & Supervisory Board Member, Jamco Corporation (resigned in June 2019) Legal Advisor to the President, Meiji Gakuin University Professor Emeritus, Meiji Gakuin University Outside Audit & Supervisory Board Member, ISUZU MOTORS LIMITED Director of the Board, and Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED	(Note) 3	—
Director of the Board Audit and Supervisory Committee Member (Note) 1	Kimie Sakuragi	September 6, 1958	March 1981 June 2003 April 2007 to present June 2019 to present June 2021 to present	Joined Fukutake Shoten Co., Ltd. (currently Benesse Holdings, Inc.) Standing Audit & Supervisory Board Member, Benesse Holdings, Inc. (resigned in June 2019) Adjunct Professor, The University of Aizu Graduate School Outside Director, Toyobo Co., Ltd. Outside Director, Kumagai Gumi Co., Ltd. Director of the Board, and Audit and Supervisory Committee Member, ISUZU MOTORS LIMITED	(Note) 3	—
Total						278

- (Notes) 1. Directors of the Board Mitsuyoshi Shibata, Kozue Nakayama, Makoto Anayama, Kanji Kawamura and Kimie Sakuragi are Outside Directors of the Board.
2. The term of office of Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) shall expire at the close of the Annual General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within one year following their appointment at Annual General Meeting of Shareholders held on June 28, 2023.
3. The term of office of Directors Serving as Audit and Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within two years following their appointment at the Annual General Meeting of Shareholders held on June 28, 2023.
4. Isuzu Motors has introduced an Executive Officer System in order to optimize management decisions by activating the Board of Directors and to realize efficient management by delegating business execution authority.
- In addition to the three Executive Officers who concurrently serve as Directors of the Board and listed above (Managing Executive Officer: Shun Fujimori and Tetsuya Ikemoto; Senior Executive Officer: Naohiro Yamaguchi), Executive Officers are appointed as follows:

The Managing Executive Officer consists of the following two members.

Takashi Oodaira	EVP of Carbon Neutral Strategy Division, EVP of Engineering Division
Satoshi Yamaguchi	Light Commercial Vehicle Business Management, EVP of LCV Business Dept., SVP of Engineering Division (Executive Chief Engineer of LCV), President and Representative Director, Isuzu Motors Co., (Thailand) Ltd.

The Senior Executive Officers consist of the following 12 members.

Masayuki Umeda	EVP of Quality Assurance Division
Hirokazu Ookubo	EVP of Administration Division
Tsuguo Fukumura	EVP of Business Process Development Division, HR System Transformation Officer
Hisao Sasaki	EVP of Industrial Solutions & Powertrain Business Division
Hiroshi Yamamoto	EVP of Purchasing Division
Katsumi Adachi	EVP of Manufacturing Division
Satoshi Okuyama	SVP of Corporate Strategy Division, SVP of Engineering Division (in charge of CJP promotion)
Yasuyuki Nijjima	SVP of Sales Division
Toshio Ichimasa	SVP of Industrial Solutions & Powertrain Business Division
Satoshi Hirao	SVP of Engineering Division (Executive Chief Engineer of CV)
Shigeji Sugimoto	Chairman and executive director, Isuzu Motors Sales Co., Ltd.
Tetsuya Aiba	CFO, UD Trucks Corporation

The Executive Officers consist of the following 11 members.

Kenichi Asahara	Group CRMO, SVP of Corporate Strategy Division, SVP of Legal Department, Risk Management Dept.
Osamu Nakamura	SVP of Sales Division, VP of Sales Division
Koji Nakamura	VP of Sales Division
Naohiko Yanagawa	VP of Sales Division
Kazutaka Ooishi	VP of Industrial Solutions & Powertrain Business Division
Kazunari Furukawa	VP of Carbon Neutral Strategy Division
Akira Kamijo	VP of Purchasing Division
Kazuhiro Nishi	VP of Engineering Division
Hiroshi Sato	VP of Engineering Division, Executive in charge of technical external affairs
Koichi Ito	SVP, Chairman and executive director, UD Trucks Corporation
Shaun Skinner	President and COO, Isuzu Commercial Truck of America, Inc. President, Isuzu Commercial Truck of Canada, Inc.

(ii) Status of Outside Officers

The Company has appointed two Outside Directors of the Board (excluding Outside Directors Serving as Audit and Supervisory Committee Members) (both are independent officers based on the provisions of the Tokyo Stock Exchange) and three Outside Directors Serving as Audit and Supervisory Committee Members (all of whom are independent officers based on the provisions of the Tokyo Stock Exchange, and one member is standing).

We have appointed Mr. Mitsuyoshi Shibata as Outside Director of the Board, in the expectation that he would be able to state his opinions from the perspective of promoting the sustainable growth of the Company and enhancing corporate value in the medium to long term, based on his extensive experience and broad insights as a manager of a listed company, and to give advice and recommendations from his independent standpoint to ensure the validity and appropriateness of decisions of the Board of Directors. He also plays an important role as a member of the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, in deliberating matters related to the nomination and compensation of Officers. There is no special interest between the Company and him or any other company for which he serves as an officer.

We have appointed Ms. Kozue Nakayama as Outside Director of the Board, in the expectation that she would be able to state her opinions from the perspective of promoting the sustainable growth of the Company and enhancing corporate value in the medium to long term, based on her abundant knowledge of the automotive industry and extensive experience and broad insights as a corporate manager, and to give advice and recommendations from her independent standpoint to ensure the validity and appropriateness of decisions of the Board of Directors. She also plays an important role as a member of the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, in deliberating matters related to the nomination and remuneration of Officers. There is no special interest between the Company and her or any other company for which she serves as an officer.

We have appointed Mr. Makoto Anayama as Outside Director of the Board who is a member of the Audit and Supervisory Committee, in the expectation that, because he has a wealth of knowledge and work experience in finance and treasury and considerable insights in finance and accounting, he would audit the Company's management from an objective and neutral position with the use of such knowledge and work experience and make timely and appropriate remarks at the Board of Directors and the Audit and Supervisory Committee. He also plays an important role as a member of the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, in deliberating matters related to the nomination and remuneration of Officers. There is no special interest between the Company and him or any other company for which he serves as an officer.

We have appointed Mr. Kanji Kawamura for Outside Director Serving as Audit and Supervisory Committee Member, in the expectation that, because he has a wealth of knowledge and work experience in corporate legal affairs, he would audit the Company's management from an objective and neutral position with the use of such knowledge and work experience and make timely and appropriate remarks at the Board of Directors and the Audit and Supervisory Committee. There is no special interest between the Company and him or any other company for which he serves as an officer.

We have appointed Ms. Kimie Sakuragi as Outside Director Serving as Audit and Supervisory Committee Member, in the expectation that, because she has a wealth of knowledge and work experience in corporate ethics and compliance, she would audit the Company's management from an objective and neutral position with the use of such knowledge and work experience and make timely and appropriate remarks at the Board of Directors and the Audit and Supervisory Committee. There is no special interest between the Company and her or any other company for which she serves as an officer.

Therefore, we believe that all of our Outside Directors of the Board are unlikely to have conflicts of interest with general shareholders and that we can receive appropriate opinions and advice from their objective standpoint.

The criteria for judging the independence of our Outside Directors of the Board are compliant with the independence criteria established by the Tokyo Stock Exchange, and we judge, in principle, that there is no independence with regard to business executors of our main business partners, those whose main business partner is the Company or their business executors, as well as consultants,

accounting experts, lawyers, etc. who receive a large amount of money from the Company in addition to the executive compensation.

Of these, “major” business partners are those whose transaction volume with the Company is 2% or more of the consolidated net sales of either the business partner or the Company in the previous fiscal year, and the standard of “large amount” is 10 million yen or more per year.

- (iii) Mutual cooperation among supervision or audits by Outside Directors of the Board, internal audits, audits by the Audit and Supervisory Committee and accounting audits, and the relationship with Internal Control Department

Isuzu Motors has a system in which Outside Directors (Directors Serving as Audit and Supervisory Committee Members) shall receive reports at the Audit and Supervisory Committee and the Board of Directors about the implementation status of internal audits, audits by Audit and Supervisory Committee members and accounting audits, and the activity status of the Internal Control Department.

We have a system in which Outside Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) shall receive reports at the Board of Directors about the implementation status and the activity status as mentioned above. Moreover, initiatives to ensure that the management monitoring function from an independent perspective fully functions, including the utilization of Outside Directors of the Board are as follows:

- a. A “Management Audit Meeting” in which all members of the Audit and Supervisory Committee will attend in principle is set up prior to the regular meeting of the Board of Directors to strengthen the monitoring function for management. In addition to “Group CFO (Officer responsible for finance),” “Group CRMO (Officer responsible for risk management),” EVP of Corporate Strategy Division from the management side, the managers from each department relating to internal control in the whole company, such as the Business Promotion Department, Corporate Planning Department, Accounting Department, and Audit Department participate in this Management Audit Meeting, in which the development status of the system as the Internal Control Department is reported and which is used as a place for explaining important matters such as those scheduled for deliberation by the Board of Directors, and asking questions.
- b. We have a system in which several departments are selected every year and all members of the Audit and Supervisory Committee, in principle, carry out business audits.
- c. The Opinion Exchange Meeting is held twice a year as a place for all members of the Audit and Supervisory Committee to participate in principle and exchange opinions and ask and answer questions regarding overall management with the President.
- d. Standing Audit and Supervisory Committee members shall enhance their management oversight functions by attending the Management Meeting, which is a meeting body under the Board of Directors, and by participating in audits of major subsidiaries.
- e. Standing Audit and Supervisory Committee Members shall meet regularly with Audit & Supervisory Board Members of subsidiaries, etc. in order to enhance and strengthen audits for the entire Group, and shall share revisions of relevant laws and regulations and how to proceed with audits within the Group, and ensure mutual collaboration and information exchange.
- f. Outside Directors of the Board shall work to strengthen objectivity and accountability of the Board of Directors by participating in the briefing session on the content and materials of the company’s agenda, which is held approximately a few days before the meeting of the Board of Directors, so that they can be more appropriately involved and provide advice on the Board of Directors. The Management Roundtable shall, in principle, be held every month according to the day of the Board of Directors meeting as a place for two Outside Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) to exchange opinions and ask and answer questions regarding overall management with the President. Further, two Outside Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) shall hold regular meetings to share information with Audit and Supervisory Committee Members.

- g. The Group CFO and Group CRMO attend the Board of Directors Meeting as explanatory assistants every time from the standpoint of supervising the Internal Control Departments of the entire Group in their respective problem areas, and report and respond to requests and questions from Outside Directors of the Board appropriately.

(3) Status of audits

For the status of audits at Isuzu Motors, the Audit and Supervisory Committee Members, the Audit Department, and the Accounting Auditor enhance mutual collaboration by exchanging information as needed, including regular meetings about annual plans, audit result reports and others.

(i) Status of audits by the Audit and Supervisory Committee

As of the date of submission of the Annual Securities Report, the Audit and Supervisory Committee of the Company consists of five Directors Serving as Audit and Supervisory Committee Members, three of whom are Outside Directors of the Board. All three standing Audit and Supervisory Committee members, including one Outside Director of the Board, have considerable knowledge of finance and accounting. Each of the two Outside Directors Serving as Audit and Supervisory Committee Members has a wealth of knowledge and work experience in corporate legal affairs, corporate ethics and compliance.

In addition, we have established an Audit and Supervisory Committee group, which consists of three members, as a dedicated organization to assist the execution of duties by the Audit and Supervisory Committee. We have established Audit and Supervisory Committee Auxiliary Employees Rules to ensure the independence of the group and the effectiveness of instructions to the auxiliary employees.

In the current fiscal year, a total of 15 Audit and Supervisory Committee Meetings averaging roughly 80 minutes were held. The attendance status of each Audit and Supervisory Committee Member was as follows:

Category	Name	Attendance status
Director of the Board, and Standing Audit and Supervisory Committee Member (Outside)	Tetsuhiko Shindo	15 out of 15 meetings
Director of the Board, and Standing Audit and Supervisory Commission Member	Masayuki Fujimori	15 out of 15 meetings
Director of the Board, and Standing Audit and Supervisory Commission Member	Kenji Miyazaki	15 out of 15 meetings
Director of the Board, and Audit and Supervisory Committee Member (Outside)	Kanji Kawamura	15 out of 15 meetings
Director of the Board, and Audit and Supervisory Committee Member (Outside)	Kimie Sakuragi	15 out of 15 meetings

(Note) As of the date of submission of the Annual Securities Report, our Audit and Supervisory Committee consists of Makoto Anayama (the Chair), Kenji Miyazaki, Masao Watanabe, Kanji Kawamura, and Kimie Sakuragi.

Specific considerations of the Audit and Supervisory Committee include the determination of audit policies and plans, the reporting and confirmation of audit implementation status, the evaluation and reappointment and non-reappointment of accounting auditors, and the determination of audit reports by the Audit and Supervisory Committee.

The important audit items for the current fiscal year were as follows:

- a. Development and operation status of ESG (mainly the governance system)
- b. Status of response to strengthening quality control system



- c. Development and operation status of risk management system
- d. Development and operation status of Group internal control system
- e. Development and operation status of internal control system at UD Trucks
- f. Monitoring the status of development and improvement of internal control systems of domestic consolidated sales companies

The Standing Audit and Supervisory Committee Members attend important meetings such as the Board of Directors and the Management Meeting, hear the status of business execution from Directors of the Board, etc., inspect important documents, and conduct audits through investigating the status of business operations and assets at Isuzu Motors and its major subsidiaries. Furthermore, they regularly share information with Audit & Supervisory Board Members and others of the subsidiaries to establish an audit system as the whole Group.

Part-time Audit and Supervisory Committee members are responsible for enhancing the management oversight function by attending important meetings such as the Board of Directors and expressing their opinions from the standpoint of independent officers, based on their respective specialized knowledge. They also strive to share information with standing Audit and Supervisory Committee members by attending the Audit and Supervisory Committee.

(ii) Status of internal audit

For the internal audit organization of the Company, the domestic audit group and the overseas audit group under the Audit Department conduct internal control evaluations to ensure the reliability of financial reporting based on the Financial Instruments and Exchange Law, and work to improve compliance with relevant laws and regulations, ensure reliability of financial reporting, and ensure operational effectiveness and efficiency through the business audits and theme audits of the Company and the Group companies. Since the same Audit Department conducts internal control evaluation and internal audit, the two duties are organically linked to achieve efficient execution and deepening of operations. Moreover, the Accounting Department and the Legal Department provide necessary cooperation for these internal audits. The total number of employees at the end of this fiscal year was 16 (excluding General Managers of the Department) for both groups.

In addition, the Company will ensure that the Corporate Audit Dept. has a direct reporting line to the Audit and Supervisory Committee in addition to a reporting line to the President and COO in an effort to ensure the effectiveness of internal audits.

(iii) Status of accounting audit

The certified accountants who executed accounting audit work of the Company are Kiomi Horikoshi, Atsushi Suganuma, and Keiichiro Ochi, and they belong to Ernst & Young ShinNihon LLC. Ernst & Young ShinNihon LLC has introduced a system to replace business execution employees, and certified public accountants who execute accounting audit business of the Company will be replaced at any time based on the replacement plan formulated by the audit corporation.

The number of assistants involved in the accounting audit work of the Company is 12 certified public accountants, 7 people who have passed the certified public accountant exam, and 37 others.

(Continuous audit period)

51 years

Since it is extremely difficult to conduct surveys prior to fiscal 1972, the continuous audit period may have exceeded the above years.

(Policy and reasons for selecting Accounting Auditor)

The selection and reappointment of the Accounting Auditor are decided by the Audit and Supervisory Committee after confirming the independence and expertise of the Accounting Auditor and the appropriateness of the audit plan and implementation system shown.

When the Audit and Supervisory Committee judges that it is difficult for the Accounting Auditor to perform its proper duties due to the occurrence of an event that impairs the eligibility or independence of the Accounting Auditor or for other reasons, it shall decide that to dismiss the Accounting Auditor or not reappoint him/her, as the content of the agenda to be submitted to the General Meeting of Shareholders. In addition, if the Audit and Supervisory Committee determines that the Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and has caused a significant hindrance to the proper performance of the duties of the Accounting Auditor, the Audit and Supervisory Committee shall dismiss the Accounting Auditor with the consent of all Audit and Supervisory Committee Members.

(Evaluation of the audit of the company submitting the Annual Securities Report, and Certified Public Accountants, etc. or Accounting Auditors by the Audit and Supervisory Committee)

The Audit and Supervisory Committee sets the criteria for appropriately selecting Accounting Auditor candidates and appropriately evaluating Accounting Auditors, in accordance with “Practical Guidelines for Audit and Supervisory Committee Members regarding the Evaluation of Accounting Auditors and the Formulation of Selection Criteria” established by the Japan Audit & Supervisory Board Members Association. And based on this, the Committee conducts evaluations at the end of the period and during the period, and if necessary, it requests improvements that lead to an enhanced audit quality.

On top of that, we carry out multifaceted evaluations with reference to the opinions of the business execution side, the Audit Department and others.

(iv) Details of audit fees, etc.

(Details of remuneration for Certified Public Accountants’ auditing, etc.)

Category	Previous fiscal year		Current fiscal year	
	Remuneration based on audit certification work (millions of yen)	Remuneration based on non-audit services (millions of yen)	Remuneration based on audit certification work (millions of yen)	Remuneration based on non-audit services (millions of yen)
Company submitting the Annual Securities Report	150	93	168	100
Consolidated subsidiary	167	5	273	3
Total	317	99	442	103

(Details of non-audit services for the company submitting the Annual Securities Report by Certified Public Accountants, etc.)

(Previous fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Current fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Remuneration for the same network (Ernst & Young) as Certified Public Accountants (excluding remuneration for Certified Public Accountants))

Category	Previous fiscal year		Current fiscal year	
	Remuneration based on audit certification work (millions of yen)	Remuneration based on non-audit services (millions of yen)	Remuneration based on audit certification work (millions of yen)	Remuneration based on non-audit services (millions of yen)
Company submitting the Annual Securities Report	–	41	–	10
Consolidated subsidiary	250	117	320	175
Total	250	159	320	186

(Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries by the same network (Ernst & Young) as Certified Public Accountants)

(Previous fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Current fiscal year)

Details of non-audit services for the company submitting the Annual Securities Report and the consolidated subsidiaries are accounting treatment, and advice and guidance related to tax filing.

(Details of remuneration based on other important audit certification work)

Not applicable.

(Policy to determine audit fees)

There are no applicable items, but the decision is made after taking into consideration the number of audit days.

(Reasons why the Audit and Supervisory Committee agreed to the audit fee)

The Audit and Supervisory Committee agrees to audit fees of Accounting Auditors, based on the “Practical Guidelines for Cooperation with Accounting Auditors” by the Japan Audit & Supervisory Board Members Association, after having examined details of the audit plan, audit time and staffing plan, job performance status in the previous fiscal years, the validity of the basis of calculating estimated fees and others.

(v) Audit and Supervisory Committee coordination with accounting audits and internal audits

The Audit Dept. will secure a direct reporting line to the Audit and Supervisory Committee through which they will regularly exchange opinions, thereby sharing information and creating shared understandings of issues with regard to the results of Audit and Supervisory Committee audits and internal audits of each department and domestic and overseas subsidiary and affiliate.

The Audit Dept. exchanges opinions with the Accounting Auditor on a regular basis and when necessary, and makes efforts toward mutual cooperation while sharing information as needed with regard to the status of development and evaluation of internal control over financial reporting and internal audit activities.

The Audit Dept. and the Audit and Supervisory Committee receive explanations from the Accounting Auditor on audit plans, important audit items, the results of accounting audits (quarterly reviews and annual audits), and key audit matters, and exchanges opinions.

(4) Officer's remuneration, etc.

(i) Matters relating to the policy on the determination of the amount of remuneration, etc. for Officers or the calculation method thereof

a. Basic policy of remuneration system

The Company has established the following basic policy regarding remuneration for Directors of the Board and Executive Officers.

- (a) Remuneration should contribute to the sustainable growth and enhancement of the corporate value of the Company, and the share value of shareholders.
- (b) The level of remuneration should be appropriate and necessary to secure and maintain outstanding personnel, taking into consideration the economic environment, market trends, and remuneration levels of other companies.
- (c) The amount of remuneration should reflect the performance of the company and each individual, and be commensurate with their responsibilities and position.
- (d) The remuneration determination process is highly objective, fair, and transparent.
- (e) The executive remuneration system and the level of remuneration are subject to review on a regular basis in conjunction with the renewal of the Mid-Term Business Plan, in light of such factors as the economic environment, remuneration levels and systems at other companies, and the state of operation of the system at Isuzu.

b. Policy on remuneration composition and remuneration determination, etc.

(a) Overview of remuneration composition

- Remuneration for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) consists of basic remuneration, bonus linked with the degree of attainment of performance targets of a single fiscal year, and remuneration based on a performance-linked share-based remuneration plan, which is linked with the degree of attainment of performance targets set out to achieve sustainable enhancement of corporate value during the period of the Mid-Term Business Plan.

The number of Directors of the Board of the Company (excluding Directors Serving as Audit and Supervisory Committee Members) is eight (including two Outside Directors of the Board).

- Remuneration for Directors Serving as Audit and Supervisory Committee Members consists only of basic remuneration.

The number of Directors Serving as Audit and Supervisory Committee Members of the Company is five (including three Outside Directors of the Board).

- Notwithstanding the above, the remuneration for Outside Directors of the Board consists only of basic remuneration from the perspective of the role and independence of Outside Directors of the Board.

(b) Decision policy on details of individual remuneration for Directors of the Board

In order to build a remuneration system that functions appropriately as an incentive to achieve short-term performance targets and improve corporate value over the medium to long term, and ensures the transparency and objectiveness of the remuneration decision process, based on the basic policy of the remuneration system, the Nomination and Remuneration Committee deliberated on matters. Then, the decision policy on the content of individual remuneration for Directors of the Board was resolved at the Board of Directors meeting held on March 12, 2021.

- The basic remuneration is within the limit approved at the General Meeting of Shareholders, and the amount to be paid for each individual is determined according to the position and the evaluation of individual performance. The evaluation of individual performance is entrusted by the Board of Directors to the President. And the President evaluates based on the individual performance of the previous fiscal year, consults with the Nomination and Remuneration Committee, finalizes the amount of payment for

each individual in June every year, and the amount divided into 12 is paid as the monthly remuneration. However, the evaluation of individual performance shall not be reflected for Outside Directors of the Board. The remuneration of Directors Serving as Audit and Supervisory Committee Members is determined by consultation with the Directors Serving as Audit and Supervisory Committee Members within the limit approved at the General Meeting of Shareholders, and the amount divided into 12 shall be paid as monthly remuneration. Bonuses are calculated for each individual within the limit approved at the General Meeting of Shareholders, reflecting the company's performance in the standard amount for each position, and after consulting with the Nomination and Remuneration Committee, the Board of Directors deliberates and decides those amounts in May to pay in July every year.

- The upper limit of basic remuneration and bonuses for Directors of the Board was abolished at the 119th Annual General Meeting of Shareholders held on June 25, 2021. The annual remuneration including basic remuneration and bonuses for Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) is 1,100 million yen or less per year, taking into consideration the number of Directors of the Board, economic environment, market trends, standards of other companies, etc. (of which, the annual amount for Outside Directors of the Board is 110 million yen or less, and Outside Directors of the Board are not eligible for bonus payment from the viewpoint of their role and independence). And the remuneration amount does not include the employee salaries of Directors who also serve as employees, as before.
- The amount of remuneration for Directors Serving as Audit and Supervisory Committee Members is limited to 200 million yen or less per year, taking into consideration the number of Directors of the Board, economic environment, market trends, standards of other companies, etc.
- Share-based remuneration is calculated for each individual within the limit approved at the General Meeting of Shareholders, reflecting the company's performance based on the targets of the Mid-Term Business Plan, etc. in the standard amount for each position, and after consulting with the Nomination and Remuneration Committee, the Board of Directors deliberates and decides those amounts to pay the fiscal year following the end of the Mid-Term Business Plan. For the method of determining the amount of bonuses and the Share-based Remuneration for each individual, there is no discretion, because after determination of the standard amount, the payment amount is automatically calculated by coefficients, etc., and it depends only on the company's performance, as described in "e." below.

- c. Details of the policy regarding the determination of the payment ratio of performance-linked remuneration and remuneration, etc. other than performance-linked remuneration

As mentioned above, performance-linked remuneration under the executive remuneration system of the Company includes bonuses (linked to short-term performance) paid to Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Share-based Remuneration linked to medium- to long-term performance (linked to the degree of achievement of the targets of the Mid-Term Business Plan). And the composition ratio of basic remuneration, bonuses and Share-based Remuneration is 1.00 : 0.50 : 0.50 (for Chairman and President) and 1.00 : 0.40 : 0.30 (for other than Chairman and President), when 100% of the performance target is achieved.

- d. Delegation of determination of remuneration, etc.

The Board of Directors has resolved to delegate the President as the person to determine the specific content of the basic remuneration for each individual Director of the Board. The content of the authority is to evaluate the individual performance of Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and to determine the amount of basic remuneration for each individual based on this. The reason for delegating these authorities is that the President, who is the Chief Executive Officer of the Company, is the most suitable person for properly evaluating the businesses they are in charge of, including the evaluation process, while having a bird's-eye view of the overall performance of the Company. In order to ensure that those authorities are properly executed by the President and Representative Director, the Board of Directors has

established procedures for his consulting with and reporting to the Nomination and Remuneration Committee arbitrarily, where independent Outside Directors of the Board are the majority and the President achieves accountability to ensure the objectiveness and fairness of the executive remuneration.

e. Indicators related to performance-linked remuneration, reasons for their selection, and methods for determining the amount of performance-linked remuneration

(a) Bonuses

As an index related to performance-linked remuneration, bonuses are first linked to the degree of achievement of the target of consolidated operating profit, and the performance-linked coefficient that indicates the degree of achievement in comparison between the actual single-year performance of consolidated operating profit and the target thereof is set between 0 to 200 percent. And the bonus is determined by multiplying this by the basic remuneration, which is the standard amount for each position of the bonus, and the above-mentioned composition ratio.

The reason for selecting consolidated operating profit as an index is that it is consistent with the goals set forth in the Group's Mid-Term Business Plan and that we think it is an important scale index for steadily accumulating results for each fiscal year toward its realization.

(b) Share-based remuneration

At the 119th Annual General Meeting of Shareholders held on June 25, 2021, it was resolved that the upper limit of the amount of money contributed by the Company would be 3,500 million yen for each business year covered by the Mid-Term Business Plan (in principle, three business years, hereinafter referred to as the "Target Period") as performance-linked Share-based Remuneration to Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (hereinafter referred to as "Directors of the Board, etc."), and the Company pays an amount within the scope.

The Share-Based Remuneration Plan covers a total of 31 people, including 6 Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members) and 25 Executive Officers (excluding Executive Officers who are Directors of the Board).

For the amount of Share-based Remuneration, the degree of achievement of target values such as consolidated net sales, consolidated operating profit, and consolidated return on equity (ROE) during the Target Period is a weighted average of 35% : 35% : 30%, and is multiplied by a coefficient related to the degree of growth in shareholder value, etc. <sup>(\*)1</sup> to calculate a performance-linked coefficient between 0 and 225.6%. In addition to the standard amount for each position, which is the basis of the basic remuneration, and the above-mentioned composition ratio, the points to be awarded are determined using the assumed stock price <sup>(\*)2</sup>.

Each evaluation index is the target value set in the Mid-term Business Plan (from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024) announced by the Company, and is selected because each is an important index showing the progress of the Plan.

\*1 Assessed based on the comparison between the total shareholder return (TSR) of the Company and the growth rate of TOPIX (including dividends) during the target period. Total shareholder return is the total investment yield for shareholders, which is the sum of capital gains and dividends.

\*2 The average closing price of Company stock in regular trading on the Tokyo Stock Exchange on all trading days (excluding days on which no trading is reported) in the month preceding the month in which the said Target Period starts with any fraction of one yen being rounded down to the nearest yen

The Plan aims to further raise awareness of the Directors of the Board, etc. about achieving medium- to long-term management goals and improving the enterprise value by clarifying the link between the compensation of Directors of the Board, etc. and the

performance and stock value of the Company and by making them share the merits from stock price appreciation and risks from stock price depreciation. Accordingly, we believe that the introduction of the Plan is appropriate. We believe that the upper limit of the amount of money contributed by the Company is appropriate compared with the economic environment, market trends, the level of other companies, etc., and that it is also appropriate because it is the necessary and proper level for securing and retaining excellent human resources. We have also received a report to that effect from the Nomination and Remuneration Committee.

The target for consolidated operating profit for the current fiscal year was 233.0 billion yen, which was announced in the earnings forecast, while the actual result was 253.5 billion yen. The target for consolidated operating profit for the fiscal year ending March 2024 is the announced value of 260.0 billion yen in the earnings forecast.

And in the Mid-Term Business Plan (from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024), the targets for the final year of the fiscal year ending March 31, 2024 are consolidated net sales of 2,750.0 billion yen, consolidated operating profit of 250.0 billion yen, and consolidated return on equity of 12.5%. However, actually in the second fiscal year of the Plan, consolidated net sales were 3,195.5 billion yen, consolidated operating profit was 253.5 billion yen, and consolidated return on equity was 12.1%.

- f. Reasons why the Board of Directors has determined that the content of individual remuneration, etc. for Directors of the Board for the current fiscal year is in line with the decision-making policy

When deciding details of remuneration for each individual, the Nomination and Remuneration Committee conducts objective and multifaceted verification of the decision policy, the evaluation process of individual performance, and the amount of remuneration calculated based on performance. And the Board of Directors judges that they are in line with the decision policy.

- g. Remuneration, etc. for activities of the Board of Directors and the Nomination and Remuneration Committee in determining remuneration

The authority to decide the policy regarding the amount of remuneration, etc. of Directors of the Board or the calculation method thereof is entrusted to the Board of Directors.

As the activities of the Board of Directors in determining Executive Remuneration during the current fiscal year, payment of the base remuneration for Directors of the Board was resolved at the extraordinary Board of Directors meeting held on June 28, 2022 and payment of the bonuses for them at the Board of Directors meeting held on May 26, 2023, respectively.

The voluntary Nomination and Remuneration Committee, in which independent Outside Directors are the majority, deliberates on matters related to the policy and procedures for determining remuneration, the amount of remuneration, the process of evaluating individual performance, etc., and resolves them as the Nomination and Remuneration Committee to report them to the Board of Directors. All proposals regarding remuneration at the Board of Directors are submitted based on the content of discussions and reports made by the Nomination and Remuneration Committee held a few days earlier. The main matters deliberated by the Nomination and Remuneration Committee and resolved by the Board of Directors in the current fiscal year are as follows: The Nomination and Remuneration Committee met eight times during the current fiscal year.

- Individual amount of basic remuneration
- Verification of validity of remuneration level and remuneration composition
- Bonus payment amount (scheduled to be paid in July 2023)

(ii) Total amount of remuneration, etc. for each classification of officers, total amount of remuneration, etc. by type, and number of eligible officers

Classification of officers	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				Number of eligible officers (people)
		Basic remuneration	Bonuses	Performance-linked share-based remuneration, etc.	Of the items on the left, non-monetary remuneration, etc.	
Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board)	663	336	183	142	142	7
Audit and Supervisory Committee Members (excluding Outside Directors of the Board)	68	68	–	–	–	2
Outside officers	94	94	–	–	–	5

- (Notes) 1. The above remuneration amount is not limited to those who were in office on or after the day following the conclusion of the immediately preceding Annual General Meeting of Shareholders, and the remuneration related to the current fiscal year is stated. Accordingly, the number of eligible officers includes one Director of the Board who retired at the conclusion of the Annual General Meeting of Shareholders held during the current fiscal year. In addition, the amount of bonuses and Share-based Remuneration is the remuneration that is revealed to be paid in the current fiscal year, and the actual payment will be made after the next fiscal year.
2. The amount of remuneration for Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members), including basic remuneration and bonuses, shall be within 1,100 million yen per year (of which, Outside Directors of the Board shall be within 110 million yen per year, and bonuses shall not be paid; and employee salary is not included). The amount of remuneration for Directors Serving as Audit and Supervisory Committee Members shall be 200 million yen or less per year. Further, for share-based remuneration, the upper limit of the amount that the Company will contribute to the Trust established under the Performance-Linked Share-Based Remuneration Plan for Directors (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers shall, in principle, be 3,500 million yen for every three business years. These are resolved respectively. (The Performance-Linked Share-Based Remuneration Plan is also described in “Part I. Company Information, IV. Status of Company Submitting Annual Securities Report, 1. Status of stocks, etc. (8) Details of the officer/employee stock ownership system.”) There is no stock option system, and the executive retirement allowance system was abolished at the conclusion of the 103rd Annual General Meeting of Shareholders held on June 29, 2005. However, it has been resolved that Directors of the Board and Audit & Supervisory Board Members who continue to serve after the conclusion of the General Meeting of Shareholders are presented with severance pay for officers at the time of their retirement, which corresponds to the period of their tenure until the abolition of the severance pay system for officers.
3. Total Performance-linked Share-based Remuneration is the total expense pertaining to points awarded during the current fiscal year with regard to the management board incentive plan trust. Notably, regarding this total, only provisions in the current fiscal year are recorded.



(iii) Total amount of remuneration, etc. for those who have a total amount of remuneration, etc. of 100 million yen or more

Name	Classification of officers	Classification of companies	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)			
				Basic remuneration	Bonuses	Remuneration based on the Performance-linked Share-based Remuneration Plan	Of the items on the left, non-monetary remuneration, etc.
Masanori Katayama	Director of the Board	Company submitting the Annual Securities Report	224	102	66	54	54
Shinsuke Minami	Director of the Board	Company submitting the Annual Securities Report	100	54	26	19	19
Shinichi Takahashi	Director of the Board	Company submitting the Annual Securities Report	106	58	26	21	21

(Note) 1. Total Performance-linked Share-based Remuneration is the total expense pertaining to points awarded during the current fiscal year with regard to the management board incentive plan trust. Notably, regarding this total, only provisions in the current fiscal year are recorded.

(5) Holding of shares

(i) Standard for and concept of categorization of investment shares

The Company categorizes shares held mainly for the purpose of earning profit from share value fluctuations or dividends on shares as pure-investment-purpose shares while categorizing shares held for any other purpose as non-pure-investment-purpose shares. All investment-purpose shares held by the Company are for non-pure-investment purposes.

(ii) Investment-purpose shares held by the Company for non-pure-investment purposes.

In our view, holding shares of business partner companies on the premise of long-term transactions with them is an effective means for building a stable relationship with them, and it enhances the corporate value of the Company in the medium to long term. To verify the reasonableness of holding shares, we annually assess them quantitatively to see if benefits from holding them justify our capital cost on a stock-by-stock basis and also annually examine them qualitatively on the rationale of holding them at the Board of Directors meeting, and swiftly reduce any shares deemed to no longer serve the holding purpose. We recently checked the reasonableness of holding shares by doing a verification at the Board of Directors meeting on June 21, 2023.

Number of stocks and carrying amounts on balance sheet

	Number of stock (stock)	Total carrying amounts on balance sheet (millions of yen)
Non-listed stocks	59	1,483
Stocks other than non-listed stocks	50	126,307

(Stocks where the shares increased in number for the current fiscal year)

	Number of stock (stock)	Total acquisition amount due to an increase in the number of shares (millions of yen)	Reason for an increase in the number of shares
Non-listed stocks	–	–	–
Stocks other than non-listed stocks	1	1	We additionally acquired shares in order to keep medium- to long-term relationships with the partners and develop further as the benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost.

(Stocks the shares of which decreased in number for the current fiscal year)

	Number of stock (stock)	Total amount of sale due to a decrease in the number of shares (millions of yen)
Non-listed stocks	1	112
Stocks other than non-listed stocks	9	6,794

Information on the number of shares of specified investment stocks and of stocks deemed to be held as well as on carrying amounts, etc. on the balance sheet

(Specified investment stocks)

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Toyota Motor Corporation	25,478,500	25,478,500	We continue to hold shares of Toyota Motor Corporation in order to effectively pursue the business partnership with the company through a capital alliance-based solid relationship. This was with the aim of speeding up the efforts for social implementation and penetration of CASE technologies, based on a commercial business as a foundation, and of contributing to resolving issues for the transportation industry and achieving a carbon neutral society.	Yes
	47,899	56,625		
SG Holdings Co., Ltd.	19,800,000	19,800,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	38,808	45,777		
Press Kogyo Co., Ltd.	10,151,185	10,151,185	Press Kogyo Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	5,055	3,837		
NIKKON Holdings Co., Ltd.	1,692,985	1,692,985	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	4,190	3,462		
SENKO Group Holdings Co., Ltd.	4,039,689	4,039,689	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	Yes
	3,817	3,627		
Keisei Electric Railway Co., Ltd.	638,750	638,750	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	2,602	2,181		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
NHK Spring Co., Ltd.	2,347,499	2,347,499	NHK Spring Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	2,223	2,077		
Fukuyama Transporting Co., Ltd.	613,433	613,071	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further. (Increase due to employee shareholding plan)	Yes
	2,202	2,237		
Nippon Express Holdings, Inc.	265,130	265,130	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	2,113	2,232		
Sato Shoji Corporation	1,451,077	1,451,077	Sato Shoji Corporation is a leading trading company for steel products. We continue to hold shares of the company in order to procure steel products stably via it and contribute to QCD globally. (Note) 1	Yes
	2,063	1,673		
Akebono Brake Industry Co., Ltd.	12,111,104	12,111,104	Akebono Brake Industry Co., Ltd. is our biggest supplier of specific vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	No
	1,756	1,901		
NSK Ltd.	1,689,000	1,689,000	NSK Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	1,276	1,243		
Hitachi Construction Machinery Co., Ltd.	364,870	364,870	We check that benefits from the shareholding, composed of revenue from industrial engines and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep and develop the medium- to long-term relationship with the partner.	No
	1,121	1,165		
NH Foods Ltd.	269,000	269,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	1,031	1,116		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Aichi Corporation	1,274,473	1,274,473	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	Yes
	1,014	1,124		
Yamazaki Baking Co., Ltd.	520,064	520,064	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	834	779		
Tonami Holdings Co., Ltd.	196,643	196,643	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	810	738		
TBK Co., Ltd.	2,798,002	2,798,002	TBK Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	780	1,040		
Nishio Rent All Co., Ltd.	202,092	202,092	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	627	565		
Nishi-Nippon Railroad Co., Ltd.	220,000	220,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	526	590		
Keikyu Corporation	392,664	392,664	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	Yes
	494	492		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Shibusawa Warehouse Co., Ltd.	213,000	213,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	473	492		
KYB Corporation	104,300	104,300	KYB Corporation is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	419	310		
Mie Kotsu Group Holdings, Inc.	653,038	653,038	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	365	297		
Denyo Co., Ltd.	211,000	311,000	We check that benefits from the shareholding, composed of revenue from industrial engines and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep and develop the medium- to long-term relationship with the partner.	Yes
	358	508		
Tokyo Radiator MFG Co., Ltd.	675,000	675,000	Tokyo Radiator MFG Co., Ltd. is our biggest supplier of multiple vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	357	415		
Niigata Kotsu Co., Ltd.	155,000	155,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	314	310		
Daido Metal Co., Ltd.	593,000	593,000	Daido Metal Co., Ltd. is our biggest supplier of specific vehicle parts. We continue to hold shares of the company in order to procure such parts stably and contribute to QCD globally. (Note) 1	Yes
	303	338		
Fuji Kyuko Co., Ltd.	65,000	65,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	285	254		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Air Water Inc.	150,000	150,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	249	258		
Hiroshima Electric Railway Co., Ltd.	300,000	300,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	245	254		
Meiji Holdings Co., Ltd.	60,840	30,420	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	191	201		
Ito En, Ltd.	40,000	40,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	173	240		
Maruzen Showa Unyu Co., Ltd.	45,293	45,293	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	145	143		
Hokuetsu Industries Co., Ltd.	101,900	101,900	We check that benefits from the shareholding, composed of revenue from industrial engines and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep and develop the medium- to long-term relationship with the partner.	No
	142	89		
Crops Corporation	100,000	751,500	We entrust Crops Corporation with a wide range of operations such as reception, security, equipment maintenance, and cleaning at the Head Office and plants. We continue to hold shares of the company in order to keep dealing with it stably in the medium to long term. (Note) 1	Yes
	137	740		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Kamigumi Co., Ltd.	41,000	41,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	113	90		
Kanamoto Co., Ltd.	48,145	48,145	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	104	96		
Chilled & Frozen Logistics Holdings Co., Ltd.	75,000	75,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	95	90		
Tokio Marine Holdings, Inc.	37,305	12,435	Tokio Marine Holdings, Inc. is regarded as a main business partner for our group companies in and outside Japan, including bases that have transactions only with it. We continue to hold shares of the company in order to keep and develop the medium- to long-term relationship with the partner. (Note) 1	Yes
	95	88		
Seibu Holdings Inc.	61,900	61,900	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	84	78		
euglena Co., Ltd.	86,800	86,800	We continue to hold shares of the company in order to collaborate with it for developing next-generation alternative energy sources, etc. (Note) 1	No
	81	71		
Keio Corporation	16,400	16,400	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	76	78		



Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
Sotetsu Holdings Inc.	32,882	32,882	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	74	75		
Kanda Holdings Co., Ltd.	56,100	56,100	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	65	61		
Loginet Japan Co., Ltd.	10,800	10,800	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	35	31		
Ito En, Ltd. Class-A Preferred Stock	12,000	12,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	22	23		
S-line Co., Ltd.	19,885	19,885	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	16	18		
Tohbu Network Co., Ltd.	20,000	20,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	17	17		
Okayamaken Freight Transportation Co., Ltd.	5,000	5,000	We check that benefits from the shareholdings, composed of revenue from new vehicles and our existing businesses as well as dividend income, justify our capital cost. We continue to hold shares of the company in order to keep the medium- to long-term relationship with the partner and develop further.	No
	13	14		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliances, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not shares of the Company are held (Note) 4
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on the balance sheet (millions of yen)	Carrying amount on the balance sheet (millions of yen)		
JFE Holdings, Inc.	–	2,230,500	–	Yes
	–	3,843		
Mitsubishi UFJ Financial Group, Inc.	–	909,030	–	Yes
	–	691		
Kansai Paint Co., Ltd.	–	295,000	–	Yes
	–	582		
NOK Corporation	–	298,300	–	Yes
	–	342		
Apple International Co., Ltd.	–	1,380,000	–	No
	–	278		
Mizuho Financial Group, Inc.	–	177,450	–	Yes
	–	278		
Sumitomo Mitsui Trust Holdings, Inc.	–	14,751	–	Yes
	–	59		

(Note) 1. At a board of directors meeting, we annually assess our shareholdings qualitatively such as on the rationale of holding them as stated in the section titled “(ii) Investment stocks held for non-pure investment purposes” given that it is difficult to quantitatively verify the effects of holding them.

(Note) 2. A dash “-” shows that shares of the stock are not held.

(Note) 3. The Company has no shares falling under the holding category of “shares of stocks deemed to be held.”

(Note) 4. Whether or not shares of the Company are held by a holding company is stated in consideration of shares held by its main subsidiary or subsidiaries (the number of shares held in effect).

## V. Financial Information

### 1. Preparation methods for consolidated financial statements and non-consolidated financial statements

- (1) Consolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the “Regulation on Consolidated Financial Statements”).
- (2) Non-consolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the “Regulation on Financial Statements”).

The non-consolidated financial statements are prepared in accordance with Article 127 of the Regulation on Financial Statements as the Company falls under companies allowed to file specified financial statements.

### 2. Audit certification.

Ernst & Young ShinNihon LLC audited the consolidated financial statements for the fiscal year (from April 1, 2022 to March 31, 2023) and non-consolidated financial statements for the fiscal year (from April 1, 2022 to March 31, 2023) in accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

### 3. Specific efforts to ensure the appropriateness of consolidated financial statements, etc.

The Company makes specific efforts to ensure the appropriateness of its consolidated financial statements, etc. Specifically, as a member of the Financial Accounting Standards Foundation, the Company participates in seminars organized by the Financial Accounting Standards Foundation and the Financial Services Agency in order to aptly understand accounting principles, etc. and develops a system to adequately respond to changes in them.

1. Consolidated financial statements, etc.  
 (1) Consolidated financial statements  
 (i) Consolidated balance sheet

(Millions of yen)

		As of March 31, 2022		As of March 31, 2023
<b>Assets</b>				
Current assets				
Cash and deposits		356,018		383,587
Notes and accounts receivable - trade, and contract assets	*1	371,249	*1	398,630
Lease receivables and investments in leases		190,522		199,841
Merchandise and finished goods	*2	281,309		392,278
Work in process	*2	49,946		51,294
Raw materials and supplies	*2	146,422		169,882
Other		96,494		109,108
Allowance for doubtful accounts		(1,217)		(2,366)
<b>Total current assets</b>		<b>1,490,745</b>		<b>1,702,258</b>
Non-current assets				
Property, plant and equipment				
Buildings and structures		540,482		562,044
Accumulated depreciation		(330,844)		(348,582)
Buildings and structures, net		209,638		213,461
Machinery, equipment and vehicles		858,016		896,295
Accumulated depreciation		(689,229)		(731,976)
Machinery, equipment and vehicles, net	*2	168,786		164,318
Land	*6	371,765	*6	371,367
Leased assets		15,350		14,974
Accumulated depreciation		(8,003)		(9,180)
Leased assets, net		7,346		5,794
Vehicles on operating leases		128,631		139,515
Accumulated depreciation		(42,904)		(52,256)
Vehicles on operating leases, net		85,727		87,259
Construction in progress		44,914		43,361
Other		192,623		220,606
Accumulated depreciation		(161,921)		(170,505)
Other, net		30,702		50,101
<b>Total property, plant and equipment</b>		<b>918,881</b>		<b>935,664</b>
Intangible assets				
Goodwill		20,519		18,010
Other		66,887		56,667
<b>Total intangible assets</b>		<b>87,407</b>		<b>74,678</b>
Investments and other assets				
Investment securities	*3	249,832	*3	218,844
Long-term loans receivable		1,035		1,060
Retirement benefit asset		3,144		3,161
Deferred tax assets		55,095		61,956
Other		51,534		50,264
Allowance for doubtful accounts		(1,537)		(1,111)
<b>Total investments and other assets</b>		<b>359,104</b>		<b>334,176</b>
<b>Total non-current assets</b>		<b>1,365,394</b>		<b>1,344,518</b>
<b>Total assets</b>		<b>2,856,139</b>		<b>3,046,777</b>

(Millions of yen)

		As of March 31, 2022		As of March 31, 2023
<b>Liabilities</b>				
<b>Current liabilities</b>				
Notes and accounts payable - trade	*2	436,365		496,833
Electronically recorded obligations - operating		60,332		66,856
Short-term borrowings	*7	139,160	*7	117,880
Lease liabilities		8,659		7,610
Income taxes payable		27,593		31,257
Accrued expenses		100,735		115,873
Provision for bonuses		23,553		26,824
Provision for bonuses for directors (and other officers)		246		289
Provision for product warranties		5,075		5,439
Deposits received		4,898		5,062
Other	*4	91,576	*4	94,905
<b>Total current liabilities</b>		<b>898,195</b>		<b>968,832</b>
<b>Non-current liabilities</b>				
Bonds payable		80,000		80,000
Long-term borrowings		286,650		285,044
Lease liabilities		16,009		22,609
Deferred tax liabilities		4,272		4,000
Deferred tax liabilities for land revaluation	*6	42,135	*6	42,135
Provision for automobile maintenance costs		6,170		5,184
Provision for share awards for directors (and other officers)		418		887
Retirement benefit liability		97,151		94,423
Provision for product warranties		4,859		5,119
Long-term deposits received		2,723		2,539
Other		23,127		25,767
<b>Total non-current liabilities</b>		<b>563,518</b>		<b>567,712</b>
<b>Total liabilities</b>		<b>1,461,714</b>		<b>1,536,544</b>
<b>Net assets</b>				
<b>Shareholders' equity</b>				
Share capital		40,644		40,644
Capital surplus	*5	42,606	*5	42,048
Retained earnings		928,371		1,021,771
Treasury shares		(3,290)		(3,234)
<b>Total shareholders' equity</b>		<b>1,008,332</b>		<b>1,101,230</b>
<b>Accumulated other comprehensive income</b>				
Valuation difference on available-for-sale securities		53,990		42,530
Deferred gains or losses on hedges		(1,102)		204
Revaluation reserve for land	*6	83,952	*6	83,952
Foreign currency translation adjustment		49,459		79,190
Remeasurements of defined benefit plans		(531)		1,398
<b>Total accumulated other comprehensive income</b>		<b>185,768</b>		<b>207,276</b>
<b>Non-controlling interests</b>		<b>200,324</b>		<b>201,725</b>
<b>Total net assets</b>		<b>1,394,425</b>		<b>1,510,232</b>
<b>Total liabilities and net assets</b>		<b>2,856,139</b>		<b>3,046,777</b>

## (ii) Consolidated statement of income and consolidated statement of comprehensive income

## Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
Net sales	*1	2,514,291	*1	3,195,537
Cost of sales	*2	2,056,104	*2	2,600,347
Gross profit		458,187		595,189
Selling, general and administrative expenses				
Transportation costs		50,509		74,585
Promotion expenses		8,225		8,050
Advertising expenses		5,561		7,543
Unpaid repair expenses		17,891		19,684
Provision for product warranties		4,254		6,228
Salaries and allowances		96,664		110,811
Provision for bonuses		15,367		18,166
Provision for bonuses for directors (and other officers)		197		239
Provision for share awards for directors (and other officers)		418		559
Retirement benefit expenses		4,759		5,522
Depreciation		21,434		20,836
Other	*2	45,705	*2	69,415
Total selling, general and administrative expenses		270,989		341,642
Operating profit		187,197		253,546
Non-operating income				
Interest income		3,335		5,612
Dividend income		5,232		5,519
Share of profit of entities accounted for using equity method		9,617		5,765
Rental income		241		338
Foreign exchange gains		5,779		–
Other		4,107		9,246
Total non-operating income		28,314		26,482
Non-operating expenses				
Interest expenses		2,130		2,227
Foreign exchange losses		–		2,444
Litigation settlement		59		36
Compensation expenses		–		1,578
Currency option costs		249		953
Other		4,666		2,916
Total non-operating expenses		7,106		10,156
Ordinary profit		208,406		269,872
Extraordinary income				
Gain on sale of non-current assets	*3	177	*3	332
Gain on sale of investment securities		2,923		3,411
Total extraordinary income		3,100		3,744

(Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
<b>Extraordinary losses</b>				
Loss on disposal of non-current assets	*4	1,621	*4	1,480
Impairment losses	*5	343	*5	258
Loss on sale of investment securities		40		214
Loss on valuation of investment securities		5,017		152
Loss on valuation of investments in capital of subsidiaries and associates		62		—
Loss on COVID-19		104		—
Loss related to the Russian business		—	*6	1,668
Other		34		—
Total extraordinary losses		7,224		3,775
Profit before income taxes		204,281		269,841
Income taxes - current		53,134		72,987
Income taxes - deferred		(5,572)		253
Total income taxes		47,562		73,241
Profit		156,719		196,600
Profit attributable to non-controlling interests		30,526		44,856
Profit attributable to owners of parent		126,193		151,743

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	156,719	196,600
Other comprehensive income		
Valuation difference on available-for-sale securities	861	(11,476)
Deferred gains or losses on hedges	(305)	1,306
Foreign currency translation adjustment	42,887	33,385
Remeasurements of defined benefit plans, net of tax	443	1,643
Share of other comprehensive income of entities accounted for using equity method	7,416	2,931
Total other comprehensive income	*1 51,303	*1 27,790
Comprehensive income	208,023	224,390
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	168,935	173,250
Comprehensive income attributable to non-controlling interests	39,087	51,139



## (iii) Consolidated statement of changes in net assets

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	40,644	42,599	849,673	(54,090)	878,826
Changes during period					
Dividends of surplus			(37,314)		(37,314)
Profit attributable to owners of parent			126,193		126,193
Reversal of revaluation reserve for land			(71)		(71)
Purchase of treasury shares				(2,259)	(2,259)
Disposal of treasury shares		(10,109)		53,059	42,949
Transfer from retained earnings to capital surplus		10,109	(10,109)		-
Change in capital surplus interest of parent due to transactions with non-controlling interests		7			7
Net changes in items other than shareholders' equity					
Total changes during period	-	7	78,698	50,800	129,505
Balance at end of period	40,644	42,606	928,371	(3,290)	1,008,332

	Accumulated other comprehensive income						Non-controlling interests	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 period	52,942	(796)	83,881	7,830	(901)	142,955	183,230	1,205,013
Changes during period								
Dividends of surplus								(37,314)
Profit attributable to owners of parent								126,193
Reversal of revaluation reserve for land								(71)
Purchase of treasury shares								(2,259)
Disposal of treasury shares								42,949
Transfer from retained earnings to capital surplus								-
Change in capital surplus interest of parent due to transactions with non-controlling interests								7
Net changes in items other than shareholders' equity	1,048	(305)	71	41,629	370	42,813	17,093	59,906
Total changes during period	1,048	(305)	71	41,629	370	42,813	17,093	189,411
Balance at end of period	53,990	(1,102)	83,952	49,459	(531)	185,768	200,324	1,394,425

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	40,644	42,606	928,371	(3,290)	1,008,332
Changes during period					
Dividends of surplus			(56,752)		(56,752)
Profit attributable to owners of parent			151,743		151,743
Change due to changes in accounting period of consolidated subsidiaries			(1,591)		(1,591)
Purchase of treasury shares				(40)	(40)
Disposal of treasury shares				96	96
Change in capital surplus interest of parent due to transactions with non-controlling interests		(557)			(557)
Net changes in items other than shareholders' equity					
Total changes during period	–	(557)	93,399	55	92,898
Balance at end of period	40,644	42,048	1,021,771	(3,234)	1,101,230

	Accumulated other comprehensive income						Non-controlling interests	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 period	53,990	(1,102)	83,952	49,459	(531)	185,768	200,324	1,394,425
Changes during period								
Dividends of surplus								(56,752)
Profit attributable to owners of parent								151,743
Change due to changes in accounting period of consolidated subsidiaries								(1,591)
Purchase of treasury shares								(40)
Disposal of treasury shares								96
Change in capital surplus interest of parent due to transactions with non-controlling interests								(557)
Net changes in items other than shareholders' equity	(11,459)	1,306	–	29,730	1,930	21,507	1,401	22,908
Total changes during period	(11,459)	1,306	–	29,730	1,930	21,507	1,401	115,806
Balance at end of period	42,530	204	83,952	79,190	1,398	207,276	201,725	1,510,232

## (iv) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	204,281	269,841
Depreciation	98,335	107,255
Share of loss (profit) of entities accounted for using equity method	(9,617)	(5,765)
Increase (decrease) in provision for product warranties	138	542
Increase (decrease) in provision for bonuses	501	2,626
Increase (decrease) in provision for bonuses for directors (and other officers)	(140)	68
Amortization of goodwill	4,334	4,219
Increase (decrease) in allowance for doubtful accounts	(136)	835
Increase (decrease) in provision for automobile maintenance costs	1,738	(985)
Increase (decrease) in provision for share awards for directors (and other officers)	282	468
Increase (decrease) in retirement benefit liability	(775)	(533)
Interest and dividend income	(8,568)	(11,132)
Interest expenses	2,130	2,227
Loss (gain) on sale of non-current assets	(177)	(332)
Loss (gain) on disposal of non-current assets	1,621	1,480
Loss (gain) on sale of investment securities	(2,882)	(3,196)
Loss (gain) on valuation of investment securities	5,017	152
Loss on valuation of investments in capital of subsidiaries and associates	62	–
Impairment losses	343	258
Loss related to the Russian business	–	1,668
Decrease (increase) in trade receivables	605	(8,942)
Net decrease (increase) in lease receivables and investments in leases	(5,437)	(9,198)
Decrease (increase) in inventories	(105,245)	(113,089)
Decrease (increase) in other current assets	(16,462)	(6,915)
Increase (decrease) in trade payables	32,523	39,311
Increase (decrease) in accrued expenses	13,507	17,475
Increase (decrease) in deposits received	17	(400)
Increase (decrease) in other liabilities	(7,407)	(1,431)
Other, net	1,771	(295)
<b>Subtotal</b>	<b>210,361</b>	<b>286,210</b>
Interest and dividends received	10,783	15,053
Interest paid	(2,187)	(2,210)
Income taxes paid	(46,901)	(71,968)
<b>Net cash provided by (used in) operating activities</b>	<b>172,056</b>	<b>227,085</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(42,981)	(121)
Proceeds from sale of investment securities	5,496	23,937
Purchase of non-current assets	(100,325)	(107,319)
Proceeds from sale of non-current assets	7,312	6,128
Long-term loan advances	(280)	(330)
Proceeds from collection of long-term loans receivable	320	358
Net decrease (increase) in short-term loans receivable	12	107
Net decrease (increase) in time deposits	943	(4,076)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(290,562)	–
Other, net	(801)	788
<b>Net cash provided by (used in) investing activities</b>	<b>(420,867)</b>	<b>(80,527)</b>

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	41,715	(49,400)
Proceeds from long-term borrowings	196,500	117,042
Repayments of long-term borrowings	(58,140)	(90,577)
Proceeds from issuance of bonds	30,000	–
Proceeds from share issuance to non-controlling shareholders	–	8,942
Repayments to non-controlling shareholders	–	(788)
Repayments of lease liabilities	(5,314)	(7,349)
Proceeds from disposal of treasury shares	42,822	–
Purchase of treasury shares	(2,258)	(38)
Dividends paid	(37,300)	(56,726)
Dividends paid to non-controlling interests	(21,876)	(48,160)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	7,343
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	0	(20,659)
Net cash provided by (used in) financing activities	186,145	(140,372)
Effect of exchange rate change on cash and cash equivalents	17,708	18,116
Net increase (decrease) in cash and cash equivalents	(44,956)	24,302
Cash and cash equivalents at beginning of period	386,670	341,713
Increase (decrease) in cash and cash equivalents resulting from changes in accounting period of consolidated subsidiaries	–	(1,620)
Cash and cash equivalents at end of period	341,713	364,396

## Notes

(Significant matters forming the basis for preparation of consolidated financial statements)

### 1. Matters concerning the scope of consolidation

(1) Consolidated subsidiaries: Total of 98 companies as shown below.

(i) Domestic subsidiaries: 32 companies

Isuzu Motors Sales Co., Ltd., Isuzu Motors Kinki Co., Ltd., Isuzu Motors Syutoken Co., Ltd., UD Trucks Corporation, and 28 other companies

(ii) Overseas subsidiaries: 66 companies

Isuzu Motors America, LLC, Isuzu Motors Asia Ltd., Isuzu Motors Co., (Thailand) Ltd., and 63 other companies

The following company newly became a consolidated subsidiary in the current fiscal year.

ISUZU LOGISTICS (THAILAND) CO., LTD. was formed by a consolidation-type merger between KDI Services & Technologies Co., Ltd. and ISUZU LOGISTICS ASIA (THAILAND) LTD., which were dissolved following the merger. The newly established ISUZU LOGISTICS (THAILAND) CO., LTD. was newly included in the scope of consolidation.

The following three companies that had been consolidated subsidiaries for the previous fiscal year were excluded from the scope of consolidation.

KDI Services & Technologies Co., Ltd. and ISUZU LOGISTICS ASIA (THAILAND) LTD. were excluded from the scope of consolidation because they were dissolved following the establishment of ISUZU LOGISTICS (THAILAND) CO., LTD. through a consolidation-type merger. Isuzu Motors India China Ltd. was excluded from the scope of consolidation because of the completion of the liquidation process.

(2) Non-consolidated subsidiaries: Isuzu Motor Hokkaido Co., Ltd. and others

(3) Non-consolidated subsidiaries were excluded from the scope of consolidation as they do not have a material impact on the consolidated financial statements given that their total amounts were all small in size and their total assets, net sales, profit, retained earnings (equity method portion) each account for an insignificant proportion of the corresponding items of consolidated financial statements.

### 2. Matters concerning application of the equity method

(1) Companies accounted for under the equity method

(i) Of 21 non-consolidated subsidiaries, 14 companies

Isuzu Insurance Service Co., Ltd. and 13 other companies

There were no changes in the scope of application of the equity method for the current fiscal year.

(ii) Of 44 affiliates, 37 companies

J-Bus Limited, Kagawa Isuzu Motors Ltd., General Motors Egypt S.A.E., and Nippon Fruehauf Co., Ltd. and 33 other companies

The following three companies were affected by a change in the scope of application of the equity method for the current fiscal year.

DMAX, Ltd., Morioka ISUZU Motor Co., Ltd. and Isuzu Sales Deutschland GmbH were excluded from affiliates accounted for under the equity method as all of their shares held by the Company were transferred.

(2) Companies not accounted for under the equity method

Non-consolidated subsidiaries: Isuzu Motor Hokkaido Co., Ltd. and others

Affiliates: Suzuki Unyu Ltd.

- (3) The non-consolidated subsidiaries and affiliates set forth in item (2) above were excluded from the scope of application of the equity method as they do not have a material impact on the consolidated financial statements and their effects are insignificant as a whole.
- (4) The investment differences occurring due to application of the equity method are amortized using the straight-line method over five years following the date of occurrence.
- (5) Equity method profit (loss) of equity method companies whose accounting closing dates differ from the consolidated accounting closing date of the Company is computed, based on financial statements for their fiscal years, because they do not have a material effect on the consolidated accounting.
- (6) The accounting standards for equity method companies are, in principle, identical to those of the Company submitting consolidated financial statements.

### 3. Matters concerning the fiscal years of consolidated subsidiaries

December 31 of each year is the accounting closing date for 16 overseas subsidiaries, among consolidated subsidiaries.

In preparing the consolidated financial statements, the financial statements as of each accounting closing date are used, and necessary adjustments are made under consolidation for significant transactions occurring up to the consolidated accounting closing date. The accounting closing date for 32 domestic subsidiaries and 50 overseas subsidiaries is identical to the annual consolidated accounting closing date for the Company.

Of consolidated subsidiaries, UD Trucks Corporation and its 13 subsidiaries and Isuzu Motors South Africa (Pty) Limited and its two subsidiaries, whose accounting closing date was December 31, had been consolidated by using their financial statements as of December 31 and making necessary adjustments for significant transactions occurring up to the consolidated accounting closing date. However, from the current fiscal year, these companies have changed their accounting closing date to March 31, or have performed a provisional settlement of accounts equivalent to the full settlement of accounts on March 31, the consolidated accounting closing date, for the Company to use for consolidation.

Accordingly, the financial statements of these companies for the 12-month period from April 1, 2022 to March 31, 2023 were used for consolidation for the current fiscal year. Profit and losses of applicable consolidated subsidiaries for the period from January 1, 2022 to March 31, 2022 have been adjusted as changes in retained earnings.

### 4. Matters concerning accounting policies

#### (1) Valuation standards and methods for significant assets

##### (i) Securities

Available-for-sale securities

Securities other than non-marketable securities, etc.

Stated at fair value (any valuation difference is directly included in net assets, and cost of securities sold is calculated by the moving average method)

Non-marketable securities, etc.

Stated at cost determined by the moving average method

##### (ii) Derivatives

Stated at fair value

##### (iii) Inventories

Parent company

Stated at cost determined by the gross average method

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

Consolidated subsidiaries

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

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

(2) Depreciation and amortization methods for significant depreciable and amortizable assets

(i) Property, plant and equipment (excluding leased assets)

The straight-line method is mainly used, and the declining-balance method is used by some consolidated subsidiaries.

Main useful lives are as follows.

Buildings and structures                      3 to 65 years

Machinery, equipment and vehicles      3 to 15 years

(ii) Intangible assets (excluding leased assets)

The straight-line method is used

“Software,” included in intangible assets, is amortized by the straight-line method based on its useful life as internally determined (five years).

(iii) Leased assets

Leased assets relating to finance lease transactions without transfer of ownership

Depreciated over the lease contract’s lifetime by the straight-line method. In addition, the residual value is the guaranteed residual value if a guaranteed residual value has been arranged under the lease agreement, and in other cases the residual value is zero.

(3) Basis for provisions and allowances

(i) Allowance for doubtful accounts

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

The Company makes necessary adjustments to allowance for doubtful accounts in consolidation of elimination of receivables and payables among consolidated subsidiaries.

(ii) Provision for bonuses

Provision for bonuses is provided in an amount estimated to cover the bonus payment for services rendered by employees during the fiscal year.

(iii) Provision for bonuses for directors (and other officers)

Provision for bonuses for directors (and other officers) is provided in an amount estimated to cover the bonus payment for services rendered by directors during the fiscal year.

(iv) Provision for product warranties

Provision for product warranties is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts. The provision is calculated based on past experience.

(v) Provision for automobile maintenance costs

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

(vi) Provision for share awards for directors (and other officers)

Provision for share awards for directors (and other officers) is provided in an amount estimated to cover the payment of Company stock benefits to Directors of the Board, etc. during the current fiscal year.

(4) Accounting method for retirement benefits

(i) Method of attributing expected retirement benefits to periods

Upon calculating retirement benefit obligations, the method of attributing the expect amount of payments of retirement benefits to the period up to the end of the fiscal year is based on the benefit formula method.

(ii) Method of amortizing actuarial gains and losses and past service cost

Past service cost is amortized using the straight-line method over a period (mainly ten years) less than the average remaining years of service of eligible employees.

Actuarial gain or loss is amortized using the straight-line method or declining balance method over periods shorter than the average remaining years of service of eligible employees (mainly ten years) from the following fiscal year of incurrence.

In calculating retirement benefit liability and retirement benefit expenses, some consolidated subsidiaries use a simplified method with which to deem an amount required to be paid at period end for voluntary retirement as retirement benefit obligations.

(5) Recognition of significant revenue and expenses

(i) Recognition of revenue related to finance lease transactions

Revenue related to finance lease transactions is recognized based on the accounting method for net sales and cost of sales upon the receipt of lease fees.

(ii) Recognition of revenue and expenses

The Group's principal business activities domestically and overseas are CVs and LCVs, such as heavy-duty trucks /buses (hereinafter, "Heavy-duty (and medium-duty) vehicles"), light-duty trucks /pick-up trucks and variants (hereinafter "Light-duty vehicles"), as well as powertrains (hereinafter, "Engines and components"), which consist of parts for overseas production and engines, transmissions and driveline components, as well as the sale of parts, maintenance and servicing, and sales of used vehicles (hereinafter, "Others").

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

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

The Company recognizes revenue from maintenance and servicing, and sales of used vehicles, etc. at the time of delivery, such as when the services are rendered or the customer obtains control of the product and the performance obligation is satisfied.

(6) Standards for translating significant foreign-currency-denominated assets or liabilities into Japanese yen

Foreign-currency-denominated monetary claims and liabilities are translated into Japanese yen by using the spot exchange rate of a consolidated financial closing date, and translation differences are accounted for as a gain or loss. The assets and liabilities of overseas subsidiaries are translated into Japanese yen by using the spot exchange rate of a financial closing date for each of them, and their revenue and expenses are translated into Japanese translation by using an average exchange rate for the accounting period, and translation differences are included in foreign currency translation adjustment and non-controlling interests under net assets.



(7) Hedge accounting

(i) Hedge accounting method

Forward foreign exchange contracts and currency options

Designated hedge accounting (*furiate-shori*) is adopted (except transactions which do not fulfill the required conditions).

Interest rate swaps and currency options

Deferral hedge accounting or exceptional accounting method specified in the Accounting Standard for Financial Instruments is adopted.

(ii) Hedging instruments and hedged items

Hedging instruments

Interest rate swaps and currency options

Forward foreign exchange contracts and currency options

Hedged items

Receivables and payables denominated in foreign currencies, and borrowings

(iii) Hedging policy

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

(iv) Method of assessing hedge effectiveness

The Company determines hedge effectiveness by comparing the cumulative changes in cash flows from hedging instruments with those from hedged items.

However, this assessment excludes the effectiveness of interest rate swaps accounted for by exceptional accounting method.

(v) Other

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

(8) Amortization method and amortization period for goodwill

Goodwill is amortized by the straight-line method over a period not exceeding 20 years, in principle, based on the Company's estimate of the period its effects can be realized.

(9) Scope of cash on consolidated statement of cash flows

Cash on hand, deposits able to be withdrawn any time, and short-term investments maturing within three months from acquisition that can readily be converted into cash and are exposed to only an insignificant risk of change in value.

(10) Significant matters forming the basis for preparation of consolidated financial statements

(i) Accounting treatment of consumption taxes, etc. (referring to consumption taxes and regional consumption taxes)

Non-deductible consumption taxes and regional consumption taxes were accounted for as expenses for the current fiscal year.

(Significant accounting estimates)

1. Obligations related to field measures (recalls, etc.)

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

	Previous fiscal year	Current fiscal year
Accrued expenses related to field measures (recalls, etc.)	12,822 million yen	11,735 million yen

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

The Group manufactures various products at its plants in Japan and abroad in conformity with stringent quality management standards accepted globally. To maintain and improve quality, the Group strives for early detection and sharing of information on defects, conducts assessment for quality improvement throughout the organization, and monitors the operational status of company-wide quality management through the Quality Assurance & Customer Satisfaction Improvement Committee.

The Group records accrued expenses to provide for the cost of product recalls, etc., if such recalls, etc. occur.

Such accrued expenses are calculated by multiplying the estimated number of vehicles subject to recalls, etc. by an amount of field measures to be incurred per vehicle.

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

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

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

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

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

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

2. Impairment of property, plant and equipment

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

Asset group	Accounting item	Previous fiscal year	Current fiscal year
Manufacturing subsidiary based in China	Property, plant and equipment	–	9,203 million yen
Manufacturing and sales subsidiary based in India	Property, plant and equipment	5,864 million yen	6,244 million yen

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

In anticipation of the expansion of logistics demand and the commercial vehicles market in emerging countries, the Group positions certain emerging markets as priority regions and promotes sales activities.

Property, plant and equipment that were acquired by overseas subsidiaries for the purpose of manufacturing commercial vehicles (CV) and pickup trucks and derivatives (LCV), etc. for such emerging markets are primarily recorded as buildings and structures, machinery, equipment and vehicles, and land on the consolidated balance sheet.

The Group categorizes its asset groups into business assets and into idle assets and rental assets, and idle assets and rental assets are grouped on a property-by-property basis.

When an indication of impairment is identified on such business assets and rental assets on account of a decline in market prices and decreased profitability, etc., the Group examines their recoverability on an individual basis.

The recoverable amount of property, plant and equipment is determined based on value in use or net realizable value, whichever is higher.

Value in use is calculated by discounting to the present value the estimated future cash flows generating from the asset group, based on the business plan which was approved by the management of the manufacturing and sales subsidiary. Assumptions that may have a material impact on the calculation of future cash flows include total market demand, market share and growth rate. An assumption that may have a material impact on the calculation of value in use is a discount rate. Total market demand, market share and growth rate factors in relevant markets take into consideration trends and changes in the operating environment based on the information currently available, with reference to the Group's past results and forecast data by a third-party information agency. Weighted average capital cost (WACC) is used as a discount rate.

Net realizable value is calculated by subtracting the estimated costs of disposal from the fair value of asset or asset group. Fair value, in principle, is based on appraisal values by a third party and is considered a price based on observable market prices. However, if no market price is observable, another price reasonably calculated according to the characteristics of the asset is used as fair value, such as a price calculated by the cost approach with obsolescence taken into account.

No material impairment losses were recognized following the examination of recoverability.

Demand for vehicles is strongly affected by economic conditions. As such, if total demand in the market decreases due to economic deceleration, leading to poor performance of investees in the future, the Company may be required to record an impairment loss.

If uncertainties heighten over the future economic conditions in each emerging market, accounting estimates and assumptions may be significantly affected, which may impair the property, plant and equipment that were acquired by overseas subsidiaries for the purpose of manufacturing CV and LCV, etc. for respective emerging markets.

(Changes in accounting policies)

(Adoption of the Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan ("ASBJ") Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Guidance"), from the beginning of the current fiscal year and has applied the new accounting policies defined in the Fair Value Measurement Guidance prospectively, in accordance with the transitional treatment specified in Paragraph 27-2 of the Fair Value Measurement Guidance. This adoption has no impact on the consolidated financial statements for the current fiscal year.

(Application of Accounting Standards Update “ASU” No. 2016-02 “Leases”)

Foreign consolidated subsidiaries in the United States have applied the Accounting Standards Update “ASU” No. 2016-02 “Leases” (hereinafter referred to as “the standard”) since the beginning of the current fiscal year. In association with this, right-of-use assets and lease liabilities for all lease transactions of the lessees are recognized, in principle.

The method applied in the application of the standard is to recognize the cumulative effect of the application of the standard on the date of initial application, as approved as an interim measure.

As a result of the aforementioned application of the standard, property, plant and equipment, current liabilities and non-current liabilities presented in the consolidated balance sheet for the current fiscal year increased by 4,664 million yen, 937 million yen and 4,199 million yen, respectively. The impact of the change on profit or loss for the current fiscal year is immaterial.

(Accounting standard not yet adopted)

The Company

- “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022)
- “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022)
- “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022).

(1) Outline

In February 2018, “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28) and other standards (hereinafter “ASBJ Statement No. 28, etc.”) were released, completing the transfer of practical guidelines on tax effect accounting from the Japanese Institute of Certified Public Accountants to the Accounting Standards Board of Japan. In the course of deliberation, the following two issues, which were to be reviewed after the release of ASBJ Statement No. 28, etc., were discussed and published:

- Classification of tax expenses (taxation on other comprehensive income)
- Tax effect on the sale of shares in subsidiaries, etc. (shares of subsidiaries or affiliates) when the group tax sharing system is applied

(2) Scheduled adoption date

Beginning of the fiscal year ending March 31, 2025

(3) Effects of the application of the accounting standard

The impact of the application of the “Accounting Standard for Current Income Taxes” etc. on the consolidated financial statements is currently being evaluated.

(Additional information)

(Performance-linked share-based remuneration plan)

The Company is engaged in transactions to grant, through the Trust, Isuzu shares to its Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (excluding Executive Officers who are Directors of the Board).

(1) Transaction outline

A performance-linked share-based remuneration plan for Directors of the Board (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors of the Board) and Executive Officers (hereinafter referred to as “Directors of the Board, etc.”) was approved to be introduced due to the transition to a Company with an Audit and Supervisory Committee at the 119th Annual General Meeting of Shareholders held on June 25, 2021.

The introduction of the plan is intended to further raise awareness of the Directors of the Board, etc. about achieving medium- to long-term management goals and improving the enterprise value by clarifying the link between the compensation of Directors of the Board, etc. and the performance and stock value of the Company and by having them share the benefits from stock price appreciation and risks from stock price depreciation.

Under the plan, the Company's shares, etc. are granted to Directors of the Board who are eligible for the grant, from a trust (established with trust funds contributed by the Company; Company shares shall be acquired using such trust funds) depending on the attainment of the performance targets set in the Mid-Term Business Plan for the period covered by the Mid-Term Business Plan (covering three fiscal years in principle).

(2) Own shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets in accordance with their carrying value at the trust (excluding the value of incidental expenses). The carrying value and number of the treasury shares were 3,248 million yen and 2,251,865 shares, respectively, for the previous fiscal year and 3,152 million yen and 2,185,204 shares, respectively, for the current fiscal year.

(Consolidated balance sheet)

\*1 Of notes and accounts receivable - trade, and contract assets, the amount of receivables arising from contracts with customers is stated in "(1) Contract balances" in "Notes, (Revenue recognition) 3" to the consolidated financial statements.

\*2 Shown below are assets pledged as collateral and secured liabilities.

Pledged assets

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Inventories	98 million yen	– million yen
Machinery, equipment and vehicles	4	–
Total	102	–

Secured liabilities

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Accounts payable - trade	4,352 million yen	– million yen
Total	4,352	–

\*3 Shown below are items related to non-consolidated subsidiaries and affiliates

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Investment securities	90,915 million yen	78,520 million yen
(Of which, investments in jointly controlled companies)	35,256 million yen	37,648 million yen

\*4 Of "Other" under current liabilities, the amount of contract liabilities is stated "(1) Contract balances" in "Notes, (Revenue recognition) 3" to the consolidated financial statements.

\*5 The consolidated balance sheet and the non-consolidated balance sheet differ with respect to “Capital surplus,” and the reasons are as follows.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
“Capital surplus” on the non-consolidated balance sheet	49,855 million yen	49,855 million yen
Accounting treatment due to share exchanges (Conversion of former Tokyo Isuzu Motor Co., Ltd. into a wholly-owned subsidiary)	529	529
Change in capital surplus due to transactions with non-controlling interests	478	(79)
Gain on disposal of treasury shares (Gain on disposal of shares of the reporting company for consolidated subsidiaries and equity method affiliates)	172	172
Elimination of gain on merger	(3)	(3)
Purchase of shares of consolidated subsidiaries	(8,426)	(8,426)
“Capital surplus” on consolidated balance sheet	42,606	42,048

\*6 In accordance with “the Act on Partial Amendment to the Act on Revaluation of Land (Act No. 24, March 31, 1999),” land for business use was revalued. Of the difference on valuation, an amount equivalent to applicable tax was recorded as deferred tax liabilities for land revaluation under liabilities, and a value after deducting the amount was recorded as revaluation reserve for land under net assets.

- Revaluation method: Land was revalued by making reasonable adjustments such as time change-based supplementation to an amount calculated by using such a method laid down and announced by the Commissioner of the National Tax Agency for computing land value as is the basis for calculating an amount of land value tax, as specified in Article 16 of the Land Value Tax Act set forth in Article 2, Item 4 of the Order for Enforcement of Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998). Some blocks of land, however, were revalued by using land appraisals.
- Date of revaluation: March 31, 2000 (March 31, 2001 for some consolidated subsidiaries)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Difference between the ending fair value of land revaluated and the post-revaluation carrying value	62,588 million yen	61,099 million yen

\*7 The Company and some of its consolidated subsidiaries entered into lending commitment contracts with corresponding banks to efficiently procure working capital. The unused loan balance at the end of the business year based on such contracts is shown below.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total lending commitment	258,000 million yen	225,000 million yen
Outstanding loan balance	56,100	4,500
Net	201,900	220,500

(Consolidated statement of income)

\*1 Revenue from contracts with customers

Revenue from contracts with customers and revenue from other sources are not presented separately. Revenue from contracts with customers is disclosed in “Notes (Revenue recognition), 1. Disaggregation of revenue from contracts with customers.”

\*2 Total research and development expenses included in general and administrative expenses and manufacturing cost for the current fiscal year

Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
104,756 million yen	118,993 million yen

\*3 Description of gain on sales of non-current assets is as follows.

Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Land	Land
10 million yen	– million yen
Buildings and structures	Buildings and structures
5	0
Machinery, equipment and vehicles, among others	Machinery, equipment and vehicles, among others
161	332

\*4 Description of loss on disposal of non-current assets is as follows.

Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Land	Land
237 million yen	6 million yen
Buildings and structures	Buildings and structures
297	536
Machinery, equipment and vehicles, among others	Machinery, equipment and vehicles, among others
1,086	937

\*5 Impairment loss on non-current assets was recorded for the following asset groups.

Previous fiscal year (from April 1, 2021 to March 31, 2022)

Location	Use	Class	Impairment loss (millions of yen)
Fujisawa-shi, Kanagawa	Business assets and idle assets	Machinery, equipment, buildings and structures	90
Tochigi-shi, Tochigi	Business assets and idle assets	Machinery and equipment	69
Port Elizabeth, East Cape, South Africa	Business assets	Machinery and equipment	12
Supplier bases in South Africa	Business assets	Machinery and equipment	7
Chonburi, Thailand and others	Business assets	Buildings and structures	163
Total			343

Current fiscal year (from April 1, 2022 to March 31, 2023)

Location	Use	Class	Impairment loss (millions of yen)
Tochigi-shi, Tochigi	Idle assets	Machinery and equipment	0
Pahang, Malaysia	Business assets	Machinery and equipment	216
Chonburi, Thailand	Idle assets	Buildings and structures	40
Chonburi, Thailand	Idle assets	Land	0
Total			258

The Group categorizes its asset groups into business assets and into idle assets and rental assets, and idle assets and rental assets are grouped on a property-by-property basis. The carrying value of business assets, idle assets and rental assets showing signs of potential impairment due to a decline in land price or profitability is written down to the recoverable amount.

(Breakdown of impairment losses)

Previous fiscal year (from April 1, 2021 to March 31, 2022)

Item	Amount (millions of yen)
Land	–
Buildings and structures	169
Machinery, equipment and vehicles	92
Construction in progress	79
Intangible assets	–
Other	1

Current fiscal year (from April 1, 2022 to March 31, 2023)

Item	Amount (millions of yen)
Land	0
Buildings and structures	40
Machinery, equipment and vehicles	217
Construction in progress	–
Intangible assets	–
Other	–

The recoverable amount is measured in accordance with net sale value and for land and buildings is measured in accordance with appraised value under real estate appraisal standards. The recoverable amount for other asset classes is measured in accordance with a memorandum value if the net sale value is difficult to calculate.

#### \*6 Loss related to the Russian business

The Isuzu Group has a consolidated subsidiary that manufactures and sells commercial vehicles and pickup trucks in the Russian Federation.

Due to the continuing situation in Ukraine since February 2022, the environment essential for business activities in Russia has changed significantly. For this reason, the Group temporarily suspended manufacturing at the subsidiary until normal business conditions are restored in Russia, while continuing to examine various possibilities.



However, as the environment required for business success in Russia is still showing no signs of improvement, a 1,668-million-yen write-down on the assets held by the subsidiary is recorded as a loss related to the Russian business under extraordinary losses.

(Consolidated statement of comprehensive income)

\*1 Adjustments and income tax relating to other comprehensive income

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Valuation difference on available-for-sale securities:		
Amount recorded for the current fiscal year	9,831 million yen	(12,613) million yen
Reclassification adjustment	(2,705)	(3,044)
Before tax-effect adjustment	7,125	(15,657)
Tax-effect amount	(6,263)	4,181
Valuation difference on available-for-sale securities	861	(11,476)
Deferred gains or losses on hedges:		
Amount recorded for the current fiscal year	707	3,469
Reclassification adjustment	(1,147)	(1,587)
Before tax-effect adjustment	(440)	1,881
Tax-effect amount	134	(575)
Deferred gains or losses on hedges	(305)	1,306
Foreign currency translation adjustment:		
Amount recorded for the current fiscal year	42,887	33,385
Reclassification adjustment	-	-
Foreign currency translation adjustment	42,887	33,385
Remeasurements of defined benefit plans, net of tax		
Amount recorded for the current fiscal year	(2,118)	986
Reclassification adjustment	1,903	1,358
Before tax-effect adjustment	(214)	2,344
Tax-effect amount	658	(701)
Remeasurements of defined benefit plans, net of tax	443	1,643
Share of other comprehensive income of entities accounted for using equity method:		
Amount recorded for the current fiscal year	7,353	2,970
Reclassification adjustment	62	(38)
Share of other comprehensive income of entities accounted for using equity method	7,416	2,931
Total other comprehensive income	51,303	27,790

(Consolidated statement of changes in net assets)

Previous fiscal year (from April 1, 2021 to March 31, 2022)

1. Matters on class of stock for issued shares and the total number of issued shares and class of stock for treasury shares and the number of treasury shares

	Current fiscal year Number of shares at beginning of period (shares)	Current fiscal year Increase in number of shares (shares)	Current fiscal year Decrease in number of shares (shares)	Current fiscal year Number of shares at end of period (shares)
Issued shares				
Common stock	777,442,069	–	–	777,442,069
Total	777,442,069	–	–	777,442,069
Treasury shares				
Common stock (Note)	39,883,956	1,517,579	39,094,486	2,307,049
Total	39,883,956	1,517,579	39,094,486	2,307,049

(Note) The number of common stock treasury shares includes treasury shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company (835,751 shares at the start of the current fiscal year and 2,251,865 shares at the end of the current fiscal year).

(Outline of reasons for changes)

The main breakdown of the increase is as follows.

Acquisition of treasury shares held by the trust whose beneficiaries are Directors of the Board, etc.	1,510,600 shares
Purchase of shares less than one unit	6,430 shares
Treasury shares acquired by entities accounted for using the equity method that are attributable to the Company	549 shares

The main breakdown of the decrease is as follows.

Disposal of treasury shares held by the trust whose beneficiaries are Directors of the Board, etc.	94,486 shares
Disposal of treasury shares through third-party allotment	39,000,000 shares

2. Matters concerning dividend

(1) Dividends paid

(Resolution)	Class of stock	Total dividends (millions of yen)	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 25, 2021	Common stock	14,768	20.00 yen	March 31, 2021	June 28, 2021
Board of Directors Meeting held on November 8, 2021	Common stock	22,545	29.00 yen	September 30, 2021	November 30, 2021

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 25, 2021 included 16 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

The total dividends resolved by the Board of Directors Meeting on November 8, 2021 included 65 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

(2) Dividends whose record date was in the current fiscal year that will come into effect in the next fiscal year

(Resolution)	Class of stock	Total dividends (millions of yen)	Source of dividends	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 28, 2022	Common stock	28,765	Retained earnings	37.00 yen	March 31, 2022	June 29, 2022

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 28, 2022 included 83 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

Current fiscal year (from April 1, 2022 to March 31, 2023)

1. Matters on class of stock for issued shares and the total number of issued shares and class of stock for treasury shares and the number of treasury shares

	Current fiscal year Number of shares at beginning of period (shares)	Current fiscal year Increase in number of shares (shares)	Current fiscal year Decrease in number of shares (shares)	Current fiscal year Number of shares at end of period (shares)
Issued shares				
Common stock	777,442,069	–	–	777,442,069
Total	777,442,069	–	–	777,442,069
Treasury shares				
Common stock (Note)	2,307,049	23,886	66,661	2,264,274
Total	2,307,049	23,886	66,661	2,264,274

(Note) The number of common stock treasury shares includes treasury shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company (2,251,865 shares at the start of the current fiscal year and 2,185,204 shares at the end of the current fiscal year).

(Outline of reasons for changes)

The main breakdown of the increase is as follows.

Purchase of shares less than one unit: 23,200 shares

Treasury shares acquired by entities accounted for using the equity method that are attributable to the Company 686 shares

The main breakdown of the decrease is as follows.

Disposal of treasury shares held by the trust whose beneficiaries are Directors of the Board, etc. 66,661 shares

## 2. Matters concerning dividend

### (1) Dividends paid

(Resolution)	Class of stock	Total dividends (millions of yen)	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 28, 2022	Common stock	28,765	37.00 yen	March 31, 2022	June 29, 2022
Board of Directors Meeting held on November 9, 2022	Common stock	27,987	36.00 yen	September 30, 2022	November 30, 2022

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 28, 2022 included 83 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

The total dividends resolved by the Board of Directors Meeting on November 9, 2022 included 78 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

### (2) Dividends whose record date was in the current fiscal year that will come into effect in the next fiscal year

(Resolution)	Class of stock	Total dividends (millions of yen)	Source of dividends	Dividend per share	Record date	Effective date
Annual General Meeting of Shareholders held on June 28, 2023	Common stock	33,428	Retained earnings	43.00 yen	March 31, 2023	June 29, 2023

(Note) The total dividends resolved by the Annual General Meeting of Shareholders on June 28, 2023 included 93 million yen in dividends on Isuzu shares held by the Trust whose beneficiaries are Directors of the Board, etc. of the Company.

### (Consolidated statement of cash flows)

#### 1. Relation between cash and cash equivalents at end of period and amounts of accounts shown on consolidated balance sheet

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cash and deposits	356,018 million yen	383,587 million yen
Time deposits and bonds whose deposit period or time to redemption is in excess of 3 months	(14,304)	(19,191)
Cash and cash equivalents	341,713	364,396

#### 2. Description of significant non-monetary transactions

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Leased assets	2,451 million yen	374 million yen
Property, plant and equipment and others (use right assets)	3,550	11,022
Lease liabilities	6,001	11,396

(Note) Right-of-use assets and lease liabilities increased by 5,140 million yen and 5,587 million yen, respectively, due to the adoption of “ASU” No. 2016-02 “Leases.”

(Lease transactions)

(Lessee)

1. Finance lease transactions

Leased assets related to finance lease transactions without transfer of ownership

(1) Description of leased assets

(i) Property, plant and equipment

Mainly tools, furniture, fixtures, machinery and equipment for the automobile business

(ii) Intangible assets

Mainly software

(2) Method of depreciation and amortization of leased assets

As stated in “4. Matters concerning accounting policies (2)” in “Significant matters forming the basis for preparation of consolidated financial statements.”

2. Operating lease transactions

Future minimum lease payments for non-cancellable operating lease transactions

(millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Within 1 year	1,820	254
Over 1 year	7,293	252
Total	9,114	507

(Note) The above table does not include information on lease transactions accounted for as assets or liabilities in the consolidated balance sheet in accordance with IFRS 16 and “ASU” No. 2016-02.

(Lessor)

1. Finance lease transactions

(1) Breakdown of lease investment assets

(millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Portion of lease fee receivables	138,553	145,265
Portion of estimated residual value	36,691	38,350
Amount equivalent to interest income	(12,367)	(12,735)
Lease investment assets	162,877	170,880

(2) Expected recoverable amount after the consolidated financial closing date for lease fee receivables associated with lease receivables and investments in leases

(millions of yen)

	Previous fiscal year (As of March 31, 2022)					
	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Lease receivables	9,122	8,036	5,864	3,973	1,387	386
Lease investment assets	45,615	38,940	26,716	18,652	6,805	1,822

(millions of yen)

	Current fiscal year (As of March 31, 2023)					
	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Lease receivables	10,176	8,011	6,128	3,455	1,945	515
Lease investment assets	50,222	38,927	28,513	17,194	8,005	2,401

2. Operating lease transactions

Future minimum lease payments for non-cancellable operating lease transactions

(millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Within 1 year	19,175	19,910
Over 1 year	38,731	38,319
Total	57,906	58,229

(Financial instruments)

1. Matters concerning financial instruments

(1) Policy for financial instruments

The Company restricts investments only for part of deposits and obtains funds mainly from bank borrowings and issuance of bonds. Derivatives are used for avoiding risks related to future fluctuations of market prices, within the limits of receivables and payables denominated in foreign currencies and borrowings, etc.

(2) Description of financial instruments, risks involved, and risk management system

Notes and accounts receivable - trade, and contract assets, which are operating receivables, and lease receivables and investments in leases, are exposed to customer credit risk.

With regard to this kind of risk, the Company closely monitors the balance of receivables from business partners in accordance with our accounting rules.

Investment securities, although being exposed to a risk of market price fluctuations, consist mainly of shares in companies with which we have capital relationships. We manage the fair value of these shares in accordance with our securities rules.

Notes and accounts payable - trade, which are operating payables, electronically recorded obligations - operating, and accrued expenses are mostly due within one year.

Of borrowings, short-term borrowings are long-term borrowings mainly due within one year, and they chiefly finance capital expenditures and long-term working capital. Bonds mainly finance repayment of borrowings. Although borrowings with variable interest rates are exposed to a risk of interest rate fluctuations, we avoid the risk by using derivatives (interest rate swaps and interest rate options) as a means of hedging. As regards the method for assessing hedge effectiveness, we judge the effectiveness by comparing the cumulative amount of fluctuations in the means of hedging and the cumulative amount of fluctuations in hedged items.

The Company has in place internal rules on derivative transactions and sets out the purpose of transactions, their contents, holding system, reporting system and so on in these rules. We execute transactions and manage risks in accordance with these rules.

Operating payables, borrowings, and bonds payable are exposed to liquidity risk, and we manage them by periodically identifying due dates and balances, etc.

### (3) Matters concerning the fair value of financial instruments

Contract values, etc. for derivatives set forth in the note titled “Derivatives” are not intended to show market risk for derivatives.

## 2. Matters concerning the fair value of financial instruments

The table below shows the amounts of financial instruments recorded in the consolidated balance sheet and their fair values as well as their variances.

Previous fiscal year (As of March 31, 2022)

(millions of yen)

	Consolidated balance sheet amount (*2)	Fair value (*2)	Difference
(1) Lease receivables and investments in leases	190,522	190,290	(232)
(2) Investment securities (*3) (*4)	182,054	170,022	(12,032)
(3) Bonds payable	(80,000)	(79,611)	389
(4) Long-term borrowings (*5)	(369,710)	(368,682)	1,027
(5) Derivatives (*6)	(2,613)	(2,613)	—

(\*1) “Cash and deposits,” “Notes and accounts receivable – trade, and contract assets,” “Notes and accounts payable – trade,” “Electronically recorded obligations – operating,” “Short-term borrowings” and “Accrued expenses” have been omitted because the fair value approximates the book value due to cash and short term settlements.

(\*2) The figures in parentheses indicate those posted in liabilities.

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

(\*4) Non-marketable stocks, etc. are not included in “(2) Investment securities.” The amounts of such financial instruments are recorded in the consolidated balance sheet as below.

Category	Previous fiscal year (As of March 31, 2022)
Non-listed stocks	2,009
Stocks of non-consolidated subsidiaries and affiliates	65,768

(\*5) Long-term borrowings include the current portion falling due within one year.

(\*6) Assets and liabilities arisen from derivatives are offset against each other and stated in net, and items that are net liabilities are shown in parentheses.

Current fiscal year (As of March 31, 2023)

(millions of yen)

	Consolidated balance sheet amount (*2)	Fair value (*2)	Difference
(1) Lease receivables and investments in leases	199,841	199,430	(411)
(2) Investment securities (*3) (*4)	162,459	162,770	311
(3) Bonds payable	(80,000)	(79,568)	432
(4) Long-term borrowings (*5)	(396,224)	(393,740)	2,484
(5) Derivatives (*6)	630	630	–

(\*1) “Cash and deposits,” “Notes and accounts receivable – trade, and contract assets,” “Notes and accounts payable – trade,” “Electronically recorded obligations – operating,” “Short-term borrowings” and “Accrued expenses” have been omitted because the fair value approximates the book value due to cash and short term settlements.

(\*2) The figures in parentheses indicate those posted in liabilities.

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

(\*4) Non-marketable stocks, etc. are not included in “(2) Investment securities.” The amounts of such financial instruments are recorded in the consolidated balance sheet as below.

Category	Current fiscal year (As of March 31, 2023)
Non-listed stocks	2,449
Stocks of non-consolidated subsidiaries and affiliates	53,861
Limited liability investment partnerships	74

(\*5) Long-term borrowings include the current portion falling due within one year.

(\*6) Assets and liabilities arisen from derivatives are offset against each other and stated in net, and items that are net liabilities are shown in parentheses.

(Note) 1. The estimated repayment and redemption amounts for receivables and securities with maturity after the consolidated financial closing date

Previous fiscal year (As of March 31, 2022)

(millions of yen)

	1 year or less	Over 1 year but within 5 years	Over 5 years
Cash and deposits	356,018	–	–
Notes and accounts receivable - trade, and contract assets	371,249	–	–
Lease receivables and investments in leases	62,685	125,428	2,407
Total	789,953	125,428	2,407



Current fiscal year (As of March 31, 2023)

	(millions of yen)		
	1 year or less	Over 1 year but within 5 years	Over 5 years
Cash and deposits	383,587	–	–
Notes and accounts receivable - trade, and contract assets	398,630	–	–
Lease receivables and investments in leases	69,129	127,530	3,181
Total	851,347	127,530	3,181

- (Note) 2. The estimated repayment and redemption amounts for long-term borrowings and bonds payable after the consolidated financial closing date

Previous fiscal year (As of March 31, 2022)

	(millions of yen)					
	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	83,060	91,560	98,060	58,530	38,500	–
Bonds payable	–	–	–	30,000	30,000	20,000

Current fiscal year (As of March 31, 2023)

	(millions of yen)					
	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	111,180	117,677	69,147	67,115	31,103	–
Bonds payable	–	–	30,000	30,000	20,000	–

3. Matters relating to the breakdown of the fair value of financial instruments by level

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

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

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

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

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

## (1) Financial instruments recorded at fair value on the consolidated balance sheet

Previous fiscal year (As of March 31, 2022)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities	156,265	–	641	156,907
Total assets	156,265	–	641	156,907
Derivatives				
Currency related	–	(2,613)	–	(2,613)
Total liabilities	–	(2,613)	–	(2,613)

Current fiscal year (As of March 31, 2023)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities	136,906	–	894	137,800
Derivatives				
Currency related	–	630	–	630
Total assets	136,906	630	894	138,430

## (2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

Previous fiscal year (As of March 31, 2022)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Lease receivables and investments in leases	–	–	190,290	190,290
Investment securities	13,114	–	–	13,114
Total assets	13,114	–	190,290	203,404
Bonds payable	–	(79,611)	–	(79,611)
Long-term borrowings	–	(368,682)	–	(368,682)
Total liabilities	–	(448,293)	–	(448,293)

Current fiscal year (As of March 31, 2023)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Lease receivables and investments in leases	–	–	199,430	199,430
Investment securities	24,969	–	–	24,969
Total assets	24,969	–	199,430	224,399
Bonds payable	–	(79,568)	–	(79,568)
Long-term borrowings	–	(393,740)	–	(393,740)
Total liabilities	–	(473,308)	–	(473,308)

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

Lease receivables and investments in leases

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

Investment securities

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

Bonds payable

Measured based on market prices. These are categorized under Level 2 fair value.

Long-term borrowings

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

Derivatives

Derivatives are calculated based on prices, etc. quoted by counterparty financial institutions and are classified as Level 2 fair value.

(Securities)

1. Trading securities

Not applicable.

2. Held-to-maturity bonds

Not applicable.

### 3. Available-for-sale securities

Previous fiscal year (As of March 31, 2022)

(millions of yen)

	Class	Consolidated balance sheet amount	Acquisition cost	Difference
Securities whose consolidated balance sheet amount exceeds the acquisition cost	(1) Stocks	155,513	73,819	81,693
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	155,513	73,819	81,693
Securities whose consolidated balance sheet amount does not exceed the acquisition cost	(1) Stocks	1,394	1,644	(250)
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	1,394	1,644	(250)
Total		156,907	75,464	81,443

(Note) Non-listed stocks (amount reported on the consolidated balance sheet: 2,009 million yen) are not included in “Stocks” in the above table since they have no market price.

Current fiscal year (As of March 31, 2023)

(millions of yen)

	Class	Consolidated balance sheet amount	Acquisition cost	Difference
Securities whose consolidated balance sheet amount exceeds the acquisition cost	(1) Stocks	137,054	70,930	66,123
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	137,054	70,930	66,123
Securities whose consolidated balance sheet amount does not exceed the acquisition cost	(1) Stocks	746	789	(43)
	(2) Bonds			
	Corporate bonds	—	—	—
	(3) Other			
	Securities investment trust	—	—	—
	Subtotal	746	789	(43)
Total		137,800	71,720	66,080

(Note) Non-listed stocks (amount reported on the consolidated balance sheet: 2,449 million yen) and investments in limited liability investment partnerships (amount reported on the consolidated balance sheet: 74 million yen) are not included in “Stocks” in the above table since they have no market price.

#### 4. Available-for-sale securities sold

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(millions of yen)

Class	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	5,496	2,923	40
(2) Bonds	—	—	—
(3) Other	—	—	—
Total	5,496	2,923	40

Current fiscal year (from April 1, 2022 to March 31, 2023)

(millions of yen)

Class	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	23,937	3,411	214
(2) Bonds	–	–	–
(3) Other	–	–	–
Total	23,937	3,411	214

#### 5. Securities for which an impairment loss was recognized

In the previous fiscal year, an impairment loss of 38 million yen was recognized for shares stated at fair market value under available for-sale securities.

In the current fiscal year, an impairment loss of 152 million yen was recognized for shares stated at fair market value under available-for-sale securities.

In recognizing an impairment loss, the closing price on the closing date of the fiscal year (if no closing price is available, the most recent closing price) is considered as the fair value, and if, for each issue, the fair value is below 50% of the acquisition cost, an impairment loss is recorded.

In addition, if the fair value is 50% or above but no more than 70% of the acquisition cost, an impairment loss is recognized in light of the trend in market prices of the respective securities and the monetary significance.

However, if there is a rational basis to expect the fair value to recover, no impairment loss is recognized.

## (Derivative transactions)

## 1. Derivative transactions for which hedge accounting is not applied

## (1) Currency related

Previous fiscal year (As of March 31, 2022)

(millions of yen)

Category	Transaction type	Contract amount, etc.	Contract amount, etc. of over one year	Fair value	Gain/loss on valuation
Transactions other than market transactions	Forward foreign exchange contracts				
	Buy contract				
	Japanese yen	24,062	–	(420)	(420)
	Australian dollar	628	–	(8)	(8)
	U.S. dollar	180	–	(2)	(2)
	Thai baht	4,132	–	268	268
	Euro	138	–	1	1
	Sell contract				
	Japanese yen	33	–	1	1
	Australian dollar	15,049	–	(626)	(626)
	U.S. dollar	12,389	–	(112)	(112)
	Thai baht	7,162	–	(112)	(112)
	Euro	3,136	–	(1)	(1)
Other	6,703	–	32	32	
Total		73,617	–	(981)	(981)

Current fiscal year (As of March 31, 2023)

(millions of yen)

Category	Transaction type	Contract amount, etc.	Contract amount, etc. of over one year	Fair value	Gain/loss on valuation
Transactions other than market transactions	Forward foreign exchange contracts				
	Buy contract				
	Japanese yen	33,713	–	137	137
	Australian dollar	272	–	(3)	(3)
	U.S. dollar	382	–	(4)	(4)
	Thai baht	8,633	–	(62)	(62)
	Euro	99	–	1	1
	Other	0	–	(0)	(0)
	Sell contract				
	Japanese yen	1,373	–	25	25
	Australian dollar	15,821	–	367	367
	U.S. dollar	10,707	–	(81)	(81)
	Thai baht	6,807	–	12	12
	Euro	7,729	–	(49)	(49)
Other	8,485	–	32	32	
Total		94,026	–	374	374



2. Derivative transactions for which hedge accounting is applied

(1) Currency related

Previous fiscal year (As of March 31, 2022)

(millions of yen)

Hedge accounting method	Transaction type	Major hedged item	Contract amount, etc.	Contract amount, etc. of over one year	Fair value
Principle-based method	Forward foreign exchange contracts				
	Buy contract				
	Japanese yen	Accounts payable - trade	731	—	(21)
	Thai baht	Accounts payable - trade	825	—	0
	Sell contract				
	U.S. dollar	Accounts receivable - trade	21,580	—	(874)
	Australian dollar	Accounts receivable - trade	8,915	—	(713)
	Other	Accounts receivable - trade	1,201	—	(23)
Designated hedge accounting ( <i>furiate-shori</i> ) for forward foreign exchange contracts, etc.	Forward foreign exchange contracts				
	Sell contract				
	U.S. dollar	Accounts receivable - trade	6,901	—	(*1)
	Australian dollar	Accounts receivable - trade	11,262	—	
	Total		51,417	—	(1,632)

(\*1) Items such as forward foreign exchange contracts for which designated hedge accounting (*furiate-shori*) is applied are accounted for together with the hedged accounts receivable - trade, and the fair value of such items is included in the fair value of the respective accounts receivable - trade.

Current fiscal year (As of March 31, 2023)

(millions of yen)

Hedge accounting method	Transaction type	Major hedged item	Contract amount, etc.	Contract amount, etc. of over one year	Fair value
Principle-based method	Forward foreign exchange contracts Buy contract Japanese yen	Accounts payable - trade	1,691	—	(38)
	Sell contract U.S. dollar	Accounts receivable - trade	9,252	—	294
Designated hedge accounting ( <i>furiate-shori</i> ) for forward foreign exchange contracts, etc.	Forward foreign exchange contracts Sell contract U.S. dollar	Accounts receivable - trade	15,926	—	(*1)
	Australian dollar	Accounts receivable - trade	9,219	—	
	British pound	Accounts receivable - trade	13,602	—	
	Total		49,692	—	255

(\*1) Items such as forward foreign exchange contracts for which designated hedge accounting (*furiate-shori*) is applied are accounted for together with the hedged accounts receivable - trade, and the fair value of such items is included in the fair value of the respective accounts receivable - trade.

(2) Interest rate transactions

Previous fiscal year (As of March 31, 2022)

Not applicable.

Current fiscal year (As of March 31, 2023)

Not applicable.

(Retirement benefits)

1. Outline of the adopted retirement benefit plans

The Company has in place defined benefit plans, i.e., corporate pension fund and lump-sum retirement payment plans.

Consolidated subsidiaries offer defined benefit plans, i.e., corporate pension fund and lump-sum retirement payment plans, and defined contribution pension plans.

The Company and its consolidated subsidiaries may occasionally provide severance payments in addition to the retirement benefits to employees.

Some consolidated subsidiaries adopt the simplified method in calculating retirement benefit obligations.

## 2. Defined benefit plans

### (1) Reconciliation of the beginning and ending balances of retirement benefit obligations

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Balance of retirement benefit obligations at the beginning of period	192,649 million yen	200,536 million yen
Service cost	9,111	9,656
Interest cost	2,082	2,417
Actuarial gains and losses	(2,100)	(6,166)
Retirement benefit payments	(10,925)	(12,215)
Prior service cost incurred	-	-
Increase associated with the acquisition of consolidated subsidiaries (*2)	8,125	-
Other	1,593	1,812
Balance of retirement benefit obligations at the end of the period	200,536	196,040

- (Notes) 1. Includes retirement benefit obligations of consolidated subsidiaries that adopt the simplified method.  
 2. "Increase associated with the acquisition of consolidated subsidiaries" mainly represents the increase resulting from the acquisition of shares of UD Trucks Corporation.

### (2) Reconciliation of the beginning and ending balances of pension assets

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Balance of pension assets at the beginning of period	106,006 million yen	106,528 million yen
Expected return	2,381	2,438
Actuarial gains and losses	(2,379)	(4,658)
Employer's contributions	4,950	4,952
Retirement benefit payments	(5,058)	(5,732)
Other	628	1,250
Balance of pension assets at the end of the period	106,528	104,778

- (Note) Includes pension assets of consolidated subsidiaries that adopt the simplified method.

(3) Reconciliation of the ending balances of retirement benefit obligations and pension assets and the retirement benefit liability (asset) reported on the consolidated balance sheet

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Retirement benefit obligations of funded system	115,609 million yen	110,214 million yen
Pension assets	(106,528)	(104,778)
	9,080	5,435
Retirement benefit obligations of non-funded system	84,926	85,826
Net liability (asset) reported on the consolidated balance sheet	94,007	91,262
Retirement benefit liability	97,151	94,423
Retirement benefit asset	(3,144)	(3,161)
Net liability (asset) reported on the consolidated balance sheet	94,007	91,262

(Note) Includes retirement benefit obligations and pension assets of consolidated subsidiaries that adopt the simplified method.

(4) Retirement benefit expenses and constituents thereof

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Service cost	9,111 million yen	9,656 million yen
Interest cost	2,082	2,417
Expected return	(2,381)	(2,438)
Actuarial gains and losses recognized as expenses	1,611	1,253
Prior service cost recognized as expenses	292	104
Retirement benefit expenses related to defined benefit plan	10,716	10,994

(Note) Includes retirement benefit expenses of consolidated subsidiaries that adopt the simplified method.

(5) Remeasurements of defined benefit plans, net of tax

Items recorded under remeasurements of defined benefit plans (before tax effect deduction) are as follows.

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Prior service cost	283 million yen	102 million yen
Actuarial gains and losses	(498)	2,241
Total	(214)	2,344

(6) Accumulated remeasurements of defined benefit plans

Items recorded under accumulated remeasurements of defined benefit plans (before tax effect deduction) are as follows.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Unrecognized prior service cost	601 million yen	446 million yen
Unrecognized actuarial gains and losses	(16)	(2,533)
Total	584	(2,087)

(7) Matters concerning pension assets

(i) Major components of pension assets

Ratios of major items against total pension assets are as follows.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Bonds	39 %	37 %
Stocks	22	23
Cash and deposits	4	4
Life insurance general account	21	19
Other	14	17
Total	100	100

Note: Other includes alternative investments.

(ii) Method of setting the long-term expected rate of return

The long-term expected rate of return of pension assets is determined by taking into account the current and projected allocation of pension assets and the current and expected long-term rate of return based on diverse assets constituting pension assets.

(8) Matters concerning the actuarial calculation basis

Major actuarial calculation basis at year-end (indicated by weighted average)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Discount rate	1.3 %	1.7 %
Long-term expected rate of return	2.3	2.3
Estimated salary increase rate	3.5	3.3

3. Defined contribution plan

The amount of required contribution to the defined contribution plan by some consolidated subsidiaries came to 1,610 million yen in the previous fiscal year and 2,093 million yen in the current fiscal year.

(Tax effect accounting)

1. Breakdown by major cause of deferred tax assets and deferred tax liabilities

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Deferred tax assets		
Retirement benefit liability	26,851 million yen	26,400 million yen
Write-down on valuation of shares of subsidiaries and provision of allowance for doubtful accounts	15,597	14,873
Recording of estimated accrued expenses	21,073	23,361
Provision for bonuses	7,738	9,550
Write-down on inventories	3,526	4,419
Tax loss carried forward (Note 2)	23,271	21,139
Elimination, etc. of unrealized income	22,343	25,580
Other	47,614	54,646
Deferred tax assets subtotal	168,016	179,971
Valuation allowance relating to tax loss carried forward (Note 2)	(19,086)	(20,457)
Valuation allowance relating to total future deductible temporary difference, etc.	(45,134)	(48,401)
Valuation allowance subtotal (Note 1)	(64,221)	(68,858)
Total deferred tax assets	103,795	111,112
Deferred tax liabilities		
Reserve for tax-purpose reduction entry of non- current assets	2,081	1,942
Valuation difference on available-for-sale securities	23,555	19,293
Retained profits of subsidiaries	7,872	10,658
Valuation difference on fair value of consolidated subsidiaries	5,486	5,387
Other	9,703	11,874
Total deferred tax liabilities	48,699	49,156
Deferred tax assets, net	55,095	61,956
Deferred tax liabilities		
Reserve for tax-purpose reduction entry of non- current assets	11	12
Valuation difference on available-for-sale securities	6	-
Valuation difference on land of subsidiaries	1,274	1,505
Valuation difference on fair value of consolidated subsidiaries	2,951	2,429
Other	27	52
Deferred tax liabilities, net	4,272	4,000

- (Notes) 1. The change in valuation allowance is primarily due to a decrease in valuation allowance of UD Trucks Corporation.
2. Tax loss carried forward and amount of deferred tax assets carried forward for each time limit of carryover

Previous fiscal year (As of March 31, 2022)

(millions of yen)

	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax loss carried forward (*3)	1,146	2,401	2,448	3,494	2,609	11,169	23,271
Valuation allowance	(305)	(957)	(1,916)	(3,398)	(2,522)	(9,985)	(19,086)
Deferred tax assets	841	1,443	532	96	87	1,183	(*4) 4,184

(\*3) Tax loss carried forward is derived by multiplying the statutory effective rate.

(\*4) Deferred tax assets relating to tax loss carried forward arose at consolidated subsidiaries UD Trucks Corporation, Isuzu North America Corporation, and Isuzu Hicom Malaysia Sdn. Bhd. They were determined to be recoverable as a result of considering the expected taxable income based on the future earning capacity of each subsidiary.

Current fiscal year (As of March 31, 2023)

(millions of yen)

	1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax loss carried forward (*3)	2,491	2,106	3,419	2,585	2,088	8,447	21,139
Valuation allowance	(2,337)	(1,901)	(3,414)	(2,537)	(2,047)	(8,219)	(20,457)
Deferred tax assets	154	205	5	47	40	228	(*4) 682

(\*3) Tax loss carried forward is derived by multiplying the statutory effective rate.

(\*4) Deferred tax assets relating to tax loss carried forward arose at consolidated subsidiaries UD Trucks Corporation, Isuzu Motors South Africa (Pty) Limited and Isuzu Logistics North America, Inc. They were determined to be recoverable as a result of considering the expected taxable income based on the future earning capacity of each subsidiary.

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Tax deduction	(4.9)	(4.3)
Changes in valuation allowance	(1.7)	1.8
Tax rate difference in overseas subsidiaries	(6.5)	(7.1)
Share of profit of entities accounted for using equity method	(1.1)	(0.7)
Foreign withholding tax	4.2	4.9
Inhabitant tax on per capita basis	0.2	0.1
Retained profits of subsidiaries	1.1	0.7
Other	1.5	1.0
Actual effective tax rate after application of tax effect accounting	23.3	27.1

(Asset retirement obligations)

Disclosure is omitted since the total amount of asset retirement obligations is immaterial.

(Real estate for rent, etc.)

Disclosure is omitted since the total amount of real estate for rent, etc. is immaterial.

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(millions of yen)

	Heavy-duty and medium-duty vehicles	Light-duty vehicles, etc.	Parts for overseas production	Engines and components	Other (Note)	Total
Japan	298,105	96,568	–	58,296	325,864	778,833
Overseas	264,579	1,067,255	54,926	112,093	137,094	1,635,948
Revenue from contracts with customers	562,684	1,163,823	54,926	170,390	462,958	2,414,782
Revenue from other sources						99,508
Total						2,514,291

(Note) Other includes sale of parts, maintenance and servicing, and sales of used vehicles.

Current fiscal year (from April 1, 2022 to March 31, 2023)

(millions of yen)

	Heavy-duty and medium-duty vehicles	Light-duty vehicles, etc.	Parts for overseas production	Engines and components	Other (Note)	Total
Japan	332,066	116,163	–	59,086	371,170	878,486
Overseas	394,775	1,479,463	44,310	112,320	174,513	2,205,383
Revenue from contracts with customers	726,842	1,595,626	44,310	171,407	545,684	3,083,870
Revenue from other sources						111,666
Total						3,195,537

(Note) Other includes sale of parts, maintenance and servicing, and sales of used vehicles.

2. Information to provide a basis for understanding revenue from contracts with customers

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



Customers for parts for overseas production are overseas Group companies that manufacture locally.

For engines, the Group mainly sells industrial engines, of which customers are domestic and overseas industrial machinery manufacturers.

The main customers for components are overseas manufacturers, including Group companies.

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

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

(Note) “CV,” “LCV,” and “powertrains” indicate “commercial vehicles,” “pickup trucks and derivatives,” and “engines, transmissions and driveline components,” respectively.

### 3. Information for understanding the amount of revenue for the fiscal year and subsequent fiscal years

#### (1) Contract balances

The balances of receivables arising from contracts with customers and contractual liabilities at the beginning and the end of the period are as follows.

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(millions of yen)

	Beginning of the current fiscal year (As of April 1, 2021)	End of the current fiscal year (As of March 31, 2022)
Receivables arising from contracts with customers (Note 1)	325,354	360,788
Contract assets (Note 1)	–	–
Contractual liabilities (Note 2)	10,709	10,289

(Note) 1. Included in the notes and accounts receivable – trade, and contract assets of the consolidated balance sheet. Amounts are before the deduction of allowance for doubtful accounts. In addition, the balance of receivables arising from contracts with customers at the beginning of the current fiscal year includes the balance of 52,103 million yen for UD Trucks Corporation and its subsidiaries (hereinafter, “UD, etc.”).

(Note) 2. Included in “Other (Current liabilities)” of the consolidated balance sheet. The balance of contractual liabilities at the beginning of the current fiscal year includes a balance of 4,926 million yen of UD, etc.

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

Of the revenue recognized in the current fiscal year, the amount included in the balance of contractual liabilities at the beginning of the period is 5,934 million yen.

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

Current fiscal year (from April 1, 2022 to March 31, 2023)

(millions of yen)

	Beginning of the current fiscal year (As of April 1, 2022)	End of the current fiscal year (As of March 31, 2023)
Receivables arising from contracts with customers (Note 1, 3)	353,494	382,352
Contract assets (Note 1)	–	674
Contractual liabilities (Note 2, 3)	11,171	10,514

(Note) 1. Included in the notes and accounts receivable – trade, and contract assets of the consolidated balance sheet. Amounts are before the deduction of allowance for doubtful accounts.

(Note) 2. Included in “Other (Current liabilities)” of the consolidated balance sheet.

(Note) 3. The balances at the beginning of the current fiscal year include the effect of change in fiscal year-end of consolidated subsidiaries.

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

Of the revenue recognized in the current fiscal year, the amount included in the balance of contractual liabilities at the beginning of the period is 8,021 million yen.

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

(2) Transaction prices allocated to remaining performance obligation

The total transaction price allocated to unfulfilled performance obligations at the end of the current fiscal year and the breakdown by period of expected revenue recognition are as follows.

(millions of yen)

	End of the previous fiscal year (As of March 31, 2022)	End of the current fiscal year (As of March 31, 2023)
1 year or less	79,896	116,305
Over 1 year	44,745	52,370
Total	124,641	168,676

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

(Segment information)

Segment information

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

Related information

Previous fiscal year (from April 1, 2021 to March 31, 2022)

1. Information by product and service

(millions of yen)

	Vehicles	Parts for overseas production	Engines and components	Other	Total
Net sales to external customers	1,726,507	54,926	170,390	562,466	2,514,291

2. Information by region

(1) Net sales

(millions of yen)

Japan	Thailand	Other	Total
878,148	440,609	1,195,534	2,514,291

(Note) Net sales are based on the location of the customer and are categorized into country or region.

(2) Property, plant and equipment

(millions of yen)

Japan	Thailand	Other	Total
751,635	97,798	69,447	918,881

### 3. Information by major customer

(millions of yen)

Name of company or party	Net sales
Tri Petch Isuzu Sales Co., Ltd.	419,210

Current fiscal year (from April 1, 2022 to March 31, 2023)

#### 1. Information by product and service

(millions of yen)

	Vehicles	Parts for overseas production	Engines and components	Other	Total
Net sales to external customers	2,322,468	44,310	171,407	657,351	3,195,537

#### 2. Information by region

##### (1) Net sales

(millions of yen)

Japan	Thailand	Other	Total
989,833	588,263	1,617,441	3,195,537

(Note) Net sales are based on the location of the customer and are categorized into country or region.

##### (2) Property, plant and equipment

(millions of yen)

Japan	Thailand	Other	Total
760,443	97,081	78,139	935,664

### 3. Information by major customer

(millions of yen)

Name of company or party	Net sales
Tri Petch Isuzu Sales Co., Ltd.	559,810

#### Information concerning impairment loss on non-current assets by reporting segment

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

#### Information concerning amortization of goodwill and unamortized balance by reporting segment

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

#### Information concerning gain on negative goodwill by reporting segment

The Group is composed of a single business segment, primarily engaged in manufacture and sale of vehicles and their components, industrial engines. Therefore, the disclosure of segment information is omitted.

## Information on related parties

Not applicable.

## (Per share information)

Previous fiscal year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)	
Net assets per share	1,540.51 yen	Net assets per share	1,688.01 yen
Net income per share	162.87 yen	Net income per share	195.75 yen

(Notes) 1. Net income per share after dilution of potential stock is not presented because there are no dilutive shares.

2. The basis of calculation of the amount of net income per share is as follows.

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (millions of yen)	126,193	151,743
Amount not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent related to common stock (millions of yen)	126,193	151,743
Average number of shares of common stock during the period (shares)	774,809,245	775,178,896

The shares of the Company held by trust with Directors of the Board, etc. as beneficiaries are included in the treasury shares deducted in the calculation of the average number of shares during the period for the purpose of calculating net income per share. (Previous fiscal year: 1,770,312 shares; current fiscal year: 2,201,548 shares)

3. The basis for calculating the amount of net assets per share is as follows.

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Total amount of net assets (millions of yen)	1,394,425	1,510,232
Amount of deduction from the total amount of net assets (millions of yen)	200,324	201,725
(Of which, non-controlling interests)	(200,324)	(201,725)
Net assets related to common shares at the end of the period (millions of yen)	1,194,101	1,308,506
Number of common shares at the end of the period used in the calculation of net assets per share (shares)	775,135,020	775,177,795

The shares of the Company held by trust with Directors of the Board, etc. as beneficiaries are included in the treasury shares deducted in the calculation of the number of common shares at the end of the period for the purpose of calculating net assets per share. (Previous fiscal year: 2,251,865 shares; current fiscal year: 2,185,204 shares)

## (Significant subsequent events)

Not applicable.

## (v) Consolidated supplementary schedules

## Schedule of corporate bonds

Company Name	Description	Issuance date	Balance at beginning of period (millions of yen)	Balance at end of the current period (millions of yen)	Interest rate (%)	Collateral	Redemption date
ISUZU MOTORS LIMITED	30th round of unsecured bonds (with inter-bond pari passu clause)	Date February 4, 2021	30,000	30,000	0.14	N/A	Date February 4, 2026
ISUZU MOTORS LIMITED	31st round of unsecured bonds (with inter-bond pari passu clause)	February 4, 2021	20,000	20,000	0.27	N/A	February 4, 2028
ISUZU MOTORS LIMITED	32nd round of unsecured bonds (with inter-bond pari passu clause)	September 29, 2021	30,000	30,000	0.11	N/A	September 29, 2026
Total	–	–	80,000	80,000	–	–	–

(Note) The estimated redemption amounts for the five years after the consolidated financial closing date are as follows.

(millions of yen)

1 year or less	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years
–	–	30,000	30,000	20,000

## Schedule of borrowings

Category	Balance at beginning of period (millions of yen)	Balance at end of the current period (millions of yen)	Average interest rate (%)	Repayment due date
Short-term borrowings	56,100	6,700	0.28	–
Current portion of long-term borrowings	83,060	111,180	0.23	–
Current portion of lease liabilities	8,659	7,610	3.19	–
Long-term borrowings (Excluding current portion of long-term borrowings)	286,650	285,044	0.29	2024 to 2028
Lease liabilities (Excluding current portion of lease liabilities)	16,009	22,609	3.68	2024 to 2054
Other interest-bearing debt	–	–	–	–
Total	450,478	433,144	–	–

(Notes) 1. The estimated repayment amounts of long-term borrowings and lease liabilities (excluding the current portion) within the five years after the consolidated financial closing date are as follows.

(millions of yen)

	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years
Long-term borrowings	117,677	69,147	67,115	31,103
Lease liabilities	5,222	4,128	3,476	1,594

2. The average interest rate signifies the weighted average rate against the balance of borrowings, etc. at the end of the period.

#### Schedule of asset retirement obligations

Disclosure is omitted pursuant to Article 92-2 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements since the amounts of asset retirement obligations at the beginning and at the end of the current fiscal year are no more than 1% of the amount of total liabilities and net assets at the beginning and at the end of the current fiscal year.

#### (2) Other

##### Quarterly information, etc. for the current fiscal year

(Cumulative period)	1st quarter	2nd quarter	3rd quarter	Current fiscal year
Net sales (millions of yen)	688,201	1,493,332	2,343,984	3,195,537
Profit before income taxes (millions of yen)	58,368	125,983	211,729	269,841
Profit attributable to owners of parent (millions of yen)	36,051	72,996	125,851	151,743
Net income per share (yen)	46.51	94.17	162.35	195.75

(Accounting period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Net income per share (yen)	46.51	47.66	68.18	33.40

2. Financial statements, etc.

(1) Financial statements

(i) Balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	26,163	40,038
Electronically recorded monetary claims - operating	3,877	3,811
Accounts receivable - trade	*1 212,584	*1 233,331
Finished goods	59,550	41,850
Work in process	11,605	14,947
Raw materials and supplies	29,221	31,601
Advance payments to suppliers	5,543	6,687
Prepaid expenses	4,600	4,859
Short-term loans receivable	*1 111,849	*1 103,015
Current portion of long-term loans receivable	*1 10,000	*1 10,000
Accounts receivable - other	*1 13,943	*1 29,624
Other	9,115	9,346
<b>Total current assets</b>	<b>498,056</b>	<b>529,115</b>
Non-current assets		
Property, plant and equipment		
Buildings	73,641	77,349
Structures	9,039	8,528
Machinery and equipment	63,165	59,461
Vehicles	787	718
Tools, furniture and fixtures	6,184	12,620
Land	197,138	197,138
Leased assets	1,022	392
Construction in progress	21,414	23,895
<b>Total property, plant and equipment</b>	<b>372,393</b>	<b>380,105</b>
Intangible assets		
Software	8,332	8,767
Other	57	55
<b>Total intangible assets</b>	<b>8,390</b>	<b>8,823</b>
Investments and other assets		
Investment securities	147,791	127,791
Shares of subsidiaries and associates	232,661	248,608
Investments in capital	1,030	974
Investments in capital of subsidiaries and associates	43,535	43,508
Long-term loans receivable	*1 127,876	*1 173,874
Long-term prepaid expenses	1,294	1,273
Deferred tax assets	9,108	13,293
Other	*1 4,449	*1 3,873
Allowance for doubtful accounts	(2,294)	(2,290)
<b>Total investments and other assets</b>	<b>565,453</b>	<b>610,908</b>
<b>Total non-current assets</b>	<b>946,237</b>	<b>999,837</b>
<b>Total assets</b>	<b>1,444,294</b>	<b>1,528,953</b>

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
<b>Liabilities</b>				
Current liabilities				
Electronically recorded obligations - operating	*1	15,331	*1	19,522
Accounts payable - trade	*1	208,235	*1	238,641
Short-term borrowings		30,000		—
Current portion of long-term borrowings		40,000		40,000
Lease liabilities		705		407
Accounts payable - other	*1	11,308	*1	8,168
Accrued expenses	*1	53,373	*1	61,306
Income taxes payable		4,406		3,105
Advances received	*1	2,641	*1	2,330
Deposits received	*1	27,813	*1	24,803
Unearned revenue		713		706
Provision for product warranties		3,256		3,822
Provision for bonuses		9,917		10,958
Provision for bonuses for directors (and other officers)		144		183
Asset retirement obligations		2,080		—
Other		1,897		902
<b>Total current liabilities</b>		<b>411,824</b>		<b>414,859</b>
Non-current liabilities				
Bonds payable		80,000		80,000
Long-term borrowings		100,000		60,000
Lease liabilities		417		23
Provision for retirement benefits		48,872		47,688
Provision for share awards for directors (and other officers)		418		887
Provision for product warranties		2,413		2,718
Asset retirement obligations		168		2,566
Deferred tax liabilities for land revaluation		41,266		41,266
Guarantee deposits received	*1	473	*1	458
Other		6,811		7,442
<b>Total non-current liabilities</b>		<b>280,841</b>		<b>243,051</b>
<b>Total liabilities</b>		<b>692,665</b>		<b>657,910</b>
<b>Net assets</b>				
Shareholders' equity				
Share capital		40,644		40,644
Capital surplus				
Legal capital surplus		49,855		49,855
Total capital surplus		49,855		49,855
Retained earnings				
Other retained earnings				
Retained earnings brought forward		528,182		658,080
Total retained earnings		528,182		658,080
Treasury shares		(3,259)		(3,202)
<b>Total shareholders' equity</b>		<b>615,422</b>		<b>745,378</b>
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		53,355		41,507
Deferred gains or losses on hedges		(1,102)		204
Revaluation reserve for land		83,952		83,952
<b>Total valuation and translation adjustments</b>		<b>136,205</b>		<b>125,664</b>
<b>Total net assets</b>		<b>751,628</b>		<b>871,042</b>
<b>Total liabilities and net assets</b>		<b>1,444,294</b>		<b>1,528,953</b>



## (ii) Statement of income

(Millions of yen)

		Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
Net sales	*1	1,111,891	*1	1,306,768
Cost of sales	*1	977,074	*1	1,159,536
Gross profit		134,816		147,232
Selling, general and administrative expenses	*1, *2	104,085	*1, *2	113,292
Operating profit		30,731		33,940
Non-operating income				
Interest income	*1	1,058	*1	1,785
Dividend income	*1	66,047	*1	162,865
Foreign exchange gains		1,809		266
Other	*1	274	*1	715
Total non-operating income		69,189		165,632
Non-operating expenses				
Interest expenses	*1	825	*1	677
Litigation settlement		59		36
Currency option costs		249		953
Compensation expenses	*1	23	*1	1,578
Other	*1	2,465	*1	1,403
Total non-operating expenses		3,623		4,649
Ordinary profit		96,297		194,923
Extraordinary income				
Gain on sale of non-current assets		8		1
Gain on sale of shares of subsidiaries and associates		–		103
Gain on sale of investment securities		2,895		3,332
Total extraordinary income		2,903		3,437
Extraordinary losses				
Loss on disposal of non-current assets		1,237		729
Impairment losses		160		0
Loss on valuation of investment securities		38		152
Total extraordinary losses		1,435		882
Profit before income taxes		97,765		197,478
Income taxes - current		10,526		11,178
Income taxes - deferred		(1,690)		(350)
Total income taxes		8,836		10,827
Profit		88,928		186,650

[Manufacturing cost details]

Category	Notes	Previous fiscal year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)	
		Amount (millions of yen)	Composition ratio (%)	Amount (millions of yen)	Composition ratio (%)
I. Raw material expenses		823,575	80.7	942,881	81.0
II. Labor costs	*1	73,043	7.2	74,394	6.4
III. Expenses	*2	124,424	12.1	147,251	12.6
Total manufacturing expenses		1,021,043	100.0	1,164,527	100.0
Work-in-process inventory at the beginning of period		8,662		11,605	
Transfer from other account	*3	14		0	
Total		1,029,720		1,176,134	
Work-in-process inventory at the end of the period		11,605		14,947	
Payment to other account	*4	15,750		15,750	
Cost of products manufactured		1,002,364		1,145,436	

Previous fiscal year

Current fiscal year

(1) Footnote

*1	Of which, provision for retirement benefits	3,708	million yen
	Of which, provision for bonuses	7,842	
*2	Components of major expenses		
	Depreciation and amortization	26,229	million yen
*3	Transfer from other account		
	Merchandise and finished goods	14	million yen
*4	Payment to other account		
	Selling, general and administrative expenses	14,187	million yen
	Construction in progress, etc.	748	
	Other	814	
	Total	15,750	

(1) Footnote

*1	Of which, provision for retirement benefits	3,571	million yen
	Of which, provision for bonuses	8,755	
*2	Components of major expenses		
	Depreciation and amortization	26,418	million yen
*3	Transfer from other account		
	Merchandise and finished goods	0	million yen
*4	Payment to other account		
	Selling, general and administrative expenses	14,075	million yen
	Construction in progress, etc.	684	
	Other	990	
	Total	15,750	

(2) Method of calculating costs

Process costs are calculated using estimated costs by process and by class.

1. Material expenses are calculated by setting the estimated costs for raw materials and products, and all payments and receipts during the period are made using estimated costs.
2. Processing expenses are allocated based on the actual person-hours using estimated rates.
3. Cost differences are adjusted at the end of the period.

## (iii) [Statement of changes in net assets]

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	40,644	49,855	–	49,855	486,749	486,749	(54,060)	523,189
Changes during period								
Dividends of surplus					(37,314)	(37,314)		(37,314)
Profit					88,928	88,928		88,928
Purchase of treasury shares							(2,258)	(2,258)
Disposal of treasury shares			(10,109)	(10,109)			53,059	42,949
Reversal of revaluation reserve for land					(71)	(71)		(71)
Transfer from retained earnings to capital surplus			10,109	10,109	(10,109)	(10,109)		–
Net changes in items other than shareholders' equity								
Total changes during period	–	–	–	–	41,432	41,432	50,800	92,233
Balance at end of period	40,644	49,855	–	49,855	528,182	528,182	(3,259)	615,422

	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 period	51,512	(796)	83,881	134,597	657,786
Changes during period					
Dividends of surplus					(37,314)
Profit					88,928
Purchase of treasury shares					(2,258)
Disposal of treasury shares					42,949
Reversal of revaluation reserve for land					(71)
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity	1,843	(305)	71	1,608	1,608
Total changes during period	1,843	(305)	71	1,608	93,842
Balance at end of period	53,355	(1,102)	83,952	136,205	751,628

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	40,644	49,855	49,855	528,182	528,182	(3,259)	615,422
Changes during period							
Dividends of surplus				(56,752)	(56,752)		(56,752)
Profit				186,650	186,650		186,650
Purchase of treasury shares						(38)	(38)
Disposal of treasury shares						96	96
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	129,897	129,897	57	129,955
Balance at end of period	40,644	49,855	49,855	658,080	658,080	(3,202)	745,378

	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 period	53,355	(1,102)	83,952	136,205	751,628
Changes during period					
Dividends of surplus					(56,752)
Profit					186,650
Purchase of treasury shares					(38)
Disposal of treasury shares					96
Net changes in items other than shareholders' equity	(11,847)	1,306	–	(10,541)	(10,541)
Total changes during period	(11,847)	1,306	–	(10,541)	119,414
Balance at end of period	41,507	204	83,952	125,664	871,042

## Notes

### (Significant accounting policies)

1. Valuation standards and methods for assets
  - (1) Valuation standards and methods for securities
    - (i) Shares of subsidiaries and associates  
Stated at cost by using the moving average method (write-downs have been recorded for some shares)
    - (ii) Available-for-sale securities  
Securities other than non-marketable securities, etc.: Stated at fair value (any valuation difference is directly included in net assets, and cost of securities sold is calculated by the moving average method)  
Non-marketable securities, etc.: Stated at cost by using the moving average method
  - (2) Valuation standards and methods for derivatives  
Stated at fair value
  - (3) Valuation standards and methods for inventory assets  
Finished goods, work in process, raw materials and supplies  
Stated at cost determined by the gross average method (Balance sheet values are measured by the method of writing down the book value to reflect decreases in profitability)
2. Depreciation and amortization methods for non-current assets
  - (1) Property, plant and equipment (excluding leased assets)  
Straight-line method. Assets with an acquisition cost of 100 thousand yen or more and less than 200 thousand yen are depreciated equally over three years.  
Main useful lives are as follows.

Buildings and structures	3 to 65 years
Machinery, equipment and vehicles	3 to 15 years
  - (2) Intangible assets (excluding leased assets)  
Straight-line method. "Software," included in intangible assets, is amortized by the straight-line method based on its useful life as internally determined (five years).
  - (3) Leased assets  
Leased assets related to finance lease transactions without transfer of ownership are depreciated over the lease contract's lifetime by the straight-line method. In addition, the residual value is the guaranteed residual value if a guaranteed residual value has been arranged under the lease agreement, and in other cases the residual value is zero.
3. Standards for translating significant foreign-currency-denominated assets or liabilities into Japanese yen  
Foreign-currency-denominated monetary claims and liabilities are translated into Japanese yen by using the spot exchange rate of a financial closing date, and translation differences are accounted for as a gain or loss.
4. Basis for provisions and allowances
  - (1) Allowance for doubtful accounts  
With a view to providing for bad debt losses on account receivables and loan receivables, etc., and bad debt expenses, the Company provides estimated irrecoverable amount based on the historical default rate for normal receivables and through the individual examination of recoverability for particular receivables such as claims to obligors with high possibility of business failure.

(2) Provision for bonuses

To prepare for paying bonuses to employees, a provision for bonuses is recorded in an estimated payment amount required to be assumed for the current fiscal year.

(3) Provision for bonuses for directors (and other officers)

To prepare for paying bonuses to directors, a provision for bonuses for directors (and other officers) is recorded in an estimated payment amount required to be assumed for the current fiscal year.

(4) Provision for product warranties

Provision for product warranties is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts. The provision is calculated based on past experience.

(5) Provision for retirement benefits

To provide for payments of retirement benefits to employees, an amount recognized at the end of the current fiscal year based on the projected retirement benefit obligations and pension assets is recorded at the end of the said fiscal year. Upon calculating retirement benefit obligations, the method of attributing the projected amount of payments of retirement benefits to the period up to the end of the fiscal year is based on the benefit formula method. Past service cost is amortized using the straight-line method over a period (one year) less than the average remaining years of service of eligible employees.

Actuarial gain or loss is amortized using the straight-line method over periods shorter than the average remaining years of service of eligible employees (10 years) from the following fiscal year of incurrence.

(6) Provision for share awards for directors (and other officers)

Provision for share awards for directors (and other officers) is provided in an amount estimated to cover the payment of Company stock benefits to Directors of the Board, etc. during the current fiscal year.

5. Hedge accounting

(1) Hedge accounting method

Forward foreign exchange contracts and currency options

Designated hedge accounting (*furiate-shori*) is adopted (except transactions which do not fulfill the required conditions).

Interest rate swaps and currency options

Deferral hedge accounting or exceptional accounting method specified in the Accounting Standard for Financial Instruments is adopted.

(2) Hedging instruments and hedged items

Hedging instruments

Interest rate swaps and currency options

Forward foreign exchange contracts and currency options

Hedged items

Receivables and payables denominated in foreign currencies, and borrowings

(3) Hedging policy

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

(4) Method of assessing hedge effectiveness

The Company determines hedge effectiveness by comparing the cumulative changes in cash flows from hedging instruments with those from hedged items.

However, this assessment excludes the effectiveness of interest rate swaps accounted for by exceptional accounting method.

(5) Other

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

6. Recognition of revenue and expenses

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

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

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

7. Other significant matters for the preparation of non-consolidated financial statements

Accounting related to retirement benefits

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

(Significant accounting estimates)

1. Obligations related to field measures (recalls, etc.)

(1) Amounts recorded on the financial statements for the current fiscal year

	Previous fiscal year	Current fiscal year
Accrued expenses related to field measures (recalls, etc.)	8,020 million yen	6,207 million yen

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

Description on the calculation method for the amounts in (1) is omitted since the same content is stated in "Notes (Significant accounting estimates)" in the consolidated financial statements.

2. Impairment of shares, etc. of subsidiaries and associates

(1) Amounts recorded on the financial statements for the current fiscal year

Investee	Previous fiscal year	Current fiscal year
Investment of manufacturing subsidiary based in China	–	14,731 million yen
Investment of manufacturing and sales subsidiary based in India	3,402 million yen	3,402 million yen

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

The Company makes business investments in various countries including emerging nations. For shares, etc. of subsidiaries and associates, if the actual values significantly decline due to a deterioration in the financial standing of the issuing companies, and when their recoverability

cannot be substantiated by sufficient evidence, the Company recognizes impairment of shares, etc. of subsidiaries and associates and records them based on their actual values on the balance sheet.

Accrual values of shares, etc. of subsidiaries and associates are, in principle, calculated by multiplying net assets per share by the number of shares held by the Company. Net assets per share are calculated based on the latest financial statements of the issuing companies prepared in accordance with accounting principles generally accepted in the respective countries, plus subsequent items with significant impact on their financial positions, with valuation difference, etc. taken into account based on the fair values of the assets.

When an actual value of shares, etc. of subsidiaries and associates falls to 50% or more of the acquisition price, the Company recognizes a significant decline in the actual value.

If it is necessary to determine recoverability, the Company does so based on business plans and other factors. If the determination of recoverability is necessary, the Company determines recoverability based on business plans. Assumptions that may have a significant impact on the estimation of business plans in determining recoverability include market total demand and share. The Company updates these assumptions on an ongoing basis based on the latest information available.

As a result of examining recoverability, the acquisition price of shares, etc. of subsidiaries and associates, of which actual values have significantly declined and their recoverability was not substantiated by sufficient evidence, is reduced to the actual value.

In the current fiscal year, there were no significant shares, etc. of subsidiaries and associates whose actual values have significantly declined for which an examination of recoverability was necessary.

Demand for vehicles is strongly affected by economic conditions. As such, if economies decelerate and cause total demand in the market to decrease, leading to poor performance of investees in the future, the Company may be required to record an impairment loss.

(Changes in accounting policies)

(Adoption of the Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Guidance”), from the beginning of the current fiscal year and has applied the new accounting policies defined in the Fair Value Measurement Guidance prospectively, in accordance with the transitional treatment specified in Paragraph 27-2 of the Fair Value Measurement Guidance. This adoption has no impact on the financial statements for the current fiscal year.

(Additional information)

(Performance-linked share-based remuneration plan)

Description on the transaction for issuing own company’s shares through a trust to Directors of the Board, etc. is omitted since the same content is stated in “Notes (Additional information)” in the consolidated financial statements.



(Balance sheet)

\*1 Assets and liabilities regarding subsidiaries and associates

The amounts of monetary claims from and liabilities to subsidiaries and associates other than those classified and presented are as follows.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
(Assets)		
Short-term monetary claims	315,829 million yen	328,552 million yen
Long-term monetary claims	127,928	173,925
(Liabilities)		
Short-term monetary obligations	102,190	112,563
Long-term monetary obligations	190	208

2 The Company enters into lending commitment contracts with corresponding banks to efficiently procure working capital. The unused loan balance at the end of the fiscal year based on such contracts is shown below.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total lending commitment	180,000 million yen	180,000 million yen
Outstanding loan balance	30,000	—
Net	150,000	180,000

(Statement of income)

\*1 Transactions with subsidiaries and associates

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Amount of transactions through business transactions		
Net sales	904,061 million yen	1,138,033 million yen
Purchase of goods	308,445	368,954
Selling, general and administrative expenses	111,732	131,604
Amount of transactions other than business transactions	62,824	159,407

\*2 The approximate ratio of expenses that fall under selling expenses was 50% in the previous fiscal year and 50% in the current fiscal year while that for those falling under general and administrative expenses was 50% in the previous fiscal year and 50% in the current fiscal year.

Major items under selling, general and administrative expenses and their amounts are as follows.

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Transportation costs	25,523 million yen	28,334 million yen
Promotion expenses	4,683	6,699
Unpaid repair expenses	10,976	8,558
Provision for product warranties	3,283	4,356
Salaries and allowances	9,232	9,666
Provision for bonuses	2,074	2,202
Provision for share awards for directors (and other officers)	418	555
Provision for bonuses for directors (and other officers)	144	183
Provision for retirement benefits	715	669
Depreciation and amortization	5,294	4,001
Outsourcing expenses	9,185	11,456
Research and development expenses	14,181	14,075

(Securities)

Shares of subsidiaries and shares of affiliates

Previous fiscal year (As of March 31, 2022)

(millions of yen)

Category	Carrying amount on the balance sheet	Fair value	Difference
Shares of subsidiaries	7,921	10,900	2,978
Shares of affiliates	7,266	13,114	5,848
Total	15,188	24,014	8,826

Current fiscal year (As of March 31, 2023)

(millions of yen)

Category	Carrying amount on the balance sheet	Fair value	Difference
Shares of subsidiaries	7,921	10,799	2,877
Shares of affiliates	8,613	24,969	16,356
Total	16,534	35,768	19,233

(Note) Carrying amounts on the balance sheet of the shares of subsidiaries and the shares of affiliates for which there is no market price

(millions of yen)

Category	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Shares of subsidiaries	197,132	212,965
Shares of affiliates	20,341	19,107

These items are not included in the above table "Shares of subsidiaries and shares of affiliates" as they have no market prices.

(Tax effect accounting)

1. Breakdown by major cause of deferred tax assets and deferred tax liabilities

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Deferred tax assets		
Recording of estimated accrued expenses	5,565 million yen	5,968 million yen
Provision for product warranties	1,733	2,000
Provision for bonuses	3,076	3,407
Accrued enterprise tax	752	636
Write-down on inventories	781	1,151
Provision for retirement benefits	14,945	14,583
Write-down on investments	13,980	13,213
Asset retirement obligations	666	683
Other	6,717	7,694
Valuation allowance	(16,675)	(17,307)
Total deferred tax assets	31,542	32,030
Deferred tax liabilities		
Valuation difference on available-for-sale securities	21,704	17,389
Retirement expenses associated with asset retirement obligations	88	735
Dividend income	641	612
Total deferred tax liabilities	22,434	18,736
Deferred tax assets, net	9,108	13,293

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Changes in valuation allowance	(1.0)	0.3
Foreign withholding tax	4.4	2.9
Exclusion from gross profits of dividends received	(18.3)	(23.6)
Tax deduction	(10.2)	(5.1)
Other	3.7	0.5
Actual effective tax rate after application of tax effect accounting	9.0	5.5

(Revenue recognition)

Description on information to provide a basis for understanding revenue from contracts with customers is omitted since the same content is stated in “Notes (Revenue recognition)” in the consolidated financial statements.

(Significant subsequent events)

Not applicable.

(iv) Supplementary schedules

Schedule on property, plant and equipment, etc.

(millions of yen)

Category	Type of assets	Balance at beginning of period	Increase during the period	Decrease during the period	Depreciation/amortization during the period	Balance at end of the current period	Accumulated depreciation/amortization
Property, plant and equipment	Buildings	73,641	9,554	(-) 40	5,805	77,349	122,720
	Structures	9,039	478	(-) 0	989	8,528	32,514
	Machinery and equipment	63,165	10,725	(0) 151	14,277	59,461	295,852
	Vehicles	787	281	(-) 2	348	718	4,669
	Tools, furniture and fixtures	6,184	11,673	(-) 13	5,224	12,620	87,732
	Land	[125,218] 197,138	-	[-] (-) -	-	[125,218] 197,138	-
	Leased assets	1,022	13	(-) 20	623	392	871
	Construction in progress	21,414	47,409	(-) 44,927	-	23,895	-
	Total	372,393	80,135	(0) 45,155	27,268	380,105	544,360
Intangible assets	Software	8,332	4,161	0	3,726	8,767	47,111
	Other	57	-	-	1	55	439
	Total	8,390	4,161	0	3,728	8,823	47,551

- (Notes)
- The amount of decrease in construction in progress is mainly due to the transfer to property, plant and equipment.
  - Major components of increase  
Buildings: Fujisawa Plant 1,524 million yen; Tochigi Plant 164 million yen; Head Office 7,865 million yen  
Machinery and equipment: Fujisawa Plant 7,029 million yen; Tochigi Plant 3,094 million yen; Head Office 601 million yen  
Tools, furniture and fixtures: Fujisawa Plant 8,615 million yen; Tochigi Plant 461 million yen; Head Office 2,596 million yen  
Software: Fujisawa Plant 2,233 million yen; Tochigi Plant 15 million yen; Head Office 1,913 million yen
  - Major components of decrease  
Decrease during the period includes impairment losses on non-current assets of 0 million yen.
  - Figures in parentheses under "Decrease during the period" reflect the amount of impairment loss recognized.
  - Figures in parentheses under "Land" reflect the amount of land revaluation associated with the revaluation of land for business use based on "the Act on Partial Amendment to the Act on Revaluation of Land (Act No. 24, March 31, 1999)."

Schedule of allowances

(millions of yen)

Category	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of the current period
Allowance for doubtful accounts	2,294	–	4	2,290
Provision for bonuses	9,917	10,958	9,917	10,958
Provision for bonuses for directors (and other officers)	144	183	144	183
Provision for product warranties	5,669	4,356	3,484	6,541
Provision for share awards for directors (and other officers)	418	559	90	887

(2) Contents of major assets and liabilities

Disclosure is omitted since consolidated financial statements have been prepared.

(3) Other

Not applicable.

## VI. Outline of Share-related Administration of Reporting Company

Business term	From April 1 to March 31
Annual general meeting of shareholders	In June
Record date	March 31
Record date of dividends of surplus	March 31, September 30
Number of shares per unit	100
Purchase of shares less than one unit	
Place of handling	(Special account) Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Shareholder registry administrator	(Special account) Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Agency site	_____
Purchase commission	Free
Method of public notification	Public notices will be issued electronically. However, if electronic public notification cannot be made due to an accident or other unavoidable circumstances, we will publish notices in the <i>Nihon Keizai Shimbun</i> . Public notification URL <a href="https://www.isuzu.co.jp/company/investor/">https://www.isuzu.co.jp/company/investor/</a>
Benefits for shareholders	Not applicable.

## VII. Reference Information on Reporting Company

### 1. Information about parent company, etc. of reporting company

The Company has no parent company, etc. provided for in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

### 2. Other reference information

The Company has submitted the following documents from the starting date of the current fiscal year to the date of submission of the securities report.

#### 1. Securities Report and accompanying documents and confirmation letter

Fiscal year (120th term) (from April 1, 2021 to March 31, 2022): Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2022.

#### 2. Internal Control Report and accompanying documents

Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2022.

#### 3. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on July 1, 2022.

#### 4. Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on July 1, 2022.

#### 5. Quarterly Report and confirmation letter

First quarter of the 121st term (from April 1, 2022 to June 30, 2022): Submitted to the Director-General of the Kanto Local Finance Bureau on August 10, 2022.

#### 6. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 12 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on August 26, 2022.

#### 7. Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on August 26, 2022.

#### 8. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 12 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on September 30, 2022.

#### 9. Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on September 30, 2022.

#### 10. Quarterly Report and confirmation letter

Second quarter of the 121st term (from July 1, 2022 to September 30, 2022): Submitted to the Director-General of the Kanto Local Finance Bureau on November 11, 2022.

#### 11. Quarterly Report and confirmation letter

Third quarter of the 121st term (from October 1, 2022 to December 31, 2022): Submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2023.

#### 12. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 9 of the Cabinet Office Ordinance on the



Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on March 15, 2023.

13. Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on March 15, 2023.

14. Extraordinary Report

Submitted an Extraordinary Report provided for in Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and in Article 19, Paragraph 2, Item 12 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. to the Director-General of the Kanto Local Finance Bureau on March 16, 2023.

15. Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau on March 16, 2023.

Part II. Information about Reporting Company's Guarantor, etc.

Not applicable.

**(For Translation Purposes Only)**

**Independent Auditor's Audit Report and Internal Control Audit Report**

June 28, 2023

To Board of Directors of ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC  
Tokyo Office  
Kiomi Horikoshi [Seal]  
Certified Public Accountant  
Designated Engagement Partner  
Engagement Partner  
Atsushi Suganuma [Seal]  
Certified Public Accountant  
Designated Engagement Partner  
Engagement Partner  
Keiichiro Ochi [Seal]  
Certified Public Accountant  
Designated Engagement Partner  
Engagement Partner

**Audit of Financial Statements**

**Opinion**

In order to perform the audit certification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of ISUZU MOTORS LIMITED listed in the "Financial Information" for the fiscal year commencing on April 1, 2022 and ending on March 31, 2023, which are comprised of the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets, consolidated statement of cash flows, significant matters that serve as the basis for the preparation of consolidated financial statements, other notes and consolidated supplementary schedules.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position as of March 31, 2023 along with the results of operations and the status of cash flows for the accounting year ended on the said date of the corporate group, which consists of the Company and its consolidated subsidiaries, in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Key Audit Matters**

Key Audit Matters are those matters that, in the auditor's professional judgment, were determined to be of most significance in the audit of the consolidated financial statements of the current fiscal year. Key Audit Matters are

those matters that were addressed in the course of conducting audits of the consolidated financial statements as a whole and forming the auditor's opinion, and we communicate those matters not with the intention to present a separate opinion on individual matters.

Obligations related to field measures such as recalls	
Contents of Key Audit Matters and reason for determining them as Key Audit Matters	Audit considerations
<p>As stated in "Notes (Significant accounting estimates)," accrued expenses of 11,735 million yen (0.8% of total liabilities) were recorded as obligations related to field measures such as recalls on the consolidated balance sheet of the current fiscal year.</p> <p>As stated in "Notes (Significant accounting estimates)," the obligations related to field measures such as recalls are calculated using key assumptions, which are an estimated number of vehicles for each case and an amount of field measures by vehicle.</p> <p>The estimated number of vehicles for each case is calculated by considering a percentage of unpaid repair work done individually, among other things, with regard to a vehicle recall count based on notifications, etc. submitted to competent government agencies.</p> <p>The amount of field measure per vehicle is calculated by estimating the costs of parts, operation person-hours, etc. that are deemed necessary for conducting unpaid repairs for respective cases based on notifications, etc. to a competent government agency.</p> <p>Since these key assumptions involve uncertainties and require judgment by the management, we determined the matter as a Key Audit Matter.</p>	<p>We performed the following accounting procedures to evaluate the obligations related to field measures such as recalls.</p> <ul style="list-style-type: none"> <li>● In evaluating uncertainties in estimates of obligations, reviewed the notifications, etc. submitted to a competent government agency and examined the estimated implementation rates of the Company with respect to the estimated number of vehicles for each case.</li> <li>● In evaluating uncertainties in estimates of obligations, obtained estimation documentation related to unpaid repairs for each case and examined the reasonableness of estimates with respect to the amount of field measure by vehicle.</li> <li>● In evaluating uncertainties in estimates of obligations, compared the implementation rates of unpaid repairs for each case and the estimated amount of field measure by vehicle in the past fiscal year with the actual results.</li> <li>● In examining whether obligations are comprehensively recorded, reviewed the minutes of the Quality Assurance &amp; Customer Satisfaction Improvement Committee meetings on major field measures such as recalls held up to the date of the audit report.</li> <li>● Instructed the auditors of major consolidated subsidiaries to perform the audit procedures related to estimating the expenses of field measures such as recalls and received reports on the results of audit procedures implemented to evaluate whether sufficient and appropriate audit evidence was obtained.</li> </ul>

#### Other contents

Other contents are information in the Securities Report other than the consolidated financial statements and the financial statements along with the audit report for these statements. Management is responsible for creating and disclosing other contents. In addition, the Audit and Supervisory Committee is responsible for monitoring the execution of duties by the Directors of the Board in the development and operation of the reporting process for the other contents.

The subject of our audit opinion on the consolidated financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing consolidated financial statements is to read through the other contents, and in the process of reading, consider whether there is any significant difference between the other contents and the consolidated financial statements or the knowledge gained through the process of auditing, and also pay attention as to whether there are any other signs of material error in the other contents other than such significant differences.

If we determine that there is a material error in the other contents based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other contents.

#### Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting principles generally accepted in Japan. This includes being responsible for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing the matters relating to a going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors of the Board's duties related to designing and operating the financial reporting process.

#### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit performed. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

The auditor determines, among the matters discussed with the Audit and Supervisory Committee, such matters considered to be particularly important in the audit of the consolidated financial statements for the current fiscal year as key audit matters, and states them in the audit report. However, in the cases where the disclosure of any such matter is prohibited under laws and regulations, etc. or, in some exceptional cases, the auditor determines that the matter should not be reported since it is reasonably expected that the disadvantage arising from reporting in an audit report exceeds the public interest, such matter shall not be stated.

## Internal Control Audit

### Opinion

In order to perform the audit certification pursuant to the provision of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we audited the internal control report of ISUZU MOTORS LIMITED as of March 31, 2023.

In our opinion, the aforesaid internal control report in which ISUZU MOTORS LIMITED states that its internal control over financial reporting as of March 31, 2023 is effective, presents fairly, in all material respects, the results of assessment of internal control over financial reporting in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

### Basis for the Opinion

We conducted our audit of internal control in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibility under the auditing standards for internal control over financial reporting is stated in “Auditor’s Responsibility for the Audit of Internal Control.” We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### Responsibilities of Management and the Audit and Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring and verification of the design and operation of internal control over financial reporting.

It is possible that internal control over financial reporting may not be able to completely prevent or detect false statements in financial reporting.

### Auditor’s Responsibility for the Audit of Internal Control

Our responsibility is to obtain reasonable assurance about whether the internal control report is free from material misstatement and to express an opinion on the internal control report from an independent standpoint in an internal control audit report, based on our audit of internal control performed.

We make professional judgment in the audit process in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Implement audit procedures to obtain audit evidence with respect to the results of assessment of internal control over financial reporting in the internal control report. The audit procedures for the internal control audit shall be selected and applied as determined by the auditor based on the significance of impact on the reliability of financial reporting.
- Examine the presentation of internal control report as a whole, including statements of management with respect to the scope of assessment of internal control over financial reporting, assessment procedures and assessment results.
- Obtain sufficient and appropriate audit evidence regarding the results of assessment of internal control over financial reporting in the internal control report. The auditor is responsible for instructing, supervising, and implementing the audit of the internal control report, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned internal control audit, results of the internal control audit performed, material weaknesses in internal control identified in the course of audit that should be disclosed and results of correction thereof, and other matters required under the auditing standards for internal control.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

- 
- (Notes)
1. The original of the audit report above is separately stored by the Company (company submitting the securities report).
  2. The XBRL data is not in the scope of the audit.

**(For Translation Purposes Only)**  
**Independent Auditor's Report**

June 28, 2023

To Board of Directors of ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC  
Tokyo Office  
Kiomi Horikoshi [Seal]  
Certified Public Accountant  
Designated Engagement Partner  
Engagement Partner  
Atsushi Suganuma [Seal]  
Certified Public Accountant  
Designated Engagement Partner  
Engagement Partner  
Keiichiro Ochi [Seal]  
Certified Public Accountant  
Designated Engagement Partner  
Engagement Partner

**Opinion**

In order to perform the audit certification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the financial statements of ISUZU MOTORS LIMITED listed in the "Financial Information" for the 121st term commencing on April 1, 2022 and ending on March 31, 2023, which are comprised of the balance sheet, statement of income, statement of changes in net assets, significant accounting policies and other notes and related supplementary schedules.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of March 31, 2023 along with the results of operations for the fiscal year ended on the said date of ISUZU MOTORS LIMITED, in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Key Audit Matters**

Key Audit Matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current fiscal year. Key Audit Matters are those matters that were addressed in the course of conducting audits of the financial statements as a whole and forming the auditor's opinion, and we communicate those matters not with the intention to present a separate opinion individual matters.



## Obligations related to field measures such as recalls

As stated in “Notes (Significant accounting estimates),” accrued expenses of 6,207 million yen (0.9% of total liabilities) were recorded as obligations related to field measures such as recalls on the balance sheet of the fiscal year ended March 31, 2023.

Description is omitted with respect to the above matter, since the reasons why the auditor determined the matter as a Key Audit Matter and the audit considerations made are the same as the Key Audit Matter (Obligations related to field measures such as recalls) stated in the audit report for the consolidated financial statements.

## Other contents

Other contents are information in the Securities Report other than the consolidated financial statements and the financial statements along with the audit report for these statements. Management is responsible for creating and disclosing other contents. In addition, the Audit and Supervisory Committee is responsible for monitoring the execution of duties by the Directors of the Board in the development and operation of the reporting process for the other contents.

The subject of our audit opinion on the financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility in auditing financial statements is to read through the other contents, and in the process of reading, consider whether there is any significant difference between the other contents and the financial statements or the knowledge gained through the process of auditing, and also pay attention as to whether there are any other signs of material error in the other contents other than such significant differences.

If we determine that there is a material error in the other contents based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other contents.

## Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in Japan. This includes being responsible for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements in accordance with the premise of a going concern, and for disclosing matters related to a going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors of the Board’s duties related to designing and operating the financial reporting process.

## Auditor’s Responsibility for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements from an independent standpoint in an audit report, based on our audit performed. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users of the financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity’s audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements is not to express an opinion on the effectiveness of the entity’s internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements including related notes, and whether the financial statements fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

The auditor determines, among the matters discussed with the Audit and Supervisory Committee, such matters considered to be particularly important in the audit of the financial statements for the current fiscal year ended as key audit matters, and states them in the audit report. However, in the cases where the disclosure of any such matter is prohibited under laws and regulations, etc. or, in some exceptional cases, the auditor determines that the matter should not be reported since it is reasonably expected that the disadvantage arising from reporting in an audit report exceeds the public interest, such matter shall not be stated.

#### Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

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(Notes) 1. The original of the audit report above is separately stored by the Company (company submitting the securities report).  
2. The XBRL data is not in the scope of the audit.

[Cover page]

[Submitted document]	Confirmation letter
[Applicable law]	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	June 28, 2023
[Company name]	いすゞ自動車株式会社 ( <i>Isuzu Jidosha Kabushiki-Kaisha</i> )
[Company name in English]	ISUZU MOTORS LIMITED
[Title and name of representative]	Shinsuke Minami, President and Representative Director, COO
[Title and Name of Chief Financial Officer]	Not applicable.
[Address of head office]	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters concerning the appropriateness of the contents of the securities report

Shinsuke Minami, President and Representative Director, COO of the Company has confirmed that the contents in the securities report for the 121st term (from April 1, 2022 to March 31, 2023) are appropriately stated pursuant to the Financial Instruments and Exchange Act.

2. Special notes

There are no particular items to be recorded.

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[Submitted document]	Internal Control Report
[Applicable law]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	June 28, 2023
[Company name]	いすゞ自動車株式会社 (Isuzu Jidosha Kabushiki-Kaisha)
[Company name in English]	ISUZU MOTORS LIMITED
[Title and name of representative]	Shinsuke Minami, President and Representative Director, COO
[Title and Name of Chief Financial Officer]	Not applicable.
[Address of head office]	2-5, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters relating to the basic framework for internal control over financial reporting

Shinsuke Minami, President and Representative Director, COO of the Company is responsible for designing and operating internal control over financial reporting of the Company, and designs and operates internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Internal control seeks to achieve its goals within a reasonable range through the organic linking and integrated functioning of the basic elements of internal control. Accordingly, it is possible that internal control over financial reporting cannot fully prevent or detect misstatements in financial reports.

2. Matters relating to the scope of assessment, the record date of assessment, and assessment procedures

The assessment of internal control over financial reporting was performed with March 31, 2023, the final day of the current fiscal year, as the record date. The assessment was performed in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal control (entity-level controls) that may have a material impact on overall financial reporting on a consolidated basis, and based on the results of this assessment, we selected the business processes to be evaluated. To assess these business processes, we analyzed the selected business processes, identified key controls that may have a material impact on the reliability of financial reporting, and assessed the status of design and operation of these key controls. By so doing, we evaluated the effectiveness of internal control.

We determined the necessary scope of assessment of internal control over financial reporting for the Company and its consolidated subsidiaries and affiliates accounted for using the equity method from the perspective of the materiality that may affect the reliability of financial reporting. The materiality that may affect the reliability of financial reporting is determined by taking into account the materiality of quantitative and qualitative impacts. In light of the results of assessment of entity-level controls, which covered the Company and 36 consolidated subsidiaries of the Company, we reasonably determined the scope of assessment of internal control over business processes. The consolidated subsidiaries and affiliates accounted for using the equity method that are not included in those referred to above are not included in the scope of evaluating entity-level controls as their influence is deemed to be minimal from the perspective of quantitative and qualitative materiality.

As for the scope of assessment of internal control over business processes, we selected 13 significant locations and/or business units accounting for approximately two-thirds of the consolidated net sales for the previous fiscal year when aggregating the net sales (after elimination of inter-company transactions) for the said fiscal year of each location or business unit. We included in the scope of assessment, at the selected significant business locations and/or business units, the business processes leading to net sales, accounts receivable and inventories as accounts that have a material impact on the business objectives of the Company.

Further, in addition to the selected significant locations and/or business units, we also included in the scope of assessment, as business processes having greater materiality even at other locations and business units, business processes relating to (i) greater likelihood of material misstatements and/or (ii) significant accounts involving estimates and the management’s judgment and/or (iii) a business or operation dealing with high-risk transactions, taking into account their impact on financial reporting.

3. Matters relating to the results of the assessment

As a result of the assessment described above, as of the end of the current fiscal year, we concluded that the Company’s internal control over financial reporting was effectively maintained.

4. Additional notes

Not applicable.

5. Special notes

Not applicable.