

# FY2021 Third Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2020 through December 31, 2020)

## English Translation of the Original Japanese-Language Document



February 8, 2021

Company name : ISUZU MOTORS LIMITED  
 Stock exchange on which the shares are listed : Tokyo Stock Exchange in Japan  
 Code number : 7202  
 URL : <https://www.isuzu.co.jp/world/investor/index.html>  
 Representative : Masanori Katayama, President  
 Contact : Takuo Maeda, General Manager,  
 PR and Government Relations Department Tel. (03)5471-1138  
 Scheduled date for submission of quarterly financial statements : February 12, 2021  
 Expected starting date for distribution of cash dividends : -  
 The supplement materials of the quarterly financial results : Yes  
 Holding of the quarterly financial results meeting : Yes

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

### 1. Consolidated Financial Highlights (April 1, 2020 through December 31, 2020)

#### <1> Consolidated Financial Results

(% indicates increase/decrease from previous 3rd quarter.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2021 3rd Quarter	1,308,191	(13.8)	63,036	(44.5)	66,331	(43.5)	28,477	(57.8)
FY2020 3rd Quarter	1,518,262	(4.4)	113,660	(21.1)	117,310	(22.9)	67,402	(28.3)

[Note] Comprehensive Income FY2021 3rd Quarter 61,554 millions of yen (19.5)%  
 FY2020 3rd Quarter 76,492 millions of yen (28.2)%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2021 3rd Quarter	38.61	-
FY2020 3rd Quarter	91.39	-

#### <2> Consolidated Financial Position

	Total Assets	Net Assets	The Capital adequacy ratio
	millions of yen	millions of yen	%
FY2021 3rd Quarter	2,112,984	1,164,642	46.5
FY2020	2,152,090	1,133,381	44.3

[Note] Total Amount of Shareholders' Equity FY2021 3rd Quarter 983,154 millions of yen  
 FY2020 952,939 millions of yen

### 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2020	-	19.00	-	19.00	38.00
FY2021	-	10.00	-	-	-
FY2021(Forecast)	-	-	-	10.00	20.00

[Note] Revision to the projected dividend for FY2021: None

### 3. Consolidated Financial Forecast for FY2021 (April 1, 2020 through March 31, 2021)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2021	1,900,000	(8.7)	90,000	(36.0)	92,000	(39.0)	32,000	(60.6)	43.39

[Note] Revision to Consolidated Financial Forecast for FY2021: Yes

\*Notes

<1> Changes in significant subsidiaries during this period : None

Newly consolidated : -

Excluded from the scope of consolidation : -

Note: This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Adoption of specific accounting methods for presenting quarterly consolidated financial statements : None

<3> Changes in accounting policies, accounting estimates and retrospective restatement

Changes in accounting policies due to revisions of accounting standards : None

Changes in accounting policies due to factors other than revisions of accounting standards : None

Changes in accounting estimates : None

Retrospective restatement : None

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2021 3rd Quarter	848,422,669	Shares
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at the end of the term (inclusive of treasury shares)	FY2020	848,422,669	Shares
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Number of treasury shares at the end of the term	FY2021 3rd Quarter	110,877,558	Shares
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	FY2020	110,881,195	Shares
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Average number of shares issued	FY2021 3rd Quarter	737,543,566	Shares
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	FY2020 3rd Quarter	737,528,789	Shares
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Note: "Number of treasury shares at the end of the term" include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

"Average number of shares issued" does not include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

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

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

•The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at present. Consequently, the actual financial performance may vary significantly from the forecast due to various factors. For such assumptions and notes with respect to performance forecast, please refer to

"1. Qualitative Information Concerning Consolidated Financial Results for FY2021 Third Quarter

(3)Overview of Future Estimates such as Consolidated Financial Forecast ”

•The Company has posted its financial results on its web site on February 8, 2021.

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## **1. Qualitative Information Concerning Consolidated Financial Results for FY2021 Third Quarter**

### **(1) Overview of Consolidated Financial Results**

In the current fiscal year's first nine months ended on December 31, 2020, vehicle unit sales in Japan fell by 9,830 units (18.6%) compared with the same period last fiscal year to 43,136 units due to the negative impact from the pandemic of COVID-19 across the country.

Overseas vehicle unit sales decreased by 59,066 units (18.7%) over the same period last fiscal year to 256,133 units, as sales volumes in almost all areas across the globe fell due to the worldwide pandemic of COVID-19, though trends of demand recovery were seen globally, except for some markets.

As a result, the total number of vehicles sold in Japan and abroad declined by 68,896 units (18.7%) year-on-year to 299,269 units.

As regards sales amounts of products other than vehicles, sales of parts for overseas production fell by 8.8 billion yen (30.8%) compared with the same period last fiscal year to 19.8 billion yen, engine and component sales rose by 1.9 billion yen (1.9%) over the same period last fiscal year to 100.5 billion yen, and other sales decreased by 24.3 billion yen (7.3%) year-on-year to 311.4 billion yen.

Consequently, net sales fell by 210.0 billion yen (13.8%) compared with the same period last fiscal year to 1,308.1 billion yen, which comprised 539.0 billion yen posted for Japan, down 10.6% year-on-year, and 769.0 billion yen for the rest of the world, down 16.0% year-over-year.

On the profit and loss front, operating income amounted to 63.0 billion yen, down 44.5% compared with the same period last fiscal year, and ordinary income reached 66.3 billion yen, down 43.5% year-over-year due to the fall in net sales more than offsetting efforts to improve profitability through cost-cutting measures and reduce expenses. Net income attributable to owners of the parent stood at 28.4 billion yen, down 57.8% year-on-year.

### **(2) Overview of Consolidated Financial Position**

Total assets as of the end of the current fiscal year's third quarter fell by 39.1 billion yen from March 31, 2020 to 2,112.9 billion yen, mainly due to decreases in inventories of 27.8 billion yen, notes and accounts receivable of 25.4 billion yen, deferred tax assets of 17.3 billion yen, and lease receivables and investments in leases of 8.4 billion yen, more than half offset by increases in investment securities of 32.5 billion yen, cash and deposits of 10.2 billion yen, and vehicles on operating leases, net of 6.9 billion yen.

Liabilities decreased by 70.3 billion yen from March 31, 2020 to 948.3 billion yen, mainly because of decreases in interest-bearing liabilities of 28.3 billion yen, notes and accounts payable of 18.4 billion yen, provision for bonuses of 10.8 billion yen, and income taxes payable of 7.5 billion yen.

Net assets rose by 31.2 billion yen from March 31, 2020 to 1,164.6 billion yen, mainly due to increases in valuation difference on available-for-sale securities of 25.7 billion yen and retained earnings of 7.0 billion yen, partially offset by a decrease in foreign currency translation adjustment of 3.6 billion yen.

The capital adequacy ratio stood at 46.5%, compared with 44.3% as of March 31, 2020.

Interest-bearing liabilities fell by 28.3 billion yen from March 31, 2020 to 308.3 billion yen.

### **(3) Overview of Future Estimates such as Consolidated Financial Forecast**

The Company's consolidated financial results forecast for the current fiscal year are revised as follows, based on its first nine-month business results, as well as on its sales plan updated according to the latest economic trends in markets across the globe.

As regards net sales, the number of vehicles sold abroad for the fourth quarter is expected to surpass the projection the Company presented as at November 6, 2020 when releasing its 2<sup>nd</sup> quarter financial results for the current fiscal year, thanks to the strengthening order intake abroad.

As regards profits and losses, the Company, in addition to improving profits by increasing sales, will continue to implement measures and actions for cutting costs, as well as for maximizing profits.

#### **[Forecast of Full-Year Consolidated Financial Results]**

Net sale	1,900 billion yen
Operating Income	90 billion yen
Ordinary Income	92 billion yen
Net Income Attributable to Owners of Parent	32 billion yen

\* This forecast for the current fiscal year is what the Company deems to be rational based on the information currently available and includes risks and uncertainties such as global economic situations, market trends and foreign exchange fluctuations. The Company's actual consolidated financial results may differ significantly from the forecast above, which therefore should not be the sole basis for any investment decisions.

## 2. Consolidated Quarterly Financial Statements and Major Notes

### (1) Consolidated Quarterly Balance Sheets

	(millions of yen)	
	As of March 31, 2020	As of December 31, 2020
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	321,427	331,668
Notes and accounts receivable	266,919	241,427
Lease receivables and investments in leases	136,852	128,386
Merchandise and finished goods	215,111	194,754
Work in process	25,352	25,480
Raw materials and supplies	83,342	75,750
Other	71,631	63,794
Allowance for doubtful accounts	(1,098)	(1,483)
<b>Total Current Assets</b>	<b>1,119,539</b>	<b>1,059,778</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	174,478	174,875
Machinery, equipment and vehicles, net	171,604	174,429
Land	282,125	284,361
Leased assets, net	5,000	4,915
Vehicles on operating leases, net	68,280	75,192
Construction in progress	29,721	26,574
Other, net	30,711	28,496
<b>Total Property, Plant and Equipment</b>	<b>761,922</b>	<b>768,846</b>
<b>Intangible assets</b>		
Goodwill	4,573	2,521
Other	18,701	18,145
<b>Total Intangible Assets</b>	<b>23,274</b>	<b>20,667</b>
<b>Investments and other assets</b>		
Investment securities	154,556	187,155
Long-term loans receivable	987	1,026
Retirement benefit asset	2,158	2,175
Deferred tax assets	58,502	41,124
Other	31,822	32,917
Allowance for doubtful accounts	(674)	(707)
<b>Total Investments and Other Assets</b>	<b>247,352</b>	<b>263,693</b>
<b>Total Non-Current Assets</b>	<b>1,032,550</b>	<b>1,053,206</b>
<b>TOTAL ASSETS</b>	<b>2,152,090</b>	<b>2,112,984</b>

(millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable	312,048	287,945
Electronically recorded obligations - operating	49,897	55,564
Short-term borrowings	80,178	56,636
Lease obligations	5,568	4,626
Income taxes payable	17,060	9,462
Accrued expenses	48,226	46,417
Provision for bonuses	20,619	9,770
Provision for bonuses for directors	233	35
Provision for product warranties	6,636	5,691
Deposits received	3,413	8,927
Other	59,310	52,478
<b>Total Current Liabilities</b>	<b>603,193</b>	<b>537,558</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	234,642	231,210
Lease obligations	16,321	15,872
Deferred tax liabilities	792	486
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	3,886	4,661
Provision for share-based remuneration for directors	198	289
Net defined benefit liability	99,066	97,526
Long-term deposits received	1,635	1,593
Other	16,837	17,009
<b>Total Non-Current Liabilities</b>	<b>415,515</b>	<b>410,784</b>
<b>TOTAL LIABILITIES</b>	<b>1,018,708</b>	<b>948,342</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	40,644	40,644
Capital surplus	42,503	42,599
Retained earnings	924,729	931,792
Treasury shares	(150,441)	(150,435)
<b>Total Shareholders' Equity</b>	<b>857,436</b>	<b>864,600</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	25,597	51,348
Deferred gains or losses on hedges	302	91
Revaluation reserve for land	83,881	83,881
Foreign currency translation adjustment	(5,517)	(9,191)
Remeasurements of defined benefit plans	(8,760)	(7,576)
<b>Total Accumulated Other Comprehensive Income</b>	<b>95,503</b>	<b>118,553</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>180,442</b>	<b>181,488</b>
<b>TOTAL NET ASSETS</b>	<b>1,133,381</b>	<b>1,164,642</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,152,090</b>	<b>2,112,984</b>

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

**Consolidated Quarterly Statements of Income**

	(millions of yen)	
	FY2020 3rd Quarter	FY2021 3rd Quarter
For the first nine months ended	December 31, 2020	December 31, 2021
<b>Net sales</b>	<b>1,518,262</b>	<b>1,308,191</b>
<b>Cost of sales</b>	<b>1,249,749</b>	<b>1,102,078</b>
<b>GROSS PROFIT</b>	<b>268,513</b>	<b>206,113</b>
<b>Selling, general and administrative expenses</b>	<b>154,853</b>	<b>143,076</b>
<b>OPERATING INCOME</b>	<b>113,660</b>	<b>63,036</b>
<b>Non-operating income</b>		
Interest income	3,537	2,245
Dividend income	2,126	1,531
Share of profit of entities accounted for using equity method	3,768	2,256
Foreign exchange gains	-	29
Other	2,548	3,342
<b>Total non-operating income</b>	<b>11,980</b>	<b>9,404</b>
<b>Non-operating expenses</b>		
Interest expenses	2,220	2,309
Foreign exchange losses	572	-
Litigation settlement	56	496
Compensation expenses	2,604	443
Currency option cost	789	224
Other	2,087	2,636
<b>Total non-operating expenses</b>	<b>8,330</b>	<b>6,110</b>
<b>ORDINARY INCOME</b>	<b>117,310</b>	<b>66,331</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	273	155
Gain on sales of investment securities	6	617
<b>Total extraordinary income</b>	<b>279</b>	<b>773</b>
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	1,387	541
Impairment loss	130	209
Loss on sales of investment securities	-	38
Loss on valuation of investment securities	-	176
Loss on COVID-19	-	3,253
<b>Total extraordinary losses</b>	<b>1,518</b>	<b>4,221</b>
<b>PROFIT BEFORE INCOME TAXES</b>	<b>116,071</b>	<b>62,884</b>
<b>Income taxes</b>	<b>32,471</b>	<b>25,349</b>
<b>PROFIT</b>	<b>83,599</b>	<b>37,534</b>
<b>Profit attributable to non-controlling interests</b>	<b>16,197</b>	<b>9,057</b>
<b>Profit attributable to owners of the parent</b>	<b>67,402</b>	<b>28,477</b>



## Consolidated Quarterly Statements of Comprehensive Income

(millions of yen)

	FY2020 3rd Quarter	FY2021 3rd Quarter
For the first nine months ended	December 31, 2020	December 31, 2021
<b>Profit (loss)</b>	83,599	37,534
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(6,390)	25,842
Deferred gains or losses on hedges	(307)	(210)
Foreign currency translation adjustment	426	(1,256)
Remeasurements of defined benefit plans, net of tax	1,383	1,200
Share of other comprehensive income of entities accounted for using equity method	(2,220)	(1,555)
Total other comprehensive income	<b>(7,107)</b>	<b>24,019</b>
<b>Comprehensive income</b>	<b>76,492</b>	<b>61,554</b>
<b>Comprehensive income attributable to:</b>		
owners of the parent	59,445	51,527
non-controlling interests	17,046	10,026

**(3) Additional Information**

There is no material change concerning the assumption, and the accounting estimates based on it, about how COVID-19, the disease caused by the new coronavirus, will spread further and influence economic and corporate activities, when it will subside, etc., which were stated in the Additional Information section of the Annual Securities Report for the previous fiscal year.

**(4) Notes on Premise of a Going Concern**

None

**(5) Segment Information**

The Third Quarter Cumulative Period of Fiscal Year 2020

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

The Third Quarter Cumulative Period of Fiscal Year 2021

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

**(6) Notes in the case of a Significant Change in Shareholders' Equity**

None

**(7) Important Subsequent Events**

None

### 3. Supplementary Information

#### (1) Sales Condition

##### <Sales Results by Region>

		FY2020 (Fiscal year ending December 31, 2019)		FY2021 (Fiscal year ending December 31, 2020)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
HD/MD vehicles	Japan	20,294	193,079	18,845	171,128	(1,449)	(21,951)
	Overseas	27,256	134,933	19,737	100,934	(7,519)	(33,999)
		47,550	328,013	38,582	272,062	(8,968)	(55,950)
LD vehicles, etc	Japan	32,672	114,980	24,291	93,874	(8,381)	(21,105)
	Overseas	287,943	612,044	236,396	510,325	(51,547)	(101,718)
		320,615	727,024	260,687	604,200	(59,928)	(122,824)
Total vehicles	Japan	52,966	308,060	43,136	265,002	(9,830)	(43,057)
	Overseas	315,199	746,978	256,133	611,260	(59,066)	(135,718)
		368,165	1,055,038	299,269	876,262	(68,896)	(178,775)
Parts for overseas production	Overseas	-	28,708	-	19,864	-	(8,843)
		-	28,708	-	19,864	-	(8,843)
Engines / Components	Japan	-	53,870	-	37,089	-	(16,781)
	Overseas	-	44,779	-	63,481	-	18,701
		-	98,650	-	100,571	-	1,920
Other	Japan	-	240,778	-	237,000	-	(3,778)
	Overseas	-	95,087	-	74,493	-	(20,594)
		-	335,865	-	311,493	-	(24,372)
Sales amount	Japan	-	602,709	-	539,092	-	(63,616)
	Overseas	-	915,553	-	769,099	-	(146,454)
		-	1,518,262	-	1,308,191	-	(210,071)

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

<Overseas Sales>

FY2020 (April 1, 2019 through December 31, 2019)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	125,400	438,000	352,153	915,553
2 Consolidated sales	-	-	-	1,518,262
3 Overseas sales per Consolidated sales	% 8.3	% 28.8	% 23.2	% 60.3

FY2021 (April 1, 2020 through December 31, 2020)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	87,672	397,191	284,235	769,099
2 Consolidated sales	-	-	-	1,308,191
3 Overseas sales per Consolidated sales	% 6.7	% 30.4	% 21.7	% 58.8

1. This segmentation is based on the geographical area.
2. Major countries or areas included
  - (1) North America---USA
  - (2) Asia---Thailand, China, Philippines, Indonesia
  - (3) Other---Saudi Arabia, Australia, Columbia, South Africa, Italy
3. Overseas sales are sales to all countries and areas excluding Japan  
made by the parent company and consolidated subsidiaries.