

FY2020 Consolidated Financial Results (Japan GAAP)

(April 1, 2019 through March 31, 2020)

English Translation of the Original Japanese-Language Document



May 26, 2020

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 general meeting of shareholders : June 29, 2020
 Expected starting date for distribution of cash dividends : June 30, 2020
 Scheduled date for submission of financial statements : June 29, 2020
 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, 2019 through March 31, 2020)

<1> Consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2020	2,079,936	(3.2)	140,582	(20.5)	150,876	(20.2)	81,232	(28.4)
FY2019	2,149,168	3.8	176,781	6.0	189,001	8.9	113,444	7.4

[Note] Comprehensive Income FY2020 67,526 millions of yen (52.3)%
 FY2019 141,468 millions of yen (5.7)%

	Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	yen	%	%	%
FY2020	110.14	8.6	7.0	6.8
FY2019	150.18	12.3	9.0	8.2

[Note] Equity Income from affiliated companies FY2020 8,033 millions of yen
 FY2019 7,955 millions of yen

<2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2020	2,152,090	1,133,381	44.3	1,292.05
FY2019	2,130,894	1,116,335	43.6	1,260.70

[Note] Total Amount of Shareholders' Equity FY2020 952,939 millions of yen
 FY2019 929,781 millions of yen

<3> Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	millions of yen	millions of yen	millions of yen	millions of yen
FY2020	123,701	(92,659)	(25,153)	303,974
FY2019	156,546	(86,569)	(106,914)	305,311

2. Cash Dividends

	Dividend per Share					Total Amount of Cash Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	The End of 1st Quarter	The End of 2nd Quarter	The End of 3rd Quarter	Year-End	Total			
	yen	yen	yen	yen	yen	millions of yen	%	%
FY2019	-	18.00	-	19.00	37.00	27,322	24.6	3.0
FY2020	-	19.00	-	19.00	38.00	28,060	34.5	3.0
FY2021 (Forecast)	-	-	-	-	-	-	-	-

[Note] Dividends for FY2021 ending in March 2021 are yet to be decided due to the uncertainties in the business environment.

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	1,700,000	(18.3)	50,000	(64.4)	-	-	-	-	-

[Note] Ordinary income and net income attributable to owners of the parent are yet to be decided because of current difficulties in calculating them rationally. The Company will disclose them as soon as possible when it is ready to.

*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> Changes in accounting policies, procedures and disclosures

Changes due to revisions of accounting standards : Yes

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

Changes in accounting estimates : None

Retrospective restatement : None

<3> Number of shares issued (common stock)

Number of shares issued and outstanding FY2020 848,422,669 Shares

at the end of the term (inclusive of treasury stock) FY2019 848,422,669 Shares

Number of treasury shares at the end of the term FY2020 110,881,195 Shares

FY2019 110,912,927 Shares

Average number of shares issued FY2020 737,532,120 Shares

FY2019 755,414,265 Shares

Note: "Number of treasury shares at the end of the term" include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

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

(Reference) Non-consolidated Financial Results

Non-consolidated Financial Highlights (April 1, 2019 through March 31, 2020)

<1> Non-consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2020	1,074,968	(4.9)	31,760	(36.3)	89,796	(10.6)	70,964	(15.2)
FY2019	1,130,825	4.6	49,849	7.1	100,413	40.0	83,719	43.2

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2020	96.21	-
FY2019	110.82	-

<2> Non-consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2020	1,030,852	604,015	58.6	818.89
FY2019	1,035,508	573,641	55.4	777.75

Note: Total amount of shareholders' equity FY2020 604,015 millions of yen
FY2019 573,641 millions of yen

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

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

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

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

For such assumptions and notes with respect to performance forecast,

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

②Forecast for FY2021 ending March 2021"

•The Company has posted its financial results on its web site on Tuesday, May 26, 2020.

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1. Overview of Financial Results and Financial Position

(1) Overview of Financial Results

① Financial Results for FY2020 ended March 2020

The global economy in the current fiscal year remained stagnant as the slowdown in China, triggered by the U.S.-China trade war, affected the neighboring emerging economies and resource-rich countries. In addition to this, in the fourth quarter COVID-19, a disease caused by a novel coronavirus, rapidly spread all over the world, adversely influencing to a large extent the global economy.

Demands for commercial vehicles fell in many parts of the world, as the Thai market, which had demonstrated a steady recovery, took a turn to the worse, with resource-rich economies also affected by the global economic slowdown. In Japan, too, the total industry volume declined after a last-minute demand for light-duty trucks ahead of a change of emissions regulations. The influence of COVID-19 in the current fiscal year remained insignificant.

In the current fiscal year, vehicle unit sales in Japan fell by 3,078 units (4.1%) compared with the previous fiscal year to 71,353 units, due to the decline in the total industry volume, though the Company enjoyed a high reputation in the light-duty truck segment, securing a market share of 42.4%.

Overseas vehicle unit sales decreased by 20,021 units (4.4%) over the previous fiscal year to 437,870 units, owing to a fall in total industry volumes in many countries, mainly in Asia. As a result, consolidated total vehicle unit sales in Japan and abroad slid by 23,099 units (4.3%) year-on-year to 509,223 units.

As regards sales amounts of products other than vehicles, sales of parts for overseas production fell by 14.2 billion yen (24.9%) year-over-year to 43.1 billion yen, engine and component sales declined by 11.8 billion yen (8.3%) year-over-year to 131.6 billion yen mainly because of a decrease in the number of engines sold for industrial applications, and other sales increased by 21.9 billion yen (5.1%) year-over-year to 454.8 billion yen thanks to growth in the vehicle life-cycle management business such as after-sales services including parts sales.

Consequently, net sales fell by 69.2 billion yen (3.2%) over the previous fiscal year to 2,079.9 billion yen, which comprised 827.2 billion yen for Japan, up 1.0% year-on-year, and 1,252.6 billion yen for the rest of the world, down 5.8% year-on-year, chiefly owing to the decreases in the number of vehicles sold overseas, mainly in Asia.

On the profit and loss front, despite big efforts for cost reduction, operating income amounted to 140.5 billion yen, down 20.5% compared with the previous fiscal year, due to factors such as the decreases in the number of vehicles sold and impacts of depreciation in the US and Australian dollars as well as appreciation in the Thai baht, the currency of the country serving as the export hub for the Company's pickup trucks. Ordinary income stood at 150.8 billion yen, down 20.2% over the previous fiscal year, and net income attributable to owners of the parent reached 81.2 billion yen, down 28.4% year-on-year.

② Forecast for FY2021 ending March 2021

With the global economy in great uncertainties for the foreseeable future due to COVID-19-related factors such as the overall size of the pandemic, timing of return to normal activities, and the possible size of the second wave, the Company, based on data currently available of markets around the world, has assumed a timing of recovery and forecast demands for FY2021 ending in March 2021.

The truck market in Japan is expected to hit the bottom in July to September period of 2020, the overseas truck & pickup truck markets in April to June period of the same year, and then they are forecast to gradually recover up to about 90% year-on-year toward the end of FY2021.

The Thai pickup truck market, which lost steam before the spread of COVID-19, is expected to strike the bottom in July to September period of 2020 and recover to almost the same level as the previous fiscal year toward the end of FY2021. The forecast net sales and operating income shown below are calculated on the basis of the above.

The forecast shown here may be significantly revised downward if there is a substantial delay of market recovery caused by the second wave of the COVID-19 pandemic and/or other reasons.

Under this emergency circumstance where profits are expected to fall due to the decreases in sales worldwide, the Company and its consolidated subsidiaries will renew their full commitment to accelerating implementation of measures for cost reduction and others that have been underway since the previous fiscal years.

The forecast consolidated financial results for FY2021 ending in March 2021 are as follows:

Net sales	1,700 billion yen
Operating Income	50 billion yen

Ordinary income and net income attributable to owners of the parent are yet to be decided because of current difficulties in calculating them rationally. The Company will disclose them as soon as possible when it is ready to.

* This forecast for FY2021 is calculated by the Company based on information available at this moment of various markets around the world, as well as on the assumption about possible timing of recovery in demand. It also includes risks and uncertainties such as global economic trends and exchange rate fluctuations. The Company's actual consolidated financial results may differ considerably from the forecast above, which therefore should not be the sole basis for any investment decisions.

(2) Overview of Financial Position

① Assets, Liabilities and Net Assets

Total assets as of the end of the current fiscal year rose by 21.1 billion yen from March 31, 2019 to 2,152.0 billion yen.

This is primarily because of increases in property, plant and equipment of 30.5 billion yen, lease receivables and lease investment assets of 19.1 billion yen, inventories of 16.2 billion yen, and other current assets of 11.5 billion yen, more than half offset by decreases in notes and accounts receivable of 33.8 billion yen and investment securities of 21.3 billion yen.

Liabilities grew by 4.1 billion yen from March 31, 2019 to 1,018.7 billion yen.

This is mainly due to an increase in interest-bearing liabilities of 39.3 billion yen, largely offset by decreases in notes and accounts payable of 25.2 billion yen, accrued expenses of 4.2 billion yen, and income taxes payable of 3.5 billion yen.

Net assets increased by 17.0 billion yen from March 31, 2019 to 1,133.3 billion yen.

This is chiefly because of an increase in retained earnings of 52.8 billion yen, more than half offset by decreases in foreign currency translation adjustment of 15.7 billion yen, valuation difference on available-for-sale securities of 13.1 billion yen, and non-controlling interests of 6.1 billion yen.

The capital adequacy ratio stood at 44.3 %, compared with 43.6% as of March 31, 2019.

Interest-bearing liabilities rose by 39.3 billion yen from March 31, 2019 to 336.7 billion yen.

② Cash flows Data

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the current fiscal year fell by 1.3 billion yen from March 31, 2019 to 303.9 billion yen; more specifically, out of the funds from operating activities of 123.7 billion yen, 92.6 billion yen was used for investing activities and 25.1 billion yen for financing activities.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, recorded an inflow of funds of 31.0 billion yen, down 55.6% from March 31, 2019.

[Cash Flow from Operating Activities]

Funds provided by operating activities amounted to 123.7 billion yen, down 21.0% from March 31, 2019.

This is mainly owing to inflows of funds of 143.5 billion yen and 76.2 billion yen recorded for profit before income taxes and depreciation, respectively, and 23.2 billion yen derived from a decrease in notes and accounts receivable, partially offset by outflows of funds due to the following factors: an increase in inventories of 25.0 billion yen, a net increase in lease receivables and investment assets of 19.1 billion yen, a decrease in notes and accounts payable of 14.0 billion yen, and income taxes paid of 44.1 billion yen.

[Cash Flow from Investing Activities]

Funds used in investing activities reached 92.6 billion yen, up 7.0% from March 31, 2019. This is primarily attributable to purchase of noncurrent assets of 103.4 billion yen.

[Cash Flow from Financing Activities]

Funds used in financing activities stood at 25.1 billion yen, down 76.5% from March 31, 2019.

This is mostly because of outflows of funds of 37.2 billion yen recorded for repayments of long-term loans payable, 28.0 billion yen for cash dividends paid, and 20.6 billion yen for dividends paid to non-controlling interests, more than half offset by an inflow of funds of 59.0 billion yen for proceeds from long-term loans payable.

(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2020 and FY2021

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

The Company plans to submit a proposal to its annual general meeting of shareholders that it pay a year-end dividend of 19 yen per share. With regard to dividends in the next term, they are yet to be decided due to the uncertainties in the business environment. However, the Company plans to decide them by the time of disclosing the first-half results, based on both the actual business results and the stable dividend policy.

2. Basic Concept on Choice of Accounting Standards

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

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

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(millions of yen)	
	As of March 31, 2019	As of March 31, 2020
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	328,114	321,427
Notes and accounts receivable	300,768	266,919
Lease receivables and investments in leases	117,730	136,852
Merchandise and finished goods	204,502	215,111
Work in process	25,631	25,352
Raw materials and supplies	77,383	83,342
Other	60,040	71,631
Allowance for doubtful accounts	(1,601)	(1,098)
Total Current Assets	1,112,570	1,119,539
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures, net	176,888	174,478
Machinery, equipment and vehicles, net	155,176	171,604
Land	282,623	282,125
Leased assets, net	10,015	5,000
Vehicles on operating leases, net	55,761	68,280
Construction in progress	34,050	29,721
Other, net	16,828	30,711
Total Property, Plant and Equipment	731,344	761,922
Intangible assets		
Goodwill	7,058	4,573
Other	18,320	18,701
Total Intangible Assets	25,379	23,274
Investments and other assets		
Investment securities	175,926	154,556
Long-term loans receivable	981	987
Retirement benefit asset	1,642	2,158
Deferred tax assets	54,938	58,502
Other	28,579	31,822
Allowance for doubtful accounts	(467)	(674)
Total Investments and Other Assets	261,600	247,352
Total Non-Current Assets	1,018,324	1,032,550
TOTAL ASSETS	2,130,894	2,152,090

(millions of yen)

	As of March 31, 2019	As of March 31, 2020
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable	339,997	312,048
Electronically recorded obligations - operating	47,240	49,897
Short-term borrowings	71,191	80,178
Lease obligations	3,931	5,568
Income taxes payable	20,636	17,060
Accrued expenses	52,455	48,226
Provision for bonuses	20,634	20,619
Provision for bonuses for directors	441	233
Provision for product warranties	6,824	6,636
Deposits received	4,174	3,413
Other	58,800	59,310
Total Current Liabilities	626,328	603,193
NON-CURRENT LIABILITIES		
Long-term borrowings	214,985	234,642
Lease obligations	7,290	16,321
Deferred tax liabilities	2,862	792
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for maintenance costs	5,815	3,886
Provision for share-based remuneration for directors	209	198
Net defined benefit liability	97,506	99,066
Long-term deposits received	1,546	1,635
Other	15,879	16,837
Total Non-Current Liabilities	388,231	415,515
TOTAL LIABILITIES	1,014,559	1,018,708
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Share capital	40,644	40,644
Capital surplus	42,129	42,503
Retained earnings	871,845	924,729
Treasury shares	(150,485)	(150,441)
Total Shareholders' Equity	804,134	857,436
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	38,754	25,597
Deferred gains or losses on hedges	131	302
Revaluation reserve for land	83,880	83,881
Foreign currency translation adjustment	10,195	(5,517)
Remeasurements of defined benefit plans	(7,314)	(8,760)
Total Accumulated Other Comprehensive Income	125,647	95,503
NON-CONTROLLING INTERESTS	186,553	180,442
TOTAL NET ASSETS	1,116,335	1,133,381
TOTAL LIABILITIES AND NET ASSETS	2,130,894	2,152,090

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

Consolidated Statements of Income

(millions of yen)

	FY2019 Fiscal year ending March 31, 2019	FY2020 Fiscal year ending March 31, 2020
Net sales	2,149,168	2,079,936
Cost of sales	1,765,270	1,730,354
GROSS PROFIT	383,898	349,582
Selling, general and administrative expenses		
Transportation costs	32,935	33,913
Promotion expenses	17,450	15,205
Advertising expenses	7,070	6,153
Unpaid repair expenses	10,705	11,666
Provision for product warranties	4,437	4,073
Salaries and allowances	72,021	71,181
Provision for bonuses	12,408	12,852
Provision for bonuses for directors	441	55
Provision for share-based remuneration for directors	209	42
Retirement benefit expenses	4,538	4,387
Depreciation	11,502	11,968
Other	33,393	37,500
Total Selling, general and administrative expenses	207,116	208,999
OPERATING PROFIT	176,781	140,582
Non-operating income		
Interest income	4,585	4,534
Dividend income	2,864	2,997
Share of profit of entities accounted for using equity method	7,955	8,033
Rental income	172	184
Foreign exchange gains	-	329
Other	3,277	3,607
Total non-operating income	18,855	19,686
Non-operating expenses		
Interest expenses	2,168	2,833
Foreign exchange losses	91	-
Litigation settlement	218	52
Compensation expenses	1,838	2,650
Currency option cost	1,012	1,005
Other	1,305	2,851
Total non-operating expenses	6,636	9,392
ORDINARY PROFIT	189,001	150,876
Extraordinary income		
Gain on sales of non-current assets	805	289
Gain on bargain purchase	2,264	-
Gain on step acquisitions	667	-
Gain on sales of investment securities	1	14
Subsidy income	478	-
Other	171	-
Total extraordinary income	4,389	304
Extraordinary losses		
Loss on disposal of non-current assets	1,518	1,987
Loss on sales of investment securities	-	19
Loss on sales of shares of subsidiaries	161	-
Impairment loss	1,202	190
Loss on disaster	1,393	-
Loss on valuation of investment securities	2,734	5,317
Other	272	155
Total extraordinary losses	7,282	7,669
Profit before income taxes	186,108	143,511
Income taxes-current	50,754	40,141
Income taxes-deferred	(2,715)	880
Total Income taxes	48,038	41,022
Profit	138,069	102,489
Profit attributable to non-controlling interests	24,624	21,256
Profit attributable to owners of parent	113,444	81,232

Consolidated Statements of Comprehensive Income

(millions of yen)

	FY2019 Fiscal year ending March 31, 2019	FY2020 Fiscal year ending March 31, 2020
Profit	138,069	102,489
Other comprehensive income		
Valuation difference on available-for-sale securities	2,190	(13,345)
Deferred gains or losses on hedges	(531)	170
Foreign currency translation adjustment	7,527	(19,294)
Remeasurements of defined benefit plans, net of tax	1,092	(1,635)
Share of other comprehensive income of entities accounted for using equity method	(6,879)	(857)
Total other comprehensive income	3,398	(34,962)
Comprehensive income	141,468	67,526
Comprehensive income attributable to		
owners of the parent	116,012	51,088
non-controlling interests	25,456	16,438

(3) Consolidated Statements of Changes in Net Assets

FY2019 (Fiscal year ending March 31, 2019)

(millions of yen)

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

	Accumulated other comprehensive income						Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	36,545	662	83,880	10,267	(8,276)	123,079	166,923	1,086,510
Changes during period								
Dividends of surplus								(26,695)
Profit attributable to owners of parent								113,444
Purchase of treasury shares								(79,436)
Disposal of treasury shares								314
Change in capital surplus due to transactions with non-controlling interests								1
Net changes of items other than shareholders' equity	2,208	(531)	-	(71)	962	2,567	19,629	22,197
Total changes of items during period	2,208	(531)	-	(71)	962	2,567	19,629	29,824
Balance at the end of current period	38,754	131	83,880	10,195	(7,314)	125,647	186,553	1,116,335

	Shareholders' Equity				
	Share Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	40,644	42,129	871,845	(150,485)	804,134
Cumulative effects of changes in accounting policies			(287)		(287)
Restated balance	40,644	42,129	871,558	(150,485)	803,847
Changes during period					
Dividends of surplus			(28,061)		(28,061)
Profit attributable to owners of parent			81,232		81,232
Reversal of revaluation reserve for land			(0)		(0)
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares				50	50
Change in capital surplus due to transactions with non-controlling interests		374			374
Net changes of items other than shareholders' equity					
Total changes of items during period	-	374	53,171	44	53,589
Balance at the end of current period	40,644	42,503	924,729	(150,441)	857,436

	Accumulated other comprehensive income						Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	38,754	131	83,880	10,195	(7,314)	125,647	186,553	1,116,335
Cumulative effects of changes in accounting policies								(287)
Restated balance	38,754	131	83,880	10,195	(7,314)	125,647	186,553	1,116,047
Changes during period								
Dividends of surplus								(28,061)
Profit attributable to owners of parent								81,232
Reversal of revaluation reserve for land								(0)
Purchase of treasury shares								(5)
Disposal of treasury shares								50
Change in capital surplus due to transactions with non-controlling interests								374
Net changes of items other than shareholders' equity	(13,156)	170	0	(15,713)	(1,446)	(30,143)	(6,110)	(36,254)
Total changes of items during period	(13,156)	170	0	(15,713)	(1,446)	(30,143)	(6,110)	17,335
Balance at the end of current period	25,597	302	83,881	(5,517)	(8,760)	95,503	180,442	1,133,381

(4) Consolidated Statements of Cash Flows

	(millions of yen)	
	FY2019 Fiscal year ending March 31, 2019	FY2020 Fiscal year ending March 31, 2020
Cash flows from operating activities		
Profit before income taxes	186,108	143,511
Depreciation	69,976	76,213
Share of (profit) loss of entities accounted for using equity method	(7,955)	(8,033)
Increase (decrease) in provision for product warranties	(491)	(188)
Increase (decrease) in provision for bonuses	123	21
Increase (decrease) in provision for bonuses for directors	256	(201)
Amortization of goodwill	2,644	2,464
Increase (decrease) in allowance for doubtful accounts	(687)	(38)
Increase (decrease) in provision for maintenance costs	1,039	(1,929)
Increase (decrease) in provision for share-based remuneration for directors	(154)	(11)
Increase (decrease) in retirement benefit liability	890	(446)
Interest and dividends income	(7,450)	(7,531)
Interest expenses	2,168	2,833
Loss (gain) on sales of non-current assets	(1,192)	(289)
Loss (gain) on disposal of non-current assets	1,905	1,987
Loss (gain) on sales of investment securities	4	4
Loss (gain) on valuation of investment securities	2,734	5,317
Impairment loss	1,202	190
Other extraordinary loss (income)	(1,760)	155
Decrease (increase) in notes and accounts receivable	(17,947)	23,232
Net decrease (increase) in lease receivables and investments in leases	(14,507)	(19,121)
Decrease (increase) in inventories	(29,898)	(25,039)
Decrease (increase) in other current assets	(1,961)	(14,306)
Increase (decrease) in notes and accounts payable	5,781	(14,098)
Increase (decrease) in accrued expenses	(1,896)	(2,642)
Increase (decrease) in deposits received	831	(635)
Increase (decrease) in other liabilities	7,198	(1,482)
Other, net	1,850	(285)
(Subtotal)	198,811	159,649
Interest and dividends received	13,180	11,032
Interest paid	(2,166)	(2,841)
Income taxes paid	(53,279)	(44,139)
Net cash provided by (used in) operating activities	156,546	123,701
Cash flows from investing activities		
Purchase of investment securities	(92)	(434)
Proceeds from sales of investment securities	17	52
Purchase of non-current assets	(94,768)	(103,467)
Proceeds from sales of non-current assets	4,904	6,475
Long-term loan advances	(345)	(333)
Collection of long-term loans receivable	404	312
Net decrease (increase) in short-term loans receivable	159	(5)
Net decrease (increase) in time deposits	(1,640)	5,188
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	27	-
Proceeds from transfer of business	3,268	-
Other, net	1,495	(446)
Net cash provided by (used in) investing activities	(86,569)	(92,659)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,166	7,408
Proceeds from long-term borrowings	50,000	59,000
Repayments of long-term borrowings	(35,677)	(37,289)
Proceeds from share issuance to non-controlling shareholders	5,945	-
Repayments of lease obligations	(3,094)	(4,074)
Purchase of treasury shares	(79,435)	(5)
Dividends paid	(26,694)	(28,057)
Dividends paid to non-controlling interests	(19,124)	(20,665)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(1,469)
Net cash provided by (used in) financing activities	(106,914)	(25,153)
Effect of Exchange Rate Change on Cash and Cash Equivalents	4,815	(7,225)
Net Increase (Decrease) in Cash and Cash Equivalents	(32,122)	(1,336)
Cash and Cash Equivalents at Beginning of Period	329,949	305,311
Increase in cash and cash equivalents resulting from merger	7,485	-
Cash and Cash Equivalents at End of Period	305,311	303,974

(5) Notes on Consolidated Financial Statements

[Additional Information]

The pandemic of COVID-19 is an event that has adversely influenced a wide range of economic and corporate activities, and it is quite difficult to predict how it will spread further and when it will subside. Under this circumstance, the Company has made accounting estimates on the assumption that COVID-19 will continue to have such influence for a certain period of time after the end of the current fiscal year into FY2021 ending in March 2021.

[Notes on Premise of A Going Concern]

None

[Changes in Accounting Policies]

(Adoption of IFRS 16 Leases)

Starting the current consolidated accounting period, the Company's overseas subsidiaries, except those incorporated in the US, adopt IFRS 16 Leases. The method applied in the adoption of IFRS 16 is to recognize the cumulative effect of adopting this standard at the date of initial adoption that is approved as an interim measure. Further, the lessee's leases that were previously classified as operating leases adopting IAS 17 are accounted for as right-of-use assets and lease liabilities as of the adoption date.

As a result of the aforesaid adoption of the accounting principle, property, plant and equipment (net), lease obligations in current liabilities, and lease obligations in non-current liabilities presented in the fourth quarter consolidated balance sheet increased by 10,846 million yen, 1,866 million yen and 9,691 million yen respectively. The impact of the change on the consolidated statement of income for the fourth quarter is immaterial.

(Adoption of ASU 2014-09 "Revenue from Contracts with Customers")

The Company's consolidated subsidiaries in the United States have adopted ASU 2014-09 "Revenue from Contracts with Customers" since the end of the current fiscal year.

In accordance with ASU 2014-09, an entity is required to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The impact of the adoption of ASU 2014-09 on the Company's consolidated financial statements is immaterial.

[Segment Information]

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

[Per Share Information]

FY2019		FY2020	
Net assets per share (yen)	1,260.70	Net assets per share (yen)	1,292.05
Net income per share (yen)	150.18	Net income per share (yen)	110.14

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

	FY2019	FY2020
Net income (millions of yen)	113,444	81,232
Amount not attributable to common shareholders (millions of yen)	-	-
Net income associated with common shares (millions of yen)	113,444	81,232
Average number of shares (shares)	755,414,265	737,532,120

[Significant Subsequent Events]

The stagnated demand in the global commercial vehicle market due to the COVID-19 pandemic has significantly affected the business activities of the Company and its consolidated subsidiaries after the end of the current fiscal year. If this market condition continues, it may give a material impact on their earnings results and financial conditions. This impact remains to be seen at this moment.

4. Other

(1) Sales Condition (Consolidated)

		FY2019 (Fiscal year ending March 31, 2019)		FY2020 (Fiscal year ending March 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	28,864	272,172	28,945	277,689	81	5,516
	Overseas	43,336	210,894	36,858	181,818	△6,478	△29,075
		72,200	483,066	65,803	459,507	△6,397	△23,559
LD vehicles, etc	Japan	45,567	153,256	42,408	154,269	△3,159	1,013
	Overseas	414,555	879,047	401,012	836,563	△13,543	△42,483
		460,122	1,032,303	443,420	990,833	△16,702	△41,470
Total vehicles	Japan	74,431	425,428	71,353	431,959	△3,078	6,530
	Overseas	457,891	1,089,941	437,870	1,018,381	△20,021	△71,559
		532,322	1,515,370	509,223	1,450,341	△23,099	△65,029
Parts for overseas production	Overseas	-	57,397	-	43,112	-	△14,284
		-	57,397	-	43,112	-	△14,284
		-	57,397	-	43,112	-	△14,284
Engines/Components	Japan	-	79,472	-	68,951	-	△10,521
	Overseas	-	64,052	-	62,695	-	△1,356
		-	143,525	-	131,647	-	△11,878
Other	Japan	-	314,273	-	326,337	-	12,063
	Overseas	-	118,602	-	128,498	-	9,896
		-	432,876	-	454,835	-	21,959
Sales amount	Japan	-	819,175	-	827,247	-	8,072
	Overseas	-	1,329,993	-	1,252,688	-	△77,304
		-	2,149,168	-	2,079,936	-	△69,232

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

(2) Overseas Sales

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

(millions of yen)

1 Overseas sales	166,778	644,566	518,648	1,329,993
2 Consolidated sales	-	-	-	2,149,168
3 Overseas sales per Consolidated sales	% 7.8	% 30.0	% 24.1	% 61.9

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

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

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

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

made by the parent company and consolidated subsidiaries.

FY2020 (April 1, 2019 through March 31, 2020)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	157,800	613,300	481,588	1,252,688
2 Consolidated sales	-	-	-	2,079,936
3 Overseas sales per Consolidated sales	% 7.6	% 29.5	% 23.2	% 60.2

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, Colombia, South Africa, Italy

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

made by the parent company and consolidated subsidiaries.