ITEMS DISCLOSED ON INTERNET CONCERNING NOTICE OF CONVOCATION OF THE 120TH

Matters concerning the Independent Auditor

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

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

	Amount Payable (JPY million)
Independent Au s fee payable by the Company for the current business term	150
Total cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor	416

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

2. The Audit and Supervisory Committee agreed to the fee and other amounts payable to the Independent Auditor after careful consideration of the details of the audit plan, time taken by the audit, personnel allocation plan, performance of duties in past business years, and rationale for the ca

Association.

3. The Company and the Independent Auditor have signed an Audit Contract. This contract, however, does not make a clear distinction between the auditing fees stipulated in the Companies Act and those defined in the Financial Instruments and Exchange Act. These fees cannot be practically separated. The above fee, therefore, is the aggregate amount of these fees.

4. Ernst & Young ShinNihon LLC or Deloitte Touche Tohmatsu LLC serve as the Independent Auditors for significant subsidiaries of the Company in Japan, and significant overseas subsidiaries of the Company are subject to the audit of Ernst & Young or Deloitte Touche Tohmatsu.

(3) Non-audit Duties of the Independent Auditor

The Company received advice from the Independent Auditor regarding the maintenance, rega

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

Basic policies regarding the development of systems for ensuring the propriety of Meeting in accordance with the

Companies Act

Directors Meeting are as follows:

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

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

<General description of contents of resolution>

- The Company places utmost importance on thorough compliance. The Company defines

  behave in line with high ethical standards to gain the trust of society.
- To secure thorough compliance, we will make sure that all Directors of the Board and employees

- The Compliance Committee including

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2021 through March 31, 2022)

(millions of yen)

	SHAREHOLDERS' EQUITY
	Common stock

4. Significant Accounting Policies

(1) Valuation methods for securities

Other securities

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

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

ii) Non-marketable securities, etc.

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

(2) Valuation methods for inventories

i) Parent company

Inventories are measured at the cost determined by the gross average method.
(Balance sheet values are measured by the method of devaluing book price to reflect decreases in profitability.)

ii) Consolidated subsidiaries

Inventories are principally measured at cost determined by the specific identification method.
(Balance sheet values are measured by the method of devaluing book value to reflect decreases in profitability.)

(3) Valuation methods for derivative financial instruments

Derivative financial instruments are measured at fair value.

(4) Depreciation of non-current assets

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

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

ii) Amortization

costs.

(vi) Provision for management board incentive plan trust

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

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the foreign exchange spot rate on the date of the balance sheet, and differences arising from the translation are included in the statement of income as gains or losses. The Company translates assets and liabilities of foreign consolidated subsidiaries into yen at the foreign exchange spot rate on the date of the balance sheet of each of those subsidiaries. Statement of income accounts are translated using the average foreign

6. Notes Concerning Accounting Estimates

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

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

	Consolidated balance sheet amount
Accrued expenses related to field measures (recalls, etc.)	12,822 million yen

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

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

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

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

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

An estimated number of vehicles subject to recalls, etc. is calculated

Goodwill is the difference between the acquisition cost and the amount allocated to identifiable assets as well as liabilities at the date of the business combination, including intangible assets.

The key assumptions used in the calculation of the fair value of identifiable intangible assets are, for trademark rights and patent rights, royalty rates and discount rates, as well as growth rates that are taken into account in the business plan; for customer-related assets, the key assumptions is the expected rate of return and discount rate.

The discount rate applied to intangible assets is set by using the WACC (Weighted average capital cost) and adding a risk premium set according to the degree of risk for each intangible asset.

The Group believes that the assumptions used to achieve the fair value of the intangible assets and amount of goodwill a approach with obsolescence taken into account.

Factoring in the uncertainties due to the spread of COVID-19, calculations are based on the premise that a decline in demand in emerging markets seen in the current fiscal year will continue in and after the next fiscal year. The Group reviews these forecasts based on the latest information available on an ongoing basis.

As a result of the examination of recoverability during the fiscal year, there is no significant impairment loss recognized.

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 Group may be required to record an impairment loss.

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Notes on the Consolidated Balance Sheet

1. Pledged Assets

   Assets pledged as collateral

Inventories	98 million yen
Machinery, equipment and vehicle	4 million yen

   Secured liabilities

Accounts payable	4,352 million yen

2. Accumulated Depreciation of Property, Plant and Equipment 1,232,902 million yen

3. Revaluation of Business Land

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

   The difference between the total fair value of the revaluated business land at the end of the current consolidated fiscal year and the total book value after revaluation was 62,588 million yen.

Notes on the Consolidated Statement of Changes in Net Assets

1. Number of Shares Issued and Outstanding at the End of the Fiscal Year
   Common stock 777,442,069 shares

2. Details of Dividends Paid as Distribution of Profits
   (1) Amount of dividends paid

Date of Resolution	Type of Stock	Source of Funds for Dividends	Total Amount of Dividends Paid (millions of yen)	Dividend per Share	Record Date	Effective Date
June 25, 2021 General Meeting of Shareholders	Common stock	Retained earnings	14,768	20.00 yen	March 31, 2021	June 28, 2021
November 8, 2021 Board of Directors Meeting	Common stock	Retained earnings	22,545	29.00 yen	September 30, 2021	November 30, 2021

Notes on Financial Instruments

1.

Matters on Investment and Rental Property

Disclosures are omitted due to immateriality in amounts.

Notes on Revenue Recognition

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

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

(millions of yen)

	Heavy-duty (and medium-duty) vehicles	Light-duty vehicles	Parts for overseas production	Engines and components	Others	Total

Revenues from contracts with customers10

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

(i) Contract balance

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

(millions of yen)

	Beginning of current fiscal year (April 1, 2021)	End of current fiscal year (March 31, 2022)

7. Details of the earn-out clause in the contract of business combination and its accounting policy for the current fiscal year and beyond

The share transfer agreement includes an agreement to pay an additional earn-out clause with an upper limit amount of 15,000 million yen in accordance with the future achievement level of . If any additional payment to the said clause is made, the payment will be regarded as having been paid at the time of acquisition, with the acquisition price and the amount of goodwill a

NOTES ON THE FINANCIAL STATEMENTS

Basis for Financial Statements

1. Valuation Standards and Methods for Securities
   (1) Security investments in subsidiaries and affiliates
   Securities investment in subsidiaries and affiliates are measured at cost determined by the moving average method. Some of the securities have been written-off.
   (2) Other securities
   i) Securities other than non-marketable securities, etc.
   Securities other than non-marketable securities, etc. are measured at fair value. Changes in unrealized holding gain or loss are directly included in net assets. The cost of securities sold is calculated by the moving average method.
   ii) Non-marketable securities, etc.
   Non-marketable securities, etc. are measured at cost determined by moving average method.

2. Valuation Methods for Derivative Financial Instruments
   Derivative financial instruments are measured at fair value.

3. Valuation Methods for Inventories
   Inventories are measured at the cost determined by the gross average method.

fiscal year is based on the benefit formula method. Prior service costs are amortized by the straight-line method over periods shorter than the average remaining years of service of

Notes on the Balance Sheet

1. Accumulated Depreciation of Property, Plant and Equipment 523,719 million yen

2. Debts and Credits to Subsidiaries and Affiliates

Short-term credits	315,829 million yen
Long-term credits	127,928 million yen
Short-term debts	102,190 million yen
Long-term debts	190 million yen

3. Revaluation of Business Land

The Company revaluates its business land pursuant to the Act on Partial Amendment to the Law to Revise Part of the Land Revaluation Law (Law No. 24 of March 31, 1999). The tax corresponding to this revaluation variance has been stated in l deferred tax liabilities for land net a unrealized holding

The difference between the total fair value of the revaluated business land at the end of the current fiscal year and the total book value after revaluation was 62,588 million yen.

Notes on the Statement of Income

Transactions with Subsidiaries and Affiliates

Sales to subsidiaries and affiliates	904,061 million yen
Purchases from subsidiaries and affiliates	308,445 million yen
Selling, general and administrative expenses	111,732 million yen
Other	62,824 million yen

Notes on the Statement of Changes in Net Assets

Type and Number of ShreW* untebe0nt Ao3W* nBTsShreW* nt0nt Ao3W* nBTbe

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

Statutory tax rate	30.6%
(Adjustment)	
Changes in valuation allowance	