

Message from the President

Actively Driving Growth

Steadily implementing our Mid-Term Business Plan and improving profitability

Financial results for FY2016

During the fiscal year ended March 2016, domestic vehicle sales volume for FY2016 fell 2,271 units (down 3.1%) from the previous year to 70,529 units. Overseas sales volume fell 924 units (down 0.2%) from the previous year to 437,567 units as strong sales in North America and other developed nations were offset by slowing sales in emerging markets and resource-producing countries.

Net sales rose ¥47.6 billion (up 2.5%) from the previous year to ¥1,927.0 billion on increased vehicle sales resulting from changes in the model lineup, and steady increases in after-sales business. This figure includes domestic sales of ¥693.1 billion (up 1.7%) and overseas sales of ¥1,233.8 billion (up 3.0%).

As a result of steady cost reductions and other efforts to

improve the bottom line, we were able to grow operating income to ¥171.6 billion (up 0.3%) despite increased investment in R&D and other growth strategy-related expenses. Ordinary income fell 0.4% to ¥186.7 billion, while profit attributable to owners of parent fell 2.0% to ¥114.7 billion.

FY2017 forecast

During the fiscal year ending March 2017, we expect firm demand to continue in developed markets in Japan, North America, and Australia, while uncertainty remains in emerging markets and resource-producing countries. Abrupt fluctuations in exchange rates will have an unavoidable impact on operations.

We will address our expectations concerning the business environment by continuing to make growth strategy-related





investments while working to improve profitability by boosting domestic sales, after-sales business and continuing efforts to improve our bottom line, for example by cutting costs and optimizing pricing.

As a result of the above, we expect net sales of ¥1,860.0 billion, operating income of ¥175.0 billion, ordinary income of ¥187.0 billion, and profit attributable to owners of parent of ¥115.0 billion in FY2017.

Mid-Term Business Plan (April 2015 to March 2018)

FY2017 is the second year of the Mid-Term Business Plan. Amid significant changes in the business environment in the years since the plan's formulation, we are working to steadily implement the measures and priorities it sets forth, in order to achieve growth and build partnerships by linking engineering, purchasing, and manufacturing operations with after-sales

support operations to minimize downtime.

Our mission at Isuzu Motors is to help enrich people's lives by reliably and unequivocally meeting expectations in Japan and around the world for commercial vehicles and diesel engines. To that end, we will continue to embrace the challenge of playing an essential role in people's lives worldwide.

As we actively drive growth to achieve these goals, we at Isuzu Motors look forward to your renewed understanding and support.

Masanori Katayama
President and Representative Director