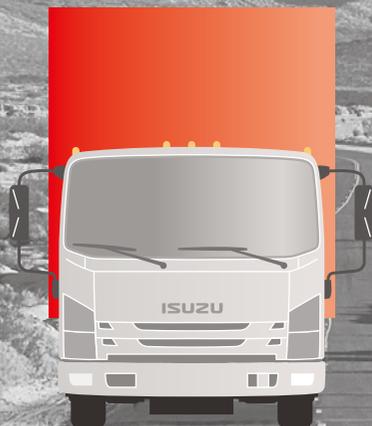


ISUZU

ISUZU MOTORS LIMITED
ANNUAL REPORT 2015

Year ended March 31, 2015

Facilitating Future Growth



Corporate Statement

Trucks for life

ISUZU

Our Corporate Vision

**Isuzu will always mean
the best**

A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment

Our Corporate Mission

Trust, Action, Excellence

A global team delivering inspired products and services committed to exceeding expectations

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Forward-Looking Statements

This annual report contains forward-looking statements about Isuzu Motors Limited's plans, strategies, beliefs and future performance. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which Isuzu Motors Limited operates, and management's beliefs and assumptions. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, actual results may differ materially from those projected. Isuzu urges readers to exercise due diligence when making investment decisions.





Profile



Isuzu Motors Limited was founded in 1916, making it one of Japan's oldest automobile manufacturers.

In addition to the manufacture and sale of commercial vehicles (CV) and light commercial vehicles (LCV) including heavy-duty trucks and buses, light-duty trucks, and pickup trucks, core group businesses include the manufacture and sale of engine components and related businesses in Japan and overseas.

As well as manufacturing and assembling heavy-duty trucks and light-duty trucks at our Fujisawa Plant in Japan, we practice a local approach to production under which components supplied from the plant are assembled at affiliated plants worldwide.

Pickup trucks are produced in Thailand and exported worldwide. Engines, one of the Company's principal non-vehicle products, are produced in Japan, Asia and the United States.

In Japan, products are sold through domestic sales companies. Overseas, products are sold through Isuzu Group companies' sales networks, General Motors Group companies' sales networks, trading companies, and other partners.

Susumu Hosoi
Chairman and Representative Director
Masanori Katayama
President and Representative Director

1 Principal products

● Light- to heavy-duty trucks



● Buses



● Pickup trucks



● Industrial diesel engines



2 Features

- In Japan, Isuzu boasts No. 1 share in the light-duty truck market and No. 2 share in the medium- and heavy-duty truck markets. (CY 2014 actual results)
- Isuzu products are sold in well over 100 countries worldwide, and overseas sales account for more than 60% of our business.

Consolidated Financial Highlights

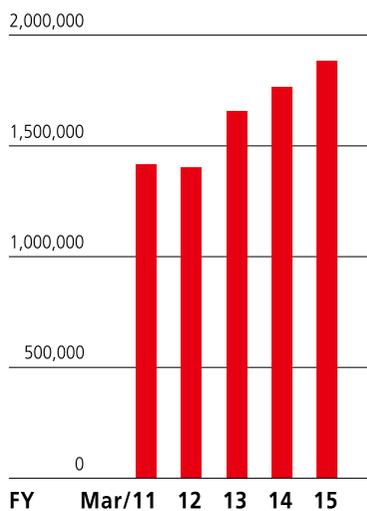
Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
For the Year:			
Net sales	¥ 1,879,442	¥ 1,760,858	\$ 15,639,864
Net income	117,060	119,316	974,122
At Year-End:			
Total assets	¥ 1,801,918	¥ 1,521,757	\$ 14,994,742
Net assets	914,451	768,953	7,609,646

Per Share:	Yen		U.S. dollars
	2015	2014	2015
Net income – primary	¥ 139.34	¥ 140.85	\$ 1.15

Note: U.S. dollar figures have been calculated at the rate of ¥120.17=U.S.\$1, the approximate rate of exchange prevailing on the Foreign Exchange Market on March 31, 2015.

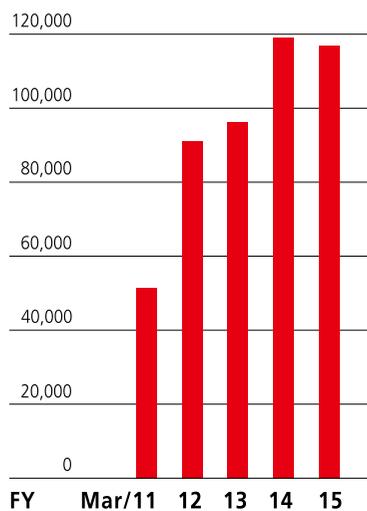
Net Sales

(Millions of yen)



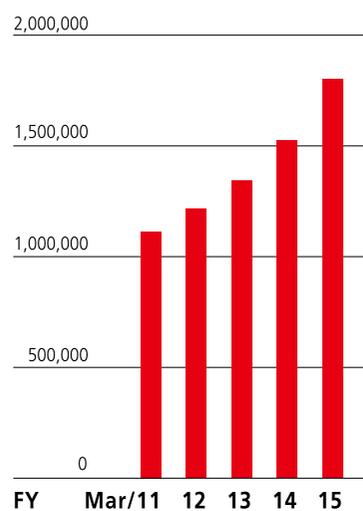
Net Income

(Millions of yen)



Total Assets

(Millions of yen)





Major Press Releases

Business-related

September 26, 2014

Isuzu Signs Agreement with GM to Jointly Develop Next-Generation Midsize Pickup

Based on a long history of cooperation and trust, Isuzu and GM (General Motors Corporation) will leverage their extensive know-how and technologies to develop the next-generation midsize pickup to match customer needs. The joint team will also leverage synergies and common components to enable further reductions in cost.

March 9, 2015

Fujitsu and Isuzu Agree on Joint Development of Next-generation Automotive Systems

Fujitsu Limited and Isuzu will develop commercial vehicle systems that take advantage of their respective strengths through joint research designed to help deal with the shift in energy sources, improve driving safety, and reduce driver workload. The companies anticipate that the systems will find use in future vehicles. With demand growing in recent years for environmental measures to reduce CO₂ emissions, as well as driver-assist measures to help make safer driving possible, the companies will work to develop safe, environmentally-friendly, next-generation automotive systems by utilizing and combining Fujitsu's state-of-the-art information and communications technology (ICT) with Isuzu's commercial vehicle experience and expertise.

June 15, 2015

Isuzu and GM Enter Commercial Vehicle Collaboration Agreement in the U.S.

Isuzu will produce low cab forward models for GM, based on the Isuzu N-Series (ELF in Japan). The vehicles will be distributed by participating Chevrolet dealers in the U.S. market starting in 2016. To strengthen the product lineup, GM will continue to produce and supply the 6.0L V8 gasoline engine and six-speed transmission for Isuzu gasoline-powered low cab forward trucks.

Product-related

October 28, 2014

Isuzu Launches Redesigned FORWARD Medium-duty Trucks and GIGA Heavy-duty Trucks in Japan

The new FORWARD is the first truck in its class to offer an optional lane deviation warning system, while the new GIGA features millimeter-wave adaptive cruise control, pre-crash braking, and pre-crash braking + IESC as standard equipment. The redesigned vehicles also deliver improved fuel efficiency and load performance, with the FORWARD offering improved fuel economy thanks to the inclusion of Eco-stop as standard equipment on 8- and 20-ton GVW models, and with G-Cargo GIGA models featuring lighter-weight construction for improved loadability.

November 13, 2014

Isuzu Launches Redesigned ELF Light-duty Truck Model in Japan delivers best fuel economy of any light-duty diesel truck*

In addition to engine improvements and revamped transmission gear ratios, the new ELF delivers even better fuel economy thanks to the inclusion as standard equipment in major models of Isuzu's Eco-stop system for turning the engine on and off, together with a new Econo mode. The result of these technologies is the best fuel economy of any light-duty diesel truck.* Thanks to these improvements, purchasers of new Eco-stop equipped 2- to 3-ton models are exempt from taxes such as the automobile weight and excise taxes (except 4WD models with a GVW of 5 tons or greater).

*Based on an Isuzu comparison of heavy-vehicle mode mileage for vehicles with a GVW of greater than 3.5 tons but not greater than 7.5 tons, and a maximum loading capacity of 2 to 3 tons (2WD) or 2 tons (4WD) as of November 2014.

January 29, 2015

Isuzu Launches Redesigned ELGA Hybrid Heavy-duty Route Bus in Japan

Isuzu's ELGA Hybrid heavy-duty route bus is a low-pollution vehicle that delivers fuel-efficient performance by means of motor-driven operation, engine-assist operation, and efficient energy recovery during low-speed driving, as well as low-CO₂/low-emissions operation. Thanks in part to its 7.8-liter 6HK1-TCC diesel engine, which delivers excellent environmental performance, the bus has earned low-emissions vehicle certification, making it 100% exempt from automobile excise and weight taxes when purchased new.



ELGA Hybrid

April 10, 2015

Isuzu Launches Redesigned ELF Hybrid Light-duty Truck in Japan

The newly-designed model adds an EV mode that makes possible quiet operation using only its electric motors. In addition to an improved engine, the new ELF Hybrid features a Smart Glide+e system that can be used to aid fuel-efficient driving across a larger range of operating conditions, enabling drivers to take better advantage of its hybrid functionality. As a result, the vehicle has earned low-emissions vehicle certification, making it exempt from both automobile weight and excise taxes when purchased new.



ELF Hybrid

CV/LCV: Assuring an advantageous position in growth markets worldwide

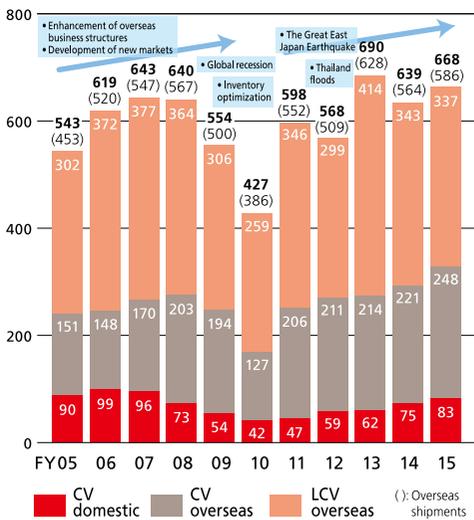
Overseas CV shipments post fifth record in as many years

In addition to actively investing resources in building a manufacturing system centered on the ASEAN region, China, and India, Isuzu Motors is working to expand sales in fast-growing emerging markets and to stabilize and streamline its businesses in developed markets.

Shipments of CVs and LCVs during FY2015 rose by 30,000 units (5%) from the previous year to 668,000 units. Exports of LCVs (pickup trucks and derivatives) surged to a record high despite continued sluggishness in the Thailand market. Overseas shipments of CVs (commercial vehicles) reached record levels for the fifth year running.

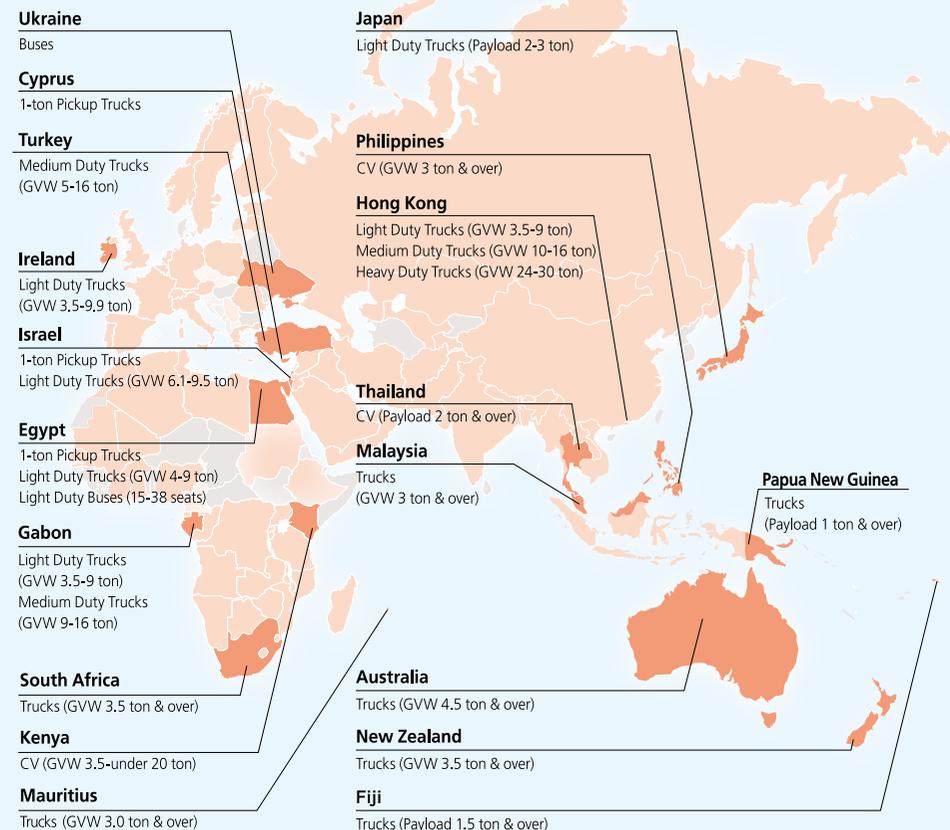
Global CV / LCV Shipments (K-units)

Finished vehicles, KD sets, and others



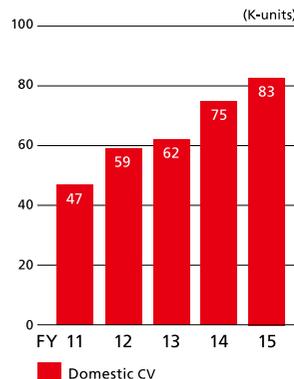
No. 1 Market Share in 2014 (Based on sales figures compiled by Isuzu)

Source: Isuzu Motors



Japan

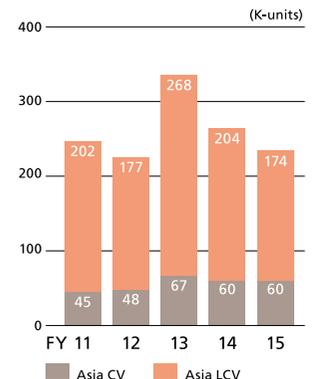
● Demand in Japan continued to grow as economic stimulus measures put in place by the government augmented demand driven by the ongoing reconstruction effort following the Great East Japan Earthquake. The Group has actively launched products with exceptional environmental and safety performance, including trucks and buses featuring next-generation, high-efficiency diesel engines with excellent environmental performance and world-class preventive safety technologies.



Asia

● Despite an overall decline in sales volume due primarily to market conditions in Thailand, sales are generally increasing in other countries.

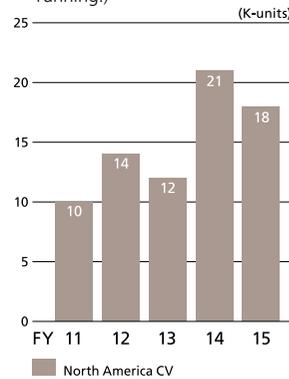
● Isuzu retained No. 1 market share in CVs (commercial vehicles) in Thailand, the Philippines, Malaysia, and other countries in the region.





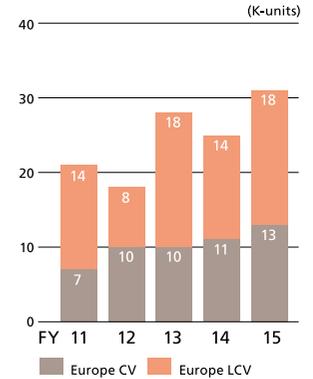
North America

- The market is recovering.
- Isuzu maintained high market share in the cab-over truck segment (classes 3 to 5). (Isuzu has enjoyed No. 1 market share in this segment for 29 years running.)



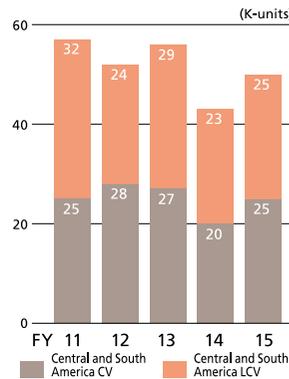
Europe

- Sales of CVs (commercial vehicles) grew in Turkey, while sales of LCVs grew in the UK.



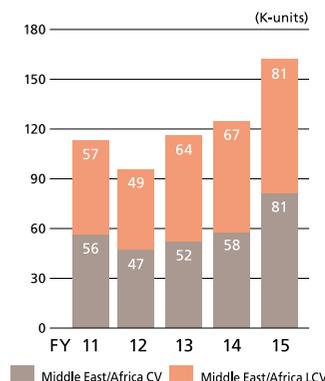
Central and South America

- Sales volume grew in Colombia due in part to a recovery in demand in the country, where Isuzu maintained No. 1 market share in every class of light- and medium-duty truck.



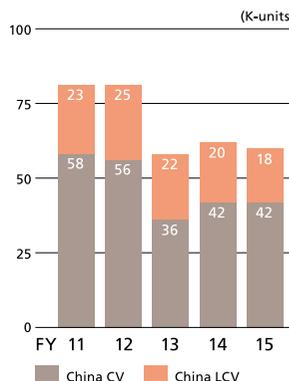
Middle East/Africa

- Isuzu saw significant growth in sales volume in the Middle East. In Saudi Arabia, Isuzu continued to maintain dominant market share in the light- and medium-duty truck segment.
- In South Africa, Isuzu continued its performance from the previous year by maintaining No. 1 market share for CVs with a GVW of 3.5 tons and over.



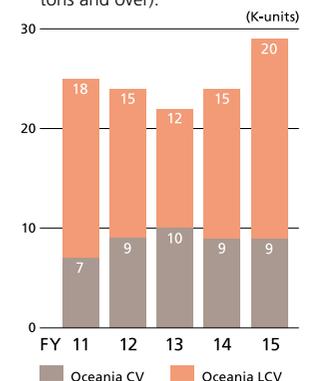
China

- Demand faltered in China due to the country's economic slowdown.



Oceania

- Isuzu has enjoyed No. 1 market share for 26 straight years in the Australian CV market (GVW of 3.5 tons and over).



Message from the President



Facilitating future growth

Building a two-wheeled organization by closely linking engineering, purchasing and manufacturing operations with after-sales support operations to minimize downtime.

Financial results for FY2015

While areas of weakness remained, the global economy continued on a moderate track toward overall recovery during the fiscal year ended March 2015. The Japanese economy also continued its gradual recovery.

Isuzu's sales remained robust, supported by strong demand in the Japanese market. Overseas, lagging demand in our principal market of Thailand persisted longer than anticipated. However, sales in other markets, for example in the Middle East and Africa, generally turned bullish thanks in part to efforts undertaken as part of the Mid-Term Business Plan to strengthen our overseas sales business. As a result of these factors, we shipped a record number of commercial vehicles (CV) overseas for the fifth year in a row, and import volume (i.e., sales outside Thailand) of light-duty commercial vehicles (LCVs: pickup trucks and their derivatives) surged to a record for the first time in seven years.

With regard to financial results, net sales totaled ¥1,879.4 billion, up ¥118.5 billion (up 6.7%) from the previous year on higher sales volume. Operating income fell ¥3.1 billion (down 1.8%) to ¥171.1 billion as dramatic increases in expenses as part of an active program of prior investment to facilitate future growth, for example through R&D and other investments, offset positive factors such as the effects of sales growth, continued cost structure improvements, and a correction in the strong yen. Ordinary income grew ¥800 million (up 0.4%) to ¥187.4 billion, while net income fell ¥2.2 billion (down 1.9%) to ¥117.1 billion.

FY2016 forecast

During the fiscal year ending March 2016, we expect steady demand to continue in the Japanese market. Regarding overseas markets, we anticipate that a recovery in demand in Thailand will take more time to develop, but we are working to boost revenue by increasing overall sales, including in other markets. In terms of costs, we will continue



our active program of growth investments in an effort to achieve further growth and business expansion in the future.

As a result of the above, we expect net sales of ¥1,950.0 billion (up ¥70.6 billion from the previous year), operating income of ¥175.0 billion (up ¥3.9 billion), ordinary income of ¥188.0 billion (up ¥600 million), and net income of ¥110.0 billion (up ¥7.1 billion).

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

This May, we announced a new Mid-Term Business Plan (running from April 2015 to March 2018) based on our vision for the fiscal year ending March 2018. The plan seeks to expand and deepen the growth trend that made good progress under the previous Mid-Term Business Plan, and to achieve growth and build partnerships by closely linking engineering, purchasing and manufacturing operations with after-sales support operations to minimize downtime. To achieve this, we will work to establish both of those

businesses by focusing even more on strengthening our involvement in sales and cultivating the businesses we operate, both areas in which we have already undertaken initiatives. Through these initiatives, we will seek to become a global presence that our customers recognize as truly essential.

As we work towards facilitating future growth to achieve these goals, we at Isuzu Motors look forward your renewed understanding and support.

Masanori Katayama
President and Representative Director

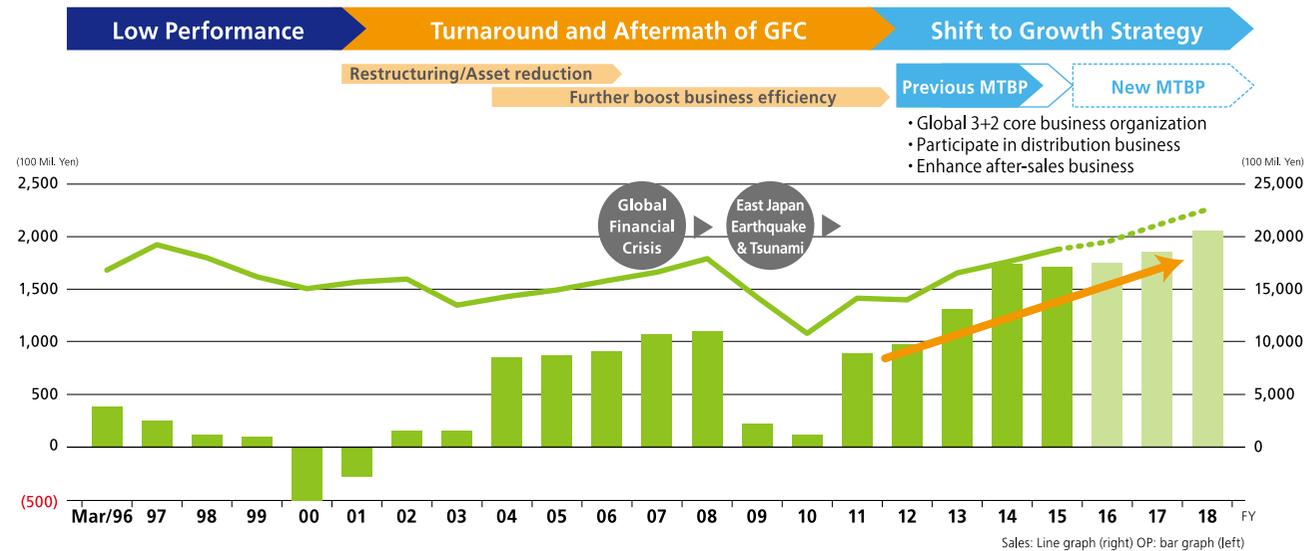
Mid-Term Business Plan

(FY2016 through FY2018)

Isuzu aims to be a player with a global presence, genuinely needed by customers.

Long-Term Review

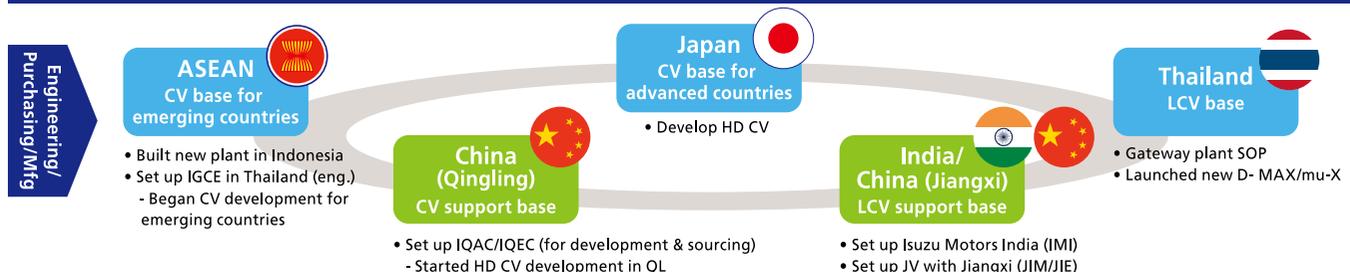
Isuzu Motors Limited at first survived and then thrived through more than 10 years of business turnaround and the aftermath of the global financial crisis by rigorous streamlining and boosting the efficiency of operations. Emerging out of these difficult times as a leaner and stronger organization, Isuzu initiated various projects for renewed growth in the "Previous Mid-Term Business Plan".



Previous "Mid-Term Business Plan" Achievements (released in 2011)

Isuzu established the organizations, footprints and infrastructure outlined in the plan, while profit significantly exceeded targets. The company also initiated greater involvement in the distribution business and enhancement of the after-sales business.

Establish 3+2 Engineering/Purchasing/Manufacturing Core Business Organizations



Distribution	Greater Isuzu Involvement		Enhancement of After-Sales Business	
	Sales support:	Closer to market:	Japan	Oversea
	Indonesia/Malaysia/ China, etc.	Set up representative offices (S. Africa, ME, C. America)	Set up retail financial service (ILS)	Built After-Sales Centers (ME/Latin America)
	Russia, South Africa, UK, Italy, etc.	Merged/consolidated dealers in Japan.	Established Used/Remanufacturing company (IRS)	

(100 Mil. Yen)	Mar. 14 targets	Mar. 14 results	Mar. 15 results
Total Sales	18,500	17,609	18,794
Operating Profit	1,300	1,742	1,711
Operating Profit Ratio	7.0%	9.9%	9.1%

* CV: Commercial Vehicle LCV: Light Commercial Vehicle JV: Joint Venture

Background to New “Mid-Term Business Plan”

The ability to deliver optimal “products and after-sales experiences” for each and every customer defines the success of the commercial vehicle brand.

In the “Previous Mid-Term Business Plan” We pushed for various projects and programs in a shift to growth strategy.

As a result, we exceeded profit targets. However, we believe we can continue to evolve the initiatives undertaken in the previous MTBP.

Our new focus is:

In addition to our established “Engineering, Purchasing and Manufacturing Operations”, we will focus on “Isuzu Involvement in the Distribution Business” and “Enhancement of the After-Sales Business” in order to strongly establish “Operations to Minimize Downtime”.

To implement this new focus the new “Mid-Term Business Plan” sets out

Six initiatives under the cycle of two wheels of “Engineering, Purchasing and Manufacturing” and “Operations to Minimize Downtime” to ensure they seamlessly turn to drive Isuzu’s future growth.

Six Initiatives

In “Engineering, Purchasing and Manufacturing operations”

1. Push for global 3+2 core business organizations.
2. Boost product portfolio and technology.

In addition

5. Link the two operations.
6. Lay the corporate foundation in support of the next generation.

In “Operations to Minimize Downtime”

3. Expand business in emerging countries while refining the business model for advanced nations.
4. Move the marketing function closer to markets.

In driving the above initiatives, we always bear in mind:

“Get closer to our customer in each market”

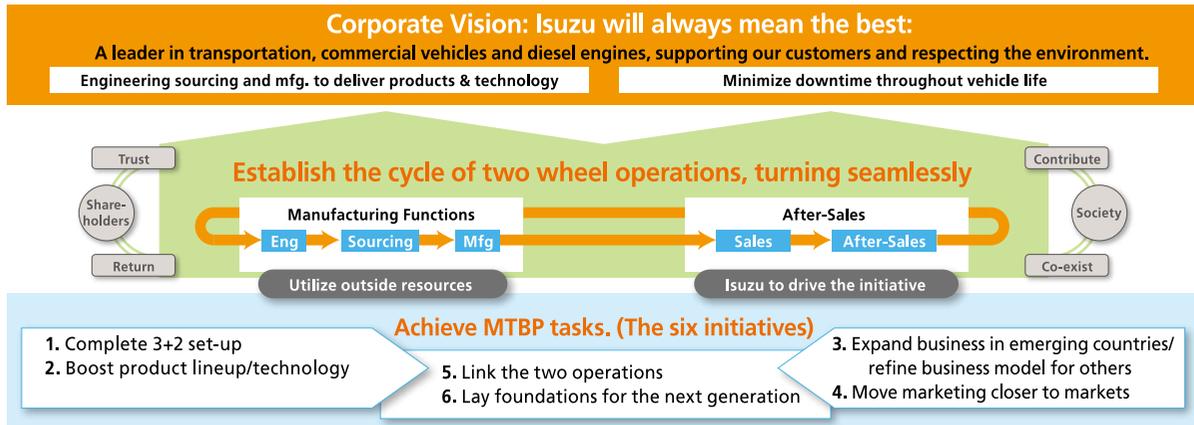
By carrying out these initiatives,

Isuzu aims to be a player with a global presence, genuinely needed by customers.

Towards Realizing Our Corporate Vision

In an effort to realize our corporate vision, Isuzu will complete the tasks set out in the new Mid-Term business Plan:

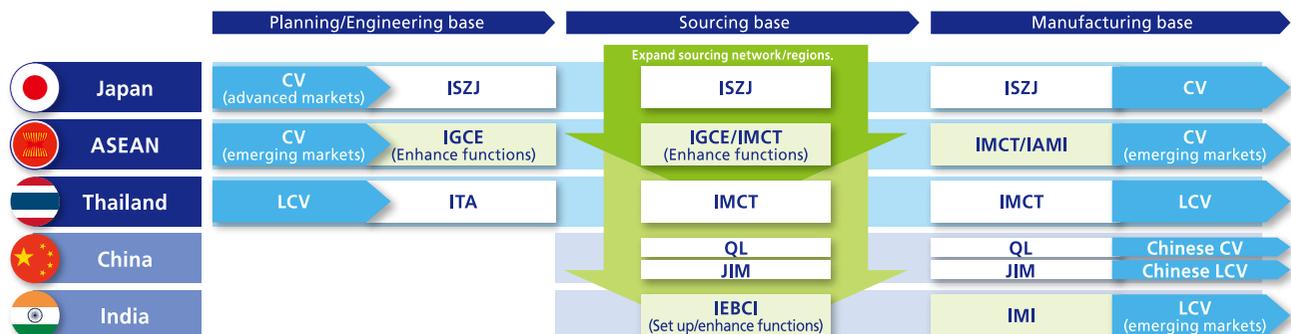
Building a two wheel-model where the two operations are closely linked and seamlessly run like two wheels.



Push for global 3+2 core business organizations

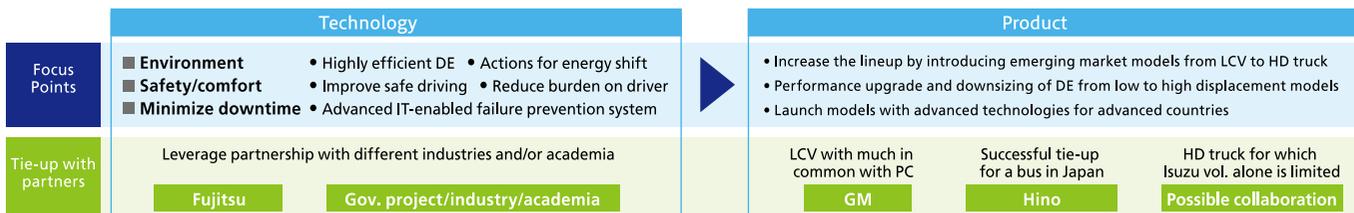
Six initiatives 1

To complete the global 3+2 core business organization, Isuzu will further set up and enhance its strategically located footprints. These activities will create the infrastructure to enable us to deliver optimal products that cater to local markets.



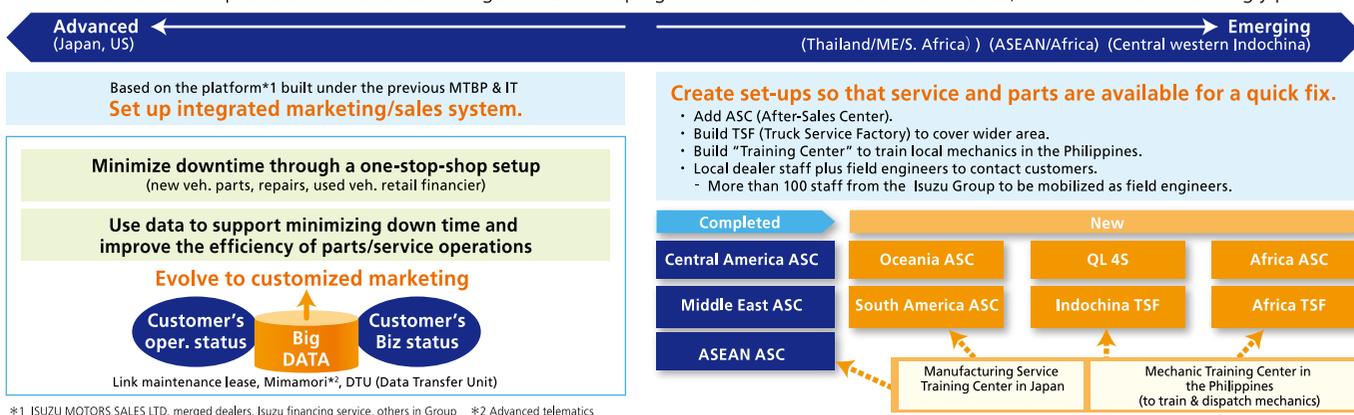
Boost product portfolio and technology

Expand and improve the product portfolio to meet the specific needs of different markets, and bolster technology which underpins the portfolio expansion. Actively utilize limited resources and effectively leverage partnerships through win-win collaborations when outside support is required.



Expand business in emerging countries while refining the business model for advanced nations

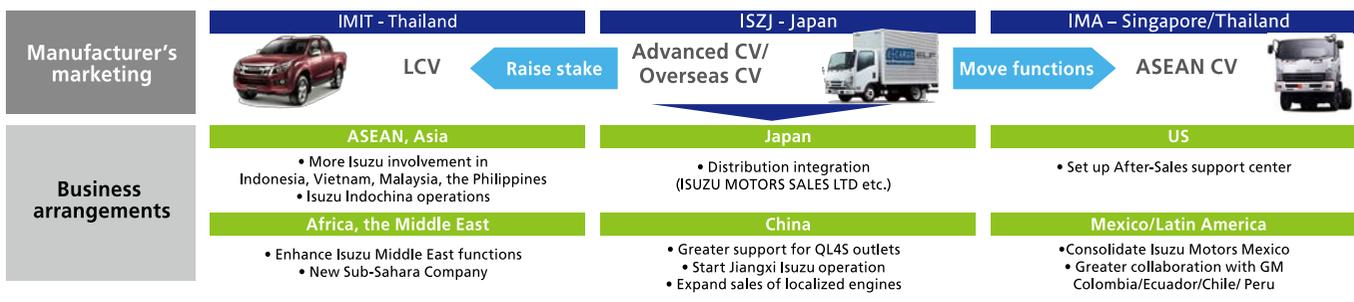
Build and enhance comprehensive after-sales arrangements in keeping with different market characteristics, which will also be strongly profitable.



*1 ISUZU MOTORS SALES LTD, merged dealers, Isuzu financing service, others in Group *2 Advanced telematics

Move marketing function closer to markets

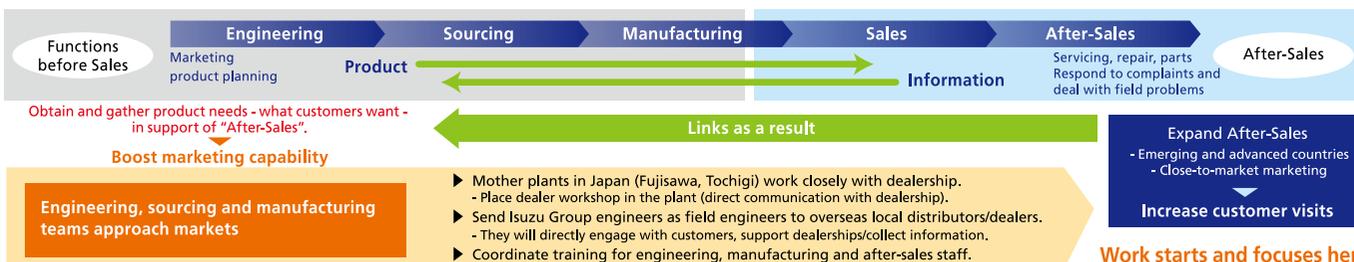
Move to ASEAN the manufacturer's marketing function needed to better collect business /market info. for quick actions. In addition, increase Isuzu's involvement in distributor businesses to shorten the distance between markets and the whole Isuzu Group.



Link Two Operations (to deliver optimal products)

By realizing anew that the After-Sales function of interfacing with customers is where business starts, Isuzu will focus on After-Sales and vigorously push an approach driven by After-Sales activity.

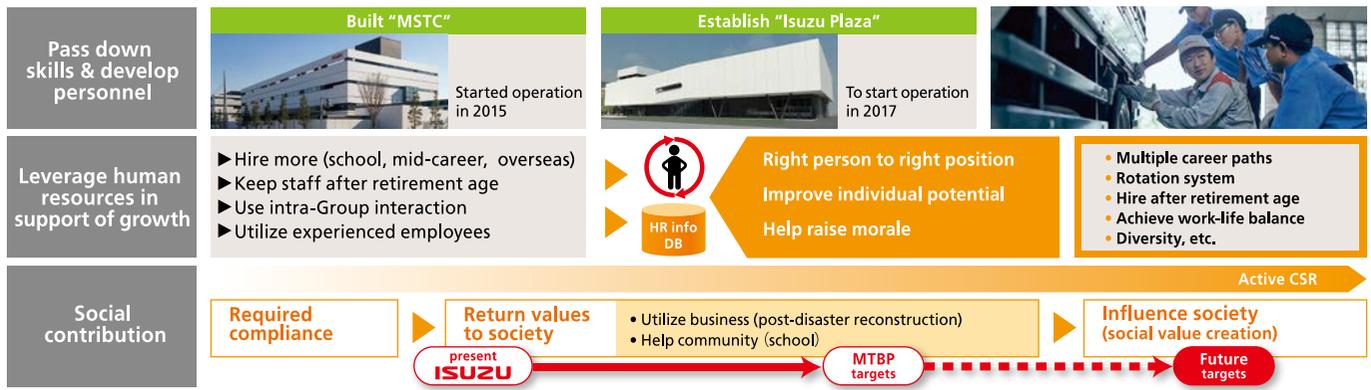
- Expansion and enhancement of After-Sales will create a virtuous cycle involving engineering, sourcing and manufacturing operations. Further, engineering, sourcing and manufacturing teams will be in closer contact with markets for a stronger link between operations.



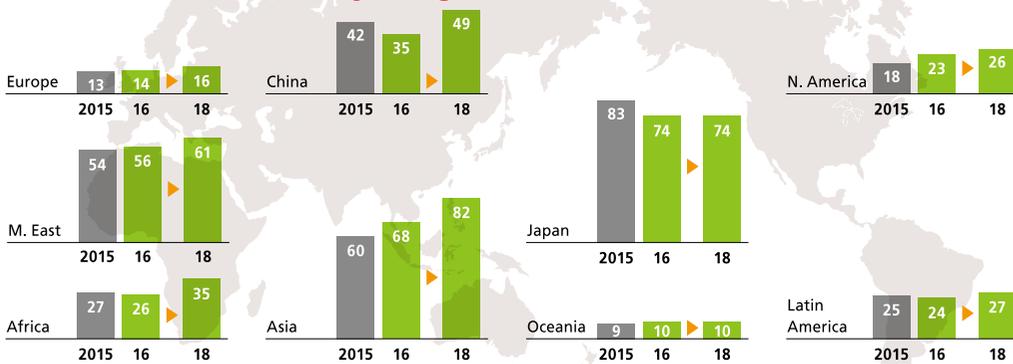
Six initiatives **6**

Lay the corporate foundation to support the next generation

With the difficult years firmly behind us, Isuzu is laying the corporate foundation to tackle backlog programs.



Planned Volume by Region: CV

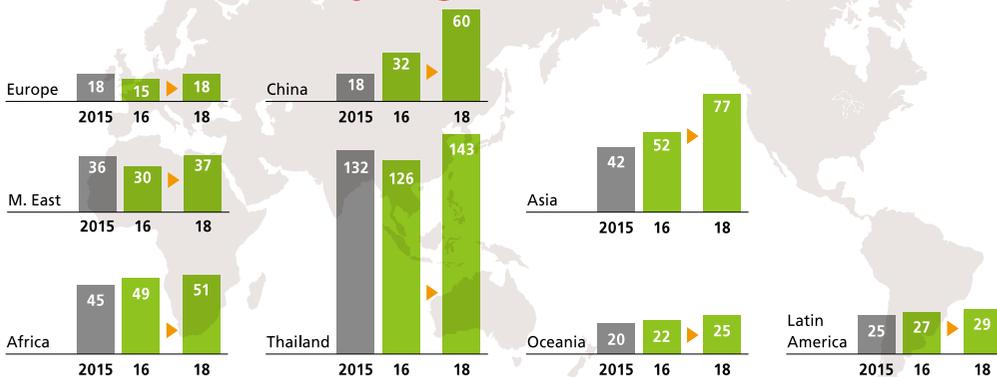


Under the new MTBP, Isuzu is targeting a total volume of 380,000 units in FY2018, up 15%. We anticipate driving volume expansion in Asia, the Middle East and Africa, as well as from the ongoing recovery in North America, to more than offset the flat or declining total industry volume in Japan.

(1,000 units)

Result	MTBP years	
Mar. 15	Mar. 16	Mar. 18
331	328	380

Planned Volume by Region: LCV



The Company is targeting a total volume of 440,000 units in FY2018, up 30%. Growth will come from the addition of LCVs produced in China (in Jiangxi) and India, as well as an increase in exports within Asia buoyed by recovery of the Thai market.

(1,000 units)

Result	MTBP years	
Mar. 15	Mar. 16	Mar. 18
338	353	440

Profit and Financial Indicators

Under the new Mid-Term Business Plan, Isuzu will maintain and improve stable profits and financial structure, while setting aside sufficient funds to invest in its growth, for sustainable growth to stay on a solid footing.

Indicator	Policy	Target
Net sales	Steady growth and expansion	2.2 to 2.3 trillion JPY in final year (20% over current result)
Operating profit ratio	Secure stable profit while spending for long-term growth	9% (average for three years)
Return on equity (ROE)	Maintain good capital efficiency	12% (average for three years)
Total return ratio	Stable dividend payment unaffected by short-term performance fluctuations	20% to 30%

CSR

Corporate Social Responsibility

CSR activities

Through Isuzu’s CSR activities, aimed at implementing Isuzu’s corporate vision, Isuzu contributes to sustainable development of our society fulfilling corporate social responsibilities and winning trust from society.

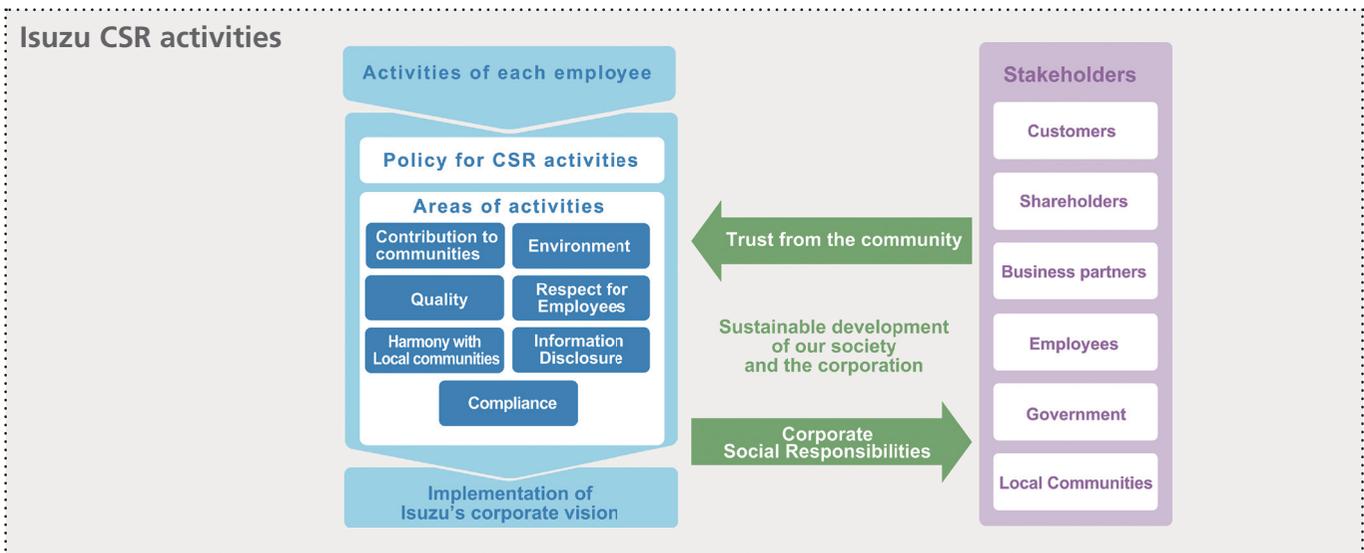
CSR policies

In order to achieve sustainable development together with society, it is important for Isuzu to fulfill Isuzu’s corporate social responsibilities and implement our Corporate Vision while establishing credible relationship with the stakeholders.

Isuzu has defined Isuzu Motors CSR activities as activities by all

employees that aim at implementing Isuzu’s Corporate Vision through their actions upon understanding the above.

Isuzu will fulfill corporate social responsibilities and win trust from the community and contribute to the sustainable development of our society through our CSR activities.



The policy of activities

- | | | |
|----------|---|--|
| 1 | Winning trust from our customers | Isuzu aims to win trust from our customers by providing meaningful products and services to the society, and thus contribute to the creation of a prosperous society. |
| 2 | Promoting fair and reasonable business | Isuzu business is based on transactions under fair and free competition. Isuzu also keeps sound and proper relationship with the government and politicians, and as a corporate citizenship, acts strongly against anti-social forces and organizations. |
| 3 | Ensuring appropriate disclosure of corporate information | Isuzu broadly communicates with our stakeholders in society (not limited to shareholders), and ensures timely, appropriate and fair disclosure of our corporate information. |
| 4 | Showing respect for employees | Isuzu creates a safe and comfortable work environment respecting each employee's personality and character so that everyone can fully demonstrate his/her capabilities. |
| 5 | Making a contribution to preserving our environment | Isuzu actively works on environmental protection not only through our business activities but also as a corporate citizen residing on earth by involving ourselves with social and regional environmental conservation activities. |
| 6 | Contributing to society | Isuzu proactively undertakes social contribution activities as a good corporate citizen. |
| 7 | Ensuring harmony with international and regional communities | Isuzu respects the cultures and customs of nations and regions we involved in, and contributes to their development through our business activities. |

Board of Directors



Susumu Hosoi
Chairman and Representative
Director



Masanori Katayama
President and Representative
Director



Takanobu Furuta
Executive Vice President and
Director



Makoto Kawahara
Director of the Board and
Managing Executive Officer



Yoshifumi Komura
Director of the Board and
Managing Executive Officer



Kuniharu Nakagawa
Director of the Board and
Managing Executive Officer



Kazuhiko Ito
Director of the Board and
Managing Executive Officer



Katsumasa Nagai
Director of the Board and
Managing Executive Officer



Yukio Narimatsu
Director of the Board



Kazuhiro Mori
Director of the Board

Senior Executive Officers

Toshihiro Uehara
Yasuo Ogawara
Toru Nakata
Hiroyoshi Sakai
Naoto Hakamata
Keiichiro Maegaki
Ichiro Murato
Shigeo Tsuzuki
Shinichi Takahashi
Masaru Odajima
Jun Motoki
Takashi Kikuchi
Yuichiro Takahashi

Executive Officers

Koichi Seto
Tetsuhiko Irino
Shinsuke Minami
Tetsuo Tsuzaki
Kazuya Igeta
Yuzo Kato
Haruyasu Tanishige
Satoshi Yamaguchi
Etsuo Yamamoto
Takashi Odaira
Masanori Ota
Tetsuya Ikemoto
Yoichi Masuda

Standing Audit & Supervisory Board Members

Hiroshi Oyama
Fumihide Kumazawa
Tetsuhiko Shindo

Audit & Supervisory Board Members

Yasuharu Nagashima
Tadashi Takahashi

(As of June 26, 2015)

→ Financial Section

ISUZU MOTORS LIMITED

Annual Report 2015

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Consolidated Five-Year Summary

	Millions of yen					Thousands of U.S. dollars
	2015	2014	2013	2012	2011	2015
For the Year:						
Net sales	¥ 1,879,442	¥1,760,858	¥1,655,588	¥1,400,074	¥1,415,544	\$ 15,639,864
Cost of sales	1,543,661	1,441,483	1,400,877	1,189,109	1,213,996	12,845,650
Gross profit	335,780	319,374	254,710	210,964	201,548	2,794,214
Selling, general and administrative expenses	164,669	145,125	123,927	113,591	113,328	1,370,301
Operating income	171,111	174,249	130,783	97,373	88,220	1,423,912
Income before extraordinary items	187,411	186,620	141,719	102,893	91,258	1,559,549
Income before income taxes	184,251	188,448	138,213	101,881	76,700	1,533,261
Net income	117,060	119,316	96,537	91,256	51,599	974,122
At Year-End:						
Total assets	¥ 1,801,918	¥1,521,757	¥1,340,822	¥1,213,402	¥1,112,459	\$ 14,994,742
Net assets	914,451	768,953	620,959	479,644	387,058	7,609,646

Non-Consolidated Five-Year Summary

	Millions of yen					Thousands of U.S. dollars
	2015	2014	2013	2012	2011	2015
For the Year:						
Net sales	¥ 1,060,028	¥ 986,822	¥ 967,489	¥ 943,656	¥ 870,575	\$ 8,821,074
Cost of sales	895,517	824,606	814,986	800,826	742,952	7,452,092
Gross profit	164,510	162,215	152,502	142,829	127,623	1,368,981
Selling, general and administrative expenses	98,616	88,603	80,614	76,722	80,201	820,645
Operating income	65,893	73,612	71,888	66,106	47,422	548,336
Income before extraordinary items	78,931	79,358	76,603	73,615	55,258	656,831
Income before income taxes	78,131	79,748	78,815	72,187	43,937	650,171
Net income	67,070	56,543	53,689	79,029	39,036	558,132
At Year-End:						
Total assets	¥ 936,803	¥ 848,411	¥ 841,816	¥ 836,916	¥ 781,001	\$ 7,795,653
Net assets	468,720	438,677	400,589	356,397	275,682	3,900,474

Note: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥120.17 = US\$1; the approximate exchange rate prevailing on the Foreign Exchange Market on March 31, 2015.

Management's Discussion and Analysis of Financial Condition and Results of Operation

The following provides an analysis of the financial condition and results of operation in fiscal 2015. The following information contains forward-looking statements that reflect the judgment of management as of June 26, 2015.

(1) Significant accounting policies and estimates

The consolidated financial statements of the Isuzu Group are prepared in accordance with generally accepted accounting principles of Japan. In the preparation of these statements, the amounts recorded for items including allowance for doubtful accounts, inventory, investments, income taxes, retirement benefits, and provision for product warranties are estimates that reflect the judgment of management. Due to the uncertain nature of estimates, in some cases actual results may vary from initial estimates, and this may have a negative impact on business results.

(2) Results of operations

1. Overview of fiscal 2015

The Company posted sales of ¥1,879.4 billion (up 6.7% from the previous year), operating income of ¥171.1 billion (down 1.8% from the previous year), ordinary income of ¥187.4 billion (up 0.4% from the previous year), and net income of ¥117.0 billion (down 1.9% from the previous year).

2. Net Sales

In fiscal 2015, Isuzu's consolidated-basis sales rose 6.7% from the previous year to ¥1,879.4 billion.

In the domestic commercial vehicle market, Isuzu maintained its high market share through the introduction of products with superior fuel efficiency and economy, capturing 34.5% of the medium-duty and heavy-duty trucks market (up 1.1 points from the previous year) and 40.6% of the light-duty (2-3 ton) truck market (up 1.0 point from the previous year). Demand for medium- and heavy-duty trucks rose to 87,635 (up 9.6% from the previous year) and demand for light-duty trucks rose to 96,547 (up 5.5% from the previous year) due in part to brisk replacement demand and economic stimulus measures put in place by the national government. As a result, domestic sales rose to ¥681.6 billion (up 8.1% from the previous year).

Sales in Asia fell 12.0% from the previous year to ¥524.5 billion. Although the market environment in Thailand remained sluggish, the Group continued to maintain its high share with 35% of the Thai market.

North American sales rose 27.7% from the previous year to ¥125.9 billion, reflecting local promotional measures as well as growth in total demand due to a trend towards recovery in the U.S. economy.

Sales to other regions grew 25.6% to ¥547.3 billion, reflecting increased sales, particularly in the Middle East, Oceania, Central and South America, and other regions.

3. Operating income

Operating income in fiscal 2015 was ¥171.1 billion, down 1.8% from a year earlier.

Cost reduction activities and sales and model mix fluctuations contributed ¥15.1 billion and ¥11.0 billion, respectively, while exchange rate fluctuations caused by the weakness of the yen added ¥8.3 billion. Offsetting these were factors including ¥26.8 billion in growth strategy-related investments, ¥9.0 billion in increased costs associated with growth in sales, and ¥1.7 billion in economic fluctuations.

As a result, Isuzu's operating margin fell to 9.1%, compared to 9.9% for the previous year.

4. Non-operating gains/losses

In fiscal 2015, Isuzu posted a non-operating gain of ¥16.3 billion, an improvement of ¥3.9 billion from the previous year.

Equity-method investment income fell ¥700 million from the previous year to ¥9.7 billion.

Increases in interest earned and dividends earned resulted in a net interest (interest and dividends minus interest expenses) gain of ¥4.0 billion, an improvement of ¥2.1 billion compared to the previous year. This gain was augmented by a foreign exchange gain of ¥3.9 billion, an increase of ¥3.8 billion from the previous year. At the same time, payments made in connection with legal settlements increased ¥1.3 billion.

5. Extraordinary gains/losses

In fiscal 2014, Isuzu posted an extraordinary gain of ¥1.8 billion, reflecting extraordinary losses including loss on disposal of noncurrent assets, loss on change in equity, and loss on step acquisitions, and extraordinary income including gain from the sale of fixed assets, gain on sale of investment securities, and gain on negative goodwill.

In fiscal 2015, Isuzu posted an extraordinary loss of ¥3.1 billion, reflecting a decline of ¥4.9 billion from the previous year. Key factors reflect extraordinary losses, including loss on disposal of noncurrent assets and impairment loss, and extraordinary income, including gain on sale of noncurrent assets and gain on sale of subsidiaries' stock.

6. Taxes

Isuzu's net tax expense in fiscal 2014 including current income taxes and deferred income taxes was ¥44.6 billion. In fiscal 2015, the net tax expense was ¥44.2 billion.

7. Minority interests

Minority interests consist primarily of profits returned to the minority shareholders of Isuzu's locally incorporated subsidiaries in the ASEAN region, China, and North America, and its Japanese parts manufacturers. Minority interests in fiscal 2015 increased to ¥22.9 billion, compared to ¥24.4 billion in fiscal 2014.

8. Net income

The Group posted a net profit of ¥117.0 billion in fiscal 2015, a decline of ¥2.2 billion from the previous year. Net income per share came to ¥139.34.

(3) Financial conditions

1. Cash flow

Isuzu generated cash and cash equivalents (“net cash”) of ¥305.5 billion in fiscal 2015, up ¥94.8 billion from the previous year. Net cash of ¥151.5 billion provided by operating activities offset net cash of ¥97.3 billion used in investing activities and net cash of ¥14.5 billion provided by financing activities.

Free cash flow, calculated by subtracting cash flow provided by investing activities from cash flow provided by operating activities, resulted in a net cash inflow of ¥54.2 billion (up 11.0% from the previous year).

Cash flow from operating activities

Cash flow from operating activities declined 4.8% to ¥151.5 billion from the previous year.

Net cash inflows of ¥184.2 billion from the effects of accounting for income before income taxes and majority interests and ¥49.6 billion from depreciation and amortization offset net cash outflows of ¥58.5 billion stemming from income tax and other payments.

Cash flow from investing activities

Net cash used in investing activities decreased 11.8% to ¥97.3 billion due primarily to an increase of ¥87.2 billion in expenditures associated with the purchase of fixed assets.

Cash flow from financing activities

Net cash provided by financing activities totaled ¥14.5 billion (compared to ¥38.4 billion used in financing activities during the previous year).

Net cash inflows of ¥118.7 billion from long-term borrowing offset net cash outflows of ¥32.3 billion for repayment of long-term debt, ¥21.9 billion for payment of dividends, ¥20.0 billion for payments to acquire treasury stock, and ¥19.1 billion for payments of dividends to minority interests.

2. Assets

As of March 31, 2015, combined consolidated assets totaled ¥1,801.9 billion, an increase of ¥280.1 billion from the previous year.

The figure includes ¥104.8 billion in cash and time deposits, ¥50.1 billion in inventory, ¥44.9 billion in property, plant and equipment, and ¥28.3 billion in investment securities.

3. Liabilities

Total liabilities at March 31, 2015, increased ¥134.6 billion from the previous year to ¥887.4 billion.

Principal factors in the change were increases of ¥89.7 billion in interest-bearing debt and of ¥22.8 billion in notes and accounts payable.

4. Net assets

Net assets increased ¥145.4 billion in fiscal 2015 to ¥914.4 billion. Key factors included net income of ¥117.0 billion.

As a result, Isuzu’s equity ratio improved 0.3 points from a year earlier to 41.9%.

Risks

There are certain risks that could have a significant impact on our earnings results, financial condition, and other information contained in the annual securities report, or share prices, and these risks are outlined below. (The following information includes forward-looking statements that reflect the judgment of management as of June 26, 2015).

1. Economic situation/supply and demand trends in Isuzu’s major markets

Vehicles account for an important portion of the Isuzu Group’s worldwide operating revenue, and demand for these vehicles is affected by the economic situation in the various countries and regions where Isuzu sells vehicles. Therefore, economic recession and an ensuing decline in demand in the Group’s major markets could have a negative impact on the Group’s performance and financial position. Price competition also entails the risk of price fluctuation for Isuzu products.

2. Interest rate fluctuations

The Isuzu Group is constantly working to tighten its cash flow management. Concerning the cost of financing, the Group remains vulnerable to the risk of higher interest payments having a negative impact on its performance and financial position should market rates rise sharply.

3. Foreign exchange fluctuations

The business of the Isuzu Group includes the manufacture and sale of products in several regions around the world. Local currency amounts for sales, expenses, assets, debt, and other items are therefore converted into Japanese yen in the preparation of Isuzu’s consolidated financial statements. Depending on the exchange rate in effect at the time of conversion, the yen amount for these items may change even if the underlying currency value has not changed. Moreover, because exchange rate fluctuations influence the prices paid by the Group for raw materials denominated in foreign currencies as well as the pricing of the products the Group sells, they may have a negative impact on the Group’s performance and financial position.

4. Dependence on major customers

The Isuzu Group supplies its products in the form of vehicles and vehicle components to large customers including Tri Petch Isuzu Sales Co., Ltd., (Bangkok, Thailand) as well as General Motors Corporation (Detroit, MI) and its affiliates. Sales to these customers are affected by fluctuations in production and sales at these customer companies and other factors over which the Isuzu Group has no control, and therefore they could have a negative impact on the Group’s performance and financial position.

5. Suppliers and other providers of parts, materials, etc.

The Isuzu Group sources the raw materials, components, and products required for production from outside suppliers. Should supply-demand conditions significantly exceed suppliers’ capacity, or should that capacity be dramatically reduced due to an accident or other unforeseen contingency affecting supplier facilities, it is

possible that Isuzu may be unable to source these items in sufficient volume. Shortages or delays in the supply of parts and other materials could have a negative impact on the Group's performance and financial position. It is also possible that a tight supply-demand situation would result in price increases for raw materials and other supplies, which could also have a negative impact on the Group's performance and financial position by triggering rising costs if the increases cannot be absorbed internally, for example through improved productivity, or passed on to sales prices.

6. Research and development

The business environment in which the Isuzu Group operates is expected to reflect intensifying competition and the diversification of product needs among individual markets. In order to prosper in this type of environment while pursuing a manufacturing business that supports transport, it will be essential for the Group to undertake research and development initiatives that supply advanced technologies and products based on a precise understanding of market needs. However, failure or delay in achieving the required level of technological sophistication or assessing market needs properly could have a negative impact on the Group's performance and financial position.

7. Product defects

At its plants both inside and outside Japan, the Isuzu Group manufacturers products according to the strictest globally accepted quality control standards. However, in the unusual event of a large-scale recall or product liability award (the Group is covered by product liability insurance, but in the case of costs exceeding insurance coverage), there could be a negative impact on the Group's performance and financial position.

8. Joint ventures

The Isuzu Group engages in business in some countries in the form of joint ventures due to legal and other requirements in those countries. Changes in the management policy, operating environment, etc., of these joint ventures could affect their performance, which could in turn produce a negative impact on the Group's performance and financial position.

9. Disasters, power outages, and other interruptions

Although the Isuzu Group regularly conducts disaster prevention inspections and facilities examinations at all sites in order to minimize the potential of a negative impact due to an interruption in the manufacturing process, it may not be possible to completely eliminate or minimize the impact that would arise from a disaster, power outage, or other interruption.

Additionally, a new H1N1 virus or other infectious disease pandemic could pose significant obstacles to the Group's production and sales activities.

10. Securities investments

The Isuzu Group invests in securities to produce, sell, and distribute its products as well as to build and maintain good relationships with its business partners. For marketable securities, a downturn in share prices could have a negative impact on the Group's performance and financial position. In addition, if the

financial condition of the companies in which Isuzu has invested, including through non-marketable securities, were to deteriorate due to factors such as a worsening business environment, this could have a negative impact on the Group's performance and financial position.

11. Fluctuations in accounting estimates

The Company develops "liabilities associated with retirement benefits," "deferred tax assets," and other estimates as necessary in compiling its consolidated financial statements in line with rational standards. However, due to the uncertain nature of estimates, actual results may vary from estimated amounts, and this could have a negative impact on the Group's performance and financial position.

12. Potential risks associated with international activities and foreign ventures

The Isuzu Group conducts its manufacturing and marketing activities in a broad range of overseas markets in addition to the Japanese domestic market. The following risks are inherent in such overseas business development and could have a negative impact on the Group's performance and financial position:

- Unfavorable changes in the political or business climate
- Difficulties in recruiting and retaining personnel
- Inadequate technological infrastructure could have a negative impact on the Group's manufacturing activities or its customers' support of its products and services
- Potential negative tax consequences
- Social unrest stemming from terrorism, war, natural disasters or other factors

13. Limits on intellectual property protection

The Isuzu Group has accumulated technology and expertise that differentiate it from its rivals; however, in certain regions due to legal restrictions the Group is unable to fully protect, or can only partly protect, its proprietary technology and expertise through intellectual property rights. As a result, the Group may be unable to effectively prevent third parties from using its intellectual property to make similar products.

14. Legal requirements

The Isuzu Group is subject to various government regulations in the countries in which it does business, such as business and investment approvals, statutes related to national security, tariffs, and other import and export regulations. The Group is also subject to legal requirements concerning areas such as commerce, antitrust, patents, consumer rights, taxation, foreign exchange, environment conservation, recycling, and safety. Unexpected changes or interpretations of these regulations could have a negative impact on the Group's performance and financial position. Exhaust emissions regulations are generally being tightened amid growing environmental awareness. Since substantial investment is required to comply with these regulations, failure to generate sufficient sales to recover this investment could have a negative impact on the Group's performance and financial position.

Consolidated Balance Sheets (As of March 31, 2015 and 2014)

Assets	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Current Assets:			
Cash and time deposits (Note 2)	¥ 339,747	¥ 234,849	\$ 2,827,220
Receivable:			
Notes and accounts receivable	250,137	253,140	2,081,530
Less: allowance for doubtful receivable	(1,039)	(1,022)	(8,647)
Lease receivables and lease investment assets	44,141	18,526	367,326
Inventories	233,035	182,865	1,939,213
Deferred tax assets (Note 6)	31,196	29,286	259,606
Other current assets	42,217	28,297	351,310
Total Current Assets	939,436	745,944	7,817,561
Investments and Advances:			
Investment securities (Note 3)			
Unconsolidated subsidiaries and affiliated companies	79,985	69,364	665,606
Others	77,287	59,548	643,153
Long-term loans	1,598	1,103	13,298
Net defined benefit asset	29	983	243
Deferred tax assets (Note 6)	27,642	26,483	230,028
Other investments and advances	46,137	36,140	383,934
Less: allowance for doubtful accounts	(1,876)	(1,910)	(15,613)
Total Investments and Advances	230,804	191,713	1,920,652
Property, Plant and Equipment (Note 4)			
Land (Note 8)	274,750	275,149	2,286,345
Buildings and structures	324,404	300,006	2,699,546
Machinery and equipment	756,220	689,778	6,292,926
Lease assets	16,564	14,750	137,839
Vehicles on operating leases	16,140	6,816	134,314
Construction in progress	36,167	44,459	300,970
Less: accumulated depreciation	(806,533)	(758,160)	(6,711,600)
Net Property, Plant and Equipment	617,714	572,799	5,140,342
Other Assets	13,962	11,299	116,186
Total Assets	¥ 1,801,918	¥ 1,521,757	\$ 14,994,742

See accompanying notes to consolidated financial statements.

Liabilities and Net Assets	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Current Liabilities:			
Short-term loans	¥ 81,597	¥ 51,178	\$ 679,015
Electronically recorded obligations - operating	21,072	9,003	175,358
Notes and accounts payable	332,092	309,194	2,763,523
Lease obligations	3,311	3,626	27,558
Accrued expenses	64,476	57,968	536,543
Accrued income taxes (Note 6)	21,499	25,883	178,906
Deposits received	3,433	2,594	28,573
Other current liabilities	57,610	50,960	479,405
Total Current Liabilities	585,093	510,409	4,868,884
Long-term Debt (Note 4)	142,864	83,180	1,188,849
Net Defined Benefit Liability (Note 5)	101,963	97,437	848,497
Deferred Tax Liabilities (Note 6)	2,746	3,852	22,857
Deferred Tax Liabilities Related to Land Revaluation (Note 8)	44,535	49,057	370,607
Other Long-term Liabilities	10,262	8,866	85,398
Contingent Liabilities (Note 9)			
Net Assets			
Shareholders' Equity (Note 7)			
Common and preferred stock			
Common stock:	40,644	40,644	338,227
Authorized 1,700,000,000 shares in 2015, 3,369,000,000 in 2014 and 2013			
Issued 848,422,669 shares in 2015, 1,696,845,339 in 2014 and 2013			
Capital surplus	41,786	50,554	347,727
Retained earnings	547,465	463,492	4,555,762
Less: treasury stock, at cost 14,996,522 common shares in 2015	(20,716)	(677)	(172,390)
Total Shareholders' Equity	609,181	554,014	5,069,327
Accumulated Other Comprehensive Income			
Unrealized holding gains on securities	23,644	12,095	196,756
Unrealized losses on hedging instruments	(25)	(101)	(215)
Revaluation reserve for land (Note 8)	82,147	77,625	683,591
Foreign currency translation adjustments	52,569	7,750	437,457
Remeasurements of defined benefit plans	(12,972)	(18,003)	(107,952)
Total accumulated other comprehensive income	145,362	79,365	1,209,637
Minority Interests	159,907	135,573	1,330,680
Total Net Assets	914,451	768,953	7,609,646
Total Liabilities and Net Assets	¥ 1,801,918	¥ 1,521,757	\$ 14,994,742

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income (For the years ended March 31, 2015 and 2014)

Millions of yen

Thousands of
U.S. dollars

	2015	2014	2015
Net Sales	¥ 1,879,442	¥ 1,760,858	\$ 15,639,864
Cost of Sales	1,543,661	1,441,483	12,845,650
Gross Profit	335,780	319,374	2,794,214
Selling, General and Administrative Expenses	164,669	145,125	1,370,301
Operating Income	171,111	174,249	1,423,912
Other Income (Expenses):			
Interest and dividend income	6,252	4,030	52,033
Interest expense	(2,193)	(2,071)	(18,254)
Equity in earnings of unconsolidated subsidiaries and affiliates	9,789	10,535	81,460
Foreign exchange gain	3,945	118	32,829
Others, net	(1,494)	(242)	(12,432)
Income before Extraordinary Items	187,411	186,620	1,559,549
Extraordinary Items:			
Gain on sales of investment securities	1	580	13
Gain on sales or disposal of property, plant and equipment, net	272	393	2,267
Gain on negative goodwill	—	6,387	—
Unrealized holding loss on non-consolidated subsidiaries and affiliates	(38)	(11)	(324)
Impairment loss on fixed assets (Note 13)	(829)	(370)	(6,905)
Loss on change in equity	—	(2,880)	—
Loss on step acquisitions	—	(1,161)	—
Others, net	(2,564)	(1,108)	(21,339)
Income before Income Taxes and Minority Interests	¥ 184,251	¥ 188,448	\$ 1,533,261
Income Taxes (Note 6):			
Current	52,260	47,236	434,888
Deferred	(7,971)	(2,587)	(66,333)
Income Before Minority Interests	139,962	143,799	1,164,705
Minority Interests in Income of Consolidated Subsidiaries	22,902	24,483	190,583
Net Income	¥ 117,060	¥ 119,316	\$ 974,122

Per Share of Common Stock

Yen

U.S. dollars

	Yen	U.S. dollars
Net Income		
—Basic	¥ 139.34	\$ 1.15

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (For the years ended March 31, 2015 and 2014)

Millions of yen

Thousands of
U.S. dollars

	2015	2014	2015
Income Before Minority Interests	¥ 139,962	¥ 143,799	\$ 1,164,705
Other Comprehensive Income			
Unrealized holding gains on securities	11,723	1,588	97,554
Unrealized losses on hedging instruments	76	318	632
Foreign currency translation adjustments	49,560	14,481	412,422
Revaluation reserve for land	4,521	84	37,629
Remeasurements of defined benefit plans	5,031	—	41,868
Share of other comprehensive income of associates accounted for using the equity method	8,835	8,417	73,529
Total other comprehensive income (Note 14)	79,749	24,891	663,636
Comprehensive Income (Note 14)	219,711	168,690	1,828,342
Comprehensive Income Attributable to			
Comprehensive income attributable to owners of the parent	183,057	142,593	1,523,318
Comprehensive income attributable to minority interests	¥ 36,654	¥ 26,096	\$ 305,024

See accompanying notes to consolidated financial statements.

Consolidated Statements of Change in Net Assets (Note 7) (For the years ended March 31, 2015 and 2014)

Millions of yen

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized holding gains on securities	Revaluation reserve for land	Unrealized losses on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests
Balance at March 31, 2013	¥ 40,644	¥ 50,427	¥ 364,477	¥ (686)	¥ 10,531	¥ 79,342	¥ (420)	¥ (15,362)	—	¥ 92,005
Cumulative effect of changes in accounting policies										
Restated balance of the beginning of the current period	40,644	50,427	364,477	(686)	10,531	79,342	(420)	(15,362)	—	92,005
Cash dividends			(20,337)							
Reversal of revaluation reserve for land										
Net income			119,316							
Acquisition of treasury stock				(75)						
Disposal of treasury stock		126		84						
Purchase of shares of consolidated subsidiaries										
Change of scope of equity method			36							
Net changes on items other than shareholders' equity					1,564	(1,717)	318	23,112	(18,003)	43,568
Balance at March 31, 2014	¥ 40,644	¥ 50,554	¥ 463,492	¥ (677)	¥ 12,095	¥ 77,625	¥ (101)	¥ 7,750	¥ (18,003)	¥ 135,573
Cumulative effect of changes in accounting policies			(11,169)							
Restated balance of the beginning of the current period	40,644	50,554	452,323	(677)	12,095	77,625	(101)	7,750	(18,003)	135,573
Cash dividends			(21,917)							
Reversal of revaluation reserve for land										
Net income			117,060							
Acquisition of treasury stock				(20,038)						
Disposal of treasury stock										
Purchase of shares of consolidated subsidiaries		(8,767)								
Change of scope of equity method										
Net changes on items other than shareholders' equity					11,548	4,521	76	44,818	5,031	24,334
Balance at March 31, 2015	¥ 40,644	¥ 41,786	¥ 547,465	¥ (20,716)	¥ 23,644	¥ 82,147	¥ (25)	¥ 52,569	¥ (12,972)	¥ 159,907

Thousands of U.S. dollars

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized holding gains on securities	Revaluation reserve for land	Unrealized losses on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests
Balance at March 31, 2014	\$ 338,227	\$ 420,690	\$ 3,856,976	\$ (5,635)	\$ 100,653	\$ 645,962	\$ (847)	\$ 64,494	\$ (149,820)	\$ 1,128,182
Cumulative effect of changes in accounting policies			(92,948)							
Restated balance of the beginning of the current period	338,227	420,690	3,764,028	(5,635)	100,653	645,962	(847)	64,494	(149,820)	1,128,182
Cash dividends			(182,388)							
Reversal of revaluation reserve for land										
Net income			974,122							
Acquisition of treasury stock				(166,755)						
Disposal of treasury stock										
Purchase of shares of consolidated subsidiaries		(72,962)								
Change of scope of equity method										
Net changes on items other than shareholders' equity					96,103	37,629	632	372,962	41,868	202,498
Balance at March 31, 2015	\$ 338,227	\$ 347,727	\$ 4,555,762	\$ (172,390)	\$ 196,756	\$ 683,591	\$ (215)	\$ 437,457	\$ (107,952)	\$ 1,330,680

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows (Note 15) (For the years ended March 31, 2015 and 2014)

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash Flows from Operating Activities			
Net income before income taxes and minority interests	¥ 184,251	¥ 188,448	\$ 1,533,261
Depreciation and amortization	50,322	42,698	418,763
Equity in earnings of unconsolidated subsidiaries and affiliates	(9,789)	(10,535)	(81,460)
Decrease (Increase) in provision for allowance for product warranty	2,189	1,614	18,223
Increase in provision for bonus accounts	1,032	1,292	8,592
Decrease in provision for allowance for doubtful accounts	(35)	(66)	(295)
Increase (decrease) in net defined benefit liability	(849)	1,454	(7,067)
Interest and dividend income	(6,252)	(4,030)	(52,033)
Interest expenses	2,193	2,071	18,254
Gain on disposal of property assets	(272)	(393)	(2,267)
Loss on disposal of property assets	2,320	1,124	19,306
Gain (loss) on sales of securities, net	(19)	(580)	(159)
Loss on impairment of fixed assets	829	370	6,905
Other extraordinary loss (income)	41	(2,503)	349
Decrease (Increase) in notes and accounts receivable	27,404	22,550	228,050
Decrease (Increase) in lease receivables and lease investment assets	(25,615)	(18,526)	(213,157)
Decrease (Increase) in inventories	(31,907)	5,149	(265,519)
Decrease (Increase) in other current assets	(12,515)	(4,008)	(104,146)
Increase (Decrease) in notes and accounts payable	9,912	(17,806)	82,488
Increase (Decrease) in accrued expenses and taxes	4,412	651	36,722
Increase (Decrease) in deposit received	867	(191)	7,219
Increase (Decrease) in other current liabilities	4,028	(2,187)	33,519
Others	(144)	982	(1,200)
Cash received from interest and dividend	9,956	9,450	82,849
Cash paid for interest	(2,222)	(2,164)	(18,491)
Cash paid for income taxes	(58,583)	(55,656)	(487,508)
Net Cash Provided by Operating Activities	151,558	159,209	1,261,197
Cash Flows from Investing Activities			
Payment on purchase of investment securities	(2,724)	(9,103)	(22,674)
Proceeds from sales of investment securities	214	5,532	1,788
Payment on purchase of property, plant and equipment	(87,293)	(79,591)	(726,418)
Proceeds from sales of property, plant and equipment	3,735	2,575	31,083
Payment on long-term loans receivable	(300)	(144)	(2,497)
Collection of long-term loans receivable	330	232	2,747
Increase (Decrease) in short-term loans receivable	(300)	1,792	(2,497)
Increase (Decrease) in fixed deposits	(5,773)	(17,242)	(48,047)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	416	119	3,463
Others	(5,655)	(14,566)	(47,066)
Net Cash Used in Investing Activities	(97,352)	(110,395)	(810,119)
Cash Flows from Financing Activities			
Increase (Decrease) in short-term debt	(5,271)	7,170	(43,867)
Proceeds from long-term debt	118,759	27,410	988,266
Repayment on long-term debt	(32,399)	(48,476)	(269,613)
Proceeds from minority shareholders	7,453	4,522	62,026
Repayment of lease obligations	(2,874)	(2,862)	(23,921)
Proceeds from sales of treasury shares	—	330	—
Payment on acquisition of treasury stock	(20,037)	(58)	(166,745)
Payment on dividends made by parent company	(21,912)	(20,318)	(182,344)
Payment on dividends to minority shareholders	(19,101)	(6,192)	(158,952)
Purchase of subsidiaries stock resulting in no changes in scope of consolidation	(10,046)	—	(83,602)
Net Cash Used in Financing Activities	14,569	(38,473)	121,244
Effect of Exchange Rate Changes on Cash and Cash Equivalents	25,971	13,321	216,124
Net Increase (Decrease) in Cash and Cash Equivalents	94,747	23,660	788,446
Cash and Cash Equivalents at Beginning of the Year	210,710	177,879	1,753,440
Increase (Decrease) in Cash and Cash Equivalents due to change in scope of consolidation	105	9,171	873
Cash and Cash Equivalents at End of the Year (Note 2)	¥ 305,563	¥ 210,710	\$ 2,542,761

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Basis of Presenting the Financial Statements

The accompanying consolidated financial statements of Isuzu Motors Limited ("the Company") and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirement of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

In order to facilitate the understanding of readers outside Japan, certain reclassifications have been made to the consolidated financial statements prepared for domestic purposes and relevant notes have been added.

The yen amounts are rounded down in millions. Therefore, total or subtotal amounts do not correspond with the aggregation of such account balances.

U.S. dollar amounts have been translated from Japanese yen for convenience only at the rate of ¥120.17 = US\$1, the approximate exchange rate prevailing on the Foreign Exchange Market on March 31, 2015. The translations should not be construed as a representation that Japanese yen have been or could be converted into U.S. dollars at that rate. The U.S. dollar amounts are then rounded down in thousands.

Certain reclassifications have been made in the 2014 financial statements to conform to the presentation for 2015.

2. Summary of Significant Accounting Policies

a) Consolidation

The consolidated financial statements include the accounts of the Company and significant subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

The excess of cost of investments in the subsidiaries and affiliates over the fair value of the net assets of the acquired subsidiaries at the dates of acquisition is recognized as a consolidation goodwill, which is being amortized over an estimated periods not exceeding 20 years.

b) Foreign Currency Translation

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate of the balance sheet date, and differences arising from the translation are included in the financial statements of income as a gain or loss. The Company translates the balance sheet accounts of foreign consolidated subsidiaries into Japanese yen at the exchange rate of the balance sheet date of each of those subsidiaries. Financial statements of income accounts of consolidated overseas subsidiaries are translated using the average exchange rate of the statements of income's period. Differences arising from the translation are presented as foreign currency translation adjustments and minority interests in the balance sheet.

c) Securities

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or other securities.

Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

d) Inventories

Inventories of the Company are valued at cost using the weighted average method. (Balance sheet values are measured by the lower of cost or market method.) Inventories of consolidated subsidiaries are principally valued at cost using the specific identification method. (Balance sheet values are measured by the lower of cost or market method.)

e) Property, Plant and Equipment (excluding lease assets)

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its consolidated subsidiaries is calculated principally by the straight-line method based on the estimated useful lives. Depreciation of property, plant and equipment of few consolidated subsidiaries is calculated by the declining balance method.

f) Software (excluding lease assets)

Software used by the Company and its consolidated subsidiaries is amortized using the straight-line method, based on the estimated useful lives (generally 5 years).

g) Leases

The company, as a lessor, leases properties under arrangements. Sales and cost of sales relating to finance lease transactions are recognized on receipt of lease payments.

The company is also a lessee of various assets. Lease assets relating to finance lease transactions without transfer of ownership are depreciated over the lease period by the straight-line method, assuming the residual value is zero.

In addition, lease transactions whose commencement dates were on or prior to March 31, 2008 are accounted for on a basis similar to that for operating lease.

h) Employees' Retirement Benefits

The Company and its consolidated subsidiaries have defined benefit pension plans. Consolidated subsidiaries have also defined contribution pension plans.

The estimated amount of all retirement benefits to be paid at future retirement dates is allocated to each service year using the benefit formula method. Prior service costs are being amortized as incurred by the straight-line method over periods, which are shorter than the average remaining years of service of the eligible employees (about 10 years). Actuarial gains or losses are amortized by the straight-line method over the period within the average remaining years of service of the eligible employees (about 10 years) commencing with the following periods.

Some of the consolidated subsidiaries are adopting the simplified method of calculating their retirement benefit obligations and its cost.

In the method, the amount which would be required to be paid if all eligible employees of its subsidiaries voluntarily terminated their

employment as of the balance sheet date is recognized as retirement benefit obligation.

i) Income Taxes

Income taxes are accounted for on an accrual basis. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of change in tax rate is recognized in income in the period of the change.

j) Net Income per Share

Net income per share of common stock is calculated based upon the weighted average number of shares of common stock outstanding during each year.

Basis for the calculation of net income per share at March 31, 2015 is as follows:

	Millions of yen	Thousands of U.S. dollars
Net Income	¥ 117,060	\$ 974,122
Net income pertaining to common stock	¥ 117,060	\$ 974,122
Average number of outstanding shares:		
Common stock:	840,083,865	

k) Appropriation of Retained Earnings

The appropriation of retained earnings is recorded in the fiscal year in which such appropriation is approved by the board of directors or shareholders.

l) Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Reference for reconciliation between cash and cash equivalents at end of the consolidated financial year is in Note 15. Consolidated statements of cash flows, (1) Reconciliation for cash status between balance sheets and cash flows.

m) Adoption of New Accounting Standard

(Adoption of Accounting Standard for Retirement Benefits and related guidance)

Effective from the current consolidated fiscal year, the Company and its consolidated subsidiaries applied provisions set forth in Section 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26 of March 26, 2015) and Section 67 of "Guidance of Accounting Standard for Retirement Benefits" (ASBJ Statement No.25 of May 17, 2012), and as a result it adopted in their entirety the "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26, May 17, 2012, and hereinafter called "Accounting Standard for Retirement Benefits") and its implementation guidance – "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, March 26, 2015, and hereinafter called "Guidance on Accounting Standard for Retirement Benefits"). Consequently, the Company and its consolidated subsidiaries revised the calculation method of retirement benefit

obligations and past service cost in such ways that the method of attributing expected benefit to periods was changed from the one based on service-period to the projected benefit method, and the rate of discount from the one based on years similar to the average remaining service years of employees to the single weighted average rate of discount which reflects amount to be paid each of the projected years of retirement benefit payment and the length of such years.

In accordance with transitional accounting as stipulated in Section 37 of "Accounting Standard for Retirement Benefits", the effect of change to the calculation method of retirement benefit obligations and past service cost was deducted from retained earnings at the beginning of the current consolidated fiscal year.

As a result, the liability for retirement benefits increased by 11,216 million yen (\$93,334 thousands) and retained earnings decreased by 11,169 million yen (\$92,940 thousands) as of April 1, 2014. On the other hand, the impact of such changes was immaterial to operating income, ordinary income and income before income taxes.

The impact to net income per share was also immaterial, while net assets per share decreased by 13.29 yen (\$0.11).

(Application of Accounting Standard for Business Combinations)

Effective from the current consolidated fiscal year, the Company adopted "Revised Accounting Standard for Business Combinations" (ASBJ Statement No.21, September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, September 13, 2013) and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, September 13, 2013) (excluding Section 39 of "Revised Accounting Standard for Consolidated Financial Statements") as these accounting standards are applicable to fiscal years beginning on or after April 1, 2014.

With the application of such standards, the Company adopted the method of posting as capital surplus the difference resulting from changes in equity with respect to subsidiaries that are still under its control, and that of recognizing acquisition-related costs as expenditures incurred for the consolidated fiscal year. For the business combination implemented after the beginning of this current fiscal year, the acquisition costs calculated by a tentative accounting method are to be confirmed and revised. Also, this revision affects the consolidated financial statement for the fiscal year during which the business combination is done.

"Revised Accounting Standard for Business Combinations" and related matters were applied in accordance with the transitional handling specified in Section 58-2(4) of "Revised Accounting Standard for Business Combinations", Section 44-5(4) of "Revised Accounting Standard for Consolidated Financial Statements", and Section 57-4(4) of "Revised Accounting Standard for Business Divestitures", and the Company applied these accounting standards from the beginning of the current consolidated fiscal year and continues to do so thereafter.

Consequently, operating income, ordinary income and income before income taxes for the current consolidated fiscal year rose by 438 million yen (\$3,648 thousands), respectively. On the other hand, capital surplus at the end of the reporting consolidated year declined by 8,767 million yen (\$72,962 thousands).

Cash flow related to acquisition or sale by the Company of a subsidiary's shares, where such acquisition or sale would not change the scope of consolidation, was included in "Cash Flow from Financing Activities" while cash flow related to acquisition or sale by the Company of a subsidiary's shares, where such acquisition or sale would change the

scope of consolidation, as well as cash flow on expenses in connection with acquisition or sale by the Company of a subsidiary's shares, where such acquisition or sale would not change the scope of consolidation, were recorded in "Cash Flow from Investing Activities".

The balance of capital surplus in the consolidated statements of changes in shareholders' equity decreased 8,767 million yen (\$72,962 thousands) at the end of current fiscal year.

Net assets per share decreased by 9.99 yen (\$0.08) and net income per share increased by 0.52 yen (\$0.004)

n) Unapplied Accounting Standards and Guidances

- "Revised Accounting Standard for Business Combinations"
(ASBJ statement No. 21, September 13, 2013)
- "Revised Accounting Standard for Consolidated Financial Statements"
(ASBJ statement No. 22, September 13, 2013)
- "Revised Accounting Standard for Business Divestitures"
(ASBJ statement No.7, September 13, 2013)
- "Revised Accounting Standard for Earnings Per Share"
(ASBJ statement No.2, September 13, 2013)
- "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures"
(ASBJ guidance No.10, September 13, 2013)
- "Revised Guidance on Accounting Standard for Earnings Per Share"
(ASBJ guidance No.4, September 13, 2013)

1) Overview

Above standards and guidances are comprised of the revision of the following accounting processes:

- a) the treatment of parent company for the change in scope of subsidiaries equity in the case of additional purchase of subsidiaries shares, etc. with parent control continuing.
- b) the treatment for the cost accompanying acquisition.
- c) the treatment for finalizing tentative accounting treatment.
- d) the indication of net income and the relocation of "minority interest" to non-controlling interest.

2) Scheduled date of adoption

We have early applied a) to c) from the current consolidated fiscal year and will apply d) from the beginning of the fiscal year ended March 31, 2016.

3) The impact of the application of these accounting standards and guidances

There will be no impact on the consolidated financial statement as the changes due to the application of these accounting standards and guidance are limited in account names.

o) Change in accounting statement

- Consolidated profit and loss statement

The "Foreign exchange gain" which was included in the "Others" under "Non-operating profit" in the previous fiscal year is stated independently current fiscal year due to its exceeding 10% of the total amount of non-operating profit. This change has been applied retroactively and, the financial consolidated statement of the previous fiscal year was restated.

As a result of this change the "Other Income (Expense)" of ¥(123) million (\$1,196 thousands) which was stated as "Others, net" in the profit and loss statement for the previous consolidated fiscal year was reclassified into ¥118 million (\$1,155 thousands) of "Foreign Exchange Profit" and ¥(242) million (\$2,351 thousands) of "Others, net".

- Employees' Retirement Benefits

With the revision of the "Guidance on Accounting Standard for Retirement Benefits" (No.25 of 2015), we changed the notes about retirement benefit plans based on multi-employer pension plan and reclassified the financial statement for the previous fiscal year.

The details of reclassification and the amount of the principal items of the previous fiscal consolidated year were stated in concerned notes respectively.

3. Securities

Fair value information of other securities as of March 31, 2015 and 2014 are as follows:

2015	Millions of yen			Thousands of U.S. dollars			2014	Millions of yen		
	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)		Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:										
Stocks:	¥ 35,632	¥ 70,049	¥ 34,416	\$ 296,520	\$ 582,918	\$ 286,397		¥ 33,303	¥ 52,086	¥ 18,783
Total	¥ 35,632	¥ 70,049	¥ 34,416	\$ 296,520	\$ 582,918	\$ 286,397		¥ 33,303	¥ 52,086	¥ 18,783
Unrealized loss:										
Stocks:	¥ 1,113	¥ 1,067	¥ (46)	\$ 9,268	\$ 8,883	\$ (384)		¥ 1,325	¥ 1,163	¥ (162)
Total	¥ 1,113	¥ 1,067	¥ (46)	\$ 9,268	\$ 8,883	\$ (384)		¥ 1,325	¥ 1,163	¥ (162)

Proceeds from sales of securities classified as other securities amounted to ¥94 million (\$782 thousands) with an aggregate gain on sales of ¥1 million (\$11 thousands) and an aggregate loss of ¥29 million (\$249 thousands) for the year ended March 31, 2015.

Non-marketable securities classified as other securities at March 31, 2015 amounted to ¥6,170 million (\$51,351 thousands).

4. Long-Term Debt

Long-term debt at March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Loans	¥ 189,964	¥104,995	\$1,580,793
Lease obligations	9,834	9,473	81,837
Less: current portion	56,934	31,288	473,781
Total long-term debts	¥ 142,864	¥ 83,180	\$1,188,849

The annual maturities of long-term debt at March 31, 2015 are summarized as follows:

Planned maturity date	Millions of yen	Thousands of U.S. dollars
Over 1 year within 2 years	¥ 46,561	\$ 387,464
Over 2 years within 3 years	29,146	242,541
Over 3 years within 4 years	42,919	357,152
Thereafter	24,236	201,690
Total	¥ 142,864	\$ 1,188,849

The assets pledged as collateral for certain loans and other liabilities at March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Building and structures	¥ 9,655	¥ 11,255	\$ 80,350
Machinery and equipment	6,780	11,687	56,424
Land	5,864	13,101	48,799
Others	¥ 61	¥ 202	\$ 514

5. Retirement Benefit Plans

The Company has defined benefit plans, i.e., corporate pension fund and lump-sum payment plans. Certain consolidated subsidiaries have defined benefit plans, i.e., corporate pension fund, welfare pension fund plans, and lump-sum payment plans and defined contribution pension plans. The Company and its consolidated subsidiaries occasionally make severance payments in addition to the retirement benefits noted above.

Some of the consolidated subsidiaries are adopting the simplified method of calculating their retirement benefit obligations. In addition, the Company and some of its consolidated subsidiaries have joined the multi-employer defined benefit corporate pension plan, and the multi-employer welfare pension fund plan. Among the above-mentioned plans, those, for which it is possible to figure out, in a rational manner, the amount of the pension assets which corresponds to the amount of the contributions to be made by the Company, are included in the notes on the defined benefit plan. Those, for which it is impossible to calculate, in a rational manner, the amount of the pension assets which corresponds to the amount of the contributions to be made by the Company are accounted for in the same way as the defined contribution pension plan.

Meanwhile, Kanagawa steel industry welfare pension funds, deemed as a multi-employer pension plan which some of consolidated subsidiaries had participated in was dissolved as of May 30, 2014 with the permission of Minister of Health, Labour and Welfare.

1. Defined benefit plans as of March 31, 2015 are follows;

(1) The reconciliation between beginning and ending balance of projected benefit obligation

Changes in benefit obligation:	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Projected benefit obligation at beginning of the year	¥ 159,590	¥ 150,442	\$1,328,039
Cumulative effect of changes in accounting policies	11,216	—	93,334
Restated balance of the beginning of the current period	170,806	150,442	1,421,374
Service cost	6,938	6,886	57,737
Interest cost on projected benefit obligation	1,987	2,285	16,542
Actuarial loss	2,567	562	21,369
Benefit paid	(7,593)	(8,135)	(63,188)
Prior service cost	(107)	837	(898)
New consolidations	—	2,867	—
Others	2,268	3,845	18,876
Projected benefit obligation at end of the year	¥ 176,867	¥ 159,590	\$1,471,813

[Remarks]

*Benefit obligations in certain subsidiaries calculated by the simplified method are included.

(2) The reconciliation between beginning and ending balance of plan assets

Changes in plan assets:	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Plan assets at beginning of the year	¥ 63,136	¥ 53,633	\$ 525,389
Expected return on plan assets	2,285	1,253	19,020
Actuarial gain on plan assets	4,872	2,289	40,546
Employer's contributions	8,174	8,375	68,021
Benefit paid during the current fiscal year	(4,215)	(4,790)	(35,076)
Others	680	2,374	5,659
Plan assets at end of the year	¥ 74,933	¥ 63,136	\$ 623,559

[Remarks]

*Plan assets in certain subsidiaries calculated by the simplified method are included.

(3) The reconciliation between ending balance of projected benefit obligation and plan assets and those balances on consolidated balance sheet as of March 31, 2015

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Projected benefit obligation under funded schemes	¥ 106,751	¥ 96,257	\$ 888,335
Plan assets	(74,933)	(63,136)	(623,559)
	31,818	33,120	264,776
Projected benefit obligation under non-funded schemes	70,116	63,333	583,478
Asset and liability on the consolidated balance sheet, net	¥ 101,934	¥ 96,454	\$ 848,254
Net defined benefit liability	101,963	97,437	848,498
Net defined benefit assets	(29)	(983)	(244)
Net liability for retirement benefits in the balance sheet	¥ 101,934	¥ 96,454	\$ 848,254

[Remarks]

*Plan assets and projected benefit obligations in certain subsidiaries calculated by the simplified method are included.

(4) Breakdown of retirement benefit cost

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥ 6,938	¥ 6,886	\$ 57,737
Interest cost on projected benefit obligation	1,987	2,285	16,542
Expected return on plan assets	(2,285)	(1,253)	(19,020)
Amortization of actuarial net loss	4,022	4,360	33,470
Amortization of prior service cost	47	38	394
Net retirement benefit cost to defined benefit plans	¥ 10,710	¥ 12,317	\$ 89,124

[Remarks]

*Retirement benefit cost in certain subsidiaries calculated by the simplified method are included.

(5) Adjustment to retirement benefit (before tax effects)

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Prior service cost	¥ 47	—	\$ 394
Actuarial loss	5,733	—	47,710
Total	¥ 5,780	—	\$ 48,104

(6) Items recorded to accumulated other comprehensive income, re-measurements of defined benefit plans (before related tax effects)

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrecognized prior service cost	¥ 1,065	¥ 1,113	\$ 8,870
Unrecognized actuarial loss	17,212	22,945	143,234
Total	¥ 18,278	¥ 24,059	\$ 152,104

(7) Allocation of plan assets

In order to determine the expected long-term rate of return on assets, were considered the current and expected future allocation of the pension assets and the variety of the properties constituting the pension assets.

	Ratio	
	2015	2014
Debt securities	29%	33%
Equity securities	37%	34%
Cash and deposits	3%	9%
Life insurance company general accounts	20%	21%
Other assets	11%	3%
Total	100%	100%

*"Other assets" includes alternative investments

(8) Actuarial assumptions used to determine costs and obligations for retirement benefits (weighted average)

	2015	2014
Discount rates	1.3%	1.6%
Expected long-term return rates on plan assets	2.4%	2.5%
Expected rate of pay raises	3.9%	4.3%

2. Defined contribution pension plans and multi-employer pension plans as of March 31, 2014 and 2015 are follows;

Required contributions of certain subsidiaries to defined contribution pension plans were ¥377 million (\$3,143 thousands) as of March 31, 2015, and ¥251 million (\$2,439 thousands) as of March 31, 2014.

Required contributions to welfare pension fund plans of the multi-employer pension plans, which are accounted for by the same method as defined contribution pension plans are, were ¥0.1 million (\$0.8 thousands) as of March 31, 2015, and ¥134 million (\$1,305 thousands) as of March 31, 2014.

The funded status of multi-employer pension plans

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Plan Assets	—	¥ 10,936	—
Aggregated amount of actuarial obligation in pension financing calculation and minimum reserve combined *	—	15,772	—
Difference	—	¥ (4,835)	—

*In the previous fiscal year this item was stated as Projected benefit obligation in pension financing.

The main factor of the difference indicated above, is the 3,414 million yen (\$33,173 thousands) balance of the prior service cost. In this multi-employer pension plan, the prior service cost is being amortized equally over the period of 20 years and the remaining period is 11 years at the end of the previous fiscal year. The company and its subsidiaries have expensed the special contribution of 49 million yen (\$477 thousands) made in the previous fiscal year in the previous consolidated financial statements.

	2015	2014
The ratio of contributions of the Company and its consolidated subsidiaries' in the total contributions of multi-employer pension plan	—	11.2%

The rate, indicated above, is not equal to the actual percentage of contributions the Company and its subsidiaries have made to the multi-employer system.

6. Income Taxes

Accrued income taxes in the balance sheets include corporation tax, inhabitant tax and enterprise tax.

The significant components of the Company and its consolidated subsidiaries' deferred tax assets and liabilities as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Net defined benefit liability	¥ 33,573	¥ 32,398	\$ 279,386
Loss on write-down of investments in subsidiaries and allowance for doubtful accounts	11,475	12,766	95,494
Accrued expenses	12,032	11,084	100,131
Accrued bonus	5,934	5,981	49,381
Loss on inventory write-down	2,068	1,158	17,210
Loss carry-forward	4,405	4,934	36,664
Unrealized profit eliminated in consolidation etc.	19,228	16,684	160,008
Others	12,475	13,006	103,812
Total gross deferred tax assets	¥ 101,193	¥ 98,015	\$ 842,089
Valuation allowance	(22,498)	(34,992)	(187,221)
Total deferred tax assets	¥ 78,695	¥ 63,022	\$ 654,868
Deferred tax liabilities:			
Reserve for reduction entry of fixed assets	(984)	(310)	(8,196)
Unrealized holding gain on securities	(10,211)	(5,757)	(84,973)
Retained earnings in subsidiaries	(6,156)	—	(51,227)
Others	(2,503)	(1,184)	(20,835)
Total deferred tax liabilities	¥ (19,856)	¥ (7,151)	\$ (165,233)
Net deferred tax assets	¥ 58,839	¥ 55,770	\$ 489,635
Deferred tax liabilities:			
Reserve for reduction entry of fixed assets	(99)	(900)	(829)
Unrealized holding gain on securities	(214)	(140)	(1,785)
Subsidiaries' land evaluation	(1,954)	(2,161)	(16,260)
Others	(478)	(650)	(3,983)
Net deferred tax liabilities	¥ (2,746)	¥ (3,852)	\$ (22,857)

A reconciliation between effective statutory tax rate and the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2015 and 2014 are as follows:

	2015	2014
Effective statutory tax rate	35.6%	38.0%
Tax credit	(5.3)	(5.0)
Net valuation allowance	(4.3)	0.5
Difference in tax rates applied at foreign subsidiaries	(9.5)	(11.3)
Loss for this fiscal year by consolidated subsidiaries	0.9	0.6
Equity in earnings of unconsolidated subsidiaries	(1.9)	(2.2)
Foreign withholding tax	1.6	1.7
Per capital levy of inhabitant tax	0.2	0.1
Retained earnings in subsidiaries	2.9	0.4
Decrease in deferred tax assets due to change in corporate tax rates	1.9	0.7
Others	1.9	0.2
Effective tax rate	24.0%	23.7%

Revision of Amounts of Deferred Tax Assets and Deferred Tax Liabilities due to Changes in Tax Rate such as Corporate Tax, Etc.

The "Act for Partial Revision of the Income Tax, etc." (Act No.9 of 2015) and the "Act for Partial Revision of the Local Tax, etc." (Act No.2 of 2015) were promulgated on March 31, 2015 and the corporate income tax rate has been reduced from the consolidated fiscal year beginning April 1, 2015. As a result the effective tax rate used for the measurement of a deferred tax asset and a deferred tax liability will be 33.0% for deductive temporary differences which is expected to be realized by the consolidated fiscal year starting April 1, 2015 and 32.2% for those expected to be cleared by the consolidated fiscal year beginning April 1, 2016 or further.

By this tax rate changes the amount of deferred tax asset (after deferred tax liability was deducted) was decreased by 2,906 million yen (\$24,189 thousands), and that of income taxes adjustment and valuation difference on other securities increased by 3,439 million yen (\$28,620 thousands) and 1,046 million yen (\$8,708 thousands) respectively, while accumulated adjustment for retirement benefits decreased by 518 million yen (\$4,315 thousands) as of and for the year ended March 31, 2015.

In addition, deferred tax liability for re-evaluation of land was down 4,606 million yen (\$38,333 thousands), adding the same amount to difference in re-evaluation of land.

7. Shareholders' Equity

Changes in the numbers of shares issued and outstanding for the years ended March 31, 2015 and 2014 are as follows:

Common stock outstanding	2015	2014
	Balance at the beginning of the year	1,696,845,339
Decrease	(848,422,670)	—
Balance at the end of the year	848,422,669	1,696,845,339

Treasury stock outstanding	2015	2014
	Balance at beginning of the year	2,260,843
Increase	21,973,050	148,858
Decrease	(9,237,371)	(472,161)
Balance at end of the year	14,996,522	2,260,843

8. Land Revaluation

In accordance with the Law concerning Revaluation of Land enacted on March 31, 1999, the land used for business owned by the Company and its domestic consolidated subsidiaries was revalued, and the unrealized gain on the revaluation of land, net of deferred tax, was reported as "Revaluation Reserve for Land" within net assets, and the relevant deferred tax was reported as "Deferred Tax Liabilities related to Land Revaluation" in liabilities for the fiscal year ended March 31, 2015.

Revaluation Date: March 31, 2000

In accordance with the Law concerning Revaluation of Land enacted on March 31, 1998, the land used for business owned by certain consolidated subsidiaries accounted for by the equity method was revalued.

Revalued Date: March 31, 2001

The method of revaluation is as follows:

Under article 2-4 of the Enforcement Ordinance on Law concerning Revaluation of Land, the land price for the revaluation was determined based on the official notice prices assessed and published by the Commissioner of National Tax Agency of Japan as basis for calculation of Landholding Tax as stipulated in article 16 of the Landholding Tax Law. Appropriate adjustments for the shape of land and the timing of the assessment have been made. The land price for the revaluation for some of the land is based on appraisal value.

The difference between the total fair value of business land, based on the article 10 of the Enforcement Ordinance on Law concerning Revaluation of Land, as of the end of the current fiscal year and the total book value after revaluation revalued was ¥65,456 million (\$544,696 thousands).

9. Contingent Liabilities

Contingent liabilities at March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Guarantees of bank loans	¥ 119	¥ 697	\$ 996

10. Lease Transactions

1. Lessor

(1) Finance lease

i) Net investments in direct financing leases as of March 31, 2015 and 2014 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Total minimum lease payments to be received	¥ 40,264	¥ 18,091	\$ 335,061
Estimated unguaranteed residual value of leased assets	3,815	1,543	31,748
Amounts equivalent to interest income	(3,596)	(1,826)	(29,930)
Net investment in direct financing leases	¥ 40,482	¥ 17,808	\$ 336,879

ii) Future minimum lease payments as per lease receivables to be received after the end of the fiscal year are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within 1 year	¥ 756	¥ 102	\$ 6,298
Over 1 year within 2 years	757	99	6,304
Over 2 years within 3 years	713	99	5,939
Over 3 years within 4 years	500	99	4,168
Over 4 years within 5 years	114	75	953
Thereafter	38	5	323
Total	¥ 2,882	¥ 482	\$ 23,988

iii) Future minimum lease payments as per lease investment assets to be received after the end of the fiscal year are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within 1 year	¥ 9,460	¥ 3,812	\$ 78,728
Over 1 year within 2 years	9,392	3,768	78,157
Over 2 years within 3 years	9,310	3,755	77,480
Over 3 years within 4 years	8,277	3,739	68,881
Over 4 years within 5 years	3,525	2,822	29,339
Thereafter	297	193	2,476
Total	¥40,264	¥ 18,091	\$ 335,061

(2) Operating lease

i) Future minimum lease payments to be received after the end of the fiscal year are as follows

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within 1 year	¥ 2,933	¥ 1,685	\$ 24,411
Thereafter	8,743	5,857	72,762
Total	¥ 11,677	¥ 7,543	\$ 97,173

2. Lessee

(1) Financing lease

Finance lease transactions, except for those which substantially transfer the ownership to the lease, are as follows:

i) Amounts equivalent to acquisition costs, accumulated depreciation and net book value of the finance lease assets as of March 31, 2015 and 2014:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Acquisition costs	¥ 174	¥ 446	\$ 1,453
Accumulated depreciation	158	392	1,317
Net balance	¥ 16	¥ 53	\$ 135

ii) Future minimum lease payments of financing lease as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within 1 year	¥ 15	¥ 28	\$ 127
Thereafter	4	23	34
Total	¥ 19	¥ 52	\$ 161

Amounts equivalent to interest expenses are calculated by the interest method based on an excess of the sum of lease payments over amounts equivalent to acquisition costs.

(2) Operating lease

i) Future minimum lease payments of operating lease as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within 1 year	¥ 2,233	¥ 1,768	\$ 18,588
Thereafter	6,642	6,119	55,274
Total	¥ 8,876	¥ 7,887	\$ 73,863

11. Derivatives

Derivatives recognized in the consolidated financial statements for the fiscal year ended March 31, 2015 and 2014 are as follows:

1. Derivative transactions for which hedge accounting is not applied

(1) Foreign exchange-related

As of March 31, 2015		Millions of yen				Thousands of U.S. dollars			
Classification	Type of derivative transactions	Contract amount	Over one year	Fair value	Unrealized gain (loss)	Contract amount	Over one year	Fair value	Unrealized gain (loss)
Non-market transaction	Foreign exchange forward contracts								
	Buy								
	Japanese yen	¥ 13,988	—	¥ (21)	¥ (21)	\$ 116,408	—	\$ (180)	\$ (180)
	Australian dollar	6	—	0	0	56	—	0	0
	U.S. dollar	0	—	0	0	0	—	0	0
	Others	83	—	(1)	(1)	698	—	(11)	(11)
	Foreign exchange forward contracts								
	Sell								
	Australian dollar	858	—	10	10	7,142	—	84	84
	U.S. dollar	2,908	—	14	14	24,204	—	120	120
Others	496	—	3	3	4,133	—	23	23	
Total		¥ 18,342	—	¥ 4	¥ 4	\$ 152,642	—	\$ 34	\$ 34

As of March 31, 2014		Millions of yen				Thousands of U.S. dollars			
Classification	Type of derivative transactions	Contract amount	Over one year	Fair value	Unrealized gain (loss)	Contract amount	Over one year	Fair value	Unrealized gain (loss)
Non-market transaction	Foreign exchange forward contracts Buy								
	Japanese yen	¥ 5,056	—	¥ (66)	¥ (66)	\$ 49,125	—	\$ (648)	\$ (648)
	U.S. dollar	706	—	8	8	6,866	—	83	83
	Foreign exchange forward contracts Sell								
	Australian dollar	4,566	—	(102)	(102)	44,373	—	(999)	(999)
	U.S. dollar	1,510	—	(4)	(4)	14,677	—	(39)	(39)
	Others	785	—	1	1	7,633	—	10	10
	Total	¥ 12,623	—	¥ (163)	¥ (163)	\$ 122,674	—	\$ (1,593)	\$ (1,593)

2. Derivative transactions for which hedge accounting is applied

(1) Foreign exchange-related

As of March 31, 2015			Millions of yen			Thousands of U.S. dollars		
Hedge accounting method	Type of derivative transactions	Main hedged items	Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value
Principal accounting method	Foreign exchange forward contracts Buy							
	Japanese yen	Accounts payable	¥ 5,852	—	¥ 38	\$ 48,702	—	\$ 319
	U.S. dollar	Accounts receivable	16,071	—	(115)	133,737	—	(964)
	Australian dollar		4,321	—	146	35,962	—	1,223
Foreign exchange forward contracts under the designated hedge accounting method	Foreign exchange forward contracts Sell	Accounts receivable						
	U.S. dollar		3,426	—	—	28,514	—	—
	Australian dollar		5,304	—	(1*)	44,141	—	(1*)
	Total		¥ 34,976	—	¥ 69	\$ 291,055	—	\$ 578

As of March 31, 2014			Millions of yen			Thousands of U.S. dollars		
Hedge accounting method	Type of derivative transactions	Main hedged items	Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value
Principal accounting method	Foreign exchange forward contracts Buy							
	Japanese yen	Accounts payable	¥ 4,457	—	¥ (14)	\$ 43,308	—	\$ (138)
	U.S. dollar	Accounts receivable	11,306	—	6	109,855	—	65
	Australian dollar		3,858	—	(86)	37,486	—	\$ (844)
Foreign exchange forward contracts under the designated hedge accounting method	Foreign exchange forward contracts Sell	Accounts receivable						
	U.S. dollar		4,201	—	—	40,819	—	—
	Australian dollar		6,140	—	(1*)	59,664	—	(1*)
	Total		¥ 29,962	—	¥ (94)	\$ 291,134	—	\$ (916)

(1*) Since foreign exchange forward contracts under the designated hedge accounting method are accounted for as an integral part of accounts receivable, the hedged item, their fair values are included in the fair value of the underlying accounts receivables.

(2) Interest rate-related

As of March 31, 2015			Millions of yen			Thousands of U.S. dollars		
Hedge accounting method	Type of derivative transactions	Main hedged items	Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value
Principal accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	—	—	—	—	—	—
Interest rate swaps under the exceptional accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	¥ 55,724	¥ 29,512	(2*)	\$ 463,710	\$ 245,592	(2*)
Total			¥ 55,724	¥ 29,512	—	\$ 463,710	\$ 245,592	—

As of March 31, 2014			Millions of yen			Thousands of U.S. dollars		
Hedge accounting method	Type of derivative transactions	Main hedged items	Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value
Principal accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	—	—	—	—	—	—
Interest rate swaps under the exceptional accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	¥ 38,859	¥ 36,349	(2*)	\$ 377,573	\$ 353,178	(2*)
Total			¥ 38,859	¥ 36,349	—	\$ 377,573	\$ 353,178	—

(2*) Since interest rate swaps under the exceptional accounting method are accounted for as an integral part of long-term debt, the hedged item, their fair values are included in the fair value of the underlying long-term debt.

12. Financial Instruments

Financial instruments recognized in the consolidated financial statements for the fiscal year ended March 31, 2015 and 2014 are as follows. Financial instruments, whose fair values are not readily available, are not included in the following table.

As of March 31, 2015		Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference	
(1) Cash and time deposits	¥ 339,747	¥ 339,747	—	\$ 2,827,220	\$ 2,827,220	—	
(2) Notes and accounts receivable	250,137	250,137	—	2,081,530	2,081,530	—	
(3) Lease investment assets	44,141	44,229	87	367,326	368,057	731	
(4) Investment securities	71,116	71,116	—	591,801	591,801	—	
(5) Notes and accounts payable	(332,092)	(332,092)	—	(2,763,523)	(2,763,523)	—	
(6) Electronically recorded obligations - operating	(21,072)	(21,072)	—	(175,358)	(175,358)	—	
(7) Short-term loans	(27,974)	(27,974)	—	(232,792)	(232,792)	—	
(8) Accrued expenses	(47,003)	(47,003)	—	(391,141)	(391,141)	—	
(9) Long-term debt	(189,964)	(190,248)	(284)	(1,580,793)	(1,583,161)	(2,367)	
(10) Derivatives	73	73	—	612	612	—	

As of March 31, 2014		Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference	
(1) Cash and time deposits	¥ 234,849	¥ 234,849	—	\$ 2,281,860	\$ 2,281,860	—	
(2) Notes and accounts receivable	253,140	253,140	—	2,459,586	2,459,586	—	
(3) Lease investment assets	18,526	18,984	458	180,008	184,460	4,451	
(4) Investment securities	53,250	53,250	—	517,393	517,393	—	
(5) Notes and accounts payable	(309,194)	(309,194)	—	(3,004,217)	(3,004,217)	—	
(6) Electronically recorded obligations - operating	(9,003)	(9,003)	—	(87,483)	(87,483)	—	
(7) Short-term loans	(23,516)	(23,516)	—	(228,488)	(228,488)	—	
(8) Accrued expenses	(41,623)	(41,623)	—	(404,426)	(404,426)	—	
(9) Long-term debt	(104,995)	(105,407)	(412)	(1,020,163)	(1,024,170)	(4,006)	
(10) Derivatives	(257)	(257)	—	(2,510)	(2,510)	—	

The figures in parenthesis indicate those posted in liabilities

Because market prices of unlisted equity securities of ¥6,170 million (\$51,351 thousands) as of March 31, 2015 and ¥6,298 million (\$61,194 thousands) as of March 31, 2014 and equity securities of non-consolidated subsidiaries and affiliates of ¥79,985 million (\$665,606 thousands) as of March 31, 2015 and ¥69,364 million (\$673,969 thousands) as of March 31, 2014, respectively, are not readily available, and their future cash flow cannot be estimated. It is extremely difficult to assume their fair values. Therefore, they are not included in “(4) Investment securities” mentioned above.

The redemption schedule for monetary receivables and marketable securities with maturity dates after the end of the fiscal year is as follows:

As of March 31, 2015	Millions of yen		Thousands of U.S. dollars	
	Within one year	Over one year	Within one year	Over one year
Cash and time deposits	¥ 339,747	—	\$ 2,827,220	—
Notes and accounts receivable	¥ 250,137	—	\$ 2,081,530	—
Lease investment assets	¥ 10,453	¥ 33,688	\$ 86,986	\$ 280,339
Total	¥ 600,337	¥ 33,688	\$ 4,995,737	\$ 280,339

As of March 31, 2014	Millions of yen		Thousands of U.S. dollars	
	Within one year	Over one year	Within one year	Over one year
Cash and time deposits	¥ 234,849	—	\$ 2,281,860	—
Notes and accounts receivable	¥ 253,140	—	\$ 2,459,586	—
Lease investment assets	¥ 3,904	¥ 14,622	\$ 37,936	\$ 142,072
Total	¥ 491,894	¥ 14,622	\$ 4,779,383	\$ 142,072

13. Impairment Loss on Fixed Assets

Impairment loss on fixed assets recognized in the consolidated financial statements for the fiscal year ended March 31, 2015 is as follows:

Location	Usage	Type	Millions of yen	Thousands of U.S. dollars
Shinagawa-ku, Tokyo prefecture	Idle assets	Buildings, structures and other	¥ 111	\$ 929
Fujisawa-shi, Kanagawa prefecture	Idle assets	Machinery	80	666
Sendai-shi Miyagi prefecture	Idle assets	Land and other	144	1,202
Yamaguchi-shi, Yamaguchi prefecture	Idle assets	Buildings, structures and other	90	753
Tomakomai-shi, Hokkaido prefecture	Idle assets	Machinery and other	300	2,496
Hashimoto-shi, Wakayama prefecture, and other	Business assets and idle assets	Land, buildings, structures and other	104	867
Total			¥ 829	\$ 6,905

As a general rule, assets were grouped into business assets, idle assets and assets for rent. Idle assets and assets for rent were individually grouped by each item. For assets for rent, idle assets that were in need for impairment due to the decline in fair value of land, and business assets to be disposed of, their carrying values were written down to the recoverable amounts.

As for business assets that had been decided to be disposed, impairment loss, if any, is recognized at the point of time when the decision is made on the disposal.

Breakdown of the impairment loss by asset type is as follows:

Type	Millions of yen	Thousands of U.S. dollars
Land	¥ 13	\$ 114
Building and structure	243	2,027
Machinery and equipment	380	3,163
Other	192	1,600

The recoverable amounts of assets are estimated based on the net amount that those assets could be sold (net selling amount) for land and buildings. The net selling amount is determined by the appraisal value based on real estate appraisal standards. Residual value is used in assessing the value of other assets except the above-mentioned when their recoverable amounts are difficult to obtain.

14. Notes to Consolidated Statements of Comprehensive Income

The following table presents reclassification adjustments and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2015 and 2014:

Details	Millions of yen			Thousands of U.S. dollars
	2015	2014	2015	
Unrealized holding gain on securities:				
Gains arising during the current period	¥ 16,138	¥ 3,069	\$ 134,293	
Reclassification adjustment for loss realized	0	(281)	0	
Net current period change, before income taxes	16,137	2,787	134,289	
Income taxes on net current period change	(4,414)	(1,198)	(36,734)	
Net unrealized holding gain on securities	11,723	1,588	97,554	
Unrealized loss from hedging instruments:				
Losses arising during the current period	191	668	1,592	
Reclassification adjustment for gain realized	(80)	(374)	(666)	
Net current period change, before income taxes	111	294	925	
Income taxes on net current period change	(35)	23	(292)	
Net unrealized loss from hedging instruments	76	318	632	
Revaluation reserve for land:				
Losses arising during the current period	0	84	0	
Income taxes on net current period change	4,521	0	37,629	
Net revaluation reserve for land	4,521	84	37,629	
Foreign currency translation adjustments:				
Losses arising during the current period	49,560	14,520	412,422	
Reclassification adjustment for gain realized	—	(39)	—	
Net foreign currency translation adjustments	49,560	14,481	412,422	

Details	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Remeasurements of defined benefit plans			
Losses arising during the current period	¥ 1,774	¥ —	\$ 14,762
Reclassification adjustment for loss realized	4,006	—	33,342
Net current period change, before income taxes	5,780	—	48,104
Income taxes on net current period change	(749)	—	(6,236)
Net remeasurements of defined benefit plans	5,031	—	41,868
Share of other comprehensive income of unconsolidated subsidiaries and affiliates accounted for using the equity method:			
Losses arising during the current period	8,835	10,244	73,529
Reclassification adjustment for loss realized	—	(1,826)	—
Net current period change, before income taxes	8,835	8,417	73,529
Income taxes on net current period change	—	—	—
Net share of other comprehensive income of unconsolidated subsidiaries and affiliates accounted for using the equity method	8,835	8,417	73,529
Total other comprehensive income	¥ 79,749	¥ 24,891	\$ 663,636

15. Consolidated Statements of Cash Flows

(1) Reconciliation for cash status between balance sheets and cash flows.

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash on hand and in banks	¥ 339,747	¥ 234,849	\$ 2,827,220
Time deposits with maturities exceeding three months	(34,183)	(24,138)	(284,459)
Cash and cash equivalents	¥ 305,563	¥ 210,710	\$ 2,542,761

(2) Contents of important non-cash transactions

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Assets and liabilities relating to finance lease transactions	¥ 3,349	¥ 4,341	\$ 27,876

16. Business Combinations

Acquisition of additional shares in subsidiary companies

1. Overview of transaction

Our joint business with third party in Thailand is extremely important for us and we consider that global expansion and new strategy is imperative. With this business environment and the need of further growth and expansion in our mind, we have acquired additional shares from minority shareholders.

(1) Names and business descriptions of the acquired companies

Name of acquired companies	Description of their business
Isuzu Motors International Operations Thailand Limited	Sales of automobiles
Isuzu Engine Manufacturing Thailand	Manufacture of automobile engines
Thai International Die Making	Manufacture of automobile parts and others

(2) Date on which the business combination was effected
February 18, 2015

(3) Legal form of the business combination

Acquisition of additional shares in subsidiary company from minority shareholders

(4) Name of the companies after the business combination

No change in name

2. Overview of the accounting treatment

Based on "Revised Accounting Standard of Business Combination (ASBJ Statement No.21 of September 13, 2013)" and "Revised Accounting Standard of Business Divestitures (ASBJ Statement No.7 of September 13, 2013)", we treated this transaction as that under common control.

3. Details to be reported in case of acquisition of additional shares in subsidiary companies

(1) Acquisition costs of the acquired companies and a breakdown of the costs

Cash and Deposit

Isuzu Motors International Operations Thailand Limited

	Millions of yen	Thousands of U.S. dollars
Purchase price of the additional shares	¥ 8,655	\$ 72,027
Acquisition cost	¥ 8,655	\$ 72,027

Isuzu Engine Manufacturing Thailand

	Millions of yen	Thousands of U.S. dollars
Purchase price of the additional shares	¥ 1,818	\$ 15,133
Acquisition cost	¥ 1,818	\$ 15,133

Thai International Die Making

	Millions of yen	Thousands of U.S. dollars
Purchase price of the additional shares	¥ 542	\$ 4,514
Acquisition cost	¥ 542	\$ 4,514

4. Details about the change of shareholders' equity by the transaction with minority shareholders.

(1) Main reason of the change in capital surplus

Acquisition of additional shares in subsidiary companies

- (2) The amount of the capital surplus decreased due to the transaction with minority shareholders
9,082 million yen (\$75,584 thousands)

17. Subsequent Event

We have no subsequent events for the current fiscal year.

18. Segment Information

(1) Segment information

Year ended March 31, 2015

The Company and its consolidated subsidiaries compose 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.

(2) Related information

Year ended March 31, 2015

a) Information by product and service

Millions of yen					
	Vehicles	Parts for overseas production	Engines and components	Other	Total
Sales to third parties	1,335,506	92,161	109,852	341,922	1,879,442

Thousands of U.S. dollars					
	Vehicles	Parts for overseas production	Engines and components	Other	Total
Sales to third parties	11,113,472	766,929	914,141	2,845,320	15,639,864

b) Geographical information

(i) Net sales

Millions of yen				
	Japan	Thailand	Other	Total
	681,601	341,096	856,745	1,879,442

Thousands of U.S. dollars				
	Japan	Thailand	Other	Total
	5,671,974	2,838,447	7,129,442	15,639,864

(Notes) Net sales are geographically classified by country or region in which customers are located.

(ii) Property, plant and equipment

Millions of yen				
	Japan	Thailand	Other	Total
	487,950	80,521	49,243	617,714

Thousands of U.S. dollars				
	Japan	Thailand	Other	Total
	4,060,500	670,063	409,778	5,140,342

(Notes) Net sales are geographically classified by country or region in which customers are located.

c) Information by major customer

Name of customers	Net sales	
	Millions of yen	Thousands of U.S. dollars
Tri Petch Isuzu Sales Co., Ltd	320,201	2,664,567

(3) Information on impairment loss of noncurrent assets by business segment

Year ended March 31, 2015

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 this information is omitted.

(4) Information on amortization expense of goodwill and remaining unamortized balance by business segment

Year ended March 31, 2015

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 this information is omitted.

(5) Information on negative goodwill by business segment

Year ended March 31, 2015

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 this information is omitted.

Report of Independent Auditors



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho, Chiyoda-ku
Tokyo, Japan 100-0011

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197
www.shinnihon.or.jp

Independent Auditor's Report

The Board of Directors
Isuzu Motors Limited

We have audited the accompanying consolidated financial statements of Isuzu Motors Limited and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Isuzu Motors Limited and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 26, 2015
TOKYO, Japan



Corporate Directory

PRINCIPAL DOMESTIC SUBSIDIARIES AND AFFILIATES

Isuzu Motors Sales Ltd.

Isuzu Motors Syutoken Co., Ltd.

Isuzu Motors Kinki Co., Ltd.

Isuzu Motors Tokaihokuriku Co., Ltd.

Isuzu Leasing Services Ltd.

IJT Technology Holdings Co., Ltd.

Isuzu LINEX Co., Ltd.

Shonan Unitec Co., Ltd.

J-Bus Limited

Nippon Fruehauf Co., Ltd.

PRINCIPAL OVERSEAS SUBSIDIARIES AND AFFILIATES

Asia

Isuzu Motors Asia Ltd. (IMA)

3 Temasek Avenue #22-03, Centennial Tower Singapore
039190

Tel: 65-6339-9301

Isuzu (China) Holding Co., Ltd.

Room 1605A, Building, Tian Yuan Gaug Center, No. C2
Dong Sen Huan Bei-Lu, Chao Yang District, Beijing,
The People's Republic of China
Tel: 86-10-6590-8950

Qingling Motors Co., Ltd.

1, Xiexing Road, Zhong Liang Shan, Jiu Long Po
District, Chongqing, The People's Republic of China
Tel: 86-23-6526-4125

ISUZU (Shanghai) Tradetech Co., Ltd.

5F No.523 Loushanguan Road, Changning District Shanghai
20051, The People's Republic of China
Tel: 86-21-6876-2718

**Isuzu Motors Off-Highway Diesel Engine
(Shanghai) Co., Ltd.**

5F No.523 Loushanguan Road, Changning District Shanghai
20051, The People's Republic of China
Tel: 86-21-6236-8395

**QINGLING ISUZU (CHONGQING) ENGINE
CO., LTD.**

1, Xiexing Road, Zhong Liang Shan, Jiu Long Po District,
Chongqing, The People's Republic of China
Tel: 86-23-6525-1782

**ISUZU QINGLING (CHONGQING) ENGINEERING
CO., LTD.**

1, Xiexing Road, Zhong Liang Shan, Jiu Long Po District,
Chongqing, The People's Republic of China
Tel: 86-23-6525-3662

**ISUZU QINGLING (CHONGQING) AUTOPARTS
CO., LTD.**

1, Xiexing Road, Zhong Liang Shan, Jiu Long Po District,
Chongqing, The People's Republic of China
Tel: 86-23-6526-1902

Jiangxi Isuzu Motors Co., Ltd.

666 Jinagling Road, Wangcheng New District, Nanchang,
Jiangxi, The People's Republic of China
Tel: 86-0791-8367-5220

Jiangxi Isuzu Engine Co., Ltd.

366 Jinsha Road, Xiaolan Economic Development Zone,
Nanchang, Jiangxi, The People's Republic of China
Tel: 86-0791-8597-5888

Isuzu Philippines Corporation (IPC)

114 Technology Avenue, Phase II, Laguna Technopark,
Binan, Laguna 4024, Philippines
Tel: 63-2-757-6070

**Isuzu Autoparts Manufacturing Corporation
(IAMC)**

114 North Main Avenue, Phase III, Special Economic Zone,
Laguna Technopark, Binan, Laguna 4024, Philippines
Tel: 63-49-541-1458

Isuzu Vietnam Co., Ltd. (IVC)

695 Quang Trung St. Ward 8, Go Vap District,
Ho Chi Minh City, Vietnam
Tel: 84-8-38959203

Isuzu Motors Co., (Thailand) Ltd. (IMCT)

38 Kor. Moo 9 Poochaosamingprai Road, Samrong-Tai,
Phrapradaeng, Samutprakan 10130, Thailand
Tel: 66-2-394-2541

**Isuzu Engine Manufacturing Co.,
(Thailand) Ltd. (IEMT)**

131, 133 Soi Chalongsong 31, Chalongsong Rd.,
Lamplatew, Latkrabang, Bangkok 10520, Thailand
Tel: 66-2-326-0916-9

Thai International Die Making Co., Ltd. (TID)

331 Mu 4, Bangpu Industrial Estate, Soi 6 Sukhumvit
Road, T.Praksa, Amphur Muang Samutprakan 10280,
Thailand
Tel: 66-2-324-0511

IT Forging (Thailand) Co., Ltd. (ITF)

Siam Eastern Industrial Park 60/7 Moo 3.T.Mabyangporn
A. Pluakdaeng, Rayong 21140, Thailand
Tel: 66-38-891-380

Tri Petch Isuzu Sales Co., Ltd. (TIS)

1088 Vibhavadi Rangsit Road, Chatuchak,
Bangkok 10900, Thailand
Tel: 66-2-966-2111

**Isuzu Motors International Operations
(Thailand) Co., Ltd. (IMIT)**

1010 Shinawatra Tower III, Vibhavadi Rangsit Road,
Chatuchak Sub-district, Chatuchak District, Bangkok
10900, Thailand
Tel: 66-2-966-2626

Isuzu Technical Center of Asia Co., Ltd. (ITA)

38Kor. Moo 9 Poochaosamingprai Road,
Samrong-Tai, Phrapradaeng, Samutprakan 10130,
Thailand
Tel: 66-2-394-2541

Isuzu Global CV Engineering Center Co., Ltd. (IGCE)

Cyber World Tower A, 90 Ratchadaphisek Rd, Huai
Khwang, Bangkok 10310, Thailand
Tel: 66-2-168-3340

P.T. Isuzu Astra Motor Indonesia

JL. DANAU SUNTER UTARA Blok 03 KAVLING 30
Sunter II, Jakarta 14350, Indonesia
Tel: 62-21-6501000

P.T. Asian Isuzu Casting Center (AICC)

Karawang International Industrial City (KIIC) Lot N6-9
Jl.Toll Jakarta-Cikampek Km.47 Karawang 41361,
Indonesia
Tel: 62-21-8904590

P.T. TJ Forge Indonesia (TJFI)

Kawasan Industri KIIC Jl. Maligi V Lot N-10, Karawang
41361, Jawa Barat, Indonesia
Tel: 62-21-8911-4352

Isuzu Hicom Malaysia Sdn. Bhd.

Kawasan Perindustrian, Peramu Jaya, P.O.BOX 6, 26607
Pekan, Pahang Darul Makmur, Malaysia
Tel: 60-9-424-3800

Isuzu Malaysia Sendirian Berhad

501D, Level 5, Tower D, Uptown 5, No. 5, Jalan SS21/39,
Damansara Uptown, 47400 Petaling Jaya, Selangor Darul
Ehsan, Malaysia
Tel: 60-3-7723-9777

SML Isuzu Limited

S.C.O. 204-205, Sector 34-A Chandigarh- 160135, India
Tel: 91-172-2647700-10

Isuzu Motors India Private Limited (IMI)

Prestige Centre Court - Office Block, Vijaya Forum Mall,
No. 183, N S K Salai, Vadapalani, Chennai, India
Tel: 91-44-6611-1700

Middle East

Isuzu Motors Middle East FZE

S3A2SR10 Jebel Ali Free Zone, P.O.BOX 263188 Dubai,
United Arab Emirates
Tel: 971-(0)4-8809192

Isuzu Motors Saudi Arabia Co., Ltd (IMSAC)

Dammam 2nd Industrial City in Dammam,
Kingdom of Saudi Arabia
Tel: 966-3-808-3860

Europe

**Anadolu Isuzu Otomotiv Sanayi Ve Ticaret
A.S. (AIOS)**

Sekerpinar Mah. Otomotiv Cad. No:2, 41435 Cayirova,
Kocaeli, Turkey
Tel: 90-262-658-8433

Isuzu Motors Europe NV (ISZE)

Bist 12 2630 Aartselaar, Belgium
Tel: 323-870-81-80

Isuzu Truck (UK) Ltd.

164 Great North Road, Hatfield,
Hertfordshire AL9 5JN, U.K.
Tel: 44-1707-28-2930

**Isuzu Motors International Operations
(Europe) GmbH**

Weierherfeld 2, 65462 Ginsheim-Gustavsburg, Germany
Tel: 49-6134-558-528

CJSC "SOLLERS-ISUZU"

Office B-602, Building 1, st. Tverskaya 16, Moscow,
125009, Russian Federation
Tel: 7-495-228-3045

Africa

General Motors Egypt S.A.E.

Sofitel Maadi, Misr International tower 18th floor, Apt.
1802 & 1803, Corniche El-Nil, Maadi, Cairo, Egypt
Tel: 202-3828-0280/202-2529-9444

Isuzu Truck South Africa (Pty) Limited

Woodmead North Office Park, 54 Maxwell Drive, Jukskei
View Ext 7, Sandton, Gauteng, Republic of South Africa
Tel: 27-11-563-4000

North America

Isuzu Motors America, LLC. (ISZA)

1400 S. Douglass Road, Suite 100, Anaheim, CA 92806
Tel: 1-714-935-9300

Isuzu Commercial Truck of America, Inc. (ICTA)

1400 S. Douglass Road, Suite 100, Anaheim, CA 92806
Tel: 1-714-935-9300

DMAX, Ltd.

3100 Dryden Road, Moraine, Ohio 45439, U.S.A.
Tel: 1-937-425-9721

Isuzu North America Corporation (INAC)

1400 S. Douglass Road, Suite 100, Anaheim, CA 92806
Tel: 1-714-935-9300

Central and South America

Isuzu Motors de Mexico S.de R.L.

Paseo de la Reforma 350, piso 18-B, Col. Juarez, Del.
Cuauhtemoc, Mexico, D.F. 06600
Tel: 52-55-5328-1300

**GM-Isuzu Camiones Andinos de Colombia,
Ltda. (GMICA-Colombia)**

Avenida Boyaca (Calle 56 A Sur) No. 33-53, Bogota D.C.,
Colombia.

**GM-Isuzu Camiones Andinos de Ecuador, Ltda.
(GMICA-Ecuador)**

Panamericana Norte Km. 5 1/2 y, Jose de la Rea, Quito,
Ecuador

Oceania

Isuzu Australia Limited (IAL)

858 Lorimer Street, Port Melbourne, Victoria 3207,
Australia
Tel: 61-3-9644-6666

Corporate History

Date	Event
April 1937	Tokyo Automobile Industries Co., Ltd., (currently Isuzu Motors Limited) is established with capital of one million yen.
July 1938	The Kawasaki Plant begins operations.
April 1941	The Company's name is changed to Diesel Automobile Industry Co., Ltd.
May 1949	Company shares are listed on the Tokyo Stock Exchange.
July 1949	The Company's name is changed to Isuzu Motors Limited.
February 1953	Isuzu signs a technical assistance agreement with Rootes, Ltd., of the U.K. for the Hillman passenger car.
January 1962	The Fujisawa Plant begins operations.
October 1964	Isuzu Sales and Finance Co., Ltd., (predecessor of IFCO Inc.) is established.
July 1971	Isuzu signs a basic agreement outlining an across-the-board alliance with General Motors Corporation (GM).
June 1972	The Tochigi Works (currently the Tochigi Plant) opens.
June 1975	Isuzu Motors America, Inc., (ISZA) is established.
June 1980	American Isuzu Motors Inc. (AIMI) is established.
June 1984	Hokkaido Plant begins operations.
February 1987	Isuzu signs a joint venture agreement on local production in the U.S. with Fuji Heavy Industries Ltd.
May 1991	Isuzu's headquarters relocates to the company's new Head Office Building (6-26-1 Minami-oi, Shinagawa-ku).
May 1994	Shatai-Kogyo Co., Ltd., (capitalization: 10 million yen) merges with Isuzu.
January 1997	Isuzu Motors Polska Sp. zo.o. (ISPOL) is established.
September 1998	ISZA and GM establish DMAX, Ltd. (DMAX) as a joint venture with a 60:40 ownership split.
October 2000	Tokyo Isuzu Motors Ltd. is converted into a wholly owned subsidiary of Isuzu by means of a share exchange.
September 2001	80% of outstanding shares in IFCO Inc., which had been a wholly owned subsidiary of Isuzu, are sold to Orix Corporation.
November 2002	ISZA sells 20% of its stake in DMAX to GM.
January 2003	Subaru-Isuzu Automotive Inc., a joint venture between Fuji Heavy industries Ltd. and Isuzu, is dissolved.
January 2004	AIMI is absorbed by ISZA.
July 2004	Isuzu increases its share of voting rights in Isuzu Motors Co., (Thailand) Ltd. from 47.9% to 70.9% and converts both that company and Isuzu Engine Manufacturing Co., (Thailand) Ltd. into consolidated subsidiaries.
September 2004	All IFCO Inc. shares owned by Isuzu are sold to Orix Corporation and IFCO Inc.
May 2005	The Kawasaki Plant is closed.
April 2006	Isuzu and GM agree to dissolve their equity tie-up. GM sells all its Isuzu shares to Mitsubishi Corporation, ITOCHU Corporation, and Mizuho Corporate Bank, Ltd.
November 2008	Isuzu Motors America LLC (ISZA-LLC) is established and subsequently absorbs ISZA.
April 2013	Isuzu established new auto-lease company, Isuzu Leasing Services Ltd. (ILS) in Japan
October 2013	Isuzu subsidiary I Metal Technology Co., Ltd., and affiliates TDF Corporation and Jidosha Buhin Kogyo Co., Ltd., formed the joint holding company IJT Technology Holdings Co., Ltd., as an Isuzu subsidiary by means of a share transfer.



Corporate Data

Isuzu Motors Limited

Date of Establishment

April 9, 1937

Head Office

26-1, Minami-oi 6-chome, Shinagawa-ku, Tokyo 140-8722, Japan
Tel: +81-3-5471-1141
Fax: +81-3-5471-1043

Plants

Tochigi Plant Manufacturing of engines and parts
Fujisawa Plant Manufacturing of trucks, engines, components and parts



Head Office



Tochigi Plant



Fujisawa Plant

Common Stock and Number of Shareholders (As of March 31, 2015)

	Common Stock
Shares authorized:	1,700,000,000
Shares issued:	848,422,669
No. of shareholders:	48,878

Effective October 1, 2014, the Company's common shares were consolidated to a 1-for-2 shares

Major Shareholders

(As of March 31, 2015)

Common Stock	Number of shares held	Percentage of ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	80,951	9.54
Mitsubishi Corporation	78,243	9.22
Itochu Corporation	67,549	7.96
Toyota Motor Corporation	50,000	5.89
The Master Trust Bank of Japan, Ltd. (Trust Account)	34,839	4.11
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	15,965	1.88
Mizuho Corporate Bank, Ltd.	14,434	1.70
JFE Steel Corporation	13,183	1.55
National Mutual Insurance Federation of Agricultural Cooperatives	12,650	1.49
Trust & Custody Services Bank, Ltd. (Trust Account)	11,803	1.39
Total	379,619	44.74

Note: 1. Percentage of ownership shares are rounded off to two decimal places.
2. Shares are rounded down in thousands.

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation
10-11, Higashisuna 7-chome, Koto-ku, Tokyo 137-8081, Japan

(As of June 26, 2015)

Trucks for life
ISUZU

ISUZU MOTORS LIMITED

6-26-1, Minami-oi, Shinagawa-ku
Tokyo 140-8722, Japan
Tel: +81-3-5471-1141 Fax: +81-3-5471-1043

<http://www.isuzu.co.jp/world/>

