

ISUZU

ISUZU MOTORS LIMITED Annual Report **2018** Year ended March 31, 2018



*Generating
sustained growth
and earning power*

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

ANNUAL REPORT 2018

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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.



**Quality Training - Our Commitment,
Brighter Future - Our Gift**

A school dedicated to training automotive mechanics that opened with Isuzu's support in 2008, is marking the 10th anniversary of its founding. Located in the city of Tacloban on the island of Leyte in the Philippines, a total of 231 graduates have gone on to become automotive mechanics with careers in the Philippines and overseas.

Profile

Isuzu will transport the lifestyles of people worldwide into the future with the two core businesses of manufacturing and operational support.

As a commercial vehicle manufacturer, Isuzu supplies a wide range of products from compact pickup trucks to large tractor trucks with 16-liter engines to customers around the world. We also occupy a unique position as a supplier of diesel engines for use in other companies' vehicles and industrial applications. We see our mission is to keep a step ahead of the competition as we develop clean, economical diesel engines with excellent fuel efficiency. We provide a stable consistent supply to support the lifestyles of people worldwide and give a bright future to the world's children. Our hope is to continue to be such a company in the future.

Today, we pursue our business activities globally to support transport with our two core businesses, through manufacturing products and making the most of our technologies, and operational support throughout the product life cycle from vehicle delivery to after-sales service. As a commercial vehicle manufacturer with deep roots in Japan, we are confident that the trucks and buses developed through the evolution of Japan's transport and distribution systems, along with our associated organizational know-how and expertise, can contribute to the development of safe, fulfilling lifestyles by meeting customer needs worldwide. We will continue to embrace the goal of playing an essential role in people's lifestyles worldwide.

Masanori Katayama
President and Representative Director



Principal products

Light- to heavy-duty trucks



Buses



Pickup trucks



Industrial diesel engines



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 2017 actual results)
- Isuzu products are sold in well over 100 countries worldwide, and overseas sales account for 60% of our business.

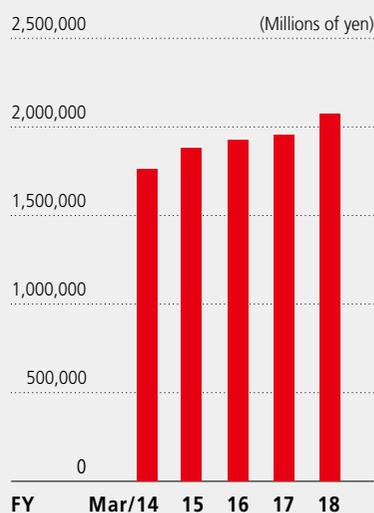
Consolidated Financial Highlights

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
For the Year:			
Net sales	¥ 2,070,359	¥ 1,953,186	\$ 19,487,574
Profit attributable to owners of parent	105,663	93,858	994,573
At Year-End:			
Total assets	¥ 2,067,520	¥ 1,880,826	\$ 19,460,843
Net assets	1,086,510	962,107	10,226,939

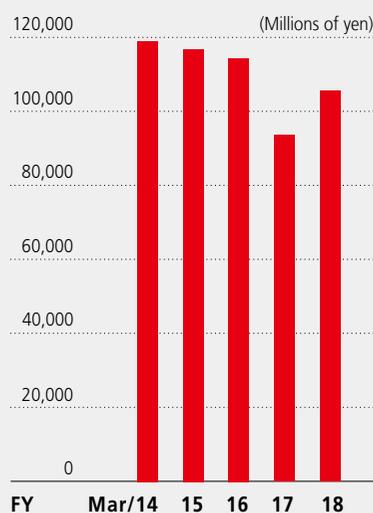
Per Share:	Yen		U.S. dollars
	2018	2017	2018
Profit attributable to owners of parent – primary	¥ 134.17	¥ 119.13	\$ 1.26

Note: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥106.24 = US\$1; the approximate exchange rate prevailing on the Foreign Exchange Market on March 31, 2018.

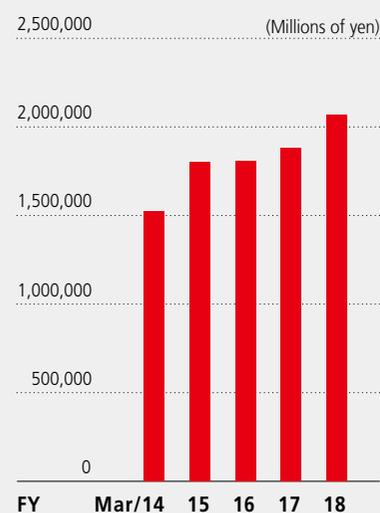
Net Sales



Profit Attributable to Owners of Parent



Total Assets



Major Press Releases

Business-related

Product-related

2017 7/3 Isuzu to enter the used vehicle engine remanufacturing business in Colombia

Isuzu and National Truck Service SAS (NTS), a subsidiary of Helm Holdings International Inc. in the U.S. that operates a nationwide repair and service network in Colombia, have agreed to form a new joint-venture company called Isuzu Remanufactura de Colombia S.A.S. (IRC) with the goal of lowering customers' maintenance costs and making effective use of resources.

Isuzu views the new business as a way to help reduce customers' vehicle running costs by providing high-quality remanufactured engines to augment its vehicle products.

2018 3/5 Isuzu constructs new facility to manufacture engines for light-duty trucks at its Tochigi Plant

Isuzu has begun producing diesel engines for light-duty trucks at a new facility located at its Tochigi Plant.

The new facility is manufacturing a new engine that meets 2016 emissions regulations for use in the company's ELF series of light-duty trucks for the domestic Japanese market.

Isuzu is seeking to boost productivity with an intelligent plant that incorporates rigorous quality control utilizing IoT and a cell-based approach to production that groups together multiple processes. With features including a system that recovers odors and contaminants released by machining lines, a fully flat floor layout that reduces workload, and 100% LED lighting throughout, the facility is also designed to be worker-friendly, clean, and environmentally responsible.



Tochigi Plant

2018 3/19 Isuzu and Hino to jointly develop advanced driver assistance and ITS technologies to commercialize the self-driving trucks and buses of the future

Isuzu and Hino have been jointly developing advanced driver assistance and ITS technologies since May 2016. Going forward, the partners plan to refine those technologies in preparation for their commercialization and to incorporate them in their respective truck and bus products.

In their May 2016 agreement, Isuzu and Hino embarked on a joint development project that identifies ITS systems and advanced driver assistance technologies as areas where they could cooperate to speed the commercialization and adoption of self-driving systems. Based on that partnership, the companies have developed four technologies: (1) field of view assist, (2) intervehicle communications, (3) acceleration and braking assistance, and (4) platform arrival control.

Isuzu and Hino plan to commercialize these technologies by bringing products to market starting in FY2018, including a jointly-developed hybrid articulated bus.

2018 3/30 Isuzu merges joint ventures in its China business

Isuzu and its Chinese business partners Qingling Motors Group, and Qingling Motors Co., Ltd., have agreed to merge their local joint ventures Isuzu Qingling (Chongqing) Autoparts Co., Ltd., (IQAC) and Qingling Isuzu (Chongqing) Engine Co., Ltd., (QIEC).

The merger, in which QIEC, which manufactures and sells Isuzu Group engines, will absorb IQAC, is intended to strengthen the companies' functions and streamline their business operations in response to an anticipated expansion in the market as China's economy continues to grow and expected changes in the Chinese automotive industry, including the future tightening of emissions regulations.

In addition to allowing Isuzu to supply high-quality, cost-competitive engines and vehicle components to Qingling Motors, which manufactures and sells Isuzu vehicles, the merger will help further enhance the global competitiveness of its commercial vehicle and powertrain products.

2018 5/25 Isuzu to launch public-road trial of Japan's first large LNG-powered truck

Isuzu will launch a large-scale trial on public roads of Japan's first large LNG-powered truck using an LNG truck and LNG station developed as part of the Ministry of the Environment's Guided Development and Demonstration Project to Enhance CO₂ Emissions Reduction Technology.

The large LNG truck developed for this project offers a range of more than 1,000 kilometers with CO₂ emissions that are 10% lower than the latest heavy-vehicle diesel fuel efficiency standards, and is expected to help companies further reduce their transport-related CO₂ emissions.

Having recently held ceremonies to mark the opening of an LNG station in Osaka and the departure of the large LNG-powered truck on its first trip, Isuzu will now launch a trial of the truck by freight carriers on public roads.

2018 3/20 Isuzu launches redesigned ELF light-duty trucks that comply with 2016 emissions regulations

Isuzu announced nationwide availability of its partially redesigned ELF series of light-duty trucks on March 20.

Models with a gross vehicle weight in excess of 7.5 tons now meet 2016 emissions regulations thanks to the new 4JZ1 engine and the redesigned exhaust gas treatment system.

With the newly developed low-displacement, high-boost 4JZ1 engines (displacement: 2,999 cc), whose major components have been redesigned, and an exhaust gas treatment system that combines DPD with urea SCR, the new models deliver better fuel efficiency while complying with 2016 emissions regulations. They also exceed 2015 emissions standards by 10%, making them eligible for "eco car" tax reductions.



4JZ1 engine

2018 4/23 Isuzu launches newly developed lightweight truck for emerging markets: Sales start in Indonesia

On April 23, Isuzu launched TRAGA, a cab-over lightweight truck with a gross vehicle weight of 3.0 tons, in Indonesia.

Isuzu has developed a global manufacturing capability that enables it to supply products and services that meet customer needs around the world. As a strategic product for emerging markets, the newly launched TRAGA is the result of a joint development program orchestrated by Isuzu and Isuzu Global CV Engineering Center (IGCE), which oversees development of trucks for Japan and emerging markets. The model is being manufactured by P.T. Isuzu Astra Motor Indonesia (IAMI).

In keeping with its status as a new, professional-grade lightweight truck from Isuzu, the TRAGA has been engineered to provide customer convenience by delivering the best possible loading efficiency, maneuverability, and fuel efficiency by utilizing commercial-vehicle technologies that Isuzu developed for the D-MAX pickup trucks.

Indonesia, which is one of the world's largest commercial-vehicle markets, is expected to continue to grow at a fast pace over the medium and long term, with the market for trucks with a gross vehicle weight of 3 tons growing especially quickly. After launching the TRAGA in Indonesia, Isuzu will study how to roll out the vehicle in other emerging nations.

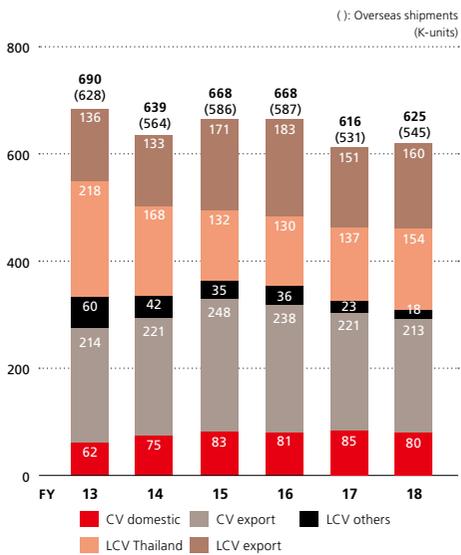
Isuzu will continue to utilize its global network of facilities to supply optimal products in all markets worldwide.

Establishing a platform for supplying optimal products to individual markets with a "3+2" global manufacturing structure

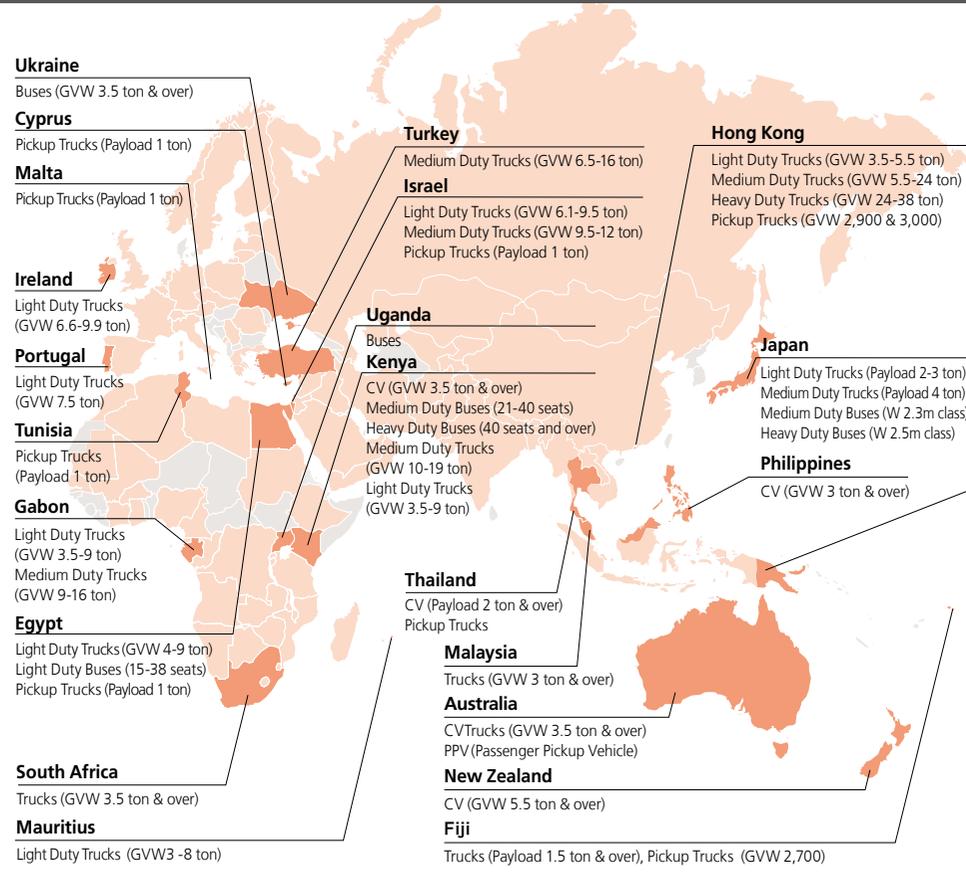
While actively investing resources to build a manufacturing system centered on the ASEAN region, China, and India, Isuzu Motors is working to expand sales in fast-growing emerging markets and to stabilize and streamline its businesses in developed markets.

During the fiscal year ended March 2018, shipments of CVs (commercial vehicles) and LCVs (pickup trucks and derivatives) rose 9,000 units (1.4%) from the previous year to 625,000 units. While shipments of CVs fell due to factors including slowing sales in the Middle East, shipments of LCVs grew in Thailand thanks to the country's economic recovery.

Global CV/LCV shipments



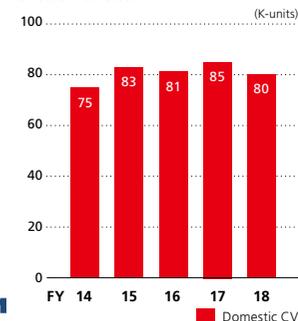
No. 1 Market Share in 2017 (Based on sales figures compiled by Isuzu)



Japan

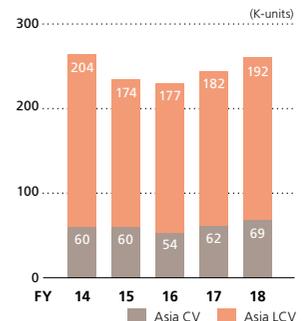
Shipments fell during the fiscal year ended March 2018 compared to the previous year, when shipments benefited from rush demand in advance of the entry of new emissions regulations. The Isuzu Group has actively launched products with exceptional environmental and safety performance, including trucks and buses, high-efficiency diesel engines featuring the next-generation with excellent environmental performance and world-class preventive safety technologies. The Group is helping customers implement sophisticated operational management and stable operations by making available services such as MIMAMORI, the first professional-grade

telematics service for commercial vehicles, and PREISM, an advanced genuine maintenance service, available retroactively for older vehicles.



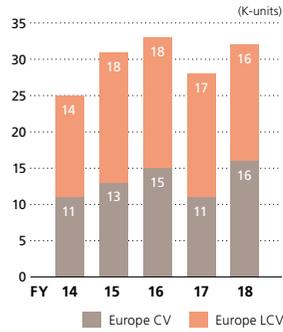
Asia

Shipments of CVs and LCVs rose in Thailand thanks to the economic recovery, and in Indonesia where public investment is fueling construction-related demand. Isuzu retained No. 1 market share for CVs in Thailand, the Philippines, Malaysia, and other countries in the region.



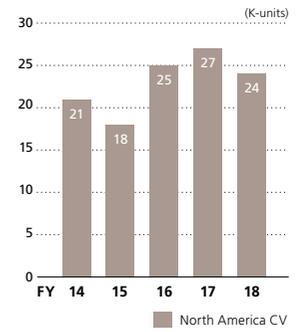
Europe

Shipments of CVs in Western Europe recovered from a downtrend that was triggered by a switchover in emissions regulations the previous fiscal year. Shipments of LCVs remained on par with the previous year's performance.

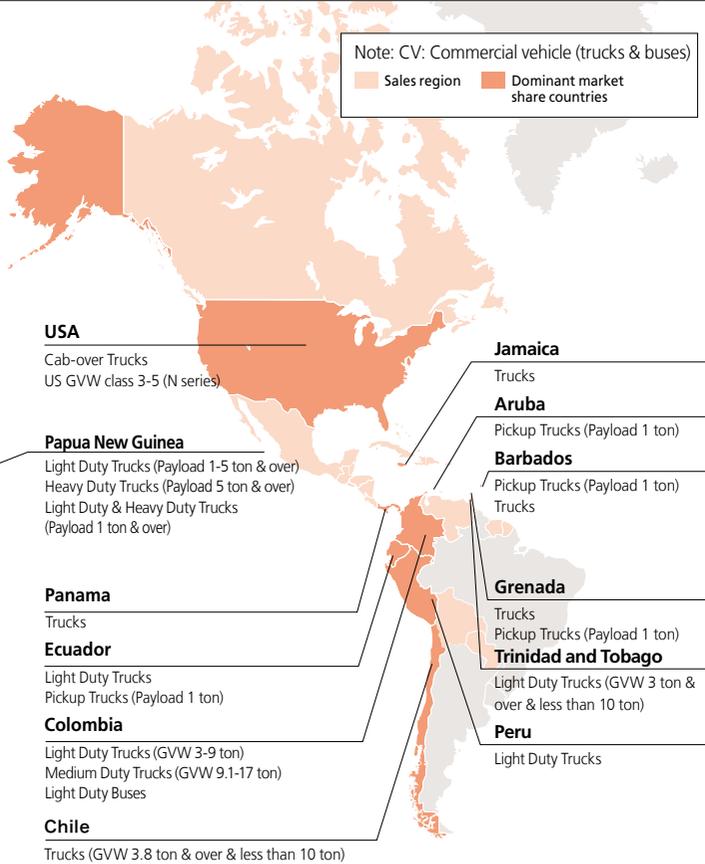


North America

Sales of Isuzu vehicles firmed as total demand recovered. In addition to a line of competitive light-duty diesel trucks, the development and introduction of models unavailable from competitors (gasoline-powered models and walk-in vans) contributed to a further strengthening of Isuzu's position. Isuzu resumed sales of medium-duty trucks in April 2017. 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 32 years running.)



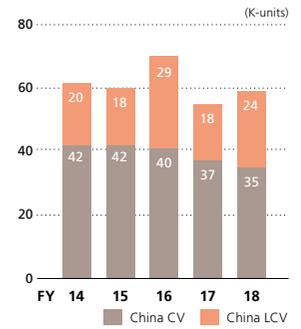
Source: Isuzu Motors



China

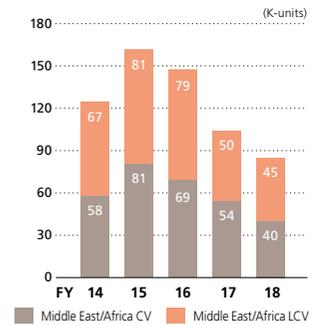
Shipments of CVs fell for the second straight year due to factors including a lag in the supply of vehicles complying with new emissions regulations. Shipments of

LCVs reversed course, rising on the back of a recovery in overall demand.



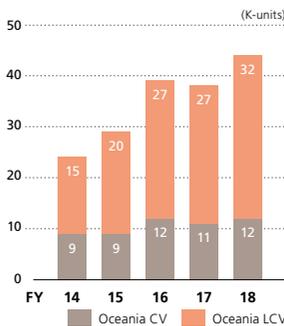
Middle East/Africa

Shipments of both CVs and LCVs grew in Africa, reversing last year's declines, thanks to an economic recovery in Egypt. Sales in the Middle East stagnated in Saudi Arabia due to factors including an extended period of low oil prices. Isuzu continued to maintain dominant market share in the light-duty truck segment in Saudi Arabia and in the light-duty truck and pickup truck segments in Egypt. In South Africa, Isuzu achieved No. 1 market share for the fifth successive year for CVs with a GVW of 3.5 tons and over.



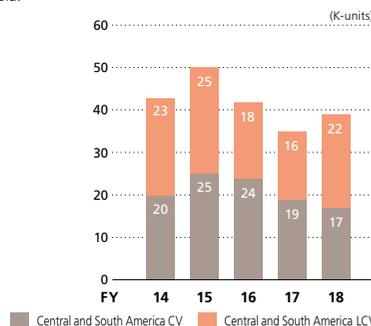
Oceania

Isuzu has enjoyed No. 1 market share for 29 straight years in the Australian CV market (GVW of 4.5 ton and over). In addition, the LCV market share continued to grow.



Central and South America

Shipments of LCVs rose as an economic slowdown in oil-producing countries such as Colombia bottomed out. Isuzu maintained No. 1 market share in every class of CV in Colombia.



Message from the President

Becoming a company that inspires broad admiration for its exceptional CV, LCV, and powertrain products

“Current business deepening” and “New engagements for the next generation”

Financial results for FY2018

During the fiscal year ended March 2018, domestic vehicle sales volume fell 8,079 units (down 10.1%) from the previous year to 72,262 units.

Overseas sales volume rose 3,652 units (up 0.9%) from the previous year to 429,630 units as a sales recovery in emerging markets was bolstered by strong sales of pickup trucks in Thailand. Combined consolidated domestic and overseas sales volume fell 4,427 units (down 0.9%) from the previous year to 501,892 units.

Concerning sales of non-vehicle products, sales of parts for overseas production rose ¥13.5 billion (up 23.4%) from the previous year to ¥71.5 billion, while sales of engine components rose ¥23.7 billion (up 22.9%) from the previous year to ¥127.0

billion. Other sales rose ¥25.7 billion (up 6.7%) from the previous year to ¥408.9 billion on growth in after-sales and related businesses.

As a result of the above, net sales rose ¥117.1 billion (up 6.0%) from the previous year to ¥2,070.3 billion thanks to growth in pickup truck and engine component sales in the Thai market as well as in other Group businesses. This figure includes domestic sales of ¥786.9 billion (down 0.2%) and overseas sales of ¥1,283.4 billion (up 10.2%).

Operating income rose to ¥166.7 billion (up 13.9%) from the previous year thanks to the sales growth described above, favorable exchange rates, and cost control initiatives targeting manufacturing costs and other expenses. Profit before extraordinary items rose 14.2% to ¥173.6 billion, while profit attributable to owners of the parent rose 12.6% to ¥105.6 billion.





FY2019 forecast

We expect revenue to rise as sales growth driven by a recovery in emerging markets and growth in industrial engine sales combine to offset an anticipated fall in Japanese vehicle sales.

We will look to increase profits by aggressively lowering costs and increasing sales to offset the worsening exchange rate and rising raw material costs.

As a result of the above, we expect to post net sales of ¥2,140.0 billion, operating income of ¥176.0 billion, profit before extraordinary items of ¥184.0 billion, and profit attributable to owners of the parent of ¥110.0 billion in FY2019.

Midterm Business Plan (April 2018 to March 2021)

This May, we announced a newly formulated Midterm Business Plan that outlines objectives we plan to achieve by the fiscal year ending March 2021. Our new Medium- and Long-term Vision outlines our goal of becoming a “company that inspires broad admiration for its exceptional CV, LCV, and powertrain products.” In addition to taking maximum advantage of the foundation provided by the manufacturing and operational

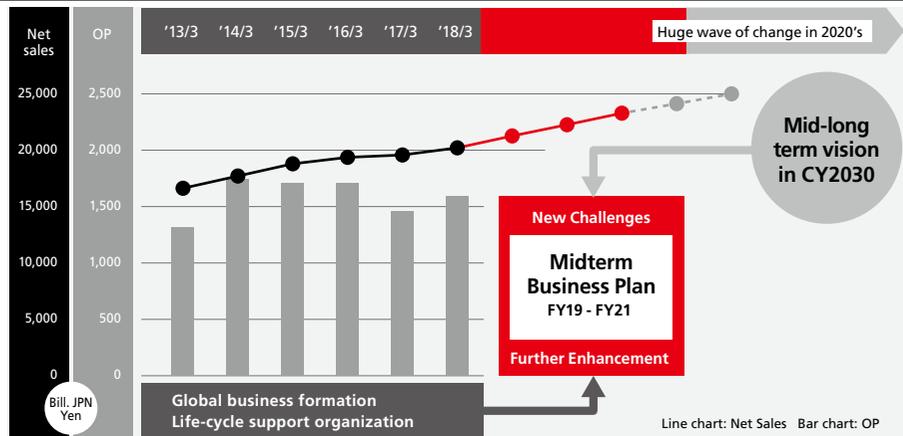
support businesses that we built under the previous Midterm Business Plan, our effort to achieve the new vision will include a series of initiatives to address seven key issues guided by the twin priorities of deepening existing businesses and developing new engagements for the next generation. Isuzu will continue to contribute to the planet and the sustained growth of society through these initiatives.

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

Masanori Katayama
President and Representative Director

At the starting line of our midterm business plan

- Expecting huge wave of environmental change in 2020's.
- Isuzu set-up mid and long term vision to flexibly adapt to change.
- Isuzu will press forward "the new Midterm Business Plan" to achieve the vision.



Ex-midterm business plan review

Ex-midterm plan measures and policies Tasks accomplished

Global business formation

- Perfect fit product offering for each market.
- Planned product line-up accomplished.

Life-cycle support organization

- "PREISM" to maximize customer's benefit launched in Japan.
- "Near-field" activity promotion throughout Isuzu group to customer's engagement in overseas.

Located	Five ASC	After Sales Center
Foundation	IIF IMSAf	Isuzu International FZE (UAE) Isuzu Motors South Africa (South Africa)
Consolidation	IEA ISZR	Isuzu East Africa (Kenya) Isuzu RUS (Russia)

Quantitative target and result Record-high sales

	Target	Result
Net sales FQ18/03	2,200 -2,300 Bill. JPN Yen	2,070 Bill. JPN Yen
Operating profit ratio Ave, 3 yrs.	9.0%	8.2%
ROE Ave. 3 yrs.	12.0%	13.1%
Total return ratio	20% ~ 30% 3 years	Payout ratio 24.9% Ave, 3 yrs.
		Share buyback + 49.5 Bill. JPN Yen

With above outcome Isuzu will realize remarkable growth and sustained earning power.

Mid-long term vision

Our heart is always with You

supporting people's life and social production activities as a CV/LCV and Powertrain excellent company

* CV: Commercial Vehicle LCV: Light Commercial Vehicle
DE: Diesel Engine

Broad-wide solution

Supportive diverse service line-up

Leading sources

- Powertrain technology
- Vehicle manufacturing technology
- Vehicle diagnostics know-how
- Global foot print and Service net work
- Customer/Partner network

ISUZU

- Truck
- LCV
- Bus
- Life-cycle support
- Special equipment vehicle
- Diverse power source
- Industrial DE
- Logistics engineering
- Social-infrastructure support
- Energy management

New Midterm business plan overview

New Midterm business plan strategy FY19- FY21 “Current business deepening” and “New engagement for next generation”

Current Business Global Biz formation Life-cycle support	Deepening Earning growth through core business	7 key Challenges 1) Collaborative business innovation 2) Expand overseas CV business 3) Strengthen LCV business 4) Enhance powertrain business 5) Accelerate advance technology 6) Implement digital innovation 7) Create new business	Mid-long term vision		Result (FY18)	Target
				Net sales	2,070 Bill. JPN Yen	FY21 2,300 Bill. JPN Yen
				Operating profit ratio	8.1%	Ave. 3 yrs. 9.0%
				ROE	12.2%	Ave. 3 yrs. 12%
	Total return ratio	24.6%	Ave. 3 yrs. 30%			

7 key challenges 1) Collaborative business innovation

Create new solution with customer. Brand new integration of products and services.



Case 1 25m double trailer consolidated truck

Joint development with major forwarder and body builder. Contribution to Logistics business.



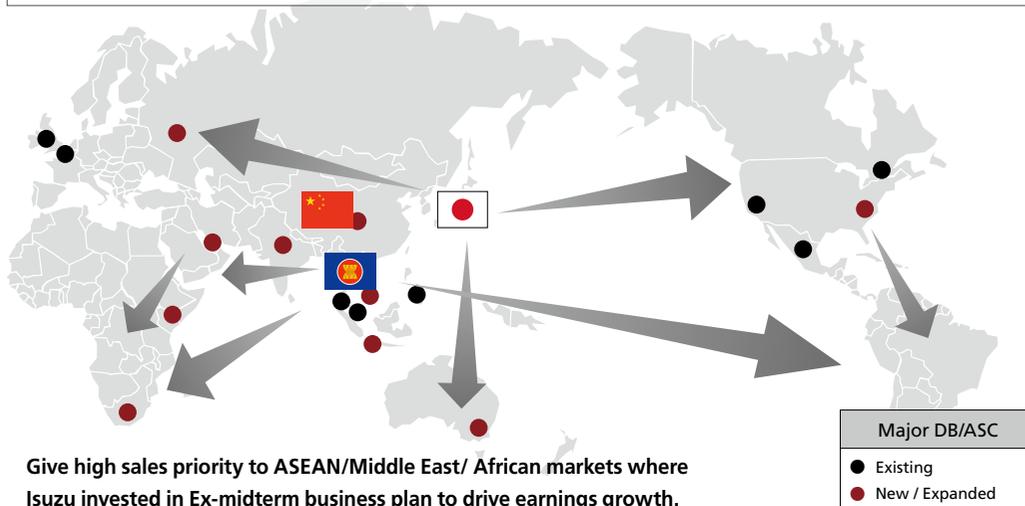
Case 2 New generation maintenance lease

Offering most appropriate maintenance lease program and stable operation service to customers, utilizing in-depth of customer usage by remotely connected data.

2) Expand overseas CV business

Deliver perfect fit vehicles and services utilizing global business formation.

“Japan made” + “ASEAN & China made” → Perfect fit vehicle



Give high sales priority to ASEAN/Middle East/ African markets where Isuzu invested in Ex-midterm business plan to drive earnings growth.



Overseas sales : 275 Thou. Units (30% increase compared to FY18)

* DB: Distributors EM: Emerging market

3) Strengthen LCV business

- Launch new model applying customer's fast-changing demand to expand LCV sales.
- India as work-horse model production base to meet wide range customer needs.

- Product strategy**
- New model development applying environmentally considered and safety requirements in addition to Isuzu strength of "Robust" performance.
 - Launch new model in midterm period to stabilize LCV top brand position.



LCV sales : 390 Thou. Units (23% increase compared to FY18)

- Sales strategy**
- Enhance sales in Africa and Middle East.
 - Break into open market area (CV network sharing).



4) Enhance powertrain business

Sales challenge to 200 thousand units Take positive approach utilizing "CV spirit base business" + " Collaboration" activities

Powertrain Business

R&D/ Manufacturing	<ul style="list-style-type: none"> ■ Utilize China base CV R&D for application engineering and cost reduction activities.
Sales	<ul style="list-style-type: none"> ■ Utilize CV network. ■ Enhance vehicle component Biz.
Products	<ul style="list-style-type: none"> ■ Complement product line-up by alliance partnership.

Shift Isuzu business style from REQUEST to PROPOSAL base
 Established "Industrial Solutions Division" in FY18.
 Integrated major function : Planning, Engineering and Sales to make further leap forward.

Customer

Construction Machinery / Power Generator
 Agricultural Machinery / Forestry Machinery
 Marine Machinery / For other CV OEM Etc.

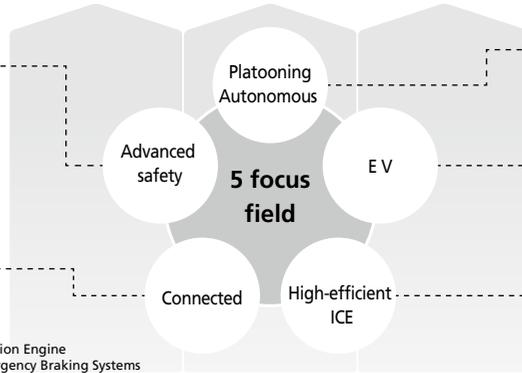
5) Accelerate advance technology

Enforce on-going 5 focus field Speed-up effect utilizing partnerships



Value throughout CV Engineering

Reliability Safety Economy Customer friendly Environment



* ICE: Internal Combustion Engine
 AEBS: Advanced Emergency Braking Systems

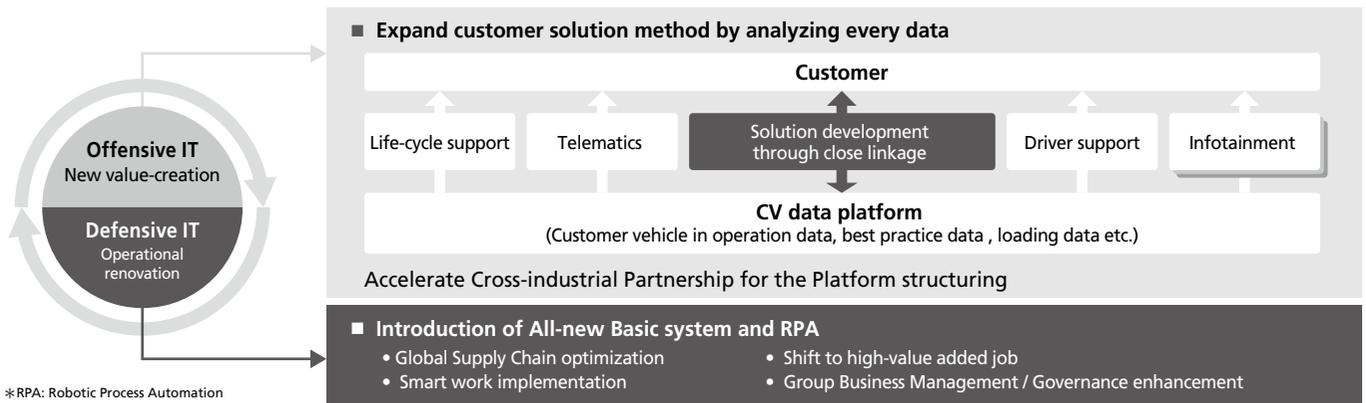
-Powertrain basic principle-

Expand powertrain line-up as CV driven company Providing powertrain covering regional energy requirement and variety range of customer's usage.

<p>Electricity</p> <p>Most suitable EV for CV</p>	<p>Diesel</p> <p>High-efficiency clean DE</p>	<p>Natural Gas (CNG · LNG)</p> <p>Exploit and Create Market</p>	<p>Diesel Engine basic principal in midterm period</p> <p>Isuzu mission is to offer attractive Diesel Engine as Diesel Engine driven company. We will continue to pursue further high-efficient and clean Diesel Engine to be the leader in Global Diesel Engine market.</p>
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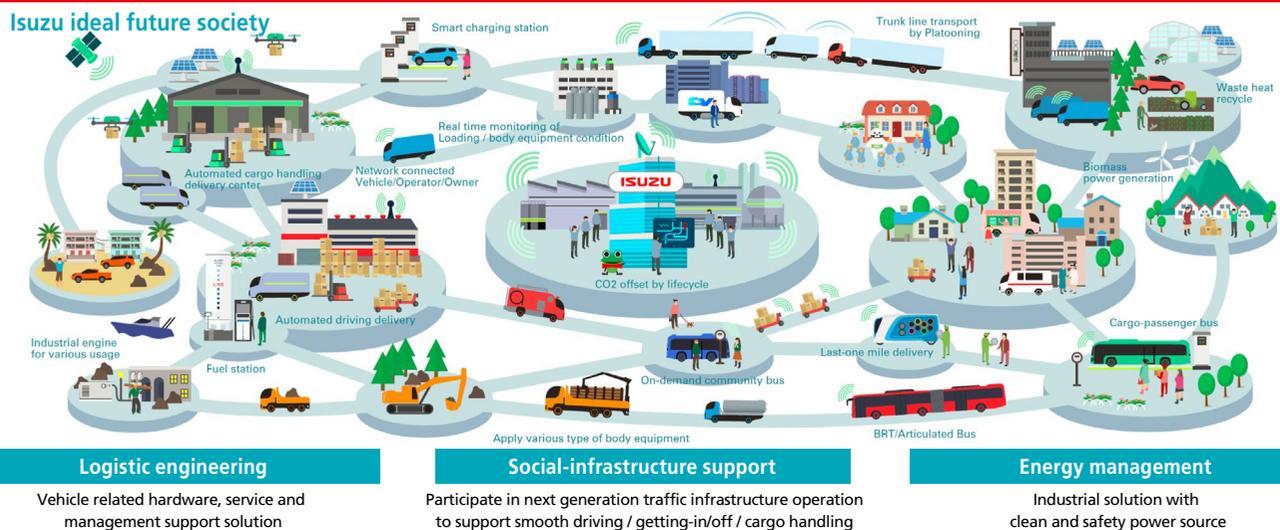
6) Implement digital innovation

■ New value creation and operational renovation by digital innovation to reinforce sustainable business model.



7) Create new business

■ New ventures supporting more efficient sustainable growth for the entire society.
 ■ Accelerate creating new solution throughout customer and cross-industrial collaboration



Financial focus

■ Consistence shareholder return investing for mid-long term to ensure substantial growth.

FY19 – FY21 Cash Flow and Allocation

Operating + Financial CF 400-500 Bill. Yen

- Ensure revenue from existing business field expansion.
- Maintain Financial health condition with well balanced debt- equity ratio.

Capital investment + Strategic investment 350 Bill. Yen level

- Shift to product improvement and digital innovation from footprint investment.
- Enhance strategic investment on advanced technology and new business creation including alliance collaboration.

Shareholder return (Total return ratio) Ave. 30%

- Ensure stable, continuous shareholder return.

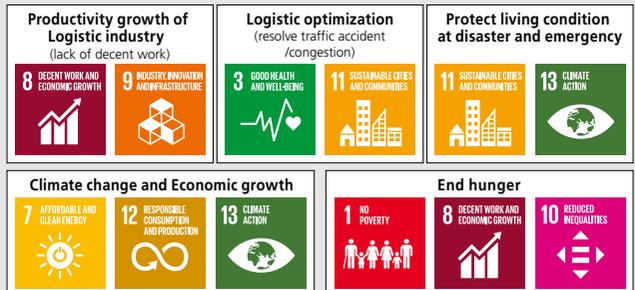
For sustainable growth

■ Isuzu goal is to create social value throughout business activities for community as well as Isuzu sustainable growth.

Mid-long term vision

Being well received CV/LCV and Powertrain excellent company supporting people's life and social production activities.

Social agenda need be solved throughout Isuzu business



Midterm business plan FY19 - FY21

“Current business deepening” and “New engagement for next generation”

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 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 relationships 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 are involved in, and contributes to their development through our business activities.

Corporate Governance

Striving to ensure integrity, compliance and transparency in management

Isuzu is striving to strengthen corporate governance structures to ensure its ability to earn the trust of all stakeholders.

Basic approach to corporate governance

The Company believes that the establishment of corporate governance structures that provide a framework for discipline is indispensable to its ability to generate consistent profits and enhance corporate value through its business activities.

Recognizing that the primary purpose of corporate governance is to respect the positions of all stakeholders and build smooth relationships, the Company endeavors to ensure fairness and transparency in its corporate affairs through the timely and appropriate disclosure of important information. In particular, the Company understands that implementing internal controls and maintaining an environment that protects the rights and interests of shareholders and all stakeholders, while assuring equality among them, is an important element of corporate governance.

Furthermore, to this end the Company considers it essential that the Board of Directors and Audit Committee, which are tasked with supervision of the Company's management, function adequately and fulfill their duty of accountability toward shareholders and all stakeholders.

Overview of Isuzu's corporate governance structures

Pursuant to its adoption of a statutory auditor system, the Company has established an 10-person Board of Directors and a 5-person Audit Committee. Three of the five Audit Committee members are outside auditors, and one of the three standing Audit Committee members is an outside auditor. In addition, the Company has two outside directors.

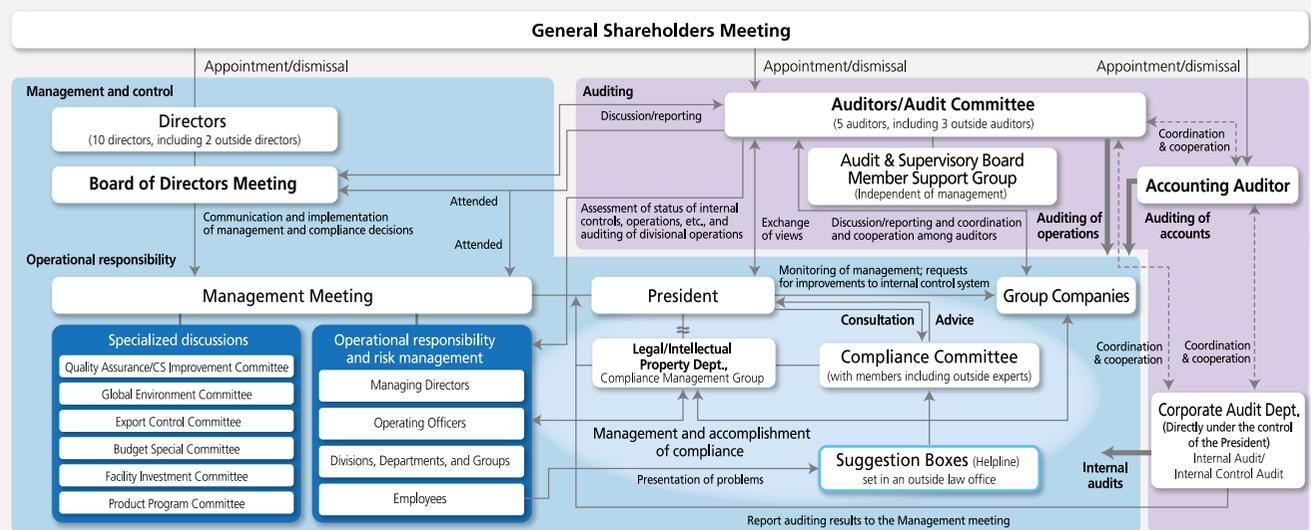
To speed up managerial decision-making and business operations, Isuzu has set up a Management Meeting that meets every other week as a rule to examine and make decisions on critical management concerns, in accordance with resolutions of the Board of Directors.

In addition, we have introduced an executive officer system for properly supporting directors' work.

The Board of Directors receives reports on the status of the Company's operations at its regular meetings, which are generally scheduled on a monthly basis.

In addition to attending Board of Directors meetings and other important meetings, auditors solicit reports from directors and other leaders concerning the execution of their responsibilities, review important decision-making documents and other materials, investigate operational and financial conditions at the head office and major worksites, request reports from subsidiaries as needed, and audit Company operations.

Overview of Internal Structures Related to Isuzu's Internal Control System



Executive compensation

The Company's directors receive compensation packages the total values of which are finalized by the Board of Directors within the range of figures approved by the General Shareholders Meeting while taking into account such factors as levels of compensation at other companies and the Company's business performance. The amount of compensation received by each director reflects his or her position, as well as the performance of the Company and the individual in question, with the last factor being determined based on each director's performance evaluation for the previous fiscal year. This base compensation is determined every June based on the director's position and performance evaluation, divided into 12 equal portions, and paid as monthly compensation. In addition, performance-based compensation consists of two components: a bonus linked to achievement of single-year consolidated performance targets, and stock compensation linked to achievement of management targets related to the sustained enhancement of corporate value over the term of the Midterm Business Plan. However, outside directors receive only basic compensation, reflecting their role and independence.

Board of Directors



Susumu Hosoi
Chairman



Masanori Katayama
President and Representative
Director



Hiroshi Nakagawa
Director of the Board and
Managing Executive Officer



Makoto Kawahara
Director of the Board and
Managing Executive Officer



Shigeji Sugimoto
Director of the Board and
Senior Executive Officer



Shinsuke Minami
Director of the Board and
Senior Executive Officer



Shinichi Takahashi
Director of the Board and
Senior Executive Officer



Masatoshi Ito
Director of the Board and
Senior Executive Officer



Hiroyuki Maekawa
Director of the Board



Mitsuyoshi Shibata
Director of the Board

Managing Executive Officers

Toshihiro Uehara
Toru Nakata

Senior Executive Officers

Kouichi Seto
Shigeo Tsuzuki
Etsuo Yamamoto
Yuzo Kato
Satoshi Yamaguchi
Yoichi Masuda
Kazuya Igeta
Masanori Ota
Keiichiro Maegaki
Hisao Sasaki
Koichi Sakamoto

Senior Executive Officers

Executive Officers

Takashi Odaira
Tetsuya Ikemoto
Haruyasu Tanishige
Masayuki Umeda
Hajime Wakuda
Shun Fujimori
Hirokazu Ookubo
Yasuyuki Nijima
Satoru Fujikura
Satoshi Okuyama
Toshio Ichimasa
Katsumi Adachi
Kimitoshi Kurokawa

Standing Audit & Supervisory Board Members

Audit & Supervisory Board Members

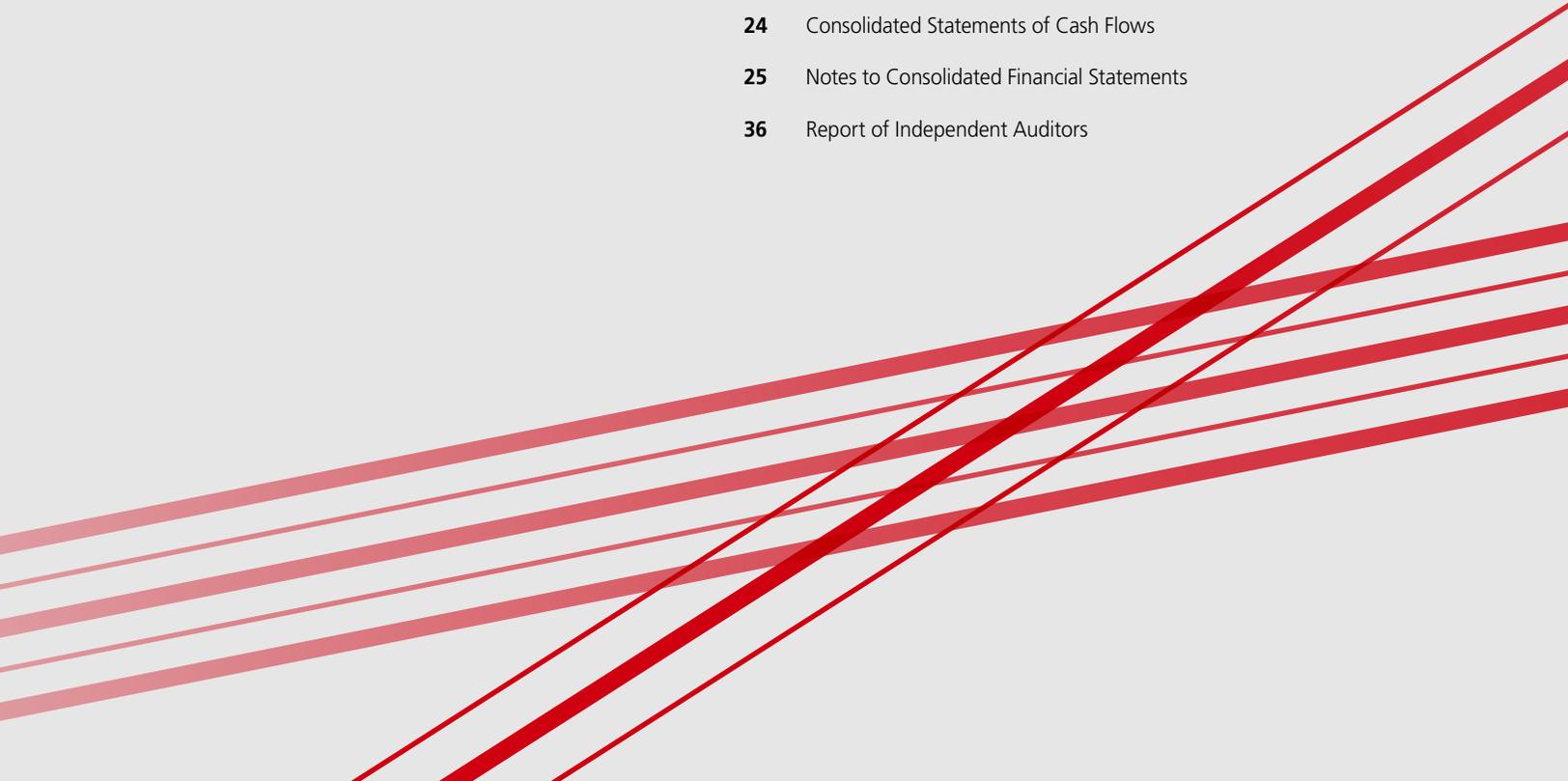
Chikao Mitsuzaki
Masayuki Fujimori
Tetsuhiko Shindo
Takashi Mikumo
Kanji Kawamura

(As of June 28, 2018)

ISUZU MOTORS LIMITED

Annual Report 2018

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Consolidated Five-Year Summary

	Millions of yen					Thousands of U.S. dollars
	2018	2017	2016	2015	2014	2018
For the Year:						
Net sales	¥ 2,070,359	¥1,953,186	¥1,926,967	¥1,879,442	¥1,760,858	\$ 19,487,574
Cost of sales	1,700,726	1,623,948	1,574,885	1,543,661	1,441,483	16,008,348
Gross profit	369,632	329,238	352,081	335,780	319,374	3,479,225
Selling, general and administrative expenses	202,867	182,793	180,522	164,669	145,125	1,909,522
Operating income	166,765	146,444	171,559	171,111	174,249	1,569,703
Profit before extraordinary items	173,616	152,022	186,690	187,411	186,620	1,634,194
Profit before income taxes	176,095	148,921	186,379	184,251	188,448	1,657,521
Profit attributable to owners of parent	105,663	93,858	114,676	117,060	119,316	994,573
At Year-End:						
Total assets	¥ 2,067,520	¥1,880,826	¥1,809,270	¥1,801,918	¥1,521,757	\$ 19,460,843
Net assets	1,086,510	962,107	897,650	914,451	768,953	10,226,939

Non-Consolidated Five-Year Summary

	Millions of yen					Thousands of U.S. dollars
	2018	2017	2016	2015	2014	2018
For the Year:						
Net sales	¥ 1,081,384	¥ 1,065,886	¥1,076,360	¥1,060,028	¥ 986,822	\$ 10,178,691
Cost of sales	931,700	919,225	914,721	895,517	824,606	8,769,767
Gross profit	149,684	146,661	161,638	164,510	162,215	1,408,923
Selling, general and administrative expenses	103,139	96,391	97,334	98,616	88,603	970,816
Operating income	46,544	50,269	64,304	65,893	73,612	438,106
Income before extraordinary items	71,745	100,330	108,624	78,931	79,358	675,312
Income before income taxes	69,875	98,927	107,554	78,131	79,748	657,716
Net income	58,476	87,310	91,905	67,070	56,543	550,414
At Year-End:						
Total assets	¥ 1,053,710	¥ 1,025,050	¥ 965,977	¥ 936,803	¥ 848,411	\$ 9,918,210
Net assets	593,999	544,117	475,388	468,720	438,677	5,591,106

Note: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥106.24 = US\$1; the approximate exchange rate prevailing on the Foreign Exchange Market on March 31, 2018.

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 2018. The following information contains forward-looking statements that reflect the judgment of management as of June 28, 2018.

(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, inventories, 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 2018

The Company posted sales of ¥2,070.3 billion (up 6.0% from the previous year), operating income of ¥166.7 billion (up 13.9% from the previous year), profit before extraordinary items of ¥173.6 (up 14.2% from the previous year), and profit attributable to owners of parent of ¥105.6 billion (up 12.6% from the previous year).

2. Net Sales

In fiscal 2018, Isuzu's consolidated-basis sales volume in the domestic commercial vehicle market fell 8,079 vehicles (10.1%) from the previous year to 72,262 vehicles.

In the 2-3 ton class, total market demand remained on par with the previous consolidated fiscal year at 104,097 units (up 0.4%), while total market demand for medium- and heavy-duty trucks fell 7.1% to 91,119 vehicles, due in part to a pullback in rush demand that had preceded the entry into force of 2016 emissions regulations. As a result, Isuzu domestic sales fell 0.2% to ¥786.9 billion.

Sales in Asia surged 20.9% from the previous year to ¥640.3 billion while the Group maintained a large, 34% share of the LCV (Light Commercial Vehicle) market in Thailand.

North American sales fell 17.4% from the previous year to ¥143.1 billion, due in part to the inclusion of 15 months in the previous accounting period reflecting a change in the end date for the fiscal year.

Sales to other regions rose 8.3% to ¥499.9 billion, reflecting increased sales mainly in Europe, Oceania, and elsewhere.

3. Operating income

Operating income in fiscal 2018 was ¥166.7 billion, up 13.9% from the previous fiscal year.

Economic fluctuations and growth-related investment of ¥14.6 billion and ¥8.0 billion, respectively, affected performance negatively, while cost reduction activities contributed ¥17.5 billion; sales and model mix fluctuations, ¥16.8 billion; and exchange rate fluctuations caused by yen weakness, ¥7.0 billion.

As a result, Isuzu's operating margin rose to 8.1%, compared to 7.5% for the previous year.

4. Non-operating gains/losses

In fiscal 2018, Isuzu posted a non-operating gain of ¥6.8 billion, an increase of ¥1.2 billion from the previous year.

Equity in earnings of unconsolidated subsidiaries and affiliates rose ¥1.0 billion from the previous year to ¥6.6 billion.

An increase in interest and dividend income resulted in net interest (interest and dividends income minus interest expenses) of ¥3.8 billion, an improvement of ¥1.6 billion compared to the previous year. Foreign exchange losses grew to ¥1.0 billion, a deterioration of ¥269 million from the previous year.

5. Extraordinary gains/losses

In fiscal 2018, Isuzu posted an extraordinary gain of ¥2.4 billion, an improvement of ¥5.5 billion from the previous year. Principal factors were extraordinary losses including loss on the disposal of property, plant and equipment and impairment loss on fixed assets, and extraordinary gains including gains on the sale of property, plant and equipment and gains on step acquisitions.

6. Taxes

Isuzu's net tax expense in fiscal 2018 including current income taxes and deferred income taxes was ¥49.0 billion. In fiscal 2017, the net tax expense was ¥40.6 billion.

7. Non-controlling interests

Non-controlling interests consist primarily of profits returned to the non-controlling shareholders of Isuzu's locally incorporated subsidiaries in the ASEAN region and North America, and Japanese parts manufacturers. Non-controlling interests in fiscal 2018 rose to ¥21.3 billion, compared to ¥14.3 billion in fiscal 2017.

8. Profit attributable to owners of parent

The Group posted a profit attributable to owners of parent of ¥105.6 billion in fiscal 2018, an increase of ¥11.8 billion from the previous year. Profit attributable to owners of parent per share came to ¥134.17.

(3) Financial conditions

1. Cash flow

Isuzu generated cash and cash equivalents ("net cash") of ¥329.9 billion in fiscal 2018, up ¥69.2 billion from the previous year. Net cash of ¥176.8 billion provided by operating activities offset net cash of ¥107.0 billion used in investing activities and net cash of ¥4.4 billion used in 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 ¥69.7 billion (up 9.1% from the previous year).

Cash flow from operating activities

Cash flow from operating activities increased 16.8% from the previous year to ¥176.8 billion.

Net cash outflows of ¥12.8 billion due to increases in receivables, ¥5.1 billion due to increases in inventory, ¥15.6 billion for lease receivables and lease investment assets, and ¥41.6 billion for income tax and other

payments offset net cash inflows of ¥176.0 billion from the effects of accounting for profit before income taxes and non-controlling interests and ¥66.3 billion from depreciation and amortization.

Cash flow from investing activities

Net cash used in investing activities rose 22.5% to ¥107.0 billion due primarily to ¥99.4 billion in expenditures associated with the purchase of property, plant and equipment.

Cash flow from financing activities

Net cash used in financing activities totaled ¥4.4 billion (down 92.0% compared to the previous fiscal year).

Net cash outflows of ¥25.0 billion for repayment of long-term debt, ¥25.1 billion for payments of dividends, and ¥13.1 billion for payments of dividends to non-controlling shareholders offset net cash inflows of ¥14.7 billion from a net increase in short-term debt and ¥42.0 billion from long-term debt.

2. Assets

As of March 31, 2018, assets totaled ¥2,067.5 billion, an increase of ¥186.6 billion from the previous year.

The growth reflects increases of ¥71.5 billion in cash and time deposits, ¥27.4 billion in investment securities, ¥24.2 billion in property, plant and equipment, ¥22.8 billion in receivables, ¥20.1 billion in inventories, and ¥15.8 billion in lease receivables and lease investment assets.

3. Liabilities

Total liabilities as of March 31, 2018, increased ¥62.2 billion from the previous year to ¥981.0 billion.

Principal factors in the change were an increase of ¥32.3 billion in interest-bearing debt and of ¥17.6 billion in accounts payable and electronically recorded obligations.

4. Net assets

Net assets increased ¥124.4 billion in fiscal 2018 to ¥1,086.5 billion.

Principle factors offsetting a decrease of ¥25.2 billion in retained earnings due to payment of dividends included profit attributable to owners of parent of ¥105.6 billion and increases of ¥23.2 billion in non-controlling interests, ¥16.5 billion in unrealized holding gain on securities, and ¥2.1 billion in foreign currency translation adjustments.

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 28, 2018).

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 and sells 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 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 manufactures 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 influenza virus or other infectious disease pandemic could pose significant obstacles to the Group's production and sales activities.

10. IT risks

Collection and use of customer information, utilization of technical information as trade secrets, and use of information technologies such as automatic control of equipment have become essential aspects of business operations in recent years. Despite the Isuzu Group's efforts to implement a variety of countermeasures to secure information technologies and IT networks, system failures, computer viruses, cyber-attacks, and other potential security threats could lead to an interruption in operations or loss of data, adversely impacting the Group's brand image, performance, or financial condition.

11. Information security

Although the Isuzu Group takes steps to ensure compliance with laws and regulations, including through information security initiatives conceived to ensure the privacy of personal and confidential information, leaks of information resulting from unforeseen circumstances or similar events could have an adverse impact on the Group's performance and financial condition, for example by compromising public trust or exposing the Group to liability for damage sustained by customers.

12. 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.

13. Fluctuations in accounting estimates

The Company develops net defined benefit liability, 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.

14. 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

15. 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.

16. 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, 2018 and 2017)

Assets	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Current Assets:			
Cash and time deposits (Note 2)	¥ 346,818	¥ 275,234	\$ 3,264,480
Receivable :			
Notes and accounts receivable	279,401	256,582	2,629,905
Less: allowance for doubtful receivable	(1,472)	(811)	(13,858)
Lease receivables and lease investment assets	103,223	87,379	971,608
Inventories	276,080	255,973	2,598,650
Deferred tax assets (Note 6)	32,176	30,290	302,864
Other current assets	58,942	52,755	554,803
Total Current Assets	1,095,170	957,404	10,308,453
Property, Plant and Equipment (Note 4)			
Land (Note 8)	279,756	277,230	2,633,250
Buildings and structures	389,686	360,184	3,667,984
Machinery and equipment	698,299	672,669	6,572,847
Lease assets	16,036	15,853	150,942
Vehicles on operating leases	56,315	39,334	530,074
Construction in progress	24,891	34,025	234,294
Less: accumulated depreciation	(759,130)	(717,715)	(7,145,433)
Net Property, Plant and Equipment	705,854	681,582	6,643,959
Intangible Assets			
Goodwill	10,093	2,643	95,003
Others	16,618	16,997	156,425
Total Intangible Assets	26,711	19,640	251,428
Investments and Advances:			
Investment securities (Note 3)			
Unconsolidated subsidiaries and affiliated companies	81,735	80,249	769,347
Others	96,892	70,928	912,019
Long-term loans	1,479	1,502	13,926
Net defined benefit asset	1,479	840	13,925
Deferred tax assets (Note 6)	22,291	31,169	209,822
Other investments and advances	37,194	38,737	350,101
Less: allowance for doubtful accounts	(1,289)	(1,229)	(12,141)
Total Investments and Advances	239,783	222,198	2,257,002
Total Assets	¥ 2,067,520	¥ 1,880,826	\$ 19,460,843

See accompanying notes to consolidated financial statements.

Liabilities and Net Assets	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Current Liabilities:			
Short-term loans	¥ 73,955	¥ 40,670	\$ 696,116
Electronically recorded obligations - operating	29,439	33,218	277,104
Notes and accounts payable	350,555	329,094	3,299,651
Lease obligations	3,187	2,812	29,999
Accrued expenses	73,212	66,449	689,122
Provision for directors' bonuses	178	142	1,680
Accrued income taxes (Note 6)	24,539	14,397	230,983
Deposits received	3,464	3,554	32,609
Other current liabilities	61,103	65,998	575,149
Total Current Liabilities	619,636	556,336	5,832,418
Long-term Debt (Note 4)	202,467	203,818	1,905,755
Net Defined Benefit Liability (Note 5)	97,947	99,208	921,947
Deferred Tax Liabilities (Note 6)	2,468	2,187	23,231
Deferred Tax Liabilities Related to Land Revaluation (Note 8)	42,135	42,135	396,609
Provision for Maintenance Costs	4,776	3,046	44,959
Provision for Management Board Incentive Plan Trust	364	161	3,429
Other Long-term Liabilities	11,213	11,825	105,551
Contingent Liabilities (Note 10)			
Net Assets			
Shareholders' Equity (Note 7)			
Common and preferred stock			
Common stock :	40,644	40,644	382,575
Capital surplus	42,127	42,081	396,535
Retained earnings	785,096	704,664	7,389,841
Less: treasury stock	(71,362)	(71,364)	(671,712)
Total Shareholders' Equity	796,506	716,026	7,497,240
Accumulated Other Comprehensive Income			
Unrealized holding gain (loss) on securities	36,545	19,951	343,994
Unrealized gain (loss) on hedging instruments	662	281	6,238
Revaluation reserve for land (Note 8)	83,880	83,880	789,538
Foreign currency translation adjustments	10,267	8,080	96,641
Remeasurements of defined benefit plans	(8,276)	(9,782)	(77,907)
Total accumulated other comprehensive income	123,079	102,411	1,158,505
Non-controlling Interests	166,923	143,669	1,571,192
Total Net Assets	1,086,510	962,107	10,226,939
Total Liabilities and Net Assets	¥ 2,067,520	¥ 1,880,826	\$ 19,460,843

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income (For the years ended March 31, 2018 and 2017)

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net Sales	¥ 2,070,359	¥ 1,953,186	\$ 19,487,574
Cost of Sales	1,700,726	1,623,948	16,008,348
Gross profit	369,632	329,238	3,479,225
Selling, General and Administrative Expenses	202,867	182,793	1,909,522
Operating income	166,765	146,444	1,569,703
Other Income (Expenses):			
Interest and dividend income	5,751	4,568	54,136
Interest expense	(1,892)	(2,384)	(17,809)
Equity in earnings of unconsolidated subsidiaries and affiliates	6,619	5,592	62,309
Foreign exchange loss	(1,036)	(767)	(9,755)
Others, net	(2,591)	(1,430)	(24,390)
Profit before extraordinary items	173,616	152,022	1,634,194
Extraordinary Items:			
Gain on sales of investment securities	125	30	1,184
Gain on sales or disposal of property, plant and equipment, net	386	265	3,637
Gain on negative goodwill	—	43	—
Impairment loss on fixed assets (Note 14)	(404)	(1,253)	(3,806)
Gain on step acquisitions	4,076	—	38,371
Others, net	(1,706)	(2,186)	(16,059)
Profit before income taxes and non-controlling interests	¥ 176,095	¥ 148,921	\$ 1,657,521
Income Taxes (Note 6):			
Current	49,453	40,393	465,485
Deferred	(398)	301	(3,748)
Profit	127,040	108,227	1,195,783
Profit Attributable to:			
Non-Controlling Interests	21,376	14,368	201,210
Owners of Parent	¥ 105,663	¥ 93,858	\$ 994,573
Per Share of Common Stock	Yen		U.S. dollars
Profit Attributable to Owners of Parent			
—Basic	¥ 134.17	¥ 119.13	\$ 1.26

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (For the years ended March 31, 2018 and 2017)

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Profit	¥ 127,040	¥ 108,227	\$ 1,195,783
Other Comprehensive Income			
Unrealized holding gain (loss) on securities	16,631	7,948	156,549
Unrealized gain (loss) on hedging instruments	381	107	3,593
Foreign currency translation adjustments	3,589	(5,951)	33,782
Revaluation reserve for land	—	320	—
Remeasurements of defined benefit plans	1,473	2,336	13,871
Share of other comprehensive income of associates accounted for using the equity method	980	(6,673)	9,226
Total other comprehensive income (Note 15)	23,056	(1,911)	217,023
Comprehensive Income (Note 15)	150,096	106,315	1,412,806
Comprehensive Income Attributable to :			
Owners of parent	126,331	93,245	1,189,111
Non-controlling interests	¥ 23,765	¥ 13,070	\$ 223,695

See accompanying notes to consolidated financial statements.

Consolidated Statements of Change in Net Assets (Note 7) (For the years ended March 31, 2018 and 2017)

Millions of yen

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized holding gain (loss) on securities	Revaluation reserve for land	Unrealized gain (loss) on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Non-controlling interests
Balance at March 31, 2016	¥ 40,644	¥ 41,610	¥ 635,691	¥ (70,259)	¥ 12,025	¥ 84,212	¥ 174	¥ 20,302	¥ (13,036)	¥ 146,285
Cumulative effect of changes in accounting policies			13							
Restated balance at the beginning of the current period	40,644	41,610	635,704	(70,259)	12,025	84,212	174	20,302	(13,036)	146,285
Cash dividends			(25,231)							
Reversal of revaluation reserve for land			331							
Profit attributable to owners of parent			93,858							
Acquisition of treasury stock				(1,105)						
Purchase of shares of consolidated subsidiaries		471								
Net changes on items other than shareholders' equity					7,926	(331)	107	(12,221)	3,254	(2,616)
Balance at March 31, 2017	¥ 40,644	¥ 42,081	¥ 704,664	¥ (71,364)	¥ 19,951	¥ 83,880	¥ 281	¥ 8,080	¥ (9,782)	¥ 143,669
Cumulative effect of changes in accounting policies										
Restated balance at the beginning of the current period	40,644	42,081	704,664	(71,364)	19,951	83,880	281	8,080	(9,782)	143,669
Cash dividends			(25,230)							
Reversal of revaluation reserve for land										
Profit attributable to owners of parent			105,663							
Acquisition of treasury stock				(15)						
Disposal of treasury stock				18						
Purchase of shares of consolidated subsidiaries		46								
Net changes on items other than shareholders' equity					16,594		381	2,186	1,505	23,254
Balance at March 31, 2018	¥ 40,644	¥ 42,127	¥ 785,096	¥ (71,362)	¥ 36,545	¥ 83,880	¥ 662	¥ 10,267	¥ (8,276)	¥ 166,923

Thousands of U.S. dollars

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized holding gain (loss) on securities	Revaluation reserve for land	Unrealized gain (loss) on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Non-controlling interests
Balance at March 31, 2017	\$ 382,575	\$ 396,102	\$ 6,632,760	\$ (671,733)	\$ 187,797	\$ 789,538	\$ 2,645	\$ 76,061	\$ (92,075)	\$ 1,352,307
Cumulative effect of changes in accounting policies										
Restated balance at the beginning of the current period	382,575	396,102	6,632,760	(671,733)	187,797	789,538	2,645	76,061	(92,075)	1,352,307
Cash dividends			(237,492)							
Reversal of revaluation reserve for land										
Profit attributable to owners of parent			994,573							
Acquisition of treasury stock				(149)						
Disposal of treasury stock		433		171						
Purchase of shares of consolidated subsidiaries										
Net changes on items other than shareholders' equity					156,197		3,593	20,579	14,168	218,885
Balance at March 31, 2018	\$ 382,575	\$ 396,535	\$ 7,389,841	\$ (671,712)	\$ 343,994	\$ 789,538	\$ 6,238	\$ 96,641	\$ (77,907)	\$ 1,571,192

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows (Note 16) (For the years ended March 31, 2018 and 2017)

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Cash Flows from Operating Activities			
Profit before income taxes and non-controlling interests	¥ 176,095	¥ 148,921	\$ 1,657,521
Depreciation and amortization	68,884	64,047	648,385
Equity in earnings of unconsolidated subsidiaries and affiliates	(6,619)	(5,592)	(62,309)
Increase (decrease) in provision for allowance for product warranty	(1,434)	(173)	(13,504)
Increase (decrease) in provision for bonus accounts	2,210	(236)	20,805
Increase (decrease) in provision for directors' bonuses	36	41	343
Increase (decrease) in provision for allowance for doubtful accounts	311	(829)	2,927
Increase (decrease) in net defined benefit liability	(783)	(1,348)	(7,378)
Increase (decrease) in provision for maintenance costs	1,729	1,378	16,282
Increase (decrease) in provision for management board incentive plan trust	203	161	1,913
Interest and dividend income	(5,751)	(4,568)	(54,136)
Interest expenses	1,892	2,384	17,809
Gain on disposal of property assets	(386)	(265)	(3,637)
Loss on disposal of property assets	1,624	2,138	15,289
Gain (loss) on sales of securities, net	(125)	4	(1,184)
Gain (loss) on impairment of fixed assets	404	1,253	3,806
Other extraordinary loss (income)	(3,994)	(27)	(37,600)
Decrease (increase) in notes and accounts receivable	(12,857)	(5,729)	(121,026)
Decrease (increase) in lease receivables and lease investment assets	(15,666)	(22,650)	(147,462)
Decrease (increase) in inventories	(5,168)	(7,719)	(48,648)
Decrease (increase) in other current assets	(3,444)	(3,650)	(32,418)
Increase (decrease) in notes and accounts payable	6,730	9,423	63,350
Increase (decrease) in accrued expenses and taxes	4,372	970	41,160
Increase (decrease) in deposits received	(462)	383	(4,352)
Increase (decrease) in other current liabilities	2,266	12,522	21,330
Others	573	2,077	5,394
Cash received from interest and dividends	9,743	8,082	91,711
Cash paid for interest	(1,905)	(2,437)	(17,934)
Cash paid for income taxes	(41,671)	(47,207)	(392,238)
Net Cash Provided by Operating Activities	176,804	151,352	1,664,198
Cash Flows from Investing Activities			
Payment on purchase of investment securities	(807)	(84)	(7,603)
Proceeds from sales of investment securities	226	41	2,132
Proceeds from capital reduction of investment securities	—	810	—
Payment on purchase of property, plant and equipment	(99,437)	(101,649)	(935,974)
Proceeds from sales of property, plant and equipment	3,044	1,960	28,655
Payment on long-term loans receivable	(279)	(311)	(2,628)
Collection of long-term loans receivable	289	255	2,729
Increase (decrease) in short-term loans receivable	52	(130)	498
Increase (decrease) in fixed deposits	(2,141)	13,201	(20,154)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	284	589	2,677
Payment on purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,329)	—	(78,403)
Others	61	(2,076)	580
Net Cash Used in Investing Activities	(107,035)	(87,393)	(1,007,485)
Cash Flows from Financing Activities			
Increase (decrease) in short-term debt	14,701	(13,950)	138,378
Proceeds from long-term debt	42,000	47,000	395,331
Repayment on long-term debt	(25,071)	(42,908)	(235,985)
Proceeds from non-controlling shareholders	6,597	1,891	62,102
Repayment of lease obligations	(2,843)	(3,130)	(26,760)
Payment on acquisition of treasury stock	(14)	(1,104)	(140)
Payment on dividends made by parent company	(25,195)	(25,234)	(237,160)
Payment on dividends to non-controlling shareholders	(13,135)	(17,930)	(123,643)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,470)	—	(13,838)
Net Cash Used in Financing Activities	(4,432)	(55,368)	(41,717)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,932	(7,379)	37,019
Net Increase (Decrease) in Cash and Cash Equivalents	69,270	1,212	652,015
Cash and Cash Equivalents at Beginning of the Year	260,678	259,276	2,453,679
Increase (Decrease) in Cash and Cash Equivalents Due to Change in Scope of Consolidation	—	190	—
Cash and Cash Equivalents at End of the Year (Note 2)	¥ 329,949	¥ 260,678	\$ 3,105,695

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 ¥106.24 = US\$1, the approximate exchange rate prevailing on the Foreign Exchange Market on March 31, 2018. 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 2017 financial statements to conform to the presentation for 2018.

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 non-controlling 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.

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 (mainly 10 years). Actuarial gains or losses are amortized by the straight-line method or the declining balance method over the period within the average remaining years of service of the eligible employees (mainly 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 simplified 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 the 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) Profit Attributable to Owners of Parent per Share

Profit attributable to owners of parent 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 profit attributable to owners of parent per share as of March 31, 2018 is as follows:

	Millions of yen	Thousands of U.S. dollars
Profit attributable to owners of parent	¥ 105,663	\$ 994,573
Profit attributable to owners of parent pertaining to common stock	¥ 105,663	\$ 994,573
Average number of outstanding shares:		
Common stock:	787,532,301	

In the calculation of basic earnings per share, the number of shares of the Company's stock owned by the management board incentive plan (BIP) trust is included in treasury stock. Therefore, the number of those shares is deducted in calculating the number of shares of common stock outstanding at the end of the year and the weighted average number of shares of common stock outstanding during the year.

The weighted average number of shares of common stock is 871,279 shares for the year ended March 31, 2018.

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 the reconciliation between cash and cash equivalents at end of the consolidated financial year is in Note 16. Consolidated statements of cash flows, (1) Reconciliation for cash status between balance sheets and cash flows.

m) Unapplied Accounting Standards

[Overseas Consolidated Subsidiaries]

IFRS 15 "Revenue from Contracts with Customers" and ASU 2014-09 "Revenue from Contracts with Customers"

(1) Overview

In accordance with IFRS 15 and ASU 2014-09, an entity is required to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(2) Scheduled date of adoption

The Company expects to adopt the accounting standards from the beginning of the fiscal year ending March 31, 2019.

(3) Financial impact from the application of IFRS 15 and ASU 2014-09

The financial impact from the application of "Revenue from Contracts with Customers" on the consolidated financial statements is currently under evaluation.

IFRS 16 "Leases" and ASU 2016-02 "Leases"

(1) Overview

In accordance with IFRS 16 and ASU 2016-02, a lessee is required to recognize assets or liabilities for all leases on the balance sheet in principle.

(2) Scheduled date of adoption

The Company expects to adopt the accounting standards from the beginning of the fiscal year ending March 31, 2020.

(3) Financial impact from the application of IFRS 16 and ASU 2016-02

The financial impact from the application of "Leases" on the consolidated financial statements is currently under evaluation.

[The Company and Domestic Consolidated Subsidiaries]

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 30, 2018) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 30, 2018)

(1) Overview

The International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB) jointly developed comprehensive accounting standards regarding revenue recognition, and released "Revenue from Contracts with Customers" in May 2014 (IFRS 15 by the IASB and Topic 606 by the FASB). Considering the fact that IFRS 15 is being applied from fiscal years beginning on or after January 1, 2018 and Topic 606 applied from fiscal years beginning after December 15, 2017, the ASBJ developed comprehensive accounting standards regarding revenue recognition and released the standards along with the implementation guidance.

In developing its business accounting standards regarding revenue recognition, the basic policy of the ASBJ was to include the basic principles of IFRS 15 in the accounting standards from a viewpoint of comparability between financial statements, which is one of the benefits of being in conformity with IFRS 15. However, if there is any item that needs particular consideration in light of Japanese business practices, a substitute treatment may be employed to the extent that it does not impair the comparability.

(2) Scheduled date of adoption

The Company expects to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

(3) Financial impact from the application of Accounting Standard and implementation guidance

The financial impact from the application of "Accounting Standard for Revenue Recognition and Implementation Guidance on Accounting Standard for Revenue Recognition" on the consolidated financial statements is currently under evaluation.

n) Additional Information

(Performance-based Stock Compensation Plan for Directors and Corporate Officers)

The Company established a compensation plan to deliver the Company's shares to the Board Directors and Corporate Officers (excluding outside directors; hereinafter referred to as "Directors").

(1) Outline of the plan

Performance-based Stock Compensation Plan for Directors and Corporate Officers (hereinafter, "the plan") was introduced in the 114th Ordinary General Meeting of Shareholders held on June 29, 2016.

The purpose of the plan is to clarify the link between the market value of the Company's shares based on the Company's performance and remuneration of Directors. Under the plan, the Directors share with the shareholders not only the benefits deriving from future appreciation of share prices, but also the risks associated with a fall in the same. This is intended ultimately to enhance the awareness of the Directors with

respect to making a contribution to an improvement in the Company's mid- and long-term performance and its corporate value.

The management board incentive plan trust (the Trust) will acquire the Company's shares from the stock market by using the funds entrusted under the Trust establishment in accordance with the instructions of the Trust administrator. Then, delivery of the stock compensation will be made depending on achievement of performance targets in the medium-term management plan in accordance with predetermined regulations of stock compensation of the Company.

(2) The Company's shares remaining in the Trust.

The Company's shares remaining in the Trust are included in treasury stock in net assets at the carrying value (excluding related costs) in the Trust. As of March 31, 2018, the corresponding carrying value and the number of shares of the Company's stock are ¥1,077 million (\$1,138 thousand) and 864,808 shares, respectively.

3. Securities

Fair value information of other securities as of March 31, 2018 and 2017 are as follows:

2018	Millions of yen			Thousands of U.S. dollars		
	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:						
Stocks:	¥ 37,009	¥ 90,714	¥ 53,704	\$348,356	\$853,860	\$505,504
Total	¥ 37,009	¥ 90,714	¥ 53,704	\$348,356	\$853,860	\$505,504
Unrealized loss:						
Stocks:	¥ 4,626	¥ 3,824	¥ (802)	\$ 43,551	\$ 36,001	\$ (7,549)
Total	¥ 4,626	¥ 3,824	¥ (802)	\$ 43,551	\$ 36,001	\$ (7,549)

2017	Millions of yen		
	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:			
Stocks:	¥ 32,459	¥ 60,444	¥ 27,984
Total	¥ 32,459	¥ 60,444	¥ 27,984
Unrealized loss:			
Stocks:	¥ 4,654	¥ 4,380	¥ (274)
Total	¥ 4,654	¥ 4,380	¥ (274)

Proceeds from sales of securities classified as other securities amounted to ¥226 million (\$2,131 thousand) with an aggregate loss on sales of ¥125 million (\$1,184 thousand) for the year ended March 31, 2018.

Non-marketable securities classified as other securities as of March 31, 2018 amounted to ¥2,353 million (\$22,157 thousand).

4. Long-Term Debt

Long-term debt as of March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Loans	¥ 239,963	¥ 227,038	\$2,258,687
Lease obligations	8,876	8,676	83,554
Less: current portion	46,372	31,896	436,486
Total long-term debt	¥ 202,467	¥ 203,818	\$ 1,905,755

The annual maturities of long-term debt as of March 31, 2018 are summarized as follows:

Planned maturity date	Millions of yen	Thousands of U.S. dollars
Over 1 year within 2 years	¥ 40,261	\$ 378,970
Over 2 years within 3 years	40,470	380,939
Over 3 years within 4 years	38,501	362,397
Thereafter	83,233	783,448
Total	¥ 202,467	\$ 1,905,755

The assets pledged as collateral for certain loans and other liabilities as of March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Building and structures	¥ 753	¥ 8,235	\$ 7,093
Machinery and equipment	649	4,638	6,109
Land	1,026	6,525	9,658
Others	4,935	228	46,452

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 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.

1. Defined benefit plans as of March 31, 2018 and 2017 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
	2018	2017	2018
Projected benefit obligation at beginning of the year	¥ 180,424	¥ 180,041	\$ 1,698,269
Service cost	8,346	7,671	78,566
Interest cost on projected benefit obligation	2,050	2,221	19,297
Actuarial gain (loss)	2,383	(1,251)	22,438
Benefit paid	(7,982)	(7,502)	(75,133)
Others	(109)	(755)	(1,026)
Projected benefit obligation at the end of the year	¥ 185,113	¥ 180,424	\$ 1,742,412

[Remarks]

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

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

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Changes in plan assets:			
Plan assets at beginning of the year	¥ 82,056	¥ 77,497	\$ 772,373
Expected return on plan assets	1,684	1,772	15,857
Actuarial gain (loss) on plan assets	1,390	(467)	13,090
Employer's contributions	8,466	8,322	79,687
Benefit paid during the current fiscal year	(4,378)	(3,734)	(41,214)
Others	(574)	(1,333)	(5,404)
Plan assets at end of the year	¥ 88,645	¥ 82,056	\$ 834,390

[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, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Projected benefit obligation under funded schemes	¥ 108,798	¥ 107,253	\$ 1,024,077
Plan assets	(88,645)	(82,056)	(834,390)
	20,152	25,196	189,687
Projected benefit obligation under non-funded schemes	76,315	73,170	718,334
Asset and liability on the consolidated balance sheet, net	¥ 96,468	¥ 98,367	\$ 908,022
Net defined benefit liability	97,947	99,208	921,947
Net defined benefit assets	(1,479)	(840)	(13,925)
Net liability for retirement benefits on the balance sheet	¥ 96,468	¥ 98,367	\$ 908,022

[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
	2018	2017	2018
Service cost	¥ 8,346	¥ 7,671	\$ 78,566
Interest cost on projected benefit obligation	2,050	2,221	19,297
Expected return on plan assets	(1,684)	(1,772)	(15,857)
Amortization of actuarial net loss	3,073	4,205	28,932
Amortization of prior service cost	174	108	1,645
Net retirement benefit cost to defined benefit plans	¥ 11,961	¥ 12,434	\$ 112,584

[Remarks]

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

(5) Components of remeasurements of defined benefit plans (before tax effects) included in other comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Prior service cost	¥ 174	¥ 108	\$ 1,645
Actuarial loss	2,080	4,994	19,584
Total	¥ 2,255	¥ 5,103	\$ 21,230

(6) Components of remeasurements of defined benefit plans (before tax effects) included in accumulated other comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Unrecognized prior service cost	¥ 554	¥ 667	\$ 5,219
Unrecognized actuarial loss	10,111	12,300	95,175
Total	¥ 10,665	¥ 12,967	\$ 100,394

(7) Allocation of plan assets

1. In order to determine the expected long-term rate of return on assets, the Company and its consolidated subsidiaries consider the current and expected future allocation of the pension assets and the variety of the properties constituting the pension assets.

	Ratio	
	2018	2017
Debt securities	29%	28%
Equity securities	33%	32%
Cash and deposits	3%	6%
Life insurance company general accounts	27%	26%
Other assets	8%	8%
Total	100%	100%

**Other assets" includes alternative investments

2. Determination of expected long-term rate of return on assets

To determine expected long-term rate of return on assets of pension plan, the Company also takes into consideration the allocation of present and future pension assets and long-term rate of return on assets for present and future expected by various assets which consist pension plan.

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

	2018	2017
Discount rates	1.2%	1.2%
Expected long-term return rates on plan assets	2.2%	2.2%
Expected rate of pay raises	3.5%	3.6%

2. Defined contribution pension plans are as follows;

Required contributions of certain subsidiaries to defined contribution pension plans were ¥766 million (\$7,218 thousand) for the year ended March 31, 2018, and ¥421 million for the year ended March 31, 2017.

6. Income Taxes

Accrued income taxes in the consolidated 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, 2018 and 2017 are as follows:

	Millions of yen		Thousands of
	2018	2017	U.S. dollars
Deferred tax assets:			
Net defined benefit liability	¥ 27,244	¥ 29,294	\$ 256,442
Loss on write-down of investments in subsidiaries and allowance for doubtful accounts	10,540	11,301	99,210
Accrued expenses	12,051	11,537	113,432
Accrued bonus	6,782	6,403	63,838
Loss on inventory write-down	2,364	2,285	22,260
Loss carry-forward	2,852	3,649	26,846
Unrealized profit eliminated in consolidation etc.	24,650	21,488	232,029
Others	10,215	10,743	96,150
Total gross deferred tax assets	¥ 96,700	¥ 96,703	\$ 910,210
Valuation allowance	(17,576)	(19,713)	(165,444)
Total deferred tax assets	¥ 79,124	¥ 76,989	\$ 744,766
Deferred tax liabilities:			
Reserve for reduction entry of fixed assets	(763)	(837)	(7,183)
Unrealized holding gain on securities	(15,222)	(7,880)	(143,287)
Retained earnings in subsidiaries	(7,233)	(5,512)	(68,087)
Others	(1,436)	(1,300)	(13,522)
Total deferred tax liabilities	¥ (24,656)	¥ (15,530)	\$ (232,079)
Net deferred tax assets	¥ 54,467	¥ 61,459	\$ 512,687
Deferred tax liabilities:			
Reserve for reduction entry of fixed assets	(18)	(48)	(171)
Unrealized holding gain on securities	(54)	(40)	(513)
Subsidiaries' land evaluation	(1,954)	(1,954)	(18,392)
Others	(441)	(144)	(4,154)
Net deferred tax liabilities	¥ (2,468)	¥ (2,187)	\$ (23,231)

Reconciliation between the effective statutory tax rate and the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2018 and 2017 are as follows:

	2018	2017
Effective statutory tax rate	30.8%	30.8%
Tax credit	(4.2)	(4.5)
Net valuation allowance	(0.4)	(1.0)
Difference in tax rates applied at foreign subsidiaries	(5.2)	(2.8)
Loss recorded by consolidated subsidiaries	1.5	1.8
Equity in earnings of unconsolidated subsidiaries	(1.2)	(1.2)
Foreign withholding tax	3.7	4.8
Per capita levy of inhabitant tax	0.2	0.2
Retained earnings in subsidiaries	1.0	(0.4)
Decrease in deferred tax assets due to change in corporate tax rates	0.9	—
Others	0.8	(0.5)
Effective tax rate	27.9%	27.3%

Adjustments to deferred tax assets and deferred tax liabilities resulting from changes in tax rates including the US federal corporation tax rate

On December 22, 2017, the Tax Cuts and Jobs Act was enacted in the United States. As a result, the federal corporation tax rate has been reduced for fiscal years beginning on or after January 1, 2018. With this tax reform, the federal corporation tax rate applicable to the Company's consolidated subsidiaries in the US has been reduced from 35% to 21%.

Accordingly, the amount of deferred tax assets (less deferred tax liabilities) decreased by ¥1,442 million (US\$ 13,579 thousand), while deferred income taxes increased by ¥1,505 million (US\$ 14,167 thousand) as of and for the fiscal year ended March 31, 2018.

7. Shareholders' Equity

Changes in the numbers of shares issued and outstanding for the years ended March 31, 2018 and 2017 are as follows:

	2018	2017
	Common stock outstanding	
Balance at the beginning of the year	848,422,669	848,422,669
Decrease	—	—
Balance at the end of the year	848,422,669	848,422,669
Treasury stock outstanding		
Balance at the beginning of the year	60,894,345	60,007,155
Increase	9,709	887,190
Decrease	(14,592)	—
Balance at end of the year	60,889,462	60,894,345

The balance of treasury stock as of March 31, 2018 and 2017 includes 864,808 shares and 879,400 shares, respectively, of the Company held by the BIP trust.

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 as of March 31, 2018.

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 the 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 ¥62,961 million (\$592,635 thousand).

9. Commitment Lines

The Company and certain consolidated subsidiaries entered into contracts for overdraft with banks for efficient financing. Available commitment lines with banks as of March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Limit of overdraft	¥ 106,000	¥ 151,000	\$ 997,740
Borrowing outstanding	16,800	—	158,132
Available commitment lines	¥ 89,200	¥ 151,000	\$ 839,608

10. Contingent Liabilities

Contingent liabilities as of March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Guarantees of bank loans	¥ 6	¥ 19	\$ 61

11. Lease Transactions

1. Lessor

(1) Finance lease

i) Net investments in direct financing leases as of March 31, 2018 and 2017 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Total minimum lease payments to be received	¥ 83,730	¥ 77,844	\$ 788,130
Estimated unguaranteed residual value of leased assets	12,056	9,268	113,482
Amounts equivalent to interest income	(6,029)	(5,812)	(56,755)
Net investment in direct financing leases	¥ 89,757	¥ 81,301	\$ 844,857

ii) Maturities of future minimum lease payments as per lease receivables and lease investment assets as of March 31, 2018 and 2017 are as follows:

2017	Millions of yen					
	Due within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Thereafter
Lease receivables	¥ 1,410	¥ 2,040	¥ 882	¥ 1,284	¥ 553	¥ 107
Lease investment assets	¥ 22,964	¥ 21,768	¥ 16,750	¥ 10,977	¥ 4,760	¥ 624

2018	Millions of yen					
	Due within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Thereafter
Lease receivables	¥ 3,890	¥ 3,041	¥ 3,216	¥ 2,354	¥ 1,272	¥ 280
Lease investment assets	¥ 27,814	¥ 22,851	¥ 17,163	¥ 10,891	¥ 4,362	¥ 647

2018	Thousands of U.S. dollars					
	Due within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Thereafter
Lease receivables	\$ 36,619	\$ 28,631	\$ 30,271	\$ 22,159	\$ 11,978	\$ 2,642
Lease investment assets	\$ 261,810	\$ 215,095	\$ 161,555	\$ 102,514	\$ 41,061	\$ 6,092

(2) Operating lease

i) Maturities of future minimum lease payments as of March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Due within 1 year	¥ 9,089	¥ 6,843	\$ 85,557
Thereafter	19,403	15,199	182,637
Total	¥ 28,493	¥ 22,042	\$ 268,194

2. Lessee

Operating lease

Future minimum lease payments of operating lease as of March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Due within 1 year	¥ 2,133	¥ 1,480	\$ 20,084
Thereafter	8,648	5,298	81,403
Total	¥ 10,782	¥ 6,778	\$ 101,488

12. Derivatives

Derivatives recognized in the consolidated financial statements as of March 31, 2018 and 2017 are as follows:

1. Derivative transactions for which hedge accounting is not applied

(1) Foreign exchange-related

As of March 31, 2018		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	¥ 9,707	¥ 38	¥ 12	¥ 12	\$ 91,374	\$ 366	\$ 117	\$ 117
	Australian dollar	4,662	—	(13)	(13)	43,885	—	(125)	(125)
	U.S. dollar	2,432	—	(8)	(8)	22,898	—	(79)	(79)
	Thai baht	782	—	6	6	7,365	—	60	60
	Others	938	—	(3)	(3)	8,834	—	(34)	(34)
	Foreign exchange forward contracts Sell								
	Japanese yen	604	—	4	4	5,692	—	41	41
	Australian dollar	13	—	(0)	(0)	125	—	(0)	(0)
	U.S. dollar	580	106	(11)	(11)	5,466	1,004	(103)	(103)
	Thai baht	4,314	—	(37)	(37)	40,607	—	(351)	(351)
	Vietnamese dong	789	—	0	0	7,430	—	6	6
Total		¥ 24,826	¥ 145	¥ (49)	¥ (49)	\$ 233,678	\$ 1,370	\$ (469)	\$ (469)

As of March 31, 2017		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	¥ 8,503	—	¥ 42	¥ 42	\$ 75,792	—	\$ 377	\$ 377
	Australian dollar	4	—	0	0	42	—	0	0
	U.S. dollar	331	—	(2)	(2)	2,952	—	(20)	(20)
	Thai baht	360	¥ 215	12	12	3,211	\$ 1,918	107	107
	Others	452	—	3	3	4,032	—	28	28
	Foreign exchange forward contracts Sell								
	Australian dollar	1,772	—	39	39	15,799	—	351	351
	U.S. dollar	2,163	—	42	42	19,285	—	375	375
	Thai baht	3,785	—	(95)	(95)	33,737	—	(850)	(850)
	Others	648	—	0	0	5,776	—	7	7
	Total		¥ 18,021	¥ 215	¥ 42	¥ 42	\$ 160,631	\$ 1,918	\$ 377

(2) Interest rate-related

As of March 31, 2018		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	Interest rate swaps Pay fixed receive floating	¥ 3	¥ 0	¥ (2)	¥ (2)	\$ 29	\$ 4	\$ (24)	\$ (24)

As of March 31, 2017		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	Interest rate swaps Pay fixed receive floating	¥ 8	¥ 3	¥ (5)	¥ (5)	\$ 74	\$ 29	\$ (48)	\$ (48)

2. Derivative transactions for which hedge accounting is applied

(1) Foreign exchange-related

As of March 31, 2018			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	¥ 11,339	—	¥ 274	\$ 106,737	—	\$ 2,585
	Thai baht		¥ 2,538	—	(87)	\$ 23,897	—	(827)
	Sell							
	U.S. dollar	Accounts receivable	14,390	—	598	135,450	—	5,632
	Australian dollar		6,344	—	278	59,720	—	2,620
Foreign exchange forward contracts under the designated hedge accounting method	Foreign exchange forward contracts							
	Sell							
	U.S. dollar	Accounts receivable	3,027	—	(1*)	28,782	—	(1*)
	Australian dollar		6,228	—	—	58,624	—	—
Total			¥ 43,899	—	¥ 1,063	\$ 413,212	—	\$ 10,010

As of March 31, 2017			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	¥ 7,564	—	¥ 715	\$ 67,429	—	\$ 6,378
	Sell							
	U.S. dollar	Accounts receivable	12,683	—	231	113,056	—	2,065
	Australian dollar		2,919	—	38	26,022	—	340
Foreign exchange forward contracts under the designated hedge accounting method	Foreign exchange forward contracts							
	Sell							
	U.S. dollar	Accounts receivable	3,018	—	(1*)	26,904	—	(1*)
	Australian dollar		5,862	—	—	52,256	—	—
Total			¥ 32,049	—	¥ 985	\$ 285,668	—	\$ 8,784

(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, 2018			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
Principle accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	¥ 45,000	¥ 45,000	¥ 77	\$ 423,569	\$ 423,569	\$ 733
Interest rate swaps under the exceptional accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	¥ 6,575	¥ 1,975	(2*)	\$ 61,888	\$ 18,589	(2*)
Total			¥ 51,575	¥ 46,975	¥ 77	\$ 485,457	\$ 442,159	\$ 733

As of March 31, 2017			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
Principle accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	¥ 45,000	¥ 45,000	¥ 131	\$ 401,105	\$ 401,105	\$ 1,168
Interest rate swaps under the exceptional accounting method	Interest rate swaps Pay fixed receive floating	Long-term debt	¥ 12,101	¥ 6,575	(2*)	\$ 107,861	\$ 58,605	(2*)
Total			¥ 57,101	¥ 51,575	¥ 131	\$ 508,966	\$ 459,711	\$ 1,168

(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.

13. Financial Instruments

Financial instruments recognized in the consolidated financial statements as of March 31, 2018 and 2017 are as follows. Financial instruments, whose fair values are not readily available, are not included in the following table.

As of March 31, 2018	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
(1) Cash and time deposits	¥ 346,818	¥ 346,818	—	\$ 3,264,480	\$ 3,264,480	—
(2) Notes and accounts receivable	279,401	279,401	—	2,629,905	2,629,905	—
(3) Lease investment assets and lease receivables	103,223	103,324	¥ 100	971,608	972,558	\$ 950
(4) Investment securities	94,538	94,538	—	889,862	889,862	—
(5) Notes and accounts payable	(350,555)	(350,555)	—	(3,299,651)	(3,299,651)	—
(6) Electronically recorded obligations - operating	(29,439)	(29,439)	—	(277,104)	(277,104)	—
(7) Short-term loans	(30,770)	(30,770)	—	(289,629)	(289,629)	—
(8) Accrued expenses	(52,730)	(52,730)	—	(496,337)	(496,337)	—
(9) Long-term debt	(239,963)	(240,726)	(763)	(2,258,687)	(2,265,874)	(7,186)
(10) Derivatives	1,089	1,089	—	10,250	10,250	—

As of March 31, 2017	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
(1) Cash and time deposits	¥ 275,234	¥ 275,234	—	\$ 2,453,290	\$ 2,453,290	—
(2) Notes and accounts receivable	256,582	256,582	—	2,287,038	2,287,038	—
(3) Lease investment assets and lease receivables	87,379	87,765	¥ 386	778,851	782,294	\$ 3,442
(4) Investment securities	64,824	64,824	—	577,808	577,808	—
(5) Notes and accounts payable	(329,094)	(329,094)	—	(2,933,367)	(2,933,367)	—
(6) Electronically recorded obligations - operating	(33,218)	(33,218)	—	(296,089)	(296,089)	—
(7) Short-term loans	(11,585)	(11,585)	—	(103,265)	(103,265)	—
(8) Accrued expenses	(48,196)	(48,196)	—	(429,594)	(429,594)	—
(9) Long-term debt	(227,038)	(227,893)	(854)	(2,023,693)	(2,031,314)	(7,620)
(10) Derivatives	1,152	1,152	—	10,282	10,282	—

The figures in parenthesis indicate those posted in liabilities.

Because market prices of unlisted equity securities of ¥2,353 million (\$22,157 thousand) as of March 31, 2018 and ¥6,104 million as of March 31, 2017 and equity securities of non-consolidated subsidiaries and affiliates of ¥81,735 million (\$769,347 thousand) as of March 31, 2018 and ¥80,249 million as of March 31, 2017, 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 as of March 31, 2018 and 2017 are as follows:

As of March 31, 2018	Millions of yen		Thousands of U.S. dollars	
	Within one year	Over one year	Within one year	Over one year
Cash and time deposits	¥ 346,818	—	\$ 3,264,480	—
Notes and accounts receivable	¥ 279,401	—	\$ 2,629,905	—
Lease investment assets and lease receivables	¥ 33,468	¥ 69,755	\$ 315,022	\$ 656,585
Total	¥ 659,687	¥ 69,755	\$ 6,209,408	\$ 656,585

As of March 31, 2017	Millions of yen		Thousands of U.S. dollars	
	Within one year	Over one year	Within one year	Over one year
Cash and time deposits	¥ 275,234	—	\$ 2,453,291	—
Notes and accounts receivable	¥ 256,582	—	\$ 2,287,038	—
Lease investment assets and lease receivables	¥ 25,317	¥ 62,060	\$ 225,666	\$ 553,176
Total	¥ 557,135	¥ 62,060	\$ 4,965,995	\$ 553,176

14. Impairment Loss on Fixed Assets

Impairment loss on fixed assets recognized in the consolidated financial statements as of March 31, 2018 is as follows:

Location	Usage	Type	Millions of yen	Thousands of U.S. dollars
Tomakomai-shi, Hokkaido prefecture	Idle assets	Building	¥ 73	\$ 696
Tsuchiura-shi, Ibaraki prefecture	Business assets	Land, building, structure, and other	115	1,089
Ebina-shi, Kanagawa prefecture	Business assets	Machinery	47	446
Izumo-shi, Shimane prefecture	Business assets	Building	17	163
Miyazaki-shi, Miyazaki prefecture	Business assets	Building, structure and other	110	1,038
Chiba-shi, Chiba prefecture	Business assets	Land, building and other	39	374
Total			¥ 404	\$ 3,807

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 rent assets and 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 for 2018 is as follows:

Type	Millions of yen	Thousands of U.S. dollars
Land	¥ 84	\$ 798
Building and structure	253	2,386
Machinery and equipment	51	486
Other	14	135

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.

15. Notes to Consolidated Statements of Comprehensive Income

The following table presents reclassification adjustments and tax effects allocated to each component of other comprehensive income as of March 31, 2018 and 2017:

Details	Thousands of U.S. dollars		
	2018	2017	2018
	Millions of yen		
Unrealized holding gain (loss) on securities:			
Gain (loss) arising during the current period	¥ 23,963	¥ 11,403	\$ 225,562
Reclassification adjustment for gain (loss) realized	11	(29)	106
Net current period change, before income taxes	¥ 23,975	11,373	225,668
Income taxes on net current period change	(7,343)	(3,425)	(69,119)
Net unrealized holding gain (loss) on securities	16,631	7,948	156,549
Unrealized gain (loss) on hedging instruments:			
Gain (loss) arising during the current period	220	(198)	2,079
Reclassification adjustment for gain (loss) realized	327	302	3,087
Net current period change, before income taxes	548	103	5,166
Income taxes on net current period change	(167)	3	(1,573)
Net unrealized gain (loss) on hedging instruments	381	107	3,593
Revaluation reserve for land:			
Gain (loss) arising during the current period	—	320	—
Income taxes on net current period change	—	—	—
Net revaluation reserve for land	—	320	—
Foreign currency translation adjustments:			
Gain (loss) arising during the current period	3,589	(5,951)	33,782
Net foreign currency translation adjustments	3,589	(5,951)	33,782
Remeasurements of defined benefit plans			
Gain (loss) arising during the current period	(993)	789	(9,347)
Reclassification adjustment for gain (loss) realized	3,248	4,314	30,578
Net current period change, before income taxes	2,255	5,103	21,230
Income taxes on net current period change	(781)	(2,766)	(7,358)
Net remeasurements of defined benefit plans	1,473	2,336	13,871
Share of other comprehensive income of associates accounted for using the equity method:			
Gain (loss) arising during the current period	993	(6,586)	9,347
Reclassification adjustment for gain (loss) realized	(12)	(86)	(120)
Net share of other comprehensive income of associates accounted for using the equity method	980	(6,673)	9,226
Total other comprehensive income	¥ 23,056	¥ (1,911)	\$ 217,023

16. Consolidated Statements of Cash Flows

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

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Cash and time deposits	¥ 346,818	¥ 275,234	\$ 3,264,480
Time deposits with maturities exceeding three months	(16,869)	(14,556)	(158,785)
Cash and cash equivalents	¥ 329,949	¥ 260,678	\$ 3,105,695

(2) Contents of important non-cash transactions

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Assets and liabilities relating to finance lease transactions	¥ 2,288	¥ 3,069	\$ 21,538

17. Subsequent Event

There are no subsequent events to be disclosed by the Company.

18. Segment Information

(1) Segment information

Year ended March 31, 2018

The Company and its consolidated subsidiaries compose a single business segment, primarily engaged in the manufacture and sale of vehicles and its components and industrial engines.

Therefore the disclosure of segment information is omitted.

(2) Related information

Year ended March 31, 2018

a) Information by product and service

	Millions of yen				
	Vehicles	Parts for overseas production	Engines and components	Other	Total
Sales to third parties	1,462,789	71,599	127,014	408,957	2,070,359

	Thousands of U.S. dollars				
	Vehicles	Parts for overseas production	Engines and components	Other	Total
Sales to third parties	13,768,725	673,937	1,195,541	3,849,370	19,487,574

b) Geographical information

(i) Net sales

Millions of yen			
Japan	Thailand	Other	Total
786,911	398,808	884,640	2,070,359

Thousands of U.S. dollars			
Japan	Thailand	Other	Total
7,406,920	3,753,842	8,326,811	19,487,574

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

(ii) Property, plant and equipment

Millions of yen			
Japan	Thailand	Other	Total
576,385	66,625	62,843	705,854

Thousands of U.S. dollars			
Japan	Thailand	Other	Total
5,425,312	627,119	591,526	6,643,959

c) Information by major customer

Name of customers	Net sales	
	Millions of yen	Thousands of U.S. dollars
Tri Petch Isuzu Sales Co., Ltd.	380,772	3,584,079

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

Year ended March 31, 2018

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in the manufacture and sale of vehicles and its components and 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, 2018

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

Therefore the disclosure of this information is omitted.

(5) Information on negative goodwill by business segment

Year ended March 31, 2018

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in the manufacture and sale of vehicles and its components and 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 100-0011, Japan

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, 2018 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, 2018, 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 28, 2018
Tokyo, Japan

Corporate Directory

PRINCIPAL DOMESTIC SUBSIDIARIES AND AFFILIATES

Isuzu Motors Sales Ltd.
Isuzu Motors Tohoku Ltd.
Isuzu Motors Syutoken Co., Ltd.
Isuzu Motors Chubu Co., Ltd.
Isuzu Motors Kinki Co., Ltd.
Isuzu Motors Chugokushikoku Ltd.
Isuzu Motors Kyushu Ltd.
Isuzu Leasing Services Ltd.
IJT Technology Holdings Co., Ltd.
Isuzu LINEX Co., Ltd.
Shonan Unitec 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.
 No.1418 Beijing Fortune Building, 5 Dong San Huan Bei-Lu,
 Chao Yang District, Beijing 100004, 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 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. Moo9 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.**
 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. Moo9 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 KAWLING 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 JI.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

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 International FZE (IIF)
 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: 966-13-808-3860

Europe

**Anadolu Isuzu Otomotiv Sanayi Ve Ticaret
A.S. (AIOS)**
 Sekerpinar Mah. Otomotiv Cad. No:2, 41435 Cayirova,
 Kocaeli, Turkey
 Tel: 90-850-200-1900

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

JSC "ISUZU RUS"
 97-A, Azovskaya street, Ulyanovsk city, Ulyanovsk district,
 the Russian Federation
 Tel: 7-495-783-70-35

Africa

General Motors Egypt S.A.E.
 Sofitel Maadi, Misr International Tower 18th floor, Apt.
 1802 & 1803, Cornishe El-Nil, Maadi, Cairo, Egypt
 Tel: 202-3828-0280/202-2529-9444

Isuzu Motors South Africa (Pty) Limited
 Woodmead North Office Park, 54 Maxwell Drive,
 Jukskei View Ext 7, Sandton, Gauteng, Republic of South
 Africa
 Tel: 27-041-403-9111

North America

Isuzu Motors America, LLC. (ISZA)
 1400 S. Douglass Road, Suite 100, Anaheim, CA 92806, U.S.A.
 Tel: 1-714-935-9300

Isuzu Commercial Truck of America, Inc. (ICTA)
 1400 S. Douglass Road, Suite 100, Anaheim, CA 92806, U.S.A.
 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, U.S.A.
 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.
 Tel: 57-1-740-0111

**GM-Isuzu Camiones Andinos de Ecuador, Ltda.
(GMICA-Ecuador)**
 Panamericana Norte Km. 5 1/2 y, Jose de la Rea, Quito, Ecuador
 Tel: 593-2-297-7700

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. (Shares owned by Isuzu were sold to GM in 2013.)
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.
April 2016	Isuzu Motors India opens assembly plant for LCVs (pickup trucks and derivatives).

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, 2018)

	Common Stock
Shares authorized:	1,700,000,000
Shares issued:	848,422,669
No. of shareholders:	38,815

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

Major Shareholders

(As of March 31, 2018)

Common Stock	Number of shares held	Percentage of ownership (%)
Mitsubishi Corporation	63,633	8.07
Itochu Corporation	52,938	6.72
Toyota Motor Corporation	50,000	6.34
The Master Trust Bank of Japan, Ltd. (Trust Account)	38,084	4.83
Japan Trustee Services Bank, Ltd. (Trust Account)	37,322	4.73
THE BANK OF NEW YORK MELLON SA/NV 10	24,878	3.15
Mizuho Corporate Bank, Ltd.	15,965	2.02
JFE Steel Corporation	14,434	1.83
Development Bank of Japan	13,183	1.67
National Mutual Insurance Federation of Agricultural Cooperatives	12,650	1.60
Total	323,089	40.98

Note: 1. Percentage of ownership shares are rounded off to two decimal places.

2. Shares are rounded down in thousands.

3. In previous reports, shares held by trusts were totaled (collated by names). Starting with this Annual Report, we will provide information on major shareholders using the same format as the official share register.

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation

4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

Trucks for life
ISUZU

ISUZU MOTORS LIMITED

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Tel: +81-3-5471-1141 Fax: +81-3-5471-1043

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

