

FY2012 Consolidated Financial Results (Japan GAAP)

(April 1, 2011 through March 31, 2012)

English Translation of the Original Japanese-Language Document



May 10, 2012

Company name	: ISUZU MOTORS LIMITED
Stock exchange on which the shares are listed	: Tokyo Stock Exchange in Japan
Code number	: 7202
URL	: http://www.isuzu.co.jp/world/investor/index.html
Representative	: Susumu Hosoi, President
Contact	: Yasuo Fujikake, General manager, General Affairs & HR Department Tel. (03) 5471 - 1141
Scheduled date for general meeting of shareholders	: June 28, 2012
Expected starting date for distribution of cash dividends	: June 29, 2012
Scheduled date for submission of financial statements	: June 28, 2012
The supplement materials of the financial results	: Yes
Holding of the financial results meeting	: Yes

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Highlights (April 1, 2011 through March 31, 2012)

<1> Consolidated Financial Result

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2012	1,400,074	(1.1)	97,373	10.4	102,893	12.7	91,256	76.9
FY2011	1,415,544	31.0	88,220	701.3	91,258	701.0	51,599	514.2

[Note] Comprehensive Income	FY2012	101,342	millions of yen	123.2%
	FY2011	45,398	millions of yen	93.5%

	Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	yen	%	%	%
FY2012	53.86	24.5	8.8	7.0
FY2011	30.45	16.5	8.2	6.2

[Note] Equity Income from affiliated companies	FY2012	6,134	millions of yen
	FY2011	8,576	millions of yen

<2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Sales per Share
	millions of yen	millions of yen	%	yen
FY2012	1,213,402	479,644	34.2	245.22
FY2011	1,112,459	387,058	29.5	193.62

[Note] Total Amount of Shareholders' Equity	FY2012	415,488	millions of yen
	FY2011	328,067	millions of yen

<3> Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	millions of yen	millions of yen	millions of yen	millions of yen
FY2012	79,518	(34,786)	(82,921)	160,665
FY2011	135,208	(27,021)	(57,751)	202,356

2. Cash Dividends

	Dividend per Share					Total Amount of Cash Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	The End of 1st Quarter	The End of 2nd Quarter	The End of 3rd Quarter	Year-End	Total			
FY2011	yen -	yen 2.00	yen -	yen 2.00	yen 4.00	millions of yen 6,779	% 13.1	% 2.2
FY2012	-	3.00	-	3.00	6.00	10,169	11.1	2.7
FY2013 (Forecast)	-	4.00	-	4.00	8.00		16.7	

3. Consolidated Financial Forecast for FY2013 (April 1, 2012 through March 31, 2013)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
2nd Quarter	790,000	20.0	50,000	14.1	52,000	15.2	35,000	3.8	20.66
Year-End	1,630,000	16.4	123,000	26.3	127,000	23.4	81,000	(11.2)	47.81

4. Others

<1> Changes in significant subsidiaries during this period : None

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Changes in accounting policies, procedures and disclosures

Changes due to revisions of accounting standards : None
 Changes due to factors other than revisions of accounting standards : None
 Changes in accounting estimates : None
 Retrospective restatement : None

<3> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2012	1,696,845,339	Shares
at the end of the term (inclusive of treasury stock)	FY2011	1,696,845,339	Shares
Number of treasury stock at the end of the term	FY2012	2,512,857	Shares
	FY2011	2,454,660	Shares
Average number of stocks issued	FY2012	1,694,366,023	Shares
	FY2011	1,694,447,742	Shares

(Reference) Non-consolidated Financial Results

1. Non-consolidated Financial Highlights (April 1, 2011 through March 31, 2012)

<1> Non-consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2012	943,656	8.4	66,106	39.4	73,615	33.2	79,029	102.4
FY2011	870,575	34.0	47,422	666.3	55,258	972.7	39,036	173.9

	Net Income per Share
	yen
FY2012	46.63
FY2011	23.03

<2> Non-consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2012	836,916	356,397	42.6	210.28
FY2011	781,001	275,682	35.3	162.66

Note: Total amount of shareholders' equity
 FY2012 356,397 millions of yen
 FY2011 275,682 millions of yen

※Information regarding the implementation of audit procedures

These financial results are not subject to audit procedures based on the Financial Instruments and Exchange Act.
 At the date of the announcement, financial results audit procedures based on the Financial Instruments and Exchange Act have not been completed.

※Explanation on the usage of the financial projection and others

<1> The financial performance forecasts are calculated based on the information available and assumptions at the date of the announcement on uncertain factors that may give an impact to the financial results. There are possibilities that the actual financial result may differ largely due to a variation of factors.

<2> The supplement material will be released on May 10, 2012.

List of Contents of Attachments

1. Operating Results	4
(1) Analysis of Operating Results	4
(2) Forecast for Consolidated Business Results	4
(3) Analysis of Financial Position	4
(4) Basic Policy regarding Earnings Appropriation and Dividend for FY 2012 and FY2013	5
2. Management Policy	5
(1) Basic Policy for Corporate Management	5
(2) Medium- and Long-term Corporate Management Strategy and Issues to Address	5
3. Consolidated Financial Statements.....	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	9
(Consolidated Statements of Income)	9
(Consolidated Statements of Comprehensive Income)	10
(3) Consolidated Statement of Changes in Net Assets	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes on Going Concern Assumption.....	14
(6) Notes on Consolidated Financial Statements	14
(Consolidated Statements of Income)	14
(Consolidated Statements of Cash Flows).....	14
(Segment information).....	14
(Per Share Information)	14
(Significant Subsequent Events).....	14
4. Non-consolidated Financial Statements.....	15
(1) Non-consolidated Balance Sheets.....	15
(2) Non-consolidated Statements of Income	17
(3) Non-consolidated Statement of Changes in Net Assets	18
5. Other	20
(1) Appointment and Retirement of Directors	20
(2) Other.....	21

1. Operating Results

(1) Analysis of Operating Results

Although the pace of the global economic recovery from the worldwide recession has slackened in the current consolidated fiscal year due to fiscal problems in some European countries, newly emerging economies in Asia and other regions have continued to grow. The Japanese economy, which was severely affected by the Great East Japan Earthquake, continues to face difficult challenges, but has gradually started to recover.

Against this backdrop, our Group has endeavored to rectify supply delays caused by the Great East Japan Earthquake as well as stabilize production in response to the interruptions in parts supplies caused by floods in Thailand last October. We have also been striving to boost sales, enhance efficiency and improve our cost structure.

Total domestic and international sales volume in the current consolidated fiscal year amounted to 380,677 units, down by 26,649 units (-6.5%) compared to the previous consolidated fiscal year. Demand in Japan rebounded, however, partly due to reconstruction efforts following the Great East Japan Earthquake. This contributed to a 7,299 unit (15.6%) year-on increase in domestic vehicle sales, to 54,066 units.

Markets in Asia, including China, and other countries continued to grow, but total overseas vehicle sales dropped 33,948 (9.4%) to 326,611 units, year-on-year, as shipments declined due to the floods in Thailand.

Sales of parts for overseas production declined 8.1 billion yen or 11.0% year-on-year to 65.8 billion yen. Sales of engine components dropped 26.9 billion yen or 14.6% to 156.8 billion yen from the previous consolidated fiscal year.

As a result, net sales totaled 1,400 billion yen, for a drop of 1.1% or 15.4 billion yen from the previous consolidated fiscal year. This includes 558.4 billion yen of net sales in Japan (a gain of 12.0% year-on-year) and 841.6 billion yen in the rest of the world (a drop of 8.2% from the previous year).

Despite the net sales decrease, continued improvements in cost structure contributed to a rise in operating income to 97.3 billion yen (up 10.4% from the previous year) and a rise in ordinary income to 102.8 billion yen (up 12.7% year-on-year). Net income totaled 91.2 billion yen (a 76.9% rise from the same term in the previous year).

(2) Forecast for Consolidated Business Results

Demand in the domestic truck market will continue to be strong, owing to the implementation of eco-car subsidies and the continued recovery efforts following the Great East Japan Earthquake. The overseas market, especially in emerging economies and resource-rich countries, will also continue to enjoy a growing demand.

As it did last year, the entire Group will make every effort to improve our cost structure by promoting sales and improving efficiency.

[Forecast for Consolidated Business Results for the Year Ending March 31, 2013]

Net sales	1,630 billions of yen
Operating income	123 billions of yen
Ordinary income	127 billions of yen
Net income	81 billions of yen

* This forecast for the current consolidated fiscal year is considered reasonable by the Company based on information available today. At the same time, we recognize that world economic and market conditions, as well as exchange ratios and other risk factors may change.

Actual financial results may differ considerably from this forecast. For the current consolidated fiscal year the above should therefore not be the sole basis for any investment decision.

(3) Analysis of Financial Position

① Assets, Liabilities and Net Assets

Total assets as of the end of the current consolidated fiscal year rose 100.9 billion yen to 1,213.4 billion yen from the end of the previous consolidated fiscal year. This change was principally due to a decrease in cash and deposits by 39.3 billion yen through paying down borrowings, an increase in trade notes and accounts receivable by 63.7 billion yen due to growth in domestic sales and recovery from impacts of floods in Thailand, as well as an increase of 53.4 billion yen in inventory assets.

Liabilities increased 8.3 billion yen to 733.7 billion yen from the end of the previous consolidated fiscal year. While trade notes and accounts payable rose due to increases in domestic sales and the recovery from the impacts of the

floods in Thailand, borrowings were repaid on schedule, causing interest-bearing liabilities to shrink 70.5 billion yen compared to the end of the previous consolidated fiscal year.

Net assets increased 92.5 billion yen to 479.6 billion yen from the end of the previous consolidated fiscal year, while net income amounted to 91.2 billion yen. Retained earnings dropped 8.4 billion yen after payment of dividends. Foreign currency translation adjustments declined 5.9 billion yen. On the other hand, valuation difference on available-for-sale securities rose 4.5 billion yen, revaluation reserve for land increased 5.4 billion yen based on the revised tax rates, and minority interests grew 5.1 billion yen in association with the increase in net assets at subsidiaries. The capital adequacy ratio increased to 34.2% (from 29.5% as of the end of the previous consolidated fiscal year.).

② Cash Flows Data

Cash and cash equivalents at the end of the current consolidated fiscal year (hereinafter called the “funds”) decreased 41.6 billion yen from the previous consolidated fiscal year to 160.6 billion yen. More specifically, while 79.5 billion yen was provided by operating activities, 34.7 billion yen of the fund was used in investing activities, principally in facilities, and 82.9 billion yen was used in financing activities including the repayment of interest-bearing liabilities.

Free cash flow, calculated as operating cash flow minus investing cash flow, recorded an inflow of 44.7 billion yen, which was a 58.7% drop from the previous fiscal year.

[Cash Flow from Operating Activities]

Funds provided by operating activities amounted to 79.5 billion yen, a 41.2 % drop from the previous fiscal year. On one hand, income before income taxes and minority interests increased to 101.8 billion yen, and depreciation and amortization amounted to 35.9 billion yen, while on the other hand, inventories increased, resulting in fund outflows of 48.7 billion yen.

[Cash Flow from Investing Activities]

Funds used in investing activities amounted to 34.7 billion yen, up 28.7% from the previous fiscal year, mainly due to an increase in purchases of fixed assets and investment securities.

[Cash Flow from Financing Activities]

Funds used in financing activities reached 82.9 billion yen, a 43.6% increase from the previous fiscal year, due to repayments of interest-bearing liabilities.

(4) Basic Policy regarding Earnings Appropriation and Dividend for FY2012 and FY2013:

Making dividend payments to shareholders is one of our most important management policies. Before deciding on dividend payments, the Company makes a comprehensive study of various policies to seek the best management balance, such as steady and continuous return of earnings to shareholders, solidifying our business foundation and ensuring adequate internal reserves to prepare for future business expansion.

We have decided to propose a year-end dividend of 3 yen per share at our general shareholders meeting. We also plan to pay an interim dividend of 4 yen per share and a year-end dividend of 4 yen per share in FY2013.

2. Management Policy

(1) Basic Policy for Corporate Management

In pursuit of harmony with society and the environment, our Group aspires to grow together with customers as their trustworthy partner. Towards this goal, we have the following corporate philosophy and code of conduct:

Corporate Vision:

Trucks for Life: As a trusted partner, Isuzu supports transportation needs and promotes a better life for people.

Code of conduct:

(For products)	Pursue true needs and develop attractive products and services
(For ourselves)	Be true to our word and reliably speedy in our responses
(For the organization)	Accomplish our goals through global teamwork

(2) Medium- and Long-term Corporate Management Strategy and Issues to Address

Setting our sights on the fiscal year ending in March 2016, we formulated a new Mid-term Business Plan (April 2011 to March 2014) in November 2011. In addition to the commercial vehicle (CV) business based in Japan and the

light commercial vehicle (pickups and their derivatives) (LCV) business based in Thailand, this Plan includes the CV business for emerging countries as one of our now three global business pillars.

Through the Mid-term Business Plan, we aim to become a company that excels at our environmental mission, in response to the demands of society, and that enables our customers to make their businesses more productive and cost-efficient. In line with this plan, we will develop products with reduced environmental impacts and products that satisfy the needs of newly emerging markets. We will also promote initiatives for sales growth in emerging countries and maintaining our business in advanced countries.

As our concrete product strategy, we are expanding our product segments and introducing new products, in addition to the current lineup, including those that target newly emerging countries, as well as light-weight trucks and low-displacement diesel engines that support our growth strategy.

Our regional strategy includes aggressive investment of resources towards building a manufacturing system in the ASEAN countries, China and India, among other regions. We will also promote sales growth in newly emerging countries, while making our business stable and efficient in advanced markets. At the same time, to support our regional strategies, we will transfer various functions to establish a development and production system in Asia.

Through these initiatives, we project sales in FY March 2016 at 500,000 CV units (vs. 252,000 units in the fiscal year ending March 2011), and 500,000 LCV units (vs. 346,000 units in the above mentioned period) in the worldwide market and production volume of diesel engines at 1.5 million units (vs. 903,000 in the above mentioned period).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	199,831	160,492
Notes and accounts receivable-trade	168,951	232,679
Merchandise and finished goods	54,883	93,142
Work in process	8,243	9,108
Raw materials and supplies	37,891	52,262
Deferred tax assets	18,696	22,227
Other	23,176	24,684
Allowance for doubtful accounts	(1,414)	(1,113)
Total Current Assets	510,259	593,484
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures	259,752	260,486
Accumulated depreciation	(155,435)	(160,585)
Buildings and structures, net	104,316	99,900
Machinery, equipment and vehicles	470,271	483,437
Accumulated depreciation	(391,085)	(399,787)
Machinery, equipment and vehicles, net	79,185	83,649
Land	268,059	263,141
Lease assets	13,608	13,118
Accumulated depreciation	(5,202)	(5,659)
Lease assets, net	8,406	7,458
Construction in progress	17,108	15,298
Other	94,632	94,915
Accumulated depreciation	(86,935)	(88,221)
Other, net	7,697	6,693
Total Property, Plant and Equipment	484,773	476,142
Intangible assets		
Goodwill	-	1,273
Other	7,831	5,983
Total Intangible Assets	7,831	7,256
Investments and other assets		
Investment securities	81,651	103,736
Long-term loans receivable	3,858	3,586
Deferred tax assets	9,551	14,740
Other	19,736	19,453
Allowance for doubtful accounts	(5,202)	(4,999)
Total Investments and Other Assets	109,594	136,518
Total Non-Current Assets	602,200	619,918
TOTAL ASSETS	1,112,459	1,213,402

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable-trade	235,614	313,398
Short-term loans payable	83,467	53,370
Current portion of bonds	3,000	20,000
Lease obligations	3,457	3,167
Income taxes payable	7,373	9,688
Accrued expenses	38,789	38,102
Provision for bonuses	13,015	13,318
Provision for product warranties	2,136	3,398
Deposits received	3,195	3,336
Other	17,818	23,235
Total Current Liabilities	407,868	481,016
NON-CURRENT LIABILITIES		
Bonds payable	20,000	—
Long-term loans payable	157,546	121,019
Lease obligations	6,149	5,531
Deferred tax liabilities	4,059	2,309
Deferred tax liabilities for land revaluation	56,157	49,142
Provision for retirement benefits	64,207	66,266
Long-term deposits received	1,296	1,414
Negative goodwill	284	—
Other	7,831	7,057
Total Non-Current Liabilities	317,532	252,742
TOTAL LIABILITIES	725,400	733,758
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus	50,427	50,427
Retained earnings	196,816	280,032
Treasury stock	(632)	(653)
Total Shareholders' Equity	287,256	370,451
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	3,002	7,505
Deferred gains or losses on hedges	(78)	(216)
Revaluation reserve for land	73,311	79,114
Foreign currency translation adjustment	(35,424)	(41,366)
Total Accumulated Other Comprehensive Income	40,810	45,037
MINORITY INTERESTS	58,991	64,155
TOTAL NET ASSETS	387,058	479,644
TOTAL LIABILITIES AND NET ASSETS	1,112,459	1,213,402

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

Consolidated Statements of Income

(millions of yen)

	FY2011 Fiscal year ending March 31, 2011	FY2012 Fiscal year ending March 31, 2012
Net sales	1,415,544	1,400,074
Cost of sales	1,213,996	1,189,109
Gross Profit	201,548	210,964
Selling, general and administrative expenses		
Haulage expenses	17,095	19,555
Promotion expenses	12,962	9,390
Advertising expenses	1,161	1,363
Unpaid repair expenses	14,350	11,456
Provision for product warranties	1,396	2,638
Salaries and allowances	43,979	45,670
Provision for bonuses	4,922	5,533
Provision for retirement benefits	3,343	3,392
Depreciation	4,006	4,039
Other	10,108	10,551
Total Selling, general and administrative expenses	113,328	113,591
Operating Income	88,220	97,373
Non-operating income		
Interest income	1,121	1,748
Dividends income	658	858
Amortization of negative goodwill	89	—
Equity in earnings of affiliates	8,576	6,134
Rent income	316	370
Foreign exchange gains	338	225
Reversal of compensation expenses due to change of contract	—	1,353
Other	1,748	2,394
Total non-operating income	12,849	13,084
Non-operating expenses		
Interest expenses	4,933	3,795
Litigation settlement	1,090	1,008
Compensation expenses	1,353	—
Other	2,433	2,760
Total non-operating expenses	9,810	7,564
Ordinary Income	91,258	102,893
Extraordinary income		
Gain on sales of noncurrent assets	863	2,205
Gain on sales of investment securities	5	12
Compensation income for expropriation	370	121
Gain on negative goodwill	1,039	281
Reversal of allowance for doubtful accounts	584	—
Gain on step acquisitions	—	615
Other	439	940
Total extraordinary income	3,302	4,177
Extraordinary loss		
Loss on disposal of noncurrent assets	1,766	1,896
Impairment loss	2,142	692
Environmental expenses	3,413	—
Loss on disaster	9,031	1,741
Other	1,507	858
Total extraordinary losses	17,861	5,189
Income Before Income Taxes And Minority Interests	76,700	101,881
Income taxes-current	17,723	16,844
Income taxes-deferred	(457)	(13,088)
Total Income taxes	17,266	3,756
Income before minority interests	59,434	98,124
Minority interests in income	7,834	6,868
Net income	51,599	91,256

Consolidated Statements of Comprehensive Income

(millions of yen)

	FY2011 Fiscal year ending March 31, 2011	FY2012 Fiscal year ending March 31, 2012
Income before minority interests	59,434	98,124
Other comprehensive income		
Valuation difference on available-for-sale securities	(335)	4,511
Deferred gains or losses on hedges	72	(138)
Revaluation reserve for land	—	5,690
Foreign currency translation adjustment	(8,469)	(5,497)
Share of other comprehensive income of associates accounted for using equity method	(5,303)	(1,348)
Total other comprehensive income	<u>(14,035)</u>	<u>3,217</u>
Comprehensive income	<u>45,398</u>	<u>101,342</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	38,981	95,483
Comprehensive income attributable to minority interests	6,416	5,859

(3) Consolidated Statements of Changes In Net Assets

FY2011 (Fiscal year ending March 31, 2011)

(millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	40,644	50,427	153,663	(599)	244,136
Changes of items during the period					
Dividends from surplus			(8,474)		(8,474)
Reversal of revaluation reserve for land			28		28
Net income			51,599		51,599
Purchase of treasury stock				(32)	(32)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	43,153	(32)	43,120
Balance at the end of current period	40,644	50,427	196,816	(632)	287,256

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,327	(151)	73,340	(23,059)	53,456	56,941	354,534
Changes of items during the period							
Dividends from surplus							(8,474)
Reversal of revaluation reserve for land							28
Net income							51,599
Purchase of treasury stock							(32)
Net changes of items other than shareholders' equity	(324)	72	(28)	(12,365)	(12,646)	2,049	(10,596)
Total changes of items during the period	(324)	72	(28)	(12,365)	(12,646)	2,049	32,523
Balance at the end of current period	3,002	(78)	73,311	(35,424)	40,810	58,991	387,058

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	40,644	50,427	196,816	(632)	287,256
Changes of items during the period					
Dividends from surplus			(8,474)		(8,474)
Reversal of revaluation reserve for land			433		433
Net income			91,256		91,256
Purchase of treasury stock				(21)	(21)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	83,215	(21)	83,194
Balance at the end of current period	40,644	50,427	280,032	(653)	370,451

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,002	(78)	73,311	(35,424)	40,810	58,991	387,058
Changes of items during the period							
Dividends from surplus							(8,474)
Reversal of revaluation reserve for land							433
Net income							91,256
Purchase of treasury stock							(21)
Net changes of items other than shareholders' equity	4,503	(138)	5,803	(5,942)	4,226	5,164	9,391
Total changes of items during the period	4,503	(138)	5,803	(5,942)	4,226	5,164	92,585
Balance at the end of current period	7,505	(216)	79,114	(41,366)	45,037	64,155	479,644

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY2011 Fiscal year ending March 31, 2011	FY2012 Fiscal year ending March 31, 2012
Net Cash Provided by (Used in) Operating Activities		
Income before income taxes and minority interests	76,700	101,881
Depreciation	36,391	35,969
Amortization of negative goodwill	(89)	—
Equity in (earnings) losses of affiliates	(8,576)	(6,134)
Increase (decrease) in provision for retirement benefits	1,381	2,114
Increase (decrease) in provision for product warranties	(233)	1,230
Increase (decrease) in provision for bonuses	1,217	312
Amortization of goodwill	—	78
Increase (decrease) in allowance for doubtful accounts	(507)	(302)
Interest and dividends income	(1,779)	(2,606)
Interest expenses	4,933	3,795
Loss (gain) on sales of noncurrent assets	(863)	(2,205)
Loss (gain) on disposal of noncurrent assets	1,766	1,896
Loss (gain) on sales of investment securities	(3)	(11)
Impairment loss	2,142	692
Other extraordinary loss (income)	4,270	(1,487)
Decrease (increase) in notes and accounts receivable-trade	16,733	(57,859)
Decrease (increase) in inventories	3,243	(48,759)
Decrease (increase) in other current assets	1,757	(5,660)
Increase (decrease) in notes and accounts payable-trade	1,087	68,752
Increase (decrease) in accrued expenses	3,230	(154)
Increase (decrease) in deposits received	(1,038)	255
Increase (decrease) in other liabilities	3,436	94
Other	884	38
(Subtotal)	<u>146,085</u>	<u>91,931</u>
Interest and dividends income received	9,820	7,280
Interest expenses paid	(5,058)	(3,875)
Income taxes paid	(15,638)	(15,817)
Net cash provided by (used in) operating activities	135,208	79,518
Net Cash Provided by (Used in) Investing Activities		
Purchase of investment securities	(1,453)	(16,536)
Proceeds from sales of investment securities	72	41
Purchase of noncurrent assets	(25,408)	(26,881)
Proceeds from sales of noncurrent assets	1,862	7,007
Payments of long-term loans receivable	(47)	(60)
Collection of long-term loans receivable	232	305
Net decrease (increase) in short-term loans receivable	(260)	(225)
Net decrease (increase) in time deposits	(2,719)	1,309
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(2)
Other	701	255
Net cash provided by (used in) investing activities	(27,021)	(34,786)
Net Cash Provided by (Used in) Financing Activities		
Net increase (decrease) in short-term loans payable	(462)	9,133
Proceeds from long-term loans payable	40,670	3,000
Repayment of long-term loans payable	(65,217)	(78,866)
Redemption of bonds	(20,000)	(3,000)
Proceeds from stock issuance to minority shareholders	58	—
Repayment of lease obligations	(2,005)	(2,949)
Purchase of treasury stock	(26)	(14)
Cash dividends paid	(8,455)	(8,480)
Cash dividends paid to minority shareholders	(2,312)	(1,744)
Net cash provided by (used in) financing activities	(57,751)	(82,921)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(4,278)	(3,501)
Net Increase (Decrease) in Cash and Cash Equivalents	46,157	(41,691)
Cash and Cash Equivalents at Beginning of Period	156,198	202,356
Cash and Cash Equivalents at End of Period	202,356	160,665

(5) Notes on premise of a going concern

None

(6) Notes on Consolidated Financial Statements

[Consolidated Statements of Income]

Extraordinary loss in the current consolidated fiscal year includes loss on disasters, especially 513 million yen due to the Great East Japan Earthquake and 1,227 million yen due to the impacts of the floods in Thailand. More precisely these losses were principally fixed expenses incurred while operations and businesses were suspended.

[Consolidated Statements of Cash Flows]

Reconciliation of ending balance of cash and cash equivalents with balance of Cash and deposits on Consolidated Balance Sheets.

Cash on hand and in banks	160,492	millions of yen
Time deposits with maturities of more than three months	(1,454)	millions of yen
Securities redeemable within three months	<u>1,627</u>	<u>millions of yen</u>
Cash and cash equivalents	<u>160,665</u>	<u>millions of yen</u>

[Segment information]

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

[Per Share Information]

FY2011		FY2012	
Net assets per share (yen)	193.62	Net assets per share (yen)	245.22
Net income per share (yen)	30.45	Net income per share (yen)	53.86

(Note) Basis for the calculation of Net income per share is as follows.

	FY2011	FY2012
Net income (millions of yen)	51,599	91,256
Amount not attributable to common shareholders (millions of yen)	-	-
Net income associated with common shares (millions of yen)	51,599	91,256
Average number of shares (shares)	1,694,447,742	1,694,366,023

[Significant Subsequent Events]

None

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	117,403	86,887
Notes receivable-trade	830	—
Accounts receivable-trade	97,540	151,572
Finished goods	19,291	33,735
Work in process	5,538	6,597
Raw materials and supplies	18,232	18,705
Advance payments-trade	2,702	3,441
Prepaid expenses	1,439	1,377
Deferred tax assets	14,607	16,082
Short-term loans receivable	1,716	1,216
Short-term loans receivable from employees	19	1
Accounts receivable-other	9,977	10,463
Other	2,796	1,044
Allowance for doubtful accounts	(232)	(220)
Total Current Assets	291,865	330,905
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings	132,962	133,073
Accumulated depreciation	(81,421)	(84,247)
Buildings, net	51,541	48,825
Structures	30,024	30,302
Accumulated depreciation	(23,442)	(24,192)
Structures, net	6,582	6,109
Machinery and equipment	296,823	299,235
Accumulated depreciation	(245,478)	(252,878)
Machinery and equipment, net	51,345	46,356
Vehicles	3,285	3,214
Accumulated depreciation	(2,724)	(2,812)
Vehicles, net	560	401
Tools, furniture and fixtures	73,935	74,330
Accumulated depreciation	(69,040)	(70,376)
Tools, furniture and fixtures, net	4,894	3,954
Land	199,328	198,453
Lease assets	7,074	5,113
Accumulated depreciation	(3,396)	(2,477)
Lease assets, net	3,678	2,635
Construction in progress	2,935	4,987
Total Property, Plant and Equipment	320,865	311,724
Intangible assets		
Right of using electric supply facilities	1	1
Software	5,804	4,316
Other	45	45
Total intangible assets	5,851	4,362
Investments and other assets		
Investment securities	18,463	40,764
Stocks of subsidiaries and affiliates	122,678	122,360
Investments in capital	270	266
Investments in capital of subsidiaries and affiliates	14,126	14,198
Long-term loans receivable	2	2
Long-term loans receivable from employees	6	6
Long-term loans receivable from subsidiaries and affiliates	31,156	30,182
Long-term prepaid expenses	232	83
Deferred tax assets	1,058	7,645
Other	1,957	1,952
Allowance for doubtful accounts	(26,766)	(26,772)
Allowance for investment loss	(767)	(767)
Total Investments and Other Assets	162,419	189,924
Total Non-Current Assets	489,136	506,011
TOTAL ASSETS	781,001	836,916

(millions of yen)

	As of March 31, 2011	As of March 31, 2012
[LIABILITIES]		
CURRENT LIABILITIES		
Notes payable-trade	20,968	25,783
Accounts payable-trade	120,796	169,375
Current portion of bonds	3,000	20,000
Current portion of long-term loans payable	69,317	30,044
Lease obligations	2,037	1,575
Accounts payable-other	2,319	6,445
Accrued expenses	34,060	33,456
Income taxes payable	424	1,323
Advances received	83	163
Deposits received	10,260	7,518
Unearned revenue	32	16
Provision for product warranties	2,136	3,398
Provision for bonuses	7,553	7,704
Notes payable-facilities	22	21
Other	39	183
Total Current Liabilities	273,050	307,008
NON-CURRENT LIABILITIES		
Bonds payable	20,000	—
Long-term loans payable	108,133	77,791
Lease obligations	1,848	1,212
Provision for retirement benefits	42,656	44,412
Asset retirement obligations	432	432
Deferred tax liabilities for land revaluation	54,311	48,132
Long-term guarantee deposited	630	163
Long-term guarantee deposited received from subsidiaries and affiliates	2,868	141
Other	1,387	1,221
Total Non-Current Liabilities	232,269	173,509
TOTAL LIABILITIES	505,319	480,518
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus		
Legal capital surplus	49,855	49,855
Total capital surpluses	49,855	49,855
Retained earnings		
Other retained earnings		
Retained earnings brought forward	111,814	182,656
Total retained earnings	111,814	182,656
Treasury stock	(540)	(555)
Total Shareholders' Equity	201,773	272,600
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,846	7,203
Deferred gains or losses on hedges	(46)	(207)
Revaluation reserve for land	71,108	76,801
Total valuation and translation adjustments	73,908	83,797
TOTAL NET ASSETS	275,682	356,397
TOTAL LIABILITIES AND NET ASSETS	781,001	836,916

(2) Non-Consolidated Statements of Income

(millions of yen)

	FY2011 Fiscal year ending March 31, 2011	FY2012 Fiscal year ending March 31, 2012
Net sales		
Net sales of finished goods	869,241	942,332
Sales on lease business	1,333	1,323
Total net sales	870,575	943,656
Cost of sales		
Beginning finished goods	26,620	19,291
Cost of products manufactured	741,080	821,284
Total	767,701	840,575
Ending finished goods	19,291	33,735
Transfer to other account	6,016	6,567
Cost of sales on lease business	559	554
Total cost of sales	742,952	800,826
Gross profit	127,623	142,829
Selling, general and administrative expenses		
Haulage expenses	11,088	12,556
Promotion expenses	12,856	10,012
Advertising expenses	559	346
Unpaid repair expenses	18,649	15,559
Provision for product warranties	1,396	2,638
Provision of allowance for doubtful accounts	9	—
Salaries and allowances	6,078	6,601
Provision for bonuses	1,308	1,379
Provision for retirement benefits	1,302	1,323
Depreciation	2,198	2,083
Research and development expenses	7,034	7,634
Business consignment expenses	4,964	3,584
Other	12,753	13,003
Total selling, general and administrative expenses	80,201	76,722
Operating income	47,422	66,106
Non-operating income		
Interest income	752	547
Dividends income	15,882	11,451
Rent income	33	29
Other	415	1,738
Total non-operating income	17,084	13,767
Non-operating expenses		
Interest expenses	3,241	2,368
Interest on bonds	457	341
Commission fee for bonds	68	63
Commission fee for stocks	229	246
Litigation settlement	1,090	1,008
Settlement package	—	669
Compensation expenses	1,353	—
Foreign exchange losses	1,141	324
Other	1,666	1,235
Total non-operating expenses	9,248	6,258
Ordinary income	55,258	73,615
Extraordinary income		
Gain on sales of noncurrent assets	0	47
Gain on sales of subsidiaries and affiliates' stocks	757	219
Reversal of environmental expenses	—	400
Other	4	3
Total extraordinary income	762	671
Extraordinary loss		
Loss on disposal of noncurrent assets	622	950
Unrealized holding loss on subsidiaries and affiliates	348	533
Impairment loss	553	16
Loss on disaster	6,093	578
Environmental expenses	3,377	—
Other	1,086	19
Total extraordinary losses	12,083	2,099
Income before income taxes	43,937	72,187
Income taxes-current	4,900	3,527
Income taxes-deferred	—	(10,369)
Total Income taxes	4,900	(6,842)
Net income	39,036	79,029

(3) Non-Consolidated Statements of Changes In Net Assets

FY2011 (Fiscal year ending March 31, 2011)

(millions of yen)

	Shareholders' Equity						
	Capital stock	Capital surplus		Retained Earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at the beginning of current period	40,644	49,855	49,855	81,252	81,252	(514)	171,238
Changes of items during the period							
Dividends from surplus				(8,474)	(8,474)		(8,474)
Reversal of revaluation reserve for land							
Net income				39,036	39,036		39,036
Purchase of treasury stock						(26)	(26)
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	30,561	30,561	(26)	30,535
Balance at the end of current period	40,644	49,855	49,855	111,814	111,814	(540)	201,773

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	3,047	(97)	71,108	74,058	245,296
Changes of items during the period					
Dividends from surplus					(8,474)
Reversal of revaluation reserve for land					
Net income					39,036
Purchase of treasury stock					(26)
Net changes of items other than shareholders' equity	(200)	50	-	(150)	(150)
Total changes of items during the period	(200)	50	-	(150)	30,385
Balance at the end of current period	2,846	(46)	71,108	73,908	275,682

	Shareholders' Equity							
	Capital stock	Capital surplus		Retained Earnings		Treasury stock	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at the beginning of current period	40,644	49,855	49,855		111,814	111,814	(540)	201,773
Changes of items during the period								
Dividends from surplus					(8,474)	(8,474)		(8,474)
Reversal of revaluation reserve for land					286	286		286
Net income					79,029	79,029		79,029
Purchase of treasury stock							(14)	(14)
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-		70,841	70,841	(14)	70,826
Balance at the end of current period	40,644	49,855	49,855		182,656	182,656	555	272,600

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	2,846	(46)	71,108	73,908	275,682
Changes of items during the period					
Dividends from surplus					(8,474)
Reversal of revaluation reserve for land					286
Net income					79,029
Purchase of treasury stock					(14)
Net changes of items other than shareholders' equity	4,356	(160)	5,692	9,888	9,888
Total changes of items during the period	4,356	(160)	5,692	9,888	80,715
Balance at the end of current period	7,203	(207)	76,801	83,797	356,397

5. Other

(1) Appointment and Retirement of Directors

1) Representative Director:

There is no change in representative directors.

2) Appointments and Retirements of Other Directors

① Candidate for new director:

Kazuhiko Ito, Director (currently Senior Executive Officer and Division Executive, Purchasing Division)

② Candidate for new standing corporate auditor:

Hiroshi Oyama, Standing Corporate Auditor (currently Standing Provisional Corporate Auditor)

③ Director scheduled to retire:

Yoshihiro Tadaki, Director (Yoshihiro Tadaki assumed the position of Director and Chairman at Isuzu Advanced Engineering Center, Ltd. as of April 1, 2012)

3) The above appointments and retirement will become effective on June 28, 2012.

(2) Other**① Sales Condition (Consolidated)**

<Sales Results by Region>

		FY2011 (Fiscal year ending March 31, 2011)		FY2012 (Fiscal year ending March 31, 2012)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	18,464	166,136	20,924	186,195	2,460	20,058
	Overseas	35,906	163,962	37,483	166,588	1,577	2,625
Total HD/MD vehicles		54,370	330,099	58,407	352,783	4,037	22,684
	Japan	28,303	90,762	33,142	108,561	4,839	17,798
	Overseas	324,653	465,447	289,128	417,732	(35,525)	(47,715)
Total LD vehicles, etc		352,956	556,210	322,270	526,293	(30,686)	(29,917)
	Japan	46,767	256,899	54,066	294,756	7,299	37,856
	Overseas	360,559	629,410	326,611	584,320	(33,948)	(45,089)
Total vehicles		407,326	886,309	380,677	879,076	(26,649)	(7,233)
	Overseas	-	73,997	-	65,893	-	(8,104)
Parts for overseas production		-	73,997	-	65,893	-	(8,104)
	Japan	-	45,307	-	54,713	-	9,405
	Overseas	-	138,501	-	102,177	-	(36,323)
Engines / Components		-	183,808	-	156,890	-	(26,917)
	Japan	-	196,369	-	208,947	-	12,578
	Overseas	-	75,059	-	89,266	-	14,206
Other		-	271,428	-	298,213	-	26,784
	Japan	-	498,576	-	558,416	-	59,840
	Overseas	-	916,968	-	841,657	-	(75,310)
Sales amount		-	1,415,544	-	1,400,074	-	(15,470)

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

② Overseas Sales

FY2011 (April 1, 2010 through March 31, 2011)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	62,779	492,663	361,525	916,968
2 Consolidated sales	-	-	-	1,415,544
3 Overseas sales per Consolidated sales	% 4.4	% 34.8	% 25.5	% 64.8

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

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

(3) Other---Saudi Arabia, Poland, Ecuador, South Africa, Australia

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

made by the parent company and consolidated subsidiaries.

FY2012 (April 1, 2011 through March 31, 2012)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	72,057	424,016	345,583	841,657
2 Consolidated sales	-	-	-	1,400,074
3 Overseas sales per Consolidated sales	% 5.1	% 30.3	% 24.7	% 60.1

1. This segmentation is based on the geographical area.

2. Major countries or areas included

(1) North America---USA

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

(3) Other---Saudi Arabia, Poland, Ecuador, South Africa, Australia

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

made by the parent company and consolidated subsidiaries.

③ Sales Condition (Non-Consolidated)

<Sales Results by Region>

		FY2011 (Fiscal year ending March 31, 2011)		FY2012 (Fiscal year ending March 31, 2012)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	18,223	138,249	23,093	168,911	4,870	30,661
	Overseas	35,182	144,053	39,509	159,110	4,327	15,056
Total HD/MD vehicles		53,405	282,302	62,602	328,021	9,197	45,718
	Japan	28,321	73,137	35,715	94,509	7,394	21,372
	Overseas	129,299	191,546	124,070	183,520	(5,229)	(8,025)
Total LD vehicles, etc		157,620	264,683	159,785	278,029	2,165	13,346
	Japan	46,544	211,386	58,808	263,420	12,264	52,034
	Overseas	164,481	335,599	163,579	342,630	(902)	7,031
Total vehicles		211,025	564,985	222,387	606,051	11,362	59,065
	Overseas	-	73,997	-	70,112	-	(3,885)
Parts for overseas production		-	73,997	-	70,112	-	(3,885)
	Japan	-	107,858	-	121,485	-	13,626
	Overseas	-	141,733	-	146,007	-	4,273
Engines / Components / Other		-	249,592	-	267,492	-	17,900
	Japan	-	319,245	-	384,905	-	65,660
	Overseas	-	551,330	-	558,750	-	7,419
Sales amount		-	870,575	-	943,656	-	73,080

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