

# FY2012 Second Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2011 through September 30, 2011)

English Translation of the Original Japanese-Language Document



November 8, 2011

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 : Naruhito Furuta, General manager,  
 General Affairs & HR Department Tel. (03) 5471 - 1141  
 Scheduled date for submission of quarterly financial statements : November 11, 2011  
 Expected starting date for distribution of cash dividends : November 29, 2011  
 The supplement materials of the quarterly financial results : Yes  
 Holding of the quarterly financial results meeting : Yes

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

## 1. Consolidated Financial Highlights (April 1, 2011 through September 30, 2011)

### <1> Consolidated Financial Results

(% indicates increase/decrease from previous 2nd quarter.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2012 2nd Quarter	658,144	(9.2)	43,840	(6.2)	45,146	(5.3)	33,729	15.5
FY2011 2nd Quarter	724,879	63.7	46,754	-	47,656	-	29,198	-

[Note] Comprehensive Income  
 FY2012 2nd Quarter 29,481 millions of yen 29.1%  
 FY2011 2nd Quarter 22,834 millions of yen -%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2012 2nd Quarter	19.91	-
FY2011 2nd Quarter	17.23	-

### <2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	millions of yen	millions of yen	%
FY2012 2nd Quarter	1,158,963	412,584	30.5
FY2011	1,112,459	387,058	29.5

[Note] Total Amount of Shareholders' Equity  
 FY2012 2nd Quarter 353,770 millions of yen  
 FY2011 328,067 millions of yen

## 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2011	-	2.00	-	2.00	4.00
FY2012	-	3.00	-	3.00	6.00
FY2012 (Forecast)	-	-	-	-	-

[Note] Revision to the projected dividend for FY2012: None

## 3. Consolidated Forecast for FY2012 (April 1, 2011 through March 31, 2012)

(% 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
Year-End	1,430,000	1.0	94,000	6.6	95,000	4.1	74,000	43.4	43.67

[Note] Revision to Consolidated Forecast for FY2012: Yes

※ Impacts of flood in Thailand is not included in Forecast.

#### 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> Adoption of specific accounting methods for presenting quarterly consolidated financial statements : Adopted

(Note) This item indicates whether there was adoption of specific accounting methods for presenting quarterly consolidated financial statements.

<3> Changes in accounting policies, accounting estimates and retrospective restatement

Changes in accounting policies due to revisions of accounting standards : None

Changes in accounting policies due to factors other than revisions of accounting standards : None

Changes in accounting estimates : None

Retrospective restatement : None

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2012 2nd Quarter	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 2nd Quarter	2,479,377	Shares
	FY2011	2,454,660	Shares
Average number of stocks issued	FY2012 2nd Quarter	1,694,379,820	Shares
	FY2011 2nd Quarter	1,694,472,778	Shares

※Information regarding the implementation of quarterly review procedures

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

※Explanation on the usage of the financial performance forecasts and others

<1> With the release of the FY2012 Second Quarter Consolidated Financial Results, the company revised the financial performance forecasts for the year-end of FY2012, announced on June 22, 2011.

<2> 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 results may differ largely due to a variation of factors.

<3> The supplement materials will be released on November 8, 2011.

**CONSOLIDATED QUARTERLY BALANCE SHEETS**

(millions of yen)

	March 31, 2011	September 30, 2011
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	199,831	205,818
Notes and accounts receivable-trade	168,951	177,838
Merchandise and finished goods	54,883	87,131
Work in process	8,243	11,557
Raw materials and supplies	37,891	39,498
Deferred tax assets	18,696	18,676
Other	23,176	26,921
Allowance for doubtful accounts	(1,414)	(1,369)
<b>Total Current Assets</b>	<b>510,259</b>	<b>566,073</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	104,316	101,739
Machinery, equipment and vehicles, net	79,185	84,213
Land	268,059	266,744
Lease assets, net	8,406	7,600
Construction in progress	17,108	8,215
Other, net	7,697	7,398
<b>Total Property, Plant and Equipment</b>	<b>484,773</b>	<b>475,912</b>
<b>Intangible assets</b>		
Goodwill	-	1,200
Other	7,831	6,852
<b>Total Intangible Assets</b>	<b>7,831</b>	<b>8,053</b>
<b>Investments and other assets</b>		
Investment securities	81,651	80,708
Long-term loans receivable	3,858	3,635
Deferred tax assets	9,551	9,937
Other	19,736	19,801
Allowance for doubtful accounts	(5,202)	(5,157)
<b>Total Investments and Other Assets</b>	<b>109,594</b>	<b>108,924</b>
<b>Total Non-Current Assets</b>	<b>602,200</b>	<b>592,889</b>
<b>TOTAL ASSETS</b>	<b>1,112,459</b>	<b>1,158,963</b>

**CONSOLIDATED QUARTERLY BALANCE SHEETS**

(millions of yen)

	March 31, 2011	September 30, 2011
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable-trade	235,614	262,198
Short-term loans payable	83,467	105,032
Current portion of bonds	3,000	3,000
Lease obligations	3,457	2,632
Income taxes payable	7,373	7,408
Accrued expenses	38,789	35,615
Provision for bonuses	13,015	12,797
Provision for product warranties	2,136	2,295
Deposits received	3,195	4,130
Other	17,818	12,780
<b>Total Current Liabilities</b>	<b>407,868</b>	<b>447,892</b>
<b>NON-CURRENT LIABILITIES</b>		
Bonds payable	20,000	20,000
Long-term loans payable	157,546	138,084
Lease obligations	6,149	6,101
Deferred tax liabilities	4,059	4,670
Deferred tax liabilities for land revaluation	56,157	55,764
Provision for retirement benefits	64,207	65,339
Long-term deposits received	1,296	758
Negative goodwill	284	-
Other	7,831	7,766
<b>Total Non-Current Liabilities</b>	<b>317,532</b>	<b>298,486</b>
<b>TOTAL LIABILITIES</b>	<b>725,400</b>	<b>746,378</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	40,644	40,644
Capital surplus	50,427	50,427
Retained earnings	196,816	227,156
Treasury stock	(632)	(640)
<b>Total Shareholders' Equity</b>	<b>287,256</b>	<b>317,587</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	3,002	2,777
Deferred gains or losses on hedges	(78)	204
Revaluation reserve for land	73,311	73,311
Foreign currency translation adjustment	(35,424)	(40,110)
<b>Total Accumulated Other Comprehensive Income</b>	<b>40,810</b>	<b>36,182</b>
<b>MINORITY INTERESTS</b>	<b>58,991</b>	<b>58,813</b>
<b>TOTAL NET ASSETS</b>	<b>387,058</b>	<b>412,584</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,112,459</b>	<b>1,158,963</b>

**CONSOLIDATED QUARTERLY STATEMENTS OF INCOME**

(millions of yen)

	FY2011 2nd Quarter	FY2012 2nd Quarter
<b>Net sales</b>	<b>724,879</b>	<b>658,144</b>
<b>Cost of sales</b>	<b>623,336</b>	<b>560,810</b>
<b>GROSS PROFIT</b>	<b>101,543</b>	<b>97,333</b>
<b>Selling, general and administrative expenses</b>	<b>54,788</b>	<b>53,493</b>
<b>OPERATING INCOME</b>	<b>46,754</b>	<b>43,840</b>
<b>Non-operating income</b>		
Interest income	597	977
Dividends income	396	463
Amortization of negative goodwill	55	-
Equity in earnings of affiliates	4,302	2,692
Reversal of compensation expenses due to change of contract	-	1,353
Other	946	1,116
<b>Total non-operating income</b>	<b>6,298</b>	<b>6,603</b>
<b>Non-operating expenses</b>		
Interest expenses	2,588	2,153
Litigation settlement	829	495
Other	1,979	2,648
<b>Total non-operating expenses</b>	<b>5,396</b>	<b>5,297</b>
<b>ORDINARY INCOME</b>	<b>47,656</b>	<b>45,146</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	187	57
Reversal of allowance for doubtful accounts	486	-
Gain on step acquisitions	-	615
Reversal of environmental expenses	-	399
Other	422	319
<b>Total extraordinary income</b>	<b>1,096</b>	<b>1,393</b>
<b>Extraordinary loss</b>		
Loss on disposal of non-current assets	323	451
Impairment loss	125	-
Environmental expenses	3,427	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	528	-
Loss on disaster	-	712
Other	645	272
<b>Total extraordinary losses</b>	<b>5,049</b>	<b>1,436</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>43,703</b>	<b>45,103</b>
<b>Income taxes</b>	<b>10,343</b>	<b>7,298</b>
<b>Income before minority interests</b>	<b>33,359</b>	<b>37,804</b>
<b>Minority interests in income</b>	<b>4,160</b>	<b>4,075</b>
<b>NET INCOME</b>	<b>29,198</b>	<b>33,729</b>

**CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME**

(millions of yen)

	FY2011 2nd Quarter	FY2012 2nd Quarter
<b>Income before minority interests</b>	33,359	37,804
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(459)	(188)
Deferred gains or losses on hedges	128	282
Foreign currency translation adjustment	(6,820)	(9,057)
Share of other comprehensive income of associates accounted for using equity method	(3,372)	639
Total other comprehensive income	<u>(10,524)</u>	<u>(8,323)</u>
<b>Comprehensive income</b>	<u>22,834</u>	<u>29,481</u>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	20,068	29,101
Comprehensive income attributable to minority interests	2,766	379

## CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(millions of yen)

	FY2011 2nd Quarter	FY2012 2nd Quarter
<b>Cash Flows from Operating Activities</b>		
Income before income taxes and minority interests	43,703	45,103
Depreciation and amortization	18,264	17,979
Amortization of negative goodwill	(55)	-
Amortization of goodwill	-	36
Equity in (earnings) losses of affiliates	(4,302)	(2,692)
Increase (decrease) in provision for retirement benefits	1,582	1,225
Increase (decrease) in provision for product warranties	(51)	11
Increase (decrease) in provision for bonuses	177	(206)
Increase (decrease) in allowance for doubtful accounts	(515)	(87)
Interest and dividends income	(993)	(1,440)
Interest expenses	2,588	2,153
Loss (gain) on sales of non-current assets	(187)	(57)
Loss (gain) on disposal of non-current assets	323	451
Impairment loss	125	-
Other extraordinary loss (income)	4,408	(1,114)
Decrease (increase) in notes and accounts receivable-trade	4,963	(7,757)
Decrease (increase) in inventories	(5,783)	(31,919)
Decrease (increase) in other current assets	1,090	(5,909)
Increase (decrease) in notes and accounts payable-trade	30,401	20,276
Increase (decrease) in accrued expenses	1,332	(2,844)
Increase (decrease) in deposits received	(718)	380
Increase (decrease) in other liabilities	(270)	(4,762)
Other, net	91	(98)
(Subtotal)	96,170	28,726
Interest and dividends income received	5,125	4,225
Interest expenses paid	(2,659)	(2,098)
Income taxes paid	(9,516)	(8,461)
Net Cash Provided by (Used in) Operating Activities	<b>89,119</b>	<b>22,392</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investment securities	(1,001)	(180)
Proceeds from sales of investment securities	7	2
Purchase of non-current assets	(13,374)	(12,272)
Proceeds from sales of non-current assets	597	1,596
Payments of long-term loans receivable	(19)	(40)
Collection of long-term loans receivable	57	156
Decrease (increase) in short-term loans receivable	(73)	(220)
Decrease (increase) in time deposits	3	1,400
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	401
Other, net	423	(19)
Net Cash Provided by (Used in) Investing Activities	<b>(13,379)</b>	<b>(9,174)</b>
<b>Cash Flows from Financing Activities</b>		
Net increase (decrease) in short-term loans payable	(1,400)	28,884
Proceeds from long-term loans payable	40,070	3,000
Repayment of long-term loans payable	(33,772)	(28,255)
Redemption of bonds	(20,000)	-
Repayments of lease obligations	(950)	(1,643)
Purchase of treasury stock	(7)	(5)
Cash dividends paid	(5,073)	(3,407)
Cash dividends paid to minority shareholders	(2,224)	(1,744)
Net Cash Provided by (Used in) Financing Activities	<b>(23,359)</b>	<b>(3,171)</b>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<b>(3,947)</b>	<b>(5,566)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>48,432</b>	<b>4,478</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>156,198</b>	<b>202,356</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>204,631</b>	<b>206,835</b>

<Overseas Sales>

Previous 2nd Quarter (April 1, 2010 through September 30, 2010)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	32,790	237,820	199,192	469,803
2 Consolidated sales	-	-	-	724,879
3 Overseas sales per Consolidated sales	% 4.5	% 32.8	% 27.5	% 64.8

Current 2nd Quarter (April 1, 2011 through September 30, 2011)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	38,331	201,821	183,803	423,956
2 Consolidated sales	-	-	-	658,144
3 Overseas sales per Consolidated sales	% 5.8	% 30.7	% 27.9	% 64.4

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.