

FY2013 Consolidated Financial Results (Japan GAAP)

(April 1, 2012 through March 31, 2013)

English Translation of the Original Japanese-Language Document



May 14, 2013

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	: Tatsumasa Horii, Senior Staff, General Affairs & HR Department Tel. (03) 5471 - 1141
Scheduled date for general meeting of shareholders	: June 27, 2013
Expected starting date for distribution of cash dividends	: June 28, 2013
Scheduled date for submission of financial statements	: June 27, 2013
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, 2012 through March 31, 2013)

<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	%
FY2013	1,655,588	18.3	130,783	34.3	141,719	37.7	96,537	5.8
FY2012	1,400,074	(1.1)	97,373	10.4	102,893	12.7	91,256	76.9

[Note] Comprehensive Income	FY2013	148,657	millions of yen	46.7%
	FY2012	101,342	millions of yen	123.2%

	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	%	%	%
FY2013	56.98	20.4	11.1	7.9
FY2012	53.86	24.5	8.8	7.0

[Note] Equity Income from affiliated companies	FY2013	10,871	millions of yen
	FY2012	6,134	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
FY2013	1,340,822	620,959	39.5	312.20
FY2012	1,213,402	479,644	34.2	245.22

[Note] Total Amount of Shareholders' Equity	FY2013	528,954	millions of yen
	FY2012	415,488	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
FY2013	137,125	(57,470)	(72,155)	177,879
FY2012	79,518	(34,786)	(82,921)	160,665

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			
FY2012	yen -	yen 3.00	yen -	yen 3.00	yen 6.00	millions of yen 10,169	11.1	% 2.7
FY2013	yen -	yen 4.00	yen -	yen 6.00	yen 10.00	16,947	17.6	3.6
FY2014 (Forecast)	yen -	yen 6.00	yen -	yen 6.00	yen 12.00		17.7	

3. Consolidated Financial Forecast for FY2014 (April 1, 2013 through March 31, 2014)

(% 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	930,000	19.2	80,000	39.5	85,000	40.7	50,000	18.8	29.51
Year-End	1,920,000	16.0	180,000	37.6	190,000	34.1	115,000	19.1	67.88

4. Others

<1> Changes in significant subsidiaries during this period : Changed

Newly consolidated : Isuzu Qingling (Chong Qing) AUTOPARTS Co., Ltd.
 Excluded from the scope of consolidation : -

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

<3> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2013	1,696,845,339	Shares
at the end of the term (inclusive of treasury stock)	FY2012	1,696,845,339	Shares
Number of treasury stock at the end of the term	FY2013	2,584,146	Shares
	FY2012	2,512,857	Shares
Average number of stocks issued	FY2013	1,694,304,196	Shares
	FY2012	1,694,366,023	Shares

(Reference) Non-consolidated Financial Results

1. Non-consolidated Financial Highlights (April 1, 2012 through March 31, 2013)

<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	%
FY2013	967,489	2.5	71,888	8.7	76,603	4.1	53,689	(32.1)
FY2012	943,656	8.4	66,106	39.4	73,615	33.2	79,029	102.4

	Net Income per Share
	yen
FY2013	31.68
FY2012	46.63

<2> Non-consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2013	841,816	400,589	47.6	236.37
FY2012	836,916	356,397	42.6	210.28

Note: Total amount of shareholders' equity
 FY2013 400,589 millions of yen
 FY2012 356,397 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 14, 2013.

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1. Financial Results and Financial Position

(1) Analysis of Financial Results

Vehicle sales in Japan in the current consolidated fiscal year increased by 9,200 units or 17.0% to 63,266 units compared with the same period last year, thanks to demand related to reconstruction activities in the areas hit by earthquake and tsunami, which lessened the negative impact from the end of “eco-car” subsidy programs. Meanwhile, unit sales outside Japan rose 143,966 units or 44.1% year-on-year to 470,577 units because of truck sales growth in booming economies in ASEAN, the Middle East and Africa and robust pickup sales, which more than offset the effect of economic slump in China.

As a result, total unit sales in Japan and overseas markets grew by 153,166 units or 40.2% to 533,843 units compared to the same period last year.

As for other products, sales amount of parts for overseas production dropped by 13 billion yen or 19.8% year-on-year to 52.8 billion yen. Sales amount of engine components fell 47.4 billion yen or 30.3% to 109.4 billion yen from the same period last year.

Consequently, net sales amounted to 1,655.5 billion yen, an increase of 255.5 billion yen or 18.3% from the same period last year. This comprises 592.2 billion yen posted for Japan, up 6.1% year-on-year, and 1,063.3 billion yen for the rest of the world, a gain of 26.3% over the same period last year.

With spending increase for measures in our Mid-Term Business Plan surpassed by the sales revenue growth and the effect of continued improvements in cost structure, operating income rose 34.3% to 130.7 billion yen and ordinary income gained 37.7% to 141.7 billion yen respectively from the same period last year. Meanwhile, net income increased by 5.8% year-on-year to 96.5 billion yen. The Company posted the record profits for each income item.

(2) Forecast for Consolidated Business Results

It is expected our main markets in Japan and Thailand will continuously be stable. And we would like to increase our sales in advanced economies in North America, in addition to emerging economies in ASEAN and the Middle East.

With regards to cost and spending, we will be more focused on cost reduction efforts than last year in spite of an expected spending increase for greater investment for future development in order to achieve the objective outlined in the Mid-Term Business Plan.

At the same time, we expect yen's depreciation that started from the end of last year may hugely contribute to the business results in FY2014.

[Forecast for Consolidated Business Results for the Year Ending March 31, 2014]

Net sales	1,920 billions of yen
Operating income	180 billions of yen
Ordinary income	190 billions of yen
Net income	115 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 127.4 billion yen to 1,340.8 billion yen from the end of the previous consolidated fiscal year. This change was principally due to an increase in cash and deposits by 24.2 billion yen, trade notes and accounts receivable by 21.9 billion yen, inventory assets by 21.4 billion yen, tangible fixed assets by 24.8 billion yen and investment securities by 18.6 billion yen.

Liabilities shrunk 13.8 billion yen to 719.8 billion yen from the end of the previous consolidated fiscal year. This was mainly because of repayment of borrowings on schedule, resulting in reduction in interest-bearing liabilities by 59.4 billion yen in spite of an increase in corporate tax payable by 23.3 billion yen.

Net assets increased 141.3 billion yen to 620.9 billion yen from the end of the previous consolidated fiscal year. In addition to net income of 96.5 billion yen posted for this reporting term, the net assets increased because of gains in foreign exchange translation adjustments by 26.0 billion yen, valuation difference on available-for-sale securities by 3 billion yen and minority interests by 27.8 billion yen resulting from net assets increase in the Company's subsidiaries, which more than offset a decrease in retained earnings by 11.8 billion yen after dividend payment.

The capital adequacy ratio rose to 39.5% compared to 34.2% as of March 31, 2012.

② Cash Flows Data

Cash and cash equivalents at the end of the current consolidated fiscal year (hereinafter called the "funds") increased 17.2 billion yen from the previous consolidated fiscal year to 177.8 billion yen. More specifically, while 137.1 billion yen was provided by operating activities, 57.4 billion yen of the funds was used in investing activities, principally for facility investment and 72.1 billion yen of the funds 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 79.6 billion yen, which was an increase of 78.1% from the previous fiscal year.

[Cash Flow from Operating Activities]

Funds provided by operating activities amounted to 137.1 billion yen, an increase of 72.4% from the previous fiscal year. On one hand, net income before income taxes and minority interests amounted to 138.2 billion yen and depreciation and amortization came to 35.6 billion yen, while on the other hand, accounts payable decreased, resulting in the fund outflow of 23.8 billion yen.

[Cash Flow from Investing Activities]

Funds used in investing activities came to 57.4 billion yen, an increase of 65.2% from the previous fiscal year mainly due to an increase in expenditure for fixed assets purchase.

[Cash Flow from Financing Activities]

Funds used in financing activities reached 72.1 billion yen, down 13.0% from the previous fiscal year. This was principally attributable to repayment of interest-bearing liabilities and redemption of corporate bonds.

(4) Basic Policy regarding Earnings Appropriation and Dividend for FY2013 and FY2014 :

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 6 yen per share at our general shareholders meeting. We also plan to pay an interim dividend of 6 yen per share and a year-end dividend of 6 yen per share in FY2014.

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.

The plan also envisions that the Company aims to excel in the areas of “environment” driven by social needs and “minimizing downtime and life cycle cost of the vehicle” arising from customers’ needs. To that end, we will deliver “eco-friendly products” and “products to suit emerging markets needs”, and introduce new products: “light-weight truck” in support of our growth strategy and “diesel engine of lower displacements” to enhance model lineup.

As for regional strategy, we will aggressively allocate resources to ASEAN, China and India for building our manufacturing footholds. At the same time Isuzu will expand sales in growing emerging markets and stabilize and increase efficiency in its business in advanced economies.

In addition, we will further transfer functions to local markets and in doing so, build the engineering and manufacturing system, encompassing the whole Asia and thus underpinning our regional strategy.

By implementing these measures, the Company in fiscal year ending March 2016 aims to ship 500,000 units of commercial vehicles (255,000 units in FY2011) and 500,000 units of light commercial vehicles (346,000 units in FY2011), and to build 1.5 million units of diesel engines (903,000 units in FY2011).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012	As of March 31, 2013
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	160,492	184,764
Notes and accounts receivable-trade	232,679	254,644
Merchandise and finished goods	93,142	99,628
Work in process	9,108	10,249
Raw materials and supplies	52,262	66,045
Deferred tax assets	22,227	27,147
Other	24,684	24,556
Allowance for doubtful accounts	(1,113)	(824)
Total Current Assets	593,484	666,212
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures	260,486	275,173
Accumulated depreciation	(160,585)	(167,385)
Buildings and structures, net	99,900	107,787
Machinery, equipment and vehicles	483,437	523,421
Accumulated depreciation	(399,787)	(424,706)
Machinery, equipment and vehicles, net	83,649	98,714
Land	263,141	264,705
Lease assets	13,118	14,200
Accumulated depreciation	(5,659)	(6,065)
Lease assets, net	7,458	8,134
Construction in progress	15,298	14,307
Other	94,915	96,783
Accumulated depreciation	(88,221)	(89,411)
Other, net	6,693	7,371
Total Property, Plant and Equipment	476,142	501,020
Intangible assets		
Goodwill	1,273	1,239
Other	5,983	8,752
Total Intangible Assets	7,256	9,992
Investments and other assets		
Investment securities	103,736	122,422
Long-term loans receivable	3,586	1,378
Deferred tax assets	14,740	19,266
Other	19,453	22,087
Allowance for doubtful accounts	(4,999)	(1,558)
Total Investments and Other Assets	136,518	163,596
Total Non-Current Assets	619,918	674,610
TOTAL ASSETS	1,213,402	1,340,822

(millions of yen)

	As of March 31, 2012	As of March 31, 2013
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable-trade	313,398	315,266
Short-term loans payable	53,370	59,972
Current portion of bonds	20,000	—
Lease obligations	3,167	2,916
Income taxes payable	9,688	33,014
Accrued expenses	38,102	39,266
Provision for bonuses	13,318	14,163
Provision for product warranties	3,398	4,551
Deposits received	3,336	2,652
Other	23,235	38,984
Total Current Liabilities	481,016	510,789
NON-CURRENT LIABILITIES		
Long-term loans payable	121,019	74,699
Lease obligations	5,531	6,024
Deferred tax liabilities	2,309	2,002
Deferred tax liabilities for land revaluation	49,142	49,142
Provision for retirement benefits	66,266	68,769
Long-term deposits received	1,414	1,422
Other	7,057	7,013
Total Non-Current Liabilities	252,742	209,073
TOTAL LIABILITIES	733,758	719,863
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus	50,427	50,427
Retained earnings	280,032	364,477
Treasury stock	(653)	(686)
Total Shareholders' Equity	370,451	454,863
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	7,505	10,531
Deferred gains or losses on hedges	(216)	(420)
Revaluation reserve for land	79,114	79,342
Foreign currency translation adjustment	(41,366)	(15,362)
Total Accumulated Other Comprehensive Income	45,037	74,091
MINORITY INTERESTS	64,155	92,005
TOTAL NET ASSETS	479,644	620,959
TOTAL LIABILITIES AND NET ASSETS	1,213,402	1,340,822

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

Consolidated Statements of Income

(millions of yen)

	FY2012 Fiscal year ending March 31, 2012	FY2013 Fiscal year ending March 31, 2013
Net sales	1,400,074	1,655,588
Cost of sales	1,189,109	1,400,877
Gross Profit	210,964	254,710
Selling, general and administrative expenses		
Haulage expenses	19,555	19,840
Promotion expenses	9,390	10,316
Advertising expenses	1,363	1,821
Unpaid repair expenses	11,456	12,514
Provision for product warranties	2,638	3,158
Salaries and allowances	45,670	48,463
Provision for bonuses	5,533	6,144
Provision for retirement benefits	3,392	3,599
Depreciation	4,039	3,834
Other	10,551	14,233
Total Selling, general and administrative expenses	113,591	123,927
Operating Income	97,373	130,783
Non-operating income		
Interest income	1,748	1,174
Dividends income	858	1,679
Equity in earnings of affiliates	6,134	10,871
Rent income	370	443
Foreign exchange gains	225	—
Reversal of compensation expenses due to change of contract	1,353	—
Other	2,394	4,501
Total non-operating income	13,084	18,670
Non-operating expenses		
Interest expenses	3,795	2,583
Foreign exchange losses	—	1,785
Litigation settlement	1,008	1,152
Other	2,760	2,212
Total non-operating expenses	7,564	7,734
Ordinary Income	102,893	141,719
Extraordinary income		
Gain on sales of noncurrent assets	2,205	1,414
Gain on sales of investment securities	12	138
Compensation income for expropriation	121	182
Gain on negative goodwill	281	90
Gain on step acquisitions	615	14
Other	940	113
Total extraordinary income	4,177	1,953
Extraordinary loss		
Loss on disposal of noncurrent assets	1,896	1,440
Unrealized holding loss on non-consolidated subsidiaries and affiliates	19	3,504
Impairment loss	692	266
Loss on disaster	1,741	—
Other	838	248
Total extraordinary losses	5,189	5,459
Income Before Income Taxes And Minority Interests	101,881	138,213
Income taxes-current	16,844	38,893
Income taxes-deferred	(13,088)	(10,530)
Total Income taxes	3,756	28,362
Income before minority interests	98,124	109,850
Minority interests in income	6,868	13,313
Net income	91,256	96,537

Consolidated Statements of Comprehensive Income

(millions of yen)

	FY2012 Fiscal year ending March 31, 2012	FY2013 Fiscal year ending March 31, 2013
Income before minority interests	98,124	109,850
Other comprehensive income		
Valuation difference on available-for-sale securities	4,511	3,015
Deferred gains or losses on hedges	(138)	(203)
Revaluation reserve for land	5,690	227
Foreign currency translation adjustment	(5,497)	26,746
Share of other comprehensive income of associates accounted for using equity method	(1,348)	9,020
Total other comprehensive income	<u>3,217</u>	<u>38,806</u>
Comprehensive income	<u>101,342</u>	<u>148,657</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	95,483	125,591
Comprehensive income attributable to minority interests	5,859	23,066

(3) Consolidated Statements of Changes In Net Assets

FY2012 (Fiscal year ending March 31, 2012)

(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	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

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	40,644	50,427	280,032	(653)	370,451
Changes of items during the period					
Dividends from surplus			(11,863)		(11,863)
Reversal of revaluation reserve for land			(227)		(227)
Net income			96,537		96,537
Purchase of treasury stock				(33)	(33)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	84,445	(33)	84,412
Balance at the end of current period	40,644	50,427	364,477	(686)	454,863

	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	7,505	(216)	79,114	(41,366)	45,037	64,155	479,644
Changes of items during the period							
Dividends from surplus							(11,863)
Reversal of revaluation reserve for land							(227)
Net income							96,537
Purchase of treasury stock							(33)
Net changes of items other than shareholders' equity	3,025	(203)	227	26,004	29,054	27,849	56,903
Total changes of items during the period	3,025	(203)	227	26,004	29,054	27,849	141,315
Balance at the end of current period	10,531	(420)	79,342	(15,362)	74,091	92,005	620,959

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY2012 Fiscal year ending March 31, 2012	FY2013 Fiscal year ending March 31, 2013
Net Cash Provided by (Used in) Operating Activities		
Income before income taxes and minority interests	101,881	138,213
Depreciation	35,969	35,646
Equity in (earnings) losses of affiliates	(6,134)	(10,871)
Increase (decrease) in provision for retirement benefits	2,114	2,076
Increase (decrease) in provision for product warranties	1,230	938
Increase (decrease) in provision for bonuses	312	638
Amortization of goodwill	78	249
Increase (decrease) in allowance for doubtful accounts	(302)	1,238
Interest and dividends income	(2,606)	(2,853)
Interest expenses	3,795	2,583
Loss (gain) on sales of noncurrent assets	(2,205)	(1,414)
Loss (gain) on disposal of noncurrent assets	1,896	1,440
Loss (gain) on sales of investment securities	(11)	(14)
Impairment loss	692	266
Other extraordinary loss (income)	(1,487)	(2,513)
Decrease (increase) in notes and accounts receivable-trade	(57,859)	2,503
Decrease (increase) in inventories	(48,759)	(7,186)
Decrease (increase) in other current assets	(5,660)	3,091
Increase (decrease) in notes and accounts payable-trade	68,752	(23,848)
Increase (decrease) in accrued expenses	(154)	769
Increase (decrease) in deposits received	255	(764)
Increase (decrease) in other liabilities	94	9,749
Other	38	(557)
(Subtotal)	91,931	149,378
Interest and dividends income received	7,280	8,970
Interest expenses paid	(3,875)	(2,741)
Income taxes paid	(15,817)	(18,481)
Net cash provided by (used in) operating activities	79,518	137,125
Net Cash Provided by (Used in) Investing Activities		
Purchase of investment securities	(16,536)	(5,838)
Proceeds from sales of investment securities	41	79
Purchase of noncurrent assets	(26,881)	(51,280)
Proceeds from sales of noncurrent assets	7,007	3,854
Payments of long-term loans receivable	(60)	(709)
Collection of long-term loans receivable	305	323
Net decrease (increase) in short-term loans receivable	(225)	19
Net decrease (increase) in time deposits	1,309	(5,430)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2)	—
Other	255	1,512
Net cash provided by (used in) investing activities	(34,786)	(57,470)
Net Cash Provided by (Used in) Financing Activities		
Net increase (decrease) in short-term loans payable	9,133	(3,706)
Proceeds from long-term loans payable	3,000	1,536
Repayment of long-term loans payable	(78,866)	(39,242)
Redemption of bonds	(3,000)	(20,000)
Proceeds from stock issuance to minority shareholders	—	6,978
Repayment of lease obligations	(2,949)	(3,180)
Purchase of treasury stock	(14)	(26)
Cash dividends paid	(8,480)	(11,842)
Cash dividends paid to minority shareholders	(1,744)	(2,671)
Net cash provided by (used in) financing activities	(82,921)	(72,155)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(3,501)	8,547
Net Increase (Decrease) in Cash and Cash Equivalents	(41,691)	16,046
Cash and Cash Equivalents at Beginning of Period	202,356	160,665
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	1,166
Cash and Cash Equivalents at End of Period	160,665	177,879

(5) Notes on Consolidated Financial Statements

[Notes on premise of a going concern]

None

[Changes in accounting policies which are difficult to distinguish from changes in accounting estimates]

From the first quarter of fiscal year ending March 31, 2013, domestic consolidated subsidiaries have changed their method of depreciation for property, plant and equipment acquired on or after April 1, 2012, based on the revised corporate tax law.

Please note that the effects of these changes on the consolidated financial statements for the third quarter consolidated cumulative period were not material.

[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	184,764	millions of yen
Time deposits with maturities of more than three months	<u>(6,885)</u>	<u>millions of yen</u>
Cash and cash equivalents	<u>177,879</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]

FY2012		FY2013	
Net assets per share (yen)	245.22	Net assets per share (yen)	312.20
Net income per share (yen)	53.86	Net income per share (yen)	56.98

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

	FY2012	FY2013
Net income (millions of yen)	91,256	96,537
Amount not attributable to common shareholders (millions of yen)	-	-
Net income associated with common shares (millions of yen)	91,256	96,537
Average number of shares (shares)	1,694,366,023	1,694,304,196

[Significant Subsequent Events]

None

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012	As of March 31, 2013
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	86,887	94,707
Accounts receivable-trade	151,572	148,644
Finished goods	33,735	27,371
Work in process	6,597	6,748
Raw materials and supplies	18,705	16,602
Advance payments-trade	3,441	3,222
Prepaid expenses	1,377	1,475
Deferred tax assets	16,082	14,933
Short-term loans receivable	1,216	1,224
Short-term loans receivable from employees	1	1
Accounts receivable-other	10,463	6,563
Other	1,044	1,280
Allowance for doubtful accounts	(220)	—
Total Current Assets	330,905	322,776
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings	133,073	136,485
Accumulated depreciation	(84,247)	(86,875)
Buildings, net	48,825	49,609
Structures	30,302	32,042
Accumulated depreciation	(24,192)	(24,747)
Structures, net	6,109	7,295
Machinery and equipment	299,235	300,536
Accumulated depreciation	(252,878)	(257,016)
Machinery and equipment, net	46,356	43,519
Vehicles	3,214	3,280
Accumulated depreciation	(2,812)	(2,872)
Vehicles, net	401	407
Tools, furniture and fixtures	74,330	73,043
Accumulated depreciation	(70,376)	(69,370)
Tools, furniture and fixtures, net	3,954	3,673
Land	198,453	197,796
Lease assets	5,113	4,431
Accumulated depreciation	(2,477)	(2,421)
Lease assets, net	2,635	2,010
Construction in progress	4,987	6,794
Total Property, Plant and Equipment	311,724	311,106
Intangible assets		
Right of using electric supply facilities	1	1
Software	4,316	3,750
Other	45	44
Total intangible assets	4,362	3,795
Investments and other assets		
Investment securities	40,764	47,510
Stocks of subsidiaries and affiliates	122,360	124,160
Investments in capital	266	69
Investments in capital of subsidiaries and affiliates	14,198	24,270
Long-term loans receivable	2	2
Long-term loans receivable from employees	6	5
Long-term loans receivable from subsidiaries and affiliates	30,182	5,081
Long-term prepaid expenses	83	69
Deferred tax assets	7,645	5,727
Other	1,952	1,849
Allowance for doubtful accounts	(26,772)	(3,842)
Allowance for investment loss	(767)	(767)
Total Investments and Other Assets	189,924	204,137
Total Non-Current Assets	506,011	519,039
TOTAL ASSETS	836,916	841,816

(millions of yen)

	As of March 31, 2012	As of March 31, 2013
[LIABILITIES]		
CURRENT LIABILITIES		
Notes payable-trade	25,783	22,603
Accounts payable-trade	169,375	152,485
Current portion of bonds	20,000	—
Current portion of long-term loans payable	30,044	40,205
Lease obligations	1,575	1,276
Accounts payable-other	6,445	9,870
Accrued expenses	33,456	37,115
Income taxes payable	1,323	22,010
Advances received	163	193
Deposits received	7,518	8,287
Unearned revenue	16	20
Provision for product warranties	3,398	4,551
Provision for bonuses	7,704	8,005
Notes payable-facilities	21	21
Other	183	374
Total Current Liabilities	307,008	307,022
NON-CURRENT LIABILITIES		
Long-term loans payable	77,791	37,583
Lease obligations	1,212	846
Provision for retirement benefits	44,412	45,612
Asset retirement obligations	432	432
Deferred tax liabilities for land revaluation	48,132	48,132
Long-term guarantee deposited	163	206
Long-term guarantee deposited received from subsidiaries and affiliates	141	135
Other	1,221	1,255
Total Non-Current Liabilities	173,509	134,204
TOTAL LIABILITIES	480,518	441,226
[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	182,656	224,254
Total retained earnings	182,656	224,254
Treasury stock	(555)	(582)
Total Shareholders' Equity	272,600	314,171
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,203	9,808
Deferred gains or losses on hedges	(207)	(420)
Revaluation reserve for land	76,801	77,028
Total valuation and translation adjustments	83,797	86,417
TOTAL NET ASSETS	356,397	400,589
TOTAL LIABILITIES AND NET ASSETS	836,916	841,816

(2) Non-Consolidated Statements of Income

(millions of yen)

	FY2012 Fiscal year ending March 31, 2012	FY2013 Fiscal year ending March 31, 2013
Net sales		
Net sales of finished goods	942,332	966,183
Sales on lease business	1,323	1,305
Total net sales	943,656	967,489
Cost of sales		
Beginning finished goods	19,291	33,735
Cost of products manufactured	821,284	813,468
Total	840,575	847,203
Ending finished goods	33,735	27,371
Transfer to other account	6,567	5,386
Cost of sales on lease business	554	540
Total cost of sales	800,826	814,986
Gross profit	142,829	152,502
Selling, general and administrative expenses		
Haulage expenses	12,556	12,538
Promotion expenses	10,012	11,596
Unpaid repair expenses	15,559	15,012
Provision for product warranties	2,638	3,273
Salaries and allowances	6,601	8,313
Provision for bonuses	1,379	1,320
Provision for retirement benefits	1,323	1,063
Depreciation	2,083	1,877
Research and development expenses	7,634	8,106
Business consignment expenses	3,584	3,365
Other	13,349	14,146
Total selling, general and administrative expenses	76,722	80,614
Operating income	66,106	71,888
Non-operating income		
Interest income	547	497
Dividends income	11,451	6,316
Foreign exchange gains	—	1,114
Other	1,768	941
Total non-operating income	13,767	8,871
Non-operating expenses		
Interest expenses	2,368	1,332
Interest on bonds	341	214
Commission fee for bonds	63	24
Commission fee for stocks	246	230
Litigation settlement	1,008	1,152
Settlement package	669	—
Foreign exchange losses	324	—
Other	1,235	1,200
Total non-operating expenses	6,258	4,155
Ordinary income	73,615	76,603
Extraordinary income		
Gain on sales of noncurrent assets	47	15
Gain on sales of subsidiaries and affiliates' stocks	219	3,217
Reversal of environmental expenses	400	—
Other	3	46
Total extraordinary income	671	3,279
Extraordinary loss		
Loss on disposal of noncurrent assets	950	705
Unrealized holding loss on subsidiaries and affiliates	533	27
Loss on liquidation of subsidiaries and affiliates	—	73
Impairment loss	16	260
Loss on disaster	578	—
Other	19	—
Total extraordinary losses	2,099	1,067
Income before income taxes	72,187	78,815
Income taxes-current	3,527	23,025
Income taxes-deferred	(10,369)	2,100
Total Income taxes	(6,842)	25,126
Net income	79,029	53,689

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

FY2012 (Fiscal year ending March 31, 2012)

(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	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

	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		182,656	182,656	(555)	272,600
Changes of items during the period								
Dividends from surplus					(11,863)	(11,863)		(11,863)
Reversal of revaluation reserve for land					(227)	(227)		(227)
Net income					53,689	53,689		53,689
Purchase of treasury stock							(26)	(26)
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-		41,597	41,597	(26)	41,571
Balance at the end of current period	40,644	49,855	49,855		224,254	224,254	(582)	314,171

	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	7,203	(207)	76,801	83,797	356,397
Changes of items during the period					
Dividends from surplus					(11,863)
Reversal of revaluation reserve for land					(227)
Net income					53,689
Purchase of treasury stock					(26)
Net changes of items other than shareholders' equity	2,605	(212)	227	2,620	2,620
Total changes of items during the period	2,605	(212)	227	2,620	44,191
Balance at the end of current period	9,808	(420)	77,028	86,417	400,589

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:

Hiroyuki Miyagaki, Director (currently Senior Executive Officer)

② Candidate for new standing corporate auditor:

Tetsuhiko Shindo, Standing Corporate Auditor (currently Director and Managing Executive Officer at Development Bank of Japan Inc.)

Tadashi Takahashi, Auditor (currently President and Representative Director at M. U. Trust Sougou Kanri Co., Ltd.)

③ Director scheduled to retire:

Ryo Sakata, Director (Ryo Sakata is expected to assume the position of Adviser at Isuzu Motors Ltd.)

④ Standing Corporate Auditor scheduled to retire:

Kozo Isshiki, Standing Corporate Auditor

Hajime Mita, Auditor

3) The above appointments and retirement will become effective on June 27, 2013.

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

<Sales Results by Region>

		FY2012 (Fiscal year ending March 31, 2012)		FY2013 (Fiscal year ending March 31, 2013)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	20,924	186,195	25,634	212,894	4,710	26,699
	Overseas	37,483	166,588	45,494	204,109	8,011	37,521
Total HD/MD vehicles		58,407	352,783	71,128	417,003	12,721	64,220
	Japan	33,142	108,561	37,632	123,680	4,490	15,119
	Overseas	289,128	417,732	425,083	661,386	135,955	243,654
Total LD vehicles, etc		322,270	526,293	462,715	785,067	140,445	258,773
	Japan	54,066	294,756	63,266	336,574	9,200	41,818
	Overseas	326,611	584,320	470,577	865,496	143,966	281,175
Total vehicles		380,677	879,076	533,843	1,202,070	153,166	322,994
	Overseas	-	65,893	-	52,815	-	(13,078)
Parts for overseas production		-	65,893	-	52,815	-	(13,078)
	Japan	-	54,713	-	43,053	-	(11,659)
	Overseas	-	102,177	-	66,370	-	(35,807)
Engines / Components		-	156,890	-	109,423	-	(47,467)
	Japan	-	208,947	-	212,578	-	3,631
	Overseas	-	89,266	-	78,700	-	(10,565)
Other		-	298,213	-	291,278	-	(6,934)
	Japan	-	558,416	-	592,206	-	33,789
	Overseas	-	841,657	-	1,063,381	-	221,724
Sales amount		-	1,400,074	-	1,655,588	-	255,513

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

② Overseas Sales

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---Thailand, China, Indonesia, Philippines
 - (3) Other---Australia, South Africa, Ecuador, Saudi Arabia, Poland
3. Overseas sales are sales to all countries and areas excluding Japan
made by the parent company and consolidated subsidiaries.

FY2013 (April 1, 2012 through March 31, 2013)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	72,360	602,783	388,238	1,063,381
2 Consolidated sales	-	-	-	1,655,588
3 Overseas sales per Consolidated sales	% 4.4	% 36.4	% 23.5	% 64.2

1. This segmentation is based on the geographical area.
2. Major countries or areas included
 - (1) North America---USA
 - (2) Asia---Thailand, China, Indonesia, Philippines
 - (3) Other---Australia, Saudi Arabia, Ecuador, South Africa, Turkey
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>

		FY2012 (Fiscal year ending March 31, 2012)		FY2013 (Fiscal year ending March 31, 2013)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	23,093	168,911	25,165	176,156	2,072	7,245
	Overseas	39,509	159,110	49,042	178,587	9,533	19,477
Total HD/MD vehicles		62,602	328,021	74,207	354,744	11,605	26,723
	Japan	35,715	94,509	37,114	98,101	1,399	3,592
	Overseas	124,070	183,520	136,303	199,445	12,233	15,925
Total LD vehicles, etc		159,785	278,029	173,417	297,547	13,632	19,517
	Japan	58,808	263,420	62,279	274,258	3,471	10,837
	Overseas	163,579	342,630	185,345	378,032	21,766	35,402
Total vehicles		222,387	606,051	247,624	652,291	25,237	46,240
	Overseas	-	70,112	-	55,623	-	(14,488)
Parts for overseas production		-	70,112	-	55,623	-	(14,488)
	Japan	-	121,485	-	111,344	-	(10,140)
	Overseas	-	146,007	-	148,229	-	2,222
Engines / Components / Other		-	267,492	-	259,574	-	(7,918)
	Japan	-	384,905	-	385,602	-	697
	Overseas	-	558,750	-	581,886	-	23,136
Sales amount		-	943,656	-	967,489	-	23,833

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