

# FY2013 Third Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2012 through December 31, 2012)

English Translation of the Original Japanese-Language Document



February 8, 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  
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 Scheduled date for submission of quarterly financial statements : February 13, 2013  
 Expected starting date for distribution of cash dividends : -  
 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, 2012 through December 31, 2012)

### <1> Consolidated Financial Results

(% indicates increase/decrease from previous 3rd quarter.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2013 3rd Quarter	1,185,785	22.9	90,297	40.6	94,919	42.8	64,725	32.9
FY2012 3rd Quarter	964,537	(9.9)	64,205	(7.3)	66,489	(6.6)	48,697	3.4

[Note] Comprehensive Income  
 FY2013 3rd Quarter 74,971 millions of yen 72.8%  
 FY2012 3rd Quarter 43,392 millions of yen 7.9%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2013 3rd Quarter	38.20	-
FY2012 3rd Quarter	28.74	-

### <2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	millions of yen	millions of yen	%
FY2013 3rd Quarter	1,239,083	546,811	37.8
FY2012	1,213,402	479,644	34.2

[Note] Total Amount of Shareholders' Equity  
 FY2013 3rd Quarter 468,092 millions of yen  
 FY2012 415,488 millions of yen

## 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2012	-	3.00	-	3.00	6.00
FY2013	-	4.00	-	-	-
FY2013 (Forecast)	-	-	-	4.00	8.00

[Note] Revision to the projected dividend for FY2013: None

## 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
Year-End	1,630,000	16.4	126,000	29.4	133,000	29.3	91,000	(0.3)	53.71

[Note] Revision to Consolidated Financial Forecast for FY2013: None

#### 4. Notes

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

Newly consolidated : 1 (Name) ISUZU QINGLING (CHONGQING) AUTOPARTS Co., Ltd.

Excluded from the scope of consolidation : 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 restatement

Changes in accounting policies due to revisions of accounting standards : Yes

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

Changes in accounting estimates : Yes

Restatement : None

<4> Number of shares issued (common stock)

Number of shares issued and outstanding at the end of the term (inclusive of treasury stock)	FY2013 3rd Quarter	1,696,845,339	Shares
	FY2012	1,696,845,339	Shares
Number of treasury stock at the end of the term	FY2013 3rd Quarter	2,557,449	Shares
	FY2012	2,512,857	Shares
Average number of stocks issued	FY2013 3rd Quarter	1,694,313,302	Shares
	FY2012 3rd Quarter	1,694,373,654	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> 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.

<2> The supplement materials will be released on February 8, 2013.

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## **1. Qualitative Information concerning Consolidated Financial Results for FY2013**

### **Third Quarter**

#### **(1) Qualitative Information on Consolidated Operating Results**

In the third quarter consolidated cumulative period, vehicle sales volume in Japan increased by 9,980 units or 28.6% to 44,889 units compared with the same period last year thanks to demand related to reconstruction efforts in the areas hit by earthquake and tsunami in 2011 and subsidies for environmentally-friendly automobiles (eco-car subsidy). Meanwhile, unit sales outside Japan rose by 119,162 units or 52.8% year on year to 344,940 units because of truck sales increase driven by the ASEAN region and brisk pickup sales.

As a result, total sales volume in Japan and overseas markets grew by 129,142 units or 49.5 % to 389,829 units compared to the same period last year.

As for other products, sales amount of parts for overseas production dropped 3.9 billion yen or 8.8% year on year to 40.6 billion yen. Sales amount of engine components fell 45.6 billion yen or 37.3% to 76.7 billion yen from the same period last year.

Accordingly, net sales amounted to 1,185.7 billion yen, an increase of 221.2 billion yen or 22.9% over the same period last year. This comprises 422.2 billion yen posted for Japan, up 12.6% year on year, and 763.5 billion yen for the rest of the world, a gain of 29.5% over the same period last year.

Owing to the sales growth and continued improvements in cost structure, operating income rose by 40.6% to 90.2 billion yen and ordinary income gained by 42.8% to 94.9 billion yen respectively year on year. Meanwhile, net income increased by 32.9% from the same period last year to 64.7 billion yen.

#### **(2) Qualitative Information on Consolidated Financial Condition**

Total assets as of the end of the current fiscal third quarter rose 25.6 billion yen to 1,239.0 billion yen from March 31, 2012. This was principally due to gains in inventory assets by 24.1 billion yen, tangible fixed assets by 9.1 billion yen, deferred tax assets by 9.4 billion yen and investment securities by 4.0 billion yen, all of which more than offset declines in cash and deposits by 9.2 billion yen and accounts receivable-trade by 15.2 billion yen.

Net assets increased 67.1 billion yen to 546.8 billion yen from March 31, 2012.

This was mainly because of net income of 64.7 billion yen posted for this reporting quarter and an increase in minority interests by 14.5 billion yen, despite a decrease in retained earnings by 11.8 billion yen after dividend payment.

The capital adequacy ratio came to 37.8% compared with 34.2% as of March 31, 2012.

Meanwhile, interest-bearing liabilities shrunk 38.9 billion yen to 164.0 billion yen from March 31, 2012.

#### **(3) Qualitative Information on Consolidated Financial Forecast**

The Company has not revised its consolidated financial forecast for the current fiscal year, which was announced on November 7, 2012.

\* This consolidated financial results forecast for the current 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 fiscal year the above consolidated results forecast should therefore not be the sole basis for any investment decision.

## **2. Matters Concerning Summary Information**

### **(1) Changes in significant subsidiaries during this period:**

During the second quarter consolidated cumulative period of the fiscal year ending March 31, 2013, ISUZU QINGLING (CHONGQING) AUTOPARTS Co., Ltd. was included in the scope of consolidation.

### **(2) Adoption of specific accounting methods for presenting quarterly consolidated financial statements:**

Income taxes were calculated by multiplying consolidated quarterly income before income taxes and minority interests by a rational estimate of the effective tax rate on consolidated income before income taxes and minority interests for the fiscal year including the quarterly period after adjustments for the application of tax-effect accounting.

### **(3) Changes in accounting policies, accounting estimates and restatement:**

(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.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(millions of yen)

	As of March 31, 2012	As of December 31, 2012
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	160,492	151,212
Notes and accounts receivable-trade	232,679	217,447
Merchandise and finished goods	93,142	101,156
Work in process	9,108	11,563
Raw materials and supplies	52,262	65,962
Deferred tax assets	22,227	27,158
Other	24,684	24,680
Allowance for doubtful accounts	(1,113)	(1,100)
<b>Total Current Assets</b>	<b>593,484</b>	<b>598,080</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	99,900	105,904
Machinery, equipment and vehicles, net	83,649	92,352
Land	263,141	263,670
Lease assets, net	7,458	6,976
Construction in progress	15,298	9,408
Other, net	6,693	6,987
<b>Total Property, Plant and Equipment</b>	<b>476,142</b>	<b>485,299</b>
<b>Intangible assets</b>		
Goodwill	1,273	1,155
Other	5,983	7,312
<b>Total Intangible Assets</b>	<b>7,256</b>	<b>8,467</b>
<b>Investments and other assets</b>		
Investment securities	103,736	107,785
Long-term loans receivable	3,586	3,962
Deferred tax assets	14,740	19,258
Other	19,453	20,444
Allowance for doubtful accounts	(4,999)	(4,215)
<b>Total Investments and Other Assets</b>	<b>136,518</b>	<b>147,235</b>
<b>Total Non-Current Assets</b>	<b>619,918</b>	<b>641,002</b>
<b>TOTAL ASSETS</b>	<b>1,213,402</b>	<b>1,239,083</b>

(millions of yen)

	As of March 31, 2012	As of December 31, 2012
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable-trade	313,398	292,730
Short-term loans payable	53,370	72,348
Current portion of bonds	20,000	—
Lease obligations	3,167	2,161
Income taxes payable	9,688	21,598
Accrued expenses	38,102	33,467
Provision for bonuses	13,318	7,128
Provision for product warranties	3,398	4,364
Deposits received	3,336	7,964
Other	23,235	31,925
<b>Total Current Liabilities</b>	<b>481,016</b>	<b>473,688</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term loans payable	121,019	83,597
Lease obligations	5,531	5,985
Deferred tax liabilities	2,309	4,157
Deferred tax liabilities for land revaluation	49,142	49,142
Provision for retirement benefits	66,266	67,511
Long-term deposits received	1,414	1,482
Other	7,057	6,707
<b>Total Non-Current Liabilities</b>	<b>252,742</b>	<b>218,583</b>
<b>TOTAL LIABILITIES</b>	<b>733,758</b>	<b>692,272</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	40,644	40,644
Capital surplus	50,427	50,427
Retained earnings	280,032	332,666
Treasury stock	(653)	(672)
<b>Total Shareholders' Equity</b>	<b>370,451</b>	<b>423,065</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	7,505	5,302
Deferred gains or losses on hedges	(216)	(698)
Revaluation reserve for land	79,114	79,342
Foreign currency translation adjustment	(41,366)	(38,920)
<b>Total Accumulated Other Comprehensive Income</b>	<b>45,037</b>	<b>45,026</b>
<b>MINORITY INTERESTS</b>	<b>64,155</b>	<b>78,718</b>
<b>TOTAL NET ASSETS</b>	<b>479,644</b>	<b>546,811</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,213,402</b>	<b>1,239,083</b>

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

Consolidated Quarterly Statements of Income

(The Third Quarter Consolidated Cumulative Period)

(millions of yen)

For the first nine months ended	FY2012 3rd Quarter December 31, 2011	FY2013 3rd Quarter December 31, 2012
Net sales	964,537	1,185,785
Cost of sales	821,249	1,006,925
<b>GROSS PROFIT</b>	<b>143,287</b>	<b>178,859</b>
Selling, general and administrative expenses	79,082	88,562
<b>OPERATING INCOME</b>	<b>64,205</b>	<b>90,297</b>
<b>Non-operating income</b>		
Interest income	1,636	790
Dividends income	608	886
Equity in earnings of affiliates	3,790	6,858
Other	2,893	2,135
<b>Total non-operating income</b>	<b>8,929</b>	<b>10,669</b>
<b>Non-operating expenses</b>		
Interest expenses	3,139	2,003
Foreign exchange losses	732	1,428
Litigation settlement	643	1,051
Other	2,129	1,564
<b>Total non-operating expenses</b>	<b>6,644</b>	<b>6,047</b>
<b>ORDINARY INCOME</b>	<b>66,489</b>	<b>94,919</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	583	69
Gain on negative goodwill	187	—
Gain on step acquisitions	615	—
Reversal of environmental expenses	399	—
Other	159	63
<b>Total extraordinary income</b>	<b>1,945</b>	<b>133</b>
<b>Extraordinary loss</b>		
Loss on disposal of non-current assets	1,053	925
Loss on disaster	1,862	—
Other	524	346
<b>Total extraordinary losses</b>	<b>3,440</b>	<b>1,272</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>64,995</b>	<b>93,780</b>
Income taxes	11,777	21,187
Income before minority interests	53,217	72,592
Minority interests in income	4,520	7,867
<b>NET INCOME</b>	<b>48,697</b>	<b>64,725</b>

**Consolidated Quarterly Statements of Comprehensive Income**  
**(The Third Quarter Consolidated Cumulative Period)**

(millions of yen)

For the first nine months ended	FY2012 3rd Quarter December 31, 2011	FY2013 3rd Quarter December 31, 2012
<b>Income before minority interests</b>	53,217	72,592
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(344)	(2,191)
Deferred gains or losses on hedges	90	(481)
Revaluation reserve for land	5,269	227
Foreign currency translation adjustment	(12,736)	4,427
Share of other comprehensive income of associates accounted for using equity method	(2,104)	395
Total other comprehensive income	<u>(9,825)</u>	<u>2,378</u>
<b>Comprehensive income</b>	<u>43,392</u>	<u>74,971</u>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	42,904	64,714
Comprehensive income attributable to minority interests	487	10,256

**(3) Notes on premise of a going concern**

None

**(4) Segment information, etc.**

Segment information

The Third Quarter Consolidated Cumulative Period of Fiscal Year 2012

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.

The Third Quarter Consolidated Cumulative Period of Fiscal Year 2013

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.

**(5) Notes in the case of a significant change in shareholders' equity**

None

## 4. Supplementary Information

### (1) Sales Condition

<Sales Results by Region>

Consolidated sales results during the previous and current third quarter are shown below.

		FY2012 3rd Quarter For the first nine months ended December 31, 2011		FY2013 3rd Quarter For the first nine months ended December 31, 2012		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	12,619	109,514	17,901	148,009	5,282	38,494
	Overseas	26,401	112,132	35,333	154,902	8,932	42,769
Total HD/MD vehicles		39,020	221,647	53,234	302,911	14,214	81,264
	Japan	22,290	71,800	26,988	88,615	4,698	16,814
	Overseas	199,377	283,320	309,607	463,980	110,230	180,660
Total LD vehicles, etc		221,667	355,120	336,595	552,596	114,928	197,475
	Japan	34,909	181,315	44,889	236,624	9,980	55,308
	Overseas	225,778	395,452	344,940	618,883	119,162	223,430
Total vehicles		260,687	576,768	389,829	855,507	129,142	278,739
	Overseas	-	44,561	-	40,617	-	(3,943)
Parts for overseas production		-	44,561	-	40,617	-	(3,943)
	Japan	-	39,758	-	32,896	-	(6,861)
	Overseas	-	82,687	-	43,883	-	(38,803)
Engines / components		-	122,446	-	76,780	-	(45,665)
	Japan	-	153,979	-	152,684	-	(1,294)
	Overseas	-	66,782	-	60,194	-	(6,587)
Other		-	220,761	-	212,879	-	(7,882)
	Japan	-	375,053	-	422,205	-	47,152
	Overseas	-	589,484	-	763,579	-	174,095
Sales amount		-	964,537	-	1,185,785	-	221,248

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

<Overseas Sales>

Previous 3rd Quarter Consolidated Cumulative Period (April 1, 2011 through December 31, 2011)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	55,352	273,839	260,292	589,484
2 Consolidated sales	-	-	-	964,537
3 Overseas sales per Consolidated sales	5.7%	28.4%	27.0%	61.1%

Current 3rd Quarter Consolidated Cumulative Period (April 1, 2012 through December 31, 2012)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	53,312	418,690	291,576	763,579
2 Consolidated sales	-	-	-	1,185,785
3 Overseas sales per Consolidated sales	4.5%	35.3%	24.6%	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.