

ISUZU

FY2004 FINANCIAL RESULTS



ISUZU MOTORS LIMITED

May 20, 2004

President & Representative Director

Yoshinori Ida

1. FY2004 Highlights

Apr.'03 - Mar.'04

New 3-year Business Plan: Key Points

**Eliminate
Uncertainties**

- NA SUV Business Restructuring
- Establish PT JV with GM

- Workforce rightsizing (VER)
- Integrate mfg. infrastructure

Recapitalization

- Debt-for-equity conversion
- Capital stock reduction/increase
(Cancellation of GM stockholding without consideration)

**Transformation
of business
structure into
CV Specialist
by Positioning
DE as
Core Technology**

Support from GM and financial institutions

FY2004 Highlights: Consolidated Results

- Renewed record profits across the board -

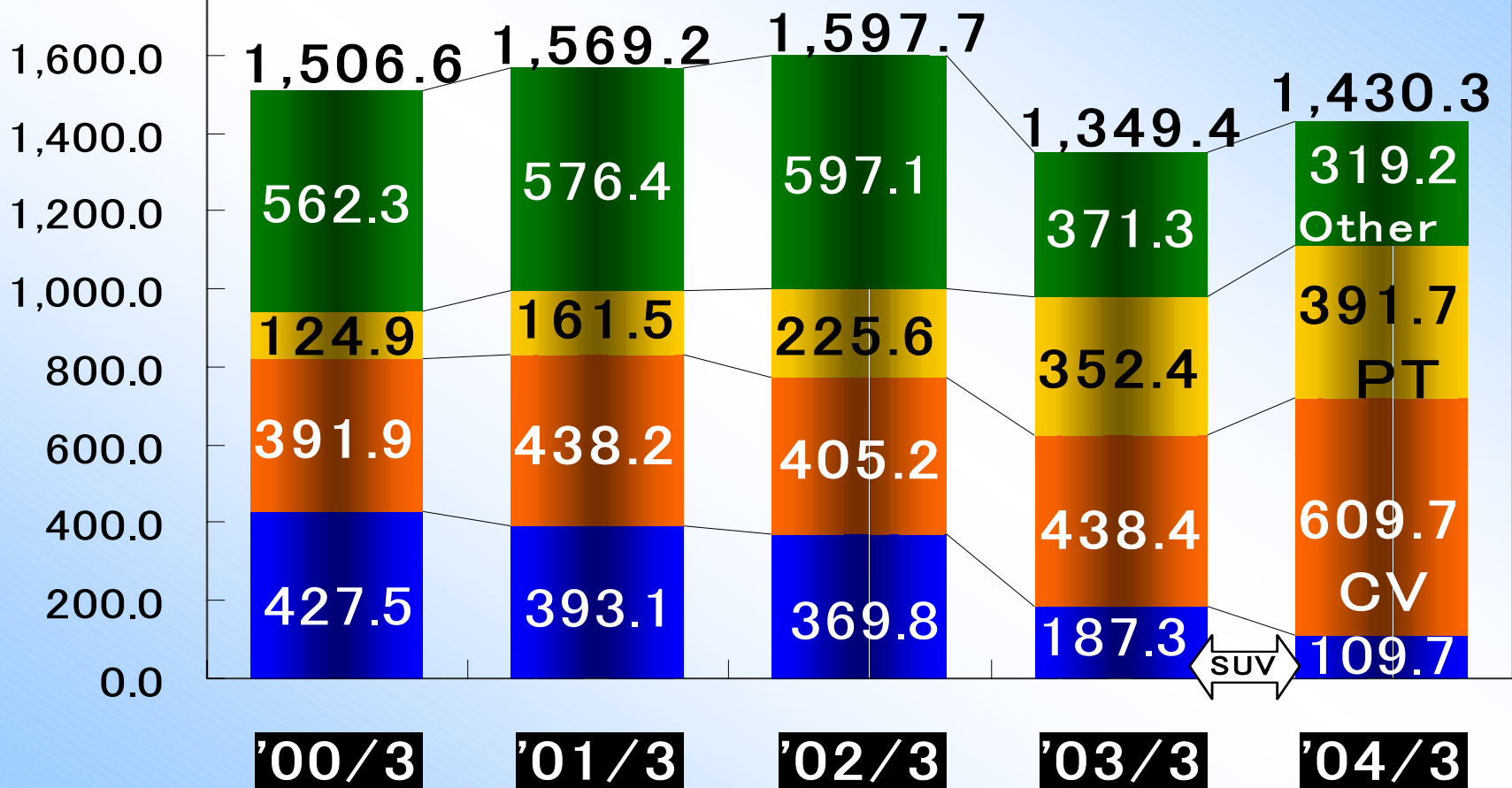
	<u>FY2004 Act.</u>	<u>N3BP Target (changes)</u>
Sales revenue:	1,430.3	1,250.0 (+14%)
Operating profit:	84.5	50.0 (+69%)
<i>OP %</i>	<i>5.91%</i>	
Working profit:	81.7	-
<i>WP %</i>	<i>5.71%</i>	
Net income:	54.7	35.0 (+56%)
<i>Net income %</i>	<i>3.82%</i>	

Sales Vol: Japan (k. units)	103 (+ 66.5%)
Worldwide sales: (k. units)	177 (- 17.9%)

Consolidated Revenue by Segment

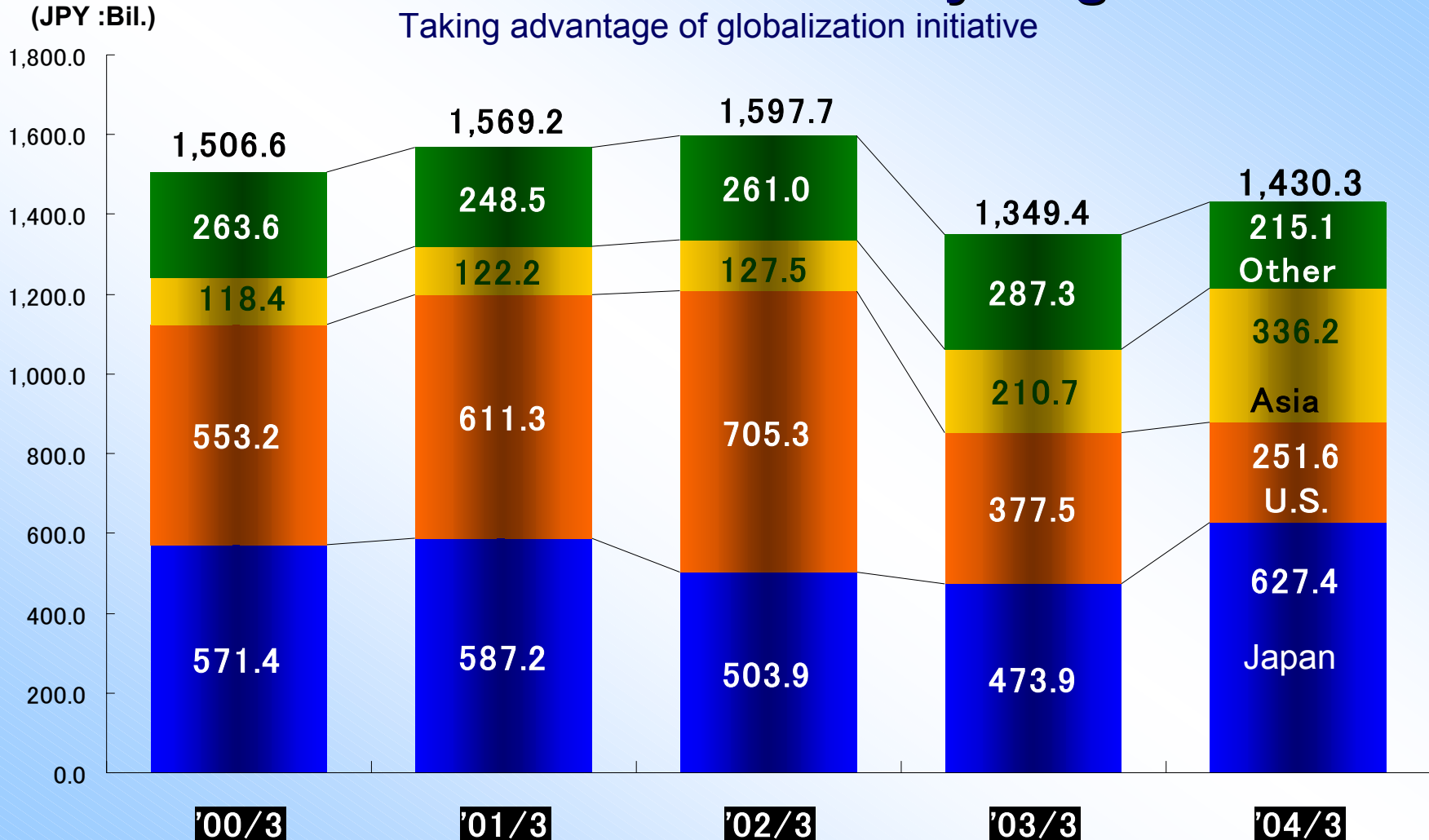
(JPY :Bil.)
1,800.0

SUV, CV, PT, Other (KD, parts, financing)



Consolidated Revenue by Region

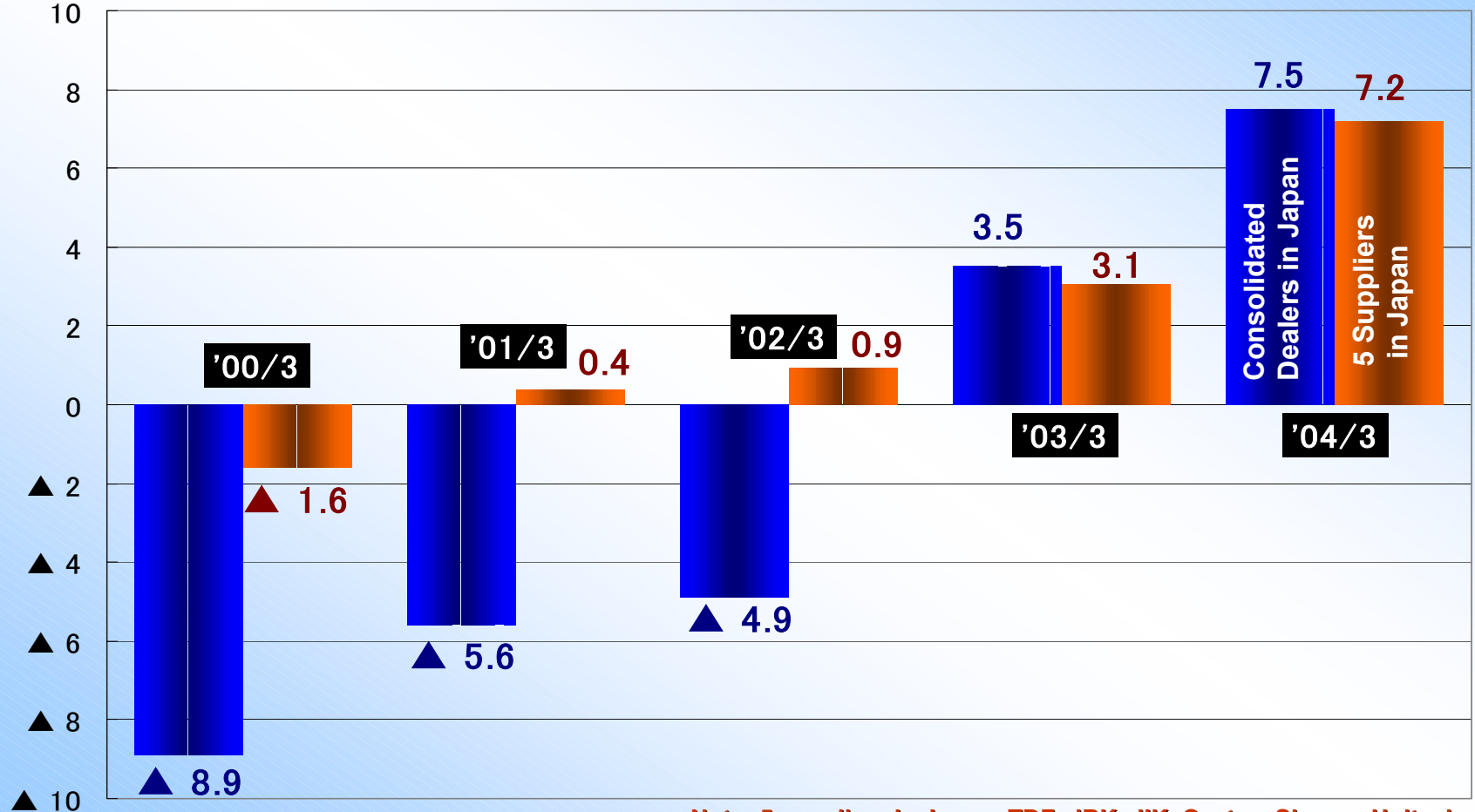
Taking advantage of globalization initiative



Consolidated Dealers & 5 Suppliers in Japan:

Improved operating performance of Isuzu-Group companies

(JPY :Bil.)

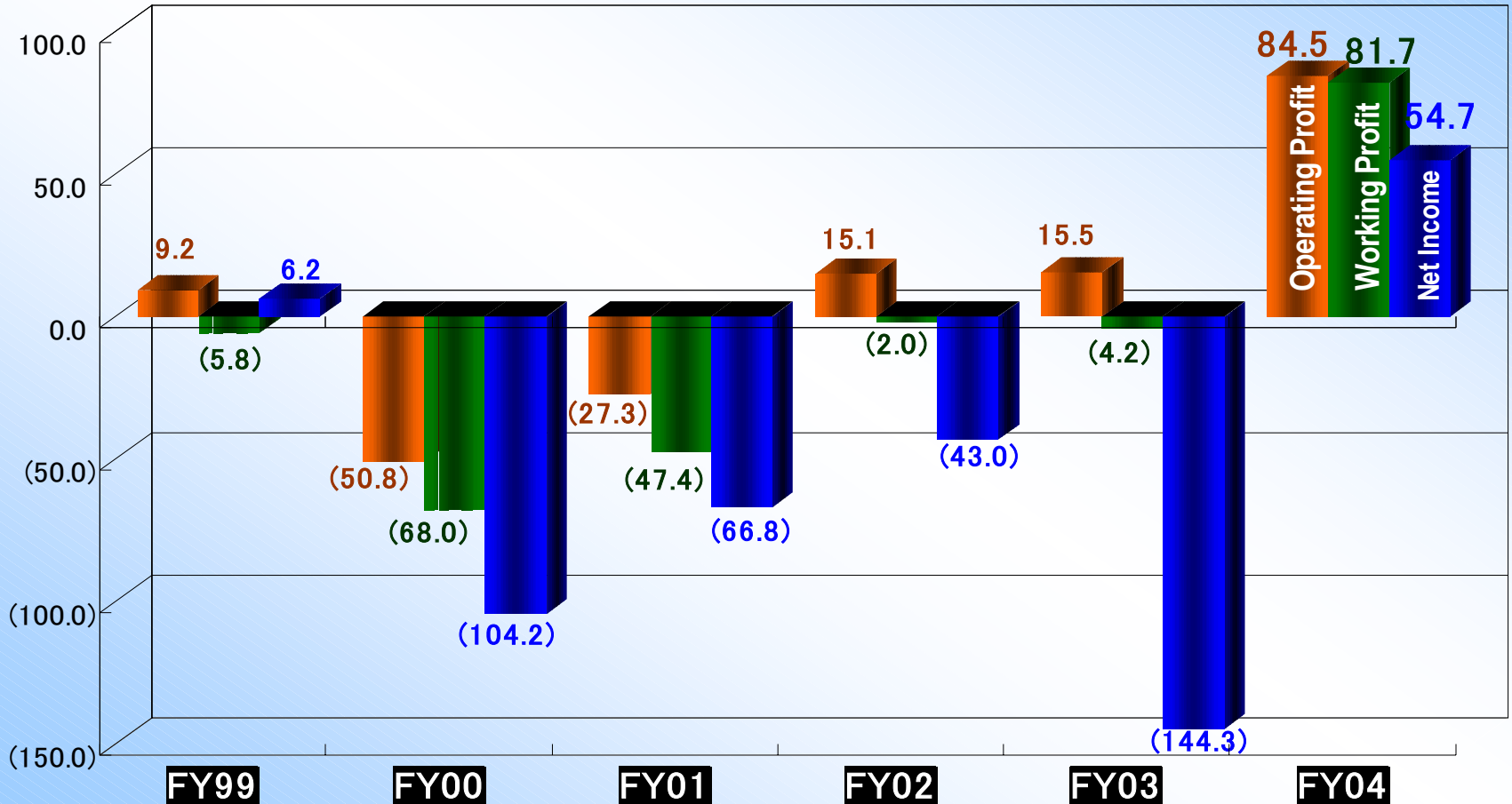


Note: 5 suppliers in Japan: TDF, JBK, JIK, Castec, Shonan Unitech

Financial Performance: Trend

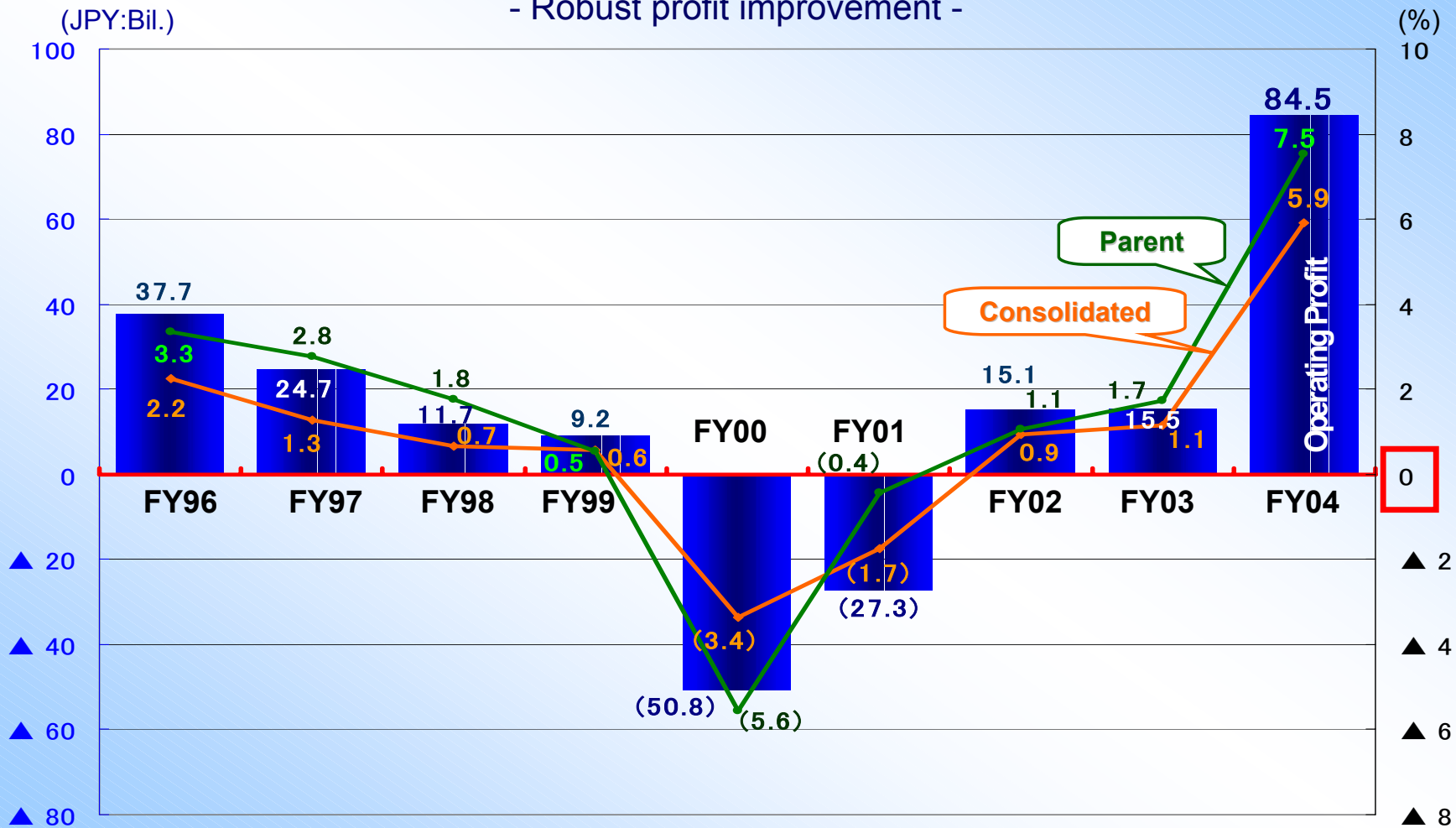
- Undertaken one-time charges to realize fundamental reform -

(JPY: Bil.)



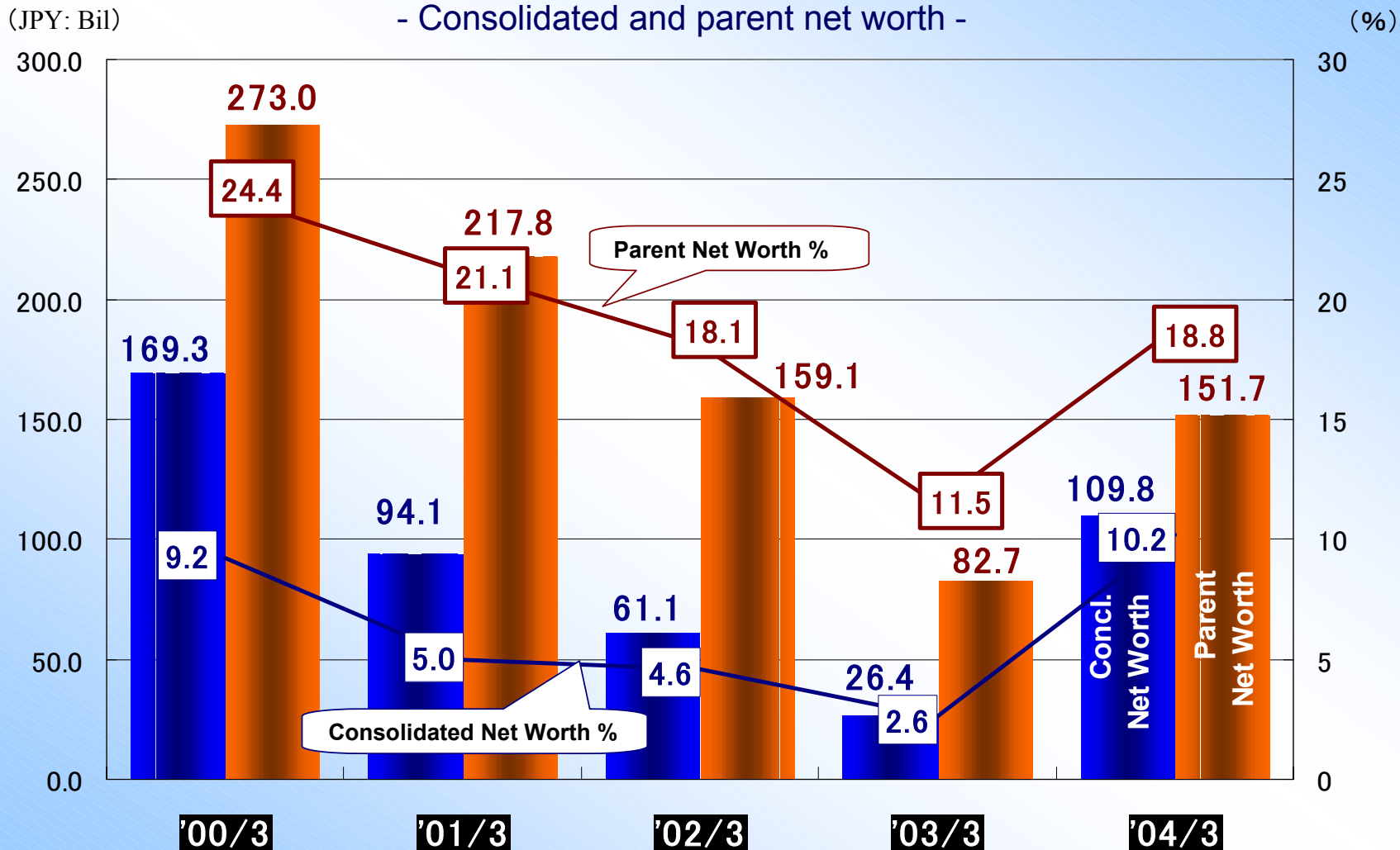
Operating Margin : Historical Trend

- Robust profit improvement -



Net Worth Improvement

- Consolidated and parent net worth -



New 3-year BP: Actual vs. Target

- Achieved targets -

(JPY: Bil.)	FY03	FY04	FY05
Sales Revenue	1,270.0 Act: 1,349.4	1,250.0 Act: 1,430.3	1,270.0
Operating Profit	5.0 Act: 15.5	50.0 Act: 84.5	60.0 or, Over
Net Income	(170.0) Act: 144.3	35.0 Act: 54.7	50.0 or, Over
Outstanding debt	560.0 Act: 517.9	510.0 Act: 452.7	450.0

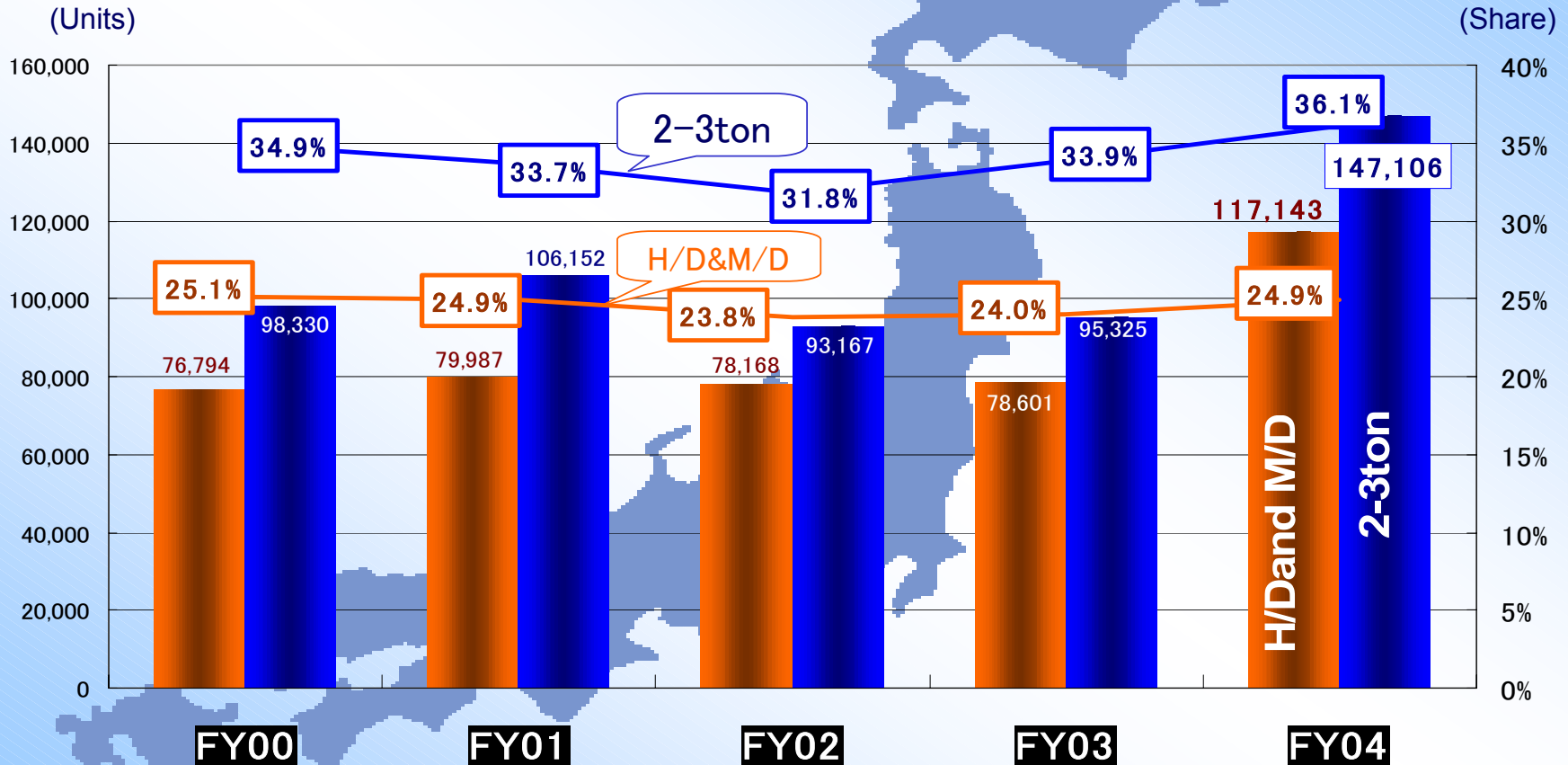
Executive Vice President & CFO

Shigeki Toma

2. Business Environment

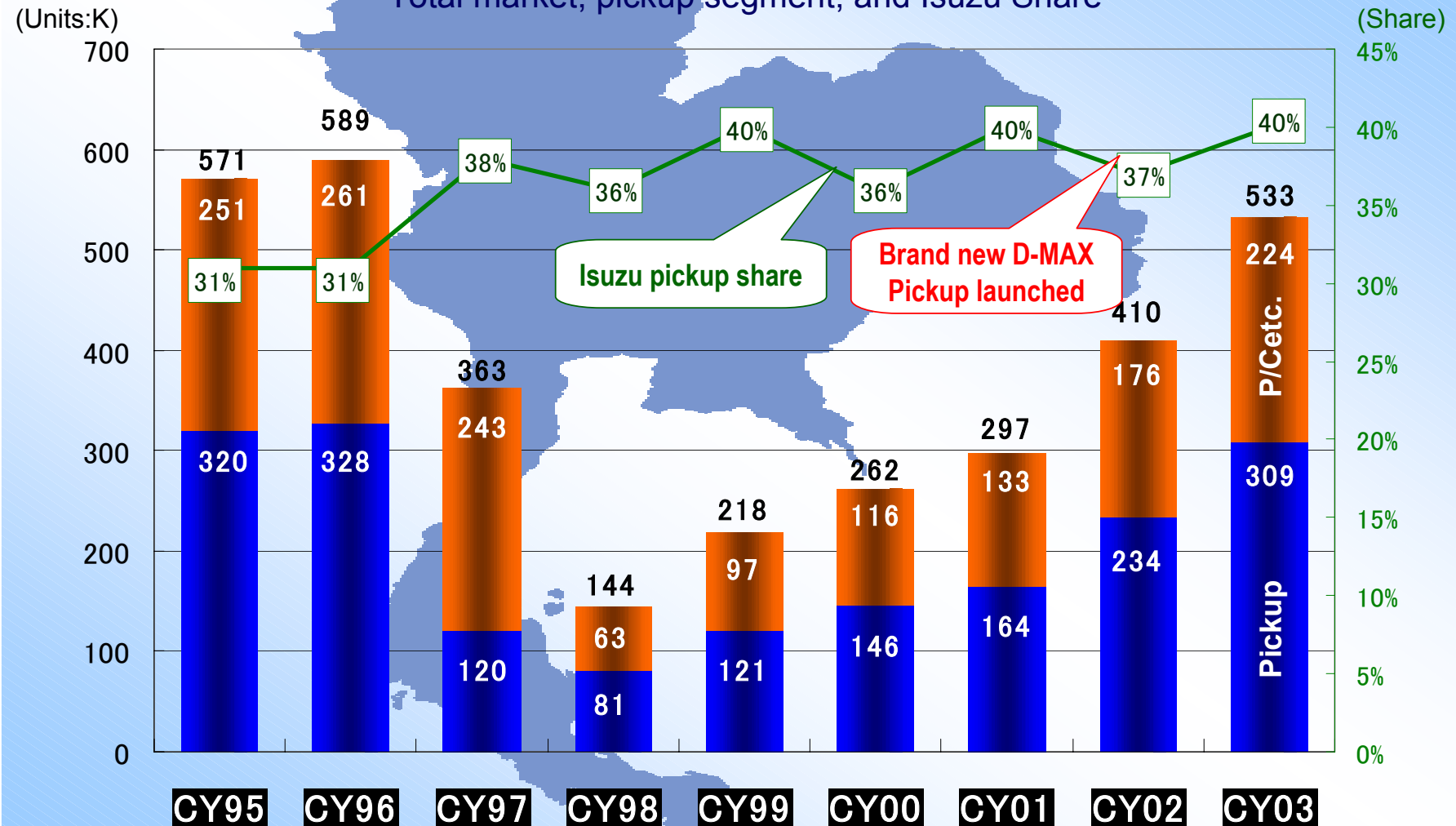
Japan Industry Sales and Isuzu Share

- HD, 2- to 3-ton Truck -



Thailand Industry Sales

- Total market, pickup segment, and Isuzu Share-



3. FY2004 Financial Summary

FY2004 Consolidated Results

- Year-on-Year -

Consolidated (JPY: Bil.)	FY04	FY03	Changes	Consl vs. Parent Ratio
Sales Revenue	1,430.3	1,349.4	+80.9	1.61
Operating Profit	84.5	15.5	+69.0	1.26
Working Profit	81.7	(4.2)	+85.9	1.42
Net Income	54.7	(144.3)	+199.0	1.41

Parent (JPY: Bil.)	FY04	FY03	Changes
Sales Revenue	890.3	760.6	+129.7
Operating Profit	67.0	13.1	+ 53.9
Working Profit	57.6	4.9	+ 52.7
Net Income	38.9	(189.4)	+228.3

FY2004 Consolidated Results

- Sales Revenue by Segment (YOY) -

(JPY: Bil.)	FY04	FY03	Changes
Sales Revenue	1,430.3	1,349.4	+80.9
Operating Profit	84.5	15.5	+ 69.0
Working Profit	81.7	(4.2)	+ 85.9
Net Income	54.7	(144.3)	+199.0

Sales Revenue by Segment		FY04	FY03	Changes
	Parent	890.3	760.6	+129.7
	Japanese DLRs	471.2	352.2	+119.0
	North America	235.5	281.5	(46.0)
	ISPOL, DMAX	-	148.1	(148.1)
	ASEAN	233.3	123.8	+109.5
	Other	185.6	184.4	+1.2
	Adjust.	(585.6)	(501.2)	(84.4)
	Total	1,430.3	1,349.4	+80.9

FY2004 Consolidated Results

- Operating Profit by Segment (YOY) -

(JPY: Bil.)	FY04	FY03	Changes
Sales Revenue	1,430.3	1,349.4	+80.9
Operating Profit	84.5	15.5	+ 69.0
Working Profit	81.7	(4.2)	+ 85.9
Net Income	54.7	(144.3)	+199.0

Operating Profit by Segment		FY04	FY03	Changes
	Parent	67.0	13.1	+53.9
	Japanese DLRs	7.5	3.5	+4.0
	North America	(1.4)	(24.0)	+22.6
	ISPOL, DMAX	-	7.8	(7.8)
	ASEAN	7.2	2.7	+4.5
	Other	5.8	2.9	+2.9
	Adjust.	(1.6)	9.5	(11.1)
	Total	84.5	15.5	+69.0

FY2004 Parent Results

- Operating Profit Variance (YOY) -

(JPY:Bill.)	FY04	FY03	Changes
Operating Profit	67.0	13.1	+ 53.9

Variance due to:	Favorable	◆ Vol. Mix	+40.9
		◆ Rationalization	+20.8
		◆ Expense reduction	+14.6
		Total favorable	+76.3
	Unfavorable	◆ Incrs. in expense	(9.0)
		◆ FX	(2.7)
		◆ GM alliance	(10.7)
		Total unfavorable	(22.4)
		Total	+53.9

FY2004 Consolidated Results

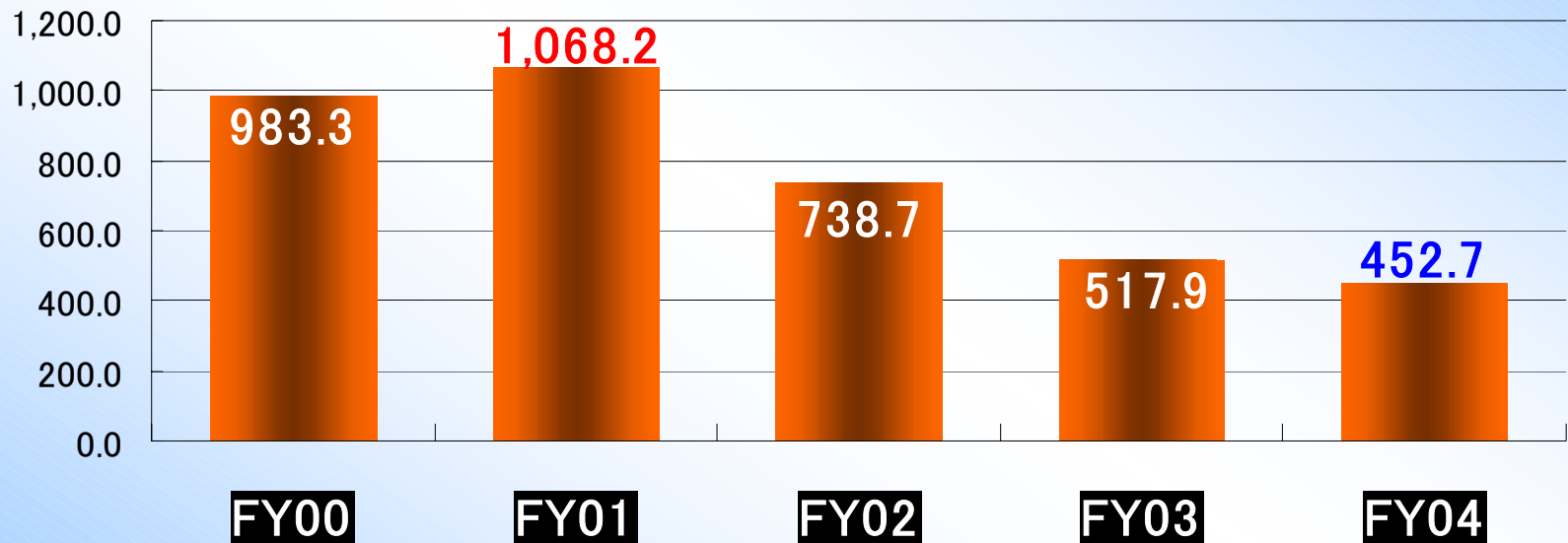
- Working Profit/Net Income variance (YOY) -

(JPY: Bil.)	FY04	FY03	Changes
Sales Revenue	1,430.3	1,349.4	+80.9
Operating Profit	84.5	15.5	+ 69.0
Working Profit	81.7	(4.2)	+ 85.9
Net Income	54.7	(144.3)	+199.0

Operating Profit	Changes in Operating Profit		+69.0
	Favorable	◆ On-equity gain	+11.1
		◆ Financial income	+5.8
	Total Changes in OP		+85.9
Working Profit	Changes in Working Profit		+85.9
	Favorable	◆ Restructuring charges; prev term	+140.1
		◆ Gain on sale of stockholding	+5.5
	Unfavorable	◆ NA restructuring charges	(7.8)
		◆ Fixed assets disposal, etc.	(16.4)
		◆ Other	(8.3)
Total Changes in WP		+199.0	

Outstanding Debt (Consolidated)

(JPY: Bil.)



Equity Capital Improvement

- Total Shareholders' Equity : Consolidated -



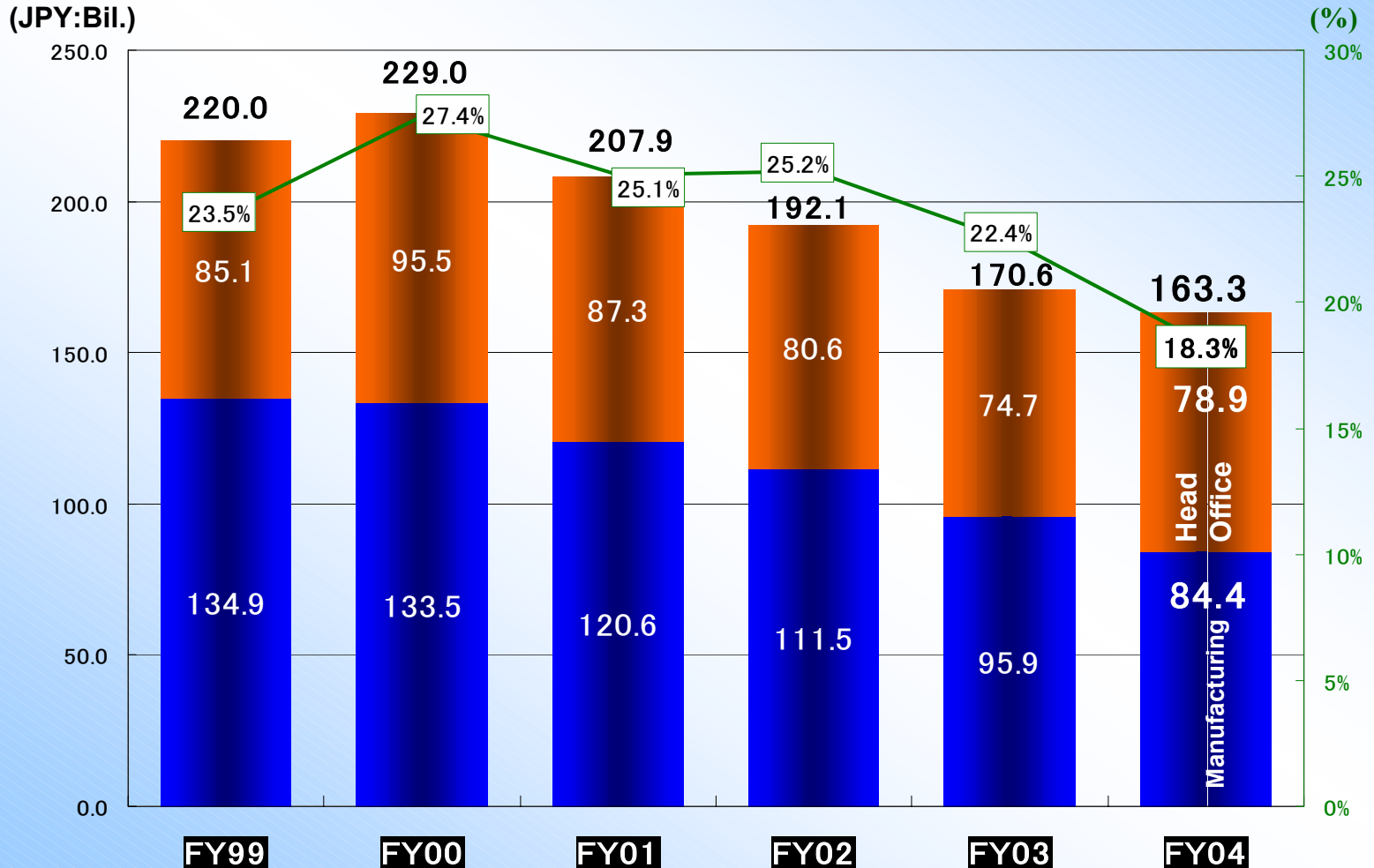
Inventory Balance

- Consolidated -



Improved Earnings Foundation

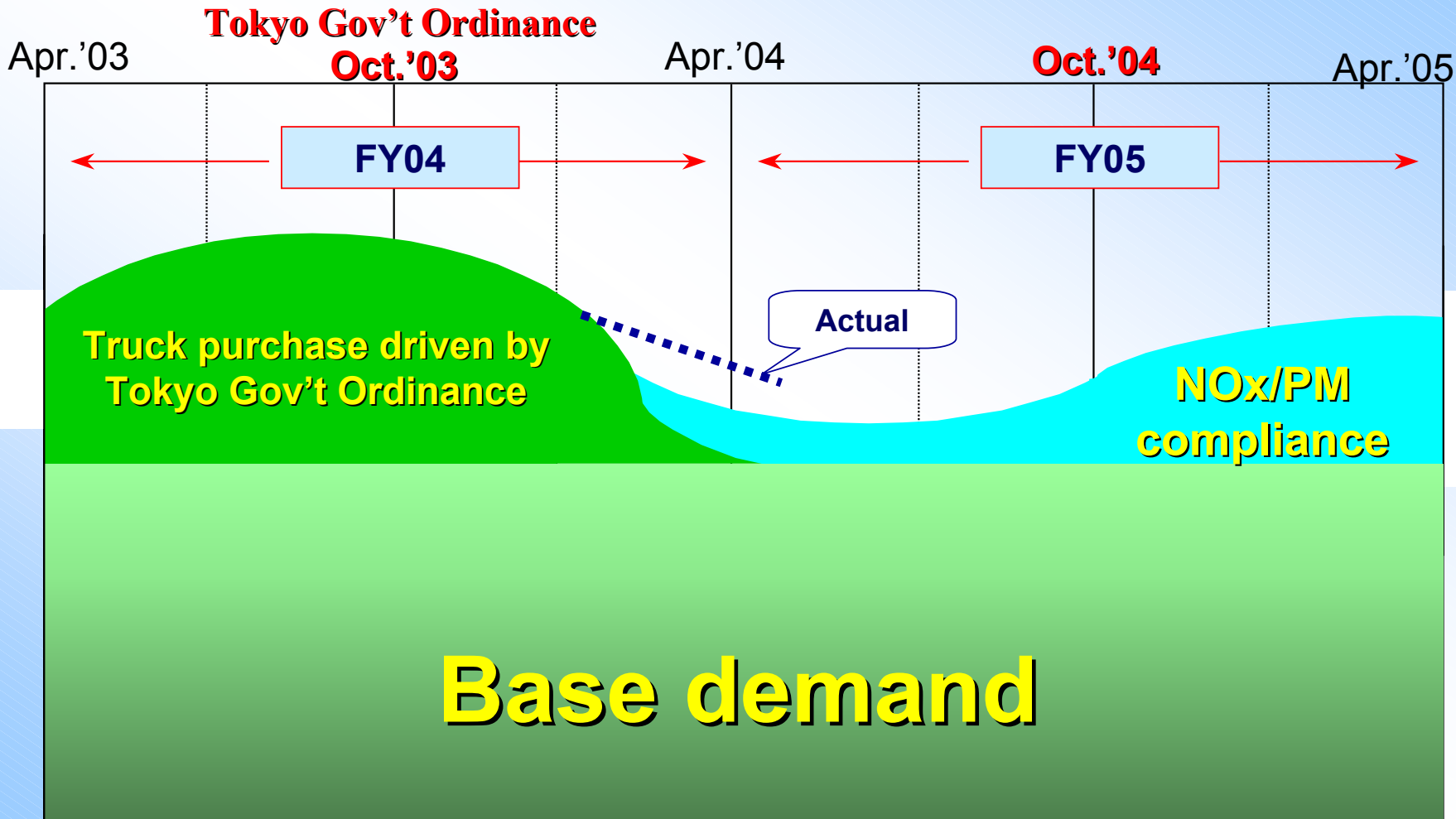
- Fixed cost to total revenue -



4. FY2005 Forecast

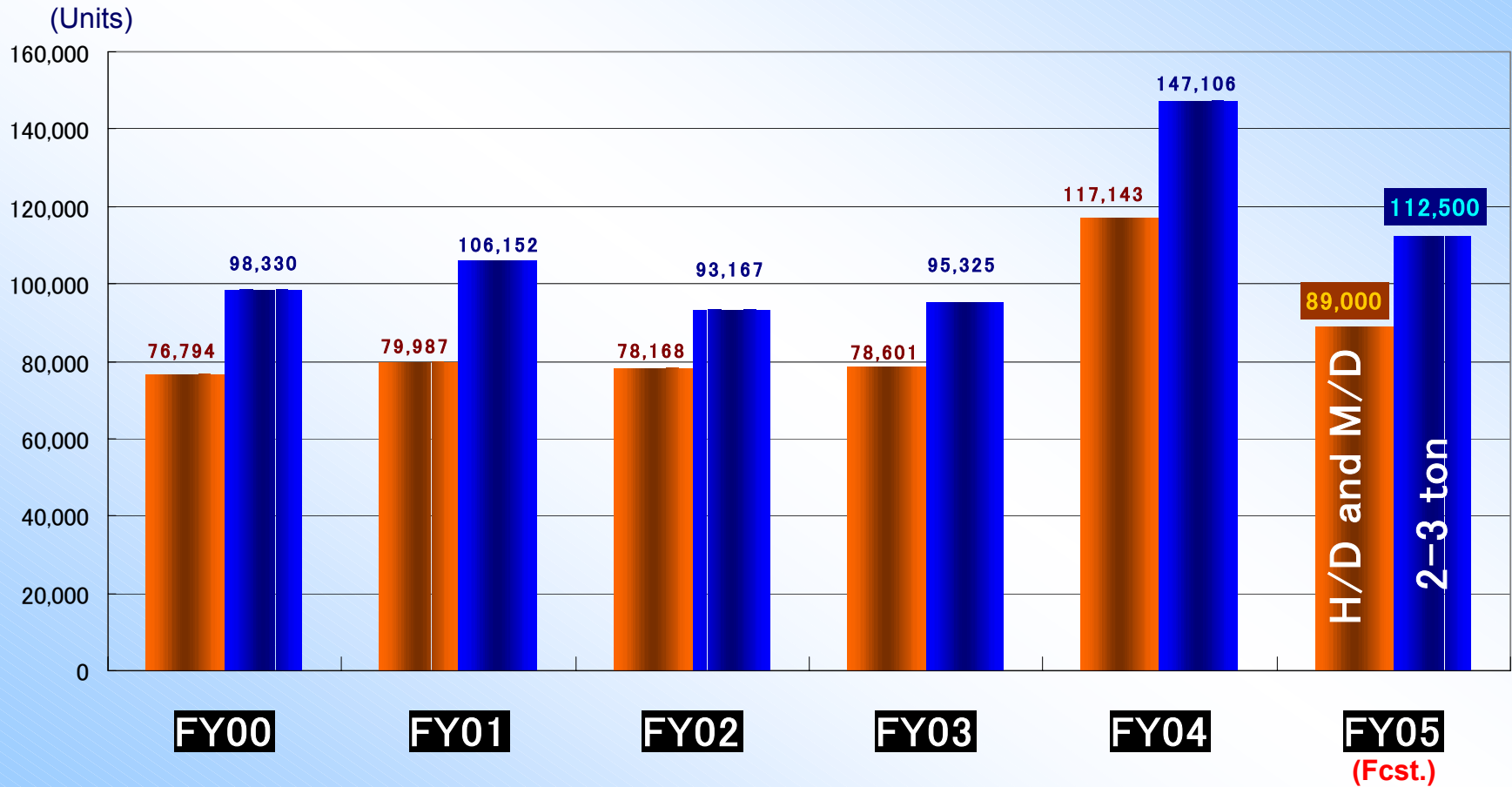
Regulation Impact on Japan Industry Sales

- HD Sales in Japan: Conceptual Image -



Japan Industry Sales

- HD, 2- to 3-ton Truck -



FY2005 Consolidated Forecast

- Year-on-Year -

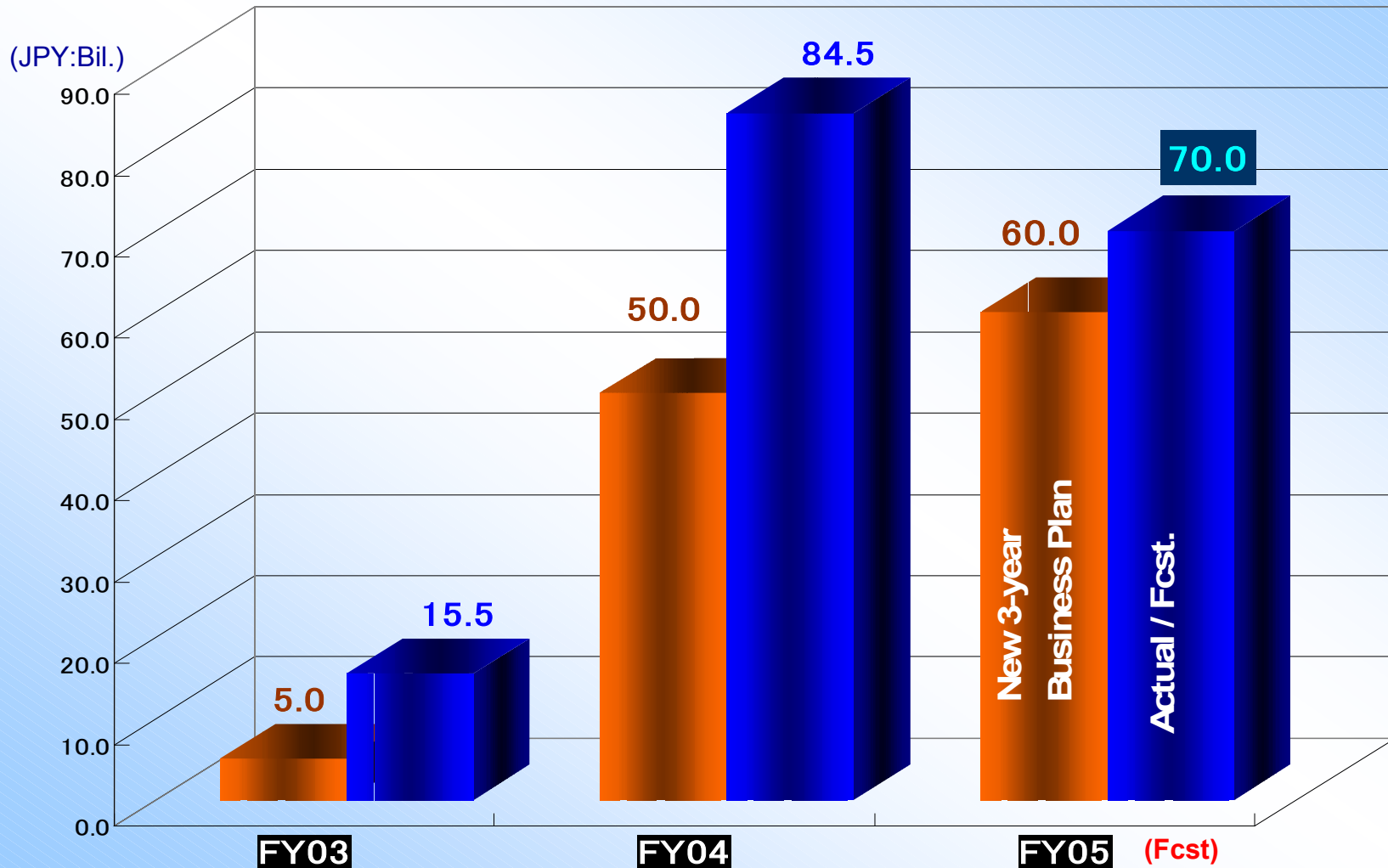
Consolidated (JPY: Bil.)	FY05	FY04	Changes	N3BP	Changes
Sales Revenue	1,350.0	1,430.3	(80.3)	127.0	+80.0
Operating Profit	70.0	84.5	(14.5)	6.0	+10.0
Working Profit	65.0	81.7	(16.7)	—	—
Net Income	50.0	54.7	(4.7)	5.0	±0.0

Parent (JPY: Bil.)	FY05	FY04	Changes	N3BP	Changes
Sales Revenue	770.0	890.3	(120.3)	70.0	+70.0
Operating Profit	50.0	67.0	(17.0)	5.0	±0.0
Working Profit	45.0	57.6	(12.6)	-	-
Net Income	40.0	38.9	+1.1	4.0	±0.0

FX assumption: JPY 105/\$ for FY06

Actual Results + Fcst vs. New 3-year BP

- Consolidated Operating Profit -



FY2005 Consolidated Forecast

- Sales Revenue by Segment -

(JPY: Bil.)	FY05	FY04	Changes
Sales Revenue	1,350.0	1,430.3	(80.3)
Operating Profit	70.0	84.5	(14.5)
Working Profit	65.0	81.7	(16.7)
Net Income	50.0	54.7	(4.7)

Sales Revenue by Segment		FY05	FY04	Changes
	Parent	770.0	890.3	(120.3)
	Japanese DLRs	370.0	471.2	(101.2)
	North America	230.0	235.5	(5.5)
	ASEAN	300.0	233.3	+66.7
	Other	150.0	185.6	(35.6)
	Adjust.	(470.0)	(585.6)	+115.6
	Total	1,350.0	1,430.3	(80.3)

FY2005 Consolidated Forecast

- Operating Profit by Segment -

(JPY: Bil.)	FY05	FY04	Changes
Sales Revenue	1,350.0	1,430.3	(80.3)
Operating Profit	70.0	84.5	(14.5)
Working Profit	65.0	81.7	(16.7)
Net Income	50.0	54.7	(4.7)

Operating Profit by Segment		FY05	FY04	Changes
	Parent	50.0	67.0	(17.0)
	Japanese DLRs	7.0	7.5	(0.5)
	North America	1.0	(1.4)	+2.4
	ASEAN	12.0	7.2	+4.8
	Other	3.0	5.8	(2.8)
	Adjust.	(3.0)	(1.6)	(1.4)
	Total	70.0	84.5	(14.5)

FY2005 Parent Forecast

- Operating Profit Variance (YOY) -

(JPY: Bil.)	FY05	FY04	Changes
Working Profit	50.0	67.0	(17.0)

Variance due to:	Favorable	◆ Rationalization	+7.4
		◆ Expense reduction	+15.4
		Total favorable	+22.8
	Unfavorable	◆ Vol/mix	(29.9)
		◆ FX	(3.1)
		◆ Incrs. in expense	(6.8)
		Total unfavorable	(39.8)
	Total	(17.0)	

FY2005 Consolidated Forecast

- Working Profit/Net Income Variance (YOY) -

(JPY:Bill.)	FY05	FY04	Changes
Sales Revenue	1,350.0	1,430.3	(80.3)
Operating Profit	70.0	84.5	(14.5)
Working Profit	65.0	81.7	(16.7)
Net Income	50.0	54.7	(4.7)

Operating Profit	Operating Profit changes		(14.5)
	Favorable	◆ Financial income, ect.	+2.0
	Unfavorable	◆ On-equity income	(4.2)
	Total changes in OP		(16.7)
Working Profit	Working Profit changes		(16.7)
	Favorable	◆ NA restructuring charges	+7.8
		◆ Fixed assets disposal, etc.	+3.1
		◆ Other	+3.7
	Unfavorable	◆ Sale of stockholdings	(2.6)
Total changes in WP		(4.7)	

New 3-year Business Plan Targets

- Consolidated -

(JPY:Bill.)	FY03	FY04	FY05
Sales Revenue	1,270.0 Act: 1,349.4	1,250.0 Act: 1,430.3	1,270.0 Fcst: 1,350.0
Operating Profit	5.0 Act: 15.5	50.0 Act: 84.5	60.0 or, Over Fcst: 70.0
Net Income	(170.0) Act: 144.3	35.0 Act: 54.7	50.0 or, Over Fcst: 50.0
Outstanding debt	560.0 Act: 517.9	510.0 Act: 452.7	450.0 Fcst: 420.0

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