

ISUZU

FY2006 Financial Results

Apr.'05 – Mar. '06

GIGA

New Long-term Emission version



May 16, 2006

ISUZU MOTORS LIMITED

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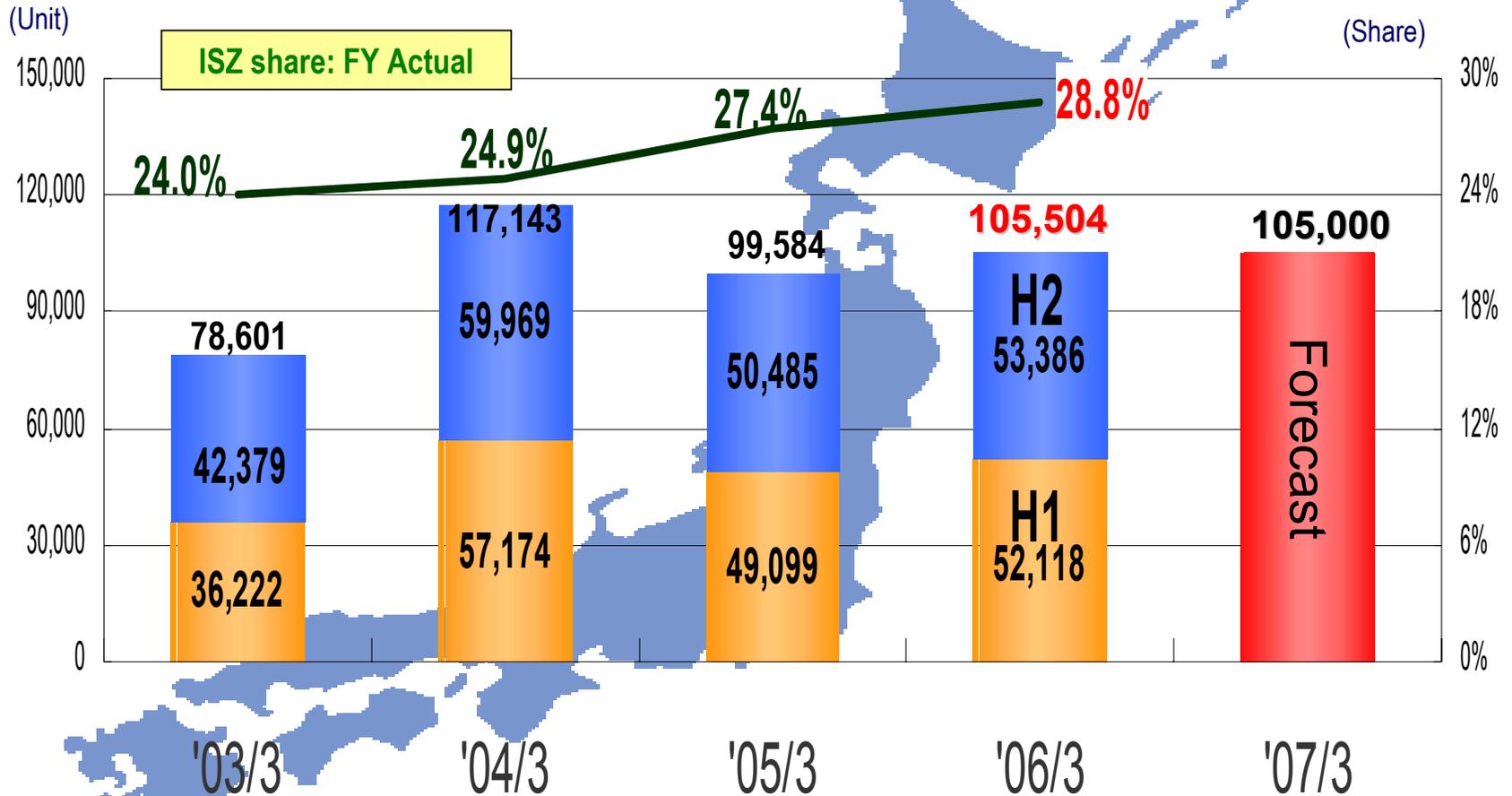
Moreover, this presentation is not intended to solicit investment in Isuzu. Isuzu assumes no responsibility for any losses and liabilities that may be incurred because of the information in this presentation.

1 . Business Surroundings



Japan Industry Sales and Isuzu Share

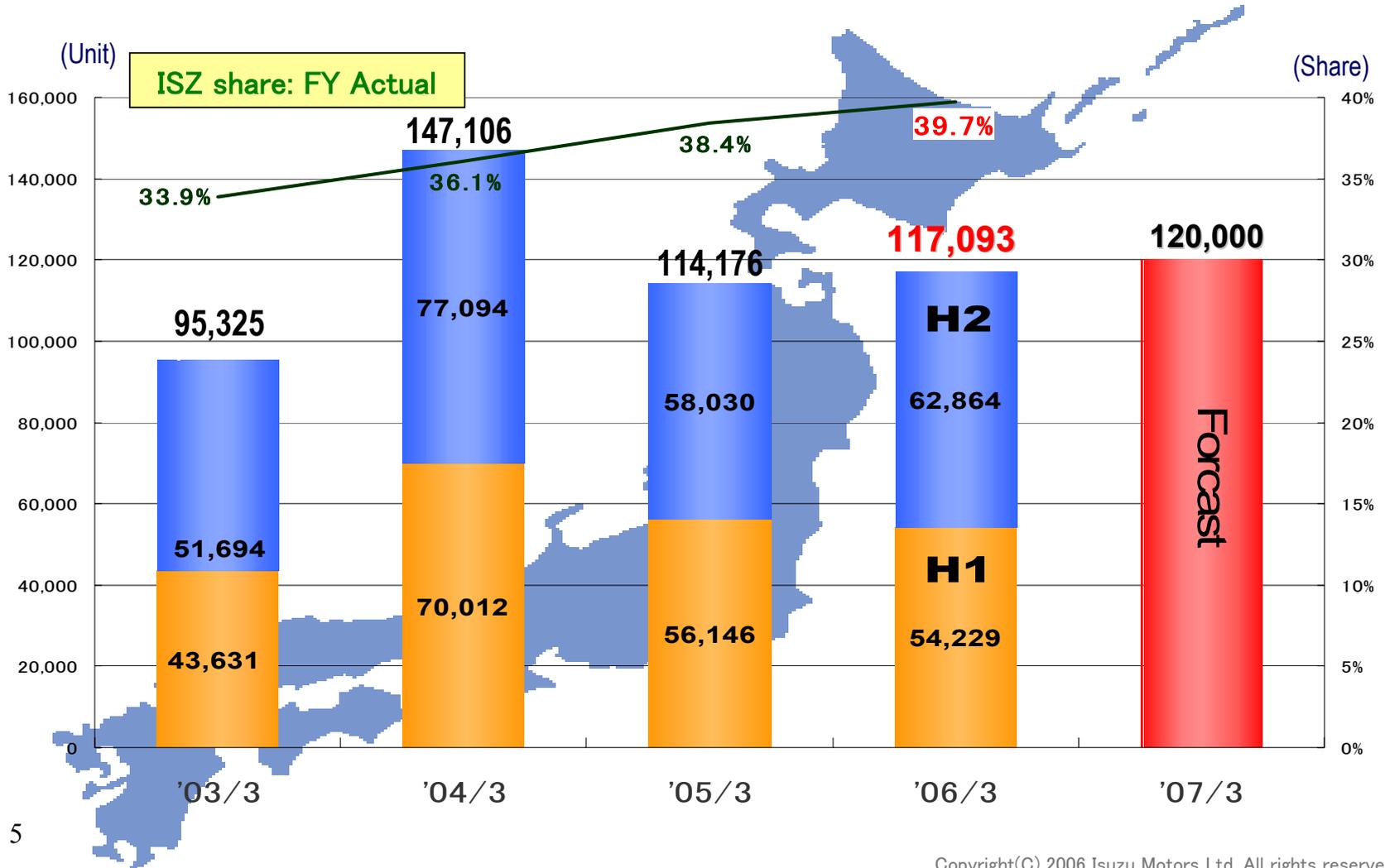
- H/D, M/D Truck -





Japan Industry Sales and Isuzu Share

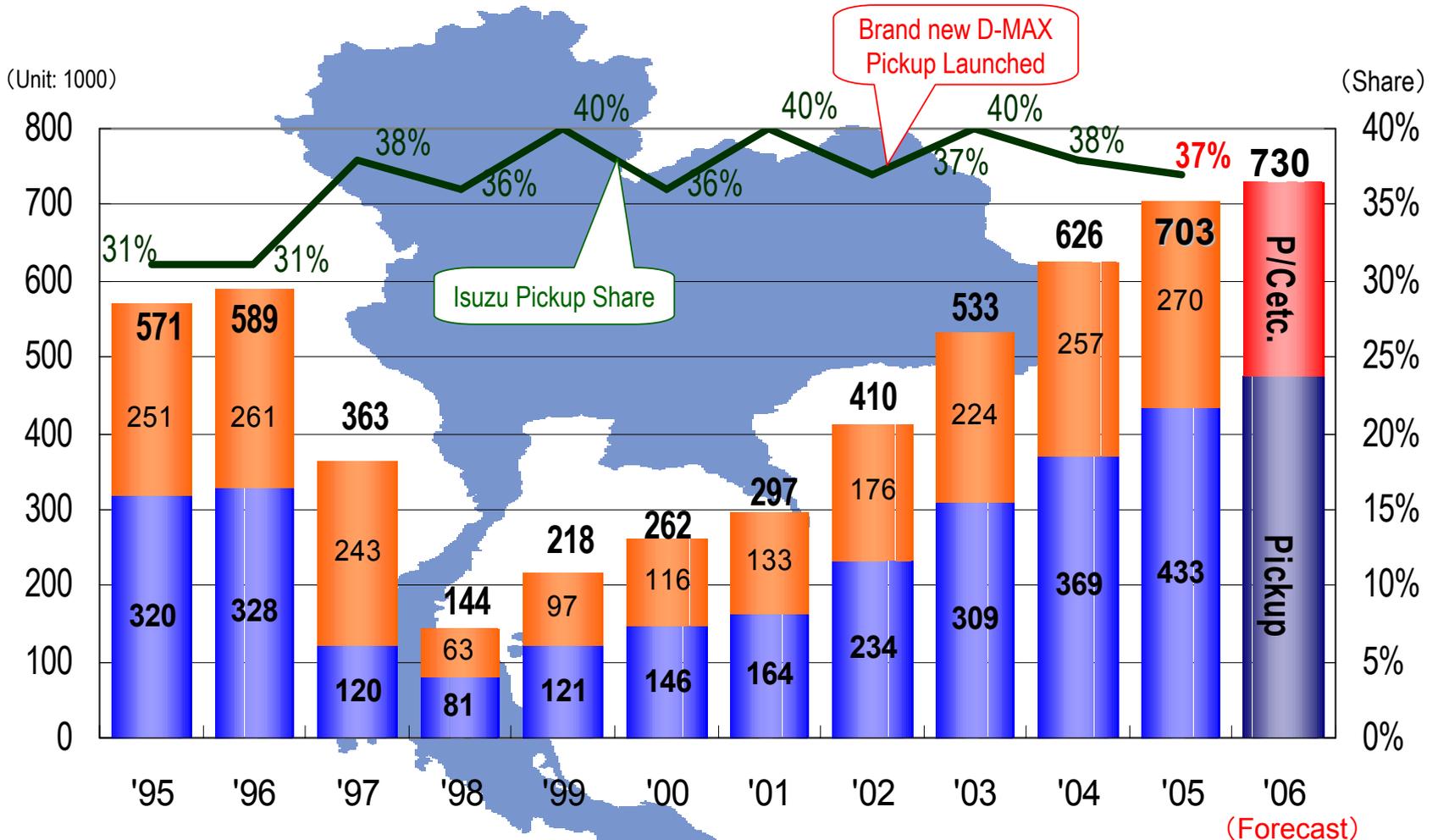
- L/D(2-3ton) Truck -





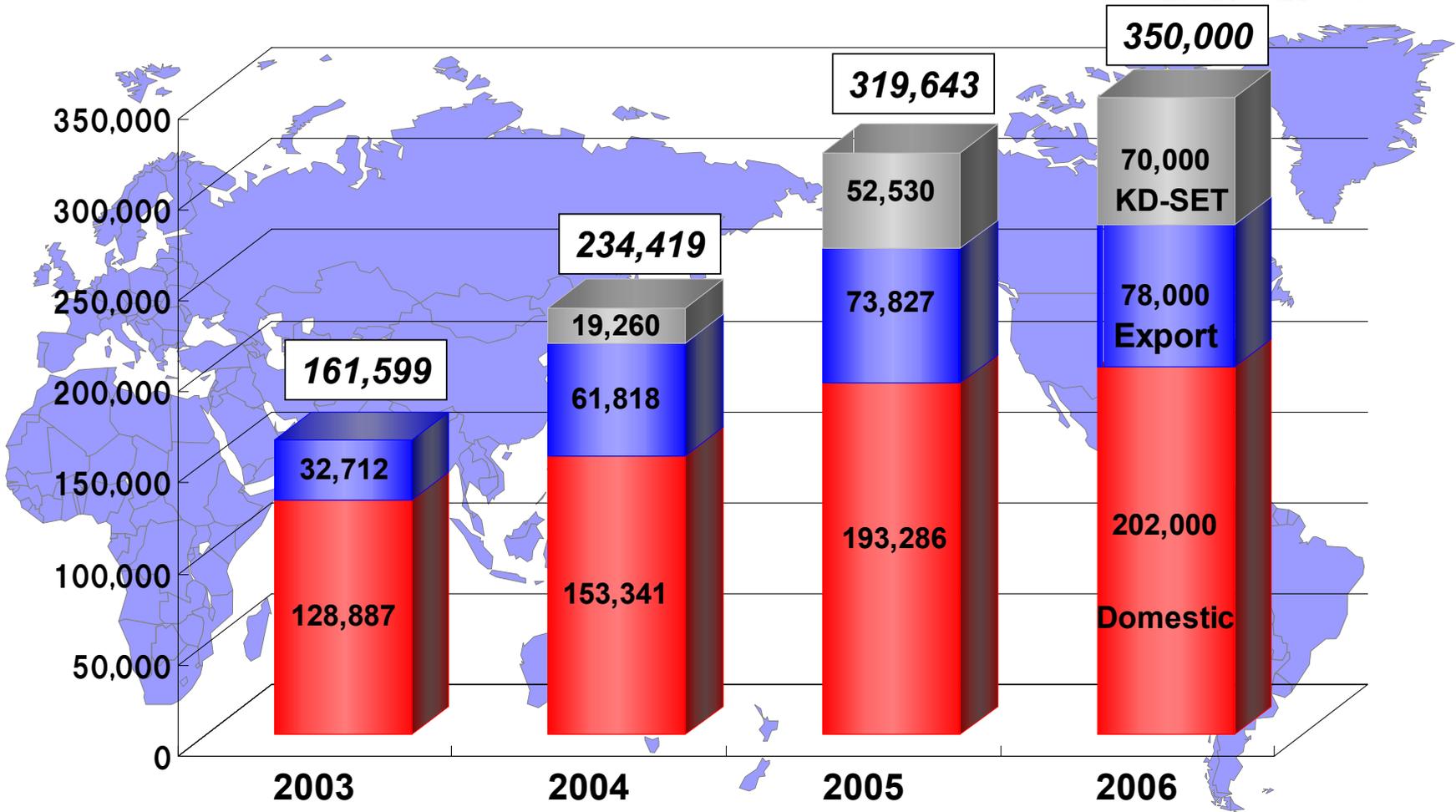
Thailand Industry Sales

- Total market, pickup, and Isuzu share -





Thailand LCV Production - Thai Domestic / Export Markets -



2. FY2006 Financial Summary

FY06 Consolidated Results

- Year-on-year Comparison -

(JPY Bil.)	FY06	FY05	Changes	Consl.-to-Parent Ratio
Sales Revenue	1,581.9	1,493.6	+ 88.3	1.7
Operating Profit	90.7	87.2	+ 3.5	1.7
Working Profit	93.8	91.6	+ 2.2	1.5
Net Income	59.0	60.0	- 1.0	1.3

* FX: FY06 = 111JPY/US\$
FY05 = 107JPY/US\$

FY06 Consolidated Results

- Sales Revenue: Year-on-year by Segment -

(JPY Bil.)	FY06	FY05	Changes
Sales Revenue	1,581.9	1,493.6	+ 88.3
Operating Profit	90.7	87.2	+ 3.5
Working Profit	93.8	91.6	+ 2.2
Net Income	59.0	60.0	- 1.0

	FY06	FY05	Changes
Isuzu Parent	917.9	880.1	+ 37.8
Domestic Dealers	519.0	474.5	+ 44.5
North America	170.0	199.0	- 29.0
ASEAN	443.6	295.5	+ 148.1
Others	213.7	196.8	+ 16.9
Consl. Adj.	- 682.3	- 552.3	- 130.0
Total	1,581.9	1,493.6	+ 88.3

Sales Revenue by Segment

FY06 Consolidated Results

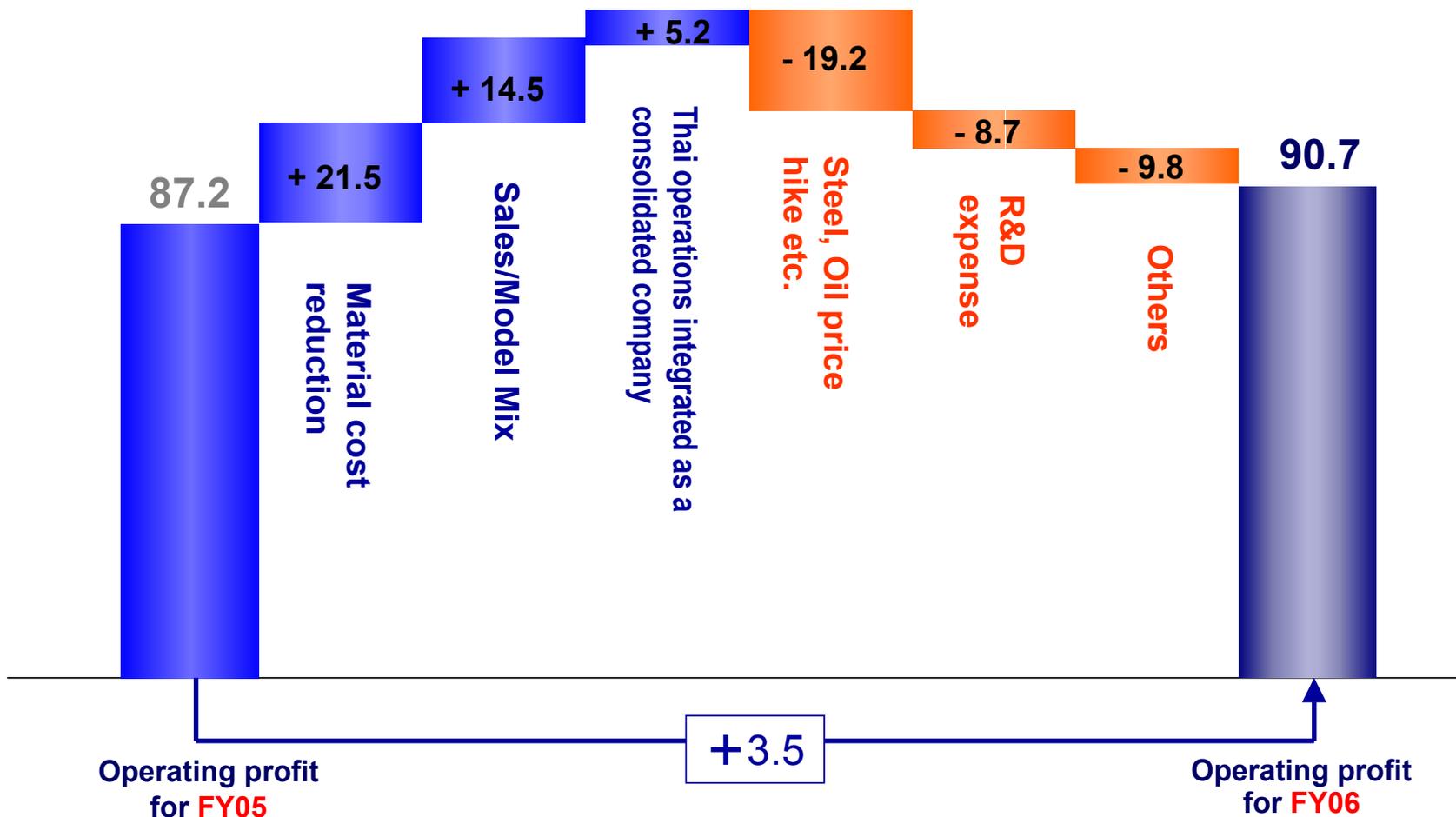
- Operating profit: Year-on-year by Segment -

(JPY Bil.)	FY06	FY05	Changes
Sales Revenue	1,581.9	1,493.6	+ 88.3
Operating Profit	90.7	87.2	+ 3.5
Working Profit	93.8	91.6	+ 2.2
Net Income	59.0	60.0	- 1.0

OP by Segment		FY06 H1	FY05 H1	Changes
	Isuzu Parent	53.5	60.6	- 7.1
	Domestic Dealers	4.4	6.0	- 1.6
	North America	5.1	- 0.4	+ 5.5
	ASEAN	21.0	15.2	+ 5.8
	Others	8.1	5.2	+ 2.9
	Consl. Adj.	- 1.4	0.6	- 2.0
	Total	90.7	87.2	+ 3.5

FY05 vs. FY06 Expense fluctuations

- Consolidated operating profit: analysis of change, JPY: Bil. -



FY06 Consolidated Results

- Working profit, Net income: Year-on-year -

(JPY Bil.)	FY06	FY05	Changes
Sales Revenue	1,581.9	1,493.6	+ 88.3
Operating Profit	90.7	87.2	+ 3.5
Working Profit	93.8	91.6	+ 2.2
Net Income	59.0	60.0	- 1.0

Working Profit

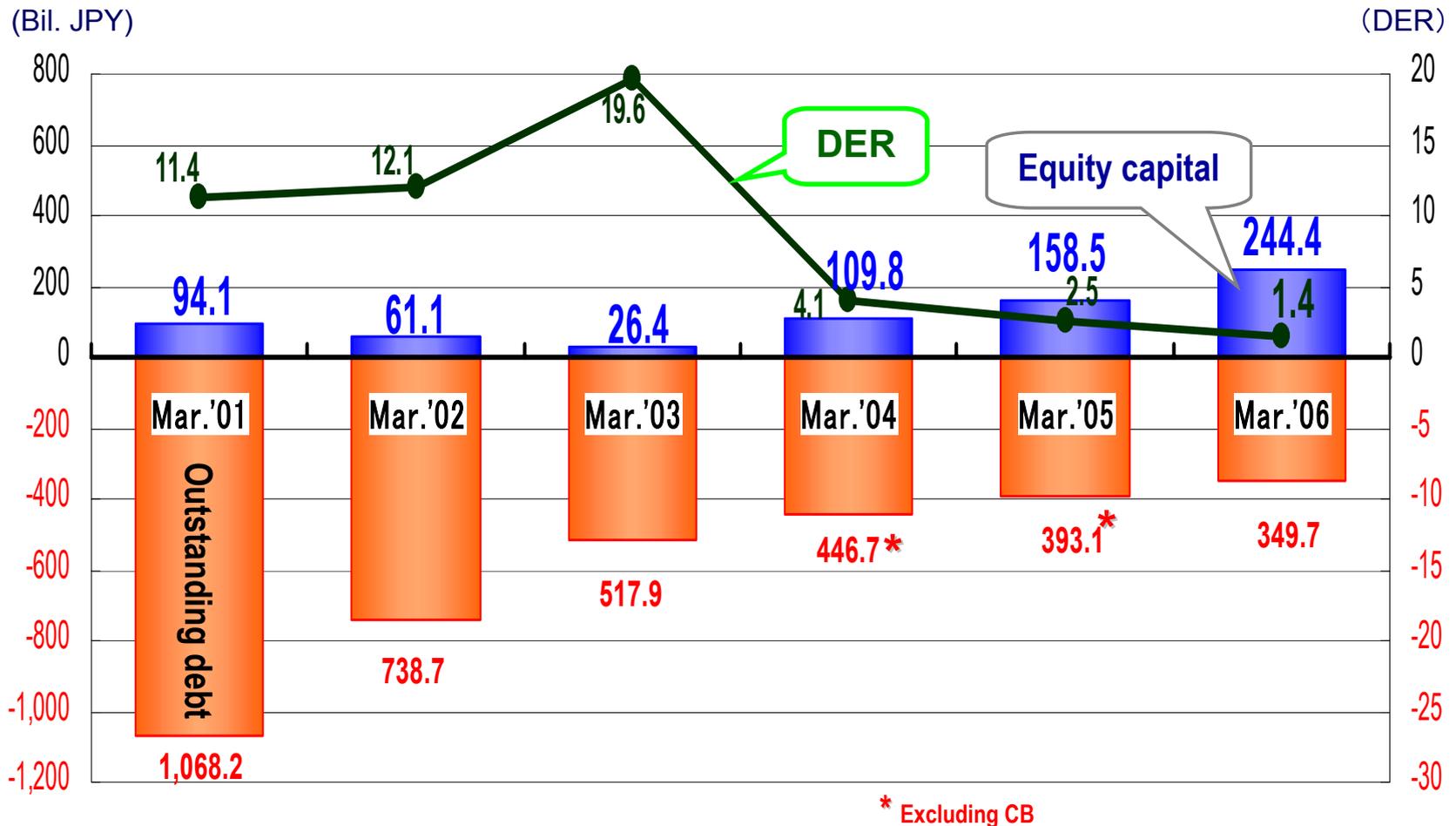
Operating Profit Change		+ 3.5
Favorable	* Financial income, etc.	+ 3.8
Unfavorable	* Equity-method affiliates	- 5.1
Total		+ 2.2

Extra profit/
Loss etc.

Working Profit		93.8
	* N/A JV pay-off	+ 4.9
	* SUV service assurance	- 3.2
	* Property loss, Impairment	- 15.8
	* Tax, others	- 20.7
Net Income		59.0

Outstanding Debt and Equity Capital (Consolidated)

- Recent Trend -



3. FY2007 Full-year Outlook

April 2006 - March 2007

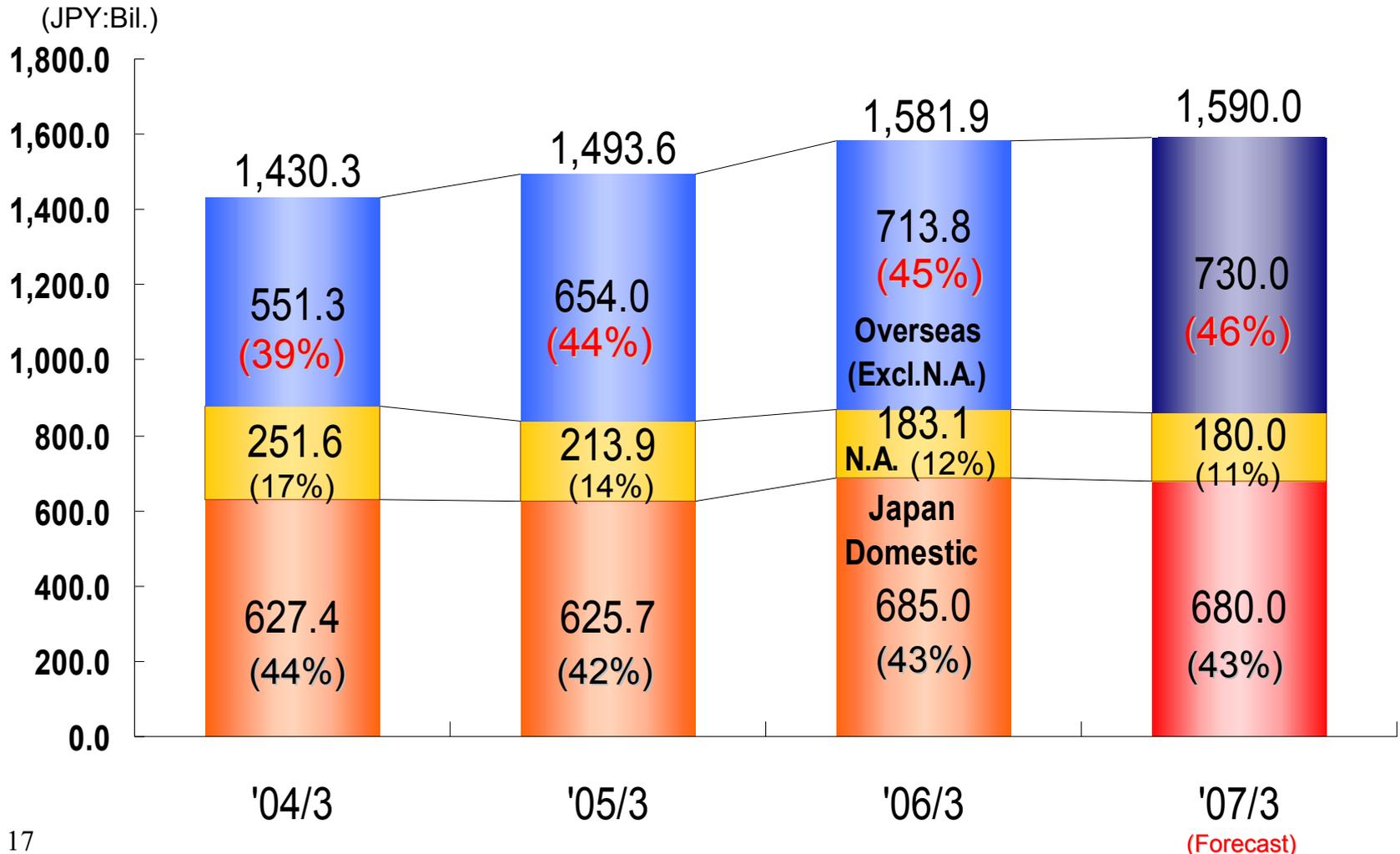
FY07 Full-year Outlook

- Consolidated, Year-on-year Comparison -

(JPY Bil.)	FY07	FY06	Changes	Consl.-to-Parent Ratio
Sales Revenue	1,590.0	1,581.9	+ 8.1	1.8
Operating Profit	93.0	90.7	+ 2.3	1.8
Working Profit	95.0	93.8	+ 1.2	1.8
Net Income	65.0	59.0	+ 6.0	1.3

* FX: FY07 = 110JPY/US\$
FY06 = 111JPY/US\$

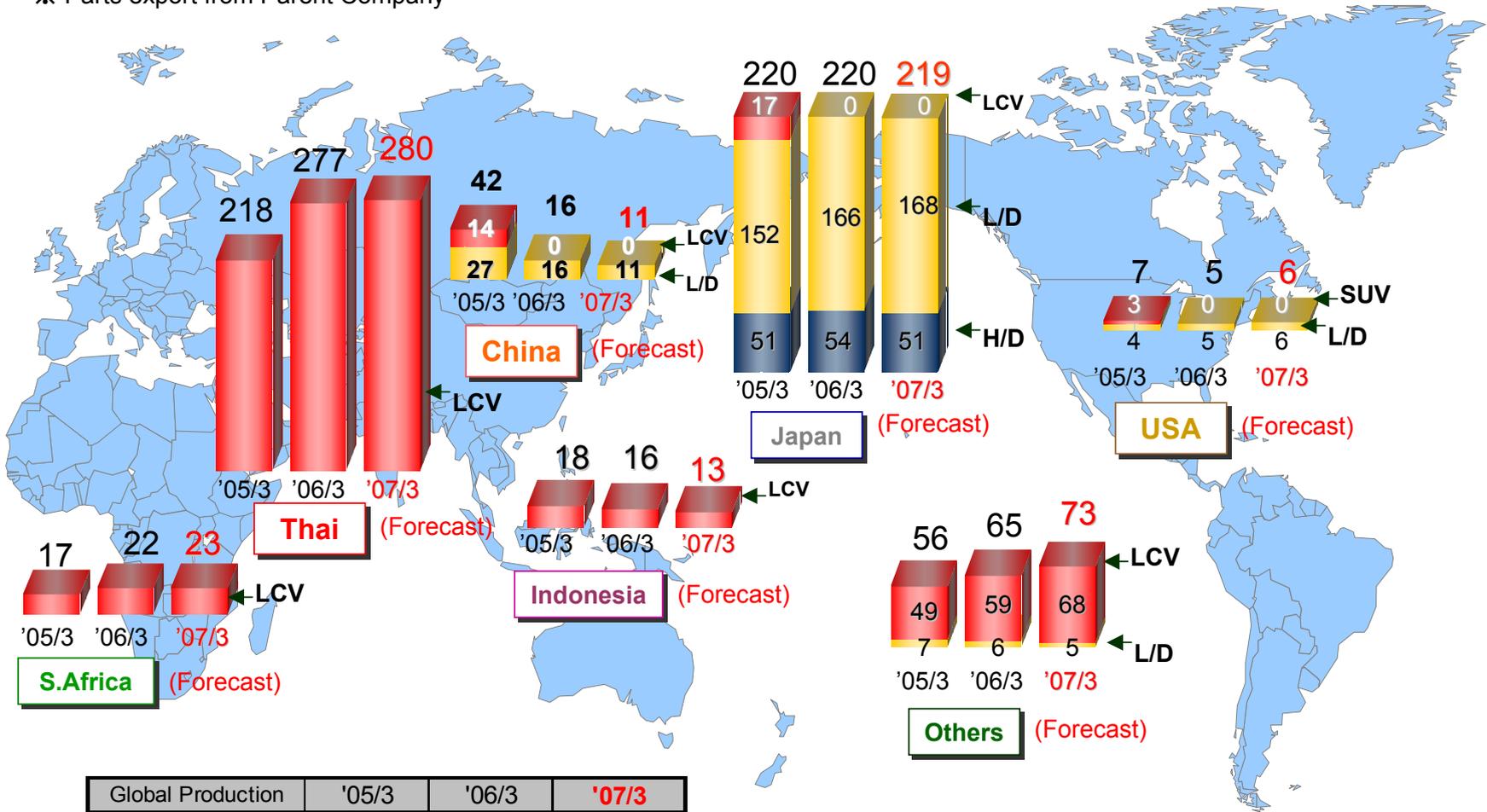
Consolidated Revenue by Region



ISUZU Global Production

- Country/Product Segment, **Vehicle**: K-units -

※ Parts export from Parent Company

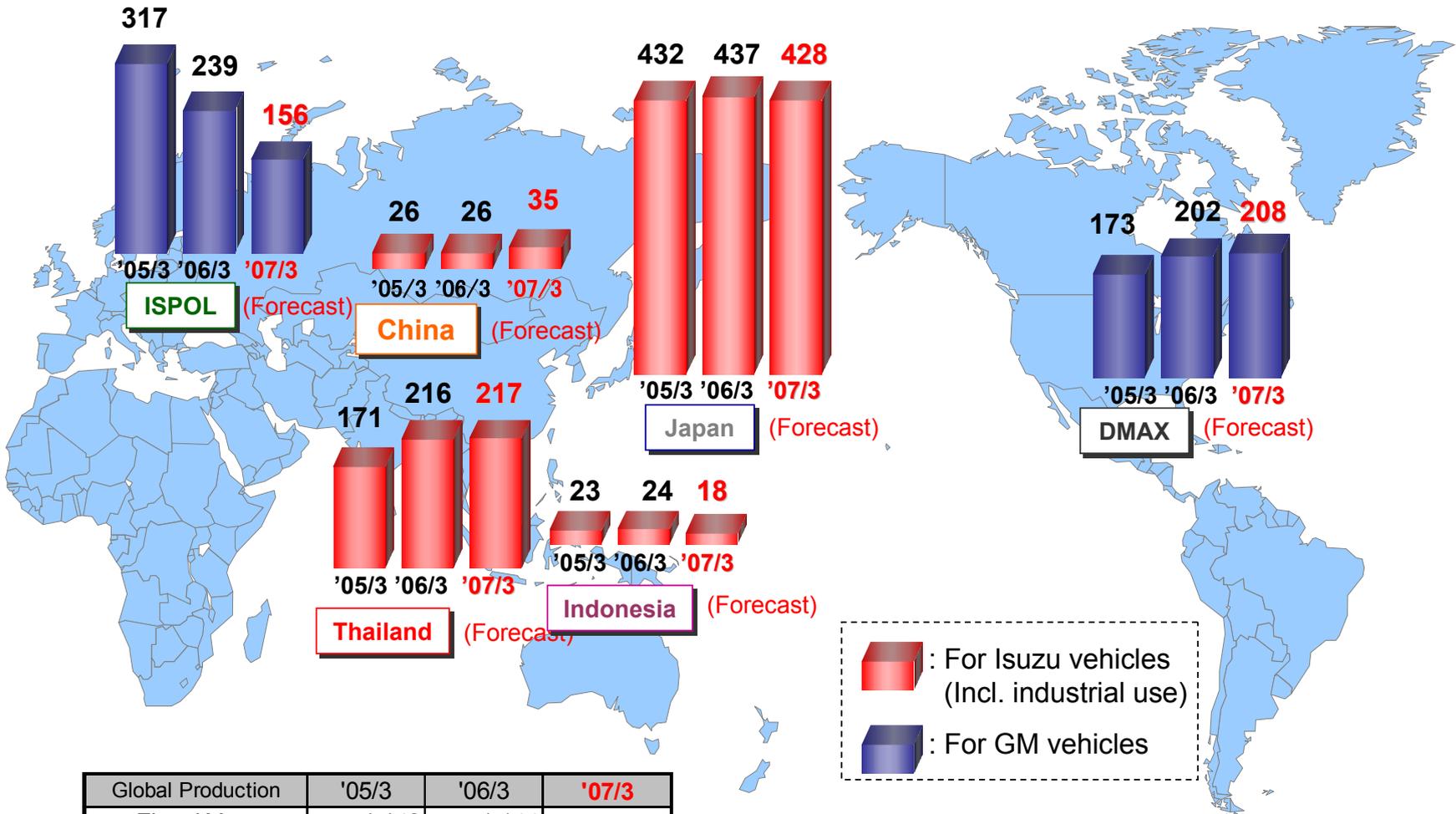


Global Production	'05/3	'06/3	'07/3
Fiscal Year	578	621	625

(Forecast)

ISUZU Global Production

- Country Segment, **Diesel Engine**: K-units -



Global Production	'05/3	'06/3	'07/3
Fiscal Year	1,143	1,144	1,062

(Forecast)

 : For Isuzu vehicles (Incl. industrial use)
 : For GM vehicles

FY07 Full-year Outlook

- Consolidated Sales Revenue, Year-on-year by Segment -

(JPY Bil.)	FY07	FY06	Changes
Sales Revenue	1,590.0	1,581.9	+ 8.1
Operating Profit	93.0	90.7	+ 2.3
Working Profit	95.0	93.8	+ 1.2
Net Income	65.0	59.0	+ 6.0

	FY07	FY06	Changes
Isuzu Parent	900.0	917.9	- 17.9
Domestic Dealers	500.0	519.0	- 19.0
North America	160.0	170.0	- 10.0
ASEAN	460.0	443.6	+ 16.4
Others	270.0	213.7	+ 56.3
Consl. Adj.	- 700.0	- 682.3	- 17.7
Total	1,590.0	1,581.9	+ 8.1

Sales Revenue by Segment

FY07 Full-year Outlook

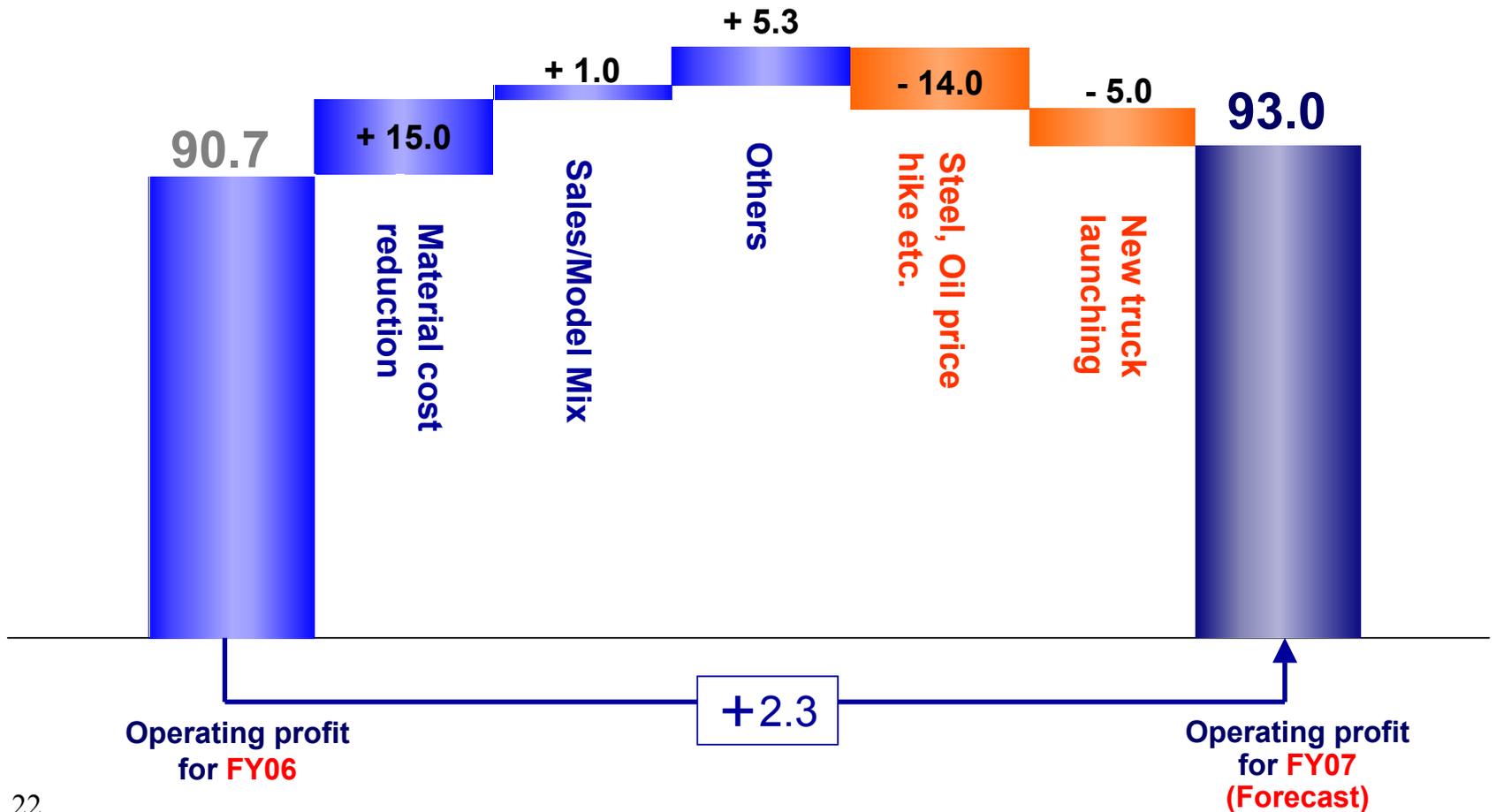
- Consolidated Operating profit, Year-on-year by Segment -

(JPY Bil.)	FY07	FY06	Changes
Sales Revenue	1,590.0	1,581.9	+ 8.1
Operating Profit	93.0	90.7	+ 2.3
Working Profit	95.0	93.8	+ 1.2
Net Income	65.0	59.0	+ 6.0

	FY07	FY06	Changes	
Op by Segment	Isuzu Parent	51.0	53.5	- 2.5
	Domestic Dealers	5.0	4.4	+ 0.6
	North America	6.0	5.1	+ 0.9
	ASEAN	23.0	21.0	+ 2.0
	Others	9.0	8.1	+ 0.9
	Consl. Adj.	- 1.0	- 1.4	+ 0.4
	Total	93.0	90.7	+ 2.3

FY05 vs. FY06 Expense fluctuations

- Consolidated operating profit: analysis of change, JPY: Bil. -



FY07 Full-year Outlook

- Working profit, Net income, Year-on-year -

(JPY Bil.)	FY07	FY06	Changes
Sales Revenue	1,590.0	1,581.9	+ 8.1
Operating Profit	93.0	90.7	+ 2.3
Working Profit	95.0	93.8	+ 1.2
Net Income	65.0	59.0	+ 6.0

Working Profit

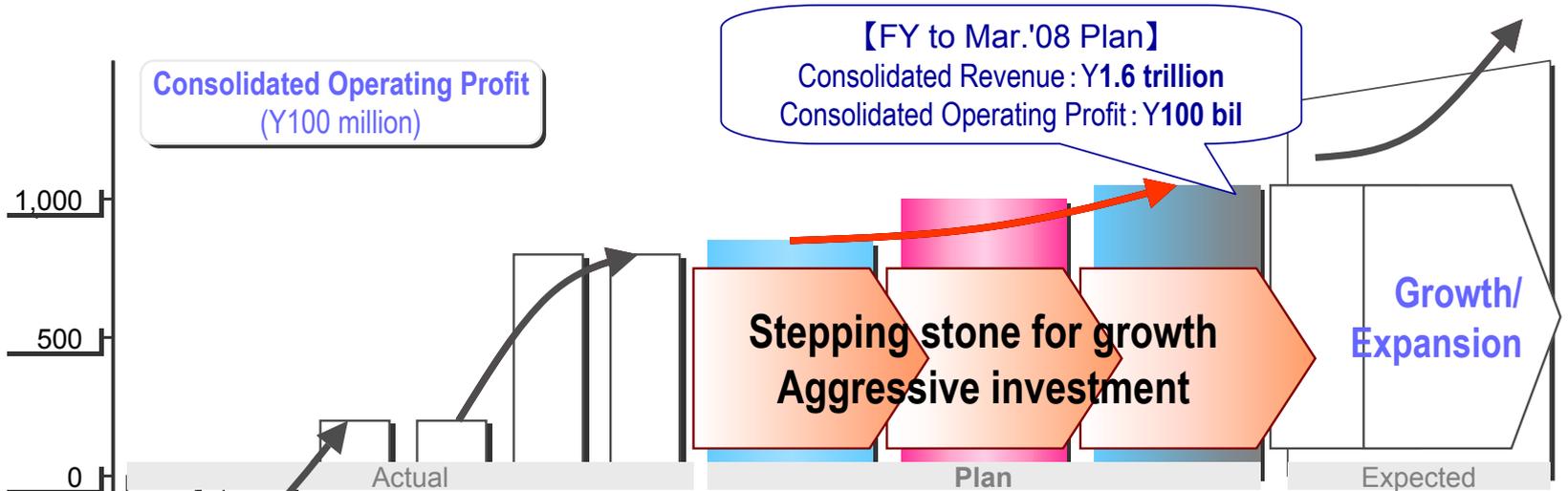
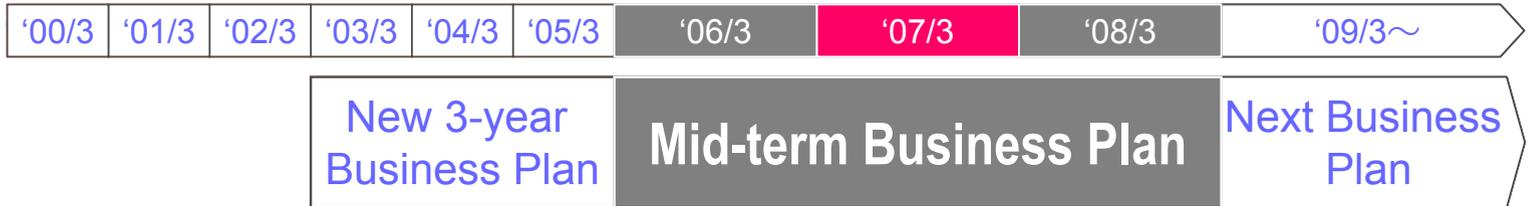
Operating Profit Change		+ 2.3
Favorable	* Financial income, etc.	+ 0.6
Unfavorable	* Equity-method affiliates	- 1.7
Total		+ 1.2

Extra profit/
Loss etc.

Working Profit		95.0
	* Property loss, Impairment	- 5.0
	* Tax, others	- 25.0
Net Income		65.0

Progress Status of Mid-term Business Plan ('05/4 – '08/3)

Positioning of Mid-Term Business Plan



- ① Development of globally strategic products
- ② Enhanced organizational capabilities whether by product or market

Towards the Latter Part of Mid-term Business Plan

— Stepping Stone for Growth/Aggressive Investment —

Mid- to long- term
direction

- Build the organizational capabilities and strength to establish solid business foundation not influenced by external environments.

Themes for
current
and next term

- Namely, shift to the business structure that can sufficiently absorb demand fluctuations in Japan.
 - Flexible balance of VOL/profit between Japan and overseas.

**Domestic CV
Business**

- Beef up distribution channel for establishing stable revenue foundation.

**International
CV Business**

- Develop outlets for expansion of VOL/sales.

**LCV
Business**

- Further enhance local operations through production capacity increase and expedited function transfer.

**Introduction of
Global
Products**

- Initiate full-fledged sales launch preparation for the sales surge at initial stage.

Reinforce CV Business in Japan①

– Overall Progress –

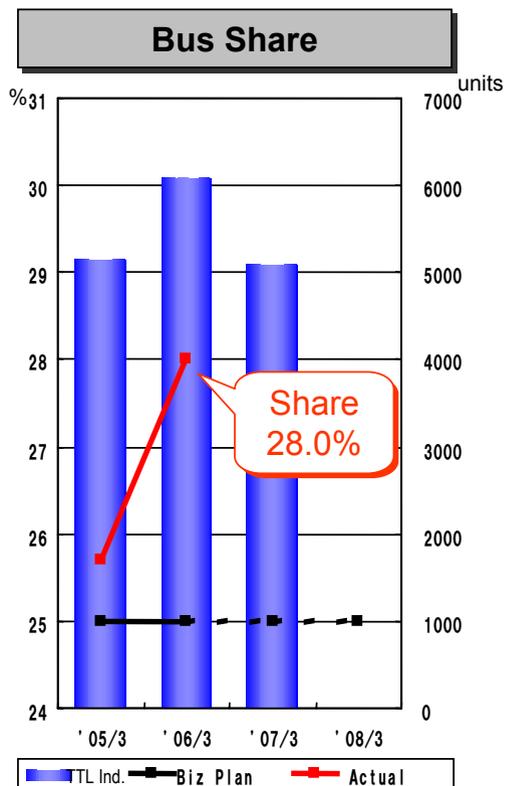
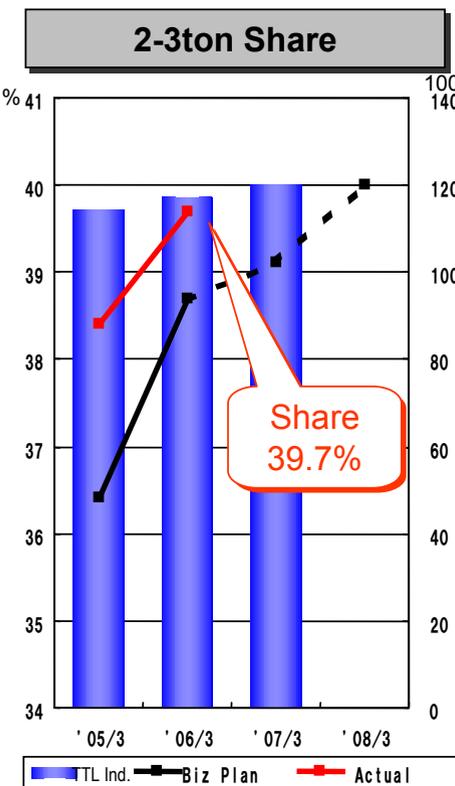
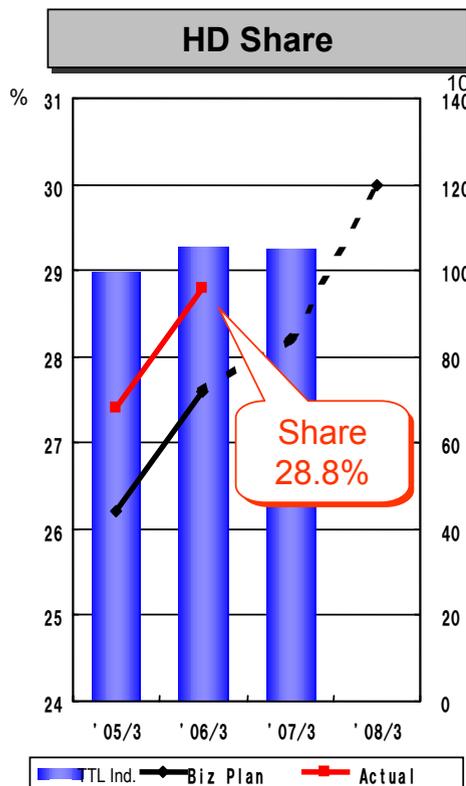
- Expand profits of entire Isuzu Group through stepped up distribution network in advance of expected business environment (stagnated demand for new vehicles, intensified competition, decreased population, etc) to prepare the sales organization to adept to such environment.

		Action Items	Progress Status
Implemented	VOL Share	<ul style="list-style-type: none"> ■ Increased sales to cargo sales customers. -Value sales promotion/sales expansion of tractors. ■ Developed private users for light-duty trucks. 	<ul style="list-style-type: none"> •Market share(FY Mar.'06) HD : 28.8% (30%) 2-3ton : 39.7% (40%)
	Profit Structure	<ul style="list-style-type: none"> ■ Reinforced fixed income division. ■ Compressed sales expense by optimizing sales outlets. 	<ul style="list-style-type: none"> • Fixed coverage(Mar.'06 2HF) 100% (+3pt. from prev yr)
	Financial Structure	<ul style="list-style-type: none"> ■ Reinforced capital/disposed extraordinary loss. ■ Capital reinforcement and restructured borrowings of consolidated dealers. 	<ul style="list-style-type: none"> • Nearly complete by the end of FY Mar.'06
Study launch	Business Structure	<ul style="list-style-type: none"> ■ Establish the holistic life-cycle Business 	<ul style="list-style-type: none"> •To establish a preparatory company in Jun.'06.

Reinforce CV Business in Japan②

- Total Industry/Share -

- The share in FY Mar'06 exceeded the Business Plan for both HD at 28.8% and 2-3 ton at 39.7% thanks to successful sales measures. This puts the achievement of final targets (HD : 30% and 2-3ton : 40%) clearly in sight.



Reinforce CV Business in Japan③

— Enhance Profit Foundation of Dealers —

- Enhancement of profit and financial structures of dealers to prepare themselves for low demand period is nearly complete.

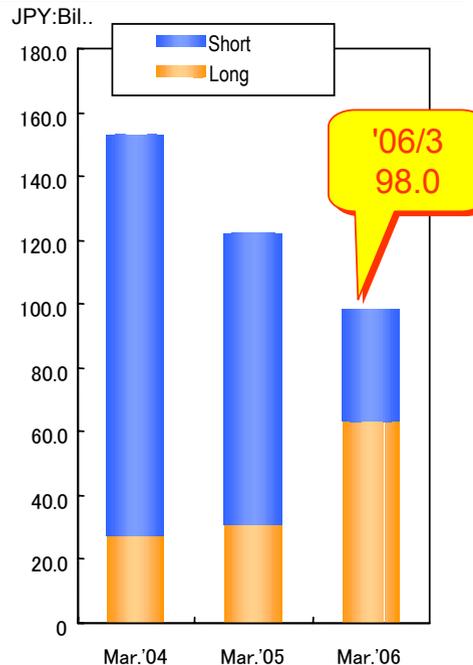
Profit Structure

- Expand fixed income of used vehicle/service divisions.
- Relocate optimally sales outlets and compress sales expense. → Increase fixed coverage

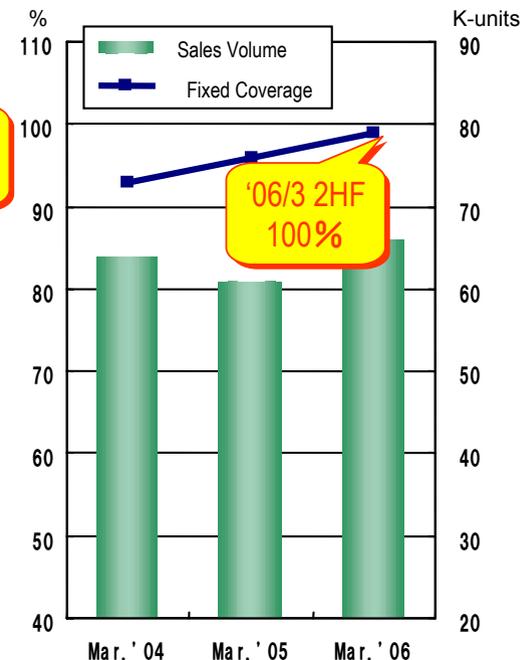
Financial Structure

- Compress fixed assets through the sale of unused assets. (Extraordinary loss disposal)
- Capital reinforcement and restructure borrowings of consolidated dealers → Stabilize fund by reviewing long- and short-term loans ratio.

Interest-bearing debt (consolidated dealers)



Fixed Coverage*

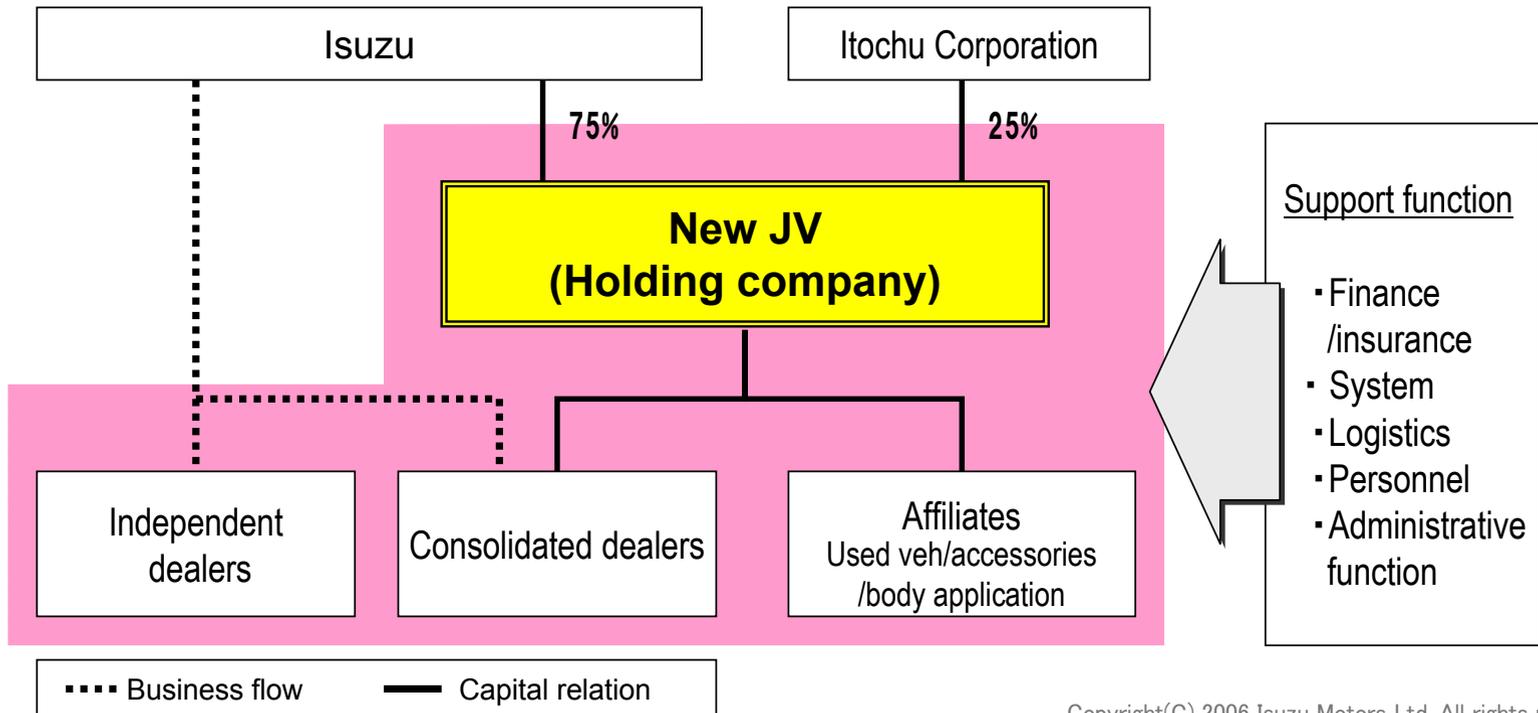


*Indicates how business is stable by showing the ratio of fixed income to sales expense.

Reinforce CV Business in Japan ④

— Initiative on Life-Cycle Business —

- Launched the reorganization of distribution functions to step up life-cycle business in CV market.
 - Establish a holding company which controls life-cycle business, consolidated dealers and affiliated businesses.
 - The holding company to start full-fledged operation by the end of March '07 upon completion of reorganization after a preparatory company is established (to be established on Jun. 1, '06)



Enhance International CV Business

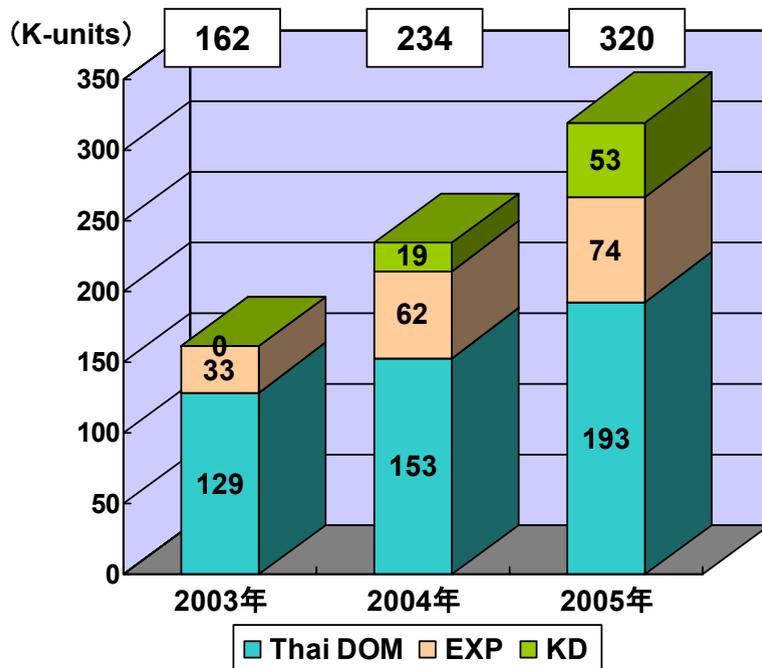
- Generally, reinforcing sales organization and development of new markets are steadily under way. However, heavy-duty truck project in China is under study.

	Direction	Progress Status	Rating
North America	<ul style="list-style-type: none"> • Reinforce existing channel. 	<ul style="list-style-type: none"> • Sales volume in FY Mar.'06 rose 7% to 130,000 units. • With tie-up with trading houses, <ul style="list-style-type: none"> – Newly entered into Mexico (JV established in Jul.'05). – Started full-scale biz in Ukraine (JV in May '06) • Acquired 100% interests in sales company in Australia (Nov.'05). 	
ASEAN	<ul style="list-style-type: none"> • Realign and enhance sales organization in Indonesia. 		
General Export	<ul style="list-style-type: none"> • Use more of trading companies' capabilities. 		
China	<ul style="list-style-type: none"> • Widen sales channel/service network • Boost collaboration with partner. 		
GM Collaboration	<ul style="list-style-type: none"> • Maintain win-win business partnership for both Isuzu/GM. 	<ul style="list-style-type: none"> • Capture No.1 share in 12 segments in seven countries where ISZ works with GM ('05). 	
CV Sales Expansion Organization	<ul style="list-style-type: none"> • Newly establish a dedicated project control department which promotes international CV sales expansion and supports sales activities cross-functionally. 		

Reinforce LCV Business

- Realized 300,000-unit production system of ASEAN LCV two years ahead of schedule.
- Function transfer to ASEAN, mainly to Thailand, steadily progressed.

LCV Production Volume in Thailand



Production Capacity

- ◆ Increase production capacity in Thailand in phases to meet robust sales
→ Capacity increase is under way in '06 towards 350,000-unit production capability

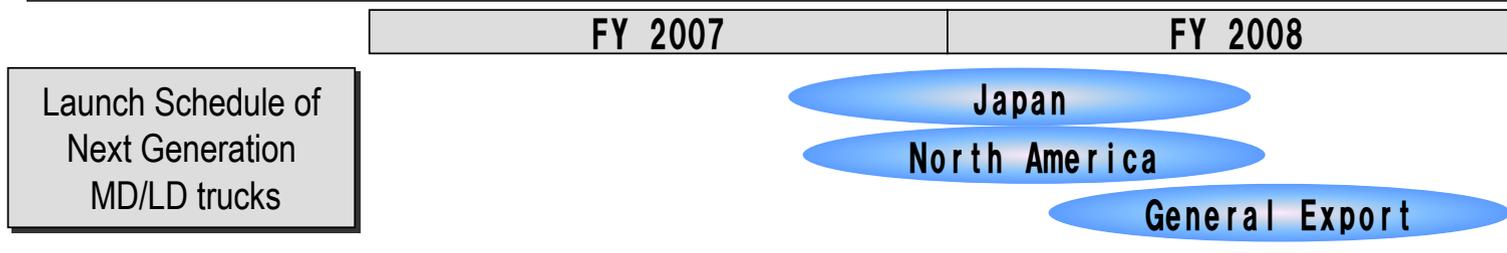
Function Transfer

- ◆ Add more R&D personnel in Thailand (90 in '03→160 in '05)
→ LCV function is successfully integrated into ASEAN (Thailand).

Introduction of Globally Strategic Product

— Introduction Preparation Plan for Next-Generation Medium and Light duty vehicles —

- Scheduled to introduce next generation medium and light duty integrated trucks in Fiscal Year ending in March '07
 - Propose new value standard for a “transport tool” based on SEE global and future needs.



Introduction Preparation Plan	Quality Refinement	<ul style="list-style-type: none"> • Final refinement through overall vehicle durability tests Secure durability and reliability by increasing the number of evaluation veh. and extending mileage.
	Spec Optimization	<ul style="list-style-type: none"> • Improve clinic activity. Verify market compatibility by collecting inputs from drivers, customers, sales reps beforehand. Engage end users and dealers at earlier stage than before in product refinement efforts.
	Promotion (Japan)	<ul style="list-style-type: none"> • Expand sales measures around product strength appeal(3 proposals of new value standard) <ul style="list-style-type: none"> –Focus on basics of sales activity, bloc workshop for all sales reps at eight locations. –Preview for fleet customers, exhibits in major cities & at dealers,mobilized 300 demo cars
	Overseas Launch	<ul style="list-style-type: none"> • Introduction preparation for next generation vehicle launch through international CV sales expansion projects <ul style="list-style-type: none"> – Establish focus/new market to explore (South Africa/Taiwan/Pakistan/Saudi Arabia/Ecuador) and develop an action plan for sales expansion in each market.

Summary

Business In Japan

- Increased Isuzu share steadily to achieve target share(HD : 30%、2-3ton : 40%).
- Nearly completed the improvement of dealers' structure to weather low demand in the market.
- Embarked on a process to establish the holistic life-cycle biz.

International Business (excluding China)

- Is progressing new market development/ sales organization enhancement by working aggressively with trading houses for international CV sales expansion.
- Realized 300,000-unit production system for ASEAN LCV two years ahead of schedule.

Business In China

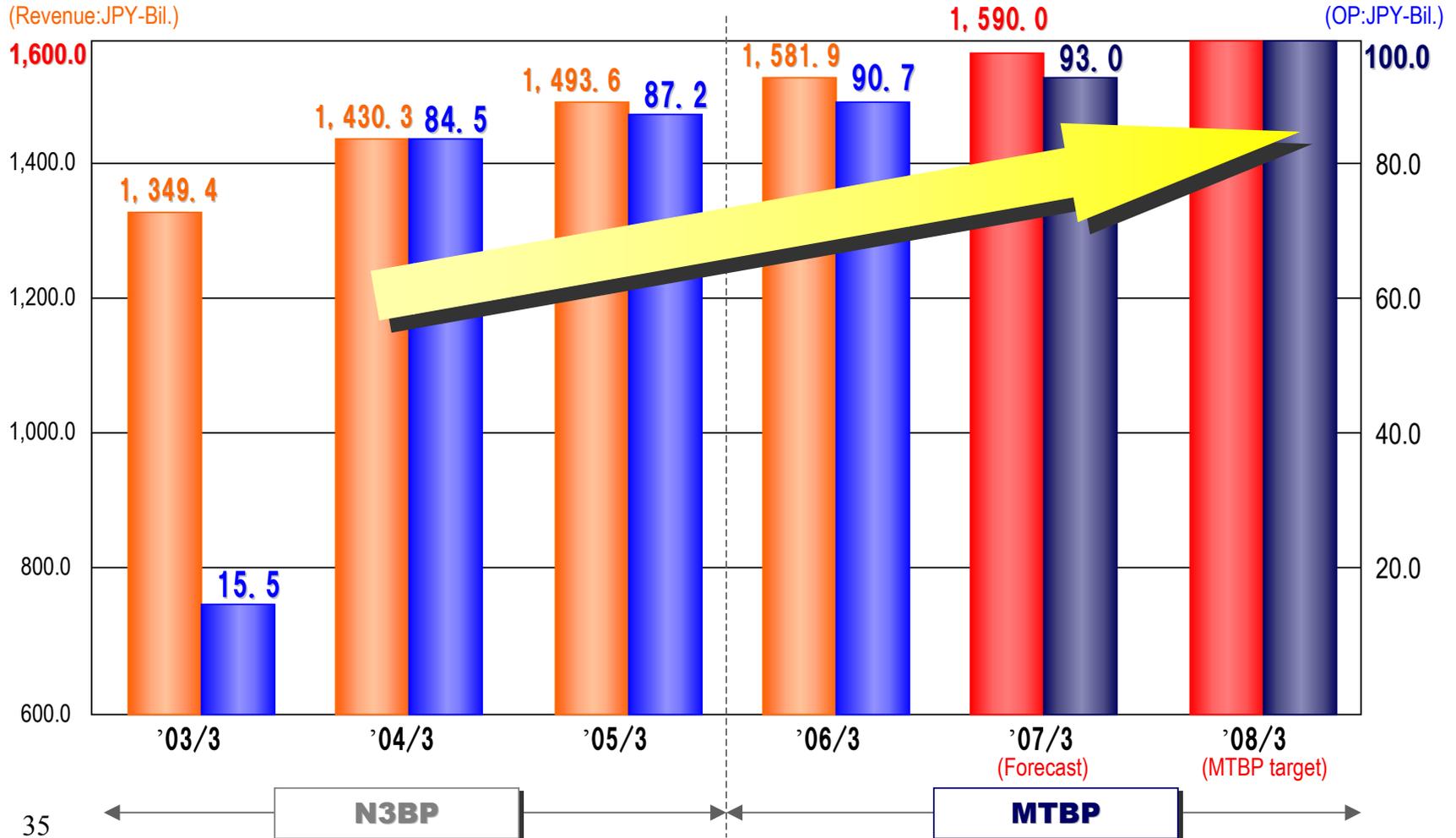
- Reinforce engine/vehicle sales organization with the existing partner (Qingling).
- HD project is carefully being studied including identifying business environment.

GM Collaboration

- Win-Win business development for both Isuzu and GM
 - CV business development is solely or mainly driven by Isuzu.
 - Collaborate on business result-oriented basis.

Consolidated Revenue and Operating Profit History

- New 3 year Business Plan to Mid-term Business Plan -



Trucks for life

ISUZU

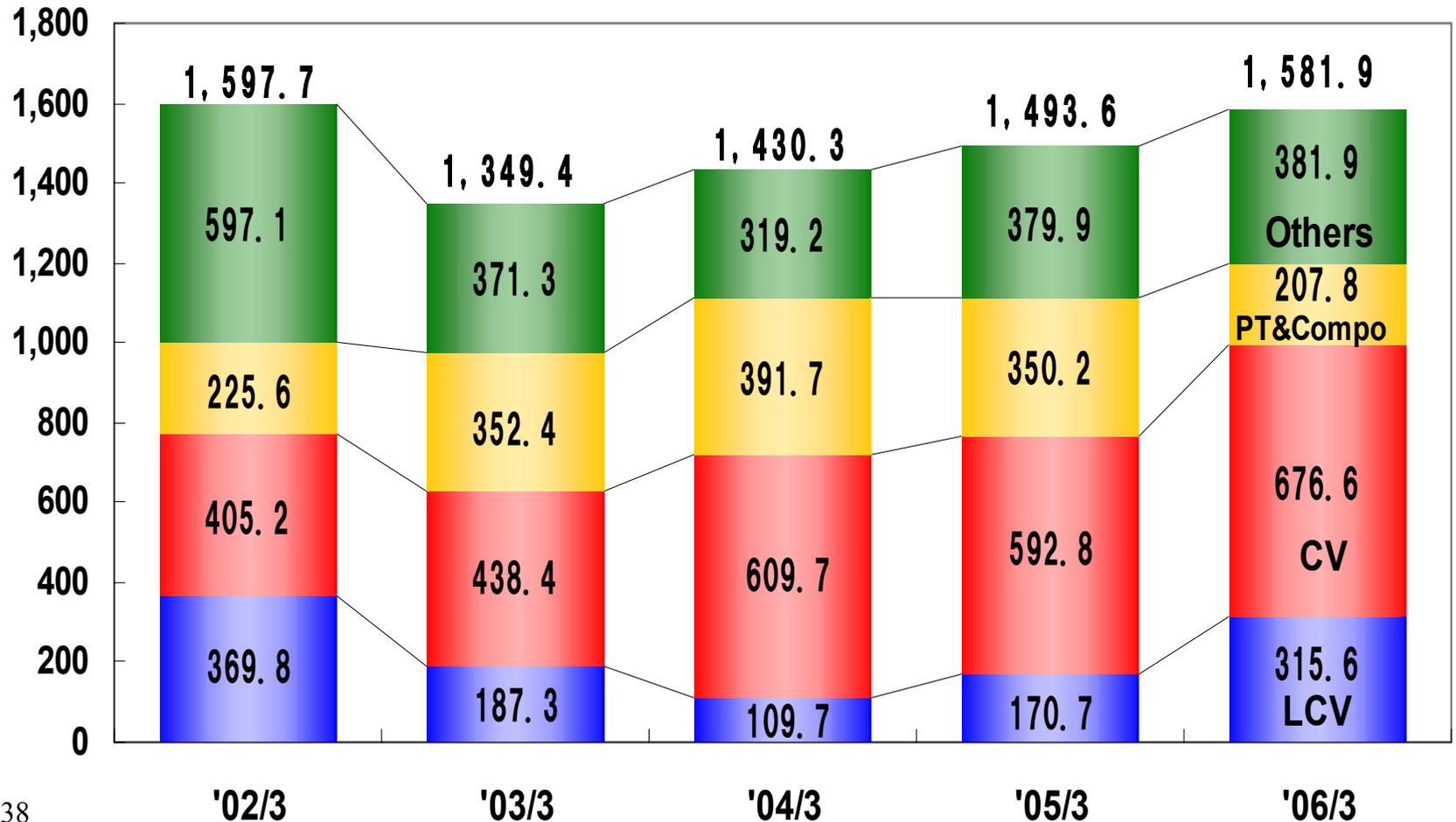
[Appendix]

Main Financial Index

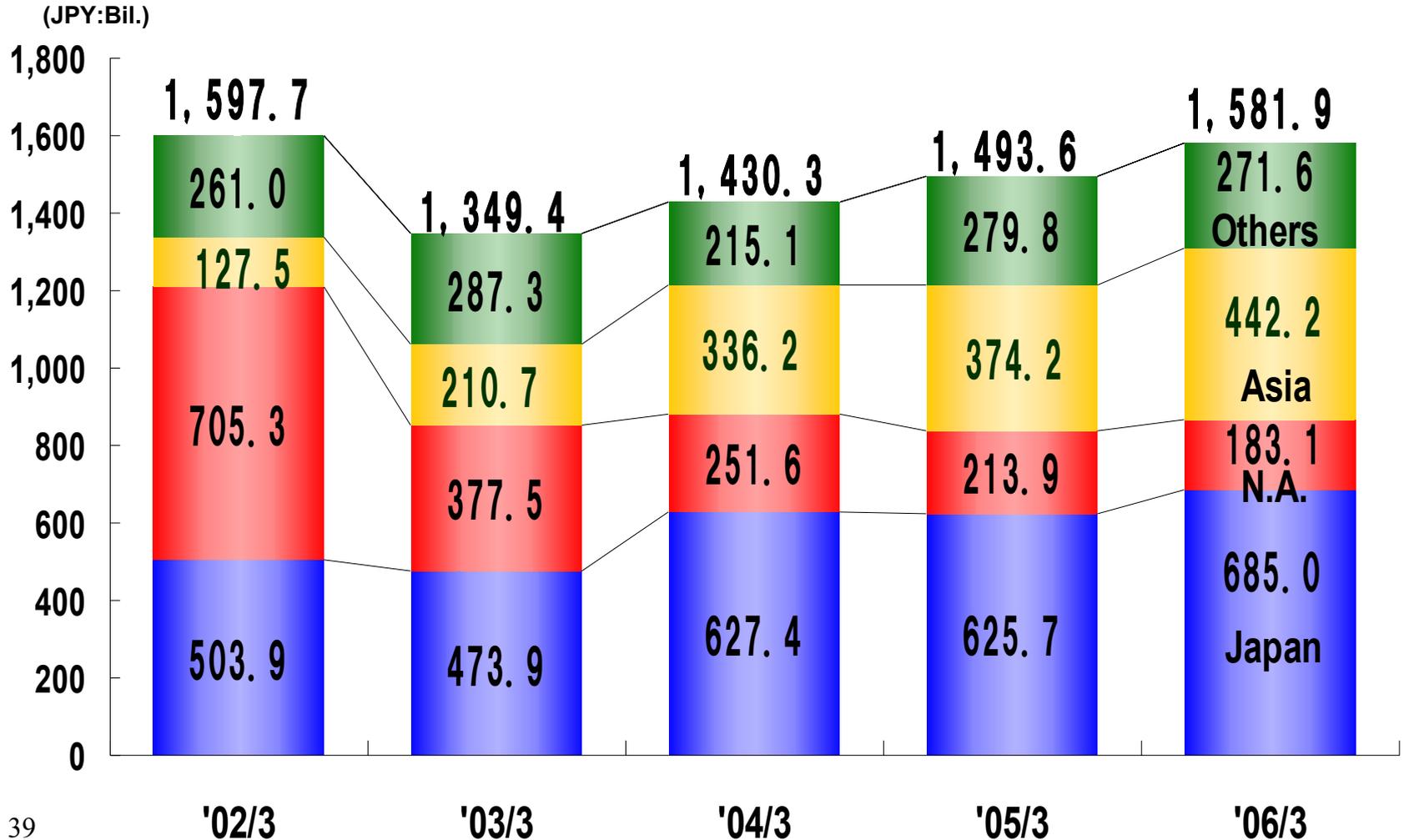
Consolidated Revenue by Segment

- LCV, CV, PT&Compo, Others(KD, parts, financing) -

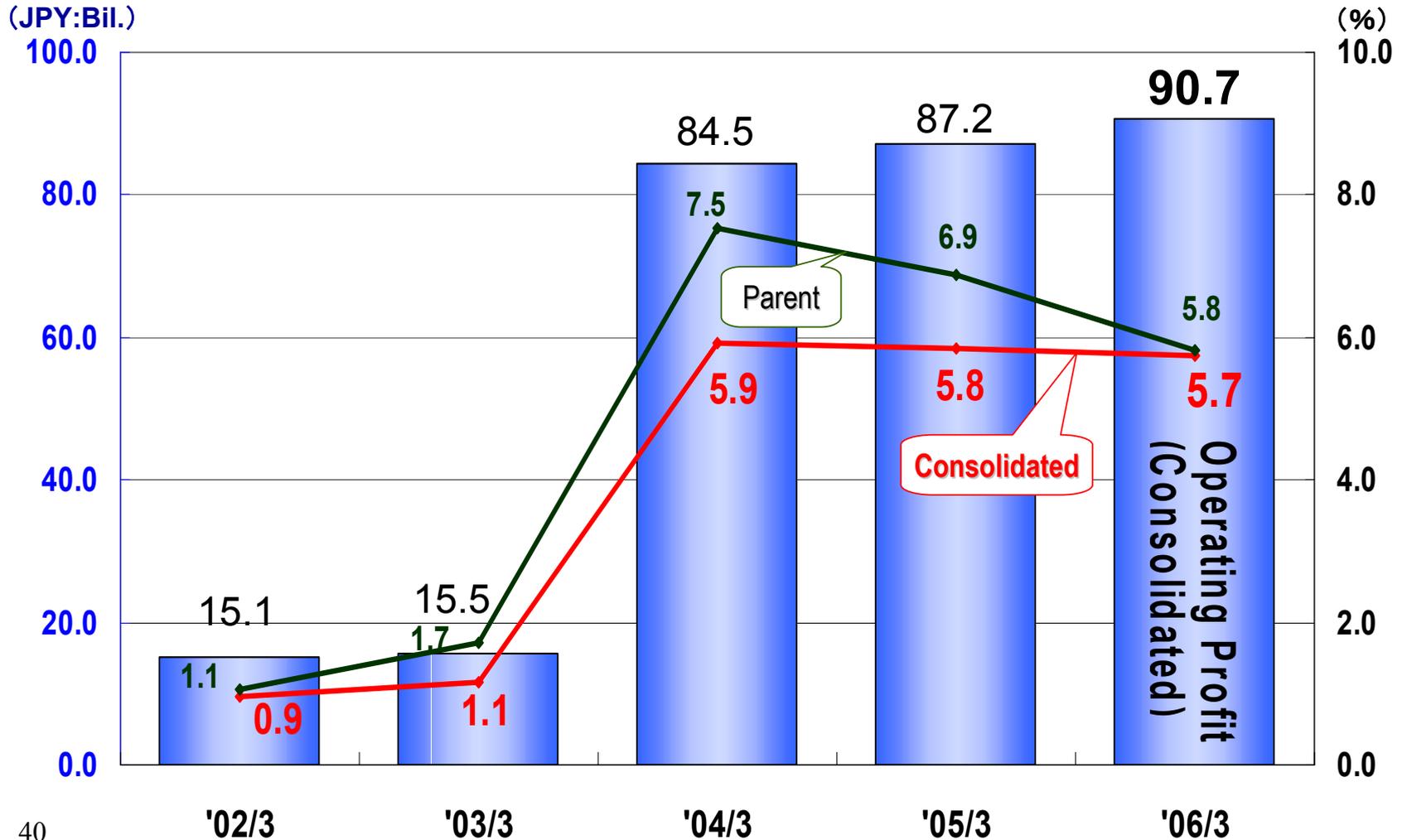
(JPY: Bil.)



Consolidated Revenue by Region



Operating Margin: Historical Trend

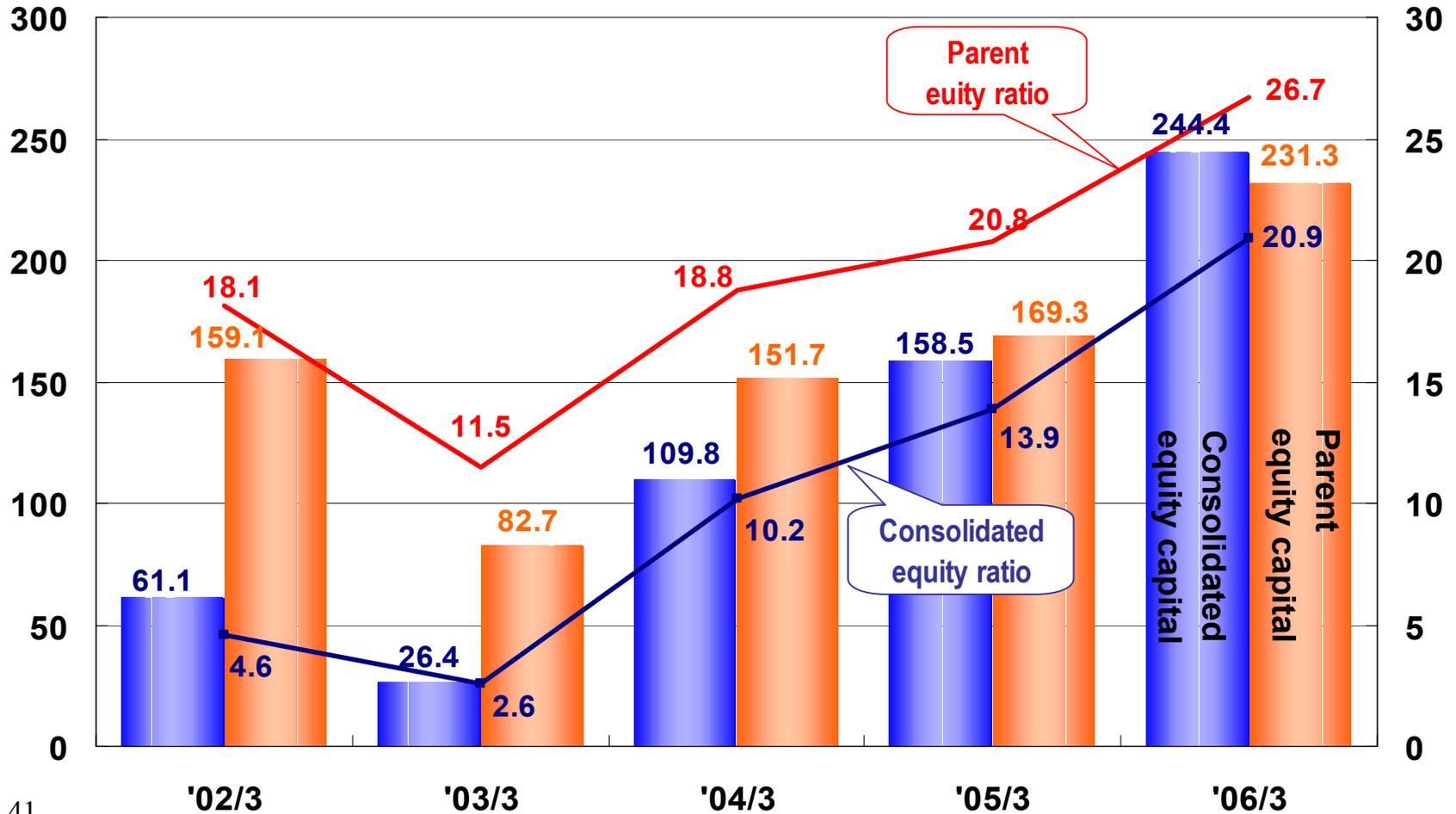


Net Worth Trend

- Consolidated and parent net worth -

(JPY: Bil.)

(%)

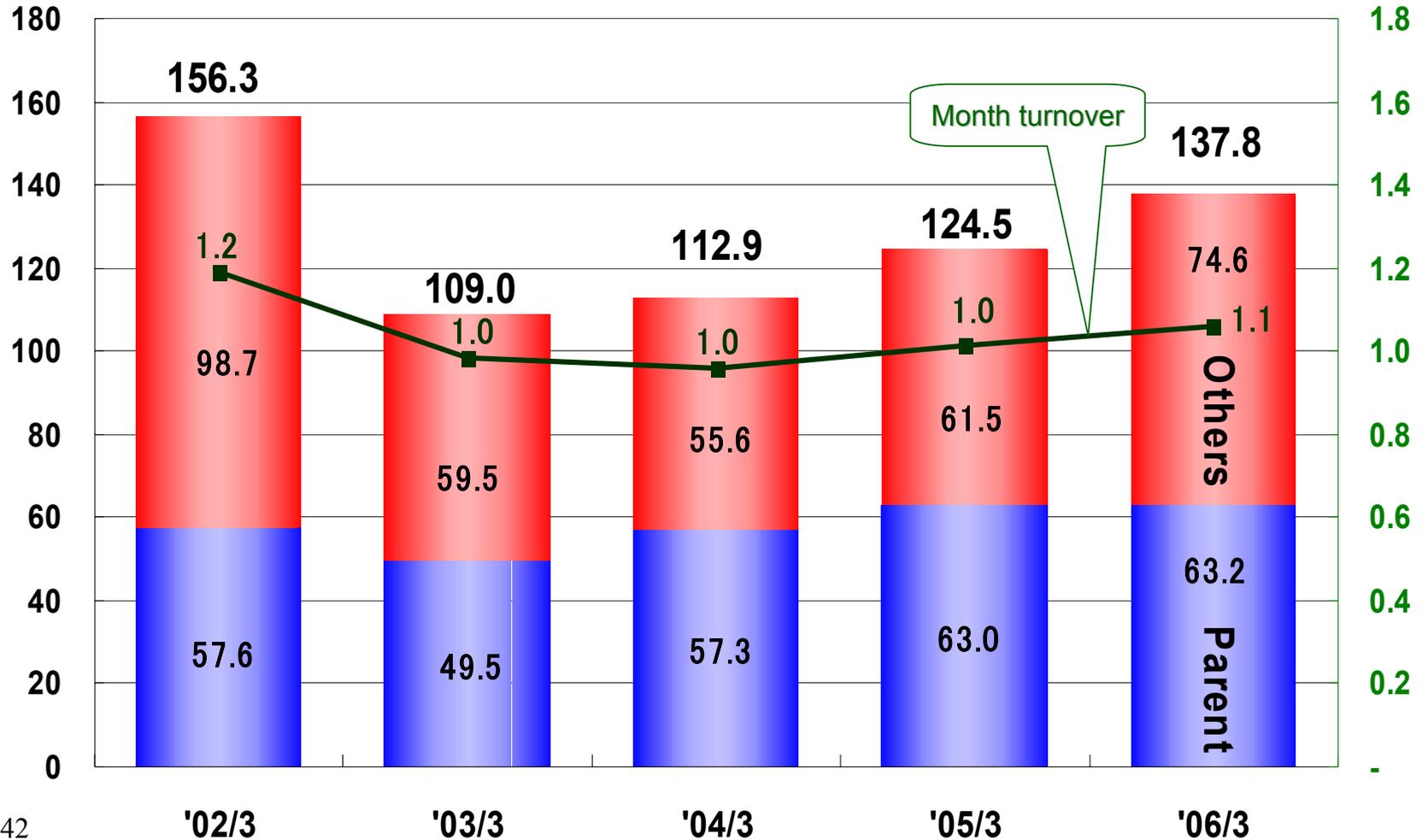


Inventory Balance

- Consolidated -

(JPY: Bil.)

(Month)



Earnings Foundation

- Fixed cost to total revenue: Parent -

