

# FY2007 First Half Consolidated Financial Results

(For the Six months ended September 30, 2006)

English Translation from the Original Japanese-Language Document



November 13, 2006

Company name : **Isuzu Motors Ltd.**  
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange in Japan  
 Code number : 7202  
 Location of the head office : 6-26-1 Minami-oi, Shinagawa, Tokyo  
 URL : <http://www.isuzu.co.jp/world/investor/index.html>  
 Representative person : Yoshinori Ida, President  
 Contact person : Hirotohi Koyama, General manager,  
 General Affairs & HR Department Tel. (03) 5471 - 1141  
 Date of the meeting of the Board of Directors : November 13, 2006  
 for FY2007 First Half financial results  
 US GAAP Adoption : Not adopted

## 1. Consolidated Financial Highlights (April 1, 2006 through September 30, 2006)

### <1> Consolidated financial results

	Net sales		Operating profit		Working profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>FY2007 1st. Half</b>	<b>824,742</b>	<b>11.9</b>	<b>57,626</b>	<b>52.2</b>	<b>62,747</b>	<b>54.5</b>
FY2006 1st. Half	737,325	0.3	37,873	(12.9)	40,623	(15.9)
FY2006	1,581,857		90,661		93,843	

  

	Net income		Net income per share	Net income per share after dilution of potential stock
	Millions of yen	%	Yen	Yen
<b>FY2007 1st. Half</b>	<b>55,408</b>	<b>113.0</b>	<b>46.61</b>	<b>30.90</b>
FY2006 1st. Half	26,017	(27.4)	21.91	13.75
FY2006	58,956		48.75	31.67

Note 1: Income(loss) attributable to investment in affiliates  

<b>FY2007 1st. Half</b>	<b>6,903</b>	Millions of yen
FY2006 1st. Half	6,419	Millions of yen
FY2006	10,673	Millions of yen

Note 2: Average number of shares issued and outstanding in each period (refer to attachment for preferred stocks)  

<b>FY2007 1st. Half</b>	<b>1,139,991,742</b>	shares
FY2006 1st. Half	1,120,374,939	shares
FY2006	1,130,109,701	shares

Note 3: Changes in accounting policies: Yes

Note 4: Regarding net sales, operating profit, working profit and net income, percent indications show percentage of changes from the previous first half period.

### <2> Consolidated financial position

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	Millions of yen	Millions of yen	%	Yen
<b>FY2007 1st. Half</b>	<b>1,189,859</b>	<b>321,166</b>	<b>24.5</b>	<b>194.75</b>
FY2006 1st. Half	1,102,755	203,702	18.5	117.28
FY2006	1,168,697	244,350	20.9	152.05

Note 1: Number of shares issued and outstanding at the end of each period (refer to attachment for preferred stocks)  

<b>FY2007 1st. Half</b>	<b>1,139,924,741</b>	shares
FY2006 1st. Half	1,140,058,471	shares
FY2006	1,140,030,826	shares

### <3> Consolidated Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>FY2007 1st. Half</b>	<b>76,433</b>	<b>(11,942)</b>	<b>(41,437)</b>	<b>130,327</b>
FY2006 1st. Half	37,884	(4,929)	(72,073)	97,508
FY2006	82,448	(21,080)	(97,493)	106,495

### <4> Scope of consolidation and equity method

Consolidated subsidiaries ; 58 companies  
 Unconsolidated subsidiaries accounted for under the equity method ; 21 companies  
 Affiliates accounted for under the equity method ; 51 companies

### <5> Change in the scope of consolidation and equity method

Excluded from consolidation ; 3 companies  
 Number of companies newly accounted for under the equity method ; 5 companies  
 Number of companies excluded from the equity method ; 4 companies

## 2. FY2007 Consolidated Financial Forecast (April 1, 2006 through March 31, 2007)

	Net sales	Working profit	Net income
	Millions of yen	Millions of yen	Millions of yen
FY2007	1,630,000	103,000	80,000

Reference : Forecast of Net income per share (yen) 66.75

The financial projection is calculated based on the information available presently. There are possibilities that the actual financial result would differ largely due to the variation of important factors such as supply and demand trend in major markets and foreign exchange rate.

## Attachment

### 1. Average number of shares issued and outstanding in each period

	FY2007 1st. Half	FY2006 1st. Half	FY2006
	shares	shares	shares
Common stock	<b>1,139,991,742</b>	1,120,374,939	1,130,109,701
Preferred stock			
Class 1 preferred stock	<b>37,500,000</b>	37,500,000	37,500,000
Class 3 preferred stock	<b>25,000,000</b>	25,000,000	25,000,000
Class 4 preferred stock	<b>25,000,000</b>	25,000,000	25,000,000

### 2. Number of shares issued and outstanding at the end of each period

	FY2007 1st. Half	FY2006 1st. Half	FY2006
	shares	shares	shares
Common stock	<b>1,139,924,741</b>	1,140,058,471	1,140,030,826
Preferred stock			
Class 1 preferred stock	<b>37,500,000</b>	37,500,000	37,500,000
Class 3 preferred stock	<b>25,000,000</b>	25,000,000	25,000,000
Class 4 preferred stock	<b>25,000,000</b>	25,000,000	25,000,000

### 3. Calculation for "1. Consolidated Financial Highlights"

○ Net income per share = 
$$\frac{\text{Net income}}{\text{Average number of common stock issued and outstanding in each period} + \text{Number of common stock increased based on if-converted method of conversion type participative stock} - \text{Average number of common stock for treasury}}$$

○ Net income per share after dilution of potential stock = 
$$\frac{\text{Net income}}{\text{Average number of common stock issued and outstanding in each period} + \text{Number of common stock increased based on if-converted method of conversion type participative stock} + \text{Number of common stock increased based on if-converted method of convertible stock which the period for claiming the conversion has not yet come} - \text{Average number of common stock for treasury}}$$

○ Ratio of net assets = 
$$\frac{\text{Net assets} - \text{Minority interest}}{\text{Total assets}} \times 100$$

○ Net assets per share = 
$$\frac{\text{Net assets} - \text{Number of preferred stock issued and outstanding at the end of each period} \times \text{Amount per share} - \text{Minority interest}}{\text{Number of common stock issued and outstanding at the end of each period} - \text{Number of common stock for treasury at the end of each period}}$$

### 4. Calculation for "2. FY2007 Consolidated Financial Forecast"

○ Forecast of net income per share = 
$$\frac{\text{Forecast of net income} - \text{Accounts not belonging to common stock}}{\text{Number of common stock issued and outstanding at the end of each period} + \text{Number of Common stock increased based on if-converted method of Conversion type participative stock} - \text{Average number of common stock for treasury}}$$

Note: Class 4 preferred stock fulfills the conditions of the conversion type participative stock. Class 1 and Class 3 preferred stock fulfills the conditions of the convertible stock whose period of conversion claim has not yet come.

The common stocks increased based on the calculation of if-converted method are calculated on the assumption that the stocks were converted at the beginning of this fiscal year.

The forecast preferred dividend as the distribution of profits for Class 1 and Class 3 preferred stock fulfills the conditions of the accounts not belonging to common stock used in the calculation for the forecast net income per share.

(Information on Net per share)

	FY2007 1st. Half	FY2006 1st. Half	FY2006
	yen	yen	yen
Net assets per share	<b>194.75</b>	117.28	152.05
Net income per share	<b>46.61</b>	21.91	48.75
Net income per share after dilution of potential stock	<b>30.90</b>	13.75	31.67

The base used for calculating net assets per share, net income per share and net income per share after dilution of potential stock are as follows.

	FY2007 1st. Half	FY2006 1st. Half	FY2006
Net assets per share	Millions of yen	Millions of yen	Millions of yen
Total net assets (※Total shareholders' equity)	<b>321,166</b>	203,702 ※	244,350 ※
Amounts decreased on calculation	<b>99,164</b>	70,000	71,007
(Preferred stock)	<b>( 70,000 )</b>	( 70,000 )	( 70,000 )
(Minority interest)	<b>( 29,164 )</b>	( — )	( — )
(Dividend to preferred stock)	( — )	( — )	( 1,007 )
The numerator amount used for the calculation	<b>222,001</b>	133,702	173,343
Net income per share	Millions of yen	Millions of yen	Millions of yen
Net income	<b>55,408</b>	26,017	58,956
Accounts not belonging to common stock	—	—	584
(Preferred dividend as the distribution of profits)	( — )	( — )	( 584 )
(Director's bonus as the distribution of profits)	( — )	( — )	( — )
Net income belonging to common stock	<b>55,408</b>	26,017	58,372
Average number of shares issued and outstanding	shares	shares	shares
(Common stock)	<b>1,188,653,542</b>	1,187,715,006	1,197,449,768
(Class 4 preferred stock)	<b>( 1,139,991,742 )</b>	( 1,120,374,939 )	( 1,130,109,701 )
	<b>( 48,661,800 )</b>	( 67,340,067 )	( 67,340,067 )
Net income per share after dilution of potential stock	Millions of yen	Millions of yen	Millions of yen
Adjusted amount of net income	—	—	584
(Preferred dividend as the distribution of profits)	( — )	( — )	( 584 )
Number of common stock increased	shares	shares	shares
(Convertible stock whose claim period for the conversion has not yet come)	<b>604,217,356</b>	704,820,995	663,970,535
(Bonds with warrant attached)	<b>( 604,217,356 )</b>	( 622,895,623 )	( 622,895,623 )
	( — )	( 81,925,372 )	( 41,074,912 )

# CONSOLIDATED PROFIT AND LOSS STATEMENT

The following information has been prepared in accordance with  
accounting principles generally accepted in Japan.

(Millions of yen)

	FY2007 1st. half	FY2006 1st. half	Change	FY2006
<b>Net sales</b>	<b>824,742</b>	<b>737,325</b>	<b>87,417</b>	<b>1,581,857</b>
<b>Cost of sales</b>	<b>697,301</b>	<b>629,194</b>	<b>68,107</b>	<b>1,347,861</b>
<b>GROSS PROFIT</b>	<b>127,441</b>	<b>108,131</b>	<b>19,309</b>	<b>233,996</b>
<b>Selling, general and administrative expenses</b>	<b>69,815</b>	<b>70,257</b>	<b>(442)</b>	<b>143,334</b>
<b>OPERATING PROFIT</b>	<b>57,626</b>	<b>37,873</b>	<b>19,752</b>	<b>90,661</b>
<b>Non-operating income</b>	<b>11,452</b>	<b>10,421</b>	<b>1,030</b>	<b>18,361</b>
Interest and dividend income	2,185	1,760	424	3,129
Amortization of consolidated adjustment account	—	204	(204)	384
Amortization of goodwill	93	—	93	—
Equity in income of non-consolidated subsidiaries & affiliates	6,903	6,419	484	10,673
Other	2,270	2,037	233	4,174
<b>Non-operating expenses</b>	<b>6,330</b>	<b>7,672</b>	<b>(1,341)</b>	<b>15,180</b>
Interest expense	4,271	5,660	(1,389)	10,551
Other	2,059	2,011	48	4,628
<b>WORKING PROFIT</b>	<b>62,747</b>	<b>40,623</b>	<b>22,124</b>	<b>93,843</b>
<b>Extraordinary profit</b>	<b>4,327</b>	<b>7,278</b>	<b>(2,950)</b>	<b>13,443</b>
Gain on disposal of PP&E	322	84	237	4,383
Gain on sales of marketable securities	18	73	(55)	212
Adjustment cost on the joint venture in North America	—	4,897	(4,897)	4,897
Gain on dissolution of employee pension fund	577	1,391	(814)	1,391
Gain on the transfer to the Government of the substitutional portion of employee pension fund liabilities	2,531	—	2,531	—
Other	876	830	46	2,558
<b>Extraordinary loss</b>	<b>5,724</b>	<b>16,253</b>	<b>(10,528)</b>	<b>27,661</b>
Loss on disposal of PP&E	2,583	3,075	(492)	8,311
Unrealized holding loss on non-consolidated subsidiaries & affiliates	206	31	175	1,079
Loss on sales of marketable securities	214	3	210	8
Loss on restructuring of domestic subsidiaries & affiliates	—	978	(978)	933
Special warranty expense	—	4,448	(4,448)	3,247
Loss on impairment on fixed assets	132	1,209	(1,077)	2,600
Dismantlement and other cost on former Kawasaki Plant	1,534	2,371	(836)	5,257
Other	1,053	4,136	(3,082)	6,224
<b>NET INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>61,350</b>	<b>31,648</b>	<b>29,702</b>	<b>79,625</b>
<b>Income taxes</b>	<b>8,144</b>	<b>5,485</b>	<b>2,659</b>	<b>12,891</b>
<b>Income taxes adjustments</b>	<b>(5,773)</b>	<b>(2,823)</b>	<b>(2,949)</b>	<b>2,555</b>
<b>Minorities interest in consolidated subsidiaries</b>	<b>3,570</b>	<b>2,969</b>	<b>601</b>	<b>5,222</b>
<b>NET INCOME</b>	<b>55,408</b>	<b>26,017</b>	<b>29,390</b>	<b>58,956</b>

Note: Amounts under millions of yen are omitted in the figures above.

## CONSOLIDATED BALANCE SHEET

The following information has been prepared in accordance with  
accounting principles generally accepted in Japan.

(Millions of yen)

	September 30, 2006	March 31, 2006	Change	September 30, 2005
<b>[ASSETS]</b>				
<b>CURRENT ASSETS</b>	<b>579,100</b>	<b>554,141</b>	<b>24,959</b>	<b>523,548</b>
Cash and cash equivalents	130,975	108,642	22,332	99,281
Trade notes and accounts receivable	259,421	252,441	6,980	236,607
Inventories	129,470	137,754	(8,284)	130,830
Deferred income tax	33,221	27,632	5,588	31,215
Other	29,430	31,063	(1,632)	30,674
Allowance for doubtful accounts	(3,418)	(3,393)	(24)	(5,061)
<b>FIXED ASSETS</b>	<b>610,758</b>	<b>614,556</b>	<b>(3,797)</b>	<b>579,206</b>
<b>Property, plant &amp; equipment</b>	<b>479,203</b>	<b>474,264</b>	<b>4,938</b>	<b>450,015</b>
Buildings and structures	99,151	100,741	(1,590)	96,938
Machinery & equipment	76,783	72,749	4,034	66,663
Land	266,823	267,687	(863)	264,789
Construction in progress	22,696	18,365	4,330	8,472
Other	13,748	14,719	(971)	13,150
<b>Intangible assets</b>	<b>9,361</b>	<b>9,177</b>	<b>184</b>	<b>7,599</b>
Consolidated adjustment account	—	—	—	104
Other	9,361	9,177	184	7,495
<b>Investments &amp; other assets</b>	<b>122,193</b>	<b>131,114</b>	<b>(8,921)</b>	<b>121,591</b>
Marketable securities	93,839	95,229	(1,389)	81,092
Long-term loans receivable	4,224	15,404	(11,180)	20,853
Deferred income tax	6,689	6,369	320	8,851
Other	26,921	29,218	(2,296)	28,633
Allowance for doubtful accounts	(9,482)	(15,107)	5,625	(17,838)
<b>TOTAL ASSETS</b>	<b>1,189,859</b>	<b>1,168,697</b>	<b>21,161</b>	<b>1,102,755</b>

Note: Amounts under millions of yen are omitted in the figures above.

## CONSOLIDATED BALANCE SHEET

The following information has been prepared in accordance with  
accounting principles generally accepted in Japan.

(Millions of yen)

	September 30, 2006	March 31, 2006	Change	September 30, 2005
<b>[LIABILITIES]</b>				
<b>CURRENT LIABILITIES</b>	<b>506,325</b>	<b>497,260</b>	<b>9,064</b>	<b>515,708</b>
Trade notes and accounts payable	311,314	297,370	13,944	283,211
Short-term borrowings	84,215	91,971	(7,756)	125,857
Current maturities of bonds	3,020	—	3,020	—
Income tax payable	8,685	10,933	(2,247)	6,762
Accrued expenses	52,058	48,946	3,111	47,198
Accrued bonus cost	12,434	12,225	208	12,145
Accrued warranty cost	4,158	4,345	(187)	4,421
Deposits received	4,288	3,768	520	12,041
Other	26,149	27,698	(1,549)	24,069
<b>LONG-TERM LIABILITIES</b>	<b>362,366</b>	<b>400,269</b>	<b>(37,902)</b>	<b>366,980</b>
Bonds	50,000	52,870	(2,870)	32,670
Long-term borrowings	177,558	204,818	(27,259)	202,559
Deferred income tax	8,069	9,455	(1,386)	5,447
Deferred income tax related to land revaluation	55,827	55,827	—	49,647
Accrued retirement and severance benefits	57,073	62,257	(5,184)	60,500
Long-term deposits received	1,790	2,046	(256)	2,156
Goodwill	644	—	644	—
Consolidated adjustment account	—	848	(848)	—
Other	11,402	12,144	(742)	13,998
<b>TOTAL LIABILITIES</b>	<b>868,692</b>	<b>897,529</b>	<b>(28,837)</b>	<b>882,688</b>

Note: Amounts under millions of yen are omitted in the figures above.

## CONSOLIDATED BALANCE SHEET

The following information has been prepared in accordance with  
accounting principles generally accepted in Japan.

(Millions of yen)

	September 30, 2006	March 31, 2006	Change	September 30, 2005
<b>[MINORITY INTEREST]</b>				
Minority Interest	—	26,816	(26,816)	16,364
<b>[SHAREHOLDERS' EQUITY]</b>				
Common stock and preferred stock	—	40,644	(40,644)	40,644
Capital surplus	—	50,427	(50,427)	50,408
Retained earnings	—	68,689	(68,689)	36,463
Variance of land revaluation	—	74,138	(74,138)	77,871
Unrealized holding gain on securities	—	15,014	(15,014)	9,658
Foreign currency translation adjustment	—	(4,334)	4,334	(11,140)
Treasury stock	—	(229)	229	(203)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	—	244,350	(244,350)	203,702
<b>TOTAL LIABILITIES &amp; MINORITY INTEREST &amp; SHAREHOLDERS' EQUITY</b>	—	1,168,697	(1,168,697)	1,102,755
<b>[NET ASSETS]</b>				
<b>SHAREHOLDERS' EQUITY</b>	<b>210,123</b>	—	<b>210,123</b>	—
Common stock and preferred stock	40,644	—	40,644	—
Capital surplus	50,427	—	50,427	—
Retained earnings	119,319	—	119,319	—
Treasury stock	(268)	—	(268)	—
<b>VALUATION AND TRANSLATION ADJUSTMENTS</b>	<b>81,878</b>	—	<b>81,878</b>	—
Unrealized holding gain on securities	11,670	—	11,670	—
Deferred gain/loss on hedge activities	(414)	—	(414)	—
Variance of land revaluation	73,650	—	73,650	—
Foreign currency translation adjustment	(3,027)	—	(3,027)	—
<b>MINORITY INTEREST</b>	<b>29,164</b>	—	<b>29,164</b>	—
<b>TOTAL NET ASSETS</b>	<b>321,166</b>	—	<b>321,166</b>	—
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>1,189,859</b>	—	<b>1,189,859</b>	—

Note: Amounts under millions of yen are omitted in the figures above.

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

The following information has been prepared in accordance with  
accounting principles generally accepted in Japan.

(Millions of yen)

	FY2006 1st. half	FY2006
<b>( Capital Surplus )</b>		
<b>I Capital surplus at beginning of period</b>	<b>42,435</b>	<b>42,435</b>
<b>II Increase in capital surplus</b>	<b>7,972</b>	<b>7,991</b>
Exercise of stock acquisition right	7,972	7,972
Gain on disposal of treasury stocks	—	18
<b>III Decrease in capital surplus</b>	<b>—</b>	<b>—</b>
<b>IV Capital surplus at end of period</b>	<b>50,408</b>	<b>50,427</b>
<b>( Retained earnings )</b>		
<b>I Retained earnings at beginning of period</b>	<b>10,460</b>	<b>10,460</b>
<b>II Increase in retained earnings</b>	<b>28,743</b>	<b>61,683</b>
Increase of retained earnings caused by companies newly applied to the equity method	2,726	2,726
Net income	26,017	58,956
<b>III Decrease in retained earnings</b>	<b>2,741</b>	<b>3,453</b>
Decrease of retained earnings caused by companies excluded from the equity method	—	150
Dividend	2,614	2,614
Reversal of land revaluation	127	688
<b>IV Retained earnings at end of period</b>	<b>36,463</b>	<b>68,689</b>

Note: Amounts under millions of yen are omitted in the figures above.

# CONSOLIDATED STATEMENT OF NET ASSETS

The following information has been prepared in accordance with  
accounting principles generally accepted in Japan.

(From April 1, 2006 to September 30, 2006)

(Millions of yen)

	SHAREHOLDERS' EQUITY				
	Common Stock and Preferred Stock	Capital surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
As of March 31, 2006	<b>40,644</b>	<b>50,427</b>	<b>68,689</b>	<b>(229)</b>	<b>159,532</b>
Change of the period					
Dividend of retained earnings(note)			(4,428)		(4,428)
Reversal of variance of land revaluation			(5)		(5)
Net income			55,408		55,408
Acquisition of treasury stock				(39)	(39)
Companies excluded from consolidation			(371)		(371)
Companies excluded from the equity method			26		26
Change of the period other than shareholders' equity (net amount)					—
Total change of the period	—	—	50,629	(39)	50,590
As of September 30, 2006	<b>40,644</b>	<b>50,427</b>	<b>119,319</b>	<b>(268)</b>	<b>210,123</b>

	VALUATION AND TRANSLATION ADJUSTMENTS					Minority Interest	Total Net Assets
	Unrealized Holding Gain on Securities	Deferred Gain/Loss on Hedge Activities	Variance of Land Revaluation	Foreign Currency Translation Adjustment	Total Valuation and Translation Adjustments		
As of March 31, 2006	<b>15,014</b>	—	<b>74,138</b>	<b>(4,334)</b>	<b>84,818</b>	<b>26,816</b>	<b>271,167</b>
Change of the period							
Dividend of retained earnings(note)							(4,428)
Reversal of variance of land revaluation							(5)
Net income							55,408
Acquisition of treasury stock							(39)
Companies excluded from consolidation							(371)
Companies excluded from the equity method							26
Change of the period other than shareholders' equity (net amount)	(3,343)	(414)	(488)	1,306	(2,939)	2,348	(591)
Total change of the period	(3,343)	(414)	(488)	1,306	(2,939)	2,348	49,999
As of September 30, 2006	<b>11,670</b>	<b>(414)</b>	<b>73,650</b>	<b>(3,027)</b>	<b>81,878</b>	<b>29,164</b>	<b>321,166</b>

Note: This was the distribution of profits based on the general shareholders meeting held in June, 2006.

Amounts under millions of yen are omitted in the figures above.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

The following information has been prepared in accordance with  
accounting principles generally accepted in Japan.

(Millions of yen)

	FY2007 1st. half	FY2006 1st. half	Change	FY2006
<b>I Cash Flows from Operating Activities</b>				
Net Income before income taxes and minority interests	61,350	31,648	29,702	79,625
Depreciation and amortization	13,553	12,123	1,430	25,057
Amortization of consolidated adjustment account	-	(204)	204	(384)
Amortization of goodwill	(93)	-	(93)	-
Equity in loss (gain) of unconsolidated subsidiaries and affiliates	(6,903)	(6,419)	(484)	(10,673)
Increase (decrease) in accrued retirement and severance benefits	(5,407)	316	(5,724)	708
Increase (decrease) in accrued warranty cost	(187)	1,609	(1,796)	1,533
Increase (decrease) in accrued bonus cost	311	1,706	(1,394)	1,660
Increase (decrease) in allowance for doubtful accounts	(27)	(4,389)	4,362	(2,029)
Interest and dividend income	(2,185)	(1,760)	(1,389)	(3,129)
Interest expense	4,271	5,660		10,551
Gain on sales of property, plant and equipment	(322)	(84)	(237)	(4,383)
Loss on disposal of property, plant and equipment	2,583	3,075	(492)	8,311
Loss (gain) on sales of marketable securities	196	(70)	266	(203)
Loss on impairment of fixed assets	132	1,209	(1,077)	2,600
Other extraordinary loss	1,629	1,002	627	826
Decrease (increase) in trade notes and accounts receivable	(4,955)	13,906	(18,862)	8,338
Decrease (increase) in inventories	5,809	(6,655)	12,464	(11,321)
Decrease (increase) in other current assets	2,523	(2,433)	4,957	563
Increase (decrease) in trade notes and accounts payable	11,950	2,794	9,155	8,359
Increase (decrease) in accrued expenses	(212)	2,894	(3,106)	2,545
Increase (decrease) in deposits received	267	876	(609)	(8,148)
Increase (decrease) in other liabilities	(2,024)	(7,745)	5,721	(8,804)
Others	(71)	31	(102)	(24)
(Subtotal)	82,190	49,093	33,097	101,577
Cash received from interest and dividends	8,719	3,778	4,941	5,243
Cash paid for interest	(4,235)	(5,541)	1,306	(10,369)
Cash paid for income taxes	(10,241)	(9,445)	(796)	(14,002)
Net Cash Provided by Operating Activities	<b>76,433</b>	<b>37,884</b>	<b>38,548</b>	<b>82,448</b>
<b>II Cash Flows from Investing Activities</b>				
Payment for marketable securities	(848)	(9,158)	8,310	(9,717)
Proceeds from sales of marketable securities	997	393	603	960
Payment for property, plant and equipment	(22,505)	(15,451)	(7,053)	(36,306)
Proceeds from sales of property, plant and equipment	1,651	6,724	(5,073)	15,797
Payment for long-term loans receivable	(393)	(207)	(186)	(4,958)
Proceeds from long-term loans receivable	6,272	314	5,958	3,045
Decrease (increase) in short-term loans receivable	(60)	4,355	(4,415)	3,497
Decrease (increase) in lease credit held by foreign financial subsidiaries	-	4	(4)	16
Decrease (increase) in fixed deposits	1,516	2,328	(811)	1,957
Proceeds from the transfer of investment	-	5,607	(5,607)	5,607
Others	1,429	160	1,268	(980)
Net Cash Provided by (Used in) Investing Activities	<b>(11,942)</b>	<b>(4,929)</b>	<b>(7,012)</b>	<b>(21,080)</b>
<b>III Cash Flows from Financing Activities</b>				
Increase (decrease) in short-term borrowings	(10,738)	(13,030)	2,291	(58,056)
Proceeds from long-term borrowings	100	5,400	(5,300)	38,008
Payment for long-term borrowings	(24,784)	(41,361)	16,576	(75,464)
Increase (decrease) in bonds	-	20,000	(20,000)	40,000
Increase (decrease) in bonds with warrant attached	-	(40,000)	40,000	(40,000)
Proceeds from minority shareholders	-	-	-	1,172
Payment for treasury stock	(36)	(35)	(1)	(71)
Cash dividends paid by the parent company	(4,404)	(2,599)	(1,805)	(2,602)
Cash dividends paid to minority shareholders	(1,572)	-	(1,572)	-
Others	-	(446)	446	(478)
Net Cash Provided by (Used in) Financing Activities	<b>(41,437)</b>	<b>(72,073)</b>	<b>30,635</b>	<b>(97,493)</b>
<b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>1,011</b>	<b>1,276</b>	<b>(265)</b>	<b>4,544</b>
<b>V Increase in Cash and Cash Equivalents</b>	<b>24,065</b>	<b>(37,840)</b>	<b>61,906</b>	<b>(31,581)</b>
<b>VI Cash and Cash Equivalents at Beginning of the Year</b>	<b>106,495</b>	<b>135,252</b>	<b>(28,757)</b>	<b>135,252</b>
<b>VII Increase (decrease) due to inclusion (exclusion) in (from) Consolidation</b>	<b>(233)</b>	<b>97</b>	<b>(330)</b>	<b>2,823</b>
<b>VIII Cash and Cash Equivalents at End of the Year</b>	<b>130,327</b>	<b>97,508</b>	<b>32,818</b>	<b>106,495</b>

Note: Amounts under millions of yen are omitted in the figures above.

(1) Geographical Segment Information

Current 1st Half Term (April 1, 2006 through September 30, 2006)

(Millions of yen)

	Japan	North America	Asia	Other	Total	Eliminations	Consolidated
Sales and Operating profit							
Total sales							
Sales to third parties	532,777	75,464	196,049	20,451	824,742	—	824,742
Interarea sales and transfers	84,563	3,650	20,444	42	108,700	(108,700)	—
Total sales	617,341	79,114	216,494	20,493	933,443	(108,700)	824,742
Operating expenses	572,929	75,404	207,922	19,915	876,171	(109,054)	767,116
Operating profit	44,412	3,710	8,571	578	57,272	354	57,626
Assets	985,019	60,477	137,016	15,061	1,197,575	(7,716)	1,189,859

Previous 1st Half Term (April 1, 2005 through September 30, 2005)

(Millions of yen)

	Japan	North America	Asia	Other	Total	Eliminations	Consolidated
Sales and Operating profit							
Total sales							
Sales to third parties	456,277	77,129	184,444	19,474	737,325	—	737,325
Interarea sales and transfers	76,820	3,337	15,908	139	96,205	(96,205)	—
Total sales	533,098	80,466	200,353	19,613	833,531	(96,205)	737,325
Operating expenses	507,988	76,722	192,022	18,981	795,715	(96,263)	699,451
Operating profit	25,109	3,743	8,330	632	37,815	57	37,873
Assets	922,664	54,050	132,034	13,442	1,122,191	(19,436)	1,102,755

Previous Term (April 1, 2005 through March 31, 2006)

(Millions of yen)

	Japan	North America	Asia	Other	Total	Eliminations	Consolidated
Sales and Operating profit							
Total sales							
Sales to third parties	967,149	165,309	413,259	36,138	1,581,857	—	1,581,857
Interarea sales and transfers	150,704	6,951	33,321	696	191,673	(191,673)	—
Total sales	1,117,853	172,260	446,581	36,834	1,773,531	(191,673)	1,581,857
Operating expenses	1,054,511	166,841	425,944	35,364	1,682,661	(191,466)	1,491,195
Operating profit	63,342	5,419	20,637	1,470	90,869	(207)	90,661
Assets	960,741	67,577	139,143	14,682	1,182,146	(13,449)	1,168,697

1. This segmentation is based on the geographical area.
2. Major countries or areas included
  - (1) North America---USA
  - (2) Asia---Singapore, China, Philippines, Thailand
  - (3) Other---Australia
3. Amounts under millions of yen are omitted in the figures above.

## (2)Overseas Sales

Current 1st Half Term (April 1, 2006 through September 30, 2006)

(Millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	82,519	215,884	153,796	452,200
2 Consolidated sales	-	-	-	824,742
3 Overseas sales per Consolidated sales	% 10.0	% 26.2	% 18.6	% 54.8

Previous 1st Half Term (April 1, 2005 through September 30, 2005)

(Millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	84,341	169,225	164,237	417,805
2 Consolidated sales	-	-	-	737,325
3 Overseas sales per Consolidated sales	% 11.4	% 23.0	% 22.3	% 56.7

Previous Term (April 1, 2005 through March 31, 2006)

(Millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	183,143	442,181	271,539	896,864
2 Consolidated sales	-	-	-	1,581,857
3 Overseas sales per Consolidated sales	% 11.6	% 28.0	% 17.2	% 56.7

1.This segmentation is based on the geographical area.

2.Major countries or areas included

(1) North American---USA

(2) Asia---China, Thailand, Indonesia, Philippines

(3) Other---UK, Germany, Spain, Chile, South Africa, Australia

3.Overseas sales means the sales outside of Japan.

4.Amounts under millions of yen are omitted in the figures above.