

FY2007 First Quarter Consolidated Financial Results:

For the Three Months Ended June 30, 2006



July 27, 2006

Company name : Isuzu Motors Limited
 Stock exchange listing : Code No. 7202, The 1st Section, Tokyo Stock Exchange in Japan
 Headquarters : In Tokyo, Japan
 Representative : Yoshinori Ida, President and Representative Director
 URL : <http://www.isuzu.co.jp/world/investor/index.html>
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1. Basis for preparation of quarterly financial results:

- 1) Adoption of simplified accounting practices : Applicable
 The standards for preparing the mid-term (consolidated) financial statements are generally applied, while using certain simplified procedures are used for calculating tax expenses, reporting depreciation expenses, and omitting physical stocktaking.
- 2) Changes in accounting practices from previous fiscal year : Applicable
 The exchange conversion standards with regard to revenues and expenses of our overseas subsidiaries, etc., traditionally provided that the conversion of foreign currency into yen currency shall be calculated at the spot rate of exchange on the book closing date of the overseas subsidiaries. However, in the current consolidated fiscal year, the applicable conversion standards have been changed to use the in-period average rate of exchange for conversion into yen currency. As a result of the change, as compared to the traditional method, sales amount is down 1,581 million yen, operating profit down 86 million yen, working profit down 99 million yen, and net income before taxes and other adjustments down 99 million yen on a consolidated basis.
- 3) Changes in scope of consolidation and equity method of accounting : Applicable
 Number of subsidiaries excluded from consolidated accounting : 1 company

2. FY2007 first quarter financial results (April 1, 2006 through June 30, 2006)

1) Consolidated operating results (Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

	Net Sales		Operating profit		Working profit		Net income	
FY2006 Q1 (3 months to Jun. 30, '06)	395,953	11.4%	23,948	40.7%	25,286	41.1%	18,539	43.7%
FY2005 Q1 (3 months to Jun. 30, '05)	355,298	10.2%	17,021	25.1%	17,925	13.6%	12,902	(17.6%)
(Ref.) Full year FY2006	1,581,857		90,661		93,843		58,956	

	Net income per share	Fully diluted net income per share	(in Yen)
FY2006 Q1 (3 months to Jun. 30, '06)	15.60	10.34	
FY2005 Q1 (3 months to Jun. 30, '05)	11.05	6.60	
(Ref.) Full year FY2006	48.75	31.67	

(Note) The percentage points for net sales and operating profit etc. represent year-on-year changes.

Average number of shares issued and outstanding in each period (consolidated):

Common stock: FY2007 Q1: 1,140,011,615 shares FY2006 Q1: 1,167,757,104 shares
 Full year FY 2006: 1,130,109,701 shares

(Reference) Parent company operating results (Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

	Net Sales		Operating profit		Working profit		Net income	
FY2006 Q1 (3 months to Jun. 30, '06)	225,474	12.4%	17,672	63.0%	18,693	(17.4%)	18,427	(12.4%)
FY2005 Q1 (3 months to Jun. 30, '05)	200,512	5.9%	10,843	(8.0%)	22,644	109.9%	21,046	77.6%
(Ref.) Full year FY2006	917,895		53,506		64,149		46,476	

	Net income per share	Fully diluted net income per share	(in Yen)
FY2006 Q1 (3 months to Jun. 30, '06)	15.50	10.23	
FY2005 Q1 (3 months to Jun. 30, '05)	18.02	10.76	
(Ref.) Full year FY2006	38.31	24.96	

(Note) The percentage points for net sales and operating profit represent year-on-year changes.

Average number of shares issued and outstanding in each period :

Common stock: FY2007 Q1: 1,140,296,768 shares FY2006 Q1: 1,168,083,252 shares
Full year FY 2006: 1,130,497,966 shares

[Qualitative information regarding (consolidated) operating results]

In the first quarter to June 2006, the domestic sales increased 4,611 units (up 25.4%) in volume and Y28.5 billion (up 20.7%) in value compared with the same quarter in the previous year due to continued robust demand driven by tougher emissions regulation and the successful impact of sales boosting measures undertaken in accordance with Mid-Term Business Plan.

In overseas markets, sales expansion of pickup trucks produced in Thailand and increased export of light-duty trucks arising from aggressive sales expansion efforts through reorganized sales organizations overseas lifted sales volume by 7,384 units (up 9.2 %) and revenue by Y12.1 billion (up 5.6%) from the same quarter in the previous year.

As a result, for the first quarter to June 2006, Isuzu posted sales revenue of Y395.9 billion (up 11.4% year on year), operating profit of Y23.9 billion (up 40.7%), working profit of Y25.2 billion (up 41.1%) and the net income of Y18.5 billion (up 43.7%). Both revenue and profit marked the increase.

2) Changes of the consolidated financial position

(Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

	Total assets (in million yen)	Shareholders' equity (in million yen)	Shareholders' equity as a percentage of total assets (%)	Shareholders' equity per share (in yen)
FY2006 Q1 (3 months to Jun. 30, '06)	1,176,549	288,548	22.0%	165.76
FY2005 Q1 (3 months to Jun. 30, '05)	1,102,502	185,418	16.8%	101.23
(Ref.) Full year FY2006	1,168,697	244,350	20.9%	152.05

(Note) Number of shares issued and outstanding at the end of each period:

Common stock: FY2007 Q1: 1,140,003,082 shares FY2006 Q1: 1,140,151,576 shares
Full year FY 2006: 1,140,030,826 shares

(Reference) Changes of the parent company's financial position

(Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

	Total assets (in million yen)	Shareholders' equity (in million yen)	Shareholders' equity as a percentage of total assets (%)	Shareholders' equity per share (in yen)
FY2006 Q1 (3 months to Jun. 30, '06)	868,851	242,896	28.0%	151.63
FY2005 Q1 (3 months to Jun. 30, '05)	775,509	203,475	26.2%	117.03
(Ref.) Full year FY2006	867,698	231,289	26.7%	140.56

(Note) Number of shares issued and outstanding at the end of each period:

Common stock: FY2007 Q1: 1,140,288,235 shares FY2006 Q1: 1,140,477,724 shares
Full year FY 2006: 1,140,306,872 shares

[Qualitative information regarding (consolidated) financial position]

Net assets at the end of the first quarter to June 2006 increased Y44.1 billion to Y288.5 billion from the end of the previous term. This is due to new addition of minority interest of Y29.7 billion to net assets owing to change of total shareholders' equity to net assets effective from this consolidated fiscal term, in addition to the net income of Y18.5 billion and dividend payment of Y4.4 billion. Meanwhile, the interest-bearing debt declined Y8.4 billion to Y341.2 billion from the end of previous consolidated fiscal term.

3. Forecast of consolidated financial results for full-year FY2007 (April 1, 2006 to March 31, 2007)

The company's forecast of the full-year financial results remains the same as the Forecast for Consolidated Results of FY 2007 announced on May 16, 2006.

Attachment

Average number of shares issued and outstanding in each period

	FY2007 Q1	FY2006 Q1	FY2006
	shares	shares	shares
Common stock (w/o Treasury stock)			
Consolidated	1,140,011,615	1,100,417,037	1,130,109,701
Parent Company	1,140,296,768	1,100,743,185	1,130,497,966
Preferred Stock			
Class 1 preferred stock	37,500,000	37,500,000	37,500,000
Class 3 preferred stock	25,000,000	25,000,000	25,000,000
Class 4 preferred stock	25,000,000	25,000,000	25,000,000

Number of shares issued and outstanding at the end of each period

	FY2007 Q1	FY2006 Q1	FY2006
	shares	shares	shares
Common stock (w/o Treasury stock)			
Consolidated	1,140,003,082	1,140,151,576	1,140,030,826
Parent Company	1,140,288,235	1,140,477,724	1,140,306,872
Preferred Stock			
Class 1 preferred stock	37,500,000	37,500,000	37,500,000
Class 3 preferred stock	25,000,000	25,000,000	25,000,000
Class 4 preferred stock	25,000,000	25,000,000	25,000,000

Calculation for "2.FY2007 first quarter financial results"

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

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

$$\text{Shareholders' equity per share} = \frac{\text{Total assets} - \text{Number of preferred stocks issued and outstanding at the end of each period} \times \text{Amount per share} - \text{Preferred Dividend}}{\text{Number of common stock issued and outstanding at the end of each period} - \text{Average number of Common stock for treasury}}$$

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. (As for the forecast of net income per share, the stocks are assumed to be converted at the beginning of the next fiscal year.)
 The preferred dividend for 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 net income per share.

(Per share information)

FY2007 Q1	FY2006 Q1	FY2006
Shareholder's equity per share 165.76Yen	Shareholder's equity per share 101.23Yen	Shareholder's equity per share 152.05Yen
Net income per share 15.60Yen	Net income per share 11.05Yen	Net income per share 48.75Yen
Net income per share after dilution of potential stock 10.34Yen	Net income per share after dilution of potential stock 6.60Yen	Net income per share after dilution of potential stock 31.67Yen

Computation of Shareholder's equity per share, Net income per share and Net income per share after dilution of potential stock are as follows:

	FY2007 Q1	FY2006 Q1	FY2006
Shareholder's equity per share	Millions of yen	Millions of yen	Millions of yen
Total net assets	288,548	185,418	244,350
Deduction	99,585	70,000	71,007
(Preferred stock)	(70,000)	(70,000)	(70,000)
(Minority interest)	(29,585)	-	-
(Preferred stock dividend)	-	-	(1,007)
Sub total	188,963	115,418	173,343
Net income per share	Millions of yen	Millions of yen	Millions of yen
Net income	18,539	12,902	58,956
Accounts not belonging to common stock	-	-	584
(Dividend)	-	-	(584)
(Directors' bonus)	-	-	-
Net income on common stock	18,539	12,902	58,372
	Shares	Shares	Shares
Average number of shares issued and outstanding in each period:	1,188,673,415	1,167,757,104	1,197,449,768
(Common stock)	1,140,011,615	1,100,417,037	1,130,109,701
(Class 4 preferred stock)	48,661,800	67,340,067	67,340,067
Net income per share after dilution of potential stock	Millions of yen	Millions of yen	Millions of yen
Net income adjustment	-	-	584
(Dividend)	-	-	(584)
	Shares	Shares	Shares
Number of common stock increased	604,217,356	787,646,645	663,970,535
(Convertible stock which the period for claiming the conversion has not yet come)	604,217,356	622,895,623	622,895,623
(Bonds with warrant attached)	-	164,751,022	41,074,912

(Summary) Consolidated Statements of Operations

(Yen in millions)

	FY2007 Q1 (Apr.-Jun. '06)		FY2006 Q1 (Apr.-Jun. '05)		Change
		%		%	
Net sales	395,953	100.0	355,298	100.0	40,655
Cost of sales	339,203	85.7	312,668	88.0	26,534
GROSS PROFIT	56,750	14.3	42,629	12.0	14,120
Selling, general and administrative expenses	32,801	8.3	25,607	7.2	7,194
OPERATING PROFIT	23,948	6.0	17,021	4.8	6,926
Non-operating income	4,625	1.2	4,573	1.3	51
Non-operating expenses	3,287	0.8	3,670	1.0	(382)
WORKING PROFIT	25,286	6.4	17,925	5.0	7,361
Extraordinary profit	18	0.0	356	0.1	(337)
Extraordinary loss	522	0.1	1,753	0.5	(1,231)
PRETAX INCOME	24,782	6.3	16,527	4.7	8,254
Corporation tax adjustments	4,056	1.0	2,188	0.6	1,868
Minorities Interest	2,186	0.6	1,437	0.4	749
NET INCOME	18,539	4.7	12,902	3.6	5,636

Note: Fraction less than million omitted.

(Summary) Consolidated Balance Sheet

(Yen in millions)

	June 30, 2006	March 31, 2006	Change	June 30, 2005
[ASSETS]				
CURRENT ASSETS	556,360	554,141	2,219	527,195
Cash on cash equivalents	138,106	108,642	29,464	97,829
Trade notes and accounts receivable	231,030	252,441	(21,410)	225,918
Inventories	143,414	137,754	5,659	145,274
Others	43,809	55,302	(11,492)	58,172
FIXED ASSETS	620,188	614,556	5,632	575,307
Property, plant & equipment	481,938	474,264	7,673	458,010
Intangible assets	9,342	9,177	165	7,282
Investments & other assets	128,907	131,114	(2,207)	110,014
Securities-Investment	93,746	95,229	(1,482)	66,723
Long-term loans receivable	15,423	15,404	18	22,455
Others	19,737	20,480	(742)	20,834
TOTAL ASSETS	1,176,549	1,168,697	7,851	1,102,502
[LIABILITIES]				
CURRENT LIABILITIES	491,477	497,260	(5,783)	528,945
Trade notes and accounts payable	294,214	297,370	(3,155)	270,398
Short-term borrowings	84,555	91,971	(7,416)	141,863
Current maturities of bonds	3,020	-	3,020	-
Others	109,687	107,918	1,768	116,682
LONG-TERM LIABILITIES	396,523	400,269	(3,745)	372,503
Bonds	50,000	52,870	(2,870)	12,634
Long-term debt	203,646	204,818	(1,171)	227,932
Accrued retirement and severance benefits	62,233	62,257	(24)	60,897
Deferred income tax related to land revaluation	55,827	55,827	-	49,571
Others	24,816	24,496	320	21,467
TOTAL LIABILITIES	888,000	897,529	(9,528)	901,448
[MINORITY INTEREST]				
Minority Interest	-	26,816	(26,816)	15,636
[SHAREHOLDERS' EQUITY]				
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)	20,749
Variance of land revaluation	-	74,138	(74,138)	77,791
Unrealized holding gain on securities	-	15,014	(15,014)	8,021
Foreign currency translation adjustment	-	(4,334)	4,334	(11,969)
Treasury stock	-	(229)	229	(227)
TOTAL SHAREHOLDERS' EQUITY	-	244,350	(244,350)	185,418
TOTAL LIABILITIES & MINORITY INTEREST & SHAREHOLDERS' EQUITY	-	1,168,697	(1,168,697)	1,102,502
[Net Assets]				
Shareholder's equity	173,561	-	173,561	-
Common stock and preferred stock	40,644	-	40,644	-
Capital surplus	50,427	-	50,427	-
Retained earnings	82,728	-	82,728	-
Treasury stock	(239)	-	(239)	-
Variance of revaluation	85,401	-	85,401	-
Unrealized holding gain on securities	12,500	-	12,500	-
Deferred gain and loss from hedging	150	-	150	-
Variance of land revaluation	74,138	-	74,138	-
Foreign currency translation adjustment	(1,388)	-	(1,388)	-
Minority Interest	29,585	-	29,585	-
TOTAL NET ASSETS	288,548	-	288,548	-
TOTAL LIABILITIES & NET ASSETS	1,176,549	-	1,176,549	-

Note: Fraction less than million omitted.

Sales by Segments

(Fraction less than million omitted)

	FY2007 Q1 (Apr.-Jun. '06)		FY2006 Q1 (Apr.-Jun. '05)		Changes	
	Units	In million yen	Units	In million yen	Units	In million yen
Japan	6,945	49,087	5,863	42,918	1,082	6,168
Overseas	4,981	18,151	4,850	15,855	131	2,295
Heavy/Medium Duty Total	11,926	67,238	10,713	58,773	1,213	8,464
Japan	15,848	42,137	12,319	32,595	3,529	9,542
Overseas	82,838	122,750	75,585	107,840	7,253	14,910
Light Duty Total	98,686	164,888	87,904	140,435	10,782	24,452
Japan	22,793	91,225	18,182	75,513	4,611	15,711
Overseas	87,819	140,901	80,435	123,695	7,384	17,206
Vehicle Total	110,612	232,127	98,617	199,209	11,995	32,917
Overseas	-	16,999	-	16,477	-	521
Overseas production parts	-	16,999	-	16,477	-	521
Japan	-	9,955	-	7,428	-	2,526
Overseas	-	45,197	-	52,223	-	(7,026)
Engine/componets	-	55,152	-	59,652	-	(4,500)
Japan	-	65,318	-	55,031	-	10,286
Overseas	-	26,356	-	24,927	-	1,429
Others	-	91,675	-	79,958	-	11,716
Japan	-	166,498	-	137,973	-	28,525
Overseas	-	229,455	-	217,324	-	12,130
Net Sales	-	395,953	-	355,298	-	40,655

Note: Consumption tax levied in Japan not included.