

# FY2011 Third Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2010 through December 31, 2010)

English Translation of the Original Japanese-Language Document



February 8, 2011

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  
 Contact : Naruhito Furuta, General manager,  
 General Affairs & HR Department Tel. (03) 5471 - 1141  
 Scheduled date for submission of quarterly financial statements : February 10, 2011  
 Expected starting date for distribution of cash dividends : -  
 The additional materials of the quarterly financial results : Yes  
 Holding of the quarterly financial results meeting : Yes (for investment analysts and institutional investors)

(Amounts are rounded down to the nearest million yen.)

## 1. Consolidated Financial Highlights (April 1, 2010 through December 31, 2010)

### <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	%
FY2011 3rd Quarter	1,070,350	47.0	69,287	-	71,209	-	47,095	-
FY2010 3rd Quarter	727,886	(39.3)	(5,667)	-	(7,663)	-	(16,550)	-

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2011 3rd Quarter	27.79	-
FY2010 3rd Quarter	(9.77)	-

### <2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2011 3rd Quarter	1,131,916	382,084	28.7	191.74
FY2010	1,110,383	354,534	26.8	175.62

[Note] Total Amount of Shareholders' Equity  
 FY2011 3rd Quarter 324,893 millions of yen  
 FY2010 297,593 millions of yen

## 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2010	-	0.00	-	3.00	3.00
FY2011	-	2.00	-	-	-
FY2011 (Forecast)	-	-	-	2.00	4.00

[Note] Revision to the projected dividend for FY2011: None

## 3. Consolidated Forecast for FY2011 (April 1, 2010 through March 31, 2011)

(% 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	1,430,000	32.3	80,000	626.6	80,000	602.1	52,000	519.0	30.69

[Note] Revision to Consolidated Forecast for FY2011: No

#### 4. Others

<1> Changes in significant subsidiaries during this period : None

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Adoption of simplified methods of accounting and

specific accounting methods of quarterly consolidated financial statements : Adopted

(Note) This item indicates whether there was adoption of simplified methods of accounting and specific accounting methods for presenting quarterly consolidated financial statements.

<3> Changes in accounting policies, procedures and disclosures

Changes due to revisions of accounting standards : Adopted

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

(Note) This item indicates whether there were changes in accounting policies, procedures and disclosures for presenting quarterly consolidated financial statements.

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2011 3rd Quarter	1,696,845,339	Shares
at the end of the term (inclusive of treasury stock)	FY2010	1,696,845,339	Shares
Number of treasury stock at the end of the term	FY2011 3rd Quarter	2,432,365	Shares
	FY2010	2,355,667	Shares
Average number of stocks issued	FY2011 3rd Quarter	1,694,462,831	Shares
	FY2010 3rd Quarter	1,694,543,074	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

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.

## CONSOLIDATED QUARTERLY BALANCE SHEETS

(millions of yen)

	December 31, 2010	March 31, 2010
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	183,663	155,820
Notes and accounts receivable-trade	179,027	188,108
Merchandise and finished goods	66,738	67,561
Work in process	8,379	7,437
Raw materials and supplies	38,482	31,439
Deferred tax assets	17,546	18,285
Other	29,459	20,230
Allowance for doubtful accounts	(1,058)	(1,166)
<b>Total Current Assets</b>	<b>522,237</b>	<b>487,715</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	107,086	110,425
Machinery, equipment and vehicles, net	81,882	86,335
Land	269,952	269,558
Lease assets, net	7,799	6,996
Construction in progress	15,643	15,268
Other, net	7,975	9,142
<b>Total Property, Plant and Equipment</b>	<b>490,340</b>	<b>497,726</b>
<b>Intangible assets</b>		
Other	7,495	8,532
<b>Total Intangible Assets</b>	<b>7,495</b>	<b>8,532</b>
<b>Investments and other assets</b>		
Investment securities	85,039	87,386
Long-term loans receivable	3,849	4,149
Deferred tax assets	9,451	9,637
Other	19,043	23,434
Allowance for doubtful accounts	(5,540)	(8,198)
<b>Total Investments and Other Assets</b>	<b>111,843</b>	<b>116,408</b>
<b>Total Non-Current Assets</b>	<b>609,679</b>	<b>622,668</b>
<b>TOTAL ASSETS</b>	<b>1,131,916</b>	<b>1,110,383</b>

**CONSOLIDATED QUARTERLY BALANCE SHEETS**

(millions of yen)

	<b>December 31, 2010</b>	March 31, 2010
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable-trade	252,852	237,361
Short-term loans payable	62,691	67,355
Current portion of bonds	-	20,000
Lease obligations	2,480	2,494
Income taxes payable	6,457	6,406
Accrued expenses	32,861	33,705
Provision for bonuses	6,536	11,778
Provision for product warranties	2,144	2,483
Deposits received	4,716	4,288
Other	15,051	16,040
<b>Total Current Liabilities</b>	<b>385,792</b>	<b>401,913</b>
<b>NON-CURRENT LIABILITIES</b>		
Bonds payable	23,000	23,000
Long-term loans payable	201,699	197,138
Lease obligations	6,332	5,026
Deferred tax liabilities	3,828	3,337
Deferred tax liabilities for land revaluation	55,764	55,818
Provision for retirement benefits	63,822	61,367
Long-term deposits received	1,306	1,252
Negative goodwill	301	373
Other	7,983	6,620
<b>Total Non-Current Liabilities</b>	<b>364,039</b>	<b>353,935</b>
<b>TOTAL LIABILITIES</b>	<b>749,831</b>	<b>755,849</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	40,644	40,644
Capital surplus	50,427	50,427
Retained earnings	192,308	153,663
Treasury stock	(631)	(599)
<b>Total Shareholders' Equity</b>	<b>282,749</b>	<b>244,136</b>
<b>VALUATION AND TRANSLATION ADJUSTMENTS</b>		
Valuation difference on available-for-sale securities	3,457	3,327
Deferred gains or losses on hedges	61	(151)
Revaluation reserve for land	73,315	73,340
Foreign currency translation adjustment	(34,689)	(23,059)
<b>Total Valuation and Translation Adjustments</b>	<b>42,144</b>	<b>53,456</b>
<b>MINORITY INTERESTS</b>	<b>57,191</b>	<b>56,941</b>
<b>TOTAL NET ASSETS</b>	<b>382,084</b>	<b>354,534</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,131,916</b>	<b>1,110,383</b>

**CONSOLIDATED QUARTERLY STATEMENTS OF INCOME**

(millions of yen)

	FY2010 3rd Quarter	FY2011 3rd Quarter
<b>Net sales</b>	<b>727,886</b>	<b>1,070,350</b>
<b>Cost of sales</b>	<b>654,661</b>	<b>919,164</b>
<b>GROSS PROFIT</b>	<b>73,224</b>	<b>151,186</b>
<b>Selling, general and administrative expenses</b>	<b>78,892</b>	<b>81,899</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(5,667)</b>	<b>69,287</b>
<b>Non-operating income</b>		
Interest income	812	778
Dividends income	312	472
Amortization of negative goodwill	67	72
Equity in earnings of affiliates	1,432	6,106
Other	2,874	1,319
<b>Total non-operating income</b>	<b>5,500</b>	<b>8,749</b>
<b>Non-operating expenses</b>		
Interest expenses	4,861	3,789
Litigation settlement	776	841
Other	1,858	2,195
<b>Total non-operating expenses</b>	<b>7,496</b>	<b>6,827</b>
<b>ORDINARY INCOME (LOSS)</b>	<b>(7,663)</b>	<b>71,209</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	235	251
Gain on negative goodwill	-	842
Reversal of allowance for doubtful accounts	-	577
Other	166	364
<b>Total extraordinary income</b>	<b>401</b>	<b>2,034</b>
<b>Extraordinary loss</b>		
Loss on disposal of non-current assets	533	728
Impairment loss	770	134
Environmental expenses	-	3,427
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	528
Other	520	303
<b>Total extraordinary losses</b>	<b>1,824</b>	<b>5,122</b>
<b>INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>(9,087)</b>	<b>68,122</b>
<b>Income taxes</b>	<b>4,789</b>	<b>14,583</b>
<b>Income before minority interests</b>	<b>-</b>	<b>53,538</b>
<b>Minority interests in income</b>	<b>2,673</b>	<b>6,443</b>
<b>NET INCOME (LOSS)</b>	<b>(16,550)</b>	<b>47,095</b>

## CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(millions of yen)

	FY2010 3rd Quarter	FY2011 3rd Quarter
<b>Cash Flows from Operating Activities</b>		
Income (loss) before income taxes and minority interests	(9,087)	68,122
Depreciation and amortization	29,838	27,385
Amortization of negative goodwill	(67)	(72)
Equity in (earnings) losses of affiliates	(1,432)	(6,106)
Increase (decrease) in provision for retirement benefits	2,739	2,450
Increase (decrease) in provision for product warranties	(1,084)	(234)
Increase (decrease) in provision for bonuses	(4,725)	(5,269)
Increase (decrease) in allowance for doubtful accounts	(148)	(535)
Interest and dividends income	(1,125)	(1,251)
Interest expenses	4,861	3,789
Loss (gain) on sales of non-current assets	(235)	(251)
Loss (gain) on disposal of non-current assets	533	728
Impairment loss	770	134
Other extraordinary loss (income)	201	3,291
Decrease (increase) in notes and accounts receivable-trade	(20,426)	5,722
Decrease (increase) in inventories	884	(8,851)
Decrease (increase) in other current assets	2,189	(2,675)
Increase (decrease) in notes and accounts payable-trade	46,720	18,589
Increase (decrease) in accrued expenses	(5,346)	(2,865)
Increase (decrease) in deposits received	1,123	492
Increase (decrease) in other liabilities	2,416	747
Other, net	96	149
(Subtotal)	48,697	103,491
Interest and dividends income received	4,949	5,652
Interest expenses paid	(4,353)	(3,609)
Income taxes paid	(5,376)	(13,424)
Net Cash Provided by (Used in) Operating Activities	<b>43,916</b>	<b>92,110</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investment securities	(29)	(1,319)
Proceeds from sales of investment securities	4	11
Purchase of non-current assets	(29,537)	(19,530)
Proceeds from sales of non-current assets	2,621	763
Payments of long-term loans receivable	(134)	(38)
Collection of long-term loans receivable	64	208
Decrease (increase) in short-term loans receivable	(133)	(285)
Decrease (increase) in time deposits	(8)	(74)
Payments for investments in capital of subsidiaries and affiliates	(1,233)	-
Other, net	(191)	564
Net Cash Provided by (Used in) Investing Activities	<b>(28,576)</b>	<b>(19,702)</b>
<b>Cash Flows from Financing Activities</b>		
Net increase (decrease) in short-term loans payable	(15,113)	(1,660)
Proceeds from long-term loans payable	76,509	40,670
Repayment of long-term loans payable	(37,062)	(40,610)
Redemption of bonds	-	(20,000)
Proceeds from stock issuance to minority shareholders	-	58
Repayments of lease obligations	(1,130)	(1,359)
Purchase of treasury stock	(7)	(19)
Cash dividends paid	(22)	(8,160)
Cash dividends paid to minority shareholders	(575)	(2,312)
Net Cash Provided by (Used in) Financing Activities	<b>22,595</b>	<b>(33,394)</b>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<b>140</b>	<b>(4,639)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>38,075</b>	<b>34,374</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>116,198</b>	<b>156,198</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>154,274</b>	<b>190,573</b>

<Overseas Sales>

Previous 3rd Quarter (April 1, 2009 through December 31, 2009)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	41,595	230,700	158,494	430,790
2 Consolidated sales	-	-	-	727,886
3 Overseas sales per Consolidated sales	% 5.7	% 31.7	% 21.8	% 59.2

Current 3rd Quarter (April 1, 2010 through December 31, 2010)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	48,245	365,927	284,798	698,972
2 Consolidated sales	-	-	-	1,070,350
3 Overseas sales per Consolidated sales	% 4.5	% 34.2	% 26.6	% 65.3

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.