

Please note that the following English translation of the original Japanese version is for reference only.
In the case of any discrepancy between the translation and the original Japanese version, the latter shall prevail.

ISUZU MOTORS LIMITED

Securities Identification Code: 7202

Yoshinori Ida, President

26-1, 6-chome, Minami-Oi,

Shinagawa-ku, Tokyo

June 8, 2007

To Our Shareholders

NOTICE OF CONVOCAION OF THE 105TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 105th Annual General Meeting of Shareholders of our Company, which will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights by either of the following methods. Please refer to the attached Reference Material for the General Meeting of Shareholders and cast your vote.

Voting via Postal Mail

Please indicate your consent or dissent on the Voting Rights Exercise Form enclosed herewith, and return the form to us to arrive no later than 5:30 p.m. on Wednesday, June 27, 2007.

Voting via the Internet

Please access our voting website (<http://www.evotep.jp/>) with a personal computer or cellular phone, and use the log-in ID and temporary password shown on the enclosed Voting Rights Exercise Form. Follow the on-screen instructions to indicate your consent or dissent no later than 5:30 p.m. on Wednesday, June 27, 2007. Please also refer to the "Guide to Exercising Voting Rights via the Internet" on page 3.

- 1. Date & Time:** Thursday, June 28, 2007 at 10 a.m.
- 2. Venue:** ISUZU Hall
Second Floor, Oomori Bell Port A,
26-1, 6-chome, Minami-Oi, Shinagawa-ku, Tokyo
ISUZU MOTORS LIMITED
(See the attached guide map)

3. Agenda of the Meeting

Matters to be Reported

1. Details of the Business Report and the Consolidated Financial Statements, and results of the audit on the consolidated financial statements by the Independent Auditors and the Board of Corporate Auditors for the 105th Term (from April 1, 2006 to March 31, 2007).
2. Report on the Financial Statements for the 105th Term (from April 1, 2006 to March 31, 2007).

Matters to be Resolved

- Proposal 1 Appropriation of retained earnings
Proposal 2 Acquisition of treasury shares
Proposal 3 Election of seven (7) directors
Proposal 4 Election of one (1) corporate auditor

4. Items Relating to the Meeting

- 1) Votes that do not indicate approval or disapproval
If you do not indicate your approval or disapproval of a proposal in your vote, we will assume that you have voted in favor.
- 2) Multiple exercise of voting rights
 - i) If you cast multiple votes by using both the postal Exercise Form and the Internet Voting Rights Exercise site, we will deem your Internet vote to be effective.
 - ii) You can repeatedly cast your vote on the Internet site (to re-vote or make a correction). In this case, we will deem the last vote you cast to be effective, whether from a personal computer or a cellular phone.
- 3) Proxy exercise of voting rights
If you cannot attend the General Meeting of Shareholders, you can delegate the exercise of your voting rights to another shareholder of this Company, as a proxy, who also owns voting rights. In this case, you are requested to submit a written power of attorney to the Company.

Notes:

1. If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the venue's reception.
2. If we need to revise the Reference Material for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Financial Statements, we will post the revised content on the Company's website (<http://www.isuzu.co.jp/investor/soukai/index.html>).

Guide to Exercising Voting Rights via the Internet

1) Website for exercising voting rights

You can only exercise your voting rights via the Internet by accessing and using the Company's designated website (<http://www.evote.jp/>) from a personal computer or a cellular phone (i-mode, EZweb, or Yahoo! Keitai). Please note that the website is not available from 2 a.m. to 5 a.m. every day. ("i-mode" is a trademark or registered trademark of NTT DoCoMo, Inc.; "EZweb" of KDDI Corporation; and "Yahoo! Keitai" of Yahoo! Inc. in the U.S.)

2) How to exercise your voting rights via the Internet

i) When accessing the above-mentioned site for exercising voting rights from a personal computer, you will see a list of companies on the screen. If you select ISUZU MOTORS LIMITED from this list, the screen will change to the Internet Voting Rights Exercise site. Click "Exercise voting rights" to go to the "Electronic Identification" screen. When accessing the above-mentioned site for exercising voting rights from a cellular phone, you will see the "Voting Rights Exercise" screen. Click the "Log in" button to go to the "Electronic Identification" screen.

In both cases, please use the log-in ID and temporary password shown on the enclosed Voting Rights Exercise Form and cast your votes in accordance with the on-screen directions.

ii) To prevent improper access by persons (imposters) other than the shareholder or alteration of votes, you are asked to change the temporary password to a new one on the above-mentioned site.

iii) You will receive a new Log-in ID and a new temporary password with each convocation notice for a General Meeting of Shareholders.

iv) If you are unsure how to operate a personal computer to exercise your voting rights via the Internet, please contact the Help Desk on the number below.

3) Fees for accessing the Voting Rights Exercise site

Fees for accessing the Voting Rights Exercise site (including the Internet provider's connection fee and a telephone fee) shall be borne by the shareholder. If you use a cellular phone, fees such as packet communication fees and other fees for cellular phone use shall also be borne by the shareholder.

4) System specifications for executing voting rights via the Internet

i) Please note that if you use a firewall, have antivirus software installed, or use a proxy server etc., you may not be able to exercise your voting rights via the Internet from the Voting Rights Exercise site.

ii) To exercise your voting rights from a cellular phone, you must be able to use i-mode, EZweb, or Yahoo! Keitai. Additionally, your cellular phone must be able to send SSL encrypted communication and transmit information about itself. Therefore, you may not be able to vote from your cellular phone depending on the model and its functions.

<p>If you have any questions about computer systems or other issues, please contact: (Help Desk) Transfer Agent Dept., Mitsubishi UFJ Trust and Banking Corporation Tel.: 0120-173-027 (from 09:00 to 21:00, toll free)</p>

Business Report **(April 1, 2006 to March 31, 2007)**

1. Current Conditions of the Corporate Group

1) Business Progress and Results of the Current Consolidated Fiscal Year

(including the status of fund raising and capital investments)

Business Progress

In the current consolidated fiscal year the Japanese economy has been boosted by increases in corporate capital investment and employment, while continuing its steady recovery. Meanwhile, the US and Asian economies have shown strong growth.

In the domestic truck market, demand from purchases to conform to new NOx (nitrogen oxide) and PM (particulate matter) regulations began to peak in the latter half of the current consolidated fiscal year, but compared with the previous fiscal year, overall demand declined. In overseas markets, sales became brisker particularly in resource-rich countries in Africa and Central and South America.

Amid these conditions, our Corporate Group has been striving to strengthen our business structure and develop new products in the second year of our Mid-term Business Plan (formulated in 2004 and continuing until March 2008) with the aim of establishing a firm corporate foundation for continued future growth.

Among the products for the domestic market introduced in the current consolidated fiscal year, the ELF, a light-duty truck that has been a mainstay product of the Group, underwent its first full model change in thirteen years. In undertaking this full model change, we thoroughly examined the product's safety, economy, and environmental friendliness from a global perspective, with the aim of making a truck that can compete in the global marketplace, in line with our SEE GLOBAL concept, while thinking of our light- and medium-duty trucks as one group.

In developing the new ELF, the sixth model since its arrival in 1959, we took into account major recent changes in the light-duty truck market environment, including the tightening of environment regulations, revisions to the licensing system, increases in accidents and thefts, and the growing importance of vehicle operation control. Considering the truck as a "transport tool" for the future, we have established three new value goals: (1) produce an energy-saving vehicle for a new era in

emissions standards, (2) enhance safety and security and (3) design a vehicle ideally suited for the new ordinary license requirements.

In addition, all our GIGA heavy-duty trucks and GALA heavy-duty sightseeing buses and some of our ERGA heavy-duty transit buses are marketed as vehicles that meet the new long-term emissions standards, and qualify as low-emission heavy-duty vehicles. Also, some of the GIGA, GALA, and ERGA models meet the 2015 fuel economy standard for heavy-duty vehicles. For the overseas market, we have started marketing a new model of the DMAX 1-ton pickup truck in Thailand.

In the area of business development, as part of our efforts to strengthen our long-term revenue base in our domestic sales business, while improving customer service, we have launched, together with ITOCHU Corporation (Itochu) the joint venture Isuzu Network Co., Ltd., with the Company taking a 75 percent and Itochu a 25 percent stake, aimed at improving our service system so that we can fully respond to the needs of our customers throughout the life cycle of the vehicle, that is from the customer's purchase of the vehicle through its replacement or disposal. We have transferred the stock of 15 domestic sales subsidiaries and 3 subsidiaries in domestic sales-related businesses to Isuzu Network. Isuzu Network has unified the vehicle life-cycle businesses previously conducted by individual subsidiaries, while intensively managing their real estate and supporting their efforts to improve management efficiency.

Also, in Thailand we have completed the buildup of pickup truck production capacity of Isuzu Motors Co., (Thailand) Ltd., which we had been engaged in since the previous consolidated fiscal year. The local production base is now able to supply 350,000 units annually. Furthermore, together with General Motors Corporation, we have launched LCV Platform Engineering Corporation, a company that conducts planning and management activities related to joint development projects, with the aim of reducing the development costs for the platforms of our next-generation pickup trucks and their derivatives, as well as providing supplemental know-how concerning those derivatives. In Europe, we have been working to strengthen our development system, such as raising our stake in Isuzu Motors Germany GmbH from about 43 percent to 100 percent, with the goal of improving the development of diesel engines for the European market.

In addition, we have agreed with Toyota Motor Corporation (Toyota) to investigate proposals for business cooperation that will utilize our joint management resources in development and production, while creating a framework for coordinating our efforts on the technological front and developing mutual synergies. In November 2006, in line with this agreement, Toyota acquired 100 million shares of our common stock from Mitsubishi Corporation and Itochu to better promote business tie-ups between our Company and Toyota.

Our Company has been at the forefront of the Group in raising capital during the current consolidated

fiscal year. In particular, we raised 15.7 billion yen in syndicate loans earmarked for capital investment. Our Company also led other companies in capital expenditure for the Corporate Group, which totaled 47.9 billion yen. Capital investment is continuing in, among other things, new product development and production lines to meet emission and other regulations, as well as vehicle and engine assembly facilities in Thailand.

Business Results

The sales volume of domestic vehicles during the consolidated fiscal year decreased by 1,373 units (1.4%) to 96,801 units from the previous consolidated fiscal year, after the demand from purchases to conform to new NOx and PM regulations reached a peak. Total overseas sales amounted to 371,500 units, or an increase of 23,390 units (6.7%) from the previous consolidated fiscal year, driven by our efforts to enhance overseas sales organization leading to increased sales of light-duty trucks in the Middle East and South America. As a result, the total sales volume in the domestic and overseas markets combined, showed an increase of 22,017 units (4.9%), amounting to 468,301 vehicles.

Sales of other products included exports of parts for overseas assembly, which increased for South America and Africa, and amounted to 76.5 billion yen in total, an increase of 10.7 billion yen (16.3%) from the previous consolidated fiscal year. Engine component shipments increased 5.8 billion yen (2.8%) from the previous fiscal year to 213.5 billion yen, in response to the brisk sales of off-highway engines in Japan.

Consequently, sales increased by 81 billion yen (5.1%) from the previous consolidated fiscal year to 1 trillion 662.9 billion yen. The geographic breakdown of the sales is 694.6 billion yen (up 1.4% from the previous year) for the domestic market and 968.2 billion yen (up 8.0%) for overseas markets.

The table below shows the sales volume and value according to product.

Product line		Sales volume (units)	Sales amount (billion yen)
Vehicles	Heavy-duty (and medium-duty) vehicles	56,574	336.0
	Light-duty vehicles and others	411,727	705.3
	Subtotal	468,301	1,041.3
Offshore assembly KD parts		—	76.5
Engines and components		—	213.5
Service parts and others		—	331.4
Total		—	1,662.9

Looking at profit and loss results, the Group reduced material and other costs and increased sales, resulting in an increase in operating income of 16.3 billion yen (18.0%) from the previous consolidated

fiscal year to 106.9 billion yen, and an increase in ordinary income of 20.8 billion yen (22.2%) to 114.6 billion yen. Compared with the previous consolidated fiscal year when there were extraordinary warranty expenses, losses in association with the scrapping of the old Kawasaki Plant and increased tax burdens for overseas companies, in the current year some of the Group's subsidiaries generated gains from the return of the substituted portion of the employees' pension fund to the government. Overall, the Group's net income in the current fiscal year increased 33.4 billion yen (56.7%) to 92.3 billion yen. Both operating income and ordinary income continued to set new records from the previous fiscal year, and net income also hit the highest level in the Group's history.

NOTE: Amounts have been rounded down to the nearest 100 million yen. Percentages are rounded to two decimal places.

2) Issues to Be Addressed by the Corporate Group

In the outlook for the domestic economy, we see strong growth in the corporate sector, as well as continuing economic recovery supported by consumer demand. Overseas, we believe that the Asian economy will continue to strengthen. At the same time, we cannot neglect negative factors that may impact the overall picture, including high crude oil prices and concerns about a US economic downturn.

In the domestic truck market, we predict that demand from replacement purchases prompted by new regulations, having already peaked, will slow down. We realize that the environment surrounding our business will continue to be severe, including higher raw material costs and expenses for safety and environmental measures, as well as intensifying competition in the domestic and foreign market.

Faced with these difficult conditions, as well as delays in addressing some of our issues, as we enter the final year of the Mid-term Business Plan, we have succeeded in building a management base that is strong enough to withstand external (environmental) factors, and have already achieved our business objectives a year ahead of schedule. Our Group will continue to solidify its corporate base, primarily by addressing the remaining tasks of the Mid-term Business Plan. At the same time, we are devoting more effort to quality management and improvement, as well as to our compliance system.

We hope that all our shareholders will continue to give us their unflagging encouragement and support.

3) Assets and Earnings in the Current and Past Three Terms

The assets and earnings in the current 105th Term (FY2007) and the past three terms (FY2004 to FY2006) are as follows:

i) Changes in assets and earnings of the Corporate Group

Category	102 nd Term (Ended March 2004)	103 rd Term (Ended March 2005)	104 th Term (Ended March 2006)	105 th Term (Ended March 2007)
Net Sales (millions of yen)	1,430,339	1,493,567	1,581,857	1,662,925
Ordinary Income (millions of yen)	81,678	91,555	93,843	114,697
Net Income (millions of yen)	54,713	60,037	58,956	92,394
Net Income per Share (yen)	72.37	56.64	48.75	64.83
Net Assets (millions of yen)	109,753	158,463	244,350	389,061
Net Assets per Share (yen)	11.12	81.53	152.05	177.68
Total Assets (millions of yen)	1,077,816	1,142,580	1,168,697	1,232,181

- NOTES:
- Effective the 105th term (FY2007), the Company adopted "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5 dated December 9, 2005) and "Guidelines on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ABSJ Guidance No. 8 dated December 9, 2005).
 - Amounts of net sales, ordinary income, net income, net assets and total assets have been rounded down to the nearest 1 million.
 - The net income per share for the 102nd term is indicated by dividing the net income net of "the accounts not belonging to common stockholders" by the average number of the outstanding common shares (minus treasury shares) during the term. From the 103rd term, when we were able to pay dividends, we have obtained the net income per share by dividing the net income net of the "the accounts not belonging to common stockholders" by a total sum of the average number of the outstanding common shares (minus treasury shares) during the term and the additional number of common shares, as calculated by "if-converted" method for "conversional participating shares". Amounts have been rounded to the nearest 1/100 of a yen.
- Net assets per share are indicated by dividing the net assets at the end of the fiscal term (net of the amount obtained by multiplying "the number of outstanding preferred shares" by "issue price," and minus "dividends for preferred stocks" and "term-end minority interest") by the number of outstanding common shares (minus treasury shares) at term-end. Amounts have been rounded to the nearest 1/100 of a yen.

ii) Changes in assets and earnings of the Company

Category	102 nd Term (Ended March 2004)	103 rd Term (Ended March 2005)	104 th Term (Ended March 2006)	105 th Term (Ended March 2007)
Net Sales (millions of yen)	890,336	880,072	917,895	973,884
Ordinary Income (millions of yen)	57,561	53,907	64,149	68,273
Net Income (millions of yen)	38,857	27,019	46,476	68,325
Net Income per Share (yen)	51.28	25.18	38.31	47.87
Net Assets (millions of yen)	151,722	169,353	231,289	292,807
Net Assets per Share (yen)	58.94	91.67	140.56	148.62
Total Assets (millions of yen)	808,674	812,521	867,698	899,783

- NOTES:
- Effective the 105th term (FY2007), the Company adopted "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5 dated December 9, 2005) and "Guidelines on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ABSJ Guidance No. 8 dated December 9, 2005).
 - Amounts of net sales, ordinary income, net income, net assets, and total assets have been rounded down to the nearest 1 million yen..
 - The net income per share for the 102nd term is indicated by dividing the net income net of "the accounts not belonging to common stockholders" by the average number of the outstanding common shares (minus treasury shares) during the term. From the 103rd term, when we were able to pay dividends, we have obtained the net income per share by dividing the net income net of the "the accounts not belonging to common stockholders" by a total sum of the average number of the outstanding common shares (minus treasury shares) during the term and the additional number of common shares, as calculated by "if-converted" method for "conversional participating shares". Amounts have been rounded to the nearest 1/100 of a yen.
Net assets per share are indicated by dividing the net assets at the end of the fiscal term (net of the amount obtained by multiplying "the number of outstanding preferred shares" by "issue price," and minus "dividends for preferred stocks") by the number of outstanding common shares (minus treasury shares) at term-end. Amounts have been rounded to the nearest 1/100 of a yen.

4) Principal Subsidiaries (as of March 31, 2007)

The 13 major subsidiaries out of a total of 93 are listed below:

Company	Capital	% of shares held by the Company	Main Operations
Isuzu Network Co., Ltd.	Millions of yen 23,525	75.00	Vehicle lifecycle business
Isuzu Motors Kinki Co., Ltd.	Millions of yen 6,000	75.00 (75.00)	Selling vehicles
Isuzu Motors Tokai Co., Ltd.	Millions of yen 4,340	75.00 (75.00)	Selling vehicles
Kanagawa Isuzu Motors Ltd.	Millions of yen 4,000	75.00 (75.00)	Selling vehicles
Tokyo Isuzu Motors Ltd.	Millions of yen 2,270	75.00 (75.00)	Selling vehicles
Automobile Foundry Co. Ltd.	Millions of yen 1,480	54.91	Casting, machining, and selling automotive parts
Isuzu LINEX Corporation	Millions of yen 800	100.00	Warehousing and transportation
Isuzu Motors America, Inc.	Thousands of US\$ 406,738	100.00	Selling vehicles
Isuzu Motors Asia Ltd.	Thousands of US\$ 187,272	100.00	Importing and selling parts for vehicle production
Isuzu Commercial Truck of America, Inc.	Thousands of US\$ 25	80.00	Importing and selling vehicles
Isuzu Motors Co., (Thailand) Ltd.	Millions of baht 8,500	71.15 (64.43)	Producing and selling vehicles
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Millions of baht 1,025	80.00 (78.60)	Producing and selling engines
Isuzu Australia Limited	Thousands of A\$ 47,000	100.00	Importing and selling vehicles

- NOTES:
1. The numerals in parentheses indicate percentage of shares indirectly held by the Company and is included in the total number of shares held by the Company.
 2. Amounts have been rounded down to the nearest US\$1,000.
 3. On February 2, 2007, the Company sold the shares it owned in our 15 domestic sales companies and three other companies specializing in operations related to sales to Isuzu Network Co., Ltd. On April 2, 2007, eleven of the domestic sales companies whose shares came to be owned by Isuzu Network Co., Ltd. underwent corporate divestiture procedures and divided their respective companies into a "sales operation company" specializing in the vehicle sales business and an "asset management company" aimed at optimizing service bases. On July 1, 2007, we also plan to integrate the eleven asset management companies following the above corporate divestiture procedures into Isuzu Network Co., Ltd. by means of merger by absorption in which Isuzu Network Co., Ltd. will become the surviving company, and will manage assets for the respective sales companies.
 4. On April 1, 2007, with a view to combining technology, know-how and resources, accelerating development, and enhancing production engineering capabilities, Automobile Foundry Co., Ltd. absorbed Isuzu Castec Corporation and JIK Material Corporation, which were both its wholly-owned subsidiaries, and the three companies became one with Automobile Foundry Co., Ltd. the surviving company under the new name "I Metal Technology Co., Ltd."

5) Major Operations (as of March 31, 2007)

Our Corporate Group principally manufactures and sells vehicles, parts, and industrial engines. It also deploys logistics and various other services relating to these products.

Category			Main Products
Vehicles	Heavy-duty (and medium-duty) vehicles	Truck	Heavy-duty trucks (Giga series) Medium-duty trucks (Forward series)
		Bus	Sightseeing bus (Gala series) Transit bus (Erga series)
	Light-duty vehicles	Truck	Elf series, Como, D-Max
		Bus	Journey
Parts for overseas production			KD units and parts for overseas production
Engines & components			Industrial engines, components (such as engines, transaxles, and transmissions)
Service parts & accessories			Parts, components, and options & accessories for repair and service

Note: Giga, Forward, Gala, Erga, Como, and Journey are brand names for Japan, while D-Max is a brand name for Thailand.

6) Major Operation Bases and Plants (as of March 31, 2007)

Name of Operations	Location
Head Office	Shinagawa-ku, Tokyo
Tochigi Plant	Ohira, Shimotsuga-gun, Tochigi Prefecture
Fujisawa Plant	Fujisawa City, Kanagawa Prefecture
Isuzu Network Co., Ltd.	Shinagawa-ku, Tokyo
Isuzu Motors Kinki Co., Ltd.	Moriguchi City, Osaka Prefecture
Isuzu Motors Tokai Co., Ltd.	Nagoya City, Aichi Prefecture
Kanagawa Isuzu Motors Limited	Yokohama City, Kanagawa Prefecture
Tokyo Isuzu Motors Limited	Suginami-ku, Tokyo
Automobile Foundry Co., Ltd.	Tsuchiura City, Ibaraki Prefecture
Isuzu LINEX Corporation	Shinagawa-ku, Tokyo
Isuzu Motors America, Inc.	Cerritos, California, USA
Isuzu Motors Asia Limited	Temasek Boulevard, Singapore
Isuzu Commercial Truck of America Inc.	Cerritos, California, USA
Isuzu Motors Co., (Thailand) Ltd.	Phrapradaeng, Samptprakan, Thailand
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Bangkok, Thailand
Isuzu Australia Limited	Melbourne, Victoria, Australia

7) Employees (as of March 31, 2007)

i) Employees of the Corporate Group

No. of Employees	Increase from March 31, 2006
23,200 (5,334)	664

NOTE: The figure in parentheses, not included in total, is the average number of temporary workers for the current consolidated fiscal year. 'No. of Employees' is the workforce at work, which excludes employees seconded from the Group to outside organizations, but includes employees seconded from outside the Group as well as employees hired on a regular part-time basis (regular part-time employees). Temporary workers include seasonal workers, part-time workers, and temp employees dispatched by temp agencies, but exclude regular part-timers.

ii) Employees of the Company

No. of Employees	Increase from March 31, 2006	Average Age	Average Years of Service (years)
7,750 (1,879)	379	39.4	17.6

Note: The figure in parentheses, not included in total, is the average number of temporary workers for the current business term. 'No. of Employees' is the workforce at work, which excludes employees seconded from the Company to outside organizations, but includes employees seconded from outside the Company as well as employees hired on a regular part-time basis (regular part-time employees). Temporary workers include seasonal workers, part-time workers, and temp employees dispatched by temp agencies, but exclude regular part-timers.

8) Principal Creditor and Amount of Loan Payable (as of March 31, 2007)

Creditor	Amount payable
Syndicate of Mizuho Corporate Bank, Ltd. and other financial institutions	192,785 million yen

Note: Amounts have been rounded down to the nearest one million yen..

2. Current Conditions of the Company

1) Items relating to Shares (as of March 31, 2007)

- i) Total number of shares the Company is authorized to issue, total number of outstanding shares, and total number of shareholders:

Category	Number of shares the Company is authorized to issue	Outstanding shares	Number of shareholders
Common stock	3,369,000,000	1,696,845,339	77,380
Class I Preferred stock	37,500,000	0	0
Class III Preferred stock	25,000,000	25,000,000	1
Class IV Preferred stock	25,000,000	25,000,000	1

NOTE: The number of outstanding common shares increased during the current business term by 555,555,553 through the Class I preferred stock owner's exercise of stock acquisition rights. All 37,500,000 Class I preferred shares purchased as a result were then retired by the Company.

- ii) Major Shareholders
(Common Stock)

Shareholder	Isuzu shares owned by shareholders	
	No. of shares held (1,000 shares)	Ratio of shares held (%)
Mitsubishi Corporation	156,487	9.23
ITOCHU Corporation	130,098	7.67
The Master Trust Bank of Japan Ltd. (Trust Account)	120,128	7.08
Toyota Motor Corporation	100,000	5.90
Japan Trustee Services Bank, Ltd. (Trust Account)	90,158	5.32
Isuzu Partners Investment, L.P.	80,000	4.72
Trust & Custody Services Bank, Ltd. (Trust Account B)	42,397	2.50
Mizuho Corporate Bank, Ltd.	41,931	2.47
Mitsubishi UFJ Trust and Banking Corporation	35,538	2.10
Japan Trustee Services Bank, Ltd. (Trust Account 4).	21,280	1.25

NOTES: 1. Treasury stock (1,201,422 shares) is excluded from the calculation of equity ratio.

2. Amounts have been rounded down to the nearest 1,000 shares.

(Class III Preferred Stock)

Shareholder	Isuzu shares owned by shareholders	
	No. of shares held (1,000 shares)	% of shares held
Mizuho Corporate Bank, Ltd.	25,000	100

(Class IV Preferred Stock)

Shareholder	Isuzu shares owned by shareholders	
	No. of shares held (1,000 shares)	% of shares held
Mizuho Corporate Bank, Ltd.	25,000	100

2) New Share Subscription Rights, etc.

There are no relevant items.

3) Directors and Auditors of the Company

i) Directors and Auditors (as of March 31, 2007)

Position and Title	Name	Responsibilities and Primary Profession
President and Representative Director	Yoshinori Ida	
Executive Vice President and Director	Susumu Hosoi	Senior Division Executive of Corporate Administration Headquarters, Division Executive of International Business Division, Sales Headquarters
Executive Vice President and Director	Hiroshi Suzuki	Senior Division Executive of Sales Headquarters, Senior Division Executive of Program Planning Division
Executive Vice President and Director	Shigeki Toma	Senior Division Executive of Operations Headquarters, Senior Division Executive of Quality Assurance Division
Director	Ryozo Tsukioka	Deputy Senior Division Executive of Operations Headquarters, Division Executive of Program Planning Division
Director	Yoshio Kinouchi	Division Executive of Administration Division, Corporate Administration Headquarters
Director	Eizo Kawasaki	Division Executive of Japan Business Division, Powertrain Business Division, Sales Headquarters, Project Executive of International CV Sales Expansion Project, Executive of Business Control Dept. and Business Promotion Dept., Japan Business Division
Director	Goro Shintani	Division Executive of International Sales Division, Sales Headquarters
Director	Yoshihiro Tadaki	Division Executive of Purchasing Division, Operations Headquarters
Director	Naotoshi Tsutsumi	Division Executive of Manufacturing Division, Operations Headquarters
Director	Hirokichi Nadachi	
Standing Corporate Auditor	Michio Kamiya	
Standing Corporate Auditor	Kouji Yamaguchi	
Standing Corporate Auditor	Shigeaki Wakabayashi	
Corporate Auditor	Yasuharu Nagashima	Lawyer
Corporate Auditor	Susumu Tsuchida	

- NOTES:
1. Executive Vice President and Representative Director Basil N. Drossos resigned at the end of the 104th Annual General Meeting of Shareholders held on June 29, 2006.
 2. There are no outside directors on the Company's board.
 3. Corporate Auditors Shigeaki Wakabayashi, Yasuharu Nagashima, and Susumu Tsuchida are outside auditors.
 4. Important positions held by directors at other corporations during the current business term are as follows:
 - Director Yoshio Kinouchi concurrently serves as Chairman of the Isuzu Group Employee Health Insurance Association and Chairman of the Isuzu Motors Limited Pension Fund.
 - Director Hirokichi Nadachi concurrently serves as President and Representative Director of Isuzu Network Co., Ltd.
 5. Corporate Auditor Kouji Yamaguchi had served at our Company's Finance Division for many years, and has considerable expertise in finance and accounting.

ii) Total remuneration for Directors and Corporate Auditors

Category	Number of persons	Total remuneration (millions of yen)
Directors	11	452
Corporate Auditors (including outside auditors)	5 (3)	90 (40)
Total	16	543

NOTES:

1. The total amount of Directors' remuneration is limited to 64 million yen per month (excluding amounts paid as salaries for employees to those Directors who are also employees) by a resolution passed at the 86th Annual General Meeting of Shareholders held on January 30, 1989.
2. The total amount of Corporate Auditors' remuneration is limited to 10 million yen per month by a resolution passed at the 103rd Annual General Meeting of Shareholders held on June 29, 2005.
3. In addition to the amounts of remuneration cited above, based on a resolution passed at the 103rd Annual General Meeting of Shareholders held on June 29, 2005, the Company plans to pay following Directors' Retirement Gratuity:
 - Total of 51 million yen for two outgoing Directors
 - Total of 13 million yen for one outgoing Corporate Auditor

iii) Other important matters relating to the Company's Directors:

As of April 1, 2007, the Company changed responsibilities of Directors as follows:

Position and Title	Name	Responsibilities
Executive Vice President and Director	Susumu Hosoi	Supervisory Management Officer
Executive Vice President and Director	Hiroshi Suzuki	Supervisory Management Officer
Executive Vice President and Director	Shigeki Toma	Supervisory Management Officer
Director	Eizo Kawasaki	Division Executive of Administration Division and Powertrain Business Division
Director	Goro Shintani	Division Executive of International Sales Division
Director	Yoshihiro Tadaki	Division Executive of Purchasing Division
Director	Ryozo Tsukioka	Division Executive of Engineering Division
Director	Naotoshi Tsutsumi	Division Executive of Manufacturing Division
Director	Hirokichi Nadachi	Area Operations Executive, Europe Operations Control
Director	Yoshio Kinouchi	

NOTES:

1. On April 1, 2007, Director Hirokichi Nadachi resigned as President and Representative Director of Isuzu Network Co., Ltd. On the same day, Executive Vice President and Director Shigeki Toma became President and Representative Director of Isuzu Network Co., Ltd.
2. On May 1, 2007, Director Yoshio Kinouchi resigned as Chairman of the Isuzu Group Employee Health Insurance Association and Chairman of the Isuzu Motors Limited Pension Fund. On the same day, Director Eizo Kawasaki assumed the posts of Chairman of the Isuzu Group Employee Health Insurance Association and Chairman of the Isuzu Motors Limited Pension Fund.

iv) Outside Auditors

- a) Status of concurrent outside directorship positions at other companies (as of March 31, 2007)

Corporate Auditor Yasuharu Nagashima also serves as Director of Nippon Otis Elevator Company and Shinsei Bank, Ltd. Our Company does not have any special relationship with these companies.

Corporate Auditor Susumu Tsuchida also serves as Corporate Auditor of Sanshin Co., Ltd. and of Osaka Securities Finance Co., Ltd. Our Company does not have any special relationship with these companies.

- b) Principal activities during the current business term:
Statements made and attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings:

Name	Status of Statements Made and Attendance
Corporate Auditor Shigeaki Wakabayashi	Attended all 18 Meetings of the Board of Directors and all 14 Meetings of the Board of Corporate Auditors held in the current business term. When necessary, he gave his opinions from the standpoint of a specialist in financial and corporate financial affairs. He gave words of support and advice to assure the appropriateness and suitability of the decisions of the Board of Directors.
Corporate Auditor Yasuharu Nagashima	Attended 15 of the 18 Meetings of the Board of Directors and 10 of the 14 Meetings of the Board of Corporate Auditors held in the current business term. When necessary, he stated his opinions based on his rich experience as a specialist in corporate legal affairs. He gave words of support and advice to assure the legality of the decisions of the Board of Directors.
Corporate Auditor Susumu Tsuchida	Attended 17 of the 18 Meetings of the Board of Directors and 13 of the 14 Meetings of the Board of Corporate Auditors held in the current business term. When necessary, he stated his opinions from the standpoint of a specialist in money, banking, financial affairs, and corporate restructuring. He gave words of support and advice to assure the appropriateness and suitability of the decisions of the Board of Directors.

4) Matters concerning the Independent Auditor

i) Name of the Independent Auditor: Ernst & Young ShinNihon

ii) Fee and other amounts payable to the Independent Auditor:

	Amount payable (millions of yen)
Independent auditor's fee payable by the Company for the current business year	101
Total cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor:	237

- NOTES:
1. Amounts have been rounded down to the nearest 1 million yen.
 2. The Company and the Independent Auditor have signed an Audit Contract. This contract, however, does not make a clear distinction between the auditing fees stipulated in the Corporation Law and those defined in the Securities Exchange Law. These fees cannot be practically separated. The above fee, therefore, shows the aggregate amount of these fees.
 3. Ernst & Young ShinNihon, also serves as the Independent Auditor for the principal subsidiaries of the Company.

iii) Non-audit duties of the Independent Auditor

The Company has engaged Ernst & Young ShinNihon in consulting work in structuring, operating, and evaluating the internal control system for financial reporting, which are non-audit duties or are services not defined in section 1, Article 2 of the Certified Public Accountants Law.

iv) Policy regarding decision to dismiss or not reappoint independent auditors

If anything occurs to negatively impact the qualifications or independence of the Independent Auditor, leading the Board of Directors to believe that the Independent Auditor is unlikely to be able to properly perform an audit, the Board of Directors will, with the approval of the Board of Corporate Auditors, propose at the General Meeting of Shareholders that the Independent Auditor is not reappointed.

If the Board of Corporate Auditors unanimously agrees, it will dismiss the Independent Auditor when it confirms that the independent Auditor falls under any item of section 1, Article 340 of the Corporation Law.

5) System for Ensuring the Propriety of Operations

The Company has constructed and is maintaining a system to secure the propriety of operations by adopting the following basic policies:

- i) System for ensuring that Directors and employees execute their duties in compliance with the laws and Articles of Incorporation

The Company places the utmost importance on thorough compliance. The Company defines “compliance” to mean all Directors, Corporate Auditors and employees complying with laws, and behaving in line with ethical standards high enough to gain the trust of society.

To secure thorough compliance, we will ensure that all Directors, Corporate Auditors and employees are familiar with and fully understand the “Basic Policy Measures Relating to Compliance” and the “Code of Conduct Relating to Compliance.”

The Compliance Committee consists of outside experts and provides objective advice, supervision, and assessments for the Company with regard to its compliance promotion activities, while establishing a system for them. The Company’s Compliance Management Dept. manages and promotes compliance activities. These efforts will continue in the future.

- ii) System for maintaining and managing information relating to Directors’ performance of their duties

Information relating to the Directors’ performance of their duties is maintained and managed by different departments in accordance with the Company’s bylaws that designate which information is handled by which department. The Chief Executive for Confidential Information Management properly manages confidential information in accordance with the “Rules for Handling Confidential Information.”

- iii) Rules and other systems for the management of risk of loss

The Risk Manager of each Division in the Company manages all risks in his/her Division in accordance with the “Rules for Risk Management.” The Chief Executive for Risk Management controls company-wide risks. Members of the Management Meeting occasionally follow up and assess the status of risk management.

In a crisis, the Company ensures thorough risk management by having the members of the Management Meeting deliberate, decide on, and implement proper response measures (including systems for them), and having them report on the progress as necessary to the Board of Directors.

- iv) System for assuring the Directors’ efficient execution of their duties

The Company has established a Board of Directors to make decisions on principal operations, and has also established its subordinate organ, the Management Meeting. Under the Management Meeting are such groups as the Quality Assurance & Customer Satisfaction Improvement Committee, the Global Environment Committee, the Export Control Committee, the Budget Special Committee, the Price Strategy Committee, the Facility Investment Committee, and the Product Program Committee, to ensure efficient deliberations in their respective areas of expertise.

The Company continues to employ the Executive Officer System to properly help the Directors perform their duties. The Company also continues to use the system of Vehicle Line Executive and Powertrain Executive to coordinate cross-departmental activities in such a way as to maximize the profitability of each product.

- v) System for ensuring the propriety of operations of the Company and the Corporate Group

subsidiaries

With the objective of gaining public trust in the Company and the Corporate Group based on our policy of serving society in meaningful ways, the Company has established the “Corporate Group Vision,” the “Corporate Mission,” and the “Group Basic Compliance Initiative.” The Company takes proper measures to ensure that all Directors, Corporate Auditors and employees of the Corporate Group act in accordance with the “Corporate Group Vision,” the “Corporate Mission,” and the “Group Basic Compliance Initiative.”

The Company asks subsidiaries and affiliates to develop their own compliance systems suited to their respective circumstances and ensure that their systems are fully implemented. The Company Management continually monitors the activities of its subsidiaries’ management, and requests improvements if they determine that a subsidiary’s system for ensuring proper operations is inadequate.

- vi) Matters regarding employees who assist Corporate Auditors in their duties when Corporate Auditors request assignment of such employees
At the request of Corporate Auditors, the Company has set up a division called “the Corporate Auditors’ Staff Group,” and has assigned employees to assist the Corporate Auditors with their duties.
- vii) Matters regarding the independence of employees who assist Corporate Auditors from Directors
The Company ensures that employees who assist the Corporate Auditors with their duties are independent from the Directors. It does this by placing such employees under the direct control and supervision of the Corporate Auditors and obtaining the prior consent of the Corporate Auditors when changing, assessing, rewarding, or punishing the employees.
- viii) System for Directors and employees to report to Corporate Auditors and system for other types of reporting to Corporate Auditors
The Directors and employees of the Company report to the Corporate Auditors on the status of the business operations, the status of the Company’s management, and any other matters that need to be reported as agreed by the Company and the Corporate Auditors. The Company also discloses or reports information whenever requested by the Corporate Auditors.
- ix) Other systems for securing the effectiveness of auditing by Corporate Auditors
Aiming to establish systems to help the Corporate Auditors audit effectively, the Company has regular discussions with the Corporate Auditors and takes any necessary measures to meet their requests.

CONSOLIDATED BALANCE SHEET

As of March 31, 2007

(millions of yen)

ASSETS		LIABILITIES	
ITEMS	AMOUNT	ITEMS	AMOUNT
CURRENT ASSETS	605,221	CURRENT LIABILITIES	486,249
Cash and cash equivalents	134,136	Trade notes and accounts payable	309,713
Trade notes and accounts receivable	272,154	Short-term borrowings	75,154
Inventories	133,083	Current portion of bonds	3,410
Deferred tax assets	34,312	Accrued income taxes	7,921
Other	34,481	Accrued expenses	47,956
Allowance for doubtful accounts	(2,947)	Accrued bonus costs	13,604
NON-CURRENT ASSETS	626,960	Provisions for warranty costs	3,696
Property, plant and equipment	490,495	Deposits received	2,738
Buildings and structures	101,541	Other	22,053
Machinery, equipment and vehicles	88,876	NON-CURRENT LIABILITIES	356,869
Land	270,884	Bonds	50,000
Construction in progress	13,556	Long-term borrowings	168,663
Other	15,636	Deferred tax liabilities	9,545
Intangible assets	9,672	Deferred tax liabilities on revaluation reserve for land	55,827
Other	9,672	Accrued retirement benefits	57,320
Investments and other assets	126,791	Long-term deposits received	1,470
Investment securities	105,241	Negative goodwill	1,077
Long-term loans receivable	4,155	Other	12,965
Deferred tax assets	7,358	TOTAL LIABILITIES	843,119
Other	20,109		
Allowance for doubtful accounts	(10,073)	NET ASSETS	
		SHAREHOLDERS' EQUITY	247,205
		Common stock	40,644
		Capital surplus	50,427
		Retained earnings	156,467
		Treasury stock	(334)
		VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS, & OTHER	94,837
		Unrealized holding gain or loss on securities	12,319
		Unrealized gain or loss from hedging activities	39
		Unrealized holding gain or loss on land revaluation	73,981
		Foreign currency translation adjustments	8,498
		MINORITY INTEREST	47,018
		TOTAL NET ASSETS	389,061
TOTAL ASSETS	1,232,181	TOTAL LIABILITIES & NET ASSETS	1,232,181

NOTE: Amounts have been rounded down to the nearest million yen.

CONSOLIDATED STATEMENT OF INCOME

From April 1, 2006 through March 31, 2007

(millions of yen)

ITEMS	AMOUNT	
NET SALES		1,662,925
COST OF SALES		1,413,402
GROSS PROFIT		249,523
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		142,542
OPERATING INCOME		106,980
NON-OPERATING INCOME		
Interest and dividend income	3,980	
Amortization of negative goodwill	250	
Equity income from affiliated companies	12,340	
Other	4,190	20,762
NON-OPERATING EXPENSES		
Interest expense	8,391	
Other	4,654	13,046
ORDINARY INCOME		114,697
EXTRAORDINARY GAINS		
Gain on sale of property, plant and equipment	1,327	
Gain on sale of investment securities	108	
Gain on dissolution of employee pension fund	685	
Gain on transfer to the government of the substitutional portion of the employee pension fund liabilities	2,531	
Other	1,561	6,215
EXTRAORDINARY LOSSES		
Loss on disposal of property, plant and equipment	5,642	
Loss on restructuring of non-consolidated subsidiaries and affiliates	1,094	
Loss on sale of investment securities	367	
Dismantlement and other costs of former Kawasaki Plant	1,534	
Loss on impairment of property, plant and equipment	1,000	
Other	3,789	13,428
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST		107,483
INCOME TAXES (CURRENT)	14,260	
INCOME TAXES (DEFERRED)	(6,441)	7,819
MINORITY INTEREST		7,270
NET INCOME		92,394

NOTE: Amounts have been rounded down to the nearest million yen.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

From April 1, 2006 through March 31, 2007

(millions of yen)

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of March 31, 2006	40,644	50,427	68,689	(229)	159,532
Change of the period					
Cash dividends (note)			(4,428)		(4,428)
Reversal of unrealized holding gain or loss on land revaluation			156		156
Net income			92,394		92,394
Acquisition of treasury stock				(104)	(104)
Changes in the scope of consolidation			(371)		(371)
Changes in scope of the equity method			26		26
Net changes in items other than shareholders' equity					
Total change of the period	-	-	87,777	(104)	87,672
As of March 31, 2007	40,644	50,427	156,467	(334)	247,205

	VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS, & OTHER					Minority interest	Total net assets
	Unrealized holding gain or loss on securities	Unrealized gain or loss from hedging activities	Unrealized holding gain or loss on land revaluation	Foreign currency translation adjustments	Total valuation, foreign currency translation adjustments, and other		
As of March 31, 2006	15,014	-	74,138	(4,334)	84,818	26,816	271,167
Change of the period							
Cash dividends (note)							(4,428)
Reversal of unrealized holding gain or loss on land revaluation							156
Net income							92,394
Acquisition of treasury stock							(104)
Changes in the scope of consolidation							(371)
Changes in scope of the equity method							26
Net changes in items other than shareholders' equity	(2,694)	39	(157)	12,832	10,019	20,201	30,221
Total change of the period	(2,694)	39	(157)	12,832	10,019	20,201	117,894
As of March 31, 2007	12,319	39	73,981	8,498	94,837	47,018	389,061

NOTE: Distribution of profits based on the General Meeting of Shareholders held in June 2006.
Amounts have been rounded down to the nearest million yen.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis for Consolidated Financial Statements

1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 59
- (2) Principal subsidiaries: Isuzu Motors Kinki Co., Ltd; Tokyo Isuzu Motors Ltd.;
Isuzu Motors America, Inc.; Isuzu Motors Co., (Thailand) Ltd.
- (3) Changes in scope of consolidation
- i) Isuzu Estate Ltd. (former trade name: Shinwa Ltd.; change of trade name: February 1, 2007) has been included in the consolidation because it has increased in terms of significance.
 - ii) Isuzu Thailand and Isuzu Business Staff Ltd. have been excluded from consolidation because they have finished being liquidated.
 - iii) I-Pack Ltd. has been excluded from consolidation because the Company sold holds less of its shares, having sold some, and is now accounted for by the equity method.
- (4) Principal non-consolidated subsidiaries: Hakodate Isuzu Motors Co., Ltd.
- (5) Reasons for excluding subsidiaries from consolidation
The non-consolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss, and total retained earnings. Thus, they only have minor effects on the consolidated financial statements.

2. Scope of Equity Method

- (1) Number of companies accounted for by the equity method: 73
- (2) Principal companies accounted for by the equity method
- Non-consolidated subsidiaries: Omori Heat Supply Co., Ltd.
Affiliates: Jidosha Buhin Kogyo Co., Ltd; TDF Corporation
- (3) Changes in scope of equity method accounting
The changes in scope of the equity method accounting for the fiscal year are as follows.
- i) I-Pack Ltd., formerly accounted for by consolidation, is now accounted for by the equity method because the Company holds less of its shares, having sold some.
 - ii) Isuzu Automotive Company, Ukraine; Isuzu Sales Deutschland GmbH; LCV-Platform Engineering; Isuzu Automotive Europe Ltd.; and Isuzu Truck South Africa have been newly established and are accounted for by the equity method.
 - iii) Nakatsu Nihou Isuzu Service Ltd. and Omori Building Ltd. have been excluded from the scope of equity accounting because they have been liquidated.
 - iv) Toho Sanso Kogyo Ltd. has been excluded from equity accounting because its shares have been sold by Automobile Foundry Co., Ltd., a consolidated subsidiary of the company.
 - v) Isuzu Estate Ltd. (former trade name: Shinwa Ltd.; change of trade name: February 1, 2007), has been included in consolidation because it has increased in terms of significance.
- (4) Principal companies not accounted for by the equity method
- Non-consolidated subsidiaries: Hakodate Isuzu Motors Co., Ltd
Affiliates: Anadolu Isuzu Otomotiv Sanayi Ve Ticaret A.S.
- (5) Reasons for not accounting by the equity method
These companies are not accounted for by the equity method because their effect on the consolidated financial statements is not significant, either individually or collectively.

3. Fiscal Period of Consolidated Subsidiaries

While the accounting date for 40 domestic subsidiaries is the same as the consolidated financial statements, the accounting date of 19 overseas consolidated subsidiaries is December 31, 2006. The Company uses the financial statements of the subsidiaries as of December 31, 2006 to calculate its consolidated financial statements. If significant transactions have been made between the two accounting dates, the Company may make necessary adjustments.

4. Significant Accounting Policies

(1) Valuation methods for securities

i) Marketable securities

Marketable securities that are classified as other securities are measured at fair value. Changes in unrealized holding gain or loss, net of the applicable income taxes, are directly included in net assets. The cost of securities sold is calculated by the moving average method.

ii) Non-marketable securities

Non-marketable securities are measured at cost determined by moving average method.

(2) Valuation methods for inventories

i) Company presenting consolidated financial statements

Inventories are measured at the cost determined by the gross average method.

ii) Consolidated subsidiaries

Inventories are principally measured at the cost determined by the specific identification method.

(3) Derivative financial instruments

Derivative financial instruments are measured at fair value.

(4) Depreciation of non-current assets

i) Depreciation of fixed assets

Depreciation of fixed assets is calculated principally by the straight-line method.

Some fixed assets are calculated by the declining balance method.

ii) Depreciation of intangible assets

Depreciation of intangible assets is calculated by the straight-line method. "Software", included in intangible assets, is depreciated by the straight-line method based on the estimated useful life and the economic residual value determined by the company (5 years).

(5) Basis for provisions and allowances

i) Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts based on its past experience of normal receivables and with reference to the collectability of receivables from companies in financial difficulty. Foreign consolidated subsidiaries determine allowances for doubtful accounts by assessing each individual account. The Company makes necessary adjustments to allowance for doubtful accounts in consolidation of receivables and payables of each consolidated subsidiary.

ii) Accrued bonus costs

Accrued bonus costs are provided in an amount estimated to cover the bonus payment for services rendered by employees during the fiscal year.

iii) Provisions for warranty costs

Provisions for warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts. These provisions are calculated based on past experience.

iv) Accrued retirement benefits

Accrued retirement benefits are calculated in an amount based on the projected benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. Prior service costs are amortized by the straight-line method over periods shorter than the average remaining years of service of eligible employees. Actuarial gain or loss is amortized from the year following the Company's recognition of the gain or loss by the straight-line method over periods shorter than the average remaining years of service of eligible employees (10 years).

Additional Information

a. On July 1, 2006, pension funds of several consolidated companies received permission from the Minister of Health, Labor and Welfare to be exempt from the benefits related to past employee service under the substitutional portion. This gain (2,531 million yen) is included under Extraordinary Gains.

b. Several consolidated companies have adopted the defined contribution pension plan for parts of the unfunded lump-sum benefit plans in July and October 2006. This pension plan is accounted for in accordance with the "Guidance on Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No. 1). The gain (157 million yen) and loss (192 million yen) are included under Extraordinary Gains and Extraordinary Losses.

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the exchange rate prevailing at the date of the balance sheet, and differences arising from the translation are included in the financial statements as a gain or loss. The Company translates the balance sheet accounts of foreign consolidated subsidiaries into yen at the exchange rate prevailing on the date of the balance sheet of each of those subsidiaries. Statement of income accounts are translated using the average exchange rate of the statement of income's period. Translation adjustments are included in the foreign currency translation adjustments account and minority interest account of net assets.

(7) Lease accounting

Finance lease transactions, except those in which the ownership of the lease assets transfers to the lessee, are accounted for on a basis similar to ordinary rental transactions.

(8) Hedge accounting

i) Hedge accounting

a. Forward foreign exchange contracts and currency options

Designated hedge accounting is adopted.

b. Interest rate swaps and interest rate options

Deferral hedge accounting or exceptional accounting specified in the accounting standard concerning financial instruments is adopted.

ii) Hedging instruments and hedged items

a. Hedging instruments

Interest rate swaps, interest rate options, forward foreign exchange contracts, and currency options.

b. Hedged items

Receivables and payables denominated in foreign currencies, and borrowings.

iii) Hedging policy

The Company utilizes derivative financial instruments, with receivables and payables denominated in foreign currencies, and borrowings to hedge possible future fluctuations in market prices.

iv) Assessment of hedge effectiveness

The Company determines hedge effectiveness by comparing the cumulative changes in cash flows from hedging instruments with those from hedged items. However, this assessment excludes the effectiveness of interest rate swaps accounted by exceptional accounting.

v) Other

The Company has a bylaw on derivative transactions and manages its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention limits, and reporting systems.

(9) Recognition of profits and expenses

With the exception of a few consolidated subsidiaries, profit for installment sales is recognized based on accounting methods for installment sales.

(10) Other

Amounts of transactions subject to consumption tax are recorded excluding consumption tax.

5. Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries acquired through business combinations are measured at fair value.

6. Amortization of goodwill

The company estimates the period an account will remain in effect, and equally amortizes that account over 20 years or less, in principle.

7. Accounting changes

Accounting Policy for Foreign Currency Translation of Principal Balance Sheet Accounts

Isuzu Motors has translated balance sheet accounts and revenue and expense accounts of foreign consolidated subsidiaries into yen at the exchange rate prevailing on the date of the balance sheet of each of those subsidiaries. The Company has included translation adjustments in the foreign currency translation adjustment accounts of shareholders' equity and minority interest. While the Company continues to translate balance sheet accounts of foreign consolidated subsidiaries into yen using the exchange rate prevailing at the date of the balance sheet of each of those subsidiaries, it has translated, beginning this fiscal year, statements of income using the average exchange rate during the statement of income period. Translation adjustments are included in the foreign currency translation adjustments account and minority interest of net assets. The Company has adopted this new accounting policy, aiming to increase the accuracy of its foreign subsidiaries' financial results in the consolidated financial statements and to decrease the risks of short-term movements in foreign currencies. This adoption has decreased consolidated sales by 53,641 million yen, operating income by 2,543 million yen, ordinary income by 3,287 million yen, income before income taxes and minority interest by 3,379 million yen, and net income by 1,932 million yen, compared with the figures calculated using the exchange rate of the balance sheet date.

Accounting Standard for Presentation of Net Assets in the Balance Sheet

Isuzu Motors Limited has adopted "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5 issued on December 9, 2005) and "Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8 issued on December 9, 2005) beginning this fiscal year. The total amount equivalent to the formerly presented shareholders' equity is 342,003 million yen.

8. Change in presentation of financial statements

Consolidated Balance Sheet

The Company classes the formally presented consolidated adjustment account as negative goodwill.

Consolidated Statement of Income

The formally presented amortization of consolidated adjustment account is classed as amortization of negative goodwill.

Notes to the Consolidated Balance Sheet

1. Pledged Assets

Assets pledged as collateral

Cash and cash deposits	280 million yen
Trade notes and accounts receivables	375 million yen
Land	184,311 million yen
Buildings and structures	51,729 million yen
Machinery, equipment and vehicles	56,915 million yen
Other	33 million yen

In addition to the above, securities of consolidated subsidiaries (662 million yen, based on the book price of individual financial statements) held by the company presenting the consolidated financial statements are pledged as collateral.

Secured liabilities

Short-term borrowings	6,775 million yen
Long-term borrowings (including borrowings to be returned within a year)	168,764 million yen

2. Accumulated depreciation of property, plant and equipment 616,397 million yen

3. Balance of Contingent Liabilities

Balance of secured liabilities	2,384 million yen
Balance of guarantee resemblance act	32 million yen
Balance of export bills discounted	159 million yen

Notes to the Consolidated Statement of Changes in Net Assets

1. Number of shares issued and outstanding at the end of the fiscal year

Common stock	1,696,845,339 shares
Class III Preferred Stock	25,000,000 shares
Class IV Preferred Stock	25,000,000 shares
Total:	1,746,845,339 shares

2. Details of dividends paid as distribution of profits

(1) Amount of dividends paid

Date of Resolution	Type of Stock	Total Amount of Dividends Paid (million yen)	Dividend per Share	Ex-dividend Date	Payment Date
June 29, 2006 General Meeting of Shareholders	Common stock	3,420	3.00 yen	March 31, 2006	June 30, 2006
June 29, 2006 General Meeting of Shareholders	Class I Preferred Stock	260	6.944 yen	March 31, 2006	June 30, 2006
June 29, 2006 General Meeting of Shareholders	Class III Preferred Stock	323	12.944 yen	March 31, 2006	June 30, 2006
June 29, 2006 General Meeting of Shareholders	Class IV Preferred Stock	423	16.944 yen	March 31, 2006	June 30, 2006

(2) Dividends with ex-dividend date during this fiscal year and payment date during the next fiscal year

Date of Resolution	Type of Stock	Total Amount of Dividends Paid (million yen)	Dividend per Share	Ex-dividend Date	Payment Date
June 28, 2007 General Meeting of Shareholders	Common stock	6,782	4.00 yen	March 31, 2007	June 29, 2007
June 28, 2007 General Meeting of Shareholders	Class III Preferred Stock	352	14.104 yen	March 31, 2007	June 29, 2007
June 28, 2007 General Meeting of Shareholders	Class IV Preferred Stock	452	18.104 yen	March 31, 2007	June 29, 2007

Notes on Net per Share

Net Assets per Share	177.68	yen
Net Income per Share	64.83	yen

The basis of calculation is as follows:

Net income	92,394	million yen
Profit not attributable to common stock	352	million yen
(Preferred dividends as distribution of profits)	(352)	million yen
<hr/>		
Profit attributable to common stock	92,041	million yen

Average number of stocks issued	1,419,786,903	shares
(Common stock)	(1,371,125,102)	shares)
(Class IV Preferred stock)	(48,661,800)	shares)

Notes on Subsequent Events

Information on Acquisition of Treasury Stock

The Company has resolved at the Board of Directors Meeting held on May 14, 2007 to propose an agenda on the acquisition of treasury stock with regard to Class III and Class IV Preferred Stocks at the coming General Meeting of Shareholders scheduled for June 28, 2007.

1. Reasons for Acquisition

To avoid latent dilution of the common stocks and to ease the burden of payment of dividends.

2. Types and number of shares to be acquired

Class III Preferred Stock	Up to 25,000,000 shares (100% of the Class III Preferred Stock issued and outstanding)
Class IV Preferred Stock	Up to 25,000,000 shares (100% of the Class IV Preferred Stock issued and outstanding)

3. Details of types of cash and equivalent to be delivered in exchange with the shares

Type of cash and equivalent:	Cash
Total amount:	Up to 40,000 million yen

4. Stock acquisition period

Within one year from the day following the close of the General Meeting of Shareholders scheduled for June 28, 2007

BALANCE SHEET

As of March 31, 2007

(millions of yen)

ASSETS		LIABILITIES	
ITEMS	AMOUNT	ITEMS	AMOUNT
CURRENT ASSETS	350,148	CURRENT LIABILITIES	293,700
Cash and cash deposits	87,857	Trade notes payable	22,143
Trade notes receivable	658	Accounts payable	152,588
Accounts receivable	154,316	Current portion of bonds	46,919
Finished products	34,946	Other accounts payable	7,852
Productive material and supplies	15,747	Income tax payable	65
Work in progress	6,243	Accrued expenses	42,195
Advance accounts	2,017	Advances received	179
Prepaid expenses	1,121	Deposits received	10,057
Short-term loans	8,823	Deferred revenue	3
Other accounts receivable	10,433	Provisions for warranty costs	3,696
Other	1,218	Accrued bonus costs	7,861
Deferred tax assets	29,620	Construction related trade notes payable	137
Allowance for doubtful accounts	(2,857)	NON-CURRENT LIABILITIES	313,275
NON-CURRENT ASSETS	549,634	Bonds	50,000
Property, plant and equipment	323,446	Long-term borrowings	163,455
Buildings	42,976	Long-term deposits received	4,158
Structures	7,636	Accrued retirement benefits	36,186
Machinery and equipment	51,759	Deferred tax liabilities	5,154
Vehicles	443	Deferred tax liabilities on revaluation reserve for land	54,320
Tools, furniture and fixtures	10,422	TOTAL LIABILITIES	606,975
Land	199,643	NET ASSETS	
Construction in progress	10,564	SHAREHOLDERS' EQUITY	210,323
Intangible assets	6,876	Common stock	40,644
Right of using facilities	56	Capital surplus	49,855
Software	6,820	Capital reserve	49,855
Investments & other assets	219,311	Retained earnings	120,114
Investment securities	30,857	Other retained earnings	120,114
Securities investment in subsidiaries and affiliates	123,140	Unappropriated retained earnings	120,114
Long-term loans	84,817	Treasury stock	(291)
Long-term prepaid expenses	827	VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS & OTHER	82,484
Other investments	9,540	Unrealized holding gain on securities	11,583
Allowance for doubtful accounts	(29,872)	Unrealized gain or loss from hedging activities	39
		Unrealized holding gain or loss on land revaluation	70,862
		TOTAL NET ASSETS	292,807
TOTAL ASSETS	899,783	TOTAL LIABILITIES & NET ASSETS	899,783

NOTE: Amounts have been rounded down to the nearest million yen.

STATEMENT OF INCOME

From April 1, 2006 through March 31, 2007

(millions of yen)

ITEMS	AMOUNT	
NET SALES		973,884
COST OF SALES		813,229
GROSS PROFIT		160,654
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		99,163
OPERATING INCOME		61,491
NON-OPERATING INCOMES		
Interest and dividend income	14,150	
Other	1,533	15,684
NON-OPERATING EXPENSES		
Interest expense	5,931	
Other	2,970	8,901
ORDINARY INCOME		68,273
EXTRAORDINARY GAINS		
Gain on disposal of property, plant and equipment	6	
Gain on sale of investment securities	8,542	
Other	3	8,552
EXTRAORDINARY LOSSES		
Loss on disposal of property, plant and equipment	3,158	
Unrealized holding loss on non-consolidated subsidiaries & affiliates	744	
Loss on impairment of property, plant and equipment	887	
Dismantlement and other cost of former Kawasaki Plant	1,534	
Other	1,389	7,714
INCOME BEFORE INCOME TAXES		69,111
INCOME TAXES (CURRENT)	1,471	
INCOME TAXES (DEFERRED)	(686)	785
NET INCOME		68,325

NOTE: Amounts have been rounded down to the nearest million yen.

STATEMENT OF CHANGES IN NET ASSETS

From April 1, 2006 through March 31, 2007

(millions of yen)

	SHAREHOLDERS' EQUITY						
	Common stock	Capital surplus		Retained Earnings		Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Other retained earnings Unappropriated retained earnings	Total retained earnings		
As of March 31, 2006	40,644	49,855	49,855	56,291	56,291	(190)	146,600
Change of the period							
Cash dividends (note)				(4,428)	(4,428)		(4,428)
Reversal of unrealized holding gain or loss on land revaluation				(73)	(73)		(73)
Net income				68,325	68,325		68,325
Acquisition of treasury stock						(101)	(101)
Net changes on items other than shareholders' equity							
Total change of the period	-	-	-	63,823	63,823	(101)	63,722
As of March 31, 2007	40,644	49,855	49,855	120,114	120,114	(291)	210,323

	VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS & OTHER				Total net assets
	Unrealized holding gain or loss on securities	Unrealized gain or loss from hedging activities	Unrealized holding gain or loss on land revaluation	Total valuation, foreign currency translation adjustments & other	
As of March 31, 2006	13,899	-	70,789	84,688	231,289
Change of the period					
Cash dividends (note)					(4,428)
Reversal of unrealized holding gain or loss on land revaluation					(73)
Net income					68,325
Acquisition of treasury stock					(101)
Net changes on items other than shareholders' equity	(2,316)	39	73	(2,203)	(2,203)
Total change of the period	(2,316)	39	73	(2,203)	61,518
As of March 31, 2007	11,583	39	70,862	82,484	292,807

NOTE: Distribution of inappropriate retained earnings based on the General Meeting of Shareholders held in June 2006.

Amounts have been rounded down to the nearest million yen.

NOTES TO THE FINANCIAL STATEMENTS

Basis for Financial Statements

1. Significant Accounting Policies

(1) Valuation methods for securities

i) Securities investment in subsidiaries and affiliates

Securities investment in subsidiaries and affiliates are measured at the cost determined by the moving average method. Some of the securities have been written-off.

ii) Other securities

a. Marketable securities

Marketable securities are measured at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets.

Cost of securities sold is calculated by the moving average method.

b. Non-marketable securities

Non-marketable securities are measured at cost using the moving average method.

(2) Derivative financial instruments

Derivative financial instruments are measured at fair value.

(3) Valuation methods for inventories

Inventories are measured at cost using the gross average method.

Some of the inventories have been written-off.

(4) Depreciation of non-current assets

i) Depreciation of fixed assets

Depreciation of fixed assets is calculated by the straight-line method.

Property with an acquisition cost of more than 100 thousand yen and less than 200 thousand yen is depreciated equally over 3 years.

ii) Depreciation of intangible assets

Depreciation of intangible assets is calculated by the straight-line method.

"Software" included in intangible assets, is depreciated by the straight-line method based on the estimated useful life and economic residual value determined by the company (5 years).

(5) Basis for provisions and allowances

i) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience of normal receivables and with reference to the collectability of receivables from companies in financial difficulty.

ii) Accrued bonus costs

Accrued bonus costs are provided in an amount estimated to cover the bonus payment for services rendered by employees during the fiscal year.

iii) Provisions for warranty costs

Provisions for warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with warranty contracts. The provisions are calculated based on past experience.

iv) Accrued retirement benefits

Accrued retirement benefits are calculated in an amount based on the projected benefit obligation and fair value of the pension plan assets at the end of the current fiscal year. Prior service costs are amortized by the straight-line method over periods shorter than the average remaining years of service of eligible employees. Actuarial gain or loss is amortized from the following year of the recognition of the gain or loss by the straight-line method over periods shorter than average remaining years of service of eligible employees (10 years).

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the exchange rate prevailing on the date of the balance sheet, and any differences arising from the translation are included in the financial statements as gains or losses.

(7) Lease accounting

Finance lease transactions, except those in which the ownership of the lease assets is transferred to the lessee, are accounted for in a similar way as ordinary rental transactions.

(8) Hedge accounting

i) Hedge accounting

a. Forward foreign exchange contracts and currency options

Designated hedge accounting is adopted.

b. Interest rate swaps and interest rate options

Deferral hedge accounting or exceptional accounting specified in the accounting standard concerning financial instruments is adopted.

ii) Hedging instruments and hedged items

a. Hedging instruments

Interest rate swaps, interest rate options, forward foreign exchange contracts, and currency options.

b. Hedged items

Receivables and payables denominated in foreign currencies, borrowings.

iii) Hedging policy

The company utilizes derivative financial instruments with receivables and payables denominated in foreign currency and borrowings to hedge against possible future fluctuations in the market price.

iv) Assessment of hedge effectiveness

Hedge effectiveness is determined by comparing the cumulative changes in cash flows from the hedging instruments with those from the hedged items. However, this assessment excludes the effectiveness of interest rate swaps accounted by exceptional accounting.

v) Other

The company has a bylaw on derivative transactions and manages its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention limits and reporting systems.

(9) Deferred Assets

Deferred assets are all accounted as an expense on payment.

(10) Other

Transactions subject to consumption tax are recorded at amounts excluding consumption tax.

2. Accounting Changes

Accounting Standard for Presentation of Net Assets in the Balance Sheet

Isuzu Motors Limited has adopted "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5 issued December 9, 2005) and "Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8 issued December 9, 2005) beginning this fiscal year. The total amount equivalent to the formerly presented shareholders' equity is 292,768 million yen.

Notes to the Balance Sheet

1. Pledged Assets

Assets pledged as collateral

Buildings	30,584	million yen
Structures	6,995	million yen
Machinery and equipment	47,934	million yen
Land	174,976	million yen
Securities investment in subsidiaries and affiliates	662	million yen

Secured liabilities

Current portion of bonds	39,346	million yen
Long-term loans	124,172	million yen

2. Accumulated Depreciation of Property, Plant and Equipment 414,470 million yen

3. Balance of Contingent Liabilities

Balance of secured liabilities	16,741	million yen
Balance of export bills discounted	159	million yen

4. Debts and Credits to Subsidiaries and Affiliates

Short-term credits	106,959	million yen
Long-term credits	84,955	million yen
Short-term debts	54,150	million yen
Long-term debts	3,524	million yen

5. Other

The difference between the total fair value of the revalued business land, as stipulated in Article 10 of the Land Revaluation Law, and the total book value after revaluation is 55,342 million yen.

Notes to the Statement of Income

Transactions with Subsidiaries and Affiliates

Sales to subsidiaries and affiliates	394,895	million yen
Purchases from subsidiaries and affiliates	166,483	million yen
Other	3,414	million yen

Notes to the Statement of Changes in Net Assets

Type and Number of Stocks Held as Treasury Stocks

Common stock	1,201,422	shares
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Notes on Tax-Effect Accounting

1. Significant Components of Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets (of current assets)		
Allowance for doubtful accounts	3,124	million yen
Accrued bonus costs	3,144	million yen
Accrued expenses	6,001	million yen
Inventory write-offs	708	million yen
Other	2,614	million yen
Loss carried forward	16,574	million yen
Valuation allowance	(2,547)	million yen
Total amount of deferred tax assets (of current assets)	<u>29,620</u>	<u>million yen</u>

Deferred tax assets (of non-current assets)		
Accrued retirement benefits	14,474	million yen
Unrealized loss in investments	10,991	million yen
Other	1,112	million yen
Loss carried forward	34,127	million yen
Valuation allowance	(60,705)	million yen
Total amount of deferred tax assets (of non-current assets)	<u>-</u>	<u>million yen</u>

Deferred tax liabilities (of non-current liabilities)		
Unrealized holding gain on securities	5,154	million yen
Total amount of deferred tax liabilities	<u>5,154</u>	<u>million yen</u>
Net amount of deferred tax liabilities	<u>5,154</u>	<u>million yen</u>

2. Reconciliation of the Effective Tax Rate and the Statutory Tax Rate

Statutory tax rate	40.0	%
(Reconciliation)		
Decrease or increase in valuation allowance	(40.7)	%
Foreign withholding tax	1.6	%
Other	0.2	%
Effective tax rate after adoption of tax-effect accounting	<u>1.1</u>	<u>%</u>

Notes on Lease Assets

Details of finance lease transactions, except those in which the ownership of the lease assets is transferred to the lessee, are as follows:

1. Amounts Equivalent to Acquisition Cost and Net Balance

	Acquisition Cost (millions of yen)	Accumulated Depreciation (millions of yen)	Net Balance at the End of the Fiscal Year (millions of yen)
Machinery and equipment	9,951	6,913	3,037
Tools, furniture and fixtures	14,829	6,153	8,676
Other	434	384	50
Total	25,215	13,450	11,765

2. Amount of Future Payment Obligations

Due within one year	5,882	million yen
Due after one year	6,176	million yen
Total	12,059	million yen

3. Lease Payments and Amount Equivalent to Depreciation Expense

Lease payments	4,298	million yen
Depreciation expense	3,897	million yen
Interest expense	328	million yen

4. Calculation of Depreciation

Leased assets are depreciated over the lease contract's lifetime by the straight-line method, assuming the residual value is zero.

5. Calculation of Amount Equivalent to Interest Expense

Amount equivalent to interest expense is calculated by the interest method based on an excess of the aggregate sum of lease payments over amounts equivalent to acquisition costs.

Notes on Transactions with Related Parties

Refer to the attachment "Notes on Transactions with Related Parties."

Notes on Net per Share

Net Assets per Share	148.62	yen
Net Income per Share	47.87	yen

The basis of calculation is as follows:

Net income	68,325	million yen
Profit not attributable to common stock	352	million yen
(Preferred dividends as distribution of profits)	(352)	million yen
Profit attributable to common stock	67,973	million yen
Average number of stocks issued	1,420,073,566	shares
(Common stock)	1,371,411,766	shares
(Class IV Preferred stock)	48,661,800	shares

Notes on Subsequent Events

Information on Acquisition of Treasury Stock

The Company has resolved at the Board of Directors Meeting held on May 14, 2007 to propose an agenda on the acquisition of treasury stock with regard to Class III and Class IV Preferred Stocks at the coming General Meeting of Shareholders scheduled for June 28, 2007.

1. Reasons for Acquisition

To avoid latent dilution of the common stocks and to ease the burden of payment of dividends.

2. Types and number of shares to be acquired

Class III Preferred Stock	Up to 25,000,000 shares (100% of the Class III Preferred Stock issued and outstanding)
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Class IV Preferred Stock	Up to 25,000,000 shares (100% of the Class IV Preferred Stock issued and outstanding)
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3. Details of types of cash and equivalent to be delivered in exchange with the shares

Type of cash and equivalent:	Cash
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Total amount:	Up to 40,000 million yen
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4. Stock acquisition period

Within one year from the day following the close of the General Meeting of Shareholders scheduled for June 28, 2007

(Attachment)
Notes on Transactions with Related Parties

Transactions with Subsidiaries

(millions of yen)

Name of Subsidiary	Percentage of Voting Right Owned	Connections with the Related Parties	Details of Transactions	Amount of Transaction	Account	Balance Outstanding
Tokyo Isuzu Motors Ltd.	Indirect 100%	Distribution of vehicles & parts based on exclusive dealer contract Lending funds for equipment & running costs Interlocking of directors	Loan lending (Note 1)	-	Long-term loans	14,974
			Interest receipt (Note 1)	285	Short-term loans	1,185
			Product retailing (Note 2)	65,769	Accounts receivable	13,748
Isuzu Motors Kinki Co., Ltd.	Indirect 100%	Distribution of vehicles & parts based on exclusive dealer contract Lending funds for equipment & running costs Lease of facilities Interlocking of directors	Product retailing (Note 2)	53,174	Accounts receivable	12,709
Isuzu Australia Limited	Direct 100%	Distribution of vehicles & parts Interlocking of directors	Product retailing (Note 2)	30,637	Accounts receivable	10,316
ICL Co., Ltd.	Indirect 100%	Research, development & retailing products for Company's exclusive use	Product retailing (Note 2)	10,445	Accrued expenses	32
Truck Service Tokyo Co., Ltd.	Direct 100%	Lending funds for running costs Interlocking of directors	Loan lending (Note 3)	-	Long-term loans (Note 4)	20,126
Isuzu LINEX Corporation	Direct 100%	Consignment of transportation Interlocking of directors	Transportation and storage of products (Note 5)	17,697	Accrued expenses	2,103
Isuzu Network Co., Ltd.	Direct 75%	Interlocking of directors	Sales transactions of securities (Note 5)	44,867	Securities investment in subsidiaries & affiliates	35,233
Isuzu Motors Asia Ltd.	Direct 100%	Distribution of vehicles & parts Interlocking of directors	-	-	Securities investment in subsidiaries & affiliates	21,127

Note 1: Interest rates of loans are determined by considering the market rate. The period of long-term loans is 14 years and they are to be repaid annually.

Note 2: Suggested retail prices and other transaction terms are decided by the Company based on "Basic agreements on sales and services of Isuzu Products."

Note 3: Loans do not have interest obligations. No assets are pledged as collateral.

Note 4: Allowance for doubtful accounts (17,661 million yen) has been accounted for as loans to Truck Service Tokyo Co., Ltd.

Note 5: Transaction terms are similar to those with third parties.

Transactions with Affiliates

(millions of yen)

Name of Affiliate	Percentage of Voting Right Owned	Connections with the Related Parties	Details of Transactions	Amount of Transaction	Account	Balance Outstanding
Qingling Motors Co., Ltd.	Direct 20%	Distribution of components & parts Interlocking of directors	-	-	Securities investment in subsidiaries & affiliates	11,098

Report of Independent Auditors

May 15, 2007

The Board of Directors
ISUZU MOTORS LIMITED

Ernst & Young ShinNihon

Akira Tanaka
Certified Public Accountant
Designated and Engagement Partner

Hideki Nishida
Certified Public Accountant
Designated and Engagement Partner

Kazuo Kishida
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Corporation Law, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of ISUZU MOTORS LIMITED (the "Company") applicable to the fiscal year from April 1, 2006 through March 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Isuzu Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2007 in conformity with accounting principles generally accepted in Japan.

(Supplemental information)

- 1) As described in Notes on Subsequent Events, the Company has resolved at the Board of Directors Meeting held on May 14, 2007 to propose an agenda on the acquisition of treasury stock with regard to Class III and Class IV Preferred Stocks at the coming General Meeting of Shareholders scheduled for June 28, 2007.
- 2) As described in Note 7, Accounting changes in the Notes on the Consolidated Financial Statements, beginning this fiscal year, the Company changed an accounting policy for the translation of revenue and expense accounts in the financial statements of foreign consolidated subsidiaries and affiliates companies into Japanese yen from using the rates prevailing on the date of balance sheet to using the average exchange rates of the income statement period of those subsidiaries and affiliates companies .

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Report of Independent Auditors

May 15, 2007
The Board of Directors
ISUZU MOTORS LIMITED

Ernst & Young ShinNihon

Akira Tanaka
Certified Public Accountant
Designated and Engagement Partner

Hideki Nishida
Certified Public Accountant
Designated and Engagement Partner

Kazuo Kishida
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Corporation Law, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of ISUZU MOTORS LIMITED (the "Company") applicable to the 105th fiscal year from April 1, 2006 through March 31, 2007. These financial statements and the related supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the related supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Isuzu Motors Ltd. applicable to the 105th fiscal year ended March 31, 2007 in conformity with accounting principles generally accepted in Japan.

(Supplemental information)

As described in Notes on Subsequent Events, the Company has resolved at the Board of Directors Meeting held on May 14, 2007 to propose an agenda on the acquisition of treasury stock with regard to Class III and Class IV Preferred Stocks at the coming General Meeting of Shareholders scheduled for June 28, 2007.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Board of Corporate Auditors' Report

Audit Report

In relation to the Directors' performance of their duties during the 105th business term from April 1, 2006 to March 31, 2007, the Board of Corporate Auditors have prepared this Audit Report based on the audit report prepared by each Corporate Auditor. We hereby report as follows:

1. Auditing Procedures Adopted by the Corporate Auditors and Board of Corporate Auditors and Details of Such Procedures

The Board of Corporate Auditors established the audit policies and audit plan, and received reports from all the Corporate Auditors regarding their auditing activities and the results thereof. In addition, we received reports from the Directors and Independent Auditor regarding the execution of their duties, and when necessary, we requested their explanations.

In accordance with the auditing standards for Corporate Auditors and the audit plan stipulated by the Board of Corporate Auditors, we communicated with the Directors, the internal auditing division, and other employees of the Company and endeavored to gather information and develop and maintain an environment for gathering information and auditing. We also attended board and other important meetings, received reports from the Directors and employees regarding the performance of their duties, sought explanations as necessary, examined important documents related to important decisions, and examined the operations and assets at the Company's head office and major operational establishments.

In addition, we monitored and verified the contents of a resolution of the Board of Directors concerning the establishment of the system stipulated in Section 1 and Section 3, Article 100 of the Enforcement Regulations of the Corporation Law, which is essential to securing conformance in the execution of the duties of the Directors regarding the laws, regulations and Articles of Incorporation as well as the propriety of the operations of the Company, and the system (the Internal Control System) which has been developed based on the resolutions thereof. The Corporate Auditors took steps to facilitate communications between the Directors and Corporate Auditors of the subsidiaries, and when necessary, received reports from the subsidiaries on the status of their businesses. Using the foregoing methods, we examined the business report and the related supplementary schedules for this business term.

Furthermore, we monitored and verified whether the Independent Auditors maintained their independence and audited appropriately, and we received reports from the Independent Auditors regarding the performance of their duties and sought explanations as necessary. The Corporate Auditors also received notification from the Independent Auditors that they have taken steps to improve the "system for ensuring appropriate execution of their duties" (as stated in Article 159 of the Company Accounting Regulation Ordinance) in compliance with the "Quality Control Standards Relating to Auditing" (adopted by the Business Accounting Deliberation Council on October 28, 2005). When necessary we sought explanations. Based on the above methods, we examined the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements), the related supplementary schedules for this current business term, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements) for this consolidated fiscal year.

2. Audit Results

1) Results of Audit of Business Report and Other Relevant Documents

- i) We confirm that the business report and the related supplementary schedules give a fair view of the state of affairs of the Company in accordance with the laws, regulations, and Articles of Incorporation.
- ii) We have found no significant evidence of wrongful acts or violations of the laws and regulations, or Articles of Incorporation with regard to the performance of duties by the Directors.
- iii) We confirm that the content of the resolution by the Board of Directors regarding the Internal Control System is proper. Furthermore, we have found no problems regarding the Directors' execution of their duties relating to the Internal Control System.

(2) Results of Audit of Financial Statements and Related Supplementary Schedules

We confirm that the methods and results of the audits made by the Independent Auditor, Ernst & Young ShinNihon, are proper.

(3) Results of Audit of Consolidated Financial Statements

We confirm that the methods and results of the audits made by the Independent Auditor, Ernst & Young ShinNihon, are proper.

May 21, 2007

The Board of Corporate Auditors of Isuzu Motors Limited

Standing Corporate Auditor	Michio Kamiya
Standing Corporate Auditor	Kouji Yamaguchi
Standing Corporate Auditor	Shigeaki Wakabayashi
Corporate Auditor	Yasuharu Nagashima
Corporate Auditor	Shusumu Tsuchida

Note: Standing Corporate Auditor Shigeaki Wakabayashi, Corporate Auditor Yasuharu Nagashima, and Corporate Auditor Susumu Tsuchida are outside auditors as specified in paragraph 16, Article 2, and section 3, Article 335, of the Corporation Law.

Reference Material for the General Meeting of Shareholders

Proposal 1: Appropriation of Retained Earnings

Taking into account such factors as our business results for the business term under review and our future business deployment, we propose to appropriate retained earnings in the form of year-end dividends for the 105th business term.

1. Type of dividend

Cash

2. Allotment of dividends and total amount

We propose to pay a dividend of 4 yen per share of the Company's common stock, predetermined dividends of 14.104 yen per share for Class III preferred stock, and predetermined dividends of 18.104 yen per share for Class IV preferred stock. We will pay a total of 7,587,775,668 yen as dividends.

3. Effective date of distribution of retained earnings

We propose June 29, 2007 as the effective date of the distribution of retained earnings.

Proposal 2: Acquisition of Treasury Shares

Pursuant to section 1 of Article 156 of the Corporation Law, and aiming to avoid potential dilution of the value of the common stock and reduce any future burden of dividend payments, the Company proposes to acquire its treasury shares by buying back the Company's preferred stocks (Class III and Class IV), as follows:

If you approve this proposal, and the Company acquires the maximum amount of Class III and Class IV preferred stocks, we plan to retire the shares as treasury stock. Once we have retired them, all preferred stocks, which were issued in a debt-for-equity swap in December 2002, will have been retired.

1. Type and number of shares to be acquired

Class III Preferred Stock: Up to 25,000,000 shares

(Ratio of total number of shares to be acquired to total number of Class III preferred stock issued: 100%)

Class IV Preferred Stock: Up to 25,000,000 shares

(Ratio of total number of shares to be acquired to total number of Class IV preferred stock issued: 100%)

2. Type of cash and equivalents to be delivered in exchange for acquisition of the relevant stocks, and total monetary amount

Type of cash and equivalents: Cash

Total Amount: Up to 40,000 million yen

3. Acquisition period

One year from the day immediately following the close of the 105th Annual General Shareholders' Meeting to be held on June 28, 2007.

Reference

1. About Preferred Stock (Summary)

- 1) The Company issued four types of preferred stocks (Class I, Class II, Class III, and Class IV) in December 2002 in a debt-for-equity swap. The Company acquired all shares of Class I preferred stock and retired them by March 2007. The Company put all the Class II preferred stock to paid-in compulsory retirement in January 2005.

The table below shows the present status of the preferred stocks.

	Class I preferred stock	Class II preferred stock	Class III preferred stock	Class IV preferred stock	Total
Number of shares (thousands)	37,500	37,500	25,000	25,000	125,000
Paid-in amount (100 million yen)	300	300	200	200	1,000
Current number of shares (thousands)	-	-	25,000	25,000	50,000
Request for acquisition (equivalent to request for conversion under the old commercial code) to start from:	-	-	October 2010	October 2012	-
Dividend rate (*)	-	-	JPN¥ TIBOR + 1.500%	JPN¥ TIBOR + 2.000%	-
Shareholder	-	-	Mizuho Corporate Bank, Ltd.		-

* The benchmark interest rate is the TIBOR (Tokyo Interbank Offered Rate) on one-year instruments at the beginning of the relevant term.

2) Effects of preventing dilution of common stock

On the assumption that the Company had acquired, at the shareholder's request, Class III and Class IV preferred stocks on April 1, 2007, while issuing the number of common shares equal to the amount paid for preferred stocks (¥800 per share) divided by the acquisition value (¥603 per share) (equivalent to conversion into common shares under the old commercial code), the number of common shares would have grown by 66,334,990 shares, or 3.9% of the Company's total issued common shares (1,696,845,339 shares).

2. Fund for acquisition

The Company will appropriate its cash reserves.

Proposal 3: Election of Seven (7) Directors

The terms of office of five (5) Directors (Yoshinori Ida, Eizo Kawasaki, Goro Shintani, Naotoshi Tsutsumi, and Hirokichi Nadachi) will expire at the close of this General Meeting of Shareholders. Two (2) Directors (Hiroshi Suzuki and Yoshio Kinouchi) will resign at the close of the General Meeting of Shareholders. Accordingly, we ask the shareholders to elect seven (7) Directors.

The candidates are listed below:

No.	Name (Date of Birth)	Personal profile, positions and responsibilities in the Company, and representative posts held in other companies		No. of Company shares owned
1	Yoshinori Ida (May 18, 1943)	April 1966	Joined Isuzu Motors Limited	185,000
		January 1994	Director of Isuzu Motors Limited	
		May 1996	Executive Director of Isuzu Motors Limited	
		April 1999	Managing Director of Isuzu Motors Limited	
		December 2000 to present	President and Representative Director of Isuzu Motors Limited	
2	Eizo Kawasaki (October 24, 1947)	April 1970	Joined C. Itoh & Co.	35,000
		September 1998	General Manager for Turkey and General Manager of Istanbul Branch, Itochu Corporation	
		April 2004	General Manager for Chugoku Area, Itochu Corporation	
		May 2005	Retired from Itochu Corporation	
		June 2005	Division Executive, Sales Division No. 3, Sales Headquarters, Isuzu Motors Limited	
		June 2005	Director of Isuzu Motors Limited	
		April 2007 to present	Director and Division Executive of Administration Division, and also of Powertrain Business Division of Isuzu Motors Limited	
			(Representative posts held in other entities) Chairman of the Isuzu Group Employee Health Insurance Association Chairman of the Isuzu Motors Limited Pension Fund	
3	Goro Shintani (November 29, 1944)	April 1967	Joined Mitsubishi Corporation	76,000
		September 1995	General Manager of Motor Vehicle Dept-D, Mitsubishi Corporation	
		February 1999	President of Tri Petch Isuzu Sales Co., Ltd.	
		April 2005	Resigned from the above post	
		April 2005	Division Executive of Sales Division No. 2, Sales Headquarters, Isuzu Motors Limited	
		June 2005	Retired from Mitsubishi Corporation	
		June 2006	Director of Isuzu Motors Limited	
		April 2007 to present	Director and Division Executive of International Sales Division of Isuzu Motors Limited	
4	Naotoshi Tsutsumi (May 22, 1945)	April 1968	Joined Isuzu Motors Limited	41,000
		June 1998	Director of Isuzu Motors Limited	
		April 2000	Executive Director of Isuzu Motors Limited	
		May 2001	Director of Isuzu Motors Limited	
		June 2001	President of DMAX Limited	
		June 2002	Resigned as Director of Isuzu Motors Limited	
		December 2004	Resigned as President of DMAX Limited	
		January 2005	Senior Executive Officer and Division Executive of Manufacturing Division, Operations Headquarters of Isuzu Motors Limited	
		June 2005	Director of Isuzu Motors Limited	
		April 2007 to present	Director and Division Executive of Manufacturing Division of Isuzu Motors Limited	

5	Akira Shinohara* (May 19, 1950)	<p>April 1974 Joined Isuzu Motors Limited</p> <p>December 2001 Assistant to Division Executive, Engineering Division, Operations Headquarters, Isuzu Motors Limited</p> <p>February 2003 Executive of CV Product Planning & Engineering Dept.; LCV Product Planning & Engineering Dept.; Vehicle Engineering Dept. No. 1; Vehicle Engineering Dept. No. 2; Vehicle Engineering Dept. No. 3; EE & Vehicle Control Dept.; and Vehicle Research & Experiment Dep. of Engineering Division of Operations Headquarters, Isuzu Motors Limited</p> <p>June 2003 Executive Officer and Executive of CV Product Planning & Engineering Dept.; LCV Product Planning & Engineering Dept.; Vehicle Engineering Dept. No. 1; Vehicle Engineering Dept. No. 2; Vehicle Engineering Dept. No. 3; Vehicle Engineering Dept. No. 4; and EE & Vehicle Control Dept.; Vehicle Research & Experiment Dep. of Engineering Division of Operations Headquarters, Isuzu Motors Limited</p> <p>April 2005 Senior Executive Officer and Division Executive of Program Planning Division; and Division Executive of Engineering Division No. 1 of Operations Headquarters of Isuzu Motors Limited</p> <p>April 2006 Senior Executive Officer and Division Executive of Engineering Division No. 1 of Operations Headquarters of Isuzu Motors Limited</p> <p>April to present 2007 Senior Executive Officer and Division Executive of Program Planning Division; and Division Executive of Japan Sales Division of Isuzu Motors Limited</p>	39,000
6	Yasuaki Shimizu* (June 20, 1951)	<p>April 1974 Joined Isuzu Motors Limited</p> <p>November 2000 Executive in charge of Purchasing Control, Isuzu Motors Limited</p> <p>November 2002 Managing Director, Aomori Isuzu Motors Limited</p> <p>February 2004 Assistant to Division Executive, Purchasing Division, Operations Headquarters, Isuzu Motors Limited</p> <p>April 2004 Executive Officer and Executive of Purchasing Operations Dept. and Supplier Control Dept. of Purchasing Division, Operations Headquarters, Isuzu Motors Limited</p> <p>May 2004 Resigned as Director, Aomori Isuzu Motors Limited</p> <p>November 2004 Executive Officer and Executive of Purchasing Operations Dept.; Supplier Control Dept.; Purchasing Cost Control Dept.; and Purchasing Project Dept. of Purchasing Division, Operations Headquarters, Isuzu Motors Limited</p> <p>February 2006 Executive Officer and Executive of Purchasing Operations Dept.; Sourcing Control Dept.; and Purchasing Cost Control Dept. of Purchasing Division, Operations Headquarters, Isuzu Motors Limited</p> <p>April 2006 Senior Executive Officer and Executive of Purchasing Operations Dept.; Sourcing Control Dept.; Purchasing Cost Control Dept. of Purchasing Division, Operations Headquarters, Isuzu Motors Limited</p> <p>April to present 2007 Senior Executive Officer and Deputy Division Executive of Purchasing Division, Isuzu Motors Limited</p>	29,000

7	Masanori Katayama* (May 16, 1954)	April 1978	Joined Isuzu Motors Limited	21,000
		October 2001	Executive in charge of Business Process Reform, Sales Planning Division, Sales Headquarters, Isuzu Motors Limited	
		June 2002	Executive in charge of Logistics Systems, Sales Planning Division, Sales Headquarters, Isuzu Motors Limited	
		November 2002	General Manager of Vehicle Plant Operation Planning Dept., Manufacturing Division, Operations Headquarters, Isuzu Motors Limited	
		April 2004	Executive of Vehicle Plant Operation Planning Dept.; CV Manufacturing Dept. No. 1; CV Manufacturing Dept. No. 2; CV Manufacturing Dept. No. 3; Vehicle Manufacturing Prep. Dept.; Vehicle Quality Control Dept.; Vehicle Manufacturing Engineering Dept.; and Vehicle Parts Manufacturing Engineering Dept. of Manufacturing Division, Operations Headquarters, Isuzu Motors Limited	
		April 2005	Executive Officer and Executive of Manufacturing Engineering and Planning Dept.; Vehicle Manufacturing Engineering Dept.; Vehicle Parts Manufacturing Engineering Dept.; PT Manufacturing Engineering Dept.; and PT Parts and Manufacturing Engineering Dept. of Manufacturing Division, Operations Headquarters, Isuzu Motors Limited	
		April 2006	Executive Officer and Division Executive of Corporate Planning & Finance Division, Corporate Administration Headquarters, Isuzu Motors Limited	
April to present	2007	Executive Officer and Division Executive of Corporate Planning & Finance Division, Isuzu Motors Limited		

- NOTES: 1. Eizo Kawasaki also serves as Chairman of the Isuzu Group Employee Health Insurance Association. In accordance with a medical practice agreement with the Association, the Company (Isuzu Hospital) provides medical treatment for any sickness or injury of persons who are or were insured by a health insurance system managed by the said Association, and for their dependents. Mr. Kawasaki also concurrently serves as Chairman of the Isuzu Motors Limited Pension Fund. The Company pays due contribution as an employer to the Fund pursuant to the Rules of the Isuzu Motors Limited Pension Fund.
2. There are no conflicts of interests between other candidates and the Company.
3. New candidates are marked with an asterisk.

Proposal 4: Election of One (1) Corporate Auditor

Michio Kamiya, Corporate Auditor, will resign at the close of the current General Meeting of Shareholders. We therefore propose to elect the following individual as a corporate auditor. The Board of Corporate Auditors has already consented to us making this proposal at this General Meeting of Shareholders.

Name (Date of Birth)	Personal profile, position and responsibilities in the Company, and representative posts held in other companies			No. of Company shares owned
Yoshio Kinouchi (September 24, 1946)	April	1969	Joined Isuzu Motors Limited	47,000
	December	1991	Executive in charge of Purchasing Planning, Isuzu Motors Limited	
	June	1994	Director, Automobile Foundry Co., Ltd.	
	June	1997	Executive Director, Automobile Foundry Co., Ltd.	
	May	1999	President and Representative Director, Automobile Foundry Co., Ltd.	
	May	2002	Resigned as Director of Automobile Foundry Co., Ltd.	
	June	2002	Division Executive of Administration Division, Isuzu Motors Limited	
	June	2002	Director, Isuzu Motors Limited	
	April	2005	Director and Division Executive of Administration Division, Corporate Administration Headquarters of Isuzu Motors Limited	
	April	2007	Director, Isuzu Motors Limited	
to present				

- NOTES: 1. There are no conflicts of interests between the candidate and the Company.
2. Yoshio Kinouchi is a new candidate.