

FY2005 FINANCIAL RESULTS



Isuzu Motors Limited
May 23, 2005

President & Representative Director

Yoshinori Ida

I . FY2005 Highlights
Apr.'04-Mar.'05

(JPY:Bill.) [FY2005 Act. (Year-on-Year)]

[FY2004]

Sales Revenue: : 1.493.6 [+ 4%] **1.430.3**

Operating profit: 87.2 [+ 3%] **84.5**
 [OP %: 5.8%]

Working profit : 91.6 [+12%] **81.7**
 [WP %: 6.1%]

Net income 60.0 [+10%] **54.7**
 [Net income %: 4.0%]

Dividend: 1.5 yen/share [For FY2005]

Sales Vol: Japan (k. units): 90 [(13%)]

Worldwide sales (k. units) 249 [+ 41%]

Major Challenges and Actions Taken in New 3-year Business Plan

Major Challenges

Action taken(effect)

**Eliminate
uncertainties**

◆ NA SUV Business Restructuring

◆ Terminated SIA JV in Jan.'03 / end of production in Jul.'04

◆ OEM supply from GM

◆ Streamlined biz by merger of local entities

◆ Establish PT JV with GM

◆ GM invested in an engine mfg.subsidiary

◆ Workforce rightsizing (VER)

◆ Departures→approx. 4,200

◆ Labor cost effect→approx 20. 0billion

◆ Integrate manufacturing infrastructure

◆ Integrated veh. production line at Fujisawa plant in May'04

◆ Sold Kawasaki Plant

◆ Debt -for-equity conversion (DES)

◆ Executed DES worth JPY100 billion

◆ Capital stock reduction /increase (retirement of GM stockholding without consideration)

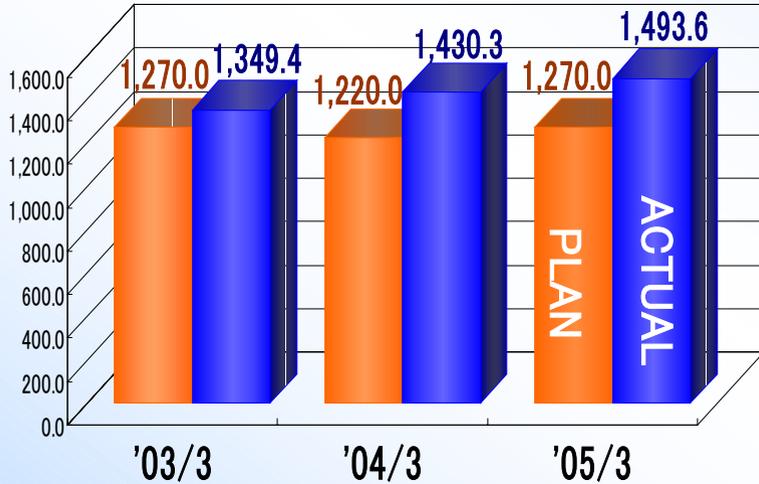
◆ Retirement of GM stake in ISZ without consideration

◆ Fresh capital increase of 10 billion

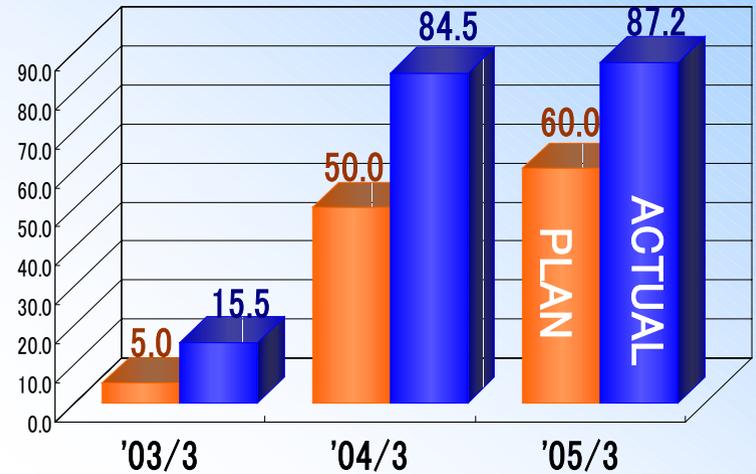
**Recapital-
ization**

New 3-year BP v.s. Actual

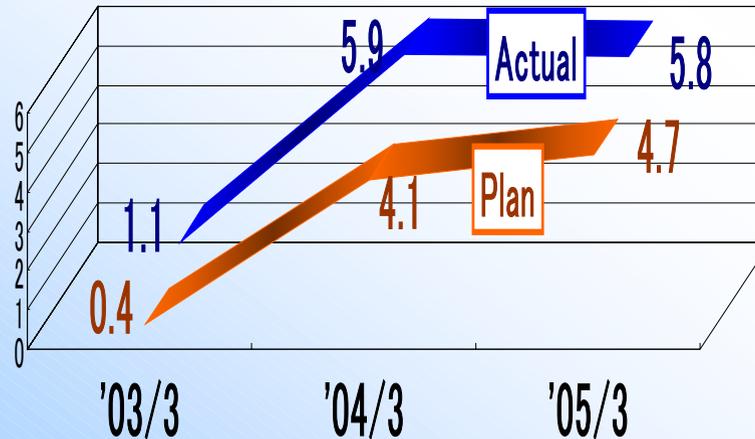
Sales Revenue (JPY: Bil.)



Operating Profit (JPY :Bil.)



Operating profit ratio (%)

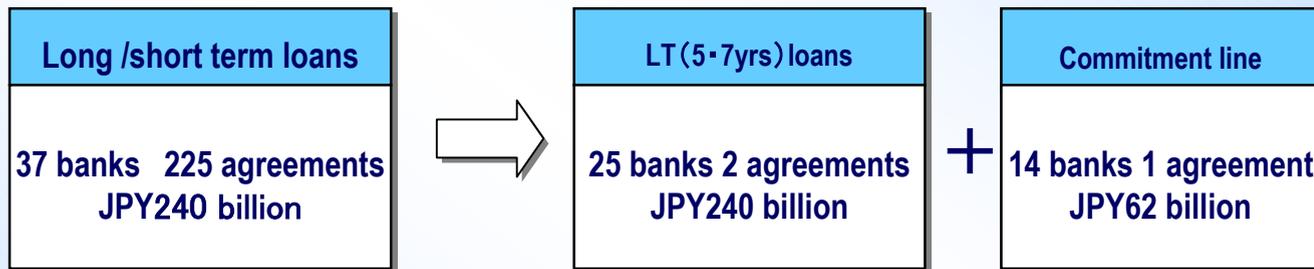


Financial Measures and Their Effects

Preferred Stock

Class-I	Face value Y30 bil. Poten. No. of shares 550 mil. Conversion timing Oct.2006	MC and Itochu acquired shares worth Y16bil.at face value	Stem inflow of common stocks into market
Class-II	Face value Y30 bil. Poten. No. of shares 550M. Conversion timing Oct.2008	Isuzu retired the stock for Y60 bil. twice as much as the face value	Retirement of potential common stocks

Secure fund in stable and robust manner through syndicated loans

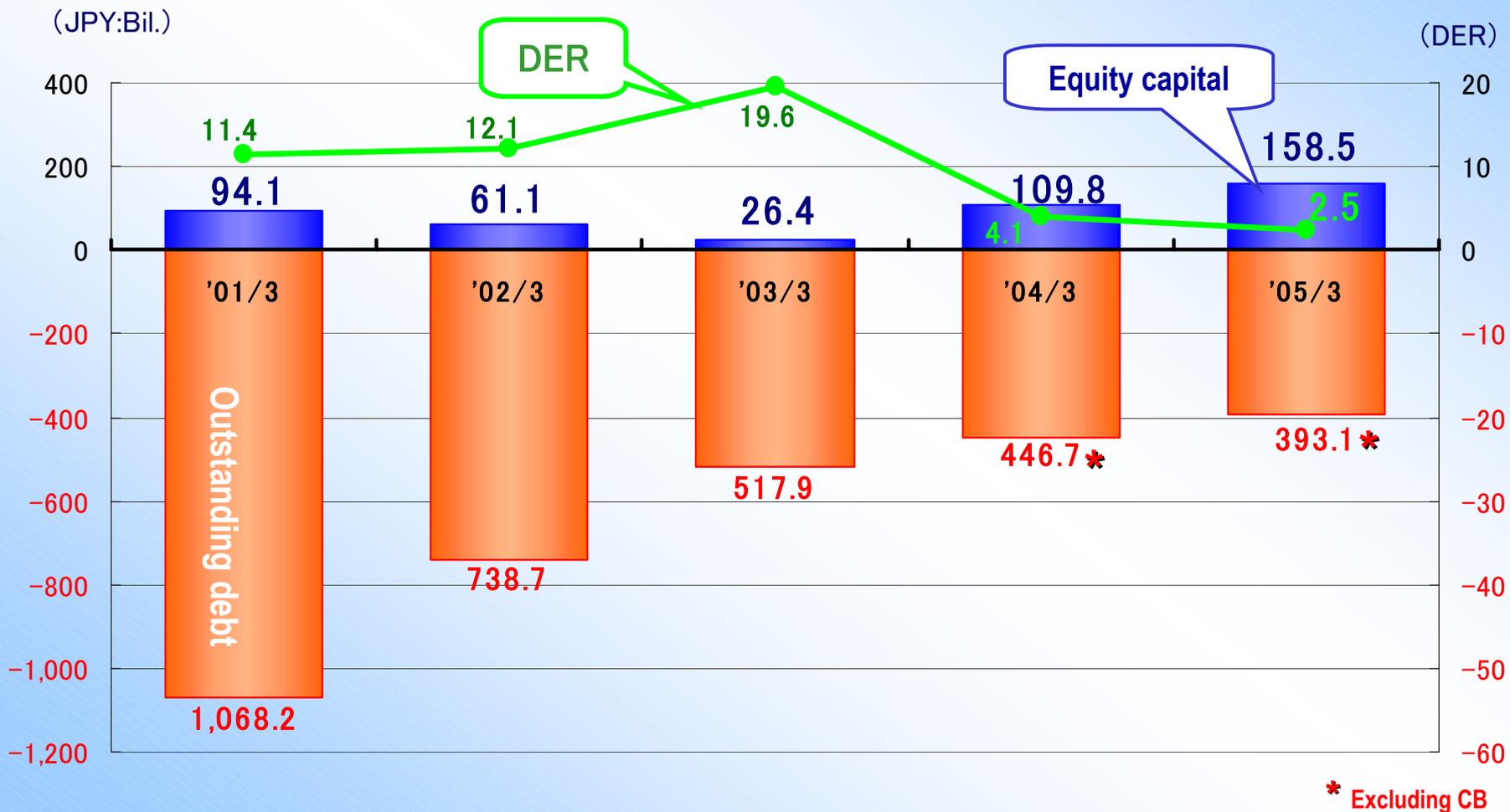


Reduction of outstanding debt

(Excluding Convertible Bond)



Outstanding Debt and Equity Capital (consolidated): Recent Trend



Mid-term Business Plan (FY'06~FY'08)



- ① Develop globally strategic products
- ② Reinforce business activities by market/product

Key measures

Development and introduction of strategic products

- Strategic vehicles
- Strategic DE, both for global mkts

Reinforce CV business in Japan

- Expand share
- CV No.1* in Japan *2-3t and over

Realign & reinforce CV sales body in overseas markets

- Revamp and enhance distribution functions

Maximize LCV operating income

- Maximize sales VOL globally
- Maximize operating efficiency

Quantitative targets

FY Mar.05 ⇒ FY Mar. '08

* Numbers on drawing up basis

- LCV: Unify platform
- DE: Shift to “super clean”DE

CV share

HD : 26 ⇒ 30%

2-3t : 36 ⇒ 40%

CV sales volume

Overseas total
150,000 ⇒ 300,000 units

ASEAN production volume

Total LCV :
200,000 ⇒ 300,000

Implementation Status

【MU-7・New4J-DE】



【Mimamori-kun・CNG-MPI・Hybrid】



【China, Malaysia, Benelux, Iberia】

- Capital raise: Qingling Motors 20% on May 20
- New JV Establishment: Malaysia on Jan. 11
Benelux on Jan. 19
Iberia on Apr. 5

【Capacity increase for Thai pickup trucks】



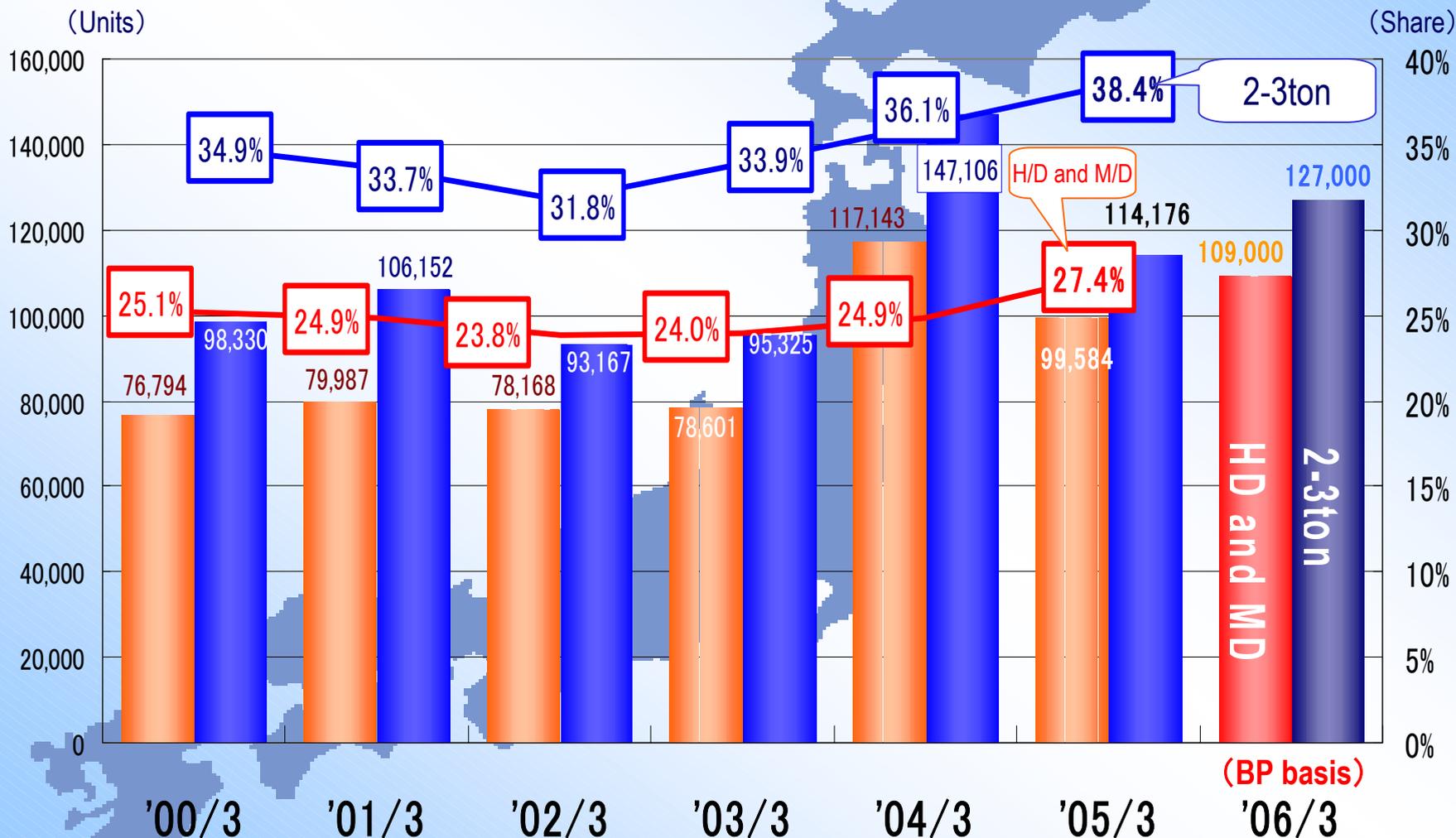
Director, Corporate Planning & Finance

Susumu Hosoi

II . Business Environment

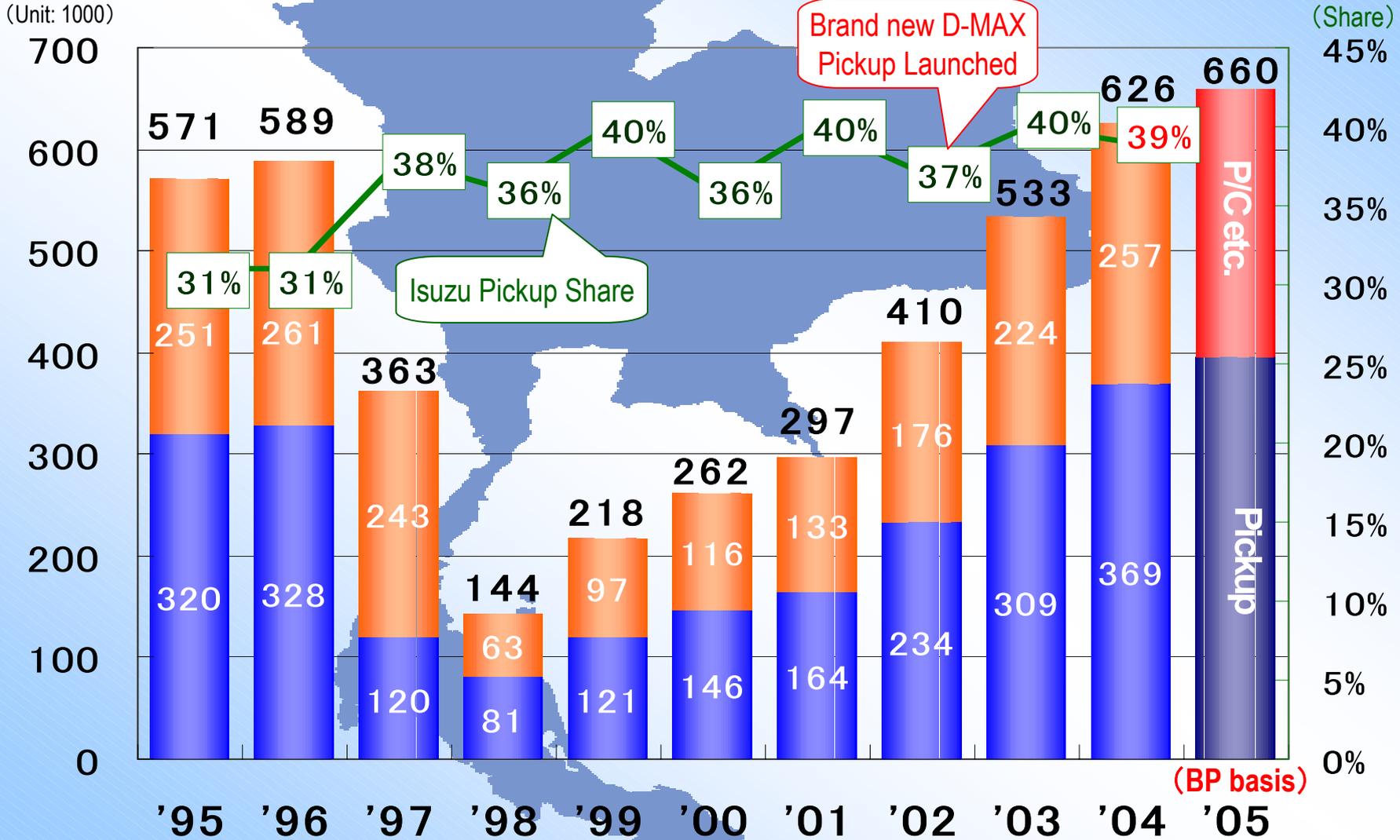
Japan Industry Sales and Isuzu Share

- HD, MD, and 2- to 3-ton Truck -



Thailand Industry Sales

— Total market, pickup segment, and Isuzu share —



Ⅲ. FY2005 Financial Summary

FY2005 Consolidated Results

- Year-on-Year Comparison -

Consolidated (JPY: Bil.)	FY05	FY04	Changes	Consl vs. Parent Ratio
Sales Revenue	1,493.6	1,430.3	+63.3	1.7
Operating Profit	87.2	84.5	+2.7	1.4
Working Profit	91.6	81.7	+9.9	1.7
Net Income	60.0	54.7	+5.3	2.2

* Exchange rate: FY2005 = 107JPY/\$

【Parent】	FY05	FY04	Changes
Sales Revenue	880.1	890.3	(10.2)
Operating Profit	60.6	67.0	(6.4)
Working Profit	53.9	57.6	(3.7)
Net Income	27.0	38.9	(11.9)

FY2005 Consolidated Results

- Sales Revenue by Segment (YOY) -

(JPY: Bil.)	FY05	FY04	Changes
Sales Revenue	1,493.6	1,430.3	+63.3
Operating Profit	87.2	84.5	+2.7
Working Profit	91.6	81.7	+9.9
Net Sales	60.0	54.7	+5.3

Sales Revenue by Segment		FY05	FY04	Changes
	Parent	880.1	890.3	(10.2)
	Japanese DLRs	474.5	471.2	+3.3
	North America	199.0	235.1	(36.1)
	ASEAN	295.5	233.3	+62.2
	Other	196.8	185.5	+11.3
	Adjust.	(552.3)	(585.1)	+32.8
	Total	1,493.6	1,430.3	+63.3

FY2005 Consolidated Results

- Operating Profit by Segment (YOY) -

(JPY: Bil.)	FY05	FY04	Changes
Sales Revenue	1,493.6	1,430.3	+63.3
Operating Profit	87.2	84.5	+2.7
Working Profit	91.6	81.7	+9.9
Net Income	60.0	54.7	+5.3

Operating Profit by Segment		FY05	FY04	Changes
	Parent	60.6	67.0	(6.4)
	Japanese DLRs	6.0	7.5	(1.5)
	North America	(0.4)	(1.4)	+1.0
	ASEAN	15.2	7.2	+8.0
	Other	5.2	5.8	(0.6)
	Adjust.	0.6	(1.6)	+2.2
	Total	87.2	84.5	+2.7

FY2005 Parent Result

- Operating Profit Variance (YOY) -

(JPY: Bil.)	FY05	FY04	Changes
Operating Profit	60.6	67.0	(6.4)

Variance due to:	Favorable	◆ Rationalization	+9.0
		◆ Expense reduction (Depreciation, general expense etc.)	+4.7
		Total favorable	+13.7
	Unfavorable	◆ Sales fluctuation/ Vol. Mix	(3.7)
		◆ Expense increase (Economic change, sales/eng. expense)	(14.0)
		◆ FX	(2.4)
		Total unfavorable	(20.1)
		Total	(6.4)

FY2005 Consolidated Results

- Working Profit/Net Income Variance (YOY) -

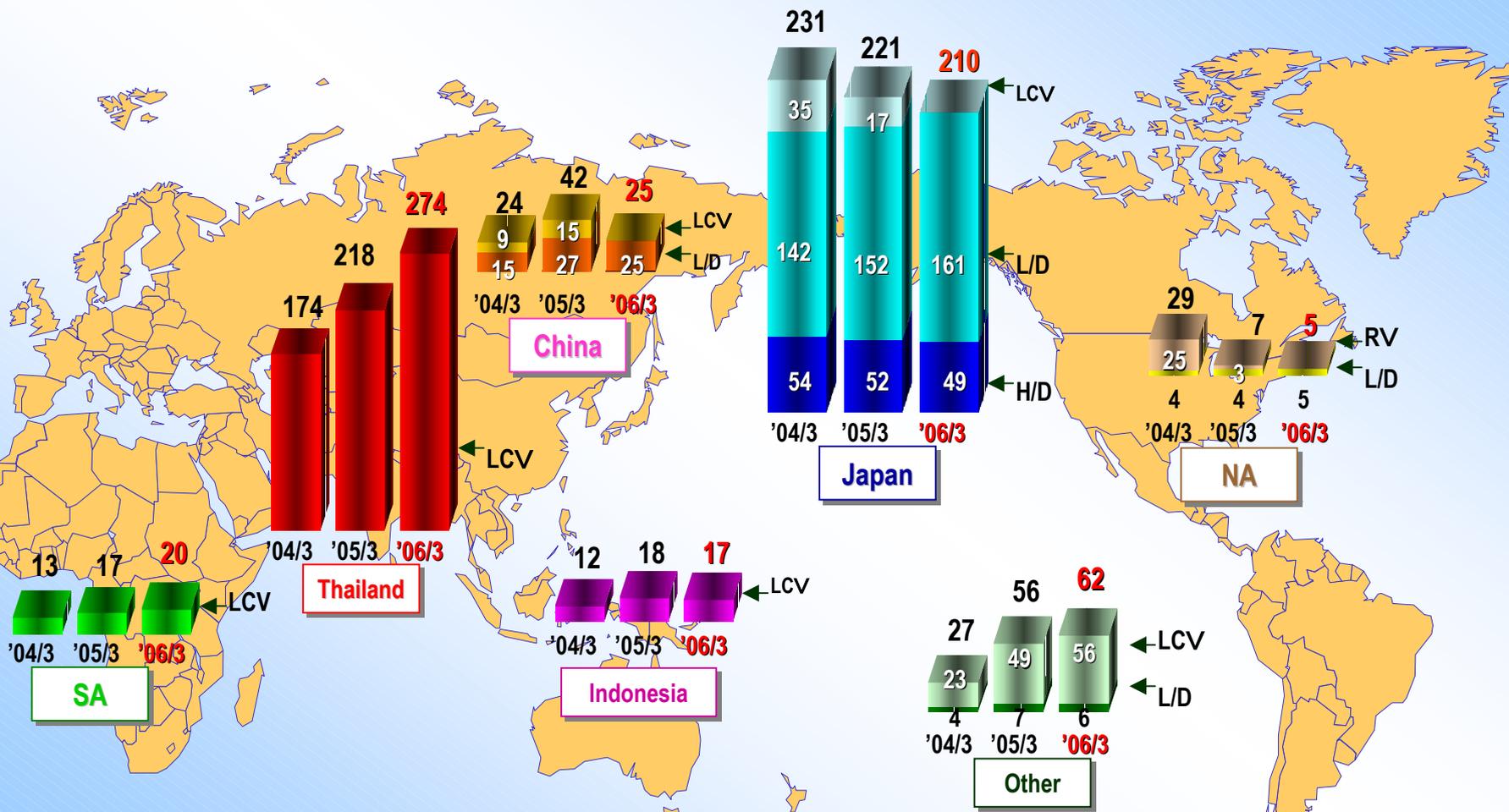
(JPY: Bil.)	FY05	FY04	Changes
Sales Revenue	1,493.6	1,430.3	+63.3
Operating Profit	87.2	84.5	+2.7
Working Profit	91.6	81.7	+9.9
Net Income	60.0	54.7	+5.3

Working Profit	Changes in Operating Profit	+2.7
	Favorable ◆ Equity method income (ISPOL/DMAX)	+5.4
	◆ Financial income etc. (FX, Debt reduction)	+3.7
	Total Changes	+9.9
Net Income	Changes in Working Profit	+9.9
	Favorable ◆ Loss on consolidation/abolition of affiliated companies	+2.3
	Unfavorable ◆ Gain on sales of stockholding	+1.6
	◆ Loss on disposal of fixed assets, etc.	(8.5)
	Total Changes	+5.3

IV. FY2006 Forecast

Isuzu Global Production Volume

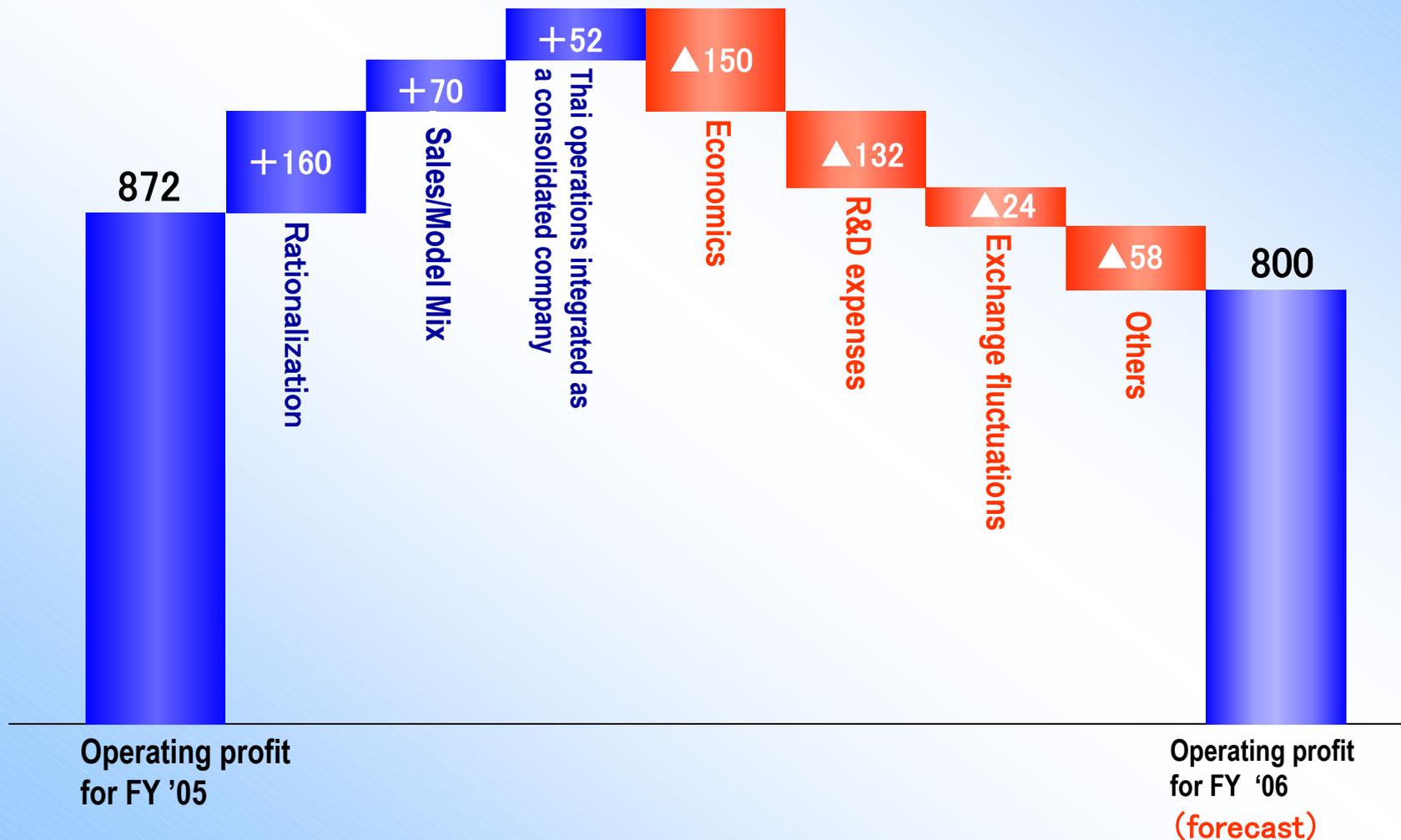
- Vehicle Production Vol.(Unit:1000) by Country/Product -



	'04/3	'05/3	'06/3
Global Production	510	579	613

(Forecast)

Expense fluctuations reflecting business normalization and business environment (Consolidated operating profit: analysis of changes)



FY2006 Consolidated Forecast

- Year-on-Year -

(JPY: Bil.)	FY06	FY05	Changes	Consol vs. parent ratio
Sales revenue	1,540.0	1,493.6	+46.4	1.8
Operating profit	80.0	87.2	(7.2)	1.6
Working profit	75.0	91.6	(16.6)	1.4
Net income	50.0	60.0	(10.0)	1.3

※ FX assumption: JPY100/\$ for FY06

【Parent】	FY06	FY05	Changes
Sales revenue	860.0	880.1	▲ 20.1
Operating profit	50.0	60.6	▲ 10.6
Working profit	55.0	53.9	+1.1
Net income	40.0	27.0	+13.0

FY2006 Consolidated Forecast

-Sales Revenues by Segment -

(JYP:BiI)	FY06	FY05	Changes
Sales revenues	1,540.0	1,493.6	+46.4
Operating profit	80.0	87.2	(7.2)
Working profit	75.0	91.6	(16.6)
Net income	50.0	60.0	(10.0)

Sales revenues by Segment		FY06	FY05	Changes
	Parent	860.0	880.1	(20.1)
	Japanese DLRs	540.0	474.5	+65.5
	North America	150.0	199.0	(49.0)
	ASEAN	390.0	295.5	+94.5
	Others	180.0	196.8	(16.8)
	Ajust.	(580.0)	(552.3)	(27.7)
	Total	1,540.0	1,493.6	+46.4

FY2006 Consolidated Forecast

-Operating profit by Segment (YOY) -

(JPY:Bi)	FY06	FY05	Changes
Sales revenues	1,540.0	1,493.0	+46.4
Operating profit	80.0	87.2	(7.2)
Working profit	75.0	91.6	(16.6)
Net income	50.0	60.0	(10.0)

Operating profit by Segment		FY06	FY05	Changes
	Parent	50.0	60.6	(10.6)
	Japanese DLRs	6.0	6.0	0.0
	North America	5.0	(0.4)	+5.4
	ASEAN	17.0	15.2	+1.8
	Others	4.0	5.2	(1.2)
	Adjust.	(2.0)	0.6	(2.6)
	Total	80.0	87.2	(7.2)

' FY2006 Consolidated Forecast

- Working profit/net income variance (Y-O-Y)

(JPY:Bill)	FY06	FY05	Changes
Sales Revenue	1,540.0	1,493.6	+46.4
Operating profit	80.0	87.2	(7.2)
Working profit	75.0	91.6	(16.6)
Net income	50.0	60.0	(10.0)

Working profit	Operating Profit Changes	(7.2)
	Favorable ◆ On-equity income	(8.9)
	◆ Financial income, etc. (FX)	(0.5)
	Total Changes	(16.6)
Net income	Working profit changes	(16.6)
	Favorable ◆ Loss from disposal of fixed assets, etc.:	+10.4
	◆ Loss from restructuring of affiliated companies	+1.5
	Unfavorable ◆ Gain on sales of stockholding	(5.3)
	Total Changes	(10.0)

Trucks for life
ISUZU

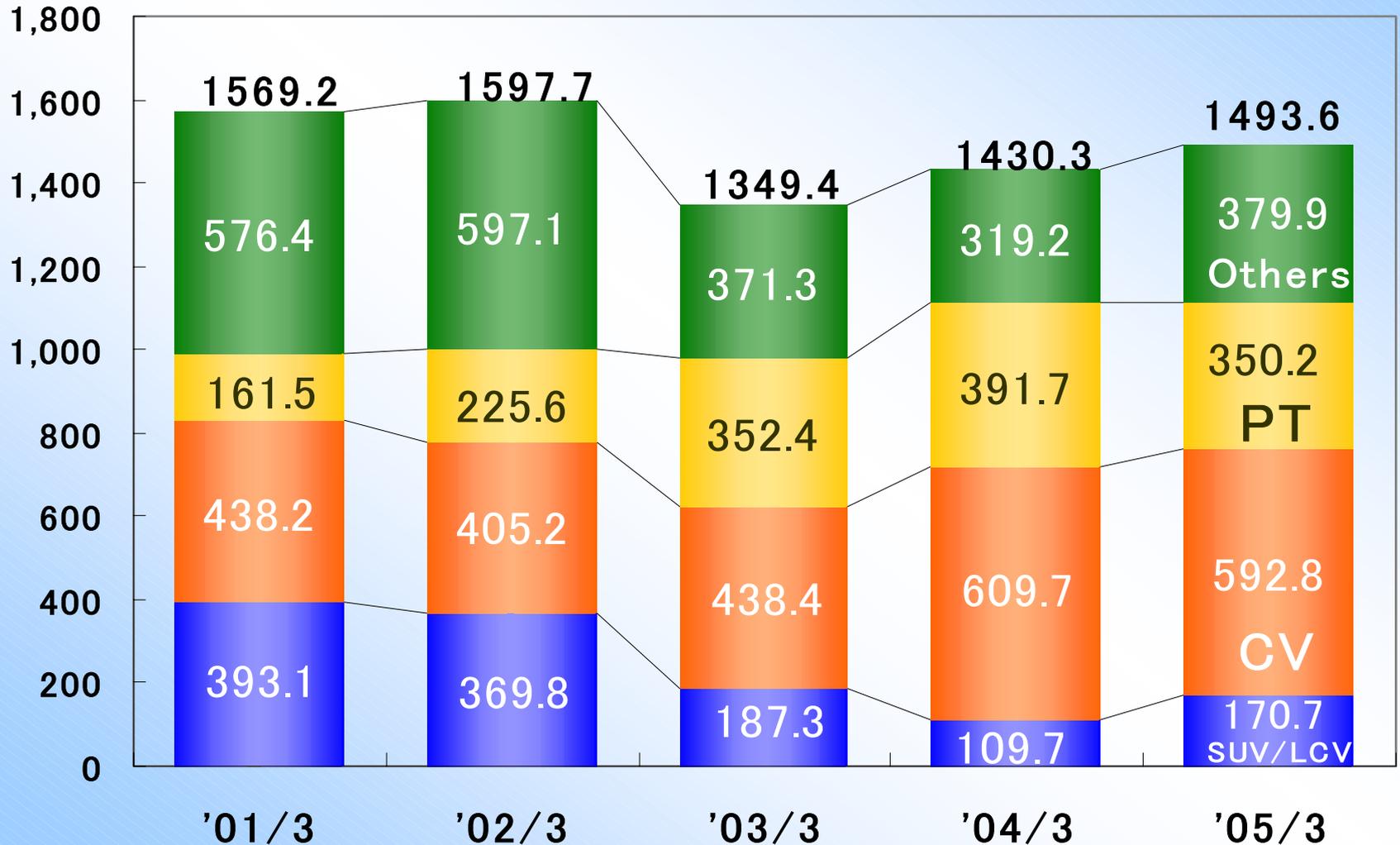
【Appendix】

Major Business Index

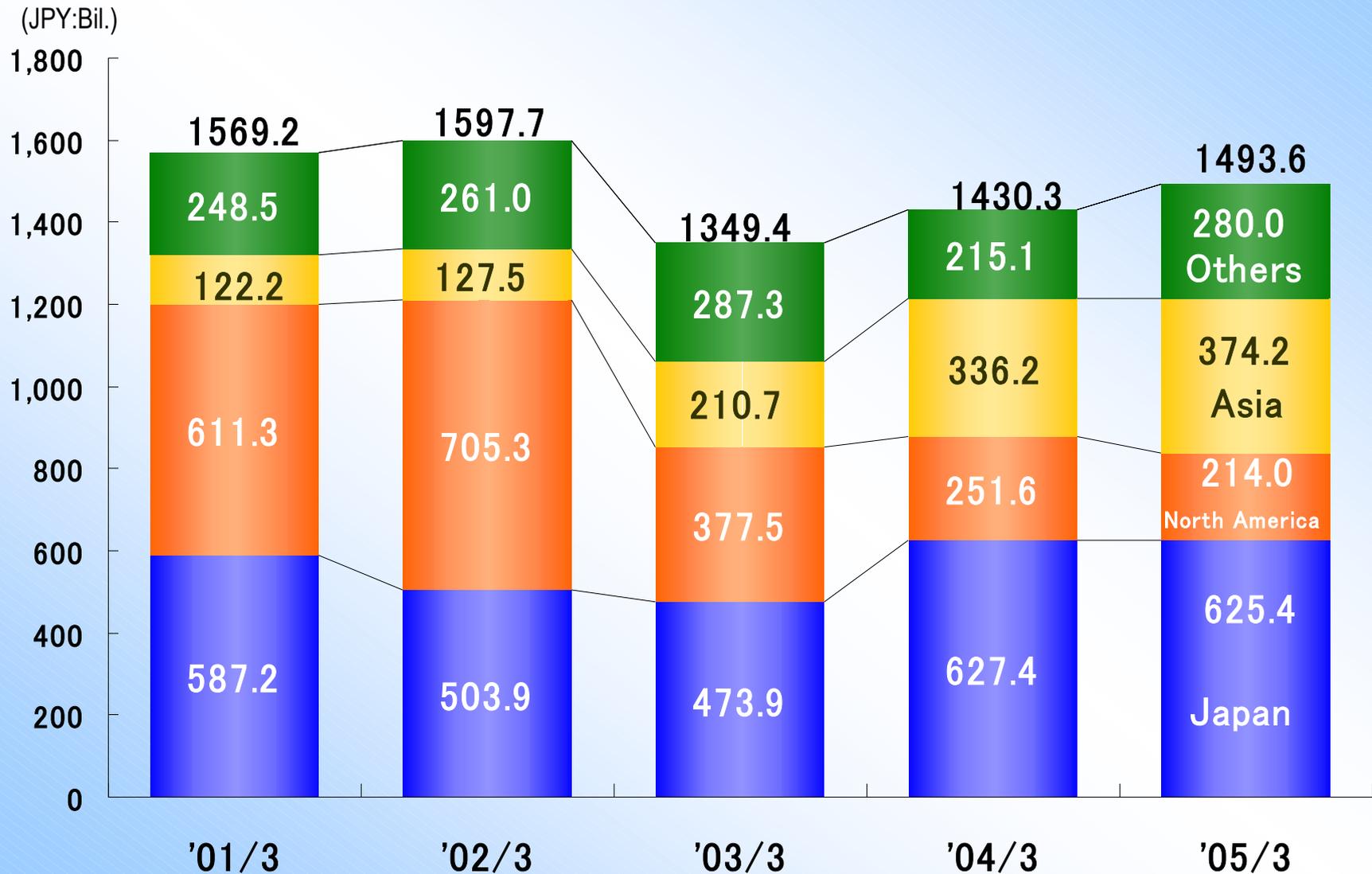
Consolidated Revenue by Segment

SUV/LCV, CV, PT, Other(KD, parts)

(JPY: Bil.)

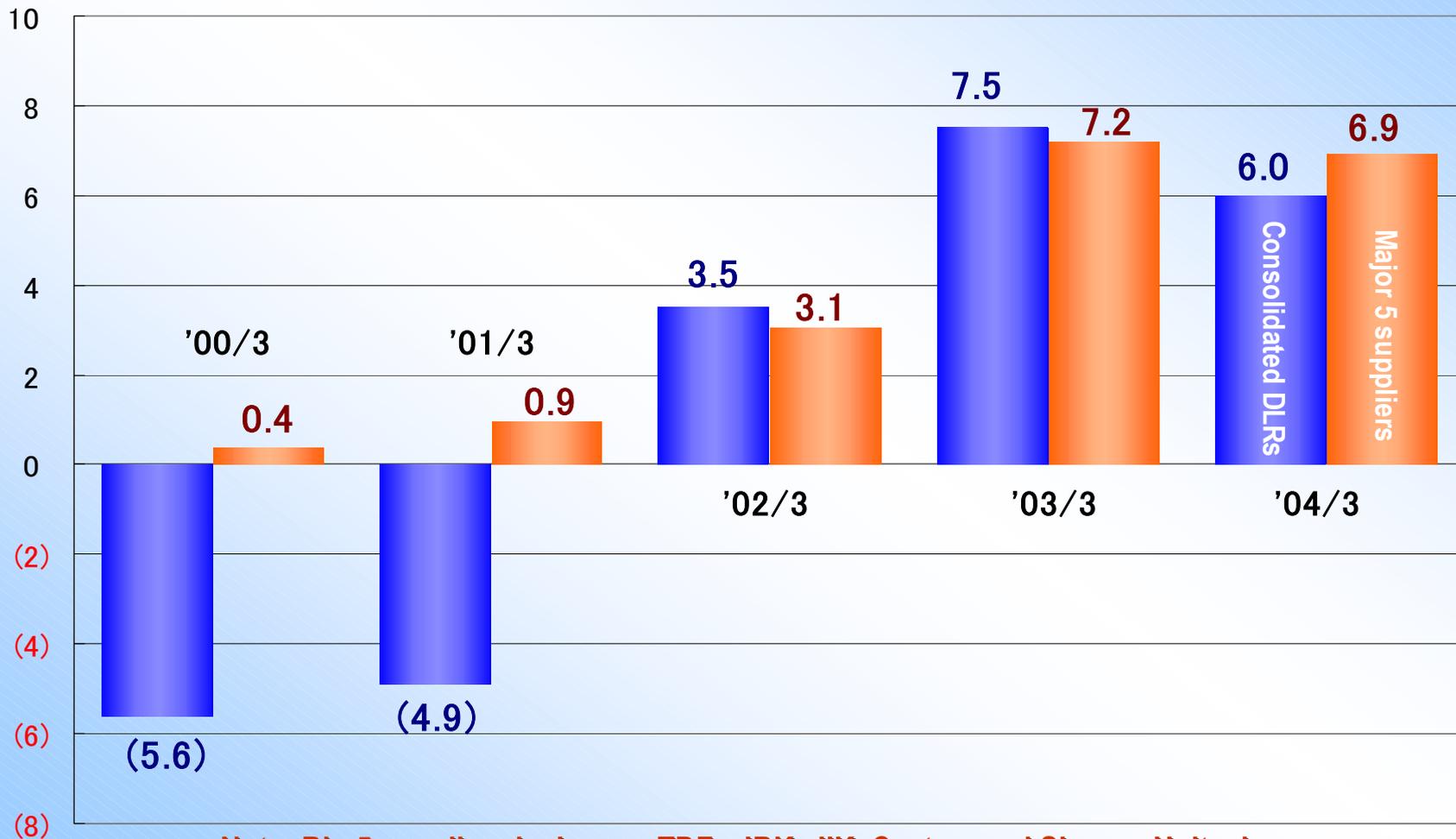


Consolidated Revenue by Region



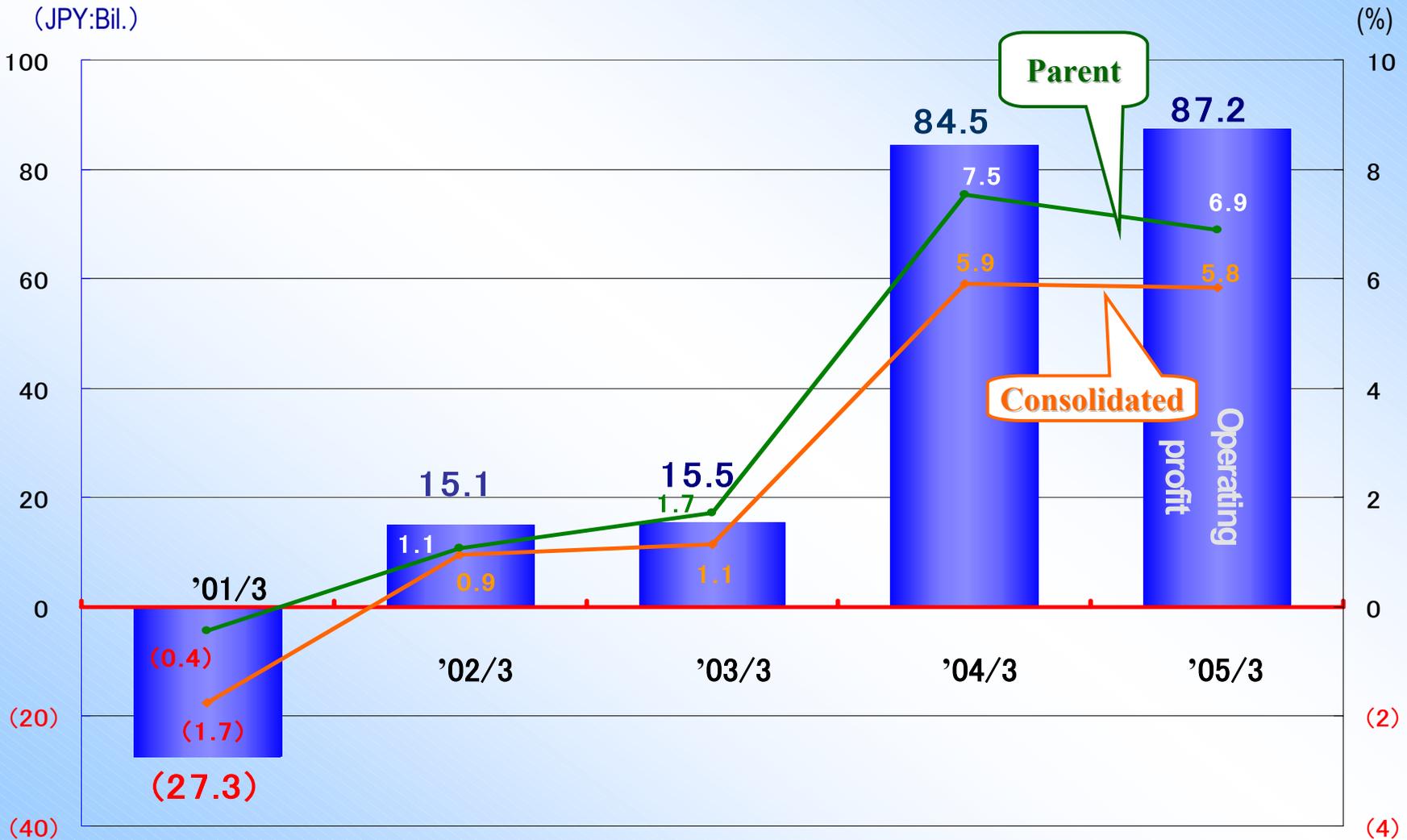
Consolidated Dealerships/5 Suppliers in Japan: Improved operating performance of Isuzu-Group companies

(JPY: Bil.)



Note: Big 5 suppliers in Japan: TDF, JBK, JIK, Castec, and Shonan Unitech

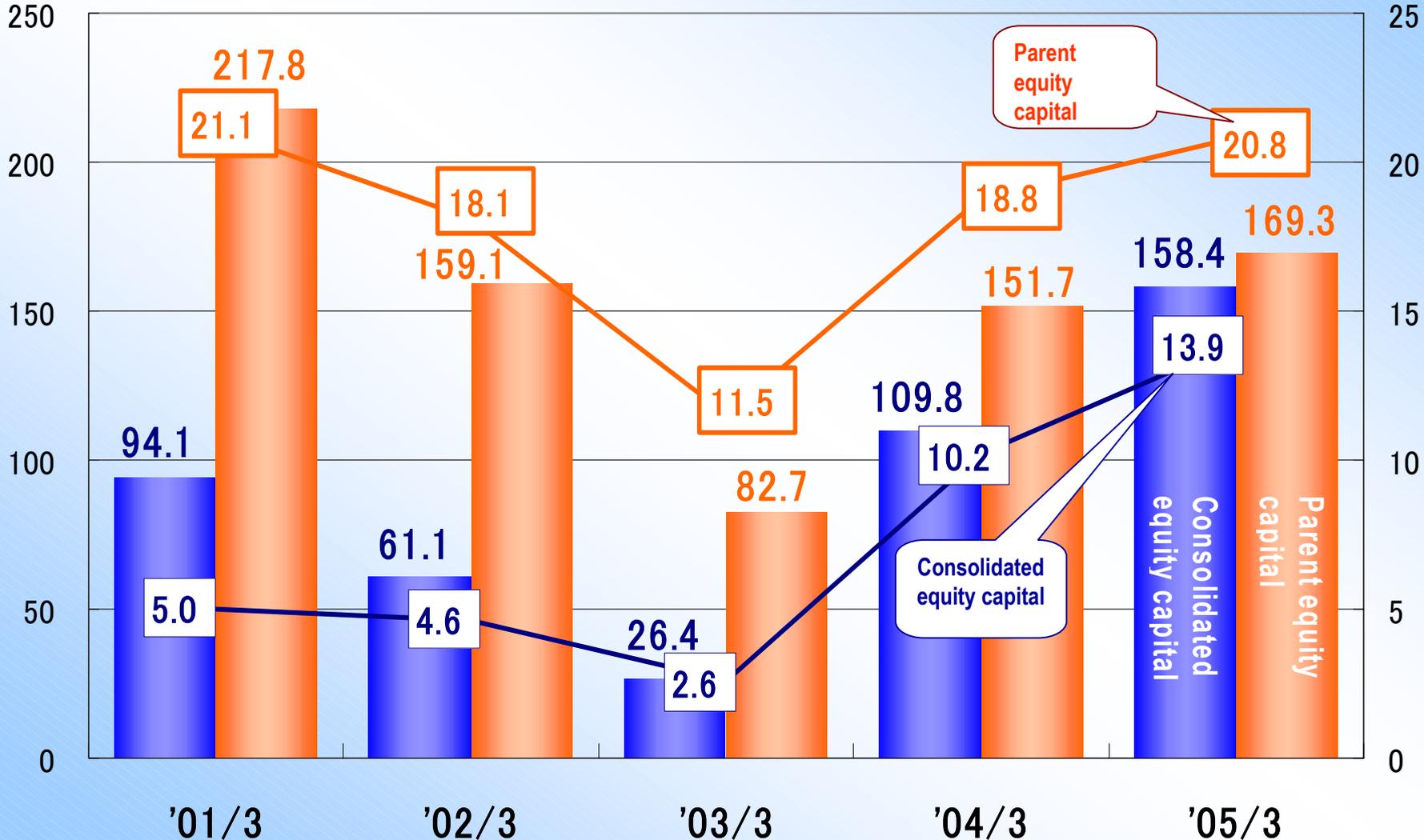
Operating Profit Ratio Trend



Equity Capital Improvement

(JPY: Bil.)

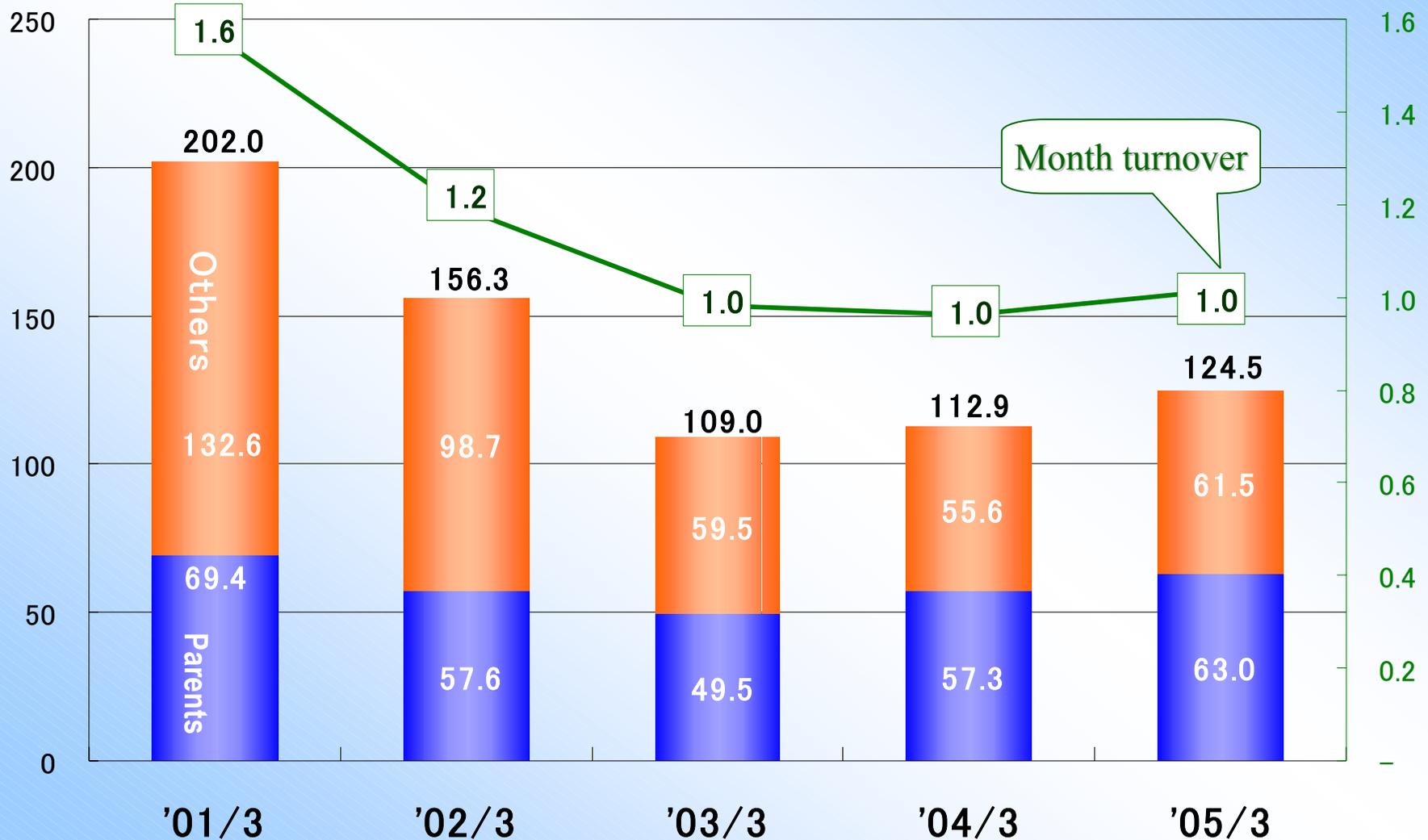
(%)



Inventory Balance - Consolidated for full-term -

(JPY: Bil.)

(Months)



Improved Earnings Foundation

- Fixed cost-to-total revenue (parent) -

(JPY: Bil.)

(Fixed ratio)

