

FY2007 Third Quarter Consolidated Financial Results:

For the Nine Months Ended December 31, 2006



January 30, 2007

Company name : Isuzu Motors Limited
 Stock exchange listing : Code No. 7202, The 1st Section, Tokyo Stock Exchange in Japan
 Headquarters : In Tokyo, Japan
 Representative : Yoshinori Ida, President and Representative Director
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1. Basis for preparation of quarterly financial results:

- 1) Adoption of simplified accounting practices : Applicable
 The standards for preparing the mid-term (consolidated) financial statements are generally applied, while using certain simplified procedures are used for calculating tax expenses, reporting depreciation expenses, and omitting physical stocktaking.
- 2) Changes in accounting practices from previous fiscal year : Applicable
 1. The exchange conversion standards with regard to revenues and expenses of our overseas subsidiaries, etc., traditionally provided that the conversion of foreign currency into yen currency shall be calculated at the spot rate of exchange on the book closing date of the overseas subsidiaries. However, in the current consolidated fiscal year, the applicable conversion standards have been changed to use the in-period average rate of exchange for conversion into yen currency. As a result of the change, as compared to the traditional method, the influence is quite light.
 2. For the current consolidated accounting year and the following years, the Balance Sheet is compiled in accordance with the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Corporate Accounting Standard No.5, December 9, 2005) and the Implementation Guideline on the Accounting Standard for Net Assets in the Balance Sheet, etc. (Implementation Guideline on Corporate Accounting Standards No.8, December 9, 2005). The amount commensurate with the conventional Shareholders' Equity totals as much as 321,200 million yen.
- 3) Changes in scope of consolidation and equity method of accounting : Applicable
 Number of subsidiaries excluded from consolidated accounting : 3 companies
 Number of newly added to the equity method of accounting : 5 companies
 Number of affiliates excluded from the equity method of accounting : 3 companies

2. FY2007 third quarter financial results (April 1, 2006 through December 31, 2006)

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

	Net Sales		Operating profit		Working profit		Net income	
FY2007 Q3 (9 months to Dec. 31, '06)	1,226,167	8.2%	85,635	44.4%	93,152	49.3%	77,322	80.4%
FY2006 Q3 (9 months to Dec. 31, '05)	1,133,678	4.8%	59,301	(7.6%)	62,382	(8.8%)	42,850	(16.1%)
(Ref.) Full year FY2006	1,581,857		90,661		93,843		58,956	

	Net income per share	Fully diluted net income per share
FY2007 Q3 (9 months to Dec 31, '06)	58.51	43.13
FY2006 Q3 (9 months to Dec. 31, '05)	35.88	22.89
(Ref.) Full year FY2006	48.75	31.67

(in Yen)

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

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

Common stock: FY2007 Q3: 1,272,763,914 shares FY2006 Q3: 1,126,884,543 shares
 Full year FY 2006: 1,130,109,701 shares

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

	Net Sales		Operating profit		Working profit		Net income	
FY2007 Q3 (9 months to Dec. 31, '06)	721,271	11.1%	55,791	63.8%	62,418	39.0%	57,575	61.7%
FY2006 Q3 (9 months to Dec. 31, '05)	654,663	2.6%	34,068	(27.6%)	44,917	4.4%	35,604	8.1%
(Ref.) Full year FY2006	917,895		53,506		64,149		46,476	

	Net income per share	Fully diluted net income per share
FY2007 Q3 (9 months to Dec. 31, '06)	43.56	32.11
FY2006 Q3 (9 months to Dec. 31, '05)	29.80	19.62
(Ref.) Full year FY2006	38.31	24.96

(Note) The percentage points for net sales and operating profit represent year-on-year changes.
Average number of shares issued and outstanding in each period :

Common stock: FY2007 Q3: 1,273,049,774 shares FY2006 Q3: 1,127,282,065 shares
Full year FY 2006: 1,130,497,966 shares

[Qualitative Data on Consolidated Business Performance]

In the quarter from September to December, 2006, the rapid growth in demand driven by NOx/PM emission controls stopped as the replacement cycle almost ended in the Japanese market. Nonetheless, owing to sales promotion initiatives, our share surged, especially in the heavy-duty vehicle segment. Sales volume increased by 6,000 units for a year-on rise of 8.8%, and sales value increased by 58.1 billion yen, for a gain of 12.3%.

In Thailand, political instability caused sales of pickup trucks to drop, but our overseas sales system, which we have long been laying the groundwork for, has started to show results.

Meanwhile, demand from resource-producing countries is also growing. These positive factors are behind the growth in shipments of light-duties vehicles.

As a result, overseas sales increased by 6,146 units (for a gain of 2.4%), and in value by 34.3 billion yen for a year-on rise of 5.2%. Overall, sales in Q3 amounted to 1,226.1 billion yen (up 8.2% year on year), while operating profit totaled 85.6 billion yen (up 44.4%), working profit, 93.1 billion yen (up 49.3%), net income, 77.3 billion yen (up 80.4%).

2) Changes of the consolidated financial position

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

	Total assets (in million yen)	Shareholders' equity (in million yen)	Shareholders' equity as a percentage of total assets (%)	Shareholders' equity per share (in yen)
FY2007 Q3 (9 months to Dec. 31, '06)	1,219,093	353,216	26.3%	168.01
FY2006 Q3 (9 months to Dec. 31, '05)	1,133,103	227,894	20.1%	138.50
(Ref.) Full year FY2006	1,168,697	244,350	20.9%	152.05

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

Common stock: FY2007 Q3: 1,662,063,128 shares FY2006 Q3: 1,140,002,005 shares
Full year FY 2006: 1,140,030,826 shares

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

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

	Total assets (in million yen)	Shareholders' equity (in million yen)	Shareholders' equity as a percentage of total assets (%)	Shareholders' equity per share (in yen)
FY2007 Q3 (9 months to Dec. 31, '06)	881,891	282,110	32.0%	144.56
FY2006 Q3 (9 months to Dec. 31, '05)	840,499	223,402	26.6%	134.52
(Ref.) Full year FY2006	867,698	231,289	26.7%	140.56

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

Common stock: FY2007 Q3: 1,662,350,840 shares FY2006 Q3: 1,140,352,143 shares
Full year FY 2006: 1,140,306,872 shares

[Qualitative Data on Consolidated Financial Condition]

By the end of Q3 net asset increased by 108.8 billion yen to 353.2 billion yen from the end of the previous consolidated fiscal year. One reason was strong net earning of 77.3 billion yen in the current quarter.

Another was that, beginning with the current consolidated fiscal term, the "Shareholders' Equity" section has been changed to the "Net Asset" section. As a result, minority interests and other items (32.1 billion yen) that had not been part of "Shareholders' Equity" are now included in "Net Assets".

Interest-bearing debts, on the other hand, decreased by 37.1 billion yen from the end of the previous fiscal year to 312.5 billion yen.

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

The company's forecast of the full-year financial results remains the same as the Forecast for Consolidated Results of FY 2007 announced on Nov 13, 2006.

Attachment

Average number of shares issued and outstanding in each period

	FY2007 Q3	FY2006 Q3	FY2006
	shares	shares	shares
Common stock (w/o Treasury stock)			
Consolidated	1,272,763,914	1,126,884,543	1,130,109,701
Parent Company	1,273,049,774	1,127,282,065	1,130,497,966
Preferred Stock(w/o Treasury stock)			
Class 1 preferred stock	28,535,974	37,500,000	37,500,000
Class 3 preferred stock	25,000,000	25,000,000	25,000,000
Class 4 preferred stock	25,000,000	25,000,000	25,000,000

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

	FY2007 Q3	FY2006 Q3	FY2006
	shares	shares	shares
Common stock (w/o Treasury stock)			
Consolidated	1,662,063,128	1,140,002,005	1,140,030,826
Parent Company	1,662,350,840	1,140,352,143	1,140,306,872
Preferred Stock(w/o Treasury stock)			
Class 1 preferred stock	2,251,250	37,500,000	37,500,000
Class 3 preferred stock	25,000,000	25,000,000	25,000,000
Class 4 preferred stock	25,000,000	25,000,000	25,000,000

(Note) The total number of the outstanding common shares has increased due to the common shares issued to meet requests for acquisition of the Class I Preferred Stocks for the current accounting year.

The details are as follows:

	<class>	<number of the shares>	<amount>
<i>the common shares issued to meet requests for acquisition of the Class I Preferred Stocks</i>	Common stock	522,203,702	- Yen

<i>Net income per share =</i>	$\frac{\text{Net income - Accounts not belonging to common stock}}{\text{Average number of common stock issued and outstanding in each period} + \text{Number of common stock increased based on if-converted method of Conversion type participative stock - Average number of common stock for treasury}}$
<i>Net income per share after dilution of potential stock =</i>	$\frac{\text{Net income - Accounts not belonging to common stock} + \text{Adjusted net income}}{\text{Average number of common shares issued and outstanding in each period} + \text{Number of common stock increased based on if-converted method of Conversion type participative stock} + \text{Number of common stock increased based on if-converted method of "Convertible stock which the period for claiming the conversion has not yet come" - Average number of common stock for treasury}}$
<i>Shareholders' equity per share =</i>	$\frac{\text{Total assets - Number of preferred stocks issued and outstanding at the end of each period} \times \text{Amount per share - minorities interest - Preferred Dividend}}{\text{Number of common stock issued and outstanding at the end of each period} - \text{Average number of Common stock for treasury}}$

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

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

(Per share information)

FY2007 Q3	FY2006 Q3	FY2006
Shareholder's equity per share 168.01Yen	Shareholder's equity per share 138.50Yen	Shareholder's equity per share 152.05Yen
Net income per share 58.51Yen	Net income per share 35.88Yen	Net income per share 48.75Yen
Net income per share after dilution of potential stock 43.13Yen	Net income per share after dilution of potential stock 22.89Yen	Net income per share after dilution of potential stock 31.67Yen

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

	FY2007 Q3	FY2006 Q3	FY2006
Shareholder's equity per share	Millions of yen	Millions of yen	Millions of yen
Total net assets	352,216	227,894	244,350
Deduction	73,971	70,000	71,007
(Preferred stock)	41,801	70,000	70,000
(Minority interest)	32,170	—	—
(Preferred stock dividend)	—	—	1,007
Sub total	279,245	157,894	173,343
Net income per share	Millions of yen	Millions of yen	Millions of yen
Net income	77,322	42,850	58,956
Accounts not belonging to common stock	—	—	584
(Dividend)	—	—	584
Net income on common stock	77,322	42,850	58,372
Average number of shares issued and outstanding in each period:	Shares	Shares	Shares
(Common stock)	1,321,425,714	1,194,224,610	1,197,449,768
(Class 4 preferred stock)	1,272,763,914	1,126,884,543	1,130,109,701
	48,661,800	67,340,067	67,340,067
Net income per share after dilution of potential stock	Millions of yen	Millions of yen	Millions of yen
Net income adjustment	—	—	584
(Dividend)	—	—	584
Number of common stock increased	Shares	Shares	Shares
(Convertible stock which the period for claiming the conversion has not yet come)	471,416,973	677,413,234	663,970,535
(Bonds with warrant attached)	471,416,973	622,895,623	622,895,623
	—	54,517,611	41,074,912

(Summary) Consolidated Statements of Operations

(Yen in millions)

	FY2007 Q3 (Apr.-Dec. '06)		FY2006 Q3 (Apr.-Dec. '05)		Change
		%		%	
Net sales	1,226,167	100.0	1,133,678	100.0	92,489
Cost of sales	1,038,662	84.7	968,604	85.4	70,058
GROSS PROFIT	187,505	15.3	165,074	14.6	22,431
Selling, general and administrative expenses	101,869	8.3	105,773	9.3	(3,903)
OPERATING PROFIT	85,635	7.0	59,301	5.2	26,334
Non-operating income	16,645	1.4	14,411	1.3	2,233
Non-operating expenses	9,129	0.7	11,329	1.0	(2,200)
WORKING PROFIT	93,152	7.6	62,382	5.5	30,769
Extraordinary profit	4,512	0.4	7,820	0.7	(3,308)
Extraordinary loss	8,370	0.7	17,906	1.6	(9,535)
PRETAX INCOME	89,293	7.3	52,296	4.6	36,996
Corporation tax adjustments	6,173	0.5	4,878	0.4	1,295
Minorities Interest	5,797	0.5	4,568	0.4	1,229
NET INCOME	77,322	6.3	42,850	3.8	34,471

Note: Fraction less than million omitted.

(Summary) Consolidated Balance Sheet

(Yen in millions)

	Dec 31, 2006	March 31, 2006	Change	Dec 31, 2005
[ASSETS]				
CURRENT ASSETS	602,216	554,141	48,075	532,500
Cash on cash equivalents	146,620	108,642	37,977	92,533
Trade notes and accounts receivable	260,453	252,441	8,012	227,520
Inventories	138,791	137,754	1,036	161,902
Others	56,351	55,302	1,048	50,544
FIXED ASSETS	616,877	614,556	2,320	600,602
Property, plant & equipment	485,358	474,264	11,094	454,986
Intangible assets	9,236	9,177	59	7,516
Investments & other assets	122,281	131,114	(8,833)	138,099
Securities-Investment	100,598	95,229	5,369	89,742
Long-term loans receivable	4,234	15,404	(11,170)	23,425
Others	17,447	20,480	(3,032)	24,931
TOTAL ASSETS	1,219,093	1,168,697	50,396	1,133,103
[LIABILITIES]				
CURRENT LIABILITIES	502,083	497,260	4,822	499,774
Trade notes and accounts payable	301,046	297,370	3,675	286,429
Short-term borrowings	79,786	91,971	(12,184)	103,667
Current maturities of bonds	3,140	-	3,140	-
Others	118,110	107,918	10,191	109,676
LONG-TERM LIABILITIES	363,793	400,269	(36,475)	387,232
Bonds	50,000	52,870	(2,870)	52,870
Long-term debt	179,617	204,818	(25,200)	201,766
Accrued retirement and severance benefits	56,080	62,257	(6,176)	60,780
Deferred income tax related to land revaluation	55,827	55,827	-	49,647
Others	22,267	24,496	(2,228)	22,167
TOTAL LIABILITIES	865,876	897,529	(31,652)	887,006
[MINORITY INTEREST]				
Minority Interest	-	26,816	(26,816)	18,202
[SHAREHOLDERS' EQUITY]				
Common stock and preferred stock	-	40,644	(40,644)	40,644
Capital surplus	-	50,427	(50,427)	50,408
Retained earnings	-	68,689	(68,689)	53,296
Variance of land revaluation	-	74,138	(74,138)	77,871
Unrealized holding gain on securities	-	15,014	(15,014)	13,705
Foreign currency translation adjustment	-	(4,334)	4,334	(7,803)
Treasury stock	-	(229)	229	(228)
TOTAL SHAREHOLDERS' EQUITY	-	244,350	(244,350)	227,894
TOTAL LIABILITIES & MINORITY INTEREST & SHAREHOLDERS' EQUITY	-	1,168,697	(1,168,697)	1,133,103
[Net Assets]				
Shareholder's equity	232,005	-	232,005	-
Common stock and preferred stock	40,644	-	40,644	-
Capital surplus	50,427	-	50,427	-
Retained earnings	141,233	-	141,233	-
Treasury stock	(300)	-	(300)	-
Variance of revaluation	89,040	-	89,040	-
Unrealized holding gain on securities	12,614	-	12,614	-
Deferred gain and loss from hedging	(154)	-	(154)	-
Variance of land revaluation	73,650	-	73,650	-
Foreign currency translation adjustment	2,930	-	2,930	-
Minority Interest	32,170	-	32,170	-
TOTAL NET ASSETS	353,216	-	353,216	-
TOTAL LIABILITIES & NET ASSETS	1,219,093	-	1,219,093	-

Note: Fraction less than million omitted.

Sales by Segments

(Fraction less than million omitted)

	FY2007 Q3 (Apr.-Dec. '06)		FY2006 Q3 (Apr.-Dec. '05)		Changes	
	Units	In million yen	Units	In million yen	Units	In million yen
Japan	24,552	182,676	23,100	168,213	1,452	14,463
Overseas	17,090	64,889	14,843	52,201	2,247	12,687
Heavy/Medium Duty Total	41,642	247,565	37,943	220,414	3,699	27,151
Japan	49,825	132,618	45,277	120,658	4,548	11,959
Overseas	247,743	376,146	243,844	356,142	3,899	20,004
Light Duty Total	297,568	508,764	289,121	476,800	8,447	31,963
Japan	74,377	315,294	68,377	288,871	6,000	26,422
Overseas	264,833	441,035	258,687	408,343	6,146	32,692
Vehicle Total	339,210	756,330	327,064	697,215	12,146	59,114
Overseas	-	56,871	-	51,280	-	5,590
Overseas production parts	-	56,871	-	51,280	-	5,590
Japan	-	33,181	-	24,564	-	8,617
Overseas	-	122,864	-	129,885	-	(7,020)
Engine/componets	-	156,046	-	154,449	-	1,596
Japan	-	183,137	-	160,049	-	23,088
Overseas	-	73,780	-	70,682	-	3,098
Others	-	256,918	-	230,732	-	26,186
Japan	-	531,614	-	473,486	-	58,128
Overseas	-	694,553	-	660,192	-	34,360
Net Sales	-	1,226,167	-	1,133,678	-	92,489

Note: Consumption tax levied in Japan not included.