

Translation for reference only

Securities Identification Code: 7202
June 8, 2006

To Our Shareholders,

Yoshinori Ida, President
ISUZU MOTORS LIMITED
26-1, 6-chome, Minami-oi,
Shinagawa-ku, Tokyo

NOTICE OF CONVOCAION OF THE 104th ANNUAL GENERAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 104th Annual General Shareholders' Meeting of our Company, to be held as set forth below.

If you are unable to attend this meeting, you are kindly requested to exercise your voting rights using one of the following methods. Please refer to the attached Reference Materials for the Shareholders' Meeting and exercise your voting rights by 17:30, June 28, 2006.

Voting by mail

Please indicate on the Voting Right Exercise Form enclosed herewith your approval or disapproval to the items on the agenda, affix your seal impression, and return the form.

Voting Electronically

Please access the Internet site (<http://www.evotep.jp/>) from a personal computer or cellular phone, using the "Voting Right Exercise Code" and "temporary password" shown on the enclosed Voting Right Exercise Form. Then, please indicate your approval or disapproval to the items on the agenda by following the on-screen instructions. Please also refer to (3) "the Exercise of Voting Rights via the Internet" under "the Guidance for the Exercise of Voting Rights" on the following page.

1. Date & Time: June 29, 2006 (Thursday) 10:00 a.m.
2. Venue: ISUZU Hall
Bell Port A, 26-1, Minami-oi 6-chome, Shinagawa-ku, Tokyo
ISUZU MOTORS LIMITED
3. Agenda of the Meeting:
Matters to be Reported upon:
 1. Report on the Consolidated Balance Sheet and the Consolidated Statement of Income with respect to the 104th Business Period (from April 1, 2005 to March 31, 2006), and report on the results of the audit conducted on the Consolidated Balance Sheet and the Consolidated Statement of Income by Independent Auditors and the Board of Corporate Auditors.
 2. Report on the Business Report, Balance Sheet, and Statement of Income with respect to the 104th Business Period from April 1, 2005 to March 31, 2006.Matters to be Voted upon:
 - Proposal No. 1 Approval of the Proposed Appropriation of Retained Earnings for the 104th Business Period
 - Proposal No. 2 Partial Amendments to the Articles of Incorporation
 - Proposal No. 3 Election of Six Directors

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Note: If you attend the meeting please present the enclosed Voting Right Exercise Form to the receptionist.

Guidance for the Exercise of Voting Rights

- (1) Proxy exercise of voting rights:

If you cannot attend the General Shareholders' Meeting, 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, however, you are requested to submit written power of attorney to the Company.
- (2) Method of announcing changes, if any, to be made to the contents of the Reference Material for the General Shareholders' Meeting, the Business Report, the Consolidated Balance Sheet, the Consolidated Statement of Income, the Balance Sheet, the Statement of Income and the Proposed Appropriation of the Retained Earnings:

Please note that if it becomes necessary to make changes to the contents of the Reference Material for the General Shareholders' Meeting, the Business Report, the Consolidated Balance Sheet, the Consolidated Statement of Income, the Balance Sheet, the Statement of Income or the Proposed Appropriation of the Retained Earnings, we will notify you of such revised content in writing or on the Company's website (<http://www.isuzu.co.jp/investor/soukai/index.html>)
- (3) Exercise of voting rights via the Internet
 - a) Internet site for exercising voting rights:

Exercise of voting rights via the Internet can only be done by accessing and using the Company's designated website (<http://www.evotage.jp/>) from a personal computer or a cellular phone (that has i-mode, EZweb, or Vodafone live! services).
("i-mode" is a trademark or registered trademark of NTT DoCoMo, Inc., "EZweb" is a trademark or registered trademark of KDDI Corporation, and "Vodafone live!" is a trademark or registered trademark of Vodafone Group Plc.)
 - b) How to exercise voting rights via the Internet:
 - i) If you access the above-mentioned site for exercising voting rights from a personal computer, you will see a list of companies on the screen. Select ISUZU MOTORS LIMITED from the list, and the screen will change to the "Home Page to Exercise Voting Rights via the Internet." Click "Exercise voting rights" to go to the "Electronic Identification" screen.
If you access 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 the above cases, please use the "Voting Right Exercise Code" and "temporary password", as shown on the enclosed Voting Right Exercise Form and input your votes in accordance with the on-screen directions.
 - ii) To prevent improper access by persons other than the shareholders (imposters) or alteration of votes, we ask you to change your temporary password to a new one and obtain a special electronic identification (or transmit information concerning the particular cellular phone you are using).
 - iii) If you are not sure how to operate a personal computer or cellular phone relating to the exercise of voting rights via the Internet, please contact the Help Desk on the number below.
 - c) Treatment of voting rights exercised multiple times:
 - i) If you make multiple votes by using both the postal Exercise Form and the Internet site, the latter vote (the one cast via the Internet) shall be deemed effective.
 - ii) You are allowed to repeatedly cast your vote on the Voting Right Exercise site (to re-vote or make a correction). However, only the last vote you cast shall be deemed effective regardless of whether you use a personal computer or a cellular phone.
 - d) Treatment of votes which are neither for nor against:

If you do not cast a vote one way or the other for an agenda item, we shall assume that you have voted in favor.
 - e) Fees to access the Voting Right Exercise site:

Fees needed to access the Voting Right Exercise site (including the Internet provider's connection fee and telephone charges) shall be borne by the shareholder. If you use a cellular phone, any fees such as packet communication fees and other fees for use of a cellular phone) shall also be borne by the shareholder.
 - f) IT environment for executing voting rights via the Internet:
 - i) Please note that, depending on your particular IT environment, you may not be able to exercise your voting rights via the Internet.
 - ii) To exercise voting rights with a cellular phone, you must be able to use one of the following services: i-mode, EZweb, or Vodafone live! Additionally, your cellular phone must have a function to send SSL encrypted communication and be capable of transmitting information about the cellular phone itself. Please understand, therefore, that you may not be able to vote with a cellular phone depending on the model and features of your phone.

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

BUSINESS REPORT (From April 1, 2005 to March 31,2006)

1. Highlights of Operations

- (1) **Review of Operations & Results** (including the status of fund raising and capital investments)

Review of Operations

During the consolidated fiscal year, although Japan faced rising prices of crude oil and industrial materials, its economy saw a moderate recovery supported by the growth of consumer spending and facility investment, hinting at a prospective breakaway from deflation in the foreseeable future. Overseas, the economies of the US and the other Asian countries remained more or less steady.

In Japan, as the replacement demand in response to the NOx (nitrogen oxide) and PM (particulate matter) Emission Regulations persisted, the truck market had a strong showing. Although there were concerns about the negative impact of high crude oil prices and other factors, the truck sales continued to grow rapidly in its major markets such as the ASEAN, Chinese and North American ones.

Under the circumstances, in the first year of the Mid-term Business Plan formulated in 2004, for the period ending March 2008, the Company's Group developed new products and strengthened the business structure to establish a solid corporate base to enable sustainable growth in the future under the new corporate vision of becoming "a global leading company in commercial vehicles and diesel engines."

The Group also promoted the development of trucks with high environmental and economic performances, striking a good balance between the two. The Company became one of the first to introduce diesel engines to different markets to comply with their most recent emission regulations through its persistent attempts to counteract global warming and urban air pollution.

During the consolidated fiscal year, the Company launched in Japan such vehicles as the heavy-duty truck GIGA, the medium-duty truck FORWARD, the light-duty truck ELF CNG-MPI and the ELF DIESEL HYBRID, the heavy-duty tour bus GALA and GALA HIGH DECKER 9. In addition to these, the Company improved the features of the "Mimamori-kun On-line Service,"

which offers information on vehicle operation, and made this service available for commercial vehicles by all Japanese manufactures by connecting them to the newly developed “Mimamori Converter.” In November last year, this service received the Land, Infrastructure and Transportation Minister’s Prize of the 2nd Eco-Products Award (in the Eco-Service Division).

Regarding the business deployment overseas, the Company raised its ratio of capital contribution in Qingling Motors Co., Ltd., its manufacture and sales partner in China for medium- and light-duty commercial vehicles, from 6.9% to 20.0% through a tender offer. The Company also started discussing setting up engine manufacture and sales joint ventures with Qingling Motors.

The Company strengthened the manufacturing capabilities of pickup trucks at Isuzu Motors Co. (Thailand) Ltd. and launched capital investments worth 4 billion yen in a bid to construct an annual production capacity of about 200,000 units by 2007. It also expanded its overseas sales network by establishing a sales company in Mexico, and making a distributor in Australia a wholly owned subsidiary.

In Japan, the Company continued to expand its dealership reorganization program to integrate light-duty truck sales companies with those dedicated to heavy-duty trucks in the same regions throughout the country. Also, to centralize casting capabilities, one of its core functions, the Group conducted a share swap to merge Isuzu Castec Co., its wholly owned subsidiary, with its affiliate Automobile Foundry Co., of which the Company is a major customer; as a result, Castec became a wholly owned subsidiary of Automobile Foundry.

During the consolidated fiscal year, the Company played the central role as the Group made plant and equipment investment totaling 38.6 billion yen. Among the ongoing plant investments are the ones in facilities to manufacture new products or meet emission regulations, and in domestic dealership facilities, and vehicle assembly facilities in Thailand.

The Company also played the key role as the Group implemented programs for fund raising during the fiscal year. The major accomplishments included the issuance of unsecured straight bonds (worth a total of 40 billion yen) aimed at using the Group’s funds more efficiently.

Results of Operations

The sales volume of domestic vehicles during the consolidated fiscal year increased by 8,434 units (9.4%) to 98,174 units from the previous consolidated fiscal year, owing to the brisk economy and sales efforts. Total overseas sales amounted to 348,110 units, or an increase of 98,688 units (39.6%) from the previous fiscal year, due to increased sales of pickup trucks manufactured in Thailand and light-duty trucks, which were made possible through an enhanced overseas sales network. Consequently, the total sales volume in the domestic and overseas markets combined, showing an increase of 107,122 units (31.6%), amounted to 446,284 vehicles.

Sales of other products included exports of parts for overseas assembly, which decreased by 2.5 billion yen (3.7%) from the previous fiscal year to 65.7 billion yen as exports to China declined. Engine component shipments fell by 142.4 billion yen (40.7%) from the previous fiscal year to 207.7 billion yen, as domestic sales of pickup trucks in Thailand, which had been included in component sales previously, are now posted in the vehicle sales in the consolidated fiscal year owing to the consolidation of the manufacturing entity in Thailand.

Consequently, sales increased by 88.2 billion yen (5.9 %) from the previous fiscal year to 1.5818 trillion yen. The breakdown of sales stands at 684.9 billion yen (up 9.5% from the previous fiscal year) for the domestic market and 896.8 billion yen (up 3.3% from the previous fiscal year) for overseas markets.

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

P r o d u c t L i n e s		Sales Volume (U n i t s)	Sales Amount (billion yen)
Vehicles	Heavy-duty Vehicles (Heavy-duty/Medium-duty Models)	53,465	326.2
	Light-duty Vehicles and others	392,819	666.0
	Sub-total	446,284	992.2
	O f f s h o r e A s s e m b l y K D P a r t s	—	65.7
E n g i n e s / C o m p o n e n t s		—	207.7
S e r v i c e P a r t s a n d O t h e r s		—	316.0
T o t a l		—	1,581.8

With respect to the results of profit and loss, in spite of external factors such as an upward global trend of prices of steel products and crude oil, as well as cost increases associated with aggressive investments in research and development facilities to prepare for future growth, the Group has effectively reduced costs on the whole. Also, consolidated overseas subsidiaries

showed outstanding performance, especially in the ASEAN countries. All in all, operating profit increased 3.4 billion yen (4%) to 90.6 billion yen from the previous fiscal year, and working profit grew by 2.2 billion yen (2.5%) from the previous fiscal year to 93.8 billion yen. On the other hand, current net income dropped by 1 billion yen (1.8%) from the previous fiscal year to 58.9 billion yen as losses due to the special warranty cost and losses accompanied by the demolition of the Kawasaki Plant, as well as increased tax burdens for overseas subsidiaries. Both operating and working profits continued to set new records from the previous fiscal year.

Note: Amounts less than 100 million yen have been discarded.

Percentages are rounded to two decimal places.

(2) Challenges to be Met by the Group

Although there is a risk of another hike in crude oil prices, the Japanese economy is likely to remain firm, backed by improved employment and income conditions. Overseas, while the Asian economy will probably continue to be firm, oil prices hovering in high ranges and concerns about a slowdown of consumer spending in the US make it difficult to predict the overall situation.

In the automotive industry, the favorable impact of NOx and PM regulations will start to fade and demand will stagnate in the second half of the next consolidated fiscal year. The prices of industrial materials will continue to be high. The costs of safety as well as ecological measures will increase, and competition will further intensify in the Japanese and global markets, posing a greater challenge for corporate management.

Under such circumstances, the Group, placing the greatest emphasis on achieving the goals of the “Mid-term Business Plan,” will endeavor to establish a solid business foundation by enhancing the product lineup through the development of global and strategic products and the strengthening of product and market-specific business operations. At the same time, the Company will make increased efforts in quality control and improvement.

The shareholder’s continued support and guidance will be greatly appreciated.

(3) Business Performance and Asset Status of the Group and the Company

Business performance of the current 104th Term and the preceding three years are as follows:

a) Business performance and assets status of the Group

Division of Accounts	101 st Term (Ending March 2003)	102 nd Term (Ending March 2004)	103 rd Term (Ending March 2005)	104 th Term (Ending March 2006)
Net Sales (¥ M i l l i o n)	1,349,449	1,430,339	1,493,567	1,581,857
Working Profit (¥ M i l l i o n)	(4,200)	81,678	91,555	93,843
Current Net Profit (¥ m i l l i o n)	(144,301)	54,713	60,037	58,956
Current Net Profit per Share (¥)	(¥131.34)	¥72.37	¥56.64	¥48.75
Net Assets (¥ M i l l i o n)	26,434	109,753	158,463	244,350
Net Assets per Share (¥)	(¥98.64)	¥11.12	¥81.53	¥152.05
T o t a l A s s e t s (¥ m i l l i o n)	1,028,844	1,077,816	1,142,580	1,168,697

- (Notes)
1. Figures in parenthesis are losses.
 2. Amounts less than ¥1 million are disregarded in the figures of Net Sales, Working Profit, Current Net Profit, Net Assets and Total Assets
 3. The current net profit per share for the 101st and 102nd term is determined by dividing the net income minus “the accounts not belonging to common stockholders” by the average number of the outstanding common shares (minus treasury shares) during each term. For the 103rd and 104th term, when it was possible to pay dividend, the current net profit per share is obtained by dividing the net income net of “the accounts not belonging to common stockholders” by the total of the average number of outstanding common shares (minus treasury shares) and the additional (incremental) number of common shares by the “if-converted” method for the “conversional participating shares.” Fractions less than 1/100th of a yen are rounded to the nearest *sen* (1/100th of a yen).

Net assets per share are indicated by dividing the net assets as of the end of the fiscal term net of the product (obtained by multiplying “the number of outstanding preferred shares” by “issue price”), and net of “the accounts not belonging to other common stockholders,” by the number of outstanding common shares (minus treasury shares) as of the end of fiscal term. Fractions less than 1/100th of a yen (*sen*) are rounded to the nearest *sen*.

b) Business performance and the transition of assets status of the Company

Division of Accounts	101 st Term (Ending March 2003)	102 nd Term (Ending March 2004)	103 rd Term (Ending March 2005)	104 th Term (Ending March 2006)
Net Sales (¥ M i l l i o n)	760,608	890,336	880,072	917,895
Working Profit (¥ M i l l i o n)	4,880	57,561	53,907	64,149
Current Net Profit (¥ m i l l i o n)	(189,447)	38,857	27,019	46,476
Current Net Profit per Share (¥)	(¥172.08)	¥51.28	¥25.18	¥38.31
Net Assets (¥ M i l l i o n)	82,743	151,722	169,353	231,289
Net Assets per Share (¥)	(¥23.07)	¥58.94	¥91.67	¥140.56
T o t a l A s s e t s (¥ m i l l i o n)	717,601	808,674	812,521	867,698

- (Notes)
1. Figures in parenthesis are losses.
 2. Amounts less than ¥1 million are disregarded in the figures of Net Sales, Working Profit, Current Net Profit, Net Assets and Total Assets
 3. The current net profit per share for the 101st and 102nd term is determined by dividing the net income minus “the accounts not belonging to common stockholders” by the average number of the outstanding common shares (minus treasury shares) during each term. For the 103rd and 104th term, when it was possible to pay dividend, the current net profit per share is obtained by dividing the net income net of “the accounts not belonging to common stockholders” by the total of the average number of outstanding common shares (minus treasury shares) and the additional (incremental) number of common shares by the “if-converted” method for the “conversional participating shares.” Fractions less than 1/100th of a yen are rounded to the nearest *sen* (1/100th of a yen).

Net assets per share are indicated by dividing the net assets as of the end of the fiscal term net of the product (obtained by multiplying "the number of outstanding preferred shares" by "issue price"), and net of “the accounts not belonging to other common stockholders,” by the number of outstanding common shares (minus treasury shares) as of the end of fiscal term. Fractions less than 1/100th of a yen (*sen*) are rounded to the nearest *sen*.

2. Outline of the Company's Group and the Company (as of March 31, 2006)

(1) Main Lines of Business of the Company's Group

Manufacture, sale, and related business of vehicles as well as industrial engines. The main product lines are listed below.

Category		Main Products	
Vehicles	Heavy-duty vehicles (heavy- & medium-duty vehicles)	Trucks	Heavy-duty trucks (GIGA series) Medium-duty trucks (Forward series)
		Buses	Sightseeing bus (GALA series) Route bus (ERGA series)
	Light-duty vehicles	Trucks	(ELF series), (COMO), [D-MAX]
		Buses	(Journey)
Parts for overseas vehicle p r o d u c t i o n		Various parts and components for overseas production	
Engines & components		Industrial engines and components (engines, transaxles, transmissions, and other parts for OEM's)	
Service parts & accessories		Parts, components, options and accessories for repair and service	

(Note) Names in parentheses for main products in the table are domestic brand names and the name in square brackets is a brand name used in Thailand.

(2) Shares

a) Total number of shares the Company is authorized to issue, outstanding shares, and the number of shareholders are listed below.

Category	Total number of shares the Company is to issue	Outstanding shares	Number of shareholders
Common stock	3,369,000,000	1,141,289,786	84,458
Class I preferred stock	37,500,000	37,500,000	6
Class III preferred stock	25,000,000	25,000,000	1
Class IV preferred stock	25,000,000	25,000,000	1

(Note) The total number of outstanding common shares added due to the exercise of stock acquisition rights during the 104th term is 67,669,954 shares.

b) Capital stock ¥ 40,644,857,999

(The capital stock increased 8,027,067,670 yen due to the exercise of stock acquisition rights during the 104th term)

c) Acquisition, disposal and holdings of treasury stock

Acquired stock

Common	196,841 shares
Total amount of purchase	¥71,770,847

Holdings at term-end

Common stock	982,914 shares
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d) Major Shareholders
(Common Stock)

Shareholders	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
	1,000 shares	%	1,000 shares	%
The Master Trust Bank of Japan Ltd. (Trust Account)	105,310	9.28	—	—
Japan Trustee Services Bank, Ltd. (Trust Account)	94,324	8.31	—	—
General Motors Limited	90,090	7.94	—	—
Trust & Custody Services Bank, Ltd. (Trust Account B)	49,654	4.37	—	—
Mizuho Corporate Bank, Ltd.	31,841	2.81	—	—
ISZ Affiliates Shareholding Association	10,866	0.91	—	—
UBS AG London Asia Equities.	10,609	0.93	—	—
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	10,296	0.91	—	—
Morgan Stanley and Company Inc.	10,065	0.89	—	—
Mitsubishi UFJ Trust and Banking Corporation (Trust Account)	9,951	0.88	—	—

(Class I Preferred Stock)

Shareholders	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
	1,000 shares	%	1,000 shares	%
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	12,158	—	—	—
Mitsubishi Corporation	11,749	—	—	—
ITOCHU Corporation	8,224	—	—	—
Mitsubishi UFJ Trust and Banking Corporation	2,251	—	—	—
The Master Trust Bank of Japan, Ltd. (Administration Trust Account: 79213)	1,932	—	—	—
The Bank of Yokohama, Ltd.	1,183	—	486	0.03

(Class III Preferred Stock)

Shareholders	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
	1,000 shares	%	1,000 shares	%
Mizuho Corporate Bank, Ltd.	25,000	—	—	—

(Class IV Preferred Stock)

Shareholders	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
Mizuho Corporate Bank, Ltd.	1,000 shares 25,000	— %	1,000 shares —	— %

- (Notes)
1. Fractions less than 1,000 shares have been discarded.
 2. As of March 31, 2006, the Company holds 1,740 shares (0.01%) of Mizuho Financial Group Inc., which is a holding company of Mizuho Holdings, Inc. This latter company is in turn a holding company of Mizuho Corporate Bank, Ltd., and holds 24 shares (0.00%) of Millea Holdings Inc., which is a holding company of Tokio Marine & Nichido Fire Insurance Co., Ltd., as well as 1,212 shares (0.01 %) of Mitsubishi UFJ Financial Group Inc., which is a holding company of Mitsubishi UFJ Trust and Banking Corporation.

(3) Main Creditors

Creditors	Outstanding Borrowings	Isuzu shares owned by creditors	
		No. of shares owned	Equity Ratio
Mizuho Corporate Bank, Ltd.	Millions of Yen 66,622	1,000 shares 81,841	— % 2.79
Development Bank of Japan	28,177	—	—

- (Notes)
1. Fractions less than 1 million yen and 1000 shares have been discarded.
 2. The number of shares held by Mizuho Corporate Bank, Ltd. includes 25,000,000 shares of Class III Preferred Stock and 25,000,000 shares of Class IV Preferred Stock.
 3. The equity ratio of Isuzu shares owned by creditors excludes preferred stocks.

(4) Business Tie-ups

a) Major Subsidiaries

The 12 major subsidiaries out of a total of 98 subsidiaries are listed below.

Subsidiary	Capital Stock	Isuzu Equity Ratio	Major Line of Business
Isuzu Motors Kinki Co., Ltd.	Millions of Yen 6,000	100.00 %	Sale of vehicles
Isuzu Motors Tokai Co., Ltd.	Millions of Yen 4,340	100.00	Sale of vehicles
Kanagawa Isuzu Motors Ltd.	Millions of Yen 4,000	100.00	Sale of vehicles
Tokyo Isuzu Motors Ltd.	Millions of Yen 2,270	100.00	Sale of vehicles
Automobile Foundry Co. Ltd.	Millions of Yen 1,480	54.91	Casting, machining and sale of 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	Sale of vehicles
Isuzu Motors Asia Ltd.	Thousands of US\$ 187,272	100.00	Import & sale of parts for vehicle production
Isuzu Commercial Truck of America, Inc.	Thousands of US\$ 25	80.00	Import & sale of vehicles
Isuzu Motors Co., (Thailand) Ltd.	Millions of Baht 8,500	71.15 (64.43)	Production and sale of vehicles
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Millions of Baht 1,025	80.00 (78.60)	Production and sale of engines
Isuzu Australia Limited	Thousands of A\$ 47,000	100.00	Import & sale of vehicles

- (Notes)
1. The figures in parentheses in the equity ratio column show indirect equity ratio and are included in Isuzu equity ratio
 2. Fractions less than US\$1,000 have been discarded.

b) Major affiliated companies of the Company

The seven major affiliated companies out of a total 52 affiliated companies are listed below.

Name of affiliated company	Capital stock	Isuzu Equity Ratio	Main line of business
J-Bus Limited	Millions of Yen 1,900	50.00 %	Manufacture & sale of buses
Jidosha Buhin Kogyo Co., Ltd.	Millions of Yen 1,114	28.49 (0.85)	Manufacture & sale of automotive parts
TDF Corporation	Millions of Yen 1,199	24.97 (1.44)	Manufacture & sale of forgings for use in vehicles
Nippon Fruehauf Co., Ltd.	Millions of Yen 1,002	34.00	Manufacture & sale of trailers and body for various vehicles
Isuzu Motors Polska Sp. zo.o	Thousands of Zlotys 194,492	—	Manufacture & sale of engines
DMAX, Ltd.	Thousands of US\$ 100,000	40.00 (40.00)	Manufacture & sale of engines
Qingling Motors Co.,Ltd.	Millions of RMB 2,482	20.00	Manufacture & sales of vehicles

- (Notes)
1. The figures in parentheses in the equity ratio column show indirect Isuzu Equity Ratio, which is included in the total.
 2. The Company owns 40% equity holding in ISPOL-IMG Holdings B.V., which is a holding company of Isuzu Motors Polska Sp. zo.o.
 3. Amounts less than ¥1 million, 1,000 zlotys or million RMB have been disregarded.

(Progress of business tie ups)

On March 31, 2006, Automobile Foundry Co., Ltd., a major affiliate of the Company, swapped shares with Isuzu Castec Co., a wholly-owned subsidiary of the Company, on condition that Automobile Foundry Co., Ltd. became a parent company of Isuzu Castec Corporation and Isuzu Castec Co., became a wholly-owned subsidiary of Automobile Foundry Co., Ltd. As a result of this share swap, the Company's equity stake in Automobile Foundry Co., Ltd. increased, and Automobile Foundry Co., Ltd. became a major consolidated subsidiary of the Company.

Qingling Motors Co., Ltd. (Qingling) became a major affiliate of the Company. The Company increased its equity stake in Qingling to 20% by making a partial offer for purchase of Qingling's shares listed on the Hong Kong Stock Exchange, pursuant to the partial offer systems as provided by the Local Stock Exchange.

Furthermore, the Company bought shares in Isuzu General Motors Australia Limited (IGM), increasing its equity holding to 100%, and changed that company's name from IGM to 'Isuzu Australia Limited.'

The Company has 61 consolidated subsidiaries, 23 subsidiaries subject to the equity method, and 48 affiliated companies subject to the equity method.

(5) Major Operations of the Corporate Group

Name of Operations	Location
Head Office	Shinagawa-ku, Tokyo
Tochigi Plant	Ohira, Shimotsuga-gun, Tochigi Prefecture
Fujisawa Plant	Fujisawa City, Kanagawa Prefecture
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, Samut Prakan, Thailand
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Bangkok, Thailand
Isuzu Australia Limited	Melbourne, Victoria, Australia

(6) Status of Employees

a) Status of Employees of the Corporate Group

No. of Employees	Increase/decrease from previous term-end
22,536 (5,164)	2,936

- (Notes) 1. The figure in parentheses, not included in total, indicates the average number of temporary workers for the current consolidated fiscal year. The number of employees means workforce at work, which excludes employees seconded from the Isuzu group to non-Isuzu group, but includes employees seconded from non-Isuzu group to the Isuzu group as well as employees hired on a regular part-time basis (regular part-time employees). The temporary workers include seasonal workers, part-time workers, and temporary employees dispatched by worker dispatching agencies, but exclude regular part-time employees.
2. The increase of employees from the end of the previous term is due to the change to scope of consolidation.

b) Status of Employees of the Company

No. of Employees	Increase/decrease from previous term-end	Average Age	Average years of service
7,371 (2,008)	73	39.5	17.7

- (Note) The figure in parentheses, not included in the total, shows the average number of temporary workers for the current fiscal year. The number of employees means the workforce, which includes employees seconded from the Company to outside organizations, but includes employees seconded from outside as well as employees hired on a regular part-time basis (regular part-time employees). The temporary workers include seasonal workers, part-time workers, and temporary employees dispatched by worker dispatching agencies, but exclude regular part-time employees.

(7) Directors and Corporate Auditors

Position and Title	Name	Major Responsibilities and Assignment
President and Representative Director	Y o s h i n o r i I d a	
Executive Vice President and Representative Director	B a s i l N. D r o s s o s	Supervisory Management Officer
Executive Vice President and Director	H i r o s h i S u z u k i	Senior Division Executive, Sales Headquarters; and Senior Division Executive, Program Planning Division
Executive Vice President and Director	S h i g e k i T o m a	Senior Division Executive, Operations Headquarters; and Senior Division Executive, Quality Assurance Division
Director	S u s u m u H o s o i	Senior Division Executive, Corporate Administration Headquarters; and Division Executive, Corporate Planning & Finance Division, Corporate Administration Headquarters, and Business Divisions, Sales Headquarters
Director	H i r o k i c h i N a d a c h i	Deputy Senior Division Executive, Sales Headquarters; and Division Executive: Sales Div. No. 4, Sales Headquarters
Director	Y o s h i o K i n o u c h i	Division Executive, Administration Division, Corporate Administration Headquarters
Director	G o r o S h i n t a n i	Division Executive, Sales Div. No. 2, Sales Headquarters
Director	E i z o K a w a s a k i	Division Executive, Sales Div. No. 3, Sales Headquarters
Director	Y o s h i h i r o T a d a k i	Division Executive, Purchasing Division, Operations Headquarters
Director	N a o t o s h i T s u t s u m i	Division Executive, Manufacturing Division, Operations Headquarters
Standing Corporate Auditor	M i c h i o K a m i y a	
Standing Corporate Auditor	K o u j i Y a m a g u c h i	
Standing Corporate Auditor	S h i g e a k i W a k a b a y a s h i	
Corporate Auditor	Y a s u h a r u N a g a s h i m a	Lawyer
Corporate Auditor	S u s u m u T s u c h i d a	

- (Notes)
1. The Company has appointed Messrs. Shigeaki Wakabayashi, Yasuharu Nagashima and Susumu Tsuchida as outside auditors pursuant to Article 18-(1) of the "Law Concerning Exceptions to the Commercial Code Concerning Audit of Stock Corporations, etc."
 2. Mr. Kozo Sakaino as Executive Vice President and Director, Mr. Yoshito Mochizuki as Director, Mr. Hiromasa Tsutsui as Director and Mr. Hiromu Inada as Standing Corporate Auditor resigned as of June 29, 2005.
 3. The Company changed the major responsibilities and assignments of Directors effective as of April 1, 2006, as follows:

Position and Title	Name	Major Responsibilities and Assignment
Executive Vice President and Director	Susumu Hosoi	Senior Division Executive, Corporate Administration Headquarters; and Division Executive, International Business Division, Sales Headquarters
Director	Hirokichi Nadachi	Deputy Senior Division Executive, Sales Headquarters
Director	Eizo Kawasaki	Division Executive, Japan Business Division & PT Business Div., Sales Headquarters; International CV Project Executive; and Executive: Business Control Dept., & Business Promotion Dept., Japan Business Division
Director	Goro Shintani	Division executive, International Sales Div., Sales Headquarters

(8) Remuneration paid to Directors and Corporate Auditors

Classification	Fixed Amount		Bonus	
	No. of persons	Amount paid Millions of Yen	No. of persons	Amount paid Millions of Yen
Directors	14	382	—	—
Auditors	6	75	—	—
Total	20	458	—	—

- (Notes)
- Amounts less than one million yen have been disregarded.
 - Recipients of the remuneration include three directors and one auditor who resigned from their positions during the current fiscal year.
 - In addition to the remuneration mentioned above, the retirement gratuity was paid with the following conditions:
 - Retirement gratuity paid by resolutions of the regular general meeting of shareholders held on June 27, 2002:
Outgoing Directors (20 directors): 614 million yen
Outgoing Auditor (1 auditor): 13 million yen
 - Retirement gratuity paid by resolution of the regular general meeting of shareholders held on June 29, 2005:
Outgoing Directors (6 directors): 309 million yen
Outgoing Auditors (2 auditors): 30 million yen

(9) Auditing fees payable to Accounting Auditors

The table below shows auditing fees payable to Accounting Auditor by the Company and its subsidiaries.

	A m o u n t
1. Total fees payable to accounting auditors by the Company and its subsidiaries	Millions of Yen 180
2. Of the fees in 1. above, the total fees payable for the audit certification work as defined in Article 2-(1) of Certified Public Accountant Law	Millions of Yen 178
3. Of the fees in 2. above, fees payable to the accounting auditors by the Company	Millions of Yen 97

- (Notes)
- Amounts less than one million yen have been rounded down.
 - The Company and the Accounting Auditor have signed an Audit Contract. However, this contract does not make any clear distinction between the auditing fees as defined in the Special Law on the Commercial Code, and those as defined in the Securities Exchange Law. These fees cannot be practically separated, either. The amount in 3. above shows the aggregate amount of these fees.

3. Important Facts Relating to the Status of the Group that Arose after the Fiscal Term had Ended:

Dissolution of a capital alliance between the Company and General Motors Corp.

On April 2006, the Company and General Motors Corp. (GM) agreed to dissolve their capital alliance. Accordingly, General Motors Ltd., wholly owned by GM, sold 40,000,000 shares, out of 90,090,000 common shares in the Company that it owned, to Mitsubishi Corporation. It also sold 40,000,000 shares to Itochu Corp., and 10,090,000 shares to Mizuho Corporate Bank. As a result, Mitsubishi Corporation now owns 42,420,000 common shares (3.72 %) in the Company; Itochu Corporation owns 48,251,000 common shares (equity ratio of 4.23%); and Mizuho Corporate Bank owns 41,931,411 common shares (3.67%). GM and the Company, however, have agreed to keep their business partnership the same as it has been.

CONSOLIDATED BALANCE SHEET

As of March 31, 2006

[in millions of Yen]

ASSETS		LIABILITIES	
ITEMS	AMOUNT	ITEMS	AMOUNT
CURRENT ASSETS	554,141	CURRENT LIABILITIES	497,260
Cash and cash equivalents	108,642	Trade notes and accounts payable	297,370
Trade notes and account receivable	252,441	Short-term borrowings	91,971
Inventories	137,754	Income tax payable	10,933
Deferred tax assets	27,632	Accrued expenses	48,946
Others	31,063	Accrued bonus cost	12,225
Allowance for doubtful accounts	-3,393	Accrued warranty cost	4,345
FIXED ASSETS	614,556	Deposit received	3,768
Property, plant & equipment	474,264	Others	27,698
Buildings & structures	100,741	FIXED LIABILITIES	400,269
Machinery & equipment	72,749	Bonds	52,870
Land	267,687	Long-term Borrowings	204,818
Construction in progress	18,365	Deferred tax liabilities	9,455
Others	14,719	Deferred tax liabilities related to revaluation	55,827
Intangible assets	9,177	Accrued retirement benefits	62,257
Investments & other assets	131,114	Long-term deposit	2,046
Investment securities	95,229	Consolidated adjustment account	848
Long-term loans receivable	15,404	Others	12,144
Deferred tax assets	6,369	TOTAL LIABILITIES	897,529
Others	29,218	MINORITY INTERESTS IN CONSOLIDATED COMPANIES	
Allowance for doubtful accounts	-15,107	MINORITY INTERESTS IN CONSOLIDATED COMPANIES	26,816
		SHAREHOLDERS' EQUITY	
		CAPITAL	40,644
		CAPITAL SURPLUS	50,427
		RETAINED EARNINGS	68,689
		UNREALIZED HOLDING GAIN ON FIXED ASSETS	74,138
		UNREALIZED HOLDING GAIN ON SECURITIES	15,014
		FOREIGN CURRENCY TRANSLATION ADJUSTMENT	-4,334
		TREASURY STOCK	-229
		TOTAL SHAREHOLDERS' EQUITY	244,350
TOTAL ASSETS	1,168,697	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	1,168,697

Note: Amounts under millions of yen are omitted in the figures above.

CONSOLIDATED INCOME STATEMENT

From April 1, 2005 To March 31, 2006

[in millions of Yen]

	This fiscal year	
ORDINARY INCOME AND LOSS		
[OPERATING PROFIT AND LOSS]		
OPERATING INCOME		
Net Sales		1,581,857
OPERATING EXPENSES		
Cost of Sales	1,347,861	
Selling, administrative and other expenses	143,334	1,491,195
OPERATING PROFIT		90,661
[NON-OPERATING PROFIT AND LOSS]		
NON-OPERATING INCOME		
Interest and dividend income	3,129	
Amortization of consolidated adjustment account	384	
Equity in earnings of unconsolidated subsidiaries and affiliates	10,673	
Other non-operating income	4,174	18,361
NON-OPERATING EXPENSES		
Interest expenses	10,551	
Other non-operating expenses	4,628	15,180
ORDINARY PROFIT		93,843
SPECIAL INCOME AND LOSS		
SPECIAL GAINS		
Gain on sales of PP&E	4,383	
Gain on sales of investment securities	212	
Adjustment cost on the joint venture in North America	4,897	
Gain on dissolution of employee pension fund	1,391	
Other special gains	2,558	13,443
SPECIAL LOSSES		
Loss on sales of PP&E	8,311	
Unrealized holding loss on unconsolidated subsidiaries & affiliates	1,079	
Loss on sales of investment securities	8	
Loss on restructuring of domestic subsidiaries & affiliates	933	
Dismantlement and other cost on former Kawasaki factory	5,257	
Special warranty cost	3,247	
Loss on impairment of fixed assets	2,600	
Other special loss	6,224	27,661
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS		79,625
INCOME TAX	12,891	
INCOME TAX ADJUSTMENTS	2,555	15,447
MINORITY INTERESTS		5,222
NET INCOME		58,956

Note: Amounts under millions of yen are omitted in the figures above.

Basis of Annual Consolidated Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries

- ① Number of consolidated subsidiaries … 61 companies
- ② Principle subsidiaries … Isuzu Motors Kinki Co., Ltd, Tokyo Isuzu Motors Ltd
Isuzu Motors America, Inc

(2) Unconsolidated Subsidiaries

- ① Principle unconsolidated subsidiaries … Hakodate Isuzu Motors Co., Ltd
- ② Reasons for unconsolidation

These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the consolidated financial statements.

2. Equity Method

(1) Companies accounted for by the equity method

- ① Number of companies accounted for by the equity method … 71 companies
- ② Principle companies accounted for by the equity method
Unconsolidated subsidiaries … Omori Heat Supply Co., Ltd
Affiliates … Jidosha Buhin Kogyo Co., Ltd, TDF Corporation

(2) Companies not accounted for by the equity method

- ① Principle companies not accounted for by the equity method
Unconsolidated subsidiaries … Hakodate Isuzu Motors Co., Ltd
Affiliates … Anadolu Isuzu Otomotiv Sanayi Ticaret A.S.

- ② Reasons for not accounted for by the equity method

These companies are not accounted for by the equity method as their impact is not significant on the consolidated net income or loss, consolidated retained earnings and others.

3. Change in the Scope of Consolidation and Equity Method Accounting

(1) Change in the scope of consolidation

The change in the scope of consolidation for this fiscal year is as follows.

- ① Automobile Foundry Co., Ltd., formerly accounted for by the equity method, has been consolidated following the exchange of stocks between Isuzu Castic Corporation, a subsidiary.
- ② JIK Material Co., Ltd., a subsidiary of Automobile Foundry Co., Ltd., has been consolidated due to the consolidation of Automobile Foundry Co., Ltd. from this fiscal year.
- ③ Isuzu Motors Off Highway Diesel Engine (Shanghai) Trading Co., Ltd., formerly accounted for by the equity method, has been consolidated due to the increase in importance.
- ④ Isuzu Sougou Service Center Ltd. and Isuzu Transport Inc. have been excluded from the scope of consolidation following the end of liquidation.
- ⑤ Isuzu Square Japan Co., Ltd. has been excluded from the scope of consolidation due to the decrease in importance from it going into liquidation.

(2) Change in the scope of equity method accounting

The change in the scope of the equity method accounting for this fiscal year is as follows.

- ① Tohoku Sanwa Metal Co., Ltd. and Sanei Seisakusyo Co., Ltd., subsidiaries of Automobile Foundry Co., Ltd. which has been consolidated from this fiscal year, have been accounted for by the equity method.
- ② Transnet Corporation Inc. has been excluded from the equity method of accounting due to the merger into Isuzu Linex Corporation.
- ③ Shimizu Seisakusyo Co., Ltd. has been excluded from the equity method of accounting due to the merger into Shonan Unitec Ltd.
- ④ Bell Work Co., Ltd. has been excluded from the equity method of accounting due to the merger into Syscom Co., Ltd.
- ⑤ International Auto Co., Ltd. has been excluded from equity method of accounting following the end of liquidation.
- ⑥ Qingling Motors Company Ltd. has become an affiliate accounted for by the equity method following the increase in shares due to the acquisition of its stocks through the market.

- ⑦ Isuzu Motors de Mexico S.de R.L.. was newly established and has been accounted for by the equity method.
- ⑧ Toho Sanso Kogyo Co., Ltd. and Fuji Syokai Co., Ltd., subsidiary of Automobile Foundry Co., Ltd. which has been consolidated from this fiscal year, have been accounted for by the equity method.
- ⑨ Automobile Foundry Co., Ltd., formerly accounted for by the equity method, has been consolidated following the exchange of stocks between Isuzu Castic Corporation.
- ⑩ Fujii Motor Co., Ltd. has been excluded from the equity method of accounting due to the sales of its holding stocks.

4. Fiscal Period of Consolidated Subsidiaries

The account day of 20 overseas consolidated subsidiaries is December 31, 2005. The financial statements of the subsidiaries as of that account day are used for consolidated financial statements. In case significant transactions are made between subsidiaries' account day and consolidated account day, necessary adjustments are made for consolidation. Meanwhile, the account day of 41 domestic subsidiaries is the same as consolidated account day.

5. Significant Accounting Policies

(1) Valuation methods for securities

Other securities

Marketable securities

Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes. Directly included in shareholders' equity.

Cost of securities sold is calculated by moving average method.

Non-marketable securities

Non-marketable securities classified as other securities are carried at cost determined by moving average method.

(2) Valuation methods for inventories

The Company presenting consolidated financial statements

Inventories by the company presenting consolidated financial statements are carried at cost determined by gross average method.

Consolidated subsidiaries

Inventories by consolidated subsidiaries are carried at cost determined principally by actual cost method.

(3) Derivative financial instruments

Derivative financial instruments are started at fair value.

(4) Depreciation of fixed assets

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated principally by straight-line method.

Except for few property, plant and equipment calculated by declining balance method.

Depreciation of intangible assets

Depreciation of intangible asset is calculated by straight-line method.

"Software" included in intangible assets is calculated by the straight-line method based on the estimated useful lives and economic residual value determined by the Company, 5 years.

(5) Basis for reserve and allowances

① Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on reference to the collectibility of receivables from companies in financial difficulty. Foreign consolidated subsidiaries provides allowance for doubtful accounts determined by each individual accounts.

The necessary adjustments with allowance for doubtful accounts are made in consolidation of receivables and payables of each consolidated subsidiaries.

② Accrued bonus cost

Accrued bonus cost is provided at the amount estimated to cover the bonus payment for employees for this fiscal year.

③ Accrued warranty cost

Accrued warranty cost is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

④Accrued retirement benefits

Accrued retirement benefits are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. Prior service cost is being amortized as incurred by straight-line method over periods which are shorter than the average remaining years of service of the eligible employees. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

(Additional Information)

On August 1, 2005, pension funds of several consolidated companies obtained approval from the Minister of Health, Labor and Welfare of exemption from the benefits related to future employee service under the substitutional portion. Estimated plan assets to be returned to the government on March 31, 2006 were 3,791 million yen. If the estimated plan assets had been returned to the government on March 31, 2006 and the transitional measurement of accounting standard for employees' retirement benefits as stipulated in the Accounting Committees Report No.13, Article 44-2 by the Japanese Institute of Certified Public Accountants had been adopted, the effect of the adoption on the consolidated income statement for the year ended March 31, 2006 would be 3,033 million yen.

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the exchange rate of the balance sheet date, and differences arising from the translation are included in the statements operation.

The balance sheet accounts and revenue and expense accounts of the foreign consolidated subsidiaries are translated into yen at the exchange rate of the balance sheet date and translation adjustments are included in the foreign currency translation adjustment accounts of minorities interest and shareholders' equity.

(7) Leasing accounting

Finance lease transactions, except those which meet the conditions that the ownership of the lease assets is transferred to the lessee, are accounted for on a basis similar to ordinary rental transactions.

(8) Hedge accounting

①Hedge accounting

Forward foreign exchange contracts and currency options

Appropriated hedge accounting is adopted

Interest rate swaps and interest rate options

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

②Hedging instrument and hedged items

Hedging instruments

Interest rate swaps, Interest rate options, Forward foreign exchange contracts and Currency options

Hedged items

Receivables and payables denominated in foreign currencies, Borrowings

③Hedging policy

The company utilizes derivative financial instruments with receivables and payables denominated in foreign currency and borrowings for the purpose of hedging possible future fluctuation of market price.

④Assessment 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, assessment of effectiveness with interest rate swaps accounted by exceptional accounting is omitted.

⑤Others

The company has its byelaw on derivative transactions and manages its transactions and risk management based on its byelaw. In the byelaw, policies, procedures, retention limits and reporting system is stipulated.

(9) Accounting for convertible bonds

Among the bonds with warrant attached regarded as called on for substitution payment, for the warrant bonds thought to have the same economic substance as convertible bonds are accounted by composite method.

(10) Accounting for consumption tax

Transactions subject to consumption tax, are recorded at amounts exclusive of consumption tax.

6. Valuation of assets and liabilities of consolidated subsidiaries

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

7. Amortization of consolidated adjustment account

As for amortization of consolidated adjustment account, the company estimates the period when the account remains in effect, and equally amortize the account over certain years, as a general rule, for 20 years.

8. Appropriation of retained earnings

The appropriation of retained earnings is reflected in each fiscal year when such appropriation is made by resolution of the shareholders.

9. Adoption of New Accounting Standards

Accounting Standard for the Impairment of Fixed Assets

From this fiscal year, Isuzu Motors Limited, its consolidated domestic subsidiaries and its equity method-applied domestic affiliates adopted the new accounting standard for impairment of fixed assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No.6 issued by the Accounting Standards Board of Japan on October 31, 2003)

The effect of adopting the new accounting standard on the consolidated statement of income for the year ended March 31, 2006 was to decrease income before income taxes by 2,600 million yen.

Also, the impaired fixed assets are presented in the consolidated balance sheet net of accumulated impairment.

Notes to consolidated financial statements

(For consolidated balance sheets)

1. Accumulated depreciation of PP&E	637,286 millions of yen
2. Assets pledged as collateral	
Cash and cash equivalents	111 millions of yen
Trade notes and account receivables	2,471 millions of yen
Securities	3,137 millions of yen
Land	181,218 millions of yen
Buildings and structures	51,309 millions of yen
Machinery and equipment	44,581 millions of yen
Others	37 millions of yen
In addition to above, securities of consolidated subsidiaries(662 millions of yen, based on book price of individual financial statements) held by companies presenting consolidated financial statements are pledged as collateral.	
Secured liabilities	
Short-term borrowings	13,820 millions of yen
Long-term borrowings	213,100 millions of yen
(including borrowings to be returned within a year)	
3. Balance of liabilities guaranteed	2,555 millions of yen
Balance of guarantee resemblance act	92 millions of yen
Balance of account receivables discounted	725 millions of yen
Balance of export bills discount	99 millions of yen

(For consolidated statements of income)

Net income per share	48.75 yen
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(Additional information)

1. Revaluation of business land

The difference of the total fair value, revalued based on the law on revaluation of land article 10, of business land for the end of this fiscal year and the total book price for the business land revalued was 56,149 million yen.

2. Tax-effect accounting

(1) Significant components of deferred tax assets and liabilities

	Current fiscal year (as of March 31, 2006)
Deferred tax assets	
Accrued retirement benefits	21,191 million of yen
Unrealized holding loss on securities and allowance for doubtful accounts	47,158 million of yen
Accrued expense	14,535 million of yen
Accrued bonus cost	4,841 million of yen
Loss accrued from revaluation of inventories	1,489 million of yen
Loss forwarded	26,460 million of yen
Unrealized profit eliminated in consolidation etc.	4,849 million of yen
Others	<u>45,385</u> million of yen
Total gross deferred tax assets	165,911 million of yen
Valuation allowance	<u>△ 125,844</u> million of yen
Total deferred tax assets	40,066 million of yen
Deferred tax liabilities	
Fixed assets constrict fund	△ 981 million of yen
Depreciation adjustments (Foreign consolidated subsidiaries)	△ 4,381 million of yen
Others	<u>△ 702</u> million of yen
Total deferred tax liabilities	△ 6,064 million of yen
Net deferred tax assets	<u><u>34,002</u></u> million of yen
Deferred tax liabilities	
Fixed assets constrict fund	1,700 million of yen
Unrealized holding gain on securities	6,987 million of yen
Others	<u>767</u> million of yen
Total deferred tax liabilities	<u><u>9,455</u></u> million of yen

Note : Deferred tax asset and liability as of March 31, 2006 are reflected in the following accounts in the consolidated balance sheet.

	Current fiscal year (as of March 31, 2006)
Current assets – deferred tax assets	27,632 million of yen
Fixed assets – deferred tax assets	6,369 million of yen
Fixed liabilities – deferred tax liabilities	△ 9,455 million of yen

(2) The reconciliation between the effective tax rates reflected in the consolidated financial statements and the statutory tax rate is summarized as follows.

	Current fiscal year (as of March 31, 2006)
Statutory tax rate	40.0 %
(Reconciliation)	
Decrease in valuation allowance	△ 22.1 %
Different tax rates applied to foreign subsidiaries	△ 3.8 %
Loss for this fiscal year by consolidated subsidiaries	7.3 %
Equity in earnings of unconsolidated subsidiaries and affiliates	△ 5.4 %
Additional income tax	2.0 %
Foreign withholding tax	0.6 %
Others	0.8 %
Effective tax rates after adoption of tax-effect accounting	<u>19.4 %</u>

3. Loss on impairment of fixed assets

Loss on impairment of fixed assets for the following asset groups were recognized in the consolidated financial statements.

<u>Location</u>	<u>Usage</u>	<u>Type</u>	<u>Amount</u>
Ohira-machi, Shimotsuga-gun, Tochigi prefecture	Idle Assets	Machinery and other	409 millions of yen
Fujisawa-shi, Kanagawa prefecture	Idle Assets	Machinery and other	420 millions of yen
Ebina-shi, Kanagawa prefecture and other	Idle Assets	Land and machinery	184 millions of yen
Ueki-machi, Kamoto-gun, Kumamoto prefecture and others	Idle Assets	Land and buildings	1,585 millions of yen
		TOTAL	<u>2,600</u> millions of yen

As a general rule, assets were grouped into business assets, idle assets and assets for rent. As for idle assets and assets for rent were individually grouped by each item. There were no signs of necessity of impairment for business assets and assets for rent. However, for idle assets that were in need for impairment due to the fall in land prices, the carrying amount was reduced to the amount recoverable.

Breakdown of the loss on impairment by asset type	<u>Type</u>	<u>Amount</u>
	Land	1,703 millions of yen
	Buildings	12 millions of yen
	Machinery	818 millions of yen
	Other	65 millions of yen

The recoverable amount of an asset is estimated based on the net amount that the asset could be sold (net selling amount). For land and buildings, the net selling amount is estimated by appraisal amount based on real estate appraisal standards.

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Report of Certified Public Accountants

May 11, 2006

To the Board of Directors of Isuzu Motors Limited

We have examined the consolidated financial statements comprising the consolidated balance sheet and the consolidated profit & loss statement of Isuzu Motors Limited for the 104th term (April 1, 2005 through March 31, 2006), pursuant to Article 19 Item 2 Paragraph 3 of the “Law for Special Exceptions to Commercial Code Concerning Audit, etc. of Corporations (kabushiki kaisha).” The responsibility of formulating the consolidated financial statements rests with the management of the Company, and our responsibility is to express opinions about these consolidated statements from an independent standpoint.

Our examinations were made in accordance with auditing standards, procedures and practices generally accepted in Japan. The auditing standards require that we obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. The audit was made on the basis of test audits, and it included the examination of the general account of the consolidated financial statements, including evaluation of the estimates made by the management as well as the auditing policy and application methods adopted by the management. We judge that, as a result of our audit, we can express our opinions with reasonable assurance. Further, the audit incorporated such auditing procedures on subsidiaries or consolidated subsidiaries as we considered necessary.

In our opinion, the consolidated financial statements referred to above present fairly and accurately the asset and profit and loss position of the group consisting of Isuzu Motors limited and its consolidated subsidiaries.

As disclosed in significant accounting policies, effective from this consolidated fiscal year, Accounting Standards for Impairment of Fixed Assets (Opinions Concerning Establishment of Accounting Standards for Impairment of Fixed Assets (Business Accounting Council, August 9, 2002)) and the Guideline on Accounting Standards for Impairment of Fixed Assets (Financial Accounting Standards Implementation Guidelines No. 6, October 31, 2003) are adopted. This change is deemed appropriate since the above-mentioned Standards and Guideline apply to the consolidated fiscal year that began on and after April 1, 2005.

There are no conflicts of interest between the Company, this auditing corporation and/or its managing partners that need to be reported under the Certified Public Accountant Law.

Shin Nihon & Co.

Designated Employee and Managing Partner, Certified Public Accountant Kazuo Yamamoto

Designated Employee and Managing Partner, Certified Public Accountant Hideki Nishida

Designated Employee and Managing Partner, Certified Public Accountant Kazuo Kishida

Report of Board of Corporate Auditors

May 15, 2006

We, the Board of Corporate Auditors, have received reports from each auditor concerning the outcome of audit on the consolidated financial statements (the consolidated balance sheet and the consolidated profit and loss statement), including the procedures used in the audit, for the 104th business term (April 1, 2005 through March 31, 2006). We discussed the contents of each report, and prepared this audit report. The outline is as follows:

1. Summary of the audit procedures adopted

In accordance with the audit standards for corporate auditors, the audit plan, and other regulations stipulated by the Board of Corporate Auditors, we have received and audited reports and explanations on the consolidated financial statements from directors, employees and accounting auditors.

2. Results of the audit

We recognize that the auditing procedures employed by Shin Nihon & Co., our accounting auditor, and the results of the audit are fair and just.

The Board of Corporate Auditors of Isuzu Motors Limited

Standing Corporate Auditor	Michio Kamiya
Standing Corporate Auditor	Koji Yamaguchi
Standing Corporate Auditor	Shigeaki Wakabayashi
Corporate Auditor	Yasuharu Nagashima
Corporate Auditor	Susumu Tsuchida

Note: Standing Corporate Auditor Shigeaki Wakabayashi, Corporate Auditor Yasuharu Nagashima and Corporate Auditor Susumu Tsuchida are outside auditors as specified in Article 18 Paragraph 1 of the “Law for Special Exceptions to Commercial Code Concerning Audit, etc. of Corporations (kabushiki kaisha).”

BALANCE SHEET

As of Mar. 31, 2006

UNIT : MILL YEN

Debit Side	Amount	Credit Side	Amount
ASSETS	[867, 698]	LIABILITIES	[636, 409]
Current Assets	[308, 651]	Current Liabilities	[293, 075]
Cash on Hand/Deposit	49, 704	Notes/Bills Payable	27, 128
Notes/Bills Receivable	906	Accounts Payable	141, 008
Accounts Receivables	149, 309	Short-term Borrowings	46, 529
Products	42, 711	Commercial Paper	
Materials/Stored Goods	15, 055	Bonds Redeemable-Current	
Goods in Process	5, 388	Unpaid Account	8, 173
Advances Paid	2, 236	Unpaid Corporation Taxes	1, 247
Prepaid Expenses	1, 064	Accrued Expenses	47, 165
Short-term Loan	7, 930	Advances Received	360
Other Account Receivable	6, 290	Deposits Received	10, 126
Other Current Assets	1, 443	Prepaid Income	70
Deferred Taxes Assets	28, 961	Reserve for Warranty	4, 345
Reserve for Bad Debts	-2, 351	Res-bonus Payment	6, 771
		Other Current Liabilities	150
	[559, 047]		
Fixed Assets	(313, 414)	Fixed Liabilities	[343, 333]
Buildings	43, 871	Bonds	50, 000
Structures	7, 893	Bonds with Warrant Attached	
Machinery/Equipments	42, 469	Long-term Borrowings	193, 374
Vehicles/Conveyances	441	Long-term Deposits Received	3, 876
Tools/Furniture/Fixtures	9, 931	Retirement Reserve	35, 656
Land	193, 582	Deferred Taxes Liabilities	6, 105
Construction in Progress	15, 223	Deferred Taxes Liabilities of Revaluation	54, 320
	(5, 798)	SHAREHOLDERS' EQUITY	[231, 289]
Utilization Right-Facilities	59	Capital	[40, 644]
Software	5, 738	Capital Surplus	[49, 855]
		Capital Reserve	49, 855
	(239, 834)	Surplus	[56, 291]
Securities-Investment	33, 834	Res for Accel Dprn	
Shares of Associated Co.	22, 451	Res-Advanced Dprn	
Shares of Subsidiary Co.	101, 669	Unapprp Profit-Cur	56, 291
Long-term Loan	101, 985	Variance of Land Revaluation	[70, 789]
Long-term Prepaid Expenses	569	Unrealized gains or loss on securities available for sale	[13, 899]
Other Investments	17, 690	Treasury Stock	[-190]
Reserve for Bad Debts	-35, 645		
Res-Loss on Investment	-2, 722		
T O T A L	867, 698	T O T A L	867, 698

[Notes to Balance Sheet]

1.Short-term Debit to affiliated companies ¥95,583million, Long-term Debit to affiliated companies ¥90,572million

Short-term Credit to affiliated companies ¥34,226million, Long-term Credit to affiliated companies ¥3,147million

2.Cumulative amount of depreciation on Tangible fixed assets ¥449,164million

3.As important fixed assets there are leased some of dies for manufacturing vehicle and computers besides fixed assets on the Balance Sheet.

4.Assets pledged as collateral :

Land ¥174,546 milion, Buildings ¥30,206 million, Structure ¥7,147 million, Machinery & Equipment ¥38,181 million,

Securities for investment,Shares of Subsidiary Co. ¥3,639 million

5.Contingent liabilities ¥25,473 million , Export bills discounted ¥99 million

6.The total variance between market value and the booked amount of the business land is ¥55,158 million

7.Net increased assets amount by revaluation at the market value, which is ruled by Article 124, Clause 3, of Commercial Code Enforcement Regulation, is ¥13,899 million.

8.Fractions less than one million yen are discarded.

PROFIT & LOSS STATEMENT (104th Term: from April 1,2005 to March 31,2006)

Classification	
[Working Section]	Mill yen
OPERATING	
Net sales	917, 895
Cost of sales	753, 078
(Factory Profit)	(164, 816)
Selling and general administrative expense	111, 309
OPERATING PROFIT	53, 506
NON-OPERATING	
Non-operating earnings	[19, 850]
Interest earnings & dividend received	18, 369
Other Non-operating earnings	1, 481
Non-operating expenses	[9, 208]
Interest & discount expenses	6, 144
Other Non-operating expenses	3, 064
(Non-operating Profit)	(10, 642)
ORDINARY PROFIT	64, 149
[Extra-ordinary Section]	
Extra-ordinary profit	[6, 184]
Profit on sale of fixed assets	100
Profit on sale of Investment securities	285
Settled amounts on North America joint venture	4, 897
Other Extra-ordinary Profit	900
Extra-ordinary Loss	[23, 212]
Loss on sale/disposition of fixed assets	4, 974
Loss from revaluation of investment	1, 249
Loss on Investment of affiliated company restructured	4, 649
Special warranty expense	3, 247
Loss on impairment of fixed asset	1, 014
Dismantlement and other cost on former Kawasaki factory	5, 257
Other Extra-ordinary Loss	2, 819
NET INCOME (LOSS) BEFORE TAX	47, 122
Corporation , Resident & Enterprise Taxes	1, 508
Deferred Taxes	-862
NET INCOME (LOSS)	46, 476
Profit from the previous term	10, 522
Reversal of Land Revaluation	-708
Unappropriated Loss of current term	56, 291

[Notes to Profit & Loss Statement]

1. Transactions with affiliated companies.

Sales 372,254 million yen, Purchases 57,555 million yen,

Non-operating transactions 1,849 million yen

2. 104 term's net income per share of common stock :¥38.31

(based on the total number of shares outstanding on average 104 term)

3. Fractions less than one million yen are discarded.

[Significant Accounting Policies]

1. Method adopted for Valuation of Securities.
Shares of Associated Co.
and Shares of Subsidiary Co.--- Valuation at cost using 'Moving average method'.
Other investment --- Valuation at cost using 'Moving average method'.
2. Method adopted for Valuation of Derivatives --- Fair Market Value
3. Method adopted for Inventories valuation.
Valuation at cost using 'Average cost method'.
4. Method adopted for Depreciation of 'Tangible fixed assets'.
Straight line method.(Remark:Small amount fixed assets from 100K yen to 200K yen are amortized in 3 years.)
Method adopted for Depreciation of 'Fixed Assets'
Tangible Fixed Assets
Intangible Fixed Assets
5. Reasons for providing for reserve & calculation basis.
Reserve for Bad Debt --- Reserve for Bad Debt is to reserve the loss for the bad debt of the money claim on the term end, and for invested company the amount has been determined in consideration of collectables of each receivables. And the other amount has been determined as for doubtful accounts using past actual bad debt rate.
Reserve for Loss on Investments --- The amount is reserved for loss from the decrease in value of investments in consideration of financial conditions, etc. of the companies in which Isuzu has invested.
Reserve for bonus Payment --- The amount is estimated employees' bonus due to this term.
Reserve for Warranty --- Reserve for product warranty service has been determined as the basis of past actual payments according to the agreements of the written guarantee.
Retirement allowance reserve --- For the reserve of the retirement benefit the amount which deducts the fair amount of pension asset from the present value for Projected Benefit Obligation has been reserved.
6. Method adopted for Exchange of Foreign Currency Monetary Asset and Debt
Foreign currency monetary asset and debt is exchanged to yen at the spot rate at the end of the term.
The exchange difference is treated as foreign currency transaction gain or loss.
7. Method of recording Lease Transaction.
Finance lease without transfer of ownership --- Recorded as lease expense
8. Hedge Accounting
Foreign exchange reservation
& Foreign currency option --- "Furiate" (Variance between hedged transaction and hedge is allocated periodically.)
Interest Swap
Interest Swap --- Swap cost will be deferred until the hedged transaction realized.
9. Method of recording Deferred Assets.
Charged to the expense account in the period when expenditures in this nature accrued.
10. Method of recording bonds with warrant attached.
Among the bonds with warrant attached, considered to have charged substituted paid-in, whose economical beneficial is as same as convertible bonds --- Lump-sum settlement
11. Method adopted for Account of "Consumption Tax" --- Without consumption tax.

[Changes in Accounting Policies]

1. Accounting Standard for the Impairment of Fixed Assets
Effective April 1 2005, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidelines on the Accounting Standard for the Impairment of Fixed Assets" (Business Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003). The effect of this change was to decrease current term profit before taxes by 1,014 million.
The cumulative impairment losses have been subtracted directly from the respective asstes.

[Additional Information]

Revaluation of Business Land

Revaluation of Business Land has been operated by " The law amending a part of the law for Land Revaluation(Promulgation Law No. 24, Mar 31, 1999). The tax equivalent to this Revaluation Variance has been stated Liabilities as " Deferred Taxes Liabilities ", the amount deducting this has been stated Capital as " Variance of Land Revaluation".

Date operating Revaluation Mar. 31, 2000

The method of Revaluation written to the above

To calculate the Land amount as the basis of calculating the taxable amount for the Land Tax written to Law 3-3 the Land Tax Law No. 16 on Law Enforcement No. 2-4 for Land Revaluation (Promulgation Government Ordinance No. 119, Mar 31, 1998), this Revaluation has been calculated by rational regulations of compensations

etc. to the current adjustments for the amount calculated by the methods which National Tax Administration Agency President established and published. But for a part of this Land the expert opinion has been accepted. The variance between the total amount of the at market value of the business land and the book amount of the land is 55,158

2.Accounting effected for Tax

(1) Details of the incurrence factor of Deferred Tax Asset and Deferred Tax Liability

	Mar.31,2006 Presently
	Unit::million yen(Omission less than million yen)
Deferred Taxes Assets(Current Assets)	
The limit excess of loss inclusion on Reserve for Bad Debts	5,607
The limit excess of loss inclusion on Reserve for Bonus Payment	2,708
The denial for the valuation of Accrued Expenses	7,594
The denial for the devaluation of Inventory Assets	790
Others	40,119
Valuation Allowance	△27,859
Deferred Taxes Assets(Current Assets)Total	<u>28,961</u> million yen
Deferred Taxes Assets(Fixed Assets)	
The limit excess of loss inclusion on Retirement Reserve	14,262
The denial for the devaluation on Shares of Subsidiary Co.	40,506
Others	569
Net operating loss carryforwards	7,033
Valuation Allowance	△62,371
Deferred Taxes Assets(Fixed Assets)Total	<u>-</u> million yen
Deferred Taxes Liabilities(Fixed Liabilities)	
Unrealized gains or loss on securities available for sale	6,105
Deferred Taxes Liabilities(Fixed Liabilities)Total	<u>6,105</u> million yen
Net Deferred Taxes Liabilities(Fixed Liabilities)	<u>6,105</u> million yen

(2) Details of the difference between current and deferred income tax expense rate and statutory effective tax rate.

Statutory Effective Tax Rate	40.0 %
(Adjustment)	
Increase/Decrease of Valuation Allowance	△ 41.5
Amount of Penalty Taxes	3.2
Foreign Tax Credit	1.0
Others	△ 1.3
Effective Tax Rate after Adoption of the Tax-effect Accounting	<u>1.4</u>

Fractions less than one million yen are discarded.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

Term ended March 31, 2006

ISUZU MOTORS LIMITED

Yen

Unappropriated Retained Earnings of the Current Term..... 56, 291, 136, 143

The above amount shall be appropriated as follows:

Dividends to Shareholders

Class I Preferred Stock.....	260, 400, 000
(6.944 per share)	
Class III Preferred Stock.....	323, 600, 000
(12.944 per share)	
Class IV Preferred Stock.....	423, 600, 000
(16.944 per share)	
Common Stock	3, 420, 920, 616
(3.00 per share)	

Balance to be carried forward..... 51, 862, 615, 527

(Note) 1.The Company did not pay interim dividends

2.The calculation for dividend for common stock was performed excluding own stock of 982,914 shares.

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Report of Certified Public Accountants

May 11, 2006

To the Board of Directors of Isuzu Motors Limited

We have examined the balance sheet, profit & loss statement, and business report (accounting matters only), proposed appropriation of retained earnings and supplementary statements (accounting matters only) of Isuzu Motors Limited for the 104th term (April 1, 2005 through March 31, 2006), pursuant to Article 2 Item 1 of the “Law for Special Exceptions to Commercial Code Concerning Audit, etc. of Corporations (kabushiki kaisha).” Accounting matters for auditing in the business report and supplementary statements refer only to those that are based on records entered in the accounting books. The responsibility of formulating the financial statements and supplementary statements rests with the management of the Company, and our responsibility is to express opinions about these statements from an independent standpoint.

Our examinations were made in accordance with auditing standards, procedures and practices generally accepted in Japan. The auditing standards require that we obtain reasonable assurance as to whether the financial statements and supplementary statements are free of material misstatement. We based our audit on test audits, and it included the examination of the general account of the financial statements and supplementary statements, including evaluation of the estimates made by the management, as well as the auditing policy and application methods adopted by the management. We feel that, as a result of our audit, we can express our opinions with reasonable assurance. Further, the audit incorporated such subsidiary auditing procedures as we considered necessary.

In our opinion:

- (1) The Balance Sheet and the Profit & Loss Statement referred to above present fairly the status of assets and profitability of the Company in conformity with the laws, regulations and the Articles of Incorporation.
As disclosed in significant accounting policies, effective from this consolidated fiscal year, Accounting Standards for Impairment of Fixed Assets (Opinions Concerning Establishment of Accounting Standards for Impairment of Fixed Assets (Business Accounting Council, August 9, 2002)) and the Guideline on Accounting Standards for Impairment of Fixed Assets (Financial Accounting Standards Implementation Guidelines No. 6, October 31, 2003) have been adopted. This change is deemed appropriate since the above-mentioned Standards and Guideline apply to the consolidated fiscal year that began on and after April 1, 2005.
- (2) The Business Report (accounting matters only) presents fairly the status of the Company in conformity with the laws, regulations and the Articles of Incorporation.
- (3) The proposed appropriation of retained earnings conforms to the laws, regulations and Articles of Incorporation.
- (4) The Supplementary Statements (accounting matters only) include nothing that needs to be reported with regard to the provisions of the Commercial Code.

The Business Report also includes a statement concerning a post-balance sheet event in which Isuzu Asia Motors Limited, a consolidated subsidiary, made a resolution to pay dividends to Isuzu Motors Limited.

There are no conflicts of interest between the Company, this auditing corporation and/or its managing partners that need to be reported under the Certified Public Accountant Law.

Shin Nihon & Co.

Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Yamamoto
Designated Employee and Managing Partner, Certified Public Accountant	Hideki Nishida
Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Kishida

May 15, 2006

We, the Board of Corporate Auditors, have received reports from each auditor concerning the outcome of audit of the Isuzu directors' execution of duties, including the auditing procedures used in the audit, during the 104th business term (April 1, 2005 through March 31, 2006). We discussed the contents of each report, and prepared this audit report. The outline of our report is as follows:

1. Summary of the audit procedures adopted

In accordance with the audit standards for corporate auditors and the audit plan stipulated by the Board of Corporate Auditors, we have attended board meetings and other important meetings, received business performance reports from directors and employees, and examined important documents submitted to management for approval. We have also investigated the status of operations and assets at the head office and other major places of business, and obtained business performance reports from subsidiaries as required. Further, we have received reports and explanations from the accounting auditor, and examined Financial Statements and Supplementary Statements.

We have further audited the matters concerning director's competitive transactions, transactions possibly causing a conflict of interest between directors and the Company, free-of-charge provision of profits by the Company, unusual transactions with subsidiaries or shareholders and acquisition or disposition of treasury stock. In such audit, we have investigated the status of these transactions in detail by following the above auditing procedure, while receiving reports from directors and employees, as required.

2. Results of the audit

- (1) We recognize that the auditing procedures employed by Shin Nihon & Co., our accounting auditor, and the results of the audit are fair and just.
- (2) We recognize that the business report gives a true and fair view of the state of affairs of the Company in accordance with the laws, regulations and the Articles of Incorporation.
- (3) With respect to the proposed appropriation of retained earnings, there is nothing that needs to be reported with reference to the status of the Company's assets and other circumstances.
- (4) The supplementary statements correctly indicate all the necessary items to be specified, and there is nothing that needs to be reported.
- (5) With respect to the directors' execution of duties, we have found neither irregularities nor violations of the law, regulations or Articles of Incorporation.

Further, regarding directors' competitive transactions, transactions causing a conflict of interest between the directors and the Company, free-of-charge provision of interests by the Company, and unusual transactions with subsidiaries or shareholders, acquisition, or disposition of treasury stock, we have found that no director neglected his duties.

The Board of Corporate Auditors of Isuzu Motors Limited

Standing Corporate Auditor	Michio Kamiya
Standing Corporate Auditor	Koji Yamaguchi
Standing Corporate Auditor	Shigeaki Wakabayashi
Corporate Auditor	Yasuharu Nagashima
Corporate Auditor	Susumu Tsuchida

Note: Standing Corporate Auditor Shigeaki Wakabayashi, Corporate Auditor Yasuharu Nagashima and Corporate Auditor Susumu Tsuchida are outside auditors as specified in Article 18 Paragraph 1 of the "Law for Special Exceptions to Commercial Code Concerning Audit, etc. of Corporations (kabushiki kaisha)."

Reference Materials for the Shareholders' Meeting

Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings for the 104th Business Period.

We propose to appropriate the retained earnings in the manner described on page 32 of the attached document.

We would like to offer a common stock dividend for the current term of ¥3.00 per share to our shareholders, after giving due and comprehensive consideration to factors such as the business results of the current term, future business plans, and the distribution of profits to shareholders.

We will pay preferred stock dividends of ¥6.944 per share for Class-I preferred stock, ¥12.944 per share for Class-III preferred stock, and ¥16.944 per share for Class-IV preferred stock to our shareholders, in accordance with the predetermined conditions of dividend issuance.

We cordially ask for the approval of the shareholders for these proposals.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for revision

- a) In connection with enforcement of the Corporate Law (Law No. 86, 2005), the Company's Articles of Incorporation shall be wholly revised as required, including revision of wordings of the Articles of Incorporation, changes of expression thereof, addition/deletion of articles, etc.
- b) In accordance with provisions of the 'Law concerning Establishment of Relevant Legislation Relative to Enforcement of Corporate Law' (Law No. 87, 2005), the Company's Articles of Incorporation shall clearly establish any provisions which are deemed to be defined under the Articles of Incorporation, even if they are not provided in the Articles of Incorporation. The articles involved include Article 4 (Organizations), Article 9 (Issue of Share Certificates), and Article 13 (Shareholders Register Manager).
- c) In accordance with the Corporate Law, the Company can use some new systems by clearly establishing specific provisions in the Company's Articles of Incorporation. To adopt such systems, the Company's Articles of Incorporation shall be added or modified to include these required provisions. The articles involved include Article 19 (Deemed Provision of Shareholders' Meeting Reference Materials and Other Information by Publication on the Internet), Article 31 (Omission of Board of Directors Resolutions), Article 36 (Agreement to Limit Liabilities of Outside Directors), and Article 46 (Agreement to Limit Liabilities of Outside Auditors).
- d) Article numbers of the Company's Articles of Incorporation shall be changed to reflect the above revision.

2. Details of the revisions

The revisions are as follows:

(The underlined portions denote the revisions)

Current Articles of Incorporation of the Company	After revision
(Newly provided)	<u>Article 4: (Organizations)</u> <u>The Company shall establish the following organizations in addition to General Meeting of Shareholders and Directorships:</u> <u>1. Board of Directors Meeting</u> <u>2. Auditorship</u> <u>3. Board of Auditors, and</u> <u>4. Accounting Auditors</u>
Article 4 (Provisions omitted)	Article 5: (The same as the provision defined in Article 4 of the current Article of Incorporation of the Company)
Article 5: <u>(Total number of shares issued by the Company)</u> The total number of shares of stock to be issued by the Company shall be three billion four hundred fifty-six million five hundred thousand (3,456,500,000) shares <u>(Authorized Shares)</u> , which shall consist of 3,369,000,000 shares of common stock, 37,500,000 shares of Class- I preferred stock, 25,000,000 shares of Class-III preferred stock, and 25,000,000 shares of Class-IV preferred stock. <u>In cases where common stock is canceled, or preferred stock is canceled or converted into common stock, the corresponding number of shares are to be deducted from the aggregate total of the Authorized Shares.</u>	Article 6: (Total number of shares issuable by the Company) The number of shares issuable by the Company shall total three billion four hundred fifty-six million five hundred thousand (3,456,500,000) shares, which <u>are broken down into:</u> 3,369,000,000 common stocks, 37,500,000 Class- I preferred stocks, 25,000,000 Class-III preferred stocks, and 25,000,000 Class-IV preferred stocks.
Article 6: (Acquisition of treasury stocks) The Company may acquire treasury stocks subject to resolution of the Board of Directors meeting <u>pursuant to Article 211 Section 3 Item 1-2 of the Commercial Code.</u>	Article 7: (Acquisition of treasury stocks) <u>Pursuant to Article 165-2 of the Corporate Law, the Company may acquire treasury stocks through market transactions, etc., as stipulated for in Article 165-1 of the Corporate Law</u> subject to resolution of the Board of Directors meeting.
Article 7 (Provisions omitted)	Article 8: (The same as the provision defined in Article 7 of the current Article of Incorporation of the Company)
(Newly provided)	<u>Article 9: (Issue of Share Certificates)</u> <u>The Company shall issue share certificates for those shares.</u>
Article 7-2: (Share certificates of odd-lot shares falling short of no-par-value <u>unit</u> stock) The Company shall not issue share certificates of odd-lot shares falling short of the 'no-par-value <u>unit</u> stock' (hereinafter referred to as the "odd-lot shares").	Article 10: (Share certificates of odd-lot shares falling short of <u>one trading unit of</u> no-par-value stock) <u>Notwithstanding the provisions of Article 9, the Company shall not issue <u>any</u> share certificates of odd-lot shares falling short of <u>one unit</u> of the no-par-value stock (hereinafter referred to as the "odd-lot shares").</u>
Article 8 (Provisions omitted)	Article 11: (The same as the provision defined in Article 8 of the current Article of Incorporation of the Company)
Article 9: (Share Handling Regulation) <u>Registration of transfer of shares, application for register of loss of share certificates, purchase of any odd-lot shares smaller than the 'no-par-value unit stock,' registration of pledge, indication of trust property, re-issuance of share certificates, and other procedures relating to shares shall be governed by the Share Handling Regulation adopted by the Board of Directors.</u>	Article 12: (Share Handling Regulation) <u>The procedures for entry or record in shareholders register (including beneficiary shareholders register, the same below), stock acquisition right register and share certificate loss register, and purchase of any odd-lot shares falling short of one unit of 'no-par-value stock,' registration of pledge of shares, registration of shares in trust, delivery of re-issued share certificates, and any other proceedings concerning share handling shall be governed by laws and ordinances, Articles of Incorporation, and Share Handling Regulation established by resolution of the Board of Directors.</u>

Article 10: (Transfer Agent)

The Company shall appoint a transfer agent to handle its shares. The transfer agent and its place of business shall be designated by a resolution of the Board of Directors, and public notice thereof shall be given. The register of shareholders and the register of virtual shareholders of the Company (hereinafter referred to as the "register of shareholders, etc.") and the register of loss of the share certificates shall be maintained at the place of business of the transfer agent, and the registration of transfer of shares, application for register of loss of share certificates, purchase of any odd-lot shares smaller than the 'no-par-value unit stock,' and other procedures mentioned in the preceding Article shall be handled by the transfer agent and not by the Company.

Article 11: (Notification of name, address, and seal)
Shareholders (including virtual shareholders, Hereinafter, this word will be used in the same sense), registered pledgees or their legal representatives must notify their names, addresses and seals to the transfer agent designated by the Company. The same procedure must be taken in case any change occurs in these matters.

Article 12: (Provisional address of foreign resident)
Shareholders, registered pledgees or their legal representatives who are not domiciled or resident in Japan shall set up their provisional addresses in Japan and notify such addresses to the transfer agent designated by the Company. The same procedure must be taken in case any change occurs in these matters.

Article 13: (Establishment of record date)
The Company shall treat the shareholders described or recorded on the register of shareholders, etc. as of the last day of each business term as shareholders entitled to exercise their rights at a general meeting of shareholders for such business term. Notwithstanding the provisions of the preceding paragraphs, a different record date may be set by resolution of the Board of Directors.

Article 13-2: (Class- I preferred stock)
Class- I preferred stock is issued by the Company pursuant to the provisions set forth below:

1. (Dividend on Class- I preferred stock)
When the Company pays dividends pursuant to Article 42, the Company shall pay dividends to the shareholders of Class- I preferred stock ("Class- I preferred shareholders") or to the registered mortgagees of Class- I preferred stock ("Class- I preferred stock mortgagees") before any dividends are paid to the shareholders of common stock ("common shareholders") or to the registered mortgagees of common stock ("common stock mortgagees"). The Company shall pay the amount determined by the Board of Directors with a maximum amount of ¥80 per annum ("Class- I preferred dividend").
In any operating year, if Class- I dividends paid to Class- I preferred shareholders and Class- I preferred stock mortgagees are not paid in full, the deficiency in the dividends will not accumulate in the following years.
The amount of dividends paid to Class- I preferred shareholders and Class- I preferred stock mortgagees shall not exceed the Class- I preferred dividend.

2. (Interim dividend paid to Class- I preferred shareholders)
The Company shall not pay interim dividends to Class- I preferred shareholders or to Class- I preferred stock mortgagees.

Article 13: (Shareholders register manager)

The Company shall establish a Shareholders Register Manager to handle its shares. The Shareholders Register Manager and its place of business shall be determined by resolution of the Board of Directors, and public notice thereof shall be given. The shareholders register, share acquisition right register, and share certificates loss register shall be maintained at the place of business of the Shareholders Register Manager. The Share Handling Regulations mentioned in the preceding Article shall be handled by the Shareholders Register Manager, not by the Company.

Article 14: (Notification of name, address, and seal)
Shareholders (including beneficiary shareholders; the same below), registered pledgees or legal representatives must notify Shareholders Register Manager established by the Company about their names, addresses and seals. In case of any change thereof, they shall notify the manager thereof, as well.

Article 15: (Provisional address of foreign resident)
When shareholders, registered pledgees or legal representatives do not domicile or reside in Japan, they shall set up their provisional addresses in Japan and notify the Shareholders Register Manager designated by the Company about such addresses. In case of any change of addresses, they shall notify the manager thereof, as well.

Article 16: (Establishment of record date)
The Company shall regard shareholders described or recorded in the Register of Shareholders as of Closing Day of each business year as shareholders entitled to exercise rights at a General Meeting of Shareholders for the said business year. Notwithstanding the provisions of the preceding paragraphs, the Company may set a different record date temporarily subject to resolution of the Board of Directors.

Article 16-2: (Class- I preferred stock)
The Company shall issue Class- I preferred stock as defined below:

1. (Dividend on Class- I preferred stock)
The Company shall pay term-end dividends pursuant to Article 48. The dividends shall be paid to Class- I preferred stock shareholders ("Class- I Preferred Stock Shareholders") or registered pledgees of Class- I preferred stock ("Class- I Preferred Stock Pledgees") prior to common stock shareholders ("Common Stock Shareholders") or registered pledgees of common stock ("Common Stock Pledgees"). The amount of dividends on Class- I Preferred Stock ("Class- I Preferred Stock Dividends") shall be as per predetermined by the Board of Directors at time of issuance of the preferred stock, and the said shall be paid in money from surplus, provided it shall be up to ¥80 per annum per share.
In any business year, if the surplus appropriated for dividends payable to Class- I preferred stock shareholders and Class- I preferred stock pledgees falls short of the predetermined amount of Class- I Preferred Stock dividends, deficiency will not be accumulated in and after the next business year.
Dividends payable from surplus to Class- I preferred stock Shareholders and Class- I preferred stock pledgees shall not exceed the predetermined amount of Class- I Preferred Stock Dividends.

2. (Interim dividend payable to Class- I preferred stock shareholders)
The Company shall not pay interim dividends to Class- I preferred stock shareholders or Class- I preferred stock pledgees.

3. (Distribution of residual property to Class- I preferred shareholders)
When the Company distributes any residual property, the Company shall pay ¥800 per Class- I preferred stock to Class- I preferred shareholders or Class- I preferred stock mortgagees before any distributions are made to the common shareholders or the common stock mortgagees.
The Company shall not make any additional distributions to Class- I preferred shareholders or Class- I preferred stock mortgagees in addition to the said distribution.
4. (Cancellation of Class- I preferred stock)
The Company shall be authorized from time to time to acquire Class I preferred stock with surpluses available for distributions and to cancel the reacquired stock at a cost equal to the amount paid in the reacquisition.
5. (Voting rights of Class- I preferred stock)
Class- I preferred shareholders shall have no voting rights at any of the Company's Meetings of Shareholders.
6. (Split, reverse-split or stock warrants, etc. of Class- I preferred stock)
Unless otherwise statutorily provided for, the Company shall neither split nor reverse- split Class- I preferred stock.
Nor shall the Company grant Class- I preferred shareholders any stock warrants or subscription rights to new stock or subscription rights to bonds with stock warrants.
7. (Subscription to converting Class- I preferred stock)
Class- I preferred shareholders shall be authorized to claim the conversion of Class- I preferred stock into common stock pursuant to the conditions determined by the Board of Directors during the period determined by the Board of Directors in which Class- I preferred shareholders are eligible to make the conversion.
8. (Class- I preferred stock compulsory conversion clause)
In the case where Class- I preferred shareholders do not convert their Class- I preferred stock during the period in which they are eligible to make the conversion, as stated in the preceding paragraph, their Class- I preferred stock shall be converted into common stock on the date set by the Board of Directors which is held on the day following the closing of the eligible period ("conversion reference date") or thereafter. The number of shares of common stock shall be computed by dividing the amount paid for one share of Class- I preferred stock by the average of the closing prices (including quoted price) of the Company's common stock traded on the Tokyo Stock Exchange over thirty (30) transaction days (excluding any days for which closing price is not available) beginning forty-five (45) days prior to the conversion reference date. The average price of the common stock shall be calculated to one decimal place and then rounded up.
In the case where the average price of the common stock exceeds the upper limit of the conversion price determined by the Board of Directors (Case I), or is below the lower limit thereof (Case II), the amount paid for one share of Class- I preferred stock is divided by the upper limit of the conversion price (Case I), or is divided by the lower limit thereof (Case II) in computing the number of shares of common
3. (Distribution of residual property to Class- I preferred stock shareholders)
When the Company distributes any residual property, the Company shall pay ¥800 per one share of Class- I preferred stock to Class- I preferred stock shareholders or Class- I preferred stock pledgees prior to common stock shareholders or common stock pledgees.
The Company shall not pay to Class- I preferred shareholders or Class- I preferred stock pledgees any additional distributions other than the said distribution mentioned earlier.
4. (Cancellation of Class- I preferred stock)
The Company may acquire Class I preferred stock at cost any time pursuant to laws and ordinances subject to consent of Class I preferred stock shareholders and cancel them pursuant to laws and ordinances.
5. (Voting rights of Class- I preferred stock)
Class- I preferred stock shareholders shall not have any voting right at a General Meeting of Shareholders of the Company.
6. (Reverse-split or split of Class- I preferred stock or stock acquisition right, etc.)
Unless otherwise provided by law, the Company shall neither split nor reverse- split Class- I preferred stock. The Company shall not grant Class- I preferred stock shareholders any rights to subscribe for allocation of offering for shares and share acquisition right. The Company shall not grant Class I preferred stock shareholders any free allocation of shares or share acquisition right.
7. (Right of request for acquisition of Class I preferred stock)
Class- I preferred stock shareholders may request the Company to issue common stocks in exchange for Class- I preferred stock during an effective period of request for conversion of the preferred stock as predetermined by the Board of Directors. The number of common stocks issued thus shall be computed by using the computation method shown under resolution of the Board of Directors. If any odd-lot shares less than one share are included in the number of common shares issued by the Company based on the above request, the odd-lot shares shall be handled pursuant to Article 167-3 of the Corporate Law; however, the second sentence of the said paragraph shall not be applied.
8. (Comprehensive acquisition of Class- I preferred stock)
In case the Class- I preferred shareholders fail to request that the Company acquires their Class- I preferred stock during the prescribed period of request for conversion, Class- I preferred stocks shall be all acquired on the date set by the Board of Directors which is held on and after the day following the Closing Day of the said period ("Comprehensive Acquisition Day"). In exchange for such acquisition, the Company shall issue Common Stocks to Class I preferred stock shareholders. The number of the common stocks issued thus shall be computed by dividing the amount paid for one share of Class- I preferred stock by the 30-day average value of Closing Prices (including Indicative Price) of the Company's common stocks through regular transactions on the Tokyo Stock Exchange, from forty-five (45) days prior to the Comprehensive Acquisition Day, excluding any days on which closing price is not available. The average price of the common stocks shall be calculated to one decimal place, and then rounded up as a whole number. If the average price of the common stock exceeds the upper limit of the conversion price as determined by resolution of the Board of Directors (Case I), the amount paid for one share of Class- I preferred stock is divided by the upper limit of the conversion price. If it is below the lower limit thereof (Case II), the amount

stock.

If a fraction smaller than one (1) share arises in computing the number of shares of common stock, such fraction is treated pursuant to the applicable provision regarding reserve-split of stock in the Commercial Code.

9. (Exclusion period for claiming Class- I preferred stock dividend)

The provisions of Article 44 shall apply to dividends on Class- I Preferred Stock.

Article 13-3: (Class-III preferred stock)
The provision of Article 13-2 shall apply to Class-III Preferred Stock issued by the Company.

Article 13-4: (Class-IV preferred stock)
Class-IV preferred stock is issued by the Company pursuant to rules set forth below:

1. (Dividends on Class-IV preferred stock)
When the Company pays dividends pursuant to Article 42, the Company shall pay dividends to the shareholders of Class-IV preferred stock ("Class-IV preferred Shareholders") or to the registered mortgagees of Class-IV preferred stock ("Class-IV preferred stock mortgagees") before any dividends are paid to the common shareholders or to the common stock mortgagees. The Company shall pay the amount determined by the Board of Directors with a maximum amount of dividends of ¥80 per annum ("Class-IV preferred dividend").

In any operating year, if Class-IV dividends paid to Class- IV preferred shareholders and Class- IV preferred stock mortgagees are not paid in full, the deficiency in the dividends will not accumulate in the following years.

If there is any residual property after paying dividends on Class-IV preferred stock, the Company shall be authorized to pay dividends to common shareholders and registered common stock mortgagees to the extent that such dividends are equal to Class-IV preferred dividends in amount. If there is any residual property after paying the above dividends, the Company shall be authorized to pay the same amounts of dividends to Class-IV preferred shareholders or Class-IV preferred stock mortgagees, and to common shareholders or registered common stock mortgagees.

2. (Applicability of provisions)

The provisions from Article 13-2, Section 2 to Section 9 shall apply to Class-IV preferred stock

Article 13-5:

⚡(Provisions omitted)

Article 14:

Article 15: (Place of general meetings of shareholders)
General meetings of shareholders shall be held within any ward of Tokyo-to.

Article 16: (Provisions omitted)

(Newly provided)

paid for one share of Class- I preferred stock shall be divided by the lower limit thereof. The number of common shares computed thus shall be issued.

In computing the number of common stocks, if there is a fractional share falling short of one (1) share arises, it shall be treated pursuant to Article 234 of the Corporate Law.

9. (Annulment period for Class- I preferred stock dividend)

The provisions of Article 50 shall apply accordingly to payment of dividends on Class- I Preferred Stock.

Article 16-3: (Class-III preferred stock)
The provision of Article 16-2 shall apply accordingly to Class-III Preferred Stock issued by the Company.

Article 16-4: (Class-IV preferred stock)
Class-IV preferred stock is issued by the Company pursuant to rules set forth below:

1. (Dividends on Class-IV preferred stock)
The Company pays term-end dividends pursuant to Article 48. Dividends shall be paid to Class-IV preferred stock shareholders ("Class-IV preferred stock Shareholders") or registered pledgees of Class-IV preferred stock ("Class-IV preferred stock pledgees") prior to common stock shareholders or common stock pledgees. The amount of dividends on Class-IV preferred stock ("Class-IV Preferred Stock Dividend") shall be as predetermined by resolution of the Board of Directors at time of issuance of the preferred stock, and the said shall be paid in money from surplus, provided it shall be up to ¥80 per share per annum.

In any business year, if the surplus appropriated for dividends payable to Class-IV preferred stock shareholders and Class-IV preferred stock pledgees fail to reach the predetermined amount of Class-IV preferred stock dividends, such deficiency will not be accumulated in and after the following year.

If there is any residual property remaining after paying dividends on Class-IV preferred stock, the Company may pay to common shareholders and common stock pledgees any dividends equal to or less than Class-IV preferred dividends. If there is still residual property remaining after payment of above dividends and the Company can afford to pay dividends further, the Company shall pay dividends in the same amounts, respectively, to Class-IV preferred shareholders, Class-IV preferred stock pledgees, common stock shareholders or common stock pledgees.

2. (Applicability of provisions)

The provisions of Article 16-2, Paragraph 2 to Paragraph 9 shall apply accordingly to Class-IV preferred stocks.

Article 16-5:

⚡ (The same as provisions as defined in Article 13-5 to Article 14 of the current Article of Incorporation of the Company.)

Article 17:

(Deleted)

Article 18: (The same as provision as defined in Article 16 of the current Article of Incorporation of the Company)

Article 19: (Deemed provision of shareholders' meeting reference materials and other information by publication on the Internet)

The Company may use the Internet to provide shareholders with reference materials for general meetings of shareholders, business reports, and information regarding the items that must be contained in accounts statements and consolidated account statements when convening general meetings of

shareholders pursuant to the Ministry of Justice ordinance. Through such process, such information shall be deemed to be have been provided to shareholders.

Article 17: (Method of adopting resolutions)
Resolutions of a general meeting of shareholders shall be adopted by a majority of the votes of the shareholders present thereat.
In the case where resolution falls under the scope of Article 343 Section 1 of the Commercial Code, it shall be adopted under the attendance of shareholders owning shares representing more than one-third of the total number of outstanding votes, and by the majority votes of not less than two-thirds of the voting rights held by the attending shareholders, pursuant, notwithstanding the provisions of the preceding article.

Article 18: (Exercise of voting rights by proxy)
A shareholder may designate a shareholder(s) of the Company having voting rights to represent him in exercising his voting rights.

Article 18-2: (Shareholders' Meetings by Class of Stock)
The provisions of Article 15, Article 16, and Article 18 shall apply to Shareholders' Meeting by Class of Stock.

Article 19: (Provisions omitted)

Article 20: (Election of Directors)
Resolutions on the election of Directors shall be adopted by a majority of votes of shareholders accounting for one third or more of the voting rights of the total shareholders of the Company. Cumulative voting shall not be used for the election of Directors.

Article 21: (Term of office of Directors)
The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders for the last business term ending within two (2) years after their assumption of office.

Article 22:
⚡ (Provisions omitted)

Article 23:

Article 24: (Directors with specific power)
By resolution of the Board of Directors, there may be elected from among the Directors, a Chairman of the Board of Directors, a Vice Chairman, a President, and a certain number of Executive Vice Presidents, Managing Directors, and Executive Directors; provided, however, that the President shall be elected from among the Representative Directors.

Article 25:
⚡ (Provisions omitted)

Article 26:

(Newly provided)

Article 27:
⚡ (Provisions omitted)

Article 28:

Article 20: (Method of adopting resolutions)
Resolutions of a general meeting of shareholders shall be adopted by a majority of the votes of the shareholders with voting rights present thereat.
In the case where resolution falls under the scope of Article 309 Section 2 of the Corporate Law, it shall be adopted under the attendance of shareholders owning shares representing more than one-third of the total number of outstanding voting stocks, and by the majority votes of not less than two-thirds of the voting rights held by the attending shareholders, pursuant, notwithstanding the provisions of the preceding article.

Article 21: (Exercise of voting rights by proxy)
A shareholder may designate one shareholder of the Company having voting rights to represent him in exercising his or her voting rights.

Article 22: (Shareholders' Meetings by Class of Stock)
The provisions of Article 18 and Article 21 shall apply to Shareholders' Meeting by Class of Stock.

Article 23: (The same as the provision defined in Article 19 of the current Article of Incorporation of the Company)

Article 24: (Election of Directors)
Resolutions on the election of Directors shall be adopted under the attendance of shareholders owning shares representing more than one-third of the total number of outstanding voting stocks, and by a majority vote of shareholders with voting rights. Cumulative voting shall not be used for the election of Directors.

Article 25: (Term of office of Directors)
The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders for the last business year that ends within two (2) years after the election of the directors.

Article 26:
⚡ (The same as provisions as defined in Article 22 to Article 23 of the current Article of Incorporation of the Company.)

Article 27:

Article 28: (Directors with specific power)
By resolution of the Board of Directors, the Company may select from among the Directors, a Chairman of the Board of Directors, a Vice Chairman, a President, and a certain number of Executive Vice Presidents, Managing Directors, and Executive Directors; provided, however, that the President shall be selected from among the Representative Directors.

Article 29:
⚡ (The same as the provisions defined in Article 25 to Article 26 of the current Article of Incorporation of the Company.)

Article 30:

Article 31: (Omission of Board of Directors' resolutions)
Items addressed by Board of Directors' resolutions shall be deemed to be resolved provided that the stipulations in Article 370 of the Corporate Law are satisfied.

Article 32:
⚡ (The same as provisions as defined in Article 27 to Article 28 of the current Article of Incorporation of the Company.)

Article 33:

Article 29: (Remuneration and retirement gratuity for Directors)
Remuneration and retirement gratuity for Directors shall be determined by resolution of a general meeting of shareholders.

Article 30: (Exemption of Directors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Directors (including former Directors) from liabilities for misconducts provided in Article 266 Paragraph 1 Item 5 to a legally allowable degree pursuant to Article 266 Paragraph 12 of the Commercial Code.

(Newly provided)

Article 31 (Provisions omitted)

Article 32: (Election of Auditors)
Resolutions on the election of Auditors shall be adopted by a majority of votes of shareholders accounting for one third or more of the voting rights of the total shareholders of the Company.

Article 33: (Term of office of Auditors)
The term of office of Auditors shall expire at the close of the ordinary general meeting of shareholders for the last business term ending within four (4) years after their assumption of office.

Article 34: (Provisions omitted)

Article 35: (Standing Auditor)
The Company shall appoint an Auditor(s) mutually elected from among Auditors as Standing Auditor(s).

Article 36:
⚡ (Provisions omitted)

Article 37:

Article 38: (Remuneration and retirement gratuity for Auditors)
Remuneration and retirement gratuity for Auditors shall be determined by resolution of a general meeting of shareholders.

Article 39: (Exemption of Auditors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Auditors (including former Auditors) from liabilities to a legally allowable degree pursuant to Article 280 Paragraph 1 of the Commercial Code.

(Newly provided)

Article 34: (Remuneration and other benefits for Directors)
Remuneration for Directors, which consists of bonuses and other benefits from the Company in consideration of the execution of their duties (herein after referred to as "Remuneration"), shall be determined by resolution of a general meeting of shareholders.

Article 35: (Exemption of Directors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Directors (including former Directors) from liabilities for damages caused by negligence in executing their duties to a legally allowable degree pursuant to Article 426 Paragraph 1 of the Corporate Law. However, this Article shall not be applied to outside directors (including former outside directors) who made an agreement stipulating the limitation of their liabilities pursuant to the Article 36.

Article 36: (Agreement to limit liabilities of Outside Directors)
Pursuant to Article 427 of the Corporate Law, the Company may enter into agreements with Outside Directors (including former Outside Directors) to limit their liabilities for damages caused by negligence in exercising their duties; provided, however, that their liabilities for damages pursuant to the agreement shall be limited to those stipulated in laws or more, whichever is higher.

Article 37: (The same as the provision defined in Article 31 of the current Article of Incorporation of the Company)

Article 38: (Election of Auditors)
Resolutions on the election of Auditors shall be adopted under the attendance of shareholders owning shares representing more than one-third of the total number of outstanding voting stocks, and by a majority vote of shareholders with voting rights.

Article 39: (Term of office of Auditors)
The term of office of Auditors shall expire at the close of the ordinary general meeting of shareholders for the last business year that ends within four (4) years after the election of Auditors.

Article 40: (The same as provision as defined in Article 34 of the current Article of Incorporation of the Company)

Article 41: (Standing Auditor)
Board of Auditors shall elect a Standing Auditor(s) from among Auditor(s).

Article 42:
⚡ (The same as the provisions defined in Article 36 to Article 37 of the current Article of Incorporation of the Company.)

Article 43:

Article 44: (Remuneration and other benefits for Auditors)
Remuneration and other benefits for Auditors shall be determined by resolution of a general meeting of shareholders.

Article 45: (Exemption of Auditors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Auditors (including former Auditors) from liabilities to a legally allowable degree pursuant to Article 426 Paragraph 1 of the Corporate Law. However, this Article shall not be applied to outside auditors (including former outside auditors) who made an agreement stipulating the limitation of their liabilities pursuant to the Article 46.

Article 46: (Agreement to limit liabilities of Outside Auditors)

	<p><u>Pursuant to Article 427 of the Corporate Law, the Company may enter into agreements with Outside Auditors (including former Outside Auditors) to limit their liabilities for damages caused by negligence in exercising their duties; provided, however, that their liabilities for damages pursuant to the agreement shall be limited to those stipulated in laws or more, whichever is higher.</u></p>
<p>Article 40: (Business term) The business <u>term</u> of the Company shall be from April 1 of each year to March 31 of the following year.</p>	<p>Article 47: (Business term) The business <u>year</u> of the Company shall be from April 1 of each year to March 31 of the following year.</p>
<p><u>Article 41: (Disposition of profits) The profits of the Company shall be appropriated with the approval of a general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p>Article 42: (Payment of dividends to shareholders) <u>Dividends shall be paid to the shareholders who are recorded on the final 'register of shareholders, etc.' as of March 31 of each year.</u></p>	<p>Article 48: (Payment of <u>term-end</u> dividends to shareholders) <u>By resolution of the General Meeting of Shareholders, the Company shall distribute the surplus as cash dividend to the shareholders who are recorded on the final 'shareholders register' and pledgees as of March 31 of each year. (In these Articles of Incorporation, such distribution shall be referred to as "term-end dividend payout", and the money to be paid as dividend at the end of year referred to as "term-end dividends")</u></p>
<p>Article 43: (Interim dividends) By resolution of the Board of Directors, the Company may <u>make a cash distribution (called "interim dividends"), pursuant to Article 293-5 of the Commercial Code, in accordance with the last 'register of shareholders, etc.' as of September 30 of each year.</u></p>	<p>Article 49: (Interim dividends) By resolution of the Board of Directors, the Company may <u>distribute the surplus as dividend to the shareholders who are recorded on the final 'shareholders register' and pledgees as of September 30 of each year, pursuant to Article 454 Paragraph 5 of the Corporate Law. (In these Articles of Incorporation, such distribution shall be referred to as "interim dividend payout", and the money to be paid as dividend referred to as "interim dividends").</u></p>
<p>Article 44: (Release from obligation to pay dividends) In case dividends or interim dividends payable to shareholders have not been received even after the elapse of three (3) years from the start of the dividend payment period, the Company shall be released from the obligation to pay such dividends. No interest shall accrue on dividends payable to shareholders in the above paragraph.</p>	<p>Article 50: (Release from obligation to pay dividends) In case <u>term-end</u> dividends or interim dividends payable to shareholders have not been received even after the elapse of three (3) years from the start of the dividend payment period, the Company shall be released from the obligation to pay such dividends. No interest shall accrue on <u>term-end dividends and interim dividends</u> in the above paragraph.</p>

Proposal No. 3: Election of Six Directors.

The terms of office of the following six (6) directors expire at the close of the 104th ordinary General Meeting of Shareholders:

Messrs. Basil N. Drossos, Susumu Hosoi, Hiroshi Suzuki, Shigeki Toma, Yoshio Kinouchi and Yoshihiro Tadaki.

Accordingly, we propose appointing the following six (6) individuals as directors.

The candidates are as follows:

No.	Full Name (Date of Birth)	Brief Personal Record ,Major Responsibilities,Assignment & Position Held in Other Companies	No. of Isuzu Common Shares Held
1	Susumu Hosoi (August 9, 1949)	Apr. 1973: Joined Isuzu Motors Limited May 1996: President of Isuzu Motors Asia Limited Apr. 1997: Resigned from the above position Apr. 1997: Executive Vice President of Isuzu Motors America, Inc. Feb. 1998: President of the above company Dec. 1998: Executive in charge of Corporate Planning, Isuzu Motors Limited Jan. 1999: Resigned as Director of Isuzu Motors America, Inc. Apr. 2000: Senior Executive in charge of Domestic Business Control, RV, Used Vehicles, Domestic Planning, Domestic Service, Parts Operations, Isuzu Motors Limited May 2001: Senior Executive in charge of Domestic Planning, Domestic Service, Parts Operations, Isuzu Motors Limited Oct. 2001: Executive in charge of Operations Planning Office, Corporate Planning and Finance Division, Isuzu Motors Limited Jun. 2002: Director of Isuzu Motors Limited Apr. 2006 – present: Executive Vice President, Senior Division Executive of Corporate Administration Headquarters, Division Executive of International Business Division of Sales Headquarters	32,000

No.	Full Name (Date of Birth)	Brief Personal Record ,Major Responsibilities,Assignment & Position Held in Other Companies	No. of Isuzu Common Shares Held
2	Hiroshi Suzuki (February 28, 1947)	<p>Apr. 1969: Joined Isuzu Motors Limited</p> <p>Apr. 1998: Senior Executive in charge of GM Affairs Office and Executive in charge of GM Affairs Office and Purchasing Operations, Isuzu Motors Limited</p> <p>Jun. 1998: Director of Isuzu Motors Limited</p> <p>Jun. 2000: Resigned as Director</p> <p>Jun. 2000: Vice President and Representative Director of Jidosha Buhin Kogyo Co., Ltd.</p> <p>May 2002: Resigned as director of Jidosha Buhin Kogyo Co., Ltd.</p> <p>Jun. 2002: Division Executive, Executive Office & Quality Assurance, and Executive in charge of Executive Office, Isuzu Motors Limited</p> <p>Jun. 2002: Director of Isuzu Motors Limited</p> <p>Apr. 2005 – Executive Vice President, Senior present: Division Executive of Sales Headquarters & Program Planning Division</p>	56,000

No.	Full Name (Date of Birth)	Brief Personal Record ,Major Responsibilities,Assignment & Position Held in Other Companies	No.of Isuzu Common Shares Held
3	Shigeki Toma (September 29, 1948)	<p>Apr. 1972: Joined the Dai-Ichi Kangyo Bank, Ltd. (Predecessor of Mizuho Bank, Ltd. and Mizuho Corporate Bank Ltd.)</p> <p>May 2001: Managing Executive Officer & General Manager, Corporate Banking Div. III, the above bank</p> <p>Apr. 2002: Managing Executive Officer, Mizuho Corporate Bank, Ltd., organized after split/merger of the Dai-Ichi Kangyo Bank, Ltd.</p> <p>Oct. 2002: Retired from the above position</p> <p>Oct. 2002: Advisor of Isuzu Motors Limited</p> <p>Nov. 2002: Executive Vice President and Director, Isuzu Motors Limited</p> <p>Apr. 2005 - present: Executive Vice President and Director, Senior Division Executive of Operations Headquarters, & Quality Assurance Division</p>	39,000
4	Yoshio Kinouchi (September 24, 1946)	<p>Apr. 1969: Joined Isuzu Motors Limited</p> <p>Dec. 1991: General Manager, Purchasing Planning, Isuzu Motors Limited</p> <p>Jun. 1994: Director, Automobile Foundry Co., Ltd.</p> <p>Jun. 1997: Executive Director, Automobile Foundry Co., Ltd.</p> <p>May 1999: President and Representative Director, Automobile Foundry Co., Ltd.</p> <p>May 2002: Resigned as director of Automobile Foundry Co., Ltd.</p> <p>Jun. 2002: Division Executive, Administrative Division, Isuzu Motors Limited</p> <p>Jun. 2002: Director, Isuzu Motors Limited</p> <p>Apr. 2005 – Present: Director, Division Executive of Administration Division, Corporate Administration Headquarters (Executive duties of other entities) President of Isuzu Motors Health Insurance Association President of Isuzu Corporate Pension Fund</p>	36,000

No.	Full Name (Date of Birth)	Brief Personal Record & Position Held in Other Companies	No. of Isuzu Common Shares Held
5	Yoshihiro Tadaki (June 6, 1947)	<p>Apr. 1970: Joined Isuzu Motors Limited</p> <p>Jul. 1999: Assistant to Division Executive, Engineering Division and Executive in charge of Powertrain Operations, Isuzu Motors Limited</p> <p>Oct. 1999: Senior Executive in charge of Powertrain Planning, Isuzu Motors Limited</p> <p>Apr. 2000: Senior Executive in charge of Powertrain Product Planning, Isuzu Motors Limited</p> <p>Jun. 2000: Director of Isuzu Motors Limited</p> <p>Apr. 2005 – present: Director, Division Executive of Purchasing Division, Operations Headquarters</p>	68,000
6	*Ryouzou Tsukioka (November 28, 1948)	<p>Apr. 1972: Joined Isuzu Motors Limited</p> <p>May 2001: Executive, Vehicle Engineering Dept. No. 1, Isuzu Motors Limited</p> <p>Jun. 2003: Executive, Engineering Planning Dept, Engineering Project Dept., CAE/Systems Promotion Dept., Validation Dept., Mechanic Center, Design Center, Isuzu Motors Limited</p> <p>Apr. 2005: Executive Officer, North America Area Operations Executive, Isuzu Motors Limited</p> <p>Jun. 2005: Appointed as Director and Chairman, Isuzu Motors America, Inc.</p> <p>Jun. 2005: Director and Chairman, Isuzu Commercial Truck of America, Inc.</p> <p>Apr. 2006: Executive Officer, Deputy Senior Division Executive of Operations Headquarters, Division Executive, Program Planning Division</p> <p>May 2006: Resigned as Director of Isuzu Motors America, Inc.</p> <p>May 2006: Resigned as Director of Isuzu Commercial Truck of America, Inc.</p>	23,000

- (Note)
1. Mr. Yoshio Kinouchi is President of Isuzu Motors Health Insurance Association. In accordance with a medical treatment agreement between Isuzu Motors Limited and Isuzu Motors Health Insurance Association, Isuzu Motors Limited (Isuzu Hospital) provides medical treatment to cover any sickness or injury of persons who are currently, or were in the past, insured by the above Association. In addition, Mr. Kinouchi is President of Isuzu Corporate Pension Fund. The Company pays due contribution as an employer to the above Fund pursuant to the agreement between the Company and the Fund.
 2. There are no conflicts of interests between other candidates and the Company.
 3. New candidates are marked as *