

FY2017 Consolidated Financial Results (Japan GAAP)

(April 1, 2016 through March 31, 2017)

English Translation of the Original Japanese-Language Document



May 12, 2017

Company name : ISUZU MOTORS LIMITED
 Stock exchange on which the shares are listed : Tokyo Stock Exchange in Japan
 Code number : 7202
 URL : <http://www.isuzu.co.jp/world/investor/index.html>
 Representative : Masanori Katayama, President
 Scheduled date for general meeting of shareholders : June 29, 2017
 Expected starting date for distribution of cash dividends : June 30, 2017
 Scheduled date for submission of financial statements : June 29, 2017
 The supplement materials of the quarterly financial results : Yes
 Holding of the quarterly financial results meeting : Yes

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

1. Consolidated Financial Highlights (April 1, 2016 through March 31, 2017)

<1> Consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2017	1,953,186	1.4	146,444	(14.6)	152,022	(18.6)	93,858	(18.2)
FY2016	1,926,967	2.5	171,559	0.3	186,690	(0.4)	114,676	(2.0)

[Note] Comprehensive Income
 FY2017 106,315 millions of yen 37.1%
 FY2016 77,561 millions of yen (64.7%)

	Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	yen	%	%	%
FY2017	119.13	12.0	8.2	7.5
FY2016	138.43	15.2	10.3	8.9

[Note] Equity Income from affiliated companies
 FY2017 5,592 millions of yen
 FY2016 9,191 millions of yen

<2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2017	1,880,826	962,107	43.5	1,039.25
FY2016	1,809,270	897,650	41.5	953.01

[Note] Total Amount of Shareholders' Equity
 FY2017 818,438 millions of yen
 FY2016 751,364 millions of yen

<3> Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	millions of yen	millions of yen	millions of yen	millions of yen
FY2017	151,352	(87,393)	(55,368)	260,678
FY2016	132,972	(96,754)	(66,690)	259,276

2. Cash Dividends

	Dividend per Share					Total Amount of Cash Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	The End of 1st Quarter	The End of 2nd Quarter	The End of 3rd Quarter	Year-End	Total			
FY2016	-	16.00	-	16.00	32.00	25,951	23.1	3.4
FY2017	-	16.00	-	16.00	32.00	25,230	26.9	3.2
FY2018 (Forecast)	-	16.00	-	16.00	32.00		25.5	

3. Consolidated Financial Forecast for FY2018 (April 1, 2017 through March 31, 2018)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
2nd Quarter	940,000	3.5	61,000	(10.8)	64,000	(11.5)	42,000	8.4	53.33
Year-End	1,990,000	1.9	152,000	3.8	157,000	3.3	99,000	5.5	125.71

*Notes

<1> Changes in significant subsidiaries during this period : None
 Newly consolidated : -
 Excluded from the scope of consolidation : -
 (Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Changes in accounting policies, procedures and disclosures
 Changes due to revisions of accounting standards : Yes
 Changes due to factors other than revisions of accounting standards : None
 Changes in accounting estimates : None
 Retrospective restatement : None

<3> Number of shares issued (common stock)
 Number of shares issued and outstanding FY2017 848,422,669 Shares
 at the end of the term (inclusive of treasury stock) FY2016 848,422,669 Shares
 Number of treasury stock at the end of the term FY2017 60,894,345 Shares
 FY2016 60,007,155 Shares
 Average number of stocks issued FY2017 787,846,743 Shares
 FY2016 828,435,751 Shares

Note: "Number of treasury stocks at the end of the term" include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.
 "Average number of stocks issued" does not include stocks owned by the Company and by the fund whose beneficiaries are directors of the Company.

(Reference) Non-consolidated Financial Results

Non-consolidated Financial Highlights (April 1, 2016 through March 31, 2017)

<1> Non-consolidated Financial Results (% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2017	1,065,886	(1.0)	50,269	(21.8)	100,330	(7.6)	87,310	(5.0)
FY2016	1,076,360	1.5	64,304	(2.4)	108,624	37.6	91,905	37.0

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2017	110.81	-
FY2016	110.93	-

<2> Non-consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2017	1,025,050	544,117	53.1	690.87
FY2016	965,977	475,388	49.2	602.92

Note: Total amount of shareholders' equity FY2017 544,117 millions of yen
 FY2016 475,388 millions of yen

*Consolidated financial results (Japan GAAP) are not subject to audit procedures.

*Cautionary Statements with Respect to Forward-Looking Statements and Other Notes

•The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at the time of the issuance of financial reports.

Consequently, the actual financial performance may vary significantly from the forecast due to various factors.

For such assumptions and notes with respect to performance forecast,

please refer to "1. Overview of Financial Results and Financial Position- (1) Overview of Financial Results,

②Forecast for FY2018 ending March 2018 "

•The Company has posted its financial results on its web site on Friday, May 12, 2017.

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1. Overview of Financial Results and Financial Position

(1) Overview of Financial Results

① Financial Results for FY2017 ended March 2017

In the current consolidated fiscal year, vehicle sales volume in Japan increased by 9,812 units (13.9 %) over the previous consolidated fiscal year to 80,341 units. Vehicle sales volume outside Japan decreased by 11,589 units (2.6%) compared with the previous consolidated fiscal year to 425,978 units as sales in emerging countries/resource-rich countries declined while sales in North America and other advanced economies grew steadily. Consequently, total consolidated vehicle sales volume in Japan and overseas combined fell by 1,777 units (0.3%) from the previous consolidated fiscal year to 506,319 units.

As regards sales amounts of products other than vehicles, overseas production parts sales declined by 23.7 billion yen (29.0%) year-on-year to 58.0 billion yen, engine and component sales rose by 10.2 billion yen (11.0%) over the previous consolidated fiscal year to 103.3 billion yen, and other sales gained by 13.1 billion yen (3.6%) from the previous consolidated fiscal year to 383.2 billion yen as a result of growth in the vehicle life-cycle management business such as after-sales services.

As the result, net sales grew by 26.2 billion yen (1.4 %) compared with the previous consolidated fiscal year to 1,953.1 billion yen. This comprised 788.4 billion yen posted for Japan, up 13.7% year-on-year, and 1,164.7 billion yen for the rest of the world, down 5.6% from the previous consolidated fiscal year.

Operating income stood at 146.4 billion yen, down 14.6% compared with the previous consolidated fiscal year mainly because of the drop in overseas sales accompanied by the impact of the strong yen, despite the rise in sales for Japan. Ordinary income amounted to 152.0 billion yen, down 18.6% year-on-year, and net income attributable to owners of the parent reached 93.8 billion yen, down 18.2% from the previous consolidated fiscal year.

② Forecast for FY2018 ending March 2018

In FY 2018 ending March 2018, we expect that the difficult sales environment in emerging countries/resource-rich countries will continue. However, we will keep increasing sales by developing and expanding our LCV business in Thailand and vehicle life-cycle management business including after-sales services.

On the profit front, we aim to increase earnings by further expanding sales and thoroughly reducing costs, whereby increases in R&D expenses and costs of raw materials such as steel will be more than offset.

The Company forecasts the consolidated business results for the year ending March 31, 2018 as follows:

Net sales	1,990 billion yen
Operating income	152 billion yen
Ordinary income	157 billion yen
Net income attributable to owners of the parent	99 billion yen

*This forecast for FY2018 consolidated fiscal year is considered reasonable by the Company based on information available today. Hence, this forecast is subject to uncertainty arising from a possible change to world economic and/or market conditions and exchange rates as well as other risk factors.

Actual financial results may differ considerably from this forecast. The above, therefore, should not be the sole basis for any investment decision.

(2) Overview of Financial Position

① Assets, Liabilities and Net Assets

Total assets as of the end of the current consolidated fiscal year rose 71.5 billion yen to 1,880.8 billion yen.

This is primarily because gains in property, plant and equipment of 37.2 billion yen, in lease receivables and investment assets of 22.6 billion yen, in notes and accounts receivable-trade of 7.2 billion yen, in inventories of 6.8 billion yen, and in investment securities of 5.4 billion yen were partially offset by decreases in cash and deposits of 10.4 billion yen and in deferred tax assets of 4.3 billion yen.

Liabilities grew by 7.0 billion yen from March 31, 2016 to 918.7 billion yen mainly due to an increase in accounts payable-other of 12.3 billion yen in other of current liabilities.

Net assets increased by 64.4 billion yen from March 31, 2016 to 962.1 billion yen. This is chiefly because 93.8 billion yen posted as net income attributable to owners of the parent was partially offset by declines in retained earnings of 25.2 billion yen as a result of dividend payments, in foreign currency translation adjustment of 12.2 billion yen, and in non-controlling interests of 2.6 billion yen.

The capital adequacy ratio stood at 43.5% compared with 41.5% as of March 31, 2016. Interest-bearing liabilities fell by 11.4 billion yen from March 31, 2016 to 247.2 billion yen.

② Cash flows Data

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year stood at 260.6 billion yen, an increase of 1.4 billion yen from March 31, 2016; more specifically, out of 151.3 billion yen of funds from operating activities, 87.3 billion yen and 55.3 billion yen were used in investing activities and financing activities, respectively.

Free cash flows, calculated as operating cash flows minus investing cash flows, recorded an inflow of 63.9 billion yen, up 76.6% from March 31, 2016.

[Cash Flow from Operating Activities]

Funds provided by operating activities came to 151.3 billion yen, up 13.8% from March 31, 2016. On one hand, inflows of 148.9 billion yen and 63.1 billion yen were recorded for profit before income taxes and depreciation, respectively, while on the other hand, outflows were recorded due to increases in notes and accounts receivable-trade of 5.7 billion yen, in inventories of 7.7 billion yen, and in lease receivables and investment assets of 22.6 billion yen, and to income taxes payment of 47.2 billion yen.

[Cash flow from Investing Activities]

Funds used in investing activities amounted to 87.3 billion yen, down 9.7% from March 31, 2016. This is primarily attributable to purchase of noncurrent assets of 101.6 billion yen.

[Cash flow from Financing Activities]

Funds used in financing activities stood at 55.3 billion yen, down 17.0% from March 31, 2016.

This is mainly because outflows of 42.9 billion yen for repayments of long-term loans payable, of 13.9 billion yen for net decrease in short-term loans payable, of 25.2 billion yen for cash dividends paid, and of 17.9 billion yen for dividends paid to non-controlling interests were partially offset by an inflow of 47.0 billion yen for proceeds from long-term loans payable.

(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2017 and FY2018

The Company deems dividend payment to shareholders and repurchase of its own stock as important actions for corporate management. Thus, when it decides to do so, it carefully assesses and secures an optimal balance between rewarding shareholders in a continuous and stable manner and securing an optimal amount of retained earnings for building a stronger business foundation and future business development.

The Company plans to submit a proposal to its ordinary general meeting of shareholders that it will pay a year-end dividend of 16 yen per share.

In the next term, it plans to pay an interim dividend of 16 yen per share and a year-end dividend of 16 yen per share.

2. Management Policy

(1) Basic Policy for Corporate Management

In pursuit of harmony with society and the environment, Isuzu Group aspires to grow together with customers as their trustworthy partner. Towards this goal, we have the following corporate vision and mission:

Corporate Vision: Isuzu will always mean the best

A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment

Isuzu Corporate Mission: Trust, Action, Excellence

A global team delivering inspired products and services committed to exceeding expectations

(2) Mid- to Long-Term Corporate Business Policy and Challenges to Address

The Company has developed a new Mid-Term Business Plan (from April 2015 through March 2018). This new Mid-Term Business Plan calls for further expansion of the Company’s growth strategy under the previous mid-term business plan, propelled by two operations of engineering, sourcing and manufacturing, and of after-sales, the two of which will be closely linked and seamlessly run like two wheels.

Under the new business plan, Isuzu will focus more on “Isuzu Involvement in Distribution Business” and “Enhancement of Aftersales Business”, the tasks carried over from the previous mid-term business plan, and in doing so it will firmly put in place “Operation to Minimize Downtime” (after-sales) in addition to the already established “Engineering, Purchasing and Manufacturing Operations”. To that end, the plan sets forth six initiatives as described below, and by pushing for these initiatives, Isuzu aims to increase its global presence to that extent that it will be genuinely needed by customers around the world.

■ Six Initiatives

- 1) Push for global 3 plus 2 core business organizations.
- 2) Boost product portfolio and technology.
- 3) Expand after-sales business in emerging countries while refining the business model in advanced nations.
- 4) Move marketing function closer to markets.
- 5) Link two operations of engineering, sourcing and manufacturing, and of after-sales.
- 6) Lay a corporate foundation in support of next generation.

Through its efforts to achieve the above, Isuzu will aim to expand the scope of its business and to build a two-wheel-model where “Engineering, Sourcing and Manufacturing Operations” and “Operation to Minimize Downtime” are closely linked and seamlessly run like two wheels. At the same time, this effort will help the Company realize its corporate vision “Isuzu will always mean the best: A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting environment”.

Meanwhile, Isuzu will keep proper capital efficiency. At the same time it will maintain and improve the stable profitability and financial structure, while sufficiently investing in the growth strategy in order for its sustainable growth to stay on its desired path.

3. Basic Concept on Choice of Accounting Standards

The Company prepares its consolidated financial statements under standards applicable in Japan in light of the ability to compare businesses and periods of financial statements.

Isuzu may consider the application of international accounting standards upon reviewing circumstances in and outside Japan.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2016	As of March 31, 2017
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	285,686	275,234
Notes and accounts receivable-trade	249,331	256,582
Lease receivables and lease investment assets	64,728	87,379
Merchandise and finished goods	174,918	178,827
Work in process	15,793	19,754
Raw materials and supplies	58,363	57,391
Deferred tax assets	32,460	30,290
Other	49,358	52,755
Allowance for doubtful accounts	(935)	(811)
Total Current Assets	929,705	957,404
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures, net	137,830	157,677
Machinery, equipment and vehicles, net	161,144	158,034
Land	276,225	277,230
Leased assets, net	9,747	8,596
Vehicles on operating leases, net	21,136	30,621
Construction in progress	23,261	34,025
Other, net	15,012	15,397
Total Property, Plant and Equipment	644,357	681,582
Intangible assets		
Goodwill	3,303	2,643
Other	13,145	16,997
Total Intangible Assets	16,449	19,640
Investments and other assets		
Investment securities	145,688	151,178
Long-term loans receivable	1,466	1,502
Net defined benefit asset	367	840
Deferred tax assets	33,319	31,169
Other	39,852	38,737
Allowance for doubtful accounts	(1,937)	(1,229)
Total Investments and Other Assets	218,757	222,198
Total Non-Current Assets	879,564	923,421
TOTAL ASSETS	1,809,270	1,880,826

(millions of yen)

	As of March 31, 2016	As of March 31, 2017
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable-trade	328,621	329,094
Electronically recorded obligations - operating	23,297	33,218
Short-term loans payable	68,530	40,670
Lease obligations	3,184	2,812
Income taxes payable	21,415	14,397
Accrued expenses	47,279	48,196
Provision for bonuses	18,242	18,253
Provision for directors' bonuses	100	142
Provision for product warranties	7,845	7,570
Deposits received	3,235	3,554
Other	43,524	58,427
Total Current Liabilities	565,277	556,336
NON-CURRENT LIABILITIES		
Long-term loans payable	180,067	197,953
Lease obligations	6,957	5,864
Deferred tax liabilities	2,161	2,187
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for automobile maintenance costs	1,667	3,046
Provision for management board incentive plan trust	-	161
Net defined benefit liability	102,911	99,208
Long-term deposits received	1,442	1,524
Other	8,998	10,301
Total Non-Current Liabilities	346,342	362,382
TOTAL LIABILITIES	911,620	918,719
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus	41,610	42,081
Retained earnings	635,691	704,664
Treasury shares	(70,259)	(71,364)
Total Shareholders' Equity	647,686	716,026
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	12,025	19,951
Deferred gains or losses on hedges	174	281
Revaluation reserve for land	84,212	83,880
Foreign currency translation adjustment	20,302	8,080
Remeasurements of defined benefit plans	(13,036)	(9,782)
Total Accumulated Other Comprehensive Income	103,677	102,411
NON-CONTROLLING INTERESTS	146,285	143,669
TOTAL NET ASSETS	897,650	962,107
TOTAL LIABILITIES AND NET ASSETS	1,809,270	1,880,826

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(millions of yen)

	FY2016 Fiscal year ending March 31, 2016	FY2017 Fiscal year ending March 31, 2017
Net sales	1,926,967	1,953,186
Cost of sales	1,574,885	1,623,948
GROSS PROFIT	352,081	329,238
Selling, general and administrative expenses		
Haulage expenses	25,754	24,398
Promotion expenses	21,628	19,000
Advertising expenses	4,696	5,195
Unpaid repair expenses	9,968	6,351
Provision for product warranties	4,231	4,465
Salaries and allowances	66,785	67,745
Provision for bonuses	9,872	11,613
Provision for directors' bonuses	100	142
Retirement benefit expenses	4,068	4,377
Depreciation	5,851	8,818
Other	27,565	30,685
Total Selling, general and administrative expenses	180,522	182,793
OPERATING PROFIT	171,559	146,444
Non-operating income		
Interest income	3,515	2,535
Dividend income	1,766	2,032
Share of profit of entities accounted for using equity method	9,191	5,592
Rent income	397	222
Foreign exchange gains	2,601	-
Other	4,361	3,937
Total non-operating income	21,834	14,320
Non-operating expenses		
Interest expenses	1,982	2,384
Foreign exchange losses	-	767
Litigation settlement	844	247
Compensation expenses	-	1,428
Other	3,876	3,914
Total non-operating expenses	6,704	8,742
ORDINARY PROFIT	186,690	152,022
Extraordinary income		
Gain on sales of non-current assets	1,905	265
Gain on sales of investment securities	47	30
Gain on bargain purchase	-	43
Gain on step acquisitions	888	-
Other	-	2
Total extraordinary income	2,840	341
Extraordinary losses		
Loss on disposal of non-current assets	2,809	2,138
Loss on sales of investment securities	-	34
Impairment loss	342	1,253
Other	-	16
Total extraordinary losses	3,151	3,441
Profit before income taxes	186,379	148,921
Income taxes-current	51,655	40,393
Income taxes-deferred	(1,612)	301
Total Income taxes	50,042	40,694
Profit	136,336	108,227
Profit attributable to non-controlling interests	21,659	14,368
Profit attributable to owners of parent	114,676	93,858

Consolidated Statements of Comprehensive Income

(millions of yen)

	FY2016 Fiscal year ending Mar 31, 2016	FY2017 Fiscal year ending Mar 31, 2017
Profit	136,336	108,227
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,743)	7,948
Deferred gains or losses on hedges	199	107
Revaluation reserve for land	2,039	320
Foreign currency translation adjustment	(42,094)	(5,951)
Remeasurements of defined benefit plans, net of tax	(503)	2,336
Share of other comprehensive income of entities accounted for using equity method	(6,672)	(6,673)
Total other comprehensive income	(58,774)	(1,911)
Comprehensive income	77,561	106,315
Comprehensive income attributable to		
owners of the parent	72,966	93,245
non-controlling interests	4,595	13,070

(3) Consolidated Statements of Changes in Net Assets

FY2016 (Fiscal year ending March 31, 2016)

(millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	40,644	41,786	547,465	(20,716)	(609,181)
Changes of items during period					
Dividends of surplus			(26,671)		(26,671)
Profit attributable to owners of parent			114,676		114,676
Reversal of revaluation reserve for land			220		220
Purchase of treasury shares				(49,543)	(49,543)
Purchase of shares of consolidated subsidiaries		(176)			(176)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(176)	88,225	(49,543)	38,505
Balance at end of current period	40,644	41,610	635,691	(70,259)	647,686

	Accumulated other comprehensive income						Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	23,644	(25)	82,147	52,569	(12,972)	145,362	159,907	914,451
Changes of items during period								
Dividends of surplus								(26,671)
Profit attributable to owners of parent								114,676
Reversal of revaluation reserve for land								220
Purchase of treasury shares								(49,543)
Purchase of shares of consolidated subsidiaries								(176)
Net changes of items other than shareholders' equity	(11,618)	199	2,065	(32,266)	(63)	(41,684)	(13,622)	(55,306)
Total changes of items during period	(11,618)	199	2,065	(32,266)	(63)	(41,684)	(13,622)	(16,801)
Balance at the end of current period	12,025	174	84,212	20,302	(13,036)	103,677	146,285	897,650

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	40,644	41,610	635,691	(70,259)	647,686
Cumulative effects of changes in accounting policies			13		13
Restated balance	40,644	41,610	635,704	(70,259)	647,700
Changes of items during period					
Dividends of surplus			(25,231)		(25,231)
Profit attributable to owners of parent			93,858		93,858
Reversal of revaluation reserve for land			331		331
Purchase of treasury shares				(1,105)	(1,105)
Purchase of shares of consolidated subsidiaries		471			471
Net changes of items other than shareholders' equity					
Total changes of items during period	-	471	68,959	(1,105)	68,326
Balance at end of current period	40,644	42,081	704,664	(71,364)	716,026

	Accumulated other comprehensive income						Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	12,025	174	84,212	20,302	(13,036)	103,677	146,285	897,650
Cumulative effects of changes in accounting policies								13
Restated balance	12,025	174	84,212	20,302	(13,036)	103,677	146,285	897,663
Changes of items during period								
Dividends of surplus								(25,231)
Profit attributable to owners of parent								93,858
Reversal of revaluation reserve for land								331
Purchase of treasury shares								(1,105)
Purchase of shares of consolidated subsidiaries								471
Net changes of items other than shareholders' equity	7,926	107	(331)	(12,221)	3,254	(1,265)	(2,616)	(3,882)
Total changes of items during period	7,926	107	(331)	(12,221)	3,254	(1,265)	(2,616)	64,444
Balance at end of current period	19,951	281	83,880	8,080	(9,782)	102,411	143,669	962,107

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY2016 Fiscal year ending March 31, 2016	FY2017 Fiscal year ending March 31, 2017
Cash flows from operating activities		
Profit before income taxes	186,379	148,921
Depreciation	58,625	63,198
Share of (profit) loss of entities accounted for using equity method	(9,191)	(5,592)
Increase (decrease) in provision for product warranties	(686)	(173)
Increase (decrease) in provision for bonuses	814	(236)
Increase (decrease) in provision for directors' bonuses	100	41
Amortization of goodwill	910	848
Increase (decrease) in allowance for doubtful accounts	(51)	(829)
Increase (decrease) in provision for automobile maintenance costs	962	1,378
Increase (decrease) in provision for management board incentive plan trust	-	161
Increase (decrease) in net defined benefit liability	600	(1,348)
Interest and dividends income	(5,282)	(4,568)
Interest expenses	1,982	2,384
Loss (gain) on sales of noncurrent assets	(1,905)	(265)
Loss (gain) on disposal of noncurrent assets	2,809	2,138
Loss (gain) on sales of investment securities	(47)	4
Impairment loss	342	1,253
Other extraordinary loss (income)	(888)	(27)
Decrease (increase) in notes and accounts receivable-trade	(17,357)	(5,729)
Net decrease (increase) in lease receivables and investment assets	(20,587)	(22,650)
Decrease (increase) in inventories	(26,667)	(7,719)
Decrease (increase) in other current assets	(9,962)	(3,650)
Increase (decrease) in notes and accounts payable-trade	16,883	9,423
Increase (decrease) in accrued expenses	675	970
Increase (decrease) in deposits received	(172)	383
Increase (decrease) in other liabilities	(1,337)	12,522
Other , net	1,780	2,077
(Subtotal)	178,728	192,915
Interest and dividends income received	9,545	8,082
Interest expenses paid	(1,843)	(2,437)
Income taxes paid	(53,457)	(47,207)
Net cash provided by (used in) operating activities	132,972	151,352
Cash flows from investing activities		
Purchase of investment securities	(2,141)	(84)
Proceeds from sales of investment securities	220	41
Proceeds from capital reduction of investment securities	-	810
Purchase of noncurrent assets	(106,275)	(101,649)
Proceeds from sales of noncurrent assets	5,812	1,960
Payments of long-term loans receivable	(269)	(311)
Collection of long-term loans receivable	264	255
Net decrease (increase) in short-term loans receivable	22	(130)
Net decrease (increase) in time deposits	6,834	13,201
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	589
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(568)	-
Other , net	(654)	(2,076)
Net cash provided by (used in) investing activities	(96,754)	(87,393)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,516)	(13,950)
Proceeds from long-term loans payable	88,000	47,000
Repayments of long-term loans payable	(53,379)	(42,908)
Proceeds from share issuance to non-controlling shareholders	3,374	1,891
Repayments of lease obligations	(2,937)	(3,130)
Purchase of treasury shares	(49,542)	(1,104)
Cash dividends paid	(26,667)	(25,234)
Dividends paid to non-controlling interests	(22,796)	(17,930)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(226)	-
Net cash provided by (used in) financing activities	(66,690)	(55,368)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(17,355)	(7,379)
Net Increase (Decrease) in Cash and Cash Equivalents	(47,828)	1,212
Cash and Cash Equivalents at Beginning of Period	305,563	259,276
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1,540	190
Cash and Cash Equivalents at End of Period	259,276	260,678

(5) Notes on Consolidated Financial Statements

[Notes on Premise of A Going Concern]

None

[Changes in Accounting Policies]

(Application of the implementation guidance on recoverability of deferred tax assets)

“Implementation guidance on recoverability of deferred tax assets” (ASBJ Guidance No.26, March 28, 2016, henceforth referred to as “Implementation guidance on recoverability”), has been applied from the beginning of this first fiscal quarter and the accounting treatment for recoverability of deferred tax assets was partially reviewed.

As for the application of Implementation guidance on recoverability, the company follows the transitional treatment stipulated at Implementation guidance on recoverability Article 49, Paragraph 4, and the difference of the amount of deferred tax assets and liabilities calculated if “Implementation guidance on recoverability” No.49, Paragraph 3, Item 1 to 3 are applied at the beginning of this first fiscal year, and that of deferred tax assets and liabilities at the end of the previous fiscal year was summed up to the retained earnings at the beginning of this first fiscal year.

As a result, the impact of above on deferred tax assets (Investment and other assets) and retained earnings is immaterial.

(Application of practical solution on accounting for changes in depreciation method related to the 2016 Tax Law changes)

Following the amendment of Japanese corporate tax law, the company adopted “practical solution on accounting for changes in depreciation method related to the 2016 Tax Law changes” (ASBJ Practical Task Force No.32, June 17, 2016) for this first quarter, and the way to depreciate buildings and structures was changed from declining-balance method to straight-line method. The impact of this change to financial statement for this third quarter is immaterial.

[Change in fiscal term of overseas subsidiaries]

To disclose the consolidated financial results more appropriately, however, six consolidated subsidiaries in North America and one in Australia changed their fiscal year-end date to March 31, effective the current consolidated fiscal year. Due to this change, their accounts were settled for the 15-month period from January 1, 2016 through March 31, 2017.

This change has minimal effect on the consolidated financial statements.

[Segment Information]

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in manufacture and sale of vehicles and its components, industrial engines. Therefore the disclosure of segment information is omitted.

[Per Share Information]

FY2016		FY2017	
Net assets per share (yen)	953.01	Net assets per share (yen)	1,039.25
Net income per share (yen)	138.43	Net income per share (yen)	119.13

[Note] Basis for the calculation of Net income per share is as follows.

	FY2016	FY2017
Net income (millions of yen)	114,676	93,858
Amount not attributable to common shareholders (millions of yen)	-	-
Net income associated with common shares (millions of yen)	114,676	93,858
Average number of shares (shares)	828,435,751	787,846,743

[Significant Subsequent Events]

None

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2016	As of March 31, 2017
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	64,522	79,039
Accounts receivable-trade	188,956	209,683
Finished goods	33,854	26,885
Work in process	8,396	8,622
Raw materials and supplies	23,455	20,132
Advance payments-trade	4,315	4,135
Prepaid expenses	3,061	3,061
Deferred tax assets	11,534	9,891
Short-term loans receivable	1,653	1,574
Accounts receivable-other	10,884	8,635
Other	6,729	8,908
Total Current Assets	357,363	380,569
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings	58,995	69,050
Structures	7,370	10,046
Machinery and equipment	63,026	64,866
Vehicles	742	702
Tools, furniture and fixtures	7,048	6,741
Land	197,321	197,210
Leased assets	1,573	894
Construction in progress	8,803	18,818
Total Property, Plant and Equipment	344,881	368,330
Intangible assets		
Software	5,769	7,885
Other	67	194
Total intangible assets	5,836	8,080
Investments and other assets		
Investment securities	56,102	67,062
Shares of subsidiaries and associates	138,632	140,170
Investments in capital	869	878
Investments in capital of subsidiaries and associates	45,197	46,458
Long-term loans receivable	6,141	5,308
Long-term prepaid expenses	426	206
Deferred tax assets	13,521	10,101
Other	1,577	1,687
Allowance for doubtful accounts	(3,806)	(3,804)
Allowance for investment loss	(767)	-
Total Investments and Other Assets	257,895	268,069
Total Non-Current Assets	608,613	644,480
TOTAL ASSETS	965,977	1,025,050

(millions of yen)

	As of March 31, 2016	As of March 31, 2017
[LIABILITIES]		
CURRENT LIABILITIES		
Notes payable-trade	5,646	4,795
Electronically recorded obligations - operating	16,421	16,742
Accounts payable-trade	182,654	183,800
Current portion of long-term loans payable	13,926	10,000
Lease obligations	970	637
Accounts payable-other	9,109	16,685
Accrued expenses	49,781	47,257
Income taxes payable	6,452	1,659
Advances received	1,323	1,911
Deposits received	16,061	20,477
Unearned revenue	298	144
Provision for product warranties	7,845	7,570
Provision for bonuses	9,388	9,066
Provision for directors' bonus	100	142
Notes payable-facilities	32	21
Total Current Liabilities	320,013	320,910
NON-CURRENT LIABILITIES		
Long-term loans payable	69,675	59,675
Lease obligations	350	329
Provision for retirement benefits	57,136	56,815
Provision for management board incentive plan trust	-	161
Asset retirement obligations	240	380
Deferred tax liabilities for land revaluation	41,266	41,266
Guarantee deposits	459	506
Other	1,446	887
Total Non-Current Liabilities	170,575	160,021
TOTAL LIABILITIES	490,588	480,932
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus		
Legal capital surplus	49,855	49,855
Total capital surpluses	49,855	49,855
Retained earnings		
Other retained earnings		
Retained earnings brought forward	360,281	422,053
Total retained earnings	360,281	422,053
Treasury shares	(70,223)	(71,328)
Total Shareholders' Equity	380,557	441,225
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,096	18,731
Deferred gains or losses on hedges	174	281
Revaluation reserve for land	83,560	83,880
Total valuation and translation adjustments	94,830	102,892
TOTAL NET ASSETS	475,388	544,117
TOTAL LIABILITIES AND NET ASSETS	965,977	1,025,050

(2) Non-Consolidated Statements of Income

(millions of yen)

	FY2016 Fiscal year ending March 31, 2016	FY2017 Fiscal year ending March 31, 2017
Net sales	1,076,360	1,065,886
Cost of sales	914,721	919,225
Gross profit	161,638	146,661
Selling, general and administrative expenses	97,334	96,391
Operating profit	64,304	50,269
Non-operating income		
Interest income	448	436
Dividend income	47,277	53,187
Other	841	1,659
Total non-operating income	48,567	55,283
Non-operating expenses		
Interest expenses	575	1,056
Litigation settlement	844	259
Foreign exchange losses	797	1,554
Currency option cost	465	561
Compensation expenses	-	765
Other	1,564	1,025
Total non-operating expenses	4,247	5,222
Ordinary profit	108,624	100,330
Extraordinary income		
Gain on sales of non-current assets	1,371	84
Gain on sales of shares of subsidiaries and associates	20	23
Gain on sales of investment securities	-	25
Total extraordinary income	1,391	132
Extraordinary losses		
Loss on disposal of non-current assets	2,072	1,483
Impairment loss	383	52
Other	4	-
Total extraordinary losses	2,460	1,536
Profit before income taxes	107,554	98,927
Income taxes-current	14,512	9,849
Income taxes-deferred	1,137	1,768
Total Income taxes	15,649	11,617
Profit	91,905	87,310

(3) Non-Consolidated Statements of Changes in Net Assets

FY2016 (Fiscal year ending March 31, 2016)

(millions of yen)

	Shareholders' Equity						
	Capital stock	Capital surplus		Retained Earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of current period	40,644	49,855	49,855	294,924	294,924	(20,681)	364,743
Cumulative effects of changes in accounting policies							-
Restated balance	40,644	49,855	49,855	294,924	294,924	(20,681)	364,743
Changes of items during period							
Dividends of surplus				(26,671)	(26,671)		(26,671)
Profit				91,905	91,905		91,905
Purchase of treasury shares						(49,542)	(49,542)
Reversal of revaluation reserve for land				123	123		123
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	65,357	65,357	(49,542)	15,814
Balance at the end of current period	40,644	49,855	49,855	360,281	360,281	(70,223)	380,557

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	22,559	(25)	81,443	103,976	468,720
Cumulative effects of changes in accounting policies					-
Restated balance	22,559	(25)	81,443	103,976	468,720
Changes of items during period					
Dividends of surplus					(26,671)
Profit					91,905
Purchase of treasury shares					(49,542)
Reversal of revaluation reserve for land					123
Net changes of items other than shareholders' equity	(11,463)	199	2,117	(9,146)	(9,146)
Total changes of items during period	(11,463)	199	2,117	(9,146)	6,668
Balance at the end of current period	11,096	174	83,560	94,830	475,388

	Shareholders' Equity						
	Capital stock	Capital surplus		Retained Earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of current period	40,644	49,855	49,855	360,281	360,281	(70,223)	380,557
Cumulative effects of changes in accounting policies				13	13		13
Restated balance	40,644	49,855	49,855	360,294	360,294	(70,223)	380,571
Changes of items during period							
Dividends of surplus				(25,231)	(25,231)		(25,231)
Profit				87,310	87,310		87,310
Purchase of treasury shares						(1,104)	(1,104)
Reversal of revaluation reserve for land				(320)	(320)		(320)
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	61,758	61,758	(1,104)	60,654
Balance at the end of current period	40,644	49,855	49,855	422,053	422,053	(71,328)	441,225

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	11,096	174	83,560	94,830	475,388
Cumulative effects of changes in accounting policies					13
Restated balance	11,096	174	83,560	94,830	475,401
Changes of items during period					
Dividends of surplus					(25,231)
Profit					87,310
Purchase of treasury shares					(1,104)
Reversal of revaluation reserve for land					(320)
Net changes of items other than shareholders' equity	7,634	107	320	8,061	8,061
Total changes of items during period	7,634	107	320	8,061	68,715
Balance at the end of current period	18,731	281	83,880	102,892	544,117

6. Other

(1) Appointment and Retirement of Directors

1) Representative Director:

There is no change in standing representative director

2) Appointments and Retirements of Other Directors

① Candidate for new director:

Shinichi Takahashi, Director (currently Director of the Board, and Senior Executive Officer, Division Executive, Engineering Division)

Masatoshi Itou, Director (currently Director of the Board, and Senior Executive Officer, Division Executive, Manufacturing Division)

② Candidate for new standing corporate auditor:

Takashi Mikumo, Auditor (currently Director of Mitsubishi UFJ Financial Group, Inc.)

Kanji Kawamura, Auditor (former Meiji Gakuin University, Professor of Faculty of Law)

③ Director scheduled to retire:

Kazuhiko Itou, Director (Kazuhiko Itou assumed the position of Director and Representative at Shonan Unitec Co., Ltd. as of April 1, 2017.)

Yoshifumi Komura, Director (Yoshifumi Komura assumed the position of Chairman and Representative Director at Isuzu Motors Kinki Co., Ltd. as of April 1, 2017)

Kuniharu Nakagawa, Director (Kuniharu Nakagawa assumed the position of Chairman and Representative Director at Isuzu U-MAX Co., Ltd. as of April 1, 2017)

④ Standing Corporate Auditor scheduled to retire:

Tadashi Takahashi, Auditor

Yasuharu Nagashima, Auditor

3) The above appointments and retirements will become effective on June 29, 2017.

(2) Other**① Sales Condition (Consolidated)**

<Sales Results by Region>

		FY2016 (Fiscal year ending March 31, 2016)		FY2017 (Fiscal year ending March 31, 2017)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	29,231	254,770	35,191	316,095	5,960	61,324
	Overseas	35,938	176,831	37,144	177,266	1,206	434
HD/MD vehicles		65,169	431,601	72,335	493,361	7,166	61,759
	Japan	41,298	136,852	45,150	149,626	3,852	12,773
	Overseas	401,629	813,572	388,834	765,615	(12,795)	(47,956)
LD vehicles, etc		442,927	950,425	433,984	915,242	(8,943)	(35,182)
	Japan	70,529	391,622	80,341	465,721	9,812	74,098
	Overseas	437,567	990,404	425,978	942,882	(11,589)	(47,522)
Total vehicles		508,096	1,382,027	506,319	1,408,603	(1,777)	26,576
	Overseas	-	81,764	-	58,043	-	(23,721)
Parts for overseas production		-	81,764	-	58,043	-	(23,721)
	Japan	-	50,323	-	56,989	-	6,665
	Overseas	-	42,777	-	46,322	-	3,544
Engines / Components		-	93,101	-	103,312	-	10,210
	Japan	-	251,201	-	265,729	-	14,528
	Overseas	-	118,871	-	117,497	-	(1,374)
Other		-	370,073	-	383,227	-	13,153
	Japan	-	693,148	-	788,440	-	95,292
	Overseas	-	1,233,818	-	1,164,745	-	(69,073)
Sales amount		-	1,926,967	-	1,953,186	-	26,219

(Note) The above amounts do not include consumption tax.

② Overseas Sales

FY2016 (April 1, 2015 through March 31, 2016)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	141,267	541,453	551,098	1,233,818
2 Consolidated sales	-	-	-	1,926,967
3 Overseas sales per Consolidated sales	% 7.3	% 28.1	% 28.6	% 64.0

1. This segmentation is based on the geographical area.
2. Major countries or areas included
 - (1) North America--USA
 - (2) Asia---Thailand, China, Vietnam, Philippines
 - (3) Other---Saudi Arabia, Australia, Colombia, South Africa, Italy
3. Overseas sales are sales to all countries and areas excluding Japan
made by the parent company and consolidated subsidiaries.

FY2016 (April 1, 2016 through March 31, 2017)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	173,308	529,608	461,828	1,164,745
2 Consolidated sales	-	-	-	1,953,186
3 Overseas sales per Consolidated sales	% 8.9	% 27.1	% 23.6	% 59.6

1. This segmentation is based on the geographical area.
2. Major countries or areas included
 - (1) North America--USA
 - (2) Asia---Thailand, China, Philippines, Malaysia
 - (3) Other---Saudi Arabia, Australia, Colombia, South Africa, Italy
3. Overseas sales are sales to all countries and areas excluding Japan
made by the parent company and consolidated subsidiaries.

③ Sales Condition (Non-Consolidated)

(Units)

	FY2016			FY2017			Change		
	(Fiscal year ending March 31, 2016)			(Fiscal year ending March 31, 2017)					
	Japan	Export	Total	Japan	Export	Total	Japan	Export	Total
HD/MD Vehicles									
Truck and Bus	35,083	28,581	63,664	37,040	26,549	63,589	1,957	(2,032)	(75)
LD and Bus	45,884	150,046	195,930	47,866	130,580	178,446	1,982	(19,466)	(17,484)
Total	80,967	178,627	259,594	84,906	157,129	242,035	3,939	(21,498)	(17,559)

(millions of yen)

	FY2016			FY2017			Change		
	(Fiscal year ending March 31, 2016)			(Fiscal year ending March 31, 2017)					
	Japan	Export	Total	Japan	Export	Total	Japan	Export	Total
HD/MD Vehicles									
Truck and Bus	236,701	124,219	360,920	271,106	108,589	379,696	34,405	(15,629)	18,775
MD and Bus	120,337	268,368	388,705	125,235	227,827	353,063	4,897	(40,540)	(35,642)
Total	357,038	392,587	749,626	396,341	336,417	732,759	39,303	(56,170)	(16,866)
Parts for overseas production	-	39,101	39,101	-	42,378	42,378	-	3,277	3,277
Engine/Component	123,623	164,010	287,633	132,754	157,994	290,748	9,131	(6,015)	3,115
Total	480,661	595,698	1,076,360	529,095	536,790	1,065,886	48,434	(58,908)	(10,474)