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Securities Identification Code: 7202  
June 8, 2017

To Our Shareholders,

Masanori Katayama, President  
ISUZU MOTORS LIMITED  
26-1, 6-chome, Minami-oi,  
Shinagawa-ku, Tokyo

## **NOTICE OF CONVOCAION OF THE 115TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 115th Annual General Meeting of Shareholders of the Company, which will be held as described below.

- 1. Date & Time:** Thursday, June 29, 2017 at 10:00 a.m.  
(The reception desk will open at 8:45 a.m.)
- 2. Venue:** ISUZU Hall  
Second Floor, Oomori Bell Port A,  
26-1, 6-chome, Minami-oi, Shinagawa-ku, Tokyo  
ISUZU MOTORS LIMITED

### **3. Agenda of the Meeting**

#### **Items to be Reported**

1. The Business Report and the Consolidated Financial Statements, as well as the results of the audits of the Consolidated Financial Statements by both the Independent Auditor and the Audit & Supervisory Board for the 115th Term (from April 1, 2016 to March 31, 2017), are to be reported in detail.
2. The Financial Statements for the 115th Term (from April 1, 2016 to March 31, 2017) are to be reported in detail.

#### **Items to be Resolved**

- Proposal 1 Appropriation of Surplus
- Proposal 2 Election of Four (4) Directors
- Proposal 3 Election of Three (3) Audit & Supervisory Board Members
- Proposal 4 Establishment of Upper Limit of Directors' Annual bonuses

#### **4. Items Relating to the Meeting**

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

#### **NOTES:**

1. If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the venue's reception. In addition, please assist us in conserving resources by bringing with you this Notice of Convocation.
2. The following items are posted on the Company's website (<http://www.isuzu.co.jp/investor/soukai/index.html>) in accordance with the respective laws and regulations and Article 14 of the Articles of Incorporation of the Company, hence are not indicated on this Notice of Convocation.
  - i) Notes on the Consolidated Financial Statements
  - ii) Notes on the Financial StatementsThe Consolidated Financial Statements and the Financial Statements, which have been audited by Audit & Supervisory Board Members and the Independent Auditor, shall include not only the documents stated in the attached documents to this Notice of Convocation, but also the Notes on the Consolidated Financial Statements and the Notes on the Financial Statements, which are posted on the Company's website.
3. If we need to revise the Reference Material for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Financial Statements, we will post the revised content on the Company's website (<http://www.isuzu.co.jp/investor/soukai/index.html>).
4. The meeting will be held in Japanese. Please be informed that there will be no interpreter present.

## Guide to Exercising Voting Rights, etc.

The following three methods are available for exercising voting rights.

If you are able to attend the meeting

Please submit the Voting Right Exercise Form to the receptionist at the meeting (name seals are not required).

Date & Time: Thursday, June 29, 2017 at 10:00 a.m.  
(The reception desk will open at 8:45 a.m.)

Venue: ISUZU Hall  
Second Floor, Oomori Bell Port A,  
26-1, 6-chome, Minami-oi, Shinagawa-ku, Tokyo  
ISUZU MOTORS LIMITED

If you are not able to attend the meeting

Please indicate your approval or disapproval to each of the proposals on the Voting Right Exercise Form and post it to the Company without a postage stamp.

Exercise due date: To be received no later than 5:30 p.m. on Wednesday,  
June 28, 2017

If you exercise your voting rights via the Internet

Please access the Website for Exercising Voting Rights (<http://www.evotep.jp/>) with a computer, smartphone, or mobile phone, and enter the log-in ID and temporary password shown on the Voting Right Exercise Form enclosed with this notice. Follow the instructions given on the screen to indicate your approval or disapproval.

Exercise due date: To be received no later than 5:30 p.m. on Wednesday,  
June 28, 2017

### 1) Website for exercising voting rights

You can only exercise your voting rights via the Internet by accessing and using the Company's designated website (<http://www.evotep.jp/>) from a personal computer, smartphone, or cellular phone (i-mode, EZweb, or Yahoo! Keitai). Please note that the website is not available daily from 2:00 a.m. to 5:00 a.m. ("i-mode" is a trademark or registered trademark of NTT DoCoMo, Inc.; "EZweb" of KDDI Corporation; and "Yahoo!" of Yahoo! Inc. in the U.S.)

### 2) How to exercise your voting rights via the Internet

- i) On the above-mentioned site for exercising voting rights, please use the log-in ID and temporary password shown on the enclosed Voting Rights Exercise Form and cast your vote in accordance with the on-screen instructions.
- ii) To prevent improper access by a third party other than the shareholder (identity theft) as well as alteration of votes, you are asked to change the temporary password to a new one on the above-mentioned site.
- iii) You will receive a new log-in ID and a new temporary password with each convocation notice for a General Meeting of Shareholders.
- iv) If you are unsure how to operate a personal computer to exercise your voting rights via the Internet, please contact the Help Desk at the number below.

- 3) Fees for accessing the Voting Rights Exercise site  
Fees for accessing the Voting Rights Exercise site (including the Internet provider's connection fee and a telephone fee) shall be borne by the shareholder. If a cellular phone is used, fees such as packet communication fees and other fees for cellular phone use shall also be borne by the shareholder.
- 4) System specifications for executing voting rights via the Internet
- i) Please note that if you use a firewall, have antivirus software installed, or use a proxy server etc., you may not be able to exercise your voting rights via the Internet from the Voting Rights Exercise site.
  - ii) To exercise your voting rights from a cellular phone, you must be able to use i-mode, EZweb, or Yahoo! Keitai. Additionally, your cellular phone must be able to send TSL encrypted communication and transmit information about itself. Therefore, you may not be able to vote from your cellular phone depending on the model and its functions.

|   |
|---|
| <p>If you have any questions about computer systems or other issues,<br/>please contact:<br/>(Help Desk) Transfer Agent Dept.,<br/>Mitsubishi UFJ Trust and Banking Corporation<br/>Tel.: 0120-173-027 (from 9:00 to 21:00, toll free, only in Japan)</p> |
|---|

## **Reference Material for the General Meeting of Shareholders**

### **Proposal 1: Appropriation of Surplus**

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.

Taking into account such factors as our business results for the current business term and our future business activities, we propose to appropriate our surplus in the form of year-end dividends for the 115th business term. The details are as follows.

Matters concerning year-end dividends

Type of dividend

Cash

Dividend payment and total amount thereof

A dividend of 16 yen per share of the Company's common stock

A total amount of 12,615,462,080 yen


Effective date of dividend payment from surplus



June 30, 2017


## Proposal 2: Election of Four (4) Directors

The terms of office of three (3) Directors (Masanori Katayama, Yoshifumi Komura and Yukio Narimatsu) will expire and Director Kuniharu Nakagawa and Kazuhiko Ito will resign at the close of this General Meeting of Shareholders. Accordingly, we ask the shareholders to elect four (4) Directors.

The candidates are listed below:

| No.                | Name<br>(Date of birth)   | Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations  |   |
|--------------------|---|--|---|
| 1<br>Reappointment | <p data-bbox="416 555 670 613">Masanori Katayama<br/>(May 16, 1954)</p>    | <p data-bbox="699 533 810 555">Apr. 1978</p> <p data-bbox="699 562 810 584">Jun. 2007</p> <p data-bbox="699 591 810 613">Apr. 2014</p> <p data-bbox="699 645 810 667">Apr. 2015</p> <p data-bbox="699 763 810 786">Jun. 2015</p> <p data-bbox="699 792 810 815">to present</p>   | <p data-bbox="858 533 1155 555">Joined Isuzu Motors Limited</p> <p data-bbox="858 562 1174 584">Director, Isuzu Motors Limited</p> <p data-bbox="858 591 1337 645">Executive Vice President, and Director, Isuzu Motors Limited</p> <p data-bbox="858 651 1362 750">Executive Vice President, Director, Supervisory Management Officer, and Senior Division Executive of Operations Headquarters, Isuzu Motors Limited</p> <p data-bbox="858 757 1423 810">President, and Representative Director, Isuzu Motors Limited</p> |
|                    | <p data-bbox="172 929 673 1021">Number of years in office: 9 years and 11 months<br/>No. of Company shares owned: 86,600 shares<br/>Attendance at meetings of the Board of Directors: 17 of 17 (100%)</p> | <p data-bbox="699 846 1410 1003">Reasons for nomination as a candidate for Director:<br/>We have nominated Mr. Masanori Katayama for another term as Director since we believe his management of the Company will be supported by his experience in leading the Company's management since his appointment as President in 2015, as well as by his excellent personality and insights.</p> |   |

| No.  | Name<br>(Date of birth)   | Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations  |
|--|---|--|
| 2<br>Reappointment   | <p data-bbox="438 293 651 353">Yukio Narimatsu<br/>(April 22, 1955)</p>          | <p data-bbox="699 262 1353 533"> Apr. 1978    Joined Isuzu Motors Limited<br/> Apr. 2014    Senior Executive Officer, Isuzu Motors Limited and Executive Vice President, and Director, Isuzu Motors Sales Ltd.<br/> Apr. 2015 to present    Managing Executive Officer, Isuzu Motors Limited, and President &amp; Representative Director, Isuzu Motors Sales Ltd.<br/> Jun. 2015 to present    Director, Isuzu Motors Limited </p> <p data-bbox="699 566 1353 645">(Significant concurrent positions)<br/> President &amp; Representative Director, Isuzu Motors Sales Ltd.<br/> (Assumed the post on April 1, 2015)</p>  |
| Number of years in office: 1 year and 11 months<br>No. of Company shares owned: 43,200 shares<br>Attendance at meetings of the Board of Directors: 17 of 17 (100%) |   | Reasons for nomination as a candidate for Director:<br>We have nominated Mr. Yukio Narimatsu for another term as Director since we believe his management of the Company will be supported by his wealth of experience in his duties mainly in the field of sales in Japan, as well as by his excellent personality and insights.  |
| No.  | Name<br>(Date of birth)   | Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations  |
| 3<br>New appointment   | <p data-bbox="424 978 665 1039">Shinichi Takahashi<br/>(January 28, 1958)</p>  | <p data-bbox="699 918 1409 1317"> Apr. 1980    Joined Isuzu Motors Limited<br/> Apr. 2012    Executive Officer, Associate Division Executive of Quality Assurance Division, Isuzu Motors Limited<br/> Oct. 2013    Senior Executive Officer, Division Executive of Quality Assurance Division, Isuzu Motors Limited<br/> Apr. 2014    Senior Executive Officer, Division Executive of CSR Division, Division Executive of Quality Assurance Division, Isuzu Motors Limited<br/> Apr. 2015    Senior Executive Officer, Associate Division Executive of Engineering Division, Operations Headquarters, Isuzu Motors Limited<br/> Apr. 2016 to present    Senior Executive Officer, Division Executive of Engineering Division, Operations Headquarters, Isuzu Motors Limited </p> |
| Number of years in office: —<br>No. of Company shares owned: 30,200 shares<br>Attendance at meetings of the Board of Directors: —                                  |   | Reasons for nomination as a candidate for Director:<br>We have nominated Mr. Shinichi Takahashi as a candidate for Director since we believe his management of the Company will be supported by his wealth of experience in his duties mainly in the fields of development and quality assurance, as well as by his excellent personality and insights.  |

| No.  | Name<br>(Date of birth)   | Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations  |
|--|---|--|
| <p style="text-align: center;">4<br/>New appointment</p>   | <p style="text-align: center;"><b>Masatoshi Ito</b><br/>(February 15, 1955)</p>  | <p>Apr. 1978    Joined Isuzu Motors Limited</p> <p>Apr. 2010    Executive Officer, Executive in charge of Manufacturing Engineering Planning Dept., Vehicle Manufacturing Engineering Dept., PT Manufacturing Engineering Dept., Forming Parts Engineering Dept., Manufacturing Division, Operations Headquarters, Isuzu Motors Limited</p> <p>Apr. 2013    Senior Executive Officer, Jidosha Buhin Kogyo Co., Ltd.</p> <p>Jun. 2013    Director, Jidosha Buhin Kogyo Co., Ltd.</p> <p>Oct. 2013    Director, IJT Technology Holdings Co., Ltd. (Scheduled to resign the post on June 29, 2017)</p> <p>Jun. 2014    President, Jidosha Buhin Kogyo Co., Ltd.</p> <p>Apr. 2016    President, and Representative Director, I Metal Technology Co., Ltd.</p> <p>                  Director, Jidosha Buhin Kogyo Co., Ltd.</p> <p>Mar. 2017    Resigned as President, and Representative Director, I Metal Technology Co., Ltd.</p> <p>                  Resigned as Director, Jidosha Buhin Kogyo Co., Ltd.</p> <p>Apr. 2017    Senior Executive Officer, Division Executive of Manufacturing Division, Operations Headquarters, Isuzu Motors Limited</p> |
| <p>Number of years in office: —<br/>No. of Company shares owned: 13,500 shares<br/>Attendance at meetings of the Board of Directors: —</p> |   | <p>Reasons for nomination as a candidate for Director:<br/>We have nominated Mr. Masatoshi Ito as a candidate for Director since we believe his management of the Company will be supported by his wealth of experience in his duties mainly in the field of manufacturing, as well as by his excellent personality and insights.</p>  |

NOTES:

1. Mr. Shinichi Takahashi and Masatoshi Ito are new candidates.
2. Mr. Yukio Narimatsu concurrently serves as Representative Director of Isuzu Motors Sales Ltd. The Company sells vehicles, etc. to the firm.
3. There are no conflicts of interest between other candidates and the Company.





### Proposal 3: Election of Three (3) Audit & Supervisory Board Members

The terms of office of three (3) Audit & Supervisory Board Members (Tetsuhiko Shindo, Yasuharu Nagashima and Tadashi Takahashi) will expire at the close of this General Meeting of Shareholders. Accordingly, we ask the shareholders to elect three (3) Audit & Supervisory Board Members.

The Audit & Supervisory Board has already agreed to make the proposal at this General Meeting of Shareholders.

The candidate is listed below:

| No.  | Name<br>(Date of birth)  | Brief career summary, positions in the Company and significant concurrent positions at other organizations   |
|--|--|--|
| <p>1<br/>Reappointment<br/>Outside Audit &amp;<br/>Supervisory Board<br/>Member<br/>Independent Officer</p>  | <p>Tetsuhiko Shindo<br/>(April 18, 1953)</p>  | <p>Apr. 1977    Joined Japan Development Bank (Predecessor of Development Bank of Japan Inc.)<br/>Jun. 2007    Senior Executive Director, Development Bank of Japan (Predecessor of Development Bank of Japan Inc.)<br/>Oct. 2008    Corporate Auditor (Full-Time), Development Bank of Japan Inc.<br/>Jun. 2011    Director and Managing Executive Officer, Development Bank of Japan Inc.<br/>Jun. 2013 to present    Resigned as Director, Development Bank of Japan Inc.<br/>Standing Audit &amp; Supervisory Board Member, Isuzu Motors Limited</p>   |
| <p>Number of years in office: 3 years and 11 months<br/>No. of Company shares owned: 8,200 shares<br/>Attendance at meetings of the Board of Directors: 17 of 17 (100%)<br/>Attendance at meetings of the Audit &amp; Supervisory Board: 16 of 16 (100%)</p> |  | <p>Reasons for nomination as a candidate for Outside Audit &amp; Supervisory Board Member:<br/>We propose that Mr. Tetsuhiko Shindo be appointed as Outside Audit &amp; Supervisory Board Member, based on our judgement that he has a high degree of professionalism and a wealth of experience in financial and corporate financial affairs, as well as considerable expertise in finance and accounting and would be able to audit the Company's management from an objective and neutral standpoint. In addition, he has served as the Company's Audit &amp; Supervisory Board Member for more than three years and 11 months since his appointment.</p> |

| No.  | Name<br>(Date of birth)   | Brief career summary, positions in the Company and significant concurrent positions at other organizations  |
|--|---|---|
| 2<br>New appointment<br>Outside Audit &<br>Supervisory Board<br>Member<br>Independent Officer  | <p>Takashi Mikumo<br/>(September 8, 1957)</p>    | <p>Apr. 1980    Joined Toyo Trust and Banking Co., Ltd.<br/>Jun. 2009    Managing Director, Mitsubishi UFJ Trust and Banking Corporation<br/>Jun. 2012    Senior Managing Director, Mitsubishi UFJ Trust and Banking Corporation<br/>Jun. 2013    Resigned as Senior Managing Director, Mitsubishi UFJ Trust and Banking Corporation<br/>Jun. 2013    Corporate Auditor (Full-Time), Mitsubishi UFJ Financial Group Inc.<br/>Jun. 2015 to present    Director, Mitsubishi UFJ Financial Group Inc. (Schedule to resign the post on June 29, 2017)</p>   |
| <p>Number of years in office: —<br/>No. of Company shares owned: 0 shares<br/>Attendance at meetings of the Board of Directors: —<br/>Attendance at meetings of the Audit &amp; Supervisory Board: —</p> |   | <p>Reasons for nomination as a candidate for Outside Audit &amp; Supervisory Board Member:<br/>We propose that Mr. Takashi Mikumo be appointed as Outside Audit &amp; Supervisory Board Member, based on our judgement that he has a wealth of knowledge and experience in financial affairs and corporate management, and would be able to audit the Company's management from an objective and neutral standpoint.</p>  |
| No.  | Name<br>(Date of birth)   | Brief career summary, positions in the Company and significant concurrent positions at other organizations  |
| 3<br>New appointment<br>Outside Audit &<br>Supervisory Board<br>Member<br>Independent Officer  | <p>Kanji Kawamura<br/>(December 15, 1947)</p>  | <p>Apr. 1971    Joined Itochu Corporation<br/>Mar. 1998    Resigned from Itochu Corporation<br/>Apr. 1998    Professor, Faculty of Law, Meijigakuin University<br/>Jun. 2011 to present    Outside Audit &amp; Supervisory Board Member, Jamco Corporation<br/>Apr. 2013    Legal Advisor to the President, Meijigakuin University<br/>Mar. 2017    Retired as Legal Advisor to the President of Meijigakuin University</p>   |
| <p>Number of years in office: —<br/>No. of Company shares owned: 0 shares<br/>Attendance at meetings of the Board of Directors: —<br/>Attendance at meetings of the Audit &amp; Supervisory Board: —</p> |   | <p>Reasons for nomination as a candidate for Outside Audit &amp; Supervisory Board Member:<br/>We propose that Mr. Kanji Kawamura be appointed as Outside Audit &amp; Supervisory Board Member, based on our judgement that he has a wealth of knowledge and experience in corporate legal affairs, and would be able to audit the Company's management from an objective and neutral standpoint. The Company judged that although Mr. Kanji Kawamura has no direct experience in participating in the management of other companies directly, he would be able to execute the duties of Outside Audit &amp; Supervisory Board Member adequately for the above reasons.</p> |

NOTES:

1. Mr. Takashi Mikumo and Mr. Kanji Kawamura are new candidates.
2. There are no conflicts of interests between any of the candidates and the Company.
3. All candidates are candidates for Outside Audit & Supervisory Board Members.
4. The Company has entered into an agreement with Mr. Tetsuhiko Shindo, which limits liability for damages stipulated in Section 1, Article 423 of the Corporation Law up to the minimum liability amount stipulated in Section 1, Article 425 of the said Law, based on the provision of Section 1, Article 427 of the said Law. If Mr. Tetsuhiko Shindo is elected, the Company plans to continue this agreement with him, and if Mr. Takashi Mikumo and Mr. Kanji Kawamura are elected, the Company plans to enter into a similar agreement with them.
5. The Company has registered Mr. Tetsuhiko Shindo as an independent officer pursuant to the code of the Tokyo Stock Exchange and plans to register Mr. Takashi Mikumo and Mr. Kanji Kawamura as independent officers pursuant to the code of the Tokyo Stock Exchange.

#### **Proposal 4: Establishment of Upper Limit of Directors' Annual Bonuses**

Remuneration for the Company's Directors comprises basic remuneration, bonuses linked to the short-term performance of the Company, and performance-linked share-based remuneration system linked to the medium- and long-term performance of the Company.

Of these components, basic remuneration has an upper limit of 64 million yen per month, which was decided at the 86th Annual General Meeting of Shareholders held on January 30, 1989, while the maximum amount of performance-linked share-based remuneration has been set at 1,820 million yen as the amount the Company contributes every three fiscal years in principle, which was decided at the 114th Annual General Meeting of Shareholders held on June 29, 2016. Accordingly, remuneration amounts were determined within the approved range. Meanwhile, the Company has not established a limit for bonuses, and bonus payments in the past two years were made with the approval of the annual general meetings of shareholders, because stable financial conditions that would allow for the payment of bonuses did not exist, and no payments were made for 17 years until 2015.

The proposal requests approval for establishing a framework for bonuses, in the same manner as other remuneration, in which bonus payments shall be separately limited, and payments shall be made flexibly within that range. The upper limit shall be set at 400 million yen a year.

Outside Directors shall be excluded from eligibility for the above bonuses.

There are currently 12 Directors (including two Outside Directors), and there will be 11 Directors (including two Outside Directors), provided "Proposal 2: Election of Four (4) Directors" is approved as originally proposed.

**Business Report**  
**(April 1, 2016 to March 31, 2017)**

**1. Current Conditions of the Corporate Group**

**1) Business Developments and Results in the Current Consolidated Fiscal Year**

(Including the status of fundraising and capital investments)

**Business Developments**

The overall global economy recovered moderately during the current consolidated fiscal year, while weaknesses remained in some areas mainly due to heightened uncertainty arising from radical shifts in the policies of the U.S. and advanced countries in Europe and from the economic slowdown in China. Japan's economy also continued to recover moderately, though improvement was slow in some sectors.

In the domestic truck market, demand increased during the current consolidated fiscal year, supported by stable replacement demand and public investments. Meanwhile, demand fell in overseas markets, mainly in Africa and the Middle East.

Against this backdrop, we of the Group have endeavored as professionals in the commercial vehicle and diesel engine business to be good partners trusted by our customers and to be in harmony with society and the environment, while keeping our main focus on our hardware and software businesses. To this end, we have strengthened our management base in line with the Mid-term Business Plan drawn up in the previous fiscal year, while being actively engaged in product and business development and rollout.

In a core product development initiative in the current consolidated fiscal year, the Company introduced a full model change for the GIGA Tractor heavy-duty truck. The transportation industry is increasingly focused on high-volume shipping via tractors as a solution to the severe driver shortage that is such an urgent problem. The upgraded GIGA Tractor offers improved environmental performance and safety, lower driving costs, and enhanced vehicle performance in response to the need for reduced driver fatigue. Also, through operational support using MIMAMORI, a system for remote monitoring via telecommunications, the GIGA Tractor contributes to heightened efficiency through one-stop, high-volume shipping, as well as to solving the driver shortage problem.

The Company has also introduced a new model of the current GIGA heavy-duty truck, in which a new type of low-weight engine and dedicated transmission are mounted. It has also added a new model to the lineup of GIGA CNG, a vehicle that runs on compressed natural gas (CNG). By curbing emissions of carbon dioxide, nitrogen oxide, and particulates in inter-city truck shipping, GIGA CNG offers the benefits of better energy security while contributing to further reduction of environmental impacts.

Furthermore, the Company and Hino Motors, Ltd. have agreed to jointly develop advanced driving assistance technologies to bring about a society with safe and secure transportation. Both companies aim to enhance efficiency through joint development of technologies. The goal is to commercialize safe driving assistance systems that communicate between individual vehicles and between vehicles and roadways, and automated driving systems that facilitate automated steering and convoy-style driving. In addition, the two companies have agreed to collaborate on developing the first hybrid articulated bus to be manufactured in Japan, with market launch targeted for 2019. Through this joint development project, the partners are striving to deliver more efficient high-load transportation while reducing environmental impacts, compared to conventional buses.

To develop our business during the current consolidated fiscal year, Isuzu Motors India Private Limited, the Company's Indian manufacturing and sales arm, has opened an assembly plant for light commercial vehicles (LCV) (pick-up trucks and their derivatives) in the

state of Andhra Pradesh in southern India. The plant was opened to newly develop our LCV business in the fast-growing Indian market. With the plant now ready for operation, the Company is moving to further expand and strengthen its local manufacturing organization and sales network, as well as to fully develop its business activities in India.

In Eastern African markets, where economic growth is continuing, the Company has acquired the majority of outstanding shares of General Motors East Africa Limited. We will endeavor to further improve quality and expand vehicle sales, as well as strengthen the base of our after-sales system in East Africa through personnel training and technical assistance to the company.

Funds raised during the current consolidated fiscal year included 47.0 billion yen of long-term borrowings, procured by ISUZU Leasing Services Limited., a leasing business company engaged in sales financing in Japan.

Capital investments during the current consolidated fiscal year totaled 93.8 billion yen. Among principal ongoing uses of capital investments is engine production equipment for the Company's Tochigi Plant, which is exclusively used for domestic commercial vehicles, in order to comply with upcoming tighter exhaust gas regulations, the LCV assembly plant in India, a logistics center built on land adjacent to the Company's Fujisawa Plant, and the Isuzu Plaza community facility.

## Business Results

During the current consolidated fiscal year, domestic vehicle sales increased 9,812 units (13.9%) year on year to 80,341 units. Overseas vehicle sales fell 11,589 units (2.6%) from the previous year to 425,978 units due to softening sales in emerging and resource-rich economies, partially offset by strong sales in North America and other advanced economies. As a result, total vehicle sales, both domestic and foreign, decreased 1,777 units (0.3%) year on year to 506,319 units.

Net sales totaled 1,953.1 billion yen, a 1.4% or 26.2 billion yen gain from the previous fiscal year. This includes 788.4 billion yen of net sales in Japan (an increase of 13.7% year on year) and 1,164.7 billion yen in the rest of the world (a decrease of 5.6% year on year).

The table below shows sales by product.

| Category                      |                                       | Sales Volume<br>(units) | Sales Amount<br>(JPY billion) |
|-------------------------------|---------------------------------------|-------------------------|-------------------------------|
| Vehicles                      | Heavy-duty (and medium-duty) vehicles | 72,335                  | 493.3                         |
|                               | Light-duty vehicles and others        | 433,984                 | 915.2                         |
|                               | Subtotal                              | 506,319                 | 1,408.6                       |
| Parts for overseas production |                                       | -                       | 58.0                          |
| Engines and components        |                                       | -                       | 103.3                         |
| Service parts and others      |                                       | -                       | 383.2                         |
| Total                         |                                       | -                       | 1,953.1                       |

Despite an increase in domestic sales, operating income fell 14.6% from the previous consolidated fiscal year to 146.4 billion yen due to a decline in overseas sales and the effect of yen appreciation. Ordinary income amounted to 152.0 billion yen, a drop of 18.6% year on year, while net income attributable to parent company shareholders totaled 93.8 billion yen, a decrease of 18.2% from the previous year.

## **2) Issues Facing the Corporate Group**

Looking at the global economy, future prospects continue to be unclear given economic developments in the United States, resource-rich countries and emerging countries such as China, the conclusion and subsequent impact of Britain's exit from the European Union and geopolitical risks.

We anticipate that business environment surrounding the Group will become harsher due to intensifying competition from European and U.S. manufacturers, who are stepping up their global business activities. In advanced countries we must continue to provide products with highly innovative technologies that meet environmental, safety, and other standards. Meanwhile, in emerging markets we need to focus on durability, ease of maintenance, and low product costs. That is, we must respond effectively to the ever sharper bipolarization of product needs.

In response to this business environment, and based on our "Engineering, Purchasing and Manufacturing Operations" initiative that is one of the two pillars of the Group's Mid-term Business Plan, our Group will move to establish global "3 plus 2" core business bases by adding China and India to the three bases of Japan, ASEAN, and Thailand.

We will build these bases to offer optimal products in each market, while expanding and improving our product portfolio to meet the needs of different markets, and strengthening the technologies that underpin portfolio expansion.

In line with our "Operations to Minimize Downtime" initiative, another pillar of the Mid-term Business Plan aimed at providing customers with better after-sales support for their operations, we will upgrade the quality of our customer support in advanced countries. In emerging countries, we will expand our business while moving our sales structure closer to markets. Furthermore, we will build a seamlessly linked structure and lay the foundations for the next generation so that these two initiatives will be like two wheels on a cart that supports the growth of the Group.

Through these initiatives under the new Mid-term Business Plan, the Group aims to grow into a standout global player that is genuinely needed by its customers.

At the same time, we will make further efforts to monitor and improve quality and enhance our compliance system.

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

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

The assets and earnings in the current 115th term (FY2017) and the past three terms (FY2014 to FY2016) are as follows:

#### i) Changes in assets and earnings of the Corporate Group

(JPY million, unless otherwise stated)

| Category  | 112th Term<br>(Ended March<br>2014) | 113th Term<br>(Ended March<br>2015) | 114th Term<br>(Ended March<br>2016) | 115th Term<br>(Ended March<br>2017) |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Net Sales   | 1,760,858                           | 1,879,442                           | 1,926,967                           | 1,953,186                           |
| Ordinary Income   | 186,620                             | 187,411                             | 186,690                             | 152,022                             |
| Net Income<br>Attributable to<br>Parent Company<br>Shareholders | 119,316                             | 117,060                             | 114,676                             | 93,858                              |
| Net Income per<br>Share (JPY)                                   | 140.85                              | 139.34                              | 138.43                              | 119.13                              |
| Net Assets  | 768,953                             | 914,451                             | 897,650                             | 962,107                             |
| Net Assets per<br>Share (JPY)                                   | 747.53                              | 905.35                              | 953.01                              | 1,039.25                            |
| Total Assets  | 1,521,757                           | 1,801,918                           | 1,809,270                           | 1,880,826                           |

#### NOTES:

1. Amounts of net sales, ordinary income, net income attributable to parent company shareholders, net assets and total assets have been rounded down to the nearest one million yen.
2. Amounts of net income per share and net assets per share have been rounded to the nearest 1/100 of a yen.
3. With regards to common stock issued by the Company, two (2) shares were consolidated into one (1) share as of October 1, 2014. Net income per share and net assets per share are calculated assuming that the shares were consolidated at the beginning of the 112th fiscal year ended March 31, 2014.
4. A trust fund with Directors as beneficiaries was introduced from the 115th Term, and Company shares held by the Trust are posted as treasury stock in the consolidated financial statements. As a result, when net income per share is calculated, the number of such Company shares as well as treasury stock is excluded when computing the average number of shares of common stock.

#### ii) Changes in assets and earnings of the Company

(JPY million, unless otherwise stated)

| Category                      | 112th Term<br>(Ended March<br>2014) | 113th Term<br>(Ended March<br>2015) | 114th Term<br>(Ended March<br>2016) | 115th Term<br>(Ended March<br>2017) |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Net Sales                     | 986,822                             | 1,060,028                           | 1,076,360                           | 1,065,886                           |
| Ordinary Income               | 79,358                              | 78,931                              | 108,624                             | 100,330                             |
| Net Income                    | 56,543                              | 67,070                              | 91,905                              | 87,310                              |
| Net Income per<br>Share (JPY) | 66.73                               | 79.83                               | 110.93                              | 110.81                              |
| Net Assets                    | 438,677                             | 468,720                             | 475,388                             | 544,117                             |
| Net Assets per<br>Share (JPY) | 517.71                              | 562.36                              | 602.92                              | 690.87                              |
| Total Assets                  | 848,411                             | 936,803                             | 965,977                             | 1,025,050                           |

#### NOTES:

1. Amounts of net sales, ordinary income, net income, net assets and total assets have been rounded down to the nearest one million yen.
2. Amounts of net income per share and net assets per share have been rounded to the nearest 1/100 of

a yen.

3. With regards to common stock issued by the Company, two (2) shares were consolidated into one (1) share as of October 1, 2014. Net income per share and net assets per share are calculated assuming that the shares were consolidated at the beginning of the 112th fiscal year ended March 31, 2014.
4. A trust fund with Directors as beneficiaries was introduced from the 115th Term, and Company shares held by the Trust is posted as treasury stock in the financial statements. As a result, when net income per share is calculated, the number of Company shares as well as treasury stock is excluded when computing the average number of shares of common stock.



#### 4) Principal Subsidiaries (as of March 31, 2017)

The 22 major subsidiaries out of a total of 112 are listed below:

(JPY million, unless otherwise stated)

| Company  | Capital                   | % of Shares Held by the Company | Main Operations  |
|--|---------------------------|---------------------------------|--|
| ISUZU MOTORS SALES LTD.                                    | 25,025                    | 75.00                           | Selling vehicles   |
| Isuzu Motors Tohoku Co., Ltd.                              | 100                       | 75.00<br>(75.00)                | Selling and repairing vehicles   |
| ISUZU MOTOR SYUTOKEN CO., LTD.                             | 100                       | 75.00<br>(75.00)                | Selling and repairing vehicles   |
| Isuzu Motors Tokai-Hokuriku Co., Ltd.                      | 100                       | 75.00<br>(75.00)                | Selling and repairing vehicles   |
| Isuzu Motors Kinki Co., Ltd.                               | 100                       | 75.00<br>(75.00)                | Selling and repairing vehicles   |
| Isuzu Motors Chugoku-Shikoku Co., Ltd.                     | 100                       | 75.00<br>(75.00)                | Selling and repairing vehicles   |
| Isuzu Motors Kyushu Co., Ltd.                              | 100                       | 75.00<br>(75.00)                | Selling and repairing vehicles   |
| Isuzu Leasing Service Ltd.                                 | 5,250                     | 75.00<br>(75.00)                | Vehicle leasing and acceptance of contracts for vehicle maintenance services                       |
| IJT Technology Holdings Co., Ltd.                          | 5,500                     | 42.45<br>(0.06)                 | Managing subsidiaries  |
| I Metal Technology Co., Ltd.                               | 1,480                     | 42.45<br>(42.45)                | Casting, machining, and selling automotive parts   |
| Jidosha Buhin Kogyo Co., Ltd.                              | 2,331                     | 42.45<br>(42.45)                | Producing and selling parts for vehicles, etc.   |
| Isuzu LINEX Co., Ltd.                                      | 800                       | 100.00                          | Warehousing and transportation   |
| Isuzu Motors Asia Ltd.                                     | 187,272<br>(USD thousand) | 100.00                          | Importing and selling parts for vehicle production   |
| Isuzu Motors International Operations (Thailand) Co., Ltd. | 678<br>(THB million)      | 70.00<br>(70.00)                | Exporting and selling vehicles   |
| Isuzu Motors Co., (Thailand) Ltd.                          | 8,500<br>(THB million)    | 71.15<br>(71.15)                | Producing and selling vehicles   |
| Isuzu Engine Manufacturing Co., (Thailand) Ltd.            | 1,025<br>(THB million)    | 98.56<br>(97.16)                | Manufacturing engines  |
| ISUZU QINGLING (CHONGQING) AUTOPARTS CO., LTD.             | 240,000<br>(USD thousand) | 51.00                           | Producing engine parts, selling vehicles and engine parts  |
| Isuzu Motors India Private Limited                         | 20,000<br>(INR million)   | 62.00<br>(40.12)                | Importing, assembling and selling vehicles   |
| Isuzu North America Corporation                            | 232,776<br>(USD thousand) | 100.00                          | General control and indirect/administrative operations for subsidiaries in North America           |
| Isuzu Motors America, LLC                                  | 50,773<br>(USD thousand)  | 100.00<br>(100.00)              | Selling parts for vehicles and industrial engines, offering after-sales service for light vehicles |
| Isuzu Commercial Truck of America, Inc.                    | 25<br>(USD thousand)      | 80.00<br>(80.00)                | Importing and selling vehicles   |

| Company                 | Capital                  | % of Shares Held by the Company | Main Operations                |
|-------------------------|--------------------------|---------------------------------|--------------------------------|
| Isuzu Australia Limited | 47,000<br>(AUD thousand) | 100.00                          | Importing and selling vehicles |

NOTES:

1. The percentage of shares held is the percentage of number of shares held to the total number of outstanding shares, rounded off to two decimal places.
2. The numbers in parentheses indicate the percentage of shares indirectly held by the Company and are included in the total number of shares held by the Company.  
The percentage of shares indirectly held by the Company is the total of the percentages which are individually calculated by the percentage of shares of each subsidiary held by the Company where said subsidiaries directly held shares of a company, multiplied by the percentage of shares of said companies directly held by the said subsidiaries of the Company.
3. Amounts have been rounded down to the nearest one million yen and US\$1,000.

**5) Major Operations (as of March 31, 2017)**

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

| Category                      |                                       |       | Main Product   |
|-------------------------------|---------------------------------------|-------|--|
| Vehicles                      | Heavy-duty (and medium-duty) vehicles | Truck | Heavy-duty trucks (GIGA series)<br>Medium-duty trucks (FORWARD series)             |
|                               |                                       | Bus   | Sightseeing buses (GALA series)<br>Transit buses (ERGA series)                     |
|                               | Light-duty vehicles                   | Truck | ELF series, COMO, D-MAX  |
|                               |                                       | Bus   | JOURNEY  |
| Parts for overseas production |                                       |       | KD units and parts for overseas production   |
| Engines and components        |                                       |       | Industrial engines and components (such as engines, transaxles, and transmissions) |
| Others                        |                                       |       | Parts, components, options and accessories for repair and service                  |

NOTE: GIGA, FORWARD, GALA, ERGA, ELF, COMO and JOURNEY are brand names for Japan, while D-MAX is a brand name for Thailand.

## 6) Major Operation Bases and Plants (as of March 31, 2017)

### i) The Company

| Name of Operation Bases | Location                           |
|-------------------------|------------------------------------|
| Head Office             | Shinagawa-ku, Tokyo                |
| Tochigi Plant           | Tochigi City, Tochigi Prefecture   |
| Fujisawa Plant          | Fujisawa City, Kanagawa Prefecture |

### ii) Subsidiaries

| Name of Company  | Location                                  |
|--|---|
| ISUZU MOTORS SALES LTD.                                    | Shinagawa-ku, Tokyo                       |
| Isuzu Motors Tohoku Co., Ltd.                              | Sendai City, Miyagi Prefecture            |
| ISUZU MOTOR SYUTOKEN CO., LTD.                             | Koto-ku, Tokyo                            |
| Isuzu Motors Tokai-Hokuriku Co., Ltd.                      | Nagoya City, Aichi Prefecture             |
| Isuzu Motors Kinki Co., Ltd.                               | Moriguchi City, Osaka Prefecture          |
| Isuzu Motors Chugoku-Shikoku Co., Ltd.                     | Hiroshima City, Hiroshima Prefecture      |
| Isuzu Motors Kyushu Co., Ltd.                              | Fukuoka City, Fukuoka Prefecture          |
| Isuzu Leasing Service Ltd.                                 | Shinagawa-ku, Tokyo                       |
| IJT Technology Holdings Co., Ltd.                          | Minato-ku, Tokyo                          |
| I Metal Technology Co., Ltd.                               | Tsuchiura City, Ibaraki Prefecture        |
| Jidosha Buhin Kogyo Co., Ltd.                              | Ebina City, Kanagawa Prefecture           |
| Isuzu LINEX Co., Ltd.                                      | Shinagawa-ku, Tokyo                       |
| Isuzu Motors Asia Ltd.                                     | Temasek Boulevard, Singapore              |
| Isuzu Motors International Operations (Thailand) Co., Ltd. | Chatuchak, Bangkok, Thailand              |
| Isuzu Motors Co., (Thailand) Ltd.                          | Phra Pradaeng, Samut Prakan, Thailand     |
| Isuzu Engine Manufacturing Co., (Thailand) Ltd.            | Ladkrabang, Bangkok, Thailand             |
| ISUZU QINGLING (CHONGQING) AUTOPARTS CO., LTD.             | Chongqing, The People's Republic of China |
| Isuzu Motors India Private Limited                         | Chennai, Tamil Nadu, India                |
| Isuzu North America Corporation                            | Anaheim, California, USA                  |
| Isuzu Motors America, LLC                                  | Anaheim, California, USA                  |
| Isuzu Commercial Truck of America, Inc.                    | Anaheim, California, USA                  |
| Isuzu Australia Limited                                    | Melbourne, Victoria, Australia            |

## 7) Employees (as of March 31, 2017)

### i) Employees of the Corporate Group

| No. of Employees | Increase from March 31, 2016 |
|------------------|------------------------------|
| 33,631           | 1,213                        |

NOTE: 'No. of Employees' is the workforce, which excludes employees seconded from the Group to outside organizations, but includes employees seconded from outside the Group as well as employees hired on a regular part-time basis (regular part-time employees).

### ii) Employees of the Company

| No. of Employees | Increase from March 31, 2016 | Average Age | Average Years of Service |
|------------------|------------------------------|-------------|--------------------------|
| 8,111            | 183                          | 40.9        | 18.6                     |

NOTE: 'No. of Employees' is the workforce, which excludes employees seconded from the Company to outside organizations, but includes employees seconded from outside the Company as well as employees hired on a regular part-time basis (regular part-time employees).

## 8) Principal Creditor and Amount of Loan Payable (as of March 31, 2017)

| Creditor                                     | Amount Payable     |
|--|--------------------|
| Mizuho Bank, Ltd.                            | 73,506 million yen |
| Development Bank of Japan Inc.               | 45,639 million yen |
| Mitsubishi UFJ Trust and Banking Corporation | 21,013 million yen |
| The Bank of Yokohama, Ltd.                   | 18,045 million yen |
| Sumitomo Mitsui Trust Bank, Limited          | 16,368 million yen |

NOTES:

1. Amount payable includes the amount borrowed under the syndication method.
2. Amounts have been rounded down to the nearest one million yen.

## 2. Items relating to Shares of the Company (as of March 31, 2017)

- 1) Total Number of Shares the Company is Authorized to Issue: 1,700,000,000 shares
- 2) Total Number of Outstanding Shares: 848,422,669 shares  
NOTE: The total number of outstanding shares did not change during the current business term.
- 3) Total Number of Shareholders: 44,072
- 4) Ten Major Shareholders

The ten major shareholders of the Company are as follows:

| Shareholder  | No. of Shares Held<br>(1,000 shares) | Ratio of Shares Held<br>(%) |
|--|--------------------------------------|-----------------------------|
| Mitsubishi Corporation   | 63,633                               | 8.07                        |
| ITOCHE AUTOMOBILE INVESTMENT<br>L. L. C.                             | 52,938                               | 6.72                        |
| Toyota Motor Corporation   | 50,000                               | 6.34                        |
| Japan Trustee Services Bank, Ltd. (Trust<br>Account)                 | 44,704                               | 5.67                        |
| The Master Trust Bank of Japan, Ltd.<br>(Trust Account)              | 34,272                               | 4.35                        |
| THE BANK OF NEW YORK MELLON<br>SA/NV 10                              | 27,045                               | 3.43                        |
| Mizuho Bank, Ltd.  | 15,965                               | 2.02                        |
| JFE Steel Corporation  | 14,434                               | 1.83                        |
| Development Bank of Japan Inc.                                       | 13,183                               | 1.67                        |
| National Mutual Insurance Federation of<br>Agricultural Cooperatives | 12,650                               | 1.60                        |

### NOTES:

1. The Company holds 59,956,289 shares of treasury stock, but is excluded from the above major shareholders.
2. Treasury stock is excluded from the calculation of the "ratio of shares held."
3. Numbers of shares held have been rounded down to the nearest 1,000 shares.

## 3. New Share Subscription Rights, etc.

There are no relevant items.

#### 4. Directors and Audit & Supervisory Board Members of the Company

##### 1) Directors and Audit & Supervisory Board Members (as of March 31, 2017)

| Position and Title                        | Name               | Responsibilities and Primary Profession   |
|---|--------------------|---|
| Chairman, and Representative Director     | Susumu Hosoi       |   |
| President, and Representative Director    | Masanori Katayama  |   |
| Executive Vice President and Director     | Takao Shiomi       | Division Executive of Administration Division, Business Process Development Division  |
| Director                                  | Kuniharu Nakagawa  | Senior Division Executive of Corporate Audit & Quality Assurance Division, Division Executive of After Sales Division, Sales Headquarters                       |
| Director                                  | Makoto Kawahara    | Division Executive of Corporate Planning & Finance Division, Sales Division No.3, Sales Headquarters  |
| Director                                  | Yoshifumi Komura   | Division Executive of Sales Planning Division, Sales Division No.1, and Sales Division No.4, Sales Headquarters   |
| Director                                  | Kazuhiko Ito       | Division Executive of LCV Business Division   |
| Director                                  | Hiroshi Nakagawa   | Chairman and Representative Director, Isuzu Motors Asia (Thailand). Ltd. LCV Long-Term Strategy Project Officer, Chairman of Isuzu Motors India Private Limited |
| Director                                  | Jun Motoki         | Division Executive in charge of Manufacturing Division, Operations Headquarters   |
| Director                                  | Yukio Narimatsu    | President and Representative Director, ISUZU MOTORS SALES LTD.  |
| Director                                  | Kazuhiro Mori      |   |
| Director                                  | Hiroyuki Maekawa   |   |
| Standing Audit & Supervisory Board Member | Chikao Mitsuzaki   |   |
| Standing Audit & Supervisory Board Member | Fumihide Kumazawa  |   |
| Standing Audit & Supervisory Board Member | Tetsuhiko Shindo   |   |
| Audit & Supervisory Board Member          | Yasuharu Nagashima | Lawyer  |
| Audit & Supervisory Board Member          | Tadashi Takahashi  |   |

#### NOTES:

1. Mr. Kazuhiro Mori and Mr. Hiroyuki Maekawa are outside directors.
2. Audit & Supervisory Board Members Tetsuhiko Shindo, Yasuharu Nagashima and Tadashi Takahashi are outside members of the Audit & Supervisory Board.
3. Director Katsumasa Nagai resigned as Director as of the close of the 114th Annual General Meeting of Shareholders held on June 29, 2016
4. Significant concurrent positions held by Directors and Audit & Supervisory Board Members at other companies during the current business term are as follows:  
 Director Kazuhiko Ito concurrently serves as Chairman of Jiangxi Isuzu Engine Co., Ltd.  
 Director Hiroyuki Maekawa concurrently serves as Outside Director, RINKO CORPORATION.
5. Audit & Supervisory Board Member Chikao Mitsuzaki has extensive experience in the finance and accounting departments of the Company and has considerable expertise in finance and accounting.

Audit & Supervisory Board Member Fumihide Kumazawa has many years of experience handling accounting operations and has considerable expertise in finance and accounting.

Audit & Supervisory Board Member Tetsuhiko Shindo has a high degree of professionalism and a wealth of experience in financial and corporate financial affairs, as well as considerable expertise in finance and accounting.

6. We notified the Tokyo Stock Exchange, Inc. that Director Kazuhiro Mori, Hiroyuki Maekawa and Audit & Supervisory Board Members Tetsuhiko Shindo, Yasuharu Nagashima and Tadashi Takahashi have been made independent officers.

7. Positions and responsibilities of Directors and Audit & Supervisory Board Members of the Company as of April 1, 2017 are as follows:

| Position and Title                        | Name               | Responsibilities and Primary Profession   |
|---|--------------------|---|
| Chairman                                  | Susumu Hosoi       |   |
| President, and Representative Director    | Masanori Katayama  |   |
| Executive Vice President and Director     | Takao Shiomi       | Senior Division Executive of Quality Assurance Division, Sales Division, Sales Headquarters<br>Division Executive of Administration Division, Business Process Development Division |
| Director                                  | Hiroshi Nakagawa   | LCV Long-Term Strategy Project Officer, Chairman of Isuzu Motors India Private Limited  |
| Director                                  | Yukio Narimatsu    | President and Representative Director, ISUZU MOTORS SALES LTD.  |
| Director                                  | Makoto Kawahara    | President, ISUZU Motors Middle East FZE   |
| Director                                  | Jun Motoki         | Division Executive of After Sales Division, Sales Headquarters  |
| Director                                  | Kazuhiko Ito       | President and Representative Director of Shonan Unitec Co., Ltd.  |
| Director                                  | Yoshifumi Komura   | Chairman of Isuzu Motors Kinki Co., Ltd.  |
| Director                                  | Kuniharu Nakagawa  | Chairman of Isuzu UMAX Corporation  |
| Director                                  | Kazuhiro Mori      |   |
| Director                                  | Hiroyuki Maekawa   |   |
| Standing Audit & Supervisory Board Member | Chikao Mitsuzaki   |   |
| Standing Audit & Supervisory Board Member | Fumihide Kumazawa  |   |
| Standing Audit & Supervisory Board Member | Tetsuhiko Shindo   |   |
| Audit & Supervisory Board Member          | Yasuharu Nagashima | Lawyer  |
| Audit & Supervisory Board Member          | Tadashi Takahashi  |   |

## 2) Total Remuneration for Directors and Audit & Supervisory Board Members

| Category   | Number of Persons | Total Remuneration (JPY million) |
|--|-------------------|----------------------------------|
| Directors  | 14                | 736                              |
| Audit & Supervisory Board Members  | 6                 | 109                              |
| Total  | 20                | 846                              |
| (including outside members of the Board and the Audit & Supervisory Board) | (5)               | (68)                             |

### NOTES:

1. Amounts have been rounded down to the nearest one million yen.
2. The total amount of Directors' remuneration is limited to 64 million yen per month (excluding amounts paid as employee salaries to those Directors who are also employees) by a resolution passed at the 86th Annual General Meeting of Shareholders held on January 30, 1989.
3. The total amount of Audit & Supervisory Board Members' remuneration is limited to 10 million yen per month by a resolution passed at the 103rd Annual General Meeting of Shareholders held on June 29, 2005.
4. The above-mentioned total remuneration includes bonuses for Directors to be proposed at Board of Directors Meeting after this Annual General Meeting of Shareholders.
5. It was resolved that the Company would abolish the retirement benefit system for Directors and Audit & Supervisory Board Members at the close of the 103rd Annual General Meeting of Shareholders held on June 29, 2005. In addition, it would provide Directors and Audit & Supervisory Board Members who continue to hold office after the close of such General Meeting of Shareholders with the retirement benefits for Directors and Audit & Supervisory Board Members when such Directors or Audit & Supervisory Board Members retired in accordance with the term of office until the abolishment of the retirement benefit system.  
Accordingly, in addition to the amounts of remuneration cited above, the Company provided one (1) Director who will retire at the close of this General Meeting of Shareholders with retirement benefits of 31 million yen.

## 3) Outside Members of the Board and the Audit & Supervisory Board

- (1) Concurrent positions held by Outside Members of the Board and the Audit & Supervisory Board at other organizations, etc.

Director Hiroyuki Maekawa concurrently served as Outside Director of RINKO CORPORATION. There are no conflicts of interest between the said corporation and the Company.

- (2) Principal activities during the current business term

Statements made and attendance at Board of Directors Meetings and Audit & Supervisory Board Meetings:

| Name                      | Status of Statements Made and Attendance  |
|---------------------------|---|
| Director Kazuhiro Mori    | Attended all 17 Meetings of the Board of Directors held in the current business term. When necessary, he stated his opinions from the perspective of promoting the sustainable growth of the company and enhancing corporate value in the medium to long term, based on his extensive experience and insights as a manager of a listed company. He also gave words of support and advice from his independent standpoint to ensure the legality of the decisions of the Board of Directors.                   |
| Director Hiroyuki Maekawa | Attended all 13 Meetings of the Board of Directors held after he assumed the position on June 29, 2016. When necessary, he stated his opinions from the perspective of promoting the sustainable growth of the company and enhancing corporate value in the medium to long term, based on his extensive experience and insights as a manager of a listed company. He also gave words of support and advice from his independent standpoint to ensure the legality of the decisions of the Board of Directors. |



| Name   | Status of Statements Made and Attendance  |
|--|---|
| Audit & Supervisory Board Member<br>Tetsuhiko Shindo   | Attended all 17 Meetings of the Board of Directors and all 16 Meetings of the Audit & Supervisory Board held in the current business term. When necessary, he stated his opinions from the standpoint of a specialist in financial and corporate financial affairs. He gave words of support and advice to ensure the legality of the decisions of the Board of Directors.  |
| Audit & Supervisory Board Member<br>Yasuharu Nagashima | Attended 1 of the 17 Meetings of the Board of Directors and 2 of the 16 Meetings of the Audit & Supervisory Board held in the current business term. When necessary, he stated his opinions based on his rich experience as a specialist in corporate legal affairs. He gave words of support and advice to ensure the legality of the decisions of the Board of Directors. Meanwhile, he was absent from Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board due to hospitalization, treatment, and recuperation from poor health. Nevertheless, during that time, he was provided with relevant materials as appropriate, received reports, and when necessary, gave words of support and advice. He returned to his duties in April 2017 after recovering from poor health. |
| Audit & Supervisory Board Member<br>Tadashi Takahashi  | Attended all 17 Meetings of the Board of Directors and all 16 Meetings of the Audit & Supervisory Board held in the current business term. When necessary, he stated his opinions based on his wealth of experience and insights into finance and corporate management affairs. He gave words of support and advice to ensure the legality of the decisions of the Board of Directors.  |

(3) Outline of the contents of the liability limitation agreement

The Company has entered into an agreement with five corporate officers, Director Kazuhiro Mori, Hiroyuki Maekawa and Audit & Supervisory Board Members Tetsuhiko Shindo, Yasuharu Nagashima and Tadashi Takahashi that limits the liability for damages stipulated in Section 1, Article 423 of the Corporation Law up to the minimum liability amount stipulated in Section 1, Article 425 of the said Law, based on the provision of Section 1, Article 427 of the said Law.

## 5. Matters concerning the Independent Auditor

1) Name of the Independent Auditor: Ernst & Young ShinNihon LLC

2) Fee and Other Amounts Payable to the Independent Auditor:

|   | Amount Payable<br>(JPY million) |
|---|---------------------------------|
| Independent auditor's fee payable by the Company for the current business term                                | 113                             |
| Total cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor | 281                             |

NOTES:

- Amounts have been rounded down to the nearest one million yen.
- The Audit & Supervisory Board agreed to the fee and other amounts payable to the Independent Auditor after careful consideration of the details of the audit plan, time taken by the audit, personnel allocation plan, performance of duties in past business years, and rationale for the calculation of fees, in accordance with the "Practical Guidelines for Cooperation with Independent Auditor" of the Japan Audit & Supervisory Board Members Association.
- The Company and the Independent Auditor have signed an Audit Contract. This contract, however, does not make a clear distinction between the auditing fees stipulated in the Corporation Law and those defined in the Financial Instruments and Exchange Law. These fees cannot be practically separated. The above fee, therefore, is the aggregate amount of these fees.
- Ernst & Young ShinNihon LLC serves as the Independent Auditor for significant subsidiaries in Japan, and significant overseas subsidiaries are subject to the audit of Ernst & Young or Deloitte Touche Tohmatsu.

3) Non-audit Duties of the Independent Auditor

The Company has engaged the Independent Auditor in consulting work in procedural processes, as agreed for the settlement of account of a subsidiary that controls domestic sales subsidiaries.

4) Policy regarding Decision to Dismiss or Not Reappoint Independent Auditors

1) If anything occurs to negatively impact the qualifications or independence of the Independent Auditor, leading the Audit & Supervisory Board to believe that the Independent Auditor is unlikely to properly perform an audit, the Audit & Supervisory Board will present a proposal to be submitted to the General Meeting of Shareholders that the Independent Auditor be dismissed or not reappointed.

2) If the Audit & Supervisory Board unanimously agrees, it will dismiss the Independent Auditor when it confirms that the Independent Auditor falls under any of the items of Section 1, Article 340 of the Corporation Law and the proper performance of an audit by the Independent Auditor is seriously impaired.

5) Matters Concerning the Suspension of Business to which the Independent Auditor was Subjected for the Past Two Years

Details of business-suspension disposition were announced by the Financial Services Agency on December 22, 2015

1) Entity subject to disposition:

Ernst & Young ShinNihon LLC

2) Details of disposition:

- Not allowed to accept new business contracts for 3 months (From January 1, 2016 to March 31, 2016)
- Order to improve operations (improvements to business management system)

3) Reason for disposition

- Certified public accountants, neglecting due diligence, approved financial statements containing material misstatements.
- The auditing firm's operations have significant failings.

## 6. Systems for Ensuring the Propriety of Operations and Status of Operations of Systems

<General description of contents of resolution>

The Company has constructed and maintains a system to ensure the propriety of its operations by adopting the following basic policies:

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

The Company places utmost importance on thorough compliance. The Company defines "compliance" to mean that all Directors, Audit & Supervisory Board Members and employees comply with the laws, and behave in line with high ethical standards to gain the trust of society.

To secure thorough compliance, we will make sure that all Directors, Audit & Supervisory Board Members and employees are familiar with and fully understand the "Basic Policy Measures Relating to Compliance" and the "Code of Conduct Relating to Compliance."

The members of the Compliance Committee include outside experts and provide the Company with objective advice, supervision, and assessments regarding its compliance promotion system and activities. The Compliance Management Group of the Legal & Intellectual Property Dept. manages and promotes compliance activities. Additionally, compliance-related internal auditing functions are secured via auditing by the Internal Audit Group of Corporate Audit Dept. These efforts will continue in the future.

The Company has independent Outside Directors to bring more objectivity, neutrality, and transparency to the Board of Directors in their function as supervisors of our business operations. This will continue in the future.

The Company rejects any relationships with antisocial forces or groups, and will respond to them resolutely and refuse their unreasonable demands in the future.

2) System for maintaining and managing information relating to Directors' performance of their duties

Minutes of the Board of Directors meetings and other information relating to the Directors' performance of their duties are appropriately maintained and managed by different departments in accordance with laws and regulations, the "Board of Directors Regulation," and the Company's other bylaws, designating what information is handled by which department. The Chief Executive for Confidential Information Management manages confidential information appropriately in accordance with laws and regulations and the "Rules for Handling Confidential Information."

3) Rules and other systems for managing loss risk

The Risk Manager of each Division in the Company manages all risks in his/her Division in accordance with the "Rules for Risk Management." The Chief Executive for Risk Management controls company-wide risks. Members of the Management Meeting occasionally follow up and assess the status of risk management. In a crisis, the Company ensures thorough risk management by having the members of the Management Meeting deliberate, decide, and implement proper responses (including implementation systems), and report on their progress to the Board of Directors as necessary.

4) System for assuring that Directors efficiently execute their duties

The Company has established a Board of Directors to formulate a mid-term business plan and a business plan for each business term, develop an organizational system, formulate specific measures for each department to realize such plans, and make decisions regarding principal operations, while establishing a subordinate organ, the Management Meeting. Under the Management Meeting are such groups as the Quality Assurance & Customer Satisfaction Improvement Committee, the Global Environment Committee, the Export Control Committee, the Budget Special Committee, the Facility Investment Committee, and the Product Program Committee, to ensure efficient deliberations in their respective areas of expertise.

The Company continues to employ the Executive Officer System to help the Directors perform their duties properly.

5) System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries

With the objective of enhancing public trust in the Company and Corporate Group based on our policy of serving society in meaningful ways, the Company has established the "Corporate Group Vision," the "Corporate Mission," and the "Group Basic Compliance Initiative." The Company takes proper measures to ensure that all Directors, Audit & Supervisory Board Members and employees of the Corporate Group act in accordance with the "Corporate Group Vision," the "Corporate Mission," and the "Group Basic Compliance Initiative."

The Company has asked Corporate Group companies to develop their own compliance systems suited to their respective circumstances and to fully implement said systems.

The Company has established "Group Company Management Rules" and "Detailed Rules for Group Company Management," and taken steps to strengthen systems for ensuring the propriety of Corporate Group company operations.

Company Management continually monitors the activities of Corporate Group companies' managements, receives reports on the status of compliance and risk management and systems for ensuring business efficiency at Corporate Group companies, and requests improvements if the Company determines that they are necessary.

The Company has adopted a system to ensure the reliability of financial reports made under the Financial Instruments and Exchange Law. This system will continue to be used.

6) Matters regarding employees who assist Audit & Supervisory Board Members in their duties when Audit & Supervisory Board Members request the assignment of such employees

At the request of Audit & Supervisory Board Members, the Company has set up a division called "the Audit & Supervisory Board Member Support Group," and has assigned employees to assist the Audit & Supervisory Board Members with their duties.

7) Maintaining the independence of employees who assist Audit & Supervisory Board Members from Director interference and enhancing the effectiveness of instructions to employees

The Company ensures that employees who assist Audit & Supervisory Board Members with their duties are independent from the Directors and that instructions to such employees are effective. It does this by placing such employees under the direct control and supervision of Audit & Supervisory Board Members and obtaining the prior consent of Audit & Supervisory Board Members when changing, assessing, rewarding, or punishing them.

8) System for encouraging Directors, employees, and others of the Company and its subsidiaries to report to Audit & Supervisory Board Members

The Company has adopted and will continue to use a system in which Directors and Executive Officers and those of equivalent rank and employees of the Company and the Corporate Group companies report to Audit & Supervisory Board Members on the status of business operations, the status of the Company's and Corporate Group companies' management, and any other matters that need to be reported as agreed by the Company and Audit & Supervisory Board Members, to disclose or report necessary and sufficient information whenever requested by Audit & Supervisory Board Members. This system will continue to be used.

The Company cooperates with a liaison conference held on a regular basis to enhance and strengthen audits of the entire Corporate Group through mutual collaboration among Audit & Supervisory Board Members of the Company and the Corporate Group as necessary. This cooperation will continue.

9) System for ensuring that those who make a report to Audit & Supervisory Board Members are not treated unfairly for making such a report

The Company prohibits any discriminatory treatment of those who make a report to the Audit & Supervisory Board Members in accordance with the preceding Paragraph, and ensures that all Directors, Audit & Supervisory Board Members and employees of the Company and Corporate Group companies are familiar with and fully understand the above.

10) Policy for advance payment or reimbursement of expenses relating to Audit & Supervisory Board Members' execution of duties and other handling of expenses or obligations arising from the execution of such duties

If an Audit & Supervisory Board Member requests the Company to make an advance payment of expenses, reimburse expenses, or fulfill obligations related to the execution of his or her duties, the Company shall promptly deal with such expenses or obligations in accordance with laws and regulations.

The Company will annually allot an appropriate budget to pay expenses arising from the execution of duties by Audit & Supervisory Board Members and other costs.

11) Other systems for ensuring effective audits by Audit & Supervisory Board Members

The Company ensures Audit & Supervisory Board Members opportunities to attend Management Meetings. In addition, with the aim of establishing systems to help Audit & Supervisory Board Members audit effectively, the Company holds regular discussions with Audit & Supervisory Board Members and takes necessary steps to meet their requests.

<General description of the status of operations of systems>

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

The Compliance Committee responds to advice, supervision, and assessments provided regarding the Company's compliance measures, as well as issues that are reported to the *meyasubako* (helpline) sited at an outside law firm. The Committee held four meetings during the current business term.

To increase the effectiveness of internal compliance activities, the Company distributes compliance guidebooks to Directors, Audit & Supervisory Board Members, and employees, and ensures that they are familiar with and fully understand policies and standards. The Company periodically holds council meetings for promoting compliance among the members, who in turn promote compliance in each department, internally develop compliance-related measures, and monitor the activities of each department.

To eliminate relationships with antisocial forces or groups, the Company incorporates a clause concerning the elimination of antisocial forces in all written agreements with domestic corporations.

2) System for maintaining and managing information relating to Directors' performance of their duties

The Company appropriately maintains and manages the minutes of Board of Directors meetings in accordance with laws and regulations, and the "Board of Directors Regulation." Other information relating to the performance of duties by Directors is appropriately maintained and managed by designated departments in accordance with the Company's bylaws, such as "Rules for Handling Confidential Information."

3) Rules and other systems for managing loss risk

In carrying out its activities, the Company regularly implements the PDCA cycle in accordance with "Rules for Risk Management." It also shared information and evaluated management's track record and its responses to company-wide risks at the Management Meeting held in April 2017. No issues required a crisis response during the current business term.

4) System for assuring that Directors efficiently execute their duties

The Company prescribes matters to be decided by the Board of Directors in the "Board of Directors Regulation" and the Board of Directors acts in accordance with this Regulation.

The Company held Board of Directors meetings 17 times during the current business term. The Board discussed and decided on important matters and received reports from Directors and other officers who were responsible for major departments on the operation of their businesses.

During the current business term, the Company held Management Meetings, a subordinate organ of the Board of Directors, 23 times, and meetings of organizations under the Management Meeting including: the Quality Assurance & Customer Satisfaction Improvement Committee, 22 times; the Global Environment Committee, four times; the Export Control Committee, zero times (However, 25 requests for approval were circulated and discussed); the Budget Special Committee, seven times; the Facility Investment Committee, ten times; and the Product Program Committee, which is divided into CV, LCV, and Powertrain, 67 times in total.

The Company elects Executive Officers at the meetings of the Board of Directors, and these Executive Officers performed their duties under the authority delegated by the Board of Directors in an appropriate and efficient manner.

5) System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries

The Company has established the "Corporate Group Vision," the "Corporate Mission," and the "Group Basic Compliance Initiative," while ensuring that Corporate Group companies thoroughly

comply with them.

Activities to enhance compliance by Corporate Group companies are carried out by the Compliance Management Group of the Legal & Intellectual Property Dept. as the secretariat for all domestic sales companies and business companies. Specifically, the Company convened on a monthly basis the Group Company Compliance Promotion Meeting, whose members were from domestic consolidated subsidiaries and were responsible for compliance. They promoted the development of compliance systems in each Corporate Group company and strengthened compliance of the entire Group through information exchanges among companies.

Once a year, Company Management solicits the opinions of managers of each Corporate Group company about the state of the management in their company, and also receives reports on the state of compliance and risk management and systems for improving business efficiency at Corporate Group companies.

To enhance the effectiveness of internal controls over financial reports in accordance with the best practices of the Financial Services Agency, the Company develops company-wide internal controls and operational process controls and evaluates how these controls are performed. After evaluating 32 Corporate Group companies, the Company determined that internal controls over the financial standing and reporting of the Company were effective as of the last day of the current business term.

6) Matters regarding employees who assist Audit & Supervisory Board Members in their duties when Audit & Supervisory Board Members request the assignment of such employees

The Company has set up the Audit & Supervisory Board Member Support Group and assigned full-time employees to it. They assist Audit & Supervisory Board Members with their duties to ensure the effectiveness of audits, while carrying out administrative duties pertaining to audits by Audit & Supervisory Board Members as well as the affairs of the secretariat of the Audit & Supervisory Board and the Management Audit Meeting.

7) Maintaining the independence of employees who assist Audit & Supervisory Board Members from Director interference and enhancing the effectiveness of instructions to employees

The Company has established "Regulations for Employees who Assist Audit & Supervisory Board Members" to ensure independence from Director interference. The Company listens to Audit & Supervisory Board Members' opinions in advance and assigns, changes, and assesses employees who belong to the Audit & Supervisory Board Member Support Group with the consent of Audit & Supervisory Board Members.

8) System for encouraging Directors, employees, and others of the Company and its subsidiaries to report to Audit & Supervisory Board Members

Requests concerning the audit plan for the current business term formulated by the Audit & Supervisory Board and for ensuring the effectiveness of the Audit & Supervisory Board Members' audit were reported to the Board of Directors' meeting held in August 2016. Directors were asked to understand and cooperate with the Audit & Supervisory Board Member's audit. At the meeting, it was decided to have Standing Audit & Supervisory Board Members attend important meetings, such as the Management Meeting, as necessary and, under the system for reporting to Audit & Supervisory Board Members, regularly or temporarily make reports on necessary matters as agreed with Audit & Supervisory Board Members. Also, minutes of meetings and materials for which regular interviews or access is required were presented in a specific manner.

During the current business term, Audit & Supervisory Board Members carried out these activities smoothly in conjunction with their regular audits. Further, the Company has asked Directors and employees to comply with requests from Audit & Supervisory Board Members for explanations and reports. During the current business term, they promptly explained and reported information whenever requested by Audit & Supervisory Board Members.

Moreover, Isuzu Group Standing Audit & Supervisory Board Members Liaison Conferences, whose members are the Standing Audit & Supervisory Board Members of 15 domestic Group companies and Standing Audit & Supervisory Board Members of the Company, were held twice, in July and December 2016, at which members discussed sharing and exchanging information on procedures for audits of the Isuzu Group by Audit & Supervisory Board Members.

9) System for ensuring that those who make a report to Audit & Supervisory Board Members are not treated unfairly for making such a report

The Company has ensured that all Directors, Audit & Supervisory Board Members, and employees were familiar with and fully understood that it is prohibited to treat those who make a report to Audit & Supervisory Board Members unfairly for doing so. During the current business term there were no cases of anyone being treated unfairly on such grounds.

10) Policy for advance payment or reimbursement of expenses relating to Audit & Supervisory Board Members' execution of duties and other handling of expenses or obligations arising from the execution of such duties

The Company paid expenses arising from the execution of duties of Audit & Supervisory Board Members promptly after they were incurred. Although the Company allocated a budget in advance, a system has been developed so that Audit & Supervisory Board Members may ask the Company to pay expenses if they exceed the budget on an emergency or a temporary basis.

11) Other systems for ensuring effective audits by Audit & Supervisory Board Members

Audit & Supervisory Board Members had meetings with the President twice, in September 2016 and February 2017, to enhance the effectiveness of audits by Audit & Supervisory Board Members. At the meetings, they reported their auditing activities and heard the President's opinions on the management policy and management challenges. When necessary, they also solicited the Directors' opinions regarding the performance of their duties, and actively expressed their opinions from the perspectives of the Audit & Supervisory Board.

A Three-way Liaison Conference on the audit of internal controls (Audit & Supervisory Board Members, Independent Auditor and Corporate Audit Dept.) was held three times, in May and October 2016 and March 2017, during which information and opinions were exchanged on the audit plan and the status of its implementation, and reports were received on the results of internal audits and when necessary, the results of audits by independent auditors with the aim of strengthening collaboration.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(millions of yen)

| ITEMS   | 115th Term<br>(As of March<br>31, 2017) | [Reference]<br>114th Term<br>(As of March<br>31, 2016) | ITEMS  | 115th Term<br>(As of March<br>31, 2017) | [Reference]<br>114th Term<br>(As of March<br>31, 2016) |
|---|---|--|--|---|--|
| <b>ASSETS</b>                                 |   |  | <b>LIABILITIES</b>                                       |   |  |
| <b>CURRENT ASSETS</b>                         | <b>957,404</b>                          | <b>929,705</b>   | <b>CURRENT LIABILITIES</b>                               | <b>556,336</b>                          | <b>565,277</b>   |
| Cash and deposits                             | 275,234                                 | 285,686  | Trade notes and accounts payable                         | 329,094                                 | 328,621  |
| Trade notes and accounts receivable           | 256,582                                 | 249,331  | Electronically recorded obligations – operating          | 33,218                                  | 23,297   |
| Lease receivables and lease investment assets | 87,379                                  | 64,728   | Short-term borrowings                                    | 40,670                                  | 68,530   |
| Merchandise and finished goods                | 178,827                                 | 174,918  | Lease obligations  | 2,812                                   | 3,184  |
| Work in progress                              | 19,754                                  | 15,793   | Accrued income taxes                                     | 14,397                                  | 21,415   |
| Raw materials and supplies                    | 57,391                                  | 58,363   | Accrued expenses   | 48,196                                  | 47,279   |
| Deferred tax assets                           | 30,290                                  | 32,460   | Accrued bonus costs                                      | 18,253                                  | 18,242   |
| Other   | 52,755                                  | 49,358   | Accrued directors' bonus costs                           | 142                                     | 100  |
| Allowance for doubtful accounts               | (811)                                   | (935)  | Provisions for warranty costs                            | 7,570                                   | 7,845  |
| <b>NON-CURRENT ASSETS</b>                     | <b>923,421</b>                          | <b>879,564</b>   | Deposits received  | 3,554                                   | 3,235  |
| <b>Property, plant and equipment</b>          | <b>681,582</b>                          | <b>644,357</b>   | Other  | 58,427                                  | 43,524   |
| Buildings and structures                      | 157,677                                 | 137,830  | <b>NON-CURRENT LIABILITIES</b>                           | <b>362,382</b>                          | <b>346,342</b>   |
| Machinery, equipment and vehicles             | 158,034                                 | 161,144  | Long-term borrowings                                     | 197,953                                 | 180,067  |
| Land  | 277,230                                 | 276,225  | Lease obligations  | 5,864                                   | 6,957  |
| Lease assets                                  | 8,596                                   | 9,747  | Deferred tax liabilities                                 | 2,187                                   | 2,161  |
| Vehicles on operating leases                  | 30,621                                  | 21,136   | Deferred tax liabilities on revaluation reserve for land | 42,135                                  | 42,135   |
| Construction in progress                      | 34,025                                  | 23,261   | Provision for automobile maintenance costs               | 3,046                                   | 1,667  |
| Other   | 15,397                                  | 15,012   | Provision for management board incentive plan trust      | 161                                     | —  |
| <b>Intangible assets</b>                      | <b>19,640</b>                           | <b>16,449</b>  | Net defined benefit liability                            | 99,208                                  | 102,911  |
| Goodwill                                      | 2,643                                   | 3,303  | Long-term deposits received                              | 1,524                                   | 1,442  |
| Other   | 16,997                                  | 13,145   | Other  | 10,301                                  | 8,998  |
| <b>Investments and other assets</b>           | <b>222,198</b>                          | <b>218,757</b>   | <b>TOTAL LIABILITIES</b>                                 | <b>918,719</b>                          | <b>911,620</b>   |
| Investment securities                         | 151,178                                 | 145,688  | <b>NET ASSETS</b>  |   |  |
| Long-term loans receivable                    | 1,502                                   | 1,466  | <b>SHAREHOLDERS' EQUITY</b>                              | <b>716,026</b>                          | <b>647,686</b>   |
| Net defined benefit asset                     | 840                                     | 367  | <b>Common stock</b>                                      | <b>40,644</b>                           | <b>40,644</b>  |
| Deferred tax assets                           | 31,169                                  | 33,319   | <b>Capital surplus</b>                                   | <b>42,081</b>                           | <b>41,610</b>  |
| Other   | 38,737                                  | 39,852   | <b>Retained earnings</b>                                 | <b>704,664</b>                          | <b>635,691</b>   |
| Allowance for doubtful accounts               | (1,229)                                 | (1,937)  | <b>Treasury stock</b>                                    | <b>(71,364)</b>                         | <b>(70,259)</b>  |
|   |   |  | <b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>            | <b>102,411</b>                          | <b>103,677</b>   |
|   |   |  | Unrealized holding gain or loss on securities            | 19,951                                  | 12,025   |
|   |   |  | Unrealized gain or loss from hedging activities          | 281                                     | 174  |
|   |   |  | Unrealized holding gain or loss on land revaluation      | 83,880                                  | 84,212   |
|   |   |  | Foreign currency translation adjustments                 | 8,080                                   | 20,302   |
|   |   |  | Remeasurements of defined benefit plans                  | (9,782)                                 | (13,036)   |
|   |   |  | <b>NON-CONTROLLING INTERESTS</b>                         | <b>143,669</b>                          | <b>146,285</b>   |
|   |   |  | <b>TOTAL NET ASSETS</b>                                  | <b>962,107</b>                          | <b>897,650</b>   |
| <b>TOTAL ASSETS</b>                           | <b>1,880,826</b>                        | <b>1,809,270</b>                                       | <b>TOTAL LIABILITIES &amp; NET ASSETS</b>                | <b>1,880,826</b>                        | <b>1,809,270</b>                                       |

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



## Consolidated Statement of Income

(millions of yen)

| ITEMS   | 115th Term<br>(From April 1,<br>2016 through<br>March 31, 2017) | [Reference]<br>114th Term<br>(From April 1,<br>2015 through<br>March 31, 2016) |
|---|---|--|
| <b>NET SALES</b>  | <b>1,953,186</b>  | <b>1,926,967</b>   |
| <b>COST OF SALES</b>  | <b>1,623,948</b>  | <b>1,574,885</b>   |
| <b>GROSS PROFIT</b>   | <b>329,238</b>  | <b>352,081</b>   |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>           | <b>182,793</b>  | <b>180,522</b>   |
| <b>OPERATING INCOME</b>                                       | <b>146,444</b>  | <b>171,559</b>   |
| <b>NON-OPERATING INCOME</b>                                   | <b>14,320</b>   | <b>21,834</b>  |
| Interest income   | 2,535   | 3,515  |
| Dividends income  | 2,032   | 1,766  |
| Equity income from affiliated companies                       | 5,592   | 9,191  |
| Rent income   | 222   | 397  |
| Foreign exchange gains  | –   | 2,601  |
| Other   | 3,937   | 4,361  |
| <b>NON-OPERATING EXPENSES</b>                                 | <b>8,742</b>  | <b>6,704</b>   |
| Interest expense  | 2,384   | 1,982  |
| Foreign exchange losses                                       | 767   | –  |
| Litigation settlement   | 247   | 844  |
| Compensation expenses   | 1,428   | –  |
| Other   | 3,914   | 3,876  |
| <b>ORDINARY INCOME</b>  | <b>152,022</b>  | <b>186,690</b>   |
| <b>EXTRAORDINARY GAINS</b>                                    | <b>341</b>  | <b>2,840</b>   |
| Gain on sales of property, plant and equipment                | 265   | 1,905  |
| Gain on sales of investment securities                        | 30  | 47   |
| Gain on negative goodwill                                     | 43  | –  |
| Gain on step acquisitions                                     | –   | 888  |
| Other   | 2   | –  |
| <b>EXTRAORDINARY LOSSES</b>                                   | <b>3,441</b>  | <b>3,151</b>   |
| Loss on disposal of property, plant and equipment             | 2,138   | 2,809  |
| Loss on sales of investment securities                        | 34  | –  |
| Loss on impairment  | 1,253   | 342  |
| Other   | 16  | –  |
| <b>INCOME BEFORE INCOME TAXES</b>                             | <b>148,921</b>  | <b>186,379</b>   |
| INCOME TAXES (CURRENT)  | 40,393  | 51,655   |
| INCOME TAXES (DEFERRED)                                       | 301   | (1,612)  |
| <b>TOTAL INCOME TAXES</b>                                     | <b>40,694</b>   | <b>50,042</b>  |
| <b>NET INCOME</b>   | <b>108,227</b>  | <b>136,336</b>   |
| NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS          | 14,368  | 21,659   |
| <b>NET INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b> | <b>93,858</b>   | <b>114,676</b>   |

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

Consolidated Statement of Changes in Net Assets  
(From April 1, 2016 through March 31, 2017)

(millions of yen)

|   | SHAREHOLDERS' EQUITY |                 |                   |                |                            |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
|   | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at the 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                    |
| Change of the period  |                      |                 |                   |                |                            |
| Cash dividends  |                      |                 | (25,231)          |                | (25,231)                   |
| Net income attributable to parent company shareholders          |                      |                 | 93,858            |                | 93,858                     |
| Reversal of unrealized holding gain or loss on land revaluation |                      |                 | 331               |                | 331                        |
| Acquisition of treasury stock                                   |                      |                 |                   | (1,105)        | (1,105)                    |
| Purchase of shares of consolidated subsidiaries                 |                      | 471             |                   |                | 471                        |
| Net changes on items other than shareholders' equity            |                      |                 |                   |                |                            |
| Total change of the period                                      | –                    | 471             | 68,959            | (1,105)        | 68,326                     |
| Balance at the end of current period                            | 40,644               | 42,081          | 704,664           | (71,364)       | 716,026                    |

|   | ACCUMULATED OTHER COMPREHENSIVE INCOME        |   |   |  |   |  | Non-controlling interests | Total net assets |
|---|---|---|---|--|---|--|---------------------------|------------------|
|   | Unrealized holding gain or loss on securities | Unrealized gain or loss from hedging activities | Unrealized holding gain or loss on land revaluation | Foreign currency translation adjustments | 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          |
| Change of the period  |   |   |   |  |   |  |                           |                  |
| Cash dividends  |   |   |   |  |   |  |                           | (25,231)         |
| Net income attributable to parent company shareholders          |   |   |   |  |   |  |                           | 93,858           |
| Reversal of unrealized holding gain or loss on land revaluation |   |   |   |  |   |  |                           | 331              |
| Acquisition of treasury stock                                   |   |   |   |  |   |  |                           | (1,105)          |
| Purchase of shares of consolidated subsidiaries                 |   |   |   |  |   |  |                           | 471              |
| Net changes on items other than shareholders' equity            | 7,926   | 107   | (331)   | (12,221)                                 | 3,254                                   | (1,265)                                      | (2,616)                   | (3,882)          |
| Total change of the period                                      | 7,926   | 107   | (331)   | (12,221)                                 | 3,254                                   | (1,265)                                      | (2,616)                   | 64,444           |
| Balance at the end of current period                            | 19,951  | 281   | 83,880  | 8,080                                    | (9,782)                                 | 102,411                                      | 143,669                   | 962,107          |

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

# Financial Statements

## Balance Sheet

(millions of yen)

| ITEMS   | 115th Term<br>(As of March<br>31, 2017) | [Reference]<br>114th Term<br>(As of March<br>31, 2016) | ITEMS  | 115th Term<br>(As of March<br>31, 2017) | [Reference]<br>114th Term<br>(As of March<br>31, 2016) |
|---|---|--|--|---|--|
| <b>ASSETS</b>   |   |  | <b>LIABILITIES</b>   |   |  |
| <b>CURRENT ASSETS</b>                                 | <b>380,569</b>                          | <b>357,363</b>   | <b>CURRENT LIABILITIES</b>   | <b>320,910</b>                          | <b>320,013</b>   |
| Cash and deposits                                     | 79,039                                  | 64,522   | Trade notes payable  | 4,795                                   | 5,646  |
| Accounts receivable                                   | 209,683                                 | 188,956  | Electronically recorded obligations - operating                      | 16,742                                  | 16,421   |
| Finished products                                     | 26,885                                  | 33,854   | Accounts payable   | 183,800                                 | 182,654  |
| Work in progress                                      | 8,622                                   | 8,396  | Current portion of long-term borrowings                              | 10,000                                  | 13,926   |
| Productive material and supplies                      | 20,132                                  | 23,455   | Lease obligations  | 637                                     | 970  |
| Advance accounts                                      | 4,135                                   | 4,315  | Other accounts payable   | 16,685                                  | 9,109  |
| Prepaid expenses                                      | 3,061                                   | 3,061  | Accrued expenses   | 47,257                                  | 49,781   |
| Deferred tax assets                                   | 9,891                                   | 11,534   | Accrued income taxes   | 1,659                                   | 6,452  |
| Short-term loans                                      | 1,574                                   | 1,653  | Advances received  | 1,911                                   | 1,323  |
| Other accounts receivable                             | 8,635                                   | 10,884   | Deposits received  | 20,477                                  | 16,061   |
| Other   | 8,908                                   | 6,729  | Unearned revenue   | 144                                     | 298  |
| <b>NON-CURRENT ASSETS</b>                             | <b>644,480</b>                          | <b>608,613</b>   | Provisions for warranty costs  | 7,570                                   | 7,845  |
| <b>Property, plant and equipment</b>                  | <b>368,330</b>                          | <b>344,881</b>   | Accrued bonus costs  | 9,066                                   | 9,388  |
| Buildings   | 69,050                                  | 58,995   | Accrued directors' bonus costs                                       | 142                                     | 100  |
| Structures  | 10,046                                  | 7,370  | Notes payable related to facilities                                  | 21                                      | 32   |
| Machinery and equipment                               | 64,866                                  | 63,026   | <b>NON-CURRENT LIABILITIES</b>                                       | <b>160,021</b>                          | <b>170,575</b>   |
| Vehicles  | 702                                     | 742  | Long-term borrowings   | 59,675                                  | 69,675   |
| Tools, furniture and fixtures                         | 6,741                                   | 7,048  | Lease obligations  | 329                                     | 350  |
| Land  | 197,210                                 | 197,321  | Accrued retirement benefits  | 56,815                                  | 57,136   |
| Lease assets  | 894                                     | 1,573  | Provision for management board incentive plan trust                  | 161                                     | –  |
| Construction in progress                              | 18,818                                  | 8,803  | Asset retirement obligations   | 380                                     | 240  |
| <b>Intangible assets</b>                              | <b>8,080</b>                            | <b>5,836</b>   | Deferred tax liabilities on revaluation reserve for land             | 41,266                                  | 41,266   |
| Software  | 7,885                                   | 5,769  | Guarantee deposits received  | 506                                     | 459  |
| Other   | 194                                     | 67   | Other  | 887                                     | 1,446  |
| <b>Investments and other assets</b>                   | <b>268,069</b>                          | <b>257,895</b>   | <b>TOTAL LIABILITIES</b>   | <b>480,932</b>                          | <b>490,588</b>   |
| Investment securities                                 | 67,062                                  | 56,102   | <b>NET ASSETS</b>  |   |  |
| Securities investment in subsidiaries and affiliates  | 140,170                                 | 138,632  | <b>SHAREHOLDERS' EQUITY</b>  | <b>441,225</b>                          | <b>380,557</b>   |
| Investments in capital                                | 878                                     | 869  | <b>Common stock</b>  | <b>40,644</b>                           | <b>40,644</b>  |
| Investments in capital of subsidiaries and affiliates | 46,458                                  | 45,197   | <b>Capital surplus</b>   | <b>49,855</b>                           | <b>49,855</b>  |
| Long-term loans                                       | 5,308                                   | 6,141  | Capital reserve  | 49,855                                  | 49,855   |
| Long-term prepaid expenses                            | 206                                     | 426  | <b>Retained earnings</b>   | <b>422,053</b>                          | <b>360,281</b>   |
| Deferred tax assets                                   | 10,101                                  | 13,521   | Other retained earnings  | 422,053                                 | 360,281  |
| Other   | 1,687                                   | 1,577  | Unappropriated retained earnings                                     | 422,053                                 | 360,281  |
| Allowance for doubtful accounts                       | (3,804)                                 | (3,806)  | <b>Treasury stock</b>  | <b>(71,328)</b>                         | <b>(70,223)</b>  |
| Allowance for loss in investments                     | –                                       | (767)  | <b>VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS AND OTHER</b> | <b>102,892</b>                          | <b>94,830</b>  |
|   |   |  | Unrealized holding gain or loss on securities                        | 18,731                                  | 11,096   |
|   |   |  | Unrealized gain or loss from hedging activities                      | 281                                     | 174  |
|   |   |  | Unrealized holding gain or loss on land revaluation                  | 83,880                                  | 83,560   |
| <b>TOTAL ASSETS</b>                                   | <b>1,025,050</b>                        | <b>965,977</b>   | <b>TOTAL NET ASSETS</b>  | <b>544,117</b>                          | <b>475,388</b>   |
|   |   |  | <b>TOTAL LIABILITIES &amp; NET ASSETS</b>                            | <b>1,025,050</b>                        | <b>965,977</b>   |

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

## Statement of Income

(millions of yen)

| ITEMS  | 115th Term<br>(From April 1,<br>2016 through<br>March 31, 2017) | [Reference]<br>114th Term<br>(From April 1,<br>2015 through<br>March 31, 2016) |
|--|---|--|
| <b>NET SALES</b>                                     | <b>1,065,886</b>  | <b>1,076,360</b>   |
| <b>COST OF SALES</b>                                 | <b>919,225</b>  | <b>914,721</b>   |
| <b>GROSS PROFIT</b>                                  | <b>146,661</b>  | <b>161,638</b>   |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>  | <b>96,391</b>   | <b>97,334</b>  |
| <b>OPERATING INCOME</b>                              | <b>50,269</b>   | <b>64,304</b>  |
| <b>NON-OPERATING INCOME</b>                          | <b>55,283</b>   | <b>48,567</b>  |
| Interest income                                      | 436   | 448  |
| Dividends income                                     | 53,187  | 47,277   |
| Other  | 1,659   | 841  |
| <b>NON-OPERATING EXPENSES</b>                        | <b>5,222</b>  | <b>4,247</b>   |
| Interest expense                                     | 1,056   | 575  |
| Litigation settlement                                | 259   | 844  |
| Foreign exchange losses                              | 1,554   | 797  |
| Currency option fee                                  | 561   | 465  |
| Compensation expenses                                | 765   | -  |
| Other  | 1,025   | 1,564  |
| <b>ORDINARY INCOME</b>                               | <b>100,330</b>  | <b>108,624</b>   |
| <b>EXTRAORDINARY GAINS</b>                           | <b>132</b>  | <b>1,391</b>   |
| Gain on sales of property, plant and equipment       | 84  | 1,371  |
| Gain on sales of subsidiaries and affiliates' stocks | 23  | 20   |
| Gain on sales of investment securities               | 25  | -  |
| <b>EXTRAORDINARY LOSSES</b>                          | <b>1,536</b>  | <b>2,460</b>   |
| Loss on disposal of property, plant and equipment    | 1,483   | 2,072  |
| Loss on impairment                                   | 52  | 383  |
| Other  | -   | 4  |
| <b>INCOME BEFORE INCOME TAXES</b>                    | <b>98,927</b>   | <b>107,554</b>   |
| INCOME TAXES (CURRENT)                               | 9,849   | 14,512   |
| INCOME TAXES (DEFERRED)                              | 1,768   | 1,137  |
| <b>NET INCOME</b>                                    | <b>87,310</b>   | <b>91,905</b>  |

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

Statement of Changes in Net Assets  
(From April 1, 2016 through March 31, 2017)

(millions of yen)

|   | SHAREHOLDERS' EQUITY |                 |                       |                                  |                         |                |                            |
|---|----------------------|-----------------|-----------------------|----------------------------------|-------------------------|----------------|----------------------------|
|   | Common stock         | Capital surplus |                       | Retained earnings                |                         | Treasury stock | Total shareholders' equity |
|   |                      | Capital reserve | Total capital surplus | Other retained earnings          | Total retained earnings |                |                            |
|   |                      |                 |                       | Unappropriated retained earnings |                         |                |                            |
| Balance at the 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                    |
| Change of the period  |                      |                 |                       |                                  |                         |                |                            |
| Cash dividends  |                      |                 |                       | (25,231)                         | (25,231)                |                | (25,231)                   |
| Net income  |                      |                 |                       | 87,310                           | 87,310                  |                | 87,310                     |
| Acquisition of treasury stock                                   |                      |                 |                       |                                  |                         | (1,104)        | (1,104)                    |
| Reversal of unrealized holding gain or loss on land revaluation |                      |                 |                       | (320)                            | (320)                   |                | (320)                      |
| Net changes on items other than shareholders' equity            |                      |                 |                       |                                  |                         |                |                            |
| Total change of the 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, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS AND OTHER |   |   |   | Total net assets |
|---|---|---|---|---|------------------|
|   | Unrealized holding gain or loss on securities                 | Unrealized gain or loss from hedging activities | Unrealized holding gain or loss on land revaluation | Total valuation, foreign currency translation adjustments and other |                  |
| Balance at the 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          |
| Change of the period  |   |   |   |   |                  |
| Cash dividends  |   |   |   |   | (25,231)         |
| Net income  |   |   |   |   | 87,310           |
| Acquisition of treasury stock                                   |   |   |   |   | (1,104)          |
| Reversal of unrealized holding gain or loss on land revaluation |   |   |   |   | (320)            |
| Net changes on items other than shareholders' equity            | 7,634   | 107   | 320   | 8,061   | 8,061            |
| Total change of the 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          |

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

(English Translation of Report of Independent Auditors on the Consolidated Financial Statements,  
Originally Issued in the Japanese Language)

## Report of Independent Auditors

May 22, 2017

The Board of Directors  
ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC

Hideki Nishida  
Certified Public Accountant  
Designated and Limited Liability Partner

Yoichi Tsukimoto  
Certified Public Accountant  
Designated and Limited Liability Partner

Yuichi Matsumoto  
Certified Public Accountant  
Designated and Limited Liability Partner

Pursuant to Section 4, Article 444 of the Corporation Law, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes on the consolidated financial statements of ISUZU MOTORS LIMITED (the "Company") applicable to the consolidated fiscal year from April 1, 2016 through March 31, 2017.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Independent Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making the risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the accounting principles and procedures adopted by management, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Isuzu Group, which consisted of the Company and consolidated subsidiaries, applicable to the consolidated fiscal year ended March 31, 2017 in conformity with accounting principles generally accepted in Japan.

#### Interest in the Company

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

(English Translation of Report of Independent Auditors on the Financial Statements, Originally Issued in the Japanese Language)

## Report of Independent Auditors

May 22, 2017

The Board of Directors  
ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC

Hideki Nishida  
Certified Public Accountant  
Designated and Limited Liability Partner

Yoichi Tsukimoto  
Certified Public Accountant  
Designated and Limited Liability Partner

Yuichi Matsumoto  
Certified Public Accountant  
Designated and Limited Liability Partner

Pursuant to Paragraph 1, Section 2, Article 436 of the Corporation Law, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes on the financial statements and the related supplementary schedules of ISUZU MOTORS LIMITED (the "Company") applicable to the 115th business term from April 1, 2016 through March 31, 2017.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan; this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

### Independent Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The audit procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making the risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the accounting principles and procedures adopted by management, and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Audit Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations applicable to the fiscal year ended March 31, 2017 in conformity with accounting principles generally accepted in Japan.

#### Interest in the Company

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

## **AUDIT REPORT**

In relation to the Directors' performance of their duties during the 115th business term from April 1, 2016 to March 31, 2017, the Audit & Supervisory Board prepared this Audit Report based on the audit report prepared by each Audit & Supervisory Board Member.

### **1. Auditing Procedures Adopted by the Audit & Supervisory Board Members and Audit & Supervisory Board and Details of Such Procedures**

- (1) The Audit & Supervisory Board established the audit policies and audit plan, and received reports from all the Audit & Supervisory Board Members regarding their auditing activities and the results thereof. In addition, we received reports from the Directors and the Independent Auditor regarding the execution of their duties, and when necessary, we requested their explanations.
- (2) In accordance with the auditing standards for Audit & Supervisory Board Members and the audit plan stipulated by the Audit & Supervisory Board, we communicated with the Directors, the internal auditing division, and other employees of the Company, endeavored to gather information and develop and maintain a proper environment for auditing, and conducted audits as follows:
  - i) We attended board and other important meetings, received reports from the Directors and employees regarding the performance of their duties, sought explanations as necessary, examined important documents related to important decisions, and examined the operations and assets at the Company's head office and major operational sites. We took steps to enhance communication and information exchange with the Directors and Audit & Supervisory Board Members of the subsidiaries, and when necessary, received reports from the subsidiaries on the status of their businesses.
  - ii) With regard to the contents of the resolution of the Board of Directors concerning the establishment of the systems, stipulated in Section 1 and Section 3, Article 100 of the Enforcement Regulations of the Corporation Law, and described in the Business Report as those essential to ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries including a system for ensuring that Directors execute their duties in compliance with the laws and the Articles of Incorporation, as well as the establishment and operations of those systems (the Internal Control System) set up based on the resolution thereof, we periodically received reports from the Directors and other employees of the Company, and when necessary, requested their explanations, and expressed our opinions. Regarding internal controls relating to financial reports, we received reports from the Directors and other parties, and from Ernst & Young ShinNihon LLC regarding how they evaluated and audited, and when necessary, we requested their explanations.
  - iii) We monitored and verified whether the Independent Auditor maintained its independence and audited appropriately, and we received reports from the Independent Auditor regarding the performance of its duties and sought explanations as necessary. The Audit & Supervisory Board Members also received notification from the Independent Auditor that they have taken steps to improve the "system for ensuring appropriate execution of their duties" (as stated in Article 131 of the Company Accounting Regulation Ordinance) in compliance with the "Quality Control Standards Relating to Auditing" (adopted by the Business Accounting Deliberation Council on October 28, 2005). When necessary, we sought explanations.
  - iv) Audit & Supervisory Board Member Yasuharu Nagashima had been absent from

Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and the Management Audit Meeting from May 2016 to March 2017 due to hospitalization, treatment, and recuperation from poor health. Nevertheless, during that time, he was provided with relevant materials and others as appropriate, received reports, and when necessary, requested explanations, and expressed his opinions in regard to the above series of matters both before and promptly after the relevant discussions.

Based on the above methods, we examined the business report and the related supplementary schedules, the financial statements (balance sheet, statement of income, statement of changes in net assets, and notes on financial statements) and the related supplementary schedules for this current business term, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes on the consolidated financial statements) for this consolidated fiscal year.

## **2. Audit Results**

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

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

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

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

### (3) Results of Audit of Consolidated Financial Statements

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

May 22, 2017

The Audit & Supervisory Board of ISUZU MOTORS LIMITED

Standing Audit & Supervisory Board Member  
Standing Audit & Supervisory Board Member  
Standing Audit & Supervisory Board Member  
Audit & Supervisory Board Member  
Audit & Supervisory Board Member

Chikao Mitsuzaki  
Fumihide Kumazawa  
Tetsuhiko Shindo  
Yasuharu Nagashima  
Tadashi Takahashi

NOTE: Standing Audit & Supervisory Board Member Tetsuhiko Shindo, Audit & Supervisory Board Member Yasuharu Nagashima, and Audit & Supervisory Board Member Tadashi Takahashi are outside members of the Audit & Supervisory Board as specified in Paragraph 16, Article 2, and Section 3, Article 335, of the Corporation Law.