

FY2018 Consolidated Financial Results (Japan GAAP)

(April 1, 2017 through March 31, 2018)

English Translation of the Original Japanese-Language Document



May 14, 2018

Company name : ISUZU MOTORS LIMITED
 Stock exchange on which the shares are listed : Tokyo Stock Exchange in Japan
 Code number : 7202
 URL : <http://www.isuzu.co.jp/world/investor/index.html>
 Representative : Masanori Katayama, President

Scheduled date for general meeting of shareholders : June 28, 2018
 Expected starting date for distribution of cash dividends : June 29, 2018
 Scheduled date for submission of financial statements : June 28, 2018
 The supplement materials of the quarterly financial results : Yes
 Holding of the quarterly financial results meeting : Yes

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

1. Consolidated Financial Highlights (April 1, 2017 through March 31, 2018)

<1> Consolidated Financial Results

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2018	2,070,359	6.0	166,765	13.9	173,616	14.2	105,663	12.6
FY2017	1,953,186	1.4	146,444	(14.6)	152,022	(18.6)	93,858	(18.2)

[Note] Comprehensive Income
 FY2018 150,096 millions of yen 41.2%
 FY2017 106,315 millions of yen 37.1%

	Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	yen	%	%	%
FY2018	134.17	12.2	8.8	8.1
FY2017	119.13	12.0	8.2	7.5

[Note] Equity Income from affiliated companies
 FY2018 6,619 millions of yen
 FY2017 5,592 millions of yen

<2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2018	2,067,520	1,086,510	44.5	1,167.68
FY2017	1,880,826	962,107	43.5	1,039.25

[Note] Total Amount of Shareholders' Equity
 FY2018 919,586 millions of yen
 FY2017 818,438 millions of yen

<3> Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	millions of yen	millions of yen	millions of yen	millions of yen
FY2018	176,804	(107,035)	(4,432)	329,949
FY2017	151,352	(87,393)	(55,368)	260,678

2. Cash Dividends

	Dividend per Share					Total Amount of Cash Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	The End of 1st Quarter	The End of 2nd Quarter	The End of 3rd Quarter	Year-End	Total			
FY2017	-	16.00	-	16.00	32.00	25,230	26.9	3.2
FY2018	-	16.00	-	17.00	33.00	26,019	24.6	3.0
FY2019 (Forecast)	-	18.00	-	18.00	36.00		25.8	

3. Consolidated Financial Forecast for FY2019 (April 1, 2018 through March 31, 2019)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2019	2,140,000	3.4	176,000	5.5	184,000	6.0	110,000	4.1	139.68

*Notes

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

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

<3> Number of shares issued (common stock)
 Number of shares issued and outstanding FY2018 848,422,669 Shares
 at the end of the term (inclusive of treasury stock) FY2017 848,422,669 Shares
 Number of treasury shares at the end of the term FY2018 60,889,462 Shares
 FY2017 60,894,345 Shares
 Average number of shares issued FY2018 787,532,301 Shares
 FY2017 787,846,743 Shares

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

(Reference) Non-consolidated Financial Results

Non-consolidated Financial Highlights (April 1, 2017 through March 31, 2018)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2018	1,081,384	1.5	46,544	(7.4)	71,745	(28.5)	58,476	(33.0)
FY2017	1,065,886	(1.0)	50,269	(21.8)	100,330	(7.6)	87,310	(5.0)

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2018	74.25	-
FY2017	110.81	-

<2> Non-consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	millions of yen	millions of yen	%	yen
FY2018	1,053,710	593,999	56.4	754.20
FY2017	1,025,050	544,117	53.1	690.87

Note: Total amount of shareholders' equity FY2018 593,999 millions of yen
 FY2017 544,117 millions of yen

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

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

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

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

For such assumptions and notes with respect to performance forecast,

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

②Forecast for FY2019 ending March 2019 "

•The Company has posted its financial results on its web site on Monday, May 14, 2018.

List of Contents of Attachments

1. Overview of Financial Results and Financial Position	4
(1) Overview of Financial Results.....	4
(2) Overview of Financial Position	4
(3) Basic Policy regarding Earnings Appropriation and Dividend for FY 2018 and FY2019	5
2. Basic Concept on Choice of Accounting Standards.....	5
3. Consolidated Financial Statements.....	6
(1) Consolidated Balance Sheets.....	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
(Consolidated Statements of Income)	8
(Consolidated Statements of Comprehensive Income)	9
(3) Consolidated Statements of Changes in Net Assets	10
(4) Consolidated Statements of Cash Flows.....	12
(5) Notes on Consolidated Financial Statements	13
(Notes on Premise of A Going Concern).....	13
(Changes in Accounting Policies).....	13
(Segment Information).....	13
(Per Share Information)	13
(Significant Subsequent Events)	13
4. Non-consolidated Financial Statements.....	14
(1) Non-consolidated Balance Sheets.....	14
(2) Non-consolidated Statements of Income	16
(3) Non-consolidated Statements of Changes in Net Assets.....	17
5. Other	19
(1) Appointment and Retirement of Directors	19
(2) Other.....	20

1. Overview of Financial Results and Financial Position

(1) Overview of Financial Results

① Financial Results for FY2018 ended March 2018

In the current fiscal year, vehicle unit sales in Japan fell by 8,079 units (10.1%) compared with the previous fiscal year to 72,262 units.

Overseas vehicle unit sales rose by 3,652 units (0.9%) over the previous fiscal year to 429,630 units as pickup trucks sold well in Thailand and emerging markets showed a recovery trend.

As a result, consolidated total vehicle unit sales in Japan and abroad decreased by 4,427 units (0.9%) year-on-year to 501,892 units.

As regards sales amounts of products other than vehicles, sales of parts for overseas production increased by 13.5 billion yen (23.4%) compared with the previous fiscal year to 71.5 billion yen, engine and component sales jumped by 23.7 billion yen (22.9%) over the previous fiscal year to 127.0 billion yen, and other sales gained by 25.7 billion yen (6.7%) year-on-year to 408.9 billion yen thanks to growth in the vehicle life-cycle management business such as after-sales services.

Consequently, net sales grew by 117.1 billion yen (6.0%) compared with the previous fiscal year to 2,070.3 billion yen, which comprised 786.9 billion yen for Japan, down 0.2% over the previous fiscal year, and 1,283.4 billion yen for the rest of the world, up 10.2% year-on-year, owing to the increases in the pickup truck sales in Thailand and the engine and component sales, as well as thanks to the expansion in the vehicle life-cycle management business.

On the profit and loss front, the afore-mentioned sales growth effect and efforts to reduce and control costs and expenses, combined with favorable movements in foreign exchange rates, all raised operating income by 13.9% compared with the previous fiscal year to 166.7 billion yen and ordinary income by 14.2% over the previous fiscal year to 173.6 billion yen. Net income attributable to owners of the parent climbed by 12.6% year-on-year to 105.6 billion yen.

② Forecast for FY2019 ending March 2019

In FY2019 ending in March 2019, the Company expects net sales to rise, forecasting a sales increase boosted by recovery in emerging economies and a growth in the industrial engine business, though predicting only a slight increase in vehicle unit sales in Japan.

The Company seeks a profit increase by more than offsetting unfavorable turns in the foreign exchange environment and increases in raw material prices by net sales expansion and extensive cost-cutting efforts.

The Company forecasts the consolidated business results for the year ending March 31, 2019 as follows:

Net sales	2,140.0 billion yen
Operating income	176.0 billion yen
Ordinary income	184.0 billion yen
Net income attributable to owners of the parent	110.0 billion yen

*This forecast for FY2019 consolidated fiscal year is considered reasonable by the Company based on information available today. Hence, this forecast is subject to uncertainty arising from a possible change to world economic and/or market conditions and exchange rates as well as other risk factors.

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

(2) Overview of Financial Position

① Assets, Liabilities and Net Assets

Total assets as of the end of the current fiscal year rose by 186.6 billion yen from March 31, 2017 to 2,067.5 billion yen.

This is primarily because of gains in cash and deposits of 71.5 billion yen, investment securities of 27.4 billion yen, property, plant and equipment of 24.2 billion yen, notes and accounts receivable-trade of 22.8 billion yen, inventories of 20.1 billion yen, and lease receivables and investment assets of 15.8 billion yen.

Liabilities grew by 62.2 billion yen from March 31, 2017 to 981.0 billion yen. This is mainly due to increases in interest-bearing liabilities of 32.3 billion yen and notes and accounts payable-trade of 17.6 billion yen.

Net assets climbed by 124.4 billion yen from March 31, 2017 to 1,086.5 billion yen. This is chiefly because of increases in net income attributable to owners of the parent of 105.6 billion yen, non-controlling interests of 23.2 billion yen, valuation difference on available-for-sale securities of 16.5 billion yen, and foreign currency translation adjustment of 2.1 billion yen, partially offset by a decrease in retained earnings of 25.2 billion yen as a result of

dividend payments.

The capital adequacy ratio stood at 44.5%, compared with 43.5% as of March 31, 2017.
Interest-bearing liabilities increased by 32.3 billion yen from March 31, 2017 to 279.6 billion yen.

② Cash flows Data

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the current fiscal year rose by 69.2 billion yen from March 31, 2017 to 329.9 billion yen; more specifically, out of the funds from operating activities of 176.8 billion yen, 107.0 billion yen was used for investing activities and 4.4 billion yen for financing activities.

Free cash flows, calculated by deducting investing cash flows from operating cash flows, recorded an inflow of funds of 69.7 billion yen, up 9.1% from March 31, 2017.

[Cash Flow from Operating Activities]

Funds provided by operating activities amounted to 176.8 billion yen, up 16.8% from March 31, 2017. This is mainly owing to inflows of funds of 176.0 billion yen and 66.3 billion yen recorded for profit before income taxes and depreciation, respectively, partially offset by outflows of funds due to increases in notes and accounts receivable-trade of 12.8 billion yen, inventories of 5.1 billion yen, and lease receivables and investment assets of 15.6 billion yen, as well as due to income taxes paid of 41.6 billion yen.

[Cash flow from Investing Activities]

Funds used in investing activities reached 107.0 billion yen, up 22.5% from March 31, 2017. This is primarily attributable to purchase of noncurrent assets of 99.4 billion yen.

[Cash flow from Financing Activities]

Funds used in financing activities stood at 4.4 billion yen, down 92.0% from March 31, 2017. This is mostly because of outflows of funds of 25.0 billion yen for repayments of long-term loans payable, 25.1 billion yen for cash dividends paid, and 13.1 billion yen for dividends paid to non-controlling interests, partially offset by inflows of funds of 14.7 billion yen for net increase in short-term loans payable and 42.0 billion yen for proceeds from long-term loans payable.

(3) Basic Policy regarding Earnings Appropriation and Dividend for FY2018 and FY2019

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

The Company plans to submit a proposal to its ordinary general meeting of shareholders that it will pay a year-end dividend of 17 yen per share. In the next term, it plans to pay an interim dividend of 18 yen per share and a year-end dividend of 18 yen per share.

2. Basic Concept on Choice of Accounting Standards

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

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

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2017	As of March 31, 2018
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	275,234	346,818
Notes and accounts receivable-trade	256,582	279,401
Lease receivables and lease investment assets	87,379	103,223
Merchandise and finished goods	178,827	186,267
Work in process	19,754	29,639
Raw materials and supplies	57,391	60,173
Deferred tax assets	30,290	32,176
Other	52,755	58,942
Allowance for doubtful accounts	(811)	(1,472)
Total Current Assets	957,404	1,095,170
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures, net	157,677	175,535
Machinery, equipment and vehicles, net	158,034	159,264
Land	277,230	279,756
Leased assets, net	8,596	8,082
Vehicles on operating leases, net	30,621	41,967
Construction in progress	34,025	24,891
Other, net	15,397	16,356
Total Property, Plant and Equipment	681,582	705,854
Intangible assets		
Goodwill	2,643	10,093
Other	16,997	16,618
Total Intangible Assets	19,640	26,711
Investments and other assets		
Investment securities	151,178	178,628
Long-term loans receivable	1,502	1,479
Net defined benefit asset	840	1,479
Deferred tax assets	31,169	22,291
Other	38,737	37,194
Allowance for doubtful accounts	(1,229)	(1,289)
Total Investments and Other Assets	222,198	239,783
Total Non-Current Assets	923,421	972,349
TOTAL ASSETS	1,880,826	2,067,520

(millions of yen)

	As of March 31, 2017	As of March 31, 2018
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable-trade	329,094	350,555
Electronically recorded obligations - operating	33,218	29,439
Short-term loans payable	40,670	73,955
Lease obligations	2,812	3,187
Income taxes payable	14,397	24,539
Accrued expenses	48,196	52,730
Provision for bonuses	18,253	20,481
Provision for directors' bonuses	142	178
Provision for product warranties	7,570	6,333
Deposits received	3,554	3,464
Other	58,427	54,770
Total Current Liabilities	556,336	619,636
NON-CURRENT LIABILITIES		
Long-term loans payable	197,953	196,777
Lease obligations	5,864	5,689
Deferred tax liabilities	2,187	2,468
Deferred tax liabilities for land revaluation	42,135	42,135
Provision for automobile maintenance costs	3,046	4,776
Provision for management board incentive plan trust	161	364
Net defined benefit liability	99,208	97,947
Long-term deposits received	1,524	1,426
Other	10,301	9,787
Total Non-Current Liabilities	362,382	361,373
TOTAL LIABILITIES	918,719	981,009
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus	42,081	42,127
Retained earnings	704,664	785,096
Treasury shares	(71,364)	(71,362)
Total Shareholders' Equity	716,026	796,506
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	19,951	36,545
Deferred gains or losses on hedges	281	662
Revaluation reserve for land	83,880	83,880
Foreign currency translation adjustment	8,080	10,267
Remeasurements of defined benefit plans	(9,782)	(8,276)
Total Accumulated Other Comprehensive Income	102,411	123,079
NON-CONTROLLING INTERESTS	143,669	166,923
TOTAL NET ASSETS	962,107	1,086,510
TOTAL LIABILITIES AND NET ASSETS	1,880,826	2,067,520

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

Consolidated Statements of Income

(millions of yen)

	FY2017 Fiscal year ending March 31, 2017	FY2018 Fiscal year ending March 31, 2018
Net sales	1,953,186	2,070,359
Cost of sales	1,623,948	1,700,726
GROSS PROFIT	329,238	369,632
Selling, general and administrative expenses		
Haulage expenses	24,398	30,219
Promotion expenses	19,000	18,666
Advertising expenses	5,195	5,623
Unpaid repair expenses	6,351	18,256
Provision for product warranties	4,465	3,620
Salaries and allowances	67,745	67,536
Provision for bonuses	11,613	12,260
Provision for directors' bonuses	142	178
Provision for management board incentive plan trust	161	243
Retirement benefit expenses	4,377	3,777
Depreciation	8,818	9,439
Other	30,524	33,046
Total Selling, general and administrative expenses	182,793	202,867
OPERATING PROFIT	146,444	166,765
Non-operating income		
Interest income	2,535	2,829
Dividend income	2,032	2,922
Share of profit of entities accounted for using equity method	5,592	6,619
Rent income	222	169
Other	3,937	3,283
Total non-operating income	14,320	15,824
Non-operating expenses		
Interest expenses	2,384	1,892
Foreign exchange losses	767	1,036
Litigation settlement	247	107
Compensation expenses	1,428	1,304
Other	3,914	4,632
Total non-operating expenses	8,742	8,973
ORDINARY PROFIT	152,022	173,616
Extraordinary income		
Gain on sales of non-current assets	265	386
Gain on sales of investment securities	30	125
Gain on bargain purchase	43	-
Gain on step acquisitions	-	4,076
Other	2	-
Total extraordinary income	341	4,588
Extraordinary losses		
Loss on disposal of non-current assets	2,138	1,624
Loss on sales of investment securities	34	-
Impairment loss	1,253	404
Other	16	81
Total extraordinary losses	3,441	2,110
Profit before income taxes	148,921	176,095
Income taxes-current	40,393	49,453
Income taxes-deferred	301	(398)
Total Income taxes	40,694	49,054
Profit	108,227	127,040
Profit attributable to non-controlling interests	14,368	21,376
Profit attributable to owners of parent	93,858	105,663

Consolidated Statements of Comprehensive Income

(millions of yen)

	FY2017 Fiscal year ending March 31, 2017	FY2018 Fiscal year ending March 31, 2018
Profit	108,227	127,040
Other comprehensive income		
Valuation difference on available-for-sale securities	7,948	16,631
Deferred gains or losses on hedges	107	381
Revaluation reserve for land	320	-
Foreign currency translation adjustment	(5,951)	3,589
Remeasurements of defined benefit plans, net of tax	2,336	1,473
Share of other comprehensive income of entities accounted for using equity method	(6,673)	980
Total other comprehensive income	(1,911)	23,056
Comprehensive income	106,315	150,096
Comprehensive income attributable to		
owners of the parent	93,245	126,331
non-controlling interests	13,070	23,765

(3) Consolidated Statements of Changes in Net Assets

FY2017 (Fiscal year ending March 31, 2017)

(millions of yen)

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

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

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	40,644	42,081	704,664	(71,364)	716,026
Changes of items during period					
Dividends of surplus			(25,230)		(25,230)
Profit attributable to owners of parent			105,663		105,663
Purchase of treasury shares				(15)	(15)
Disposal of treasury shares				18	18
Purchase of shares of consolidated subsidiaries		46			46
Net changes of items other than shareholders' equity					
Total changes of items during period	-	46	80,432	2	80,480
Balance at end of current period	40,644	42,127	785,096	(71,362)	796,506

	Accumulated other comprehensive income						Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	19,951	281	83,880	8,080	(9,782)	102,411	143,669	962,107
Changes of items during period								
Dividends of surplus								(25,230)
Profit attributable to owners of parent								105,663
Purchase of treasury shares								(15)
Disposal of treasury shares								18
Purchase of shares of consolidated subsidiaries								46
Net changes of items other than shareholders' equity	16,594	381	-	2,186	1,505	20,667	23,254	43,922
Total changes of items during period	16,594	381	-	2,186	1,505	20,667	23,254	124,402
Balance at the end of current period	36,545	662	83,880	10,267	(8,276)	123,079	166,923	1,086,510

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY2017 Fiscal year ending March 31, 2017	FY2018 Fiscal year ending March 31, 2018
Cash flows from operating activities		
Profit before income taxes	148,921	176,095
Depreciation	63,198	66,316
Share of (profit) loss of entities accounted for using equity method	(5,592)	(6,619)
Increase (decrease) in provision for product warranties	(173)	(1,434)
Increase (decrease) in provision for bonuses	(236)	2,210
Increase (decrease) in provision for directors' bonuses	41	36
Amortization of goodwill	848	2,568
Increase (decrease) in allowance for doubtful accounts	(829)	311
Increase (decrease) in provision for automobile maintenance costs	1,378	1,729
Increase (decrease) in provision for management board incentive plan trust	161	203
Increase (decrease) in net defined benefit liability	(1,348)	(783)
Interest and dividends income	(4,568)	(5,751)
Interest expenses	2,384	1,892
Loss (gain) on sales of noncurrent assets	(265)	(386)
Loss (gain) on disposal of noncurrent assets	2,138	1,624
Loss (gain) on sales of investment securities	4	(125)
Impairment loss	1,253	404
Other extraordinary loss (income)	(27)	(3,994)
Decrease (increase) in notes and accounts receivable-trade	(5,729)	(12,857)
Net decrease (increase) in lease receivables and investment assets	(22,650)	(15,666)
Decrease (increase) in inventories	(7,719)	(5,168)
Decrease (increase) in other current assets	(3,650)	(3,444)
Increase (decrease) in notes and accounts payable-trade	9,423	6,730
Increase (decrease) in accrued expenses	970	4,372
Increase (decrease) in deposits received	383	(462)
Increase (decrease) in other liabilities	12,522	2,266
Other, net	2,077	573
(Subtotal)	192,915	210,637
Interest and dividends income received	8,082	9,743
Interest expenses paid	(2,437)	(1,905)
Income taxes paid	(47,207)	(41,671)
Net cash provided by (used in) operating activities	151,352	176,804
Cash flows from investing activities		
Purchase of investment securities	(84)	(807)
Proceeds from sales of investment securities	41	226
Proceeds from capital reduction of investment securities	810	-
Purchase of noncurrent assets	(101,649)	(99,437)
Proceeds from sales of noncurrent assets	1,960	3,044
Payments of long-term loans receivable	(311)	(279)
Collection of long-term loans receivable	255	289
Net decrease (increase) in short-term loans receivable	(130)	52
Net decrease (increase) in time deposits	13,201	(2,141)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	589	284
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(8,329)
Other, net	(2,076)	61
Net cash provided by (used in) investing activities	(87,393)	(107,035)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(13,950)	14,701
Proceeds from long-term loans payable	47,000	42,000
Repayments of long-term loans payable	(42,908)	(25,071)
Proceeds from share issuance to non-controlling shareholders	1,891	6,597
Repayments of lease obligations	(3,130)	(2,843)
Purchase of treasury shares	(1,104)	(14)
Cash dividends paid	(25,234)	(25,195)
Dividends paid to non-controlling interests	(17,930)	(13,135)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(1,470)
Net cash provided by (used in) financing activities	(55,368)	(4,432)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(7,379)	3,932
Net Increase (Decrease) in Cash and Cash Equivalents	1,212	69,270
Cash and Cash Equivalents at Beginning of Period	259,276	260,678
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	190	-
Cash and Cash Equivalents at End of Period	260,678	329,949

(5) Notes on Consolidated Financial Statements

[Notes on Premise of A Going Concern]

None

[Changes in Accounting Policies]

None

[Segment Information]

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

[Per Share Information]

FY2017		FY2018	
Net assets per share (yen)	1,039.25	Net assets per share (yen)	1,167.68
Net income per share (yen)	119.13	Net income per share (yen)	134.17

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

	FY2017	FY2018
Net income (millions of yen)	93,858	105,663
Amount not attributable to common shareholders (millions of yen)	-	-
Net income associated with common shares (millions of yen)	93,858	105,663
Average number of shares (shares)	787,846,743	787,532,301

[Significant Subsequent Events]

None

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2017	As of March 31, 2018
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	79,039	83,082
Accounts receivable-trade	209,683	190,583
Finished goods	26,885	29,222
Work in process	8,622	8,622
Raw materials and supplies	20,132	18,973
Advance payments-trade	4,135	3,956
Prepaid expenses	3,061	2,778
Deferred tax assets	9,891	11,574
Short-term loans receivable	1,574	941
Accounts receivable-other	8,635	8,645
Other	8,908	11,446
Total Current Assets	380,569	369,828
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings	69,050	80,903
Structures	10,046	10,518
Machinery and equipment	64,866	70,566
Vehicles	702	794
Tools, furniture and fixtures	6,741	7,497
Land	197,210	197,210
Leased assets	894	1,015
Construction in progress	18,818	9,774
Total Property, Plant and Equipment	368,330	378,280
Intangible assets		
Software	7,885	7,981
Other	194	160
Total intangible assets	8,080	8,141
Investments and other assets		
Investment securities	67,062	91,515
Shares of subsidiaries and associates	140,170	151,641
Investments in capital	878	241
Investments in capital of subsidiaries and associates	46,458	46,457
Long-term loans receivable	5,308	4,482
Long-term prepaid expenses	206	124
Deferred tax assets	10,101	2,853
Other	1,687	4,344
Allowance for doubtful accounts	(3,804)	(4,199)
Total Investments and Other Assets	268,069	297,459
Total Non-Current Assets	644,480	683,881
TOTAL ASSETS	1,025,050	1,053,710

(millions of yen)

	As of March 31, 2017	As of March 31, 2018
[LIABILITIES]		
CURRENT LIABILITIES		
Notes payable-trade	4,795	1,141
Electronically recorded obligations - operating	16,742	9,524
Accounts payable-trade	183,800	181,451
Current portion of long-term loans payable	10,000	10,000
Lease obligations	637	815
Accounts payable-other	16,685	13,036
Accrued expenses	47,257	45,202
Income taxes payable	1,659	7,007
Advances received	1,911	2,287
Deposits received	20,477	22,125
Unearned revenue	144	303
Provision for product warranties	7,570	6,333
Provision for bonuses	9,066	10,227
Provision for directors' bonus	142	178
Notes payable-facilities	21	-
Total Current Liabilities	320,910	309,633
NON-CURRENT LIABILITIES		
Long-term loans payable	59,675	49,675
Lease obligations	329	284
Provision for retirement benefits	56,815	56,326
Provision for management board incentive plan trust	161	364
Asset retirement obligations	380	226
Deferred tax liabilities for land revaluation	41,266	41,266
Guarantee deposits	506	551
Other	887	1,384
Total Non-Current Liabilities	160,021	150,077
TOTAL LIABILITIES	480,932	459,711
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus		
Legal capital surplus	49,855	49,855
Total capital surpluses	49,855	49,855
Retained earnings		
Other retained earnings		
Retained earnings brought forward	422,053	455,299
Total retained earnings	422,053	455,299
Treasury shares	(71,328)	(71,325)
Total Shareholders' Equity	441,225	474,473
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	18,731	34,982
Deferred gains or losses on hedges	281	662
Revaluation reserve for land	83,880	83,880
Total valuation and translation adjustments	102,892	119,525
TOTAL NET ASSETS	544,117	593,999
TOTAL LIABILITIES AND NET ASSETS	1,025,050	1,053,710

(2) Non-Consolidated Statements of Income

(millions of yen)

	FY2017 Fiscal year ending March 31, 2017	FY2018 Fiscal year ending March 31, 2018
Net sales	1,065,886	1,081,384
Cost of sales	919,225	931,700
Gross profit	146,661	149,684
Selling, general and administrative expenses	96,391	103,139
Operating profit	50,269	46,544
Non-operating income		
Interest income	436	415
Dividend income	53,187	29,347
Other	1,659	458
Total non-operating income	55,283	30,221
Non-operating expenses		
Interest expenses	1,056	965
Litigation settlement	259	107
Foreign exchange losses	1,554	1,505
Currency option cost	561	608
Compensation expenses	765	176
Other	1,025	1,656
Total non-operating expenses	5,222	5,020
Ordinary profit	100,330	71,745
Extraordinary income		
Gain on sales of non-current assets	84	0
Gain on sales of shares of subsidiaries and associates	23	-
Gain on sales of investment securities	25	74
Total extraordinary income	132	75
Extraordinary losses		
Loss on disposal of non-current assets	1,483	774
Impairment loss	52	76
Loss on valuation of shares of subsidiaries and associates	-	601
Provision of allowance for doubtful accounts for subsidiaries and associates	-	412
Other	-	81
Total extraordinary losses	1,536	1,945
Profit before income taxes	98,927	69,875
Income taxes-current	9,849	13,156
Income taxes-deferred	1,768	(1,756)
Total Income taxes	11,617	11,399
Profit	87,310	58,476

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

FY2017 (Fiscal year ending March 31, 2017)

(millions of yen)

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

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

	Shareholders' Equity						
	Capital stock	Capital surplus		Retained Earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surpluses	Other retained earnings	Total retained earnings		
Balance at beginning of current period	40,644	49,855	49,855	422,053	422,053	(71,328)	441,225
Changes of items during period							
Dividends of surplus				(25,230)	(25,230)		(25,230)
Profit				58,476	58,476		58,476
Purchase of treasury shares						(14)	(14)
Disposal of treasury shares						18	18
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	33,245	33,245	3	33,248
Balance at the end of current period	40,644	49,855	49,855	455,299	455,299	(71,325)	474,473

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	18,731	281	83,880	102,892	544,117
Changes of items during period					
Dividends of surplus					(25,230)
Profit					58,476
Purchase of treasury shares					(14)
Disposal of treasury shares					18
Net changes of items other than shareholders' equity	16,251	381	-	16,632	16,632
Total changes of items during period	16,251	381	-	16,632	49,881
Balance at the end of current period	34,982	662	83,880	119,525	593,999

5. Other

(1) Appointment and Retirement of Directors

1) Representative Director:

There is no change in standing representative director

2) Appointments and Retirements of Other Directors

① Candidate for new director:

Shigeji Sugimoto, Director (currently Senior Executive Officer, and Division Executive of Administration Division)

Shinsuke Minami, Director (currently Senior Executive Officer, and Division Executive of Sales Division of Sales Headquarters)

Mitsuyoshi Shibata, Director (currently Chairman of the Board at Furukawa Electric Co., Ltd.)

② Candidate for new standing corporate auditor:

Masayuki Fujimori, Auditor (currently Director at IJT Technology Holdings Co., Ltd.)

③ Director scheduled to retire:

Takao Shiomi, Director

Yukio Narimatsu, Director (Yukio Narimatsu has been Chairman and Representative Director at Isuzu Motors Sales Ltd. since April 1, 2018)

Jun Motoki, Director (Jun Motoki has been Executive Vice President and Representative Director at Isuzu Advanced Engineering Center LTD. since April 1, 2018)

Kazuhiro Mori, Director

④ Standing Corporate Auditor scheduled to retire:

Fumihide Kumazawa, Auditor

3) The above appointments and retirements will become effective on June 28, 2018.

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

<Sales Results by Region>

		FY2017 (Fiscal year ending March 31, 2017)		FY2018 (Fiscal year ending March 31, 2018)		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	35,191	316,095	30,571	283,505	(4,620)	(32,589)
	Overseas	37,144	177,266	39,766	214,667	2,622	37,400
HD/MD vehicles		72,335	493,361	70,337	498,173	(1,998)	4,811
	Japan	45,150	149,626	41,691	140,560	(3,459)	(9,066)
	Overseas	388,834	765,615	389,864	824,055	1,030	58,439
LD vehicles, etc		433,984	915,242	431,555	964,616	(2,429)	49,373
	Japan	80,341	465,721	72,262	424,066	(8,079)	(41,655)
	Overseas	425,978	942,882	429,630	1,038,722	3,652	95,840
Total vehicles		506,319	1,408,603	501,892	1,462,789	(4,427)	54,185
	Overseas	-	58,043	-	71,599	-	13,555
Parts for overseas production		-	58,043	-	71,599	-	13,555
	Japan	-	56,989	-	68,679	-	11,690
	Overseas	-	46,322	-	58,334	-	12,011
Engines / Components		-	103,312	-	127,014	-	23,702
	Japan	-	265,729	-	294,164	-	28,434
	Overseas	-	117,497	-	114,792	-	(2,704)
Other		-	383,227	-	408,957	-	25,730
	Japan	-	788,440	-	786,911	-	(1,529)
	Overseas	-	1,164,745	-	1,283,448	-	118,702
Sales amount		-	1,953,186	-	2,070,359	-	117,173

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

② Overseas Sales

FY2017 (April 1, 2016 through March 31, 2017)

(millions of yen)

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

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

FY2018 (April 1, 2017 through March 31, 2018)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	143,102	640,356	499,989	1,283,448
2 Consolidated sales	-	-	-	2,070,359
3 Overseas sales per Consolidated sales	% 6.9	% 30.9	% 24.1	% 62.0

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

③ Sales Condition (Non-Consolidated)

(1) Sales Vehicles

(Units)

	FY2017			FY2018			Change		
	(Fiscal year ending March 31, 2017)			(Fiscal year ending March 31, 2018)					
	Japan	Export	Total	Japan	Export	Total	Japan	Export	Total
HD/MD Vehicles Truck and Bus	37,040	26,549	63,589	34,171	26,746	60,917	(2,869)	197	(2,672)
LD Vehicles Truck and Bus	47,866	130,580	178,446	45,931	122,686	168,617	(1,935)	(7,894)	(9,829)
Total Vehicles	84,906	157,129	242,035	80,102	149,432	229,534	(4,804)	(7,697)	(12,501)

(2) Sales Amount

(millions of yen)

	FY2017			FY2018			Change		
	(Fiscal year ending March 31, 2017)			(Fiscal year ending March 31, 2018)					
	Japan	Export	Total	Japan	Export	Total	Japan	Export	Total
HD/MD Vehicles Truck and Bus	271,106	108,589	379,696	254,146	114,970	369,117	(16,959)	6,381	(10,578)
LD Vehicles Truck and Bus	125,235	227,827	353,063	121,054	220,691	341,746	(4,180)	(7,136)	(11,316)
Total Vehicles	396,341	336,417	732,759	375,201	335,662	710,863	(21,139)	(755)	(21,895)
Parts for overseas production	-	42,378	42,378	-	49,129	49,129	-	6,750	6,750
Engines/Components/ Parts etc	132,754	157,994	290,748	145,504	175,886	321,390	12,750	17,891	30,642
Total	529,095	536,790	1,065,886	520,706	560,677	1,081,384	(8,389)	23,887	15,497