

# FY2013 First Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2012 through June 30, 2012)

English Translation of the Original Japanese-Language Document



August 3, 2012

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>  
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 Scheduled date for submission of quarterly financial statements : August 9, 2012  
 Expected starting date for distribution of cash dividends : -  
 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, 2012 through June 30, 2012)

### <1> Consolidated Financial Results

(% indicates increase/decrease from previous 1st quarter.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2013 1st Quarter	391,715	37.7	28,113	95.6	28,946	101.6	21,624	147.3
FY2012 1st Quarter	284,393	(22.4)	14,371	(39.7)	14,359	(37.9)	8,744	(29.6)

[Note] Comprehensive Income  
 FY2013 1st Quarter 20,429 millions of yen 112.4%  
 FY2012 1st Quarter 9,618 millions of yen 4.8%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2013 1st Quarter	12.76	-
FY2012 1st Quarter	5.16	-

### <2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	millions of yen	millions of yen	%
FY2013 1st Quarter	1,229,540	494,456	35.0
FY2012	1,213,402	479,644	34.2

[Note] Total Amount of Shareholders' Equity  
 FY2013 1st Quarter 430,658 millions of yen  
 FY2012 415,488 millions of yen

## 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2012	-	3.00	-	3.00	6.00
FY2013	-	-	-	-	-
FY2013 (Forecast)	-	4.00	-	4.00	8.00

[Note] Revision to the projected dividend for FY2013: None

## 3. Consolidated Financial Forecast for FY2013 (April 1, 2012 through March 31, 2013)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
2nd Quarter	790,000	20.0	50,000	14.1	52,000	15.2	35,000	3.8	20.66
Year-End	1,630,000	16.4	123,000	26.3	127,000	23.4	81,000	(11.2)	47.81

[Note] Revision to Consolidated Financial Forecast for FY2013: None

#### 4. Notes

<1> Changes in significant subsidiaries during this period : None

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Adoption of specific accounting methods for presenting quarterly consolidated financial statements : Adopted

(Note) This item indicates whether there was adoption of specific accounting methods for presenting quarterly consolidated financial statements.

<3> Changes in accounting policies, accounting estimates and retrospective restatement

Changes in accounting policies due to revisions of accounting standards	: Yes
Changes in accounting policies due to factors other than revisions of accounting standards	: None
Changes in accounting estimates	: Yes
Retrospective restatement	: None

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2013 1st Quarter	1,696,845,339	Shares
at the end of the term (inclusive of treasury stock)	FY2012	1,696,845,339	Shares
Number of treasury stock at the end of the term	FY2013 1st Quarter	2,522,879	Shares
	FY2012	2,512,857	Shares
Average number of stocks issued	FY2013 1st Quarter	1,694,328,158	Shares
	FY2012 1st Quarter	1,694,385,968	Shares

※Information regarding the implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act. At the date of the announcement, quarterly financial results review procedures based on the Financial Instruments and Exchange Act have not been completed.

※Explanation on the usage of the financial performance forecasts and others

<1> The financial performance forecasts are calculated based on the information available and assumptions at the date of the announcement on uncertain factors that may give an impact to the financial results. There are possibilities that the actual financial results may differ largely due to a variation of factors.

<2> The supplement materials will be released on August 3, 2012.

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## **1. Qualitative Information concerning Consolidated Financial Results for FY2013 First Quarter**

### **(1) Qualitative Information on Consolidated Operating Results**

Although the pace of the global economic recovery slowed during the first quarter of the fiscal year ended on March 31, 2013 (the current first quarter), newly emerging economies, especially in the ASEAN region, continued to grow. The Japanese economy, although still in a difficult situation, has gradually started to recover, stimulated by a rise in demand related to the recovery efforts in areas hit by the Great East Japan Earthquake. Under these circumstances, our Group has endeavored to boost sales, enhance efficiency and improve our cost structure.

Owing to demand spurred by the above-mentioned reconstruction efforts and subsidies for environmentally-friendly automobiles (eco-car subsidy), total domestic sales of vehicles in Japan in the current first quarter increased by 5,393 units (65.8%) to 13,593 units, compared with the same period last year. The favorable market response to a full model change in October 2011 for the 1-ton pickup D-MAX in Thailand, as well as the continued growth of emerging economies, pushed overseas vehicles sales to 108,495 units, an increase of 39,700 units (57.7%) from the same period last year. As a result, total domestic and international sales in the current first quarter amounted to 122,088 units, a year-on-year increase of 45,093 units (58.6%).

As for other products, sales of parts for overseas production totaled 19.4 billion yen, up 7.5 billion yen or 63.2% from the same period last year, while sales of engine components fell 16.7 billion yen or 38.7%, year on year, to 26.4 billion yen.

Consequently, net sales amounted to 391.7 billion yen, for a rise of 37.7% or 107.3 billion yen from the same period last year. This includes 131.0 billion yen of net sales in Japan (a gain of 34.6% year-on-year) and 260.6 billion yen in the rest of the world (a gain of 39.4% year-on-year).

Owing to sales growth and continued improvements in cost structure, operating income rose 95.6% to 28.1 billion yen and ordinary income, 101.6%, to 28.9 billion yen, year on year. Quarterly net income grew 147.3% year on year, amounting to 21.6 billion yen.

### **(2) Qualitative Information on Consolidated Financial Condition**

Total assets as of the end of the current fiscal first quarter rose 16.1 billion yen from March 31, 2012, amounting to 1,229.5 billion yen. This change was principally due to gains in cash and deposits (up 31.5 billion yen), inventories (up 9.9 billion yen), and deferred tax assets (up 8.2 billion yen), which were offset by drops in notes and accounts receivable-trade (down 30.0 billion yen) and investment securities (down 2.8 billion yen.)

Net assets increased 14.8 billion yen to 494.4 billion yen from March 31, 2012. More precisely, quarterly net income was 21.6 billion yen and the foreign currency translation adjustment increased 2.6 billion yen, while retained earnings fell 5.0 billion yen after dividend payments and valuation difference on available-for-sale securities dropped 4.3 billion yen.

The capital adequacy ratio was 35.0% compared with 34.2% as of March 31, 2012, while interest bearing liabilities decreased 5.5 billion yen to 197.5 billion yen in the same period.

### **(3) Qualitative Information on Consolidated Financial Forecast**

The Company has not revised its consolidated financial forecast for the fiscal second quarter and for the current fiscal year, which was announced on May 10, 2012.

\* This consolidated financial results forecast for the current fiscal year is considered reasonable by the Company based on information available today. At the same time, we recognize that world economic and market conditions, as well as exchange ratios and other risk factors may change. Actual financial results may differ considerably from this forecast. For the current fiscal year the above consolidated results forecast should therefore not be the sole basis for any investment decision.

## **2. Matters Concerning Summary Information**

### **(1) Changes in significant subsidiaries during this period:**

None

### **(2) Adoption of specific accounting methods for presenting quarterly consolidated financial statements:**

Income taxes were calculated by multiplying consolidated quarterly income before income taxes and minority interests by a rational estimate of the effective tax rate on consolidated income before income taxes and minority interests for the fiscal year including the quarterly period after adjustments for the application of tax-effect accounting.

### **(3) Changes in accounting policies, accounting estimates and retrospective restatement:**

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

From the first quarter of fiscal year ending March 2013, domestic consolidated subsidiaries have changed their method of depreciation for property, plant and equipment acquired on or after April 1, 2012, based on the revised corporate tax law.

Please note that the effects of these changes on the consolidated financial statements for the first quarter were not material.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(millions of yen)

	As of March 31, 2012	As of June 30, 2012
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	160,492	192,006
Notes and accounts receivable-trade	232,679	202,674
Merchandise and finished goods	93,142	108,437
Work in process	9,108	9,443
Raw materials and supplies	52,262	46,601
Deferred tax assets	22,227	27,476
Other	24,684	22,371
Allowance for doubtful accounts	(1,113)	(1,122)
<b>Total Current Assets</b>	<b>593,484</b>	<b>607,889</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	99,900	101,213
Machinery, equipment and vehicles, net	83,649	82,300
Land	263,141	263,811
Lease assets, net	7,458	7,224
Construction in progress	15,298	14,795
Other, net	6,693	6,578
<b>Total Property, Plant and Equipment</b>	<b>476,142</b>	<b>475,923</b>
<b>Intangible assets</b>		
Goodwill	1,273	1,126
Other	5,983	7,253
<b>Total Intangible Assets</b>	<b>7,256</b>	<b>8,379</b>
<b>Investments and other assets</b>		
Investment securities	103,736	100,873
Long-term loans receivable	3,586	3,705
Deferred tax assets	14,740	17,781
Other	19,453	20,005
Allowance for doubtful accounts	(4,999)	(5,016)
<b>Total Investments and Other Assets</b>	<b>136,518</b>	<b>137,348</b>
<b>Total Non-Current Assets</b>	<b>619,918</b>	<b>621,651</b>
<b>TOTAL ASSETS</b>	<b>1,213,402</b>	<b>1,229,540</b>

(millions of yen)

	As of March 31, 2012	As of June 30, 2012
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable-trade	313,398	304,622
Short-term loans payable	53,370	54,484
Current portion of bonds	20,000	20,000
Lease obligations	3,167	2,859
Income taxes payable	9,688	15,474
Accrued expenses	38,102	36,957
Provision for bonuses	13,318	19,549
Provision for product warranties	3,398	3,752
Deposits received	3,336	4,899
Other	23,235	24,974
<b>Total Current Liabilities</b>	<b>481,016</b>	<b>487,573</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term loans payable	121,019	114,686
Lease obligations	5,531	5,532
Deferred tax liabilities	2,309	2,804
Deferred tax liabilities for land revaluation	49,142	49,142
Provision for retirement benefits	66,266	66,627
Long-term deposits received	1,414	1,445
Other	7,057	7,271
<b>Total Non-Current Liabilities</b>	<b>252,742</b>	<b>247,510</b>
<b>TOTAL LIABILITIES</b>	<b>733,758</b>	<b>735,084</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	40,644	40,644
Capital surplus	50,427	50,427
Retained earnings	280,032	296,571
Treasury stock	(653)	(657)
<b>Total Shareholders' Equity</b>	<b>370,451</b>	<b>386,986</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	7,505	3,201
Deferred gains or losses on hedges	(216)	74
Revaluation reserve for land	79,114	79,114
Foreign currency translation adjustment	(41,366)	(38,719)
<b>Total Accumulated Other Comprehensive Income</b>	<b>45,037</b>	<b>43,671</b>
<b>MINORITY INTERESTS</b>	<b>64,155</b>	<b>63,798</b>
<b>TOTAL NET ASSETS</b>	<b>479,644</b>	<b>494,456</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,213,402</b>	<b>1,229,540</b>

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

## Consolidated Quarterly Statements of Income

(millions of yen)

	For the first three months ended	
	FY2012 1st Quarter June 30, 2011	FY2013 1st Quarter June 30, 2012
Net sales	284,393	391,715
Cost of sales	243,246	331,982
<b>GROSS PROFIT</b>	<b>41,147</b>	<b>59,732</b>
Selling, general and administrative expenses	26,775	31,619
<b>OPERATING INCOME</b>	<b>14,371</b>	<b>28,113</b>
<b>Non-operating income</b>		
Interest income	368	254
Dividends income	63	170
Amortization of negative goodwill	16	-
Equity in earnings of affiliates	1,064	1,929
Rent income	48	98
Other	483	450
<b>Total non-operating income</b>	<b>2,044</b>	<b>2,903</b>
<b>Non-operating expenses</b>		
Interest expenses	1,146	676
Foreign exchange losses	97	364
Litigation settlement	376	414
Other	436	615
<b>Total non-operating expenses</b>	<b>2,057</b>	<b>2,070</b>
<b>ORDINARY INCOME</b>	<b>14,359</b>	<b>28,946</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	9	15
Compensation income for expropriation	6	86
Other	7	16
<b>Total extraordinary income</b>	<b>23</b>	<b>119</b>
<b>Extraordinary loss</b>		
Loss on disposal of non-current assets	86	131
Loss on revaluation of investments	40	226
Loss on sales of investment securities	0	123
Loss on disaster	587	-
Other	14	13
<b>Total extraordinary losses</b>	<b>729</b>	<b>494</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>13,653</b>	<b>28,570</b>
Income taxes	3,498	4,410
Income before minority interests	10,155	24,159
Minority interests in income	1,410	2,535
<b>NET INCOME</b>	<b>8,744</b>	<b>21,624</b>

**Consolidated Quarterly Statements of Comprehensive Income**

(millions of yen)

For the first three months ended	FY2012 1st Quarter June 30, 2011	FY2013 1st Quarter June 30, 2012
<b>Income before minority interests</b>	10,155	24,159
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	263	(4,273)
Deferred gains or losses on hedges	51	291
Foreign currency translation adjustment	(2,386)	(2,551)
Share of other comprehensive income of associates accounted for using equity method	1,534	2,803
Total other comprehensive income	<u>(536)</u>	<u>(3,730)</u>
<b>Comprehensive income</b>	<u>9,618</u>	<u>20,429</u>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	9,689	20,258
Comprehensive income attributable to minority interests	(70)	171

**(3) Notes on premise of a going concern**

None

**(4) Segment information, etc.**

Segment information

The First Quarter of Fiscal Year 2012

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.

The First Quarter of Fiscal Year 2013

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.

**(5) Notes in the case of a significant change in shareholders' equity**

None

## 4. Supplementary Information

### (1) Sales Condition

<Sales Results by Region>

Consolidated sales results during the previous and current first quarter are shown below.

		FY2012 1st Quarter		FY2013 1st Quarter		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	2,607	19,927	5,276	43,557	2,669	23,630
	Overseas	6,767	31,531	13,079	58,700	6,312	27,169
Total HD/MD vehicles		9,374	51,459	18,355	102,258	8,981	50,799
	Japan	5,593	17,248	8,317	26,475	2,724	9,227
	Overseas	62,028	90,077	95,416	145,051	33,388	54,973
Total LD vehicles, etc		67,621	107,326	103,733	171,526	36,112	64,200
	Japan	8,200	37,175	13,593	70,033	5,393	32,857
	Overseas	68,795	121,609	108,495	203,751	39,700	82,142
Total vehicles		76,995	158,785	122,088	273,785	45,093	114,999
	Overseas	-	11,909	-	19,438	-	7,529
Parts for overseas production		-	11,909	-	19,438	-	7,529
	Japan	-	11,279	-	10,132	-	(1,147)
	Overseas	-	31,856	-	16,294	-	(15,561)
Engines / components		-	43,136	-	26,427	-	(16,709)
	Japan	-	48,921	-	50,866	-	1,944
	Overseas	-	21,641	-	21,198	-	(442)
Other		-	70,562	-	72,064	-	1,501
	Japan	-	97,377	-	131,032	-	33,654
	Overseas	-	187,016	-	260,682	-	73,666
Sales amount		-	284,393	-	391,715	-	107,321

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

<Overseas Sales>

Previous 1st Quarter (April 1, 2011 through June 30, 2011)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	19,473	92,186	75,356	187,016
2 Consolidated sales	-	-	-	284,393
3 Overseas sales per Consolidated sales	% 6.8	% 32.4	% 26.5	% 65.8

Current 1st Quarter (April 1, 2012 through June 30, 2012)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	19,846	134,453	106,383	260,682
2 Consolidated sales	-	-	-	391,715
3 Overseas sales per Consolidated sales	% 5.1	% 34.3	% 27.2	% 66.5

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