

FY2006 First Quarter Consolidated Financial Results:

For the Three Months Ended June 30, 2005



July 29, 2005

Company name : Isuzu Motors Limited
 Stock exchange listing : Code No. 7202, The 1st Section, Tokyo Stock Exchange in Japan
 Headquarters : In Tokyo, Japan
 Representative : Yoshinori IDA, President and Representative Director
 URL : <http://www.isuzu.co.jp/world/investor/index.html>
 Contact person : Hirotoshi Kouyama, General Manager, General Affairs,
 Corporate Administration Division, Isuzu Motors Limited, Tel: 81-3- 5471-1141

1. Basis for preparation of quarterly financial results:

- 1) Adoption of simplified accounting practices : Applicable
 The standards for preparing the mid-term (consolidated) financial statements are generally applied, while using certain simplified procedures are used for calculating tax expenses, reporting depreciation expenses, and omitting physical stocktaking.
- 2) Changes in accounting practices from previous fiscal year : None
- 3) Changes in scope of consolidation and equity method of accounting
 Number of subsidiaries excluded from consolidated accounts : 1 company
 Number of affiliates excluded from the equity method of accounting : 1 company

2. FY2006 first quarter financial results (April 1, 2005 through June 30, 2005)

1) Consolidated operating results (Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

| | Net Sales | | Operating profit | | Working profit | | Net income | |
|---|----------------------|-------|------------------------------------|-------|----------------|-------|------------|---------|
| FY2006 Q1 (3 months to Jun. 30, '05) | 355,298 | 10.2% | 17,021 | 25.1% | 17,925 | 13.6% | 12,907 | (17.6%) |
| FY2005 Q1 (3 months to Jun. 30, '04) | 322,378 | 1.3% | 13,605 | 3.9% | 15,784 | - | 15,657 | - |
| (Ref.) Full year FY2005 | 1,493,567 | | 87,214 | | 91,555 | | 60,037 | |
| | Net income per share | | Fully diluted net income per share | | (in Yen) | | | |
| FY2006 Q1 (3 months to Jun. 30, '05) | 11.05 | | 6.60 | | | | | |
| FY2005 Q1 (3 months to Jun. 30, '04) | 17.36 | | 7.09 | | | | | |
| (Ref.) Full year FY2005 | 56.64 | | 25.79 | | | | | |

(Note) The percentage points for net sales and operating profit represent year-on-year changes.

Average number of shares issued and outstanding in each period (consolidated):

Common stock: FY2006 Q1: 1,167,757,104 shares FY2005 Q1: 902,108,423 shares
 Full year FY 2005: 953,762,418 shares

(Reference) Parent company operating results (Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

| | Net Sales | | Operating profit | | Working profit | | Net income | |
|---|-----------|--------|------------------|--------|----------------|--------|------------|-------|
| FY2006 Q1 (3 months to Jun. 30, '05) | 200,512 | 5.9% | 10,843 | (8.0%) | 22,644 | 109.9% | 21,046 | 77.6% |
| FY2005 Q1 (3 months to Jun. 30, '04) | 189,268 | (0.9%) | 11,786 | (6.8%) | 10,786 | - | 11,850 | - |
| (Ref.) Full year FY2005 | 880,072 | | 60,566 | | 53,907 | | 27,019 | |

| | Net income per share | Fully diluted net income per share | (in Yen) |
|---|----------------------|------------------------------------|----------|
| FY2006 Q1 (3 months to Jun. 30, '05) | 18.02 | 10.76 | |
| FY2005 Q1 (3 months to Jun. 30, '04) | 13.13 | 5.36 | |
| (Ref.) Full year FY2005 | 25.18 | 11.61 | |

(Note) The percentage points for net sales and operating profit represent year-on-year changes.

Average number of shares issued and outstanding in each period :

Common stock: FY2006 Q1: 1,168,083,252 shares FY2005 Q1: 902,796,733 shares
Full year FY 2005: 954,151,478 shares

[Qualitative information regarding (consolidated) operating results]

In the first quarter to June 2005, mainly due to the effect of the Automotive NOx and PM Law regulations, domestic sales increased by 2,472 units in volume and Y19.8 billion in value compared with the same term in FY2005. In overseas markets, sales rose Y13.0 billion from the previous year, owing to brisk sales of pickup trucks manufactured in Thailand and light-duty trucks in North America.

Furthermore, because manufacturing entities in Thailand were included in consolidated accounts as of the second half of FY2005, the number of units sold in Thailand has been added to the results of FY2006 Q1. This largely accounts for the increase of sales volume by 40,958.

As a result, Isuzu posted sales of Y355.2 billion (up 10.2% year on year), operating profit of Y17.0 billion (up 25.1%), working profit of Y17.9 billion (up 13.6%) and net income of Y12.9 billion (down 17.6%) due to reasons such as tax expenses incurred at subsidiaries.

2) Changes of the consolidated financial position

(Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

| | Total assets (in million yen) | Shareholders' equity (in million yen) | Shareholders' equity as a percentage of total assets (%) | Shareholders' equity per share (in yen) |
|---|----------------------------------|--|--|---|
| FY2006 Q1 (3 months to Jun. 30, '05) | 1,102,502 | 185,418 | 16.8% | 101.23 |
| FY2005 Q1 (3 months to Jun. 30, '04) | 1,072,577 | 130,051 | 12.1% | 33.13 |
| (Ref.) Full year FY2005 | 1,142,580 | 158,463 | 13.9% | 81.53 |

(Note) Number of shares issued and outstanding at the end of each period:

Common stock: FY2006 Q1: 1,140,151,576 shares FY2005 Q1: 907,044,891 shares
FY 2005: 1,072,507,611 shares

(Reference) Changes of the parent company's financial position

(Unit: Millions of Yen, fraction less than million omitted) (Y-o-Y changes in %)

| | Total assets (in million yen) | Shareholders' equity (in million yen) | Shareholders' equity as a percentage of total assets (%) | Shareholders' equity per share (in yen) |
|---|----------------------------------|--|--|---|
| FY2006 Q1 (3 months to Jun. 30, '05) | 775,509 | 203,475 | 26.2% | 117.03 |
| FY2005 Q1 (3 months to Jun. 30, '04) | 789,794 | 169,814 | 21.5% | 76.91 |
| (Ref.) Full year FY2005 | 812,521 | 169,353 | 20.8% | 91.67 |

(Note) Number of shares issued and outstanding at the end of each period:

Common stock: FY2006 Q1: 1,140,477,724 shares FY2005 Q1: 907,733,172 shares
FY 2005: 1,072,833,759 shares

[Qualitative information regarding (consolidated) financial position]

In the first quarter to June 30, 2005, consolidated shareholders' equity increased Y26.9 billion from the end of FY 2005 to Y185.4 billion. This is primarily due to the income of Y 12.9 billion, and Y 16.0 billion arising from the execution of stock acquisition rights attached to convertible bonds, as well as the dividend payment of Y 2.6 billion.

Interest-bearing debt (excluding CB with stock acquisition rights) decreased by Y10.6 billion from the end of FY 2005 to Y382.4 billion. The company also redeemed the outstanding balance (Y40.0 billion) of its 2nd series unsecured convertible bonds with stock acquisition rights on June 17, 2005 before maturity.

3. Forecast of consolidated financial results for full-year FY2006 (April 1, 2005 to March 31, 2006)

The company's forecast of the full-year financial results remains the same as the Forecast for Consolidated Results of FY 2006 announced on May 23, 2005.

(Summary) Consolidated Statements of Operations

(Yen in millions)

| | FY2006 Q1 (Apr.-Jun. '05) | | FY2005 Q1 (Apr.-Jun. '04) | | Change |
|--|------------------------------|-------|------------------------------|-------|----------------|
| | | % | | % | |
| Net sales | 355,298 | 100.0 | 322,378 | 100.0 | 32,920 |
| Cost of sales | 312,668 | 88.0 | 281,587 | 87.3 | 31,081 |
| GROSS PROFIT | 42,629 | 12.0 | 40,790 | 12.7 | 1,839 |
| Selling,general and administrative expenses | 25,607 | 7.2 | 27,185 | 8.4 | (1,577) |
| OPERATING PROFIT | 17,021 | 4.8 | 13,605 | 4.2 | 3,416 |
| Non-operating income | 4,573 | 1.3 | 5,990 | 1.9 | (1,416) |
| Non-operating expenses | 3,670 | 1.0 | 3,811 | 1.2 | (140) |
| WORKING PROFIT | 17,925 | 5.0 | 15,784 | 4.9 | 2,140 |
| Extraordinary profit | 356 | 0.1 | 1,620 | 0.5 | (1,264) |
| Extraordinary loss | 1,753 | 0.5 | 893 | 0.3 | 860 |
| PRETAX INCOME | 16,527 | 4.7 | 16,511 | 5.1 | 16 |
| Corporation tax adjustments | 2,188 | 0.6 | 671 | 0.2 | 1,517 |
| Minorities Interest | 1,437 | 0.4 | 183 | 0.1 | 1,254 |
| NET INCOME | 12,902 | 3.6 | 15,657 | 4.9 | (2,755) |

Note: Fraction less than million omitted.

(Summary) Consolidated Balance Sheet

(Yen in millions)

| | June.30, 2005 | March.31, 2005 | Change | June.30, 2004 |
|---|------------------|-------------------|-----------------|------------------|
| [ASSETS] | | | | |
| CURRENT ASSETS | 527,195 | 568,215 | (41,020) | 476,843 |
| Cash on cash equivalents | 97,829 | 139,357 | (41,527) | 96,569 |
| Trade notes and accounts receivable | 225,918 | 248,744 | (22,825) | 207,903 |
| Inventories | 145,274 | 124,526 | 20,747 | 124,075 |
| Other | 58,172 | 55,587 | 2,585 | 48,295 |
| FIXED ASSETS | 575,307 | 574,364 | 942 | 595,733 |
| Property, plant & equipment | 458,010 | 458,613 | (603) | 462,695 |
| Intangible assets | 7,282 | 7,666 | (384) | 6,539 |
| Investments & other assets | 110,014 | 108,084 | 1,929 | 126,498 |
| Securities-Investment | 66,723 | 65,339 | 1,384 | 65,429 |
| Long-term loans receivable | 22,455 | 22,291 | 164 | 27,471 |
| Other | 20,834 | 20,453 | 381 | 33,597 |
| TOTAL ASSETS | 1,102,502 | 1,142,580 | (40,078) | 1,072,577 |
| [LIABILITIES] | | | | |
| CURRENT LIABILITIES | 528,945 | 541,918 | (12,973) | 632,088 |
| Trade notes and accounts payable | 270,398 | 278,511 | (8,112) | 267,382 |
| Short-term borrowings | 141,863 | 151,513 | (9,649) | 244,480 |
| Commercial paper | — | — | — | 2,000 |
| Current maturities of bonds | — | — | — | 15,000 |
| Other | 116,682 | 111,893 | 4,788 | 103,225 |
| LONG-TERM LIABILITIES | 372,503 | 428,009 | (55,506) | 306,843 |
| Bonds | 12,634 | 12,634 | — | — |
| Bonds with warrant attached | — | 56,000 | (56,000) | — |
| Long-term debt | 227,932 | 228,956 | (1,024) | 166,313 |
| Accrued retirement and severance benefits | 60,897 | 60,057 | 840 | 60,389 |
| Deferred income tax related to land revaluation | 49,571 | 49,571 | — | 57,167 |
| Other | 21,467 | 20,790 | 677 | 22,973 |
| TOTAL LIABILITIES | 901,448 | 969,928 | (68,480) | 938,932 |
| [MINORITY INTEREST] | | | | |
| Minority Interest | 15,636 | 14,188 | 1,447 | 3,593 |
| [SHAREHOLDERS' EQUITY] | | | | |
| Common stock and preferred stock | 40,644 | 32,617 | 8,027 | 70,573 |
| Capital surplus | 50,408 | 42,435 | 7,972 | 70,452 |
| Retained earnings | 20,749 | 10,460 | 10,288 | (95,405) |
| Variance of land revaluation | 77,791 | 77,791 | — | 90,485 |
| Unrealized holding gain on securities | 8,021 | 8,324 | (303) | 7,747 |
| Foreign currency translation adjustment | (11,969) | (12,946) | 976 | (13,623) |
| Treasury stock | (227) | (220) | (7) | (178) |
| TOTAL SHAREHOLDERS' EQUITY | 185,418 | 158,463 | 26,954 | 130,051 |
| TOTAL LIABILITIES & MINORITY INTEREST & SHAREHOLDERS' EQUITY | 1,102,502 | 1,142,580 | (40,078) | 1,072,577 |

Note: Fraction less than million omitted.

Sales by Segments

(Fraction less than million omitted)

| | FY2006 Q1 (Apr.-Jun.'05) | | FY2005 Q1 (Apr.-Jun.'04) | | Changes | |
|---------------------------|-----------------------------|----------------|-----------------------------|----------------|---------|----------------|
| | Units | In million yen | Units | In million yen | Units | In million yen |
| Japan | 5,863 | 42,918 | 5,009 | 33,832 | 854 | 9,086 |
| Overseas | 4,850 | 15,855 | 5,190 | 19,509 | (340) | (3,654) |
| HD, MD Total | 10,713 | 58,773 | 10,199 | 53,342 | 514 | 5,431 |
| Japan | 12,319 | 32,595 | 10,701 | 27,834 | 1,618 | 4,760 |
| Overseas | 75,585 | 107,840 | 34,287 | 53,546 | 41,298 | 54,293 |
| LD Total | 87,904 | 140,435 | 44,988 | 81,381 | 42,916 | 59,053 |
| Japan | 18,182 | 75,513 | 15,710 | 61,667 | 2,472 | 13,846 |
| Overseas | 80,435 | 123,695 | 39,477 | 73,056 | 40,958 | 50,638 |
| Vehicle Total | 98,617 | 199,209 | 55,187 | 134,723 | 43,430 | 64,485 |
| Overseas | - | 16,477 | - | 15,447 | - | 1,030 |
| Overseas production parts | - | 16,477 | - | 15,447 | - | 1,030 |
| Japan | - | 7,428 | - | 7,802 | - | (373) |
| Overseas | - | 52,223 | - | 91,799 | - | (39,575) |
| Engine/compo. | - | 59,652 | - | 99,601 | - | (39,949) |
| Japan | - | 55,031 | - | 48,665 | - | 6,365 |
| Overseas | - | 24,927 | - | 23,939 | - | 987 |
| Other | - | 79,958 | - | 72,605 | - | 7,353 |
| Japan | - | 137,973 | - | 118,134 | - | 19,839 |
| Overseas | - | 217,324 | - | 204,243 | - | 13,081 |
| Net Sales | - | 355,298 | - | 322,378 | - | 32,920 |

Note:

> Consumption tax levied in Japan not included.

> Compared to the first quarter to June 2004, sales of engines and components significantly decreased.

This is principally because sales related to pickup trucks manufactured in Thailand, which used to be posted as part of sales of engines and components up to the first quarter of the previous fiscal year, are now regarded as sales of light-duty vehicles (LD) in the current quarter, in accordance with the addition of manufacturing subsidiaries in Thailand in the consolidated accounts.