

FY2008 First Quarter Consolidated Financial Results:

For the Three Months Ended June 30, 2007



July 30, 2007

Company name : Isuzu Motors Limited
 Stock exchange listing : Code No. 7202, The 1st Section, Tokyo Stock Exchange in Japan
 Representative : Susumu Hosoi, President and Representative Director
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1. FY2008 first quarter financial results (April 1, 2007 through June 30, 2007)

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	
FY2008 Q1 (3 months to Jun. 30, '07)	402,128	1.6%	23,286	(2.8%)	26,407	4.4%	21,160	14.1%
FY2007 Q1 (3 months to Jun. 30, '06)	395,953	11.4%	23,948	40.7%	25,286	41.1%	18,539	43.7%
(Ref.) Full year FY2007	1,662,925		106,980		114,697		92,394	

	Net income per share	Fully diluted net income per share
FY2008 Q1 (3 months to Jun 30, '07)	12.24	12.01
FY2007 Q1 (3 months to Jun. 30, '06)	15.60	10.34
(Ref.) Full year FY2007	64.83	51.54

(in Yen)

2) 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)
FY2008 Q1 (3 months to Jun 30, '07)	1,254,199	409,820	28.7%	188.45
FY2007 Q1 (3 months to Jun. 30, '06)	1,176,549	288,548	22.0%	165.76
(Ref.) Full year FY2007	1,232,181	389,061	27.8%	177.68

2. Forecast of consolidated financial results for full-year FY2008 (April 1, 2007 to March 31, 2008)

The company's forecast of the full-year financial results remains the same as the Forecast for Consolidated Results of FY 2008 announced on May 14, 2007.

3. Others

- 1) Change in the Scope of Principal Subsidiaries : Applicable
 Number of subsidiaries excluded from consolidated accounting : 1 company (ISUZU CASTEC)
- 2) Adoption of simplified accounting practices : Applicable
- 3) Changes in scope of consolidation and equity method of accounting : None
- Note: See attached page3 "Qualitative Information · Financial Statements 3.Others".

(Reference) Non-consolidated Financial Highlights (April 1, 2007 through June 30, 2007)

1) Non-consolidated Financial Results

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

	Net Sales		Operating profit		Working profit		Net income	
FY2008 Q1 (3 months to Jun 30, '07)	233,576	3.6%	17,658	(0.1%)	20,217	8.2%	20,179	9.5%
FY2007 Q1 (3 months to Jun. 30, '06)	225,474	12.4%	17,672	63.0%	18,693	(17.4%)	18,427	(12.4%)
(Ref.) Full year FY2007	973,884		61,491		68,273		68,325	

	Net income per share	Fully diluted net income per share	(in Yen)
FY2008 Q1 (3 months to Jun 30, '07)	11.67	11.45	
FY2007 Q1 (3 months to Jun. 30, '06)	15.50	10.23	
(Ref.) Full year FY2007	47.87	38.10	

2) Non-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)
FY2008 Q1 (3 months to Jun 30, '07)	911,619	305,643	33.5%	156.67
FY2007 Q1 (3 months to Jun. 30, '06)	868,851	242,896	28.0%	151.63
(Ref.) Full year FY2007	899,783	292,807	32.5%	148.62

※Explanation on the usage of the financial projection and others

The financial projection is calculated based on the information available presently. There are possibilities that the actual financial result would differ largely due to the variation of important factors.

Qualitative Information / Financial Statements

1. Operating Results

For the 1st quarter, in the domestic market, the industrial engine sales were good, but the replacement demand due to the emission regulations reached saturation. Consequently, the domestic sales volume declined by 6,099 units (down 26.8%) from the previous year, and the domestic sales amount declined by 14.8 billion yen (down 8.9%) for the same comparison.

In overseas markets, the sales dipped in some segments such as North America, Thailand, etc., while the sales were good in Middle East countries and Latin America. In aggregate, the overseas sales volume declined by 450 units (down 0.5%), but the sales amount increased by 20.9 billion yen (up 9.1%).

Consequently, the 1st quarter sales amount totaled 402.1 billion yen, (up 1.6% from the previous year); the quarterly operating income totaled 23.2 billion yen (down 2.8% from the previous year); the quarterly working income totaled 26.4 billion yen (up 4.4% from the previous year); and the quarterly net income totaled 21.1 billion yen (up 14.1% from the previous year).

2. Financial Position

The 1st quarter net assets increased 20.7 billion yen, to 409.8 billion yen, from the previous year.

The increase in the net assets reflected the quarterly net income of 21.1 billion yen,

payment of 7.5 billion yen worth of dividends, minority interests increased by 3.3 billion yen, etc.

Interest-bearing liabilities dipped by 8.1 billion yen, to 289.0 billion yen, from the previous consolidated fiscal year.

We are going to make further efforts to reduce these liabilities.

3. Others

1) Change in the Scope of Principal Subsidiaries

Isuzu CASTEC is excluded from Principal Subsidiaries as being merged with Imetal Technology Co.,Ltd.

2) Adoption of simplified accounting practices

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.

3) Changes in accounting policies

There are no changes in accounting policies

(Summary) Consolidated Statements of Operations

(Yen in millions)

	FY2008 Q1 (Apr.-Jun. '07)		FY2007 Q1 (Apr.-Jun. '06)		Change
		%		%	
Net sales	402,128	100.0	395,953	100.0	6,175
Cost of sales	345,924	86.0	339,203	85.7	6,720
GROSS PROFIT	56,204	14.0	56,750	14.3	(545)
Selling, general and administrative expenses	32,918	8.2	32,801	8.3	116
OPERATING PROFIT	23,286	5.8	23,948	6.0	(662)
Non-operating income	6,240	1.6	4,625	1.2	1,614
Non-operating expenses	3,119	0.8	3,287	0.8	(168)
WORKING PROFIT	26,407	6.6	25,286	6.4	1,120
Extraordinary profit	227	0.0	18	0.0	208
Extraordinary loss	36	0.0	522	0.1	(486)
PRETAX INCOME	26,598	6.6	24,782	6.3	1,815
Corporation tax adjustments	3,834	0.9	4,056	1.0	(222)
Minorities Interest	1,603	0.4	2,186	0.6	(582)
NET INCOME	21,160	5.3	18,539	4.7	2,621

Note: Fraction less than million omitted.

(Summary) Consolidated Balance Sheet

(Yen in millions)

	Jun 30, 2007	March 31, 2007	Change	Jun 30, 2006
[ASSETS]				
CURRENT ASSETS	618,562	605,221	13,341	556,360
Cash on cash equivalents	162,419	134,136	28,283	138,106
Trade notes and accounts receivable	243,287	272,154	(28,866)	231,030
Inventories	157,726	133,083	24,643	143,414
Others	55,127	65,846	(10,719)	43,809
FIXED ASSETS	635,637	626,960	8,677	620,188
Property, plant & equipment	492,381	490,495	1,885	481,938
Intangible assets	9,574	9,672	(98)	9,342
Investments & other assets	133,681	126,791	6,889	128,907
Securities-Investment	111,764	105,241	6,523	93,746
Long-term loans receivable	4,200	4,155	45	15,423
Others	17,716	17,395	321	19,737
TOTAL ASSETS	1,254,199	1,232,181	22,018	1,176,549
[LIABILITIES]				
CURRENT LIABILITIES	488,805	486,249	2,555	491,477
Trade notes and accounts payable	316,370	309,713	6,656	294,214
Short-term borrowings	70,374	75,154	(4,779)	84,555
Current maturities of bonds	—	3,410	(3,410)	3,020
Others	102,060	97,971	4,089	109,687
LONG-TERM LIABILITIES	355,573	356,869	(1,296)	396,523
Bonds	50,000	50,000	—	50,000
Long-term debt	168,659	168,663	(4)	203,646
Accrued retirement and severance benefits	56,166	57,320	(1,154)	62,233
Deferred income tax related to land revaluation	55,827	55,827	—	55,827
Others	24,920	25,058	(138)	24,816
TOTAL LIABILITIES	844,379	843,119	1,259	888,000
[Net Assets]				
Shareholder's equity	260,753	247,205	13,547	173,561
Common stock and preferred stock	40,644	40,644	—	40,644
Capital surplus	50,427	50,427	—	50,427
Retained earnings	170,039	156,467	13,572	82,728
Treasury stock	(358)	(334)	(24)	(239)
Variance of revaluation	98,723	94,837	3,886	85,401
Unrealized holding gain on securities	12,920	12,319	601	12,500
Deferred gain and loss from hedging	(200)	39	(239)	150
Variance of land revaluation	73,981	73,981	—	74,138
Foreign currency translation adjustment	12,022	8,498	3,524	(1,388)
Minority Interest	50,343	47,018	3,324	29,585
TOTAL NET ASSETS	409,820	389,061	20,758	288,548
TOTAL LIABILITIES & NET ASSETS	1,254,199	1,232,181	22,018	1,176,549

Note: Fraction less than million omitted.

Sales by Segments

(Fraction less than million omitted)

	FY2008 Q1 (Apr.-Jun. '07)		FY2007 Q1 (Apr.-Jun. '06)		Changes	
	Units	In million yen	Units	In million yen	Units	In million yen
Japan	6,142	48,307	6,945	49,087	(803)	(779)
Overseas	7,310	29,109	4,981	18,151	2,329	10,958
Heavy/Medium Duty Total	13,452	77,417	11,926	67,238	1,526	10,178
Japan	10,552	31,024	15,848	42,137	(5,296)	(11,113)
Overseas	80,059	130,439	82,838	122,750	(2,779)	7,688
Light Duty Total	90,611	161,463	98,686	164,888	(8,075)	(3,424)
Japan	16,694	79,332	22,793	91,225	(6,099)	(11,892)
Overseas	87,369	159,548	87,819	140,901	(450)	18,646
Vehicle Total	104,063	238,881	110,612	232,127	(6,549)	6,754
Overseas	—	18,788	—	16,999	—	1,789
Overseas production parts	—	18,788	—	16,999	—	1,789
Japan	—	12,177	—	9,955	—	2,222
Overseas	—	48,027	—	45,197	—	2,830
Engine/componets	—	60,205	—	55,152	—	5,053
Japan	—	60,168	—	65,318	—	(5,149)
Overseas	—	24,084	—	26,356	—	(2,272)
Others	—	84,253	—	91,675	—	(7,421)
Japan	—	151,679	—	166,498	—	(14,819)
Overseas	—	250,449	—	229,455	—	20,994
Net Sales	—	402,128	—	395,953	—	6,175

Note: Consumption tax levied in Japan not included.

Per share information

FY2008 Q1	FY2007 Q1	FY2007
Shareholder's equity per share 188.45Yen	Shareholder's equity per share 165.76Yen	Shareholder's equity per share 177.68Yen
Net income per share 12.24Yen	Net income per share 15.60Yen	Net income per share 64.83Yen
Net income per share after dilution of potential stock 12.01Yen	Net income per share after dilution of potential stock 10.34Yen	Net income per share after dilution of potential stock 51.54Yen

Computation of Shareholder's equity per share, Net income per share and Net income per share after dilution of potential stock are as follows:

	FY2008 Q1	FY2007 Q1	FY2007
Shareholder's equity per share	Millions of yen	Millions of yen	Millions of yen
Total net assets	409,820	288,548	389,061
Deduction	90,343	99,585	87,823
(Preferred stock)	40,000	70,000	40,000
(Minority interest)	50,343	29,585	47,018
(Preferred stock dividend)	—	—	805
Sub total	319,477	188,963	301,237
Net income per share	Millions of yen	Millions of yen	Millions of yen
Net income	21,160	18,539	92,394
Accounts not belonging to common stock	—	—	352
(Dividend)	—	—	352
Net income on common stock	21,160	18,539	92,041
Average number of shares issued and outstanding in each period:	Shares	Shares	Shares
(Common stock)	1,728,506,626	1,188,673,415	1,419,786,903
(Class 4 preferred stock)	1,695,339,130	1,140,011,615	1,371,125,102
(Class 4 preferred stock)	33,167,496	48,661,800	48,661,800
Net income per share after dilution of potential stock	Millions of yen	Millions of yen	Millions of yen
Net income adjustment	—	—	352
(Dividend)	—	—	352
Number of common stock increased	Shares	Shares	Shares
(Convertible stock which the period for claiming the conversion has not yet come)	33,167,496	604,217,356	373,023,966
(Bonds with warrant attached)	33,167,496	604,217,356	48,661,800
(Bonds with warrant attached)	—	—	324,362,166

Attachment

Average number of shares issued and outstanding in each period

	FY2008 Q1	FY2007 Q1	FY2007
	shares	shares	shares
Common stock (w/o Treasury stock)			
Consolidated	1,695,339,130	1,140,011,615	1,371,125,102
Parent Company	1,695,630,397	1,140,296,768	1,371,411,766
Preferred Stock(w/o Treasury stock)			
Class 1 preferred stock	—	37,500,000	21,894,446
Class 3 preferred stock	25,000,000	25,000,000	25,000,000
Class 4 preferred stock	25,000,000	25,000,000	25,000,000

Number of shares issued and outstanding at the end of each period

	FY2008 Q1	FY2007 Q1	FY2007
	shares	shares	shares
Common stock (w/o Treasury stock)			
Consolidated	1,695,313,508	1,140,003,082	1,695,352,650
Parent Company	1,695,604,775	1,140,288,235	1,695,643,917
Preferred Stock(w/o Treasury stock)			
Class 1 preferred stock	—	37,500,000	—
Class 3 preferred stock	25,000,000	25,000,000	25,000,000
Class 4 preferred stock	25,000,000	25,000,000	25,000,000

$$\text{Net income per share} = \frac{\text{Net income} - \text{Accounts not belonging to common stock}}{\text{Average number of common stock issued and outstanding in each period} + \text{Number of common stock increased based on if-converted method of Conversion type participative stock} - \text{Average number of common stock for treasury}}$$

$$\text{Net income per share after dilution of potential stock} = \frac{\text{Net income} - \text{Accounts not belonging to common stock} + \text{Adjusted net income}}{\text{Average number of common shares issued and outstanding in each period} + \text{Number of common stock increased based on if-converted method of Conversion type participative stock} + \text{Number of common stock increased based on if-converted method of "Convertible stock which the period for claiming the conversion has not yet come"} - \text{Average number of common stock for treasury}}$$

$$\text{Shareholders' equity per share} = \frac{\text{Total assets} - \text{Number of preferred stocks issued and outstanding at the end of each period} \times \text{Amount per share} - \text{minorities interest} - \text{Preferred Dividend}}{\text{Number of common stock issued and outstanding at the end of each period} - \text{Average number of Common stock for treasury}}$$

Note: Class 4 preferred stock fulfills the conditions of the conversion type participative stock. Class 1 and Class 3 preferred stock fulfills the conditions of the convertible stock whose period of conversion claim has not yet come.

The common stocks increased based on the calculation of if-converted method are calculated on the assumption that the stocks were converted at the beginning of this fiscal year.

Important special remarks

Acquisition and cancellation of treasury stocks

The Company acquired the Class III and the Class IV preferred stocks on July 11, 2007, with the resolutions for acquisition prices of treasury stocks (the Class III and the Class IV preferred stocks), etc., at the extraordinary board of directors meeting held on June 28, 2007.

The treasury stock acquired thus were cancelled with the resolutions for the cancellation of the treasury stocks (the Class III preferred stocks and the Class IV preferred stocks) at the regular board of directors meeting held on July 27, 2007.

(1) Reasons for acquisition of treasury stocks

To avoid potential dilution of values of the common stocks and alleviate the burden of dividends payable.

(2) Class and Number of stocks acquired

Class III preferred stocks 25,000,000 shares

(Ratio of the Class III preferred stock acquired to the total number of the outstanding Class III preferred stocks: 100%)

Class IV preferred stocks 25,000,000 shares

(Ratio of the Class IV preferred stocks acquired to the total number of the outstanding Class IV preferred stocks: 100%)

(3) Total amount paid in exchange for acquisition of the stocks:

Total amount 40,000 million yen

(4) Class and number of the stocks cancelled

Class III preferred stocks 25,000,000 shares

(Ratio of the Class III preferred stocks cancelled to the total number of the outstanding Class III preferred stocks: 100%)

Class IV preferred stocks: 25,000,000 shares

(Ratio of Class IV preferred stocks cancelled to the total number of the outstanding Class IV preferred stocks 100%)