

ISUZU

FY2013 H1 Financial Results



November 7, 2012

ISUZU MOTORS LIMITED

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President and Representative Director

Susumu Hosoi

FY2013 H1 Consolidated Results

- Year-on-year Comparison -

(JPY Bil.)	FY13 H1	F12 H1	Changes	FY13 H1plan
Net Sales	780.1	658.1	122.0	790.0
Operating Income	57.3	43.8	13.5	50.0
Ordinary Income	60.4	45.1	15.3	52.0
Net Income	42.1	33.7	8.4	35.0

* FX: FY13 H1 = 80JPY/US\$
FY12 H1= 81JPY/US\$

FY2013 Full-year Outlook

- Year-on-year Comparison -

(JPY Bil)	FY13 Forecast	FY12	Changes	FY13 Previous plan
Net Sales	1,630.0	1,400.1	229.9	1,630.0
Operating Income	126.0	97.4	28.6	123.0
Ordinary Income	133.0	102.9	30.1	127.0
Net Income	91.0	91.3	-0.3	81.0

※FX: FY13 = 80JPY/US\$
FY12 = 79JPY/US\$

**Progress of
Mid-term Business Plan
(April 2011 – March 2014)**

Mid-term Business Plan Outline

Stabilizing Isuzu's commercial vehicle business

Stabilize Japan domestic business

[Japan]

CV foothold for advanced market

Enhance ASEAN CV Business

[Indonesia]

CV foothold for emerging market

Strength/Expand LCV business

[Thailand]

LCV foothold

Europe, CIS

Middle East

Africa

Low-cost parts/
engineering
function sharing

Low-cost parts/
base market
expansion

North America

Central and South America

Australia

Secure stable position in emerging/ advanced markets

[China (Qingling)]
CV support operations

[India, China (Jiangling)]
LCV support operations

Secure stable position in emerging/ advanced markets

Establish support operations

Strength/Expand LCV Business - Thailand -

- ❑ Introduce a new LCV model
 - ☑ **October 2011 : Started the sale of the fully redesigned pick-up truck in the Thai market.**
 - ❑ Introduce derivatives.
- ❑ Establish an export company (IMIT) and strengthen global sales.
 - ☑ **2012 : Started export of the new pick-up truck for the European and Australian markets.**
 - ❑ Introduce the new pickup model to more markets and develop new markets.
- ☑ **October 2012 : Launched the new plant in Gateway and increased a production capacity to 400,000 units of the pick-up truck.**
- ❑ Establish further self-sustained engineering functions in Thailand.



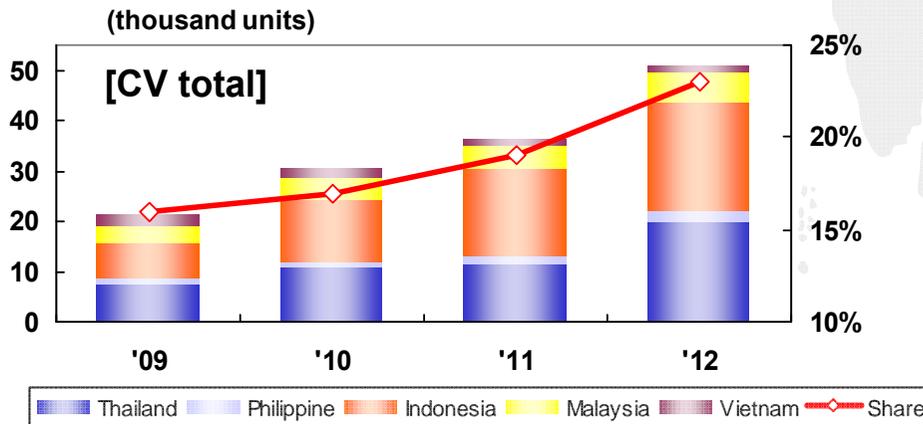
Gateway new plant



Commencement ceremony
(2012 October)

Enhance ASEAN CV Business

- Develop and introduce optimal products for emerging markets.
 - ☑ Started sales of F Series in Indonesia and of the truck fit for emerging market (“QCD Vehicle”) in Vietnam.
- Strengthen manufacturing functions using Indonesia foothold as a core.
 - ☑ Localized engineering functions and reinforced local workforce (2012 April).
 - ☑ Secured a site for the new plant.
 - ☑ Expand parts localization (in progress with Isuzu affiliates)
 - Consolidate a local manufacturing company.
- Strengthen the sales network (parts supply system and service network establishment).
 - ☑ Launched a new mechanic school in Indonesia (in the local joint venture).



Stabilize Japan Domestic Business

- ☑ **August 2012 : Introduced the HD route bus ERGA HYBRID.**
- ☐ **Strengthen cost competitiveness by streamlining sales/manufacturing.**
 - ☑ **Integrated dealers to cover extensive areas (consolidation: 15 → 6 companies, Isuzu Motors Tohoku Limited in 2012 April).**
 - ☑ **Converged administrative work between the distributor and dealers (Vehicle operation center function in 2012 October).**
- ☐ **Increase core module manufacturing and establish flexible production lines (mutual complementation of HD and LD lines).**
- ☐ **Enhance the life cycle business.**
 - ☑ **Started expansion of life cycle business.**



**Isuzu Motors Tohoku Limited,
head office**



**H/D route bus
ERGA HYBRID**

Establish Support Operations - China -

CV business

- ❑ Introduce heavy-duty truck/engine (CV full line-up) and strengthen global HD competitiveness.
 - ☑ **August 2012 : Launched Isuzu Qingling (Chongqing) Engineering Co. , Ltd.:**
Joint development for next-generation HD
 - ☑ **August 2012 : Isuzu Qingling (Chongqing) Autoparts Co., Ltd. : Localization of engines and components, export base.**
- ❑ Incorporate and increase earnings by means of consolidation of component manufacturing operation and sales expansion thereof including industrial engines.

LCV business

- ❑ Contribute to the LCV business by introducing pick-up trucks and derivatives.
- ☑ **August 2012 : Agreed to launch a joint ventures for vehicle and engine production and sales (with Jiangling Motors Co., Ltd.)**
 - ☑ **JIANGXI ISUZU MOTORS CO., LTD. (Vehicle)**
 - ☑ **JIANGXI ISUZU ENGINE CO., LTD. (Engine)**

Establish Support Operations - India -

CV business

- ☑ **July 2011 : Introduced best suited product for India equipped with Isuzu components based on the existing SML truck.**
- ☐ **Strengthen SMLI functions.**
 - ☑ **April 2012 : Increased the investment ratio from 4 to 15%) and dispatched engineering and sales personnel.**
 - ☐ **Establish a dedicated task force team in SMLI to reorganize DLR network.**

LCV business

- ☐ **Introduce a low cost LCV model and emerging market products (new market entry).**
- ☐ **Establish Isuzu-led manufacturing operations and sales network.**
 - ☑ **August 2012 : Launched Isuzu Motors India (Chennai).**
- ☐ **Contribute to CV/LCV business for emerging market through low-cost parts and products.**



Secure Stable Position in Emerging/Advanced Markets

Middle East

- ☑ **June 2011 : Launched Isuzu Saudi Arabia and launched the KD assembly plant by the end of 2012.**
- ☑ **2012 : Expanded the territory of Isuzu Middle East (After-Sales Center) (East Africa).**

CIS / Australia

- ☑ **Re-strengthened business in Russia: Increased the investment ratio in Sollers Isuzu (from 29 to 45%).**
- ☑ **Strengthened parts business of the Australia DB subsidiary (serves as a hub for parts operation in Oceania).**

South America / Africa

- ☐ **Further Isuzu involvement**
 - ☐ **CV Sales business in South America, CV sales/manufacturing in South Africa**



KD Assembly plant in Saudi Arabia

Toward Mid-term Business Plan Advancement

Surrounding environment at the Mid-term Business Plan development

- **Global economy:** Economic stagnation continues in the advanced countries.
- **Competition:** Rise of Chinese, Korean, and Indian manufacturers.
- **Product/technologies:** Expand product ranges for customer needs. Drastic rise of cost for environmental measures.
- **Domestic Operations:** Deteriorated business environment surrounding transport business.
- **Supply chain in Japan:** Risk of overconcentration in Japan.

Changing points from the Mid-term Business Plan development

- **Greater uncertainty for global economy.**
 - Chinese/India economy slowdown, European sovereign debt crisis.
- **Higher environmental awareness, diversified fuel types**
- **Worse environment in manufacturing in Japan.**
 - Manufacturers in Japan face six-fold difficulties (continuous strong JPY /power restrain, etc.)

Steady execution of the Mid-term Business Plan
High efficiency DE development and activities toward future technology



Director of the Board, and Managing Executive Officer,
Corporate Planning and Financial

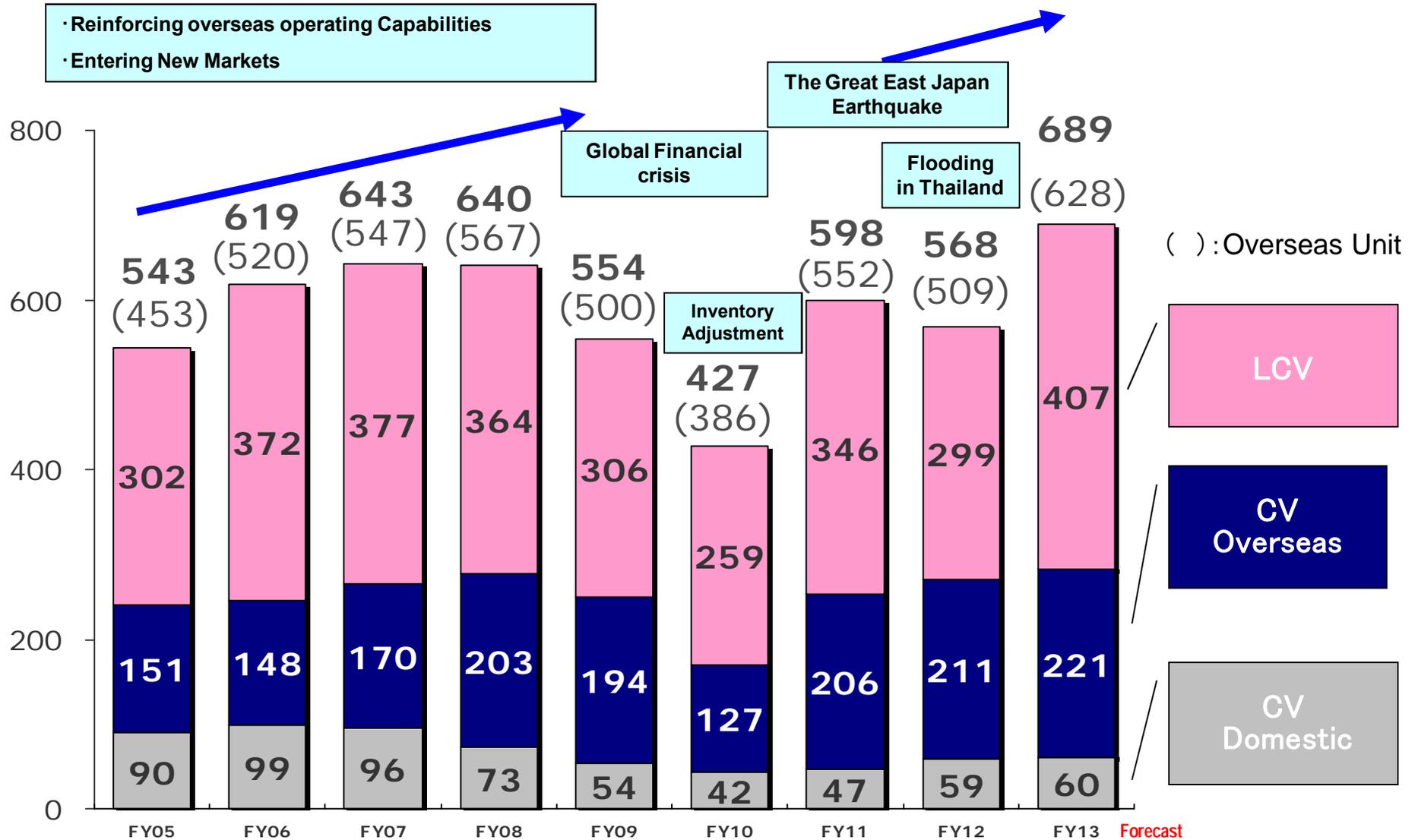
Toshio Sasaki

Ⅱ -1 . Business Status

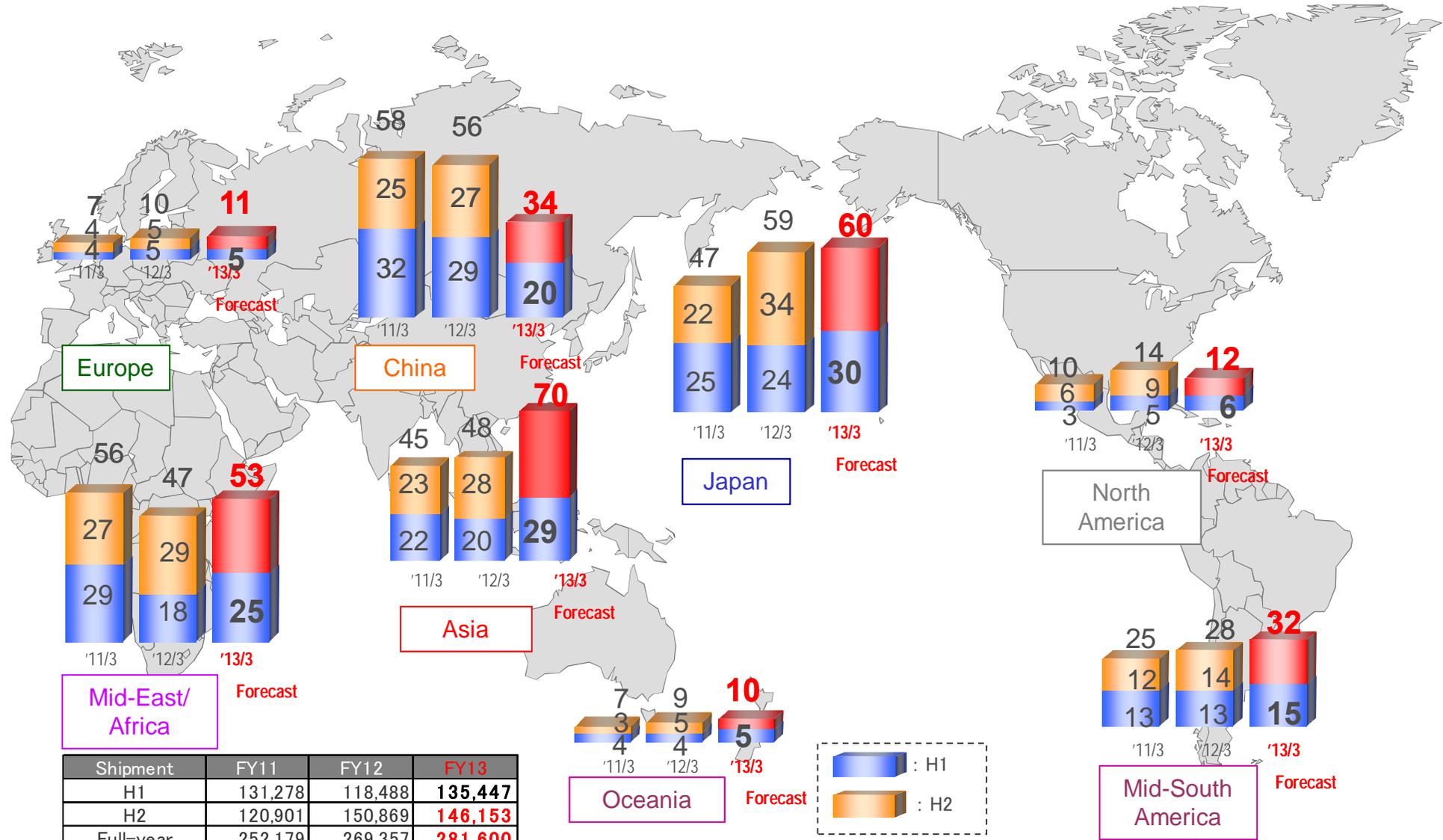
CV/LCV Global Shipment

- Vehicle and KD-SET, etc: K-units

- Reinforcing overseas operating Capabilities
- Entering New Markets



CV Global Shipment - Vehicle and KD-SET, etc: K-units



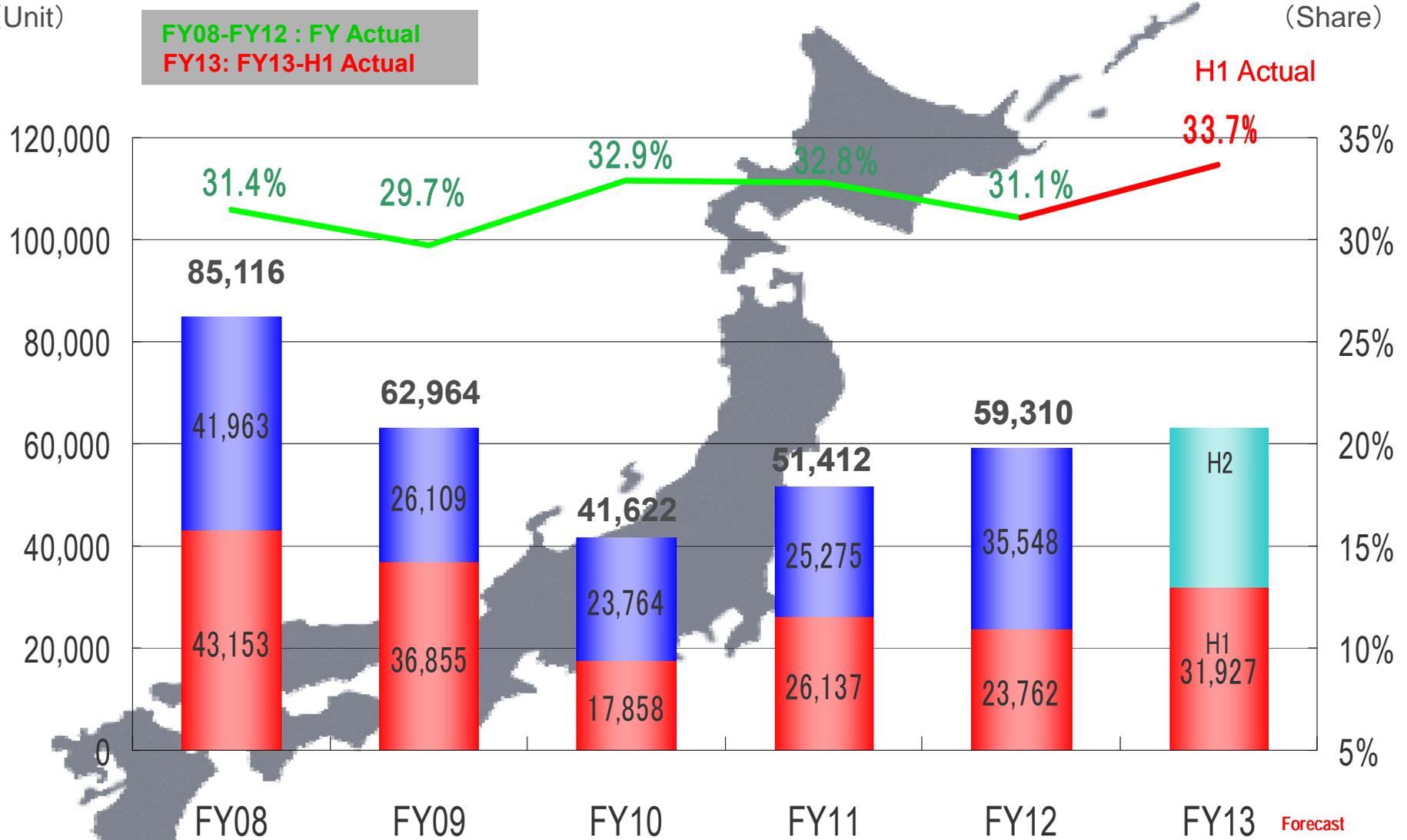


Japan Industry Sales and Isuzu Share - H/D, M/D Truck:4ton or above -

(Unit)

FY08-FY12 : FY Actual
FY13: FY13-H1 Actual

(Share)



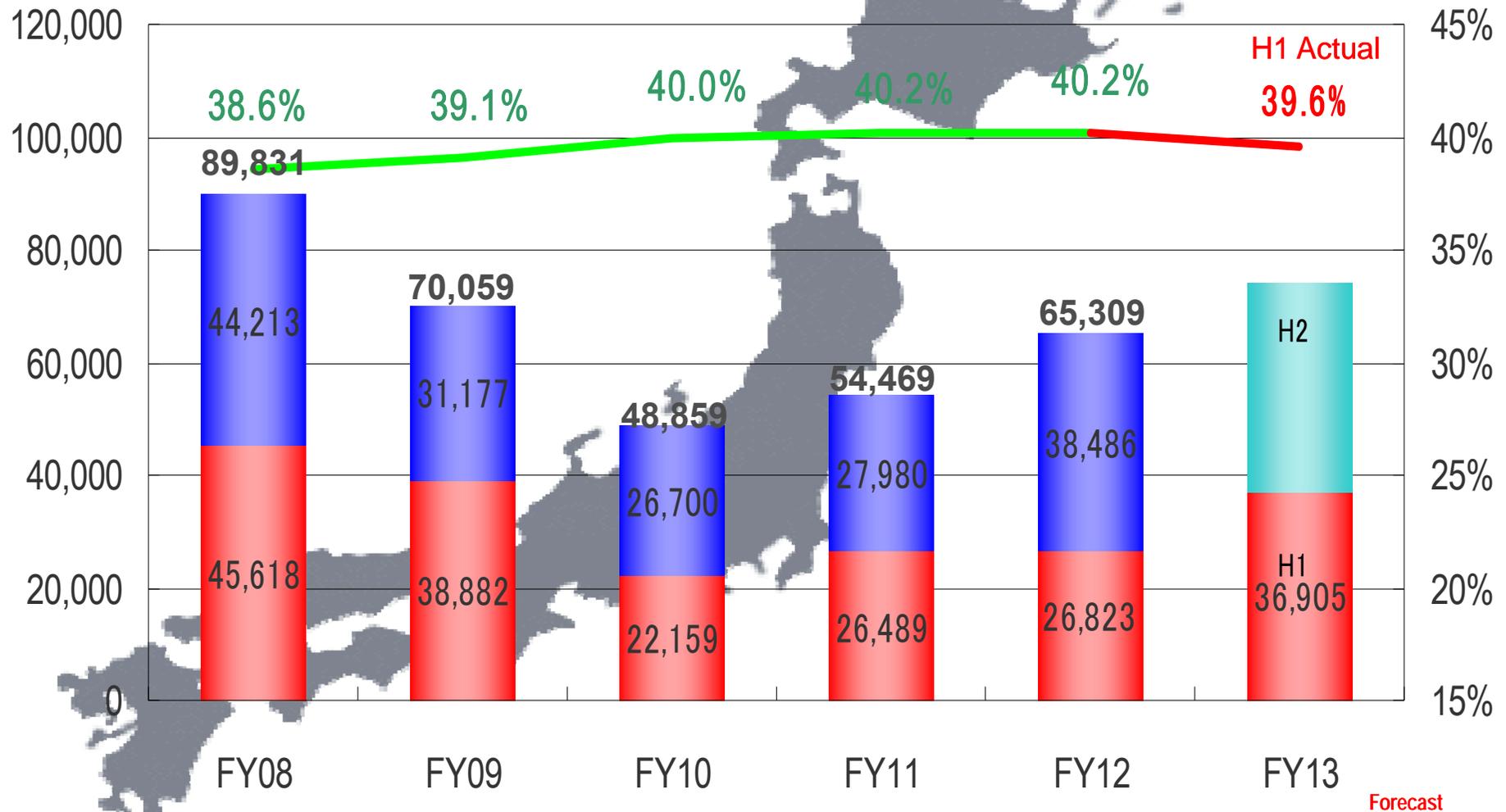


Japan Industry Sales and Isuzu Share - L/D(2-3ton) Truck -

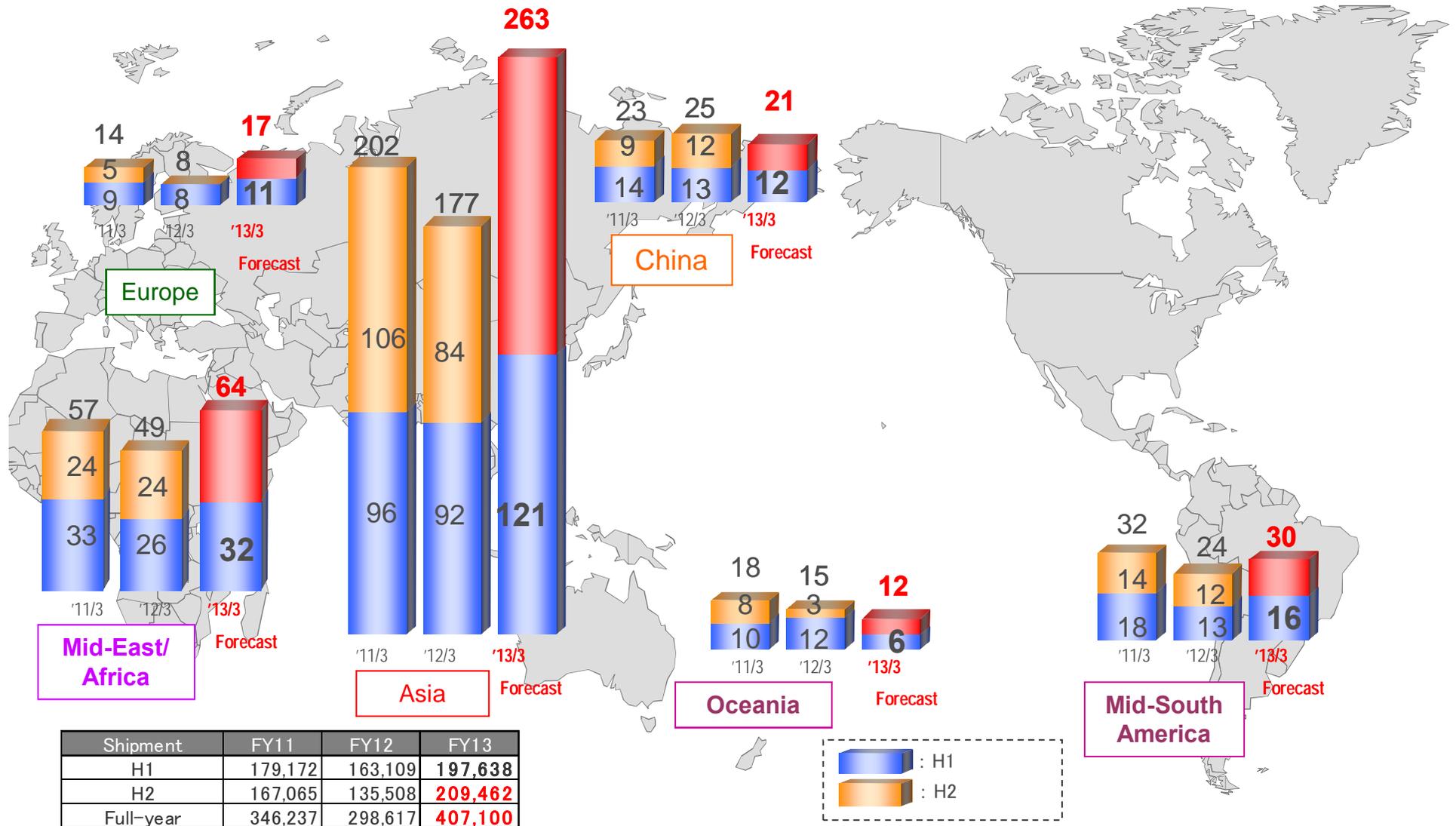
(Unit)

FY08-FY12 : FY Actual
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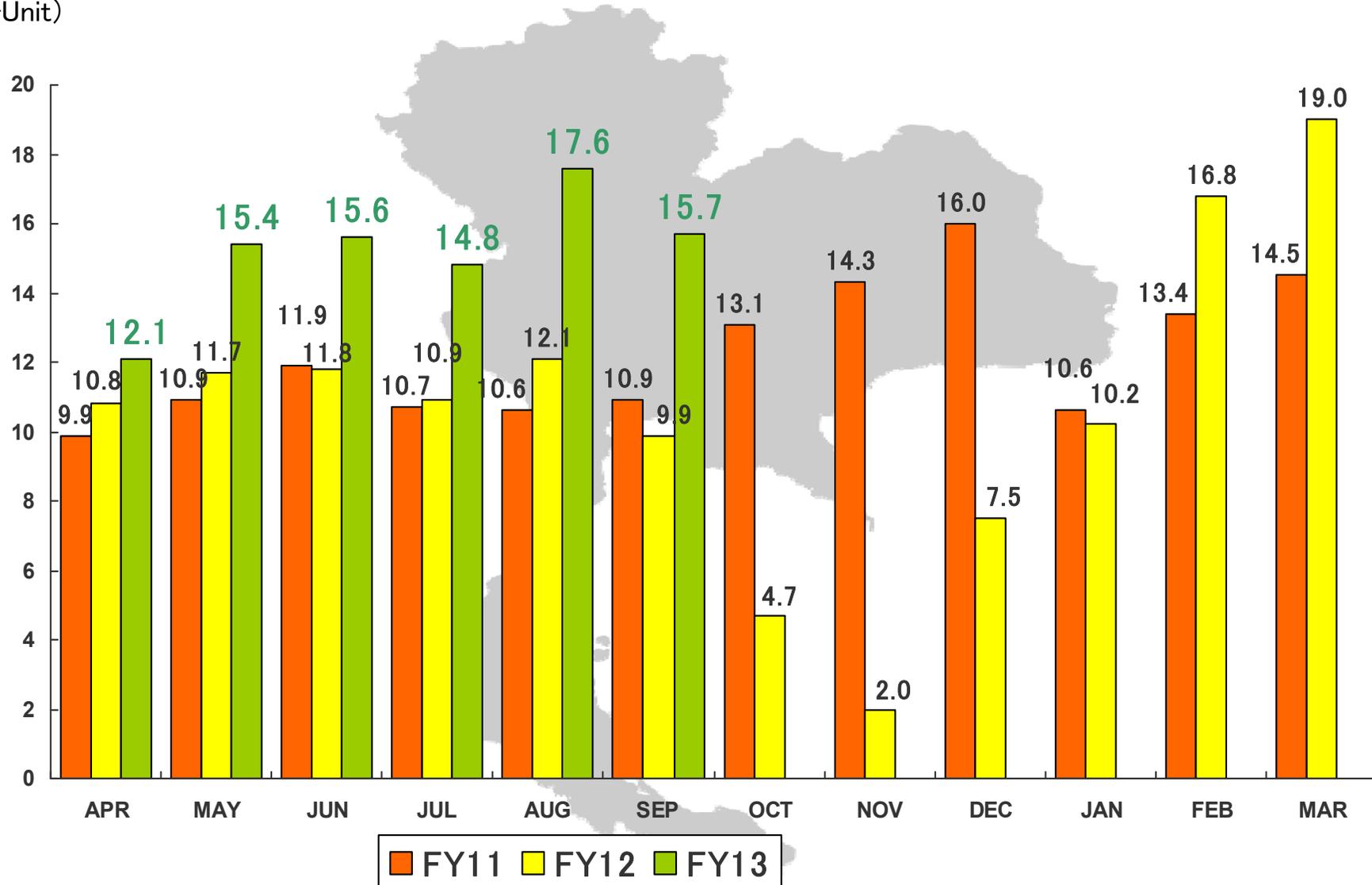
LCV Global Shipment - Vehicle and KD-SET, etc: K-units -





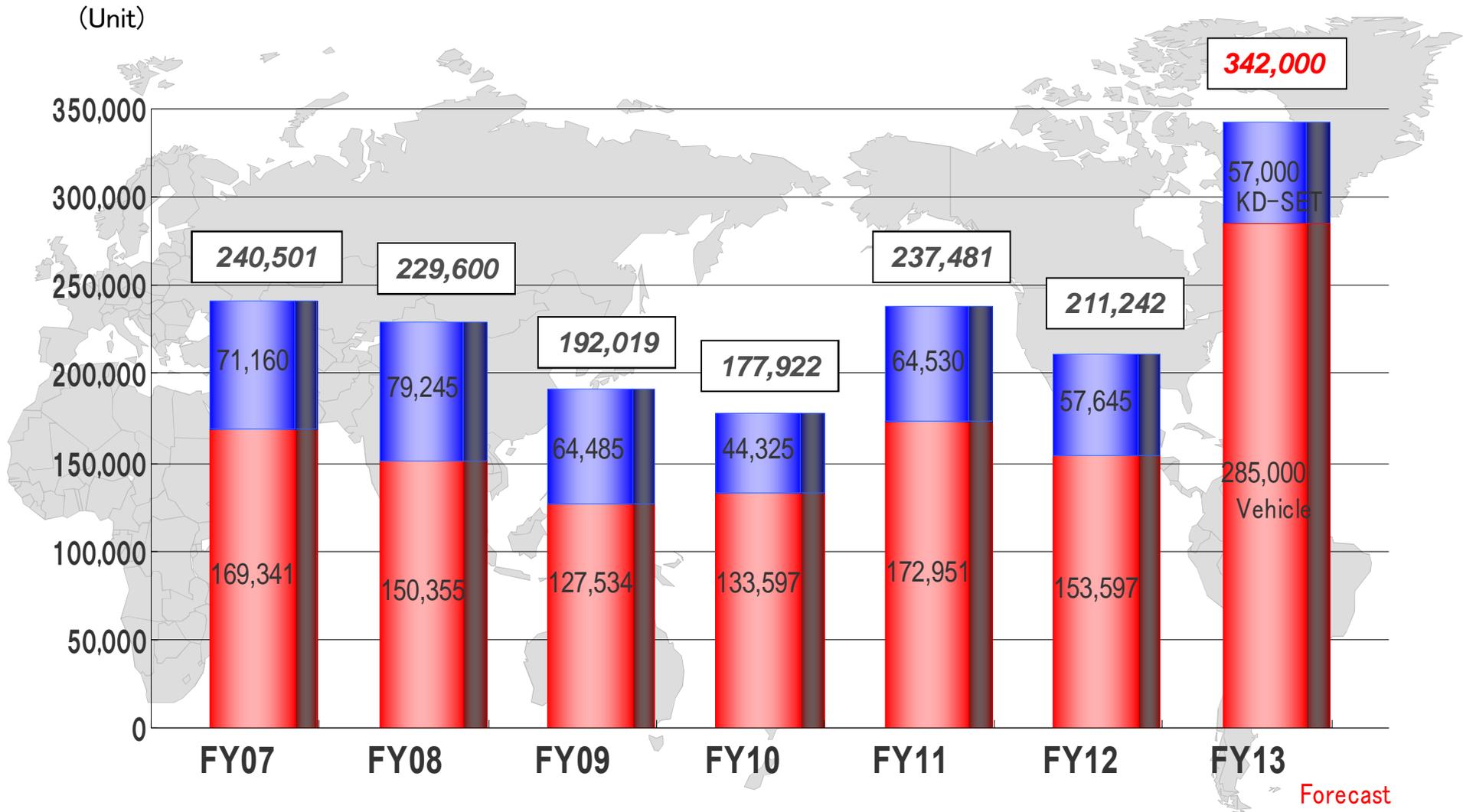
Pick-up truck monthly sales in Thailand

(K-Unit)

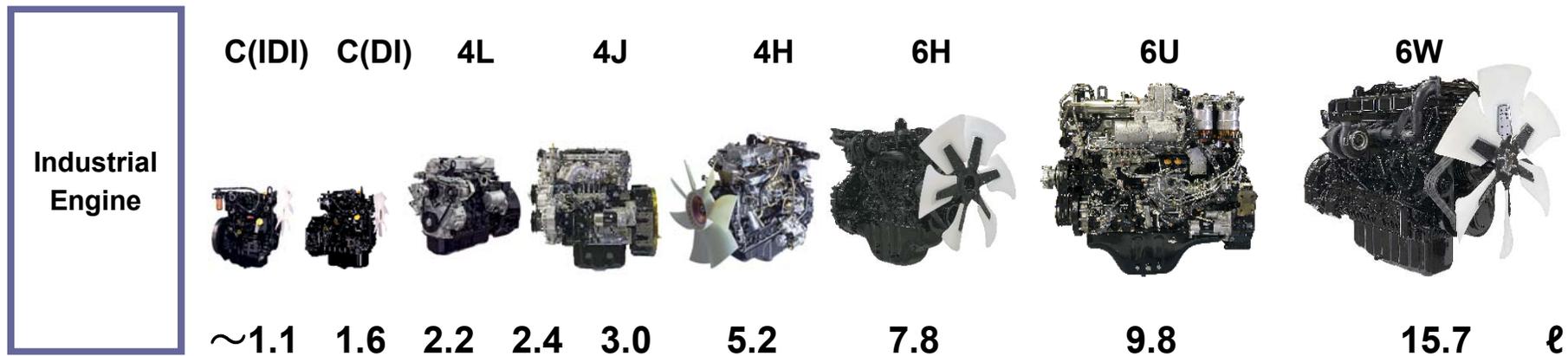
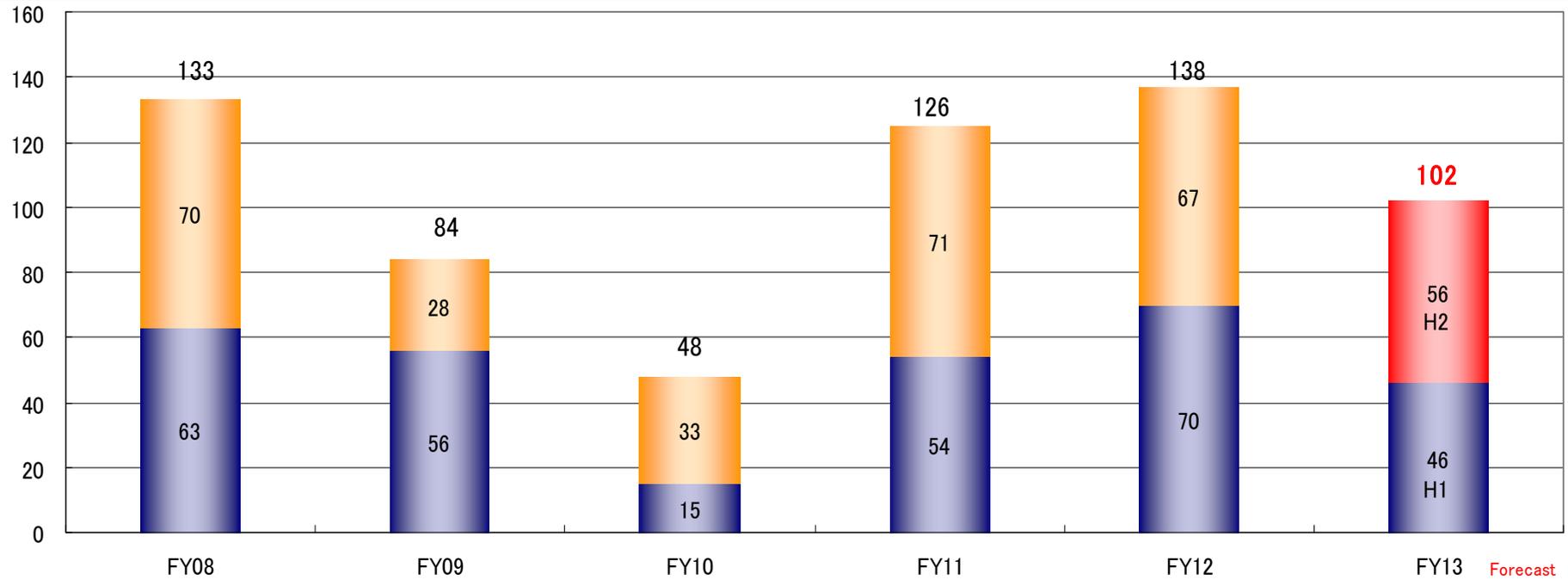




Thailand LCV Shipment - Thai Domestic / Export Markets -



Industrial Engine Global Shipment - K-Units-



Ⅱ -2. FY2013 H1 Financial Summary

April 2012 – September 2012

FY2013 H1 Consolidated Results

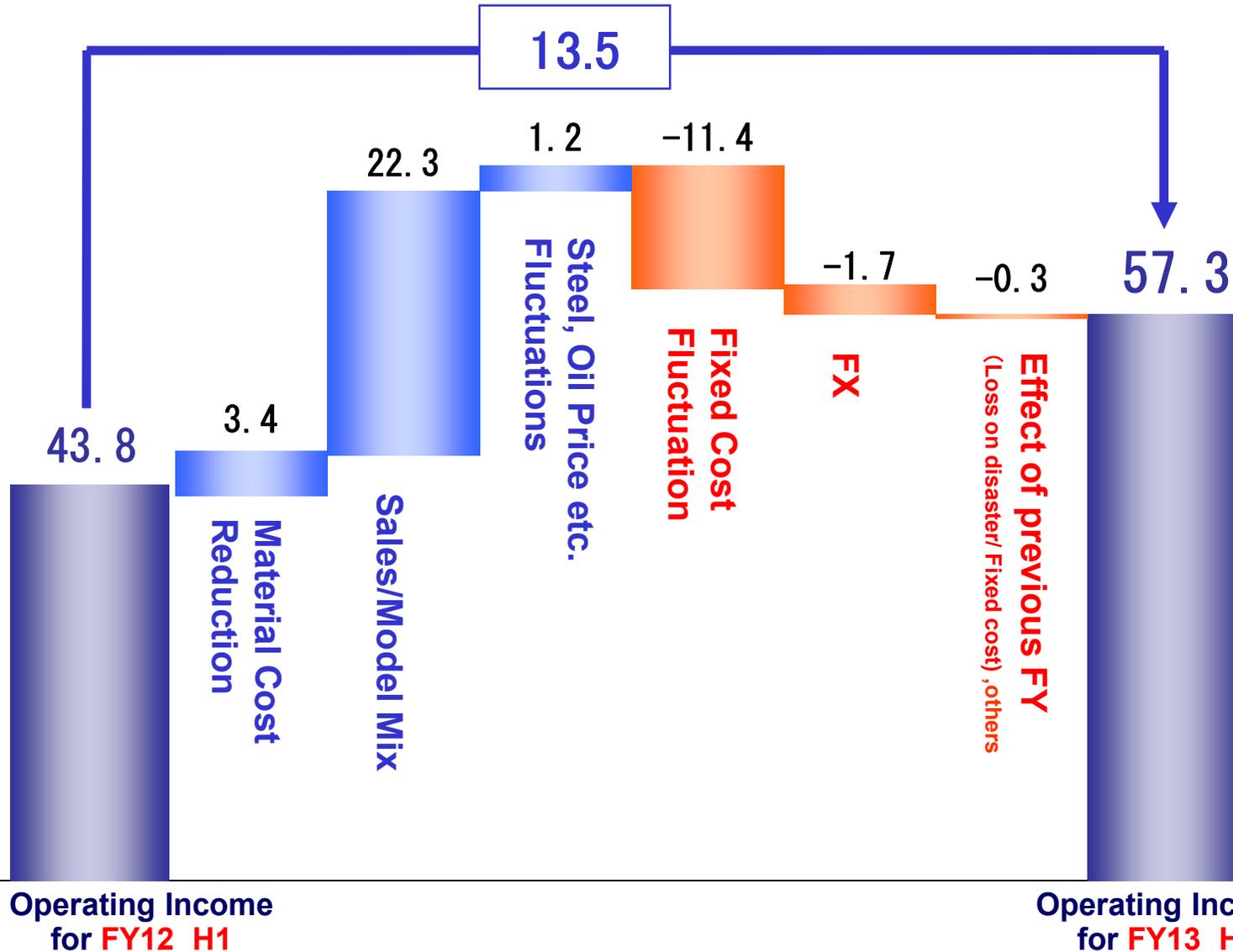
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FY2012 vs. FY2013 H1 Fluctuations

- Consolidated operating income: analysis of change, JPY: Bil. -



FY2013 H1 Consolidated Results

- Ordinary income, Net income, Year-on-year -

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Ordinary Income	Operating Income Change	13.5
	* Equity in Earnings of Affiliates:	1.9
	* Financial account balance/ FX gain and loss, Other	-0.1
	Total	15.3

Extra Profit / Loss etc.	Ordinary Income	60.4
	* Loss on disposal of noncurrent assets, etc	-0.8
	* Tax and minority interests:	-17.5
	Net Income	42.1

II -3. FY2013 Full-year Outlook

FY2013 Full-year Outlook

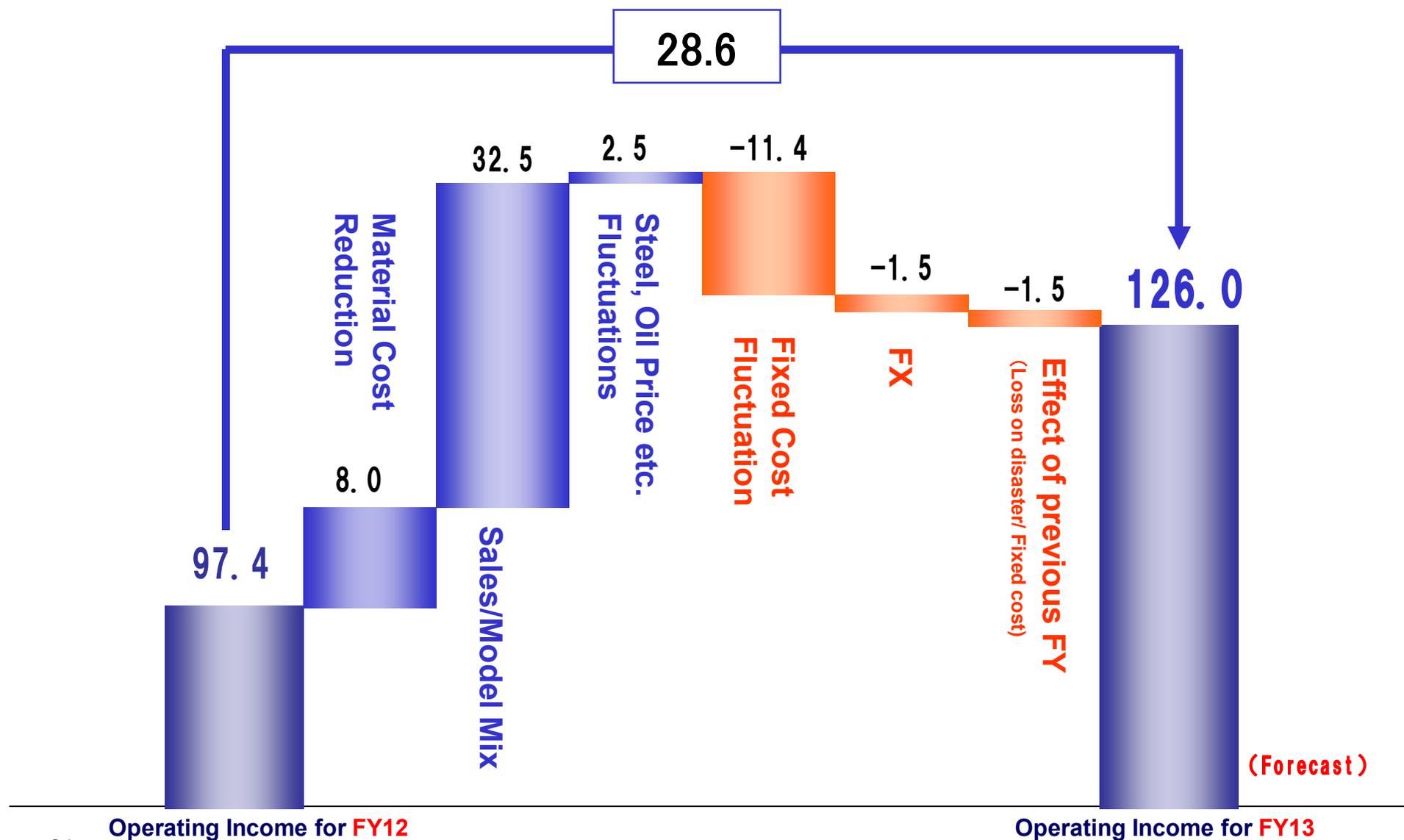
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FY2013 Full-year Outlook

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Net Income	91.0	91.3	-0.3

Ordinary Income	Operating Income Change	28.6
	* Equity in Earnings of Affiliates:	4.0
	* Financial account balance/ FX gain and loss, Other:	-2.5
	Total	30.1

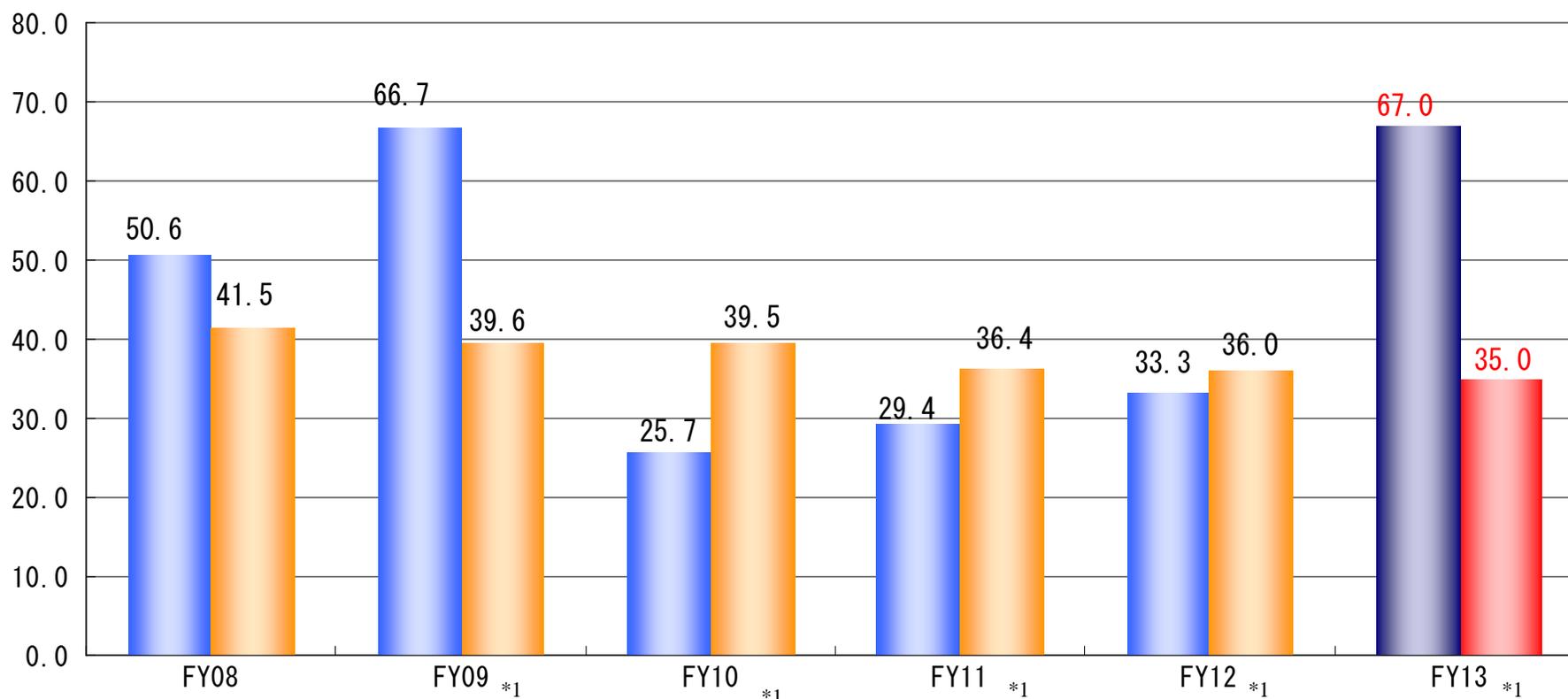
Extra Profit / Loss etc.	Ordinary Income	133.0
	* Loss on disposal of noncurrent assets, etc:	-0.5
	* Tax and minority interests:	-41.5
	Net Income	91.0

[Appendix]

Main Financial Index

CAPEX and Depreciation (Consolidated) - Recent Trend and Forecast -

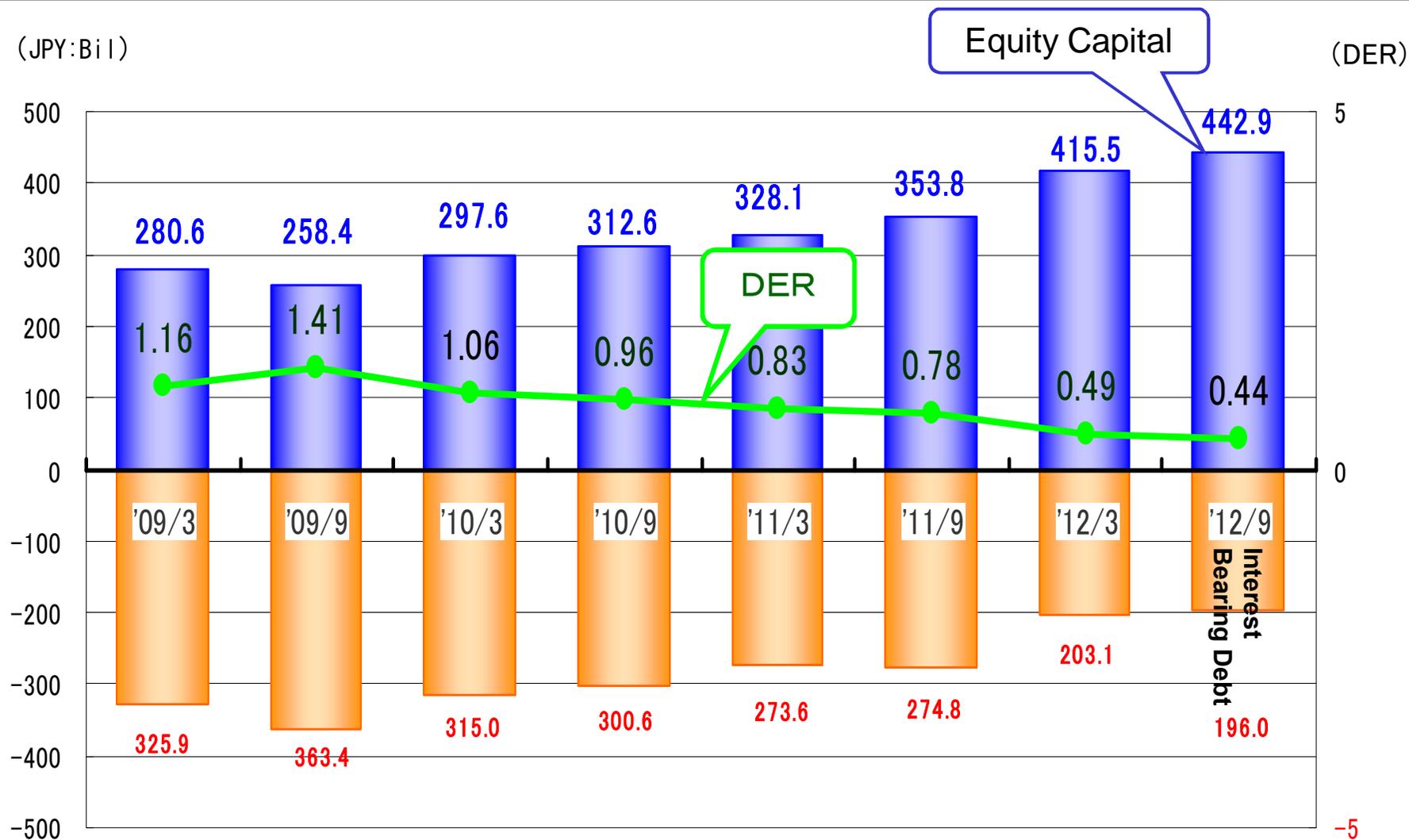
(JPY:Bi I)



(Forecast)

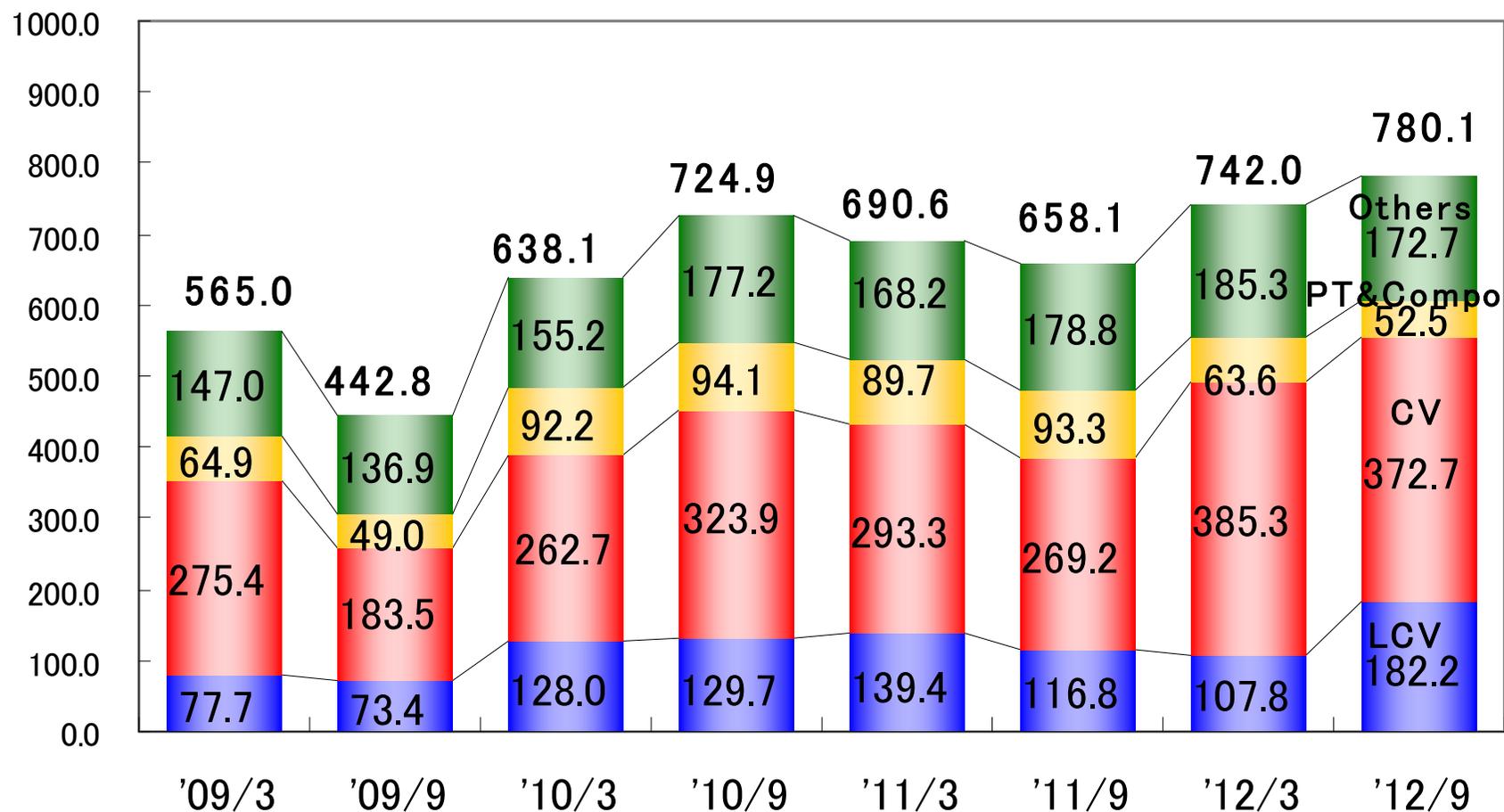
*1 FY09 or later included lease

Interest Bearing Debt / Equity Capital (Consolidated)



Consolidated Net Sales by Segment - LCV, CV, PT&Compo, Others(KD, parts) -

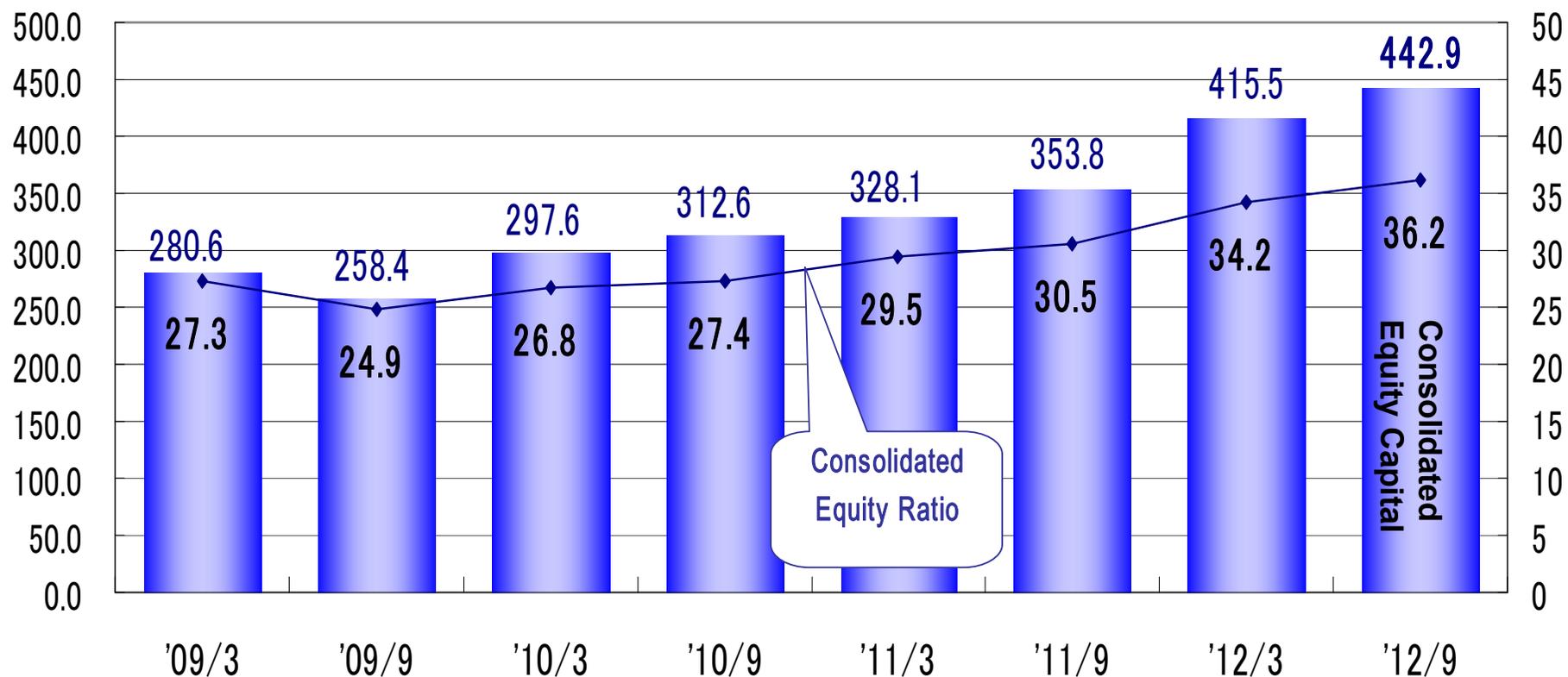
(JPY:Bi I)



Consolidated Equity Ratio: Historical Trend

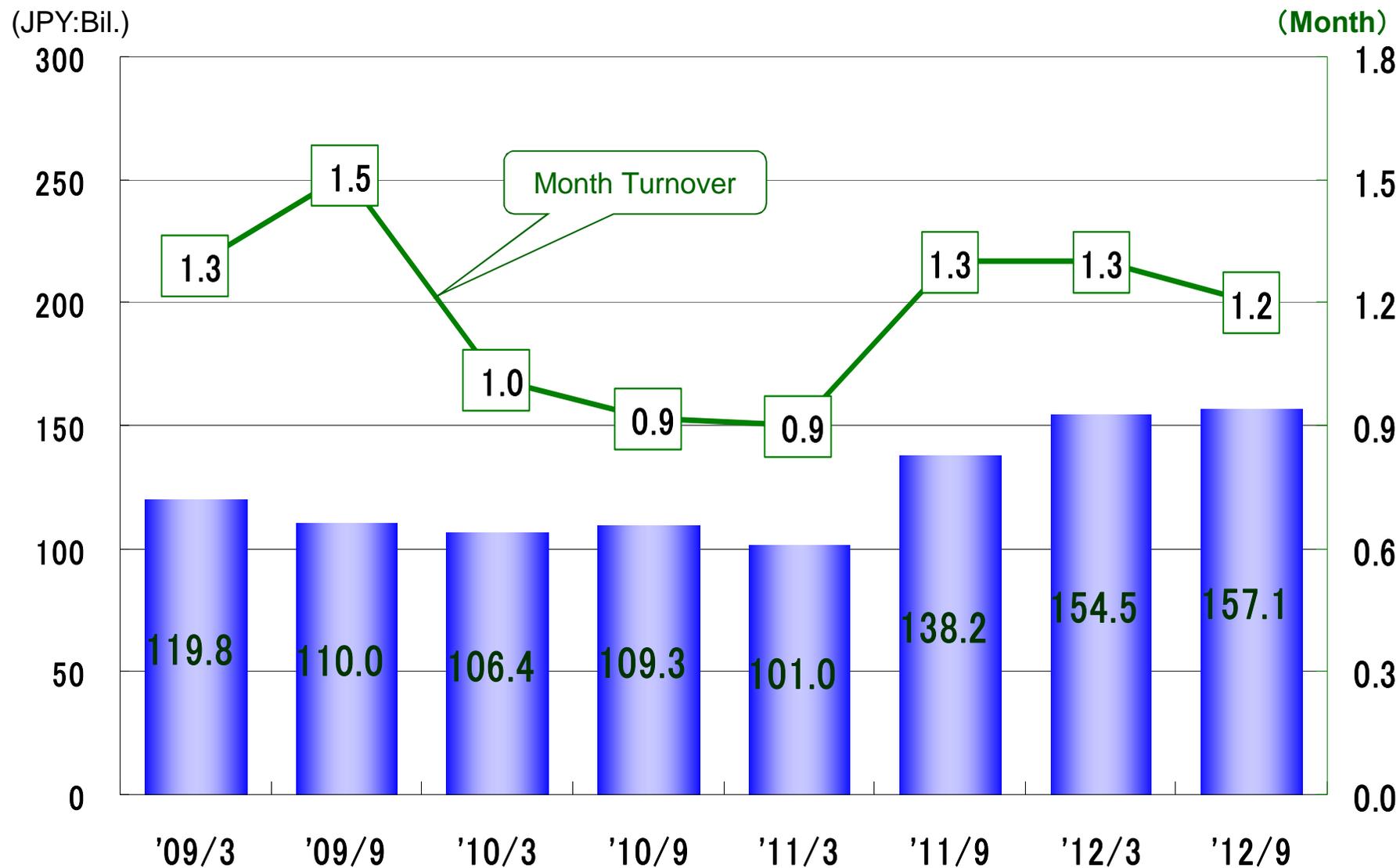
(JPY: Bil.)

(%)

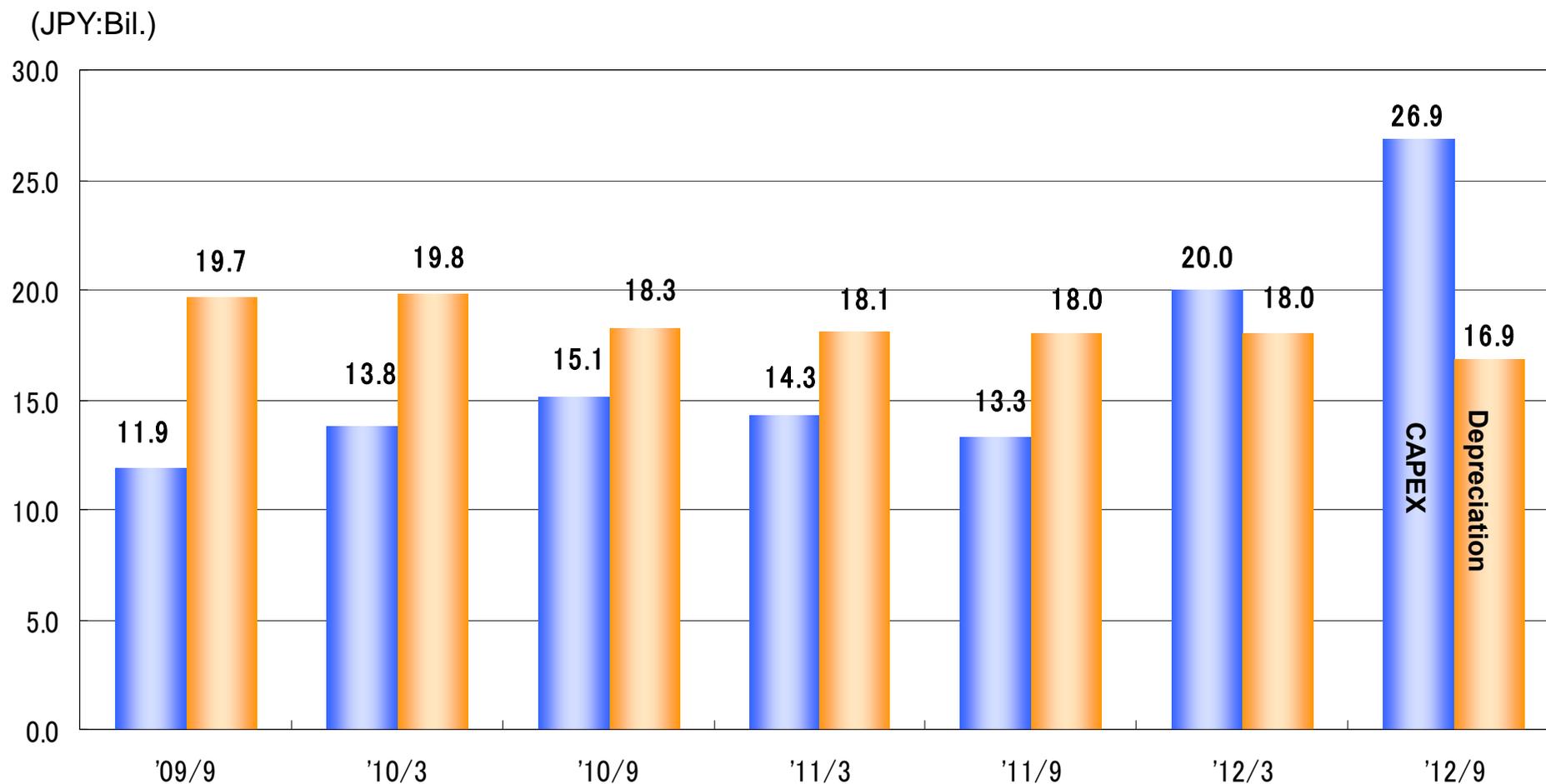


Inventory Balance

- Consolidated -



CAPEX and Depreciation (Consolidated) - Recent Trend -



Trucks for life
ISUZU