

Translation:

June 8, 2005

To the Shareholders:

Notice of the 103rd ordinary General Meeting of Shareholders

We have the honor to inform you that the 103rd ordinary General Meeting of Shareholders of Isuzu Motors Limited will be held as follows:

1. Date and Time: Wednesday, June 29, 2005, 10:00 a.m.
2. Place: Isuzu Hall, Omori Bellport Building A, 26-1, Minami-oi 6-chome, Shinagawa-ku, Tokyo
3. Agenda:

Reports:

Report #1: Reports for consolidated balance sheet and consolidated income statement on the 103rd business annual term (Apr. 1, 2004 - Mar. 31, 2005) also, audit report for consolidated financial documents for the 103rd business year completed by certified public accountant and board of auditors.

Report #2: Report on the business report, balance sheet, and profit and loss statement for the 103rd term (Apr. 1, 2004 - Mar. 31, 2005).

Proposals:

Proposal #1: Approval of the proposed appropriation of retained earnings for the 103rd term.

Proposal #2: Election of five (5) directors.

Proposal #3: Election of four (4) corporate auditors.

Proposal #4: Payment of retirement gratuities to the outgoing directors and auditor and payment of retirement gratuities in accordance with the abolition of the Company's bylaws for retirement benefits.

Proposal #5: Revision of the reward for corporate auditors.

If you are unable to attend the meeting, you can exercise your voting right by submitting a written statement. In such a case, you are kindly requested to fill in the voting form after referring to the "Reference Materials Pertaining to Exercise of Voting Rights" attached hereto. Please choose either "for" or "against" for each proposal, affix your "seal," and return the same to Isuzu Motors Limited.

Shareholders who are going to attend the meeting are requested to present the enclosed voting form to the reception desk.

Sincerely yours,

Yoshinori Ida
President and Director
Isuzu Motors Limited

(Attachment)

BUSINESS REPORT (From April 1, 2004 to March 31,2005)

1. Highlights of Operations

(1) **Review of Operations & Results** (including the status of fund raising & capital investments)

[Review of Operations]

The economy of this country falling under the current fiscal year saw a moderate recovery supported by facility investment and improvement in corporate profit, however remained with dimming prospects into the future due to skyrocketing material cost as well as yen's appreciation in the latter half of the fiscal year.

In the domestic truck market, the demand dropped as a rebound from the previous fiscal year as the replacement demand for trucks grew substantially because of the tougher emission control.

Under such circumstance, the Company's Group has been strengthening the nature of the Company in pursuit of recovery of the corporate value and enhanced competitiveness as the final year of "New 3-Year Business Plan" though the Company' Group formulated a new plan called "Mid-term Business Plan" in November of 2004 targeting the March term of 2008 as our next goal, in order to establish a firm corporate base to realize a sustainable expansion as well as growth.

Among the new products the Company's Group has launched during the current fiscal year are as follows: installation of new medium-duty truck FORWARD in compliance with the New Short-term Emission Control (2003 & 2004) and the recognition system as diesel vehicle to exhaust ultra-low PM, light-duty truck ELF, heavy-duty route bus ERGA MIO as well as medium-duty bus GALA MIO which is for home-use / sightseeing bus. Especially, ELF was installed with original semi-automatic transmission called "Smoother E" for improved economy and safety features. In addition to this, "Mimamori-kun On-line Service", which is winning popularity ever since the release was installed with the menu contributing to efficient route distribution and preventive maintenance. Its scope was also extended from conventional HD truck GIGA-series to ELF and FORWARD, which accelerated the computerization of trucks by pricing down drastically.

Regarding the business deployment, the Company's Group made the consolidated affiliated subsidiary, etc out of all the major 5 companies by proceeding with the reorganization of business unit in Thailand. This enables us to secure our competitive advantages in Thailand by strengthening the manufacturing capability as well as consolidated management. Domestically, the manufacturing operations of Kawasaki Plant was consolidated to Fujisawa and Tochigi Plant sequentially in order to seek efficiency by reorganizing the manufacturing sector though, Kawasaki Plant's eastern portion of about 18 ha. has been sold to Yodobashi Camera in February of 2005, which marked an overall finish of the transfer/consolidation of domestic production functions. On the other hand, the joint venture was established in October of 2004 to proceed the domestic bus manufacturing business with Hino Motors Co., Ltd among J-Bus Co., Ltd which is a start-up preparation company, and Isuzu Bus Manufacturing Co., Ltd and Hino Body Shop Co., Ltd both of which are the subsidiaries of J-Bus Co., Ltd (its surviving company is J-Bus Co., Ltd). The Company's Group is to promote to increase profitability for the bus business by this joint venture.

For the capital investment, the Company's Group has played the central role in investing the total of 46 billion JPY, to redeploy the distribution and manufacturing system associated with the transfer of Kawasaki Plant functions, expansion of engineering facility and development of new products. Among the major facilities acquired during the current fiscal year is the facility to measure pollutant in emission to meet emission control, the area to ship vehicles which was built next to the Fujisawa Plant, the testing ground for manufacturing vehicles, the facility for domestic sales and the one for vehicle assembly in Thailand, etc.

The Company's Group also played the key role in meeting the financial requirement for the current fiscal year in terms of fund-raising. Among the major accomplishments is the issuance of the third-party allotment of the second unsecured convertible bond with warrants (total worth of 100 billion JPY) in August of 2004. Furthermore, the Company's Group restructured the debt in order to establish a financial base by contracting the Syndicated Loan Agreement comprising 240 billion JPY of the term loans and 62 billion JPY of the commitment line to secure liquidity, based on the lump-sum payment of the existing debt in February of 2005.

[Result of Operation]

Regarding the sales volumes of domestic vehicles during the current fiscal year, it resulted in 89,740 units with a decrease of 13,287(12,9%) compared with the previous fiscal year, in spite of continuous focus on the product sales in accordance with the kind of quality and price required by the customers since the replacement demand of reinforced emission control has completed the first stage. With regard to the overseas sales volumes of vehicles, there was an addition of sales volume within Thailand from the latter half of this current fiscal year, due to establishing the consolidated companies from the business units in Thailand. Strongly influenced by this, there was an increase of 72,031 units (40.6%) compared with the previous fiscal, ending as 249,422 units. As a result, the total sales volumes both domestic delivery & exports increased 58,744 units (20.9 %) from the previous fiscal year to end as 339,162 units.

As for the sales of other products, the sales of offshore KD assembly parts increased 31 billion JPY (83.1%) from the previous fiscal year to 68.3 billion JPY, due to drastic increase of exports to Asia. The engine component shipments decreased 41.5 billion JPY (10.6%) from the previous fiscal year to end as 350.1 billion JPY as the domestic sales of the pickup trucks in Thailand which was included in the component in the previous fiscal year was put together with the sales of vehicles from the latter half of the current fiscal year.

Consequently, the sales increased 63.2 billion JPY (4.4 %) from the previous fiscal year to 1 trillion 493.5 billion JPY. The breakdown of the sales stands at 625.7 billion JPY (down 0.3 % from the previous fiscal year) for the domestic delivery and 867.8 billion JPY (up 8.1 % from the previous fiscal year) for overseas delivery.

Sales volume and the amount broken down per product line are as follows:

P r o d u c t L i n e s		Sales Volume (In units)	Sales Amount (In billion)
Vehicles	Heavy-duty Vehicles (Heavy-duty / Medium-duty Models)	Unit 50,573	Yen 2,922
	Light-duty Vehicles and others	288,589	4,713
	Sub-total	339,162	7,635
	Offshore Assembly KD Parts	-	683
Engines / Components		-	3,501
Service Parts and Others		-	3,114
T o t a l		-	14,935

With respect to the results of profit and loss, the working profit grew 9.8 billion JPY (12.1%) from the previous fiscal year to 91.5 billion JPY, due to the steady reduction of the fixed cost by the entire group and drastic increase of investment profit on equity method despite the global upward pressure on the steel products price. On the other hand, the net income of the current fiscal year increased 5.3 billion JPY (9.7%) from the previous fiscal year to 60 billion JPY as a result of accounting for the loss, etc related to reorganization of the domestic sales network while bringing the introduction of asset-impairment accounting of the fixed assets into view.

Furthermore, the retained earnings from the previous fiscal year remained 111.0 billion JPY as condition of defect, the Company's Group was able to implement the capital reserve's decrease by 50 billion JPY which was approved by the Ad-hoc Shareholder's Meeting held last December to make up for the deficit, therefore the condition of defect at the end of this fiscal year was solved together with reversing the land revaluation differential amount, as the result the retained earnings balance at the end of this term was 10.4 billion JPY.

(Note) All figures in the text are discarded fractions of less than 100 million JPY.

(2) Issues for the Company's Group to address

As for the future outlook, there is a concern for the economic downturn due to rising price of materials, slowdown of the US economy, sluggish exports because of the strong yen and the deceleration in spending, etc.

In the automotive industry, although a full-scale impact of NOx and PM regulations will be felt with domestic demand exceeding the level of the current period in the

immediate future, the Company's Group recognizes that the business environment is as severe as ever due to negative impact of strong yen on export and intensified competition in and outside of Japan.

Under such circumstances, the Company's Group has set the future company vision as "the global leading CV, DE company" in November of 2004 and formulated a new "Mid-term Business Plan", aiming at achieving a 100 billion JPY consolidated operating profit on consolidated sales revenue of a 1,600 billion yen in the fiscal year ending in March 2008.

This "Mid-term Business Plan" is positioned as a strategic stepping-stone for the Company's future growth and expansion, and the three-year period will see aggressive investments. The New Plan clearly aims at establishing solid business foundation by enhancing product lineup with the development of global, strategic products, and reinforcing organizational capabilities and strengths in each business sector, whether by product or by market.

The shareholder's continued support will be greatly appreciated.

(3) Business Performance and the Transition of Assets Status

Business performance of the current 103rd Term and the over the past three years are as follows:

Business performance and transition of assets status of the Company's Group

Division of Accounts	100th Term (Ending March 2002)	101st Term (Ending March 2003)	102nd Term (Ending March 2004)	103rd Term (Ending March 2005)
Net Sales (¥ M i l l i o n)	1,597,701	1,349,449	1,430,339	1,493,567
Working Profit (¥ M i l l i o n)	1,984	4,200	81,678	91,555
Current Net Profit (¥ m i l l i o n)	42,991	144,301	54,713	60,037
Current Net Profit per Share (¥)	¥33.68	¥131.34	¥72.37	¥56.64
Net Assets (¥ M i l l i o n)	61,084	26,434	109,753	158,463
Net Assets per Share (¥)	¥47.83	¥98.64	¥11.12	¥81.53
T o t a l A s s e t s (¥ m i l l i o n)	1,324,144	1,028,844	1,077,816.	1,142,580

(Note) 1. stands for loss.

2. All figures in Net Sales, Working Profit, Current Net Profit, Net Assets and Total Assets are stated by abandoning fractions of less than ¥1 million.

3. As for the current net profit per share, it is indicated by dividing the net income minus "the accounts not belonging to common stockholders" by the average number of the common shares issued during the term(except treasury shares). As for the net assets per share, it is indicated by dividing the net assets as of the end of fiscal term minus "the number of preferred stocks issued multiplied by issue price" and "the accounts not belonging to other common stockholders", by the number of common shares issued as of the end of fiscal term. For Sen (i.e.1/100 yen), rounding fractions off stated figures thus obtained. This is decided from FY101. Furthermore, as for the current net profit per share, it is indicated by dividing the net income minus "the accounts not belonging to common stockholders" by the average number of the common shares issued during the term (except treasury shares) and the total number of common stock by "if-converted method" of "conversional participating shares" since the dividend payment became possible from FY103. Rounding fractions off stated figures obtained.

Business Performance and the Transition of Assets Status of the Company

Division of Accounts	100th Term (Ending March 2002)	101st Term (Ending March 2003)	102nd Term (Ending March 2004)	103rd Term (Ending March 2005)
Net Sales (¥ M i l l i o n)	761,904	760,608	890,336	880,072
Working Profit (¥ M i l l i o n)	2,123	4,880	57,561	53,907
Current Net Profit (¥ m i l l i o n)	56,224	189,447	38,857	27,019
Current Net Profit per Share (¥)	¥44.01	¥172.08	¥51.28	¥25.18
Net Assets (¥ M i l l i o n)	159,062	82,743	151,722	169,353
Net Assets per Share (¥)	¥124.52	¥23.07	¥58.94	¥91.67
T o t a l A s s e t s (¥ m i l l i o n)	876,680	717,601	808,674	812.521

(Note) 1. stands for loss.

2. All figures in Net Sales, Working Profit, Current Net Profit, Net Assets and Total Assets are stated by abandoning fractions of less than ¥1 million.
3. As for the current net profit per share, it is indicated by dividing the net income minus “the accounts not belonging to common stockholders” by the average number of the common shares issued during the term. As for the net assets per share, it is indicated by dividing the net assets as of the end of fiscal term minus “the number of preferred stocks issued multiplied by issue price”, by the number of common shares issued. For Sen (i.e.1/100 yen), rounding fractions off stated figures thus obtained. This is decided from the fiscal year 101. Furthermore, as for the current net profit per share, it is indicated by dividing the net income minus “the accounts not belonging to common stockholders” by the average number of the common shares issued during the term (except own shares) and the total of “conversional participating shares” & “increased number of common stock by if-converted method”, since the dividend payment became possible from FY103.. Rounding fractions off stated figures obtained

2 Outline of the Company's Group & the Company (as of March 31, 2005)

(1) Main Lines of Business of the Company's Group

Manufacture, sales, and related business of automotive vehicles as well as industrial engines. Listed below are main product lines:

C a t e g o r y		M a i n P r o d u c t (D o m e s t i c P r o d u c t)	
Vehicles	Heavy-duty vehicles (H/D & M/D)	T r u c k s	HD (GIGA series) MD (Forward series)
		B u s e s	Sight-seeing bus (GALA series) Transit bus (ERGA series)
	Light-duty vehicles	T r u c k s	(ELF series), (COMO)
		B u s e s	(Journey)
P a r t s f o r o v e r s e a s v e h i c l e p r o d u c t i o n		Various units and parts for overseas production	
E n g i n e s & c o m p o n e n t s		Industrial engines, components (engine, trans-axle, transmission, etc. for OEM's)	
S e r v i c e p a r t s & a c c e s s o r i e s		Parts, components, options & accessories for repair and service	

(2) Shares

Total number of shares the Company is authorized to issue, outstanding shares and number of Shareholders.

C a t e g o r y	Total number of shares the Company is to issue	Outstandin g s h a r e s	Number of shareholder
^{Shares} Common stock	3,369,000,000 ^{Shares}	1,073,619,832	69,323
C l a s s preferred stock	37,500,000	37,500,000	7
C l a s s preferred stock	25,000,000	25,000,000	1
C l a s s preferred stock	25,000,000	25,000,000	1

(Note) 1. The total number of outstanding common shares added due to the exercise of the Stock Acquisition Rights during the 103rd term: 195,514,084 shares.

2. Based on the resolution of Extraordinary General Meeting of Shareholders held on December 22nd of 2004, all the Class II Preferred Stock (37,500,000 shares) were retired with payment to the Shareholders, "Kabushiki Yusho Shokyaku".

Capital stock ¥ 32,617,790,329

(The capital stock increased 25,053,313,725yen due to the exercise of the Stock Acquisition Rights during the 103rd term but the total of 60,000,000,000 yen was reduced from the capital stock of the Company since the payment was made to shareholders holding Class- preferred stock in accordance with the number of shares held by the shareholders by means of retirement of the entire number of the preferred share (37,500,000 shares)with payment to the shareholders of Class- preferred stock on January 28th of 2005.)

Stock Acquisition Rights

Stock Acquisition Rights attached to 2nd Unsecured Convertible Bonds with stock Acquisition rights issued on August 23, 2004, in accordance with the provisions of Article II of the Commercial Code of Japan Section 341.

Balance of Convertible Bonds with stock acquisition rights	¥56,000 million
Number of Stock Acquisition Rights attached to the Bonds	56
Class and number of shares to be acquired upon exercise of the Stock Acquisition Rights	
Common Stock	214,395,099 shares
(Note) The maximum integer: the balance is divided by the conversion price (261.20 yen).	
Issue price of a Stock Acquisition Right	Zero

Acquisition, disposal and holdings of treasury stock

Acquired stock	
Common stock	257,365 shares
Total amount of purchase	¥74,481,030
Holdings at year-end	
Common stock	786,073 shares

Major Shareholders
(Common Stock)

Shareholder	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
Japan Trustee Services Bank, Ltd. (Trust Account)	1000 shares 146,774	% 13.75	1000 share -	% -
General Motors Ltd.	90,090	8.44	-	-
The Master Trust Bank of Japan, Ltd. (Trust Account)	87,924	8.24	-	-
Bank of New York For GCM Client Accounts (E) ISG	33,794	3.17	-	-
Mizuho Global, Ltd.	31,841	2.98	-	-
Trust & Custody Services Bank, Ltd. (Trust Account B)	26,072	2.44	-	-
Nomura Securities Co., Ltd.	21,666	2.03	-	-
UBS London Asia Equities	20,400	1.91	-	-
The Sumitomo Trust & Banking Co., Ltd.(Trust Account B)	18,036	1.69	-	-
Mitsubishi Trust and Banking Corporation (Trust Account)	12,461	1.17	-	-

(Class I Preferred Stock)

Shareholder	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
Mitsubishi Corporation	1000 shares 11,749	% -	1000 shares -	% -
Mizuho Global, Ltd.	11,134	-	-	-
Itochu Corporation	8,224	-	-	-
Mitsubishi Trust and Banking Corporation	2,251	-	-	-
The Master Trust Bank of Japan, Ltd. (Administration Trust Account・79213)	1,932	-	-	-
The Bank of Yokohama, Ltd.	1,183	-	486	0.03
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	1,024	-	-	-

(Class III Preferred Stock)

Shareholder	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
Mizuho Global, Ltd.	1000 shares 25,000	% -	1000 shares -	% -

(Class IV Preferred Stock)

Shareholder	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
Mizuho Global, Ltd.	^{1000 shares} 25,000	- %	^{1000 shares} -	- %

- (Note) 1 . Any fractions less than 1,000 shares have been discarded.
- 2 . The Company holds 1,740 shares (0.01%) of Mizuho Financial Group Inc. which is a holding company of Mizuho Holdings, Inc. that is then a holding company of Mizuho Corporate Bank Ltd. that is then a holding company of Mizuho Global, Ltd., and 799 shares (0.01%) of Mitsubishi-Tokyo Financial Group Inc. which is a holding company of Mitsubishi Trust and Banking Corp. as of March 31, 2005.

(3) Main Creditor

Creditor	Outstanding Borrowings	Isuzu shares owned by creditor	
		No. of shares owned	Equity ratio
Mizuho Global, Ltd.	Millions of Yen 74,000	^{1000 shares} 92,975	2.97 %
Development Bank of Japan	33,709	-	-

- (Note) 1 . Any fractions less than 1 million yen and 1000 shares have been discarded.
- 2 . The number of shares held by Mizuho Global, Ltd. includes Class I Preferred Stock at 11,134,000 shares and Class III Preferred Stock and Class IV Preferred Stock at 25,000,000 shares respectively.
- 3 . Equity ratio of Isuzu shares owned by creditor excludes preferred stocks.

(4) Business Tie-ups

Partnership with GM

The GM-Isuzu affiliation has been strengthened in various areas of business since the conclusion of capital and business tie-up agreement with GM in July 1971.

General Motors Limited, wholly owned subsidiary of GM now holds 90,090,000 shares (8.44% of total number of voting right) which accounts for 8.39% of the total number of outstanding common shares.)

Major Subsidiaries

Listed below are 11 major subsidiaries of a total of 101 subsidiaries.

Subsidiary	Capital stock	Isuzu equity ratio	Major line of business
Isuzu Motors Kinki Co., Ltd.	Millions of Yen 6,000	100.00 %	Sale of automotive vehicles
Isuzu Motors Tokai Co., Ltd.	Millions of Yen 4,340	100.00	Sale of automotive vehicles
Kanagawa Isuzu Motors Ltd.	Millions of Yen 4,000	100.00	Sale of automotive vehicles
Tokyo Isuzu Motors Ltd.	Millions of Yen 2,270	100.00	Sale of automotive vehicles
Isuzu LINEX Corporation	Millions of Yen 800	100.00	Warehousing and Transportation
Isuzu Motors America, Inc.	US\$,000 406,738	100.00	Import & sale of automotive vehicles
Isuzu Motors Asia Ltd.	US\$,000 73,872	100.00	Import & sale of automotive vehicles
Isuzu Commercial Truck of America, Inc.	US\$,000 25	80.00	Import & sale of automotive vehicles
Isuzu Motors Co., (Thailand) Ltd.	Millions of Baht 8,500	71.15 (64.43)	Mfg. & sale of automotive vehicles
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Millions of Baht 1,025	80.00 (78.60)	Mfg. & sale of engines
Isuzu-General Motors Australia Ltd.	A\$,000 47,000	60.00	Import & sale of automotive vehicles

(Note) 1. The figure in parentheses of equity ratio is the indirect equity ratio and it is included.

2. Any fractions less than US\$ 1,000 have been discarded.

Major Affiliated Companies

Listed below are 7 major affiliated companies of a total of 50 affiliated companies:

Affiliated company	Capital stock	Isuzu equity	Main line of business
J - B u s L i m i t e d	Millions of Yen 1,900	50.00 %	Manufacture & sale of buses
Automobile Foundry Co., Ltd.	Millions of Yen 1,480	31.45	Manufacture & sale of automotive casting parts & construction machine-use casting parts
Jidosha Buhin Kogyo Co., Ltd.	Millions of Yen 1,114	27.81 (0.17)	Manufacture & sale of automotive parts
T D F C o r p o r a t i o n	Millions of Yen 1,199	23.87 (0.34)	Manufacture & sale of drop forging and stamping die
Nippon Fruehauf Co., Ltd.	Millions of Yen 1,002	34.00	Manufacture & sale of trailers and van bodies
Isuzu Motors Polska Sp. zo. o.	Zlotys ,000 194,492	-	Manufacture & sale of engines
D M A X , L t d .	US\$,000 100,000	40.00 (40.00)	Manufacture & sale of engines

- (Note) 1. The figure within the parenthesis of equity ratio is the indirect equity ratio and it is included.
- 2 . The Company has 40% equity of ISPOL-IMG Holdings B.V., a holding company of Isuzu Motors Polska Sp. zo.o.
- 3 . Any fractions less than ¥1 million and 1,000 zloties have been discarded.

(Progress)

Isuzu Bus Manufacturing Co., Ltd., which had been our major subsidiary, was merged with a holding company equally financed by the Company and Hino Motors, Ltd. to promote bus business integration, and with Hino Body Co., Ltd., a subsidiary of Hino Motors. As a result, J-Bus Ltd. has become our major affiliated companies. In addition, the Company increased the capital of Isuzu Motors Co., (Thailand) Ltd., a body assembly company in Thailand to make it a consolidated subsidiary.

Total number of the Company's consolidated subsidiaries is 61, and total number of affiliated companies adopted the equity method is 46 and that of subsidiaries adopted the equity method is 25.

(5) Major Places of Business

Place of Business	Location
Head Office	Shinagawa-ku, Tokyo
Tochigi Plant	Ohira, Shimotsuga-gun, Tochigi Prefecture
Fujisawa Plant	Fujisawa-shi, Kanagawa Prefecture
Isuzu Engine Manufacturing Hokkaido Corporation	Tomakomai-shi, Hokkaido
Wa.com Hokkaido Co., Ltd.	Mukawa-cho, Yufutsu-gun, Hokkaido
Isuzu Castec Corporation	Kitagami-shi, Iwate Prefecture
Shonan Uni-Tech Co., Ltd.	Samukawa-cho, Koza-gun, Kanagawa Prefecture
Isuzu LINEX Corporation	Shinagawa-ku, Tokyo
Isuzu Real Estate Co., Ltd.	Shinagawa-ku, Tokyo
Isuzu Motors America, Inc.	Cerritos, California, USA
Isuzu Motors Co.,(Thailand) Ltd.	Samutprakarn, Thailand
Isuzu Autoparts Manufacturing Corporation	Laguna, Philippines

(Note) Relocation of production facilities of Kawasaki Plant to Fujisawa and Tochigi Plants was completed in May 2005.

(6) Employees

Corporate Group

No. of Employees	V.S. Previous Term-end
19,600 (5,192)	1,470

(Note) Number of employees means the employed workforce that includes employees loaned from non-group companies and regular part-time workers, but excludes the Company's employees loaned to the group companies. Number of the temporary hired, which includes seasonal workers, part-time workers, and temporary employees dispatched by personnel agencies, but excludes regular part-time workers, is shown in the parentheses, and is the average number of the consolidated fiscal year.

The Company

No. of Employees	V.S. Previous Term-end	Average Age	Average Years of Service
7,298(2,245)	11	39.3	17.6

(Note) 1 . denotes decrease.

2 . Number of employees means the employed workforce that includes employees loaned to the Company from outside and regular part-time workers, but excludes employees loaned from the Company to outside. Shown in the parentheses is the number of the temporary hired, which includes part-time workers, temporary employees dispatched by personnel agencies, and seasonal workers, but excludes regular part-time workers. The number is the average of the fiscal term.

(7) Directors and Corporate Auditors

Position and Title	Name	Major Responsibilities or Main Occupation
President and Representative Director	Yoshinori Ida	
Executive Vice President and Representative Director	Basil N. Drossos	Senior Division Executive: Sales Headquarters
Executive Vice President and Director	Kozo Sakaino	Adviser to the President
Executive Vice President and Director	Shigeki Toma	CFO (Chief Financial Officer), Senior Division Executive: Corporate Administration Headquarters
Executive Director	Hiromasa Tsutsui	Senior Division Executive: Operations Headquarters, Senior Division Executive: Quality Assurance Division
Executive Director	Yoshito Mochizuki	Executive in charge of China Operations
Director	Hiroshi Suzuki	Deputy Senior Division Executive: Sales and Operations Headquarters, Division Executive: Program Planning Div. and Sales Div.No. 1 of Sales Headquarters
Director	Susumu Hosoi	Division Executive: Corporate Planning and Finance Division of Corporate Administration Headquarters, and Strategic Business Division No. 1 of Sales Headquarters
Director	Yoshio Kinouchi	Division Executive: Administration Division of Corporate Administration Headquarters, Executive in charge of Information Systems Planning Department
Director	Yoshihiro Tadaki	Division Executive: Engineering Division of Operations Headquarters
Standing Corporate Auditor	Hiromu Inada	
Standing Corporate Auditor	Michio Kamiya	
Corporate Auditor	Yasuharu Nagashima	Lawyer
Corporate Auditor	Susumu Tsuchida	

(Note) 1 . Of corporate auditors, Messrs. Yasuharu Nagashima and Susumu Tsuchida are outside auditors provided for in the provision of Article 18-(1) "Law concerning exceptions to the Commercial Code concerning the audit of stock corporations, etc."

2 . Director's major responsibilities or main occupations were changed as of April 25, 2005 as follows.

Position and Title	Name	Major Responsibilities or Main Occupations
Executive Vice President and Representative Director	Basil N. Drossos	Adviser to the President
Executive Vice President and Director	Hiroshi Suzuki	Senior Division Executive: Sales Headquarters, Senior Division Executive: Program Planning Division
Executive Vice President and Director	Shigeki Toma	Senior Division Executive: Operations Headquarters, Senior Division Executive: Quality Assurance Division
Director	Susumu Hosoi	Senior Division Executive: Corporate Administration Headquarters, Division Executive: Corporate Planning & Finance Division and Strategic Business Division of Sales Headquarters
Director	Yoshio Kinouchi	Division Executive: Administration Division of Corporate Administration Headquarters
Director	Yoshihiro Tadaki	Division Executive: Purchasing Division of Operations Headquarters
Director	Hiromasa Tsutsui	
Director	Yoshito Mochizuki	

(8) Remuneration paid to Directors and Corporate Auditors

	Fixed Portion		Bonus	
	No. of Officers	Amount	No. of Officers	Amount
Directors	11	Millions of Yen 172	-	Millions of Yen -
Auditors	4	34	-	-
Total	15	207	-	-

(Note) 1 . Any fractions less than one million yen have been discarded.

2 . No. of Officers include one director who resigned during this term.

(9) Amount of fee paid to Accounting Auditor

The below shows the amount of fee to be paid to Accounting Auditor by the Company and its subsidiaries.

	A m o u n t
1. Total amount of fee to be paid to accounting auditors by the Company and its subsidiaries.	Millions of Yen 152
2. Of the above 1, total amount of fee to be paid in compensation for audit certification provided for in the provision of Article 2-(1) of Certified Public Accountant Law.	Millions of Yen 150
3. Of the above 2, amount of fee to be paid to accounting auditors by the Company	Millions of Yen 93

(Note) 1. Any fractions less than one million yen have been discarded.

2. Amount of fee shown in the above 3 is the total of compensation for both auditing in accordance with the special law on the Commercial Code and auditing in accordance with the Securities Exchange Law, as the audit contract signed by the Company and the Accounting Auditor does not clearly separate two auditing fees, and therefore, they cannot practically separated.

3. Important Facts concerning Corporate Group developed after closing the financial book.

There exist no important facts to be mentioned regarding the status of corporate group.

In addition, Isuzu Motors Asia Ltd., which is our consolidated subsidiary (our 100% capital contribution) has decided to distribute US\$113,400,000 at the board meeting held in April 7th of 2005.

CONSOLIDATED BALANCE SHEET

As of March 31, 2005

[in millions of Yen]

ASSETS		LIABILITIES	
ITEMS	AMOUNT	ITEMS	AMOUNT
CURRENT ASSETS	568,215	CURRENT LIABILITIES	541,918
Cash and cash equivalents	139,357	Trade notes and accounts payable	278,511
Trade notes and account receivable	248,744	Short-term borrowings	151,513
Inventories	124,526	Income tax payable	10,588
Deferred tax assets	28,480	Accrued expenses	43,690
Others	32,162	Accrued bonus cost	10,354
Allowance for doubtful accounts	-5,055	Accrued warranty cost	2,812
FIXED ASSETS	574,364	Deposit received	11,206
Property, plant & equipment	458,613	Others	33,241
Buildings & structures	101,980	FIXED LIABILITIES	428,009
Machinery & equipment	67,634	Bonds	12,634
Land	267,868	Bonds with warrant attached	56,000
Construction in progress	7,473	Long-term Borrowings	228,956
Others	13,656	Deferred tax liabilities	4,693
Intangible assets	7,666	Deferred tax liabilities related to revaluation	49,571
Investments & other assets	108,084	Accrued retirement benefits	60,057
Investment securities	65,339	Long-term deposit	2,390
Long-term loans receivable	22,291	Consolidated adjustment account	93
Deferred tax assets	8,576	Others	13,612
Others	32,859	TOTAL LIABILITIES	969,928
Allowance for doubtful accounts	-20,983	MINORITY INTERESTS IN CONSOLIDATED COMPANIES	
		MINORITY INTERESTS IN CONSOLIDATED COMPANIES	14,188
		SHAREHOLDERS' EQUITY	
		CAPITAL	32,617
		CAPITAL SURPLUS	42,435
		RETAINED EARNINGS	10,460
		UNREALIZED HOLDING GAIN ON FIXED ASSETS	77,791
		UNREALIZED HOLDING GAIN ON SECURITIES	8,324
		FOREIGN CURRENCY TRANSLATION ADJUSTMENT	-12,946
		TREASURY STOCK	-220
		TOTAL SHAREHOLDERS' EQUITY	158,463
TOTAL ASSETS	1,142,580	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	1,142,580

Note: Amounts under millions of yen are omitted in the figures above.

CONSOLIDATED INCOME STATEMENT

From April 1, 2004 To March 31, 2005

[in millions of Yen]

	Prior fiscal year	
ORDINARY INCOME AND LOSS		
[OPERATING PROFIT AND LOSS]		
OPERATING INCOME		
Net Sales		1,493,567
OPERATING EXPENSES		
Cost of Sales	1,268,483	
Selling, administrative and other expenses	137,869	1,406,353
OPERATING PROFIT		87,214
[NON-OPERATING PROFIT AND LOSS]		
NON-OPERATING INCOME		
Interest and dividend income	3,002	
Amortization of consolidated adjustment account	53	
Equity in earnings of unconsolidated subsidiaries and affiliates	15,811	
Other non-operating income	4,332	23,200
NON-OPERATING EXPENSES		
Interest expenses	12,564	
Other non-operating expenses	6,295	18,860
ORDINARY PROFIT		91,555
SPECIAL INCOME AND LOSS		
SPECIAL GAINS		
Gain on sales of PP&E	3,211	
Gain on sales of investment securities	5,807	
Other special gains	1,345	10,363
SPECIAL LOSSES		
Loss on sales of PP&E	15,589	
Unrealized holding loss on unconsolidated subsidiaries & affiliates	6,056	
Loss on restructuring of Domestic subsidiaries & affiliates	5,573	
Other special loss	5,931	33,151
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS		68,767
INCOME TAX	14,648	
INCOME TAX ADJUSTMENTS	-8,403	6,245
MINORITY INTERESTS		2,484
NET INCOME		60,037

Note: Amounts under millions of yen are omitted in the figures above.

Basis of Annual Consolidated Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries ... 61 companies

Principle subsidiaries ... Isuzu Motors Kinki Co., Ltd, Tokyo Isuzu Motors Ltd
Isuzu Motors America, Inc

(2) Unconsolidated Subsidiaries

Principle unconsolidated subsidiaries ... Hakodate Isuzu Motors Co., Ltd

Reasons for unconsolidation

These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the consolidated financial statements.

2. Equity Method

(1) Companies accounted for by the equity method

Number of companies accounted for by the equity method ... 71 companies

Principle companies accounted for by the equity method

Unconsolidated subsidiaries ... Transnet, Inc., Omori Heat Supply Co., Ltd

Affiliates ... Jidosha Buhin Kogyo Co., Ltd, Automobile foundry Co., Ltd, TDF Corporation

(2) Companies not accounted for by the equity method

Principle companies not accounted for by the equity method

Unconsolidated subsidiaries ... Hakodate Isuzu Motors Co., Ltd

Affiliates ... Chongqing Qingling Technical center Co., Ltd

Reasons for not accounted for by the equity method

These companies are not accounted for by the equity method as their impact is not significant on the consolidated net income or loss, consolidated retained earnings and others.

3. Change in the Scope of Consolidation and Equity Method Accounting

(1) Change in the scope of consolidation

The change in the scope of consolidation for this fiscal year is as follows.

Isuzu Motors Co., (Thailand) Ltd, Isuzu Engine Manufacturing Co., (Thailand) Ltd, and Thai International Die Making Co., Ltd, formerly accounted for by the equity method, have been consolidated following the increase in shares by capital increase.

P.T. Asian Isuzu Casting Center(P.T. Astra Isuzu Casting Company) and Nishi-Tokyo Truck Service Co., Ltd(Nishi-Tokyo Isuzu Motors Co., Ltd), formerly accounted for by the equity method, have been consolidated following additional acquisition of its shares.

Newly established subsidiary, Isuzu Holdings Thailand Co., Ltd, has been consolidated.

Isuzu Body Co., Ltd(Isuzu dress-Up center., Ltd), formerly accounted for by the equity method, has been consolidated because it has become material.

(2) Change in the scope of equity method accounting

The change in the scope of the equity method accounting for this fiscal year is as follows.

Hitachi Chemical Automotive Products Co., Ltd, an affiliate of Isuzu Motors Co., (Thailand) Ltd which has been consolidated from this fiscal year, has become an affiliate and is now accounted for by the equity method. International Autoworks, an affiliate of Isuzu motors Co., (Thailand) Ltd has become a unconsolidated subsidiary accounted for by the equity method following acquisition of its shares by Isuzu Engine Manufacturing Co., (Thailand) Ltd., which has been consolidated from this fiscal year.

Isuzu Iberia S.L., Isuzu Malaysia Sdn.Bhd. and Isuzu Truck (UK) Ltd were newly established and have been accounted for by the equity method.

Shimizu factory Co., Ltd has become an unconsolidated subsidiary accounted for by the equity method following acquisition of its shares.

Isuzu Motors Co., (Thailand) Ltd, Isuzu Engine Manufacturing Co., (Thailand) Ltd, and Thai International Die making Co., Ltd, formerly accounted for by the equity method, have been consolidated following the increase in shares by capital increase. P.T. Asian Isuzu casting Center(P.T. Astra Isuzu Casting Company) and Nishi-Tokyo Truck Service Co., Ltd(Nishi-Tokyo Isuzu Motors Co., Ltd), formerly accounted for by the equity method, have been consolidated following additional acquisition of its shares. Isuzu Body Co., Ltd(Isuzu dress-Up center., Ltd), formerly accounted for by the equity method, has been consolidated because it has become material.

IFCO Inc., Nippon Auto Service Co., Ltd, IC Engineering Co., (Thailand) Ltd and Nakamura Motors, Ltd, formerly accounted for by the equity method, have been excluded from the scope of consolidation following sale of shares.

Hino Auto Body, Ltd and Isuzu Bus Manufacturing Co., Ltd, formerly accounted for by the equity method, have been excluded from the scope of consolidation following the merge to the surviving company J-Bus Ltd., an affiliate and accounted for by the equity method.

Kukou Rentacar Ltd and Traivajira Co., Ltd, formerly accounted for by the equity method, have been excluded from the scope of consolidation following the end of liquidation.

Gemini Auto Hakata Ltd, formerly accounted for by the equity method, has been excluded from the scope of consolidation, because its importance has decreased.

4 .Fiscal Period of Consolidated Subsidiaries

The account day of overseas consolidated subsidiaries is December 31st. The financial statements of the subsidiaries as of that account day are used for consolidated financial statements. In case significant transactions are made between subsidiaries' account day and consolidated account day, necessary adjustments are made for consolidation. Meanwhile, the account day of domestic subsidiaries is the same as consolidated account day.

5 .Significant Accounting Policies

(1)Valuation methods for securities

Other securities

Marketable securities

Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes. Directly included in shareholders' equity. Cost of securities sold is calculated by moving average method.

Non-marketable securities

Non-marketable securities classified as other securities are carried at cost determined by moving average method.

(2)Valuation methods for inventories

Companies presenting consolidated financial statements

Inventories by companies presenting consolidated financial statements are carried at cost determined by gross average method.

Consolidated subsidiaries

Inventories by consolidated subsidiaries are carried at cost determined principally by actual cost method.

(3)Derivative financial instruments

Derivative financial instruments are started at fair value.

(4) Depreciation of fixed assets

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated principally by straight-line method.

Except for few property, plant and equipment calculated by declining balance method.

Depreciation of intangible assets

Depreciation of intangible asset is calculated by straight-line method.

"Software" included in intangible assets is calculated by the straight-line method based on the estimated useful lives and economic residual value determined by the Company, 5 years.

(5) Basis for reserve and allowances

Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on reference to the collectibility of receivables from companies in financial difficulty. Foreign consolidated subsidiaries provides allowance for doubtful accounts determined by each individual accounts.

The necessary adjustments with allowance for doubtful accounts are made in consolidation of receivables and payables of each consolidated subsidiaries.

Accrued bonus cost

Accrued bonus cost is provided at the amount estimated to cover the bonus payment for employees for this fiscal year.

Accrued warranty cost

Accrued warranty cost is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

Accrued retirement benefits

Accrued retirement benefits are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. Prior service cost is being amortized as incurred by straight-line method over periods which are shorter than the average remaining years of service of the eligible employees. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the exchange rate of the balance sheet date, and differences arising from the translation are included in the statements operation.

The balance sheet accounts and revenue and expense accounts of the foreign consolidated subsidiaries are translated into yen at the exchange rate of the balance sheet date and translation adjustments are included in the foreign currency translation adjustment accounts of minorities interest and shareholders' equity.

(7) Leasing accounting

Finance lease transactions, except those which meet the conditions that the ownership of the lease assets is transferred to the lessee, are accounted for on a basis similar to ordinary rental transactions.

(8) Hedge accounting

Hedge accounting

Forward foreign exchange contracts and currency options

Appropriated hedge accounting is adopted

Interest rate swaps and interest rate options

Deferral hedge accounting or exceptional accounting specified in the accounting standard concerning financial products is adopted

Hedging instrument and hedged items

Hedging instruments

Interest rate swaps, Interest rate options, Forward foreign exchange contracts and Currency options

Hedged items

Receivables and payables denominated in foreign currencies, Borrowings

Hedging policy

The company utilizes derivative financial instruments with receivables and payables denominated in foreign currency and borrowings for the purpose of hedging possible future fluctuation of market price.

Assessment of hedge effectiveness

Hedge effectiveness is determined by comparing the cumulative changes in cash flows from the hedging instruments with those from the hedged items.

However, assessment of effectiveness with interest rate swaps accounted by exceptional accounting is omitted.

Others

The company has its byelaw on derivative transactions and manages its transactions and risk management based on its byelaw. In the byelaw, policies, procedures, retention limits and reporting system is stipulated.

(9) Accounting for convertible bonds

Among the bonds with warrant attached regarded as called on for substitution payment, for the warrant bonds thought to have the same economic substance as convertible bonds are accounted by composite method.

(10) Accounting for consumption tax

Transactions subject to consumption tax, are recorded at amounts exclusive of consumption tax.

6 .Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries acquired through business combinations are carried at fair value.

7 .Amortization of consolidated adjustment account

As for amortization of consolidated adjustment account, the company estimates the period when the account remains in effect, and equally amortize the account over certain years, as a general rule, for 20 years.

8 .Appropriation of retained earnings

The appropriation of retained earnings is reflected in each fiscal year when such appropriation is made by resolution of the shareholders.

Notes to consolidated financial statements

(For consolidated balance sheets)

1 .Accumulated depreciation of PP&E	607,114 millions of yen
2 .Assets pledged as collateral	
Cash and cash equivalents	2,565 millions of yen
Trade notes and account receivables	31,652 millions of yen
Securities	2,385 millions of yen
Land	218,191 millions of yen
Buildings and structures	69,184 millions of yen
Machinery and equipment	41,349 millions of yen
Others	748 millions of yen

In addition to above, securities of consolidated subsidiaries(662 millions of yen, based on book price of individual financial statements) held by companies presenting consolidated financial statements are pledged as collateral.

3 .Balance of liabilities guaranteed	6,118 millions of yen
Balance of guarantee resemblance act	3,516 millions of yen
Balance of account receivable discount	3,333 millions of yen
Balance of account receivable endorsement to transfer	26 millions of yen
Balance of export bill discount	1,728 millions of yen

(For consolidated statements of income)

Net income per share	56.64 yen
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(Additional information)

1 .Revaluation of business land

The difference of the total fair value, revalued based on the law on revaluation of land article 10, of business land for the end of this fiscal year and the total book price for the business land revalued was 50,301 million yen.

2 .Tax-effect accounting

(1) Significant components of deferred tax assets and liabilities

	Current fiscal year <u>(as of march 31, 2005)</u>
Deferred tax assets	
Accrued retirement benefits	18,483 million of yen
Unrealized holding loss on securities and allowance for doubtful accounts	83,828 million of yen
Accrued expense	9,396 million of yen
Accrued bonus cost	4,003 million of yen
Loss accrued from revaluation of inventories	1,071 million of yen
Loss forwarded	23,093 million of yen
Unrealized profit eliminated in consolidation etc.	10,787 million of yen
Others	<u>40,997 million of yen</u>
Total gross deferred tax assets	191,663 million of yen
Valuation allowance	<u>150,212 million of yen</u>
Total deferred tax assets	41,451 million of yen
Deferred tax liabilities	
Fixed assets constrict fund	241 million of yen
Depreciation adjustments (Foreign consolidated subsidiaries)	3,637 million of yen
Others	<u>515 million of yen</u>
Total deferred tax liabilities	4,394 million of yen
Net deferred tax assets	<u><u>37,057 million of yen</u></u>
Deferred tax liabilities	
Fixed assets constrict fund	730 million of yen
Unrealized holding gain on securities	3,195 million of yen
Others	<u>767 million of yen</u>
Total deferred tax liabilities	<u><u>4,693 million of yen</u></u>

Note : Deferred tax asset and liability as of March 31, 2005 are reflected in the following accounts in the consolidated balance sheets.

	Current fiscal year <u>(as of march 31, 2005)</u>
Current assets - deferred tax assets	28,480 million of yen
Fixed assets - deferred tax assets	8,576 million of yen
fixed liabilities - deferred tax liabilities	4,693 million of yen

(2)The reconciliation between the effective tax rates reflected in the consolidated financial statements and the statutory tax rate is summarized as follows.

	Current fiscal year <u>(as of march 31, 2005)</u>
Statutory tax rate	40.0 %
(Reconciliation)	
Decrease in valuation allowance	37.3 %
Different tax rates applied to foreign subsidiaries	5.6 %
Retained earnings of foreign subsidiaries	7.3 %
Loss for this fiscal year by consolidated subsidiaries	5.8 %
Equity in earnings of unconsolidated subsidiaries and affiliates	9.2 %
Kanagawa prefecture exception income tax	1.0 "
Foreign withholding tax	5.6 "
Others	1.5 "
Effective tax rates after adoption of tax-effect accounting	<u><u>9.1 %</u></u>

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Report of Certified Public Accountants

May 18, 2005

To the Board of Directors of Isuzu Motors Limited

We have examined the consolidated financial statements comprising the consolidated balance sheet and the consolidated profit & loss statement of Isuzu Motors Limited for the 103rd term (April 1, 2004 thru March 31, 2005), pursuant to Article 19 Item 2 Paragraph 3 of the "Law for Special Exceptions to Commercial Code Concerning Audit, etc. of KABUSHIKI-KAISHA." The responsibility of formulating the consolidated financial statements rests with the management of the Company, and our responsibility is to express opinions about these consolidated statements from an independent standpoint.

Our examinations were made in accordance with auditing standards, procedures and practices generally accepted in Japan. The auditing standards require that we obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. The audit was made on the basis of testing, and it included the examination of the general account of the consolidated financial statements, including evaluation of the estimates made by the management as well as the auditing policy and application methods adopted by the management. We judge that, as a result of our audit, we can express our opinions with reasonable assurance. Further, the audit incorporated such auditing procedures on subsidiaries or consolidated subsidiaries as we considered necessary.

In our opinion, the consolidated financial statements referred to above present fairly and accurately the asset and profit and loss position of the group consisting of Isuzu Motors limited and its consolidated subsidiaries.

Between the Company, this auditing corporation and/or its managing partners, there exists no interest that needs to be reported under the Certified Public Accountant Law.

Shin Nihon & Co.

Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Yamamoto
Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Kishida
Designated Employee and Managing Partner, Certified Public Accountant	Tooru Ohsitanai

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Report of Board of Corporate Auditors

May 20, 2005

We, the Board of Corporate Auditors, have received reports from each auditor concerning the outcome of audit on the consolidated financial statements (the consolidated balance sheet and the consolidated profit and loss statement), including procedures used in the audit, for the 103rd business term (April 1, 2004 through March 31, 2005). We discussed the contents of each report, and prepared this audit report. The outline is as follows:

1. Summary of the audit procedures adopted

In accordance with the audit standards for corporate auditors, the audit plan, etc. stipulated by the Board of Corporate Auditors, we have received and audited reports and explanations on the consolidated financial statements from directors, employees and accounting auditors.

2. Results of the audit

We recognize that the auditing procedures employed by Shin Nihon & Co., our accounting auditor, and the results of the audit are fair and just.

The Board of Corporate Auditors of Isuzu Motors Limited

Standing Corporate Auditor	Hiromu Inada
Standing Corporate Auditor	Michio Kamiya
Corporate Auditor	Yasuharu Nagashima
Corporate Auditor	Susumu Tsuchida

Note: Corporate Auditor Yasuharu Nagashima and Corporate Auditor Susumu Tsuchida are outside auditors as specified in Article 18 Paragraph 1 of the "Law for Special Exceptions to Commercial Code Concerning Audit, etc. of KABUSHIKI-KAISHA "

BALANCE SHEET
As of Mar. 31, 2005

[in millions of Yen]

Debit Side	Amount	Credit Side	Amount
ASSETS	【 812,521 】	LIABILITIES	【 643,168 】
Current Assets	[332,974]	Current Liabilities	[282,706]
Cash on Hand/Deposit	82,047	Notes/Bills Payable	30,559
Notes/Bills Receivable	737	Accounts Payable	135,563
Accounts Receivables	141,535	Short-term Borrowings	43,579
Products	42,403	Commercial Paper	
Materials/Stored Goods	15,032	Bonds Redeemable-Current	
Goods in Process	5,595	Unpaid Account	7,865
Advances Paid	1,596	Unpaid Corporation Taxes	3,751
Prepaid Expenses	1,233	Accrued Expenses	37,331
Short-term Loan	10,698	Advances Received	2,617
Other Account Receivable	8,430	Deposits Received	11,436
Other Current Assets	1,231	Prepaid Income	94
Deferred Taxes Assets	27,626	Reserve for Warranty	4,139
Reserve for Bad Debts	-5,195	Res-bonus Payment	5,720
		Other Current Liabilities	47
	[479,547]		
Fixed Assets	(314,419)	Fixed Liabilities	[360,461]
Buildings	46,459	Bonds	10,000
Structures	8,585	Bonds with Warrant Attached	56,000
Machinery/Equipments	44,689	Long-term Borrowings	204,907
Vehicles/Conveyances	419	Long-term Deposits Received	3,647
Tools/Furniture/Fixtures	9,732	Retirement Reserve	33,639
Land	200,688	Deferred Taxes Liabilities	2,694
Construction in Progress	3,846	Deferred Taxes Liabilities of Revaluation	49,571
	(4,139)	CAPITAL	【 169,353 】
Utilization Right-Facilities	65	Capital	[32,617]
Software	4,074	Capital Surplus	[41,882]
		Capital Reserve	41,882
	(160,988)	Surplus	[13,136]
Securities-Investment	26,625	Res for Accel Dprn	
Shares of Associated Co.	11,825	Res-Advanced Dprn	
Shares of Subsidiary Co.	69,902	Unapprp Profit-Cur	13,136
Long-term Loan	63,681	Variance of Land Revaluation	[74,356]
Long-term Prepaid Expenses	116	Unrealized gains or loss on securities available for sale	[7,478]
Other Investments	22,681	Treasury Stock	[-118]
Reserve for Bad Debts	-31,122		
Res-Loss on Investment	-2,722		
T O T A L	812,521	T O T A L	812,521

[Notes to Balance Sheet]

- 1.Short-term Debit to affiliated companies ¥88,876million, Long-term Debit to affiliated companies ¥52,679million
Short-term Credit to affiliated companies ¥26,791million, Long-term Credit to affiliated companies ¥2,869million
- 2.Cumulative amount of depreciation on Tangible fixed assets ¥474,416million
- 3.As important fixed assets there are leased some of Dies for manufacturing vehicle and computers besides fixed assets in Balance sheet.
- 4.Assets pledged as collateral ;
Land ¥161,511 million, Buildings ¥31,909 million, Structure ¥7,339 million, Machinery & Equipment ¥39,624 million,
Securities for investment,Shares of Subsidiary Co. ¥2,481 million
- 5.Contingent liabilities ¥7,126 million , Pre-Contingent liabilities ¥4,832 million , Export bills discounted ¥4,904 million
- 6.The variance between the total amount of the at market value of the business land and the book amount of the land is ¥50,301 million
- 7.Net assets increased at fair market value which is ruled by Article 124, Clause 3, of Commercial Code Enforcement Regulation is ¥7,478 million.
- 8.Fractions less than one million yen discarded.

PROFIT & LOSS STATEMENT (103rd Term from April 1,2004 to March 31,2005)

Classification	Current term	
	Mill yen	%
[Working Section] OPERATING		
Net sales	880,072	100
Cost of sales	728,369	82.8
(Factory Profit)	(151,702)	(17.2)
Selling and general administrative expense	91,135	10.4
OPERATING PROFIT	60,566	6.9
NON-OPERATING		
Non-operating earnings	[5,343]	
Interest earnings & dividend received	4,502	
Other Non-operating earnings	841	
Non-operating expenses	[12,002]	
Interest & discount expenses	6,740	
Other Non-operating expenses	5,262	
(Non-operating Profit)	(-6,659)	(-0.8)
WORKING PROFIT	53,907	6.1
[Extra-ordinary Section]		
Extra-ordinary profit	[6,099]	
Profit on sale of fixed assets	94	
Profit on sale of Investment securities	5,634	
Other Extra-ordinary Profit	370	
Extra-ordinary Loss	[37,660]	
Loss on sale/disposition of fixed assets	10,725	
Loss from revaluation of investment	17,691	
Loss on Investment of affiliated company restructured	6,498	
Other Extra-ordinary Loss	2,745	
CURRENT TERM PROFIT (LOSS) BEFORE TAX	22,345	
Corporation , Resident & Enterprise Taxes	4,390	
Deferred Taxes	-9,064	
CURRENT TERM PROFIT (LOSS)	27,019	3.1
Profit from the previous term	-75,277	
Reduction of Capital Reserve	50,000	
Reversal of Land Revaluation	11,394	
Unappropriated Loss of current term	13,136	

[Notes to Profit & Loss Statement]

1. Transactions with affiliated companies.

Sales 332,317 million yen, Purchases 60,754 million yen,

Non-operating transactions 1,645 million yen

2.103rd term's net income per share of common stock :¥25.18

(based on the total number of shares outstanding on average 103rd term except treasury shares)

3. Fractions less than one million yen discarded.

[Significant Accounting Policies]

1. Method adopted for Valuation of Securities.
Shares of Associated Co.
and Shares of Subsidiary Co.--- Valuation at cost using 'Moving average method'.
Other investment --- Valuation at cost using 'Moving average method'.
2. Method adopted for Valuation of Derivatives --- Fair Market Value
3. Method adopted for Inventories valuation.
Valuation at cost using 'Average cost method'.
4. Method adopted for Depreciation of 'Tangible fixed assets'.
Straight line method.(Remark:Small amount fixed assets from 100K yen to 200K yen are amortized in 3 years.)
Method adopted for Depreciation of 'Fixed Assets'
Tangible Fixed Assets
Intangible Fixed Assets
5. Reasons for providing for reserve & calculation basis.
Reserve for Bad Debt --- Reserve for Bad Debt is to reserve the loss for the bad debt of the money claim on the term end, and for invested company the amount has been determined in consideration of collectables of each receivables. And the other amount has been determined as for doubtful accounts using past actual bad debt rate.
Reserve for Loss on Investments --- The amount is reserved for loss from the decrease in value of investments in consideration of financial conditions, etc. of the companies in which Isuzu has invested.
Reserve for bonus Payment --- The amount is estimated employees' bonus due to this term.
Reserve for Warranty --- Reserve for product warranty service has been determined as the basis of past actual payments according to the agreements of the written guarantee.
Retirement allowance reserve --- For the reserve of the retirement benefit the amount which deducts the fair amount of pension asset from the present value for Projected Benefit Obligation has been reserved.
6. Method adopted for Exchange of Foreign Currency Moneytary Asset and Debt
Foreign currency moneytary asset and debt is exchanged to yen at the spot rate at the end of the term.
The exchange difference is treated as foreign currency transaction gain or loss.
7. Method of recording Lease Transaction.
Finance lease without transfer of ownership --- Recorded as lease expense
8. Hedge Accounting
Foreign exchange reservation
& Foreign currency option --- "Furiate" (Variance between hedged transaction and hedge is allocated periodically.)
Interest Swap
Interest Swap --- Swap cost will be deferred until the hedged transaction realized.
9. Method of recording Deferred Assets.
Charged to the expense account in the period when expenditures in this nature accrued.
10. Method of recording bonds with warrant attached.
Among the bonds with warrant attached, considered to have charged substituted paid-in, whose economical beneficial is as same as convertible bonds --- Lump-sum settlement
11. Method adopted for Account of "Consumption Tax" --- Without consumption tax.

[Additional Information]

1.Revaluation of Business Land

Revaluation of Business Land has been operated by " The law amending a part of the law for Land Revaluation(Promulgation Law No. 24, Mar 31, 1999). The tax equivalent to this Revaluation Variance has been stated Liabilities as " Deferred Taxes Liabilities ", the amount deducting this has been stated Capital as " Variance of Land Revaluation".

Date operating Revaluation	Mar 31, 2000
Book amount before Revaluation of Business Land	73,328 million yen
Book amount after Revaluation of Business Land	243,620 million yen

The method of Revaluation written to the above

To calculate the Land amount as the basis of calculating the taxable amount for the Land Tax written to Law 3-3 the Land Tax Law No. 16 on Law Enforcement No. 2-4 for Land Revaluation (Promulgation Government Ordinance No. 119, Mar 31, 1998), this Revaluation has been calculated by rational regulations of compensations etc. to the current adjustments for the amount calculated by the methods which National Tax Administration Agency President established and published. But for a part of this Land the expert opinion has been accepted.

The variance between the total amount of the at market value of the business land and the book amount of the land is
50,301 million yen

2.Accounting effected for Tax

(1) Details of the incurrence factor of Deferred Tax Asset and Deferred Tax Liability

	Mar.31,2005 Presently	
		Unit::million yen(Omission less than million yen)
Deferred Taxes Assets(Current Assets)		
The limit excess of loss inclusion on Reserve for Bad Debts	5,248	
The limit excess of loss inclusion on Reserve for Bonus Payment	2,288	
The denial for the valuation of Accrued Expenses	2,437	
The denial for the devaluation of Inventory Assets	757	
Others	33,026	
Valuation Allowance	16,132	
Deferred Taxes Assets(Current Assets)Total	<u>27,626</u>	million yen
Deferred Taxes Assets(Fixed Assets)		
The limit excess of loss inclusion on Retirement Reserve	12,781	
The denial for the devaluation on Shares of Subsidiary Co.	77,248	
Others	1,153	
Loss from revaluation	91,183	
Deferred Taxes Assets(Fixed Assets)Total	<u>-</u>	million yen
Deferred Taxes Liabilities(Fixed Liabilities)		
Unrealized gains or loss on securities available for sale	2,694	
Deferred Taxes Liabilities(Fixed Liabilities)Total	<u>2,694</u>	million yen
Net Deferred Taxes Liabilities(Fixed Liabilities)	<u>2,694</u>	million yen

(2) Details of the difference between current and deferred income tax expense rate and statutory effective tax rate.

Statutory Effective Tax Rate	40.0 %
(Adjustment)	
Variance of Land Revaluation	-
Increase/Decrease of Allowance	82.0
Extraordinary Special Corporate Tax	3.0
Withholding Foreign Tax	17.3
Others	<u>0.8</u>
Current and Deferred income Tax Rate	<u>20.9</u>

PROPOSED APPROPRIATION OF RETAINED EARNINGS

Term ended March 31, 2005

ISUZU MOTORS LIMITED

Yen

Unappropriated Retained Earnings of the Current Term 1 3 , 1 3 6 , 9 7 4 , 9 2 6

The above amount shall be appropriated as follows:

Dividends to Shareholders	
Class Preferred Stock	2 5 9 , 2 0 0 , 0 0 0
(6.912 per share)	
Class Preferred Stock	3 2 2 , 8 0 0 , 0 0 0
(12.912 per share)	
Class Preferred Stock	4 2 2 , 8 0 0 , 0 0 0
(16.912 per share)	
Common Stock	1 , 6 0 9 , 2 5 0 , 6 3 8
(1.50 per share)	
Balance to be carried forward	1 0 , 5 2 2 , 9 2 4 , 2 8 8

(Note) 1. The Company did not pay interim dividends

2. The calculation for dividend for common stock was performed excluding treasury stock of 786,073 shares.

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Report of Certified Public Accountants

May 18, 2005

To the Board of Directors of Isuzu Motors Limited

We have examined the balance sheet, profit & loss statement, and business report (accounting matters only), proposed appropriation of retained earnings and supplementary statements (accounting matters only) of Isuzu Motors Limited for the 103rd term (April 1, 2004 thru March 31, 2005), pursuant to Article 2 Item 1 of the “Law for Special Exceptions to Commercial Code Concerning Audit, etc. of KABUSHIKI-KAISHA.” Accounting matters for auditing in the business report and supplementary statements refer only to those that are based on records entered in the accounting books. The responsibility of formulating the financial statements and supplementary statements rests with the management of the Company, and our responsibility is to express opinions about these statements from an independent standpoint.

Our examinations were made in accordance with auditing standards, procedures and practices generally accepted in Japan. The auditing standards require that we obtain reasonable assurance as to whether the financial statements and supplementary statements are free of material misstatement. The audit was made on the basis of testing, and it included the examination of the general account of the financial statements and supplementary statements, including evaluation of the estimates made by the management, as well as the auditing policy and application methods adopted by the management. We judge that, as a result of our audit, we can express our opinions with reasonable assurance. Further, the audit incorporated such subsidiary auditing procedures as we considered necessary.

In our OPINION

- (1) The Balance Sheet and the Profit & Loss Statement referred to above present fairly the status of assets and profitability of the Company in conformity with the laws, regulations and the Articles of Incorporation.
- (2) The Business Report (accounting matters only) presents fairly the status of the Company in conformity with the laws, regulations and the Articles of Incorporation.
- (3) The proposed appropriation **retained** of earnings conform to the laws, regulations and the Articles of Incorporation.
- (4) The Supplementary Statements (accounting matters only) include nothing that needs to be reported with regard to the provisions of the Commercial Code.

The Business Report also includes a statement concerning a post-balance sheet event where Isuzu Asia Motors Limited, a consolidated subsidiary, made a resolution to pay Isuzu Motors Limited dividends.

Between the Company, this auditing corporation and/or associate members, there exists no interest that needs to be stated under the Certified Public Accountant Law.

Shin Nihon & Co.

Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Yamamoto
Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Kishida
Designated Employee and Managing Partner, Certified Public Accountant	Tooru Ohsitanai

May 20, 2005

We, the Board of Corporate Auditors, have received reports from each auditor concerning the outcome of audit of the Isuzu directors' execution of duties, including the auditing procedures used in the audit, during the 103rd business term (April 1, 2004 through March 31, 2005). We discussed the contents of each report, and prepared this audit report. The outline is as follows:

1. Summary of the audit procedures adopted

In accordance with the audit standards for corporate auditors, the audit plan, etc. stipulated by the Board of Corporate Auditors, we have attended board meetings and other important meetings, received business performance reports from directors and employees, and examined important documents submitted to management for approval. We have also investigated the status of operations and assets at the head office and other major places of business, and obtained business performance reports from subsidiaries as required. Further, we have received reports and explanations from the accounting auditor, and examined Financial Statements and Supplementary Statements.

We have further audited the matters concerning director's competitive transactions, transactions possibly causing a conflict of interest between directors and the Company, free-of-charge provision of profits by the Company, unusual transactions with subsidiaries or shareholders and acquisition, disposition, etc. of treasury stock. In such audit, we have investigated the status of these transactions in detail by following the above auditing procedure, while receiving a report from directors and employees, as required,

2. Results of the audit

- (1) We recognize that the auditing procedures employed by Shin Nihon & Co., our accounting auditor, and the results of the audit are fair and just.
- (2) We recognize that the business report gives a true and fair view of the state of affairs of the Company in accordance with the laws, regulations and the Articles of Incorporation.
- (3) With respect to the proposed appropriation of retained earnings, there is nothing that needs to be reported with reference to the status of the Company's assets and other circumstances.
- (4) The supplementary statements correctly indicate all the necessary items to be specified, and there is nothing that needs to be reported.
- (5) With respect to directors' execution of duties, we have found neither irregularities nor violations of the law, regulations and/or the Articles of Incorporation.

Further, regarding directors' competitive transactions, transactions causing a conflict of interest between directors and the Company, free-of-charge provision of interests by the Company, and unusual transactions with subsidiaries or shareholders, acquisition, disposition, etc. of treasury stock, we have found that no director neglected his duties.

The Board of Corporate Auditors of Isuzu Motors Limited

Standing Corporate Auditor	Hiromu Inada
Standing Corporate Auditor	Michio Kamiya
Corporate Auditor	Yasuharu Nagashima
Corporate Auditor	Susumu Tsuchida

Note: Corporate Auditor Yasuharu Nagashima and Corporate Auditor Susumu Tsuchida are outside auditors as specified in Article 18 Paragraph 1 of the "Law for Special Exceptions to Commercial Code Concerning Audit, etc. of KABUSHIKI-KAISHA "

Reference Materials Pertaining to Exercise of Voting Rights

1. Total number of the voting rights of the total shareholders of the Company:
1,067,114

2. Reference Information on Proposals:

Proposal #1: Approval of the proposed appropriation of retained earnings for the 103rd term.

We propose to appropriate the retained earnings in the manner as described in page 33 of the attached document to improve and strengthen the corporate structure and prepare the Company for future business development.

Although the business environment surrounding the Company remains challenging, as for a common stock dividend for the current term, the Company declares Y1.50 per share payable to shareholders of record, considering the Company's performance and other factors.

With regard to preferred stock dividends, Y6.912 per share is declared payable for Class-I preferred stock, Y12.912 per share for Class-III preferred stock and Y16.912 per share for Class-IV preferred stock to shareholders of record in accordance with the predetermined conditions of their issuance.

We request the approval of shareholders cordially.

Proposal #2: Election of five (5) directors.

Mr. Randall J. Schwarz, Director of the Company resigned on October 31, 2004 and the term of office of the three (3) directors: Messrs. Yoshinori Ida, Kozo Sakaino and Yoshito Mochizuki expires at the close of the 103rd Ordinary General Meeting of Shareholders as well as Director Hiromasa Tsutsui resigns as director at the same time.

Accordingly, it is proposed that the following five (5) individuals be elected as directors. The candidates are as follows:

Candidate Number	Full Name (Date of Birth)	Brief Personal Records & Whether He Serves as Representative Director of Any Other Company		Number of Isuzu Shares Held
1	Yoshinoril Ida (May 18, 1943)	April 1966 January 1994 May 1996 April 1999 Dec. 2000 – present	Employed by Isuzu Motors Limited. Appointed as Director, Isuzu Motors Limited. Executive Director, Isuzu Motors Limited Managing Director, Isuzu Motors Limited. President and Representative Director, Isuzu Motors Limited	135,000
2	*Hirokichi Nadachi (October 9, 1947)	April 1971 Nov. 1999 April 2002 May 2004 June 2004 July 2004 April 2005 June 2005-present	Joined Itochu Corporation Deputy General Manager, Automobile Division, Itochu Corporation President of Itochu Automobile America, Inc. Resigned as the president of the said company. Resigned from Itochu Corporation Appointed as Senior Executive Officer and Deputy Senior Division Executive of Sales Headquarters, Isuzu Motors Limited Senior Executive Officer, Deputy Senior Division Executive of Sales Headquarters and Division Executive, Sales Division No3 /No.4, Isuzu Motors Limited. Senior Executive Officer, Deputy Senior Division Executive of Sales Headquarters and Division Executive, Sales Division No.4, Isuzu Motors Limited	10,000
3	*Gourou Shintani (November 29, 1944)	April 1967 Sept. 1995 Feb. 1999 April 2005 April 2005-present	Joined Mitsubishi Corporation General Manager, Motor Vehicle Dept-D, Mitsubishi Corporation President of Tri Petch Isuzu Sales Co., Ltd. Resigned as the above Division Executive, Sales Division No.2, Sales Headquarters, Isuzu Motors Limited	10,000

Candidate Number	Full Name (Date of Birth)	Brief Personal Records & Whether He Serves as Representative Director of Any Other Company	Number of Isuzu Shares Held
4	*Eizo Kawasaki (October 24, 1947)	<p>April 1970 September 1998</p> <p>April 2004 May 2005</p> <p>June 2005-present</p> <p>Joined Itochu Corporation General Manager for Turkey and General Manager for Istanbul Branch, Itochu Corporation General Manager of Chugoku Area, Itochu Corporation Resigned from Itochu Corporation</p> <p>Division Executive, Sales Division No.3, Sales Headquarters, Isuzu Motors Limited</p>	10,000
5	*Naotoshi Tsutsumi (May 22, 1945)	<p>April 1968 June 1998</p> <p>April 2000 May 2001</p> <p>June 2001 June 2002</p> <p>Dec.2004 January 2005-present</p> <p>Employed by Isuzu Motors Limited. Appointed as Director, Isuzu Motors Limited. Appointed as Executive Director, Isuzu Motors Limited Appointed as Director, Isuzu Motors Limited. President of DMAX Limited Resigned as Director of Isuzu Motors Limited. Resigned as President of DMAX Limited. Senior Executive Officer, Division Executive, Manufacturing Division, Operations Headquarters, Isuzu Motors Limited.</p>	10,000

Note: 1. There are no special interests between each candidate and the Company

2. Newly appointed candidates are marked with(*)

Proposal #3: Election of four (4) corporate auditors.

The term of office of two corporate auditors, Mr. Michio Kamiya and Mr. Yasuhiro Nagashima, expires at the close of the 103rd Ordinary General Meeting of Shareholders and Mr. Hiromu Inada, also a corporate auditor, will resign at the close of the 103rd Ordinary General Meeting of Shareholders.

With a view to further strengthening the Company's auditing system, it is proposed that the following four individuals (increased by one from the current member) be elected as corporate auditors.

The Candidates are as follows:

For your information, the Board of Corporate Auditors has already given consent to putting forward this proposal to this General Meeting of Shareholders.

Candidate Number	Full Name (Date of Birth)	Brief Personal Records & Whether He Serves as Representative Director of Any Other Company	Number of Isuzu Shares Held
1	Michio Kamiya (February 25, 1946)	<p>April 1968 Employed by the Company</p> <p>April 2000 Appointed as Executive (in charge of) Overseas No. 5 Sales of the Company</p> <p>May 2001 Senior Executive, Overseas No. 4 Sales and Overseas No. 5 Sales of the Company</p> <p>May 2001 Director and President of Isuzu Motors Europe Limited</p> <p>October 2001 Executive (in charge of) GM Plant Sales, Sales Operation Division, Sales Headquarters of the Company</p> <p>June 2002 Assistant to Senior Executive, Sales Planning Division, Sales Headquarters of the Company</p> <p>June 2002 Resigned as Director and President of Isuzu Motors Europe Limited.</p> <p>June 2002- Present: Standing Corporate Auditor of the Company</p>	18,000

Candidate Number	Full Name (Date of Birth)	Brief Personal Records & Whether He Serves as Representative Director of Any Other Company	Number of Isuzu Shares Held
2	Yasuharu Nagashima (June 22, 1926)	<p>April 1953: Admitted as lawyer</p> <p>January 1961 to Present: Established the law firm Nagashima & Ohno (the present Nagashima Ohno & Tsunematsu).</p> <p>October 1971: Appointed as Legal Council of the Company.</p> <p>December 1983: Resigned as Legal Council of the Company</p> <p>January 1984 to Present: Corporate Auditor of the Company</p>	5,500
3	*Shigeaki Wakabayashi (November 3, 1945)	<p>April 1969 Employed by Japan Development Bank (the present Development Bank of Japan)</p> <p>June 1997 Appointed as General Manager, Inspection Dept. of the said Bank</p> <p>May 1998 Director-General, Human Resources Management Dept. of the said Bank</p> <p>June 1998 Associate Director, Kansai International Airport Co., Ltd.</p> <p>December 1998 Resigned from Japan Development Bank (the present Development Bank of Japan)</p> <p>June 2003 Resigned as Associate Director, Kansai International Airport Co., Ltd.</p> <p>June 2003 to Present Managing Director, Tokyo Teleport Center Inc.</p>	10,000

Candidate Number	Full Name (Date of Birth)	Brief Personal Records & Whether He Serves as Representative Director of Any Other Company	Number of Isuzu Shares Held
4	*Kouji Yamaguchi (September 30, 1945)	<p>April 1969 Employed by the Company</p> <p>April 1999 Appointed as Executive (in charge of) Finance Planning Administration of the Company</p> <p>June 2002 Executive Officer and Executive (in charge of) Finance Planning Administration, Corporate Planning & Finance Division of the Company</p> <p>November 2002 Executive Officer and Assistant to Division Executive, Corporate Planning & Finance Division, Corporate Administration Headquarters of the Company</p> <p>June 2003 to Present Executive Specialist, Corporate Planning & Finance Division of the Company</p>	17,000

Note: 1. No special interests exist between the Company and each candidate.

2. Mr. Yasuharu Nagashima and Shigeaki Wakabayashi are qualified as outside corporate auditors as specified in Article 18-1 of the "Law regarding Exceptions to the Commercial Code regarding the Audit of Kabushiki-kaisha, etc."

3. "*" denotes a new candidate.

Proposal #4: Payment of retirement gratuities to the outgoing directors and auditor and payment of retirement gratuities in accordance with the abolition of the Company's bylaws for retirement benefits

Mr. Tadaomi Takayama, resigned as director on October 25, 2002. Mr. Brian P. MacDonald resigned as director on November 27, 2002. Mr. Tadashi Inui resigned as corporate auditor at the close of the 102nd Ordinary General Meeting of Shareholders held on June 29, 2004. Mr. Randall J. Schwarz resigned as director on October 31, 2004. Mr. Kouzou Sakaino, Mr. Hiromasa Tsutui, Mr. Yoshito Mochizuki will each resign as director and Mr. Hiromu Inada will resign as auditor at the close of this 103rd Ordinary General Meeting of Shareholders. To reward the past services of these eight former and outgoing directors and the auditor, it is proposed that a retirement gratuity be paid to them according to the Company's bylaws and the amount will be reduced in consideration of the company performance. It is also proposed that the board of directors be authorized to determine the amount, timing, method, etc. of payment of the gratuity to the directors, while the corporate auditors shall be authorized to make similar determination for the auditor by mutual agreement.

Brief personal records of the outgoing directors and the auditor are as follows.

Full Name	Brief Personal Records	
Tadaomi Takayama	June 1995	Appointed as Director of the Company
	April 1997	Executive Director
	May 2001	Managing Director,
	October 2002	Resigned as Managing Director
Brian P. MacDonald	June 2001	Appointed as Director of the Company
	November 2002	Resigned as Director
Tadashi Inui	June 1996	Appointed as Corporate Auditor of the Company
	June 2004	Resigned as Corporate Auditor
Randall J. Schwarz	June 2001	Appointed as Director and Executive Vice President of the Company
	October 2004	Resigned as Director and Executive Vice President
Kouzou Sakaino	January 1994	Appointed as Director of the Company
	May 1996	Executive Director.
	April 1998	Managing Director
	April 1999	Director
	April 2000	Managing Director
	June 2002 -Present	Director and Executive Vice President

Full Name	Brief Personal Records	
Hiromasa Tsutsui	June 1996	Appointed as Director of the Company
	April 1999	Executive Director
	April2005- Present	Director
Yoshito Mochizuki	June 1999	Appointed as Director of the Company
	May 2001	Executive Director
	April2005- Present	Director
Hiromu Inada	June 2001-Present	Appointed as Standing Auditor of the Company

In accordance with the abolition of the Company's bylaws for retirement benefits for directors and corporate auditors at the close of this General Meeting, it is proposed that a retirement gratuity be paid to Mr. Yoshinori Ida, who will be reappointed in the event that Proposal #3 is approved, as well as to the six directors namely Mr. Basil N. Drossos, Mr. Hiroshi Suzuki, Mr. Shigeki Toma, Mr. Susumu Hosoi, Mr. Yoshio Kinouchi, and Mr. Yoshihiro Tadaki, whose term is yet to expire, and to the two corporate auditors who will be reappointed in the event that Proposal #4 is approved, namely Mr. Michio Kamiya and Mr. Yasuharu Nagashima as well as to the corporate auditor Mr. Susumu Tsuchida, whose term is yet to expire, in amounts corresponding to the respective terms of office which they will have served until the close of this General Meeting based on the standards as stipulated in the Company's bylaws and in amounts being reduced in consideration of the company performance.

The gratuities will be paid at the time of their resignation from office. It is also proposed that the board of directors be authorized to determine the specific amount, method, etc. of payment of the gratuity, while the corporate auditors shall be authorized to make similar determination for the auditors by mutual agreement.

The brief personal records of the directors and auditors to receive the retirement gratuities for termination of the bylaws are as follows

Full Name	Brief Personal Records	
Yoshinori Ida	January 1994	Appointed as Director of the Company
	May 1996	Executive Director
	April 1999	Managing Director,
	December2000 - Present:	Director and President
Basil N. Drossos	November2002- Present	Director and Executive Vice President of the Company
Hiroshi Suzuki	June 2002	Director of the Company
	April2005- Present	Director and Executive Vice President
Shigeki Toma	November2002 - Present	Director and Executive Vice President of the Company

Full Name	Brief Personal Records	
Susumu Hosoi	June 2002 - Present	Director of the Company
Yoshio Kinouchi	June2002 - Present	Director of the Company
Yoshihiro Tadaki	June2000 - Present	Director of the Company
Michio Kamiya	June2002 - Present	Standing Corporate Auditor of the Company
Yasuhiro Nagashima	January1984 - Present	Corporate Auditor of the Company
Susumu Tsuchida	June2004- Present	Corporate Auditor of the Company

Proposal #5: Revision of the reward for corporate auditors

It was approved during the 86th Ordinary General Meeting of Shareholders on January 30, 1989, and has been effective to date that the monthly amount of reward for corporate auditors is to be six million yen or less. In accordance with the addition of one standing corporate auditor, etc., aimed at enhancing the audit system, it is proposed that the monthly reward amount is to be changed to ten million yen or less.

The number of corporate auditors, four at the moment, will be increased to five in the event where Proposal #3 is approved without any change to be made to the content of the proposal.