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Securities Identification Code: 7202  
June 7, 2018

To Our Shareholders,

Masanori Katayama, President  
ISUZU MOTORS LIMITED  
26-1, 6-chome, Minami-oi,  
Shinagawa-ku, Tokyo

## **NOTICE OF CONVOCAION OF THE 116TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 116th Annual General Meeting of Shareholders of the Company, which will be held as described below.

- 1. Date & Time:** Thursday, June 28, 2018 at 10:00 a.m.  
(The reception desk will open at 9:00 a.m.)
- 2. Venue:** ISUZU Hall  
Second Floor, Oomori Bell Port A,  
26-1, 6-chome, Minami-oi, Shinagawa-ku, Tokyo  
ISUZU MOTORS LIMITED

### **3. Agenda of the Meeting**

#### **Items to be Reported**

1. The Business Report and the Consolidated Financial Statements, as well as the results of the audits of the Consolidated Financial Statements by both the Independent Auditor and the Audit & Supervisory Board for the 116th Term (from April 1, 2017 to March 31, 2018), are to be reported in detail.
2. The Financial Statements for the 116th Term (from April 1, 2017 to March 31, 2018) are to be reported in detail.

#### **Items to be Resolved**

- Proposal 1 Appropriation of Surplus
- Proposal 2 Election of Seven (7) Directors
- Proposal 3 Election of One (1) Audit & Supervisory Board Member

#### **4. Items Relating to the Meeting**

- 1) Votes that do not indicate approval or disapproval  
If you do not indicate your approval or disapproval of a proposal on the Voting Rights Exercise Form, we will assume that you have voted in favor of the proposal.
- 2) Multiple exercises of voting rights
  - i) If you cast multiple votes by using both the postal Exercise Form and the Internet Voting Rights Exercise site, we will deem your Internet vote to be valid.
  - ii) You can cast your vote repeatedly on the Internet site (to re-vote or make a correction). In this case, we will deem the last vote you cast to be valid, whether from a personal computer, smartphone, or cellular phone.
- 3) Proxy exercise of voting rights  
If you cannot attend the General Meeting of Shareholders, you can delegate the exercise of your voting rights to another shareholder of the Company, who also owns voting rights, as a proxy. In this case, a written power of attorney must be submitted to the Company.

#### **NOTES:**

1. If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the venue's reception. In addition, please assist us in conserving resources by bringing with you this Notice of Convocation.
2. The following items are posted on the Company's website (<http://www.isuzu.co.jp/investor/soukai/index.html>) in accordance with the respective laws and regulations and Article 14 of the Articles of Incorporation of the Company, hence are not indicated on this Notice of Convocation.
  - i) Notes on the Consolidated Financial Statements
  - ii) Notes on the Financial StatementsThe Consolidated Financial Statements and the Financial Statements, which have been audited by Audit & Supervisory Board Members and the Independent Auditor, shall include not only the documents stated in the attached documents to this Notice of Convocation, but also the Notes on the Consolidated Financial Statements and the Notes on the Financial Statements, which are posted on the Company's website.
3. If we need to revise the Reference Material for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Financial Statements, we will post the revised content on the Company's website (<http://www.isuzu.co.jp/investor/soukai/index.html>).
4. The meeting will be held in Japanese. Please be informed that there will be no interpreter present.

## Guide to Exercising Voting Rights, etc.

The following three methods are available for exercising voting rights.

If you are able to attend the meeting

Please submit the Voting Right Exercise Form to the receptionist at the meeting (name seals are not required).

Date & Time: Thursday, June 28, 2018 at 10:00 a.m.  
(The reception desk will open at 9:00 a.m.)

Venue: ISUZU Hall  
Second Floor, Oomori Bell Port A,  
26-1, 6-chome, Minami-oi, Shinagawa-ku, Tokyo  
ISUZU MOTORS LIMITED

If you are not able to attend the meeting

Please indicate your approval or disapproval to each of the proposals on the Voting Right Exercise Form and post it to the Company without a postage stamp.

Exercise due date: To be received no later than 5:30 p.m. on Wednesday,  
June 27, 2018

If you exercise your voting rights via the Internet

Please access the Website for Exercising Voting Rights (<https://evote.tr.mufig.jp/>) with a computer, smartphone, or mobile phone, and enter the log-in ID and temporary password shown on the Voting Right Exercise Form enclosed with this notice. Follow the instructions given on the screen to indicate your approval or disapproval.

Exercise due date: To be received no later than 5:30 p.m. on Wednesday,  
June 27, 2018

### 1) Website for exercising voting rights

You can only exercise your voting rights via the Internet by accessing and using the Company's designated website (<https://evote.tr.mufig.jp/>) from a personal computer, smartphone, or cellular phone (i-mode, EZweb, or Yahoo! Keitai). Please note that the website is not available daily from 2:00 a.m. to 5:00 a.m.

("i-mode" is a trademark or registered trademark of NTT DoCoMo, Inc.; "EZweb" of KDDI Corporation; and "Yahoo!" of Yahoo! Inc. in the U.S.)

### 2) How to exercise your voting rights via the Internet

- i) On the above-mentioned site for exercising voting rights, please use the log-in ID and temporary password shown on the enclosed Voting Rights Exercise Form and cast your vote in accordance with the on-screen instructions.
- ii) To prevent improper access by a third party other than the shareholder (identity theft) as well as alteration of votes, you are asked to change the temporary password to a new one on the above-mentioned site.
- iii) You will receive a new log-in ID and a new temporary password with each convocation notice for a General Meeting of Shareholders.
- iv) If you are unsure how to operate a personal computer to exercise your voting rights via the Internet, please contact the Help Desk at the number

below.

3) Fees for accessing the Voting Rights Exercise site

Fees for accessing the Voting Rights Exercise site (including the Internet provider's connection fee and a telephone fee) shall be borne by the shareholder. If a cellular phone is used, fees such as packet communication fees and other fees for cellular phone use shall also be borne by the shareholder.

4) System specifications for executing voting rights via the Internet

i) Please note that if you use a firewall, have antivirus software installed, or use a proxy server etc., you may not be able to exercise your voting rights via the Internet from the Voting Rights Exercise site.

ii) To exercise your voting rights from a cellular phone, you must be able to use i-mode, EZweb, or Yahoo! Keitai. Additionally, your cellular phone must be able to send TSL encrypted communication and transmit information about itself. Therefore, you may not be able to vote from your cellular phone depending on the model and its functions.

If you have any questions about computer systems or other issues,  
please contact:

(Help Desk) Transfer Agent Dept.,

Mitsubishi UFJ Trust and Banking Corporation

Tel.: 0120-173-027 (from 9:00 to 21:00, toll free, only in Japan)

## **Reference Material for the General Meeting of Shareholders**

### **Proposal 1: Appropriation of Surplus**

The Company deems dividend payment to shareholders and repurchase of its own stock as important actions for corporate management. Thus, when it decides to do so, it carefully assesses and secures an optimal balance between rewarding shareholders in a continuous and stable manner and securing an optimal amount of retained earnings for building a stronger business foundation and future business development.

Taking into account such factors as our business results for the current business term and our future business activities, we propose to appropriate our surplus in the form of year-end dividends for the 116th business term, which is an increase of one (1) yen per share from the previous fiscal year, as noted below.

Matters concerning year-end dividends

Type of dividend

Cash

Dividend payment and total amount thereof

A dividend of 17 yen per share of the Company's common stock

A total amount of 13,403,771,771 yen


Effective date of dividend payment from surplus

June 29, 2018



## Proposal 2: Election of Seven (7) Directors

The terms of office of seven (7) Directors (Susumu Hosoi, Takao Shiomi, Hiroshi Nakagawa, Makoto Kawahara, Jun Motoki, Kazuhiro Mori and Hiroyuki Maekawa) will expire and Director Yukio Narimatsu will resign at the close of this General Meeting of Shareholders. Accordingly, we ask the shareholders to elect seven (7) Directors.



The candidates are listed below:

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations
<p>1 Reappointment</p>	<p>Susumu Hosoi (August 9, 1949)</p> 	<p>Apr. 1973    Joined Isuzu Motors Limited  Jun. 2002    Director, Isuzu Motors Limited  Apr. 2006    Executive Vice President and Director, Isuzu Motors Limited  Jun. 2007    President and Representative Director, Isuzu Motors Limited  Jun. 2015    Chairman and Representative Director, Isuzu Motors Limited  Apr. 2017    Chairman, Isuzu Motors Limited  to present</p>
<p>Number of years in office: 16 years (as of the conclusion of this meeting)  No. of Company shares owned: 157,500 shares  Attendance at meetings of the Board of Directors: 15 of 15 (100%)</p>		<p>Reasons for nomination as a candidate for Director:  We have nominated Mr. Susumu Hosoi for another term as a candidate for Director because we believe his supervision of the Board of Directors of the Company will be supported by his experience leading the Company's management since his appointment as President and Representative Director in 2007, and his experience in appropriately supervising the activities of the Board of Directors of the Company since his appointment as Chairman in 2015, as well as by his excellent personality and insights.</p>

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations
2 Reappointment	<p>Hiroshi Nakagawa (May 4, 1954)</p> 	<p>Apr. 1978    Joined Mitsubishi Corporation</p> <p>Feb. 2009    President and Representative Director, Tri Petch Isuzu Sales Co., Ltd.</p> <p>Apr. 2010    Senior Vice President (“Riji”), Mitsubishi Corporation</p> <p>Apr. 2013    Executive Officer, Mitsubishi Corporation</p> <p>Mar. 2016    Resigned as Executive Officer, Mitsubishi Corporation</p> <p>               Resigned as President and Representative Director, Tri Petch Isuzu Sales Co., Ltd.</p> <p>Apr. 2016    Managing Executive Officer in charge of LCV Long-Term Strategy Project, Isuzu Motors Limited</p> <p>Jun. 2016    Director in charge of LCV Long-Term Strategy Project, Isuzu Motors Limited</p> <p>Sep. 2016    Director in charge of LCV Long-Term Strategy Project, Isuzu Motors Limited</p> <p>               Chairman and Director, Isuzu Motors India Private Limited</p> <p>Oct. 2017 to present    Director and Division Executive of Business Process Development Division, Isuzu Motors Limited</p>
<p>Number of years in office: 2 years (as of the conclusion of this meeting)</p> <p>No. of Company shares owned: 4,700 shares</p> <p>Attendance at meetings of the Board of Directors: 15 of 15 (100%)</p>		<p>Reasons for nomination as a candidate for Director: We have nominated Mr. Hiroshi Nakagawa for another term as a candidate for Director because we believe his management of the Company will be supported by his wealth of experience in duties including managing overseas subsidiaries, as well as by his excellent personality and insights.</p>
No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations
3 Reappointment	<p>Makoto Kawahara (December 12, 1956)</p> 	<p>Apr. 1979    Joined Isuzu Motors Limited</p> <p>Apr. 2013    Senior Executive Officer, Isuzu Motors Limited, President, and Representative Director, Isuzu Motors Co., (Thailand) Ltd.</p> <p>Apr. 2014    Senior Executive Officer, Division Executive of Corporate Planning &amp; Finance Division and Division Executive of Sales Division No.3, Sales Headquarters, Isuzu Motors Limited</p> <p>Jun. 2014    Director and Division Executive of Corporate Planning &amp; Finance Division and Division Executive of Sales Division No.3, Sales Headquarters, Isuzu Motors Limited</p> <p>Apr. 2017 to present    Director, Isuzu Motors Limited President, ISUZU Motors Middle East FZE (currently Isuzu Motors International FZE)</p> <p>(Significant concurrent positions) President, Isuzu Motors International FZE</p>
<p>Number of years in office: 4 years (as of the conclusion of this meeting)</p> <p>No. of Company shares owned: 47,900 shares</p> <p>Attendance at meetings of the Board of Directors: 15 of 15 (100%)</p>		<p>Reasons for nomination as a candidate for Director: We have nominated Mr. Makoto Kawahara for another term as a candidate for Director because we believe his management of the Company will be supported by his management experience in overseas subsidiaries and wealth of experience, mainly in the field of international sales, as well as by his excellent personality and insights.</p>

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations
<p>4 Reappointment Outside Director Independent Officer</p>	<p>Hiroyuki Maekawa (August 2, 1947)</p> 	<p>Apr. 1971    Joined Kawasaki Kisen Kaisha, Ltd.  Jun. 1999    Director, Kawasaki Kisen Kaisha, Ltd.  Jun. 2000    Managing Director, Kawasaki Kisen Kaisha, Ltd.  Jun. 2002    Representative Director and Senior Managing Director, Kawasaki Kisen Kaisha, Ltd.  Apr. 2005    Representative Director and President, Kawasaki Kisen Kaisha, Ltd.  Apr. 2010    Representative Director and Chairman, Kawasaki Kisen Kaisha, Ltd.  Mar. 2011    Director and Chairman, Kawasaki Kisen Kaisha, Ltd.  Jun. 2013    Resigned as Director, Kawasaki Kisen Kaisha, Ltd.  Special Executive Advisor, Kawasaki Kisen Kaisha, Ltd.  Jun. 2013 to present    Outside Director, RINKO CORPORATION (Scheduled to resign this post on June 22, 2018)  Mar. 2015    Resigned as Special Executive Advisor, Kawasaki Kisen Kaisha, Ltd.  Jun. 2016 to present    Outside Director, Isuzu Motors Limited</p>
<p>Number of years in office: 2 years (as of the conclusion of this meeting)  No. of Company shares owned: 0 shares  Attendance at meetings of the Board of Directors: 15 of 15 (100%)</p>		<p>Reasons for nomination as a candidate for Outside Director:  We have nominated Mr. Hiroyuki Maekawa for another term as a candidate for Outside Director, based on our judgment that he would be able to state his opinions from the perspective of promoting the sustainable growth of the Company and enhancing corporate value in the medium to long term, based on his extensive experience and broad-based insights as a manager of a listed company, and to give words of support and advice from his an independent standpoint to ensure the legality of the decisions of the Board of Directors.</p>
No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations
<p>5 New appointment</p>	<p>Shigeji Sugimoto (June 9, 1958)</p> 	<p>Apr. 1982    Joined Itochu Corporation  Apr. 2006    General Manager of Planning &amp; Administration Department, Machinery Company, and CIO of Machinery Company, Itochu Corporation  Apr. 2009    Chief Operating Officer of Automobile Division, Itochu Corporation  Apr. 2010    General Manager of Secretariat, Itochu Corporation  Apr. 2012    SVP and General Manager of Machinery Division, ITOCHU International Inc  Apr. 2013    Executive Officer and General Manager for Chubu Area, Itochu Corporation  Mar. 2015    Resigned from Itochu Corporation  Apr. 2015    Assistant to Senior Division Executive and Sales Division No.3, Sales Headquarters, Isuzu Motors Limited  Aug. 2015    President and CEO, Isuzu North America Corporation  President and CEO, Isuzu Motors America, LLC.  Chairman, Isuzu Commercial Truck of America, Inc.  Apr. 2018 to present    Senior Executive Officer and Division Executive of Administration Division, Isuzu Motors Limited</p>
<p>Number of years in office: —  No. of Company shares owned: 0 shares  Attendance at meetings of the Board of Directors: —</p>		<p>Reasons for nomination as a candidate for Director:  We have nominated Mr. Shigeji Sugimoto as a candidate for Director because we believe his management of the Company will be supported by his wealth of experience in duties including management of overseas subsidiaries, as well as by his excellent personality and insights.</p>



No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations
<p>6 New appointment</p>	<p>Shinsuke Minami (September 29, 1959)</p> 	<p>Apr. 1983    Joined Isuzu Motors Limited Apr. 2013    Associate Division Executive of Sales Division and General Manager of Sales Planning Dept., Isuzu Motors Limited Apr. 2014    Executive Officer and Associate Division Executive of Sales Planning Dept., Sales Headquarters, Isuzu Motors Limited Apr. 2016    Executive Officer and Division Executive of Sales Division No.2, Sales Headquarters, Isuzu Motors Limited Apr. 2017 to present    Senior Executive Officer and Division Executive of Sales Division, Sales Headquarters, Isuzu Motors Limited</p>
<p>Number of years in office: — No. of Company shares owned: 11,600 shares Attendance at meetings of the Board of Directors: —</p>		<p>Reasons for nomination as a candidate for Director: We have nominated Mr. Shinsuke Minami as a candidate for Director because we believe his management of the Company will be supported by his wealth of experience in duties, mainly in the field of international sales, as well as by his excellent personality and insights.</p>
No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company and significant concurrent positions at other organizations
<p>7 New appointment  Outside Director  Independent Officer</p>	<p>Mitsuyoshi Shibata (November 5, 1953)</p> 	<p>Apr. 1977    Joined Furukawa Electric Co., Ltd. Jun. 2008    Corporate Vice President and General Manager of Corporate Planning Department, Furukawa Electric Co., Ltd. Jan. 2009    Corporate Vice President and Vice President of Metals Company, Furukawa Electric Co., Ltd. Jun. 2009    Corporate Senior Vice President and President of Metals Company, Furukawa Electric Co., Ltd. Jun. 2010    Director, Corporate Senior Vice President and President of Metals Company, Furukawa Electric Co., Ltd. Apr. 2012    President and Representative Director, Furukawa Electric Co., Ltd. Nov. 2013    President and Representative Director and General Manager of Global Group Management Division, Furukawa Electric Co., Ltd. Apr. 2016    President and Representative Director, Furukawa Electric Co., Ltd. Apr. 2017 to present    Chairman of the Board, Furukawa Electric Co., Ltd</p> <p>(Significant concurrent positions) Chairman of the Board, Furukawa Electric Co., Ltd.</p>
<p>Number of years in office: — No. of Company shares owned: 0 shares Attendance at meetings of the Board of Directors: —</p>		<p>Reasons for nomination as a candidate for Outside Director: We have nominated Mr. Mitsuyoshi Shibata as a candidate for Outside Director, based on our judgment that he would be able to state his opinions from the perspective of promoting the sustainable growth of the Company and enhancing corporate value in the medium to long term, based on his extensive experience and broad-based insights as a manager of a listed company, and to give words of support and advice from his independent standpoint to ensure the legality of the decisions of the Board of Directors.</p>

NOTES:

1. Mr. Shigeji Sugimoto, Mr. Shinsuke Minami and Mr. Mitsuyoshi Shibata are new candidates for Directors.
2. There are no conflicts of interest between the candidates and the Company.
3. Mr. Hiroyuki Maekawa and Mr. Mitsuyoshi Shibata are candidates for Outside Directors.
4. Mr. Hiroyuki Maekawa served as Director of Kawasaki Kisen Kaisha, Ltd. until June 2013. In March 2014, the Japan Fair Trade Commission issued cease-and-desist orders and administrative surcharge payment orders to Kawasaki Kisen for violating the Antimonopoly Law of Japan regarding the ocean shipment of automobiles during his term of office as Director. In September 2014, Kawasaki Kisen entered into a plea agreement with the United States Department of Justice for violating US antitrust laws, and in December 2015 the National Development and Reform Commission of China ordered Kawasaki Kisen to pay penalties for violating China antitrust laws. In addition, the said company and its subsidiaries were subject to competition law investigations by the authorities in various countries and business activities of the company carried out during his term of office as Director may be subject to these investigations. He fully cooperated with the authorities concerned in the investigation during his term of office as a Director of the said company and worked to further strengthen compliance and to take thorough preventive measures.
5. Mr. Hiroyuki Maekawa has been serving as an Outside Director of RINKO CORPORATION since June 2013. An employee of the company committed a wrongful act of counterfeiting invoices and receipts issued to customers and then embezzling the amount billed for private purposes for nine years until April 2016. Mr. Maekawa was called upon to investigate similar transactions and verify completeness of compliance, as well as to develop measures to prevent recurrence, including the strengthening of future internal controls at the Board of Directors of RINKO, and confirmed their completion on June 2017.
6. Mr. Mitsuyoshi Shibata serves as a Director of Furukawa Electric Co., Ltd. In July 2013, the European Commission made a decision to impose a penalty on Furukawa Electric and its subsidiaries regarding a cartel formed for automotive wire harness transactions. In December 2013, the Japan Fair Trade Commission issued cease-and-desist orders and administrative surcharge payment orders to Furukawa Electric regarding electric power transmission construction works ordered by Tokyo Electric Power Company, Incorporated. and in January 2014 the Japan Fair Trade Commission issued cease-and-desist orders and administrative surcharge payment orders to Furukawa Electric regarding the same construction works ordered by The Kansai Electric Power Company, Incorporated for violating the Antimonopoly Law of Japan. Furthermore, in April 2014, the European Commission decided to impose a penalty on the power cable business for violating the competition law (a request for annulment or reduction in amount has been made to the European general court), and in August 2014, Chinese authorities decided to impose a penalty regarding a cartel formed for automobile parts transactions that violated China antitrust laws. Mr. Shibata was unaware of these facts until they were revealed, but believing that compliance is a precondition for all business activities, he has further promoted thorough compliance and corporate ethics based on a report that includes measures to prevent recurrence proposed by a third-party investigation committee, which was mainly formed by outside experts. In addition, measures to prevent recurrence including the development and revision of internal rules and procedures, thorough education on compliance, and stronger monitoring by the internal audit department have been implemented. Thorough compliance is enforced through such ongoing efforts.
7. The Company has entered into an agreement with Mr. Hiroyuki Maekawa, which limits liability for damages stipulated in Section 1, Article 423 of the Corporation Law up to the minimum liability amount stipulated in Section 1, Article 425 of the said Law, based on the provision of Section 1, Article 427 of the said Law. If Mr. Hiroyuki Maekawa is elected, the Company plans to continue this agreement with him, and if Mr. Mitsuyoshi Shibata is elected, the Company plans to enter into a similar agreement with him.
8. The Company has registered Mr. Hiroyuki Maekawa as an Independent Officer pursuant to the code of the Tokyo Stock Exchange and plans to register Mr. Mitsuyoshi Shibata as an Independent Officer pursuant to the code of the Tokyo Stock Exchange.

(Reference) Independence Criteria for Outside Directors

Criteria to determine the independence of Outside Directors of the Company are based on the independence criteria prescribed by the Tokyo Stock Exchange. The Company judges, in principle, that a person who is an executive of a major business partner of the Company, a person whose major business partner is the Company or an executive of such partner, or a consultant, an accounting professional, a legal professional, or similar person who receives substantial amounts of money, etc. from the Company other than remuneration for directors is not independent.


“Major” business partner refers to a business partner in which the transaction amount with the Company accounts for 2% or more of consolidated net sales in the previous consolidated fiscal year of either the business partner or the Company, and criteria of “substantial amounts” refer to an annual amount of 10 million yen or more.

### Proposal 3: Election of One (1) Audit & Supervisory Board Member

The terms of office of one (1) Audit & Supervisory Board Member (Fumihide Kumazawa) will expire at the close of this General Meeting of Shareholders. Accordingly, we ask the shareholders to elect one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has already agreed to make the proposal at this General Meeting of Shareholders.

The candidate is listed below:

	Name (Date of birth)	Brief career summary, positions in the Company and significant concurrent positions at other organizations
New appointment	<p>Masayuki Fujimori (September 14, 1957)</p> 	<p>Apr. 1980    Joined, Isuzu Motors Limited</p> <p>Apr. 2010    Executive Officer and Associate Division Executive of Corporate Planning &amp; Finance Division, Isuzu Motors Limited</p> <p>Apr. 2013    Senior Executive Officer and Division Executive of Sales Planning Division, Sales Headquarters, Isuzu Motors Limited</p> <p>Oct. 2013    Senior Executive Officer, Isuzu Motors Limited Senior Vice President, Isuzu Motors Co., (Thailand) Ltd.</p> <p>Apr. 2014    Senior Executive Officer, Isuzu Motors Limited President, and Representative Director, Isuzu Motors Co., (Thailand) Ltd.</p> <p>Apr. 2015    Senior Advisor, in charge of Tax and Finance, Corporate Planning &amp; Finance Division, Isuzu Motors Limited</p> <p>Jun. 2015 to present    Senior Advisor, in charge of Tax and Finance, Corporate Planning &amp; Finance Division, Isuzu Motors Limited Director, IJT Technology Holdings Co., Ltd. (part-time) (Scheduled to resign the post on June 28, 2018)</p> <p>Apr. 2017    In charge of IR and Financial Strategy, Isuzu Motors Limited</p> <p>Apr. 2018 to present    Administration Division, Isuzu Motors Limited</p>
<p>Number of years in office: — No. of Company shares owned: 30,849 shares Attendance at meetings of the Board of Directors: — Attendance at meetings of the Audit &amp; Supervisory Board: —</p>		<p>Reasons for nomination as a candidate for Outside Audit &amp; Supervisory Board Member: We propose that Mr. Masayuki Fujimori be appointed as Audit &amp; Supervisory Board Member, based on our judgment that he has considerable expertise in finance and accounting through his wealth of experience in Corporate Planning and Finance Division of the Company and would be able to audit the Company's management from an objective and neutral standpoint.</p>

**NOTES:**

1. Mr. Masayuki Fujimori is a new candidate for Audit & Supervisory Board Member.
2. There are no conflicts of interests between the candidates and the Company.

**Business Report**  
**(April 1, 2017 to March 31, 2018)**

**1. Current Conditions of the Corporate Group**

**1) Business Developments and Results in the Current Consolidated Fiscal Year**

(Including the status of fundraising and capital investments)

**Business Developments**

The global economy as a whole recovered moderately during the current consolidated fiscal year with increases in production and exports mainly in advanced countries. Japan's economy also continued to recover moderately, supported by an accommodating financial environment and the government's economic policies.

In the domestic truck market, demand decreased from the previous fiscal year due to the impact of tighter emission regulations enforced in the latter half of the previous fiscal year. Demand also fell in overseas markets, mainly in Africa and Latin America.

Against this backdrop, we of the Group have endeavored as professionals in the commercial vehicle and diesel engine business to be good partners trusted by our customers and to be in harmony with society and the environment, while keeping our main focus on our hardware and software businesses. To this end, we have strengthened our management base, while being actively engaged in product and business development and rollout.

In a core product development initiative during the current consolidated fiscal year, we upgraded the GIGA heavy-duty truck and FORWARD medium-duty truck to comply with FY2016 emission regulations, while improving the performance of advanced safety equipment. Specifically, in the GIGA series, a gear control function based on road gradient was added to the transmission of the Smoother Gx-equipped new model, allowing for automatic shifting and clutch operation. As for the FORWARD series, a significantly enhanced fuel-efficient model was launched, and models equipped with advanced safety equipment were further expanded. As a result, the competitiveness of each respective product was further strengthened. Regarding the ELF light-duty truck, we newly developed the small-displacement supercharged 4JZ1 engine and used it to achieve improved fuel efficiency while complying with FY2016 emissions regulations.

Meanwhile, in the fields of advanced driving assistance technologies and ITS technology, where Hino Motors, Ltd. and the Company have been development partners since 2016, we have developed four technologies, namely view support, road-to-vehicle communication, acceleration and deceleration support, and depo/platform control. Commercialization of these technologies will be furthered from FY2018 by successively applying them to new products, including a hybrid articulated bus jointly developed by the two companies.

To expand our business during the current consolidated fiscal year, we launched production of the new 4JZ1 engine at Plant No. 3, newly established within the Company's Tochigi Plant. The plant's productivity was improved to create a highly advanced smart factory. Such improvements were obtained through the use of the IoT (IoT: Internet of Things: a system where all things are connected to the Internet and mutually controlled through information exchanges), strengthening quality management and adopting flexible production methods through such measures as combining multiple processes into groups. Odor and dirt were also reduced through the introduction of a system for collecting debris on processing lines. Floors were made perfectly flat and all in-house light fixtures were changed to LED. As a result, we now have a clean, people-friendly, and next-generation-type plant with a reduced environmental load.

Overseas, we launched Isuzu Motors International FZE (IIF), a wide-ranging regional distributor, in Dubai, United Arab Emirates. IIF has its origins with Isuzu Motors Middle East

FZE (IMME), which was established in October 2010 to strengthen the aftersales service system. Offering seamless services from new vehicle sales to aftersales services, IIF will expand its business and further enhance customer satisfaction. IIF will start by serving ten countries in the Middle East, and, in the long term, extend its support to customers in Africa and in the Central and Southwest Asia region where growth is expected.

Funds raised during the current consolidated fiscal year included 42.0 billion yen of long-term borrowings procured by "ISUZU Leasing Services Limited.," a leasing business company engaged in sales financing in Japan.

Capital investments during the current consolidated fiscal year totaled 76.5 billion yen. Major ongoing uses of capital investments include product development to comply with emissions regulations, the previously mentioned engine manufacturing facilities of the Tochigi Plant, and capacity reinforcement of the Fujisawa Plant.

## Business Results

During the current consolidated fiscal year, domestic vehicle sales decreased 8,079 units (10.1%) year on year to 72,262 units. Overseas vehicle sales increased 3,652 units (0.9%) year on year to 429,630 units due to favorable sales of pickup trucks in Thailand and a recovery trend in emerging markets. As a result, total vehicle sales, both domestic and overseas, fell 4,427 units (0.9%) year on year to 501,892 units.

As for sales amounts of products other than vehicles, sales of parts for overseas production rose by 13.5 billion yen (23.4%) compared to the previous fiscal year to 71.5 billion yen, engine component sales increased by 23.7 billion yen (22.9%) year on year to 127.0 billion yen, and other sales jumped by 25.7 billion yen (6.7%) to 408.9 billion yen over the previous fiscal year as a result of growth in the vehicle life-cycle management business such as after-sales services.

Consequently, net sales totaled 2,070.3 billion yen, a 6.0% or 117.1 billion yen year on year gain. This includes 786.9 billion yen of net sales in Japan (a decrease of 0.2% year on year) and 1,283.4 billion yen of net sales in the rest of the world (an increase of 10.2% year on year).

The table below shows sales by product.

Category		Sales Volume (units)	Sales Amount (JPY billion)
Vehicles	Heavy-duty (and medium-duty) vehicles	70,337	498.1
	Light-duty vehicles and others	431,555	964.6
	Subtotal	501,892	1,462.7
Parts for overseas production		-	71.5
Engines and components		-	127.0
Service parts and others		-	408.9
Total		-	2,070.3

Regarding earnings, operating income increased 13.9% from the previous fiscal year to 166.7 billion yen due to the cost controls, such as cost and expense cutting activities, as well as to favorable foreign exchange rates. Ordinary income amounted to 173.6 billion yen, an increase of 14.2% year on year, while net income attributable to parent company shareholders totaled 105.6 billion yen, an increase of 12.6% from the previous fiscal year.

## 2) Issues Facing the Corporate Group

The business environment is expected to remain challenging for the Group in the short term with exchange risk and geopolitical risk increasing. Significant environmental changes in the commercial vehicle market may be caused by factors such as electrification and the diffusion of connected technologies over the medium to long term.

To withstand and flexibly adapt to these environmental changes, the Group recently formulated its medium- to long-term Group vision of becoming a “widely respected company with excellent CV, LCV, and powertrains supporting the living environment and social production activities,” by 2030. To realize this vision, the Group will focus on finding solutions for social challenges and creating social value through its business activities so that we can continue to achieve sustainable growth in harmony with society.

Furthermore, in launching these initiatives, we have developed a new Mid-term Business Plan (FY2019 through FY2021). Under this plan, we will work to extract further potential from existing businesses, expand earnings, and fulfill our mid- to long-term vision. We will do this by meeting the following seven key challenges under the two major policies of “deepening current business” and “newly engaging with the next generation” that focus on bold initiatives for new business areas unconstrained by preconceptions.

1. Innovate our businesses through collaborative activities with our customers
2. Expand the overseas CV business
3. Strengthen the LCV business
4. Strengthen the powertrain business
5. Accelerate advanced technology development
6. Promote digital innovation
7. Create new businesses

At the same time, we will make further efforts to monitor and improve quality and enhance our compliance system.

We hope that our shareholders will continue to give us their unflagging encouragement and support.

### NOTES:

1. CV: Commercial vehicle
2. LCV: Pickup truck and derivatives
3. Powertrain: Engine, transmission and driveline components

### 3) Assets and Earnings in the Current and Past Three Terms

The assets and earnings in the current 116th term (FY2018) and the past three terms (FY2015 to FY2017) are as follows:

#### i) Changes in assets and earnings of the Corporate Group

(JPY million, unless otherwise stated)

Category	113th Term (Ended March 2015)	114th Term (Ended March 2016)	115th Term (Ended March 2017)	116th Term (Ended March 2018)
Net Sales	1,879,442	1,926,967	1,953,186	2,070,359
Ordinary Income	187,411	186,690	152,022	173,616
Net Income Attributable to Parent Company Shareholders	117,060	114,676	93,858	105,663
Net Income per Share (JPY)	139.34	138.43	119.13	134.17
Net Assets	914,451	897,650	962,107	1,086,510
Net Assets per Share (JPY)	905.35	953.01	1,039.25	1,167.68
Total Assets	1,801,918	1,809,270	1,880,826	2,067,520

#### NOTES:

1. Amounts of net sales, ordinary income, net income attributable to parent company shareholders, net assets and total assets have been rounded down to the nearest one million yen.
2. Amounts of net income per share and net assets per share have been rounded to the nearest 1/100 of a yen.
3. With regards to common stock issued by the Company, two (2) shares were consolidated into one (1) share as of October 1, 2014. Net income per share and net assets per share are calculated assuming that the shares were consolidated at the beginning of the 113th fiscal year ended March 31, 2015.
4. A trust fund with Directors as beneficiaries was introduced from the 115th Term, and Company shares held by the Trust are posted as treasury stock in the consolidated financial statements. As a result, when net income per share is calculated, the number of such Company shares as well as treasury stock is excluded when computing the average number of shares of common stock.

#### ii) Changes in assets and earnings of the Company

(JPY million, unless otherwise stated)

Category	113th Term (Ended March 2015)	114th Term (Ended March 2016)	115th Term (Ended March 2017)	116th Term (Ended March 2018)
Net Sales	1,060,028	1,076,360	1,065,886	1,081,384
Ordinary Income	78,931	108,624	100,330	71,745
Net Income	67,070	91,905	87,310	58,476
Net Income per Share (JPY)	79.83	110.93	110.81	74.25
Net Assets	468,720	475,388	544,117	593,999
Net Assets per Share (JPY)	562.36	602.92	690.87	754.20
Total Assets	936,803	965,977	1,025,050	1,053,710

#### NOTES:

1. Amounts of net sales, ordinary income, net income, net assets and total assets have been rounded down to the nearest one million yen.
2. Amounts of net income per share and net assets per share have been rounded to the nearest 1/100 of

a yen.

3. With regards to common stock issued by the Company, two (2) shares were consolidated into one (1) share as of October 1, 2014. Net income per share and net assets per share are calculated assuming that the shares were consolidated at the beginning of the 113th fiscal year ended March 31, 2015.
4. A trust fund with Directors as beneficiaries was introduced from the 115th Term, and Company shares held by the Trust are posted as treasury stock in the financial statements. As a result, when net income per share is calculated, the number of Company shares as well as treasury stock is excluded when computing the average number of shares of common stock.



#### 4) Principal Subsidiaries (as of March 31, 2018)

The 23 major subsidiaries out of a total of 114 are listed below:

(JPY million, unless otherwise stated)

Company	Location	Capital	% of Shares Held by the Company	Main Operations
ISUZU MOTORS SALES LTD.	Shinagawa-ku, Tokyo	25,025	75.00	Selling vehicles
Isuzu Motors Tohoku Co., Ltd.	Sendai, Miyagi	100	75.00 (75.00)	Selling and repairing vehicles
ISUZU MOTOR SYUTOKEN CO., LTD.	Koto-ku, Tokyo	100	75.00 (75.00)	Selling and repairing vehicles
Isuzu Motors Chubu Co., Ltd.	Nagoya, Aichi	100	75.00 (75.00)	Selling and repairing vehicles
Isuzu Motors Kinki Co., Ltd.	Moriguchi, Osaka	100	75.00 (75.00)	Selling and repairing vehicles
Isuzu Motors Chugoku-Shikoku Co., Ltd.	Hiroshima, Hiroshima	100	75.00 (75.00)	Selling and repairing vehicles
Isuzu Motors Kyushu Co., Ltd.	Fukuoka, Fukuoka	100	75.00 (75.00)	Selling and repairing vehicles
Isuzu Leasing Service Ltd.	Shinagawa-ku, Tokyo	5,250	75.00 (75.00)	Vehicle leasing and acceptance of contracts for vehicle maintenance services
IJT Technology Holdings Co., Ltd.	Minato-ku, Tokyo	5,500	42.45 (0.06)	Managing subsidiaries
I Metal Technology Co., Ltd.	Tsuchiura, Ibaragi	1,480	42.45 (42.45)	Casting, machining, and selling automotive parts
Jidosha Buhin Kogyo Co., Ltd.	Ebina, Kanagawa	2,331	42.45 (42.45)	Producing and selling parts for vehicles, etc.
Isuzu LINEX Co., Ltd.	Shinagawa-ku, Tokyo	800	100.00	Warehousing and transportation
Isuzu Motors Asia Ltd.	Singapore	220,007 (USD thousand)	100.00	Importing and selling parts for vehicle production
Isuzu Motors International Operations (Thailand) Co., Ltd.	Thailand	678 (THB million)	70.00 (70.00)	Exporting and selling vehicles
Isuzu Motors Co., (Thailand) Ltd.	Thailand	8,500 (THB million)	71.15 (71.15)	Producing and selling vehicles
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Thailand	1,025 (THB million)	98.56 (97.16)	Manufacturing engines
ISUZU QINGLING (CHONGQING) AUTOPARTS CO., LTD.	China	240,000 (USD thousand)	51.00	Producing engine parts, selling vehicles and engine parts
Isuzu Motors India Private Limited	India	30,000 (INR million)	62.00 (40.12)	Importing, assembling and selling vehicles
Isuzu North America Corporation	U.S.A.	232,776 (USD thousand)	100.00	General control and indirect/administrative operations for subsidiaries in North America
Isuzu Motors America, LLC	U.S.A.	50,773 (USD thousand)	100.00 (100.00)	Selling parts for vehicles and industrial engines, offering after-sales

Company	Location	Capital	% of Shares Held by the Company	Main Operations
				service for light vehicles
Isuzu Commercial Truck of America, Inc.	U.S.A.	25 (USD thousand)	80.00 (80.00)	Importing and selling vehicles
Isuzu Australia Limited	Australia	47,000 (AUD thousand)	100.00	Importing and selling vehicles
ISUZU MOTORS INTERNATIONAL FZE (IIF)	UAE	7,434 (USD thousand)	100.00	Exporting and selling service parts; selling vehicles in the Near and Middle East and Africa

NOTES:

- The percentage of shares held is the percentage of number of shares held to the total number of outstanding shares, rounded off to two decimal places.
- The numbers in parentheses indicate the percentage of shares indirectly held by the Company and are included in the total number of shares held by the Company.  
The percentage of shares indirectly held by the Company is the total of the percentages which are individually calculated by the percentage of shares of each subsidiary held by the Company where said subsidiaries directly held shares of a company, multiplied by the percentage of shares of said companies directly held by the said subsidiaries of the Company.
- Amounts stated in capital have been rounded down to the nearest stated unit.

**5) Major Operations (as of March 31, 2018)**

Our Corporate Group mainly manufactures and sells vehicles, parts, and industrial engines. It also offers logistics and various other services relating to these products.

Category			Main Product
Vehicles	Heavy-duty (and medium-duty) vehicles	Truck	Heavy-duty trucks (GIGA series) Medium-duty trucks (FORWARD series)
		Bus	Sightseeing buses (GALA series) Transit buses (ERGA series)
	Light-duty vehicles	Truck	ELF series, D-MAX
		Bus	JOURNEY
Parts for overseas production			KD units and parts for overseas production
Engines and components			Industrial engines and components (Merchandise to be sold alone such as engines, transaxles, and transmissions)
Others			Parts, components, options and accessories for repair and service

NOTE: GIGA, FORWARD, GALA, ERGA, ELF, COMO and JOURNEY are brand names for Japan, while D-MAX is a brand name for Thailand.

## 6) Major Operation Bases and Plants (as of March 31, 2018)

### i) The Company

Name of Operation Bases	Location
Head Office	Shinagawa-ku, Tokyo
Tochigi Plant	Tochigi City, Tochigi Prefecture
Fujisawa Plant	Fujisawa City, Kanagawa Prefecture

### ii) Subsidiaries

See the above "4) Principal Subsidiaries."

## 7) Employees (as of March 31, 2018)

### i) Employees of the Corporate Group

No. of Employees	Increase from March 31, 2017
35,262	1,631

NOTE: 'No. of Employees' is the workforce, which excludes employees seconded from the Group to outside organizations, but includes employees seconded from outside the Group as well as employees hired on a regular part-time basis (regular part-time employees).

### ii) Employees of the Company

No. of Employees	Increase from March 31, 2017	Average Age	Average Years of Service
8,289	178	40.9	18.7

NOTE: 'No. of Employees' is the workforce, which excludes employees seconded from the Company to outside organizations, but includes employees seconded from outside the Company as well as employees hired on a regular part-time basis (regular part-time employees).

## 8) Principal Creditor and Amount of Loan Payable (as of March 31, 2018)

Creditor	Amount Payable
Mizuho Bank, Ltd.	71,572 million yen
Development Bank of Japan Inc.	44,414 million yen
Mitsubishi UFJ Trust and Banking Corporation	23,701 million yen
The Bank of Yokohama, Ltd.	23,127 million yen
Sumitomo Mitsui Trust Bank, Limited	22,167 million yen

### NOTES:

1. Amount payable includes the amount borrowed under the syndication method.
2. Amounts have been rounded down to the nearest one million yen.
3. With the reorganization of Mitsubishi UFJ Financial Group, Inc., loan payables from Mitsubishi UFJ Trust and Banking Corporation are from MUFG Bank, Ltd. as of April 16, 2018.

## 2. Items relating to Shares of the Company (as of March 31, 2018) [Reference]

1) Total Number of Shares the Company is Authorized to Issue: 1,700,000,000 shares

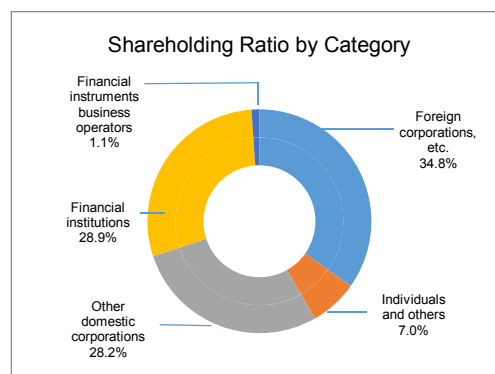
2) Total Number of Outstanding Shares: 848,422,669 shares

NOTE: The total number of outstanding shares did not change during the current business term.

3) Total Number of Shareholders: 38,815

4) Ten Major Shareholders

The ten major shareholders of the Company are as follows:



Shareholder	No. of Shares Held (1,000 shares)	Ratio of Shares Held (%)
Mitsubishi Corporation	63,633	8.07
ITOCHU AUTOMOBILE INVESTMENT L. L. C.	52,938	6.72
Toyota Motor Corporation	50,000	6.34
The Master Trust Bank of Japan, Ltd. (Trust Account)	38,084	4.83
Japan Trustee Services Bank, Ltd. (Trust Account)	37,322	4.73
THE BANK OF NEW YORK MELLON SA/NV 10	24,878	3.15
Mizuho Bank, Ltd.	15,965	2.02
JFE Steel Corporation	14,434	1.83
Development Bank of Japan Inc.	13,183	1.67
National Mutual Insurance Federation of Agricultural Cooperatives	12,650	1.60

### NOTES:

1. The Company holds 59,965,506 shares of treasury stock, but is excluded from the above major shareholders.
2. Treasury stock is excluded from the calculation of the "shareholding ratio by category," and the "ratio of shares held." Additionally, these have been rounded to the nearest unit shown.
3. Numbers of shares held have been rounded down to the nearest 1,000 shares.

## 3. New Share Subscription Rights, etc.

There are no relevant items.

#### 4. Directors and Audit & Supervisory Board Members of the Company

##### 1) Directors and Audit & Supervisory Board Members (as of March 31, 2018)

Position and Title	Name	Responsibilities and Significant Concurrent Positions at Other Organizations
Chairman	Susumu Hosoi	
President and Representative Director	Masanori Katayama	
Executive Vice President and Director	Takao Shiomi	Senior Division Executive of Quality Assurance Division, Sales Division, Sales Headquarters; Division Executive of Administration Division
Director	Hiroshi Nakagawa	Division Executive of Business Process Development Division
Director	Yukio Narimatsu	President and Representative Director of ISUZU MOTORS SALES LTD.
Director	Makoto Kawahara	President of ISUZU MOTORS INTERNATIONAL FZE (IIF)
Director	Jun Motoki	Division Executive of After Sales Division, Sales Headquarters
Director	Shinichi Takahashi	Division Executive of Engineering Division, Operation Headquarters
Director	Masatoshi Ito	Division Executive of Manufacturing Division, Operation Headquarters
Director	Kazuhiro Mori	
Director	Hiroyuki Maekawa	Outside Director of RINKO CORPORATION
Standing Audit & Supervisory Board Member	Chikao Mitsuzaki	
Standing Audit & Supervisory Board Member	Fumihide Kumazawa	
Standing Audit & Supervisory Board Member	Tetsuhiko Shindo	
Audit & Supervisory Board Member	Takashi Mikumo	
Audit & Supervisory Board Member	Kanji Kawamura	Outside Audit & Supervisory Board Member of JAMCO Corporation

#### NOTES:

1. Mr. Kazuhiro Mori and Mr. Hiroyuki Maekawa are Outside Directors.
2. Audit & Supervisory Board Members, Tetsuhiko Shindo, Takashi Mikumo and Kanji Kawamura are Outside Audit & Supervisory Board Members.
3. Directors, Kuniharu Nakagawa and Kazuhiko Ito resigned as Directors as of the close of the 115th Annual General Meeting of Shareholders held on June 29, 2017.
4. Audit & Supervisory Board Member Chikao Mitsuzaki has extensive experience in the finance and accounting departments of the Company as well as considerable expertise in finance and accounting. Audit & Supervisory Board Member Fumihide Kumazawa has many years of experience handling accounting operations as well as considerable expertise in finance and accounting. Audit & Supervisory Board Member Tetsuhiko Shindo has a high degree of professionalism and a wealth of experience in financial and corporate financial affairs, as well as considerable knowledge in finance and accounting.
5. The Company notified the Tokyo Stock Exchange, Inc. that Directors Kazuhiro Mori, Hiroyuki Maekawa and Audit & Supervisory Board Members Tetsuhiko Shindo, Takashi Mikumo and Kanji Kawamura have been made independent officers.

6. Positions and responsibilities of Directors and Audit & Supervisory Board Members of the Company as of April 1, 2018 are as follows:

Position and Title	Name	Responsibilities and Significant Concurrent Positions at Other Organizations
Chairman	Susumu Hosoi	
President and Representative Director	Masanori Katayama	
Director	Hiroshi Nakagawa	Division Executive of Business Process Development Division
Director	Makoto Kawahara	President, ISUZU MORTORS INTERNATIONAL FZE (IIF)
Director	Shinichi Takahashi	Division Executive of Engineering Division, Operation Headquarters
Director	Masatoshi Ito	President and Representative Director of Shonan Unitec Co., Ltd.
Executive Vice President and Director	Takao Shiomi	
Director	Yukio Narimatsu	Chairman and Representative Director, ISUZU MOTORS SALES LTD.
Director	Jun Motoki	Executive Vice President, and Representative Director of ISUZU ADVANCED ENGINEERING CENTER, LTD
Director	Kazuhiro Mori	
Director	Hiroyuki Maekawa	Outside Director of RINKO CORPORATION
Standing Audit & Supervisory Board Member	Chikao Mitsuzaki	
Standing Audit & Supervisory Board Member	Fumihide Kumazawa	
Standing Audit & Supervisory Board Member	Tetsuhiko Shindo	
Audit & Supervisory Board Member	Takashi Mikumo	
Audit & Supervisory Board Member	Kanji Kawamura	Outside Audit & Supervisory Board Member, JAMCO Corporation

## 2) Total Remuneration for Directors and Audit & Supervisory Board Members

Category	Total Remuneration (JPY million)	Amount of Remuneration, etc. by Type (JPY million)			Number of eligible Directors and Audit & Supervisory Board Members
		Basic remuneration	Performance-linked remuneration		
			Bonus	Performance-linked share-based remuneration system	
Directors (excluding outside directors)	729	459	178	91	12
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	64	64	—	—	2
Outside Director	72	72	—	—	—

### NOTES:

1. Amounts have been rounded down to the nearest one million yen.
2. The above includes three (3) Directors and two (2) Audit & Supervisory Board Members who resigned as of the close of the 115th Annual General Meeting of Shareholders held on June 29, 2017.
3. The upper limit amount of basic remuneration for Directors is 64 million yen a month (excluding employee salaries) based on a resolution passed at the 86th Annual General Meeting of Shareholders held on January 30, 1989.
4. The upper limit amount of bonuses for Directors (excluding Outside Directors) is 400 million yen a year, separate from the upper limit amount of basic remuneration for Directors stated in note 3. above, based on a resolution passed at the 115th Annual General Meeting of Shareholders held on June 29, 2017.
5. The upper limit amount of remuneration for Directors (excluding Outside Directors) based on the performance-linked share-based remuneration system is 1,820 million yen (including executive officers eligible for the system) for the maximum amount the Company contributes every three fiscal years in principle, separate from the upper limit amount of basic remuneration for Directors stated in Note 3. above, based on a resolution passed at the 114th Annual General Meeting of Shareholders held on June 29, 2016.
6. The upper limit amount of remuneration for Audit & Supervisory Board Members is 10 million yen per month based on a resolution passed at the 103rd Annual General Meeting of Shareholders held on June 29, 2005.

## 3) Outside Members of the Board and the Audit & Supervisory Board

- (1) Concurrent positions held by Outside Members of the Board and the Audit & Supervisory Board at other organizations, etc.

Director Hiroyuki Maekawa concurrently served as Outside Director of RINKO CORPORATION. There are no conflicts of interest between the said corporation and the Company.

Audit & Supervisory Board Member Mr. Kanji Kawamura concurrently serves as Outside Audit & Supervisory Board Member of JAMCO Corporation. There are no conflicts of interest between the said corporation and the Company.

- (2) Principal activities during the current business term

Statements made and attendance at Board of Directors Meetings and Audit & Supervisory Board Meetings:



Name	Status of Statements Made and Attendance
Director Kazuhiro Mori	Attended all 15 Meetings of the Board of Directors held in the current business term. When necessary, he stated his opinions from the perspective of promoting the sustainable growth of the company and enhancing corporate value in the medium-to long-term, based on his extensive experience and insights as a manager of a listed company. He also gave words of support and advice from his independent standpoint to ensure the legality of the decisions of the Board of Directors.
Director Hiroyuki Maekawa	Attended all 15 Meetings of the Board of Directors held in the current business term. When necessary, he stated his opinions from the perspective of promoting the sustainable growth of the company and enhancing corporate value in the medium-to long-term, based on his extensive experience and insights as a manager of a listed company. He also gave words of support and advice from his independent standpoint to ensure the legality of the decisions of the Board of Directors.
Audit & Supervisory Board Member Tetsuhiko Shindo	Attended all 15 Meetings of the Board of Directors and all 16 Meetings of the Audit & Supervisory Board held in the current business term. When necessary, he stated his opinions from the standpoint of a specialist in financial and corporate financial affairs. He gave words of support and advice to ensure the legality of the decisions of the Board of Directors.
Audit & Supervisory Board Member Takashi Mikumo	Attended all 11 Meetings of the Board of Directors, and all 12 Meetings of the Audit & Supervisory Board held after he assumed the position on June 29, 2017. When necessary, he stated opinions based on his extensive experience and from the standpoint of a specialist regarding financial and corporate management affairs. He gave words of support and advice to ensure the legality of the decisions of the Board of Directors.
Audit & Supervisory Board Member Kanji Kawamura	Attended all 11 Meetings of the Board of Directors, and all 12 Meetings of the Audit & Supervisory Board held after he assumed the position on June 29, 2017. When necessary, he stated opinions based on his extensive experience and knowledge of corporate legal affairs. He gave words of support and advice to ensure the legality of the decisions of the Board of Directors.

(3) Outline of the contents of the liability limitation agreement

The Company has entered into an agreement with five corporate officers, Director Kazuhiro Mori, Hiroyuki Maekawa and Audit & Supervisory Board Members Tetsuhiko Shindo, Takashi Mikumo and Kanji Kawamura that limits the liability for damages stipulated in Section 1, Article 423 of the Corporation Law up to the minimum liability amount stipulated in Section 1, Article 425 of the said Law, based on the provision of Section 1, Article 427 of the said Law.

## 5. Matters concerning the Independent Auditor

1) Name of the Independent Auditor: Ernst & Young ShinNihon LLC

2) Fee and Other Amounts Payable to the Independent Auditor:

	Amount Payable (JPY million)
Independent auditor's fee payable by the Company for the current business term	116
Total cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor	296

NOTES:

1. Amounts have been rounded down to the nearest one million yen.

2. The Audit & Supervisory Board agreed to the fee and other amounts payable to the Independent Auditor after careful consideration of the details of the audit plan, time taken by the audit, personnel allocation plan, performance of duties in past business years, and rationale for the calculation of fees, in accordance with the “Practical Guidelines for Cooperation with Independent Auditor” of the Japan Audit & Supervisory Board Members Association.
3. The Company and the Independent Auditor have signed an Audit Contract. This contract, however, does not make a clear distinction between the auditing fees stipulated in the Corporation Law and those defined in the Financial Instruments and Exchange Law. These fees cannot be practically separated. The above fee, therefore, is the aggregate amount of these fees.
4. Ernst & Young ShinNihon LLC serves as the Independent Auditor for significant subsidiaries in Japan, and significant overseas subsidiaries are subject to the audit of Ernst & Young or Deloitte Touche Tohmatsu.

### 3) Non-audit Duties of the Independent Auditor

The Company has engaged the Independent Auditor in consulting work in procedural processes, as agreed for the settlement of account of a subsidiary that controls domestic sales subsidiaries.

### 4) Policy regarding Decision to Dismiss or Not Reappoint Independent Auditors

1) If anything occurs to negatively impact the qualifications or independence of the Independent Auditor, leading the Audit & Supervisory Board to believe that the Independent Auditor is unlikely to properly perform an audit, the Audit & Supervisory Board will present a proposal to be submitted to the General Meeting of Shareholders that the Independent Auditor be dismissed or not reappointed.

2) If the Audit & Supervisory Board unanimously agrees, it will dismiss the Independent Auditor when it confirms that the Independent Auditor falls under any of the items of Section 1, Article 340 of the Corporation Law and the proper performance of an audit by the Independent Auditor is seriously impaired.

## 6. Systems for Ensuring the Propriety of Operations and Status of Operations of Systems

Basic policies regarding the development of systems for ensuring the propriety of operations which was resolved by the Board of Directors Meeting in accordance with the Corporation Law and the Enforcement Regulations of the Corporation Law is as follows:

<General description of contents of resolution>

The Company has constructed and maintains a system to ensure the propriety of its operations by adopting the following basic policies:

### 1) System for ensuring that Directors and employees execute their duties in compliance with the laws and regulations and the Articles of Incorporation

The Company places utmost importance on thorough compliance. The Company defines “compliance” to mean that all Directors, Audit & Supervisory Board Members and employees comply with the laws, and behave in line with high ethical standards to gain the trust of society.

To secure thorough compliance, we will make sure that all Directors, Audit & Supervisory Board Members and employees are familiar with and fully understand the “Basic Policy Measures Relating to Compliance” and the “Code of Conduct Relating to Compliance.”

The members of the Compliance Committee include outside experts and provide the Company with objective advice, supervision, and assessments regarding its compliance promotion system and activities. The Compliance Management Group of the Legal & Intellectual Property Dept. manages and promotes compliance activities. Additionally, compliance-related internal auditing functions are secured via auditing by the Internal Audit Group of Corporate Audit Dept. These efforts will continue in the future.

The Company has independent Outside Directors to bring more objectivity, neutrality, and transparency to the Board of Directors in their function as supervisors of our business operations. This will continue in the future.

The Company rejects any relationships with antisocial forces or groups, and will respond to them resolutely and refuse their unreasonable demands in the future.

2) System for maintaining and managing information relating to Directors' performance of their duties

Minutes of the Board of Directors meetings and other information relating to the Directors' performance of their duties are appropriately maintained and managed by different departments in accordance with laws and regulations, the "Board of Directors Regulation," and the Company's other bylaws, designating what information is handled by which department. The Chief Executive for Confidential Information Management manages confidential information appropriately in accordance with laws and regulations and the "Rules for Handling Confidential Information."

3) Rules and other systems for managing loss risk

The Risk Manager of each Division in the Company manages all risks in his/her Division in accordance with the "Rules for Risk Management." The Chief Executive for Risk Management controls company-wide risks. Members of the Management Meeting occasionally follow up and assess the status of risk management. In a crisis, the Company ensures thorough risk management by having the members of the Management Meeting deliberate, decide, and implement proper responses (including implementation systems), and report on their progress to the Board of Directors as necessary.

4) System for assuring that Directors efficiently execute their duties

The Company has established a Board of Directors to formulate a mid-term business plan and a business plan for each business term, develop an organizational system, formulate specific measures for each department to realize such plans, and make decisions regarding principal operations, while establishing a subordinate organ, the Management Meeting. Under the Management Meeting are such groups as the Quality Assurance & Customer Satisfaction Improvement Committee, the Global Environment Committee, the Export Control Committee, the Budget Special Committee, the Facility Investment Committee, and the Product Program Committee, to ensure efficient deliberations in their respective areas of expertise.

The Company continues to employ the Executive Officer System to help the Directors perform their duties properly.

5) System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries

With the objective of enhancing public trust in the Company and Corporate Group based on our policy of serving society in meaningful ways, the Company has established the "Corporate Group Vision," the "Corporate Mission," and the "Group Basic Compliance Initiative." The Company takes proper measures to ensure that all Directors, Audit & Supervisory Board Members and employees of the Corporate Group act in accordance with the "Corporate Group Vision," the "Corporate Mission," and the "Group Basic Compliance Initiative."

The Company has asked Corporate Group companies to develop their own compliance systems suited to their respective circumstances and to fully implement said systems.

The Company has established "Group Company Management Rules" and "Detailed Rules for Group Company Management," and taken steps to strengthen systems for ensuring the propriety of Corporate Group company operations.

Company Management continually monitors the activities of Corporate Group companies' managements, receives reports on the status of compliance and risk management and systems for ensuring business efficiency at Corporate Group companies, and requests improvements if the Company determines that they are necessary.

The Company has adopted a system to ensure the reliability of financial reports made under the Financial Instruments and Exchange Law. This system will continue to be used.

6) Matters regarding employees who assist Audit & Supervisory Board Members in their duties when Audit & Supervisory Board Members request the assignment of such employees

At the request of Audit & Supervisory Board Members, the Company has set up a division called "the Audit & Supervisory Board Member Support Group," and has assigned employees to assist the Audit & Supervisory Board Members with their duties.

7) Maintaining the independence of employees who assist Audit & Supervisory Board Members from Director interference and enhancing the effectiveness of instructions to employees

The Company ensures that employees who assist Audit & Supervisory Board Members with their duties are independent from the Directors and that instructions to such employees are effective. It does this by placing such employees under the direct control and supervision of Audit & Supervisory Board Members and obtaining the prior consent of Audit & Supervisory Board Members when changing, assessing, rewarding, or punishing them.

8) System for encouraging Directors, employees, and others of the Company and its subsidiaries to report to Audit & Supervisory Board Members

The Company has adopted and will continue to use a system in which Directors and Executive Officers and those of equivalent rank and employees of the Company and the Corporate Group companies report to Audit & Supervisory Board Members on the status of business operations, the status of the Company's and Corporate Group companies' management, and any other matters that need to be reported as agreed by the Company and Audit & Supervisory Board Members, to disclose or report necessary and sufficient information whenever requested by Audit & Supervisory Board Members. This system will continue to be used.

The Company cooperates with a liaison conference held on a regular basis to enhance and strengthen audits of the entire Corporate Group through mutual collaboration among Audit & Supervisory Board Members of the Company and the Corporate Group as necessary. This cooperation will continue.

9) System for ensuring that those who make a report to Audit & Supervisory Board Members are not treated unfairly for making such a report

The Company prohibits any discriminatory treatment of those who make a report to the Audit & Supervisory Board Members in accordance with the preceding Paragraph, and ensures that all Directors, Audit & Supervisory Board Members and employees of the Company and Corporate Group companies are familiar with and fully understand the above.

10) Policy for advance payment or reimbursement of expenses relating to Audit & Supervisory Board Members' execution of duties and other handling of expenses or obligations arising from the execution of such duties

If an Audit & Supervisory Board Member requests the Company to make an advance payment of expenses, reimburse expenses, or fulfill obligations related to the execution of his or her duties, the Company shall promptly deal with such expenses or obligations in accordance with laws and regulations.

The Company will annually allot an appropriate budget to pay expenses arising from the execution of duties by Audit & Supervisory Board Members and other costs.

11) Other systems for ensuring effective audits by Audit & Supervisory Board Members

The Company ensures Audit & Supervisory Board Members opportunities to attend Management Meetings. In addition, with the aim of establishing systems to help Audit & Supervisory Board Members audit effectively, the Company holds regular discussions with Audit & Supervisory Board Members and takes necessary steps to meet their requests.

<General description of the status of operations of systems>

1) System for ensuring that Directors and employees execute their duties in compliance with the laws and regulations and the Articles of Incorporation

The Compliance Committee responds to advice, supervision, and assessments provided regarding the Company's compliance measures, as well as issues that are reported to the *meyasubako* (helpline) sited at an outside law firm. The Committee held four meetings during the current business term.

To increase the effectiveness of internal compliance activities, the Company distributes compliance guidebooks to Directors, Audit & Supervisory Board Members, and employees, and ensures that they are familiar with and fully understand policies and standards. The Company periodically holds council meetings for promoting compliance among the members, who in turn promote compliance in each department, internally develop compliance-related measures, and monitor the activities of each department.

To eliminate relationships with antisocial forces or groups, the Company incorporates a clause concerning the elimination of antisocial forces in all written agreements with domestic corporations.

2) System for maintaining and managing information relating to Directors' performance of their duties

The Company appropriately maintains and manages the minutes of Board of Directors meetings in accordance with laws and regulations, and the "Board of Directors Regulation." Other information relating to the performance of duties by Directors is appropriately maintained and managed by designated departments in accordance with the Company's bylaws, such as "Rules for Handling Confidential Information."

3) Rules and other systems for managing loss risk

In carrying out its activities, the Company regularly implements the PDCA cycle in accordance with "Rules for Risk Management." It also shared information and evaluated management's track record and its responses to company-wide risks at the Management Meeting held in April 2017. No issues required a crisis response during the current business term.

4) System for assuring that Directors efficiently execute their duties

The Company prescribes matters to be decided by the Board of Directors in the "Board of Directors Regulation" and the Board of Directors acts in accordance with this Regulation.

The Company held Board of Directors meetings 15 times during the current business term. The Board discussed and decided on important matters and received reports from Directors and other officers who were responsible for major departments on the operation of their businesses.

During the current business term, the Company held Management Meetings, a subordinate organ of the Board of Directors, 21 times, and meetings of organizations under the Management Meeting including: the Quality Assurance & Customer Satisfaction Improvement Committee, 22 times; the Global Environment Committee, four times; the Export Control Committee, zero times (However, 14 requests for approval were circulated and discussed); the Budget Special Committee, 16 times; the Facility Investment Committee, nine times; and the Product Program Committee, which is divided into CV, LCV, and Powertrain, 74 times in total.

The Company elects Executive Officers at the meetings of the Board of Directors, and these Executive Officers performed their duties under the authority delegated by the Board of Directors in an appropriate and efficient manner.

5) System for ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries

The Company has established the "Corporate Group Vision," the "Corporate Mission," and the "Group Basic Compliance Initiative," while ensuring that Corporate Group companies thoroughly

comply with them.

Activities to enhance compliance by Corporate Group companies are carried out by the Compliance Management Group of the Legal & Intellectual Property Dept. as the secretariat for all domestic sales companies and business companies. Specifically, the Company convened in principle on a monthly basis the Group Company Compliance Promotion Meeting, whose members were from domestic group companies and were responsible for compliance. They promoted the development of compliance systems in each Corporate Group company and strengthened compliance of the entire Group through information exchanges among companies.

Once a year, Company Management solicits the opinions of managers of each Corporate Group company about the state of the management in their company, and also receives reports on the state of compliance and risk management and systems for improving business efficiency at Corporate Group companies.

To enhance the effectiveness of internal controls over financial reports in accordance with the best practices of the Financial Services Agency, the Company develops company-wide internal controls and operational process controls and evaluates how these controls are performed. After evaluating 36 Corporate Group companies, the Company determined that internal controls over the financial standing and reporting of the Company were effective as of the last day of the current business term.

6) Matters regarding employees who assist Audit & Supervisory Board Members in their duties when Audit & Supervisory Board Members request the assignment of such employees

The Company has set up the Audit & Supervisory Board Member Support Group and assigned full-time employees to it. They assist Audit & Supervisory Board Members with their duties to ensure the effectiveness of audits, while carrying out administrative duties pertaining to audits by Audit & Supervisory Board Members as well as the affairs of the secretariat of the Audit & Supervisory Board and the Management Audit Meeting.

7) Maintaining the independence of employees who assist Audit & Supervisory Board Members from Director interference and enhancing the effectiveness of instructions to employees

The Company has established "Regulations for Employees who Assist Audit & Supervisory Board Members" to ensure independence from Director interference. The Company listens to Audit & Supervisory Board Members' opinions in advance and assigns, changes, and assesses employees who belong to the Audit & Supervisory Board Member Support Group with the consent of Audit & Supervisory Board Members.

8) System for encouraging Directors, employees, and others of the Company and its subsidiaries to report to Audit & Supervisory Board Members

Requests concerning the audit plan for the current business term formulated by the Audit & Supervisory Board and for ensuring the effectiveness of the Audit & Supervisory Board Members' audit were reported to the Board of Directors' meeting held in August 2017. Directors were asked to understand and cooperate with the Audit & Supervisory Board Member's audit. At the meeting, it was decided to have Standing Audit & Supervisory Board Members attend important meetings, such as the Management Meeting, as necessary and, under the system for reporting to Audit & Supervisory Board Members, regularly or temporarily make reports on necessary matters as agreed with Audit & Supervisory Board Members. Also, minutes of meetings and materials for which regular interviews or access is required were presented in a specific manner.

During the current business term, Audit & Supervisory Board Members carried out these activities smoothly in conjunction with their regular audits. Further, the Company has asked Directors and employees to comply with requests from Audit & Supervisory Board Members for explanations and reports. During the current business term, they promptly explained and

reported information whenever requested by Audit & Supervisory Board Members.

Moreover, Isuzu Group Standing Audit & Supervisory Board Members Liaison Conferences, whose members are the Standing Audit & Supervisory Board Members of 17 domestic Group companies and Standing Audit & Supervisory Board Members of the Company, were held twice, in July and December 2017, at which members discussed sharing and exchanging information on procedures for audits of the Isuzu Group by Audit & Supervisory Board Members.

9) System for ensuring that those who make a report to Audit & Supervisory Board Members are not treated unfairly for making such a report

The Company has ensured that all Directors, Audit & Supervisory Board Members, and employees were familiar with and fully understood that it is prohibited to treat those who make a report to Audit & Supervisory Board Members unfairly for doing so. During the current business term there were no cases of anyone being treated unfairly on such grounds.

10) Policy for advance payment or reimbursement of expenses relating to Audit & Supervisory Board Members' execution of duties and other handling of expenses or obligations arising from the execution of such duties

The Company paid expenses arising from the execution of duties of Audit & Supervisory Board Members promptly after they were incurred. Although the Company allocated a budget in advance, a system has been developed so that Audit & Supervisory Board Members may ask the Company to pay expenses if they exceed the budget on an emergency or a temporary basis.

11) Other systems for ensuring effective audits by Audit & Supervisory Board Members

Audit & Supervisory Board Members had meetings with the President twice, in September 2017 and March 2018, to enhance the effectiveness of audits by Audit & Supervisory Board Members. At the meetings, they reported their auditing activities and heard the President's opinions on the management policy and management challenges. When necessary, they also solicited the Directors' opinions regarding the performance of their duties, and actively expressed their opinions from the perspectives of the Audit & Supervisory Board.

A Three-way Liaison Conference on the audit of internal controls (Audit & Supervisory Board Members, Independent Auditor and Corporate Audit Dept.) was held three times, in May and September 2017 and March 2018, during which information and opinions were exchanged on the audit plan and the status of its implementation, and reports were received on the results of internal audits and when necessary, the results of audits by independent auditors with the aim of strengthening collaboration.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(millions of yen)

ITEMS	116th Term (As of March 31, 2018)	[Reference] 115th Term (As of March 31, 2017)	ITEMS	116th Term (As of March 31, 2018)	[Reference] 115th Term (As of March 31, 2017)
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>CURRENT ASSETS</b>	<b>1,095,170</b>	<b>957,404</b>	<b>CURRENT LIABILITIES</b>	<b>619,636</b>	<b>556,336</b>
Cash and deposits	346,818	275,234	Trade notes and accounts payable	350,555	329,094
Trade notes and accounts receivable	279,401	256,582	Electronically recorded obligations – operating	29,439	33,218
Lease receivables and lease investment assets	103,223	87,379	Short-term borrowings	73,955	40,670
Merchandise and finished goods	186,267	178,827	Lease obligations	3,187	2,812
Work in progress	29,639	19,754	Accrued income taxes	24,539	14,397
Raw materials and supplies	60,173	57,391	Accrued expenses	52,730	48,196
Deferred tax assets	32,176	30,290	Accrued bonus costs	20,481	18,253
Other	58,942	52,755	Accrued directors' bonus costs	178	142
Allowance for doubtful accounts	(1,472)	(811)	Provisions for warranty costs	6,333	7,570
<b>NON-CURRENT ASSETS</b>	<b>972,349</b>	<b>923,421</b>	Deposits received	3,464	3,554
<b>Property, plant and equipment</b>	<b>705,854</b>	<b>681,582</b>	Other	54,770	58,427
Buildings and structures	175,535	157,677	<b>NON-CURRENT LIABILITIES</b>	<b>361,373</b>	<b>362,382</b>
Machinery, equipment and vehicles	159,264	158,034	Long-term borrowings	196,777	197,953
Land	279,756	277,230	Lease obligations	5,689	5,864
Lease assets	8,082	8,596	Deferred tax liabilities	2,468	2,187
Vehicles on operating leases	41,967	30,621	Deferred tax liabilities on revaluation reserve for land	42,135	42,135
Construction in progress	24,891	34,025	Provision for automobile maintenance costs	4,776	3,046
Other	16,356	15,397	Provision for management board incentive plan trust	364	161
<b>Intangible assets</b>	<b>26,711</b>	<b>19,640</b>	Net defined benefit liability	97,947	99,208
Goodwill	10,093	2,643	Long-term deposits received	1,426	1,524
Other	16,618	16,997	Other	9,787	10,301
<b>Investments and other assets</b>	<b>239,783</b>	<b>222,198</b>	<b>TOTAL LIABILITIES</b>	<b>981,009</b>	<b>918,719</b>
Investment securities	178,628	151,178	<b>NET ASSETS</b>		
Long-term loans receivable	1,479	1,502	<b>SHAREHOLDERS' EQUITY</b>	<b>796,506</b>	<b>716,026</b>
Net defined benefit asset	1,479	840	<b>Common stock</b>	<b>40,644</b>	<b>40,644</b>
Deferred tax assets	22,291	31,169	<b>Capital surplus</b>	<b>42,127</b>	<b>42,081</b>
Other	37,194	38,737	<b>Retained earnings</b>	<b>785,096</b>	<b>704,664</b>
Allowance for doubtful accounts	(1,289)	(1,229)	<b>Treasury stock</b>	<b>(71,362)</b>	<b>(71,364)</b>
			<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>	<b>123,079</b>	<b>102,411</b>
			Unrealized holding gain or loss on securities	36,545	19,951
			Unrealized gain or loss from hedging activities	662	281
			Unrealized holding gain or loss on land revaluation	83,880	83,880
			Foreign currency translation adjustments	10,267	8,080
			Remeasurements of defined benefit plans	(8,276)	(9,782)
			<b>NON-CONTROLLING INTERESTS</b>	<b>166,923</b>	<b>143,669</b>
			<b>TOTAL NET ASSETS</b>	<b>1,086,510</b>	<b>962,107</b>
<b>TOTAL ASSETS</b>	<b>2,067,520</b>	<b>1,880,826</b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>2,067,520</b>	<b>1,880,826</b>

NOTE: Amounts have been rounded down to the nearest one million yen.



## Consolidated Statement of Income

(millions of yen)

ITEMS	116th Term (From April 1, 2017 through March 31, 2018)	[Reference] 115th Term (From April 1, 2016 through March 31, 2017)
<b>NET SALES</b>	<b>2,070,359</b>	<b>1,953,186</b>
<b>COST OF SALES</b>	<b>1,700,726</b>	<b>1,623,948</b>
<b>GROSS PROFIT</b>	<b>369,632</b>	<b>329,238</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>202,867</b>	<b>182,793</b>
<b>OPERATING INCOME</b>	<b>166,765</b>	<b>146,444</b>
<b>NON-OPERATING INCOME</b>	<b>15,824</b>	<b>14,320</b>
Interest income	2,829	2,535
Dividends income	2,922	2,032
Equity income from affiliated companies	6,619	5,592
Rent income	169	222
Other	3,283	3,937
<b>NON-OPERATING EXPENSES</b>	<b>8,973</b>	<b>8,742</b>
Interest expense	1,892	2,384
Foreign exchange losses	1,036	767
Litigation settlement	107	247
Compensation expenses	1,304	1,428
Other	4,632	3,914
<b>ORDINARY INCOME</b>	<b>173,616</b>	<b>152,022</b>
<b>EXTRAORDINARY GAINS</b>	<b>4,588</b>	<b>341</b>
Gain on sales of property, plant and equipment	386	265
Gain on sales of investment securities	125	30
Gain on negative goodwill	-	43
Gain on step acquisitions	4,076	-
Other	-	2
<b>EXTRAORDINARY LOSSES</b>	<b>2,110</b>	<b>3,441</b>
Loss on disposal of property, plant and equipment	1,624	2,138
Loss on sales of investment securities	-	34
Loss on impairment	404	1,253
Other	81	16
<b>INCOME BEFORE INCOME TAXES</b>	<b>176,095</b>	<b>148,921</b>
INCOME TAXES (CURRENT)	49,453	40,393
INCOME TAXES (DEFERRED)	(398)	301
<b>TOTAL INCOME TAXES</b>	<b>49,054</b>	<b>40,694</b>
<b>NET INCOME</b>	<b>127,040</b>	<b>108,227</b>
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	21,376	14,368
<b>NET INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<b>105,663</b>	<b>93,858</b>

NOTE: Amounts have been rounded down to the nearest one million yen.

Consolidated Statement of Changes in Net Assets  
(From April 1, 2017 through March 31, 2018)

(millions of yen)

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	<b>40,644</b>	<b>42,081</b>	<b>704,664</b>	<b>(71,364)</b>	<b>716,026</b>
Change of the period					
Cash dividends			(25,230)		(25,230)
Net income attributable to parent company shareholders			105,663		105,663
Acquisition of treasury stock				(15)	(15)
Disposal of treasury stock				18	18
Purchase of shares of consolidated subsidiaries		46			46
Net changes on items other than shareholders' equity					
Total change of the period	–	46	80,432	2	80,480
Balance at the end of current period	<b>40,644</b>	<b>42,127</b>	<b>785,096</b>	<b>(71,362)</b>	<b>796,506</b>

	ACCUMULATED OTHER COMPREHENSIVE INCOME						Non-controlling interests	Total net assets
	Unrealized holding gain or loss on securities	Unrealized gain or loss from hedging activities	Unrealized holding gain or loss on land revaluation	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	<b>19,951</b>	<b>281</b>	<b>83,880</b>	<b>8,080</b>	<b>(9,782)</b>	<b>102,411</b>	<b>143,669</b>	<b>962,107</b>
Change of the period								
Cash dividends								(25,230)
Net income attributable to parent company shareholders								105,663
Acquisition of treasury stock								(15)
Disposal of treasury stock								18
Purchase of shares of consolidated subsidiaries								46
Net changes on items other than shareholders' equity	16,594	381	–	2,186	1,505	20,667	23,254	43,922
Total change of the period	16,594	381	–	2,186	1,505	20,667	23,254	124,402
Balance at the end of current period	<b>36,545</b>	<b>662</b>	<b>83,880</b>	<b>10,267</b>	<b>(8,276)</b>	<b>123,079</b>	<b>166,923</b>	<b>1,086,510</b>

NOTE: Amounts have been rounded down to the nearest one million yen.

# Financial Statements

## Balance Sheet

(millions of yen)

ITEMS	116th Term (As of March 31, 2018)	[Reference] 115th Term (As of March 31, 2017)	ITEMS	116th Term (As of March 31, 2018)	[Reference] 115th Term (As of March 31, 2017)
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>CURRENT ASSETS</b>	<b>369,828</b>	<b>380,569</b>	<b>CURRENT LIABILITIES</b>	<b>309,633</b>	<b>320,910</b>
Cash and deposits	83,082	79,039	Trade notes payable	1,141	4,795
Accounts receivable	190,583	209,683	Electronically recorded obligations - operating	9,524	16,742
Finished products	29,222	26,885	Accounts payable	181,451	183,800
Work in progress	8,622	8,622	Current portion of long-term borrowings	10,000	10,000
Productive material and supplies	18,973	20,132	Lease obligations	815	637
Advance accounts	3,956	4,135	Other accounts payable	13,036	16,685
Prepaid expenses	2,778	3,061	Accrued expenses	45,202	47,257
Deferred tax assets	11,574	9,891	Accrued income taxes	7,007	1,659
Short-term loans	941	1,574	Advances received	2,287	1,911
Other accounts receivable	8,645	8,635	Deposits received	22,125	20,477
Other	11,446	8,908	Unearned revenue	303	144
<b>NON-CURRENT ASSETS</b>	<b>683,881</b>	<b>644,480</b>	Provisions for warranty costs	6,333	7,570
<b>Property, plant and equipment</b>	<b>378,280</b>	<b>368,330</b>	Accrued bonus costs	10,227	9,066
Buildings	80,903	69,050	Accrued directors' bonus costs	178	142
Structures	10,518	10,046	Notes payable related to facilities	-	21
Machinery and equipment	70,566	64,866	<b>NON-CURRENT LIABILITIES</b>	<b>150,077</b>	<b>160,021</b>
Vehicles	794	702	Long-term borrowings	49,675	59,675
Tools, furniture and fixtures	7,497	6,741	Lease obligations	284	329
Land	197,210	197,210	Accrued retirement benefits	56,326	56,815
Lease assets	1,015	894	Provision for management board incentive plan trust	364	161
Construction in progress	9,774	18,818	Asset retirement obligations	226	380
<b>Intangible assets</b>	<b>8,141</b>	<b>8,080</b>	Deferred tax liabilities on revaluation reserve for land	41,266	41,266
Software	7,981	7,885	Guarantee deposits received	551	506
Other	160	194	Other	1,384	887
<b>Investments and other assets</b>	<b>297,459</b>	<b>268,069</b>	<b>TOTAL LIABILITIES</b>	<b>459,711</b>	<b>480,932</b>
Investment securities	91,515	67,062	<b>NET ASSETS</b>		
Securities investment in subsidiaries and affiliates	151,641	140,170	<b>SHAREHOLDERS' EQUITY</b>	<b>474,473</b>	<b>441,225</b>
Investments in capital	241	878	<b>Common stock</b>	<b>40,644</b>	<b>40,644</b>
Investments in capital of subsidiaries and affiliates	46,457	46,458	<b>Capital surplus</b>	<b>49,855</b>	<b>49,855</b>
Long-term loans	4,482	5,308	Capital reserve	49,855	49,855
Long-term prepaid expenses	124	206	<b>Retained earnings</b>	<b>455,299</b>	<b>422,053</b>
Deferred tax assets	2,853	10,101	Other retained earnings	455,299	422,053
Other	4,344	1,687	Unappropriated retained earnings	455,299	422,053
Allowance for doubtful accounts	(4,199)	(3,804)	<b>Treasury stock</b>	<b>(71,325)</b>	<b>(71,328)</b>
			<b>VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS AND OTHER</b>	<b>119,525</b>	<b>102,892</b>
			Unrealized holding gain or loss on securities	34,982	18,731
			Unrealized gain or loss from hedging activities	662	281
			Unrealized holding gain or loss on land revaluation	83,880	83,880
			<b>TOTAL NET ASSETS</b>	<b>593,999</b>	<b>544,117</b>
<b>TOTAL ASSETS</b>	<b>1,053,710</b>	<b>1,025,050</b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>1,053,710</b>	<b>1,025,050</b>

NOTE: Amounts have been rounded down to the nearest one million yen.

Statement of Income

(millions of yen)

ITEMS	116th Term (From April 1, 2017 through March 31, 2018)	[Reference] 115th Term (From April 1, 2016 through March 31, 2017)
<b>NET SALES</b>	<b>1,081,384</b>	<b>1,065,886</b>
<b>COST OF SALES</b>	<b>931,700</b>	<b>919,225</b>
<b>GROSS PROFIT</b>	<b>149,684</b>	<b>146,661</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>103,139</b>	<b>96,391</b>
<b>OPERATING INCOME</b>	<b>46,544</b>	<b>50,269</b>
<b>NON-OPERATING INCOME</b>	<b>30,221</b>	<b>55,283</b>
Interest income	415	436
Dividends income	29,347	53,187
Other	458	1,659
<b>NON-OPERATING EXPENSES</b>	<b>5,020</b>	<b>5,222</b>
Interest expense	965	1,056
Litigation settlement	107	259
Foreign exchange losses	1,505	1,554
Currency option fee	608	561
Compensation expenses	176	765
Other	1,656	1,025
<b>ORDINARY INCOME</b>	<b>71,745</b>	<b>100,330</b>
<b>EXTRAORDINARY GAINS</b>	<b>75</b>	<b>132</b>
Gain on sales of property, plant and equipment	0	84
Gain on sales of subsidiaries and affiliates' stocks	-	23
Gain on sales of investment securities	74	25
<b>EXTRAORDINARY LOSSES</b>	<b>1,945</b>	<b>1,536</b>
Loss on disposal of property, plant and equipment	774	1,483
Loss on impairment	76	52
Loss on valuation of securities investment in subsidiaries and affiliates	601	-
Provision of allowance for doubtful accounts for subsidiaries and affiliates	412	-
Other	81	-
<b>INCOME BEFORE INCOME TAXES</b>	<b>69,875</b>	<b>98,927</b>
INCOME TAXES (CURRENT)	13,156	9,849
INCOME TAXES (DEFERRED)	(1,756)	1,768
<b>NET INCOME</b>	<b>58,476</b>	<b>87,310</b>

NOTE: Amounts have been rounded down to the nearest one million yen.

Statement of Changes in Net Assets  
(From April 1, 2017 through March 31, 2018)

(millions of yen)

	SHAREHOLDERS' EQUITY						
	Common stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Other retained earnings	Total retained earnings		
				Unappropriated retained earnings			
Balance at the beginning of current period	<b>40,644</b>	<b>49,855</b>	<b>49,855</b>	<b>422,053</b>	<b>422,053</b>	<b>(71,328)</b>	<b>441,225</b>
Change of the period							
Cash dividends				(25,230)	(25,230)		(25,230)
Net income				58,476	58,476		58,476
Acquisition of treasury stock						(14)	(14)
Disposal of treasury stock						18	18
Net changes on items other than shareholders' equity							
Total change of the period	–	–	–	33,245	33,245	3	33,248
Balance at the end of current period	<b>40,644</b>	<b>49,855</b>	<b>49,855</b>	<b>455,299</b>	<b>455,299</b>	<b>(71,325)</b>	<b>474,473</b>

	VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS AND OTHER				Total net assets
	Unrealized holding gain or loss on securities	Unrealized gain or loss from hedging activities	Unrealized holding gain or loss on land revaluation	Total valuation, foreign currency translation adjustments and other	
Balance at the beginning of current period	<b>18,731</b>	<b>281</b>	<b>83,880</b>	<b>102,892</b>	<b>544,117</b>
Change of the period					
Cash dividends					(25,230)
Net income					58,476
Acquisition of treasury stock					(14)
Disposal of treasury stock					18
Net changes on items other than shareholders' equity	16,251	381	–	16,632	16,632
Total change of the period	16,251	381	–	16,632	49,881
Balance at the end of current period	<b>34,982</b>	<b>662</b>	<b>83,880</b>	<b>119,525</b>	<b>593,999</b>

NOTE: Amounts have been rounded down to the nearest one million yen.

(English Translation of Report of Independent Auditors on the Consolidated Financial Statements,  
Originally Issued in the Japanese Language)

## Report of Independent Auditors

May 21, 2018

The Board of Directors  
ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC

Yuji Mukaide  
Certified Public Accountant  
Designated and Limited Liability Partner

Yoichi Tsukimoto  
Certified Public Accountant  
Designated and Limited Liability Partner

Atsushi Suganuma  
Certified Public Accountant  
Designated and Limited Liability Partner

Pursuant to Section 4, Article 444 of the Corporation Law, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes on the consolidated financial statements of ISUZU MOTORS LIMITED (the "Company") applicable to the consolidated fiscal year from April 1, 2017 through March 31, 2018.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Independent Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making the risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the accounting principles and procedures adopted by management, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Isuzu Group, which consisted of the Company and consolidated subsidiaries, applicable to the consolidated fiscal year ended March 31, 2018 in conformity with accounting principles generally accepted in Japan.

#### Interest in the Company

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(English Translation of Report of Independent Auditors on the Financial Statements, Originally Issued in the Japanese Language)

## Report of Independent Auditors

May 21, 2018

The Board of Directors  
ISUZU MOTORS LIMITED

Ernst & Young ShinNihon LLC

Yuji Mukaide  
Certified Public Accountant  
Designated and Limited Liability Partner

Yoichi Tsukimoto  
Certified Public Accountant  
Designated and Limited Liability Partner

Atsushi Sukanuma  
Certified Public Accountant  
Designated and Limited Liability Partner

Pursuant to Paragraph 1, Section 2, Article 436 of the Corporation Law, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes on the financial statements and the related supplementary schedules of ISUZU MOTORS LIMITED (the "Company") applicable to the 116th business term from April 1, 2017 through March 31, 2018.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan; this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

### Independent Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The audit procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making the risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the accounting principles and procedures adopted by management, and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Audit Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations applicable to the fiscal year ended March 31, 2018 in conformity with accounting principles generally accepted in Japan.

#### Interest in the Company

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

## **AUDIT REPORT**

In relation to the Directors' performance of their duties during the 116th business term from April 1, 2017 to March 31, 2018 the Audit & Supervisory Board prepared this Audit Report based on the audit report prepared by each Audit & Supervisory Board Member.

### **1. Auditing Procedures Adopted by the Audit & Supervisory Board Members and Audit & Supervisory Board and Details of Such Procedures**

- (1) The Audit & Supervisory Board established the audit policies and audit plan, and received reports from all the Audit & Supervisory Board Members regarding their auditing activities and the results thereof. In addition, we received reports from the Directors and the Independent Auditor regarding the execution of their duties, and when necessary, we requested their explanations.
- (2) In accordance with the auditing standards for Audit & Supervisory Board Members and the audit plan stipulated by the Audit & Supervisory Board, we communicated with the Directors, the internal auditing division, and other employees of the Company, endeavored to gather information and develop and maintain a proper environment for auditing, and conducted audits as follows:
  - i) We attended board and other important meetings, received reports from the Directors and employees regarding the performance of their duties, sought explanations as necessary, examined important documents related to important decisions, and examined the operations and assets at the Company's head office and major operational sites. We took steps to enhance communication and information exchange with the Directors and Audit & Supervisory Board Members of the subsidiaries, and when necessary, received reports from the subsidiaries on the status of their businesses.
  - ii) With regard to the contents of the resolution of the Board of Directors concerning the establishment of the systems, stipulated in Section 1 and Section 3, Article 100 of the Enforcement Regulations of the Corporation Law, and described in the Business Report as those essential to ensuring the propriety of operations of the Corporate Group consisting of the Company and its subsidiaries including a system for ensuring that Directors execute their duties in compliance with the laws and the Articles of Incorporation, as well as the establishment and operations of those systems (the Internal Control System) set up based on the resolution thereof, we periodically received reports from the Directors and other employees of the Company, and when necessary, requested their explanations, and expressed our opinions. Regarding internal controls relating to financial reports, we received reports from the Directors and other parties, and from Accounting Auditors regarding how they evaluated and audited, and when necessary, we requested their explanations.
  - iii) We monitored and verified whether the Independent Auditor maintained its independence and audited appropriately, and we received reports from the Independent Auditor regarding the performance of its duties and sought explanations as necessary. The Audit & Supervisory Board Members also received notification from the Independent Auditor that they have taken steps to improve the "system for ensuring appropriate execution of their duties" (as stated in Article 131 of the Company Accounting Regulation Ordinance) in compliance with the "Quality Control Standards Relating to Auditing" (adopted by the Business Accounting Deliberation Council on October 28, 2005). When necessary, we sought explanations.

Based on the above methods, we examined the business report and the related supplementary schedules, the financial statements (balance sheet, statement of income, statement of changes in net assets, and notes on financial statements) and the related supplementary schedules for this current business term, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes on the consolidated financial statements) for this consolidated fiscal year.

## **2. Audit Results**

### (1) Results of Audit of Business Report and Other Relevant Documents

- i) We confirm that the business report and the related supplementary schedules give a fair view of the state of affairs of the Company in accordance with the laws and regulations, and Articles of Incorporation.
- ii) We have found no significant evidence of wrongful acts or violations of the laws and regulations, or Articles of Incorporation with regard to the performance of duties by the Directors.
- iii) We confirm that the content of the resolution by the Board of Directors regarding the Internal Control System is proper. Furthermore, we have found no problems regarding the content described in the Business Report and the Directors' execution of their duties regarding the Internal Control System including the internal control relating to financial reports.

### (2) Results of Audit of Financial Statements and Related Supplementary Schedules

We confirm that the methods and results of the audits made by the Independent Auditor, Ernst & Young ShinNihon LLC, are proper.

### (3) Results of Audit of Consolidated Financial Statements

We confirm that the methods and results of the audits made by the Independent Auditor, Ernst & Young ShinNihon LLC, are proper.

May 21, 2018

The Audit & Supervisory Board of ISUZU MOTORS LIMITED

Standing Audit & Supervisory Board Member  
Standing Audit & Supervisory Board Member  
Standing Audit & Supervisory Board Member  
Audit & Supervisory Board Member  
Audit & Supervisory Board Member

Chikao Mitsuzaki  
Fumihide Kumazawa  
Tetsuhiko Shindo  
Takashi Mikumo  
Kanji Kawamura

NOTE: Standing Audit & Supervisory Board Member Tetsuhiko Shindo, Audit & Supervisory Board Member Takashi Mikumo, and Audit & Supervisory Board Member Kanji Kawamura are outside members of the Audit & Supervisory Board as specified in Paragraph 16, Article 2, and Section 3, Article 335, of the Corporation Law.