

# FY2016 First Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2015 through June 30, 2015)

English Translation of the Original Japanese-Language Document



August 4, 2015

Company name : ISUZU MOTORS LIMITED  
 Stock exchange on which the shares are listed : Tokyo Stock Exchange in Japan  
 Code number : 7202  
 URL : <http://www.isuzu.co.jp/world/investor/index.html>  
 Representative : Masanori Katayama, President  
 Scheduled date for submission of quarterly financial statements : August 5, 2015  
 Expected starting date for distribution of cash dividends : -  
 The supplement materials of the quarterly financial results : Yes  
 Holding of the quarterly financial results meeting : Yes

(Amounts are rounded down to the nearest million yen.)

## 1. Consolidated Financial Highlights (April 1, 2015 through June 30, 2015)

### <1> Consolidated Financial Result

(% indicates increase/decrease from previous 1st quarter.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2016 1st Quarter	473,080	16.8	49,261	32.6	54,672	42.6	34,990	63.9
FY2015 1st Quarter	404,949	(4.1)	37,153	(16.5)	38,336	(19.2)	21,350	(22.7)

[Note] Comprehensive Income  
 FY2016 1st Quarter 35,985 millions of yen 71.2%  
 FY2015 1st Quarter 21,017 millions of yen (54.1%)

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2016 1st Quarter	41.98	-
FY2015 1st Quarter	25.28	-

\*The company has implemented the share consolidation of common stocks in a rate of one share for every two shares effective on October 1, 2014. Accordingly, net income per-share is calculated on the assumption that the share consolidation was implemented at the beginning of the previous year.

### <2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	millions of yen	millions of yen	%
FY2016 1st Quarter	1,825,575	937,433	42.3
FY2015	1,801,918	914,451	41.9

[Note] Total Amount of Shareholders' Equity  
 FY2016 1st Quarter 771,959 millions of yen  
 FY2015 754,543 millions of yen

## 2. Cash Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	yen	yen	yen	yen	yen
FY2015	-	7.00	-	16.00	-
FY2016	-	-	-	-	-
FY2016(Forecast)	-	16.00	-	16.00	32.00

[Note] Revision to the projected dividend for FY2016: None

Per-share dividend at the end of 2nd Quarter for FY2015 is calculated and stated not based on the share consolidation effective on October 1, 2014.

Assuming the share consolidation, the same at the end of 2nd quarter for FY2015 would be 14.00 yen, and therefore the same at the end of year-end for FY2015 would be 30.00 yen.

## 3. Consolidated Financial Forecast for FY2016 (April 1, 2015 through March 31, 2016)

(% indicates increase/decrease from previous term.)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
2nd Quarter	950,000	7.7	75,000	(2.6)	79,000	(6.7)	42,000	(15.4)	50.39
Year-End	1,950,000	3.8	175,000	2.3	188,000	0.3	110,000	(6.0)	131.99

[Note] Revision to Consolidated Financial Forecast for FY2016: None

#### 4. Notes

<1> Changes in significant subsidiaries during this period : None

Newly consolidated : -

Excluded from the scope of consolidation : -

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

<2> Adoption of specific accounting methods for presenting quarterly consolidated financial statements : Adopted

(Note) This item indicates whether there was adoption of specific accounting methods for presenting quarterly consolidated financial statements.

<3> Changes in accounting policies, accounting estimates and retrospective restatement

Changes in accounting policies due to revisions of accounting standards : None

Changes in accounting policies due to factors other than revisions of accounting standards : None

Changes in accounting estimates : None

Retrospective restatement : None

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2016 1st Quarter	848,422,669	Shares
at the end of the term (inclusive of treasury stock)	FY2015	848,422,669	Shares
Number of treasury stock at the end of the term	FY2016 1st Quarter	14,998,845	Shares
	FY2015	14,996,522	Shares
Average number of stocks issued	FY2016 1st Quarter	833,425,323	Shares
	FY2015 1st Quarter	844,685,820	Shares

\*Average number of stocks issued during FY2015 1st Quarter is calculated on the assumption that the share consolidation was implemented at the beginning of previous fiscal year.

\*Information regarding the implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act. At the date of the announcement, quarterly financial results review procedures based on the Financial Instruments and Exchange Act have not been completed.

\*Cautionary Statements with Respect to Forward-Looking Statements and Other Notes

- The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at present. Consequently, the actual financial performance may vary significantly from the forecast due to various factors. For such assumptions and notes with respect to performance forecast, please refer to "1. Qualitative Information Concerning Consolidated Financial Results for FY2016 First Quarter (3)Future Estimates such as Consolidated Financial Forecast"
- The Company has posted its financial results on its web site on Tuesday, August 4, 2015.

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## **1. Qualitative Information concerning Consolidated Financial Results for FY2016 First Quarter**

### **(1) Consolidated Financial Results**

Unit sales in Japan in the current consolidated first quarter continued to remain firm as they did last year and rose by 68 units or 0.5% from the same period last year to 14,267 units.

With regard to overseas unit sales, truck sales grew steadily in most countries and regions despite a decrease in sales in the stagnant Indonesian market. The export of pickup trucks from Thailand kept growing, which more than offset the low demand as sluggish as last year in this main market of pickup trucks. Total overseas unit sales of trucks and pickup trucks combined climbed by 12,768 units or 12.9% year-on-year to 111,599 units.

As a result, total unit sales in and outside Japan increased by 12,836 units or 11.4% from the same period last year to 125,866 units.

As regards the sales amount of other products, sales of parts for overseas production rose by 1.6 billion yen or 7.3% year-on-year to 24.6 billion yen while sales of engine components decreased by 0.8 billion yen or 3.4% from the same period last year to 24.2 billion yen.

Consequently, net sales reached 473 billion yen, an increase of 68.1 billion yen or 16.8%. This is composed of sales in Japan at 145.8 billion yen, up 5.8% year-on-year and sales outside Japan at 327.2 billion yen, up 22.5% from the same period last year.

The sales increase in overseas markets as well as favorable changes in foreign exchange rates contributed to an increase in incomes. Operating income amounted to 49.2 billion yen, up 32.6% year-on-year, ordinary income reached 54.6 billion yen, up 42.6% from the same period last year, and net income attributable to owners of parent rose to 34.9 billion yen, up 63.9% year-on-year.

### **(2) Consolidated Financial Position**

Total assets as of the end of the current consolidated first quarter increased by 23.6 billion yen compared with as of March 31, 2015 to 1,825.5 billion yen. This change was principally due to increases in cash and deposits by 11.1 billion yen and in inventories by 15.2 billion yen.

Net assets increased by 22.9 billion yen to 937.4 billion yen from March 31, 2015 primarily because of an increase of 34.9 billion yen in net income attributable to owners of parent, which canceled out a decrease of 13.3 billion yen by paying dividends to shareholders.

The capital adequacy ratio amounted to 42.3% compared with 41.9% as of March 31, 2015.

Interest-bearing liabilities decreased by 11.2 billion yen to 216.5 billion yen from March 31, 2015.

### **(3) Future Estimates such as Consolidated Financial Forecast**

The Company has not revised its consolidated financial forecast for the fiscal second quarter and for the current fiscal year, which was announced on May 12, 2015.

\* This consolidated financial results forecast for the current fiscal year is considered reasonable by the Company based on information available today. At the same time, we recognize that world economic and market conditions, as well as exchange ratios and other risk factors may change.

Actual financial results may differ considerably from this forecast. For the current fiscal year the above consolidated results forecast should therefore not be the sole basis for any investment decision.

## **2. Matters Concerning Summary Information**

### **(1) Changes in significant subsidiaries during this period:**

None

### **(2) Adoption of specific accounting methods for presenting quarterly consolidated financial statements:**

Income taxes were calculated by multiplying consolidated quarterly income before income taxes and minority interests by a rational estimate of the effective tax rate on consolidated income before income taxes and minority interests for the fiscal year including the quarterly period after adjustments for the application of tax-effect accounting.

### **(3) Changes in accounting policies, accounting estimates and retrospective restatement:**

None

### **(4) Additional information:**

The Company has applied Section 39 of “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, September 13, 2013). Therefore the company changed the disclosure of net income and restated minority interests into non -controlling interests.

This change has been applied retroactively and both of the quarterly consolidated financial statement for the previous first quarter and the consolidated financial statement for the previous year were also restated accordingly.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>[ASSETS]</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	339,747	350,879
Notes and accounts receivable-trade	250,137	230,934
Lease receivables and lease investment assets	44,141	46,781
Merchandise and finished goods	156,743	172,003
Work in process	14,853	15,942
Raw materials and supplies	61,438	60,344
Deferred tax assets	31,196	33,208
Other	42,217	46,235
Allowance for doubtful accounts	(1,039)	(1,047)
<b>Total Current Assets</b>	<b>939,436</b>	<b>955,283</b>
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	131,947	133,149
Machinery, equipment and vehicles, net	139,494	139,711
Land	274,750	273,935
Lease assets, net	9,463	8,957
Vehicles on operating leases, net	14,168	14,728
Construction in progress	36,167	43,137
Other, net	11,723	11,838
<b>Total Property, Plant and Equipment</b>	<b>617,714</b>	<b>625,457</b>
<b>Intangible assets</b>		
Goodwill	1,709	1,500
Other	12,253	12,605
<b>Total Intangible Assets</b>	<b>13,962</b>	<b>14,106</b>
<b>Investments and other assets</b>		
Investment securities	157,273	158,272
Long-term loans receivable	1,598	1,590
Deferred tax assets	27,642	26,870
Other	46,166	45,889
Allowance for doubtful accounts	(1,876)	(1,895)
<b>Total Investments and Other Assets</b>	<b>230,804</b>	<b>230,727</b>
<b>Total Non-Current Assets</b>	<b>862,481</b>	<b>870,291</b>
<b>TOTAL ASSETS</b>	<b>1,801,918</b>	<b>1,825,575</b>

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>[LIABILITIES]</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable-trade	332,092	336,821
Electronically recorded obligations - operating	21,072	21,840
Short-term loans payable	81,597	77,436
Lease obligations	3,311	2,956
Income taxes payable	21,499	24,793
Accrued expenses	47,003	46,833
Provision for bonuses	17,473	25,337
Provision for product warranties	8,779	9,031
Deposits received	3,433	4,546
Other	48,830	43,223
<b>Total Current Liabilities</b>	<b>585,093</b>	<b>592,819</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term loans payable	136,341	129,495
Lease obligations	6,522	6,615
Deferred tax liabilities	2,746	2,352
Deferred tax liabilities for land revaluation	44,535	44,535
Net defined benefit liability	101,963	101,059
Long-term deposits received	1,422	1,378
Other	8,839	9,884
<b>Total Non-Current Liabilities</b>	<b>302,373</b>	<b>295,322</b>
<b>TOTAL LIABILITIES</b>	<b>887,467</b>	<b>888,141</b>
<b>[NET ASSETS]</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	40,644	40,644
Capital surplus	41,786	41,786
Retained earnings	547,465	569,121
Treasury stock	(20,716)	(20,720)
<b>Total Shareholders' Equity</b>	<b>609,181</b>	<b>630,832</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	23,644	24,575
Deferred gains or losses on hedges	(25)	(155)
Revaluation reserve for land	82,147	82,147
Foreign currency translation adjustment	52,569	46,946
Remeasurements of defined benefit plans	(12,972)	(12,386)
<b>Total Accumulated Other Comprehensive Income</b>	<b>145,362</b>	<b>141,127</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>159,907</b>	<b>165,473</b>
<b>TOTAL NET ASSETS</b>	<b>914,451</b>	<b>937,433</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,801,918</b>	<b>1,825,575</b>

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quarterly Statements of Income

(millions of yen)

	FY2015 1st Quarter June 30, 2014	FY2016 1st Quarter June 30, 2015
For the first three months ended		
Net sales	404,949	473,080
Cost of sales	333,241	381,013
<b>GROSS PROFIT</b>	<b>71,707</b>	<b>92,066</b>
Selling, general and administrative expenses	34,553	42,805
<b>OPERATING INCOME</b>	<b>37,153</b>	<b>49,261</b>
<b>Non-operating income</b>		
Interest income	756	1,129
Dividends income	77	202
Equity in earnings of affiliates	1,804	2,925
Rent income	102	123
Foreign exchange gain	-	1,253
Other	1,181	1,297
<b>Total non-operating income</b>	<b>3,921</b>	<b>6,932</b>
<b>Non-operating expenses</b>		
Interest expenses	409	599
Foreign exchange loss	545	-
Litigation settlement	476	95
Other	1,307	826
<b>Total non-operating expenses</b>	<b>2,738</b>	<b>1,521</b>
<b>ORDINARY INCOME</b>	<b>38,336</b>	<b>54,672</b>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	28	39
Other	2	0
<b>Total extraordinary income</b>	<b>31</b>	<b>39</b>
<b>Extraordinary loss</b>		
Loss on disposal of noncurrent assets	248	484
Unrealized holding loss on non-consolidated subsidiaries and affiliates	1	-
Impairment loss	324	318
Other	9	-
<b>Total extraordinary losses</b>	<b>583</b>	<b>802</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>37,784</b>	<b>53,909</b>
Income taxes	11,214	11,946
<b>NET INCOME</b>	<b>26,569</b>	<b>41,962</b>
Net Income attributable to non-controlling interests	5,219	6,971
Net Income attributable to owners of parent	21,350	34,990



# Consolidated Quarterly Statements of Comprehensive Income

(millions of yen)

	FY2015 1st Quarter	FY2016 1st Quarter
For the first three months ended	June 30, 2014	June 30, 2015
<b>Net Income</b>	26,569	41,962
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,444	955
Deferred gains or losses on hedges	205	(129)
Revaluation reserve for land	(85)	-
Foreign currency translation adjustment	(6,573)	(6,324)
Remeasurements of defined benefit plans	657	583
Share of other comprehensive income of associates accounted for using equity method	(2,199)	(1,063)
Total other comprehensive income	<b>(5,551)</b>	<b>(5,977)</b>
<b>Comprehensive income</b>	<b>21,017</b>	<b>35,985</b>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of parent	17,547	30,756
Comprehensive income attributable to non-controlling interests	3,470	5,229

**(3) Notes on premise of a going concern**

None

**(4) Segment information, etc.**

Segment information

The First Quarter of Fiscal Year 2015

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in manufacture and sale of vehicles and its components, industrial engines. Therefore the disclosure of segment information is omitted.

The First Quarter of Fiscal Year 2016

The Company and its consolidated subsidiaries are composed of a single business segment, primarily engaged in manufacture and sale of vehicles and its components, industrial engines. Therefore the disclosure of segment information is omitted.

**(5) Notes in the case of a significant change in shareholders' equity**

None

## 4. Supplementary Information

### (1) Sales Condition

<Sales Results by Region>

Consolidated sales results during the previous and current first quarter are shown below.

		FY2015 1st Quarter		FY2016 1st Quarter		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	5,603	44,035	5,585	46,040	(18)	2,005
	Overseas	7,527	32,661	10,082	50,643	2,555	17,981
Total HD/MD vehicles		13,130	76,697	15,667	96,684	2,537	19,987
	Japan	8,596	27,896	8,682	28,804	86	908
	Overseas	91,304	172,763	101,517	212,142	10,213	39,379
Total LD vehicles, etc		99,900	200,659	110,199	240,946	10,299	40,287
	Japan	14,199	71,931	14,267	74,845	68	2,913
	Overseas	98,831	205,424	111,599	262,785	12,768	57,360
Total vehicles		113,030	277,356	125,866	337,630	12,836	60,274
	Overseas	-	22,959	-	24,631	-	1,671
	Parts for overseas production	-	22,959	-	24,631	-	1,671
	Japan	-	13,500	-	12,282	-	(1,218)
	Overseas	-	11,557	-	11,931	-	373
Engines / components		-	25,058	-	24,214	-	(844)
	Japan	-	52,465	-	58,749	-	6,283
	Overseas	-	27,109	-	27,855	-	745
Other		-	79,574	-	86,604	-	7,029
	Japan	-	137,897	-	145,876	-	7,978
	Overseas	-	267,051	-	327,203	-	60,152
Sales amount		-	404,949	-	473,080	-	68,131

(Note) The above amounts do not include consumption tax.

<Overseas Sales>

Previous 1st Quarter (April 1, 2014 through June 30, 2014)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	30,426	118,476	118,147	267,051
2 Consolidated sales	-	-	-	404,949
3 Overseas sales per Consolidated sales	% 7.5	% 29.3	% 29.2	% 65.9

Current 1st Quarter (April 1, 2015 through June 30, 2015)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	30,430	153,508	143,264	327,203
2 Consolidated sales	-	-	-	473,080
3 Overseas sales per Consolidated sales	% 6.4	% 32.4	% 30.3	% 69.2

1. This segmentation is based on the geographical area.
2. Major countries or areas included
  - (1) North America---USA
  - (2) Asia---Thailand, China, Indonesia, Hong Kong
  - (3) Other---Saudi Arabia, Australia, Colombia, South Africa, Egypt
3. Overseas sales are sales to all countries and areas excluding Japan  
made by the parent company and consolidated subsidiaries.