

FY2016 Third Quarter Consolidated Financial Results (Japan GAAP)

(April 1, 2015 through December 31, 2015)

English Translation of the Original Japanese-Language Document



February 8, 2016

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 : February 10, 2016
 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 December 31, 2015)

<1> Consolidated Financial Results

(% indicates increase/decrease from previous 3rd 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 3rd Quarter	1,416,328	5.0	124,490	1.2	138,837	2.1	79,621	(3.4)
FY2015 3rd Quarter	(Note) This item	4.4	122,957	(7.5)	135,931	(4.7)	82,438	(7.9)

[Note] Comprehensive Income FY2016 3rd Quarter 55,388 millions of yen (61.9%)
 FY2015 3rd Quarter 145,449 millions of yen 16.1%

	Net Income per Share	Net Income per Share after Dilution of Potential Stock
	yen	yen
FY2016 3rd Quarter	95.54	-
FY2015 3rd Quarter	98.02	-

*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 fiscal year.

<2> Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	millions of yen	millions of yen	%
FY2016 3rd Quarter	1,744,230	924,773	44.8
FY2015	1,801,918	914,451	41.9

[Note] Total Amount of Shareholders' Equity FY2016 3rd Quarter 780,703 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	-	16.00	-	-	-
FY2016(Forecast)	-	-	-	16.00	32.00

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

*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.

Dividend per-share at the end of the second quarter for the fiscal year ending March 2015 is the amount paid before the share consolidation.

If the share consolidation was taken into consideration, the dividend at the end of second quarter for the fiscal year ending March 2015 and

the total of the fiscal year ending March 2015 would be 14.00 yen and 30.00 yen, respectively.

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
Year-End	1,960,000	4.3	183,000	6.9	198,000	5.7	120,000	2.5	143.98

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

*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

(Note) This item indicates whether there were changes in accounting policies, procedures and disclosures for presenting quarterly consolidated financial statements, described in "Changes in Bases of Presenting Quarterly Consolidated Financial Statements".

<4> Number of shares issued (common stock)

Number of shares issued and outstanding	FY2016 3rd Quarter	848,422,669	Shares
at the end of the term (inclusive of treasury stock)	FY2015	848,422,669	Shares
Number of treasury stocks at the end of the term	FY2016 3rd Quarter	15,005,494	Shares
	FY2015	14,996,522	Shares
Average number of stocks issued	FY2016 3rd Quarter	833,422,543	Shares
	FY2015 3rd Quarter	841,004,199	Shares

*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. Average number of stocks issued is calculated on the assumption that the share consolidation was implemented at the beginning of the 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 Second Quarter

(3)Future Estimates such as Consolidated Financial Forecast "

•The Company has posted its financial results on its web site on February 8, 2016.

List of Contents of Attachments

1.	Qualitative Information Concerning Consolidated Financial Results for FY2016 Third Quarter.....	4
	(1) Consolidated Financial Results.....	4
	(2) Consolidated Financial Position	4
	(3) Future Estimates such as Consolidated Financial Forecast.....	4
2.	Matters Concerning Summary Information	5
	(1) Changes in significant subsidiaries during this period.....	5
	(2) Adoption of specific accounting methods for presenting quarterly consolidated financial statements	5
	(3) Changes in accounting policies, accounting estimates and retrospective restatement	5
	(4) Additional information	5
3.	Consolidated Quarterly Financial Statements	6
	(1) Consolidated Quarterly Balance Sheets.....	6
	(2) Consolidated Quarterly Statements of Income	
	and Consolidated Quarterly Statements of Comprehensive Income	8
	Consolidated Quarterly Statements of Income.....	8
	Consolidated Quarterly Statements of Comprehensive Income	9
	(3) Notes on premise of a going concern	10
	(4) Segment information, etc	10
	(5) Notes in the case of a significant change in shareholders' equity.....	10
	(6) Significant Subsequent Events	10
4.	Supplementary Information.....	11
	(1) Sales Condition.....	11
	Sales Results by Region.....	11
	Overseas Sales	12

1. Qualitative Information concerning Consolidated Financial Results for FY2016

Third Quarter

(1) Consolidated Financial Results

In the cumulative third quarter, unit sales in Japan decreased by 1,460 units or 2.8 % to 50,707 units compared with the same period last year although the Japanese market remains firm. Overseas, truck sales dipped from lackluster performance in some emerging economies, albeit with strong sales in North America and other advanced economies. On the other hand, pickup's slow sales in its main market, Thailand, was more than compensated by its continued brisk export from Thailand to other parts of the world. Consequently, combined total units of trucks and pickups sold outside Japan grew 1,449 units or 0.5% to 319,956 units.

As a result, total sales volume in Japan and overseas came to 370,663 units, an increase of 39 units or 0.0% compared to the same period last year.

With regard to other products, sales amount of parts for overseas production decreased by 1.3 billion yen or 2.1% year-on-year to 63.5 billion yen. Sales amount of engine components fell 13.7 billion yen or 16.4% to 70.2 billion yen from the same period last year. Meanwhile, sales amount from other rose 21.0 billion yen or 8.4% to 272.9 billion yen on the steady growth of after-sales business.

Consequently, net sales amounted to 1,416.3 billion yen, an increase of 67.1 billion yen or 5.0% over the same period last year. This comprises 494.2 billion yen posted for Japan, up 1.1% year-on-year, and 922.0 billion yen for the rest of the world, a gain of 7.2% over the same period last year.

The positive effects on profitability of increased sales revenue, cost reduction efforts, yen's depreciation and lower material costs counterbalanced the negative impact of an increase in spending on R&D for the sake of future business growth under the Company's growth strategy. The Company posted operating income of 124.4 billion yen, an increase of 1.2% year-on-year, ordinary income of 138.8 billion yen up 2.1% year-on-year, and net income attributable to the parent company's shareholders of 79.6 billion yen, a decline of 3.4% over the same period last year..

(2) Consolidated Financial Position

Total assets as of the end of the fiscal third quarter fell by 57.6 billion yen from March 31, 2015 to 1,744.2 billion yen. Contributing to the decline are decreases of 63.0 billion yen in cash and deposit and of 45.6 billion yen in notes and account receivable-trade which more than balanced out increases of 18.0 billion yen in inventories, of 15.4 billion yen in tangible fixed assets, and of 12.5 billion yen in lease receivables and investment assets.

Net assets increased 10.3 billion yen to 924.7 billion yen from March 31, 2015. This is chiefly due to the addition of 79.6 billion yen posted by the Company as net income attributable to owners of the parent for the cumulative third quarter, which more than offset decreases of 26.6 billion yen in retained earnings after the Company's dividend payment, of 23.7 billion yen in foreign currency translation adjustment and of 15.8 billion yen in non-controlling interests.

The capital adequacy ratio came to 44.8% compared with 41.9% as of March 31, 2015.

Interest-bearing liabilities fell 16.9 billion yen to 210.7 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 current fiscal year, which was announced on November 6, 2015.

*This forecast is considered reasonable by the Company in light of information available today. Actual financial results may differ considerably from this forecast as it is subject to risk factors and uncertainties: world economic and market conditions and foreign exchange rate, etc. The forecast above, therefore, shall not be the sole basis for making 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 the Section 39 of “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, September 13, 2013), and therefore changed the disclosure of net income and reallocated minority interests into non -controlling interests.

This change has been applied retroactively and both of the quarterly consolidated financial statement for the previous third 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 December 31, 2015
[ASSETS]		
CURRENT ASSETS		
Cash and deposits	339,747	276,729
Notes and accounts receivable-trade	250,137	204,482
Lease receivables and lease investment assets	44,141	56,694
Merchandise and finished goods	156,743	175,477
Work in process	14,853	15,886
Raw materials and supplies	61,438	59,755
Deferred tax assets	31,196	29,736
Other	42,217	52,494
Allowance for doubtful accounts	(1,039)	(975)
Total Current Assets	939,436	870,280
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures, net	131,947	133,169
Machinery, equipment and vehicles, net	139,494	157,239
Land	274,750	272,968
Lease assets, net	9,463	9,050
Vehicles on operating leases, net	14,168	18,566
Construction in progress	36,167	28,119
Other, net	11,723	14,071
Total Property, Plant and Equipment	617,714	633,185
Intangible assets		
Goodwill	1,709	1,100
Other	12,253	12,127
Total Intangible Assets	13,962	13,227
Investments and other assets		
Investment securities	157,273	157,762
Long-term loans receivable	1,598	1,530
Deferred tax assets	27,642	29,264
Other	46,166	40,900
Allowance for doubtful accounts	(1,876)	(1,921)
Total Investments and Other Assets	230,804	227,536
Total Non-Current Assets	862,481	873,949
TOTAL ASSETS	1,801,918	1,744,230

(millions of yen)

	As of March 31, 2015	As of December 31, 2015
[LIABILITIES]		
CURRENT LIABILITIES		
Notes and accounts payable-trade	332,092	305,775
Electronically recorded obligations - operating	21,072	23,455
Short-term loans payable	81,597	55,569
Lease obligations	3,311	2,401
Income taxes payable	21,499	15,921
Accrued expenses	47,003	46,339
Provision for bonuses	17,473	9,361
Provision for product warranties	8,779	8,782
Deposits received	3,433	6,401
Other	48,830	34,754
Total Current Liabilities	585,093	508,763
NON-CURRENT LIABILITIES		
Long-term loans payable	136,341	145,346
Lease obligations	6,522	7,476
Deferred tax liabilities	2,746	2,282
Deferred tax liabilities for land revaluation	44,535	44,421
Net defined benefit liability	101,963	99,014
Long-term deposits received	1,422	1,411
Other	8,839	10,740
Total Non-Current Liabilities	302,373	310,693
TOTAL LIABILITIES	887,467	819,456
[NET ASSETS]		
SHAREHOLDERS' EQUITY		
Capital stock	40,644	40,644
Capital surplus	41,786	41,610
Retained earnings	547,465	600,636
Treasury stock	(20,716)	(20,729)
Total Shareholders' Equity	609,181	662,161
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	23,644	18,584
Deferred gains or losses on hedges	(25)	113
Revaluation reserve for land	82,147	81,926
Foreign currency translation adjustment	52,569	28,857
Remeasurements of defined benefit plans	(12,972)	(10,940)
Total Accumulated Other Comprehensive Income	145,362	118,541
NON-CONTROLLING INTERESTS	159,907	144,070
TOTAL NET ASSETS	914,451	924,773
TOTAL LIABILITIES AND NET ASSETS	1,801,918	1,744,230

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

Consolidated Quarterly Statements of Income

(millions of yen)

	FY2015 3rd Quarter	FY2016 3rd Quarter
For the first nine months ended	December 31, 2014	December 31, 2015
Net sales	1,349,140	1,416,328
Cost of sales	1,110,829	1,157,183
GROSS PROFIT	238,311	259,145
Selling, general and administrative expenses	115,353	134,654
OPERATING INCOME	122,957	124,490
Non-operating income		
Interest income	2,395	2,762
Dividends income	1,380	1,508
Share of profit of entities accounted for using equity method	8,241	8,811
Other	6,605	5,536
Total non-operating income	18,622	18,619
Non-operating expenses		
Interest expenses	1,538	1,571
Litigation settlement	1,604	717
Other	2,505	1,983
Total non-operating expenses	5,648	4,272
ORDINARY INCOME	135,931	138,837
Extraordinary income		
Gain on sales of non-current assets	61	1,817
Other	20	47
Total extraordinary income	81	1,865
Extraordinary loss		
Loss on disposal of non-current assets	1,252	1,988
Impairment loss	452	445
Other	294	-
Total extraordinary losses	1,999	2,434
INCOME BEFORE INCOME TAXES	134,013	138,268
Income taxes	35,539	42,154
NET INCOME	98,473	96,114
Net Income attributable to non-controlling interests	16,035	16,492
Net Income attributable to owners of the parent	82,438	79,621

Consolidated Quarterly Statements of Comprehensive Income

(millions of yen)

	FY2015 3rd Quarter	FY2016 3rd Quarter
For the first nine months ended	December 31, 2014	December 31, 2015
Net Income	98,473	96,114
Other comprehensive income		
Valuation difference on available-for-sale securities	8,002	(5,082)
Deferred gains or losses on hedges	(676)	139
Revaluation reserve for land	(85)	(220)
Foreign currency translation adjustment	35,257	(31,806)
Remeasurements of defined benefit plans, net of tax	2,358	2,009
Share of other comprehensive income of associates accounted for using e	2,119	(5,763)
Total other comprehensive income	46,975	(40,725)
Comprehensive income	145,449	55,388
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	118,244	52,801
Comprehensive income attributable to non-controlling interests	27,205	2,587

(3) Notes on premise of a going concern

None

(4) Segment information, etc.

Segment information

The Third Quarter Consolidated Cumulative Period 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 Third Quarter Consolidated Cumulative Period 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

(6) Significant Subsequent Events

The Company resolved at its meeting of Board of Directors held on February 8, 2016 that it has authorized the repurchase of shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act.

For details, please refer to “Notice Regarding Share Repurchases”.

4. Supplementary Information

(1) Sales Condition

<Sales Results by Region>

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

		FY2015 3rd Quarter For the first nine months ended December 31, 2014		FY2016 3rd Quarter For the first nine months ended December 31, 2015		Change	
		Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)	Volume (units)	Amount (millions of yen)
	Japan	21,027	167,477	20,562	172,782	(465)	5,304
	Overseas	28,723	123,433	27,180	136,501	(1,543)	13,068
Total HD/MD vehicles		49,750	290,910	47,742	309,284	(2,008)	18,373
	Japan	31,140	99,253	30,145	99,615	(995)	361
	Overseas	289,734	558,206	292,776	600,726	3,042	42,519
Total LD vehicles, etc		320,874	657,460	322,921	700,341	2,047	42,881
	Japan	52,167	266,731	50,707	272,398	(1,460)	5,666
	Overseas	318,457	681,640	319,956	737,227	1,499	55,587
Total vehicles		370,624	948,371	370,663	1,009,626	39	61,254
	Overseas	-	64,981	-	63,595	-	(1,385)
Parts for overseas production		-	64,981	-	63,595	-	(1,385)
	Japan	-	49,668	-	37,061	-	(12,607)
	Overseas	-	34,312	-	33,143	-	(1,169)
Engines / components		-	83,981	-	70,205	-	(13,776)
	Japan	-	172,229	-	184,784	-	12,555
	Overseas	-	79,576	-	88,117	-	8,540
Other		-	251,806	-	272,901	-	21,095
	Japan	-	488,629	-	494,244	-	5,614
	Overseas	-	860,511	-	922,083	-	61,572
Sales amount		-	1,349,140	-	1,416,328	-	67,187

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

<Overseas Sales>

Previous 3rd Quarter Consolidated Cumulative Period (April 1, 2014 through December 31, 2014)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	89,425	381,710	389,375	860,511
2 Consolidated sales	-	-	-	1,349,140
3 Overseas sales per Consolidated sales	% 6.6	% 28.3	% 28.9	% 63.8

Current 3rd Quarter Consolidated Cumulative Period (April 1, 2015 through December 31, 2015)

(millions of yen)

	North America	Asia	Other	Total
1 Overseas sales	103,120	405,811	413,152	922,083
2 Consolidated sales	-	-	-	1,416,328
3 Overseas sales per Consolidated sales	% 7.3	% 28.7	% 29.2	% 65.1

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, Columbia, South Africa, Egypt
3. Overseas sales are sales to all countries and areas excluding Japan
made by the parent company and consolidated subsidiaries.