

Translation for reference only

Securities Identification Code: 7202
June 8, 2006

To Our Shareholders,

Yoshinori Ida, President
ISUZU MOTORS LIMITED
26-1, 6-chome, Minami-oi,
Shinagawa-ku, Tokyo

NOTICE OF CONVOCATION OF THE 104th ANNUAL GENERAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 104th Annual General Shareholders' Meeting of our Company, to be held as set forth below.

If you are unable to attend this meeting, you are kindly requested to exercise your voting rights using one of the following methods. Please refer to the attached Reference Materials for the Shareholders' Meeting and exercise your voting rights by 17:30, June 28, 2006.

Voting by mail

Please indicate on the Voting Right Exercise Form enclosed herewith your approval or disapproval to the items on the agenda, affix your seal impression, and return the form.

Voting Electronically

Please access the Internet site (<http://www.evote.jp/>) from a personal computer or cellular phone, using the "Voting Right Exercise Code" and "temporary password" shown on the enclosed Voting Right Exercise Form. Then, please indicate your approval or disapproval to the items on the agenda by following the on-screen instructions.

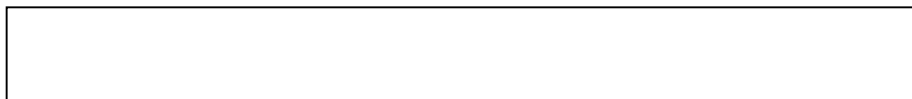
Guidance for the Exercise of Voting Rights

(1) Proxy exercise of voting rights:

If you cannot attend the General Shareholders' Meeting, you can delegate the exercise of your voting rights to another shareholder of this Company, as a proxy, who also owns voting rights. In this case, however, you are requested to submit written power of attorney to the Company.

(2) Method of announcing changes, if any, to be made to the contents of the Reference Material for the General Shareholders' Meeting, the Business Report, the Consolidated Balance Sheet, the Consolidated Statement of Income, the Balance Sheet, the Statement of Income and the Proposed Appropriation of the Retained Earnings:

Please note that if it becomes necessary to make changes to the contents of the Reference Material for the General Shareholders' Meeting, the Business Report, the Consolidated Balance Sheet, the Consolidated Statement of Income, the Balance Sheet, the Statement of Income or the Proposed Appropriation of the



(Attachment)

BUSINESS REPORT (From April 1, 2005 to March 31,2006)

1. Highlights of Operations

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

Review of Operations

During the consolidated fiscal year, although Japan faced rising prices of crude oil and industrial materials, its economy saw a moderate recovery supported by the growth of consumer spending and facility investment, hinting at a prospective breakaway from deflation in the foreseeable future. Overseas, the economies of the US and the other Asian countries remained more or less steady.

In Japan, as the replacement demand in response to the NOx (nitrogen oxide) and PM (particulate matter) Emission Regulations persisted, the truck market had a strong showing. Although there were concerns about the negative impact of high crude oil prices and other factors, the truck sales continued to grow rapidly in its major markets such as the ASEAN, Chinese and North American ones.

Under the circumstances, in the first year of the Mid-term Business Plan formulated in 2004, for the period ending March 2008, the Company's Group developed new products and strengthened the business structure to establish a solid corporate base to enable sustainable growth in the future under the new corporate vision of becoming "a global leading company in commercial vehicles and diesel engines."

The Group also promoted the development of trucks with high environmental and economic performances, striking a good balance between the two. The Company became one of the first to introduce diesel engines to different markets to comply with their most recent emission regulations through its persistent attempts to counteract global warming and urban air pollution.

During the consolidated fiscal year, the Company launched in Japan such vehicles as the heavy-duty truck GIGA, the medium-duty truck FORW

which offers information on vehicle operation, and made this service available for commercial vehicles by all Japanese manufactures by connecting them to the newly developed “Mimamori Converter.” In November last year, this service received the Land, Infrastructure and Transportation Minister’s Prize of the 2nd

The sales volume of domestic vehicles during the consolidated fiscal year increased by 8,434 units (9.4%) to 98,174 units from the previous consolidated fiscal year, owing to the brisk economy and sales efforts. Total overseas sales amounted to 348,110 units, or an increase of 98,688 units (39.6%) from the previous fiscal year, due to increased sales of pickup trucks manufactured in Thailand and light-duty trucks, which were made possible through an enhanced overseas sales network. Consequently, the total sales volume in the domestic and overseas markets combined, showing an increase of 107,122 units (31.6%), amounted to 446,284 vehicles.

Sales of other products included exports of parts for overseas assembly, which decreased by 2.5 billion yen (3.7%) from the previous fiscal year to 65.7 billion yen as exports to China declined. Engine component shipments fell by 142.4 billion yen (40.7%) from the previous fiscal year to 207.7 billion yen, as domestic sales of pickup trucks in Thailand, which had been included in component sales previously, are now posted in the vehicle sales in the consolidated fiscal year owing to the consolidation of the manufacturing entity in Thailand.

Consequently, sales increased by 88.2 billion yen (5.9 %) from the previous fiscal year to 1.5818 trillion yen. The breakdown of sales stands at 684.9 billion yen (up 9.5% from the previous fiscal year) for the domestic market and 896.8 billion yen (up 3.3% from the previous fiscal year) for overseas markets.

The table below shows the sales volume and value according to product.

P r o d u c t L i n e s		Sales Volume (U n i t s)	Sales Amount (billion yen)
Vehicles	Heavy-duty Vehicles (Heavy-duty/Medium-duty Models)	53,465	326.2
	Light-duty Vehicles and others	392,819	666.0
	Sub-total	446,284	992.2

showed outstanding performance, especially in the ASEAN countries. All in all, operating profit increased 3.4 billion yen (4%) to 90.6 billion yen from the previous fiscal year, and working profit grew by 2.2 billion yen (2.5%) from the previous fiscal year to 93.8 billion yen. On the other hand, current net income dropped by 1 billion yen (1.8%) from the previous fiscal year to 58.9 billion yen as losses due to the special warranty cost and losses accompanied by the demolition of the Kawasaki Plant, as well as increased tax burdens for overseas subsidiaries. Both operating and working profits continued to set new records from the previous fiscal year.

Note: Amounts less than 100 million yen have been discarded.

Percentages are rounded to two decimal places.

(2) Challenges to be Met by the Group

Although there is a risk of another hike in crude oil prices, the Japanese economy is likely to remain firm, backed by improved employment and income conditions. Overseas, while the Asian economy will probably continue to be firm, oil prices hovering in high ranges and concerns about a slowdown of consumer spending in the US make it difficult to predict the overall situation.

In the automotive industry, the favorable impact of NOx and PM regulations will start to fade and demand will stagnate in the second half of the next consolidated fiscal year. The prices of industrial materials will continue to be high. The costs of safety as well as ecological measures will increase, and competition will further intensify in the Japanese and global markets, posing a greater challenge for corporate management.

Under such circumstances, the Group, placing the greatest emphasis on achieving the goals of the “Mid-term Business Plan,” will endeavor to establish a solid business foundation by enhancing the product lineup through the development of global and strategic products and the strengthening of product and market-specific business operations. At the same time, the Company will make increased efforts in quality control and improvement.

The shareholder’s continued support and guidance will be greatly appreciated.

(3) Business Performance and Asset Status of the Group and the Company

Business performance of the current 104th Term and the preceding three years are as follows:

a) Business performance and assets status of the Group

Division of Accounts	101 st Term (Ending March 2003)	102 nd Term (Ending March 2004)	103 rd Term (Ending March 2005)	104 th Term (Ending March 2006)
Net Sales (¥ M i l l i o n)	1,349,449	1,430,339	1,493,567	1,581,857
Working Profit (¥ M i l l i o n)	(4,200)	81,678	91,555	93,843
Current Net Profit (¥ m i l l i o n)	(144,301)	54,713	60,037	58,956
Current Net Profit per Share (¥)	(¥131.34)	¥72.37	¥56.64	¥48.75
Net Assets (¥ M i l l i o n)	26,434	109,753	158,463	244,350
Net Assets per Share (¥)	(¥98.64)	¥11.12	¥81.53	¥152.05
T o t a l A s s e t s (¥ m i l l i o n)	1,028,844	1,077,816	1,142,580	1,168,697

- (Notes)
1. Figures in parenthesis are losses.
 2. Amounts less than ¥1 million are disregarded in the figures of Net Sales, Working Profit, Current Net Profit, Net Assets and Total Assets
 3. The current net profit per share for the 101st and 102nd term is determined by dividing the net income minus “the accounts not belonging to common stockholders” by the average number of the outstanding common shares (minus treasury shares) during each term. For the 103rd and 104th term, when it was possible to pay dividend, the current net profit per share is obtained by dividing the net income net of “the accounts not belonging to common stockholders” by the total of the average number of outstanding common shares (minus treasury shares) and the additional (incremental) number of common shares by the “if-converted” method for the “conversional participating shares.” Fractions less than 1/100th of a yen are rounded to the nearest *sen* (1/100th of a yen).

Net assets per share are indicated by dividing the net assets as of the end of the fiscal term net of the product (obtained by multiplying “the number of outstanding preferred shares” by “issue price”), and net of “the accounts not belonging to other common stockholders,” by the number of outstanding common shares (minus treasury shares) as of the end of fiscal term. Fractions less than 1/100th of a yen (*sen*) are rounded to the nearest *sen*.

b) Business performance and the transition of assets status of the Company

Division of Accounts	101 st Term (Ending March 2003)	102 nd Term (Ending March 2004)	103 rd Term (Ending March 2005)	104 th Term (Ending March 2006)
Net Sales (¥ M i l l i o n)	760,608	890,336	880,072	917,895
Working Profit (¥ M i l l i o n)	4,880	57,561	53,907	64,149
Current Net Profit (¥ m i l l i o n)	(189,447)	38,857	27,019	46,476
Current Net Profit per Share (¥)	(¥172.08)	¥51.28	¥25.18	¥38.31
Net Assets (¥ M i l l i o n)	82,743	151,722	169,353	231,289
Net Assets per Share (¥)	(¥23.07)	¥58.94	¥91.67	¥140.56
T o t a l A s s e t s (¥ m i l l i o n)	717,601	808,674	812,521	867,698

(Notes) 1. Figures in parenthesis are losses.

2. Amounts less than ¥1 million are disregarded in the figures of Net Sales, Working Profit, Current Net Profit, Net Assets and Total Assets

3. The current net profit per share for the 101st and 102nd term is determined by dividing the net income minus “the accounts not belonging to common stockholders” by the average number of the outstanding common shares (minus treasury shares) during each term. For the 103rd and 104th term, when it was possible to pay dividend, the current net profit per share is obtained by dividing the net income net of “the accounts not belonging to common stockholders” by the total of the average number of outstanding common shares (minus treasury shares) and the additional (incremental) number of common shares by the “if-converted”

2.

d) Major Shareholders
Common Stock

Isuzu shares owned
by shareholders

Class IV Preferred Stock

Shareholders	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
	1,000 shares		1,000 shares	

(4) Business Tie-ups

a) Major Subsidiaries

The 12 major subsidiaries out of a total of 98 subsidiaries are listed below.

Subsidiary	Capital Stock	Isuzu Equity Ratio	Major Line of Business
Isuzu Motors Kinki Co., Ltd.	Millions of Yen 6,000	100.00	Sale of vehicles
Isuzu Motors Tokai Co., Ltd.	Millions of Yen 4,340	100.00	Sale of vehicles
Kanagawa Isuzu Motors Ltd.	Millions of Yen 4,000	100.00	Sale of vehicles
Tokyo Isuzu Motors Ltd.	Millions of Yen 2,270	100.00	Sale of vehicles
Automobile Foundry Co. Ltd.	Millions of Yen 1,480	54.91	Casting, machining and sale of automotive parts
Isuzu LINEX Corporation	Millions of Yen 800	100.00	Warehousing and transportation
Isuzu Motors America, Inc.	Thousands of US\$ 406,738	100.00	Sale of vehicles
Isuzu Motors Asia Ltd.	Thousands of US\$ 187,272	100.00	Import & sale of parts for vehicle production
Isuzu Commercial Truck of America, Inc.	Thousands of US\$ 25	80.00	Import & sale of vehicles
Isuzu Motors Co., (Thailand) Ltd.	Millions of Baht 8,500	71.15 (64.43)	Production and sale of vehicles
	Millions of Baht		

(5) Major Operations of the Corporate Group

Name of Operations	Location
Head Office	Shinagawa-ku, Tokyo

(7) Directors and Corporate Auditors

Position and Title	Name	Major Responsibilities and Assignment
President and Representative Director Executive Vice President and Representative Director	Y o s h i n o r i I d a	

Position and Title	Name	Major Responsibilities and Assignment
Executive Vice President and Director	Susumu Hosoi	Senior Division Executive, Corporate Administration Headquarters; and Division Executive, International Business Division, Sales Headquarters
Director	Hirokichi Nadachi	Deputy Senior Division Executive, Sales Headquarters
Director	Eizo Kawasaki	Division Executive, Japan Business Division & PT Business Div., Sales Headquarters; International CV Project Executive; and Executive: Business Control Dept., & Business Promotion Dept., Japan Business Division
Director	Goro Shintani	Division executive, International Sales Div., Sales Headquarters

(8) Remuneration paid to Directors and Corporate Auditors

Classification	Fixed Amount		Bonus	
	No. of persons	Amount paid Millions of Yen	No. of persons	Amount paid Millions of Yen
Directors	14	382		
Auditors	6	75		
Total	20	458		

- (Notes)
1. Amounts less than one million yen have been disregarded.
 2. Recipients of the remuneration include three director

3. Important Facts Relating to the Status of the Group that Arose after the Fiscal Term had Ended:

Dissolution of a capital alliance between the Company and General Motors Corp.

On April 2006, the Company and General Motors Corp. (GM) agreed to dissolve their capital alliance. Accordingly, General Motors Ltd., wholly owned by GM, sold 40,000,000 shares, out of 90,090,000 common shares in the Company that it owned, to Mitsubishi Corporation. It also sold 40,000,000 shares to Itochu Corp., and 10,090,000 shares to Mizuho Corporate Bank. As a result, Mitsubishi Corporation now owns 42,420,000 common shares (3.72 %) in the Company; Itochu Corporation owns 48,251,000 common shares (equity ratio of 4.23%); and Mizuho Corporate Bank owns 41,931,411 common shares (3.67%). GM and the Company, however, have agreed to keep their business partnership the same as it has been.

CONSOLIDATED BALANCE SHEET

As of March 31, 2006

[in millions of Yen]

ASSETS		LIABILITIES	
ITEMS	AMOUNT	ITEMS	AMOUNT
CURRENT ASSETS	554,141	CURRENT LIABILITIES	497,260
Cash and cash equivalents	108,642	Trade notes and accounts payable	297,370
Trade notes and account receivable	252,441	Short-term borrowings	91,971
Inventories	137,754	Income tax payable	10,933
Deferred tax assets	27,632	Accrued expenses	48,946
Others	31,063	Accrued bonus cost	12,225
Allowance for doubtful accounts	-3,393	Accrued warranty cost	4,345
FIXED ASSETS	614,556	Deposit received	3,768
Property, plant & equipment	474,264	Others	27,698
Buildings & structures	100,741	FIXED LIABILITIES	400,269
Machinery & equipment	72,749	Bonds	52,870
Land	267,687	Long-term Borrowings	204,818
Construction in progress	18,365	Deferred tax liabilities	9,455
		Long-term deposit	2,046
Investment securities	95,229	Consolidated adjustment account	848
Long-term loans receivable	15,404	Others	12,144
Deferred tax assets	6,369	TOTAL LIABILITIES	897,529
Others	29,218	MINORITY INTERESTS IN CONSOLIDATED COMPANIES	
Allowance for doubtful accounts	-15,107	MINORITY INTERESTS IN CONSOLIDATED COMPANIES	26,816
		SHAREHOLDERS' EQUITY	
		CAPITAL	40,644
		CAPITAL SURPLUS	50,427
		RETAINED EARNINGS	68,689
		UNREALIZED HOLDING GAIN ON FIXED ASSETS	74,138
		UNREALIZED HOLDING GAIN ON SECURITIES	15,014
		FOREIGN CURRENCY TRANSLATION ADJUSTMENT	-4,334
		TREASURY STOCK	-229
		TOTAL SHAREHOLDERS' EQUITY	244,350
TOTAL ASSETS	1,168,697	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	1,168,697

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

CONSOLIDATED INCOME STATEMENT

From April 1, 2005 To March 31, 2006

[in millions of Yen]

		This fiscal year	
ORDINARY INCOME AND LOSS			
[OPERATING PROFIT AND LOSS]			
OPERATING INCOME			1, 581, 857
Net Sales			
OPERATING EXPENSES			
Cost of Sales		1, 347, 861	
Selling, administrative and other expenses		10, 673	
Other non-operating income		4, 174	18, 361
NON-OPERATING EXPENSES			
Interest expenses		10, 551	
Other non-operating expenses		4, 628	15, 180
ORDINARY PROFIT			93, 843
S			
Investment securities	212		
The joint venture in	4, 897		
of employee pension fund	1, 391		
	2, 558	13, 443	
E	8, 311		
Loss on unconsolidated	1, 079		
ates			
Investment securities	8		
g of domestic	933		
ates			
Other cost on former	5, 257		
	3, 247		
fixed assets	2, 600		
	6, 224	27, 661	
RES AND MINORITY INTERESTS			79, 625
	12, 891		
	2, 555	15, 447	
		5, 222	
		58, 956	

are omitted in the figures above.

Basis of Annual Consolidated Financial Statements

1. Scope of Consolidation

Consolidated subsidiaries

Number of consolidated subsidiaries ... 61 companies

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

Unconsolidated Subsidiaries

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

Reasons for unconsolidation

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

2. Equity Method

Companies accounted for by the equity method

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

Principle companies accounted for by the equity method

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

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

Companies not accounted for by the equity method

Principle companies not accounted for by the equity method

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

Affiliates ... Anadolu Isuzu Otomotiv Sanayi Ticaret A.S.

Reasons for not accounted for by the equity method

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

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

Change in the scope of consolidation

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

Automobile Foundry Co., Ltd., formerly accounted for by the equity method, has been consolidated following the exchange of stocks between Isuzu Castic Corporation, a subsidiary.

JIK Material Co., Ltd., a subsidiary of Automobile Foundry Co., Ltd., has been consolidated due to the consolidation of Automobile Foundry Co., Ltd. from this fiscal year.

Isuzu Motors Off Highway Diesel Engine (Shanghai) Trading Co., Ltd., formerly accounted for by the equity method, has been consolidated due to the increase in importance.

Isuzu Sougou Service Center Ltd. and Isuzu Transport Inc. have been excluded from the scope of consolidation following the end of liquidation.

Isuzu Square Japan Co., Ltd. has been excluded from the scope of consolidation due to the decrease in importance from it going into liquidation.

Change in the scope of equity method accounting

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

Tohoku Sarwa Metal Co., Ltd. and Sanei Seisakusyo Co., Ltd., subsidiaries of Automobile Foundry Co., Ltd. which has been consolidated from this fiscal year, have been accounted for by the equity method.

Transnet Corporation Inc. has been excluded from the equity method of accounting due to the merger into Isuzu Linex Corporation.

Shimizu Seisakusyo Co., Ltd. has been excluded from the equity method of accounting due to the merger into Shonan Unitec Ltd.

Bell Work Co., Ltd. has been excluded from the equity method of accounting due to the merger into Syscom Co., Ltd.

International Auto Co., Ltd. has been excluded from equity method of accounting following the end of liquidation.

Qingling Motors Company Ltd. has become an affiliate accounted for by the equity method following the increase in shares due to the acquisition of its stocks through the market.

Isuzu Motors de Mexico S.de R.L., was newly established and has been accounted for by the equity method. Toho Sanso Kogyo Co., Ltd. and Fuji Syokai Co., Ltd., subsidiary of Automobile Foundry Co., Ltd. which has been consolidated from this fiscal year, have been accounted for by the equity method.

Automobile Foundry Co., Ltd., formerly accounted for by the equity method, has been consolidated following the exchange of stocks between Isuzu Castic Corporation.

Fujii Motor Co., Ltd. has been excluded from the equity method of accounting due to the sales of its holding stocks.

Fiscal Period of Consolidated Subsidiaries

The account day of 20 overseas consolidated subsidiaries is December 31, 2005. The financial statements of the subsidiaries as of that account day are used for consolidated financial statements. In case significant transactions are made between subsidiaries' account day and consolidated account day, necessary adjustments are made for consolidation. Meanwhile, the account day of 41 domestic subsidiaries is the same as consolidated account day.

Significant Accounting Policies

Valuation methods for securities

Other securities

Marketable securities

Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes. Directly included in shareholders' equity.

Cost of securities sold is calculated by moving average method.

Non-marketable securities

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

Valuation methods for inventories

The Company presenting consolidated financial statements

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

Consolidated subsidiaries

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

Derivative financial instruments

Derivative financial instruments are started at fair value.

Depreciation of fixed assets

Depreciation of property, plant and equipment

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

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

Depreciation of intangible assets

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

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

Basis for reserve and allowances

Allowance for doubtful accounts

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

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

Accrued bonus cost

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

Accrued warranty cost

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

Accrued retirement benefits

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

Valuation of assets and liabilities of consolidated subsidiaries

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

Amortization of consolidated adjustment account

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

Appropriation of retained earnings

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

Adoption of New Accounting Standards

Accounting Standard for the Impairment of Fixed Assets

From this fiscal year, Isuzu Motors Limited, its consolidated domestic subsidiaries and its equity method-applied domestic affiliates adopted the new accounting standard for impairment of fixed assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No.6 issued by the Accounting Standards Board of Japan on October 31, 2003)

The effect of adopting the new accounting standard on the consolidated statement of income for the year ended March 31, 2006 was to decrease income before income taxes by 2,600 million yen.

Also, the impaired fixed assets are presented in the consolidated balance sheet net of accumulated impairment.

Notes to consolidated financial statements

For consolidated balance sheets

Accumulated depreciation of PP&E	637,286 millions of yen
Assets pledged as collateral	
Cash and cash equivalents	111 millions of yen
Trade notes and account receivables	2,471 millions of yen
Securities	3,137 millions of yen
Land	181,218 millions of yen
Buildings and structures	51,309 millions of yen
Machinery and equipment	44,581 millions of yen
Others	37 millions of yen
In addition to above, securities of consolidated subsidiaries(662 millions of yen, based on book price of individual financial statements) held by companies presenting consolidated financial statements are pledged as collateral.	
Secured liabilities	
Short-term borrowings	13,820 millions of yen
Long-term borrowings	213,100 millions of yen
(including borrowings to be returned within a year)	
Balance of liabilities guaranteed	2,555 millions of yen
Balance of guarantee resemblance act	92 millions of yen
Balance of account receivables discounted	725 millions of yen
Balance of export bills discount	99 millions of yen

For consolidated statements of income

Net income per share	48.75 yen
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Additional information

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Report of Certified Public Accountants

May 11, 2006

To the Board of Directors of Isuzu Motors Limited

We have examined the consolidated financial statements comprising the consolidated balance sheet and the consolidated profit & loss statement of Isuzu Motors Limited for the 104th term (April 1, 2005 through March 31, 2006), pursuant to Article 19 Item 2 Paragraph 3 of the “Law for Special Exceptions to Commercial Code Concerning Audit, etc. of Corporations (kabushiki kaisha).” The responsibility of formulating the consolidated financial statements rests with the management of the Company, and our responsibility is to express opinions about these consolidated statements from an independent standpoint.

Our examinations were made in accordance with auditing standards, procedures and practices generally accepted in Japan. The auditing standards require that we obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. The audit was made on the basis of test audits, and it included the examination of the general account of the consolidated financial In our opinion, the consolidated financial statements referred to above present fairly and accurately the asset and profit and loss position of the group consisting of Isuzu Motors limited and its consolidated subsidiaries.

As disclosed in significant accounting policies, effective from this consolidated fiscal year, Accounting Standards for Impairment of Fixed Assets (Opinions Concerning Establishment of Accounting Standards for Impairment of Fixed Assets (Business Accounting Council, August 9, 2002)) and the Guideline on Accounting Standards for Impairment of Fixed Assets (Financial Accounting Standards Implementation Guidelines No. 6, October 31, 2003) are adopted. This change is deemed appropriate since the above-mentioned Standards and Guideline apply to the consolidated fiscal year that began on and after April 1, 2005.

There are no conflicts of interest between the Company, this auditing corporation and/or its managing partners that need to be reported under the Certified Public Accountant Law.

Shin Nihon & Co.

Designated Employee and Managing Partner, Certified Public Accountant Kazuo Yamamoto

Designated Employee and Managing Partner, Certified Public Accountant Hideki Nishida

Designated Employee and Managing Partner, Certified Public Accountant Kazuo Kishida

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Report of Board of Corporate Auditors

May 15, 2006

We, the Board of Corporate Auditors, have received reports from each auditor concerning the outcome of audit on the consolidated financial statements (the consolidated balance sheet and the consolidated profit and loss statement), including the procedures used in the audit, for the 104th business term (April 1, 2005 through March 31, 2006). We discussed the contents of each report, and prepared this audit report. The outline is as follows:

1. Summary of the audit procedures adopted

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

2. Results of the audit

We recognize that the auditing procedures employed

BALANCE SHEET

As of Mar. 31, 2006

UNIT : MILL YEN

Debit Side	Amount	Credit Side	Amount
ASSETS	867, 698	LIABILITIES	636, 409
Current Assets	308, 651	Current Liabilities	293, 075
Cash on Hand/Deposit	49, 704	Notes/Bills Payable	2, 128
Notes/Bills Receivable	906	Accounts Payable	4, 000
Accounts Receivables	149, 309	Short-term Borrowings	46, 520
Products	42, 711	Commercial Paper	199, 027

9.360

PROFIT & LOSS STATEMENT (104th Term from April 1,2005 to March 31,2006)

	Classification	Mill yen
[Working Section]		
OPERATING		
Net sales		917, 895
Cost of sales		753, 078
(Factory Profit)	fi	164, 816 fi
Selling and general administrative expense		111, 309
OPERATING PROFIT		53, 506
NON-OPERATING		
Non-operating earnings	N	19, 850 P
Interest earnings & dividend received		

[Significant Accounting Policies]

1. Method adopted for Valuation of Securities.
Shares of Associated Co.
and Shares of Subsidiary Co.--- Valuation at cost using 'Moving average method'.
Other investment --- Valuation at cost using 'Moving average method'.
2. Method adopted for Valuation of Derivatives --- Fair Market Value
3. Method adopted for Inventories valuation.
Valuation at cost using 'Average cost method'.
4. Method adopted for Depreciation of 'Tangible fixed assets'.
Straight line method.(Remark:Small amount fixed assets from 100K yen to 200K yen are amortized in 3 years.)
Method adopted for Depreciation of 'Fixed Assets'
Tangible Fixed Assets
Intangible Fixed Assets
5. Reasons for providing for reserve & calculation basis.
Reserve for Bad Debt --- Reserve for Bad Debt is to reserve the loss for the bad debt of the money claim on the term end, and for invested company the amount has been determined in consideration of collectables of each receivables. And the other amount has been determined as for doubtful accounts using past actual bad debt rate.
Reserve for Loss on Investments --- The amount is reserved for loss from the decrease in value of investments in consideration of financial conditions, etc. of the companies in which Isuzu has invested.
Reserve for bonus Payment --- The amount is estimated employees' bonus due to this term.
Reserve for Warranty --- Reserve for product warranty service has been determined as the basis of past actual payments according to the agreements of the written guarantee.
Retirement allowance reserve --- For the reserve of the retirement benefit the amount which deducts the fair amount of pension asset from the present value for Projected Benefit Obligation has been reserved.
6. Method adopted for Exchange of Foreign Currency Moneytary Asset and Debt
Foreign currency moneytary asset and debt is exchanged to yen at the spot rate at the end of the term.
The exchange difference is treated as foreign currency transaction gain or loss.
7. Method of recording Lease Transaction.
Finance lease without transfer of ownership --- Recorded as lease expense
8. Hedge Accounting
Foreign exchange reservation

etc. to the current adjustments for the amount calculated by the methods which National Tax Administration Agency President established and published. But for a part of this Land the expert opinion has been accepted. The variance between the total amount of the at market value of the business land and the book amount of the land is
55,158

2.Accounting effected for Tax

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

	Mar.31,2006 Presently
Deferred Taxes Assets(Current Assets)	Unit::million yen(Omission less than million yen)
The limit excess of loss inclusion on Reserve for Bad Debts	5,607
The limit excess of loss inclusion on Reserve for Bonus Paymen	

PROPOSED APPROPRIATION OF RETAINED EARNINGS

Term ended March 31, 2006

ISUZU MOTORS LIMITED

Yen

Unappropriated Retained Earnings of the Current Term

The above amount shall be appropriated as follows:

Dividends to Shareholders

Class Preferred Stock

6.944 per share

Class Preferred Stock

12.944 per share

Class Preferred Stock

16.944 per share

Common Stock

3.00 per share

Balance to be carried forward

Copy

Report of Certified Public Accountants

May 11, 2006

To the Board of Directors of Isuzu Motors Limited

We have examined the balance sheet, profit & loss statement, and business report (accounting matters only), proposed appropriation of retained earnings and supplementary statements (accounting matters only) of Isuzu Motors Limited for the 104th term (April 1, 2005 through March 31, 2006), pursuant to Article 2 Item 1 of the “Law for Special Exca

70)04rltiSpecialrng books. Supplementary statements rests with the management of the Company, to express opinions about these statements from an independent

ade in accordance with auditing standards, procedures and practices n. The auditing standards require that we obtain reasonable assurance ial statements and supplementary statements are free of material ur audit on test audits, and it included the examination of the general statements and supplementary statements, including evaluation of the anagement, as well as the auditing policy and application methods nt. We feel that, as a result of our audit, we can express our opinions . Further, the audit incorporated such subsidiary auditing procedures y.

nd the Profit & Loss Statement referred to above present fairly the profitability of the Company in conformity with the laws, regulations corporation.

icant accounting policies, effective from this consolidated fiscal year, ds for Impairment of Fixed Assets (Opinions Concerning ccounting Standards for Impairment of Fixed Assets (Business August 9, 2002)) and the Guideline on Accounting Standards for Assets (Financial Accounting Standards Implementation Guidelines 003) have been adopted. This change is deemed appropriate since the ndards and Guideline apply to the consolidated fiscal year that began 2005.

(accounting matters only) presents fairly the status of the Company e laws, regulations and the Articles of Incorporation.

ropriation of retained earnings conforms to the laws, regulations and ion.

Statements (accounting matters only) include nothing that needs to be o the provisions of the Commercial Code.

includes a statement concerning a post-balance sheet event in which d, a consolidated subsidiary, made a resolution to pay dividends to

There are no conflicts of interest between the Company, this auditing corporation and/or its managing partners that need to be reported under the Certified Public Accountant Law.

Shin Nihon & Co.

Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Yamamoto
Designated Employee and Managing Partner, Certified Public Accountant	Hideki Nishida
Designated Employee and Managing Partner, Certified Public Accountant	Kazuo Kishida

May 15, 2006

We, the Board of Corporate Auditors, have received reports from each auditor concerning the outcome of audit of the Isuzu directors' execution of duties, including the auditing procedures used in the audit, during the 104th business term (April 1, 2005 through March 31, 2006). We discussed the contents of each report, and prepared this audit report. The outline of our report is as follows:

1. Summary of the audit procedures adopted

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

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

2. Results of the audit

- (1) We recognize that the auditing procedures employed by Shin Nihon & Co., our accounting auditor, and the results of the audit are fair and just.
- (2) We recognize that the business report gives a true and fair view of the state of affairs of the Company in accordance with the laws, regulations and the Articles of Incorporation.
- (3)

Reference Materials for the Shareholders' Meeting

Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings for the 104th Business Period.

We propose to appropriate the retained earnings in the manner described on page 32 of the attached document.

We would like to offer a common stock dividend for the current term of ¥3.00 per share to our shareholders, after giving due and comprehensive consideration to factors such as the business results of the current term, future business plans, and the distribution of profits to shareholders.

We will pay preferred stock dividends of ¥6.944 per share for Class-I preferred stock, ¥12.944 per share for Class-III preferred stock, and ¥16.944 per share for Class-IV preferred stock to our shareholders, in accordance with the predetermined conditions of dividend issuance.

We cordially ask for the approval of the shareholders for these proposals.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for revision

a) In connection with enforcement of the Corporate Law (Law No. 86, 2005), the Company's Articles of Incorporation shall be wholly revised as required, including revision of wordings of the Articles of Incorporation, changes of expression thereof, addition/deletion of articles, etc.

b) In accordance with provisions of the 'Law concerning Establishment of Relevant Legislation Relative to Enforcement of Corporate Law' (Law No. 87, 2005), the Company's Articles of Incorporation shall clearly establish any provisions which are deemed to be defined under the Articles of Incorporation, even if they are not provided in the Articles of Incorporation. The articles involved include Article 4 (Organizations), Article 9 (Issue of Share Certificates), and Article 13 (Shareholders Register Manager).

c) In accordance with the Corporate Law, the Company can use some new systems by clearly establishing specific provisions in the Company's Articles of Incorporation. To adopt such systems, the Company's Articles of Incorporation shall be added or modified to include these required provisions. The articles involved include Article 19 (Deemed Provision of Shareholders' Meeting Reference Materials and Other Information by Publication on the reqd67(the).5(reqd1T6{revis-5.5(t)5.an r)Fir Materi)in(Sharehion s 43

2. Details of the revisions

The revisions are as follows:

(The underlined portions denote the revisions)

Current Articles of Incorporation of the Company	After revision
Newly provided	<u>Article 4: (Organizations)</u> <u>The Company shall establish the following organizations in addition to General Meeting of Shareholders and Directorships:</u> <u>1. Board of Directors Meeting</u> <u>2. Auditorship</u> <u>3. Board of Auditors, and</u> <u>4. Accounting Auditors</u>
Article <u>4</u> Provisions omitted	Article <u>5</u> : (The same as the provision defined in Article 4 of the current Article of Incorporation of the Company)
Article <u>5</u> : <u>(Total number of shares issued by the Company)</u> The total number of shares of <u>stock to be issued</u> by the Company shall be three billion four hundred fifty-six million five hundred thousand (3,456,500,000) shares (<u>Authorized Shares</u>), which <u>shall consist of</u> 3,369,000,000 <u>shares of</u> common stock, 37,500,000 <u>shares of</u> Class- preferred stock, 25,000,000 <u>shares of</u> Class- preferred stock, and 25,000,000 <u>shares of</u> Class- preferred stock. <u>In cases where common stock is canceled, or preferred stock is canceled or converted into common stock, the corresponding number of shares are to be deducted from the aggregate total of the Authorized Shares.</u>	Article <u>6</u> : (Total number of shares <u>issuable</u> by the Company) The number of shares <u>issuable</u> by the Company shall total three billion four hundred fifty-six million five hundred thousand (3,456,500,000) shares, which <u>are broken down into:</u> 3,369,000,000 common stocks, 37,500,000 Class-

Article 10: (Transfer Agent)

The Company shall appoint a transfer agent to handle its shares. The transfer agent and its place of business shall be designated by a resolution of the Board of Directors, and public notice thereof shall be given. The register of shareholders and the register of virtual shareholders of the Company (hereinafter referred to as the "register of shareholders, etc.") and the register of loss of the share certificates shall be maintained at the place of business of the transfer agent, and the registration of transfer of shares, application for register of loss of share certificates, purchase of any odd-lot shares smaller than the 'no-par-value unit stock,' and other procedures mentioned in the preceding Article shall be handled by the transfer agent and not by the Company.

Article 13: (Shareholders register manager)

The Company shall establish a Shareholders Register Manager to handle its shares. The Shareholders Register Manager and its place of business shall be determined by resolution of the Board of Directors, and public notice thereof shall be given. The shareholders register, share acquisition right register,

3. (Distribution of residual property to Class- preferred shareholders)
When the Company distributes any residual property, the Company shall pay ¥800 per Class- preferred stock to Class- preferred shareholders or Class- preferred stock mortgagees before any distributions are made to the common shareholders or the common stock mortgagees.
The Company shall not make any additional distributions to Class- preferred shareholders or Class- preferred stock mortgagees in addition to the said distribution.

3. (Distribution of residual property to Class- preferred stock shareholders)
When the Company distributes any residual property, the Company shall pay ¥800 per one share of Class- preferred stock to Class- preferred stock shareholders or Class- preferred stock pledgees prior to common stock shareholders or common stock pledgees.
The Company shall not pay to Class- preferred shareholders or Class- preferred stock pledgees any additional distributions other tha Tf-1q.03013nref

stock.
If a fraction smaller than one (1) share arises in computing the number of shares of common stock, such fraction is treated pursuant to the applicable provision regarding reserve-split of stock in the Commercial Code.

paid for one share of Class- preferred stock shall be divided by the lower limit thereof. The number of

shareholders pursuant to the Ministry of Justice ordinance. Through such process, such information shall be deemed to be have been provided to shareholders.

Article 17: (Method of adopting resolutions)
Resolutions of a general meeting of shareholders shall be adopted by a majority of the votes of the shareholders present thereat.
In the case where resolution falls under the scope of Article 343 Section 1 of the Commercial Code, it shall be adopted under the attendance of shareholders owning shares representing more than one-third of the total number of outstanding votes, and by the majority votes of not less than two-thirds of the voting rights held by the attending shareholders, pursuant, notwithstanding the provisions of the preceding article.

Article 18: (Exercise of voting rights by proxy)
A shareholder may designate a shareholder(s) of the Company having voting rights to represent him in exercising his voting rights.

Article 18-2: (Shareholders' Meetings by Class of Stock)
The provisions of Article 15, Article 16, and Article 18 shall apply to Shareholders' Meeting by Class of Stock.

Article 19: Provisions omitted

Article 20: (Election of Directors)
Resolutions on the election of Directors shall be adopted by a majority of votes of shareholders accounting for one third or more of the voting rights of the total shareholders of the Company. Cumulative

Article 20: (Method of adopting resolutions)
Resolutions of a general meeting of shareholders shall be adopted by a majority of the votes of the shareholders with voting rights present thereat.
In the case where resolution falls under the scope of Article 309 Section 2 of the Corporate Law, it shall be adopted under the attendance of shareholders owning shares representing more than one-third of the total number of outstanding voting stocks, and by the majority votes of not less than two-thirds of the voting rights held by the attending shareholders, pursuant, notwithstanding the provisions of the preceding article.

Article 21: (Exercise of voting rights by proxy)
A shareholder may designate one shareholder of the Company having voting rights to represent him in exercising his or her voting rights.

Article 22: (Shareholders' Meetings by Class of Stock)
The provisions of Article 18 and Article 21 shall apply to Shareholders' Meeting by Class of Stock.

Article 23: (The same as the provision defined in Article 19 of the current Article of Incorporation of the Company)

Article 29: (Remuneration and retirement gratuity for Directors)
Remuneration and retirement gratuity for Directors shall be determined by resolution of a general meeting of shareholders.

Article 30: (Exemption of Directors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Directors (including former Directors) from liabilities for misconducts provided in Article 266 Paragraph 1 Item 5 to a legally allowable degree pursuant to Article 266 Paragraph 12 of the Commercial Code.

Newly provided

Article 31 Provisions omitted

Article 32: (Election of Auditors)
Resolutions on the election of Auditors shall be adopted by a majority of votes of shareholders accounting for one third or more of the voting rights of the total shareholders of the Company.

Article 33: (Term of office of Auditors)
The term of office of Auditors shall expire at the close of the ordinary general meeting of shareholders for the last business term ending within four (4) years after their assumption of office.

Article 34: Provisions omitted

Article 35: (Standing Auditor)
The Company shall appoint an Auditor(s) mutually elected from among Auditors as Standing Auditor(s).

Article 36:
Provisions omitted

Article 37:

Article 38: (Remuneration and retirement gratuity for Auditors)
Remuneration and retirement gratuity for Auditors shall be determined by resolution of a general meeting of shareholders.

Article 39: (Exemption of Auditors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Auditors (including former Auditors) from liabilities to a legally allowable degree pursuant to Article 280 Paragraph 1 of the Commercial Code.

Article 34: (Remuneration and other benefits for Directors)
Remuneration for Directors, which consists of bonuses and other benefits from the Company in consideration of the execution of their duties (herein after referred to as "Remuneration"), shall be determined by resolution of a general meeting of shareholders.

Article 35: (Exemption of Directors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Directors (including former Directors) from liabilities for damages caused by negligence in executing their duties to a legally allowable degree pursuant to Article 426 Paragraph 1 of the Corporate Law. However, this Article shall not be applied to outside directors (including former outside directors) who made an agreement stipulating the limitation of their liabilities pursuant to the Article 36.

Article 36: (Agreement to limit liabilities of Outside Directors)
Pursuant to Article 427 of the Corporate Law, the Company may enter into agreements with Outside Directors (including former Outside Directors) to limit their liabilities for damages caused by negligence in exercising their duties; provided, however, that their liabilities for damages pursuant to the agreement shall be limited to those stipulated in laws or more, whichever is higher.

Article 37: (The same as the provision defined in Article 31 of the current Article of Incorporation of the Company)

Article 38: (Election of Auditors)
Resolutions on the election of Auditors shall be adopted under the attendance of shareholders owning shares representing more than one-third of the total number of outstanding voting stocks, and by a majority vote of shareholders with voting rights.

Article 39: (Term of office of Auditors)
The term of office of Auditors shall expire at the close of the ordinary general meeting of shareholders for the last business year that ends within four (4) years after the election of Auditors.

Article 40: (The same as provision as defined in Article 34 of the current Article of Incorporation of the Company)

Article 41: (Standing Auditor)
Board of Auditors shall elect a Standing Auditor(s) from among Auditor(s).

Article 42:
(The same as the provisions defined in Article 36 to Article 37 of the current Article of Incorporation of the Company.)

Article 43:

Article 44: (Remuneration and other benefits for Auditors)
Remuneration and other benefits for Auditors shall be determined by resolution of a general meeting of shareholders.

Article 45: (Exemption of Auditors from liabilities)
The Company may, by resolution of a Board of Directors meeting, exempt its Auditors (including former Auditors) from liabilities to a legally allowable

Pursuant to Article 427 of the Corporate Law, the

Proposal No. 3: Election of Six Directors.

The terms of office of the following six (6) directors expire at the close of the 104th ordinary General Meeting of Shareholders:

Messrs. Basil N. Drossos, Susumu Hosoi, Hiroshi Suzuki, Shigeki Toma, Yoshio Kinouchi and Yoshihiro Tadaki.

Accordingly, we propose appointing the following six (6) individuals as directors.

The candidates are as follows:

No.	Full Name (Date of Birth)	Brief Personal Record ,Major Responsibilities,Assignment & Position Held in Other Companies	No. of Isuzu Common Shares Held
		April 1997: Executive Vice President of Isuzu Motors America,Inc.	

No.	Full Name (Date of Birth)	Brief Personal Record ,Major Responsibilities,Assignment & Position Held in Other Companies	No. of Isuzu Common Shares Held
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Brief Personal Record ,Major
Responsibilities,Assignment & Position Held in Other

No. Full Name
(Date of Birth)

