

Translation:

June 8, 2005

To the Shareholders:

Notice of the 103rd ordinary General Meeting of Shareholders

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

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

Reports:

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

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

Proposals:

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

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

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

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

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

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

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

Sincerely yours,

Yoshinori Ida

President and Director

(Attachment)

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

1. Highlights of Operations

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

[Review of Operations]

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

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

Under such circumstance, the Company's Group has been strengthening the nature of the Company in pursuit of recovery of the corporate value and enhanced competitiveness as the final year of "New 3-Year Business Plan" though the Company' Group formulated a new plan called "Mid-term Business Plan" in November of 2004 targeting the March term of 2008 as our next go04

Regarding the business deployment, the Company's Group made the consolidated affiliated subsidiary, etc out of all the major 5 companies by proceeding with the reorganization of business unit in Thailand. This enables us to secure our

[Result of Operation]

Regarding the sales volumes of domestic vehicles during the current fiscal year, it resulted in 89,740 units with a decrease of 13,287(12,9%) compared with the previous fiscal year, in spite of continuous focus on the product sales in accordance with the kind of quality and price required by the customers since the replacement demand of reinforced emission control has completed the first stage. With regard to the overseas sales volumes of vehicles, there was an addition of sales volume within Thailand from the latter half of this current fiscal year, due to establishing the consolidated companies from the business units in Thailand. Strongly influenced by this, there was an increase of 72,031 units (40.6%) compared with the previous fiscal, 52,349 units (24.4%) in FY 2018. Total Sales/Strongly influenced by (FY 2018)

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

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

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

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

The shareholder's continued support will be greatly appreciated.

(3) Business Performance and the Transition of Assets Status

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

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

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

(Note) 1. stands for loss.

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

3. As for the current net profit per share, it is indicated by dividing the net income minus "the accounts not belonging to common stockholders" by the average number of the common shares issued during the

and by the number of common stockholders.

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

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

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

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

(2) Shares

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

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

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

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

Capital stock ¥ 32,617,790,329

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

Stock Acquisition Rights

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

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

Acquisition, disposal and holdings of treasury stock

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

Major Shareholders
(Common Stock)

Shareholder	Isuzu shares owned by shareholders		Isuzu-owned shares	
	No. of shares	Voting right ratio	No. of shares	Equity ratio
Japan Trustee Services Bank, Ltd. (Trust Account)	146,774	13.75 %	-	-
General Motors Ltd.	90,090	8.44	-	-
The Master Trust Bank of Japan, Ltd. (Trust Account)	87,924	8.24	-	-
Bank of New York For GCM Client Accounts (E) ISG	33,794	3.17	-	-
Mizuho Global, Ltd.	31,841	2.98	-	-
Trust & Custody Services Bank, Ltd. (Trust Account B)	26,072	2.44	-	-
Nomura Securities Co., Ltd.	21,666	2.03	-	-

(Class IV Preferred Stock)

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

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

(3) Main Creditor

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

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

(4) Business Tie-ups

Partnership with GM

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

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

Major Subsidiaries

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

Subsidiary

Major Affiliated Companies

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

(5) Major Places of Business

P l a c e o f B u s i n e s s	L o c a t i o n
H e a d O f f i c e	S h i n a g a w a - k u , T o k y o
T o c h i g i P l a n t	Ohira, Shimotsuga-gun, Tochigi Prefecture
F u j i s a w a P l a n t	Fujisawa-shi, Kanagawa Prefecture
Isuzu Engine Manufacturing Hokkaido Corporation	T o m a k o m a i - s h i , H o k k a i d o
Wa.com Hokkaido Co., Ltd.	Mukawa-cho, Yufutsu-gun, Hokkaido
Isuzu Castec Corporation	Kitagami-shi, Iwate Prefecture
Shonan Uni-Tech Co., Ltd.	Samukawa-cho, Koza-gun, Kanagawa Prefecture
Isuzu LINEX Corporation	S h i n a g a w a - k u , T o k y o
Isuzu Real Estate Co., Ltd.	S h i n a g a w a - k u , T o k y o
Isuzu Motors America, Inc.	C e r r i t o s , C a l i f o r n i a , U S A
Isuzu Motors Co.,(Thailand) Ltd.	S a m u t

(7) Directors and Corporate Auditors

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

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

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

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

(8) Remuneration paid to Directors and Corporate Auditors

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

- (Note) 1 . Any fractions less than one million yen have been discarded.
2 . No. of Officers include one director who resigned during this term.

(9) Amount of fee paid to Accounting Auditor

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

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

- (Note) 1. Any fractions less than one million yen have been discarded.
2. Amount of fee shown in the above 3 is the total of compensation for both auditing in accordance with the special law on the Commercial Code and auditing in accordance with the Securities Exchange Law, as the audit contract signed by the Company and the Accounting Auditor does not clearly separate two auditing fees, and therefore, they cannot practically separated.

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

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

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

CONSOLIDATED BALANCE SHEET

As of March 31, 2005

[in millions of Yen]

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

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

Basis of Annual Consolidated Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries ... 61 companies

Principle subsidiaries ... Isuzu Motors M 6芳 ㏻ ミ id健dky ミ (bsidiaLid (

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

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

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

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

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

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

4 .Fiscal Period of Consolidated Subsidiaries

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

5 .Significant Accounting Policies

(1)Valuation methods for securities

Other securities

Marketable securities

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

Non-marketable securities

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

(2)Valuation methods for inventories

Companies presenting consolidated financial statements

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

Consolidated subsidiaries

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

(3)Derivative financial instruments

Derivative financial instruments are started at fair value.

(4) Depreciation of fixed assets

Depreciation of property, plant and equipment

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

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

Depreciation of intangible assets

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

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

(5) Basis for reserve and allowances

Allowance for doubtful accounts

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

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

Accrued bonus cost

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

Accrued warranty cost

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

Accrued retirement benefits

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

(6) Foreign currency translation

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

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

(7) Leasing accounting

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

(8) Hedge accounting

Hedge accounting

Forward foreign exchange contracts and currency options

Appropriated hedge accounting is adopted

Interest rate swaps and interest rate options

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

Hedging instrument and hedged items

Hedging instruments

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

Hedged items

Receivables and payables denominated in foreign currencies, Borrowings

Hedging policy

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

Assessment of hedge effectiveness

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

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

Others

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

(9)

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

(For consolidated statements of income)

Net income per share 56.64 yen

(Additional information)

1 .Revaluation of business land

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

2 .Tax-effect accounting

(1) Significant components of deferred tax assets and liabilities

	Current fiscal year <u>(as of march 31, 2005)</u>
Deferred tax assets	
Accrued retirement benefits	18,483 million of yen
Unrealized holding loss on securities and allowance for doubtful accounts	83,828 million of yen
Accrued expense	9,396 million of yen
Accrued bonus cost	4,003 million of yen
Loss accrued from revaluation of inventories	1,071 million of yen
Loss forwarded	23,093 million of yen
Unrealized profit eliminated in consolidation etc.	10,787 million of yen
Others	40,997 million of yen
Total gross deferred tax assets	191,663 million of yen
Valuation allowance	150,212 million of yen
Total deferred tax assets	Deferred tax liabilities

Fixed assets constrict fund4

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

Current fiscal year
(as of march 31, 2005)

Current assets - deferred tax assets	28,480 million of yen
Fixed assets - deferred tax assets	8,576 million of yen
fixed liabilities - deferred tax liabilities	4,693 million of yen

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Report of Certified Public Accountants

May 18, 2005

To the Board of Directors of Isuzu Motors Limited

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

Our examinations were made in accordance with auditing standards, procedures and practices generally accepted in Japan. The auditing standards require that we obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. The audit was made on the basis of testing, and it included the examination of the general account of the consolidated financial statements, including evaluation of the estimates made by the

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Report of Board of Corporate Auditors

May 20, 2005

We, the Board of Corporate Auditors, have received reports from each auditor concerning the outcome

BALANCE SHEET
As of Mar. 31, 2005

[in millions of Yen]

Debit Side	Amount	Credit Side	Amount
ASSETS	【 812,521 】	LIABILITIES	【 643,168 】
Current Assets	[332,974]	Current Liabilities	[282,706]
Cash on Hand/Deposit	82,047	Notes/Bills Payable	30,559

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

	Classification	Current term	
		Mill yen	%
[Working Section]			
OPERATING			
Net sales		880,072	100
Cost of sales		728,369	82.8
(Factory Profit)		(151,702	

[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'

2.Accounting effected for Tax

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

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

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

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

PROPOSED APPROPRIATION OF RETAINED EARNINGS

Term ended March 31, 2005

ISUZU MOTORS LIMITED

Yen

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

The above amount shall be appropriated as follows:

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

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

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

May 20, 2005

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

1. Summary of the audit procedures adopted

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

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

2. Results of the audit

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

Reference Materials Pertaining to Exercise of Voting Rights

1. Total number of the voting rights of the total shareholders of the Company:
1,067,114
2. Reference Information on Proposals:

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

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

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

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

We request the approval of shareholders cordially.

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

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

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

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

Candi- date Number	Full Name (Date of Birth)	Brief Personal Records & Whether He Serves as Representative Director of Any Other Company	Number of Isuzu Shares Held
		<p>April 1970 Joined Itochu Corporation</p> <p>September 1998 General Manager for Turkey and General Manager for Istanbul Branch, Itochu Corporation</p> <p>April 2004 General Manager of Chugoku Area, Itochu Corporation</p> <p>May 2005 Resigned from Itochu Corporation</p>	
		<p>June2005- present</p>	

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

The term of office of two corporate auditors, Mr. Michio

Candidate Number	Full Name (Date of Birth)	Brief S th)
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Candidate Number	Full Name (Date of Birth)	Brief Personal Records & Whether He Serves as Representative Director of Any Other Company
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Proposal #4: Payment of retirement gratuities to the outgoing directors and auditor and payment of retirement gratuities in accordance with the abolition of the Company's bylaws for retirement benefits

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

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

Full Name	Brief Personal Records	
Tadaomi Takayama	June 1995	Appointed as Director of the Company
	April 1997	Executive Director
	May 2001	Managing Director,
	October 2002	Resigned as Managing Director
Brian P. MacDonald	June 2001	Appointed as Director of the Company
	November 2002	Resigned as Director
	June 1996	Appointed as Corporate Auditor

Full Name	Brief Personal Records
Susumu	