

Translation for reference only.

Securities Identification Code: 7202

June 6, 2008

To Our Shareholders,

Susumu Hosoi, President
ISUZU MOTORS LIMITED
26-1, 6-chome, Minami-oi,
Shinagawa-ku, Tokyo

NOTICE OF CONVOCATION OF THE 106TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 106th Annual General Meeting of Shareholders of our Company, which will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights by either of the following methods. Please refer to the attached Reference Material for the General Meeting of Shareholders and cast your vote.

Voting via Postal Mail

Please indicate your consent or dissent on the Voting Rights Exercise Form enclosed herewith, and return the form to us to arrive no later than 5:30 p.m. on Thursday, June 26, 2008.

Voting via the Internet

Please access our voting website (<http://www.evotep.jp/>) with a personal computer or cellular phone, and use the log-in ID and temporary password show

- 2. Venue:** ISUZU Hall
Second Floor, Oomori Bell Port A,
26-1, 6-chome, Minami-Oi, Shinagawa-ku, Tokyo
ISUZU MOTORS LIMITED
(See the attached guide map)

3. Agenda of the Meeting

Matters to be Reported

1. Details of the Business Report and the Consolidated Financial Statements, and the results of the audits of the consolidated financial statements by both the Independent Auditors and the Board of Corporate Auditors for the 106th Term (from April 1, 2007 to March 31, 2008).
2. Report on the Financial Statements for the 106th Term (from April 1, 2007 to March 31, 2008).

Matters to be Resolved

- Proposal 1 Appropriation of Surplus

4. Items Relating to the Meeting

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

NOTES:

1. If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the venue's reception.
2. If we need to revise the Reference Material for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Financial Statements, we will post the revised content on the Company's website (<http://www.isuzu.co.jp/investor/soukai/index.html>).

Guide to Exercisi

Attachment

Business Report (April 1, 2007 to March 31, 2008)

1. Current Conditions of the Corporate Group

1) Business Progress and Results of the Current Consolidated Fiscal Year

(including the status of fund raising and capital investments)

Business Progress

In the current consolidated fiscal year, the Japanese economy sustained a moderate recovery in the first half, but it was in a standstill in the second half as a result of factors such as the slowdown of the U.S. economy caused by subprime mortgage problems, stock and exchange market fluctuations, and increases in the price of crude oil. Meanwhile, the Asian economy showed strong growth.

In the domestic truck market, overall demand declined compared with the previous consolidated fiscal year, but in overseas markets, sales became brisker particularly in resource-rich countries in Central and South America and Africa.

Amid these conditions, our Group has been striving to develop new products and strengthen our business structure in the last year of our Mid-term Business Plan (formulated in 2004 and continuing until the end of Fiscal 2008, on March 31, 2008) with the aim of establishing a firm foundation for continued future growth.

Among the new products introduced in the current consolidated fiscal year, FORWAD, a medium-duty truck that has been one of the mainstay products of the Group, underwent its first full model change in thirteen years. The new FORWAD is equipped with a newly developed small-displacement and high-output engine and a new transmission called Smoother-Fx. And with a full model change of its cab, the Company has successfully addressed the drastic environmental changes including the revision of emission gas regulations and of the driver's license system, and enhanced the fundamental performances required for medium-duty trucks.

Then, we also used advanced active safety technologies for the heavy-duty truck GIGA. The Company has continued research on active safety technologies to minimize accidents

production and supply of small diesel engines in August 2007. The engine that the two companies will develop is a 1.6-liter engine for use in Toyota vehicles sold in European markets. Both companies will maximize the use of their respective technological capabilities and expertise to develop and produce an engine with the world's highest performance.

In addition, the Company and Hino Motors, Ltd. reached a basic agreement in August 2007 regarding the joint development of an exhaust-gas aftertreatment system for diesel engines and cabs of heavy-duty trucks in August 2007. This basic agreement will enable the two companies to use their respective advanced technologies and efficiently allocate their engineering resources to reduce the costs of meeting global environmental regulations that will become even stricter in the future, and to continue providing customers with better products and services.

Further, the Company actively tried to develop its overseas business by increasing the percentage of shares held by the Company in a production and sales company in Indonesia from 12.5 percent to about 40 percent. Meanwhile, the Company decided to cease selling new SUVs (sport utility vehicles) in North America, effective January 2009, because there is no potential to continue the business. The Group will instead focus on the commercial vehicle, diesel engine, and component businesses in North America.

Moreover, after the acquisition of the Company's Class III Preferred Stock and Class IV Preferred Stock was approved at the 105th General Meeting of Shareholders held on June 28, 2007, the Company acquired and retired all such preferred stocks in July 2007, to avoid potential dilution of the value of common stocks and alleviate the burden of dividend payments. Consequently, the Company has finished retiring all preferred stocks issued in December 2002 as a result of the debt-for-equity swap.

The Company has been at the forefront of the Group in raising funds during the current consolidated fiscal year. In particular, we raised 16.6 billion yen in syndicate loans earmarked for capital investment.

The Company also led other companies in

increase of 19 billion yen (24.9 %) from the previous consolidated fiscal year. Shipments of engines and components increased 119.2 billion yen (55.8 %) from the previous consolidated fiscal year to 332.8 billion yen, in response to the increase in exports to China and Europe.

Consequently, net sales increased by 261.9 billion yen (15.7 %) from the previous consolidated fiscal year to 1 trillion 924.8 billion yen. The geographic breakdown of net sales is 654.7 billion yen (down 5.7 % from the previous consolidated fiscal year) for the domestic market and 1 trillion 270.1 billion yen (up 31.2 % from the previous consolidated fiscal year) for overseas markets.

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

Product line		Sales volume (units)	Sales amount (billion yen)
Vehicles	Heavy-duty (and medium-duty) vehicles	60,702	366.5
	Light-duty vehicles and others	448,256	795.5
	Subtotal	508,958	1,162.1
Parts for overseas production		-	95.5

2) Issues Faced by the Corporate Group

Future prospects look cloudy because of factors such as the U.S. economic slowdown, soaring price of crude oil and raw material, and sharp exchange rate fluctuations.

In the domestic truck market, we expect continued increases in fuel prices and decreases in the number of vehicles subject to emission gas regulations, consequently, we predict market conditions will become more severe. Overseas markets are also likely to be adversely affected by the uncertainty of the U.S. economy, low share prices around the world and a weak dollar. We realize that the environment surrounding our business will continue to be severe, including higher raw material costs and expenses for safety and environmental measures as well as intensifying competition in the domestic and foreign markets.

Faced with these difficult conditions, the Group formulated a new mid-term business plan (from April 2008 to March 2011) aiming to achieve sustainable growth to realize our corporate vision of becoming “a global leading company in commercial vehicles and diesel engines”. In the new mid-term business plan, we aim to expand and enhance our overseas bases, enhance our products, strengthen our product lineup and expand our basic technical capacity by regarding the three-year period until March 2011 as “a leap forward” through expansion and enhancement of our revenue base.

At the same time, we are devoting more effort to quality management and improvements, as well as to our compliance system.

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

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

The assets and earnings in the current 106th Term (FY2008) and the past three terms (FY2005 to FY2007) are as follows:

i) Changes in assets and earnings of the Corporate Group

Category	103rd Term (Ended March 2005)	104th Term (Ended March 2006)	105th Term (Ended March 2007)	106th Term (Ended March 2008)
Net Sales (millions of yen)	1,493,567	1,581,857	1,662,925	1,924,833
Ordinary Income (millions of yen)	91,555	93,843	114,697	122,322
Net Income (millions of yen)	60,037	58,956	92,394	76,021
Net Income per Share (yen)	56.64	48.75	5/MC.98	4610.98

ii) Changes in assets and earnings of the Company

Category	103rd Term (Ended March 2005)	104th Term (Ended March 2006)	105th Term (Ended March 2007)	106th Term (Ended March 2008)
Net Sales (millions of yen)	880,072	917,895	973,884	1,027,349
Ordinary Income (millions of yen)	53,907	64,149	68,273	50,168
Net Income (millions of yen)	27,019	46,476	68,325	43,504
Net Income per Share (yen)	25.1.			

4) Principal Subsidiaries (as of March 31, 2008)

The 13 major subsidiaries out of a total of 89 are listed below:

5) Major Operations (as of March 31, 2008)

Our Corporate Group principally manufactures and sells vehicles, parts, and industrial engines. It also deploys logistics and various other sims

6) Major Operation Bases and Plants (as of March 31, 2008)

i) The Company

Name of Operations	Location
Head Office	Shinagawa-ku, Tokyo
Tochigi Plant	Ohira, Shimotsuga-gun, Tochigi Prefecture
Fujisawa Plant	Fujisawa City, Kanagawa Prefecture

ii) Subsidiaries

Name of Companies	Location
Isuzu Network Co., Ltd.	Shinagawa-ku, Tokyo
Tokyo Isuzu Motors Co., Ltd.	Chuo-ku, Tokyo
Isuzu Motors Kinki Co., Ltd.	Moriguchi City, Osaka Prefecture
ISUZU MOTORS TOKAI Co., Ltd.	Nagoya City, Aichi Prefecture
Kanagawa Isuzu Motors Limited	Yokohama City, Kanagawa Prefecture
I Metal Technology Co., Ltd.	Tsuchiura City, Ibaraki Prefecture
ISUZU LINEX Co., Ltd.	Shinagawa-ku, Tokyo
Isuzu Motors America, Inc.	Cerritos, California, USA
Isuzu Motors Asia Limited	Temasek Boulevard, Singapore
Isuzu Commercial Truck of America Inc.	Cerritos, California, USA
Isuzu Motors Co., (Thailand) Ltd.	Phrapradaeng, Samptprakan, Thailand
Isuzu Engine Manufacturing Co., (Thailand) Ltd.	Bangkok, Thailand
Isuzu Australia Ltd.	Melbourne, Victoria, Australia

7) Employees (as of March 31, 2008)

i) Employees of the Corporate Group

No. of Employees	Increase from March 31, 2007
23,712 (4,896)	512

NOTE: The figure in parentheses, not included in total, is the average number of temporary workers for the current consolidated fiscal year. 'No. of Employees' is the workforce at work, which excludes employees seconded from the Group to outside organizations, but includes employees seconded from outside the Group as well as employees hired on a regular part-time basis (regular part-time employees). Temporary workers include seasonal workers, part-time workers, and temp employees dispatched by temp agencies, but exclude regular part-timers.

ii) Employees of the Company

No. of Employees	Increase from March 31, 2007	Average Age	Average Years of Service (years)
7,785 (1,631)	35	39.5	17.7

NOTE: The figure in parentheses, not included in total, is the average number of temporary workers for the current business term. 'No. of Employees' is the workforce at work, which excludes employees seconded from the Company to outside organizations, but includes employees seconded from outside the Company as well as employees hired on a regular part-time basis (regular part-time employees). Temporary workers include seasonal workers, part-time workers, and temp employees dispatched by temp agencies, but exclude regular part-timers.

8) Principal Creditor and Amount of Loan Payable (as of March 31, 2008)

Creditor	Amount payable
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2. Current Conditions of the Company

1) Items relating to Shares (as of March 31, 2008)

i) Total number of shares the Company is authorized to issue, total number of outstanding shares, and total number of shareholders:

Category	Number of shares the Company is authorized to issue	Outstanding shares	Number of shareholders
Common stock	3,369,000,000	1,696,845,339	80,085
Class I Preferred stock	37,500,000	0	0
Class III Preferred stock	25,000,000	0	0
Class IV Preferred stock	25,000,000	0	0

NOTES:

- Total number of outstanding shares did not change during the current business year.
- The Company acquired and retired all outstanding shares of Class III and Class IV Preferred Stocks, each amounting to 25,000,000 shares during the current business year and also acquired and retired all 37,500,000 shares of outstanding Class I Preferred Stock during the previous business year.

ii) Shareholders holding one-tenth or more of the total number of outstanding shares

There are no such shareholders but the major shareholders of the Company (top 10 shareholders) are as follows:

Shareholder	Isuzu shares owned by shareholders	
	No. of shares held (1,000 shares)	Ratio of shares held (%)
Mitsubishi Corporation	156,487	9.23
The Master Trust Bank of Japan, Ltd. (Trust Account)	149,336	8.81
Japan Trustee Services Bank, Ltd. (Trust Account)	140,042	8.26
ITOCHU Corporation	130,098	7.67
Toyota Motor Corporation	100,000	5.90
Isuzu Partners Investment, L.P.	80,000	4.72
Mizuho Corporate Bank, Ltd.	41,931	2.47
Trust & Custody Services Bank, Ltd. (Trust Account Y)	29,357	1.73
Mitsubishi UFJ Trust and Banking Corporation	23,537	1.39
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	17,121	1.01

NOTES:

- Treasury stock (1,385,815 shares) is excluded from the calculation of equity ratio.
- Amounts have been rounded down to the nearest 1,000 shares.

2) New Share Subscription Rights, etc.

There are no relevant items.

3) Directors and Auditors of the Company

i) Directors and Auditors (as of March 31, 2008)

Position and Title	Name	Responsibilities and Primary Profession
Chairman and Representative Director	Yoshinori Ida	
President and Representative Director	Susumu Hosoi	
Executive Vice President and Director	Yoshihiro Tadaki	Senior Division Executive of Japan Sales Headquarters, Senior Division Executive of Quality Assurance Division
Executive Vice President and Director	Goro Shintani	Senior Division Executive of International Sales Headquarters, Division Executive of International Sales Division No.1
Executive Vice President and Director	Naotoshi Tsutsumi	Division Executive of Manufacturing Division
Director	Masanori Katayama	Division Executive of Corporate Planning & Finance Division
Director	Eizo Kawasaki	Division Executive of Administration Division; International Sales Division No.3, International Sales Headquarters; and PT Business Div.
Director	Akira Shinohara	Division Executive of Program Planning Division, and Japan Sales Division, Japan Sales Headquarters
Director	Yasuaki Shimizu	Division Executive of Purchasing Division
Director	Ryouzo Tsukioka	Division Executive of Engineering Division
Director	Shigeki Toma	
Standing Corporate Auditor	Kouji Yamaguchi	
Standing Corporate Auditor	Yoshio Kinouchi	
Standing Corporate Auditor	Shigeaki Wakabayashi	
Corporate Auditor	Yasuharu Nagashima	Lawyer
Corporate Auditor	Susumu Tsuchida	

NOTES:

1. Director Akira Shinohara resigned effective March 31, 2008.
He assumed office as president and representative director of Isuzu Advanced Engineering Center, Ltd., a wholly-owned subsidiary of the Company, as of April 1, 2008.
2. There are no outside directors on the Company's board.
3. Corporate Auditors Shigeaki Wakabayashi, Yasu

ii) Total remuneration for Directors and Corporate Auditors

iv) Outside Auditors

a) Status of concurrent outside directorship positions at other companies (as of March 31, 2008)

Corporate Auditor Yasuharu Nagashima also serves as Director of Nippon Otis Elevator Company and Shinsei Bank, Limited. Our Company does not have any special relationship with these companies.

Corporate Auditor Susumu Tsuchida also serves as Corporate Auditor of Sanshin Co., Ltd., The Bank of Okinawa, Ltd. and of Osaka Securities Finance Co., Ltd. Our Company does not have any special relationship with these companies.

b) Principal activities during the current business term

Statements made and attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings:

Name	Status of Statements Made and Attendance
Corporate Auditor Shigeaki Wakabayashi	Attended all 20 Meetings of the Board of Directors and all 18 Meetings of the Board of Corporate Auditors held in the current business term. When necessary, he gave his opinions from the standpoint of a specialist in financial and corporate financial affairs. He gave words of support and advice to assure the appropriateness and suitability of the decisions of the Board of Directors.
Corporate Auditor Yasuharu Nagashima	Attended 19 of the 20 Meetings of the Board of Directors and 17 of the 18 Meetings of the Board of Corporate Auditors held in the current business term. When necessary, he stated his opinions based on his rich experience as a specialist in corporate legal affairs.

4) Matters concerning the Independent Auditor

i) Name of the Independent Auditor: Ernst & Young ShinNihon

ii) Fee and other amounts payable to the Independent Auditor:

	Amount payable (millions of yen)
Independent auditor's fee payable by the Company for the current business year	121
Total cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor:	310

NOTES:

1. Amounts have been rounded down to the nearest 1 million yen.
2. The Company and the Independent Auditor have signed an Audit Contract. This contract, however, does not make a clear distinction between the auditing fees stipulated in the Corporation Law and those defined in the Financial Instruments and Exchange Law. These fees cannot 10a2 03s299 575.72023 T

employees of the Corporate Group act in accordance with the “Corporate Group Vision,” the “Corporate Mission,” and the “Group Basic Compliance Initiative.”

The Company asks subsidiaries and affiliates to develop their own compliance systems suited to their respective circumstances and ensure that their systems are fully implemented. The Company Management continually monitors the activities of its subsidiaries’ management, and requests improvements if they determine that a subsidiary’s system for ensuring proper operations is inadequate.

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

vi) Matters regarding employees who assist Corporate Auditors in their duties when Corporate Auditors request assignment of such employees

At the request of Corporate Auditors, the Company has set up a division called “the Corporate Auditors’ Staff Group,” and has assigned employees to assist the Corporate Auditors with their duties.

vii) Matters regarding the independence of employees who assist Corporate Auditors from Directors

The Company ensures that employees who assist the Corporate Auditors with their duties are independent from the Directors. It does this by placing such employees under the direct control and supervision of the Corporate Auditors and obtaining the prior consent of the Corporate Auditors when changing, assessing, rewarding, or punishing the employees.

viii) System for Directors and employees to report to Corporate Auditors and system for other types of reporting to Corporate Auditors

The Directors and employees of the Company report to the Corporate Auditors on the status of the business operations, the status of the Company’s management, and any other matters that need to be reported as agreed by the Company and the Corporate Auditors. The Company also discloses or reports information whenever requested by the Corporate Auditors.

ix) Other systems for securing the effectiveness of auditing by Corporate Auditors

Aiming to establish systems to help the Corporate Auditors audit effectively, the Company has regular discussions with the Corporate Auditors and takes any necessary measures to meet their requests.

CONSOLIDATED BALANCE SHEET

As of March 31, 2008

(millions of yen)

ASSETS		LIABILITIES	
ITEMS	AMOUNT	ITEMS	AMOUNT
CURRENT ASSETS	612,499	CURRENT LIABILITIES	513,920
Cash and cash equivalents	139,503	Trade notes and accounts payable	323,664

CONSOLIDATED STATEMENT OF INCOME

From April 1, 2007 through March 31, 2008

(millions of yen)

ITEMS

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

From April 1, 2007 through March 31, 2008

(millions of yen)

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of March 31, 2007	40,644	50,427	156,467	(334)	247,205
Change of the period					
Cash dividends			(7,587)		(7,587)
Reversal of unrealized holding gain or loss on land revaluation			122		122
Net income			76,021		76,021
Acquisition of treasury stock				(129)	(129)
Acquisition of preferred stock				(40,000)	(40,000)
Cancellation of preferred stock			(40,000)	40,000	-
Companies newly included in the scope of equity method			598		598
Changes in the scope of equity method			(20)		(20)
Net changes on items other than shareholders' equity					
Total change of the period	-	-	29,134	(129)	29,004
As of March 31, 2008	40,644	50,427	185,601	(463)	276,209

	VALUATION, FOREIGN CURRENCY TRANSLATION ADJUSTMENTS & OTHER		
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Unrealized holding gain or loss on securities Unrealized gain or

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

scope of equity accounting and included in the scope of consolidation because they gained in importance in terms of their influence on our consolidated financial statements. Isuzu Truck South Africa (Pty) Ltd. has been excluded

estimated useful lifetime (5 years).

- (5) Basis for provisions and allowances
 - i) Allowance for doubtful accounts

iv) Assessment of hedge effectiveness

The Company determines hedge effectiveness by comparing the cumulative changes in cash flows from hedging instruments with those from hedged items. However, this assessment excludes the effectiveness of interest rate swaps accounted by exceptional accounting method.

v) Other

The Company has a bylaw on derivative transactions and manages its transactions and risk management based on this bylaw, which stipulates policies, procedures, retention limits, and reporting systems.

(9) Recognition of profits and expenses

With the exception of a few consolidated subsidiaries, profit for installment sales is recognized based on accounting methods for installment sales.

(10) Other

Amounts of transactions subject to consumption tax are recorded excluding consumption tax.

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries are evaluated using the fair market value.

6. Amortization of Goodwill and Negative Goodwill

The Company estimates the period for goodwill or negative goodwill to remain in effect, and equally amortizes that account over 20 years or less, in principle.

7. Changes in Basis for Consolidated Statements

(1) Change in method of depreciation of non-current assets

The Company has changed the depreciation method with respect to non-current assets acquired on or after April 1, 2007 in the current consolidated fiscal year, in association with the revision of the Corporation Tax Law promulgated on March 30, 2007 (Law to Revise Part of Income Tax Law, etc. (Law No. 6 of March 30, 2007)) and the Cabinet Order to Revise Part of Corporation Tax Law Enforcement Order (C

8,330 million yen, 8,323 million yen and 4,203 million yen, respectively, as compared with the figures calculated using the former method.

Notes on the Consolidated Balance Sheet

1. Pledged Assets

Assets pledged as collateral

Land	162,485 million yen
Buildings and structures	46,474 million yen
Machinery, equipment and vehicles	51,017 million yen
Other	30 million yen

Secured liabilities

Short-term borrowings	6,127 million yen
Long-term borrowings (including borrowings to be returned within a year)	129,412 million yen

2. Accumulated depreciation of property, plant and equipment 630,739 million yen

3. Balance of Contingent Liabilities

Balance of secured liabilities	2,014 million yen
Balance of guarantee resemblance act	12 million yen
Balance of trade notes receivable discounted	3 million yen
Balance of export bills discounted	145 million yen

4. Revaluation of business land

The Company and some consolidated subsidiaries & affiliates revalue their business land under the Law to Revise Part of Land Revaluation Law (Law No. 24 of March 31, 1999). The tax equivalent to this revaluation variance has been stated in Liabilities as "Deferred tax liabilities on revaluation reserve for land", the amount deducted this has been stated in Net Assets as "Unrealized holding gain or loss on land revaluation".

The difference between the total fair value of the revaluated land at the end of the current consolidated fiscal year and the total book value after revaluation was 55,758 million yen.

Notes on the Consolidated Statement of Changes in Net Assets

1. Number of shares issued and outstanding at the end of the fiscal year
Common stock 1,696,845,339 shares

2. Details of dividends paid as distribution of profits
(1) Amount of dividends paid

Notes on Net per Share

STATEMENT OF INCOME

From April 1, 2007 through March 31, 2008

(millions of yen)

ITEMS	AMOUNT	
NET SALES		1,027,349
COST OF SALES		879,123
GROSS PROFIT		148,225
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		100,035
OPERATING INCOME		48,190
NON-OPERATING INCOMES		
Interest and dividend income	10,858	Interest and

STATEMENT OF CHANGES IN NET ASSETS

From April 1, 2007 through March 31, 2008

(millions of yen)

	SHAREHOLDERS' EQUITY						
	Common stock	Capital surplus		Retained Earnings		Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Other retained earnings Unappropriated retained earnings	Total retained earnings		
As of March 31, 2007	40,644	49,855	49,855	120,114	120,114	(291)	210,323
Change of the period							
Cash dividends				(7,587)	(7,587)		(7,587)
Net income				43,504	43,504		43,504
Acquisition of treasury stock						(1143614.28)	

NOTES ON THE FINANCIAL STATEMENTS

Basis for Financial Statements

1. Significant Accounting Policies

(1) Valuation methods for securities

i) Securities investment in subsidiaries and affiliates

Securities investment in subsidiaries and affiliates are measured at the cost determined by the moving average method. Some of the securities have been written-off.

ii) Other securities

a. Marketable securities

Marketable securities are measured at fair value with changes in unrealized holding gain or loss, net of deferred tax liabilities (assets), directly included in net assets.

Cost of securities sold is calculated by the moving average method.

b. Non-marketable securities

Non-marketable securities are measured at cost using the moving average method.

(2) Derivative financial instruments

Derivative financial instruments are measured at fair value.

(3) Valuation methods for inventories

Inventories are measured at cost using the gross average method.

Some of the inventories have been written-off.

(4) Depreciation of non-current assets

i) Depreciation of property, plant and equipment

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

Property with an acquisition cost of more than 100 thousand yen and less than 200 thousand yen is depreciated equally over 3 years.

ii) Depreciation of intangible assets

Depreciation of intangible assets is calculated by the straight-line method.

"Software" included in intangible assets, is depreciated by the straight-line method based on the estimated useful lifetime (5 years).

(5) Basis for provisions and allowances

i) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience of normal receivables and with reference to the collectability of receivables from

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(7) Lease accounting

Finance lease transactions, except those in which the ownership of the lease assets is transferred to the lessee, are accounted for in a similar way as ordinary rental transactions.

(8) Hedge accounting

i) Hedge accounting

a. Forward foreign exchange contracts and curren

2. Accounting Changes

Change in method of depreciation of non-current assets

The Company has recorded amortization expenses in accordance with the method of depreciation set forth in the revised Corporation Tax Law (Law to Revise Part of Income Tax Law, etc. (Law No. 6 of March 30, 2007) and the Cabinet Order to Revise Part of Corporation Tax Law Enforcement Order (Cabinet Order No.

Notes on the Statement of Changes in Net Assets

Type and Number of Stocks Held as Treasury Stocks
Common stock

1,385,815 shares

Notes on Tax-Effect Accounting

1. Significant Components of Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets (of current assets)

Accrued bonus costs

2,981 million yen

Accrued expenses

7,705 million yen

Notes on Lease Assets

Details of finance lease transactions, except those in which the ownership of the lease assets is transferred to the lessee, are as follows:

1. Amounts Equivalent to Acquisition Cost, Accumulated Depreciation, and Net Balance

	Acquisition Cost (millions of yen)	Accumulated Depreciation (millions of yen)	Net Balance at the End of the Fiscal Year (millions of yen)
Machinery and equipment	3,570	2,539	1,030
Tools, furniture and fixtures	20,951	8,417	12,533
Other	151	103	48
Total	24,673	11,060	13,612

2. Amount of Future Payment Obligations

Due within one year	6,331 million yen
Due after one year	7,493 million yen
Total	13,824 million yen

(Attachment)

Notes on Transactions with Related Parties

Transactions with Subsidiaries

(millions of yen)

Name of Subsidiary	Percentage of Voting Right Owned
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Transactions with Affiliates

(millions of yen)

Name of Affiliate	Percentage of Voting Right Owned	Connections with the Related Parties	Details of Transactions	Amount of Transaction	Account	Balance Outstanding
Qingling Motors Ltd.	Direct 20%	Distribution of components & parts Interlocking of directors	-	-	Securities investment in subsidiaries & affiliates	11,098
Jidosha Buhin Kogyo Co., Ltd.	Direct 34% Indirect 1%	Distribution of parts	Purchase of materials and others (Note 1)	57,225	Accou	

<Copy of the Board of Corporate Auditors' Report>

(TRANSLATION PURPOSE ONLY)

AUDIT REPORT

Reference Material for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Taking into account such factors as our business results for the business term under review and our future business deployment, we propose to appropriate surplus in the form of year-end dividends for the 106th business term.

1. Type of dividend property

Money

2. Allotment of dividend property and total amount

We propose to pay a dividend of 5 yen per share of the Company's common stock. We will pay a total of 8,477,297,620 yen as dividends.

3. Effective date of dividends from surplus

We propose June 30, 2008 as the effective date of dividends from surplus.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- 1) Article 5 (Method of public notices) of the existing Articles of Incorporation of the Company is amended since the Company decided to introduce the electronic public notice to make simple and widely-known public notices that meet the needs of an information society, and to help reduce our public notice expenses. Further, to be prepared for unforeseeable circumstances in association with the introduction of electronic public notices, the preliminary method of giving public notices is set forth in the proviso.
- 2) The Company acquired and retired all the Class I Preferred Stock of the Company by March 2007 and after obtaining approval for the acquisition of all the Class III Preferred Stock and Class IV Preferred Stock of the Company at the 105th General Meeting of Shareholders held on June 28, 2007, acquired and retired all of them in July 2007; therefore, Article 6 (Total number of shares issuable by the Company) and Article 8 (The number of shares making up one unit) of the existing Articles of Incorporation are amended and Chapter II, Section 2 Preferred Stock (all provisions in Article 16-2 (Class- I preferred stock) through Article 16-5 (Priority order)) and Article 22 (Shareholders' Meetings by Class of Stock) are deleted.
- 3) As a result of the deletion mentioned in 2) above, the article numbers of Articles 23 and subsequent Articles of the existing Articles of Incorporation are brought forward by one.

2. Details of the amendments
 The amendments are as follows:

(The underlined portions denote the amendments.)

Current Articles of Incorporation of the Company	After amendment
<p>Article 5: (Method of public notices) Public notices of the Company shall be inserted in Nihon Keizai Shinbun <u>published in the Metropolis of Tokyo.</u></p> <p>Article 6: (Total number of shares issuable by the Company) The number of shares issuable by the Company shall total <u>thirty-four hundred and fifty-six million five hundred thousand (3,456,500,000) shares, which are broken down into:</u> <u>3,369,000,000 common stocks, 37,500,000 Class-I preferred stocks, 25,000,000 Class-III preferred stocks, and 25,000,000 Class-IV preferred stocks.</u></p> <p>Article 8: (The number of shares making up one unit) The number of shares <u>of the common stock, and Class-I, Class-III and Class-IV preferred stock, each</u> making up one unit shall be one thousand (1,000) shares.</p>	<p>Article 5: (Method of public notices) Public notices of the Company shall be <u>published electronically. Provided, however, in cases where due to accident or other unavoidable reason electronic publishing is not possible,</u> public notices shall be inserted in Nihon Keizai Shinbun.</p> <p>Article 6: (Total number of shares issuable by the Company) The number of shares issuable by the Company shall <u>thirty-three hundred and sixty-nine million (3,369,000,000) shares</u></p> <p>Article 8: (The number of shares making up one unit) The number of shares making up one unit shall be one thousand (1,000) shares.</p>

Current Articles of Incorporation of the Company	After revision
<p><u>Chapter II, Section 2: Preferred Stock</u></p> <p><u>Article 16-2: (Class- I preferred stock)</u> <u>The Company shall issue Class- I preferred stock as defined below:</u></p> <p><u>1. (Dividend on Class- I preferred stock)</u> <u>The Company shall pay term-end dividends pursuant to Article 48. The dividends shall be paid to Class- I preferred stock shareholders ("Class- I Preferred Stock Shareholders") or registered pledgees of Class- I preferred stock ("Class- I Preferred Stock Pledgees") prior to common stock shareholders ("Common Stock Shareholders) or registered pledgees of common stock ("Common Stock Pledgees"). The amount of dividends on Class- I Preferred Stock ("Class- I Preferred Stock Dividends") shall be as per predetermined by the Board of Directors at time of issuance of the preferred stock, and the said shall be paid in money from surplus, provided it shall be up to ¥80 per annum per share. In any business year, if the surplus appropriated for dividends payable to Class- I preferred stock shareholders and Class- I preferred stock pledgees falls short of the predetermined amount of Class- I Preferred Stock dividends, deficiency will not be accumulated in and after the next business year. Dividends payable from surplus to Class- I preferred stock Shareholders and Class- I preferred stock pledgees shall not exceed the predetermined amount of Class- I Preferred Stock Dividends.</u></p> <p><u>2. (Interim dividend payable to Class- I preferred stock shareholders)</u> <u>The Company shall not pay interim dividends to Class- I preferred stock shareholders or Class- I preferred stock pledgees.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation of the Company

3. (Distribution of residual property to Class- I preferred stock shareholders)

When the Company distributes any residual property, the Company shall pay ¥800 per one share of Class- I preferred stock to Class- I preferred stock shareholders or Class- I preferred stock pledgees prior to common stock shareholders or common stock pledgees.

The Company shall not pay to Class-I preferred shareholders or Class-I preferred stock pledgees any additional distributions other than the said distribution mentioned

After revision

**Current Articles of Incorporation of the
Company**

After revision

Current Articles of Incorporation of the Company

After revision

8. (Comprehensive acquisition of Class I preferred stock)

In case the Class-I preferred shareholders fail to request that the Company acquires of their Class-I preferred stock during the prescribed period of request for conversion, Class-I preferred stocks shall be all acquired on the date set by the Board of Directors which is held on and after the day following Closing Day of the said period ("Comprehensive Acquisition Day") . In exchange for such acquisition, the Company shall issue Common Stocks to Class I preferred stock shareholders. The number of the common stocks issued thus shall be computed by dividing the amount paid for one share of Class-I preferred stock by the 30-day average value of Closing Prices (including Indicative Price) of the Company's common stocks through regular transactions on the Tokyo Stock Exchange, from forty-five (45) days prior to the Comprehensive Acquisition Day, excluding any days on which closing price is not available.

Current Articles of Incorporation of the Company	After revision
<p><u>Article 16-3: (Class-III preferred stock)</u> <u>The provision of Article 16-2 shall apply accordingly to Class-III Preferred Stock issued by the Company.</u></p>	<p>(Deleted)</p>

Article 16-4: (Class-IV preferred stock)
Class- IV preferred stock is issued by the Company pursuant to rules set forth below:
1. (Dividends on Class- IV preferred stock)
The Company pays term-end dividends pursuant to Article 48. Dividends shall be paid to Class- IV preferred stock shareholders ("Class- IV preferred stock Shareholders") or registered pledgees of Class- IV preferred stock ("Class- IV preferred stock pledgees") prior to common stock shareholders or common stock pledgees. The amount of dividends on Class- IV preferred stock ("Class- IV Preferred Stock Dividend") shall be as predetermined by resolution of the Board of Directors at time of issuance of the preferred stock, and the said shall be paid in money from surplus, provided it shall be up to ¥80 per share per annum.

Current Articles of Incorporation of the Company	After revision
<p><u>2. (Applicability of provisions)</u> <u>The provisions of Article 16-2, Paragraph 2 to Paragraph 9 shall apply accordingly to Class- IV preferred stocks.</u></p> <p><u>Article 16-5: (Priority order)</u> <u>Payment of dividends and distribution of residual property to each class of the preferred stock shall be made according to the same order of priority.</u></p> <p><u>Article 22: (Shareholders' Meetings by Class of Stock)</u> <u>The provisions of Article 18 and Article 21 shall apply to Shareholders' Meeting by Class of Stock.</u></p> <p>Article <u>23</u> to Article <u>50</u> (Provisions omitted)</p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>Article <u>22</u> to Article <u>49</u> (The same as the provisions defined in Article 23 to Article 50 of the current Article of Incorporation of the Company.)</p>

No.	Name (Date of Birth)	Personal profile, positions and responsibilities in the Company, and representative posts held in other companies	No. of Company shares owned
4	Shigeki Toma (September 29, 1978) 1647.602k	<p>Apr. 1972 Joined the Dai-Ichi Kangyo Bank, Ltd. (Predecessor of Mizuho Bank, Ltd. and Mizuho Corporate Bank Ltd.)</p> <p>Apr. 2002 Managing Executive Officer, Mizuho Corporate Bank, Ltd., in charge of Sales and Marketing</p> <p>Oct. 2002 Retired from the above bank</p> <p>Oct. 2002 Advisor of Isuzu Motors Limited</p> <p>Nov. 2002 Executive Vice President and Director, Isuzu Motors Limited</p> <p>Apr. 2007 to President and Representative Director of Isuzu present Network Co., Ltd.</p>	60.22k

Proposal 4: Election of One (1) Corporate Auditor

The term of office of Susumu Tsuchida, Corporate Auditor, will expire at the close of this General Meeting of Shareholders. We therefore propose to elect the following individual as a Corporate Auditor. The Board of Corporate Auditors has already consented to us making this proposal at this General Meeting of Shareholders.

Name (Date of Birth)	Personal profile, position and responsibilities in the Company, and representative posts held in other companies	No. of Company shares owned
Hajime Mita (December 15, 1950)	Apr. 1974 Joined The Mitsubishi Trust and Banking Corporation (Predecessor of Mitsubishi UFJ Trust and Banking Corporation)	2,000
	Jun. 2003 Director, and General Manager of Personal Banking Division of The Mitsubishi Trust and Banking Corporation	
	Oct. 2004 Director, and General Manager of Retail Banking Planning and Development Division of the Mitsubishi Trust and Banking Corporation	
	Jun. 2005 Managing Director of The Mitsubishi Trust and Banking Corporation	
	Oct. 2005 Managing officer, and the manager of Retail Banking Business Unit of Mitsubishi UFJ Trust and Banking Corporation	
	Jun. 2007 Resigned as Director of Mitsubishi UFJ Trust and Banking Corporation	
	Jun. 2007 to present President and Representative Director at M•U •Trust •Apple Planning Company, Ltd.	

NOTES:

1. There are no conflicts of interests between the candidate and the Company.
2. Hajime Mita is a new candidate for Outside Auditor se