

# **I. On-going Mid-term Business Plan**

**(Status Review for Apr. 2005 to Mar. 2008)**

- 1. Performance Target**
- 2. Domestic Japan CV Business**
- 3. International CV Business**
- 4. Footprint of Global Operations**
- 5. Summary of Current Status**

# 1. Performance Target

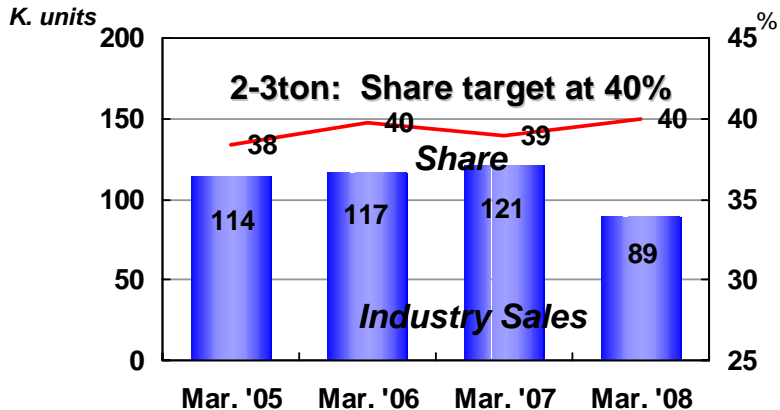
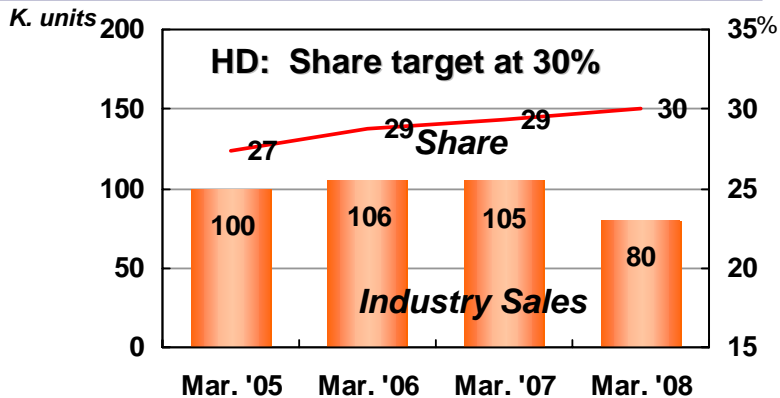
- Isuzu achieved MBP performance targets set for Mar. '07 one year in advance. Despite domestic market decline this year, consolidated operating profit is likely to exceed JPY100 bil. at the end of current fiscal term in March '08.

| <i>JPY in Bil.</i> | Performance Target for Mar. '08 | On-going Mid-term Business Plan |                  |                       |
|--------------------|---------------------------------|---------------------------------|------------------|-----------------------|
|                    |                                 | Year to Mar. '06                | Year to Mar. '07 | Year to Mar. '08 FCST |
| Sales Revenue      | 1,600.0                         | 1,581.9                         | 1,662.9          | 1,650.0               |
| Operating Profit   | 100.0                           | 90.7                            | 107.0            | 100.0                 |
| OP % to Sales      | Over 6.0%                       | 5.7%                            | 6.4%             | 6.1%                  |

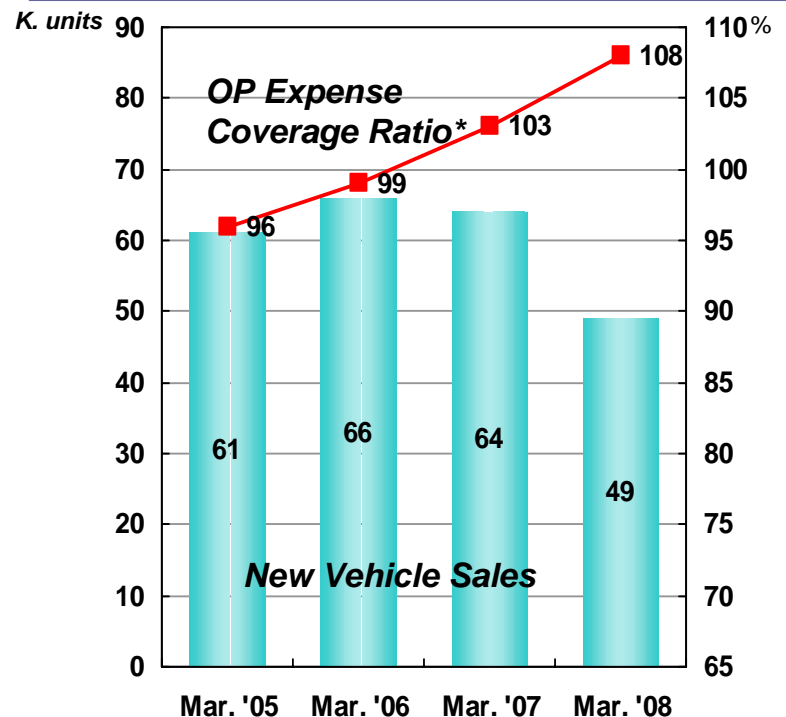
## 2. Domestic Japan CV Business

- Achieved MTBP market share targets, building even stronger position while establishing solid foundation for strong growth of peripheral businesses.
- Completed rebuilding corporate health of dealerships. Newly installed organization already in full-blown operation, aiming at robust business expansion and efficiency improvement.

### Industry Sales and Isuzu Share



### New Vehicle/OP Expense Coverage\*

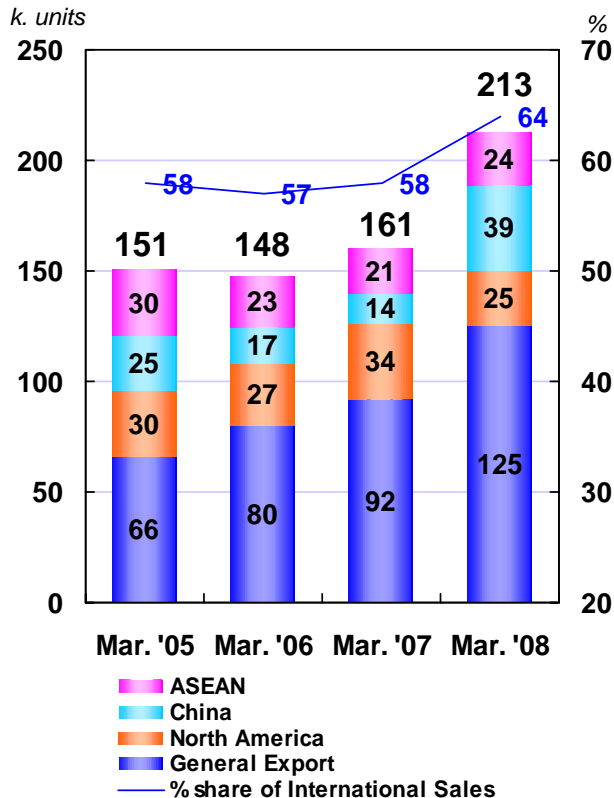


\*Note: The percentage ration of total operating expenses to all sales revenues other than new vehicle sales (e.g. used vehicle, service, parts, etc)

# 3. International CV Business

- Increased CV shipment/sales volume and improved profitability through steadfast implementation of sales expansion measures
- Laid down structural underpinnings for robust business growth in international markets by reinforcing operating capabilities and tapping into new markets

**CV Shipment and Share of Int'l Sales**

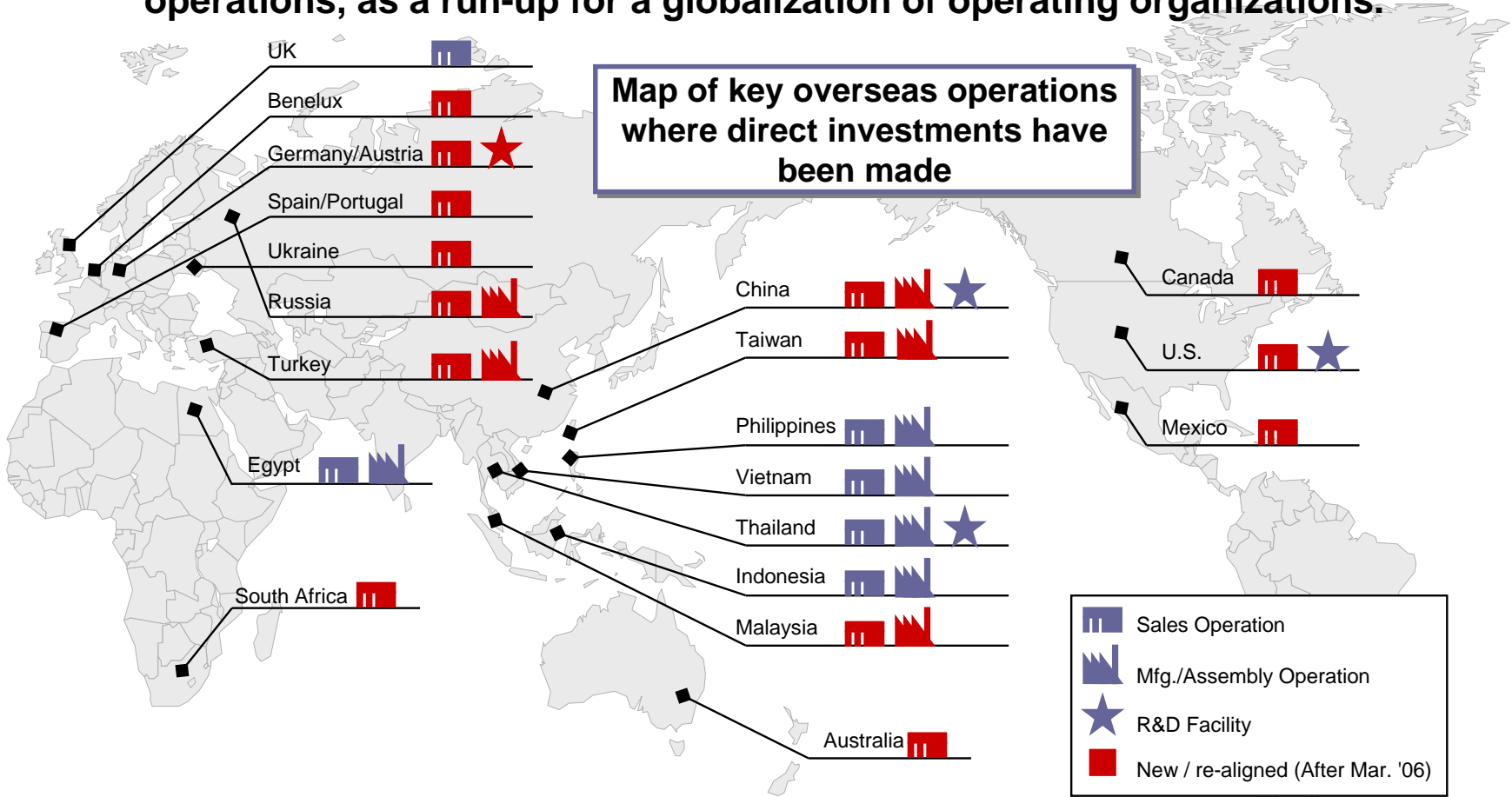


**Key Initiatives to Date**

|   |  |
|---|--|
| Reinforce Operating Capabilities          | <ul style="list-style-type: none"> <li>■ Restructure businesses, including equity position change:               <ul style="list-style-type: none"> <li>- China</li> <li>- Malaysia</li> <li>- Western Europe, Turkey</li> </ul> </li> </ul> |
| Reinforce Collaboration with GM           | <ul style="list-style-type: none"> <li>■ Enhance direct participation in CV sales operations               <ul style="list-style-type: none"> <li>- NA, Australia, South Africa, Canada</li> </ul> </li> </ul>                               |
| Break Ground in & Enter New Markets       | <ul style="list-style-type: none"> <li>■ Take the lead and get front-runner advantage in emerging markets               <ul style="list-style-type: none"> <li>- India, Russia, CIS nations</li> <li>- Mexico</li> </ul> </li> </ul>         |
| Maintain & Reinforce On-going Initiatives | <ul style="list-style-type: none"> <li>■ Expand export sales to resource-rich countries</li> </ul>   |

# 4. Footprint of Global Operations

- Isuzu has been making aggressive investments around the world for engineering and manufacturing activities, as well as in local sales operations, as a run-up for a globalization of operating organizations.



## 5. Summary of Current Status

### <Consolidated PL >

| (JPY in Bil)            | Mar. '03<br>Actual | Mar. '05<br>Actual | Mar. '08<br>FCST |
|-------------------------|--------------------|--------------------|------------------|
| <b>Sales</b>            | <b>1,349.4</b>     | <b>1,493.6</b>     | <b>1,650.0</b>   |
| Japan CV                | 454.5              | 597.7              | 550.0            |
| %                       | 33.7%              | 40.0%              | 33.3%            |
| Int'l CV                | 243.1              | 273.9              | 410.0            |
| %                       | 18.0%              | 18.3%              | 24.8%            |
| LCV                     | 441.6              | 533.4              | 610.0            |
| %                       | 32.7%              | 35.7%              | 37.0%            |
| DE                      | 210.2              | 88.6               | 80.0             |
| %                       | 15.6%              | 5.9%               | 4.8%             |
| <b>Operating Profit</b> | <b>15.5</b>        | <b>87.2</b>        | <b>100.0</b>     |
| OP % to sales           | 1.1%               | 5.8%               | 6.1%             |

#### Earnings

- Established earnings structure capable of sustaining sales and profit even at the time of downturn in domestic industry sales
  - 3-pillar business structure firmly established around domestic / international CV, and LCV business.
  - In DE sector, achieved business expansion with industrial DEs, improving profitability

#### Financial Status

- Established stable financial structure by accumulating periodic income
  - Reduced external debt
  - Achieved DER multiple under x1
  - Completely eliminated preferred stocks

### < Consolidated BS >

|                |       |       |       |
|----------------|-------|-------|-------|
| Debt           | 517.9 | 449.1 | 260.0 |
| Net worth      | 26.4  | 158.5 | 380.0 |
| DER (multiple) | 19.6  | 2.8   | 0.7   |

#### Cash Flow

- Achieved significant improvement in its ability to generate OP CF
  - ➔ Completed to lay out solid foundation for future investment

### < Consolidated Cash Flow >

|               |       |      |       |
|---------------|-------|------|-------|
| Operating CF  | 50.0  | 65.6 | 108.9 |
| Investment CF | -16.5 | -7.8 | -66.0 |
| Free CF       | 33.5  | 57.8 | 42.9  |