

II. New Mid-term Business Plan

(Apr. 2008 to Mar. 2011)

- 1. Corporate Philosophy and Basic Concept of MBP**
- 2. Business Environment Surrounding Isuzu**
- 3. Positioning of New Mid-term Business Plan**
- 4. Market Trend Analysis and Isuzu Position**
- 5. Mid/Long-term Strategy as Vision Enabler**
 - (1) CV/LCV Product / Market Strategy**
 - (2) DE Business Strategy**
 - (3) Alliance Strategy**
- 6. Mid-term Business Focus and Performance Target**
 - (1) By Product, and by Market**
 - (2) Sales Volume Plan**
 - (3) Investment Plan**
 - (4) Performance Target**

1. Corporate Philosophy and Basic Concept of MBP

Isuzu will always mean the Best

**A leader in transportation, commercial vehicles and diesel engines,
supporting our customers and respecting the environment.**

The pursuit of customers trust



Technology

2. Business Conditions Surrounding Isuzu

Sustainable Growth
⇒ **Realization of Corporate Vision***



The pursuit of customers trust

Increasing importance

Technology

Increasing demand for diesel engines and CV

Sophistication of DE technologies to cope with environmental requirement

Growth in BRICs / Resource-rich countries

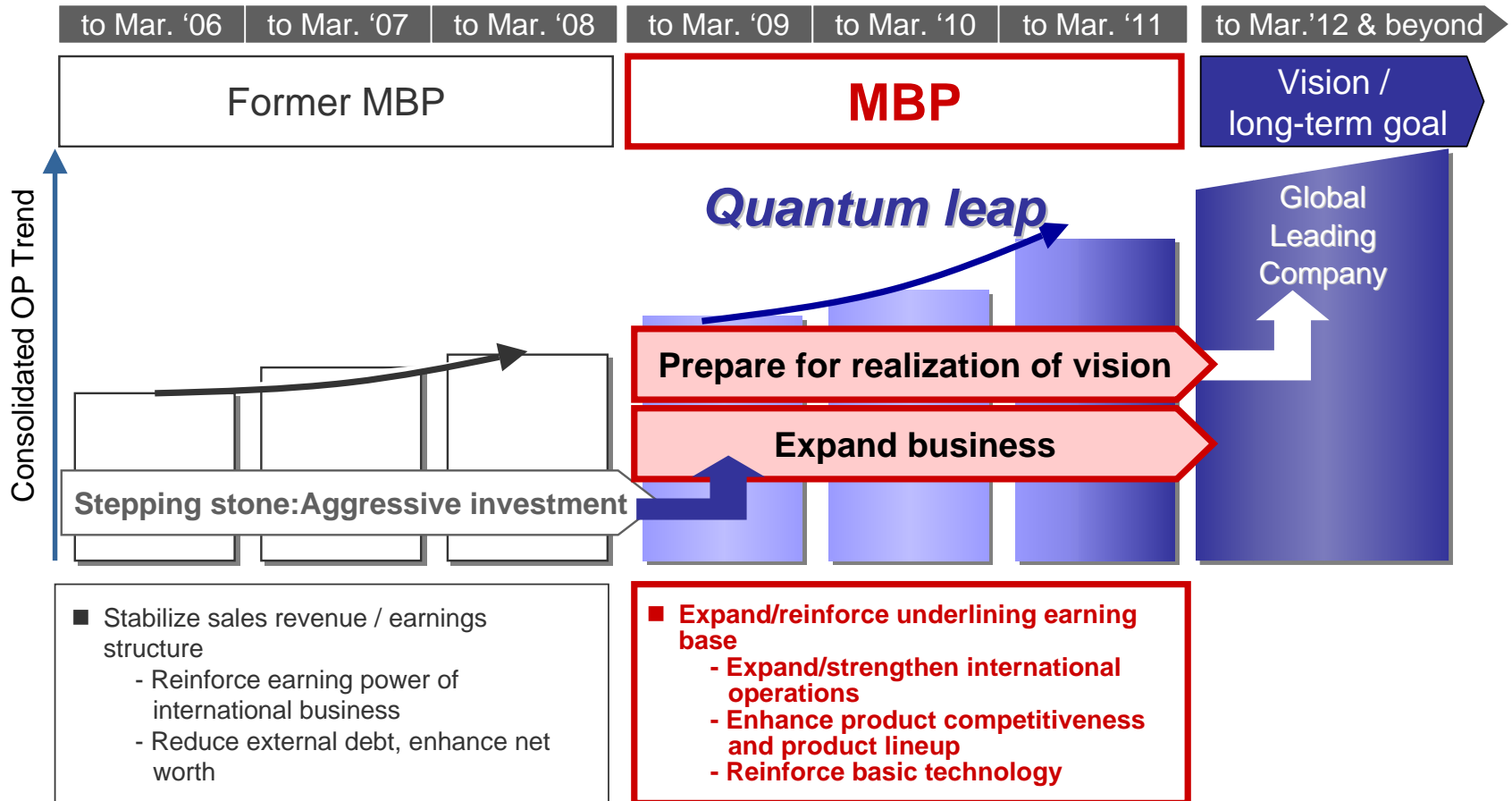
Heightening needs for low running cost

Global Environmental Issues / Energy Issues

* Global Leading CV, DE Company

3. Positioning of New Mid-term Business Plan

- Aiming at realization of corporate vision, the three-year period under the new Mid-term Business Plan is positioned as a “period for quantum leap” with a focus on “expansion and reinforcement of underlining earning base”.

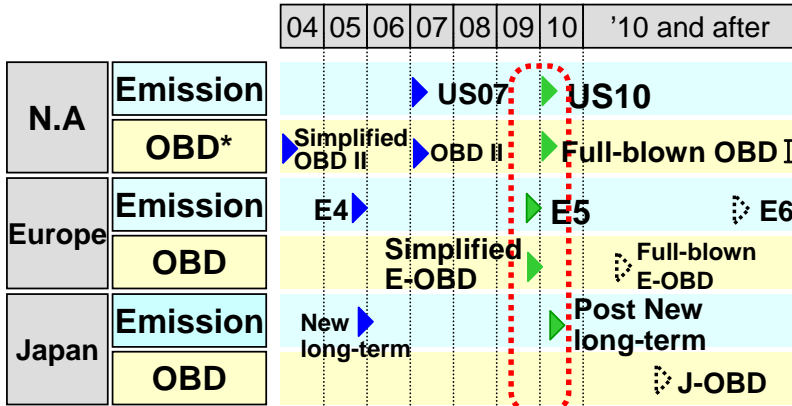


4. Market Trend Analysis and Isuzu's Position

(1) Readiness to Cope with Environmental, Global Energy Issues

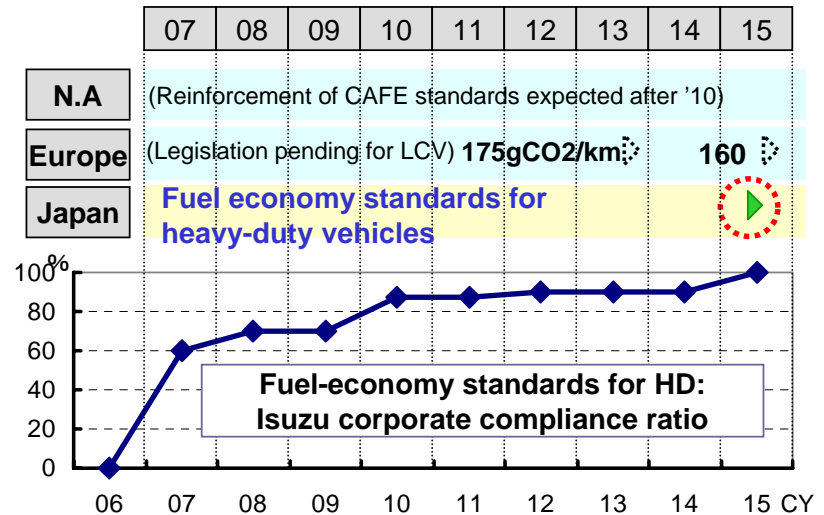
▶:Done ◀:Underway

Emissions Regulations: Global Trend



*OBD: Monitoring system for degradation of emission

Fuel-economy / Low CO2 Regulations Trend



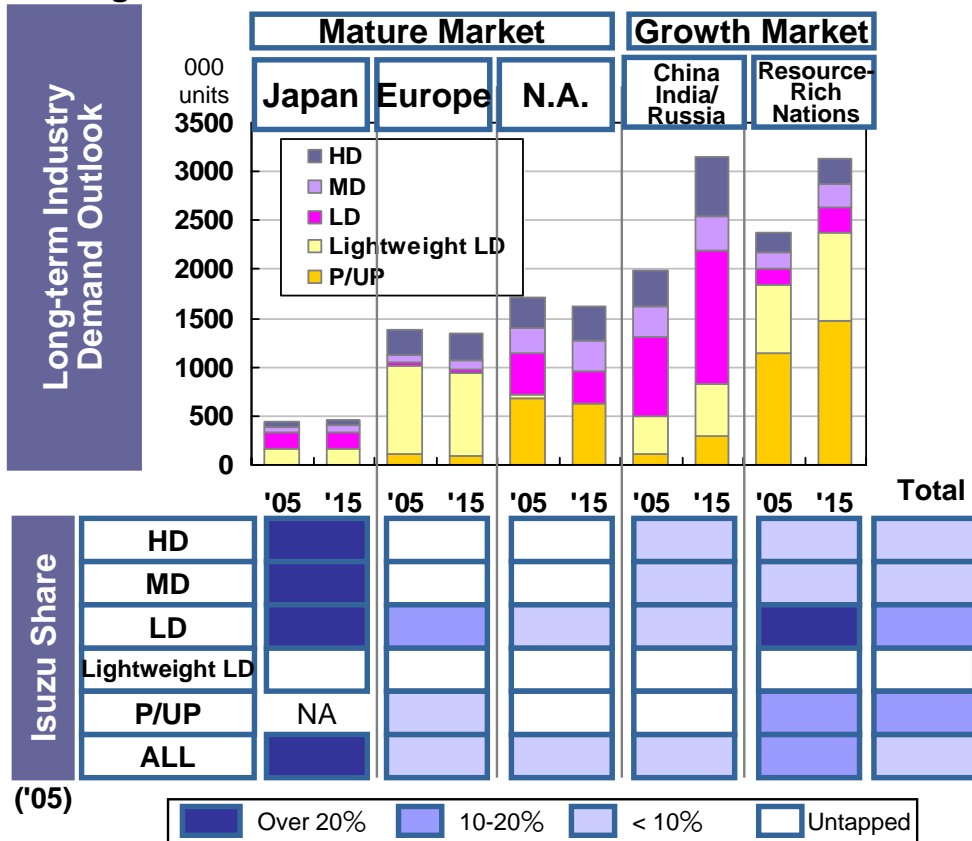
- Technologies to meet future emission regulations in / beyond 2010, e.g. Post Long-term & US10, are already under development
- OBD capabilities already in place, outperforming competitors' pace with experience in North America

- Isuzu HDs already meets fuel-economy standards for HD well in advance of future introduction in Japan
- By leveraging "Mimamoni-kun Telematics", reinforce customer support initiatives to enable customers to achieve fuel-efficient driving and vehicle management
- Develop and aggressively introduce alternative-fuel vehicles (CNG, bio-diesel, Dimethyl Ether, etc.)

4. Market Trend Analysis and Isuzu's Position

(2)-1. CV/LCV

- CV/LCV market is expected to continue its expansion trend, centered around the demand increase in growth markets
- With its global LD trucks (N-series) at the core, Isuzu commands high market share in Japan and growth markets.



Market Trend Analysis

- Global market demand 8.0mil. → 9.5 mil
- Key driver of market expansion: Growth market (60% increase)

Isuzu's Position

HD	■ At the top class in Japan
MD	■ Growing presence and penetration in growth markets
LD	■ Commands No.1 position in 21 countries incl. Japan ■ No entry in the lightweight LD segment
LCV	■ Enjoys high penetration in resource-rich countries including Thailand

Source: Isuzu Motors Limited

Resource-rich nations: Middle-East, Latin/South America, Africa, Oceania, Africa, CIS, Eastern Europe

HD:GVW 15t up, MD:GVW 6-15t, LD:GVW 3.5-6t, Lightweight LD:LD:GVW 2-3.5t, P/UP: Small Pick-up Truck

4. Market Trend Analysis and Isuzu's Position

(2)-2. CV/LCV

Characteristics of Isuzu N-series

Needs in growth market

- High durability (Frame)
- High load-carrying capacity (Cab-over)
- High durability and versatility of DEs

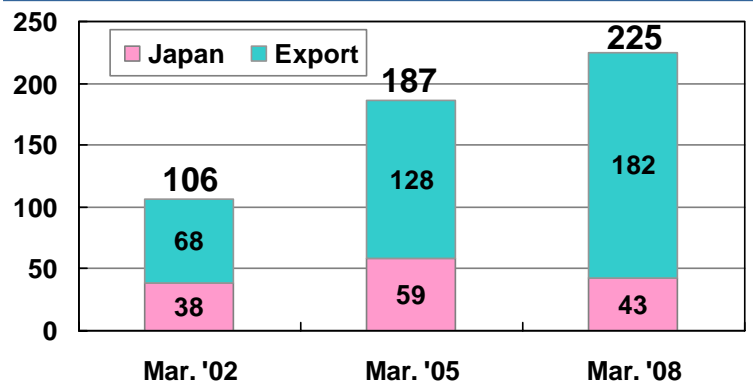
- Versatile application (Bus – Special body)
- Environmental readiness and fuel efficiency of advanced DEs

- Safety
- Small, lightweight
- Capability for inner-city, urban delivery

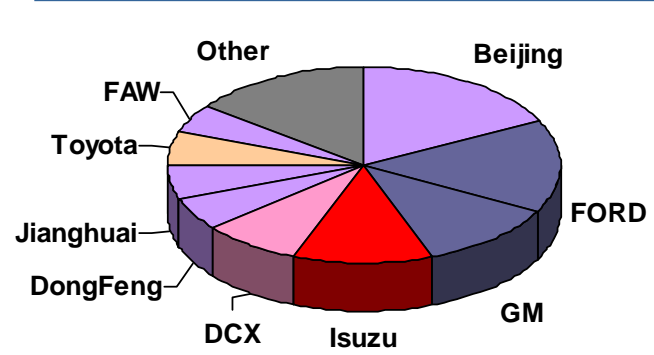
Needs in mature market

Isuzu's "Global Truck" sold/distributed over 120 countries, including advanced markets, **penetrating as "International Brand"**

N-series Shipment Volume (000 units)



Global Players' LD Market Share in '05

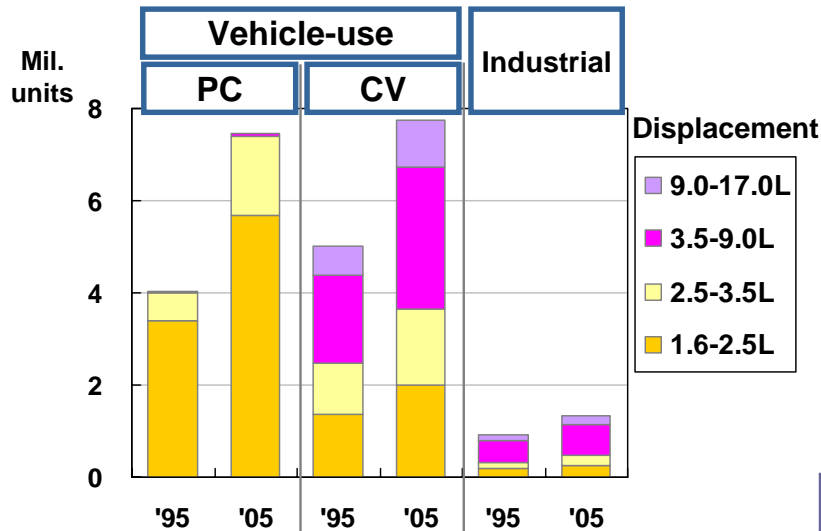


4. Market Trend Analysis and Isuzu's Position

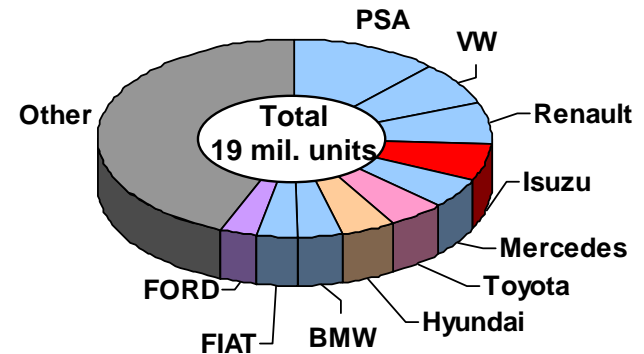
(3) Diesel Engine

- Market demand for DEs doubled in the past decade, and expected to grow further. Isuzu ranks world No.4 in annual DE production volume

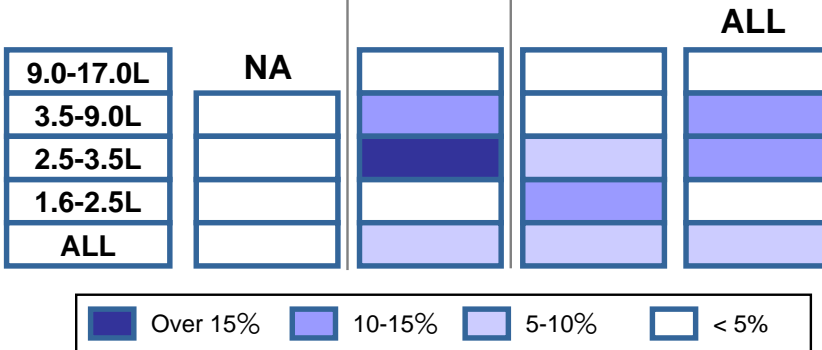
Long-term Market Demand History



World DE production volume in '05



Share



Isuzu's Position

- Isuzu ranks within the world No.5 in terms of total production volume in the past 5 to 6-year period.
- Isuzu maintains full line up DEs covering PC to HD applications for over 50 years.

Source : Power Research System (Incl. Isuzu figures),
Manufacturing figures include ISPOL/DMAX volume

4. Market Trend Analysis and Isuzu's Position

(4) Summary

	Market Trend	Isuzu's Position	Isuzu's Direction
Environmental & Energy	<ul style="list-style-type: none"> ■ Increased sophistication of market expectation / needs 	<ul style="list-style-type: none"> ■ Building up accumulation of seeds for advanced technology 	<ul style="list-style-type: none"> ■ Expand CV, LCV, DE business by leveraging Isuzu's core DE technology
CV	<ul style="list-style-type: none"> ■ Business chance is becoming increasingly bigger in the large, growth market (China, India, Russia) and resource-rich countries. 	<ul style="list-style-type: none"> ■ Maintaining global competitiveness, with LD at the core ■ Holds top-class position with HD and MD in Japan 	<ul style="list-style-type: none"> ■ Enhance product lineup in the large, growth market with a full range of Isuzu CV ■ Introduce MD and lightweight LD on a global basis ■ Increase HD sales in Japan and resource-rich countries
LCV	<ul style="list-style-type: none"> - Expansion of market size - Significant growth of LD market 	<ul style="list-style-type: none"> ■ Capturing high market share in resource-rich countries 	<ul style="list-style-type: none"> ■ Further business expansion in growth market
DE	<ul style="list-style-type: none"> ■ Demand expanding on a global basis - Especially for passenger car and industrial use 	<ul style="list-style-type: none"> ■ Holding fast to the world No.4 position in total DE production volume 	<ul style="list-style-type: none"> ■ Reinforce small DE lineup ■ Develop alternative-fuel engine