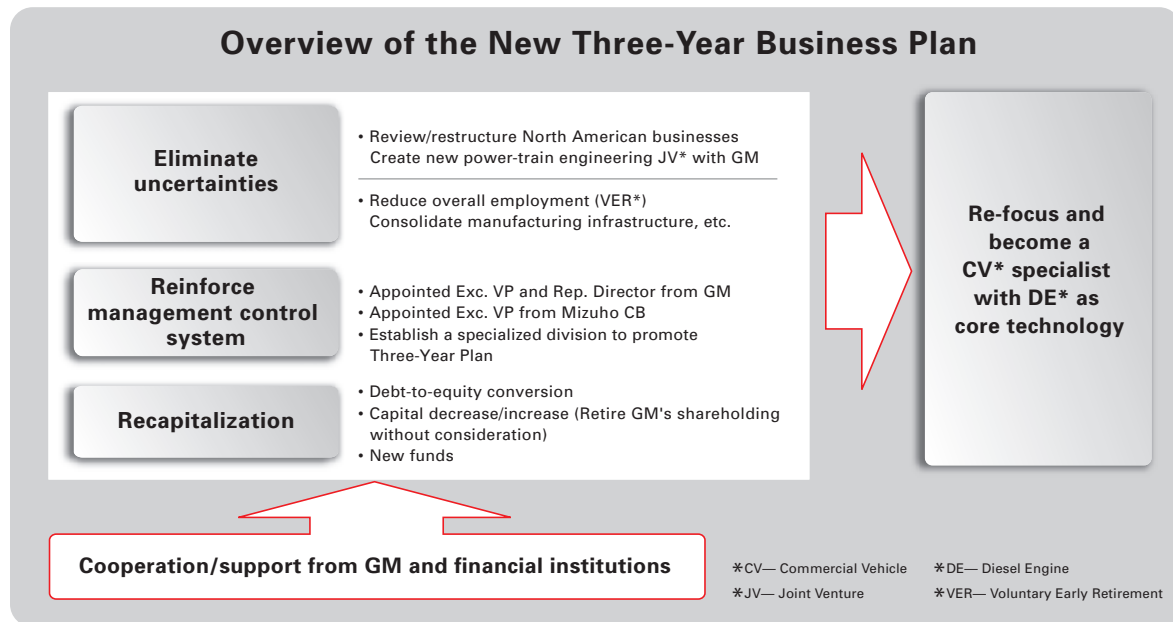


THE NEW THREE-YEAR BUSINESS PLAN

Isuzu's New Three-Year Business Plan, formulated in October 2002, is seeing Isuzu embark on sweeping reforms of its business framework and financial structure. Isuzu's North American SUV business, which had exposed Isuzu to substantial operating risks, is being fundamentally restructured. And our workforce is being downsized quicker than originally planned to a level that meets future business requirements.



These actions have been prompted by persistently difficult business conditions, characterized by a prolonged slump in the domestic commercial vehicle market and slowing SUV sales in the U.S. They are also being taken to ensure that we achieve the ultimate goals and build on the successes to date of the Isuzu V Plan, which was instrumental in Isuzu posting positive operating income in the fiscal year ended March 31, 2002 for the first time in three years. Under the Isuzu V Plan, we implemented a range of measures to restore our corporate value and strengthen competitiveness. These included measures to reinforce domestic sales companies, reduce our group-wide headcount, and lower materials costs.

Under the New Three-Year Business Plan, we have two main priorities: revise measures in the Isuzu V Plan and speed their implementation, and carry out sweeping reforms of our operating framework and financial structure. Running through March 2005, this plan to rebuild Isuzu is being implemented with the support of GM and our principal lenders.

Capitalizing fully on our superior diesel engine technologies, a key theme in the Isuzu V Plan, we will focus resources on the commercial vehicle business, strengthening operations from engineering to sales with the goal of building a healthy earnings structure. As we do so, we will develop business in China and the ASEAN region, which harbor significant growth



potential, and North America. In these regions, actions have been concentrated on establishing a leading position early on. Of course, as we expand our horizon, Japan remains a pivotal market for us.

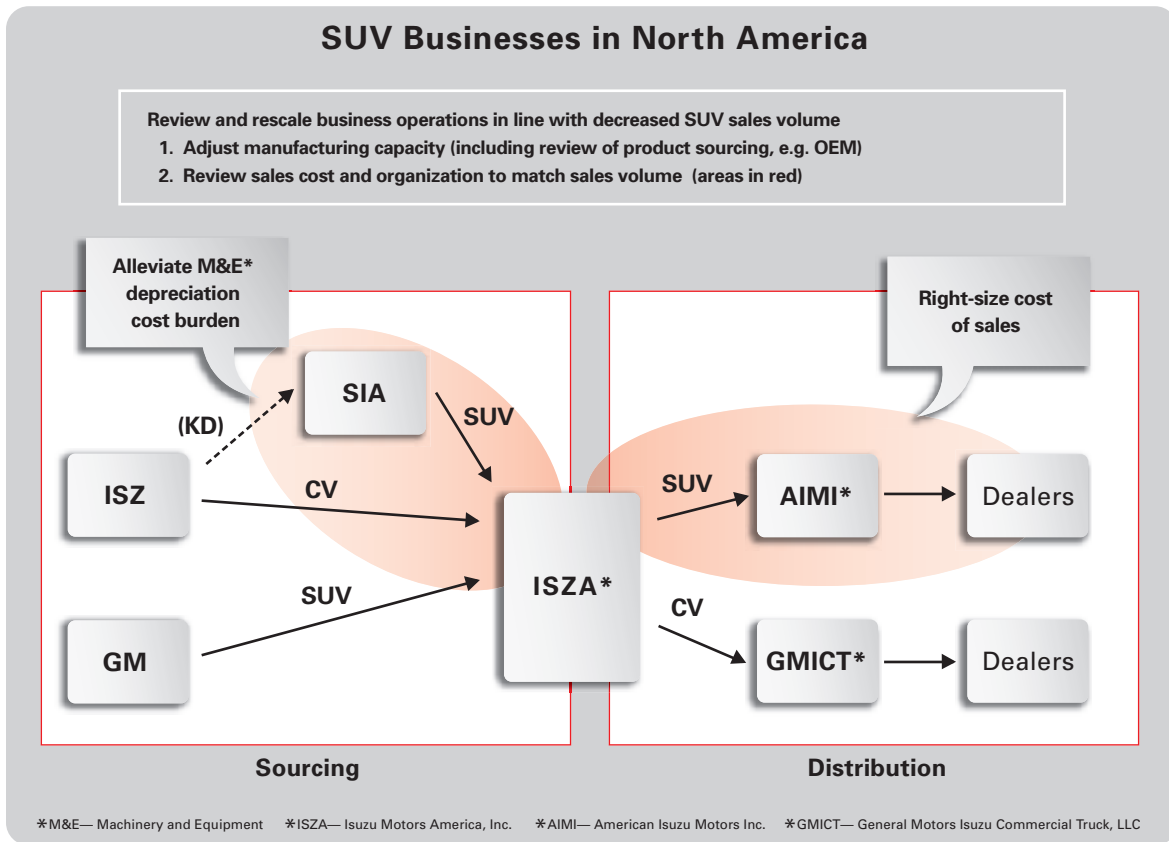
Our current performance in key markets bodes well for the future. In Japan, amid a dramatic slump in overall demand, we have seen our market share steadily increase across all size categories. In Thailand, strong sales of a pickup truck model launched in May 2002 have lifted our market share to more than 40%. Moreover, in China, we are seeing exports of completed large trucks increase as the country steps up the pace of construction in preparation for holding the Summer Olympics in 2008 in Beijing. In these and other markets, we continue to display our strengths.

In terms of restructuring, one of the main themes is stabilizing Power-Train operations. Joint ventures with GM, Isuzu's largest customer, are lessening the investment burden on Isuzu and the investment required to sustain product development. Concurrently, resources are being concentrated on the development of advanced technologies to make Isuzu more competitive. We will build on our competitive edge in exhaust emission and environmental technologies, which are more advanced than those of our competitors in areas where Isuzu commands the leading position.

To clear the way for future growth and enhance our core businesses, we have also overhauled manufacturing activities in North America and offered an early voluntary retirement program to employees. These actions resulted in a one-time special charge of ¥136.3 billion, which was offset by reductions of capital and capital reserves. The benefits of restructuring our North American operations and trimming our workforce will make an annual contribution of approximately ¥60.0 billion to earnings from the fiscal year ending March 31, 2004. Additionally, to increase shareholders' equity and improve our financial structure, Isuzu received an investment from GM and executed debt-for-equity conversions with the support of its main lenders.

Hand in hand with these actions, the management team has been revamped to ensure that the initiatives contained in the New Three-Year Business Plan are seen through. A senior executive from GM has been appointed Executive Vice President and Representative Director and an executive from Mizuho Corporate Bank, Ltd. has been appointed Executive Vice President.

Isuzu has set the goals of consolidated net sales of ¥1,270.0 billion, operating income of at least ¥60.0 billion and net income of at least ¥50.0 billion as a tangible measure of its success in implementing the aforementioned reforms.



RESTRUCTURING THE NORTH AMERICAN SUV BUSINESS

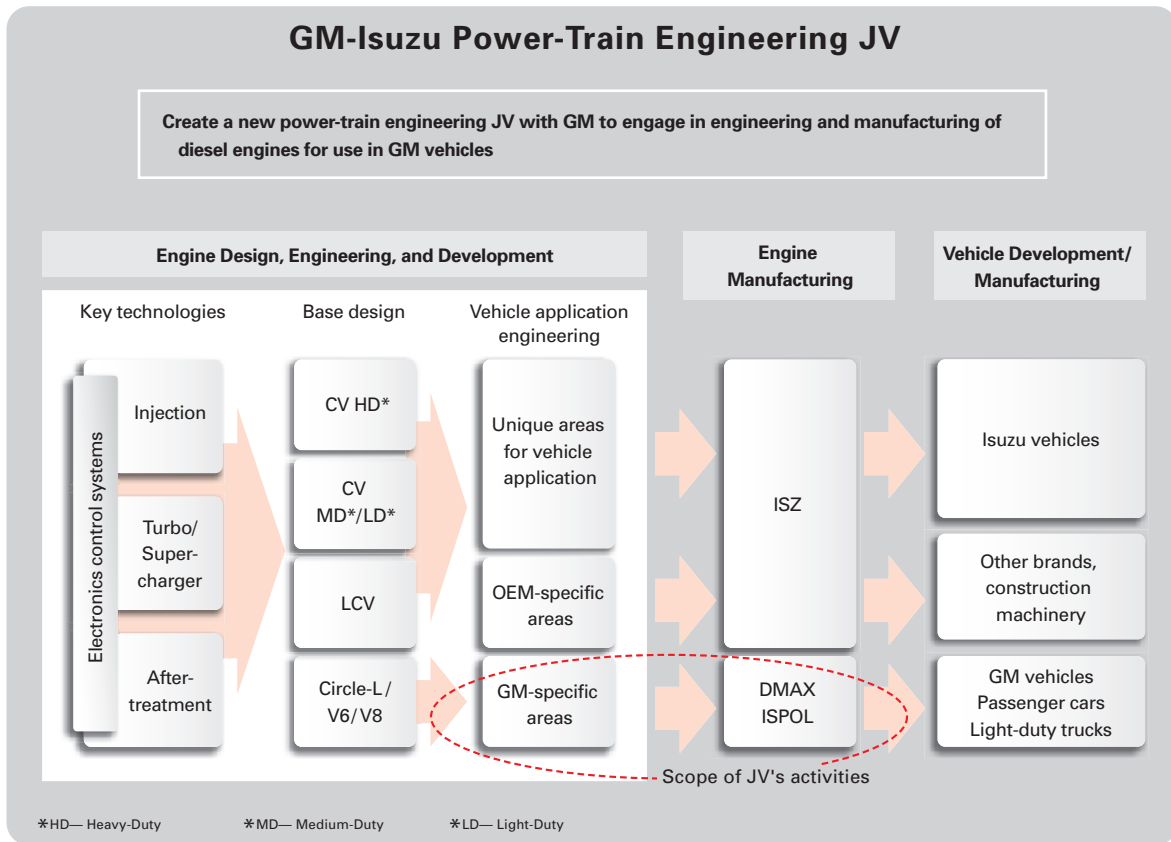
North American SUV operations have run up large losses as a result of higher selling costs and increasing inventories due to declining new vehicle sales. This stemmed from a volume-driven business model that emphasized raising capacity utilization at Subaru-Isuzu Automotive Inc. (SIA), our local manufacturing joint venture with Fuji Heavy Industries Ltd. (FHI).

Restructuring actions were taken to restore profitability to North American SUV operations. One initiative was the booking of impairment losses on excess production facilities. Another was the rationalization of operations by selling in

January 2003 Isuzu's stake in SIA to FHI, which gave the latter full control of the joint venture's plant. Isuzu will continue to supply SUVs to the North American market by consigning SUV production to SIA.

Isuzu is also working to further raise the efficiency of sales activities. There are two main goals: reduce SUV inventory turnover to 90 days, and more than halve the workforce. Furthermore, efforts will be made to maintain a tighter rein on these fixed costs.

Isuzu began receiving OEM supply of SUVs from GM to reinforce its product lineup. Under this framework, we launched the *Ascender* model in November 2002.



ISUZU STRENGTHENS TIES WITH GM IN THE POWER-TRAIN BUSINESS

Isuzu has been taking a number of initiatives to reinforce its alliance with GM in the diesel engine business.

Under this alliance, Isuzu has supplied GM, its largest customer, with three diesel engine models for use in GM cars and pickup trucks from a global network of manufacturing bases. The network includes DMAX Ltd., a joint venture between Isuzu and GM; Isuzu Motors Polska Sp. z o. o. (ISPOL), originally a wholly owned subsidiary of Isuzu; Isuzu Motors Germany GmbH (IMG); and Isuzu's Hokkaido Plant in Japan.

Recent initiatives to strengthen this alliance have seen Isuzu and GM form new joint ventures by altering their respective shareholdings in some of the above manufacturing bases and through other means.

GM took an equity interest of 60% in both ISPOL and IMG. GM also took an additional 20% stake in DMAX Ltd., raising its shareholding in DMAX to 60%. In another move, Isuzu and GM have established a joint venture to manage the development of diesel engines supplied to GM, with the two companies taking stakes of 40% and 60%, respectively. This venture is overseeing the program for the manufacture of diesel engines for GM at ISPOL, DMAX and at the Hokkaido Plant, and conducts certain product development, purchasing and quality assurance operations. By forming joint ventures with GM, our largest customer, we are seeking to secure steady sources of demand and earnings streams. And sharing initial investment outlays with GM in the cost-intensive engine business will enable us to concentrate resources on developing advanced technologies in our core businesses.

Most significantly, Isuzu and GM will both benefit from these actions in the form of greater competitiveness.