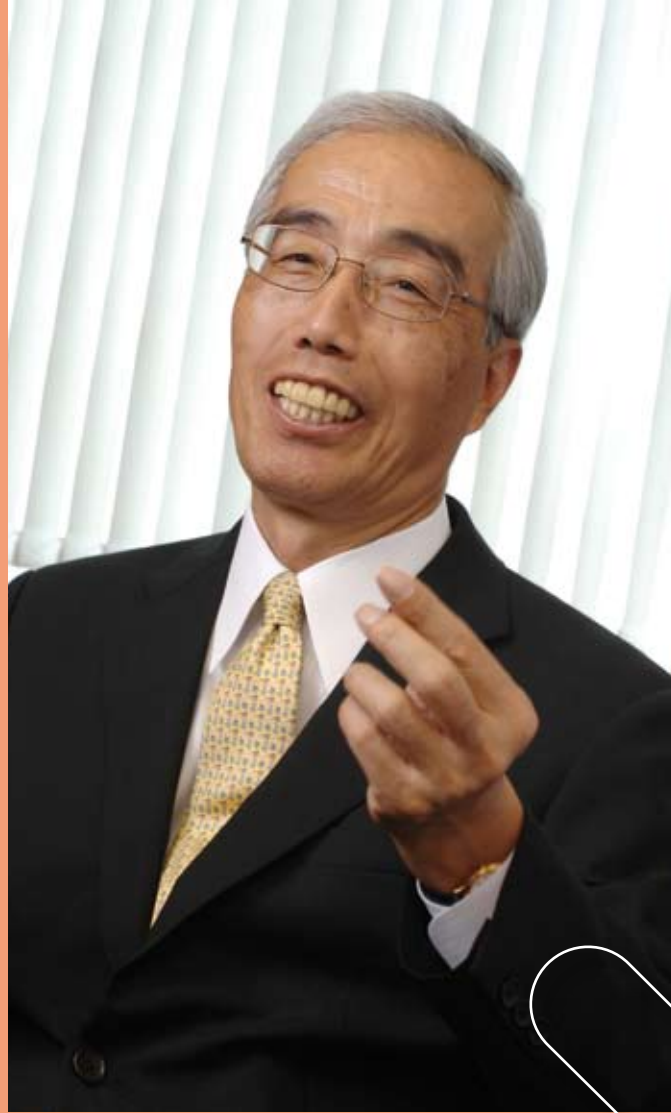
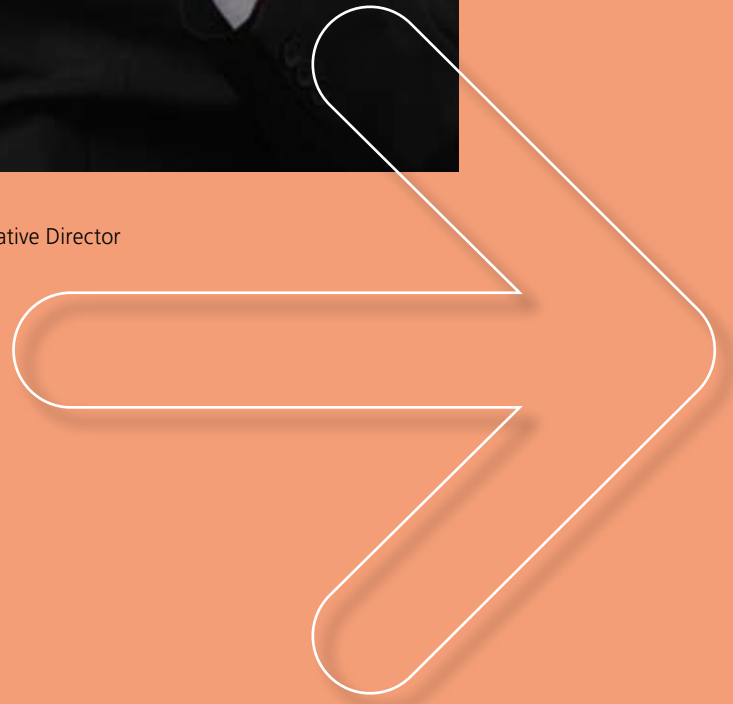


Interview with the President



Yoshinori Ida
President & Representative Director



Q1: How will you deal with the projected decline in domestic truck demand?

A1: We are trying to minimize the impact of declining domestic truck demand by increasing market share as well as expanding fringe profits of domestic sales. We are aiming for sales share of 30% in medium-duty and heavy-duty trucks and 40% in light-duty trucks in or before the fiscal year ended March 2008. Currently we are making progress ahead of plan, with sales share of 28.8% and 39.7%, respectively. Meanwhile we are also working on improving the earnings capability of sales companies, concentrating on increasing profits from ancillary businesses such as service and parts, used vehicles, and insurance, and reducing or restructuring borrowings to develop a management structure that is able to make a profit even when there is a significant decline in new vehicle demand. We are developing a new life-cycle business model for domestic operations so that we can offer customers a more comprehensive, value-added service.

Q2: Isuzu's new Mid-term Business Plan is focusing on expanding and strengthening overseas operations. What progress have you made so far and what is your outlook for the rest of the plan period?

A2: Overseas sales accounted for 57% and domestic sales 43% of the total in the fiscal year ended March 2006. Although the increase in the overseas sales ratio is modest, the overseas operating profit ratio improved dramatically from approximately 30% (domestic 70%) to 60% (domestic 40%) in the fiscal year ended March 2006. We sustained top market share in commercial vehicles for the 23rd consecutive year in Thailand and 17 years in Australia, and recorded earnings growth in many other regions outside Japan. It is also worth mentioning that all unprofitable businesses returned to the black, especially the North American SUV business. Moving forward, we expect the growth of our overseas business to compensate easily for the decline in domestic earnings.

We have continued to strengthen our overseas sales structure, establishing sales companies in Spain, Benelux, and Malaysia in the fiscal year ended March 2005, and establishing a sales company in Mexico and making our Australian sales company a wholly owned subsidiary in the following fiscal year. We recently established a joint venture with a local company to begin selling trucks and buses in a big way in the Ukraine. We plan to continue expanding our sales capability in other regions moving forward, thereby steadily increasing sales volume and increasing our already large overseas weighting.

Q3: Isuzu is planning a full model change of its light-duty and medium-duty trucks that are positioned as global products. What are the main features and competitive advantage of these products?

A3: Their main features are substantial cost savings made possible by the use of component modules, and improved profit margins resulting from synergy effects of global standard design. In comparison with competing products, our global products offer newly designed vehicles with cutting-edge environmental performance, low fuel consumption, and superior safety features at a fair price due to steeply reduced costs.

We have full confidence in our new, strategic global product range of light-duty and medium-duty trucks. They are developed to world standards, incorporating the See technology to maximize our competitive advantage, yet satisfying the common transportation requirement around the world.

We can achieve significant cost savings through integration and module sharing between our medium-duty truck business, with annual sales volume of approximately 40,000 units, and our light-duty truck business whose annual sales volume is approximately 200,000 units.

We used to develop domestic products with top-of-the-range specifications, then simplified these specifications for overseas markets, but made no headway in cost reduction and had to sacrifice profit to remain competitive with other manufacturers. This is the first time that we have developed overseas standard specifications, with the concept of domestic specifications incorporating luxury add-ons. This approach makes substantial cost savings possible.

Q4: In what ways do you think that Isuzu's balance sheet needs improvement?

A4: We finally managed to clear our "negative legacy" of extraordinary losses associated with restructuring in the fiscal year ended March 2006. This is a milestone for Isuzu, marking the completion of the corporate restructuring process. With a healthy management structure, we are now poised to begin expanding our business in earnest. From this fiscal year, we intend to invest aggressively to enable sustained growth and increase topline earnings.

Looking at the balance sheet as a financial base for such investment, with a capital ratio of only 20.9% Isuzu's equity capital is still fragile, and interest-bearing debt remains high. Thus our primary goal is to lower the debt-equity ratio—which improved from 2.5 at the end of March 2005 to 1.4 at the end of March 2006—to 1.0 or less by the end of March 2008.