

1. Interview with Goro Shintani

Executive Vice President
(Senior Division Executive,
International Sales Headquarters)



Q1: Shipments to resource-producing countries and developing countries remain robust. What is the outlook for key geographic regions?

A1: The economies of resource-producing countries continue to grow thanks to surging prices for natural resources worldwide. Against that backdrop, Isuzu is expanding sales in the Middle East, Africa, South and Central America, Oceania, Russia and Ukraine. We continue to build a solid brand in South and Central America and Africa, where we have a long history of collaboration with General Motors. Our quality has become well known in the Russian and Ukrainian markets thanks to the ELF. We will be working to achieve our Mid-term Business Plan target for overseas commercial vehicle (CV) sales of 350,000 units by increasing sales in these regions, while expanding our product line to include not only the ELF, but also medium- and heavy-duty trucks.

Q2: What is the outlook for Isuzu's Thailand business, and how do you plan to develop the LCV business going forward?

A2: Our Thailand business continues to enjoy steady growth. Although growth in the Thailand domestic market stalled slightly in 2006, it has been staging a gradual recovery since the second half of 2007. We continue to enjoy strong sales as the leading brand in the pickup truck segment, which accounts for approximately 60% of all automobile sales in the country. Looking at our exports from Thailand, our business has been expanding at an annual rate in excess of 10% since we moved production from Japan to Thailand in

2004, and we will be working to meet our Mid-term Business Plan target for light commercial vehicle sales of 420,000 units by expanding sales just as we are doing in trucks, primarily in resource-producing and developing countries.

Q3: What market conditions are Isuzu's businesses in North America and China experiencing?

A3: Although no recovery in demand in the North American market can be expected given the current economic environment in the U.S., Isuzu continues to maintain its high market share. Over the medium- and long-term, we are confident that a U.S. economic recovery will push demand back to its original levels. For the time being, we are increasing the efficiency of our operations through careful cost management of local operations, including measures such as inventory reduction.

In China, we will introduce the new ELF wide-cabin type this fiscal year. Although the market environment has not yet developed sufficiently such that we can grow sales of our high-quality, high-performance, environment-friendly new products as quickly as we would prefer, we believe that the emergence and rapid growth of a high-end market is inevitable in time due to the continued growth of the Chinese economy, the development of more sophisticated market needs, and the introduction of more stringent environmental regulations. Over the next several years, we will be focusing on steadily strengthening our sales capabilities and enhancing our parts and service offerings in anticipation of that coming expansion.

2. Interview with Yoshihiro Tadaki

Executive Vice President
(Senior Division Executive,
Japan Sales Headquarters,
Quality Assurance Division)



Q1: What are the trends in domestic truck demand, and how do you plan to increase Isuzu sales in the future?

A1: Demand has been stalled since 2007, reflecting a post-2006 drop-off in demand for vehicles complying with emissions regulations. We believe this situation will continue for the time being, and it is impossible to rule out the possibility of a longer-term drop in demand due to the fact that higher fuel prices driven by soaring crude oil prices have created a crisis in management for users of trucks. In this environment, we will seek to secure revenue by working with customers to reduce lifecycle costs, which has been a consistent theme for us for a long time.

Q2: What initiatives are you employing to maintain and increase revenue for Isuzu's domestic business?

A2: Naturally, we will work to strengthen sales of new vehicles in the midst of the demand slowdown, just like we will work to maximize revenue in our domestic business by taking advantage of the Isuzu Network (INW), which we established in 2006. More specifically, we plan to deal with intense competition in the industry by having sales companies specialize in and focus on their basic functions—their new vehicle sales and service and parts businesses. INW will support sales companies by offering assistance in their other areas of responsibility, including asset management, capital procurement, sales financing, insurance, used vehicles, and truck bodies, to achieve higher levels of efficiency.

Q3: How has the market reacted to the new ELF and FORWARD?

A3: The market has reacted favorably to the models' premium quality and balanced characteristics in every area. The reaction has been particularly favorable with regard to these models' excellent fuel economy due to the high level of customer interest in this area, which reflects last year's surge in fuel prices. We have also received good reviews of the models' quietness, which reduces driver fatigue and improves work conditions early in the morning and late at night. Another key point is the higher loading capacity made possible by a lightweight design. The FORWARD in particular has anticipated customer needs by quickly complying with the medium-duty license enacted last year.

Q4: What are your plans for the Isuzu's advanced CV Telematics "Mimamori-Kun Online Service"?

A4: Since launching the service in 2004 we have already signed up 20,000 vehicles. Transport operators already recognize that Mimamori-Kun is the most advanced driving control service, and I think we now almost completed the first step of getting market's recognition.

Going forward, it will be important that we share individual vehicle data among departments for use as marketing data, as we intended to do since we developed the service, and we need the departments to put that data to effective use in their operations. This initiative will enable us to propose the best possible way for customers to use their vehicles, including maintenance, and to propose vehicle and truck body solutions.

We will be working to achieve a true operational guarantee and failure analysis capabilities as only Mimamori-Kun can.

3. Interview with Naotoshi Tsutsumi

Executive Vice President
(Division Executive, Manufacturing Division)



Q1: What is Isuzu's current production capacity by region?

A1: For CVs, our global capacity is 330,000 units. Regionally, our capacity is 160,000 units in Japan (including completed vehicles and KD shipments for general overseas markets), 80,000 units in China, 40,000 units in Asia (Thailand and Indonesia), and 50,000 units in Europe (Russia and Turkey). For LCVs, our global capacity is 370,000 units, including contract manufacturing. Regionally, our capacity is 250,000 units in Thailand, 20,000 units in China, and 100,000 units in other regions (South and Central America, Africa, Asia, Oceania, etc.).

Q2: How do you plan to achieve the production capacity targets in the new Mid-term Business Plan of 350,000 CVs and 420,000 light CVs?

A2: In both CVs and LCVs, our current Mid-term Business Plan calls for expanding volume in regions exporting finished vehicles and KD vehicles. These production bases are in Japan for CVs and in Thailand for LCVs. Boosting production capacity in these areas will be key, and we are planning to make capital investments of ¥120.0 billion over three years.

Q3: How would you characterize Isuzu's production technology and production quality, and what information can you provide about current and future initiatives?

A3: Isuzu's production technology is characterized by close links to the production site and the pursuit of minimum investments for maximum efficiency. We hold technology presentations every two months to increase our overall technology level, and for the past several years we have been pursuing *kit production with an idea of *kit shipment (inventory reduction in the broad sense). In terms of production quality, we assign high value to information from the market and reflect it in our capital investments. Additionally, we are working to standardize the quality of Isuzu products produced worldwide by implementing the three steps of preventing defects in manufacturing, keeping defects from being sent to subsequent production processes, and keeping defects from being shipped through IMM (Isuzu Manufacturing Management).

Q4: What is Isuzu's current diesel engine (DE) production capacity by region?

A4: Our global capacity is 1,470,000 units. Regionally, our capacity is 580,000 units in Japan, 300,000 units in Asia (Thailand and Indonesia), 40,000 units in China, 330,000 units in Europe (Poland), and 220,000 units in North America (the United States).

Notes:

- * *Kit shipment*: The practice of picking out and lining up the necessary parts in the order in which they will be used, and supplying them to the production line as a kit.
- * *Kit production*: A production system designed to reduce inventory and load on the main production line by organizing work in terms of functional modules and sub-assembly modules.



4. Interview with Ryozi Tsukioka

Director
(Division Executive, Engineering Division)



5. Interview with Masanori Katayama

Director (Division Executive, Corporate Planning and Finance Division)

Q1: What can you tell us about your plan with emissions regulations and environment-friendly vehicles?

A1: Isuzu offers a full line of DEs, from small 1.7-liter engines for passenger cars to large 15.7-liter engines for heavy-duty trucks and industrial applications. The fact that we have met stringent emissions regulations in Japan, U.S., and Europe places us among the world's leading manufacturers. As environmental awareness grows around the globe, I believe our mission is to continue to provide the resource-saving efficiency that DEs have long offered while responding to the need for next-generation DEs that address the technology's traditional weakness through cleaner emissions. In addition to allocating ¥100.0 billion for in-house DE research and development over three years under the current Mid-term Business Plan, we will work to maintain and enhance our world-class technology by efficiently utilizing resources through collaboration with other companies, an approach that is reflected in our collaborative development projects with Toyota and Hino.

Q2: What are the characteristics of Isuzu's next-generation pickup truck?

A2: It will offer excellent basic performance that more than meets market needs in the 120 countries to which we will export it, while satisfying the requirements of customers in Thailand, the largest pickup market. Specifically, we are developing a vehicle that will rank No. 1 in its segment thanks to advanced styling, a high-quality interior, a high-efficiency engine for good fuel economy, and excellent environmental performance that complies with the emissions regulations in its various markets. We will launch the new model before the conclusion of the Mid-term Business Plan that began this fiscal year.

Q1: Could you describe the capital investment plan for this fiscal year? What about future plans?

A1: This fiscal year, we are planning to make capital investments totaling ¥93.0 billion (an increase of 84% from last year). Our primary investment projects focus on increasing production capacity, including at consolidated subsidiaries; promoting productivity improvement; and establishing facilities for developing new vehicles. We are planning to pursue a high level of capital investment in the future as we implement the Mid-term Business Plan, and we plan to proceed with flexibility in response to changes in our environment.

Q2: How are you dealing with surging raw material prices and a strong yen?

A2: We will absorb these added costs by accelerating cost reduction and passing them on to product market prices.

Q3: What is your approach to profit distribution?

A3: We will distribute profits after making growth-oriented investments and enhancing retained reserves for use in the future development of our businesses. Dividends will be determined based on a comprehensive consideration of balanced shareholder returns with a target of achieving a dividend payout ratio of at least 20% by the final year of the Mid-term Business Plan (the year ending March 31, 2011).