

REVIEW OF OPERATIONS

## HEAVY- AND MEDIUM-DUTY VEHICLES

*Expanding sales in the large commercial vehicle sector is a top management priority. Complete model changes were undertaken last year, and this year Isuzu plans further improvements to better meet customer needs.*

*Sales in this sector totaled ¥143.1 billion (US\$1,187 million), down 36.4 percent. This accounted for 15.3 percent of total sales. Export sales were ¥34.0 billion (US\$282 million), and domestic sales totaled ¥109.0 billion (US\$904 million). Unit sales were over 29,914 of which over 10,570 were exported.*

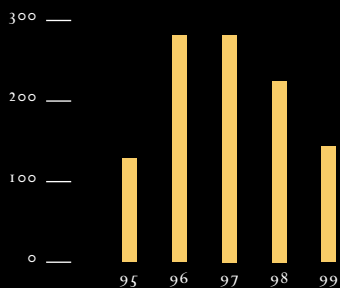


### GIGA

The EXY cargo series of GIGA heavy-duty trucks is equipped with the four-air-spring suspension system for the rear axle for better performance on snow and inclines. The EXR/EXD models fit into a single shipping container. For the EXZ 520 horsepower engine series, Isuzu began offering the optional ECOGIT (Electronic Control GIGA Transmission) system.

### NET SALES

Billions of yen



## LIGHT-DUTY VEHICLES

*In Japan, a long-term government program to reduce exhaust emissions is under way. Isuzu has already met the new standards, thanks to technological prowess cultivated over the years in diesel engines.*

*In the past fiscal year, sales in this sector fell 3.5 percent to ¥440.8 billion (US\$3,657 million), or 47.2 percent of total sales. Exports totaled ¥316.0 billion (US\$2,621 million), and domestic sales ¥124.8 billion (US\$1,035 million). A total of 278,284 light-duty vehicles were sold, of which 216,490 were exported.*



### ELF

During the past fiscal year, the ELF line enabled Isuzu to retain its number-one position by unit sales in Japan's 2-3 ton payload truck market for the 29th consecutive year. Its success is due to Isuzu's ability to stay one step ahead of customer requirements. Improvements made last year include more safety systems to protect passengers in head-on collisions.



### JOURNEY

The Journey microbus has undergone a complete model change and is more comfortable, roomy and elegant. It uses a clean diesel engine. Isuzu is also proud to unveil the Journey-E, the smallest bus in the small route bus range, with a special low floor to provide easy access for older passengers.

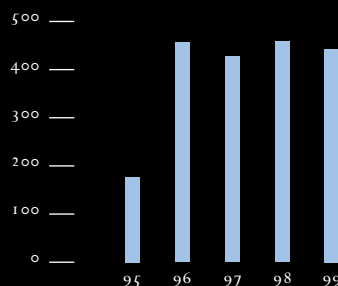


### WIZARD/MU

The popular 4-wheel drive RVs Wizard and Mu have also undergone complete model changes based on the idea of creating a vehicle that can be driven anywhere, at any time, and over any length of time. Practicality, quality and superior endurance are the hallmarks of these favorites.

### NET SALES

Billions of yen



## PASSENGER CARS

*Isuzu makes two passenger cars, the Aska and the Gemini. With environmental compatibility increasingly a factor in this market, Isuzu has made improvements geared to cutting pollution levels.*

*Passenger car sales fell 26.0 percent to ¥3.3 billion (US\$27 million), which is 0.4 percent of total sales. All sales were in Japan. Over 2,334 units were sold.*

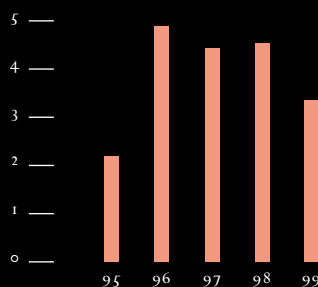


### ASKA, GEMINI

The Aska is a roomy luxury sedan. The Gemini is a comfortable, high-safety, high-quality compact family sedan. Both models now have low-emission gasoline engines that do not affect performance or fuel consumption. Both models conform with the fiscal 1998 Japanese passenger car emission standards.

### NET SALES

Billions of yen



## ENGINES, COMPONENTS AND OTHERS

*As a maker of finished vehicles and diesel engines, Isuzu places high priority on this sector. Diesel engines have attracted worldwide attention as a realistic answer to environmental problems. Demand is expected to rise not only in Europe but also globally.*

Sales were down 21.3 percent to ¥347.5 billion (US\$2,882 million), and accounted for 37.2 percent of total sales. Sales by product category and share of total sales were as follows: parts for overseas production, ¥42.8 billion (US\$355 million) and 4.6 percent; engines, components, spare parts and others, ¥304.7 billion (US\$2,527 million) and 32.6 percent. Overseas sales in this sector were ¥195.2 billion (US\$1,619 million), and domestic sales were ¥109.4 billion (US\$907 million).



### DIRECT-INJECTION DIESEL ENGINE

Isuzu developed and commercialized Japan's first small "common rail" direct injection diesel engine last fiscal year. This breakthrough could lead to new applications for these engines in passenger cars. It was named the Technology of the Year in November 1998 by Automotive Researchers' & Journalists' Conference of Japan (RJC).

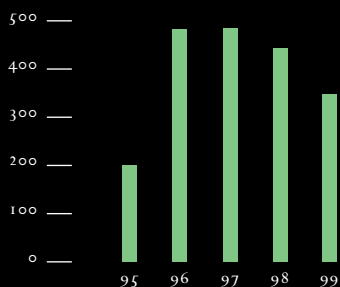


### ISO14001 ACQUISITION

Isuzu has acquired ISO14001 certification, an international environmental management standard, for its Hokkaido plant. Official certification came in May 1998, after Isuzu began activities to save resources and energy and reduce waste under a slogan unveiled in November 1997: "A factory in harmony with the global environment."

### NET SALES

Billions of yen



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(As of June 29, 1999)