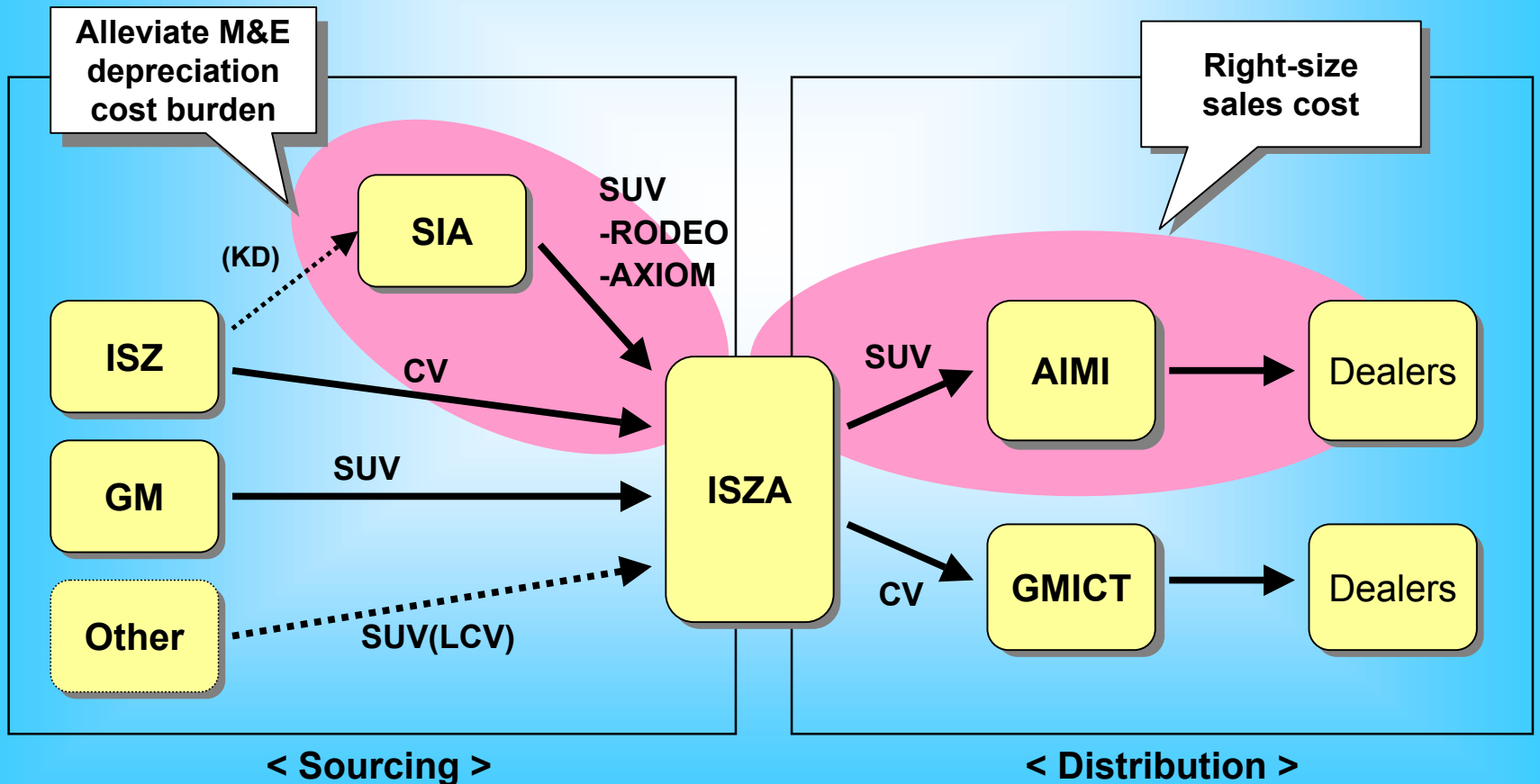


## **II. Review of Business Structure**

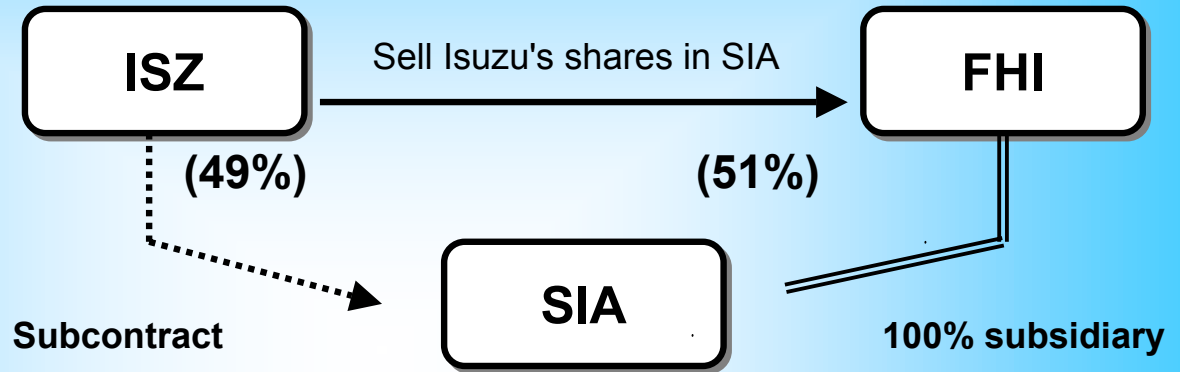
# SUV Businesses in North America -1-

- Commensurate with decreased SUV sales volume, review and right-size the scale of business operations.
    1. Adjust manufacturing capacity (incl. review of product sourcing, ie OEM, etc.)
    2. Review sales cost and organization to match sales volume
- \* Areas in red.



# SUV Businesses in North America -2-

- Dissolve SIA JV, and subcontract assembly



※ Isuzu to recognize valuation losses on M&E upon dissolving JV

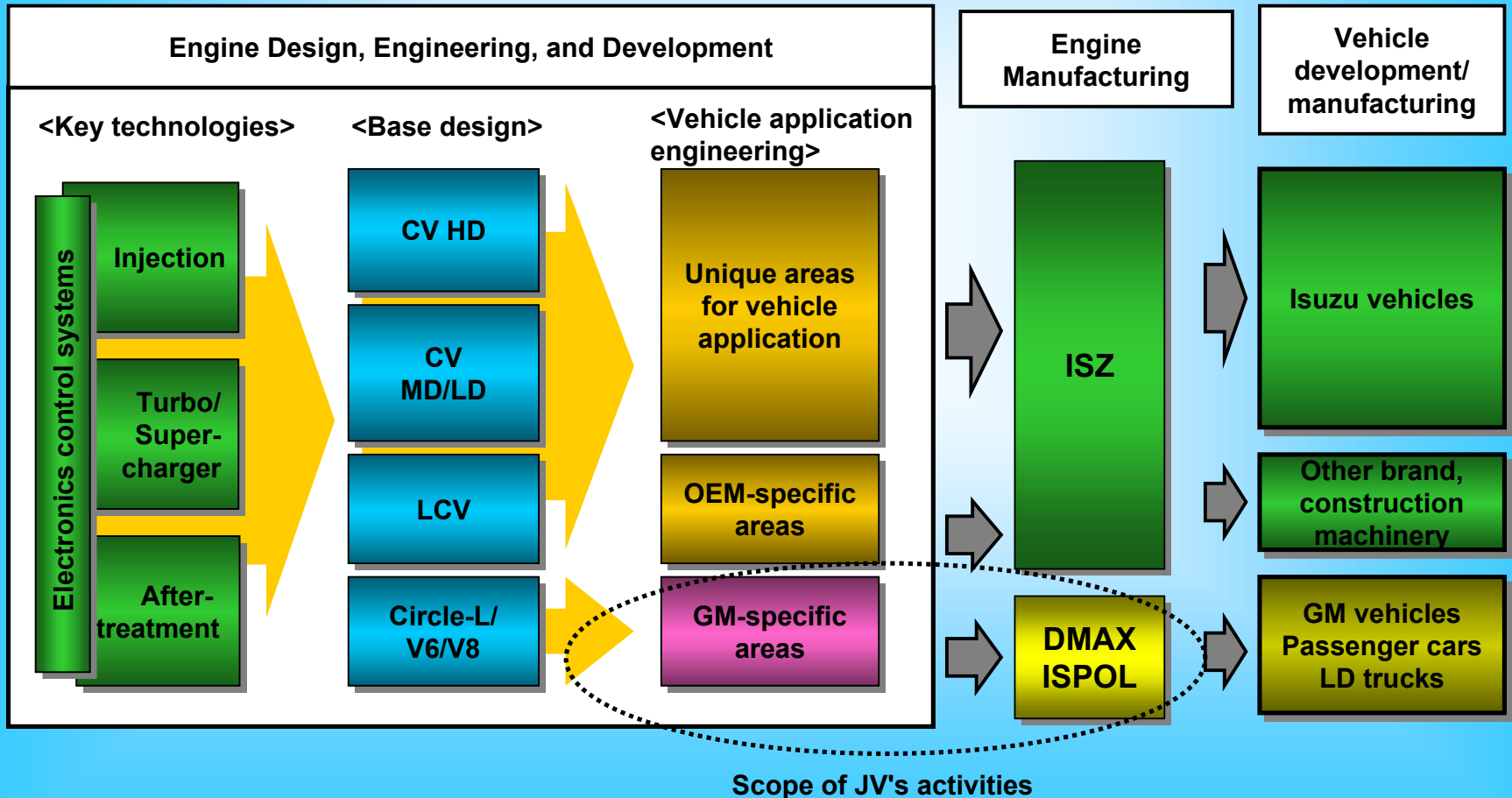
**Manufacturing operations (SIA)**

- Reduce SUV sales cost
  1. Reduce sales cost: Cut back SUV workforce to less than half
  2. Reduce inventory: Target at 90-day supply
  3. Review ad&promo, incentive
  4. Consolidate functions: Review number of offices and workforce assignment
- On top of Ascender, Isuzu will receive another OEM vehicles based on TrailBlazer from GM.

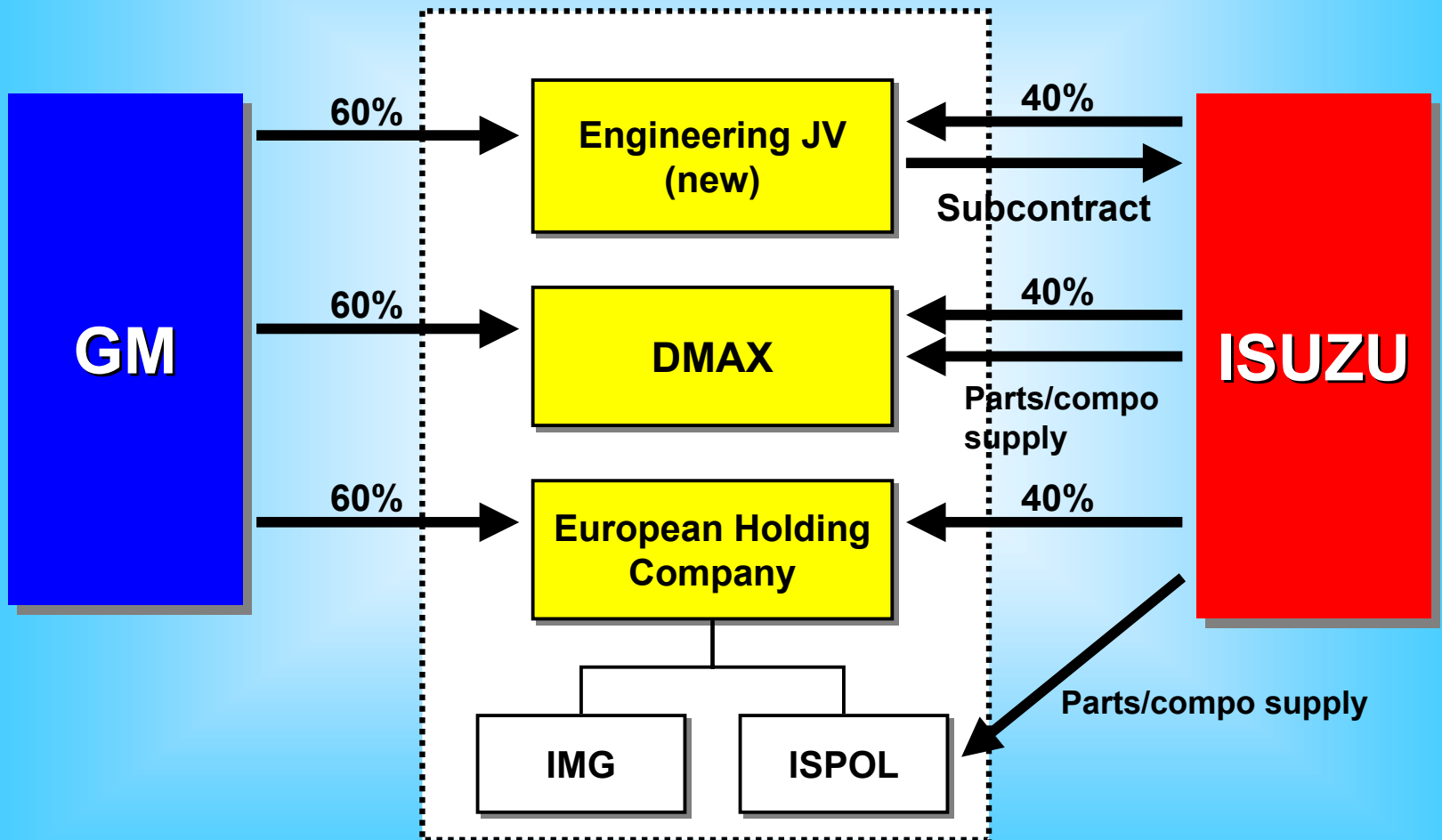
**Sales operations (ISZA/AIMI)**

# GM-Isuzu Power-train Engineering JV -1-

- Create a new power-train engineering JV with GM to engage in engineering and manufacturing of DE for GM vehicle application



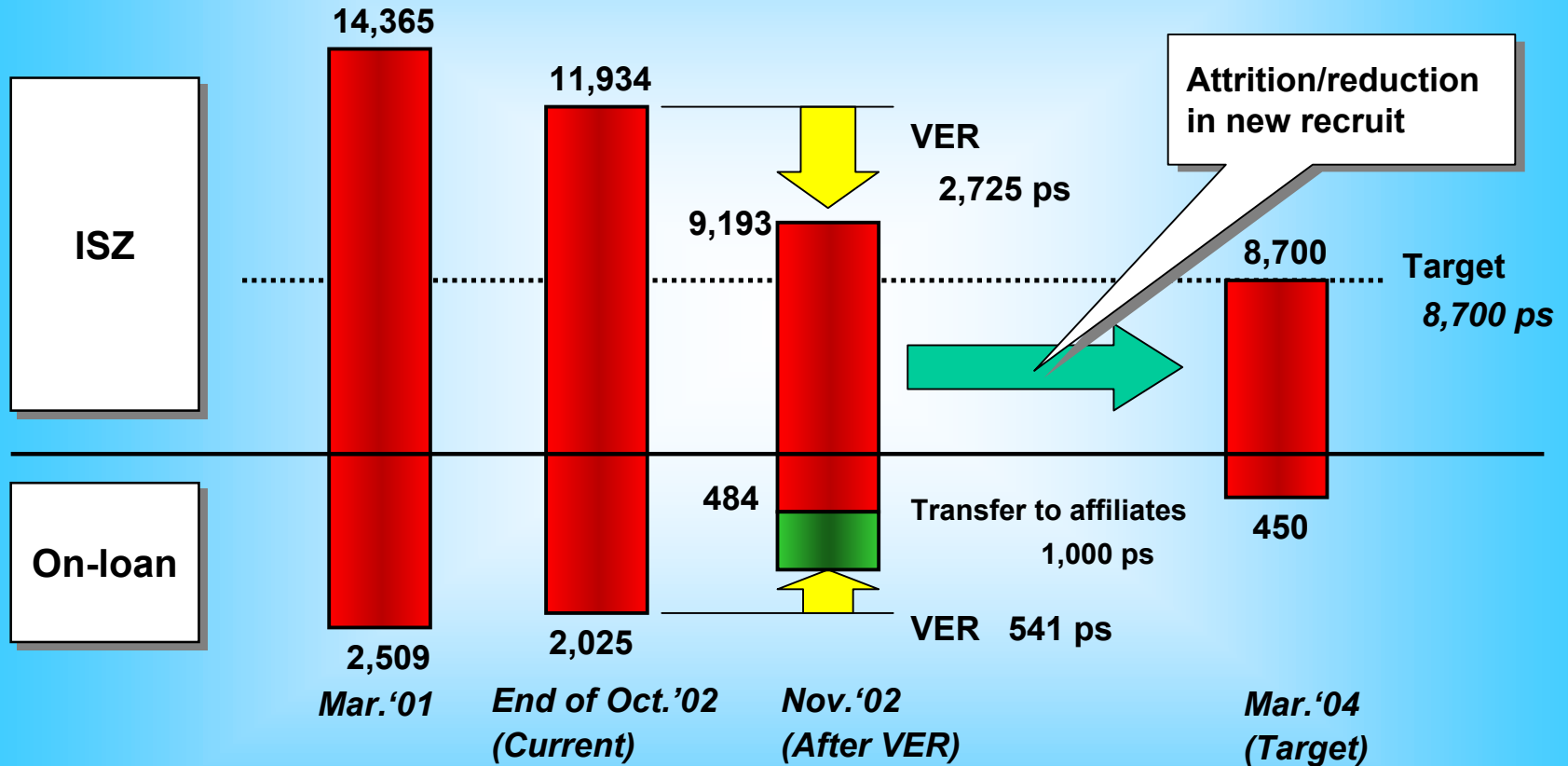
# GM-Isuzu Power-train Engineering JV -2-



\* IMG to provide services to Engineering JV on consignment basis

# Right-sizing Overall Employment

- Voluntary Early Retirement program was implemented earlier than original plan to ensure achievement of the V-Plan target (ie 8,700-person organization in March '04: on Isuzu payroll)



4,266 persons applied and accepted for voluntary early retirement (incl 1,000 transfer).  
 <Plan: 3,700 persons, incl. 700 transfer>

# Restructuring Charges and Improvements

- In current fiscal year through March '03, Isuzu will take approximately Y140.0 billion charges. However, effects of restructuring will largely contribute to earnings in ensuing years.

| Initiatives   | Positive effects<br>(as compared to actual results through March '02) |              |              |              |
|---|---|--------------|--------------|--------------|
|   | Charges   | Mar.'03      | Mar.'04      | Mar.'05      |
| Review/restructure North America                    | (91.0)  | +6.0         | +38.0        | +38.0        |
| - Revaluation of investments in subsidiaries        | (34.0)  |              |              |              |
| - Revaluation of under-performing facilities in SIA | (47.0)  |              |              |              |
| - Restructuring at Isuzu-America                    | (10.0)  |              |              |              |
| Headcount reduction                                 | (22.0)  | +8.0         | +21.0        | +21.0        |
| Exit domestic RV business                           | (3.0)   | +1.0         | +1.0         | +1.0         |
| Recognition of latent losses, etc.                  | (25.0)  |              |              |              |
| <b>Total</b>  | <b>(141.0)</b>  | <b>+15.0</b> | <b>+60.0</b> | <b>+60.0</b> |