

IV. Re-capitalization

Improve Financial Fundamentals

- Cooperation from GM, Shareholders and Financial Institutions -

GM

1. Retirement of shares
 - Cancellation without consideration (619 million shares)
2. Total injection of approx. Y60.0 billion for:
 - JV with Isuzu, capital increase in Isuzu PT units
 - Intellectual property
 - Subscription to new shares of Isuzu (for 10.0 billion: 12% equity)
3. Consolidation of PT companies and assumption of approx. Y40.0 billion debt (est. a/o Dec '02)

General shareholders (excluding GM)

1. Reduction of capital stock: Y89.8 billion, including cancellation of GM's shareholding without consideration.
 - * Note: Number of issued shares to general shareholders remain unchanged.

Financial institutions

1. Debt-for-equity conversion: Y100.0 billion of debt with major banks (to be converted to new issues of preferred stock) → To restore Isuzu net worth
2. New money
 - Bond redemption funds: financing request, to cover redemptions during the period
 - Headcount reduction funds: financing request to 5 major banks
3. Financial support from other banks
 - Roll-over of existing credits: Based on request to major banks to step up cooperation, other financial institutions are also requested to accept roll-over