

V. Future Vision, Business Strategy

Strategic Direction

	Direction	Product/Technology	Market	Business Focus
CV	<ul style="list-style-type: none"> ❖ Concentrate resources on CV as core business ❖ Maximize revenue/volume 	<ul style="list-style-type: none"> • Introduce new engine (10-liter, L6) • Full model change of 2- to 4-ton 	JPN	<ul style="list-style-type: none"> • Reform of sales structure/Expand sales to major cargo fleet
			China ASEAN NA	<ul style="list-style-type: none"> • Aggressive sales expansion, leveraging brand equity • Enrich product line-up • 3rd-party alliance
LCV	<ul style="list-style-type: none"> ❖ Pursue maximum efficiency in return on investment - Centralize production in Thailand - Tie-up sales operation with MC 	<ul style="list-style-type: none"> • Introduce P-up derivative • Introduce new L4 DE 	Thailand	<ul style="list-style-type: none"> • Maintain No.1 market share • Reinforce alliance with MC
			ASEAN, etc.	<ul style="list-style-type: none"> • Increase vol with derivative vehicle • Aggressive sales in GM territories
SUV	<ul style="list-style-type: none"> ❖ Minimize business risks 	<ul style="list-style-type: none"> • Add OEM models • V6 gas engine 	NA	<ul style="list-style-type: none"> • Review operational structure to suit sales vol.
PT	<ul style="list-style-type: none"> ❖ Secure business stability through creation of JV with GM 	Improve product: V6, V8, L4	NA	<ul style="list-style-type: none"> • Capacity increase at DMAX
			Europe	<ul style="list-style-type: none"> • Max. vol operation (300k) • Expand other OEM sales

CV Business: Product/Market

Product Group/Engine		Market	Japan	Overseas
HD	New 14-liter - High output - High torque		<ul style="list-style-type: none"> ◆ Adopt on CVs for heavy cargo carrier/construction use <p>Secure stable growth as Isuzu's stronghold</p>	<ul style="list-style-type: none"> ◆ Ally with third-party for manf./sales operations <p>Capture CV market opportunity in China whose construction/public works are booming</p>
			<ul style="list-style-type: none"> ◆ Enrich cargo CV offering with new engine (meeting the need for greater cargo-load efficiency and higher fuel efficiency) <p>Boost market share of cargo types, with the 1st in class output and fuel efficiency</p>	<ul style="list-style-type: none"> ◆ Introduce as "Asian Truck" <p>Pursue volume merit through regional complementation in manf., and consolidation of smaller-scale markets</p>
MD	New 10-liter - Energy efficient - Light weight		<ul style="list-style-type: none"> ◆ Enrich LCV line-up by adopting new engines on ELF <p>Ensure absolute advantage over competition by meeting market needs thoroughly</p>	<ul style="list-style-type: none"> ◆ Expand new engine adoption covering pick-up derivative and LCV <p>Leverage the strengths as the world No1 light-weight, biggest volume LCV</p>
LD/LCV	New 3-liter New 2.5 liter - High output - Light weight			

Material Cost Reduction

Generate cost saving through volume merit, on part-by-part basis

CV

- Commonize next generation MD and LD cab (-30%)
- Volume merit from HD and MD truck (-15%)
 - In short-term, reduce domestic supplier prices by leveraging China/ASEAN volume (eg. extensive use of dies)
 - In mid-term, expand procurement from China/ASEAN to achieve further cost reduction
- Drastic de-proliferation : vehicle variations, engine series
 - HD: 500 --> 200
 - MD, LD: 5,000 --> 2,000
 - Engine: 9 --> 7 series

LCV

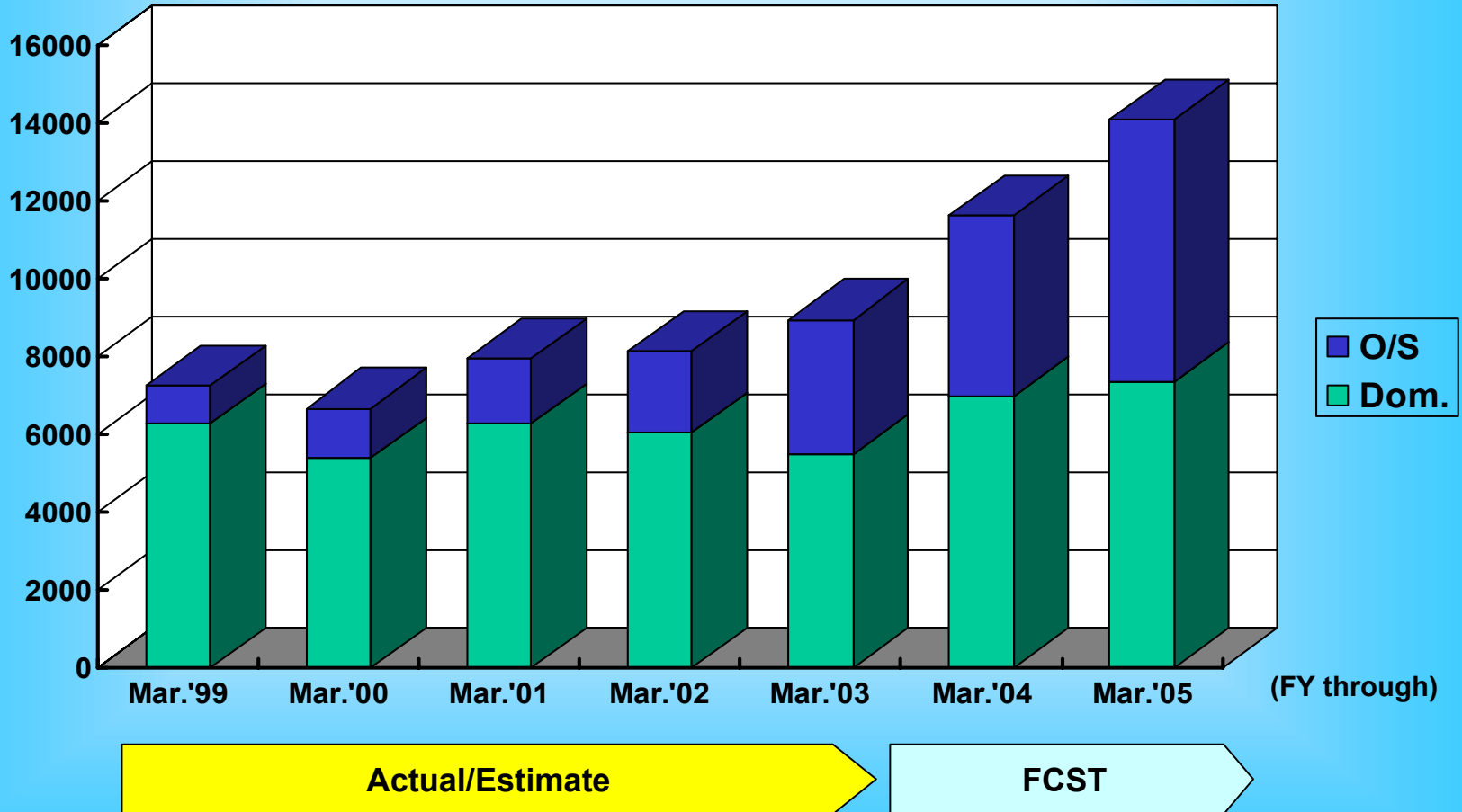
- Combine purchase volume with US-produced GM volume (WWP program)
- Review manf. footprint plans for new engine (Japan, China, Thailand)
- Secure re-quotation and/or re-source based on increase volume including derivative models (10%)

Unconventional Approach (esp. leverage alliance)

- Joint purchasing with GM Alliance Partners (FHI, SZK, GM): 13 commodities + α
- Collaboration with keiretsu body-builders: Integrate chassis & body engineering (body: 10%)
- Supply component to 3rd parties (GM, domestic competitors, etc)
 - Suspension, T/M, Transfer
- Reinforce complementary relationship with non-keiretsu suppliers

For reference: HD Sales

(units)



For reference: P'up

Export Forecast -Excl. Sales in Thailand-

