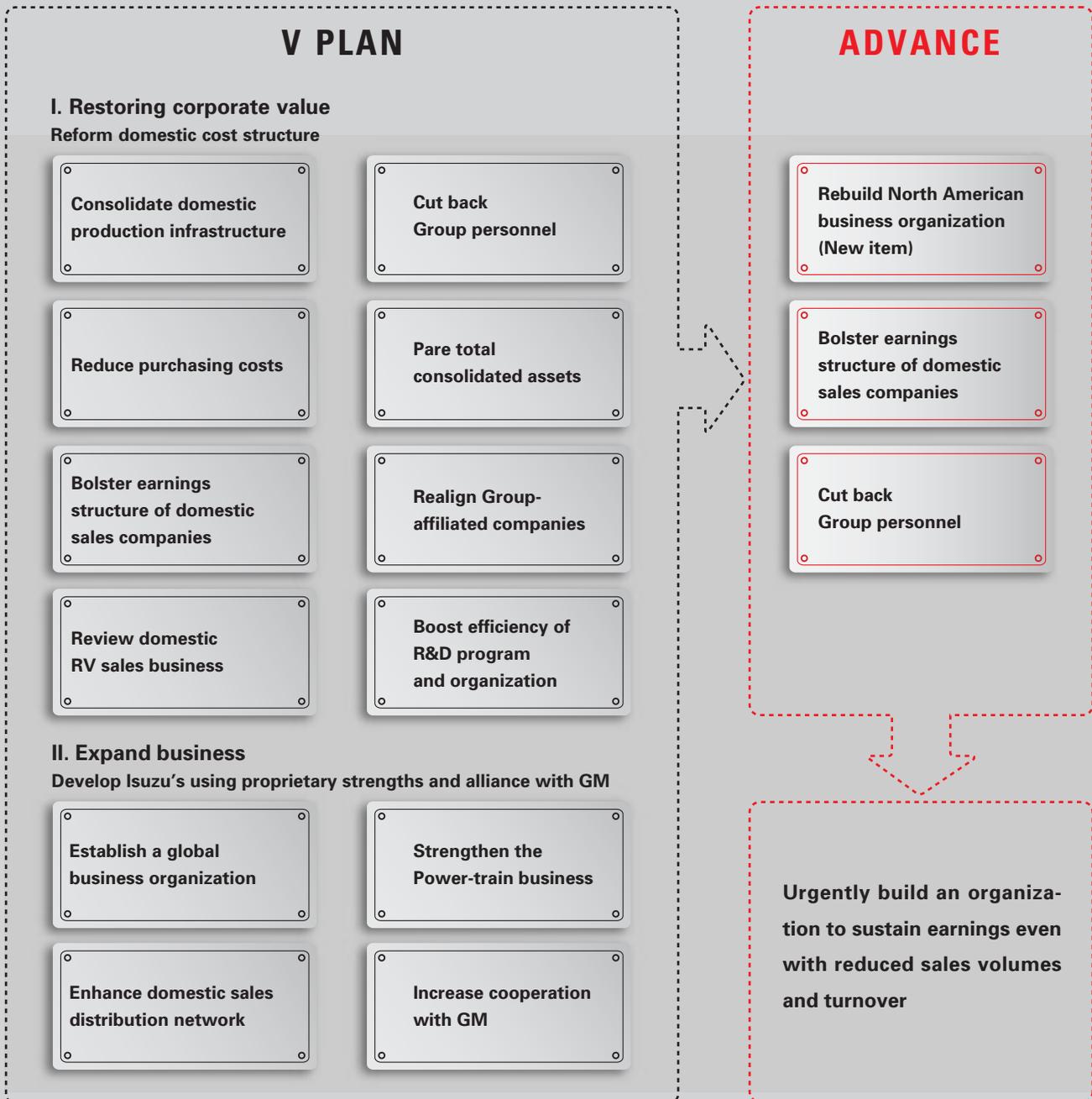


V PLAN **ADVANCE**

In May 2001, Isuzu formulated its mid-term business plan, the Isuzu V Plan. Subsequently, Isuzu drew up the V Plan Advance to enable the company to respond rapidly to the drastic changes occurring in its operating environment. At the same time, we have been working to enhance the company's competitiveness and restore corporate value. As a result of the plan's initiatives, Isuzu's business results have seen a steady recovery, underpinned by solid improvements in the company's corporate structure.



BREAKDOWN

[THE V PLAN]

Isuzu formulated its mid-term business plan, the Isuzu V Plan, to radically reform its business organization and corporate structure, restore corporate value and bolster competitiveness.

I. Restoring corporate value

Due to an over-emphasis on domestic operations, Isuzu's production levels, sales infrastructure and personnel have grown to unsustainable levels. Consequently, we will streamline all three elements components to appropriate levels. We will also cut costs and pare back assets to create a corporate structure that has no wasteful elements anywhere in the Group.

Consolidate domestic production infrastructure: At the global level, we will carry out appropriate closures or consolidations of our production facilities. In Japan, we will realign our production network centered on 3 facilities. Our target is to increase overall operating efficiency to 90% from the 50% level at the time the plan was formulated.

Cut back Group personnel: In the coming 3 years, we will reduce Group personnel from the current total of 38,000 employees to around 28,000.

Reduce purchasing costs: Our target is to reduce the cost of materials purchasing by 20% over the next 3 years.

Pare total consolidated assets: We will sell assets and shares to increase funds and improve cash flows.

Bolster earnings structure of

domestic sales companies: We will accelerate the ongoing consolidation of commercial vehicle sales companies. Our ultimate goal is to make all outlets profitable in their own right.

[THE V PLAN ADVANCE]

We reviewed the progress made with the Isuzu V Plan during the fiscal year ended March 31, 2002. In the first half of this fiscal year most of the plan's initiatives were implemented on schedule. Later in the year, however, a drastic fall in sales occurred in the U.S. and the entire Group's business performance deteriorated.

The severe operating environment made us decide to urgently rebuild our North American business and accelerate two of the Isuzu V Plan's eight initiatives, these three items forming a new plan, the V Plan Advance. As soon as possible, we will review our U.S. organization, improve the earnings structure of our domestic sales companies and reduce our Group personnel levels. We aim to sustain steady earnings, even with reduced sales.

Realign Group-affiliated companies: We will review how Group business is developing, and rationalize and streamline non-core businesses to build an efficient business organization.

Review domestic RV sales business: We will effectively use our joint sales resources with GM.

Boost efficiency of R&D program and organization: We will focus on core platforms and use spin-off technology to rigorously pursue an efficient development program.

II. Expand business

We will rebuild our global business structure by strengthening cooperation with GM in our capacity as the center of expertise for the GM Group's diesel engine and commercial vehicle business and by allocating resources in the best manner.

Establish a global business organization: We will establish a global network focused on four key markets—Japan, ASEAN, China and America—enabling us to efficiently develop, purchase, manufacture and sell products. On a business level, we will position medium and small CVs and pick-up trucks as "global strategic vehicles," to develop a new global concept vehicle.

Enhance domestic sales distribution network: We will bolster peripheral businesses and integrate business line-ups, in addition to selling new vehicles.

Strengthen the Power-train business: We will establish a position as the world's leading manufacturer of diesel engines.

Increase cooperation with GM: We will make effective use of the resources and size of GM. Isuzu and GM will use mutual sales channels and we will work together to jointly develop new products.

Rebuild North American business organization: We will examine our North American business domains and business systems in order to curb fixed structural costs.

Bolster earnings structure of

domestic sales companies: We will clarify the various business priorities arising from the realignment of our sales companies, and give maximum priority to initiatives which are directly connected with improving earnings.

Cut back Group personnel: We will reduce personnel in the entire Group, aiming at a final target for the workforce of around 24,700.

ENVIRONMENTAL ACTIVITIES

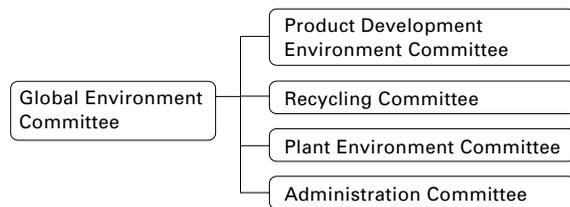
Policies in Coping with the Global Environment

1. Throughout the life of vehicle from production to usage and disposal, we will cope with the conservation of environment with positive stance.
2. In order to leave beautiful earth to our descendants, not only through business activities but also as citizens of the earth, we will cope with environmental conservation activities of locality and society with positive stance.

ENVIRONMENTAL PROTECTION ORGANIZATION

Isuzu considers environmental protection to be a management issue of the highest importance. The chart below depicts how the company's internal framework for environmental protection is structured. The Global Environment Committee promotes corporate environmental efforts and reports initiatives and achievements from the past fiscal year through the Isuzu Environmental Report, which is published annually. This report can be viewed on the company's Website,

(http://www.isuzu.co.jp/company/eco/2001_en/)



Isuzu recorded two significant achievements in environmental protection in fiscal 2002. First, the Product Development Environment Committee was awarded ISO 14001 certification for its product development process, thus putting in place a system in tune with environmental protection requirements. Second, the Plant Environment Committee successfully achieved its goal of Zero Emissions.

PRODUCT DEVELOPMENT ENVIRONMENT COMMITTEE

Isuzu has state-of-the-art diesel engine technology and manufacturing plants in Europe, the U.S., Japan and elsewhere in Asia. Testifying to this is that Isuzu's Duramax 6600 (DMAX diesel engine) placed in the U.S. Ward's 10 Best Engines award for the second consecutive year in 2002. Although diesel engines are well regarded in Europe, they have a poor image in Japan. However, diesel engines have considerable potential for contributing to environmental protection. With superior fuel consumption (100km on 3 liters) and technological advances, the image of diesel engines will no doubt improve



dramatically. As one of the world's leading producers of diesel engines, Isuzu is committed to marshalling all its technological resources to develop even cleaner diesel engines that significantly lower environmental loads.

ISO 14001 CERTIFICATION ♦ The Global Environment Committee in 1999 decided to work toward putting systems in place for obtaining ISO 14001 certification for product development processes. In order to provide powerful support for the development of environmentally friendly products, the development division started work on building an environmental management system with the participation of all the development divisions and Isuzu Advanced Engineering Center, Ltd. The result was ISO 14001 certification on June 30, 2001. This certification recognizes that Isuzu has created an integrated environmental protection system covering all stages from product

development through production.

All four of the company's domestic plants are also ISO 14001 certified. Overseas, Subaru-Isuzu Automotive Inc. (SIA) in the U.S., Isuzu Motors Polska Sp. zo. o. (ISPOL) in Poland, Isuzu Engine Manufacturing Co., (Thailand) Ltd. (IEMT) and Isuzu Motors Co., (Thailand) Ltd. (IMCT) in Thailand, and Isuzu Motors Germany GmbH (IMG) in Germany are similarly certified. DMAX, Ltd. in the U.S. is now preparing for certification. All our five main overseas manufacturing plants will be ISO 14001 certified when DMAX obtains the certification.

PLANT ENVIRONMENT COMMITTEE

ZERO EMISSION GOAL ACHIEVED ♦ Isuzu in fiscal 2002 reduced industrial waste by 97.6% against fiscal 1996 levels, exceeding its Zero Emissions goal. "Zero Emissions" means "A reduction of end waste amount to 95% of the fiscal 1996 level (excluding incineration ash)."

Following up on this achievement, we plan to further reduce industrial waste in fiscal 2004. The goal is to slash industrial waste at each plant to less than one ton per month by the end of fiscal 2004.



Isuzu has developed a CNG (compressed natural gas) vehicle for use as a non-step large route bus. The vehicle boasts extremely low levels of harmful exhaust emissions. Some models also employ an oxygen catalytic converter to reduce levels of particulate matter. These innovations mean the vehicle has an exceptionally low impact on the environment. (Domestic model)

OFFICERS

DIRECTORS

(All Directors concurrently act as Executive Officers)

President & Representative Director	Yoshinori Ida
Executive Vice Presidents & Directors	Kozo Sakaino
	Randall J. Schwarz
Managing Director	Tadaomi Takayama
Executive Directors	Yoshito Mochizuki
	Hiromasa Tsutsui
Directors	Hiroshi Suzuki
	Brian P. MacDonald
	Susumu Hosoi
	Yoshio Kinouchi
	Yoshihiro Tadaki

EXECUTIVE OFFICERS

Senior Executive Officers	Goro Miyazaki
	Ryuuichi Ohgi
	Minoru Matsushima
Executive Officers	Yoshitomo Utaka
	Yasushi Mase
	Kouji Yamaguchi
	Jun Utsumi
	Kazuhiro Sonoda
	Hiroo Majima
	Takashi Urata
	Tadaharu Matsuo
	Fujio Anzai

CORPORATE AUDITORS

(As of June 27, 2002)

Standing Corporate Auditors	Hiromu Inada
	Michio Kamiya
Corporate Auditors	Yasuharu Nagashima
	Tadashi Inui