

Isuzu Motors Mid-term Business Plan April 2008 to March 2011

Three years to expand and strengthen the foundation for future profits

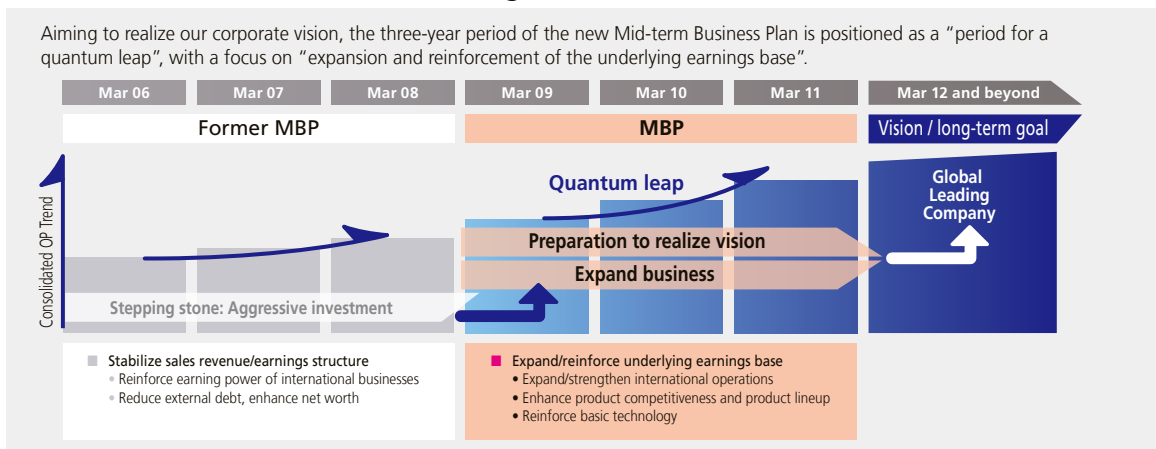


Working under a Mid-term Business Plan that emphasized aggressive investment as the groundwork for future growth, from March 2006 to March 2008 Isuzu focused its resources on developing and introducing strategic global products, and stabilizing its profit and financial foundations. As a result of these efforts, the company was able to achieve the plan's consolidated performance targets one year earlier during the fiscal year ended March 31, 2007. Isuzu then met the plan's target of ¥100 billion in consolidated operating income for the fiscal year ended March 31, 2008.

The new Mid-term Business Plan launched in April 2008 outlines three years of activities and initiatives to expand and strengthen the foundation for future profits, with the aim of achieving Isuzu's long-term vision of becoming a global leader in CVs and DEs.

We are committed to laying the groundwork for implementing this vision, expanding the scale of our business, and leveraging all group resources to achieve sustainable growth by (1) Expanding/strengthening international operations, (2) Enhancing product competitiveness and product lineup, and (3) Reinforcing basic technology.

New Mid-term Business Plan Positioning





Market trends and Isuzu's position

Securing an advantage in growth markets worldwide

Demand for CVs like trucks and buses is forecast to continue a firm growth trend, particularly in growth markets such as China, India, Russia, and other resource-producing countries.

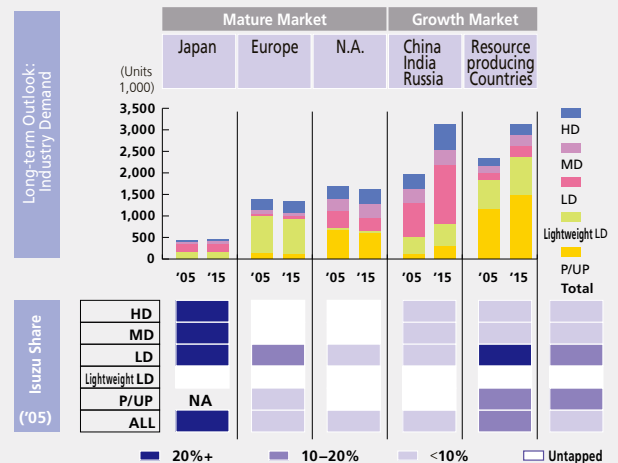
Isuzu is maintaining significant market share in Japan and in growth markets by supplying N Series (ELF) light-duty trucks, a model line that leads its market segment, to more than 120 countries worldwide.

Interest in DEs, which offer the recognized advantages of low fuel consumption and low pollution thanks to new technologies, is increasing worldwide in line with awareness of the need to conserve resources. In addition to having some of the world's most advanced diesel technology, Isuzu is the No. 4 manufacturer of DEs worldwide by production volume. The company is in the unique position of being able to offer a full line of powerplants that comply with strict Japanese, European, and U.S. emissions standards, for vehicles ranging from passenger cars to heavy-duty trucks.

In this way, we have carved out an advantageous position in growth markets worldwide by leveraging our advanced DE technology, global brand strength, and product marketability.

Market Trend Analysis and Isuzu's Position CV/LCV

- CV/LCV market is expected to continue its expansion trend, centered around an increase in demand in growth markets.
- With its global LD trucks N-series (ELF) at the core, Isuzu commands a high market share in Japan and growth markets.



Market Trend Analysis

- Global market demand 8.0 mil. → 9.5 mil
- Key driver of market expansion: Growth markets (60% increase)

Source: Isuzu Motors Limited
 Resource-producing countries: Middle-East, Latin/South America, Africa, Oceania, Africa, CIS, Eastern Europe
 HD: GWW 15t up, MD: GWW 6-15t, LD: GWW 3.5-6t, Lightweight LD: GWW 2-3.5t, P/UP: Small Pick-up Truck

Isuzu's Position

- HD** At the top class in Japan
- MD** Growing presence and penetration in growth markets
- LD** Commands No. 1 position in 21 countries incl. Japan
 - No entry in the lightweight LD segment
- LCV** Enjoys high penetration in resource-producing countries including Thailand

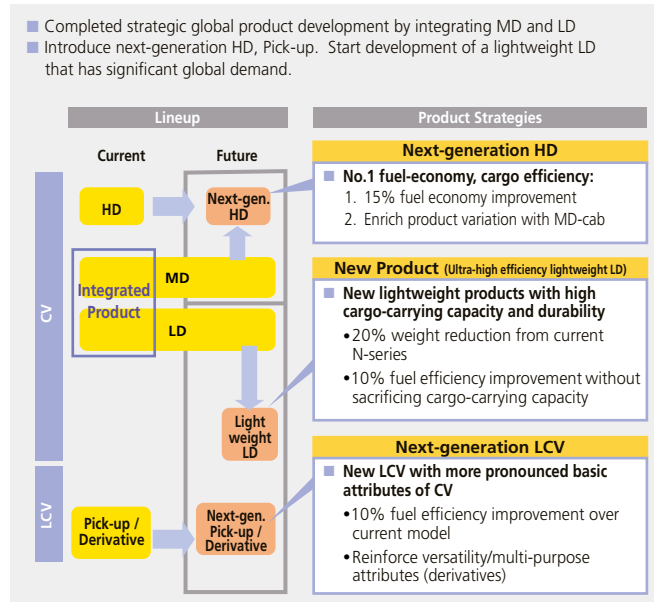
Product strategy

Introducing next-generation strategic global models

In December 2006, we launched the N-series (ELF) light-duty truck, a strategic product that delivers world-class safety, economy, and environmental performance in Japan. In May of the following year, we announced the F-series (FORWARD) medium-duty truck, a model line that offers dramatically improved cost performance and economy by sharing a platform with the ELF. In this way, we have developed a line of strategic global vehicles that integrates light- and medium-duty trucks.

Going forward, we will focus on introducing next-generation models for our remaining product lines: heavy-duty trucks as well as pickup trucks and derivatives. At the same time, we will continue to introduce super-efficient, high-performance models in the lightweight and light-duty segment, an area characterized by a both a high level of market needs and volume sales.

CV/LCV Product / Market Strategies – Product Strategies –



Market strategy

Expanding and enhancing the capabilities of overseas facilities

Isuzu will pursue a market strategy that is closely geared to present conditions and future prospects for individual countries and regions. It is based on a belief that increasing sales in overseas markets that are expected to experience significant future growth is the key to achieving sustainable growth.

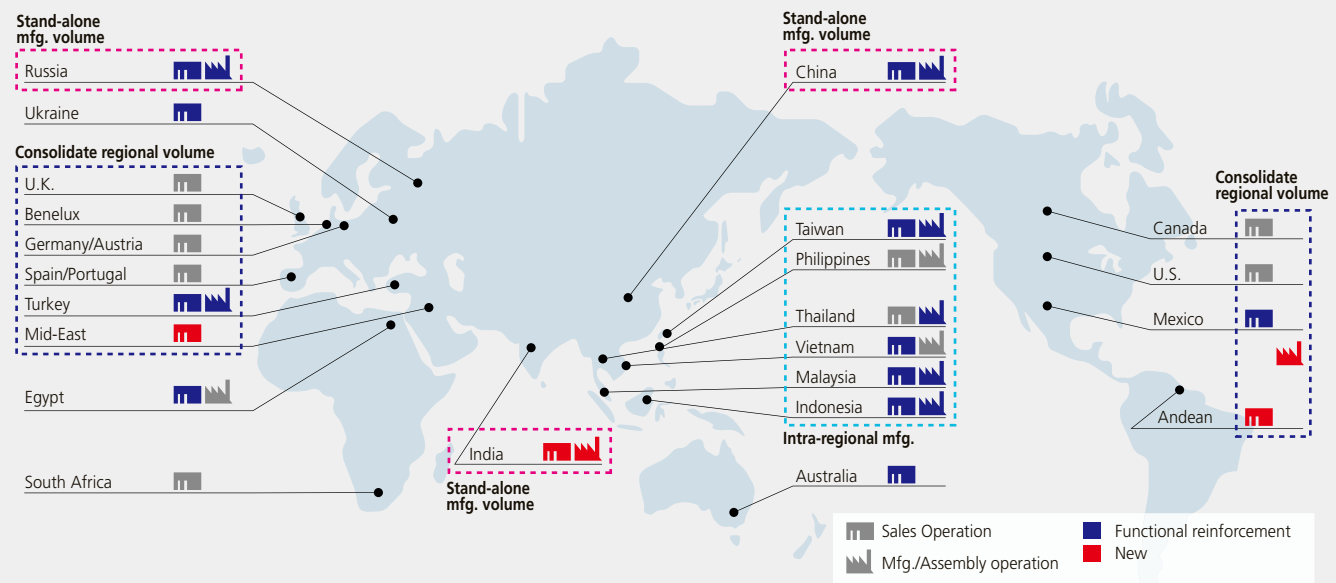
We continue to strengthen our production and sales

capabilities in each of large growth markets such as China and Russia, and we have established a new facility in India. In the ASEAN region, we will boost local capabilities in Thailand, Indonesia, Malaysia, and Vietnam by developing production in the region.

In North America, South America, Canada, and Europe, we will strengthen locally centralized production structures. We plan to construct new sales facilities in the Andean region of South America and the Middle East.

CV/LCV Product / Market Strategies - Reinforcing International Operations -

In large growth markets, focus on self-contained, stand-alone volume mfg., satisfying a given country's volume requirement. In ASEAN, focus on "intra-regional mfg. All other countries focus on regional consolidation of mfg. volume.



Product- and market-specific plans

Harnessing the overseas CV segment as a driver of growth

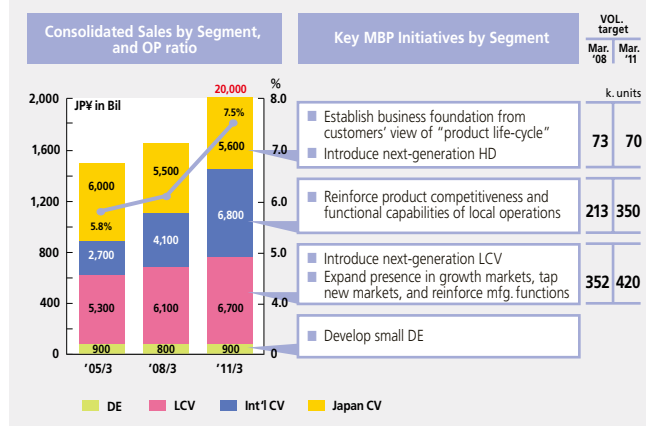
We have developed an action plan stretching through to the final year of the Mid-term Business Plan (the fiscal year ending March 31, 2011) which outlines a series of milestones for the plan's implementation.

Product- and market-specific plans seek to maintain a production volume of 70,000 units in domestic CV, which expect a drop in demands, and to leverage the dynamic overseas CV business to 35,000 units to achieve a dramatic growth rate that is 64% higher than the previous Mid-term Business Plan, through a three-segment structure consisting of domestic CV, overseas CV, and LCV businesses. To achieve this we will strengthen product marketability and local capabilities in overseas markets.

We also expect a 19% increase in growth over the previous Mid-term Business Plan to 42,000 units in pickup trucks and derivatives, and we will lay the groundwork for our DE business to develop into a future strategic business by expanding our line of small DEs.

Product/Market Plan

Under a 3-core operating organization, Isuzu will realize robust growth by positioning International CV sales as the primary driver of consolidated revenue/ profit, while reinforcing the DE business as future strategic business segment.



Investment plan

Making aggressive investments to expand the scale of our business

Isuzu will pursue an active program of investment in facilities, research and development, and overseas investments and loans to achieve this vision. We plan to make capital investments totaling ¥230 billion in product development and production over the coming three years (a 58% increase over the previous Mid-term Business Plan).

We will also make investments of ¥200 billion (up 14% from the previous plan) in research and development with a focus on DEs and CVs. In overseas investments and financings, the plan dramatically expands activity to ¥36 billion (an increase of 67% from the previous plan), with an emphasis on investment in large growth markets.

Investment Plan

		(JPY in Bil.)		
		Apr. '05 to Mar. '08	Apr. '08 to Mar. '11	Growth
Facilities Investment	Product Development	44.0	90.0	
	Mfg.	68.4	120.0	
	Sales & Other	33.2	20.0	
	Total	145.6	230.0	58%
R&D	CV	62.0	70.0	
	LCV	26.7	30.0	
	DE	86.8	100.0	
	Total	175.6	200.0	14%
Int'l Financial Investment	Large, growth mkt.	13.0	25.0	
	Resource-rich mkt.	5.5	8.0	
	Mature mkt.	3.0	3.0	
	Total	21.5	36.0	67%

Performance Targets

Striving to achieve consolidated net sales of ¥2 trillion and operating income of ¥150 billion

The plan sets targets for the fiscal year ending March 31, 2011, of consolidated net sales of ¥2 trillion (an increase of 12% from the fiscal year ending March 31, 2008*), consolidated operating income of ¥150 billion (an increase of 47%*), and an operating margin of at least 7.5% (an increase of 1.8%*).

Moreover, we will meet shareholder and investor expectations by striving to achieve an ROE of at least 17%, and setting a consolidated dividend payout goal of at least 20%.

Performance Target

		(JPY in Bil.)	
		Mar. '11 Target	Mar. '08 Actual*
Sales Revenue		2,000.0	1,791.6
Operating Profit		150.0	102.0
OP % to Sales		Over 7.5%	5.7%
ROE		Over 17%	20.6%
Dividend Payout Ratio		Over 20%	11.2%

* Excl. ASEAN closing date change

* Excludes the effects of a change in the end of the fiscal year for ASEAN affiliates in FY2008.
Note: Above plans, estimates and projections have been released in August 2007 and are subject to change due to changes in the future economic environment.