

Press Release

January 14, 2000

Isuzu Motors Limited

ISUZU and Guangzhou Automobile Group(China)

Agreed to Establish Bus Joint Venture

Isuzu Motors Limited (Isuzu) and Guangzhou Automobile Group Co., Ltd.(Guangzhou, People's Republic of China) have agreed to jointly establish Guangzhou Isuzu Bus Co., Ltd., a company which will manufacture and sell medium and heavy duty buses. The deal will be signed soon. Isuzu is to become the first Japanese automobile manufacturer to jointly produce medium to heavy-duty completed buses in China.

The joint venture is going to be established in February 2000. The total investment is expected to be US\$29.9 million(approximately 3.1 billion yen). The vehicles produced will be Isuzu's large-sized sight-seeing bus, the Gala series; its medium-sized sight-seeing bus, the Gala Mio series; and the heavy duty city bus, the LT series. The plan is to purchase part of the plant of Guangzhou Bus, a bus manufacturer of the Guangzhou Automobile Group, and to invest in factory equipment. The production will begin during 2000. A total of 100 buses will be produced in the first year, with that number being increased to 1,000 units by 2005. The main sales area will center around Guangzhou, but include the entire country.

At present, together with China's fast-growing economy, the high-way network is expanding over the nation and the demand for high-way buses is increasing accordingly. Especially, Guangzhou, the economic center of this coastal region, teeming with traffic to and from Hong Kong, is the nation's largest bus market. Also, the demand for sight-seeing buses is expected to increase in the future. as the plans for building large leisure facilities in Hong Kong are under way. It is the market prediction that, by 2005, the demand for medium and heavy-duty buses will double from the approximately 30,000 buses sold in 1999.

While Guangzhou Bus is among the China's 10 leading bus manufacturers and is the number 5 in terms of the number of bus production, Isuzu became the first Japanese auto maker in 1985 to begin manufacturing the light duty trucks, the Elf in Japan, at the Qingling Motors Co., Ltd. in Chongqing. At present, Isuzu jointly produces approximately 50,000 light duty trucks, pick-up trucks and multi-purpose vehicles with Qingling Motors and Jiangling-Isuzu Motors in Nanchang. Isuzu intends to further strengthen its business foundations in the Chinese market, and through the joint production of the modern buses with Guangzhou Automobile group, Isuzu will contribute to the development of Chinese bus manufacturing and automobile industry.

Company Outline(Plan)

Company Name : Guangzhou Isuzu Bus Co., Ltd.

Location : Guangzhou, Kwangtung Province, People's Republic of China

Capital : US\$29.9 million(Japanese Yen 3.1 billion)
Guangzhou Automobile Group Co., Ltd.-----51%
Isuzu Motors Limited-----49%

Business : Development, Manufacture and Sales of Medium and Heavy Duty Buses

Establishment : February. 2000

Representative : To be determined

Products : Heavy Duty Sight Seeing Bus "Gala" series
Heavy Duty City Bus "LT" series
Medium Duty Sight Seeing Bus "Gala Mio" series

Production Capacity : 1,000 units/year

Employees : 360

Plant Site : Land 94,000 m²,Plant 30,000 m²

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