

Hino and Isuzu Agree to Start  
Joint-Venture Bus Operations in 2003

Hino Motors Ltd. ( herein after, Hino ) and Isuzu Motors Limited ( Isuzu ) announced today that the two companies came to an agreement on the basic direction to establish a new company in 2003 through a merger of bus manufacturing subsidiaries. The new company will begin joint bus manufacturing operations in 2003. In order to map out the details, Hino and Isuzu have begun a merger set-up process.

With respect to the activity schedule for the merger, Hino and Isuzu, after going through necessary legal procedures, will first establish a joint venture company this year for a specific purpose of making necessary preparations for the planned merger of respective bus subsidiaries (herein after referred to as the Start-up Preparation Company ).

In October 2003, Hino Auto Body, Ltd. ( Hino Body ) and Isuzu Bus Manufacturing, Ltd. ( Isuzu Bus ) will be merged together with the Start-up Preparation Company, to form a new joint-venture bus manufacturing company that will enter into a full-scale bus manufacturing operations.

The new bus manufacturing joint venture will commence production operations at two locations, the Komatsu Plant of Hino Body currently under construction, and the Utsunomiya Plant of Isuzu Bus. Next generation products will be introduced into the market sequentially by taking into considerations model change timing of current products at both companies.

Bus manufacturing industry, characterized by its strong societal and public aspects, has been confronted with structural issues as a result of market contraction and resulting excess capacity. Ensuring sustainable business is becoming harder than ever in the face of deteriorating profit.

In order to address these situations and respond to the future need of the public at large, Hino and Isuzu agreed to join forces together to make structural reform of the business through reinforced management and business structure.

The outline of the new business ventures is as follows:

1. Start-up Preparation Company

Establishment: In 2002 (plan)

Line of business: Business plan development for Manufacturing JV

Product plan and production plan development

Development of operational, administrative systems for Manufacturing JV

## 2. Bus Manufacturing Joint Venture Company

Establishment: October, 2003 ( plan )  
Method: 3-way merger between Start-up Preparation Company, Hino Auto Body and Isuzu Bus Manufacturing  
Manufacturing at: Komatsu Plant (current Hino Auto Body) and Utsunomiya Plant (current Isuzu Bus)  
Line of business: Design / development, manufacture, parts procurement for bus products

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For further information, please contact:

Hino Motors Ltd: Public Relations Dept. Tel: 03-5419-9320

Isuzu Motors Limited: Public Relations Dept. Tel: 03-5471-1138