

For Immediate Release

Hino and Isuzu Reach New Agreement,
Paving Another Step Forward for Bus Business Integration
- Establishing a Holding Company through Share-transfer of J-Bus Ltd. -

Tokyo, September 12, 2003 - Hino Motors, Ltd. (Hino) and Isuzu Motors Limited (Isuzu) announced today that they have reached an agreement to establish a holding company to consolidate control over bus manufacturing subsidiaries of Hino and Isuzu. By establishing a holding company, Hino and Isuzu will promote their on-going joint initiative to consolidate bus manufacturing operations while enhancing functional capabilities of J-Bus Ltd.. (J-Bus), established in 2002 as a start-up preparation company for planned creation of a joint-venture. The holding company will be established on October 1, 2003.

Preceding the establishment of holding company, Hino and Isuzu will first transfer to J-Bus their equity holdings in bus manufacturing subsidiaries, i.e., Hino Auto Body, Ltd., Hino's wholly owned subsidiary (Hino Body), and Isuzu Bus Manufacturing Co., Ltd., a wholly owned subsidiary of Isuzu (Isuzu Bus).

After the share transfer, J-Bus, Hino Body and Isuzu Bus will be merged in or around October 2004. The merged company will then be positioned as a core bus manufacturing company of Hino and Isuzu, and maximum effects of consolidation will be pursued.

Going forward, the companies will carry out operational consolidation aiming at the planned merger, including such functions as bus engineering and development, parts sourcing and systems, on a step by step basis.

In the foreseeable short-term period, the new model bus engineering development work, including the regulation-compliance engineering for the 2003 New Emission Standards in Japan, will be shared between Hino and Isuzu, so that the companies can respond to the market needs and regulation requirements in a timely and effective manner.

The merged company will introduce integrated models into the market, which will be developed by Hino and Isuzu through sharing engineering development work where Hino will take the lead initiative in developing sightseeing buses and Isuzu will lead the route bus engineering development.

On the sales front, Hino and Isuzu will maintain their own product brands as well as their sales/distribution channel. Before the integrated products become, the companies will continue on-going cross-supply of OEM products to complement and enhance competitiveness of their product lineup.

After the landmark agreement to consolidate bus engineering, production and sourcing functions, Hino and Isuzu have been working closely together to realize merger of three companies in October 2003. The earlier agreement came about as the bus manufacturing industry, characterized by its strong societal and public aspects, has been confronted with structural issues due to market contraction and excess capacity, and that both Hino and Isuzu agreed to restructure the business together.

Consolidating operating systems and adjusting differing labor conditions of each company, however, was found to be more time consuming than earlier estimate.

In order to realize maximum benefit of consolidation from the earlier stage of the merger, Hino and Isuzu decided that running the bus operation as one-group by positioning J-Bus as the holding company would serve the best interest of both companies. The outline of the new holding company is as follows:

● Company name	J-Bus Ltd.. (Succeed the name of JV start-up preparation company)
● Re-establishment as a holding company:	October 1, 2003 (Current JV start-up preparation company was established on October 1, 2002)
● Equity transactions involved:	Hino and Isuzu to transfer to J-Bus Ltd. their equity holdings in wholly owned bus manufacturing subsidiaries, Hino Auto Body Co., Ltd. and Isuzu Bus Manufacturing Co., Ltd.
● Capitalization, and equity position	1.9 billion yen, Hino 50%, Isuzu 50% (Current J-Bus capital/equity share: 20 million yen, Hino 50%, Isuzu 50%)
● Line of business:	Promotion of three-party merger, and management of group operation
● Board/corporate officers:	Eight persons (including 2 corporate auditors)
● Representative directors: (same as current J-Bus)	President: Tadayoshi NAKANE (Hino) Vice President: Goro MIYAZAKI (Isuzu)
● Number of employees:	14 persons (6 additional persons)
● Location of head office: (same as current J-Bus)	Omori Bell Port Building-D, 6-26-3, Minami-oi, Shinagawa-ku, Tokyo

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< Supplement Information >

Hino Auto Body, Ltd.

Head office:	Komatsu City, Ishikawa Prefecture
Capital:	1.0 billion yen (as of Mar '03, a wholly owned subsidiary of Hino Motors, Ltd.)
Representative Director:	Tadayoshi NAKANE, President
Number of employees:	565 persons (as of March '03)
Sales revenue:	13.3 billion yen (6 months to March '03, due to spin-off)
Production volume:	1,529 units (as of March '03)(includes: HD 512, MD 672, LD 345 units)
Plant lot area:	202,000 sq.m
Building area:	81,000 sq.m
Products:	Heavy, Medium and Light-duty buses

Corporate history

1930:	Wakita Motor Industries Co., Ltd. founded
1938:	Changed company name to Teikoku Auto Industry Co., Ltd.
1942:	Current Kanazawa Plant was founded as Kanazawa Aircraft Company, Ltd.
1965:	Current Kanazawa Plant changed its name to Kinsan Auto Industries, Ltd.
1975:	Teikoku Auto Industry Co., Ltd. and Kinsan Auto Industry, Ltd. merged and company name changed to Hino Auto Body, Ltd.
2000:	Became a wholly owned subsidiary of Hino Motors, Ltd. (through equity swap)
2002:	Corporate split-up, creating new Hino Auto Body, Ltd., succeeding bus business, and Trantechs, Ltd., succeeding truck body building business.

Isuzu Bus Manufacturing Co., Ltd.

Head office:	Kawachi-gun, Tochigi Prefecture
Capital:	4.5 billion yen (a wholly owned subsidiary of Isuzu Motors Limited)
Representative Director:	Satoshi TAKIZAWA, President
Number of employees:	597 persons (as of March '03)
Sales revenue:	17.3 billion yen (fiscal year through March '03)
Production volume:	994 units (as of March '03)(includes: HD 658, MD 336 units)
Plant lot area:	111,000 sq.m
Building area:	40,000 sq.m
Products:	Heavy and Medium duty buses

Corporate history

1974:	Span off from Kawasaki Heavy Industries, Ltd., Kawasaki Body Industry, Co., Ltd. founded to specialize in Isuzu bus manufacturing
1986:	Became an independent entity of Kawasaki Body Industry, Co., Ltd., establishing IK Coach, Ltd. (Isuzu 50%, Kawasaki Heavy Industry 30%, dealer 20%)
1995:	Changed company name to Isuzu Bus Manufacturing Co., Ltd.
1997:	Changed into a wholly owned subsidiary of Isuzu Motors Limited.(through business transfer from and liquidation of former company)