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Isuzu makes a comeback  
Back to the quintessence of a manufacturer

Thank you for attending our press briefing this morning. My name is Ida, president and representative director of Isuzu Motors Limited.

Looking back on recent years, our industry faced grueling business conditions. Isuzu was no exception. We were put to a severe test of times. And, however severe the times were, we devised the New 3-year Business Plan in 2002 to improve financial position and rebuild the corporate value. We delivered the measures we have set for ourselves, one by one, surely and steadily. We have transformed the company, redefining our focus on diesel engine development and commercial vehicles. Each and everyone working at Isuzu came together in a body to buckle down to restore the company. The results were rewarding. We posted the record-high 84.5 billion yen in operating profit last year. Isuzu will achieve goals set forth in the New 3-year Business Plan way in advance of the end of three-year period.



Today, as we take the stage of the Tokyo Motor Show, I would like to tell you that, at long last, Isuzu made a comeback -- a comeback to the global front line. We restored our company, and we are once again a corporation capable of competing in the global market, as a major player. Now is the big time for Isuzu, a big turning point for the company to grow and prosper. We will tell you more about our growth strategy when we announce the Mid-term Business Plan this month.

Today, I would like to talk about the efforts Isuzu is making to play its role as a leading company in the global market. I will discuss a number of key technologies and services from the point of view of a "Professional Partner", the main theme of this exhibition. I hope you will come out of this briefing with a feel for our basic philosophy of development and our challenging spirit that guide us into the future.

## **Isuzu, Our Commitments and Activities -**

### **Aiming at the World Leading Company**

Isuzu is aiming to become the world leading company of trucks and diesel engines, where we have our core strengths. As I speak today, Isuzu holds the No. 1 market position in 23 countries with our commercial trucks. Last year, we once again became the world No.1 medium- and heavy-duty truck producer(\*1), for the first time in six years, based on a single country production volume. On the diesel engine front, Isuzu is the only one company in the world developing diesels that meet different varieties of world regulations. As we pursue to be the world's best, we are now committed to strengthen our globalization drive, especially in Asia. Among all the Asian countries, Thailand is the hottest market of all. And, it is the market where Isuzu maintained the No.1 position for the commercial vehicles in the past 21 years in a row. Our market share of pickup trucks in Thailand has been at the No.1 position for the past 8 years in a row (\*2). To strengthen our businesses further in Thailand, we have been promoting to consolidate five key affiliates in Thailand. And, I am happy to report that, as of this autumn, all the consolidation initiatives have been completed.

Going forward, Isuzu will take aggressive approach in the region by taking the majority control of our operations in Asia, while embracing associated business risks, investing and re-investing in the region for even greater rewards.

China is also an indispensable market for Isuzu's future growth. In fact, Isuzu spearheaded all other truck manufacturers in 1985 to establish a manufacturing joint venture. After making an early head start, we have steadily been building light- and medium-duty trucks, with the total cumulative number exceeding 450,000 units to date. In deed, Isuzu has been leading the light- and medium-duty truck market in China. Isuzu will strengthen our position, expanding our China operation by enlarging the scope to include heavy-duty truck production.

At this Motor Show, you will see the new, full-model changed D-MAX, which made the first world debut in Thailand, and the new diesel engine designed for pickup truck application. We hope you will get a hands-on feel of Isuzu's dynamism from the new D-MAX, our strategic model for the global market.

For Isuzu Motors, we have one more important driving force for future growth -- our partnership relation with General Motors, the world largest automotive company. GM is a shareholder of Isuzu's, and at the same time, the largest customer, whose businesses account for about 20% of Isuzu revenue. Isuzu, as a key player of GM Group, takes on the diesel engineering responsibilities, and we have joint engine manufacturing companies that have so far built more than 1.5 million engines. Our partnership in North America is also becoming ever more important.

Going forward, we will deepen our collaborative relations with GM on the engineering front. I would like to talk in more details on this topic when we release the Mid-term Business Plan. With all these initiatives and reinforced focus, Isuzu intends to make a significant leap forward and capture the No. 1 position as a manufacturer devoting to diesel engines and trucks.

## **Isuzu's Product Exhibits and Technologies**

Now, I would like to talk about Isuzu's basic philosophy and stance in developing our products, introducing you to the actual exhibits and technologies we have showcased at this Motor Show. The exhibits being shown are just part of the products and technologies that Isuzu has developed.

Our main theme is "Your Professional Partner". At Isuzu Motors, we always put customers and users first. No matter whether the products may be so-called hardware products or software side of services and support, we always develop from the standpoint of our customers.

Our strengths in diesel engines are appreciated in the world. Superb economy and environmental performance of Isuzu diesels has earned enthusiastic attention of the world. In Europe, more than 40% of the passenger cars are powered by diesels. At Isuzu, in order to increase even further the combustion efficiency, we have thrown our entire research and development capability into developing an engine that is lighter in weight while producing higher output. We have the world top-notch engineers specializing in diesel engine development. Isuzu is the only one company in the world, developing diesels to meet different varieties of regulations in the three core pillars of the world, Japan, the U. S. and Europe. Isuzu became the first volume producer of Euro-IV compliant engines with its 1.7-liter diesel, which was introduced for vehicle application ahead of any other global competition.

As for environmental technology, Isuzu is displaying reference engines built to comply with the new long-term environmental regulations. They were developed based on the "I-CAS" technology, which is at the heart of our diesel engine development. Coping with the environmental issues require long-term perspective. For this reason too, we have not only taken pains to resolve issues such as necessary exhaust after-treatment processing technology, but also have raised the environmental safety of the engine itself. We believe that such efforts are crucial to realizing truly practical, environmentally sound technology.

In the area of low-emission vehicles, we are exhibiting CNG-MPI, DME and hybrid versions of ELF. The use of such alternative fuel will be the standard in future. With these exhibits, you will see Isuzu's diverse capability in dealing with any kind of alternative fuel.

The theme of this Motor Show is "Wellbeing Vehicles". Isuzu is showing as reference exhibit a barrier-free truck that opens up driving careers for those with lower-body disabilities. This truck features Isuzu's original "Smoother-G" transmission, fully automated clutch control system, and a motor-operated lift on the passenger seat for barrier-free cab access.

We have many more exhibits at the Show; the certified 3-star and 4-star ultra-low PM emission diesel trucks, and the Smoother series transmission that realizes better economy, greater safety and practicality.

## **Carrying out the mission of a commercial vehicle manufacturer**

When I think about the commercial vehicle industry now and in the future, I think that the era of just building hardware and selling it is already over. In order to respond to the greatest extent possible to customers who are operating 24 hours a day, 365 days a year, it is important not only to provide the best vehicles possible, but also to provide support afterwards. To ensure safety, and keep distribution flowing - I believe this is Isuzu's mission as a commercial vehicle manufacturer.

On that score, I would like to introduce you to our three representative examples of how Isuzu engages in the so-called "software" side of businesses, providing services and support to our customers as a "Professional Partner".

The first is the safety driving, economical driving seminars we have been holding for the past 9 years since 1995. These seminars are targeted at managers responsible for truck fleet operation for transportation companies, and teach driving methods that are both safe and fuel-efficient. This kind of activity may not be glamorous, but it is a fundamental part of being a "Professional Partner". So far, we received participants from over 4,500 companies in Japan, attending this program. At Isuzu, as a commercial vehicle manufacturer, we believe this is our responsibility and we have already started implementing these seminars overseas as well, hoping that our activities will expand around the world in the future.

The second example is the "Mimamori-kun Online Service" commercial vehicle telematics system. The system has a great potential for a wide-spread use in the future. We began introducing the system in February this year for the heavy-duty trucks first. Now, more than 350 units of Isuzu trucks are equipped with the system, and we are going to expand the system application to light- and medium-duty trucks.

The third example is the "Ohayaku - Quick Customer Response Service". Nation-wide, we have a network of 250 dealer outlets and service shops which are linked together under the system. Whenever and wherever trouble occurs, Isuzu can be reached, and we can promptly come to attend to the problem by dispatching our support personnel from the nearest outlet or service shop.

By enhancing such "software" of businesses and support services to our customers, Isuzu believes we can deliver our mission as a commercial vehicle manufacturer. We also believe Isuzu can make difference, separating itself from other competitors, and building up on our corporate value.

### **Changing Isuzu, and Never Changing Isuzu**

Finally, I would like to talk about "changing Isuzu" and "never changing Isuzu" --- the two seemingly contradictory aspects that I believe are necessary for Isuzu to be the leading company not just in Japan but in the world. When I say "never changing Isuzu", I am referring to the philosophy and spirit we have long sustained in developing, manufacturing vehicles and products. From the start, Isuzu's approach to safety, and the attention we pay to the pursuit of superior diesel engine technology and practicality are respected around the world, but this was in fact nurtured by the Japanese market, where customers are particularly demanding. The Japanese market will remain as our important foundation for the future

growth, and Isuzu will not change when it comes to sustain the business in this important market.

Meanwhile, "changing Isuzu" refers to the evolution we are making through our pursuit of becoming "Professional Partner", supporting our customers both in terms of "hardware" and "software" side of the businesses. The changing Isuzu is what we are today to embrace challenges and become a major player in the global arena.

Isuzu Motors is back --- we made a comeback to the global arena, among the leading global competitors. By delivering the new technologies and services to our customers and fully responding to our customers' trust in Isuzu, we are determined to go extra miles to uphold and nurture our basic philosophy in the product development, the quintessence for a manufacturer.

Our new corporate statement, "Trucks for Life", represents our commitment. The future success and prosperity rest on the realization of vision, "Isuzu will always mean the best". We hope you will keep a close watch on Isuzu's dynamic evolution.

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\*1 Production volume statistics (for trucks above GVW 6.1 tons) released by the automobile manufacturer associations around the world were used to compile these figures (Figures represent individual countries and do not include consigned production)

\*2 Source - The Federation of Thai Industries, Automotive Section