

Translation

For Immediate release:

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Isuzu Unveils New Mid-term Business Plan

November 18, 2004 (Tokyo) --- Isuzu Motors Limited (TSE code:7202), aiming to be "the global leading CV, DE company", announced the development of a New Mid-term Business Plan, covering three financial years from April 2005 to March 2008. Setting out to operate under a new corporate vision, Isuzu will expand its commercial vehicle and diesel engine businesses on a global basis. The company aims at achieving a 100 billion yen consolidated operating profit on consolidated sales revenue of a 1,600 billion yen in the fiscal year ending in March 2008, approximately an 16% and 10% increase respectively from the forecasted results in the most recent fiscal year ended in March 2005.

In October 2002, Isuzu Motors announced the New 3-year Business Plan to rebuild the corporate value. Since then, all of Isuzu Group companies made vigorous efforts in carrying out various measures set forth in the Plan. As the result, achievement of all the targets in the Plan is clearly in sight before waiting for the end of the three-year period. Accordingly, the company decided to develop a new mid-term business plan setting forth targets to be achieved in the fiscal year ending in March 2008.

The New Mid-term Business Plan announced today is positioned as a strategic stepping stone for the company's future growth and expansion, and the three-year period will see aggressive investments by the company. The New Plan clearly aims at establishing solid business foundation by enhancing product lineup with the development of global, strategic products, and reinforcing organizational capabilities and strengths in each business sector, whether by product or by market, and through the reinforced collaboration with General Motors Corporation.

More specifically, the New Mid-term Business Plan targets at: a 20% product cost reduction through modularization, component integration and new product introduction; new market introduction of strategic trucks to capture the No.1 position in Japan; realization of a 300,000-unit commercial vehicle sales organization through reinforcement of CV distribution capabilities around the world, and profit maximization through integration of LCV light-duty commercial vehicle platform and introduction of derivative models.

Furthermore, Isuzu will promote expanding its role as a key player in the General Motors group in the joint product development and manufacturing by aggressively reinforcing collaborative relationship with GM.

With these key focuses, Isuzu will strive to enhance its corporate value and solidify fundamental strengths to cement its competitive advantages.

I. Performance Targets

Fiscal Year to March 2008 JPY in billion

Consolidated revenue:	1,600
Consolidated operating profit:	100
Operating profit margin:	Over 6%

II. Corporate Vision:

"The World Leading CV, DE Company"

III. Outline of New Mid-term Business Plan

Development and introduction of Strategic Products for Global Markets	Reinforcement of Business Activities by Market / Product
<ul style="list-style-type: none">- Develop strategic products- Reinforce cost structure- Reinforce collaboration with GM	<ul style="list-style-type: none">- Reinforce CV business in Japan- Realign and reinforce CV sales organization in overseas markets- Maximize LCV operating income- Expand and sustain growth of DE business

III-1. Development and introduction of strategic products for global markets

1. Develop strategic products:

- Introduce "Asian Truck" in the heavy-duty segment, targeting at China and ASEAN markets
- Introduce new integrated products, "N-series and F-series trucks", in the medium/light-duty segments, meeting global market requirements
- Integrate pickup truck platform and realize volume benefit through global deployment
- Promote transformation of DE line-up into "Super-clean diesel", on a step-by-step basis

2. Reinforcement of cost structure:

- Reduce product cost by 20% by seizing the opportunity of new product introduction

3. Reinforce collaboration with General Motors

- Isuzu, as a key player in the GM group, has begun the following strategic studies with GM, aimed at reinforcing collaboration through expansion of Isuzu's role in joint product development and manufacturing
- Expand Isuzu CV business and use of Isuzu DE within GM Group
- Jointly develop next generation LCV models for global market

III-2.Reinforcement of Business Activities by Market / Product

1. Reinforce CV business in Japan

Introducing new strategic products, and aim at CV No.1 in Japan

- New engine with superb economy for the GIGA, heavy-duty truck
- New medium/light-duty truck models built on integrated module
- Capture 30% heavy-duty truck market, and 40% light-duty truck market by boosting market efforts in weak segment/region

2. Realign and reinforce CV sales organization in overseas markets

Realign/reinforce distribution function, and establish a 300,000-unit sales capabilities in overseas CV markets

- ASEAN: Realign distribution business in Indonesia, the key market for Isuzu, and reinforce service and after-market functions
- China: Expand sales channel and after-sales service network, while enhancing collaborative relationship with partner companies
- North America: Expand CV product lineup by leveraging No.1 position in LCF market and strong brand equity
- Over overseas markets: Aggressively enter into local sales businesses in key markets. Make speedy entry into untapped markets and develop future profit opportunities

3. Maximize LCV operating income

- Maximize consolidated income, positioning pickup truck at the core
- Integrate pickup truck platform for derivative products, and maximize sales volume on a global basis
- Maximize operating efficiency through transfer of engineering functions to Thailand and consolidation of manufacturing / sourcing functions

4. Expand and sustain growth of DE businesses

- Increase DE supply volume to GM Group
- Expand DE business in China

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