

February 28, 2006

Isuzu Motors Establishes a Joint Venture in Ukraine to Sell Trucks/Buses

Isuzu Motors Limited (Isuzu) is to establish "Isuzu Automotive Company, Ukraine", a truck/bus sales joint venture (J/V) in Ukraine, in order to sell buses and trucks manufactured by Bogdan Corporation (Bogdan).

The new company, a J/V among Isuzu, Bogdan and Sojitz Corporation (Sojitz), to be capitalized at 25 million hryvnia (500 million yen), is scheduled to be founded at the end of April 2006. Its initial capitalization is 50% from Bogdan, 30% from Isuzu and 20% from Sojitz.

When President Yushchenko of Ukraine visited Japan in July 2005, the three companies, Isuzu, Bogdan and Sojitz, agreed to further expand their joint truck/buss business in the country, and have since held discussions. They recently reached an agreement to establish a truck/bus sales J/V and signed a J/V contract.

Bogdan has produced/sold light-duty buses using the platform of Isuzu ELF light-duty truck in Ukraine since 1999. The number of units of these buses sold has soared in recent years, with the Isuzu Brand becoming steadily better known in the country. The figure is expected to continue to grow in the future. Since there is a high expectation in expanding the sales, Bogdan is to increase the production of trucks/buses, with establishing this new J/V to sell them in the country and also to expect to export them to surrounding nations.

In Ukraine, where the economy has smoothly developed, the automotive market has also steadily expanded, with the number of units sold increasing from the 30,000-unit level of 1995 to the 170,000-unit mark in 2005. Sales in the market of buses manufactured by Bogdan, because of their high product quality, have rapidly expanded since the start in 1999, as seen from the fact that shipments of Isuzu ELF, the base, increased from 9 units in the initial year to 1,610 units in 2003, to 3,123 units in 2005. We expect the figure for 2006 to hit the 3,500-unit mark. In the future, Isuzu aims to supply Bogdan with an annual 20,000 units, including exports to Ukraine's neighboring countries.

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Company Name	Isuzu Automotive Company, Ukraine
Established	April 2006 (To be scheduled)
Head Office	Kiev, Ukraine
Capital Stock	25 million hryvnia (¥500 million approx.)
Shareholders	Isuzu 30%, Bogdan 50%, Sojitz 20%
Main Business	Sales of Isuzu trucks, Bogdan buses

<Reference>Bogdan in Outline

Company Name	BOGDAN CORPORATION
Representative	Oleg. Svinarchuk
Established	1998
Head Office	Kiev, Ukraine
Capital Stock	\$57 million (¥6.7 billion approx.)
Main Business	Import, development, assembly, sales of vehicles

<Reference>Isuzu in Outline

Company Name	Isuzu Motors Limited
Representative	Yoshinori Ida (President)
Established	April 9, 1937
Head Office	Minami-oi, Shinagawa-ku, Tokyo
Capital Stock	¥32.6 billion
Main Business	Assembly and sales of commercial vehicles, diesel engines

<Reference>Sojitz in Outline

Company Name	Sojitz Corporation
Representative	Akio Dobashi (President)
Established	April 1, 2003
Head Office	Akasaka, Minato-ku, Tokyo
Capital Stock	¥130.5 billion
Main Business	Commodity trade (domestic, import/export, outside the country), provision of various services, business investment in/out of the country