

Isuzu Reinforces Production Operations in Malaysia

Tokyo, June 20, 2007 ---- Isuzu Motors Limited (TSE Code:7202) and DRB HICOM Berhad of Malaysia came to an agreement for Isuzu to increase its 20% shareholding in the Malaysian Truck & Bus Sendirian Berhad (MTB) to 51%. Isuzu's capital increase in MTB is intended to reinforce MTB's manufacturing operations in Malaysia.

Capitalized at 100 million Malaysian Ringgit (or, approximately JPY 3.3 billion), MTB was established as a joint venture of Isuzu (holding 20% equity) and DRB-HICOM Berhad (effectively holding 80% equity). MTB builds and sells the Isuzu N-series ("Elf" in Japan, and local pet name "HICOM PERKASA") as Malaysian National Trucks, and F-series ("Forward") trucks from KD kits. The Isuzu D-Max pickup trucks are also built by MTB in a manufacturing consignment arrangement in the country.

With a 31% capital increase in MTB, Isuzu's total shareholding in the joint venture will be 51% and MTB will become a consolidated subsidiary of Isuzu Motors Limited. Concurrently, Isuzu will dispatch its personnel to MTB to hold CEO and COO positions in the new MTB management, aiming at aggressive improvements in the product quality, cost and competitiveness, all for the robust business expansion in Malaysia. The newly capitalized joint venture will be re-named as "Isuzu HICOM Malaysia Sdn. Bhd."

In Malaysia, Isuzu commercial vehicles are built by MTB and sold, under HICOM brand for N-series and Isuzu brand for F-series, by the local dealerships. In 2006, Isuzu posted total of 4,367 units sales in the country, capturing 25% of the truck market (No.2 market leader).

In the LCV (pickup truck) segment, Isuzu consigns the production with MTB and the completely built-up vehicles are sold under Isuzu brand. In 2006, Isuzu sold 2,000 units with a 10% market share (No. 4 in the segment).

By enhancing manufacturing operations in Malaysia, Isuzu aims at expanding and strengthening its commercial vehicle businesses in Malaysia.

Industry sales in Malaysia, after the economic crisis of 1997, made a constant recovery. In 2006, the country's vehicle sales hit 450,000, including 40,000 units of commercial vehicles (pickup truck and over).

<Company profile of MTB>

Company name	Malaysian Truck & Bus Sendirian Berhad
Location	Pahang State, Malaysia
Capital	100 million Malaysian Ringgit (Approximately, JPY 3.3 billion)
Main line of business	Import, manufacture, sales of National Trucks and assembly of various types of vehicles (passenger cars, commercial vehicles)

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