

### Isuzu Establishes Joint Venture to Manufacture and Sell Trucks in Russia

Isuzu Motors Limited (Isuzu), OJSC Severstal-auto (SSA), and Sojitz Corporation (Sojitz) have come to a tripartite agreement regarding the establishment of a joint venture "ZAO SEVERSTAL-AUTO-ISUZU", with the intent to manufacture and sell Isuzu trucks in Russia. The three parties signed an agreement to establish ZAO Severstal Avto-Isuzu in Moscow on July 30, 2007.

Since July last year, Isuzu has been shipping light duty trucks (ELF) in semi-knock-down (SKD) form to SSA, which are now being assembled (from SKD kits) and sold by the SSA subsidiary, OAO Ulyanovsky Avtomobilny Zavod. With the steady increase in sales volumes, which is expected to increase significantly in the near future, the three parties have been studying the urgent need to strengthen the structure of the business, resulting in the set up of our new Joint Venture, ZAO Severstal Avto-Isuzu.

The New Company is located in Yelabuga, Republic of Tatarstan, Russian Federation, and represented by Mr. Vasily Boitsov. Capitalized at 350 million Rubles (approximately 1.6 billion yen), ZAO Severstal Avto-Isuzu is owned 66% by SSA, 29% by Isuzu, and 5% by Sojitz Corporation. The main function of ZAO Severstal Avto-Isuzu will be the importing of SKD truck kits from Japan, the assembling of vehicles, and sales of trucks to dealers in the Russian Federation. The new company will begin operation, with the start of production at the new Yelabuga plant in June 2008.

The new joint venture's manufacturing and sales volumes are planned at 5,000 units per year for the time being, with the expectation that they will grow to exceed the 30,000 mark in the future as the demand for trucks increases in Russia.

#### <Profile of the New Company>

Company name	Closed Joint Stock Company(ZAO) SEVERSTAL-AUTO-ISUZU
Location	Yelabuga, Republic of Tatarstan, Russian Federation
Date of establishment	July 2007
Representative	Vasily Boitsov
Capital stock	350 million rubles (Approx. 1.6 billion yen)
Shareholders/equity	SSA 66% Isuzu 29% Sojitz Corporation 5%
Main business	Import, manufacture and sales of commercial vehicles

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