

For Immediate Release:

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Isuzu Motors Limited
Toyota Motor Corporation

Isuzu and Toyota Reach Basic Agreement on Collaboration
for Development, Production and Supply
of Small Diesel Engines

Tokyo - Isuzu Motors Limited (Isuzu) and TOYOTA MOTOR CORPORATION (TMC) announced today that they have reached a basic agreement concerning a business collaboration on the development, production and supply of small diesel engines.

Isuzu and TMC signed a memorandum of understanding last November to begin studying the synergic effects of business collaboration to mutually utilize their management resources in the fields of R&D and production, and to supplement each other's technological development. Since then, the two companies have conducted investigations with the aim of reaching agreement on the specific details of the business collaboration.

The engine that the two companies will develop is a 1.6-liter engine with an aluminum cylinder block for use in Toyota vehicles sold in European markets. Both companies will maximize use of their technological capabilities and expertise to develop and produce an engine with the world's highest performance.

Isuzu and TMC will begin discussions on the details of operations concerning development, production and supply of the diesel engine, but in principle, Isuzu will play the leading role. Production is scheduled to begin around 2012.

The two companies intend to hold continuing talks over the creation of a comprehensive cooperative framework that will contribute to their mutual competitiveness and development over the long term.

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