

August 28, 2007

Company name: Isuzu Motors Limited

Representative: Susumu Hosoi, President and Representative Director

(#7202 TSE 1st Section)

Contact person: Hirotoshi Kouyama, General Manager, General Affairs, Corporate Administration Division, Isuzu Motors Limited

TEL: 81-3-5471-1141

### Development of Isuzu "Mid-term Business Plan"

To realize its corporate vision of becoming a leading global company in commercial vehicles and diesel engines through sustained growth, Isuzu Motors Limited ("Isuzu", President Susumu Hosoi) has developed a new Mid-term Business Plan for the period from April 2008 to March 2011. The goal of the plan is sales of 2 trillion yen on a consolidated basis in the fiscal year ending in March 2011 (FY2011), or a 21% increase from the forecasted sales revenue in FY2008 and an operating income of 150 billion yen (a 50% increase from FY2008).

In November 2004, Isuzu announced its "Mid-term Business Plan (April 2005 to March 2008)". Since then the Group has united to promote various initiatives to realize the plan. As a result, in FY2007, Isuzu achieved its target figures one year ahead of the plan and, in spite of the slow domestic demand in the current term, expects to achieve its annual targets this current fiscal year again.

With the above results in mind, the new Mid-term Business Plan has new targets for a three-year period through FY2011, with the aim of using this to make the next leap forward by expanding and reinforcing our earning base. The plan sets out to expand and enhance overseas bases, strengthen products, expand the lineup, and build up basic technological capabilities.

More precisely, the plan entails strategies for mid and long-term products and markets, the diesel engine business, and our business alliances. As milestones for these mid and long-term strategies, we have established action plans and quantitative goals to achieve by FY2011.

Executing the above initiatives will be a strategic move towards achieving Isuzu's corporate vision as well as expanding its business scale in the three years to come.

## I. Performance Target

March 2011

|                       |                   |
|-----------------------|-------------------|
| Sales Revenue         | JPY 2,000 billion |
| Operating Profit      | JPY 150 billion   |
| OP % to Sales         | Over 7.5%         |
| ROE                   | Over 17%          |
| Dividend payout ratio | Over 20%          |

## II. Mid/Long-term Strategy

### 1. CV/LCV (Pickup trucks and derivatives) Product Market Strategies

#### [Product Deployment]

- We have already completed strategic, global product development by integrating MD and LD (New models of N-series and F-series). We will enter the next step of global sales expansion.
- Introduce next-generation HD and Pickup trucks.
- Develop a new lightweight LD whose segment is currently enjoying a strong global demand.

#### [Market Strategy]

- Introduce full lineup and enhance production and sales functions in large, growth markets (China, Russia and India) and resource-rich countries (Middle and South America, Africa, Middle and Near East, and ASEAN)

### 2. DE (Diesel Engine) Business Strategy

- Promote smaller displacement and higher output to correspond to environmental needs.
- Expand product lineup in the volume segment of small diesel engines, and increase small DE sales for industrial as well as passenger car applications.

### 3. Alliance Strategy

- Make the performance of our strategies for CV, LCV and DE more efficient and effective through business partnerships with other companies.
- Expand the scope of collaboration from conventional product lineup additions to manufacturing and engineering.

### III. Mid-term Action Plan (Product/Market Plan)

Under a 3-core business organization (CV, LCV, and DE), we will realize dramatic growth by positioning international CV sales as the primary driver, while reinforcing the DE business as future strategic business segment.

#### 1. CV Business in Japan

[Target]

- Market share: 35% in the HD and MD truck segments. 43% in the LD truck segment
- Sales revenue from peripheral businesses: 15 % increase from the level of FY2008

[Action plan]

- Introduce next-generation HD, and reinforce operational foundations for the vehicle life-cycle business

#### 2. International CV Business

[Target]

- Sales volume: 350,000 units in FY 2011.(Up 64% from the level of FY 2008)

[Action plan]

- Execute focus investments in growth markets in tandem with the globalization of newly developed MD/LD products.

#### 3. LCV Business

[Target]

- Sales volume: 420,000 units in FY 2011 (Up 19% from FY 2008)

[Action plan]

- Expand presence in growth markets and reinforce manufacturing functions, in line with the introduction of the next-generation LCV.

###