

Isuzu "2011-2013 Mid-term Business Plan"

November 8, 2011

Isuzu Motors Limited (Susumu Hosoi, President and Representative Director, as hereafter defined "Isuzu" formulate new "Mid-term Business Plan" (April 2011 to March 2014) focus on transition and establishment of "Three Global Core Business Organization" including CV (Commercial Vehicle) business for emerging market, in anticipation of FY2016, in addition to existing Japan-based CV business and Thailand centered LCV (Pick-up and Pick-up derivative) business.

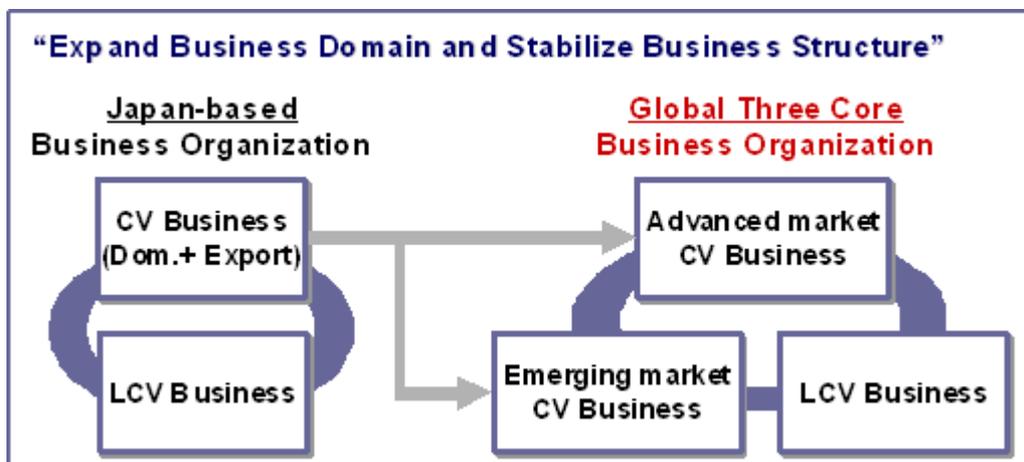
Isuzu's vision in the new business plan is "aiming at excellence in respect environment to meet social demand, maximize vehicle in operation and minimize life-cycle cost to meet customer's needs" to develop "eco-friendly product" and "product meeting specific needs of emerging market" and set-up growth strategy for emerging market and maintain business in advanced market.

In concrete terms, in product strategy best suited product for emerging market and new products like "Light-weight truck" and "Small displacement diesel engine" to reinforce our growth strategy, added to the current product line-up.

In regional strategy, focus aggressive resources on manufacturing operation establishment concentrating on ASEAN, China and India. Along this, we work to expand our sales in Emerging market and maintain current business with intensive efficiency in advanced market. Isuzu will accelerate engineering and production function transfer to Asia that support regional strategy.

In 5 years, in FY2016 we anticipate to achieve global shipment of 500 thou. units CV (FY2011 252 thou. units), 500 thou. units LCV (346 thou. units) and 1,500 thou. units (903 thou. units) Diesel Engine with implementation of our mid-term initiatives.

I. Basic Policy



II. Mid-term Initiatives

1) Product Strategy

1. CV (Commercial Vehicle) and LCV (Pick-up and Pick-Up Derivative)

- Introduction of best suited product for emerging market by engineering function localization.
 - Low-priced HD (Heavy Duty Truck) for emerging market, LD (Light Duty Truck) /MD (Medium Duty Truck) for emerging market.
- Introduction of Next -generation HD and Pick-up/Pick-up Derivate
- New entry in Light-weight truck segment as future strategic vehicle.

2. PT (Powertrain)

- Accomplish fuel efficiency and cost reduction by DE (Diesel Engine) downsizing (small displacement/high-torque).
- Development of new small displacement DE for specialized for CV
- Take aggressive action to respond the needs for alternative fuel (Bio Diesel, Gas to Liquid, Dimethyl Ether), HEV (Hybrid Electrical Vehicle) and CNG (Compressed Natural Gas) Vehicle.

2) Regional Strategy

Prioritize business directions by regions and resources for business scale expansion.

1. ASEAN

[LCV Business]

- Introduction of next-generation Pick-up and its derivatives.
- Establish IMIT (NEWCO for Export) to strengthen global sales.

[CV Business]

- Develop and introduce best suited product for emerging market to become Indonesia as a core foothold.

2. China

- Increase number of vehicle sales and improve ISUZU brand value through support to Qingling Motors Ltd.
- Form component business as core of business in China and strengthen global competitiveness of Isuzu DE through components and parts export.

3. India

- Improvement of ISUZU CV brand value and introduction of low cost LCV model to be Core Business of Isuzu Future Growth Strategy.

4. CV Sales Expansion market (Middle East, Asia, Central America, CIS, Oceania and Africa)

- Expand involvement in these sales regions and increase sales volume in the growing markets.

5. Advanced market (Japan, North America and Europe)

- Japan; Maintain business profitability and employment by expanding added value.
- North America and Europe; Maintain current business by improving vehicle business efficiency and strengthening parts operation.

3) Group Strategy

Enhance cross-business functions to support Regional Strategy

1. Engineering

- Japan focuses on core engineering and transfers engineering function to ASEAN to develop specific products best suited for emerging market.

2. Manufacturing

- CV full line-up development in ASEAN. Transfer manufacturing function from Japan to China to establish foothold for next-generation HD.
- Expand localization of CV components in ASEAN by utilizing LCV infrastructure and promoting local production by ISZ Group companies.

4) Alliance Strategy

- Isuzu will aggressively promote discussions for alliance with possible partners on a product by product basis and on a market by market basis so that ISZ can grow as an independent entity.

Click here for more information.

▶ <https://www.isuzu.co.jp/world/investor/11-14/index.html>