

*Translation:*

December 1, 2004

To the Shareholders:

Notice of the extraordinary General Meeting of Shareholders

We have the honor to inform you that the extraordinary General Meeting of Shareholders of Isuzu Motors Limited will be held as follows:

1. Date and Time: Wednesday, December 22, 2004, 10:00 a.m.
2. Place: Isuzu Hall, Omori Bellport Building A, 26-1, Minami-oi 6-chome, Shinagawa-ku, Tokyo
3. Agenda:

Proposals:

Proposal #1: Reduction in Capital (with the retirement of Class-II Preferred Stock with payment to the shareholders, "Kabushiki Yusho Shokyaku").

Please refer to the "Reference Materials Pertaining to Exercise of Voting Rights" (Page 2).

Proposal #2: Reduction in Capital Reserve.

Please refer to the "Reference Materials Pertaining to Exercise of Voting Rights" (Page 3).

Proposal #3: Partial Amendments to the Articles of Incorporation.

Please refer to the "Reference Materials Pertaining to Exercise of Voting Rights" (Page 3 - 4).

If you are unable to attend the meeting, you can exercise your voting right by submitting a written statement. In such a case, you are kindly requested to fill in the voting form after referring to the "Reference Materials Pertaining to Exercise of Voting Rights" attached hereto. Please choose either "for" or "against" for each proposal, affix your "seal", and return the same to Isuzu Motors Limited.

Shareholders who are going to attend the meeting are requested to present the enclosed voting form to the reception desk.

Sincerely yours,

Yoshinori Ida

President and Director

Isuzu Motors Limited

## Reference Materials Pertaining to Exercise of Voting Rights

1. Number of Voting Rights owned by Shareholders : 960,053

### 2. Proposals and Referential Matters

Proposal #1: Reduction in Capital (with the retirement of Class-II Preferred Stock with payment to the shareholders, "Kabushiki Yusho Shokuyaku")

#### 1 Purpose

- . In preparation for the start of the New Mid-term Business Plan (refer to the supplementary volume), the Company will reduce its capital reserve (to be proposed by Proposal#2) in the current fiscal term (ending in March 2005) for the purpose of eliminating the losses carried forward. Concurrently, the Company will reduce its capital with the retirement of Class-II Preferred Stock with payment to the shareholders of Class-II preferred stock, thereby preventing possible dilution of common stock as the result of conversion of the said preferred stock, while at the same time, reducing the future financial burden associated with the dividend payment. Hypothetically, if the all the issued shares of Class-II Preferred Stock were converted at the originally prescribed conversion price of 54 yen per share, the total number of then outstanding common stock would increase by 555,555,555 shares. The capital reduction with the retirement of Class-II Preferred Stock contemplated this time is expected to reduce the resulting impact of common stock dilution.

#### 2 Description

- (1) Amount of capital to be reduced:  
A total of 60,000,000,000 yen capital is intended for reduction from the capital account of the Company. At the end of October 2004, Isuzu Motors carried a 78,077,326,903 yen in its capital account. When the capital reduction becomes effective, the Company's paid-in capital will be 18,077,326,903 yen (not including the increase of capital arising as the result of the exercise of new subscription rights of the Convertible Bonds that become exercisable between November 2004 and the date at which the said capital reduction becomes effective).
- (2) Method:  
Isuzu shall pay to the shareholders of the Class-II Preferred Stock the sum of 60,000,000,000 yen by means of retiring the entire issued shares (a total of 37,500,000 shares) of Class-II Preferred Stock (1,600 yen per share), distributing the payment in accordance with the number of shares held by such shareholders.
- (3) All other necessary procedures related to the transaction shall be left to the decision of Board of Directors Meeting

### Proposal #2: Reduction in Capital Reserve

In addition to the capital reduction with the retirement of Class-II Preferred Stock to be proposed by Proposal#1, the Company shall reduce its capital reserve and appropriate the entire amount of reduction to eliminate the losses carried forward, so that the Company can plan for the resumption of dividend payout.

A total of 50,000,000,000 yen capital reserve shall be reduced in accordance with Article 289, Section 2 of the Commercial Code. At the end of October 2004, the Company carried a 77,422,663,097yen in its capital reserve account. When the capital reserve reduction becomes effective, the said account will be 27,422,663,097yen (not including the increase of capital reserve arising as the result of the exercise of new sub subscription rights of the Convertible Bonds that become exercisable between November 2004 and the date at which the said capital reserve reduction becomes effective).

### Proposal #3: Partial Amendments to the Articles of Incorporation

#### 1. Reasons for Proposed Amendment

If the Proposal on “Reduction in Capital (with the retirement of Class-II Preferred Stock with payment to the shareholders)” is approved, all Class-II preferred stocks will be cancelled. The Company, therefore, wishes to deduct the current Article 13-3 from the Articles of Incorporation and decrease by one the section number of Articles 13-4 to 13-6, which set forth provisions related to Class-III and IV preferred stocks and their priority. Also, the language under Article 7 of the current Articles of Incorporation stipulating Class-II preferred stocks shall be deleted.

Once all Class-II preferred stocks are retired, the number of Company’s outstanding shares will decline by the corresponding number of shares. Therefore, “total number of shares of stock to be issued by the Company” set forth under Article 5 shall be changed from 3,494,000,000 to 3,456,500,000 and the description in Article 5 “37,500,000 shares of Class-II preferred stock” shall be deleted.

The proposed amendment takes effect on condition that the retirement of shares proposed in the proposal on “Reduction in Capital (with the retirement of Class-II Preferred Stock with payment to the shareholders )” goes into effect.

## 2. Descriptions of Proposed Amendments

Proposed amendments to the Articles of Incorporation are set forth below.

(Portions underlined denote proposed amendments)

Present Articles	Proposed Amendment
<p>Article 5: (Total number of shares by the Company) The total number of shares of stock to be issued by the Company shall be <u>three billion four hundred and ninety four million (3,494,000,000)</u> shares, (Authorized Shares) which shall consist of 3,369,000,000 shares of common stock, 37,500,000 shares of Class-preferred stock, <u>37,500,000 shares of Class-</u> preferred stock, <u>25,000,000</u> shares of Class- preferred stock, and 25,000,000 shares of Class-preferred stock . In cases where the common stock is canceled, or the preferred stock is canceled or converted into common stock, the corresponding number of shares are to be deducted from the aggregate total of the Authorized Shares.</p>	<p>Article 5: (Total number of shares by the Company) The total number of shares of stock to be issued by the Company shall be <u>three billion four hundred and fifty six million five hundred thousand (3,456,500,000)</u> shares (Authorized Shares), which shall consist of 3,369,000,000 shares of common stock, 37,500,000 shares of Class-preferred stock, 25,000,000 shares of Class- preferred stock, and 25,000,000 shares of Class-preferred stock. In cases where the common stock is canceled, or the preferred stock is canceled or converted into common stock, the corresponding number of shares are to be deducted from the aggregate total of the Authorized Shares.</p>
<p>Article 7: (No-par-value unit stock with a voting right) The number of no-par-value shares of the common stock, and Class-I, <u>Class-II</u>, Class-III and Class-IV preferred stock, making up one trading unit (hereinafter called “no-par-value unit stock”) shall be one thousand (1,000) shares.</p>	<p>Article 7: (No-par-value unit stock with a voting right) The number of no-par-value shares of the common stock, and Class-I, Class-III and Class-IV preferred stock, making up one trading unit (hereinafter called “no-par-value unit stock”) shall be one thousand (1,000) shares.</p>
<p><u>Article 13-3: (Class-II preferred stock)</u> <u>The provision of Article 13-2 shall apply to the content of Class-II preferred stock issued by the Company.</u></p> <p>Article 13-<u>4</u>:</p> <p style="padding-left: 40px;">  (Provision omitted)</p> <p>Article 13-<u>6</u>:</p>	<p style="text-align: center;">(to be deleted)</p> <p>Article 13-<u>3</u>:</p> <p style="padding-left: 40px;">  (As per the provision of current Article 13-4 to 6)</p> <p>Article 13-<u>5</u>:</p>

For Reference: Changes in the Capital Account - Parent Company, non-consolidated

Fiscal year to Mar. '04		6-months to Sept. '04		As of Oct. '04	
Capital: 67.6	Losses carried forward: (75.3)	Capital: 70.6	Losses carried forward: (56.2)	Capital: 78.1	Losses carried forward: (56.2)
Capital Reserve: 66.9	Shareholders' equity: 151.7	Capital Reserve: 69.9	Shareholders' equity: 175.8	Capital Reserve: 77.4	Shareholders' equity: 190.8
Variance of Land Revaluation: 85.8		Variance of Land Revaluation: 85.8		Variance of Land Revaluation: 85.8	
Other: 6.7		Other: 5.7		Other: 5.7	
<Description>		<Description>		<Description>	
CB with New-share subscription 6.0		Losses carried forward (56.2) Incl. H1 net income 19.1		CB with New-share subscription 15.0 Losses carried forward (56.2) Incl. H1 net income 19.1	

At Extraordinary General Meeting: Capital Reduction		At Extraordinary General Meeting: Capital Reserve Reduction		Fiscal year to Mar. '05	
Capital: 18.1	Losses carried forward: 56.2	Capital: 18.1	Losses carried forward: (6.2)	Capital: 18.1	Retained earnings: 16.1
Capital Reserve: 77.4	Shareholders' equity: 130.8	Capital Reserve: 27.4	Shareholders' equity: 130.8	Capital Reserve: 27.4	Shareholders' equity: 141.7
Variance of Land Revaluation: 85.8		Variance of Land Revaluation: 85.8		Variance of Land Revaluation: 74.4	
Other: 5.7		Other: 5.7		Other: 5.7	
<Description>		<Description>		<Description>	
Capital reduction (60.0) Incl. H1 net income 19.1		Capital reserve reduction (50.0) Losses carried forward (6.2) Incl. H1 net income 19.1 Capital reserve reduction 50.0		Retained earnings 16.1 Write-down of land revaluation 11.4 Including: Net income 30.0 Capital reserve reduction 50.0	

Note: 1) Other: Unrealized holding gain (loss) on securities, treasury stock.

2) Parent capital account described above does not include the effects of common stock conversion exercisable by the second issue of CB from November '04 to the end of March '05.

3) Losses carried forward and retained earnings described above in the columns for October 2004, at Extraordinary General Meeting of Shareholders for capital reduction and capital reserve reduction, are based on the interim financial results as of September 2004.

*Translation:*

(Supplementary Volume)

December 1, 2004

To the Shareholders:

### Regarding New Mid-term Business Plan and Financial Measure

Isuzu Motors Limited, aiming to be “the global leading CV, DE company”, announced the development of a New Mid-term Business Plan, covering three financial years from April 2005 to March 2008. Setting out to operate under a new corporate vision, Isuzu will expand its commercial vehicle and diesel engine businesses on a global basis. The Company aims at achieving a 100 billion yen consolidated operating profit on consolidated sales revenue of a 1,600 billion yen in the fiscal year ending in March 2008, approximately an 16% and 10% increase respectively from the anticipated results in the fiscal year ended in March 2005. Concurrently, the Company decided to the Capital Reduction (with the retirement of Class-II Preferred Stock with payment to the shareholders, "Kabushiki Yusho Shokyaku") and Reduction in Capital Reserve.

In October 2002, the Company announced the New 3-year Business Plan to rebuild the corporate value. Since then, all of Isuzu Group companies made vigorous efforts in carrying out various measures set forth in the Plan. As the result, achievement of all the targets in the Plan is clearly in sight before waiting for the end of the three-year period. Accordingly, the Company decided to develop a new mid-term business plan setting forth targets to be achieved in the fiscal year ending in March 2008.

The New Mid-term Business Plan is positioned as a strategic stepping stone for the Company's future growth and expansion, and the three-year period will see aggressive investments by the Company. The New Plan clearly aims at establishing solid business foundation by enhancing product lineup with the development of global, strategic products, and reinforcing organizational capabilities and strengths in each business sector, whether by product or by market, and through the reinforced collaboration with General Motors Corporation.

More specifically, the New Mid-term Business Plan targets at: a 20% product cost reduction through modularization, component integration and new product introduction; new market introduction of strategic trucks to capture the No.1 position in Japan; realization of a 300,000-unit commercial vehicle sales organization through reinforcement of CV distribution capabilities around the world, and profit maximization through integration of LCV light-duty commercial vehicle platform and introduction of derivative models.

Furthermore, the Company will promote expanding its role as a key player in the General Motors group in the joint product development and manufacturing by aggressively reinforcing collaborative relationship with GM.

With these key focuses, the Company will strive to enhance its corporate value and solidify fundamental strengths to cement its competitive advantages.

In preparation of the start of the New Mid-term Business Plan, the Company will reduce its capital reserve in the current fiscal term (ending in March 2005) for the purpose of eliminating the losses carried forward. Concurrently, the Company will reduce its capital with the retirement of Class-II Preferred Stock with payment to the shareholders of Class-II preferred stock, thereby preventing possible dilution of common stock as the result of conversion of the said preferred stock, while at the same time, reducing the future financial burden associated with the dividend payment. (Please look at the attached “Notice of the extraordinary General Meeting of Shareholders” about the contents of “Capital Reduction (with the retirement of Class-II Preferred Stock with payment to the shareholders) and Reduction in Capital Reserve” )

The Company believes that, through the implementation of these measures, the Company can reduce future financial risks, while responding to the expectations of our valued shareholders. Going forward, the Company will make further endeavor in executing the initiatives set forth in the Company's New Mid-term Business Plan, and make further improvements in its financial structure.

Sincerely yours,

Yoshinori Ida

President and Director

Isuzu Motors Limited

## I. Performance Targets

Fiscal Year to March 2008	JPY in billion
Consolidated revenue:	1,600
Consolidated operating profit:	100
Operating profit margin:	Over 6%

## II. Corporate Vision:

*“The World Leading CV, DE Company”*

## III. Outline of New Mid-term Business Plan

Development and introduction of Strategic Products for Global Markets	Reinforcement of Business Activities by Market / Product
<ul style="list-style-type: none"><li>•Develop strategic products</li><li>•Reinforce cost structure</li><li>•Reinforce collaboration with GM</li></ul>	<ul style="list-style-type: none"><li>•Reinforce CV business in Japan</li><li>•Realign and reinforce CV sales organization in overseas markets</li><li>•Maximize LCV operating income</li><li>•Expand and sustain growth of DE business</li></ul>

### III-1. Development and introduction of strategic products for global markets

1. Develop strategic products:
  - Introduce “Asian Truck” in the heavy-duty segment, targeting at China and ASEAN markets
  - Introduce new integrated products, “N-series and F-series trucks”, in the medium/light-duty segments, meeting global market requirements
  - Integrate pickup truck platform and realize volume benefit through global deployment
  - Promote transformation of DE line-up into “Super-clean diesel”, on a step-by-step basis



2. Reinforcement of cost structure:
  - Reduce product cost by 20% by seizing the opportunity of new product introduction
  
3. Reinforce collaboration with General Motors
  - Isuzu, as a key player in the GM group, has begun the following strategic studies with GM, aimed at reinforcing collaboration through expansion of Isuzu's role in joint product development and manufacturing
  - Expand Isuzu CV business and use of Isuzu DE within GM Group
  - Jointly develop next generation LCV models for global market

### III-2. Reinforcement of Business Activities by Market / Product

1. Reinforce CV business in Japan
 

*Introducing new strategic products, and aim at CV No.1 in Japan*

  - New engine with superb economy for the GIGA, heavy-duty truck
  - New medium/light-duty truck models built on integrated module
  - Capture 30% heavy-duty truck market, and 40% light-duty truck market by boosting market efforts in weak segment/region
  
2. Realign and reinforce CV sales organization in overseas markets
 

*Realign/reinforce distribution function, and establish a 300,000-unit sales capabilities in overseas CV markets*

  - ASEAN: Realign distribution business in Indonesia, the key market for Isuzu, and reinforce service and after-market functions
  - China: Expand sales channel and after-sales service network, while enhancing collaborative relationship with partner companies
  - North America: Expand CV product lineup by leveraging No.1 position in LCF market and strong brand equity
  - Over overseas markets: Aggressively enter into local sales businesses in key markets. Make speedy entry into untapped markets and develop future profit opportunities
  
3. Maximize LCV operating income
  - Maximize consolidated income, positioning pickup truck at the core
  - Integrate pickup truck platform for derivative products, and maximize sales volume on a global basis
  - Maximize operating efficiency through transfer of engineering functions to Thailand and consolidation of manufacturing / sourcing functions
  
4. Expand and sustain growth of DE businesses
  - Increase DE supply volume to GM Group
  - Expand DE business in China