

For Immediate Release

Hino and Isuzu Reach New Agreement,
Paving Another Step Forward for Bus Business Integration
- Establishing a Holding Company through Share-transfer of J-Bus Ltd. -

Tokyo, September 12, 2003 - Hino Motors, Ltd. (Hino) and Isuzu Motors Limited (Isuzu) announced today that they have reached an agreement to establish a holding company to consolidate control over bus manufacturing subsidiaries of Hino and Isuzu. By establishing a holding company, Hino and Isuzu will promote their on-going joint initiative to consolidate bus manufacturing operations while enhancing functional capabilities of J-Bus Ltd.. (J-Bus), established in 2002 as a start-up preparation company for planned creation of a joint-venture. The holding company will be established on October 1, 2003.

Preceding the establishment of holding company, Hino and Isuzu will first transfer to J-Bus their equity holdings in bus manufacturing subsidiaries, i.e., Hino Au

After the landmark agreement to consolidate bus engineering, production and sourcing functions, Hino and Isuzu have been working closely together to realize merger of three companies in October 2003. The earlier agreement came about as the bus manufacturing industry, characterized by its strong societal and public aspects, has been confronted with structural issues due to market contraction and excess capacity, and that both Hino and Isuzu agreed to restructure the business together.

Consolidating operating systems and adjusting differing labor conditions of each company, however, was found to be more time consuming than earlier estimate.

In order to realize maximum benefit of consolidation from the earlier stage of the merger, Hino and Isuzu decided that running the bus operation as one-

Corporate history

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| 1974: | Span off from Kawasaki Heavy Industries, Ltd., Kawasaki Body Industry, Co., Ltd. founded to specialize in Isuzu bus manufacturing |
| 1986: | Became an independent entity of Kawasaki Body Industry, Co., Ltd., establishing IK Coach, Ltd. (Isuzu 50%, Kawasaki Heavy Industry 30%, dealer 20%) |
| 1995: | Changed company name to Isuzu Bus Manufacturing Co., Ltd. |
| 1997: | Changed into a wholly owned subsidiary of Isuzu Motors Limited.(through business transfer from and liquidation of former company) |