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Sojitz Cororation

Sojitz joins Isuzu Motors to Establish a Truck & Bus Sales Company in the Ukraine

Sojitz Corporation, together with Isuzu Motors Limited and the Bogdan Corporation, will establish in the Ukraine the Isuzu Automotive Company, Ukraine, a truck & bus sales joint venture that will conduct the sales of trucks and buses manufactured by Bogdan Corporation.

Isuzu Automotive Company, Ukraine, which is scheduled to be established at the end of April 2006, is a joint venture of Sojitz, Isuzu Motors and Bogdan. The joint venture will be capitalized at 25 million hryvnias (approximately 500 million yen), with an equity participation of 20% from Sojitz, 30% from Isuzu and 50% from Bogdan.

When Ukrainian President Yushchenko visited Japan in July 2005, the three companies agreed to further expand their joint truck & bus business in the Ukraine, and had been in discussions since. The three companies recently reached an agreement to form a truck & bus sales joint venture and thereafter signed a joint venture agreement.

Since 1999, in the Ukraine, Bogdan has been engaged in the manufacture and sale of light-duty buses, which use the Isuzu 'ELF' light-duty truck platform. The number of buses manufactured and sold by Bogdan has drastically increased in recent years and, as a result, recognition of the Isuzu brand has been growing steadily. Since sales figures are anticipated to grow further in the future, Bogdan will expand the scale of its truck & bus production, and the new joint venture will conduct sales operations with a view to exporting to nations neighboring the Ukraine.

The Ukrainian automotive market has been undergoing a steady improvement as a result of the country's steady economic growth; from an annual production mark of 30,000 units in 1995 to a mark of 170,000 units in 2005. Since the launch of

Bogdan's Isuzu ELF-based buses in 1999, sales have rapidly expanded owing to the advantages that they offer, as can be seen from the shipment data that shows 9 units in the first year to 1,610 units in 2003. Shipment of 3,123 units was achieved in 2005 and shipments are expected to reach 3,500 units in 2006. The Isuzu Automotive Company, Ukraine aims to achieve sales on the scale of 20,000 units per year in and after 2010, including exports to neighboring countries.

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