



Japan's Influence in Australasia

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We
**share
the
load.**

ISUZU
RELIABILITY IS EVERYTHING

The Isuzu Trucks logo, featuring the word "ISUZU" in a bold, white, sans-serif font above the word "TRUCKS" in a smaller, white, sans-serif font, both set against a red rectangular background.

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TRUCKS

A commemorative logo for Isuzu's 25th anniversary in the Australian market. It features the word "CELEBRATING" in a small, black, sans-serif font above a large, bold, black "25". Below the "25" are the words "YEARS", "MARKET", and "LEADERSHIP" in a black, sans-serif font, followed by the years "1989-2013" in a smaller, black, sans-serif font.

CELEBRATING
25
YEARS
MARKET
LEADERSHIP
1989-2013

Contents

- The Japanese truck brands in the Australian market
 - The early years
- Australian market segment shares
- The global automotive landscape
- Market leadership observations
- The future
- Questions

Japanese Truck Brands in Australia

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CELEBRATING
25
YEARS
MARKET
LEADERSHIP
1989-2013



- And in the past:



The Early Years

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1989-2013



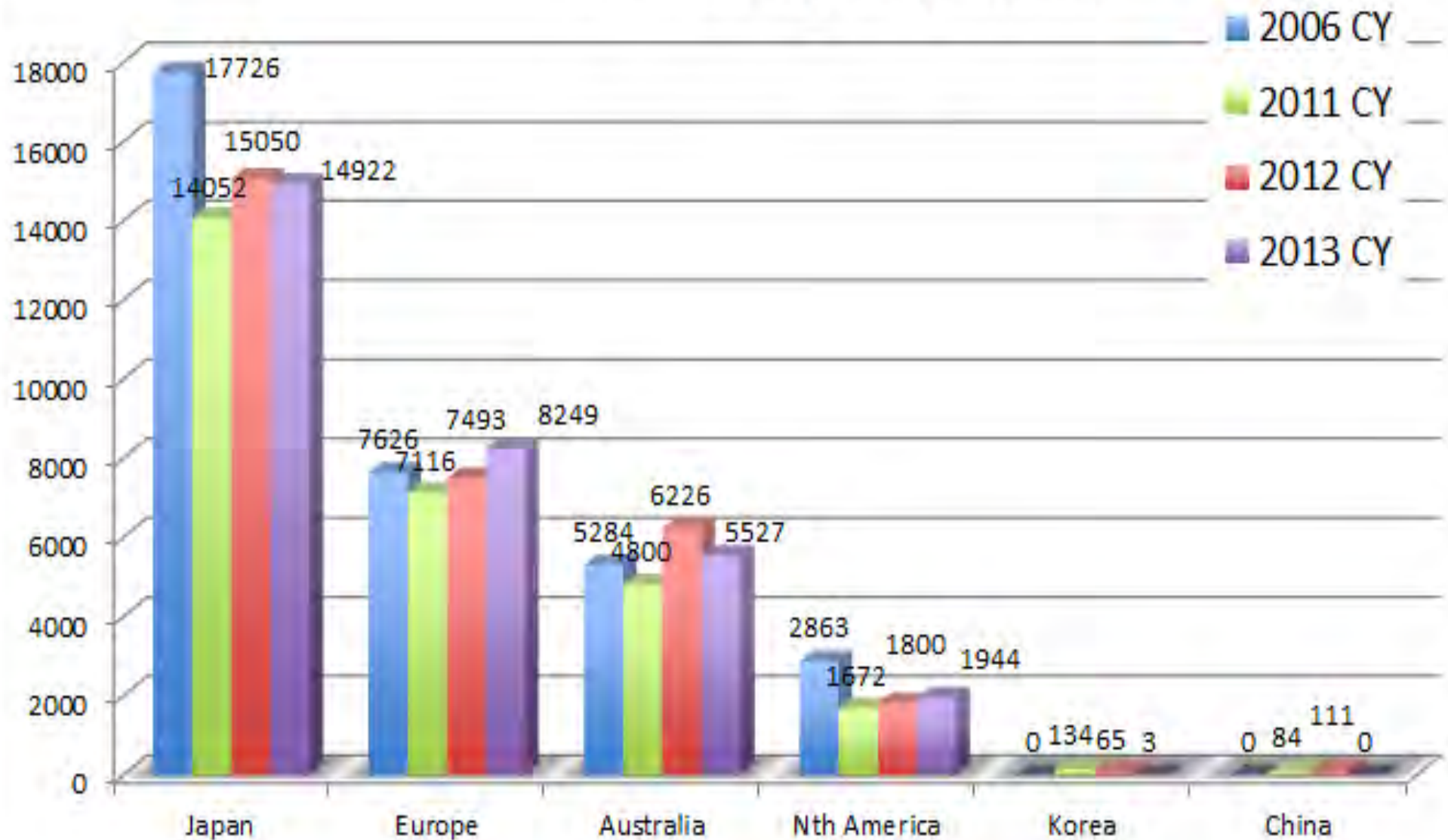
Japanese truck reputation grew quickly...

- GM- Holden introduced the “Bedford by Isuzu” brand to Australia in 1972
 - Bedford part of name dropped in 1979
- Hino, UD (via International), Toyota, Daihatsu, Mitsubishi / Fuso followed
- Japanese trucks suited Australian tastes:
 - Dependable diesel engine technology
 - Build quality and durable engineering
 - Simplicity
 - Models and specifications that suited our market
 - Especially Light Duty & Medium Duty

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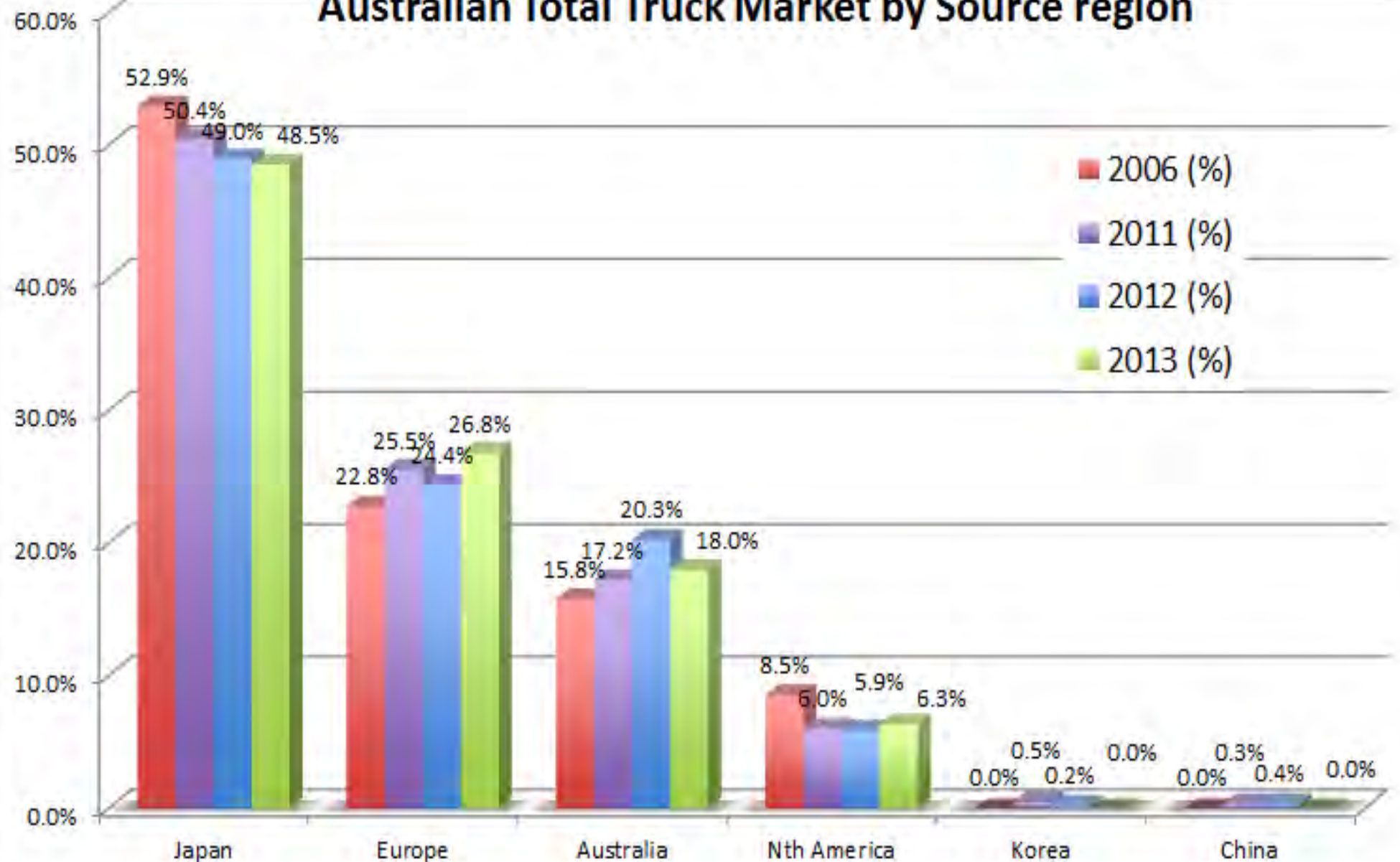
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Australian Truck Market: Vehicle Origin by Volume



Source: Truck Industry Council T-Mark Official Industry Market data

Australian Total Truck Market by Source region

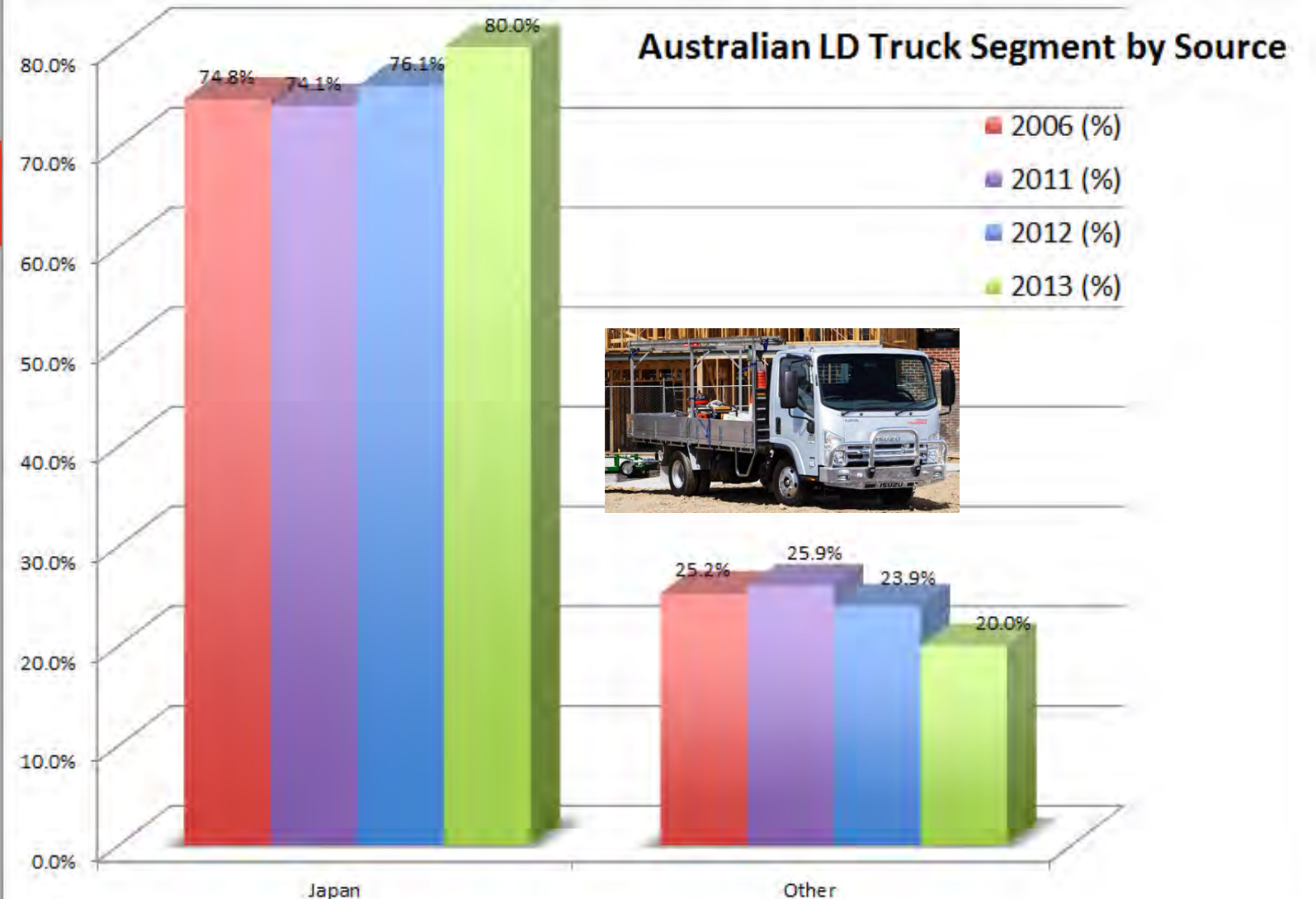


Source: Truck Industry Council T-Mark Official Industry Market data

Influence: Light Duty Trucks

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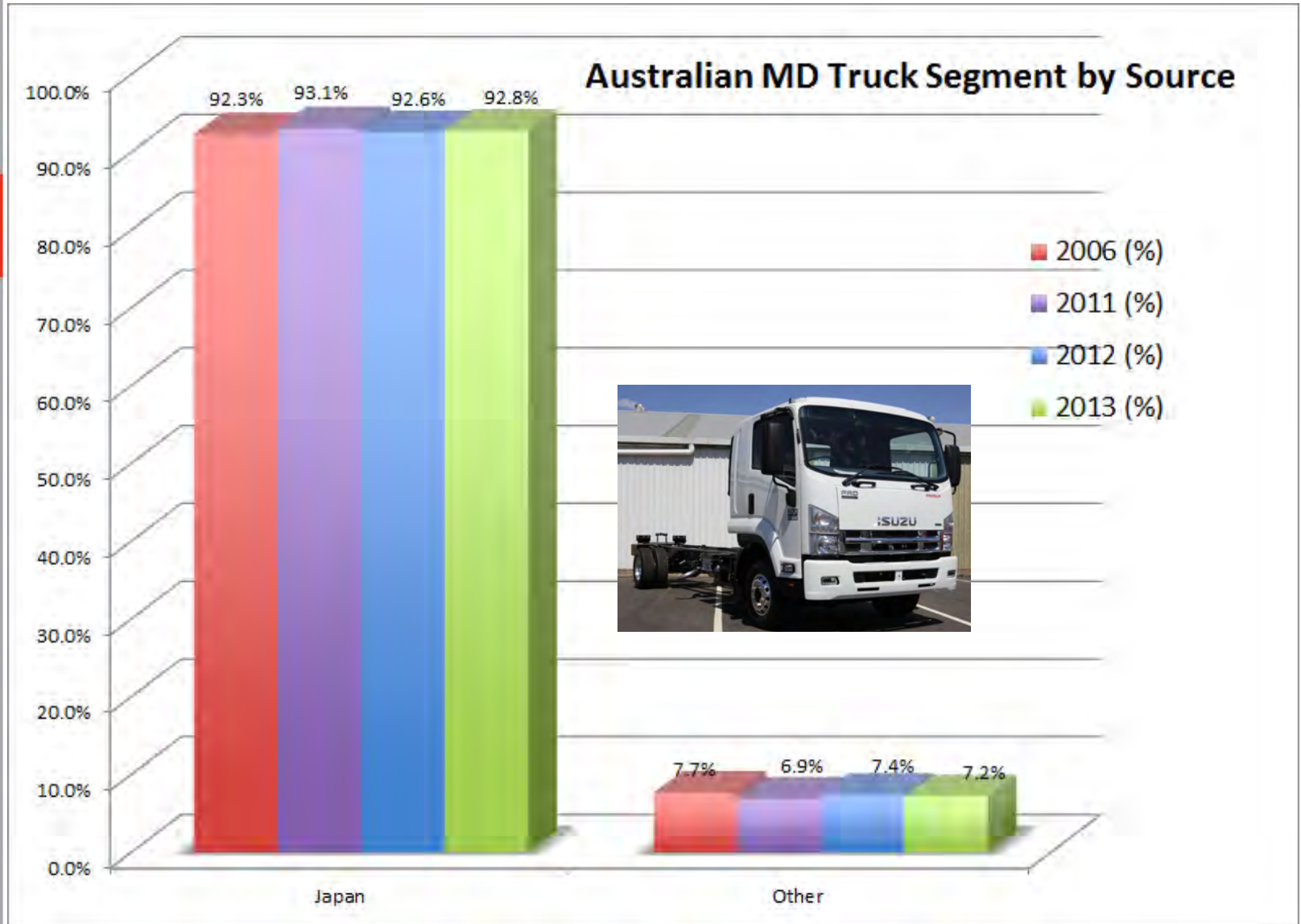


Source: Truck Industry Council T-Mark Official Industry Market data

Influence: Medium Duty Trucks

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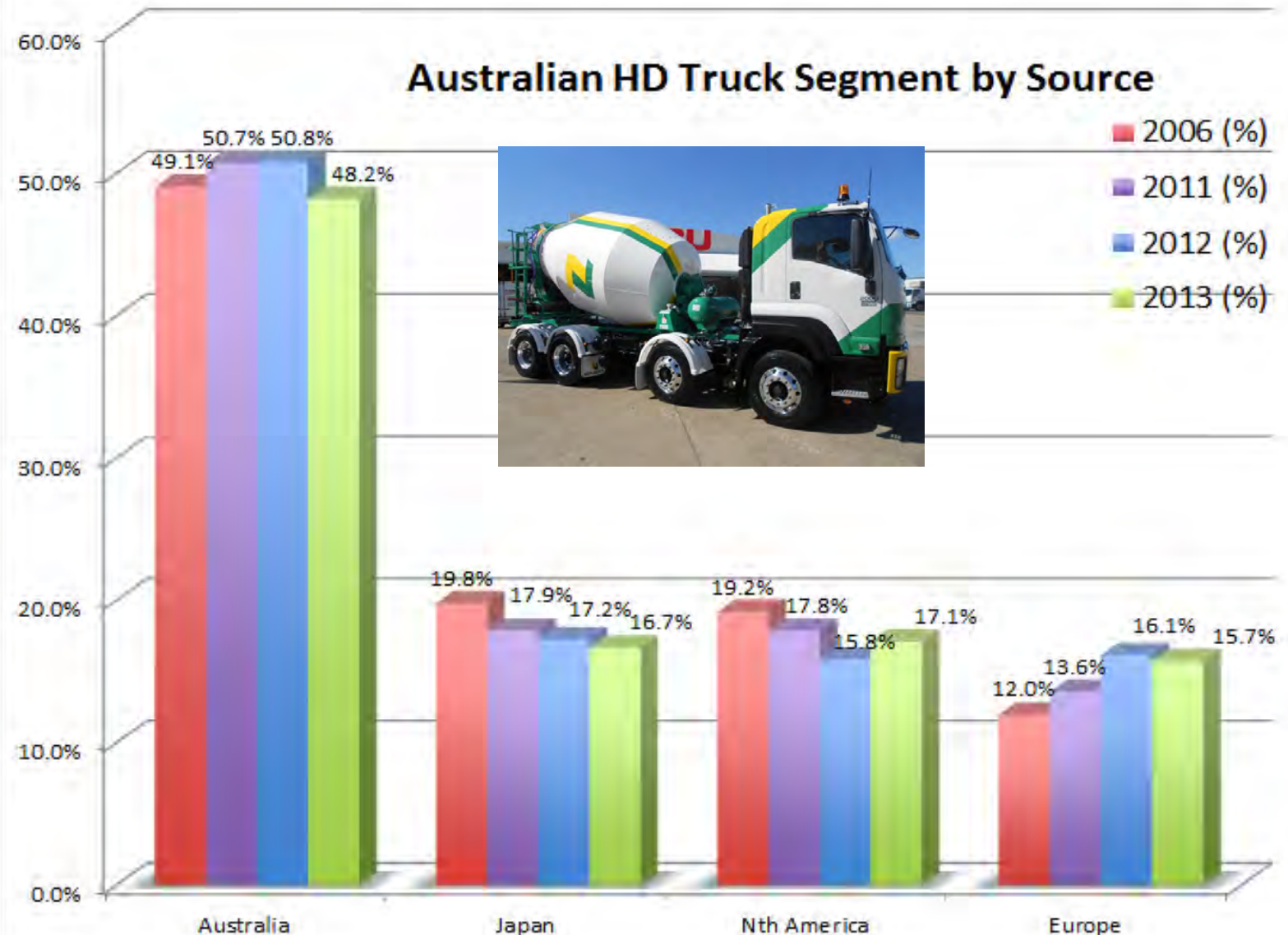


Source: Truck Industry Council T-Mark Official Industry Market data

Influence: Heavy Duty Trucks

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Source: Truck Industry Council T-Mark Official Industry Market data

The Global Automotive Landscape

- Characterised by Alliances, Takeovers, and cross-ownership
- Examples:
 - FIAT Group now controls Chrysler, Dodge, Jeep, Iveco, Alfa Romeo, Lancia, Ferrari, Maserati
 - VW Group now owns Bentley, Bugatti, Audi, Lamborghini, SEAT, Skoda, Porsche and Ducati, with substantial shares in MAN, Scania and Suzuki
 - Tata (India) owns Jaguar, Land Rover, Range Rover, and Tata Daewoo trucks
 - BMW owns MINI & Rolls-Royce
 - The Renault-Nissan alliance controls Renault, Nissan, Infiniti, Renault Samsung Motors, Dacia, Datsun, Venucia and Lada

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Japanese truck brands in the Automotive Landscape

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- Subsidiary of Toyota Motor Corporation and a Toyota Group Member since 2001

DAIMLER



- Mitsubishi Fuso Truck & Bus Corporation controlled by Daimler AG (> 89 % stake), with a majority share since 2004
 - Daimler also owns Freightliner, Mercedes-Benz, Western Star, BharatBenz and Detroit Diesel engines

Japanese truck brands in the Automotive Landscape



UD TRUCKS

- Was Nissan Diesel until 2010
- 100% owned by Volvo Truck Group since 2007
 - Volvo Group AB also owns Volvo truck brand (not Volvo cars), Renault trucks, Eicher and Mack Trucks

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- 1972: General Motors Corporation took 34% stake
- 1999: GM share increased to 49% (controlling)
- 2002: Isuzu began to repurchase shares
 - GM share dropped to 12%
- 2006: Remaining GM shares sold to Itochu and Mitsubishi Corporation
 - JVs remained in place, including pickup design (resulting in Colorado and D-Max)
- Late 2006: Toyota buys 5.9% of Isuzu
 - Purpose: collaboration on Buses and diesel engine technologies

 **TOYOTA**

Japanese truck brands in the Automotive Landscape

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- Isuzu staying independent while other Japanese truck brands are controlled by international automotive groups
 - Largest shareholders are:
 - Mitsubishi Corporation – trading house (9.2%)
 - Itochu Corporation – trading house (8.0%)
 - Toyota Corporation (5.9%)
- Profitable, and planning growth to 1,000,000+ units (combined) of LCV and truck in short term
- Focus on core expertise: CV and Diesel Engine

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Isuzu in Australia Today

- 1989 – 2013: 25 consecutive years of truck market leadership
- Isuzu Australia Limited:
 - Wholly owned subsidiary of Isuzu Motors Limited (Japan)
 - Previously I-GM 60:40 JV 1989-2005
 - GM-Holden distribution 1972-1989
 - Heavy Commercial vehicle importation, distribution, sales and support
 - Industrial engine sales and support
 - ~ 7,000 units per annum

Horses for Courses

- Just a few basic models to cater for a wide section of the market in 1972
- Now, Isuzu has over 160 truck models
 - diverse, demanding market; many individual demands
- Trying to build “something for everyone” is becoming harder
- Niches abound...

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No.1 Market Share in 2012



25 Years ago: 1989 A BIG YEAR

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1989 A BIG YEAR

- First text message sent
- First global positioning satellite launched
- World Wide Web first conceived



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1989 A BIG YEAR

- Electronically controlled Detroit Series 60 became available in some US buses
- All diesel truck engines in Australia mechanically injected
- Australia's best selling car:



In 1989...

- Rare or unavailable in trucks (and uncommon in cars):
 - Driver's airbag,
 - pre-tensioner seatbelts
 - Anti-lock Braking System
 - CAN BUS signals and communications
 - Electronic Control Units
- Typical Japanese diesel engine had Overhead Camshaft, Direct mechanical Injection
- Emissions Controls:
 - Still using basic ADR30/00 smoke test
 - Euro 1 or equivalent still 7 years away!

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Truck Engineering Since 1989

- Computer / digital controls gave massive advances in economy and emissions controls
- On-board computing power from zero to essential
- Modern truck models feature:
 - Electronic climate control
 - Electronic system diagnosis & fault finding
 - Multi-information dash display
 - Advanced digital audio video unit
- On-board telematics, providing a range of functions and controls for the operator
 - Aftermarket & OEM systems

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Observations on Market Leadership: Why?

- Product suitable and tailored for market
- Reliability
- Dealer network: Initial leverage from GM-H dealers, then grew
- People
 - In Australia & in Japan
 - Japanese staff on assignment to Australia
 - Cooperation between distributor and OEM
- Local Testing and Development
- Local enhancements & parts
- A strong Customer Focus
 - Support Network, through “Isuzu Care” philosophy

The next 25 years...

- What can we expect to see in our world in another 25 years?
- What will our trucks look like in 2039?

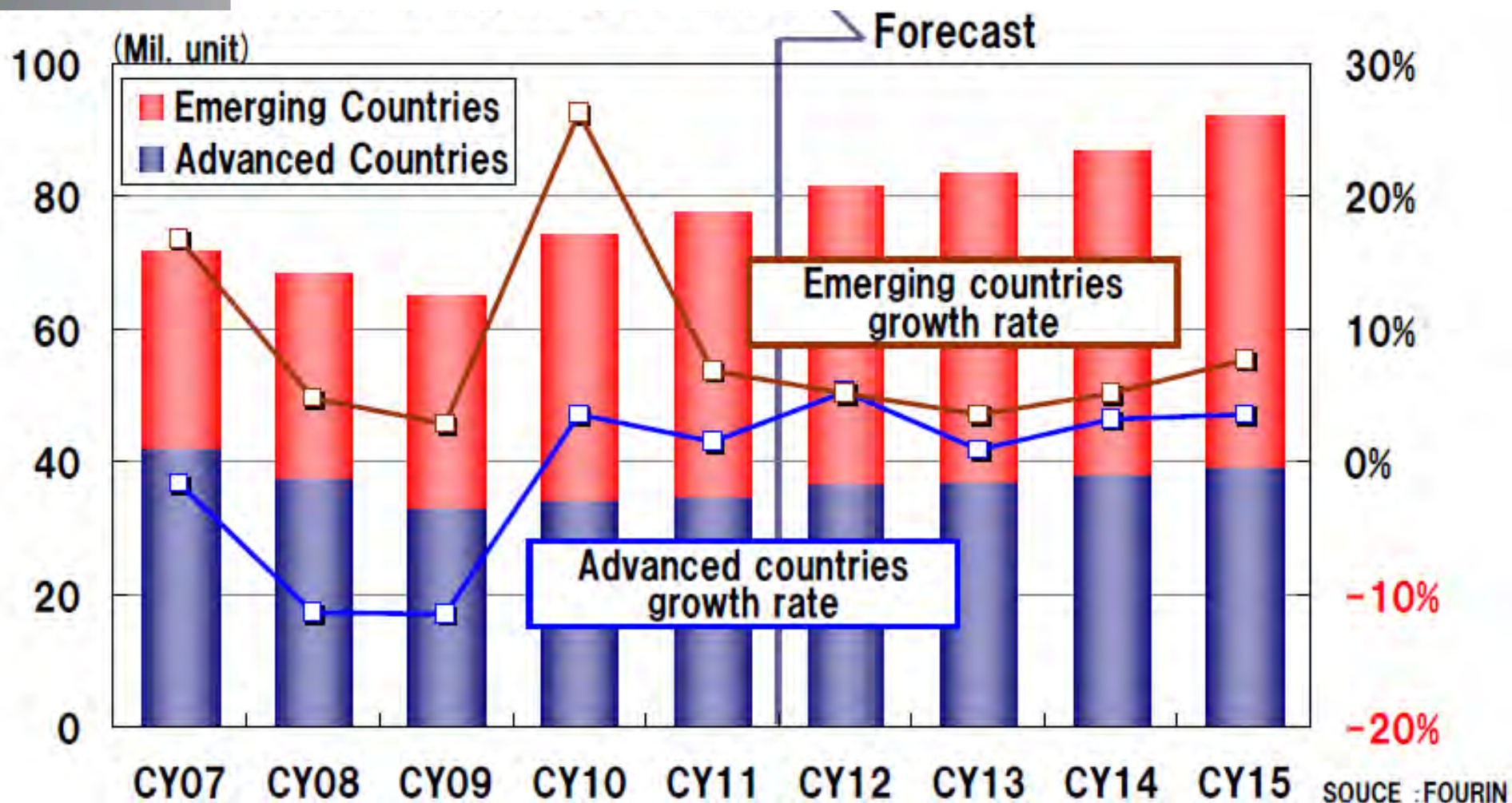
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World Automotive Demand

(Including Passenger cars)



Isuzu's Growth Strategy

Technology



See
Global

See
Local

Developed
Countries

See
Local

emerging
countries

Strategy

Advanced technology for developed-countries

New

Entry into new markets for our future growth

Optimization for newly emerging countries

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Questions?

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