

Company name: Hibino Corporation
Representative: Teruhisa Hibino, President & CEO
(Stock code: 2469, TSE JASDAQ)
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**Notice regarding the Acquisition of Shares of German Large-Screen Imaging Services Company
through Subscription in Capital Increase (Conversion into a Subsidiary)**

Hibino Corporation (the “Company”) hereby announces that it has resolved, at the Board of Directors meeting held on February 24, 2022, to acquire shares of AV-X GmbH (Headquarters: Schleswig-Holstein, Germany) through subscription in capital increase, which operates large-screen imaging services for mainly the European market, via Hibino Europe B.V. (Headquarters: Amsterdam, the Kingdom of the Netherlands) a consolidated subsidiary of the Company, thereby making AV-X GmbH a subsidiary of the Company. The details are as follows:

AV-X GmbH will be changing its name.

1. Reasons for the share acquisition by subscription in capital increase

Hibino Corporation is known as a “The Sound & Visual Specialists” and it provides products, merchandise, services focusing on the sound and visual related markets. In accordance with the Mid-term business plan “Vision 2020,” a four-year plan which wraps up this fiscal year ending March 31, 2022, the Company has targeted “Enhancement of Global Business Development” as one of its management challenges and aims to build a global business system centered on four regions (Japan, Asia, North America, and Europe).

Meanwhile, AV-X GmbH was established in June 2017 by Denis Papin, the leading figure in motor show imaging production. With major European automobile manufacturers as the main customers, AV-X GmbH has been operating across the world providing large-screen imaging services to motor shows and other events.

The Company first invested in AV-X GmbH in July 2017 (investment ratio 27.8% and investment amount € 75,000) and has worked to strengthen cooperation as a strategic partner by providing LED display systems manufactured by Hibino Corporation and dispatching engineers to motor shows around the world for which AV-X GmbH was providing services.

By making AV-X GmbH a subsidiary, Hibino Corporation will be able to support that company’s business expansion while further accelerating the global expansion of the Company group (the “Group”). Moreover, by leveraging AV-X GmbH’s wealth of insight and broad network, Hibino Corporation believes that this will lead to new business opportunities in Europe and help pave the way for new strategic partnerships in the future.

2. Overview of the Company's subsidiary acquiring the shares through subscription in capital increase

(1)	Name	Hibino Europe B.V.
(2)	Location	Steenovenweg 5, 5708HN, Helmond, The Netherlands
(3)	Title and Name of representative	Sachio Nomaki, Director (Executive Vice President & COO of the Company, hibino chromatek group)
(4)	Business description	Management and supervision of European subsidiaries
(5)	Capital	2,000,000 euros
(6)	Establishment	December 2019
(7)	Major shareholder and its holding ratio	Hibino Corporation (100%)

3. Overview of the subsidiary company (AV-X GmbH)

(1)	Name	AV-X GmbH		
(2)	Location	Bergstücken 11, 22113 Oststeinbek, Deutschland.		
(3)	Representative	Denis Papin		
(4)	Business description	Planning and development, rental and operation of event visual and audio systems		
(5)	Capital	270,000 euros		
(6)	Establishment	June 2017		
(7)	Major shareholders and their holding ratios	Hibino Corporation (27.8%), Chaw-Chaw HKG Eastman GbR (27.8%), Denis Papin (26.7%), and others		
(8)	Relationship between Hibino Corporation and AV-X GmbH	Capital relationship	The Company holds 27.8% of the total shares issued by AV-X GmbH.	
		Personnel relationship	Not applicable.	
		Business relationship	There are sales and purchase transactions for products and services between the Company and its affiliated companies, and AV-X GmbH.	
(9)	Results of operations of AV-X GmbH in the past three years			
	Fiscal year	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Net sales	€8,154 thousand (¥1,060 million)	€9,688 thousand (¥1,259 million)	€3,737 thousand (¥485 million)

* Foreign currency exchange rate: Calculated at €1 = ¥130.00

4. Method of changes

Hibino Europe B.V., a consolidated subsidiary of the Company, will subscribe to the shares issued by a third-party capital increase to be implemented by AV-X GmbH.

5. Number of shares to be acquired, acquisition price, and numbers of owned shares before and after acquisition

	Hibino Corporation (the Company)	Hibino Europe B.V. (subsidiary of the Company)	The Group Total
(1) Shares owned before acquisition	75,000 shares The share of voting rights: 27.8%	— shares The share of voting rights: —%	75,000 shares The share of voting rights: 27.8%
(2) Shares to be acquired	— shares	230,000 shares	230,000 shares
(3) Acquisition price	—€	€230,000	€230,000
(4) Shares owned after acquisition	75,000 shares The share of voting rights: 15.0%	230,000 shares The share of voting rights: 46.0%	305,000 shares The share of voting rights: 61.0%

6. Change of name of company to become subsidiary (AV-X GmbH)

(New trade name) Hibino Deutschland GmbH

7. Schedule

(1) The date of Board of Directors' resolution	February 24, 2022
(2) The date of conclusion of the agreement	At the beginning of March, 2022 (planned)
(3) Date of name change	April 1, 2022 (planned)
(4) Payment date	July 1, 2022 (planned)

8. Prospects going forward

The impact of the establishment on our consolidated results for the fiscal year ending March 31, 2022 will be immaterial. Should any matters requiring disclosure arise in the future, they will be promptly disclosed.

(Reference) Forecast of consolidated financial results for the year ending March 31, 2022 (published on February 4, 2022) and consolidated financial results for the year ended March 31, 2021

(Millions of yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Forecast for the year ending March 31, 2022	45,000	1,950	2,200	1,400
Results for the year ended March 31, 2021	30,523	(4,073)	(2,636)	(2,423)