



January 25, 2024

To Whom It May Concern

Company Name: Hino Motors, Ltd.
Representative: Satoshi Ogiso, President & CEO,
Member of the Board of Directors
(Code Number: 7205 TSE, Prime, NSE, Premier)
Contact Person: Yoshiki Ohno, General Manager,
Government & Public Affairs Div.
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Notice of equity transfer and capital increase leading to a change in an equity-method affiliate

Hino Motors, Ltd. (“Hino”) hereby announces that, at the meeting of the board of directors held on October 27, 2023, we have resolved to transfer part of equity in GAC Hino Motors Co., Ltd. (hereinafter referred to as “GAC Hino”), which is an equity-method affiliate of our company, and increase capital stock of GAC Hino with the funds obtained by transferring the equity. After negotiations with the transferee, we are pleased to announce that we have reached an agreement as described below.

1. Reason for the equity transfer and capital increase

Hino has operated the business of GAC Hino as a 50% shareholder together with Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as “Guangzhou Automobile Group”), which is the other 50% shareholder, since 2007, but this time, we have agreed with Guangzhou Automobile Group that the business of GAC Hino will be operated mainly by Guangzhou Automobile Group, to facilitate the transformation of the business model of GAC Hino into the one centered around new energy vehicles.

Accordingly, we will transfer 39.72% out of 50% of equity in GAC Hino we hold to Guangzhou Automobile Group, and 5.45% out of 50% of equity in GAC Hino we hold to Gaungzhou Qingyun New Energy Technology Investment Partnership (A company managing the employee stock ownership plan of GAC Hino). For the matters related to this share transfer, we need to receive the approval of Chinese authorities. We will allocate all of the funds obtained through the equity transfer to the payment for the capital increase of the company, which will be undertaken by shareholders of GAC Hino according to their shareholding ratios.

The ratio of our equity in GAC Hino will become 4.83%, and GAC Hino will be no longer an equity-method affiliate, but our company will keep supporting GAC Hino as a minority shareholder and keep supplying the vehicles of the Hino brand and after-sales services to the Chinese market.

2. Transfer price and capital increase amount

Transfer price: about 700 million yen (34 million yuan)

Capital increase amount: about 700 million yen (34 million yuan)

3. Schedule

(1) Contract conclusion date: January 31, 2024 (scheduled)

(2) Equity transfer & Capital increase date: Scheduled to be executed after approved by Chinese authorities

4. Future outlook

The impact of this matter on the consolidated financial results of Hino Motors will be minor.

【Appendix】

1. Outline of GAC Hino Motors Co., Ltd.

(1) Corporate name	GAC Hino Motors Co., Ltd.
(2) Address	No.1 Bao Zhu Avenue, Pearl Industrial Park, Conghua, Guangzhou, the People's Republic of China
(3) Date of establishment	Nov. X, 2007
(4) Post and name of the representative	Chairman of the board, Chen Xiushen
(5) Capital stock (100 million yuan)	Present: 22.2 → After capital increase: 29.2
(6) Capital contribution ratio	Present: Guangzhou Automobile Group: 50%, Hino: 50% → After transfer: Guangzhou Automobile Group: 89.72%, Hino: 4.83%, Gaungzhou Qingyun New Energy Technology: 5.45%

2. Outline of the transferee

1) Guangzhou Automobile Group Co., Ltd.

(1) Corporate name	Guangzhou Automobile Group Co., Ltd.
(2) Address	23rd Floor, Chengyue Building, No. 448--458, Dongfeng Middle Road, Yuexiu District, Guangzhou, the People's Republic of China
(3) Date of establishment	November 28, 2007
(4) Post and name of the representative	Chairman of the board, Zeng Qinghong
(5) Capital stock	102.3 (100 million yuan)
(6) Business description	Manufacture and sale of automobiles, engines and automotive parts
(7) Net assets	1,144.3(100 million yuan)
(8) Total assets	2,019.2(100 million yuan)
(9) Major shareholders and their shareholding ratios	Guangzhou Automobile Industry Group: 52.54%
(10) Capital relationship	None
(11) Transactional relationship	None
(12) Personal relationship	None

2) Gaungzhou Qingyun New Energy Technology Investment Partnership

(1) Corporate name	Gaungzhou Qingyun New Energy Technology Investment Partnership
(2) Address	No.704 of Room401, No.1 of Cuiying Street, Nansha District, Guangzhou, People's Republic of China
(3) Date of establishment	October 25, 2023
(4) Post and name of the representative	Zhang Zhiyong
(5) Capital stock	5,000 yuan
(6) Business description	Company for the purpose of administering the employee stock ownership plan of GAC Hino
(7) Net assets	-
(8) Total assets	-
(9) Major shareholders and their shareholding ratios	-
(10) Capital relationship	None
(11) Transactional relationship	None
(12) Personal relationship	None

END