



December 19, 2025

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: Makoto Iijima, General Manager,
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Notice Regarding Changes in Equity Method Affiliate (Share Transfer)

The Company hereby announces that its Board of Directors has resolved today (i) to enter into a bilateral agreement with ARTS-4 Inc. (the “**Tender Offeror**”), wholly owned by the Japan Monozukuri Mirai Investment Limited Partnership (the “**Japan Monozukuri Mirai Fund**”), in which SPARX Group, Co., Ltd. (“**SPARX**”) serves as the general partner, agreeing not to tender the shares in SAWAFUJI ELECTRIC CO., LTD. (“**SAWAFUJI ELECTRIC**”), an equity method affiliate of the Company, owned by the Company in the tender offer for SAWAFUJI ELECTRIC by the Tender Offeror (the “**Tender Offer**”), and (ii) to enter into a tripartite agreement (together with the bilateral agreement, the “**Definitive Agreements**”) with the Tender Offeror and SAWAFUJI ELECTRIC, agreeing to implement a transaction to make SAWAFUJI ELECTRIC a wholly-owned subsidiary of the Tender Offeror (the “**Transaction**”), through the consolidation (the “**Share Consolidation**”) of SAWAFUJI ELECTRIC’s common shares (the “**SAWAFUJI ELECTRIC’s Shares**”) in order to make the Company and the Tender Offeror the only shareholders of SAWAFUJI ELECTRIC and acquisition of treasury shares by SAWAFUJI ELECTRIC (the “**Treasury Shares Acquisition**”), subject to the completion of the Tender Offer.

As a result of the Transaction, SAWAFUJI ELECTRIC will be excluded from equity method affiliates of the Company. For more details regarding the Transaction and the Tender Offer, please refer to the Tender Offeror’s press release dated today, and SAWAFUJI ELECTRIC’s press release dated today,

The Company believes that the privatization of SAWAFUJI ELECTRIC through the Transaction will lead to an increase in its corporate value, driven by enhanced management and production control systems, implemented by SPARX via the Japan Monozukuri Mirai Fund.

1. Purpose and Background of the Transaction

The company aims to enhance corporate value by addressing customer and societal challenges through our business activities and contributing to the realization of a sustainable society. To achieve a sustainable society through CASE technologies, the Company is working to promote carbon neutrality by electrifying power

sources and developing fuel cell systems. From this perspective, the Company continuously considers medium- to long-term business strategies for its affiliates. For SAWAFUJI ELECTRIC, an important supplier supporting the Company's business, achieving medium- to long-term corporate value enhancement involves not only improving technology and quality of its existing products but also developing new technologies and products, as well as exploring new fields, related to the electrification of power sources and the development of fuel cell systems. For this purpose, the Company has concluded that the optimal approach is to initiate a new collaboration between SPARX and SAWAFUJI ELECTRIC, utilizing SPARX's portfolio network and insights derived from their investment track record.

Founded in 1989 and currently listed on the Prime Market of the Tokyo Stock Exchange, SPARX established the Japan Monozukuri Mirai Fund in December 2020 with co-investors including Toyota Motor Corporation. The Japan Monozukuri Mirai Fund invests in Japanese *monozukuri* (manufacturing) companies with superior technology, human resources, and services to maintain Japan's advanced technology and skills and develop its future *monozukuri* capabilities and supports these companies in implementing the Toyota Production System (TPS) and formulating management strategies. The Japan Monozukuri Mirai Fund aims to contribute to society by developing Japanese *monozukuri* through its portfolio companies' sustainable growth.

SPARX had consultations with SAWAFUJI ELECTRIC and the Company on April 9, 2025, and began earnest discussions related to the Transaction with SAWAFUJI ELECTRIC on April 21, 2025, submitting an initial proposal on the same day. Since then, discussions regarding measures to enhance SAWAFUJI ELECTRIC's corporate value have been ongoing, leading to the present situation.

Subsequently, on December 19, 2025, following SAWAFUJI ELECTRIC's acceptance dated December 19, 2025 of the final proposal from SPARX regarding the Transaction, the Company entered into the bilateral agreement with the Tender Offeror regarding matters pertaining to the Transaction, including the Company's obligation not to tender its shares in the Tender Offer. On the same day, the Company also entered into the tripartite agreement with the Tender Offeror and SAWAFUJI ELECTRIC, stipulating the terms related to the Share Consolidation and the Treasury Shares Acquisition subject to the completion of the Tender Offer, and other terms and conditions related to the Transaction.

The Company anticipates that SAWAFUJI ELECTRIC, by strengthening relationship with the Japan Monozukuri Mirai Fund, will broadly seek technologies necessary for business expansion beyond group boundaries, and actively challenge new fields by improving production sites and conducting various measures to strengthen production and management systems, which enables SAWAFUJI ELECTRIC's transition to a structure capable of addressing customer and societal challenges through its business activities and contributing to the realization of a sustainable society. Furthermore, SAWAFUJI ELECTRIC aims to further enhance the quality of existing products and reduce costs, promote new product development, and strive to increase its corporate value. The Company believes these initiatives will enable SAWAFUJI ELECTRIC to continue providing high-quality products to the Company's group.

2. Overview of SAWAFUJI ELECTRIC

(1) Name	SAWAFUJI ELECTRIC CO., LTD.	
(2) Address	3, Nittahayakawa-cho, Ota City, Gunma	
(3) Name and Title of Representative	Yasuki Shimoyama, President and Representative Director	
(4) Description of Businesses	Development, manufacturing, and sales of electronic components, electronic products, generators, and refrigerators	
(5) Stated Capital	1,080 million yen	
(6) Date of Incorporation	May 1919	
(7) Major Shareholders and Shareholding Ratios (as of September 30, 2025)	Hino Motors, Ltd. (the Company)	30.29%
	DENSO CORPORATION	9.27%
	Honda Motor Co., Ltd.	6.03%
	SAWAFUJI ELECTRIC Employee Share Ownership Association	4.25%
	Sumitomo Mitsui Banking Corporation	2.78%
	MUFG Bank, Ltd.	1.85%
	Sumitomo Mitsui Trust Bank, Limited	1.39%
	Satoshi Enomoto	1.13%
	SBI SECURITIES Co., Ltd.	1.11%
	Hiroko Shibata	0.73%
	Total	58.82%
(8) Relationship between the Company	Capital Relationship	The Company owns 30.29% of SAWAFUJI ELECTRIC's Shares.
	Personnel Relationship	As of today, one of the eight directors and one of the four corporate auditors of SAWAFUJI ELECTRIC are dispatched from the Company. Additionally, one executive officer of SAWAFUJI ELECTRIC is transferred from the Company.
	Business Relationship	SAWAFUJI ELECTRIC sells automotive electrical components to the Company.

(Note) The stated capital and major shareholders and shareholding ratios are based on the 130th Semi-Annual Report submitted by SAWAFUJI ELECTRIC on November 7, 2025.

3. Overview of the Tender Offeror

(1) Name	ARTS-4 Inc.	
(2) Address	Shinagawa Season Terrace, 2-70 Konan 1-chome, Minato-ku, Tokyo	
(3) Name and Title of Representative	Kota Mizutani, Representative Director	
(4) Description of Businesses	Acquisition and ownership of SAWAFUJI ELECTRIC's Shares, controlling and managing SAWAFUJI ELECTRIC's business activities	
(5) Stated Capital	50,000 yen (as of December 19, 2025)	
(6) Date of Incorporation	August 12, 2025	
(7) Major Shareholders and Shareholding Ratios	The Japan Monozukuri Mirai Investment Limited Partnership: 100% (as of December 19, 2025)	
(8) Relationship between the Company	Capital Relationship	Not applicable.
	Personnel Relationship	Not applicable.
	Business Relationship	Not applicable.
	Applicability to the Related Parties	Not applicable.

4. Number of Shares Transferred, Transfer Price, and Shareholding Status Before and After Share Transfer

(1) Number of Shares Owned Before the Transfer	1,307,000 shares (Number of Voting Rights: 13,070) (Percentage of Voting Rights: 30.29%)
(2) Number of shares to be Transferred	1,307,000 shares (Number of Voting Rights: 13,070)
(3) Transfer Price	1,244 million yen
(4) Number of Shares Owned After the Transfer	0 shares (Number of Voting Rights: 0) (Percentage of Voting Rights: 0.00%)

(Note 1) The percentage of voting rights before the transfer is the ratio expressed as a percentage (rounded to two decimal places) of the number of voting rights owned to the number of voting rights (43,148) pertaining to the number of shares (4,314,835) obtained by subtracting the number of treasury shares (7,165 shares) as of September 30, 2025, as stated in the Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 2026 (Under Japanese GAAP) submitted by SAWAFUJI ELECTRIC on November 7, 2025, from the total number of issued shares (4,322,000 shares) of SAWAFUJI ELECTRIC as of September 30,

2025, as stated in the 130th Semi-Annual Report submitted by SAWAFUJI ELECTRIC on November 7, 2025.

(Note 2) The Company plans to transfer all the SAWAFUJI ELECTRIC's Shares it owns, though the actual number of shares to be transferred may vary as a result of the Share Consolidation.

(Note 3) The transfer price for the Treasury Shares Acquisition is planned to be 952 yen per one SAWAFUJI ELECTRIC's Share, which is an amount such that, taking into account the fact that the provision on exclusion of deemed dividends from gross profits under the Corporation Tax Act (Act No. 34 of 1965, as amended) is applicable, the after-tax proceeds that the Company would receive if the Company accepts the Treasury Shares Acquisition are equal to the after-tax proceeds that the Company would receive if, hypothetically, the Company were to tender all the SAWAFUJI ELECTRIC's Shares it owns in the Tender Offer.

5. Schedule

(1) Board of Directors Resolution	December 19, 2025
(2) Execution of the Definitive Agreements	December 19, 2025
(3) Tender Offer Period	December 22, 2025, to February 9, 2026 (scheduled)
(4) Effective Date of the Share Consolidation	Around March 2026 (scheduled)
(5) Execution Date of the Treasury Shares Acquisition	Around April 2026 (scheduled)

6. Future Outlook

Even after the Transaction, SAWAFUJI ELECTRIC will continue to serve as an important supplier to the Company, and there will be no impact on the Company's production system.

End