



January 16, 2026

To Whom It May Concern

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**Notice Concerning Recording of Extraordinary Income (Gain on Sale of Investment Securities)
in Connection with Sale of Shares in HOTAI MOTOR CO., LTD.**

Hino Motors, Ltd. (the “Company”) hereby announces that its Board of Directors resolved, at its meeting today, to execute a share purchase agreement (the “Share Purchase Agreement”) with Toyota Motor Corporation (“Toyota”) for the sale of all shares held by the Company in HOTAI MOTOR CO., LTD. (“Hotai”) to Toyota (the “Sale”), and as a result of such resolution, the Company expects to record extraordinary income (gain on sale of investment securities).

1. Recording of Extraordinary Income (Gain on Sale of Investment Securities)

(1) Number of Shares Sold

All shares held by the Company in Hotai

Share ratio held before the sale	2.0%
Share ratio to be sold	All shares held by the Company
Share ratio held after the sale	0%

(Note) The share ratio is the ratio to the total shares of Hotai as of September 30, 2025, based on the total shares stated in Hotai’s financial statements for the third quarter of 2025.

(2) Date of Sale

February or March 2026 (planned)

(3) Gain on Sale of Investment Securities

30,116 million yen (planned)

(4) Reason for Sale

The Sale is conducted as part of efforts to smoothly implement the business integration (the “Business Integration”) between the Company and Mitsubishi Fuso Truck and Bus Corporation (“MFTBC”) as described in the “Notice Concerning Execution of Business Integration Agreement Regarding Business Integration of Hino Motors, Ltd. and Mitsubishi Fuso Truck and Bus Corporation” dated June 10, 2025, by improving the Company’s financial condition.

2. Transactions, etc. with Controlling Shareholder

(1) Applicability of Transactions, etc. with the Controlling Shareholder and Compliance with the Policy on Measures to Protect Minority Shareholders

Toyota, the counterparty of the Sale, is the parent company of the Company, and the Sale falls under a transaction with the controlling shareholder. The compliance of the Sale with respect to the “Policy on Measures to Protect Minority Shareholders in Conducting Transactions, etc.

with Controlling Shareholder” indicated in the Corporate Governance Report disclosed by the Company on July 7, 2025 is as follows.

After holding discussions with the Special Committee of the Company (the “Special Committee”) that is composed of only independent outside directors, and a report confirming that the Sale would not be disadvantageous to the Company’s minority shareholders has been obtained. Under such circumstances, all of the directors of the Company, excluding Mr. Jun Nagata, attended the Company’s Board of Directors meeting held today and all members in attendance deliberated on and resolved to approve the execution of the Share Purchase Agreement. Of the Company’s directors, Mr. Jun Nagata, who had been an operating officer of Toyota until December 2024, and, as of today, dispatched from Toyota (part-time contract employee) to the Company as a director, has, or is likely to have, a conflict of interest in relation to the Sale. Therefore, he did not participate in discussions and negotiations regarding the Sale and did not participate in deliberations regarding the execution of the Share Purchase Agreement at the Company’s Board of Directors meeting detailed above. As a result of these measures, the Company believes that the Sale complies with the “Policy on Measures to Protect Minority Shareholders in Conducting Transactions, etc. with Controlling Shareholder” of the Company.

The “Policy on Measures to Protect Minority Shareholders in Conducting Transactions, etc. with Controlling Shareholder” indicated in the Corporate Governance Report disclosed on July 7, 2025 is as follows.

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions, etc. with Controlling Shareholder

The parent company of the Company is Toyota Motor Corporation which owns 50.2% of the voting rights of the Company as of March 31, 2025. The Company determines sales of products to the parent company, etc. based on price negotiations in each fiscal year, taking into account the market price of raw materials and energy costs, and fluctuations in labor costs, etc.

With respect to the purchase of parts, etc., the Company determines a reasonable price based on discussions with Toyota Motor Corporation, sufficiently taking into account market prices, etc. in the same manner as determining the terms and conditions of general transactions. The Company determines interest rates at the time of borrowing money in the same manner as determining those in general transactions, taking into account market interest rates. With respect to these material transactions between the Company and the parent company group, the Company determines the appropriateness of transactions at Board of Directors meetings after holding discussions with and obtaining a report from the special committee that is composed of only independent outside directors. Accordingly, the Company believes that transactions with the parent company do not and will not harm the Company and the rights of its minority shareholders.

(2) Measures to Ensure Fairness and Avoid Conflicts of Interest

A) Measures to Ensure Fairness

The Company has retained Nagashima Ohno & Tsunematsu and Tsar & Tsai Law Firm as legal advisors in the Sale, and received legal advice on various procedures related to the Sale, decision-making methods and decision-making processes, etc. Nagashima Ohno & Tsunematsu and Tsar & Tsai Law Firm do not have any significant interests in the Company or Toyota.

B) Measures to Avoid Conflicts of Interest

(a) Obtaining a report from the Special Committee that has no interests in the Company

In order to take care in making decisions regarding the Sale prior to deliberation and resolution on whether or not to approve the Sale and in order to eliminate any possibility of arbitrariness and conflicts of interest in the decision-making process of the Company's Board of Directors regarding the Sale and to ensure the fairness of the decision-making process, as well as to obtain an opinion on whether there is any disadvantage to its minority shareholders from the decision of its Board of Directors to implement the Sale, the Company consulted with the Special Committee which was established in FY2022 in order to determine the appropriateness of material transactions with Toyota Group.

The Special Committee consists of four (4) members: Mr. Motokazu Yoshida, Mr. Koichi Muto, Mr. Masahiro Nakajima and Ms. Shoko Kimijima, who are outside directors and independent officers having no interests in the Company or Toyota. The Company asked the Special Committee to make an examination and determination on (a) the legitimacy and reasonableness of the purpose of the Sale, (b) the appropriateness of the terms and conditions of the Sale, (c) the fairness of the procedures for the Sale, and (d) whether the implementation of the Sale would be disadvantageous to minority shareholders of the Company, taking (a) through (c) above into consideration, and then provide its opinion to the Company's Board of Directors (collectively, the "Consulted Matters"). In addition, the Company has, since the time when the Sale was initially referred to the Special Committee for consultation, appointed Mr. Motokazu Yoshida, Mr. Koichi Muto, Mr. Masahiro Nakajima and Ms. Shoko Kimijima as members of the Special Committee (the chairman of the Special Committee is Mr. Motokazu Yoshida), and, since then, the Company has not changed any of the members of the Special Committee when conducting consultations concerning the Sale. The compensation for services of each member does not include any contingency fee that is subject to public announcement, decision or implementation, etc. of the Sale.

The Company has also resolved that the decision-making by its Board of Directors regarding the Sale shall be made with maximum respect for the opinions of the Special Committee, and that if the Special Committee determines that the Sale is disadvantageous to the Company's minority shareholders, the Company's Board of Directors shall not decide to implement the Sale. Further, the Company's Board of Directors has resolved (a) to grant authority to the Special Committee to appoint its own advisors, in which case the reasonable costs of such advisors shall be borne by the Company, and (b) to ensure that the Special Committee is in a position to substantially influence the negotiation process regarding the terms and conditions of the transactions by, for example, reporting to the Special Committee in a timely manner on the status of negotiations, hearing the opinions of the Special Committee at important junctures and negotiating upon taking into consideration any requests from the Special Committee.

The Special Committee for the Sale carefully considered the Consulted Matters by holding meetings twice, on November 27, 2025 and January 16, 2026, collecting information and holding discussions from time to time as required. In addition, after considering the independence, expertise and experience thereof, the Special Committee appointed Anderson Mori & Tomotsune as its own legal advisor, independent of the Company or Toyota.

Based on the foregoing, the Special Committee has received timely explanation from, and conducted question-and-answer sessions, etc. with, the Company and the Company's legal

advisor, Nagashima Ohno & Tsunematsu, concerning the Sale, and through such process, the Special Committee has verified the reasonableness thereof. Furthermore, based on advice from its legal advisor, Anderson Mori & Tomotsune, the Special Committee has been involved in the negotiation process by providing its opinions at important junctures and giving instructions and requests to the Company.

Under such circumstances, the Special Committee, on the premise of each of the above explanations, advice from its advisors and other materials for consideration, carefully deliberated and examined the Consulted Matters, and submitted to the Company's Board of Directors a report dated January 16, 2026 to the effect that (a) the purposes of the Sale would be legitimate and reasonable to a certain extent; (b) there are no special circumstances where the terms and conditions of the Sale would be inappropriate; (c) the procedures for the Sale would be fair; and, (d) it would not be disadvantageous to the Company's minority shareholders to execute the Share Purchase Agreement and implement the Sale, taking (a) through (c) above into consideration (the "Report"). For a summary of the Report, please refer to "(3) Overview of the opinions obtained from parties with no interests in the controlling shareholder regarding the matter that the relevant transactions, etc. are not disadvantageous for the minority shareholders" below.

(b) Approval of all directors who have no interest in the Company

All directors of the Company excluding Mr. Jun Nagata attended the Company's Board of Directors meeting held today and all members in attendance deliberated on and resolved to approve the execution of the Share Purchase Agreement. Of the Company's directors, Mr. Jun Nagata, who had been an operating officer of Toyota until December 2024 and, as of today, dispatched from Toyota (part-time contract employee) to the Company as a director, has, or is likely to have, a conflict of interest in relation to the Sale. Therefore, he did not participate in discussions and negotiations regarding the Sale, and did not participate in deliberations regarding the execution of the Share Purchase Agreement at the Company's Board of Directors meeting.

The Company has made its determination after ensuring fairness and avoiding conflicts of interest by taking the measures stated above.

(3) Overview of the opinions obtained from parties with no interests in the controlling shareholder regarding the matter that the relevant transactions, etc. are not disadvantageous to the minority shareholders

As described in "B) Measures to Avoid Conflicts of Interest" of "(2) Measures to Ensure Fairness and Avoid Conflicts of Interest" above, in order to take care in making decisions regarding the Sale and in order to eliminate any possibility of arbitrariness and conflicts of interest in the decision-making process of its Board of Directors regarding the Sale and to ensure the fairness of the decision-making process, as well as to obtain its opinion on whether there are any disadvantages to the Company's minority shareholders from the decision of its Board of Directors to implement the Sale, the Company consulted with the Special Committee on the Consulted Matters.

As a result, on January 16, 2026, the Company received the Report from the Special Committee concerning the implementation of the Sale as outlined below.

I. Conclusion of Report

- (a) The legitimacy and reasonableness of the purpose of the Sale
The Sale can contribute to enhancing the Company's corporate value, and its purpose would be legitimate and reasonable to a certain extent. As of the date the Report was prepared, there are no special circumstances where such legitimacy or reasonableness is denied.
- (b) The appropriateness of the terms and conditions of the Sale
The conditions set forth in the Share Purchase Agreement cannot be said to be unreasonable, and no special circumstances that support a determination that the terms and conditions of the Sale are improper have been found, including the fact that the terms and conditions of the Sale is of particular detriment to minority shareholders (general shareholders).
- (c) The fairness of the procedures for the Sale
There are no circumstances which create doubt as to the fairness of the system of deliberations and negotiations on the terms and conditions of the Sale or of the negotiations and decision-making process regarding the Sale, etc., and, given that measures to ensure fairness have been taken in the course of implementing the Sale, the procedures for the Sale are considered fair.
- (d) Whether the implementation of the Sale would be disadvantageous to minority shareholders of the Company, taking (a) through (c) above into consideration
Taking into consideration (a) through (c) above, since it cannot be said to be unreasonable to execute the Share Purchase Agreement, and to implement the Sale if the conditions precedent to the Sale set forth in the Share Purchase Agreement are satisfied, it would not be disadvantageous to the Company's minority shareholders to adopt a resolution at the Board of Directors to execute the Share Purchase Agreement, and to implement the Sale.

II. Reasons for Conclusions of Report

- (a) Legitimacy and reasonableness of the purpose of the Sale
 - A. Purpose of the Sale
 - The purpose of the Sale is to improve the Company's financial condition, which has deteriorated in connection with the issues regarding the certification on gas emission and fuel efficiency of the Company's engines (the "Engine Issues"), and, by doing so, to conduct the Sale as part of efforts to smoothly implement the Business Integration.
 - B. The Company's understanding of the current situation
 - The Company's understanding of the management issues is as follows: in light of circumstances such as the Company being unable to deny the possibility that the financial impact on the Company in connection with the Engine Issues may have a material adverse effect on the Company's management, financial condition and cash flow position, and the Company being in a state where it is difficult to obtain additional financing from financial institutions on favorable terms, there is a possibility that the Company may face difficulty in making

payments in relation to the obligations borne by the Company in connection with the Engine Issues if the Company does not improve its financial condition through additional financing.

- The Company's above understanding of the management issues is considered to be reasonable. Therefore, taking measures that contribute to resolution of the above management issues and policies to realize the resolution of such matters, in general, can be considered as measures will contribute to enhancing the Company's corporate value.

C. Other Considerations regarding the Sale

- The Sale cannot be implemented unless the Company applies for approval of the Sale to the Department of Investment, Taiwan, and obtains approval therefrom. However, with respect to the Sale, since Toyota, the transferee, already holds shares of Hotai, there is no particular concern regarding the obtainment of such approval at this moment, and it is considered that this does not immediately deny the legitimacy or reasonableness of the purpose in the Sale thereof.
- Regarding the timing of the execution of the Share Purchase Agreement and its public announcement, the application form for the approval request to the Department of Investment, Taiwan, in relation to the implementation of the Sale must include the transfer price, and it is necessary to execute the Share Purchase Agreement prior to filing such approval request. In light of the Company's financial condition, the Company needs to implement the Sale promptly and no later than within the fiscal year ending March 31, 2026. In addition, considering that the approval process from the filing of the above approval request to the obtainment of the approval is expected to take approximately one month, it is considered that the decision to execute the Share Purchase Agreement and announce the Sale on January 16, 2026 cannot be said to be unreasonable.
- In light of the business usefulness of the Company's holding of the shares of Hotai, it cannot be denied that transferring such shares to a completely unrelated third party may hinder the relationship with Hotai and may have an adverse effect on the Company's business in the Taiwan market. In this regard, it is considered that selecting Toyota, the parent company of the Company, as the transferee, may reduce, to a certain extent, the likelihood of the above adverse effects, and in that sense, there is a certain necessity for selecting Toyota as the transferee. In addition, although Toyota is the parent company of the Company, by ensuring the appropriateness of the transaction terms and conditions, and the fairness of the procedures, conflicts of interest with minority shareholders can be prevented as much as possible. Therefore, the decision to make Toyota the counterparty for the transfer of the shares of Hotai is considered reasonable.

D. Brief Summary

- Based on the above, the Sale is deemed to contribute to enhancing the Company's corporate value, and the purposes of the Sale are deemed legitimate and reasonable.
- (b) Appropriateness of the terms and conditions of the Sale
- A. The transfer price of the Sale
- The transfer price of the Sale is 31,384 million yen, which has been calculated based on the simple average of the closing prices of the shares of Hotai for the past one month up to the business day immediately preceding the date of execution of the Share Purchase Agreement, and the average of the exchange rates of the New Taiwan Dollar and the yen for the same period, as published by MUFG Bank, Ltd. Such transfer price has been set by the above method in light of the facts that (i) the application form for the approval request to the Department of Investment, Taiwan, in relation to the implementation of the Sale, must include the transfer price, and (ii) the shares of Hotai are listed, and therefore, it is considered fair to set the price by reference to the market share price, and the transfer price set by such method is reasonable.
 - Considering that the terms and conditions of the Sale have been determined through fair procedures, there are no special circumstances wherein the transfer price of the Sale would be inappropriate.
- B. Other terms and conditions of the Share Purchase Agreement (Preconditions)
- As a material matter in the Share Purchase Agreement, among the preconditions to the implementation of the Sale, there exists the requirement to obtain approval for the execution of the Sale from the Department of Investment, Taiwan. That said, no particular matters of concern have arisen at this moment with respect to the obtainment of such approval, and setting this as a precondition is recognized to have a certain degree of reasonableness.
- C. Brief Summary
- As above, given that terms and conditions set forth in the Share Purchase Agreement are not unreasonable, there are no special circumstances wherein the terms and conditions of the Sale would be inappropriate. Furthermore, there are no terms and conditions in the Sale that would be particularly disadvantageous only to the minority shareholders (general shareholders).
- (c) Fairness of Procedures for the Sale
- A. Establishment of the Special Committee and obtaining the report from the Special Committee
- The Special Committee is a committee consisting of independent outside directors of the Company. Furthermore, the Special Committee carries out the roles that the Special Committee should play in examining the Consulted Matters.
 - In addition, based on consideration of the following points, the Special

Committee is found to function effectively to ensure fairness:

- (i) The Special Committee was established at the Company with the purpose of establishing a system to supervise entire transactions in order to ensure the transparency of significant transactions and actions in which interests may conflict with Toyota, and in relation to the Sale, the Special Committee has been consulted when the Company and Toyota were in the process of substantive negotiations regarding the Share Purchase Agreement.
- (ii) The members of the Special Committee are composed of outside directors, and it has been confirmed that they are independent of the Company and Toyota, as well as independent of the success or failure of the Sale.
- (iii) The Special Committee is authorized to substantively engage in the negotiation process of the terms and conditions of the transactions of the Sale by confirming, in advance, the policies to be followed in negotiations concerning the terms and conditions of transactions of the Sale, receiving reports on the negotiation status in a timely manner, expressing opinions at important junctures, and giving instructions and requests, thereby ensuring the conditions by which the Special Committee could substantively influence the negotiation process of the terms and conditions of the transactions.
- (iv) The Special Committee has retained its own legal advisor that is independent of the Company and Toyota, as well as independent of the success or failure of the Sale. After confirming that there were no issues regarding their expertise or independence from the Company's legal advisors, the Special Committee also heard their opinions as necessary.
- (v) The Special Committee also received explanations on the status of the negotiations regarding the Share Purchase Agreement, which are not publicly available to the minority shareholders (general shareholders), and asked to be provided with information from others as necessary.
- (vi) Remuneration of the Special Committee members is limited to the existing remuneration as outside directors of the Company, and no contingency fee is adopted.

B. Decision-making process

- Of the Company's directors, as described in "(1) Applicability of Transactions, etc. with the Controlling Shareholder and Compliance with the Policy on Measures to Protect Minority Shareholders" in "2. Transactions, etc. with Controlling Shareholder" above, Mr. Jun Nagata has, or is likely to have, a conflict of interest in relation to the Sale, and therefore, did not participate in discussions and negotiations in the Company regarding the Sale, and will not participate in deliberations and resolutions regarding the Sale at meetings of the Board of Directors to be held going forward. Therefore, it can be said that the Company has made efforts to eliminate arbitrariness in the decision-making process.

C. Involvement of advisors

- From the perspective of ensuring fairness in the decision-making process, the Company has received advice from legal advisors that are independent of the Company and Toyota, as well as independent of the success or failure of the Sale.
 - In examining the Consulted Matters, the Special Committee has received legal advice from a legal advisor of the Special Committee that is independent of the Company and Toyota, as well as independent of the success or failure of the Sale, concerning the Special Committee's consideration of and deliberations on the Consulted Matters.
- D. Enriching the provision of information to minority shareholders (general shareholders) and improving the transparency of procedures
- In the Sale, sufficient disclosure of information will be made regarding the process leading to the execution of the Share Purchase Agreement for the Sale, negotiations therefor and details of such agreement, etc., including the details of the authority granted to the Special Committee, deliberations at the Special Committee, involvement in the negotiations regarding the terms and conditions of the Share Purchase Agreement for the Sale with Toyota, the contents of the report from the Special Committee and the remuneration of the members of the Special Committee. Therefore, material information that will contribute to making a judgement on the appropriateness of the terms and conditions of the transactions, etc. is deemed to have been provided to the shareholders of the Company.
- E. Brief Summary
- There are no circumstances which create doubt as to the fairness of the system of deliberations and negotiations on the terms and conditions of the Sale or of the negotiations and decision-making process regarding the framework of the terms and conditions of the Sale, etc., and, given that measures to ensure fairness have been taken in the course of implementing the Sale, the procedures for the Sale are considered fair.
- (d) Whether or not it is disadvantageous to the Company's minority shareholders to implement the Sale, taking (a) through (c) above into consideration
- In (a) to (c) above, it has been confirmed that the purpose of the Sale is legitimate and reasonable, the terms and conditions of the Sale are appropriate and the procedures for the Sale are fair, and none of them are considered problematic. Based on the above, it cannot be said to be unreasonable to execute the Share Purchase Agreement and implement the Sale once the conditions precedent provided in the Share Purchase Agreement are satisfied; therefore, it is considered that it is not disadvantageous to the minority shareholders of the Company to implement the Sale.

3. Future Outlook

Upon the Sale, the Company expects to record a gain on the sale of investment securities as an

extraordinary gain in the amount of 30,116 million yen (on a consolidated basis; an estimated amount) (This amount is calculated based on an exchange rate of 1 TWD = 4.97 JPY and may be affected by fluctuations in the exchange rate.) in the fiscal year ending March 31, 2026. The Company will make prompt disclosures if it is necessary to make any new disclosures regarding the Sale. For the avoidance of doubt, the Sale will have no impact on the exchange ratio in the share exchange in which ARCHION Corporation will be the wholly owning parent company and the Company will be the wholly owned subsidiary, or on the delivery ratio in the share delivery in which ARCHION Corporation will be the parent company and MFTBC will be the subsidiary, when both the share exchange and share delivery are conducted as part of the Business Integration.

(Reference) Forecasts of Consolidated Financial Results for the Current Fiscal Year (published on November 4, 2025) and Consolidated Financial Results for the Previous Fiscal Year

(in million yen, unless otherwise specifically indicated)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Profit per Share (in yen)
Forecast for the Current Fiscal Year (Fiscal year Ending March 31, 2026)	1,500,000	65,000	60,000	40,000	69.68
Results for the Previous Fiscal Year (Fiscal Year Ended March 31, 2025)	1,697,229	57,490	39,310	-217,753	-379.34

End