

Press Release

ARCHION Corporation
May 15, 2026

ARCHION Announces Mid-Term Business Plan Through Fiscal Year 2032
Clear roadmap to FY2032 and accelerated growth and profitability through integration synergies

- With a customer-first approach at the core of all our activities, ARCHION has set FY2032 targets to drive growth across revenue, profitability, and capital efficiency with clear interim FY2029 targets
- Aim for the significant growth of return on sales (RoS) to over 10% by FY2032
- Enhancing product competitiveness through an integrated platform strategy, with the aim of manufacturing 85% or more of the total domestic production volume of Hino and Mitsubishi Fuso on integrated platforms by FY2032
- Driving cost efficiency and strategic reinvestment in product development and CASE initiatives through a common production and development platform and synergies
- ROE (Return on Equity) target of 10%+ by FY2029 and 15% by FY2032 with 40% dividend payout ratio target

ARCHION Corporation (Headquarters: Shinagawa-ku, Tokyo; President & Chief Executive Officer: Karl Deppen, hereinafter “ARCHION”), established through the business integration of Hino Motors, Ltd. (President and CEO: Satyakam Arya; hereinafter “Hino”) and Mitsubishi Fuso Truck and Bus Corporation (President & CEO: Franziska Cusumano; hereinafter “Mitsubishi Fuso”) announced its mid-term business plan through FY2032. The mid-term plan presents a clear roadmap for growth through significant integration synergies, with defined financial targets for FY2029 and FY2032, and a business plan focused on enhancing UD is not in corporate value through significant integration synergies.

Karl Deppen, President & CEO of ARCHION, stated, “With the establishment of ARCHION to integrate Hino and Fuso, we have created a new strong Japanese truck company. By doing so we have strengthened our foundation to serve our customers in Japan and around the world even better. Our midterm business plan sets a clear mark about our ambition: with the customer at the center of our activities, ARCHION aims at profitable growth, and will fully leverage synergies from better scale. We are determined to create value for our stakeholders and together with our partners contribute to sustainable transportation solutions.”

■Summary: ARCHION’s Mid-Term Financial Targets and Business Plan

| | | FY2025 Consolidated Results (Pro Forma^{*1,2,3}) | FY2029 Target | FY2032 Target |
|------------------------------|--|---|----------------------|----------------------|
| Financial Performance | Revenue | 2.2 trillion yen | 2.6 trillion yen | 2.8 trillion yen |
| | Return on Sales (RoS) | 3.2% | 7% | 10%+ |
| | Unit Sales (Group Sales) ^{*4} | 218,000 units | 260,000 units | 280,000 units |
| | Cash conversion rate | 1.1x | — | 0.8–1.0x |
| Shareholder Returns | ROE (Return on Equity) | — | 10%+ | 15% |
| | Dividend Payout Ratio | — | 40% | |

| | | | |
|----------------------------|----------------------|--------------|-------------------------|
| Financial Soundness | Debt-to-Equity Ratio | approx. 0.5x | 0.5x or below by FY2032 |
|----------------------------|----------------------|--------------|-------------------------|

■ **Strengthening product competitiveness with the integrated platform strategy at its core, while creating synergies through management integration**

Through its two-pillar framework of “growth” and “efficiency,” ARCHION will accelerate competitiveness driven by business integration, with the integrated platform strategy at the core of strengthening product competitiveness. In FY2026, the company will prioritize organizational integration, the establishment of a robust governance framework, and the development of a foundation for future synergy realization. By FY2029, ARCHION aims to achieve a Return on Sales (RoS) of 7% and revenue of 2.6 trillion yen through business model optimization and synergy creation. By FY2032, it aims to lift RoS further to more than 10%, increase revenue to 2.8 trillion yen as well as generate synergy effects of approximately JPY 110 billion, by leveraging the benefits of its integrated platform strategy to deliver enhanced product competitiveness.

Pillar 1. “Business Growth”

● **Expansion of new vehicle sales through regionally optimized growth strategies**

- Japan: Leveraging two strong brands and a well-established sales network, ARCHION will offer a full product lineup ranging from diesel to EV and fuel cell trucks, driving sustainable growth through enhanced product competitiveness enabled by the integrated platform strategy.
- Overseas: In Southeast Asia, the company aims to achieve an increase of approximately 20,000 units (compared to FY2025) in sales through the introduction of a new light-duty truck in Indonesia, expanded local sourcing, and strengthened logistics with Thailand serving as an export hub. In addition, by capturing demand in high-growth markets and reinforcing its production and logistics network, ARCHION targets a total increase of approximately 60,000 units (compared to FY2025) in global sales by FY2032, supporting its target of 280,000 units in worldwide sales.

● **Expansion of the Parts and Service Business**

- Japan: Leveraging an optimized parts network through integration, ARCHION will expand its lineup of parts while enhancing supply capacity and efficiency through an optimized global warehouse network and joint logistics. In addition, ARCHION will improve maintenance capacity and service utilization by expanding service locations and increasing the number of technicians.
- Overseas: ARCHION will strengthen supply capacity and operational efficiency through an enhanced parts portfolio and the development of overseas production capabilities. At the same time, ARCHION will reinforce customer touchpoints by expanding service contracts and accelerating the global rollout of connectivity solutions, thereby driving sustainable growth in its parts and services business.

● **Integrated Platform Strategy: Integrating platforms across the entire product lineup to enhance product competitiveness**

ARCHION will advance technology development based on its integrated platform strategy. By leveraging common R&D and production infrastructure, it will simultaneously optimize cost efficiency, performance, and quality, thereby enhancing overall product value. The resources generated through greater R&D efficiency will be reallocated to further technology investments, supporting the establishment of a robust business foundation with advantages in both cost and value. As an initial step toward platform integration, ARCHION will begin with reciprocal OEM supply of medium-duty trucks and electric light-duty trucks within FY2026, followed by the integration of light- and heavy-duty trucks, with the aim of achieving 85% of the total domestic production volume across the full lineup manufactured on integrated platforms by 2032.

- **Acceleration of customer-centric technology development**

ARCHION is committed to enhancing customer success by optimizing total cost of ownership and delivering superior operational usability, while aiming to provide the most suitable technologies tailored to each market's requirements, including advanced safety features and emission regulations. Leveraging one of the most comprehensive ZEV lineups in Japan, ARCHION will accelerate carbon neutrality through a multi-pathway approach encompassing BEV and hydrogen solutions. In addition, through technological collaboration with Daimler Truck and Toyota Motor Corporation, ARCHION expects to expand access to advanced technologies and further enhance existing capabilities. By advancing in CASE* domains— including next-generation safety, advanced connectivity solutions, and automated driving to address driver shortages— ARCHION aims to achieve sustainable, profitable growth.

*CASE: connected, autonomous, shared & services, electric/zero-emission

Pillar 2. "Efficiency"

Cost optimization through synergy creation and the optimization of production, development, and indirect functions

Through FY2032, ARCHION will progressively realize synergies across R&D, procurement, production, and indirect functions to enhance profitability. In R&D, ARCHION will advance cost-competitive vehicle design and standardization through integrated platforms. In production and procurement, it will optimize global manufacturing operations and leverage a common supplier base to drive efficiency. By generating these synergies, we will secure greater investment capacity and accelerate growth through disciplined reinvestment

Financial Policy to Support Sustainable Growth

ARCHION will pursue growth investments from FY2026 through FY2032 to accelerate and maximize synergy realization, while maintaining a sound balance sheet and implementing disciplined capital allocation to achieve stable shareholder returns. In addition, by evaluating its business portfolio from both financial and strategic perspectives and making investment decisions at the appropriate timing, ARCHION will maximize the Group's full potential and enhance corporate value.

Establishing a Solid Management Foundation

- **Governance:** Under a corporate governance framework that emphasizes transparency and merit-based management, ARCHION promotes swift and fair decision-making under appropriate oversight by the Board of Directors, while strengthening its internal controls and risk management systems.
- **Human Capital:** ARCHION focuses on human capital, which is the key driver of value creation. As a core management priority, ARCHION is fostering a shared set of values through cross-company initiatives involving both management and operational teams from both organizations prior to integration. Through these efforts, it aims to build a strong and sustainable organizational foundation and maximize integration synergies.

RoS is calculated as operating profit divided by revenue (IFRS)

Cash Conversion Rate: Free Cashflow/Net Income

Return on Equity: Net Income /Shareholder's Equity

Debt to Equity Ratio: Total Debt including Lease Liabilities/Shareholder's Equity

*1: Pro forma: combined figures for Hino and Mitsubishi Fuso, adjusted based on specific assumptions and conditions

*2: Major adjustments related to the management integration

- Conversion of Hino's FY 2025 financial information: transition from Japanese GAAP (J-GAAP) to International Financial Reporting Standards (IFRS)

- Conversion of Mitsubishi Fuso's CY 2025 financial information to FY 2025 (April 2025 to March 2026)

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- Decrease in revenue and operating profit associated with the transfer of Hino's Hamura Plant operations to Toyota Motor Corporation
- Decrease in revenue and operating profit associated with the transfer of selected Hino domestic sales companies to Hotai Motor Co., Ltd.
- Purchase price allocation and other adjustment

*3: The extraordinary loss of JPY 36.9 billion related to Hino's North American certification issues is excluded as a one-off factor. Operating profit excluding such factor was JPY 35.6 billion.

*4: Unit sales: Vehicle sales (including KD kits) to customers outside of the consolidated ARCHION Group, after elimination of all intercompany transactions.

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