

TRATON AG and Hino join forces in e-mobility and plan to establish procurement joint venture

- Companies to deepen their strategic partnership further to leverage synergies
- Cooperation in e-mobility to advance sustainable powertrains and speed up product development
- Signed framework agreement for future joint venture aiming at realizing synergies in global procurement
- Yoshio Shimo: “Hino and TRATON share the same motivation of providing highest value for our customers. Today’s announcement is our important first step.”
- Andreas Renschler: “Our partnership is taking concrete shape, and we are continuously identifying new opportunities.”

Hanover, Germany, September 17, 2018 – TRATON AG and Hino Motors Ltd. (“Hino”) today announced new details on their strategic partnership. Both partners have agreed on two strategic initiatives: to join forces in e-mobility and the plan to establish a procurement joint venture.

On April 12, 2018, TRATON and Hino had agreed to enter a strategic partnership to benefit customers, society, and both partners. Since this agreement, both companies have established working level committees and explored cooperation opportunities in existing and new technologies as well as in procurement. The strategic initiatives announced today are a result of these evaluations.

Yoshio Shimo, President & CEO of Hino Motors, Ltd. said: “The last couple of months have confirmed what we sensed when we announced our partnership in spring 2018: Hino and TRATON share the same motivation of providing highest value for our customers. I am delighted that we made good progress in the field of e-mobility and procurement. With every new meeting, I gain confidence that we are moving in the right direction to strengthen our relationship of trust and to pursue further possibilities. Today’s announcement is our important first step.”

Andreas Renschler, CEO of TRATON AG and member of the Management Board of Volkswagen AG responsible for Commercial Vehicles, said: “The partnership between TRATON and Hino will be a source of strength for both of us. Our sector is changing. Together, we will be able to shape the ongoing transformation of transportation. Our partnership is taking concrete shape, and we are continuously identifying new opportunities. The cooperation in e-mobility and the establishment of a procurement joint venture is just the beginning.”

In e-mobility, TRATON and Hino plan to share their development efforts and market products in shorter time. Hino has a history of more than 25 years in electrified vehicles and the largest running fleet of hybrid commercial vehicles in the world. Also, Hino will start sales of a heavy-duty hybrid truck (Hino

PROFIA Hybrid) with an AI-based hill anticipation hybrid control system in Japan next year. The partners have complementary approaches: while TRATON is focused on heavy-duty applications, Hino focuses on light- and medium-duty trucks. Joining forces will strengthen the innovation power of the partners.

The future procurement joint venture with balanced rights is planned as a small but powerful entity between both parties, leveraging synergies in purchasing. The planned joint venture aims at realizing synergies in global procurement for existing parts as well as parts for new technologies. More details of the planned joint venture will be outlined in the upcoming months. A corresponding framework agreement has already been signed, filing for antitrust clearance is the next step in the process aiming to establish the joint venture company in latter half of 2019.

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About TRATON

TRATON AG, formerly Volkswagen Truck & Bus AG, is a wholly-owned subsidiary of Volkswagen AG and a leading commercial vehicle manufacturer worldwide with its brands MAN, Scania, Volkswagen Caminhões e Ônibus, and RIO. In 2017, TRATON GROUP's brands sold around 205,000 vehicles in total. Its offering comprises light-duty commercial vehicles, trucks, and buses which are produced at 31 sites in 17 countries. The Company had a workforce of around 81,000 worldwide across its commercial vehicle brands as of December 31, 2017. The Group seeks to transform the transportation system through its products, its services, and as a partner for its customers.

About Hino

Hino Motors, Ltd. is a Toyota Group company selling over 185,000 trucks and buses in more than 80 countries in 2017. Number of employees totals 32,000 globally, and produces vehicles in over 20 countries including the 4 major plants in Japan. Hino slogan is "Trucks and buses that do more". To put "Trucks and buses that do more" into practice, Hino will provide "appropriate products with safety and environment technologies", "ultimately customized total support for customers", and "challenge new fields".

