



November 10, 2023

To All Concerned Parties

Company Name: ISUZU MOTORS LIMITED  
Representative: Shinsuke Minami, President and Representative Director, COO  
Securities code: 7202, Prime Market of Tokyo Stock Exchange  
Contact: Takayuki Aikawa, General Manager, Public Relations Department  
(Tel: +81 45-299-9099)

### **Notice Concerning Changes in Consolidated Subsidiary (Transfer of Shares of Subsidiary)**

ISUZU MOTORS LIMITED (“we” or the “Company”) hereby announces that, at the Board of Directors’ and Management Committee meetings held today, the Company resolved to approve and has entered into a bilateral agreement and a tripartite agreement (collectively, the “**Difinitive Agreements**”) as described in Paragraph 1 below with ARTS-1 Co., Ltd. (the “**Tender Offeror**”), all of whose issued and outstanding shares are owned by the Japan Monozukuri Mirai Investment Limited Partnership (the “**Japan Monozukuri Mirai Fund**”), of which SPARX Group Co., Ltd. (“**SPARX**”) serves as a general partner, and IJTT Co., Ltd. (“**IJTT**”), a consolidated subsidiary of the Company, in relation to the transaction to make IJTT a wholly-owned subsidiary of the Tender Offeror (the “**Transaction**”) through a reverse stock split of IJTT’s common share (the “**Reverse Stock Split**”) to result in the Company and the Tender Offeror being the sole shareholders of IJTT and the transfer of all of IJTT’s common shares (the “**Share Transfer**”) held by the Company as a result of the share repurchase by IJTT (the “**Share Repurchase**”), subject to the Company’s non-acceptance of a tender offer (the “**Tender Offer**”) for IJTT by the Tender Offeror and the completion of the Tender Offer.

As a result of the Share Transfer, IJTT will cease to be a consolidated subsidiary of the Company. For details of the Transaction and the Tender Offer, please refer to the Tender Offeror’s press release dated today, “Notice Concerning Commencement of Tender Offer for the Common Shares of IJTT Co. Ltd. (Securities Code: 7315)” and IJTT’s press release dated today, “Announcement of Opinion in Support of the Tender Offer by ARTS-1 Co. Ltd. for the Shares of IJTT Co, Ltd. and Recommendation of Tender.”

The Company believes that taking IJTT private through the Transaction is expected to enhance IJTT’s corporate value through various measures such as the improvement of production sites, including the dispatch and introduction of personnel from SPARX, via the Japan Monozukuri Mirai Fund, as well as the strengthening of management and production control systems.

#### 1. Purpose and background of the Transaction

From the perspective of enhancing the corporate value of the Isuzu group as a whole and the efficient use of capital, we have been continuously reviewing the appropriate form of our business and capital relationship with IJTT, as well as our medium-to long-term business strategies and how to strengthen corporate governance systems.

From a medium to long-term perspective, we anticipate the diversification of power sources, including electric

vehicles, under the banner of decarbonization. In such an environment, in order for IJTT, one of the key suppliers supporting our business, to aim towards increasing its corporate value over the long term, we believe it imperative to not only to deepen existing business, but to also expand into new business areas. To this end, we believe it essential to build more flexible relationships rather than adhering to the current management governance of the Isuzu group and have reached agreement with SPARX and IJTT on commencing a new collaboration.

Founded in 1989, SPARX is currently listed on the Tokyo Stock Exchange Prime Market. In December 2020, the Japan Monozukuri Mirai Fund was established with investment from investors, including Toyota Motor Corporation, for the purpose of contributing to society by investing in domestic monozukuri (i.e., goods manufacturing) companies with outstanding technology, human resources, and services in Japan and contributing to the development of Japanese monozukuri through the sustainable growth of companies via support from the formulation of TPS (Toyota Production Method) and management strategies. On February 10, 2022, SPARX made a preliminary proposal to us regarding the implementation of the Transaction, and both companies have continuously considered IJTT strategies and future policies in response. On December 28, 2022, we, IJTT and SPARX held discussions, and IJTT responded to SPARX that IJTT would consider the possibility of implementing the Transaction. In response, on January 31, 2023, IJTT received a preliminary proposal from SPARX stating that SPARX was interested in acquiring IJTT shares. Discussions have been held multiple times since then up to the present day.

After receiving the initial proposal from SPARX, during the period from mid-February 2023 to mid-April 2023, we have been discussing and negotiating with IJTT and SPARX on the terms of the Transaction, including the implementation of the Transaction and the details of the transaction structure. Subsequently, upon IJTT's regular meeting of the Board of Directors held on August 9, 2023 resolving to end review of the Transaction and the re-submission of the initial offer from SPARX to IJTT dated September 14, 2023, we further discussed and negotiated with IJTT and SPARX. On November 8, 2023, we were informed that IJTT had accepted the offer from SPARX, and on November 10, 2023, (i) together with us executing to a bilateral agreement between us and the Tender Offeror containing provisions regarding the Transaction, including that we would not tender any of the shares in IJTT held by us in the Tender Offer, (ii) we executed a tripartite agreement between us, the Tender Offeror and IJTT containing provisions regarding the Transaction, including that ① on condition of the Tender Offer being successfully completed, IJTT would conduct the Reverse Stock Split and the Share Repurchase, and ② in response to the Share Repurchase, we would conduct the Share Transfer, and that after the Share Repurchase we would perform the re-investment in the Tender Offeror (which would result in our ratio of voting rights after the re-investment being 33.3%), and (iii) in addition to the above, we executed a shareholders agreement between us and the Japan Monozukuri Mirai Fund containing provisions regarding the operation of the Tender Offeror and IJTT post the re-investment.

We understand that, in the future, IJTT will seek on a broad front the technology and knowledge needed to further expand its business across industry/group boundaries, and through various measures such as improving production sites and strengthening management and production control systems by dispatching and introducing human resources through strengthened relationships with the Japan Monozukuri Future Fund, IJTT will shift to a structure that can proactively take on challenges in new growth markets and new domains. In addition, although IJTT will become privatized as a result of the Transaction, we have heard that synergies with the Japan Monozukuri Future Fund will be pursued, and an expansion of transactions with Isuzu group and new customers will be targeted. We believe that

promoting these measures in IJTT will contribute to enhancing the value of the entire Isuzu group.

## 2. Outline of IJTT

(1)	Name	IJTT Co., Ltd.		
(2)	Location	1-7, Kinko-cho, Kanagawa-ku, Yokohama-shi, Kanagawa		
(3)	Name and title of representative	Koichi Seto, President and Representative Director		
(4)	Line of business	Manufacture and sale of forgings, castings and machined/assembly products		
(5)	Capital	5.5 billion yen		
(6)	Establishment	October 1, 2013		
(7)	Major shareholder(s) and ownership percentage (As of September 30, 2023) (Note)	ISUZU MOTORS LIMITED	43.19%	
		GOLDMAN SACHS INTERNATIONAL (Goldman Sachs Japan Co., Ltd. as Standing Proxy)	3.62%	
		Hitachi Construction Machinery Co., Ltd.	2.77%	
		Midori Shareholders Association	2.58%	
		Sato Shoji Corporation	2.11%	
		Japan Custody Bank, Ltd. (Trust account)	2.03%	
		Toshiro Kanki	1.68%	
		FP Growth Support Investment LPS A	1.60%	
		MIZUHO BANK, LTD.	1.59%	
		Mitsubishi UFJ Trust and Banking Corporation	1.59%	
		Total	62.76%	
(8)	Relationship between the Company and IJTT	Capital relationship	The Company owns 43.19% of the outstanding common shares (excluding treasury shares) of IJTT.	
		Personnel relationship	As of today, one of the 4 auditors of IJTT doubles as an executive officer of the Company. 7 employees are seconded from the Company to IJTT.	
		Business relationship	IJTT sells forgings, castings, and machining and assembly products to the Company.	
(9)	Consolidated results of operations and financial position of IJTT for the last three years			
	Fiscal year	Ended March 2021	Ended March 2022	Ended March 2023
	Consolidated net assets	80,216 million yen	85,228 million yen	88,049 million yen
	Consolidated total assets	123,238 million yen	132,016 million yen	141,52 million yen
	Consolidated net assets per share	1,579.68 yen	1,664.60 yen	1,702.59 yen
	Consolidated net sales	143,705 million yen	144,36 million yen	167,983 million yen
	Consolidated operating income	1,277 million yen	3,292 million yen	3,948 million yen

Consolidated ordinary income	1,474 million yen	4,247 million yen	4,567 million yen
Net income attributable to owners of parent	830 million yen	2,827 million yen	1,159 million yen
Consolidated net income per share	17.73 yen	60.27 yen	24.72 yen
Dividend per share	10.0 yen	20.0 yen	20.0 yen

(Note) (7) Major shareholder(s) and ownership percentage (as of September 30, 2023) are based on the “Status of Major Shareholders” in 2nd Quarter Report of the 11<sup>th</sup> fiscal year filed by IJTT today.

### 3. Outline of the Tender Offeror

(1) Name	ARTS-1 Co., Ltd		
(2) Location	Shinagawa Season Terrace, 1-2-70 Konan, Minato-ku, Tokyo		
(3) Name and title of representative	Kota Mizutani, Representative Director		
(4) Line of business	Acquiring and owning common shares of IJTT and controlling and managing its operations		
(5) Capital	50,000 yen (As of November 10, 2023) (Note)		
(6) Establishment	April 10, 2023		
(7) Major shareholder and shareholding ratio (As of November 10, 2023)	The Japan Monozukuri Mirai Investment Limited Partnership		100.00%
(8) Relationship between the Company and Tender Offer	Capital relationship	None	
	Personnel relationship	None	
	Business relationship	None	
	Status as a related party	None	

(Note) After the completion of the tender offer period (the “**Tender Offer Period**”), the Tender Offeror plans to receive an investment of up to 6.67 billion yen from the Japan Monozukuri Mirai Fund prior to the settlement commencement date for the Tender Offer, which will increase the amount of the Tender Offeror’s capital and the total number of shares outstanding.

### 4. Number of shares transferred, transfer price, and status of shares held before and after the transfer

(1) Shares owned before transfer	20,261,828 shares (Number of voting rights: 202,618)
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	(Percentage of voting rights: 43.19%) (Note 1)
(2) Shares to be transferred	20,261,828 shares (Note 2) (Number of voting rights: 202,618)
(3) Transfer price	13,717 million yen (Note 3)
(4) Shares owned after transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.00%)

(Note 1) The percentage of 46,913,337 shares, which is calculated by subtracting the number of treasury shares owned by IJTT (2,240,945 shares) from the total number of shares outstanding of IJTT as of the date of September 30, 2023 as described in the 2nd Quarterly Report of the 11<sup>th</sup> fiscal year filed by IJTT today (49,154,282 shares).

(Note 2) The actual number of shares to be transferred will change due to the Reverse Stock Split”, but it is planned that all IJTT shares owned by the Company will be transferred.

(Note 3) The transfer price per share for the Share Repurchase is planned to be 677 yen, taking into account the fact that the provisions for the non-taxable inclusion of deemed dividends under the Corporate Tax Act apply to the Company in respect of the Share Transfer, and in order to maximize the tender offer price and achieve fairness among shareholders, based on an amount that would be equivalent to the after-tax net proceeds per share if the Company were to tender its IJTT shares in the Tender Offer.

#### 5. Schedule

(1) Date of resolution of the Board of Directors and Management Committee	November 10, 2023
(2) Date of execution of the Definitive Agreements	November 10, 2023
(3) Tender Offer Period	November 13, 2023 to December 25, 2023 (planned)
(4) Effective date of the Reverse Stock Split	around March, 2024 (planned)
(5) Date of execution of the Share Transfer	around March, 2024 (planned)

#### 6. Financial Outlook

The Company expects to record a loss on business restructuring of approximately 6 billion yen as a result of this Transaction. The results forecasts announced today have already been incorporated. In addition, there will be no impact on the manufacturing system of the Company, as IJTT will continue to be one of key suppliers of the Company after the Transaction.