

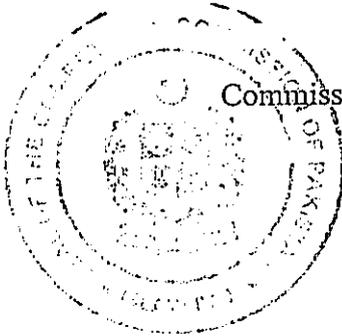


BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF THE ACQUISITION OF % SHAREHOLDING OF M/S.
MITSUBISHI FUSO TRUCK AND BUS CORPORATION BY M/S. TOYOTA
MOTOR CORPORATION FROM SELLERS.

CASE NO. 1551/Merger-CCP/2025



Commission:

Ms. Bushra Naz Malik
Member

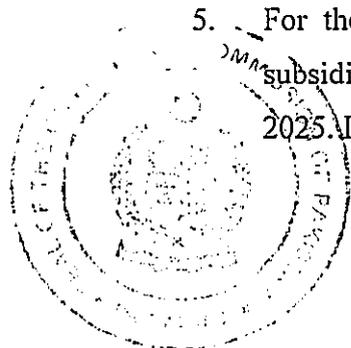
ORDER

1. On 11 August 2025, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) from M/s. Toyota Motor Corporation (the “**Applicant**” or the “**Ultimate Acquirer**”). The Application sought approval for the acquisition of % of the issued and paid-up capital of M/s. Mitsubishi Fuso Truck and Bus Corporation (the “**Target**”) by the Acquirer from multiple Sellers. The transaction is being executed in accordance with the terms and conditions set out in the Business Integration Agreement, dated 10 June 2025 (the “**Agreement**”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”), read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

Merger Parties

Acquirers

3. Toyota Motor Corporation (**Toyota**) is a publically listed company incorporated in Japan on 27 August 1937. It is principally engaged in the design, manufacture, and sale of passenger vehicles, sport-utility vehicles, trucks and related parts and accessories, throughout the world. In Pakistan, Toyota is active through Indus Motor Company Limited, which is engaged in assembling and sales of Toyota vehicles.
4. The proposed transaction is being carried out through M/s. Hino Motors Limited (**Hino** or **Acquirer**), a publically listed company incorporated in Japan on 1 May 1942. Hino is a subsidiary of Toyota, as Toyota holds % of Hino’s shareholding. Hino is principally engaged in the design, manufacture, and sale of trucks, buses, light-commercial vehicles, passenger vehicles (i.e. manufactured under contract from Toyota) and deals in various types of engines, spare parts, etc. In Pakistan, Hino is active through its subsidiary Hinopak Motors Limited which is engaged in assembling and sales of Hino buses and trucks.
5. For the purpose of this transaction, Hino has recently established a wholly-owned subsidiary, M/s. AIB Limited (**HoldCo**), which was incorporated in Japan on 2 June 2025. Its main activity is that of a holding company.



Target

6. Mitsubishi Fuso Truck and Bus Corporation (MFTBC) is private limited company incorporated in Japan on 6 January 2003. It is principally engaged in the manufacturing and distribution of trucks and buses. It also produces corresponding spare parts as well as industrial engines.
7. In Pakistan, for the distribution of its buses and trucks, it operates through Fuso Master Motors (Private) Limited (FMM), incorporated on 21 June 2010. FMM is a member of the Master Group of Industries¹ (MS Group). It has been appointed by MFTBC as its distributor, authorized to market and assemble Fuso vehicles in Pakistan.
8. It is pertinent to mention that, MFTBC holds no direct or indirect shareholding in FMM, which is a wholly independent legal entity. Any changes in MFTBC's shareholding or ownership shall have no effect on its agreements with FMM or on FMM's arrangements with the MS Group.

Sellers

9. Daimler Truck AG (DTAG) is a corporation incorporated in Germany on 7 November 2017. It is principally engaged in the development, manufacturing and sale of commercial vehicles, buses, and engines. It is active in Pakistan through its shareholding in MFTBC.
10. DTAG holds a majority stake of _____ % in MFTBC. The remaining shares are held by various shareholders. These shareholders include Mitsubishi Corporation (_____ %), Mitsubishi Heavy Industries Limited (_____ %), AGC Inc. (_____ %), Mitsubishi UFJ Bank Limited (_____ %), Meiji Yasuda Life Insurance Company (_____ %), Tokio Marine & Nichido Fire Insurance Co., Limited (_____ %), Mitsubishi UFJ Trust and Banking Corporation (_____ %), Mitsubishi Electric Corporation (_____ %), Mitsubishi Materials Corporation (_____ %) and Nippon Yusen K.K. (_____ %).

Transaction

11. As per the Application, the subject transaction will eventually result in joint holding² of Hino and MFTBC by DTAG and Toyota through HoldCo and Hino will become a

¹ The MS Group refers to the Master Group, which distributes buses and trucks for third-party manufacturers including MFTBC, Changan, and Yutong.

² Voting rights held _____ % by Toyota and _____ % by DTAG.

subsidiary of HoldCo (the “**Broader Transaction**”). In connection with the Broader Transaction, two separate Applications have been submitted to the Commission⁴. For ease of reference, the subject Application is referred as First Transaction.

12. In the First Transaction, HoldCo, on behalf of Toyota, shall acquire % of the issued share capital of MFTBC from DTAG and the other shareholders, who hold % and % of the shares, respectively (the “**Transaction**”).

Phase-I Competition Assessment

Procedural Review

13. Based on the Application and the subsequent information obtained, the Commission conducted a Phase-I competition assessment, including a review of the supporting documentation, to evaluate compliance with the Act and the Merger Regulations. The assessment specifically focused on potential competitive concerns, including issues related to market dominance and the overall impact on competition post-merger.

Relevant Market

14. For the purpose of determination of relevant market, the primary focus is placed on the Target’s markets. However, in the instant matter, both Target and Acquirer are engaged in the manufacturing, distribution of buses and trucks.
15. Therefore, the relevant product markets are identified as **Production and distribution of “Buses” and “Trucks”**. The geographic market is defined as “**Pakistan**”.

Market Share

16. As per the Application, Target/MFTBC recorded sales of units in the bus segment, constituting % of the total units sold, whereas Acquirer/Hino’s sales amounted to units, representing % of the market in 2025, representing a combined market share

of %.

⁴The transaction comprises two distinct Applications, the subject application and a parallel application currently being processed under case number 1552/Merger-CCP/2025.

17. Moreover, in the truck segment, the sale of units by MFTBC stood at _____, representing _____% of the total _____ units sold, whereas Hino's sale of units reached _____, making up _____% of the overall market in 2025, representing a combined market share of _____%.
18. Additionally, it is pertinent to note that the average combined market share of Hino and MFTBC in the bus segment over the past five years (2020–2025) has been approximately _____%, while their average combined market share in the truck segment during the same period was around _____%.

Competition Analysis

19. The Transaction constitutes a horizontal overlap between Hino and MFTBC in both the truck and bus segments. The proposed acquisition of MFTBC by Hino, which constitutes a consolidation of two commercial vehicle suppliers in all over the world impacting Pakistan's market as well. Based on the most recent provided data (2025), the Transaction would result in a combined market share of _____% in buses and _____% in trucks which is below the presumption of dominance under Section 2(1)(e) of the Act.
20. Hino and MFTBC continues to face competition from established players. The MS Group⁵ (excluding MFTBC i.e. _____% market share) remains the largest shareholder in the market of buses, with sales of _____ buses and a _____% market share. Isuzu (through Ghandhara Automobile Limited), another major competitor, holds a _____% market share with sales of _____ buses.
21. Similarly, in the truck segment, Isuzu continues to dominate with a market share of _____% with sales of _____ units in Pakistan during 2025. Other competitors include MS Group-distributed brands (excluding MFTBC i.e. _____% market share), which account for _____% of the market share and JAC (through Ghandhara Automobile Limited) with a _____% market share. Therefore, despite changes in market dynamics, the truck segment remains competitive with other established players.
22. As detailed in para 7 and 8 above, MFTBC holds no direct or indirect shareholding in FMM, which will continue to operate as a wholly independent entity within the MS

⁵The MS Group distributes buses and trucks for third-party manufacturers, including MFTBC, Changan, and Yutong; however, MFTBC's market share is considered separately due to its acquisition.

Group. Furthermore, the Transaction will not affect FMM's ownership structure or its existing distribution arrangements, and MFTBC will continue to be active in Pakistan through FMM.

23. Therefore, the Transaction is unlikely to affect the existing market structure or alter market shares in the relevant markets. When considered alongside the presence of established competitors, the Transaction neither creates nor strengthens a dominant position in any of the relevant markets.

Determination

24. Based on the information provided, the Commission concludes that the Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e), read with Section 11 of the Act and the Merger Regulations. Accordingly, the proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
25. Notwithstanding the above, matters which may fall outside the scope of the Commission's jurisdiction, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
26. It is so ordered.


Ms. Bushra Naz Malik
(Member)

ISLAMABAD, JAN. 14th, 2026.

