

Session for Briefing the Financial Results for FY2024

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1. Highlights of financial results for FY2024 and FY2025

Summary of financial results

- We were not able to regain the normal level of earnings in FY2024 or FY2025, due to the continuous impact of the misconduct for certification and the effects of unprofitable business.
- We will work on issues swiftly for increasing profit further with the aim of realizing normal earnings.

	FY2024	FY2025
Operating income	-8.1 billion yen	20.0 billion yen
Variation factors <small>(Compared to the previous year)</small>	<ul style="list-style-type: none">• Sluggish overseas sales• Worsening of the material market condition and augmentation of fixed costs	<ul style="list-style-type: none">• Growth of sales volume in Japan and the number of Toyota's SUVs sold• Rationalization of fixed costs• Slight decrease in overseas sales volume and the worsening of the material market condition
Transient or extraordinary events	<ul style="list-style-type: none">• Impact of the misconduct for certification: sales volume and temporary expenses• Unprofitable business	
Net income	17.1 billion yen	TBD <small>(This is because It is difficult to reasonably estimate the latent obligations related to the misconduct for certification.)</small>

2. Regarding FY2024 and FY2025

FY2024

- **Three reforms for preventing the recurrence of the wrongdoing**
- **Concentration on recovery from the misconduct for certification**
(Resumption of shipment of A09, compensation for customers, and settlement of the class action in the U.S.)

FY2025

- **The year for striving to normalize our business while continuing the above measures**

Other:

In order to prevent the recurrence of misconduct for certification, we carefully cope with regulations enforced in each country. Our measures that take into account development man-hours produced some effects on the supply and manufacturing of products in some countries.

- The impact on global manufacturing in FY2025 was about 18,000 vehicles. The impact on sale was minor, thanks to the increase of stock based on regulations and rules, etc.
- Manufacturing has been suspended in accordance with regulations and rules (Thailand, Vietnam).
- We aim to normalize our business by the end of FY2025.

3. Major initiatives in FY2024

- “Response to the misconduct for certification” and “initiatives for future business”

- To execute three reforms for preventing the recurrence of the wrongdoing

- Corporate culture reform: Promotion of communication through “dialogues with the management,” “off-site meetings of the management,” etc.
- Management reform: Enhancement of the rotation for personnel development, and establishment of human resources systems, including an evaluation system
- Reform of systems for manufacturing vehicles: Development of systems for preventing wrongdoing through “the adoption of an automatic data storage system” and “the acquisition of the ISO9001 certification”



- To concentrate on recovery from the misconduct for certification

- To resolve the inconvenience on stakeholders, through the resumption of shipment of A09C
- To settle the class action in the U.S., deal with the investigation of the U.S. authorities, and respond to the class actions in Canada and Australia

- Initiatives for carbon neutrality

- To promote the sale of Hino Dutro Z EV
- To announce our initiatives for carbon neutrality
- To return to CJPT and join CJPT Asia



- Pursuit of quality, durability, and reliability (QDR) (overall quality) and personnel development

- To finish in the Dakar Rally



4. Initiatives in FY2025

- **Initiatives for normalizing our business**

- **Selection and concentration**

- To keep summarizing, shrinking, and withdrawing from unprofitable markets, businesses, and car models
(In FY2024, we announced the transfer of shares of GAC Hino Motors in China.)

- **Measures for improving overall quality**

- To update vehicles steadily according to the needs of customers, and keep renovating and improving distributors

- **Increase of cost competitiveness**

- To enhance cost reduction efforts

- **To eliminate unnecessary fixed costs and overhead expenses**

- Measures for reducing cash outflows in all kinds of items including distribution and facility procurement
- To reduce fixed costs with group-wide zero-based budgeting

- **Management integration**

- Discussions on integration are progressing in a positive manner. We will proceed with them steadily.

“Ideal State” of Hino (entire picture)

Corporate Mission

We make a better world and future by helping people and goods get where they need to go.

