

Session for Briefing the Financial Results for Third Quarter of FY 2025

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1. The situation of certification issues

Agreement for settlement with the U.S. authorities (January 16, 2025)

In 2019, we voluntarily disclosed issues to the U.S. authorities and cooperated in surveys.

→ We settled the past engine certification issues all at once.

-Penalties (79.8 billion yen for criminal charges, and 103.9 billion yen for civil lawsuits)

-We took measures for the market, implemented a program for reducing environmental burdens, and so on.

Class action settlement

-The U.S.: A settlement was approved by the court (in Apr. 2024).

-Canada: An agreement was concluded (in Nov. 2024).

-Australia: A settlement was approved by the board of directors of our company (in Dec. 2024).

To reacquire the approval for vehicle types whose shipment was suspended in Japan

-A05C (HC-SCR): We aim to apply for the approval in the first half of FY 2026.

-E13C: We aim to apply for the approval around the fall of 2025.

2. Current status of the rebuilding of Hino and challenges for it

Measures for business merger

Response to the falsification for certification

- **Settlement with the U.S. authorities**
- **To make each engine comply with regulations**

Enhancement of our earning capacity and financial standing

- To shift our focus from functions to products in business administration
- To withdraw from unprofitable businesses
- To reduce excessive inventory, models, and fixed costs

Original measures for rebuilding Hino

Managerial issues unique to Hino

Corporate culture and philosophy

- To diffuse HINO Way through dialogue
- To eliminate barriers between the management and on-site staff
- Cooperation based on Toyota Production System for the tasks of clerks and engineers

Drastic improvement in management quality
Deepening the three reforms

Human resources and abilities

- Improvement in the quality and number of management staff members
 - Succession / assessment
- Development and recruitment of key personnel

Thoroughgoing review of past business administration and businesses

3. Summary of financial results (Revisions between 2Q and 3Q)

- **Full-year forecast for operating income:**

2Q: 30.0 billion yen → 3Q: 45.0 billion yen

- Improvement of our domestic business and corporate structure, exchange rate, etc.

- **Full-year forecast for net loss:**

2Q: -220.0 billion yen → 3Q: -265.0 billion yen

- Settlement costs in the U.S., settlement costs for Australian class action, and impact of exchange rate.