

Session for Briefing the Financial Results in FY2025

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1. Summary of financial results

- **Global unit sales:**

Results in FY2025: 125.0 thousand vehicles → Forecast for FY2026: 115.0 thousand vehicles

- Unit sales declined in Japan and overseas (especially the ASEAN market) in FY2026.

- **Annual operating income:**

Result in FY2025: 57.5 billion yen → Forecast for FY2026: 40.0 billion yen

- FY2025: Operating income grew despite the downturn in the ASEAN market, thanks to the growth of sales in Japan and vehicles for Toyota, the effects of exchange rates, etc.
- FY2026: Operating income is projected to decline, due to the yen appreciation, the augmentation of procurement costs, etc. Meanwhile, profitability improved steadily as we made in-company efforts, including cost reduction and curtailment of fixed costs.

- **Net income:**

Result in FY2025: -217.8 billion yen → Forecast for FY2026: 20.0 billion yen

- Certification-related loss had been dealt with as a whole by FY2025.

2. Highlights in FY2025

- **Three reforms**

- We promoted reform of our corporate management, organizational culture, and vehicle manufacturing in Hino way.
 - All measures have now moved into the implementation phase. We will continue the measures while strengthening and improving our efforts.
 - We will look back on it on "Restart Day," March 4th every year, to prevent it from fading away.

- **Issue of falsification for certification**

- Significant progress towards normalization
 - Reached a reconciliation with the U.S. authorities, and settled class action in the U.S., Canada, and Australia.

- **Business**

- Improvement in our earning capacity and corporate culture
 - Pursue revenue from Total Support and profits from new cars with comprehensive quality
 - Improve fixed costs
 - Become a robust company by streamlining our balance sheet

3. Initiatives in FY2026

- **To deepen the three reforms**

- To continue the three reforms in Hino way
- To foster “the attitude of thinking and taking action voluntarily” so that Hino will keep offering value

- **Business**

- Management based on the products
 - Selection and concentration (restructuring and reviewing our businesses)
 - To redefine business strategies based on competitive products
 - We are reviewing vehicle models and reducing the types of components
- Comprehensive quality that can offer value
 - Thoroughgoing support for safe, durable vehicles and clients' business operation
- Cost reduction activities
 - To curtail fixed costs to brush up our earning capacity and improve profitability per unit

- **Business merger**

- Proceed with dialogue toward final contract conclusion