

Session for Briefing the Financial Results for Second Quarter FY2025

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1. FY2024 2Q Financial Highlights

Summary of Financial Results

- Operating income: 24.1 billion yen in first half of FY partly due to foreign exchange factors. Revised FY forecast upward to 30 billion yen.
- Net loss: Large losses of ▼ 219.6 billion yen due to reserves recorded in the first half of FY for estimated costs associated with the potential resolution of legacy certification issues with U.S. authorities. The losses are expected to remain for the full year.

	FY2024 2Q (First half)	FY2024 Full-Year Forecast
Operating income	24.1 billion yen	20 billion yen at the beginning of FY → 30 billion yen
Variable cause	<small>Compared to previous year</small> <ul style="list-style-type: none">- Increase in domestic and Toyota sales- Yen depreciation in foreign exchange rate	<small>Estimated announcement as compared to beginning of FY</small> <ul style="list-style-type: none">- Yen depreciation in foreign exchange rate- Improving fixed costs efficiency, etc.
Net loss	-219.6 billion yen	Undecided → -220.0 billion yen

2. Status of Certification Issues

Investigation by U.S. authorities

- Government investigation is ongoing.
(Provisions have been made for estimated amount of costs associated with potential settlement with U.S. government.)

Class actions

- US: Court approved settlement agreement. (Apr. 2024)
- Canada: Company's Board of Directors approved settlement. (Sep. 2024)
- Australia: Proceedings ongoing

Re-acquisition of type approval for vehicles subject to Japan shipment suspension

- Aiming to apply by the end of this FY2025 for A05C (HC-SCR)
- Aiming to apply around summer of 2025 for E13C

3. Progress of initiatives for normalization

- **Business restructuring**

- Closing or shrinkage of or withdrawal from unprofitable businesses
(Announced the withdrawal from the parts business in the U.S. in May and the dissolution of Shanghai Hino in September)

- **Rationalization of vehicles inventory and reduction of total assets in the balance sheet through the improvement in the demand-supply balance**

- We cemented cooperation with distributors, truck body makers, etc. to reduce inventory.

- **Efforts to develop an appropriate product lineup and improve QDR (quality, durability, and reliability)**

- We are reviewing and revising the number of vehicle models and the variation in part number.
- We are making efforts to realize safe, durable vehicles, and thoroughly support the operation of clients' business.