October 29, 2024

To Whom It May Concern

Company Name: Hino Motors, Ltd.
Representative: Satoshi Ogiso, President & CEO,
Member of the Board of Directors
(Code Number: 7205 TSE, Prime, NSE, Premier)
Contact Person: Hiroshi Hashimoto, Operating Officer,
General & Government & Public Affairs
Phone: (042) 586-5494

Notification on the Posting of an Extraordinary Loss, the Revision to the Earnings Forecast, the Dividends of Surplus (No Interim Dividends), and the Revision to the Forecast Year-end Dividend

Hino Motors, Ltd. (Hino) has posted an extraordinary loss as follows, for the interim period of the consolidated fiscal year ending March 2025 (April 1 to September 30, 2024).

In addition, at the meeting of the board of directors held on October 29, 2024, we resolved to revise the earnings forecast for the fiscal year ending March 2025 (April 1, 2024 to March 31, 2025), refrain from paying interim dividends as the dividends of surplus with the record date being September 30, 2024, and revise the forecast year-end dividend, as described below.

1. Regarding the posting of an extraordinary loss

Our Company has recorded an extraordinary loss of 230 billion yen related to legacy certification issues in North America. The extraordinary loss covers costs associated with the potential resolution of legacy certification issues with U.S. authorities and the settlement of class action litigation in Canada, to the extent that we can reasonably estimate them based on available information.

There is a risk of recording additional loss depending on future negotiations with the U.S. authorities. In addition, potential costs related to legacy certification issues in countries other than the U.S., as well as to settlements of lawsuits in countries other than Canada, are not included in the losses to be recorded at this time. If it becomes necessary to record additional losses, we will promptly disclose such information.

2. Impact on our business performance

This issue was reflected in “Financial Results for the Second Quarter (Interim) of the Fiscal Year Ending March 31, 2025 [Japanese GAAP] (Consolidated),” which has been disclosed today.

3. Revision to Earnings Forecast

(1) Revisions to full-year earnings forecast for the term ending March 2025 (April 1, 2024 to March 31, 2025)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	1,600,000	20,000	10,000	—	—
Revised Forecast (B)	1,650,000	30,000	25,000	-220,000	-383.25
Amount of Change (B) —(A)	50,000	10,000	15,000	—	—
Percentage of Change (%)	3.1%	50.0%	150.0%	—	—
(Reference) Results for the previous fiscal year ended March 31, 2024	1,516,255	-8,103	-9,233	17,087	29.77

(2) Reason for the revision

Regarding the full-year consolidated earnings forecast for the fiscal year ending March 2025, overseas sales quantity and the sales quantity of vehicles for Toyota are projected to decline, but sales, operating income, and ordinary income are expected to exceed the previously announced forecasts thanks to the yen depreciation, the reduction of expenses, etc.

The forecasts of net income or loss and net income per share for the fiscal year ending March 2025 were not disclosed, because it was difficult to reasonably forecast them because we were dealing with the certification issue at the time of announcement of financial results on April 25, 2024, but we decided to disclose them as shown above, as we posted a loss related to the certification in North America.

As mentioned in the above section 1, there is a possibility that an extraordinary loss will be posted additionally and then we will revise the earnings forecast.

4. Dividend of Surplus (No Interim Dividend) and revision to the forecast year-end dividend

(1) Detail of dividend (interim)

	Determined amount	Previous Dividend Forecast	Actual Results for FY 2024
Record Date	September 30, 2024	Same as on the left	September 30, 2023
Dividend per Share (Yen)	0.00	TBD	0.00
Total Amount of Dividends (Million Yen)	—	—	—
Effective Date	—	—	—
Dividend Resource	—	—	—

(2) Detail of revision to the forecast year-end dividend

	Annual dividend [yen]		
	End of the interim period	Year-end	Total
Previous Estimates		TBD	TBD
Revised Estimates		0.00	0.00
Dividends for FY 2025	0.00		
Dividends for FY 2024	0.00	0.00	0.00

(3) Reason for the revision

Our company will strive to achieve a consolidated payout ratio of 30% stably and continuously, while fortifying its financial standing and considering its business performance, new investments, etc. in each term.

However, in the full-year forecast for the fiscal year ending March 2025, a net loss attributable to shareholders of the parent company is projected to be posted, so we need to restore and fortify our financial foundation for a while. Accordingly, we regret to inform you that we will refrain from paying interim or year-end dividends.

Note: The figures in the above earnings forecast are based on currently available information and certain assumptions considered reasonable. Actual results, etc. may be different from them due to various factors.