

SETTLEMENT AGREEMENT

1. This Settlement Agreement (“Agreement”) is entered into by the Attorney General of the State of California, on behalf of the People of the State of California (the “Attorney General”), and Hino Motors, Ltd., Hino Motors Manufacturing U.S.A., Inc., and Hino Motors Sales U.S.A., Inc. (“Hino”) (hereinafter collectively referred to as the “Parties”).

2. WHEREAS, the Attorney General, as head of the California Department of Justice, conducted an investigation pursuant to the powers conferred by Article 2 of Chapter 2 of Division 3 of Title 2 of the Government Code of California (Cal. Gov. Code § 11180 et seq.) into Hino’s participation in California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (“HVIP”) from 2012 through 2020;

3. WHEREAS, the Attorney General, based on its investigation, believes that there is an evidentiary basis for potential legal claims by the Attorney General against Hino for violations of California law in connection with the same conduct; and

4. NOW THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

5. **Settlement Amount.** Hino agrees to pay a Settlement Amount of \$30,303,031 in settlement of all potential claims to be released by the Attorney General under this Agreement. Payment shall be made to the State of California by electronic funds transfer within thirty (30) days of receiving written payment processing instructions from the State of California, Office of the Attorney General.

6. **Covered Conduct.** “Covered Conduct” as used herein is defined as any false statements by Hino in connection with its 2012 application to the HVIP program, for Hino model 195h, engine model J05E 12MY, and incentive vouchers for vehicles with that engine through model year 2019.

7. **Releases by the Attorney General.** Subject to the exceptions in Paragraph 8 (Excluded Claims), and conditioned solely upon Hino’s full payment of \$30,303,031 to the Office of the Attorney General, in accordance with written payment instructions from the Attorney General, to remediate harms to the State, pursuant to California Government Code §§ 12650-12656, resulting from the alleged unlawful conduct of Hino, the Attorney General fully

and finally releases Hino, as well as their current and former parents, subsidiaries, and affiliates, and each of their respective successors and assigns, and all their current and former directors, officers, employees, servants, and agents (together the “Released Persons”) from any and all claims, demands, and/or causes of action, known or unknown, suspected or unsuspected, relating to, concerning, or arising from the Covered Conduct that the Attorney General has against the Released Persons as well as the conduct covered in the complaint filed by the California Air Resources Board (“CARB”) against Hino on January 15, 2025, except to the extent claims for such conduct that are reserved in Paragraphs 76.a–g and 76.i in the January 15, 2025 California Partial Consent Decree between CARB and Hino, including but not limited to: California Government Code §§ 12650-12656, Cal. Bus. & Prof. C. §§17200-17210, Cal. Health & Safety C. §§43100 et seq., Cal. Civ. C. §§ 3479-3508.2, common law theories of negligence, payment by mistake, unjust enrichment, money had and received, breach of fiduciary duty, breach of contract, misrepresentation, deceit, fraud and aiding and abetting any of the foregoing. The Attorney General executes this release in his official capacity and releases only claims that the Attorney General has the authority to release for the Covered Conduct.

8. **Excluded Claims.** The following claims are specifically reserved and not released by this Agreement: (a) any liability based upon obligations created by this Agreement; (b) any liability of any person or entity other than the Released Persons; (c) any liability to the State of California (or its departments or agencies) for any conduct other than the Covered Conduct; and (d) any claims that may brought by the California Air Resources Board.

9. **Releases by Hino.** Hino fully and finally releases the Attorney General and the State of California, and their political subdivisions, departments, agencies, and all their directors, officers, employees, servants and agents from any claims, including attorney's fees, costs, and expenses of every kind and however denominated, that Hino has asserted, could have asserted, or may assert in the future against them related to the Covered Conduct, to the extent released hereunder, and the investigation to date thereof.

10. **Effects of Agreement.** This Agreement is intended to be for the benefit of the Attorney General and the Released Persons only. This Agreement is not intended for use by any other third party in any other proceeding and is not intended, and should not be construed, as an admission of liability by the Released Persons in this or any other proceeding. Nothing contained

herein shall be construed so as to create any other third-party rights or private rights of action or to deprive any person of any private right under the law.

11.. The terms of this Agreement were negotiated in good faith by the Parties and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel, and arms-length negotiation.

12. This Agreement is made without any trial or adjudication or court finding on any issue of fact or law and is not a final order of any court or governmental authority.

13. Hino represents and warrants, through the signatures below, that the terms and conditions of this Agreement are duly approved, and execution of this Agreement is duly authorized.

14. This Agreement may not be amended except by an instrument in writing signed on behalf of all the Parties.

15. All notices, reports, requests, and other communications to any party pursuant to this Agreement shall be in writing and shall be directed as follows:

If to Hino, to:

Lanny Breuer / Noam Kutler
Covington & Burling LLP
One CityCenter
850 Tenth Street, NW
Washington, DC 20001-4956

If to the Attorney General, to:

Vincenza Rabenn
Deputy Attorney General
Office of the Attorney General, State of California
1300 I Street, Sacramento, CA 95814

16. This Agreement shall be governed by the laws of the State of California without regard to any conflict of laws principles.

17. In the event of any dispute arising from or relating to this Agreement, the Parties and the Released Persons submit and consent to the exclusive jurisdiction of the Superior Court of California, County of San Francisco.

18. This Agreement constitutes the entire agreement between the Parties, and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Agreement.

19. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

20. Except as specifically provided herein, Hino shall not take any position in any proceeding brought by or on behalf of the Attorney General, or to which the Attorney General is a party, that is inconsistent with any part of this Agreement. Nothing in this Agreement affects Hino's (i) testimonial obligations; or (ii) right to take any legal or factual position that may contradict an allegation in this investigation in litigation or other legal proceedings in which the Attorney General is not a party.

21. This Agreement is not intended to disqualify the Released Persons from any business that they otherwise are qualified, licensed, or permitted to perform under the laws or regulations of California.

22. This Agreement shall become effective and binding upon execution by the Parties hereto.

FOR THE ATTORNEY GENERAL OF THE STATE OF CALIFORNIA

Date 1/15/2025



Vincenza Rabenn
Deputy Attorney General

FOR HINO MOTORS, LTD., HINO MOTORS MANUFACTURING U.S.A., INC.,
AND HINO MOTORS SALES U.S.A., INC.

HINO MOTORS, LTD.

Dated: 1/15/2025

By: 

Satoshi Ogiso
President & Chief Executive Officer
Hino Motors, Ltd.

HINO MOTORS MANUFACTURING U.S.A.,
INC.


Dated: 1/15/2025

By: 

Davey Jung
President & Chief Executive Officer
Hino Motors Manufacturing U.S.A., Inc.

HINO MOTORS SALES U.S.A., INC.

Dated: 1/15/2025

By: 

Glenn Ellis
President & Chief Executive Officer
Hino Motors Sales U.S.A., Inc.