

# Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)

Hino Motors' truck and bus business has a very strong public interest element as social infrastructure that helps people and goods get where they need to go. Recently, a range of issues for customers and society involving the movement of goods and people have become apparent, including the problems of serious traffic accidents and CO<sub>2</sub> and a shortage of drivers. Solving these issues is the target to be achieved by Hino Motors through strategies such as Challenge 2025 and Hino Environmental Challenge 2050 and is also consistent with the thrust of the SDGs.

This section will introduce specifically what is happening in the world today with regard to the challenges posed by the SDGs and the targets and initiatives through which Hino Motors will contribute.

## Creating the vision of Hino Motors through contributing to SDGs

### 1 Realizing a society in which people and goods can get to where they need to go safely, reliably and in an optimum manner with environmental responsibility

Hino Motors aims to realize a sustainable society that is a better place to live through zero fatal traffic accidents, dramatic reductions in CO<sub>2</sub> emissions, and further streamlining in the movement of people and goods.

Please see P.26



### 2 Minimizing environmental impact in each step of the truck and bus business

Under the Hino Environmental Challenge 2050, an ambitious initiative that will reduce the environmental impact of trucks and buses on the planet to a minimum, Hino Motors will contribute to preventing global warming, promoting the recycling of resources, and preserving biodiversity.

Please see P.28

### 3 Developing partners that have the same dreams (Providing solutions to societal issues by bringing together others competencies)

Hino Motors will strive to solve social issues in partnership with companies from inside and outside the Hino Group that have the same dreams.


Please see P.30



The Sustainable Development Goals (SDGs) were adopted at the United Nations Sustainable Development Summit in September 2015 and consist of **17 goals comprising 169 targets** to be achieved by the international community before 2030. The SDGs represent a formidable challenge to create a world where no one will be left behind. As common worldwide goals, they require the active involvement of companies as well as countries.

**169 targets** -----

The 17 goals have specific achievement criteria that consist of 169 targets.

 About the Sustainable Development Goals (United Nations)



### 4 Building a sustainable value chain

Hino Motors will contribute to realizing a sustainable society with low environmental impact by minimizing effects on society and the environment in the broad-based truck and bus value chain.

Please see P.31



### 5 Diversity & inclusion

At Hino Motors, which operates a global business, diversity and inclusion is the basic approach for the human resources strategy.

Please see P.32



### 6 Training human resources to help people and goods get to where they need to go

In response to the chronic shortage of mechanics, Hino Motors will strive to train and develop mechanics to ensure that customers' vehicles continue to operate.

Please see P.33

SDGs Targets and Social Issues Addressed by Hino

Here we introduce the SDGs targets we focus on and what we can contribute to society through our business, along with examples of our strategies and initiatives.

**1** Realizing a society in which people and goods can get to where they need to go safely, reliably and in an optimum manner with environmental responsibility

**3** GOOD HEALTH AND WELL-BEING



**Ensure healthy lives and promote well-being for all at all ages**

**Targets**

**3.6** By 2020, halve the number of global deaths and injuries from road traffic accidents.

**3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.




**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE




**Build resilient infrastructure, promote sustainable industrialization and foster innovation**

**Targets**

**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



**11** SUSTAINABLE CITIES AND COMMUNITIES



**Make cities inclusive, safe, resilient and sustainable**

**Targets**

**11.2** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**Ensure sustainable consumption and production patterns**

**Targets**

**12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment



Social Issues Addressed by Hino

**Serious traffic accidents**

Trucks are large and heavy and therefore dangerous, and so are buses, which should be built to protect the lives of many passengers in case of an accident. Any large vehicle accident is always a serious issue.

**Driver shortage Reduction of loading efficiency in the logistics industry**

Reduction of loading efficiency due to the spread of e-commerce resulting in driver shortages and smaller and wider variety of cargoes

**Further development of emerging countries**

Increasing demand for commercial vehicles driven by economic growth and development of transportation infrastructure in and around the ASEAN countries; rapid product supply is required



**Global warming**

The reduction of CO<sub>2</sub> emissions is a common issue around the world and in all industries.

**Deteriorating transportation efficiency**

Deteriorating efficiency due to smaller and wider variety of cargoes

**Increasing number of people with limited mobility**

Due to the aging society, people with limited mobility have increased, especially in depopulated areas.

Problem-solving strategies and initiative goals

Hino seeks to achieve a safe and secure society without traffic accidents, a society with a low environmental impact due to the movement of people and goods, and a society where people and goods can move freely and optimally. In order to provide value to customers and society, we have taken on multifaceted solutions by addressing the three goals (see page 18) together with the targets of, 1) zero fatal traffic accidents with Hino vehicles, 2) significant CO<sub>2</sub> emissions reductions, 3) support for the development of our customers' business, and 4) further streamlining the flow of people and goods.

Specific Initiatives

Electric vehicle development (EV bus development)

In 2012, Hino was Japan's first commercial vehicle manufacturer to deliver EV buses to Sumida Ward and Hamura City in Tokyo. In the Hino Environmental Challenge 2050, Hino is developing electric vehicles to reduce new vehicle CO<sub>2</sub> emissions by 90% compared to 2013.



New technology development to solve social issues (partially autonomous truck convoy system)

As a countermeasure to social issues such as driver shortages, we are conducting verification tests of partially autonomous truck convoy system in cooperation with the government. We will further speed up technological development with the aim of practical application.





**2** Minimizing environmental impact in each step of the truck and bus business

**13** CLIMATE ACTION



**Take urgent action to combat climate change and its impacts**

**Targets**

**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

**13.2** Integrate climate change measures into national policies, strategies and planning

**7** AFFORDABLE AND CLEAN ENERGY



**Ensure access to affordable, reliable, sustainable and modern energy**

**Targets**

**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix

**7.3** By 2030, double the global rate of improvement in energy efficiency

**6** CLEAN WATER AND SANITATION



**Ensure access to water and sanitation for all**

**Targets**

**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

**14** LIFE BELOW WATER



**Conserve and sustainably use the oceans, seas and marine resources**

**Targets**

**14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

**15** LIFE ON LAND



**Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss**

**Targets**

**15.2** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

**Social Issues Addressed by Hino**

**Global warming**

Increased global warming as exemplified by frequent abnormal weather has a wide range of effects throughout the world, and the reduction of CO<sub>2</sub> is a common issue worldwide and in all industries.

**Biodiversity crisis**

- Shrinking ecosystem (e.g., desertification, drainage of lakes and marshes).
- Accelerating extinction of animals and plants (Animals and plants are going extinct at the rate of one every seven minutes.)

**Worsening water environment problems**

- **Quantity: Water shortage**  
Chronic water shortage arises mainly in emerging and resource-rich countries (further expansion of shortages is expected due to future population growth)
- **Quality: Safe and secure water use**  
About 1.2 billion people, or 20% of the world population, have no access to a safe and secure water environment.

**Problem-solving strategies and initiative goals**

As a global commercial vehicle manufacturer, under Hino Environmental Challenge 2050, we seek to minimize our environmental impact not only in production and product operations, but also in each step of the product lifecycle, from the logistics to recycling stages through various environmental initiatives covering CO<sub>2</sub> reduction, water environment conservation, and biodiversity conservation. Hino will contribute to achieving a sustainable, a prosperous world and future through these initiatives.

**Specific Initiatives**

**Building environmentally friendly plants using natural energy**

Hino is reducing CO<sub>2</sub> emissions in truck and bus manufacturing with the aim of achieving zero factory CO<sub>2</sub>. Recently, domestic and overseas factories have been actively using natural energy, and we are building factories that dramatically reduce CO<sub>2</sub> emissions.

**Utilization of sunlight**

Reduction of CO<sub>2</sub> by utilizing electricity obtained from solar panels at our offices

**Air conditioning**

**Utilization of geothermal heat**

Reduction of CO<sub>2</sub> by using geothermal heat that maintains a nearly constant temperature throughout the year and using air conditioning

### 3 Developing partners that have the same dreams (Providing solutions to societal issues by bringing together all the competencies)



**17 PARTNERSHIPS FOR THE GOALS**

**Revitalize the global partnership for sustainable development**

**Targets**

**17.16** Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

**Social Issues Addressed by Hino**

Global environmental issues  
Many issues such as global warming are occurring.

Manifestation of social issues  
In the flow of people and goods, we face many challenges such as serious accidents, CO<sub>2</sub> issues, and labor shortages.

**Problem-solving strategies and initiative goals**

To solve the issues of Challenge 2025, including those shown on the left, we must not only mobilize our own capabilities, but all capabilities made available by creating partnerships. Although Hino has been collaborating with the Toyota Group, it aggressively pursues the creation of partnerships with like-minded organizations and maximizes the synergistic effects of that collaboration with the aim of achieving a rich and sustainable society.

**Specific Initiatives**

**Alliances with other companies to more quickly solve social issues**

To more quickly pursue increasingly serious and diversifying customer and social issues, we will create partners in each of the fields of the three goals, especially in advanced technological areas such as CASE, and we will speed up technological development.

### 4 Building a sustainable value chain



**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

**Ensure sustainable consumption and production patterns**

**Targets**

**12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

**Social Issues Addressed by Hino**

Problem-solving strategies and initiative goals  
Resource depletion risk is increasing globally, and waste as a by-product of a mass consumer society is increasing year by year.

Human rights and labor problems in the value chain  
Human rights violations of workers such as forced labor and low-wage labor in the value chain are sporadic.

**Problem-solving strategies and initiative goals**

Through the product life cycle, from the parts production stage to vehicle manufacturing, customer use, and final disposal, we not only reduce our environmental impact, but also eliminate labor that violates human rights in the supply chain and endeavor to pass on a world that is a richer, nicer place to live and that provides a better future for the next generation.

**Specific Initiatives**

**Environmental initiatives that lead to sustainable production and sales**

In order for us to continue to produce and sell trucks and buses in the future, suppliers and other business partners involved in the Hino value chain must understand and cooperate with Hino's efforts and continue to provide value together. Notably, suppliers are pursuing various environmental initiatives based on the Supplier CSR Guidelines and Green Procurement Guidelines.

Planning

Development

Production

Sales

After-sales Service

Solutions

Hino's strategies: Challenge 2025; "Hino Environmental Challenge 2025"

Various guidelines: Supplier CSR Guidelines; Green Procurement Guidelines

CO<sub>2</sub> reduction, water saving, resource saving, legal compliance activities by suppliers and other business partners

Activity reports at suppliers' general meetings in each country

 [Click here for the Supplier CSR Guidelines](#)

 [Click here for HINO's Green Purchasing Guidelines](#)



## 5 Diversity & inclusion



**5 GENDER EQUALITY**

**Achieve gender equality and empower all women and girls**

**Targets**

**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life



**8 DECENT WORK AND ECONOMIC GROWTH**

**Promote inclusive and sustainable economic growth, employment and decent work for all**

**Targets**

**8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment



**10 REDUCED INEQUALITIES**

**Reduce inequality within and among countries**

**Targets**

**10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status



**Social Issues Addressed by Hino**

**Human rights issue**

Discrimination results from various differences such as race, religion, and belief, and this evolves into conflicts between regions and countries.

**Work-style issues**

- Recruitment of foreigners and people with disabilities leaping every year, and creating an environment and an education system for them is required.
- The number of dual-income household is increasing, and creating an environment for employee both men and women to participate in parenting is required.

**Problem-solving strategies and initiative goals**

In order for Hino to maintain growth in the global market, it is essential to create an organization in which diverse human resources can play an active role. To provide products and services that meet diverse customer and societal needs, we will create a corporate culture where all employees can fully maximize their potential regardless of their differences.

**Specific Initiatives**

**Initiatives to support diverse human resources and each employee's active participation**

**Global human resource education**

Overseas⇒Training to take a new post in Japan (Internal company transfer system)

Japan⇒Training to take a new post overseas (Overseas training system)



**Supporting the active participation of people with disabilities**

Office support work that utilizes individual ability (Hino Harmony)



**Parenting support**

In-house nursery school (Ton-Ton Kids)



## 6 Training human resources to help people and goods get to where they need to go



**4 QUALITY EDUCATION**



**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

**Targets**

**4.3** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university



**Social Issues Addressed by Hino**

**Developing human resources to support social infrastructure**

- Various social and environmental issues pertaining to the flow of people and goods are occurring around the world.
- About 50% of maintenance sites in Japan have a mechanic shortage (Japan Automobile Service Promotion Association, Automobile Service White Paper, 2017 Edition)
- Significantly decreasing number of people in the young generation want to become vehicle mechanics. Aging mechanics is also an issue.

**Problem-solving strategies and initiative goals**

Trucks and buses serve as an infrastructure that supports the social foundation, and there is a need to constantly provide prompt and high-quality maintenance so that vehicle operation is not interrupted. We provide prompt and high-quality maintenance to customers, and at the Hino Technical Skills Academy, our in-house training school, we focus on developing human resources that can deal with the technologies required in the future.

**Specific Initiatives**

**Human resource development focused on the flow of people and goods in the future**


As a commercial vehicle manufacturer, Hino not only develops its own products but will also continue to contribute to creating a sustainable flow of people and goods throughout society. Therefore, we have focused on training people in Japan, Guatemala, and other countries around the world with the aim of developing human resources that can tackle the issue of the future flow of people and goods. In September 2019, we will open the "Technical Support and Training Center" in the Philippines to further strengthen support.

**Japan**



Human resource development at Hino Technical Skills Academy

**Philippines**



Training mechanics to strengthen support as new vehicles and the number of vehicles increases (Technical Support and Training Center)

**Guatemala**



In-house training school to contribute to improving service technology not only in local business entities, but the entire region (Instituto Tecnico)

 Hino Technical Skills Academy (Japanese only)

# CSR Management

## Hino Motors Group CSR

### The HINO Credo and Hino Motors' Fundamental Stance toward CSR

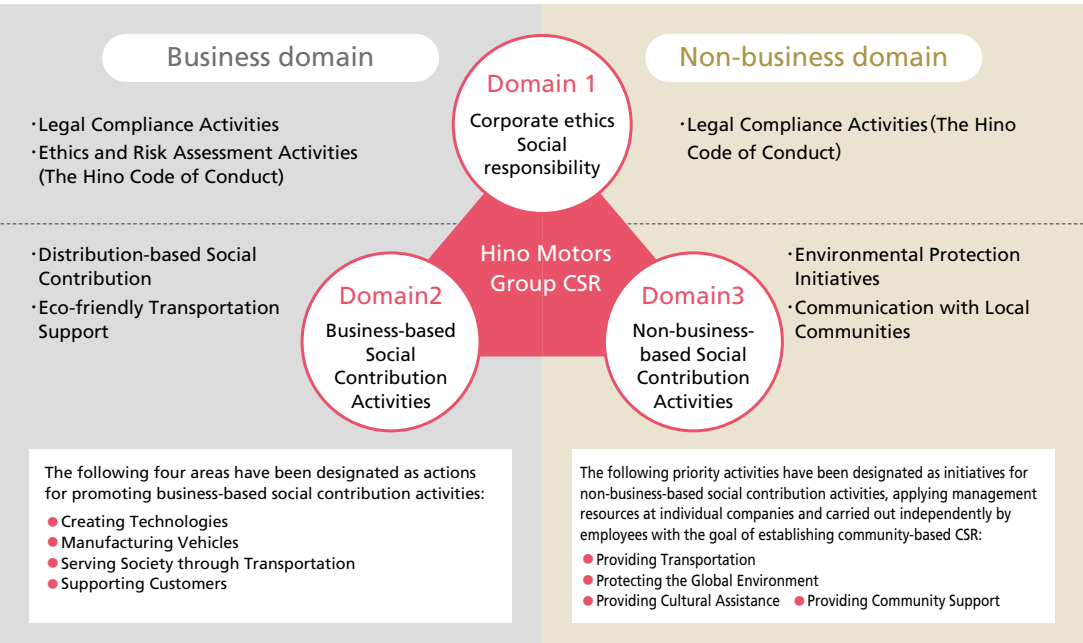
Hino Motors established the HINO Credo in July 2007 after reviewing its corporate philosophy, announced in 1992, based on a corporate social responsibility (CSR) perspective. The Hino Credo specifically quotes its Corporate Mission: "To make the world a better place live by helping people and goods get where they need to go safely, economically and with environmental responsibility while focusing on sustainable development." The HINO Credo consists of three core components: the "Corporate Mission," the "Core Principles" and the "CSR Charter." The Corporate Mission clearly defines the Group's obligations and responsibilities toward society. The Core Principles provide the guidelines, and the CSR Charter articulates the Group's goals and aspirations. Hino Motors engages in a wide spectrum of CSR activities, working diligently to promote increased awareness and understanding of the CSR Guidelines and its activities throughout the Group worldwide.



## Scope of Hino Motors' CSR Activities and CSR Guidelines

In an effort to better realize the HINO Credo, Hino Motors formulated its CSR Guidelines in November 2008, organizing its CSR activities into three domains: first, corporate ethics and social responsibility, which provide a basis for risk management and legal compliance; second, business-based social contribution activities; and third, non-business-based social contribution activities.

● Scope of Hino Motors' CSR Activities based on CSR Guidelines



## CSR Promotion Structure

Hino Motors has positioned CSR as a key component of its overall operations and management. When appropriate, the Management Committee, chaired by the president and representative director, or the Operating Officers' Meeting, approve and report on CSR activity action plans as well as initiatives that serve to enhance Hino Motors' efforts in addressing CSR issues and measures designed to promote consensus throughout the Group.

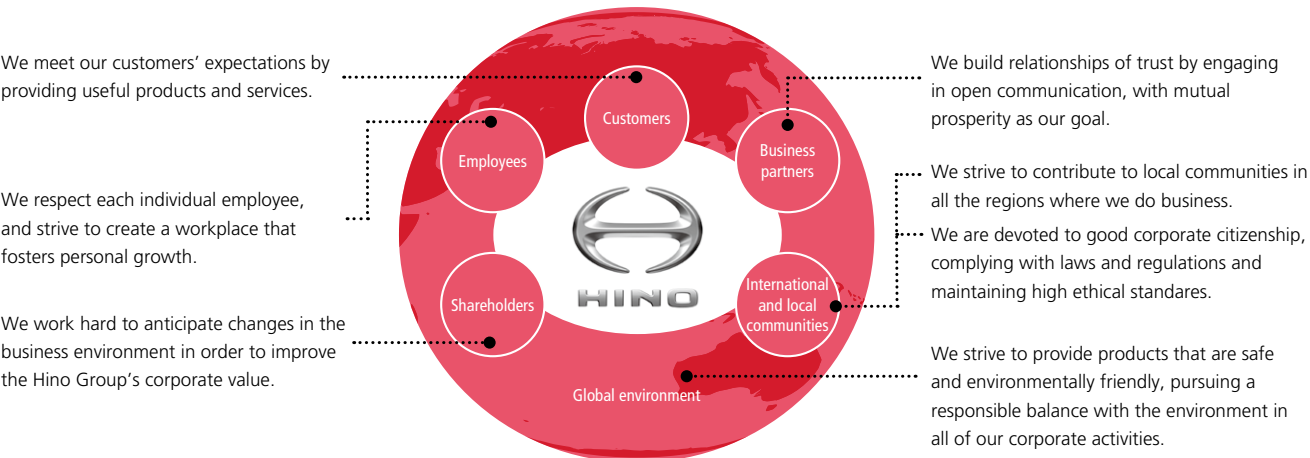
In addition, activities carried out in the previous fiscal year are reviewed annually, and goals are set for initiatives under management plans for the next fiscal year. Hino Motors also works to increase awareness of the Hino Credo and CSR Guidelines within the Company as it promotes activities in line with related policies.

Examples of exemplary CSR activities and social contributions made by the Company are regularly published in company newsletters to raise awareness of CSR among employees.

To help CSR activities make more progress on a group-wide level, Hino Motors is strengthening its networking activities with all group companies. Hino Motors organizes workshops for managers and lectures on CSR for its executive managers as well as those of group companies with the goals of boosting their motivation and enhancing group-wide CSR activities.

## Hino Motors' Principal Stakeholders

Hino Motors believes that the purpose of CSR activities is "to meet social expectations and ensure sustainable development in concert with society." In every facet of its daily activities, Hino Motors will work steadily to fulfill its responsibilities to all stakeholders.



## TOPIC

### External Communications

Hino Motors recognizes the importance of external communications. The Company seeks to provide timely and appropriate information on its business activities to ensure stakeholder understanding. In addition to information on the ordinary general shareholders' meeting and regular financial results statements, Hino Motors makes a variety of efforts to reach a broader audience with information about its business. These include disseminating information at the Tokyo Motor Show, holding a tour of the Koga Plant for shareholders in May, and providing a seminar on the latest advanced safety technology for the media in June.



Environmental technology seminar





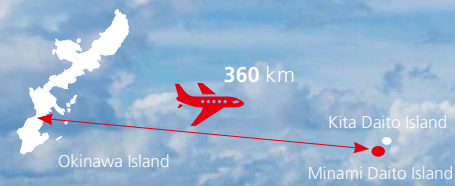
## SPECIAL FEATURE

Special Feature 1 | Working with Customers to Revitalize Communities

# Sharing in the Joys of Life on Minami Daito Island

## As a Member of the Community on “Sugar Cane Island”

Minami Daito Island lies 360km east of the big island of Okinawa, Japan, about a one-hour flight from Naha City. Approximately 60% of the island's entire area is taken up by sugar cane fields, and the majority of the 1,400 islanders work in the sugar cane industry. The trucks of Hino Motors are also a part of this community, and they are helping to revitalize the island.



The relationship between SDGs and these initiatives



## Minami Daito Island and the Sugar Cane Industry

Minami Daito was uninhabited until the 20th century, when 23 colonists from Hachijo Island in the Izu Islands chain arrived in 1900. Their aim was to cultivate sugar cane and establish the sugar industry here. Minami Daito's coastline is almost entirely made up of imposing cliffs, which had obstructed all attempts to develop the fishing industry on the island, since it was impossible to directly berth a vessel there. Furthermore, the hard

ground of the island meant that it was not ideally suited to farming. It also lay in the path of the fierce typhoons that pass through the region from time to time. As if that were not enough, major seasonal fluctuations in rainfall meant that it was extremely difficult to secure a stable supply of water for agriculture. It was perhaps therefore inevitable that sugar cane, given its robust resistance to strong winds and water shortages, would become the basis for industry and the livelihoods of the people.

Daito Seito Co., Ltd., established on Minami Daito in 1950 is the island's only sugar manufacturing company.

## Changes in sugar cane harvesting methods on Minami Daito

### 1910-1980s

Harvesting using a light railway



- High cost of maintaining engine and tracks  
(Although the island has a circumference of 21km, the railway had a total length of 27km)
- Difficulty in loading/unloading

### 1980s onwards

Harvesting using a harvester vehicle and trucks



▲ People interviewed for this feature (from left): Kiyohide Okiyama (JA Okinawa), Chikatoshi Okiyama, Kazunobu Aragaki, Shoichi Kumada (Daito Seito Co., Ltd.)

For the islanders, sugar cane is the only industry that protects their continued livelihood; if it were to disappear then the island itself would lose its value as a place for habitation. Protecting the sugar cane industry is therefore essential for keeping the island functioning as a home for its people and also, in a sense, for maintaining a presence for Japan on the island.

## Contributing to Improving Sugar Cane Productivity

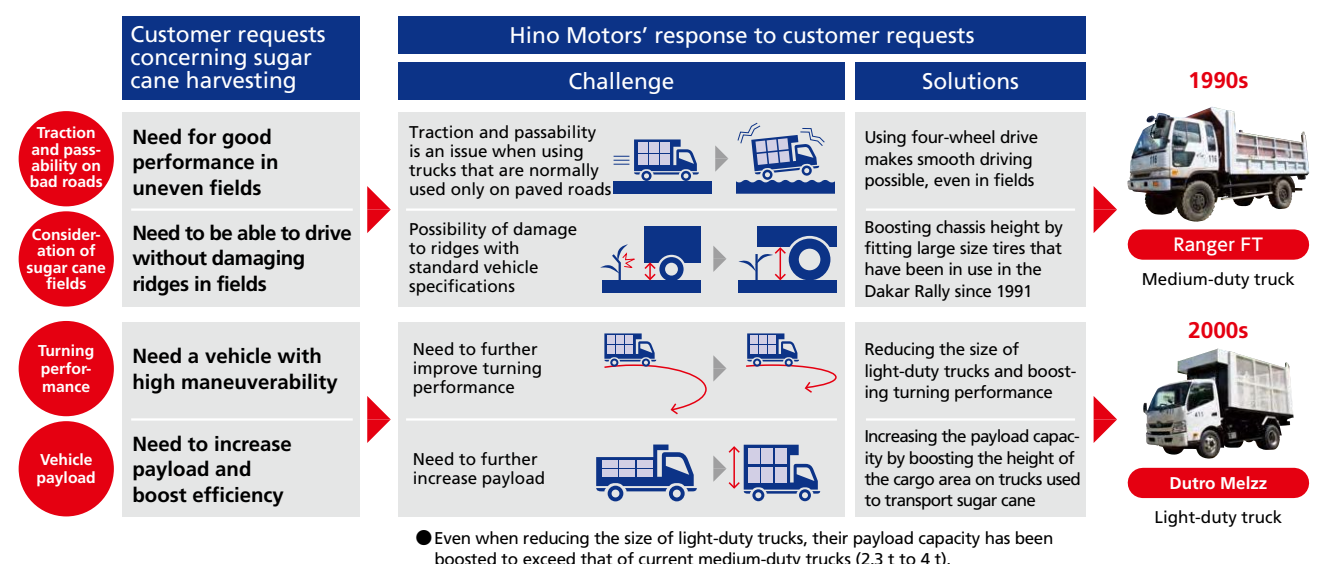
It is necessary to ensure sustainability in order to further develop the sugar cane industry on Minami Daito, and for this to be achieved, the critical point is to improve productivity. For the islanders the perennial challenge is to realize greater efficiency in harvesting and transportation. For many years a light railway known as the “sugar train” was used to transport sugar cane on the island. However, growing maintenance costs for the railway engine and tracks meant that the islanders gradually shifted to using trucks; the railway was completely dismantled in 1983. Currently the method considered to be the most efficient is to have trucks run alongside a large harvester to collect and transport the sugar cane.

In 1998, the Hino Motors sales company Okinawa Hino Motors, Ltd., submitted a proposal to provide a specially customized “Ranger FT” \* truck for harvesting to Daito Seito, which was searching for a more efficient way to transport sugar cane. The company purchased 31 of these FT Trucks. At the time this was a completely new venture for Okinawa Hino Motors, but the order was successfully won by listening carefully to the concerns of both Daito Seito and the local farmers.

Harvesting sugar cane presents a variety of unique challenges: (1) the need to ensure that tire width matches the ridges in the field, as trucks need to directly enter the field to run alongside the harvester; (2) the importance of boosting the height of the chassis so that it does not damage ridges in the field; (3) ensuring that trucks can easily run at the same speed as the harvester; and (4) ensuring consistent traction and passability on uneven surfaces. Okinawa Hino Motors has worked consistently with the people of Minami Daito to resolve each of these and other challenges.

The original trucks that were purchased by Daito Seito are still in use today thanks to careful and attentive maintenance.

## Customer Requests and Hino Responses





➤ Special Feature 1 Sharing in the Joys of Life on Minami Daito Island

Special Feature 2 Origins of “Total Support”

## Delivering Successor Vehicles for the Next Generation

Since around 2006, new challenges related to improving productivity have been the focus. These included measures to reduce the turning circle of trucks in the sugar cane fields and also to boost the payload capacity, so that each truck could carry more sugar cane.

Okinawa Hino Motors focused on the challenge of improving sugar cane harvesting efficiency, identifying the customer’s needs and worked in cooperation with Daito Seito and JA Okinawa through a two-year process of repeatedly testing new prototype vehicles and submitting proposals. In 2016, it was decided that Hino Motors trucks would be selected as the next-generation vehicles to add to the original fleet. Although the new vehicle does not have all the performance attributes of the FT trucks, through a process of customizing the standard specifications of the light-duty truck Dutro Melzz, it has been possible to boost transport efficiency by approximately 30%, which is what led to the decision to



▲ The immaculately maintained Dutro Melzz trucks of Daito Seito Co., Ltd.

adopt it as an appropriate next-generation vehicle.

The sight of Hino trucks being loaded with golden sugar cane and moving it to the sugar processing plant is a part and parcel of the daily scenery on Minami Daito from winter through spring. Aspiring to deliver on its slogan, “Trucks and Buses That Do More,” Hino Motors will continue to contribute to the sustainable development of Minami Daito.

## VOICE



### Working to Ensure Sugar Remains the Key Industry for Another Century

#### Tatsuji Okiyama

President and Representative Director  
Daito Seito Co., Ltd.

Hino Motors is an indispensable partner for the sugar cane industry on Minami Daito. When we first introduced Hino trucks I was still farming myself, so as someone well-acquainted with local conditions I made various requests. When we requested the replacement of the trucks in 2014, Hino Motors accurately grasped the challenges we face on the ground, with the result that they provided us with excellent trucks that fit the purpose. In recent years the number of young people working in the sugar cane industry on Minami Daito has remained stable, which is excellent news, and helps to maintain the island’s vitality. I hope that Hino Motors will continue to support our business long into the future.

### Continuing to Provide Trucks That Support Island Life

Right: **Hirosuke Fukuzato**  
President and Representative Director  
Okinawa Hino Motors, Ltd.

Left: **Shigeo Higa**  
Managing Officer, Member of the Board



When Daito Seito was first considering the introduction of trucks to run alongside the sugar cane harvester, I met with Mr. Okiyama, who is now President of Daito Seito, but back then was still involved directly in sugar cane farming. I learned about the various challenges the farmers faced from him. We made various customizations in response to harvesting conditions, creating a vehicle based on our broad knowledge, including technology that was under development for use in the Dakar Rally at the time. We were overjoyed when our efforts paid off and we received the original order, which led to an ongoing relationship with the island. Although new successor trucks have also been introduced since, I am always deeply impressed to see the trucks from the original order still running smoothly, thanks to maintenance that keeps them looking just like new.

\* Ranger FT: A four-wheel drive, medium-duty Hino Ranger truck.

1977 Iran

2017 Canada

1983 Niger

1979 Dammam, Saudi Arabia

2015 Canada

1974 Mindanao, The Philippines

1982 Sao Tome, West Africa

**SPECIAL FEATURE**

| Special Feature 2 | Measures to Support Regional Distribution and Logistics

# Origins of “Total Support”

**From “Field Mechanics” to “Field Service Engineers”**

One of Hino Motors’ strengths is its Total Support approach to providing tailored attentive after-sales service. Total Support ensures that the trucks and buses the Company delivers in Japan and around the world can continue to get the job done for customers. The thorough after-sales service that Hino Motors has provided in markets around the world for more than 50 years has had a major impact on the spirit of Total Support.

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## Field Mechanic System: Supporting Customers’ Businesses Worldwide

In the 1960s, when Hino Motors started earnest efforts to expand overseas exports, it was European-made commercial vehicles such as trucks and buses that were dominant in overseas markets, with an enviable global reputation for durability and reliability. Although Hino Motors had already made a name for itself in Japan as a producer of diesel vehicles and trucks, in overseas markets the name Hino had little recognition, and the after-sales service structure was still not in place.

Despite these challenges, it was imperative for Hino Motors to achieve success overseas if it hoped to achieve further growth and development as a company. The strategy that was adopted was to strengthen after-sales service in overseas markets and enhance support structures for customers who had chosen a Hino product. The prevailing style of business in the commercial sector at the time was simply to sell vehicles,

without any thought being given beyond the point of sale. It was against this backdrop that, in 1963, Hino Motors launched its Field Mechanic (FM) system as part of an effort to enhance after-sales service, with the aim of expanding overseas sales.

## Fulfilling a Mission to Keep Customers’ Operations on the Move

Field mechanics were dispatched from Japan and embedded in overseas locations to help further disseminate services and technologies, based on a desire to ensure that customers continue to use and choose Hino Motors’ vehicles. The FM system was open for employees to apply for and featured a strong human resources development focus, with selected participants undergoing training to acquire the requisite language and technical maintenance skills before being dispatched overseas.

Given the vast range of climates and road conditions in countries overseas, it was no simple task

HINO SUSTAINABILITY REPORT 2019

HINO SUSTAINABILITY REPORT 2019



Special Feature 1 Sharing in the Joys of Life on Minami Daito Island > Special Feature 2 Origins of “Total Support”

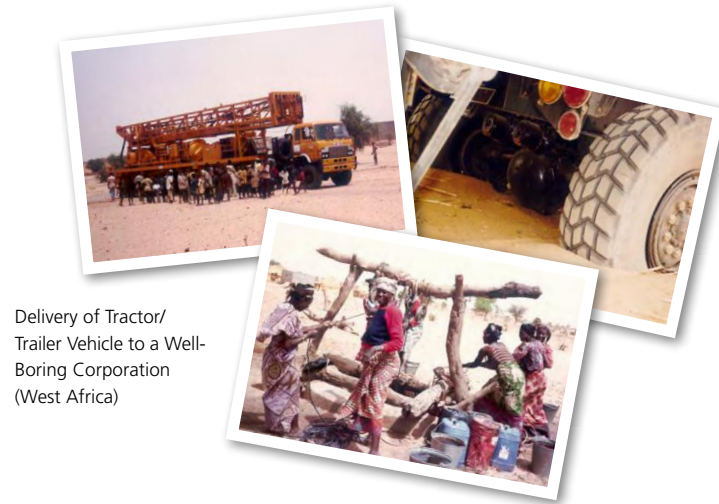
to engage in vehicle management and maintenance that was appropriate for the environmental conditions in each country. The locations that field mechanics were sent to were sometimes challengingly remote or barren, and sometimes work was in a conflict zone fraught with danger. Communication issues were also a daily fact of life. Toshiya Shiozawa (currently Aftersales Service Department General Manager) looks back on the time he spent as an FM in the 1980s, describing it in these terms, “It was hard work. You needed to have maintenance skills and determination to work alone in remote locations, and your ability to assimilate as a person was also critical.”

“My first posting at the age of 23 was to West Africa, where we spent two nights and three days driving a tractor/trailer across the desert in order to deliver it to a well-boring corporation. It was a long and tiring journey, but we were welcomed by the smiling faces of the people of the village when we arrived. I subsequently spent time in many other countries. Wherever I went, when a mechanic needed to be called, the customer would naturally be initially angry. In such situations the only thing to do is do your job thoroughly and build trust. In our training, we had been told that you could not simply say ‘no’ to the customer or the local dealership—you had to visit the site and work to resolve the customer’s problem, basing your response on the actual situation. I took this FM training to heart and, although there were highs and lows on the job, it turned out to be very fulfilling.”

By 1996 the FM system outside Japan was in its 31st year. Their efforts to ensure a 100% operating rate for customers’ vehicles by providing thorough after-sales services made a huge impact by boosting the value and trust users had for Hino Motors overseas. It also formed the basis for the current Total Support, which is a key concept for Hino Motors. That same spirit was also passed down to the Field Service Engineer (FSE) program, which replaced the original FM system.

## Responding to Overseas Market Expansion and Advances in Maintenance Technologies

Since 2007, the year overseas vehicle sales first exceeded domestic sales, Hino Motors has continued to work to expand its business overseas. Today’s FSE program, which



Delivery of Tractor/Trailer Vehicle to a Well-Boring Corporation (West Africa)

was devised as the successor to the FM system, has helped to improve service quality. Not only that, it has also been used to address advances in vehicle technologies and the increasingly complex vehicle systems of recent years.

While the FM system relied on people applying to become FMs after joining the company, the FSE program is focused purely on the development of specialist personnel, with the expectation that everyone on the program will be dispatched overseas. The capabilities required of FSEs are incredibly diverse, including not just vehicle maintenance skills and the ability to acquire new languages, but also interpersonal skills, knowledge of Hino vehicles, and knowledge and skills relating to on-board electronic systems. Participants in the program are dispatched overseas after a multi-year period of education and training.

When out in the field, the FSEs are expected not just to repair vehicles, but also to play a consulting role on various themes closely related to customers’ businesses, including providing ideas for customization and cost reductions. The role of the FSE has changed from the FM era as customer needs have diversified. That said, the basic mission remains unchanged from the FM era, namely providing services that customers experience as Total Support. This means that FSEs must ensure that customers’ businesses are kept on the move by implementing optimized, high-quality services for each and every vehicle, so that the products provided by Hino Motors continue to contribute to the flow of goods and people around the world.

Yuki Imaoka, one of the first class of FSEs, puts it this way, “Wherever I travel around the world I can feel the legacy of my FM predecessors.” “Even if I am

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traveling to a location for the very first time, the reason I am welcomed and accepted by local people in the workplace is thanks to the efforts of my FM predecessors in countries around the world.” The total number of FSEs developed by Hino Motors now stands in the several hundreds, including people from the FM era. These practitioners of Total Support have worked to raise the value of Hino Motors by providing services that respond to the various needs and requests of customers around the world.

Hino Motors will continue to aim for further development and growth in all markets. In so doing it must always be remembered that, wherever they are in the world, Hino trucks and buses are engaged in work for each and every customer, each with their own needs and expectations.

FSE Imaoka with a skills contest participant, competing with others over service knowledge and skills (Canada).



The late Masashi Arakawa, who served as Chairman of the Board for Hino Motors from 1983 to 1985, once said, “FMs are the unknown soldiers of Hino. Without FMs there would be no global Hino presence.” Team Hino today is dedicated to supporting customers around the world, carrying forward the practically focused spirit of FM and FSE and further deepening the bonds that they have built with customers, which constitute the origins of Total Support.

## VOICE



### Always Respecting Diversity

**Toshiya Shiozawa**  
Senior General Manager

My aim was to do a good job overseas through vehicle maintenance and so, after joining Hino Motors, I took the exam to join the 18th class of FMs. Although I worked in many places that were truly demanding, both physically and mentally, I was fully motivated to do my work based on the clear goal of “creating a foundation for the after-sales service of Hino Motors.” Although I am no longer working hands-on in workplaces overseas, I firmly feel that my experiences and the respect for diversity I learned in countries around the world are now helping me in my role as manager of the After-Sales Service Department. I hope that everyone in the FSE program, which succeeded the FM system, will work to expand the original goals and further enhance Total Support so that the Hino brand goes from strength to strength around the world.



### Enjoying the Opportunity to Work on the Frontlines Overseas at a Young Age

**Yuki Imaoka**  
Strategy & Planning Group, General Management Department, Aftersales Service Department

During my student days when I was learning about manufacturing at the Hino Technical Skills Academy—the training institute operated by Hino Motors—I was interested in applying for the FSE program, an integral part of which is overseas posting. So I joined the company as part of the first class to take part in the FSE program. When working overseas, you experience situations that would be unthinkable in Japan, like traveling by plane to visit the site where repairs need to be implemented. The job is very rewarding, though, when you see the satisfaction on the faces of customers. I think it was thanks to my being posted overseas at a young age and being embedded in the local environment that enabled me to develop an open way of thinking that is accepting of diversity. I now alternate between spending several years in Japan and several years overseas, and during the times I am in Japan I feel that one of my important tasks is to convey my experiences to younger members of staff.

TOPIC Tokyo Motor Show 2019



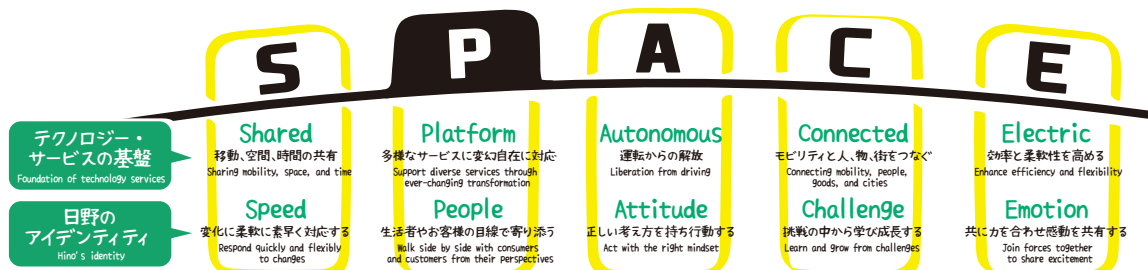
## HINO @ TOKYO MOTOR SHOW 2019

# Transporting Every Happiness

At the Tokyo Motor Show 2019, held from October 24 to November 4 at Tokyo Big Sight, Hino presented its exhibition theme of "Transporting Every Happiness." This theme embodies our desire to transport happiness to all people in all corners of the world, and it expresses the prosperous and sustainable future envisioned by Hino through concept models and animation. We also introduced advanced technologies we have been developing that will lead us into the future.

### From "CASE" to "SPACE"

The value that the automobile industry provides through vehicles will dramatically expand as "CASE" (Connected Autonomous Shared Electric) progresses. Hino Motors believes that a "platform" is necessary to serve as a foundation to provide this value to society. "SPACE," which is "CASE" with the letters rearranged and an added "P," is the keyword for the future change that Hino Motors is promoting.



### A Mobility Concept that Flexibly Optimizes Lifestyles



● A passenger service where people gather

This service provides a mobile space individually optimized according to local features and demand. It revitalizes the community with mobility that is closely linked to the region.

#### HINO FlatFormer



FlatFormer enables the mounting of a highly flexible body that meets societal and customer needs. It also functions as a service platform that optimizes lifestyles by connecting people, goods, and towns.



● A recycling management service that eliminates garbage

This service recovers resources and conducts high-quality recycling. It also provides a management service for people in the community to come together and take part in recycling resources.



● A beauty service that energizes body and soul

This service allows anyone to enjoy lovely radiance through beauty care.



● A retail service that answers the needs of each individual

It's equipped with a 3D printing unit and dispenser to generate and sell products based on the needs of users. The vehicle will move itself to the most suitable location based on the purchasing needs of users.



● A safe and high-quality operation service

This service enables one to remotely operate and manage the operation area and operational status in accordance with various work applications.



● A pickup and delivery service that also cares about you

The service automatically transports 24-hour pickup boxes. Automated dollies and drones will be used for each pickup and delivery. Individuals can use the Internet to undertake pickup and delivery. The front side of the vehicle functions as a pickup unit equipped with automated packing services.