

Canada •

Composition of sales by region

Middle East

2.4%

3.4%

7.5%

8.6%

Central and South America

North America

35.2%

USA

Mexico

Venezuela

Argentina

Africa

1.8%

Europe

0.8%

40.4

Colombia

FY2018

Total

203,154

vehicles

93 countries/

Overseas Business Entities (companies in which Hino has an investment) As of July 2019

Trends in vehicle global unit sales /Composition of sales by region

132

2018(FY)

203*

187

67

120

2017

● Production and sales companies ● Production companies ■ Sales companies ▲ Service parts sales companies ●

Corporate Information

Company Name Hino Motors, Ltd.

Trucks and buses, commercial vehicles and Business Lines

> passenger cars produced for Toyota Motor Corporation, automotive and industrial diesel engines, vehicle parts, others

1-1 Hinodai 3-chome, Hino-shi, Tokyo Headquarters

August 1, 1910 Founded

Established May 1, 1942

72.7 billion yen*1 Paid-in Capital

*1 As of March 31, 2019 (consolidated)

Number of Employees*1

34,069

Net Sales*2

1,981.3 billion yen

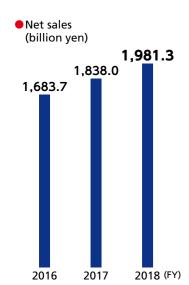
Operating Income*2

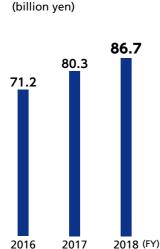
86.7 billion yen

Profit attributable to owners of the parent*2

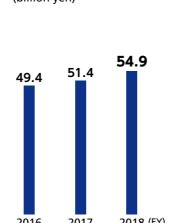
54.9 billion yen

Trends in business results

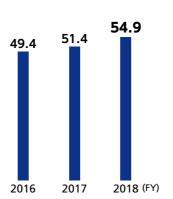




Operating income



Profit attributable to owners of the parent (billion yen)



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2016

2014

*Vehicle sales climbed to an all-time high

- **Environment Charter**
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Pakistan •

Trends in HINO brand vehicle global unit sales

168

107

2015

(thousand units) ■ Japan ■ Overseas

169

58

111

166

52

114

2013

India Vietnam

Thailand •

Malaysia = •

Indonesia =

174

67

108

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HINO SUSTAINABILITY REPORT 2019

HINO SUSTAINABILITY REPORT 2019

^{*2} Fiscal Year ended March 31, 2019 (consolidated)

HISTORY of

Hino Motors

In 1917, Hino Motors successfully test produced Japan's first 100% domestically designed and manufactured truck, applying its technology to help promote the movement of people and goods. After World War II, Hino Motors supported Japan's reconstruction with trailer trucks equipped with diesel engines. The Company went on to develop the trucks and buses that were responsible for mass transportation during Japan's period of high economic growth. In more recent years, Hino Motors has taken on social challenges related to the movement of people and goods by leveraging cutting-edge technologies including AI and IoT. Today, Hino Motors is embracing the new challenges of a period of revolutionary change the likes of which is seen only once a century. Contessa 1300 Deluxe (1964)

TGE Model A Truck (1917) Japan's first 100% domestically produced truck was the starting point for Hino Motors

T10 and T20 Model Trailer Trucks (1946)

This 100% domestically produced heavy-duty trucks inspired and encouraged the people of Japan in the aftermath of the war.



Super Dolphin Series (Dolphin Turbo 8.8)(1981)

This marked the birth of a powerful low-emission vehicle loaded with new ideas and technologies, including the world's first downsized engine using a curved impeller and turbo compressor.



HIMR was the world's first hybrid bus, and was unveiled at the 28th Tokyo Motor Show. It was commercially launched in 1991.



1910s

From Gas Lamps to **Auto Industry**

The history of Hino Motors began with the establishment of Tokyo Gas Industry Co., Ltd. in 1910. At the time, the gas business was a symbol of modernization, but the Company entered the auto industry, looking further ahead to a new era.



1940s

Diesel Engine Trucks Contribute to Post-War Recovery

Utilizing diesel engine technology developed during the war, Hino Motors developed large-scale trailer



1950s

Laying Foundations as a Comprehensive Automaker

This marked the beginning of the high-growth period. Riding an economic wave. automakers continued to increase production, and fullfledged motorization began.

1960s

Tokyo Motor Show. It received

the globe for its high

performance and design

rave reviews from around

The Challenge of Motorization

In 1966, Hino Motors began a partnership with Toyota Motor Corporation. While production of Hino Motors' passenger cars will be discontinued, production of the Toyota HILUX commences at the Hamura Plant, laying the foundation for the Toyota-Hino alliance.



1970s

Hino Motors Becomes the Top Truck Manufacturer by Refining Technologies in an Era of Emissions Regulations

Diesel vehicle exhaust emissions regulations began the following year in 1974, when Hino Motors became Japan's heavy- and medium-duty truck market share leader. With regulations gradually becoming stricter, the engineering team continued working hard to pass standards.



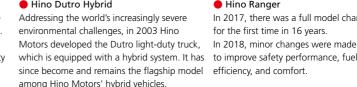
HINO600

Developed the common bonnet-type truck for the North American market. It was subsequently named the 2011 Truck of the Year (in the medium-duty category) by American Truck Dealers.



Hino Poncho

Featuring a low floor that makes it easy to get on and off, which is ideal for community buses, it won the 2006 Good Design Award.





Hino S'elega

As the next-generation heavy-duty tourist bus offering significantly improved safety features that came standard with an Emergency Driving Stop System (EDSS), a world first for a truck or bus, the Hino S'elega underwent a minor model change in 2018.

2000s

2011

2008

2012



Hino Ranger

for the first time in 16 years. which is equipped with a hybrid system. It has to improve safety performance, fuel

Hino Blue-Ribbon

developed Japan's first

hybrid articulated bus with

Isuzu Motors, Ltd. to solve

Hino Motors jointly

Hybrid Articulated Bus



In 2017, there was a full model change Newly released in 2019, it is equipped with the world's first hybrid system that uses AI. It contributes to reducing environmental load and driver fatigue while maintaining the basic performance of a diesel vehicle



societal problems such as environmental issues and a shortage of drivers in the transportation industry. It is the world's first fixed-route bus to have EDSS as standard equipment, achieving both mass transportation and a high degree of safety.

1980s

1991

e of

Hino becomes a leader in environmental technology

In the 1980s, automakers competed for various technologies. Hino Motors' engineering team reached new heights of success with a proprietary environmental technology, thereby pioneering the subsequent hvbrid era.

1990s

From Hino of Japan to Hino of the World



2001

2005

companies to relocate overseas, Hino Motors



On the occasion of the company's 50th anniversary, Hino revamped its corporate philosophy and logo mark. With the strong yen forcing focused on building a global



2010s

A Member of the A New Challenge as a Tovota Group **Truly Global Company**

Amid tougher global In 2001 Hino Motors became environmental regulations. a wholly owned subsidiary the EV shift accelerated. of Toyota Motor Corporation With the advancement of and assumed responsibility for the Toyota Group's bus and ICT technology, expectations for connected cars and truck business under the HINO autonomous driving grew, and brand. In 2007, overseas sales the automotive industry faced volume exceeded domestic a major turning point the likes sales volume for the first time. of which is seen only once a century.

2018~

Accelerating business innovation to resolve customer and world issues

The medium- to long-term management strategy, Challenge 2025, was announced in October 2018 with the aim of resolving customer and world issues. Hino promote the cultivation of partners with the same intentions keep tackling challenges in new



2020

Toward the Future

1214	1323	1323	1000	1343	1347	1341	1334	1330	1505	1304	1000	1370	1312	1000	1300
Outbreak of World W	Great Kanto Earthquake	Great Depression	Outbreak of World War II	End of the war	Hideki Yukawa receives Nobel Prize in Physics	Enforcement of the Constitution of Japan	1st Tokyo Motor Show	Tokyo Tower opens	Creation of Japan's first super highway, th Meishin Expressway	Tokyo Olympics	Tomei Expressway opens	Osaka Expo	The reversion of Okinawa to Japan	Plaza Accord	Enforcement of the Equations Employment Opportunit Act for Men and Womer



establishment of Hino Heavy Industry Co., Ltd. Photo shows a Hino factory at the

end of World War II.





 Partnership with Renault S. A. Hino Motors formed a technical tieup with Renault and produced the Renault 4CV compact passenger car (1953-1961).



First global expansion Hino's first steps toward global expansion were taken in 1962 when the first overseas distributor. Victory Automobiles Co., Ltd., was created in Thailand, and the first overseas manufacturing company, Hino Motor Sales (THI), was later

established in 1964.



Partnership with Toyota Motor Corporation Hino Motors 1td and Hino Motor Sales, Ltd. (now Toyota Motor Corporation) created a business



Dakar Rally

Hino Motors participated in its first Dakar Rally in 1991. In 1997, it swept 1st, 2nd, and 3rd places, proving to the world that its vehicles' can perform in harsh environments.

2018 marked Hino's 27th consecutive appearance.



Koga Plant

With the aim of building a global production system, Hino Motors reorganized this domestic plant, turning it into its largest and most advanced plant. Koga Plant began full-scale operation in 2017 as the mother plant for medium- and heavy-duty vehicle production.



2016

2018

2019

Partnership with Volkswagen Truck & Bus

Hino Motors reached an agreement with Volkswagen Truck & Bus (now TRATON GROUP) to build a strategic cooperative relationship



Partnering with MONET to expand Maas platform

Hino entered into a capital/business alliance with MONET Technologies. which is jointly owned by Toyota Motor Corporation and Softbank Corp., To realize innovation in mobility, Hino strives for resolving customer and world issues and creating new values.

HINO SUSTAINABILITY

REPORT 2019

——Please tell us about the current environment surrounding business and share a retrospective view of fiscal 2018.

In fiscal 2018, not only did Hino Motors' global sales of trucks and buses exceed 200,000 for the first time, but domestic sales of all trucks and buses surpassed 70,000, also for the first time. It was a banner year that broke 45-year-old records. Consolidated sales also reached a record high, and the Company was able to secure an increase in both sales and profit for two consecutive quarters. This would not have been possible without the trust of our customers, society, and stockholders, and it is the result of the hard work of all our employees. There is a solid sense that Hino Motors is achieving steady growth.

The automotive industry is currently at a crossroads said to occur once every hundred years. Through technological innovation called CASE,* the concept of cars, including trucks and buses, is significantly changing. On the other hand, in Japan, where there is an accelerated aging and shrinking of the population, societal issues are surfacing such as a logistics crisis caused by driver shortages, and a lack of transportation means due to depopulation. It is precisely because these kinds of concerns have become clear that, as a manufacturer specializing in trucks and buses, Hino Motors must tackle these issues with a sense of urgency before the situation becomes truly grave.

Given this backdrop, in October 2018 Hino Motors presented Challenge 2025, specific policies and strategies for customers around the world that establish the year 2025 as a milestone. That year is in a future not that immediate, yet not that far away, and we envision 2025 to be the right time to be able to solve many societal issues if Team Hino can unite to innovate our business structure and bring together our own capabilities, as well as the competencies of others through the cultivation of partners.

In response to the emerging societal issues, Hino

Motors presented four values in Challenge 2025 to offer customers and society. They are "Zero traffic accident casualties" involving Hino vehicles, "Major reductions in CO₂ emissions," "Support the growth of our customers' businesses," and "Enhanced efficiency in transporting goods and logistics." To realize the provision of these four values, we are promoting the Three Directions approach of "Best -fit products incorporating safety and environmental technologies," "Total Support customized for each vehicle," and "New activity areas."

Under the slogan, "Trucks and buses that do more," Hino Motors will lead the way within the Toyota Group and strive to provide these four values.

Aiming to build a new platform for transporting goods and people

——Please talk about specific measures for how the Company will achieve the four values while focusing on increasingly complex societal issues and customers.

As a manufacturer specializing in trucks susceptible to significant damage when an accident occurs, and buses responsible for many lives, we believe that priority should be given to the fourth value of zero traffic accident casualties involving Hino vehicles.

We are accelerating the introduction of newgeneration safety technologies. For example, in August 2018 Hino Motors equipped the large sightseeing coach, the Hino S'elega, with the Emergency Driving Stop System (EDSS). This marked the first time in the world such a system was installed in a commercial vehicle. In addition, it is our general policy to make these kinds of new safety technologies standard equipment, rather than optional equipment. Standardization will save time and costs, and lead to superior safety technologies being offered quickly and extensively throughout the

Regarding major reductions in CO₂ emissions, Hino Environmental Challenge 2050 names the goal of reducing new vehicle CO₂ emissions by 90%. We are aware it is an issue that should be continuously tackled to build a sustainable society, and addressing heavy duty

*The general term for Connected, Autonomous, Shared, Electric



HINO SUSTAINABILITY REPORT 2019



CONTENTS Q SEARCH

trucks that emit a high volume of CO₂ is an especially important key to achieving the 2050 goals.

Hino Motors is moving forward with popularizing hybrid vehicles as a realistic measure to reduce CO₂ emissions for the present. Our latest achievement is the market release in June 2019 of the heavy duty hybrid truck, the Hino Profia Hybrid. It realizes high environmental performance by utilizing AI to estimate the running load in order to carry out optimum hybrid control. In addition, we are collaborating with partners to promote the development of EV and FCV as we work toward the future goal of turning all vehicles Hino sells into electric vehicles.

Moreover, from the perspective of supporting the growth of our customers' businesses, I believe it is necessary to forge closer ties with our customers and ascertain what kind of support we can offer as a manufacturer specializing in trucks and buses. This area is closely related to the fourth value, of further optimizing the transport of goods and people. For instance, considering that the population is clearly declining, there are no plain and simple resolutions to solving the issue of driver shortages at logistics sites that would have immediate results. We must step away from the previous notion that we can simply create good products, and work to resolve customer and societal issues based on comprehensive perspectives.

The wholly owned subsidiary, NEXT Logistics Japan, Ltd., was established in June 2018 with the goal of proposing new forms of logistics, such as high efficiency mass transit, using convoys and road trains, and the achievement of high load rate that extensively utilizes information on drivers, vehicles, and cargo. In December 2019, the long-awaited business was put into motion. Also, NEXT Logistics began demonstration experiments for a new mobility service, undertaking regional public transportation in the fall of 2019, based on agreements with the cities of Komatsu in Ishikawa Prefecture and Mitoyo in Kagawa Prefecture. In the future, the Company will take the initiative to step into areas that in the past cargo owners, transport operators, and regional governments could not enter on their own, and offer various ideas to actively contribute to solving issues faced by customers and society.

Promoting Commercial CASE and digital transformation

—Please tell us about specific initiatives and the future directionality of digital transformation (DX) and the development of Commercial CASE, which are necessary to the provision of new value.

As a manufacturer of commercial vehicles, in addition to the Commercial CASE previously mentioned, DX initiatives are important to the resolution of the series of societal issues being encountered. Against a backdrop that includes logistics optimization and worsening environmental problems, the Commercial CASE that Hino is tackling will undoubtedly lead to resolving customer and societal problems. However, even if CASE technologies progress, they will not lead to the resolution of actual problems, discover potential needs, or solve issues of customers and society—unless the variety of data on transporting goods and people that is scattered within and without the company can be utilized in the true sense. Therefore, DX initiatives are needed. Through DX, we want to build an information platform that gathers and visualizes information from within and without the Company to provide value unique to Hino vehicles that utilize data.

To work toward the provision of this value, we have established the Commercial CASE Promotion Department and DX Promotion Department, and put a system into place that will speedily tackle both the promotion of CASE for commercial vehicles and digitalization. Nevertheless, we are aware that using only our own skills hinders that speed. In addition to further bolstering our alliance with the Toyota Group, in 2018 we moved ahead with strategic partnerships with companies in the same industry, such as the TRATON Group (Germany), and collaboration with companies in entirely different fields. Not only will companies possessing different values working together with a common vision naturally develop the truck and bus business, but it should also increase the likelihood of bringing about achievements that would be impossible

on our own.

We will continue cultivating partners with a strong determination to tackle problems together without limiting ourselves. We will also strive to pursue initiatives and make breakthroughs with a mindset that revels in rising to every kind of challenge.

Aiming to achieve a sustainable society in cooperation with each local area

----As a manufacturer specializing in trucks and buses, how do you think Hino Motors should address societal issues and contribute to the realization of a sustainable society?

Hino Motors is a global corporation that has developed business in over 90 countries and regions around the world. As such, we hope to earnestly face the problems of stakeholders in each local area, and continue to be a presence widely considered necessary to society. To do so, we will continue working on strengthening our management foundation that encompasses corporate governance and compliance, and boost employee motivation in business by promoting diversity and practicing workstyle reform.

Sustainability is equally sought by everyone throughout the world; it is a keyword every company should be aware of. We are a manufacturer of commercial vehicles with a close relationship with society, and our ongoing existence as a company over the next 50 or 100 years is predicated on being able to continue offering value to our customers and society. A broad understanding of that assertion translates into preservation of the global environment and a society everyone can comfortably live in. We will value our close relationships with each country and region so that we can achieve a sustainable society. The joint resolution of problems faced by society and our customers can only be achieved by cooperating with every country and region. Therefore, the immediate issue is developing our human resources so that each and every member of Team Hino throughout the world will be of one mind. Through these concepts and actions, we want to synchronize our steps to accomplish the goals indicated



by the globally common language of SDGs and realize a sustainable society.

There will always be an abundance of issues to face as we strive to achieve a sustainable society. However, the existence of global societal issues gives meaning to the presence of Hino vehicles. We will routinely put ourselves in the shoes of society and our customers, and we will strive to overcome societal issues so that when we look back, much later, we can clearly see how much better our world has become and how much Hino Motors contributed.

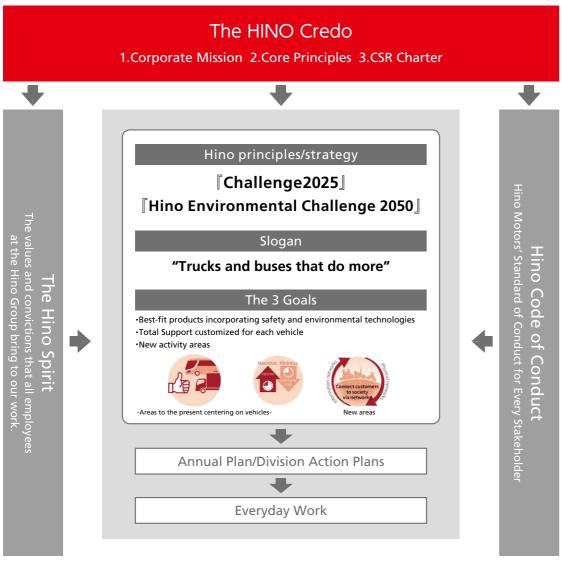
M

The HINO Credo & Course of Action

Creed & Course of Action

The Hino Motors Creed & Course of Action are composed of the HINO Credo, which expresses our stance on contributing to society as a commercial vehicle manufacturer of trucks and buses, the medium- to long-term strategy called "Challenge 2025" and "Hino Environmental Challenge 2050", and the standards of judgment and values for actions that every executive and employee should take.

Based on this Creed & Course of Action, the global "Team Hino" works as one to continue endeavors to achieve "a sustainable world that is prosperous and pleasant to live in" where people and goods move freely, safely, and efficiently with environmental responsibility.











The HINO Credo & Course of Action

1. Corporate Mission

"To make the world a better place live by helping people and goods get where they need to go-safety, economically and with environmental responsibility while focusing on sustainable development."

2. Core Principles

- 1. Earn the world's trust as a global manufacturer of commercial vehicles
- 2. Develop and maintain innovative technologies that enable us to provide customers with useful products and services
- 3. Integrate sustainability, social concern, and a keen awareness of change into our plans for growth
- 4. Respect the diversity of our employees, and build a vibrant corporate culture

3. CSR Charter

To customers

We meet our customers' expectations by providing useful products and services.

To business partners

We build relationships of trust by engaging in open communication, with mutual prosperity as our goal.

To employees

We respect each individual employee, and strive to create a workplace that fosters personal growth.

To shareholders

We work hard to anticipate changes in the business environment in order to improve the Hino Group's corporate value.

To the international and local communities

- We strive to provide products that are safe and environmentally friendly, pursuing a responsible balance with the environment in all of our corporate activities.
- We strive to contribute to local communities in all the regions where we do business.
- · We are devoted to good corporate citizenship, complying with laws and regulations and maintaining high ethical standards.

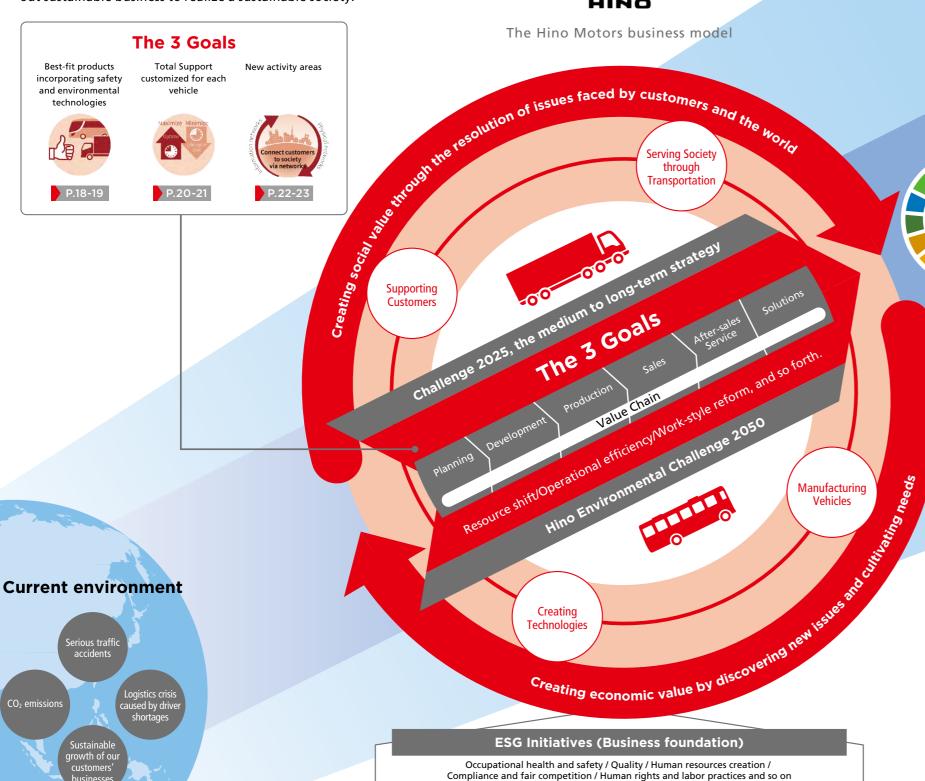
Hino Motors Value Creation

The Hino Motors business model is being developed on the dual pillars of creating social value through the resolution of issues faced by customers and the world and creating economic value by discovering new issues and cultivating needs. In addition, the directionality of our business is established by our environmental strategy called, Hino Environmental Challenge 2050 and Challenge 2025, the medium- to long-term management strategy drawn up based on the Hino Credo. We are striving to carry out sustainable business to realize a sustainable society.



The HINO Credo

To make the world a better place to live by helping people and goods get to where they need to go



Realizing a sustainable world



Creating the vision of Hino Motors through contributing to SDGs

Business

partners

Shareholders



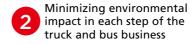
Realizing a society in which people and goods can get to where they need to go safely, reliably and in an optimum manner with environmental responsibility









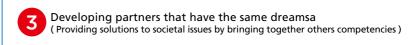














P.30

4 Building a sustainable value chain



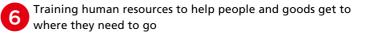


5 Diversity & inclusion













⟨ Realizing a sustainable world ⟩

Challenge 2025, the medium to long-term strategy

The world we want to create and providing Hino value

To realize "a sustainable world that is prosperous and pleasant to live in," Hino has worked together with its customers and society to solve a variety of societal issues. Today, various societal issues are materializing in the transportation of goods and people, such as serious traffic accidents, CO₂ emissions, and labor shortages. Hino is not only using its own resources but also bringing together various competencies by cultivating partnerships to resolve these issues by tackling them head on.

A world where people and goods move freely, safely, and efficiently A sustainable world that is prosperous and pleasant to live in.



A world without traffic accidents, where transport is worry-free and safe A world where the transport of people and goods does not tax the environment

A world where people and goods can move freely and in an optimized way

1. The world we want to create

Hino wants to achieve "a sustainable world that is prosperous and pleasant to live in," where people and goods can move freely and in an optimized way in a society that is worry-free, safe, and earth friendly.

2. Challenges to overcome and providing Hino value

To face the increasingly complex challenges of our customers and the world, we uphold the provision of four values of "zero traffic accident casualties," "major reductions in CO₂ emissions," "support for the growth of our customers' businesses," and "enhanced efficiency in transporting goods and people."

We are working on comprehensive solutions

Challenges to be overcome and providing Hino value



through our Three Directions approach therefore, which is comprised of "best-fit products incorporating safety and environmental technologies," "total support customized for each vehicle," and "new activity areas."

Enhancing our business foundation for sustainable growth

Based on the Three Directions approach of "Trucks and buses that do more," we have established the pillars of "New vehicle business," "Total Support business," and "Solutions business" to enhance Hino's business foundation. We are striving for sustainable growth by steadily strengthening these businesses.

Growth and business structure changes leading up to 2025



1. Further enhancing our business foundation

The number of vehicles sold is steadily increasing each year, and we aim to sell 300,000 new vehicles by 2025, which is approximately 1.6 times more than in FY2017.

Sales are experiencing well-balanced growth in overseas regions in addition to the three mainstays (Japan, ASEAN, the Americas), and we are releasing the best products in a timely manner through "quick" development utilizing thorough optimization.

In manufacturing, we deliver products to our customers in a short production lead time, and are increasing price competitiveness and revenue per vehicle through drastic cost reduction activities that take advantage of alliances.

Our Total Support (number of units in operation) business aims to boost the rate of service visits 50% by 2025 through improvements to maintenance skills and promotion of service visits. This will result in an increase in the number of vehicles making service visits that is approximately 2.5 times greater than now.

Furthermore, to strengthen our bonds with customers, we will continue providing substantial support, including opening customer service centers at all overseas bases. We are striving for a stable business structure through initiatives that include an increase in the sales of new vehicles and an increase in UIO.

Growth scenario



2. Partnerships

There are endeavors Hino has undertaken thus far that would have been difficult to accomplish alone. While focusing on collaboration with the Toyota Group, we are further moving forward with efforts that include a strategic cooperative relationship with the TRATON Group in a range of areas and collaboration with Ashok Leyland, which has a strong hold in developing nations.

Hino has taken the lead in promoting efforts for commercial base CASE* within the Toyota Group to accelerate resolutions to problems for its customers and the world.

Partnerships



Management perspective (FY2025)

Hino is looking to achieve growth in 2025 of 2.5 trillion yen in sales and an operating profit ratio of 10% by providing strong, far-reaching value to its customers and contributing to society. We hope to secure steady revenue and stable returns to stockholders through growth in the solutions business and Total Support business that accompanies an increase in the number of units in operation. Together with boosting this earning power, we will invest in growth for new technology development to further improve corporate value. We will do our utmost so that Hino continues to be a company needed by all stakeholders, including our customers and stockholders.

Corporate Targets

	FY2017		FY2025 targets				
Sales	1.8 trillion yen		2.5 trillion yen				
Operating profit ratio (amount)	4.4% (80 billion yen)		10% (250 billion yen)				
Vehicle sales*	180,000 units		300,000 units				
UIO* (estimate)	About 1.75 million		About 2.70 million				
Service visit rate*	About 30%		About 50%				
Expected number of service visits	About 525,000 units		About 1.35 million units				
Earnings structure	Mainly from new vehicles	Cre	eate a stable earnings structure through UIO + solutions				
*Figures represent global vehicle and service visit rates							
Sustainable growth based on our Three Directions approach Consistent shareholder returns and rise in corporate value							



Challenge 2025

("Envisioning 2025" announced in October 2018)

Cautions regarding forward-looking statements

Challenge 2025, the medium to long-term strategy contains forward-looking statements concerning matters such as the prospects, goals, plans, and strategies of Hino Motors (including consolidated subsidiaries). These forward-looking statements are based on judgements and assumptions grounded on information currently available to the Company. Given the uncertainty inherent in such judgments and assumptions, and potential changes due to future business management and internal/external changes in circumstances, the actual performance or development of the Company in the future may significantly differ.

*CASE: C = connected (connectivity), A = autonomous (autonomous driving), S = shared, and F = electric (electrification)

⟨ Realizing a sustainable world ⟩

The 3 Goals

Hino Motors, in its medium to long-term strategy, "Challenge 2025," describes the plan to address complex challenges based on its Three Directions approach by listing four ways to provide value to customers and society: **1.** Zero traffic accident casualties, **2.** Major reductions in CO₂ emissions, **3.** Support the growth of our customers' businesses, and **4.** Enhanced efficiency in transporting goods and logistics.

This section will focus on the the 3 Goals to introduce specific examples of Hino Motors initiatives, as well as the members of "Team Hino" who are working to provide solutions to issues faced by customers and society.

3 Goals to realize "Challenge2025"

Based on our Three Directions approach, develop comprehensive solutions for the increasingly complex challenges our customers and the world face.

Challenges that we need to solve

CO₂ emissions

Safety Environment Serious traffic accidents

Efficiency

Sustainable growth for our customers' businesses Crises in logistics, such as driver shortages

Challenges that we need to solve

- 1. Zero traffic accident casualties
- 2. Major reductions in CO₂ emissions
- 3. Support the growth of our customers' businesses
- 4. Enhanced efficiency in transporting goods and logistics

The 3 Goals



Best-fit products incorporating safety and environmental technologies



Total Support customized for each vehicle



New activity areas

Three Directions to achieve "Trucks and buses that do more." hat do more."



The **3** Goals

Best-fit products incorporating safety and environmental technologies

The creation of environmental technologies to improve safety technology for making society safer and to curb global warming is a critical issue that must be addressed with a long-term perspective. In the automobile industry Hino Motors is committed to helping solve social problems by enhancing the quality, durability, and reliability of its products. The Company is doing this by improving its safety and environmental technologies and flexibly providing optimal products that meet diverse customer needs in the global market in a timely manner.

Pre-Crash Safety System (PCS)* (/Collision Damage Reduction Brake)

The PCS System utilizes millimeter v and pedestrians ahead and automatically ctivates the brakes to reduce collision damage. Hino is installing this system as ndard equipment on all truck models ge sightseeing buses

* "PCS" is registered trademarks of Toyota Motor Corporation

Specific Initiatives

Safety/Environment

Technologies that are environment friendly and provide safety and peace of mind

Hino Motors is working to sustainably support its customers and society by pursuing technologies that

enhance safety and promote environment preservation. **Environmental technolog**

gradient (First in the world)

Hybrid control that pre-reads the road

Hino Motors has achieved a hybrid system with higher fuel

economy by pre-reading the road gradient, boosting the

vehicle's speed and automatically controlling the engine

Safety technology

Driver monitor

The sensor detects any unusual behavior of the driver, such as looking away from

afety technology

Emergency Driving Stop System (Bus only)

the road or falling asleep. It then emits a When the driver becomes incapacitated and loud buzzer sound to warn the driver, thus cannot maintain control of the vehicle due to sudden illness or other factors, the system automatically stops the vehicle when either the driver or a passenger presses a switch.

Current technologies

afety technolo

Pre-Crash Safety System (PCS)

The system detects vehicles or pedestrians ahead and automatically reduces the vehicle's speed, helping to reduce collision damage.



Nextgeneration technologies

nvironmental technolog

Vehicle electrification

development of electric vehicles such as EV toward 100% electrification by 2050 contributes to the prevention of global warming.

afety technolog

Autonomous driving

The technology assists advanced assisted driving to move, round, and stop into automatic mode and contributes to reduce traffic accidents by human error

afety technolog

Autonomous platooning

The technology adjusts the speed and steer legioned multiple vehicles into automatic mode, promises for the solution to challenges such as driver shortages.



ADAS Development Div

Junior employee Naoto Kota

Currently, my job is to develop safety equipment that detects moving objects to prevent accidents. I've always been interested in the safety and comfort of commercial vehicles, which underpin our day-to-day lives, so I feel this work is very

I want a job that continuously contributes to the safety of society as a whole—that's my dream. Developing safety technologies that reduce and eliminate human error, which is the greatest cause of accidents, is a constant repetition of trial and error day after day, but I hope to grow by learning from my incredible superiors, using my reasoning skills, and working to achieve goals.

Experienced employee

System Development Dept.1,

Assistant Maneger

Shunsuke Hataya

I'm involved in designing advanced safety equipment systems such as automatic braking. My work improving safety technologies is an ongoing, daily pursuit.

To achieve the ultimate goal of "zero accidents" involving Hino vehicles, I especially value listening to the frank opinions of customers who actually use the vehicles. From that point of view, not only does analysis of the causes of accidents move forward, but listening to our customers is also an opportunity to come to unexpected realizations. I hope to thoroughly pass on this kind of know-how to the younger generation and together establish the safety performance standards found only in Hino vehicles.

Safety/Environment

System Development Dept.2,

ADAS Development Div

New releases

Hino Profia Hybrid

Reducing the fuel consumption of heavy-duty trucks has become a major issue. Hino Profia Hybrid is equipped with the World's first hybrid control system to significantly improve fuel consumption by using AI to predict gradients on routes based on 3D map information. In addition, both environmental performance and safety performance are achieved through standard equipment featuring advanced safety technology, such as the Pre-Crash Safety and the Sight Around Monitor System.



Sight Around Monitor System

This system detects moving objects closing in at an angle from ahead, such as at intersections. It sounds an alarm to help drivers check for approaching danger and helps prevent head-on collisions.





Specific Initiatives

Maximizing Vehicle Uptime

Expanding HINO CONNECT, which links vehicles and customers through ICT

Hino Motors provides support so that trucks and buses continue to operate reliably for its customers and can fulfill their needs.

In 2019, the Hino Dutro was added to our lineup, which includes the Hino Profia, Hino Ranger, and Hino Selega.

To prevent the non-operation of customer's vehicles, we have focused on "preventive maintenance," which involves maintaining the vehicle before it breaks down, not fixing it afterwards. We plan to add a feature that offers optimal "preventive maintenance" based on information such as how the vehicle is used and gradually expand the service.

Not only does Hino Motors continue supporting its customers' business by collecting and utilizing vehicle information, but it also contributes to society as a whole through actions such as offering road information during natural disasters.

HINO CONNECT





Detecting safety equipment operation and sending email notifications to customers from Hino



Ability to confirm vehicle location in



Ability to confirm vehicle fuel



When a disaster occurs, providing ITS Japan with information on vehicles to assist in the transport of



United Arab Emirates (U. A. E.)

Overseas subsidiary (Hino Motors Middle East FZE)

Naoto Nakatsuka

Field Service Engineer (FSE)

I train local mechanics in the Middle East and North Africa. When I was a student, I visited a plant in Arkansas in the USA and was drawn by the ability to work around the world, so I joined Hino Motors as a Field Service Engineer (FSE).*

I believe that gaining customer trust requires improving the technical abilities of mechanics, and that forms the foundation of total support. I train mechanics to learn quick and accurate maintenance skills to cultivate mechanics capable of understanding customer needs and conducting maintenance from the customer's point of view. I also hope to further polish my skills and continue to grow at the front lines of service in countries around the world with other mechanics who share the same ambition.

*FSE: Specialists who possess expert knowledge of maintenance, services, etc. and

Mechanic

Mechanic (Al-Futtaim Motors) Kishore Sanjeeva Salian

My mission is to maintain my customers' vehicles in good condition. I feel a great sense of satisfaction being able to help each of my customers with their work and their lives by keeping their vehicles operating.

As a mechanic, I naturally have a sense of ownership and believe in working closely with my colleagues in the ongoing pursuit of providing the best service.

In addition, my dream is to pass on my experiences and the best technologies to the children who will lead the next generation in order to help achieve a prosperous and comfortable future.

More information about FSE

Improve customers' awareness and skills for safe and fuel-saving driving

Hino Total Support Customer Center initiatives (Malaysia)

Since opening in 2015, the center has been offering support for daily inspections of customer vehicles, driver training on driving aptitude and vehicle characteristics, and fuel-efficient driving instruction. With cooperation from Yamato Transport (Malaysia) Sdn. Bhd., Hino Motors began offering a new program in April 2019 for safe driving based on the customer perspective. The Company is focusing on total support that maximizes the operation time of customer vehicles and minimizes life cycle costs.



Minimizing vehicle life cycle costs

MOBILOTS Corporation launches

The way commercial vehicles are being used is shifting from the previous approach of "ownership" to "utilization," and customer demand for financial services is growing. To meet this demand, MOBILOTS established by three companies: Hino Motors, Toyota Finance Co., Ltd., and Sumitomo Mitsui Auto Service Co., Ltd. helps to minimize the life cycle costs of customer' commercial truck

/ bus vehicles vehicles by offering vehicle leases and installment plans, as well as services that include vehicle management and maintenance.



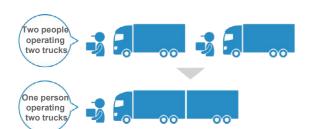


Specific Initiatives

New Forms of Logistics

NEXT Logistics Japan, Ltd. Initiatives

To resolve societal issues such as driver shortages and CO₂ reduction, NEXT Logistics is striving to optimize logistics with the duel approach of utilizing 25-meter, full trailers for transporting large volumes of freight more efficiently (1 person transports 2 trucks worth of cargo) and "transporting more freight on a single truck (20% increase of loading rate). The company will continue developing initiatives to fulfill the mission of keeping logistics flowing.



Transporting large volumes of freight more efficiently

can be shipped with a single driver operating two trucks.



Transporting more freight on a single truck

• Freight that previously required two drivers and two trucks • Loading rate is improved by using vehicle information, such as available cargo space that is recognized using volume sensors and load sensors



The Power That Sustains Hino Motors

Commercial CASE Promotion DIV

Junior employee

Experienced employee

Technical Strategy Group, Commercial CASE Promotion DIV

Yasushi Kawada

I've been fascinated by trucks and buses that support our lives from behind the scenes since before I joined Hino Motors. Today, I'm involved in solving onsite problems from the perspective of a commercial vehicle manufacturer that provides waste collection vehicles. I especially feel a great sense of satisfaction when discovering problems that wouldn't have been recognized without going to the worksite. In addition to thinking from the perspective of the onsite workers, I soak up a variety of knowledge. I keenly feel that I can gain customer trust by becoming "more of a professional than the onsite professionals." Worksites are constantly facing challenges. Going forward, I'd like to be able to solve onsite problems based on an even broader range of perspectives and be a presence that steadily supports customer business from behind the scenes.

Value unique to Hino Motors is produced by discovering and proposing solutions to potential worksite problems with transporting goods and people, such as risks and waste/ inconsistency at work.

Based on the motto "the worksite comes first," we work to solve problems onsite to quickly offer value. I believe an approach that listens firsthand to customer opinions and carefully responds to each and every issue should be passed on to the younger generation.

This department has been established for less than a year, but we will continue working onsite to cultivate professionals whose strength is onsite skills in order to gain even greater trust both in and outside of the Company.

CASE • MaaS

Connected Group,

Commercial CASE Promotion DIV

Naoyuki Kawata

Offering value through new solutions

Hino Motors is developing Commercial CASE (Connected, Autonomous, Shared, Electric) with the aim of continuing to engage with vehicles, even after they have been introduced into world markets, to bring smiles to every person involved with vehicles.

The Company entered into an agreement with the cities of Komatsu in Ishikawa Prefecture and Mitoyo in Kagawa Prefecture in 2019 and began demonstration experiments for a new mobility service using regional public transportation.

To provide "trucks and buses that do more" for customers, Hino Motors will continue identifying and improving issues onsite to assist customers and society through Commercial CASE.







The term "CASE," coined by Daimler, embodies the direction of strategy implementation, "automotive manufacturers transform into mobility service providers



Signing an agreement with the city of Komatsu



"Signing an agreement with the city of Mitoyo"

HINO SUSTAINABILITY REPORT 2019