



Integrated Report **2023**

Hino Motors, Ltd.

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Hino Motors, Ltd.

The HINO Way

The HINO Way reflects our return to our origins in terms of contributions to customers and society and summarizes the values and vision that each one of us should hold dear.

With this HINO Way in our hearts, we pledge to cultivate a work culture that prizes mutual respect and empathy, as we provide our uniquely Hino value to customers and society.



Corporate Mission

We make a better world and future by helping people and goods get where they need to go.

The values incorporated into the HINO Way



CONTENTS

Chapter 1 Hino's value creation

- 05 Message from the President
- 11 How the HINO Way was formulated
- 13 The path to value creation
- 15 Business and features
- 17 Value creation process

Chapter 2 Business policy

- 21 Materiality
- 23 "Ideal State" of Hino

Chapter 3 Engine certification issues and the "Three Reforms"

- 31 Summary of the engine certification issues in Japan
- 33 The "Three Reforms"
 - Promoting the "Three Reforms" to prevent future misconduct
 - 1 Management reforms to emphasize "respect for all Hino staff" and "promote working in the right way"
 - 2 Organizational culture reform with "respect for all Hino staff" as a core value
 - 3 Structural reforms for a new "Hino vehicle manufacturing"

Chapter 4 Sustainability

- 47 HINO Sustainability Policy
- 48 Basis for corporate activities
 - Compliance / Safety and quality of our products and services / Environmental management / Respect for human rights / Fair transactions and responsible purchasing activities / Disclosure and dialogue with stakeholders
- 65 Working environment and corporate culture
 - Working environment and corporate culture to respect employees
- 73 Providing value for a sustainable society
 - Contribution for a sustainable society through our business / Engagement in community and contribution to its development / Relationships of trust with customers
- 77 Crisis management and role of senior management
 - Thorough crisis management / Role and approach of senior management
- 85 A dialogue among newly appointed directors
- 87 Members of the Board

Chapter 5 Data

- 91 10-year financial summary
- 93 Financial/non-financial highlights
- 96 Company information / Stock information
- 97 Subsidiaries and affiliates

Editorial policy

In FY2023, the Hino Group published its first Integrated Report. To enhance communication with shareholders, investors, and other stakeholders, this report provides information on the Group's approach, systems, and initiatives for long-term value creation. With a view to regaining trust, it also discloses information on the progress of reforms with regard to the engine certification issues.

Scope of reporting

Scope

Includes reporting on domestic and overseas Group companies with a focus on Hino Motors, Ltd.

Period

April 1, 2022 to March 31, 2023 serving as the basis of the report, some content outside of the reporting period is also contained in the report.

Date of issue

March 2024

Notes on forecasts

Forecasts listed in this Report are based on information currently available to Hino and certain assumptions that Hino deems reasonable. They do not constitute an assurance that these forecasts will be met.

Planning and editing

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Through this Report and dialogue with its stakeholders, Hino is aiming to help realize a sustainable society. For this purpose, we welcome your candid comments and opinions.



Hino's value creation

- 05 Message from the President
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Message from the President


Satoshi Ogiso

President & CEO, Member of the Board of Directors



Positioning the HINO Way as the foundation of everything we do, we work together with our employees to create new value that meets the expectations of our customers.

Our purpose of existence and mission

Continuing to provide new value with our customers as our starting point

For the 80 years since the founding of our Company, we at the Hino Group have supported the movement of people and goods as a commercial vehicle manufacturer (principally trucks and buses), contributing to the growth of society in eras such as Japan's postwar reconstruction period and the period of rapid economic growth. The Hino Group has adopted "We make a better world and future by helping people and goods get where they need to go" as our mission, which has remained unchanged since our founding, and, I believe, this is what gives us purpose of existence.

Conversely, there are of course things that we should change, in step with the times and social changes. The automobile industry is now in the midst of a once-in-a-century period of dramatic change, prompted by a technological innovation known as CASE*. I recognize that in order to continue to fulfill our mission under these circumstances, we must contribute to the realization of a sustainable society by creating safer, more environmentally friendly products and services that are useful to our customers and offering new value.

Moreover, in order for us to contribute to the sustainability of society through our business, we ourselves must also become a sustainable entity. Furthermore, the precondition for this is to establish a business structure that will enable us to secure revenues and to value the employees who support it. As I have been involved in the research and development frontline for many years as an engineer, such experience has taught me that the customer is the starting point of all value creation. Companies can only survive if they continue to provide value to customers, and if customers see them as necessary. The existence of the Hino Group today can only be attributed to the fact that since our founding, customers have chosen us because of our response to their needs and demands.

* CASE: Connected, Autonomous/Automated, Shared, and Electric

Message from the President

Formulating the HINO Way

Formulating the HINO Way as a foundation for all of our activities

In response to the dramatic changes in the environment surrounding our business, Hino revised our corporate philosophy in the form of the HINO Way in June 2022. The primary goal behind this was to return to our starting point of having every employee in the Hino Group be "beneficial to both individual customers and society," and to share the values and aspirations that are important to us. Our previous corporate philosophy was formulated in 2007, but as we updated it in response to changes in the environment that followed thereafter, certain parts became complex and difficult to understand at first glance. Additionally, during this time, incidents of misconduct had been discovered during our type certification process. These factors prompted us to revise our corporate philosophy with the idea of restating our stance in the capacity of a company with respect to society at large while making the new philosophy the cornerstone based on which each officer and employee makes judgments and act.

Broadly speaking, the HINO Way is comprised of three elements: the HINO Credo, the HINO Sustainability Policy, and the HINO Code of Conduct. Of course, these three are all closely related, but from my experience, presenting our philosophy and policy in a disjointed and disparate manner makes the elements difficult for our employees to understand and obscures the mutual connections between them. In bringing them all under the umbrella of the HINO Way, we sought to make them easy for people both inside and outside the Company to understand.

The Corporate Mission that is part of the HINO Credo contains the statement, "We make a better world and future by helping people and goods get where they need to go," as described above. This outlook is what we will continue to strive for, and we have not changed the wording.

Conversely, we revised the HINO Credo when employees at junior and middle-level positions of the Hino Group in Japan and abroad launched a project in which they were asked to engage in honest and open discussion from a broad range of perspectives, deliberating on what would be important to the Hino of the future. This is because we believe that having decisions on philosophies and codes made solely by the management or outside experts—those at a distance from the employees who are the intended recipients—would make their dissemination difficult.

We revised the previous content of the HINO Sustainability Policy and HINO Code of Conduct in anticipation of having each employee actually put them into practice in the workplace. The HINO Sustainability Policy, in particular, added a new item: "Working Environment and Corporate Culture to Respect Employees," clarifying the intent of Hino's management to respect employees and elicit opinions from the frontlines.

Furthermore, in the HINO Way, we have defined three new shared values: Integrity, Contribution, and Empathy. These are all issues that came to light in the course of the discussions regarding the project described above. In particular, moving beyond mere compliance or an observance of laws and regulations, the choice of "Integrity" as the value that is linked to the basic premise of our business activities, over and above simple compliance or observance of the law, is a reflection of my own feelings on the matter.

Going forward, under the HINO Way, we will actively endeavor to pursue improvements to our organizational and work culture and cultivate leaders who are able to act autonomously, with the goal of putting sustainability-oriented management into place. In order to do this, first, it is important for each company in the Hino Group to disseminate the HINO Way; however, the Group consists of many organizations and divisions, making this a difficult task. I hope that the management, including me, intends to listen to the opinions of employees as we steadily strive to disseminate the HINO Way and nurture a new corporate culture.

Implementing the "Three Reforms"

Strengthening our management base by implementing the "Three Reforms"

As was announced in March 2022, for a span of approximately 20 years, Hino was in violation of the relevant laws and regulations in Japan regarding the type certification process required for the release of our trucks and buses to the Japanese market. During that time, we also made false reports to the Ministry of Land, Infrastructure, Transport and Tourism. Being in a position involved with the infrastructure of society, the fact that Hino had engaged in misconduct of this nature is an extremely serious problem that brings our existence as a company into question, and thus, I would like to take this opportunity to once again apologize to our customers and all other stakeholders for abusing their trust.

The major reason for such misconduct can be attributed to our management not fully understanding or appreciating the situation at the frontline and losing sight of the importance of complying with laws and regulations and our approach to vehicle manufacturing, and prioritizing quantitative growth in revenue and sales and vehicle production. In that sense, I believe that a great deal of responsibility lies with the management.

To prevent this kind of misconduct in the future, on October 7, 2022, Hino responded to a correction order issued by the Ministry of Land, Infrastructure, Transport and Tourism, stating that it would work to promote the "Three Reforms" throughout the Company, applying these in its management, corporate culture, and vehicle manufacturing. These reforms are also founded on the HINO Way, and we are working steadfastly to promote each reform in order to put the values of "Integrity," "Contribution," and "Empathy" set forth therein into tangible action.

Our "management reforms to emphasize 'respect for all Hino staff' and 'promote working in the right way'" are a return to the principles on which we were founded. The management always maintains a focus on demonstrating respect for frontline workers and building relationships, and creates more opportunities to listen to the opinions of our employees. Hino's "organizational culture reform with 'respect for all Hino staff' as a core value" is promoting the transformation to an organizational structure that allows employees to overcome barriers between divisions to share objectives so that they can think and act together as they strive to foster an entrenched awareness of our customers' views. Moreover, our "structural reforms for a new 'Hino vehicle manufacturing'" redefined the role of chief engineers who are the center of the organization, clarifying their task of leading cross-organization project teams, and renamed them Product Owners.

Approximately one year has passed since we launched the "Three Reforms." While we are developing new systems and reforms to product development processes, thus enabling the structure itself to progressively deal with such issues in a steady way, once reforms to our organizational culture are taken into consideration, we do not think it would be possible to achieve any of development of such reforms overnight. Recently, however, more employees have been telling us that we have more reforms to make, and more of them are willing to raise their hands and take on the mantle of leading the change. Outside parties have also offered harsh but well-meaning advice. Hino management takes these opinions seriously and is working with our employees to move ahead with reform, one step at a time.

Continue contributing to our customers and society

Working to be more useful to our customers with a view to addressing worsening social issues

Today, the social issues surrounding the movement of people and goods are becoming increasingly difficult and complex, with problems including serious traffic accidents, climate change caused by the emission of greenhouse gases such as CO₂, and labor shortages brought on by declining birth rates and aging population, and thereby the environment in which our customers find themselves continues to change. In order for us to continue to be of service to society and our customers, we must assimilate our respective customers' perspective as we continuously consider how we can contribute to the growth of their

Message from the President

businesses, and work to create new value. We will continue to offer the values that our customers want in line with the changing times, for example, through the preventative maintenance and provision of vehicle information by using connected technologies, improvement of the efficiency of mainline transportation, support for the introduction of electric vehicles for commercial use, and energy management.

These factors led us to create our vision for the "Ideal State" of Hino, which we announced in April 2023. In our commercial vehicle business, we believe that the quality we provide in our Total Support initiative—which includes the quality of the products involved with our product and service planning, design, and production, as well as after-sales maintenance and service, and proposals for improving the value of our customers' businesses—is extremely important. By combining the Product Quality and Total Support Quality that we have built up through our business activities thus far, and further improving the resulting Overall Quality, we will deepen and extend our connections with our customers and offer comprehensive support for their businesses.

Furthermore, we have identified the materialities (key issues) that we must focus on if we are to bring our desired ideal state to reality by examining what social issues we should address. In order to achieve ongoing growth, we will continue to contribute to the realization of a sustainable society by allocating our management resources in an appropriate manner to address materialities, without compromising on our basic stance that everything starts with the customer.

Toward merged management

A prosperous society achieved together with people who have the same aspirations

As was announced in May 2023, Hino has concluded an MoU with Mitsubishi Fuso Truck and Bus Corporation (MFTBC), our parent company Toyota Motor Corporation, and MFTBC's parent company Daimler Truck Holding AG. In the near future, Hino and MFTBC intend to merge their management on an equal footing, collaborating in the areas of development, procurement, and production of commercial vehicles in order to become a globally competitive Japanese manufacturer of these commercial vehicles.

All four companies are now engaged in the discussions and evaluations needed to realize the collaboration among four companies and the merger of two companies.

The corporate philosophies of all four companies share our desire to support mobility and contribute to society, and bring about a prosperous and comfortable world and future. Additionally, although the heavy-duty buses and trucks that are the primary businesses of Hino and MFTBC support the infrastructure of society, as an industry, we are faced with many issues at a time when there is a global demand to become carbon neutral and make logistics more efficient. Solving these issues will require a great deal of investment in technology development and other management resources, and it will be difficult for individual companies to deal with these issues on their own. In light of this business environment, we are extremely hopeful of the possibilities offered by this collaboration, which will allow us to join forces with considerably powerful allies. We intend to use the opportunities that this will afford us to develop new technologies and solutions to address social issues, improve our operational efficiency on a range of fronts such as procurement and production, and enhance our competitiveness. We will also protect the foundations of the automobile industry in the Japanese and Asian markets, contributing to stakeholders such as our customers, and to the Japanese automobile industry itself.

A message to our stakeholders

Sharing awareness with all employees, and strengthening sustainability

As I mentioned initially, I believe that the starting point for value creation by a business should be the customer. Our very existence depends on being able to have our customers say, "It's so great that Hino was



there for us." No matter how safe, environmentally friendly, or convenient the products and services we offer are, they create no value for society if our customers do not like them and use them in their businesses.

I myself felt this keenly when I was an engineer involved in the development of environmentally friendly vehicles. Although a product may be highly environmentally friendly, it cannot contribute to the reduction of global CO₂ unless they make inroads into society. Our customers are conducting their businesses in circumstances that are now experiencing dramatic change. We can continue to survive if we meet the issues our customers are facing head-on and seek to create products and services that contribute to the growth and development of their businesses.

It goes without saying that people are the most important management resource when it comes to keeping up with such activities. In that sense, we recognize that the paramount mission of the top management is to create an organization and culture that fosters the development of human resources who will be responsible for future business. The times of the management handing down edicts from above, supervisors issuing commands to their subordinates, and all employees merely having to follow the path laid out for them is part of a bygone era. What is required of the Hino Group now is an open working environment where everyone can say what they think and are able to stand up against the constantly changing circumstances at the frontline, and human resources who can think for themselves, find answers, and act on their thoughts.

The growth in quality that we aim to achieve through the "Three Reforms" refers to the creation of a culture that nurtures our human resources to have such autonomy and of an organizational environment that prioritizes the growth of personnel, as well as the fostering of a new organizational culture and the development of human resources. At the same time, it signifies an improvement in employee engagement, including at affiliate companies, and implies an enhancement of our sustainability as a business.

However, we cannot achieve anything significant as an organization if we are all working piecemeal. What binds us together is the HINO Way.

Hino will return to its starting point, seeking once again to be a company that contributes to a sustainable future by supporting the movement of people and goods, and a company that our customers say they need. Moreover, we will strive to win back the trust of our stakeholders once again, as soon as possible.

小木曾 聡

Satoshi Ogiso

President & CEO, Member of the Board of Directors

How the HINO Way was formulated

Pursuing an easy-to-understand philosophy system in order to contribute to customers and society

—Formulating the HINO Way as a cornerstone for our decisions and actions—

In FY2022, seeking to unite everyone in the Hino Group with the same sense of commitment and ensure that we all work together as one group, we formulated the HINO Way, which is comprised of the HINO Credo, the HINO Sustainability Policy, and the HINO Code of Conduct. Here, we introduce the motivations behind this formulation and the steps that have been taken to complete it.

Seeking to be a company that contributes to solving the issues faced by society and our customers

Recently, amidst the rapid environmental change surrounding the movement of people and goods, the value that the Hino Group should offer have also changed dramatically. Accordingly, in FY2021, the Hino Group decided to move away from its conventional hardware-centric approach and update its philosophy to become a company that is able to confront the issues faced by society and our customers, thus helping to solve them.

Moreover, the Hino Group's previous philosophy, which was formulated in FY2007, became an issue for being complex and difficult to understand, and the activity policies therein were outdated. That prompted us to begin examining the HINO Way as we sought to create a readily comprehensible system that each and every employee would be able to leverage in their daily activities. A team was formed specifically to carry out the examination of the HINO Credo, while relevant departments took the lead in formulating the HINO Sustainability Policy and the HINO Code of Conduct.

Thoughts of the team members who formulated the HINO Credo

Respecting others and engaging in ongoing dialogues leads to good ideas

Takeo Shibano,
Change Implementation Department

We believed that the Core Principles we formulated would lead to the creation of our corporate culture, which prompted us to engage in repeated and careful dialogues with our team members, while respecting the ideas and opinions of each individual. I think that in the very process of consolidating different opinions, we were able to embody the phrase, "mutual respect," which can be found in our Core Principles. After formulating the Credo, we visited a variety of workplaces where we engaged in activities to communicate the ideas contained in the HINO Way and promote its dissemination. After six months have passed, activities have begun in each workplace, and we feel that the Company is changing for the better. Looking to the future, we intend to continue to carry out these activities without stopping, and have the HINO Way take root as the culture of the Hino Group.

We have completed clear, easy-to-understand Core Principles that will serve as a foundation for our actions

Irwan Supriyono
PT Hino Motors Sales Indonesia

I am honored and proud to have been chosen to be a member of the global team that formulated Hino's Core Principles. I believe that we were able to create a very clear and easy-to-understand credo that will serve as the foundation for the actions of everyone in the Hino Group. Additionally, participating in this team has given me broad-reaching insights into matters such as integrity and legal compliance. At PT Hino Motors Sales Indonesia, we held training and seminars for all employees in FY2022, and in FY2023, we are promoting the dissemination of the HINO Way through measures such as poster displays throughout the Company.

The HINO Credo created by members from diverse backgrounds

Choosing the team members to examine Hino's Core Principles was one of the most difficult parts of launching the project. Some questioned the wisdom of merely leaving decisions to certain divisions, or to the management, while others wondered what it would take to create a philosophy that would be easy for a broad demographic of employees to understand; after taking many different points of view into account, we created a team with a core membership of junior and middle-level positioned employees, with employees and management from the Hino Group around the globe also participating, including those from our offices in the United States and Canada, Thailand, and Indonesia.

From the Corporate Mission and Core Principles that make up the HINO Credo, it was decided that the Corporate Mission, "We make a better world and future by helping people and goods get where they need to go," would remain unchanged, and thus, the focus was on revising the Core Principles. For approximately six months, members of the team from diverse

backgrounds engaged in an honest exchange of opinions, defining what they hold dear about Hino, what would constitute the foundation for these activities, and what they would like Hino to become as part of their aspirations. From there, they moved to in-depth discussions from the standpoints of what the basic premise should be, what kind of value we should provide, and what kind of workplace we should aspire to have in terms of creating a corporate culture that supports the above, and in doing so, summarized these debates into four policies.

This structure and process allowed us to complete the HINO Credo, a document which is both simple and global enough to be readily understood by any member of the Hino Group.

The HINO Sustainability Policy as the Company's declaration and the HINO Code of Conduct reaching every employee

The HINO Sustainability Policy was formulated with reference to global guidelines and other initiatives, with 12 themes that are essential to the realization of a sustainable society being chosen.

Since the HINO Code of Conduct is a standard for the actions of each employee on a day-to-day basis, we revised its structure and content to make it simpler and easier to understand and to ensure that compliance is the foundation on which we base all of our business activities. Additionally, we have included three questions related to "working in the right way" at the beginning of the Code. For instance, one question is, "Would your family be proud of the action, inaction, judgment, or decision you are about to make in your work?" It is our hope that when employees think of the people who are important to them, they will reevaluate their own decisions and behavior, and will stop themselves if they

feel inclined to lie or falsify something. Measures such as these are intended to make this a more efficient code.

Three values that came to light in the examination process

As we examined the HINO Credo, HINO Sustainability Policy, and HINO Code of Conduct, we worked on them to ensure that they would be disseminated in a more readily comprehensible manner.




The members of the special team discussed words and phrases that would express the commonalities among the Credo, Policy, and Code, finally settling on a summary thereof, i.e., "Integrity," "Contribution" and "Empathy." These were chosen as the values that permeate the HINO Way.

Accelerating dissemination and speeding up evolution

After formulating the HINO Way, we have been working to incorporate into the management through measures such as an examination of the missions and objectives of each division based on the HINO Way throughout the course of division manager training. We are also expanding interactive communication such as discussion meetings in each workplace to put the HINO Way into practice. Additionally, we are promoting a variety of other measures to encourage dissemination of the HINO Way, centered around the members who formulated the HINO Credo.

Going forward, we will continue to work toward disseminating the HINO Way throughout the Group as we endeavor to become a company that solves the issues faced by both our customers and society, and which is needed by both.

The three values that permeate the HINO Way

	The cornerstone The HINO Credo	Our declaration / Operating policy HINO Sustainability Policy	Specific actions to aim for HINO Code of Conduct
Basic premise 	We are committed to acting with integrity and in a compliant manner.	Basis for corporate activities	Comply with Laws, Regulations, and Standards (What each of us should observe)
Provision of value 	We support the society of the future by committing to safety and environmental sustainability. We support the businesses of our customers by committing to quality and professionalism.	Providing value for a sustainable society	Contribution to Our Customers and Society (A code of conduct for each of us)
Corporate culture 	We respect diversity and inclusion, and build a safe working environment.	Working environment and corporate culture	Creation of a Healthy Workplace (A code of conduct for each of us)
		Crisis management and role of senior management	Reporting and Consultation, Responsibilities of Managers and Supervisors

The path to value creation

Since successfully test-producing Japan's first 100% domestically designed and manufactured truck in 1917, the Hino Group has responded to society's needs for mass transportation and supported Japan's postwar recovery and rapid economic growth. Beginning in the 1980s, we launched initiatives to protect the global environment and began offering our customers support for their business on a full-scale basis. In recent years, we are utilizing cutting-edge technologies to address the issues that society and customers face regarding the movement of goods and people.



1910–
Responded to the mass transport needs of society

1910
Tokyo Gas Industry Co., Ltd. was established
Founded as a manufacturer of components for gas appliances.

1917
Succeeded in producing prototypes of trucks that were made entirely in Japan

1919
Completed a new plant located in Omori, Tokyo
Began mass manufacturing the first trucks that were entirely made in Japan

1942
Spun off as Hino Heavy Industry Co., Ltd.

1946
Released heavy-duty trailer trucks to support logistics
Worked as the mainstay in logistics in place of the railroad network, which had not made a complete postwar recovery.

1947
Released Japan's first trailer buses
Released trailer buses, having a capacity approximately twice that of previous buses as a mass transportation (vehicles) to be used in place of the railroad network.

1958
Released Japan's first front-wheel two-axis trucks
Released Japan's first 10-ton front-wheel two-axis cab-over-engine trucks, anticipating that trucks would replace rail as the mainstay of logistics.

1971
Started the "Service Skills Competition" among service staff of sales companies that were distributors supporting Hino

1974
Hino Motors (Europe) was established
Released the world's first four-axis low-floor heavy-duty trucks
Amid the expansion of truck transportation, in order to respond to customer demand for increased loading capacity, Hino released a four-axis vehicle to address the problem of the insufficient load capacity afforded by small-diameter tires.

1980–1981
Released heavy- and medium-duty trucks with improved fuel economy
We improved fuel economy by introducing a more aerodynamic design for medium-duty trucks, and the world's first downsized engines and electronic control for heavy-duty trucks.

1982
PT. Hino Motors Manufacturing Indonesia was established

1991
Released the world's first diesel-electric hybrid buses
In response to worsening air pollution, we developed hybrid vehicles equipped with both a diesel engine and an electric motor, aiming to promote the use of vehicles that do not emit black smoke. Released the world's first hybrid vehicle (a heavy-duty route bus).

1993
Formulated the HINO Global Environment Charter
Stated our basic stance on protecting the global environment.

2005
Provided instruction on safety and fuel-efficient driving
Opened the Customer Technical Center
Established the Customer Technical Center, which is a facility offering everything from explanations in lectures and exhibits on Hino trucks and buses to practical hands-on driving practice. This facility was the first of its kind offered by a vehicle manufacturer.

2006
Released a compact light-duty low-floor bus, the HINO Poncho
Released in response to the increasing needs for low-floor buses made in Japan.

2007–2009
A series of launches into the global market
• Operations commenced at the West Virginia Plant in USA
• Established a sales company, which was the first entry into Russian market
• Operations commenced at the Colombia Plant
• GAC Hino Motors Co., Ltd., a joint venture company, began production of trucks in China
• Truck production commenced in at the Mexico Plant
• Production of light-duty trucks commenced in Indonesia

2012
HINO Poncho EV, a compact light-duty electric bus, began operations

2017
Formulated the HINO Environmental Challenge 2050
Launched initiatives to address six long-term environmental goals in order to achieve a sustainable society.

2018
Newly established Next Logistics Japan Co., Ltd., with the aim of maximizing logistical efficiency and realizing safe and secure logistics.
Corporate website for Next Logistics Japan Co., Ltd.

2019
Japan's first articulated bus
Released the HINO BLUE RIBBON Hybrid articulated bus, a heavy-duty route bus

2020
Toyota and Hino jointly developed heavy-duty fuel cell trucks
Since we believed that it was essential to make significant improvements in the environmental performance of heavy-duty trucks, which accounted for approximately 60% of the total CO₂ emissions from commercial vehicles in Japan, we accelerated efforts toward the realization of a hydrogen society.

2021
Newly established Cube-Linx Co., Ltd., a company that offers proposals for energy management in electric vehicles
Established with the aim of creating new business opportunities in the transportation industry through electrification of commercial vehicles, and to achieve ongoing development in the transportation business.
Corporate website for Cube-Linx Co., Ltd.

2022
Announced the "HINO Way," a new corporate philosophy
P.11 How the HINO Way was formulated

2023
Began provision of "HINO CONNECT-Maintenance Support," which combines preventive maintenance with maintenance contracts using the connected technology



TGE-A type truck



10-ton TC10 truck



SUPER DOLPHIN



1st nationwide dealer service skills competition



BLUE RIBBON HIMR



T10 and 20 type trailer trucks



Hino KS300



The Customer Technical Center



HINO S'ELEGA



HINO PROFIA Z FCV, a heavy-duty truck



Heavy-duty route bus HINO BLUE RIBBON Hybrid articulated bus

Business and features

The Hino Group focuses on providing trucks and buses pursuing safety, environmental friendliness, and comfort, and is developing its businesses in light of the Corporate Mission: "We make a better world and future by helping people and goods get where they need to go." We have built a system that integrates everything from research and development to production, sales, service, and support, in a globally expanding network.

At a glance

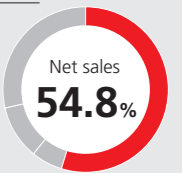


*Consolidated subsidiaries only
 Note: Figures are all results for FY2022

Business

Trucks and buses

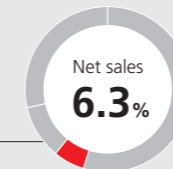
In the domain of transport of people and goods, we are expanding in Japan and overseas to offer products with excellent quality, durability, and reliability, while pursuing safety, environmental friendliness, and comfort, as we work to solve the issues faced by our customers and by society.



HINO S'ELEGA, a heavy-duty tourist bus

HINO PROFIA Hybrid, a heavy-duty truck

Toyota brand vehicles

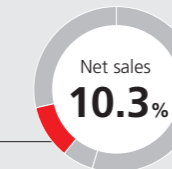


We manufacture TOYOTA brand vehicles on consignment.



Dyna

Vehicle parts

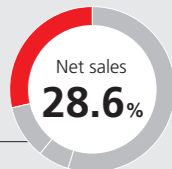


In order to provide a comprehensive level of after-sales service, we supply the vehicle parts needed for proper servicing and maintenance. We leverage our nationwide network of sales locations to provide rapid delivery of reliable, high-quality parts.



Hino Global Logistics

Others



In addition to providing after-sales service to support our customers in operating their vehicles, as well as a range of solution services, we also sell industrial diesel engines.



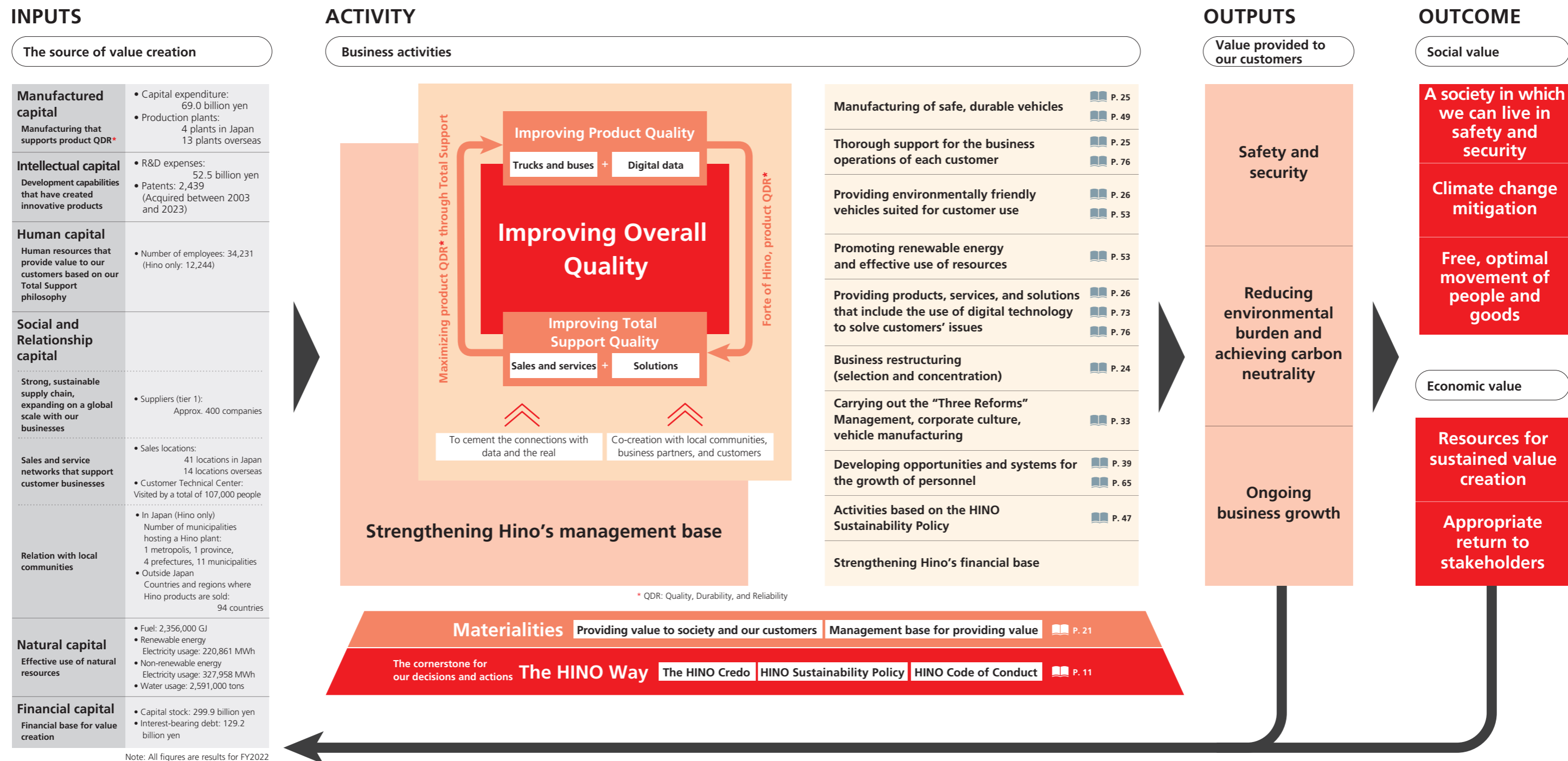
Mechanic staff at a dealership

Value creation process

We improve corporate value and achieve a sustainable society by providing solutions to the issues faced by society and our customers through our business

The Hino Group will work to further enhance the "Overall Quality" that is one of its strengths, and to improve our management base, while continuing to provide value to society and our customers, thus enhancing sustainable corporate value.

The HINO Credo Corporate Mission We make a better world and future by helping people and goods get where they need to go.



2

Business policy

- 21 Materiality
- 23 "Ideal State" of Hino

Materiality

Defining key issues to address

In December 2023, Hino identified eight materialities (key issues) required to achieve the Group's mission, "We make a better world and future by helping people and goods get where they need to go." Through initiatives to address these materialities, we hope to contribute to the realization of a sustainable society while achieving sustainable growth and improving our corporate value.

Background to identifying materialities

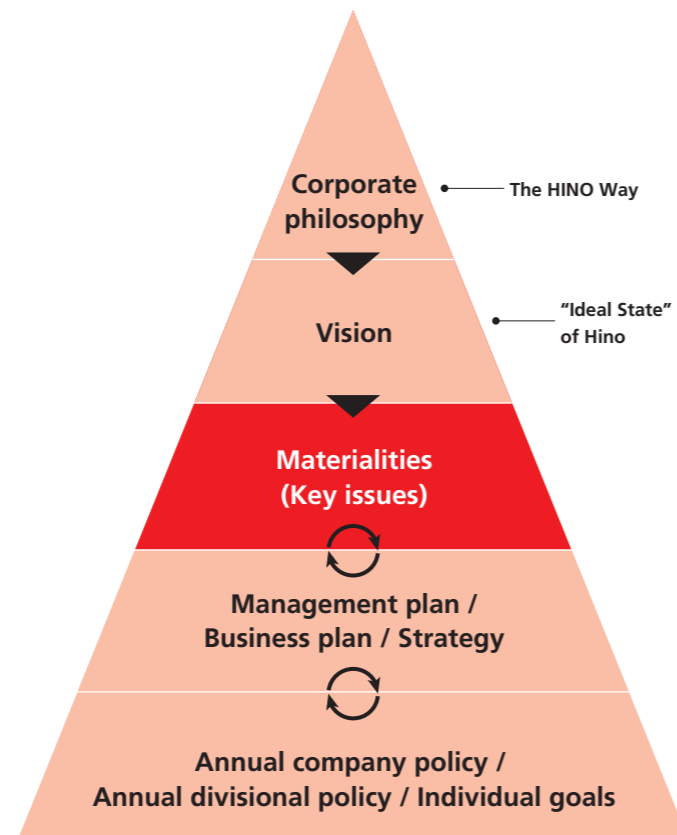
Working from our mission, "We make a better world and future by helping people and goods get where they need to go," we have confronted the issues faced by society and customers through the trucks and buses that are the social infrastructure supporting the movement of people and goods. We took the engine certification issues with sincerity and announced the "Ideal State" of Hino, and our management vision for Hino's aspirations beyond the restoration of trust in April 2023 in order to continue to fulfill our Corporate Mission. Thereafter, in December 2023, we identified the social issues that Hino must address in order to contribute to realizing a prosperous, pleasant, sustainable society. Of these, we identified eight issues that we deem to be particularly important as our materialities.

P. 23 "Ideal State" of Hino

Management approach and the positioning of materialities

The diagram at right shows Hino's management approach. We think that materialities are key to achieving the "Ideal State" of Hino and to fulfilling our Corporate Mission as defined in the HINO Way. We believe that materialities contribute to the realization of a sustainable society and the sustainable growth of the Company, and are working to allocate managerial resources appropriately in our endeavors to address this issue.

Positioning of materialities



Materiality identification process

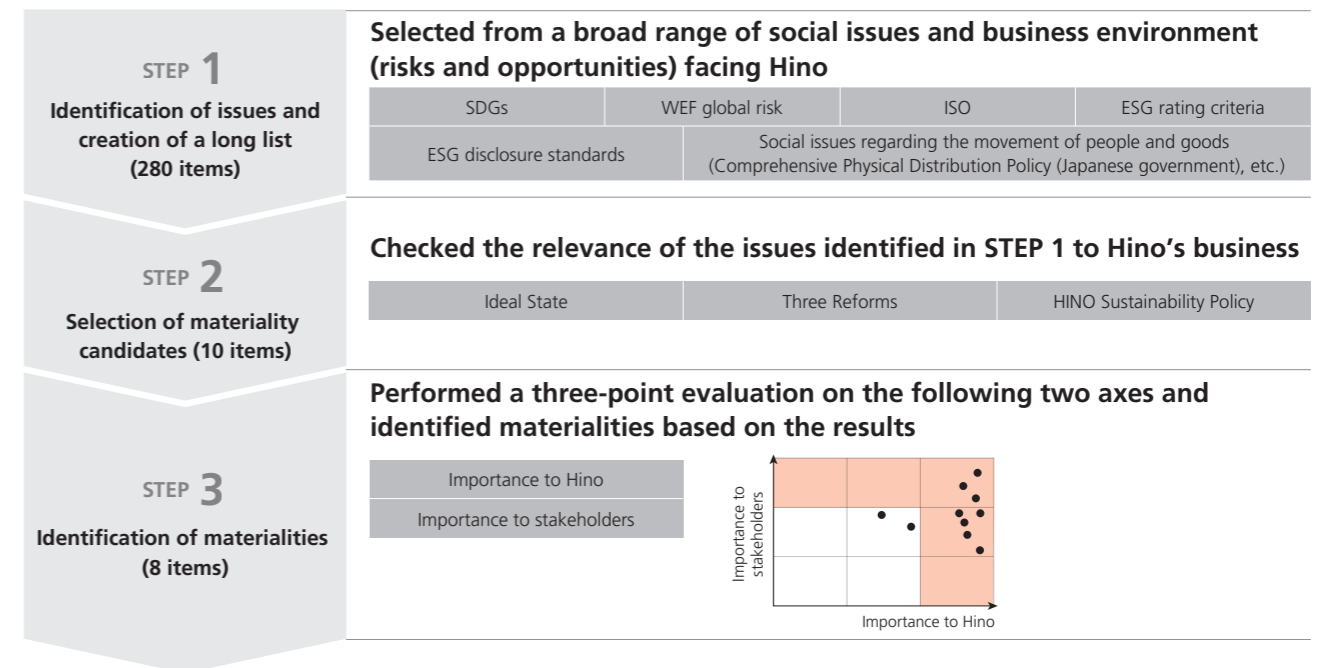
First, we began creating an extensive list of global sustainability themes in order to gain a comprehensive understanding of the business environment and social issues facing Hino. In addition to SDGs, WEF global risks, ISO, ESG rating and disclosure standards, we collated a broad range of social issues associated with the movement of people and goods, such as driver shortages, logistical efficiency, and carbon neutrality of vehicles, and compiled them into a long list of 280 items (STEP 1).

Next, to identify themes with a strong association with Hino businesses and the direction we wish to take, we narrowed this list down into a shorter list based on how well they aligned with the "Ideal State" of Hino, the "Three Reforms," and the HINO Sustainability Policy. Moreover, we took an overview of the themes and social issues from the short list, grouped them

into similar items, and selected 10 as candidates for materiality based on the role that Hino should play in solving the relevant issues, also taking into account the areas that we need to address in order to achieve growth in the medium and long term (STEP 2).

To decide on which themes to prioritize from the selected candidates, we gave each a score out of three from the perspectives of "importance to Hino" and "importance to stakeholders," and then mapped them out. The "importance to Hino" was evaluated from the perspectives of sustainable business growth and restoring trust, while the "importance to stakeholders" was evaluated based on what stakeholders such as customers, business partners, shareholders, investors, and employees expect from Hino. The results were discussed by the Management Committee and the Board of Directors, with eight materialities ultimately selected (STEP 3).

Identification steps



Message

We will achieve sustainable growth by solving social issues based on newly formulated materialities.

Tatsuya Nomura Chief Strategy Officer (CSO)

Trucks and buses, both Hino products, are important elements of social infrastructure, and also faced with social issues such as CO2 emissions, a shortage of drivers, and serious traffic accidents. We hope that contributing to solving such social issues will also lead to sustainable growth for our Company. Moreover, in order to minimize the risk of similar occurrences to the engine certification misconduct again, we will strengthen our management base through reforms to our organizational culture, developing human resources, and enhancing our systems of governance.



Materialities

Value propositions for society and our customers	Minimization of environmental impact and contribution to the achievement of a carbon-neutral society
	Achievement of a society in which people and goods can move optimally through the products and services, and the use of digital data
	Achievement of a safe and accident-free society
Management base for value propositions	Respect for human rights in business activities
	Corporate governance that supports "working in the right way"
	Respect for employees and active participation of a diverse range of human resources
	Honest dialogue with stakeholders to restore trust
	Maintenance of a strong and sustainable supply chain

"Ideal State" of Hino

To achieve sustainable development of society and the Hino Group

In April 2023, we released the "Ideal State" of Hino, which represents our vision for the Company we aspire to be after we have restored the trust of our stakeholders. In order to work in unison to realize this "Ideal State," the Hino Group will, by reflecting on its past misconduct, aim to shift away from a quantity-oriented style of management that overemphasized a disproportionate sales volume and market share toward a style of management that focuses on the quality of the value it provides to customers and society, thereby promoting a style of management that emphasizes the growth of personnel as a foundation of corporate management.

Ideal state



Aiming for a prosperous and more comfortable world

In order to achieve our Group's mission, "We make a better world and future by helping people and goods get where they need to go," we will enhance our "Overall Quality," which combines both our "Total Support Quality" and "Product Quality," to provide value to our customers and society.

Trucks and buses, the mainstay products of Hino, are part of the social infrastructure that supports the transportation of people and goods, and we will provide total support that contributes to our customers' maximization of the use of their vehicles. At the same time, we will contribute to our customers' businesses by further enhancing Quality, Durability, and Reliability (QDR) that have been our forte thus far.

Accordingly, we will strengthen our management base through the growth of personnel, in which every employee of the Company grows through their daily work, leading to the sustainable growth of the Company and the creation of new opportunities for employees to take an active role.

All of our business activities described here are rooted in the HINO Way, which was newly instituted in 2022, as the cornerstone for our decisions and actions.

Toward realizing the "Ideal State" of Hino

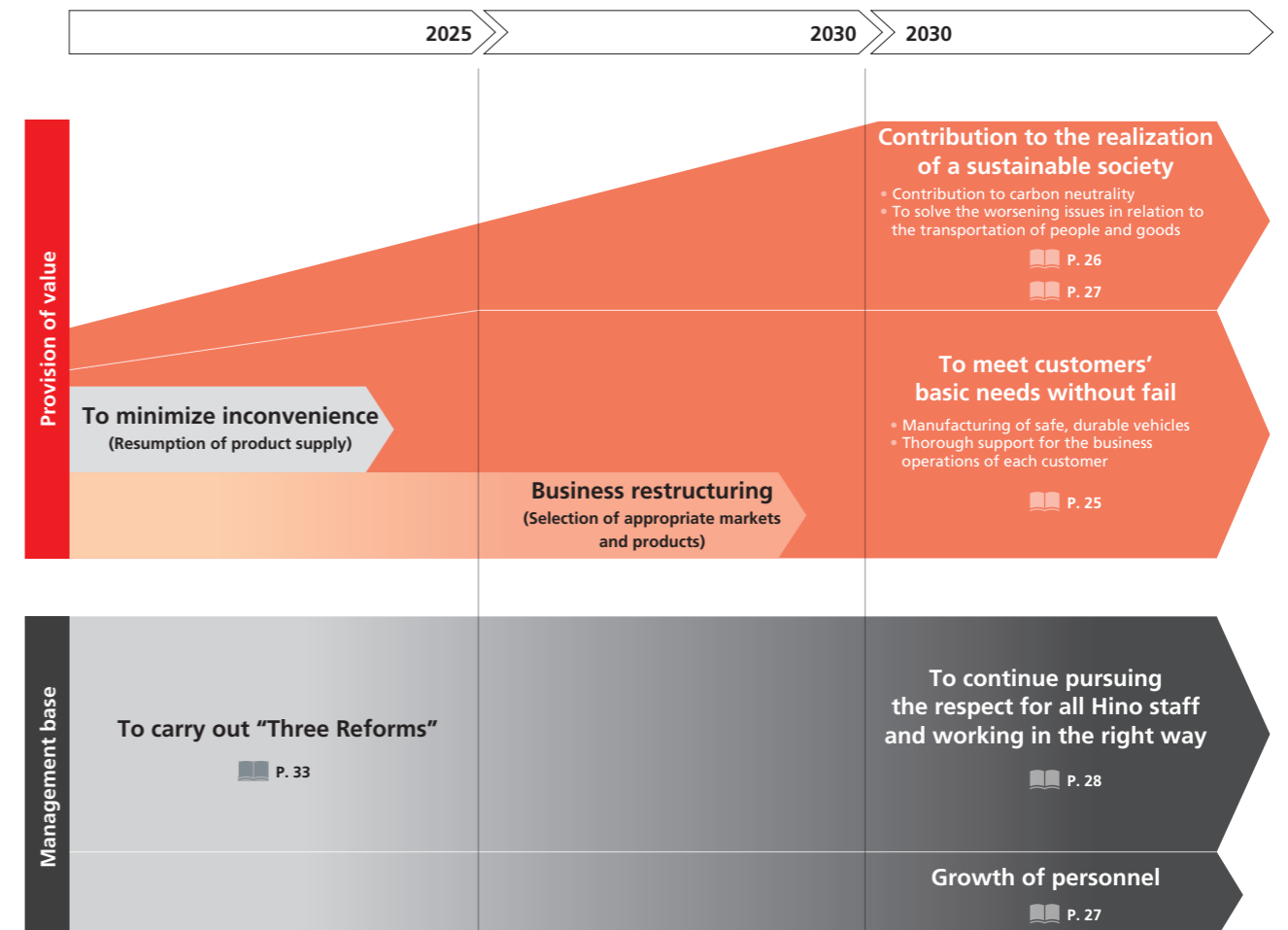
First, we will prioritize responding to those of our customers who were inconvenienced by past issues related to engine certification issues. At the same time, we will move forward with business restructuring, including adjusting the scale of our businesses that have prioritized quantitative growth to a more appropriate one that can be managed with our resources.

We will respond appropriately to the basic needs of our customers, offering thorough support to their businesses and, in addition, working with our customers to subsequently address the increasingly challenging issue of climate change as well as issues associated with the transportation of people and goods, thereby contributing to the realization of a sustainable society.

Additionally, we will redevelop our management base aiming to prevent recurrence of past issues, thoroughly implementing the "Three Reforms," namely, reforms to management, organizational culture, and vehicle manufacturing.

As we continue to pursue "respect for all Hino staff" and "work in the right way," we will institute measures to encourage each Hino employee to take on challenges and grow, such as investing in the active development of human resources, which will in turn lead to the manifestation of the HINO Way.

Roadmap



"Ideal State" of Hino

Provision of value

Meeting customer's basic needs without fail through Overall Quality

Trucks and buses are the tools with which our customers conduct their business, and we, at Hino, recognize that our customers' most basic requirement is that we provide the products and services that help them to do so.

To contribute to our customers' businesses, we will leverage the Total Support Quality we provide for services that support vehicle operation and solutions that address customers' business problems, in order to maximize the Product Quality, or QDR, which is the forte of Hino. By combining the mutual support of these two qualities to enhance the Overall Quality, we hope to continue to be the choice of our customers as a business partner.

Manufacturing of safe, durable vehicles (Product Quality)

The trucks that we offer may cause serious damage in the event of an accident, whereas our buses are entrusted with the lives of many passengers on board. Thus, for Hino, safety is the top priority issue to be addressed. As a leader when it comes to safety in the commercial vehicle industry, we are committed to the pursuit of safety in every aspect of our customers' businesses, through a three-pronged approach that connects three aspects, i.e., people, vehicles, and the traffic environment, as one, so as to contribute to the realization of a safe and secure society. As an initiative aimed at people, we have commenced training on safe driving practices for our customers that contributes to raising the safety awareness of drivers. With respect to vehicles, we are actively working to introduce the latest safe driving support technologies into the market to prevent accidents and make them the standard equipment used on our vehicles. In an effort to reduce the number of traffic-related deaths to zero, we will also work to develop autonomous driving technologies to reduce or eliminate human errors, which account for more than 90% of the causes of accidents.

Message

We will support our customers by delivering high Overall Quality, which will lead to the maximization of our profitability.

Nozomu Harada Chief Total Support Officer (CTSO)

As CTSO, I aim to thoroughly support our customers' businesses by delivering excellent Overall Quality, thereby contributing to maximizing the profitability of the Hino Group. To provide attractive products and high-quality maintenance and repair services, it is important that we have an antenna function in place that leverages our sales and service networks in Japan and around the world to enable us to better understand customer opinions and utilize them as feedback within the Company. To that end, we are focusing on the development of human resources who are able to identify with our customers.



In addition, our biggest contribution to our customers is that our trucks and buses—the tools of their businesses—do not break down, and thus, do not halt our customers' operations. To date, our customers have supported Hino's products based on our forte, QDR. Going forward, in order to further strengthen our forte, we will also make further efforts to develop vehicles with better serviceability, so that they can be repaired quickly in the event of malfunction.

To maintain and improve QDR, we are enhancing our production workplace capabilities by improving the environment at our production worksites and promoting the adoption of digital technology, and by doing so, we will provide safe, reliable products that not only meet but also exceed the expectations of our customers.

Thorough support for business operations of each customer (Total Support Quality)

In order for trucks and buses to contribute to our customers' businesses, it is important for them to be operational whenever our customers need them. To this end, we thoroughly support our customers' businesses through our Total Support activities.

Under our Total Support system, we utilize digital data to reduce the vehicle-related workload of our customers, by proposing optimal vehicles for their purposes and notifying them when their vehicles are to be delivered or require maintenance, helping to create an environment in which they can concentrate on their own businesses. Additionally, we provide our connected service "HINO-CONNECT" as standard equipment used on all vehicles intended for the Japan market and a portion of the vehicles intended for foreign countries, with vehicle data being shared between Hino and our customers. We use ICT data to provide preventative maintenance that delivers early notifications regarding any locations where malfunctions are expected to occur, and to create a system that prepares repair parts in advance so as to fix any issues promptly in the event of a breakdown, thereby helping customers to maximize their uptime and minimize total costs.

Going forward, we will improve the quality of these Total Support initiatives and continue to assist customer businesses. Our goal in doing so is to gain acceptance from our customers as a true business partner and work with them to support the movement of people and goods.

Contribution to the realization of a sustainable society

By continuing to refine our Overall Quality and support our customers' businesses, we will address the increasingly challenging issues facing the global environment and social issues in relation to the transportation of people and goods, thereby contributing to the realization of a sustainable society.

Contribution to carbon neutrality

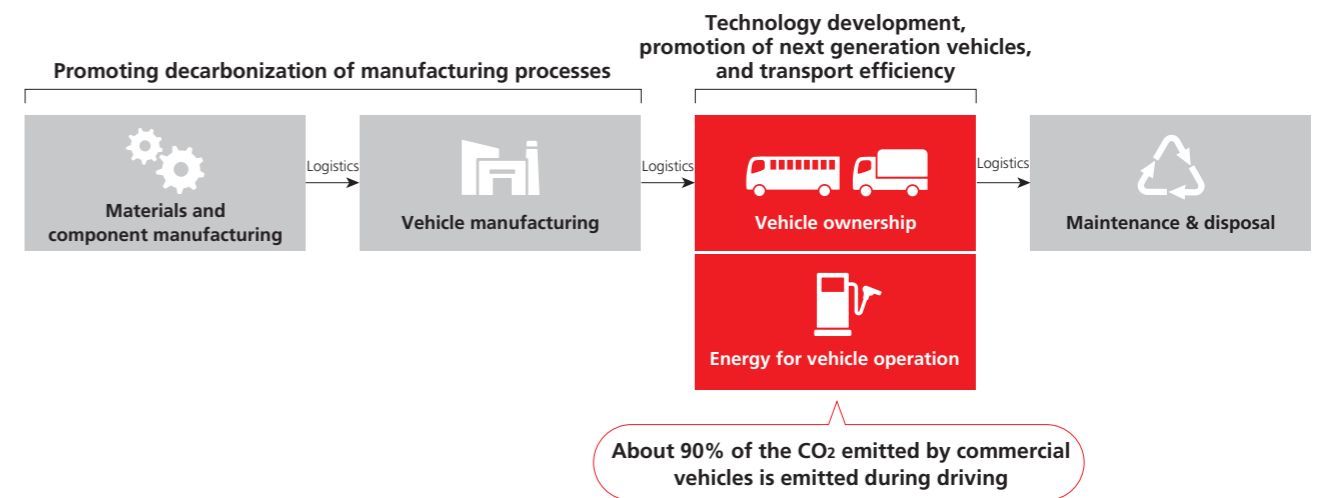
Currently, global warming is one of the social issues that the entire world must address together. Approximately 90% of the carbon footprint (the volume of greenhouse gases (GHGs) emitted during the product lifecycle) of trucks and buses is generated when they are in motion. As a business supplying

commercial vehicles, it is our social responsibility to promote the carbon neutrality of vehicles, and thus, we are accelerating initiatives to reduce GHG emissions.

In order to achieve carbon neutrality, we must reduce the CO₂ emitted during the entire lifecycle of a vehicle—production, transport, use, and disposal—to virtually zero. We will work to achieve carbon neutrality for our customers predicated on the three "don'ts": don't increase the total cost, don't stop vehicles that are in motion, and above all, don't emit CO₂. We will provide a diverse range of solutions that are closely aligned with our customers' needs, responding with "multiple pathways" of support that include improved fuel efficiency, switching to electric vehicles (EVs), and the adoption of carbon-neutral fuels. In particular, regarding EVs, we will pursue ease of use through vehicle layouts that are tailored to the needs

Focus areas for carbon neutrality in commercial vehicles

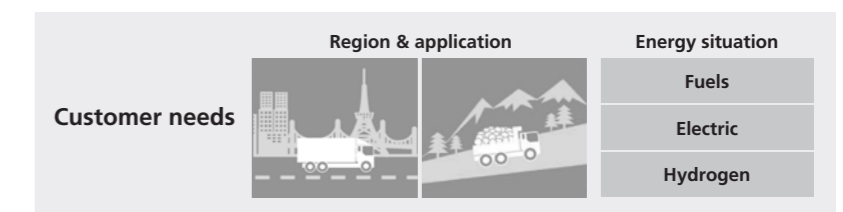
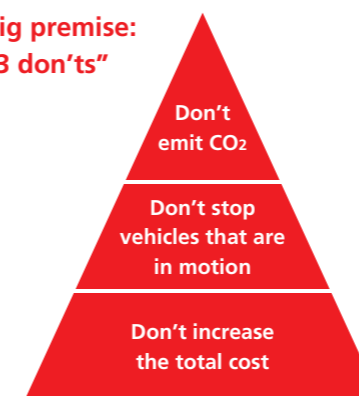
Carbon neutrality in terms of product life cycle. Reduction of CO₂ emissions in all processes: production, transport, use and disposal.



Concept of carbon neutrality for vehicles

Sustainable policy toward carbon neutrality
Multiple pathways that provide diverse solutions close to our various customer needs.

Big premise: "3 don'ts"



Diverse solutions leading to carbon neutrality



"Ideal State" of Hino

of each customer, which is only possible with EVs. Additionally, our subsidiary, Cube-Linx Co., Ltd., acts as an EV advisor to our customers in order to realize the most user-friendly commercial EVs possible, providing a comprehensive platform called "EmoPlat" that is useful throughout the process from the initial use to operation of EVs, helping to accelerate the uptake of these vehicles. In order to achieve carbon neutrality, we will proceed with our initiatives in cooperation with like-minded companies, including Commercial Japan Partnership Technologies Corporation (CJPT) as well as fellow members of our four-company collaboration, i.e., Daimler Trucks, Mitsubishi Fuso Truck and Bus Corporation, and Toyota Motor Corporation.

P. 73 Providing a platform to promote the adoption of commercial electric vehicles

Solving the worsening issues in relation to the transportation of people and goods

Japan's declining birthrate and aging population, along with the application of the Work Style Reform Bill to drivers' overtime hours, have increased the likelihood that Japan as a whole will face a shortage in transportation capacity. Hino is working to address issues with the transportation of people and goods.

In mainline transportation, which is the primary artery for logistics, Next Logistics Japan, a Hino Group company, is aiming to maximize transport efficiency in terms of physical hardware and software solutions. On the physical hardware front, we are developing double-trailer trucks capable of transporting the equivalent of 2.5 large truckloads in a single vehicle, allowing one driver to transport more freight. On the software front, we developed "NeLOSS," an automatic freight allocation system that uses quantum computing to automatically calculate the best method for loading freight. We are also working with partners, such as shippers and logistics vendors in different industries and business lines, to establish a logistic sharing service that improves loading rates by combining cargoes from different industries.

Furthermore, in areas other than mainline transportation, we are working with our customers to identify problems at

their work sites, and collaborating with them to examine new solutions resulting in commercialization that is a win-win for both Hino and our customers.

P. 74 Working to resolve logistical issues faced by Japan

Management base

The "Three Reforms" and the growth of personnel

To prevent past issues from occurring again, we are moving forward with the "Three Reforms" by having our management take initiatives throughout the entire Company. In June 2022, we introduced the HINO Way as a cornerstone on which to base all of our actions and decisions. Going forward, we will work together to reform our organizational culture by facilitating mutual communications, such as dialogue between the management and employees and improving our human resources systems, allowing us to promote "respect for all Hino staff" and "working in the right way." Thus, we will engage in human resource development that encourages employee independence and skills and foster a culture where every employee contributes to servicing customers and cooperates together.

Some of the past issues related to engine certification were the result of prioritizing business expansion and company growth that was disproportionate to our capabilities. As a result, we neglected legal compliance and the development of a sound corporate culture, and failed to provide adequate support for the growth of personnel.

Hino will support the growth of every employee, while cultivating human resources who are empathetic to the HINO Way and our company vision and who can think and act independently to create new value for our customers and society.

Hino will be reborn as a new company that focuses on the growth of personnel as the source of all corporate activities and rebuild the foundations of our management with corporate growth seen as the result thereof.

Message

We will focus on three points to achieve carbon neutrality for commercial vehicles.

Koji Toyoshima Chief Product Officer (CPO)

As the Chief Product Officer, I will focus on three key points to achieve carbon neutrality. We should use a variety of methods to improve fuel efficiency in vehicles with internal combustion engines. For electric vehicles, we should construct platforms that are also capable of handling a variety of fuels, such as hydrogen. Finally, we should standardize batteries in order to develop products that are easy for our customers to deploy. As the only commercial vehicle manufacturer who has made such commitments, we will lead the industry in carbon neutrality.



Establishment of a CHRO

In February 2023, after a review of the management structure, Hino established a CHRO (Chief Human Resources Officer) tasked with leading and conducting the appropriate management of a range of initiatives associated with human resources from a management perspective. Our President & CEO is currently serving in this role in conjunction with his presidency, and is engaged in discussions with auditors and members of the Board of Directors, including outside directors. Under this new system, we are first working to reform our corporate and workplace culture and our human resources systems.

Going forward, the CHRO will take the lead in formulating a human resources strategy that is in step with our business strategy, working closely with the Board of Directors as we promote effective investment in human capital.

Succession plan

In order to produce employees at the prospective management level in an ongoing manner, Hino promotes the appointment of employees at junior-level positions to key management positions, actively engages in mid-career hiring, and also appoints employees who have management experience at other companies to CxO (Chief Officer) positions.

The Proposal Review Committee for Officers (a voluntary nomination committee), which used to primarily discuss the appointment of directors and senior managing officers, is involved in the appointment of CxOs. Moreover, we will increase opportunities for employees to gain a broad range of experience through career rotations in order to cultivate human resources who have the fortitude required in managerial roles.

Appointment of an outside director as chair of the nomination committee

In July 2023, we decided that an independent outside director will chair the Proposal Review Committee for Officers (a voluntary nomination committee). This has improved the ability of outside directors to express their opinions, which has led to the appointment of directors and managerial personnel with managerial abilities.

Systems for human resources training and welfare benefits

In addition to hierarchical training and training for employees who are being promoted, Hino is working to enhance systems that support the growth of each of our employees, including overseas trainee programs for employees at junior-level positions and a system of career design interviews to encourage them to think about their own careers. Additionally, we are endeavoring to create working environments and welfare systems that enable employees to work with peace of mind, through measures such as instituting telecommuting systems, a permission system for supplementary work, system of childcare leave and shorter working hours to accommodate childcare needs, and system of family care leave.

P. 41 Overseas trainee system

P. 65 Working environment and corporate culture to respect employees

Respect for all Hino staff and working in the right way

Defining the management philosophy and vision and instilling these in employees

We are implementing the following initiatives to disseminate the HINO Way throughout the Company.

- Hold briefings at which project members involved in the formulation of the "HINO Way" explain their thoughts on the philosophy
- Hold dialogues and training sessions for employees at each job level and department, and between different job levels to encourage employees to understand and put the HINO Way into practice
- Distribute pamphlets and portable cards to all officers and employees to provide more opportunities for them to see and reflect on the HINO Way
- Communicate information through the intranet, and display posters and wall banners

We will return to our roots of contributing to our customers and to society, and will continue to work to instill the values of the HINO Way, in order to be held in the highest esteem by every employee.

P. 11 How the HINO Way was formulated

Dialogue with senior management

Of the "Three Reforms" that we are proceeding with based on the HINO Way, the senior management is actively promoting initiatives related to our organizational culture reform with "respect for all Hino staff" as a core value.

We hold regular dialogues with employees, listening to the opinions and problems of each individual employee and reflecting them in our management, and strive to instill our corporate philosophy in our employees and comprehend the status of our management.

P. 39 Organizational culture reform with "respect for all Hino staff" as a core value

3

Engine certification issues and the "Three Reforms"

31 Summary of the engine certification issues in Japan

33 The "Three Reforms"

Promoting the "Three Reforms" to prevent future misconduct

- 1 Management reforms to emphasize "respect for all Hino staff" and "promote working in the right way"
- 2 Organizational culture reform with "respect for all Hino staff" as a core value
- 3 Structural reforms for a new "Hino vehicle manufacturing"

Summary of the engine certification issues in Japan

Summary of the engine certification issues in Japan

Investigation results and findings

Hino identified misconduct in past emissions durability tests and fuel consumption measurement with regard to certification applications for vehicle and industrial diesel engines for the Japanese market. A special investigation committee comprising external experts with no vested interest in Hino has conducted a thorough full investigation and root cause analysis of the incident, and reported the results to the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), and the Ministry of Economy, Trade and Industry (METI).

Vehicle diesel engines (on-road engines)

Hino has confirmed misconduct with regard to on-road engines, primarily with regard to fuel consumption and in conducting durability tests for emissions performance.

Emissions regulations for the applicable engines are defined in the Road Transport Vehicle Act and other associated laws and regulations. In durability tests, gas emissions must be measured at multiple points (measurement points) defined by these regulations, and an application for certification then filed for the deterioration factors, which are calculated based on extrapolation. However, we discovered that Hino engaged in acts such as failing to conduct durability tests, measuring emissions at different points to those stipulated, were altering test results, and replacing the second muffler*1 which is part of the after-treatment system.

In FY2006, an incentive system was introduced that provides for a reduction in tax on vehicle acquisition for heavy-duty vehicles with a total weight in excess of 3.5 tons that meet FY2015 targets (FY2015 fuel efficiency standards for heavy-duty

vehicles) for fuel efficiency. Fuel efficiency is measured by measuring the engine fuel efficiency on a bench*2 and performing calculations using a fuel economy calculation program stipulated by MLIT. However, Hino engaged in misconduct such as manipulating the engine bench fuel flow calibration values to improve fuel economy and submitted the resulting specification values.

*1 A device that reacts NOx emitted from the engine with fuel (HC), purifying it to nitrogen and water

*2 A dedicated device for evaluating the performance of the engine alone

E13C and A09C, heavy-duty engines

It was discovered that in emissions durability tests, Hino altered testing data for the E13C to calculate deterioration factor, and in the A09C, altered data to make it appear that it was measured at the correct points, despite not being measured at the points stipulated by law.

Additionally, we found that when measuring engine fuel efficiency on the bench, fuel flow calibration values were set to favor fuel economy, and tests were conducted in a manner that would show better fuel economy on the fuel consumption meter than is actually achieved.

A05C (Urea SCR), A05C (HC-SCR), and J05E, medium-duty engines

It was found that in emissions durability tests, measurement data from development was used for the A05C (Urea SCR) and the A05C (HC-SCR), without measuring emission gas at the legally stipulated points. Additionally, for the A05C (HC-SCR), parts that should not be replaced during testing were replaced, and testing continued. Moreover, for the J05E, it was found that test data was altered when calculating deterioration factors.

N04C (Urea SCR) and N04C (HC-SCR), light-duty engines

For the N04C (Urea SCR), it was found that parts that should not be replaced during emissions durability tests were replaced, and testing continued, and that when measuring engine fuel economy on a bench, measurements were taken before stabilization occurred as required by law, and that the most convenient data was arbitrarily selected.

Moreover, for the N04C (HC-SCR), it was found that the measurements were not taken the number of times stipulated by law in emissions durability tests, with deterioration factors calculated based on a single measurement.

Industrial diesel engines (off-road engines)

Hino has confirmed misconduct with regard to off-road engines, primarily with regard to durability tests for emissions.

Emissions regulations for the relevant engines are defined in laws such as the Act on Regulations for Emissions from Non-Road Vehicles (the Off-road Law). However, in emissions durability tests, emission gases were measured at each point multiple times and values selected arbitrarily, emission gases were measured at different measurement points to those stipulated, and measurement results were altered.

E13C-YS, E13C-YM, P11C-VN, J08E-VV/WV, J08E-YD, J05E-UM/UN, J05E-VB/VA, offroad engines

Misconduct was discovered in emission durability tests, such as emission gas measurement points and results being altered, tests being continued even though parts were replaced during testing, and emission gas being measured even though the requisite number of continuous operations defined in law for regeneration tests were not met.

False reporting to the 2016 MLIT investigation

In April 2016, MLIT asked automobile manufacturers to investigate and report any inappropriate conduct regarding methods for conducting emissions and fuel economy testing for engine certification. In response, we reported that we found there was no inappropriate conduct regarding the E8 regulations that were applicable at the time. When making this report, however, it was not possible to confirm whether certification test data complied with E8 regulations, or whether there were discrepancies between the data and the values in the certification applications; therefore, the persons in charge of development who were collecting relevant materials created test data that matched the values in certification applications or altered the data to make it appear as if the certification tests had been implemented appropriately at the time.

Summary of issues and analysis of investigation results by the Special Investigation Committee

The following is a summary of the report from the Special Investigation Committee (released on August 2, 2022), which was initiated on March 11, 2022.

Summary

Looking at vehicle manufacturing at Hino, the Committee feels that although the Company was sufficiently aware of the significance of the conventional negative aspects of such activities, such as risks to physical safety and human life, and is instituting the requisite countermeasures, it did not take sufficient action to address the newly identified negative aspect of manufacturing: environmental impact.

The certification system relied on the good faith of vehicle manufacturers, and this issue has the potential to shake it to its core. Hino should first of all be aware of the severity of what it has done.

Analysis of the root causes

The Special Investigation Committee summarized the root causes of the misconduct affecting engine certifications for engines certified for sale in the Japan market in three ways:

- (a) Inaccuracy of the slogan "everyone manufactures vehicles together"
 - Sectionalism and immobilization of human resources
 - Insufficient constructive discussion based on professional skepticism and critical thinking
 - There was a disconnect between work sites and management awareness with regard to capacity and resources
 - Weak systems for promoting awareness of trends in laws and rules, and for communicating their content and effects within the Company
 - Insufficient understanding of the roles of the Quality Assurance Division and the Quality Control Division
- (b) Being left behind by the changes in the world
 - Excessively strong top-down atmosphere and a culture of power-based workplace harassment
 - A culture that overemphasizes past successes and is ill-suited to "retreat strategies"
 - Insufficient functions to check Hino development processes
- (c) Neglect of work management mechanisms
 - Lack of clarity on whether development processes can be transferred
 - Development and certification operations undertaken by the same department
 - Insufficient preparation of rules and manuals
 - Inappropriate division of authority between executive class and worksites

In response to the above, the Special Investigation Committee provided Hino with suggestions, such as thoroughly discussing the goal for the state of vehicle manufacturing, clarifying roles of the Quality Assurance Division and strengthening its functions, monitoring trends in relevant laws, regulations and rules, and sharing them internally, and developing a proper quality management system, checking the effectiveness at all times and making improvements as necessary.

Background of engine certification issues in Japan

March 4, 2022	Report to MLIT on our misconduct concerning engine certification for engines certified for sale in the Japan market
From March 11, 2022	Start of the investigation by the Special Investigation Committee
March 25, 2022	Submission of statement to MLIT, and report on additional misconduct
March 29, 2022	Revocation of type approval by MLIT
August 2, 2022	Release of the investigation report by the Special Investigation Committee and report on our technical review status
From August 3, 2022	On-site inspection by MLIT Discovery of additional acts of misconduct concerning the emissions durability tests for engines certified for sale in the Japan market in this inspection
August 22, 2022	Report to MLIT on additional findings concerning engine certification for engines certified for sale in the Japan market
September 9, 2022	Receipt of the "Correction Order regarding Type-approval Violation" from MLIT
September 22, 2022	Additional revocation of type approval by MLIT
October 7, 2022	Submission of the recurrence prevention report to MLIT in response to a correction order received from MLIT (1) Clarification of management responsibilities (2) Submission of the recurrence prevention report in response to a correction order received from MLIT and (3) Establishment of the "Three Reforms" to prevent future misconduct

The "Three Reforms"

Promoting the "Three Reforms" to prevent future misconduct

Overview

Due to our inability to fully understand or appreciate the front-line situation and prioritization of quantitative expansion in terms of revenues and unit volume, we neglected legal compliance and the fostering of sound corporate culture and lost sight of our goal, vehicle manufacturing, which led to deficiencies in our type approval applications and certification processes. To minimize the risk of similar occurrences in the future and to quickly detect and address issues should they occur, we will promote the reforms for revitalization.

In order to return to our Corporate Mission, we will give top priority to legal compliance and reform ourselves into a company that fulfills our social responsibilities, management will take the initiative and promote reform throughout the entire company.

The first of our "Three Reforms" is "management reforms to emphasize 'respect for all Hino staff' and 'promote working in the right way.'" The management will demonstrate respect for front-line workers on the basis of the notion of contributing to customers and society by giving top priority to legal compliance. Through a structure in which individuals and groups share their objectives across functions and therefore "think and run together," we will revise our approach to management to bring it into closer alignment with both employees and customers.

The second of our "Three Reforms" is "organizational culture reform with 'respect for all Hino staff' as a core value." Under

this reform, all our personnel, including management, will promote reforms to organizational culture with the awareness that Hino's contribution to customers and society is a core part of Hino's mission.

The third of our "Three Reforms" is "structural reforms for a new Hino vehicle manufacturing." In response to the results of the root cause investigation and recommendations by the Special Investigation Committee, and in addition to the recurrence prevention measures we are implementing, we will promote a more fundamental reform in the framework and structure of our development processes in order to achieve a state where everyone truly manufactures vehicles together. To regain the confidence of our customers and society in Hino's product quality, we will promote reforms toward new Hino vehicle manufacturing, in which we address the root causes of past issues, by focusing on creating a framework which we can rely on to secure reasonableness and traceability in the manufacturing process.

With our management's resolve and actions for reform, we will put in place a system to steadily and vigorously promote these reforms throughout the Company, in conjunction with the establishment of a new management system. In particular, with regard to issues and measures related to organization and corporate culture, we plan to promote company-wide and cross-sectional reforms with young employees in each internal organization also becoming proactive leaders.

Returning to our Corporate Mission and reforming as a company that fulfills our social responsibilities

Management will take the initiative and promote reform throughout the entire company



Activities to promote our foundational corporate philosophy, the HINO Way

We engaged in misconduct in the process of making trucks and buses, vehicles which help people and goods get where they need to go, and as a result, left a great impact on society. In order to return to our basic philosophy, i.e., "We make a better world and future by helping people and goods get where they need to go" as a guiding principle and to fulfill our social responsibilities, we will work to instill our

corporate philosophy, the HINO Way, and to promote the values that each employee should embrace and embody. Employees have to (i) sincerely contribute to servicing our customers, society and colleagues and promote working in the right way, (ii) respect each other, attentively listen to each other's issues and problems and give support to each other, and (iii) be keenly aware that each and every employee's work is closely linked to society, basing all of their decisions and actions on the HINO Way.

P. 11 How the HINO Way was formulated

List of Recurrence Prevention Measures

Returning to Hino's basic philosophy as a guiding principle - starting from contributing to customers and the society

1 Management reforms to emphasize "respect for all Hino staff" and "promote working in the right way"	(1) Reform of members and mindsets of management	
	(2) Creating an organizational structure that embodies mutual assistance and cooperation for contribution to customers and society	
	(3) Governance to support sound management practices	1) Strengthening of internal control systems 2) Strengthening of management's supervisory function
	(4) Raising compliance awareness that does not tolerate or forget the misconduct	1) Initiatives to raise compliance awareness that does not tolerate or forget the misconduct 2) Promotion of initiatives to strengthen compliance
2 Organizational culture reform with "respect for all Hino staff" as a core value	(1) A culture where every employee contributes to servicing customers and cooperates together	1) Mindset of valuing the "customers' views" 2) Invigorating vertical, horizontal, and diagonal dialogues and connections among employees 3) Foster psychological safety in the workplace
	(2) Human resource development that encourages independence and skills	1) Expanding measures and personnel systems that support human resource development 2) Investment in human resource development 3) Improving productivity and eliminating inefficiencies
	(1) Restructuring and redefinition of vehicle manufacturing processes	1) Establishment of the system where "everyone manufactures vehicles together" 2) Restructuring of the vehicle manufacturing processes
3 Structural reforms for a new "Hino vehicle manufacturing"	(2) Proper implementation of correct procedures	1) Introduction of "quality management system" with verification by an external entity 2) Establishing and reinforcing checking structure (checking systems) related to the certification function 3) Establishing a function to audit the regulatory certification by an external department 4) Establishing audit programs of the Internal Audit Department 5) Establishing rules related to the preservation of certification test records 6) Establishing a system to preserve test records 7) Revision of the details of assessment for manufactured prototype vehicles and production vehicles by quality assurance functions 8) Planning projects from the perspective of return on investment (ROI) 9) Adjustment of development target values, etc. 10) Increasing the number of personnel in charge of certification work 11) Establishing rules related to implementation of certification tests 12) Establishing rules related to the certification application procedures 13) Improving the certification transition management process 14) Establish systems to collect and precisely interpret information about laws and regulations 15) Improving management of changing control software 16) Providing compliance training for development and certification 17) Training of engineers in line with "Hino vehicle manufacturing" 18) Organizational restructuring within the development divisions 19) Establish a system to secure appropriate human resources 20) Installing additional benches for engine certification tests 21) Clarifying budget approval procedures for capital investment

The "Three Reforms"



Management reforms to emphasize "respect for all Hino staff" and "promote working in the right way"

We take it extremely seriously as an issue at the management level that we did not prevent or discover the misconduct which occurred over a long period of time. We will review our management style, reform management awareness, and strengthen governance to achieve more effective management.

Implementation of management to build relationships with front-line workers

We acknowledge and regret the fact that management at Hino neglected the need to build a healthy corporate culture and maintain legal compliance and did not pay attention to the workplace. Management is now working to pay more heed to what goes on in the workplace, engaging in dialogue, and pursuing management with an awareness of the front lines.

Main initiatives

- Dialogue Meetings held by the President & CEO and the management at respective business sites
- Collation of employee opinions and company-wide disclosure
- In-house radio distribution (whereby management responds to employee questions)
- Disseminating information and interactive communication through in-house chat

Dialogue Meetings held by management at respective business sites

Management has visited business sites since March 4, 2022, and held discussions directly with employees focusing on the problems and issues faced by the front-line workers and in those respective workplaces. In FY2022, meetings were held across four business sites for a total of 12 times, with plans to hold similar meetings in the future. We will continue to visit various workplaces and to hold discussions with employees. In November 2022, we launched "management information sharing meeting," in which the President & CEO and executives in charge could share management information and hold Q&A sessions at each business site, thereby expanding opportunities for dialogues between management and employees.

Disseminating information utilizing an in-house chat

In April 2022, we began utilizing an in-house chat widely accessible by employees for the purpose of strengthening communications among them. Primarily, the in-house chat is a channel to disseminate the Company's policies, messages from management, reports on visits to respective business sites and other companies, and reports on participation in regional events. The number of posts, replies, and reactions have continued to increase since its establishment, and awareness within the Company has also increased. Additionally, we have

embarked on initiatives to share documentation from the Management Committee in order to allow employees to understand the thinking and direction of management and act proactively in the service of society and our customers.

Going forward we will work to improve psychological safety throughout the Company, lower barriers to contributing and replying, and create a space in which anyone can share information with ease.

In-house radio where each member of management serves as a personality

At the suggestion of interested employees, we have developed an in-house radio program with the theme "concerns in the Company," in which each member of management serves as a personality. The CTO (Chief Technology Officer) serves as the main personality, and as guests, the CxOs and general employees appear. In the broadcast, the CTO responds to inquiries and opinions received from employees, such as observations on the misconduct, a progress of transformation or the Company's course of action. Further, we try to make it easy to listen to the radio by incorporating the CTO's personal topics.

The average number of plays exceeded 2,000, and opinions of employees were positive, including comments that it was easy to listen to while working because it was a radio, and that it could be played during lunch breaks at a manufacturing site. We will continue this activity in the future.



Establishing a new organization to deal with customers

In order to overcome aspects of our organizational culture, such as an excessive top-down approach, growing sectionalism, and an inability to promote issues with a sense of urgency, we have restructured the organization so that it can (a) contribute

A new form of communication created across departmental boundaries

Agnes Mineno

Public Affairs Department

I am in charge of planning and operations. As I wanted to share the thoughts of management with employees in a softer tone, I was thinking about starting an in-house radio. This was just when a senior coworker of another department approached me, and the radio program was promptly implemented only after a month from the initial concept.

At the start, we planned to conduct a three-month trial, but because it was well-received, it is still broadcasted intermittently. I am happy to receive feedback directly from people who listened to the broadcast.

I hope that this initiative will lead to broadening the range of communication, or will act as an extra push for those who want to take on new challenges.

to the development of human resources, (b) provide a place where everyone can face customers and society proudly as Hino and not feel ashamed, feel a desire to contribute, and do their best to manufacture vehicles, and (c) reduce unnecessary work, facilitate quick decision-making, and allow for independent thought and judgement.

Constructing organizational systems to allow us to think and run together

We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined across business units, and a Product Owner plays a central role in dealing with customers from upstream to downstream stages of vehicle manufacturing.

P. 42 Restructuring the vehicle manufacturing processes

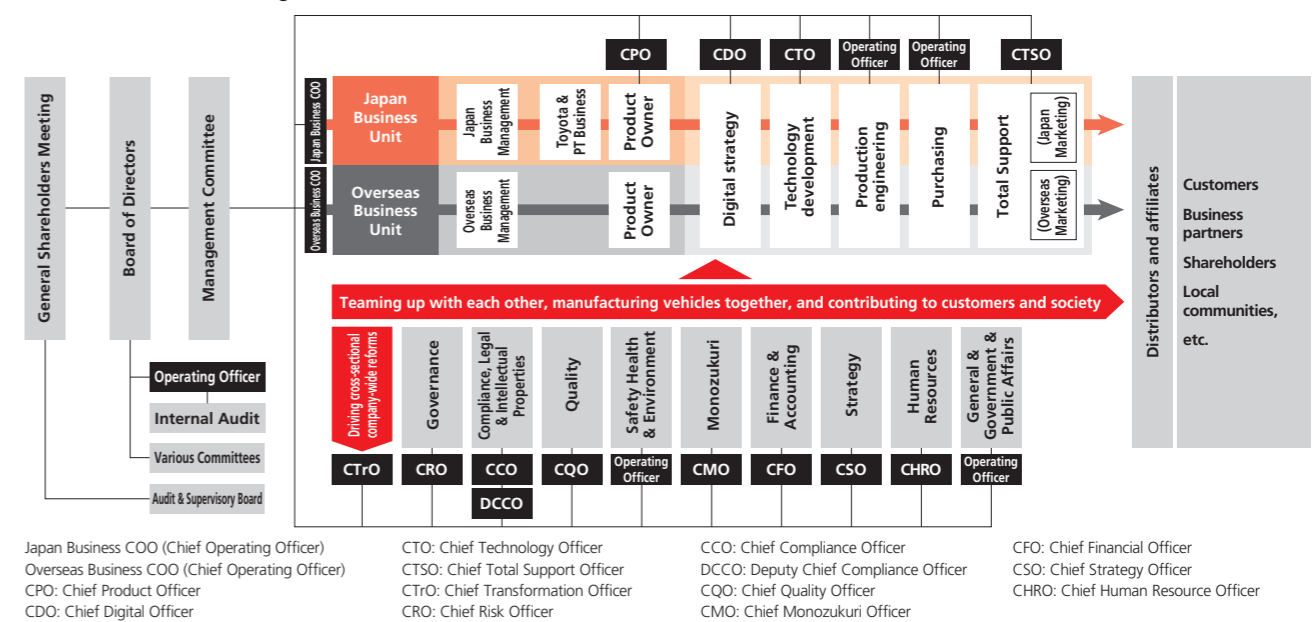
At the same time, we have reduced the organizational hierarchy by eliminating the Unit and business-area-based system and consolidating divisions and have clarified responsibilities by establishing CxOs (persons in charge of functions and roles, or Chief Officers), or function officers. In addition, we are consolidating and eliminating meetings of the board of directors, centralizing decision-making functions, and improving the speed and quality of management by discouraging asymmetric sharing of information to members of management. Through these efforts, we will strive to be an organization that, with the common objective of creating good products that can positively contribute to our customers and society, is able to eliminate waste in business resources and promote quick and autonomous thinking and judgments, based on the common objective of creating good products that can contribute to customers and society. We will also reinforce internal management by re-establishing Deputy General Manager positions to oversee divisions within functions and fostering a corporate culture beneficial for the development of each and every employee.

The entire Company will work together toward the common objective, and, by establishing an organizational structure that is involved in all processes across planning, development, sales, and production, we will promote the development of a human resources team who will lead the next generation of Hino while fostering a broad perspective, a collaborative and cooperative way of thinking, a sense of responsibility, and excellent analytical and communicative skills.

Establishment of CTRo and dedicated organizations

To thoroughly support the company-wide improvements, including the "Three Reforms," we have established a CTRo (Chief Transformation Officer) and dedicated organizations. While promoting and managing the whole reform program and coordinating issues that cut across businesses and functions, we will advance the reform measures together with the division in charge.

Outline chart of the new organizational structure (as at the end of June 2023)



The "Three Reforms"

Promoting sound management

In view of our longstanding inability to find and prevent misconduct, we are endeavoring to strengthen governance to ensure that work is performed in the right way at a company-wide level.

We have introduced an evaluation of the effectiveness of the Board of Directors' activities by external organizations. With respect to internal control, we have, based on advice from external organizations, restructured our checking systems (three-line systems) and reforming management operations and operational processes by strengthening the internal audit function throughout the internal control system.

Increasing the number of directors and strengthening supervisory function

In order to steadily promote a "compliance first" stance, we have increased the number of directors by two: Mr. Sato (Director) and Ms. Kimijima (Outside Director) bringing the total to seven directors.

After joining our Company in 1989, Mr. Sato worked in quality assurance, served as CE (Chief Engineer) for medium-duty trucks, and after heading up the Medium- to Long-Term Product Strategy Department, has been the COO (Chief Operating Officer) of the Japan Business since February 2023. He is building on the experience and leadership skills he has acquired thus far to recover trust in Hino and to drive medium- to long-term growth.

After working as an attorney at law, Ms. Kimijima consecutively held key positions in the legal departments at GE Japan Inc. and LIXIL Corporation, and, in addition to her advanced expertise, has extensive experience and broad insight as corporate management personnel. She is tasked with providing strong independent advice on our overall management, particularly in the areas of corporate governance and compliance, and taking on management monitoring and supervisory functions.

P. 78 Role and approach of senior management

P. 85 A dialogue among newly appointed directors

Evaluation of the effectiveness of the Board of Directors' activities by external organizations Interviews with directors and with audit and supervisory board members

In March 2023, for the purpose of bringing the achievements and issues with the Board of Directors' activities of our Company to light and examining specific measures to address past issues, an external organization conducted an evaluation of the effectiveness of the Board of Directors' activities.

P. 82 Evaluation of the effectiveness of the Board of Directors

Revising the Basic Policy for Internal Control Systems

We revised our Basic Policy for Internal Control Systems due to the fact that our internal control systems failed to function sufficiently for many years, resulting in a longstanding inability to find and prevent misconduct. In order to incorporate the HINO Way and revisions to our risk management systems and to implement "working in the right way" based on the HINO Way, we hope to enhance systems to ensure that business is conducted in an appropriate manner. In the context of the engine certification issues, we have also established a CRO (Chief Risk Officer) position and have begun building a system to examine company-wide risk management activities that emphasizes both business and operational risks.

Initiatives to raise compliance awareness that does not tolerate or forget the misconduct

To ensure that Hino does not engage in misconduct again, we are moving forward with initiatives such as displays at permanent facilities and creating opportunities for dialogue to facilitate correct understanding of the engine certification issues. We are also promoting initiatives aimed at improved awareness of compliance and will work to instill a compliance-first attitude throughout the Company.

Establishment of the Right Way to Work Learning Center

As part of our efforts to promote reforms to revitalize the Company, in March 2023, we established the Right Way to Work Learning Center as a venue for us to reflect upon the nature of working in the right way, and to learn about the causes and effects of the misconduct in order to ensure that we do not repeat it.

Here we offer explanations using displays of actual products as well as panels and videos to allow all employees to correctly understand the issues of engine certification and have also established a space to allow teams and colleagues to exchange opinions and share their thoughts on organizational culture reform.

Exhibition overview

- Background of response to the engine certification issues
- Regarding three acts of the misconduct
- Impact on stakeholders
- Main causes
- What to do now



"Culture change plans" to foster compliance awareness

We are promoting a "Culture Change Plan" to foster awareness of compliance. We are continuing our efforts to raise the level of such plans every year. We opened the Compliance Portal on the Company's intranet under the slogan of the "working in the right way" and have conducted awareness-spreading activities, such as disseminating information on the intranet and putting up posters in our offices.

P. 48 Compliance awareness activities for employees



Dialogue sessions featuring discussion leaders

To prevent knowledge of the misconduct issues from fading, the CTO (Chief Technology Officer) has acted as a discussion leader for a total of 92 dialogue sessions with employees that were attended by approximately 1,700 people, addressing the question of why the misconduct occurred and the actions should take in future (as of November 30, 2023).

Following to these meetings, we received comments such as "I was able to understand the facts of the misconduct in depth" and "It gave me an opportunity to think about the quality assurance style." Going forward, we will continue to hold these meetings to establish a comprehensive dialogue with a small number of people to diversify our themes and to deepen mutual understanding.

Strengthening systems that allow employees to "speak up" without anxiety

To strengthen systems, we have inaugurated a 24-hour 365-day-a-year service offering telephone advisory services even during times when the Hino Compliance Consulting Desk was unable to offer a response. This has made our internal reporting systems easier to use, and the number of reports received is on the rise.

We will continue to strengthen our investigation functions and promote the horizontal development of recurrence prevention measures for whistleblowing cases, with the aim of creating a highly effective internal reporting system that makes it easier for people to speak up.

P. 48 Internal reporting

Message

We are working to improve company-wide risk management through process creation and human resource development.

Noboru Yamate, Senior Managing Officer and Chief Risk Officer (CRO)

The business activities of the Hino Group involve a variety of risks such as those related to products, production and supply, and accidents and disasters. These risks can never be completely eliminated; what is important is to make sure that they are kept within the bounds of expectations rather than being completely unexpected. To make that possible, we are promoting the construction of processes that facilitate effective risk management throughout the Group, and moving forward with initiatives that enhance the sensitivity of each of our employees to risk. We will continue to anticipate and prepare for risks as a matter of course in our daily operations.



Message

We will contribute to corporate culture reform, which prevents the knowledge of the misconduct from fading away and prevents future misconduct.

Takeshi Yasuda, Director of the Right Way to Work Learning Center

The two goals of establishing the Right Way to Work Learning Center are (i) to seek recurrence prevention, that is, to prevent the misconduct from happening again and to prevent the knowledge of the engine certification issues from fading away, and (ii) to ensure that all employees properly understand the certification issues and proceed with the corporate culture reform. We believe that corporate culture reform can be realized only when the thinking and actions of each and every person in the organization changes and when they work in the same direction. We will continue to conduct exhibitions that will provide an understanding of "how misconduct can lead to a loss of trust."



The "Three Reforms"

Reform 2

Organizational culture reform with "respect for all Hino staff" as a core value

Hino's management and all Hino employees are aware that contributing to our customers and society is our mission. We aim to break away from our inward-looking, conservative corporate culture built around unilateral communication, and transform the mindset and behavior of each individual in order to create a more desirable corporate culture in which to work. Centered on our corporate philosophy, the HINO Way, we will endeavor to reform our awareness and our systems to allow each one of us to contribute to our customers and other stakeholders while retaining a sense of ownership and a mutual respect for other people.

A culture where every employee contributes to servicing customers and cooperates together

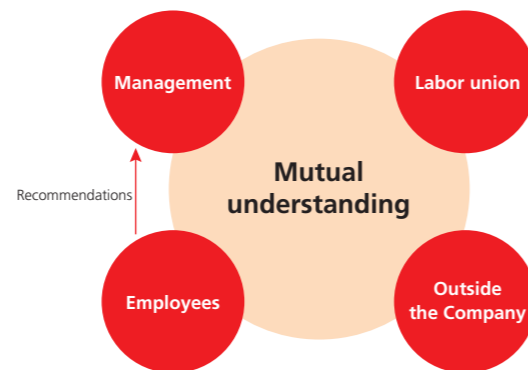
In order to alter the passive, inward-looking orientation of our own organization, we will visit customer sites and promote active exchanges of personnel with distributors and other industries to foster and establish a customer-centric mindset. In addition, to develop a fundamental culture of cooperation that will enhance mutual understanding throughout the Company, we will initiate dialogue and connection between individuals by increasing communication between employees and management, holding conferences among each layer of staff led by internal "Corporate Culture Reformation Team" volunteers, and creating opportunities for conversation between the President & CEO and all employees. Furthermore, we will also continue to promote the initiative to eliminate workplace harassment "No Workplace Bullying Initiative" foster workplaces where employees feel comfortable engaging in open discussion with their colleagues.

Increasing opportunities for various dialogue

In order to promote vertical, horizontal and diagonal communication and mutual understanding, we held a number of dialogues in various places in the Company to understand actual on-site conditions and obtain firsthand feedback.

Initiatives to promote corporate culture reforms based on "dialogue" began in March 2022 and the content of and participants in these activities will be gradually expanded. Since September 2022, we have been promoting our activities under the "Corporate Culture Reformation Team," which is currently comprised of approximately 20 mid-level employees selected from each Division/site.

The "Corporate Culture Reformation Team" supports the holding of cross-organizational dialogue meetings and dialogue meetings within each division as part of its efforts to create an environment where candid dialogue can take place. In addition, based on employee feedback obtained through various dialogues, we are creating visual representations of



Reform of our corporate culture to foster and establish a customer-centric mindset

Each employee should be aware that Hino's contribution to customers and society is a core part of Hino's mission.

Desirable corporate culture	
Sense of purpose	Contribution to customers and society
Attitude and mindset	<ul style="list-style-type: none"> • Outward-looking, visiting local sites and being hands on • Voluntary and independent • Interactive and open exchange of ideas • Willingness to take on challenges • Teamwork

- (1) Culture where every employee contributes to servicing customers and cooperates with each other
- (2) Human resource development that encourages independence and skills

organization-wide problems, publicizing them internally and offering recommendations to management.

Furthermore, opportunities for dialogue are gradually expanding. These include labor-management dialogue meetings, management-off-site meetings, workplace meetings in each department, meetings to exchange opinions on the HINO Way, external networking events, and voluntary dialogue meetings. Promoting mutual understanding leads to enhanced linking between functions, and rapid resolution of worksite issues. Additionally, more employees are now expressing their opinions to management, and signs of change are now apparent, such as the start of a number of voluntary initiatives led primarily by young people.



Initiative to eliminate workplace harassment

Based on our strong determination to reject all acts of harassment, we strive to be a company where psychological safety is assured and where our employees and all those who have contact with Hino are free from harassment by ensuring that all of our employees act in a manner that respects the personality and human rights of others.

In particular, with regard to power harassment, we are working on "No Workplace Bullying Initiatives" with a strong intention to eliminate such behavior. We are reviewing various personnel measures, including fact-finding investigations based on the speak-up cases brought to the consulting desk.

In addition to addressing employee problems and workplace issues, we will continually evaluate and work to improve the effectiveness of our initiatives.

Measures implemented for the "No Workplace Bullying Initiatives"

- (1) Company-wide fact-finding investigations on power harassment**
 - (i) Implementation of emergency fact-finding investigations through the Stop Harassment Consulting Desk
 - (ii) Implementation of self-diagnosis for management
- (2) Stricter punishments for those who commit power harassment, and dissemination of anti-harassment policy to employees**
- (3) Review of various personnel policies**
 - (i) Implementation of 360-degree Feed-Back (FB) for assistant managers and above
 - (ii) Preventing harassment and implementing thorough recurrence prevention education
 - (iii) Strengthening operation of the personnel rotation system
 - (iv) Revitalization of open and flat internal communication

Short-term in-house secondment of members of the development divisions to the sales divisions

In November 2022, members of the development divisions teamed up with sales representatives for two to three months and visited customers, dealers and coachbuilders so that the development divisions can carry out their operations with a more customer-centric view.

The experiences from connecting with the sales divisions and dealers and the opinions directly received from customers through this initiative offer new insights that are utilized in planning and development work for vehicles that better reflect the needs of our customers.

I will apply what I learned from my short-term in-house secondment to product development in the future.

Yasuhiro Sakai
Vehicle Development Division

I participated in a short-term secondment for a period of two months from November 2022. Usually, I focus on designing light-duty trucks; however, I noticed many things when I participated in business negotiations with customers alongside members of the sales division. For example, while durable vehicles are required, we also need to consider the ease of maintenance on commercial vehicles that have a long duration of use. This prompted a realization of what we should keep in mind when we design vehicles in order to fulfill both needs.

In the future, I would like to develop products by not only thinking from Hino's perspective, but also from an even broader perspective.

Commencement of "Exploring Beyond Our Company"

We are also working to develop human resources through interaction with external parties. We are holding exchange meetings with other manufacturers undergoing organizational reforms, which involves employees visiting each other's sites.

We plan to expand these opportunities so that many of our employees can interact with external parties.



The "Three Reforms"

Human resource development that encourages independence and skills

We are promoting initiatives to foster the development of outward-looking, proactive, and interactive human resources with a hands-on approach who value teamwork and are willing to take on a challenge. In relation to the measures and systems that support human resource development within the Company, we will develop opportunities to encourage each employee's ambitions to take on challenges, such as participating in projects on a voluntary basis and job rotations linked to career planning.

Job rotation measures linked to career planning

In FY2022, we introduced career planning interviews as an opportunity to discuss the realization of future careers envisioned by each Hino employee.

Each employee prepares their work experience and skills, a career direction that they want to aim for, and the work experience they believe is necessary to realize such a career. The employees learn independently through dialogue with their supervisors and self-development support measures, which will lead to the realization of the careers that they aim for. The Company respects the career orientations and transfer requests indicated during discussions with supervisors, and promotes personnel transfers that are not constrained by the timing of traditional regular rotations.

In addition, we hold career planning seminars, disseminate information encouraging the consideration of career paths on a new portal site, and conduct training to improve supervisors' abilities to interview employees about their career goals.

In the future, we plan to hold new career planning seminars for each milestone in life and to establish a new career consulting desk.

Commencement of the "CE-DOJO" project.

We established the Chief Engineer Dojo (CE-DOJO) as a venue to train the next generation of development leaders. Nineteen people participated in the first phase, which spanned across the divisional boundaries. Through active discussion and actual work onsite, participants enhanced each other's skills in the four areas of reading, watching, creating, and gaining empathy, and deepening their mutual trust. They then put what they had learned into practice in their own workplaces. Currently, we have changed the name of the program to "Trail-DOJO" for the second phase of activities, and are continuing the program by recruiting personnel across a wide range of departments, including not only our technical staff but also our administrative staff.



I understood the importance of thinking from the customer's perspective.

Tomohiko Araki
Product Promotion Department

We had discussions on "What is a desirable car?" and through practical programs including the compilation of future forecasts, I had an opportunity to once again understand the importance of vehicle manufacturing from the customer's perspective. In addition, by working with dedicated members, I learned that empathy for colleagues is an essential trait for development leaders.

Overseas trainee system, supporting career development of young employees

This is a system in which young employees take on challenges regarding their careers and professional growth. Upon receiving a recommendation from their division, a young employee with more than four years with Hino will be assigned to an overseas entity for a period of one year and will learn from visiting local sites and hands on experience. On their return, we assist them in putting their experiences and learning to use in shaping their careers based on their own aspirations.

I will use what I learned from training at the local site to help build my future career.

Aika Hirata
Overseas Aftersales Service Division

During my one-year training at the Malaysian sales dealers, I learned about the challenges, problems, and needs of the local dealers, which I had not been aware of before, and it made me realize the importance of visiting local sites and being hands on. As a person aiming to be involved in the management of overseas sites, this experience became a valuable opportunity to expand my perspective as a global employee.

Improving work productivity

Recognizing the fact that Hino has prioritized business expansion over developing human resources to date, we are now focusing on improving productivity through measures to eliminate waste in our operations, using the extra capacity this creates to actively invest in developing human resources. We have reduced low-value operations by eliminating advance explanations and simplifying documentation for running meetings. We will continue to improve productivity by listening to the voices of our employees.



Structural reforms for a new "Hino vehicle manufacturing"

In order to prevent misconduct from occurring again, we are promoting proper implementation of correct procedures along with the restructuring of vehicle manufacturing processes as a more fundamental structural reform of Hino vehicle manufacturing, sharing our aspirations and thinking and acting together as we work to create vehicles together.

Restructuring the vehicle manufacturing processes

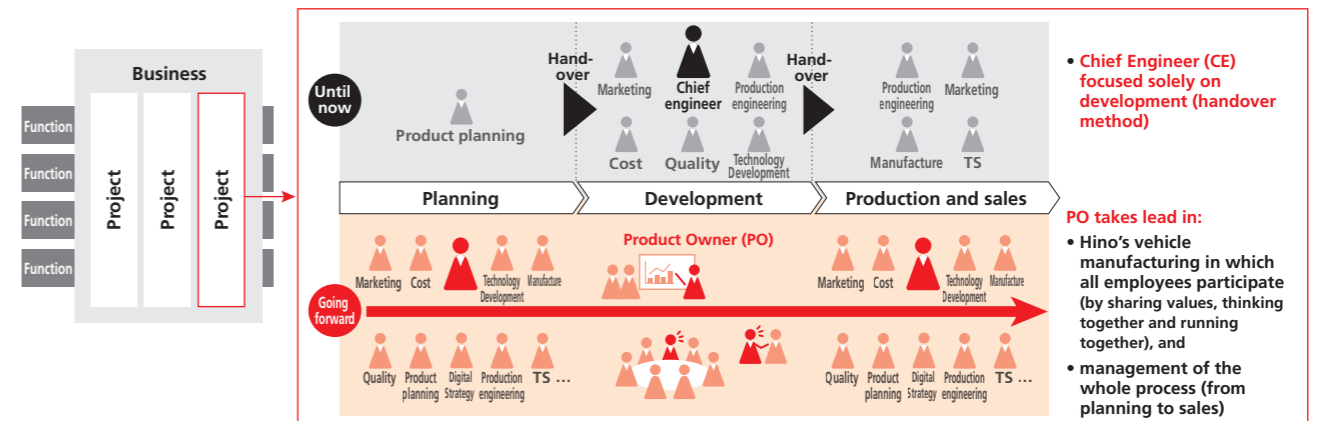
Since our development efforts were previously based on the division of labor and we were not able to make vehicles that were completely optimized, we are constructing systems that allow us to address customers upstream and downstream of vehicle manufacturing and are working across organizational boundaries to resolve problems, in order to establish a system themed around the concept "everyone manufactures vehicles together."

We have clarified the role of the chief engineers at the center of these efforts as being to manage project in their entirety, redefining these personnel as product owners. In

addition to taking a core role in product development itself, they will act as the owners of the various products and services, participating in everything from product planning with an eye to business profitability through to development, production, sales, and total support for customer operations, including appropriate compliance with laws and regulations.

These processes include the enhancement of internal verification functions, such as separating the Regulation & Certification Division from the development divisions and ensuring that only projects that can be properly managed with available resources are planned. We also (i) rebuilt our business processes with respect to development, certification and quality assurance, and (ii) identified key milestones and events in the vehicle manufacturing process and defined them as critical milestones.

Establishing the system led by Product Owners where "everyone manufactures vehicles together" (February 2023 onwards)



Message

We will work to reform our development processes to achieve our vehicle manufacturing goals and improve internal communications.

Makoto Wakimura Chief Technology Officer (CTO)

I believe that the CTO has two major roles. The first is to lead the development process reforms to promote working in the right way. The CTO will identify any issues with the existing structures and work processes, and consider and propose work practices to ensure rationality and transparency. The second is to promote communication throughout the entire company. The CTO will take the initiative in creating a corporate culture that (i) enhances mutual understanding through dialogue with the employees and messaging from the management, and (ii) fosters an environment in which it is easy to express opinions. We will continue to do our utmost to achieve the happiness of our customers, community, and employees.



The "Three Reforms"

Proper implementation of correct procedures

In order to manage the correct procedures appropriately for our reconstructed vehicle manufacturing, we are moving ahead with the introduction of effectiveness checks performed by external entities.

In addition, as a basic premise for manufacturing vehicles, we will establish a system to understand applicable laws and regulations in a timely manner and correctly interpret and reflect them in our development process. We will also implement processes for the development and management of relevant software by collaborating among the persons in charge at respective divisions of Hino.

Introduction of a quality management system that includes checks by external entities

We are in the process of introducing a quality management system (QMS) to monitor and review the appropriateness of our vehicle manufacturing business processes.

Since we believe that external reviews are crucial for the QMS, we are working to acquire ISO9001 certification, which requires external audits. We selected an ISO9001 certification body and established an internal system to work toward acquiring this certification. We are preparing rules with the aim of having them examined by the certification body in 2024.

[Mechanisms] Restructuring of the QMS, including external audit

In order to achieve the following, we will implement thorough restructuring with respect to business processes and evidence management, as well as introduce the QMS (via ISO9001 certification, as noted above), with its related external audits. These steps will enable us to manage the development target, shipment management and specification values, while sharing the knowledge necessary to ensure product quality with each department.

- Establishment of a series of business process management mechanisms related to planning → designing → testing → certification.
- Improvement of the certainty of each business process for development, regulatory certification and quality assurance.

[Operation] Establishment of a governance system to ensure the effectiveness of the QMS

In order to realize the following, we will (i) strengthen the system for gathering regulatory trends and related information, (ii) rebuild the system for sharing such information internally, and (iii) strengthen the auditing function with respect to the operational status of development processes.

- Strengthen the involvement of the quality assurance divisions from the perspective of ensuring not only shipping quality, but also product quality in development/design specifications.
- Strengthen the mechanisms for confirming that development infrastructures are being properly prepared, maintained and managed, such as timely updates of rules, and facility management in accordance with regulatory requirements.

Acquiring, understanding, and sharing legal information

With regard to the weakness of our systems to grasp trends in laws, regulations, and rules and disseminate their content and effect within the Company, we are working to ensure that regulatory trends and regulatory information are widely shared and deployed internally, in a timely manner and with each division. We hold regular meetings to share such information with employees involved in industrial and technical public relations activities.

Organization of the JAMA Engineering Team to share regulatory information internally

We have established our own "JAMA Engineering Team." This team consists of members who participate in the technology related activities of the committees and subcommittees of Japan Automobile Manufacturers Association (JAMA) and who understand the latest regulatory trends, as well as members from various divisions, such as the Regulation & Certification, Quality Assurance, Government & Public Affairs and Technology Development.

We will consolidate information obtained through technology-related activities within the JAMA and establish a system for gathering and internally sharing regulatory information. As a first step, we have organized the Regulation Supervisor*, which consists of personnel who are well versed in (i) technological capabilities related to development and (ii) regulatory trends and regulatory information, and who were given the role of connecting development (products) with regulations (requirements).

The JAMA Engineering Team will interpret regulations in a timely and accurate manner and incorporate them into product strategies and development processes. We are forming teams (consisting of members from the JAMA Engineering Team, the Regulation Supervisor, and related departments) to promote the study of each regulation.

* Regulation Supervisor: This group consists of personnel who will investigate the impact of each regulation, consider response policies and internally share such information.

Commencement of educational programs by external specialized institutions

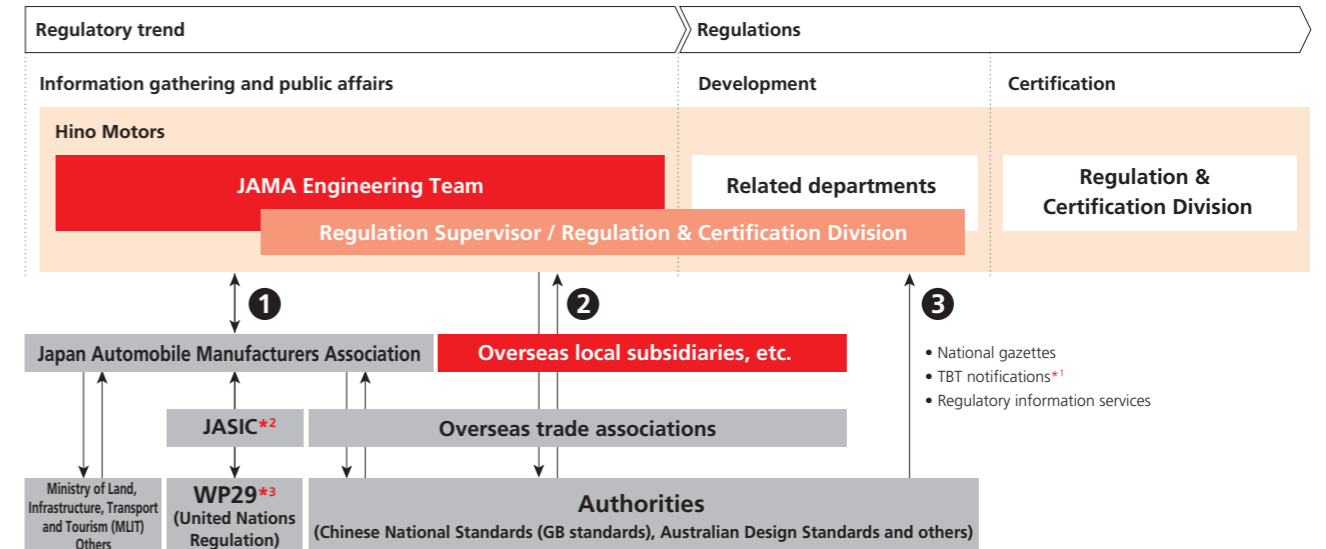
In order to promote understanding of regulations, we have invited outside instructors to conduct training on the legal theories underlying relevant vehicle regulations, as well as the content of actual testing methods and completion inspections.

For the domestic training related to regulations, a total of 13 programs, which were designed for all departments involved in businesses related to regulations, were completed and a total of 4,000 employees attended the programs. In addition, for regulations in North America, we also completed a total of 16 programs and approximately 2,500 employees attended the programs.

After the training, with respect to both the domestic and North American training programs, we worked to promote and instill regulatory information by releasing training videos to the entire company and conducting on-line testing to measure and remind employees of the benefits of learning.

Three channels for obtaining regulatory information

- (i) Obtain regulatory information from JAMA
- (ii) Obtain regulatory information via the Company or Toyota's overseas affiliates (dispatch of staff, etc.)
- (iii) Obtain regulatory information directly from the national gazettes of each country, TBT notifications*1 or private regulatory information services.



*1: TBT notifications:

TBT notifications are notifications to WTO member states to prevent the creation of unnecessary barriers to international trade when there is a risk of a significant impact on the trade of member states caused by mandatory standards or conformity assessment procedures with respect to all products proposed by another country.

*2: JASIC: Japan Automobile Standards Internationalization Center

JASIC was established in 1987 through the cooperation of public- and private sectors with the aim of supporting the government's internationalization promotion activities, such as standards and certification systems for vehicles. JASIC consists of members from the MLIT, the Ministry of the Environment, the Examination Department, JAMA and other trade associations.

*3: WP29: World Forum for Harmonization of Vehicle Regulations

4

Sustainability

47 HINO Sustainability Policy

48 Basis for corporate activities

Compliance / Safety and quality of our products and services /
Environmental management / Respect for human rights /
Fair transactions and responsible purchasing activities /
Disclosure and dialogue with stakeholders

65 Working environment and corporate culture

Working environment and corporate culture to respect employees

73 Providing value for a sustainable society

Contribution for a sustainable society through our business /
Engagement in community and contribution to its development /
Relationships of trust with customers

77 Crisis management and role of senior management

Thorough crisis management / Role and approach of senior management

85 A dialogue among newly appointed directors

87 Members of the Board

HINO Sustainability Policy

The HINO Sustainability Policy, aimed at achieving a sustainable society

HINO Sustainability Policy

- The HINO Credo states that "We make a better world and future by helping people and goods get where they need to go." as our Corporate Mission. Hino Group is determined to contribute to the realization of a sustainable society through solving issues and challenges in relation with flows of people and goods. To achieve the above, we, all employees of Hino Group, will act with integrity in accordance with the spirit of this "HINO Sustainability Policy."

In April 2022, the Hino Group revised and reorganized its corporate philosophy as the HINO Way, and prompted by social demands and changes in the business environment around the Group, transformed our previous CSR Charter into the HINO Sustainability Policy. This policy is a declaration of the contributions that Hino will make toward the achievement of a sustainable society.

Hino will adopt a perspective that takes the sustainability of society into account in its management, and seek to solve social problems through its businesses. Where appropriate, the Management Committee, which is chaired by the President and Member of the Board of Directors, reports and makes decisions on planning and promoting various initiatives and on sharing issues related to sustainability.

Items in the HINO Sustainability Policy

Basis for corporate activities	1 Compliance P. 48
	2 Safety and quality of our products and services P. 49
	3 Environmental management P. 53
	4 Respect for human rights P. 62
	5 Fair transactions and responsible purchasing activities P. 63
	6 Disclosure and dialogue with stakeholders P. 64
Working environment and corporate culture	7 Working environment and corporate culture to respect employees P. 65
Providing value for a sustainable society	8 Contribution for a sustainable society through our business P. 73
	9 Engagement in community and contribution to its development P. 75
	10 Relationships of trust with customers P. 76
Crisis management and role of senior management	11 Thorough crisis management P. 77
	12 Role and approach of senior management P. 78

Basis for corporate activities

1 Compliance

HINO Sustainability Policy

- We comply with laws and regulations, as well as their spirit, social norms and company rules, and carry out our corporate activities in a fair manner.

The Hino Group regards compliance, which is the basis for its corporate activities, to comprise both acting in an ethical and appropriate manner in conformance with the expectations of society, as well as complying with laws and regulations. The Hino Group has implemented a range of measures under its Compliance Promotion System and is working to enforce and strengthen such measures.

Results in FY2022	Number of internal reports 314 cases
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Compliance promotion system

The Compliance Committee, which consists of directors, auditors and advisors (external attorneys), has been established with the President & CEO, as its chairperson to deliberate on policies and issues related to compliance, and each unit/function and entity implement compliance measures based on the policies.

Compliance promotion system



Compliance awareness activities for employees

To foster an awareness of compliance-related issues in each and every employee, we conduct regular compliance training, and have established the HINO Code of Conduct, which provides clearly-defined standards of employee action with the aim of promoting "working in the right way" in our work practices.

Moreover, the Compliance Guidebook, which illustrates possible problems that could arise in everyday work and sets forth responses to such problems, as well as the Compliance Newsletters, both of which are intended to improve awareness of compliance-related issues, have been made available instantaneous perusal via the Company's intranet in order to ensure that all employees in the Company are fully aware of the importance of these matters. We conducted surveys to check the level of awareness of compliance issues among employees and are implementing the results of such surveys in the form of improvements in our work environments and

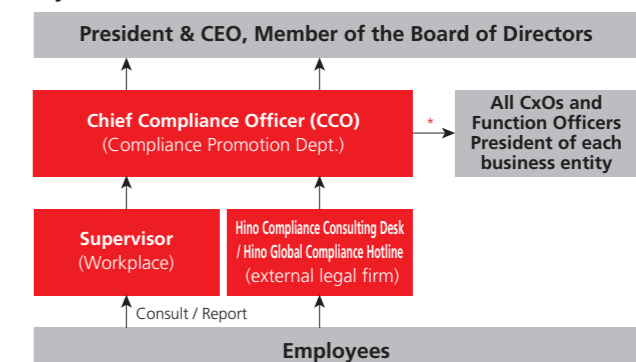
measures to strengthen compliance. Going forward, we will continue to work to establish an organization which ensures compliance with the necessary laws, regulation and rules and ensure that our workforce has a high level of awareness of compliance-related issues.

Internal reporting

The Hino Group utilizes an internal reporting system that accepts reports regarding the level of legal and other compliance among employees. This system is intended to swiftly and objectively address and resolve issues. Under this system, the Hino Compliance Consulting Desk has been established at external law firms and specialist companies that accept anonymous consultations 24 hours per day, 365 days per year. By using posters and the Company's intranet to make these contact points well known, we have created an environment that makes it easy to engage in consultation.

We protect those who report issues from any repercussions; further, we also investigate facts, and when problems are found, we respond to them in a prompt and fair manner. In FY2022, 314 requests for consultations and reports were received, from various parties, including our Group companies. Going forward, we will continue to strictly enforce compliance by operating these systems in an appropriate manner.

Flow of consultations/reports in the internal reporting system, etc.



* The information is shared with each CxO/functional head and the president of each business entity after giving due consideration to the anonymity of the consultants.

Basis for corporate activities

2 Safety and quality of our products and services

HINO Sustainability Policy

- We pass on our technology and skills, and keep creation, innovation and kaizen for providing products and services which are safe, high-quality, and useful for the business of our customers.

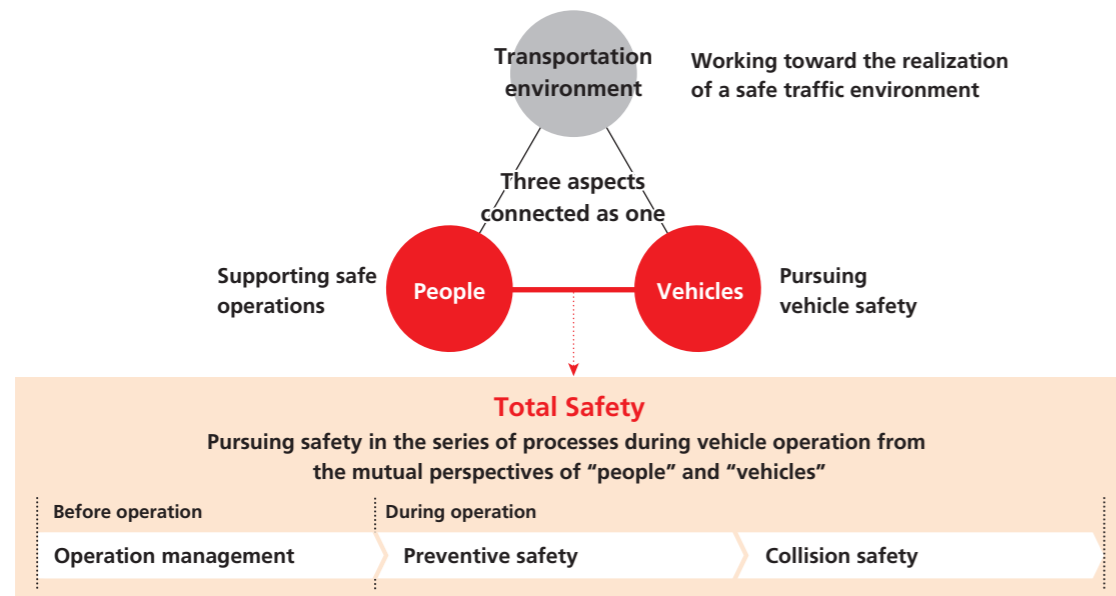
To the Hino Group, safety initiatives are one of the most important issues in corporate management. The Hino Group promotes improving safety performance as an important part of product development and is working to develop and promote the practical use of a range of safe technologies in order to help realize our goal of zero traffic accident casualties. We are also working to strengthen our quality assurance systems and improve product quality to enable us to offer our customers safety and security through our products and services.

Total Safety: Aiming for safe traffic environments

The Hino Group is advancing initiatives to increase safety in each stage of vehicle operation, including vehicle operation control for safe driving, safety preventive measures to avoid accidents, and safety measures even in the case of a collision. In this way, the Total Safety concept involves pursuing safety across the entire series of processes related to vehicle operation.

Going forward, based on its Total Safety concept, Hino will continue to develop and promote the practical application of new safety technologies, not only for the safety of its customers who directly operate trucks and buses, but also for the safety of all road users.

Contributions toward achieving "a society with zero traffic accident casualties," which is the ultimate wish of a transportation-oriented society



Safety technology and equipment

Preventive safety

Reducing driver fatigue

This system automatically controls the separation between vehicles and suppresses lane departure, helping to reduce the burden on the driver.

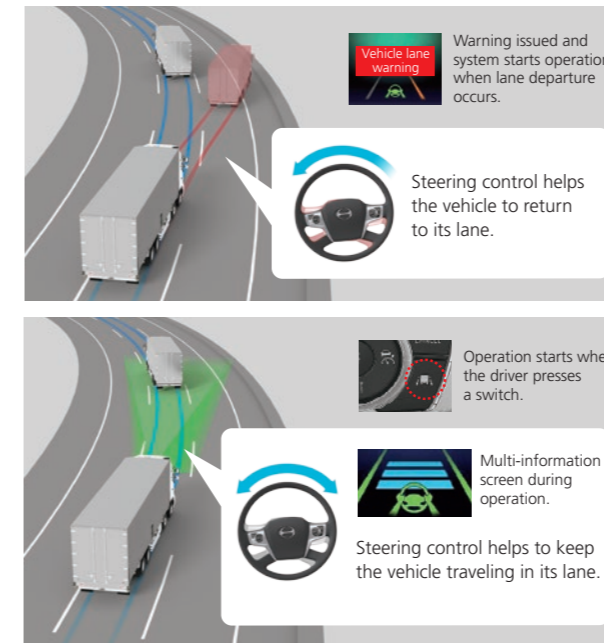
Lane Keeping Assist (LKA) function

The Lane Keeping Assist (LKA) function limits accidents caused by unsteady driving and lane departure.

Scanning Cruise III

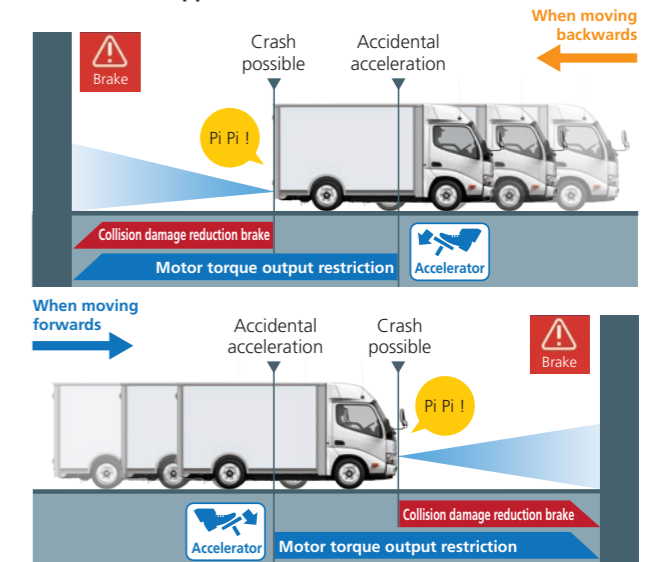
The millimeter wave radar and imaging-based sensors detect vehicles traveling ahead and automatically maintain appropriate vehicle separation. This reduces the driver's acceleration and braking operation, thereby helping to alleviate fatigue.

Operational image of LKA



function simultaneously restricts the motor torque output and automatically applies the brake to help avoid collisions.

Operational image of erroneous forward / reverse movement suppression function



Evolution of the Emergency Driving Stop System (EDSS)

The EDSS assists the vehicle stopping in situations where the driver suddenly becomes sick and is unable to continue driving. Hino is working to further develop the function of this system and to install such systems in vehicles.

In addition to technologies that monitor the driver's posture and the vehicle behavior, and to automatically detect abnormalities such as sudden changes in the driver's physical condition and then decelerate the vehicle gradually, we added a function to stop the vehicle while keeping it in its lane, and have also installed this system as the standard to be used in vehicles, starting from the "HINO PROFIA," which is a heavy-duty truck released in April 2023.

Going forward, we will continue to develop these systems to help prevent traffic accidents and contribute to the safe and secure operations of our customers.

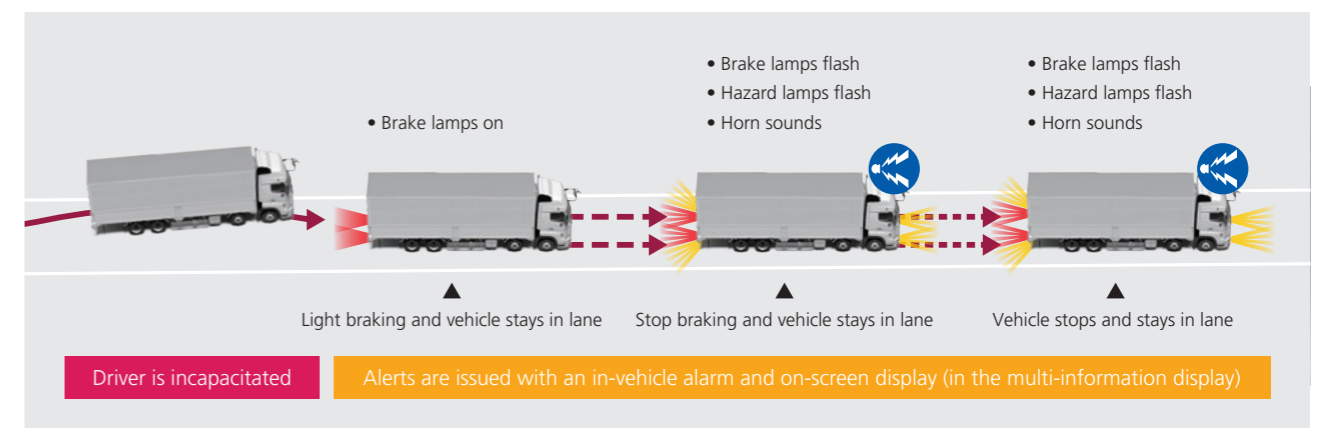
Erroneous forward/reverse movement suppression function

In order to prevent collision accidents caused by drivers stepping on the accelerator by mistake, Hino equips its vehicles with both front and rear sonar sensors.

Beginning with the "HINO DUTRO Z EV" light-duty BEV, Hino is equipping vehicles with the "erroneous forward / reverse movement suppression function," which can detect the glass walls of buildings such as convenience stores.

The pop-ups on multi-screens and an audible warning act in tandem to alert the driver in a situation where the driver accidentally steps on the accelerator. At the same time, the

Operational image of EDSS



Basis for corporate activities

Collision safety

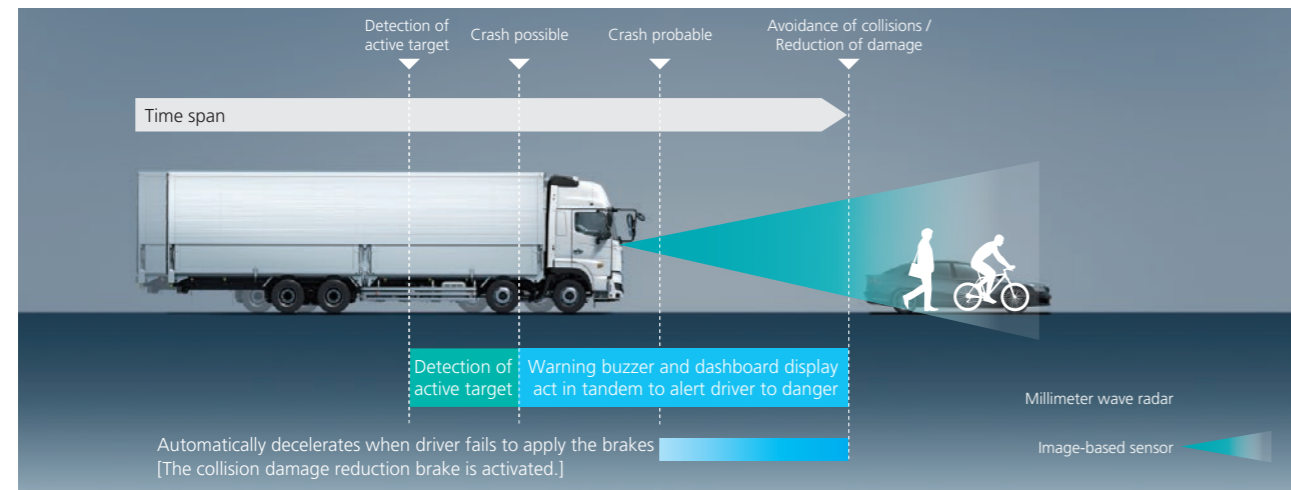
Pre-Crash Safety System (PCS)

The Hino Group is working to improve the function of its PCS* (pre-crash safety collision avoidance with pedestrians and cyclists (day/night)), to better prevent accidents involving pedestrians.

In addition to technology that reduces vehicle speed at the time of collision to help reduce collision damage, PCS technology makes it possible to detect daytime and night-time pedestrians and cyclists, using millimeter wave radar and image sensors, and helps to reduce the risk of traffic accidents.

* PCS (Pre-Crash Safety) is a registered trademark of Toyota Motor Corporation

Operational image of PCS



Promotion system for quality assurance

The CQO (Chief Quality Officer) plays a central part in promoting the establishment and steady operation of the quality and regulatory compliance assurance systems in the Hino Group in accordance with the quality assurance regulations.

To enhance the control (checking) for development functions, the certification testing/application operations and functions were transferred from development functions to quality functions, and we are in the process of establishing systems that are capable of conducting sound internal control.

Initiatives to improve product quality

Prompted by the engine certification issues, the Quality Assurance Division has established new rules for performing audits during development, and is endeavoring to make decision-making on mass production or shipment of products stricter. In order to clarify quality assurance activities in transitioning to mass production, we are in the process of revisions to our quality assurance regulations.

Quality risk management

At least once a year, Hino conducts an internal audit to strengthen quality assurance based on laws in all relevant countries as well as internal regulations. Further, we are in the process of the implementation of a quality management system (ISO9001) in order to rebuild our systems to be more transparent.

Enhancing employees' awareness of quality

Training of staff members at dealers

At dealers in Japan and overseas, where there are many opportunities to interact directly with customers, we are in the process of the establishment of systems for rapid delivery of components, and the development of environments that allow our personnel to acquire advanced maintenance skills and other skills. We have established service support facilities in Hachioji City (21st Century Center) and Kobe City (Kobe Training Center) in Japan, as well as in the Middle East and Latin America.



Hino Training Center – Middle East

Additionally, we offer the Service Master Course as a program to train the next generation of core human resources, who will play leading roles at our Japanese dealers in the future. In addition to acquiring the advanced maintenance techniques and diagnostic techniques that are required of service engineers, participants learn a broad range of skills, such as knowledge on products, the relevant laws

and regulations, how to deal with customers, and the management of maintenance facilities. After completing the course, the participants take on roles in divisions in charge of after-sales services at each dealer.



The Service Master Course

Awards system for staff members at dealers

Hino's dealers across Japan regularly hold a service skills competition. Service engineers compete in maintenance skills and store front advisors compete in skills related to customer service, respectively, in order to improve their skills by encouraging them to learn independently, and to incentivize staff members to provide high quality service to customers.

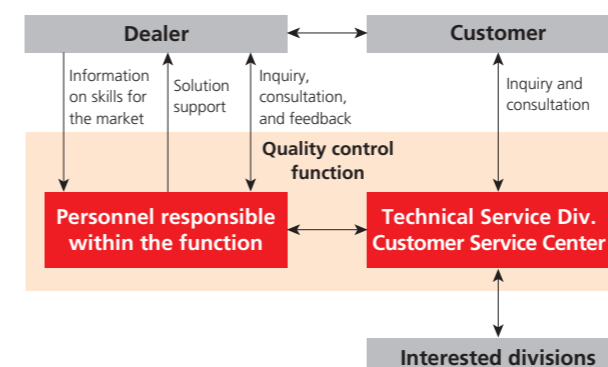


Nationwide dealer service skills competition

Customer service center (Japan)

"Hino Motors' Customer Service Center" in Japan was established to address a range of customers' concerns and enquiries by telephone. Following the motto, "Speedy and accurate response," the center is committed to improving its quality of service, aiming to further enhance customer satisfaction.

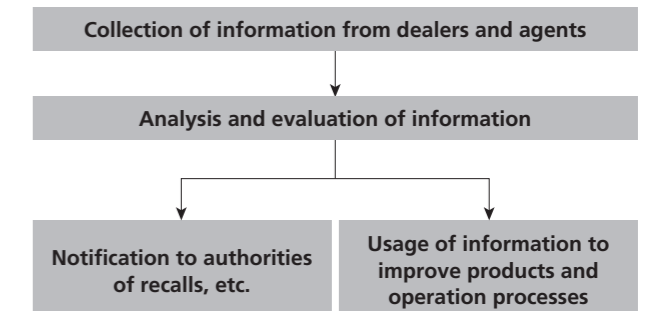
Response system for customers in Japan



Handling of quality defects and recalls

We prioritize to ensure the safety of customers and society, and have established systems that collect all necessary quality information and take rapid and appropriate action to minimize any inconvenience caused. Additionally, based on analysis and evaluation of quality defects we are revising our products and operational processes, and working to improve quality.

Flow of remedial measures



Status of handling of defects

(Cases)

	FY2020	FY2021	FY2022
Recalls	12	13	7
Remedial measures	12	1	0
Service campaigns	12	5	2

Future initiatives

The Hino Group is working to achieve the ultimate goal of "eradicating defects and recalls," aiming to provide safety and reliability to customers and the broader society. We will keep working to improve quality further by constantly striving to prevent defects and recalls and further raising employees' awareness.

Basis for corporate activities

3 Environmental management

HINO Sustainability Policy

- In order to contribute to the realization of a sustainable world that is prosperous and pleasant to live in, we proactively work to minimize environmental impacts resulting from our operations, as well as to develop and provide our customers with environmentally friendly products and services.

The Hino Group has set out its fundamental approach to global environmental conservation in the HINO Global Environment Charter and the HINO Environmental Policy and has defined six challenges to address in its medium- to long-term environmental vision.

HINO Global Environment Charter

Basic policies

1. We will promote comprehensive and ongoing global environmental conservation.

We will endeavor to offer superior products to customers in all countries, and continue to contribute to the achievement of greater prosperity of society through our products. In this, we are fully aware of the environmental impact of our products, and pledge ourselves to an earnest commitment to sustainable human and global development through our ongoing efforts, whilst also paying careful attention to preventing pollution wherever we engage in our corporate activities.

2. We will take concrete and definite steps to protect the global environment.

Through the establishment and operation of our Environmental Management System we will maintain continuous efforts to define, assess and review our environmental goals and targets while strictly adhering to all legal and other requirements placed upon us.

Action guidelines

1. We will minimize the environmental impact of our vehicles throughout their life cycles, and of all our corporate activities in general.

We are determined to offer the public products having top-level environmental performance, and to engage in continuous technical development designed to minimize the environmental impact of our products and their distribution. We will also engage in the establishment and operation of an Environmental Management System embracing all stages in the life cycle of our vehicles.

2. We will develop closer partnerships with our affiliated companies.

The cooperation of a great many companies is critical for the effective pursuit of our business activities. We will work closely with vehicle manufacturing partners both in Japan and abroad, and will strive to extend the scope of our environmental protection efforts together with them.

3. We will make greater efforts in the areas of information disclosure, education and awareness-promoting activities.

We will engage in activities designed to disseminate to as many people as possible a correct and proper understanding of what we are trying to achieve. At the same time, we will spare no effort to hone our own environmental sensitivity.

4. As corporate citizens, we will take an active part in community and social activities.

Our contribution to society is not limited to offering superior products. As corporate citizens, and as a corporate entity existing within a local community, we will take an active part in a broad range of community and social activities.

HINO Environmental Policy

Action guidelines

1. Compliance with laws and regulations

We will provide our products and services by complying with all laws and regulations as well as appropriate voluntary rules and best practices regarding the environment.

2. Prevention of environmental pollution

We will prevent environmental pollution caused by oil and chemical substances, reduce the impact of these pollutants, reduce emissions of air pollutants, and reduce and properly manage hazardous waste and wastewater.

3. Creation of a sustainable society

We will promote our "Annual Company-Wide Environmental Activity Policy," which was formulated based on the Environmental Initiative Plan and by backcasting the HINO Environmental Challenges 2050 and the HINO Environmental Milestone 2030.

4. Maintenance of environmental management

We will formulate an environmental conservation promotion plan, review it periodically, and continuously improve it to achieve our goals.

5. Participation of all employees

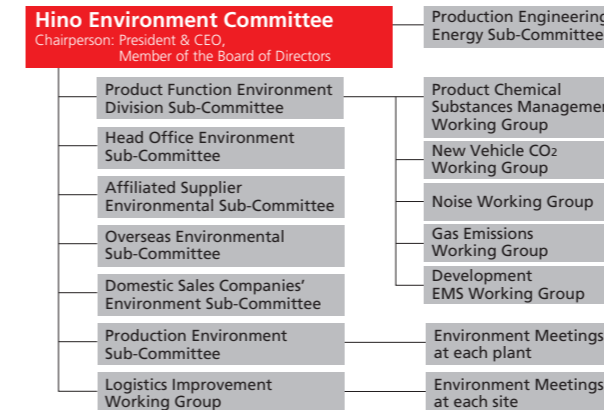
We will develop an environmentally-oriented culture that encourages all employees of Hino to take an interest in the environment.

Promotion structure

Chaired by the President & CEO, the Hino Environment Committee convenes four times annually to evaluate the progress of efforts for the planning and formulation of our medium- to long-term environmental strategy. The progress of our strategy and of initiatives such as the introduction of renewable energy, which have an impact on our operation, are discussed and decided on by the Management Committee and the Board of Directors.

Additionally, seven subcommittees have been established as subordinate organizations of the Hino Environment Committee, and are promoting initiatives aimed at reducing environmental impact throughout our businesses.

Overview of promotion structure



Formulation of Hino's medium- to long-term environmental vision

To help achieve a sustainable global environment, in 2017, the Hino Group formulated its long-term vision, HINO Environmental Challenge 2050, and announced its goal to reduce its environmental impact to zero. Hino is addressing a multitude of global-scale environmental issues, including the worsening global warming crisis, water shortages, resource depletion and the destruction of nature, through the six

challenges enacted for the purpose of being solved by the Hino Group.

Furthermore, in 2021, we formulated the HINO Environmental Milestone 2030 as its mid-term target to be achieved by 2030 and identified the move toward carbon neutrality as one of the most important issues it has to address, and is promoting initiatives to move toward achieving those targets.

HINO Environmental Challenge 2050

HINO Environmental Milestone 2030

Overview of medium- to long-term environmental vision



Environmental Initiative Plan (Global goals)

HINO Environmental Challenge 2050	Pursuit of a variety of measures from the perspective of customers and society	HINO Environmental Milestone 2030
Life Cycle Zero CO ₂ Emissions Challenge	Adoption of decarbonized energy	-25% compared to FY2013
New Vehicle Zero CO ₂ Emissions Challenge	Development and diffusion of technologies Streamlining of transportation	-40% compared to FY2013
Factory Zero CO ₂ Emissions Challenge	Promotion of decarbonization of the production process	-40% compared to FY2013
Challenge of Minimizing and Optimizing Water Usage	Water saving and thoroughgoing management of waste water quality	Quantity: Water saving and recycling with consideration of local water risks Quality: Thoroughgoing management based on our rigorous criteria, leading to preservation of the water environment
Challenge of Achieving Zero Waste	Promotion of resource recycling	-30% compared to FY2018
Challenge of Minimizing the Impact on Biodiversity	Conservation activities that suit the environment of each region	Realization of factories that can coexist with nature

Message

Working to enhance and strengthen efforts toward achieving carbon neutrality.

At the Hino Group, we view solving environmental problems, such as climate change, as one of the most important issues for management to address, and are working to reduce our environmental impact to zero based on our medium- to long-term environmental vision. In addition to the adoption of electric vehicles, our initiatives toward carbon neutrality include the use of non-fossil certified electricity at our factories in Japan, so that we are effectively 100% powered by renewable energy. To zero our environmental impact and achieve carbon neutrality, we must give the highest priority to legal compliance and move forward with activities in cooperation with our business partners. We will work to enhance and strengthen environmental promotion activities such as efforts to coexist with nature, while considering the adoption of more electric vehicles and endeavoring to reduce CO₂, waste, and water consumption.



Motoshi Umeoka
Operating Officer,
Safety Health & Environment

Basis for corporate activities

2025 Environmental Initiative Plan

The Hino Group has formulated its "2025 Environmental Initiative Plan" a 5-year action plan, which it is moving forward with. Based on the target of zero environmental impact raised in the "HINO Environmental Milestone 2030" and the "HINO Environmental Challenge 2050," both of which are its medium- to long-term environmental vision, as well as the progress result of the 2020 Environmental Initiative Plan, this plan comprises three pillars: "Six Environmental Challenges," "Compliance with laws and regulations," and "Management."

Progress with the 5-year plan

2025 Environmental Initiatives Plan (contents and goals, etc., of the Plan)		FY2022 Initiatives
Six Environmental Challenges	Life Cycle Zero CO₂ Emissions Challenge Target: Reduce 12% (per unit transportation volume*) compared to FY2013 * CO ₂ emissions during transport per kilometer for a 1-ton load or per kilometer for 1 person • Reduce CO ₂ emissions in all processes: manufacturing, transport, use, and disposal (collaborate with each country and industry)	• Conducted an examination regarding calculation methods and scope of lifecycle CO ₂ with each of the companies of the Japan Automobile Manufacturers Association, Inc. • Visualized the volume of the CO ₂ emissions of our business partners, and provided support by cross-group deploying reduction case studies of CO ₂ emissions • Implemented total volume control in the logistics chain and at dealers, and promoted activities to reduce emissions
	New Vehicle Zero CO₂ Emissions Challenge Target: Reduce 15% (per unit transportation volume) compared to FY2013 • Develop and deploy electric vehicles • Improve diesel consumption • Initiatives for improved transportation efficiency	• Brought electric vehicles "HINO DUTRO Z EV" to market • Revised achievements and reevaluated future prospects in light of the engine certification issues regarding diesel vehicles • Developed vehicle types that offer improved transport efficiency (compatible with new-regulation full trailers)
	Factory Zero CO₂ Emissions Challenge Target: Reduce 30% (total global emissions) compared to FY2013 • Introduce innovative technologies • Promote daily improvements • Introduce renewable energy	Factory CO ₂ emissions: Reduced 50% (total global emissions) compared to FY2013 • Expanded the "Six rules for saving energy," which improve energy saving to Group companies in Japan and overseas, and promoted activities such as making daily improvements • Introduced non-fossil certificates (Hino plants in Japan)
	Challenge of Minimizing and Optimizing Water Usage Target: Implement initiatives for efficiently reducing water usage (all plants worldwide) • Use small amounts of water • Return purified water to nature	• Optimized flushing shower intervals and implemented reuse of pure water for pre-painting processing • Conducted risk assessment based on stricter standards than those required by the laws and regulations of each country
	Challenge of Achieving Zero Waste Target: Reduce 12% (total global emissions) compared to FY2018 • Reduce to reach zero waste • Use resources from discarded vehicles in newly manufactured vehicles (car to car) • Reduce packaging materials	Waste emissions: Reduced 40% (total global emissions) compared to FY2018 • Partially charged for waste sand discharged from the foundry process and implemented daily improvements • Reduction rate for packaging materials per unit of production: Reduced 21% compared to FY2018
	Challenge of Minimizing the Impact on Biodiversity Target: Establish 2 model plants that coexist in harmony with nature • Create plants that conserve greenery and water, and coexist in harmony with nature	• Implemented ecosystem surveys, afforestation activities (Koga), biotope creation, and tree planting (Hino Motors Manufacturing (Thailand) Ltd.) • Created a roadmap for plants to coexist in harmony with nature (Hamura and Nitta Plants)
Compliance with laws and regulations	Air • Take measures to prevent air pollution in products and production	• Reexamined laws and regulations in view of the engine certification issues, and strengthened a development management system • Reduction rate per unit of VOC: Reduced 16% compared to FY2018
	Water quality / Soil quality • Manage wastewater and prevent underground seepage in the course of production • Prevent the spread of pollution during land transactions and modifications	• Complied with legal standards, and conducted evaluations for applicable cases • Conducted soil surveys and implemented decontamination measures at the Hino Plant
	Noise/Vibrations • Reduce noise and vibrations in products and production	• Completed compliance with the next phase of noise regulations (UN-R51-03, Phase 2) (Products) • Complied with legal standards at plant site boundaries (production)
	Waste materials • Properly manage waste materials	• Concluded contracts regarding new waste materials and managed such materials properly
	Chemical substances • Manage chemical substances and reduce hazardous substances in products and production	• Implemented management of environmentally harmful materials using International Material Data System (IMDS) from a global perspective (products) • Implemented thorough management of prohibited substances in new subsidiary materials
	Accident prevention • Prevent environmental accidents (goal of zero violations and complaints, defects and reports)	• Occurrence of one violation and five defects in the consolidated subsidiaries in the Hino Group • Implemented cross-group investigations and general inspections to prevent similar incidents from occurring
Management Create environmentally responsible human resources (communicate environmental management and conduct in-house education)	• Implemented environmental education and a range of initiatives during Environment Month, and performed in-house ISO14001 audits • Held basic seminars for internal auditors, Step-up seminars, and advanced seminars: 82 participants attended • Held environmental study meetings (held in June): 86 participants attended	

Initiatives toward achieving carbon neutrality

Reduce CO₂ emissions in all processes: manufacturing, transport, use, and disposal

Regarding the initiatives toward achieving carbon neutrality, in order to thoroughly reduce CO₂ emissions in all lifecycles, manufacturing, transport, use, and disposal, Hino has promoted such initiatives by setting three challenges (Life Cycle CO₂, New Vehicle CO₂, and Factory CO₂).

For commercial vehicles, CO₂ emissions while driving account for 90% of lifecycle CO₂ emissions, and thus reduction of carbon emissions from diesel oil use is required. In conjunction with reducing diesel oil use through the approaches of "fuel efficiency improvement," "usage of electric vehicles," "transition to low-carbon fuel," and "overall optimization of logistics," we are working to achieve carbon neutrality through both "carbon neutrality for internal combustion engine (ICE) vehicles" and "the continued promotion of electric vehicles."

P. 23 "Ideal State" of Hino

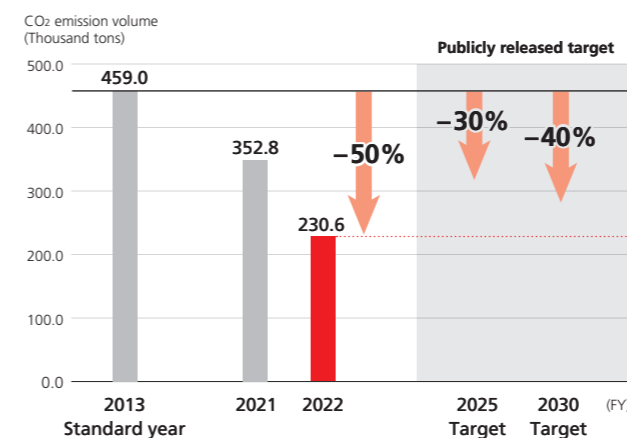
In addition, although Hino has been promoting activities to reduce CO₂ emissions, mainly from plants and logistics, we have expanded the scope of our CO₂ management to include non-production related areas, such as dealers and offices since August 2022. Going forward, we will endeavor to reduce CO₂ emissions in each area of production, non-production, and logistics.

Initiatives to take on the factory zero CO₂ emissions challenge

The Hino Group is intensifying CO₂ reduction activities through the three approaches: introduction of innovative technologies, promotion of daily improvements, and introduction of renewable energy.

In FY2022, we were able to reduce the global CO₂ emissions from our plants by 50% compared to FY2013. In addition, we made a total of 37 investments at our four plants in Japan, and reduced CO₂ emissions by 3,235 tons (approximate).

Factory CO₂ global emissions



Introduction of innovative technologies

We reduced energy consumption for painting equipment by using dry/airless operation, and introduced airless painting, achieving ultra-high levels of paint adhesion.

Promotion of daily improvements

We thoroughly eradicated waste and irregularity latent in each process and engaged in energy-saving activities throughout our business activities.

Concrete examples

- Visualized leaking areas in air pipes using ultrasonic cameras
- Reduced machining times by changing tools
- Inspected areas of heat radiation loss from steam pipes by using thermography, and implemented heat conservation measures

Introduction of renewable energy

—Achieving 100% conversion from purchased electricity to renewable energy in Hino's plants in Japan—

Our policy on the introduction of renewable energy is to install power generating equipment within our plants that makes the most of the characteristics of each region and to procure electricity that includes renewable energy sources.

We have installed in-house solar power generating equipment at the Koga and Nitta Plants, at Hino Motors Manufacturing (Thailand) Ltd., and at Hino Motors Manufacturing Colombia, S.A.S., at each of which electricity generated by the equipment is used for production activities, lighting inside offices, and outside lights and the like on the premises. In FY2022, there was a total reduction of 512 tons of CO₂ equivalent at the Koga and Nitta Plants as a result of installation of solar panels.

Hino is also moving to reduce CO₂ through the introduction of a PPA (Power Purchase Agreement) model business. We are implementing PPA at Hino Motors Manufacturing (Thailand) Ltd. (2023), Takebe Tekkoshu Co., Ltd. (2022), and at the Suminoe Branch and Hokusetsu Branch (2023) of Osaka Hino Motors, Ltd., a Japan-based dealer for Hino.

Additionally, Hino affiliates Meiyu Kiko Co., Ltd. (2019), Hino Motors Philippines Corporation (2021), and the Azuma Plant of Fukushima Steel Works Co., Ltd. (2023), operate by 100% of renewable energy derived from hydroelectric power generation.

Since 2022, all Hino plants in Japan have used non-fossil certificates with virtually all power purchased being 100% renewable energy. Procurement of non-fossil certificates has allowed Hino to reduce CO₂ emissions by 90,727 tons.

Initiatives to minimize and optimize water usage

In order to make effective use of precious water resources, the Hino Group is endeavoring to reduce water usage and to enforce the management and purification of wastewater when returning it to nature from each office.

Basis for corporate activities

Use small amounts of water

The Hino Group conducts water risk assessments every year. The Group focuses on activities to reduce water intake at locations that have a high impact on our businesses, while taking the local water environment into consideration. Particularly, there is the painting process where a large amount of water is used in vehicle assembly plants, compared to unit plants, and are therefore thoroughly engaged in activities to reduce water intake.

Return purified water to nature

We manage water quality to a stricter level than that required by emissions standards (our water quality is within the range of 10% to 80%, which fulfills the legal standards) and conduct risk assessments at the river watershed level. Additionally, we regularly have external organizations perform measurements, and engage in strict control of wastewater.

Initiatives to take on the challenge of achieving zero waste

We are endeavoring to reduce waste generated from production processes by reducing volume used, which is achieved through improvement activities and by applying the three Rs (Reduce, Reuse, and Recycle). Hino strives to promote eco-friendly manufacturing as early as the development stage by considering easy-to-disassemble vehicle designs or by adopting recyclable materials and thereby is endeavoring to contribute to the development of a recycling society and foster the effective utilization of resources.

Activities to reduce waste materials


We engaged in activities using workplace patrols and the perspective of 3Rs to reduce waste in a total of 79 parameters over a four-year period from FY2019 to FY2022. Reducing the amount of substances such as paint and cutting fluid has also led to cost reduction activities. Going forward, we will focus on activities such as daily improvements, including material recycling within the Company.

Outline of initiatives aimed at reducing waste

Reduce	Reuse	Recycle
<ul style="list-style-type: none"> Revision of processes / Reduction of the amount of materials used Dehydration/separation of water content Reduction of the amount of residue in containers (paint, etc.) Returnability of packing materials 	<ul style="list-style-type: none"> Cleaning and reuse of spent tools Revision of frequency of replacement of cutting fluid, etc. 	<ul style="list-style-type: none"> Installation of recycling facilities Sale to recycling vendors Return of used components to suppliers

Environmental activities at the recycling stage

To comply with the Automobile Recycling Act (Act on Recycling, etc. of End-of-Life Vehicles), Hino has implemented a process of recovery, processing, and recycling of the three materials designated by the law from scrap vehicles, namely automobile shredder residue (ASR), airbags, and chlorofluorocarbons (CFCs), with the help of associated businesses.

 **Achievements for recycling under the Automobile Recycling Act (Japanese)**

Compliance with the act on promotion of resource circulation for plastics

Hino generated 1,884 tons of waste plastic in FY2022, of which 80% was disposed of by incineration. In order to thoroughly implement initiatives to reduce waste generation and promote recycling, we will conduct environmental training and instruction to group businesses going forward, working to reduce volumes and thus lower the frequency of collection and transport.

Additionally, we will inspect the content of waste plastic and review what we can recycle and our rules for waste separation, leading to enhancement of our improvement activities.

Future initiatives

Reduction of generation of waste plastics, and recycling of waste plastics		
Recycling of waste plastics	Reduction of waste generation	Expansion of the Hino Group
<ul style="list-style-type: none"> Identification of route of waste plastic generation Analysis of main factors regarding waste plastic generation and examination of countermeasures Revision of separation rules Pioneering recycling businesses 	<ul style="list-style-type: none"> Rationalization of parts using plastic Use of recycled plastic 	<ul style="list-style-type: none"> Environmental training Thorough implementation and management of initiatives in group businesses

Initiatives to take on the challenge of minimizing impact on biodiversity

Hino has endorsed the Japan Business Federation's "Declaration on Biodiversity," and in 2015, formulated the "Hino Motors Biodiversity Guidelines (Guidelines for Initiatives)" and is promoting initiatives that take biodiversity into consideration.

As part of our initiatives to create plants that coexist in harmony with nature, from 2021, we began activities in respect of the two pillars, "conserve biodiversity" and "provide learning opportunities," as appropriate to the characteristics of each region. We are cooperating with local experts and university specialists in surveying ecosystems and are endeavoring to conserve these ecosystems based on their opinions.

Initiatives at the Koga Plant

The Koga Plant has been engaged in an ecosystem survey under the supervision of the Ibaraki Prefectural Environmental Management Association. Employees are also engaged in afforestation activities, with a total of 184 people gathering in February 2023 to plant 830 trees in a two-day period. A total of 7,300 trees have been planted to date.

In July 2023, a light-trap observation event was held on the site of Koga Plant as an environmental educational class, with approximately 50 students from elementary schools within the city participating. They caught rhinoceros beetles and stag beetles in sawtooth oaks, and together with experts and employees, observed a variety of insects that were attracted to special lights. Going forward, we will continue to promote environmental improvements to make our plants places that attract living creatures.



Afforestation event (February 2023)



Light-trap observation event (July 2023)

Initiatives at Hino Motors Manufacturing Thailand

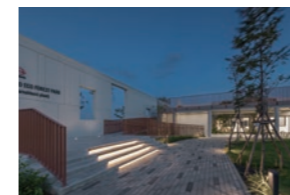
We are working to establish a biotope and build an environmental learning center at the Eco Forest Center located in the new plant of Hino Motors Manufacturing Thailand. A survey of a 5 km radius found 120 animal species and 207 plant species. Tree planting activities started in August 2021 and saw 4,012 trees planted by March 2023. Going forward we will work to maintain biodiversity and promote environmental study.



Tree planting



Hino Eco Forest biotope area



Eco building




Hino Eco Forest Park afforestation members

Promoting environmental management

In the Hino Group we are working to strengthen our environmental management systems (EMS) in line with the "Three Reforms," in order to prevent recurrence of misconduct that was disclosed in October 2022, giving the highest priority to compliance with environmental laws and regulations. We have set the goal of having all employees gain thorough knowledge of environmental laws and regulations and management, and of making improvements to their behavior (the capability of judgment, an environment in which people heed each other, the ability to teach each other, etc.), beginning by giving more power to the ISO internal auditors at each plant.

Additionally, we are moving ahead with the ISO14001 acquisition at each office in the Hino Group.

 **P. 33 The "Three Reforms"**

Priority items for improvement

- Holding environmental seminars conducted by outside instructors to improve the ability of auditors to identify problems during internal ISO audits and strengthen knowledge of environmental laws and regulations
- Promoting cross-group use of case studies of internal accidents as a measure to prevent environmental accidents and other risks
- Ensuring that legal requirements, including information on revisions to the law, are disseminated and addressed, and that the standards are complied with

Compliance with laws and regulations

Hino provides notifications and reports to the respective governments in accordance with environmental laws and regulations and conducts regular environmental measurements and monitoring.

In FY2022, there were six environmentally related problems, such as liquid leaks and incidents where BOD (biochemical oxygen demand) standard values were exceeded in plant wastewater. All of these were dealt with appropriately based on guidance from the respective governments. To prevent other similar events from occurring, we conducted group-wide inspections and preventative investigations.

Type	Location	Content
Violation	Water quality Japan	Plant wastewater exceeded BOD standard values for wastewater
Abnormality*	Water quality Japan	Leaks on site caused by gasket deterioration in LLC pumps
		Leaks on site associated with overflow of waste paint from the duckboard cleaning process
	Overseas	Paint used by contractors spilled into rainwater gutters on site
Overseas	Fluorocarbon Japan	Waste paint spilled into rainwater gutters on site due to erroneous handling of switching valves
		Fluorocarbon leak on site due to pipe breakage during the repair of an outdoor air conditioning unit

* Abnormality: For leakages, those that remained on site

Initiatives for chemical substances

With regard to the raw materials used in our products and the secondary materials and packaging materials used in our production processes, we manage chemical substances in an appropriate manner, and are working to reduce the amount of environmentally harmful materials.

Measures to prevent air pollution

We are working to reduce emissions of environmentally harmful substances such as NOx, SOx, and VOC in our production activities, complying with the legal standards, and managing them appropriately.

Environmental education

We promote environmental education and awareness activities in order to raise the environmental consciousness of employees. In conjunction with Environment Month, which was in June 2022, we held study meetings by the operating officer of Environmental Promotion with the theme "Global Environment Mechanisms and Functioning." Going forward, we will continue to implement systematic environmental education on a broader scale, working to improve environmental awareness in an ongoing manner.

Basis for corporate activities

Green Purchasing Guidelines

Hino has formulated its "Green Purchasing Guidelines" in order to strengthen environmental initiatives in our business activities, and has provided to clients in various countries worldwide. In the future, we will work to further improve and strengthen our environmental actions based on the strong partnerships that we have with our business partners.

Green Purchasing Guidelines

Disclosure based on TCFD Recommendations

The Hino Group considers the resolution of environmental issues, including climate change, to be one of the most important management issues, and in December 2022, announced its support for the Task Force on Climate-related Financial Disclosures (TCFD). Based on the TCFD recommendations, we are in the process of analyzing scenarios related to climate change, identifying risks and opportunities for our business activities, and disclosing our initiatives.

Disclosure based on TCFD Recommendations

Governance

The Hino Environment Committee, an overarching company-wide organization chaired by the President & CEO, and held four times annually, discusses and reports on medium- and long-term environmental policies and short-term action plans, and incorporates these plans into corporate management. The subject matter and outcomes of each meeting of the Hino Environment Committee are reported to the Board of Directors and the Management Committee, etc.

Environmental management system

HINO Global Environment Charter (formulated April 1993, revised February 2001)

The HINO Global Environment Charter formulates a basic approach to global environmental conservation through business activities and shares this approach with related companies.

HINO Environmental Challenge 2050 (established in October 2017)

Hino has declared its commitment to reducing the environmental impact of its products and the distribution thereof to zero as its long-term environmental vision. It sets out Six Challenges to be enacted by the Hino Group to address a variety of global environmental issues, including worsening global warming, water shortages, resource depletion and the destruction of nature.

HINO Environmental Milestone 2030 (established in April 2021)

In order to achieve the long-term vision of the HINO Environmental Challenge 2050, Hino has set itself mid-term milestones leading up to 2030 as medium-term targets in addressing the six long-term priority challenges.

2025 Environmental Initiative Plan (established in December 2021)

In order to achieve its long-term vision and mid-term milestones, as stated above, Hino strives to resolve environmental issues by creating an action plan every five

years and putting the plan-do-check-act method into action every year with an eye toward continuous improvement.

Strategy / Scenario analysis

Taking into account scenarios published by the United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), Hino examined two scenarios—the rise in temperature is "4°C" (the "4°C scenario") and "below 2°C" (the "2°C scenario")—and conducted impact analyses on the basis thereof.

As a result, in the "4°C scenario," Hino assumes that extreme weather events will become more common, and physical risks such as droughts and floods, which could affect the Hino Group's business activities will increase as well.

On the other hand, in the "2°C scenario," Hino assumes that the decarbonization of society will proceed as a result of active measures led by developed countries, such as the strengthening of regulations on fuel consumption and gas emissions, and regulations on the electrification of vehicles, etc., and the number of eco-friendly vehicles will increase, mainly due to electrification, etc. Hino believes that in this "2°C scenario," it will need to address the risks and opportunities associated with the transition to a decarbonized society. The main risks and opportunities for our business associated with the 2°C scenario, and the results of the scenario analysis of the impact thereof are shown in the table on the right, along with the measures we have evaluated to address them.

These results of the scenario analysis and the identification of risks and opportunities will be reflected in Hino's management strategy. Risks and opportunities related to climate change dramatically change from day to day, and thus Hino will continue to flexibly adjust its response to the changing risks and opportunities, while working to further enhance the content of information disclosure.

Risk management

Hino has established the Risk Management Committee as a company-wide risk management system. The Risk Management Committee meets twice per year to identify, evaluate, select and manage risks, including those connected with environmental change, and reports the results of its meetings to the Board of Directors, and Management Committee, etc. The Committee also regularly conducts risk assessments based on a standardized guideline.

In particular, with respect to climate change-related risks, each working group within the Hino Environment Committee will analyze, evaluate, and prioritize these risks based on the scenario analysis to determine the long-term and short-term measures to be taken and manage the progress thereof. Material risks are regularly reported to the Hino Environment Committee.

Metrics and targets

In environmental activities, our long-term vision, the "HINO Environmental Challenge 2050," provides metrics and targets on the basis of its six priority challenges. Each such challenge item is intended to minimize the environmental impact as much as possible. The medium-term targets set forth in the

"Hino Environmental Milestone 2030" for the achievement of these items constitute intermediate goals toward the effectuation of each of the challenges by 2030.

In addition, Hino formulates an "Environmental Initiative Plan" every five years, incorporates such plan into its annual action plans and promotes environmental activities on the

basis thereof. In particular, with respect to CO₂ emissions, Hino discloses its Scope 1, Scope 2 and Scope 3 emissions on the basis of the "Greenhouse Gases (GHG) Reporting Guideline," using reported values and available data.

Hino will continue to strengthen its control of the lifecycle of, and work to reduce, its CO₂ emissions.

Physical risk: Risks associated with physical impacts, such as disasters due to climate change

Category	Major risks	Major opportunities	Countermeasures	Impact	Length of time
Physical Risks and opportunities, including an increase in natural disasters	<ul style="list-style-type: none"> Business continuity risk due to catastrophes and droughts (damage to business offices, segmentation of supply chain) Higher costs for responding to catastrophes 	—	<ul style="list-style-type: none"> Further strengthening of BCP on the assumption of unstable weather (strengthening collaboration among business offices, consideration of measures based on disasters that occurred in the past, etc.) Provision of disaster response vehicles, recovery of vehicles affected by disasters 	Medium-scale	Long term

Transition risks and opportunities: Risks and opportunities associated with the transition to a decarbonized society

Category	Item	Major risks	Major opportunities	Countermeasures	Impact	Length of time
Transition Risks and opportunities associated with the transition to a decarbonized society	Policy and Legal	<ul style="list-style-type: none"> Decline of profitability per vehicle due to higher costs for development in compliance with regulations on fuel consumption, emissions, and electrification of vehicles Delay in investment collection due to lower needs for electrification in market 	<ul style="list-style-type: none"> Acquisition of sales opportunities as a result of improvement in fuel efficiency and introduction of products in compliance with regulations into market 	<ul style="list-style-type: none"> Strategy for electrification of vehicles in compliance with regulations and trends in infrastructure of each country Selection and concentration based on market trends Building relationships regardless of industry 	Large-scale	Short-medium term
		<ul style="list-style-type: none"> (Associated with the transition to electrification of vehicles) Sales decline due to decrease in the proportion of vehicles with internal combustion engines 	<ul style="list-style-type: none"> Acquisition of sales opportunities as a result of introduction of environmentally friendly vehicles*1 into market 	<ul style="list-style-type: none"> Development of optimal products based on energy cost and policies in each country (adjusting various power trains)*2 	Large-scale	Medium term
		<ul style="list-style-type: none"> Decline in revenue due to introduction of carbon pricing (increase in tax amount) Increase in cost of parts (pass through of carbon tax to purchase costs) Increase in cost of using green energy 	<ul style="list-style-type: none"> Decrease in tax amount due to development of CO₂ reduction, and reduction of energy cost by promoting energy saving (promoting HINO Environmental Milestones 2030) 	<ul style="list-style-type: none"> Establishment of carbon emissions reduction target Visualization of the CO₂ reduction effects Consideration of [offsetting] transactions for reduction shortfall Improvement of energy efficiency and introduction of renewable energy in order to realize carbon-neutrality Reduction of energy costs by promoting energy saving activities 	Large-scale	Short-medium term
	Reputation	<ul style="list-style-type: none"> Risk that Hino would not be chosen by stakeholders due to the lack of information disclosure regarding measures to address climate change 	<ul style="list-style-type: none"> Cost reduction and improvement of corporate image as a result of the introduction of renewable energy, etc. 	<ul style="list-style-type: none"> Introduction and expansion of renewable energy Further promoting energy saving activities Proper disclosure on measures to address climate change issues Participating in various international environmental initiatives 	Medium-scale	Short term
	Energy for Driving	<ul style="list-style-type: none"> Higher costs for development to expand fuel diversity (light diesel oil, electricity, hydrogen, and new fuel for internal combustion engines) Delay in penetration of new kind of energy due to higher cost 	<ul style="list-style-type: none"> Acquisition of sales opportunities by improving fuel efficiency, introducing environmentally friendly vehicles, etc. 	<ul style="list-style-type: none"> Development of optimal products based on energy cost and policies in each country (adjusting various power trains)*2 	Large-scale	Short-long term
	Technology	<ul style="list-style-type: none"> Higher costs for parts for electrification and necessity of securing the required quantity Sales decline due to delay in development of environmentally friendly vehicles 	<ul style="list-style-type: none"> Leveraging existing internal combustion engine technology 	<ul style="list-style-type: none"> Continuous cost reduction (including efficient development) Development of environmentally friendly vehicles to meet customers' needs 	Medium-scale	Short-medium term
Products /Services	<ul style="list-style-type: none"> Sales decline due to market entry from different industries 	<ul style="list-style-type: none"> Growth in revenue through new business for addressing environmental issues (Cube-Linx Co., Ltd., Next Logistics Japan Co., Ltd.) 	<ul style="list-style-type: none"> Commercialization of new business 	Medium-scale	Medium term	

*1 Electrified vehicles, carbon-neutral fuel vehicles (vehicles with internal combustion engines using carbon neutral fuel)
*2 e.g. Electrified vehicles, carbon-neutral fuel vehicles, hydrogen vehicles, etc.

Basis for corporate activities

Environmental accounting

Hino tabulates the costs and results of environmental conservation activities based on the Environmental Accounting Guidelines of Japan's Ministry of the Environment. This enables us to quantitatively grasp cost-effectiveness and contribute to environmental conservation through environmental investments and reductions of its environmental impact.

In FY2022, the total cost of environmental conservation was ¥50.9 billion (up 43% from the previous year), and the economic effect was ¥2.2 billion (up 32% from the previous year).

Environmental conservation costs

(Millions of yen)

Item	FY2021		FY2022		Description of major initiatives
	Investments	Costs	Investments	Costs	
(1) Costs in operational areas	227	322	275	415	
(i) Pollution prevention costs	0	0	0	120	Expenses for prevention of pollution such as soil pollution
(ii) Global environmental conservation costs	196	16	220	11	Expenses for prevention of global warming and ozone layer depletion, etc.
(iii) Resource recycling costs	30	306	55	283	Expenses for waste collection, transport, disposal, and recycling, etc.
(2) Upstream and downstream costs	0	54	0	50	Expenses for recycling operations of products sold and annual memberships, etc.
(3) Management activity costs	0	421	0	309	Expenses for environmental management operations, environmental education, and monitoring and measurement of environmental impact, etc.
(4) Research & development costs	870	33,760	0	49,940	R&D expenses for reducing environmental load
(5) Social activity costs	0	5	0	0	Costs for environmental improvements, including off-site environmental conservation, tree planting, and beautification projects
(6) Environmental remediation costs	0	0	0	0	
Total	1,097	34,562	275	50,714	

Note: For items such as capital expenditures, where it is difficult to distinguish whether they deal with the environment or have another purpose, only those items that can be clearly understood as dealing with the environment are recorded.

Results of environmental conservation 1: Economic results of environmental conservation measures

(Millions of yen)

	FY2021	FY2022	Details of results
Investment	1,570	2,038	Operational income from recycling
	0	0	Others
Reduced costs	117.4	184.7	Reduction in energy costs due to energy conservation
	17.8	21.5	Reduction in waste treatment costs due to resource conservation and recycling
	0	0	Others
Total	1,705	2,244	

Note: The results of environmental conservation are calculated only for those items that can be definitely identified as having an effect over a single year.

Results of environmental conservation 2: Quantitative results

	FY2021	FY2022
CO₂ reduction (tons-CO₂)	2,718	3,235
Waste reduction (tons)	111	409

Note: The results of environmental conservation are calculated only for those items that can be definitely identified as having an effect over a single year.

4 Respect for human rights

HINO Sustainability Policy

- We understand internationally recognized human rights, and respect and protect the human rights of all those involved in our corporate activities. We do not tolerate discrimination on the basis of race, religion, ideology, gender, age, nationality, disability or any other grounds, nor any behavior contrary to respect for human rights, including child labor, forced labor and harassment.

As initiatives to foster respect for human rights in the course of business become increasingly important, business activities with integrity are required in the Hino Group. Moreover, for the Hino Group, which is expanding its business globally, understanding the human rights issues faced in each country and region is essential in order to contribute to our customers and to society. Based on this awareness, we will promote initiatives respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights, placing great importance on the empathy that all people associated with our business activities should be treated with.

Formulation of the HINO Human Rights Policy

On November 30, 2023, our Board of Directors decided on the HINO Human Rights Policy, which is based on the UN Guiding Principles. This Policy is our most important policy in relation to human rights and a key aspect of the HINO Way. We are committed to fulfilling our responsibility to respect human rights in all of the corporate activities of the Hino Group.

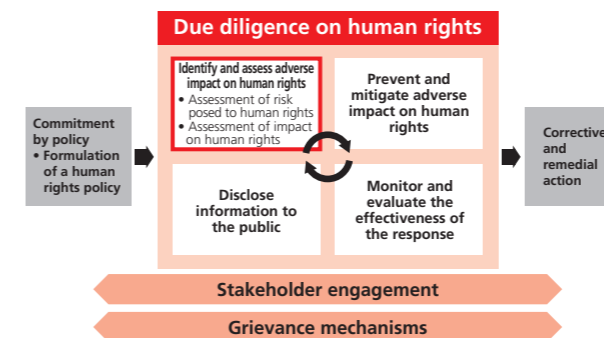
HINO Human Rights Policy

Thereafter, key departments associated with the value chain of the Hino Group held workshop-style discussions, and identified themes concerning human rights that should be addressed with priority in the future, based on both their own perspectives and those of external experts, including stakeholders' concerns.

Going forward, with regard to themes concerning human rights within the Hino Group, we will conduct assessments of the impact on human rights to identify whether any relevant risks exist and assess the impact thereof, and will promote any measures and initiatives required.

Due diligence on human rights

With the cooperation of a specified non-profit corporation, Caux Round Table (CRT) Japan, working as outside experts, we are proceeding with initiatives aimed at the due diligence on human rights and at the construction of corrective and remedial mechanisms.



Implementation of assessment of risk posed to human rights and workshops

In conjunction with the formulation of the HINO Human Rights Policy, we first conducted an assessment of the risk posed to human rights with the cooperation of CRT Japan to identify potential themes relating to human rights in the business activities of the Hino Group.

Education for employees

The Hino Group provides harassment prevention training and compliance training for new employees, managers and supervisors, and employees working overseas. As part of this, we provide education on respecting human rights as set out in the HINO Code of Conduct.

Going forward, we will inform all officers and employees of the HINO Human Rights Policy, and provide continuing education and training. Additionally, we will reflect this Policy in our activity policies and procedures, and ensure that each of us puts such behavior into practice.

Initiatives for our business partners

Hino ensures that all business partners are expected to promote corporate activities based on the fundamental approach to human rights indicated in the Supplier CSR Guidelines. Hino also ensures that business partners periodically confirm the status of initiatives using a check sheet, which then leads to improvement activities.

Supplier CSR Guidelines

Basis for corporate activities

5 Fair transactions and responsible purchasing activities

HINO Sustainability Policy

- We aim to build relationships of trust with our business partners for mutual development through fair transactions.
- We conduct responsible purchasing activities to ensure that the suppliers in our supply chain also share the values set forth in this Policy, including but not limited to the commitment to compliance, safety and quality, minimizing environmental impact, and respect for human rights.

The Hino Group engages in fair transactions with business partners in Japan and overseas, and seeks to achieve sustainable growth by constructing partnerships. In order to pursue responsible, sound, and fair procurement practices, we have defined a basic policy and are working to integrate this throughout our entire supply chain as we deepen interactions and strengthen relationships of trust.

Results from FY2022

Number of business partners:

Approximately **400** companies (Tier 1)

Hino Group Basic Procurement Policy

The Hino Group procures the best components from trustworthy business partners around the world, working based on a general evaluation of quality, price, quantity, delivery times, and technology. We have set forth the following five items as basic policies for promoting sound, fair procurement practices in accordance with the law.

1. Transparent and fair transactions

The Hino Group conducts transactions with business partners fairly and in good faith, regardless of a supplier's national origin, scale of operations, or past performance. Hino decides which business partners it procures from after due consideration of quality, price, production capacity, and delivery times, as well as their stance on the environment, management stability, and technology development capabilities.

2. Establishment of relations built on trust and continuous mutual prosperity

The Hino Group works closely and communicates directly with business partners in an effort to attain good working relations and mutual prosperity based on mutual trust.

3. Promotion of global procurement

With its goal to be a commercial vehicle maker trusted around the world, the Hino Group promotes procurement from business partners in the areas where the Group conducts business to enable it to contribute to communities as a local enterprise.

4. Complying with relevant laws, regulations and terms of contracts

The Hino Group operates in accordance with social norms and in compliance with laws and regulations, in letter and in spirit. The Group also properly and strictly manages classified information it shares with business partners.

5. Promotion of green purchasing

Based on Green Purchasing Guidelines, the Hino Group works to procure parts, materials, and equipment that have been produced with a low impact on the environment in order to offer environment-friendly products and services.

Initiatives to strengthen compliance throughout the supply chain

We communicate our compliance messages to Hino Group suppliers and work to promote an understanding of our thinking with regard to CSR. Additionally, we have implemented our Supplier CSR Guidelines throughout our entire supply chain, and request that our suppliers apply these in their efforts at improvement, and that each also check the status of their own business partners (Tier 2 or below).

With regard to human rights issues, we monitor the learning status of foreign technical interns hosted by our business partners and offer appropriate consulting on any difficulties they are having. We also conduct surveys to assess whether any conflict minerals are used in the products of our business partners.

Holding supplier meetings

We hold regular supplier meetings as venues to further deepen exchange with our business partners in Japan and explain both our company policy and our procurement policy. Additionally, we present rewards to business partners who have made particularly significant contributions in the domains of quality control, technology development, and improvements to cost.

We also hold meetings to promote exchange with local business partners outside Japan in areas such as Asia, North America, and China, and to offer recognition of their contributions in each domain. In addition to the procurement policies of business units in each country, we share the policies of our headquarters to promote global unity with business partners around the world.

6 Disclosure and dialogue with stakeholders

HINO Sustainability Policy

- Based on the recognition that the trust from society is essential for our corporate activities, we disclose corporate information appropriately and foster mutual understanding and trust through honest communication with our stakeholders.
- We maintain honest and fair relationships with government agencies and public authorities.

Hino utilizes a variety of different methods to disclose corporate information, recognizing that timely and appropriate disclosure is essential to gaining the trust of society at large. We also engage in dialogue with our stakeholders to further the understanding of our Company and promote a relationship of trust.

Information disclosure

We define our stance on information disclosure in the HINO Sustainability Policy, and also state the following in the HINO Code of Conduct: We will disclose information that is needed by the public in a timely and appropriate manner in all aspects of our corporate management such as our financial condition, business results, and the content of our business activities.

These perspectives form a platform from which we use websites and social media to communicate corporate and investor relations information to those outside the Company. Additionally, within the Company, e-mail, the corporate intranet, chat, and other media are used for news releases and timely disclosure of information. We also offer dialogue sessions that provide opportunities to share and explain management information.

In response to the engine certification issues, we held three press conferences and released quarterly reports on the progress of the "Three Reforms" that were instituted to address this issue. We have also increased opportunities for dialogue, working to offer more detailed and thorough disclosure of information than we had previously undertaken, such as the briefing for private investors held in January 2023. Additionally, to engage with residents of local communities we also reported our current status to the heads of community associations at each of our locations throughout Japan and exchanged opinions with them.

Moreover, we have provided a variety of opportunities for dialogue with employees as part of our "Three Reforms." One example is the series of dialogue meetings held when the President & CEO visits each of our locations, at which employees are able to speak directly with him about their concerns and the problems that confront them in the workplace. These meetings are intended to allow us to achieve management that is aligned with the needs of the workplace. We also hold management information sharing meetings, in which management shares information with employees and holds Q&A sessions.

 P. 35 Implementation of management to build relationships with front-line workers

Dialogue with stakeholders

We provide a range of opportunities for dialogue on various occasions to bolster understanding of the Company among our stakeholders. The Operating Officer, General & Government & Public Affairs reports regularly to management on the opinions gained, providing information that is useful in the decision-making process.

Major dialogues in FY2022

Stakeholders	Dialogue meetings / Achievements
Analysts and institutional investors	Financial results briefings, individual consultations with the IR Division (approx. 10 times), participation in IR conferences (1 time)
Private investors	Briefings for private investors (1 time)
Shareholders	General Shareholders meeting, meetings between management and major shareholders (1 time), briefings on the issue of misconduct with engine certification (1 time)
Customers	Workshops on fuel economy (57 workshops), safe driving (134 workshops), test drive events (44 events), and others: drivers' contests, tours of facilities, etc. (34 events)
Employees	Direct dialogue meetings between the President & CEO and employees (12 times), management information sharing meetings (1 time), position-based roundtable meetings (18 times), labor union-management meetings (3 times), workplace roundtable meetings (approx. 900 times)
Local communities	Dialogues with local community associations (12 times)
Media / all stakeholders	Press conferences on the engine certification issues (3 times)

Working environment and corporate culture

7 Working environment and corporate culture to respect employees

HINO Sustainability Policy

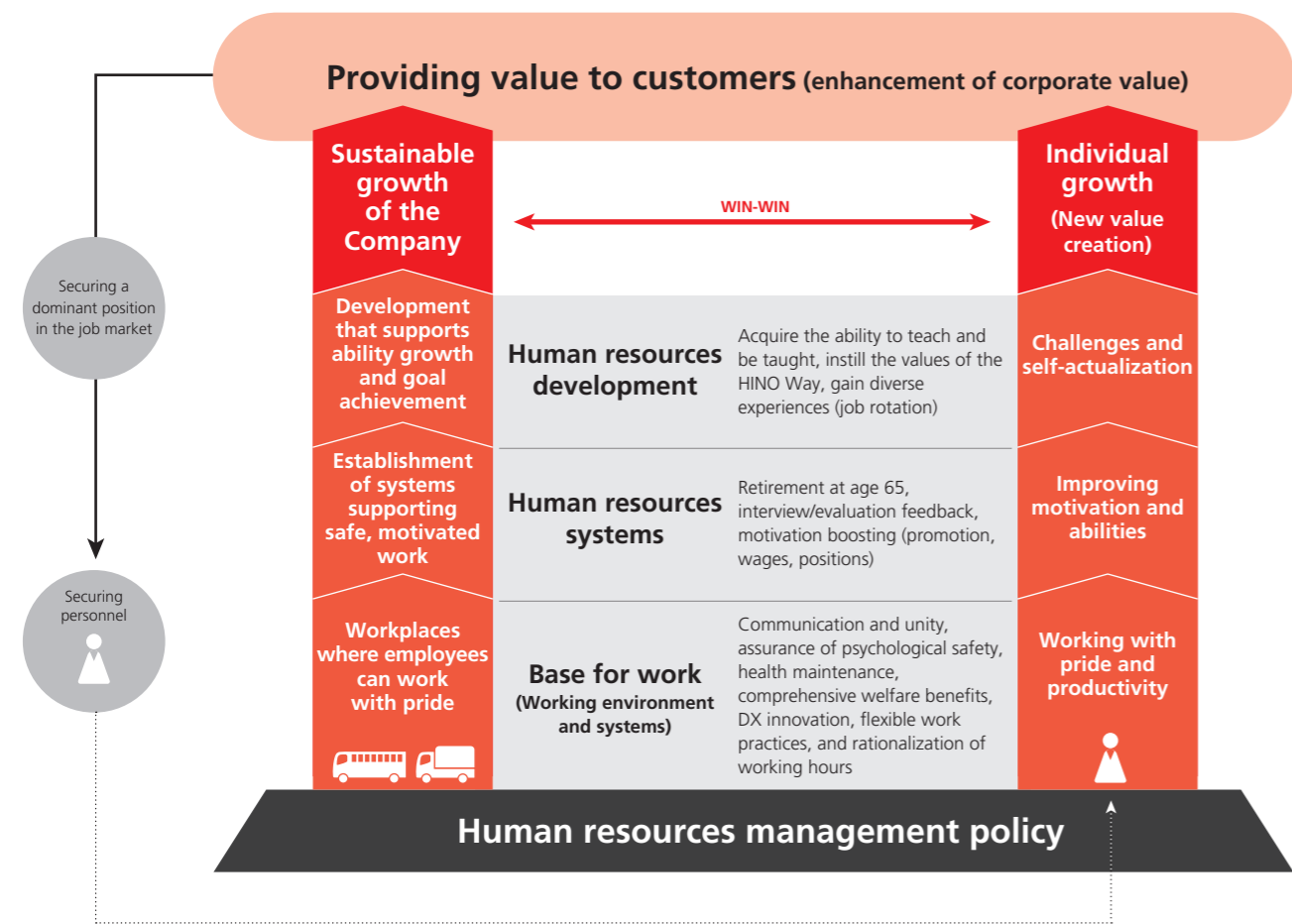
- We are committed to the psychological and physical safety and health of employees and build a safe and secure working environment.
- We respect diversity and create a workplace where every employee can flourish and grow.

All of Hino management and all company employees are aware that their role is to contribute to customers and society, and are working to change the existing culture of looking inward, conservativeness and unilateral communication, and to promote changes in the awareness and behavior of each person to become the company that we want Hino to be.

Hino is focusing on the human resources development that is essential to overcoming a wide range of issues, with a view to the provision of value to our customers that is our purpose as an organization.

We are formulating and evaluating policies that will represent a win-win for individuals and Hino, while seeking to be a company where employees can continually grow and work in step with changes to both the hardware and software aspects of the working environment. Efforts include creating

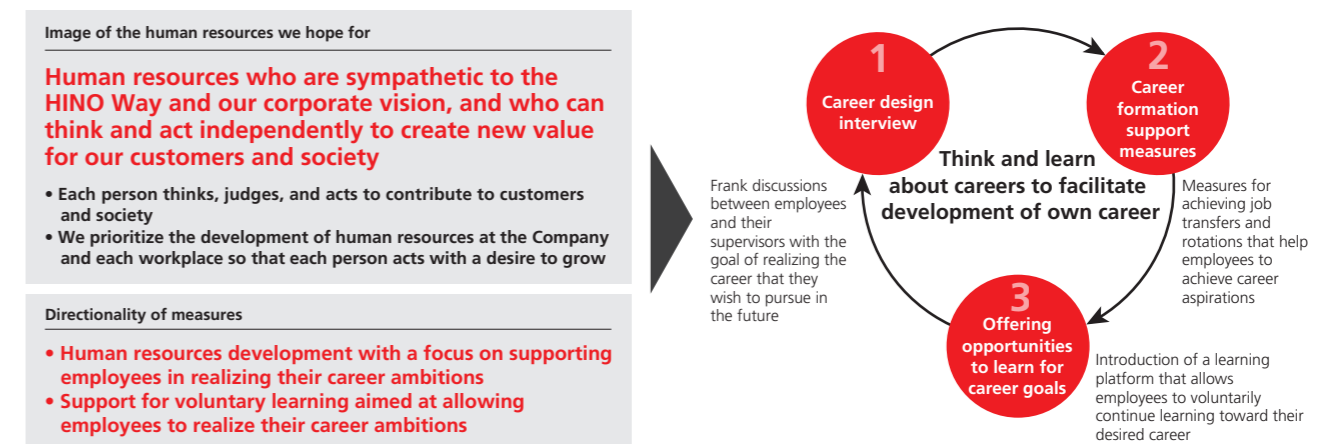
the work infrastructure (base for work) that is vital to allow individuals to work and grow and updating our personnel systems. Additionally, we have established the Human Resources Management Policy and are building a foundation to ensure that the systems we put in place are managed correctly, and are a firm foundation for decision-making. On that platform we provide value to our customers and seek to develop and produce human resources who are able to think and act independently to create new value for our customers.



Human resources development

At Hino, we view people as the most important part of our business, and thus we promote initiatives that support the growth of each and every employee and lead to the growth of the Company in order to bring to reality our Corporate Mission: "We make a better world and future by helping people and goods get where they need to go." Specifically, by increasing employee awareness of their careers and actively creating learning opportunities, we are working to develop human resources who are able to think and act independently, who can create new value, and who are sympathetic to the HINO Way and our corporate vision.

Overall image of human resources development measures



In order to achieve the "organizational culture reform with 'respect for all Hino staff' as a core value" defined in the "Three Reforms," we conduct 360-degree feedback training, evaluator training, and training regarding harassment. Going forward, we will also focus more on programs such as language training and overseas training systems (dispatch of young employees for training overseas) in an effort to develop human resources who are able to be active in a global context.

Major skills development and human resources development systems

	Professional human resources development phase (For business operators)	Management and highly specialized staff development phase (For managers)
Administrative and technical positions	New recruit training	Training for middle-level positions, according to position (Problem solving and teaching / Coaching and leadership, etc.)
		Training for managers, according to position
		Training for evaluators
		360-degree feedback (Multifaceted evaluation)
Skilled positions		360-degree feedback training
		Harassment training / Assessment
	Overseas trainee system	
Common	In-house skills accreditation system for supporting on-the-job training of all employees	
	New recruit training	Training for newly appointed instructors
	Training courses on quality control (QC) methods	Training for QC instructors
	Employee recruitment program	TWI (Training within Industry) training course
		Training for newly appointed supervisors
	Training for newly appointed senior supervisors	
	Training for QC managers	
	Training for TPS managers	
	Harassment training / Assessment	
	Preparatory training for personnel appointed overseas (covering languages and cross-cultural communication skills)	
	Self-learning support (covering languages and certification support, e-learning)	
	Company-wide shared elective courses (covering health, mental health, TPS, diversity)	

Working environment and corporate culture

Initiatives to pass on manufacturing skills

Hino is providing a variety of opportunities and systems for education, intended to improve employee motivation and foster the "teach and be taught" culture that is essential to the passing-on of manufacturing skills.

In-house skills accreditation system and company-wide capabilities and competencies exchange

Hino has established an in-house skills accreditation system for organizing its on-the-job training activities at production sites and other workplaces requiring technical skills. Through this system, the expertise and skills needed for the work of each workplace are clearly specified and incorporated into the goals of technical skills training programs, general training, and daily operations so that they can be systematically acquired by employees.

As part of this in-house skills accreditation system, Hino holds its company-wide capabilities and competencies exchange every year. The event provides opportunities for representatives from all workplaces and Group companies, including overseas businesses, to demonstrate the skills they have refined on a regular basis in order to engage in friendly competition and mutually improve their capabilities.

Hino Technical Skills Academy

With the aim of developing authentic artisans who are passionate about creating excellent products, Hino operates the Hino Technical Skills Academy as its own vocational school for training engineers. With this same desire, the academy now serves as a training center for developing and preparing human resources with the character and skills they need to take leading positions in the Company's production plants.

Trainees acquire specialist knowledge and skills while receiving direct instruction on the latest techniques and their own roles as members of society from employees in the Monozukuri (manufacturing), Technology Development, Quality, and Production Engineering divisions. They are assigned to Hino workplaces after graduation.

Human resources systems

Appointment of non-Japanese directors and local staff as top management at business entities outside Japan

Hino recognizes that it is critical to draw on global resources in order to keep pace with the rapid changes occurring in society.

In April 2018, the Company revised its system of directors, appointing its first non-Japanese director. We are actively promoting the appointment of local staff to top management at overseas entities. As of October 2023, they have been appointed to top management at four business entities overseas.

Hino will continue to deploy diverse human resources, always aiming to put the right person in the right position. In so doing, Team Hino will continue to support the business of its customers across the globe and remain a positive force in society.

Supporting employees of foreign nationality

Hino actively promotes appointing talented personnel, regardless of their nationality. It also accepts employees of overseas business entities as trainees and has introduced a program that conducts practical skills education to promote endeavors that support work activities.

Along with the globalization of business, work opportunities for employees of foreign nationalities are increasing more and more, and we intend to proactively utilize these employees going forward.

Foreign nationals employed at Hino

	Total employees	Foreign nationals	Ratio of foreign nationals
Full-time employment	12,244	63	0.5
Other employment	1,074	11	1.0
Total	13,318	74	0.6

(Total employees on a non-consolidated basis in FY2022)

Supporting the success of women

To allow female employees to be even more active, Hino has made ongoing efforts to actively promote women to management positions. As of April 2023, there are 54 female managers working in a variety of important positions.

Hino has worked to support employees in balancing work with parenting and family and has set a goal of a 30% increase in the appointment of female managers over 2021 numbers by 2025. Hino will continue and expand such support in the future, and will focus on the following points in order to further enhance the career support for female employees and human resources systems and culture with the aim of creating a workplace where employees, regardless of gender, and especially those raising children, can play a more active role.

1. Supporting new role models and forming diverse career plans
2. Creating a friendly work environment for everyone, including introducing flexible work systems
3. Promoting understanding of systems and child care leave for each workplace

Through these measures, we will further promote active development and promotion of female employees, and support their success.

Number of women in management positions (as of April of each year)

2016	2017	2018	2019	2020	2021	2022	2023
23	30	36	43	46	49	55	54

Eliminating the gender pay gap

In FY2022, the gender pay differential at Hino was 76.4% (based on all workers). We will continue to work to reduce this differential by promoting measures such as supporting the success of female employees.

Supporting the success of the veteran employee through a system of retirement at age 65

In February 2020, the retirement age was extended to 65 years old in order to allow veteran employees to continue to demonstrate their advanced skills and abilities for a longer time. In addition to extending the retirement age, the aim was to increase the degree to which abilities and roles are reflected in treatment, and to have them play an active role with high motivation.

Employing people with disabilities

Hino proactively hires people with disabilities and provides support so they can thrive. In December 2007, we established a special subsidiary, Hino Harmony, Ltd., for the purpose of promoting the hiring of people with disabilities. Its business activities continue to grow each year, further increasing new opportunities for people with disabilities.

The company is continuing endeavors to promote the employment of persons with disabilities through actions such as developing new occupational fields, and it is striving to create a workplace environment comfortable for people with disabilities to work in through a variety of measures. They include setting up a special paid vacation system to allow the employees to take time off for health management and skills development purposes and providing designated parking spaces at worksites to facilitate easier access. In June, 2023, the employment rate for persons with disabilities at Hino exceeded the statutory employment rate of 2.3% at 2.61%. We are making ongoing efforts to promote hiring of persons with disabilities through actions such as developing new occupational areas.



Mail sorting work

Use of systems to support work-life balance and the development of the next generation

System name	Details	Number of participants	
		FY2021	FY2022
Childcare leave	Leave until the date the employee's child reaches his or her second birthday through to March 31	107	201
Shorter working hours to accommodate for childcare needs	Shorter working hours for employees with children through to March 31 of the child's sixth year of elementary school	134	142
Flextime with no core hours*	Core time deregulation for employees with children through to March 31 of the child's third year of elementary school	5,041	4,900
Child nursing care leave	Five additional vacation days each year for employees with children through to March 31 of the child's third year of elementary school	79	94
Family care leave	Five days of annual leave per family member requiring nursing care	48	64

* Applies to full-time personnel employed indirectly

Initiatives to improve employee satisfaction (ES)

Being able to work in an environment and conditions that satisfy employees, which includes work content, corporate culture, workplace environment and human relations, also spurs motivation toward daily work duties. Hino will tackle improving ES based on the following three perspectives to create an environment that is fair, open, and rewarding in all workplaces.

A review and analysis of employee satisfaction are carried out to provide indicators that measure the status of our initiatives. The results are shared with each workplace and all employees and utilized to plan and execute measures enabling everyone to continue working with peace of mind.

Three perspectives for improving employee satisfaction

1. Increasing understanding of the direction of corporate management

Active exchange between management and employees is targeted so that employees understand the workplace mission and roles they should fulfill.

2. Making work more meaningful

Talents are deliberately and gradually cultivated through efforts such as reassessing the personnel system as needed, leading to greater motivation.

3. Strengthening the workplace foundation

A setting encompassing workplace environment and improved facilities is created that enables employees to work with peace of mind. When it comes to communication, efforts are carried out to cultivate a sense of company unity.

Base for work —Creating comfortable working environments—

Welfare

Hino is working to enhance its welfare systems, introducing a cafeteria plan that allows employees to select the menu they wish to use themselves, supporting employee asset creation, and seeking to create an environment that will encourage employees to continue to choose to work for us. Going forward, we will enhance the unique Hino menu and endeavor to do more to meet the needs of individuals.

Working environment and corporate culture

Employment provisions to facilitate diverse work-styles

Hino is revising employee provisions to facilitate flexible workstyles among employees while instituting new systems. We will keep studying new provisions that enable diverse workstyles so that each employee can achieve a better work-life balance.

Introducing systems to allow side jobs

In 2021, a system was introduced to allow side jobs. This system is intended to promote the use of employees' experience outside of Hino to advance their careers and improve their skills, with a view to creating human resources who are able to find problems on their own initiative and work with a diverse range of people to gain results, and then to apply these skills in company business.

Implementation of work-life balance support leave

With people leaving employment to engage in family care or infertility treatment, Hino implemented a system of work-life balance support leave in December 2021. We have made this system available to even those family members outside the scope of legally mandated family care leave, and employees can also use it to obtain leave for infertility treatment.

Promoting stable labor relations

Hino and Hino Motors Labor Union have entered into a labor agreement stating, "The Company aims to always monitor employee labor conditions and work to maintain and improve them, while the Labor Union respects the management rights of the Company and strives to cooperate with it to achieve sustainable growth and development." In addition to regular consultations, we hold dialogues between labor and management, in which top members of labor and management meet on the basis of equality and mutual trust.

In addition to the engine certification issues and promoting managerial integration between Mitsubishi Fuso Truck and Bus ("Mitsubishi Fuso") and Hino, and cooperation among Daimler Trucks, Mitsubishi Fuso, and Toyota Motor Co., Ltd., the labor/management dialogues address improvements to working environments, with the labor union publicizing the content of these dialogues to all of its members. Since making the engine certification issues public, we have held roundtable meetings with greater frequency, providing opportunities for discussion of issues and achieving resolutions to problems in each workplace.

The Hino Group also organizes an annual labor-management



Dialogue between labor and management

conference that brings together union representatives from Group companies. The conference serves as a platform for regular information exchange on various topics such as labor conditions and wages, aiming to help the Group adapt to the rapid environmental changes occurring in society.

Human resource development and fostering employee unity

Competing in the Dakar Rally

Hino participated in the "Dakar Rally 2023," which was held in Saudi Arabia in January. We achieved 10th place overall in the truck category marking 32 consecutive completions. The technologies that Hino has developed by continuously competing in the world's most challenging rally contribute to its development of commercial trucks and buses.

The latest vehicle features outstanding performance achieved using weight reduction, Hino's hybrid racing system, and an engine capable of high horsepower. The mechanics who support the race are formed by Hino employees and employees of dealers nationwide. This activity is not only utilized to develop elite human resources that will support the future of us, but also fosters a sense of unity among Team Hino and leads to revitalization of employee communication.

With the spirit of challenge in mind, developing human resources while refining technology on the global stage, Team Hino will continue to take on challenges.

The Hino Red Dolphins

The Hino's rugby team, the Hino Red Dolphins, has competed since its creation in 1950 under the motto of fostering a sense of Group unity and being a community-based club. The team has been playing in Japan's top-tier league after succeeding in its long-sought goal of ascending to the highest level of rugby competition in 2018.

The Hino Red Dolphins will continue striving to create a team rooted in community that continually brings inspiration and excitement to everyone involved by improving the quality, skills, and value of rugby. Furthermore, we are building even stronger ties with communities and fans to boost the spirits of Team Hino and contribute to greater development of regional society through the popularization of rugby.

Hino King Fischers

For the nearly 50 years since its creation in 1970, Hino's table tennis club, the King Fischers, has endeavored to build a team around the concepts of bolstering the spirits of Hino Group employees and contributing to regional society. The team has contributed to fostering a sense of unity in Team Hino since it was promoted to the first division of the Japan Table Tennis League in 2018.

Competing in the first division will promote the development of communities and Team Hino by sharing with communities the image of Hino as a company continuously tackling challenges and the value of continuing to strive to win with Team Hino.

Strengthening community bonds through sports

Hino is promoting initiatives to deepen ties with the local community through sports. We hold Tag Rugby classes at an elementary school near Hino headquarters coached by players

from the Hino Red Dolphins team, who are taking part in Japan Rugby League One, a new competition in the Japanese Rugby Union world that began in January 2022. In addition, players from the Hino King Fischers, who play in the first division of the Japan Table Tennis League hold table tennis practice sessions for Hino City junior high school students as well as participate in municipal table tennis events, deepening ties with the local community through table tennis.

By sharing experience, impression, and joy through direct guidance from players who are active on the front lines, we will contribute to the health of the community and the development of the region.

Workplace safety initiatives

Basic stance on workplace safety

Acknowledging that safety takes priority over all business activities, as stated in its Fundamental Policy for Safety and Health, Hino is promoting initiatives to prevent workplace accidents. We are working hard to reduce the risk of occupational accidents, not only by building work environments that help employees to work safely, but also by fostering safety awareness among employees.

Workplace safety promotion system

The Hino Safety, Health and Disaster Management Committee has been established to deliberate and decide upon important issues related to occupational safety, including company-wide policies. At each business site, there is also an occupational safety and health committee, which promotes safe workplaces as part of daily operations.

The status of the safety activities of each committee is principally monitored and checked by a company-wide comprehensive safety and health supervisor, which allows plan-do-check-act (PDCA) cycles to be applied for continual improvement.

Occupational safety promotion system



Creating safe workplaces

Workplace safety measures based on risk assessment

Risk assessment is conducted mainly at production sites to regularly identify risks that can lead to occupational accidents. Immediate measures are taken wherever risks are identified, as part of efforts to thoroughly prevent workplace mishaps. Elements that could become risks in the future are also addressed, with the aim of eradicating occupational accidents.

Safety patrols

Hino conducts safety patrols, not only at production sites, but also at all of its other sites, including offices. As part of daily operations, the patrols steadily and quickly eliminate each factor that could lead to an accident, in order to prevent work-related injuries.

Initiatives to improve occupational safety awareness

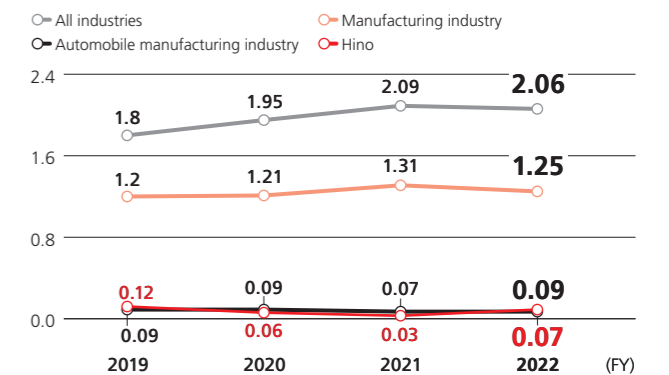
Safe walking etiquette

Hino carries out various types of activities to ensure that all employees understand the importance of safety awareness and basic safety behavior. This includes walking with hands out of pockets, and not using a cell phone while walking. Similar safety initiatives are also being undertaken at all overseas entities in an effort to improve safety awareness through activities that observe pedestrian safety and etiquette.

Enhancing safety education

In order to further improve employee safety awareness and knowledge on occupational safety, Hino provides safety education according to job type and position.

Frequency of temporary absences due to accidents, by industry



Source: All industries and manufacturing industry (Survey on Industrial Accidents by the Ministry of Health, Labour and Welfare).

The automobile manufacturing industry is the average of 14 companies which belong to the Japan Automobile Manufacturers Association, Inc. (JAMA).

* Frequency of temporary absences due to accidents = (number of employees injured during operations / total number of working hours) × 1,000,000

Future initiatives

Occupational safety is a never-ending commitment. Although the number of occupational accidents has actually been steadily decreasing, Hino believes that it is still necessary to work to further enhance its initiatives, aiming to reach the ultimate goal of zero labor accidents.

Going forward, the Company aims to eliminate occupational accidents, and it will keep improving its steady efforts in areas such as safety education and safety patrols at all business sites. Hino will continue to foster the culture of safety that has already taken root.

Working environment and corporate culture

Initiatives related to health management

Aiming to improve corporate value by creating an environment in which all employees can enjoy working with a sound body and mind, Hino is promoting a variety of initiatives for health management.

Revisions to the Health Declaration

Prompted by the establishment of the HINO Way, we revised the Hino Motors Health Declaration in October 2022.

Health Declaration

The mental and physical health of Hino employees and their families around the world is Hino's most important asset. We believe that if every employee is physically and mentally healthy and works energetically and enthusiastically, we will be able to fulfill our Corporate Mission: "We make a better world and future by helping people and goods get where they need to go." As the Hino Group, we will work actively to maintain and promote good health and are committed to caring for the mental and physical well-being of our colleagues while creating a workplace environment in which they can work with peace of mind.

Health maintenance support system

We are building systems for health management that are led by the President & CEO who chairs the Hino Safety, Health and Disaster Management Committee. With the Safety Health & Environment Division acting as the secretariat, we are proposing and enacting a variety of measures centering on the Operating Officer of the Safety Health & Environment Division, in collaboration with plant managers at each business site, occupational health professionals, and health insurance associations.

Initiatives for employee mental health management

We are working to address mental health care from the perspective of three types of prevention (prevention, early detection, and prevention of recurrence), and four types of care (self-care, line care, care using workplace resources, and care using resources outside the workplace).

Stress check

We implement stress checks for all employees and provides education on self-care. In FY2022, 91.4% of employees took these checks, and 18.5% exhibited high levels of stress. The results of stress checks are analyzed and evaluated, and feedback is given to each workplace to improve workplace management, while medical professionals and outside specialists provide individuals found to be exhibiting high levels of stress with support through interviews and other means.

Mental health care study sessions

Since FY2013, a training course on mental health initiatives in Management ("line care") has been provided for newly appointed managers. In FY2022, 99 managers attended the training course. Additionally, since FY2022, Hino has offered such training to personnel at a range of levels, including division managers, as well as those who wish to participate on

their own initiative, with more than 1,500 employees having taken part.

Self-care / Line care support from workplace advisors

In FY2017, we introduced a workplace consultation system for the early detection and treatment of employees facing mental health challenges. At the end of FY2022, there were 14 counseling staff providing support by approaching employees and speaking with them one-on-one in cooperation with medical professionals.

Initiatives for employee health management

We are conducting ongoing management of health based on seven lifestyle habits (appropriate weight, breakfast, consumption of alcohol, snacking, not smoking, exercise, and sleep.)

Health checkups

In order to maintain and support the physical health of employees, Hino conducts regular health checkups. In FY2022, all eligible personnel underwent a checkup. Hino collaborates with Hino Motors Health Insurance Association to analyze the results of regular health checkups and medical information from outside the Company and translate it into the development of suitable measures. Since FY2020, we have identified special health guidance as an important issue and are encouraging health exams through email and phone calls so that individuals fully receive guidance and work on improving their lifestyle habits.

We are also directing efforts toward early detection of cancer. Medical exams for prostate cancer and colon cancer were added to the regular roster of health checkups in FY2016. In FY2018, we introduced separate medical exams for gynecologic cancers and stomach cancers, which are not included in the regular health checkups. Generally, these checkups are free. We are also striving to improve health checkups so that they lead to early discovery and early treatment of diseases. For example, in FY2021, the age limit on medical exams for gynecologic cancers was withdrawn so that women of any age are now eligible to receive them.

Prevention of second-hand smoke and reducing smoking rates

In FY2018, Hino completed the closure of all indoor smoking areas at the Hino Head Office in order to ensure the prevention of second-hand smoke. In conjunction with this, outdoor smoking areas were established at each business site, taking into consideration the requirement to smoke outside in order to prevent second-hand smoke. As a result of efforts such as imposing limits on smoking hours and implementing no-smoking days, which are intended to bring about the implementation of a no-smoking policy on Hino premises by FY2025, smoking is undergoing a gradual decline, dropping from 37.1% in FY2018 to 33.3% in FY2022.

Measures to prevent heatstroke

In addition to measures introduced into facilities to prevent heatstroke, Hino continues various initiatives through preventative activities. Specifically, it carries out education explaining how to prevent heatstroke and partially subsidizes the price of beverages.

Infection prevention measures

In addition to establishing an internal task force to combat COVID-19 infection, we implemented measures that prioritize employee safety, including workplace vaccinations, telework and online meetings, prohibiting the holding of events and business trips, and creating standards for coming to work. We also undertook other measures such as free distribution of masks produced by Hino to employees.

To prevent influenza, we began providing flu shots at all workplaces in FY2018. The inoculation rate was only 5.2% until FY2017 since the vaccinations were only given at some workplaces, but that rate rose to 31.6% in FY2022.

Educating employees on improving health

With the aim of providing motivation to employees to improve their health and acquire the knowledge they need, we hold lectures and health seminars taught by instructors from both inside and outside the Company. In FY2022, we held online seminars regarding issues specific to women's health that were attended by approximately 70 participants. Videos were also distributed for a limited period.

Human resources data

Trends in number of employees by region (Consolidated)

	2020	2021	2022	2023
Japan	23,675	23,808	23,750	23,331
Asia Pacific	8,340	8,175	8,266	8,425
North America	1,711	1,727	1,574	1,664
China	359	364	371	347
Central and South America	365	362	359	401
Europe	98	91	85	63
Total	34,548	34,527	34,405	34,231

* Numbers as of March 31 each year

Trends in number of employees by gender (Non-consolidated)

	2019	2020	2021	2022	2023
Male	11,960	11,813	11,779	11,709	11,292
Female	975	992	1,005	982	952
Total	12,935	12,805	12,784	12,691	12,244

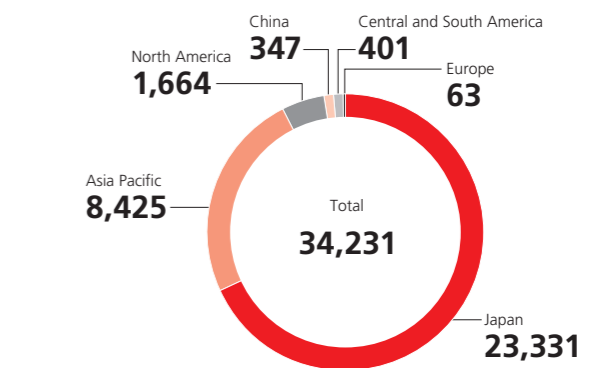
* Numbers as of March 31 each year

Trends in number of employees by type of employment (Consolidated)

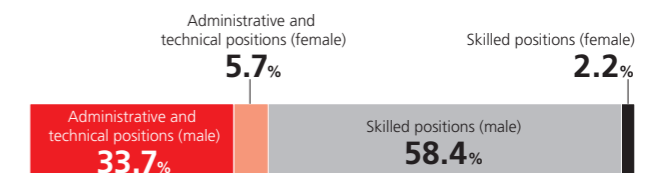
	2021	2022	2023
Full-time employment	34,527	34,405	34,231
Other employment	7,363	8,448	9,024
Total	41,890	42,853	43,255

* Numbers as of March 31 each year

Number of employees by region (Consolidated, as of March 31, 2023)



Ratio by job type (Non-consolidated, as of March 31, 2023)



Future initiatives

The environment surrounding trucks and buses has significantly changed on a global scale. Within that environment, human resources serve as the source of the Company's competitive strength.

Hino will achieve sustainable corporate growth by proactively moving forward with Human resources development and appointments that focus on forthcoming global changes, and continuing to offer the world value unique to Hino.

Providing value for a sustainable society

8 Contribution for a sustainable society through our business

HINO Sustainability Policy

- We actively engage in solving issues and challenges of our customers or society through our business activities supporting flows of people and goods.

In the midst of social change, the issues surrounding trucks and buses are becoming increasingly complex and diverse. The Hino Group aims to more than simply deliver trucks and buses and offer after-sales service; we are working to address social issues by providing solution services that address the holistic problems of logistics and traffic systems.

Case 1

Providing a platform to promote the adoption of commercial electric vehicles



Toward achieving carbon neutrality

Japan's goal of becoming carbon neutral by 2050 requires the adoption of electric vehicles. However, a range of different problems have become apparent with regard to the adoption and operation of electric vehicles such as trucks and buses for use in commercial roles. For example, there are concerns about the specifications and quantities of chargers that should be installed, as well as problems with incompatibilities between chargers and vehicles when attempting to charge batteries at delivery sites. Companies also face other issues such as the problem of finding locations to install chargers, the tendency to exceed contracted amounts of power, and the difficulty in calculating equipment and installation costs, which are slowing the adoption of electric vehicles in the commercial space.

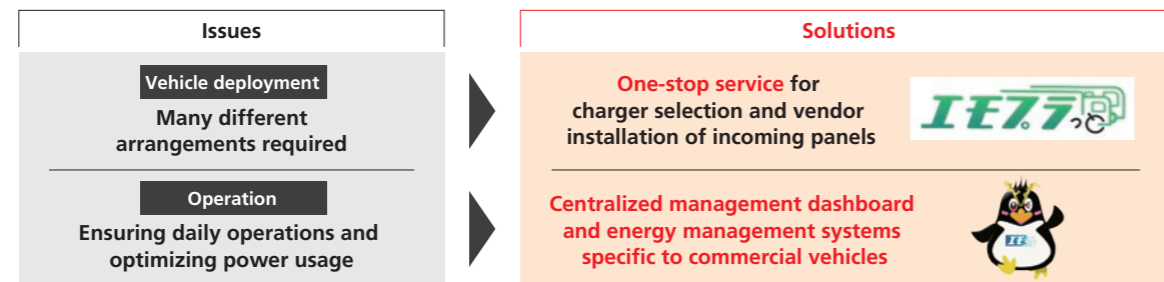
To address these issues, the Hino Group and the Kansai Electric Power Co., Inc., jointly established Cube-Linx Co., Ltd., in 2021.

Total support for deployment of commercial electric vehicles

Cube-Linx aims to create the most user-friendly environment possible for commercial electric vehicles, and provides services associated with their deployment and operation. "Emo-Plat" is a platform that offers comprehensive support for the deployment of these vehicles, regardless of manufacturer, providing users with a centralized means of carrying out all of the

laborious procedures required, such as calculating the requisite charger output, selecting suitable types of chargers, arranging the vendors to install incoming panels, and applying for subsidies. Cube-Linx also provides a service that lets users search for vehicles and equipment at the time of deployment, as well as offering cost simulations, answering questions on subjects such as the kind of commercial electric vehicles and charging facilities that are available, and the costs involved. On the operational front, Cube-Linx offers the "Emosuke" energy management system, which provides users with real-time bulk management of the operation plans for their entire vehicle fleet. Optimized charging plans are created and executed automatically in line with the operating plans for each vehicle, allowing users to reduce the demand for electricity and avoid serious risks to commercial operations such as vehicles not being charged when a delivery is attempted. Cube-Linx is also developing services that offer an "enhanced transportation business," such as interoperation with enroute charging services and trading renewable energy and surplus electricity, while maintaining basic charging functionality at business sites. We will work on further enhancement of these services, helping to achieve carbon neutrality by promoting the adoption of commercial electric vehicles and the sustainable development of the transport of goods and people.

Cube-Linx solutions



Case 2

Working to resolve logistical issues faced by Japan



The shortage of drivers for logistics is accelerating

Although trucks account for more than 90% of all freight carriage in Japan, the declining birthrate and aging population mean that the number of drivers is decreasing every year. Moreover, in 2024, revisions to the law will see limits imposed on the number of overtime hours that people in vehicle driving occupations can work. According to estimates from the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, 34.1%* of all packages will not arrive at their destination by 2030 unless measures are taken, making this a serious social issue. In particular, a lot of truck transport is involved with moving goods between businesses, and we are faced with the risk of being unable to manufacture goods if the requisite materials are not delivered.

Faced with such circumstances, the Hino Group established Next Logistics Japan Co., Ltd. (below, "NLJ") in FY2018, and is working to improve logistical efficiency.

* Source: Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism "Study Group for Sustainable Logistics Systems"

Combining digital technology with real-world business for significant improvements in logistics

NLJ hopes to optimize logistics using a combination of real-world business and digital technologies, with a view to providing a visual representation of waste in logistics operations, carrying mixed loads of freight from different industries and business categories, increasing productivity and added value to make truck driving an attractive career. On the hardware front, we are developing and operating longer combination vehicles

(LCVs) D-configuration (truck + dolly + semi-trailer) that connect two cargo compartments to carry two and a half truckloads (a loading capacity of 150m³) of freight. In the digital realm, we developed the Next Logistics Optimal Solution System ("NeLOSS"), the world's first optimized automatic load allocation and planning system for freight, which uses quantum computers to automatically compute the optimal way to load freight based on load information, the cargo compartment, time, vehicle, and shape of the load. This reduced the time required for load calculations from two hours to just forty seconds. We also used this system to construct a freight-sharing service that combines cargoes from different industries, improving loading rates.

These efforts allowed us to carry 137,000 tons of freight with the 11 such trucks we owned by September 2023, achieving a 65% load rate in comparison to the industry average of 39%. We have reduced necessary manpower by 43% (5,118 people) compared to the industry standard.

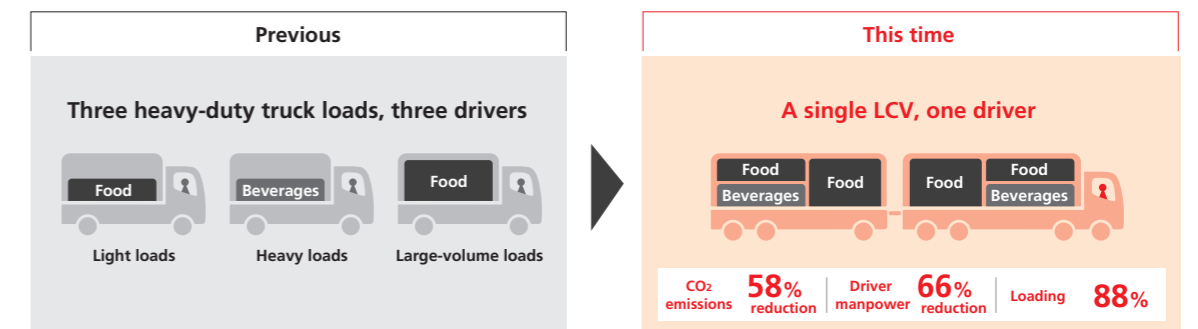
This initiative is being constructed through steering committees with freight carriers, logistics vendors, and other partners in an effort that spans industries and business categories. Going forward, we will help solve logistics-related social issues through initiatives such as these.



LCV

Example: Next Logistics Japan solutions

Companies now mix loads and adjust lead times to operate a single LCV (GCW 44-ton) instead of using heavy-duty trucks (GVW 25-ton) for freight



Succeeded in carrying three truck-loads of freight with a single LCV (From an NLJ press release, December 21, 2023) (Japanese)

Providing value for a sustainable society

9 Engagement in community and contribution to its development

HINO Sustainability Policy

- We respect the culture and customs of each country and region in which we do business.
- We collaborate with stakeholders to improve local communities as well as to build a sustainable society that is welcoming everyone to live in.

The Hino Group considers that maintaining good relationships with stakeholders is essential to continue providing products and services around the world, and promotes activities to contribute to society at every Hino production facility and sales office worldwide.

Results from FY2022	Value of donations 47,427,358 yen	Number of regional events participated in (In Japan) 27
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Aiming to be a good corporate citizen

The Hino Group aims to achieve sustainable growth and coexist with communities as a good corporate citizen. As such, we are strengthening our efforts to contribute to society through our business. Going forward, we will build positive relationships with local communities, actively contributing to society as we work to become a company that people will continue to think well of for a long time.

Supporting local cultures

We value the culture rooted in each local community and participate in and support local cultural events.



Helping to carry a portable shrine at a local fall festival (Hino Motors Headquarters)

Contributing to local communities

We are moving forward with endeavors such as helping to develop local communities and improving the environment.



Tree planting activities in a forest (Hino Motors Manufacturing U.S.A., Inc.)



Donating vehicles to a local university (Hino Motors Vietnam, Ltd.)

Supporting the development of the next-generation

Hino provides local educational assistance to help develop the children and youth who will be the leaders of the future.



Repairing chairs in an elementary school (Hino Motors Philippines Corporation)



Donating stationery to an elementary school (Hino Motors Manufacturing (Thailand) Ltd.)



Vehicle maintenance work experience for junior high school students (Shizuoka Hino Motors, Ltd.)



Acceptance of students from local universities for internships (Hinopak Motors Limited)



Offering local university students with classes and practical training in maintenance techniques (Hino Motors Vietnam, Ltd.)



Technical workshops for high school students (Miyagi Hino Motors, Ltd.)

10 Relationships of trust with customers

HINO Sustainability Policy

- We earn the trust of our customers as a true business partner by humbly listening to our customers, considering issues and challenges from their points of view, and working together to solve them.

The Hino Group is endeavoring to do more than just offer trucks and buses; we listen to the opinions of our customers and work with them to resolve issues. Dealers throughout Japan and the Customer Technical Center provide broad-reaching support to our customers, offering everything from workshops through to assistance with obtaining a range of certifications, focusing on areas related to safety, fuel economy, and the environment.

Results from FY2022	Number of Customer Technical Center users (Cumulative since opening) Approximately 107,000 people
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Customer assistance programs

In collaboration with its dealers in Japan, the Hino Group carries out customer assistance programs that go beyond the scope of selling Hino vehicles. We believe in providing a system of total support to maintain a strong, long-term relationship with customers, and provide broad-reaching support based on this philosophy, offering everything from workshops through to assistance with obtaining a range of certifications, focusing on areas related to safety, fuel economy, and the environment.

Support for workshops and accreditation/certification

Hino dealers hold workshops for drivers that are intended to support customers who need to reduce fuel costs and implement safe driving practices. The content of these workshops varies widely, covering areas such as understanding the characteristics of Hino's trucks and buses, risk prediction and daily inspections to prevent problems, and awareness of how to improve fuel efficiency. Additionally, dealers help customers to create their in-house systems to acquire safety and environmental protection certifications such as G-Mark*1 and Green Management*2.

*1 G-Mark certification: A system under which the All Japan Trucking Association evaluates and certifies general trucking companies from a safety perspective.

*2 Green Management certification: A system under which the Foundation for Promoting Personal Mobility and Ecological Transportation certifies general trucking companies from an environmental perspective.

The Customer Technical Center

Established in 2005, the Customer Technical Center was the first training facility opened in Japan for customers to be operated directly by an automobile manufacturer. This facility is operated by Hino as part of our Total Support initiative, offering classroom-based and hands-on training using comprehensive facilities of the kind only available at the Technical Center, and is intended to improve the safety and efficiency of our customers' operations.

In addition to readily comprehensible programs focusing on safety and fuel economy, the Center offers experiences with cutting-edge technologies to further understanding of safety and environmental issues through test-drives and demonstrations of new vehicles. Since its establishment, the Center has been used by many customers, with total visitor numbers now in excess of 107,000 people.



The Customer Technical Center



A training session on safe driving

The Hino Total Support Customer Center

The Hino Total Support Customer Center at Hino Motors Sales (Malaysia) Sdn. Bhd. completely renovated its facility in 2017 to enable visitors to respond to the increasing number of visitors and to meet the varied demands of customers.

Preventative maintenance using connected technologies

In March 2023, we began offering HINO CONNECT-Maintenance Support, which combines maintenance contracts with MOBILOTS Corporation and preventative maintenance using connected technologies. This service utilizes big data to predict possible future vehicle malfunctions and conduct preventative maintenance to address these, and is capable of preventing sudden operational stoppages. This maximizes vehicle operating time and reduces total cost, maximizing customer profit.

Crisis management and role of senior management

11 Thorough crisis management

HINO Sustainability Policy

- We identify key risks that pose a threat to civil society and corporate activities, and ensure crisis management to minimize damage and prepare for business continuity in the event of an emergency.

As a company-wide system of risk management, Hino has established the Risk Management Committee chaired by the Chief Risk Officer (CRO), which conducts regular risk assessments based on company-wide standardized guidelines and handles management-related risks. Going forward, this committee will continue to undertake finely tuned control activities to foster and ensure an in-depth awareness of risk management in each and every member of Team Hino.

Results for FY2022	Practical training regarding business continuity risks <ul style="list-style-type: none"> • Initial response drills at headquarters / Production recovery drills • Evacuation drills and training on the operation of safety confirmation systems 	Handling of information security risks <ul style="list-style-type: none"> • Level-specific education • Training in e-mail security, etc.
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Risk management system

Hino has a basic policy of constructing company-wide risk management systems for the entire Group while enhancing each employee's sensitivity to risk, with the goal of preventing risks from materializing.

The managers of each department, CxOs, and Operating Officers are responsible for executing operations and manage risks of all kinds appropriately, with important risks managed on a company-wide basis in consultation with the Board of Directors, the Management Committee or the like.

The Risk Management Committee ensures that company-wide risk management is properly implemented by analyzing, evaluating, and providing a visual representation of risks associated with the management structures under the administration of each committee, including safety, health, the environment, natural disasters, quality, information security, export transactions, and compliance risks, as well as all risks managed by each department, in order to further improve the effectiveness of such a system.

Examples of initiatives throughout the Company

We are promoting initiatives throughout the Company to address important risks.

Business continuity management

Hino conducts training and response for major disasters such as large earthquakes, based on the core concepts of putting human life first, rapid recovery of the affected areas, and quickly restarting production for the entire Hino Group.

Additionally, to prepare for the occurrence of disasters of all kinds, we have prepared manuals for all categories while working to improve our response capabilities through a range of practical drills.

Information security management

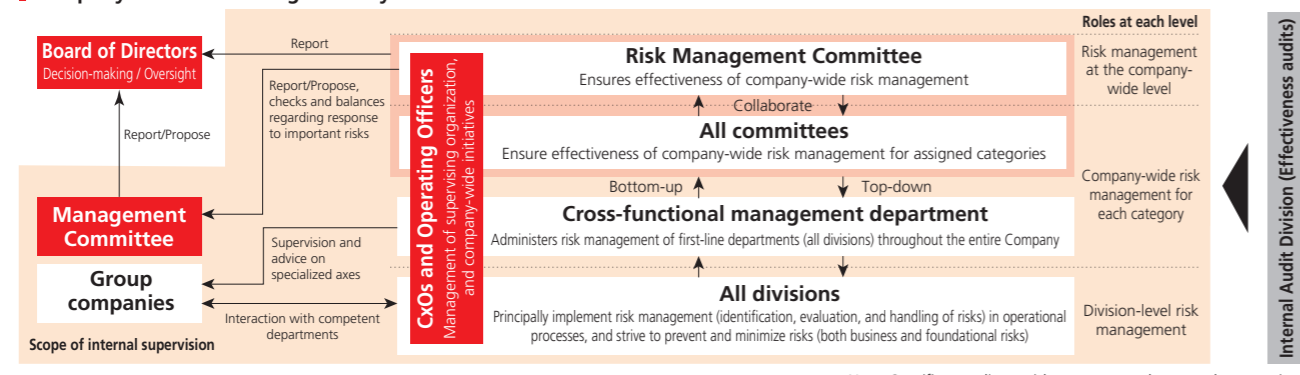
Hino views protecting customers' personal information and other assets from threats such as cyber-attacks as our social responsibility. In February 2022, we established an organization specialized in information security and are strengthening our efforts in this regard.

Furthermore, in order to address any leaks of information from inside the Company or cyber-attacks from outside, in keeping with information security regulations, we are continually implementing system maintenance, risk identification and countermeasures, education for all employees including management, and enhancement of measures in areas such as the protection of personal data, to further decrease risks.

For Hino Group businesses in Japan and around the world, we have put systems in place to allow us to respond to contingencies in a rapid, global manner.

Information Security Policy

Company-wide risk management systems



Note: Specific compliance risks are managed separately as required

12 Role and approach of senior management

HINO Sustainability Policy

- Senior management takes the initiative in realizing the spirit of this Policy and ensures that this Policy is disseminated throughout the Company and our Group companies. It is also responsible for establishing and operating an effective governance system to ensure the soundness, efficiency, and transparency of our corporate management.
- In the event of violation of the spirit of this Policy, senior management will proactively take responsibility for responding to the situation, including investigating the causes, and instituting remedial measures to prevent the problem from recurring.

A significant role of the senior management of Hino Group is to build good relationships with each of the Company's stakeholders based on the HINO Way, which is a foundational principle to be held in high regard by the Company, and to strive to achieve sustainable enhancement of its corporate value over the medium to long term. Senior management is responsible for establishing and operating an effective governance system to ensure the soundness, efficiency, and transparency of the operation of the Company, which constitute the basis of such efforts. Going forward, we will continue our efforts to maintain and further enhance our corporate governance.

Basic policy on corporate governance

As a company that manufactures and sells trucks and buses needed for distribution and transportation, Hino has set as its corporate mission: "We make a better world and future by helping people and goods get where they need to go." Together with the four core principles set in place as policies for action to achieve the mission this forms the HINO Credo, which serves as the cornerstone for our decisions and actions.

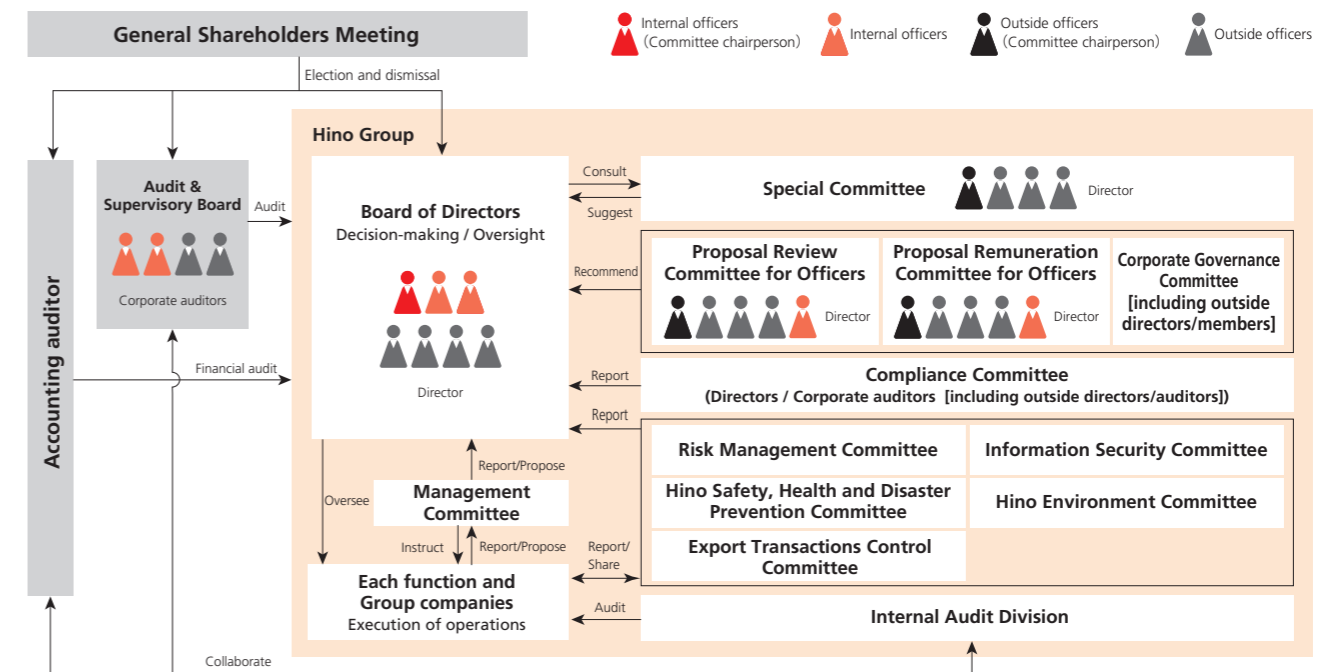
The HINO Way is a collective name for the HINO Credo, the HINO Sustainability Policy, which embodies the Company's declaration of its intent to realize a sustainable society, and the HINO Code of Conduct, which sets specific standards of conduct for each and every employee. Under the HINO Way

and the three values that we share — Integrity, Contribution, and Empathy, we will work together as Team Hino to realize our ideal vision.

To fulfill its corporate mission rooted in the HINO Way, Hino strives to build good relationships with its stakeholders, which include shareholders, customers, business partners, international and local communities, and employees. Hino also strives to enhance its corporate governance, aiming to achieve sustainable growth and enhance its corporate value over the medium to long term as a global company.

In addition, we endorse the Corporate Governance Code prescribed by the Tokyo Stock Exchange, and our basic policy is to strengthen our corporate governance by devising various measures based on the spirit and intent of the Code's guidelines and principles.

Corporate governance system



Crisis management and role of senior management

We have implemented each of the principles of the Corporate Governance Code.

Overview of corporate governance system

Hino is a company with an Audit & Supervisory Board, and has established a Board of Directors, an Audit & Supervisory Board, and the position of accounting auditor. In addition to the independent auditing functions of the Audit & Supervisory Board, a majority of the Board of Directors are independent outside directors, enhancing supervisory functions of the Board.

Moreover, we have established multiple committees from the perspective of enhancing corporate governance. In light of the status of a listed subsidiary, we have established a Special Committee comprised solely of independent outside directors to confirm the appropriateness of important transactions with the parent company's corporate group.

Additionally, we have established the Proposal Review Committee for Officers (corresponding to a nomination committee) and the Proposal Remuneration Committee for Officers (corresponding to a remuneration committee) as voluntary committees. We have also established a Corporate Governance Committee, which engages in discussions toward the enhancement of corporate governance (making recommendations to the Board of Directors as necessary) with the involvement of outside officers and non-full-time directors.

On the executive side, to provide better clarity in relation to responsibilities and authority with regard to the execution of business, since February 2023, we have appointed CxOs (Chief Officers in each function and role) and Operating Officers who form the Management Committee, which is tasked with deliberating on management policies and initiatives and reporting information necessary for management.

Board of Directors

Hino's Board of Directors is comprised of seven directors (four of whom are independent outside directors) and assumes the role of making decisions on the execution of important operations in accordance with the Company's medium- to long-term policies and strategies rooted in the HINO Way, as well as the role of appropriately supervising corporate activities by considering the perspectives of stakeholders, to achieve the Company's sustainable growth and continued enhancement of corporate value.

In addition to ensuring fulfillment of the skill set requirements (skill matrix) considered necessary as a member of the Board of Directors, when appointing directors, Hino selects individuals who can contribute to the sustainable growth of the Company, comprehensively taking into consideration factors such as the diversity and appropriate size of the Board of Directors, the perspectives of accurate and prompt decision-making and placing the right person in the right job, as well as the person's achievements, character, and insights.

Special Committee

Toyota Motor Corporation is the parent company of Hino and

holds 50.1% of the voting rights in the Company as of March 31, 2023.

As described above, independent outside directors comprise a majority of Hino's Board of Directors. Moreover, from the standpoint of protecting the interests of minority shareholders, we have established a Special Committee that is comprised solely of four independent outside directors and acts as an advisory body to the Board of Directors. Important transactions between Hino and the Toyota Group are assessed for appropriateness by the Board of Directors, which consults with this committee and receives suggestions prior to making decisions.

Proposal Review Committee for Officers / Proposal Remuneration Committee for Officers

As advisory bodies (voluntary committees) to the Board of Directors established to enhance fairness, transparency, and objectivity with regard to the nomination and remuneration of officers, the Proposal Review Committee for Officers corresponds to a nomination committee, while the Proposal Remuneration Committee for Officers corresponds to a remuneration committee.

Both committees are chaired by an independent outside director and are comprised of five members in total, i.e., four independent outside directors and the President & CEO.

Proposal Review Committee for Officers

This committee deliberates on matters such as the composition and skill matrix of the Board of Directors, officer election policy and standards, and personnel matters regarding officers, and provides suggestions to the Board of Directors.

Proposal Remuneration Committee for Officers

This committee deliberates on matters related to the remuneration for officers, such as the remuneration systems, decision-making policies, and the details of the remuneration for each individual, and provides suggestions to the Board of Directors.

Corporate Governance Committee

With the aim of enhancing the effectiveness of corporate governance and contributing to further sustainable growth and enhancement of corporate value, this committee is comprised of the directors, the corporate auditors and related CxOs. This committee undertakes multilateral discussions concerning Hino's corporate governance policies, evaluation of the effectiveness of the Board of Directors, and important issues and policies for addressing them, taking into account the opinions of outside officers (outside directors and outside corporate auditors) and provides recommendations to the Board of Directors as necessary.

Management Committee

This committee is chaired by the President & CEO, and is comprised of the full-time corporate auditors, the CxOs/Operating Officers. The purpose of this committee is to decide on the policy regarding matters related to management policies and strategies that are important to Hino and the Hino Group. As a general rule, the Management Committee convenes once a week in order to facilitate rapid decision making.

Auditing system

Hino's Audit & Supervisory Board is comprised of four corporate auditors (including two outside corporate auditors, one of whom is an independent officer). The Audit & Supervisory Board convenes regularly to evaluate the audit policy, preparation of audit reports, status of development and operation of the internal control system, and reappointment and non-reappointment of accounting auditors.

Corporate auditors comply with the audit policy and audit plans, etc., set out by the Audit & Supervisory Board, and audit the directors' execution of duties by attending meetings of the Board of Directors and other important meetings, receiving reports from the directors and each function on the execution of duties, reviewing documents for approval of important decisions, and surveying the status of operations and assets through onsite audits of the head office, plants, and other internal facilities and subsidiary companies.

Additionally, corporate auditors exchange opinions with accounting auditors regarding audit planning and audit results, etc., in order to promote mutual cooperation while monitoring the activities of the accounting auditors and verifying that they maintain an independent position as accounting auditors and

are conducting appropriate audits. We have established an Audit & Supervisory Board Office as a full-time organization to assist corporate auditors with their duties, and have strived to improve the audit environment.

Hino has also established an Internal Audit Division. In addition to conducting audits on the development and operation of the internal control system relating to financial reporting in each division and at subsidiaries based on in-house regulations, the Internal Audit Division seeks to enhance internal controls by conducting audits relating to the legality, appropriateness, and efficiency of administrative and technical-related operations, while urging each department and subsidiary to make the necessary improvements. As needed, the Internal Audit Division reports to the Audit & Supervisory Board and the Board of Directors on matters such as the internal audit plan, and the status of implementation and findings of the audits, as well as exchanges information with corporate auditors and accounting auditors on the status of audits by corporate auditors and accounting audits in order to facilitate effective audits through reciprocal collaboration. Moreover, outside organizations evaluate the effectiveness of internal audits in order to strengthen their function.

Composition and attendance of all committees and meeting bodies (Attendance relates to the meetings held in FY2022)

Name	Board of Directors	Audit & Supervisory Board	Special Committee	Proposal Review Committee for Officers	Proposal Remuneration Committee for Officers	Corporate Governance Committee	Compliance Committee	Management Committee
Satoshi Ogiso President & CEO, Member of the Board of Directors	● 16/16 (100%)			●	●	●	●	●
Naoki Sato *Newly appointed Director, Member of the Board	●					●	●	●
Motokazu Yoshida Outside Director, Member of the Board	● 14/16 (87.5%)		●	●	●	●	●	
Koichi Muto Outside Director, Member of the Board	● 16/16 (100%)		●	●	●	●	●	
Masahiro Nakajima Outside Director, Member of the Board	● 16/16 (100%)		●	●	●	●	●	
Shoko Kimijima *Newly appointed Outside Director, Member of the Board	●		●	●	●	●	●	
Kenta Kon Director, Member of the Board	● 16/16 (100%)					●	●	
Iwao Kimura Full-time Audit & Supervisory Board Member	● 16/16 (100%)	●				●	●	●
Tomoko Inoue Full-time Audit & Supervisory Board Member	● 16/16 (100%)	●				●	●	●
Naoki Miyazaki Outside Audit & Supervisory Board Member	● 16/16 (100%)	●				●	●	
Chika Matsumoto *Newly appointed Outside Audit & Supervisory Board Member	●	●				●	●	

Note: ● indicates a chairperson or committee chairperson

Crisis management and role of senior management

Outside officers

Hino has appointed four outside directors as required by the Companies Act. In addition to participating in important decision making at meetings of the Board of Directors, they play a management oversight role by engaging in active, constructive discussions at each committee meeting, contributing to transparent, fair, prompt, and decisive decision making. Additionally, Hino has also appointed two outside corporate auditors as required by the Companies Act. The outside corporate auditors perform objective audits in partnership with the two full-time corporate auditors thereby functioning to monitor the appropriateness and legality of the operation of the Company.

Based on the independence standards stipulated by the stock exchanges on which Hino is listed, we deem that all outside directors and one outside corporate auditor are independent.

Support systems for outside officers

By establishing forums for the exchange of information among the outside directors, outside corporate auditors and the directors, in addition to providing information on important matters, including prior explanations of proposals to be submitted to the Board of Directors, Hino is working to enhance support systems to enable the supervisory and audit functions to function fully.

The outside corporate auditors work to communicate with the full-time corporate auditors the directors, and others, and they attend the Audit & Supervisory Board meetings and Board of Directors meetings to gather information about the performance of duties and internal audits from the directors and others. In addition, as a general rule, a meeting of the Audit & Supervisory Board is held before the holding of a meeting of the Board of Directors. Thus, corporate auditors in

Reasons for appointment as an outside director

Name	Reasons for appointment	Independent	Important concurrent positions (As of June 27, 2023)
Motokazu Yoshida	At Mitsui & Co., Mr. Yoshida served in positions such as director and executive vice-president, and president and CEO of Mitsui & Co. (U.S.A.), Inc. As a corporate executive, he has a wealth of experience and broad insight. Since June 2015, he has served as an outside director of Hino and has made beneficial recommendations on the Company's overall management based on his experience and insight. He has been appointed as an outside director since it was determined that as an outside director, he can be expected to continue to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management.	✓	Administrative Director of Meisei Gakuen
Koichi Muto	Mr. Muto has previously served as director and president, and director and chairman of Mitsui O.S.K. Lines, Ltd. As a corporate executive, he has a wealth of experience and broad insight. Since June 2020, he has served as an independent outside director of Hino and has made beneficial recommendations on the Company's overall management based on his experience and insight. He has been appointed as an outside director since it was determined that as an outside director, he can be expected to continue to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management.	✓	Senior Advisor of Mitsui O.S.K. Lines, Ltd.
Masahiro Nakajima	At Morita Holdings Corporation, Mr. Nakajima previously served as director and president, and he currently serves as director and chairman. As a corporate executive, he has a wealth of experience and broad insight. At Hino, he had served as an independent outside corporate auditor from June 2017, and he has served as an independent outside director since June 2021. Based on his experience and insight, he has made beneficial recommendations on the Company's overall management. He has been appointed as an outside director since it was determined that as an outside director, he can be expected to continue to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management.	✓	Director, Chairman & CEO of Morita Holdings Corporation Director, Chairman of Morita Corporation Director of Morita Environmental Tech Corporation Director, Chairman of the Board of Bronto Skylift Oy Ab
Shoko Kimijima	Having practiced law at Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu) and subsequently held important positions in the legal divisions at GE Japan Corporation and LIXIL Corporation, Ms. Kimijima has advanced expertise as well as a wealth of experience and broad insight as a corporate executive. She has been appointed as an outside director since it was determined that as an outside director, she can be expected to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management, in particular, in the areas of corporate governance and compliance.	✓	Executive Officer, Executive Vice President, and Chief Legal and Compliance Officer of LIXIL Group Corporation

Reasons for appointment as an outside corporate auditor

Name	Reasons for appointment	Independent	Important concurrent positions (As of June 27, 2023)
Naoki Miyazaki	Mr. Miyazaki has served as managing officer of Toyota Motor Corporation and as president, and then chairman of Toyoda Gosei Co. He currently serves as director of Toyoda Gosei Co., Ltd., and vice chairman (to present) of Toyota Boshoku Corporation, and has a wealth of experience and deep insight regarding overall corporate management. Based on his wealth of experience and deep insight, he has been appointed as an outside corporate auditor since it was determined that he can be expected to provide advice on strengthening the Company's governance and compliance, and to play an appropriate role in enhancing the audit system.	—	Director and Vice Chairman of Toyota Boshoku Corporation Director, Toyoda Gosei Co., Ltd.
Chika Matsumoto	Having served as a certified public accountant for many years at auditing firms including KPMG AZSA LLC, where she held positions such as Executive Board Member, Ms. Matsumoto has advanced expertise and a wealth of experience in financial and accounting audit services as well as knowledge of overall management. Although she has not been involved in corporate management in the past, for the above reasons, she has been appointed as an outside corporate auditor since it was determined that she can be expected to play an appropriate role in enhancing the Company's overall management and audit system from an independent standpoint.	✓	Outside Statutory Auditor of Brother Industries, Ltd. Office Managing Partner of the Nagoya Office of KPMG AZSA LLC

attendance, including the outside corporate auditors check the proposals to be submitted to the Board of Directors to conduct a preliminary review.

Evaluation of the effectiveness of the Board of Directors

Hino makes annual evaluations of the effectiveness of the Board of Directors each year in order to maintain and further improve the effectiveness of the Board of Directors and corporate governance. The following is an outline thereof.

Since the fiscal year ended March 31, 2023, we have been conducting the evaluation by utilizing external organizations and with the evaluation primarily conducted in the form of questionnaire surveys and interviews.

FY2021 effectiveness evaluation

Recognition of major issues	Details of initiatives	Results
Preventing the recurrence of the engine certification issues	<ul style="list-style-type: none"> Executive-side enforcement of measures to prevent recurrence Monitoring by the Board of Directors of the progress of the measures and the degree to which they have taken root 	<ul style="list-style-type: none"> Promotion of sweeping measures to prevent recurrence, including the "Three Reforms" Regular progress reports at Board of Directors meetings and quarterly reports to the Ministry of Land, Infrastructure, Transport and Tourism
Further optimization of the composition of the Board of Directors	<ul style="list-style-type: none"> Requirement that a majority of the Board of Directors must be independent outside directors Enhancement of the diversity of the Board of Directors and appointment of experts in compliance, laws and regulations, etc. 	<ul style="list-style-type: none"> Achieved at the FY2023 General Shareholders' Meeting

FY2022 effectiveness evaluation

1. Implementation procedures

Subject persons	Details of implementation
All of the five directors and three members of the Audit & Supervisory Board at the time of implementation	January 2023 Questionnaire survey by a third-party organization [Questionnaire items] (1) Composition and operation of the Board of Directors, (2) Management strategy and business strategy, (3) Business ethics and risk management, (4) Evaluation and remuneration of senior management, (5) dialogue with shareholders
	March 2023 Interviews by a third-party organization based on the survey results [Interview items] (1) Foundations supporting the effectiveness of the Board of Directors. (2) Expectations of the CxO system, and maximization of its significance, (3) Roles that the Board of Directors should play, (4) Specific initiatives for enhancing the effectiveness of the Board of Directors
	May 2023 Implementation of the following by the Corporate Governance Committee <ul style="list-style-type: none"> Review of the results of the effectiveness evaluation conducted by a third-party organization Based on the above, identification of issues, devising of countermeasures, and formulation of a proposal for a roadmap

2. Evaluation results

Category	Overview of results
Strengths of Hino	<ul style="list-style-type: none"> Our outside officers have a diverse range of experience and knowledge, and have been able to express themselves actively and meaningfully There is confidence in the President's operational abilities as Chairman of the Board of Directors and CEO
Recognition of issues	<ul style="list-style-type: none"> Initiatives to maximize the utility arising from introducing the CxO system Further development of the roles (supervisory functions, etc.) to be played by the Board of Directors

3. Major initiatives for FY2023

Category	Overview of results
Formulation of annual agenda plan for the Board of Directors	Planned decision on setting of agenda based on the needs of both management and executive sides, centered on discussions on management policies and strategies
Improvements to the operation of the Board of Directors	Revision of the timing of advance explanations of Board of Directors agenda items
Meetings of outside officers for exchange of opinions	Establishment of a forum for outside officers to exchange candid opinion regarding management issues, etc.

Crisis management and role of senior management

Officer remuneration

Basic policy

Hino's basic policy regarding remuneration for directors is as follows.

- A system of remuneration that fosters management from the shareholder perspective, working to achieve sustained growth of the Company and enhance its corporate value
- A system of remuneration that motivates people to improve performance by linkage of company and individual performance
- Remuneration for each director is to be an appropriate level based on the duties and responsibilities of each such director

System of remuneration for officers and concept thereof

Remuneration for directors

Remuneration for directors is comprised of fixed remuneration as basic remuneration, performance-based bonuses, and remuneration by shares with restriction on transfer. However, only basic remuneration is paid to outside directors and non-executive directors in view of their function of providing supervision/oversight of management.

Remuneration for corporate auditors

Only basic remuneration is paid to corporate auditors in view

of their function of providing supervision/oversight of management from an independent viewpoint.

Determination of [individual amounts of] remuneration for officers; total amount of remuneration for officers

Remuneration for directors

The Board of Directors determines the total amount of remuneration after it has determined that the remuneration amounts determined for each executive position by the Proposal Remuneration Committee for Officers are appropriate in line with the basic policy, and delegates to the representative directors the authority to determine the remuneration amounts for each individual. To ensure that such authority is exercised appropriately, the details of decisions made by the Proposal Remuneration Committee for Officers in relation to the remuneration amounts for each executive position are taken into account.

Remuneration for corporate auditors

Based on the remuneration amounts for each executive position deliberated on by the Proposal Remuneration Committee for Officers, the amount of basic remuneration for each Corporate Auditor is determined through discussion among the corporate auditors.

Cross-shareholdings

Policy on cross-shareholdings

Fundamentally, the Company's policy is to reduce strategic shareholdings; however, from the perspective of enhancing corporate value over the medium to long term. The Company holds shares on an exceptional basis when considered necessary for strategic reasons related to business.

Each year, in addition to quantitatively evaluating matters such as whether the benefits of shareholding are commensurate with the cost of capital with respect to each stock, the Board of Directors conducts a qualitative assessment of the justification of the shareholding to comprehensively determine the propriety of holding the same. Stocks whose ownership is no longer deemed justified will be reduced after discussion with the issuer.

Basic policy on the exercise of voting rights related to cross-shareholdings

With regard to the exercise of voting rights related to cross-shareholdings, Hino makes a comprehensive decision on each agenda item based on the judgment of whether the agenda item will lead to an increase in corporate value from a medium- to long-term perspective, whether the agenda item will undermine the justification for the Company's ownership of the stock and other criteria.

Internal control system

Basic policy on the system to ensure the appropriateness of business operations under the basic policy


The HINO Group has defined, "We make a better world and future by helping people and goods get where they need to go." as its corporate mission and will contribute to the realization of a sustainable society by solving problems related to the movement of people and goods. To that end, we have set in place the HINO Way, which consists of the HINO Credo, the HINO Sustainability Policy, and the HINO Code of Conduct, and established "Integrity, Contribution, and Empathy" as the three values we share, fostering a sound corporate culture, including at subsidiary companies.

Moreover, we recognize the importance of further strengthening corporate governance if we are to gain the trust of our stakeholders, achieve sustainable growth, and improve corporate value, and to that end we will work tirelessly to improve the operations of the Board of Directors. In actual execution of business, we will integrate systems for improvement and detection of problems into our business processes, including a system of checks and balances, and will work constantly to develop human resources who are able to put this into practice.

Outline of the system to ensure the appropriateness of business operations and of the operational status thereof

Hino strives to establish an internal control system to ensure the appropriateness of business operations as a corporate group and properly operates the system in accordance with the Basic Policy on Establishing a System to Ensure the Appropriateness of Business Operations of the Company. After evaluating the status of the system based on our basic policy in light of actual operational status, we confirm that continuous improvements are being made, and the content of these is confirmed by the Management Committee and the Board of Directors.

Please refer to "IV. Matters Related to the Internal Control System" in the Corporate Governance Report for an outline of Hino's system to ensure the appropriateness of business operations and of the operational status thereof based on the aforementioned awareness.

 IV. Matters Related to the Internal Control System

System of remuneration for officers

Remuneration types and overview			Recipients		
			Executive directors	Outside directors Non-executive directors	Audit & Supervisory Board members
Fixed	Basic remuneration	<ul style="list-style-type: none"> • Paid every month as fixed monthly remuneration • Determined according to position and duties, comprehensively taking into account the Company's performance, employee salary levels, and the levels of other companies 	✓	✓	✓
Performance-based	Bonuses	<ul style="list-style-type: none"> • Paid every year at a fixed time as an incentive to achieve management targets • Determined comprehensively taking into account factors including, for each period, consolidated operating profit, position, duties, dividends to shareholders, employee bonus levels, medium- to long-term business performance, past salaries, and trends in other companies 	✓	—	—
	Remuneration by shares with restriction on transfer	<ul style="list-style-type: none"> • Granted annually during a specified period as an incentive to continuously enhance corporate value and promote further shared value with shareholders • Determined based on factors including position and duties in the Company, and the Company's stock prices, in alignment with the aims of grant shares 	✓	—	—

Amount of remuneration, etc., for directors and corporate auditors

Officer category	Number of eligible officers	Total amount of remuneration, etc. (million yen)	Total amount of compensation by type (million yen)		
			Basic remuneration	Bonuses	Shares with restriction on transfer
Directors	9	166	166	—	—
Of which, outside directors	3	34	34	—	—
Corporate auditors	5	83	83	—	—
Of which, outside corporate auditors	3	19	19	—	—
Total	14	249	249	—	—

Note 1: The numbers of persons above include one director who retired at the close of the 110th Ordinary General Shareholders Meeting held on June 23, 2022, three directors who resigned on October 7, 2022, and one Audit & Supervisory Board member who resigned on February 28, 2023, and the total amount of remuneration, etc., includes the amount paid to such persons.

Note 2: No remuneration other than the officer remuneration specified above was paid to any director or Audit & Supervisory Board member.

Note 3: The total amount of remuneration, etc., specified above reflects the reduction in remuneration announced on October 7, 2022.

A dialogue among newly appointed directors

To put the three values into practice

Naoki Sato

Senior Managing Officer and Member of the Board of Directors



Shoko Kimijima

Outside Member of the Board of Directors

At an ordinary general shareholders' meeting held in June 2023, the newly appointed directors shared their opinions on the subject of the three core values of the HINO Way.

On the importance of creating a culture in which integrity is a standard for judgment

Sato • Of the three core HINO Way values, I would first like to hear your opinion on "Integrity."

Kimijima • I believe that there are two important points when it comes to promoting compliance. The first is via programs and initiatives, which include measures such as an internal reporting system, the Compliance Committee, in-house training, and risk assessment. The second pertains to a corporate culture which does not permit misconduct. To a certain extent, programs and initiatives can be developed through the efforts of the management. Corporate culture, however, cannot be created overnight, and all Company executives and employees must develop and foster it with a mentality of ownership.

Sato • When I reflect on Hino's corporate culture, I get the impression that it is basically a hardworking company in which employees have a deep-rooted willingness to help each other. However, I think that the tendency for decisions to merely be handed down from the management above and for subordinates to blindly obey such decisions, is problematic. Even in meetings, the opinions of subordinates are rarely heard if their superiors are in attendance, and discussions tend to be made only among senior members.

Kimijima • Although we tend to focus on [the creation of] programs in strengthening compliance, it is the integrity of

the people involved that is necessary when assessing the propriety of a given action. In that sense, I feel it is commendable that Hino has designated integrity as the first of its values. I do have the impression that there are many conscientious people in this Company. However, since it is also important to create an environment where employees can feel safe to consult their supervisors when they are unable to determine the propriety of an action, going forward, I would like to see efforts made in that direction.

Regarding the alignment with the problems faced by our customers as our starting point

Kimijima • The second value is "Contribution." Our core principles state that we will be committing to safety and environmental sustainability; specifically, how are we implementing this?

Sato • Accidents involving trucks or buses pose significant social problems, which is exactly why we are focusing on manufacturing safe vehicles, with the goal of zero fatal accidents. We led the industry in introducing collision damage reduction braking systems, which have greatly contributed to reducing the number of fatal accidents, and our emergency driving stop systems that detect abnormalities in the driver and perform an emergency stop of a vehicle have also won acclaim.

Kimijima • When developing advanced functions,

manufacturers can sometimes be complacent, acting in ignorance of customers' needs. It is impossible to know everything solely by looking at data, and therefore I believe that the fact that Hino is attentively listening to its customers is something to be valued.

Sato • Statistical data does not clearly account for accidents that take place in areas off public roads, such as parking lots or distribution centers. I believe that the first step in solving problems is to physically go onsite and listen to the details of the customers' specific problems. Moreover, large commercial vehicles also place a significant burden on the environment, which is why we are in the process of developing vehicles that address decarbonization and noise suppression in a comprehensive manner. The "HINO DUTRO Z EV" light-duty BEV truck that Hino released in 2022 has realized CO₂ reduction and features an ultra-low floor construction [i.e., body height] due to its front-wheel drive mechanism, contributing to a reduction in the driver load and ease of use in last-one mile tasks (namely, at the last point of contact, when goods and services reach customers).

Kimijima • Rather than seeing vehicles as mere tools for carrying people and goods, Hino earnestly cares about its users and society. With "Contribution" as a HINO Way value, the core principle of "commitment to quality and professionalism" is also stated.

Sato • Here "quality" not only refers to the "hard" aspects of design and manufacturing but also to the Overall Quality, which includes sales and after-sales services. We are now working group-wide to disseminate the concept that employees in every division are responsible for quality in everything we do, from providing the correct information when making proposals in response to consultations with customers, to providing thorough after-sales services, and that every division [must] work together to contribute to the growth of our customers' businesses and build long-lasting relationships of trust.

On fostering empathy through ongoing interactive dialogues

Kimijima • With respect to the third value, "Empathy," it is important to have an open environment that encourages all employees to express their own thoughts and opinions. Although empathy is usually fostered as a result of interactive dialogues, considering the corporate culture of Hino, I believe



what is needed right now is for managers to listen attentively to the opinions of their subordinates. As a company, it is of course important to have managerial policies communicated in a top-down manner; however, if managers are not prepared to listen attentively to their subordinates, then they only accept information when it is convenient for them to do so, and they would inevitably come to resemble the King in the Danish folktale "The Emperor's New Clothes." If management were to take a humble approach and evince a willingness to learn, they would be able to see the problems plaguing in the frontline.

Sato • Now, we are conducting activities in which the management visits each business location to hold direct dialogues with the employees there, and we are paying attention to ensure that the frontline workers do not only show us the good sides of their facilities. In order to ensure this, I visit locations in each area without making any prior appointments. Although frontline workers initially showed some resistance to my approach, they came to accept it gradually, and recently the employees at these locations have become more willing to speak to me.

Kimijima • I think it is wonderful that you are willing to take initiative in lowering the barriers of communicating with them. However, I would like to stress the importance of the content of such communication. Employees tend to be discerning of any insincerity, which will make it difficult to build relationships of trust.

Sato • Thank you for your advice. Another thing we are discussing is eliminating sectionalism and manufacturing vehicles in a common room ("Obeya") system. In light of the lessons we have learned from the engine certification issues, I believe that, for example, in new vehicle development projects, it is necessary to adopt the opinions of employees from other divisions in addition to those working in the development division. In any case, the most important mission for us, the newly appointed directors, is to put the HINO Way into practice. We will take the initiative in working on this, always keeping the three values in mind.

Kimijima • People expect me, an outside director, to calmly monitor and provide advice from a different perspective compared to that of the directors inside the Company, based on my knowledge and experience. First, I would like to learn more about the business, organization, and growth strategy of Hino, and to provide support to the Hino management in a way that helps them to act in a proper manner.

Members of the Board

Members of the Board

Satoshi Ogiso
President & CEO, Member of the Board of Directors



Apr. 1983 Joined Toyota Motor Corporation (TMC)
 Apr. 2013 Managing Officer of TMC
 Apr. 2015 Adviser of TMC
 Jun. 2015 President of ADVICS CO., LTD.
 Jan. 2018 Senior Managing Officer of TMC
 Jan. 2019 Operating Officer of TMC
 Feb. 2021 Adviser of Hino Motors, Ltd. (Hino)
 Jun. 2021 President, Member of the Board of Hino (to present)
 Feb. 2023 CEO of Hino (to present)

Naoki Sato
Member of the Board of Directors



Apr. 1989 Joined Hino Motors, Ltd. (Hino)
 Feb. 2018 General Manager of Product Strategy Div. of Hino
 Oct. 2021 Field Manager, Strategy & Planning of Hino
 Feb. 2023 Chief Operating Officer (COO), Japan Business of Hino (to present)
 Jun. 2023 Senior Managing Officer, Member of the Board of Directors of Hino (to present)

Motokazu Yoshida
Outside Member of the Board of Directors



Apr. 1971 Joined Mitsui & Co., Ltd. (Mitsui & Co.)
 Jun. 2001 Director of Mitsui & Co.
 Apr. 2002 Director, Senior Executive Officer of Mitsui & Co.
 Apr. 2003 Managing Executive Officer of Mitsui & Co.
 Oct. 2005 Senior Managing Executive Officer of Mitsui & Co.
 Jun. 2007 Director, Senior Managing Executive Officer of Mitsui & Co.
 Apr. 2008 Director, Executive Vice President of Mitsui & Co.
 Apr. 2009 Director of Mitsui & Co.
 Jun. 2009 Adviser of Mitsui & Co.
 Nov. 2012 Administrative Director of Meisei Gakuen (to present)
 Jun. 2015 Outside Director of Hino Motors, Ltd. (to present)

Koichi Muto
Outside Member of the Board of Directors



Apr. 1976 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2006 Managing Executive Officer of Mitsui O.S.K. Lines, Ltd. (MOL)
 Jun. 2007 Director, Managing Executive Officer of MOL
 Jun. 2008 Director, Senior Managing Executive Officer of MOL
 Jun. 2010 Director, President of MOL
 Jun. 2015 Director, Chairman of MOL
 Jun. 2019 Senior Advisor of MOL (to present)
 Jun. 2020 Outside Director of Hino Motors, Ltd. (to present)

Masahiro Nakajima
Outside Member of the Board of Directors



Mar. 1972 Joined Morita Fire Pump MFG. Co., Ltd. (currently Morita Holdings Corporation)
 Apr. 2003 Corporate Executive Officer of Morita Corporation (Morita)
 Jun. 2004 Director of Morita
 Jun. 2006 Director, President of Morita
 Oct. 2008 Director, President of Morita Corporation
 Jun. 2015 Director, Chairman of Morita Holdings Corporation
 Director, Chairman of Morita Econos Corporation
 Director, Chairman of Morita Technos Corporation
 Director, Chairman of Morita Corporation (to present)
 Feb. 2016 Director, Chairman of the Board of Bronto Skylift Oy Ab (to present)
 Jun. 2016 Director, Chairman & CEO of Morita Holdings Corporation (to present)
 Apr. 2017 Director, Chairman of Morita Environmental Tech Corporation
 Jun. 2017 Outside Audit & Supervisory Board Member of Hino Motors, Ltd. (Hino)
 Jun. 2019 Director of Morita Environmental Tech Corporation (to present)
 Jun. 2021 Outside Director of Hino (to present)

Shoko Kimijima
Outside Member of the Board of Directors



Apr. 1996 Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
 Oct. 2002 Joined General Electric International, Inc., Japan branch
 Jan. 2009 Transferred to GE Japan Corporation
 Oct. 2010 Associate General Counsel of GE Japan Corporation
 Jan. 2015 Executive Officer, Compliance General Manager of Legal Division of LIXIL Corporation
 Apr. 2015 Executive Officer, Compliance General Manager of Legal Division, and Chief Compliance Officer of LIXIL Corporation
 Jul. 2016 Director, Compliance General Manager of Legal Division, and Chief Compliance Officer of LIXIL Corporation
 Jan. 2017 Chief Compliance Officer of LIXIL Water Technology of LIXIL Corporation (concurrent position)
 Feb. 2019 Deputy General Manager of Legal, Compliance Unit and Chief Compliance Officer of Tokyo Electron Ltd.
 Apr. 2020 Executive Officer, Executive Vice President, and Chief Legal and Compliance Officer of LIXIL Group Corporation
 Jun. 2020 Director, Senior Officer, and Chief Legal and Compliance Officer of LIXIL Corporation (concurrent position)
 Dec. 2020 Executive Officer, Executive Vice President, and Chief Legal and Compliance Officer of LIXIL Corporation (concurrent position discontinued due to the merger between LIXIL Group Corporation and LIXIL Corporation; to present)
 Jun. 2023 Outside Director of Hino Motors, Ltd. (to present)

Kenta Kon
Member of the Board of Directors



Apr. 1991 Joined Toyota Motor Corporation (TMC)
 Jan. 2017 General Manager of Accounting Div. of TMC
 Jun. 2018 Managing Officer of TMC
 Jul. 2019 Operating Officer of TMC
 Jun. 2021 Member of the Board of Directors and Operating Officer of TMC
 Member of the Board of Hino Motors, Ltd.
 Apr. 2022 Member of the Board of Directors, Operating Officer and Executive Vice President of TMC
 Apr. 2023 Member of the Board of Directors of TMC
 Director on the Board of Directors and Chief Financial Officer of Woven by Toyota (to present)


Audit & Supervisory Board Member

Iwao Kimura
Full-time Audit & Supervisory Board Member



Apr. 1981 Joined Toyota Motor Sales Co., Ltd.
 Jun. 2012 General Manager, Overseas External Affairs Division of Toyota Motor Corporation
 Jul. 2015 Senior General Manager, General Manager of Government & Industrial Affairs Div. of Hino Motors, Ltd. (Hino)
 Apr. 2016 Managing Officer, General Manager of Government & Industrial Affairs Div. of Hino
 Feb. 2017 Managing Officer of Hino
 Feb. 2020 Adviser of Hino
 Jun. 2020 Full-time Audit & Supervisory Board member of Hino (to present)

Tomoko Inoue
Full-time Audit & Supervisory Board Member



Apr. 1983 Joined Hino Motors, Ltd. (Hino)
 Feb. 2015 General Manager of Audit Div. of Hino
 Apr. 2017 Senior General Manager, General Manager of Audit Div. of Hino
 Feb. 2019 Senior General Manager, Internal Audit Vice Officer of Hino
 Jun. 2019 Full-time Audit & Supervisory Board member of Hino (to present)

Naoki Miyazaki
Outside Audit & Supervisory Board member



Apr. 1980 Joined Toyota Motor Co., Ltd.
 Jun. 2008 Managing Officer of Toyota Motor Corporation (TMC)
 Apr. 2013 Senior Managing Officer of TMC
 Apr. 2014 Advisor of Toyoda Gosei Co., Ltd.
 Jun. 2014 Executive Vice President of Toyoda Gosei
 Jun. 2015 President of Toyoda Gosei
 Jun. 2020 Chairman of Toyoda Gosei
 Jun. 2021 Director and Vice Chairman of Toyota Boshoku Corporation (to present)
 Director of Toyoda Gosei (to present)
 Outside Audit & Supervisory Board member of Hino Motors, Ltd. (to present)

Chika Matsumoto
Outside Audit & Supervisory Board member



Apr. 1983 Joined Brother Industries, Ltd.
 Oct. 1990 Joined Chuo Shinko Audit Corporation
 Aug. 2007 Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC)
 Jul. 2013 Executive Board member of KPMG AZSA LLC
 Jul. 2017 Member of Management Supervisory Committee of KPMG AZSA LLC
 Jul. 2020 Office Managing Partner of Nagoya Office of KPMG AZSA LLC
 Jun. 2023 Outside Statutory Auditor of Brother Industries, Ltd. (to present)
 Outside Audit & Supervisory Board member of Hino Motors, Ltd. (to present)

Skill matrix

Name	Corporate management	Legal, compliance, internal control	Finance, accounting	Global	Sustainability	R&D, production (monozukuri)	Marketing, sales	IT, digital
Satoshi Ogiso	●			●	●	●		●
Naoki Sato					●	●	●	
Motokazu Yoshida	●			●	●		●	
Koichi Muto	●			●	●			
Masahiro Nakajima	●			●	●			
Shoko Kimijima	●	●		●	●			
Kenta Kon	●		●	●	●			

(Note) The above does not constitute all of the knowledge of each candidate.

5

Data

- 91 10-year financial summary
- 93 Financial/non-financial highlights
- 96 Company information / Stock information
- 97 Subsidiaries and affiliates

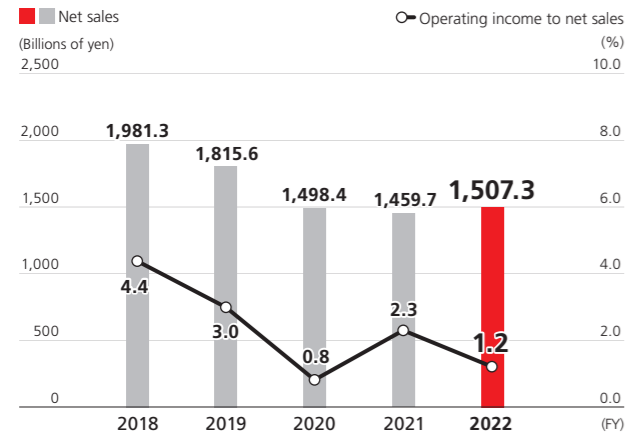
10-year financial summary

IFRS	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023
Profit and loss (millions of yen)										
Net sales	1,699,573	1,685,298	1,745,540	1,683,720	1,837,982	1,981,331	1,815,597	1,498,442	1,459,706	1,507,336
Cost of sales	1,409,503	1,389,771	1,450,984	1,411,090	1,542,439	1,674,392	1,542,431	1,285,609	1,209,200	1,267,676
Gross profit	290,069	295,526	294,555	272,630	295,543	306,938	273,165	212,832	250,505	239,659
Selling, general and administrative expenses	177,883	190,006	196,268	201,451	215,211	220,220	218,306	200,582	216,694	222,253
Operating profit	112,185	105,519	98,287	71,178	80,331	86,717	54,859	12,250	33,810	17,406
Ordinary profit	109,141	104,600	95,892	72,042	80,422	83,903	49,596	12,261	37,986	15,787
Profit before income taxes	112,438	103,233	96,882	72,075	81,725	82,523	50,973	(1,883)	(31,484)	(89,524)
Profit attributable to owners of parent	89,127	74,500	65,130	49,408	51,361	54,908	31,467	(7,489)	(84,732)	(117,664)
Cash flows (millions of yen)										
Cash flows from operating activities	142,941	77,756	111,366	75,758	86,473	48,653	95,176	108,429	106,711	(40,799)
Cash flows from investing activities	(61,812)	(75,011)	(87,685)	(92,583)	(62,781)	(72,284)	(67,006)	(56,211)	(62,181)	(60,257)
Cash flows from financing activities	(49,711)	(26,168)	(22,120)	17,461	(9,448)	20,902	(28,243)	(38,408)	(39,147)	114,208
Free cash flows	81,129	2,745	23,681	(16,825)	23,692	(23,631)	28,170	52,218	44,530	(101,056)
Financial position (millions of yen)										
Current assets	550,522	598,079	576,895	618,056	681,985	732,201	660,752	608,632	634,755	733,181
Property, plant and equipment	327,884	363,586	398,397	425,076	428,751	433,589	435,217	435,087	444,293	440,187
Intangible assets / Investments and other assets	131,008	162,529	144,594	149,252	175,344	180,029	179,109	187,775	179,300	188,366
Total assets	1,009,416	1,124,196	1,119,888	1,192,385	1,286,081	1,345,821	1,275,080	1,231,495	1,258,350	1,361,735
Current liabilities	517,460	534,143	517,361	561,136	629,978	642,766	569,211	526,210	614,204	776,089
Non-current liabilities	112,365	124,683	128,635	118,335	103,254	106,595	113,188	100,412	128,137	152,237
Net assets	379,589	465,370	473,891	512,913	552,848	596,459	592,680	604,872	516,007	433,409
Interest-bearing debt	142,114	146,128	139,322	173,735	182,387	222,095	212,127	179,543	161,247	290,451
Others (millions of yen)										
R&D expenses	46,250	50,142	60,997	63,061	62,605	61,489	60,573	51,358	56,703	52,546
Capital expenditure	66,204	69,278	88,074	74,481	57,899	58,843	59,707	44,495	47,861	68,989
Depreciation and amortization	44,520	43,957	49,314	51,097	58,559	58,539	58,011	54,754	54,956	57,293
Status per share (yen)										
Profit per share	155.79	130.06	113.62	86.15	89.52	95.66	54.82	(13.05)	(147.61)	(204.98)
Dividend per share	38.00	40.00	38.00	26.00	28.00	29.00	20.00	12.00	10.00	—
Financial indicators (%)										
Operating profit to net sales	6.6	6.3	5.6	4.2	4.4	4.4	3.0	0.8	2.3	1.2
Return on equity	29.5	19.7	15.4	11.0	10.6	10.5	5.8	(1.4)	(16.7)	(28.5)
Equity ratio	33.7	37.3	38.3	39.0	38.8	40.3	42.5	45.0	36.4	27.0
Dividends payout ratio	30.3	39.4	48.6	58.1	45.6	42.9	41.2	243.4	—	—

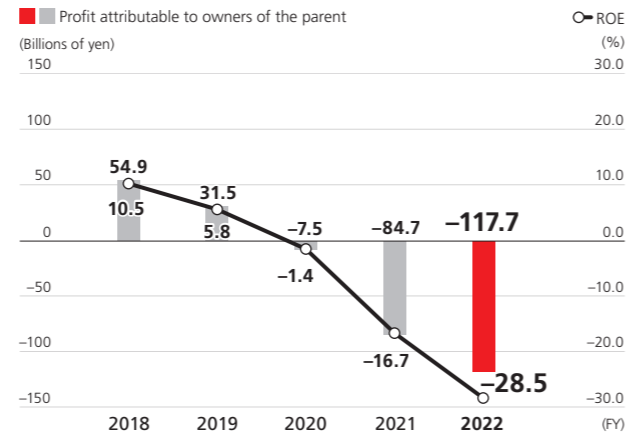
Financial/non-financial highlights

Financial highlights

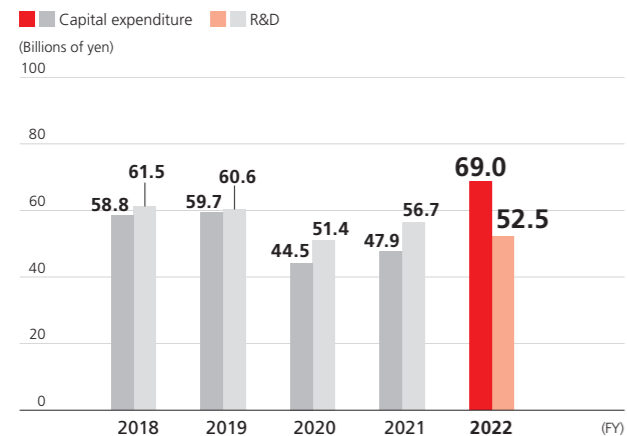
Net sales / Operating income to net sales



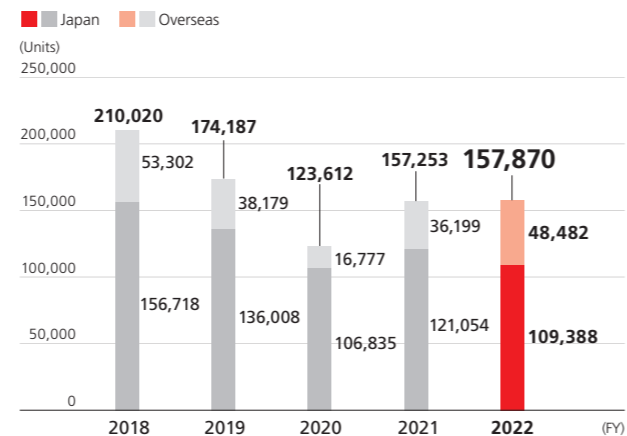
Profit attributable to owners of parent / ROE



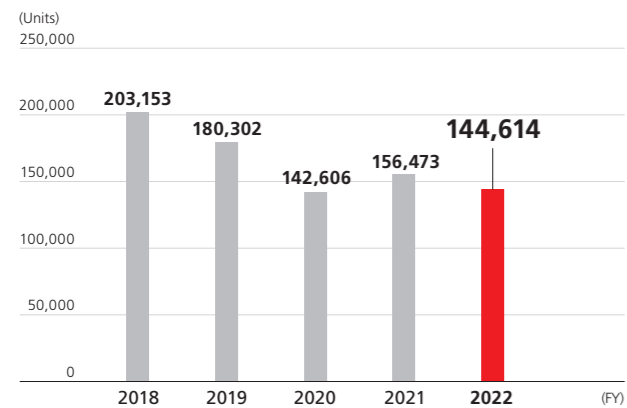
Capital expenditure / R&D expenses



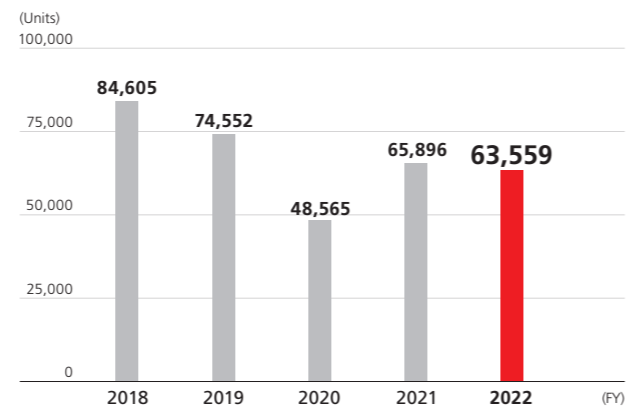
Units of vehicle production



Global unit sales



Units of export from Japan



Non-financial highlights

CO2 emissions (million tons)

	FY2020	FY2021	FY2022
Scope 1	13.6	15.1	13.7
Scope 2	21.2	23.1	12.0
Scope 3	-	-	4,939.0

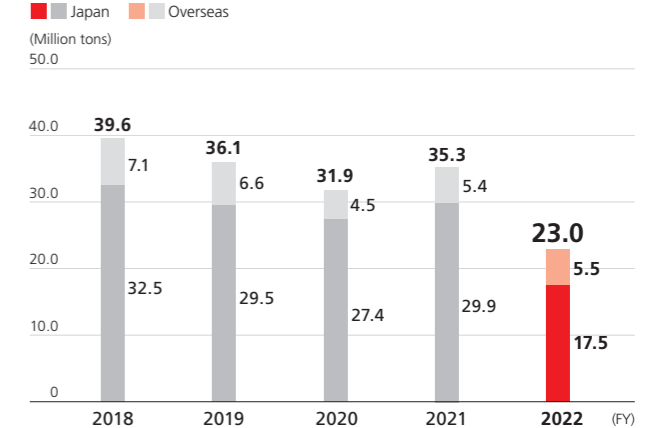
Scope: Consolidated Hino Group
In FY2022, we introduced effectively 100% renewable energy at plants in Japan. We will disclose our Scope 3 results for FY2020 and FY2021 as soon as they are ready.

Scope 3 emissions (million tons)

	FY2022
1. Purchased goods and services	499.5
2. Capital goods	23.3
3. Fuel-and energy-related activities (not included in Scope 1 or Scope 2)	3.2
4. Upstream transportation and distribution	4.8
5. Waste generated in operations	0.7
6. Business travel	0.2
7. Employee commuting	2.0
8. Upstream leased assets	-
9. Downstream transportation and distribution	-
10. Processing of sold production	11.6
11. Use of sold products	4,382.0
12. End-of-life treatment of sold products	5.9
13. Downstream leased assets	-
14. Franchises	-
15. Investments	5.6

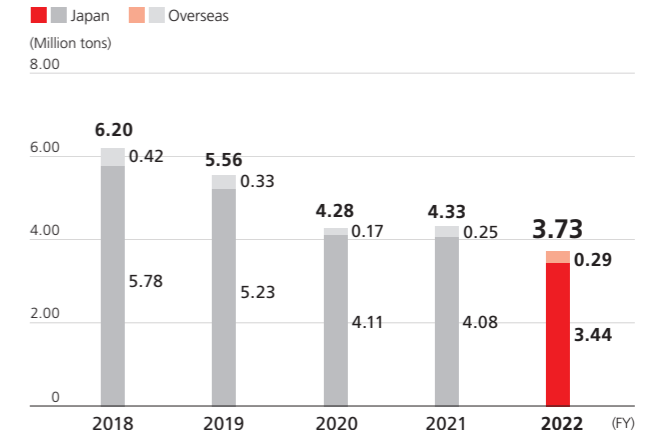
Scope: Consolidated Hino Group
For category 9, we have revised calculation methods and booked these as category 4. Category 11 is Hino's own calculation using fuel consumption and lifetime mileage.

Plant CO2 emissions



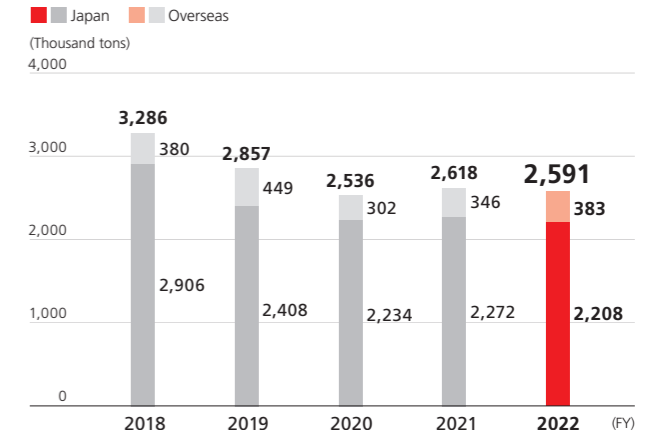
Scope: Consolidated Hino Group production facilities
In FY2022, we introduced effectively 100% renewable energy at plants in Japan.

Waste material emissions



Scope: Consolidated Hino Group production facilities

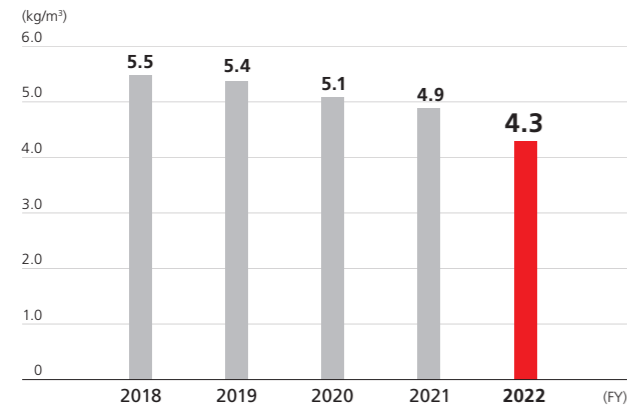
Water usage



Scope: Consolidated Hino Group production facilities

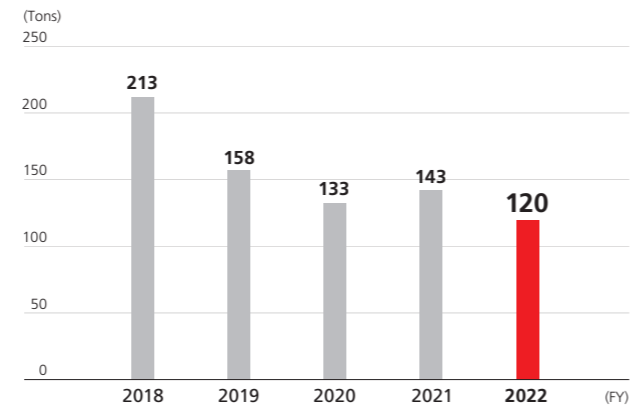
Financial/non-financial highlights

Packaging materials usage



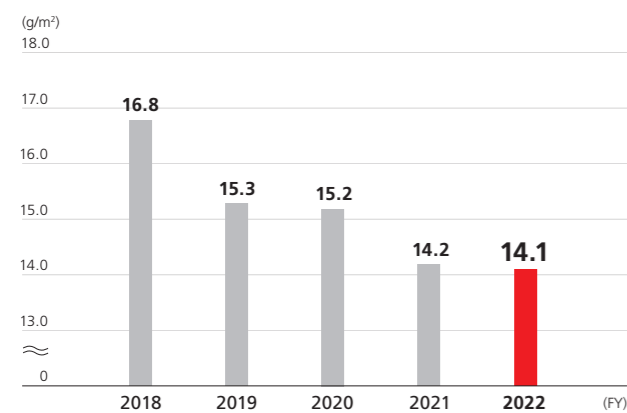
Scope: Production facilities of Hino and six consolidated companies
Calculated in units per volume shipped

NOx emissions



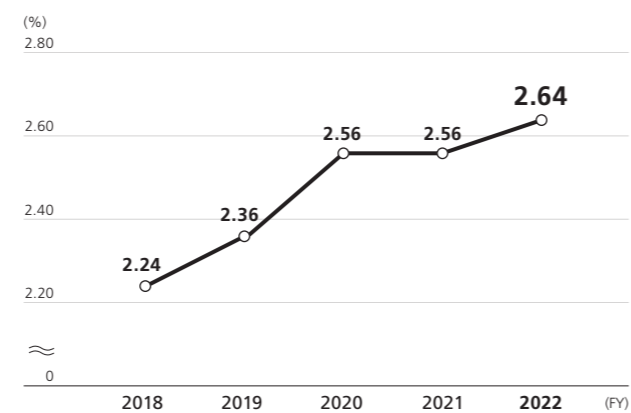
Scope: Four Hino production facilities

VOC emissions

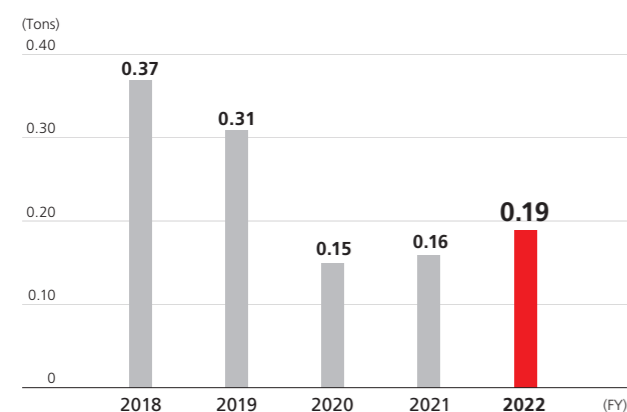


Scope: Two Hino production facilities
Calculated in units per area painted

Employment ratio of people with disabilities

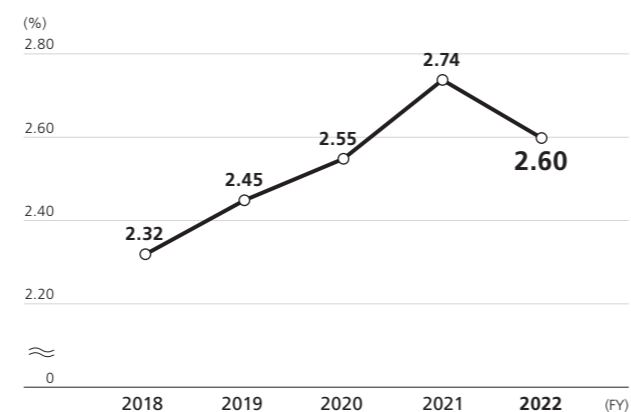


Air pollutant emissions / SOx emissions



Scope: Two Hino production facilities

Ratio of female managers



Company information / Stock information

Company information (as of March 31, 2023)


Company overview

Company name	Hino Motors, Ltd.
Products	Trucks and buses, commercial vehicles and passenger cars produced for Toyota Motor Corporation, automotive and industrial diesel engines, vehicle parts, others
Founded	August 1, 1910
Established	May 1, 1942

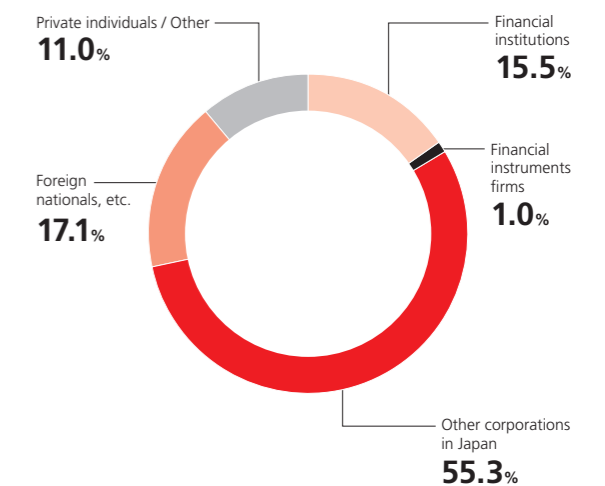
President & CEO, Member of the Board of Directors	Satoshi Ogiso
Paid-in capital	72,717 million yen
Number of employees	34,231
Net sales	1,507,336 million yen
Operating income	17,406 million yen

Stock information (as of March 31, 2023)

Stock overview

Securities Code	7205
Stock exchange listing	Tokyo Stock Exchange, Prime Market Nagoya Stock Exchange, Premier Market
Fiscal year	April 1 to March 31
Record dates	March 31
General Shareholders Meeting	In June, every year
Date of right allotment for dividends of surplus	(1) Year-end dividend: March 31 (2) Interim dividend: September 30
Total number of authorized shares	1,400,000,000
Number of shares issued	574,580,850
Number of shares constituting one trading unit	100 shares
Method of public notices	To be given electronically via the following corporate website. Provided, however, that if the Company is prevented from giving public notice electronically due to an accident or other cause outside of its control, public notices shall be given by publication in the Nihon Keizai Shimbun.  Electronic public notice (Japanese)
Administrator of shareholder registry	Mitsubishi UFJ Trust and Banking Corporation

Share distribution



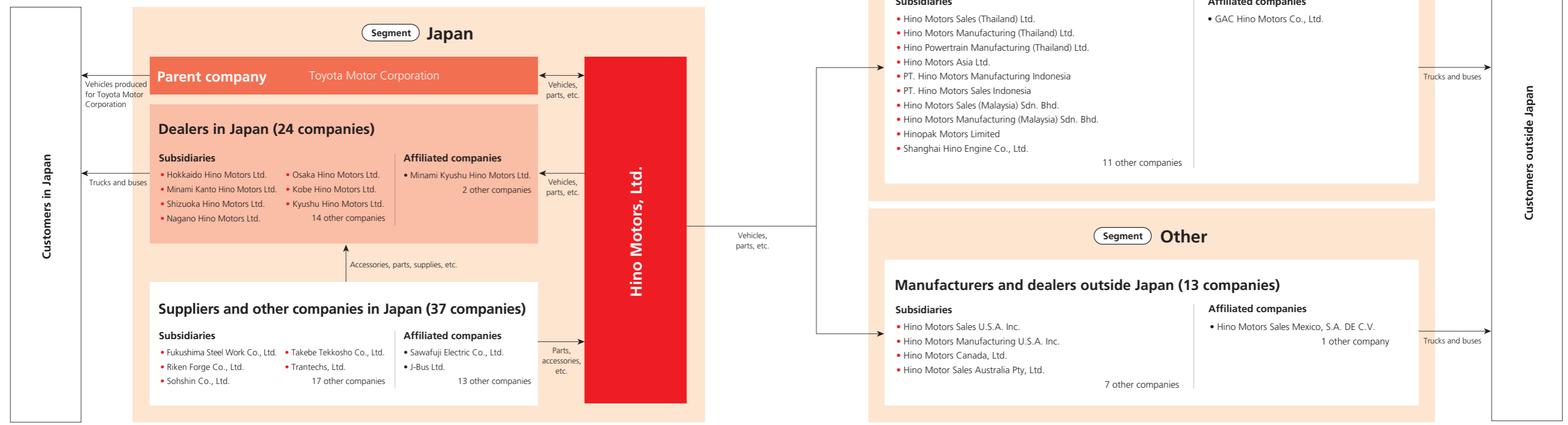
Major shareholders

Name of shareholder	Shares held (thousand shares)	Shareholding ratio
Toyota Motor Corporation	287,897	50.14
The Master Trust Bank of Japan, Ltd. (Trust Account)	57,916	10.09
Custody Bank of Japan, Ltd. (Trust Account)	16,781	2.92
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Custody Business Department of The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	5,215	0.91
Denso Corporation	4,095	0.71
Government of Norway (Standing proxy: Citibank, N.A., Tokyo Branch, Direct Custody & Clearing Department)	3,984	0.69
Nisshinbo Holdings Inc.	3,709	0.65
Tokio Marine & Nichido Fire Insurance Co., Ltd.	3,664	0.64
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Settlement & Clearing Services Department)	3,612	0.63
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Settlement & Clearing Services Department)	3,439	0.60

Subsidiaries and affiliates

Hino, 75 consolidated subsidiaries, and 22 affiliates

(as of March 2023)



Major affiliated companies in Japan

• Subsidiaries • Affiliates

Company name	Location	Percentage of voting rights owned (or held)*1	Main business activities	
Segment Japan				
Dealers in Japan	• Hokkaido Hino Motors Ltd.	Sapporo City, Hokkaido	100.0	Sales of automobiles
	• Minami Kanto Hino Motors Ltd.	Minato-ku, Tokyo	100.0 (100.0)	Sales of automobiles
	• Shizuoka Hino Motors Ltd.	Shizuoka City, Shizuoka	100.0 (0.5)	Sales of automobiles
	• Osaka Hino Motors Ltd.	Osaka City, Osaka	100.0 (100.0)	Sales of automobiles
	• Kobe Hino Motors Ltd.	Kobe City, Hyogo	100.0 (100.0)	Sales of automobiles
	• Kyushu Hino Motors Ltd.	Fukuoka City, Fukuoka	100.0 (100.0)	Sales of automobiles
	• Hino Sales Support, Ltd.	Hino City, Tokyo	80.0	Asset management of dealers
Suppliers and other companies in Japan	• Minami Kyushu Hino Motors Ltd.	Kagoshima City, Kagoshima	33.0	Sales of automobiles
	• Fukushima Steel Work Co., Ltd.	Fukushima City, Fukushima	91.7 (7.2)	Manufacturing of cast parts
	• Riken Forge Co., Ltd.	Maebashi City, Gunma	92.6 (0.7)	Manufacturing of forged parts and molds
	• Sohshin Co., Ltd.	Iruma City, Saitama	100.0	Manufacturing of machined parts
	• Takebe Tekkosho Co., Ltd.	Atsugi City, Kanagawa	55.0	Sheet-metal working
	• Trantechs, Ltd.	Hakusan City, Ishikawa	100.0	Truck accessories
	• Sawafuji Electric Co., Ltd.*2	Ota City, Gunma	30.4	Manufacturing of electrical parts
• J-Bus Ltd.	Komatsu City, Ishikawa	50.0	Bus body accessories	

Major manufacturers and dealers outside Japan

• Subsidiaries

Company name	Location	Percentage of voting rights owned (or held)*1	Main business activities
Segment Asia			
• Hino Motors Manufacturing (Thailand) Ltd.	Samut Prakan, Thailand	80.0	Assembly of automobiles and unit parts
• Hino Motors Sales (Thailand) Ltd.	Bangkok, Thailand	55.3	Sales of automobiles
• Hino Motors Asia Ltd.*3	Samut Prakan, Thailand	100.0	Planning, development, and sales of automobiles
• PT. Hino Motors Manufacturing Indonesia*3	Purwakarta, Indonesia	90.0	Assembly of automobiles
• PT. Hino Motors Sales Indonesia*4,5	Jakarta, Indonesia	40.0	Sales of automobiles
Segment Other			
• Hino Motors Manufacturing U.S.A. Inc.	Michigan, U.S.A.	100.0	Assembly of automobiles and unit parts
• Hino Motors Sales U.S.A. Inc.*4	Michigan, U.S.A.	50.0	Sales of automobiles
• Hino Motor Sales Australia Pty, Ltd.	New South Wales, Australia	100.0	Sales of automobiles

*1 The figures in parentheses in the "Percentage of voting rights owned or held" column indicate the percentage held indirectly
 *2 Company that submits securities reports
 *3 Specified subsidiaries
 *4 Although Hino holds less than 50% of voting rights, it has substantive control over the company making it a subsidiary
 *5 PT. Hino Motors Sales Indonesia accounts for more than 10% of consolidated sales (excluding inter-company sales between consolidated companies)