

Human Resources “Creation” and Work Styles

Basic Stance

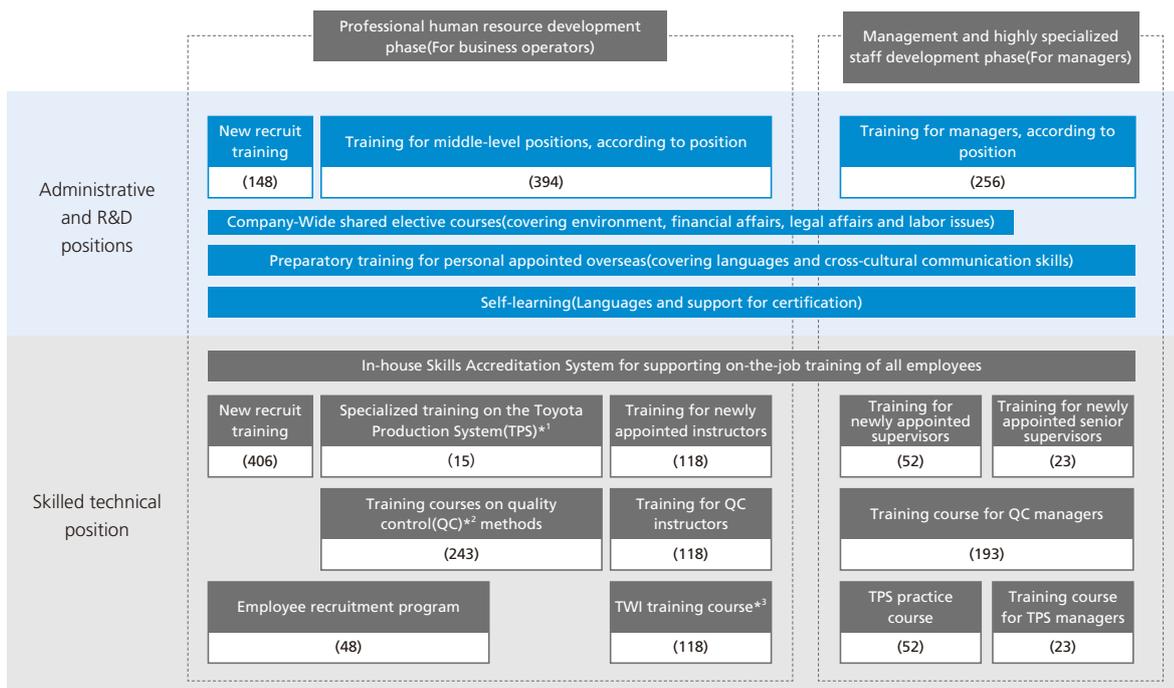
The CSR Charter of the HINO Credo states, “We respect each individual employee, and strive to create a workplace that fosters personal growth.” This expresses Hino Motors’ stance on issues including the processes—done with employees’ full involvement—of “creating” human resources and innovative work styles.

Hino Motors recognizes that human resources initiatives support the foundation of the Company. The Company takes an active approach to personnel appointments, human resources development, and work support that suit each individual so that all members of Team Hino can accurately assess changes and address issues from a global perspective.

Human Resource Development Initiatives

Based on a climate of “teach and be taught,” Hino Motors advocates a basic policy of human resource development that boosts work capabilities through on-the-job training (OJT). With the goal of complementing OJT, diverse group training (off-the-job training) is also carried out, such as hierarchal training and education in specialized fields, and self-development pursued by employees outside of work hours is also supported. To develop employees capable of working on the global stage, a particular focus is placed on practical programs that include language classes/overseas trainee programs (sending young employees to overseas training), training to increase management skills for employees holding management positions, employee training to gain specialized knowledge/skills, and training to improve problem-solving skills.

● Major Skills Development and Human Resource Development Systems



Figures in parentheses are the number of course participants in fiscal 2017.

*1 TPS: “Toyota Production System,” the Toyota method of production. *2 QC: Quality control *3 TWI: “Training within Industry”; TWI is a training technique for improving leadership and managerial skills.

Safety Health Quality **▶ Human Resources "Creation" and Work Styles** Supply Chain Social Responsibility Initiatives

◆ **In-House Skills Accreditation System and Company-wide Capabilities and Competencies Exchange**

Hino Motors 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 in 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 the in-house skills accreditation system, Hino Motors 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 through interaction. By bringing members of all workplaces together for interactive activities, the event serves to motivate employees and foster a corporate culture that values reciprocal learning, which is essential for passing down technical skills to the next generation.



Quality control vehicle



Maintenance (centering)



Painting

◆ **Hino Technical Skills Academy**

With the hope of developing authentic artisans who are passionate about creating excellent products, Hino Motors originally established the Hino Technical Skills Academy in 1951 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.

The Hino Technical Skills Academy implements three-year courses in the subject areas of machining, plastic forming, automotive manufacturing, and manufacturing facilities. Employees acquire specialized knowledge and skills in their course of study and upon graduation are appointed to work in various fields at Hino Motors. While the academy focuses on human resources who work on the production floor, which is a pillar of the company's manufacturing operations, it also trains Field Service Engineers (FSE) who share their service engineering knowledge around the world to support the business of customers. (More information about FSE is available in [page 24](#).) In order to expand its human resources development, the Company has expanded the academy class to 40 employees in fiscal 2017 and 60 employees in fiscal 2018. Through the development of human resources who can be active in various fields, the academy is contributing to the sustainable growth of Hino Motors.



Class at the Hino Technical Skills Academy



Recreational activities

Initiatives for Promoting Diversity

Hino Motors understands that developing and making the most of the capabilities of its diverse employees is vital if the Company is to continue providing high-value-added products and services that benefit society. For that reason, Hino Motors regards the creation of a dynamic corporate culture that values the diversity of its members as an important task for management, and it pursues initiatives to promote diversity on that basis. The Company has appointed staff in charge of promoting diversity in its human resources departments and makes proactive efforts to ensure that capable employees are promoted irrespective of their gender or nationality.

◆ Appointment of Non-Japanese Director

Hino Motors 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. Hino Motors 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 the Success of Women

To help women attain greater success in their careers, Hino Motors has set the goal of tripling the number of women in management positions by 2020 from the current level of 19 (as of November 2014). The number of women in management positions is steadily increasing. As of April 2018, there were 36 women working in key positions. To realize the goal, the Company will continue and expand its efforts to improve childcare support. The focus will also be placed on the following efforts.

1. Increasing the percentage of women in new graduate and year-round recruitment, and expanding the appointment of women in management positions based on gender composition by year
2. Creating a workplace that is easy for anyone to work in, such as by introducing flexible working systems
3. Improving the workplace environment so that employees can work while raising children, such as the establishment of in-house nursery schools

In 2015, opportunities for attaining success were further expanded with the appointment of a woman as president of a subsidiary in Canada.

◆ Employing People with Disabilities

Hino Motors proactively hires people with disabilities and provides support so they can thrive. In December 2007, the Company 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. It is actively making the workplace comfortable for people with disabilities to work in through a variety of measures, including 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. The fiscal 2017 employment rate for persons with disabilities at Hino Motors exceeded the statutory employment rate by 2.16%.

The Company is making ongoing efforts to promote hiring of persons with disabilities through actions such as developing new occupational areas.



Clerical Work



Corporate Recreation

◆ Supporting the Success of the Veteran Employee

Hino Motors has established a re-employment system for retired workers so that it can continue drawing on the expert skills and abilities of employees after they reach retirement age. The system takes into account the work-life balance while allowing employees to continue working after retirement age, giving them the option of working a three-day week or the same number of days and hours as full-time workers.

Of the 123 employees at Hino Motors who reached retirement age in fiscal 2017, 110 (89.4%) expressed a desire to continue working, and all of them were re-employed. As of March 31, 2018, a total of 506 employees were using the re-employment system.

● Number of Re-employed Staff

	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Number of re-employed staff	465	471	487	506

◆ Supporting Employees of Foreign Nationalities

Hino Motors actively promotes appointing talented personnel, regardless of their nationality. It also accepts employees of overseas affiliates 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 the Company intends to proactively utilize these employees going forward.

● Foreign Nationals Employed at Hino Motors

(Total employees on a non-consolidated basis)

	Total employees	Foreign nationals	Ratio of foreign nationals
Full-time employment	12,705	27	0.2
Other employment	2,711	92	3.4
Total	15,416	119	0.8

Better Working Provisions

◆ Welfare Benefits

Hino Motors has developed extensive welfare benefit services that include both child support and nursing care support. In this manner, the Company is working to help each employee to lead a balanced work and personal life. In addition to creating opportunities that allow employees to easily use these benefits, the Company is also reviewing workplace environments as well as individual work styles.

In order to create a workplace environment in which employees can continue working with peace of mind, Hino Motors has adopted a pension plan by which it contributes a portion of funds based on a defined-benefit company pension plan.

● Employees Participating in Efforts to Support the Next Generation

System Name	Details	Number of participants FY2017
Childcare leave	Leave until the date the employee's child reaches his or her second birthday through to March 31	105
Shorter working hours to accommodate for childcare needs	Shorter working hours for employees with children through to March 31 of the child's third year of elementary school	103
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	18
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	66

◆ Employment Provisions to Facilitate Diverse Work-Styles

Hino Motors is revising and adding employee provisions to facilitate flexible work-styles among employees. The Company will keep studying new provisions that enable diverse work-styles so that each employee can achieve a better work-life balance.

• Leave of Absence Provision to Accompany Spouse Abroad

In February 2018, Hino Motors adopted a provision that enables employees to take a leave of absence for up to five years, in order to accompany a spouse who is transferred abroad or decides to pursue studies abroad, whether that spouse is employed at Hino Motors or another company. The provision addresses the increasing globalization of the Company's business activities as well as the increase in double-income households among employees. The aim of the provision is to enable employees to continue working at Hino Motors and achieve a better work-life balance.

• Telecommuting Provisions

Hino Motors adopted new telecommuting provisions in April 2018, as part of an effort to offer working conditions that help employees balance work and their obligations as parents or caregivers. The provisions also seek to help employees maximize their abilities without it being tied to the hours spent at the Company. By encouraging employees to use these provisions, Hino Motors is supporting the adoption of more diverse work-styles among employees.

◆ Compassion and Respect for Workplace Colleagues

The Hino Code of Conduct promotes mutual respect and compassion among all employees to create an active, lively and dynamic workplace in which everyone can work together. Hino Motors does not tolerate any behavior that violates human rights, including discrimination based on race, religion, gender, age, nationality or disability, and likewise, it does not tolerate child labor, enforced labor, or any form of harassment.

The Company holds harassment prevention training and compliance training to disseminate the code to all

employees. Held together with new-employee training and training for managers/supervisors, a total of 946 employees participated in fiscal 2017 training. The training will be implemented on an ongoing basis while enhancing and expanding content.

◆ **Promoting Stable Labor Relations**

Hino Motors 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 increase production." In addition to regular labor-management meetings, in fiscal 2017 Hino Motors began conducting frank discussions between Company and union directors to discuss ways of facilitating the sustainable growth of the Company.

The Hino Group also organizes an annual labor-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 changes occurring in society. Hino will continue to leverage cooperation between labor and management to build even healthier working environments that enable every employee to flourish.



Conducting Frank Discussions between Company and Union Directors



Hino Group Labor-management Conference

◆ **Initiatives to Boost Employee Satisfaction**

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 towards daily work duties.

Hino Motors is working to improve employee satisfaction based on the following three perspectives.

● 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 by holding events that employees participate in.

Example | Opening Ton-Ton Kids Nursery School

Currently, there are approximately 700 employees raising children under the age of five at Hino Motors. A nursery school was established on company premises as an endeavor to create a workplace environment that enables these employees to continue working. In January 2017, Ton-Ton Kids—Koga opened at Koga Plant, while Ton-Ton Kids—Hino opened at the Head Office in April of that same year. Employees taking advantage of the nursery school have made comments such as, "I feel at ease because my children are close to my workplace." Efforts are underway to also open a nursery school at Hamura Plant and Nitta Plant.



Ton-Ton Kids—Hino

Example | Enhancing Employee Cafeterias

Hino Motors is renovating the cafeterias within its plants as part of its effort to improve employee satisfaction. Registered dietitians, cooks, and occupational physicians are working together to provide nutritionally balanced menus, and the Company is providing more comfortable environments where employees can relax. After the Koga and Nitta plants, Hino Motors plans to enhance employee cafeterias at other plants as well.



New cafeteria at Nitta Plant completed in 2018

Example | Providing Company Dormitories

Hino Motors has been adding new company dormitories as part of its employee benefits. The Company added the No.1 Koga Dormitory for employees of the newly built Koga Plant in October 2016 and opened the Isesaki Sakai Dormitory for employees of the Nitta Plant in May 2018. The dormitories are fully equipped with kitchen, washroom, and laundry facilities to increase the amenity for younger employees, who are the main residents. Common areas facilitate communication between residents and enhance the living experience for employees.



The No. 1 Koga Dormitory



The Isesaki Sakai Dormitory

Safety Health Quality **▶ Human Resources “Creation” and Work Styles** Supply Chain Social Responsibility Initiatives

◆ **Fostering Employee Unity**

• **Competing in the Dakar Rally**

In January 2018, Hino Motors competed in the 2018 Dakar Rally that took place in the three countries of Peru, Bolivia, and Argentina, improving its placement from the previous rally by taking sixth place in the Truck class. The race marked the ninth straight win for Hino Motors in the Under 10-Litre Class for trucks.

The technologies that Hino Motors has developed by continuously competing in the world’s most challenging rally contribute to its development of commercial vehicles (trucks and buses). Specifically, the mechanics who assist in the race are mainly employees of Hino Motors’ nationwide network of dealers, along with the Company’s elite mechanics trained in providing after-sales service.

Working together on the rally fosters the unity of Team Hino and helps to invigorate employee communication. Hino Motors will continue to improve its technologies in the global arena, develop its human resources, and strengthen their connection to Team Hino.



Racing on a difficult course



Mechanics running to the race truck



Team Hino personnel and trucks



Ceremony at the finish line

• **Hino Red Dolphins vie for Top Position in the Rugby League**

Ever since Hino Motors founded the Hino Red Dolphins corporate rugby team in 1950, the Company has sought to build a team that fosters the unity of the Hino Group and has strong community roots and engagement as its flagship sports franchise.

In 2018, the team was promoted to Japan's top-tier Top League competition and, with the promotion, changed its name to the Hino Red Dolphins (formerly Hino Motors Red Dolphins) in an effort to further connect the team with its local fan base.

As heated battles with famous competitive teams continue, the Hino Red Dolphins will work together with employees and the local community to win even more fans for the team.



Red Dolphins lead the league for the first time



Fierce competition

• **Table Tennis Club Advances to First Division of Japan Table Tennis League**

Hino Motors' table tennis club has been steadily operating through its employee-players for nearly 50 years since it was established in 1970. In November 2018, Hino's tennis club won the championship at the Japan Tennis League's league competition (second division for men) and was promoted to the league's first division, a long coveted prize. At the tournament, members of Team Hino, including employees of dealers in each prefecture, helped strengthen team cohesion through their local support. Hino Motors will steadily maintain these activities with the aim of further raising Team Hino's morale.



Sakata Tournament determines promotion to league's first division



"Team HINO" cheering squad at the match

• **Strengthening Community Bonds through Sports**

Hino Motors engages in initiatives to build stronger bonds with local residents through sports.

The Company creates opportunities for local residents to watch, learn about, and experience actual parasports (such as wheelchair basketball and boccia*), aiming to foster unity through the shared discovery, emotion, and joy of parasports.

*Boccia is a sport in which each athlete throws six colored balls, aiming to get as close as they can to a white target ball.

First, learn

Watch

Discovery and emotion



Seeing a wheelchair basketball game

Hear about

History of facing difficulties



Para athlete speech
Completely blind swimmer
Junichi Kawai

Experience

Depth of the sport



Corporate boccia tournament

- Parasports was more powerful than I expected.
- The para athletes were very tough and strong.



Feedback from Employees

Supporting Together

Supporting Pyeong Chang Paralympians

Featured in community gazette





Public viewing

Rugby team with strong community roots



The local mayor Fuyuhiko Ohtsubo and President Yoshio Shimo with rugby players



Municipal officers at work, wearing the team color

- It's amazing to have athletes representing Japan here in our community.
- I felt a sense of unity by cheering athletes together.
- The ekiden event was very festive and enjoyable.
- Our family was all smiles playing boccia.



Feedback from Local Residents

Participating Together

Corporate ekiden running event (with participation of municipal employees)



All the participants

Festival at plant (in cooperation with community citizens)



Wheelchair basketball



Boccia

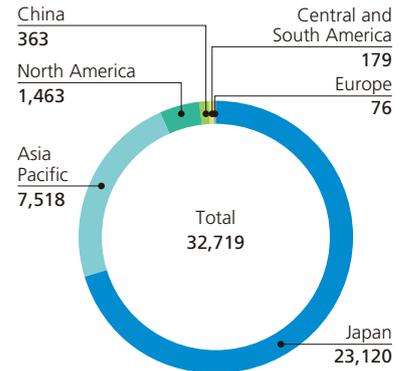
HINO SUSTAINABILITY REPORT 2018

Human Resources Data

● Number of Employees (Consolidated)

	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Japan	21,573	22,191	22,520	23,120
Asia Pacific	6,585	7,101	7,296	7,518
North America	1,052	1,098	1,413	1,463
China	430	417	370	363
Central and South America	150	147	171	179
Europe	74	66	67	76
Total	29,864	31,020	31,837	32,719

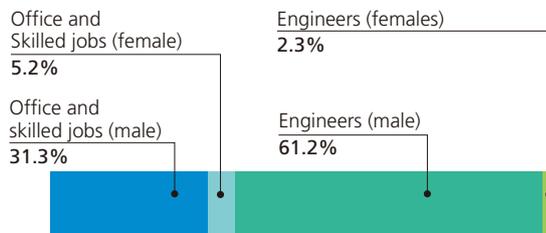
● Number of Employees Total (Consolidated as of March, 2018)



● Number of Employees (Non-consolidated)

	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Males	11,024	11,392	11,720	11,763
Females	820	861	902	942
Total	11,844	12,253	12,622	12,705

● Ratio by Job Type (Non-consolidated, as of March 31, 2018)



Future Initiatives

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

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