

Quality

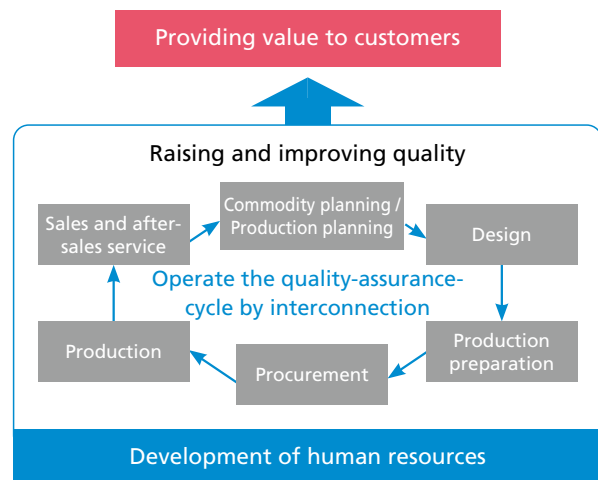
Basic approach

Hino Motors has valued quality since the Company's founding. We believe it is our responsibility to provide value and quality through products and services that enable our customers and the world to feel safe.

The Company is constantly striving to improve quality by continually applying plan-do-check-act (PDCA) cycles for improvement. These PDCA cycles are utilized during the manufacture of commercial vehicles, and also while the vehicles are being used by customers, until the company's role is complete. The pursuit of quality improvement forms the basis of Hino Motor's quality assurance management. Under its "Customer First" and "Quality First" Code of Conduct, Hino Motors will continue to refine the quality of its products and services on a daily basis in order to remain a commercial vehicle manufacturer trusted by customers and society.

Promotion System for Quality Assurance

The employees of Hino Motors are all working to improve the quality of the processes they are engaged in, including planning, design, production preparation, procurement, manufacturing, sales, and after-sales service. They are expertly applying quality assurance cycles leveraging coordination across different processes. This enables the Company to provide products and services that earn the trust of customers and society. The Company will keep taking on the challenge of improving quality even further by promoting human resource development, which is one of the foundations of corporate activities in each process.



Initiatives to Prevent Problems

◆ Determining Defect Causes in the Design Stage

Hino Motors seeks to discover and eliminate any product defects in the early stages of each process.

In the early design stage, efforts are made to raise the quality of blueprints by ensuring the departments concerned thoroughly discuss and resolve all issues. Hino Motors aims to make products of the highest possible quality by conducting high-quality design reviews to check and enhance each design. These are carried out on the frontlines.

◆ Quality Information Sharing Utilizing the Global Hino Quality Assurance (G-HQA) System

In fiscal 2013, Hino Motors began phased construction of an information management system to enable quality assurance information to be shared quickly, including information from group companies in Japan and overseas. The aim is to quickly identify quality issues and solve problems at an early stage.

Going forward, the Company will further strengthen the system and share information rapidly with markets worldwide. Hino Motors is determined not only to respond promptly to customer needs, but also to further improve the quality level by preventing defect recurrence.

Initiatives for Raising Employee Quality Awareness

◆ TQM*¹ Activities

Hino Motors aims to improve the quality of products and services that meet the needs of its customers and the world. We promote small group improvement activities*² and workplace management activities in all employment levels, from workers to managers. The Company is always striving to enhance employee awareness and improve product quality. Every year, the Hino Group around the world holds various competitions. The aim is to create opportunities for employees to learn from one another and thereby to facilitate Group-wide improvement. At the programs, cases of outstanding improvements are shared, enabling participants to learn about new methods and approaches.

*¹ TQM: Total Quality Management

*² Small group improvement activities: Voluntary activities for finding and solving issues within a group with the goal of improving quality within that workplace. It is an opportunity to deepen understanding among group members and revitalize the workplace, and at the same time, the mutual stimulation provides an opportunity for growth.



All Hino TQM Tournament



Global Hino TQM Tournament

◆ Ample Learning Opportunities

Since fiscal 2015, Hino Motors has been holding exhibitions on product quality every November, which is quality month. This ensures that all employees can maintain their awareness of the importance of ensuring safety and peace of mind for customers. In 2018, a Quality Learning Center was opened for employees. The center enables all employees to learn about the current quality situation at Hino Motors, while strengthening efforts to keep a strong emphasis on quality and putting customers first.

In addition, Hino Group sales companies in and outside Japan, which have a great deal of direct contact with customers, are working to create systems for supplying parts rapidly and for studying vehicle maintenance technologies. In Japan, service support sites have been established at the 21st Century Center (Hachioji City), Kobe Training Center, and Sagami-hara Training Center. Overseas, support sites have been established in the Middle East and Latin America to further improve quality. In addition, Hino Motors launched a Service Master Course in 2003. This next-generation program develops core human resources at dealers in Japan. Program participants acquire the advanced maintenance and diagnostic skills needed by service engineers. They also obtain knowledge concerning products and relevant laws and regulations, as well as a wide range of skills, such as customer service and repair shop management. After completion of the course, the participants apply their new expertise in after-sales service departments at Hino Motors' dealers in Japan.



Hino Training Center - Middle East (UAE)



Quality exhibition



Completion ceremony

◆ Hino Group Award System

Each year, Hino Motors dealers across Japan hold a service skills competition. In fiscal 2019, the 48th year of the event, dealer service engineers competed in the field of maintenance technology, while service counter staff competed in the area of customer service. The competition is held in order to improve engineers' technical skills by encouraging them to learn independently, and to incentivize staff to provide high quality service to customers.

● Results of the 48th National Service Skills Competition

	Dealers
Best performance award (1st place)	Aichi Hino Motors
Outstanding performance award (2nd place)	Tokyo Hino Motors
Excellence performance award (3rd place)	Kyusyu Hino Motors
Special performance award (3 teams)	Nishi-Tohoku Hino Gunma Hino Motors Hiroshima Hino Motors

[Entered Dealers] Hokkaido Hino Motors / Miyagi Hino Motors / Gunma Hino Motors / Chiba Hino Motors* / Tokyo Hino Motors / Shizuoka Hino Motors* / Aichi Hino Motors / Toyama Hino Motors / Shiga Hino Motors / Okayama Hino Motors / Ehime Hino Motors / Kyusyu Hino Motors (*Special selection)



Competition for service skills



Awards ceremony

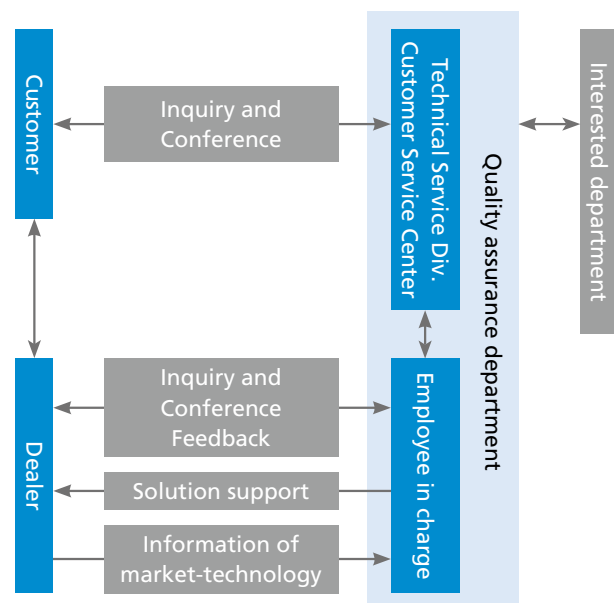


Awarded dealers

Customer Service Center Activities in 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

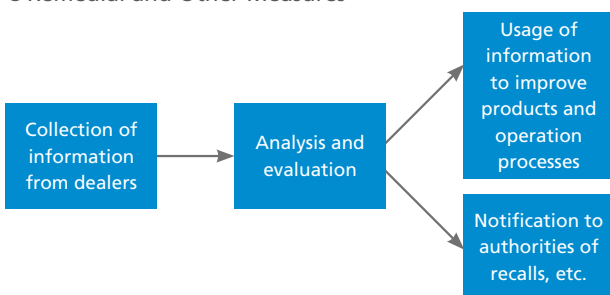


Handling Quality Defects and Recalls

Hino Motors' top priority is the safety of customers and the broader society. The Company makes every effort to prevent defects so as not to cause difficulties for anyone. In order to ensure customer safety and support regular maintenance, the Company rapidly collects all the needed quality information and has established a system that ensures a prompt response to any quality issues.

Please refer to the following for details on how Hino Motors has handled defects, including the issuing of recalls, over the last three years. All defect cases are handled appropriately.

● Remedial and Other Measures



● Incidence to handle defects

(Cases)

	FY2017	FY2018	FY2019
Recalls ^{*1}	18	21	14
Remedial measures ^{*2}	3	0	1
Service campaigns ^{*3}	1	12	12

By definition of the Ministry of Land, Infrastructure, Transport and Tourism Japan

*1. Recalls: Automobile manufacturers and related manufacturers recall vehicles to make necessary improvements in accordance with safety standards when it has been determined that a certain range of the same model of vehicles, or tires or child seats do not comply with or are suspected of not complying with safety standards for road transport vehicles due to factors at the design or manufacturing stage.

*2. Remedial measures: Automobile manufacturers and related manufacturers undertake remedial measures for making necessary improvements to vehicles when it has been determined that problems have occurred due to factors at the design or manufacturing stage, and such problems cannot be ignored in terms of ensuring safety or preserving the environment, even if the problems are not covered by safety standards for road transport vehicles (in contrast to product recall notifications).

*3. Service campaigns: Automobile manufacturers carry out service campaigns to make necessary improvements to the marketability or quality of vehicles in the event of problems that do not fall within the scope of recalls or remedial measures.

Future Initiatives

Hino Motors is working to achieve the ultimate goal of eradicating defects and recalls, aiming to provide further safety and peace of mind to customers and the broader society. The Company will keep working to improve quality further by constantly striving to prevent defects and the recalls and further raising employee awareness.

The Power That Sustains Hino Motors

I feel pride working on the front line to support Hino vehicle quality

Quality Assurance Div

Maho Izukawa



Conducting analysis at the component level to discover each and every defect

It's my job to pin down the causes of a vehicle's problems by collecting and analyzing components and giving feedback to the development and design departments to improve quality.

The reasons for a vehicle's problems encompass a range of possibilities, including a vehicle being used in unanticipated ways. In many cases it's tough to narrow down a defect to a single cause. However, at such times I take care to communicate reliable information without making a decision based on conjecture. A wrong decision on my part could lead to poor quality. That's how much responsibility I undertake each day in my work.

Aiming for the ultimate goal of "zero defects"

When I hear about an accident involving a truck or bus on the news, it strikes a chord.

I tackle my work with a renewed sense of intensity and mission because I want to eradicate such unfortunate accidents.

Depending on the defect that emerges, in some cases, unless it is immediately addressed, a further defect could occur. The ultimate goal of quality assurance is to prevent all defects. Thoroughly investigating the cause of each and every defect can contribute to preventing further problems so that we can reach that goal. So I feel pride and a sense of satisfaction with my job, which is on this front line of defense.

