Human Resources "Creation" and Work Styles

Supply Chain

Human Resources "Creation" and Work Styles

Basic Stance

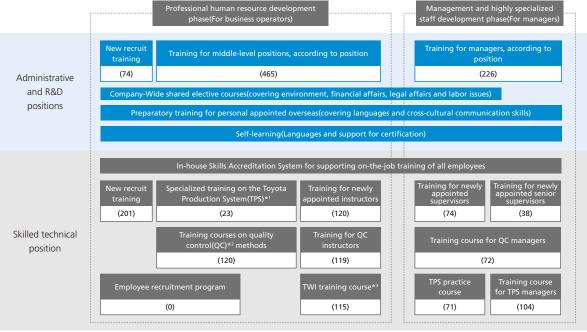
The CSR Charter of the HINO Credo states, "We respect each individual employee, and strive to create a workplace that fosters personal growth." This expresses Hino Motors' stance on issues including the processes—done with employees' full involvement—of "creating" human resources and innovative work 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 2020.

- *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.

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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. (This event was cancelled in fiscal 2020 due to COVID-19.) 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)

♦ 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 focus is on human resources working on the production floor, which is a pillar of manufacturing operations, the academy also trains human resources sharing service engineering knowledge to countries around the world to continue supporting the customer businesses.

From fiscal 2019, the system was established as a 180-person, three-year program. Graduates are sent to various worksites.

| Example | Entering the World Skills Competition

Since fiscal 2018, the Hino Technical Skills Academy has been working to improve employee skills by entering the World Skills Competition (a national competition in which engineers who will be leaders of the next generation take part in skill level competitions). Every year, two employees are selected to take on the challenge of conventional lathe work and computer-aided design (CAD). The results are becoming apparent, with one individual in conventional lathe work and another in CAD chosen to compete at the national competition in 2021. We will continue to take on this challenge with the aim of winning medals in competition so that we become the driving force for passing on skills at Hino Motors.



Conventional lathe work



Hino Technical Skills Academy (Japanese only)

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Initiatives for Promoting Diversity

Hino Motors recognizes that human resource cultivation and utilization on a global scale is a management issue that must be addressed to continue offering high-value-added products and services that contribute to society in countries around the world. Therefore, the Company encourages active promotion of human resources capable of demonstrating and utilizing talent, regardless of characteristics such as gender or nationality, and aims to create a corporate climate respectful of employee diversity and overflowing with energy.

◆ 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.

* The system of officer was established and the other one of managing officer was abolished in February 2020, but he has a crucial role in a overseas cardinal bases as a corporate manager ongoingly.

◆ Supporting the Success of Women

To encourage even greater success for female employees, Hino Motors has made ongoing efforts to actively promote women to management positions. As of April 2021, there are 49 female managers working in a variety of important positions. The Company is making ongoing efforts to continue and expand our support for balancing work with parenting and family to reach our goal of a further 30% increase by fiscal year 2025. In addition, the Company is focusing on the following matters to further improve human resource systems and the corporate climate as well as support for women's careers to enable employees regardless of gender, particularly those raising children, to participate in the workplace.

- 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

Opportunities for women to attain success both within and outside Japan are being expanded. This includes the appointment of a woman as president of a subsidiary in Canada in 2015 and the appointment of a woman as a full-time auditor in 2019.

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

FY2014*	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
19	21	23	30	36	43	46	49

^{*} As of November

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◆ 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.

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. The fiscal 2020 employment rate for persons with disabilities at Hino Motors exceeded the statutory employment rate at 2.56%. The Company is making ongoing efforts to promote hiring of persons with disabilities through actions such as developing new occupational areas.



Mail sorting work



Outside sports competition



Hino Harmony, Ltd. (Japanese only)

◆ Supporting the Success of the Veteran Employee

In 2019, the retirement age has been extended to 65 years old in order to allow veteran employees to demonstrate their advanced skills and abilities more widely. The aim is to increase the degree to which abilities and roles and reflected in treatment, and to have them play an active role with high motivation.

As of March 2021, the conventional reemployment system is used by 391 people at the head office.

Number of Re-employed Staff

		March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Num	ber of re-employed staff	487	506	505	516	391

◆ 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)

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	Total employees	Foreign nationals	Ratio of foreign nationals
Full-time employment	12,784	62	0.5
Other employment	1,277	29	2.3
Total	14,061	91	0.6



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 FY2020
Childcare leave	Leave until the date the employee's child reaches his or her second birthday through to March 31	146
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	114
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	5,600
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	39
Family care leave	Five days of annual leave per family member requiring nursing care	50

◆ Selectable welfare benefits

As a part of efforts to promote work-style reform, the Company introduced a package plan with an eye toward adopting a selectable welfare benefits plan (Cafeteria Plan). Employees can choose the benefits they want to take advantage of from a lineup that includes travel and lodging, childcare and nursing care, fitness, and self-development.

Going forward, the lineup of benefits unique to Hino Motors will be enhanced so that it meets individual employee needs.

◆ 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.



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◆ Newly Establishing a System Enabling Diverse Experiences

Hino Motors is developing an environment that enables every employee to consider their career plan (what they want to accomplish) and achieve a fulfilling work-life balance. In April 2021, we introduced the permission system for supplementary work with the aim of supporting a variety of work styles by increasing work-style choices.

This system develops an environment that makes it easier for employees to consider and achieve the career they desire. Moreover, this system targets employee growth through skills improvement gained from experience and encourages feedback into the business. Widespread utilization will further enhance our employees' work-life balance.

Newly establishing telework provisions and introducing a telework system

In April 2018, Hino Motors introduced the telecommuting system to support balancing work with parenting and caregiving.

As COVID-19 infections began spreading in early 2020, we expanded the ability to work from home to our approximately 6,500 clerical workers as an infection prevention measure. In October 2020, the telework provisions were newly established and the telework system launched under agreement between labor and management not only as a measure against COVID-19 infections, but also to allow employees to fully demonstrate their abilities without being bound by time and place.

◆ 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.

Furthermore, the Company holds head office labor-management meetings at each operational head office that are led by the general manager. These activities continued in fiscal 2020, and from fiscal 2021 opportunities such as workplace discussions are being created in every department to share workplace opinions and hold discussions that speedily resolve issues and troubles.

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



Conducting Frank Discussions between Region and Union Directors



◆ Initiatives to Boost 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 towards daily work duties. Hino Motors has marked fiscal 2021 as the first year of corporate culture reform and will tackle improving ES based on the following 3 perspectives to create an environment that is fair, open, and rewarding in all workplaces.

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.

Review and analysis of employee satisfaction are carried out to take stock of the above 3 endeavors. This indicator is shared with each workplace and all employees, and utilized to plan and execute measures enabling everyone to continue working with peace of mind.

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| Example | Opening Ton-Ton Kids Nursery School

Currently, there are approximately 2,000 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. The day the nursery school opened was timed to coincide with the factory calendar. Employees taking advantage of the nursery school have made comments such as, "I feel at ease because my children are close to my workplace."



Ton-Ton Kids—Hamura

| Example | Enhancing Employee Cafeterias

Hino Motors is renovating the cafeterias within its plants as part of its effort to improve employee satisfaction. Registered dieticians, 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, including the Hino Global Parts Center, which started operations in May 2019.

In addition, Hino has recently been implementing infection control measures such as staggered operations and installing partitions for employees that go to work during the COVID-19 pandemic to promote worksite improvements enabling people to eat meals with peace of mind.



The employee cafeteria at Hino Global Parts Center, which was completed in 2019

| Example | Opening the new U.S. Head Office (Hino Motors Manufacturing U.S.A. Inc. (HMMUSA), Hino Motors Sales U.S.A. Inc.)

A new head office was opened in a suburb of Detroit, Michigan in the United States in September 2018. Bringing together the sales office and production office in one location makes communication effortless and further strengthens collaboration. The new office includes meeting rooms with wireless monitors, a cafeteria,

and a fitness center. Not only is the work environment more friendly and operations more efficient, but this new office leads to improved health management and work motivation. Employee morale has been boosted.



A large hall capable of accommodating approx. 270 people



The cafeteria can be used freely by employees



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◆ Human Resource Development and Fostering Employee Unity

• Competing in the Dakar Rally—Aiming for a higher place by making higher performance truck

Hino Motors participated in the "Dakar Rally 2021," which was held in Saudi Arabia in January. We achieved 12th place overall in the truck category marking twelve consecutive victories in the class with a displacement of less than 10 liters.

The technologies that Hino Motors has developed by continuously competing in the world's most challenging rally contribute to its development of commercial trucks and buses.

This fiscal year, Hino Motors is developing a truck in a bid to be a top contender through outstanding vehicle performance achieved using weight reduction, Hino's hybrid racing system, and an engine capable of high horsepower.

The mechanics that support the race are mainly Hino Motors employees and employees of sales companies nationwide. This activity is also utilized in human resource development of elite employees who will support the future of Hino Motors.

This 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.



Vehicle maintenance in the bivouac



Racing on a difficult course



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The Hino Red Dolphins are set to compete in heated matches in Japan Rugby League ONE

The Hino Motors 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 newest stage in Japanese rugby, Japan Rugby League One will launch in January 2022.

Hino Motors 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.





Fierce competition with famous competitive teams

Scoring a try



Hino Table Tennis Club King Fischer's to fight in Japan Table Tennis League 1st Division

For the nearly 50 years since its creation in 1970, Hino Motors' table tennis club 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. It also began endeavoring to deepen understanding of the sport and strengthening community bonds by promoting table tennis through table tennis classes for municipal junior high school students and participation in municipal table tennis events. 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.



A match played on home turf in Hino City was watched by over 600 spectators



An intense competition

First, learn

Building Bonds with Communities



Safety Health Quality Respect for Human Rights <u>Human Resources "Creation" and Work Styles</u> Supply Chain Social Responsibility Initiatives

Strengthening Community Bonds through Sports

Hino Motors is promoting initiatives to deepen ties with the local community through sports.

Hino Red Dolphins, who are active in Japan Rugby Top League, hold a "tag rugby class" at a nearby elementary school, and Hino Motors King Fishers, who is active in the first division of the Japan Table Tennis League, hold a "table tennis class" at a junior high school in Hino City. By sharing "experience," "impression," and "joy" through direct guidance from players who are active on the front lines, we will work on the development of local people and the development of the region.



Boccia

Residents

Wheelchair basketball

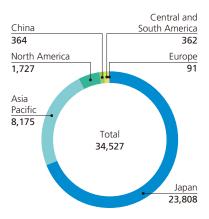


Human Resources Data

• Number of Employees (Consolidated)

	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Japan	23,120	23,524	23,675	23,808
Asia Pacific	7,518	8,268	8,340	8,175
North America	1,463	1,550	1,711	1,727
China	363	351	359	364
Central and South America	179	284	365	362
Europe	76	92	98	91
Total	32,719	34,069	34,548	34,527

Number of Employees Total (Consolidated as of March, 2021)



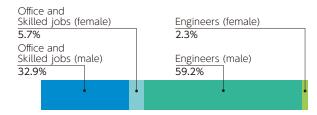
• Shift in number of employees by type of employment

	March 31, 2019	March 31, 2020	March 31, 2021
Full-time employment	34,069	34,548	34,527
Other employment	11,373	9,640	7,363
Total	45,442	44,188	41,890

Number of Employees (Non-consolidated)

	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Males	11,720	11,763	11,960	11,813	11,779
Females	902	942	975	992	1,005
Total	12,622	12,705	12,935	12,805	12,784

Ratio by Job Type (Non-consolidated, as of March 31, 2021)



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.