



Structural Reform for Actualizing Challenge 2025

Oct. 29, 2020

Hino Motors, Ltd.

Yoshio Shimo

President & CEO, Representative Director

Challenge 2025

To solve complicated problems with customers and our society through our measures from “3 aspects” in order to realize “an affluent, comfortable, sustainable society.”

Challenges that we need to solve

Safety

Serious traffic accidents

Environment

CO₂ emissions

Efficiency

Sustainable growth of our customers' businesses
Crisis in logistics, such as driver shortages

Provide value to our customers and the world

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



Best-fit products incorporating safety and environmental technologies



Total support customized for each vehicles



New Activity areas

Three Directions to achieve “Trucks and buses that do more.”



Progress so far

To help solve problems with customers and society from “three aspects” Improving activities to make them more practical

Mar. 2020

Sep.



Best-fit products
incorporating
safety and
environmental
technologies

- Cooperation with Toyota for heavy-duty FC trucks



- Contract for cooperation with BYD for electrification

- The first hybrid articulated bus delivered

- Collaborative development with Toyota in North America

- Project Z in North America

- Joint demonstration for heavy-duty FC trucks

- Joint venture with BYD for developing EVs

- Contract with Traton for cooperation in electrification

- Demonstration of automated driving with Obayashi Cooperation



Total support
customized for
each vehicles

- New Panama office

- HINO CONNECT Upgraded



- Mobilots starts the trial operation of “ICT preventive maintenance service”

- Integration of distributors in the Tokyo Metropolitan Area

- Release of packaged products of the navigation system exclusively for trucks



New Activity areas

- Commencement of business of NEXT Logistics Japan (NLJ)

- The number of NLJ partner companies increased from 5 to 8.

- Start of data linkage with Hacobu

- Hacobu Plan exclusively for Connected Truck started

動態管理サービス
MOVO Fleet





Recognition of the Environment

We have proceeded with the project “Challenge 2025” steadily, but our major market was sluggish amid the coronavirus crisis, and sales volume and revenue dropped significantly.



In order to continuously solve problems with customers and society, we will accelerate our activities for Challenge 2025, and carry out reform for actualizing a robust business structure that will be hardly affected by fluctuations in the business environment.



By 2022: we will become able to secure revenues stably even if sales volume is in the order of 150,000 units.

For 2025: we will accelerate and improve activities for actualizing Challenge 2025.

For the period from 2025: we will engage in activities for solving problems with businesses of each customer.

To complete
them

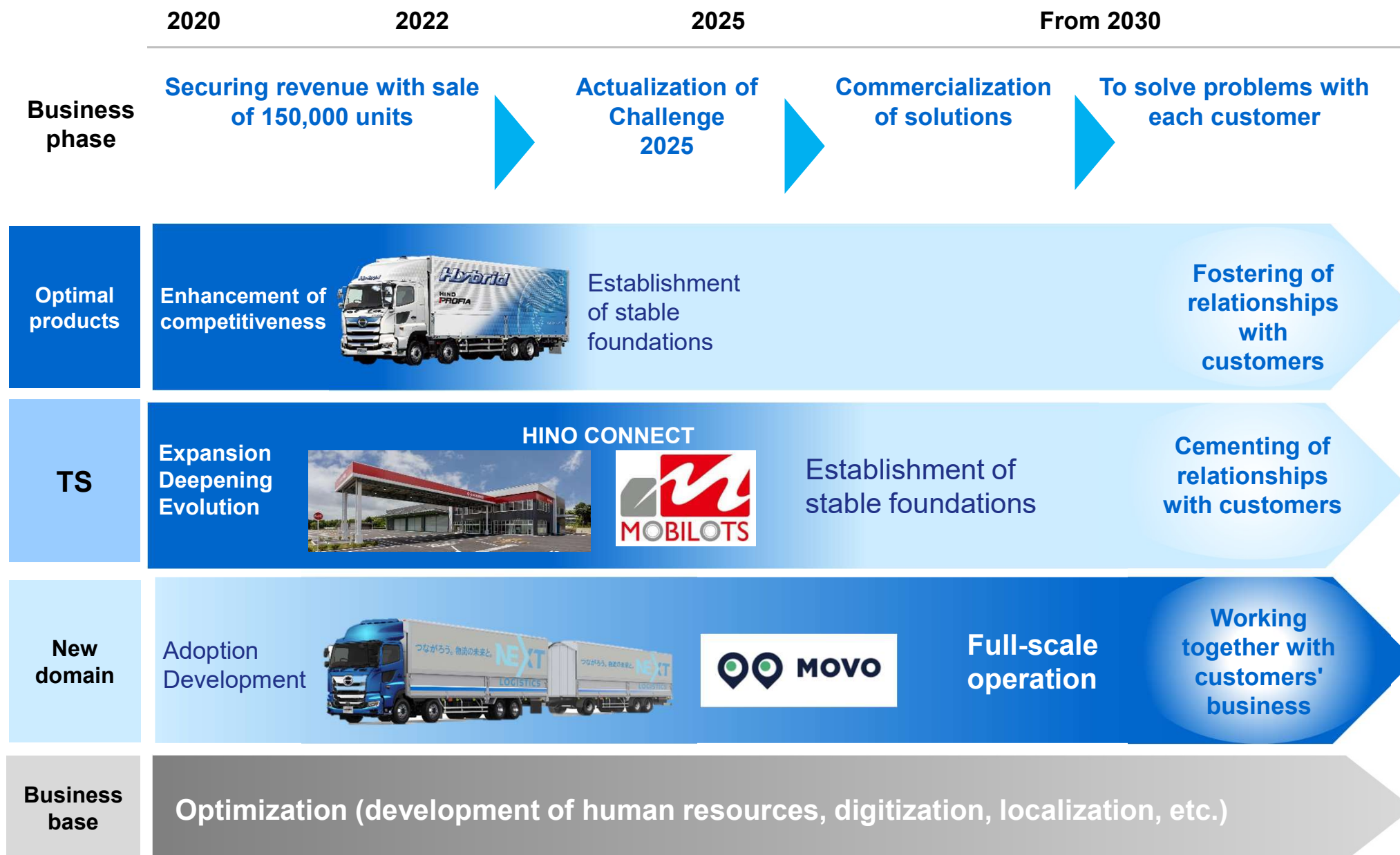
Optimal use of resources through business operation reform
Allocating them to 50 projects for structural reform

*In FY 2020, about 30% of back-office staff will be transferred

“Selection and concentration” by discerning **area we cling to our competitive advantages and area we cooperate with partners** in all of the fields of development, production, and sale



Roadmap





By 2022

We will become able to secure revenues stably even if sales volume is in the order of 150,000 units.

- **To optimize fixed costs and reduce costs thoroughly**
- **To offer products and TS, whose competitiveness has been brushed up**
 - Sales promotion of large-sized HVs, which are our original products
- **To achieve a service visit rate of 50%**
 - Establishment of a specialized organization
- **To enhance the functions of overseas bases for meeting customer needs**



50 Projects

For 2025

We will accelerate and improve activities for actualizing Challenge 2025.

**Optimal
products**

**Enhancement of
competitiveness**

To provide optimal products from the viewpoint of customers

- To promote electrification in each region based on collaboration with partners**

LS

**Expansion
Deepening
Evolution**

To increase points of contact with customers by utilizing MOBILOTS

To minimize “lifetime costs” with HINO CONNECT

- To grasp the operation status of each customers by utilizing ICT**

**Business
base**

Optimization

To fortify the business base by accelerating company-wide digitization

- For all processes, including development, manufacturing, sale, and management**



50 Projects

For the period from 2025

We will solve problems with businesses of each customer.

TS

Expansion
Deepening
Evolution

To offer value throughout the life cycle of each vehicle by utilizing the contact points with customers

- To offer one-to-one services

New domain

Adoption
Development

Embodiment of the solution business

- To work closely with workplaces of customers and solve problems from both software and hardware aspects

- To establish the transport system for main roads at Next Logistics Japan

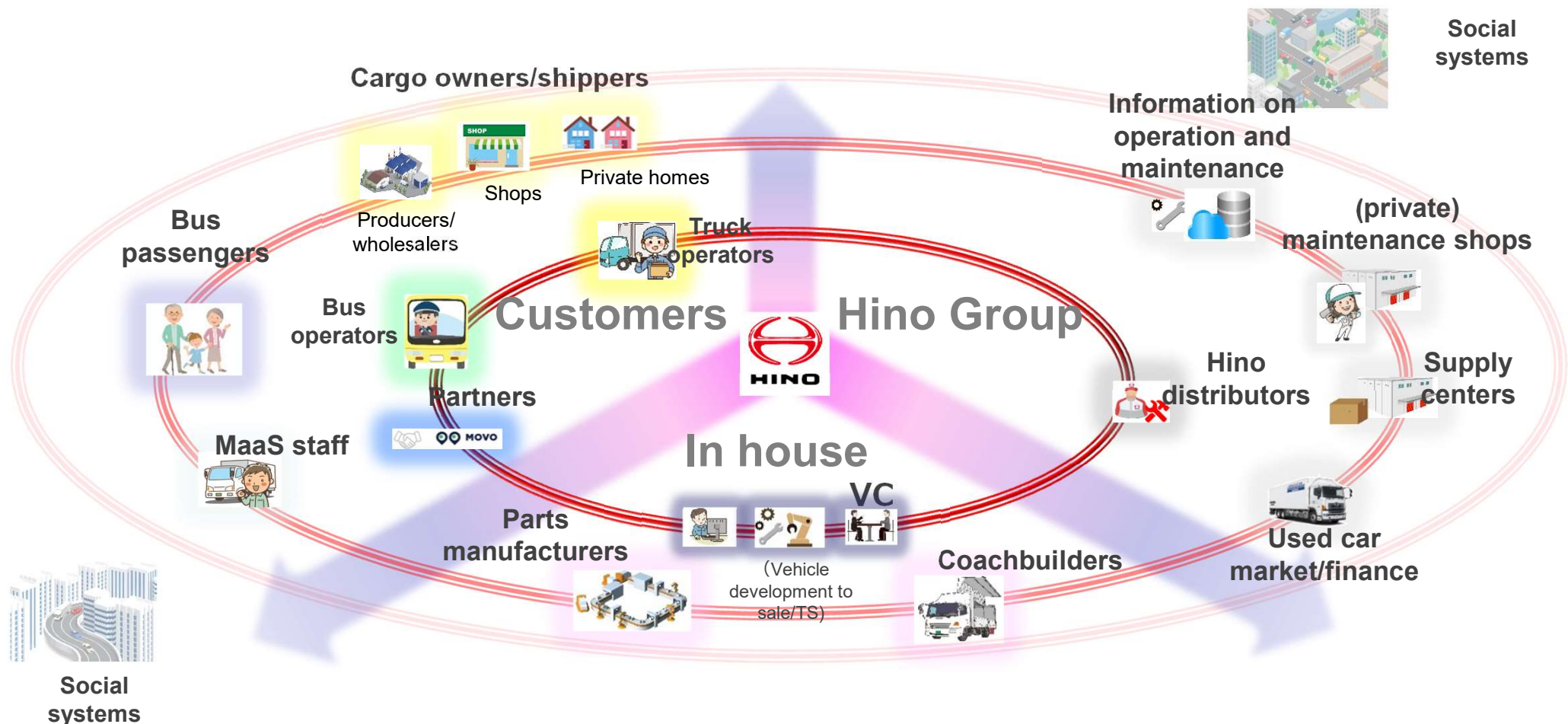
Acceleration of DX

- To collaborate with partners as a data provider for solving problems



Acceleration of DX: Digital Vision of Hino

Hino Motors will be “connected” with customers and society via data, communicate with them “interactively” on a “real-time” basis, and “be always there for” customers.



Acceleration of DX: Initiatives

In-house solution development

Cooperation with external partners as data providers

To continue and “improve”
our initiatives

➔ To acquire necessary
skills and know-how for
solution providers

➔ To develop personnel, to
become a genuine solution
provider



**“Acceleration” of initiatives utilizing
external knowledge**



- ➔ It is possible to develop many solutions in a short period of time.
- ➔ To learn from partners, and enhance the development in Hino

Mar. 2020

Started the cooperation with Hacobu
for vehicle location data.

Oct.

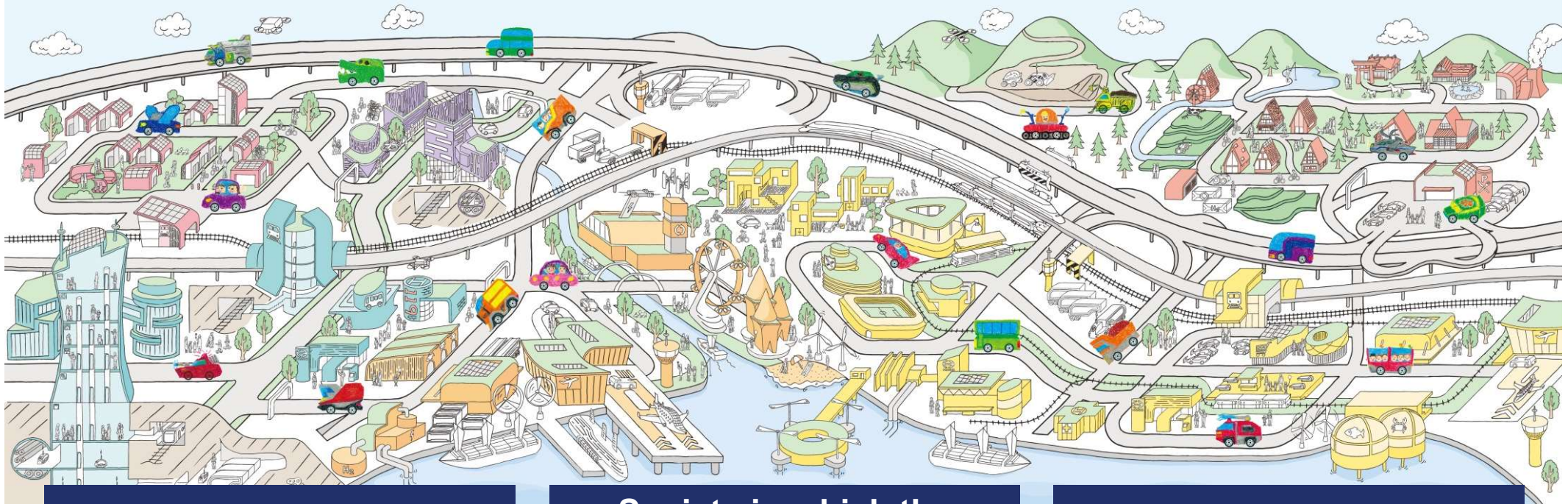
Started offering services with MOVO
Fleet.





Missions of Hino Motors

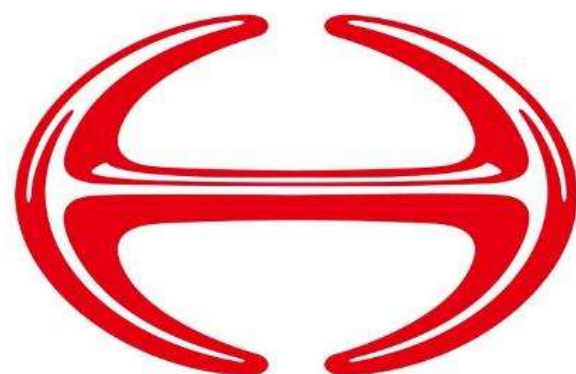
**To support the transportation of people and goods,
and contribute to the affluent, comfortable world
and future.**



**Anxiety-free, safe
society with no traffic
accidents**

**Society in which the
transportation of people
and goods produce few
environmental burdens**

**Society in which people
and goods can move
freely and optimally**



HINO