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 HINO CREDO

Our declaration aimed at realizing a sustainable society.

HINO SUSTAINABILITY POLICY

Our declaration aimed at realizing a sustainable society.

HINO CODE OF CONDUCT

Specific standards for our conduct.

The values incorporated into the HINO Way

Integrity

Contribution

Empathy

The cornerstone for our decisions and actions.
1

Hino’s value creation

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Message from the President

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.

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 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 reasserting 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 Hinos 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 forefront 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.

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.

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.

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...” 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 handling 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.
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, 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.

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 viewpoints of what the basic premise should be, what kind of value we should provide, and what kind of workplace we should aspire to 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 workplace?” 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 efficacious 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.

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 three values that permeate the HINO Way

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We are committed to acting with integrity and in a compliant manner. Basis for corporate activities

We support the society of the future by committing to safety and environmental sustainability. Providing value for a sustainable society

We support the businesses of our customers by committing to quality and professionalism. Contribution to Our Customers and Society

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)

Reporting and Consultation, Responsibilities of Managers and Supervisors

Comply with Laws, Regulations, and Standards (What each of us should observe)
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

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

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

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

1946
Released heavy-duty trailer trucks to support logistics

1947
Released Japan’s first trailer buses

1958
Released Japan’s first front-wheel two-axis trucks

1960
Spun off as Hino Heavy Industry Co., Ltd.

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

Launched initiatives to protect the global environment

1982
PT. Hino Motors Manufacturing Indonesia was established

1983
Released the world’s first diesel-electric hybrid buses

1984
Released TGE-A type truck

1985
Released 10-ton TC10 truck

1986
Released 1st nationwide dealer service skills competition

1987
Released HINO Poncho, the world’s first low-floor buses made in Japan

1990
Moved forward with business support for our customers, as we took our business worldwide

1991
Released the world’s first diesel-electric hybrid buses

1992
Started operations at the Nigeria Plant

1993
Formulated the HINO Global Environment Charter

1994
Opened the Customer Technical Center

1996
Began offering "HINO-CONNECT," a service using ICT for customers

1997
Formulated the HINO Environmental Charter

2000
Provided instruction on safety and fuel-efficient driving

2004
Formulated the HINO Environmental Charter

2005
Provided instruction on safety and fuel-efficient driving

2006
Released the HINO BLUE RIBBON Hybrid articulated bus

2007
Began offering "HINO-CONNECT," a service using ICT for customers

2008
Released HINO DUTRO Z EV

2009
Formulated the HINO Environmental Challenge 2050

2012
Released the HINO BLUE RIBBON Hybrid articulated bus

2013
Formulated the HINO Environmental Challenge 2050

2017
Formulated the HINO Environmental Challenge 2050

2020
Launched initiatives to address six long-term environmental goals in order to achieve a sustainable society

2021
Announced the "HINO Way," a new corporate philosophy

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

The path to value creation
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

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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.

Toyota brand vehicles

We manufacture TOYOTA brand vehicles on consignment.

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.

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.
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.

**Value creation process**

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

### Social value

- **Business activities**
  - Manufacturing of safe, durable vehicles
  - Thorough support for the business operations of each customer
  - Providing environmentally friendly vehicles suited for customer use
  - Promoting renewable energy and effective use of resources
  - Providing products, services, and solutions that include the use of digital technology to solve customers’ issues
  - Business restructuring (selection and concentration)
  - Carrying out the “Three Reforms” Management, corporate culture, vehicle manufacturing
  - Developing opportunities and systems for the growth of personnel
  - Activities based on the HINO Sustainability Policy
  - Strengthening Hino’s financial base

### Inputs

- **Manufactured capital**
  - Capital expenditure: 369.3 billion yen
  - Production plants: 6 plants in Japan and 18 plants overseas

- **Intellectual capital**
  - R&D expenses: 51.5 billion yen
  - Patents: 2,439

- **Human capital**
  - Number of employees: 14,231

- **Social and relationship capital**
  - Suppliers (tier 1): Approx. 450 companies
  - Sales locations: 41 locations in Japan, 166 locations overseas
  - Customer Technical Centers: Visited by a total of 107,000 people

- **Sales and service networks that support customer businesses**
  - In Japan (Hino only): Number of municipalities hosting a Hino plant: 1 metropolis, 1 province, 4 prefectures, 11 municipalities
  - Outside Japan: Countries and regions where Hino products are sold: 4 countries

- **Relation with local communities**
  - In Japan (Hino only)
  - Number of municipalities hosting a Hino plant: 1 metropolis, 1 province, 4 prefectures, 11 municipalities
  - Outside Japan: Countries and regions where Hino products are sold: 4 countries

- **Natural capital**
  - Effective use of natural resources
    - Fuel: 2,956,000 GJ
    - Renewable energy
    - Electricity usage: 225,841 MWh
    - Non-renewable energy
    - Electricity usage: 272,389 MWh
    - Water usage: 2,591,000 tons

- **Financial capital**
  - Financial base for value creation
    - Capital stock: 299.9 billion yen
    - Interest-bearing debt: 129.2 billion yen

### Outputs

- **Value creation process**
  - A society in which we can live in safety and security
  - Free, optimal movement of people and goods
  - Resources for sustained value creation
  - Appropriate return to stakeholders

### Outcome

- **Economic value**
  - Safety and security
  - Reducing environmental burden and achieving carbon neutrality
  - Ongoing business growth

### Value cycles and sustained connections with stakeholders

**Improving Product Quality**

**Improving Overall Quality**

**Improving Total Support Quality**

**Value creation process**

**Materials**

- Providing value to society and our customers
- Management base for providing value

**The HINO Credo**

- The cornerstone for our decisions and actions

**The HINO Way**

- The HINO Credo
- HINO Sustainability Policy
- HINO Code of Conduct
2

Business policy

Materiality
21

“Ideal State” of Hino
23
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.

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 fulfiling 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.

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 materialities 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).

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.

<table>
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<tr>
<th>Materiality identification process</th>
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<tr>
<td>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 materialities 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).</td>
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<th>Identification steps</th>
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<td><strong>STEP 2</strong> Selection of materiality candidates (10 items)</td>
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<td><strong>STEP 3</strong> Identification of materialities (8 items)</td>
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<th>Materialities</th>
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<td>Value propositions for society and our customers</td>
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<td>Ministmization of environmental impact and contribution to the achievement of a carbon-neutral society</td>
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<tr>
<td>Achievement of a society in which people and goods can move optimally through the products and services, and the use of digital data</td>
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<tr>
<td>Achievement of a safe and accident-free society</td>
</tr>
<tr>
<td>Management base for value propositions</td>
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<tr>
<td>Respect for human rights in business activities</td>
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<tr>
<td>Corporate governance that supports “working in the right way”</td>
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<tr>
<td>Respect for employees and active participation of a diverse range of human resources</td>
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<tr>
<td>Honest dialogue with stakeholders to restore trust</td>
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<tr>
<td>Maintenance of a strong and sustainable supply chain</td>
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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.

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.

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.

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

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.

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

Corporation Mission

To minimize inconvenience (Resumption of product supply)

To meet customers’ basic needs without fail

• Manufacturing of safe, durable vehicles
• Thorough support for the business operations of each customer

To continue pursuing the respect for all Hino staff and working in the right way

To carry out “Three Reforms”

P. 22

Management base

To solve issues associated with the transportation of people and goods

Contribution to carbon neutrality

Corresponding Quality

Skill Quality

Thorough support for the business operations of each customer

“Overall Quality”

Manufacturing of safe, durable vehicles

Total Support Quality

“Three Reforms”

[Respect for all Hino staff and work in the right way]

Growth of personnel

HINO Way

Co-creation with local communities, business partners, and customers

To cement the connections with data and the real world

To solve issues associated with the transportation of people and goods

To minimize inconvenience (Resumption of product supply)

Contribution to the realization of a sustainable society

P. 26

2025

2030

2030

“Three Reforms”

To continue pursuing the respect for all Hino staff and working in the right way

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Hino’s value creation

Business policy

Engine certification issues and the “Three Reforms”

Sustainability

Data
"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 IQDR, 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 actively working to introduce the latest safe driving support technologies into the market to prevent accidents and make.

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, IQDR. 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 IQDR, we are enhancing our production workplace capabilities by improving the environment at our production workplaces 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.

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 for embracing new services and trends in our vehicle networks in Japan and around the world to enable us to better understand customer opinions and utilize them as feedback into the Company. To that end, we are focusing on the development of human resources who are able to identify with our customers.

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 emissions emitted during the entire lifecycle of a vehicle—production, transport, use, and disposal—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.

Carbon neutrality in terms of product life cycle.

Reduction of CO2 emissions in all processes: production, transport, use, and disposal.

Promoting decarbonization of manufacturing processes

Technology development, promotion of next generation vehicles, and transport efficiency

About 90% of the CO2 emitted by commercial vehicles is emitted during driving

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”

Don’t emit CO2

Don’t stop vehicles that are in motion

Don’t increase the total cost

Diverse solutions leading to carbon neutrality

ICE technology (Including carbon neutrality)

EV technology

Fuel cell technology
“Ideal State” of Hino

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 develop battery technologies that are capable of handling a variety of fuels, such as hydrogen. Finally, we will focus on developing technologies that are suitable for the deployment of electric vehicles.

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.

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.

We will focus on three points to achieve carbon neutrality resulting in commercialization that is a win-win for both Hino and our customers.

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 serving 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.

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.

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 develop battery technologies that are 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.
3 Engine certification issues and the “Three Reforms”

Summary of the engine certification issues in Japan

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

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 in emissions durability tests, measurement 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. 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.

AD05C (Urea SCR), AD05C (HC-SCR), and J05E, medium-duty engines

It was found that in emissions durability tests, measurement data from development was used for the AD05C (Urea SCR) and the AD05C (HC-SCR), without measuring emission gas at the legally stipulated points. Additionally, for the AD05C (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.

NO4C (Urea SCR) and NO4C (HC-SCR), light-duty engines

For the NO4C (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 NO4C (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.

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 EB regulations that were applicable at the time. When making this report, however, it was not possible to confirm whether certification test data complied with EB 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 of the engine certification issues in Japan

Engine certification issues and the "Three Reforms"

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.

Summary of the engine certification issues in Japan

Investigation Committee (released on August 2, 2022), which

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.
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 cross-functional reforms with young employees in each internal entity.

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.

Return to the 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 install 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 serving 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.

List of Recurrence Prevention Measures

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

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

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Structural reforms for a new “Hino vehicle manufacturing”

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Proper implementation of correct procedures

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Activities

Proper implementation of correct procedures
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
- Collection 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 has 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 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 at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing. We have constructed a matrix organizational structure with business and functional axes, where each function is intertwined at stages of vehicle manufacturing.

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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.

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 now 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.

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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.

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.

Dialogue sessions featuring discussion leaders

To prevent knowledge of the misconduct issues from fading away, 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.

“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-raising activities, such as disseminating information on the intranet and putting up posters in our offices.

P. 84 Compliance awareness activities for employees

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, and it is important 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 prevents future misconduct. In order to realize our goal, we have been working to create a good corporate culture. 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.”

P. 104 The two goals of establishing the Right Way to Work Learning Center
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 hold a number of dialogues in various places in the Company to understand actual on-site conditions and obtain firsthand feedback.

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
    - Outward-looking, visiting local sites and being hands on
    - Voluntary and independent
    - Interactive and open exchange of ideas
  - Willingness to take on challenges through teamwork

(1) Culture where every employee contributes to servicing customers and cooperates with each other

(2) Human resource development that encourages independence and skills

Initiatives to promote corporate culture reforms based on “dialogue” began in March 2022 and the content of 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

in each department, meetings to exchange opinions on the 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 workplace 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
(2) Stricter punishments for those who commit power harassment, and dissemination of anti-harassment policy to employees
(3) Review of various personnel policies
(4) Implementation of 360-degree feedback for assistant managers and above
(5) Preventing harassment and implementing thorough recurrence prevention education
(6) Strengthening operation of the personnel rotation system
(7) Renovation of open and flat internal communication

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.

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 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.

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

Aika Hirata
Overseas After-sales 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 now enabling us 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 centered 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 the 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)

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.

Acquiring, understanding, and sharing legal information

With regard to the weakness of our systems to grasp trends in laws, regulations, and rules, 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, 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.

Regulatory trend

(1) Obtain regulatory information from JAMA
(2) Obtain regulatory information from the Company or Toyota’s overseas affiliates (dispatch of staff, etc.)
(3) Obtain regulatory information directly from the national gazettes of each country, TBT notifications*1 or private regulatory information services.

Three channels for obtaining regulatory information

Information gathering and public affairs

Regulations

Development

Certification

Hino Motors

JAMA Engineering Team

Related departments

Regulation & Certification Division

Japanese regulations

• TBT notifications
• Acquiring, understanding, and sharing regulatory information

\[\text{Three Reforms}\]

Acquiring, understanding, and sharing legal information

Proper implementation of correct procedures

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

Commencement of educational programs by external specialized institutions

[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 introducing the QMS, such as 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 — design — testing — certification
- Improvement of the certainty of well 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 division from the perspective of ensuring not only shipping quality, but also product quality in development design specifications.
- Strengthen the mechanisms for confirming that development infrastructure is being properly prepared, maintained and managed, such as timely updates of rules, and feedback by management in accordance with regulatory requirements.

\[\text{Three Reforms}\]

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• Acquiring, understanding, and sharing regulatory information

\[\text{Three Reforms}\]

Acquiring, understanding, and sharing legal information

Proper implementation of correct procedures

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

Commencement of educational programs by external specialized institutions

[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 introducing the QMS, such as 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 — design — testing — certification
- Improvement of the certainty of well 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 division from the perspective of ensuring not only shipping quality, but also product quality in development design specifications.
- Strengthen the mechanisms for confirming that development infrastructure is being properly prepared, maintained and managed, such as timely updates of rules, and feedback by management in accordance with regulatory requirements.
Sustainability

HINO Sustainability Policy

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

Working environment and corporate culture
- Working environment and corporate culture to respect employees

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

Crisis management and role of senior management
- Thorough crisis management / Role and approach of senior management

A dialogue among newly appointed directors

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 | Compliance | P. 48
| Safety and quality of our products and services | P. 40
| Environmental management | P. 53
| Respect for human rights | P. 62
| Fair transactions and responsible purchasing activities | P. 63
| Disclosure and dialogue with stakeholders | P. 64
| Working environment and corporate culture | Working environment and corporate culture to respect employees | P. 65

**Providing value for a sustainable society**

| Contribution for a sustainable society through our business | P. 72
| Engagement in community and contribution to its development | P. 75
| Relationships of trust with customers | P. 76

**Crisis management and role of senior management**

| Thorough crisis management | P. 77
| Role and approach of senior management | P. 78

**Basis for corporate activities**

**Compliance**

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.

**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 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 Newsletter, both of which are intended to improve awareness of compliance-related issues, have been made available to all employees.

We conducted surveys to ensure that all employees in the Company are fully aware of the importance of these matters. We conducted surveys to ensure that our workforce has a high level of awareness of the importance of these matters.

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

**Compliance Committee**

Chairperson: President & CEO, Member of the Board of Directors

Members: all directors, all auditors, and advisors (external attorneys)

**Instruction Report**

All CxOs and Function Officers, President of each business entity

**Board of Directors**

President & CEO, Member of the Board of Directors

**Chief Compliance Officer (CCO)**

* 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 consultees.

**HINO Integrated Report 2023**
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.

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

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.

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 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.
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 assure 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.

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 service at each dealer.

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.

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 reviewing our products and operational processes, and working to improve quality.

Flow of remedial measures

Collection of information from dealers and agents

Analysis and evaluation of information

Notification to authorities of recalls, etc.

Usage of information to improve products and operational processes

Status of handling of defects

<table>
<thead>
<tr>
<th>(Cases)</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recalls</td>
<td>12</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Remedial measures</td>
<td>12</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Service campaigns</td>
<td>12</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

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

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.

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.

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

Operational image of PCS

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.

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

Promoted 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 transition 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.

Basis for corporate activities
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.

### Environmental Management

**Overview of promotion structure**

<table>
<thead>
<tr>
<th>Sub-Committee</th>
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</tr>
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<tbody>
<tr>
<td>Product Overview</td>
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<tr>
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<td>AES Working Group</td>
</tr>
<tr>
<td>Hino Environment Sub-Committee</td>
<td>Environment Meetings at each plant</td>
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**Overview of medium- to long-term environmental vision**

**HINO Sustainability Policy**

- **3. Environmental management**
  - **Overview:** 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**

**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 ongoing commitment to sustainable the life and global development through our ongoing efforts, while 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 consistent efforts to define, assess, and monitor our environmental goals and targets, and strictly adhere to all legal and other requirements placed upon us.

**3. 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 our stakeholders.

**4. 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 our activities and efforts to achieve the same.

**5. As corporate citizens, we will take an active part in community and social activities.** We are committed to contributing to the betterment of society, being aware of the important role we play as corporate entities within a local community, and will take an active part in activities that aim to better the lives of the local community.

**Action guidelines**

1. **Compliance with laws and regulations.** We will provide our products and services in compliance 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 chemical substances, reduce the impact of these pollutants, reduce emissions of air pollutants, and reduce and properly manage hazardous waste.

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 the Management Committee’s EV3000 initiative, the HINO Global Environment Charter, and the HINO Environmental Policy.

4. **Maintenance of environmental management system.** We will foster an environmentally-oriented culture that encourages all employees to take an interest in the environment.

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. This group of strategy and initiatives such as the introduction of renewable energy, which have an impact on our operations, 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.

**HINO Environmental Policy**

**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 environmental performance. To maximize and 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 throughout 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 our stakeholders.

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</table>

**Overview of medium- to long-term environmental vision**

**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.

**Environmental Initiative Plan (Global goals)**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>HINO Environmental Challenge 2050</th>
<th>HINO Environmental Milestone 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Cycle Zero CO₂ Emissions</td>
<td>Adoption of decarbonized energy</td>
<td>-25% compared to FY2013</td>
</tr>
<tr>
<td>New Vehicle Zero CO₂ Emissions Challenge</td>
<td>Development and diffusion of technologies</td>
<td>-40% compared to FY2013</td>
</tr>
<tr>
<td>Factory Zero CO₂ Emissions Challenge</td>
<td>Promotion of decarbonization of</td>
<td>-40% compared to FY2013</td>
</tr>
<tr>
<td>Challenge of Minimizing and Optimizing Water Usage</td>
<td>Water saving and recycling with consideration of local water risks</td>
<td>Quality : Thoroughgoing management based on our rigorous criteria, leading to preservation of the water environment</td>
</tr>
<tr>
<td>Challenge of Achieving Zero Waste</td>
<td>Promotion of resource recycling</td>
<td>-35% compared to FY2018</td>
</tr>
<tr>
<td>Challenge of Minimizing the Impact on Biodiversity</td>
<td>Conservation activities that suit the environment of each region</td>
<td>Realization of factories that can coexist with nature</td>
</tr>
</tbody>
</table>

**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.
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 Challenge 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 Initiative Plan (contents and goals, etc., of the Plan)

<table>
<thead>
<tr>
<th>FY2022 Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Cycle CO2 Emissions Challenge</td>
</tr>
<tr>
<td>Target: Reduce 12% (per unit transportation volume) compared to FY2018</td>
</tr>
<tr>
<td>• Emissions arising per ton per kilometer for a 1-ton load (per kilometer for 1 person)</td>
</tr>
<tr>
<td>• Reduces CO2 emissions in all processes: manufacturing, transport, use, and disposal (collaborate with each country and industry)</td>
</tr>
<tr>
<td>• Conducted an examination regarding calculation methods and scope of lifecycle CO2 with each of the companies of the Japan Automobile Manufacturers Association Inc.</td>
</tr>
<tr>
<td>• Visualized the volume of the CO2 emissions of our business partners, and provided support by cross-user optimization of projects.</td>
</tr>
<tr>
<td>• Implemented total volume control in the logistics chain and at dealers, and promoted activities to reduce emissions.</td>
</tr>
<tr>
<td>• Dropped electric vehicles “Hino DUTRO Z EV” to market</td>
</tr>
<tr>
<td>• Revised achievements and new rollout forecasts in sight of the engine certification issues regarding diesel vehicles</td>
</tr>
<tr>
<td>• Developed vehicle types that offer improved transport efficiency (compatible with new-regulation full trailers)</td>
</tr>
</tbody>
</table>
| | \ | }
| New Vehicle Zero CO2 Emissions Challenge                                           |
| Target: Reduce 15% (per unit transportation volume) compared to FY2013             |
| • Develop and deploy electric vehicles                                           |
| • Improve diesel consumption                                                     |
| • Initiates for improved transportation efficiency                               |
| Factory Zero CO2 Emissions Challenge                                              |
| Target: Reduce 35% (total global emissions) compared to FY2013                    |
| • Introduce innovative technologies                                             |
| • Introduce daily improvements                                                    |
| • Introduce renewable energy                                                     |
| 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                                                 |
| Challenge of Minimizing Waste                                                     |
| Target: Reduce 12% (total global emissions) compared to FY2018                    |
| • Reduce to zero trash 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 packed materials compared to FY2017                          |
| • Conducted soil surveys and implemented decontamination measures at the Hino Plant |
| 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 |
| • Renewed 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                   |
| | | }
| Air                                                                               |
| • Take measures to prevent air pollution in products and production               |
| • Manage wastewater and prevent underground leakage in the course of production |
| • Prevent the spread of pollution during land transportation and modifications      |
| • Reduce noise and vibrations in products and production                          |
| | | }
| Water quality | Soil quality                           |
| • Manage wastewater and prevent underground leakage in the course of production |
| • Complied with legal standards, and conducted evaluations for applicable cases    |
| | | }
| Noise/Vibrations                                                                 |
| • Properly manage waste materials                                                 |
| | | }
| 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 (real or violations and complaints, defects and repairs) |
| | | }
| Management                                                                       |
| Create environmentally responsible human resources (to improve environmental management and conduct in-house education) |
| | | }

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.”

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

<table>
<thead>
<tr>
<th>emission</th>
<th>FY2013</th>
<th>FY2022</th>
<th>FY2025 Target</th>
<th>FY2030 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>459.0</td>
<td>352.8</td>
<td>230.6</td>
<td>30%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Introduction of innovative technologies

We reduced energy consumption for painting equipment by using dry-type operation, and introduced airless painting, achieving ultra-high level. In addition, we introduced new power savings methods.

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 materials
- 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 emissions through the introduction of a PPA (Power Purchase Agreement) model business. We are implementing PPA at Hino Motors Manufacturing (Thailand) Ltd. (2023), Takebe Tekkosho 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 Fujisawa 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 the goal of all power subscription. 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 water use, while taking the local water environment into consideration. Particularly, in 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 have regular 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 water generated from production processes by reducing volume used, which is achieved through improvement activities 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 3R’s to reduce waste in a total of 79 parameters over a four-year period from FY2019 to FY2022 by 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.

L| Outline of initiatives aimed at reducing waste

| Reduction of generation of waste materials | Recycling of waste materials | Reducing of amount of waste | Reuse
|------------------------------------------|----------------------------|---------------------------|--------
| - Identification of routes of generation of waste materials | - Rationalization of parts using plastic | - Elimination of paint, etc. | • Recycling
| - Analysis of material factors | - Use of recyclable plastic | - Use of replacement parts | • Reuse
| - Rationalization of plastic generation and recycling of countermeasures | - Environmental training | - reuse and recycling of cutting fluid, etc. | • Recycling
| - Appropriate recycling system | - By considering easy-to-disassemble vehicle designs | • Rationalization of recycling facilities | • Return of used parts
| - Environmental management | - By adopting recyclable materials | • Use of recycled materials | • Installation of recycling facilities

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 (waste plastics, vehicles, and automobile shredder residue (ASR)), airbags, and chlorofluorocarbons (CFCs), with the help of associated businesses.

Achievements for recycling under the Automobile Recycling Act (Japanese)
• Recovery of processed waste
• Reduction of the amount of waste
• Rationalization of parts using plastic
• Use of recyclable plastic

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
|-----------------------------------------|
| - Identification of routes of waste plastic generation | - Rationalization of parts using plastic | - Environmental training
| - Analysis of material factors | - Use of recyclable plastic | - Through implementation and management of recycling initiatives in group businesses

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 early February 2023 to plant 839 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.

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 297 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.

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 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.

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.

Initiatives for chemical substances
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.

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

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.

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 strategy 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

(Fortified 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 Carbon Dioxide Reduction 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 Environment Challenge 2050, Hino has set itself medium-term milestones leading up to 2030 as medium-term targets in addressing the six long-term priority challenges.

HINO Energy Challenge 2025

(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 “1.5°C” (the “1.5°C scenario”) and “2.0°C” (the “2.0°C scenario”)—and conducted impact analyses on the basis thereof.

As a result, in the “2.0°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 “1.5°C scenario,” Hino assumes that the decarbonization of society will proceed at a faster pace, leading to lower levels of greenhouse gas emissions.

These scenarios and analyses will be reflected in Hino’s management strategy. Risks and opportunities related to climate change dramatically change from one scenario to the other, 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, collect 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 Environment Committee.

Metrics and targets

In environmental activities, our long-term vision, the “HINO Environment 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 main targets set forth in the “HINO Environmental Milestone 2030” for the achievement of these items constitute intermediate goals toward the realization 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 Gas (GHG) Reporting Guidelines,” using reported values and calculated data.

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Item</th>
<th>Major risks</th>
<th>Major opportunities</th>
<th>Countermeasures</th>
<th>Impact</th>
<th>Length of time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition risks and opportunities associated with the transition to a decarbonized society</td>
<td>Decline in profitability per vehicle due to higher costs for development in compliance with regulations on fuel consumption, emissions, and electrification of vehicles</td>
<td>Acquisition of sales opportunities as a result of improvement in fuel efficiency and introduction of products in compliance with regulations in market</td>
<td>Strategy for electrification of vehicles in compliance with regulations and trends in infrastructure of each country</td>
<td>Large-scale</td>
<td>Short-term</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Decrease in revenue due to introduction of carbon pricing (increase in tax amount)</td>
<td>Increase in cost of carbon (pass through of carbon tax to purchase costs)</td>
<td>Improvement of energy efficiency by promoting energy saving activities</td>
<td>Large-scale</td>
<td>Medium-term</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in cost of using green energy</td>
<td></td>
<td>Improvement of energy efficiency and introduction of renewable energy in order to realize carbon neutrality</td>
<td>Medium-scale</td>
<td>Short-term</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk that Hino would not be chosen by stakeholders due to the lack of information disclosure regarding measures to address climate change</td>
<td></td>
<td>Development of optimal products based on market trends in each country (adjusting various power trains)</td>
<td>Large-scale</td>
<td>Medium-term</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher costs for development to expand fuel diversity (light diesel oil, electricity, hydrogen, and new for internal combustion engine)</td>
<td>Delay in penetration of new kind of energy due to higher cost</td>
<td>Introduction and expansion of strong and efficient corporate image as a result of the introduction of renewable energy, etc.</td>
<td>Medium-scale</td>
<td>Short-term</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher costs for parts for electrification and necessity of securing the required quantity</td>
<td>Sales decline due to delay in development of environmentally friendly vehicles</td>
<td>Further promoting energy saving activities</td>
<td>Medium-long term</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>More frequent necessity of securing the required quantity</td>
<td>Higher costs for parts for electrification and necessity of securing the required quantity</td>
<td>Development of new business for environmental issues (Cube-Linx Co., Ltd., Next Logistics Japan Co., Ltd.)</td>
<td>Medium-term</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk that changes in energy due to higher cost</td>
<td></td>
<td>Continuous cost reduction (including efficient development)</td>
<td>Medium-long term</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher costs for parts for electrification and necessity of securing the required quantity</td>
<td>→ Improvement of fuel efficiency, introduction of environmentally friendly vehicles, etc.</td>
<td></td>
<td>Medium-long term</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher costs for parts for electrification and necessity of securing the required quantity</td>
<td></td>
<td>Development of operational products based on cost and policies in each country (adjusting various power trains)</td>
<td>Medium-scale</td>
<td>Medium-long term</td>
<td></td>
</tr>
</tbody>
</table>

“HINO Environmental Milestone 2030” for the achievement of these items constitute intermediate goals toward the realization of each of the challenges by 2030.
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

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2021</th>
<th>FY2022</th>
<th>Description of major initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Pollution prevention costs</td>
<td>¥227 M</td>
<td>¥322 M</td>
<td>Expenses for prevention of pollution such as soil pollution</td>
</tr>
<tr>
<td>(ii) Global environmental conservation costs</td>
<td>¥196 M</td>
<td>¥220 M</td>
<td>Expenses for prevention of global warming and ozone layer depletion, etc.</td>
</tr>
<tr>
<td>(iii) Resource recycling costs</td>
<td>¥30 M</td>
<td>¥308 M</td>
<td>Expenses for waste collection, transport, disposal, and recycling, etc.</td>
</tr>
<tr>
<td>(iv) Upstream and downstream costs</td>
<td>¥54 M</td>
<td>¥50 M</td>
<td>Expenses for recycling operations of products sold and annual memberships, etc.</td>
</tr>
<tr>
<td>(v) Management activity costs</td>
<td>¥421 M</td>
<td>¥308 M</td>
<td>Expenses for environmental management operations, environmental education, and monitoring and measurement of environmental impact, etc.</td>
</tr>
<tr>
<td>(vi) Research &amp; development costs</td>
<td>¥870 M</td>
<td>¥337 M</td>
<td>R&amp;D expenses for reducing environmental load</td>
</tr>
<tr>
<td>(vii) Social activity costs</td>
<td>¥5 M</td>
<td>¥0 M</td>
<td>Costs for environmental improvements, including off-site environmental conservation, tree planting, and beautification projects</td>
</tr>
<tr>
<td>(viii) Environmental remediation costs</td>
<td>¥0 M</td>
<td>¥0 M</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>¥1,087 M</td>
<td>¥345.6 M</td>
<td>¥275 M</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2021</th>
<th>FY2022</th>
<th>Details of results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>¥1,520 M</td>
<td>¥2,029 M</td>
<td>Operational income from recycling</td>
</tr>
<tr>
<td>Reduced costs</td>
<td>¥17.8 M</td>
<td>¥18.4 M</td>
<td>Reduction in energy costs due to energy conservation</td>
</tr>
<tr>
<td>Total</td>
<td>¥1,705 M</td>
<td>¥2,244 M</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ reduction (tons-CO₂)</td>
<td>2,718</td>
<td>3,235</td>
</tr>
<tr>
<td>Waste reduction (tons)</td>
<td>111</td>
<td>409</td>
</tr>
</tbody>
</table>

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.

### 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.

### 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.

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.

### 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.

### 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.

### Due diligence on human rights

- **Formulation of the HINO Human Rights 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.

  - Formulation of the HINO Human Rights Policy

  - Assessment of impact

  - Disclose

  - Grievance mechanisms

- **Due diligence on human rights**

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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.

### Number of business partners:
Approximately 400 companies (Tier 1)

### 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 explain both our company policy and our procurement policy.

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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.

### Dialogue with stakeholders

We provide a range of opportunities for dialogue with suppliers as part of our “Three Reforms.” For example, we host dialogue sessions 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.

### Major dialogues in FY2022

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Dialogue meetings / Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysts and institutional investors</td>
<td>Financial results briefings, individual consultations with the IR Division (approx. 10 times), participation in IR conferences (1 time)</td>
</tr>
<tr>
<td>Private investors</td>
<td>Briefings for private investors (1 time)</td>
</tr>
<tr>
<td>Shareholders</td>
<td>General Shareholders meeting, meetings between management and major shareholders (1 time), briefings on the issue of misconduct with engine certification (1 time)</td>
</tr>
<tr>
<td>Customers</td>
<td>Workshops on fuel economy (57 workshops), safety driving (34 workshops), test drive events (44 events), and others: direct contacts, tours of facilities, etc. (34 events)</td>
</tr>
<tr>
<td>Employees</td>
<td>Direct dialogue meetings between the President &amp; 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. 950 times)</td>
</tr>
<tr>
<td>Local communities</td>
<td>Dialogues with local community associations (12 times)</td>
</tr>
<tr>
<td>Media / all stakeholders</td>
<td>Press conferences on the engine certification issues (3 times)</td>
</tr>
</tbody>
</table>
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, conservatism 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.

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.

Overall image of human resources development measures

Image of the human resources we hope for

Human resources who are sympathetic to the HINO Way and our corporate vision, and who can think and act independently to create new value for our customers and society

- Each person thinks, judges, and acts to contribute to customers and society
- We prioritize the development of human resources at the Company and each workplace so that each person acts with a desire to grow

Directionality of measures

- Human resources development with a focus on supporting employees in realizing their career ambitions
- Support for voluntary learning aimed at allowing employees to realize their career ambitions

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

<table>
<thead>
<tr>
<th>Professional human resources development phase (For business operators)</th>
<th>Management and highly specialized staff development phase (For managers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New recruit training</td>
<td>Training for managerial positions, including position, problem-solving and teaching</td>
</tr>
<tr>
<td>Challenge (role play)</td>
<td>Training for evaluators</td>
</tr>
<tr>
<td>Human resource development systems</td>
<td>Human resource development systems</td>
</tr>
<tr>
<td>Retirements at age 65</td>
<td>Mid-career management training (Multifaceted evaluation)</td>
</tr>
<tr>
<td>Human resources systems</td>
<td>HR-related feedback training</td>
</tr>
<tr>
<td>Retirement at age 65</td>
<td>Harassment training / Assessment</td>
</tr>
<tr>
<td>Human resource development systems</td>
<td>Overseas trauma system</td>
</tr>
<tr>
<td>Retirement at age 65</td>
<td>In-house skills assessment system for supporting in-the-job training of all employees</td>
</tr>
<tr>
<td>Base for work (Working environment and systems)</td>
<td>New recruit training</td>
</tr>
<tr>
<td>Communication and unity, assurance of psychological safety, health maintenance, comprehensive welfare benefits, E3 innovation, flexible work practices, and rationalization of working hours</td>
<td>Training for newly appointed managers</td>
</tr>
<tr>
<td>Base for work (Working environment and systems)</td>
<td>Training for newly appointed employees</td>
</tr>
<tr>
<td>Communication and unity, assurance of psychological safety, health maintenance, comprehensive welfare benefits, E3 innovation, flexible work practices, and rationalization of working hours</td>
<td>Training for newly appointed employees</td>
</tr>
<tr>
<td>Workplaces where employees can work with pride</td>
<td>Training for QC managers</td>
</tr>
<tr>
<td>Security</td>
<td>Training for IPS managers</td>
</tr>
<tr>
<td>Workplaces where employees can work with pride</td>
<td>Harassment training / Assessment</td>
</tr>
<tr>
<td>Secure personnel</td>
<td>Harassment training / Assessment</td>
</tr>
<tr>
<td>Base for work (Working environment and systems)</td>
<td>Harassment training / Assessment</td>
</tr>
</tbody>
</table>

Human resources who are sympathetic to the HINO Way and our corporate vision, and who can think and act independently to create new value for our customers and society

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Initiatives to pass on manufacturing skills
Hino is providing a variety of opportunities and systems for education, intended to improve employee motivation and foster a “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. Trainers 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 appointed 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.

<table>
<thead>
<tr>
<th>Foreign nationals employed at Hino</th>
<th>Total employment</th>
<th>Foreign nationals</th>
<th>Ratio of foreign nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employment</td>
<td>12,244</td>
<td>63</td>
<td>0.5</td>
</tr>
<tr>
<td>Other employment</td>
<td>1,074</td>
<td>11</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>13,318</td>
<td>74</td>
<td>0.6</td>
</tr>
</tbody>
</table>

(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 care. We also have 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.

<table>
<thead>
<tr>
<th>Number of women in management positions (as of April of each year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
</tr>
</tbody>
</table>

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 to endeavor 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 that is 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 government raised the statutory rate for persons with disabilities to exceed 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.

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.

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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 creators, 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.

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

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

* Applies to full-time personnel employed indirectly

Initiatives to improve employee satisfaction (E5)
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 E5 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 required so that employees and the company work together

2. Making work more meaningful
   - Talents are deliberately and gradually cultivated through efforts such as measuring 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.

Mail sorting work

Hino’s value creation Business policy Engine certification issues and the “Three Reforms” Data Sustainability
Employment provisions to facilitate diverse workstyles

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 infirmitry 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 infirmitry treatment.

Promoting stable labor relations

Hino and Hino Motors Labor Union have entered into a labor agreement stating, “The Company aims to always monitor work 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 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 spirit in overseas competition, which 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.

Kino 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 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, enjoyment, 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, 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 workplace safety as part of daily operations.

The status of the safety activities of each committee is monitored regularly 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 injuries, by industry

| Industry                        | All industries | Manufacturing industry | Agriculture, forestry, and fisheries | Mining | Construction | Natural gas and water supply | Wholesale and retail trade | Transportation and warehousing | Financial, real estate, and insurance | Professional, scientific, and technical | Health care and social assistance | Other services | Total | |---------------------------------|----------------|------------------------|-------------------------------------|--------|----------------|-----------------------------|-----------------------------|---------------------------------|----------------------------------|------------------------------------|-----------------------------------|----------|-------|-------|
|                                 | 1.81.8         | 1.95                   | 2.05                                | 2.06                             |
|                                 | 1.2            | 1.21                   | 1.25                                | 1.25                             |
|                                 | 0.09           | 0.09                   | 0.07                                | 0.07                             |
|                                 | 0.09           | 0.09                   | 0.03                                | 0.07                             |
|                                 | 2019           | 2020                   | 2021                                | 2022                             |

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.
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 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 (proactive, 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 provide 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 FY2021, 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, smoking, 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.

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 works energetically and enthusiastically, we will be able to fulfill our

Corporate Mission: “We make a better world and future by helping people

work with peace of mind.”

health and are committed to caring for the mental and physical well-being of

the world is Hino’s most important asset.

Health checkups
Total 41,890 42,853 43,255

- Numbers as of March 31 each year

Threats to 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.

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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 forgoing global changes, and continuing to offer the world value unique to Hino.
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.

Providing a platform to promote the adoption of commercial electric vehicles

**Case 1**

**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.

**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-Flat” 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 erruote 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.

<table>
<thead>
<tr>
<th>Cube-Linx solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issues</strong></td>
</tr>
<tr>
<td>Vehicle deployment</td>
</tr>
<tr>
<td>Many different arrangements required</td>
</tr>
<tr>
<td>Operation</td>
</tr>
<tr>
<td>Ensuring daily operations and optimizing power usage</td>
</tr>
<tr>
<td><strong>One-stop service for charger selection and vendor installation of incoming panels</strong></td>
</tr>
<tr>
<td><strong>Centralized management dashboard and energy management systems specific to commercial vehicles</strong></td>
</tr>
</tbody>
</table>

**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.

**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 (“NLSS”), 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 cargos 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.

**Example: Next Logistics Japan solutions**

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

<table>
<thead>
<tr>
<th>Previous</th>
<th>This time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three heavy-duty truck loads, three drivers</td>
<td></td>
</tr>
<tr>
<td>Light loads</td>
<td>Food</td>
</tr>
<tr>
<td>Heavy loads</td>
<td>Beverages</td>
</tr>
<tr>
<td>Large-volume loads</td>
<td>Food</td>
</tr>
<tr>
<td>CO₂ emissions 58% reduction</td>
<td>Driver management 66% reduction</td>
</tr>
<tr>
<td>Loading 88%</td>
<td></td>
</tr>
</tbody>
</table>

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.

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.

Results from FY2022

<table>
<thead>
<tr>
<th>Value of donations</th>
<th>47,427,358 yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of regional events participated in (In Japan)</td>
<td>27</td>
</tr>
</tbody>
</table>

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.

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 vary 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.

Results from FY2022

| Number of regional events participated in (Cumulative since opening) | Approximately 107,000 people |

Preventative maintenance using connected technologies

In March 2023, we began offering HINO CONNECT-Maintenance Support, which combines maintenance contracts with MOBLOTS 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.

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.

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.

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The Customer Technical Center

A training session on safe driving

Results from FY2022

| Number of Customer Technical Center users (Cumulative since opening) | Approximately 107,000 people |

Accomplishments of the 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.

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Crisis management and role of senior management

11. Thorough crisis management

Hino has a basic policy of conducting 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 managing 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.

12. Role and approach of senior management

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 Creed, 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

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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, ensuring 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 skilled outsiders 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 providing 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 (Chief 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 on-site 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 audit 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 auditors in order to facilitate effective audits through reciprocal collaboration. Moreover, outside organizations evaluate the effectiveness of internal audits in order to strengthen their function.
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.

Reasons for appointment as an outside director

<table>
<thead>
<tr>
<th>Name</th>
<th>Reasons for appointment</th>
<th>Independent</th>
<th>Important concurrent positions (As of June 27, 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motoshiki Yoshida</td>
<td>Mr. Motoshiki Yoshida has been appointed as an outside director, with his wide experience and broad insight, and his high reputation as a former president and CEO of Mitsubishi Corporation. He has been an independent director for several years, which means he can provide sufficient advice and function to monitor and enhance the overall management of the Company.</td>
<td>✓</td>
<td>Administrative Director of Meisei Gakuen</td>
</tr>
<tr>
<td>Koki Muto</td>
<td>Mr. Koki Muto has served as an executive director of Hino since 2013, with his experience and insight, and his role as a successful corporate executive. He has been an independent director since 2015, and he has served as an independent director since 2017, which means he can provide sufficient advice and function to monitor and enhance the overall management of the Company.</td>
<td>✓</td>
<td>Senior Advisor of Mitsubishi O.S.K. Lines, Ltd.</td>
</tr>
<tr>
<td>Masahiro Nakajima</td>
<td>Mr. Masahiro Nakajima has been appointed as an outside director for over 10 years, with his experience and insight, and his role as an independent director for several years, which means he can provide sufficient advice and function to monitor and enhance the overall management of the Company.</td>
<td>✓</td>
<td>Director, Chairman &amp; CEO of Mitsubishi Corporation, Director, Chairman of Mita Corporation, Director of Mitsubishi Environmental Tech Corporation, Director of the Board of Bronte Zephyr Oy Ab</td>
</tr>
<tr>
<td>Shigeo Kimijima</td>
<td>Mr. Shigeo Kimijima has been appointed as an outside director, with his extensive experience and deep insight into corporate management. He has been a partner at Nago HOKKAIDO as a legal and compliance officer, and he has served as a director of Mazda Motor Corporation. He has a wealth of experience in the field of corporate governance.</td>
<td>✓</td>
<td>Executive Officer, Executive Vice President, and Chief Legal and Compliance Officer of Nago Line Corporation</td>
</tr>
</tbody>
</table>

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 rule, the meeting of the Audit & Supervisory Board is held before the holding of a meeting of the Board of Directors. Thus, corporate auditors in 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.

<table>
<thead>
<tr>
<th>FY2021 effectiveness evaluation</th>
<th>FY2022 effectiveness evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of major issues</td>
<td>Recognition of major issues</td>
</tr>
<tr>
<td>Details of initiatives</td>
<td>Details of initiatives</td>
</tr>
<tr>
<td>Results</td>
<td>Results</td>
</tr>
<tr>
<td>Preventing the recurrence of the evaluation issues</td>
<td>Preventing the recurrence of the evaluation issues</td>
</tr>
<tr>
<td>• Executive-scale enforcement of measures to prevent recurrence of the evaluation issues</td>
<td>• Executive-scale enforcement of measures to prevent recurrence of the evaluation issues</td>
</tr>
<tr>
<td>• Monitoring by the Board of Directors of the progress of the measures and the degree to which they have taken root</td>
<td>• Monitoring by the Board of Directors of the progress of the measures and the degree to which they have taken root</td>
</tr>
<tr>
<td>• Promotion of sweeping measures to prevent recurrence, including the “Three Reforms.”</td>
<td>• Promotion of sweeping measures to prevent recurrence, including the “Three Reforms.”</td>
</tr>
<tr>
<td>• Regular progress reports at Board of Directors meetings and quarterly reports to the Ministry of Land, Infrastructure, Transport and Tourism</td>
<td>• Regular progress reports at Board of Directors meetings and quarterly reports to the Ministry of Land, Infrastructure, Transport and Tourism</td>
</tr>
<tr>
<td>Further optimization of the composition of the Board of Directors</td>
<td>Further optimization of the composition of the Board of Directors</td>
</tr>
<tr>
<td>• Requirement that a majority of the Board of Directors must be independent outside directors</td>
<td>• Requirement that a majority of the Board of Directors must be independent outside directors</td>
</tr>
<tr>
<td>• Enhancement of the diversity of the Board of Directors and appointment of experts in compliance, laws and regulations, etc.</td>
<td>• Enhancement of the diversity of the Board of Directors and appointment of experts in compliance, laws and regulations, etc.</td>
</tr>
</tbody>
</table>

Evaluation of the effectiveness of the Board of Directors

In order to maintain and improve the effectiveness of the Board of Directors and corporate governance, the evaluation is conducted by utilizing external organizations and with the evaluation primarily conducted in the form of questionnaire surveys and interviews.

1. Implementation procedures

Subject persons | Details of implementation |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Company officers</td>
<td>Questionnaire survey by a third-party organization</td>
</tr>
<tr>
<td>Company officers</td>
<td>(Questionnaire items)</td>
</tr>
<tr>
<td>Company officers</td>
<td>(1) Composition and operation of the Board of Directors, (2) Management strategy and business strategy, (3) Corporate governance and risk management, (4) Evaluation and remuneration of senior management, (5) Dialogue with shareholders</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>March 2023 - Interviews by a third-party organization based on the survey results</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Interview items</td>
</tr>
<tr>
<td>Outside officers</td>
<td>All of the five directors and three members of the Audit &amp; Supervisory Board at the time of implementation</td>
</tr>
<tr>
<td>Outside officers</td>
<td>March 2023 - Implementation of the following by the Corporate Governance Committee</td>
</tr>
<tr>
<td>Outside officers</td>
<td>(1) Foundation supporting the effectiveness of the Board of Directors, (2) Expectations of the COO system, and (3) Evaluation and remuneration of senior management, (4) Dialogue with shareholders</td>
</tr>
<tr>
<td>Outside officers</td>
<td>(5) Dialogue with shareholders</td>
</tr>
<tr>
<td>Outside officers</td>
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</tr>
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</tr>
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</tr>
<tr>
<td>Outside officers</td>
<td>(5) Dialogue with shareholders</td>
</tr>
</tbody>
</table>

2. Evaluation results

Category | Overview of results |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengths of Hino</td>
<td>Our outside officers have a diverse range of experience and knowledge, and have been able to express themselves actively and meaningfully</td>
</tr>
<tr>
<td>Strengths of Hino</td>
<td>There is confidence in the President’s operational abilities as Chairman of the Board of Directors and CEO</td>
</tr>
<tr>
<td>Recognition of issues</td>
<td>Initiatives to maximize the utility arising from introducing the COO system</td>
</tr>
<tr>
<td>Recognition of issues</td>
<td>Further development of the roles (operating functions, etc.) to be played by the Board of Directors</td>
</tr>
</tbody>
</table>

3. Major initiatives for FY2023

Category | Overview of results |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulation of annual agenda plan for the Board of Directors</td>
<td>T伊始 decision on setting of agenda based on the needs of both management and executive sides, centered on discussions on management policies and strategies</td>
</tr>
<tr>
<td>Improvements to the operation of the Board of Directors</td>
<td>Reorganization of the Board of Directors and agenda items</td>
</tr>
<tr>
<td>Meetings of outside officers for exchange of opinions</td>
<td>Establishment of a forum for outside officers to exchange candid opinion regarding management issues, etc.</td>
</tr>
</tbody>
</table>

HINO Integrated Report 2023
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, seeking 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 Creed, 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.

System of remuneration for officers

<table>
<thead>
<tr>
<th>Remuneration types and overview</th>
<th>Recipients</th>
<th>Executive directors</th>
<th>Outside directors</th>
<th>Non-executive directors</th>
<th>Audit &amp; Supervisory Board members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed</td>
<td>Basic remuneration</td>
<td>Paid every month as fixed monthly remuneration</td>
<td></td>
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<tr>
<td>Bonuses</td>
<td></td>
<td>Determined according to position and duties, comprehensively taking into account the Company's performance, employee salary levels, and the levels of other companies.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance-based</td>
<td></td>
<td>Paid every year at a fixed time as an incentive to achieve management targets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remuneration by shares with restriction on transfer</td>
<td></td>
<td>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</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Officer category</th>
<th>Number of eligible officers</th>
<th>Total amount of remuneration, etc. (million yen)</th>
<th>Total amount of compensation by type (million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
<td>166</td>
<td>Basic remuneration</td>
</tr>
<tr>
<td>Directors</td>
<td></td>
<td></td>
<td>166</td>
</tr>
<tr>
<td>Of which, outside directors</td>
<td>3</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Corporate auditors</td>
<td>5</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Of which, outside corporate auditors</td>
<td>3</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>249</td>
<td>249</td>
</tr>
</tbody>
</table>

Note 1: The number of persons above include one director who retired at the close of the 115th 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.
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

A dialogue among newly appointed directors

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 on site 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 fable “The Emperor’s New Clothes.” If management were to take a humble approach and evolve 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 incivility, 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 listen attentively to their opinions, to call to mind the “By 2030” vision, which is why I believe that it is important to listen attentively to the opinions of 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 fable “The Emperor’s New Clothes.” If management were to take a humble approach and evolve a willingness to learn, they would be able to see the problems plaguing in the frontline. 

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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

Satoshi Ogiso
President & CEO, Member of the Board of Directors
Apr. 1983 Joined Toyota Motor Corporation (TMC)
Oct. 2013 Managing Officer of TMC
Apr. 2015 Advisor of TMC
Jun. 2021 President of KIOKU CO., LTD.
Jun. 2016 Managing Officer of TMC
Jun. 2018 Operating Officer of TMC
Jan. 2023 President, Member of the Board of Hino (to present)
Feb. 2023 CEO of Hino (to present)

Masahiro Nakajima
Outside Member of the Board of Directors
Apr. 2003 Corporate Executive Officer of Monta Corporation (Monta)
Jun. 2004 Director of Monta
Jun. 2006 Director, President of Monta
Oct. 2006 Chairman of Monta Corporation
Jun. 2015 Director, Chairman of Monta Holdings Corporation
Director, Director of Monta Corporation
Jun. 2021 President of Monta Corporation (to present)
Feb. 2016 Director, Chairman of the Board of Bronco Skyll Oc Ab (to present)
Jun. 2016 Director, Chairman & CEO of Monta Holdings Corporation (to present)
Apr. 2017 Director, Chairman of Monta Environmental Technology Corporation
Jun. 2017 Outside & Supervisory Board Member of Hino Motors, Ltd. (Hino)
Jun. 2019 Director of Monta Environmental Tech Corporation (to present)
Jun. 2021 Outside Director of Hino (to present)

Naoki Sato
Member of the Board of Directors
Apr. 1983 Joined Hino Motors, Ltd. (Hino)
Feb. 2018 General Manager of Product Strategy Div. of Hino
Oct. 2021 Chief 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
Jun. 2001 Director of Mitshu & Co.
Apr. 2002 Director, Senior Executive Officer of Mitshu & Co.
Apr. 2003 Managing Executive Officer of Mitshu & Co.
Oct. 2007 Director, Senior Managing Executive Officer of Mitshu & Co.
Jun. 2007 Director, Senior Managing Executive Officer of Mitshu & Co.
Apr. 2009 Director, Executive Vice President of Mitshu & Co.
Apr. 2009 Director of Mitshu & Co.
Nov. 2012 Administration Director of Mosai Gakuen (to present)
Jun. 2015 Outside Director of Hino Motors, Ltd. (to present)

Iwao Kimura
Full-time Audit & Supervisory Board Member
Apr. 1981 Joined Toyota Motor Sales Co., Ltd.
Jun. 2013 General Manager, Domestic External Affairs Div. 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 Advisor of Hino
Jun. 2020 Full-time Audit & Supervisory Board Member of Hino Motors, Ltd. (Hino)

Kenta Kon
Member of the Board of Directors
Apr. 1991 Joined Toyota Motor Corporation (TMC)
Jun. 2017 General Manager of Accounting Div. of TMC
Jun. 2018 Managing Officer of TMC
Jul. 2019 Operating Officer of TMC
Jan. 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 of TMC 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)

Naoki Miyazaki
Outside Audit & Supervisory Board member
Apr. 1980 Joined Toyota Motor Co., Ltd.
Jun. 2006 Managing Officer of Toyota Motor Corporation
Apr. 2013 Senior Managing Officer of TMC
Apr. 2014 Advisor of Toyota Cosel Co., Ltd.
Jun. 2014 Executive Vice President of Toyota Gosei
Jun. 2015 President of Toyota Gosei
Jun. 2020 Chairman of Toyota Gosei
Jun. 2021 Director and Vice Chairman of Toyota Bohoshki Corporation (to present)
Outside Audit & Supervisory Board Member of Hino Motors, Ltd. (to present)

Makoto Enokido
Member of the Board of Directors
Apr. 1995 Joined Toyota
Apr. 2019 Chief Strategy Officer, Management Committee of Toyota
Jun. 2020 Member of the Board of Directors (to present)
Jun. 2020 President of Toyota (to present)

Shoko Kimijima
Outside Member of the Board of Directors
Apr. 1966 Joined Nagahama & Ohno (currently Nagashima Ohno & Tsunematsu)
Jun. 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 ULSK Corporation
Apr. 2015 Executive Officer, Compliance General Manager of Legal Division, and Chief Compliance Officer of ULSK Corporation
Jul. 2016 Executive, Compliance General Manager of Legal Division, and Chief Compliance Officer of ULSK Corporation
Jan. 2017 Chief Compliance Officer of ULSK Water Technology of ULSK Corporation (concurrent position)
Feb. 2019 Deputy General Manager of Legal, Compliance Unit and Chief Compliance Officer of Tobino Electric Ltd.
Apr. 2020 Executive Officer, Executive Vice President, and Chief Legal and Compliance Officer of ULSK Group Corporation
Jun. 2020 Oct. 2020 Executive Officer and Chief Legal and Chief Compliance Officer of ULSK Corporation (concurrent position)
Dec. 2020 Executive Officer, Chief Legal, and Chief Compliance Officer of ULSK Corporation (concurrent position)
Director of Tobino Electric Ltd., Senior Audit & Compliance Officer of ULSK Group Corporation and ULSK Corporation (to present)
Jun. 2023 Outside Director of Hino Motors, Ltd. (to present)

Tomoko Inoue
Full-time Audit & Supervisory Board Member
Apr. 1983 Joined Hino Motors, Ltd. (Hino)
Feb. 2015 Senior General Manager of Audit Div. of Hino
Apr. 2017 Senior General Manager, Internal Audit Vice Officer of Hino
Feb. 2018 Senior General Manager, Internal Audit Vice Officer of Hino
Jun. 2019 Full-time Audit & Supervisory Board Member of Hino Motors, Ltd. (Hino)

Chika Matsumoto
Outside Audit & Supervisory Board member
Apr. 1983 Joined Chukyo Shinko Audit Corporation
Aug. 1990 Joined Chuo Shinko Audit Corporation
Apr. 2007 Partner of KPMG ADZIA & Co. (currently KPMG ADZIA LLC)
Jul. 2013 Executive Board member of KPMG ADZIA LLC
Jul. 2017 Member of Management Supervisory Committee of KPMG ADZIA LLC
Jul. 2020 Office Managing Partner of Nagoya Office of KPMG ADZIA 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

<table>
<thead>
<tr>
<th>Name</th>
<th>Corporate management</th>
<th>Legal, compliance, internal control</th>
<th>Finance, accounting</th>
<th>Global</th>
<th>Sustainability</th>
<th>R&amp;D production (research &amp; development)</th>
<th>Marketing, sales</th>
<th>IT, digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satoshi Ogiso</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Naoki Sato</td>
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<td></td>
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</tr>
<tr>
<td>Motokazu Yoshida</td>
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<tr>
<td>Koichi Muto</td>
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<tr>
<td>Masahiro Nakajima</td>
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<tr>
<td>Koichi Muto</td>
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<tr>
<td>Shoko Kimijima</td>
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<tr>
<td>Kenta Kon</td>
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</tr>
</tbody>
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(Note) The above does not constitute all of the knowledge of each candidate.
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## 10-year financial summary

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<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit and loss (millions of yen)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>1,695,573</td>
<td>1,685,398</td>
<td>1,745,540</td>
<td>1,683,720</td>
<td>1,837,982</td>
<td>1,981,331</td>
<td>1,815,597</td>
<td>1,498,442</td>
<td>1,459,706</td>
<td>1,507,336</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>1,409,503</td>
<td>1,389,771</td>
<td>1,450,984</td>
<td>1,411,090</td>
<td>1,542,439</td>
<td>1,674,392</td>
<td>1,542,431</td>
<td>1,285,609</td>
<td>1,209,200</td>
<td>1,267,656</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>290,069</td>
<td>295,526</td>
<td>294,555</td>
<td>272,630</td>
<td>295,543</td>
<td>306,938</td>
<td>273,165</td>
<td>212,832</td>
<td>250,505</td>
<td>239,659</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>177,883</td>
<td>190,046</td>
<td>190,264</td>
<td>201,451</td>
<td>215,711</td>
<td>220,220</td>
<td>218,306</td>
<td>200,582</td>
<td>216,694</td>
<td>222,253</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>112,185</td>
<td>105,519</td>
<td>98,287</td>
<td>71,178</td>
<td>80,331</td>
<td>86,717</td>
<td>54,859</td>
<td>12,250</td>
<td>33,810</td>
<td>17,406</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>109,141</td>
<td>104,600</td>
<td>95,922</td>
<td>72,042</td>
<td>80,422</td>
<td>83,903</td>
<td>49,596</td>
<td>12,261</td>
<td>37,986</td>
<td>15,787</td>
</tr>
<tr>
<td><strong>Profit before income taxes</strong></td>
<td>112,438</td>
<td>103,233</td>
<td>96,882</td>
<td>72,075</td>
<td>81,725</td>
<td>82,523</td>
<td>50,973</td>
<td>(1,883)</td>
<td>(31,464)</td>
<td>(89,524)</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of parent</strong></td>
<td>89,127</td>
<td>74,500</td>
<td>65,130</td>
<td>49,408</td>
<td>51,361</td>
<td>54,908</td>
<td>31,467</td>
<td>(7,489)</td>
<td>(87,123)</td>
<td>(117,664)</td>
</tr>
<tr>
<td><strong>Cash flows (millions of yen)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td>142,941</td>
<td>77,756</td>
<td>111,366</td>
<td>75,758</td>
<td>86,473</td>
<td>48,653</td>
<td>95,176</td>
<td>108,429</td>
<td>106,711</td>
<td>(40,799)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td>61,812</td>
<td>(75,011)</td>
<td>(87,685)</td>
<td>(62,583)</td>
<td>(62,781)</td>
<td>(72,284)</td>
<td>(67,066)</td>
<td>(56,211)</td>
<td>(62,181)</td>
<td>(60,257)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td>(40,711)</td>
<td>(26,168)</td>
<td>(22,120)</td>
<td>17,461</td>
<td>(9,448)</td>
<td>20,702</td>
<td>(28,243)</td>
<td>(38,408)</td>
<td>(39,147)</td>
<td>114,208</td>
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<tr>
<td><strong>Free cash flows</strong></td>
<td>81,129</td>
<td>2,745</td>
<td>23,681</td>
<td>(16,825)</td>
<td>23,692</td>
<td>(23,631)</td>
<td>28,170</td>
<td>52,218</td>
<td>44,530</td>
<td>(101,056)</td>
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<tr>
<td><strong>Financial position (millions of yen)</strong></td>
<td></td>
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<tr>
<td><strong>Current assets</strong></td>
<td>550,522</td>
<td>598,079</td>
<td>576,895</td>
<td>618,056</td>
<td>681,985</td>
<td>732,201</td>
<td>660,752</td>
<td>608,632</td>
<td>634,755</td>
<td>733,181</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td>327,884</td>
<td>363,866</td>
<td>398,397</td>
<td>425,076</td>
<td>428,751</td>
<td>433,589</td>
<td>435,217</td>
<td>435,087</td>
<td>444,293</td>
<td>440,187</td>
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<tr>
<td><strong>Intangible assets / Investments and other assets</strong></td>
<td>131,008</td>
<td>162,529</td>
<td>144,594</td>
<td>149,252</td>
<td>175,344</td>
<td>180,029</td>
<td>179,109</td>
<td>187,775</td>
<td>179,300</td>
<td>188,366</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,009,416</td>
<td>1,124,196</td>
<td>1,199,888</td>
<td>1,232,628</td>
<td>1,286,801</td>
<td>1,345,821</td>
<td>1,275,080</td>
<td>1,231,495</td>
<td>1,258,350</td>
<td>1,361,725</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>517,460</td>
<td>534,143</td>
<td>517,361</td>
<td>561,136</td>
<td>629,978</td>
<td>642,766</td>
<td>569,211</td>
<td>526,210</td>
<td>614,204</td>
<td>776,089</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>112,185</td>
<td>105,519</td>
<td>98,287</td>
<td>71,178</td>
<td>80,331</td>
<td>86,717</td>
<td>54,859</td>
<td>12,250</td>
<td>33,810</td>
<td>17,406</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>378,597</td>
<td>465,730</td>
<td>473,891</td>
<td>512,913</td>
<td>552,848</td>
<td>596,459</td>
<td>592,680</td>
<td>604,872</td>
<td>516,007</td>
<td>433,409</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>142,114</td>
<td>146,128</td>
<td>139,322</td>
<td>173,735</td>
<td>182,387</td>
<td>222,095</td>
<td>212,127</td>
<td>179,543</td>
<td>161,247</td>
<td>290,451</td>
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<tr>
<td><strong>Status per share (yen)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit per share</strong></td>
<td>155.79</td>
<td>130.06</td>
<td>113.62</td>
<td>86.15</td>
<td>89.52</td>
<td>95.66</td>
<td>54.82</td>
<td>(13.05)</td>
<td>(147.61)</td>
<td>(204.98)</td>
</tr>
<tr>
<td><strong>Dividend per share</strong></td>
<td>38.00</td>
<td>40.00</td>
<td>38.00</td>
<td>26.00</td>
<td>28.00</td>
<td>29.00</td>
<td>20.00</td>
<td>12.00</td>
<td>10.00</td>
<td>—</td>
</tr>
<tr>
<td><strong>Financial indicators (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit to net sales</strong></td>
<td>6.6</td>
<td>6.3</td>
<td>5.6</td>
<td>4.2</td>
<td>4.4</td>
<td>4.4</td>
<td>3.0</td>
<td>0.8</td>
<td>2.3</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Return on equity</strong></td>
<td>29.5</td>
<td>19.7</td>
<td>15.4</td>
<td>11.0</td>
<td>10.6</td>
<td>10.5</td>
<td>5.8</td>
<td>1.1</td>
<td>(16.7)</td>
<td>(28.5)</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>33.7</td>
<td>37.3</td>
<td>38.3</td>
<td>39.0</td>
<td>38.8</td>
<td>40.3</td>
<td>42.5</td>
<td>45.0</td>
<td>36.4</td>
<td>27.0</td>
</tr>
<tr>
<td><strong>Dividends payout ratio</strong></td>
<td>30.3</td>
<td>39.4</td>
<td>48.6</td>
<td>58.1</td>
<td>45.6</td>
<td>42.9</td>
<td>41.2</td>
<td>243.4</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
## Financial Highlights

### Net Sales / Operating Income to Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (Billions of Yen)</th>
<th>Operating Income to Net Sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,981.3</td>
<td>10.0</td>
</tr>
<tr>
<td>2019</td>
<td>1,916.6</td>
<td>10.0</td>
</tr>
<tr>
<td>2020</td>
<td>1,494.8</td>
<td>9.0</td>
</tr>
<tr>
<td>2021</td>
<td>1,459.7</td>
<td>8.0</td>
</tr>
<tr>
<td>2022</td>
<td>1,507.3</td>
<td>7.0</td>
</tr>
</tbody>
</table>

### Profit Attributable to Owners of Parent / ROE

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit Attributable to Owners of Parent (Billions of Yen)</th>
<th>ROE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>54.9</td>
<td>10.0</td>
</tr>
<tr>
<td>2019</td>
<td>-1.0</td>
<td>-2.0</td>
</tr>
<tr>
<td>2020</td>
<td>-1.0</td>
<td>-3.0</td>
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<tr>
<td>2021</td>
<td>-1.0</td>
<td>-4.0</td>
</tr>
<tr>
<td>2022</td>
<td>28.5</td>
<td>6.0</td>
</tr>
</tbody>
</table>

### Capital Expenditure / R&D Expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditure (Billions of Yen)</th>
<th>R&amp;D (Billions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>61.5</td>
<td>44.0</td>
</tr>
<tr>
<td>2019</td>
<td>59.2</td>
<td>47.9</td>
</tr>
<tr>
<td>2020</td>
<td>51.4</td>
<td>47.3</td>
</tr>
<tr>
<td>2021</td>
<td>56.7</td>
<td>52.5</td>
</tr>
<tr>
<td>2022</td>
<td>69.0</td>
<td>58.6</td>
</tr>
</tbody>
</table>

### Units of Vehicle Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan (Units)</th>
<th>Overseas (Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>209,020</td>
<td>174,167</td>
</tr>
<tr>
<td>2019</td>
<td>156,718</td>
<td>138,038</td>
</tr>
<tr>
<td>2020</td>
<td>136,038</td>
<td>121,056</td>
</tr>
<tr>
<td>2021</td>
<td>105,388</td>
<td>109,388</td>
</tr>
<tr>
<td>2022</td>
<td>157,253</td>
<td>157,870</td>
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### Global Unit Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan (Units)</th>
<th>Overseas (Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>180,382</td>
<td>165,473</td>
</tr>
<tr>
<td>2019</td>
<td>164,614</td>
<td>156,473</td>
</tr>
<tr>
<td>2020</td>
<td>156,473</td>
<td>156,473</td>
</tr>
<tr>
<td>2021</td>
<td>156,473</td>
<td>156,473</td>
</tr>
<tr>
<td>2022</td>
<td>156,473</td>
<td>156,473</td>
</tr>
</tbody>
</table>

## Non-Financial Highlights

### CO2 Emissions (Million Tons)

#### Scope: Consolidated Hino Group production facilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1 (FY2020)</th>
<th>Scope 2 (FY2021)</th>
<th>Scope 3 (FY2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15.1</td>
<td>13.7</td>
<td>13.7</td>
</tr>
<tr>
<td>2019</td>
<td>12.0</td>
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<td>12.0</td>
</tr>
<tr>
<td>2020</td>
<td>5.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>2021</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>2022</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
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</table>

#### Scope: Consolidated Hino Group production facilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1 (FY2020)</th>
<th>Scope 2 (FY2021)</th>
<th>Scope 3 (FY2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15.1</td>
<td>13.7</td>
<td>13.7</td>
</tr>
<tr>
<td>2019</td>
<td>12.0</td>
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<td>12.0</td>
</tr>
<tr>
<td>2020</td>
<td>5.5</td>
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<td>4.5</td>
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<tr>
<td>2021</td>
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<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>2022</td>
<td>3.7</td>
<td>3.7</td>
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</table>

### Plant CO2 Emissions

#### Scope: Consolidated Hino Group production facilities

<table>
<thead>
<tr>
<th>Year</th>
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<th>Scope 2 (FY2021)</th>
<th>Scope 3 (FY2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15.1</td>
<td>13.7</td>
<td>13.7</td>
</tr>
<tr>
<td>2019</td>
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<tr>
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</tr>
<tr>
<td>2021</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>2022</td>
<td>3.7</td>
<td>3.7</td>
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### Waste Material Emissions

<table>
<thead>
<tr>
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<th>Scope 2 (FY2021)</th>
<th>Scope 3 (FY2022)</th>
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<tbody>
<tr>
<td>2018</td>
<td>15.1</td>
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<td>13.7</td>
</tr>
<tr>
<td>2019</td>
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</tr>
<tr>
<td>2021</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>2022</td>
<td>3.7</td>
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### Water Usage

<table>
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<th>Scope 2 (FY2021)</th>
<th>Scope 3 (FY2022)</th>
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<tbody>
<tr>
<td>2018</td>
<td>15.1</td>
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<td>13.7</td>
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<tr>
<td>2019</td>
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<tr>
<td>2020</td>
<td>5.5</td>
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<tr>
<td>2021</td>
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<td>3.7</td>
</tr>
<tr>
<td>2022</td>
<td>3.7</td>
<td>3.7</td>
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</tbody>
</table>
Financial/non-financial highlights

包装材料使用量（千吨）

<table>
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<tr>
<th>年份</th>
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<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
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<td>5.1</td>
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包装材料使用量：Hino和六家合并公司的生产设施。计算单位为每立方米。

NOX emissions (千吨)

<table>
<thead>
<tr>
<th>年份</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>数量</td>
<td>213</td>
<td>158</td>
<td>133</td>
<td>143</td>
<td>120</td>
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NOX排放量：Hino两家生产设施。计算单位为每立方米。

VOC emissions (%)

<table>
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<tr>
<th>年份</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>数量</td>
<td>14.1</td>
<td>14.2</td>
<td>17.8</td>
<td>15.3</td>
<td>15.2</td>
</tr>
</tbody>
</table>

VOC排放量：Hino两家生产设施。计算单位为每平方米。

空气污染物排放/SOX排放量（千吨）

<table>
<thead>
<tr>
<th>年份</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>数量</td>
<td>0.37</td>
<td>0.31</td>
<td>0.15</td>
<td>0.16</td>
<td>0.19</td>
</tr>
</tbody>
</table>

空气污染物排放/ SOX排放量：Hino两家生产设施。计算单位为每立方米。

就业比例，残疾人

<table>
<thead>
<tr>
<th>年份</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>比率</td>
<td>2.04</td>
<td>2.38</td>
<td>2.56</td>
<td>2.56</td>
<td>2.64</td>
</tr>
</tbody>
</table>

就业比例，残疾人：Hino四家生产设施。计算单位为每立方米。

女性管理者比例

<table>
<thead>
<tr>
<th>年份</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>比率</td>
<td>2.40</td>
<td>2.32</td>
<td>2.45</td>
<td>2.55</td>
<td>2.74</td>
</tr>
</tbody>
</table>

女性管理者比例：Hino四家生产设施。计算单位为每立方米。

公司信息/股票信息

公司信息（截至2023年3月31日）

公司名称：Hino Motors, Ltd.
产品：卡车和客车、商业车辆和生产丰田汽车公司的乘用车、汽车和工业用柴油发动机、车辆部件等。
成立：1910年8月1日

成立：1942年5月1日

公司概述

股票概述

主要股东

股票分布

财务/非财务亮点

包装材料使用量（千吨）

<table>
<thead>
<tr>
<th>年份</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>数量</td>
<td>5.5</td>
<td>5.4</td>
<td>5.1</td>
<td>4.9</td>
<td>4.3</td>
</tr>
</tbody>
</table>

包装材料使用量：Hino和六家合并公司的生产设施。计算单位为每立方米。

NOX排放量（千吨）

<table>
<thead>
<tr>
<th>年份</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>数量</td>
<td>213</td>
<td>158</td>
<td>133</td>
<td>143</td>
<td>120</td>
</tr>
</tbody>
</table>

NOX排放量：Hino两家生产设施。计算单位为每立方米。

VOC排放量（%）

<table>
<thead>
<tr>
<th>年份</th>
<th>2018</th>
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<th>2021</th>
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</tr>
</thead>
<tbody>
<tr>
<td>数量</td>
<td>14.1</td>
<td>14.2</td>
<td>17.8</td>
<td>15.3</td>
<td>15.2</td>
</tr>
</tbody>
</table>

VOC排放量：Hino两家生产设施。计算单位为每平方米。

空气污染物排放/ SOX排放量（千吨）

<table>
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<tr>
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</tr>
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</table>

空气污染物排放/ SOX排放量：Hino两家生产设施。计算单位为每立方米。

就业比例，残疾人

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</tr>
</tbody>
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就业比例，残疾人：Hino四家生产设施。计算单位为每立方米。

女性管理者比例

<table>
<thead>
<tr>
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<td>2.55</td>
<td>2.74</td>
</tr>
</tbody>
</table>

女性管理者比例：Hino四家生产设施。计算单位为每立方米。
## Subsidiaries and affiliates

### Hino, 75 consolidated subsidiaries, and 22 affiliates

(as of March 2023)

#### Major affiliated companies in Japan

<table>
<thead>
<tr>
<th>Company name</th>
<th>Location</th>
<th>Percentage of voting rights owned (or held)*1</th>
<th>Main business activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parent company</strong></td>
<td>Toyota Motor Corporation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dealers in Japan (24 companies)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Ltd.</td>
<td></td>
<td></td>
<td>Sales of automobiles</td>
</tr>
<tr>
<td>• Toyota Motor Sales Co., Ltd.</td>
<td></td>
<td></td>
<td>Sales of automobiles</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Manufacturing of parts, etc.</td>
</tr>
<tr>
<td>• Hino Motor Sales Mexico, S.A. DE C.V.</td>
<td></td>
<td></td>
<td>Sales of automobiles</td>
</tr>
<tr>
<td>Affiliated companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Sales Support, Ltd.</td>
<td>Hino City, Tokyo</td>
<td>80.0</td>
<td>Asset management of dealers</td>
</tr>
<tr>
<td>• Nagano Hino Motors Ltd.</td>
<td>Komagome, Shimogyo</td>
<td>70.0</td>
<td>Sales of automobiles</td>
</tr>
<tr>
<td>• Shizuoka Hino Motors Ltd.</td>
<td>Atsugi City, Kanagawa</td>
<td>60.0</td>
<td>Assembly of unit parts</td>
</tr>
<tr>
<td>• Osaka Hino Motors Ltd.</td>
<td>Osaka City, Osaka</td>
<td>60.0</td>
<td>Assembly of unit parts</td>
</tr>
<tr>
<td>• Osaka Hino Motors Ltd.</td>
<td>Minato-ku, Tokyo</td>
<td>60.0</td>
<td>Planning, development, and sales of automobiles</td>
</tr>
<tr>
<td>• Koba Hino Motors Ltd.</td>
<td>Kobe City, Hyogo</td>
<td>60.0</td>
<td>Planning, development, and sales of automobiles</td>
</tr>
<tr>
<td>• Minami Kanto Hino Motors Ltd.</td>
<td>Minato-ku, Tokyo</td>
<td>60.0</td>
<td>Planning, development, and sales of automobiles</td>
</tr>
<tr>
<td>• Shimizu Hino Motors Ltd.</td>
<td>Sapporo City, Hokkaido</td>
<td>60.0</td>
<td>Planning, development, and sales of automobiles</td>
</tr>
<tr>
<td>• Shizuoka Hino Motors Ltd.</td>
<td>Shizuoka City, Shizuoka</td>
<td>60.0</td>
<td>Planning, development, and sales of automobiles</td>
</tr>
<tr>
<td>• Shizuoka Hino Motors Ltd.</td>
<td>Hakusan City, Ishikawa</td>
<td>60.0</td>
<td>Planning, development, and sales of automobiles</td>
</tr>
<tr>
<td>• Nagano Hino Motors Ltd.</td>
<td>Maebashi City, Gunma</td>
<td>60.0</td>
<td>Planning, development, and sales of automobiles</td>
</tr>
<tr>
<td><strong>Suppliers and other companies in Japan (37 companies)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mitsubishi Kanto Hino Motors Ltd.</td>
<td>Atsugi City, Kanagawa</td>
<td>55.0</td>
<td>Sheet-metal working</td>
</tr>
<tr>
<td>• Takabe Tekkosho Co., Ltd.</td>
<td>Maebashi City, Gunma</td>
<td>55.0</td>
<td>Manufacturing of unit parts</td>
</tr>
<tr>
<td>• Taheeki Electric Co., Ltd.</td>
<td>Maebashi City, Gunma</td>
<td>55.0</td>
<td>Manufacturing of unit parts</td>
</tr>
<tr>
<td>• Sun Electric Co., Ltd.</td>
<td>Maebashi City, Gunma</td>
<td>55.0</td>
<td>Manufacturing of unit parts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Major manufacturers and dealers outside Japan

### Manufacturers and dealers outside Japan (22 companies)

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hino Motors Sales Thailand Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Manufacturing Thailand Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Powertrain Manufacturing (Thailand) Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Asia Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• PT. Hino Motors Manufacturing Indonesia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• PT. Hino Motors Sales Indonesia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Sales Malaysia Sdn. Bhd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Manufacturing Malaysia Sdn. Bhd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Sales China Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• CTW China Co., Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Shanghai Hino Co., Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Sales U.S.A. Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Manufacturing U.S.A. Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motors Canada, Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hino Motor Sales Australia Pty. Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliated companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• GAC Hino Motors Co., Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• J-Bus Ltd.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Manufacturers and dealers outside Japan (13 companies)

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hino Motors Sales Mexico, S.A. DE C.V.</td>
<td></td>
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<tr>
<td>Affiliated companies</td>
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<tr>
<td>• Hino Motors Sales Mexico, S.A. DE C.V.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*1 The figures in parentheses in the “Percentage of voting rights owned (or held)” column indicate the percentage held indirectly.
*2 Company that submits separate 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).