



Hino Motors Mid-Term Corporate Plan (FY2013-2015)

Yoshio Shirai
President,
Member of The Board
Hino Motors, Ltd.
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Hino Motors Mid-Term Corporate Plan (FY2013-2015)

1. Introduction
2. Hino's Strategies
3. Hino's Strategies: Production
4. Hino's Strategies: Sales
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Forecasts and Insider Trading

This material includes forward-looking statements regarding projections, targets, plans, and strategies of Hino Motors (including its consolidated subsidiaries). These forward-looking statements are based on determinations and assumptions made from information currently available to Hino Motors, and may vary considerably from actual performance or operations going forward due to uncertainties inherent in these determinations and assumptions, as well as due to the possibility of variations caused by changes in business operations, circumstances, and other factors.

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Investors who receive nonpublic information on important facts directly from a company (primary information recipients) are prohibited from selling or buying stocks prior to this information becoming "public" (Article 166 of the Financial Instruments and Exchange Act).

According to the enforcement ordinance of this law, information is deemed to have been made "public" once 12 hours have elapsed since the company discloses this information to two or more press organizations, or when the information, after a notification to the securities exchange, is listed by electronic means (TDnet's Timely Disclosure and Viewing Service) as provided by Cabinet Office Ordinance.

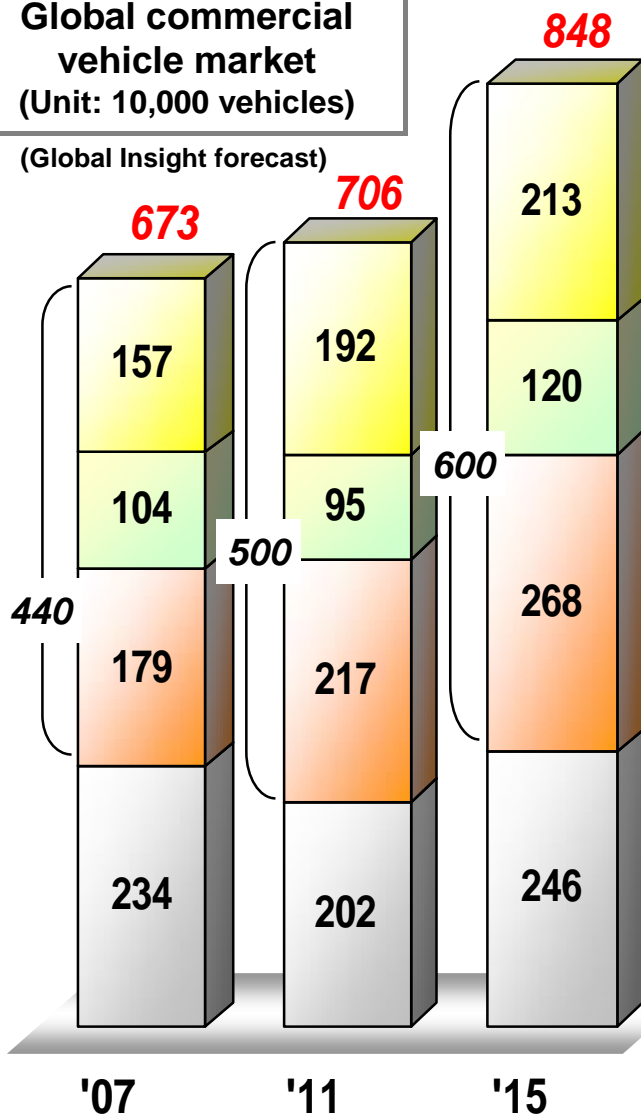
1. Introduction (business climate)



1) Global Commercial Vehicle Market

Growth is strong in the GVW 3.5t or greater segment.

Global commercial vehicle market
(Unit: 10,000 vehicles)
(Global Insight forecast)



GVW '07 '15 Competitors Toyota group

GVW	'07	'15	Competitors	Toyota group
Over 15t	1.4 fold			
6-15t	1.2 fold			
3.5-6t	1.5 fold			
2-3.5t	1.1 fold			

Hino brand

Toyota brand

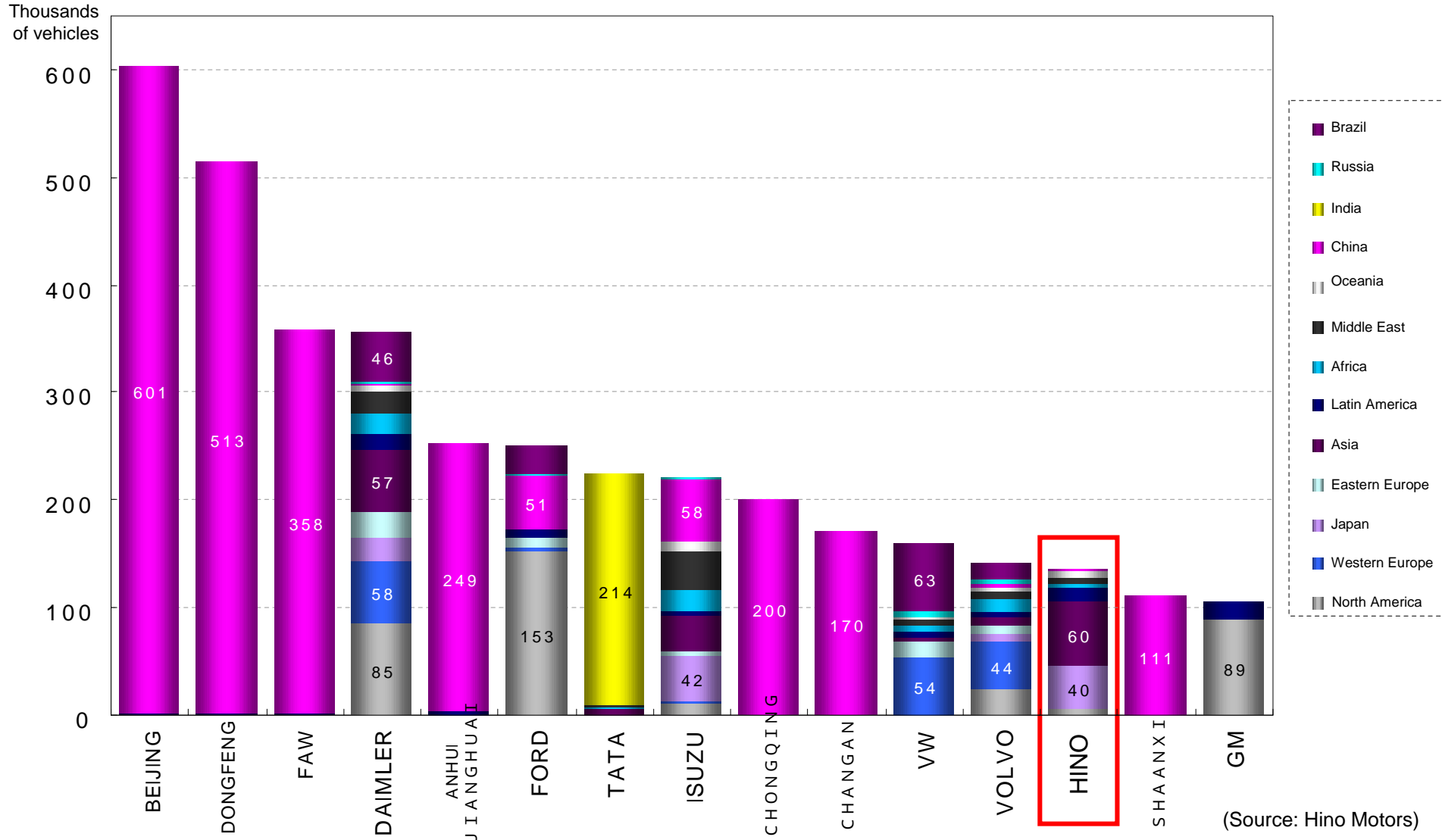
Total 1.3 fold

1. Introduction (business climate)



2) Vehicle sales performance by manufacturer (GVW 3.5t or greater)

[Vehicle sales of primary group brands by region (Top 15 in 2010)]

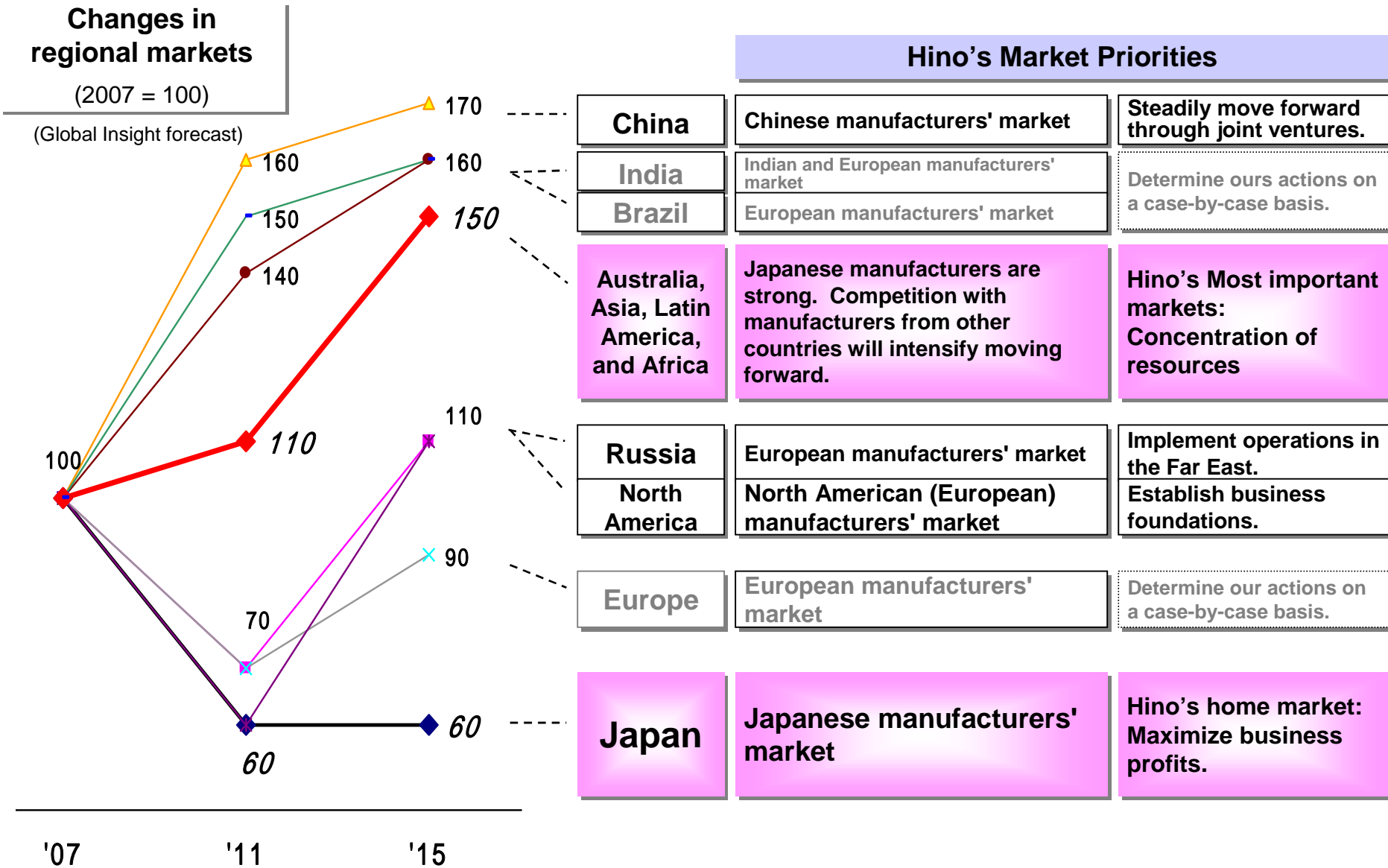


1. Introduction (business climate)



3) Growth by Regional Market (GVW 3.5t or greater)

Growth in emerging economies, particularly in ASEAN, is strong.

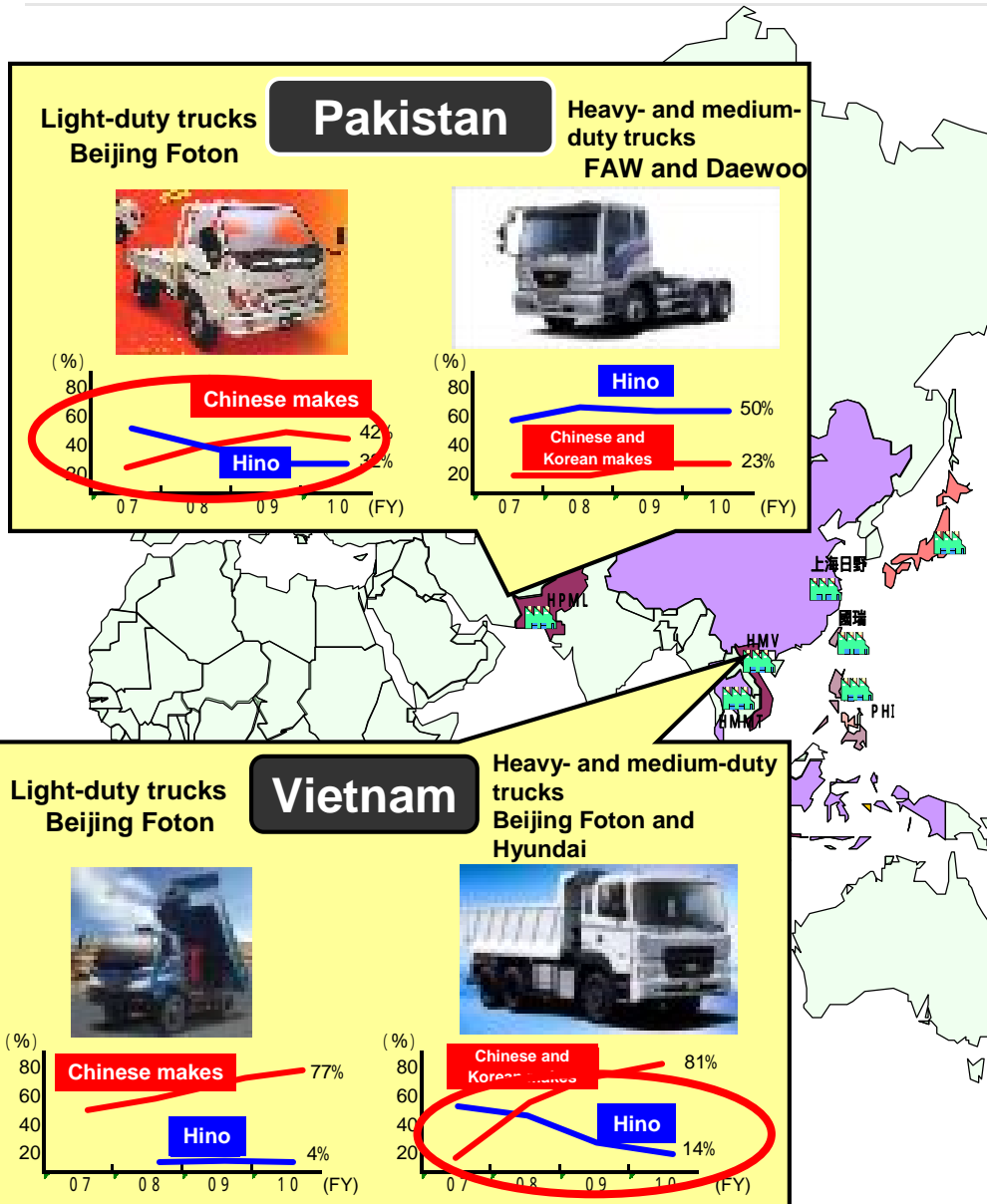


1. Introduction (business climate)



4) Shifts in Competitive Climate

— Chinese and Korean Makes Expand into ASEAN —



Chinese and Korean manufacturers are increasing their sales in emerging markets.

* Market share positions have reversed in Pakistan (light-duty) and Vietnam (heavy- and medium-duty).

↓

The competition is also entering Hino's foundational markets.

<Thailand>
Korean-Chinese heavy-duty truck CNG was launched.
(2010 sales: 260 vehicles)

<Indonesia>
The number of sales talks is on the rise where we are competing against Chinese makes.(from 2009 onward)

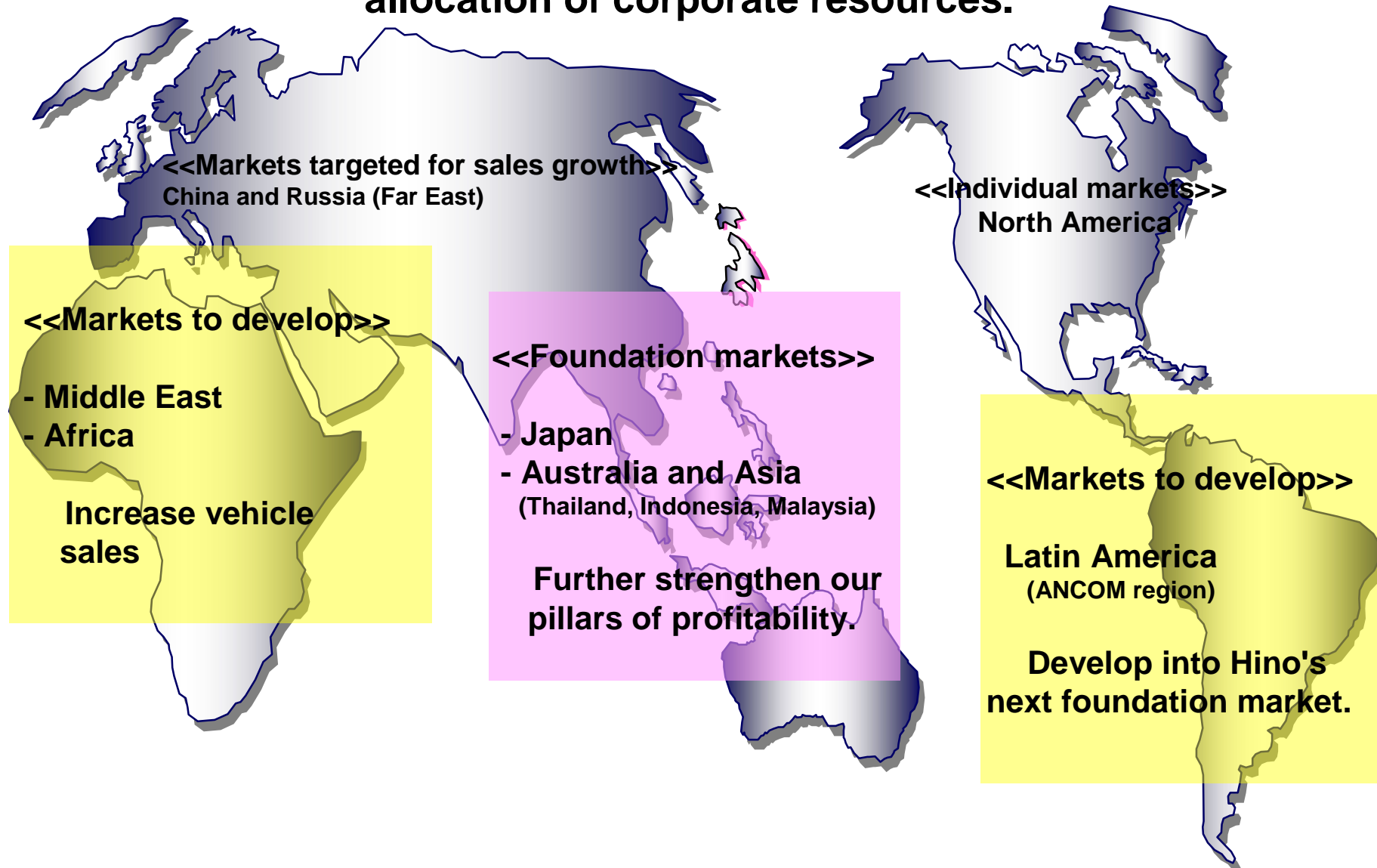
2. Hino's Strategies

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1) World Market Classification and Positioning

Establish a solid foundation through concentrated allocation of corporate resources.



2. Hino's Strategies

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2) Provide Best Fit Products

**Provide products and services that meet customers' expectations.
—Reform our development, production, and service structure —**



**Provide products and services that are suited to specific use;
“Heavy-duty trucks for mining”**



**Provide products that meet specific market needs;
Light-duty trucks for emerging markets**

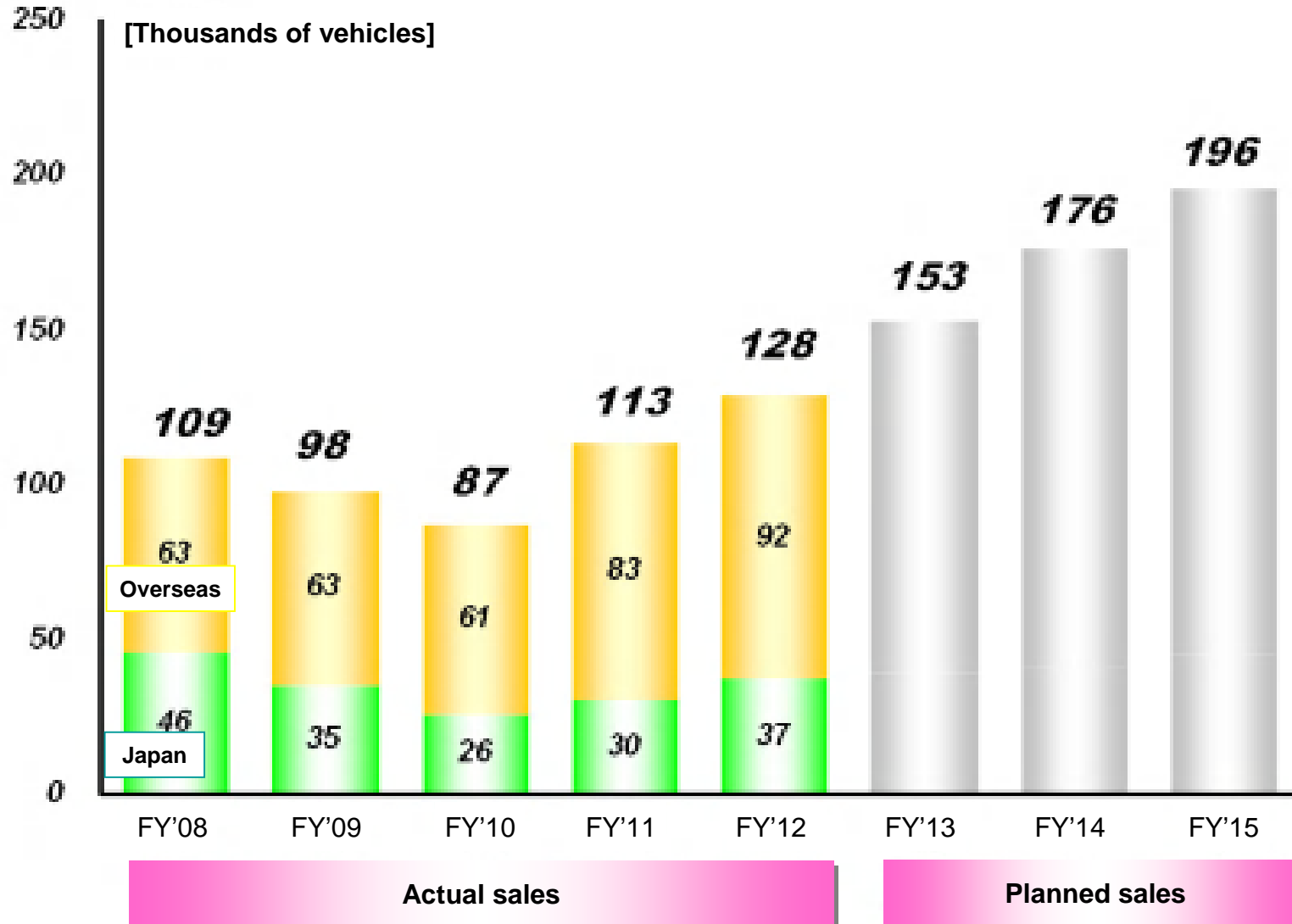
2. Hino's Strategies

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3) Hino Vehicle Sales Forecasts (FY2013-2015)

Vehicle sales are expected to grow dramatically from growth in the commercial vehicle markets of emerging economies.



2. Hino's Strategies

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4) Individual Strategies for Development, Production, and Sales

Reform our business structure from development to production and sales
— Enhance our superiority in foundation markets by improving our non-price competitiveness —



3. Hino's Strategies: Production

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1) Visions for Establishing Core Regional Production Centers

Establish production and supply structures that can accommodate increases in overseas sales.

- Increase capacities
- Increase local procurement rates
- Modularization
- Bridge production

Asia: Establish core overseas centers

(General policy: Products needed locally are to be produced locally)

Expand our production centers in Indonesia and Thailand.

(Increase the capacity of existing lines. Build new lines for module fabrication and assembly.)

Japan: Production for Japan and other countries. Support capacity increases in Asia.

Reinforce our supply structures by reorganizing processes in factories in Japan.

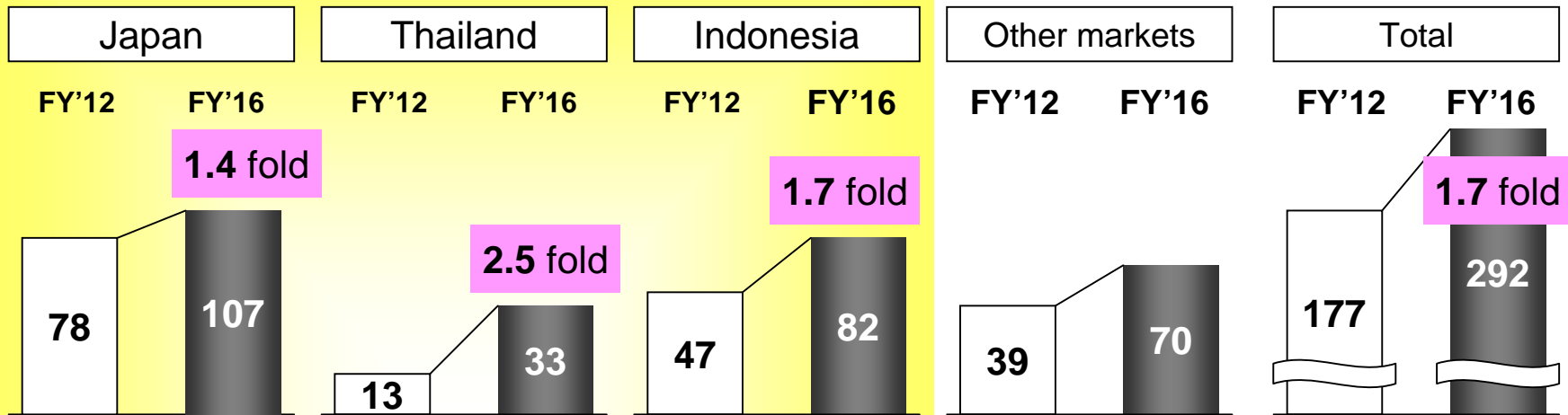
- Vehicles = Koga Plant (Build new plant)
- Units = Nitta Plant (Consider expansion)

3. Hino's Strategies: Production

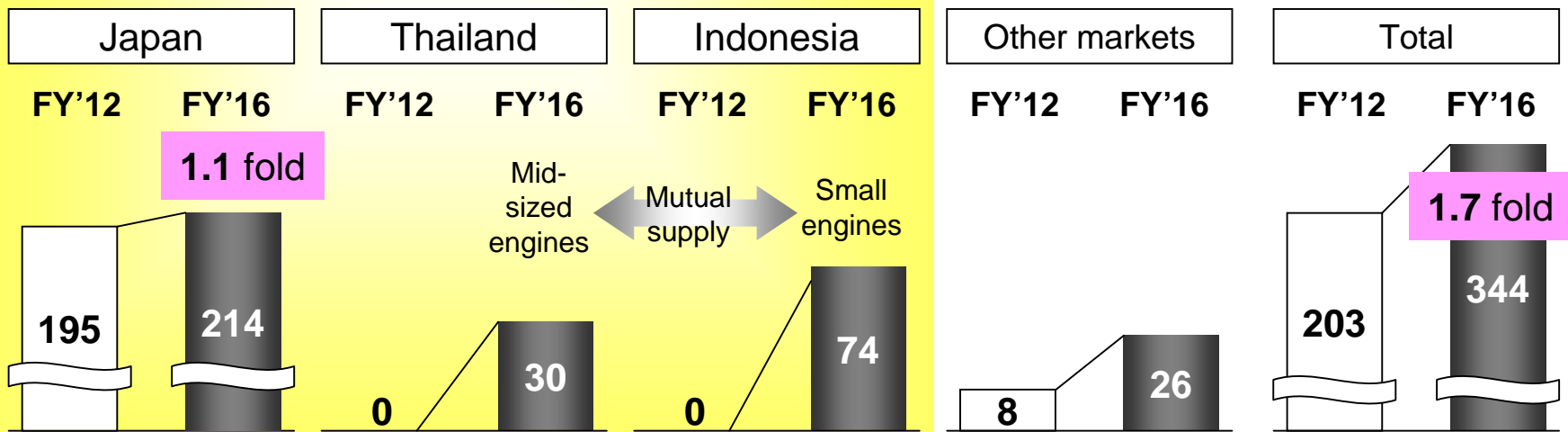


2) Overview of vehicle and unit production and supply structures

Vehicles: Produce in close proximity to markets (Unit: 1,000 vehicles, based on assembly)



Engines: Capacity increases to be implemented primarily locally (Unit: 1,000 engines, based on machining fabrication)



3. Hino's Strategies: Production



3) Establish Global Production Structure: Visions and Roles of Different Plants

Japan: Vehicle-related (heavy- and medium-duty) production to be consolidated at the Koga Plant, and unit-related production to be consolidated at the Nitta Plant.

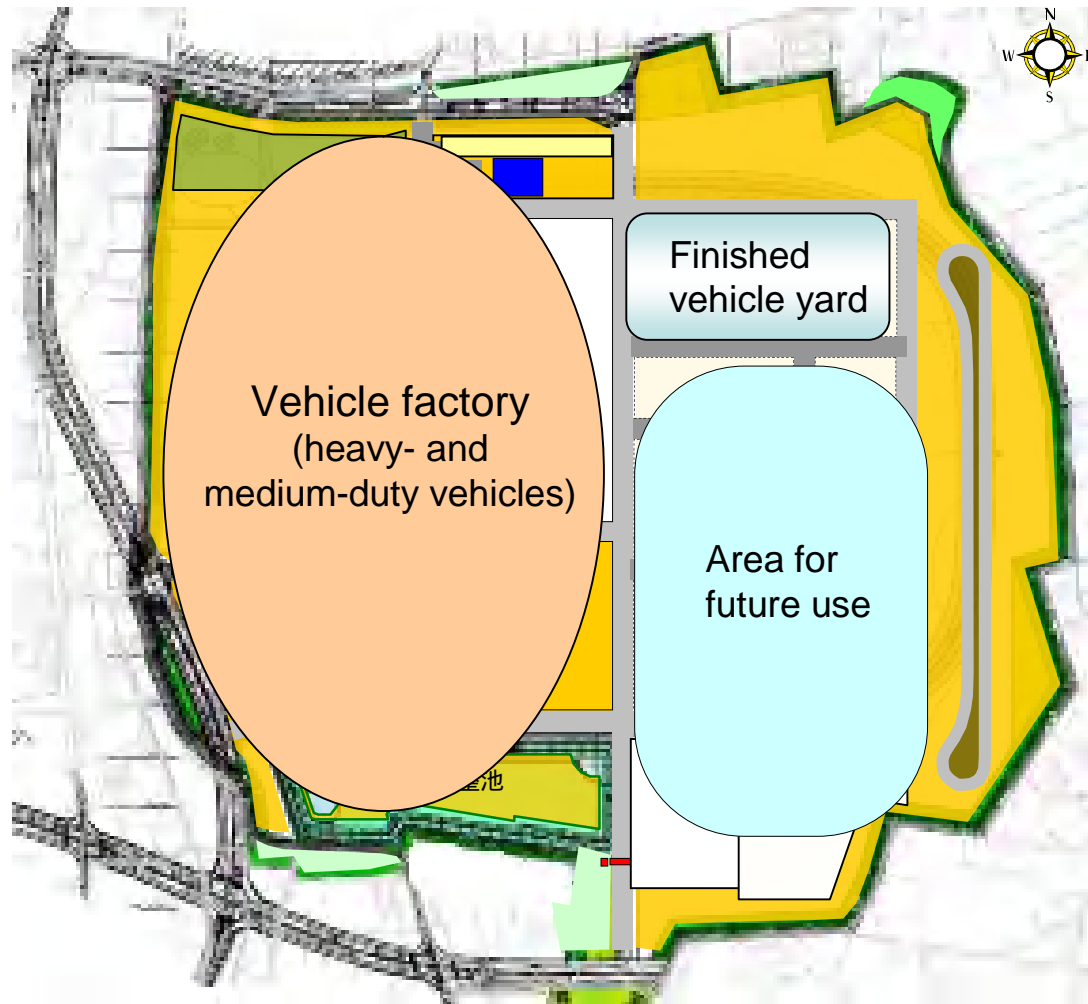
Overseas: Establish core regional production centers in Thailand and Indonesia.

	Visions	Roles
Koga Plant	<ul style="list-style-type: none"> ➤ Manufacturing plant for heavy- and medium-duty vehicles. ➤ KD export base. 	<ul style="list-style-type: none"> ➤ Modularized assembly of heavy- and medium-duty vehicles. ➤ Axle and drive shaft assembly. ➤ Center for KD packing .
Nitta Plant	<ul style="list-style-type: none"> ➤ Unit plant 	<ul style="list-style-type: none"> ➤ Vertical production of engines, transmissions, and differential gear carriers (casting, machining, and heat treatment). ➤ Base for supplying Hino-made rough mold material to overseas facilities.
Indonesia	<ul style="list-style-type: none"> ➤ Production center for light-duty trucks (market-best fit models) for emerging markets. 	<ul style="list-style-type: none"> ➤ Center for machining and assembling small engines for the ASEAN region. ➤ Production center of light-duty trucks (market-best fit models for emerging markets). ➤ Assembly of medium-duty vehicles for Indonesia.
Thailand	<ul style="list-style-type: none"> ➤ Core production center of medium-duty trucks for the ASEAN market 	<ul style="list-style-type: none"> ➤ Center for machining and assembling mid-sized engines. ➤ Center for assembling differential gear carriers. ➤ Production center of light- and medium-duty trucks

3. Hino's Strategies: Production



4) Establish Global Production Structures: Build New Plant on Koga Site



Site area: 660,000 m²

3. Hino's Strategies: Production



5) Establish Global Production Structures: Build New Plant on Koga Site

<Progress of construction of KD factory at the Koga Plant>



3. Hino's Strategies: Production



6) Complementary Relationship between Plants in Different Countries (Bridge production)

<Engine bridge production>

[Currently]
Engine component machining is performed exclusively in Japan.



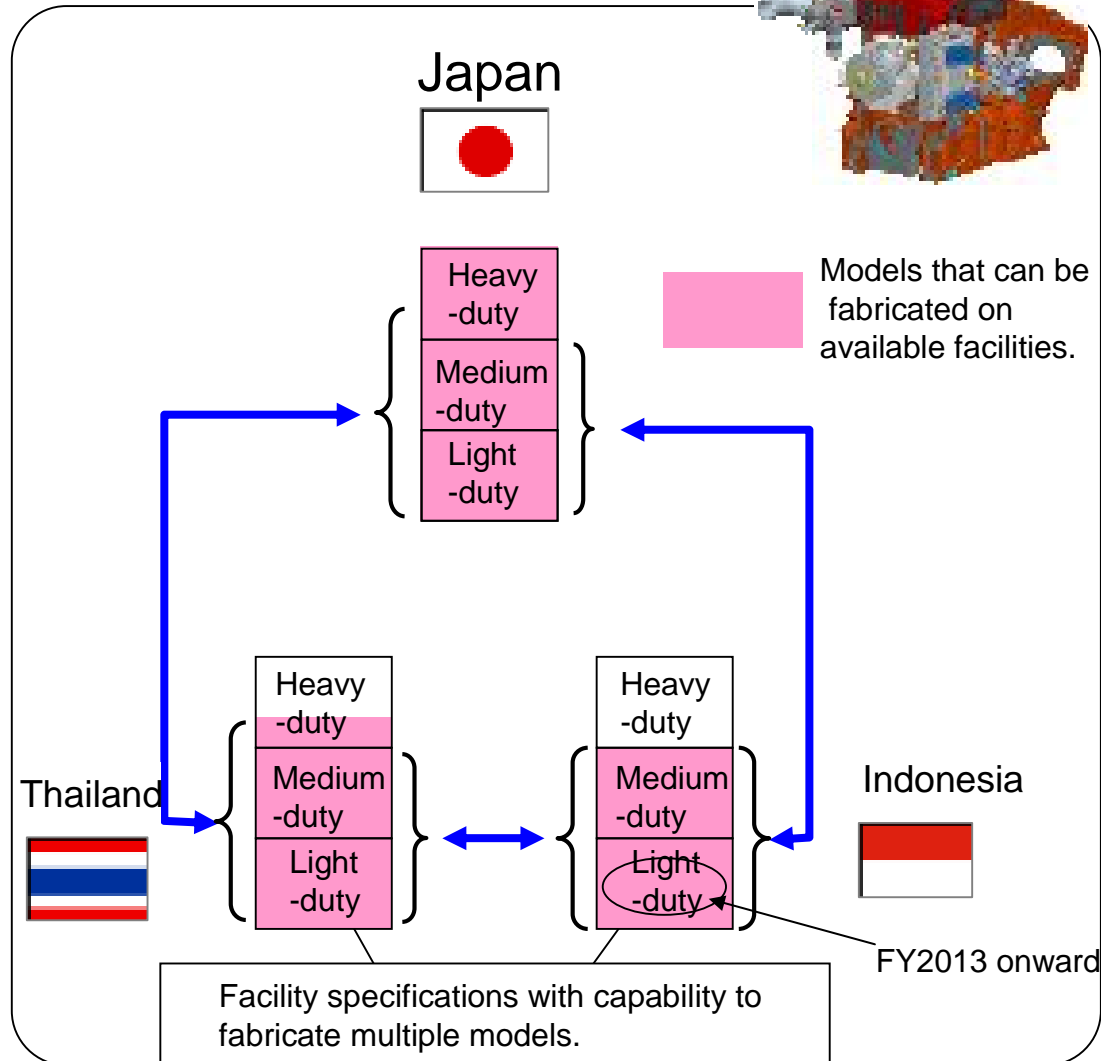
[Vision]

Three centers Japan, Thailand, and Indonesia to complement each other in production.



Adapt to production volume fluctuations.

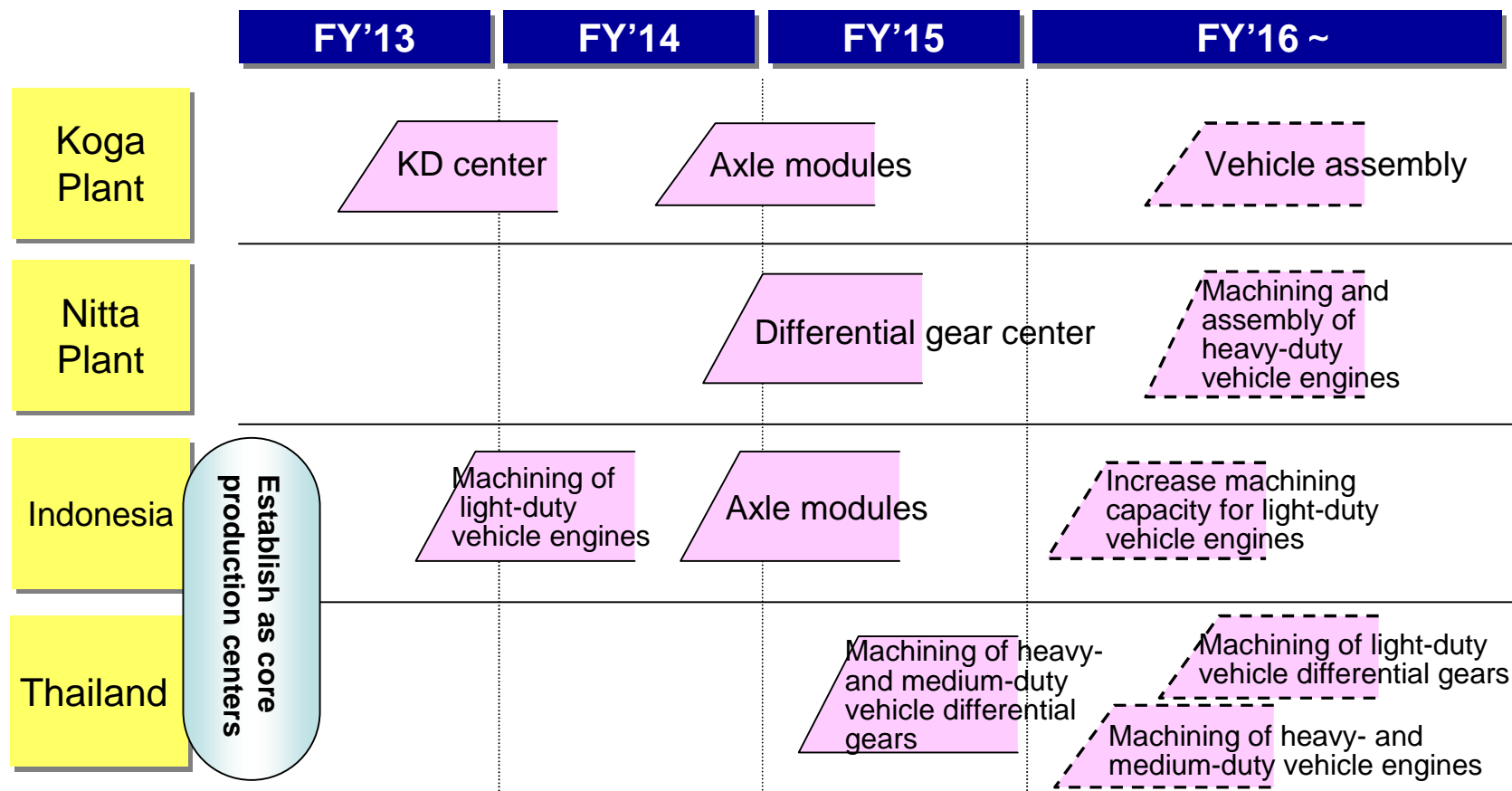
Adapt to risks posed by disasters.
Reduce influence of exchange rate fluctuation by producing products for local markets locally.



3. Hino's Strategies: Production



7) Schedule for Establishing Global Production Structures



Visions for capital investments

- Downsize facility units (organize into cells) to enable investments in small tranches.
- Improve flexibility of production by promoting multi-purpose lines. (to adapt to production volume fluctuations).
- Deploy new technologies that are unique to long takt time to reduce investments.

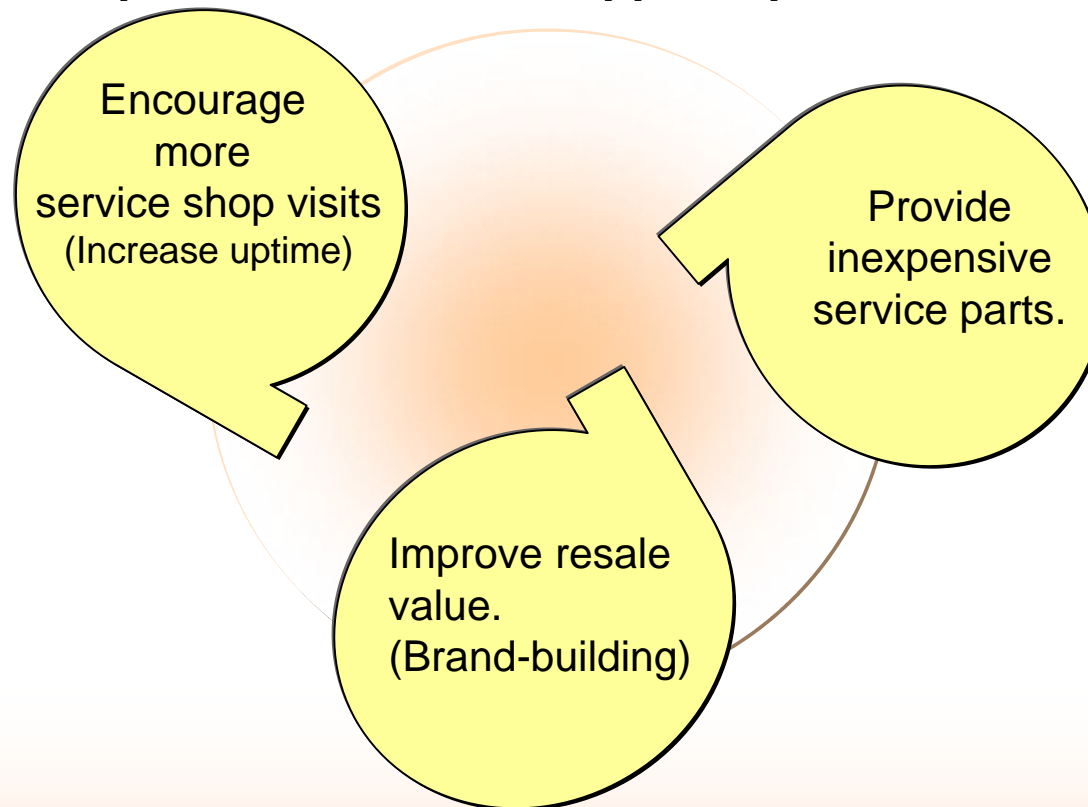
4. Hino's Strategies: Sales

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1) Enhance Sales and Service Structures

Improve our non-price competitiveness through "Hino's unique sales and total support operations"



< Establish support structures >

- Reinforce our service centers (in Japan and overseas)
- Enhance our consumable service parts supply structures (including for parts made by group companies), etc.

5. Hino's Strategies: Develop Environmental Technologies

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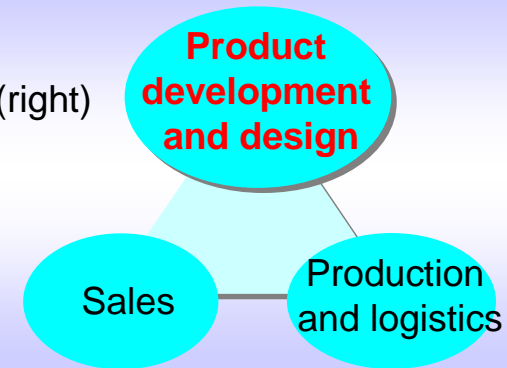
1) Fifth Environmental Initiatives Plan (FY2012-2016)

Vision

Achieve harmony with the environment in all aspects of our operations. (right)

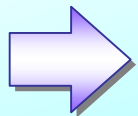


Become one of the most environmentally-consciously managed corporations among all commercial vehicle manufacturers.



<Initiatives in Product Development and Design>

- Take steady steps to improve fuel efficiency and meet emissions regulations in all markets.
- Engage in forward-looking R&D in light of ongoing heightening of environmental awareness and needs.



R&D for electrical energy vehicles: PHV, EV, fuel cells
R&D for alternative fuel vehicles: GTL, bio fuels

5. Hino's Strategies: Develop Environmental Technologies



2) Most Recent Examples

Hino Dutro Plug-in Hybrid

World premiere at the 2011 Tokyo Motor Show



Hino Poncho Electric Bus

Began operation in March 2012 in Sumida-ku and Hamura city.



Inductive Power Supply Hybrid Bus

Test runs carried out between Tokyo Big Site and Toyosu Station from December 2 through December 18, 2011 during the Motor Show.



Hamura city "Hamuran"



(Photo courtesy of Hamura city)

Sumida-ku "Sumirinchan"

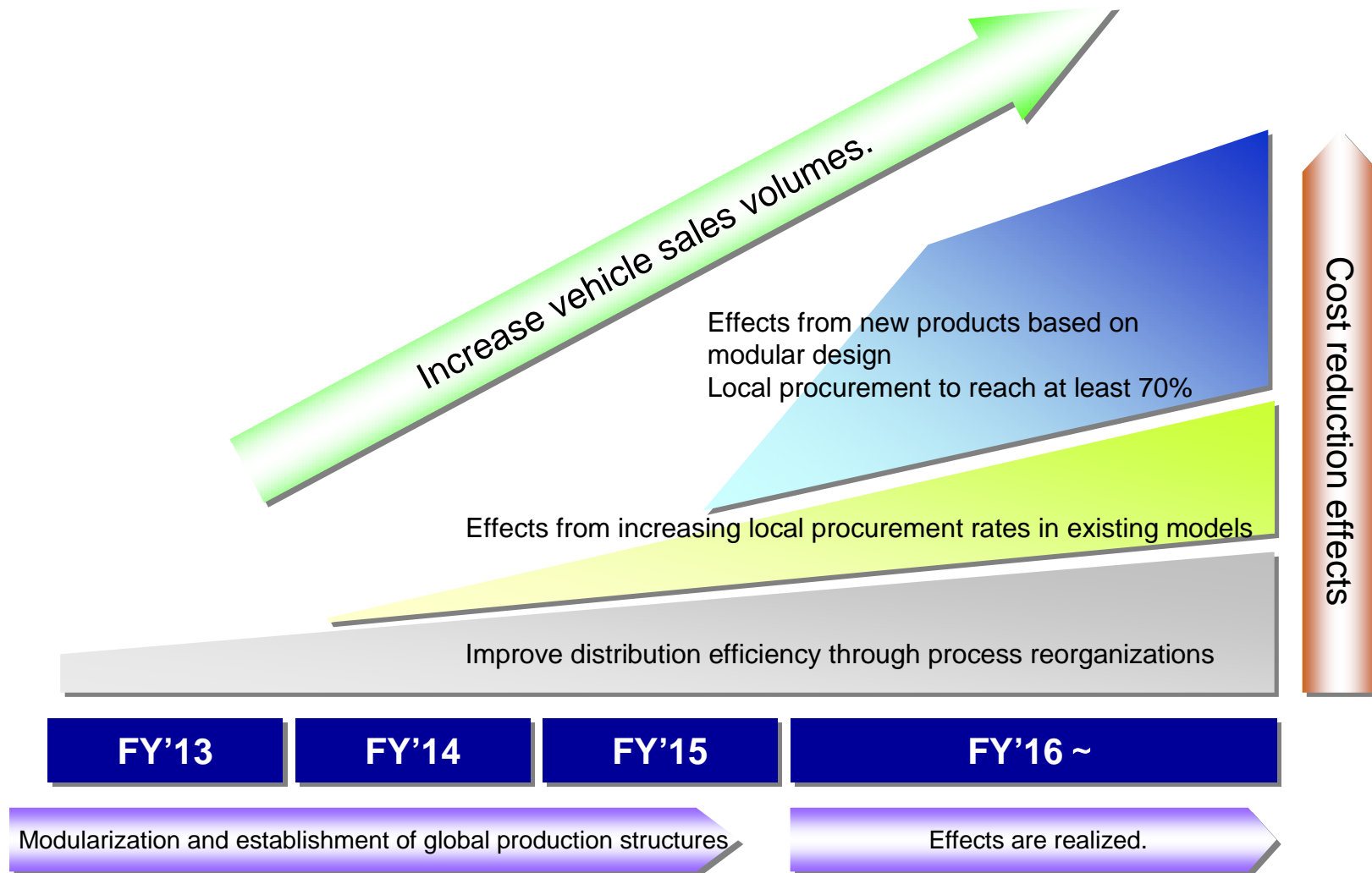


6. Corporate Targets



1) Relationship between Hino's Strategies and Profits

Realize effects from FY2016 onward by steadily implementing our mid-term plans.



6. Corporate Targets



2) Mid-term Corporate Target Values

< Net sales and Operating income (Consolidated) >

