



## Chapter

# 3

## Improving corporate value

- 23 **Minimization of environmental impact and contribution to the achievement of a carbon-neutral society**
- 26 **Achievement of a society in which people and goods can move optimally through our products and services, and the use of digital data**
- 29 **Achievement of a safe and accident-free society**
- 32 **Respect for human rights in business activities**
- 33 **Corporate governance that supports “working in the right way”**
- 40 **Respect for employees and active participation of a diverse range of human resources**
- 45 **Honest dialogue with stakeholders to restore trust**
- 46 **Maintenance of a strong and sustainable supply chain**
- 47 **FEATURE: Support for recovery from the 2024 Noto Peninsula Earthquake**

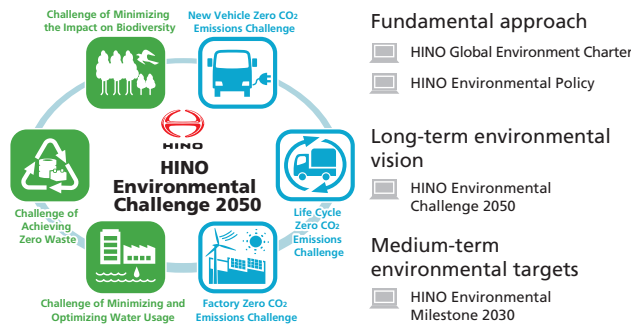
## Improving corporate value

# Minimization of environmental impact and contribution to the achievement of a carbon-neutral society

We are working to address the six themes of "HINO Environmental Challenge 2050" out of a desire to reduce the environmental impact of the entire lifecycle of the trucks and buses that are Hino's main products, from their manufacture, use by our customers, to disposal. We are cooperating with governments and related industries in each country to take all measures possible, taking a society- and customer-centric approach.

### Initiatives for reducing environmental impact

The Hino Group has set out its fundamental approach to global environmental conservation in the HINO Global Environment Charter and the HINO Environmental Policy. We are also promoting initiatives in line with our long-term vision and medium-term targets.



### Initiatives toward achieving carbon neutrality

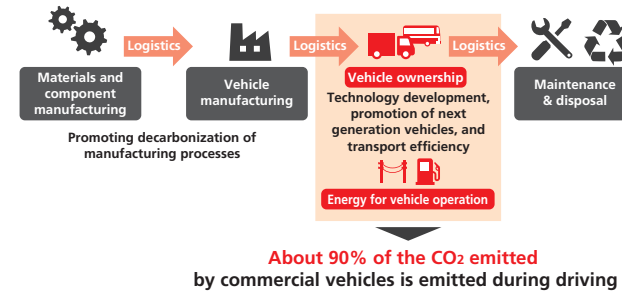
#### Promoting carbon neutrality for commercial vehicles with multiple pathways

Most of the CO<sub>2</sub> emissions from commercial vehicles over their "manufacturing, transport, use, and disposal" lifecycle is emitted while they are driving, which accounts for approximately 90% of the total.

The Hino Group is striving to reduce CO<sub>2</sub> emissions when vehicles are driven and pursues a "multiple pathway" policy that provides diverse solutions in step with the needs of our customers. The energy situation is different in every country and region; for example, more

CO<sub>2</sub> is emitted in regions that use coal to generate electricity than in those that use other fossil fuels. Further, there are regions where it is not possible to invest sufficiently in the construction of

#### Focus areas for carbon neutrality in commercial vehicles

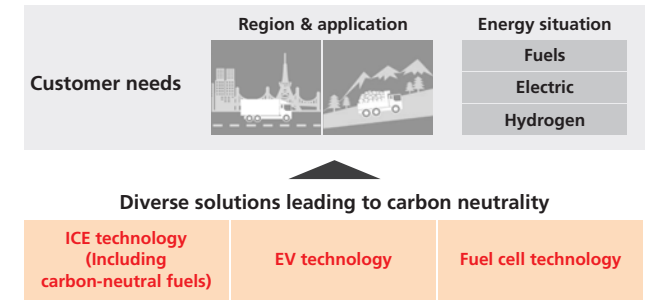


infrastructure and filling facilities required for hydrogen fuel. Electric vehicles (BEVs\*1 and FCEVs\*2) do not represent a complete solution, and thus internal combustion engine vehicles remain an important option. Accordingly, the Hino Group is also focusing on improving engine fuel efficiency and developing internal combustion and hydrogen engines that can use carbon-neutral fuels. Meanwhile, in the electric vehicle domain we will work to provide vehicles that comply with laws and regulations around the world and meet the needs of our customers, such as BEVs (mainly powered by batteries), FCEVs that use hydrogen as an energy source, and generator-equipped PHEVs.

Commercial vehicles are essential to the continuation of our customers' businesses, and thus we are working to achieve net-zero CO<sub>2</sub> emissions while emphasizing the importance of not increasing total cost and stopping vehicles that are in motion.

\*1 BEV: Battery Electric Vehicle \*2 FCEV: Fuel Cell Electric Vehicle

#### Policy toward carbon neutrality during driving

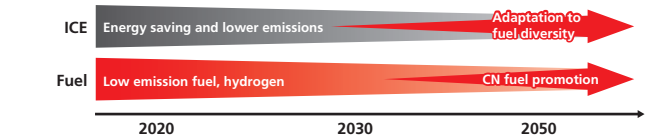


#### Internal combustion engine vehicles: Promoting fuel efficiency and fuel diversification

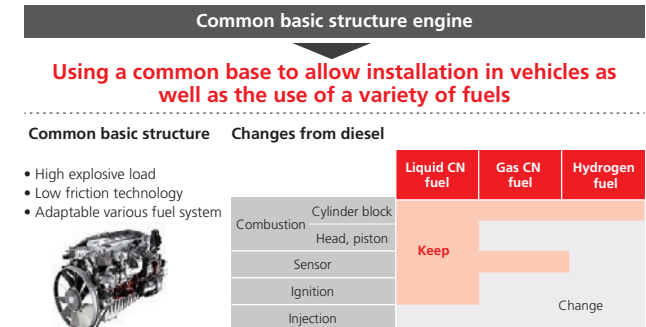
For internal combustion engine vehicles, we are working to support a variety of fuels, including low emission fuel, hydrogen, and carbon-neutral fuels, in addition to pursuing improvements to fuel efficiency through technological innovation.

Rather than significantly altering the engine structure to match the fuels, we will promote an ICE Platform Concept that is intended to support a diverse array of fuels by switching out parts from a fossil fuel engine base as necessary.

#### Image of internal combustion engine evolution and fuel diversification



#### ICE Platform Concept



## Improving corporate value

### Electric vehicles: Toward creating electric vehicles suitable for a range of models

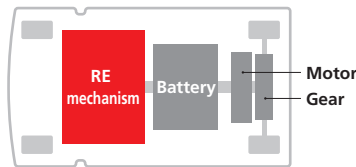
We are seeking to bring the Range Extender BEV Platform Concept for electric vehicles to reality. "Range extender" refers to a mechanism for converting various energy sources into electricity and recharging the battery. Standardizing power sources to the use of a motor allows us to utilize a variety of energy sources.

Additionally, supplementing insufficient battery power with a generator allows for long-distance driving, and changing the generator to a diesel engine, hydrogen engine, hydrogen stack, or gasoline engine allows us to make multiple pathways a reality. Moreover, since they function as both generator and battery, these combinations may be useful in ensuring business continuity in the event of a disaster.

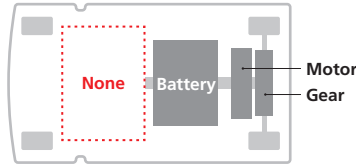
#### Range Extender BEV Platform Concept

##### Range Extender (RE) mechanism

Converting various energy sources into electricity and recharging the battery

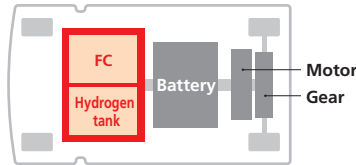


##### BEV\*1



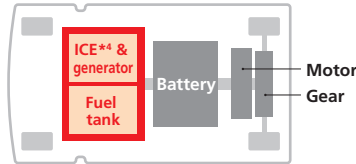
##### FCEV\*2

- Hydrogen



##### PHEV\*3

- Fossil fuel
- Hydrogen
- Carbon-neutral fuel



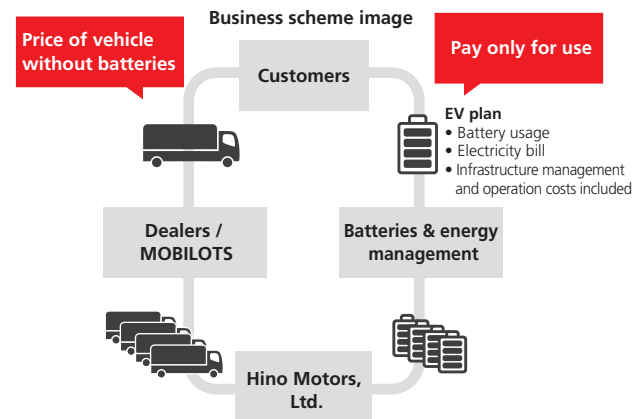
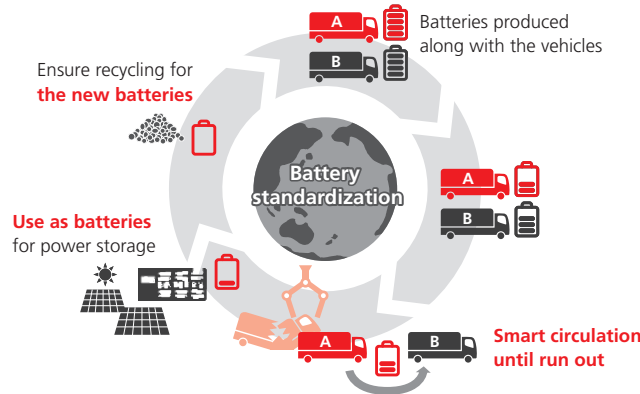
\*1 BEV: Battery electric vehicle    \*2 FCEV: Fuel cell electric vehicle  
 \*3 PHEV: Plug-in hybrid electric vehicle    \*4 ICE: Internal combustion engine

### Further challenges to the spread of electric vehicles

Hino is also taking on the challenge of separating ownership of the vehicle and battery, with a view to popularizing electric vehicles. For example, we are evaluating systems that allow people to purchase vehicles at a price that excludes batteries, and then pay for the battery in terms of the amount of energy consumed. Standardization of batteries plays an important role in these efforts. We believe that sharing standardized batteries will allow users to circulate them between vehicles until they are completely used up, reducing the environmental effect associated with mass production of batteries.

We will work with like-minded partners from across a variety of different industries to promote the creation of new systems.

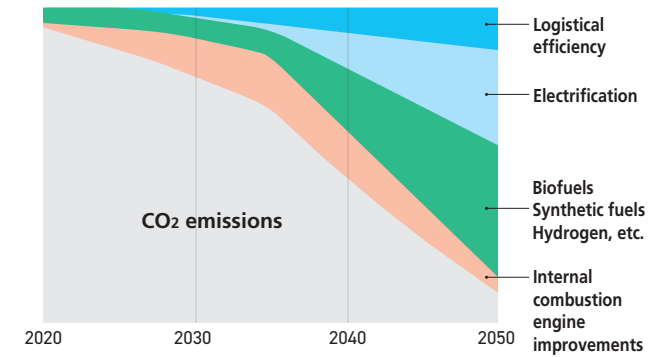
#### Proposals for future business schemes (When separation of ownership of vehicles and batteries has been achieved)



### Using multiple pathways to reduce CO2 from new vehicles

We are promoting initiatives that use multiple pathway efforts to offer the choice of a variety of energy sources to reduce CO2 emissions from new vehicles to achieve carbon neutrality.

#### Image of initiatives for CO2 carbon neutrality in new vehicles



Proportions in reduction measures are expected to change depending on the circumstances and social trends in each country and region.

## Improving corporate value

### Initiatives to address environmental challenges (results with regard to 2025 targets) P. 51 Non-financial highlights

The Hino Group has enacted the 2025 Environmental Initiative Plan, a five-year action plan to address the six challenges in Hino Environmental Challenge 2050. Our main initiatives for FY2023 and FY2024 are as follows.



#### New Vehicle Zero CO<sub>2</sub> Emissions Challenge

**Target** Reduce by 15% (per unit transportation volume<sup>\*1</sup>) compared to FY2013

<sup>\*1</sup> CO<sub>2</sub> emissions during transport per kilometer for a one-ton load or per kilometer for one person

**Content of plans** Develop and deploy electric vehicles / Improve diesel consumption / Implement initiatives for improved transportation efficiency

#### Major initiatives

- Promoted the spread of the Hino Dutro Z EV, an electric light-duty BEV truck
- Improved some areas of the HINO PROFIA Hybrid, a heavy-duty truck, followed by its launch
- Helped to conduct driving demonstration for Japan's first fuel cell heavy-duty trucks



#### Life Cycle Zero CO<sub>2</sub> Emissions Challenge

**Target** Reduce by 12% (per unit transportation volume) compared to FY2013

**Content of plans** Reduce CO<sub>2</sub> emissions in all processes: manufacturing, transport, use, and disposal (collaborate with each country and industry)

#### Major initiatives

- Conducted an examination regarding calculation methods of lifecycle CO<sub>2</sub> with each of the companies of the Japan Automobile Manufacturers Association, Inc.
- Visualized the volume of CO<sub>2</sub> emissions of our business partners, and provided support by cross-group deploying reduction case studies of CO<sub>2</sub> emissions (five companies)



#### Factory Zero CO<sub>2</sub> Emissions Challenge

**Target** Reduce by 30% (total global emissions) compared to FY2013

**Content of plans** Introduce innovative technologies / Promote daily improvements / Introduce renewable energy

#### Major initiatives

- Factory CO<sub>2</sub> emissions: Reduced 60% compared to FY2013
- Introduction of renewable energy: Implemented on-site renewable energy generation and external procurement of renewable energy (e.g. hydroelectric power generation, PPA<sup>\*2</sup> model businesses, non-fossil certificates,<sup>\*3</sup> etc.) at nine consolidated companies worldwide

<sup>\*2</sup> PPA: Power Purchase Agreement

<sup>\*3</sup> Non-fossil certificates: Certificates representing the environmental value of electricity generated from non-fossil fuels such as renewable energy sources that do not emit CO<sub>2</sub>

#### Other: Participation in external initiatives

- Participation in the GX League operated by the Ministry of Economy, Trade and Industry, which is intended to transform social and economic systems and orient them toward carbon neutrality (2024)



#### Challenge of Minimizing and Optimizing Water Usage

**Target** Implement initiatives for efficiently reducing water usage (all plants worldwide)

**Content of plans** Use small amounts of water / Return purified water to nature

The Hino Group conducts water risk assessments of water quantity and quality every year. The Group focuses on activities to reduce water intake at locations that have a high impact on our businesses, while taking the local water environment into consideration. We manage water quality to our own standards, which are even stricter than the legal emissions standards.

#### Major initiatives

- Hino reduction in water intake: Approximately 345,700 tons



#### Challenge of Achieving Zero Waste


**Target** Reduce by 12% (total global emissions) compared to FY2018

**Content of plans** Reduce to reach zero waste / Use resources from discarded vehicles in newly manufactured vehicles (car to car) / Reduce packaging materials

We are endeavoring to reduce waste by reducing volume used which is achieved through improvement activities and by applying the three Rs.<sup>\*4</sup> 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.

#### Major initiatives

- Waste emissions: Reduced 40% compared to FY2018
- Percentage of waste plastic in waste volume: 6%
- ASR<sup>\*5</sup> recycling rate: 96% (Legally mandated standard: 70%)

 Achievements for recycling under the Automobile Recycling Act (Japanese)

<sup>\*4</sup> Three Rs: Reduce, Reuse, Recycle

<sup>\*5</sup> ASR: Automobile Shredder Residue



#### Challenge of Minimizing the Impact on Biodiversity

**Target** Establish two model plants that coexist in harmony with nature

**Content of plans** Create plants that conserve greenery and water, and coexist in harmony with nature

As part of our initiatives to create plants that coexist in harmony with nature, we are moving forward with initiatives centered on conserving biodiversity and providing learning opportunities appropriate to the characteristics of each region. We are cooperating with local experts and university specialists in surveying and protecting ecosystems.

#### Major initiatives

The HINO Ranger Kids Night Insect-watching Meet was held on July 19, 2024, at Hino's Koga Plant, with 160 local kindergarten and elementary-school children and their caregivers taking part. We installed special lights that attracted beetles and other insects, and while observing them, we learned about the ecology of insects.



The HINO Ranger Kids Night Insect-watching Meet held on July 19, 2024

## Improving corporate value

### Achievement of a society in which people and goods can move optimally through our products and services, and the use of digital data

**We use digital technology to further enhance the Overall Quality (Product Quality and Total Support Quality) that is the strength of the Hino Group, maximizing the business operations of our customers and supporting the transportation of people and goods as social infrastructure.**

#### Improving Product Quality

##### Enhancing product QDR\*

Our biggest contribution to our customers is that our trucks and buses—the tools of their businesses—are safe, and do not break down, and thus, do not halt their operations. To date, our customers have supported Hino's products for their QDR\* which is our forte. Going forward, we will further enhance these strengths, reducing the number of models and parts in order to develop vehicles that do not break down and which are very easy to maintain, thereby improving developmental efficiency and enhancing the quality of planning and design.

Additionally, to maximize the operating time of customers' vehicles and minimize total cost, we are developing products that are able to use ICT to monitor products and accurately predict a range of malfunctions. We are using the information obtained from vehicles to further improve quality, and store and analyze a variety of data obtained during production that we will use to improve manufacturing quality in future.

Through the manufacture and development of these products, we will continue to provide safe, reliable, high-quality products that exceed the expectations of our customers.

\* QDR: Quality, Durability, and Reliability

##### Strengthening quality assurance systems

The Chief Quality Officer (CQO) 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. In FY2023, we revised our quality assurance regulations, clearly associating the regulations and standards for various quality management operations such as certification with committees. In doing so, we clarified who should be complying with which rules in the course of their activities.

Additionally, we have enacted regulations regarding quality-related audits during development, while the Quality Assurance Division leverages experience gained from past quality issues to make proposals for improvement and checks operational processes from the product planning and design stages, unifying the whole Company in the pursuit of vehicle production.

In FY2023, we acquired ISO 9001 certification, an international standard for quality management systems (QMS), for our design and development processes for bus and truck engines used both in Japan and overseas, and for processes used for application to this office for engine certification.

We have transferred some of our head office functions to locations in the ASEAN and North America regions, our main markets, and are pursuing swift, localized quality-related activities such as planning and management of quality control, evaluation of new products, and gathering and analysis of quality information, while providing support for these endeavors from Japan. Going forward, we will work to support training of sampling inspection personnel (auditors) and the expansion of our quality management system audits. We will also construct more robust quality management systems.

#### Improving Total Support Quality

##### Developing service personnel

In order to leverage the Overall Quality that is a strength of Hino to offer customer businesses thorough support, we believe that it is essential that we provide attractive products and high quality maintenance and repairs. We are focusing on developing human resources who are able to work in close contact with customers, and who can leverage our sales and after-sales service networks in Japan and internationally to gain an understanding of our customers' opinions and provide feedback within the Company.

#### Qualification/certification systems

Hino has established qualification systems for personnel working as mechanics, front advisors, and parts staff, and are working to improve the technical skills of our service staff. Our goal is to develop service staff who are in step with the needs of the times by encouraging them to strive to obtain a high level of qualification in the skills, knowledge, and customer service required in their various occupations. Since launching this system in FY1990, as of FY2023 approximately 5,400 mechanics, 6,600 front advisors, and 3,900 parts staff had acquired qualifications.

Since FY2020, we have operated a certification system for truck sales staff. Through these certifications, we are striving to improve the level of knowledge our staff possesses regarding Total Support, to develop staff who are the choice of our customers, to establish a reputation of trustworthiness and reliability for the Hino brand, and to increase customer satisfaction. A cumulative total of approximately 1,640 people had passed this certification by FY2023.

#### Training of staff members at dealers

At dealers in Japan and overseas, where there are many opportunities to interact directly with customers, we are in 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.

#### The service skills competition

Hino's dealers across Japan regularly hold a service skills competition. After-sales service engineers compete in maintenance skills and store front advisors compete in skills related to customer service, respectively, in order to improve their skills by encouraging them to learn independently, and to incentivize staff members to provide high quality service to customers. Eighty people participated in FY2023. We are also holding similar competitions in other countries. Competitions were held in 29 countries in FY2023, with approximately 1,300 people participating.

#### Training core human resources who will lead the future of dealerships

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

## Improving corporate value

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, customer service, and the management of maintenance facilities.

After completing the course, the participants take on roles in divisions in charge of after-sales services at each dealer. We launched the course in FY2003, and as of FY2023, a total of 281 people had graduated.



Training

### Emergency service response

The Hino Emergency Call Center provides round-the-clock support for the operations of our customers 365 days a year. We cooperate with Hino dealers, road services, and affiliated businesses, accepting emergency phone calls from drivers in the event of a breakdown while on the road, and received 147,855 calls in FY2023. We endeavor to provide rapid responses from locations in Tokyo and Fukuoka and have achieved a 99% response rate to calls.

### Supply of vehicle parts

To ensure that customers can obtain the parts they need when they need them, we ship vehicle parts from the Hino Global Parts Center in Ome City, Tokyo to approximately 80 locations around the world. We offer reliable, rapid delivery of vehicle parts for Hino vehicles in use worldwide.

### Enhancing service bases

Since 2022, We have been moving forward with relocating and rebuilding 11 dealer service workshops in Japan. While improving our facilities to make them more immediately convenient for our customers, we are also taking the environments in which our employees work into consideration. We hope that this will help to retain employees, and in turn, lead to improvements in the quality of the services we offer our customers.

### Relocated or rebuilt service bases in Japan (from 2022 onwards)



### Improving convenience from a customer standpoint

- Improvements in the quality and capacity of our maintenance help us to avoid making customers wait and obviate the need to halt operations.
- We have renovated our waiting rooms to offer comfortable spaces for customers to wait. In some locations we have also installed shower rooms and offer separate waiting rooms for men and women.

### Improved working environments from an employee standpoint

- Installation of the latest equipment such as lifts to improve safety, productivity, and efficiency.
- Installation of spot air conditioning to provide a comfortable, healthy working environment.
- Moved all departments to the same floor to create an environment in which it is easy to communicate.



Floor lifts equipped with fall-prevention mechanisms

## Using digital technology to address social issues

### "HINO-CONNECT"—supporting customer operations

We offer the "HINO-CONNECT" communication system that connects drivers and fleet managers to provide a range of information. This allows us to support our customers' businesses from a wide range of perspectives, including safe operations, safe and fuel-efficient driving, emergency response, vehicle management, and driver training. Going forward, we will work to enhance the content HINO-CONNECT offers to allow us to respond to the needs of individual customers.

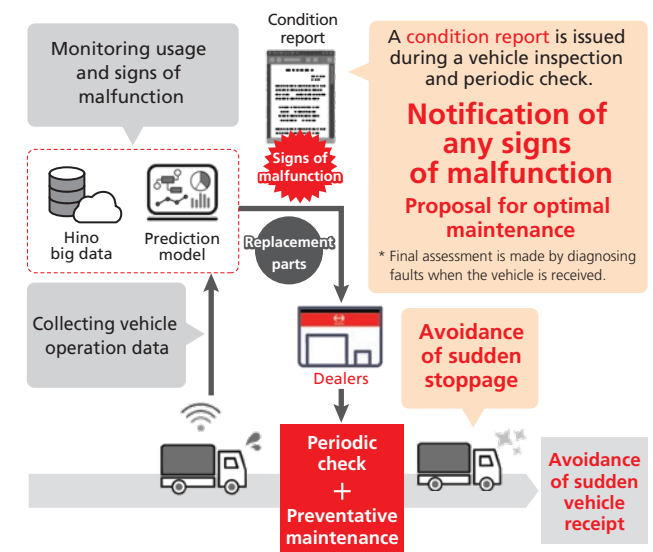
HINO-CONNECT (Japanese)

### Preventative maintenance using big data

In FY2022, we began offering HINO CONNECT-Maintenance Support, which combines maintenance contracts with MOBILOTS 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.

In FY2023, we improved the precision of our preventative maintenance proposals and added vehicle models and equipment to those covered by our proposals.

### Preventative maintenance systems



## Improving corporate value

Going forward, in addition to proposals for preventative maintenance, we will expand these activities to offer proposals for customer vehicle use, optimal specifications, and the use of connected technologies.

### Creation of rules for use of digital technology

Hino is focusing on the creation of rules for use of digital data as we expand its use.

We are improving our opt-in initiatives regarding our handling of customer vehicle information and allow customers to choose whether to provide us with their data themselves. Information collected with the consent of customers is managed in an appropriate manner, and we are constructing environments that will allow customers to use our services with peace of mind.

### Providing solutions to solve social issues

The Hino Group offers solutions that leverage CASE technologies and are created with community residents and our customers and partners to realize a sustainable society and address issues related to the transportation of people and goods.

We utilize the knowledge gained through these efforts to develop further solutions and offer new proposals for mobility.

### Seeking labor savings in construction sites and moving ahead with demonstration experiments for autonomous operation

Together with Obayashi Corporation (below, "Obayashi") we carried out demonstration experiments aimed at digitally transforming (DX) construction\*2 with automatic and autonomous construction equipment and automated dump trucks (equivalent to level 4\*1) at Shin-Maruyama Dam in Gifu Prefecture. We have been working with Obayashi, combining our respective expertise to bring automatic and autonomous construction equipment and automated dump trucks to practical use. These tests marked the second time since November 2020 that both companies have conducted a demonstration experiment at a construction site. In these tests we used a construction fleet management system\*3 developed by Obayashi to control automatic and autonomous construction equipment, automated dump trucks, human-operated construction equipment, and human-driven dump trucks, experimenting with automating the entire process from earthworks and vehicle loading to transportation, leveling, and compacting, from the planning phases right through to quality control.

The automated dump trucks used in the demonstration experiment were HINO PROFIA heavy-duty trucks equipped with autonomous driving technology. They performed such operations as forward and reverse movement and automated raising and lowering of the dump bed. We are working to improve the self-positioning and driving safety functions of the vehicles significantly over those achieved in previous demonstration experiments, and are fitting new technologies including automatic route generation based on external instructions, detection of the relative position of other vehicles, and precision docking control.

- \*1 Level 4: Autonomous operation intended for use in unmanned operations within restricted areas
- \*2 DX construction: Systems for overall optimization of construction processes that leverage digital technologies such as AI, ICT, and the IoT in a complex manner
- \*3 Construction fleet management system: A system for controlling multiple items of construction equipment so that they work in coordination with each other



Unloading area



Loading area

### Providing solutions that support sustainable regional public transport

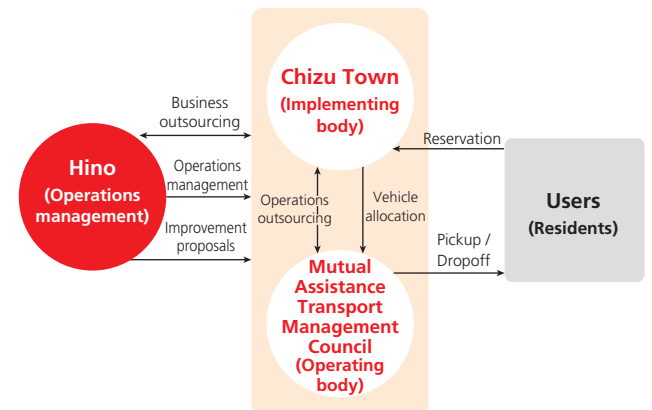
In July 2023, we became the first company in Japan to offer remote operation management services for private paid passenger transportation,\*4 inaugurating our services in Chizu Town, Tottori Prefecture.

As the population ages and declines, maintaining regional public transport is becoming a problem for society. As a solution, private paid passenger transportation operated by local governments and NPO groups is increasingly being introduced. However, these efforts face difficulties with business continuity due to insufficient know-how regarding the transport business and a lack of successors.

In this service, the operator entrusts Hino with operations management, with Hino carrying out operations management—said to be particularly labor intensive—on a remote basis. Hino records and stores operational results as mandated by law, such as check-ins before and after drivers work, driving records, and vehicle checks. Operations managers use devices such as smartphones and tablets to connect with drivers, allowing them to check-in remotely regardless of location,\*5 which means that in locations such as mountainous rural areas drivers can start work without having to travel to a location to check in.

- \*4 Private paid passenger transportation: A System under which private vehicles can be used to transport paying passengers in regions where buses and taxis cannot operate
- \*5 Implementation of remote check-ins requires the consent of regional councils

### Workflows and roles for service provision in Chizu Town



Note: Organizational charts differ for each management structure

# Improving corporate value

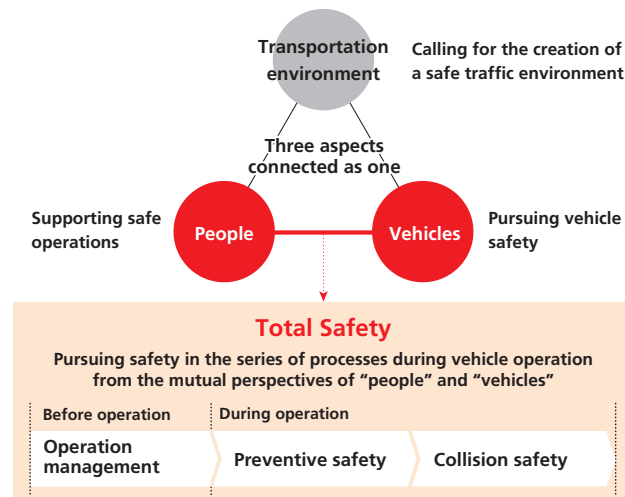
## Achievement of a safe and accident-free society

Towards achieving zero traffic accident casualties, we employ the Total Safety concept through which we pursue safety in every part of the vehicle operation process, taking the view that people, vehicles, and the transportation environment are three aspects connected as one, and we seek to instill safety in every facet of our customers' businesses.

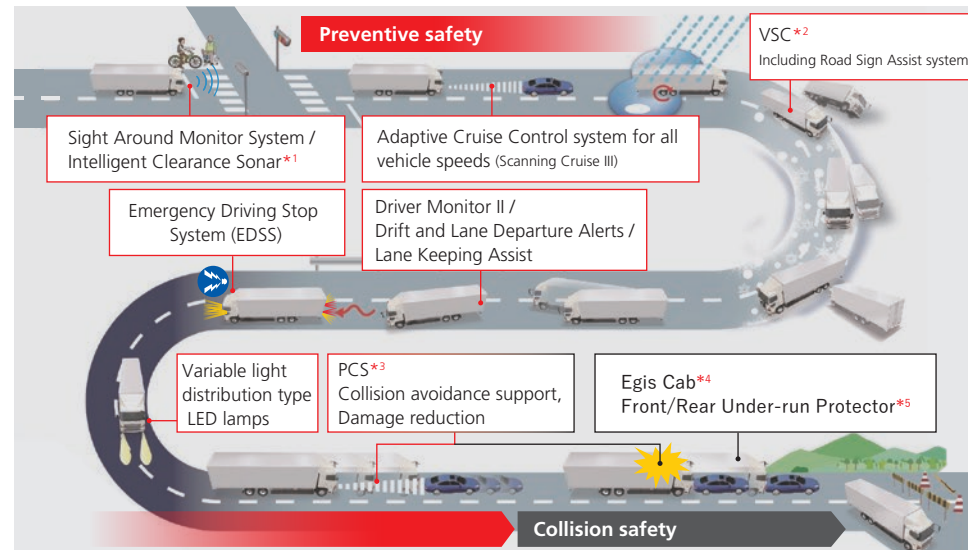
### Total Safety: Aiming for safe traffic environments

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. 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.

### Towards achieving zero traffic accident casualties



### Developing safety technologies for every situation with consideration of all road users



- \*1 Intelligent Clearance Sonar: Accidental acceleration control equipment
- \*2 VSC: Vehicle Stability Control system [registered trademark of Toyota Motor Corporation]
- \*3 PCS: Pre-Collision Safety systems (collision damage reduction brake) [registered trademark of Toyota Motor Corporation]
- \*4 Egis Cab: A generic term for a cabin equipped with mechanisms to enhance safety in the event of a collision
- \*5 Front/Rear Under-run Protector: Help to prevent passenger vehicles from passing beneath the body of a truck in the event of a collision

### Major initiatives to date

2000-	2010-	2020-
<ul style="list-style-type: none"> <li>• <b>2003</b> Commercialization of heavy-duty tractors installed with Road Sign Assist system</li> <li>• <b>2005</b> Commercialization of heavy-duty tractors installed with VSC*2</li> <li>• <b>2006</b> PCS*3 commercialization</li> <li>• <b>2009</b> Drive monitor commercialization</li> </ul>	<ul style="list-style-type: none"> <li>• <b>2010</b> PCS standard equipment on heavy-duty trucks / tourist buses</li> <li>• <b>2011</b> Commercialization of light-duty trucks installed with VSC</li> <li>• <b>2017</b> Commercialization of heavy-duty trucks installed with Adaptive Cruise Control system for all vehicle speeds (Scanning Cruise III)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>2018</b> Commercialization of heavy-duty tourist buses installed with EDSS</li> <li>• <b>2019</b> <ul style="list-style-type: none"> <li>• Commercialization of heavy-duty tourist buses installed with auto-detection EDSS</li> <li>• Sight Around Monitor System standard equipment on heavy-duty trucks</li> <li>• ICS*1 standard equipment on light-duty trucks</li> </ul> </li> <li>• <b>2020</b> Commercialization of light-duty trucks installed with PCS that detects daytime and night-time pedestrians</li> <li>• <b>2021</b> <ul style="list-style-type: none"> <li>• Improved performance of PCS</li> <li>• Commercialization of medium-duty trucks installed with EDSS</li> </ul> </li> <li>• <b>2023</b> <ul style="list-style-type: none"> <li>• Lane Keeping Assist standard equipment on heavy-duty trucks</li> <li>• EDSS for stopping within vehicle lane standard equipment on heavy-duty trucks</li> </ul> </li> </ul>

## Improving corporate value

### Safety technology

#### Sight Around Monitor System (SAMS)

##### Front Cross Traffic Alert (FCTA)

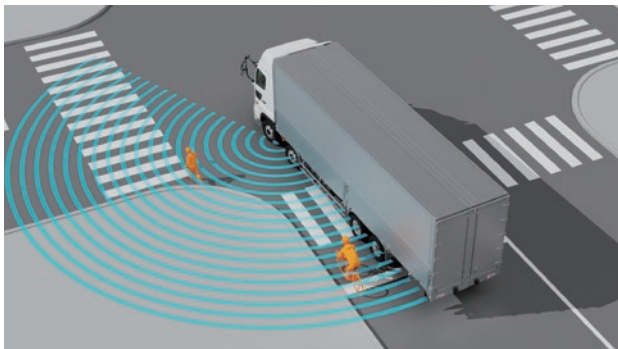
Wide-angle millimeter wave radar at the front left and right of the vehicle automatically detects vehicles and pedestrians in forward blind spots, alerting drivers when there is a risk of collision. This reduces collision accidents in forward blind spots when turning left or right, as well as head-on collisions at intersections where there is poor visibility.



Operational image of FCTA

##### Blind Spot Information System (BSIS)

When the millimeter wave radar on the left side detects bicycles or pedestrians the indicator lamp on the pillar section lights yellow to alert the driver. Additionally, when a left turn is made and the



Operational image of BSIS

likelihood of a collision increases, an alarm sounds and the indicator lamp on the pillar flashes red to alert the driver and help prevent accidents.

##### Blind Spot Detection (BSD)

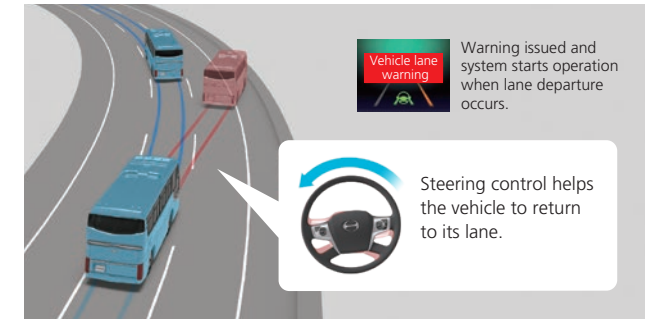
When the millimeter wave radar on the left or right side detects moving objects such as vehicles or motorcycles that are difficult to check in the vehicle mirrors, the display lamp in the pillar section lights yellow to alert the driver. Additionally, when the driver attempts to change lanes and the likelihood of a collision increases, an alarm sounds and the indicator lamp on the pillar flashes red to alert the driver and help make lane changes safe.



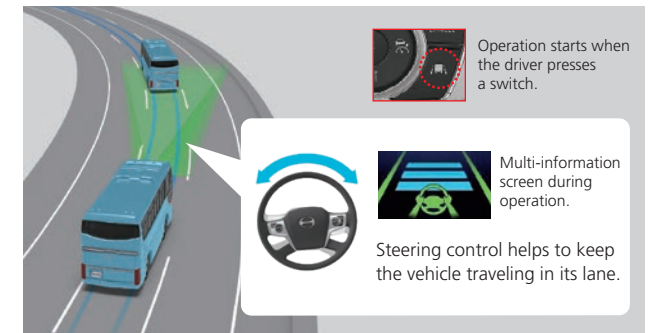
Operational image of BSD

#### Lane Keeping Assist function (LKA)

LKA helps to reduce accidents due to drifting or lane departure. It features a support function (lane departure prevention, or LDP) that uses steering control to return the vehicle to the lane when traveling at speeds of 60 km/h or more on expressways or other vehicle-only roads, as well as a lane tracing assist (LTA) function to keep the vehicle within the lane.



Operational image of the LDP function



Operational image of the LTA function

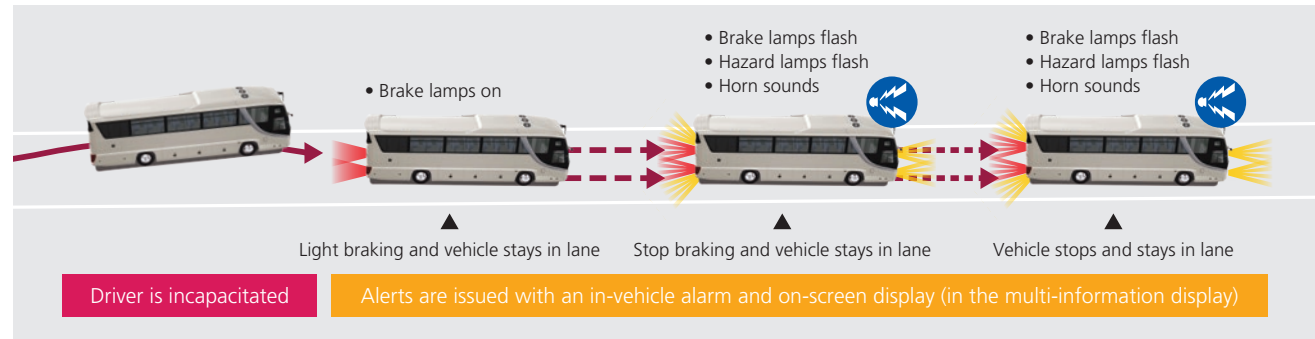
## Improving corporate value

### Emergency Driving Stop System (EDSS)

EDSS is a support function that provides assistance when illness or other factors make it difficult for the driver to continue operating the vehicle.

The vehicle begins braking when the driver, a crew member, or a passenger presses the switch. This helps to decelerate or stop the

vehicle, assisting in the prevention of rear-end collisions. Even if the switch is not pressed, the drive monitor function will detect abnormalities and alert the driver with an alarm and on-screen display. If there is no response the brakes will activate, stopping the vehicle.

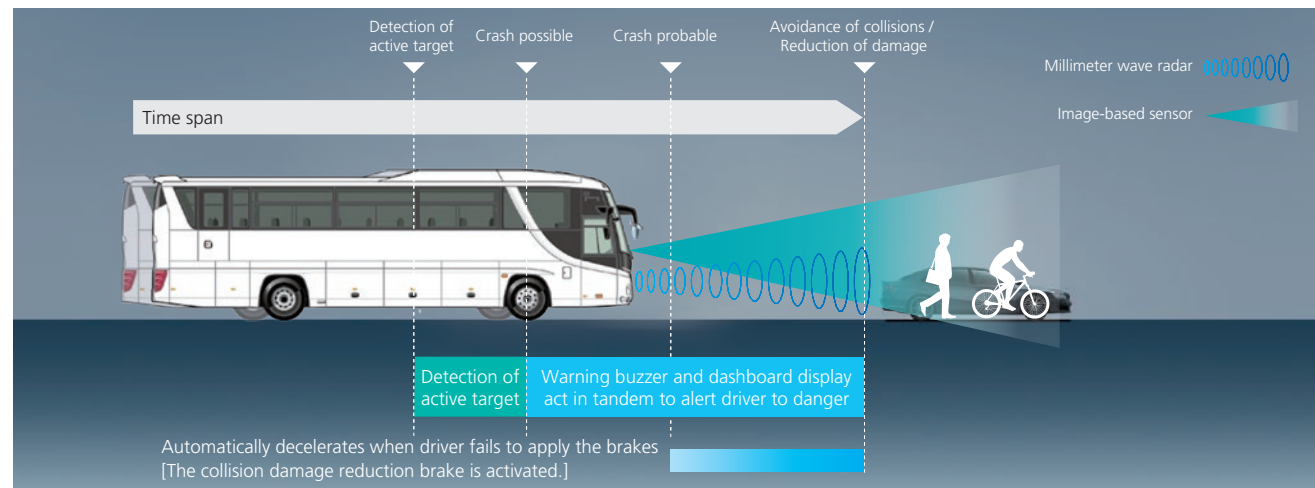


### Pre-collision brake function with pedestrian and cyclist detection (effective day and night)

The Hino Group is working to improve its Pre-Collision Safety (PCS)\* systems to better prevent accidents involving pedestrians. In addition to technology that lowers vehicle speed at the time of collision to help

reduce collision damage, PCS technology uses millimeter wave radar and image sensors to improve detection, making it possible to detect daytime and night-time pedestrians and cyclists as well as stopped vehicles.

\* Pre-Collision Safety (PCS) is a registered trademark of Toyota Motor Corporation



Operational image of PCS

## Safe driving support

### The Customer Technical Center

Established in 2005, the Customer Technical Center was the first training facility opened in Japan for customers to be operated directly by an automobile manufacturer. This facility is operated by Hino as part of our Total Support initiative, offering classroom-based and hands-on training using comprehensive facilities of the kind only available at the Technical Center, and is intended to improve the safety and efficiency of our customers' operations.

In addition to readily comprehensible programs focusing on safety and fuel economy, the Center offers experiences with cutting-edge technologies to further the understanding of safety and environmental issues through test-drives and demonstrations of new vehicles. Since its establishment, the Center has been used by many customers. Total visitor numbers to FY2023 now number in excess of 111,000 people.

### The Hino Total Support Customer Center

Hino established a Hino Total Support Customer Center in Malaysia in 2015, the Company's first permanent training facility outside Japan for customer training. In 2017, the facility was renovated in order to respond to a variety of needs, and by FY2023 had welcomed a total of 19,739 customers for training. In January 2022, we also opened a Hino Total Support Customer Center in Indonesia. This 24,000 m<sup>2</sup> site hosts a comprehensive range of facilities, including a course for practical training, inspection sites, and driving simulators. By 2023, the center had been used by 1,704 customers.



Training in Indonesia


## Improving corporate value

### Respect for human rights in business activities

Hino recognizes the importance of initiatives supporting respect for human rights in business and is working to instill respect for human rights in close cooperation with all people associated with the business activities of the Hino Group, based on the United Nations Guiding Principles on Business and Human Rights.

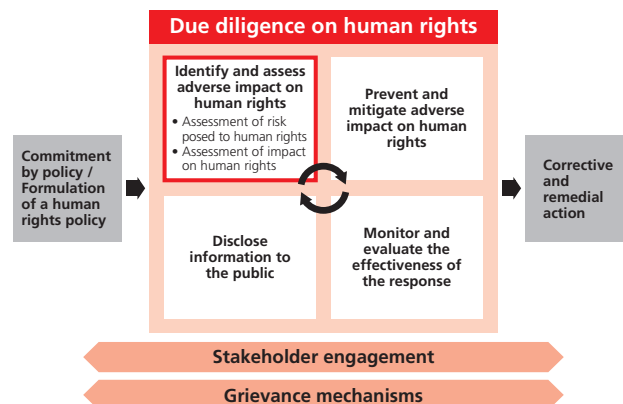
#### Human rights policy

In FY2023, our Board of Directors decided on the HINO Human Rights Policy. 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.

 HINO Human Rights Policy

#### Due diligence on human rights

To ensure objectivity and neutrality, 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 construction of mechanisms for due diligence on human rights and with establishment of assessment and consultation services.



#### Human rights assessment

In FY2023, we conducted an assessment of human rights risks to identify potential themes relating to human rights in the business activities of the Hino Group. Specifically, key departments associated with the value chain of the Hino Group held workshop-style discussions, and identified themes concerning human rights that should be addressed with priority in the future (below, "priority themes"), based on both their own perspectives and those of CRT Japan, including the concerns of stakeholders.

In FY2024, based on the priority themes, we worked with CRT Japan to conduct surveys and interviews with foreign technical interns at two of our Group companies in Japan. CRT Japan's comments on the results were "although there is room for improvement in certain areas, there were no human rights issues found in areas such as forced or excessive labor." Looking to the future, we will move forward together with Group companies to engage in efforts aimed at improvement while maintaining and expanding our activities in this area.

#### Establishment of consulting desks

The Hino Group has established a number of consulting desks for different employees (including temporary and part-time staff), to offer consultations related to human rights.

#### List of consulting desks Applicable employees shown in brackets

 P. 33 Internal reporting

- Hino Compliance Consulting Desk (Hino employees)
- Stop Harassment Consulting Desk (Hino employees)
- Hino Dealers Hotline (Employees of Hino dealers)
- Hino Group Compliance Consulting Desk (Employees of Hino subsidiaries in Japan)
- HIINO Global Compliance Hotline (Employees of overseas businesses)

#### 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 and stakeholders act in a manner that respects the personalities and human rights of others.

In particular, with regard to power harassment, we are dedicating a great deal of effort to eliminating such behavior as part of our "No Workplace Bullying Initiatives." We are engaged in efforts to review 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.

#### No Workplace Bullying Initiatives

- **Company-wide fact-finding investigations on power harassment**
  - Implementation of fact-finding investigations through the Stop Harassment Consulting Desk
  - Implementation of self-diagnosis for management
- **Stricter punishments for those who commit power harassment, and dissemination of anti-harassment policy to employees**
- **Review of various personnel policies**
  - Implementation of 360-degree Feed-Back (FB) for assistant manager level and above to management level
  - Preventing harassment and implementing thorough recurrence prevention education
  - Strengthening operation of the personnel rotation system
  - Revitalization of open and flat internal communication

#### Education for employees

The Hino Group provides harassment prevention training and compliance training for all employees, including temporary and part-time employees. 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.

## Improving corporate value

### Corporate governance that supports “working in the right way”

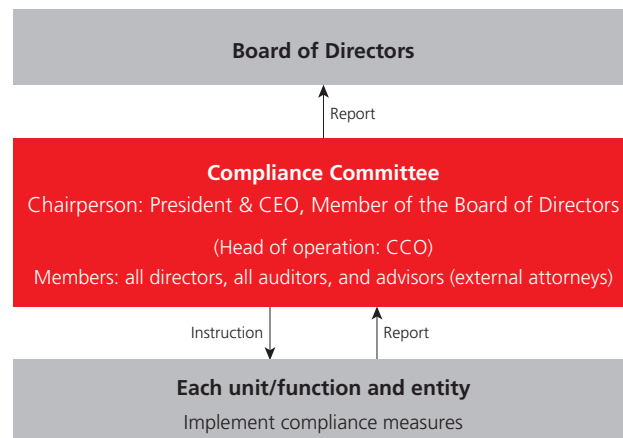
Hino thoroughly enforces compliance, the foundation of our corporate activities, and promotes risk management based on indices shared throughout the Company. Moreover, Senior management is responsible for establishing and operating an effective governance system to ensure the soundness, efficiency, and transparency of the operation of the Company.

#### Compliance

##### Fundamental approach

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



##### 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 implements compliance measures based on the policies.

##### Education for employees

To foster an awareness of compliance-related issues in each and every employee, we have established the HINO Code of Conduct, and promote initiatives aimed at dissemination. In addition to training offered to employees when entering the Company and gaining promotion, we have published a Compliance Guidebook that summarizes points that we should be careful of in the course of our everyday work, and we also issue Compliance Newsletters every month to raise awareness within the Company, ensuring that each employee is thoroughly aware of the need to comply with laws, regulations, and standards. Additionally, we conduct training on different themes every month for employees chosen from each workplace, with the goal of developing human resources with a high degree of awareness of compliance. Moreover, through education in laws and regulations we are working to instill and strengthen technical compliance for employees involved in development and certification.

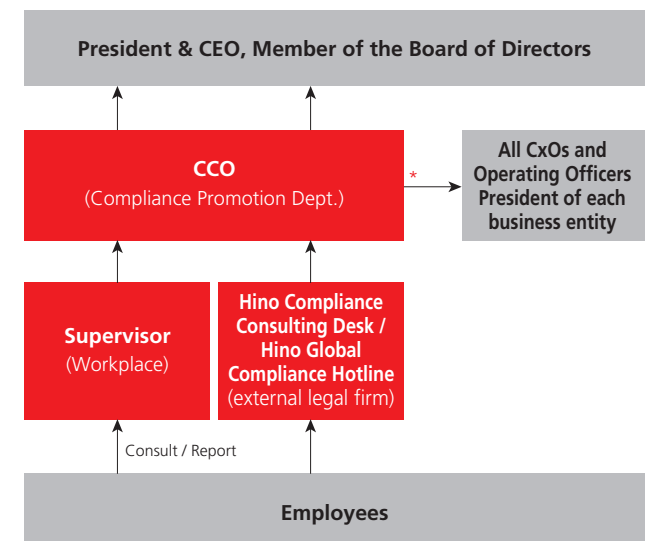
Additionally, we hold regular meetings with the top management of each Group company and the CCO (Chief Compliance Officer) to plan and promote awareness of compliance policies. We also conduct surveys of all employees in order to gain an understanding of the extent to which an awareness of compliance has permeated the Company, and are incorporating the results into our compliance improvement measures for the next financial year.

##### Internal reporting

The Hino Group utilizes an internal reporting system that accepts reports regarding the level of legal and other compliance among employees. This system is intended to swiftly and objectively address and resolve issues. Under this system, the Hino Compliance Consulting Desk has been established at external law firms and specialist companies that accept anonymous consultations 24 hours per day, 365 days per year. By using posters and the Company's intranet to make these contact points well known, we have created an environment that makes it easy to engage in consultation.

We protect those who report issues from any repercussions; further, we also investigate facts, and when problems are found, we respond to them in a prompt and fair manner. In FY2023, 310 requests for consultations and reports were received, from various parties, including our Group companies. We take strict measures against conduct that is violation of compliance, and are working to promote the creation of workplace environments where it is easy to report misconduct and inappropriate incidents. Going forward, we will continue to strictly enforce compliance by operating these systems in an appropriate manner.

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



\* The information is shared with each CxO/Operating Officers and the president of each business entity as necessary after giving due consideration to the anonymity of the consultants.

# Improving corporate value

## 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. We have adopted the HINO Way, which comprises the HINO Credo, HINO Sustainability Policy, and HINO Code of Conduct as our corporate philosophy, and are working to achieve our ideal state through the shared values of "Integrity," "Contribution," and "Empathy."

Based on the HINO Way, we will build good relationships with all of our stakeholders, and strive to achieve sustainable growth as a global business and improve corporate value for the medium- to long-term. Accordingly, we will construct and operate effective systems of governance to ensure that our management practices are sound, efficient, and transparent.

In addition, we endorse the Corporate Governance Code and our basic policy are to strengthen our corporate governance by

devising various measures based on the spirit and intent of the Code's guidelines and principles.

## 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, enhancing 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

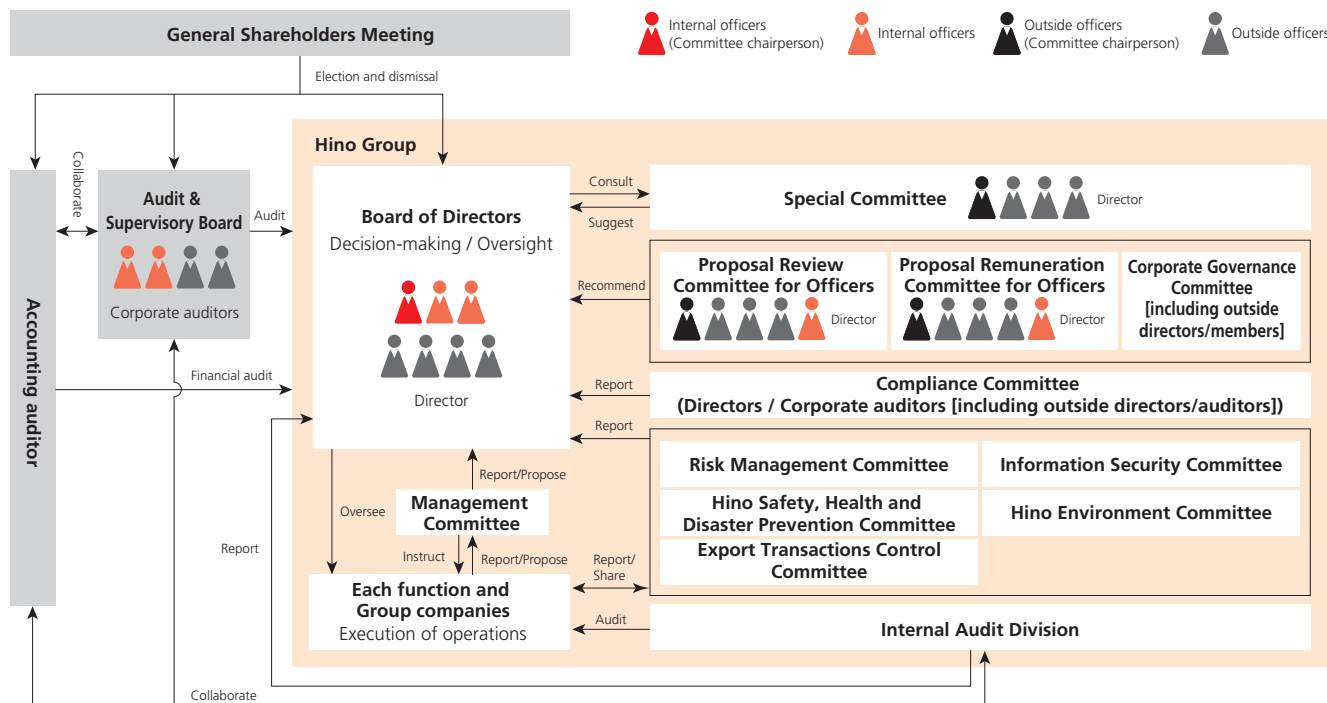
Proposal Remuneration Committee for Officers (corresponding to a Remuneration Committee) as voluntary committees. We have also established a Corporate Governance Committee, which engages in discussions toward the enhancement of corporate governance (making recommendations to the Board of Directors as necessary) with the involvement of outside officers and non-executive directors.

On the executive side, to provide better clarity in relation to responsibilities and authority with regard to the execution of business, we have appointed CxOs and Operating Officers who are responsible for each function and have formed the Management Committee tasked with deliberating on management policies and initiatives and reporting information necessary for management.

## Board of Directors

In order to achieve sustainable growth and improvements to corporate value over the medium- to long-term, the Board of Directors makes planned decisions on the setting of agendas based on the needs of both management and executive sides, centered on discussions on management policies and strategies, and makes and supervises important decisions on management. As a general rule, the Board of Directors convenes once monthly, and comprises seven directors (four of whom are outside directors), two full-time corporate auditors, and two outside corporate auditors, for a total of 11 members.

## Corporate governance system



## Board of Directors meeting statistics (FY2023)

Number of meetings	14
Attendance	Directors: 98%, Auditors: 98%

## Major issues discussed at meetings of the Board of Directors (FY2023)

Category	Main content of discussion
Management strategy Sustainability	Important management strategies, capital investment plans Identification of materiality, formulation of human rights policies Appointment and remuneration of officers
Audit/Internal control Risk management Compliance	Internal auditing reports, revisions to basic policies on internal controls, etc.
Financial statements / Finance	Financial results, dividends, etc.

## Improving corporate value

Hino's value creation

Medium- to long-term  
policies and strategies**Improving corporate  
value**

Data

### Overview of corporate governance system

#### Special Committee

Toyota Motor Corporation is the parent company of Hino and holds 50.2% of the voting rights in the Company as of March 31, 2024.

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.

The Proposal Review Committee for Officers 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. The Proposal Remuneration Committee for Officers 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 over the medium- to long-term, this committee is comprised of all directors, the corporate auditors and related CxOs and Operating Officers. This committee undertakes reporting, and continued 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 and provides 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/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, prepare audit reports, check the 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 onsite 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

#### Composition and attendance of all committees and meeting bodies (FY2023)

Name	Board of Directors	Audit & Supervisory Board	Special Committee	Proposal Review Committee for Officers	Proposal Remuneration Committee for Officers	Corporate Governance Committee	Compliance Committee	Management Committee
<b>Satoshi Ogiso</b> President & CEO, Member of the Board of Directors	● 14/14 (100%)			●	●	●	●	●
<b>Naoki Sato</b> Director, Member of the Board	● 11/11 (100%)					●	●	●
<b>Motokazu Yoshida</b> Outside Director, Member of the Board	● 14/14 (100%)		●	●	●	●	●	
<b>Koichi Muto</b> Outside Director, Member of the Board	● 14/14 (100%)		●	●	●	●	●	
<b>Masahiro Nakajima</b> Outside Director, Member of the Board	● 13/14 (93%)		●	●	●	●	●	
<b>Shoko Kimijima</b> Outside Director, Member of the Board	● 11/11 (100%)		●	●	●	●	●	
<b>Jun Nagata</b> Director, Member of the Board *Newly appointed	●					●	●	
<b>Iwao Kimura</b> Full-time Audit & Supervisory Board Member	● 14/14 (100%)	● 13/13 (100%)				●	●	●
<b>Tomoko Inoue</b> Full-time Audit & Supervisory Board Member	● 14/14 (100%)	● 13/13 (100%)				●	●	●
<b>Naoki Miyazaki</b> Outside Audit & Supervisory Board Member	● 14/14 (100%)	● 13/13 (100%)				●	●	
<b>Chika Matsumoto</b> Outside Audit & Supervisory Board Member	● 10/11 (91%)	● 9/10 (90%)				●	●	

Note: ● indicates a chairperson or committee chairperson

## Improving corporate value

conducting audits relating to the legality, appropriateness, and efficiency of administrative and technical-related operations, while making 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 audits in order to facilitate effective audits through reciprocal collaboration. Moreover, outside organizations evaluate the effectiveness of internal audits in order to strengthen their function.

### 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.

### 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, as well as visits to the plants that are our manufacturing sites and onsite observation at Group companies in Japan and overseas, 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 general rule, a 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.

### Reasons for appointment as an outside director

Name	Independent officer	Reasons for appointment	Important concurrent positions (As of June 26, 2024)
Motokazu Yoshida	○	At Mitsui & Co., Mr. Yoshida served in positions such as director and executive vice-president, and president and CEO of Mitsui & Co.(U.S.A.), Inc. As a corporate executive, he has a wealth of experience and broad insight. Since June 2015, he has served as an outside director of Hino and has made beneficial recommendations on the Company's overall management based on his experience and insight. He has been appointed as an outside director since it was determined that as an outside director, he can be expected to continue to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management.	Administrative Director of Meisei Gakuen
Koichi Muto	○	Mr. Muto has previously served as director and president, and director and chairman of Mitsui O.S.K. Lines, Ltd. As a corporate executive, he has a wealth of experience and broad insight. Since June 2020, he has served as an independent outside director of Hino and has made beneficial recommendations on the Company's overall management based on his experience and insight. He has been appointed as an outside director since it was determined that as an outside director, he can be expected to continue to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management.	Senior Advisor of Mitsui O.S.K. Lines, Ltd.
Masahiro Nakajima	○	At Morita Holdings Corporation, Mr. Nakajima previously served as director and president, and he currently serves as director and chairman. As a corporate executive, he has a wealth of experience and broad insight. At Hino, he had served as an independent outside corporate auditor from June 2017, and he has served as an independent outside director since June 2021. Based on his experience and insight, he has made beneficial recommendations on the Company's overall management. He has been appointed as an outside director since it was determined that as an outside director, he can be expected to continue to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management.	Director, Chairman & CEO of Morita Holdings Corporation Director, Chairman of Morita Corporation Director of Morita Environmental Tech Corporation Director, Chairman of the Board of Bronto Skylift Oy Ab
Shoko Kimijima	○	Having practiced law at Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu) and subsequently held important positions in the legal divisions at GE Japan Corporation and LIXIL Corporation, Ms. Kimijima has advanced expertise as well as a wealth of experience and broad insight as a corporate executive. Since June 2023, she has served as an independent outside director of Hino and has made beneficial recommendations on the Company's overall management based on her experience and insight. She has been appointed as an outside director since it was determined that as an outside director, she can be expected to provide sufficient advice and function to monitor and supervise corporate management from an independent standpoint in relation to the Company's overall management, in particular, in the areas of corporate governance and compliance.	Executive Officer, Executive Vice President, and Chief Legal and Compliance Officer of LIXIL Group Corporation

### Reasons for appointment as an outside corporate auditor

Name	Independent officer	Reasons for appointment	Important concurrent positions (As of June 26, 2024)
Naoki Miyazaki	-	Mr. Miyazaki has served as managing officer of Toyota Motor Corporation and as president, and then chairman of the board (current position) of Toyoda Gosei Co., Ltd., and vice chairman of Toyota Boshoku Corporation, and has a wealth of experience and deep insight regarding overall corporate management. Based on his wealth of experience and deep insight, he has been appointed as an outside corporate auditor since it was determined that he can be expected to provide advice on strengthening the Company's governance and compliance, and to play an appropriate role in enhancing the audit system.	Chairman of the Board of Directors Toyoda Gosei Co., Ltd.
Chika Matsumoto	○	Having served as a certified public accountant at auditing firms including KPMG AZSA LLC, where she held positions such as Executive Board Member, Ms. Matsumoto has advanced expertise and a wealth of experience in financial and accounting audit services as well as knowledge of overall management. Since June 2023, she has served as an independent outside auditor of Hino and has provided beneficial and important suggestions for auditing our Company's management. She has been appointed as an outside corporate auditor since it was determined that she can be expected to play an appropriate role in enhancing the Company's overall management and audit system from an independent standpoint.	Outside Statutory Auditor of Brother Industries, Ltd.

## Improving corporate value

### Evaluation of the effectiveness of the Board of Directors

To achieve further improvements in the effectiveness of the Board of Directors, Hino has an external organization conduct an annual evaluation of the effectiveness of the Board of Directors that targets all directors (including outside directors), and all auditors (including outside auditors). Any issues identified are reported at a meeting of the Corporate Governance Committee. We then plan and implement activities aimed at improvement to operate a PDCA cycle, leading to more effective Board of Directors' meetings.

### Cross-shareholdings

#### Policy on cross-shareholdings

Fundamentally, the Company's policy on cross-shareholdings is to reduce strategic shareholdings. With regard to the evaluation of cross-shareholdings, 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.

In FY2023, we sold 37 listed stocks (¥24.2 billion), and in FY2024, we continue our efforts to reduce cross-shareholdings.

#### Basic policy on the exercise of voting rights related to cross-shareholdings

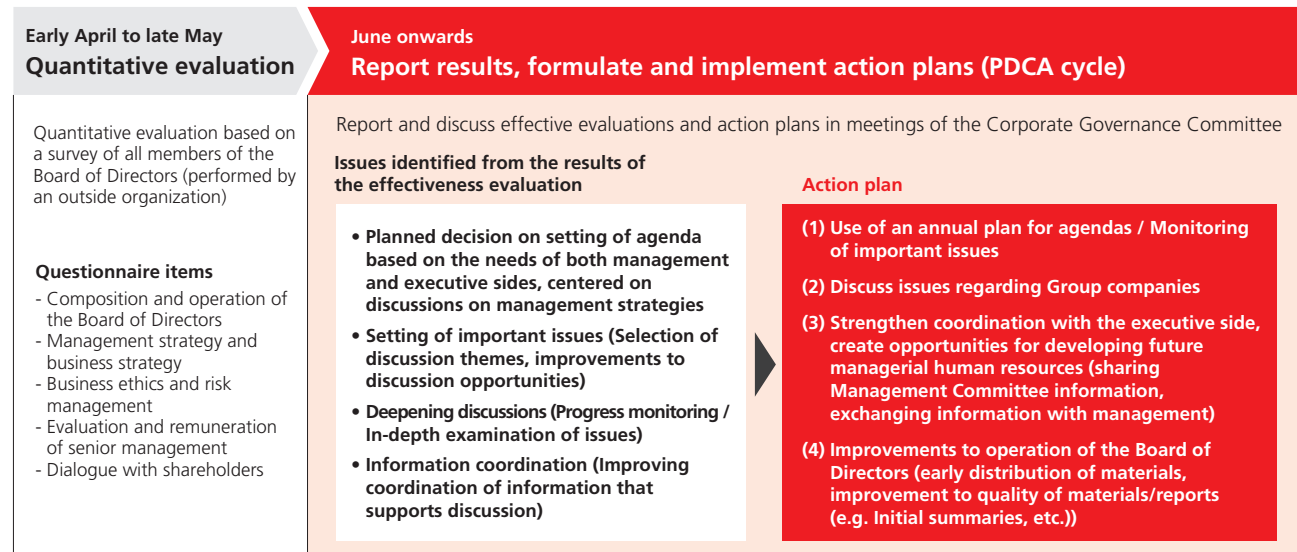
With regard to the exercise of voting rights related to cross-shareholdings, Hino makes a comprehensive decision on each agenda item based on the judgment of whether the agenda item will lead to an increase in corporate value from a medium- to long-term perspective, whether the agenda item will undermine the justification for the Company's ownership of the stock and other criteria.

### Relationship with the parent company

The Company's parent company is Toyota Motor Corporation, which holds 287,897,000 shares of the Company's stock (50.2% of the Company's shares after deduction of treasury shares). Since

October 1966, we have had a business alliance with Toyota Motor Corporation, and we currently produce their LAND CRUISER "250," a passenger car, and the DYNA light-duty truck as well as other products and services. We are also developing and strengthening our alliance in various areas such as complementary transactions and sales of our products through Toyota's sales network. The Company decides on sales prices, etc., for product sales to Toyota and other details after negotiating prices each fiscal year, taking into consideration the market price of raw materials, the number of units to produce on consignment, and other factors. As for the purchase of parts, etc., the Company sets reasonable prices after consulting with Toyota, giving due consideration to market prices and other factors in the same manner as general transaction conditions. Interest rates for borrowing funds are determined in the same manner as for general transactions, in consideration of market interest rates. The Board of Directors determines the validity of these important transactions between the Company and the parent company group after consulting with and receiving a report in advance from a special committee composed solely of independent outside directors. In addition, certain matters, such as key management measures of the Company, are reported and approved between the Company and the Toyota Motor Corporation under the authority regulations.

### FY2023 effectiveness evaluation



### FY2023 status

In May 2023, the Company, Mitsubishi Fuso Truck and Bus Corporation, Toyota Motor Corporation, and Daimler Truck Holding AG entered into a Memorandum of Understanding regarding the business integration of the Company and MFTBC in order to realize carbon neutrality by strengthening global CASE technology development and commercial vehicle operations as well as to create a rich mobility society. In the discussion and examination of the integration, we implemented measures to ensure fairness by obtaining advice from independent financial advisors and law firms and have avoided conflicts of interest by obtaining written reports from a special committee with no vested interest in the integration.

## Improving corporate value

### 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, working 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.

### System of remuneration for officers

Remuneration types and overview		Recipients		
		Executive directors	Outside directors, non-executive directors	Audit & Supervisory Board members
Fixed	Basic remuneration	●	●	●
Performance-based	Bonuses	●	—	—
	Remuneration by shares with restriction on transfer	●	—	—

### 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 Credo, 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.

### Amount of remuneration, etc., for directors and corporate auditors (FY2023)

Category	Number of eligible officers	Total amount of remuneration, etc. (million yen)	Remuneration		
			Basic remuneration	Bonuses	Remuneration by shares with restriction on transfer
Directors	7	143	143	—	—
Of which, outside directors	4	45	45	—	—
Corporate auditors	5	90	90	—	—
Of which, outside corporate auditors	3	19	19	—	—
<b>Total</b>	<b>12</b>	<b>233</b>	<b>233</b>	<b>—</b>	<b>—</b>

(Note) 1. The numbers of persons above include one outside director who retired at the close of the 111th Ordinary General Shareholders Meeting held on June 27, 2023, and the total amount of remuneration, etc., includes the amount paid to such person.

2. No remuneration other than the officer remuneration specified above was paid to any director or Audit & Supervisory Board member.

3. The number of auditors and outside auditors includes one substitute outside auditor.

## Improving corporate value

### 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.

In FY2024, we are working on strengthening internal control systems, one of the initiatives in "Governance to support sound management practices" in the "Three Reforms." As part of these efforts, we are promoting the creation of systems for reconfirming, maintaining, and appropriately updating operational rules and standards in all divisions. Additionally, we have established document management rules as company-wide rules, and each division has begun creating and operating systems to appropriately manage documents and data.

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.

IV. Matters Related to the Internal Control System (Corporate Governance Report)

### Risk management system

Hino has a basic policy of constructing 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.

Each of Hino's subsidiary companies carries out risk assessments and engages in risk control to achieve their own objectives. Additionally, we are endeavoring to institute systems and improve internal sensitivity to risk to ensure that these are not one-off efforts. Departments responsible for Hino subsidiaries work with cross-functional management departments and committees to support risk management at these subsidiaries.

### Company-wide initiatives to address major risks

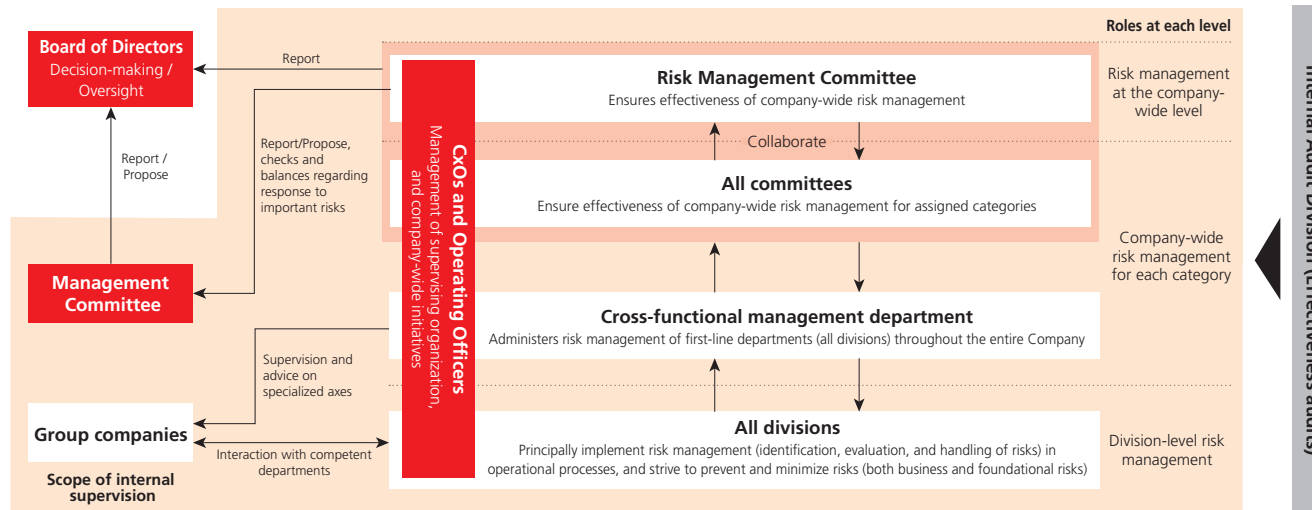
#### Business continuity management

Hino is moving forward with initiatives to handle major disasters such as large earthquakes, based on the approach of giving human life first priority, promoting 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 standardized the basic nature of our approach and prepared plans and manuals for all categories based on risk evaluation, while working to improve our response capabilities through a range of practical drills.

#### Practical training regarding business continuity risks (FY2023)

- Initial response / Production Recovery / Comprehensive training
- Training in re-entering buildings
- Evacuation drills, safety confirmation drills, firefighting drills, first-aid training

### Company-wide risk management systems



### 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.

Information Security Policy

## Improving corporate value

### Respect for employees and active participation of a diverse range of human resources

We will take the safety, health, and diversity of our employees into consideration as we create workplaces where each person can play an active role. We will develop human resources who can think and act independently to create new value for our customers and society, using the HINO Way as a cornerstone for our decisions and actions.

#### Human resources strategy

##### Basic approach of the medium-term human resources plan

The environment both inside and outside the Hino Group has changed significantly over the last few years, and we have faced events such as the COVID-19 pandemic, our engine certification issues, and the announcement of a four-company collaboration and two-company management integration. Against this background, Hino has formulated a medium-term human resources plan for FY2024 to FY2026 that will allow employees to take pride in their company and work enthusiastically. In the past we focused on company growth and the expansion of our businesses to an extent

that was beyond our capacity, which meant that we were not able to support the development of our employees, an experience that has prompted us to focus on the growth of personnel in this plan. Specifically, we considered human resources in terms of a combination of "quality (culture and development)," "morale (engagement)," and "numbers (recruitment, retention, and placement)," identifying the form we wanted each aspect to take, and have drafted a range of policies to maximize the performance of everyone who works at Hino. Furthermore, in moving forward with this plan, we formulated a Human Resources Development Policy and a Human Resources Management Policy to define the ideal state for our human resources.

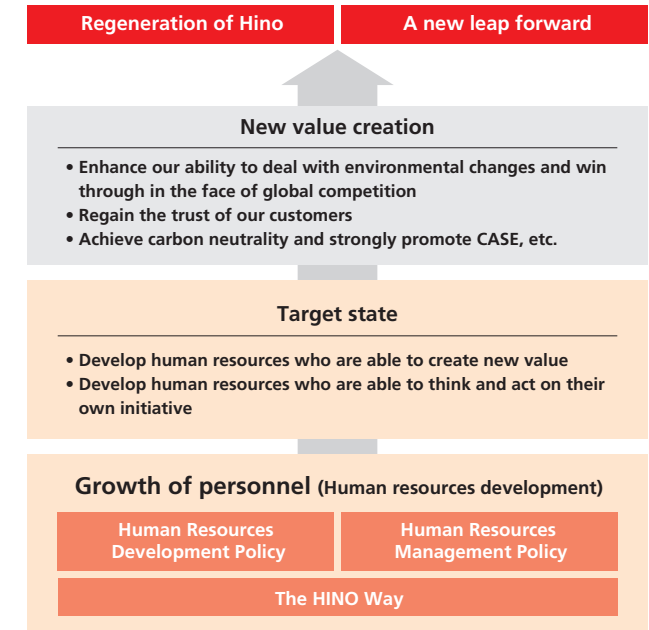
#### Directionality of measures and target state for our human resources



Category	Target state	Directionality of measures (examples)
Quality	Seek to create new value, think and act on their own initiative to achieve growth and improve their abilities	<ul style="list-style-type: none"> <li>Expanding opportunities for growth inside and outside the Company</li> <li>Enhancing development of management candidates, implementing personnel systems more able to contribute to this development</li> <li>Constructing organizational systems that promote the development of human resources</li> </ul>
Morale	Strive to offer higher value to customers and work together to improve engagement	<ul style="list-style-type: none"> <li>Measures to promote the adoption of the HINO Way</li> <li>Better dissemination of human resources-related information</li> <li>Revitalization of internal communications</li> </ul>
Numbers	Work to realize Hino's vision and allocate human resources to match the circumstances	<ul style="list-style-type: none"> <li>Appropriate allocation of human resources based on medium- to long-term human resource portfolios</li> <li>Securing human resources with the specialized skills needed to achieve our medium-term management plan</li> </ul>

#### Approach to the growth of personnel in value provision

##### Providing value to customers (enhancement of corporate value)



#### Revising evaluation and compensation systems

In April 2024, we revised our systems for evaluation and compensation in order to encourage the growth of personnel. For general employees, we sought to institute systems that would make it easy for people to map out their career paths and inspire them to want to work at Hino for a long time, as well as mechanisms to reward those who develop and demonstrate their own abilities.

We also changed the evaluation and compensation system used for executive and career track employees to one where it is easier to reflect demonstration of their abilities in a manner appropriate to their position. Further, we have incorporated "Understanding and practice of the HINO Way" into our evaluation criteria in an effort to promote the dissemination and adoption of the approach and values to human capital contained with the HINO Way.

# Improving corporate value

## Human resources development

At Hino, we view human resources as important assets, and have set human resources development as one of the most important areas of our human resources strategy. We are thus promoting initiatives that support the growth of each and every employee and lead to the growth of the Company. 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. We have chosen three policy directions for our support of learning: support for career independence, diverse and flexible learning opportunities, and learning permeation and a culture that supports mutual learning. For example, we support career autonomy through career design interviews and seminars, and self-development through the use of cafeteria plans, and we have introduced a learning management system to provide our employees with a diverse range of opportunities to learn.

### 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**



	Professional human resources development phase (For business operators)	Management and highly specialized staff development phase (For managers)
Administrative and technical positions	New recruit training	Training for managers according to position
	Training for middle-level positions according to position (Problem solving and teaching / Coaching and leadership, etc.)	Training for evaluators
		360-degree feedback (Multifaceted evaluation)
		360-degree feedback training
		Harassment training / Assessment
	Overseas trainee system	
Skilled positions	In-house skills accreditation system for supporting on-the-job training of all employees	
	New recruit training	Training for newly appointed instructors
	Training courses on quality control (QC) methods	Training for newly appointed supervisors
	Employee recruitment program	Training for newly appointed senior supervisors
		Training for QC managers
	Training for TPS managers	
		Harassment training / Assessment
Common	Preparatory training for personnel appointed overseas (covering languages and cross-cultural communication skills)	
	Self-learning support (covering languages and certification support, e-learning)	
	Company-wide shared elective courses (covering health, mental health, TPS, diversity)	

## Initiatives to improve employee satisfaction (ES)

Offering an environment and conditions that satisfy employees, which includes work content, corporate culture, workplace environment and human relations, helps to improve engagement while spurring motivation toward daily work duties. Every year, Hino conducts a survey of employee awareness to measure that status of our initiatives to create an environment in which all workplaces are fair, open, and rewarding to work in, and that all employees are able to demonstrate their abilities to the fullest.

Since FY2023, we have integrated the employee satisfaction survey and compliance awareness survey to conduct a comprehensive evaluation and analysis. This survey targets all employees except CxO and Operating Officers, and we received responses from 14,100 out of 16,490 people, a response rate of 86%. The results are offered as feedback to management and to each workplace and are used to facilitate dialogue and improvement at each organization. We are working to improve our organizational culture by focusing on two-way dialogue and dividing issues into those that should be addressed by management, those in which workplaces should take the lead, and those which require systematic support, and taking the measures appropriate to each.

### Results of employee awareness survey

Overall indices	FY2023	FY2022	Year-on-year
Job satisfaction	3.27	3.06	↑
Pride	3.43	3.23	↑
Intent to continue working	3.38	3.22	↑
Willingness to recommend	2.60	2.35	↑
Trust	2.93	2.86	↑
Awareness of violations	4.44	4.35	↑
Environment in which one can work with peace of mind	3.74	3.57	↑

By category	FY2023	FY2022	Year-on-year
Motivation	3.24	3.00	↑
Work style	3.00	3.16	↓
Workplace vitality	2.99	2.99	→
Workplace communication	3.40	3.37	↑
Workplace management	3.36	3.32	↑
Systems, evaluation, and treatment	2.94	2.75	↑
Management	2.80	2.53	↑
Stakeholders (customer orientation)	3.08	2.80	↑

## Improving corporate value

### Creating workplaces where it is easy to work

#### Welfare

Hino is working to enhance its welfare systems, introducing a cafeteria plan, supporting employee asset creation, 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.

#### Employment provisions to facilitate diverse work-styles

Hino is revising employee provisions to facilitate flexible workstyles among employees while instituting new systems. In FY2023, we introduced a hybrid work system that allows people to combine office work with remote work, and we are leveraging this system in conjunction with flextime systems that do not require a core working time in order to cater to a diverse range of working styles. 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 infertility 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 infertility treatment.

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

System name	Number of participants (FY2023)
Childcare leave	274
Shorter working hours to accommodate for childcare needs	134
Ratio of men taking childcare leave	65.5%
Flextime with no core hours*	3,990
Child nursing care leave	173
Family care leave (Short-term Leave)	95
Family care leave (Long-term Leave)	16

\* Applies to full-time personnel employed indirectly

#### Measures to address heat at manufacturing locations

We used four metrics to quantify the severity of heat at manufacturing sites—temperature and humidity, number of people working, workload (use of protective gear, etc.), and number of cases of heatstroke (using actual figures from FY2023)—while seeking opinions from the workplace, and implemented measures such as roof insulation and additional air conditioning units in some areas of our Hamura and Nitta plants, which are located in Tokyo and Gunma Prefecture, respectively.

Additionally, we distributed 211 sets of workwear equipped with fans to people doing outdoor work or working in buildings where roof insulation and air conditioning have little effect, principally at our production sites in Japan. We also installed 155 air conditioners on forklifts (117 in FY2023 and 38 in FY2024).

#### Labor-management dialogues

Hino and Hino Motors Labor Union have entered into a labor agreement stating, "The Company aims to always monitor employee labor conditions and work to maintain and improve them, while the Labor Union respects the management rights of the Company and strives to cooperate with it to achieve sustainable growth and development." In addition to regular consultations, we hold dialogues between labor and management, in which top members of labor and management meet on the basis of equality and mutual trust. The labor union-management meetings address important management issues as well as improvements to working environments, with the labor union publicizing the content of these dialogues to all of its members. Since making the engine certification issues public,

we have held workplace roundtable meetings with greater frequency, providing opportunities for discussion of issues and achieving resolutions to problems in each workplace.

The Hino Group also organizes an annual labor-management conference that brings together union representatives from Group companies. The conference serves as a platform for regular information exchange on various topics such as labor conditions and wages, aiming to help the Group adapt to the rapid environmental changes occurring in society.



Labor union-management meeting

## Improving corporate value

### Diversity, Equity & Inclusion

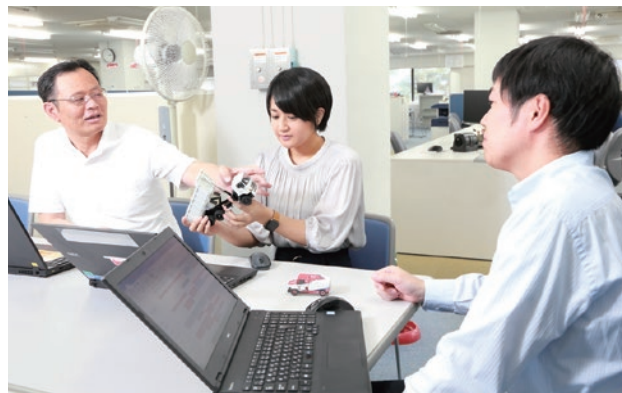
#### Supporting the success of women

To allow female employees to be even more active, Hino has made ongoing efforts to actively promote women to management positions. As of April 2024, there are 56 female managers working in a variety of important positions. Hino has worked to support employees in balancing work with parenting and family and has set a goal of a 30% increase in the appointment of female managers over year 2021 numbers by year 2025.

Hino will continue and expand such support in the future, and will work 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. In particular, we will focus on: supporting new role models and forming diverse career plans, creating a friendly work environment for everyone, including introducing flexible work systems, and promoting understanding of systems and childcare leave for each workplace. Through these measures, we will further promote active development and promotion of female employees, and support their success.

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

FY2021	FY2022	FY2023	FY2024
49	55	54	56



Female employees in action

#### Eliminating the gender pay gap

In FY2023, the gender pay differential at Hino was 77.7% (based on all workers). We will continue to work to reduce this differential by promoting measures such as supporting the success of female employees.

#### Appointment of 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 June 2024, they have been appointed to top management at five 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 talented personnel to management positions, 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.

#### Foreign nationals employed at Hino

(Total employees on a non-consolidated basis)

	Total employees		Foreign nationals		Ratio of foreign nationals	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Full-time employment	12,244	12,175	63	72	0.5	0.59
Other employment	1,074	839	11	9	1.0	1.07
<b>Total</b>	<b>13,318</b>	<b>13,014</b>	<b>74</b>	<b>81</b>	<b>0.6</b>	<b>0.62</b>

#### 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 endeavors to promote the employment of persons with disabilities through actions such as developing new occupational fields, and it is striving to create a workplace environment comfortable for people with disabilities to work in through a variety of measures. They include setting up a special paid vacation system to allow the employees to take time off for health management and skills development purposes and providing designated parking spaces at worksites to facilitate easier access.

In June 2024, the employment rate for persons with disabilities at Hino exceeded the statutory employment rate of 2.3% at 2.82%. We are making ongoing efforts to promote hiring of persons with disabilities through actions such as developing new occupational areas.




Sorting mail at Hino Harmony, Ltd.

## Workplace safety and healthy


### Fundamental Policy for Workplace Safety and Health

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.

 Fundamental Policy for Workplace Safety and Health

### Workplace safety promotion system

The Hino Safety, 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 safe workplaces as part of daily operations.

 Systems for promoting safety and health

# Improving corporate value

## Status of workplace safety initiatives

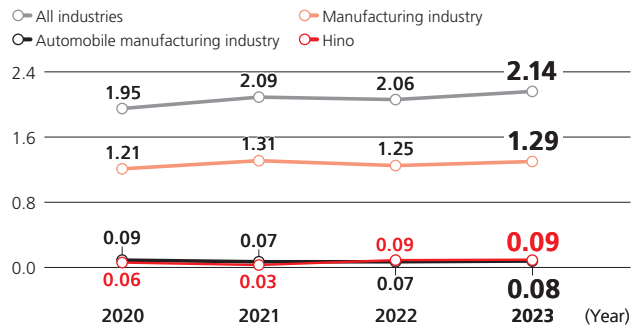
### Creating safe workplaces

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. Further, we have implemented safety patrols at each business site, acting promptly to address any factors that could lead to an industrial accident.

### Initiatives to improve occupational safety awareness

Hino carries out various types of activities, such as promoting safe walking etiquette, with the goal of ensuring that all employees, including those at our businesses overseas, understand the importance of safety awareness and basic safety behavior. 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 accidents, by industry



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

### Initiatives related to health management\*

Under our Health Declaration as well as our Basic Policy on Health Management, we seek 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.

\* Health management® is a registered trademark of the Non-Profit Organization KenkoKeie

## Health Declaration / Basic Policy on Health Management



Health Declaration / Basic Policy on Health Management

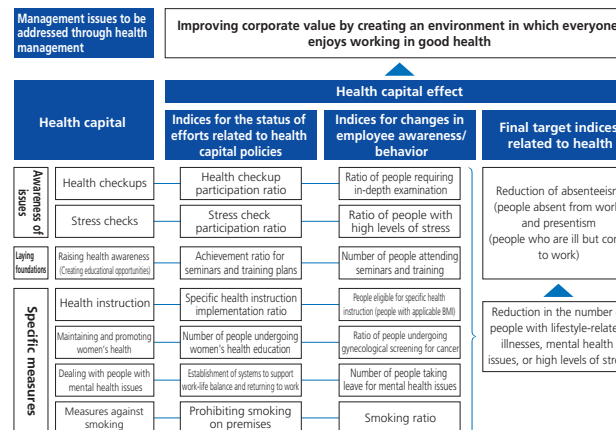
### Promotion system on health management

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.

### Management issues we want to address through health management

We have organized the issues we want to solve into a strategy map and are working to address them.

### Health management strategy map



Health management strategy map

## Status of health management initiatives

The status of initiatives based on the strategy map is as follows.

### Major indices

	FY2021	FY2022	FY2023
Health checkup participation ratio	100%	100%	100%
Stress check participation ratio	90.2%	91.4%	91.1%
Ratio of people with high levels of stress (From results of stress checks)	19.5%	18.5%	18.1%
Ratio of people with a BMI less than 25	66.1%	63.2%	63.0%
Smoking ratio	33.8%	33.3%	32.4%
Average score in Health Challenge 8*	4.93	5.06	5.11

\* Number of affirmative answers to eight health-related questions (appropriate body weight, breakfast, drinking, snacking, quitting smoking, exercise, sleep, and stress)

### Establishment of educational opportunities (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. 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.

### Educational activities (Women's health, cancer screening)

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 FY2023, we held online seminars regarding issues specific to women's health that were attended by approximately 90 participants. Videos were also distributed for a limited period.

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. Additionally, in FY2021, we removed the age limit for gynecological cancer screening and made other improvements to the items screened.

### Dealing with people with mental health issues

In FY2017, we introduced a workplace consultation system for the early detection and treatment of employees facing mental health challenges. We are working together with medical professionals, offering support such as interviews and talking with people.

## Improving corporate value

### Honest dialogue with stakeholders to restore trust

**We disclose corporate information in a timely, appropriate manner, engaging in repeated dialogues with stakeholders using a variety of different methods and opportunities to build a relationship of trust with society and our customers.**

#### Information disclosure

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.

These perspectives form a platform from which we use websites and social media to communicate a range of financial and non-financial information to those outside the Company. Additionally, within the Company, news releases and timely disclosure of information are made through media such as the corporate intranet. We also hold dialogue sessions that provide opportunities to share and explain management information.

#### Dialogue with stakeholders

We disclose the content of our business in an appropriate, timely manner, and provide a range of opportunities for dialogue with our stakeholders in order to enhance their understanding of our Company.

Hino regards the General Shareholders Meeting as an important forum for discussion with all of our shareholders, using it as an opportunity to deepen their understanding of our Company through reports on the progress and results of our businesses and the issues that we need to address, and through question-and-answer sessions.

Additionally, we hold financial results briefings for analysts and the media each quarter, with the company president participating every six months. We also hold a range of press conferences and briefings to facilitate a better understanding of Hino's management strategies and the nature of our businesses. Furthermore, the CFO and the Operating Officer tasked with General & Government & Public Affairs regularly participate in individual interviews and investor



General Shareholders Meeting

relations (IR) conferences held by securities companies, as well as engaging in dialogue with investors. The Operating Officer, General & Government & Public Affairs regularly reports the opinions of stakeholders to management, which we leverage to improve corporate value in the medium and long term. As we move to

address the engine certification issues, we regularly disclose the progress of our "Three Reforms" outside the Company.

To engage and build communities with local residents we report our current status to community associations at each of our locations throughout Japan and exchange opinions with them. Moreover, we provide a variety of opportunities for dialogue with employees as part of the "Three Reforms" we have formulated in response to the engine certification issues. One example is the series of dialogue meetings held when the President & CEO visits each of our locations together with the relevant CxO and Operating Officers. Employees are able to speak directly about their concerns and the problems that confront them in the workplace. We also hold management information sharing meetings, in which management shares information with employees and holds Q&A sessions.



Dialogue meetings between employees and management

#### Major dialogues in FY2023

Stakeholders	Dialogue meetings / Achievements
<b>Analysts and institutional investors</b>	Financial results briefings for each quarter, individual consultations with institutional investors and analysts (approx. 150 times), participation in IR conferences by executives (1 time)
<b>Shareholders</b>	Annual Shareholders' Meeting, meetings between management and major shareholders (1 time)
<b>Customers</b>	Workshops on fuel economy (66 workshops), safe driving (137 workshops), test drive events (65 events), and others: drivers' contests, tours of facilities, etc. (26 events)
<b>Dealers</b>	Meetings with representatives (5 times), meetings with sales managers (10 times)
<b>Business partners</b>	Meetings with suppliers (1 time), exhibitions of new technologies and construction methods (1 time)
<b>Employees</b>	Management information sharing meetings (3 times), labor union-management meetings (4 times)
<b>Local communities</b>	Dialogues with local community associations (10 times)

## Improving corporate value

### Maintenance of a strong and sustainable supply chain


The Hino Group builds partnerships through sound, fair transactions with business partners in Japan and around the world, working to achieve mutual growth and strengthen solidarity.

#### Fair trade

The Hino Group procures the best components from trustworthy business partners around the world, working based on a general evaluation of quality, price, quantity, delivery times, and technology. We have established the "Hino Group Basic Procurement Policy," as a basic policy for promoting sound, fair procurement practices in accordance with the law.

In FY2024, we worked to maintain and strengthen our supply chain based on the Voluntary Action Plan for Promoting Fair Transactions and Improving Productivity and Added Value instituted by the Japan Automobile Manufacturers Association, Inc. (JAMA) and revised in May 2024, and the "Thoroughness Plan (specific action plans and improvement measures)," which is intended to boost effectiveness. Based on the Guidelines for Price Negotiations to Appropriately Pass Through Labor Cost released by the Cabinet Secretariat of Japan and the Japan Fair Trade Commission in November 2023, and in response to the recent increases in the costs of raw materials and energy, we have been endeavoring to promote appropriate price pass-through. In addition to sending letters to approximately 400 business partners that have ongoing business relationships with Hino to invite them to price negotiations and endeavoring to ensure that there are clear discussions on translation pricing, we have revised our partnership declaration. Additionally, we are conducting urgent voluntary investigations into the status of our compliance with laws and regulations related to business transactions to ensure that transactions are conducted in a fairer manner.

 Hino Group Basic Procurement Policy

 Declaration of Partnership (Japanese)

#### Five themes of the Declaration of Partnership

1. Price determination methods
2. Cost burden for mold management, etc.
3. Payment conditions for bills, etc.
4. Intellectual property and expertise
5. Consequences of work style reforms, etc.

#### Communication with our business partners

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 have made particularly significant contributions in the domains of quality control, technology development, and improvements to cost.

We also hold meetings to promote exchange with local business partners outside Japan in areas such as Asia, North America, and China, and to offer recognition of their contributions in each domain. In addition to the procurement policies of business units in each country, we share the policies of our headquarters to promote global unity with business partners around the world.

We also hold an exhibition that is intended to serve as a forum for our business partners to showcase their new technologies and production methods to Hino Group's departments responsible for development, production technology, and manufacturing. In FY2024, we engaged in technology exchange through presentations based on themes proposed by approximately 40 companies that focused on concepts such as carbon neutrality and cost reduction.



Supplier meeting



Exhibition of new technologies and construction methods

#### Initiatives to improve competitiveness

We are working together with business partners to improve the competitiveness of our cross-departmental teams (which feature members from development, procurement, and production, etc.) from the perspectives of coexistence and mutual prosperity. Specifically, we are engaged in efforts to improve operational efficiency, revise quality control standards, and alter our designs. In FY2024, we are promoting initiatives in cooperation with approximately 20 business partners that have agreed to participate.

Through efforts such as this, we are developing human resources at both our business partners and within our own departments.

#### Sustainability in the supply chain

##### Respect for human rights

In order to instill respect for human rights throughout the entire supply chain, we are endeavoring to understand the circumstances faced by the foreign technical interns hosted by our business partners as well as offering advice and assistance regarding any difficulties they may be encountering.

We are also engaged in investigations concerning conflict minerals. Although not legally required to do so, we are conducting voluntary investigations into whether products from our business partners contain conflict minerals. These have become an important human rights issue due to the use of child labor at mine sites, and to the fact that minerals mined in conflict zones are a source of funding for anti-government organizations. In FY2024, we are investigating approximately 300 companies who supply us with parts, and are confirming that no materials used are sourced from problematic smelters.

##### Notification and confirmation of consent to the Hino Supplier Sustainability Guidelines

Hino is working to ensure that our business partners understand our approach to sustainability.

In one example of these efforts, we have implemented the Hino Supplier Sustainability Guidelines for our business partners, and these are being utilized to improve their initiatives.

 Hino Supplier Sustainability Guidelines

## Social contribution activities

# FEATURE Support for recovery from the 2024 Noto Peninsula Earthquake

In line with the Corporate Mission of Hino, we promote corporate activities based on a code of conduct in which every employee takes the initiative in addressing social issues as well as crisis situations such as disasters.

We are engaging in activities to assist with recovery and reconstruction in the aftermath of the Noto Peninsula Earthquake that occurred on January 1, 2024.

We would like to express our deepest sorrows for the victims of the Noto Peninsula Earthquake that occurred in January 2024 and the torrential rains that occurred in September of the same year, and to offer our heartfelt sympathy to those affected by these disasters.

### Mobility support

We worked with two Hino Group companies in Ishikawa prefecture, Trantechs, Ltd., and J-Bus, Ltd., to jointly provide vehicle-based mobility support in the disaster area. In Uchinada Town Ishikawa Prefecture, we offered support in the form of mini-vans that helped those people who were unable to shop or do laundry in their own locations move between evacuation centers and shopping malls.

In Shika Town, Ishikawa Prefecture, where water and sewage systems had been severed, people faced difficulties with bathing, so Hino ran a bus service between evacuation centers and bathing facilities. We transported approximately 131 people in the period up to March.



The bus operated by Hino in Shika Town

### Free vehicle lending

In Nakanoto Town, Ishikawa Prefecture, Hino lent out one van for transporting evacuees and two two-ton trucks for transporting debris and demolition waste.

We also lent out a microbus in Suzu City, Ishikawa Prefecture. With school buses and the free municipal buses used as transport by locals rendered inoperable by the tsunami, we are working with the Japan Automobile Manufacturers Association, Inc. (JAMA) to implement measures to assist with mobility.



The truck and van lent to Nakanoto Town, Ishikawa Prefecture

### Material support

Hino donated a heavy-duty truck full of drinking water, emergency provisions, and daily necessities stockpiled for disasters to the disaster-afflicted areas.



### Donation activities

To aid in recovery and reconstruction in disaster-afflicted areas, we donated five million yen through the Japan Platform, Specified Nonprofit Corporation, and collected donations from our employees at each of our business locations in January 2024. The 1,512,271 yen collected was donated through the Japanese Red Cross Society (JRCS) to support disaster areas. Additionally, employee volunteers conducted fundraising activities on the streets.

### Volunteer activities

A total of 96 Hino employees volunteered to take part in activities in disaster-afflicted areas in Wajima City and Shika Town, Hakui-gun, Ishikawa Prefecture. In addition to clearing debris and cleaning up damaged houses, the volunteers assisted with the operation of evacuation centers as well as disaster volunteer centers. In the face of difficulties finding accommodation for a support hub, the employee dormitory of the Komatsu Plant belonging to J-Bus, Ltd., a Hino Group company, served as a base for our support activities in the town of Shika.

Many of those volunteering gathered out of a desire to be of use, even if they were only able to help a little. Although we realized how difficult it was to support the victims of the disaster through our efforts, some people thanked us, telling us that it was a relief to have us help with the parts of the cleanup that they couldn't do themselves. We learned a great deal from these people, who showed us such kindness and consideration in very difficult circumstances.

We will draw on the experience of these activities, making them a foundation for our Company as we live with the people of the region while building a community together.