

September 16, 2022

Our Future Production Activities

Strengthening the Development of Hino's Human Capital to Create Trustworthy Products

Hino sincerely apologizes for the disruption to its customers and other stakeholders as a result of the announced engine certification issues in the Japanese market.

On September 9, 2022, Hino received the approval of the Ministry of Land, Infrastructure, Transport and Tourism (“MLIT”) to resume shipments of certain vehicles that MLIT found to meet Japanese emission performance standards based on the results of its on-site inspections. Hino will gradually resume production of those vehicles beginning in October 2022. We will continue to communicate closely with our business partners during our preparations to avoid any misunderstanding.

※Please refer to <Reference (i)> at the end of this document

While resuming production, Hino will continue to make every effort to focus on compliance, health and safety, and quality in order to ensure the steady delivery of reliable and high-quality products to customers. To that end, Hino will carefully re-examine whether its on-site production planning and system resources are appropriate, and whether sufficient time is devoted to the development of its human capital. We will also conduct a comprehensive inspection to ensure that these efforts are being carried out at all Hino workplaces and plants prior to the resumption of production.

◆ Reforming Corporate Culture in Our Production Activities

Hino believes that one of the reasons for the certification issues in the Japanese market was that management was unable to understand the needs of and offer support to the front-line employees, and the environment and system allowed scheduling and numerical targets to be prioritized over appropriate processes. The Special Investigation Committee consisting of outside experts, as well as MLIT, identified issues with Hino's organizational culture, including sectionalism and workplace bullying. Hino takes those findings very seriously.

As part of the company-wide reform of Hino's corporate culture to respect its human capital, Hino is working to thoroughly instill awareness in each and every individual, including management, that compliance, health and safety, and quality must be prioritized over scheduling and numerical targets, and to create an environment and system that reflects and encourages those priorities.

In order to prioritize compliance, health and safety, and quality over schedules and production output so as to ensure the steady supply of reliable and high-quality products, management is working to sincerely listen and respond to the feedback of front-line employees. Each and every employee fully understands the

significance of his or her work, and together we are working to enhance our front-line capabilities as one team. Below are examples of the measures that Hino is implementing:

<Examples of efforts to support and understand front-line production employees >

[Revitalization of dialogue]

- Dialogue meetings between each workplace and the management: The management visits the workplace, listens to the opinions on site, and reflects them in management-level decisions (since March 2022)
- Workplace gatherings: Aiming to realize and establish a culture of honest dialogue at each workplace (since July 2022)

[Development of Hino's human capital]

- Review the existing training system and further enhance it through on-the-job training (to be implemented)
- Focus on operations to ensure quality from a customers' perspective. Review and revise internally-focused operations, such as the preparation of materials for internal reporting and make time to carry out activities to support front-line employees. (to be implemented)

[Awareness reform]

- Hold meetings to correctly understand and learn from past certification issues (since September 2022)
- Disseminate the new corporate policies, "HINO Way," "Basic Philosophy," "Sustainability Policy," and "Code of Conduct" formulated this year, and instill the three values of Integrity, Contribution, and Sympathy in all officers and employees (since June 2022)

[Efforts at each plant to strengthen compliance]

- Time to Speak Up: Regular discussions at each workplace on topics related to compliance (since June 2022 at Hamura Plant)
- Employee Satisfaction awareness survey (since May 2022 at Koga Plant)
- Strengthening Compliance Promotion Team: Workplace counselors are addressing problems and taking measures (since September 2022 at Nitta Plant)

Hino deeply apologizes for the disruption caused to all stakeholders, including suppliers, dealers, and customers who are waiting for delivery of vehicles.

<Reference (i)> Production plan by vehicle

Vehicle [Type]	Vehicle Model	Engine model	Scheduled Production Resumption	Production site
Medium-duty truck	HINO Ranger (certain models)	A05C (Urea-SCR)	Tuesday, November 1	Hino Motors, Inc. Koga Plant (Ibaraki)
Light-duty truck	Hino Dutro	N04C (HC-SCR)	Monday, October 3	Hino Motors, Inc. Hamura Plant (Tokyo)
Bus	HINO S'elega (certain models)	A05C (Urea-SCR)	To be determined	J-Bus Ltd. Komatsu Plant (Ishikawa)
	Hino Melpha			J-Bus Ltd. Utsunomiya Plant (Tochigi)
	Hino Blue Ribbon Hybrid			J-Bus Ltd. Komatsu Plant (Ishikawa)
	Hino Poncho	J05E (Urea-SCR)		J-Bus Ltd. Komatsu Plant (Ishikawa)

- * Production of light-duty truck “Toyota Dyna” is also scheduled to resume on Monday, October 3.
- * The timing of production resumption has not been determined for vehicles that were not approved by MLIT, including: “HINO Profia” and “HINO S'elega” equipped with E13C (Urea-SCR) and A09C (Urea-SCR); “HINO Ranger” equipped with A05C (HC-SCR); and “HINO Liesse II” equipped with N04C (Urea-SCR).
- * As of September 16, 2022, HINO Ranger equipped with A05C (Urea-SCR) is being produced in small quantities and is scheduled to pause production in October. Other vehicles are subject to production suspension.

<Reference> Related announcements

March 4, 2022: [Notice Regarding Misconduct concerning Engine Certification](#)

March 11, 2022: [Establishment of the Special Investigation Committee](#)

March 25, 2022: [Submission of a Statement to the Ministry of Land, Infrastructure, Transport and Tourism and Misconduct Concerning the “N04C \(Urea-SCR\)” Light-Duty Engine](#)

March 25, 2022: [Recall of vehicles equipped with the “A05C \(HC-SCR\)” medium-duty engine](#)

March 29, 2022: [Notice Regarding Recording of Expected Operating Charges and Extraordinary Losses and Revision of Earnings Forecast](#)

August 2, 2022: [Investigation Results by the Special Investigation Committee, and Recurrence Prevention Measures and Other Responses](#)

August 22, 2022: [Additional Findings Concerning Engine Certification](#)

August 24, 2022: [Regarding CJPT Decision to Expel Hino](#)

August 30, 2022: [Hino Launches the "Trust Restoration Project"](#)

August 30, 2022: [Launch of the "Zero Workplace Bullying" Initiative](#)

September 2, 2022: [Reform of Processes of Development, Regulatory Certification and Quality Assurance](#)

September 9, 2022: [Administrative Action by the Ministry of Land, Infrastructure, Transport and Tourism](#)

September 12, 2022: [Administrative Action by the Ministry of Land, Infrastructure, Transport and Tourism regarding Hino's Engine Certification Misconduct](#)