HINO SUSTAINABILITY REPORT 2020

TOP MESSAGE

"To bring happiness to people around the world through transportation, Hino Motors continues striving to solve" societal issues by creating the new value unique to Hino Motors"



1. Hino Motors's vision for society

Today, many societal issues, from global warming caused by CO2 emissions to the logistics crisis caused by driver shortages, are becoming ever more apparent. The environment of the flow of people and goods is becoming more and more challenging with each passing year. This situation has been further compounded by the global spread of the COVID-19 coronavirus since the end of fiscal 2019, which has restricted the movement of people and goods. Meanwhile, the pandemic has also underscored the vital importance of the trucks and buses that support the flows of people and goods, as lifelines for society. Hino Motors has a strong sense of mission as a manufacturer of trucks and buses, and will continue to support the social infrastructure of transportation by working together with our customers to solve the issues they face and providing ongoing support for their businesses.

We aim to implement business structure reforms to transform Hino Motors into a company capable of solving issues faced by customers and the world, and that is why, in 2018, we announced Challenge 2025, which sets out policies and strategies for customers around the world. Please see P.12

In Challenge 2025, under the slogan "trucks and buses that do more," we are striving to respond to emerging societal issues based on the 3 goals of "best-fit products incorporating safety and environmental technologies," "total support customized for each vehicle," and "new activity areas."

Hino Motors aims to make trucks and buses a hard-working presence that do more in "a world where people and goods move freely, safely, and efficiently," and "a sustainable world that is prosperous and pleasant to live in."

2. Realizing a society that is prosperous and pleasant to

As we strive to provide value to our customers and the world, our first and foremost priority is safety, across all 3 goals of Challenge 2025 to deliver on our commitment to "best-fit products incorporating safety and environmental technologies" Please see P.16 as a manufacturer specializing in trucks that are resilient to significant damage when an accident occurs, and buses responsible for many lives. We are working hard to ensure that these newgeneration outstanding safety technologies are fitted as standard, providing them quickly and widely to markets around the world. That includes the Hino S'elega large sightseeing coach, which in 2018 became the first commercial vehicle in the world to have an emergency driving stop system (EDSS).

3. Challenge to realizing a sustainable society

In terms of the environment, too, we are continuing our efforts to reduce CO2 emissions, which are thought to be a contributing factor to the increasing number of adverse climate events in recent years. We are working together with diverse partners to accelerate the development of electric vehicles, with a view to achieving the target set out in the Hino Environmental Challenge 2050 of minimizing environmental impact. Starting with Project Z, which was announced this year by Hino USA, we plan to introduce a variety of zero-emissions vehicles to the market by 2025. For goal number two, "total support customized for each Please see P.18 , we are creating innovative new forms of support that will help to sustainably develop our customers' businesses. Through our ICT service, HINO CONNECT, we are linked to each and every one of our customers' vehicles, enabling us to provide optimum support for vehicle operations. What is more, by strengthening our peripheral businesses from the moment we first provide a vehicle through resale and continuing to stay connected with our customers, Hino Motors aims to provide oneto-one support that continuously supports our customers' business

Under "new activity areas" Please see P.20 , we aim to solve the challenges our customers face, and that means working together with our customers in their workplaces to identify real, pressing problems onsite. Leveraging digital transformation (DX), we build human resource and logistics information platforms that make the most of various kinds of data provided by our customers to get to the bottom of real problems. This allows us to provide the kind of value that only Hino Motors can provide utilizing our Connected, Autonomous, Shared, Electric (CASE) technology.

There is a limit to what Hino Motors can accomplish on our own, but if we join forces with likeminded partners, we can achieve things together. In addition to our efforts to date to reinforce our alliance with the Toyota Group, we have formed strategic partnerships with companies in the same industry, such as the TRATON Group and BYD, and collaborations with companies in different fields. We will continue to seek out partners that share our vision, stepping up our efforts to solve the issues facing our customers, and in so doing helping to build a sustainable world.

A global environment in which we can all continue to live and sustainable societies where all people can continue to enjoy a prosperous lifestyle are equally sought by everyone. Sustainability is therefore a keyword that every company should be aware of. Hino Motors is a global corporation that has developed business in over 90 countries and regions around the world. As such, we hope to earnestly face the problems of stakeholders in each local area, and continue to be a presence considered necessary to society. We believe that the Sustainable Development Goals (SDGs), with their targets for the world, are aligned with our business activities, driven as they are by our Corporate Mission, "To make the world a better place to live by helping people and goods get where they need to go—safely, economically and with environmental responsibility while focusing on sustainable development."

Hino Motors protects the safety and health of employees, their families, and local residents in order to support transportation around the world even in the harsh environment of the current COVID-19 crisis, and promote support activities for the customers who are struggling at the forefront. In our efforts to quickly respond to the rapid transition to a "new normal," we promote drastic reforms of our corporate structure, such as improve work efficiency through work style reforms including telework, maintain appropriate production and sales, review investment, and reduce fixed costs to further accelerate the transformation to a business structure that is resistant to environmental changes and capable of sustainable growth. On top of that, we will boldly shift the resources we have created through operational efficiency initiatives, while engaging in a process of "selection and concentration" that focuses on providing value unique to Hino Motors and on working with our partners to provide value more quickly and on a broader scale to shift our business focus quickly to the solution of each of our customers' individual issues.

We will continue to provide value to our customers and society, aiming to gain recognition from our customers as a true business partner, and to continue to support the movement of people and goods in a sustainable manner. At the Tokyo Motor Show 2019, we announced the slogan, "Transporting Every Happiness," based on our determination to "bring happiness to all people through transportation." All of us at Hino Motors are committed to living up to it, working together with one mind as Team Hino and putting ourselves in our customers' shoes as we strive to solve the issues facing society.