

Corporate Information	Top Message	The HINO Credo & Course of Action	Realizing a Sustainable World	Environmental Management	Hino's Strategies and Initiatives and the Sustainable Development Goals (SDGs)	CSR Management	Topic	ESG Initiatives			
								Environment	Social	Governance	ESG data and others

Safety Health Quality Respect for Human Rights Human Resources "Creation" and Work Styles Supply Chain  
Social Responsibility Initiatives

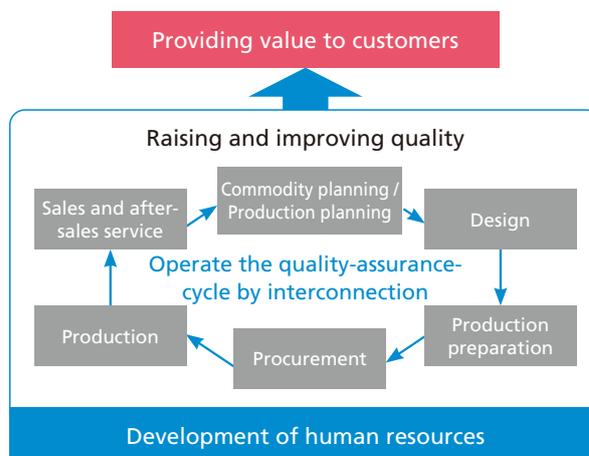
## Quality

### Basic approach

Hino Motors has valued quality since the Company's founding. We believe it is our responsibility to provide value and quality through products and services that enable our customers and the world to feel safe. The Company is constantly striving to improve quality by continually applying plan-do-check-act (PDCA) cycles for improvement. These PDCA cycles are utilized during the manufacture of commercial vehicles, and also while the vehicles are being used by customers, until the company's role is complete. The pursuit of quality improvement forms the basis of Hino Motor's quality assurance management. Under its "Customer First" and "Quality First" Code of Conduct, Hino Motors will continue to refine the quality of its products and services on a daily basis in order to remain a commercial vehicle manufacturer trusted by customers and society.

### Promotion System for Quality Assurance

The employees of Hino Motors are all working to improve the quality of the processes they are engaged in, including planning, design, production preparation, procurement, manufacturing, sales, and after-sales service. They are expertly applying quality assurance cycles leveraging coordination across different processes. This enables the Company to provide products and services that earn the trust of customers and society. The Company will keep taking on the challenge of improving quality even further by promoting human resource development, which is one of the foundations of corporate activities in each process.



### Initiatives to improve product quality

To discover and improve product defects in the initial stage of the product development process, Hino Motors conducts extensive discussions in the early design stage on compliance with laws and regulations, environmental considerations, and market uses in an effort to boost the quality of design plans. A high-quality design review (a step that checks and studies the design) is conducted onsite using actual products with the goal of continuously producing first-rate goods.

### Quality risk management

At least once a year, Hino Motors conducts an internal audit to further strengthen appropriate quality assurance activities, based on laws in all relevant countries and internal regulations. This internal audit is carried out by a team formed of

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internal auditors well-versed in quality assurance rules, frameworks, and auditing techniques. The audit results are swiftly applied to improvement cycles to make enhancements. With environmental changes inside and outside the company in mind, Hino Motors earnestly incorporates opinions from entities such as the certifying bodies in various countries to further bolster quality assurance activities.

## Initiatives for Raising Employee Quality Awareness

### ◆ TQM\*1 Activities

Hino Motors aims to improve the quality of products and services that meet the needs of its customers and the world. We promote QC circle activities, PROGRESS (technology-related small group activities)\*2, and efforts to improve workplace management at all employment levels, from workers to managers. In addition, every year inhouse competitions are held using actual examples of activities that passed internal qualifying rounds in each department. Through these outstanding examples of advancements presented at the programs, participants gain understanding of new methods and approaches. This encourages employees to learn from one another and make improvements.

\*1 TQM: Total Quality Management

\*2 QC circle activities, PROGRESS (technology-related small group activities): Voluntary activities for finding and solving issues within a group with the goal of improving quality within that workplace. It is an opportunity to deepen understanding among group members and revitalize the workplace, and at the same time, the mutual stimulation provides an opportunity for growth.

### ◆ Ample Learning Opportunities

Since fiscal 2015, Hino Motors has been holding "Exhibition of Quality Improvement Activity" every year in November, the Company's quality month. This ensures that all employees can maintain their awareness of the importance of ensuring safety and peace of mind for customers. In 2018, a Quality Learning Center was opened for employees. The center enables all employees to learn about the current quality situation at Hino Motors, while strengthening efforts to keep a strong emphasis on our principle of "top priority to quality and customer satisfaction".

In addition, Hino Group sales companies in and outside Japan, which have a great deal of direct contact with customers, are working to create systems for supplying parts rapidly and for studying vehicle maintenance technologies. In Japan, service support sites have been established at the 21st Century Center (Hachioji City), Kobe Training Center, and Sagami-hara Training Center. Overseas, support sites have been established in the Middle East and Latin America to further improve quality. In addition, Hino Motors launched a Service Master Course in 2003. This next-generation program develops core human resources at dealers in Japan. Program participants acquire the advanced maintenance and diagnostic skills needed by service engineers. They also obtain knowledge concerning products and relevant laws and regulations, as well as a wide range of skills, such as customer service and repair shop management. After completion of the course, the participants apply their new expertise in after-sales service departments at Hino Motors' dealers in Japan.



Hino Training Center - Middle East (UAE)



Quality exhibition



Completion ceremony

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◆ Hino Group Award System

Hino Motors dealers across Japan regularly hold a service skills competition. The competition is held in order to improve engineers' technical skills by encouraging them to learn independently, and to incentivize staff to provide high quality service to customers.



Competition for service skills



Awards ceremony

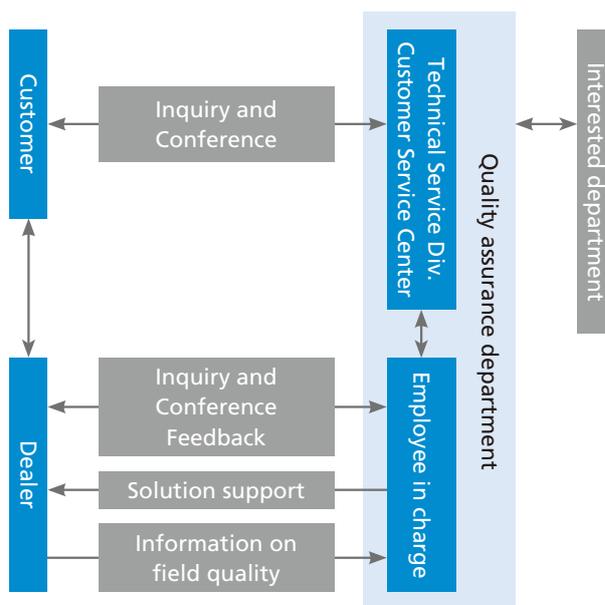


Awarded dealers

Customer Service Center Activities in Japan

Hino Motors' Customer Service Center in Japan was established to address a range of customers' concerns and enquiries by telephone. Following the motto, "Speedy and accurate response," the center is committed to improving its quality of service, aiming to further enhance customer satisfaction.

● Response system for customers In Japan



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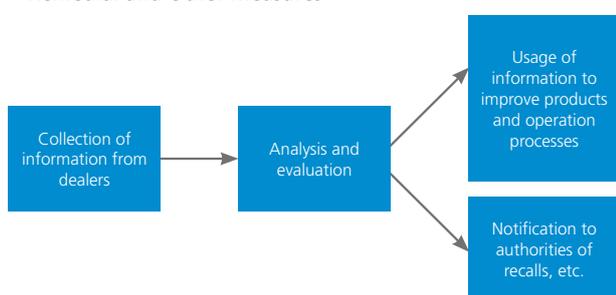
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## Handling Quality Defects and Recalls

Hino Motors' top priority is the safety of customers and the broader society. The Company makes every effort to prevent defects so as not to cause difficulties for anyone. In order to ensure customer safety and support their scheduled operations, Hino Motors has established a system that rapidly collects all the needed quality information and ensures a prompt response to any quality issues.

Please refer to the following for details on how Hino Motors has handled defects, including the issuing of recalls, over the last three years. All defect cases are handled appropriately.

### ● Remedial and Other Measures



### ● Incidence to handle defects

	(Cases)		
	FY2018	FY2019	FY2020
Recalls <sup>*1</sup>	21	14	11
Remedial measures <sup>*2</sup>	0	1	0
Service campaigns <sup>*3</sup>	12	12	5

By definition of the Ministry of Land, Infrastructure, Transport and Tourism Japan

\*1 Recalls: Automobile manufacturers and related manufacturers recall vehicles to make necessary improvements in accordance with safety standards when it has been determined that a certain range of the same model of vehicles, or tires or child seats do not comply with or are suspected of not complying with safety standards for road transport vehicles due to factors at the design or manufacturing stage.

\*2 Remedial measures: Automobile manufacturers and related manufacturers undertake remedial measures for making necessary improvements to vehicles when it has been determined that problems have occurred due to factors at the design or manufacturing stage, and such problems cannot be ignored in terms of ensuring safety or preserving the environment, even if the problems are not covered by safety standards for road transport vehicles (in contrast to product recall notifications).

\*3 Service campaigns: Automobile manufacturers carry out service campaigns to make necessary improvements to the marketability or quality of vehicles in the event of problems that do not fall within the scope of recalls or remedial measures.

## Future Initiatives

Hino Motors is working to achieve the ultimate goal of eradicating defects and recalls, aiming to provide further safety and peace of mind to customers and the broader society. The Company will keep working to improve quality further by constantly striving to prevent defects and the recalls and further raising employee awareness.

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## The Power That Sustains Hino Motors

I feel pride working on the front line to support Hino vehicle quality

Quality Assurance Div

**Maho Izukawa**



### Conducting analysis at the component level to discover each and every defect

It's my job to pin down the causes of a vehicle's problems by collecting and analyzing components and giving feedback to the development and design departments to improve quality.

The reasons for a vehicle's problems encompass a range of possibilities, including a vehicle being used in unanticipated ways. In many cases it's tough to narrow down a defect to a single cause. However, at such times I take care to communicate reliable information without making a decision based on conjecture. A wrong decision on my part could lead to poor quality. That's how much responsibility I undertake each day in my work.

### Aiming for the ultimate goal of "zero defects"

When I hear about an accident involving a truck or bus on the news, it strikes a chord.

I tackle my work with a renewed sense of intensity and mission because I want to eradicate such unfortunate accidents.

Depending on the defect that emerges, in some cases, unless it is immediately addressed, a further defect could occur. The ultimate goal of quality assurance is to prevent all defects. Thoroughly investigating the cause of each and every defect can contribute to preventing further problems so that we can reach that goal. So I feel pride and a sense of satisfaction with my job, which is on this front line of defense.

