

2009 Fall

# HINO

## Cares

Issue 010

HINO continues to take on new challenges.

### HINO is a “people” brand.

We believe that our technological capability and the high-quality service whose achievement we pursue are the aggregates of the abilities and the passion of HINO's staff members. HINO is the sum of its “people.”



# HINO's View

Expect great things from HINO's ongoing efforts to fulfill the needs of its customers around the world.

Toshiki Inoue, Senior Managing Director, Member of the Board



Mr. Toshiki Inoue, with the models used when developing the HINO 700 Series



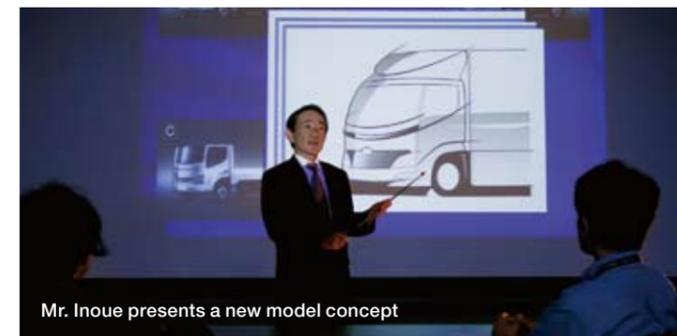
Staff always pay attention to the details



"What would be the most important thing you would like to convey to HINO's customers, dealerships, and staff members around the world on the pages of HINO Cares?" This was the question we posed to Mr. Toshiki Inoue, Senior Managing Director of Hino Motors, Ltd. To this question, Mr. Inoue emphatically replies, "At a time when a large number of auto manufacturers are being forced to downsize their operations in the global recession, we at HINO are actively engaging ourselves in development. Motivation at our development departments is high, and everyone in our company is working passionately to fulfill our customers' needs. Please expect great things to come from HINO." Backing up Mr. Inoue's claims are HINO's global sales performance figures. In 2007, HINO marketed its products to 57 countries. In 2008, that number has grown to over 70, and is undoubtedly set to grow even more. "This shows us how much our customers around the world expect of HINO. There are a large number of customers around the world, and there are many different needs that we have yet to encounter. How do we address and fulfill these needs? We're only in the very early stages of HINO's move into the global market," says Mr. Inoue.

Mr. Inoue, who has always worked in development, is also responsible for the management of HINO's Technical Research Center, which is the developmental organ for HINO's latest

technologies. "No matter how revolutionary a technology is, it won't mean a thing unless customers feel they need it and can buy it. Genuine state-of-the-art technologies are those that become popularized. This is what we have our sights on at HINO," explains Mr. Inoue. "For example, HINO first commercialized the pre-crash safety system in February 2006 as the brake system that reduces rear-end collision damage to be fitted on commercial vehicles. Also we launched the world's first combined EGR technology for reducing NOx emissions on heavy-duty trucks in November 2003. These latest technologies of HINO for addressing the issues of safety and environmental friendliness would have been realized based on our customers' needs. As a result, these technologies are being praised highly by our customers." Needless to say, HINO's "developmental philosophy" evident in these technologies is not something that was born in the last few years. All of our technologies, from new technologies that we commercialized ahead of any of our global competitors, to advanced technologies that later went on to become global standards were made possible because they embody HINO's credo which has remained unchanged throughout the years: "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."



Mr. Inoue presents a new model concept



Regarding the "new challenge" that HINO is driving forward to establish the next global baseline which our customers are demanding, Mr. Inoue says, "First and foremost, we are working to advance our environmental performance. In the face of global issues such as greenhouse gas emissions and rising oil prices, we are developing world-leading low emissions and low fuel consumption vehicles. Specifically, these efforts include dramatic improvements to per t-kg fuel consumption, and further performance improvements to our hybrid vehicles which have been attracting much attention worldwide. In the area of hybrids, we aim to develop vehicles that offer dramatic fuel savings compared to traditional diesel vehicles." As the first company in the world to mass produce hybrid vehicles in 1991, HINO has sold about 6,500 hybrid buses as well as light and medium duty trucks worldwide, and continues its development efforts for the next generation of hybrids which eventually will be marketed worldwide. Mr. Inoue continues, "And we must also pursue safety. An accident involving a commercial vehicle will not only have a

substantial impact on the bottom line of the company operating the vehicle, but it can also damage the company's image. Therefore, we must continue to work on improving safety and peace of mind by continuing to look for ways to prevent accidents before they occur." Other than these efforts for better performance, HINO is engaged in product development that transcends traditional boundaries. With growing demand in the area of natural resources mining, HINO is currently developing fully-fledged heavy-duty trucks that offer excellent durability.

These "new challenges" that we introduce here are only the tip of the iceberg. As Mr. Inoue says, because HINO places utmost value on providing products that customers demand, the company will continue to respond to expectations that are directed its way from all over the world.

**HINO sees the path it should take.**

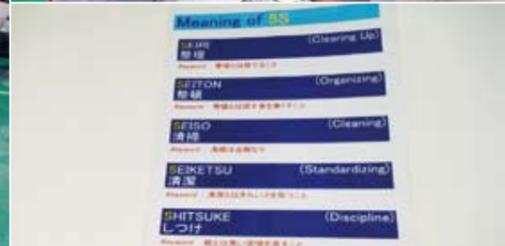
# HINO's Service

The driving force behind HINO Quality Service is none other than our “customer first” spirit.

Takeshi Kumeda, General Manager, Middle East Office  
Hino Training Center-Middle East



Mechanic trainees refine their skills at the training center



A prominent display of the “5Ss” which form the basis of the HINO mindset



Hino Training Center Middle East (Sharjah, UAE)

Quality service, in addition to excellent product quality, is an indispensable element for a brand to be continuously patronized by its customers. What can we do for our services in order to enhance customer satisfaction? How can we apply our efforts and passion in this area? Our customers have the final word on grading the quality of our services.

HQS (HINO Quality Service) is the overall service activities we have named based on our philosophy for our customers to purchase HINO products with peace of mind, and to remain satisfied with these products until they reach the end of their operational lives.

HQS is the collective name we give to all of HINO's overall service activities that are based on our “customer first” spirit. The aim of HQS is to offer customers high quality service in the area of management, service network, servicing technologies, warranty operations processing, and enhancement of service parts supply operations. In order to further enhance HQS, HINO, not being satisfied with the status quo, is striving to enhance the quality of its services. Regarding this issue of HINO Cares, we flew to UAE to gather information on the training center in the country, which, we believe, is an essential element for enhancing HQS.

“The Hino Training Center-Middle East (“Center”) has two functions. The first is its support for distributors in eight middle-eastern countries including GCC countries, and the second is its function as a training center whose purpose is to train mechanics to such an extent that they could respond quickly even to difficult breakdown scenarios,” says Mr. Takeshi Kumeda, General Manager of the Center. “This Center is equipped with all necessary training systems for learning HINO’s mechanic skills. We are striving to train any staff member who participates in our training here to walk out of the door as a fully-fledged, excellent mechanic.” The training system of the Center is based on the “module training” learning system developed by HINO. This system certifies mechanics as Junior, Senior, Professional, and Spirit Master technicians depending on the level of skills they have acquired. And in this system, higher-level mechanics in turn become instructors who train other mechanics. The system has been implemented for many years at the “Chainon 21” training center in Japan, and has seen the graduation of many high-level mechanics.

Mr. Kumeda — who places importance on training for developing a “HINO mindset” in addition to learning technical skills — says, “It’s basically about the ‘customer first’ spirit where we put ourselves in our customers’ shoes. In other words, it’s important for HINO service staff members to perform their work as if the vehicles they work on are their own. Trucks are commercial assets, and when they break down they cease to produce profits. I believe the reduction of downtime is directly connected to our customers’ profits, and the relationship of trust that is developed in this area is what builds the HINO brand.” One of the things that left an impression on us at this training center was the “5Ss” slogan based on the Japanese terms Seiri (organized), Seiton (ordered), Seisou (cleaned up), Seiketsu (clean), and Shitsuke (trained). “The 5Ss are also part of our HINO mindset training. If a mechanic can’t find the tool that he needs and has to look for it, this leads to dead time and other inefficiencies. This is why organization and orderliness is important. The longer a truck that comes in for repairs stays at our shop, the longer it takes for such truck to be workable. Considering how we can complete our work in the shortest amount of time possible may sound like a trivial matter, but I believe the 5Ss are the first step to realizing our ‘customer first’ spirit.”

Towards the end of our visit, we also interviewed some of the trainees. “I think HINO performs maintenance quicker than other

companies. In the future, I would like to teach my colleagues what I have learned here (Mr. Joe Thomas from Oman).” “HINO makes high-performance trucks. I’m currently at the Junior level and I’m working hard to advance to the Spirit Master level (Mr. Sinto Thomas from UAE).” It was great to see the twinkle in their eyes as these trainees responded to our questions. As long as HINO has staff members such as these individuals who carry on the HINO mindset, the quality of HINO’s services will continue to be enhanced.

HINO, where services also continue to evolve.



Mr. Joe Thomas from Oman



Mr. Sinto Thomas from UAE



Mr. Takeshi Kumeda, General Manager



The Middle East Office offers a variety of support functions for distributors in the Middle Eastern region

# HINO's Genuine Parts

## The Parts Distribution Center has been realizing shortened lead times for the Latin American market.

**Makoto Ozaki, Vice President of Parts Operations, Parts Distribution Center, Hino Motors Manufacturing U.S.A., Inc.**

One of the main themes for HINO's after-sales services is to shorten the lead times when supplying HINO genuine parts. In order to shorten downtimes in the event of a breakdown of a customer's vehicle, it is important to enhance our support systems so that we are able to deliver HINO genuine parts as soon as possible. In October 2008, in response to the growing number of HINO vehicles in operation in Latin America, we opened a new parts depot, the Parts Distribution Center, in California, USA ("Center"). With a regular stock of 12,000 parts that approximately amount to the number of service parts

supplied from here over a 3-month period, this Center is HINO's third large-scale parts depot after the Ome Parts Center in Japan, which services the Japanese, Asian, Oceanian, and North American markets, and Hino Motors Europe, which services the European, Middle Eastern, and African markets. "We chose this location because it was near international hub air and sea ports that give us good access to each of the Latin American markets, and it was the nearest from Japan in terms of distribution. In terms of its functions, the Center supplies service parts to customers in Latin America and Caribbean regions, as



The Parts Distribution Center (California, USA) is responsible for parts distribution throughout Latin America

well as a variety of support operations including sales support and marketing relating to parts sales at our distributors," says Mr. Makoto Ozaki, Vice President of Hino Motors Manufacturing USA. We asked Mr. Ozaki, how much of a reduction in lead time this Center has actually realized. "It's difficult to say as for ship freight because that will depend on the geographic location of each market, but I believe that we might have reduced the lead time by about 25-30 days from the date distributors place an order to the date the parts reach the final destination. As for air freight, parts reach the destination in 4 days on average, which is about 7 days shorter than what it used to take on average."

In addition to enabling us to deliver parts to our customers as soon as possible, he says this reduction in lead time has had other benefits for our distributors. "In the past, when we used to ship parts to each Latin American market directly from Japan, distributors might have stocked a wide range of parts that were not used very often to ensure quick delivery to customers. Now that we have this Center, it may contribute to reducing inventory levels and the portion of transportation costs of our distributors." While the Parts Distribution Center is an important factor to reduce lead times on parts supply in Latin America, this Center was not the only factor. Reduction of the operational time — from the time



Making every effort to reduce lead time



These parts will be shipped to distributors in Latin America



Mr. Makoto Ozaki, Vice President



The facility has an ongoing inventory of 12,000 types of parts

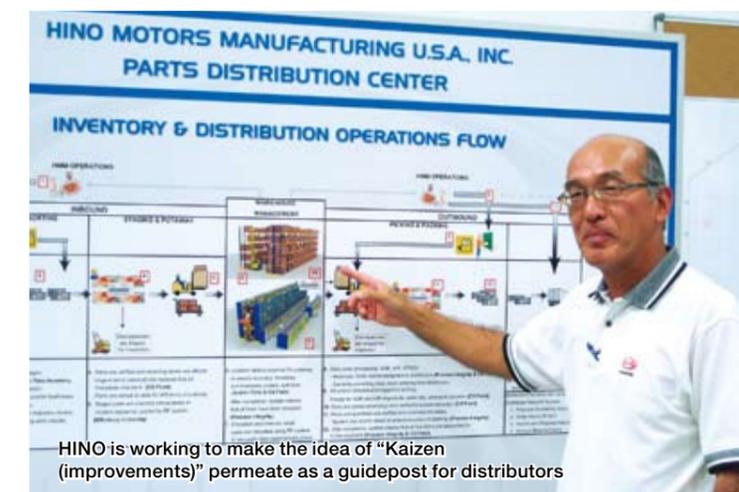
an order is received to the time it takes for an order to ship — is another important factor. "The larger the order, the more time or, in some cases, days it takes to pick the items off the shelves and pack them. Our aim was to reduce this time, even if by one day. To this end, we have implemented many measures based on the "Kaizen (philosophy focusing on continuous enhancement)" concept to enhance the efficiency of our operations, such as efforts on optimizing where and how the parts are stored and organized, and shortening the flow lines and distances between work stations and shelves."

In addition to reducing lead times, Mr. Ozaki cites the "service rate (replenishment rate)" as an important index in the supply of parts. This index represents how much of the orders are fulfilled from inventory, and how soon the parts are delivered. For example, if we receive an order for 100 parts, and if we are able to ship all of these immediately from inventory, the service rate will be 100%. "Currently at our depot, we've been able to achieve 98% as for fast moving parts. The overall average of all service parts would be about 92%. While it would be difficult to achieve 100% as some parts are in steady demand while others are shipped only once a year, our aim is to achieve as high a figure as possible. Since we cannot hold unlimited inventory, we are working to strike a balance between various aspects of our operations including efficiency and cost to achieve an overall average rate of 94-95%."

From HINO of Japan to a global HINO. The high performance of our products is not the only reason that HINO has been received well in countries around the world. It's also because we are constantly working to enhance our after-sales services, which

is geared towards reducing the downtime of HINO products purchased by our customers. As the essential part of the efforts, HINO is striving to increase the number of genuine parts depots and enhance operational efficiency. This Center is only a prelude of things to come.

**We supply parts that maximize the potential of HINO.**



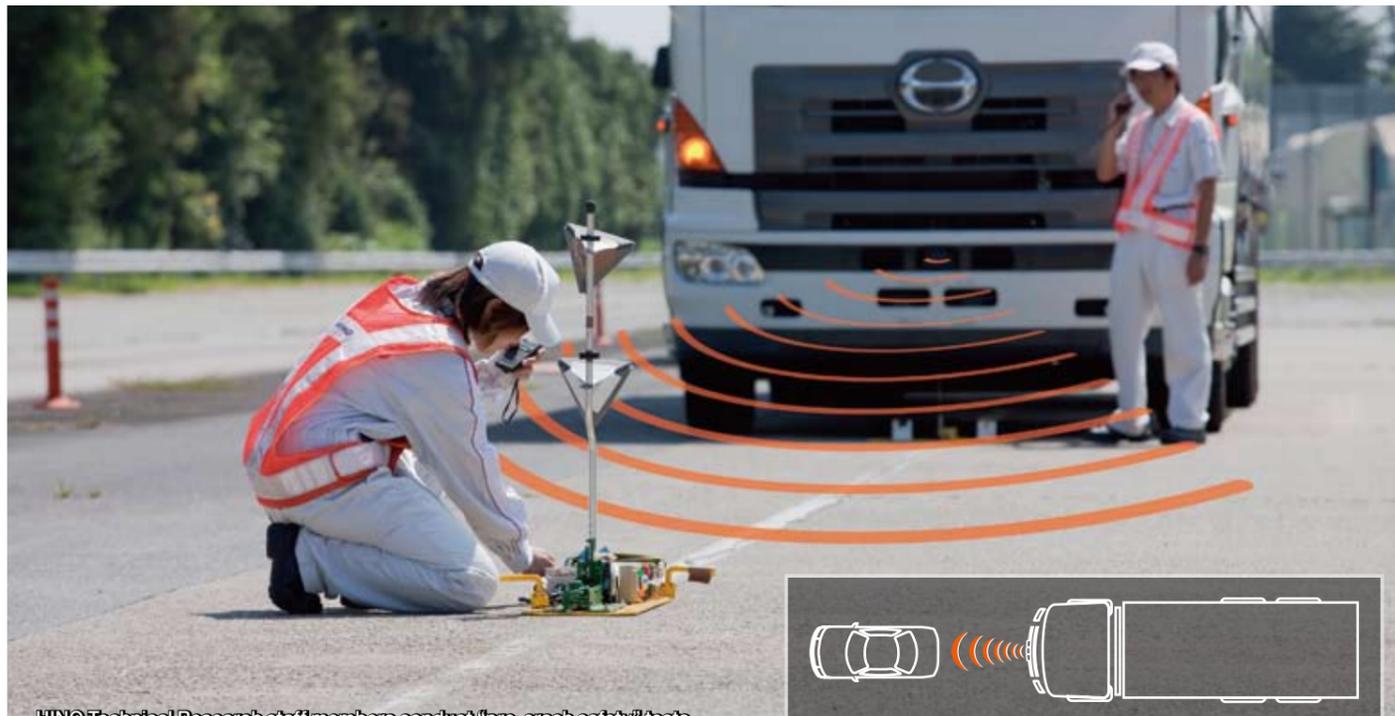
HINO is working to make the idea of "Kaizen (improvements)" permeate as a guidepost for distributors

# HINO's Technology

**We look for the seeds of our customers' needs and nurture the buds of new technology. There is still plenty of room for evolution in commercial vehicles.**

Hidehiko Enomoto, Head, Vehicle Research Department, Vehicle Safety, Technical Research Center

Mitsuaki Nakamura, Manager, Planning & Management Department, Technical Research Center



HINO Technical Research staff members conduct "pre-crash safety" tests



The driver of this test vehicle is Ms. Megumi Kudo, the first female test driver at HINO



Mr. Hidehiko Enomoto, Head of Vehicle Research Department

How far can motor vehicles evolve? Motor vehicles in movies and animation films that are set in the future are often depicted idealistically, as the embodiments of our dreams. Meanwhile, electric vehicles — dream vehicles that in the not-so-distant past impressed film-goers — have evolved to the point where they can now be made commercially. Motor vehicles have advanced steadily on their evolutionary path. Likewise, I believe commercial vehicles such as trucks and buses have been evolving. However, this evolutionary path is particularly tough for commercial vehicles considering certain driving conditions in which trucks and buses are used. Having said that, I believe the fact that these vehicles have been evolving step by step towards the ideal is proof that there are people who give serious thought to the future of trucks and buses, and are striving to pursue their vision.

The HINO Technical Research Center publishes future concepts for HINO products, and conducts R&D on elemental technologies based on these concepts. From vehicle performance to low emissions/low fuel consumption engines, and new materials, the scope of research conducted at this institute is broad. "Our objective is to discover technological seeds that serve as compasses for our technological roadmap. To this end, we must first have an in-depth understanding of what our customers want, and uncover the seeds of customer needs," says Mr. Hidehiko Enomoto, head of the Vehicle Research Department at the Technical Research Center. The Vehicle Research Department is the section at the Technical Research Center that is in charge of fuel efficiency, safety, and transport quality among other areas. "At the Technical Research Center, we are always simultaneously engaged in a greater number of R&D themes than that of researchers at the Technical Research Center. We then narrow down this list of themes, and hand them over to downstream sections such as the Design Department." Mr. Enomoto points out that the path on which these "technological buds" bear fruit and are incorporated in a production vehicle is fraught with many obstacles. Only those buds that have been nurtured through the many hours of passionate work by different organizations and staff eventually bear fruit as new HINO technologies. Our "pre-crash safety" feature is an example of a new technology developed against this background. This system is designed so that it automatically applies brakes to reduce collision speed if the computer determines that a collision cannot be avoided. This technology was introduced in 2006 to heavy-duty production trucks aiming at contributing to reducing collision speed in case of accidents (currently available on heavy-duty trucks for the Japanese market only).

There are two other laboratories at the HINO Technical Research Center. One is the "Engine Research Section," which conducts R&D on emissions performance, combustion analyses, and fuel efficient engines among other technologies. This section is currently engaged in research on engines that are able to comply with emissions and fuel consumption regulations that will be made stricter in the near future. The other section is the "Materials Research Section." This section develops material technologies for HINO products. The section conducts research at the molecular level of a variety of materials, which ranges from research on organic and metal materials to the development of new types of oils. The organization that takes overall control of these different research sections is the Research Planning Group. Mr. Mitsuaki Nakamura, manager of the Planning & Management Department at the Technical Research Center, says, "We regularly hold a research management meeting with members of each of these sections as well as staff from other development-related sections at HINO. At these meetings, we



The materials research section conducts molecular-level research

determine areas that we must research, follow-up on our research progress, and authorize the completion of different development projects. So, this is in essence the heart of HINO's R&D system. As a matter of course, we develop mid- and long-term plans, share research information, and apply research results laterally to develop synergies between all sections. It's not unusual to see developmental themes based on novel perspectives take shape at these meetings."

HINO has developed a wide range of technologies with the aim that these technologies developed by HINO may go on to become world standards. In a way, our vision is not only to evolve HINO products, but to pursue the possibilities of all commercial vehicles. How far will trucks and buses evolve in the future? Mr. Nakamura replies, "I believe there is still plenty of room for evolution." This evolution will be driven by our efforts to determine customer needs or in some cases by identifying latent needs, as well as our efforts on honing our abilities, continuation of our research, and our passion to develop innovative technologies.

**All technology is used to create the best HINO for you.**



Mr. Mitsuaki Nakamura, Manager of Planning & Management Dept, Technical Research Center



The engine research section

The materials research section

# HINO Owner's Voice

## HINO, because there are reasons to be selected.

Customers wish trucks to meet many requirements, ranging from safety, durability under certain conditions, to operability and cabin comfort which makes the drive less tiring for drivers, environmental conservation which includes reductions in NOx, PM and CO<sub>2</sub> emissions, and fuel efficiency. Another important aspect for our customers is an extensive after-sale service system that will enable customers to use their trucks without concern. Trucks aren't the only things HINO provides. One of HINO's most important objectives is to "create" as many "reasons to be selected" whatever the product or service Hino provides, or where they are marketed, and to "create" relationships based on trust with our customers. In this section, we introduce the companies that operate HINO trucks to our readers. We would like to give you a glimpse of how HINO trucks serve our customers around the world by asking them their reasons for choosing HINO. \*The customers are introduced alphabetically by country name.

For more detailed stories about the HINO owners, please visit:  
[http://www.hino-global.com/products/owners\\_voice/index.html](http://www.hino-global.com/products/owners_voice/index.html)



### Australia/ Cope Sensitive Freight Mike Hatton, Fleet Maintenance Manager

Cope Sensitive Freight is a transport company that pioneered the transportation of the sensitive freight in Australia. The company currently owns 17 units of HINO trucks. Fleet maintenance manager Mr. Mike Hatton has this to say about HINO trucks, "HINO trucks offer low operating and maintenance costs. As such, they have become an indispensable part of our business. We plan to add 30 more units of HINO trucks by 2010." Mr. Peter Colbran, a Cope driver says, "Ease of driving is crucial for long haul drivers. HINO trucks give me a wide view, and good suspensions so it does not make me tired even when I drive on long hauls. I'm proud to be driving HINO trucks."



### Thailand/ Serm Suk PCL Somchai Bulsook, President & CEO

Serm Suk PCL's core operations involve the production and bottling of Pepsi, Mirinda, 7-up, Crystal water products in Thailand. The company has operated HINO trucks since 1973, with about 1400 units of HINO trucks currently used in company operations. Mr. Somchai Bulsook, President & CEO, says, "HINO not only offers good products, but faithful service as well. We have not viewed HINO as just one of truck manufacturers and we have a good relationship. While there are manufacturers who seem to care about making a profit only, HINO will sit down with us to decide on which model would be suited for each application. HINO understands the nature of our work very well. We can count on HINO."



### Pakistan/ Perfect Transport Network Co., Ltd. Abdul Hameed Shaikh, Managing Director

Perfect Transport Network has a history of 25 years. It is also the largest transport company in Pakistan, and owns 115 units of HINO 500 Series and 60 units of HINO 300 Series trucks. Mr. Abdul Hameed Shaikh, managing director of the company says, "HINO offers solid after-sales services, so this gives us peace of mind. I feel as if we could purchase genuine HINO parts anywhere in Pakistan through HINO's extensive network of offices and dealers which, I believe, are highly reliable as they provide us with the ideal solutions pursuant to our demands. I believe this is one of the reasons HINO is so competitive in the area of reliability in Pakistan."



### UAE/ Arabian Flowers Frans Wind, Managing Director

Arabian Flowers wholesales flowers and plants to the entire UAE market. We had an interview with the managing director of the company, Mr. Frans Wind. "The first reason we purchased HINO trucks was their reliability. Another reason was their maneuverability in town. And because Dubai is such a hot and unforgiving place, durability was another important factor. In addition, we've been able to reduce our per kilometer fuel costs and maintenance costs." Arabian Flowers' vision is to export their products from their hub in Dubai to neighboring countries in the region. "We plan to export our products to Oman, Qatar, and Saudi Arabia to expand our market. I look forward to working with HINO as we move forward to achieve our goal."



# Latest News

## National Service Skill Competition Novi, Michigan (USA) Training Facility Hosts Its First Competition.



Mechanics from HINO dealers throughout the USA competed during the National Service Skill Contest



Hino Motor Sales U.S.A., Inc. ("Hino Trucks USA") held its National Service Skill Competition at its Novi, Michigan training facility; the first time this event has been held at this facility. This Competition is a competition of skills between service technicians from HINO dealers in USA who have acquired the Master Elite Technician designation. The Master Elite title is the highest designation that a HINO truck technician can achieve. To reach this advanced status, technicians must successfully complete fourteen Hino Training Courses and all six Automotive Service Excellence (ASE) Medium/Heavy Duty Truck test series certifications. Mr. George Daniels, Vice President, Service Operations for Hino Trucks USA says, "Proper training gives the HINO technician the 'Fix it Right the First Time' attitude and our new 16,950 sq. ft. training facility next to our headquarters provides us the opportunity to expand our training offerings for HINO Technicians to participate in new technical training program." As Daniels says, HINO operates a training facility in Ontario, California to provide comprehensive support to its network of 175

dealers nationwide. The Competition will be the ultimate challenge for technicians who have completed these comprehensive training programs based on HINO's philosophy regarding service training. This is what the annual National Service Skill Competition is all about. HINO currently conducts Skill Competition in 11 countries around the world, including the USA, to enhance the skills and motivation of front-line service technicians, and to deliver quality services to its customers.

After a heated two-hour competition, Mr. Greg Zubek of Chicago Mack Sales and Service became the champion. Mr. Zubek is a Journeyman Technician and works on the Chicago Mack team. This is what Mr. Zubek had to say about the competition, "Competitions like this will motivate technicians to get involved with ASE programs and dealers will send more techs for HINO Training."

**There is a lot of news around the world that tells us much about HINO.**

### Hino Motors, Ltd.

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