

**To establish a development and production base  
in Thailand for best-fit products  
to strengthen its business foundation in ASEAN**

**Company to push forward with locally led manufacturing of best-fit products to quickly respond  
to customer needs in close proximity  
In addition, Hino aims to strengthen its Total Support operations  
to support its customers' businesses.**

Hino Motors, Ltd. (HQ: Hino City, Tokyo, President & CEO: Yoshio Shimo; hereafter "Hino,") and Hino Motors Manufacturing Thailand, Ltd. (HQ: Samrong, Samutprakarn Province, President: Somchai Pleankaew; hereafter "HMMT"), our manufacturing company in Thailand, in order to achieve our vision of "Corporate strategy 2025\*" and enable us to respond to customer needs in close proximity, will be taking steps in Thailand, one of our key centers of operation, to accelerate our efforts to strengthen our business foundation in ASEAN.

\*Corporate strategy 2025: Our vision and corporate strategy for 2025. Announced on 30 Oct, 2018.

By newly appointing Mr. Somchai Pleankaew, who has an exceptional career background with Hino, to president of HMMT, we will be creating an organizational setup that will enable us to drive our business in a locally led manner. Under this new setup, we will be constructing a new center in Bang Bo, Samutprakarn Province to consolidate and strengthen our product planning, development, and production functions for best-fit products in ASEAN.

The site has an area of roughly 400,000 sqm. Construction is scheduled to begin in July 2019 with operations to begin in 2021. The new center will consist of the new plant's production area, and a development area centered around a test track. The total investment amount is expected to be roughly 11.5 billion yen.

Mr. Somchai Pleankaew, who assumed the office of president of HMMT as of Feb 1 has this to say:

HMMT will put all of our effort to make this project successful in order to enable the growth of our company. Our aim is to serve all customers to their greatest satisfaction by providing the best-fit products and total support customized for each vehicle. In addition, as a center of Monozukuri, including product planning, development, and production, as well as Total Support in ASEAN, Hino Thailand will collaborate and go forward with Hino in ASEAN in order to grow and strengthen together to support the growth of our customers' businesses in the ASEAN region.

The Hino Group will be reforming its business structure to achieve sustainable growth leading up to 2025. We position Thailand as one of our key markets for sales in the ASEAN region, our second pillar after the Japanese market. The country is also one of our key business centers and a driver of Monozukuri and Total Support within the region.

The new center to be constructed will consolidate and strengthen our product planning, development, and production functions in Thailand. As a "Monozukuri Center" it will be designed with the capability to commercialize and supply ASEAN best-fit products locally and consistently. In addition to increased coordination between different functions, we will be taking steps in product development to push forward with localization of product development by upgrading organizational setups and constructing a new test track so that we will be able to respond to customer needs quickly and accurately at close customer proximity. In the area of production, the production functions that are currently distributed across existing

plants in Thailand will be consolidated at the new center to improve production efficiency. Furthermore, know-how from the Koga Plant—our global mother plant—will be actively incorporated into the plant to create a system that will enable us to deliver competitive products to our customers in a timely fashion. Once the factory begins operation in 2021, we will first start off by producing vehicles for the domestic Thai market, and expect to begin supplying ASEAN best-fit vehicles to other emerging markets by roughly 2024.

In addition to establishing our new Monozukuri system, Hino Motors Sales Thailand, Ltd. (HQ: Lak Si, Bangkok, President: Shin Nakamura) will also be pushing forward with actions to strengthen our Total Support operations. We will also be upgrading our foundations for supporting our Thai customers' businesses by expanding our driving seminars for customers, and upgrading our dealership staff training to improve service quality, for example. We will also raise the base level of our Total Support activities for ASEAN as a whole through a lateral dissemination of know-how in the region.

To achieve our vision embodied in our slogan "Trucks and buses that do more," Hino focuses on our Three Directions, namely, "Best-fit products incorporating safety and environmental technologies," "Total support customized for each vehicle," and "New activity areas." In order to provide our customers and societies with these values on an ongoing basis, we are committed to taking on every challenge that we face in our aim to establish a business structure that will realize sustainable growth for the company.

#### <New center overview>

Name	Suvarnabhumi Monozukuri Center
Location	Bang Bo, Samutprakarn Province
Site area	400,000 sqm
Functions	Product planning, development, and production of Hino vehicles
Products produced	Light- and medium-duty trucks and buses
Operation startup date	Scheduled for 2021
Employees	Approx. 1,300 (at the time of operation startup)

#### <Overview of Thai operations>

##### ■Production subsidiary

Name	Hino Motors Manufacturing Thailand, Ltd. (HMMT)
HQ location	Samrong, Samutprakarn Province
Date founded	2003 (predecessor company that Thai Hino Industries founded in 1964)
President	Somchai Pleankaew (Managing Officer at Hino Motors)
Capital makeup	Hino: 80% and Mitsui & Co.: 20%
Operations	Manufacture and sales of Hino trucks and buses, and manufacture and sales of parts for Hino vehicles
Products	Light- and medium-duty trucks and buses, and unit components for Toyota vehicles
Production performance (*)	FY2015: Approx. 10,800 units; FY2016: Approx. 13,800 units; FY2017: Approx. 11,700 units (Hino's production performance at Factory 3)
Center	HQ and Samrong Factory (Factory 1): Production of unit components for Toyota vehicles Bangplee Factory (Factory 2): Production of unit components for Toyota vehicles Bangpakong Factory (Factory 3): Production of Hino vehicles
Employees	Approx. 3,400 (as of Mar 31, 2018)

※We will also be re-organizing and streamlining our processes alongside our consolidation of the Hino vehicle production functions.

## ■Sales subsidiary

Name	Hino Motors Sales Thailand, Ltd.
HQ location	Lak Si, Bangkok
Date founded	1962
President	Shin Nakamura (Managing Officer at Hino Motors)
Capital makeup	Hino: 55.3%, Mitsui & Co.: 43.0%, and Kitsiri Group: 1.7%
Operations	Sales of Hino trucks and buses, sales of supply parts, and after-sales services
Sales performance	FY2015: 12,185 units; FY2016: 12,868 units; FY2017: 10,982 units; FY2018(plan): 12,800 units
Models sold	Heavy-, medium-, and light-duty trucks and buses
Employees	Approx. 600 (as of Mar 31, 2018)

End of report