

Reform of Processes of Development, Regulatory Certification
and Quality Assurance

Restructuring a Quality Management System (QMS)

Hino Motors, Ltd. (“Hino”) sincerely apologizes to its customers and all other stakeholders for damaging the trust of stakeholders and the disruption caused by the announced engine certification issues in the Japanese market.

To prevent the recurrence of similar issues in the future, Hino acknowledges that it must urgently overhaul its systems and processes in the areas of Development, Vehicle Regulation & Compliance and Quality Assurance. Therefore, Hino is taking immediate action to reform those areas for vehicles sold in Japan. Hino aims to restore trust in the quality of Hino’s products by making and implementing development plans that are appropriate and practical based on its development capabilities and schedule, as well as ensuring the sound retention of data demonstrating compliance.

For that purpose, Hino has strengthened its review process by separating the development function and certification function as well as establishing and revising related policies and procedures. Currently, Hino is working to quickly implement additional measures to further ensure the integrity of its development and certification processes by establishing and operating a quality management system that will incorporate outside perspectives and oversight.

1. System - Restructuring a Quality Management System (QMS) incorporating external audits:

- Having a system for management of a series of operational processes related to planning, design, testing, certification and mass production at Hino
- Improving the certainty of operational processes for development, regulatory certification and quality assurance

In order to achieve these goals, Hino intends to restructure its operational processes, strengthen data management, and make it possible to control development target values, shipment management values and reported values while sharing the basic values under “Ensuring Product Quality” and knowledge in each department by introducing a QMS that will involve external audits (such as those set forth under ISO9001).

2. Operation - Establishing a governance structure to ensure the effectiveness of QMS:

- Increasing the involvement of the Quality Assurance Department in activities related to development and design specifications in addition to shipment quality to ensure product quality
- Strengthening the review system to ensure timely updates of rules and standards and the establishment and appropriate maintenance of development infrastructure (such as facilities management) according to statutory requirements

In order to achieve these goals, Hino intends to reinforce the audit function regarding the development process by strengthening the system for collecting legal and regulatory information and implementing a system to disseminate that information to relevant departments.