

HINO

Cares

Issue 002

2007 Fall / Australia

The “hand” is also a “heart.”

No matter how small the part
No matter how small the service
In it lies the philosophy
Which makes a Hino, a Hino.
We at Hino
Will never stop our working hands
So that our customers can be happy
with their choice
“I’m glad we chose Hino.”



HINO Cares Hand

Hino's success in Australia depends on how well we help our customers to prosper.

Sergio Bonvini, Technical Trainer, Hino Australia



“...knowledge is a gift from God – so for me to be able to share that knowledge with others is very rewarding.”

Sergio Bonvini is a hands-on technician. But while, for years, that involved spanners and wrenches, today, as shown on our cover, he increasingly uses diagnostic and tuning equipment. It is sometimes a delicate task, and a skilled operator like Sergio can reap great rewards. Truck buyers find themselves being subjected to increasing demands from their clients – and buyers are passing on these pressures to truck manufacturers. According to Sergio, who is the Chief Technical Trainer for Hino Australia, never before have customers wanted to know more about the trucks they buy – and how to maintain them. “Truck operators are under so much pressure today,” he says. “They need to know how to minimize the amount of time that the vehicle spends off the road.”

Australia's vast size and traveling distances place an immense reliance on the road freight industry. For a nation with a population of only 20 million, a total of 47,000 road transport businesses emphasizes the importance of the industry. Out of 12 million vehicles in the country, 2.2 million of them are trucks – which combine to freight 135.5 billion tons and travel around 45 billion kilometers (28 billion miles) each year. Within this landscape, Hino currently has 32 dealers across the country and will achieve a targeted sales figure of 6,000 vehicles for 2007. The company is rapidly growing in Australia, with a push for dealership coverage to increase by 20 per cent. More dealerships, more customers and more technicians mean a tough job for a technical trainer like Sergio Bonvini.

Sergio was born in Brazil to Italian parents. Like many Australians, he is fiercely proud of his heritage and is a prominent member of Sydney's Brazilian community – yet he is also a hugely proud Australian. The renowned passion of Brazil and the pragmatism of Australia are both evident in the way he talks about his work. “I need to be passionate about what I'm doing – the fortunate

thing for me is that most people I work with are passionate about trucks as well,” he says. “My philosophy is that knowledge is a gift from God – so for me to be able to share that knowledge with others is very rewarding.” Sergio's office is small. He prefers to spend his time in his training workshop which, while vast, is increasingly crowded with electronic equipment. This is Sergio's natural environment – a place also usually crowded with technicians on advanced courses – and it is here we conduct our interview. “Ten years ago trucks were quite simple in comparison to today – they had a diesel engine and mostly mechanical parts and that was it,” he says. “Now everything is more electrical and we have specialized tools for servicing like the Digital Storage Oscilloscope – we are talking about cleaner diesel technology and hybrid engines, which people did not even think about last decade.”

Australia Post is the country's national mail delivery company. It was the first company to buy a Hino Hybrid anywhere outside Japan's domestic market. “The Hybrid was a completely new proposition for everyone in the truck market,” says Sergio. “Australia Post was interested enough in the technology to make a significant commitment to it.” “The Hybrid's electric motor and battery pack require a very precise service technique.” “I spent a lot of time developing a training manual and teaching Australia Post the important aspects about maintaining the vehicle – mostly in regard to awareness and safety.” “I really believe that, if Hino is going to sell a particular product, then it is Hino's responsibility to make sure everyone in the company knows all about that product.” “It makes no sense to say to a customer, ‘Trust us when we say our product is of a high quality’ if we cannot back that up with knowledge.”

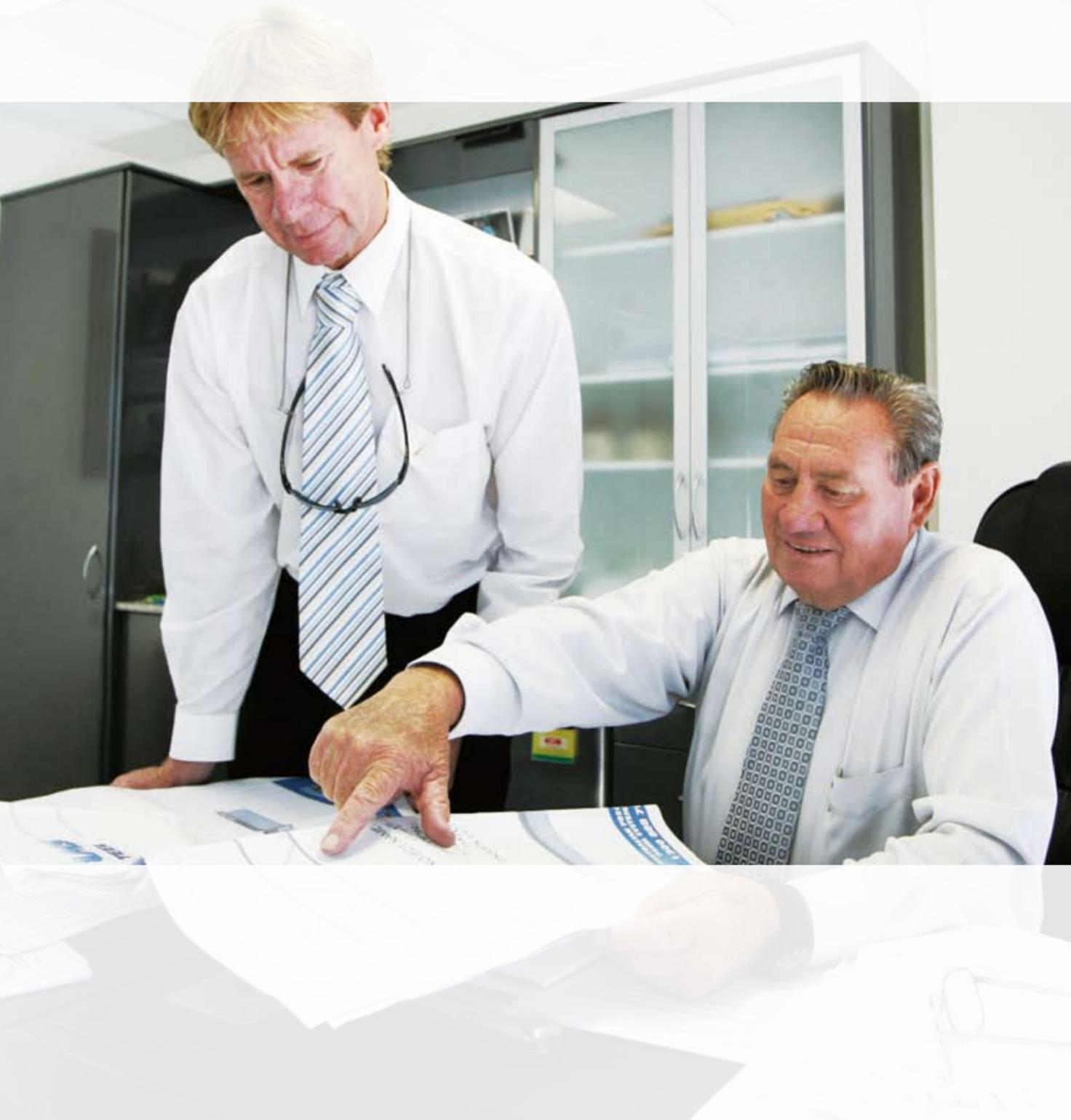
Hino is made by people.

HINO's Service

The Hino Family encompasses ourselves, our staff, our customers and deserves constant investment.

James Bradstreet, Dealer Principal, Newcastle Hino

Boy Bradstreet, CEO, Newcastle Hino



“The minute you get complacent is the minute your competition will strike. We have achieved a lot, but we can achieve a lot more.”

Succession planning has become an issue for many family businesses which make up such an important part of the road transport industry. In Australia's second largest provincial city, Newcastle, the Bradstreet family is a fourth-generation owner of a series of motor dealerships. Their Hino franchise, which is growing better than 20 percent each year, is showing the way to similar family businesses around the country. Just two years ago the family built an exclusive sales and service facility when it broke Hino out from its other businesses. But it has already outgrown those premises and now it is embarking on one of the most ambitious regional Hino centers in Australia, a two-acre complex designed to meet a 10-year growth projection. Newcastle is a competitive market for truck dealerships. It is known as Australia's Steel City, but fears were held for its prosperity when the steelworks shut in 1999. However, Newcastle has thrived, and major growth in other industries has helped offset the closure.

Bradstreet Motor Group has run automotive dealerships in the Newcastle region since the 1920s. They first opened when the steelworks started. Now they operate a total of nine different franchises and they are a household name. Hino is their only truck franchise. They've been selling Hino since the mid-1970s. It was a perfect marriage. Even then Hino held a good reputation for reliability and Bradstreet was well regarded in Newcastle for customer service. They are also the only Hino bus dealer in the state of New South Wales. The Chief Executive Officer of Newcastle Hino is Boy Bradstreet, still extremely active in the business at nearly 80 years of age. His son James is the Dealer Principal. "The Bradstreet Motor Group is so large now that it needs two people to run it," jokes James. "It all runs seamlessly in terms of how we divide up the responsibilities – I guess I do my thing, and Dad gets involved wherever he sees a need." "With so much experience in this industry, he understands it as

well as anyone – if not better." We are standing on the site of the proposed new dealership. It is chilly and windy, and James is clinging to an impressive portfolio of architect's plans which threaten to be torn from his hands. The new site is on a prime block on the main road between Sydney and Brisbane – one of the country's busiest highways for industry and general transport. Across the road is a prominent truck stop where there are at least 60 trucks parked – and that happens all day long. The new dealership will also have space for over 60 vehicles, and the workshop will have 16 stations in eight double bays. Boy Bradstreet has a simple but direct philosophy on business. He was a living example of the concept of kaizen (continuous improvement) long before the term found currency. "It is difficult to look at what our company has become and be totally satisfied, when a new challenge is thrown at us every day," says Boy. "The minute you get complacent is the minute your competition will strike."

"This business is constantly changing – we are always planning at least five years out to try to stay ahead of the game. Our goal, always is to put our customers first - and that is at the heart of our investment." "We have achieved a lot, but we can achieve a lot more," says James in agreement. "Our focus is currently on increasing our service capabilities." "That is where we see room for great improvement – and our new dealership will target that with a specially designed workshop." The Bradstreet Motor Group employs 350 staff. "The people in the dealership are so important to making it work – we invest a lot of time, effort, and money in making sure our employees are happy and capable of performing to the absolute best standard," James says. "We try to make our whole group feel like a family."

Hino, where services also continue to evolve.

HINO Owner's Voice

We rely on our relationship with Hino to make our business stronger.

Mary-Ann Strelow, Managing Director, Sargent



“We then develop a package that is not just about providing vehicles, but encompasses servicing, and reporting.”

Vast distances and special purpose applications have made fleet leasing and rental a very attractive proposition in Australia. Sargent is one of the country's most progressive specialists. Based in the third largest city, Brisbane, it has 20 locations and a fleet of 3000 across the country. The company runs both Hino 300 Series (616 and 916) light-duty and medium-duty trucks, mostly as curtain-siders or moving vans. Sargent is the result of a merger between Four Wheel Drive Hire Service and Sargent Truck Lease in July 2007.

Mary-Ann Strelow is Managing Director. She has been with Four Wheel Drive Hire Service and Sargent for 20 years, beginning in a clerical role. She began by revolutionizing the company's office system. Sargent's headquarters still abut one of its major hire outlets. The forecourt is crowded with vehicles and you find Mary-Ann on the first floor of the office building behind. Her own office is also crowded, obvious evidence of the energy she puts into the business. The company is bursting at its seams. Talking to Mary-Ann is a lesson in enthusiasm.

Here is our interview: “The trucks we purchase are crucial to the success of our business. They are only part of the solution package we offer customers,” says Mary-Ann. “Trucks must be reliable, and of a high standard of quality – our clients expect the best from Sargent.” “Hino products tick the boxes in terms of reliability and quality.” “The other aspect in choosing a truck is the relationship with the dealer, and the service and training they can offer.” “Our truck customers are usually large road-transport and logistical companies while the 4WD side has strong clientele in the industrial sector, working in mining, construction, gas and water, pipelines and infrastructure projects.” “There has been growth in all industries, and there is strong potential in the truck division.” “Sargent prides itself on being able to offer

our customers a complete solution package.” “We meet with the customer and we listen to exactly what they want. We then develop a package that is not just about providing vehicles, but encompasses servicing, and reporting.” “Given that we offer servicing as part of our package to the customer, it is crucial that our supplier is forthcoming with helping to train our mechanical tradesman.” “The quality of that training affects how long the vehicle is off the road, and our final product offering.”

“Our biggest challenge is keeping up with the growth – in respect to the industries in which we operate, and in respect to our own business.” “It is sometimes quite difficult to keep ahead of the demand.” “Sargent's immediate challenge is to cement and maintain its position in Australia.” “We must grow our three channels of business: rental, leasing and maintenance solutions.” “These channels will grow with increased locations, greater fleet numbers, cross-selling of products and customer growth.” “Internally we continue to challenge and improve our business processes.” “Once we have confirmed our solid base in Australia, we will look at supporting our customers globally.” “Sargent and Hino currently maintain a strong relationship with regular communication, support and service. Just as we strive to be more than an everyday supplier for our customers, we need Hino to continue to be much more than a supplier to us.”

Hino, because there are reasons to be selected.

HINO Technology

Our unwavering commitment to continue down the path of evolution.

Koichi Yamaguchi, Manager, Hybrid Vehicle Development Div.

Keiichi Tsuchihashi, Deputy General Manager
Power Train Evaluation & Engineering Div.



Keiichi Tsuchihashi, Deputy General Manager
Power Train Evaluation & Engineering Div.



“There is no finish line in Hino’s efforts to innovate technologies compatible with the environment.”

It is an undeniable fact that motor vehicles have brought great abundance to our lives. Meanwhile, however, neither can we deny the fact that emissions created by motor vehicles have been one of the causes of environmental pollution throughout their history. This is why it goes without saying that the mission entrusted to automobile manufacturers around the world is to develop vehicles that are gentle on the environment. We at Hino were one of the first to tackle this issue and we have been developing a stream of trucks and buses that are “gentler on the environment” in many respects.

For example, let’s take a look at our diesel engines that comply with Japan’s new long-term emissions regulation, reputed to be the most stringent in the world. The technologies that we incorporate in these engines live in many of the Hino products that we export worldwide. In 1991, Hino became the first company in the world to commercialize a hybrid system — a low-emissions and highly fuel efficient technology that has attracted worldwide attention — and we developed the world’s first production hybrid truck. Hino’s most current hybrid vehicle emits 24% less CO₂ than a diesel-powered vehicle. For example, if 10,000 conventional trucks were converted to these hybrid trucks, the reduction in CO₂ emissions is said to be equal to the amount of CO₂ absorbed by a 4,000 hectare forest (3.24 mln trees). Our ultimate joy would be for people in the near future to be able to drive Hino hybrid trucks with the same feeling that they have for protecting the environment.

Hino’s technological pursuits to develop environmentally-friendly products cover a diverse range, and we have always been at the forefront in the area of environmentally compliant technologies. We believe that these technologies must not only achieve high technical targets, but must also be welcomed by people around

the world. This is why Hino develops low emissions/fuel efficient vehicles based on diesel engines, and is also actively engaged in the development of vehicles that run on alternative energy sources other than petroleum.

One such technology, the CNG car, runs on compressed natural gas, and delivers dramatic reductions in PM and NO_x, and entirely eliminates black smoke. In countries that have access to domestic natural gas reserves such as Thailand and Pakistan, this technology has the potential of reducing costs relating to petroleum imports, contributing to the economic development of these countries, and cutting down on fuel costs for vehicle users. So Hino products attract users not only as environmentally-friendly, but also as economically-efficient vehicles. Additionally, Hino is now engaged in the development of engines that run on bio-fuels made from palm oil, rapeseed, and corn.

We firmly believe that HINO’s commitment to environmental technologies and our “lofty technological (numerical) goals and technologies that people around the world can be happy about” will also make a difference in our future products for those bio-fuels.

It goes without saying that the future of motor vehicles including trucks is in the hands of their manufacturers. We at Hino are fully aware of this enormous responsibility, and are committed to continuing our work to develop vehicles that give joy to their owners and are gentle on the environment.

All technology is used to create the best Hino for you.

HINO Fascination

We make our first entry into the Mexican market with small trucks with a view to expanding our sales in the Central and South American markets.

On August 2, 2007, in Mexico, Hino launched its sales of the Hino 300 series (small trucks / gross vehicle weight class 6.5-7.2 t) to make its first entry into the country's market. Currently, the Mexican truck and bus market is growing steadily; the small truck market is particularly big with an annual volume of 40,000 units. Based on this backdrop, Hino has been eyeing entry into the Mexican market as part of its efforts to expand sales overseas. The Hino 300 series will be sold through Hino Motor Sales Mexico, S.A. DE C.V., a company established by Mitsui & Co., Ltd. On August 2, an agent-opening ceremony and new model announcement event were held with a great fanfare at Centro Banamex in Mexico City, making this a commemorative day for Hino. The ceremony was attended by the deputy ministers of Mexican Ministry of Economy, Ministry of Transportation and Communication, and the Japanese ambassador to Mexico, as well as Hino's Chairman Jagawa, Senior Managing Director Ichikawa, and Managing Director Ojima, with a total attendance

of 500. Our sales target for this year is 400 units, making full use of the tariff-free quota (356 units/March 2008) provided in the Japan-Mexico EPA (*), and we aim to further increase our sales with a view to the total elimination of import tariffs in 2011. We are currently preparing to construct a truck-manufacturing factory in Colombia (production to begin in September 2008,) which along with the launch of our small trucks in Mexico, reflects Hino's commitment to expanding its sales and business in the Central and South American region.

* Japan-Mexico Economic Partnership Agreement. In this Agreement, which took effect on April 1, 2005, Japan has been granted a new tariff allocation (tariff-free quota) for automobiles in class 4 (small trucks / gross vehicle weight class 6.5-7.2 t) or smaller class. The Agreement calls for a phased reduction of automobile tariffs, with all tariffs being removed on April 1, 2011, six years after the Agreement has taken effect.



First Eco-drive Seminar in Panama



Signing Ceremony in Laos



Third Dealer Conference of HMV

Improving fuel economy by improving daily driving practices and maintenance first Eco-drive Seminar held in Panama.

The first Eco-drive Seminar in Panama for Hino owners was held for two days on July 21 and 22. Ten Hino owners attended the seminar that was held at the Ricardo Perez company. On the first day, owners learned proper driving skills and ways to drive economically, and received lectures on daily maintenance. They then boarded trucks with an instructor to learn economical driving practices. On the second day, a contest was held on the topics and skills the owners had learned the previous day, with winners being recognized with awards at the end of the session.

This was the first Eco-drive Seminar to be held in Panama. Hino holds similar seminars in many different countries and regions, and these seminars have been very popular among attendees. Because our customers have become very cost conscious in recent years, these Eco-drive Seminars are very meaningful in that they provide owners with ways to reduce their costs simply by improving everyday driving practices and maintenance, and also allow owners to fully realize the fuel efficiency of Hino trucks.

Attendees at this latest seminar achieved an average fuel consumption improvement of 28% compared to before the seminar, and went home with a real understanding that driving practices were highly effective for reducing costs.

Heavy-duty trucks to enter east-west corridor service in Laos

Hino Laothani Co., Ltd. is preparing a showroom for Hino's heavy-duty vehicles in Vientiane by the end of 2007, to meet the increasing demand for transportation service between the east and west through Indochina, which was a result of the second opening of Mekong Bridge in Savannakhet Province in December.

Hino Motors, Ltd. is spending more than 19.3 billion kip (US\$2 million) on this showroom and this cost will cover the value of the vehicles, including trucks and buses, which will be imported to the showroom once it is completed in Sivily Village, Xaysettha District. It is expected to take about 8 months to complete the construction.

Hino Laothani Co., Ltd. plans to offer the vehicles to various companies such as road construction, mining, transport services, electricity expansion, dams, telecommunications and irrigation that need heavy transport vehicles.

Laos is the most recent distributor of Hino, making it the only Hino dealership in Laos. Hino Motors, Ltd. is also planning to set up another distributor in Cambodia by end of this year.

Hino Motors Vietnam Ltd – The third Dealer Conference

The third Dealer Conference of HMV was held at Park Hyatt Saigon Hotel on April 12th, 2007 with 134 participants including: guests from Hino Motors, Sumitomo, HMV's dealers.

In the Dealer Conference, HMV reported about 2006 fiscal year Sales Result: 729 units, increased 125 units compared with the last fiscal year. And Parts Sales Result was also increased double compared with the last fiscal year.

To achieve such as results, it depended on continuously contribution of HMV's Dealers, so in the Dealer Conference, Mr. Koichi Ojima, Hino Motors, Ltd. Senior Executive Officer presented awards to excellent Salesmen and Dealers.

Finally, participants sworn by drawing in one eye of DARUMA to challenge for 1000 units in the fiscal year 2007 again.

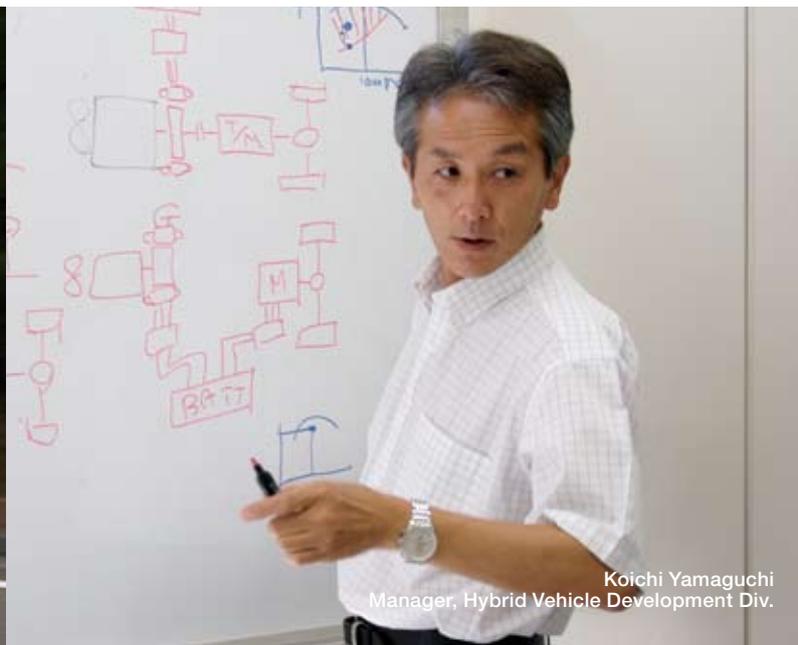


HINO Product Insights

File 2: HINO Light-duty Hybrid Truck

Trucks with the Hino name, trucks we are proud of.

Our primary objective for developing hybrid vehicles was to achieve dramatic reductions in CO₂, particulate matter (PM), and NO_x emissions. The history of hybrid development at HINO goes back to 1976 when we began studying a Series Hybrid System where the engine would produce electricity to drive a motor that would in turn propel the vehicle. In 1981, we developed the unique idea of using a generator as an electric retarder to assist engine braking. Traditional braking systems employed a mechanism that slowed vehicles down essentially by converting kinetic energy into heat, and then dissipating this heat into the atmosphere. HINO focused on this energy that was essentially being thrown away, and developed a system that would use the kinetic energy created during deceleration to generate electricity, which would then be stored in a battery. The system was designed to use this stored electricity to aid in propelling the vehicle during acceleration from standstill. This system configuration, which places the engine and motor on a single axis, is called a "parallel" system, and not only forms the basis of HINO Hybrid Systems, but has also become the benchmark for commercial hybrid vehicles around the world. HINO, which succeeded in commercializing the world's first hybrid vehicle in 1991, developed the world's first small-sized hybrid truck in November 2003. This hybrid truck achieved a 50% reduction in NO_x, and an 85% reduction in PM over Japan's short-term emission regulation, with a 10-20% improvement in fuel efficiency over conventional diesel vehicles. These trucks are now in service under the "HINO Light-duty Hybrid Truck" name in Australia. Koichi Yamaguchi, who is responsible for system development, has this to say with regard to developing better hybrid vehicles, "As HINO's Hybrid System development has the world's longest history, we have accumulated a lot of technological expertise. However, we still face many challenges to overcome in terms of achieving further reductions in fuel consumption and emissions. Please expect great things from our next line of hybrid vehicles that we are currently developing." The passion shared by Yamaguchi and HINO is already focused on the next stage to develop trucks that will lead the way for HINO hybrid vehicles that have constantly aimed at the cutting edge of the world.



Koichi Yamaguchi
Manager, Hybrid Vehicle Development Div.

Correction

In the last issue of HINO Cares (001/North America,) there have been some errors in the product information of HINO Product Insights and the customer information of HINO Owner's Voice. We apologize for any inconvenience caused and would like to correct the information as below.

HINO Owner's Voice

- Tire Centers LLC, South Carolina, USA
- 3rd paragraph

David: We are in the tire business and our operations are divided into three major divisions.

The first is our passenger and light truck tire sales division, which is responsible for delivering tires to independent dealers. The second is our commercial truck division which sells tires and tire-related services to transportation and trucking companies.

And the third is our manufacturing division where we retread commercial truck tires.

- 5th paragraph

David: Our first encounter with Hino was when we met a dealer who had a booth at a truck convention in Atlanta.

HINO Product Insights

- Hino NAPS (North American Projects)

Hino Motors, Ltd.

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