

# HINO

## Cares

Issue 005

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### 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

**We are going to use exceptional levels of customer service to assist in meeting the ambitious sales targets for HINO in South Africa.**

Donald Moekena, Truck Technical Instructor, Toyota Trucks' training academy, South Africa

Piet van Wyk de Vries, Vice President, Toyota Trucks, South Africa

Itumeleng Segage, Manager, Truck Promotions, Toyota Trucks, South Africa



**“Our future planning is to have dedicated 65 truck dealers, with 44 of them offering the full service of sales, service and parts, while 21 outlets will provide service and parts only.”**

Donald Moekena, a Truck Technical Instructor at Toyota Trucks in South Africa, has such a passion for satisfying customers that he became an instructor soon after completing his apprenticeship as a diesel technician at a truck dealership. “I knew that I could make a much bigger difference by passing on my knowledge to other truck dealership technicians as an instructor rather than by remaining as one of a group of technicians at a dealership,” explained the enthusiastic 25-year-old.

“I have such a thirst for gaining knowledge that I attend as many relevant training courses as I can. This has included the international TTEP (Toyota Technical Education Program) that I completed immediately after the three and a half years I spent qualifying as a diesel technician at McCarthy Toyota Trucks Midrand/Selby – the company that has just won the Toyota Truck Dealer of the Year award for the second consecutive year.” Training has a very high profile at Toyota Trucks in South Africa, because it has been proven to be the golden key to obtaining the highest customer care rating among all the major truck brands in South Africa – as happened at the end of the fourth quarter of 2007.

This quarterly survey by Scot Byers placed Toyota Trucks first overall in terms of the Comparative Customer Satisfaction Monitor (CCSM). The company also placed first in the parts and service categories and a close third in sales. This detailed research is based on replies from between 3,000 and 4,000 respondents and covers 13 makes of truck marketed in South Africa.

“Our record vehicle sales and outstanding customer satisfaction performances in 2007 have provided ideal building blocks for 2008 and we are looking to another very successful year of continued growth this year,” commented Toyota Trucks' Vice President, Piet van Wyk de Vries.

The truck market in South Africa is continuing to boom after

setting new monthly and annual sales records in the past two years, even though there has been a slowdown in the sales of cars and light-duty trucks. The increase in business in the truck market is putting increased pressure on dealership facilities, manufacturers' production capacity and the staff at the dealers and the head offices of the various truck manufacturers and distributors. The growing South African market is also attracting newcomers from all over the world, including several from the rapidly growing truck manufacturers of China and India.

“We are building a dedicated truck dealer network from our current outlets that includes 170 Toyota car and light-duty truck dealers that also sell our medium-duty trucks. In the process we are getting the selected truck dealers to upgrade and enlarge their facilities to cater for the growing sales. Our future planning is to have dedicated 65 truck dealers, with 44 of them offering the full service of sales, service and parts, while 21 outlets will provide service and parts only. All of them will be in strategic locations to ensure excellent coverage over the wide geographic area that makes up South Africa and its immediate neighbors – Botswana, Namibia and Swaziland.”

Toyota Trucks aims to increase sales in South Africa significantly in the next few years, moving from the current level of selling 5,000 units annually to 10,000 units a year in five years. The HINO 500 series has sold well in the South African medium-duty truck market (8,501kg to 16,500kg) and additional derivatives of the HINO 700 series will be added to that range through to 2009 to support a planned increase in sales in the heavy-duty truck category, which is currently the fastest growing segment in the overall local truck market.

The company's vision is to be the “first choice of professional truck operators.”

**Hino is made by people.**

# HINO's Service

I believe in treating all people with respect in both my business and personal life and I encourage my team members to adopt this philosophy as a way of life too.

Johan Kruger, Dealer Principal of McCarthy Toyota Trucks - Midrand/Selby



**“I am particularly keen on those courses that pertain to improving customer satisfaction, as satisfied customers are the real key to making a success of our business.”**

“I set great store by continual measurement of all aspects of my operation at McCarthy Toyota Trucks – Midrand/Selby as this feedback information allows me to manage the improvement of the levels of service we provide to our customers,” says the dealer principal Johan Kruger. “Proof that this strategy works is evidenced by the fact that we have just won the Toyota Trucks’ Dealer of the Year title for the second consecutive year.”

“My team and I analyzed the 2006 Pyramid of Excellence (POE) scoring that gave us our first Dealer of the Year trophy so that we could strengthen our weak areas for the 2007 evaluations and I am sure that this approach was a part of our winning recipe. We then examined our scores for the first 2007 POE measurement, in April last year, and used this as a ‘radar screen’ to pinpoint areas that required further attention before the final scoring in October.”

“We are certainly not going to become complacent now that we have won this premier award for two years in a row. We see our success as an encouragement to try and do even better in the future. The target I am now setting for my team is to make it a ‘hat-trick’ with a third consecutive trophy,” added the proud and enthusiastic principal, who heads up a team of 43 people in a truck dealership that operates from two sites about 15km apart.

Kruger is very supportive of all the relevant training courses offered by Toyota Trucks as well as the internal courses designed specifically for his McCarthy dealer group.

“I am particularly keen on those courses that pertain to improving customer satisfaction, as satisfied customers are the real key to making a success of our business. I believe in treating all people with respect in both my business and personal life and I encourage my team members to adopt this philosophy as a way of life too,” explains Kruger. “I insist that

all my team members focus on building relationships with their colleagues as well as our external customers.

Besides being set very challenging sales targets by Toyota Trucks for 2007 the team at McCarthy Toyota Trucks – Midrand/Selby achieved 94% of its medium-duty truck target and exceeded its HINO target with a score of 107%.

Added to sales success is the all-important and previously mentioned independent customer satisfaction measurement of the dealership’s sales, service and parts.

The company shone in all departments in this measurement too, achieving 97.4% for sales (up from 94.2% a year previously), 95.9% for service (slightly down on the score of 97% in 2006) and 95% for parts (up from 93.3% a year earlier).

Overall CSI rating for 2007 was an outstanding 96.09% compared to a national average of 91.7%. (All these measurements are made by the Scott Byers research company in relation to meeting customer expectations.)

However, Kruger says that all these achievements cannot be made at the expense of profit, which is another Dealer of the Year yardstick. “It’s a balancing act where we strive to absorb overhead costs through profit in parts and service, while investing time and effort in satisfying our customers’ needs,” explained dealer principal Kruger.

McCarthy Toyota Trucks – Midrand/Selby is growing so fast that the dealerships are bursting out of their present premises in Midrand and Selby, in the Johannesburg CBD. Plans have been drawn up already for new premises near the current site in Midrand, with a new facility in Selby planned for erection in two years’ time. The major benefit will be in trebling the servicing capacity, which is vital in satisfying growing customer needs.

**Hino, where services also continue to evolve.**

# HINO Owner's Voice

**We chose HINO because of its reputation for reliability and low running costs – it was not a pre-requisite to getting a key Toyota contract.**

Jose da Silva, Depot Manager, Barloworld Logistics



**“Being such a key operation we cannot afford any delays. When we have a problem we need action – fast! This is the type of service we enjoy from our partners.”**

Barloworld Logistics operates one of the most demanding transport and logistics undertakings in South Africa and it has entrusted the critical transport component of its operation to a fleet of 26 HINO trucks and 25 Afrit Tautliner trailers. This complex undertaking, headquartered in Johannesburg, acts as a cross-docking and long distance transport facilitator for Toyota South Africa's manufacturing facility, near Durban, about 600km away. This is the biggest vehicle manufacturing plant in Africa and has recently had its capacity increased to be able to produce 220,000 units a year at a rate of about 1,000 units a day. A vital part of the manufacturing process is the just-in-time delivery of a wide range of components to the factory. The trucks transporting the components have to arrive at the designated unloading dock at the plant within a five minute “window” of an ideal arrival time. Even a few seconds either side of the “window” is recorded as a “non-achievement.” Currently Barloworld Logistics is operating at an amazing 97% achievement of delivery times. This resulted in the company being honored with the “Supplier Award for Achievement in Delivery” at Toyota South Africa's recent 2007 Supplier of the Year function. “Being involved with such a key operation means that we require trucks that are extremely reliable, as we cannot afford breakdowns on the road or downtime for repairs,” stresses Barloworld Logistics' Depot Manager, José da Silva. “Using HINO trucks was not a pre-requisite of us being awarded the Toyota contract. It was a decision based on the known reliability and low operating costs of the HINO brand.” Seven HINO 500 series 33-254 4x2 truck-tractors and two 15-258 rigid freight-carriers are used to collect components from about 30 manufacturers in the Gauteng province. These components are then consolidated at a central warehouse and loaded onto interlink trailers, which are hauled to and from Durban by 12 HINO 700 series 57-450 6x4 truck-tractors. Each

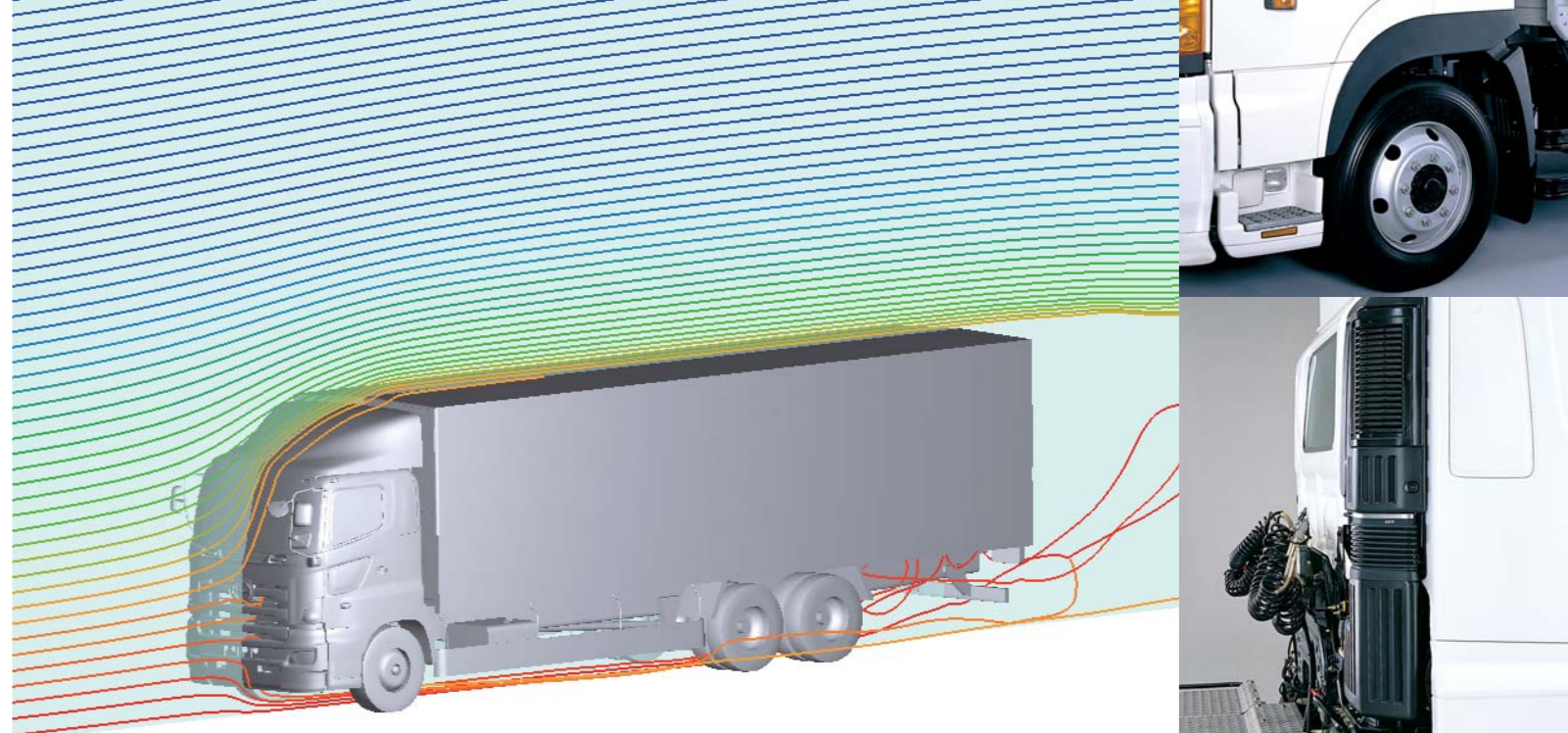
of the big rigs has a turnaround time of 24 hours and their engines run for 22 hours a day. Each one-way trip takes 10 hours, with 1.5 hours to off-load and 9 hours to get back to base so the trailer can be reloaded for the next trip. This averages out at about 210 long-haul loads a month. Depot Manager da Silva says the fleet's running costs are living up to HINO's reputation, with fuel consumption on the long-haul rigs averaging 45ℓ/100km when loaded (up to 30 tons). The HINO trucks have also proved very economical in terms of tire wear. “Safety is paramount in our operation and this extends from regular checks on the trucks and trailers to ongoing driver training, including a quarterly competition that enjoys material support from Toyota Trucks,” explained the Depot Manager. “Besides having reliable and economical trucks we also enjoy exceptional service back-up from the dealers – particularly Pat Hinde Boksburg – and the team at Toyota Trucks. Being such a key operation we cannot afford any delays. When we have a problem we need action – fast! This is the type of service we enjoy from our partners,” concluded a satisfied Jose da Silva. The real vote of confidence in the HINO brand is the fact that Barloworld Logistics has chosen to replace the current fleet of long haul truck-tractors – some with more than 700,000km on the odometer - with 12 new HINO 700 series. The HINO 500 series truck-tractors and rigid freight carriers will be replaced in 2010, when they will have covered about 300,000km on short haul routes. “A further indication of our satisfaction with HINO trucks is that we are in the process of buying another four to use on a new contract we have just secured with Toyota's National Parts Distribution Center,” added an impressed Jose da Silva.

**Hino, because there are reasons to be selected.**



# HINO Technology

Hino's styling and design philosophy was born from its pursuit of "low fuel consumption technologies."



## The HINO 700 series' styling and design philosophy that achieves both economy and aesthetic beauty has been inherited by all subsequent HINO products.

HINO has been focusing its endeavors on applying "low fuel economy technologies" in making excellent trucks for the global market. A two-pronged strategy has been adopted in pursuit of low fuel economy: Improvement of the engine's thermal efficiency and reduction of the vehicle's driving resistance. In this article, we focus on the latter, the reduction of the vehicles' driving resistance. There are three types of resistance that vehicles encounter: accelerating resistance, rolling resistance, and air resistance. Although reduction of these three types of resistance is a short cut to reducing fuel consumption, it is not simple to achieve. For example, while styling and design improvements are the most effective way of reducing air resistance, which makes up the bulk of driving resistance, it took us more than eight years testing a variety of trial designs to achieve our air resistance targets before we were able to finalize the styling for the HINO 700 series.

First, we conducted aerodynamic tests in Japan using 1/5 and 2/5 scale models. However, HINO directors insisted that "real aerodynamic development for achieving our targets can only be conducted on real (actual size) vehicles," so we transported a 1/1 model to Holland and conducted our final evaluations there. For these tests, we transported the chassis from Japan and the cab from Italy, where we were building our aerodynamic test models, and these were assembled in Holland. The process leading up to the tests was an ongoing process of various adjustments. Interactions across national borders and language barriers, as well as the traveling involved alone presented formidable challenges. In addition, the pursuit of new forms gave rise to discord within our own company. Not only did designers make proposals that went beyond precedents, but they were often seen persuading and negotiating with various departments

within the company to bring their proposals to fruition. Only because of the passion and conviction of these designers and engineers to deliver new values to our customers, and the many years of trial and error that were invested in its development, has the HINO 700 series been endowed with its emotional styling, which gives a sense of speed and inflection, and is a clear departure from the square and boxy image of traditional commercial vehicles. The tapered shape at the front end of the cab and the radius of its corners were derived from the ultimate balance between optimum aerodynamics and driver comfort.

The HINO 700 series' styling and design philosophy that achieves both economy and aesthetic beauty has been inherited by all subsequent HINO products. HINO's state-of-the-art aerodynamic cabs, which prove their economic efficiency on every drive, have a styling that has been infused with a distinguished presence and grace of which drivers will be proud. All these benefits have accrued from HINO's determined pursuit of "low fuel consumption technologies."

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



# HINO Fascination

## Appreciation for HINO's Excellent Potential Confirmed at UK's Birmingham Commercial Vehicle Show

The Commercial Vehicle Show was held for three days, from April 15 through 17, in Birmingham, UK. This auto show is the UK's largest and most popular showcase of commercial vehicles, attracting a broad range of people in the UK transportation sector including fleet engineers, transportation companies, fleet/logistics managers, as well as owners. The show is well established as a venue where visitors can gather new information and discuss business. This year's show was held at a large venue with over 90,000m<sup>2</sup> of floor space, responding to the number of visitors which has continued to grow yearly. While this was only HINO's

third participation in the show, we believe the brand has already become one of the main draws. In addition to its existing HINO 700 and 300 series, the HINO booth attracted the attention of visitors with its new HINO 500 series, which is slated for launch this fiscal year, and a reference exhibit of a Duro Hybrid. In particular, visitors to the booth were interested in the hybrid model since this was not simply a concept model but an actual production vehicle – albeit for the Japanese market. Many visitors were keen to read the vehicle descriptions.



## Eco driving for maximizing HINO's potential Part 1: Tips for take-off and acceleration

In addition to providing our customers with high-quality products, we at HINO are making efforts towards enhancing the various services that we offer. Our hope and goal is to remain a reliable partner for our customers, anywhere, anytime. This is why HINO always makes efforts towards keeping a mindful eye on what our customers have in mind and translating these findings into specific services. One such service that derives from this effort is the guidance service we provide in several countries for aiming at contributing to fuel efficient driving. While this service has been very popular, it is also true, unfortunately, that we have not been able to offer the service in all countries in which we operate. So we would like to introduce our readers to some of the fuel saving techniques that we promote in these seminars over four issues of HINO Cares.

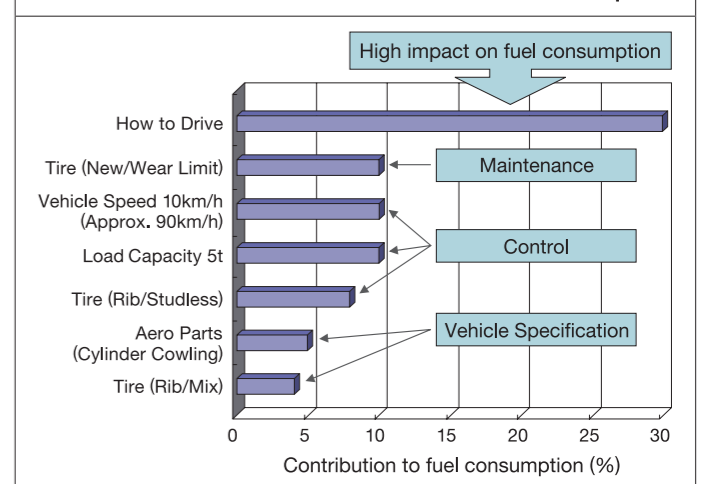
While HINO puts a lot of thought and care about the environment and fuel efficiency, drivers can further improve their fuel efficiency by incorporating certain driving techniques. We are certain that you will come to a new realization regarding HINO's potential once you learn to incorporate these driving techniques. Let's take a look at Table 1 which shows the various elements that affect fuel efficiency. The table clearly shows that the way we drive has the highest impact on fuel efficiency. What then should we keep in mind when we drive? The primary modes that we can address to improve fuel efficiency are take-off and acceleration, normal driving, and deceleration. In this issue, we would like to focus on take-off and acceleration. First of all, keep in mind that the acceleration pedal should be pressed down lightly and slowly during take-off or acceleration. Don't step down on the pedal more than necessary. As a guideline, in large trucks, you need not step on the pedal by more than 80% of its overall travel, and in the case of mid-sized and small trucks not by more than 50%. Also, make sure you shift up in good time within the green zone on your tachometer where the engine rotation is not very high. This is because the green zone represents a range where the engine can produce the same power output at lower fuel consumption levels. As you can see, while none of this requires special techniques, you will be able to save your fuel

costs when compared to traditional driving methods (based on HINO research). For example, let's take a look at a test that we conducted in May 2008 to verify the effects that driving methods have on fuel efficiency. We compared data from a truck that was driven 'defensively' by a trainer using proper techniques for braking, clutch operating, and shifting, with that of a truck that was driven routinely by the driver of a local corporation. The trucks made a round trip between Johannesburg and Durban. While the truck that was driven by the untrained driver spent 575 liters for this trip, the other one driven by the trainer used only 535 liters for a saving of 40 liters. If the corporation operates 12 trucks each making 6 round trips per week on the same route, it may theoretically be possible to save 2,880 liters weekly, 11,520 liters monthly, and 138,240 liters annually. This clearly illustrates how fuel-conscious driving can improve your economic efficiency.

You can begin implementing fuel-conscious driving today. Please implement these methods as soon as you can to not only reduce your environmental footprint, but also improve your economic efficiency. (In our next issue, we would like to focus on fuel-conscious driving tips for normal driving)

\*Hino Motors does not insure the information regarding fuel consumption in this magazine as the result may differ depending on loading, driving, road surfacing and other factors that may affect the vehicle.

Table 1: Various factors that influence fuel consumption



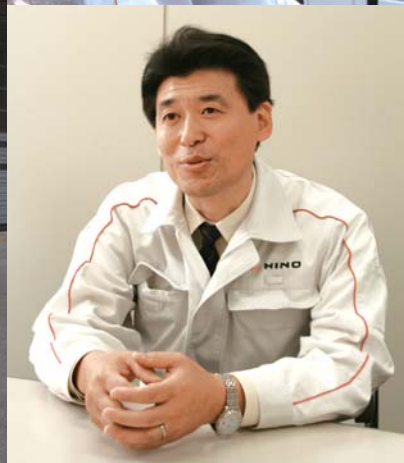
# HINO Product Insights

## File 5: HINO 700 Series

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

The new HINO 700 series will make its world debut in Australia in July 2008. You could call this a vehicle that makes new assertions on what a truck should be. "We wanted to make a truck that could flexibly meet a broad range of demands. We began this development project by conducting research in a variety of countries to understand the types of customer needs in these markets," says Shinichi Takemasa, Chief Engineer at HINO's Product Development Division. People in different countries use their trucks in different ways. The conditions a truck is generally required to meet depend upon the things they carry, the roads they drive on, and their hours of operation. No matter how high the potential of a particular vehicle is, it must be customized to meet specific needs in order to meet the diverse range of demands of customers around the world. This is not an exception even for HINO trucks that are known for their excellent economic efficiency, low fuel consumption, durability, and driving performance as well as advanced environmental performance. Takemasa says, "We must expand the variation of products that meet our customers' needs.

Trucks that we make must be based on a vision of future vehicles that we can adapt quickly to changing market needs. And the vehicle must be easy to fit with bodywork as well as be modified locally in each market. To achieve these goals, we adopted a modular design for the new 700 series." Every part and unit was commonized through modularization so that these different parts could be put together to create a product in a short amount of time, in any region of the world. Needless to say, commonization of parts makes maintenance easier. The idea of modular design as a way to facilitate assembly is not a particularly new idea. However, modular design with a performance perspective that gives builders the flexibility to combine components such as suspensions, accelerators and fuel tanks to meet their customers' needs is a result of Hino's idea. The new 700 series is built from the world's leading-edge modular design that combines assembly and performance modules. Its dynamic styling embraces HINO's grand aspiration of becoming the "world's benchmark for rationalized trucks based on a solid vision of the future."



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