

## **Introduction**

My name is Takayuki Kizawa and I joined Hino Motors in 2005. I joined HinoPak recently in February 2022 as the company's President and CEO. **Firstly**, I would like to offer my sincere sympathies to all those who have been affected by COVID-19 and hope for a speedy recovery from this global pandemic.

In recent years, economic challenges have increased worldwide due to fluctuations in USD rates. The unstable political situation has created a challenging business situation and made the market more competitive. We need to gear up to meet the challenges using a focused approach with growing competition and uncertain conditions. However, we see the long-term bright prospects in future for HinoPak and its dealers to grow their business.

As things change with the passage of time, innovation and technology are necessary for our business. Thus, with the technology and innovation at our core we have also embraced digital transformation and improved our market reach through social media engagements. We now provide one-click solutions to our valued customers.

**We are united** under our brand philosophy trucks and buses that do more, we are striving to respond to emerging social issues based on the three goals to produce the best-fit products; incorporating safety, comfort and environment friendly technologies with total support customized for each vehicle and few activity areas. Currently our new Hino DUTRO 300 series is our best product, which combines innovation and improved technology driven power pack.

Using Hino Genuine and smart choice parts & Hino Genuine lubricants is a key aspect of our business which will enhance the quality, durability and reliability of our Hino vehicles. Also, we have to educate our customers that the use of genuine Hino maintenance products will lead to increase in vehicle's **lifetime value**, reduce the downtime, and also minimize the operational cost for Hino Customers. We shall also focus to strengthen our existing network through a strategic evaluation system that meets the HML standards and thus improves weak areas and helps maintain the progress gradually.

## **Current environment for Hino Motors and the vision we aspire to achieve**

Year by year the challenges relating to logistic and transportation that society faces are becoming ever serious and complex, including issues such as CO<sub>2</sub> and other greenhouse gas emissions, and labor shortage due to the aging society. Moreover, social activities and individual movement, necessitated by the COVID-19 pandemic which has been persistent since the end of fiscal 2019, have impressed everyone to feel the importance of logistics and transportation.

Then, in 2018, we announced our medium to long-term management strategy Challenge 2025 aiming to implement business structure reforms to transport Hino Motors into a company capable of solving issues faced by customers and the world Under challenge 2025. We are working on three goals; best-fit products incorporating safety and environmental technologies, total support customized for each vehicle, and new activity areas as we aim to provide value by achieving the four targets of zero fatal traffic accidents, significant CO<sub>2</sub> emission reduction, support for the development of our customers' business and further streaming the flow of people and goods.

### **Hino Motors' environmental management: Pursuing carbon neutrality**

Today in the quest to curb the climate change-inducing effects of global warming, initiatives to achieve carbon neutrality are rapidly progressing around the world.

In 2017, as part of the Hino Environmental challenge 2025, we announced that we would endeavor to reduce environmental burdens to zero and we have continued to face global environmental issues head-on ever since.

More recently, in April 2021 we announced Hino Environmental milestone 2030, a set of medium-term targets for the lead-up to 2050 and we are accelerating efforts to achieve them.

In order to achieve carbon neutrality in automobiles. It is vital to consider the reduction of CO<sub>2</sub> emissions throughout their entire life cycle, from the production of parts and materials through to disposal and recycling. To that end, it is also imperative to take into account the energy situation of each country or region and to make transportation more efficient.

Furthermore, although reduction of CO<sub>2</sub> emissions produced as a result of driving, will certainly make a major contribution to achieving carbon neutrality, it is not enough simply to make all vehicles electric - powered. For example, CO<sub>2</sub> is also emitted in the generation of electricity used to charge the batteries of electric vehicles and those emissions also have to be cut.

### **Collaboration with like-minded partners**

While our collaboration with the Toyota Group remains the main pillar for our business, we have engaged in various cross border ventures with like-minded partners, such as the TRATION Groups and BYD. By joining forces with partners like these and capitalizing on our respective strengths, our potential to solve challenges grows even higher.

### **Building a sustainable world**

A global environment in which we can all continue to live, and sustainable societies where all people can continue to enjoy a prosperous lifestyle are equally sought by everyone and are a shared goal for humanity.

Hino Motors seeks to become a company capable of working with customers and communities to solve challenges, based on the solid platform of our business of manufacturing, selling trucks and buses. We are pressing forward on those goals by carrying out structural reforms for quality growth, while concentrating more than ever before on developing the human resources, capable of generating this quality growth.

It is precisely in times of change like these, we must ensure that being beneficial for both; individual customers and society, is the initial point for all our thoughts and actions. Moving forward alongside our customers, Team Hino will work as one as the world undergoes with like society, and face each challenge together with like-minded partners.

We, at Hino group, believe that our three defined goals help us to drive our business activities in order to meet social expectations and ensure sustainable development in accordance with the society. In every facet of our daily activities, we will work steadily to fulfill our responsibilities to all our stakeholders.

I am confident to say that we are bonded together for the growth and prosperity of all and together we must energize the Hino brand in Pakistan. I am optimistic that we shall scale new heights if we follow the Hino core values consistently.