

**Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2021**  
**[Japanese GAAP] (Consolidated)**  
**English translation from the original Japanese-language document**



January 27, 2021

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.  
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Scheduled Date of Quarterly Financial Statements Filing: February 12, 2021

Scheduled Date of Dividend Payment Start: -

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes (For Mass Media and Analysts)

(Amounts are rounded down to the nearest one million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2021 (April 1, 2020– December 31, 2020)

(1) Consolidated Financial Results (Cumulative) (% of change from previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q of FY 2021	1,074,463	-21.8	-996	—	-1,672	—	-2,162	—
3Q of FY 2020	1,374,306	-5.8	48,241	-23.6	44,966	-27.6	29,937	-21.0

(Note) Comprehensive income: 3Q of FY 2021: ¥ 12,293 million (-72.1%) 3Q of FY 2020: ¥ 44,049 million (24.7%)

	Profit per share		Diluted profit per share	
	Yen		Yen	
3Q of FY 2021	-3.77		—	
3Q of FY 2020	52.15		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
3Q of FY 2021	1,219,240		596,083		44.9	
FY 2020	1,275,080		592,680		42.5	

(Reference) Equity capital: 3Q of FY 2021: ¥547,806 million FY 2020: ¥542,189 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen				
FY 2020	—	13.00	—	7.00	20.00
FY 2021	—	5.00	—		
FY 2021 (forecast)				5.00	10.00

(Note) Changes from the latest dividend forecast: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(% of change from previous FY2020.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2021	1,430,000	-21.2	3,000	-94.5	-2,000	—	-12,000	—	-20.90

(Note) Changes from the latest financial forecast: Yes

\*Notes

(1) Changes in significant subsidiaries (changes of specified subsidiaries resulting in changes in scope of consolidation) during the current term: None

(2) Application of the accounting procedures for producing quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatements:

- 1) Changes in accounting policies due to revisions of accounting standards: None
- 2) Changes in accounting policies due to reasons other than above 1): None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term	3Q of FY 2021	574,580,850 shares	FY 2020	574,580,850 shares
2) Number of treasury stock at end of term	3Q of FY 2021	552,310 shares	FY 2020	551,510 shares
3) Average number of shares (quarterly consolidated cumulative period)	3Q of FY 2021	574,029,038 shares	3Q of FY 2020	574,012,977 shares

\*Summary of financial results is out of scope of audit.

\*Statement regarding the proper use of financial forecasts and other remarks

- Descriptions regarding the future, including the financial projections contained in this report, are based on certain assumptions currently available to the Company, which are, at the discretion of the Company, deemed reasonable, and the Company gives no guarantees that it will achieve these results. In addition, actual financial results may significantly vary due to various factors.

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## **1. Qualitative Information Regarding the Financial Performance for the Current Quarter**

### **(1) Information on Consolidated Operating Results**

As for the Japanese domestic truck market during the current third quarter (nine months), due to the impact of COVID-19, the total demand for heavy- and medium-duty trucks was 62.3 thousand units, a decrease of 8.0% compared to the same quarter in the previous year, and total demand for light-duty truck was 61.0 thousand units, a decrease of 21.1% compared to the same quarter in the previous year.

As for Japanese domestic sales, due to the aforementioned decrease in demand, the total sales volume of heavy-, medium-, and light-duty trucks and buses was 43.2 thousand units, a decrease of 12.2% compared to the same quarter in the previous year.

As for overseas sales, sales volume declined due to COVID-19, and the company conducted inventory adjustment, so sales volume was 50.2 thousand units, a decrease of 41.5% compared to the same quarter in the previous year.

As a result of the above, total unit sales of Hino Brand trucks and buses were 93.4 thousand units, a decrease of 30.9% compared to the same quarter in the previous year.

As for the volume of sales to Toyota Motor Corporation, total sales volume was 78.8 thousand units, a decrease of 26.8% compared to the same quarter in the previous year.

As a result of the above, net sales in the current third quarter were ¥1,074,463 million, which is a decrease of ¥299,843 million (-21.8%) as compared to the same quarter in the previous year. As for profit and loss, due mainly to a decrease in sales, operating loss was ¥996 million, which is a decrease of ¥49,238 million compared to the same quarter in the previous year (operating income of ¥48,241 million in the same quarter in the previous year), ordinary loss was ¥1,672 million, which is a decrease of ¥46,638 million compared to the same quarter in the previous year (ordinary income of ¥44,966 million in the same quarter in the previous year), and loss attributable to owners of parent was ¥2,162 million, which is a decrease of ¥32,099 million compared to the same quarter in the previous year (profit attributable to owners of parent of ¥29,937 million in the same quarter in the previous year).

### **(2) Information on Consolidated Financial Position**

Total assets at the end of the third quarter decreased to ¥1,219,240 million by ¥55,839 million compared to the end of the previous consolidated fiscal year. This is mainly because notes and accounts receivable - trade decreased by ¥30,847 million and inventories decreased by ¥38,833 million, while investment securities increased by ¥14,137 million.

Liabilities decreased to ¥623,157 million by ¥59,242 million compared to the end of the previous fiscal year. This is mainly because notes and accounts payable - trade decreased by ¥34,529 million and other liabilities such as notes and accounts payable - other decreased.

Net assets increased to ¥596,083 million by ¥3,402 million compared to the end of the previous fiscal year. This is mainly because valuation difference on available-for-sale securities increased by ¥12,199 million, while loss attributable to owners of parent of ¥2,162 million was recorded and dividends from retained earnings of ¥6,889 million were paid.

### **(3) Information on Forecasts of Consolidated Financial Results**

On December 23, 2020, we announced that we will discontinue the manufacturing of vehicles at West Virginia Factory of Hino Motors Manufacturing U.S.A., Inc., a consolidated subsidiary, and Woodstock Factory of Hino Motors Canada, Ltd., a consolidated subsidiary, until the end of September 2021.

We are estimating the impact of the above-mentioned discontinuation on business performance, but as the negotiations with related departments are ongoing, it is still difficult to reasonably estimate the impact and post it in the consolidated financial statements for the third quarter of the term ending March 2021. In this situation, considering related costs assumed as an extraordinary loss amounting to about 14 billion yen in the fourth quarter, we have revised loss attributable to owners of parent to 12 billion yen in the full-year consolidated earnings forecast.

\*The figures in the above earnings forecast are based on currently available information and certain assumptions considered reasonable. Actual results, etc. may be different from them due to various factors.

**2. Quarterly Consolidated Financial Statements and Major Notes****(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	FY 2020 (As of March 31, 2020)	Third Quarter of FY 2021 (As of December 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	40,647	61,173
Notes and accounts receivable - trade	290,241	259,394
Merchandise and finished goods	188,760	150,455
Work in process	39,272	37,372
Raw materials and supplies	34,021	35,393
Other	71,217	63,103
Allowance for doubtful accounts	-3,408	-3,751
Total current assets	660,752	603,142
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	164,515	167,791
Machinery, equipment and vehicles, net	95,986	88,019
Land	126,259	127,586
Other, net	48,456	46,630
Total property, plant and equipment	435,217	430,029
Intangible assets	26,902	25,124
Investments and other assets		
Investment securities	111,582	125,720
Deferred tax assets	26,867	22,016
Other	16,709	16,166
Allowance for doubtful accounts	-2,953	-2,959
Total investments and other assets	152,207	160,943
Total non-current assets	614,327	616,097
Total assets	1,275,080	1,219,240
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	239,232	204,702
Short-term borrowings	178,170	191,175
Current portion of long-term borrowings	14,118	7,114
Income taxes payable	3,428	1,017
Provision for product warranties	36,114	29,488
Other provisions	7,668	3,327
Other	90,478	77,087
Total current liabilities	569,211	513,913
Non-current liabilities		
Long-term borrowings	19,839	16,722
Deferred tax liabilities	1,799	1,655
Deferred tax liabilities for land revaluation	2,765	2,765
Retirement benefit liability	60,746	60,858
Other provisions	2,084	1,930
Other	25,952	25,311
Total non-current liabilities	113,188	109,243
Total liabilities	682,399	623,157

(Millions of yen)

	FY 2020 (As of March 31, 2020)	Third Quarter of FY 2021 (As of December 31, 2020)
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	64,830	65,430
Retained earnings	390,781	381,729
Treasury shares	△196	-197
Total shareholders' equity	528,132	519,679
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,653	49,853
Deferred gains or losses on hedges	-36	-222
Revaluation reserve for land	2,325	2,325
Foreign currency translation adjustment	-14,601	-13,355
Remeasurements of defined benefit plans	-11,283	-10,474
Total accumulated other comprehensive income	14,057	28,126
Non-controlling interests	50,491	48,277
Total net assets	592,680	596,083
Total liabilities and net assets	1,275,080	1,219,240

**(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income**

[Quarterly Consolidated Statements of Income]

[Consolidated Third Quarter of FY 2021 and FY 2020 (Cumulative)]

(Millions of yen)

	Third Quarter of FY 2020 (From April 1, 2019 to December 31, 2019)	Third Quarter of FY 2021 (From April 1, 2020 to December 31, 2020)
Net sales	1,374,306	1,074,463
Cost of sales	1,168,903	931,062
Gross profit	205,402	143,400
Selling, general and administrative expenses		
Salaries and allowances	42,540	36,553
Provision for bonuses	1,769	2,092
Retirement benefit expenses	2,559	2,627
Other	110,292	103,123
Total selling, general and administrative expenses	157,160	144,396
Operating profit (loss)	48,241	-996
Non-operating income		
Interest income	952	810
Dividend income	2,063	1,786
Foreign exchange gains	—	973
Share of profit of entities accounted for using equity method	355	—
Miscellaneous income	2,251	3,326
Total non-operating income	5,622	6,898
Non-operating expenses		
Interest expenses	5,122	3,369
Foreign exchange losses	1,391	—
Share of loss of entities accounted for using equity method	—	2,253
Miscellaneous expenses	2,383	1,950
Total non-operating expenses	8,897	7,573
Ordinary profit (loss)	44,966	-1,672
Extraordinary income		
Gain on sales of non-current assets	138	230
Gain on sales of investment securities	64	1,265
Other	135	50
Total extraordinary income	338	1,545
Extraordinary losses		
Loss on sales and retirement of non-current assets	620	907
Other	125	95
Total extraordinary losses	745	1,002
Profit (loss) before income taxes	44,559	-1,129
Income taxes - current	12,202	1,503
Income taxes - deferred	-101	-1,075
Total income taxes	12,100	428
Profit (loss)	32,458	-1,557
Profit attributable to non-controlling interests	2,521	605
Profit (loss) attributable to owners of parent	29,937	-2,162

[Quarterly Consolidated Statements of Comprehensive Income]  
 [Consolidated Third Quarter of FY 2021 and FY 2020 (Cumulative)]

(Millions of yen)

	Third Quarter of FY 2020 (From April 1, 2019 to December 31, 2019)	Third Quarter of FY 2021 (From April 1, 2020 to December 31, 2020)
Profit (loss)	32,458	-1,557
Other comprehensive income		
Valuation difference on available-for-sale securities	9,232	11,990
Deferred gains or losses on hedges	-392	-176
Foreign currency translation adjustment	860	1,087
Remeasurements of defined benefit plans, net of tax	695	747
Share of other comprehensive income of entities accounted for using equity method	1,193	201
Total other comprehensive income	11,590	13,851
Comprehensive income	44,049	12,293
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,321	11,906
Comprehensive income attributable to non-controlling interests	2,727	387



**(3) Notes to Consolidated Financial Statements**

## Notes on Going Concern Assumption

None.

## Notes on Significant Changes in the Amount of Shareholders' Equity

None.

**3. Supplementary Information****(1) Actual Production (Consolidated)**

Category	3Q of FY 2020 (From April 1, 2019 to December 31, 2019)	3Q of FY 2021 (From April 1, 2020 to December 31, 2020)	Change
Trucks and buses	131,997 units	82,086 units	-49,911 units
Toyota brand vehicles	107,692 units	78,855 units	-28,837 units

**(2) Actual Sales (Consolidated)**

Category	3Q of FY 2020 (From April 1, 2019 to December 31, 2019)		3Q of FY 2021 (From April 1, 2020 to December 31, 2020)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	49,227	388,767	43,209	344,449	-6,018	-44,318
Overseas	85,884	354,644	50,205	204,531	-35,679	-150,113
Supplies and parts for overseas production	—	1,371	—	880	—	-491
Total trucks and buses	135,111	744,784	93,414	549,861	-41,697	-194,922
Total Toyota brand vehicles	107,680	251,042	78,839	193,001	-28,841	-58,041
Japan	—	47,959	—	45,781	—	-2,178
Overseas	—	45,179	—	35,485	—	-9,694
Total service parts	—	93,139	—	81,266	—	-11,872
Japan	—	137,460	—	126,571	—	-10,889
Overseas	—	21,755	—	23,779	—	2,023
Toyota	—	126,122	—	99,982	—	-26,139
Total others	—	285,339	—	250,333	—	-35,005
Total net sales	—	1,374,306	—	1,074,463	—	-299,843

(Note) Amounts are rounded down to the nearest one million yen.