

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



April 27, 2021

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.
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Scheduled Date of Annual Meeting of Shareholders: June 24, 2021
Scheduled Date of Dividend Payment Start: June 7, 2021
Scheduled Date of Financial Statements Filing: June 24, 2021
Supplementary materials for Financial Results: Yes
Investor conference for Financial Results: Yes (For Mass Media and Analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020– March 31, 2021)

(1) Consolidated Financial Results

(% 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	%
FY 2021	1,498,442	-17.5	12,250	-77.7	12,261	-75.3	-7,489	—
FY 2020	1,815,597	-8.4	54,859	-36.7	49,596	-40.9	31,467	-42.7

(Note) Comprehensive income FY 2021: ¥ 20,611 million (9.9%) FY 2020: ¥18,753 million (-70.4%)

	Profit per share	Diluted Profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY 2021	-13.05	—	-1.4	1.0	0.8
FY 2020	54.82	—	5.8	3.8	3.0

(Reference) Equity in earnings of affiliated companies: FY 2021: ¥-3,460 million FY 2020: ¥ 1,256 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2021	1,231,495	604,872	45.0	965.54
FY 2020	1,275,080	592,680	42.5	944.53

(Reference) Equity capital: FY 2021: ¥ 554,245 million FY 2020: ¥ 542,189 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2021	108,429	-56,211	-38,408	54,651
FY 2020	95,176	-67,006	-28,243	39,793

2. Dividends

	Dividends per share					Total dividends (annual)	Dividends payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY 2020	—	13.00	—	7.00	20.00	11,483	36.5	2.2
FY 2021	—	5.00	—	7.00	12.00	6,889	—	1.3
FY 2022 (forecast)	—	7.00	—	7.00	14.00		73.1	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(% of change from FY2021)

	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 2022	1,330,000	—	47,000	—	42,000	—	11,000	—	19.16

(Note) Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 30, 2018) will be applied at the beginning of FY ending March 2022. The forecast above reflects application of the standard, so % of change from FY2021 is not stated.

*Notes

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

(2) 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

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term	FY 2021	574,580,850 shares	FY 2020	574,580,850 shares
2) Number of treasury stock at end of term	FY 2021	552,655 shares	FY 2020	551,510 shares
3) Average number of shares	FY 2021	574,028,861 shares	FY 2020	574,017,067 shares

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2021	1,013,243	-20.6	-8,751	—	13,937	-57.1	2,827	-89.9
FY 2020	1,275,574	-9.1	18,093	-52.1	32,504	-35.2	27,871	-28.1

	Profit per share	Diluted Profit per share
	Yen	Yen
FY 2021	4.93	—
FY 2020	48.54	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2021	809,768	421,436	52.0	734.01
FY 2020	813,852	412,393	50.7	718.26

(Reference) Equity capital: FY 2021: ¥ 421,436 million FY 2020: ¥ 412,393 million

<Reasons for the difference in non-consolidated results from the previous fiscal year>

In FY2021, Net sales fell below the previous year's results due to a decrease in domestic and export volume.

Profit also decreased year on year due to a decrease in sales and Expenditure related to transactions in North America described in Additional Information on page 13 of the [Attachment].

* Summary of financial results is out of scope of audit by Certified Public Accountants or Audit companies.

* 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. For assumptions used in forecasting financial results and precautions in using the financial projections, please refer to Appendix on Page 3, "1. Business Performance Overview; (4) Future Outlook."

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1. Operating Results Overview

(1) Operating Results Overview for Current Term

As for the Japanese domestic truck market in this consolidated fiscal year, due to the impact of COVID-19, the total demand for heavy- and medium-duty trucks was 85.9 thousand units, a decrease of 6.0 thousand units (-6.5%) compared to the previous year, and total demand for light-duty truck was 86.0 thousand units, a decrease of 17.3 thousand units (-16.8%) compared to the previous year. However, the market share of light-, medium-, and heavy-duty trucks in Japan was 33.6%, following the record high in fiscal 2018, thanks to the steady sales. 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 59.6 thousand units, a decrease of 6.9 thousand units (-10.4%) compared to the previous year.

As for overseas sales, sales volume declined due to COVID-19, and the company conducted inventory adjustment, so sales volume was 73.6 thousand units, a decrease of 34.1 thousand units (-31.7%) compared to the previous year.

As a result of the above, total unit sales of Hino Brand trucks and buses decreased to 133.2 thousand units by 41.0 thousand units (23.6%) from the previous fiscal year.

As for the volume of sales to Toyota Motor Corporation, because the sales of SUV and light-duty truck decreased, total sales volume decreased to 108.7 thousand units by 30.6 thousand units (-22.0%) from the previous fiscal year.

As a result of the above, consolidated net sales were ¥1,498,442 million, which is a decrease of ¥317,155 million (-17.5%) as compared to the previous fiscal year. As for profits, due to a decrease in the quantity sold of trucks and buses, etc., consolidated operating income was ¥12,250 million which is a decrease of ¥42,609 million (-77.7%) as compared to the previous fiscal year. Ordinary income was ¥12,261 million which is a decrease of ¥37,335 million (-75.3%) as compared to the previous fiscal year. In addition, loss attributable to owners of the parent was 7,489 million yen (profit attributable to owners of the parent amounting to 31,467 million yen in the previous consolidated fiscal year), as an extraordinary loss of 14,556 million yen was posted as expenditure related to transactions in North America.

(2) Financial Position Overview for Current Term

Total assets as of the end of this fiscal year decreased to ¥1,231,495 million by ¥43,584 million compared to the end of the previous fiscal year. This is mainly because inventories decreased by ¥61,391 million, while investment securities increased by ¥15,725 million.

Liabilities decreased to ¥626,622 million by ¥55,776 million from the end of the previous fiscal year. This is mainly because interest-bearing debt decreased by ¥32,585 million and notes and accounts payable - trade decreased by ¥9,902 million.

Net assets increased to ¥604,872 million by ¥12,192 million compared to the end of the previous fiscal year. This is mainly because valuation difference on available-for-sale securities increased by ¥14,257 million and foreign currency translation adjustment increased by ¥5,730 million, while loss attributable to owners of parent of ¥7,489 million was recorded and dividends from retained earnings of ¥6,889 million were paid.

(3) Cash Flow Overview for Current Term

Cash flows for this fiscal year are as follows.

Cash provided by operating activities was ¥108,429 million. This was mainly due to posting depreciation and amortization of ¥54,754 million and inventories decreased by ¥60,232 million.

Cash used in investing activities was ¥56,211 million. This was mainly due to the expenditure of ¥50,410 million on purchase of non-current assets centering on production facilities.

Cash used in financing activities was ¥38,408 million. This was mainly due to net decrease in short-term loans payable of ¥20,088 million and repayments of long-term loans payable of ¥13,972 million.

As a result, cash and cash equivalents at the end of this fiscal year increased to ¥54,651 million by ¥14,858 million compared to the end of the previous fiscal year.

(4) Forecasts for the Fiscal Year Ending March 31, 2022

In fiscal 2021, the global economy is expected to recover, thanks to the acceleration of vaccination for COVID-19 and the injection of enormous public funds, but the impact of the pandemic is still lingering, and the outlook remains uncertain, due to various factors, including geopolitical risk and trade friction. Accordingly, we estimate that the recovery of the domestic and overseas markets of trucks and buses will be gentle.

Under these circumstances, we re-realized the necessity to accelerate the establishment of a business structure that will not be easily affected by market fluctuations, and started structural reform for fortifying our business base and competitiveness for achieving sustainable growth last year. From now on, we will accelerate it further and strive to enhance our earning capacity.

In addition, our corporate group will keep an eye on the domestic and overseas situations while taking measures to curb the spread of COVID-19, continue our endeavor to actualize CASE and the carbon neutral actively and steadily from the viewpoint of SDGs, and strive to realize “an affluent, comfortable, sustainable society” set in our mid/long-term management strategy “Challenge 2025.”

Accordingly, the earnings forecast for the next term is as follows.

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales	¥1,330,000 million
Operating income	¥47,000 million
Japan unit sales of trucks and buses	61.0 thousand units
Overseas unit sales of trucks and buses.....	89.0 thousand units
Unit sales of Toyota brand vehicles	118.5 thousand units

* The above forecasts are created based on the information available to the company and on certain assumptions deemed reasonable, and are not guaranteed to be achieved.

(5) Basic Policy on Profit Distribution and Dividends for FY2021 and FY2022

Our company will strive to achieve a consolidated payout ratio of 30% stably and continuously, while fortifying its financial standing and considering its business performance, new investments, etc. in each term.

As for the term-end dividend for the current term, the board of directors resolved to pay ¥7 per share and set the date of payment start at June 7, 2021, at their meeting held on April 27, 2021, while comprehensively considering the above basic policy, the business environment surrounding our company, etc. Accordingly, the annual dividend will become ¥12 per share (down ¥8 per share from the previous term), as the already-paid interim dividend of ¥5 per share is added.

As for the dividends for the next term, our company plans to pay an annual dividend of ¥14 per share, which will be composed of an interim dividend of ¥7 per share and a term-end dividend of ¥7 per share

2. Basic Policy on Selection of Accounting Standards

As the Group is not listed on overseas markets, and for ease of comparison with other companies, Japanese standards are used, and regarding the selection of IFRS (International Financial Reporting Standards), the accounting standards used by other companies domestically will be considered as we continue to gather information and discuss the issue with experts, and the decision will be made carefully.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2020 (As of March 31, 2020)	FY 2021 (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	40,647	56,188
Notes and accounts receivable - trade	290,241	300,569
Lease receivables	35,583	26,749
Merchandise and finished goods	188,760	132,816
Work in process	39,272	33,810
Raw materials and supplies	34,021	34,036
Other	35,633	28,044
Allowance for doubtful accounts	-3,408	-3,584
Total current assets	660,752	608,632
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	164,515	172,976
Machinery, equipment and vehicles, net	95,986	84,907
Tools, furniture and fixtures, net	20,110	17,734
Land	126,259	128,068
Leased assets, net	572	726
Construction in progress	27,620	30,653
Assets for rent, net	153	21
Total property, plant and equipment	435,217	435,087
Intangible assets		
Software	24,301	25,757
Leased assets	1	-
Other	2,599	1,161
Total intangible assets	26,902	26,918
Investments and other assets		
Investment securities	111,582	127,307
Retirement benefit asset	576	801
Deferred tax assets	26,867	19,657
Other	16,133	16,096
Allowance for doubtful accounts	-2,953	-3,005
Total investments and other assets	152,207	160,857
Total non-current assets	614,327	622,862
Total assets	1,275,080	1,231,495

(Millions of yen)

	FY 2020 (As of March 31, 2020)	FY 2021 (As of March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	239,232	229,329
Short-term borrowings	178,170	159,099
Current portion of long-term borrowings	14,118	6,243
Lease obligations	157	383
Accounts payable - other	22,519	16,719
Income taxes payable	3,428	2,450
Provision for bonuses	6,783	6,815
Provision for bonuses for directors (and other officers)	885	775
Provision for product warranties	36,114	30,341
Other	67,801	74,054
Total current liabilities	569,211	526,210
Non-current liabilities		
Long-term borrowings	19,839	14,201
Lease obligations	1,398	2,213
Deferred tax liabilities	1,799	1,602
Deferred tax liabilities for land revaluation	2,765	2,765
Retirement benefit liability	60,746	54,627
Provision for retirement benefits for directors (and other officers)	2,084	2,038
Asset retirement obligations	1,335	1,391
Other	23,218	21,572
Total non-current liabilities	113,188	100,412
Total liabilities	682,399	626,622
Net assets		
Shareholders' equity		
Share capital	72,717	72,717
Capital surplus	64,830	65,775
Retained earnings	390,781	376,402
Treasury shares	-196	-197
Total shareholders' equity	528,132	514,696
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,653	51,911
Deferred gains or losses on hedges	-36	-175
Revaluation reserve for land	2,325	2,325
Foreign currency translation adjustment	-14,601	-8,871
Remeasurements of defined benefit plans	-11,283	-5,640
Total accumulated other comprehensive income	14,057	39,548
Non-controlling interests	50,491	50,627
Total net assets	592,680	604,872
Total liabilities and net assets	1,275,080	1,231,495

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

[Consolidated Statements of Income]

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Net sales	1,815,597	1,498,442
Cost of sales	1,542,431	1,285,609
Gross profit	273,165	212,832
Selling, general and administrative expenses		
Sales commission	26,429	21,347
Transportation and storage costs	13,090	9,738
Provision for product warranties	36,114	30,341
Advertising expenses	5,111	1,245
Salaries and allowances	56,837	54,539
Provision for bonuses	3,359	3,570
Provision for bonuses for directors (and other officers)	927	773
Retirement benefit expenses	3,583	3,159
Provision for retirement benefits for directors (and other officers)	439	418
Rent expenses	7,638	8,336
Other	64,775	67,111
Total selling, general and administrative expenses	218,306	200,582
Operating profit	54,859	12,250
Non-operating income		
Interest income	1,264	1,074
Dividend income	2,087	1,819
Rental income	572	1,166
Foreign exchange gains	—	2,556
Share of profit of entities accounted for using equity method	1,256	—
Miscellaneous income	2,549	3,411
Total non-operating income	7,729	10,028
Non-operating expenses		
Interest expenses	6,529	4,107
Foreign exchange losses	3,066	—
Share of loss of entities accounted for using equity method	—	3,460
Miscellaneous expenses	3,396	2,449
Total non-operating expenses	12,992	10,017
Ordinary profit	49,596	12,261

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Extraordinary income		
Gain on sale of non-current assets	265	237
Gain on sale of investment securities	2,549	1,475
Other	376	49
Total extraordinary income	3,191	1,762
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,166	985
Impairment losses	351	73
Expenditure related to transactions in North America	—	14,556
Other	297	291
Total extraordinary losses	1,814	15,907
Profit (loss) before income taxes	50,973	-1,883
Income taxes - current	13,541	5,976
Income taxes - deferred	2,692	-1,562
Total income taxes	16,233	4,414
Profit (loss)	34,739	-6,297
Profit attributable to non-controlling interests	3,271	1,191
Profit (loss) attributable to owners of parent	31,467	-7,489

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Profit (loss)	34,739	-6,297
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,758	14,140
Deferred gains or losses on hedges	-233	-68
Foreign currency translation adjustment	-7,490	6,837
Remeasurements of defined benefit plans, net of tax	-2,797	5,527
Share of other comprehensive income of entities accounted for using equity method	292	471
Total other comprehensive income	-15,986	26,909
Comprehensive income	18,753	20,611
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,042	18,002
Comprehensive income attributable to non-controlling interests	1,710	2,609

(3) Consolidated Statements of Changes in Net Assets

Previous Fiscal Year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	72,717	66,275	375,389	-215	514,166	42,899	-64
Changes during period							
Dividends of surplus			-16,075		-16,075		
Profit attributable to owners of parent			31,467		31,467		
Purchase of treasury shares				-0	-0		
Disposal of treasury shares		24		19	44		
Change in ownership interest of parent due to transactions with non-controlling interests		-1,470			-1,470		
Net changes in items other than shareholders' equity						-5,246	28
Total changes during period	—	-1,445	15,391	18	13,965	-5,246	28
Balance at end of period	72,717	64,830	390,781	-196	528,132	37,653	-36

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,325	-8,136	-8,540	28,482	53,809	596,459
Changes during period						
Dividends of surplus						-16,075
Profit attributable to owners of parent						31,467
Purchase of treasury shares						-0
Disposal of treasury shares						44
Change in ownership interest of parent due to transactions with non-controlling interests						-1,470
Net changes in items other than shareholders' equity		-6,464	-2,742	-14,425	-3,318	-17,743
Total changes during period	—	-6,464	-2,742	-14,425	-3,318	-3,778
Balance at end of period	2,325	-14,601	-11,283	14,057	50,491	592,680

Current Fiscal Year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	72,717	64,830	390,781	-196	528,132	37,653	-36
Changes during period							
Dividends of surplus			-6,889		-6,889		
Loss attributable to owners of parent			-7,489		-7,489		
Purchase of treasury shares				-1	-1		
Change in ownership interest of parent due to transactions with non-controlling interests		944			944		
Net changes in items other than shareholders' equity						14,257	-139
Total changes during period	—	944	-14,378	-1	-13,435	14,257	-139
Balance at end of period	72,717	65,775	376,402	-197	514,696	51,911	-175

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,325	-14,601	-11,283	14,057	50,491	592,680
Changes during period						
Dividends of surplus						-6,889
Loss attributable to owners of parent						-7,489
Purchase of treasury shares						-1
Change in ownership interest of parent due to transactions with non-controlling interests						944
Net changes in items other than shareholders' equity		5,730	5,642	25,491	136	25,627
Total changes during period	—	5,730	5,642	25,491	136	12,192
Balance at end of period	2,325	-8,871	-5,640	39,548	50,627	604,872

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit (loss) before income taxes	50,973	-1,883
Depreciation	58,011	54,754
Impairment losses	351	73
Increase (decrease) in allowance for doubtful accounts	-849	205
Increase (decrease) in provision for product warranties	-6,537	-5,773
Increase (decrease) in retirement benefit liability	932	2,047
Interest and dividend income	-3,351	-2,894
Interest expenses	6,529	4,107
Foreign exchange losses (gains)	9	-37
Share of loss (profit) of entities accounted for using equity method	-1,256	3,460
Loss (gain) on sale of investment securities	-2,549	-1,475
Loss (gain) on sale and retirement of non-current assets	900	748
Decrease (increase) in trade receivables	57,368	-8,491
Decrease (increase) in lease receivables	-1,192	7,827
Decrease (increase) in inventories	-8,746	60,232
Increase (decrease) in trade payables	-41,331	-10,406
Decrease (increase) in other current assets	8,531	7,179
Increase (decrease) in other current liabilities	-2,600	10,540
Other, net	-103	-800
Subtotal	115,089	119,413
Interest and dividends received	4,028	3,071
Proceeds from insurance income	2,402	—
Interest paid	-6,161	-4,914
Income taxes refund (paid)	-20,182	-9,140
Net cash provided by (used in) operating activities	95,176	108,429
Cash flows from investing activities		
Payments into time deposits	-327	-826
Proceeds from withdrawal of time deposits	224	169
Purchase of property, plant and equipment	-60,381	-50,410
Proceeds from sale of property, plant and equipment	1,845	1,224
Purchase of intangible assets	-9,613	-8,608
Purchase of investment securities	-586	-65
Proceeds from sale of investment securities	3,304	2,327
Long-term loan advances	-530	-1,353
Proceeds from collection of long-term loans receivable	487	1,321
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-163	—
Other, net	-1,264	10
Net cash provided by (used in) investing activities	-67,006	-56,211

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-12,859	-20,088
Proceeds from long-term borrowings	15,035	3,907
Repayments of long-term borrowings	-7,025	-13,972
Proceeds from share issuance to non-controlling shareholders	1,049	1,282
Dividends paid	-16,075	-6,889
Dividends paid to non-controlling interests	-3,941	-2,549
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-1,945	-97
Payments from changes in investments in capital in subsidiaries that do not result in change in scope of consolidation	-2,230	—
Other, net	-252	-1
Net cash provided by (used in) financing activities	-28,243	-38,408
Effect of exchange rate change on cash and cash equivalents	-815	1,048
Net increase (decrease) in cash and cash equivalents	-888	14,858
Cash and cash equivalents at beginning of period	40,681	39,793
Cash and cash equivalents at end of period	39,793	54,651

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no related information.

(Additional information)

1. Accounting estimates considering the effects of COVID-19

Our corporate group assumes that the effects of COVID-19 will linger throughout the following consolidated fiscal year, and estimates that the economic recovery will be gentle in both domestic and overseas markets. Under said assumption, we have estimated impairment loss on non-current, realizability of deferred tax assets, etc.

2. Extraordinary loss (Expenditure related to transactions in North America)

In that term, there emerged an issue regarding the process of the statutory engine certification test in the U.S. (hereinafter called “the certification issue”), so at the meeting of the board of directors held on December 23, 2020, we decided to discontinue the production of vehicles at West Virginia Factory of Hino Motors Manufacturing U.S.A., Inc., which is a consolidated subsidiary, and Woodstock Factory of Hino Motors Canada, Ltd. by the end of September 2021. Accordingly, we postponed the release of vehicles mounted with new model-year engines in the U.S. and Canada, and suspended the manufacturing and supply of vehicles. Due to said certification issue, our company posted an evaluation loss of 14,556 million yen due to the loss on compensation based on the agreements with dealers, suppliers, and clients and the decrease in profitability related to inventories considered impossible to sell or difficult to reuse as expenditure related to transactions in North America in the section of extraordinary loss.

(Contingent liabilities)

(Expenditure related to transactions in North America)

Regarding the engines for the market in North America, there emerged an issue regarding the process of the statutory engine certification test in the U.S., so at the meeting of the board of directors held on December 23, 2020, we decided to discontinue the production of vehicles at West Virginia Factory of Hino Motors Manufacturing U.S.A., Inc., which is a consolidated subsidiary, and Woodstock Factory of Hino Motors Canada, Ltd. by the end of September 2021. Accordingly, we postponed the release of vehicles mounted with new model-year engines in both countries.

At present, we are negotiating with related institutions, and it is difficult to estimate the impact reasonably. Accordingly, it has not been reflected in consolidated financial statements.

(Segment Information)

1. Overview of Report Segment

The reporting segment for our company can acquire separate financial information for individual components of our company, and is the target of periodic evaluations so that the board of directors can determine allocation of management resources and evaluate results.

The main business of our company is production and sales of trucks and buses, as well as production on commission for Toyota Motor Corporation and other services such as development and planning of related products. Domestic areas are covered by our company and domestic subsidiaries and overseas areas are covered by local overseas subsidiaries, with strategies created for each market for the services and products handled.

Therefore, our company production and sales structure is composed of separate regional segments, with these segments reported as “Japan” and “Asia”.

2. Method of calculating amounts for Sales, Earnings, Losses, Assets and Other Categories for Each Reporting Segment

The accounting method for report segments is mostly the same as the one used for producing consolidated financial statements. The internal returns and transfers for each segment are based on current market prices.

3. Information on Amounts for Sales, Earnings, Losses, Assets and Other Categories for Each Reporting Segment

Previous Fiscal Year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Report Segment			Other *1	Total	Adjusted Amount*2	Consolidated financial statements amount *3
	Japan	Asia	Total				
Net Sales							
Sales to External Customers	1,228,953	347,703	1,576,656	238,941	1,815,597	—	1,815,597
Inter-Segment Sales and Transfers	244,575	14,587	259,163	2,250	261,413	-261,413	—
Total	1,473,528	362,290	1,835,819	241,191	2,077,010	-261,413	1,815,597
Segment Earnings	36,112	15,968	52,081	2,959	55,040	-180	54,859
Segment Assets	965,318	273,387	1,238,705	131,927	1,370,632	-95,552	1,275,080
Other Categories							
Depreciation and amortization	44,457	10,040	54,497	3,514	58,011	—	58,011
Investment in Equity Method Affiliates	27,188	3,830	31,019	589	31,608	—	31,608
Increase in Tangible and Intangible Fixed Assets	55,527	9,817	65,345	3,976	69,321	—	69,321

*1 The “other” section is the regions not included in the reporting segments, including North America and Oceania etc.

*2 The adjusted amount is listed as below.

(1) The adjusted amount of segment earnings of ¥ -180 million includes adjustments for eliminated accounts and inventory assets in inter-segment.

(2) The adjusted amount of segment assets of ¥ -95,552 million includes elimination of debts and credits and inventory assets in inter-segment.

*3 Segment earnings are adjusted with operating income from the consolidated statement of income.

Current Fiscal Year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Report Segment			Other *1	Total	Adjusted Amount*2	Consolidated financial statements amount *3
	Japan	Asia	Total				
Net Sales							
Sales to External Customers	1,079,291	276,329	1,355,621	142,821	1,498,442	—	1,498,442
Inter-Segment Sales and Transfers	139,875	12,414	152,289	2,689	154,979	-154,979	—
Total	1,219,166	288,744	1,507,910	145,510	1,653,421	-154,979	1,498,442
Segment Earnings	9,931	4,435	14,367	-4,765	9,601	2,648	12,250
Segment Assets	954,534	254,519	1,209,053	124,609	1,333,663	-102,167	1,231,495
Other Categories							
Depreciation and amortization	41,882	9,290	51,173	3,580	54,754	-	54,754
Investment in Equity Method Affiliates	24,231	3,887	28,118	252	28,371	-	28,371
Increase in Tangible and Intangible Fixed Assets	38,957	6,658	45,615	7,487	53,103	-	53,103

*1 The “other” section is the regions not included in the reporting segments, including North America and Oceania etc.

*2 The adjusted amount is listed as below.

(1) The adjusted amount of segment earnings of ¥ 2,648 million includes adjustments for eliminated accounts and inventory assets in inter-segment.

(2) The adjusted amount of segment assets of ¥ -102,167 million includes elimination of debts and credits and inventory assets in inter-segment.

*3 Segment earnings are adjusted with operating income from the consolidated statement of income.

(Per Share Information)

FY 2020 (From April 1, 2019 to March 31, 2020)		FY 2021 (From April 1, 2020 to March 31, 2021)	
Net assets per share	944.53 yen	Net assets per share	965.54 yen
Profit per share	54.82 yen	Profit per share	-13.5 yen
Diluted net income per share is not written, because there are no dilutive shares.		Diluted net income per share is not written, because it is net loss per share and there are no dilutive shares.	

(Note) The base for calculating profit (loss) per share and diluted profit per share are as follows:

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Profit per share		
Profit (loss) attributable to owners of parent (Millions of yen)	31,467	-7,489
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent associated with common shares (Millions of yen)	31,467	-7,489
Average number of common shares (Shares)	574,017,067	574,028,861
Diluted Profit per share		
Current-term Profit attributable to owners of parent adjustment (Millions of yen)	—	—
Increase in the number of common shares (Shares)	—	—
Increase in the number of stock acquisition rights (Shares)	(—)	(—)

(Significant Subsequent Events)

There is no related information.

4. Other

(1) Actual Production (Consolidated)

Category	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)	Change
Trucks and buses	171,160 units	120,047 units	-51,113 units
Toyota brand vehicles	139,247 units	108,628 units	-30,619 units

(2) Actual Sales (Consolidated)

Category	FY 2020 (From April 1, 2019 to March 31, 2020)		FY 2021 (From April 1, 2020 to March 31, 2021)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	66,548	532,939	59,628	474,476	-6,920	-58,463
Overseas	107,742	446,522	73,615	298,353	-34,127	-148,169
Supplies of parts for overseas production	—	2,050	—	1,124	—	-925
Total trucks and buses	174,290	981,511	133,243	773,954	-41,047	-207,557
Total Toyota brand	139,323	328,639	108,698	265,958	-30,625	-62,680
Japan	—	63,958	—	61,475	—	-2,483
Overseas	—	59,905	—	50,918	—	-8,986
Total service parts	—	123,863	—	112,393	—	-11,469
Japan	—	185,926	—	172,795	—	-13,130
Overseas	—	30,085	—	31,698	—	1,612
Toyota	—	165,570	—	141,640	—	-23,929
Total others	—	381,582	—	346,135	—	-35,447
Total net sales	—	1,815,597	—	1,498,442	—	-317,155

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