

Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023
[Japanese GAAP] (Consolidated)
English translation from the original Japanese-language document



July 28, 2022

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.
 Code Number: 7205 URL: <https://www.hino.co.jp/>
 Representative: Satoshi Ogiso, President, Member of the Board of Directors
 Contact Point: Hiroshi Hashimoto, Operating Officer, Public Affairs Dept.
 Phone: (042) 586-5494

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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 First Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022–June 30, 2022)

(1) Consolidated Financial Results (Cumulative) (% of change from the same quarter of the 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	%
1Q of FY 2023	355,856	3.6	4,316	-73.3	7,469	-52.5	723	-88.6
1Q of FY 2022	343,547	—	16,173	—	15,710	—	6,341	—

(Note) Comprehensive income: 1Q of FY 2023: ¥ 14,119 million (67.7%) 1Q of FY 2022: ¥ 8,419 million (—)

	Profit per share	Diluted profit per share
	Yen	Yen
1Q of FY 2023	1.26	—
1Q of FY 2022	11.05	—

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020), etc. were applied from the beginning of the first quarter of the previous consolidated accounting period. Accordingly, the figures for the first quarter of the term ending March 2022 reflect said accounting standard, etc., and increase/decrease rates from the same quarter of the previous year are not indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
1Q of FY 2023	1,297,665	526,490	36.0
FY 2022	1,258,350	516,007	36.4

(Reference) Equity capital: 1Q of FY 2023: ¥ 467,663 million FY 2022: ¥ 458,169 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2022	—	10.00	—	0.00	10.00
FY 2023	—				
FY 2023 (forecast)		—	—	—	—

(Note) Changes from the latest dividend forecast: None

*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	1Q of FY 2023	574,580,850 shares	FY 2022	574,580,850 shares
2) Number of treasury stock at end of term	1Q of FY 2023	553,582shares	FY 2022	553,582shares
3) Average number of shares (quarterly consolidated cumulative period)	1Q of FY 2023	574,027,268shares	1Q of FY 2022	574,027,943shares

*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.

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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 first quarter (three months), due to the stagnation of supply caused by the delay in production of vehicles because of the global shortage of semiconductors, the total demand for heavy-duty, medium-duty, and light-duty trucks decreased significantly. In the domestic bus market, too, the total demand for buses dropped, mainly due to the decline in demand for sightseeing caused by the lingering effect of COVID-19. Accordingly, the total demand for trucks and buses in Japan was 26.6 thousand units, a decrease of 11.9 thousand units (-30.9%) compared to the same quarter in the previous year.

As for Japanese domestic sales, due to the suspension of shipment in the wake of our company's misconduct regarding engine certification as well as the decline in total demand, the total sales volume of trucks and buses was 9.3 thousand units, a decrease of 4.3 thousand units (-31.6%) compared to the same quarter in the previous year.

As for overseas sales, a recovery trend can be seen mainly in ASEAN countries, and sales volume was 27.8 thousand units, an increase of 4.8 thousand units (20.8%) 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 37.1 thousand units, an increase of 0.5 thousand units (1.3%) compared to the same quarter in the previous year.

As for the volume of sales to Toyota Motor Corporation, the sales volume of mainly SUVs increased but the sales volume of light-duty trucks decreased. As a result, total sales volume was 35.4 thousand units, a decrease of 0.1 thousand units (-0.4%) compared to the same quarter in the previous year.

As a result of the above, net sales in the current first quarter were ¥355,856 million, which is an increase of ¥12,308 million (3.6%) as compared to the same quarter in the previous year. As for profit and loss, exchange rates became favorable, but the fluctuation of vehicle composition worsened due to the decline in domestic sales volume. As a result, operating income was ¥4,316 million which is a decrease of ¥11,856 million (-73.3%) compared to the same quarter in the previous year, ordinary income was ¥7,469 million which is a decrease of ¥8,240 million (-52.5%) compared to the same quarter in the previous year, and profit attributable to owners of parent was ¥723 million which is a decrease of ¥5,618 million (-88.6%) compared to the same quarter in the previous year.

(2) Information on Consolidated Financial Position

Total assets at the end of the first quarter increased to ¥1,297,665 million by ¥39,315 million compared to the end of the previous fiscal year. This is mainly because cash and deposits increased by ¥13,253 million and inventories increased by ¥18,688 million.

Liabilities increased to ¥771,175 million by ¥28,832 million compared to the end of the previous fiscal year. This is mainly because interest-bearing liabilities increased ¥30,868 million.

Net assets increased to ¥526,490 million by ¥10,482 million compared to the end of the previous fiscal year. This is because profit attributable to owners of parent of ¥723 million was posted and foreign currency translation adjustment increased ¥7,291 million.

(3) Information on Forecasts of Consolidated Financial Results

Regarding the consolidated earnings forecast for the current term, we would like to refrain from disclosing it in the brief financial report, because it is still difficult to reasonably predict when we will be able to resume the shipment of the model for which the illegal act was committed. We will disclose said consolidated earnings forecast, as soon as it becomes possible to conduct reasonable calculation.

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

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	66,253	79,507
Notes and accounts receivable - trade	288,044	280,712
Merchandise and finished goods	127,565	125,736
Work in process	50,665	63,260
Raw materials and supplies	47,906	55,828
Other	59,199	65,263
Allowance for doubtful accounts	-4,878	-5,015
Total current assets	634,755	665,293
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	178,778	180,934
Machinery, equipment and vehicles, net	86,643	88,896
Land	128,202	129,471
Other, net	50,669	48,763
Total property, plant and equipment	444,293	448,065
Intangible assets	31,129	30,495
Investments and other assets		
Investment securities	122,444	127,289
Deferred tax assets	9,890	10,293
Other	18,895	19,458
Allowance for doubtful accounts	-3,059	-3,231
Total investments and other assets	148,171	153,810
Total non-current assets	623,594	632,371
Total assets	1,258,350	1,297,665
Liabilities		
Current liabilities		
Notes and accounts payable - trade	250,780	233,762
Short-term borrowings	144,568	155,348
Current portion of long-term borrowings	8,400	6,951
Income taxes payable	2,383	5,587
Provision for product warranties	52,333	52,559
Provision for certification related loss	29,970	29,970
Other provisions	7,752	10,762
Other	118,017	123,187
Total current liabilities	614,204	618,129
Non-current liabilities		
Long-term borrowings	8,279	29,816
Deferred tax liabilities	26,680	27,221
Deferred tax liabilities for land revaluation	2,742	2,742
Retirement benefit liability	56,174	56,347
Other provisions	1,700	1,349
Other	32,559	35,568
Total non-current liabilities	128,137	153,045
Total liabilities	742,342	771,175

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	72,717	72,717
Capital surplus	65,952	65,952
Retained earnings	279,087	279,811
Treasury shares	-201	-205
Total shareholders' equity	417,556	418,276
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46,315	47,668
Deferred gains or losses on hedges	-125	-145
Revaluation reserve for land	2,273	2,273
Foreign currency translation adjustment	170	7,461
Remeasurements of defined benefit plans	-8,020	-7,870
Total accumulated other comprehensive income	40,613	49,387
Non-controlling interests	57,837	58,826
Total net assets	516,007	526,490
Total liabilities and net assets	1,258,350	1,297,665

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

[Quarterly Consolidated Statements of Income]

[Consolidated First Quarter of FY 2023 and FY 2022 (Cumulative)]

(Millions of yen)

	FY 2022 (From April 1, 2021 to June 30, 2021)	FY 2023 (From April 1, 2022 to June 30, 2022)
Net sales	343,547	355,856
Cost of sales	280,559	296,773
Gross profit	62,988	59,083
Selling, general and administrative expenses		
Salaries and allowances	12,324	13,332
Provision for bonuses	1,798	1,817
Retirement benefit expenses	906	878
Other	31,785	38,737
Total selling, general and administrative expenses	46,814	54,766
Operating profit	16,173	4,316
Non-operating income		
Interest income	258	372
Dividend income	582	592
Foreign exchange gains	—	1,994
Share of profit of entities accounted for using equity method	—	316
Miscellaneous income	863	1,342
Total non-operating income	1,704	4,617
Non-operating expenses		
Interest expenses	677	895
Foreign exchange losses	736	—
Share of loss of entities accounted for using equity method	141	—
Miscellaneous expenses	613	569
Total non-operating expenses	2,168	1,464
Ordinary profit	15,710	7,469
Extraordinary income		
Gain on sale of non-current assets	4	52
Gain on sale of investment securities	240	—
Subsidy for estate	—	670
Other	21	11
Total extraordinary income	267	733
Extraordinary losses		
Loss on sale and retirement of non-current assets	63	155
Loss related to domestic certification	—	1,997
Loss related to North American certification	2,615	—
Other	102	11
Total extraordinary losses	2,781	2,163
Profit before income taxes	13,195	6,039
Income taxes - current	4,564	3,285
Income taxes - deferred	865	-91
Total income taxes	5,430	3,193
Profit	7,765	2,845
Profit attributable to non-controlling interests	1,423	2,122
Profit attributable to owners of parent	6,341	723

[Quarterly Consolidated Statements of Comprehensive Income]
 [Consolidated First Quarter of FY 2023 and FY 2022 (Cumulative)]

(Millions of yen)

	FY 2022 (From April 1, 2021 to June 30, 2021)	FY 2023 (From April 1, 2022 to June 30, 2022)
Profit	7,765	2,845
Other comprehensive income		
Valuation difference on available-for-sale securities	405	1,705
Deferred gains or losses on hedges	-20	-39
Foreign currency translation adjustment	-166	9,474
Remeasurements of defined benefit plans, net of tax	393	138
Share of other comprehensive income of entities accounted for using equity method	42	-5
Total other comprehensive income	654	11,273
Comprehensive income	8,419	14,119
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,991	9,497
Comprehensive income attributable to non-controlling interests	1,428	4,621

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no related information.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

There is no related information.

(Additional Information)

Extraordinary losses

(Loss related to domestic certification)

The misconduct in the procedure for engine certification for the Japanese market was confirmed, and it was revealed that there was a problem with engine performance. Accordingly, our company posted a loss from compensation based on the agreements with suppliers, etc. amounting to ¥1,997 million as a loss related to domestic certification in the section of extraordinary loss.

(Contingent Liabilities)

Regarding the impact of the problem of certification of engines for the North American and Japanese markets, investigation and communication with relevant organizations are still underway. It is still difficult to reasonably estimate the effects other than already identified ones, so these effects are not reflected in the consolidated financial statements.

3. Supplementary Information

(1) Actual Production (Consolidated)

Category	FY 2022 (From April 1, 2021 to June 30, 2021)	FY 2023 (From April 1, 2022 to June 30, 2022)	Change
Trucks and buses	38,698 units	37,675 units	-1,023 units
Toyota brand vehicles	35,559 units	35,378 units	-181 units

(2) Actual Sales (Consolidated)

Category		FY 2022 (From April 1, 2021 to June 30, 2021)		FY 2023 (From April 1, 2022 to June 30, 2022)		Change	
		Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
	Japan	13,618	102,866	9,317	54,894	-4,301	-47,971
	Overseas	23,001	92,102	27,781	143,164	4,780	51,061
	Supplies of parts for overseas production	—	219	—	17	—	-202
	Total trucks and buses	36,619	195,189	37,098	198,076	479	2,887
	Total Toyota brand	35,516	23,051	35,382	24,774	-134	1,722
	Japan	—	14,927	—	16,197	—	1,269
	Overseas	—	14,803	—	17,498	—	2,694
	Total service parts	—	29,730	—	33,695	—	3,964
	Japan	—	45,538	—	44,558	—	-980
	Overseas	—	8,305	—	6,167	—	-2,137
	Toyota	—	41,732	—	48,584	—	6,852
	Total others	—	95,576	—	99,310	—	3,734
	Total net sales	—	343,547	—	355,856	—	12,308

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