

Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2011 [Japanese standards] (Consolidated)



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Stock Listing: Tokyo and Nagoya

Scheduled Date of Quarterly Financial Statements Filing: February 9, 2011

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, 2011 (April 1, 2010 – December 31, 2010)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures indicate changes from the same period in the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 Q of FY 2011	918,545	37.9	23,363	—	19,186	—	7,930	—
3 Q of FY 2010	666,133	(24.5)	(18,792)	—	(22,694)	—	(28,904)	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
3 Q of FY 2011	13.90		13.90	
3 Q of FY 2010	(50.56)		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3 Q of FY 2011	737,469	231,650	28.3	366.66
FY 2010	777,809	227,717	26.8	364.88

(Reference) Equity capital: 3 Q of FY 2011: ¥208,958 million FY 2010: ¥208,418 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2010	—	0.00	—	2.00	2.00
FY 2011	—	2.00	—		
FY 2011 (forecast)				3.00	5.00

(Note) Amendment to the dividends forecast during the current quarter: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages indicate the changes over the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2011	1,260,000	23.1	30,000	—	25,000	—	9,000	—	15.78

(Note) Amendment to the forecast of consolidated financial results during the current quarter: Yes

4. Others (For details, please see “2. Other information” on page 3 of “Appendix.”)

(1) Changes in important subsidiaries during the current term: None

Newly included: companies (Company name:), Removed: companies (Company name:)

(Note) Whether or not specified subsidiaries were changed resulting in the changes in scope of consolidation during the current term.

(2) Application of simplified accounting methods/specified accounting methods: Yes

(Note) Whether or not the simplified accounting methods or the accounting methods exclusively for producing quarterly consolidated financial statements was applied.

(3) Changes in accounting principles, procedures and methods:

1) Changes associated with revisions of accounting standards: Yes

2) Change other than those included in 1): None

(Note) Whether or not accounting principles, procedures and methods of presentation associated with preparation of consolidated financial statements were changed. These are indicated in Changes in the Basis for the Preparation of Quarterly Consolidated Financial Statements.

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term: 3 Q of FY 2011: 574,580,850 shares; FY 2010: 574,580,850 shares

2) Number of treasury stock at end of term: 3 Q of FY 2011: 4,676,033 shares; FY 2010: 3,384,307 shares

3) Average number of shares (quarterly consolidated cumulative period): 3 Q of FY 2011: 570,478,820 shares; 3 Q of FY 2010: 571,727,163 shares

* Indication regarding the implementation status of the quarterly review procedure

- This financial results is exempted from the quarterly review procedure based on the Financial Instruments and Exchange Act, and the review procedure of the quarterly financial statement based on the Financial Instruments and Exchange Act is not completed at the time of disclosure of this financial results.

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

- Fiscal year 2011 full year financial forecasts, disclosed on October 28, 2010 is revised with this report.
- 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 actual financial results may significantly vary due to various factors. For assumptions used in forecasting financial results, precautions in using the financial projections, and specific revisions made to the financial projections, please refer to Appendix on Page 2, “1. Qualitative Information Regarding the Financial Performance (3) Qualitative Information on Forecast of Consolidated Financial Results.”

Table of contents of the appendix

1. Qualitative Information Regarding the Financial Performance for the Current Quarter	P2
(1) Qualitative Information on Consolidated Operating Results	P2
(2) Qualitative Information on Consolidated Financial Position	P2
(3) Qualitative Information on Forecast of Consolidated Financial Results	P2
2. Other information	P3
(1) Outline of changes in significant subsidiaries	P3
(2) Outline of simplified accounting methods/specified accounting methods	P3
(3) Outline of changes in accounting principles/procedures and method of presentation	P3
3. Quarterly Consolidated Financial Statements	P4
(1) Quarterly consolidated balance sheets	P4
(2) Quarterly consolidated statements of income	P6
(3) Notes on going concern assumption	P7
(4) Notes on significant changes in the amount of shareholders' equity	P7
4. Supplementary information	P7
(1) Actual production	P7
(2) Actual sales	P7

* We are scheduled to hold an investor conference for mass media and analyst as following. It is scheduled to post the documentation delivered at this investor conference on our Webpage as soon as possible after disclosing this financial results.

- January 31, 2011.....Investor conference for mass media and analysts

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

(1) Qualitative Information on Consolidated Operating Results

For the Japanese domestic market of heavy- and medium-duty trucks, total demand for the third quarter of the current fiscal year increased to 37 thousand units by 8 thousand units (27.9%) from the same period of the previous year, due to cash for clunkers and tax break for eco-friendly cars. Also with the light-duty truck market, it has totalled to 40 thousand units, which was an increase of 5 thousand units (15.4%) compared to third quarter of previous year.

Total Japan unit sales for trucks and buses increased to 20 thousand units, an increase of 3 thousand units (15.1%) compared to third quarter of previous year, due to the increase in demand.

For the overseas market, unit sales of trucks and buses increased to 59 thousand units, an increase of 20 thousand units (52.1%) compared to third quarter of previous year, due to development of the market in developing countries such as Asia, Latin America, etc.

Accordingly, total unit sales of Hino Brand trucks and buses were 79 thousand units, an increase of 23 thousand units (40.5%) compared to third quarter of previous year.

For the vehicle production commissioned by Toyota Motor Corporation, total production was 123 thousand units, which is an increase of 48 thousand units (63.5%) compared to third quarter of previous year, as a result of increase of production of "Land Cruiser Prado," mainly targeted for overseas.

With the above fact, net sales reached ¥918,545 million, which was an increase of ¥252,411 million (37.9%) from the same period of the previous year. For income and loss, due to the increase in net sales, operating income reached ¥23,363 million, ordinary income reached ¥19,186 million, and net income reached ¥7,930 million, which is increase in all area compared to third quarter of previous year, converting the deficit to credit balance.

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the third quarter of the current fiscal year decreased by ¥40,340 million to ¥737,469 million compared to the end of last fiscal year. This is because of decrease of ¥17,162 million in accounts receivable due to decrease of Japan unit sales of trucks and buses compared to end of previous fiscal year and decline of ¥21,291 million in tangible fixed assets.

Liabilities decreased by ¥44,274 million to ¥505,818 million compared to end of last previous year. This is due to decrease of ¥9,544 million in the accounts payable due to decline of production of commissioned production vehicle compared to end of last fiscal year, and decrease of ¥33,784 million in the interest-bearing liabilities.

Net asset increased by ¥3,933 million to ¥231,650 million compared to end of previous fiscal year. This is because foreign currency translation adjustment amount decreased 3,962 million, but quarterly net profit amounted to 7,930 million.

(3) Qualitative Information on Forecast of Consolidated Financial Results

We have revised consolidated financial results forecast results forecast for full fiscal year 2011, considering the changes in sales trend of our trucks and buses in the overseas markets and business environment such as the vehicle production commissioned by Toyota Motor Corporation.

Net sales.....	¥ 1,260 billion
Operating income	¥30 billion
Japan unit sales of trucks and buses.....	29.4 thousand units
Overseas unit sales of trucks and buses	81.9 thousand units
Production of Toyota brand vehicles.....	167.6 thousand units

We haven't revised the forecast of non-consolidated financial results for full fiscal year.

2. Other information

(1) Outline of changes in important subsidiaries

None.

(2) Outline of simplified accounting methods/specified accounting methods

1. Simplified accounting methods

(1) Method for evaluating inventory assets

The inventory as of the end of the third consolidated quarter was calculated with a reasonable method based on the physical inventory as of the second consolidated quarter, while omitting physical inventory check.

(2) Calculation method for corporate income taxes, deferred tax assets and deferred tax liabilities.

Payable corporate income taxes are calculated by a method, which limits the add/subtract items and tax credit items to the important ones only.

The collectability of deferred tax assets is evaluated by the method, which takes into account the projected future financial results and tax planning, coupled with variations in significant transient changes from the end of the previous consolidated fiscal year.

(3) Outline of changes in accounting principles/procedures and method of presentation

1. Changes in items regarding the account processing standards

(1) Application of Accounting Standard for Asset Retirement Obligations

“Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) are applied from first quarter of the year under review.

Accordingly, net income before income taxes and minority interests decreased ¥1,103 million. The effect against the operating income and the ordinary income is minimal.

(2) Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution of Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

“Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008) and “Practical Solution of Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (PITF No. 24, March 10, 2008) are applied from first quarter of the year under review.

There is no effect on the income and loss due to this.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	Third Quarter of FY 2011 (As of December 31, 2010)	FY 2010 (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	24,441	30,659
Trade notes and accounts receivable	185,681	202,844
Merchandise and finished goods	58,891	50,131
Work in progress	23,052	18,571
Raw materials and supplies	23,738	23,758
Others	31,709	33,197
Allowance for doubtful accounts	(3,008)	(3,224)
Total current assets	344,505	355,937
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	90,161	94,823
Machinery and transportation equipment (net)	80,151	90,771
Land	90,295	90,473
Others (net)	35,058	40,890
Total tangible fixed assets	295,667	316,958
Intangible fixed assets	18,372	21,839
Investments and other assets		
Investment securities	66,266	69,121
Others	17,820	19,454
Allowance for doubtful accounts	(5,163)	(5,501)
Total investments and other assets	78,923	83,074
Total fixed assets	392,963	421,872
Total assets	737,469	777,809
Liabilities		
Current liabilities		
Trade notes and accounts payable	167,961	177,505
Short-term loans payable	73,696	105,598
Commercial papers	5,000	5,000
Current portion of long-term loans payable	42,472	6,679
Accrued income taxes	3,469	3,128
Warranty allowance	10,036	8,110
Other allowance	1,794	3,577
Others	41,294	42,030
Total current liabilities	345,724	351,629
Long-term liabilities		
Long-term loans payable	79,472	117,146
Accrued employees' retirement benefits	42,520	41,331
Other allowance	1,779	2,034
Others	36,322	37,950
Total long-term liabilities	160,093	198,463
Total liabilities	505,818	550,092

(Millions of yen)

	Third Quarter of FY 2011 (As of December 31, 2010)	FY 2010 (As of March 31, 2010)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,327	64,327
Retained earnings	71,561	65,983
Treasury stock	(1,655)	(1,149)
Total shareholders' equity	206,951	201,879
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	13,467	14,227
Deferred gain or loss on hedges	40	(149)
Net unrealized gain on land revaluation	1,561	1,561
Cumulative translation adjustments	(13,062)	(9,100)
Total valuation and translation adjustments	2,007	6,539
Stock acquisition rights	252	154
Minority interests	22,439	19,144
Total net assets	231,650	227,717
Total liabilities and net assets	737,469	777,809

(2) Quarterly consolidated statements of income

[Consolidated third quarters of FY2011 and FY 2010 (Cumulative)]

(Millions of yen)

	Third Quarter of FY 2010 (From April 1, 2009 to December 31, 2009)	Third Quarter of FY 2011 (From April 1, 2010 to December 31, 2010)
Net sales	666,133	918,545
Cost of sales	593,698	796,501
Gross profit on sales	72,435	122,043
Selling, general and administrative expenses		
Salary and benefits	26,655	25,841
Provision of accrued bonuses	905	916
Provision of accrued retirement benefits	1,936	2,213
Others	61,729	69,709
Total selling, general and administrative expenses	91,227	98,680
Operating income (loss)	(18,792)	23,363
Non-operating income		
Interest income	978	917
Dividends income	752	1,055
Gain on foreign exchange	1,278	-
Miscellaneous income	1,456	1,386
Total non-operating income	4,465	3,359
Non-operating expenses		
Interest expenses	3,327	2,948
Loss on foreign exchange	-	3,509
Investment loss on equity method	3,761	80
Miscellaneous expenses	1,277	996
Total non-operating expenses	8,367	7,535
Ordinary income (loss)	(22,694)	19,186
Extraordinary income		
Gain on sale of fixed assets	129	60
Income from the sale of investment securities	103	-
Reversal of allowance for doubtful accounts	-	207
Others	124	520
Total extraordinary income	357	788
Extraordinary losses		
Loss on sale or disposition of fixed assets	1,375	469
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,090
Others	556	253
Total extraordinary losses	1,931	1,814
Net income (loss) before income taxes and minority interests	(24,268)	18,160
Income taxes—current	2,539	7,146
Income taxes—deferred	475	(214)
Total income taxes	3,014	6,931
Income (loss) before minority interests	-	11,228
Minority interests income of consolidated subsidiaries	1,621	3,298
Net income (loss)	(28,904)	7,930

(3) Notes on going concern assumption

None.

(4) Notes on significant changes in the amount of shareholders' equity

None.

4. Supplementary information

(1) Actual production

Category	3 Q of FY 2010 (From April 1, 2009 to December 31, 2009)	3 Q of FY 2011 (From April 1, 2010 to December 31, 2010)	Change
Trucks and buses	54,179units	82,727units	28,548units
Toyota brand vehicles	74,956units	122,578units	47,622units

(2) Actual sales

Category		3 Q of FY 2010 (From April 1, 2009 to December 31, 2009)		3 Q of FY 2011 (From April 1, 2010 to December 31, 2010)		Change	
		Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
	Japan	17,523	135,888	20,161	154,963	2,638	19,075
	Overseas	38,687	142,501	58,824	220,177	20,137	77,675
	Supplies and parts for overseas production	—	1,077	—	1,392	—	315
Total trucks and buses		56,210	279,467	78,985	376,534	22,775	97,066
	Vehicles	74,956	147,435	122,578	270,728	47,622	123,292
	Supplies and parts for overseas production, etc.	—	3,369	—	2,115	—	(1,254)
Total Toyota brand		74,956	150,805	122,578	272,843	47,622	122,038
	Japan	—	34,045	—	35,482	—	1,437
	Overseas	—	15,488	—	19,466	—	3,977
Total service parts		—	49,533	—	54,948	—	5,415
	Japan	—	86,016	—	100,987	—	14,970
	Overseas	—	23,954	—	21,236	—	(2,717)
	Toyota	—	76,355	—	91,994	—	15,639
Total others		—	186,326	—	214,218	—	27,891
Total net sales		—	666,133	—	918,545	—	252,411

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