

## Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2012 [Japanese standards] (Consolidated)



January 31, 2012

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.

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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 Third Quarter of the Fiscal Year Ending March 31, 2012 (April 1, 2011–December 31, 2011)

#### (1) Consolidated Operating Results (Cumulative)

(Percentages indicate the 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 2012	887,412	(3.4)	20,188	(13.6)	17,258	(10.0)	4,830	(39.1)
3 Q of FY 2011	918,545	37.9	23,363	—	19,186	—	7,930	—

(Note) Comprehensive income: 3 Q of FY 2012: ¥ 1,688 million (-69.5%) 3 Q of FY 2011: ¥ 5,539 million (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
3 Q of FY 2012	8.48		8.47	
3 Q of FY 2011	13.90		13.90	

#### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
3 Q of FY 2012	755,652		212,720		25.0	
FY 2011	722,145		216,438		26.6	

(Reference) Equity capital: 3 Q of FY 2012: ¥189,006 million FY 2011: ¥191,912 million

#### 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen				
FY 2011	—	2.00	—	3.00	5.00
FY 2012	—	3.00	—		
FY 2012 (forecast)					

(Note) Changes from the latest dividend forecast: None

The full-year dividend forecast for the fiscal year ending March 31, 2012 is yet to be determined at the present time.

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(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 2012	1,300,000	4.6	35,000	21.1	31,000	23.7	12,000	—	21.06

(Note) Changes from the latest financial forecast: None

#### 4. Others

(1) Changes in important subsidiaries during the current term (changes in certain subsidiaries requiring changes in scope of consolidation): None

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

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

(3) Changes in accounting principles, quotes and restatement:

1) Changes associated with revisions of accounting standards: Yes

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

3) Revision in quotes in accounts None

4) Restatement None

(Note) For details, see “2. Summary Information (Other Information); (1) Changes in accounting policies/accounting estimates and restatement” on page 4 of “Appendix”

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term: 3 Q of FY 2012: 574,580,850 shares; FY 2011: 574,580,850 shares

2) Number of treasury stock at end of term: 3 Q of FY 2012: 4,431,677 shares; FY 2011: 4,683,083 shares

3) Average number of shares (quarterly consolidated cumulative period): 3 Q of FY 2012: 569,944,314 shares; 3 Q of FY2011:570,478,820 shares

\* Indication regarding the implementation status of the quarterly review procedure

- This brief report on quarterly financial results is not included in the quarterly review specified in the Financial Instruments and Exchange Act. At the time of the disclosure of this brief report on quarterly financial results, the procedures for the quarterly review for quarterly consolidated financial statements are being conducted.

\*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 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 3, “1. Qualitative Information Regarding the Financial Performance (3) Qualitative Information on Forecast of Consolidated Financial Results.”

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

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

As for the Japanese domestic heavy- and medium-duty trucks market in the third quarter (9 months), although the effects of the Great East Japan Earthquake, which occurred on Mar. 11, 2011, total demand increased to 39 thousand units by 2 thousand units (4.6%) compared to the same quarter in the previous year due to reconstruction demand, etc. As for the light-duty truck market, total demand increased to 44 thousand units by 4 thousand units (10.0%) compared to the same quarter in the previous year.

As for productions, the operation of factories had been stagnated due to the delay in parts supply in the wake of the Great East Japan Earthquake, but production of heavy- and medium-duty trucks recovered in late May and production of light-duty truck and vehicles for Toyota Motor Corporation recovered in June.

As for domestic sales, the new model of Dutral (light-duty truck) was released in July and we actively conducted the sales promotion. Consequently, the total sales volume of trucks and buses in Japan increased to 25 thousand units by 5 thousand units (26.1%) compared to the same quarter in the previous year.

As for overseas sales, sales were healthy mainly in Asia. Although there was an influence of floods in Thailand, sales for emerging countries centered on Indonesia were doing well. Consequently, sales volume increased to 61 thousand units by 2 thousand units (4.1%) compared to the same quarter in the previous year.

As a result of the above, total unit sales of Hino Brand trucks and buses increased to 87 thousand units by 8 thousand units (9.7%) as compared to the same quarter of the previous year.

As for the volume of sales to Toyota Motor Corporation, mainly the sales of "Land Cruiser Prado" decreased, and consequently total sales volume decreased to 101 thousand units by 21 thousand units (-17.5%) compared to the same quarter in the previous year.

As a result of the above, net sales were ¥887,412 million, which is a decrease of ¥31,132 million (-3.4%) as compared to the same quarter of the previous year. As for profits, we worked hard to increase profitability and decrease base costs, but unexpected hike in material cost and the strong yen resulted in a decrease in both operating income, which was ¥20,188 million (a decrease of ¥3,174 million compared to the same quarter of the previous year), and ordinary income, which was ¥17,258 million (a decrease of ¥1,927 million compared to the same quarter of the previous year). In addition, ¥6,100 million of the disaster losses due to the Great East Japan Earthquake (fixed costs during the manufacturing suspended period, etc.) was included in extraordinary loss, and so quarterly net income was ¥4,830 million (a decrease of ¥3,099 million compared to the same quarter of the previous year).

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

Total assets at the end of the third quarter increased by ¥33,506 million to ¥755,652 million compared to the end of the previous fiscal year. This is because trade notes and accounts receivable increased by ¥30,775 million since the sales volume of vehicles for Toyota Motor Corporation increased from the end of the previous year.

Liabilities increased by ¥37,224 million to ¥542,931 million compared to the end of the previous fiscal year. This is because interest-bearing debt increased by 25,645 million and trade notes and accounts payable increased by ¥22,008 million as production volume increased from the end of the previous year.

Net assets decreased by ¥3,718 million to ¥212,720 million compared to the end of the previous fiscal year. This is due to retained earnings dividends paid out at ¥3,420 million and ¥4,103 million decrease of foreign currency translation adjustment due to the yen appreciation, despite the net income of ¥4,830 million was recorded.

**(3) Qualitative Information on Forecast of Consolidated Financial Results**

The demand in the truck and bus market in Japan is estimated to recover from the previous term, and we expect that the demand in the overseas truck and bus market will grow steadily mainly in emerging countries in Asia.

Profit is estimated to decrease due to the soaring material costs and yen appreciation, but we will make efforts to increase profit by increasing sales by releasing new models and promoting cost improvement activities.

Therefore, the earnings forecast for the current term is as follows:

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales .....	¥1,300,000 million
Operating income .....	¥35,000 million
Japan unit sales of trucks and buses .....	37 thousand units
Overseas unit sales of trucks and buses.....	92 thousand units
Production of Toyota brand vehicles .....	154 thousand units

## **2. Summary Information (Other Information)**

### **(1) Changes in accounting policies/accounting estimates and restatement**

#### **[Change in Accounting Method]**

Starting with the current year's first quarter, the "Accounting Standards for Net Income per Share" (ASBJ Statement No. 2, June 30, 2010) and the "Guidance on Accounting Standards for Net Income per Share" (ASBJ Guidance No. 4, June 30, 2010) are applied.

Under the calculation of net income per share after residual shares adjustment, the amount that would have to be paid out in the event that all rights for stock options that vest after completion of a specified service requirement were exercised at once, has been changed to include, of the fair value of the stock options, the portion that relates to services that will be offered by the company in the future.

Were these accounting procedures not applied, the net income per share after adjustment for residual shares for the consolidated earnings for the previous third quarter would be ¥13.90.

#### **[Additional Information]**

Accounting changes occurring after the beginning of the current first quarter, as well as the correction of past errors are applied per the "Accounting Standards for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standards for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly consolidated balance sheets

(Millions of yen)

	FY 2011 (As of March 31, 2011)	Third Quarter of FY 2012 (As of December 31, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	33,929	21,594
Trade notes and accounts receivable	185,809	216,585
Merchandise and finished goods	48,400	62,945
Work in progress	26,169	28,082
Raw materials and supplies	19,952	32,693
Others	17,550	23,570
Allowance for doubtful accounts	(2,909)	(2,778)
Total current assets	328,901	382,694
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	88,999	85,920
Machinery and transportation equipment (net)	77,790	73,435
Land	90,363	92,646
Others (net)	38,217	30,667
Total tangible fixed assets	295,371	282,670
Intangible fixed assets	18,078	16,061
Investments and other assets		
Investment securities	65,946	62,625
Others	18,889	16,412
Allowance for doubtful accounts	(5,042)	(4,811)
Total investments and other assets	79,793	74,225
Total fixed assets	393,243	372,957
Total assets	722,145	755,652
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	164,268	186,277
Short-term loans payable	68,239	75,400
Commercial papers	—	56,500
Current portion of long-term loans payable	42,997	43,562
Accrued income taxes	4,189	2,836
Warranty allowance	12,452	13,455
Other allowance	4,187	1,937
Others	50,817	45,753
Total current liabilities	347,151	425,723
Long-term liabilities		
Long-term loans payable	77,277	38,695
Provision for retirement benefits	43,019	44,047
Other allowance	1,880	1,682
Others	36,377	32,782
Total long-term liabilities	158,554	117,207
Total liabilities	505,706	542,931

(Millions of yen)

	FY 2011 (As of March 31, 2011)	Third Quarter of FY 2012 (As of December 31, 2011)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,327	64,349
Retained earnings	53,589	54,999
Treasury stock	(1,658)	(1,569)
Total shareholders' equity	188,975	190,497
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,363	12,590
Deferred gains or losses on hedges	(40)	26
Revaluation reserve for land	1,560	1,944
Foreign currency translation adjustment	(11,947)	(16,051)
Total accumulated other comprehensive income	2,936	(1,490)
Subscription rights to shares	276	361
Minority interests	24,249	23,352
Total net assets	216,438	212,720
Total liabilities and net assets	722,145	755,652



**(2) Quarterly consolidated statements of income and quarterly consolidated comprehensive income**

[Quarterly consolidated statements of income]

[Consolidated third quarter of FY2012 and FY2011 (Cumulative)]

(Millions of yen)

	Third Quarter of FY 2011 (From April 1, 2010 to December 31, 2010)	Third Quarter of FY 2012 (From April 1, 2011 to December 31, 2011)
Net sales	918,545	887,412
Cost of sales	796,501	766,221
Gross profit on sales	122,043	121,190
Selling, general and administrative expenses		
Salary and benefits	25,841	27,400
Provision for bonuses	916	964
Provision for retirement benefits	2,213	2,326
Others	69,709	70,309
Total selling, general and administrative expenses	98,680	101,001
Operating income	23,363	20,188
Non-operating income		
Interest income	917	790
Dividends income	1,055	1,430
Miscellaneous income	1,386	1,689
Total non-operating income	3,359	3,910
Non-operating expenses		
Interest expenses	2,948	2,550
Loss on foreign exchange	3,509	2,805
Equity in losses of affiliates	80	818
Miscellaneous expenses	996	665
Total non-operating expenses	7,535	6,841
Ordinary income	19,186	17,258
Extraordinary income		
Gain on sales of fixed assets	60	4,186
Reversal of allowance for doubtful accounts	207	—
Gain on revision of retirement benefit plan	71	45
Others	449	94
Total extraordinary income	788	4,326
Extraordinary losses		
Loss on sales or disposal of fixed assets	469	1,169
Loss on revision of retirement benefit plan	49	44
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,090	—
Loss on disaster	—	6,100
Others	204	198
Total extraordinary losses	1,814	7,512
Income before income taxes and minority interests	18,160	14,072
Income taxes—current	7,146	7,331
Income taxes—deferred	(214)	(879)
Total income taxes	6,931	6,451
Income before minority interests	11,228	7,620
Minority interests income of consolidated subsidiaries	3,298	2,790
Net income	7,930	4,830

[Quarterly consolidated comprehensive income]

[Consolidated third quarter of FY2012 and FY2011 (Cumulative)]

	Third Quarter of FY 2011 (From April 1, 2010 to December 31, 2010)	Third Quarter of FY 2012 (From April 1, 2011 to December 31, 2011)
Income before minority interests	11,228	7,620
Other comprehensive income		
Valuation difference on available-for-sale securities	(598)	(544)
Deferred gains or losses on hedges	189	65
Revaluation reserve for land	—	383
Foreign currency translation adjustment	(4,632)	(5,485)
Share of other comprehensive income of associates accounted for using equity method	(647)	(351)
Total other comprehensive income	(5,689)	(5,932)
Quarterly comprehensive income	5,539	1,688
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	3,399	404
Comprehensive income attributable to minority interests	2,140	1,284

**(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 2011 (From April 1, 2010 to December 31, 2010)	3 Q of FY 2012 (From April 1, 2011 to December 31, 2011)	Change
Trucks and buses		82,727 units	93,921 units	11,194 units
Toyota brand vehicles	OEM Vehicles	—	5,113 units	5,113 units
	Commissioned Vehicles	122,578 units	96,158 units	(26,420 units)
	Total	122,578 units	101,271 units	(21,307 units)

**(2) Actual sales**

Category		3 Q of FY 2011 (From April 1, 2010 to December 31, 2010)		3 Q of FY 2012 (From April 1, 2011 to December 31, 2011)		Change	
		Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
Trucks and buses	Japan	20,161	154,963	25,431	179,167	5,270	24,203
	Overseas	58,824	220,177	61,219	222,165	2,395	1,988
	Supplies and parts for overseas production	—	1,392	—	1,961	—	569
Total trucks and buses		78,985	376,534	86,650	403,295	7,665	26,760
Vehicles	Vehicles	122,578	270,728	101,140	215,178	(21,438)	(55,549)
	Supplies and parts for overseas production, etc.	—	2,115	—	1,704	—	(410)
Total Toyota brand		122,578	272,843	101,140	216,883	(21,438)	(55,960)
Service parts	Japan	—	35,482	—	35,860	—	378
	Overseas	—	19,466	—	21,995	—	2,529
Total service parts		—	54,948	—	57,856	—	2,907
Others	Japan	—	100,987	—	105,998	—	5,011
	Overseas	—	21,236	—	25,721	—	4,485
	Toyota	—	91,994	—	77,656	—	(14,337)
Total others		—	214,218	—	209,377	—	(4,841)
Total net sales		—	918,545	—	887,412	—	(31,132)

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