

Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2013 [Japanese standards] (Consolidated)



October 25, 2012

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.
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Scheduled Date of Quarterly Financial Statements Filing: October 31, 2012

Scheduled Date of Dividend Payment Start: November 26, 2012

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 Second Quarter of the Fiscal Year Ending March 31, 2013 (April 1, 2012–September 30, 2012)

(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	%
2 Q of FY 2013	745,413	29.5	29,723	99.3	28,086	126.7	18,548	—
2 Q of FY 2012	575,668	(5.0)	14,912	(9.2)	12,389	(8.1)	594	(89.8)

(Note) Comprehensive income: 2 Q of FY 2013: ¥ 12,656 million (—%) 2 Q of FY 2012: ¥ (2,155) million (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
2 Q of FY 2013	32.51		32.49	
2 Q of FY 2012	1.04		1.04	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
2 Q of FY 2013	789,747		243,315		27.5	
FY 2012	845,008		234,931		24.7	

(Reference) Equity capital: 2 Q of FY 2013: ¥217,498 million FY 2012: ¥209,072 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen				
FY 2012	—	3.00	—	5.00	8.00
FY 2013	—	8.00			
FY 2013 (forecast)			—	8.00	16.00

(Note) Changes from the latest dividend forecast: Yes

For the dividend paid at the end of the second quarter of the fiscal year ending Mar. 2013 and the term-end dividend forecast, please see “Notification regarding the revisions to surplus dividend (interim) and term-end dividend forecast” released today (Oct. 25, 2012).

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

(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 2013	1,480,000	12.6	53,000	41.2	50,000	44.6	33,000	102.4	57.83

(Note) Changes from the latest financial forecast: Yes

*Notes

(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 Yes

4) Restatement None

(Note) For details, see "2. Summary Information (Other Information); Changes in accounting policies/accounting estimates and restatement" on page 3 of "Appendix"

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term: 2 Q of FY 2013: 574,580,850 shares; FY 2012: 574,580,850 shares

2) Number of treasury stock at end of term: 2 Q of FY 2013: 3,988,437 shares; FY 2012: 4,292,804 shares

3) Average number of shares (quarterly consolidated cumulative period): 2 Q of FY 2013: 570,476,349 shares; 2 Q of FY 2012: 569,895,788 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 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. Qualitative Information Regarding the Financial Performance for the Current Quarter (3) Qualitative Information on Forecast of Consolidated Financial Results."

(Reference) Forecast of Non-consolidated Financial Results

Forecast of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

(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 2013	1,080,000	10.6	23,000	125.1	30,000	77.8	26,000	141.9	45.56

(Note) Changes from the latest financial forecast: Yes

Appendix

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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 second quarter (six months), total demand increased to 32 thousand units by 8 thousand units (34.4%) compared to the same quarter in the previous year due to reconstruction demand and the eco-car tax reduction/subsidy measure, etc. As for the light-duty truck market, total demand increased to 37 thousand units by 10 thousand units (37.6%) compared to the same quarter in the previous year.

As for domestic sales, we actively conducted the sales promotion with a focus on the new model of Dutro (light-duty truck) which was released in the previous year. Consequently, the total sales volume of trucks and buses in Japan increased to 20 thousand units by 4 thousand units (26.3%) compared to the same quarter in the previous year.

As for overseas sales, sales in Asia such as Indonesia and Thailand were doing well. Consequently, sales volume increased to 57 thousand units by 18 thousand units (48.0%) 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 77 thousand units by 23 thousand units (41.6%) compared to the same quarter of the previous year.

As for Toyota brand vehicles, mainly the sales of "Land Cruiser Prado" increased, and consequently total sales volume increased to 86 thousand units by 23 thousand units (35.7%) compared to the same quarter in the previous year.

As a result of the above, net sales were ¥745,413 million, which is an increase of ¥169,745 million (29.5%) as compared to the same quarter of the previous year. As for profits, despite increased costs due to an increase in the number of units produced and sold and also the strong yen in exchange rates, increased sale and activities for improving profitability and cost reduction led to operating income of ¥29,723 million (an increase of ¥14,811 million compared to the same quarter of the previous year), ordinary income of ¥28,086 million (an increase of ¥15,696 million compared to the same quarter of the previous year) and quarterly net income of ¥18,548 million (an increase of ¥17,953 million compared to the same quarter of the previous year).

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the second quarter decreased by ¥55,260 million to ¥789,747 million compared to the end of the previous fiscal year. This is mainly because trade notes and accounts receivable decreased by ¥38,847 million as sales volume decreased from the end of the previous year and investment securities decreased by ¥8,533 million.

Liabilities decreased by ¥63,644 million to ¥546,432 million compared to the end of the previous fiscal year. This is mainly because interest-bearing debt decreased by 23,883 million and trade notes and accounts payable decreased by ¥30,265 million as production volume decreased from the end of the previous year.

Net assets increased by ¥8,383 million to ¥243,315 million compared to the end of the previous fiscal year. This is mainly because net income of ¥18,548 million was recorded, despite valuation difference on available-for-sale securities decreased by ¥4,933 million and retained earnings dividends paid out at ¥2,852 million.

(3) Qualitative Information on Forecast of Consolidated Financial Results

As for markets outside Japan, the demand in Asia, including Thailand and Indonesia, is estimated to grow, but it is necessary to pay attention to the credit uneasiness in Europe and the economic downturn in China. As for the Japanese market, the demand for reconstruction is expected to grow, while the demand is estimated to decline due to the end of the eco-car subsidy. As for earnings, the business environment is severe due to the strong yen and the unstable prices of resources.

Considering the above situation, we aim to further increase sales volume in the markets of emerging countries in Asia, etc. and secure earnings by promoting structural reform and improvement.

The earnings forecast for the current term have been revised as follows.

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales	¥1,480,000 million
Operating income	¥53,000 million
Japan unit sales of trucks and buses	40.0 thousand units
Overseas unit sales of trucks and buses.....	114.0 thousand units
Unit sales of Toyota brand vehicles.....	185.1 thousand units

2. Summary Information (Notes)

[Changes in Accounting Policies/Accounting Estimates and Restatement]

(Changes to accounting policies that are difficult to differentiate with changes to accounting estimates)

Due to amendments to the Corporation Tax Act, the Company and some domestic consolidated subsidiaries have, as of this first quarter, changed depreciation methods in accordance with the revised Corporation Tax Act for tangible fixed assets acquired after April 1, 2012.

With this change, for this second quarter, the operating income increased by ¥186 million, and ordinary income and income before income taxes and minority interests each increased by ¥187 million compared to previous accounting methods.

[Additional Information]

(Applying the consolidated tax system)

The Company and some domestic consolidated subsidiaries have applied the consolidated tax system as of this first quarter.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2012 (As of March 31, 2012)	Second Quarter of FY 2013 (As of September 30, 2012)
Assets		
Current assets		
Cash and deposits	25,850	25,414
Trade notes and accounts receivable	268,511	229,663
Merchandise and finished goods	66,059	72,338
Work in progress	27,196	25,192
Raw materials and supplies	28,929	29,311
Others	41,361	36,794
Allowance for doubtful accounts	(3,236)	(3,169)
Total current assets	454,672	415,545
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	86,207	88,222
Machinery and transportation equipment (net)	74,137	74,187
Land	92,317	92,476
Others (net)	35,159	30,689
Total tangible fixed assets	287,821	285,576
Intangible fixed assets	17,019	15,862
Investments and other assets		
Investment securities	72,706	64,172
Others	17,130	12,939
Allowance for doubtful accounts	(4,341)	(4,348)
Total investments and other assets	85,494	72,764
Total fixed assets	390,336	374,202
Total assets	845,008	789,747
Liabilities		
Current liabilities		
Trade notes and accounts payable	237,347	207,081
Short-term loans payable	76,580	84,396
Commercial papers	33,000	28,000
Current portion of long-term loans payable	42,611	27,673
Income taxes payable	4,459	5,384
Warranty allowance	14,110	18,821
Other allowance	4,570	4,205
Others	64,912	55,274
Total current liabilities	477,592	430,836
Long-term liabilities		
Long-term loans payable	39,063	27,303
Provision for retirement benefits	52,724	52,994
Other allowance	1,786	1,463
Others	38,908	33,834
Total long-term liabilities	132,483	115,595
Total liabilities	610,076	546,432

(Millions of yen)

	FY 2012 (As of March 31, 2012)	Second Quarter of FY 2013 (As of September 30, 2012)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,361	64,393
Retained earnings	66,472	82,168
Treasury stock	(1,520)	(1,412)
Total shareholders' equity	202,031	217,867
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,508	13,575
Deferred gains or losses on hedges	(191)	32
Revaluation reserve for land	1,973	1,973
Foreign currency translation adjustment	(13,248)	(15,950)
Total accumulated other comprehensive income	7,041	(369)
Subscription rights to shares	373	403
Minority interests	25,485	25,413
Total net assets	234,931	243,315
Total liabilities and net assets	845,008	789,747

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

[Quarterly Consolidated Statements of Income]

[Consolidated Second Quarter of FY 2013 and FY 2012 (Cumulative)]

(Millions of yen)

	Second Quarter of FY 2012 (From April 1, 2011 to September 30, 2011)	Second Quarter of FY 2013 (From April 1, 2012 to September 30, 2012)
Net sales	575,668	745,413
Cost of sales	493,173	640,293
Gross profit on sales	82,494	105,119
Selling, general and administrative expenses		
Salary and benefits	17,119	17,692
Provision for bonuses	1,917	2,030
Provision for retirement benefits	1,557	1,458
Others	46,987	54,214
Total selling, general and administrative expenses	67,582	75,396
Operating income	14,912	29,723
Non-operating income		
Interest income	564	413
Dividends income	1,104	1,300
Miscellaneous income	1,290	1,699
Total non-operating income	2,959	3,412
Non-operating expenses		
Interest expenses	1,646	1,617
Loss on foreign exchange	2,634	2,276
Equity in losses of affiliates	738	557
Miscellaneous expenses	463	597
Total non-operating expenses	5,482	5,049
Ordinary income	12,389	28,086
Extraordinary income		
Gain on sales of fixed assets	96	20
Gain on sales of investment securities	—	766
Gain on revision of retirement benefit plan	45	—
Others	61	24
Total extraordinary income	203	811
Extraordinary losses		
Loss on sales or disposal of fixes assets	282	190
Impairment loss	21	634
Loss on revision of retirement benefit plan	44	—
Loss on disaster	6,100	—
Others	133	468
Total extraordinary losses	6,582	1,293
Income before income taxes and minority interests	6,010	27,604
Income taxes—current	4,993	6,480
Income taxes—deferred	(1,558)	3
Total income taxes	3,434	6,484
Income before minority interests	2,576	21,120
Minority interests income	1,982	2,572
Net income	594	18,548

[Quarterly Consolidated Comprehensive Income Statement]

[Consolidated Second Quarter of FY 2013 and FY 2012 (Cumulative)]

(Millions of yen)

	Second Quarter of FY 2012 (From April 1, 2011 to September 30, 2011)	Second Quarter of FY 2013 (From April 1, 2012 to September 30, 2012)
Income before minority interests	2,576	21,120
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(4,908)
Deferred gains or losses on hedges	140	224
Foreign currency translation adjustment	(4,726)	(3,827)
Share of other comprehensive income of associates accounted for using equity method	(130)	48
Total other comprehensive income	(4,732)	(8,463)
Quarterly comprehensive income	(2,155)	12,656
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(2,968)	11,136
Comprehensive income attributable to minority interests	813	1,519

(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 (Consolidated)**

Category	2 Q of FY 2012 (From April 1, 2011 to September 30, 2011)	2 Q of FY 2013 (From April 1, 2012 to September 30, 2012)	Change
Trucks and buses	57,397 units	78,531 units	21,134 units
Toyota brand vehicles	63,356 units	85,728 units	22,372 units

(2) Actual Sales (Consolidated)

Category	2 Q of FY 2012 (From April 1, 2011 to September 30, 2011)		2 Q of FY 2013 (From April 1, 2012 to September 30, 2012)		Change	
	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
Japan	16,042	113,643	20,261	144,285	4,219	30,641
Overseas	38,231	143,540	56,567	210,425	18,336	66,885
Supplies and parts for overseas production	—	1,411	—	2,644	—	1,232
Total trucks and buses	54,273	258,595	76,828	357,355	22,555	98,759
Total Toyota brand vehicles	63,174	137,105	85,739	182,505	22,565	45,400
Japan	—	23,277	—	24,971	—	1,693
Overseas	—	14,785	—	15,117	—	331
Total service parts	—	38,063	—	40,088	—	2,025
Japan	—	69,615	—	71,334	—	1,718
Overseas	—	17,416	—	14,339	—	(3,076)
Toyota	—	54,871	—	79,789	—	24,917
Total others	—	141,903	—	165,463	—	23,559
Total net sales	—	575,668	—	745,413	—	169,745

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