

Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2013

[Japanese standards] (Consolidated)



January 30, 2013

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.

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Scheduled Date of Quarterly Financial Statements Filing: February 4, 2013

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, 2013 (April 1, 2012–December 31, 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	%
3 Q of FY 2013	1,103,872	24.4	43,773	116.8	44,734	159.2	29,992	520.9
3 Q of FY 2012	887,412	(3.4)	20,188	(13.6)	17,258	(10.0)	4,830	(39.1)

(Note) Comprehensive income: 3 Q of FY 2013: ¥ 35,456 million (—%) 3 Q of FY 2012: ¥ 1,688 million (-69.5%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
3 Q of FY 2013	52.56		52.51	
3 Q of FY 2012	8.48		8.47	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
3 Q of FY 2013	831,753		262,356		28.0	
FY 2012	845,008		234,931		24.7	

(Reference) Equity capital: 3 Q of FY 2013: ¥233,069 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: None

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	1,500,000	14.1	60,000	59.9	59,000	70.6	42,000	157.6	73.59

(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 (Notes); 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: 3 Q of FY 2013: 574,580,850 shares; FY 2012: 574,580,850 shares
- 2) Number of treasury stock at end of term: 3 Q of FY 2013: 3,647,079 shares; FY 2012: 4,292,804 shares
- 3) Average number of shares (quarterly consolidated cumulative period): 3 Q of FY 2013: 570,583,513 shares; 3 Q of FY 2012: 569,944,314 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 2, "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	1,090,000	11.6	28,000	174.0	37,000	119.3	33,000	207.0	57.81

(Note) Changes from the latest financial forecast: Yes

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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 (nine months), total demand increased to 49 thousand units by 10 thousand units (25.5%) 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 55 thousand units by 11 thousand units (25.4%) compared to the same quarter in the previous year.

As for domestic sales, we actively conducted the sales promotion. Consequently, the total sales volume of trucks and buses in Japan increased to 31 thousand units by 5 thousand units (21.6%) 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 83 thousand units by 21 thousand units (34.8%) compared to the same quarter in the previous year.

As a result of the above, total unit sales of Hino Brand trucks and buses increased to 113 thousand units by 27 thousand units (30.9%) compared to the same quarter of the previous year.

As for Toyota brand vehicles, mainly "Land Cruiser Prado" increased, and consequently total sales volume increased to 133 thousand units by 32 thousand units (31.3%) compared to the same quarter in the previous year.

As a result of the above, net sales were ¥1,103,872 million, which is an increase of ¥216,459 million (24.4%) 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 an operating income of ¥43,773 million (an increase of ¥23,584 million compared to the same quarter of the previous year), ordinary income of ¥44,734 million (an increase of ¥27,475 million compared to the same quarter of the previous year) and quarterly net income of ¥29,992 million (an increase of ¥25,161 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 decreased by ¥13,254 million to ¥831,753 million compared to the end of the previous fiscal year. This is mainly because trade notes and accounts receivable decreased by ¥35,923 million as sales volume decreased from the end of the previous year, despite inventories increased by ¥25,113 million.

Liabilities decreased by ¥40,680 million to ¥569,396 million compared to the end of the previous fiscal year. This is mainly because trade notes and accounts payable decreased by ¥28,807 million as production volume decreased from the end of the previous year and interest-bearing debt decreased by 7,632 million.

Net assets increased by ¥27,425 million to ¥262,356 million compared to the end of the previous fiscal year. This is mainly because net income of ¥29,992 million was recorded.

(3) Qualitative Information on Forecast of Consolidated Financial Results

As for markets outside Japan, it is necessary to pay attention to the credit uneasiness in Europe and the economic downturn in China, but the demand in Asia, including Indonesia and Thailand, is estimated to grow. As for the Japanese market, solid demand is expected although eco-car subsidy has ended. 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 overseas sales volume mainly 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.....	¥1,500,000 million
Operating income.....	¥60,000 million
Japan unit sales of trucks and buses.....	42.0 thousand units
Overseas unit sales of trucks and buses.....	114.0 thousand units
Unit sales of Toyota brand vehicles.....	186.5 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 third quarter, the operating income increased by ¥377 million, and ordinary income and income before income taxes and minority interests each increased by ¥380 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)	Third Quarter of FY 2013 (As of December 31, 2012)
Assets		
Current assets		
Cash and deposits	25,850	26,769
Trade notes and accounts receivable	268,511	232,588
Merchandise and finished goods	66,059	85,953
Work in progress	27,196	27,110
Raw materials and supplies	28,929	34,235
Others	41,361	42,548
Allowance for doubtful accounts	(3,236)	(3,406)
Total current assets	454,672	445,799
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	86,207	89,250
Machinery and transportation equipment (net)	74,137	72,696
Land	92,317	95,194
Others (net)	35,159	30,895
Total tangible fixed assets	287,821	288,038
Intangible fixed assets	17,019	15,819
Investments and other assets		
Investment securities	72,706	73,954
Others	17,130	12,528
Allowance for doubtful accounts	(4,341)	(4,387)
Total investments and other assets	85,494	82,096
Total fixed assets	390,336	385,953
Total assets	845,008	831,753
Liabilities		
Current liabilities		
Trade notes and accounts payable	237,347	208,539
Short-term loans payable	76,580	120,563
Commercial papers	33,000	19,800
Current portion of long-term loans payable	42,611	21,849
Income taxes payable	4,459	5,641
Warranty allowance	14,110	18,173
Other allowance	4,570	2,089
Others	64,912	58,162
Total current liabilities	477,592	454,818
Long-term liabilities		
Long-term loans payable	39,063	21,410
Provision for retirement benefits	52,724	53,084
Other allowance	1,786	1,576
Others	38,908	38,506
Total long-term liabilities	132,483	114,577
Total liabilities	610,076	569,396

(Millions of yen)

	FY 2012 (As of March 31, 2012)	Third Quarter of FY 2013 (As of December 31, 2012)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,361	64,461
Retained earnings	66,472	89,047
Treasury stock	(1,520)	(1,292)
Total shareholders' equity	202,031	224,933
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,508	18,354
Deferred gains or losses on hedges	(191)	(605)
Revaluation reserve for land	1,973	1,973
Foreign currency translation adjustment	(13,248)	(11,586)
Total accumulated other comprehensive income	7,041	8,135
Subscription rights to shares	373	385
Minority interests	25,485	28,901
Total net assets	234,931	262,356
Total liabilities and net assets	845,008	831,753

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

[Quarterly Consolidated Statements of Income]

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

(Millions of yen)

	Third Quarter of FY 2012 (From April 1, 2011 to December 31, 2011)	Third Quarter of FY 2013 (From April 1, 2012 to December 31, 2012)
Net sales	887,412	1,103,872
Cost of sales	766,221	944,837
Gross profit on sales	121,190	159,035
Selling, general and administrative expenses		
Salary and benefits	27,400	28,657
Provision for bonuses	964	1,013
Provision for retirement benefits	2,326	2,192
Others	70,309	83,397
Total selling, general and administrative expenses	101,001	115,261
Operating income	20,188	43,773
Non-operating income		
Interest income	790	659
Dividends income	1,430	1,654
Miscellaneous income	1,689	2,983
Total non-operating income	3,910	5,297
Non-operating expenses		
Interest expenses	2,550	2,490
Loss on foreign exchange	2,805	448
Equity in losses of affiliates	818	493
Miscellaneous expenses	665	903
Total non-operating expenses	6,841	4,336
Ordinary income	17,258	44,734
Extraordinary income		
Gain on sales of fixed assets	4,186	43
Gain on sales of investment securities	16	771
Gain on revision of retirement benefit plan	45	-
Others	78	66
Total extraordinary income	4,326	881
Extraordinary losses		
Loss on sales or disposal of fixes assets	1,169	363
Impairment loss	21	634
Loss on revision of retirement benefit plan	44	-
Loss on disaster	6,100	-
Others	177	487
Total extraordinary losses	7,512	1,484
Income before income taxes and minority interests	14,072	44,130
Income taxes—current	7,331	9,668
Income taxes—deferred	(879)	561
Total income taxes	6,451	10,229
Income before minority interests	7,620	33,901
Minority interests income	2,790	3,908
Net income	4,830	29,992

[Quarterly Consolidated Comprehensive Income Statement]
 [Consolidated Third Quarter of FY 2013 and FY 2012 (Cumulative)]

(Millions of yen)

	Third Quarter of FY 2012 (From April 1, 2011 to December 31, 2011)	Third Quarter of FY 2013 (From April 1, 2012 to December 31, 2012)
Income before minority interests	7,620	33,901
Other comprehensive income		
Valuation difference on available-for-sale securities	(544)	(268)
Deferred gains or losses on hedges	65	(413)
Revaluation reserve for land	383	-
Foreign currency translation adjustment	(5,485)	2,088
Share of other comprehensive income of associates accounted for using equity method	(351)	149
Total other comprehensive income	(5,932)	1,555
Quarterly comprehensive income	1,688	35,456
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	404	31,086
Comprehensive income attributable to minority interests	1,284	4,370

(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	3 Q of FY 2012 (From April 1, 2011 to December 31, 2011)	3 Q of FY 2013 (From April 1, 2012 to December 31, 2012)	Change
Trucks and buses	93,921 units	117,690 units	23,769 units
Toyota brand vehicles	101,271 units	132,897 units	31,626 units

(2) Actual Sales (Consolidated)

Category	3 Q of FY 2012 (From April 1, 2011 to December 31, 2011)		3 Q of FY 2013 (From April 1, 2012 to December 31, 2012)		Change	
	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
Japan	25,431	179,167	30,914	216,961	5,483	37,793
Overseas	61,219	222,165	82,535	295,237	21,316	73,071
Supplies and parts for overseas production	-	1,961	-	3,553	-	1,591
Total trucks and buses	86,650	403,295	113,449	515,752	26,799	112,457
Total Toyota brand vehicles	101,140	216,883	132,819	280,451	31,679	63,567
Japan	-	35,860	-	38,047	-	2,186
Overseas	-	21,995	-	22,957	-	961
Total service parts	-	57,856	-	61,005	-	3,148
Japan	-	105,998	-	105,710	-	(288)
Overseas	-	25,721	-	20,885	-	(4,836)
Toyota	-	77,656	-	120,067	-	42,410
Total others	-	209,377	-	246,663	-	37,286
Total net sales	-	887,412	-	1,103,872	-	216,459

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