

Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2014 [Japanese GAAP] (Consolidated)



July 26, 2013

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.

Code Number: 7205 URL: <http://www.hino.co.jp/>

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Scheduled Date of Quarterly Financial Statements Filing: July 31, 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 First Quarter of the Fiscal Year Ending March 31, 2014 (April 1, 2013–June 30, 2013)

(1) Consolidated Financial Results (Cumulative)

(% of change from previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1 Q of FY 2014	413,866	11.2	31,979	110.0	30,659	126.5	22,815	128.2
1 Q of FY 2013	372,076	60.0	15,229	231.7	13,535	258.8	9,996	—

(Note) Comprehensive income: 1 Q of FY 2014: ¥ 31,491 million (505.7%) 1 Q of FY 2013: ¥ 5,198 million (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
1 Q of FY 2014	39.91		39.80	
1 Q of FY 2013	17.53		17.51	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
1 Q of FY 2014	896,847		320,041		31.8	
FY 2013	903,427		298,932		29.3	

(Reference) Equity capital: 1 Q of FY 2014: ¥284,856 million FY 2013: ¥264,746 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen				
FY 2013	—	8.00	—	15.00	23.00
FY 2014	—				
FY 2014 (forecast)		15.00	—	15.00	30.00

(Note) Changes from the latest dividend forecast: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)

(% of change from FY2013.)

	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 2014	1,620,000	5.1	85,000	30.5	81,000	21.0	60,000	25.8	105.00

(Note) Changes from the latest financial 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 principles, accounting estimates and restatements:

- 1) Changes associated with revisions of accounting standards: None
- 2) Changes other than those included in 1): None
- 3) Changes of estimation due to accounting issue: None
- 4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term	1 Q of FY 2014	574,580,850 shares	FY2013	574,580,850 shares
2) Number of treasury stock at end of term	1 Q of FY 2014	2,727,656 shares	FY 2013	3,134,717 shares
3) Average number of shares (quarterly consolidated cumulative period)	1 Q of FY 2014	571,707,054 shares	1 Q of FY 2013	570,409,739 shares

* Information regarding implementation of quarterly review procedures

- The review procedures of the Financial Instruments and Exchange Act do not apply to this financial notice, and at the time of release it is being reviewed using procedures for quarterly consolidated financial statements.

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

- Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2014 have been no changes since the last time they were announced (April 25, 2013).
- 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) Qualitative Information on Consolidated Operating Results

As for Japanese domestic truck market during the current first quarter, although reconstruction of demand still continued, the total demand decreased to 30.8 thousand units by 0.6 thousand units (-1.9%) due to relationally fall of Eco-Car Subsidy last year.

As for Japanese domestic sales, as a result of increasing sales of light-duty truck “Hino Dutro”, the total sales volume of trucks and buses increased to 9.5 thousand units by 0.1 thousand units (1.3%) compared to the same quarter in the previous year.

As for overseas sales, sales in Asia such as Thailand were doing well. Consequently, sales volume increased to 28.6 thousand units by 0.3 thousand units (1.0%) 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 38.1 thousand units by 0.4 thousand units (1.1%) compared to the same quarter in the previous year.

As for the volume of sales to Toyota Motor Corporation, mainly the sales of “Land Cruiser Prado” increased, and consequently total sales volume increased to 46.6 thousand units by 2.3 thousand units (5.3%) compared to the same quarter in the previous year.

As a result of the above, net sales were ¥413,866 million, which is an increase of ¥41,790 million (11.2%) as compared to the same quarter in the previous year. As for profit and loss, affected by increase in net sales and depreciation of yen, operating income was ¥31,979 million (an increase of ¥16,750 million compared to the same quarter in the previous year), ordinary income was ¥30,659 million (an increase of ¥17,124 million compared to the same quarter in the previous year), and quarterly net income was ¥22,815 million (an increase of ¥12,818 million compared to the same quarter in the previous year).

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the first quarter decreased by ¥6,580 million to ¥896,847 million compared to the end of the previous fiscal year. This is because of decrease in trade notes and accounts receivable by ¥13,284 million due to decrease of sales units from the end of the previous fiscal year, even though inventories increased by ¥7,433 million.

Liabilities decreased by ¥27,689 million to ¥576,805 million compared to the end of the previous fiscal year. This is mainly because interest-bearing debt decreased by ¥24,609 million.

Net assets increased by ¥21,109 million to ¥320,041 million compared to the end of the previous fiscal year. This is mainly because net income of ¥22,815 million was recorded.

(3) Qualitative Information on Forecasts of Consolidated Financial Results

There have been no changes since the last time they were announced (April 25, 2013).

2. Summary Information (Notes)

There are no applicable items.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2013 (As of March 31, 2013)	First Quarter of FY 2014 (As of June 30, 2013)
Assets		
Current assets		
Cash and deposits	27,143	21,897
Trade notes and accounts receivable	274,680	261,396
Merchandise and finished goods	85,627	91,712
Work in progress	23,897	24,396
Raw materials and supplies	38,011	38,860
Others	46,324	46,530
Allowance for doubtful accounts	(3,503)	(3,488)
Total current assets	492,180	481,305
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	90,323	90,035
Machinery and transportation equipment (net)	78,342	77,004
Land	96,540	96,632
Others (net)	35,645	34,115
Total tangible fixed assets	300,852	297,788
Intangible fixed assets	16,488	15,957
Investments and other assets		
Investment securities	86,489	94,080
Others	11,600	12,003
Allowance for doubtful accounts	(4,184)	(4,287)
Total investments and other assets	93,906	101,796
Total fixed assets	411,246	415,542
Total assets	903,427	896,847
Liabilities		
Current liabilities		
Trade notes and accounts payable	229,887	222,486
Short-term loans payable	121,772	97,663
Current portion of long-term loans payable	21,254	21,207
Income taxes payable	7,473	8,074
Warranty allowance	25,161	25,114
Other allowance	5,145	6,682
Others	70,828	70,425
Total current liabilities	481,523	451,654
Long-term liabilities		
Long-term loans payable	24,354	23,902
Provision for retirement benefits	53,060	53,102
Other allowance	1,689	1,408
Others	43,867	46,737
Total long-term liabilities	122,972	125,150
Total liabilities	604,495	576,805

(Millions of yen)

	FY 2013 (As of March 31, 2013)	First Quarter of FY 2014 (As of June 30, 2013)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,557	64,653
Retained earnings	106,786	121,028
Treasury stock	(1,118)	(985)
Total shareholders' equity	242,943	257,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,755	30,397
Deferred gains or losses on hedges	(158)	164
Revaluation reserve for land	1,927	1,927
Foreign currency translation adjustment	(5,721)	(5,045)
Total accumulated other comprehensive income	21,802	27,443
Subscription rights to shares	342	317
Minority interests	33,843	34,867
Total net assets	298,932	320,041
Total liabilities and net assets	903,427	896,847

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

[Quarterly Consolidated Statements of Income]

[Consolidated First Quarter of FY 2014 and FY 2013 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2013 (From April 1, 2012 to June 30, 2012)	First Quarter of FY 2014 (From April 1, 2013 to June 30, 2013)
Net sales	372,076	413,866
Cost of sales	320,288	343,127
Gross profit on sales	51,787	70,738
Selling, general and administrative expenses		
Salary and benefits	8,735	9,563
Provision for bonuses	1,035	1,094
Provision for retirement benefits	726	751
Others	26,061	27,348
Total selling, general and administrative expenses	36,558	38,758
Operating income	15,229	31,979
Non-operating income		
Interest income	210	277
Dividends income	567	549
Miscellaneous income	610	586
Total non-operating income	1,387	1,413
Non-operating expenses		
Interest expenses	761	1,119
Loss on foreign exchange	1,965	1,165
Equity in losses of affiliates	21	200
Miscellaneous expenses	333	248
Total non-operating expenses	3,081	2,733
Ordinary income	13,535	30,659
Extraordinary income		
Gain on sales of fixed assets	15	10
Gain on sales of investment securities	742	14
Others	3	9
Total extraordinary income	761	34
Extraordinary losses		
Loss on sales or disposal of fixes assets	63	172
Others	46	45
Total extraordinary losses	109	218
Income before income taxes and minority interests	14,186	30,476
Income taxes—current	3,153	6,772
Income taxes—deferred	(253)	(1,427)
Total income taxes	2,899	5,344
Income before minority interests	11,287	25,131
Minority interests income	1,290	2,316
Net income	9,996	22,815

[Quarterly Consolidated Statements of Comprehensive Income]
 [Consolidated First Quarter of FY 2014 and FY 2013 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2013 (From April 1, 2012 to June 30, 2012)	First Quarter of FY 2014 (From April 1, 2013 to June 30, 2013)
Income before minority interests	11,287	25,131
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,368)	4,147
Deferred gains or losses on hedges	219	323
Foreign currency translation adjustment	(3,253)	993
Share of other comprehensive income of associates accounted for using equity method	313	895
Total other comprehensive income	(6,088)	6,359
Quarterly comprehensive income	5,198	31,491
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	4,848	28,456
Comprehensive income attributable to minority interests	350	3,035

(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	1 Q of FY 2013 (From April 1, 2012 to June 30, 2012)	1 Q of FY 2014 (From April 1, 2013 to June 30, 2013)	Change
Trucks and buses	38,712 units	41,206 units	2,494 units
Toyota brand vehicles	44,318 units	46,674 units	2,356 units

(2) Actual Sales (Consolidated)

Category	1 Q of FY 2013 (From April 1, 2012 to June 30, 2012)		1 Q of FY 2014 (From April 1, 2013 to June 30, 2013)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	9,337	69,393	9,461	66,746	124	(2,646)
Overseas	28,356	103,594	28,640	126,879	284	23,284
Supplies and parts for overseas production	—	1,351	—	1,014	—	(336)
Total trucks and buses	37,693	174,338	38,101	194,639	408	20,301
Total Toyota brand vehicles	44,294	95,365	46,630	103,934	2,336	8,568
Japan	—	12,238	—	12,986	—	747
Overseas	—	8,050	—	9,892	—	1,842
Total service parts	—	20,289	—	22,879	—	2,589
Japan	—	35,568	—	36,045	—	477
Overseas	—	6,482	—	6,466	—	(15)
Toyota	—	40,032	—	49,900	—	9,867
Total others	—	82,082	—	92,412	—	10,329
Total net sales	—	372,076	—	413,866	—	41,790

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