

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



January 30, 2014

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, 2014

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, 2014 (April 1, 2013–December 31, 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	%
3 Q of FY 2014	1,252,182	13.4	91,043	108.0	87,657	96.0	59,330	97.8
3 Q of FY 2013	1,103,872	24.4	43,773	116.8	44,734	159.2	29,992	520.9

(Note) Comprehensive income: 3 Q of FY 2014: ¥ 77,245 million (117.9%) 3 Q of FY 2013: ¥ 35,456 million (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
3 Q of FY 2014	103.73		103.48	
3 Q of FY 2013	52.56		52.51	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
3 Q of FY 2014	967,506		353,841		32.7	
FY 2013	903,427		298,932		29.3	

(Reference) Equity capital: 3 Q of FY 2014: ¥315,967million 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	—	18.00	—		
FY 2014 (forecast)				18.00	36.00

(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 FY 2013.)

	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	1,680,000	9.0	110,000	68.9	105,000	56.9	77,500	62.5	135.47

(Note) Changes from the latest financial forecast: Yes

*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	3 Q of FY 2014	574,580,850 shares	FY 2013	574,580,850 shares
2) Number of treasury stock at end of term	3 Q of FY 2014	2,353,188 shares	FY 2013	3,134,717 shares
3) Average number of shares (quarterly consolidated cumulative period)	3 Q of FY 2014	571,964,682 shares	3 Q of FY 2013	570,583,513 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

- 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.

(Reference) Forecasts of Non-consolidated Financial Results

Forecasts of Non-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	1,180,000	5.3	68,000	119.9	76,500	89.9	65,500	63.1	114.47

(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 during the current third quarter (nine months), the total demand increased to 53.2 thousand units by 4.4 thousand units (9.0%) compared to the same quarter in the previous year. As for the light-duty truck market, total demand increased to 63.4 thousand units by 8.6 thousand units (15.7%) compared to the same quarter in the previous year.

As for Japanese domestic sales, we actively conducted the sales promotion. Consequently, the total sales volume of trucks and buses increased to 36.2 thousand units by 5.3 thousand units (17.3%) compared to the same quarter in the previous year.

As for overseas sales, sales in newly emerging countries were doing well. Consequently, sales volume increased to 84.8 thousand units by 2.3 thousand units (2.7%) 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 121.0 thousand units by 7.6 thousand units (6.7%) compared to the same quarter in the previous year. The total unit sales reached a record high for the third quarter period (9 months).

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 139.7 thousand units by 6.8 thousand units (5.1%) compared to the same quarter in the previous year.

As a result of the above, net sales were ¥1,252,182 million, which is an increase of ¥148,310 million (13.4%) as compared to the same quarter in the previous year. As for profit and loss, affected by such as increase in sales volume, activities for improving profitability and cost reduction, and depreciation of yen, operating income was ¥91,043 million (an increase of ¥47,269 million compared to the same quarter in the previous year), ordinary income was ¥87,657 million (an increase of ¥42,922 million compared to the same quarter in the previous year), and quarterly net income was ¥59,330 million (an increase of ¥29,338 million compared to the same quarter in the previous year).

Net sales and all incomes reached record highs for the third quarter period (9 months).

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the third quarter increased by ¥64,079 million to ¥967,506 million compared to the end of the previous fiscal year. This is mainly because of increase in inventories by ¥29,452 million and increase in investment securities due to the rise in stock price by ¥18,864 million.

Liabilities increased by ¥9,169 million to ¥613,665 million compared to the end of the previous fiscal year. This is mainly because income taxes payable increased by 14,637 million, despite interest-bearing debt decreased by 8,661 million.

Net assets increased by ¥54,909 million to ¥353,841 million compared to the end of the previous fiscal year. This is mainly because net income of ¥59,330 million was recorded.

(3) Qualitative Information on Forecasts of Consolidated Financial Results

As for the overseas market, although the steady demand can be expected in medium term in the newly emerging countries including Asia, expanding demand for trucks and buses are currently experiencing temporary lull. There is also a need to continuously pay attention to the impact of political uncertainty in Thailand, slumping economy in Europe, and economic slowdown in China. As for the domestic market, it is expected that the sales will continue strong by reconstruction demand and steady increase in freight movement caused by economic recovery. As for the profit, we will be aiming at expanding our sales, while promoting activities to improve profitability and reducing the cost, in order to increase the profit.

The earnings forecast for the current term, which was announced on October 29, 2013, has been revised as follows.

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales	¥1,680,000 million
Operating income	¥110,000 million
Japan unit sales of trucks and buses	49.8 thousand units
Overseas unit sales of trucks and buses.....	116.0 thousand units
Unit sales of Toyota brand vehicles.....	187.5 thousand units

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)	Third Quarter of FY 2014 (As of December 31, 2013)
Assets		
Current assets		
Cash and deposits	27,143	38,960
Notes and accounts receivable-trade	274,680	263,802
Merchandise and finished goods	85,627	116,455
Work in process	23,897	26,278
Raw materials and supplies	38,011	34,255
Other	46,324	56,518
Allowance for doubtful accounts	(3,503)	(5,243)
Total current assets	492,180	531,026
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	90,323	88,456
Machinery, equipment and vehicles, net	78,342	76,988
Land	96,540	98,699
Other, net	35,645	42,390
Total property, plant and equipment	300,852	306,535
Intangible assets	16,488	16,781
Investments and other assets		
Investment securities	86,489	105,354
Other	11,600	11,570
Allowance for doubtful accounts	(4,184)	(3,761)
Total investments and other assets	93,906	113,163
Total noncurrent assets	411,246	436,480
Total assets	903,427	967,506
Liabilities		
Current liabilities		
Notes and accounts payable-trade	229,887	228,672
Short-term loans payable	121,772	127,444
Current portion of long-term loans payable	21,254	9,589
Income taxes payable	7,473	22,110
Provision for product warranties	25,161	29,306
Other provision	5,145	2,239
Other	70,828	65,824
Total current liabilities	481,523	485,187
Noncurrent liabilities		
Long-term loans payable	24,354	21,686
Provision for retirement benefits	53,060	53,468
Other provision	1,689	1,607
Other	43,867	51,714
Total noncurrent liabilities	122,972	128,477
Total liabilities	604,495	613,665

(Millions of yen)

	FY 2013 (As of March 31, 2013)	Third Quarter of FY 2014 (As of December 31, 2013)
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	64,557	64,757
Retained earnings	106,786	147,244
Treasury stock	(1,118)	(874)
Total shareholders' equity	242,943	283,844
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,755	36,516
Deferred gains or losses on hedges	(158)	(76)
Revaluation reserve for land	1,927	1,927
Foreign currency translation adjustment	(5,721)	(6,244)
Total accumulated other comprehensive income	21,802	32,123
Subscription rights to shares	342	258
Minority interests	33,843	37,615
Total net assets	298,932	353,841
Total liabilities and net assets	903,427	967,506

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

[Quarterly Consolidated Statements of Income]

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

(Millions of yen)

	Third Quarter of FY 2013 (From April 1, 2012 to December 31, 2012)	Third Quarter of FY 2014 (From April 1, 2013 to December 31, 2013)
Net sales	1,103,872	1,252,182
Cost of sales	944,837	1,031,398
Gross profit	159,035	220,784
Selling, general and administrative expenses		
Salaries and allowances	28,657	30,703
Provision for bonuses	1,013	1,087
Provision for retirement benefits	2,192	2,147
Other	83,397	95,801
Total selling, general and administrative expenses	115,261	129,740
Operating income	43,773	91,043
Non-operating income		
Interest income	659	842
Dividends income	1,654	2,074
Equity in earnings of affiliates	—	31
Miscellaneous income	2,983	1,771
Total non-operating income	5,297	4,718
Non-operating expenses		
Interest expenses	2,490	3,692
Foreign exchange losses	448	3,401
Equity in losses of affiliates	493	—
Miscellaneous expenses	903	1,011
Total non-operating expenses	4,336	8,105
Ordinary income	44,734	87,657
Extraordinary income		
Gain on sales of noncurrent assets	43	2,403
Gain on sales of investment securities	771	48
Gain on bargain purchase	20	1,223
Other	46	511
Total extraordinary income	881	4,186
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	363	635
Impairment loss	634	21
Other	487	72
Total extraordinary losses	1,484	729
Income before income taxes and minority interests	44,130	91,114
Income taxes—current	9,668	27,192
Income taxes—deferred	561	(2,536)
Total income taxes	10,229	24,655
Income before minority interests	33,901	66,459
Minority interests in income	3,908	7,128
Net income	29,992	59,330

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

(Millions of yen)

	Third Quarter of FY 2013 (From April 1, 2012 to December 31, 2012)	Third Quarter of FY 2014 (From April 1, 2013 to December 31, 2013)
Income before minority interests	33,901	66,459
Other comprehensive income		
Valuation difference on available-for-sale securities	(268)	9,794
Deferred gains or losses on hedges	(413)	81
Foreign currency translation adjustment	2,088	(718)
Share of other comprehensive income of associates accounted for using equity method	149	1,628
Total other comprehensive income	1,555	10,786
Comprehensive income	35,456	77,245
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	31,086	69,651
Comprehensive income attributable to minority interests	4,370	7,594

(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 2013 (From April 1, 2012 to December 31, 2012)	3 Q of FY 2014 (From April 1, 2013 to December 31, 2013)	Change
Trucks and buses	117,690 units	126,014 units	8,324 units
Toyota brand vehicles	132,897 units	139,919 units	7,022 units

(2) Actual Sales (Consolidated)

Category	3 Q of FY 2013 (From April 1, 2012 to December 31, 2012)		3 Q of FY 2014 (From April 1, 2013 to December 31, 2013)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	30,914	216,961	36,248	251,031	5,334	34,070
Overseas	82,535	295,237	84,789	354,353	2,254	59,115
Supplies and parts for overseas production	—	3,553	—	1,606	—	(1,946)
Total trucks and buses	113,449	515,752	121,037	606,991	7,588	91,239
Total Toyota brand vehicles	132,819	280,451	139,659	300,843	6,840	20,392
Japan	—	38,047	—	40,467	—	2,420
Overseas	—	22,957	—	30,987	—	8,030
Total service parts	—	61,005	—	71,455	—	10,450
Japan	—	105,710	—	112,135	—	6,425
Overseas	—	20,885	—	22,104	—	1,219
Toyota	—	120,067	—	138,651	—	18,583
Total others	—	246,663	—	272,892	—	26,228
Total net sales	—	1,103,872	—	1,252,182	—	148,310

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