



Financial Results for First Quarter of FY2015

(From April 1, 2014 to June 30, 2014)



July 29, 2014
Hino Motors, Ltd.



1. Sales Turnover

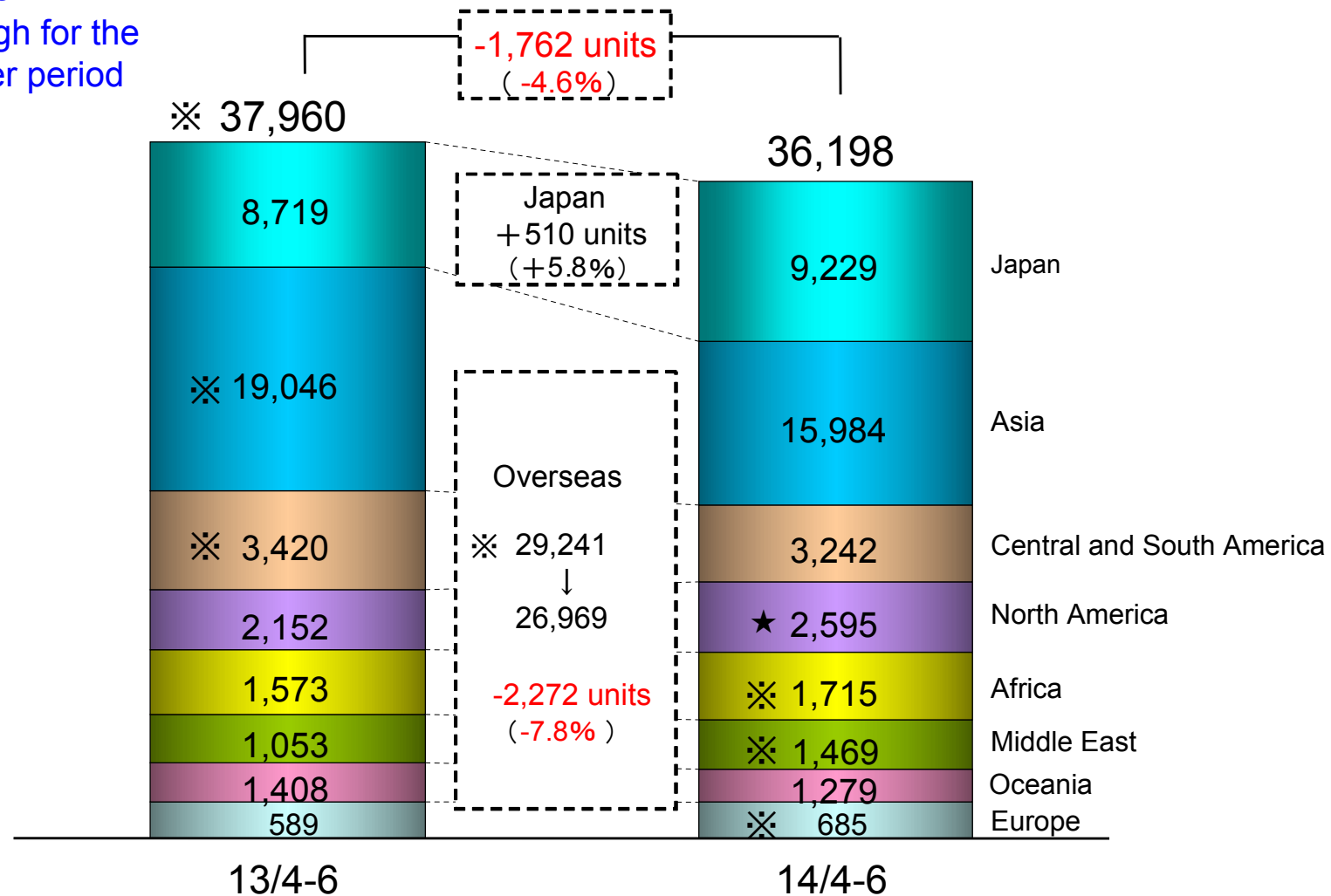


Global Unit Sales (Retail Sales)

Sales decreased in Asia, mainly in Thailand and Indonesia, but we marked record-high sales in North America, Africa, the Middle East, and Europe.

- ★ Record high
- ※ Record high for the first quarter period

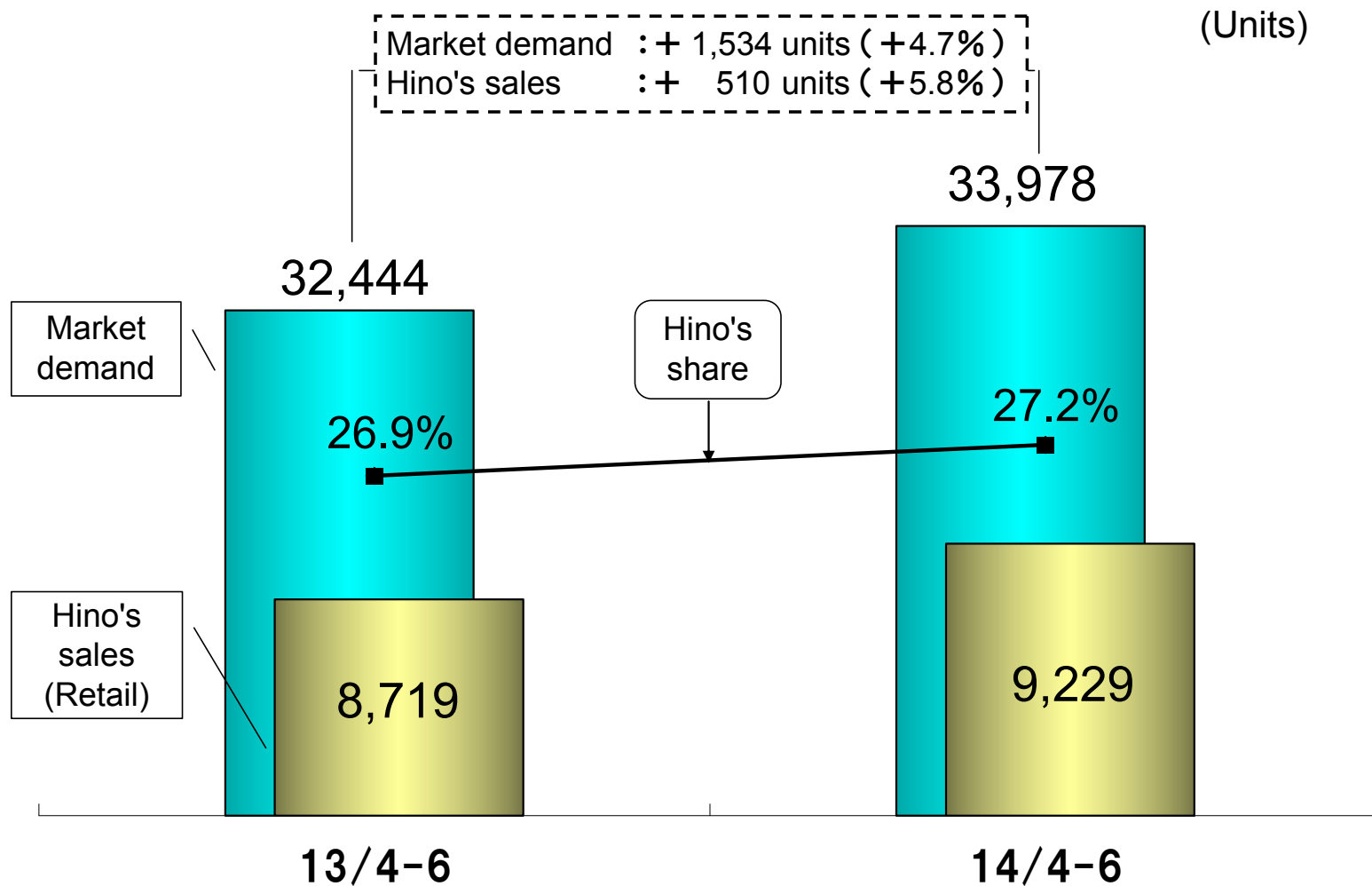
(Units)





Truck and Bus Market in Japan

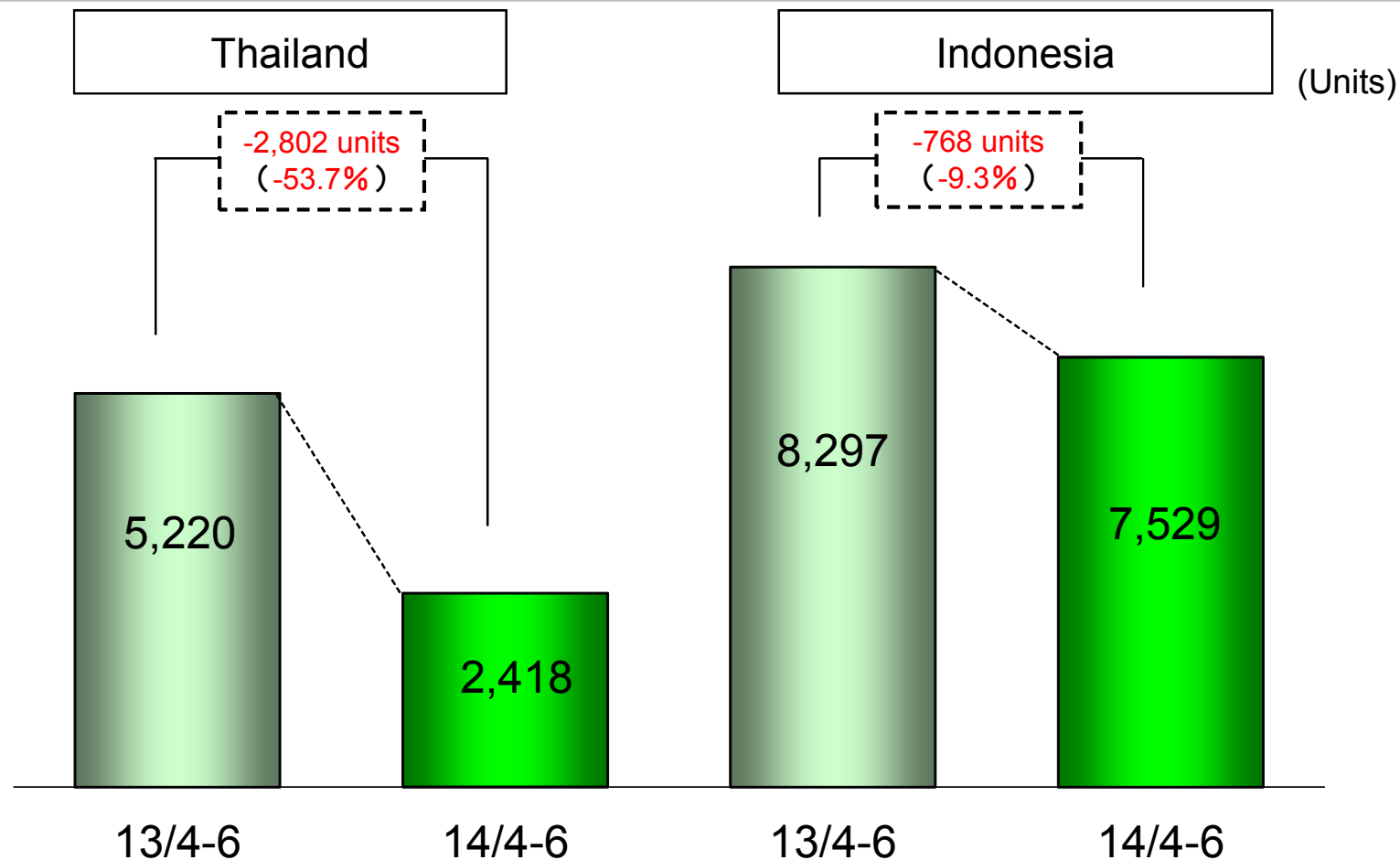
- Truck market: The impact of the consumption tax hike subsided, and sales increased from the previous year.
- Hino's sales: We marked a record-high share for the first quarter period.





Sales Volumes in Thailand and Indonesia (Retail Sales)

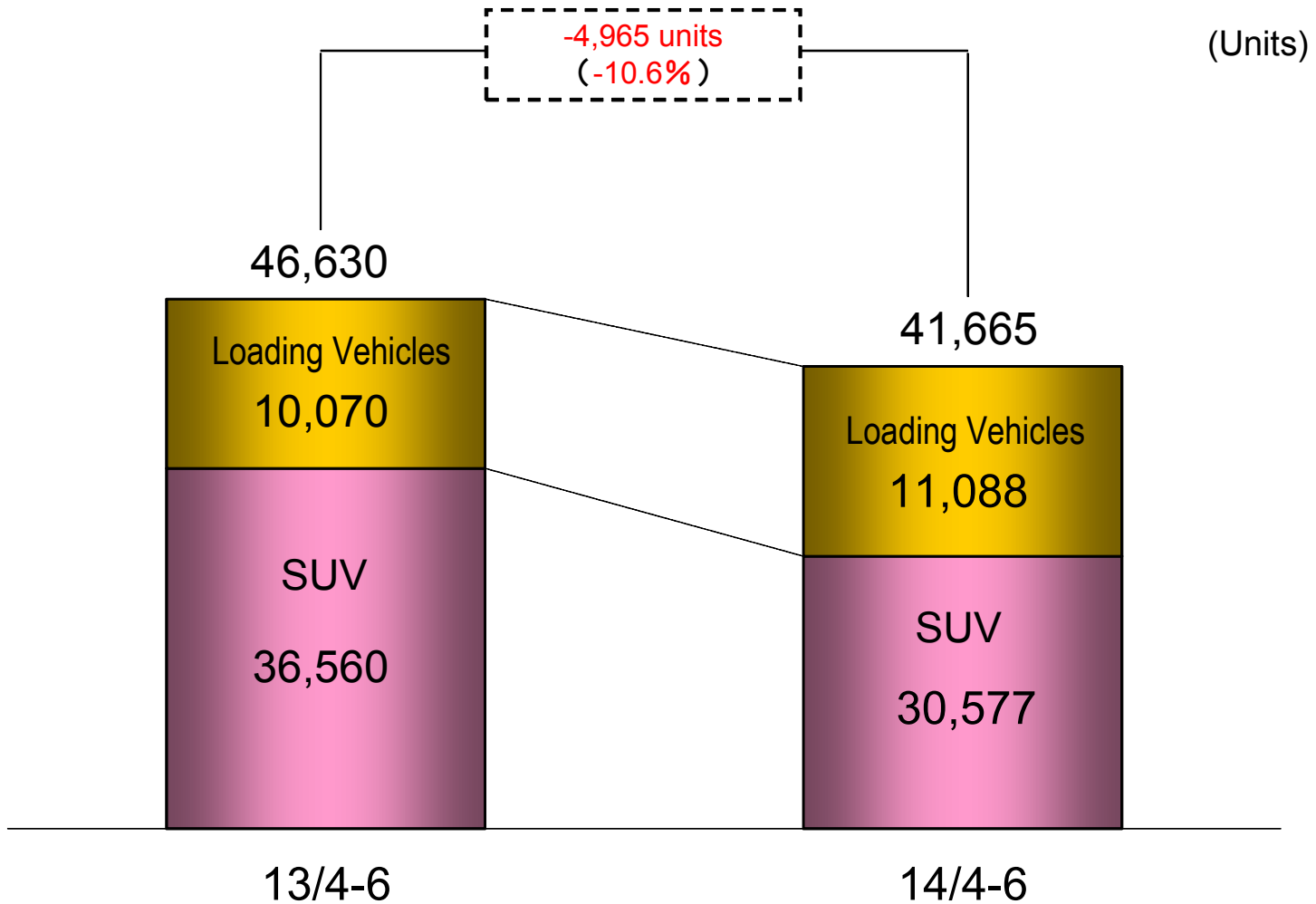
- Thailand: The market continues to be at a standstill. The decrease in sales is within our estimated range.
- Indonesia: Hino's sales are healthy, although customers tend to postpone purchase or wait and see before the presidential election.





Consolidated Unit Sales of Toyota Brand Vehicles

Decreased due to the decline in sales of SUV (Land Cruiser Prado)





2. Consolidated Financial Results

Consolidated Income Statements



★Record high

※Record high for the first quarter period

(Billions of yen)

Item	FY2015 1Q ('14/4-6)	FY2014 1Q ('13/4-6)	Change	Change (%)
Net sales	365.2	※ 413.9	−48.7	−11.8%
Operating income	<6.3%> 23.2	<7.7%> ★ 32.0	(−1.4p) −8.8	−27.6%
Ordinary income	<6.2%> 22.8	<7.4%> ★ 30.7	(−1.2p) −7.9	−25.8%
Net income	<3.9%> 14.3	<5.5%> ※ 22.8	(−1.6p) −8.5	−37.3%

Note: Figures in parentheses (<>) indicate income margin.

<Exchange rate>

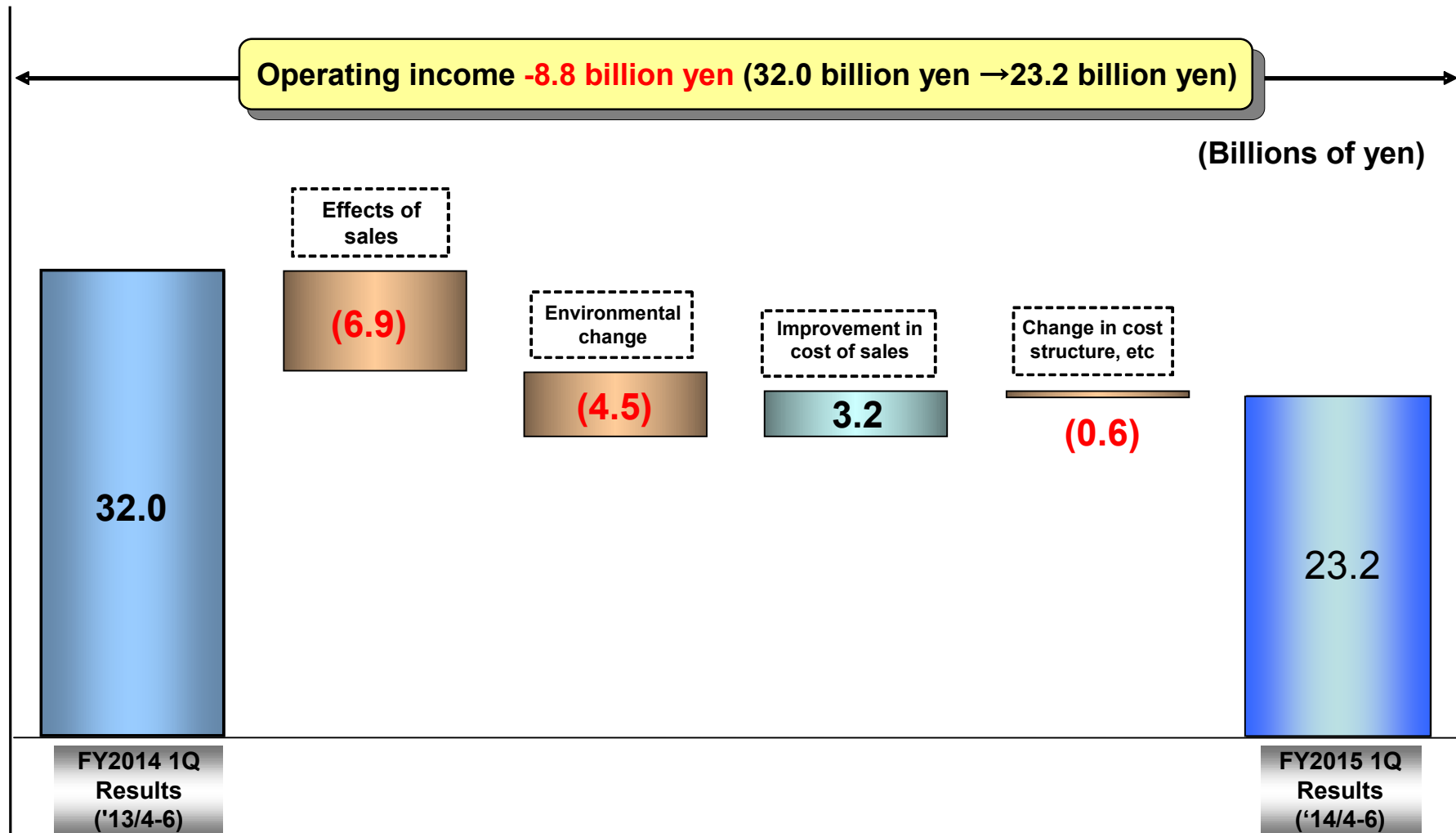
(Yen)

US\$	102	99
THB	3.15	3.35
IDR(100)	0.89	1.01
A\$	94	99



Analysis of Consolidated Operating Income

Income decreased due to the decline in overseas sales volume and the worsening of exchange rate and the materials market, but costs are being reduced steadily.





Consolidated Operating Income by Segments

Since sales volume declined in Thailand and Indonesia, which are our mainstay markets, our sales and income decreased in Japan and Asia. Meanwhile, the income in other regions, including North America, increased steadily.

★Record high

※Record high for the first quarter period

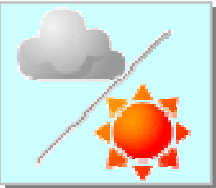

(Billions of yen)

	FY2015 1Q (^{'14} /4-6)		FY2014 1Q (^{'13} /4-6)		Change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Japan	290.8	<5.3%> 15.3	※ 327.0	★ 29.5	-11.1% -36.2	-48.2% -14.2
Asia	87.6	<5.9%> 5.2	★ 130.4	※ 7.7	-32.8% -42.8	-32.3% -2.5
Other Areas	★ 47.3	<7.4%> ※ 3.5	41.7	1.5	+13.4% +5.6	2.3 times +2.0
Consolidated adjustment	(60.5)	(0.8)	(85.2)	(6.7)	+24.7	+5.9
Total	365.2	<6.3%> 23.2	※ 413.9	★ 32.0	-11.8% -48.7	-27.6% -8.8

Note: Figures in parentheses (<>) indicate operating income margin.
Percentages in the column "Change" indicate year-on-year change.



Future Outlook: Market Forecast and Hino's Measures

Japan	<ul style="list-style-type: none">• The impact of the consumption tax hike subsided.• Truck market demand remains steady, and momentum of new-order is healthy.	
Overseas	<p>【 Thailand and Indonesia 】</p> <ul style="list-style-type: none">• The market is temporarily under the “wait-and-see” atmosphere.• While cementing the relationships with customers, we aim to promote sales further once the demand recovers. <p>【 Others 】</p> <ul style="list-style-type: none">• We popularize our brand and promote sales in various countries and regions, including North America and the Middle and Near East.	

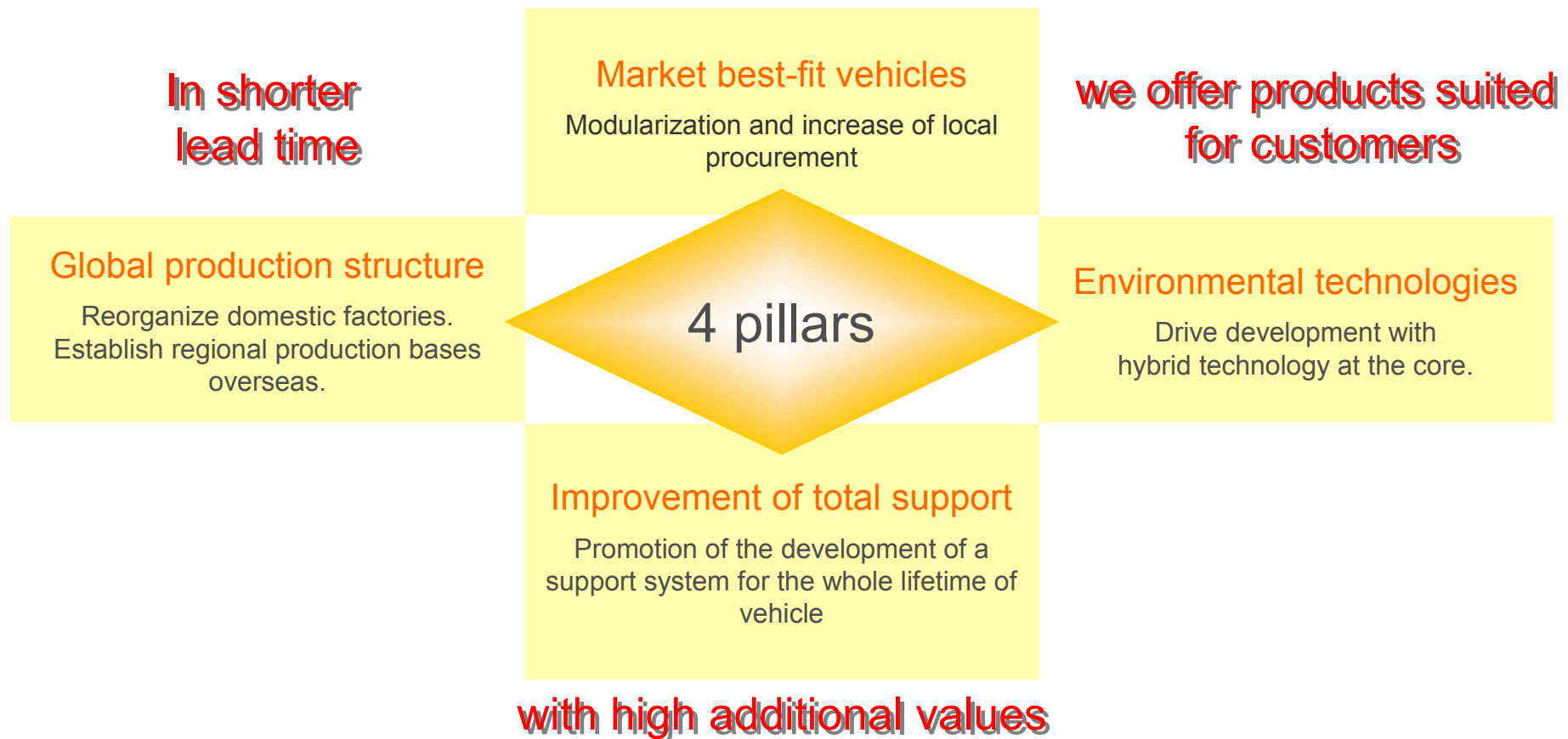
<Reference 2-1>

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Hino's Structural Reform: Announced As a Mid-term Corporate Plan in Apr. 2012.

- Growth strategy centering on overseas markets
- To achieve a corporate structure that can tolerate changes in the external environment.





Progress of Structural Reform and Outlook for the Next and Following Terms

Products	■ Introduction of market best-fit vehicles utilizing modularization; The first model is to be released within FY2015.			
	■ Optimization of production and supply structure <table border="1" data-bbox="589 596 1843 783"><tr><td>Japan</td><td>Overseas</td></tr><tr><td>Koga and Nitta</td><td>Indonesia</td></tr></table>	Japan	Overseas	Koga and Nitta
Japan	Overseas			
Koga and Nitta	Indonesia			
Services	■ Strengthening of the customer support system			



Outlook for the next and following terms

The prior investment for sustainable growth will be continued for a while, but after the release of market best-fit vehicles utilizing modularization, we will proceed to the fruit bearing phase.



Progress of Structural Reform—Case 1: Optimization of Production and Supply Structure

Koga Plant



The construction of a chassis plant was commenced in Mar. 2014.

We are preparing for full-scale operation.

Nitta Plant



The operation of Differential Gear Center began in Jul. 2014.

Processes are being redesigned for the integrated manufacturing of engines, transmissions, and differentials.

Indonesia



Small engine machining was started.

(Parts processed was expanded from Nov. 2012 to Jan. 2014)



Progress of Structural Reform—Case 2: Strengthening of the Customer Support Structure

To support customers' businesses, by offering values for them.

Maximization of uptime of owned vehicles

Values for customers

Minimization of lifecycle cost

Perspectives for activities / capabilities to be honed

Maintenance capability
【High quality & short lead-time】

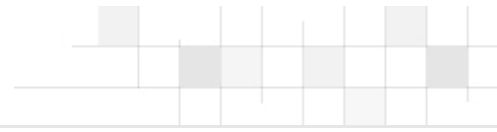
Supplying capability
【Stable, swift, high-quality】

Proposing capability
【Helpful activities unique to a maker】

Progress of the improvement of the customer support system

	FY2013	FY2014	FY2015
Dealer's shop (Cases in Japan)	<ul style="list-style-type: none">● Apr. 2012: Aomori HQ● Jul. 2012: Kakamigahara, Gifu● Oct. 2012: Hatsukaichi, Hiroshima	<ul style="list-style-type: none">● Apr. 2013: Okinawa HQ● Jul. 2013: Matsumoto, Nagano● Aug. 2013: Kyoto HQ	<ul style="list-style-type: none">● Apr. 2014: Takayama, Gifu● May 2014: Shinsayama, Tokyo
Parts supply and Helpful activities		<ul style="list-style-type: none">● Apr. 2013: A service support office was established in Latin America.● Aug. 2013: A parts depot was established in the Middle East.	
		<ul style="list-style-type: none">● Feb. 2013: Customer technical center in Japan was enlarged.	

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HINO