

# Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011 [Japanese standards] (Consolidated)



July 28, 2010

Name of Listed Company: Hino Motors, Ltd.  
Code Number: 7205 URL: <http://www.hino.co.jp/>

Stock Listing: Tokyo and Nagoya

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Scheduled Date of Quarterly Financial Statements Filing: August 4, 2010

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, 2011 (April 1, 2010 – June 30, 2010)

### (1) Consolidated Operating Results (Cumulative)

(Percentage figures indicate 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	%
1Q of FY 2011	294,539	77.9	8,679	—	7,117	—	3,108	—
1Q of FY 2010	165,524	(48.1)	(18,806)	—	(21,182)	—	(21,847)	—

  

	Net income per share		Diluted net income per share	
	Yen		Yen	
1Q of FY 2011	5.44		5.44	
1Q of FY 2010	(38.16)		—	

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
1Q of FY 2011	736,586	224,847	27.9	359.88
FY 2010	777,809	227,717	26.8	364.88

(Reference) Equity capital: 1Q of FY 2011: ¥205,567 million FY 2010: ¥208,418 million

## 2. Dividends

	Dividends per share				
(Record date)	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2010	—	0.00	—	2.00	2.00
FY 2011	—				
FY 2011 (forecast)		2.00	—	3.00	5.00

(Note) Amendment to the dividends forecast during the current quarter: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(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
FY2011 first half	610,000	55.4	13,000	—	10,000	—	3,500	—	6.13
FY 2011	1,120,000	9.4	25,000	—	21,000	—	11,000	—	19.26

(Note) Amendment to the forecast of consolidated financial results during the current quarter: Yes

4. Others (For details, please see “2. Other information” on page 3 of “Appendix.”)

(1) Changes in important subsidiaries during the current term: None

Newly included: companies (Company name: ), Removed: companies (Company name: )

(Note) Whether or not specified subsidiaries were changed resulting in the changes in scope of consolidation during the current term.

(2) Application of simplified accounting methods/specified accounting methods: Yes

(Note) Whether or not the simplified accounting methods or the accounting methods exclusively for producing quarterly consolidated financial statements was applied.

(3) Changes in accounting principles, procedures and methods:

1) Changes associated with revisions of accounting standards: Yes

2) Change other than those included in 1): None

(Note) Whether or not accounting principles, procedures and methods of presentation associated with preparation of consolidated financial statements were changed. These are indicated in Changes in the Basis for the Preparation of Quarterly Consolidated Financial Statements.

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term: 1Q of FY 2011: 574,580,850 shares; FY 2010: 574,580,850 shares

2) Number of treasury stock at end of term: 1Q of FY 2011: 3,376,888 shares; FY 2010: 3,384,307 shares

3) Average number of shares (quarterly consolidated cumulative period): 1Q of FY 2011: 571,204,538 shares; 1Q of FY2010: 572,455,483 shares

(\* Indication regarding the implementation status of the quarterly review procedure)

- This financial results is exempted from the quarterly review procedure based on the Financial Instruments and Exchange Act, and the review procedure of the quarterly financial statement based on the Financial Instruments and Exchange Act is not completed at the time of disclosure of this financial results.

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

- Fiscal year 2011 first half consolidated financial forecasts, disclosed on April 27, 2010 is revised with this report.
- Please refer to the "Note regarding revision of consolidated financial forecasts" disclosed today (July 28, 2010) regarding the revision of fiscal year 2011 first half consolidated financial forecasts.
- 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 actual financial results may significantly vary due to various factors. For assumptions used in forecasting financial results, precautions in using the financial projections, and specific revisions made to the financial projections, please refer to Appendix on Page 2, “1. Qualitative Information Regarding the Financial Performance (3) Qualitative Information on Forecast of Consolidated Financial Results.”

Appendix

Table of contents of the appendix

1. Qualitative Information Regarding the Financial Performance for the Current Quarter.....	P2
(1) Qualitative Information on Consolidated Operating Results.....	P2
(2) Qualitative Information on Consolidated Financial Position.....	P2
(3) Qualitative Information on Forecast of Consolidated Financial Results.....	P2
2. Other information.....	P3
(1) Outline of changes in significant subsidiaries.....	P3
(2) Outline of simplified accounting methods/specified accounting methods.....	P3
(3) Outline of changes in accounting principles/procedures and method of presentation.....	P3
3. Quarterly Consolidated Financial Statements.....	P4
(1) Quarterly consolidated balance sheets.....	P4
(2) Quarterly consolidated statements of income.....	P6
(3) Notes on going concern assumption.....	P7
(4) Notes on significant changes in the amount of shareholders' equity.....	P7
4. Supplementary information.....	P7
(1) Actual production.....	P7
(2) Actual sales.....	P7

\* We are scheduled to hold an investor conference for mass media and analyst as following. It is scheduled to post the documentation delivered at this investor conference on our Webpage as soon as possible after disclosing this financial results.

- July 28, 2010.....Investor conference for mass media and analysts

## 1. Qualitative Information Regarding the Financial Performance for the Current Quarter

### (1) Qualitative Information on Consolidated Operating Results

For the Japanese domestic market of heavy- and medium-duty trucks, total demand for the first quarter of the current fiscal year increased to 13 thousand units by 6 thousand units (83.8%) from the same period of the previous year, due to improvement of the company earnings and other factors. Also with the light-duty truck market, it has totaled to 11 thousand units, which was an increase of 2 thousand units (17.0%) compared to first quarter of previous year.

Total Japan unit sales for trucks and buses increased to 6 thousand units, an increase of 2 thousand units (40.4%) compared to first quarter of previous year, due to the previously mentioned increase in demand.

For the overseas market, unit sales of trucks and buses increased to 19 thousand units, an increase of 7 thousand units (58.2%) compared to first quarter of previous year, due to the recovery of the international economy.

Accordingly, total unit sales of Hino Brand trucks and buses were 25 thousand units, an increase of 9 thousand units (53.6%) compared to first quarter of previous year.

For the vehicle production commissioned by Toyota Motor Corporation, total production was 40 thousand units, which is an increase of 24 thousand units (250%) compared to first quarter of previous year, as a result of increase of production of "Land Cruiser Plado," mainly targeted for Asia, Middle East, and Oceania regions.

With the above fact, net sales reached ¥294,539 million, which was an increase of ¥129,014 million (77.9%) from the same period of the previous year. For income and loss, due to the increase in net sales, operating income reached ¥8,679 million, ordinary income reached ¥7,117 million, and net income reached ¥3,108 million, which is increase in all area compared to first quarter of previous year, converting the deficit to credit balance.

### (2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the first quarter of the current fiscal year decreased by ¥41,223 million to ¥736,586 million compared to the end of last fiscal year. This is because of decrease of ¥21,781 million in accounts receivable due to decrease of Japan unit sales of trucks and busses compared to end of previous fiscal year, decline of ¥9,601 in tangible fixed assets, and the decline of ¥4,112 million in investment securities, mainly due to the drop in stock prices.

Liabilities decreased by ¥38,354 million to ¥511,738 million compared to end of last previous year. This is due to decrease of ¥10,799 million in the accounts payable due to decline of production compared to end of last fiscal year, and decrease of ¥28,687 million in the interest-bearing liabilities.

Net asset decreased by ¥2,869 million to ¥224,847 million compared to end of previous fiscal year. Even with the net income has reaching ¥3,108 million, unrealized gain on available-for-sale securities reduced ¥2,476 million due to drop in stock prices, and cumulative translation adjustments decreased ¥2,464 million.

### (3) Qualitative Information on Forecast of Consolidated Financial Results

We have revised consolidated financial results forecast for fiscal year 2011 first half, considering the changes in business environment such as the vehicle production commissioned by Toyota Motor Corporation and sales trend of our trucks and busses in the overseas markets.

(For the first half ending FY2011)

Net sales.....	¥610 billion
Operating income .....	¥13 billion
Japan unit sales of trucks and buses.....	13.0 thousand units
Overseas unit sales of trucks and buses .....	40.8 thousand units
Production of Toyota brand vehicles .....	80.3 thousand units

The financial forecast of full business year of the fiscal year ending 2011 was not revised.

## 2. Other information

(1) Outline of changes in important subsidiaries

None.

(2) Outline of simplified accounting methods/specified accounting methods

1. Simplified accounting methods

1) Inventory assets valuation method

In regard to the calculation of the ending inventory for the first quarter under review, the physical inventory is omitted and a reasonable calculation method based on the physical inventory at the end of the previous fiscal year is used.

2) Calculation method for corporate income taxes, deferred tax assets and deferred tax liabilities.

Payable corporate income taxes are calculated by a method, which limits the add/subtract items and tax credit items to the important ones only.

The collectability of deferred tax assets is evaluated by the method, which takes into account the projected future financial results and tax planning, coupled with variations in significant transient changes from the end of the previous consolidated fiscal year.

(3) Outline of changes in accounting principles/procedures and method of presentation

1. Changes in items regarding the account processing standards

(1) Application of Accounting Standard for Asset Retirement Obligations

“Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) are applied from first quarter of the year under review.

Accordingly, net income before income taxes and minority interests decreased ¥1,095 million. The effect against the operating income and the ordinary income is minimal.

(2) Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution of Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

“Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008) and “Practical Solution of Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (PITF No. 24, March 10, 2008) are applied from first quarter of the year under review.

There is no effect on the income and loss due to this.

## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly consolidated balance sheets

(Millions of yen)

	First Quarter of FY 2011 (As of June 30, 2010)	FY 2010 (As of March 31, 2010)
<b>Assets</b>		
Current assets		
Cash and deposits	20,782	30,659
Trade notes and accounts receivable	181,063	202,844
Merchandise and finished goods	56,508	50,131
Work in progress	20,330	18,571
Raw materials and supplies	23,939	23,758
Others	30,461	33,197
Allowance for doubtful accounts	(3,141)	(3,224)
Total current assets	329,944	355,937
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	93,335	94,823
Machinery and transportation equipment (net)	88,774	90,771
Land	90,426	90,473
Others (net)	34,820	40,890
Total tangible fixed assets	307,357	316,958
Intangible fixed assets	20,393	21,839
Investments and other assets		
Investment securities	65,008	69,121
Others	19,213	19,454
Allowance for doubtful accounts	(5,330)	(5,501)
Total investments and other assets	78,891	83,074
Total fixed assets	406,641	421,872
Total assets	736,586	777,809
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	166,705	177,505
Short-term loans payable	82,615	105,598
Commercial papers	-	5,000
Current portion of long-term loans payable	32,770	6,679
Accrued income taxes	3,352	3,128
Warranty allowance	9,364	8,110
Other allowance	5,104	3,577
Others	41,414	42,030
Total current liabilities	341,326	351,629
Long-term liabilities		
Long-term loans payable	90,352	117,146
Accrued employees' retirement benefits	41,404	41,331
Other allowance	1,594	2,034
Others	37,060	37,950
Total long-term liabilities	170,412	198,463
Total liabilities	511,738	550,092

(Millions of yen)

	First Quarter of FY 2011 (As of June 30, 2010)	FY 2010 (As of March 31, 2010)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,327	64,327
Retained earnings	67,879	65,983
Treasury stock	(1,148)	(1,149)
Total shareholders' equity	203,775	201,879
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	11,751	14,227
Deferred gain or loss on hedges	42	(149)
Net unrealized gain on land revaluation	1,561	1,561
Cumulative translation adjustments	(11,564)	(9,100)
Total valuation and translation adjustments	1,791	6,539
Stock acquisition rights	186	154
Minority interests	19,094	19,144
Total net assets	224,847	227,717
Total liabilities and net assets	736,586	777,809

## (2) Quarterly consolidated statements of income

[Consolidated first quarters of FY2011 and FY 2010 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2010 (From April 1, 2009 to June 30, 2009)	First Quarter of FY 2011 (From April 1, 2010 to June 30, 2010)
Net sales	165,524	294,539
Cost of sales	154,081	252,055
Gross profit on sales	11,443	42,484
Selling, general and administrative expenses		
Salary and benefits	8,529	7,926
Provision of accrued bonuses	925	897
Provision of accrued retirement benefits	704	691
Others	20,091	24,289
Total selling, general and administrative expenses	30,250	33,804
Operating income (loss)	(18,806)	8,679
Non-operating income		
Interest income	346	326
Dividends income	438	465
Gain on foreign exchange	1,017	-
Investment gain on equity method	-	136
Miscellaneous income	543	467
Total non-operating income	2,346	1,396
Non-operating expenses		
Interest expenses	1,191	928
Loss on foreign exchange	-	1,681
Investment loss on equity method	3,038	-
Miscellaneous expenses	492	349
Total non-operating expenses	4,722	2,958
Ordinary income (loss)	(21,182)	7,117
Extraordinary income		
Gain on sale of fixed assets	12	6
Gain on sale of investment securities	-	87
Reversal of allowance for doubtful accounts	-	171
Others	73	282
Total extraordinary income	85	548
Extraordinary losses		
Loss on sale or disposition of fixed assets	222	186
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,090
Others	102	82
Total extraordinary losses	325	1,359
Net income (loss) before income taxes and minority interests	(21,423)	6,305
Income taxes—current	520	2,282
Income taxes—deferred	(81)	(146)
Total income taxes	439	2,136
Income (loss) before minority interests	-	4,169
Minority interests income (loss) of consolidated subsidiaries	(14)	1,061
Net income (loss)	(21,847)	3,108

## (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

Category	1Q of FY 2010 (From April 1, 2009 to June 30, 2009)	1Q of FY 2011 (From April 1, 2010 to June 30, 2010)	Change
Trucks and buses	13,209 units	26,660 units	13,451 units
Toyota brand vehicles	16,007 units	39,837 units	23,830 units

## (2) Actual sales

Category		1Q of FY 2010 (From April 1, 2009 to June 30, 2009)		1Q of FY 2011 (From April 1, 2010 to June 30, 2010)		Change	
		Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
	Japan	4,167	31,022	5,850	49,807	1,683	18,785
	Overseas	11,859	43,156	18,762	69,912	6,903	26,755
	Supplies and parts for overseas production	—	—	—	336	—	336
Total trucks and buses		16,026	74,179	24,612	120,055	8,586	45,876
	Vehicles	16,007	25,365	39,837	88,530	23,830	63,165
	Supplies and parts for overseas production, etc.	—	1,176	—	698	—	(477)
	Total Toyota brand	16,007	26,541	39,837	89,229	23,830	62,687
	Japan	—	10,674	—	11,325	—	651
	Overseas	—	5,133	—	6,413	—	1,280
	Total service parts	—	15,808	—	17,739	—	1,931
	Japan	—	25,196	—	32,606	—	7,410
	Overseas	—	4,127	—	6,589	—	2,461
	Toyota	—	19,672	—	28,318	—	8,646
	Total others	—	48,996	—	67,514	—	18,518
Total net sales		—	165,524	—	294,539	—	129,014

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