

Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016
[Japanese GAAP] (Consolidated)
 English translation from the original Japanese-language document



July 29, 2015

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.
 Code Number: 7205 URL: <http://www.hino.co.jp/>
 Representative: Yasuhiko Ichihashi, President
 Contact Point: Masamichi Mizukoshi, General Manager, Corporate Planning Div.
 Phone: (042) 586-5494

Scheduled Date of Quarterly Financial Statements Filing: July 31, 2015

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, 2016 (April 1, 2015–June 30, 2015)

(1) Consolidated Financial Results (Cumulative) (% of change from previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1 Q of FY 2016	407,018	11.4	25,437	9.8	25,424	11.7	17,628	23.3
1 Q of FY 2015	365,221	(11.8)	23,156	(27.6)	22,762	(25.8)	14,298	(37.3)

(Note) Comprehensive income: 1 Q of FY 2016: ¥ 20,984 million (31.7%) 1 Q of FY 2015: ¥ 15,931 million (-49.4%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
1 Q of FY 2016	30.75		30.72	
1 Q of FY 2015	24.97		24.93	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
1 Q of FY 2016	1,106,244		472,565		38.5	
FY 2015	1,124,196		465,370		37.3	

(Reference) Equity capital: 1 Q of FY 2016: ¥425,788 million FY 2015: ¥418,782 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen				
FY 2015	—	18.00	—	22.00	40.00
FY 2016	—				
FY 2016 (forecast)		20.00	—	20.00	40.00

(Note) Changes from the latest dividend forecast: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2016	1,740,000	3.2	110,000	4.2	109,000	4.2	74,000	(0.7)	129.10

(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 policies, accounting estimates and restatements:

1) Changes in accounting policies due to revisions of accounting standards: None

2) Changes in accounting policies due to reasons other than above 1): None

3) Changes in accounting estimates: 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 2016	574,580,850 shares	FY 2015	574,580,850 shares
2) Number of treasury stock at end of term	1 Q of FY 2016	1,362,026 shares	FY 2015	1,400,435 shares
3) Average number of shares (quarterly consolidated cumulative period)	1 Q of FY 2016	573,206,453 shares	1 Q of FY 2015	572,656,389 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.

Appendix

Table of contents of the appendix

1. Qualitative Information Regarding the Financial Performance for the Current Quarter	2
(1) Qualitative Information on Consolidated Operating Results	2
(2) Qualitative Information on Consolidated Financial Position	2
(3) Qualitative Information on Forecasts of Consolidated Financial Results	2
2. Summary Information (Notes).....	2
Additional information	2
3. Quarterly Consolidated Financial Statements.....	3
(1) Quarterly Consolidated Balance Sheets	3
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	
Quarterly Consolidated Statements of Income	
Consolidated First Quarter of FY 2016 and FY 2015 (Cumulative).....	5
Quarterly Consolidated Statements of Comprehensive Income	
Consolidated First Quarter of FY 2016 and FY 2015 (Cumulative).....	6
(3) Notes on Going Concern Assumption.....	7
(4) Notes on Significant Changes in the Amount of Shareholders' Equity.....	7
4. Supplementary Information	7
(1) Actual Production (Consolidated).....	7
(2) Actual Sales (Consolidated).....	7

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

(1) Qualitative Information on Consolidated Operating Results

As for the Japanese domestic truck market during the current first quarter (three months), the performance remained healthy due to economic recovery. In addition, there was the negative rebound from the rush demand before the consumption tax hike in the same period in the previous fiscal year. For these reasons, the total demand for heavy- and medium-duty trucks increased to 18.0 thousand units by 2.7 thousand units (17.3%) compared to the same quarter in the previous year. Total demand for light-duty truck increased to 19.8 thousand units by 2.3 thousand units (13.4%) compared to the same quarter in the previous year.

As for Japanese domestic sales, as a result of sales activities implemented in a concerted effort in our consolidated group, the total sales volume of trucks and buses increased to 12.7 thousand units by 2.6 thousand units (25.3%) compared to the same quarter in the previous year.

As for overseas sales, the Indonesian market remained sluggish, but sales grew in North, Central, and South Americas, etc., and sales volume increased to 27.8 thousand units by 3.1 thousand units (12.8%) 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 40.4 thousand units by 5.7 thousand units (16.4%) compared to the same quarter in the previous year.

As for the volume of sales to Toyota Motor Corporation, mainly because the sales of loading vehicles decreased, total sales volume decreased to 36.2 thousand units by 5.5 thousand units (-13.1%) compared to the same quarter in the previous year.

As a result of the above, net sales in the current first quarter were ¥407,018 million, which is an increase of ¥41,796 million (11.4%) as compared to the same quarter in the previous year. As for profit and loss, affected by such as increase in domestic sales of vehicles, operating income was ¥25,437 million which is an increase of ¥2,280 million (9.8%) compared to the same quarter in the previous year, ordinary income was ¥25,424 million which is an increase of ¥2,662 million (11.7%) compared to the same quarter in the previous year, and profit attributable to owners of parent was ¥17,628 million which is an increase of ¥3,330 million (23.3%) 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 ¥17,952 million to ¥1,106,244 million compared to the end of the previous fiscal year. This is mainly because notes and accounts receivable - trade decreased by ¥24,185 million due to a decrease in sales of vehicles from the end of the previous fiscal year.

Liabilities decreased by ¥25,147 million to ¥633,679 million compared to the end of the previous fiscal year. This is mainly because notes and accounts payable - trade decreased by ¥14,867 million and income taxes payable decreased by ¥9,227 million.

Net assets increased by ¥7,195 million to ¥472,565 million compared to the end of the previous fiscal year. This is mainly because profit attributable to owners of parent of ¥17,628 million was recorded, although dividends from retained earnings of ¥12,612 million were paid.

(3) Qualitative Information on Forecasts of Consolidated Financial Results

Not changed from the previous announcement (Apr. 28, 2015).

2. Summary Information (Notes)

[Additional information]

In accordance with Paragraph 39 of “Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 of September 13, 2013),” we changed the indications of quarterly net income, etc. and shifted from minority interest to non-controlling interest. In order to reflect these changes, we reproduced the quarterly consolidated financial statements for the previous first quarter and the annual consolidated financial statements for the previous year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2015 (As of March 31, 2015)	First Quarter of FY 2016 (As of June 30, 2015)
Assets		
Current assets		
Cash and deposits	36,104	37,589
Notes and accounts receivable - trade	299,821	275,636
Merchandise and finished goods	131,051	135,522
Work in process	33,584	36,381
Raw materials and supplies	35,877	37,421
Other	65,260	61,099
Allowance for doubtful accounts	(3,620)	(3,572)
Total current assets	598,079	580,078
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	102,185	103,887
Machinery, equipment and vehicles, net	89,248	100,099
Land	100,460	101,638
Other	71,692	57,242
Total property, plant and equipment	363,586	362,868
Intangible assets	20,358	19,716
Investments and other assets		
Investment securities	126,186	128,752
Other	19,058	17,926
Allowance for doubtful accounts	(3,072)	(3,097)
Total investments and other assets	142,171	143,581
Total non-current assets	526,117	526,166
Total assets	1,124,196	1,106,244
Liabilities		
Current liabilities		
Notes and accounts payable - trade	262,854	247,987
Short-term loans payable	117,180	125,759
Current portion of long-term loans payable	8,652	7,783
Income taxes payable	13,007	3,779
Provision for product warranties	32,196	29,637
Other provision	6,010	7,954
Other	94,243	92,149
Total current liabilities	534,143	515,051
Non-current liabilities		
Long-term loans payable	20,296	19,333
Net defined benefit liability	58,594	52,917
Other provision	1,836	1,594
Other	43,955	44,782
Total non-current liabilities	124,683	118,628
Total liabilities	658,826	633,679

(Millions of yen)

	FY 2015 (As of March 31, 2015)	First Quarter of FY 2016 (As of June 30, 2015)
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	65,299	65,305
Retained earnings	228,955	233,970
Treasury shares	(517)	(503)
Total shareholders' equity	366,454	371,490
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,049	52,453
Deferred gains or losses on hedges	(20)	5
Revaluation reserve for land	2,187	2,187
Foreign currency translation adjustment	2,364	2,782
Remeasurements of defined benefit plans	(3,252)	(3,130)
Total accumulated other comprehensive income	52,328	54,298
Subscription rights to shares	128	123
Non-controlling interests	46,459	46,653
Total net assets	465,370	472,565
Total liabilities and net assets	1,124,196	1,106,244

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

[Quarterly Consolidated Statements of Income]

[Consolidated First Quarter of FY 2016 and FY 2015 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2015 (From April 1, 2014 to June 30, 2014)	First Quarter of FY 2016 (From April 1, 2015 to June 30, 2015)
Net sales	365,221	407,018
Cost of sales	302,559	335,446
Gross profit	62,662	71,571
Selling, general and administrative expenses		
Salary and allowances	10,355	11,116
Provision for bonuses	1,184	1,315
Retirement benefit expenses	634	781
Other	27,332	32,920
Total selling, general and administrative expenses	39,506	46,134
Operating income	23,156	25,437
Non-operating income		
Interest income	375	300
Dividend income	684	820
Share of profit of entities accounted for using equity method	—	380
Miscellaneous income	1,048	650
Total non-operating income	2,108	2,151
Non-operating expenses		
Interest expenses	1,398	1,729
Foreign exchange losses	548	53
Share of loss of entities accounted for using equity method	170	—
Miscellaneous expenses	386	381
Total non-operating expenses	2,502	2,164
Ordinary income	22,762	25,424
Extraordinary income		
Gain on sales of non-current assets	7	7
Other	5	29
Total extraordinary income	13	37
Extraordinary losses		
Loss on sales and retirement of non-current assets	102	74
Other	41	73
Total extraordinary losses	143	147
Income before income taxes	22,632	25,313
Income taxes—current	6,809	5,671
Income taxes—deferred	(202)	1,159
Total income taxes	6,607	6,831
Net income	16,025	18,482
Profit attributable to non-controlling interests	1,726	853
Profit attributable to owners of parent	14,298	17,628

[Quarterly Consolidated Statements of Comprehensive Income]
 [Consolidated First Quarter of FY 2016 and FY 2015 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2015 (From April 1, 2014 to June 30, 2014)	First Quarter of FY 2016 (From April 1, 2015 to June 30, 2015)
Net income	16,025	18,482
Other comprehensive income		
Valuation difference on available-for-sale securities	2,587	486
Deferred gains or losses on hedges	102	26
Foreign currency translation adjustment	(3,238)	957
Remeasurements of defined benefit plans	152	100
Share of other comprehensive income of entities accounted for using equity method	302	931
Total other comprehensive income	(93)	2,502
Comprehensive income	15,931	20,984
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	15,129	19,598
Comprehensive income attributable to non-controlling interests	801	1,386

(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 2015 (From April 1, 2014 to June 30, 2014)	1 Q of FY 2016 (From April 1, 2015 to June 30, 2015)	Change
Trucks and buses	40,190 units	41,086 units	896 units
Toyota brand vehicles	41,624 units	36,185 units	(5,439 units)

(2) Actual Sales (Consolidated)

Category	1 Q of FY 2015 (From April 1, 2014 to June 30, 2014)		1 Q of FY 2016 (From April 1, 2015 to June 30, 2015)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	10,125	68,655	12,687	91,781	2,562	23,126
Overseas	24,606	100,578	27,754	127,269	3,148	26,690
Supplies and parts for overseas production	—	634	—	324	—	(310)
Total trucks and buses	34,731	169,868	40,441	219,375	5,710	49,507
Total Toyota brand vehicles	41,665	84,107	36,201	78,273	(5,464)	(5,834)
Japan	—	13,384	—	13,830	—	445
Overseas	—	11,419	—	13,439	—	2,019
Total service parts	—	24,804	—	27,269	—	2,465
Japan	—	37,364	—	37,661	—	296
Overseas	—	7,321	—	4,881	—	(2,439)
Toyota	—	41,755	—	39,556	—	(2,198)
Total others	—	86,441	—	82,099	—	(4,342)
Total net sales	—	365,221	—	407,018	—	41,796

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