

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



January 29, 2016  
 Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.  
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Scheduled Date of Quarterly Financial Statements Filing: February 3, 2016

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, 2016 (April 1, 2015–December 31, 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	%
3 Q of FY 2016	1,306,092	7.1	81,320	1.1	78,676	(4.8)	55,853	5.0
3 Q of FY 2015	1,219,495	(2.6)	80,404	(11.7)	82,615	(5.8)	53,204	(10.3)

(Note) Comprehensive income: 3 Q of FY 2016: ¥51,549 million (-34.4%) 3 Q of FY 2015: ¥78,529 million (1.7%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
3 Q of FY 2016	97.44		97.34	
3 Q of FY 2015	92.89		92.75	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
3 Q of FY 2016	1,115,130		492,228		40.0	
FY 2015	1,124,196		465,370		37.3	

(Reference) Equity capital: 3 Q of FY 2016: ¥446,009million 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	—	20.00	—		
FY 2016 (forecast)				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)

(% of change from FY2015.)

	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	3 Q of FY 2016	574,580,850 shares	FY 2015	574,580,850 shares
2) Number of treasury stock at end of term	3 Q of FY 2016	1,362,960 shares	FY 2015	1,400,435 shares
3) Average number of shares (quarterly consolidated cumulative period)	3 Q of FY 2016	573,214,395 shares	3 Q of FY 2015	572,748,929 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.

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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 truck market during the current third quarter (nine months), the performance remained healthy due to economic recovery. As a result, the total demand for heavy- and medium-duty trucks increased to 63.1 thousand units by 1.7 thousand units (2.7%) compared to the same quarter in the previous year. Total demand for light-duty truck increased to 70.9 thousand units by 2.5 thousand units (3.7%) 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 44.4 thousand units by 2.8 thousand units (6.8%) 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 81.7 thousand units by 2.1 thousand units (2.6%) 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 126.1 thousand units by 4.9 thousand units (4.0%) 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 119.3 thousand units by 7.0 thousand units (-5.5%) compared to the same quarter in the previous year.

As a result of the above, net sales in the current third quarter were ¥1,306,092 million, which is an increase of ¥86,596 million (7.1%) as compared to the same quarter in the previous year. As for profit and loss, affected by an increase in domestic sales of vehicles and the transition to the weaker yen from the same quarter in the previous year, etc., operating income was ¥81,320 million which is an increase of ¥916 million (1.1%) compared to the same quarter in the previous year, ordinary income was ¥78,676 million which is a decrease of ¥3,939 million (-4.8%) compared to the same quarter in the previous year, and profit attributable to owners of parent was ¥55,853 million which is an increase of ¥2,648 million (5.0%) compared to the same quarter in the previous year.

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

Total assets at the end of the third quarter decreased by ¥9,066 million to ¥1,115,130 million compared to the end of the previous fiscal year. This is mainly because notes and accounts receivable - trade decreased by ¥13,275 million.

Liabilities decreased by ¥35,925 million to ¥622,901 million compared to the end of the previous fiscal year. This is mainly because notes and accounts payable - trade decreased by ¥22,798 million and income taxes payable decreased by ¥9,361 million.

Net assets increased by ¥26,858 million to ¥492,228 million compared to the end of the previous fiscal year. This is mainly because profit attributable to owners of parent of ¥55,853 million was recorded, although dividends from retained earnings of ¥24,079 million were paid.

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

As for the truck and bus market in Japan, the performance is estimated to remain healthy. As for overseas truck and bus markets, it is necessary to pay attention to the market trend while considering the sluggish growth of the markets in emerging countries due to the slowdown of the Chinese economy, the effects of low prices of resources, etc.

Considering the changes in business environments, including sales trends, in domestic and overseas markets, we have revised the full-year earnings forecast as follows.

#### (Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales .....	¥1,740,000 million
Operating income .....	¥110,000 million
Japan unit sales of trucks and buses .....	60.5 thousand units
Overseas unit sales of trucks and buses .....	108.0 thousand units
Unit sales of Toyota brand vehicles .....	159.0 thousand units

\* The above forecasts are created based on the information available to the company and on certain assumptions deemed reasonable, and are not guaranteed to be achieved.

## 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 interests to non-controlling interests. In order to reflect these changes, we reproduced the quarterly consolidated financial statements for the previous third 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)	Third Quarter of FY 2016 (As of December 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	36,104	38,529
Notes and accounts receivable - trade	299,821	286,546
Merchandise and finished goods	131,051	130,602
Work in process	33,584	35,870
Raw materials and supplies	35,877	40,539
Other	65,260	65,725
Allowance for doubtful accounts	(3,620)	(4,028)
Total current assets	598,079	593,786
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	102,185	105,346
Machinery, equipment and vehicles, net	89,248	103,364
Land	100,460	106,266
Other	71,692	46,938
Total property, plant and equipment	363,586	361,917
Intangible assets	20,358	20,085
Investments and other assets		
Investment securities	126,186	124,679
Other	19,058	17,704
Allowance for doubtful accounts	(3,072)	(3,043)
Total investments and other assets	142,171	139,341
Total non-current assets	526,117	521,344
Total assets	1,124,196	1,115,130
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	262,854	240,055
Short-term loans payable	117,180	134,454
Current portion of long-term loans payable	8,652	6,472
Income taxes payable	13,007	3,646
Provision for product warranties	32,196	31,134
Other provision	6,010	2,695
Other	94,243	81,010
Total current liabilities	534,143	499,468
Non-current liabilities		
Long-term loans payable	20,296	26,220
Net defined benefit liability	58,594	52,818
Other provision	1,836	1,782
Other	43,955	42,611
Total non-current liabilities	124,683	123,432
Total liabilities	658,826	622,901

(Millions of yen)

	FY 2015 (As of March 31, 2015)	Third Quarter of FY 2016 (As of December 31, 2015)
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	65,299	66,015
Retained earnings	228,955	260,729
Treasury shares	(517)	(505)
Total shareholders' equity	366,454	398,956
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,049	49,670
Deferred gains or losses on hedges	(20)	20
Revaluation reserve for land	2,187	2,187
Foreign currency translation adjustment	2,364	(1,959)
Remeasurements of defined benefit plans	(3,252)	(2,865)
Total accumulated other comprehensive income	52,328	47,052
Subscription rights to shares	128	123
Non-controlling interests	46,459	46,095
Total net assets	465,370	492,228
Total liabilities and net assets	1,124,196	1,115,130

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

[Quarterly Consolidated Statements of Income]

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

(Millions of yen)

	Third Quarter of FY 2015 (From April 1, 2014 to December 31, 2014)	Third Quarter of FY 2016 (From April 1, 2015 to December 31, 2015)
Net sales	1,219,495	1,306,092
Cost of sales	1,002,380	1,078,335
Gross profit	217,115	227,756
Selling, general and administrative expenses		
Salary and allowances	33,290	35,444
Provision for bonuses	1,183	1,333
Retirement benefit expenses	2,443	2,322
Other	99,793	107,335
Total selling, general and administrative expenses	136,710	146,436
Operating income	80,404	81,320
Non-operating income		
Interest income	986	833
Dividend income	2,133	3,097
Foreign exchange gains	2,358	-
Share of profit of entities accounted for using equity method	455	1,007
Miscellaneous income	2,398	1,796
Total non-operating income	8,331	6,735
Non-operating expenses		
Interest expenses	4,606	5,177
Foreign exchange losses	-	3,102
Miscellaneous expenses	1,514	1,099
Total non-operating expenses	6,120	9,379
Ordinary income	82,615	78,676
Extraordinary income		
Gain on sales of non-current assets	1,127	238
Gain on sales of investment securities	61	65
Gain on bargain purchase	-	383
Gain on step acquisitions	-	581
Other	24	196
Total extraordinary income	1,212	1,467
Extraordinary losses		
Loss on sales and retirement of non-current assets	518	540
Impairment loss	20	16
Other	81	252
Total extraordinary losses	620	809
Income before income taxes	83,208	79,333
Income taxes—current	26,111	19,346
Income taxes—deferred	(646)	1,199
Total income taxes	25,464	20,545
Net income	57,743	58,788
Profit attributable to non-controlling interests	4,538	2,934
Profit attributable to owners of parent	53,204	55,853



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

(Millions of yen)

	Third Quarter of FY 2015 (From April 1, 2014 to December 31, 2014)	Third Quarter of FY 2016 (From April 1, 2015 to December 31, 2015)
Net income	57,743	58,788
Other comprehensive income		
Valuation difference on available-for-sale securities	9,261	(3,261)
Deferred gains or losses on hedges	(11)	41
Foreign currency translation adjustment	10,075	(6,210)
Remeasurements of defined benefit plans	451	301
Share of other comprehensive income of entities accounted for using equity method	1,009	1,890
Total other comprehensive income	20,786	(7,238)
Comprehensive income	78,529	51,549
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	70,857	50,578
Comprehensive income attributable to non-controlling interests	7,672	971

**(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 2015 (From April 1, 2014 to December 31, 2014)	3 Q of FY 2016 (From April 1, 2015 to December 31, 2015)	Change
Trucks and buses	128,637 units	122,600 units	(6,037 units)
Toyota brand vehicles	126,405 units	119,508 units	(6,897 units)

**(2) Actual Sales (Consolidated)**

Category	3 Q of FY 2015 (From April 1, 2014 to December 31, 2014)		3 Q of FY 2016 (From April 1, 2015 to December 31, 2015)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	41,584	282,491	44,430	314,271	2,846	31,779
Overseas	79,653	334,896	81,707	371,559	2,054	36,662
Supplies and parts for overseas production	-	1,302	-	649	-	(653)
Total trucks and buses	121,237	618,690	126,137	686,479	4,900	67,788
Total Toyota brand vehicles	126,313	261,127	119,342	263,027	(6,971)	1,899
Japan	-	42,270	-	43,251	-	980
Overseas	-	35,096	-	39,208	-	4,112
Total service parts	-	77,366	-	82,459	-	5,093
Japan	-	114,985	-	118,282	-	3,296
Overseas	-	18,420	-	16,177	-	(2,243)
Toyota	-	128,903	-	139,664	-	10,761
Total others	-	262,310	-	274,124	-	11,814
Total net sales	-	1,219,495	-	1,306,092	-	86,596

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