

Financial Results for Third Quarter of FY2017

(From April 1, 2016 to December 31, 2016)



In 1991, Hino released a large-sized route bus mounted with HIMR*, a diesel-electricity hybrid system, for the first time in the world. Last year, it celebrated the 25th anniversary of the release. (These photos show the current models of hybrid vehicles.)

* Hybrid Inverter controlled Motor & Retarder system

January 31, 2017
Hino Motors, Ltd.



1. Sales Turnover

Global Unit Sales (Retail Sales)

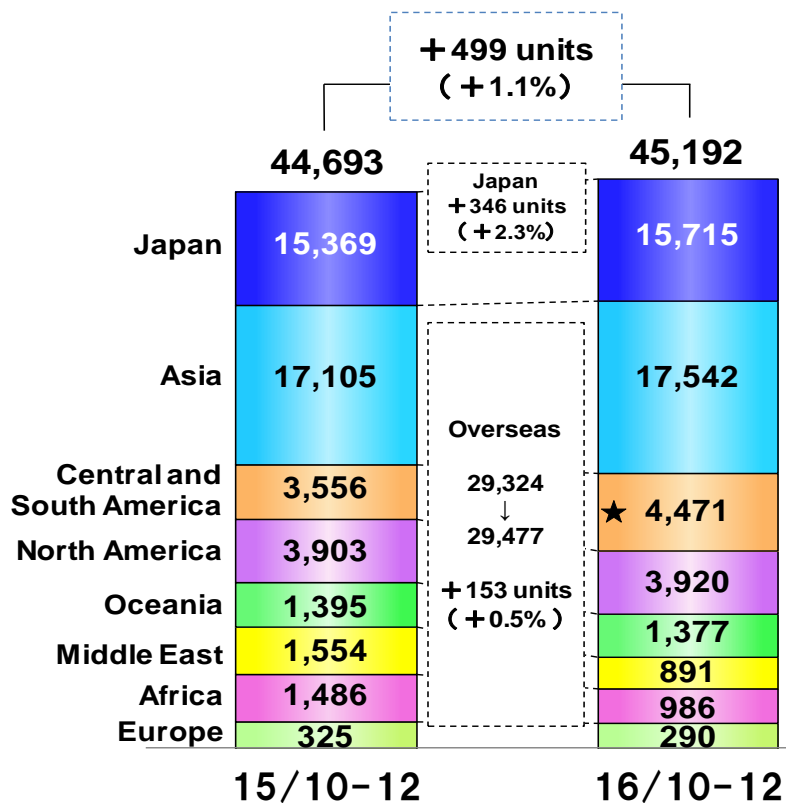
IR 3/19



- Global unit sales achieved a record high for the third quarter period.

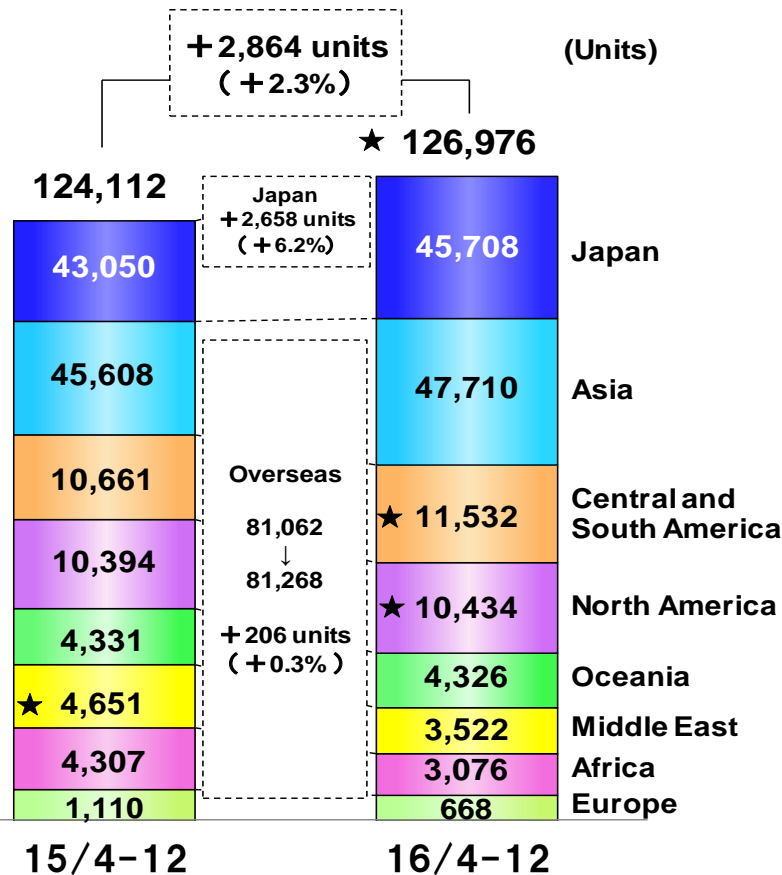
★Record high for a quarter (three months)

Third quarter (three months)



★Record high for the third quarter period (nine months)

Third quarter (nine months)





Truck and Bus Market in Japan

- Truck market: Cargo trucks performed favorably, sales grew from last year.
- Hino's sales: The sales of both trucks and buses increased from the previous year.



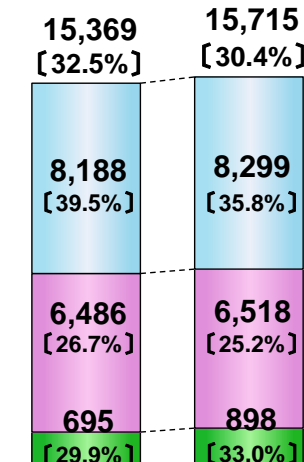
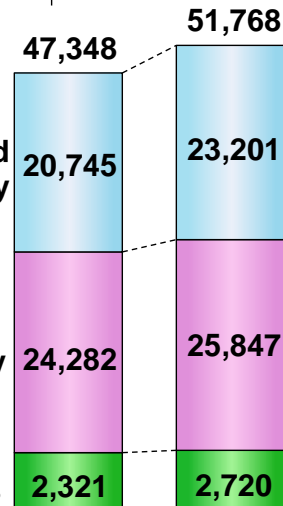
Third quarter
(three months)

Total demand

Hino's sales (Retail)
[Share]

+4,420 units
(+9.3%)

+346 units
(+2.3%)



15/10-12 16/10-12

15/10-12 16/10-12

Third quarter
(nine months)

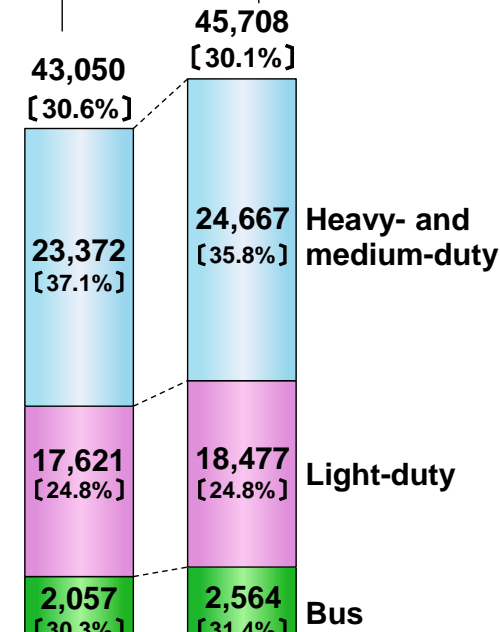
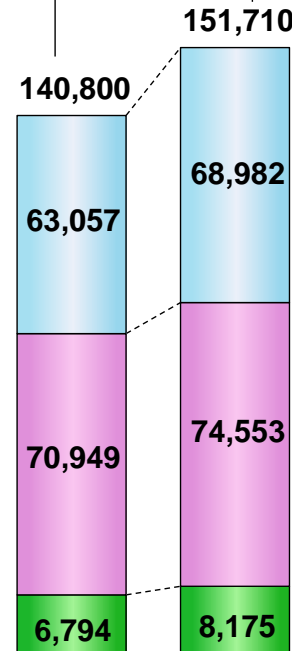
(Units)

Total demand

Hino's sales (Retail)
[Share]

+10,910 units
(+7.7%)

+2,658 units
(+6.2%)



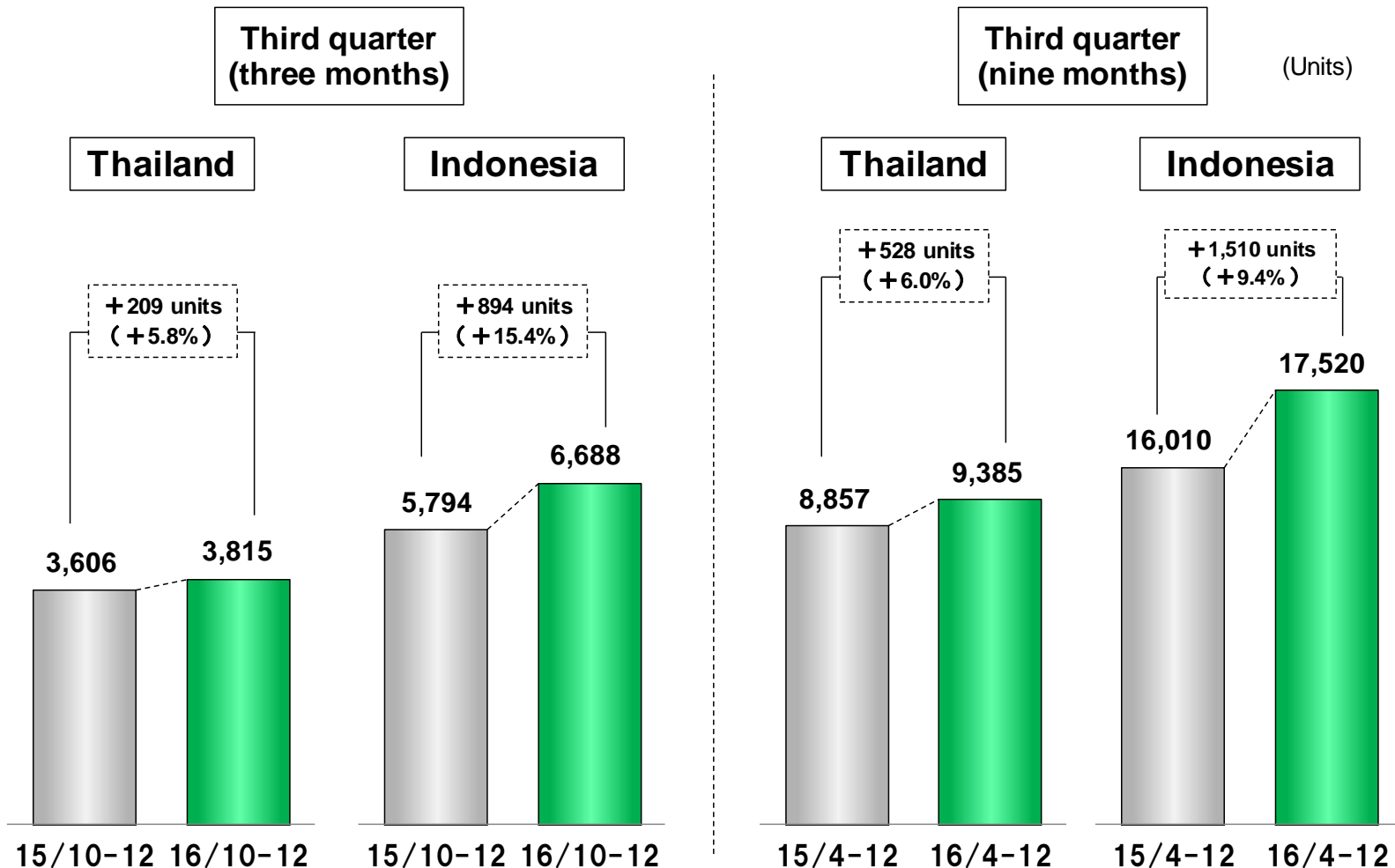
15/4-12 16/4-12

15/4-12 16/4-12



Sales Volumes in Thailand and Indonesia (Retail Sales)

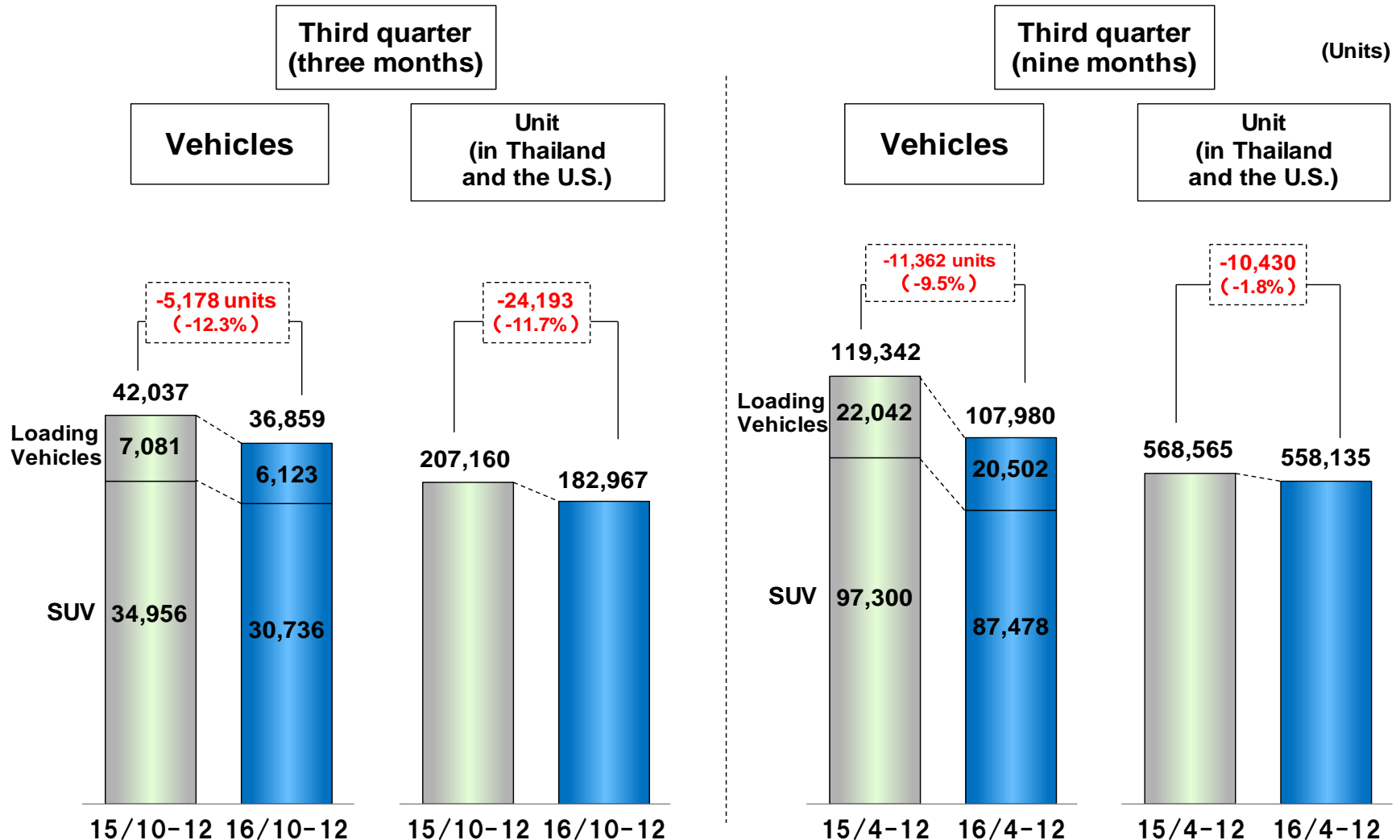
- Thailand: As the demand for construction is robust, sales volume grew year on year for 4 consecutive quarters from the Fourth quarter of FY2016.
- Indonesia: As the demand for construction and mining increased, the market is gently recovering.





Consolidated Sales of Toyota Brand Vehicles and Unit

- Vehicles: Sales of vehicles decreased for both SUV and loading vehicles.
- Unit: The U.S. market remained healthy, but the sales volume declined in Thailand.





2. Consolidated Financial Results



Consolidated Income Statements

(Billions of yen)

Item	FY2017 3Q (¹ 16/4-12)	FY2016 3Q (¹ 15/4-12)	Change	Change (%)
Net sales	1,210.6	★ 1,306.1	— 95.5	— 7.3%
Operating income	<4.2%> 50.5	<6.2%> 81.3	<— 2.0p> — 30.8	— 37.9%
Ordinary income	<4.4%> 52.7	<6.0%> 78.7	<— 1.6p> — 26.0	— 33.0%
Profit attributable to owners of parent	<2.9%> 35.2	<4.3%> 55.9	<— 1.4p> — 20.7	— 37.0%

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

★ Record high for the third quarter period (nine months)

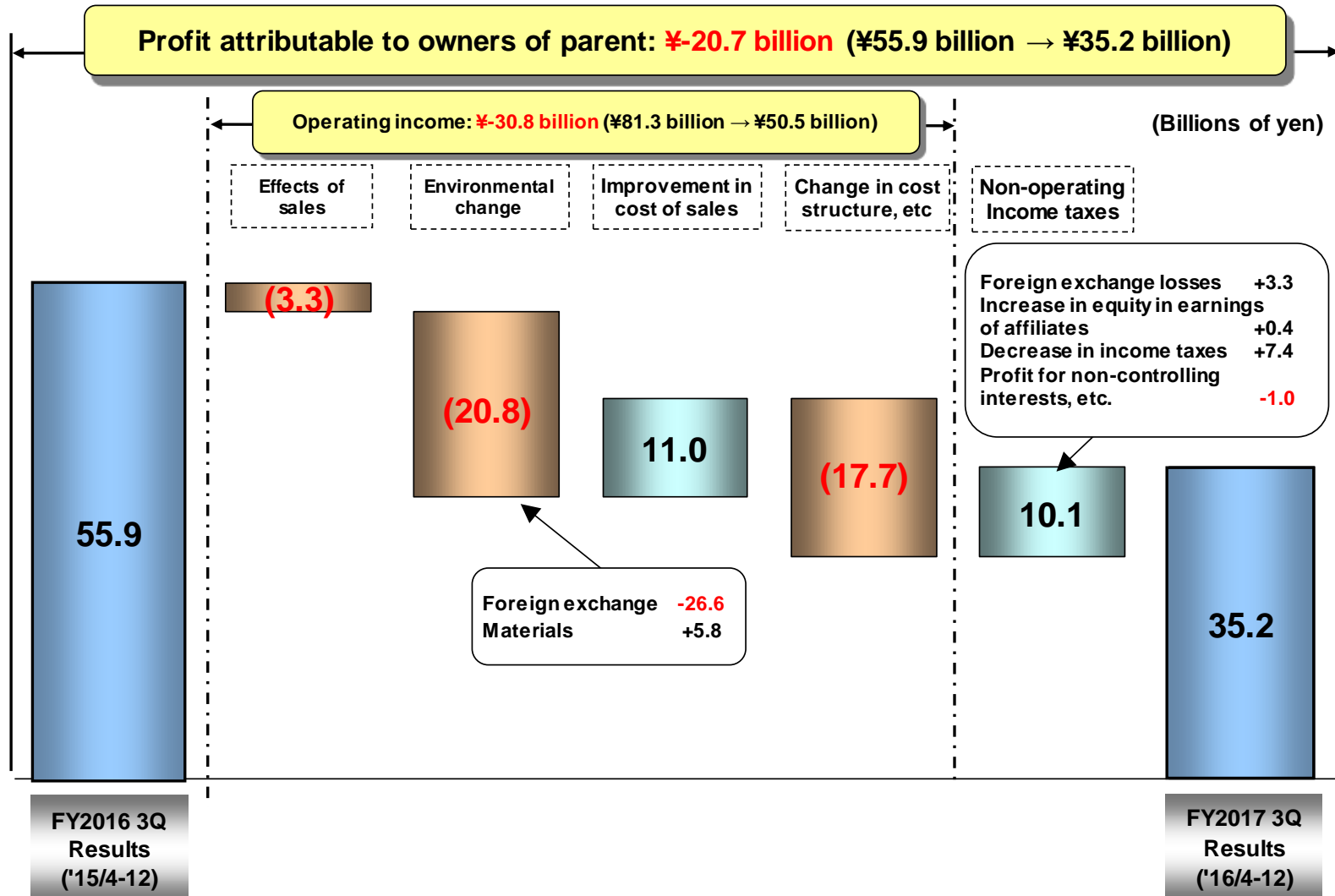
<Exchange rate>

US\$	107	121
THB	3.03	3.52
IDR(100)	0.81	0.90
A\$	80	90



Analysis of Consolidated Income Statements

Income dropped due to the yen appreciation and effects of sales by the decrease in sales to overseas and decrease in Toyota brand vehicles.





Consolidated Income Statements (Three Months)

(Billions of yen)

Item	FY2017 3Q ('16/10-12)	FY2016 3Q ('15/10-12)	Change	Change (%)
Net sales	411.5	447.8	− 36.3	− 8.1%
Operating income	<4.3%> 17.6	<6.1%> 27.1	<− 1.8p> − 9.5	− 35.0%
Ordinary income	<5.0%> 20.6	<6.0%> 26.7	<− 1.0p> − 6.1	− 22.7%
Profit attributable to owners of parent	<3.1%> 12.6	<4.2%> 18.6	<− 1.1p> − 6.0	− 32.3%

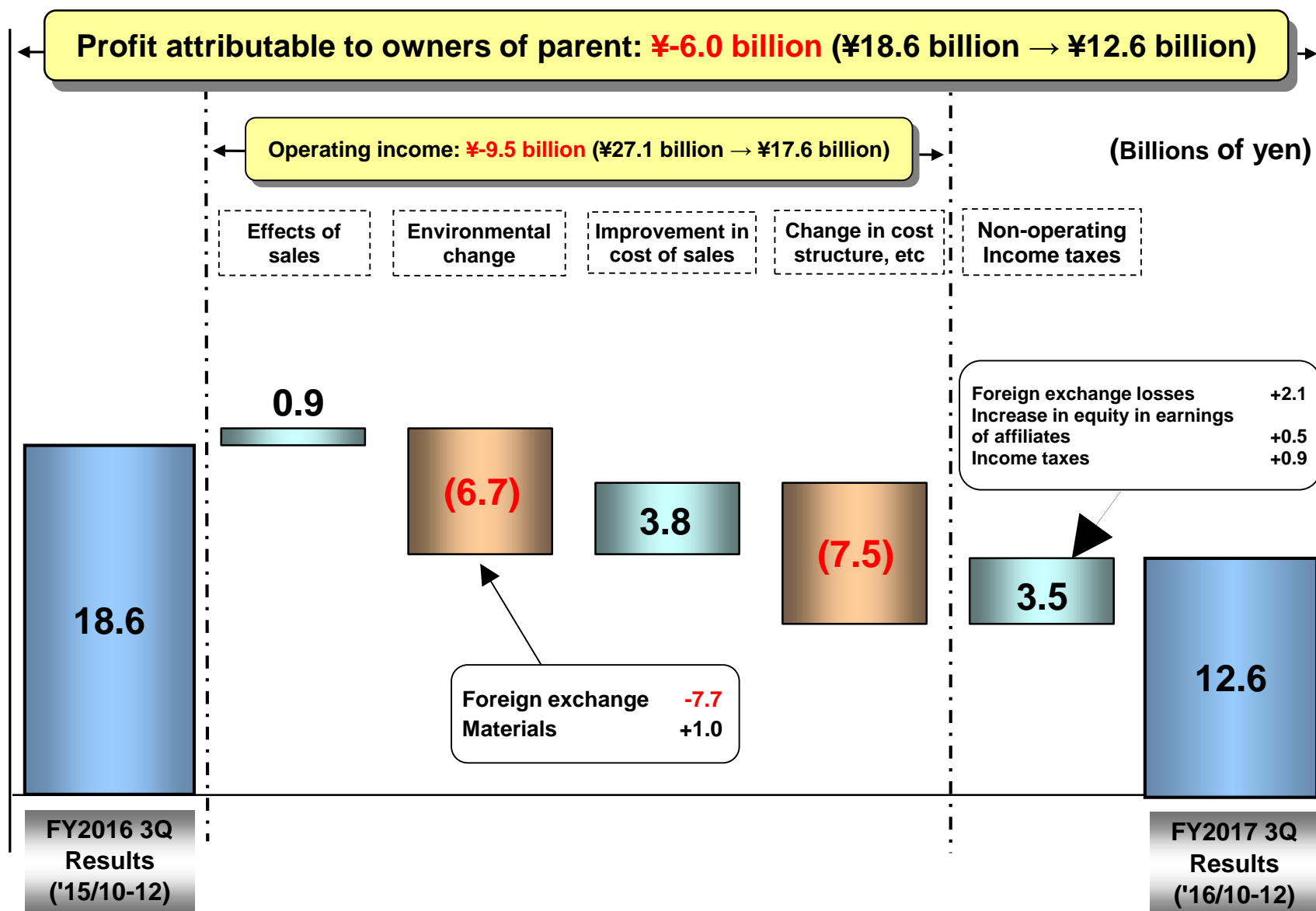
Note: Figures in parentheses (<>) indicate income margin.

<Exchange rate>

US\$	106	121
THB	3.01	3.37
IDR(100)	0.80	0.87
A\$	80	87



Analysis of Consolidated Income Statements (Three Months)





Consolidated Operating Income by Segments

- Japan: Sales and income declined due to the yen appreciation and the drop in shipment to overseas and drop in Toyota brand vehicles.
- Asia: Sales dropped considerably, but income grew thanks to profitability improvement efforts in Thailand and Indonesia, etc.

(Billions of yen)

	FY2017 3Q ('16/4-12)		FY2016 3Q ('15/4-12)		Change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Japan	997.3	<2.9%> 28.8	★ 1,027.3	<5.6%> 57.7	-2.9% -30.0	-50.1% -28.9
Asia	242.0	<5.6%> 13.5	296.7	<4.0%> 11.9	-18.4% -54.7	+13.8% +1.6
Other Areas	142.4	<4.2%> 6.0	★ 170.3	<4.8%> 8.2	-16.4% -27.9	-26.9% -2.2
Consolidated adjustment	-171.1	2.2	-188.2	3.5	+17.1	-1.3
Total	1,210.6	<4.2%> 50.5	★ 1,306.1	<6.2%> 81.3	-7.3% -95.5	-37.9% -30.8

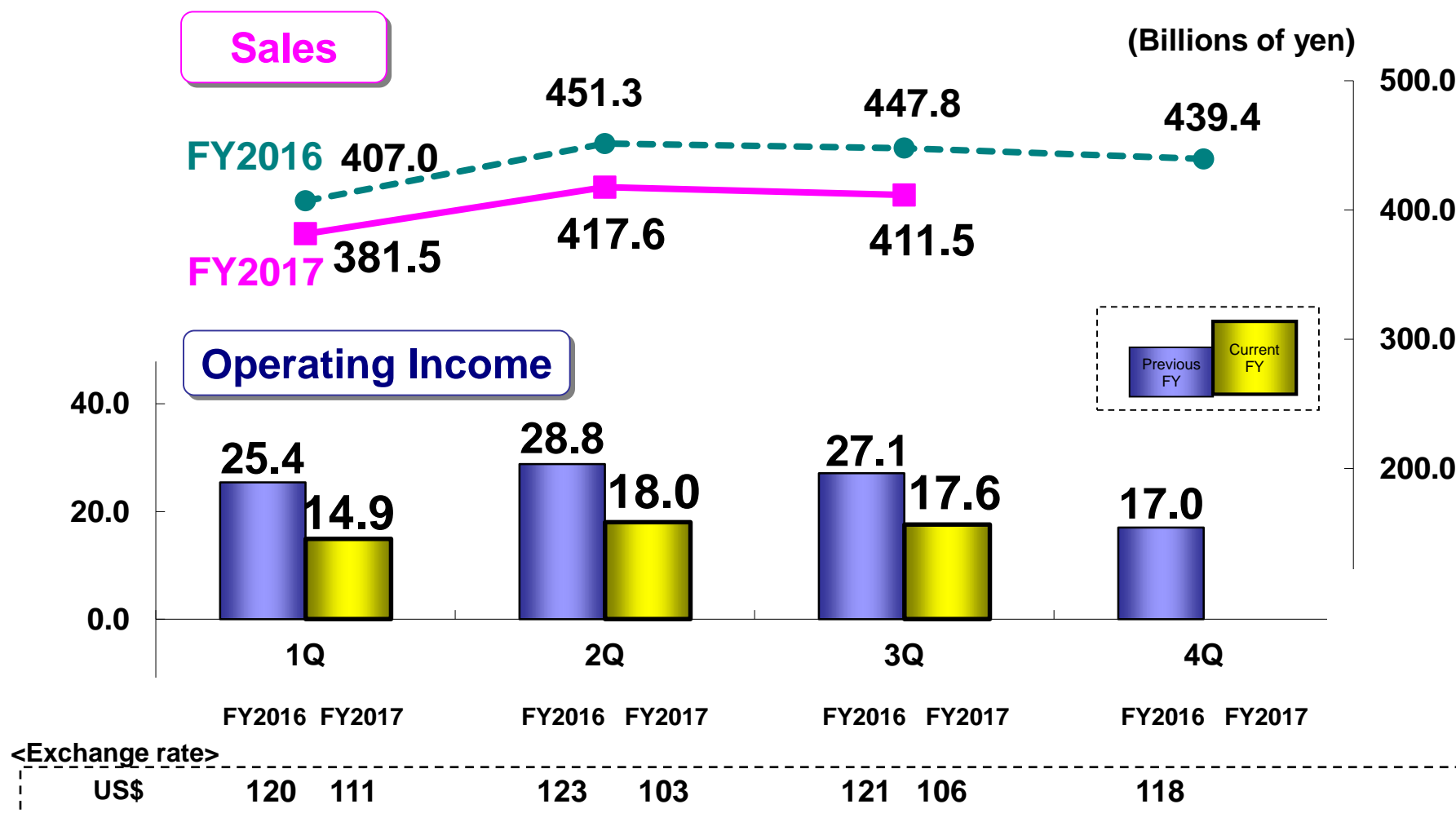
Note: Figures in parentheses (<>) indicate operating income margin.

Percentages in the column "Change" indicate year-on-year change.

★Record high for the third quarter period
(nine months)



Trends in the Quarterly Consolidated Sales and Operating Income





3. Sales Forecasts for FY2017



Global Unit Sales (Retail Sales)

• Performance is generally progressing as announced on Oct. 27 both in Japan and overseas, and so there is no revision to the estimated unit sales.

(Thousand units)					(Thousand units)		
	FY2017 (^{'16/4} - ^{'17/3}) Forecasts	FY2017 (^{'16/4} - ^{'17/3}) Forecasts announced on October 27	Change	Change (%)	FY2016 (^{'15/4} - ^{'16/3}) Results	Change	Change (%)
Japan	64.1	64.1	—	—	60.7	+3.4	+5.7%
Overseas	108.0	108.0	—	—	107.0	+1.0	+1.0%
Total	172.1	172.1	—	—	167.6	+4.5	+2.7%
Toyota brand (*)	144.4	144.4	—	—	154.9	-10.5	-6.8%

*Including Dyna for Indonesia.



4. Consolidated Financial Forecasts for FY2017



Consolidated Income Statements

- The assumed exchange rates have been revised, and the estimated operating income announced on Oct. 27 has been revised upwardly to 69.0 billion yen.

Item	(Billions of yen)				(Billions of yen)		
	FY2017 (^{'16/4} - ^{'17/3}) Forecasts	FY2017 (^{'16/4} - ^{'17/3}) Forecasts announced on October 27	Change	Change (%)	FY2016 (^{'15/4} - ^{'16/3}) Results	Change	Change (%)
Net sales	1,650.0	1,630.0	+20.0	+1.2%	1,745.5	-95.5	-5.5%
Operating income	<4.2%> 69.0	<3.7%> 60.0	<+0.5p> +9.0	+15.0%	<5.6%> 98.3	<-1.4p> -29.3	-29.8%
Ordinary income	<4.2%> 69.0	<3.6%> 59.0	<+0.6p> +10.0	+16.9%	<5.5%> 95.9	<-1.3p> -26.9	-28.0%
Profit attributable to owners of parent	<2.9%> 48.0	<2.5%> 41.0	<+0.4p> +7.0	+17.1%	<3.7%> 65.1	<-0.8p> -17.1	-26.3%

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

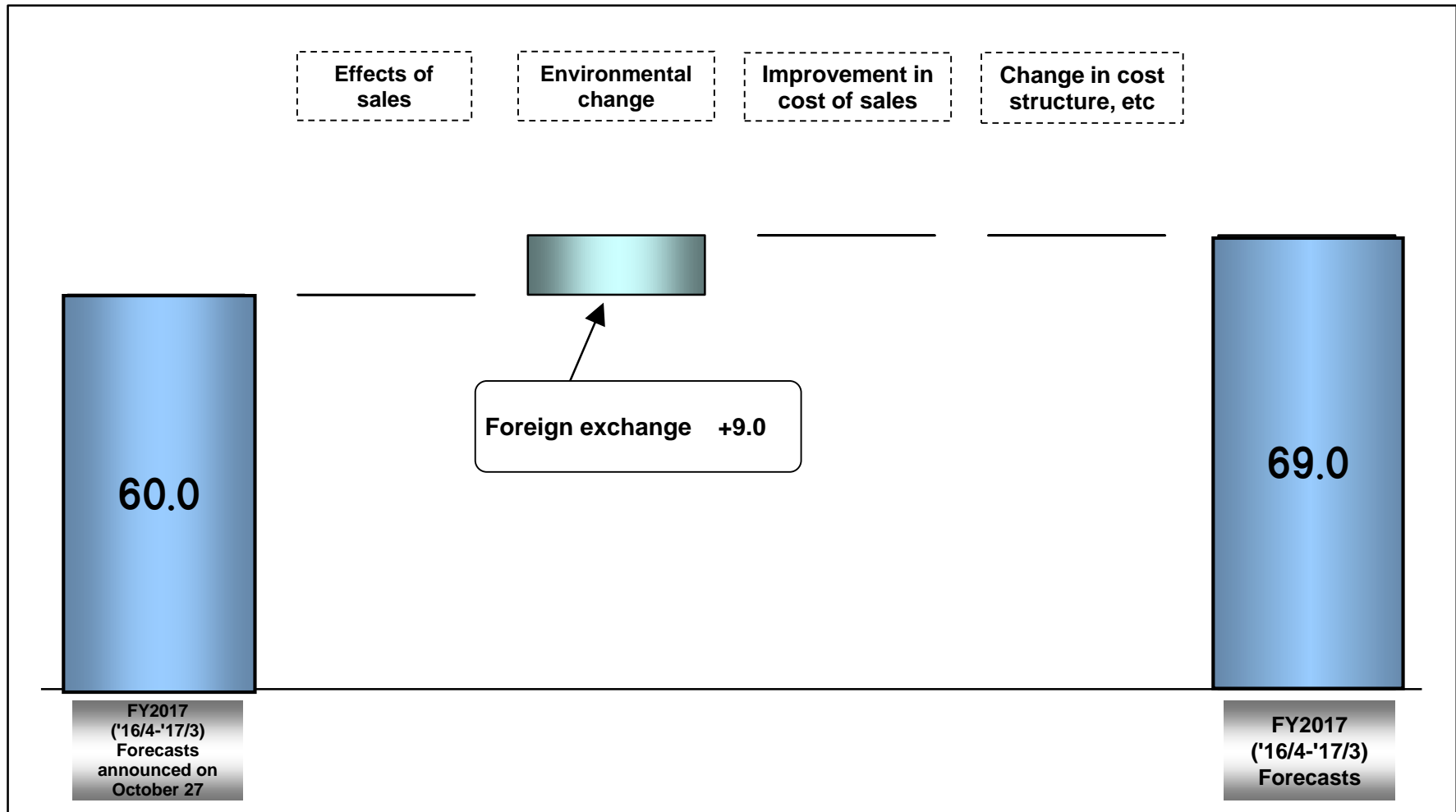
<Exchange rate>	('16/4-12 results) ('17/1-3 plan)				FY2016 (^{'15/4} - ^{'16/3}) results
	US\$	THB	IDR(100)	A\$	
	108	3.06	0.82	81	120
		2.93	0.78	77	3.46
		3.03	0.81	80	0.89
		3.11	0.83	83	89



Analysis of Consolidated Operating Income (Comparison with forecasts announced on October 27)

Increase in operating income: ¥+9.0 billion (¥60.0 billion → ¥69.0 billion)

(Billions of yen)



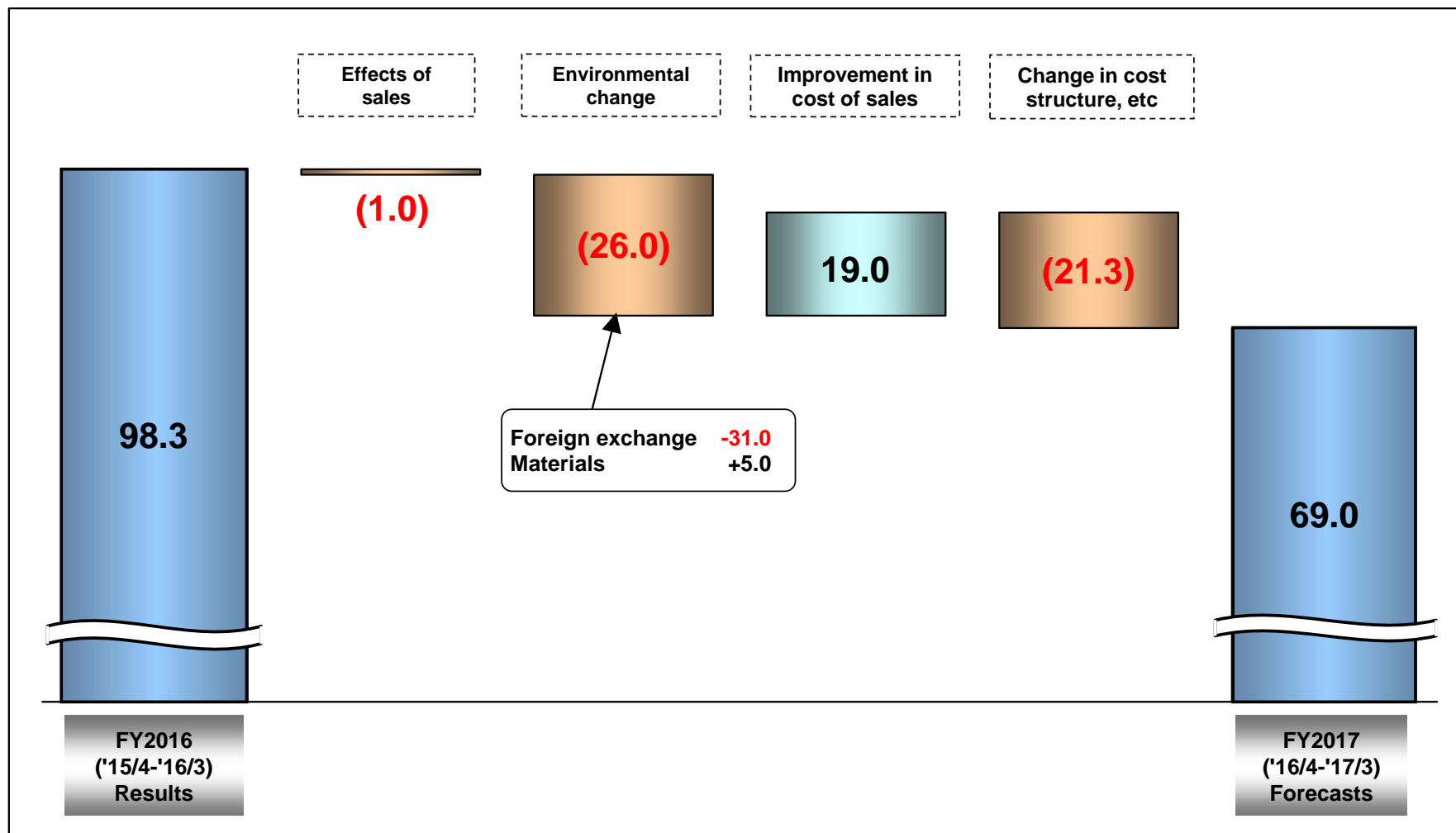
Analysis of Consolidated Operating Income (Year-on-year comparison)

IR 19/19



Decrease in operating income: **¥-29.3 billion** (¥98.3 billion → ¥69.0 billion)

(Billions of yen)





HINO