

Financial Results for FY2017

Prepared Remarks by President Yasuhiko Ichihashi

[Performance for FY2017, the term ended March 2017]

We achieved unit sales of 66,815 units which was a record high.

While our overseas sales did not reach record levels, it was higher than the previous fiscal year. Our global unit sales totalled 174,409 units, which was a record high.

In terms of our financial performance, we achieved sales of 1,683.7 billion yen; operating profits of 71.2 billion yen; and net profits of 49.4 billion yen.

Compared to the previous year, while sales generally proceeded at a good pace, the appreciation of the yen, increased investments for future growth, and a decline in the number of units shipped to Toyota had a negative impact on our performance, resulting in decreased sales and profits.

Thanks to factors such as our performance exceeding our forecast published in January, we will be increasing our year-end dividend to 15 yen, a 4 yen increase from our previously forecast amount, for a

total of 26 yen for the year combined with the mid-term dividend.

[Forecasts for FY2018, the term ending March 2018]

We are planning to increase sales in Japan and in other regions to achieve global unit sales of 183,000 units. Our aim is to actively sell the new model that we announced earlier in Japan, and to achieve sales in oversea markets that are on a recovery trend, including Indonesia.

As for our financial performance forecast, we are expecting increases in expenses again this term, which will include the costs of depreciation for the Koga Plant that we will begin to see in earnest. In addition, while we expect the materials market to become a major factor in our fall in profits, we will be aiming to achieve increased revenue and profit by increasing sales in Japan and other regions, as well as through cost cutting in which the effect of the Koga Plant will have a major impact. As such, we have set our forecasts for sales at 1,720 billion yen, operating profits at 75 billion yen, and net profits at 50 billion yen.

As for dividends, we will maintain our guideline dividend ratio at 30% as we move forward with improving our financial strength and investments geared towards sustainable growth, and keep them

unchanged from the previous term at 26 yen.

[New heavy- and medium-duty truck models in Japan]

Earlier, we announced our new heavy-duty truck “HINO Profia” and medium-duty truck “HINO Ranger” models for Japanese market.

With driver shortages continuing to intensify year by year, we recognize that there are many challenges that we must overcome as a manufacturer to enable logistics businesses to secure and retain HR, and in doing so, support the logistics industry which is one of the essential lifelines of our society. These new models were developed based on our goal to create trucks that benefit the drivers, businesses, and cargo owners.

Based on this vision, these trucks offer reduced workload and better comfort for the drivers, better fuel economy, extensive safety features, and come with the ICT service through which we aim to provide even better “Total Support” for maximizing the up times of the vehicles that our customers operate.. As such, these trucks embody the best that Hino has to offer.

As exemplified in the catch phrase from the new commercials that we have been airing recently — “Boss, you gotta let me drive this” — we

are confident that this is a truck that all drivers will want to drive.

Since its announcement, we have been holding showcasing events for customers around the country. These events have attracted a large number of visitors and test drivers who have expressed their expectations and praise for these models.

[New model production and our pursuit of quality products]

These new models will be produced at the Koga Plant which began full-fledged operations early in 2017. We will be shifting vehicle production entirely from the Hino Plant to the Koga Plant before the end of the year. We are committed to conclude this transition successfully, and ensure that we reap the benefits of our investments.

Our ongoing commitment at Hino is to improve productivity as well as flexibility to respond to fluctuations in demand by optimizing our production systems through a reorganization of our processes—including shifting our vehicle-related operations to the Koga plant and unit-related processes to the Nitta plant—so that we are able to develop “best-fit” products and deliver “quality products” that meet the diverse needs of our customers in short lead times.

[Actions moving forward]

Moving on to our last topic, I would like to touch on the challenges that we will be taking on as we move forward.

The business climate of the automobile industry has been undergoing rapid changes in recent years, with a huge wave of technological innovation sweeping through, particularly in terms of interest in automated driving.

At Hino, we believe that the pursuit of advanced safe driving support technologies will lead to the establishment of automated driving technologies. As such, we will be moving forward with the development of advanced technologies which we have continued to work on for improving safety, peace of mind, and convenience.

The development of a diverse range of elemental technologies is not something that can be achieved by a single company. At Hino, we are actively engaging in technological development based on our conviction that the key to commercialization of these technologies lies not only in the synergies that come from being a member of the Toyota Group, but also in the broad range of actions that we take in joint government-private sector projects. Moving forward, we aim to provide new added value by responding to our customers' needs in a

timely fashion and thereby help improve efficiencies in the logistics industry.

In terms of environmental technologies, we will continue to move forward with our hybrid systems—which have a track record of a quarter of a century—and new applications for these technologies, as well as the technological development of electric vehicles including EVs and FCVs(fuel cell vehicles) to provide the right products at the right place in a timely manner.

[In closing]

At Hino, we are committed to keep our eyes on where we are today as well as on our future as we take on challenges that will enable us to grow in a sustainable manner. In terms of the optimization of our production systems and development of best-fit products, we will be taking solid steps forward to enhance the product power of our light-duty trucks, following in the footsteps of the heavy-and medium-duty trucks that we announced earlier.

Provide ongoing support to our customers' businesses and grow together with them through “best-fit products” and “Total Support” ... This is our vision of the kind of company that we aim to be.