

Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP] (Consolidated)

English translation from the original Japanese-language document



April 26, 2018

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.

Code Number: 7205 URL: <http://www.hino.co.jp/>

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Scheduled Date of Annual Meeting of Shareholders: June 26, 2018

Scheduled Date of Dividend Payment Start: June 11, 2018

Scheduled Date of Financial Statements Filing: June 26, 2018

Supplementary materials for Financial Results: Yes

Investor conference for Financial Results: Yes (For Mass Media and Analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Consolidated Financial Results

(% 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	%
FY 2018	1,837,982	9.2	80,331	12.9	80,422	11.6	51,361	4.0
FY 2017	1,683,720	-3.5	71,178	-27.6	72,042	-24.9	49,408	-24.1

(Note) Comprehensive income FY 2018: ¥ 60,764 million (6.3%) FY 2017: ¥ 57,152 million (93.8%)

	Profit per share	Diluted Profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY 2018	89.52	89.49	10.6	6.5	4.4
FY 2017	86.15	86.11	11.0	6.2	4.2

(Reference) Equity in earnings of affiliated companies: FY 2018: ¥ 1,620 million FY 2017: ¥ 1,508 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	%
FY 2018	1,295,191	552,848	38.8	875.40
FY 2017	1,192,385	512,913	39.0	811.07

(Reference) Equity capital: FY 2018: ¥ 502,365 million FY 2017: ¥ 465,289 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2018	86,473	-62,781	-9,448	44,577
FY 2017	75,758	-92,583	17,461	31,123

2. Dividends

	Dividends per share					Total dividends (annual)	Dividends payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY 2017	—	11.00	—	15.00	26.00	14,916	30.2	3.3
FY 2018	—	13.00	—	15.00	28.00	16,070	31.3	3.3
FY 2019 (forecast)	—	14.00	—	14.00	28.00		30.9	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(% of change from FY2018.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2019	1,860,000	1.2	83,000	3.3	83,000	3.2	52,000	1.2	90.63

*Notes

(1) Changes in significant subsidiaries (changes of specified subsidiaries resulting in changes in scope of consolidation) during the current term: None

(2) 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

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term	FY 2018	574,580,850 shares	FY 2017	574,580,850 shares
2) Number of treasury stock at end of term	FY 2018	713,542 shares	FY 2017	903,739 shares
3) Average number of shares	FY 2018	573,752,681 shares	FY 2017	573,507,059 shares

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2018	1,330,573	9.4	32,785	37.5	42,586	32.3	35,255	37.3
FY 2017	1,215,819	-0.6	23,846	-52.2	32,191	-47.1	25,669	-42.8

	Profit per share	Diluted Profit per share
	Yen	Yen
FY 2018	61.43	61.42
FY 2017	44.75	44.73

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2018	820,005	384,736	46.9	670.24
FY 2017	771,311	362,491	47.0	631.64

(Reference) Equity capital: FY 2018: ¥ 384,714 million FY 2017: ¥ 362,438 million

* Summary of financial results is out of scope of audit by Certified Public Accountants or Audit companies.

* 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. For assumptions used in forecasting financial results and precautions in using the financial projections, please refer to Appendix on Page 4, “1. Business Performance Overview; (4) Future Outlook.”

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1. Operating Results Overview

(1) Operating Results Overview for Current Term

As for the Japanese domestic truck market in this consolidated fiscal year, the demand for cargo trucks performed well, but the demand for construction trucks declined. Accordingly, the total demand for heavy- and medium-duty trucks decreased to 91.1 thousand units by 7.0 thousand units (-7.1%) compared to the previous year. However, the total demand for light-duty truck increased to 104.1 thousand units by 0.4 thousand units (0.4%) compared to the previous year. In sum, the total demand for heavy-, medium-, and light-duty trucks was nearly unchanged from the previous year. As for heavy- and medium-duty trucks in the current consolidated fiscal year, new models were highly evaluated for their safety, environmental friendliness, etc. and so we achieved the largest number of registered trucks for 45 consecutive years, and their share was 37.7%, comparable to that in the previous year. Our share in the light-duty truck market reached 27.3%, a record high, as a result of active sales promotion. As for Japanese domestic sales volume, the total sales volume of heavy-, medium-, light-duty trucks and buses increased to 67.5 thousand units by 0.4 thousand units (0.6%) from the previous fiscal year.

As for overseas markets, the sales volume in Asia, mainly Indonesia, which is the major target market, increased. Accordingly, the sales volume of trucks and buses outside Japan for this consolidated fiscal year increased to 116.5 thousand units by 11.8 thousand units (11.2%) from the previous fiscal year.

As a result of the above, total unit sales of Hino Brand trucks and buses increased to 184.0 thousand units, a record high, by 12.2 thousand units (7.1%) from the previous fiscal year.

As for the volume of sales to Toyota Motor Corporation, mainly because the sales of SUV increased, total sales volume increased to 150.2 thousand units by 5.9 thousand units (4.1%) from the previous fiscal year.

As a result of the above, consolidated net sales were ¥1,837,982 million, which is an increase of ¥154,262 million (9.2%) as compared to the previous fiscal year. As for profits, due to an increase in the quantity sold of trucks and buses, consolidated operating income increased to ¥80,331 million which is an increase of ¥9,153 million (12.9%) as compared to the previous fiscal year. Ordinary income increased to ¥80,422 million which is an increase of ¥8,379 million (11.6%) as compared to the previous fiscal year. Profit attributable to owners of parent increased to ¥51,361 million which is an increase of ¥1,953 million (4.0%) as compared to the previous fiscal year.

(2) Financial Position Overview for Current Term

Total assets as of the end of this fiscal year increased to ¥1,295,191 million by ¥102,805 million compared to the end of the previous fiscal year. This is mainly because inventories at the end of the consolidated fiscal year increased by ¥38,916 million, and notes and accounts receivable - trade increased by ¥27,582 million due to an increase in the quantity sold of trucks and buses from the previous year.

Liabilities increased to ¥742,342 million by ¥62,870 million compared to the end of the previous fiscal year. This is mainly because notes and accounts payable - trade increased by ¥41,707 million.

Net assets increased to ¥552,848 million by ¥39,935 million compared to the end of the previous fiscal year. This is mainly because ¥51,361 million was posted as profit attributable to owners of parent, although dividends from retained earnings of ¥16,067 million were paid.

(3) Cash Flow Overview for Current Term

Cash flows for this fiscal year are as follows.

Cash provided by operating activities was ¥86,473 million. This was mainly due to posting profit before income taxes of ¥81,725 million.

Cash used in investing activities was ¥62,781 million. This was mainly due to the expenditure of ¥60,087 million on the purchase of property, plant and equipment centering on production facilities.

Cash used in financing activities was ¥9,448 million. This was mainly due to cash dividends paid of ¥16,067 million and net increase of interest-bearing debt of ¥10,127 million.

As a result, cash and cash equivalents at the end of this fiscal year increased to ¥44,577 million by ¥13,454 million compared to the end of the previous fiscal year.

(4) Forecasts for the Fiscal Year Ending March 31, 2019

As for the Japanese markets of trucks and buses, demand is estimated to decrease gently, as the demand for replacement has come to an end. On the other hand, in overseas markets, demand is forecasted to continue to rise and be healthy mainly in Asia, especially Indonesia. As for earnings, we will strive to increase profits through cost improvement and the effects of new heavy- and medium-duty trucks in Japan, although there will be some effects of the yen appreciation, the augmenting prices of raw materials, etc.

In these circumstances, the Hino Group will support the business of each customer, contribute to society, and achieve the sustainable growth of the Hino Group by making Hino trucks and buses “more useful” based on the slogan “Trucks and Buses that do more” and the three objectives: “Provision of appropriate products with safety and environment technologies,” “Ultimately customized total support for customers,” and “Challenge new fields.”

Therefore, the earnings forecast for the next term is as follows:

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales	¥1,860,000 million
Operating income	¥83,000 million
Japan unit sales of trucks and buses	67.0 thousand units
Overseas unit sales of trucks and buses.....	134.0 thousand units
Unit sales of Toyota brand vehicles.....	138.7 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.

(5) Basic Policy on Profit Distribution and Dividends for FY2018 and FY2019

Our company will strive to achieve a consolidated payout ratio of 30% stably and continuously, while fortifying its financial standing and considering its business performance, new investments, etc. in each term.

As for the term-end dividend for the current term, the board of directors resolved to pay ¥15 per share and set the date of payment start at June 11, 2018, at their meeting held on April 26, 2018, while comprehensively considering the above basic policy, the business environment surrounding our company, etc. Accordingly, the annual dividend will become ¥28 per share (up ¥2 per share from the previous term), as the already-paid interim dividend of ¥13 per share is added.

As for the dividends for the next term, our company plans to pay an annual dividend of ¥28 per share, which will be composed of an interim dividend of ¥14 per share and a term-end dividend of ¥14 per share.

2. Basic Policy on Selection of Accounting Standards

As the Group is not listed on overseas markets, and for ease of comparison with other companies, Japanese standards are used, and regarding the selection of other accounting standards including IFRS (International Financial Reporting Standards), the accounting standards used by other companies domestically will be considered as we continue to gather information and discuss the issue with experts, and the decision will be made carefully.

3. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of yen)

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	32,145	45,225
Notes and accounts receivable - trade	315,221	342,804
Lease receivables	8,756	21,304
Merchandise and finished goods	136,841	172,891
Work in process	32,454	32,684
Raw materials and supplies	34,302	36,940
Deferred tax assets	27,596	30,106
Other	34,171	34,815
Allowance for doubtful accounts	-3,433	-4,679
Total current assets	618,056	712,091
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	143,964	146,146
Machinery, equipment and vehicles, net	117,933	106,284
Tools, furniture and fixtures, net	17,032	18,702
Land	115,122	118,566
Leased assets, net	12,623	15,636
Construction in progress	18,364	23,381
Assets for rent, net	34	33
Total property, plant and equipment	425,076	428,751
Intangible assets		
Software	19,881	19,898
Leased assets	7	5
Other	1,321	1,260
Total intangible assets	21,210	21,163
Investments and other assets		
Investment securities	111,230	118,504
Net defined benefit asset	489	513
Deferred tax assets	9,858	8,262
Other	9,230	8,710
Allowance for doubtful accounts	-2,766	-2,806
Total investments and other assets	128,042	133,184
Total non-current assets	574,328	583,099
Total assets	1,192,385	1,295,191

(Millions of yen)

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	265,306	307,013
Short-term loans payable	85,468	154,020
Commercial papers	59,000	—
Current portion of long-term loans payable	11,204	15,639
Lease obligations	1,426	1,392
Accounts payable - other	24,718	19,799
Income taxes payable	6,725	12,828
Provision for bonuses	5,912	6,390
Provision for directors' bonuses	932	995
Provision for product warranties	34,278	40,227
Other	66,162	71,671
Total current liabilities	561,136	629,979
Non-current liabilities		
Long-term loans payable	18,063	12,728
Lease obligations	20,032	18,184
Deferred tax liabilities	13,227	15,684
Deferred tax liabilities for land revaluation	2,765	2,765
Net defined benefit liability	58,183	56,178
Provision for directors' retirement benefits	1,928	2,013
Asset retirement obligations	1,233	1,254
Other	2,901	3,552
Total non-current liabilities	118,335	112,362
Total liabilities	679,471	742,342
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	66,129	66,244
Retained earnings	302,781	337,998
Treasury shares	-330	-258
Total shareholders' equity	441,297	476,701
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40,774	45,963
Deferred gains or losses on hedges	-13	-80
Revaluation reserve for land	2,318	2,318
Foreign currency translation adjustment	-7,232	-12,787
Remeasurements of defined benefit plans	-11,855	-9,749
Total accumulated other comprehensive income	23,992	25,664
Subscription rights to shares	53	21
Non-controlling interests	47,570	50,461
Total net assets	512,913	552,848
Total liabilities and net assets	1,192,385	1,295,191

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

[Consolidated Statements of Income]

(Millions of yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Net sales	1,683,720	1,837,982
Cost of sales	1,411,090	1,542,439
Gross profit	272,630	295,543
Selling, general and administrative expenses		
Sales commission	24,843	25,461
Transportation and warehousing expenses	11,875	12,954
Provision for product warranties	34,278	40,227
Advertising expenses	4,888	6,604
Salaries and allowances	48,940	51,141
Provision for bonuses	2,824	3,077
Provision for directors' bonuses	929	990
Retirement benefit expenses	3,414	3,074
Provision for directors' retirement benefits	432	431
Rent expenses	5,211	5,581
Provision of allowance for doubtful accounts	-279	1,500
Other	64,091	64,167
Total selling, general and administrative expenses	201,451	215,211
Operating income	71,178	80,331
Non-operating income		
Interest income	1,535	1,483
Dividend income	2,739	2,269
Rent income	410	442
Share of profit of entities accounted for using equity method	1,508	1,620
Miscellaneous income	2,415	3,156
Total non-operating income	8,609	8,971
Non-operating expenses		
Interest expenses	4,746	4,757
Foreign exchange losses	1,104	2,052
Miscellaneous expenses	1,894	2,071
Total non-operating expenses	7,745	8,881
Ordinary income	72,042	80,422
Extraordinary income		
Gain on sales of non-current assets	194	387
Gain on sales of investment securities	806	2,952
Other	54	131
Total extraordinary income	1,055	3,471
Extraordinary losses		
Loss on sales and retirement of non-current assets	486	446
Impairment loss	10	9
Special costs of quality-related measures	—	1,510
Other	524	201
Total extraordinary losses	1,021	2,168
Profit before income taxes	72,075	81,725
Income taxes – current	18,138	25,143
Income taxes – deferred	-961	-1,498
Total income taxes	17,177	23,644
Profit	54,898	58,080
Profit attributable to non-controlling interests	5,490	6,719
Profit attributable to owners of parent	49,408	51,361

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Profit	54,898	58,080
Other comprehensive income		
Valuation difference on available-for-sale securities	3,345	3,788
Deferred gains or losses on hedges	-42	-170
Foreign currency translation adjustment	-1,463	-4,590
Remeasurements of defined benefit plans	2,778	2,080
Share of other comprehensive income of entities accounted for using equity method	-2,363	1,576
Total other comprehensive income	2,254	2,683
Comprehensive income	57,152	60,764
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	52,331	53,033
Comprehensive income attributable to non-controlling interests	4,820	7,731

(3) Consolidated Statements of Changes in Net Assets

Previous Fiscal Year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at the beginning of the period	72,717	66,058	270,006	-434	408,348	39,792	15
Changes of items during period							
Dividends of surplus			-16,633		-16,633		
Profit attributable to owners of parent			49,408		49,408		
Purchase of treasury shares				-1	-1		
Disposal of treasury shares		69		105	174		
Purchase of shares of consolidated subsidiaries		1			1		
Reversal of revaluation reserve for land			0		0		
Net changes of items other than shareholders' equity						982	-29
Total changes of items during period	—	70	32,774	103	32,949	982	-29
Balance at the end of the period	72,717	66,129	302,781	-330	441,297	40,774	-13

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	2,318	-6,245	-14,811	21,069	99	44,374	473,891
Changes of items during period							
Dividends of surplus							-16,633
Profit attributable to owners of parent							49,408
Purchase of treasury shares							-1
Disposal of treasury shares							174
Purchase of shares of consolidated subsidiaries							1
Reversal of revaluation reserve for land							0
Net changes of items other than shareholders' equity	-0	-986	2,956	2,923	-45	3,195	6,072
Total changes of items during period	-0	-986	2,956	2,923	-45	3,195	39,022
Balance at the end of the period	2,318	-7,232	-11,855	23,992	53	47,570	512,913

Current Fiscal Year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at the beginning of the period	72,717	66,129	302,781	-330	441,297	40,774	-13
Changes of items during period							
Dividends of surplus			-16,067		-16,067		
Profit attributable to owners of parent			51,361		51,361		
Change of scope of consolidation		-2	-77		-79		
Purchase of treasury shares				-2	-2		
Disposal of treasury shares		48		74	122		
Purchase of shares of consolidated subsidiaries		69			69		
Reversal of revaluation reserve for land					-		
Net changes of items other than shareholders' equity					-	5,188	-67
Total changes of items during period	-	115	35,217	71	35,404	5,188	-67
Balance at the end of the period	72,717	66,244	337,998	-258	476,701	45,963	-80

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	2,318	-7,232	-11,855	23,992	53	47,570	512,913
Changes of items during period							
Dividends of surplus							-16,067
Profit attributable to owners of parent							51,361
Change of scope of consolidation							-79
Purchase of treasury shares							-2
Disposal of treasury shares							122
Purchase of shares of consolidated subsidiaries							69
Reversal of revaluation reserve for land							-
Net changes of items other than shareholders' equity		-5,555	2,106	1,671	-31	2,890	4,531
Total changes of items during period	-	-5,555	2,106	1,671	-31	2,890	39,935
Balance at the end of the period	2,318	-12,787	-9,749	25,664	21	50,461	552,848

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	72,075	81,725
Depreciation	51,097	58,559
Impairment loss	10	9
Increase in allowance for doubtful accounts ("—" means decrease)	-559	1,325
Special costs of quality-related measures	—	1,510
Increase in provision for product warranties ("—" means decrease)	6,026	5,949
Increase in net defined benefit liability ("—" means decrease)	1,156	1,146
Interest and dividend income	-4,275	-3,753
Interest expenses	4,746	4,757
Foreign exchange losses ("—" means gain)	3	-14
Share of loss of entities accounted for using equity method ("—" means profit)	-1,508	-1,620
Loss on sales of investment securities ("—" means gain)	-806	-2,952
Loss on sales and retirement of non-current assets ("—" means gain)	292	58
Decrease in notes and accounts receivable – trade ("—" means increase)	-32,948	-29,858
Decrease in lease receivables ("—" means increase)	-6369	-13,106
Decrease in inventories ("—" means increase)	-13,632	-42,322
Increase in notes and accounts payable – trade ("—" means decrease)	15,915	44,796
Other, net	2596	-984
Subtotal	93,820	105,227
Interest and dividend income received	4,572	4,010
Interest expenses paid	-5,045	-4,411
Income taxes refund ("—" means paid)	-17,589	-18,353
Cash flows from operating activities	75,758	86,473
Cash flows from investing activities		
Payments into time deposits	-1,294	-492
Proceeds from withdrawal of time deposits	958	872
Purchase of property, plant and equipment	-87,880	-60,087
Proceeds from sales of property, plant and equipment	1,922	1,290
Purchase of intangible assets	-6,820	-7,150
Purchase of investment securities	-60	-509
Proceeds from sales of investment securities	897	3,404
Payments of long-term loans receivable	-436	-533
Collection of long-term loans receivable	332	361
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-160
Other, net	-202	222
Cash flows from investing activities	-92,583	-62,781

(Millions of yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Cash flows from financing activities		
Net increase in short-term loans payable ("-" means decrease)	-23,452	69,995
Increase in commercial papers ("-" means decrease)	59,000	-59,000
Proceeds from long-term loans payable	2,886	11,348
Repayments of long-term loans payable	-2,537	-12,216
Cash dividends paid	-16,633	-16,067
Cash dividends paid to non-controlling shareholders	-1,196	-3,293
Other, net	-604	-214
Cash flows from financing activities	17,461	-9,448
Effect of exchange rate change on cash and cash equivalents	-3,461	-788
Net increase in cash and cash equivalents ("-" means decrease)	-2,825	13,454
Cash and cash equivalents at the beginning of the period	33,949	31,123
Cash and cash equivalents at the end of the period	31,123	44,577

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no related information.

(Changes in Presentation Methods)

(Regarding the consolidated balance sheet)

“Lease receivables,” which was included in “Other” in the section of “Current assets” in the previous consolidated fiscal year, became financially important, and has been posted as an independent item from the current consolidated fiscal year. In order to reflect this change in indication, the consolidated financial statements for the previous consolidated fiscal year have been revised.

As a result, the amount of ¥42,927 million indicated in “Other” in the section of “Current assets” in the consolidated balance sheet for the previous consolidated fiscal year, has been changed to “Lease receivables” of ¥8,756 million and “Other” amounting to ¥34,171 million.

(Segment Information)

1. Overview of Report Segment

The reporting segment for our company can acquire separate financial information for individual components of our company, and is the target of periodic evaluations so that the board of directors can determine allocation of management resources and evaluate results.

The main business of our company is production and sales of trucks and buses, as well as production on commission for Toyota Motor Corporation and other services such as development and planning of related products. Domestic and overseas areas are covered by our company and domestic subsidiaries or local overseas subsidiaries respectively, with strategies created for each market for the services and products handled.

Therefore, our company production and sales structure is composed of separate regional segments, with these segments reported as “Japan” and “Asia”.

2. Method of calculating amounts for Sales, Earnings, Losses, Assets and Other Categories for Each Reporting Segment

The accounting method for report segments is mostly the same as the one used for producing consolidated financial statements. The internal returns and transfers for each segment are based on current market prices.

3. Information on Amounts for Sales, Earnings, Losses, Assets and Other Categories for Each Reporting Segment

Previous Fiscal Year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Report Segment			Other *1	Total	Adjusted Amount*2	Consolidated financial statements amount *3
	Japan	Asia	Total				
Net Sales							
Sales to External Customers	1,168,480	314,763	1,483,243	200,477	1,683,720	—	1,683,720
Inter-Segment Sales and Transfers	222,346	12,794	235,140	2,766	237,907	-237,907	—
Total	1,390,826	327,557	1,718,383	203,243	1,921,627	-237,907	1,683,720
Segment Earnings	43,897	17,388	61,286	7,971	69,258	1,919	71,178
Segment Assets	896,232	244,389	1,140,621	111,920	1,252,542	-60,157	1,192,385
Other Categories							
Depreciation and amortization	39,774	9,316	49,091	2,006	51,097	-	51,097
Investment in Equity Method Affiliates	20,116	261	20,377	235	20,613	-	20,613
Increase in Tangible and Intangible Fixed Assets	75,513	3,518	79,031	2,270	81,302	-	81,302

*1 The “other” section is the regions not included in the reporting segments, including North America and Oceania etc.

*2 The adjusted amount is listed as below.

(1) The adjusted amount of segment earnings of ¥ 1,919 million includes adjustments for eliminated accounts and inventory assets in inter-segment.

(2) The adjusted amount of segment assets of ¥ -60,157 million includes elimination of debts and credits and inventory assets in inter-segment.

*3 Segment earnings are adjusted with operating income from the consolidated statement of income.

.Current Fiscal Year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Report Segment			Other *1	Total	Adjusted Amount*2	Consolidated financial statements amount *3
	Japan	Asia	Total				
Net Sales							
Sales to External Customers	1,211,772	388,278	1,600,050	237,931	1,837,982	—	1,837,982
Inter-Segment Sales and Transfers	274,785	15,404	290,190	3,263	293,453	-293,453	—
Total	1,486,558	403,682	1,890,241	241,194	2,131,436	-293,453	1,837,982
Segment Earnings	48,999	21,828	70,828	10,652	81,480	-1,149	80,331
Segment Assets	970,071	275,280	1,245,982	116,596	1,362,578	-67,387	1,295,191
Other Categories							
Depreciation and amortization	46,427	9,849	56,277	2,282	58,559	—	58,559
Investment in Equity Method Affiliates	23,451	—	23,451	314	23,765	—	23,765
Increase in Tangible and Intangible Fixed Assets	53,701	3,318	57,020	8,029	65,049	—	65,049

*1 The “other” section is the regions not included in the reporting segments, including North America and Oceania etc.

*2 The adjusted amount is listed as below.

(1) The adjusted amount of segment earnings of ¥ -1,149 million includes adjustments for eliminated accounts and inventory assets in inter-segment.

(2) The adjusted amount of segment assets of ¥ -67,387 million includes elimination of debts and credits and inventory assets in inter-segment.

*3 Segment earnings are adjusted with operating income from the consolidated statement of income.

(Per Share Information)

FY 2017 (From April 1, 2016 to March 31, 2017)		FY 2018 (From April 1, 2017 to March 31, 2018)	
Net assets per share	811.07 yen	Net assets per share	875.40 yen
Profit per share	86.15 yen	Profit per share	89.52 yen
Diluted Profit per share	86.11 yen	Diluted Profit per share	89.49 yen

(Note) The base for calculating profit per share and diluted profit per share are as follows:

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Profit per share		
Profit attributable to owners of parent (Millions of yen)	49,408	51,361
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent associated with common shares (Millions of yen)	49,408	51,361
Average number of common shares (Shares)	573,507,059	573,752,681
Diluted Profit per share		
Current-term Profit attributable to owners of parent adjustment (Millions of yen)	—	—
Increase in the number of common shares (Shares)	293,748	157,197
Increase in the number of stock acquisition rights (Shares)	293,748	157,197

(Significant Subsequent Events)

There is no related information.

4. Non-Consolidated Financial Statements**(1) Non-Consolidated Balance Sheets**

(Millions of yen)

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	3,064	4,733
Notes receivable – trade	404	115
Accounts receivable – trade	224,931	268,527
Merchandise and finished goods	44,249	48,413
Work in process	18,664	19,342
Raw materials and supplies	6,703	7,015
Prepaid expenses	563	757
Deferred tax assets	18,537	20,975
Short-term loans receivable	69,657	70,034
Other	15,933	18,129
Allowance for doubtful accounts	-1,729	-2,735
Total current assets	400,979	455,307
Non-current assets		
Property, plant and equipment		
Buildings, net	69,227	67,827
Structures, net	13,748	13,760
Machinery and equipment, net	59,496	54,369
Vehicles, net	3,065	3,257
Tools, furniture and fixtures, net	8,489	10,238
Land	37,985	37,956
Leased assets, net	974	752
Construction in progress	12,659	12,084
Total property, plant and equipment	205,647	200,247
Intangible assets		
Software	17,862	17,909
Right of using facilities	502	466
Total intangible assets	18,364	18,375
Investments and other assets		
Investment securities	63,965	68,111
Shares of subsidiaries and associates	60,313	60,216
Investments in capital	23	23
Investments in capital of subsidiaries and associates	3,957	3,957
Long-term loans receivable	16,459	11,742
Long-term prepaid expenses	1,765	1,773
Other	2,572	3,003
Allowance for doubtful accounts	-2,737	-2,753
Total investments and other assets	146,319	146,074
Total non-current assets	370,331	364,698
Total assets	771,311	820,005

(Millions of yen)

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
Liabilities		
Current liabilities		
Notes payable - trade	224	156
Accounts payable - trade	163,785	181,309
Short-term loans payable	13,905	82,044
Commercial papers	59,000	—
Current portion of long-term loans payable	3,364	7,751
Lease obligations	241	246
Accounts payable - other	19,008	14,118
Accrued expenses	46,618	45,933
Income taxes payable	2,785	8,960
Deposits received	23,072	18,467
Provision for directors' bonuses	255	276
Provision for product warranties	34,278	40,227
Other	1,129	2,087
Total current liabilities	367,668	401,579
Non-current liabilities		
Long-term loans payable	8,246	—
Lease obligations	863	617
Deferred tax liabilities	7,322	8,362
Provision for retirement benefits	22,140	22,277
Long-term accounts payable - other	650	415
Asset retirement obligations	948	948
Other	978	1,068
Total non-current liabilities	41,151	33,690
Total liabilities	408,819	435,269
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus		
Legal capital surplus	64,307	64,307
Other capital surplus	782	831
Total capital surplus	65,089	65,138
Retained earnings		
Legal retained earnings	7,103	7,103
Other retained earnings		
Reserve for advanced depreciation of non-current assets	5,868	5,508
Reserve for special depreciation	53	15
General reserve	140,000	140,000
Retained earnings brought forward	39,763	59,349
Total retained earnings	192,788	211,976
Treasury shares	-298	-226
Total shareholders' equity	330,297	349,605
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	32,144	35,111
Deferred gains or losses on hedges	-4	-2
Total valuation and translation adjustments	32,140	35,108
Subscription rights to shares	53	21
Total net assets	362,491	384,736
Total liabilities and net assets	771,311	820,005

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Net sales	1,215,819	1,330,573
Cost of sales		
Beginning finished goods	37,729	44,249
Cost of products manufactured	1,040,238	1,138,802
Total	1,077,968	1,183,051
Ending finished goods	44,249	48,413
Cost of finished goods sold	1,033,719	1,134,638
Gross profit	182,099	195,935
Selling, general and administrative expenses		
Sales commission	66,416	65,330
Transportation and warehousing expenses	7,215	7,512
Provision for product warranties	34,278	40,227
Advertising expenses	3,415	4,636
Salaries and allowances	17,240	17,428
Provision for directors' bonuses	255	276
Provision for retirement benefits	988	946
Rent expenses	3,579	4,200
Depreciation	5,080	4,966
Other	19,782	17,624
Total selling, general and administrative expenses	158,253	163,149
Operating income	23,846	32,785
Non-operating income		
Interest income	1,461	1,890
Dividend income	8,641	10,217
Rent income	951	985
Miscellaneous income	613	1,184
Total non-operating income	11,669	14,278
Non-operating expenses		
Interest expenses	1,063	1,412
Depreciation	186	297
Foreign exchange losses	1,135	1,909
Miscellaneous expenses	938	858
Total non-operating expenses	3,324	4,477
Ordinary income	32,191	42,586

(Millions of yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Extraordinary income		
Gain on sales of non-current assets	45	113
Gain on sales of investment securities	799	2,870
Other	5	94
Total extraordinary income	850	3,078
Extraordinary losses		
Loss on sales and retirement of non-current assets	296	164
Loss on valuation of investments in capital of subsidiaries and associates	1,342	—
Special costs of quality-related measures	—	1,510
Other	83	101
Total extraordinary losses	1,722	1,776
Profit (loss) before income taxes	31,319	43,888
Income taxes - current	6,469	11,339
Income taxes - deferred	-819	-2,707
Total income taxes	5,650	8,632
Profit	25,669	35,255

(3) Non-Consolidated Statements of Changes in Net Assets

Previous Fiscal Year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at the beginning of the period	72,717	64,307	713	65,020	7,103
Changes of items during period					
Dividends of surplus					
Reversal of reserve for advanced depreciation of non-current assets					
Reversal of reserve for special depreciation					
Provision of general reserve					
Profit					
Purchase of treasury shares					
Disposal of treasury shares			69	69	
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	69	69	—
Balance at the end of the period	72,717	64,307	782	65,089	7,103

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Other retained earnings				Total retained earnings		
	Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance at the beginning of the period	6,380	88	120,000	50,181	183,752	-401	321,088
Changes of items during period							
Dividends of surplus				-16,633	-16,633		-16,633
Reversal of reserve for advanced depreciation of non-current assets	-511			511	—		—
Reversal of reserve for special depreciation		-34		34	—		—
Provision of general reserve			20,000	-20,000	—		—
Profit				25,669	25,669		25,669
Purchase of treasury shares						-1	-1
Disposal of treasury shares						105	174
Net changes of items other than shareholders' equity							
Total changes of items during period	-511	-34	20,000	-10,418	9,035	103	9,208
Balance at the end of the period	5,868	53	140,000	39,763	192,788	-298	330,297

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of the period	29,483	15	29,499	99	350,686
Changes of items during period					
Dividends of surplus					-16,633
Reversal of reserve for advanced depreciation of non-current assets					—
Reversal of reserve for special depreciation					—
Provision of general reserve					—
Profit					25,669
Purchase of treasury shares					-1
Disposal of treasury shares					174
Net changes of items other than shareholders' equity	2,661	-20	2,641	-45	2,595
Total changes of items during period	2,661	-20	2,641	-45	11,804
Balance at the end of the period	32,144	-4	32,140	53	362,491

Current Fiscal Year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at the beginning of the period	72,717	64,307	782	65,089	7,103
Changes of items during period					
Dividends of surplus					
Reversal of reserve for advanced depreciation of non-current assets					
Reversal of reserve for special depreciation					
Provision of general reserve					
Profit					
Purchase of treasury shares					
Disposal of treasury shares			48	48	
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	48	48	—
Balance at the end of the period	72,717	64,307	831	65,138	7,103

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Other retained earnings				Total retained earnings		
	Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance at the beginning of the period	5,868	53	140,000	39,763	192,788	-298	330,297
Changes of items during period							
Dividends of surplus				-16,067	-16,067		-16,067
Reversal of reserve for advanced depreciation of non-current assets	-360			360	—		—
Reversal of reserve for special depreciation		-37		37	—		—
Provision of general reserve							—
Profit				35,255	35,255		35,255
Purchase of treasury shares						-2	-2
Disposal of treasury shares						74	122
Net changes of items other than shareholders' equity							—
Total changes of items during period	-360	-37	—	19,586	19,187	71	19,308
Balance at the end of the period	5,508	15	140,000	59,349	211,976	-226	349,605

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of the period	32,144	-4	32,140	53	362,491
Changes of items during period					
Dividends of surplus					-16,067
Reversal of reserve for advanced depreciation of non-current assets					—
Reversal of reserve for special depreciation					—
Provision of general reserve					—
Profit					35,255
Purchase of treasury shares					-2
Disposal of treasury shares					122
Net changes of items other than shareholders' equity	2,966	1	2,967	-31	2,936
Total changes of items during period	2,966	1	2,967	-31	22,244
Balance at the end of the period	35,111	-2	35,108	21	384,736

5. Other

(1) Actual Production (Consolidated)

Category	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)	Change
Trucks and buses	171,991 units	188,186 units	16,195 units
Toyota brand vehicles	144,411 units	150,313 units	5,902 units

(2) Actual Sales (Consolidated)

Category	FY 2017 (From April 1, 2016 to March 31, 2017)		FY 2018 (From April 1, 2017 to March 31, 2018)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	67,059	491,348	67,472	503,659	413	12,310
Overseas	104,788	420,438	116,544	502,648	11,756	82,210
Supplies of parts for overseas production	—	950	—	1,703	—	753
Total trucks and buses	171,847	912,737	184,016	1,008,011	12,169	95,273
Total Toyota brand	144,313	317,777	150,247	339,633	5,934	21,856
Japan	—	62,147	—	63,181	—	1,034
Overseas	—	46,606	—	54,198	—	7,591
Total service parts	—	108,753	—	117,379	—	8,625
Japan	—	175,666	—	180,544	—	4,878
Overseas	—	10,683	—	20,165	—	9,482
Toyota	—	158,102	—	172,248	—	14,145
Total others	—	344,452	—	372,958	—	28,506
Total net sales	—	1,683,720	—	1,837,982	—	154,262

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