

**Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021**  
**[Japanese GAAP] (Consolidated)**  
English translation from the original Japanese-language document



July 29, 2020

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Stock Listing: Tokyo and Nagoya

Scheduled Date of Quarterly Financial Statements Filing: August 4, 2020

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, 2021 (April 1, 2020 – June 30, 2020)

(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	%
1Q of FY 2021	300,393	-32.7	-10,605	—	-11,775	—	-8,080	—
1Q of FY 2020	446,156	-4.5	13,604	-28.7	11,543	-40.7	6,573	-48.6

(Note) Comprehensive income: 1Q of FY 2021: ¥ 2,126 million (-71.4%) 1Q of FY 2020: ¥ 7,434 million (-46.1%)

	Profit per share	Diluted profit per share
	Yen	Yen
1Q of FY 2021	-14.08	—
1Q of FY 2020	11.45	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
1Q of FY 2021	1,240,495	589,106	43.7
FY 2020	1,275,080	592,680	42.5

(Reference) Equity capital: 1Q of FY 2021: ¥541,748 million FY 2020: ¥542,189 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2020	—	13.00	—	7.00	20.00
FY 2021	—				
FY 2021 (forecast)		—	—	—	—

(Note) Changes from the latest dividend forecast: None

(Note) Due to the uncertain business environment at present, the year-end and annual dividend forecasts for FY2021 have not been determined.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(% of change from FY2020.)

	Net sales		Operating income	
	Millions of yen	%	Millions of yen	%
FY 2021	1,410,000	-22.3	2,000	-96.4

(Note) Changes from the latest financial forecast: Yes

\*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	1Q of FY 2021	574,580,850 shares	FY 2020	574,580,850 shares
2) Number of treasury stock at end of term	1Q of FY 2021	551,680 shares	FY 2020	551,510 shares
3) Average number of shares (quarterly consolidated cumulative period)	1Q of FY 2021	574,029,284 shares	1Q of FY 2020	573,979,092 shares

\*Summary of financial results is out of scope of audit.

\*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 factor

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

### **(1) Information on Consolidated Operating Results**

As for the Japanese domestic truck market during the current first quarter (three months), since the impact of COVID-19 became evident gradually, the total demand for heavy- and medium-duty trucks was 18.4 thousand units, a decrease of 10.5% compared to the same quarter in the previous year and total demand for light-duty truck was 16.8 thousand units, a decrease of 31.3% compared to the same quarter in the previous year.

As for Japanese domestic sales, due to the slowdown in the market, the total sales volume of trucks and buses was 13.5 thousand units, a decrease of 13.7% compared to the same quarter in the previous year.

As for overseas sales, almost all markets shrank due to COVID-19, and its impact is especially significant in Asia, including Indonesia. As a result, sales volume was 14.5 thousand units, a decrease of 47.4% compared to the same quarter in the previous year.

As a result of the above, total unit sales of Hino Brand trucks and buses were 28.0 thousand units, a decrease of 35.2% compared to the same quarter in the previous year.

As for the volume of sales to Toyota Motor Corporation, the sales volume of mainly SUVs decreased, so total sales volume was 16.6 thousand units, a decrease of 55.5% compared to the same quarter in the previous year.

As a result of the above, net sales in the current first quarter were ¥300,393 million, which is a decrease of ¥145,763 million (-32.7%) as compared to the same quarter in the previous year. As for profit and loss, due mainly to a decrease in net sales, operating loss was ¥10,605 million which is a decrease of ¥24,210 million compared to the same quarter in the previous year (operating income of ¥13,604 million in the first quarter of the previous year), ordinary loss was ¥11,775 million which is a decrease of ¥23,318 million compared to the same quarter in the previous year (ordinary income of ¥11,543 million in the first quarter of the previous year), and loss attributable to owners of parent was ¥8,080 million which is a decrease of ¥14,654 million compared to the same quarter in the previous year (profit attributable to owners of parent of ¥6,573 million in the first quarter of the previous year).

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

Total assets at the end of the first quarter decreased to ¥1,240,495 million by ¥34,585 million compared to the end of the previous fiscal year. This is mainly because sales decreased as of the end of the current consolidated first quarter and notes and accounts receivable - trade decreased by ¥44,818 million.

Liabilities decreased to ¥651,388 million by ¥31,011 million compared to the end of the previous fiscal year. This is mainly because production volume decreased as of the end of the current consolidated first quarter and notes and accounts payable - trade decreased by ¥56,007 million.

Net assets decreased to ¥589,106 million by ¥3,573 million compared to the end of the previous fiscal year. This is mainly because valuation difference on available-for-sale securities increased by ¥8,826 million and loss attributable to owners of parent of ¥8,080 million was recorded.

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

The earnings forecast for FY2021 was undetermined as of the announcement of financial results on May 11, 2020, because it is impossible to reasonably estimate business performance due to the spread of COVID-19. However, we have conducted estimation based on currently available information, and decided to announce the forecasts for sales volume, net sales, and operating income.

The forecasts for ordinary income, other incomes/losses, and dividends are still undetermined, because the business environment is still bearing uncertainties. As soon as reasonable estimation becomes possible, we will disclose them.

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales .....	¥1,410,000 million
Operating income .....	¥2,000 million
Japan unit sales of trucks and buses .....	59.0 thousand units
Overseas unit sales of trucks and buses.....	83.5 thousand units
Unit sales of Toyota brand vehicles.....	88.8 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. Quarterly Consolidated Financial Statements and Major Notes****(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	FY 2020 (As of March 31, 2020)	First Quarter of FY 2021 (As of June 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	40,647	42,777
Notes and accounts receivable-trade	290,241	245,423
Merchandise and finished goods	188,760	190,286
Work in process	39,272	37,308
Raw materials and supplies	34,021	37,882
Other	71,217	67,582
Allowance for doubtful accounts	-3,408	-3,653
Current assets	660,752	617,607
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	164,515	164,209
Machinery, equipment and vehicles, net	95,986	95,606
Land	126,259	126,539
Other, net	48,456	48,314
Total property, plant and equipment	435,217	434,669
Intangible assets	26,902	26,661
Investments and other assets		
Investment securities	111,582	123,199
Deferred tax assets	26,867	24,684
Other	16,709	16,748
Allowance for doubtful accounts	-2,953	-3,075
Total investments and other assets	152,207	161,556
Total non-current assets	614,327	622,887
Total assets	1,275,080	1,240,495

(Millions of yen)

	FY 2020 (As of March 31, 2020)	First Quarter of FY 2021 (As of June 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	239,232	183,224
Short-term borrowings	178,170	214,150
Current portion of long-term borrowings	14,118	11,643
Income taxes payable	3,428	1,730
Provision for product warranties	36,114	33,516
Other provisions	7,668	10,229
Other	90,478	85,058
Total current liabilities	569,211	539,552
Non-current liabilities		
Long-term borrowings	19,839	18,864
Deferred tax liabilities	1,799	1,677
Deferred tax liabilities for land revaluation	2,765	2,765
Retirement benefit liability	60,746	60,815
Other provisions	2,084	1,756
Other	25,952	25,956
Total non-current liabilities	113,188	111,836
Total Liabilities	682,399	651,388
<b>Net assets</b>		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	64,830	65,415
Retained earnings	390,781	378,681
Treasury shares	-196	-196
Total shareholders' equity	528,132	516,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,653	46,480
Deferred gains or losses on hedges	-36	-155
Revaluation reserve for land	2,325	2,325
Foreign currency translation adjustment	-14,601	-12,431
Remeasurements of defined benefit plans	-11,283	-11,087
Total accumulated other comprehensive income	14,057	25,131
Non-controlling interests	50,491	47,358
Total net assets	592,680	589,106
Total liabilities and net assets	1,275,080	1,240,495

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

[Quarterly Consolidated Statements of Income]

[Consolidated First Quarter of FY 2021 and FY 2020 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2020 (From April 1, 2019 to June 30, 2019)	First Quarter of FY 2021 (From April 1, 2020 to June 30, 2020)
Net sales	446,156	300,393
Cost of sales	381,122	264,376
Gross profit (loss)	65,034	36,017
Selling, general and administrative expenses		
Salaries and allowances	12,848	12,086
Provision for bonuses	1,639	1,672
Retirement benefit expenses	865	898
Other	36,076	31,965
Total selling, general and administrative expenses	51,429	46,622
Operating profit (loss)	13,604	-10,605
Non-operating income		
Interest income	310	288
Dividend income	787	699
Foreign exchange gains	—	195
Miscellaneous income	711	714
Total non-operating income	1,809	1,897
Non-operating expenses		
Interest expenses	1,767	1,332
Foreign exchange losses	1,000	—
Share of loss of entities accounted for using equity method	37	1,248
Miscellaneous expenses	1,065	487
Total non-operating expenses	3,870	3,067
Ordinary profit (loss)	11,543	-11,775
Extraordinary income		
Gain on sales of non-current assets	47	17
Gain on sales of investment securities	—	577
Other	4	19
Total extraordinary income	52	614
Extraordinary losses		
Loss on sales and retirement of non-current assets	124	286
Other	13	44
Total extraordinary losses	137	330



(Millions of yen)

	First Quarter of FY 2020 (From April 1, 2019 to June 30, 2019)	First Quarter of FY 2021 (From April 1, 2020 to June 30, 2020)
Profit (loss) before income taxes	11,457	-11,492
Income taxes-current	5,575	-647
Income taxes-deferred	-1,462	-2,074
Total income taxes	4,113	-2,721
Profit (loss)	7,344	-8,770
Profit (loss) attributable to non-controlling interests	770	-690
Profit (loss) attributable to owners of parent	6,573	-8,080

## [Quarterly Consolidated Statements of Comprehensive Income]

[Consolidated First Quarter of FY 2021 and FY 2020 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2020 (From April 1, 2019 to June 30, 2019)	First Quarter of FY 2021 (From April 1, 2020 to June 30, 2020)
Profit (loss)	7,344	-8,770
Other comprehensive income		
Valuation difference on available-for-sale securities	1,261	9,064
Deferred gains or losses on hedges	-99	-1
Revaluation reserve for land	-6	-
Foreign currency translation adjustment	-1,513	2,031
Remeasurements of defined benefit plans	236	153
Share of other comprehensive income of entities accounted for using equity method	211	-351
Total other comprehensive income	90	10,897
Comprehensive income	7,434	2,126
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,978	2,993
Comprehensive income attributable to non-controlling interests	456	-866

**(3) Notes to Consolidated Financial Statements**

Notes on Going Concern Assumption

None.

Notes on Significant Changes in the Amount of Shareholders' Equity

None.

**3. Supplementary Information****(1) Actual Production (Consolidated)**

Category	1Q of FY 2020 (From April 1, 2019 to June 30, 2019)	1Q of FY 2021 (From April 1, 2020 to June 30, 2020)	Change
Trucks and buses	45,079 units	23,915 units	-21,164 units
Toyota brand vehicles	37,126 units	16,458 units	-20,668 units

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

Category		1Q of FY 2020 (From April 1, 2019 to June 30, 2019)		1Q of FY 2021 (From April 1, 2020 to June 30, 2020)		Change	
		Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
	Japan	15,616	119,101	13,481	108,095	-2,135	-11,005
	Overseas	27,618	114,240	14,537	61,718	-13,081	-52,522
	Supplies and parts for overseas production	—	346	—	207	—	-139
Total trucks and buses		43,234	233,689	28,018	170,021	-15,216	-63,668
Total Toyota brand vehicles		37,227	84,917	16,550	40,486	-20,677	-44,431
	Japan	—	15,238	—	14,303	—	-935
	Overseas	—	14,730	—	10,792	—	-3,938
	Total service parts	—	29,969	—	25,096	—	-4,873
	Japan	—	45,910	—	39,575	—	-6,334
	Overseas	—	7,511	—	7,702	—	191
	Toyota	—	44,158	—	17,510	—	-26,647
Total others		—	97,580	—	64,789	—	-32,790
Total net sales		—	446,156	—	300,393	—	-145,763

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