

**Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2020**  
**[Japanese GAAP] (Consolidated)**  
**English translation from the original Japanese-language document**



October 30, 2019

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.  
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Scheduled Date of Quarterly Financial Statements Filing: November 5, 2019

Scheduled Date of Dividend Payment Start: November 26, 2019

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 Second Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019–September 30, 2019)

(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	%
2Q of FY 2020	946,069	-1.2	32,789	-14.1	30,041	-20.8	18,567	-23.0
2Q of FY 2019	957,847	12.7	38,177	9.3	37,915	2.6	24,118	4.9

(Note) Comprehensive income: 2Q of FY 2020: ¥ 19,670 million (-34.9%) 2Q of FY 2019: ¥ 30,237 million (-7.5%)

	Profit per share		Diluted profit per share	
	Yen		Yen	
2Q of FY 2020	32.35		—	
2Q of FY 2019	42.02		42.02	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
2Q of FY 2020	1,285,509		601,016		42.8	
FY 2019	1,345,821		596,459		40.3	

(Reference) Equity capital: 2Q of FY 2020: ¥550,839 million FY 2019: ¥542,649 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen				
FY 2019	—	14.00	—	15.00	29.00
FY 2020	—	13.00			
FY 2020 (forecast)			—	—	—

(Note) Changes from the latest dividend forecast: Yes

(Note) Due to the uncertain business environment at present, the year-end and annual dividend forecasts for FY2020 have not been determined.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(% of change from FY2019.)

	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 2020	1,900,000	-4.1	68,000	-21.6	61,000	-27.3	40,000	-27.2	69.68

(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	2Q of FY 2020	574,580,850 shares	FY 2019	574,580,850 shares
2) Number of treasury stock at end of term	2Q of FY 2020	551,088 shares	FY 2019	601,517 shares
3) Average number of shares (quarterly consolidated cumulative period)	2Q of FY 2020	574,004,587 shares	2Q of FY 2019	573,954,181 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 factors.

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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 second quarter (six months), sales volume exceeded 100,000 units for the first time in 13 years, thanks to the rush demand before the enforcement of exhaust gas regulations, etc. The total demand for heavy- and medium-duty trucks was 48.3 thousand units, an increase of 8.5% compared to the same quarter in the previous year, and total demand for light-duty truck was 58.3 thousand units, an increase of 15.0% 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 heavy-, medium-, and light-duty trucks and buses increased to 35.1 thousand units, an increase of 4.2% compared to the same quarter in the previous year.

As for overseas sales, sales remained healthy in some markets in North America, but demand shrank mainly in Indonesia, so sales volume was 57.6 thousand units, a decrease of 11.2% 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 92.7 thousand units, a decrease of 5.9% compared to the same quarter in the previous year.

As for the volume of sales to Toyota Motor Corporation, mainly because the sales of SUV increased, total sales volume increased to 74.4 thousand units, an increase of 3.3% compared to the same quarter in the previous year.

As a result of the above, net sales in the current second quarter were ¥946,069 million, which is a decrease of ¥11,778 million (-1.2%) as compared to the same quarter in the previous year. As for profit and loss, due mainly to a decrease in sales volume overseas, operating income was ¥32,789 million which is a decrease of ¥5,387 million (-14.1%) compared to the same quarter in the previous year, ordinary income was ¥30,041 million which is a decrease of ¥7,873 million (-20.8%) compared to the same quarter in the previous year, and profit attributable to owners of parent was ¥18,567 million which is a decrease of ¥5,550 million (-23.0%) compared to the same quarter in the previous year.

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

Total assets at the end of the second quarter decreased to ¥1,285,509 million by ¥60,311 million compared to the end of the previous fiscal year. This is mainly because notes and accounts receivable - trade decreased by ¥39,543 million and inventories decreased by ¥14,737 million.

Liabilities decreased to ¥684,493 million by ¥64,868 million compared to the end of the previous fiscal year. This is mainly because notes and accounts payable - trade decreased by ¥23,546 million and interest-bearing debt decreased by ¥22,829 million.

Net assets increased to ¥601,016 million by ¥4,557 million compared to the end of the previous fiscal year. This is mainly because profit attributable to owners of parent of ¥18,567 million was recorded and non-controlling interests decreased by ¥3,631 million, while dividends from retained earnings of ¥8,611 million were paid.

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

As for the truck and bus market in Japan, the initial forecast that the demand would decline gently has not been revised, and the estimated sales volume is unchanged. As for the overseas truck and bus markets, there exist healthy markets, such as the Thai one, but the recovery of the Indonesian market is delayed more than expected. Accordingly, sales volume is projected to decrease 16 thousand units from the beginning of the term.

Then, the full-year earnings forecast has been revised as follows, while considering the changes in the business environment, including the sales in domestic and overseas markets, the trends in foreign exchange rates, etc.

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales .....	¥1,900,000 million
Operating income .....	¥68,000 million
Japan unit sales of trucks and buses .....	69.0 thousand units
Overseas unit sales of trucks and buses.....	124.0 thousand units
Unit sales of Toyota brand vehicles.....	138.5 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 2019 (As of March 31, 2019)	Second Quarter of FY 2020 (As of September 30, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	41,493	38,729
Notes and accounts receivable - trade	354,001	314,458
Merchandise and finished goods	181,914	171,256
Work in process	38,816	39,231
Raw materials and supplies	41,791	37,297
Other	78,257	72,291
Allowance for doubtful accounts	-4,073	-3,839
Total current assets	732,201	669,425
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	154,498	164,767
Machinery, equipment and vehicles, net	96,688	102,323
Land	122,028	124,635
Other, net	60,374	38,993
Total property, plant and equipment	433,589	430,718
Intangible assets	23,620	23,688
Investments and other assets		
Investment securities	118,965	121,500
Deferred tax assets	26,134	26,586
Other	14,479	16,490
Allowance for doubtful accounts	-3,169	-2,900
Total investments and other assets	156,409	161,676
Total non-current assets	613,619	616,084
Total assets	1,345,821	1,285,509

(Millions of yen)

	FY 2019 (As of March 31, 2019)	Second Quarter of FY 2020 (As of September 30, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	282,434	258,888
Short-term borrowings	195,348	169,426
Current portion of long-term borrowings	6,264	11,176
Income taxes payable	9,070	7,812
Provision for product warranties	42,651	35,740
Other provisions	7,648	6,958
Other	99,349	86,400
Total current liabilities	642,766	576,401
Non-current liabilities		
Long-term borrowings	20,483	18,664
Deferred tax liabilities	2,210	2,159
Deferred tax liabilities for land revaluation	2,765	2,765
Retirement benefit liability	55,782	56,183
Other provisions	2,019	1,865
Other	23,333	26,453
Total non-current liabilities	106,595	108,091
Total liabilities	749,361	684,493
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	66,275	64,822
Retained earnings	375,389	385,345
Treasury shares	-215	-196
Total shareholders' equity	514,166	522,689
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,899	43,883
Deferred gains or losses on hedges	-64	-269
Revaluation reserve for land	2,325	2,325
Foreign currency translation adjustment	-8,136	-9,743
Remeasurements of defined benefit plans	-8,540	-8,046
Total accumulated other comprehensive income	28,482	28,149
Non-controlling interests	53,809	50,177
Total net assets	596,459	601,016
Total liabilities and net assets	1,345,821	1,285,509

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

[Quarterly Consolidated Statements of Income]

[Consolidated Second Quarter of FY 2020 and FY 2019 (Cumulative)]

(Millions of yen)

	Second Quarter of FY 2019 (From April 1, 2018 to September 30, 2018)	Second Quarter of FY 2020 (From April 1, 2019 to September 30, 2019)
Net sales	957,847	946,069
Cost of sales	811,781	808,936
Gross profit	146,066	137,132
Selling, general and administrative expenses		
Salaries and allowances	24,544	25,584
Provision for bonuses	3,288	4,084
Retirement benefit expenses	1,663	1,730
Other	78,392	72,943
Total selling, general and administrative expenses	107,888	104,342
Operating profit	38,177	32,789
Non-operating income		
Interest income	718	618
Dividend income	1,274	1,273
Share of profit of entities accounted for using equity method	180	—
Miscellaneous income	1,165	348
Total non-operating income	1,220	1,415
Non-operating expenses	4,559	3,656
Interest expenses		
Foreign exchange losses	2,676	3,567
Share of loss of entities accounted for using equity method	—	1,388
Miscellaneous expenses	2,144	1,447
Total non-operating expenses	4,821	6,403
Ordinary profit	37,915	30,041
Extraordinary income		
Gain on sales of non-current assets	596	112
Other	52	147
Total extraordinary income	648	260
Extraordinary losses		
Loss on sales and retirement of non-current assets	185	390
Other	159	71
Total extraordinary losses	344	462
Profit before income taxes	38,218	29,840
Income taxes—current	11,062	10,148
Income taxes—deferred	-311	-666
Total income taxes	10,750	9,481
Profit	27,468	20,359
Profit attributable to non-controlling interests	3,350	1,791
Profit attributable to owners of parent	24,118	18,567



## [Quarterly Consolidated Statements of Comprehensive Income]

[Consolidated Second Quarter of FY 2020 and FY 2019 (Cumulative)]

(Millions of yen)

	Second Quarter of FY 2019 (From April 1, 2018 to September 30, 2018)	Second Quarter of FY 2020 (From April 1, 2019 to September 30, 2019)
Profit	27,468	20,359
Other comprehensive income		
Valuation difference on available-for-sale securities	1,695	-84
Deferred gains or losses on hedges	-31	-334
Foreign currency translation adjustment	1,004	-1,636
Remeasurements of defined benefit plans, net of tax	484	467
Share of other comprehensive income of entities accounted for using equity method	-384	898
Total other comprehensive income	2,768	-688
Comprehensive income	30,237	19,670
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,939	18,235
Comprehensive income attributable to non-controlling interests	3,297	1,435

**(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	2Q of FY 2019 (From April 1, 2018 to September 30, 2018)	2Q of FY 2020 (From April 1, 2019 to September 30, 2019)	Change
Trucks and buses	97,698 units	90,104 units	-7,594 units
Toyota brand vehicles	72,229 units	74,559 units	2,330 units

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

Category	2Q of FY 2019 (From April 1, 2018 to September 30, 2018)		2Q of FY 2020 (From April 1, 2019 to September 30, 2019)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	33,725	259,642	35,133	276,165	1,408	16,523
Overseas	64,891	274,359	57,616	241,019	-7,275	-33,340
Supplies and parts for overseas production	—	826	—	847	—	21
Total trucks and buses	98,616	534,828	92,749	518,032	-5,867	-16,795
Total Toyota brand vehicles	72,093	170,015	74,458	171,035	2,365	1,019
Japan	—	31,156	—	31,639	—	483
Overseas	—	28,166	—	29,103	—	936
Total service parts	—	59,323	—	60,743	—	1,419
Japan	—	93,080	—	93,463	—	383
Overseas	—	12,527	—	15,475	—	2,947
Toyota	—	88,072	—	87,319	—	-753
Total others	—	193,680	—	196,258	—	2,577
Total net sales	—	957,847	—	946,069	—	-11,778

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