

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



July 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: August 2, 2019

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, 2020 (April 1, 2019–June 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	%
1Q of FY 2020	446,156	-4.5	13,604	-28.7	11,543	-40.7	6,573	-48.6
1Q of FY 2019	467,237	18.8	19,092	18.9	19,473	14.5	12,782	3.7

(Note) Comprehensive income: 1Q of FY 2020: ¥ 7,434 million (-46.1%) 1Q of FY 2019: ¥ 13,798 million (-14.6%)

	Profit per share		Diluted profit per share	
	Yen		Yen	
1Q of FY 2020	11.45		—	
1Q of FY 2019	22.27		22.27	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
1Q of FY 2020	1,303,051		591,358		41.5	
FY 2019	1,345,821		596,459		40.3	

(Reference) Equity capital: 1Q of FY 2020: ¥540,365 million FY 2019: ¥542,649 million

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
FY 2019	—	14.00	—	15.00	29.00
FY 2020	—				
FY 2020 (forecast)		15.00	—	15.00	30.00

(Note) Changes from the latest dividend forecast: None

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	1,960,000	-1.1	90,000	3.8	87,000	3.7	56,000	2.0	97.56

(Note) Changes from the latest financial forecast: None

\*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 2020	574,580,850 shares	FY 2019	574,580,850 shares
2) Number of treasury stock at end of term	1Q of FY 2020	601,789 shares	FY 2019	601,517 shares
3) Average number of shares (quarterly consolidated cumulative period)	1Q of FY 2020	573,979,092 shares	1Q of FY 2019	573,928,262 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.

Appendix

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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), the total demand for heavy- and medium-duty trucks was 20.5 thousand units, an increase of 1.9% compared to the same quarter in the previous year, mainly because the demand for cargo trucks was strong. Total demand for light-duty truck was 24.5 thousand units, an increase of 9.9% compared to the same quarter in the previous year, due to the rush demand prior to the adoption of emission gas control regulations.

As for Japanese domestic sales, the total sales volume of trucks and buses was as high as 15.6 thousand units, but decreased by 3.0% compared to the same quarter in the previous year, which marked a record high sales volume for the first quarter period.

As for overseas sales, it was greatly affected by the decline in demand mainly in Indonesia although sales in the U.S. remained favorable. As a result, sales volume was 27.6 thousand units, a decrease of 11.5% 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 43.2 thousand units, a decrease of 8.6% compared to the same quarter in the previous year.

As for the volume of sales to Toyota Motor Corporation, total sales volume was 37.2 thousand units, almost unchanged from the same quarter in the previous year (an increase of 0.6%).

As a result of the above, net sales in the current first quarter were ¥446,156 million, which is a decrease of ¥21,080 million (-4.5%) as compared to the same quarter in the previous year. As for profit and loss, due mainly to a decrease in sales volume in Japan and overseas, operating income was ¥13,604 million which is a decrease of ¥5,488 million (-28.7%) compared to the same quarter in the previous year, ordinary income was ¥11,543 million which is a decrease of ¥7,930 million (-40.7%) compared to the same quarter in the previous year, and profit attributable to owners of parent was ¥6,573 million which is a decrease of ¥6,208 million (-48.6%) compared to the same quarter in the previous year.

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

Total assets at the end of the first quarter decreased to ¥1,303,051 million by ¥42,769 million compared to the end of the previous fiscal year. This is mainly because notes and accounts receivable - trade decreased by ¥43,910 million.

Liabilities decreased to ¥711,693 million by ¥37,668 million compared to the end of the previous fiscal year. This is mainly because notes and accounts payable - trade decreased by ¥25,882 million and short-term loans payable decreased by ¥10,107 million.

Net assets decreased to ¥591,358 million by ¥5,100 million compared to the end of the previous fiscal year. This is mainly because profit attributable to owners of parent of ¥6,573 million was recorded and non-controlling interests decreased by ¥2,816 million, although dividends from retained earnings of ¥8,611 million were paid.

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

Not changed from the previous announcement (Apr. 25, 2019).

**2. Quarterly Consolidated Financial Statements and Major Notes****(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	FY 2019 (As of March 31, 2019)	First Quarter of FY 2020 (As of June 30, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	41,493	42,987
Notes and accounts receivable - trade	354,001	310,091
Merchandise and finished goods	181,914	192,482
Work in process	38,816	38,158
Raw materials and supplies	41,791	40,562
Other	78,257	68,952
Allowance for doubtful accounts	-4,073	-3,716
Total current assets	732,201	689,517
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	154,498	162,720
Machinery, equipment and vehicles, net	96,688	104,284
Land	122,028	123,200
Other, net	60,374	37,753
Total property, plant and equipment	433,589	427,959
Intangible assets	23,620	23,247
Investments and other assets		
Investment securities	118,965	121,790
Deferred tax assets	26,134	27,065
Other	14,479	16,620
Allowance for doubtful accounts	-3,169	-3,149
Total investments and other assets	156,409	162,327
Total non-current assets	613,619	613,534
Total assets	1,345,821	1,303,051

(Millions of yen)

	FY 2019 (As of March 31, 2019)	First Quarter of FY 2020 (As of June 30, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	282,434	256,551
Short-term borrowings	195,348	185,241
Current portion of long-term borrowings	6,264	8,500
Income taxes payable	9,070	6,088
Provision for product warranties	42,651	41,363
Other provisions	7,648	10,150
Other	99,349	93,589
Total current liabilities	642,766	601,485
Non-current liabilities		
Long-term borrowings	20,483	21,776
Deferred tax liabilities	2,210	2,129
Deferred tax liabilities for land revaluation	2,765	2,765
Retirement benefit liability	55,782	56,199
Other provisions	2,019	1,779
Other	23,333	25,557
Total non-current liabilities	106,595	110,207
Total liabilities	749,361	711,693
Net assets		
Shareholders' equity		
Capital stock	72,717	72,717
Capital surplus	66,275	65,618
Retained earnings	375,389	373,351
Treasury shares	-215	-216
Total shareholders' equity	514,166	511,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,899	44,316
Deferred gains or losses on hedges	-64	-116
Revaluation reserve for land	2,325	2,325
Foreign currency translation adjustment	-8,136	-9,341
Remeasurements of defined benefit plans	-8,540	-8,290
Total accumulated other comprehensive income	28,482	28,893
Non-controlling interests	53,809	50,993
Total net assets	596,459	591,358
Total liabilities and net assets	1,345,821	1,303,051

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

[Quarterly Consolidated Statements of Income]

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

(Millions of yen)

	First Quarter of FY 2019 (From April 1, 2018 to June 30, 2018)	First Quarter of FY 2020 (From April 1, 2019 to June 30, 2019)
Net sales	467,237	446,156
Cost of sales	393,855	381,122
Gross profit	73,381	65,034
Selling, general and administrative expenses		
Salaries and allowances	12,260	12,848
Provision for bonuses	1,559	1,639
Retirement benefit expenses	813	865
Other	39,654	36,076
Total selling, general and administrative expenses	54,288	51,429
Operating profit	19,092	13,604
Non-operating income		
Interest income	375	310
Dividend income	759	787
Share of profit of entities accounted for using equity method	338	—
Miscellaneous income	619	711
Total non-operating income	2,092	1,809
Non-operating expenses		
Interest expenses	1,273	1,767
Foreign exchange losses	14	1,000
Share of loss of entities accounted for using equity method	—	37
Miscellaneous expenses	424	1,065
Total non-operating expenses	1,712	3,870
Ordinary profit	19,473	11,543
Extraordinary income		
Gain on sales of non-current assets	40	47
Other	17	4
Total extraordinary income	58	52
Extraordinary losses		
Loss on sales and retirement of non-current assets	66	124
Other	46	13
Total extraordinary losses	112	137
Profit before income taxes	19,418	11,457
Income taxes—current	6,116	5,575
Income taxes—deferred	-870	-1,462
Total income taxes	5,246	4,113
Profit	14,172	7,344
Profit attributable to non-controlling interests	1,390	770
Profit attributable to owners of parent	12,782	6,573

[Quarterly Consolidated Statements of Comprehensive Income]  
 [Consolidated First Quarter of FY 2020 and FY 2019 (Cumulative)]

(Millions of yen)

	First Quarter of FY 2019 (From April 1, 2018 to June 30, 2018)	First Quarter of FY 2020 (From April 1, 2019 to June 30, 2019)
Profit	14,172	7,344
Other comprehensive income		
Valuation difference on available-for-sale securities	1,113	1,261
Deferred gains or losses on hedges	10	-99
Revaluation reserve for land	—	-6
Foreign currency translation adjustment	-1,604	-1,513
Remeasurements of defined benefit plans, net of tax	250	236
Share of other comprehensive income of entities accounted for using equity method	-144	211
Total other comprehensive income	-374	90
Comprehensive income	13,798	7,434
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,135	6,978
Comprehensive income attributable to non-controlling interests	1,663	456



**(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 2019 (From April 1, 2018 to June 30, 2018)	1Q of FY 2020 (From April 1, 2019 to June 30, 2019)	Change
Trucks and buses	48,592 units	45,079 units	-3,513 units
Toyota brand vehicles	37,051 units	37,126 units	75 units

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

Category	1Q of FY 2019 (From April 1, 2018 to June 30, 2018)		1Q of FY 2020 (From April 1, 2019 to June 30, 2019)		Change	
	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
Japan	16,097	122,846	15,616	119,101	-481	-3,744
Overseas	31,206	134,486	27,618	114,240	-3,588	-20,246
Supplies and parts for overseas production	—	670	—	346	—	-323
Total trucks and buses	47,303	258,004	43,234	233,689	-4,069	-24,314
Total Toyota brand vehicles	36,994	86,143	37,227	84,917	233	-1,225
Japan	—	15,273	—	15,238	—	-34
Overseas	—	14,139	—	14,730	—	590
Total service parts	—	29,412	—	29,969	—	556
Japan	—	45,023	—	45,910	—	887
Overseas	—	4,887	—	7,511	—	2,623
Toyota	—	43,766	—	44,158	—	392
Total others	—	93,676	—	97,580	—	3,903
Total net sales	—	467,237	—	446,156	—	-21,080

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