



Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2010

October 28, 2009

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.

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

Representative: Yoshio Shirai, President

Contact Point: Toshihisa Sakaki, General Manager, Corporate Communications Dept., Corporate Planning Div.

Phone: (042) 586-5494

Scheduled Date of Quarterly Financial Statements Filing: November 11, 2009

Scheduled Date of Dividend Payment Start: -

(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, 2010 (April 1, 2009 – September 30, 2009)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures indicate changes from the same period in the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q of FY 2010	392,479	(39.2)	(22,009)	—	(25,742)	—	(29,004)	—
2Q of FY 2009	645,283	—	8,254	—	7,010	—	2,999	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
2Q of FY 2010	(50.71)		—	
2Q of FY 2009	5.23		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
2Q of FY 2010	732,388		196,330		24.5		314.77	
FY 2009	755,192		218,942		26.9		354.23	

(Reference) Equity capital: 2Q of FY 2010: ¥179,778 million FY 2009: ¥202,780 million

2. Dividends

(Record date)	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen				
FY 2009	—	5.00	—	0.00	5.00
FY 2010	—	0.00	—	—	—
FY 2010 (forecast)	—	—	—	—	—

(Note) Amendment to the dividends forecast during the current quarter: Yes

At this moment, the year-end dividends have not yet been decided.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(Percentages indicate the changes over the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2010	950,000	(11.2)	(12,000)	—	(19,000)	—	(24,500)	—	(42.90)

(Note) Amendment to the forecast of consolidated financial results during the current quarter: Yes

4. Others

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

Newly included: companies (Company name:), Removed: companies (Company name:)

(2) Application of simplified accounting methods/specified accounting methods for preparation of quarterly consolidated financial statements: Yes

(Note) For details, please see Page 4 "4. Others" in "Qualitative Information / Financial Statements."

(3) Changes in accounting principles, procedures and methods of presentation associated with preparation of quarterly consolidated financial statements (as indicated in Changes in the Basis for the Preparation of Quarterly Consolidated Financial Statements)

1) Changes associated with revisions of accounting standards: None

2) Change other than those included in 1): None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term: 2Q of FY 2010: 574,580,850 shares; FY 2009: 574,580,850 shares

2) Number of treasury stock at end of term: 2Q of FY 2010: 3,433,130 shares; FY 2009: 2,120,176 shares

3) Average number of shares (quarterly consolidated cumulative period): 2Q of FY 2010: 572,019,294 shares; 2Q of FY2009: 573,833,713 shares

*Statement regarding the proper use of financial forecasts and other remarks

1. The forecasts of the consolidated financial results for the full fiscal year released on April 27, 2009 are revised in this material.
2. The year-end dividend forecast for the current fiscal year is to be determined in consideration for the currently available financial forecasts and will be proposed later in the comprehensive view of actual performance and other factors.
3. Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to the Company and particular assumptions, which are, at the discretion of the Company, deemed reasonable, and actual financial results may significantly vary due to various factors. For assumptions used in forecasting financial results, instructions to use the financial forecasts, and specific revisions to the business forecasts mentioned in 1 above, please see Page 3, "3. Qualitative Information on Forecast of Consolidated Financial Results" of "Qualitative Information/Financial Statements."

[Qualitative Information / Financial Statements]

1. Qualitative Information on Consolidated Operating Results

During the first six months of the fiscal year ending March 2010, the Japanese economy began picking up in exports mainly to Asia and production. However, the reduction in capital expenditure, worsening employment conditions and other factors made the country remain in difficult circumstances.

For the Japanese market, total demand of the heavy- and medium-duty trucks decreased by 19 thousand units (51.5% down) from the same period of the previous fiscal year to 18 thousand units mainly because corporate earnings worsened. Total demand of the light-duty truck also fell by 17 thousand units (43.0% down) to 22 thousand units.

Affected by the decreased demand mentioned above, total unit sales of trucks and buses of the Japanese market decreased by 9 thousand units (44.9% down) to 11 thousand units from the year-earlier period.

For the overseas market, unit sales of trucks and buses totaled 24 thousand units, a decrease of 13 thousand units (35.1% down) from the previous year in the midst of the worldwide economic recession.

As a result of the above, total unit sales of Hino brand trucks and buses amounted to 35 thousand units, a decrease of 22 thousand units (38.6% down) from the year-earlier period.

As for vehicle production commissioned by Toyota Motor Corporation, total production was 38 thousand units, a decrease of 47 thousand units (55.1% down) from the corresponding period of a year earlier due to the decreased production in "HILUX SURF" and "FJ Cruiser" mainly for the US market. Sales of the commissioned parts supply service for Toyota-branded vehicles in overseas subsidiaries also declined.

Because sales declined in all the major operations as stated above, net sales fell by ¥252,803 million (39.2% down) from a year earlier to ¥392,479 million. The Company made efforts for the cost improvement and fixed cost reduction, but was unable to make up for the fall in profits brought about by the significant decrease in net sales. As a result, operating loss, ordinary loss and net loss for the current period under review were ¥22,009 million, ¥25,742 million and ¥29,004 million, respectively, all of which were lower than the year-ago period.

2. Qualitative Information on Consolidated Financial Position

Total assets at the end of the current quarter under review decreased by ¥22,803 million from the previous fiscal year-end to ¥732,388 million. This was caused by the following: The reduction of ¥20,371 million in tangible fixed assets and the drop of ¥6,195 million in inventories mainly because of the assets for leases decreased due to the revisions to lease contracts in subsidiaries although accounts receivable increased ¥13,856 million from the end of the previous fiscal year, which was attributable to the growth in the number of the commissioned vehicles.

Liabilities fell by ¥191 million from the previous year-end to ¥536,058 million. This was caused by the fall of ¥21,076 million in other current liabilities mainly because of the decreases in unearned revenue and in accounts payable for facilities due to the revisions to lease contracts in subsidiaries although accounts payable increased ¥19,137 million from the end of the previous fiscal year, which was attributable to the growth in the number of vehicles produced.

Net assets decreased by ¥22,611 million from the previous year-end to ¥196,330 million, because the net loss was posted as ¥29,004 million.

3. Qualitative Information on Forecast of Consolidated Financial Results

In the year ending March 2010, the Japanese economy is expected to gradually recover as a result of the effect of economic policy and improved foreign economic circumstances. However, we still need to carefully deal with domestic and overseas markets as there are some concerns including economic downturns which may be brought about after the end of the measures to stimulate the economy in individual countries.

Under these circumstances the Group will seek enhanced management practices and improved business performance by promoting further rationalization.

Forecast of consolidated financial results for the year ending March, 2010 is as follows:

Net sales.....	¥950 billion
Operating loss	¥(12) billion
Japan unit sales of trucks and buses.....	28.6 thousand units
Overseas unit sales of trucks and buses	54.6 thousand units
Production of Toyota brand vehicles	113.0 thousand units

4. Others

(1) Changes in significant subsidiaries (changes of specified subsidiaries resulting in changes in scope of consolidation) during the current term

None.

(2) Application of simplified accounting methods/specified accounting methods for preparation of quarterly consolidated financial statements

1. Simplified accounting methods

* Calculation method for current income taxes and deferred income taxes (deferred tax assets/liabilities)

Payable income taxes are derived from the calculation, in which limited important add/subtract items and tax credit items were taken into account.

The collectability of deferred tax assets is subject to the method, which takes into account variations in significant provisional changes from the end of the previous consolidated fiscal year in addition to the projected future financial results and tax planning used in the year-end review for the previous consolidated fiscal year.

(3) Changes in accounting principles/procedures and method of presentation associated with preparation of quarterly consolidated financial statements

None.

5. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	Second Quarter of FY 2010 (As of September 30, 2009)	FY 2009 (As of March 31, 2009)
Assets		
Current assets		
Cash and deposits	25,086	29,725
Trade notes and accounts receivable	163,309	149,453
Merchandise and finished goods	56,155	61,554
Work in progress	21,742	22,649
Raw materials and supplies	16,746	16,634
Others	18,523	26,493
Allowance for doubtful accounts	(3,063)	(3,012)
Total current assets	298,500	303,498
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	95,580	97,139
Machinery and transportation equipment (net)	94,802	93,494
Land	90,608	90,659
Others (net)	45,734	65,804
Total tangible fixed assets	326,726	347,097
Intangible fixed assets	23,981	26,698
Investments and other assets		
Investment securities	68,181	61,874
Others	20,545	21,550
Allowance for doubtful accounts	(5,546)	(5,528)
Total investments and other assets	83,180	77,896
Total fixed assets	433,888	451,693
Total assets	732,388	755,192
Liabilities		
Current liabilities		
Trade notes and accounts payable	129,410	110,272
Short-term loans payable	105,290	121,585
Commercial papers	39,000	79,500
Current portion of long-term loans payable	21,293	20,762
Accrued income taxes	1,745	1,725
Accrued bonuses	3,462	3,786
Warranty allowance	8,117	12,095
Others	37,164	58,241
Total current liabilities	345,483	407,969
Long-term liabilities		
Long-term loans payable	109,897	49,822
Accrued employees' retirement benefits	41,387	40,924
Others	39,290	37,533
Total long-term liabilities	190,575	128,280
Total liabilities	536,058	536,250

(Millions of yen)

	Second Quarter of FY 2010 (As of September 30, 2009)	FY 2009 (As of March 31, 2009)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,327	64,327
Retained earnings	40,017	69,022
Treasury stock	(1,168)	(735)
Total shareholders' equity	175,894	205,332
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	13,323	8,202
Deferred gain or loss on hedges	18	(47)
Net unrealized gain on land revaluation	1,618	1,618
Cumulative translation adjustments	(11,074)	(12,324)
Total valuation and translation adjustments	3,884	(2,551)
Stock acquisition rights	92	46
Minority interests	16,459	16,115
Total net assets	196,330	218,942
Total liabilities and net assets	732,388	755,192

(2) Quarterly consolidated statements of income
[Consolidated second quarters of FY2010 and FY2009 (Cumulative)]

(Millions of yen)

	Second Quarter of FY 2009 (From April 1, 2008 to September 30, 2008)	Second Quarter of FY 2010 (From April 1, 2009 to September 30, 2009)
Net sales	645,283	392,479
Cost of sales	561,921	353,654
Gross profit on sales	83,361	38,825
Selling, general and administrative expenses		
Salary and benefits	18,057	16,771
Provision of accrued bonuses	2,958	1,820
Provision of accrued retirement benefits	1,443	1,277
Others	52,648	40,964
Total selling, general and administrative expenses	75,107	60,834
Operating income (loss)	8,254	(22,009)
Non-operating income		
Interest income	788	626
Dividends income	921	534
Gain on foreign exchange	–	555
Miscellaneous income	1,023	1,037
Total non-operating income	2,733	2,754
Non-operating expenses		
Interest expenses	2,418	2,172
Loss on foreign exchange	456	–
Investment loss on equity method	211	3,419
Miscellaneous expenses	890	895
Total non-operating expenses	3,976	6,487
Ordinary income (loss)	7,010	(25,742)
Extraordinary income		
Gain on sale of fixed assets	37	122
Gain on sale of investment securities	2,148	–
Others	121	110
Total extraordinary income	2,307	233
Extraordinary losses		
Loss on sale or disposition of fixed assets	578	955
Others	632	334
Total extraordinary losses	1,210	1,290
Net income (loss) before income taxes and minority interests	8,107	(26,799)
Income taxes	3,667	1,290
Income taxes–deferred	182	161
Total income taxes	3,850	1,452
Minority interests income (loss) of consolidated subsidiaries	1,257	753
Net income (loss)	2,999	(29,004)

(3) Notes on going concern assumption

None.

(4) Notes on significant changes in the amount of shareholders' equity

None.

6. Other Information

(1) Actual production

Category	2Q of FY 2009 (From April 1, 2008 to September 30, 2008)	2Q of FY 2010 (From April 1, 2009 to September 30, 2009)	Change
Trucks and buses	57,225 units	31,409 units	(25,816) units
Toyota brand vehicles	85,305 units	38,308 units	(46,997) units

(2) Actual sales

	2Q of FY 2009 (From April 1, 2008 to September 30, 2008)		2Q of FY 2010 (From April 1, 2009 to September 30, 2009)		Change	
	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
Japan	19,827	144,179	10,927	83,306	(8,900)	(60,873)
Overseas	36,763	146,468	23,845	87,241	(12,918)	(59,227)
Supplies and parts for overseas production	–	–	–	406	–	406
Total trucks and buses	56,590	290,648	34,772	170,954	(21,818)	(119,693)
Vehicles	85,305	149,599	38,308	65,837	(46,997)	(83,762)
Supplies and parts for overseas production, etc.	–	3,863	–	2,638	–	(1,224)
Total Toyota brand	85,305	153,463	38,308	68,476	(46,997)	(84,987)
Japan	–	24,716	–	22,194	–	(2,522)
Overseas	–	11,344	–	10,192	–	(1,151)
Total service parts	–	36,061	–	32,387	–	(3,674)
Japan	–	82,159	–	54,443	–	(27,715)
Overseas	–	13,592	–	19,958	–	6,366
Toyota	–	69,359	–	46,259	–	(23,099)
Total others	–	165,110	–	120,662	–	(44,448)
Total net sales	–	645,283	–	392,479	–	(252,803)

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