



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

January 27, 2010

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 Quarterly Financial Statements Filing: February 10, 2010

Scheduled Date of Dividend Payment Start: -

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

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2010 (April 1, 2009 – December 31, 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	%
3Q of FY 2010	666,133	(24.5)	(18,792)	—	(22,694)	—	(28,904)	—
3Q of FY 2009	882,794	—	(4,494)	—	(12,566)	—	(19,542)	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
3Q of FY 2010	(50.56)		—	
3Q of FY 2009	(34.07)		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
3Q of FY 2010	753,060		196,802		23.8		313.57	
FY 2009	755,192		218,942		26.9		354.23	

(Reference) Equity capital: 3Q of FY 2010: ¥179,092 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: None

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	980,000	(8.4)	(9,000)	—	(14,500)	—	(22,500)	—	(39.39)

(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 5 "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: 3Q of FY 2010: 574,580,850 shares; FY 2009: 574,580,850 shares

2) Number of treasury stock at end of term: 3Q of FY 2010: 3,435,514 shares; FY 2009: 2,120,176 shares

3) Average number of shares (quarterly consolidated cumulative period): 3Q of FY 2010: 571,727,163 shares; 3Q of FY2009: 573,526,794 shares

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

1. The projections of the consolidated financial results for the full fiscal year released on October 28, 2009 are revised in this report.
2. The year-end dividend forecast for the current fiscal year has not been determined in consideration for the currently available financial forecasts and will be proposed later based on the comprehensive study of actual performance and other factors.
3. 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 actual financial results may significantly vary due to various factors. For assumptions used in forecasting financial results, precautions in using the financial projections, and specific revisions made to the financial projections relative to 1 above, please refer to Page 4, "3. Qualitative Information on Forecast of Consolidated Financial Results" under "Qualitative Information/Financial Statements."

(Reference) Forecast of Non-Consolidated Financial Results.

Forecast of Non-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	710,000	(8.5)	(17,000)	–	(14,000)	–	(16,500)	–	(28.88)

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

[Qualitative Information / Financial Statements]

1. Qualitative Information on Consolidated Operating Results

In regard to the Japanese domestic market for trucks (heavy- and medium-duty trucks) in the third quarter of the current fiscal year (9 months period), total demand decreased to 29 thousand units by 23 thousand units (44.1% down) from the same period of the previous year due to the worsening of corporate earnings and other factors. Also, total demand in the light-duty truck market decreased by 21 thousand units (38.1% down) to 34 thousand units from the same period of the previous year.

Japan unit sales of trucks and buses combined decreased by 10 thousand units (36.5% down) to 18 thousand units from the same period of the previous year due to aforementioned decrease in demand.

For the overseas market, unit sales of trucks and buses decreased by 14 thousand units (26.1% down) to 39 thousand units from the same period of the previous year due to global economic slump.

Accordingly, total unit sales of Hino Brand trucks and buses were 56 thousand units, a decrease of 24 thousand units (29.7% down) from the same period of the previous year.

As for the vehicle production commissioned by Toyota Motor Corporation, while the production of “Land Cruiser Prado” mainly for Oceania and Middle East market increased, that of “HILUX SURF” (production discontinued in August, 2009) and “FJ Cruiser” mainly for the U.S. market decreased. Consequently, the total production was 75 thousand units, a decrease of 33 thousand units (30.5% down) from the same period of the previous year. Sales of the commissioned parts unit supply business for Toyota-branded vehicles undertaken by overseas subsidiaries declined as well.

As a result of decline in sales by all major operations as explained above, net sales decreased by ¥216,661 million (24.5% down) to ¥666,133 million from the same period of the previous year. In regard to income and loss, despite the Company’s efforts for cost improvement and reduction in fixed cost, it was not enough to make up for the fall in income caused by the significant decrease in sales, which resulted in operating loss, ordinary loss and net loss for the current period under review amounted to ¥18,792 million, ¥22,694 million and ¥28,904 million respectively, all of which had influence on the lower income from that in the same period of the previous year.

However, net sales amount, operating income, ordinary income and net income in the third quarter of the current fiscal year (3 months period) amounted to ¥273,653 million, ¥3,217 million, ¥3,048 million and ¥100 million respectively, all of these incomes turned into black.

2. Qualitative Information on Consolidated Financial Position

Total assets at the end of the third quarter of the current fiscal year decreased by ¥2,132 million to ¥753,060 million compared with the end of the preceding fiscal year. This was caused on one hand by the increase in the number of the commissioned vehicles compared with the end of the preceding fiscal year, increase in account receivable by ¥16,795 million due partly to holidays around the end of the fiscal year, and increase in inventories by ¥5,396 million, but on the other hand by the decline of tangible fixed asset by ¥26,806 million mainly due to the decrease in assets for rent caused by the revision of lease contracts by subsidiaries.

Liabilities increased by ¥20,007 million to ¥556,258 million from the end of the previous fiscal year. This was caused on one hand by the increase of account payable by ¥37,710 million due to increased turnout of vehicle production from the end of the previous fiscal year, but on the other hand by the decline of revenue received in advance because of the revision of lease contracts by subsidiaries, and decrease in amount owed for facilities, as well as the decline of other current liabilities by ¥20,284 million.

Net assets decreased by ¥22,140 million to ¥196,802 million from the end of the previous fiscal year. This was caused by the increase in valuation difference of investment securities by ¥4,170 million resulting from rising stock market, while declaring net loss of ¥28,904 million.

3. Qualitative Information on Forecast of Consolidated Financial Results

Taking into account the changes in business environment such as the vehicle production commissioned by Toyota Motor Corporation and sales trend of our trucks and buses in overseas market, projected financial results for the full fiscal year (consolidated/non-consolidated) have been revised as follows.

(Consolidated)	Net sales	¥980 billion
	Operating loss	¥(9) billion
	Japan unit sales of trucks and buses	27.2 thousand units
	Overseas unit sales of trucks and buses	55.0 thousand units

(Non-consolidated)	Production of Toyota brand vehicles	122.8 thousand units
	Net sales.....	¥710 billion
	Operating loss	¥(17) billion
	Japan unit delivery of trucks and buses.....	27.3 thousand units
	Export unit delivery of trucks and buses	50.6 thousand units
	Production of Toyota brand vehicles	118.8 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) Inventory assets valuation method

In regard to the calculation of the ending inventory for the third quarter under review, the physical inventory is omitted and a reasonable calculation method based on the physical inventory at the end of the second quarter in the consolidated fiscal year is used.

2) Calculation method for corporate income taxes, deferred tax assets and deferred tax liabilities.

Payable corporate income taxes are calculated by a method, which limits the add/subtract items and tax credit items to the important ones only.

The collectability of deferred tax assets is evaluated by the method, which takes into account the projected future financial results and tax planning, coupled with variations in significant transient changes from the end of 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)

	Third Quarter of FY 2010 (As of December 31, 2009)	FY 2009 (As of March 31, 2009)
Assets		
Current assets		
Cash and deposits	39,364	29,725
Trade notes and accounts receivable	166,248	149,453
Merchandise and finished goods	59,432	61,554
Work in progress	24,679	22,649
Raw materials and supplies	22,123	16,634
Others	20,240	26,493
Allowance for doubtful accounts	(3,147)	(3,012)
Total current assets	328,941	303,498
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	95,530	97,139
Machinery and transportation equipment (net)	92,757	93,494
Land	90,708	90,659
Others (net)	41,295	65,804
Total tangible fixed assets	320,291	347,097
Intangible fixed assets	22,518	26,698
Investments and other assets		
Investment securities	67,231	61,874
Others	19,672	21,550
Allowance for doubtful accounts	(5,595)	(5,528)
Total investments and other assets	81,308	77,896
Total fixed assets	424,118	451,693
Total assets	753,060	755,192
Liabilities		
Current liabilities		
Trade notes and accounts payable	147,983	110,272
Short-term loans payable	109,335	121,585
Commercial papers	41,000	79,500
Current portion of long-term loans payable	18,627	20,762
Accrued income taxes	1,588	1,725
Warranty allowance	8,030	12,095
Other allowance	1,745	3,894
Others	37,848	58,133
Total current liabilities	366,161	407,969
Long-term liabilities		
Long-term loans payable	109,469	49,822
Accrued employees' retirement benefits	41,353	40,924
Other allowance	1,909	2,051
Others	37,364	35,482
Total long-term liabilities	190,096	128,280
Total liabilities	556,258	536,250

(Millions of yen)

	Third Quarter of FY 2010 (As of December 31, 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	40,117	69,022
Treasury stock	(1,169)	(735)
Total shareholders' equity	175,993	205,332
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	12,372	8,202
Deferred gain or loss on hedges	(127)	(47)
Net unrealized gain on land revaluation	1,618	1,618
Cumulative translation adjustments	(10,763)	(12,324)
Total valuation and translation adjustments	3,099	(2,551)
Stock acquisition rights	125	46
Minority interests	17,583	16,115
Total net assets	196,802	218,942
Total liabilities and net assets	753,060	755,192

(2) Quarterly consolidated statements of income
 [Consolidated third quarters of FY2010 and FY 2009 (Cumulative)]

(Millions of yen)

	Third Quarter of FY 2009 (From April 1, 2008 to December 31, 2008)	Third Quarter of FY 2010 (From April 1, 2009 to December 31, 2009)
Net sales	882,794	666,133
Cost of sales	777,620	593,698
Gross profit on sales	105,174	72,435
Selling, general and administrative expenses		
Salary and benefits	30,002	26,655
Provision of accrued bonuses	1,132	905
Provision of accrued retirement benefits	2,168	1,936
Others	76,364	61,729
Total selling, general and administrative expenses	109,668	91,227
Operating income (loss)	(4,494)	(18,792)
Non-operating income		
Interest income	1,214	978
Dividends income	1,277	752
Gain on foreign exchange	—	1,278
Miscellaneous income	1,426	1,456
Total non-operating income	3,918	4,465
Non-operating expenses		
Interest expenses	3,606	3,327
Loss on foreign exchange	6,302	—
Investment loss on equity method	573	3,761
Miscellaneous expenses	1,508	1,277
Total non-operating expenses	11,990	8,367
Ordinary income (loss)	(12,566)	(22,694)
Extraordinary income		
Gain on sale of fixed assets	51	129
Gain on sale of investment securities	2,149	103
Others	129	124
Total extraordinary income	2,330	357
Extraordinary losses		
Loss on sale or disposition of fixed assets	888	1,375
Loss on valuation of investment securities	269	—
Others	925	556
Total extraordinary losses	2,082	1,931
Net income (loss) before income taxes and minority interests	(12,318)	(24,268)
Income taxes—current	3,448	2,539
Income taxes—deferred	2,204	475
Total income taxes	5,653	3,014
Minority interests income (loss) of consolidated subsidiaries	1,570	1,621
Net income (loss)	(19,542)	(28,904)

(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	3Q of FY 2009 (From April 1, 2008 to December 31, 2008)	3Q of FY 2010 (From April 1, 2009 to December 31, 2009)	Change
Trucks and buses	78,129 units	54,179 units	(23,950) units
Toyota brand vehicles	107,886 units	74,956 units	(32,930) units

(2) Actual sales

		3Q of FY 2009 (From April 1, 2008 to December 31, 2008)		3Q of FY 2010 (From April 1, 2009 to December 31, 2009)		Change	
		Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
	Japan	27,603	200,198	17,523	135,888	(10,080)	(64,309)
	Overseas	52,368	200,927	38,687	142,501	(13,681)	(58,425)
	Supplies and parts for overseas production	–	–	–	1,077	–	1,077
Total trucks and buses		79,971	401,125	56,210	279,467	(23,761)	(121,658)
	Vehicles	107,886	187,801	74,956	147,435	(32,930)	(40,365)
	Supplies and parts for overseas production, etc.	–	5,119	–	3,369	–	(1,749)
	Total Toyota brand	107,886	192,920	74,956	150,805	(32,930)	(42,115)
	Japan	–	36,844	–	34,045	–	(2,799)
	Overseas	–	15,806	–	15,488	–	(318)
	Total service parts	–	52,651	–	49,533	–	(3,117)
	Japan	–	118,223	–	86,016	–	(32,206)
	Overseas	–	19,974	–	23,954	–	3,980
	Toyota	–	97,899	–	76,355	–	(21,543)
Total others		–	236,097	–	186,326	–	(49,770)
Total net sales		–	882,794	–	666,133	–	(216,661)

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