

Financial Results for the Fiscal Year Ended March 31, 2024
[Japanese GAAP] (Consolidated)
English translation from the original Japanese-language document



April 25, 2024

Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.
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Scheduled Date of Annual Meeting of Shareholders: June 26, 2024

Scheduled Date of Financial Statements Filing: June 26, 2024

Scheduled Date of Dividend Payment Start: -

Supplementary materials for Financial Results: Yes

Investor conference for Financial Results: Yes (For Mass Media and Analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023– March 31, 2024)

(1) Consolidated Financial Results (% 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	%
FY 2024	1,516,255	0.6	-8,103	—	-9,233	—	17,087	—
FY 2023	1,507,336	3.3	17,406	-48.5	15,787	-58.4	-117,664	—

(Note) Comprehensive income FY 2024: ¥ 36,847 million (—%) FY 2023: ¥ -78,297 million (—%)

	Profit per share	Diluted Profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY 2024	29.77	—	4.5	-0.7	-0.5
FY 2023	-204.98	—	-28.5	1.2	1.2

(Reference) Equity in earnings of affiliated companies: FY 2024: ¥3,155 million FY 2023: ¥ -900 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2024	<u>1,464,375</u>	<u>463,420</u>	<u>26.8</u>	<u>682.98</u>
FY 2023	1,361,735	433,409	27.0	640.94

(Reference) Equity capital: FY 2024: ¥ 392,049 million FY 2023: ¥ 367,914 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2024	-110,410	39,244	55,638	67,773
FY 2023	-40,799	-60,257	114,208	75,683

2. Dividends

	Dividends per share					Total dividends (annual)	Dividends payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY 2023	—	0.00	—	0.00	0.00	—	—	—
FY 2024	—	0.00	—	0.00	0.00	—	—	—
FY 2025 (forecast)	—	—	—	—	—	—	—	—

(Note) Since the full-year forecast of profit attributable to owners of parent is still to be made, so the forecast dividend for the fiscal year ending March 2025 is still to be made.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2024 – March 31, 2025)

(% of change from FY2024)

	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 2025	1,600,000	5.5	20,000	—	10,000	—	—	—	—

*Notes

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

(2) 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

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term	FY 2024	574,580,850 shares	FY 2023	574,580,850 shares
2) Number of treasury stock at end of term	FY 2024	554,874 shares	FY 2023	554,114 shares
3) Average number of shares	FY 2024	574,026,355 shares	FY 2023	574,027,093 shares

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Non-Consolidated Financial Results

(% of change from previous year.)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2024	827,969	-0.5	-31,736	—	-56,894	—	-948	—
FY 2023	832,061	-3.7	-15,761	—	-25,743	—	-119,189	—

	Profit per share	Diluted Profit per share
	Yen	Yen
FY 2024	-1.65	—
FY 2023	-207.59	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2024	854,505	187,641	22.0	326.81
FY 2023	832,468	195,566	23.5	340.62

(Reference) Equity capital: FY 2024: ¥ 187,641 million FY 2023: ¥ 195,566 million

<Reasons for the difference in non-consolidated results from the previous fiscal year>

In FY 2024, our company saw operating loss worsening, due to the skyrocketing prices of materials. In non-consolidated financial results, we posted ¥59,175 million as the provision of allowance for doubtful accounts accompanying the loans receivable from consolidated subsidiaries in the section of non-operating expenses, so ordinary loss worsened. In addition, as mentioned in “3 Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Additional Information)” on page 15 of the attachment, the loss related to domestic certification was posted as an extraordinary loss, and gain on sale of non-current assets and reversal of the loss related to domestic certification were posted as extraordinary gains, so net loss improved from that in the previous fiscal year.

* Summary of financial results is out of scope of audit by Certified Public Accountants or Audit companies.

* 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 Operating Results Overview

(1) Operating Results Overview for Current Term

As for the Japanese domestic truck market in this consolidated fiscal year, the total demand for heavy-, medium-, and light-duty trucks increased due to the alleviation of the insufficiency of supply of semiconductors and parts. In the domestic bus market, total demand also increased mainly thanks to the recovery from the COVID-19. As a result of the above, total domestic demand for trucks and buses was 149.5 thousand vehicles, an increase of 18.5 thousand vehicles (14.0%) compared to the previous fiscal year.

As for Japanese domestic sales, the measures for dealing with the problem of falsification for certification were continued and sales activities were continued steadily, so the total sales volume of heavy-, medium-, and light-duty trucks and buses was 38.6 thousand units, an increase of 0.6 thousand units (1.5%) compared to the previous fiscal year.

As for overseas market, due to declining demand mainly in ASEAN countries, and overseas sales volume of trucks and buses was 92.1 thousand vehicles, a decrease of 21.8 thousand vehicles (-19.2%) compared to the previous fiscal year.

As a result of the above, total unit sales of Hino Brand trucks and buses decreased to 130.6 thousand units by 21.2 thousand units (-14.0%) compared to the previous fiscal year.

As for the volume of sales to Toyota Motor Corporation, because the sales of SUV and light-duty truck decreased, total sales volume decreased to 104.3 thousand units by 23.5 thousand units (-18.4%) compared to the previous fiscal year.

In addition to the above-mentioned, according to the impact of the conversion of foreign currency to yen currency at overseas subsidiaries and price revisions, net sales in this consolidated fiscal year were ¥1,516,255 million, which is an increase of ¥8,919 million (0.6%) compared to the previous fiscal year. As for profit and loss, due to the skyrocketing of material prices, etc. despite the increase in sales volume thanks to the resumption of shipment in Japan and the favorable exchange rates, operating loss was ¥8,103 million which is a decrease of ¥25,510 million compared to the previous fiscal year (operating income of ¥17,406 million in the previous consolidated fiscal year) and ordinary loss was ¥9,233 million which is a decrease of ¥25,021 million compared to the previous fiscal year (ordinary income of ¥15,787 million in the previous consolidated fiscal year). In addition, a gain on sale of non-current assets was recorded in extraordinary income for ¥92,067 million. Meanwhile a loss related to domestic and North American certification were recorded in the section of extraordinary loss for ¥24,216 million and ¥36,363 million respectively. As a result, profit attributable to owners of parent was ¥17,087 million which is an increase of ¥134,752 million compared to the previous fiscal year (loss attributable to owners of parent of ¥117,664 million in the previous fiscal year).

(2) Financial Position Overview for Current Term

Total assets as of the end of this fiscal year increased to ¥1,464,375 million by ¥102,639 million compared to the end of the previous fiscal year. This is mainly because inventories increased by ¥52,111 million and retirement benefit asset increased by ¥24,297 million.

Liabilities increased to ¥1,000,954 million by ¥72,627 million compared to the end of the previous fiscal year. This is mainly because interest-bearing debt increased by ¥83,337 million.

Net assets increased to ¥463,420 million by ¥30,011 million compared to the end of the previous fiscal year. This is mainly because remeasurements of defined benefit plans increased by ¥9,734 million and profit attributable to owners of parent of ¥17,087 million was recorded.

(3) Cash Flow Overview for Current Term

Cash flows for this fiscal year are as follows.

Cash used in operating activities was ¥110,410 million. This was mainly because inventories increased by ¥40,644 million and provision for certification-related loss decreased by ¥78,949 million.

Cash provided by investing activities was ¥39,244 million. This was mainly due to gain on sale of non-current assets of ¥99,290 million, despite the expenditure of ¥67,321 million on purchase of non-current assets centering on production facilities.

Cash provided by financing activities was ¥55,638 million. This was mainly due to net increase in short-term loans payable of ¥63,088 million.

As a result, cash and cash equivalents at the end of this fiscal year decreased to ¥67,733 million by ¥7,950 million compared to the end of the previous fiscal year.

(4) Future Outlook

(Recent efforts toward normalization for achieving the "Ideal State")

In order to regain a normal state as an enterprise, we will make efforts to recover our earning capacity by mobilizing all available resources of our corporate group. We believe that by further improving the "overall quality," which is composed of product quality and comprehensive support quality, as mentioned in the "Ideal State"(Note 1) of our company, and supporting the business of each client continuously, we would be able to recover our earning capacity.

We will return to the starting point of our business, correct the stance of expanding business beyond our capacity we had before the announcement of the wrongdoing for certification, and execute our plans for restructuring the businesses and products that did not contribute to clients, in order to become a company demanded by clients and society. For improving the productivity of our operations, we will "visualize objects and information" by utilizing the know-how of Toyota Motor at clerical and engineering workplaces, and strive to eradicate unnecessary things thoroughly.

We will actively allocate the resources saved through selection and concentration and productivity improvement to the improvement in "overall quality" as well as cost reduction activities, to improve our competitiveness.

Regarding comprehensive support as part of "overall quality," we will enrich the initiatives for "fixing before breakdown and fixing immediately after breakdown" with the aim of "keeping each client's vehicles in service." For example, we will improve the quality of our customer support, by proposing preventive maintenance (Note 2) based on the connected technology of "HINO-CONNECT," which is an ICT service, and developing a 24-hour emergency support system (Note 3) for swiftly dealing with the trouble of each client. While contributing to the growth of each client's business through such initiatives, our company will grow sustainably by increasing clients who recognize the value of "overall quality" and maintaining connections with them for a long time while deepening the connections.

We will restore our financial foundation, by minimizing inventory for distribution through the shortening of lead time for delivery, curtailing fixed costs thoroughly with no exception, utilizing or selling assets we own, and so on.

(Note 1) Hino's "Ideal State" announced on April 26, 2023

(Note 2) (Note 3) Initiatives in Japan

(Continuing Efforts to Contribute to a Sustainable Society)

We have defined a new set of key issues for the purpose of contributing to a sustainable society and will continue to address carbon neutrality while tackling challenges faced by our customers and the broader society.

In Japan, addressing societal issues such as the logistics challenges in 2024 is urgent. Not only are we working on improving the efficiency and reducing the wait time for loading at our own company, but through our subsidiary, Next Logistics Japan Co., Ltd., we are also collaborating with other shippers and logistics providers across industries to streamline operations and reduce manpower in logistics using double-trailer trucks.

In pursuit of carbon neutrality, we are actively promoting the adoption of electric vehicles, by providing the energy management platform "Emoplat" (Note 4) through our subsidiary, CUBE-LINX. This platform maximizes the operational efficiency of our newly launched small BEV truck, "Hino Dutro Z EV."

However, the challenges we face cannot be tackled by our company alone. Collaboration with like-minded partners is essential. In May of last year, we announced a collaboration with Toyota Motor Corporation, Daimler Truck, and Mitsubishi Fuso Truck and Bus Corporation and a business merger with Mitsubishi Fuso Truck and Bus Corporation. All of them aim to sustainably contribute to a prosperous society through transportation. We are currently advancing discussions to further this collaboration. We are committed to continuing these efforts and taking steps toward realizing a sustainable society.

(Note 4) A service that provides comprehensive support for the selection and installation of charging facilities and the implementation and operation of systems.

As part of the Toyota Group, our company and group companies operate under the Toyota Group Vision to "Invent the Next Path." Based on "HINO Way," we are committed to building a corporate culture that values our people and steadfastly prioritizes compliance. We continuously strive to do business the right way. Our goal is to rapidly regain the trust of our customers and the wider community. By delivering value through Hino's "comprehensive quality," we aim to become an essential enterprise for customers and communities worldwide. We will make relentless efforts to achieve this mission.

Accordingly, the earnings forecast for the next term is as follows.

(Consolidated Earnings Forecast for the Full Fiscal Year)

Net sales	¥1,600,000 million
Operating income	¥20,000 million
Ordinary income.....	¥10,000 million
Profit attributable to owners of parent	TBD
Japan unit sales of trucks and buses.....	42.0 thousand units
Overseas unit sales of trucks and buses.....	92.0 thousand units
Unit sales of Toyota brand vehicles.....	155.1 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.

(5) Basic Policy on Profit Distribution and Dividends for FY 2024 and FY 2025

Our company will strive to achieve a consolidated payout ratio of 30% stably and continuously, while fortifying its financial standing and considering its business performance, new investments, etc. in each term.

For FY 2024, we recorded a profit attributable to owners of parent of 17,087 million yen, resulting from the sale of non-current assets, investment securities, etc. However, the losses due to the misconduct for certification have significantly impacted our group's performance. Consequently, restoring and strengthening our financial foundation is an immediate priority. Therefore, we regret to inform you that there will be no dividend payment at the end of the fiscal year.

Furthermore, the dividend policy for the upcoming period remains undetermined at this stage.

2 Basic Policy on Selection of Accounting Standards

As the Group is not listed on overseas markets, and for ease of comparison with other companies, Japanese standards are used, and regarding the selection of IFRS (International Financial Reporting Standards), the accounting standards used by other companies domestically will be considered as we continue to gather information and discuss the issue with experts, and the decision will be made carefully.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	82,150	76,955
Notes and accounts receivable - trade	288,668	296,364
Lease receivables	32,850	43,608
Merchandise and finished goods	162,018	233,940
Work in process	66,189	54,207
Raw materials and supplies	50,296	42,467
Other	56,293	64,014
Allowance for doubtful accounts	-5,287	-3,251
Total current assets	733,181	808,307
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	183,690	184,508
Machinery, equipment and vehicles, net	73,730	82,743
Tools, furniture and fixtures, net	18,205	23,910
Land	128,740	123,861
Leased assets, net	5,936	5,703
Construction in progress	29,550	23,634
Assets for rent, net	332	151
Total property, plant and equipment	440,187	444,513
Intangible assets		
Software	30,688	30,231
Other	994	1,090
Total intangible assets	31,682	31,322
Investments and other assets		
Investment securities	133,260	125,344
Retirement benefit asset	1,169	25,466
Deferred tax assets	12,202	11,527
Other	13,281	21,245
Allowance for doubtful accounts	-3,229	-3,351
Total investments and other assets	156,684	180,231
Total non-current assets	628,554	656,067
Total assets	1,361,735	1,464,375

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	243,640	234,846
Short-term borrowings	247,798	328,010
Current portion of bonds payable	1,470	3,367
Current portion of long-term borrowings	5,376	22,251
Lease liabilities	1,227	1,464
Accounts payable - other	20,056	55,948
Income taxes payable	5,480	6,787
Provision for bonuses	7,600	7,980
Provision for bonuses for directors (and other officers)	560	581
Provision for product warranties	45,597	46,215
Provision for certification related loss	100,078	21,129
Other	97,201	124,559
Total current liabilities	776,089	853,141
Non-current liabilities		
Bonds payable	4,410	7,902
Long-term borrowings	31,397	12,258
Lease liabilities	14,098	14,430
Deferred tax liabilities	32,021	35,266
Deferred tax liabilities for land revaluation	2,742	2,742
Retirement benefit liability	42,504	49,446
Provision for retirement benefits for directors (and other officers)	1,576	1,497
Asset retirement obligations	1,566	1,572
Other	21,919	22,697
Total non-current liabilities	152,237	147,813
Total liabilities	928,326	1,000,954
Net assets		
Shareholders' equity		
Share capital	72,717	72,717
Capital surplus	65,956	65,928
Retained earnings	161,423	178,510
Treasury shares	-202	-202
Total shareholders' equity	299,894	316,953
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,315	46,620
Deferred gains or losses on hedges	-53	3
Revaluation reserve for land	2,273	2,273
Foreign currency translation adjustment	7,487	9,467
Remeasurements of defined benefit plans	6,996	16,731
Total accumulated other comprehensive income	68,020	75,095
Non-controlling interests	65,494	71,371
Total net assets	433,409	463,420
Total liabilities and net assets	1,361,735	1,464,375

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

[Consolidated Statements of Income]

(Millions of yen)

	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)
Net sales	1,507,336	1,516,255
Cost of sales	1,267,676	1,282,679
Gross profit	239,659	233,575
Selling, general and administrative expenses		
Sales commission	8,457	7,086
Transportation and storage costs	16,086	12,833
Provision for product warranties	41,525	46,215
Advertising expenses	1,119	1,271
Salaries and allowances	58,466	59,986
Provision for bonuses	4,023	4,239
Provision for bonuses for directors (and other officers)	560	589
Retirement benefit expenses	3,668	2,668
Provision for retirement benefits for directors (and other officers)	340	350
Rent expenses	8,174	8,468
Other	79,830	97,970
Total selling, general and administrative expenses	222,253	241,679
Operating profit (loss)	17,406	-8,103
Non-operating income		
Interest income	1,913	2,234
Dividend income	2,737	2,560
Rental income	1,275	1,135
Foreign exchange gains	—	1,912
Share of profit of entities accounted for using equity method	—	3,155
Miscellaneous income	5,604	3,473
Total non-operating income	11,530	14,472
Non-operating expenses		
Interest expenses	6,792	11,608
Share of loss of entities accounted for using equity method	900	—
Foreign exchange losses	2,295	—
Miscellaneous expenses	3,161	3,992
Total non-operating expenses	13,150	15,601
Ordinary profit (loss)	15,787	-9,233

(Millions of yen)

	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)
Extraordinary income		
Gain on sale of non-current assets	3,838	92,067
Gain on sale of investment securities	409	19,484
Subsidy for estate	670	—
Reversal of provision for domestic certification related loss	—	17,000
Other	268	1,033
Total extraordinary income	5,186	129,585
Extraordinary losses		
Loss on sale and retirement of non-current assets	3,579	1,213
Loss related to domestic certification	90,790	24,216
Loss related to North American certification	1,432	36,363
Impairment losses	14,598	11,608
Other	98	3,860
Total extraordinary losses	110,498	77,263
Profit (loss) before income taxes	-89,524	43,088
Income taxes - current	17,388	19,930
Income taxes - deferred	1,230	-2,062
Total income taxes	18,619	17,867
Profit (loss)	-108,144	25,220
Profit attributable to non-controlling interests	9,520	8,132
Profit (loss) attributable to owners of parent	-117,664	17,087

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)
Profit (loss)	-108,144	25,220
Other comprehensive income		
Valuation difference on available-for-sale securities	5,645	-5,686
Deferred gains or losses on hedges	204	200
Foreign currency translation adjustment	9,224	6,007
Remeasurements of defined benefit plans, net of tax	14,920	<u>9,526</u>
Share of other comprehensive income of entities accounted for using equity method	-148	<u>1,579</u>
Total other comprehensive income	29,846	<u>11,627</u>
Comprehensive income	-78,297	<u>36,847</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-90,258	<u>24,163</u>
Comprehensive income attributable to non-controlling interests	11,960	<u>12,684</u>

(3) Consolidated Statements of Changes in Net Assets
Previous Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	72,717	65,952	279,087	-201	417,556	46,315	-125
Changes during period							
Profit attributable to owners of parent			-117,664		-117,664		
Purchase of treasury shares				-0	-0		
Change in ownership interest of parent due to transactions with non-controlling interests		3			3		
Net changes in items other than shareholders' equity						4,999	71
Total changes during period	—	3	-117,664	-0	-117,662	4,999	71
Balance at end of period	72,717	65,956	161,423	-202	299,894	51,315	-53

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,273	170	-8,020	40,613	57,837	516,007
Changes during period						
Profit attributable to owners of parent						-117,664
Purchase of treasury shares						-0
Change in ownership interest of parent due to transactions with non-controlling interests						3
Net changes in items other than shareholders' equity		7,317	15,017	27,406	7,657	35,063
Total changes during period	—	7,317	15,017	27,406	7,657	-82,598
Balance at end of period	2,273	7,487	6,996	68,020	65,494	433,409

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	72,717	65,956	161,423	-202	299,894	51,315	-53
Changes during period							
Profit attributable to owners of parent			17,087		17,087		
Purchase of treasury shares				-0	-0		
Change in ownership interest of parent due to transactions with non-controlling interests		-28			-28		
Net changes in items other than shareholders' equity						-4,695	57
Total changes during period	—	-28	17,087	-0	17,058	-4,695	57
Balance at end of period	72,717	65,928	178,510	-202	316,953	46,620	3

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,273	7,487	6,996	68,020	65,494	433,409
Changes during period						
Profit attributable to owners of parent						17,087
Purchase of treasury shares						-0
Change in ownership interest of parent due to transactions with non-controlling interests						-28
Net changes in items other than shareholders' equity		1,979	9,734	7,075	5,876	12,952
Total changes during period	—	1,979	9,734	7,075	5,876	30,011
Balance at end of period	2,273	9,467	16,731	75,095	71,371	463,420

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	-89,524	43,088
Depreciation	57,293	56,479
Impairment losses	14,598	11,608
Increase (decrease) in allowance for doubtful accounts	439	-2,060
Increase (decrease) in provision for product warranties	-6,736	618
Increase (decrease) in provision for certification related loss	70,108	-78,949
Decrease (increase) in retirement benefit asset	-173	-2,418
Increase (decrease) in retirement benefit liability	910	616
Interest and dividend income	-4,650	-4,794
Interest expenses	6,792	11,608
Share of loss (profit) of entities accounted for using equity method	900	-3,155
Loss (gain) on sale of investment securities	-409	-19,484
Loss (gain) on sale and retirement of non-current assets	-258	-90,853
Decrease (increase) in trade receivables	6,096	2,913
Decrease (increase) in lease receivables	-6,817	-7,614
Decrease (increase) in inventories	-45,836	-40,644
Increase (decrease) in trade payables	-11,324	-14,861
Decrease (increase) in other current assets	-18,084	4,294
Increase (decrease) in other current liabilities	-13	51,051
Other, net	-347	-3,249
Subtotal	-27,037	-85,806
Interest and dividends received	4,769	4,915
Interest paid	-6,518	-12,036
Income taxes refund (paid)	-12,013	-17,482
Net cash provided by (used in) operating activities	-40,799	-110,410
Cash flows from investing activities		
Payments into time deposits	-2,621	-2,862
Proceeds from withdrawal of time deposits	-	704
Purchase of property, plant and equipment	-58,334	-67,321
Proceeds from sale of property, plant and equipment	7,588	99,290
Purchase of intangible assets	-8,922	-8,474
Purchase of investment securities	-987	-74
Proceeds from sale of investment securities	465	24,611
Long-term loan advances	-1,935	-1,936
Proceeds from collection of long-term loans receivable	1,901	1,888
Short-term loan advances	-	-5,820
Other, net	2,587	-760
Net cash provided by (used in) investing activities	-60,257	39,244

(Millions of yen)

	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	95,932	63,088
Proceeds from issuance of bonds	6,650	7,035
Redemption of bonds	-770	-1,645
Proceeds from long-term borrowings	27,150	—
Repayments of long-term borrowings	-9,054	-5,230
Dividends paid to non-controlling interests	-4,355	-6,818
Other, net	-1,344	-790
Net cash provided by (used in) financing activities	114,208	55,638
Effect of exchange rate change on cash and cash equivalents	-130	7,576
Net increase (decrease) in cash and cash equivalents	13,020	-7,950
Cash and cash equivalents at beginning of period	62,662	75,683
Cash and cash equivalents at end of period	75,683	67,733

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no related information.

(Additional Information)

Extraordinary income

(Gain on sale of non-current assets)

The profit from the sale of non-current assets is attributed to the sale of part of the land at the former Hino factory in Hino City, Tokyo, conducted on September 28, 2023, and the sale of land at the finished vehicle storage facility and associated company factories in Hidaka City, Saitama Prefecture, on March 22, 2024 for the effective utilization of management resources and enhancement of asset efficiency.

Regarding the land in question, a certain period is needed to demolish buildings and transfer facilities to alternative candidate sites. Therefore, we have agreed with the buyers to continue using the land under a usufruct agreement until the demolition and transfer processes are complete. Specifically, use of part of the Hino factory's land may continue until the end of March 2026, and the land for Hidaka City vehicle storage and related factory until the end of March 2031.

Since this transaction is considered as a sale-and-leaseback, we discussed whether the sale was officially recognized in our financial records at the time of the sales contract. This assessment was based on relevant accounting standards, including Guideline No. 16 "Guidelines for Applying Accounting Standards for Lease Transactions" and the realization basis principle defined in corporate accounting principles. Our analysis included considerations of the land's sale price, the classification of the lease transaction, rental fees, and the proportion of residual risks retained by our company. As a result, at the time of sale to the buyer, we determined that almost all risks and economic value of the land had been transferred to the buyer. Consequently, we have recognized the disappearance of the relevant land and the gain from the sale of non-current assets.

(Gain on reversal of loss related to domestic certification)

The primary reason for posting the gain on reversal of loss related to domestic certification is as follows. With respect to the additional tax payment expenses related to emissions and fuel economy, which had previously been recorded as provisions for certification-related losses, we reviewed the estimated future payments based on actual payments made up to the end of said consolidated fiscal year. Consequently, we recorded ¥17,000 million as a gain on the reversal of domestic certification-related losses under extraordinary income.

Extraordinary loss

Impairment loss

The primary reason for posting the impairment loss is as follows. In our U.S. subsidiary, an indication of impairment was recognized. Following an assessment of future recoverability in accordance with the accounting standards for impairment of non-current assets, we recorded an impairment loss of ¥11,236 million for non-current assets as an extraordinary loss.

(Loss related to domestic certification)

The misconduct concerning about engine certification related to engine performance problem for Japan market was revealed and the problem with engine performance was confirmed. Accordingly, our company recorded compensation for suppliers, customers and valuation of inventories amount ¥24,216 million as a loss related to domestic certification in the section of extraordinary loss.

(Loss related to North American certification)

Regarding the major factors in the loss related to the certification in North America, a lawsuit was filed against our company and U.S. subsidiaries in the U.S. District Court for the Southern District of Florida, Miami Division on August 5, 2022 (local time), but our company entered into a settlement agreement with the plaintiff on October 25, 2023 and received final approval of the court on April 1, 2024 (local time). Due to this settlement, a loss related to the certification in North America amount ¥34,675 million was recorded in the section of extraordinary loss.

(Contingent Liabilities)

• Certification issues

Although the investigation of the engine by special committee for Japan market has been completed but the impact of the engine certification issue for the North American and Japan market is still ongoing for verification, investigation and communication with the related parties. Accordingly, other impacts were already determined, and it will not be affected in the quarterly consolidated financial statements due to the difficult of reasonably estimated.

• Litigation against our company and subsidiaries outside Japan

Class action lawsuit in Victoria, Australia

On September 30, 2022 (local time) and April 17, 2023 (local time) at the Superior Court of Victoria in Australia, our company and subsidiaries company in Australia were sued by the plaintiff on behalf of the person who have purchased, leased, or having legal rights to our trucks in Australia from January 1, 2003 due to suffered damages as a result of fraud and other acts that related to violations of emission performance and fuel economy standards from our company's engines.

In the complaint filed in this fraud and misconduct case, the plaintiffs are demanding compensation from our company due to the damage in connection with quality assurance under Australian laws and regulations, however the specific amount of claims charged has not been disclosed.

Regarding of the procedures for the two class-action including the discussions to consolidate and organize the claims charged was held on November 21, 2023, and the court decided to review only for the class-action lawsuit filed on April 17, 2023.

However, the plaintiff of the class-action lawsuit filed on September 30, 2022 appealed against said decision on January 29, 2024, so this matter will be judged again by a court. (As of now, it is still to be scheduled.)

Although there is a possibility that we may incur losses depending on the class-action judgment result. However, the impact amount of this case is difficult to reasonably estimate, and our company has not reflected this impact in our consolidated financial statements.

A class-action lawsuit in British Columbia, Canada

On October 19, 2023 (local time) at the Superior Court of British Columbia in Canada, a lawsuit was filed against our parent company and subsidiaries company in the U.S. and Canada by the plaintiff on behalf of the person who have purchased or rented the vehicles from 2004 to 2021 model that manufactured by our company and sold in Canada due to suffered damage from the past misconduct.

In the complaint for this lawsuit, the plaintiff is requesting compensatory and punitive damages to our company. However, the exact amount demanded has not been disclosed.

Class-action lawsuit in Quebec, Canada

On November 1, 2023 (local time) at the Superior Court of Quebec, a lawsuit was filed against our parent company and the subsidiaries company in Canada by the plaintiff on behalf of the person who have purchased or rented the vehicles from 2004 to 2021 model that manufactured by our company and sold in Quebec, Canada due to suffered damage from misrepresentation.

In the complaint filed in this lawsuit, the plaintiff is requesting our company to pay compensation amount 10,000 Canadian dollars for each plaintiff due to the damage caused by misrepresentation and demanded total amount of 25 million Canadian dollars due to punitive damages.

Regarding the two class-action lawsuits filed in Canada, our company is confirming the claims of the plaintiffs, and although there is a possibility that we may incur losses depending on the class-action judgment result. However, the impact amount of this case is difficult to reasonably estimate, and our company has not reflected this impact in our consolidated financial statements.

(Segment Information, etc.)

【Segment Information】

1. Overview of Report Segment

The reporting segment for our company can acquire separate financial information for individual components of our company, and is the target of periodic evaluations so that the board of directors can determine allocation of management resources and evaluate results.

The main business of our company is production and sales of trucks and buses, as well as production on commission for Toyota Motor Corporation and other services such as development and planning of related products. Domestic areas are covered by our company and domestic subsidiaries and overseas areas are covered by local overseas subsidiaries, with strategies created for each market for the services and products handled.

Therefore, our company production and sales structure is composed of separate regional segments, with these segments reported as “Japan” and “Asia”

2. Method of calculating amounts for Sales, Earnings, Losses, Assets and Other Categories for Each Reporting Segment

Accounting methods for reported business segments are in accordance with the accounting policies for preparing consolidated financial statements. Intersegment revenues and transfers are based on prevailing market prices

3. Information on Amounts for Sales, Earnings, Losses, Assets and Other Categories for Each Reporting Segment and Breakdown of Revenue

Previous Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Report Segment			Other *1	Total	Adjusted Amount*2	Consolidated financial statements amount *3
	Japan	Asia	Total				
Net Sales							
Trucks and buses	347,636	336,047	683,684	142,720	826,404	—	826,404
Vehicles for Toyota	94,681	824	95,505	—	95,505	—	95,505
Spare parts	73,471	36,059	109,531	45,829	155,360	—	155,360
Other	217,335	144,839	362,174	67,889	430,064	—	430,064
Sales to External Customers	733,124	517,771	1,250,896	256,439	1,507,336	—	1,507,336
Inter-Segment Sales and Transfers	289,779	19,215	308,995	3,752	312,747	-312,747	—
Total	1,022,904	536,987	1,559,891	260,191	1,820,083	-312,747	1,507,336
Segment Earnings (Losses)	2,529	42,113	44,643	-17,592	27,051	-9,644	17,406
Segment Assets	991,704	332,609	1,324,313	183,550	1,507,864	-146,128	1,361,735
Other Categories							
Depreciation and amortization	40,171	10,498	50,669	6,624	57,293	—	57,293
Investment in Equity Method Affiliates	25,143	773	25,916	1,176	27,093	—	27,093
Increase in Tangible and Intangible Fixed Assets	45,617	8,674	54,291	14,697	68,989	—	68,989

*1 The "other" section is the regions not included in the reporting segments, including North America and Oceania etc.

*2 The adjusted amount is listed as below.

(1) The adjusted amount of segment earnings (losses) of ¥ -9,644 million includes inter-segment eliminations and adjustments for inventory assets.

(2) The adjusted amount of segment assets of ¥ -146,128 million includes inter-segment eliminations of debts and credits and adjustments for inventory assets.

*3 Segment earnings (losses) are adjusted with operating income in the consolidated statement of income.

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Report Segment			Other *1	Total	Adjusted Amount*2 Japan	Consolidated financial statements amount *3 Asia
	Japan	Asia	Total				
Net Sales							
Trucks and buses	396,448	279,530	675,978	148,878	824,856	—	824,856
Vehicles for Toyota	71,969	236	72,206	—	72,206	—	72,206
Spare parts	77,450	34,330	111,780	50,922	162,702	—	162,702
Other	240,566	137,440	378,006	78,483	456,489	—	456,489
Sales to External Customers	786,434	451,537	1,237,972	278,283	1,516,255	—	1,516,255
Inter-Segment Sales and Transfers	240,047	9,832	249,879	1,294	251,174	-251,174	—
Total	1,026,482	461,369	1,487,852	279,577	1,767,429	-251,174	1,516,255
Segment Earnings (Losses)	-15,640	31,901	16,260	-26,321	-10,060	1,956	-8,103
Segment Assets	<u>1,052,198</u>	338,416	<u>1,390,615</u>	166,884	<u>1,557,499</u>	-93,124	<u>1,464,375</u>
Other Categories							
Depreciation and amortization	41,816	8,257	50,073	6,405	56,479	—	56,479
Investment in Equity Method Affiliates	28,189	778	28,968	2,519	31,487	—	31,487
Increase in Tangible and Intangible Fixed Assets	49,364	7,886	57,250	16,496	73,747	—	73,747

*1 The “other” section is the regions not included in the reporting segments, including North America and Oceania etc.

*2 The adjusted amount is listed as below.

(1) The adjusted amount of segment earnings (losses) of ¥1,956 million includes inter-segment eliminations and adjustments for inventory assets.

(2) The adjusted amount of segment assets of ¥ -93,124 million includes inter-segment eliminations of debts and credits and adjustments for inventory assets.

*3 Segment earnings (losses) are adjusted with operating income (loss) in the consolidated statement of income.

(Per Share Information)

Item	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)
Net assets per share	640.94	<u>682.98</u>
Profit (loss) per share	-204.98	29.77

(Note) 1. Diluted net income per share is not written, because there are no dilutive shares.

2. The base for calculating profit (loss) per share are as follows:

Item	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)
Profit (loss) per share		
Profit (loss) attributable to owners of parent (Millions of yen)	-117,664	17,087
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent associated with common shares (Millions of yen)	-117,664	17,087
Average number of common shares (Shares)	574,027,093	574,026,355

(Significant Subsequent Events)

There is no related information.

4. Other

(1) Actual Production (Consolidated)

Category	FY 2023 (From April 1, 2022 to March 31, 2023)	FY 2024 (From April 1, 2023 to March 31, 2024)	Change
Trucks and buses	157,387 units	132,911 units	-24,476 units
Toyota brand vehicles	127,854 units	104,326 units	-23,528 units

(2) Actual Sales (Consolidated)

Category		FY 2023 (From April 1, 2022 to March 31, 2023)		FY 2024 (From April 1, 2023 to March 31, 2024)		Change	
		Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)	Volume (Units)	Amount (Millions of yen)
	Japan	37,988	224,328	38,572	293,323	584	68,994
	Overseas	113,867	601,968	92,056	531,502	-21,811	-70,466
	Supplies of parts for overseas production	—	107	—	31	—	-75
Total trucks and buses		151,855	826,404	130,628	824,856	-21,227	-1,548
Total Toyota brand		127,858	95,505	104,326	72,206	-23,532	-23,299
	Japan	—	70,482	—	74,162	—	3,679
	Overseas	—	84,877	—	88,540	—	3,662
	Total service parts	—	155,360	—	162,702	—	7,341
	Japan	—	187,807	—	210,283	—	22,476
	Overseas	—	18,336	—	26,764	—	8,427
	Toyota	—	223,920	—	219,442	—	-4,478
Total others		—	430,064	—	456,489	—	26,424
Total net sales		—	1,507,336	—	1,516,255	—	8,919

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