

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



January 29, 2020  
 Stock Listing: Tokyo and Nagoya

Name of Listed Company: Hino Motors, Ltd.  
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Scheduled Date of Quarterly Financial Statements Filing: February 7, 2020

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 Third Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019– December 31, 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                         | %     |
| 3Q of FY 2020 | 1,374,306       | -5.8 | 48,241           | -23.6 | 44,966          | -27.6 | 29,937                                  | -21.0 |
| 3Q of FY 2019 | 1,459,687       | 9.9  | 63,106           | 2.8   | 62,118          | -2.0  | 37,892                                  | -3.5  |

(Note) Comprehensive income: 3Q of FY 2020: ¥ 44,049 million (24.7%) 3Q of FY 2019: ¥ 35,318 million (-39.5%)

|               | Profit per share |  | Diluted profit per share |  |
|---------------|------------------|--|--------------------------|--|
|               | Yen              |  | Yen                      |  |
| 3Q of FY 2020 | 52.15            |  | —                        |  |
| 3Q of FY 2019 | 66.02            |  | 66.02                    |  |

(2) Consolidated Financial Position

|               | Total assets    |  | Net assets      |  | Equity ratio |  |
|---------------|-----------------|--|-----------------|--|--------------|--|
|               | Millions of yen |  | Millions of yen |  | %            |  |
| 3Q of FY 2020 | 1,286,110       |  | 618,032         |  | 44.0         |  |
| FY 2019       | 1,345,821       |  | 596,459         |  | 40.3         |  |

(Reference) Equity capital: 3Q of FY 2020: ¥566,483 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: None

(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: 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 | 3Q of FY 2020 | 574,580,850 shares | FY 2019       | 574,580,850 shares |
| 2) Number of treasury stock at end of term                                | 3Q of FY 2020 | 551,251 shares     | FY 2019       | 601,517 shares     |
| 3) Average number of shares (quarterly consolidated cumulative period)    | 3Q of FY 2020 | 574,012,977 shares | 3Q of FY 2019 | 573,962,708 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 third quarter (nine months), due mainly to the emissions regulations in the first half and rush demand before consumption tax hike, the total demand for heavy- and medium-duty trucks was 67.7 thousand units, an increase of 2.6% compared to the same quarter in the previous year. On the other hand, total demand for light-duty truck was 77.3 thousand units, a decrease of 1.5% compared to the same quarter in the previous year.

As for Japanese domestic sales, the total sales volume of heavy-, medium-, and light-duty trucks and buses was 49.2 thousand units, a decrease of 4.8% compared to the same quarter in the previous year.

As for overseas sales, demand shrank mainly in Indonesia, so sales volume was 85.9 thousand units, a decrease of 14.9% 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 135.1 thousand units, a decrease of 11.5% 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 and light-duty truck decreased, total sales volume was 107.7 thousand units, a decrease of 3.7% compared to the same quarter in the previous year.

As a result of the above, net sales in the current third quarter were ¥1,374,306 million, which is a decrease of ¥85,381 million (-5.8%) 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 ¥48,241 million, which is a decrease of ¥14,864 million (-23.6%) compared to the same quarter in the previous year, ordinary income was ¥44,966 million, which is a decrease of ¥17,151 million (-27.6%) compared to the same quarter in the previous year, and profit attributable to owners of parent was ¥29,937 million which is a decrease of ¥7,955 million (-21.0%) compared to the same quarter in the previous year.

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

Total assets at the end of the third quarter decreased by ¥59,710 million to ¥1,286,110 million compared to the end of the previous consolidated fiscal year. This is mainly because notes and accounts receivable - trade decreased by ¥68,747 million and investment securities increased by ¥16,561 million.

Liabilities decreased by ¥81,283 million to ¥668,077 million compared to the end of the previous consolidated fiscal year. This is mainly because notes and accounts payable - trade and provision for product warranties dropped by ¥45,951 million and ¥10,396 million, respectively, and other liabilities, including accrued expenses, decreased.

Net assets increased by ¥21,573 million to ¥618,032 million compared to the end of the previous consolidated fiscal year. This is mainly because profit attributable to owners of parent of ¥29,937 million was recorded, although dividends from retained earnings of ¥16,075 million were paid.

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

There is no revision to the previously announced forecast (Oct. 30, 2019).

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

(Millions of yen)

|   | FY 2019<br>(As of March 31, 2019) | Third Quarter of FY 2020<br>(As of December 31, 2019) |
|---|-----------------------------------|---|
| <b>Assets</b>                                 |                                   |   |
| Current assets                                |                                   |   |
| Cash and deposits                             | 41,493                            | 36,934  |
| Notes and accounts receivable - trade         | 354,001                           | 285,253   |
| Merchandise and finished goods                | 181,914                           | 189,117   |
| Work in process                               | 38,816                            | 41,328  |
| Raw materials and supplies                    | 41,791                            | 39,168  |
| Other   | 78,257                            | 72,681  |
| Allowance for doubtful accounts               | △4,073                            | △3,814  |
| Total current assets                          | 732,201                           | 660,669   |
| Non-current assets                            |                                   |   |
| Property, plant and equipment                 |                                   |   |
| Buildings and structures, net                 | 154,498                           | 163,751   |
| Machinery, equipment and vehicles, net        | 96,688                            | 98,684  |
| Land  | 122,028                           | 124,685   |
| Other, net                                    | 60,374                            | 42,493  |
| Total property, plant and equipment           | 433,589                           | 429,615   |
| Intangible assets                             | 23,620                            | 24,682  |
| Investments and other assets                  |                                   |   |
| Investment securities                         | 118,965                           | 135,527   |
| Deferred tax assets                           | 26,134                            | 21,884  |
| Other   | 14,479                            | 16,672  |
| Allowance for doubtful accounts               | △3,169                            | △2,940  |
| Total investments and other assets            | 156,409                           | 171,142   |
| Total non-current assets                      | 613,619                           | 625,440   |
| Total assets                                  | 1,345,821                         | 1,286,110   |
| <b>Liabilities</b>                            |                                   |   |
| Current liabilities                           |                                   |   |
| Notes and accounts payable - trade            | 282,434                           | 236,482   |
| Short-term borrowings                         | 195,348                           | 193,608   |
| Current portion of long-term borrowings       | 6,264                             | 12,748  |
| Income taxes payable                          | 9,070                             | 3,118   |
| Provision for product warranties              | 42,651                            | 32,255  |
| Other provisions                              | 7,648                             | 3,481   |
| Other   | 99,349                            | 77,737  |
| Total current liabilities                     | 642,766                           | 559,431   |
| Non-current liabilities                       |                                   |   |
| Long-term borrowings                          | 20,483                            | 18,097  |
| Deferred tax liabilities                      | 2,210                             | 2,142   |
| Deferred tax liabilities for land revaluation | 2,765                             | 2,765   |
| Retirement benefit liability                  | 55,782                            | 56,417  |
| Other provisions                              | 2,019                             | 1,972   |
| Other   | 23,333                            | 27,250  |
| Total non-current liabilities                 | 106,595                           | 108,646   |
| Total liabilities                             | 749,361                           | 668,077   |

(Millions of yen)

|   | FY 2019<br>(As of March 31, 2019) | Third Quarter of FY 2020<br>(As of December 31, 2019) |
|---|-----------------------------------|---|
| Net assets  |                                   |   |
| Shareholders' equity                                  |                                   |   |
| Share capital   | 72,717                            | 72,717  |
| Capital surplus                                       | 66,275                            | 64,841  |
| Retained earnings                                     | 375,389                           | 389,255   |
| Treasury shares                                       | △215                              | △196  |
| Total shareholders' equity                            | 514,166                           | 526,616   |
| Accumulated other comprehensive income                |                                   |   |
| Valuation difference on available-for-sale securities | 42,899                            | 53,544  |
| Deferred gains or losses on hedges                    | △64                               | △309  |
| Revaluation reserve for land                          | 2,325                             | 2,325   |
| Foreign currency translation adjustment               | △8,136                            | △7,888  |
| Remeasurements of defined benefit plans               | △8,540                            | △7,804  |
| Total accumulated other comprehensive income          | 28,482                            | 39,866  |
| Non-controlling interests                             | 53,809                            | 51,548  |
| Total net assets                                      | 596,459                           | 618,032   |
| Total liabilities and net assets                      | 1,345,821                         | 1,286,110   |

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

[Quarterly Consolidated Statements of Income]

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

(Millions of yen)

|   | Third Quarter of FY 2019<br>(From April 1, 2018<br>to December 31, 2018) | Third Quarter of FY 20<br>(From April 1, 2019<br>to December 31, 2019) |
|---|--|--|
| Net sales   | 1,459,687  | 1,374,306  |
| Cost of sales   | 1,234,740  | 1,168,903  |
| Gross profit  | 224,946  | 205,402  |
| Selling, general and administrative expenses                  |  |  |
| Salaries and allowances                                       | 40,404   | 42,540   |
| Provision for bonuses   | 1,643  | 1,769  |
| Retirement benefit expenses                                   | 2,460  | 2,559  |
| Other   | 117,331  | 110,292  |
| Total selling, general and administrative expenses            | 161,839  | 157,160  |
| Operating profit  | 63,106   | 48,241   |
| Non-operating income  |  |  |
| Interest income   | 1,143  | 952  |
| Dividend income   | 2,261  | 2,063  |
| Share of profit of entities accounted for using equity method | 1,884  | 355  |
| Miscellaneous income  | 2,084  | 2,251  |
| Total non-operating income                                    | 7,374  | 5,622  |
| Non-operating expenses  |  |  |
| Interest expenses   | 4,178  | 5,122  |
| Foreign exchange losses                                       | 1,428  | 1,391  |
| Miscellaneous expenses  | 2,755  | 2,383  |
| Total non-operating expenses                                  | 8,363  | 8,897  |
| Ordinary profit   | 62,118   | 44,966   |
| Extraordinary income  |  |  |
| Gain on sales of non-current assets                           | 618  | 138  |
| Gain on sales of investment securities                        | 0  | 64   |
| Other   | 61   | 135  |
| Total extraordinary income                                    | 680  | 338  |
| Extraordinary losses  |  |  |
| Loss on sales and retirement of non-current assets            | 359  | 620  |
| Special costs of quality-related measures                     | 3,947  | —  |
| Other   | 222  | 125  |
| Total extraordinary losses                                    | 4,528  | 745  |
| Profit before income taxes                                    | 58,270   | 44,559   |
| Income taxes - current  | 15,921   | 12,202   |
| Income taxes - deferred                                       | △155   | △101   |
| Total income taxes  | 15,765   | 12,100   |
| Profit  | 42,504   | 32,458   |
| Profit attributable to non-controlling interests              | 4,611  | 2,521  |
| Profit attributable to owners of parent                       | 37,892   | 29,937   |

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

(Millions of yen)

|  | Third Quarter of FY 2019<br>(From April 1, 2018<br>to December 31, 2018) | Third Quarter of FY 2020<br>(From April 1, 2019<br>to December 31, 2019) |
|--|--|--|
| Profit   | 42,504   | 32,458   |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | △6,563   | 9,232  |
| Deferred gains or losses on hedges   | 250  | △392   |
| Foreign currency translation adjustment  | △1,240   | 860  |
| Remeasurements of defined benefit plans, net of tax                                  | 716  | 695  |
| Share of other comprehensive income of entities<br>accounted for using equity method | △349   | 1,193  |
| Total other comprehensive income   | △7,186   | 11,590   |
| Comprehensive income   | 35,318   | 44,049   |
| Comprehensive income attributable to   |  |  |
| Comprehensive income attributable to owners of<br>parent                             | 31,406   | 41,321   |
| Comprehensive income attributable to<br>non-controlling interests                    | 3,911  | 2,727  |



**(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              | 3Q of FY 2019<br>(From April 1, 2018 to<br>December 31, 2018) | 3Q of FY 2020<br>(From April 1, 2019 to<br>December 31, 2019) | Change        |
|-----------------------|---|---|---------------|
| Trucks and buses      | 151,870 units   | 131,997 units   | -19,873 units |
| Toyota brand vehicles | 111,980 units   | 107,692 units   | -4,288 units  |

## (2) Actual Sales (Consolidated)

| Category                                      | 3Q of FY 2019<br>(From April 1, 2018 to<br>December 31, 2018) |                             | 3Q of FY 2020<br>(From April 1, 2019 to<br>December 31, 2019) |                             | Change            |                             |
|---|---|-----------------------------|---|-----------------------------|-------------------|-----------------------------|
|   | Volume<br>(Units)   | Amount<br>(Millions of yen) | Volume<br>(Units)   | Amount<br>(Millions of yen) | Volume<br>(Units) | Amount<br>(Millions of yen) |
| Japan   | 51,735  | 392,977                     | 49,227  | 388,767                     | -2,508            | -4,210                      |
| Overseas                                      | 100,889   | 418,881                     | 85,884  | 354,644                     | -15,005           | -64,237                     |
| Supplies and parts for<br>overseas production | —   | 1,051                       | —   | 1,371                       | —                 | 320                         |
| Total trucks and buses                        | 152,624   | 812,911                     | 135,111   | 744,784                     | -17,513           | -68,126                     |
| Total Toyota brand vehicles                   | 111,837   | 263,831                     | 107,680   | 251,042                     | -4,157            | -12,788                     |
| Japan   | —   | 48,155                      | —   | 47,959                      | —                 | -195                        |
| Overseas                                      | —   | 42,766                      | —   | 45,179                      | —                 | 2,413                       |
| Total service parts                           | —   | 90,921                      | —   | 93,139                      | —                 | 2,217                       |
| Japan   | —   | 140,111                     | —   | 137,460                     | —                 | -2,650                      |
| Overseas                                      | —   | 19,605                      | —   | 21,755                      | —                 | 2,150                       |
| Toyota  | —   | 132,305                     | —   | 126,122                     | —                 | -6,183                      |
| Total others                                  | —   | 292,022                     | —   | 285,339                     | —                 | -6,683                      |
| Total net sales                               | —   | 1,459,687                   | —   | 1,374,306                   | —                 | -85,381                     |

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