



Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2009

October 29, 2008

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: November 10, 2008

Scheduled Date of Dividend Payment Start: November 26, 2008

(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, 2009 (April 1, 2008 to September 30, 2008)

(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 2009	645,283	—	8,254	—	7,010	—	2,999	—
2Q of FY 2008	660,956	5.0	24,721	15.8	23,484	10.8	12,282	8.4

	Net income per share		Diluted net income per share	
	Yen		Yen	
2Q of FY 2009	5.23		—	
2Q of FY 2008	21.40		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q of FY 2009	863,241	302,998	33.0	496.04
FY 2008	874,369	308,758	33.3	507.63

(Reference) Equity capital: 2Q of FY 2009: ¥284,635 million, FY 2008: ¥291,300 million

2. Dividends

(Record date)	Dividend per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2008	0.00	5.00	0.00	5.00	10.00
FY 2009	0.00	5.00	—	—	—
FY 2009 (Projected)	—	—	0.00	5.00	10.00

(Note) Adjustment for the projected dividend in the current quarter: Not applicable.

3. Projected Consolidated Financial Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Percentage figures indicate changes from 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
Full year	1,250,000	(8.7)	15,000	(67.3)	10,000	(75.6)	2,000	(91.0)	3.49

(Note) Adjustment for the projected consolidated financial results in the current quarter: Yes

4. Others

(1) Change in significant subsidiaries (changes of specified subsidiaries affecting the 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 Section 4, Others in Qualitative Information / Financial Statements on Page 3.

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

① Change associated with revisions of accounting standards or the like: Yes

② Change other than those included in ①: None

(Note) For details, please see Section 4, Others in Qualitative Information / Financial Statements on Page 3.

(4) Number of outstanding shares (common stock)

① Number of outstanding shares (including treasury stock) at end of term: 2Q of FY 2009: 574,580,850 shares FY 2008: 574,580,850 shares

② Number of treasury shares at end of term: 2Q of FY 2009: 763,028 shares FY 2008: 732,342 shares

③ Average number of shares (quarterly consolidated cumulative period): 2Q of FY 2009: 573,833,713 shares 2Q of FY 2008: 573,897,239 shares

* Explanation regarding the appropriate use of projected financial results and other special instructions

- Regarding the projected consolidated financial results published on April 24, 2008, the portion for the full year is adjusted in this document.
- 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 projecting financial results and instructions to use projected financial results, and specific adjustments to the financial results pertaining to Paragraph 1 above, please see Section 3, Qualitative Information on Projected Consolidated Financial Results in Qualitative Information / Financial Statements on Page 2.
- "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) are applied from the current consolidated fiscal year. In addition, the Company prepared quarterly consolidated financial statements in accordance with the "Regulations on Quarterly Consolidated Financial Statements."

[Qualitative Information / Financial Statements]

1. Qualitative Information on Consolidated Operating Results

In the first six months by the end of the current second quarter, Japan saw an economic slowdown as an impact of the financial uncertainty in the United States, soaring costs of oil and raw materials and other factors put pressure on corporate profits.

For the market of domestic heavy- and medium-duty trucks, which are the Group's flagship products, total demand decreased to 37 thousand units by 6 thousand units (14.6% down) from the same period of the previous year due to the slump in construction demand. Total demand in the light-duty truck market also fell by 7 thousand units (14.8% down) to 39 thousand units on a year-over-year basis.

Affected by decreased demand, domestic unit sales decreased by 2 thousand units (10.4% down) to 20 thousand units from the year-earlier period as the total of heavy-, medium- and light-duty trucks and buses.

Overseas unit sales of trucks and buses, on the other hand, increased to 37 thousand units by 6 thousand units (21.2% up) compared to the same period last year due to rising demand in Asia, Latin America and Middle Eastern regions.

Accordingly, total unit sales of Hino brand trucks and buses amounted to 57 thousand units, growing by 4 thousand units (7.9% up) on a year-to-year comparison.

As for vehicle production commissioned by Toyota Motor Corporation, total production was 85 thousand units, decreasing by 13 thousand units (13.5% down) from the corresponding period of a year earlier due to a drop in "HILUX SURF" for export purposes.

Net sales for the first six months by the end of the current second quarter amounted to ¥645,283 million, falling ¥15,672 million (2.4% down) from a year earlier because of the decrease in unit sales of domestic and Toyota operations. The soaring costs of raw materials and the appreciation of the yen resulted in the operating income of ¥8,254 million, decreasing by ¥16,466 million (66.6% down) from the year-ago period. As a result, consolidated net income for the first six months was ¥2,999 million, decreased by ¥9,283 million (75.6% down) on a year-over-year basis.

Rates of changes compared with the previous second quarter have been provided as reference.

2. Qualitative Information on Consolidated Financial Position

Total assets at the end of the current second quarter decreased by ¥11,127 million to ¥863,241 million compared with the end of the preceding fiscal year. This was because of the ¥20,029 million decrease in receivables due to fewer recent unit sales at the end of the current quarter than the one at the end of the previous fiscal year and decrease in investment securities by ¥8,692 million due to decline in stock prices, while inventories increased by ¥17,225 million.

Liabilities fell to ¥560,243 million, which was a decrease of ¥5,367 million from the end of the preceding fiscal year due primarily to the drop of ¥5,944 million in accrued income taxes through payment.

Net assets decreased by ¥5,760 million to ¥302,998 million from the end of the previous fiscal year. This was mainly due to the dividend payment of ¥2,870 million and the decrease in unrealized gain on available-for-sale securities of ¥6,008 million, while recording net income of ¥2,999 million.

3. Qualitative Information on Projected Consolidated Financial Results

In FY 2009, Japan's economy has a number of causes for concern, including price hikes in oil and raw materials, the slowdown in the global economy, and unstable trends in the exchange and stock markets, all of which require a cautious response according to the future business climate.

The domestic market for trucks, which are the Group's main products, is anticipated to remain in difficult circumstances brought about by the high price of crude oil and worsening business conditions of carriers, showing a sign of potential decrease in demand compared with the previous year on a full-year basis.

Meanwhile, in regard to foreign markets, it is necessary to watch how the relevant overseas markets are affected by the recent instability in finance, foreign exchange and market conditions around the world although demand remains healthy mainly in resource-supplying countries.

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

Projection for consolidated results of the year ending March, 2009 is as follows;

Net sales	¥1,250 billion
Operating income	¥15 billion
Domestic unit sales of trucks and buses	41 thousand units
Overseas unit sales of trucks and buses	77 thousand units
Production of Toyota brand vehicles	146 thousand units

For information on projected non-consolidated financial results, please refer to "Notice of Adjustments to Projected Financial Results" which has released on October 29, 2008.

4. Others

- (1) Changes in significant subsidiaries (changes of specified subsidiaries affecting the 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 prior consolidated fiscal year.

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

1. Changes in matters associated with accounting standards

① “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) are applied from the current consolidated fiscal year. In addition, the Company prepared quarterly consolidated financial statements in accordance with the “Regulations on Quarterly Consolidated Financial Statements.”

② Change in significant asset valuation standards

Associated with the application of the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006), inventories held for sale in the ordinary course of business, which were previously subject to the traditional cost method, is calculated, from the current consolidated fiscal year, in accordance with a new cost method (where balance sheet values are subject to write-downs corresponding to the decreased profitability).

Please note that this change has just a minor impact on the quarterly consolidated financial statements.

③ Application of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

The “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18, May 17, 2006) is applied from the current consolidated fiscal year to make modifications required for consolidated accounting.

Please note that this application has just a minor impact on the quarterly consolidated financial statements.

2. Additional information

- Depreciation method for significant depreciable assets

Hino Motors, Ltd. and its consolidated subsidiaries in Japan, from the current consolidated fiscal year, has changed the useful lives of a part of tangible fixed assets, taking the opportunity of the fiscal 2008 tax revision concerning the useful lives of depreciable assets. As a result of this change, operating income decreased by ¥1,004 million, ordinary income and income before income taxes decreased by ¥1,013 million, respectively.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	Second Quarter of FY 2009 (As of September 30, 2008)	FY 2008 (As of March 31, 2008)
Assets		
Current assets		
Cash and deposits	24,435	29,108
Trade notes and accounts receivable	218,496	238,526
Merchandise and finished goods	77,532	62,351
Work in progress	23,383	23,593
Raw materials and supplies	18,875	16,620
Others	34,347	33,644
Allowance for doubtful accounts	(3,511)	(3,729)
Total current assets	393,559	400,115
Fixed assets		
Tangible fixed assets		
Buildings and structures	105,549	106,523
Machinery and transportation equipment	109,419	108,866
Land	93,264	95,409
Others	40,088	34,008
Total tangible fixed assets	348,322	344,807
Intangible fixed assets	25,690	25,716
Investments and other assets		
Investment securities	77,874	86,566
Others	24,022	23,235
Allowance for doubtful accounts	(6,228)	(6,070)
Total investments and other assets	95,668	103,730
Total fixed assets	469,681	474,254
Total assets	863,241	874,369
Liabilities		
Current liabilities		
Trade notes and accounts payable	196,509	195,741
Short-term loans payable	117,562	114,623
Commercial paper	30,000	32,000
Current portion of long-term loans payable	3,699	23,618
Accrued income taxes	3,332	9,276
Accrued bonuses	4,604	4,526
Warranty allowance	11,176	10,935
Others	68,439	66,261
Total current liabilities	435,323	456,983
Long-term liabilities		
Long-term loans payable	55,774	37,630
Accrued employees' retirement benefits	36,953	37,090
Others	32,191	33,906
Total long-term liabilities	124,919	108,627
Total liabilities	560,243	565,610

	(Millions of yen)	
	Second Quarter of FY 2009 (As of September 30, 2008)	FY 2008 (As of March 31, 2008)
Net assets		
Shareholders' equity		
Common stock	72,717	72,717
Additional paid-in capital	64,327	64,327
Retained earnings	136,731	136,393
Treasury stock	(398)	(379)
Total shareholders' equity	273,378	273,058
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	15,930	21,939
Gain/loss on deferred hedge	15	-
Net unrealized gain on land revaluation	1,617	1,617
Cumulative translation adjustment	(6,306)	(5,315)
Total valuation and translation adjustments	11,257	18,241
Stock acquisition rights	12	-
Minority interests	18,350	17,458
Total net assets	302,998	308,758
Total liabilities and net assets	863,241	874,369

(2) Quarterly Consolidated Statements of Income

[Second Quarter of Fiscal Year 2009 (Cumulative)]

	(Millions of yen)
	Second Quarter of FY 2009 (from April 1, 2008 to September 30, 2008)
Net sales	645,283
Cost of sales	561,921
Gross profit on sales	83,361
Selling, general and administrative expenses	
Salary and benefits	18,057
Provision of warranty allowance	11,176
Provision of accrued bonuses	2,958
Provision of accrued retirement benefits	1,443
Allowance for doubtful accounts	144
Others	41,328
Total selling, general and administrative expenses	75,107
Operating income	8,254
Non-operating income	
Interest income	788
Dividends income	921
Other income	1,023
Total non-operating income	2,733
Non-operating expenses	
Interest expenses	2,418
Loss on foreign exchange	456
Investment loss on equity method	211
Other expenditure	890
Total non-operating expenses	3,976
Ordinary income	7,010
Extraordinary income	
Gain on sale of fixed assets	37
Gain on sale of investment securities	2,148
Others	121
Total extraordinary income	2,307
Extraordinary losses	
Loss on sale or disposition of fixed assets	578
Others	632
Total extraordinary losses	1,210
Net income before income taxes and minority interests	8,107
Income taxes	3,667
Income taxes—deferred	182
Total income taxes	3,850
Minority interests income of consolidated subsidiaries	1,257
Net income	2,999

“Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) are applied from the current consolidated fiscal year. In addition, the Company prepared quarterly consolidated financial statements in accordance with the “Regulations on Quarterly Consolidated Financial Statements.”

(3) Notes on the going concern assumption

None.

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

None.

[Reference]

1. Financial Statements for the Second Quarter of the Previous Fiscal Year

(Summary) Quarterly Consolidated Statements of Income

Second Quarter of Fiscal Year 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	Second Quarter of the Previous Year (From April 1, 2007 to September 30, 2007)		Rates (%)
	Amount		
I. Net sales		660,956	100.0
II. Cost of sales		562,962	85.2
Gross profit on sales		97,993	14.8
III. Selling, general and administrative expenses			
1. Salary and benefits	18,404		
2. Provision of warranty allowance	10,652		
3. Provision of accrued bonuses	2,975		
4. Retirement benefit expenses	1,438		
5. Provision of reserve for directors' retirement benefits	362		
6. Allowance for doubtful accounts	33		
7. Others	39,405	73,272	11.1
Operating income		24,721	3.7
IV. Non-operating income			
1. Interest income	801		
2. Dividends income	906		
3. Investment gain on equity method	251		
4. Gain on foreign exchange	142		
5. Other income	772	2,875	0.5
V. Non-operating expenses			
1. Interest expenses	2,633		
2. Other expenditure	1,478	4,112	0.6
Ordinary income		23,484	3.6
VI. Extraordinary income			
1. Gain on sale of fixed assets	1,101		
2. Gain on sale of investment securities	18		
3. Others	61	1,180	0.2
VII. Extraordinary losses			
1. Loss on sale or disposition of fixed assets	459		
2. Impairment loss on fixed assets	34		
3. Provision of reserve for directors retirement benefits for prior periods	2,494		
4. Others	657	3,645	0.6
Net income before income taxes and minority interests		21,019	3.2
Income taxes	10,620		
Income taxes—deferred	(2,252)	8,368	1.3
Minority interests income of consolidated subsidiaries		369	0.0
Net income		12,282	1.9

2. Production and Sales (Consolidated)

(1) Actual production

Category	2Q of FY 2008 (From April 1, 2007 to September 30, 2007)	2Q of FY 2009 (From April 1, 2008 to September 30, 2008)	Change
Trucks and buses	53,804 units	57,225 units	3,421 units
Toyota brand vehicles	98,573 units	85,305 units	(13,268) units

(2) Actual sales

Category	2Q of FY 2008 (From April 1, 2007 to September 30, 2007)		2Q of FY 2009 (From April 1, 2008 to September 30, 2008)		Change	
	Quantity (units)	Value (millions of yen)	Quantity (units)	Value (millions of yen)	Quantity (units)	Value (millions of yen)
Japan	22,119	153,715	19,827	144,179	(2,292)	(9,535)
Overseas	30,334	128,992	36,763	146,468	6,429	17,475
Total trucks and buses	52,453	282,708	56,590	290,648	4,137	7,939
Vehicles	98,573	175,024	85,305	149,599	(13,268)	(25,424)
Supplies and parts for overseas production	–	2,951	–	3,863	–	912
Total Toyota brand	98,573	177,975	85,305	153,463	(13,268)	(24,511)
Japan	–	23,677	–	24,716	–	1,038
Overseas	–	9,762	–	11,344	–	1,581
Total supplies and parts	–	33,440	–	36,061	–	2,620
Japan	–	79,208	–	82,159	–	2,951
Overseas	–	8,448	–	13,592	–	5,144
Toyota	–	79,175	–	69,359	–	(9,816)
Total others	–	166,831	–	165,110	–	(1,721)
Total net sales	–	660,956	–	645,283	–	(15,672)

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