## HONDA MOTOR CO., LTD. REPORTS

CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL THIRD QUARTER AND
THE FISCAL NINE-MONTH PERIOD ENDED DECEMBER 31, 2012

Tokyo, January 31, 2013--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal third quarter and the fiscal nine-month period ended December 31, 2013.

## Third Quarter Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal third quarter ended December 31, 2012 totaled JPY 77.4 billion (USD 894 million), an increase of $62.5 \%$ from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 42.97 (USD 0.50), an increase of JPY 16.52 (USD 0.19) from JPY 26.45 for the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated net sales and other operating revenue (herein referred to as "revenue") for the quarter amounted to JPY 2,425.7 billion (USD 28,018 million), an increase of $24.9 \%$ from the same period last year, due primarily to increased revenue in automobile business operations, as production recovered from the impact of the Thai flood.

Consolidated operating income for the quarter amounted to JPY 131.9 billion (USD 1,524 million), an increase of $197.8 \%$ from the same period last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and $\mathrm{R} \& \mathrm{D}$ expenses.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 89.7 billion (USD 1,037 million), an increase of $53.5 \%$ from the same period last year.

Equity in income of affiliates amounted to JPY 21.4 billion (USD 247 million) for the quarter, a decrease of $6.5 \%$ from the corresponding period last year.

## Business Segment

## Motorcycle Business

For the three months ended December 31, 2011 and 2012

|  | Honda Group Unit Sales |  |  |  | Conit (Thousands) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { Three months } \\ \text { ended } \\ \text { Dec. 31, } 2011 \end{gathered}$ | $\begin{gathered} \hline \text { Three months } \\ \text { ended } \\ \text { Dec. 31, } 2012 \\ \hline \end{gathered}$ | Change | \% | $\begin{gathered} \text { Three months } \\ \text { ended } \\ \text { Dec. 31, } 2011 \\ \hline \end{gathered}$ | $\begin{aligned} & \hline \text { Three months } \\ & \text { ended } \\ & \text { Dec. 31, } 2012 \\ & \hline \end{aligned}$ | Change | \% |
| Motorcycle business | 3,609 | 3,815 | 206 | 5.7 | 2,031 | 2,350 | 319 | 15.7 |
| Japan | 51 | 51 | 0 | 0.0 | 51 | 51 | 0 | 0.0 |
| North America | 48 | 62 | 14 | 29.2 | 48 | 62 | 14 | 29.2 |
| Europe | 31 | 29 | -2 | -6.5 | 31 | 29 | -2 | -6.5 |
| Asia | 2,983 | 3,225 | 242 | 8.1 | 1,405 | 1,760 | 355 | 25.3 |
| Other Regions | 496 | 448 | -48 | -9.7 | 496 | 448 | -48 | -9.7 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

With respect to Honda's sales for the fiscal third quarter by business segment, in motorcycle business operation, revenue from sales to external customers increased $1.7 \%$, to JPY 307.8 billion (USD 3,555 million) from the same period last year, due mainly to increase of the consolidated unit sales, despite of the unfavorable foreign currency translation effects. Operating income totaled JPY 22.8 billion (USD 263 million), a decrease of $11.8 \%$ from the same period last year, due primarily to the unfavorable foreign currency effects, despite an increase in cost reduction.

## Automobile Business

For the three months ended December 31, 2011 and 2012

|  |  |  |  |  | Unit (Thousands) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Honda Group Unit Sales |  |  |  |  |  |  |  |
|  | $\begin{gathered} \text { Three months } \\ \text { ended } \\ \text { Dec. 31, } 2011 \\ \hline \end{gathered}$ | $\begin{aligned} & \hline \text { Three months } \\ & \text { ended } \\ & \text { Dec. 31, } 2012 \\ & \hline \end{aligned}$ | Change | \% | $\begin{gathered} \text { Three months } \\ \text { ended } \\ \text { Dec. 31, } 2011 \\ \hline \end{gathered}$ | $\begin{aligned} & \text { Three months } \\ & \text { ended } \\ & \text { Dec. 31, } 2012 \\ & \hline \end{aligned}$ | Change | \% |
| Automobile business | 783 | 986 | 203 | 25.9 | 622 | 841 | 219 | 35.2 |
| Japan | 136 | 138 | 2 | 1.5 | 134 | 135 | 1 | 0.7 |
| North America | 366 | 454 | 88 | 24.0 | 366 | 454 | 88 | 24.0 |
| Europe | 38 | 38 | 0 | 0.0 | 38 | 38 | 0 | 0.0 |
| Asia | 195 | 279 | 84 | 43.1 | 36 | 137 | 101 | 280.6 |
| Other Regions | 48 | 77 | 29 | 60.4 | 48 | 77 | 29 | 60.4 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles and are not included in consolidated net sales to the external customers in our automobile business. As a result, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our automobile business.

In automobile business operation, revenue from sales to external customers increased $32.0 \%$, to JPY 1,915.5 billion (USD 22,125 million) from the same period last year due mainly to an increase in consolidated unit sales and favorable foreign currency translation
effects. Operating income totaled JPY 70.9 billion (USD 819 million), an increase of JPY 87.9 billion (USD 1,016 million) from the same period last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses.

## Financial Services Business

Revenue from customers in the financial services business increased 8.4\%, to JPY 135.3 billion (USD 1,563 million) from the same period last year due to increase of the revenue of operating lease and favorable foreign currency translation effects. Operating income increased $1.4 \%$ to JPY 38.1 billion (USD 440 million) from the same period last year due mainly to decrease of SG\&A expenses and favorable currency effects, despite increase of expenses on lease residual values.

## Power Product and Other Businesses

For the three months ended December 31, 2011 and 2012
Unit (Thousands)

|  | Honda Group Unit Sales/ Consolidated Unit Sales |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & \text { Three months } \\ & \text { ended } \\ & \text { Dec. } 31,2011 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { Three months } \\ \text { ended } \\ \text { Dec. 31, } 2012 \\ \hline \end{gathered}$ | Change | \% |
| Power product business | 1,021 | 1,195 | 174 | 17.0 |
| Japan | 68 | 63 | -5 | -7.4 |
| North America | 330 | 426 | 96 | 29.1 |
| Europe | 200 | 206 | 6 | 3.0 |
| Asia | 289 | 341 | 52 | 18.0 |
| Other Regions | 134 | 159 | 25 | 18.7 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the three months ended December 31, 2011 and for the three months ended December 31, 2012, since no affiliate accounted for under the equity method was involved in the sale of Honda power products.

Revenue from sales to external customers in power product and other businesses increased $4.7 \%$, to JPY 67.0 billion (USD 775 million) from the same period last year, due mainly to increase in consolidated unit sales of power products and favorable foreign currency translation effects, despite of decreased revenue in other businesses. Operating income increased by JPY 2.2 billon (USD 26 million) to JPY 76 million (USD 1 million) from the same period last year due mainly to an increase in sales volume and model mix of power products.

## Geographical Information

With respect to Honda's sales for the fiscal third quarter by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 902.3 billion (USD 10,423 million), an increase of $4.5 \%$ from the same period last year due mainly to increased revenue in the automobile business operation. Operating income totaled JPY 40.7 billion (USD 470 million), an increase of JPY 81.9 billion (USD 947 million) from the same period last year due mainly to an increase in sales volume and model mix, despite increased R\&D expenses.

In North America, revenue increased by $26.3 \%$, to JPY 1,245.8 billion (USD 14,390 million) from the same period last year due mainly to increased revenue in the automobile business operation and favorable foreign currency translation effects. Operating income totaled JPY 70.8 billion (USD 819 million), a decrease of $5.3 \%$ from the same period last year due mainly to increased SG\&A expenses, despite an increase in sales volume and model mix.

In Europe, revenue increased by $19.5 \%$, to JPY 142.8 billion (USD 1,649 million) from the same period last year due to increased revenue in the automobile business operation and favorable foreign currency translation effects. Honda reported an operating loss of JPY 3.5 billion (USD 41 million), a JPY 0.2 billion (USD 3 million) improve from the same period last year mainly due to an increase in sales volume and model mix, despite increased SG\&A expenses.

In Asia, revenue increased by $84.9 \%$, to JPY 587.4 billion (USD 6,785 million) from the same period last year mainly due to increased revenue in the automobile and motorcycle business operations and favorable foreign currency translation effects. Operating income increased by $203.9 \%$, to JPY 40.5 billion (USD 469 million) from the same period last year due mainly to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses.

In Other regions including South America, the Middle East, Africa and Oceania, revenue increased by $8.0 \%$, to JPY 222.5 billion (USD 2,570 billion) from the same period last year mainly due to increased revenue in automobile business operation, despite decreased revenue in the motorcycle business operation and unfavorable foreign currency translation effects. Operating income totaled JPY 2.6 billion (USD 31 million), a decrease of 78.7\% from the same period last year mainly due to unfavorable foreign currency effects.

Explanatory note
United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY $86.58=$ USD 1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on December 31, 2012.

## Nine Months Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal nine months ended December 31, 2012 totaled JPY 291.3 billion, an increase of 108.3\% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal nine months amounted to JPY 161.68, an increase of JPY 84.06 from JPY 77.62 for the corresponding period last year.

Consolidated net sales and other operating revenue for the period amounted to JPY $7,132.9$ billion, an increase of $28.7 \%$ from the same period last year, due primarily to increased revenue in automobile business operation as the production has recovered from the impacts of the Great East Japan Earthquake and Thai flood, despite unfavorable foreign currency translation effects.

Consolidated operating income for the period amounted to JPY 408.8 billion, an increase of $242.4 \%$ from the same period last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses and unfavorable foreign currency effects.

Consolidated income before income taxes and equity in income of affiliates for the period totaled JPY 390.8 billion, an increase of $137.8 \%$ from the same period last year.

Equity in income of affiliates amounted to JPY 69.6 billion for the period, an increase of $3.8 \%$ from the corresponding period last year.

## Business Segment

## Motorcycle Business

For the nine months ended December 31, 2011 and 2012

|  | Honda Group Unit Sales |  |  |  | Consolidated Unit Sales (Thousands) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Nine months ended Dec. 31, 2011 | $\begin{aligned} & \text { Nine months } \\ & \text { ended } \\ & \text { Dec. 31, } 2012 \end{aligned}$ | Change | \% | $\begin{gathered} \text { Nine months } \\ \text { ended } \\ \text { Dec. 31, } 2011 \end{gathered}$ | $\begin{aligned} & \text { Nine months } \\ & \text { ended } \\ & \text { Dec. 31, } 2012 \end{aligned}$ | Change | \% |
| Motorcycle business | 10,897 | 11,532 | 635 | 5.8 | 6,167 | 7,020 | 853 | 13.8 |
| Japan | 166 | 167 | 1 | 0.6 | 166 | 167 | 1 | 0.6 |
| North America | 147 | 181 | 34 | 23.1 | 147 | 181 | 34 | 23.1 |
| Europe | 140 | 127 | -13 | -9.3 | 140 | 127 | -13 | -9.3 |
| Asia | 8,963 | 9,672 | 709 | 7.9 | 4,233 | 5,160 | 927 | 21.9 |
| Other Regions | 1,481 | 1,385 | -96 | -6.5 | 1,481 | 1,385 | -96 | -6.5 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.
Honda Group Unit Sales and Consolidated Unit Sales of Motorcycle business for the three months ended September 30, 2012 is revised and resulted in a decrease of 73 thousand units. This revision is included in Honda Group Unit sales and Consolidated Unit Sales of Motorcycle business for the nine months ended December 31, 2012.

With respect to Honda's sales for the fiscal nine months by business segment, in motorcycle business operation, revenue from sales to external customers decreased $2.6 \%$, to JPY 964.1 billion from the same period last year, due mainly to unfavorable foreign currency translation effects, despite increased consolidated unit sales. Operating income totaled JPY 85.0 billion, a decrease of $22.5 \%$ from the same period last year, due primarily to unfavorable foreign currency effects, despite increase in cost reduction.

## Automobile Business

For the nine months ended December 31, 2011 and 2012
Unit (Thousands)

|  | Honda Group Unit Sales |  |  |  | Consolidated Unit Sales |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Nine months ended Dec. 31, 2011 | $\begin{gathered} \text { Nine months } \\ \text { ended } \\ \text { Dec. } 31,2012 \end{gathered}$ | Change | \% | Nine months ended Dec. 31, 2011 | Nine months ended Dec. 31, 2012 | Change | \% |
| Automobile business | 2,086 | 2,981 | 895 | 42.9 | 1,651 | 2,506 | 855 | 51.8 |
| Japan | 361 | 492 | 131 | 36.3 | 356 | 486 | 130 | 36.5 |
| North America | 860 | 1,308 | 448 | 52.1 | 860 | 1,308 | 448 | 52.1 |
| Europe | 113 | 121 | 8 | 7.1 | 113 | 121 | 8 | 7.1 |
| Asia | 601 | 842 | 241 | 40.1 | 171 | 373 | 202 | 118.1 |
| Other Regions | 151 | 218 | 67 | 44.4 | 151 | 218 | 67 | 44.4 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles and are not included in consolidated net sales to the external customers in our automobile business. As a result, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our automobile business.

In automobile business operation, revenue from sales to external customers increased $40.7 \%$, to JPY 5,572.2 billion from the same period last year due mainly to an increase in consolidated unit sales, despite unfavorable foreign currency translation effects. Operating
income totaled JPY 208.7 billion, an increase of JPY 331.0 billion from the same period last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses.

## Financial Services Business

Revenue from customers in the financial services business increased 2.6\%, to JPY 397.0 billion from the same period last year due mainly to the increase of the revenue of operating lease and favorable foreign currency translation effects. Operating income decreased $12.5 \%$ to JPY 117.2 billion from the same period last year due mainly to increase of expenses on lease residual values.

## Power Product and Other Businesses

For the nine months ended December 31, 2011 and 2012

|  | Unit (Thousand |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Honda Group Unit Sales/ Consolidated Unit Sales |  |  |  |
|  | $\begin{array}{\|c} \hline \text { Nine months } \\ \text { ended } \\ \text { Dec. 31, } 2011 \\ \hline \end{array}$ | Nine months ended <br> Dec. 31, 2012 | Change | \% |
| Power product business | 3,809 | 4,108 | 299 | 7.8 |
| Japan | 303 | 233 | -70 | -23.1 |
| North America | 1,344 | 1,620 | 276 | 20.5 |
| Europe | 707 | 592 | -115 | -16.3 |
| Asia | 1,078 | 1,224 | 146 | 13.5 |
| Other Regions | 377 | 439 | 62 | 16.4 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the nine months ended December 31, 2011 and for the nine months ended December 31, 2012, since no affiliate accounted for under the equity method was involved in the sale of Honda power products.

Revenue from sales to external customers in power product and other businesses decreased $2.5 \%$, to JPY 199.5 billion from the same period last year, due mainly to decreased revenue in other businesses and unfavorable foreign currency translation effects, despite increase in consolidated unit sales of power products. Honda reported an operating loss of JPY 2.1 billion, a decrease of JPY 0.1 billion from the same period last year due mainly to increased SG\&A expenses and R\&D expenses.

## Geographical Information

With respect to Honda's sales for the fiscal nine months by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 2,834.1 billion, an increase of $23.6 \%$ from the same period last year due mainly to increased revenue in the automobile business operation. Operating income totaled JPY 131.7 billion, an increase of JPY 254.1 billion from the same period last year due mainly to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses.

In North America, revenue increased by $39.8 \%$, to JPY 3,515.3 billion from the same period last year due mainly to increased revenue in the automobile business operation. Operating income totaled JPY 179.8 billion, an increase of $27.5 \%$ from the same period last year due mainly to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses.

In Europe, revenue increased by $4.9 \%$, to JPY 435.2 billion from the same period last year mainly due to increased revenue in the automobile business operation, despite unfavorable foreign currency translation effects. Honda reported an operating loss of JPY 19.9 billion, JPY 6.0 billion deterioration from the same period last year mainly due to increased SG\&A expenses and unfavorable foreign currency effects, despite an increase in sales volume and model mix.

In Asia, revenue increased by $49.2 \%$, to JPY 1,639.6 billion from the same period last year mainly due to increased revenue in the automobile and motorcycle business operations, despite unfavorable foreign currency translation effects. Operating income increased by $80.2 \%$, to JPY 108.7 billion from the same period last year due mainly to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and unfavorable foreign currency effects.

In Other regions including South America, the Middle East, Africa and Oceania, revenue decreased by $1.2 \%$, to JPY 672.5 billion from the same period last year mainly due to decreased revenue in the motorcycle business operation and unfavorable foreign currency translation effects, despite increased revenue in the automobile business operations. Operating income totaled JPY 25.4 billion, a decrease of $50.4 \%$ from the same period last year mainly due to increased SG\&A expenses and unfavorable foreign currency effects, despite an increase in sales volume and model mix.

## Consolidated Statements of Balance Sheets for the Fiscal Nine Months Ended December 31, 2012

Total assets increased by JPY 737.7 billion, to JPY 12,518.4 billion from March 31, 2012, mainly due to an increase in fixed assets and inventory and foreign currency translation effects, despite a decrease in cash and cash equivalents. Total liabilities increased by JPY 425.8 billion, to JPY 7,678.2 billion from March 31, 2012, mainly due to increases in short-term debt and foreign currency translation effects, despite a decrease in trade accounts payable. Total equity increased by JPY 311.9 billion, to JPY 4,840.2 billion from March 31, 2012 due mainly to increased net income and currency translation effects.

## Consolidated Statements of Cash Flow for the Fiscal Nine Months

Consolidated cash and cash equivalents on December 31, 2012 decreased by JPY 88.6 billion from March 31, 2012, to JPY 1,158.5 billion. The factors of the increases or decreases for each cash flow activity, when compared with the same period of the previous fiscal year, are as follows:

## Cash flow from operating activities

Net cash provided by operating activities amounted to JPY 512.1 billion for the fiscal nine months ended December 31, 2012. Cash inflows from operating activities increased by JPY 4.2 billion compared with same period of the previous fiscal year due mainly to an increase in cash received from customers primarily led by increased unit sales in the automobile business, despite increased payments for parts and raw materials caused by an increase in automobile production.

## Cash flow from investing activities

Net cash used in investing activities amounted to JPY 781.8 billion. Cash outflows from investing activities increased by JPY 324.2 billion compared with the same period of the previous fiscal year, due mainly to an increase in capital expenditures, acquisitions of finance subsidiaries-receivables and an increase in purchases of operating lease assets.

## Cash flow from financing activities

Net cash provided by financing activities amounted to JPY 164.7 billion. Cash inflows from financing activities increased by JPY 259.7 billion compared with the same period of the previous fiscal year, due mainly to an increase in short-term debt, despite increase in cash outflow due to redemption of long-term debt.

## Forecasts for the Fiscal Year Ending March 31, 2013

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2013, Honda projects consolidated results to be as shown below:

## Fiscal year ending March 31, 2013

|  | $\underline{\text { Yen (billions) }}$ | Changes from FY 2012 |
| :---: | :---: | :---: |
| Net sales and other operating revenue | 9,800 | + $23.3 \%$ |
| Operating income | 520 | + 124.8\% |
| Income before income taxes and equity in income of affiliates | 515 | + 100.1\% |
| Net income attributable to Honda Motor Co., Ltd. | 370 | + $75.0 \%$ |
|  | Yen |  |
| Basic net income attributable to <br> Honda Motor Co., Ltd. per common share | 205.29 |  |

Note: The forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar and the Euro will be JPY 81 and JPY 105, respectively, for the full year ending March 31, 2013.

The reasons for the increases or decreases for forecasts of the operating income, and income before income taxes and equity in income of affiliates for the fiscal year ending March 31, 2013 from the corresponding period last year are as follows.

Yen (billions)
Revenue, model mix, etc., excluding currency effect
Cost reduction, the effect of raw material cost fluctuations, etc.
SG\&A expenses, excluding currency effect

- 181.0

R\&D expenses

- 35.2

Currency effect - 5.0
Operating income compared with fiscal year 2012 288.6
Fair value of derivative instruments -2.0
Others

- 29.0

Income before income taxes and equity in income of affiliates compared with fiscal year 2012

## Dividend per Share of Common Stock

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on January 31, 2013, resolved to make the quarterly dividend JPY 19 per share of common stock, the record date of which is December 31, 2012. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2013, is JPY 76 per share.

This announcement contains "forward-looking statements" as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time.

## Other Information

## 1. Accounting policies specifically applied for quarterly consolidated financial statements

## (a) Income taxes

Honda computes interim income tax expense (benefit) by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes and equity in income of affiliates for the fiscal nine months ended December 31, 2012. If a reliable estimate cannot be made, Honda utilizes the actual year-to-date effective tax rate.

## 2. Changes in accounting policy

## (a) Adoption of New Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-05 "Presentation of Comprehensive Income", which amends the FASB Accounting Standards Codification (ASC) 220 "Comprehensive Income". This amendment requires reporting entities to report other comprehensive income as components of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements and is effective retrospectively.
In December 2011, the FASB issued ASU 2011-12 "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05", which defers the effective date of pending amendments to current accounting guidance prescribed in ASU 2011-05.
Honda adopted ASU 2011-05 as amended by ASU 2011-12, effective April 1, 2012, and discloses consolidated statements of comprehensive income as two separate but consecutive statements.

## (b) Change in depreciation method

Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. In recent years, because sales of global strategic product models are increasing, Honda has been enhancing its production systems and the versatility of production equipment to have better flexibility to meet changes in global customer demand. Further, Honda has resumed more normalized capital expenditures which Honda had previously held down due to financial crisis beginning in the fiscal year ended March 31, 2009. Effective April 1, 2012, Honda changed to the straight line method of depreciation because management believes it better reflects the future economic benefit from the usage of property, plant and equipment under this more flexible and versatile production arrangement. The effect of the change in depreciation method is recognized prospectively as a change in accounting estimate in accordance with the FASB Accounting Standards Codification (ASC) 250 "Accounting Changes and Error Corrections". As a result of the change in depreciation method, depreciation expense for the three months and nine months ended December 31, 2012 decreased by approximately JPY 14,425 million and JPY 37,142 million, respectively. Net income attributable to Honda Motor Co., Ltd. and Basic net income attributable to Honda Motor Co., Ltd. per common share for the three months and nine months ended December 31, 2012 increased by approximately JPY 9,151 million and JPY 5.08, JPY 23,641 million and JPY 13.12, respectively.

## Consolidated Financial Summary

For the three months and nine months ended December 31, 2011 and 2012
Financial Highlights

|  | Yen (millions) |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Three months ended <br> Dec. 312011 Unaudited | $\begin{gathered} \hline \text { Three months } \\ \text { ended } \\ \text { Dec. 31, } 2012 \\ \text { Unaudited } \\ \hline \end{gathered}$ | $\begin{gathered} \text { Nine months } \\ \text { ended } \\ \text { Dec. } 31,2011 \\ \text { unaudited } \\ \hline \end{gathered}$ | Nine months ended <br> Dec. 31, 2012 <br> Unaudited |
| Net sales and other operating revenue | 1,942,545 | 2,425,792 | 5,543,033 | 7,132,987 |
| Operating income | 44,298 | 131,941 | 119,388 | 408,821 |
| Income before income taxes and equity in income of affiliates | 58,492 | 89,777 | 164,346 | 390,817 |
| Net income attributable to Honda Motor Co., Ltd. | 47,662 | 77,441 | 139,888 | 291,397 |
|  | Yen |  |  |  |
| Basic net income attributable to Honda Motor Co., Ltd per common share | 26.45 | 42.97 | 77.62 | 161.68 |

U.S. Dollar (millions)

|  | , |  |
| :---: | :---: | :---: |
|  | Three months ended <br> Dec. 31, 2012 <br> Unaudited | $\begin{gathered} \hline \text { Nine months } \\ \text { ended } \\ \text { Dec. 31, } 2012 \\ \text { Unaudited } \\ \hline \end{gathered}$ |
| Net sales and other operating revenue | 28,018 | 82,386 |
| Operating income | 1,524 | 4,722 |
| Income before income taxes and equity in income of affiliates | 1,037 | 4,514 |
| Net income attributable to Honda Motor Co., Ltd. | 894 | 3,366 |

Basic net income
attributable to Honda
Motor Co., Ltd per
common share $\quad \mathbf{0 . 5 0} \quad \mathbf{1 . 8 7}$
[1] Consolidated Balance Sheets

|  | Yen (millions) |  |
| :--- | ---: | ---: |
| Assets | Mar. 31, 2012 <br> audited | Dec. 31, 2012 <br> unaudited |
| Current assets: |  |  |
| Cash and cash equivalents | $1,247,113$ | $\mathbf{1 , 1 5 8 , 5 0 2}$ |
| Trade accounts and notes receivable | 812,155 | $\mathbf{7 9 6 , 1 1 4}$ |
| Finance subsidiaries-receivables, net | $1,081,721$ | $\mathbf{1 , 1 5 1 , 5 7 3}$ |
| Inventories | $1,035,779$ | $\mathbf{1 , 2 0 6 , 5 4 8}$ |
| Deferred income taxes | 188,755 | $\mathbf{2 0 5 , 9 2 5}$ |
| Other current assets | 373,563 | $\mathbf{3 4 3 , 6 7 8}$ |
| Total current assets | $4,739,086$ | $\mathbf{4 , 8 6 2 , 3 4 0}$ |

## Investments and advances:

Investments in
and advances to affiliates
Other,
including marketable equity securities

| 434,744 | $\mathbf{4 6 6 , 8 6 6}$ |
| ---: | ---: |
| 188,863 | $\mathbf{1 6 7 , 6 3 3}$ |
| 623,607 | $\mathbf{6 3 4 , 4 9 9}$ |

## Property on operating leases:

Vehicles
Less accumulated depreciation
Net property on operating leases

| $1,773,375$ | $\mathbf{2 , 0 4 1 , 8 6 6}$ |
| ---: | ---: |
| 300,618 | $\mathbf{3 6 1 , 2 3 6}$ |
| $1,472,757$ | $\mathbf{1 , 6 8 0 , 6 3 0}$ |

Property, plant and equipment, at cost:

Land
Buildings
Machinery and equipment
Construction in progress

Less accumulated depreciation and amortization Net property, plant and equipment

## Other assets

Total assets

$$
488,265
$$

498,523

| 488,265 | $\mathbf{4 9 8 , 5 2 3}$ |
| ---: | ---: |
| $1,492,823$ | $\mathbf{1 , 5 9 5 , 8 3 2}$ |
| $3,300,727$ | $\mathbf{3 , 5 2 6 , 4 1 4}$ |
| 191,107 | $\mathbf{2 5 3 , 7 5 6}$ |
| $5,472,922$ | $\mathbf{5 , 8 7 4 , 5 2 5}$ |
| $3,499,464$ | $\mathbf{3 , 6 9 0 , 5 6 8}$ |
| $1,973,458$ | $\mathbf{2 , 1 8 3 , 9 5 7}$ |


| 607,458 | $\mathbf{5 8 2 , 3 4 3}$ |
| ---: | ---: |
| $11,780,759$ | $\mathbf{1 2 , 5 1 8 , 4 8 2}$ |

## [1] Consolidated Balance Sheets - continued

|  | Yen (millions) |  |
| :--- | ---: | ---: |
| Liabilities and Equity | Mar. 31,2012 <br> audited | Dec. 31, 2012 <br> unaudited |
| Current liabilities: |  |  |
| Short-term debt | 964,848 | $\mathbf{1 , 2 4 8 , 5 3 5}$ |
| Current portion of long-term debt | 911,395 | $\mathbf{9 4 2 , 3 5 6}$ |
| Trade payables: | 26,499 | $\mathbf{3 0 , 9 1 7}$ |
| Notes | 942,444 | $\mathbf{7 7 6 , 3 5 8}$ |
| Accounts | 489,110 | $\mathbf{4 9 2 , 3 8 1}$ |
| Accrued expenses | 24,099 | $\mathbf{3 4 , 4 4 2}$ |
| Income taxes payable | 221,364 | $\mathbf{3 0 2 , 9 2 7}$ |
| Other current liabilities | $3,579,759$ | $\mathbf{3 , 8 2 7 , 9 1 6}$ |
| Total current liabilities | $2,235,001$ | $\mathbf{2 , 3 8 7 , 7 2 9}$ |
| Long-term debt, excluding current portion | $1,437,709$ | $\mathbf{1 , 4 6 2 , 6 3 1}$ |
| Other liabilities | $7,252,469$ | $\mathbf{7 , 6 7 8 , 2 7 6}$ |
| Total liabilities |  |  |

## Equity:

Honda Motor Co., Ltd. shareholders' equity:

| Common stock, authorized 7,086,000,000 shares; issued $1,811,428,430$ shares on Mar. 31, 2012 and Dec. 31, 2012 | 86,067 | 86,067 |
| :---: | :---: | :---: |
| Capital surplus | 172,529 | 171,117 |
| Legal reserves | 47,184 | 47,459 |
| Retained earnings | 5,769,029 | 5,964,630 |
| Accumulated other comprehensive income (loss), net | $(1,646,078)$ | (1,543,577) |
| Treasury stock, at cost $9,128,871$ shares on Mar. 31, 2012 and 9,129,914 shares on Dec. 31, 2012 | $(26,117)$ | $(26,120)$ |
| Total Honda Motor Co., Ltd. shareholders' equity | 4,402,614 | 4,699,576 |
| Noncontrolling interests | 125,676 | 140,630 |
| Total equity | 4,528,290 | 4,840,206 |

Commitments and contingent liabilities

| Total liabilities and equity | $11,780,759$ | $\mathbf{1 2 , 5 1 8 , 4 8 2}$ |
| :--- | :--- | :--- |

[2] Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

For the three months ended December 31, 2011 and 2012

Yen (millions)

| Yen (millions) |  |
| ---: | ---: |
| Three months <br> ended <br> Dec. 31, 2011 <br> unaudited | Three months <br> ended <br> Dec. 31, 2012 <br> unaudited |
| $1,942,545$ |  |
| $1,446,474$ |  |
| 317,354 |  |
| 134,419 |  |

Other income (expenses):

| Interest income | 8,775 | 5,561 |
| :---: | :---: | :---: |
| Interest expense | $(2,445)$ | $(2,812)$ |
| Other, net | 7,864 | $(44,913)$ |
|  | 14,194 | $(42,164)$ |
| Income before income taxes and equity in | 58,492 | 89,777 |

Income tax expense:

| Current | (904) | 30,295 |
| :---: | :---: | :---: |
| Deferred | 34,151 | $(2,199)$ |
|  | 33,247 | 28,096 |
| Income before equity in income of affiliates | 25,245 | 61,681 |
| Equity in income of affiliates | 22,911 | 21,411 |
| Net income | 48,156 | 83,092 |
| Less: Net income attributable to noncontrolling interests | 494 | 5,651 |
| Net income attributable to Honda Motor Co., Ltd. | 47,662 | 77,441 |

Basic net income attributable to
Honda Motor Co., Ltd. per common share

| Yen |  |
| :---: | :---: |
| 26.45 | $\mathbf{4 2 . 9 7}$ |

## Consolidated Statements of Comprehensive Income

For the three months ended December 31, 2011 and 2012

| Yen (millions) |  |
| :---: | :---: |
| Three months ended | Three months ended |
| Dec. 31, 2011 unaudited | Dec. 31, 2012 unaudited |
| 48,156 | 83,092 |
| $(74,280)$ | 256,312 |
| (963) | 8,339 |
| (1) | (842) |
| 1,721 | 1,846 |
| $(73,523)$ | 265,655 |
| $(25,367)$ | 348,747 |
| 507 | $(10,736)$ |
| $(24,860)$ | 338,011 |

## Consolidated Statements of Income

For the nine months ended December 31, 2011 and 2012

|  | Yen (millions) |  |
| :---: | :---: | :---: |
|  | $\begin{aligned} & \text { Nine months } \\ & \text { ended } \\ & \text { Dec. } 31,2011 \\ & \text { unaudited } \\ & \hline \end{aligned}$ | ```Nine months ended Dec. 31, 2012 unaudited``` |
| Net sales and other operating revenue | 5,543,033 | 7,132,987 |
| Operating costs and expenses: |  |  |
| Cost of sales | 4,141,925 | 5,294,606 |
| Selling, general and administrative | 909,418 | 1,024,922 |
| Research and development | 372,302 | 404,638 |
|  | 5,423,645 | 6,724,166 |
| Operating income | 119,388 | 408,821 |
| Other income (expenses): |  |  |
| Interest income | 25,119 | 19,921 |
| Interest expense | $(7,509)$ | $(8,943)$ |
| Other, net | 27,348 | $(28,982)$ |
|  | 44,958 | $(18,004)$ |
| Income before income taxes and equity in income of affiliates | 164,346 | 390,817 |
| Income tax expense: |  |  |
| Current | 57,346 | 104,081 |
| Deferred | 29,451 | 46,661 |
|  | 86,797 | 150,742 |
| Income before equity in income of affiliates | 77,549 | 240,075 |
| Equity in income of affiliates | 67,111 | 69,640 |
| Net income | 144,660 | 309,715 |
| Less: Net income attributable to noncontrolling interests | 4,772 | 18,318 |
| Net income attributable to Honda Motor Co., Ltd. | 139,888 | 291,397 |
|  |  |  |
| Basic net income attributable to <br> Honda Motor Co., Ltd. per common share | 77.62 | 161.68 |

## Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2011 and 2012

|  |  |  |
| :---: | :---: | :---: |
|  | $\begin{aligned} & \text { Nine months } \\ & \text { ended } \\ & \text { Dec. } 31,2011 \\ & \text { unaudited } \\ & \hline \end{aligned}$ | Nine months ended <br> Dec. 31, 2012 unaudited |
| Net income | 144,660 | 309,715 |
| Other comprehensive income (loss), net of tax: |  |  |
| Adjustments from foreign currency translation | $(268,677)$ | 104,013 |
| Unrealized gains (losses) on available-for-sale securities, net | $(6,274)$ | $(3,889)$ |
| Unrealized gains (losses) on derivative instruments, net | 201 | (493) |
| Pension and other postretirement benefits | 5,167 | 6,112 |
| Other comprehensive income (loss), net of tax | $(269,583)$ | 105,743 |
| Comprehensive income (loss) | $(124,923)$ | 415,458 |
| Comprehensive income (loss) attributable to noncontrolling interests | 1,439 | $(21,560)$ |
| Comprehensive income (loss) attributable to Honda Motor Co., Ltd. | $(123,484)$ | 393,898 |

## [3] Consolidated Statements of Cash Flows

|  | Yen (millions) |  |
| :---: | :---: | :---: |
|  | $\begin{aligned} & \text { Nine months } \\ & \text { ended } \\ & \text { Dec. 31, } 2011 \\ & \text { unaudited } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Nine months } \\ & \text { ended } \\ & \text { Dec. 31, } 2012 \\ & \text { unaudited } \\ & \hline \end{aligned}$ |
| Cash flows from operating activities: |  |  |
| Net income | 144,660 | 309,715 |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |  |
| Depreciation excluding property on operating leases | 228,448 | 219,607 |
| Depreciation of property on operating leases | 154,054 | 182,193 |
| Deferred income taxes | 29,451 | 46,661 |
| Equity in income of affiliates | $(67,111)$ | $(69,640)$ |
| Dividends from affiliates | 47,261 | 36,053 |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 7,905 | 5,890 |
| Impairment loss on investments in securities | 501 | - |
| Damaged and impairment loss on long-lived assets excluding property on operating leases | 7,654 | - |
| Impairment loss on property on operating leases | - | 3,501 |
| Loss (gain) on derivative instruments, net | $(27,380)$ | 29,941 |
| Decrease (increase) in assets: |  |  |
| Trade accounts and notes receivable | 123,712 | 45,104 |
| Inventories | $(45,264)$ | $(143,483)$ |
| Other current assets | 57,835 | 44,359 |
| Other assets | $(11,115)$ | $(21,006)$ |
| Increase (decrease) in liabilities: |  |  |
| Trade accounts and notes payable | 14,023 | $(162,593)$ |
| Accrued expenses | $(58,769)$ | $(12,676)$ |
| Income taxes payable | $(8,027)$ | 10,354 |
| Other current liabilities | $(28,872)$ | 41,107 |
| Other liabilities | $(22,696)$ | $(10,198)$ |
| Other, net | $(38,309)$ | $(42,709)$ |
| Net cash provided by operating activities | 507,961 | 512,180 |
| Cash flows from investing activities: |  |  |
| Increase in investments and advances | $(18,363)$ | $(15,031)$ |
| Decrease in investments and advances | 10,458 | 15,786 |
| Proceeds from sales of available-for-sale securities | - | 682 |
| Payments for purchases of held-to-maturity securities | $(14,624)$ | $(3,611)$ |
| Proceeds from redemptions of held-to-maturity securities | 45,827 | 9,207 |
| Capital expenditures | $(240,522)$ | $(440,479)$ |
| Proceeds from sales of property, plant and equipment | 21,921 | 27,487 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | 4,944 | 4,665 |
| Acquisitions of finance subsidiaries-receivables | (1,360,598) | $(1,438,155)$ |
| Collections of finance subsidiaries-receivables | 1,319,250 | 1,344,809 |
| Purchases of operating lease assets | $(498,380)$ | $(573,890)$ |
| Proceeds from sales of operating lease assets | 272,504 | 286,709 |
| Net cash used in investing activities | $(457,583)$ | $(781,821)$ |


|  | Yen (millions) |  |
| :---: | :---: | :---: |
|  | ```Nine months ended Dec. 31, 2011 unaudited``` | $\begin{aligned} & \text { Nine months } \\ & \text { ended } \\ & \text { Dec. 31, 2012 } \\ & \text { unaudited } \\ & \hline \end{aligned}$ |
| Cash flows from financing activities: |  |  |
| Increase in short-term debt, net | 5,008 | 239,710 |
| Proceeds from long-term debt | 707,736 | 823,496 |
| Repayment of long-term debt | $(711,590)$ | $(795,247)$ |
| Dividends paid | $(81,103)$ | $(95,521)$ |
| Dividends paid to noncontrolling interests | $(15,060)$ | $(6,045)$ |
| Purchases of treasury stock, net | (5) | (3) |
| Other, net | - | $(1,614)$ |
| Net cash provided by (used in) financing activities | $(95,014)$ | 164,776 |
| Effect of exchange rate changes on cash and cash equivalents | $(91,669)$ | 16,254 |
| Net change in cash and cash equivalents | $(136,305)$ | $(88,611)$ |
| Cash and cash equivalents at beginning of the year | 1,279,024 | 1,247,113 |
| Cash and cash equivalents at end of the period | 1,142,719 | 1,158,502 |

## [4] Assumptions for Going Concern

None

## [5] Significant changes in Honda Motor Co., Ltd. shareholders' equity

None

## [6] Segment Information

Honda has four reportable segments: the Motorcycle business, the Automobile business, the Financial services business and the Power product \& other businesses, which are based on Honda's organizational structure and characteristics of products and services. Operating segments are defined as components of Honda's organization for which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. The accounting policies used for these reportable segments are consistent with the accounting policies used in Honda's consolidated financial statements.

Principal products and services, and functions of each segment are as follows:

| Segment | Principal products and services | Functions |
| :--- | :--- | :--- |
| Motorcycle business | Motorcycles, all-terrain vehicles <br> (ATVs) and relevant parts | Research \& Development, Manufacturing, <br> Sales and related services |
| Automobile business | Automobiles and relevant parts | Research \& Development, Manufacturing, <br> Sales and related services |
| Financial services business | Financial, insurance services | Retail loan and lease related to Honda <br> products, and Others |
| Power product <br> $\& ~ O t h e r ~ b u s i n e s s e s ~$ | Power products and relevant parts, <br> and others | Research \& Development, Manufacturing, <br> Sales and related services, and Others |

1. Segment information based on products and services
(A) For the three months ended December 31, 2011


For the three months ended December 31, 2012

| Yen (millions) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Motorcycle Business | Automobile Business | Financial Services Business | Power Product \& Other Businesses | $\begin{aligned} & \text { Segment } \\ & \text { Total } \end{aligned}$ | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |
| External customers | 307,814 | 1,915,552 | 135,329 | 67,097 | 2,425,792 | - | 2,425,792 |
| Intersegment | - | 2,877 | 2,827 | 4,214 | 9,918 | $(9,918)$ | - |
| Total | 307,814 | 1,918,429 | 138,156 | 71,311 | 2,435,710 | $(9,918)$ | 2,425,792 |
| Segment income (loss) | 22,803 | 70,926 | 38,136 | 76 | 131,941 | - | 131,941 |

(B) As of and for the nine months ended December 31, 2011

| Yen (millions) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Motorcycle Business | Automobile Business | Financial Services Business | Power Product \& Other Businesses | Segment Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |
| External customers | 990,287 | 3,961,018 | 387,127 | 204,601 | 5,543,033 | - | 5,543,033 |
| Intersegment | - | 10,587 | 8,231 | 9,516 | 28,334 | $(28,334)$ | - |
| Total | 990,287 | 3,971,605 | 395,358 | 214,117 | 5,571,367 | $(28,334)$ | 5,543,033 |
| Segment income (loss) | 109,733 | $(122,366)$ | 134,043 | $(2,022)$ | 119,388 | - | 119,388 |
| Assets | 965,325 | 4,448,203 | 5,290,548 | 292,342 | 10,996,418 | $(114,122)$ | 10,882,296 |
| Depreciation and amortization | 29,914 | 190,295 | 155,165 | 7,128 | 382,502 | - | 382,502 |
| Capital expenditures | 39,447 | 203,771 | 500,553 | 6,012 | 749,783 | - | 749,783 |

## As of and for the nine months ended December 31, 2012

|  | Yen (millions) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Motorcycle Business | Automobile Business | Financial Services Business | Power Product \& Other Businesses | Segment Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |
| External customers | 964,178 | 5,572,275 | 397,008 | 199,526 | 7,132,987 | - | 7,132,987 |
| Intersegment | - | 10,709 | 8,344 | 9,032 | 28,085 | $(28,085)$ | - |
| Total | 964,178 | 5,582,984 | 405,352 | 208,558 | 7,161,072 | $(28,085)$ | 7,132,987 |
| Segment income (loss) | 85,005 | 208,724 | 117,250 | $(2,158)$ | 408,821 | - | 408,821 |
| Assets | 980,204 | 5,324,222 | 6,197,252 | 294,750 | 12,796,428 | $(277,946)$ | 12,518,482 |
| Depreciation and amortization | 23,779 | 188,868 | 183,151 | 6,002 | 401,800 | - | 401,800 |
| Capital expenditures | 42,650 | 358,004 | 574,903 | 9,864 | 985,421 | - | 985,421 |

## Explanatory notes:

1. Intersegment sales and revenues are generally made at values that approximate arm's-length prices.
2. Unallocated corporate assets, included in reconciling items, amounted to JPY 371,004 million as of December 31, 2011 and JPY 250,392 million as of December 31, 2012 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and held-to-maturity securities held by the Company. Reconciling items also include elimination of intersegment transactions.
3. Depreciation and amortization of Financial Services Business include JPY 154,054 million for the nine months ended December 31, 2011 and JPY 182,193 million for the nine months ended December 31, 2012, respectively, of depreciation of property on operating leases.
4. Capital expenditure of Financial Services Business includes JPY 498,380 million for the nine months ended December 31, 2011 and JPY 573,890 million for the nine months ended December 31, 2012 respectively, of purchase of operating lease assets.
5. Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. Effective April 1, 2012, Honda changed to the straight line method of depreciation. As a result of the change in depreciation method, depreciation expense for three months ended December 31, 2012 decreased by approximately JPY 1,772 million in Motorcycle Business, JPY 12,418 million in Automobile Business, JPY 16 million in Financial Services Business and JPY 219 million in Power Product \& Other Businesses, respectively. Depreciation expense for nine months ended December 31, 2012 decreased by approximately JPY 4,623 million in Motorcycle Business, JPY 31,795 million in Automobile Business, JPY 52 million in Financial Services Business and JPY 672 million in Power Product \& Other Businesses, respectively. It resulted in an increase of segment income. For further information, refer to "Other Information, 2. Changes in accounting policy, (b) Change in depreciation method".
6. For the three months ended December 31, 2011 and for the nine months and three months ended December 31, 2012, impact of the floods in Thailand is mainly included in Segment income (loss) of Automobile business. For further information, refer to "[7] Other, 3. Impact on the Company's consolidated financial position or results of operations of the floods in Thailand".

In addition to the disclosure required by U.S. GAAP, Honda provides the following supplemental information in order to provide financial statements users with useful information:
2. Supplemental geographical information based on the location of the Company and its subsidiaries
(A) For the three months ended December 31, 2011


For the three months ended December 31, 2012

(B) As of and for the nine months ended December 31, 2011

|  | Yen (millions) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Japan | North <br> America | Europe | Asia | Other <br> Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |  |
| External customers | 1,188,657 | 2,366,920 | 370,471 | 945,363 | 671,622 | 5,543,033 | - | 5,543,033 |
| Transfers between geographic areas | 1,105,253 | 147,445 | 44,461 | 153,553 | 8,822 | 1,459,534 | $(1,459,534)$ | - |
| Total | 2,293,910 | 2,514,365 | 414,932 | 1,098,916 | 680,444 | 7,002,567 | $(1,459,534)$ | 5,543,033 |
| Operating income (loss) | $(122,422)$ | 141,083 | $(13,934)$ | 60,326 | 51,333 | 116,386 | 3,002 | 119,388 |
| Assets | 2,956,920 | 5,809,611 | 437,391 | 938,207 | 601,543 | 10,743,672 | 138,624 | 10,882,296 |
| Long-lived assets | 1,035,861 | 1,805,658 | 97,691 | 218,844 | 126,558 | 3,284,612 | - | 3,284,612 |

As of and for the nine months ended December 31, 2012

|  | Yen (millions) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Japan | North <br> America | Europe | Asia | Other <br> Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |  |
| External customers | 1,407,673 | 3,343,646 | 360,556 | 1,364,147 | 656,965 | 7,132,987 | - | 7,132,987 |
| Transfers between geographic areas | 1,426,461 | 171,692 | 74,700 | 275,535 | 15,572 | 1,963,960 | $(1,963,960)$ | - |
| Total | 2,834,134 | 3,515,338 | 435,256 | 1,639,682 | 672,537 | 9,096,947 | $(1,963,960)$ | 7,132,987 |
| Operating income (loss) | 131,759 | 179,858 | $(19,941)$ | 108,726 | 25,481 | 425,883 | $(17,062)$ | 408,821 |
| Assets | 3,150,323 | 6,909,128 | 578,799 | 1,335,433 | 630,408 | 12,604,091 | $(85,609)$ | 12,518,482 |
| Long-lived assets | 1,099,664 | 2,265,033 | 117,260 | 353,154 | 125,222 | 3,960,333 | - | 3,960,333 |

Explanatory notes:

1. Major countries or regions in each geographic area:

| North America | United States, Canada, Mexico |
| :--- | :--- |
| Europe | United Kingdom, Germany, France, Italy, Belgium |
| Asia | Thailand, Indonesia, China, India, Vietnam |
| Other Regions | Brazil, Australia |

2. Sales and revenues between geographic areas are generally made at values that approximate arm's-length prices.
3. Unallocated corporate assets, included in reconciling items, amounted to JPY 371,004 million as of December 31, 2011 and JPY 250,392 million as of December 31, 2012 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and held-to-maturity securities held by the Company. Reconciling items also include elimination of transactions between geographic areas.
4. Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. Effective April 1, 2012, Honda changed to the straight line method of depreciation. As a result of the change in depreciation method, depreciation expense for three months ended December 31, 2012 decreased by approximately JPY 11,654 million in Japan, JPY 1,837 million in North America, JPY 98 million in Europe and JPY 836 million in Asia, respectively. Depreciation expense for nine months ended December 31, 2012 decreased by approximately JPY 29,895 million in Japan, JPY 4,344 million in North America, JPY 893 million in Europe and JPY 2,010 million in Asia, respectively. It resulted in an increase of segment income. For further information, refer to "Other Information, 2. Changes in accounting policy, (b) Change in depreciation method".
5. For the three months ended December 31, 2011 and for the nine months and three months ended December 31, 2012, impact of the floods in Thailand is included in Operating income (loss) of Asia. For further information, refer to "[7] Other, 3. Impact on the Company's consolidated financial position or results of operations of the floods in Thailand".

## 1. Revisions of the prior year's Consolidated Statements of Cash Flow

Revisions have been made to adjust overstatements in both acquisitions of finance subsidiaries-receivables and collections of finance subsidiaries-receivables in the consolidated statements of cash flows, that amounted to JPY 185,739 million for the fiscal nine months ended December 31, 2011.
The revisions have no impact on net cash used in investing activities.

## 2. Impairment loss on investments in affiliate

For the nine months ended December 31, 2012, Honda recognized impairment loss of JPY 7,273 million, net of tax, on certain investments in affiliates which have quoted market values because of other-than-temporary decline in fair value below their carrying values. The fair values of the investments were based on quoted market price. The impairment loss is included in equity in income of affiliates in the accompanying consolidated statement of income. For the three months ended December 31, 2012, Honda did not recognize any significant impairment losses.

## 3. Impact on the Company's consolidated financial position or results of operations of the floods in Thailand

In October 2011, Thailand suffered from severe floods that caused damage to inventories, and machinery and equipment of certain consolidated subsidiaries and affiliates of the Company. Accordingly, production activities in plant facilities at Honda and its affiliates had been temporarily affected by the floods for the year ended March 31, 2012.

Honda recognized JPY 17,348 million of costs and expenses, of which JPY 9,387 million is included in cost of sales and JPY 7,961 million is included in selling, general and administrative expenses in the accompanying consolidated statement of income for the three months ended December 31, 2011. These costs and expenses mainly consist of loss on inventories of JPY 7,330 million which are included in cost of sales, and loss on damaged property, plant and equipment of JPY 7,654 million which is included in selling, general and administrative expenses. In addition, Honda recognized insurance recoveries of JPY 11,838 million which is included in selling, general and administrative expenses in the accompanying consolidated statement of income for the three months ended December 31, 2011.

For the three months and nine months ended December 31, 2012, Honda recognized insurance recoveries of JPY 506 million and JPY 6,777 million, respectively, which is included in selling, general and administrative expenses in the accompanying consolidated statement of income. Honda recognizes insurance recoveries in excess of the incurred losses when settlements with insurance companies are reached.

## CONSOLIDATED FINANCIAL SUMMARY 1

FOR THE FISCAL THIRD QUARTER AND THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2012


1 Capital expenditures exclude purchase of operating lease assets and acquisition of intangible assets, and depreciation and amortization exclude depreciation of property on operating leases and amortization of intangible assets.
2 Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. Effective April 1, 2012, Honda changed to the straight line method of depreciation. As a result of the change in depreciation method, depreciation expense for the three months and nine months ended December 31, 2012 decreased by approximately JPY 14,425 million and JPY 37,142 million, respectively. Net income attributable to Honda Motor Co., Ltd. for the three months and nine months ended December 31, 2012 increased by approximately JPY 9,151 million and JPY 23,641 million, respectively.

This announcement contains "forward-looking statements" of Honda. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time. The various factors for increases and decreases in income have been classified in accordance with a method that
Honda considers reasonable.

## CONSOLIDATED FINANCIAL SUMMARY 2

FOR THE FISCAL THIRD QUARTER AND THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2012
Honda Group Unit Sales Breakdown by geographical markets based on the location of the external customers

|  | Third Quarter Results |  |  |  | Nine Months Results |  |  |  | Fiscal Year Results and Forecasts |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3 months ended | $\begin{gathered} 3 \text { months } \\ \text { ended } \end{gathered}$ |  |  | $\begin{array}{\|c\|} \hline 9 \text { months } \\ \text { ended } \\ \text { Dec. } 31,2011 \\ \hline \end{array}$ | $\begin{gathered} 9 \text { months } \\ \text { ended } \\ \text { Dec. } 31,2012 \end{gathered}$ | change | \% | Year ended <br> Mar. 31, 2012 | Year ending <br> Mar. 31, 2013 | change | \% |
|  | Dec. 31, 2011 | Dec. 31, 2012 | change | \% |  |  |  |  |  |  |  |  |
| Motorcycle Business | 3,609 | 3,815 | 206 | 5.7 | 10,897 | 11,532 | 635 | 5.8 | 15,061 | 15,520 | 459 | 3.0 |
| Japan | 51 | 51 | 0 | 0.0 | 166 | 167 | 1 | 0.6 | 220 | 225 | 5 | 2.3 |
| North America | 48 | 62 | 14 | 29.2 | 147 | 181 | 34 | 23.1 | 200 | 255 | 55 | 27.5 |
| Europe | 31 | 29 | -2 | -6.5 | 140 | 127 | - 13 | -9.3 | 198 | 180 | - 18 | -9.1 |
| Asia | 2,983 | 3,225 | 242 | 8.1 | 8,963 | 9,672 | 709 | 7.9 | 12,412 | 13,070 | 658 | 5.3 |
| Other Regions | 496 | 448 | -48 | -9.7 | 1,481 | 1,385 | -96 | -6.5 | 2,031 | 1,790 | -241 | -11.9 |
| Automobile Business | 783 | 986 | 203 | 25.9 | 2,086 | 2,981 | 895 | 42.9 | 3,108 | 4,060 | 952 | 30.6 |
| Japan | 136 | 138 | 2 | 1.5 | 361 | 492 | 131 | 36.3 | 588 | 710 | 122 | 20.7 |
| North America | 366 | 454 | 88 | 24.0 | 860 | 1,308 | 448 | 52.1 | 1,323 | 1,740 | 417 | 31.5 |
| Europe | 38 | 38 | 0 | 0.0 | 113 | 121 | 8 | 7.1 | 158 | 185 | 27 | 17.1 |
| Asia | 195 | 279 | 84 | 43.1 | 601 | 842 | 241 | 40.1 | 837 | 1,130 | 293 | 35.0 |
| Other Regions | 48 | 77 | 29 | 60.4 | 151 | 218 | 67 | 44.4 | 202 | 295 | 93 | 46.0 |
| Power Product Business | 1,021 | 1,195 | 174 | 17.0 | 3,809 | 4,108 | 299 | 7.8 | 5,819 | 6,060 | 241 | 4.1 |
| Japan | 68 | 63 | -5 | -7.4 | 303 | 233 | - 70 | -23.1 | 392 | 310 | - 82 | -20.9 |
| North America | 330 | 426 | 96 | 29.1 | 1,344 | 1,620 | 276 | 20.5 | 2,314 | 2,610 | 296 | 12.8 |
| Europe | 200 | 206 | 6 | 3.0 | 707 | 592 | -115 | -16.3 | 1,121 | 1,010 | - 111 | -9.9 |
| Asia | 289 | 341 | 52 | 18.0 | 1,078 | 1,224 | 146 | 13.5 | 1,472 | 1,615 | 143 | 9.7 |
| Other Regions | 134 | 159 | 25 | 18.7 | 377 | 439 | 62 | 16.4 | 520 | 515 | -5 | -1.0 |

Notes:
1 Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method.
2 Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles and are not included in consolidated net sales to the external customers in our automobile business. As a result, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our
automobile business
3 Honda Group Unit Sales of ATV included in Motorcycle business for the three months ended December 31, 2011 and 2012 are 34 thousand units and 30 thousand units, for the nine months ended December 31, 2011 and 2012 are 91 thousand units and 89 thousand units, respectively.
4 Honda Group Unit Sales of Motorcycle business of Asia for the three months ended September 30, 2012 is revised and resulted in a decrease of 73 thousand units. This revision is included in Honda Group Unit Sales of Motorcycle business for the nine months ended December 31, 2012.

Consolidated Unit Sales Breakdown by geographical markets based on the location of the external customers

|  | Third Quarter Results |  |  |  | Nine Months Results |  |  |  | Fiscal Year Results and Forecasts |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3 months ended | 3 monthsendedDec. 31, 2012 |  |  | 9 monthsendedDec. 31, 2011 | 9 monthsendedDec. 31, 2012 |  |  | Year ended <br> Mar. 31, 2012 | Year ending <br> Mar. 31, 2013 | change | \% |
|  | Dec. 31, 2011 |  | change | \% |  |  | change | \% |  |  |  |  |
| Motorcycle Business | 2,031 | 2,350 | 319 | 15.7 | 6,167 | 7,020 | 853 | 13.8 | 8,650 | 9,540 | 890 | 10.3 |
| Japan | 51 | 51 | 0 | 0.0 | 166 | 167 | 1 | 0.6 | 220 | 225 | 5 | 2.3 |
| North America | 48 | 62 | 14 | 29.2 | 147 | 181 | 34 | 23.1 | 200 | 255 | 55 | 27.5 |
| Europe | 31 | 29 | -2 | -6.5 | 140 | 127 | - 13 | -9.3 | 198 | 180 | -18 | -9.1 |
| Asia | 1,405 | 1,760 | 355 | 25.3 | 4,233 | 5,160 | 927 | 21.9 | 6,001 | 7,090 | 1,089 | 18.1 |
| Other Regions | 496 | 448 | -48 | -9.7 | 1,481 | 1,385 | -96 | -6.5 | 2,031 | 1,790 | - 241 | -11.9 |
| Automobile Business | 622 | 841 | 219 | 35.2 | 1,651 | 2,506 | 855 | 51.8 | 2,482 | 3,450 | 968 | 39.0 |
| Japan | 134 | 135 | 1 | 0.7 | 356 | 486 | 130 | 36.5 | 580 | 700 | 120 | 20.7 |
| North America | 366 | 454 | 88 | 24.0 | 860 | 1,308 | 448 | 52.1 | 1,323 | 1,740 | 417 | 31.5 |
| Europe | 38 | 38 | 0 | 0.0 | 113 | 121 | 8 | 7.1 | 158 | 185 | 27 | 17.1 |
| Asia | 36 | 137 | 101 | 280.6 | 171 | 373 | 202 | 118.1 | 219 | 530 | 311 | 142.0 |
| Other Regions | 48 | 77 | 29 | 60.4 | 151 | 218 | 67 | 44.4 | 202 | 295 | 93 | 46.0 |
| Power Product Business | 1,021 | 1,195 | 174 | 17.0 | 3,809 | 4,108 | 299 | 7.8 | 5,819 | 6,060 | 241 | 4.1 |
| Japan | 68 | 63 | - 5 | -7.4 | 303 | 233 | - 70 | -23.1 | 392 | 310 | -82 | -20.9 |
| North America | 330 | 426 | 96 | 29.1 | 1,344 | 1,620 | 276 | 20.5 | 2,314 | 2,610 | 296 | 12.8 |
| Europe | 200 | 206 | 6 | 3.0 | 707 | 592 | - 115 | -16.3 | 1,121 | 1,010 | - 111 | -9.9 |
| Asia | 289 | 341 | 52 | 18.0 | 1,078 | 1,224 | 146 | 13.5 | 1,472 | 1,615 | 143 | 9.7 |
| Other Regions | 134 | 159 | 25 | 18.7 | 377 | 439 | 62 | 16.4 | 520 | 515 | -5 | -1.0 |

1 Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.
2 Until the fiscal year ended March 31, 2012, Honda has disclosed as "Unit Sales" the total of unit sales of completed products of Honda and its consolidated subsidiaries, and sales of parts for local production at Honda's affiliates accounted for under the equity method. From the fiscal year ending March 31, 2013, Honda discloses "Consolidated Unit Sales" in place of the "Unit Sales." "Consolidated Unit Sales" is the total of unit sales of completed products of Honda and its consolidated subsidiaries, not including parts for local production at Honda's affiliates accounted for under the equity method. Because of this change, unit sales for three months ended December 31, 2011, for nine months ended December 31, 2011 and for the fiscal year ended March 31, 2012 have been revised to meet the disclosure of unit sales from the fiscal year ending March 31, 2013.

CONSOLIDATED FINANCIAL SUMMARY 3
FOR THE FISCAL THIRD QUARTER AND THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2012
Net Sales Breakdown by geographical markets based on the location of the external customers

| Yen (millions) | Third Quarter Results |  |  |  | Nine Months Results |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3 months ended Dec. 31, 2011 | 3 months ended Dec. 31, 2012 | change | \% | 9 months ended Dec. 31, 2011 | 9 months ended Dec. 31, 2012 | change | \% |
| Total | 1,942,545 | 2,425,792 | 483,247 | 24.9 | 5,543,033 | 7,132,987 | 1,589,954 | 28.7 |
| Japan | 370,929 | 349,549 | - 21,380 | -5.8 | 998,067 | 1,199,172 | 201,105 | 20.1 |
| North America | 922,848 | 1,189,998 | 267,150 | 28.9 | 2,353,939 | 3,325,269 | 971,330 | 41.3 |
| Europe | 104,172 | 111,997 | 7,825 | 7.5 | 368,064 | 358,251 | -9,813 | -2.7 |
| Asia | 313,807 | 528,449 | 214,642 | 68.4 | 1,086,047 | 1,500,206 | 414,159 | 38.1 |
| Other Regions | 230,789 | 245,799 | 15,010 | 6.5 | 736,916 | 750,089 | 13,173 | 1.8 |
| Motorcycle Business | 302,590 | 307,814 | 5,224 | 1.7 | 990,287 | 964,178 | - 26,109 | -2.6 |
| Japan | 17,643 | 17,617 | -26 | -0.1 | 54,596 | 55,875 | 1,279 | 2.3 |
| North America | 21,234 | 22,353 | 1,119 | 5.3 | 74,590 | 75,687 | 1,097 | 1.5 |
| Europe | 13,755 | 13,604 | - 151 | -1.1 | 67,513 | 58,831 | - 8,682 | - 12.9 |
| Asia | 130,155 | 161,753 | 31,598 | 24.3 | 414,406 | 470,726 | 56,320 | 13.6 |
| Other Regions | 119,803 | 92,487 | - 27,316 | -22.8 | 379,182 | 303,059 | - 76,123 | -20.1 |
| Automobile Business | 1,451,054 | 1,915,552 | 464,498 | 32.0 | 3,961,018 | 5,572,275 | 1,611,257 | 40.7 |
| Japan | 319,595 | 298,684 | - 20,911 | -6.5 | 852,350 | 1,052,345 | 199,995 | 23.5 |
| North America | 777,785 | 1,028,822 | 251,037 | 32.3 | 1,887,061 | 2,841,501 | 954,440 | 50.6 |
| Europe | 78,672 | 87,786 | 9,114 | 11.6 | 256,931 | 262,818 | 5,887 | 2.3 |
| Asia | 175,014 | 357,762 | 182,748 | 104.4 | 639,401 | 1,000,432 | 361,031 | 56.5 |
| Other Regions | 99,988 | 142,498 | 42,510 | 42.5 | 325,275 | 415,179 | 89,904 | 27.6 |
| Financial Service Business | 124,806 | 135,329 | 10,523 | 8.4 | 387,127 | 397,008 | 9,881 | 2.6 |
| Japan | 7,261 | 8,644 | 1,383 | 19.0 | 21,283 | 25,456 | 4,173 | 19.6 |
| North America | 109,924 | 119,629 | 9,705 | 8.8 | 341,672 | 349,567 | 7,895 | 2.3 |
| Europe | 1,919 | 1,732 | - 187 | -9.7 | 6,264 | 5,257 | - 1,007 | -16.1 |
| Asia | 679 | 811 | 132 | 19.4 | 2,227 | 2,073 | -154 | -6.9 |
| Other Regions | 5,023 | 4,513 | - 510 | - 10.2 | 15,681 | 14,655 | - 1,026 | -6.5 |
| Power Product \& Other Businesses | 64,095 | 67,097 | 3,002 | 4.7 | 204,601 | 199,526 | -5,075 | -2.5 |
| Japan | 26,430 | 24,604 | -1,826 | -6.9 | 69,838 | 65,496 | -4,342 | -6.2 |
| North America | 13,905 | 19,194 | 5,289 | 38.0 | 50,616 | 58,514 | 7,898 | 15.6 |
| Europe | 9,826 | 8,875 | -951 | -9.7 | 37,356 | 31,345 | -6,011 | - 16.1 |
| Asia | 7,959 | 8,123 | 164 | 2.1 | 30,013 | 26,975 | - 3,038 | - 10.1 |
| Other Regions | 5,975 | 6,301 | 326 | 5.5 | 16,778 | 17,196 | 418 | 2.5 |

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## CONSOLIDATED FINANCIAL SUMMARY 4 <br> FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2012

## Unaudited Consolidated Balance Sheets

Divided into Non-financial Services Businesses and Finance Subsidiaries

|  | Yen (millions) |  |
| :---: | :---: | :---: |
|  | Mar. 31, 2012 | Dec. 31, 2012 |
| Assets |  |  |
| < Non-financial Services Businesses > |  |  |
| Current Assets: | 3,689,159 | 3,687,535 |
| Cash and cash equivalents | 1,224,185 | 1,131,979 |
| Trade accounts and notes receivable, net | 483,383 | 416,361 |
| Inventories | 1,035,779 | 1,206,548 |
| Other current assets | 945,812 | 932,647 |
| Investments and advances | 825,410 | 855,868 |
| Property, plant and equipment, net | 1,958,732 | 2,171,558 |
| Other assets | 407,837 | 365,791 |
| Total assets | 6,881,138 | 7,080,752 |
| < Finance Subsidiaries> |  |  |
| Cash and cash equivalents | 22,928 | 26,523 |
| Finance subsidiaries-short-term receivables, net | 1,084,050 | 1,159,623 |
| Finance subsidiaries-long-term receivables, net | 2,384,303 | 2,602,479 |
| Net property on operating leases | 1,472,757 | 1,680,630 |
| Other assets | 680,342 | 727,997 |
| Total assets | 5,644,380 | 6,197,252 |
| Reconciling Items | $(744,759)$ | (759,522) |
| Total assets | 11,780,759 | 12,518,482 |
| Liabilities and Equity |  |  |
| < Non-financial Services Businesses > |  |  |
| Current liabilities: | 1,978,607 | 1,933,953 |
| Short-term debt | 248,501 | 351,431 |
| Current portion of long-term debt | 115,040 | 49,349 |
| Trade payables | 977,003 | 814,687 |
| Accrued expenses | 426,978 | 427,656 |
| Other current liabilities | 211,085 | 290,830 |
| Long-term debt, excluding current portion | 100,405 | 138,064 |
| Other liabilities | 893,209 | 891,698 |
| Total liabilities | 2,972,221 | 2,963,715 |
| $<$ Finance Subsidiaries > |  |  |
| Short-term debt | 1,177,879 | 1,353,723 |
| Current portion of long-term debt | 798,565 | 893,051 |
| Accrued expenses | 96,785 | 103,704 |
| Long-term debt, excluding current portion | 2,136,937 | 2,250,172 |
| Other liabilities | 585,944 | 624,258 |
| Total liabilities | 4,796,110 | 5,224,908 |
| Reconciling Items | ( 515,862) | $(510,347)$ |
| Total liabilities | 7,252,469 | 7,678,276 |
| Honda Motor Co., Ltd. shareholders' equity | 4,402,614 | 4,699,576 |
| Noncontrolling interests | 125,676 | 140,630 |
| Total equity | 4,528,290 | 4,840,206 |
| Total liabilities and equity | 11,780,759 | 12,518,482 |

## CONSOLIDATED FINANCIAL SUMMARY 5 <br> FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2012

Unaudited Consolidated Statements of Cash Flows
Divided into Non-financial Services Businesses and Finance Subsidiaries

| For the nine months ended December 31, 2011 | Yen (millions) |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Non-financial Services Businesses | Finance Subsidiaries | Reconciling Items | Consolidated |
| Cash flows from operating activities: <br> Net income <br> Adjustments to reconcile net income to net cash provided by operating activities: <br> Depreciation <br> Deferred income taxes <br> Equity in income of affiliates <br> Dividends from affiliates <br> Damaged and impairment loss on long-lived assets <br> Loss (gain) on derivative instruments, net <br> Decrease (increase) in trade accounts and notes receivable <br> Decrease (increase) in inventories <br> Increase (decrease) in trade accounts and notes payable <br> Other, net | 51,847 <br>  <br> 227,337 <br> $(26,399)$ <br> $(67,111)$ <br> 47,261 <br> 7,654 <br> $(8,994)$ <br> 58,771 <br> $(45,264)$ <br> 11,365 <br> $(83,223)$ | $\begin{array}{r} 92,813 \\ \\ 155,165 \\ 55,850 \\ - \\ - \\ - \\ (18,386) \\ 65,321 \\ - \\ - \\ (5,604) \\ \hline \end{array}$ | $\begin{array}{r} (380) \\ - \\ 2,658 \\ (12,720) \\ \hline \end{array}$ | $\begin{array}{r} 144,660 \\ \\ 382,502 \\ 29,451 \\ (67,111) \\ 47,261 \\ 7,654 \\ (27,380) \\ 123,712 \\ (45,264) \\ 14,023 \\ (101,547) \\ \hline \end{array}$ |
| Net cash provided by (used in) o | 173,244 | 345,159 | $(10,442)$ | 507,961 |
| Cash flows from investing activities: <br> * Decrease (increase) in investments and advances <br> Capital expenditures <br> Proceeds from sales of property, plant and equipment <br> Proceeds from insurance recoveries for damaged property, plant and equipment <br> Collections (acquisitions) of finance subsidiaries-receivables <br> Purchase of operating lease assets <br> Proceeds from sales of operating lease assets <br> Net cash provided by (used in) investing activities | 61,998 <br> $(238,349)$ <br> 21,791 <br> 4,944 <br> - <br> - <br> - <br> $(149,616)$ | $(6,320)$ <br> $(2,173)$ <br> 130 <br> - <br> $(39,652)$ <br> $(498,380)$ <br> 272,504 <br> $(273,891)$ | $(32,380)$ <br> $(1,696)$ | 23,298 <br> $(240,522)$ <br> 21,921 <br> 4,944 <br> $(41,348)$ <br> $(498,380)$ <br> 272,504 <br> $(457,583)$ |
| Cash flows from financing activities: <br> * Increase (decrease) in short-term debt, net <br> * Proceeds from long-term debt <br> * Repayment of long-term debt Dividends paid Dividends paid to noncontrolling interests Sales (purchases) of treasury stock, net | 6,763 87,675 $(61,793)$ $(81,103)$ $(15,060)$ $(5)$ | $\begin{array}{r} (41,176) \\ 627,420 \\ (662,253) \\ - \\ - \\ - \end{array}$ | $\begin{array}{r} 39,421 \\ (7,359) \\ 12,456 \\ - \end{array}$ | 5,008 <br> 707,736 <br> $(711,590)$ <br> $(81,103)$ <br> $(15,060)$ <br> $(5)$ |
| Net cash provided by (used in) financing activities <br> Effect of exchange rate changes on cash and cash equivalents | $(63,523)$ $(90,582)$ | $(76,009)$ $(1,087)$ | 44,518 | $(95,014)$ $(91,669)$ |
| Net change in cash and cash equivalents | $(130,477)$ | $(5,828)$ | - | (136,305) |
| Cash and cash equivalents at beginning of period | 1,252,362 | 26,662 | - | 1,279,024 |
| Cash and cash equivalents at end of period | 1,121,885 | 20,834 | - | 1,142,719 |

## CONSOLIDATED FINANCIAL SUMMARY 5 <br> FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2012

Unaudited Consolidated Statements of Cash Flows
Divided into Non-financial Services Businesses and Finance Subsidiaries


Notes:
1 Non-financial services businesses lend to finance subsidiaries. These cash flows are included in the decrease (increase) in investments and advances, increase (decrease) in short-term debt, proceeds from long-term debt, and repayment of long-term debt (marked by *). The amount of the loans to finance subsidiaries is a JPY 32,380 million decrease for the fiscal nine months ended December 31, 2011, and a JPY 36,899 million decrease for the fiscal nine months ended December 31, 2012, respectively.
2 Decrease (increase) in trade accounts and notes receivable for finance subsidiaries is due to the reclassification of finance subsidiaries-receivables which relate to sales of inventory in the unaudited consolidated statements of cash flows presented above.


[^0]:    For detailed information of principal products and services, and functions of each segment, please refer to Fiscal Third Quarter Financial Results "[6] Segment Information."

