

Honda Motor Co., Ltd.
ACURA RDX
(North America)

## FY13 1st Quarter Financial Results \& FY13 Financial Forecasts

Fumihiko lke
Senior Managing Officer and Director Chief Financial Officer

- FY13 1st Quarter Consolidated Financial Results
- FY13 Financial Forecasts
- Dividend
Kohei Takeuchi
Operating Officer, General Manager of Accounting Division
- FY13 1st Quarter Consolidated Financial Results
Net Sales and Other Operating Revenue
Change in Income before Income Taxes
Business Segment Information
Geographical Information
Change in Equity in Income of Affiliates
Consolidated Capital Expenditures


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| Honda Group Unit Sales (Consolidated Unit Sales) (thousand) | 1Q Results (Three Months) |  |  |
| :---: | :---: | :---: | :---: |
|  | FY12 | FY13 | Change |
| Motorcycles | $\begin{gathered} 3,477 \\ (1,949) \end{gathered}$ | $\begin{gathered} 3,911 \\ (2,366) \end{gathered}$ | $\begin{aligned} & +12.5 \% \\ & (+21.4 \%) \end{aligned}$ |
| Automobiles | $\begin{array}{r} 625 \\ (458) \end{array}$ | $\begin{array}{r} 999 \\ (849) \end{array}$ | $\begin{aligned} & +59.8 \% \\ & (+85.4 \%) \end{aligned}$ |
| Power Products | $\begin{aligned} & 1,512 \\ & (1,512) \end{aligned}$ | $\begin{aligned} & 1,625 \\ & (1,625) \end{aligned}$ | $\begin{aligned} & +7.5 \% \\ & (+7.5 \%) \end{aligned}$ |
| Financial results <br> Yen (billion) | 1Q Results (Three Months) |  |  |
|  | FY12 | FY13 | Change |
| Net sales \& other operating revenue | 1,714.5 | 2,435.9 | + 42.1\% |
| Operating income | 22.5 | 176.0 | + 679.5\% |
| Income before income taxes | 29.2 | 194.7 | + 564.8\% |
| Equity in income of affiliates | 28.6 | 20.7 | - 27.6\% |
| Net income attributable to Honda Motor Co., Ltd. | 31.7 | 131.7 | + 314.3\% |
| EPS attributable to Honda Motor Co., Ltd. (Yen) | 17.64 | 73.09 | + 55.45 |
|  |  |  |  |
| US Dollar | 82 | 80 | Yen up by 2 yen |
| Euro | 118 | 104 | Yen up by 14 yen |

## Financial Summary

Operating margin for the quarter was $7.2 \%$. Strong sales of new models as well as a strong recovery from the supply chain disruption caused by the Earthquake last year, contributed to a significant increase in profit in Japan and North America automobile operations.
Motorcycle and automobile business operations in Asia also contributed to an increase in profit.

## Financial Highlights

## Honda Group Unit Sales:

## Motorcycle:

Increased in Asia and North America

## Automobile:

Increased in all regions

## Power Products:

Increased in North America, Asia and Other regions

## Net sales \& other operating revenue

-Increased in automobile business with the recovery from supply chain disruption caused by the Earthquake -Increased in motorcycle business

## Operating income

-Positive change in sales volume and model mix -Cost reduction efforts
-Increased SG\&A expenses

No changes are made from the previous Forecasts on April 27, 2012
Yen (billion)

|  | $\begin{aligned} & \text { FY12 } \\ & \text { Results } \end{aligned}$ | FY13 <br> Forecasts | Change |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  | amount | \% |
| Net sales \& other operating revenue | 7,948.0 | 10,300.0 | + 2,351.9 | + 29.6\% |
| Operating income | 231.3 | 620.0 | + 388.6 | + 168.0\% |
| Income before income taxes | 257.4 | 635.0 | + 377.5 | + 146.7\% |
| Equity in income of affiliates | 100.4 | 120.0 | + 19.5 | + 19.5\% |
| Net income attributable to Honda Motor Co., Ltd. | 211.4 | 470.0 | + 258.5 | + 122.2\% |
| EPS attributable to Honda Motor Co., Ltd. (Yen) | 117.34 | 260.78 | + 143.44 |  |
| Note : Shares which are based on calculation of EPS |  |  |  |  |

Average Rates (Yen)

| US Dollar | 79 | 80 | Yen down by 1 yen |
| :--- | ---: | :---: | :---: |
| Euro | 108 | 105 | Yen up by 3 yen |

(Yen)

| Dividend per share | FY12 <br> Results | FY13 <br> Results \& Projection | Increase / Decrease from <br> FY12 |
| :---: | :---: | :---: | :---: |
| $1^{\text {st }}$ quarter End | 15 | 19 | +4 |
| $2^{\text {nd }}$ quarter End | 15 | $(19)$ | $(+4)$ |
| $3^{\text {rd }}$ quarter End | 15 | $(19)$ | $(+4)$ |
| $4^{\text {th }}$ quarter End | 15 | $(19)$ | $(+16)$ |
| Fiscal Year | $\mathbf{6 0}$ | $(76)$ | $\left(\begin{array}{l}\text { ( + ) }\end{array}\right.$ |

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Automobile Honda Group Unit Sales




# Power Product \& Other Businesses Unit Sales/Net Sales/Operating Income (Margin) 














## Caution with Respect to Forward-Looking Statements:

This slide contains forward-looking statements about the performance of Honda, which 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.

## Accounting standards:

Our consolidated financial standards are prepared in conformity with U.S. generally accepted accounting principles.

## Notice on the Factors for Increases and Decreases in Income:

With respect to the discussion above of the change in operating income, management has identified the factors set forth below and used what it believes to be a reasonable method to analyze the respective changes in such factors. Each of these factors is explained below. Management has analyzed changes in these factors at the levels of the Company and its material consolidated subsidiaries.
(1) "Foreign currency effects" consist of translation adjustments, which come from the translation of the currency of foreign subsidiaries' financial statements into Japanese Yen, and foreign currency adjustments, which result from foreign-currency-denominated sales, which, at the levels of the Company and those consolidated subsidiaries which have been analyzed, primarily relate to the following currencies: U.S. dollar, Canada dollar, Euro, GBP, BRL and Japanese Yen.
(2) With respect to "cost reduction and effects of raw material cost fluctuations", management has analyzed cost reduction and effects of raw material cost fluctuations at the levels of the Company and its material foreign manufacturing subsidiaries in North America, Europe, Asia and other regions.
(3) With respect to "changes in net sales and model mix", management has analyzed changes in sales volume and in the mix of product models sold in major markets which have resulted in increases/decreases in profit, as well as certain other reasons for increases/decreases in net sales and cost of sales.
(4) With respect to "selling, general and administrative expenses", management has analyzed reasons for an increase/decrease in selling, general and administrative expenses from the previous fiscal year net of currency translation effects.

|  |  |  | Rate |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 1Q | $\begin{aligned} & \text { FY12 } \\ & 10 \end{aligned}$ | $\begin{gathered} \mathrm{FY} 13 \\ 1 Q \end{gathered}$ | Change |
| JPY / USD | - 3.6 | 82 | 80 | $\begin{aligned} & \text { Yen up by } \\ & \text { 2ven } \end{aligned}$ |
| JPY / Euro | - 1.9 | 118 | 104 | $\begin{aligned} & \text { Yen up by } \\ & 14 \text { yen } \end{aligned}$ |
| JPY / Others | - 6.0 | - | - | - |
| Transactions bemeen other currencies | - 2.0 | - | - | - |
| $\begin{aligned} & \text { Difference of average rates *1 } \\ & \text { (Impact on Operating income) } \end{aligned}$ | - 13.6 | *1:Impact of YOY difference of FOREX to be used for booking revenue of foreign currency transactions <br> *2:Impact of YOY difference between average FOREX and hedge rates during the period |  |  |
| Difference between transaction *2 rates and average sales rates (Impact on Other income \& expenses) | - 9.3 |  |  |  |
| Currency effect associated with sales transaction | -23.0 |  |  |  |
| Currency effect from translation of *3 foreign financial statements (impact on operating income) | -6.1 | *3:Effect due to the difference of the rate used for translating Honda's overseas subsidiaries' financial statements denominated in foreign currencies into Japanese yen with the corresponding period of the fiscal year |  |  |
| Total | -29.1 |  |  |  |


|  | 1Q |  |  |
| :---: | :---: | :---: | :---: |
|  | FY12 | FY13 | Change |
| Foreign currency Forward | + 8.3 | + 25.5 | + 17.2 |
| Interest rate swap Currency swap | + 1.9 | + 3.4 | + 1.4 |
| Others | + 0.1 | + 0.1 | + 0.0 |
| Total | + 10.4 | + 29.1 | + 18.7 |

# HONDA 

The Power of Dreams

