

Honda Motor Co., Ltd.
Urban SUV concept
January 31, 2013

# FY13 3rd Quarter Financial Results \& FY13 Financial Forecasts 

## Fumihiko Ike

Senior Managing Officer and Director Chief Financial Officer

- FY13 3rd Quarter Consolidated Financial Results
- FY13 Financial Forecasts
- Dividend

Kohei Takeuchi
Operating Officer, General Manager of Accounting Division

- FY13 3rd 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

- FY 13 Financial Forecasts


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| Honda Group Unit Sales (Consolidated Unit Sales) | 3Q Results (Three Months) |  |  |
| :---: | :---: | :---: | :---: |
|  | FY12 | FY13 | Change |
| Motorcycles | $\begin{aligned} & 3,609 \\ & (2,031) \end{aligned}$ | $\begin{gathered} 3,815 \\ (2,350) \end{gathered}$ | $\begin{gathered} +5.7 \% \\ (+15.7 \%) \end{gathered}$ |
| Automobiles | $\begin{array}{r} 783 \\ (622) \end{array}$ | $\begin{array}{r} 986 \\ (841) \end{array}$ | $\begin{aligned} & +25.9 \% \\ & (+35.2 \%) \end{aligned}$ |
| Power Products | $\begin{aligned} & 1,021 \\ & (1,021) \end{aligned}$ | $\begin{aligned} & 1,195 \\ & (1,195) \end{aligned}$ | $\begin{aligned} & +17.0 \% \\ & (+17.0 \%) \end{aligned}$ |

## Financial Summary

Operating income amounted to 131.9 billion yen, a sharp rise of 197.8\% mainly due a strong recovery from the Thai flood and the positive impact of new model introductions, primarily in North America.

## Financial Highlights

## Honda Group Unit Sales

Motorcycle:
Increased in Asia and decreased in South
America, mainly in Brazil

## Automobile:

Increased mainly in North America and Asia
Power Products:
Increased in North America, Asia and "Other regions"

## Net Sales and Operating Revenue

-Recovery from the Thai flood and new model introductions led to an increase for automobile business operations
-Currency fluctuations had a positive impact Operating Income
Increased 197.8\% compare to the same period last year due to:
-Increased unit sales in automobile business operations -Positive impact to the fixed costs due to increased production
-Cost reduction efforts
-Favorable currency effect

| Honda Group Unit Sales <br> (Consolidated Unit Sales) <br> (thousand) | $3 Q$ Results (Three Months) |  |  |
| :--- | ---: | ---: | ---: |
|  | 3,609 | FY12 |  |
|  | $(2,031)$ | 3,815 | $+5.7 \%$ |
|  | 783 | $(2,350)$ | $+15.7 \%)$ |
| Automobiles | $(622)$ | 986 | $+25.9 \%$ |
|  | 1,021 | $(841)$ | $(+35.2 \%)$ |
| Power Products | $(1,021)$ | 1,195 | $+17.0 \%$ |
|  |  | $(1,195)$ | $+17.0 \%)$ |


| Financial <br> results <br> Yen (billion) | $3 Q$ Results (Three Months) |  |  |
| :--- | ---: | ---: | ---: |
|  | FY12 | FY13 | Change |
| Net sales \& other <br> operating revenue | $1,942.5$ | 2.425 .7 | $+24.9 \%$ |
| Operating income | 44.2 | 131.9 | $+197.8 \%$ |
| Income before income <br> taxes | 58.4 | 89.7 | $+53.5 \%$ |
| Equity in income of <br> affiliates | 22.9 | 21.4 | $-6.5 \%$ |
| Net income attributable <br> to Honda Motor Co., Ltd. | 47.6 | 77.4 | $+62.5 \%$ |


| EPS attributable to Honda Motor Co., Ltd. (Yen) | 26.45 | 42.97 | + 16.52 |
| :---: | :---: | :---: | :---: |
| Note : Shares which are based on calculation of EPS <br> Average Rates (Yen) | approw. $\quad$ approx.1,802,300,000 shares(weighted average number of shares outstanding) |  |  |
| US Dollar | 77 | 81 | Yen down by 4 yen |
| Euro | 105 | 106 | Yen down by 1 yen |


| Nine Months Results |  |  |
| :---: | :---: | ---: |
| FY12 | FY13 | Change |
| 10,897 | $\mathbf{1 1 , 5 3 2}$ |  |
| $(6,167)$ | $(7,020)$ | $+5.8 \%$ |
| $(+13.8 \%)$ |  |  |$|$| 2,086 | $(2,506)$ | $+42.9 \%$ |
| ---: | ---: | ---: |
| $(1,651)$ | $(+51.8 \%)$ |  |
| 3,809 | $\mathbf{4 , 1 0 8}$ | $+7.8 \%$ |
| $(3,809)$ | $(4,108)$ | $(+7.8 \%)$ |


| Nine Months Results |  |  |
| ---: | ---: | ---: |
| FY12 | FY13 | Change |
| $5,543.0$ | $7,132.9$ | $+28.7 \%$ |
| 119.3 | 408.8 | $+242.4 \%$ |
| 164.3 | 390.8 | $+137.8 \%$ |
| 67.1 | 69.6 | $+3.8 \%$ |
| 139.8 | 291.3 | $+108.3 \%$ |


| 77.62 | 161.68 | +84.06 |
| :--- | :--- | :--- |

approx. approx. 1,802,300,000 shares 1,802,299,000 shares (weighted average number of shares outstanding )

| 78 | $\mathbf{8 0}$ | Yen down <br> by 2 yen |
| ---: | ---: | :---: |
| 110 | 103 | Yen up <br> by 7 yen |


|  | $\begin{aligned} & \text { FY12 } \\ & \text { Results } \end{aligned}$ | FY13 <br> Forecasts | Change |  | Change from previous forecasts |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | amount | \% |  |
| Net sales \& other operating revenue | 7,948.0 | 9,800.0 | + 1,851.9 | + 23.3\% | - |
| Operating income | 231.3 | 520.0 | + 288.6 | + 124.8\% | - |
| Income before income taxes | 257.4 | 515.0 | + 257.5 | + 100.1\% | -25.0 |
| Equity in income of affiliates | 100.4 | 80.0 | -20.4 | - 20.3\% | - |
| Net income attributable to Honda Motor Co., Ltd. | 211.4 | 370.0 | + 158.5 | + 75.0\% | - 5.0 |


| EPS attributable to Honda <br> Motor Co., Ltd. (Yen) | 117.34 | 205.29 | +87.95 |
| :--- | :---: | :---: | :---: |

$$
\begin{aligned}
& \text { Note : Shares which are based } \\
& \text { on calculation of EPS }
\end{aligned}
$$

## approx.

1,802,300,000 shares (weighted average number of shares outstanding )
Average Rates (Yen)

| US Dollar | 79 | 81 <br> $(1 \mathrm{H} 79 / 2 \mathrm{H} 83)$ | Yen down by 2 yen |
| :---: | :---: | :---: | :---: |
| Euro | 108 | 105 <br> $(1 \mathrm{H} 101 / 2 \mathrm{H} 108)$ | Yen up by 3 yen |

approx.
1,802,298,000 shares
(weighted average number of shares outstanding )

(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 | $(76)$ | $\mathbf{4}$ |
| Fiscal Year | 60 | $16)$ |  |

# FY13 3rd Quarter Financial Results \& FY13 Financial Forecasts 

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FY12 3Q
FY13 3Q
Nine Months


| Yen (billion) |  |  |
| :---: | :---: | :---: |
| Net Sales by Business Segment | 3Q |  |
|  | FY12 | FY13 |
| Motorcycle Business | 302.5 | 307.8 |
| Automobile Business | 1,451.0 | 1,915.5 |
| Financial Services Business | 124.8 | 135.3 |
| Power Product \& Other Businesses | 64.0 | 67.0 |
| Total | 1,942.5 | 2,425.7 |

Market average rates

| US Dollar | 77 | 81 |
| :--- | ---: | ---: |
| Euro | 104 | 105 |
| *BR Real | 46 | 38 |


| Net Sales by Business Segment | Yen (billion) |  |
| :---: | :---: | :---: |
|  | Nine Months |  |
|  | FY12 | FY13 |
| Motorcycle Business | 990.2 | 964.1 |
| Automobile Business | 3,961.0 | 5,572.2 |
| Financial Services Business | 387.1 | 397.0 |
| Power Product \& Other Businesses | 204.6 | 199.5 |
| Total | 5,543.0 | 7,132.9 |

Market average rates

| US Dollar | 79 | 80 |
| :--- | ---: | ---: |
| Euro | 111 | 102 |
| *BR Real | 49 | 41 |
| $\mathbf{9}$ |  |  |




* Honda Group 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 of Motorcycle business for the nine months ended December 31, 2012.

|  | FY12 |  |  |  | FY13 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1Q | 2Q | 3Q | 4Q | 1 Q | 2 Q | 3Q |
| Honda Group Unit Sales | 3,477 | 3,811 | 3,609 | 4,164 | 3,911 | 3,806* | 3,815 |
| (Consolidated <br> Unit Sales) | $(1,949)$ | $(2,187)$ | $(2,031)$ | $(2,483)$ | $(2,366)$ | $(2,304)$ | $(2,350)$ |
| Net Sales | 330.3 | 357.3 | 302.5 | 358.5 | 346.6 | 309.7 | 307.8 |



* 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.


## Automobile Honda Group Unit Sales





|  | FY12 |  |  |  | FY13 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Honda Group Unit Sales (Consolidated Unit Sales) | $\begin{aligned} & 1,512 \\ & (1,512) \end{aligned}$ | $\begin{aligned} & 1,276 \\ & (1,276) \end{aligned}$ | $\begin{aligned} & 1,021 \\ & (1,021) \end{aligned}$ | $\begin{aligned} & 2,010 \\ & (2,010) \end{aligned}$ | $\begin{aligned} & 1,625 \\ & (1,625) \end{aligned}$ | $\begin{aligned} & 1,288 \\ & (1,288) \end{aligned}$ | $\begin{aligned} & 1,195 \\ & (1,195) \end{aligned}$ |
| Net Sales | 73.9 | 72.1 | 68.0 | 75.6 | 69.9 | 67.2 | 71.3 |



| $\begin{gathered} \text { FY12 } \\ 9 \text { Months } \end{gathered}$ | $\begin{gathered} \text { FY13 } \\ 9 \text { Months } \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: |
| $\begin{aligned} & 3,809 \\ & (3,809) \end{aligned}$ | $\begin{aligned} & 4,108 \\ & (4,108) \end{aligned}$ | $\left\lvert\, \begin{gathered} \text { Unit } \\ \text { (thousand) } \end{gathered}\right.$ |
| 214.1 | 208.5 | (billion) |
|  |  |  |
| Currency Effect - 3.2(Revenue from sales to external customers) |  |  |



|  |  |  |  |  |  | FY13 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1Q | 2Q | 3 Q | 4 Q | 1Q | 2Q | 3 Q |
| $\begin{array}{\|l\|} \hline \text { Total Assets of } \\ \text { Finance of } \\ \text { Subsidiaries } \end{array}$ | 5,445.7 | 5,169.2 | 5,290.5 | 5,644.3 | 5,567.6 | 5,577.7 | 6,197.2 |
| $\begin{gathered} \text { Net } \\ \text { Sales } \\ \hline \end{gathered}$ | 138.6 | 129.1 | 127.5 | 131.2 | 134.0 | 133.1 | 138.1 |
| $\begin{gathered} \text { Yen } \\ \text { (billion) } \end{gathered}$ | Operating Margin Operating Income |  | - |  | rrency Effect external customers external customer | $5.6$ | . |


| FY12 | FY13 |
| :---: | :---: |
| 9 Months | 9 Months |






|  | FY12 |  |  |  | FY13 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| $\begin{gathered} \hline \text { Net } \\ \text { Sales } \end{gathered}$ | 373.4 | 407.7 | 317.6 | 391.5 | 512.8 | 539.4 | 587.4 |


| $\begin{gathered} \text { FY12 } \\ 9 \text { Months } \end{gathered}$ | FY13 <br> 9 Months | $\begin{gathered} \text { Yellilions } \\ \text { (bill } \end{gathered}$ |
| :---: | :---: | :---: |
| 1,098.9 | 1,639.6 |  |





Total $\square$


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## Forecast: Consolidated Unit Sales



|  | $\begin{aligned} & \text { FY12 } \\ & \text { Results } \end{aligned}$ | FY13 <br> Forecasts | Change |  | Change from previous forecasts |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | amount | \% |  |
| Net sales \& other operating revenue | 7,948.0 | 9,800.0 | + 1,851.9 | + 23.3\% | - |
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## approx

1,802,300,000 shares (weighted average number of shares outstanding )
Average Rates (Yen)

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| :---: | :---: | :---: | :---: |
| Euro | 108 | 105 <br> $(1 \mathrm{H} 101 / 2 \mathrm{H} 108)$ | Yen up by 3 yen |

approx.
1,802,298,000 shares
(weighted average number of shares outstanding )




|  | FY12 <br> Results | FY13 <br> Revised Forecasts | Change |
| :--- | :---: | :---: | :---: |
| Capital <br> expenditures | 406.5 | $\mathbf{6 0 0 . 0}$ | +193.5 |
| Depreciation and <br> Amortization | 293.7 | $\mathbf{2 8 5 . 0}{ }^{* *}$ | -8.7 |
| R\&D expenses | 519.8 | 555.0 | +35.2 |


| Change from <br> previous <br> forecast |
| :---: |
| - |
| - |
| - |

* "Capital expenditures" in results and the forecast aforementioned exclude investment in operating leases and acquisition of intangible assets.
* "Depreciation and amortization" in results and the forecast aforementioned exclude depreciation of investment in operating leases and amortization of intangible assets.
** Honda changed to the straight line method effective from April 2012 for the depreciation method.


## 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 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.


|  | $3 Q$ |  |  | 9 Months |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | FY12 | FY13 | Change | FY12 | FY13 | Change |
| Foreign currency Forward | - 5.2 | - 53.1 | -47.8 | + 8.5 | - 28.4 | - 37.0 |
| Interest rate swap Currency swap | + 6.2 | - 1.3 | - 7.5 | + 18.3 | - 1.4 | -19.7 |
| Others | + 0.0 | -0.1 | -0.2 | + 0.4 | - 0.0 | -0.4 |
| Total | + 1.0 | - 54.5 | - 55.6 | + 27.3 | -29.9 | - 57.2 |

# HONDA 

The Power of Dreams

