

FY13 Financial Results



Honda Motor Co., Ltd.

April 26, 2013

ACURA RLX
(North America)

FY13 Financial Results & FY14 Financial Forecasts

Tetsuo Iwamura

Executive Vice President

- *FY13 Financial Results*
- *FY14 Financial Forecasts*
- *Dividend*

Kohei Takeuchi

Chief Financial Officer

- *FY13 Consolidated Financial Results*
 - 4th 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*
- *FY14 Financial Forecasts*

Outline of FY13 Financial Results (Consolidated)

Honda Group Unit Sales (Consolidated Unit Sales) (thousand)	Twelve Months		
	FY12	FY13	Change
Motorcycles	15,061 (8,650)	15,494 (9,510)	+ 2.9% (+ 9.9%)
Automobiles	3,108 (2,482)	4,014 (3,408)	+ 29.2% (+ 37.3%)
Power Products	5,819 (5,819)	6,071 (6,071)	+ 4.3% (+ 4.3%)

Financial Results Yen (billion)	Twelve Months		
	FY12	FY13	Change
Net sales & other operating revenue	7,948.0	9,877.9	+ 24.3%
Operating income	231.3	544.8	+ 135.5%
Income before income taxes	257.4	488.8	+ 89.9%
Equity in income of affiliates	100.4	82.7	- 17.6 %
Net income attributable to Honda Motor Co., Ltd.	211.4	367.1	+ 73.6%
EPS attributable to Honda Motor Co., Ltd. (Yen)	117.34	203.71	+ 86.37

Note : Shares which EPS calculation is based on: approx. 1,802,300,000 shares approx. 1,802,298,000 shares (weighted average number of shares outstanding)

Average Rates (Yen)

US Dollar	79	84	Yen down by 5 yen
Euro	108	108	

Financial Summary

Operating income amounted to 544.8 billion yen, a sharp rise of 135.5% mainly due a strong recovery from the Great East Japan Earthquake and Thai flood and the positive impact of new model introductions, primarily in North America, Asia and Japan.

Financial Highlights

Honda Group Unit Sales

Motorcycle:

Increased in Asia and North America
Decreased in "Other regions", mainly in Brazil

Automobile:

Increased in all regions

Power Products:

Increased in North America, Asia and "Other regions"

Net Sales and Operating Revenue

- Increased unit sales
- Favorable foreign currency translation effects

Operating Income

- Increased unit sales
- Positive impact on fixed costs due to increased production
- Cost reduction efforts
- Favorable currency effects

FY14 Financial Forecasts (Consolidated)

Yen (billion)

	FY13 Results	FY14 Forecasts	Change	
			amount	%
Net sales & other operating revenue	9,877.9	12,100.0	+ 2,222.0	+ 22.5%
Operating income	544.8	780.0	+ 235.1	+ 43.2%
Income before income taxes	488.8	780.0	+ 291.1	+ 59.5%
Equity in income of affiliates	82.7	115.0	+ 32.2	+ 39.0%
Net income attributable to Honda Motor Co., Ltd.	367.1	580.0	+ 212.8	+ 58.0%
EPS attributable to Honda Motor Co., Ltd. (Yen)	203.71	321.81	+ 118.10	

Note : Shares which EPS calculation is based on:

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

approx.
1,802,297,000 shares
(weighted average number of shares outstanding)

Average Rates (Yen)

US Dollar	84	95	Yen down by 11 yen
Euro	108	120	Yen down by 12 yen

FY13 Financial Results and FY14 Financial Forecasts (Unconsolidated)

Yen (billion)

	FY12 Results	FY13 Results	%	FY14 Forecasts	%
Net sales	2,740.0	3,244.0	18.4%	3,630.0	+ 11.9%
Operating income (loss)	- 136.7	103.9	—	170.0	+ 63.6%
Ordinary income	40.3	193.8	379.9%	360.0	+ 85.7%
Net income	46.2	154.7	234.3%	260.0	+ 68.1%

Average Rates (Yen)

US Dollar	79	84	Yen down by 5 yen	95	Yen down by 11 yen
Euro	108	108	—	120	Yen down by 12 yen

Dividend

(Yen)

Dividend per Share	FY12 Results	FY13 Results & Projection	Increase/Decrease from FY12 Results	FY14 Expectation	Increase/Decrease from FY13
1 st quarter End	15	19	+ 4	(20)	(+ 1)
2 nd quarter End	15	19	+ 4	(20)	(+ 1)
3 rd quarter End	15	19	+ 4	(20)	(+ 1)
4 th quarter End	15	(19)	(+ 4)	(20)	(+ 1)
Fiscal Year	60	(76)	(+ 16)	(80)	(+ 4)

() figures in parenthesis are expected results

FY13 Financial Results & FY14 Financial Forecasts

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Executive Vice President

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- *FY14 Financial Forecasts*
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Chief Financial Officer

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- *FY14 Financial Forecasts*

Outline of FY13 4th Quarter Financial Results (Consolidated)

Honda Group Unit Sales (Consolidated Unit Sales) (thousand)	4Q Results (Three Months)		
	FY12	FY13	Change
Motorcycles	4,164 (2,483)	3,962 (2,490)	- 4.9% (+ 0.3%)
Automobiles	1,022 (831)	1,033 (902)	+ 1.1% (+ 8.5%)
Power Products	2,010 (2,010)	1,963 (1,963)	- 2.3% (- 2.3%)

Financial Results Yen (billion)	4Q Results (Three Months)		
	FY12	FY13	Change
Net sales & other operating revenue	2,405.0	2,744.9	+ 14.1%
Operating income	111.9	135.9	+ 21.4%
Income before income taxes	93.0	98.0	+ 5.4%
Equity in income of affiliates	33.2	13.0	- 60.7 %
Net income attributable to Honda Motor Co., Ltd.	71.5	75.7	+ 5.8%
EPS attributable to Honda Motor Co., Ltd. (Yen)	39.72	42.03	+2.31

Note : Shares which are based on calculation of EPS approx. 1,802,300,000 shares approx. 1,802,298,000 shares
(weighted average number of shares outstanding)

Average Rates (Yen)

US Dollar	80	93	Yen down by 13 yen
Euro	104	122	Yen down by 18 yen

Financial Summary

Operating income amounted to 135.9 billion yen, an increase of 21.4% mainly due to increased revenue in automobile business operations in Asia as a result of a production recovery from the Thai flood and favorable currency effects.

Financial Highlights

Honda Group Unit Sales

Motorcycle:

Increased in North America
Decreased in Asia and "Other regions", mainly in Brazil

Automobile:

Increased in Asia and "Other regions"

Power Products:

Increased in North America
Decreased in Asia

Net Sales and Operating Revenue

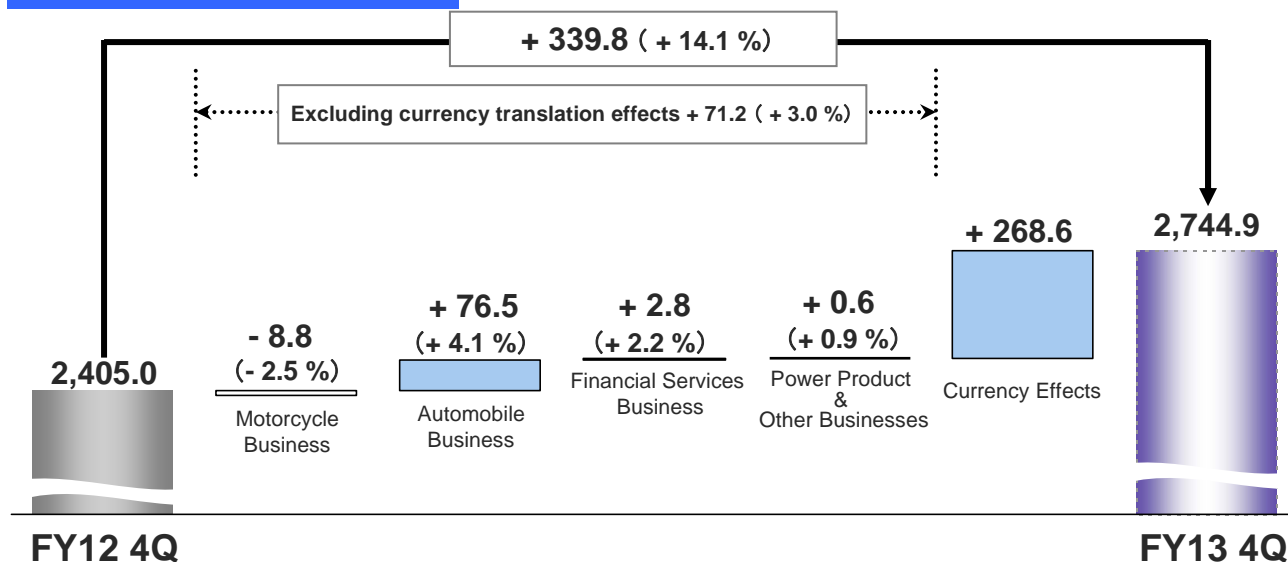
- Increased unit sales
- Favorable foreign currency translation effects

Operating Income

- Cost reduction efforts
- Favorable currency effects

Net Sales and Other Operating Revenue

4th Quarter (Three months)



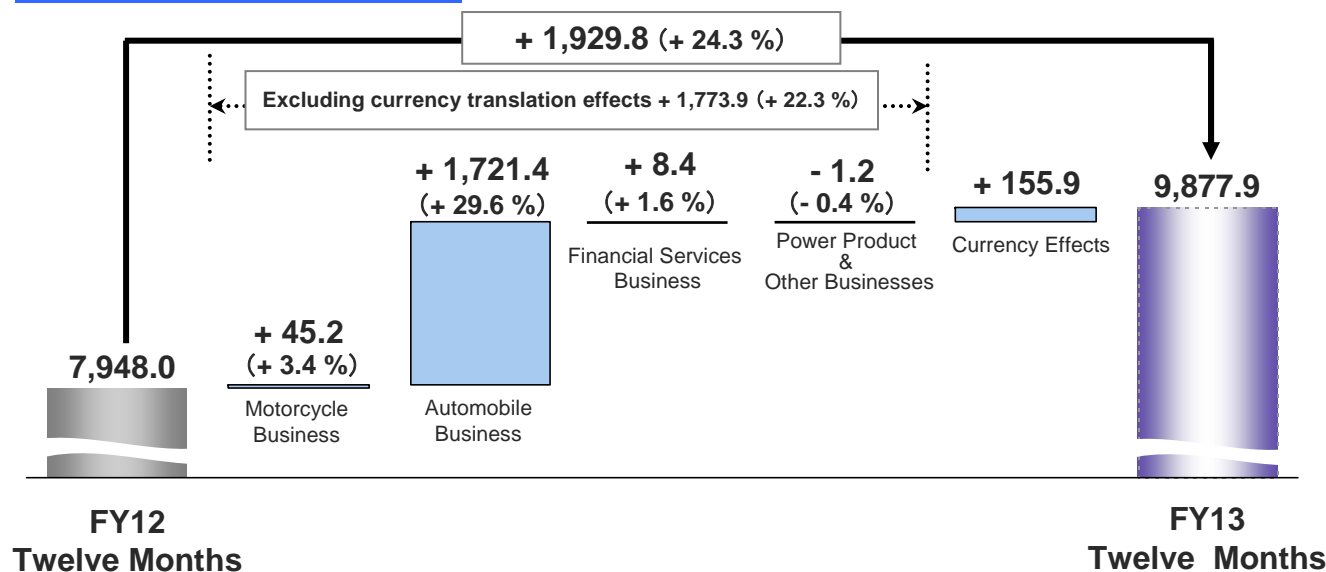
Net Sales by Business Segment	4Q	
	FY12	FY13
Motorcycle Business	358.5	375.3
Automobile Business	1,844.9	2,136.9
Financial Services Business	129.0	151.4
Power Product & Other Businesses	72.5	81.1
Total	2,405.0	2,744.9

Market average rates

US Dollar	79	92
Euro	104	122

*BR Real 43 40

Twelve Months



Net Sales by Business Segment	Twelve months	
	FY12	FY13
Motorcycle Business	1,348.8	1,339.5
Automobile Business	5,805.9	7,709.2
Financial Services Business	516.1	548.5
Power Product & Other Businesses	277.1	280.6
Total	7,948.0	9,877.9

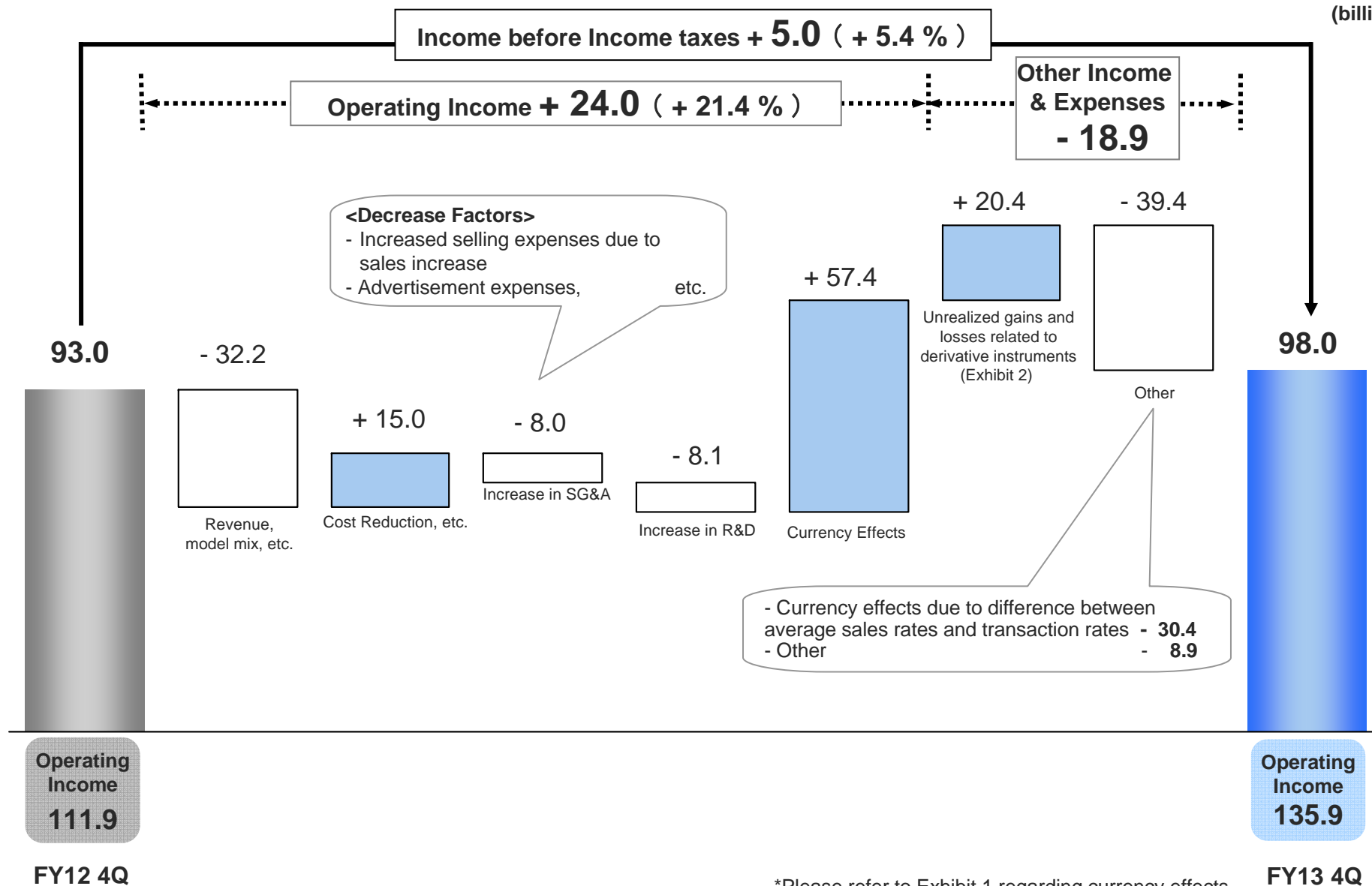
Market average rates

US Dollar	79	83
Euro	109	107

*BR Real 48 41

Change in Income before Income Taxes <FY13 4th Quarter>

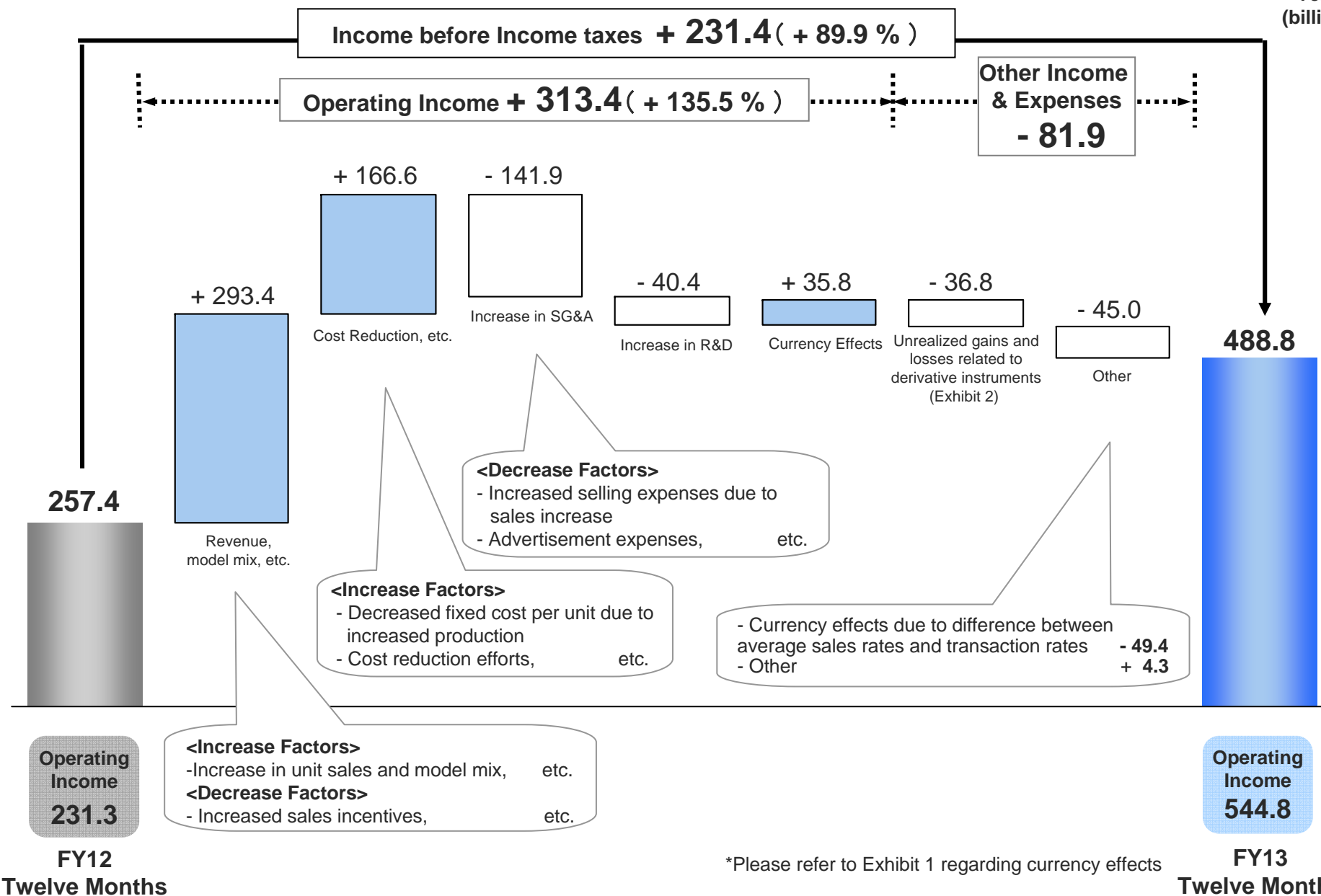
Yen
(billion)



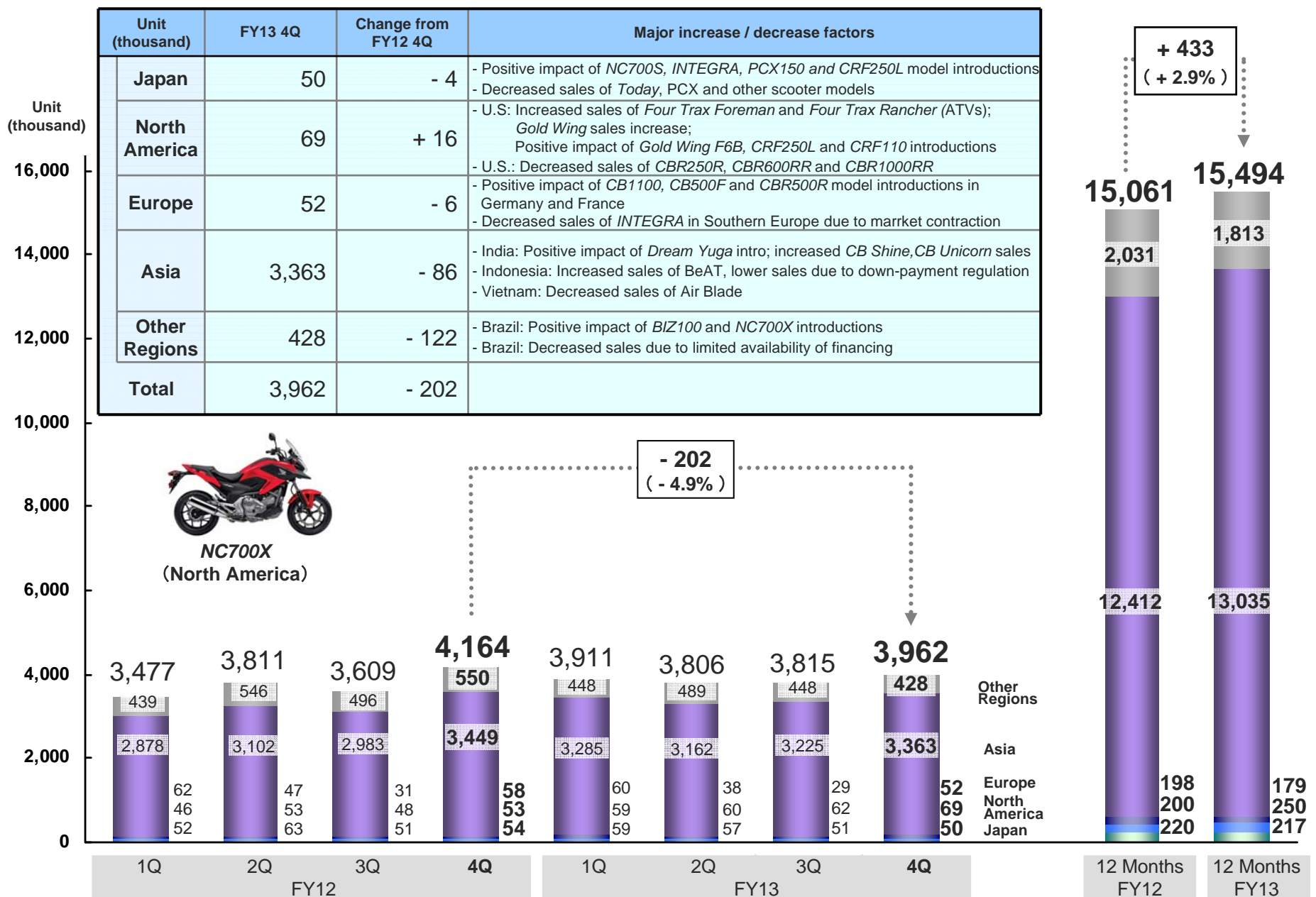
*Please refer to Exhibit 1 regarding currency effects

Change in Income before Income Taxes <FY13 Twelve Months >

Yen
(billion)



Motorcycle Honda Group Unit Sales (Motorcycles + All-Terrain Vehicles, etc.)



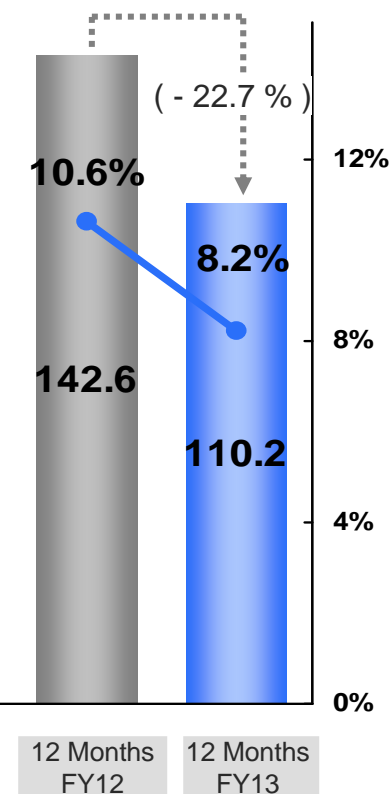
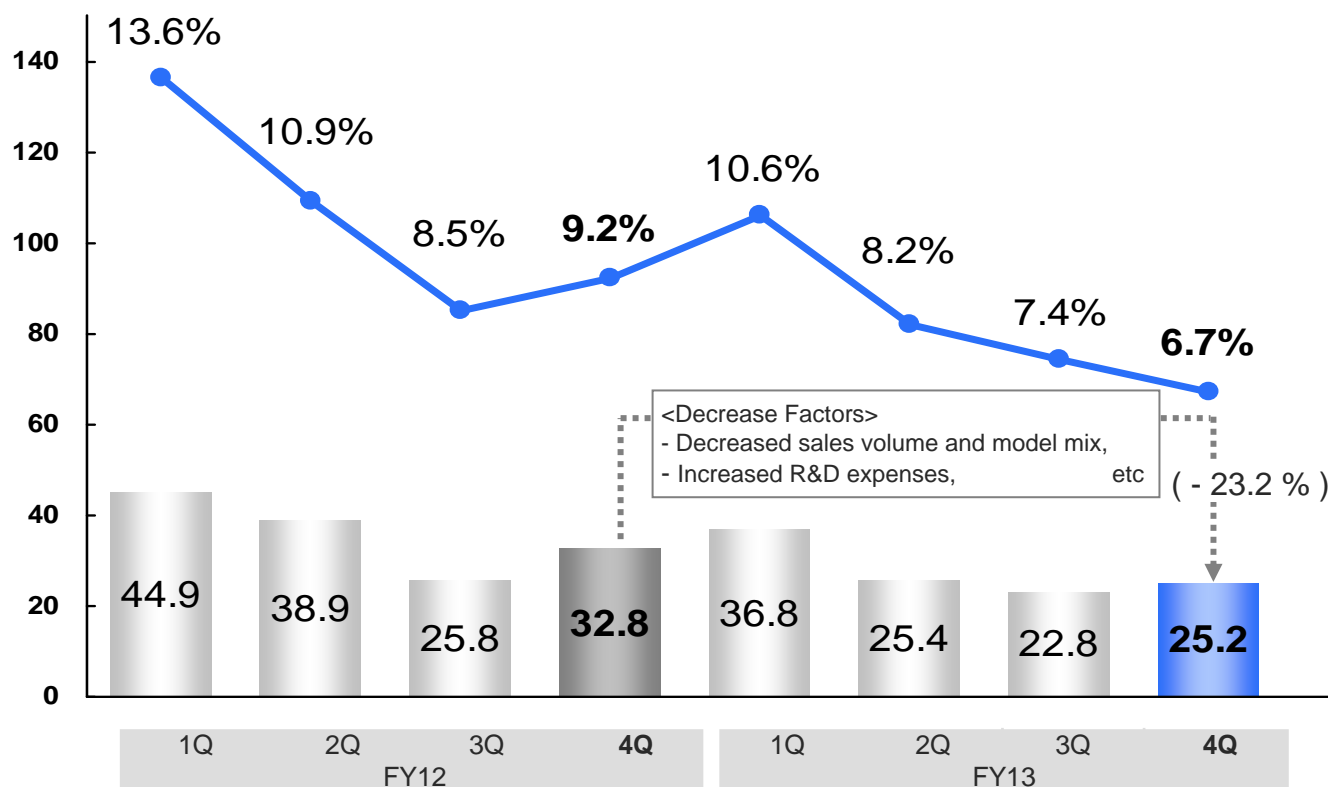
Motorcycle Business Net Sales/Operating Income (Margin)

	FY12				FY13			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Honda Group Unit Sales (Consolidated Unit Sales)	3,477 (1,949)	3,811 (2,187)	3,609 (2,031)	4,164 (2,483)	3,911 (2,366)	3,806 (2,304)	3,815 (2,350)	3,962 (2,490)
Net Sales	330.3	357.3	302.5	358.5	346.6	309.7	307.8	375.3

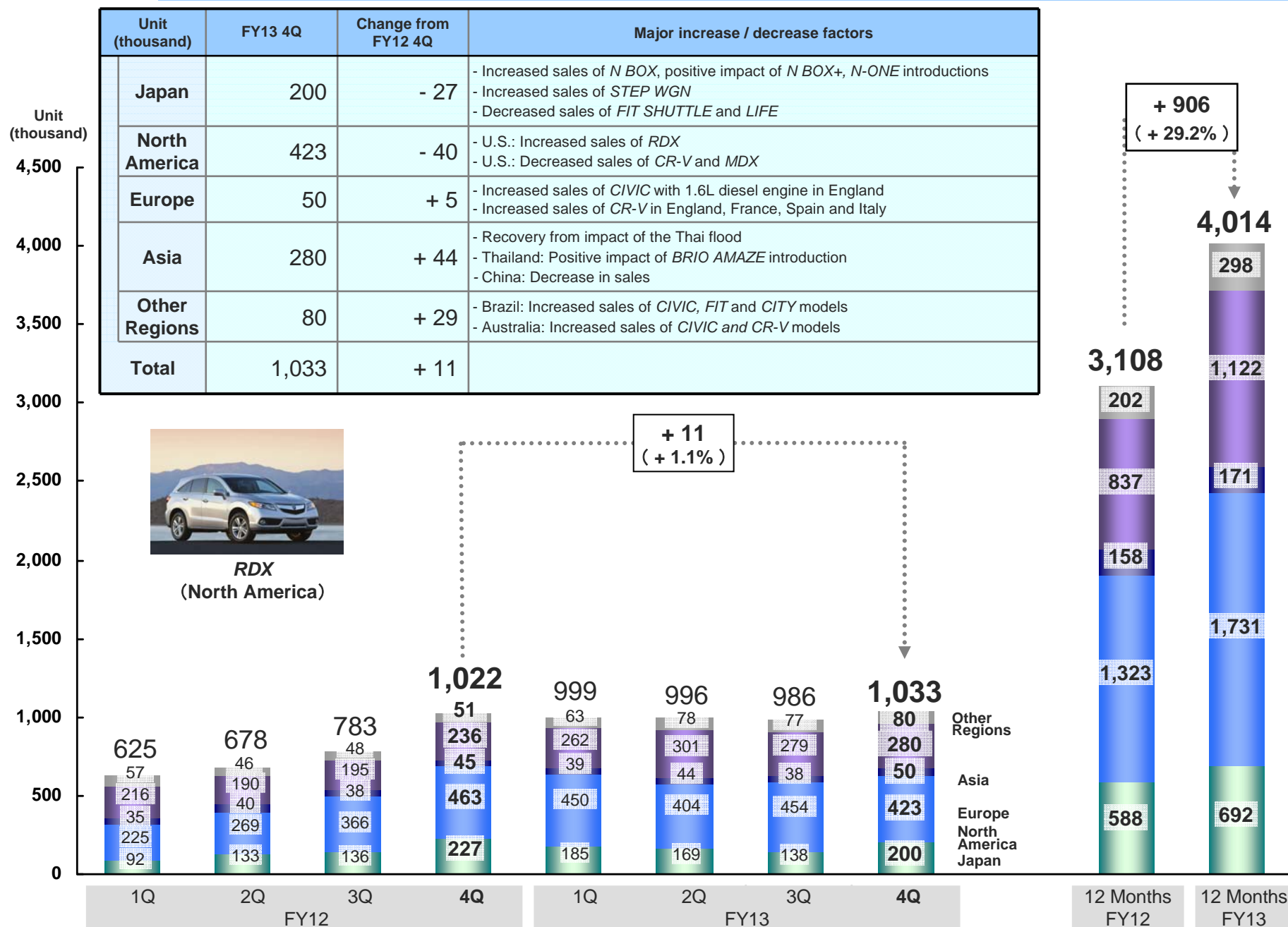
	FY12 12 Months	FY13 12 Months
Unit Sales (thousand)	15,061 (8,650)	15,494 (9,510)
Net Sales (billion Yen)	1,348.8	1,339.5

Operating Margin —
Operating Income ■

Yen
(billion)



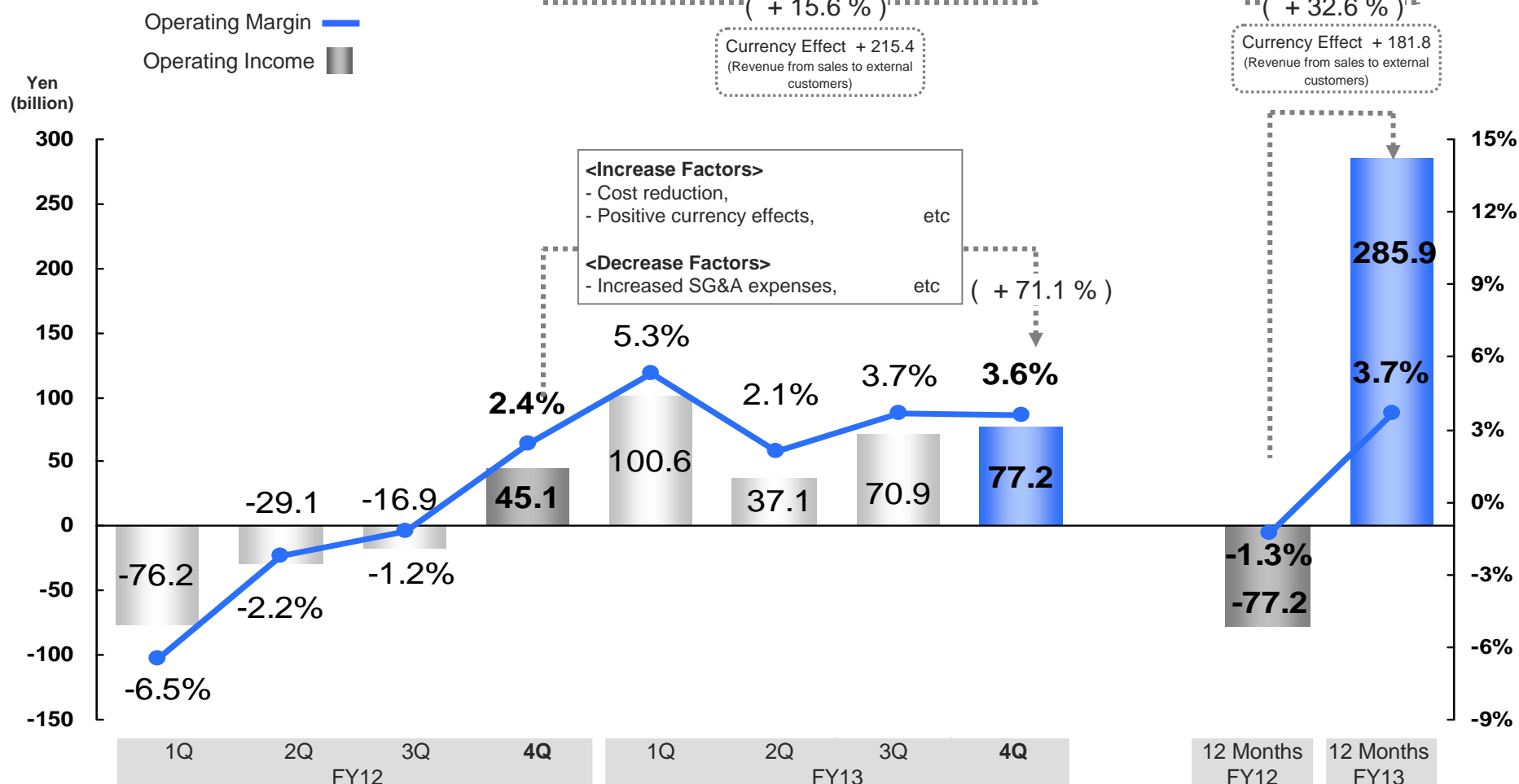
Automobile Honda Group Unit Sales



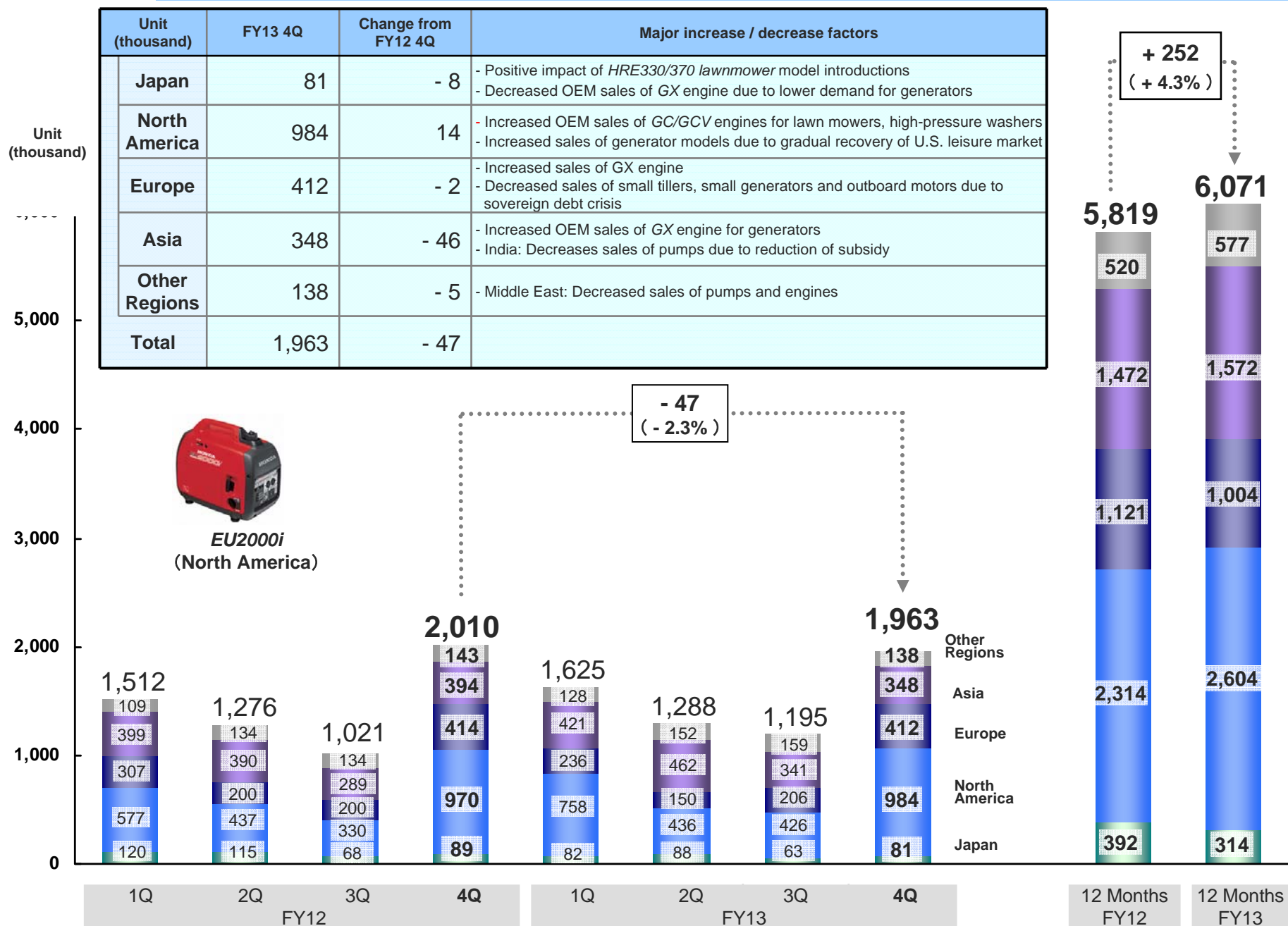
Unit Sales/Net Sales/Operating Income (Margin)

	FY12				FY13			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Honda Group Unit Sales (Consolidated Unit Sales)	625 (458)	678 (571)	783 (622)	1,022 (831)	999 (849)	996 (816)	986 (841)	1,033 (902)
Net Sales	1,178.8	1,337.1	1,455.6	1,851.1	1,894.7	1,769.7	1,918.4	2,140.6

FY12 12 Months	FY13 12 Months	
3,108 (2,482)	4,014 (3,408)	Unit (thousand)
5,822.7	7,723.5	Yen (billion)



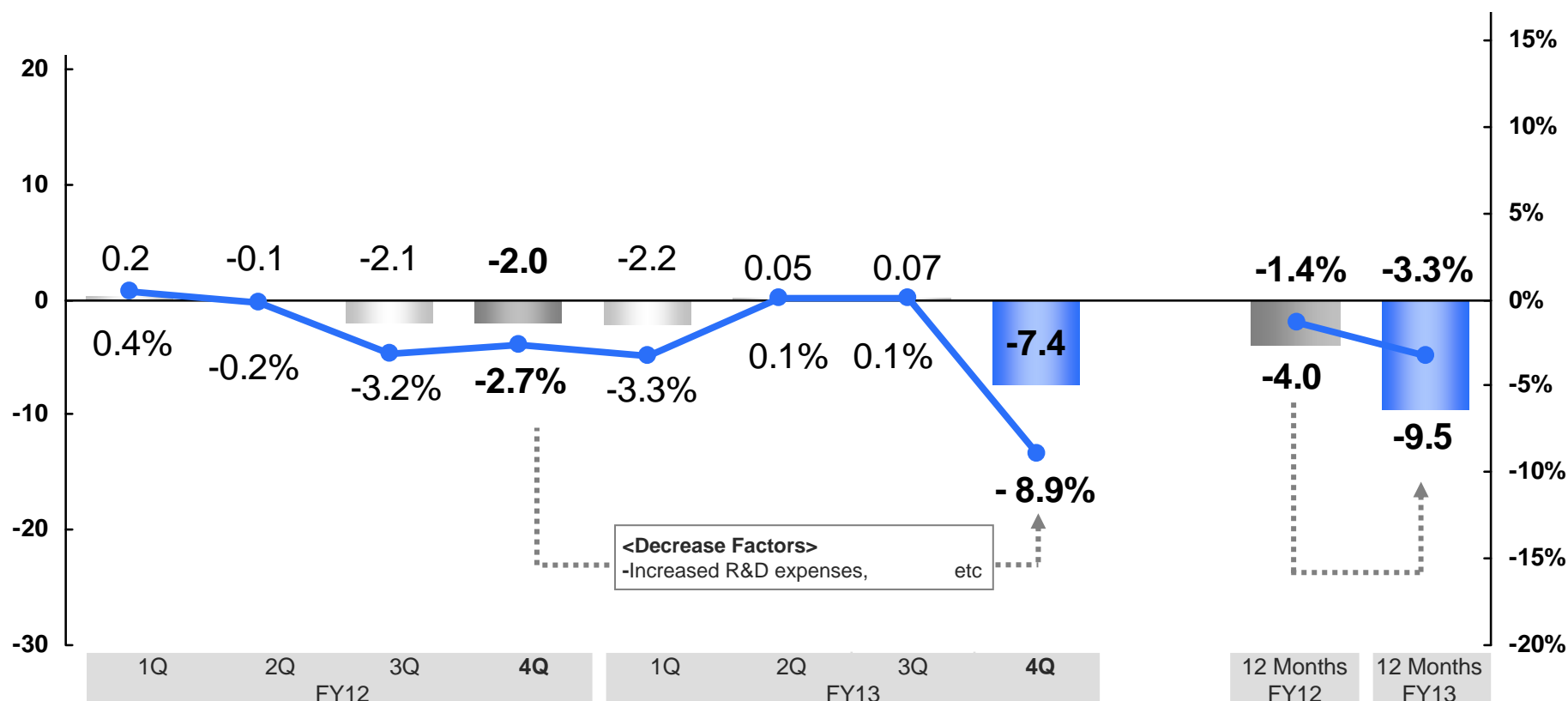
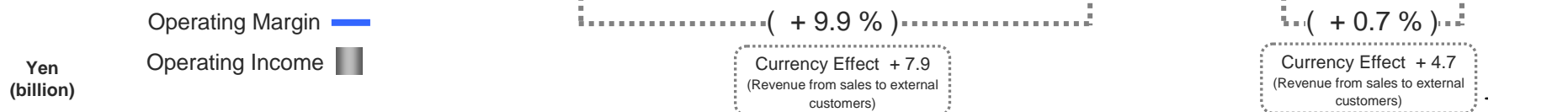
Power Products Honda Group Unit Sales



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

	FY12				FY13			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,512 (1,512)	1,276 (1,276)	1,021 (1,021)	2,010 (2,010)	1,625 (1,625)	1,288 (1,288)	1,195 (1,195)	1,963 (1,963)
Net Sales	73.9	72.1	68.0	75.6	69.9	67.2	71.3	83.1

	FY12 12 Months	FY13 12 Months
Unit (thousand)	5,819 (5,819)	6,071 (6,071)
Yen (billion)	289.7	291.6



Yen
(billion)

	FY12				FY13			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Assets of Finance Subsidiaries	5,445.7	5,169.2	5,290.5	5,644.3	5,576.6	5,577.7	6,197.2	6,765.3
Net Sales	138.6	129.1	127.5	131.2	134.0	133.1	138.1	154.9

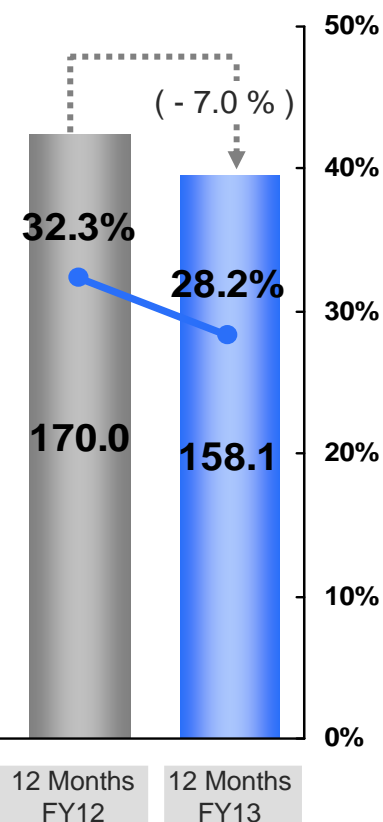
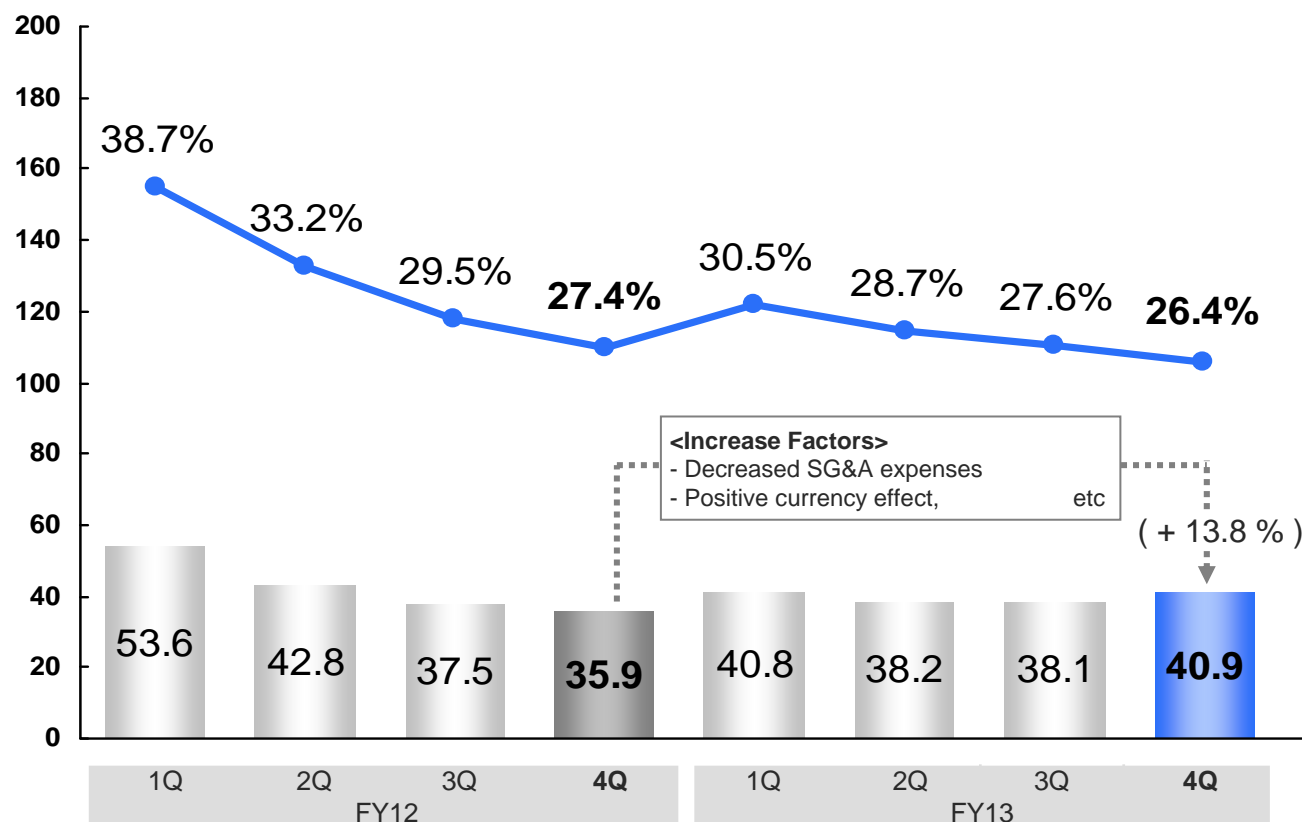
FY12 12 Months	FY13 12 Months
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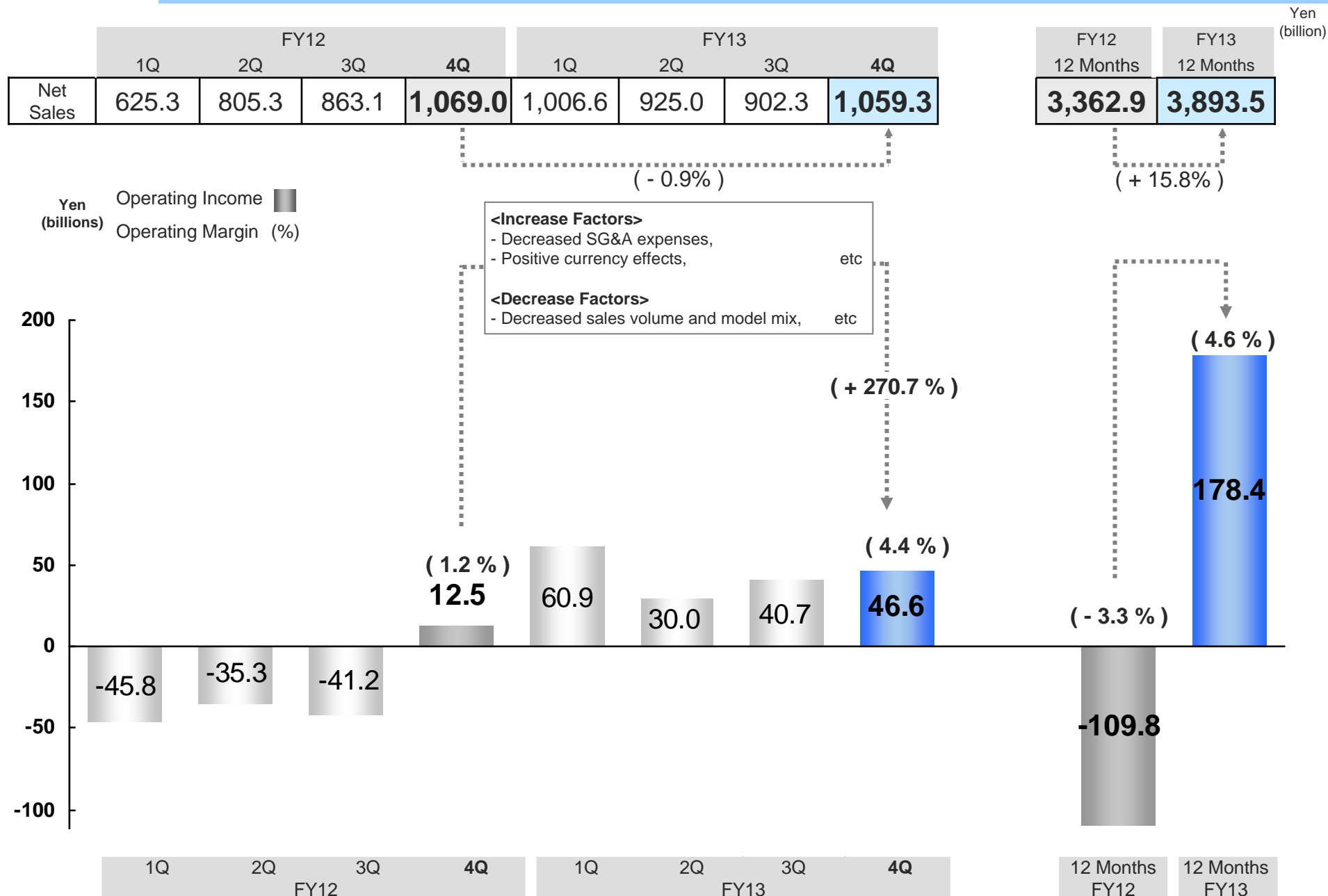
526.5	560.2
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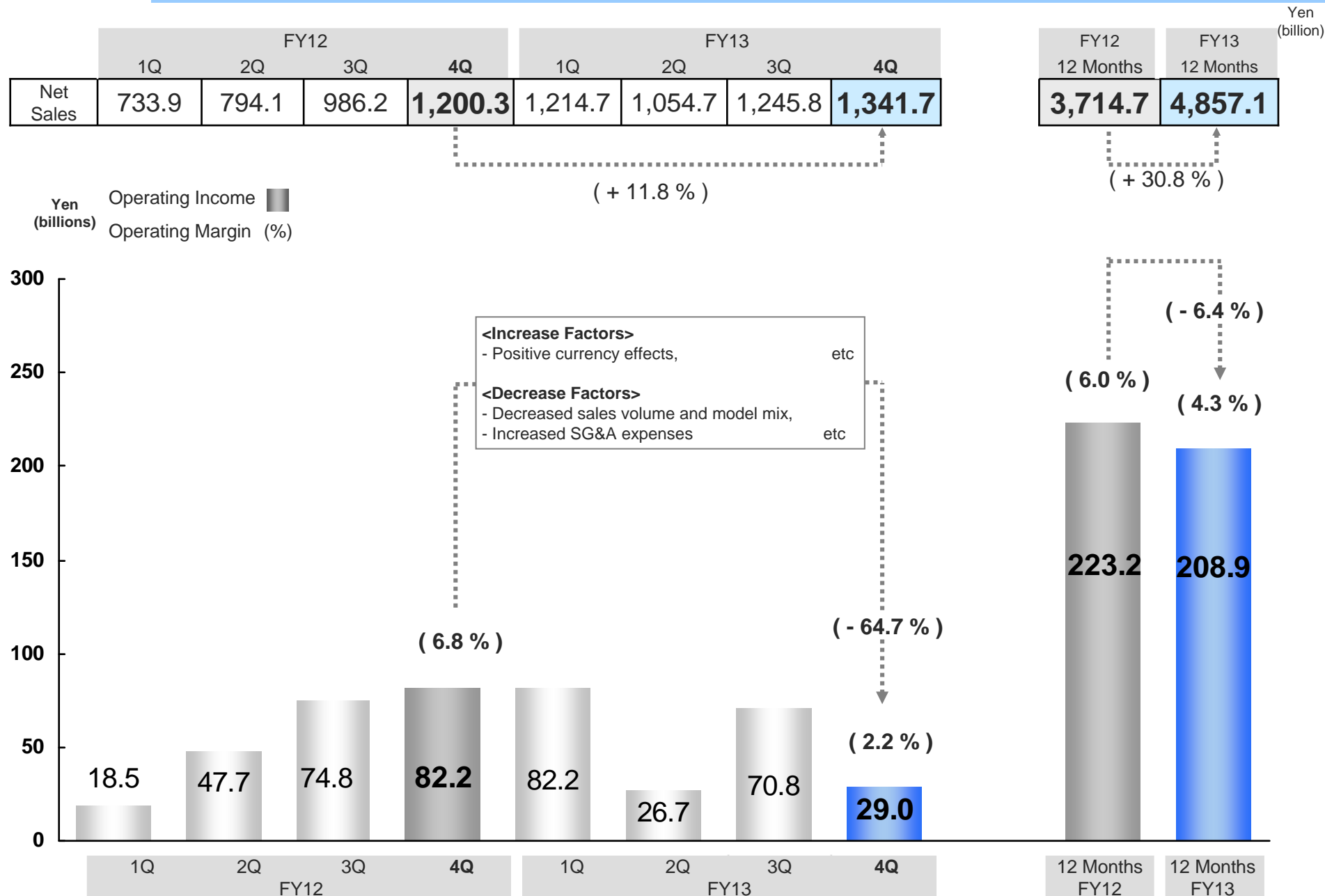
Operating Margin —

Operating Income ■

Yen
(billion)

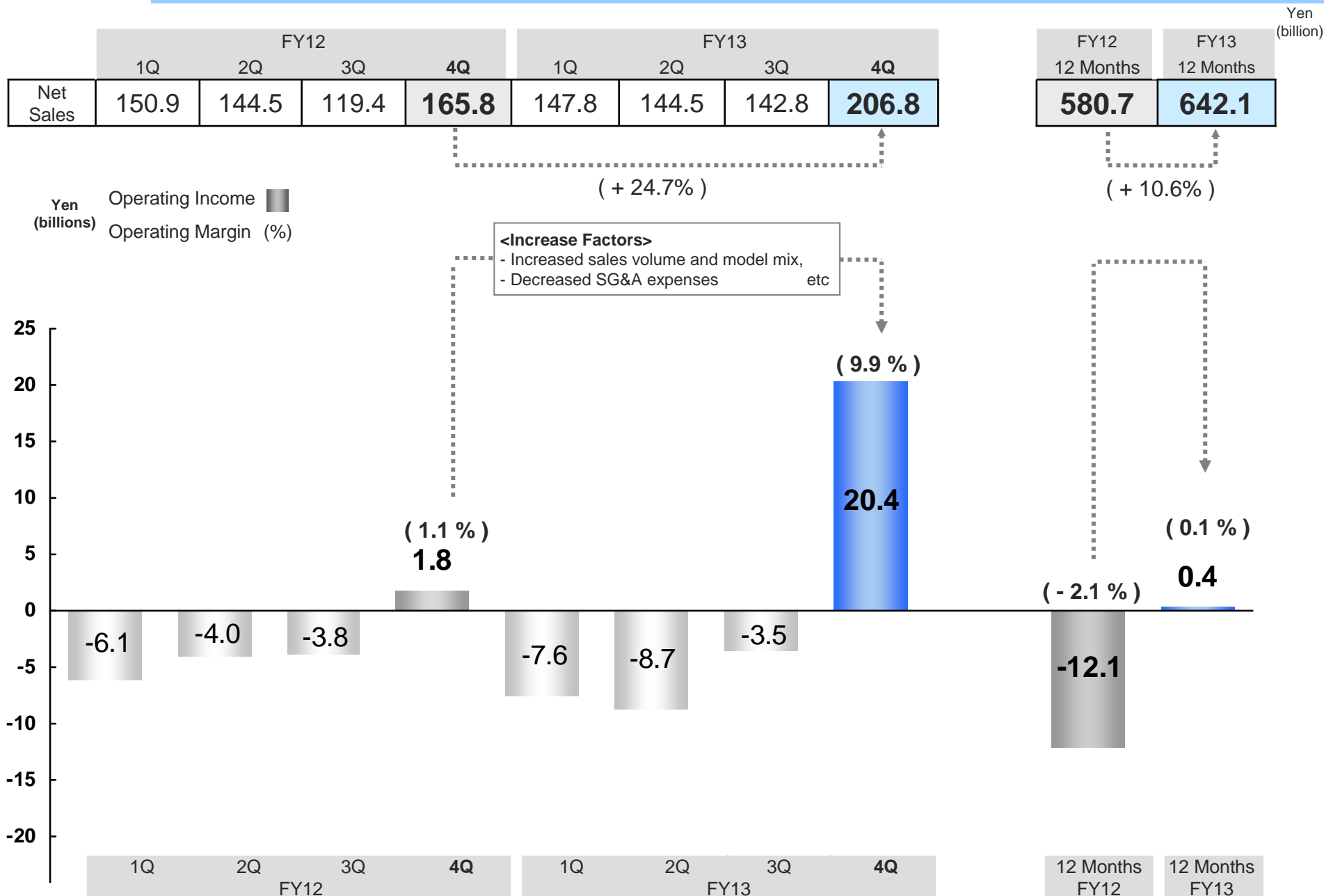


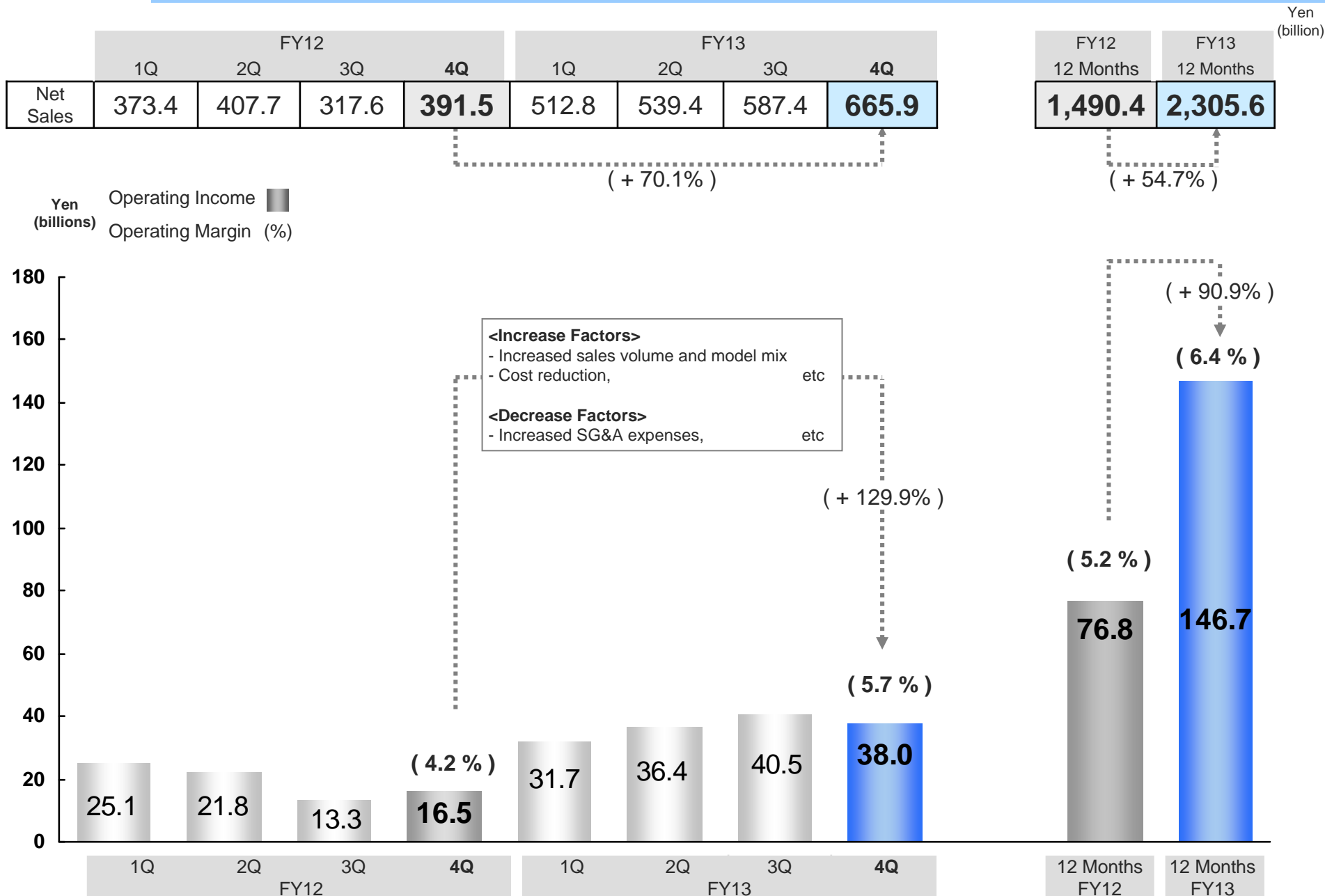




Europe

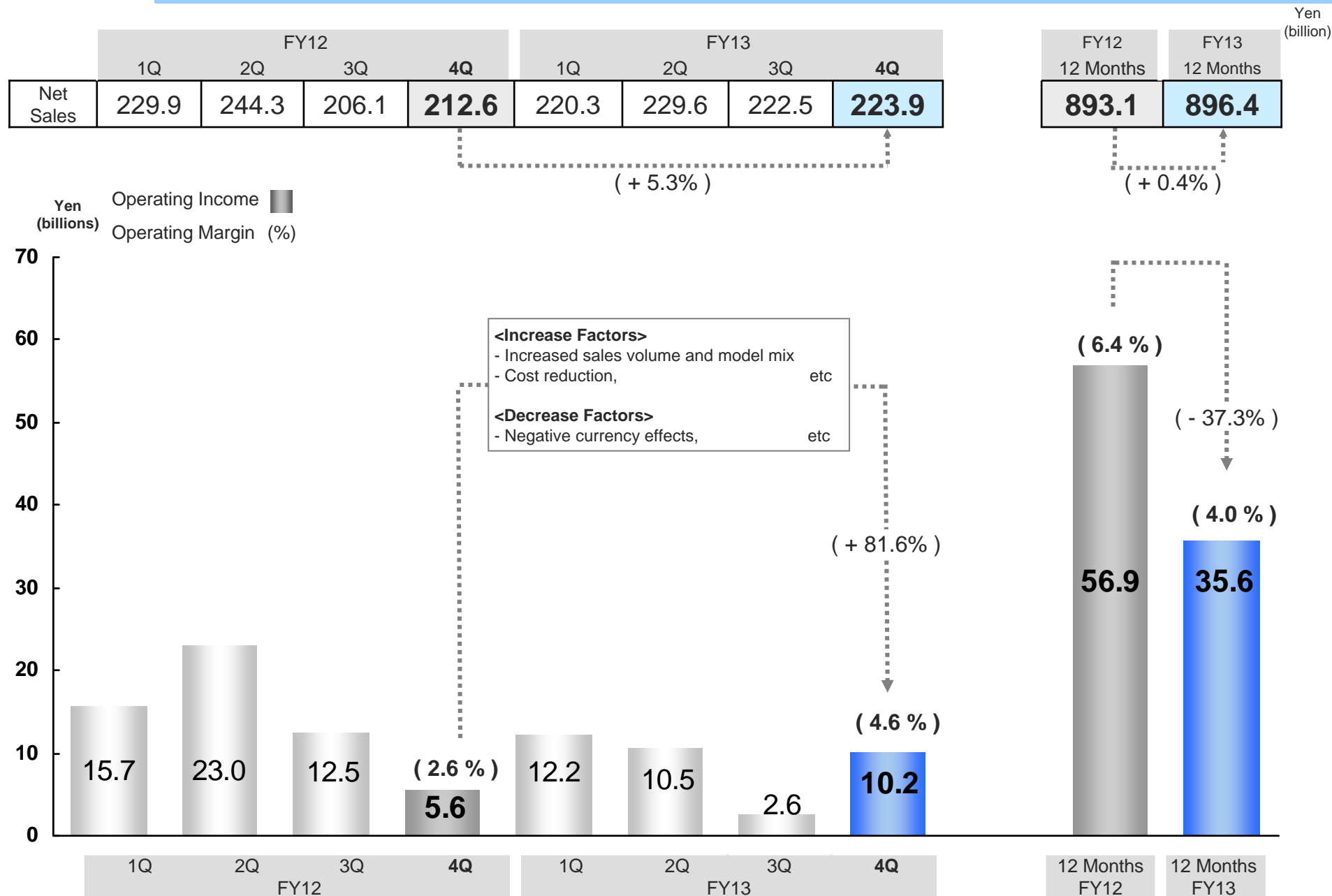
Net Sales/Operating Income (Margin)



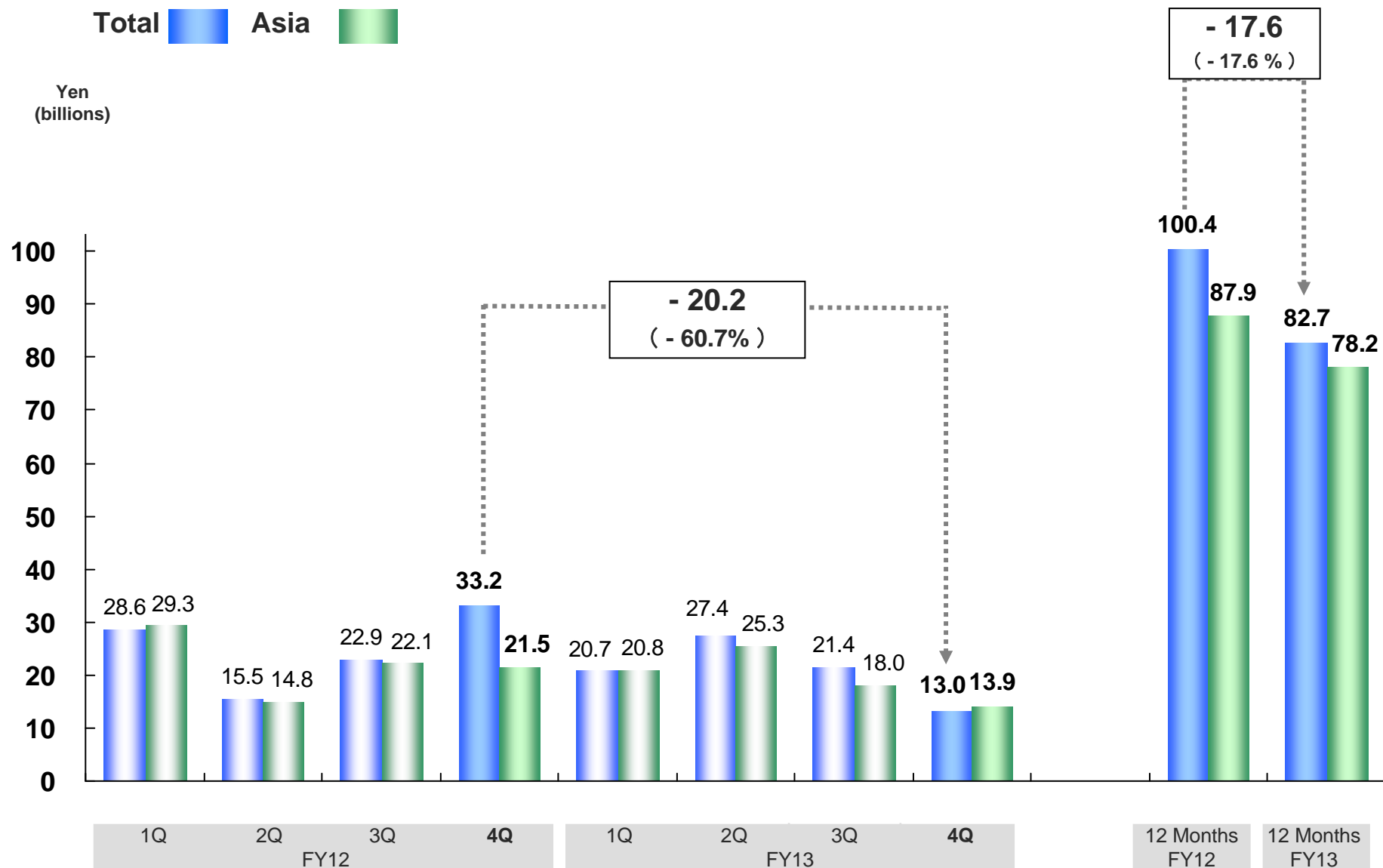


Other Regions

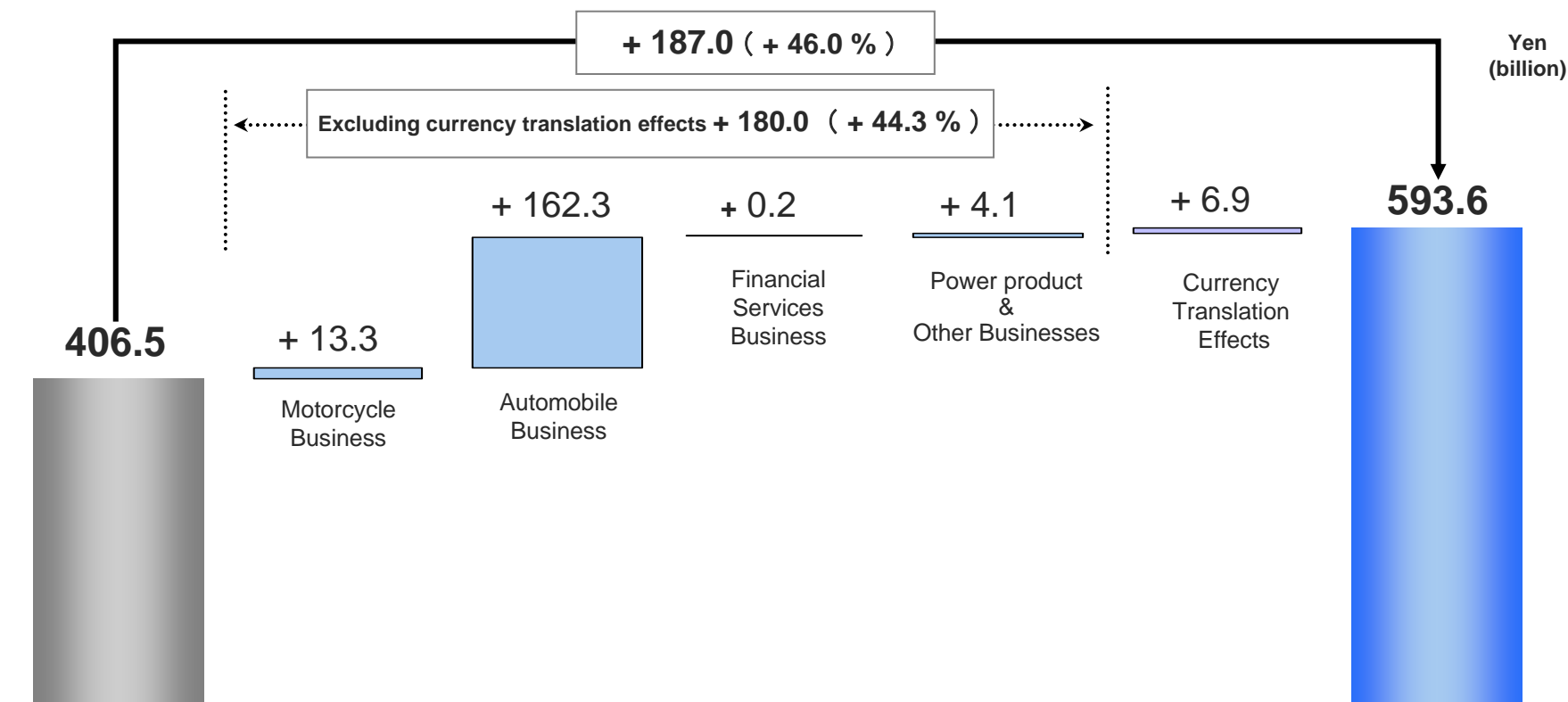
Net Sales/Operating Income (Margin)



Change in Equity in income of affiliates



Consolidated Capital Expenditures <FY13 Twelve Months>



FY12 Twelve Months

Market average rates

US\$ 1= JPY 79

Euro 1= JPY 109

* Capital expenditures in results aforementioned exclude investment in operating leases, capital leases and intangible assets

Yen (billions)

Motorcycle Business	62.0
Automobile Business	334.1
Financial Services Business	0.3
Power Product & Other Businesses	10.0
Total	406.5

FY13 Twelve Months

Market average rates

US\$ 1= JPY 83 (Yen down by 4 yen)

Euro 1= JPY 107 (Yen up by 2 yen)

Yen (billions)

Motorcycle Business	73.5
Automobile Business	505.0
Financial Services Business	0.5
Power Product & Other Businesses	14.5
Total	593.6

FY13 Financial Results & FY14 Financial Forecasts

Tetsuo Iwamura

Executive Vice President

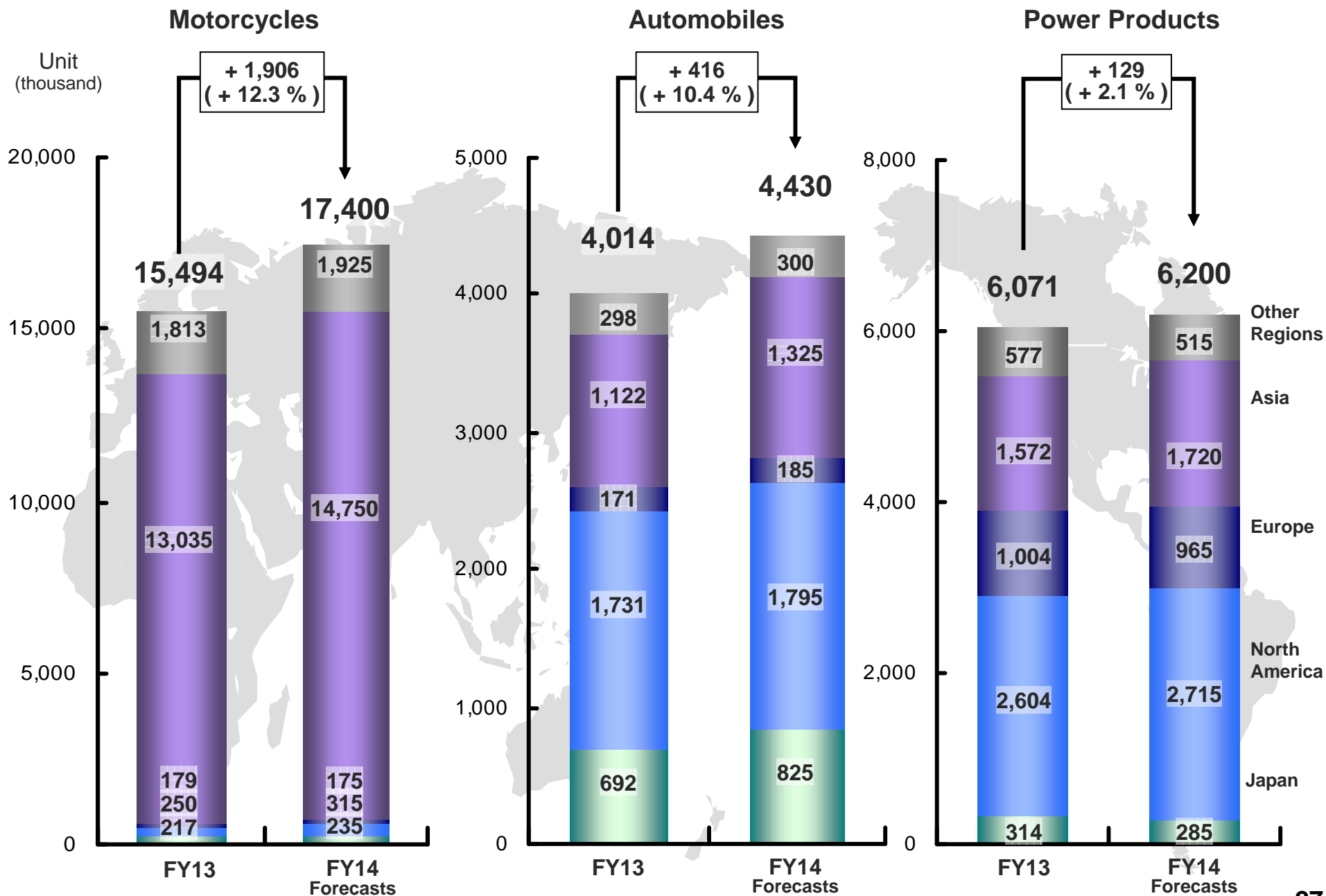
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- *Dividend*

Kohei Takeuchi

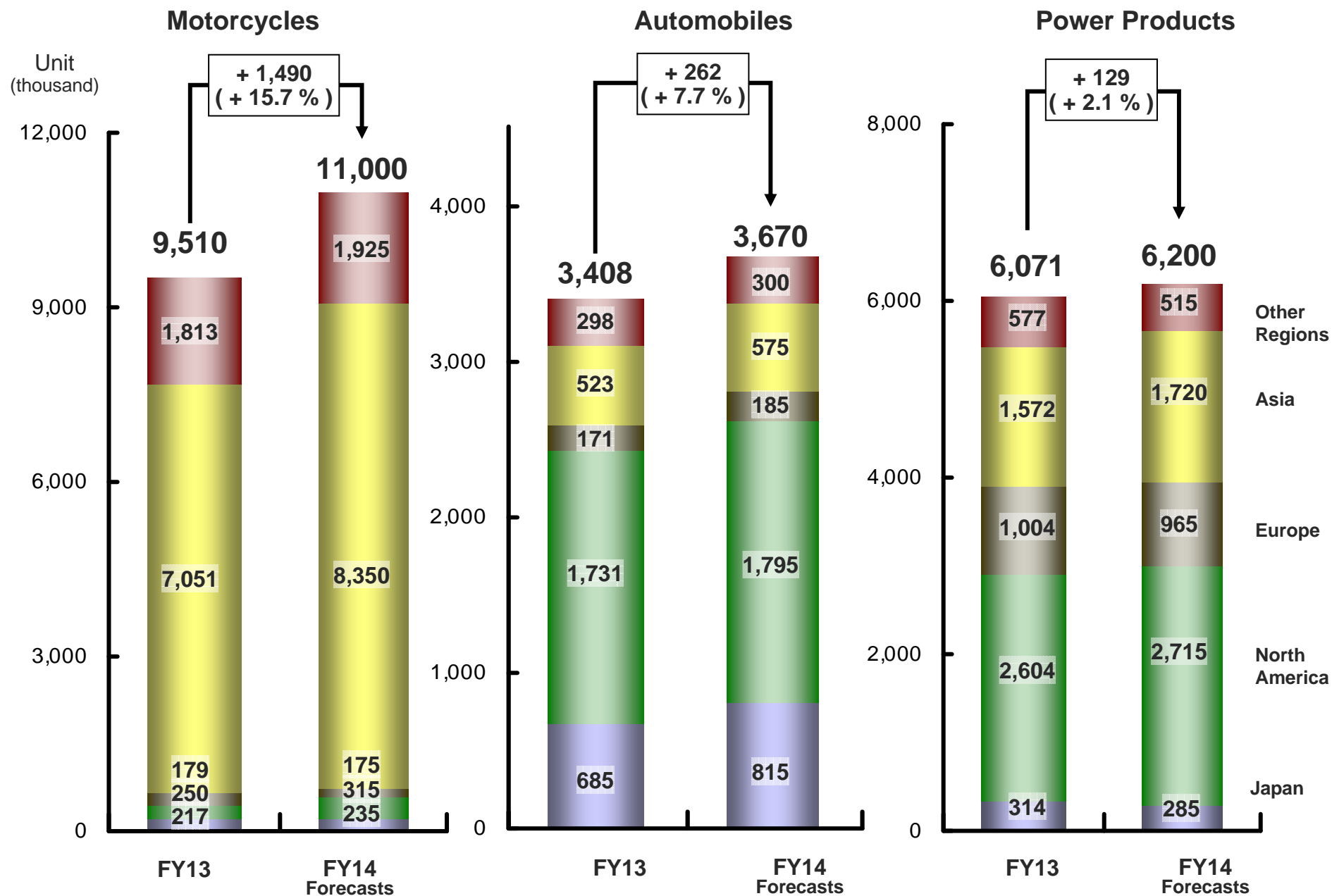
Chief Financial Officer

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Forecast: Honda Group Unit Sales



Forecast: Consolidated Unit Sales



FY14 Financial Forecasts (Consolidated)

Yen (billion)

	FY13 Results	FY14 Forecasts	Change	
			amount	%
Net sales & other operating revenue	9,877.9	12,100.0	+ 2,222.0	+ 22.5%
Operating income	544.8	780.0	+ 235.1	+ 43.2%
Income before income taxes	488.8	780.0	+ 291.1	+ 59.5%
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1,802,298,000 shares
(weighted average number
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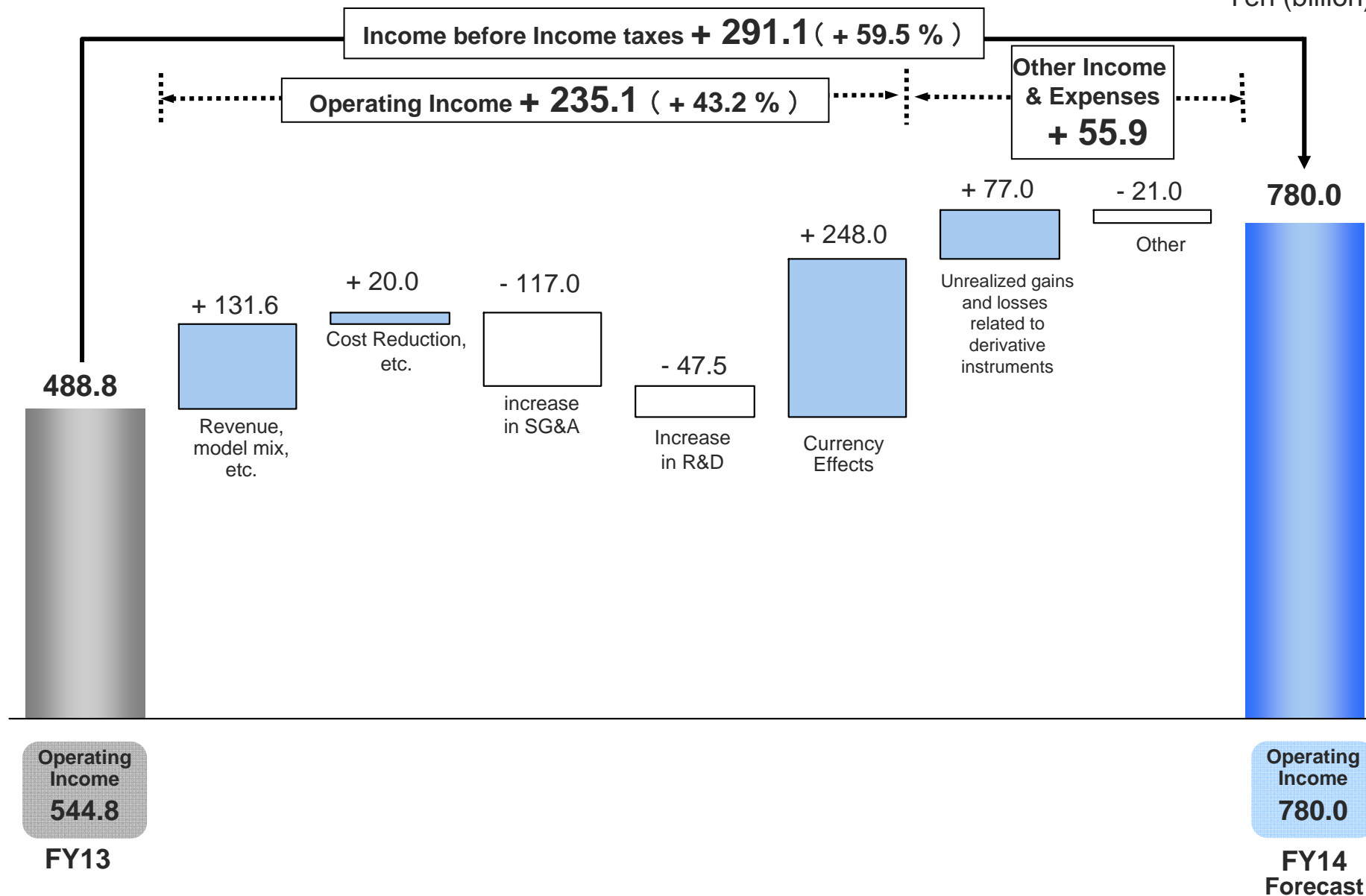
approx.
1,802,297,000 shares
(weighted average number
of shares outstanding)

Average Rates (Yen)

US Dollar	84	95	Yen down by 11 yen
Euro	108	120	Yen down by 12 yen

Forecast: Change in Income before Income Taxes

Yen (billion)



Forecast: Capital Expenditures, Depreciation, R&D Expenses

Yen
(billion)

	FY13 Results	FY14 Forecasts	Change
Capital expenditures *	593.6	700.0	+ 106.4
Depreciation and Amortization *	286.6	360.0	+ 73.4
R&D expenses	560.2	630.0	+ 69.8

* “Capital expenditures” in results and the forecast aforementioned exclude investment in operating leases, capital leases and acquisition of intangible assets.

* “Depreciation and amortization” in results and the forecast aforementioned exclude depreciation of investment in operating leases, capital leases and amortization of intangible assets.

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.

-Currency Effects-
(effects associated with sales transactions and translation effects)

(Exhibit 1)

Yen
(billion)

			FY13 4Q	Average Rates (Yen)			FY13 12 Months
				FY12 4Q	FY13 4Q	Change	
		JPY / USD	+ 29.3	80	93	Yen down by 13 yen	+ 42.1
		JPY / Euro	+ 2.4	104	122	Yen down by 18 yen	- 1.3
		JPY / Others	+ 0.0	—	—	—	- 15.1
		Transactions between other currencies	- 5.3	—	—	—	- 20.2
	Difference of average rates *1 (Impact on Operating income)		+ 26.4	*1:Impact of YOY difference of FOREX to be used for booking revenue of foreign currency transactions			+ 5.4
	Difference between transaction *2 rates and average rates (Impact on Other income & expenses)		- 30.4				- 49.4
	Currency effect associated with sales transaction		- 3.9				- 44.0
	Currency effect from translation *3 of foreign financial statements (impact on operating income)		+ 30.9	*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			+ 30.3
Total		+ 26.9				- 13.6	

Yen
(billion)

	4Q		
	FY12	FY13	Change
Foreign currency Forward	- 21.0	- 0.3	+ 20.6
Interest rate swap	- 4.4	- 4.7	- 0.3
Currency swap			
Other	0.0	0.0	+ 0.1
Total	- 25.5	- 5.0	+ 20.4

12 Months		
FY12	FY13	Change
- 12.4	- 28.8	- 16.3
+ 13.9	- 6.1	- 20.1
+ 0.3	0.0	- 0.3
+ 1.8	- 35.0	- 36.8

