

April 25, 2014

**HONDA MOTOR CO., LTD. REPORTS
CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL FOURTH QUARTER AND
THE FISCAL YEAR ENDED MARCH 31, 2014**

Tokyo, April 25, 2014--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal fourth quarter and the fiscal year ended March 31, 2014.

Fourth Quarter Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal fourth quarter ended March 31, 2014 totaled JPY 170.5 billion (USD 1,657 million), an increase of 125.1% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 94.61 (USD 0.92), an increase of JPY 52.58 (USD 0.51) from JPY 42.03 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 3,097.2 billion (USD 30,094 million), an increase of 12.8% from the same period last year, due primarily to increased revenue in automobile and motorcycle business operations, as well as favorable foreign currency translation effects.

Consolidated operating income for the quarter amounted to JPY 165.2 billion (USD 1,606 million), an increase of 21.5% from the same period last year, due primarily to an increase in sales volume and model mix, continuing cost reduction efforts, as well as favorable foreign currency effects, despite increased SG&A and R&D expenses.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 174.7 billion (USD 1,697 million), an increase of 78.1% from the same period last year.

Equity in income of affiliates amounted to JPY 37.3 billion (USD 363 million) for the quarter, an increase of 185.8% from the corresponding period last year.

Business Segment

Motorcycle Business

For the three months ended March 31, 2013 and 2014

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|-------------------------------------|--|--------|------|-------------------------------------|--|--------|------|
| | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 | Change | % | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 | Change | % |
| | | | | | | | | |
| Motorcycle business | 3,962 | 4,500 | 538 | 13.6 | 2,490 | 2,730 | 240 | 9.6 |
| Japan | 50 | 57 | 7 | 14.0 | 50 | 57 | 7 | 14.0 |
| North America | 69 | 83 | 14 | 20.3 | 69 | 83 | 14 | 20.3 |
| Europe | 52 | 49 | -3 | -5.8 | 52 | 49 | -3 | -5.8 |
| Asia | 3,363 | 3,843 | 480 | 14.3 | 1,891 | 2,073 | 182 | 9.6 |
| Other Regions | 428 | 468 | 40 | 9.3 | 428 | 468 | 40 | 9.3 |

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 fourth quarter by business segment, in motorcycle business operations, revenue from sales to external customers increased 19.5%, to JPY 448.5 billion (USD 4,358 million) from the same period last year, due mainly to increased consolidated unit sales and favorable foreign currency translation effects.

Operating income totaled JPY 42.9 billion (USD 417 million), an increase of 70.3% from the same period last year, due primarily to an increase in sales volume and model mix and continuing cost reduction efforts, as well as favorable foreign currency effects, despite increased SG&A expenses.

Automobile Business

For the three months ended March 31, 2013 and 2014

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|-------------------------------------|--|--------|-------|-------------------------------------|--|--------|-------|
| | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 | Change | % | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 | Change | % |
| | | | | | | | | |
| Automobile business | 1,033 | 1,195 | 162 | 15.7 | 902 | 933 | 31 | 3.4 |
| Japan | 200 | 282 | 82 | 41.0 | 199 | 280 | 81 | 40.7 |
| North America | 423 | 386 | -37 | -8.7 | 423 | 386 | -37 | -8.7 |
| Europe | 50 | 51 | 1 | 2.0 | 50 | 51 | 1 | 2.0 |
| Asia | 280 | 405 | 125 | 44.6 | 150 | 145 | -5 | -3.3 |
| Other Regions | 80 | 71 | -9 | -11.3 | 80 | 71 | -9 | -11.3 |

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 operations, revenue from sales to external customers increased 11.3%, to JPY 2,378.2 billion (USD 23,108 million) from the same period last year due mainly to favorable foreign currency translation effects. Operating income totaled JPY 72.9 billion (USD 709 million), a decrease of 5.6% from the same period last year, due primarily to increased SG&A and R&D expenses, despite continuing cost reduction efforts and favorable foreign currency effects.

Financial Services Business

Revenue from customers in the financial services business operations increased 23.9%, to JPY 187.7 billion (USD 1,824 million) from the same period last year due mainly to an increase in revenue from operating leases and favorable foreign currency translation effects. Operating income increased 19.3% to JPY 48.8 billion (USD 474 million) from the same period last year due mainly to favorable foreign currency effects.

Power Product and Other Businesses

For the three months ended March 31, 2013 and 2014

| | Unit (Thousands) | | | |
|-------------------------------|---|----------------------------------|--------|-------|
| | Honda Group Unit Sales/ Consolidated Unit Sales | | Change | % |
| | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 | | |
| Power product business | 1,963 | 1,990 | 27 | 1.4 |
| Japan | 81 | 95 | 14 | 17.3 |
| North America | 984 | 959 | -25 | -2.5 |
| Europe | 412 | 441 | 29 | 7.0 |
| Asia | 348 | 372 | 24 | 6.9 |
| Other Regions | 138 | 123 | -15 | -10.9 |

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 March 31, 2013 and for the three months ended March 31, 2014, 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 1.9%, to JPY 82.6 billion (USD 804 million) from the same period last year, due mainly to increased consolidated unit sales in power product business operations, as well as favorable foreign currency translation effects, despite decreased revenue from other businesses operations. Operating income totaled to JPY 0.5 billion (USD 6 million), an increase of JPY 7.9 billion (USD 78 million) from the same period last year, due mainly to an increase in sales volume and model mix in power product business operations.

Geographical Information

With respect to Honda's sales for the fiscal fourth quarter by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 1,109.1 billion (USD 10,777 million), an increase of 4.7% from the same period last year due mainly to increased revenue in automobile and motorcycle business operations. Operating income totaled JPY 43.2 billion (USD 420 million), a decrease of 7.3% from the same period last year, due mainly to increased R&D expenses, despite continuing cost reduction efforts and an increase in sales volume and model mix.

In North America, revenue increased by 4.7%, to JPY 1,405.3 billion (USD 13,655 million) from the same period last year due mainly to favorable foreign currency translation effects, despite decreased revenue in automobile business operations. Operating income totaled JPY 41.8 billion (USD 407 million), an increase of 44.2% from the same period last year due mainly to continuing cost reduction efforts and favorable foreign currency effects, despite increased SG&A expenses.

In Europe, revenue increased by 18.0%, to JPY 244.0 billion (USD 2,371 million) from the same period last year due mainly to favorable foreign currency translation effects. Operating income totaled JPY 14.9 billion (USD 145 million), a decrease of 26.8% from the same period last year due mainly to a decrease in sales volume and model mix.

In Asia, revenue increased by 12.4%, to JPY 748.2 billion (USD 7,271 million) from the same period last year mainly due to increased revenue in motorcycle and automobile business operations as well as favorable foreign currency translation effects. Operating income increased by 42.2%, to JPY 54.0 billion (USD 525 million) from the same period last year due mainly to an increase in sales volume and model mix and continuing cost reduction efforts as well as favorable foreign currency effects.

In Other regions, which includes South America, the Middle/Near East, Africa and Oceania, revenue increased by 16.3%, to JPY 260.3 billion (USD 2,530 million) from the same period last year mainly due to increased revenue in motorcycle business operations as well as favorable foreign currency translation effects. Operating income totaled JPY 12.9 billion (USD 126 million), an increase of 26.5% from the same period last year mainly due to an increase in sales volume and model mix, despite increased SG&A expenses.

Explanatory note:

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 102.92=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 March 31, 2014.

Fiscal Year Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal year ended March 31, 2014 totaled JPY 574.1 billion, an increase of 56.4% from the previous fiscal year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal year amounted to JPY 318.54, an increase of JPY 114.83 from JPY 203.71 for the previous fiscal year.

Consolidated net sales and other operating revenue for the year amounted to JPY 11,842.4 billion, an increase of 19.9% from the previous fiscal year, due primarily to increased revenue in automobile and motorcycle business operations as well as favorable foreign currency translation effects.

Consolidated operating income for the year amounted to JPY 750.2 billion, an increase of 37.7% from the previous fiscal year, due primarily to increase in sales volume and model mix as well as favorable foreign currency effects, despite increased SG&A and R&D expenses.

Consolidated income before income taxes and equity in income of affiliates for the year totaled JPY 728.9 billion, an increase of 49.1% from the previous fiscal year.

Equity in income of affiliates amounted to JPY 132.4 billion for the year, an increase of 60.1% from the previous fiscal year.

Business Segment

Motorcycle Business

For the years ended March 31 2013 and 2014

Unit (Thousands)

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|-----------------------------|-----------------------------|--------|------|-----------------------------|-----------------------------|--------|------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | Change | % | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | Change | % |
| Motorcycle business | 15,494 | 17,021 | 1,527 | 9.9 | 9,510 | 10,343 | 833 | 8.8 |
| Japan | 217 | 226 | 9 | 4.1 | 217 | 226 | 9 | 4.1 |
| North America | 250 | 276 | 26 | 10.4 | 250 | 276 | 26 | 10.4 |
| Europe | 179 | 166 | -13 | -7.3 | 179 | 166 | -13 | -7.3 |
| Asia | 13,035 | 14,536 | 1,501 | 11.5 | 7,051 | 7,858 | 807 | 11.4 |
| Other Regions | 1,813 | 1,817 | 4 | 0.2 | 1,813 | 1,817 | 4 | 0.2 |

Notes: 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 year by business segment, in motorcycle business operations, revenue from sales to external customers increased 24.2%, to JPY 1,663.6 billion from the previous fiscal year, due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating income totaled JPY 165.6 billion, an increase of 50.2% from the previous fiscal year, due primarily to an increase in sales volume and model mix and favorable foreign currency effects, despite increased SG&A and R&D expenses.

Automobile Business

For the years ended March 31, 2013 and 2014

Unit (Thousands)

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|-----------------------------|-----------------------------|--------|------|-----------------------------|-----------------------------|--------|------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | Change | % | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | Change | % |
| Automobile business | 4,014 | 4,323 | 309 | 7.7 | 3,408 | 3,560 | 152 | 4.5 |
| Japan | 692 | 818 | 126 | 18.2 | 685 | 812 | 127 | 18.5 |
| North America | 1,731 | 1,757 | 26 | 1.5 | 1,731 | 1,757 | 26 | 1.5 |
| Europe | 171 | 169 | -2 | -1.2 | 171 | 169 | -2 | -1.2 |
| Asia | 1,122 | 1,286 | 164 | 14.6 | 523 | 529 | 6 | 1.1 |
| Other Regions | 298 | 293 | -5 | -1.7 | 298 | 293 | -5 | -1.7 |

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. 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 operations, revenue from sales to external customers increased 19.0%, to JPY 9,176.3 billion from the previous fiscal year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating income totaled JPY 403.7 billion, an increase of 41.2% from the previous fiscal year, due primarily to continuing cost reduction efforts as well as favorable foreign currency effects, despite increased SG&A and R&D expenses.

Financial Services Business

Revenue from customers in the financial services business operations increased 27.3%, to JPY 698.1 billion from the same period last year due mainly to increase in revenue from operating leases and favorable foreign currency translation effects. Operating income increased 15.6% to JPY 182.7 billion from the same period last year due mainly to favorable foreign currency effects, despite an increase in SG&A expenses.

Power Product and Other Businesses

For the years ended March 31, 2013 and 2014

| | Unit (Thousands) | | | |
|-------------------------------|---|------------------------------------|--------|-------|
| | Honda Group Unit Sales/ Consolidated Unit Sales | | | |
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | Change | % |
| Power product business | 6,071 | 6,036 | -35 | -0.6 |
| Japan | 314 | 314 | 0 | 0.0 |
| North America | 2,604 | 2,718 | 114 | 4.4 |
| Europe | 1,004 | 1,032 | 28 | 2.8 |
| Asia | 1,572 | 1,500 | -72 | -4.6 |
| Other Regions | 577 | 472 | -105 | -18.2 |

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 year ended March 31, 2013 and for the year ended March 31, 2014, 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 8.4%, to JPY 304.2 billion from the previous fiscal year, due mainly to favorable foreign currency translation effects. Honda reported an operating loss of JPY 1.7 billion, an improvement of JPY 7.7 billion from the previous fiscal year, due mainly to favorable foreign currency effects.

Geographical Information

With respect to Honda's sales for the fiscal year by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 4,192.2 billion, an increase of 7.7% from the previous fiscal year due mainly to increased revenue in automobile and motorcycle business operations. Operating income totaled JPY 214.0 billion, an increase of 20.0% from the previous fiscal year due mainly to favorable foreign currency effects, despite increased R&D and SG&A expenses.

In North America, revenue increased by 22.9%, to JPY 5,969.9 billion from the previous fiscal year due mainly to increased revenue in automobile business operations, as well as favorable foreign currency translation effects. Operating income totaled JPY 290.9 billion, an increase of 39.2% from the previous fiscal year due mainly to a continuing cost reduction efforts as well as favorable foreign currency effects, despite an increase in SG&A expenses.

In Europe, revenue increased by 20.7%, to JPY 775.2 billion from the previous fiscal year mainly due to favorable foreign currency translation effects, despite decreased revenue in motorcycle and automobile business operations. Honda reported an operating loss of JPY 17.1 billion, a decrease of JPY 17.5 billion from the previous fiscal year mainly due to a decrease in sales volume and model mix, despite decreased SG&A expenses and favorable foreign currency effects.

In Asia, revenue increased by 22.6%, to JPY 2,826.9 billion from the previous fiscal year mainly due to increased revenue in motorcycle business operations as well as favorable foreign currency translation effects. Operating income increased by 48.5%, to JPY 217.9 billion from the previous fiscal year due mainly to an increase in sales volume and model mix as well as favorable foreign currency effects, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle/Near East, Africa and Oceania, revenue increased by 14.4%, to JPY 1,025.5 billion from the previous fiscal year mainly due to increased revenue in motorcycle business operations as well as favorable foreign currency translation effects. Operating income totaled JPY 44.9 billion, an increase of 25.8% from the previous fiscal year mainly due to an increase in sales volume and model mix, despite increased SG&A expenses.

Forecasts for the Fiscal Year Ending March 31, 2015

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2015, Honda projects consolidated results to be as shown below:

Fiscal year ending March 31, 2015

| | <u>Yen (billions)</u> | <u>Changes from FY 2014</u> |
|---|-----------------------|-----------------------------|
| Net sales and other operating revenue | 12,750.0 | + 7.7% |
| Operating income | 760.0 | + 1.3% |
| Income before income taxes and equity in income of affiliates | 745.0 | + 2.2% |
| Net income attributable to Honda Motor Co., Ltd. | 595.0 | + 3.6% |
| | <u>Yen</u> | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 330.14 | |

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 100 and JPY 135, respectively, for the full year ending March 31, 2015.

The reasons for the increases or decreases in the forecasts of the operating income, and income before income taxes and equity in income of affiliates for the fiscal year ending March 31, 2015 from the previous year are as follows.

| | <u>Yen (billions)</u> |
|---|-----------------------|
| Revenue, model mix, etc. | 125.7 |
| Cost reduction, the effect of raw material cost fluctuations, etc. | 50.0 |
| SG&A expenses | - 87.0 |
| R&D expenses | - 12.0 |
| Currency effect | - 67.0 |
| <u>Operating income compared with fiscal year 2014</u> | <u>9.7</u> |
| Fair value of derivative instruments | - 43.0 |
| Others | 49.3 |
| <u>Income before income taxes and equity in income of affiliates compared with fiscal year 2014</u> | <u>16.0</u> |

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.

Consolidated Statements of Balance Sheets for the Fiscal Year Ended March 31, 2014

Total assets increased by JPY 1,986.6 billion, to JPY 15,622.0 billion from March 31, 2013, mainly due to increases in Finance subsidiaries' long-term receivables and Property, plant and equipment, Property on operating leases as well as foreign currency translation effects. Total liabilities increased by JPY 1,078.6 billion, to JPY 9,508.6 billion from March 31, 2013, mainly due to an increase in long-term debt and foreign currency translation effects. Total equity increased by JPY 907.9 billion, to JPY 6,113.3 billion from March 31, 2013 due mainly to net income and foreign currency translation effects.

Consolidated Statements of Cash Flow for the Fiscal Year Ended March 31, 2014

Consolidated cash and cash equivalents on March 31, 2014 decreased by JPY 37.2 billion from March 31, 2013, to JPY 1,168.9 billion. The reasons for the increases or decreases for each cash flow activity, when compared with the previous fiscal year, are as follows:

Cash flow from operating activities

Net cash provided by operating activities amounted to JPY 1,229.1 billion for the fiscal year ended March 31, 2014. Cash inflows from operating activities increased by JPY 428.4 billion compared with the previous fiscal year due mainly to an increase in cash received from customers as a result of increased unit sales of automobiles, despite increased payments for parts and raw materials.

Cash flow from investing activities

Net cash used in investing activities amounted to JPY 1,708.7 billion. Cash outflows from investing activities increased by JPY 638.9 billion compared with the previous fiscal year, due mainly to an increase in acquisitions of finance subsidiaries-receivables and purchases of operating lease assets, despite an increase in collections of finance subsidiaries-receivables.

Cash flow from financing activities

Net cash provided by financing activities amounted to JPY 370.5 billion. Cash inflows from financing activities increased by JPY 250.9 billion compared with the previous fiscal year, due mainly to an increase in debt, despite increase in cash outflow due to an increase in dividends paid.

Supplemental information for cash flows

| | FY2013 Year-end | FY2014 Year-end |
|---|--------------------|----------------------------------|
| Shareholders' equity ratio (%) | 37.0 | 37.9 |
| Shareholders' equity ratio on a market price basis (%) | 47.0 | 41.9 |
| Repayment period (years) | 6.1 | 4.8 |
| Interest coverage ratio | 10.9 | 16.0 |

- Shareholders' equity ratio: Honda Motor Co., Ltd. shareholders' equity / total assets
- Shareholders' equity ratio on a market price basis: issued common stock stated at market price / total assets
- Repayment period: interest bearing debt / cash flows from operating activities
- Interest coverage ratio: (cash flows from operating activities + interest paid) / interest paid

Explanatory notes:

1. All figures are calculated based on the information included in the consolidated financial statements.
2. Cash flows from operating activities are obtained from the consolidated statement of cash flows. Interest bearing debt represents Honda's outstanding debts with interest payments, which are included on the consolidated balance sheets.
3. "Shareholders' equity ratio" is calculated based on "total Honda Motor Co., Ltd. shareholders' equity".
4. Honda corrects shareholders' equity for the year ended March 31, 2013. Supplemental information for cash flow is also adjusted. For detailed information, refer to "[7] Changes in Accounting Policies (b) Changing in Fiscal Year-end of a Subsidiary"

Profit Redistribution Policy and Dividend per Share of Common Stock for the fiscal years 2014 and 2015

The Company strives to carry out its operations worldwide from a global perspective and to increase its corporate value. With respect to the redistribution of profits to our shareholders, which we consider to be one of the most important management issues, the Company's basic policy for dividends is to make distributions after taking into account its long-term consolidated earnings performance.

The Company will also acquire its own shares at the optimal timing with the goal of improving efficiency of the Company's capital structure and implementing a flexible capital policy. The present goal is to maintain a shareholders return ratio (i.e. the ratio of the total of the dividend payment and the repurchase of the Company's own shares to consolidated net income attributable to Honda Motor Co., Ltd.) of approximately 30%. Retained earnings will be allocated toward financing R&D activities that are essential for the future growth of the Company and capital expenditures and investment programs that will expand its operations for the purpose of improving business results and strengthening the Company's financial condition.

The Company plans to distribute year-end cash dividends of JPY 22 per share for the year ended March 31, 2014. As a result, total cash dividends for the year ended March 31, 2014, together with the first quarter cash dividends of JPY 20, the second quarter cash dividends of JPY 20 and the third quarter cash dividends of JPY 20, are planned to be JPY 82 per share, an increase of JPY 6 per share from the annual dividends paid for the year ended March 31, 2013.

Also, please note that the year-end cash dividends for the year ended March 31, 2014 is a matter to be resolved at the ordinary general meeting of shareholders.

The Company expects to distribute quarterly cash dividends of JPY 22 per share for each quarter for the year ending March 31, 2015. As a result, total cash dividends for the year ending March 31, 2015 are expected to be JPY 88 per share, an increase of JPY 6 from the annual dividends to be paid for the year ended March 31, 2014.

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.

Management Policy

Honda's business activities are based on fundamental corporate philosophies known as "Respect for the Individual" and "The Three Joys." "Respect for the Individual" defines Honda's relationship with its associates, business partners and society. It is based on sharing a commitment to initiative, equality and mutual trust among people. It is Honda's belief that everyone who comes into contact with Honda's activities will gain a sense of satisfaction through the experience of buying, selling or creating Honda's products and services. This philosophy is expressed as "The Three Joys." With these corporate philosophies as the foundation, Honda's business is guided by the following Company Principle:

"Maintaining a global viewpoint, we are dedicated to supplying products of the highest quality at a reasonable price for worldwide customer satisfaction." Honda actively works to share a sense of satisfaction with all of its customers as well as its shareholders, and to continue improving its corporate value.

Medium- and Long-term Management Strategy and Management Target: Preparing for the Future

Honda aims to achieve global growth by further encouraging and strengthening innovation and creativity and creating quality products that please the customers and exceed their expectations.

Honda will focus all its energies on the tasks set out below, aiming to get back on a growth trajectory as it pursues the vision toward 2020 of "providing good products to customers with speed, affordability, and low CO₂ emissions."

1. Research and Development

In connection with its efforts to develop the most effective safety and environmental technologies, Honda will continue to be innovative in advanced technology and products. Honda aims to create and introduce new value-added products to quickly respond to specific needs in various markets around the world. Honda will also continue its efforts to conduct research on experimental technologies for the future.

2. Production Efficiency

Honda will establish and enhance efficient and flexible production systems at its global production bases and supply high quality products, with the aim of meeting the needs of its customers in each region. Learning from the experience of disasters such as the Great East Japan Earthquake and the Thai floods, Honda will work at improving its global supply chain, implementing disaster prevention measures at each place of business and devising more effective business continuity plans (BCPs).

3. Sales Efficiency

Honda will remain proactive in its efforts to expand product lines through the innovative use of IT and will show its continued commitment to different customers throughout the world by upgrading its sales and service structure.

4. Product Quality

In response to increasing customer demand, Honda will upgrade its quality control by enhancing the functions of and coordination among the development, purchasing, production, sales and service departments.

5. Safety Technologies

Honda is working to develop safety technologies that enhance accident prediction and prevention, technologies to help reduce the risk of injuries to passengers and pedestrians from car accidents, and technologies that enhance compatibility between large and small vehicles, as well as expand its lineup of products incorporating such technologies. Honda will reinforce and continue to advance its contribution to traffic safety in motorized societies in Japan and abroad. Honda also intends to remain active in a variety of traffic safety programs, including advanced driving and motorcycling training programs provided by local dealerships.

6. The Environment

Honda will step up its efforts to create better, cleaner and more fuel-efficient engine technologies and to further improve recyclables throughout its product lines. Honda has now set a target to reduce CO₂ emissions from its global products by 30 percent by the end of 2020 compared to year 2000 levels. In addition to reducing CO₂ emissions during production and supply chain, Honda will strengthen its efforts to realize reductions in CO₂ emissions through its entire corporate activities. Furthermore, Honda will strengthen its efforts in advancing technologies in the area of total energy management, to reduce CO₂ emissions through mobility and people's everyday lives.

7. Continuing to Enhance Honda's Social Reputation and Communication with the Community

In addition to continuing to provide products incorporating Honda's advanced safety and environmental technologies, Honda will continue striving to enhance its social reputation by, among other things, strengthening its corporate governance, compliance, and risk management as well as participating in community activities and making philanthropic contributions.

Through these company-wide activities, Honda will strive to be a company that its shareholders, investors, customers and society want to exist.

Consolidated Financial Summary

For the three months and the year ended March 31, 2013 and 2014

Financial Highlights

| | Yen (millions) | | | |
|--|-------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 |
| Net sales and other operating revenue | 2,744,960 | 3,097,246 | 9,877,947 | 11,842,451 |
| Operating income | 135,989 | 165,293 | 544,810 | 750,281 |
| Income before income taxes and equity in income of affiliates | 98,074 | 174,706 | 488,891 | 728,940 |
| Net income attributable to Honda Motor Co., Ltd. | 75,752 | 170,508 | 367,149 | 574,107 |
| | Yen | | | |
| Basic net income attributable to Honda Motor Co., Ltd per common share | 42.03 | 94.61 | 203.71 | 318.54 |
| | U.S. Dollar (millions) | | | |
| | | Three months ended Mar. 31, 2014 | | Year ended Mar. 31, 2014 |
| Net sales and other operating revenue | | 30,094 | | 115,064 |
| Operating income | | 1,606 | | 7,290 |
| Income before income taxes and equity in income of affiliates | | 1,697 | | 7,083 |
| Net income attributable to Honda Motor Co., Ltd. | | 1,657 | | 5,578 |
| | | U.S. Dollar | | |
| Basic net income attributable to Honda Motor Co., Ltd per common share | | 0.92 | | 3.10 |

[1] Consolidated Balance Sheets

| Assets | Yen (millions) | |
|--|-------------------|-------------------|
| | Mar. 31, 2013 | Mar. 31, 2014 |
| Current assets: | | |
| Cash and cash equivalents | 1,206,128 | 1,168,914 |
| Trade accounts and notes receivable | 1,005,981 | 1,158,671 |
| Finance subsidiaries-receivables, net | 1,243,002 | 1,464,215 |
| Inventories | 1,215,421 | 1,302,895 |
| Deferred income taxes | 234,075 | 202,123 |
| Other current assets | 418,446 | 474,448 |
| Total current assets | 5,323,053 | 5,771,266 |
| Finance subsidiaries-receivables, net | 2,788,135 | 3,317,553 |
| Investments and advances: | | |
| Investments in and advances to affiliates | 459,110 | 564,266 |
| Other, including marketable equity securities | 209,680 | 253,661 |
| Total investments and advances | 668,790 | 817,927 |
| Property on operating leases: | | |
| Vehicles | 2,243,424 | 2,718,131 |
| Less accumulated depreciation | 400,292 | 481,410 |
| Net property on operating leases | 1,843,132 | 2,236,721 |
| Property, plant and equipment, at cost: | | |
| Land | 515,661 | 521,806 |
| Buildings | 1,686,638 | 1,895,140 |
| Machinery and equipment | 3,832,090 | 4,384,255 |
| Construction in progress | 288,073 | 339,093 |
| | 6,322,462 | 7,140,294 |
| Less accumulated depreciation and amortization | 3,922,932 | 4,321,862 |
| Net property, plant and equipment | 2,399,530 | 2,818,432 |
| Other assets | 612,717 | 660,132 |
| Total assets | 13,635,357 | 15,622,031 |

[1] Consolidated Balance Sheets – continued

| Liabilities and Equity | Yen (millions) | |
|---|-------------------|-------------------|
| | Mar. 31, 2013 | Mar. 31, 2014 |
| Current liabilities: | | |
| Short-term debt | 1,238,297 | 1,319,344 |
| Current portion of long-term debt | 945,046 | 1,303,464 |
| Trade payables: | | |
| Notes | 31,354 | 28,501 |
| Accounts | 956,660 | 1,071,179 |
| Accrued expenses | 593,570 | 626,503 |
| Income taxes payable | 48,454 | 43,085 |
| Other current liabilities | 275,623 | 319,253 |
| Total current liabilities | 4,089,004 | 4,711,329 |
| Long-term debt, excluding current portion | 2,710,845 | 3,234,066 |
| Other liabilities | 1,630,085 | 1,563,238 |
| Total liabilities | 8,429,934 | 9,508,633 |
| Equity: | | |
| Honda Motor Co., Ltd. shareholders' equity: | | |
| Common stock, authorized 7,086,000,000 shares; issued 1,811,428,430 shares on Mar. 31, 2013 and 2014 | 86,067 | 86,067 |
| Capital surplus | 171,117 | 171,117 |
| Legal reserves | 47,583 | 49,276 |
| Retained earnings | 6,001,649 | 6,431,682 |
| Accumulated other comprehensive income (loss), net | (1,236,792) | (793,014) |
| Treasury stock, at cost 9,131,140 shares on Mar. 31, 2013 and 9,137,234 shares on Mar. 31, 2014 | (26,124) | (26,149) |
| Total Honda Motor Co., Ltd. shareholders' equity | 5,043,500 | 5,918,979 |
| Noncontrolling interests | 161,923 | 194,419 |
| Total equity | 5,205,423 | 6,113,398 |
| Commitments and contingent liabilities | | |
| Total liabilities and equity | 13,635,357 | 15,622,031 |

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

Consolidated Statements of Income

(A) For the three months ended March 31, 2013 and 2014

| | Yen (millions) | |
|--|--|--|
| | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 |
| Net sales and other operating revenue | 2,744,960 | 3,097,246 |
| Operating costs and expenses: | | |
| Cost of sales | 2,050,556 | 2,277,016 |
| Selling, general and administrative | 402,783 | 471,084 |
| Research and development | 155,632 | 183,853 |
| | <u>2,608,971</u> | <u>2,931,953</u> |
| Operating income | 135,989 | 165,293 |
| Other income (expenses): | | |
| Interest income | 5,821 | 6,486 |
| Interest expense | (3,214) | (3,042) |
| Other, net | (40,522) | 5,969 |
| | <u>(37,915)</u> | <u>9,413</u> |
| Income before income taxes and equity in income of affiliates | 98,074 | 174,706 |
| Income tax expense: | | |
| Current | 21,643 | 38,709 |
| Deferred | 6,591 | (6,427) |
| | <u>28,234</u> | <u>32,282</u> |
| Income before equity in income of affiliates | 69,840 | 142,424 |
| Equity in income of affiliates | 13,083 | 37,387 |
| Net income | <u>82,923</u> | <u>179,811</u> |
| Less: Net income attributable to noncontrolling interests | 7,171 | 9,303 |
| Net income attributable to Honda Motor Co., Ltd. | <u>75,752</u> | <u>170,508</u> |
| | Yen | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 42.03 | 94.61 |

Consolidated Statements of Comprehensive Income

(A) For the three months ended March 31, 2013 and 2014

| | Yen (millions) | |
|---|--|--|
| | Three months ended Mar. 31, 2013 | Three months ended Mar. 31, 2014 |
| Net income | 82,923 | 179,811 |
| Other comprehensive income (loss), net of tax: | | |
| Adjustments from foreign currency translation | 326,799 | (22,465) |
| Unrealized gains (losses) on available-for-sale securities, net | 11,873 | (7,395) |
| Unrealized gains (losses) on derivative instruments, net | 441 | 478 |
| Pension and other postretirement benefits adjustment | (21,409) | 38,420 |
| Other comprehensive income (loss), net of tax | 317,704 | 9,038 |
| Comprehensive income (loss) | 400,627 | 188,849 |
| Less: Comprehensive income attributable to noncontrolling interests | 18,090 | 12,813 |
| Comprehensive income (loss) attributable to Honda Motor Co., Ltd. | 382,537 | 176,036 |

Consolidated Statements of Income
 (B) For the year ended March 31, 2013 and 2014

| | Yen (millions) | |
|--|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 |
| Net sales and other operating revenue | 9,877,947 | 11,842,451 |
| Operating costs and expenses: | | |
| Cost of sales | 7,345,162 | 8,761,083 |
| Selling, general and administrative | 1,427,705 | 1,696,957 |
| Research and development | 560,270 | 634,130 |
| | <u>9,333,137</u> | <u>11,092,170</u> |
| Operating income | 544,810 | 750,281 |
| Other income (expenses): | | |
| Interest income | 25,742 | 24,026 |
| Interest expense | (12,157) | (12,703) |
| Other, net | (69,504) | (32,664) |
| | <u>(55,919)</u> | <u>(21,341)</u> |
| Income before income taxes and equity in income of affiliates | 488,891 | 728,940 |
| Income tax expense: | | |
| Current | 125,724 | 207,236 |
| Deferred | 53,252 | 45,426 |
| | <u>178,976</u> | <u>252,662</u> |
| Income before equity in income of affiliates | 309,915 | 476,278 |
| Equity in income of affiliates | 82,723 | 132,471 |
| Net income | <u>392,638</u> | <u>608,749</u> |
| Less: Net income attributable to noncontrolling interests | 25,489 | 34,642 |
| Net income attributable to Honda Motor Co., Ltd. | <u>367,149</u> | <u>574,107</u> |
| | Yen | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 203.71 | 318.54 |

Consolidated Statements of Comprehensive Income

(B) For the year ended March 31, 2013 and 2014

| | Yen (millions) | |
|---|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 |
| Net income | 392,638 | 608,749 |
| Other comprehensive income (loss), net of tax: | | |
| Adjustments from foreign currency translation | 430,812 | 333,659 |
| Unrealized gains (losses) on available-for-sale securities, net | 7,984 | 15,252 |
| Unrealized gains (losses) on derivative instruments, net | (52) | 237 |
| Pension and other postretirement benefits adjustment | (15,297) | 107,718 |
| Other comprehensive income (loss), net of tax | 423,447 | 456,866 |
| Comprehensive income (loss) | 816,085 | 1,065,615 |
| Less: Comprehensive income attributable to noncontrolling interests | 39,650 | 47,730 |
| Comprehensive income (loss) attributable to Honda Motor Co., Ltd. | 776,435 | 1,017,885 |

[3] Consolidated Statements of Changes in Equity

Yen (millions)

| | Common stock | Capital surplus | Legal reserves | Retained earnings | Accumulated other comprehensive income (loss), net | Treasury stock | Honda Motor Co., Ltd. Shareholders' equity | Noncontrolling interests | Total equity |
|---|--------------|-----------------|----------------|-------------------|--|----------------|--|--------------------------|--------------|
| Balance at March 31, 2012 | 86,067 | 172,529 | 47,184 | 5,758,641 | (1,646,078) | (26,117) | 4,392,226 | 125,676 | 4,517,902 |
| Adjustment resulting from change in fiscal year-end of a subsidiary, net of tax | — | — | — | 6,023 | — | — | 6,023 | 1,658 | 7,681 |
| Adjusted balances as of March 31, 2012 | 86,067 | 172,529 | 47,184 | 5,764,664 | (1,646,078) | (26,117) | 4,398,249 | 127,334 | 4,525,583 |
| Transfer to legal reserves | | | 399 | (399) | | | — | | — |
| Dividends paid to Honda Motor Co., Ltd. Shareholders | | | | (129,765) | | | (129,765) | | (129,765) |
| Dividends paid to noncontrolling interests | | | | | | | | (6,250) | (6,250) |
| Capital transactions and others | | (1,412) | | | | | (1,412) | 1,189 | (223) |
| Comprehensive income (loss): | | | | | | | | | |
| Net income | | | | 367,149 | | | 367,149 | 25,489 | 392,638 |
| Other comprehensive income (loss), net of tax | | | | | | | | | |
| Adjustments from foreign currency translation | | | | | 415,462 | | 415,462 | 15,350 | 430,812 |
| Unrealized gains (losses) on available-for-sale securities, net | | | | | 7,933 | | 7,933 | 51 | 7,984 |
| Unrealized gains (losses) on derivative instruments, net | | | | | (52) | | (52) | | (52) |
| Pension and other postretirement benefits adjustments | | | | | (14,057) | | (14,057) | (1,240) | (15,297) |
| Total comprehensive income (loss) | | | | | | | 776,435 | 39,650 | 816,085 |
| Purchase of treasury stock | | | | | | (8) | (8) | | (8) |
| Reissuance of treasury stock | | | | | | 1 | 1 | | 1 |
| Balance at March 31, 2013 | 86,067 | 171,117 | 47,583 | 6,001,649 | (1,236,792) | (26,124) | 5,043,500 | 161,923 | 5,205,423 |
| Transfer to legal reserves | | | 1,693 | (1,693) | | | — | | — |
| Dividends paid to Honda Motor Co., Ltd. Shareholders | | | | (142,381) | | | (142,381) | | (142,381) |
| Dividends paid to noncontrolling interests | | | | | | | | (9,677) | (9,677) |
| Capital transactions and others | | | | | | | | (5,557) | (5,557) |
| Comprehensive income (loss): | | | | | | | | | |
| Net income | | | | 574,107 | | | 574,107 | 34,642 | 608,749 |
| Other comprehensive income (loss), net of tax | | | | | | | | | |
| Adjustments from foreign currency translation | | | | | 320,424 | | 320,424 | 13,235 | 333,659 |
| Unrealized gains (losses) on available-for-sale securities, net | | | | | 15,219 | | 15,219 | 33 | 15,252 |
| Unrealized gains (losses) on derivative instruments, net | | | | | 237 | | 237 | | 237 |
| Pension and other postretirement benefits adjustments | | | | | 107,898 | | 107,898 | (180) | 107,718 |
| Total comprehensive income (loss) | | | | | | | 1,017,885 | 47,730 | 1,065,615 |
| Purchase of treasury stock | | | | | | (26) | (26) | | (26) |
| Reissuance of treasury stock | | | | | | 1 | 1 | | 1 |
| Balance at March 31, 2014 | 86,067 | 171,117 | 49,276 | 6,431,682 | (793,014) | (26,149) | 5,918,979 | 194,419 | 6,113,398 |

[4] Consolidated Statements of Cash Flows

| | Yen (millions) | |
|--|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 |
| Cash flows from operating activities: | | |
| Net income | 392,638 | 608,749 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation excluding property on operating leases | 335,536 | 442,318 |
| Depreciation of property on operating leases | 254,933 | 352,402 |
| Deferred income taxes | 53,252 | 45,426 |
| Equity in income of affiliates | (82,723) | (132,471) |
| Dividends from affiliates | 84,705 | 98,955 |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 10,059 | 18,904 |
| Impairment loss on property on operating leases | 4,773 | 3,301 |
| Loss (gain) on derivative instruments, net | 35,027 | (39,376) |
| Decrease (increase) in assets: | | |
| Trade accounts and notes receivable | (90,495) | (92,638) |
| Inventories | (74,662) | (2,901) |
| Other current assets | 2,019 | (7,363) |
| Other assets | (27,243) | (59,816) |
| Increase (decrease) in liabilities: | | |
| Trade accounts and notes payable | (95,192) | 70,988 |
| Accrued expenses | 52,021 | 49,718 |
| Income taxes payable | 21,764 | (8,688) |
| Other current liabilities | (4,489) | 31,404 |
| Other liabilities | (4,384) | (53,815) |
| Other, net | (66,795) | (95,906) |
| Net cash provided by operating activities | 800,744 | 1,229,191 |
| Cash flows from investing activities: | | |
| Increase in investments and advances | (34,426) | (45,617) |
| Decrease in investments and advances | 19,850 | 58,243 |
| Payments for purchases of available-for-sale securities | (5,642) | (44,459) |
| Proceeds from sales of available-for-sale securities | 1,347 | 14,501 |
| Payments for purchases of held-to-maturity securities | (5,186) | (20,771) |
| Proceeds from redemptions of held-to-maturity securities | 17,005 | 3,358 |
| Proceeds from sales of subsidiaries, net of cash and cash equivalents disposal | | 9,129 |
| Proceeds from sales of investments in affiliates | | 5,363 |
| Capital expenditures | (626,879) | (774,006) |
| Proceeds from sales of property, plant and equipment | 44,182 | 34,069 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | 9,600 | 6,800 |
| Acquisitions of finance subsidiaries-receivables | (1,951,802) | (2,792,774) |
| Collections of finance subsidiaries-receivables | 1,833,669 | 2,354,029 |
| Purchases of operating lease assets | (793,118) | (1,127,840) |
| Proceeds from sales of operating lease assets | 418,086 | 611,317 |
| Other, net | 3,558 | (86) |
| Net cash used in investing activities | (1,069,756) | (1,708,744) |

[4] Consolidated Statements of Cash Flows – continued

| | Yen (millions) | |
|---|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 |
| Cash flows from financing activities: | | |
| Proceeds from short-term debt | 6,775,636 | 8,559,288 |
| Repayments of short-term debt | (6,621,897) | (8,563,616) |
| Proceeds from long-term debt | 1,101,469 | 1,588,826 |
| Repayments of long-term debt | (970,702) | (1,039,595) |
| Dividends paid | (129,765) | (142,381) |
| Dividends paid to noncontrolling interests | (6,250) | (9,677) |
| Sales (purchases) of treasury stock, net | (7) | (25) |
| Other, net | (28,917) | (22,265) |
| Net cash provided by (used in) financing activities | 119,567 | 370,555 |
| Effect of exchange rate changes on cash and cash equivalents | 108,460 | 71,784 |
| Net change in cash and cash equivalents | (40,985) | (37,214) |
| Cash and cash equivalents at beginning of the year | 1,247,113 | 1,206,128 |
| Cash and cash equivalents at end of the year | 1,206,128 | 1,168,914 |

[5] Assumptions for Going Concern

None

[6] Significant Accounting Policies:

1. Consolidated subsidiaries
Number of consolidated subsidiaries: 365
Corporate names of principal consolidated subsidiaries:
American Honda Motor Co., Inc., Honda of America Mfg., Inc., Honda Canada Inc.,
Honda R&D Co., Ltd., American Honda Finance Corporation.
2. Affiliated companies
Number of affiliated companies: 83
Corporate names of major affiliated companies accounted for under the equity method:
Guangqi Honda Automobile Co., Ltd., Dongfeng Honda Automobile Co., Ltd., P.T. Astra Honda Motor
3. Changes of consolidated subsidiaries and affiliated companies
Consolidated subsidiaries:
Newly formed consolidated subsidiaries: 15 ; Honda Motor Technology (China) Co., Ltd.
Reduced through reorganization: 19 ; Honda elesys Co., Ltd.
Affiliated companies:
Newly formed affiliated companies: 2
Reduced through reorganization: 5
4. The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, since the Company has listed its American Depositary Shares on the New York Stock Exchange and files reports with the U.S. Securities and Exchange Commission.
5. The average exchange rates for the three months ended March 31, 2014 were JPY 102.78 = USD 1 and JPY 140.79 = EUR 1. The average exchange rates for the same period last year were JPY 92.42 = USD 1 and JPY 122.04 = EUR 1. The average exchange rates for the fiscal year ended March 31, 2014 were JPY 100.24 = USD 1 and JPY 134.37 = EUR 1 as compared with JPY 83.10 = USD 1 and JPY 107.14 = EUR 1 for the previous fiscal year.
6. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 102.92 = 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 March 31, 2014.
7. Honda's common stock-to-ADS exchange ratio is one share of common stock to one ADS.

[7] Changes in Accounting Policies

(a) Adoption of New Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2013-02 “Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income”.

This amendment requires reporting entities to provide information about the amounts reclassified out of accumulated other comprehensive income by component, and to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income.

Honda adopted ASU 2013-02, effective April 1, 2013. This adoption has no impact on the Honda’s financial position or results of operations.

(b) Changing in Fiscal Year-end of a Subsidiary

Effective April 1, 2013, a subsidiary of the Company changed its fiscal year-end from December 31 to March 31. As a result, the Company eliminated the previously existing three month differences between the reporting periods of the Company and the subsidiary in the consolidated financial statements. The elimination of the lag period represents a change in accounting principle and has been reported by retrospective application. The impacts on the retained earnings and noncontrolling interests as of April 1, 2012 are JPY 6,023 million and JPY 1,658 million, respectively. Honda believes the effect of the retrospective application is not material to the Company’s consolidated financial statements as of and for the year ended March 31, 2013, and therefore the Company’s consolidated financial statements have not been retrospectively adjusted, except for the adjustment to retained earnings and noncontrolling interests as of April 1, 2012.

[8] Segment Information

Honda has four reportable segments: Motorcycle business, Automobile business, Financial services business and Power product and 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 about which separate financial information is available that is evaluated regularly by the chief operating decision maker 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 (ATVs) and relevant parts | Research & Development, Manufacturing, Sales and related services |
| Automobile Business | Automobiles and relevant parts | Research & Development, Manufacturing Sales and related services |
| Financial Services Business | Financial, insurance services | Retail loan and lease related to Honda products, and Others |
| Power Product and Other Businesses | Power products and relevant parts, and others | Research & Development, Manufacturing Sales and related services, and Others |

1. Segment information based on products and services

(A) For the three months ended March 31, 2013

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 | 375,371 | 2,136,941 | 151,498 | 81,150 | 2,744,960 | — | 2,744,960 |
| Intersegment | — | 3,665 | 3,406 | 1,962 | 9,033 | (9,033) | — |
| Total | 375,371 | 2,140,606 | 154,904 | 83,112 | 2,753,993 | (9,033) | 2,744,960 |
| Cost of sales, SG&A and R&D expense | 350,143 | 2,063,339 | 113,996 | 90,526 | 2,618,004 | (9,033) | 2,608,971 |
| Segment income (loss) | 25,228 | 77,267 | 40,908 | (7,414) | 135,989 | — | 135,989 |

For the three months ended March 31, 2014

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 | 448,523 | 2,378,267 | 187,757 | 82,699 | 3,097,246 | — | 3,097,246 |
| Intersegment | — | 4,766 | 2,654 | 2,963 | 10,383 | (10,383) | — |
| Total | 448,523 | 2,383,033 | 190,411 | 85,662 | 3,107,629 | (10,383) | 3,097,246 |
| Cost of sales, SG&A and R&D expense | 405,562 | 2,310,104 | 141,592 | 85,078 | 2,942,336 | (10,383) | 2,931,953 |
| Segment income (loss) | 42,961 | 72,929 | 48,819 | 584 | 165,293 | — | 165,293 |

(B) As of and for the year ended March 31, 2013

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 | 1,339,549 | 7,709,216 | 548,506 | 280,676 | 9,877,947 | — | 9,877,947 |
| Intersegment | — | 14,374 | 11,750 | 10,994 | 37,118 | (37,118) | — |
| Total | 1,339,549 | 7,723,590 | 560,256 | 291,670 | 9,915,065 | (37,118) | 9,877,947 |
| Cost of sales, SG&A and R&D expenses | 1,229,316 | 7,437,599 | 402,098 | 301,242 | 9,370,255 | (37,118) | 9,333,137 |
| Segment income (loss) | 110,233 | 285,991 | 158,158 | (9,572) | 544,810 | — | 544,810 |
| Assets | 1,095,357 | 5,759,126 | 6,765,322 | 309,149 | 13,928,954 | (293,597) | 13,635,357 |
| Depreciation and amortization | 34,665 | 290,522 | 256,166 | 9,116 | 590,469 | — | 590,469 |
| Capital expenditures | 73,513 | 540,625 | 794,869 | 14,519 | 1,423,526 | — | 1,423,526 |

As of and for the year ended March 31, 2014

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 | 1,663,631 | 9,176,360 | 698,185 | 304,275 | 11,842,451 | — | 11,842,451 |
| Intersegment | — | 18,569 | 10,403 | 13,900 | 42,872 | (42,872) | — |
| Total | 1,663,631 | 9,194,929 | 708,588 | 318,175 | 11,885,323 | (42,872) | 11,842,451 |
| Cost of sales, SG&A and R&D expenses | 1,498,026 | 8,791,228 | 525,832 | 319,956 | 11,135,042 | (42,872) | 11,092,170 |
| Segment income (loss) | 165,605 | 403,701 | 182,756 | (1,781) | 750,281 | 0 | 750,281 |
| Assets | 1,264,903 | 6,398,580 | 7,980,989 | 346,177 | 15,990,649 | (368,618) | 15,622,031 |
| Depreciation and amortization | 46,038 | 383,325 | 354,704 | 10,653 | 794,720 | — | 794,720 |
| Capital expenditures | 57,702 | 705,696 | 1,131,761 | 14,708 | 1,909,867 | — | 1,909,867 |

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 293,583 million as of March 31, 2013 and JPY 294,819 million as of March 31, 2014 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 254,933 million for the year ended March 31, 2013 and JPY 352,402 million for the year ended March 31, 2014, respectively, of depreciation of property on operating leases.
4. Capital expenditure of Financial Services Business includes JPY 793,118 million for the year ended March 31, 2013 and JPY 1,127,840 million for the year ended March 31, 2014 respectively, of purchase of operating lease assets.

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 March 31, 2013

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|---------|---------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 517,660 | 1,268,715 | 176,300 | 562,287 | 219,998 | 2,744,960 | — | 2,744,960 |
| Transfers between geographic areas | 541,718 | 73,049 | 30,554 | 103,678 | 3,932 | 752,931 | (752,931) | — |
| Total | 1,059,378 | 1,341,764 | 206,854 | 665,965 | 223,930 | 3,497,891 | (752,931) | 2,744,960 |
| Cost of sales, SG&A and R&D expenses | 1,012,709 | 1,312,704 | 186,453 | 627,933 | 213,717 | 3,353,516 | (744,545) | 2,608,971 |
| Operating income (loss) | 46,669 | 29,060 | 20,401 | 38,032 | 10,213 | 144,375 | (8,386) | 135,989 |

For the three months ended March 31, 2014

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|---------|---------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 690,805 | 1,319,179 | 209,395 | 620,273 | 257,594 | 3,097,246 | — | 3,097,246 |
| Transfers between geographic areas | 418,317 | 86,167 | 34,656 | 128,021 | 2,753 | 669,914 | (669,914) | — |
| Total | 1,109,122 | 1,405,346 | 244,051 | 748,294 | 260,347 | 3,767,160 | (669,914) | 3,097,246 |
| Cost of sales, SG&A and R&D expenses | 1,065,862 | 1,363,456 | 229,111 | 694,230 | 247,423 | 3,600,082 | (668,129) | 2,931,953 |
| Operating income (loss) | 43,260 | 41,890 | 14,940 | 54,064 | 12,924 | 167,078 | (1,785) | 165,293 |

(B) As of and for the year ended March 31, 2013

| | Yen (millions) | | | | | | | Reconciling Items | Consolidated |
|---|----------------|------------------|---------|-----------|------------------|------------|-------------|----------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | | | |
| Net sales and other operating revenue: | | | | | | | | | |
| External customers | 1,925,333 | 4,612,361 | 536,856 | 1,926,434 | 876,963 | 9,877,947 | — | 9,877,947 | |
| Transfers between geographic areas | 1,968,179 | 244,741 | 105,254 | 379,213 | 19,504 | 2,716,891 | (2,716,891) | — | |
| Total | 3,893,512 | 4,857,102 | 642,110 | 2,305,647 | 896,467 | 12,594,838 | (2,716,891) | 9,877,947 | |
| Cost of sales, SG&A and R&D expenses | 3,715,084 | 4,648,184 | 641,650 | 2,158,889 | 860,773 | 12,024,580 | (2,691,443) | 9,333,137 | |
| Operating income (loss) | 178,428 | 208,918 | 460 | 146,758 | 35,694 | 570,258 | (25,448) | 544,810 | |
| Assets | 3,264,383 | 7,645,540 | 673,667 | 1,523,192 | 660,856 | 13,767,638 | (132,281) | 13,635,357 | |
| Long-lived assets | 1,167,236 | 2,481,097 | 124,088 | 434,827 | 143,570 | 4,350,818 | — | 4,350,818 | |

As of and for the year ended March 31, 2014

| | Yen (millions) | | | | | | | Reconciling Items | Consolidated |
|---|----------------|------------------|----------|-----------|------------------|------------|-------------|----------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | | | |
| Net sales and other operating revenue: | | | | | | | | | |
| External customers | 2,216,735 | 5,595,981 | 676,502 | 2,340,100 | 1,013,133 | 11,842,451 | — | 11,842,451 | |
| Transfers between geographic areas | 1,975,544 | 374,018 | 98,766 | 486,823 | 12,368 | 2,947,519 | (2,947,519) | — | |
| Total | 4,192,279 | 5,969,999 | 775,268 | 2,826,923 | 1,025,501 | 14,789,970 | (2,947,519) | 11,842,451 | |
| Cost of sales, SG&A and R&D expenses | 3,978,185 | 5,679,094 | 792,393 | 2,609,023 | 980,600 | 14,039,295 | (2,947,125) | 11,092,170 | |
| Operating income (loss) | 214,094 | 290,905 | (17,125) | 217,900 | 44,901 | 750,675 | (394) | 750,281 | |
| Assets | 3,442,746 | 8,825,278 | 709,469 | 1,996,929 | 767,225 | 15,741,647 | (119,616) | 15,622,031 | |
| Long-lived assets | 1,280,071 | 3,025,095 | 133,061 | 588,413 | 171,429 | 5,198,069 | — | 5,198,069 | |

Explanatory notes:

1. Major countries or regions in each geographic area:

| | |
|---------------|--|
| North America | United States, Canada, Mexico |
| Europe | United Kingdom, Germany, France, Belgium, Russia |
| 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 293,583 million as of March 31, 2013 and JPY 294,819 million as of March 31, 2014 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.

[9] Notes to information about per common share

Honda Motor Co., Ltd. shareholders' equity per common share and basic net income attributable to Honda Motor Co., Ltd. per common share are as follows:

| | <u>Mar. 31, 2013</u> | <u>Mar. 31, 2014</u> |
|---|----------------------|----------------------|
| Honda Motor Co., Ltd. shareholders' equity per common share | 2,798.37 | 3,284.14 |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 203.71 | 318.54 |

Honda Motor Co., Ltd. shareholders' equity per common share has been computed by dividing Honda Motor Co., Ltd. shareholders' equity by the number of shares outstanding at the end of each period. The number of common shares, at the end of the year ended March 31, 2013 and 2014 were 1,802,297,290 and 1,802,291,196, respectively.

Honda corrects shareholders' equity for the year ended March 31, 2013. Honda Motor Co., Ltd. shareholders' equity per common share is also adjusted. For detailed information, please refer to Consolidated Financial Summary "[7] Changes in Accounting Policies (b) Changing in Fiscal Year-end of a Subsidiary".

Basic net income attributable to Honda Motor Co., Ltd. per common share has been computed by dividing net income attributable to Honda Motor Co., Ltd. by the weighted average number of shares outstanding during each period. The weighted average number of shares outstanding for the year ended March 31, 2013 and 2014 were 1,802,298,819 and 1,802,294,383, respectively. There were no potentially dilutive shares issued during the years ended March 31, 2013 or 2014.

[10] Other

1. Impairment loss on investments in affiliates

For the year ended March 31, 2012, Honda recognized impairment losses of JPY 12,757 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 prices. The impairment losses are included in equity in income of affiliates in the accompanying consolidated statement of income. For the year ended March 31, 2014, Honda did not recognize any significant impairment losses.

2. Impact of the plan amendment and curtailment in consolidated subsidiaries on the Company's consolidated financial position and results of operations

In September 2013, certain consolidated subsidiaries in North America amended their existing defined benefit pension plans, effective January 1, 2014, to reduce the benefits in future periods for their employees on or after January 1, 2014.

This plan amendment resulted in a reduction of the projected benefit obligation and recognition of the prior service benefit at the date of the plan amendment which is amortized over the average remaining service period from the date of the plan amendment. The consolidated subsidiaries also remeasured their projected benefit obligation and the fair value of related plan assets at the date of the plan amendment. The effects of the plan amendment and the remeasurement were recorded in other comprehensive income (loss), net of tax during the fiscal year ended March 31, 2014.

Following this plan amendment, employees of these consolidated subsidiaries could elect to move from the existing defined benefit pension plans to a defined contribution pension plan on January 1, 2014. Consequently, certain employees elected to move to the defined contribution pension plan in October 2013, resulting in a curtailment in the existing defined benefit pension plans. As a result, Honda recognized JPY 21,368 million of the prior service benefit included in accumulated other comprehensive income (loss) as a curtailment gain, of which JPY 15,407 million is included in cost of sales and JPY 5,961 million is included in selling, general and administrative expense in the accompanying consolidated statements of income for the fiscal year ended March 31, 2014. The consolidated subsidiaries also remeasured their projected benefit obligation and the fair value of plan assets in the existing defined benefit pension plans at the date of the curtailment. The effect of the

remeasurement was recorded in other comprehensive income (loss), net of tax during the fiscal year ended March 31, 2014.

3. Income Taxes

On March 20, 2014, the National Diet of Japan approved amendments to existing income tax laws and the Special Reconstruction Corporation Tax imposed on companies will be abolished for fiscal years beginning on or after April 1, 2014. Upon the change in the laws, the statutory income tax rate in Japan for fiscal years beginning on or after April 1, 2014 will be changed to approximately 35%. Thus, the Company and its Japanese subsidiaries re-measured deferred tax assets and liabilities as of the enactment date based on the new tax rates to be applied in the fiscal years in which temporary differences are expected to be recovered or settled. As a result, net of deferred tax assets decreased JPY 7,321 million, and income tax expenses increased JPY 7,321 million, as of the enactment date of the laws.

[11] Significant Subsequent Events

None

Unconsolidated Financial Summary
(Parent company only)

(For the years ended March 31, 2013 and 2014)

Financial Highlights
(Parent company only)

| | Yen (millions) | | |
|----------------------|-----------------------------|-------------|-----------------------------|
| | Year ended Mar. 31, 2013 | % Change | Year ended Mar. 31, 2014 |
| Net sales | 3,244,070 | 7.5% | 3,488,369 |
| Operating income | 103,932 | 20.9% | 125,604 |
| Ordinary income | 193,825 | 78.5% | 345,920 |
| Net income | 154,714 | 69.9% | 262,928 |
| | | Yen | |
| Net income per share | 85.84 | | 145.89 |

Financial forecast for the Fiscal Year Ending March 31, 2015
(Parent company only)

| | Yen (millions) |
|----------------------|--------------------------------------|
| | Year ending Mar. 31, 2015 |
| Net sales | 3,640,000 |
| Operating income | 140,000 |
| Ordinary income | 355,000 |
| Net income | 280,000 |
| | Yen |
| Net income per share | 155.36 |

[1] Unconsolidated Balance Sheets
(Parent company only)

| | Yen (millions) | |
|---|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 |
| Current assets | 1,004,300 | 1,013,451 |
| Fixed assets | 1,559,023 | 1,608,002 |
| Total assets | 2,563,324 | 2,621,454 |
| Current liabilities | 626,429 | 556,707 |
| Fixed liabilities | 173,413 | 169,538 |
| Total liabilities | 799,843 | 726,245 |
| Common stock | 86,067 | 86,067 |
| Capital surplus | 170,313 | 170,314 |
| Retained earnings | 1,499,582 | 1,620,128 |
| Treasury stock | (26,222) | (26,247) |
| Difference of appreciation and conversion | 33,740 | 44,945 |
| Total net assets | 1,763,480 | 1,895,208 |
| Total liabilities and net assets | 2,563,324 | 2,621,454 |

[2] Unconsolidated Statements of Income
(Parent company only)

| | Yen(millions) | |
|---|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 |
| Net sales | 3,244,070 | 3,488,369 |
| Cost of sales | 2,245,643 | 2,385,631 |
| Selling, general and administrative expenses | 894,494 | 977,133 |
| Operating income (loss) | 103,932 | 125,604 |
| Non-operating income | 187,446 | 264,655 |
| Non-operating expenses | 97,553 | 44,339 |
| Ordinary income | 193,825 | 345,920 |
| Extraordinary income | 4,564 | 17,150 |
| Extraordinary loss | 3,640 | 24,887 |
| Income before income taxes | 194,750 | 338,183 |
| Income taxes (benefit) expense: | | |
| Current | 21,055 | 39,006 |
| Deferred | 18,980 | 36,249 |
| Net income | 154,714 | 262,928 |

[3] Unconsolidated Statements of Stockholders' Equity
(Parent company only)

| | Stockholders' equity | | | | Total stockholders' equity | Difference of appreciation and conversion | | Total net assets |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|---|--------------------------------|------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | | Net unrealized gains on securities | Deferred loss (gain) on hedges | |
| Balance at March 31, 2013 | 86,067 | 170,313 | 1,499,582 | (26,222) | 1,729,740 | 33,977 | (237) | 1,763,480 |
| Changes of items during the period | | | | | | | | |
| Dividend from surplus | | | (142,381) | | (142,381) | | | (142,381) |
| Net income (loss) | | | 262,928 | | 262,928 | | | 262,928 |
| Purchase of treasury stock | | | | (26) | (26) | | | (26) |
| Reissuance of treasury stock | | | — | 1 | 2 | | | 2 |
| Others | | | | | | 10,967 | 237 | 11,204 |
| Total changes of items during the period | — | — | 120,546 | (24) | 120,522 | 10,967 | 237 | 131,727 |
| Balance at March 31, 2014 | 86,067 | 170,313 | 1,620,128 | (26,247) | 1,850,263 | 44,945 | — | 1,895,208 |

Explanatory notes:

1. The summary unconsolidated financial information set forth above is derived from the complete unconsolidated financial information of the Company to be filed with the Securities and Exchange Commission on the Company's Form 6-K for the month May 2014.
2. Unconsolidated financial statements have been prepared on the basis of generally accepted accounting principles in Japan.
3. The unit sales and yen amounts described above are rounded down to the nearest one thousand units and one million yen, respectively.

CONSOLIDATED FINANCIAL SUMMARY I FOR THE FISCAL FOURTH QUARTER AND THE FISCAL YEAR ENDED MARCH 31, 2014

| Yen (billions) | Fourth Quarter Results | | | | Fiscal Year Results and Forecasts | | | | | | |
|--|---------------------------------|---------------------------------|---------|-------|-----------------------------------|-----------------------------|----------|---------|------------------------------|-----------|------|
| | 3 months ended Mar. 31, 2013 | 3 months ended Mar. 31, 2014 | change | % | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | change | % | Year ending Mar. 31, 2015 | change | % |
| Net sales and other operating revenue | 2,744.9 | 3,097.2 | 352.2 | 12.8 | 9,877.9 | 11,842.4 | 1,964.5 | 19.9 | 12,750.0 | 907.5 | 7.7 |
| Operating income | 135.9 | 165.2 | 29.3 | 21.5 | 544.8 | 750.2 | 205.4 | 37.7 | 760.0 | 9.7 | 1.3 |
| <as a percentage of net sales> | < 5.0% > | < 5.3% > | | | < 5.5% > | < 6.3% > | | | < 6.0% > | | |
| Income before income taxes and equity in income of affiliates | 98.0 | 174.7 | 76.6 | 78.1 | 488.8 | 728.9 | 240.0 | 49.1 | 745.0 | 16.0 | 2.2 |
| <as a percentage of net sales> | < 3.6% > | < 5.6% > | | | < 4.9% > | < 6.2% > | | | < 5.8% > | | |
| Equity in income of affiliates | 13.0 | 37.3 | 24.3 | 185.8 | 82.7 | 132.4 | 49.7 | 60.1 | 155.0 | 22.5 | 17.0 |
| <as a percentage of net sales> | < 0.5% > | < 1.2% > | | | < 0.8% > | < 1.1% > | | | < 1.2% > | | |
| Net income attributable to Honda Motor Co., Ltd. | 75.7 | 170.5 | 94.7 | 125.1 | 367.1 | 574.1 | 206.9 | 56.4 | 595.0 | 20.8 | 3.6 |
| <as a percentage of net sales> | < 2.8% > | < 5.5% > | | | < 3.7% > | < 4.8% > | | | < 4.7% > | | |
| Change factors in Operating income | | | 29.3 | | | | 205.4 | | | 9.7 | |
| Change in revenue, model mix, etc. | | | 39.4 | | | | 53.3 | | | 125.7 | |
| Cost reduction, the effect of raw material cost fluctuations, etc. | | | 27.1 | | | | 15.0 | | | 50.0 | |
| Change in SG&A expenses | | | - 39.8 | | | | - 102.3 | | | - 87.0 | |
| Change in R&D expenses | | | - 26.2 | | | | - 49.3 | | | - 12.0 | |
| Currency effects | | | 28.9 | | | | 288.7 | | | - 67.0 | |
| Change in average rates | | | (5.6) | | | | (114.6) | | | (- 50.7) | |
| Translation effects | | | (23.2) | | | | (174.0) | | | (- 16.3) | |
| Change factors in Other income/expenses | | | 47.3 | | | | 34.5 | | | 6.3 | |
| Unrealized gains and losses related to derivative instruments | | | 19.8 | | | | 74.4 | | | - 43.0 | |
| Others | | | 27.5 | | | | - 39.8 | | | 49.3 | |
| Honda's average rates | USD= | JPY 93 | JPY 103 | | JPY 84 | JPY 100 | | JPY 100 | | | |
| | EUR= | JPY 122 | JPY 141 | | JPY 108 | JPY 136 | | JPY 135 | | | |
| Capital expenditures | | 203.8 | 275.7 | | 593.6 | 726.1 | | 650.0 | | | |
| Depreciation and amortization | | 83.4 | 97.7 | | 286.6 | 375.8 | | 415.0 | | | |
| Research and development expenses | | 155.6 | 183.8 | | 560.2 | 634.1 | | 645.0 | | | |

Note: Capital expenditures exclude purchase of operating lease assets and capital lease assets and acquisition of intangible assets, and depreciation and amortization exclude depreciation of property on operating leases and capital leases and amortization of intangible assets.

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'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. 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 FOURTH QUARTER AND THE FISCAL YEAR ENDED MARCH 31, 2014

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

Unit (thousands)

| | Fourth Quarter Results | | | | Fiscal Year Results and Forecasts | | | | | | |
|-------------------------------|---------------------------------|---------------------------------|------------|-------------|-----------------------------------|-----------------------------|--------------|-------------|------------------------------|--------------|-------------|
| | 3 months ended Mar. 31, 2013 | 3 months ended Mar. 31, 2014 | | | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | | | Year ending Mar. 31, 2015 | | |
| | | | change | % | | | change | % | | change | % |
| Motorcycle Business | 3,962 | 4,500 | 538 | 13.6 | 15,494 | 17,021 | 1,527 | 9.9 | 18,240 | 1,219 | 7.2 |
| Japan | 50 | 57 | 7 | 14.0 | 217 | 226 | 9 | 4.1 | 230 | 4 | 1.8 |
| North America | 69 | 83 | 14 | 20.3 | 250 | 276 | 26 | 10.4 | 300 | 24 | 8.7 |
| Europe | 52 | 49 | -3 | -5.8 | 179 | 166 | -13 | -7.3 | 175 | 9 | 5.4 |
| Asia | 3,363 | 3,843 | 480 | 14.3 | 13,035 | 14,536 | 1,501 | 11.5 | 15,765 | 1,229 | 8.5 |
| Other Regions | 428 | 468 | 40 | 9.3 | 1,813 | 1,817 | 4 | 0.2 | 1,770 | -47 | -2.6 |
| Automobile Business | 1,033 | 1,195 | 162 | 15.7 | 4,014 | 4,323 | 309 | 7.7 | 4,830 | 507 | 11.7 |
| Japan | 200 | 282 | 82 | 41.0 | 692 | 818 | 126 | 18.2 | 990 | 172 | 21.0 |
| North America | 423 | 386 | -37 | -8.7 | 1,731 | 1,757 | 26 | 1.5 | 1,810 | 53 | 3.0 |
| Europe | 50 | 51 | 1 | 2.0 | 171 | 169 | -2 | -1.2 | 170 | 1 | 0.6 |
| Asia | 280 | 405 | 125 | 44.6 | 1,122 | 1,286 | 164 | 14.6 | 1,590 | 304 | 23.6 |
| Other Regions | 80 | 71 | -9 | -11.3 | 298 | 293 | -5 | -1.7 | 270 | -23 | -7.8 |
| Power Product Business | 1,963 | 1,990 | 27 | 1.4 | 6,071 | 6,036 | -35 | -0.6 | 6,345 | 309 | 5.1 |
| Japan | 81 | 95 | 14 | 17.3 | 314 | 314 | 0 | 0.0 | 305 | -9 | -2.9 |
| North America | 984 | 959 | -25 | -2.5 | 2,604 | 2,718 | 114 | 4.4 | 2,845 | 127 | 4.7 |
| Europe | 412 | 441 | 29 | 7.0 | 1,004 | 1,032 | 28 | 2.8 | 1,030 | -2 | -0.2 |
| Asia | 348 | 372 | 24 | 6.9 | 1,572 | 1,500 | -72 | -4.6 | 1,655 | 155 | 10.3 |
| Other Regions | 138 | 123 | -15 | -10.9 | 577 | 472 | -105 | -18.2 | 510 | 38 | 8.1 |

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 March 31, 2013 and 2014 are 28 thousand units and 38 thousand units, for the fiscal year ended March 31, 2013 and 2014 are 117 thousand units and 120 thousand units, respectively.

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

Unit (thousands)

| | Fourth Quarter Results | | | | Fiscal Year Results and Forecasts | | | | | | |
|-------------------------------|---------------------------------|---------------------------------|------------|------------|-----------------------------------|-----------------------------|------------|-------------|------------------------------|------------|------------|
| | 3 months ended Mar. 31, 2013 | 3 months ended Mar. 31, 2014 | | | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | | | Year ending Mar. 31, 2015 | | |
| | | | change | % | | | change | % | | change | % |
| Motorcycle Business | 2,490 | 2,730 | 240 | 9.6 | 9,510 | 10,343 | 833 | 8.8 | 11,030 | 687 | 6.6 |
| Japan | 50 | 57 | 7 | 14.0 | 217 | 226 | 9 | 4.1 | 230 | 4 | 1.8 |
| North America | 69 | 83 | 14 | 20.3 | 250 | 276 | 26 | 10.4 | 300 | 24 | 8.7 |
| Europe | 52 | 49 | -3 | -5.8 | 179 | 166 | -13 | -7.3 | 175 | 9 | 5.4 |
| Asia | 1,891 | 2,073 | 182 | 9.6 | 7,051 | 7,858 | 807 | 11.4 | 8,555 | 697 | 8.9 |
| Other Regions | 428 | 468 | 40 | 9.3 | 1,813 | 1,817 | 4 | 0.2 | 1,770 | -47 | -2.6 |
| Automobile Business | 902 | 933 | 31 | 3.4 | 3,408 | 3,560 | 152 | 4.5 | 3,870 | 310 | 8.7 |
| Japan | 199 | 280 | 81 | 40.7 | 685 | 812 | 127 | 18.5 | 980 | 168 | 20.7 |
| North America | 423 | 386 | -37 | -8.7 | 1,731 | 1,757 | 26 | 1.5 | 1,810 | 53 | 3.0 |
| Europe | 50 | 51 | 1 | 2.0 | 171 | 169 | -2 | -1.2 | 170 | 1 | 0.6 |
| Asia | 150 | 145 | -5 | -3.3 | 523 | 529 | 6 | 1.1 | 640 | 111 | 21.0 |
| Other Regions | 80 | 71 | -9 | -11.3 | 298 | 293 | -5 | -1.7 | 270 | -23 | -7.8 |
| Power Product Business | 1,963 | 1,990 | 27 | 1.4 | 6,071 | 6,036 | -35 | -0.6 | 6,345 | 309 | 5.1 |
| Japan | 81 | 95 | 14 | 17.3 | 314 | 314 | 0 | 0.0 | 305 | -9 | -2.9 |
| North America | 984 | 959 | -25 | -2.5 | 2,604 | 2,718 | 114 | 4.4 | 2,845 | 127 | 4.7 |
| Europe | 412 | 441 | 29 | 7.0 | 1,004 | 1,032 | 28 | 2.8 | 1,030 | -2 | -0.2 |
| Asia | 348 | 372 | 24 | 6.9 | 1,572 | 1,500 | -72 | -4.6 | 1,655 | 155 | 10.3 |
| Other Regions | 138 | 123 | -15 | -10.9 | 577 | 472 | -105 | -18.2 | 510 | 38 | 8.1 |

Notes:

- 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 Consolidated Unit Sales of ATV included in Motorcycle business for the three months ended March 31, 2013 and 2014 are 28 thousand units and 38 thousand units, for the fiscal year ended March 31, 2013 and 2014 are 117 thousand units and 120 thousand units, 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'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.

CONSOLIDATED FINANCIAL SUMMARY 3 FOR THE FISCAL FOURTH QUARTER AND THE FISCAL YEAR ENDED MARCH 31, 2014

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

| Yen (millions) | Fourth Quarter Results | | | | Fiscal Year Results | | | |
|---|---------------------------------|---------------------------------|----------------|-------------|-----------------------------|-----------------------------|------------------|-------------|
| | 3 months ended Mar. 31, 2013 | 3 months ended Mar. 31, 2014 | change | % | Year ended Mar. 31, 2013 | Year ended Mar. 31, 2014 | change | % |
| Total | 2,744,960 | 3,097,246 | 352,286 | 12.8 | 9,877,947 | 11,842,451 | 1,964,504 | 19.9 |
| Japan | 453,823 | 620,175 | 166,352 | 36.7 | 1,652,995 | 1,912,504 | 259,509 | 15.7 |
| North America | 1,261,143 | 1,310,954 | 49,811 | 3.9 | 4,586,412 | 5,567,594 | 981,182 | 21.4 |
| Europe | 176,266 | 206,808 | 30,542 | 17.3 | 534,517 | 667,187 | 132,670 | 24.8 |
| Asia | 592,828 | 664,467 | 71,639 | 12.1 | 2,093,034 | 2,515,881 | 422,847 | 20.2 |
| Other Regions | 260,900 | 294,842 | 33,942 | 13.0 | 1,010,989 | 1,179,285 | 168,296 | 16.6 |
| Motorecycle Business | 375,371 | 448,523 | 73,152 | 19.5 | 1,339,549 | 1,663,631 | 324,082 | 24.2 |
| Japan | 17,074 | 19,766 | 2,692 | 15.8 | 72,949 | 79,455 | 6,506 | 8.9 |
| North America | 36,489 | 46,348 | 9,859 | 27.0 | 112,176 | 141,563 | 29,387 | 26.2 |
| Europe | 27,593 | 32,895 | 5,302 | 19.2 | 86,424 | 102,634 | 16,210 | 18.8 |
| Asia | 196,747 | 224,279 | 27,532 | 14.0 | 667,473 | 868,464 | 200,991 | 30.1 |
| Other Regions | 97,468 | 125,235 | 27,767 | 28.5 | 400,527 | 471,515 | 70,988 | 17.7 |
| Automobile Business | 2,136,941 | 2,378,267 | 241,326 | 11.3 | 7,709,216 | 9,176,360 | 1,467,144 | 19.0 |
| Japan | 410,319 | 570,958 | 160,639 | 39.1 | 1,462,664 | 1,714,752 | 252,088 | 17.2 |
| North America | 1,063,775 | 1,076,678 | 12,903 | 1.2 | 3,905,276 | 4,717,769 | 812,493 | 20.8 |
| Europe | 125,646 | 145,561 | 19,915 | 15.9 | 388,464 | 487,673 | 99,209 | 25.5 |
| Asia | 385,017 | 429,258 | 44,241 | 11.5 | 1,385,449 | 1,599,069 | 213,620 | 15.4 |
| Other Regions | 152,184 | 155,812 | 3,628 | 2.4 | 567,363 | 657,097 | 89,734 | 15.8 |
| Financial Service Business | 151,498 | 187,757 | 36,259 | 23.9 | 548,506 | 698,185 | 149,679 | 27.3 |
| Japan | 8,826 | 14,878 | 6,052 | 68.6 | 34,282 | 40,333 | 6,051 | 17.7 |
| North America | 134,708 | 159,485 | 24,777 | 18.4 | 484,275 | 610,848 | 126,573 | 26.1 |
| Europe | 1,999 | 3,214 | 1,215 | 60.8 | 7,256 | 12,646 | 5,390 | 74.3 |
| Asia | 1,072 | 2,519 | 1,447 | 135.0 | 3,145 | 8,051 | 4,906 | 156.0 |
| Other Regions | 4,893 | 7,661 | 2,768 | 56.6 | 19,548 | 26,307 | 6,759 | 34.6 |
| Power Product and Other Businesses | 81,150 | 82,699 | 1,549 | 1.9 | 280,676 | 304,275 | 23,599 | 8.4 |
| Japan | 17,604 | 14,573 | - 3,031 | - 17.2 | 83,100 | 77,964 | - 5,136 | - 6.2 |
| North America | 26,171 | 28,443 | 2,272 | 8.7 | 84,685 | 97,414 | 12,729 | 15.0 |
| Europe | 21,028 | 25,138 | 4,110 | 19.5 | 52,373 | 64,234 | 11,861 | 22.6 |
| Asia | 9,992 | 8,411 | - 1,581 | - 15.8 | 36,967 | 40,297 | 3,330 | 9.0 |
| Other Regions | 6,355 | 6,134 | - 221 | - 3.5 | 23,551 | 24,366 | 815 | 3.5 |

Note: For detailed information of principal products and services, and functions of each segment, please refer to Fiscal Year Financial Results

"[8] Segment Information."

CONSOLIDATED FINANCIAL SUMMARY 4 FOR THE FISCAL YEAR ENDED MARCH 31, 2014

Unaudited Consolidated Balance Sheets Divided into Non-financial Services Businesses and Finance Subsidiaries

| | Yen (millions) | |
|---|-------------------|-------------------|
| | Mar. 31, 2013 | Mar. 31, 2014 |
| Assets | | |
| < Non-financial Services Businesses > | | |
| Current assets: | 4,014,300 | 4,223,690 |
| Cash and cash equivalents | 1,180,029 | 1,148,611 |
| Trade accounts and notes receivable, net | 551,161 | 660,079 |
| Inventories | 1,215,421 | 1,302,895 |
| Other current assets | 1,067,689 | 1,112,105 |
| Investments and advances | 918,168 | 1,156,389 |
| Property, plant and equipment, net | 2,387,461 | 2,806,443 |
| Other assets | 399,355 | 403,998 |
| Total assets | 7,719,284 | 8,590,520 |
| < Finance Subsidiaries > | | |
| Cash and cash equivalents | 26,099 | 20,303 |
| Finance subsidiaries—short-term receivables, net | 1,245,491 | 1,465,159 |
| Finance subsidiaries—long-term receivables, net | 2,818,654 | 3,319,362 |
| Net property on operating leases | 1,843,132 | 2,236,721 |
| Other assets | 831,946 | 939,444 |
| Total assets | 6,765,322 | 7,980,989 |
| Reconciling items | (849,249) | (949,478) |
| Total assets | 13,635,357 | 15,622,031 |
| Liabilities and Equity | | |
| < Non-financial Services Businesses > | | |
| Current liabilities: | 2,170,981 | 2,339,581 |
| Short-term debt | 343,085 | 278,106 |
| Current portion of long-term debt | 50,664 | 96,795 |
| Trade payables | 998,989 | 1,108,428 |
| Accrued expenses | 517,253 | 578,209 |
| Other current liabilities | 260,990 | 278,043 |
| Long-term debt, excluding current portion | 146,528 | 190,418 |
| Other liabilities | 994,905 | 851,715 |
| Total liabilities | 3,312,414 | 3,381,714 |
| < Finance Subsidiaries > | | |
| Short-term debt | 1,397,870 | 1,566,865 |
| Current portion of long-term debt | 894,439 | 1,206,876 |
| Accrued expenses | 117,360 | 72,049 |
| Long-term debt, excluding current portion | 2,571,196 | 3,064,476 |
| Other liabilities | 716,385 | 829,043 |
| Total liabilities | 5,697,250 | 6,739,309 |
| Reconciling items | (579,730) | (612,390) |
| Total liabilities | 8,429,934 | 9,508,633 |
| Honda Motor Co., Ltd. shareholders' equity | 5,043,500 | 5,918,979 |
| Noncontrolling interests | 161,923 | 194,419 |
| Total equity | 5,205,423 | 6,113,398 |
| Total liabilities and equity | 13,635,357 | 15,622,031 |

Note: Honda adjusts the amounts for the year ended March 31, 2013. For detailed information, please refer to Fiscal Year Financial Results "[10] Other."

CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL YEAR ENDED MARCH 31, 2014

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

| For the fiscal year ended March 31, 2013 | Yen (millions) | | | |
|--|---|-------------------------|----------------------|--------------|
| | Non-financial Services Businesses | Finance Subsidiaries | Reconciling Items | Consolidated |
| Cash flows from operating activities: | | | | |
| Net income | 295,590 | 97,048 | — | 392,638 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 334,303 | 256,166 | — | 590,469 |
| Deferred income taxes | 32,022 | 21,230 | — | 53,252 |
| Equity in income of affiliates | (82,723) | — | — | (82,723) |
| Dividends from affiliates | 84,705 | — | — | 84,705 |
| Impairment loss on long-lived assets | — | 4,773 | — | 4,773 |
| Loss (gain) on derivative instruments, net | 28,426 | 6,601 | — | 35,027 |
| Decrease (increase) in trade accounts and notes receivable | (3,881) | (87,972) | 1,358 | (90,495) |
| Decrease (increase) in inventories | (74,662) | — | — | (74,662) |
| Increase (decrease) in trade accounts and notes payable | (92,277) | — | (2,915) | (95,192) |
| Other, net | 16,791 | (43,499) | 9,660 | (17,048) |
| Net cash provided by (used in) operating activities | 538,294 | 254,347 | 8,103 | 800,744 |
| Cash flows from investing activities: | | | | |
| * Decrease (increase) in investments and advances | 14,836 | (670) | (21,218) | (7,052) |
| Capital expenditures | (625,128) | (1,751) | — | (626,879) |
| Proceeds from sales of property, plant and equipment | 44,039 | 143 | — | 44,182 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | 9,600 | — | — | 9,600 |
| Collections (acquisitions) of finance subsidiaries-receivables | — | (118,006) | (127) | (118,133) |
| Purchase of operating lease assets | — | (793,118) | — | (793,118) |
| Proceeds from sales of operating lease assets | — | 418,086 | — | 418,086 |
| Other, net | 3,558 | — | — | 3,558 |
| Net cash provided by (used in) investing activities | (553,095) | (495,316) | (21,345) | (1,069,756) |
| Cash flows from financing activities: | | | | |
| * Proceeds from (repayment of) short-term debt, net | 65,845 | 72,307 | 15,587 | 153,739 |
| * Proceeds from long-term debt | 82,281 | 1,025,408 | (6,220) | 1,101,469 |
| * Repayment of long-term debt | (117,784) | (856,793) | 3,875 | (970,702) |
| Dividends paid | (129,765) | — | — | (129,765) |
| Dividends paid to noncontrolling interests | (6,250) | — | — | (6,250) |
| Sales (purchases) of treasury stock, net | (7) | — | — | (7) |
| Other, net | (28,917) | — | — | (28,917) |
| Net cash provided by (used in) financing activities | (134,597) | 240,922 | 13,242 | 119,567 |
| Effect of exchange rate changes on cash and cash equivalents | 105,242 | 3,218 | — | 108,460 |
| Net change in cash and cash equivalents | (44,156) | 3,171 | — | (40,985) |
| Cash and cash equivalents at beginning of period | 1,224,185 | 22,928 | — | 1,247,113 |
| Cash and cash equivalents at end of period | 1,180,029 | 26,099 | — | 1,206,128 |

CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL YEAR ENDED MARCH 31, 2014

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

| For the fiscal year ended March 31, 2014 | Yen (millions) | | | |
|---|-----------------------------------|----------------------|-------------------|--------------|
| | Non-financial Services Businesses | Finance Subsidiaries | Reconciling Items | Consolidated |
| Cash flows from operating activities: | | | | |
| Net income | 492,714 | 116,035 | — | 608,749 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 440,016 | 354,704 | — | 794,720 |
| Deferred income taxes | 40,687 | 4,739 | — | 45,426 |
| Equity in income of affiliates | (132,471) | — | — | (132,471) |
| Dividends from affiliates | 98,955 | — | — | 98,955 |
| Impairment loss on long-lived assets | — | 3,301 | — | 3,301 |
| Loss (gain) on derivative instruments, net | (47,049) | 7,673 | — | (39,376) |
| Decrease (increase) in trade accounts and notes receivable | (78,470) | (16,839) | 2,671 | (92,638) |
| Decrease (increase) in inventories | (2,901) | — | — | (2,901) |
| Increase (decrease) in trade accounts and notes payable | 80,400 | 48 | (9,460) | 70,988 |
| Other, net | (35,936) | (89,747) | 121 | (125,562) |
| Net cash provided by (used in) operating activities | 855,945 | 379,914 | (6,668) | 1,229,191 |
| Cash flows from investing activities: | | | | |
| * Decrease (increase) in investments and advances | (32,170) | (5,071) | 2,496 | (34,745) |
| Capital expenditures | (770,085) | (3,921) | — | (774,006) |
| Proceeds from sales of property, plant and equipment | 30,509 | 3,560 | — | 34,069 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | 6,800 | — | — | 6,800 |
| Collections (acquisitions) of finance subsidiaries-receivables | — | (450,107) | 11,362 | (438,745) |
| Purchase of operating lease assets | — | (1,127,840) | — | (1,127,840) |
| Proceeds from sales of operating lease assets | — | 611,317 | — | 611,317 |
| Other, net | 14,406 | — | — | 14,406 |
| Net cash provided by (used in) investing activities | (750,540) | (972,062) | 13,858 | (1,708,744) |
| Cash flows from financing activities: | | | | |
| * Proceeds from (repayment of) short-term debt, net | (84,858) | 73,142 | 7,388 | (4,328) |
| * Proceeds from long-term debt | 129,742 | 1,473,794 | (14,710) | 1,588,826 |
| * Repayment of long-term debt | (76,684) | (963,043) | 132 | (1,039,595) |
| Dividends paid | (142,381) | — | — | (142,381) |
| Dividends paid to noncontrolling interests | (9,677) | — | — | (9,677) |
| Sales (purchases) of treasury stock, net | (25) | — | — | (25) |
| Other, net | (22,265) | — | — | (22,265) |
| Net cash provided by (used in) financing activities | (206,148) | 583,893 | (7,190) | 370,555 |
| Effect of exchange rate changes on cash and cash equivalents | 69,325 | 2,459 | — | 71,784 |
| Net change in cash and cash equivalents | (31,418) | (5,796) | — | (37,214) |
| Cash and cash equivalents at beginning of period | 1,180,029 | 26,099 | — | 1,206,128 |
| Cash and cash equivalents at end of period | 1,148,611 | 20,303 | — | 1,168,914 |

Notes:

- 1 Non-financial services businesses provide loans to finance subsidiaries. These cash flows are included in the decrease (increase) in investments and advances, proceeds from (repayment of) 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 21,218 million decrease for the fiscal year ended March 31, 2013, and a JPY 2,496 million increase for the fiscal year ended March 31, 2014, 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.



UNCONSOLIDATED FINANCIAL SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Parent company only)

Unit Sales and Net Sales Breakdown

For the year ended March 31

| | Year ended Mar. 31, 2013 | | Year ended Mar. 31, 2014 | | change | | | |
|-------------------------------|-----------------------------|-------------------|-----------------------------|-------------------|---------------------|----------------|-------------------|--------------|
| | Unit (thousands) | Yen (millions) | Unit (thousands) | Yen (millions) | Unit (thousands) | % | Yen (millions) | % |
| Total | | 3,244,070 | | 3,488,369 | | | 244,298 | 7.5 |
| Domestic (Japan) | | 1,228,496 | | 1,429,355 | | | 200,858 | 16.3 |
| Export | | 2,015,573 | | 2,059,014 | | | 43,440 | 2.2 |
| Motorcycle Business | 613 | 315,661 | 536 | 334,205 | - 77 | - 12.6 | 18,544 | 5.9 |
| (Motorcycles only) | (608) | | (530) | | (-77) | (-12.7) | | |
| Domestic (Japan) | 218 | 54,123 | 226 | 59,903 | 8 | 3.8 | 5,780 | 10.7 |
| (Motorcycles only) | (218) | | (226) | | (8) | (3.8) | | |
| Export | 395 | 261,538 | 309 | 274,302 | - 85 | - 21.6 | 12,763 | 4.9 |
| (Motorcycles only) | (389) | | (304) | | (-85) | (-21.9) | | |
| Automobile Business | 1,090 | 2,815,744 | 1,096 | 3,049,832 | 5 | 0.5 | 234,088 | 8.3 |
| Domestic (Japan) | 732 | 1,146,642 | 831 | 1,341,858 | 98 | 13.5 | 195,216 | 17.0 |
| (Mini vehicles only) | (377) | | (429) | | (52) | (14.0) | | |
| Export | 358 | 1,669,101 | 264 | 1,707,973 | - 93 | - 26.1 | 38,871 | 2.3 |
| Power Product Business | 1,332 | 112,665 | 1,248 | 104,330 | - 83 | - 6.3 | - 8,334 | - 7.4 |
| Domestic (Japan) | 308 | 27,731 | 312 | 27,592 | 4 | 1.4 | - 139 | - 0.5 |
| Export | 1,024 | 84,933 | 936 | 76,738 | - 88 | - 8.6 | - 8,195 | - 9.6 |