



FY13 Financial Results



Honda Motor Co., Ltd.

April 26, 2013

ACURA RLX
(North America)

FY13 Financial Results & FY14 Financial Forecasts

Tetsuo Iwamura

Executive Vice President

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

Kohei Takeuchi

Chief Financial Officer

- *FY13 Consolidated Financial Results*
 - 4th Quarter Consolidated Financial Results*
 - Net Sales and Other Operating Revenue*
 - Change in Income before Income Taxes*
 - Business Segment Information*
 - Geographical Information*
 - Change in Equity in Income of Affiliates*
 - Consolidated Capital Expenditures*
- *FY14 Financial Forecasts*

Outline of FY13 Financial Results (Consolidated)

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

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

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

Average Rates (Yen)

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

Financial Summary

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

Financial Highlights

Honda Group Unit Sales

Motorcycle:

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

Automobile:

Increased in all regions

Power Products:

Increased in North America, Asia and "Other regions"

Net Sales and Operating Revenue

- Increased unit sales
- Favorable foreign currency translation effects

Operating Income

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

FY14 Financial Forecasts (Consolidated)

Yen (billion)

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

Note : Shares which EPS calculation is based on:

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

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

Average Rates (Yen)

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

FY13 Financial Results and FY14 Financial Forecasts (Unconsolidated)

Yen (billion)

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

Average Rates (Yen)

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

(Yen)

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

() figures in parenthesis are expected results

FY13 Financial Results & FY14 Financial Forecasts

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- *FY14 Financial Forecasts*
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 - 4th Quarter Consolidated Financial Results*
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 - Geographical Information*
 - Change in Equity in Income of Affiliates*
 - Consolidated Capital Expenditures*
- *FY14 Financial Forecasts*

Outline of FY13 4th Quarter Financial Results (Consolidated)

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

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

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

Average Rates (Yen)

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

Financial Summary

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

Financial Highlights

Honda Group Unit Sales

Motorcycle:

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

Automobile:

Increased in Asia and "Other regions"

Power Products:

Increased in North America
Decreased in Asia

Net Sales and Operating Revenue

- Increased unit sales
- Favorable foreign currency translation effects

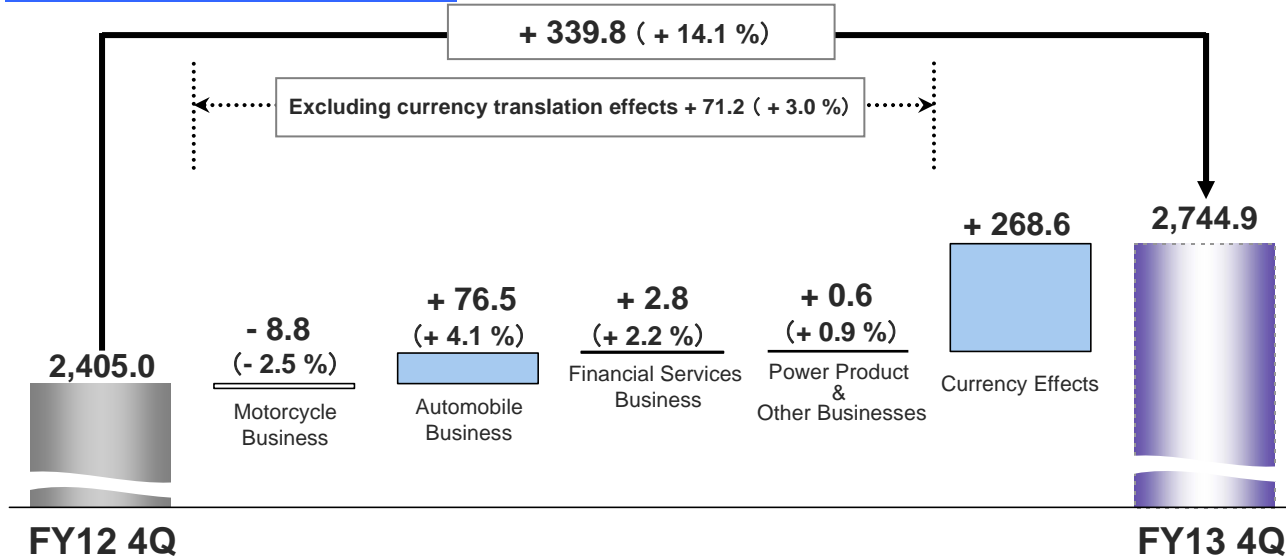
Operating Income

- Cost reduction efforts
- Favorable currency effects

Net Sales and Other Operating Revenue

Yen (billion)

4th Quarter (Three months)

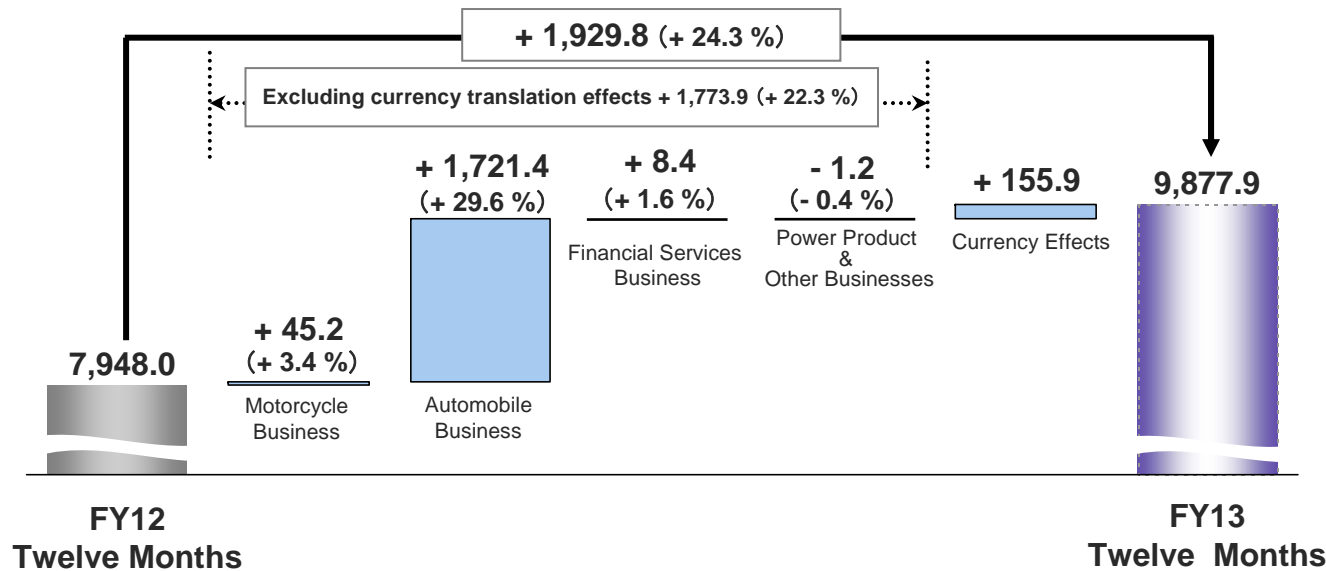


| Net Sales by Business Segment | 4Q | |
|----------------------------------|----------------|----------------|
| | FY12 | FY13 |
| Motorcycle Business | 358.5 | 375.3 |
| Automobile Business | 1,844.9 | 2,136.9 |
| Financial Services Business | 129.0 | 151.4 |
| Power Product & Other Businesses | 72.5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

Market average rates

| | | |
|-----------|-----|-----|
| US Dollar | 79 | 92 |
| Euro | 104 | 122 |
| *BR Real | 43 | 40 |

Twelve Months



Yen (billion)

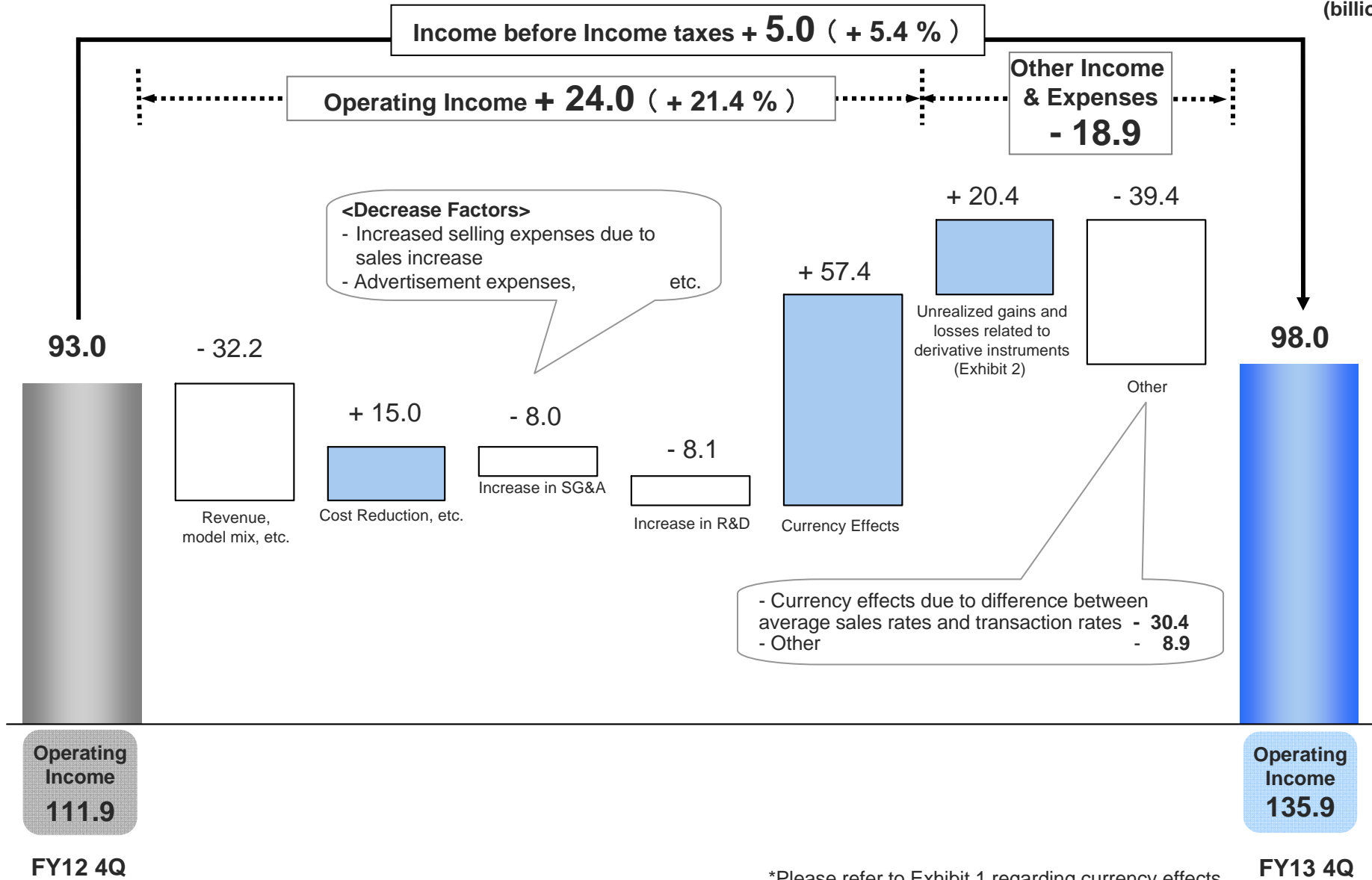
| Net Sales by Business Segment | Twelve months | |
|----------------------------------|----------------|----------------|
| | FY12 | FY13 |
| Motorcycle Business | 1,348.8 | 1,339.5 |
| Automobile Business | 5,805.9 | 7,709.2 |
| Financial Services Business | 516.1 | 548.5 |
| Power Product & Other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

Market average rates

| | | |
|-----------|-----|-----|
| US Dollar | 79 | 83 |
| Euro | 109 | 107 |
| *BR Real | 48 | 41 |

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

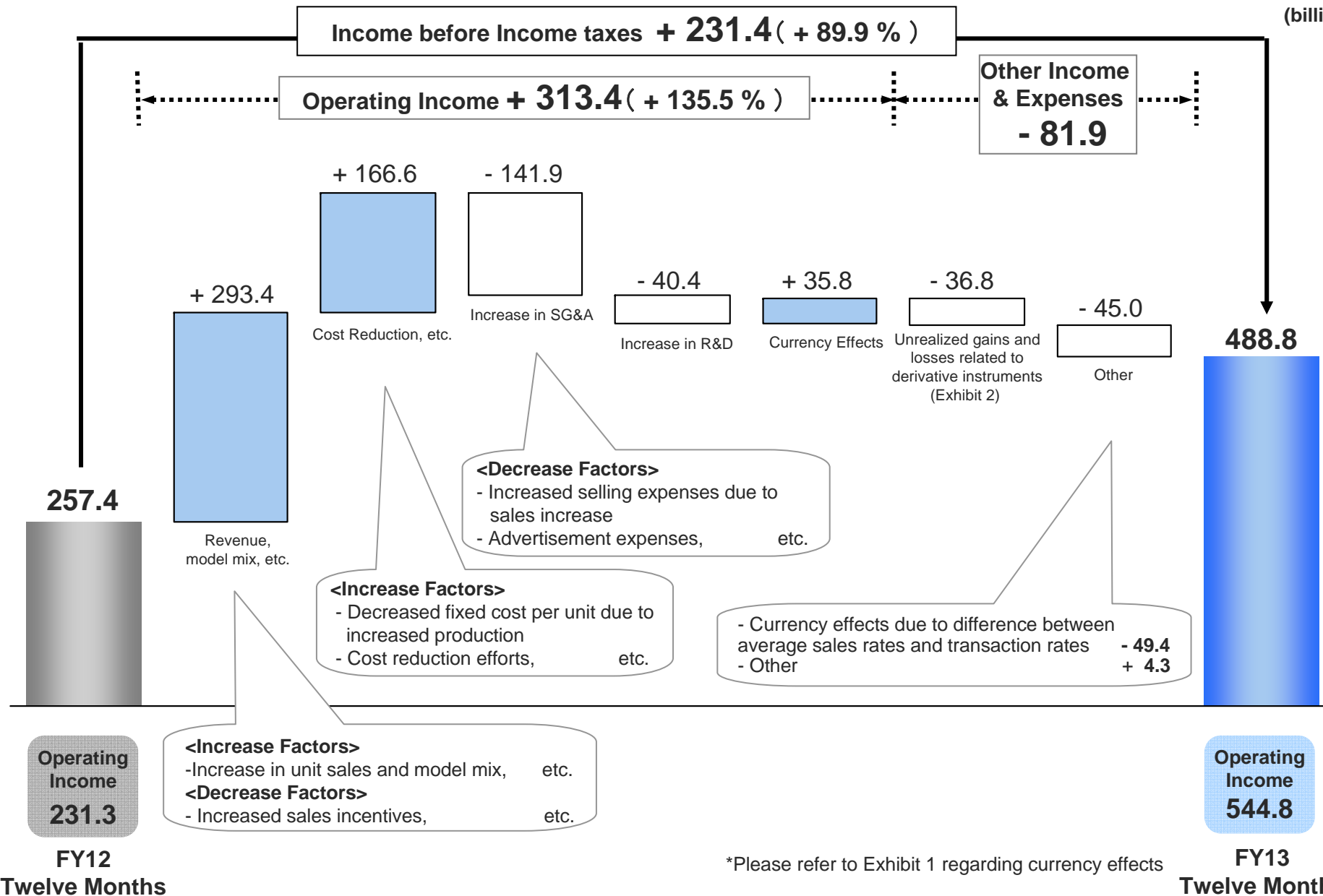
Yen
(billion)



*Please refer to Exhibit 1 regarding currency effects

Change in Income before Income Taxes <FY13 Twelve Months >

Yen
(billion)



*Please refer to Exhibit 1 regarding currency effects

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

| Unit (thousand) | FY13 4Q | Change from FY12 4Q | Major increase / decrease factors |
|-----------------|--------------|---------------------|---|
| Japan | 50 | - 4 | - Positive impact of <i>NC700S</i> , <i>INTEGRA</i> , <i>PCX150</i> and <i>CRF250L</i> model introductions - Decreased sales of <i>Today</i> , <i>PCX</i> and other scooter models |
| North America | 69 | + 16 | - U.S.: Increased sales of <i>Four Trax Foreman</i> and <i>Four Trax Rancher</i> (ATVs); <i>Gold Wing</i> sales increase; Positive impact of <i>Gold Wing F6B</i> , <i>CRF250L</i> and <i>CRF110</i> introductions |
| Europe | 52 | - 6 | - U.S.: Decreased sales of <i>CBR250R</i> , <i>CBR600RR</i> and <i>CBR1000RR</i> - Positive impact of <i>CB1100</i> , <i>CB500F</i> and <i>CBR500R</i> model introductions in Germany and France - Decreased sales of <i>INTEGRA</i> in Southern Europe due to market contraction |
| Asia | 3,363 | - 86 | - India: Positive impact of <i>Dream Yuga</i> intro; increased <i>CB Shine</i> , <i>CB Unicorn</i> sales - Indonesia: Increased sales of BeAT, lower sales due to down-payment regulation - Vietnam: Decreased sales of Air Blade |
| Other Regions | 428 | - 122 | - Brazil: Positive impact of <i>BIZ100</i> and <i>NC700X</i> introductions - Brazil: Decreased sales due to limited availability of financing |
| Total | 3,962 | - 202 | |

Unit (thousand)

16,000

14,000

12,000

10,000



NC700X
(North America)

- 202
(- 4.9%)

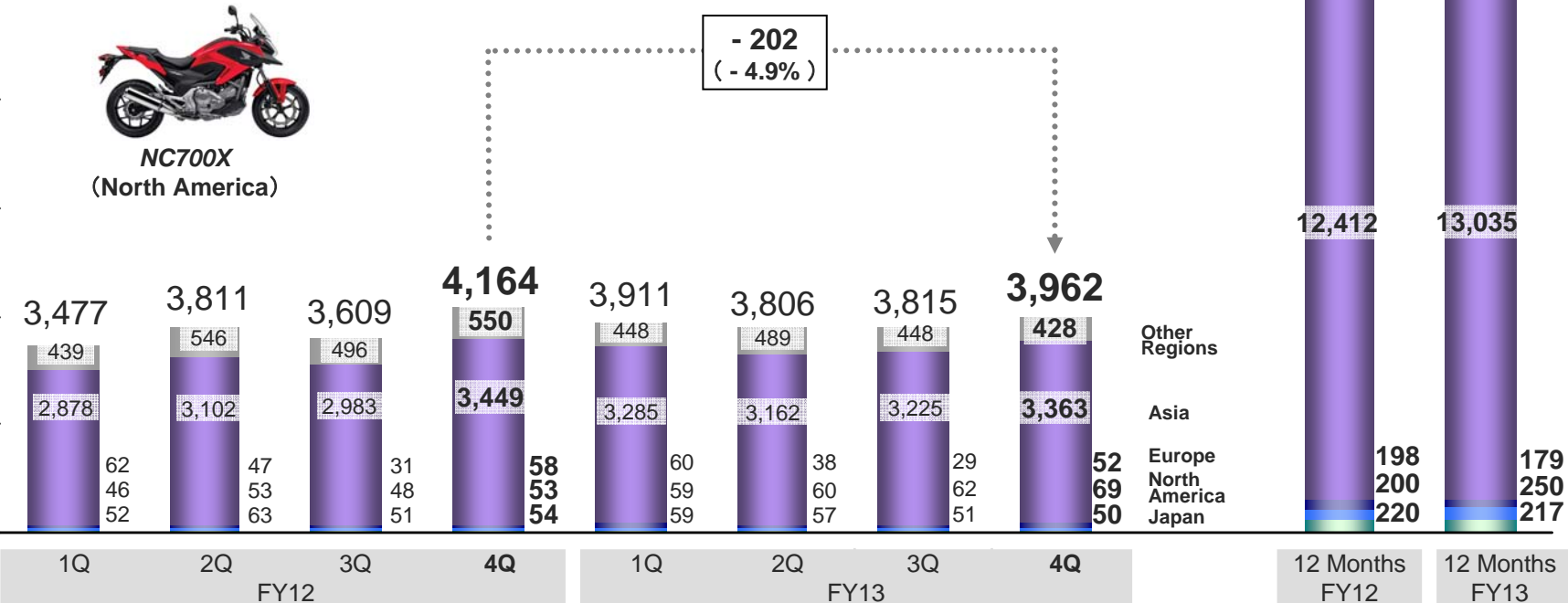
8,000

6,000

4,000

2,000

0



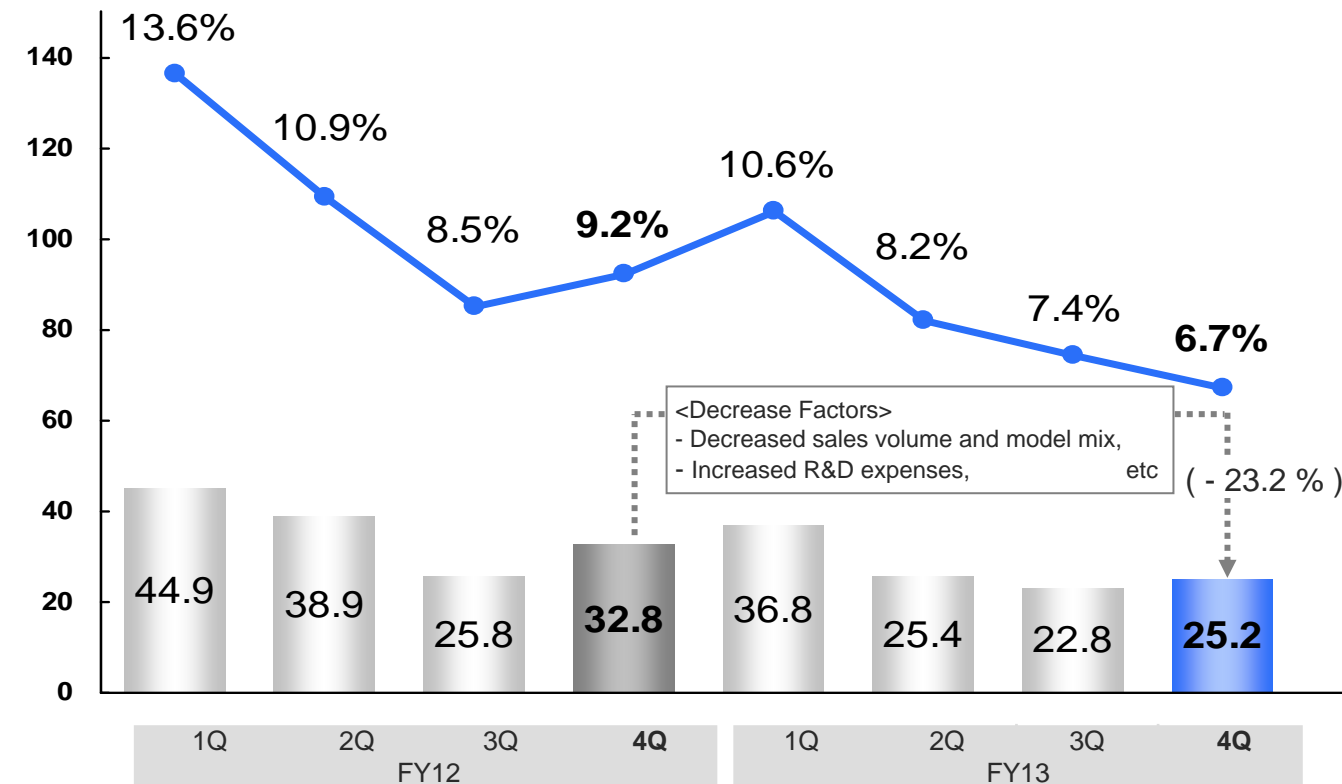
Motorcycle Business Net Sales/Operating Income (Margin)

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

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

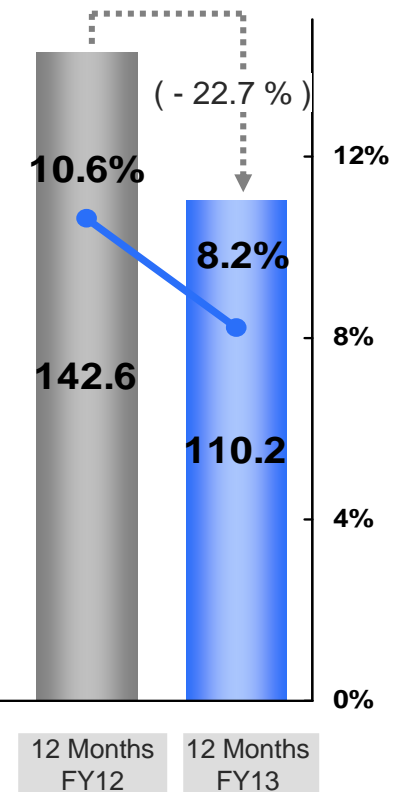
Operating Margin —
Operating Income ■

Yen (billion)



(+ 4.7 %)
Currency Effect + 25.6
(Revenue from sales to external customers)

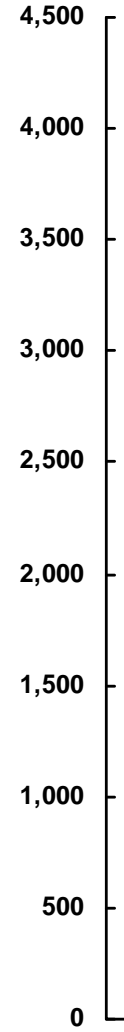
(- 0.7 %)
Currency Effect - 54.5
(Revenue from sales to external customers)



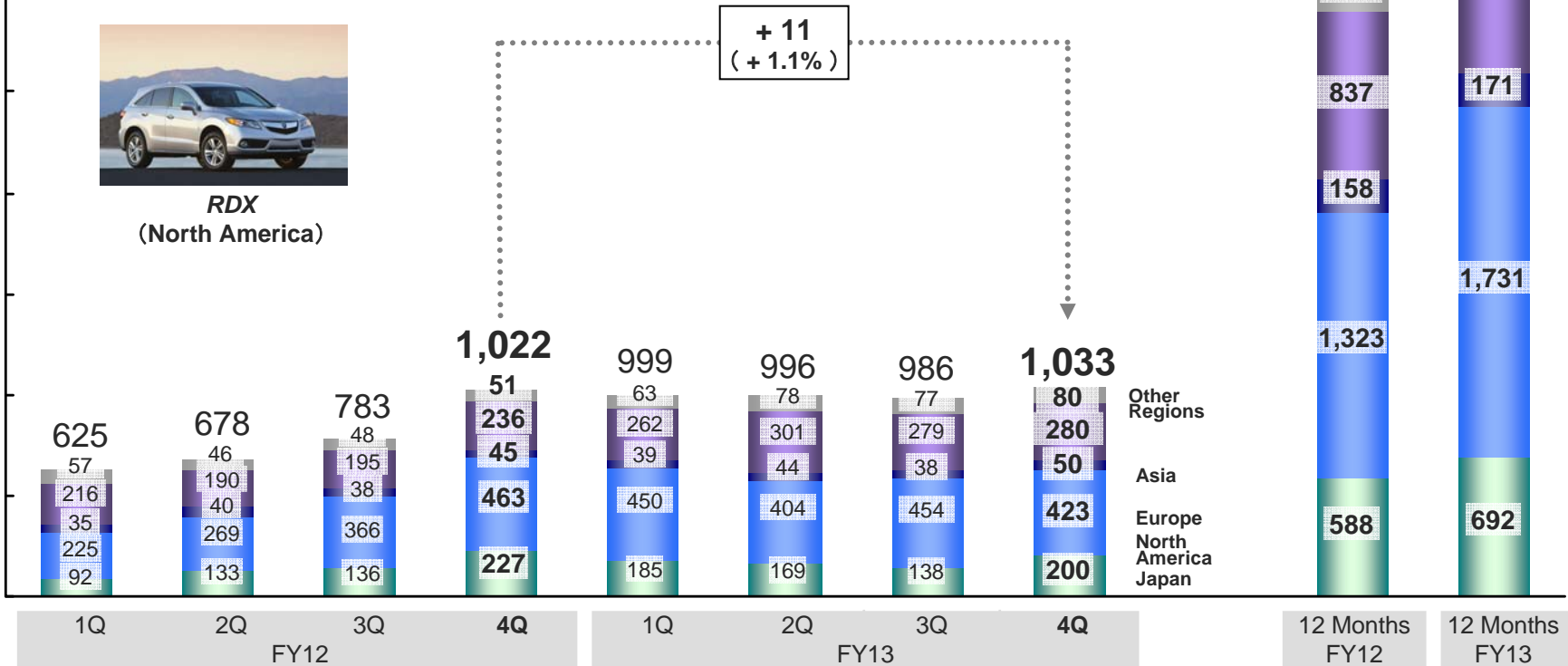
Automobile Honda Group Unit Sales

| Unit (thousand) | FY13 4Q | Change from FY12 4Q | Major increase / decrease factors |
|-----------------|--------------|---------------------|--|
| Japan | 200 | - 27 | - Increased sales of <i>N BOX</i> , positive impact of <i>N BOX+</i> , <i>N-ONE</i> introductions - Increased sales of <i>STEP WGN</i> - Decreased sales of <i>FIT SHUTTLE</i> and <i>LIFE</i> |
| North America | 423 | - 40 | - U.S.: Increased sales of <i>RDX</i> - U.S.: Decreased sales of <i>CR-V</i> and <i>MDX</i> |
| Europe | 50 | + 5 | - Increased sales of <i>CIVIC</i> with 1.6L diesel engine in England - Increased sales of <i>CR-V</i> in England, France, Spain and Italy |
| Asia | 280 | + 44 | - Recovery from impact of the Thai flood - Thailand: Positive impact of <i>BRIO AMAZE</i> introduction - China: Decrease in sales |
| Other Regions | 80 | + 29 | - Brazil: Increased sales of <i>CIVIC</i> , <i>FIT</i> and <i>CITY</i> models - Australia: Increased sales of <i>CIVIC</i> and <i>CR-V</i> models |
| Total | 1,033 | + 11 | |

Unit (thousand)

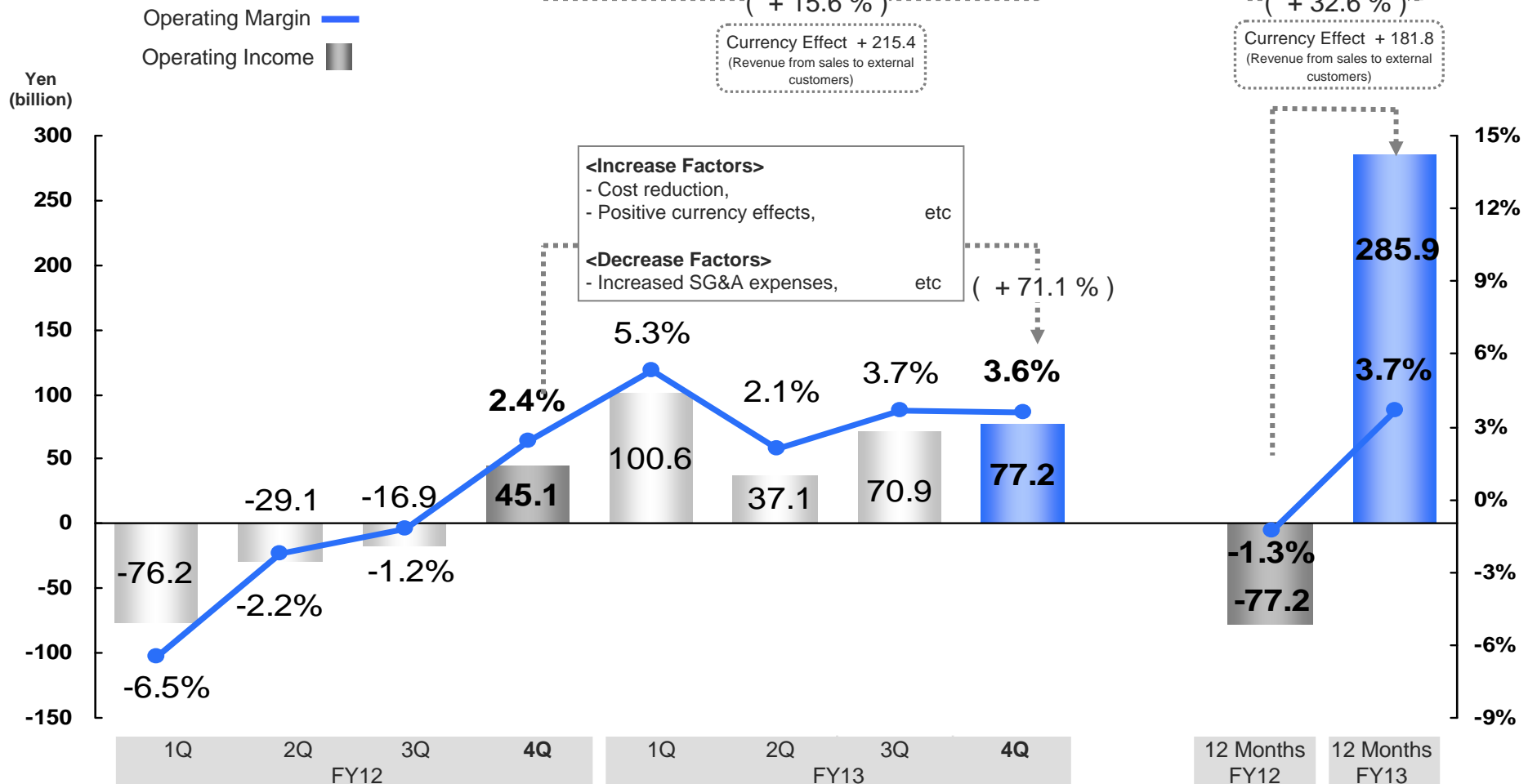


RDX
(North America)



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

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



Power Products Honda Group Unit Sales

| Unit (thousand) | FY13 4Q | Change from FY12 4Q | Major increase / decrease factors |
|-----------------|--------------|---------------------|--|
| Japan | 81 | - 8 | - Positive impact of HRE330/370 lawnmower model introductions - Decreased OEM sales of GX engine due to lower demand for generators |
| North America | 984 | 14 | - Increased OEM sales of GC/GCV engines for lawn mowers, high-pressure washers - Increased sales of generator models due to gradual recovery of U.S. leisure market |
| Europe | 412 | - 2 | - Increased sales of GX engine - Decreased sales of small tillers, small generators and outboard motors due to sovereign debt crisis |
| Asia | 348 | - 46 | - Increased OEM sales of GX engine for generators - India: Decreases sales of pumps due to reduction of subsidy |
| Other Regions | 138 | - 5 | - Middle East: Decreased sales of pumps and engines |
| Total | 1,963 | - 47 | |

Unit (thousand)

5,000

4,000

3,000

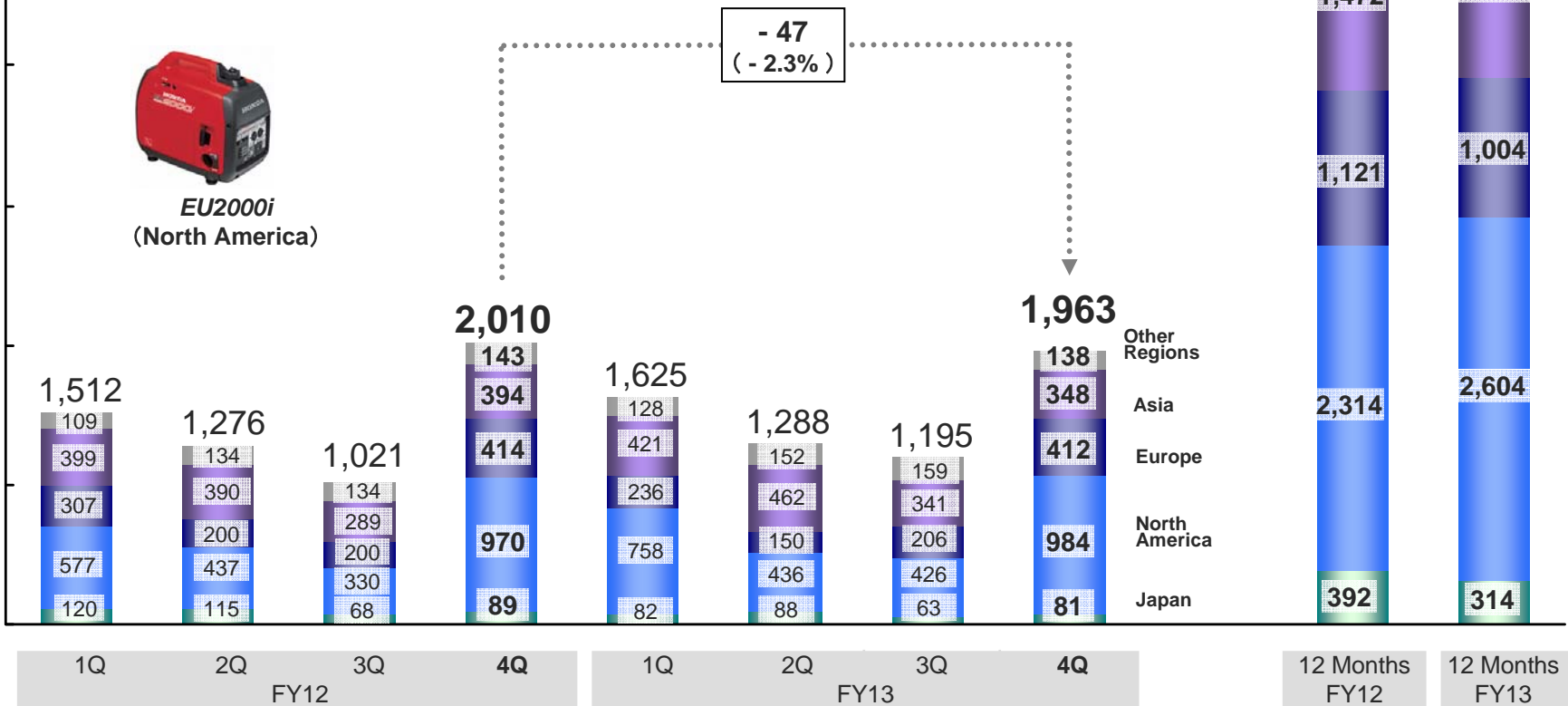
2,000

1,000

0



EU2000i
(North America)



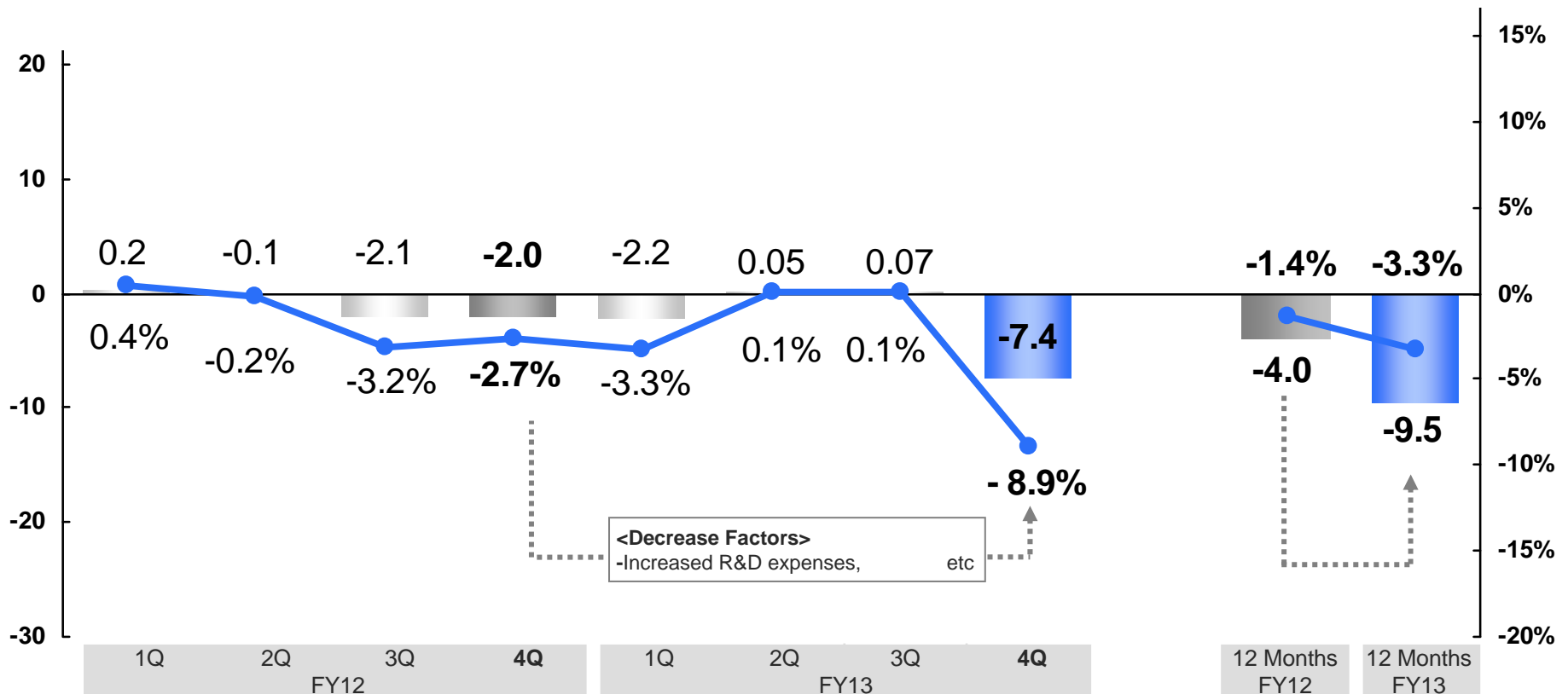
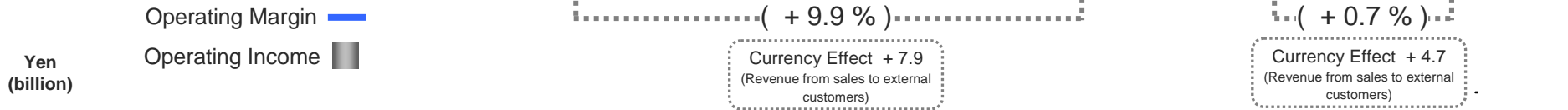
+ 252
(+ 4.3%)

- 47
(- 2.3%)

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

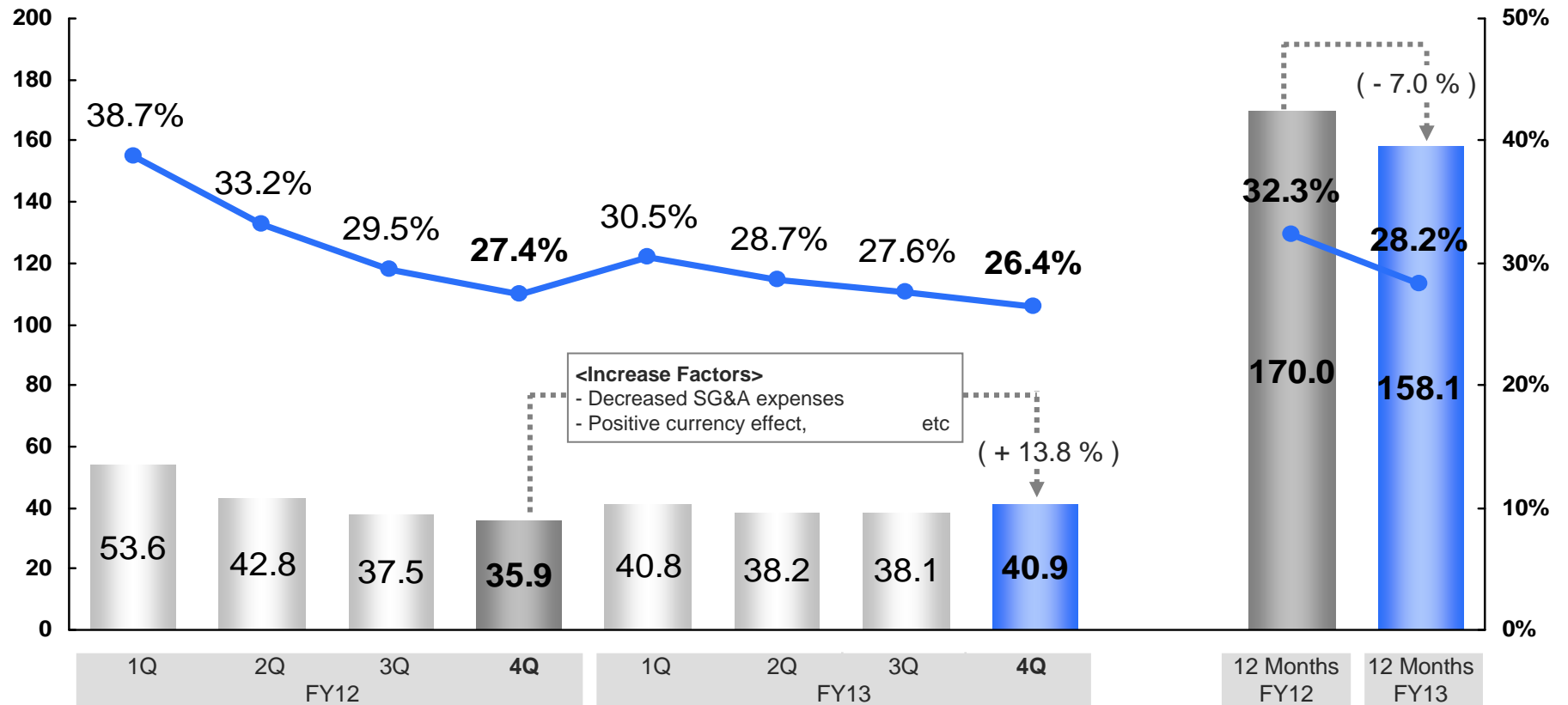
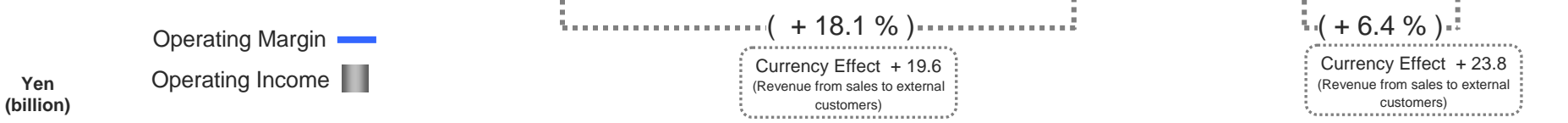
| | FY12 | | | | FY13 | | | |
|--|-------|-------|-------|--------------|-------|-------|-------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Honda Group Unit Sales (Consolidated Unit Sales) | 1,512 | 1,276 | 1,021 | 2,010 | 1,625 | 1,288 | 1,195 | 1,963 |
| Net Sales | 73.9 | 72.1 |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

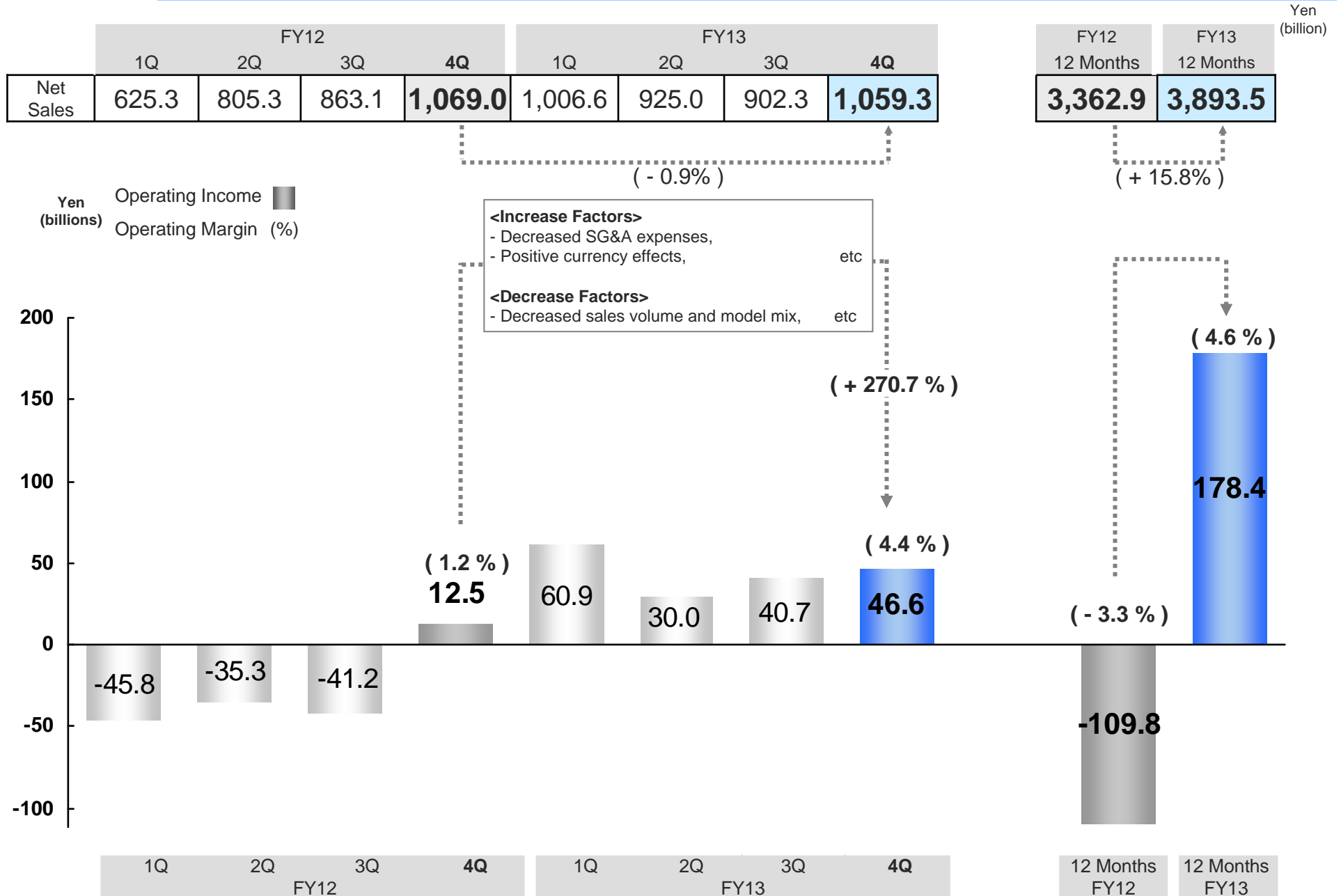
| | FY12 12 Months | FY13 12 Months |
|-------------------------|----------------|----------------|
| Unit Sales (thousand) | 5,819 | 6,071 |
| Net Sales (billion Yen) | 289.7 | 291.6 |



Financial Services Business Total Assets/Net Sales/Operating Income (Margin)

| | FY12 | | | | FY13 | | | | FY12 | | FY13 | |
|--------------------------------------|---------|---------|---------|----------------|---------|---------|---------|----------------|--------------|--------------|---------------|--|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 12 Months | 12 Months | Yen (billion) | |
| Total Assets of Finance Subsidiaries | 5,445.7 | 5,169.2 | 5,290.5 | 5,644.3 | 5,576.6 | 5,577.7 | 6,197.2 | 6,765.3 | | | | |
| Net Sales | 138.6 | 129.1 | 127.5 | 131.2 | 134.0 | 133.1 | 138.1 | 154.9 | 526.5 | 560.2 | | |




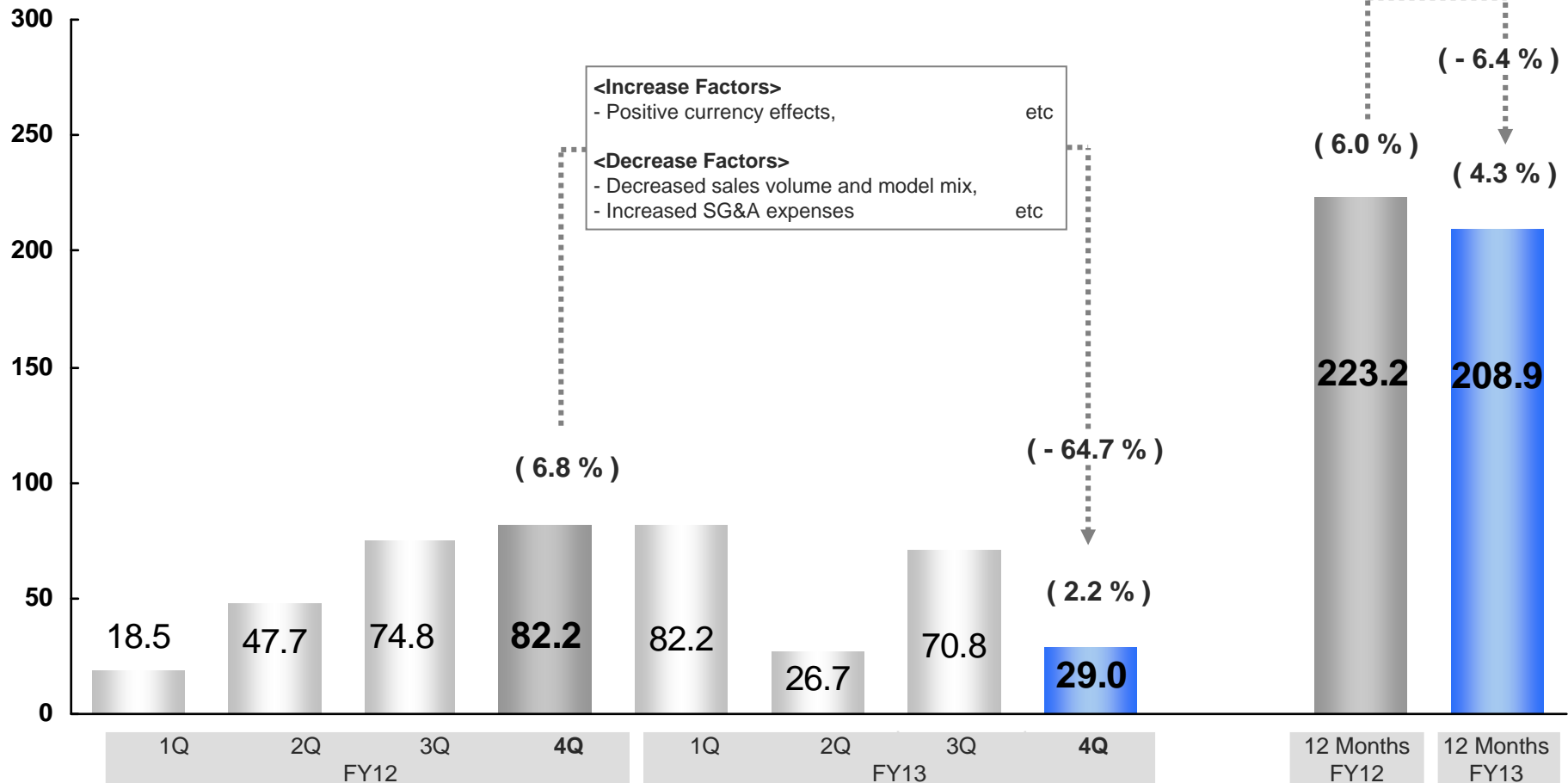


| | FY12 | | | | FY13 | | | | FY12 | | FY13 | |
|-----------|-------|-------|-------|----------------|---------|---------|---------|----------------|----------------|----------------|---------------|--|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 12 Months | 12 Months | Yen (billion) | |
| Net Sales | 733.9 | 794.1 | 986.2 | 1,200.3 | 1,214.7 | 1,054.7 | 1,245.8 | 1,341.7 | 3,714.7 | 4,857.1 | | |

(+ 11.8 %)

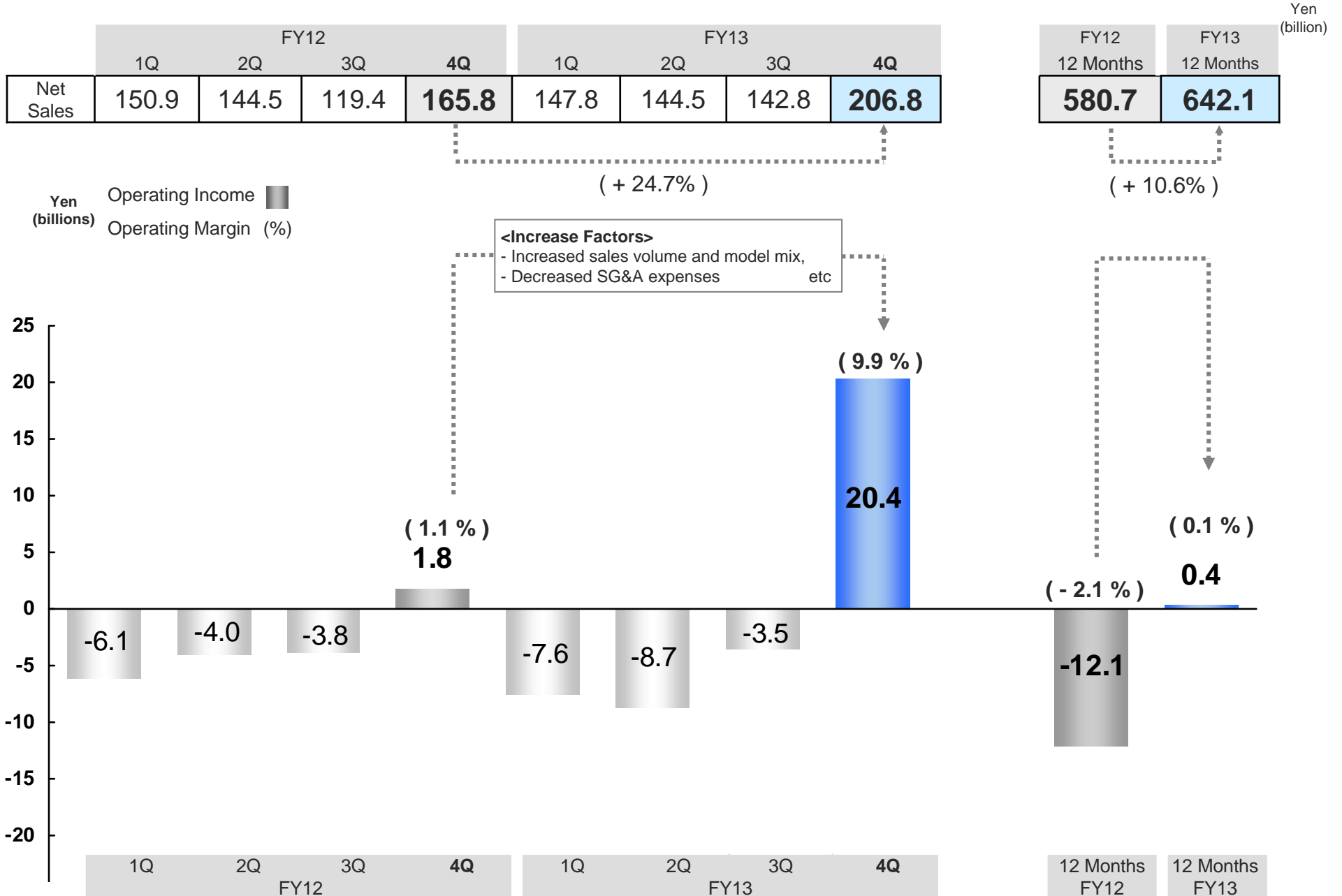
(+ 30.8 %)

Yen (billions) Operating Income 
Operating Margin (%)



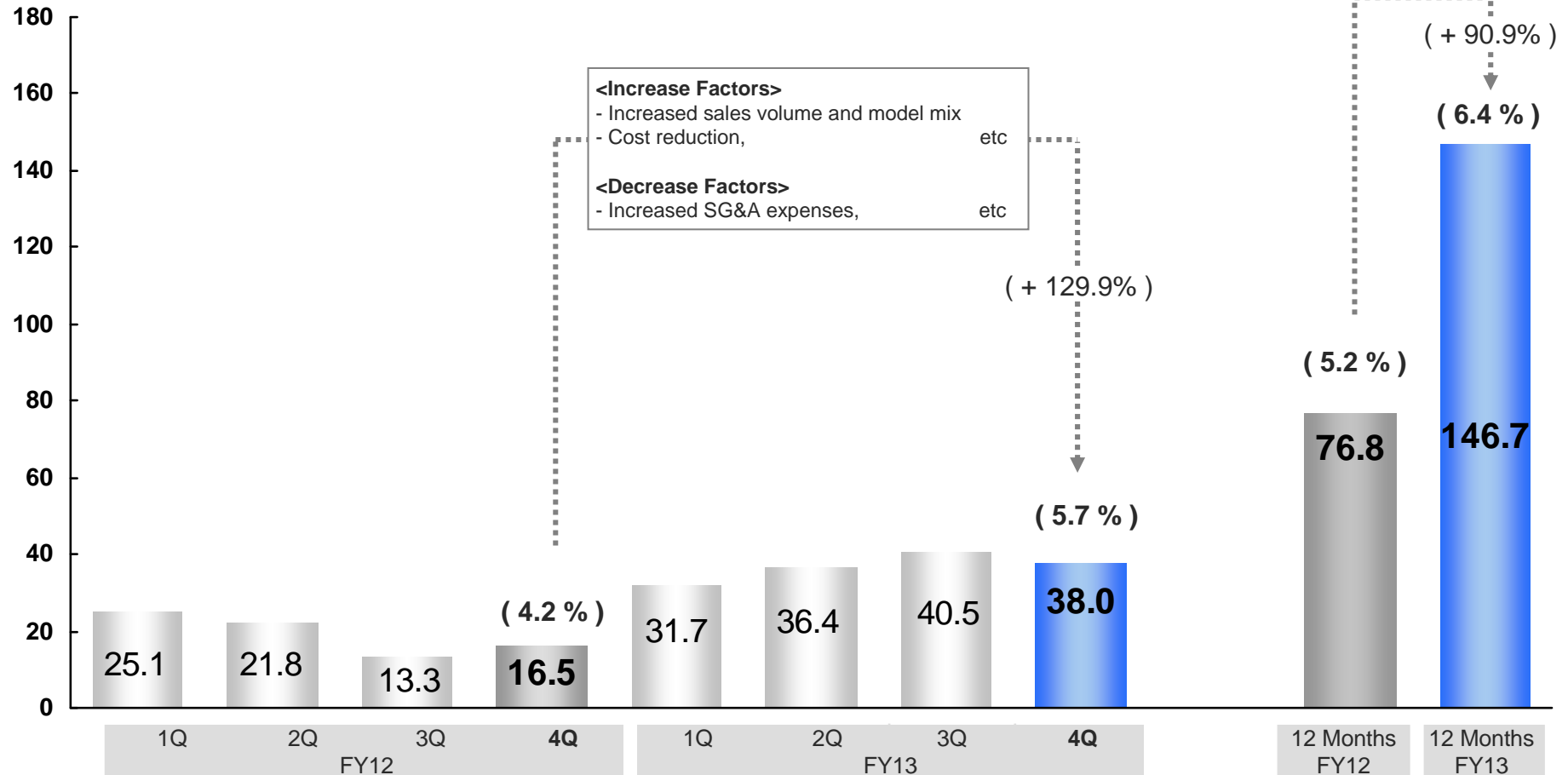
Europe

Net Sales/Operating Income (Margin)



| Net Sales | FY12 | | | | FY13 | | | | FY12 12 Months | FY13 12 Months |
|-----------|-----------|-------|-------|--------------|-------|-------|-------|--------------|-------------------|-------------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | |
| | 373.4 | 407.7 | 317.6 | 391.5 | 512.8 | 539.4 | 587.4 | 665.9 | 1,490.4 | 2,305.6 |
| | (+ 70.1%) | | | | | | | | (+ 54.7%) | |

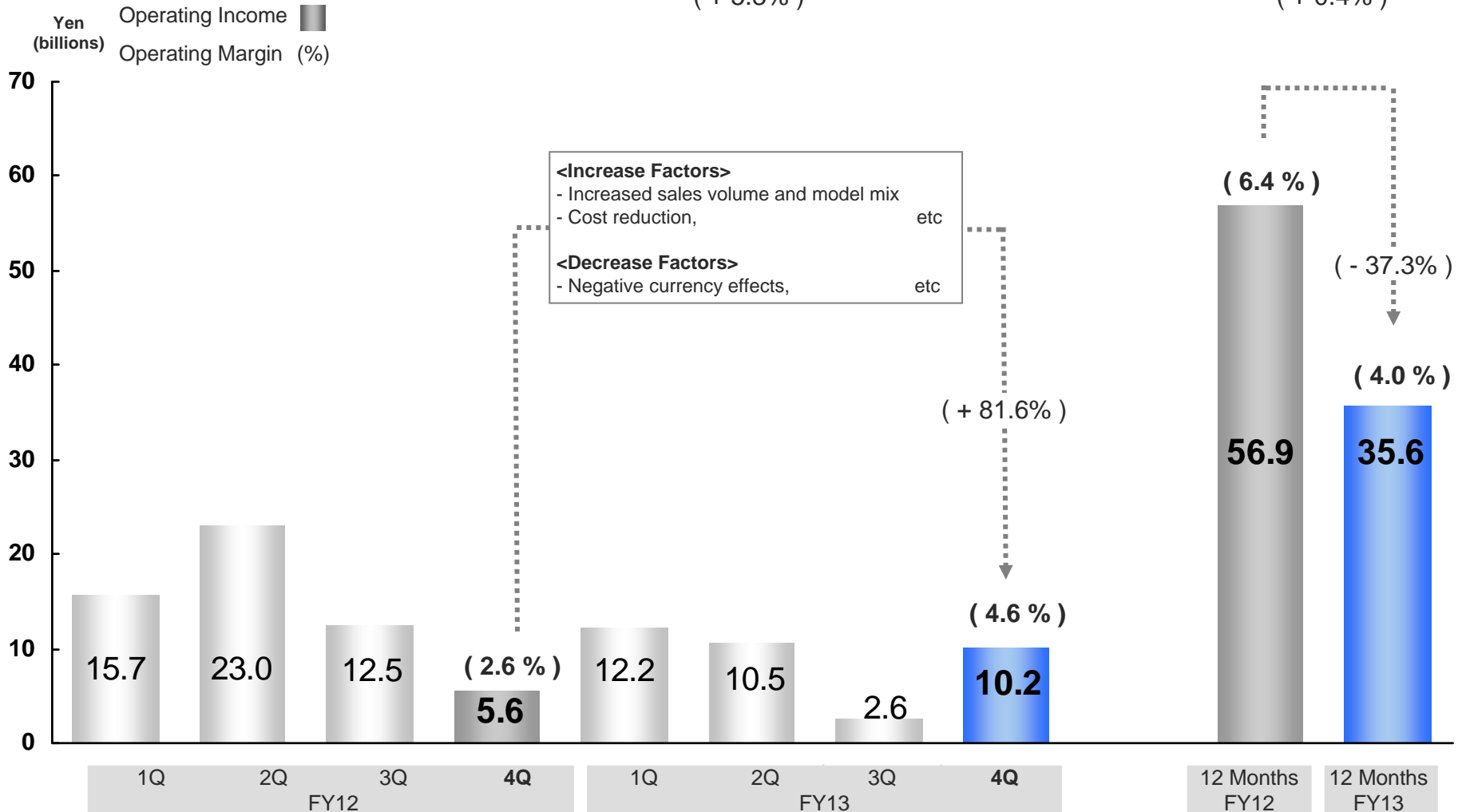
Yen (billions) Operating Income (■)
Operating Margin (%)



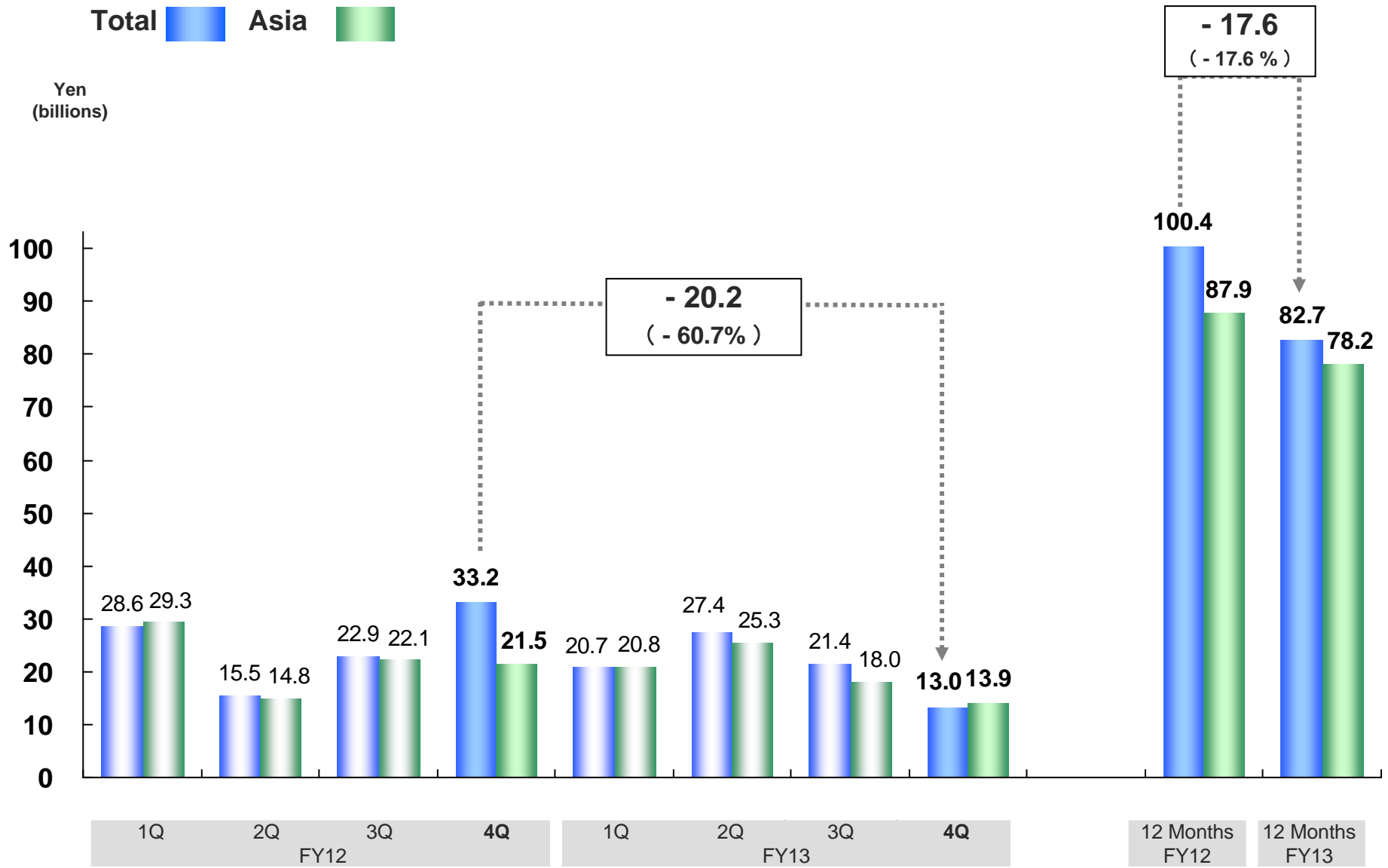
Other Regions

Net Sales/Operating Income (Margin)

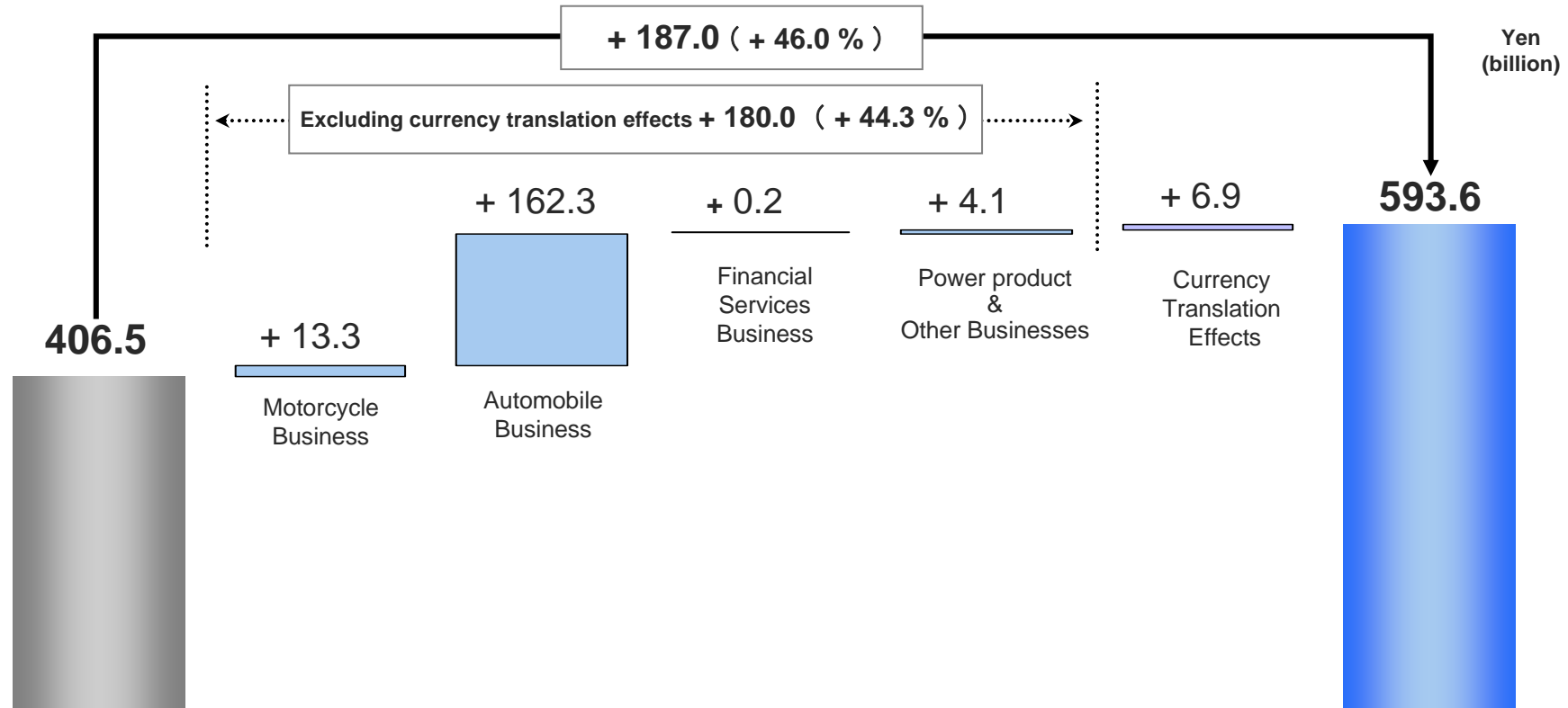
| Net Sales | FY12 | | | | FY13 | | | | FY12 12 Months | FY13 12 Months |
|-----------|----------|-------|-------|--------------|-------|-------|-------|--------------|-------------------|-------------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | |
| | 229.9 | 244.3 | 206.1 | 212.6 | 220.3 | 229.6 | 222.5 | 223.9 | 893.1 | 896.4 |
| | (+ 5.3%) | | | | | | | | (+ 0.4%) | |



Change in Equity in income of affiliates



Consolidated Capital Expenditures <FY13 Twelve Months>



FY12 Twelve Months

Market average rates
US\$ 1= JPY 79
Euro 1= JPY 109

Yen (billions)

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

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

FY13 Twelve Months

Market average rates
US\$ 1= JPY 83 (Yen down by 4 yen)
Euro 1= JPY 107 (Yen up by 2 yen)
Yen (billions)

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

FY13 Financial Results & FY14 Financial Forecasts

Tetsuo Iwamura

Executive Vice President

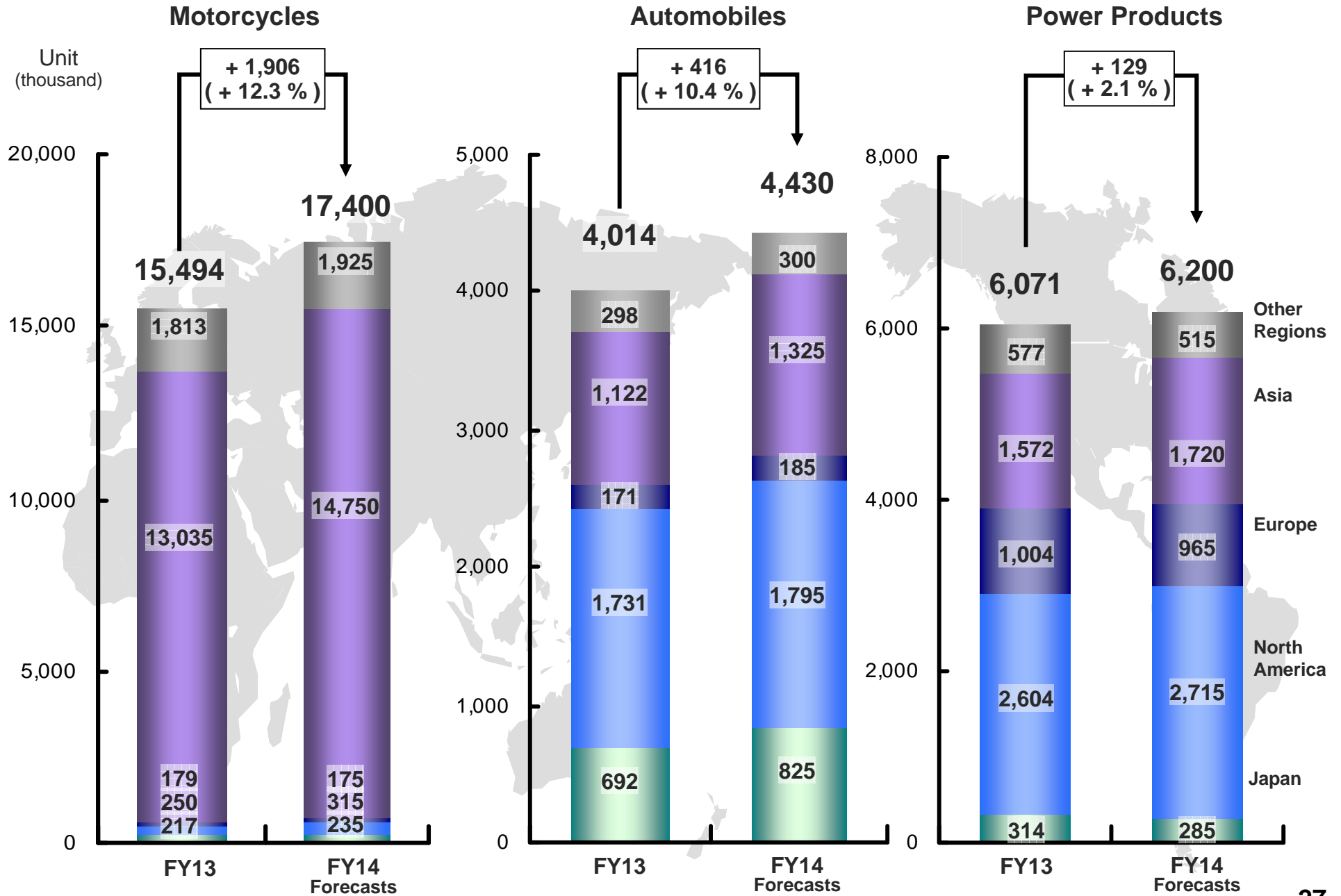
- *FY13 Financial Results*
- *FY14 Financial Forecasts*
- *Dividend*

Kohei Takeuchi

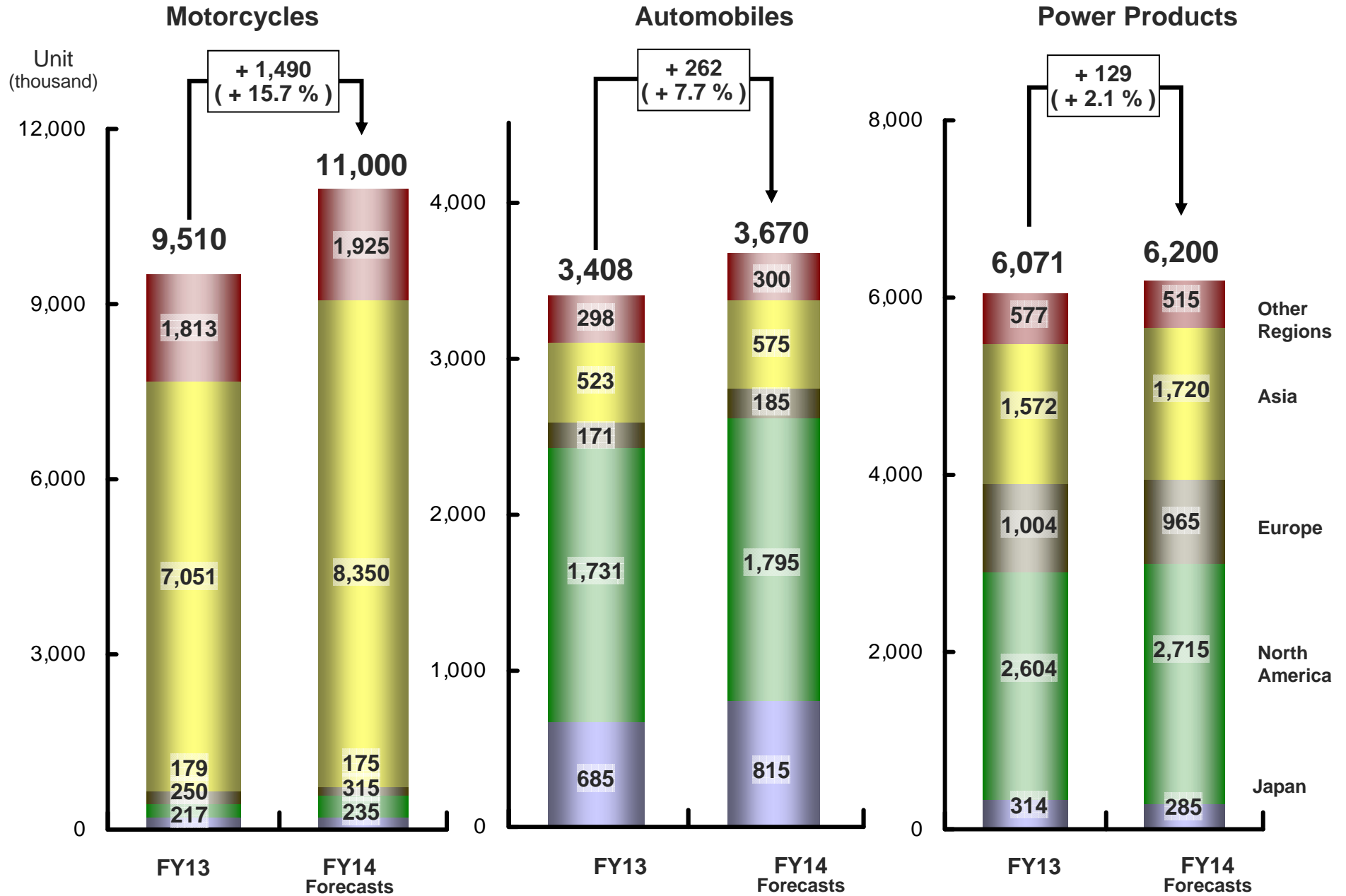
Chief Financial Officer

- *FY13 Consolidated Financial Results*
 - 4th Quarter Consolidated Financial Results*
 - Net Sales and Other Operating Revenue*
 - Change in Income before Income Taxes*
 - Business Segment Information*
 - Geographical Information*
 - Change in Equity in Income of Affiliates*
 - Consolidated Capital Expenditures*
- *FY14 Financial Forecasts*

Forecast: Honda Group Unit Sales



Forecast: Consolidated Unit Sales



FY14 Financial Forecasts (Consolidated)

Yen (billion)

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

Note : Shares which EPS calculation is based on:

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

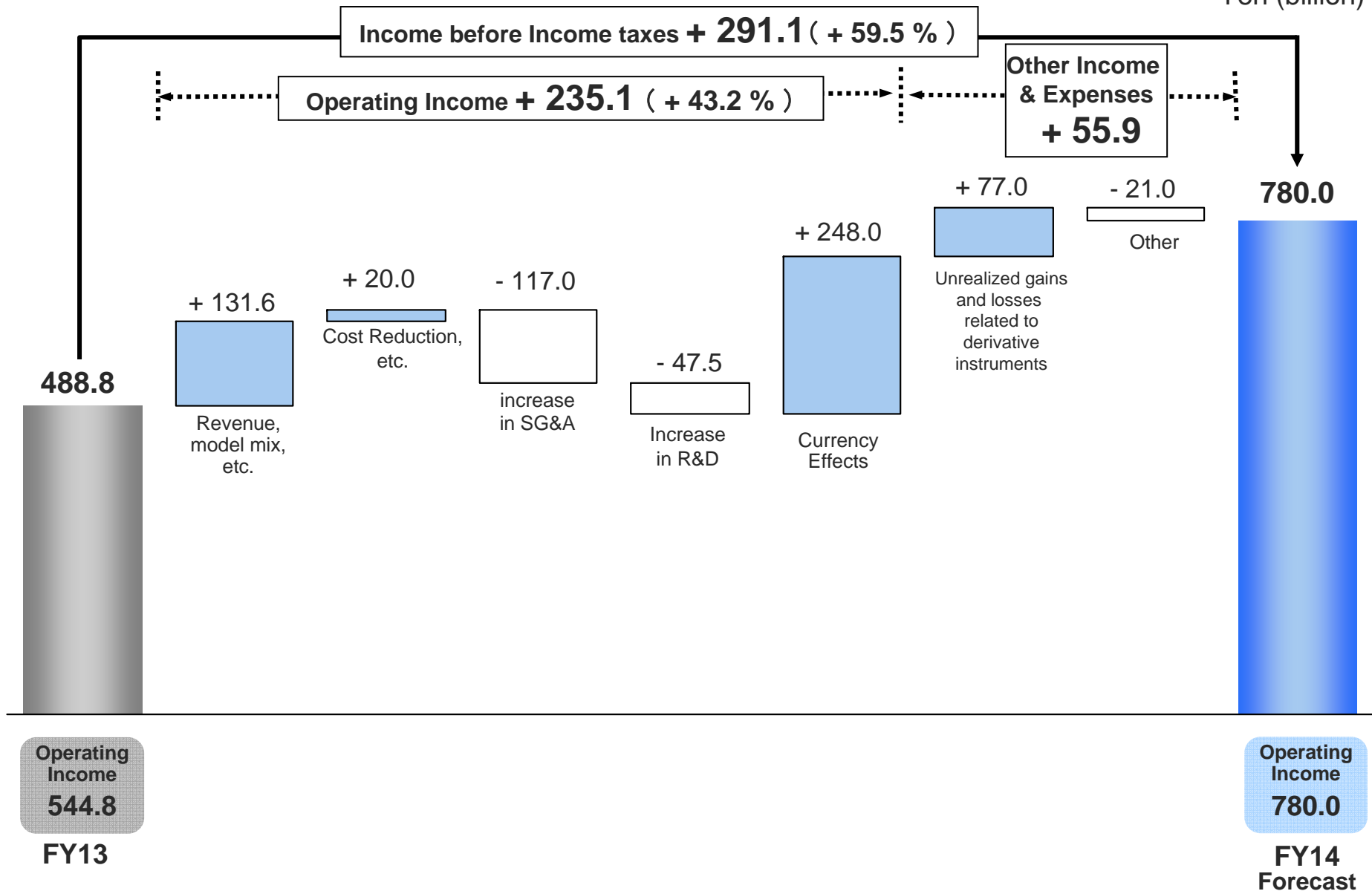
 approx.
 1,802,297,000 shares
 (weighted average number of shares outstanding)

Average Rates (Yen)

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

Forecast: Change in Income before Income Taxes

Yen (billion)



Forecast: Capital Expenditures, Depreciation, R&D Expenses

Yen
(billion)

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

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

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

Caution with Respect to Forward-Looking Statements:

This slide contains forward-looking statements about the performance of Honda, which are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time.

Accounting standards:

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

Notice on the Factors for Increases and Decreases in Income:

With respect to the discussion above of the change in operating income, management has identified the factors set forth below and used what it believes to be a reasonable method to analyze the respective changes in such factors. Each of these factors is explained below. Management has analyzed changes in these factors at the levels of the Company and its material consolidated subsidiaries.

(1) "Foreign currency effects" consist of translation adjustments, which come from the translation of the currency of foreign subsidiaries' financial statements into Japanese Yen, and foreign currency adjustments, which result from foreign-currency-denominated sales, which, at the levels of the Company and those consolidated subsidiaries which have been analyzed, primarily relate to the following currencies: U.S. dollar, Canada dollar, Euro, GBP, BRL and Japanese Yen.

(2) With respect to "cost reduction and effects of raw material cost fluctuations", management has analyzed cost reduction and effects of raw material cost fluctuations at the levels of the Company and its material foreign manufacturing subsidiaries in North America, Europe and other regions.

(3) With respect to "changes in net sales and model mix", management has analyzed changes in sales volume and in the mix of product models sold in major markets which have resulted in increases/decreases in profit, as well as certain other reasons for increases/decreases in net sales and cost of sales.

(4) With respect to "selling, general and administrative expenses", management has analyzed reasons for an increase/decrease in selling, general and administrative expenses from the previous fiscal year net of currency translation effects.

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

(Exhibit 1)

Yen
(billion)

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

Yen
(billion)

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

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

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