

February 9, 2021

**HONDA MOTOR CO., LTD. REPORTS
CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL THIRD QUARTER AND
THE FISCAL NINE-MONTH PERIOD ENDED DECEMBER 31, 2020**

Tokyo, February 9, 2021--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal third quarter and the fiscal nine-month period ended December 31, 2020.

Nine Months Results

While the global economy which had slowed down due to the spread of coronavirus disease 2019 (COVID-19) has been on a recovery track, it has still affected Honda's consolidated financial results for the nine months ended December 31, 2020.

Resulting from travel restriction measures by government, Honda's production bases in Japan and overseas were also affected by suspended or reduced production mainly due to restrictions on employees' commute to the workplaces and delays in the supply of parts within the supply chain. Some dealers in Japan and overseas were obliged to suspend business, shorten business hours, or reduce services such as inspections and repairs. As of the date of this report, Honda has been largely resuming its business activities and there is no significant impact on its businesses in major countries or regions.

Honda's consolidated sales revenue for the nine months ended December 31, 2020 decreased by 16.8%, to JPY 9,546.7 billion from the same period last year, due mainly to decreased sales revenue in all business operations. Operating profit decreased by 30.1%, to JPY 447.0 billion from the same period last year, due mainly to a decrease in profit attributable to decreased sales revenue and model mix, which was partially offset by decreased selling, general and administrative expenses as well as continuing cost reduction. Profit before income taxes decreased by 16.2%, to JPY 658.7 billion from the same period last year. Profit for the period attributable to owners of the parent decreased by 8.5%, to JPY 444.1 billion from the same period last year.

Earnings per share attributable to owners of the parent for the period amounted to JPY 257.21, a decrease of JPY 18.92 from the corresponding period last year. One Honda American Depository Share represents one common share.

Third Quarter Results

Consolidated sales revenue for the three months ended December 31, 2020 increased by 0.6%, to JPY 3,771.5 billion from the same period last year, due mainly to increased sales revenue in Automobile business and Financial services business operations, which was partially offset by decreased sales revenue in Motorcycle business operations as well as negative foreign currency translation effects. Operating profit increased by 66.7%, to JPY 277.7 billion from the same period last year, due mainly to decreased R&D expenses as well as continuing cost reduction, which was partially offset by increased selling, general and administrative expenses as well as negative foreign currency effects. Profit before income taxes increased by 86.9%, to JPY 386.4 billion from the same period last year. Profit for the period attributable to owners of the parent increased by 144.0%, to JPY 284.0 billion from the same period last year.

Earnings per share attributable to owners of the parent for the period amounted to JPY 164.51, an increase of JPY 98.14 from the corresponding period last year.

Consolidated Statements of Financial Position for the Fiscal Nine Months Ended December 31, 2020

Total assets increased by JPY 318.7 billion, to JPY 20,780.2 billion from March 31, 2020 due mainly to an increase in cash and cash equivalents, equipment on operating leases as well as other financial assets, which was partially offset by negative foreign currency translation effects. Total liabilities increased by JPY 28.7 billion, to JPY 12,204.1 billion from March 31, 2020 due mainly to increased financing liabilities, which was partially offset by negative foreign currency translation effects. Total equity increased by JPY 290.0 billion, to JPY 8,576.0 billion from March 31, 2020 due mainly to increased retained earnings attributable to profit for the period, which was partially offset by negative foreign currency translation effects.

Consolidated Statements of Cash Flows for the Fiscal Nine Months Ended December 31, 2020

Consolidated cash and cash equivalents on December 31, 2020 increased by JPY 200.9 billion from March 31, 2020, to JPY 2,873.2 billion. The reasons for the increases or decreases for each cash flow activity, when compared with the same period last year, are as follows:

Net cash provided by operating activities amounted to JPY 826.1 billion of cash inflows. Cash inflows from operating activities increased by JPY 220.7 billion from the same period last year, due mainly to decreased payments for parts and raw materials, which was partially offset by decreased cash received from customers.

Net cash used in investing activities amounted to JPY 663.6 billion of cash outflows. Cash outflows from investing activities increased by JPY 227.6 billion from the same period last year, due mainly to increased payments for acquisitions of investments accounted for using the equity method as well as decreased proceeds from sales and redemptions of other financial assets.

Net cash provided by financing activities amounted to JPY 81.5 billion of cash inflows. Cash inflows from financing activities increased by JPY 281.6 billion from the same period last year, due mainly to increased proceeds from financing liabilities.

Forecasts for the Fiscal Year Ending March 31, 2021

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2021, Honda projects consolidated results to be as shown below:

Fiscal year ending March 31, 2021	<u>Yen (billions)</u>	<u>Changes from FY 2020</u>
Sales revenue	12,950.0	-13.3%
Operating profit	520.0	-17.9%
Profit before income taxes	745.0	-5.7%
Profit for the year	500.0	-1.9%
Profit for the year attributable to owners of the parent	465.0	+2.0%

	<u>Yen</u>
Earnings per share attributable to owners of the parent	
Basic and diluted	269.31

Note: The forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar will be JPY 105 for the full year ending March 31, 2021.

The reasons for the increases or decreases in the forecasts of the operating profit, and profit before income taxes for the fiscal year ending March 31, 2021 from the previous year are as follows.

	<u>Yen (billions)</u>
Revenue, model mix, etc.	- 418.6
Cost reduction, the effect of raw material cost fluctuations, etc.	+ 117.0
SG&A expenses	+ 211.0
R&D expenses	+ 46.0
Currency effect	- 69.0
<u>Operating profit compared with fiscal year ended March 31, 2020</u>	<u>- 113.6</u>
Share of profit of investments accounted for using the equity method	+ 70.7
Finance income and finance costs	- 2.0
<u>Profit before income taxes compared with fiscal year ended March 31, 2020</u>	<u>- 44.9</u>

Dividend per Share of Common Stock

Fiscal third quarter dividend is JPY 26 per share of common stock. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2021, is JPY 82 per share.

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 the actual results of the Company could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in the principal markets of the Company, its consolidated subsidiaries and its affiliates accounted for by the equity-method, and fluctuation of foreign exchange rates, as well as other factors detailed from time to time. The various factors for increases and decreases in profit have been classified in accordance with a method that Honda considers reasonable.

[1] Condensed Consolidated Statements of Financial Position

March 31, 2020 and December 31, 2020

		Yen (millions)	
		Mar. 31, 2020	Dec. 31, 2020
Assets			
Current assets:			
Cash and cash equivalents		2,672,353	2,873,289
Trade receivables		633,909	639,755
Receivables from financial services		1,878,358	1,684,526
Other financial assets		190,053	352,123
Inventories		1,560,568	1,448,639
Other current assets		365,769	361,229
Total current assets		<u>7,301,010</u>	<u>7,359,561</u>
Non-current assets:			
Investments accounted for using the equity method		655,475	804,181
Receivables from financial services		3,282,807	3,340,466
Other financial assets		441,724	626,746
Equipment on operating leases		4,626,063	4,603,672
Property, plant and equipment		3,051,704	2,921,098
Intangible assets		760,434	807,739
Deferred tax assets		132,553	86,318
Other non-current assets		209,695	230,422
Total non-current assets		<u>13,160,455</u>	<u>13,420,642</u>
Total assets		<u><u>20,461,465</u></u>	<u><u>20,780,203</u></u>
Liabilities and Equity			
Current liabilities:			
Trade payables		958,469	959,136
Financing liabilities		3,248,457	3,323,459
Accrued expenses		449,716	369,960
Other financial liabilities		209,065	169,775
Income taxes payable		43,759	45,945
Provisions		287,175	311,461
Other current liabilities		593,447	545,940
Total current liabilities		<u>5,790,088</u>	<u>5,725,676</u>
Non-current liabilities:			
Financing liabilities		4,221,229	4,305,653
Other financial liabilities		303,570	286,330
Retirement benefit liabilities		578,909	570,174
Provisions		238,439	264,109
Deferred tax liabilities		698,868	712,612
Other non-current liabilities		344,339	339,597
Total non-current liabilities		<u>6,385,354</u>	<u>6,478,475</u>
Total liabilities		<u>12,175,442</u>	<u>12,204,151</u>
Equity:			
Common stock		86,067	86,067
Capital surplus		171,823	172,026
Treasury stock		(273,940)	(273,820)
Retained earnings		8,142,948	8,487,222
Other components of equity		(114,639)	(164,892)
Equity attributable to owners of the parent		<u>8,012,259</u>	<u>8,306,603</u>
Non-controlling interests		273,764	269,449
Total equity		<u>8,286,023</u>	<u>8,576,052</u>
Total liabilities and equity		<u><u>20,461,465</u></u>	<u><u>20,780,203</u></u>

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

Condensed Consolidated Statements of Income

For the nine months ended December 31, 2019 and 2020

	Yen (millions)	
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Sales revenue	11,472,949	9,546,713
Operating costs and expenses:		
Cost of sales	(9,090,126)	(7,594,521)
Selling, general and administrative	(1,163,591)	(1,004,211)
Research and development	(579,978)	(500,981)
Total operating costs and expenses	<u>(10,833,695)</u>	<u>(9,099,713)</u>
Operating profit	<u>639,254</u>	<u>447,000</u>
Share of profit of investments accounted for using the equity method	149,731	204,570
Finance income and finance costs:		
Interest income	38,565	13,572
Interest expense	(15,125)	(8,563)
Other, net	<u>(26,257)</u>	<u>2,128</u>
Total finance income and finance costs	<u>(2,817)</u>	<u>7,137</u>
Profit before income taxes	786,168	658,707
Income tax expense	<u>(254,713)</u>	<u>(186,809)</u>
Profit for the period	<u>531,455</u>	<u>471,898</u>
Profit for the period attributable to:		
Owners of the parent	485,288	444,102
Non-controlling interests	46,167	27,796
	Yen	
Earnings per share attributable to owners of the parent		
Basic and diluted	276.13	257.21

Condensed Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2019 and 2020

	Yen (millions)	
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Profit for the period	531,455	471,898
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	—	—
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	3,337	64,000
Share of other comprehensive income of investments accounted for using the equity method	704	613
Items that may be reclassified subsequently to profit or loss		
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	99	127
Exchange differences on translating foreign operations	(90,608)	(114,008)
Share of other comprehensive income of investments accounted for using the equity method	(23,331)	5,772
Total other comprehensive income, net of tax	(109,799)	(43,496)
Comprehensive income for the period	421,656	428,402
Comprehensive income for the period attributable to:		
Owners of the parent	378,667	394,202
Non-controlling interests	42,989	34,200

Condensed Consolidated Statements of Income

For the three months ended December 31, 2019 and 2020

	Yen (millions)	
	Three months ended Dec. 31, 2019	Three months ended Dec. 31, 2020
Sales revenue	3,747,593	3,771,569
Operating costs and expenses:		
Cost of sales	(2,966,552)	(2,940,964)
Selling, general and administrative	(379,648)	(381,019)
Research and development	(234,744)	(171,851)
Total operating costs and expenses	(3,580,944)	(3,493,834)
Operating profit	166,649	277,735
Share of profit of investments accounted for using the equity method	41,552	102,274
Finance income and finance costs:		
Interest income	12,305	4,695
Interest expense	(7,530)	(2,014)
Other, net	(6,243)	3,733
Total finance income and finance costs	(1,468)	6,414
Profit before income taxes	206,733	386,423
Income tax expense	(75,043)	(87,094)
Profit for the period	131,690	299,329
Profit for the period attributable to:		
Owners of the parent	116,432	284,051
Non-controlling interests	15,258	15,278
	Yen	
Earnings per share attributable to owners of the parent		
Basic and diluted	66.37	164.51

Condensed Consolidated Statements of Comprehensive Income

For the three months ended December 31, 2019 and 2020

	Yen (millions)	
	Three months ended Dec. 31, 2019	Three months ended Dec. 31, 2020
Profit for the period	131,690	299,329
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	—	—
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	8,030	45,754
Share of other comprehensive income of investments accounted for using the equity method	1,308	1,040
Items that may be reclassified subsequently to profit or loss		
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	(65)	13
Exchange differences on translating foreign operations	77,102	(36,418)
Share of other comprehensive income of investments accounted for using the equity method	8,240	5,297
Total other comprehensive income, net of tax	94,615	15,686
Comprehensive income for the period	226,305	315,015
Comprehensive income for the period attributable to:		
Owners of the parent	205,575	296,866
Non-controlling interests	20,730	18,149

[3] Condensed Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2019

	Yen (millions)							
	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
Balance as of April 1, 2019	86,067	171,460	(177,827)	7,973,637	214,383	8,267,720	298,070	8,565,790
Comprehensive income for the period								
Profit for the period				485,288		485,288	46,167	531,455
Other comprehensive income, net of tax					(106,621)	(106,621)	(3,178)	(109,799)
Total comprehensive income for the period				485,288	(106,621)	378,667	42,989	421,656
Reclassification to retained earnings				(40)	40	—		—
Transactions with owners and other								
Dividends paid				(147,863)		(147,863)	(54,987)	(202,850)
Purchases of treasury stock				(39,475)		(39,475)		(39,475)
Disposal of treasury stock				79		79		79
Share-based payment transactions		330				330		330
Equity transactions and others							(3,049)	(3,049)
Total transactions with owners and other		330	(39,396)	(147,863)		(186,929)	(58,036)	(244,965)
Other changes				1,775		1,775		1,775
Balance as of December 31, 2019	86,067	171,790	(217,223)	8,312,797	107,802	8,461,233	283,023	8,744,256

For the nine months ended December 31, 2020

	Yen (millions)							
	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
Balance as of April 1, 2020	86,067	171,823	(273,940)	8,142,948	(114,639)	8,012,259	273,764	8,286,023
Comprehensive income for the period								
Profit for the period				444,102		444,102	27,796	471,898
Other comprehensive income, net of tax					(49,900)	(49,900)	6,404	(43,496)
Total comprehensive income for the period				444,102	(49,900)	394,202	34,200	428,402
Reclassification to retained earnings				353	(353)	—		—
Transactions with owners and other								
Dividends paid				(100,181)		(100,181)	(40,766)	(140,947)
Purchases of treasury stock				(4)		(4)		(4)
Disposal of treasury stock				124		124		124
Share-based payment transactions		203				203		203
Equity transactions and others							2,251	2,251
Total transactions with owners and other		203	120	(100,181)		(99,858)	(38,515)	(138,373)
Balance as of December 31, 2020	86,067	172,026	(273,820)	8,487,222	(164,892)	8,306,603	269,449	8,576,052

[4] Condensed Consolidated Statements of Cash Flows

For the nine months ended December 31, 2019 and 2020

	Yen (millions)	
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Cash flows from operating activities:		
Profit before income taxes	786,168	658,707
Depreciation, amortization and impairment losses excluding equipment on operating leases	529,727	444,545
Share of profit of investments accounted for using the equity method	(149,731)	(204,570)
Finance income and finance costs, net	(36,878)	52,741
Interest income and interest costs from financial services, net	(98,250)	(99,425)
Changes in assets and liabilities		
Trade receivables	144,006	6,927
Inventories	(14,088)	88,067
Trade payables	(208,556)	78,928
Accrued expenses	(56,143)	(72,394)
Provisions and retirement benefit liabilities	(34,155)	86,077
Receivables from financial services	30,472	(11,553)
Equipment on operating leases	(248,773)	(118,989)
Other assets and liabilities	(104,211)	(151,391)
Other, net	3,782	(608)
Dividends received	104,657	119,642
Interest received	218,353	177,097
Interest paid	(113,631)	(83,502)
Income taxes paid, net of refunds	(147,350)	(144,107)
Net cash provided by operating activities	605,399	826,192
Cash flows from investing activities:		
Payments for additions to property, plant and equipment	(250,995)	(227,151)
Payments for additions to and internally developed intangible assets	(159,851)	(165,830)
Proceeds from sales of property, plant and equipment and intangible assets	10,307	4,680
Payments for acquisitions of subsidiaries, net of cash and cash equivalents acquired	(3,047)	2,230
Payments for acquisitions of investments accounted for using the equity method	(4,802)	(110,747)
Proceeds from sales of investments accounted for using the equity method	—	10,376
Payments for acquisitions of other financial assets	(240,295)	(311,873)
Proceeds from sales and redemptions of other financial assets	214,102	134,639
Other, net	(1,404)	—
Net cash used in investing activities	(435,985)	(663,676)
Cash flows from financing activities:		
Proceeds from short-term financing liabilities	6,226,745	6,992,681
Repayments of short-term financing liabilities	(6,348,745)	(6,781,179)
Proceeds from long-term financing liabilities	1,398,797	1,356,619
Repayments of long-term financing liabilities	(1,182,699)	(1,304,276)
Dividends paid to owners of the parent	(147,863)	(100,181)
Dividends paid to non-controlling interests	(47,043)	(34,134)
Purchases and sales of treasury stock, net	(39,396)	120
Repayments of lease liabilities	(55,689)	(47,584)
Other, net	(4,237)	(555)
Net cash provided by (used in) financing activities	(200,130)	81,511
Effect of exchange rate changes on cash and cash equivalents	(21,581)	(43,091)
Net change in cash and cash equivalents	(52,297)	200,936
Cash and cash equivalents at beginning of year	2,494,121	2,672,353
Cash and cash equivalents at end of period	2,441,824	2,873,289

[5] Assumptions for Going Concern

None

[6] Notes to Consolidated Financial Statements

[A] Segment Information

Honda has four reportable segments: Motorcycle business, Automobile business, Financial services business and Life creation and other businesses, which are based on Honda's organizational structure and characteristics of products and services. Operating segments are defined as the components of Honda for 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 the Company's condensed consolidated interim 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), side-by-sides (SxS) and relevant parts	Research and development Manufacturing Sales and related services
Automobile Business	Automobiles and relevant parts	Research and development Manufacturing Sales and related services
Financial Services Business	Financial services	Retail loan and lease related to Honda products Others
Life Creation and Other Businesses	Power products and relevant parts, and others	Research and development Manufacturing Sales and related services Others

Segment information based on products and services

As of and for the nine months ended December 31, 2019

	Yen (millions)						Consolidated
	Motorcycle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses	Segment Total	Reconciling Items	
Sales revenue:							
External customers	1,585,770	7,691,119	1,961,952	234,108	11,472,949	—	11,472,949
Intersegment	—	164,786	10,626	19,317	194,729	(194,729)	—
Total	1,585,770	7,855,905	1,972,578	253,425	11,667,678	(194,729)	11,472,949
Segment profit (loss)	222,182	229,000	196,761	(8,689)	639,254	—	639,254
Segment assets	1,519,250	7,837,663	10,373,083	362,483	20,092,479	396,227	20,488,706
Depreciation and amortization	50,147	417,950	615,663	10,777	1,094,537	—	1,094,537
Capital expenditures	52,849	328,282	1,730,700	10,574	2,122,405	—	2,122,405

As of and for the nine months ended December 31, 2020

	Yen (millions)						Consolidated
	Motorcycle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses	Segment Total	Reconciling Items	
Sales revenue:							
External customers	1,258,173	6,207,728	1,853,641	227,171	9,546,713	—	9,546,713
Intersegment	—	153,209	9,520	14,270	176,999	(176,999)	—
Total	1,258,173	6,360,937	1,863,161	241,441	9,723,712	(176,999)	9,546,713
Segment profit (loss)	152,379	52,624	250,581	(8,584)	447,000	—	447,000
Segment assets	1,382,083	8,061,407	10,280,529	360,515	20,084,534	695,669	20,780,203
Depreciation and amortization	50,324	378,524	617,238	11,484	1,057,570	—	1,057,570
Capital expenditures	28,358	348,446	1,485,375	7,004	1,869,183	—	1,869,183

For the three months ended December 31, 2019

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	530,227	2,523,149	616,318	77,899	3,747,593	—	3,747,593
Intersegment	—	51,736	3,470	8,471	63,677	(63,677)	—
Total	530,227	2,574,885	619,788	86,370	3,811,270	(63,677)	3,747,593
Segment profit (loss)	74,527	33,707	64,599	(6,184)	166,649	—	166,649

For the three months ended December 31, 2020

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	490,857	2,585,190	614,549	80,973	3,771,569	—	3,771,569
Intersegment	—	52,925	3,097	5,434	61,456	(61,456)	—
Total	490,857	2,638,115	617,646	86,407	3,833,025	(61,456)	3,771,569
Segment profit (loss)	72,715	123,127	85,715	(3,822)	277,735	—	277,735

Explanatory notes:

1. Intersegment sales revenues are generally made at values that approximate arm's-length prices.
2. Reconciling items include elimination of intersegment transactions and balances as well as unallocated corporate assets. Unallocated corporate assets, included in reconciling items as of December 31, 2019 and 2020 amounted to JPY 650,927 million and JPY 931,069 million, respectively, which consist primarily of the Company's cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

In addition to the disclosure required by IFRS, Honda provides the following supplemental information for the financial statements users:

Supplemental geographical information based on the location of the Company and its subsidiaries

As of and for the nine months ended December 31, 2019

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Sales revenue:								
External customers	1,714,572	6,259,055	426,596	2,532,782	539,944	11,472,949	—	11,472,949
Inter-geographic areas	1,623,743	285,634	156,462	500,784	5,239	2,571,862	(2,571,862)	—
Total	3,338,315	6,544,689	583,058	3,033,566	545,183	14,044,811	(2,571,862)	11,472,949
Operating profit (loss)	38,066	280,736	11,004	274,911	35,555	640,272	(1,018)	639,254
Assets	4,812,390	11,366,463	652,222	2,966,416	625,857	20,423,348	65,358	20,488,706
Non-current assets other than financial instruments, deferred tax assets and net defined benefit assets	2,936,823	4,816,100	59,005	687,869	133,830	8,633,627	—	8,633,627

As of and for the nine months ended December 31, 2020

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Sales revenue:								
External customers	1,559,844	5,200,322	350,963	2,124,773	310,811	9,546,713	—	9,546,713
Inter-geographic areas	1,189,865	270,594	121,711	329,638	4,509	1,916,317	(1,916,317)	—
Total	2,749,709	5,470,916	472,674	2,454,411	315,320	11,463,030	(1,916,317)	9,546,713
Operating profit (loss)	(31,386)	269,236	18,352	170,069	421	426,692	20,308	447,000
Assets	5,048,475	11,271,264	666,494	2,996,726	484,914	20,467,873	312,330	20,780,203
Non-current assets other than financial instruments, deferred tax assets and net defined benefit assets	3,038,243	4,637,887	58,660	643,185	114,368	8,492,343	—	8,492,343

For the three months ended December 31, 2019

	Yen (millions)							Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total			
Sales revenue:									
External customers	502,173	2,074,816	135,220	855,119	180,265	3,747,593	—	3,747,593	
Inter-geographic areas	542,748	88,038	55,104	161,475	1,589	848,954	(848,954)	—	
Total	1,044,921	2,162,854	190,324	1,016,594	181,854	4,596,547	(848,954)	3,747,593	
Operating profit (loss)	(43,134)	101,755	1,201	88,633	27,130	175,585	(8,936)	166,649	

For the three months ended December 31, 2020

	Yen (millions)							Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total			
Sales revenue:									
External customers	559,587	2,068,582	114,672	892,829	135,899	3,771,569	—	3,771,569	
Inter-geographic areas	518,693	99,268	58,881	136,149	1,887	814,878	(814,878)	—	
Total	1,078,280	2,167,850	173,553	1,028,978	137,786	4,586,447	(814,878)	3,771,569	
Operating profit (loss)	43,691	149,920	7,114	79,132	(1,653)	278,204	(469)	277,735	

Explanatory notes:

1. Major countries in each geographic area:

North America	United States, Canada, Mexico
Europe	United Kingdom, Germany, Belgium, Italy, France
Asia	Thailand, Indonesia, China, India, Vietnam
Other Regions	Brazil, Australia

2. Sales revenues between geographic areas are generally made at values that approximate arm's-length prices.

3. Reconciling items include elimination of inter-geographic transactions and balances as well as unallocated corporate assets. Unallocated corporate assets, included in reconciling items as of December 31, 2019 and 2020 amounted to JPY 650,927 million and JPY 931,069 million, respectively, which consist primarily of the Company's cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

[B] Other

Loss related to airbag inflators

Honda has been conducting market-based measures in relation to airbag inflators. Honda recognizes a provision for specific warranty costs when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. There is a possibility that Honda will need to recognize additional provisions when new evidence related to the product recalls arise, however, it is not possible for Honda to reasonably estimate the amount and timing of potential future losses as of the date of this report.