

Financial Data

Operating and Financial Review

Sales Revenue

Honda's consolidated sales revenue for the fiscal year ended March 31, 2021, decreased by ¥1,760.4 billion, or 11.8%, to ¥13,170.5 billion from the fiscal year ended March 31, 2020, due mainly to decreased sales revenue in all business operations. Honda estimates that by applying Japanese yen exchange rates of the previous fiscal year to the current fiscal year, sales revenue for the year would have decreased by approximately ¥1,410.9 billion, or 9.4%, compared to the decrease as reported of ¥1,760.4 billion, which includes negative foreign currency translation effects.

Operating Costs and Expenses

Operating costs and expenses decreased by ¥1,787.0 billion, or 12.5%, to ¥12,510.3 billion from the previous fiscal year. Cost of sales decreased by ¥1,411.9 billion, or 11.9%, to ¥10,439.6 billion from the previous fiscal year, due mainly to a decrease in costs attributable to decreased consolidated sales revenue in all business operations. Selling, general and administrative expenses decreased by ¥309.8 billion, or 18.9%, to ¥1,331.7 billion from the previous fiscal year. Research and development expenses decreased by ¥65.2 billion, or 8.1%, to ¥738.8 billion from the previous fiscal year.

Operating Profit

Operating profit increased by ¥26.5 billion, or 4.2%, to ¥660.2 billion from the previous fiscal year, due mainly to decreased selling, general and administrative expenses as well as continuing cost reduction, which was partially offset by a decrease in profit attributable to decreased sales revenue and model mix. Honda estimates that by excluding negative foreign currency effects of approximately ¥47.1 billion, operating profit would have increased by approximately ¥73.6 billion.

With respect to the discussion above of the changes, management identified factors and used what it believes to be a reasonable method to analyze the respective changes in such factors. Management analyzed changes in these factors at the levels of the Company and its material consolidated subsidiaries. "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 transaction. With respect to "foreign currency adjustments", management analyzed foreign currency adjustments primarily related to the following currencies: U.S. dollar, Japanese yen and others at the level of the Company and its material consolidated subsidiaries. The estimates excluding the foreign currency effects are not on the same base as Honda's consolidated financial statements, and do not conform to IFRS. Furthermore, Honda does not believe that these measures are substitute for the disclosure required by IFRS. However, Honda believes that such estimates excluding the foreign currency effects provide financial statements users with additional useful information for understanding Honda's results.

Profit before Income Taxes

Profit before income taxes increased by ¥124.1 billion, or 15.7%, to ¥914.0 billion. The main factors behind this increase, except factors relating to operating profit, are as follows:

Share of profit of investments accounted for using the equity method had a positive impact of ¥108.5 billion, due mainly to an increase in profit attributable to increased sales revenue at affiliates and joint ventures in Asia as well as recognition of reversal of impairment losses which had been previously recognized on the investments in certain companies accounted for using the equity method.

Finance income and finance costs had a negative impact of ¥10.9 billion, due mainly to decreased interest income.

Income Tax Expense

Income tax expense decreased by ¥61.3 billion, or 21.9%, to ¥218.6 billion from the previous fiscal year. The average effective tax rate decreased by 11.5 percentage points to 23.9% from the previous fiscal year.

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Profit for the Year

Profit for the year increased by ¥185.5 billion, or 36.4%, to ¥695.4 billion from the previous fiscal year.

Profit for the Year Attributable to Owners of the Parent

Profit for the year attributable to owners of the parent increased by ¥201.6 billion, or 44.3%, to ¥657.4 billion from the previous fiscal year.

Profit for the Year Attributable to Non-controlling Interests

Profit for the year attributable to non-controlling interests decreased by ¥16.1 billion, or 29.8%, to ¥38.0 billion from the previous fiscal year.

Operating segments and geographic segments in financial data

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

• 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 consolidated financial statements.

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

• Segmentation by country and region is based on geographical proximity.

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Motorcycle Business

Honda Group Unit Sales* (thousands)

	FY20	FY21	Change	%
Total	19,340	15,132	(4,208)	(21.8)
Japan	205	215	10	4.9
North America	330	332	2	0.6
Europe	239	234	(5)	(2.1)
Asia	17,262	13,319	(3,943)	(22.8)
Other Regions	1,304	1,032	(272)	(20.9)

Consolidated Unit Sales* (thousands)

	FY20	FY21	Change	%
Total	12,426	10,264	(2,162)	(17.4)
Japan	205	215	10	4.9
North America	330	332	2	0.6
Europe	239	234	(5)	(2.1)
Asia	10,348	8,451	(1,897)	(18.3)
Other Regions	1,304	1,032	(272)	(20.9)

*Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

Total demand for motorcycles in India, the largest market within Asia, decreased around 24% from the previous year to approximately 14,110 thousand units in calendar year 2020. Total demand for motorcycles in other countries in Asia*¹ decreased around 23% from the previous calendar year to approximately 17,190 thousand units. This was mainly due to decreases in demand in Indonesia and China. Honda's consolidated unit sales in Asia were 8,451 thousand units in fiscal year 2021, a decrease by 18.3% from the previous fiscal year, mainly due to decreases in sales units of the Activa model series in India and the Wave and Air Blade model series in Vietnam. Honda's consolidated unit sales do not include sales by P.T. Astra Honda Motor in Indonesia, which is accounted for using the equity method. P.T. Astra Honda Motor's unit sales for fiscal year 2021 decreased around 45% from the previous fiscal year to approximately 2,690 thousand units, mainly due to decreases in sales units of the BeAT and Vario model series.

Total demand for motorcycles in Brazil*², the principal market within Other Regions, decreased around 14% from the previous year to approximately 930 thousand units in calendar year 2020. In Other Regions (including South America, the Middle East, Africa, Oceania, and other areas), Honda's consolidated unit sales decreased 20.9% from the previous fiscal year to 1,032 thousand units in fiscal year 2021 due mainly to decreases in sales units of the CG160 and Biz model series in Brazil.

*¹ Based on Honda research. Only includes the following seven countries: Thailand, Indonesia, Malaysia, the Philippines, Vietnam, Pakistan, and China.

*² Source: ABRACICLO (the Brazilian Association of Motorcycle, Moped, and Bicycle Manufacturers)

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Automobile Business

Honda Group Unit Sales* (thousands)

	FY20	FY21	Change	%
Total	4,790	4,546	(244)	(5.1)
Japan	672	592	(80)	(11.9)
North America	1,825	1,480	(345)	(18.9)
Europe	133	101	(32)	(24.1)
Asia	1,952	2,247	295	15.1
Other Regions	208	126	(82)	(39.4)

Consolidated Unit Sales* (thousands)

	FY20	FY21	Change	%
Total	3,318	2,617	(701)	(21.1)
Japan	589	520	(69)	(11.7)
North America	1,825	1,480	(345)	(18.9)
Europe	133	101	(32)	(24.1)
Asia	563	390	(173)	(30.7)
Other Regions	208	126	(82)	(39.4)

*Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue 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 and sold through our consolidated subsidiaries are accounted for as operating leases in conformity with IFRS and are not included in consolidated sales revenue to the external customers in our Automobile business. Accordingly, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our Automobile business.

Total demand for automobiles in Japan*¹ decreased around 8% from the previous fiscal year to approximately 4,650 thousand units in fiscal year 2021. Honda's consolidated unit sales in Japan decreased 11.7% from the previous fiscal year to 520 thousand units*² in fiscal year 2021, due mainly to decreases in sales units of the N-BOX model series. Honda's unit production of automobiles in Japan decreased 14.9% from the previous fiscal year to 687 thousand units in fiscal year 2021. This was mainly because of restrictions on the supply of parts and the decline in demand.

Total industry demand for automobiles in the United States*³, the principal market within North America, decreased around 15% from the previous year to approximately 14,570 thousand units in calendar year 2020. Honda's consolidated unit sales in North America decreased 18.9% from the previous fiscal year to 1,480 thousand units in fiscal year 2021, due mainly to decreases in sales units of the ACCORD and CIVIC models. Honda manufactured 1,397 thousand units in North America in fiscal year 2021, a decrease of 19.5% from the previous fiscal year, mainly due to a decrease in demand and the effects of restrictions on the supply of parts.

Total demand for automobiles in China, the largest market within Asia, decreased around 2% from the previous year to approximately 25,310 thousand units*⁴ in calendar year 2020. Total demand for automobiles in other countries in Asia decreased around 24% from the previous calendar year to approximately 6,050 thousand units*⁵. This was mainly due to the decreases in demand in India and Indonesia. Honda's consolidated unit sales in Asia decreased 30.7% from the previous fiscal year to 390 thousand units in fiscal year 2021. The decrease was mainly attributable to decreases in sales units of the BRIO and HR-V models in Indonesia, and the JAZZ and CIVIC models in Thailand. Honda's consolidated unit sales do not include unit sales of Dongfeng Honda Automobile Co., Ltd. and GAC Honda Automobile

Co., Ltd., both of which are joint ventures accounted for using the equity method in China. Unit sales in China increased 33.8% from the previous fiscal year to 1,858 thousand units in fiscal year 2021, mainly due to the increases in sales units of the BREEZE and CR-V models. Honda's unit production by consolidated subsidiaries in Asia decreased 33.6% from the previous fiscal year to 402 thousand units*⁶ in fiscal year 2021. Meanwhile, unit production by Chinese joint ventures Dongfeng Honda Automobile Co., Ltd. and GAC Honda Automobile Co., Ltd. increased 37.0% from the previous fiscal year to 1,877 thousand units in fiscal year 2021.

*¹ Source: JAMA (Japan Automobile Manufacturers Association), as measured by the number of regular vehicle registrations (661cc or higher) and mini vehicles (660cc or lower)

*² Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries and sold through our consolidated subsidiaries are accounted for as operating leases in conformity with IFRS and are not included in consolidated sales revenue to external customers in the Automobile business. Accordingly, they are not included in consolidated unit sales.

*³ Source: Autodata

*⁴ Source: CAAM (China Association of Automobile Manufacturers)

*⁵ The total is based on Honda research and includes the following eight countries: Thailand, Indonesia, Malaysia, the Philippines, Vietnam, Taiwan, India and Pakistan.

*⁶ The total includes the following eight countries: Thailand, Indonesia, Malaysia, the Philippines, Vietnam, Taiwan, India and Pakistan.

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Life Creation and Other Businesses

Honda Group Unit Sales/Consolidated Unit Sales* (thousands)

	FY20	FY21	Change	%
Total	5,701	5,623	(78)	(1.4)
Japan	312	336	24	7.7
North America	2,848	2,617	(231)	(8.1)
Europe	845	929	84	9.9
Asia	1,375	1,405	30	2.2
Other Regions	321	336	15	4.7

*Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed power products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed power products of Honda and its consolidated subsidiaries. In the Life Creation business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales since no affiliate and joint venture accounted for using the equity method was involved in the sale of Honda power products.

Honda's consolidated unit sales in North America decreased 8.1% from the previous fiscal year to 2,617 thousand units in fiscal year 2021, mainly due to the decrease in sales of OEM engines*, which offset the increase mainly in the sales of generators.

Honda's consolidated unit sales in Europe increased 9.9% from the previous fiscal year to 929 thousand units in fiscal year 2021, mainly due to the increases in sales of lawnmowers and OEM engines, which offset the decrease in sales of generators.

Honda's consolidated unit sales in Asia increased 2.2% from the previous fiscal year to 1,405 thousand units in fiscal year 2021. This was mainly due to the increases in sales of OEM engines, which offset the decrease in sales of generators.

*OEM (Original Equipment Manufacturer) engines: refers to engines installed on products sold under a third-party brand.

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Consolidated Statements of Financial Position

March 31, 2020 and 2021

	Yen (millions)	
Assets	2020	2021
Current assets:		
Cash and cash equivalents	¥2,672,353	¥2,758,020
Trade receivables	633,909	801,814
Receivables from financial services	1,878,358	1,794,654
Other financial assets	190,053	295,307
Inventories	1,560,568	1,545,600
Other current assets	365,769	383,696
Total current assets	7,301,010	7,579,091
Non-current assets:		
Investments accounted for using the equity method	655,475	891,002
Receivables from financial services	3,282,807	3,619,896
Other financial assets	441,724	628,533
Equipment on operating leases	4,626,063	4,919,916
Property, plant and equipment	3,051,704	3,021,514
Intangible assets	760,434	818,763
Deferred tax assets	132,553	99,552
Other non-current assets	209,695	342,763
Total non-current assets	13,160,455	14,341,939
Total assets	¥20,461,465	¥21,921,030

	Yen (millions)	
Liabilities and Equity	2020	2021
Current liabilities:		
Trade payables	¥958,469	¥1,088,061
Financing liabilities	3,248,457	3,005,624
Accrued expenses	449,716	415,106
Other financial liabilities	209,065	182,145
Income taxes payable	43,759	47,793
Provisions	287,175	362,151
Other current liabilities	593,447	614,577
Total current liabilities	5,790,088	5,715,457
Non-current liabilities:		
Financing liabilities	4,221,229	4,715,361
Other financial liabilities	303,570	280,809
Retirement benefit liabilities	578,909	358,532
Provisions	238,439	278,890
Deferred tax liabilities	698,868	842,001
Other non-current liabilities	344,339	357,141
Total non-current liabilities	6,385,354	6,832,734
Total liabilities	12,175,442	12,548,191
Equity:		
Common stock	86,067	86,067
Capital surplus	171,823	172,049
Treasury stock	(273,940)	(273,786)
Retained earnings	8,142,948	8,901,266
Other components of equity	(114,639)	196,710
Equity attributable to owners of the parent	8,012,259	9,082,306
Non-controlling interests	273,764	290,533
Total equity	8,286,023	9,372,839
Total liabilities and equity	¥20,461,465	¥21,921,030

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Consolidated Statements of Income

Years ended March 31, 2020 and 2021
Yen (millions)

	2020	2021
Sales revenue	¥14,931,009	¥13,170,519
Operating costs and expenses:		
Cost of sales	(11,851,659)	(10,439,689)
Selling, general and administrative	(1,641,590)	(1,331,728)
Research and development	(804,123)	(738,894)
Total operating costs and expenses	(14,297,372)	(12,510,311)
Operating profit	633,637	660,208
Share of profit of investments accounted for using the equity method	164,203	272,734
Finance income and finance costs:		
Interest income	49,412	19,805
Interest expense	(24,689)	(13,877)
Other, net	(32,645)	(24,817)
Total finance income and finance costs	(7,922)	(18,889)
Profit before income taxes	789,918	914,053
Income tax expense	(279,986)	(218,609)
Profit for the year	¥509,932	¥695,444
Profit for the year attributable to:		
Owners of the parent	¥455,746	¥657,425
Non-controlling interests	54,186	38,019
Earnings per share attributable to owners of the parent (Yen)		
Basic and diluted	260.13	380.75

Consolidated Statements of Cash Flows

Years ended March 31, 2020 and 2021

	Yen (millions)	
	2020	2021
Cash flows from operating activities:		
Profit before income taxes	¥789,918	¥914,053
Depreciation, amortization and impairment losses excluding equipment on operating leases	699,877	624,239
Share of profit of investments accounted for using the equity method	(164,203)	(272,734)
Finance income and finance costs, net	(47,892)	22,630
Interest income and interest costs from financial services, net	(130,636)	(137,178)
Changes in assets and liabilities		
Trade receivables	132,702	(133,788)
Inventories	(59,931)	68,281
Trade payables	(141,159)	101,301
Accrued expenses	(4,529)	(40,927)
Provisions and retirement benefit liabilities	118	106,829
Receivables from financial services	103,614	(59,934)
Equipment on operating leases	(270,677)	(161,579)
Other assets and liabilities	(20,524)	(72,473)
Other, net	10,959	5,190
Dividends received	185,742	191,112
Interest received	288,821	236,729
Interest paid	(162,263)	(113,100)
Income taxes paid, net of refund	(230,522)	(206,272)
Net cash provided by operating activities	979,415	1,072,379

	Yen (millions)	
	2020	2021
Cash flows from investing activities:		
Payments for additions to property, plant and equipment	¥(370,195)	¥(318,410)
Payments for additions to and internally developed intangible assets	(231,063)	(232,727)
Proceeds from sales of property, plant and equipment and intangible assets	17,638	6,770
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	(14,584)	(110,747)
Proceeds from sales of investments accounted for using the equity method	—	12,570
Payments for acquisitions of other financial assets	(282,806)	(433,375)
Proceeds from sales and redemptions of other financial assets	265,980	276,808
Other, net	(1,404)	—
Net cash used in investing activities	(619,481)	(796,881)
Cash flows from financing activities:		
Proceeds from short-term financing liabilities	9,037,608	9,115,347
Repayments of short-term financing liabilities	(9,039,601)	(9,294,859)
Proceeds from long-term financing liabilities	2,021,173	1,948,835
Repayments of long-term financing liabilities	(1,676,504)	(1,798,429)
Dividends paid to owners of the parent	(196,795)	(145,090)
Dividends paid to non-controlling interests	(54,280)	(41,755)
Purchases and sales of treasury stock, net	(96,113)	154
Repayments of lease liabilities	(78,659)	(67,628)
Other, net	(4,240)	(555)
Net cash provided by (used in) financing activities	(87,411)	(283,980)
Effect of exchange rate changes on cash and cash equivalents	(94,291)	94,149
Net change in cash and cash equivalents	178,232	85,667
Cash and cash equivalents at beginning of year	2,494,121	2,672,353
Cash and cash equivalents at end of year	¥2,672,353	¥2,758,020

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Segment Information

Segment information as of and for the years ended March 31, 2020 and 2021 is as follows:

As of and for the year ended March 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	¥2,059,335	¥9,959,080	¥2,586,965	¥325,629	¥14,931,009	—	¥14,931,009
Intersegment	—	235,558	13,972	25,025	274,555	(274,555)	—
Total	2,059,335	10,194,638	2,600,937	350,654	15,205,564	(274,555)	14,931,009
Segment profit (loss)	285,668	153,323	219,704	(25,058)	633,637	—	633,637
Segment assets	1,483,888	7,821,499	10,282,136	354,472	19,941,995	519,470	20,461,465
Depreciation and amortization	67,512	555,153	823,996	14,742	1,461,403	—	1,461,403
Capital expenditures	93,871	498,260	2,248,597	17,611	2,858,339	—	2,858,339

As of and for the year ended March 31, 2021

Yen (millions)

	Motorcycle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	¥1,787,283	¥8,567,205	¥2,494,294	¥321,737	¥13,170,519	—	¥13,170,519
Intersegment	—	212,144	12,494	20,107	244,745	(244,745)	—
Total	1,787,283	8,779,349	2,506,788	341,844	13,415,264	(244,745)	13,170,519
Segment profit (loss)	224,608	90,255	356,980	(11,635)	660,208	—	660,208
Segment assets	1,555,057	8,643,109	10,832,645	374,169	21,404,980	516,050	21,921,030
Depreciation and amortization	68,258	515,241	825,975	15,644	1,425,118	—	1,425,118
Capital expenditures	48,800	500,431	2,006,264	11,609	2,567,104	—	2,567,104

Explanatory notes:

- Intersegment sales revenues are generally made at values that approximate arm's-length prices.
- Reconciling items include elimination of intersegment transactions and balances as well as unallocated corporate assets. Unallocated corporate assets included in reconciling items as of March 31, 2020 and 2021 amounted to ¥787,022 million and ¥696,327 million, respectively, which consist primarily of the Company's cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

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Motorcycle Business

Sales revenue from external customers decreased by ¥272.0 billion, or 13.2%, to ¥1,787.2 billion from the previous fiscal year, due mainly to decreased consolidated unit sales.

Operating profit decreased by ¥61.0 billion, or 21.4%, to ¥224.6 billion from the previous fiscal year, due mainly to a decrease in profit attributable to decreased sales volume and model mix, which was partially offset by continuing cost reduction as well as decreased selling, general and administrative expenses.

Automobile Business

Sales revenue from external customers decreased by ¥1,391.8 billion, or 14.0%, to ¥8,567.2 billion from the previous fiscal year, due mainly to decreased consolidated unit sales.

Operating profit decreased by ¥63.0 billion, or 41.1%, to ¥90.2 billion from the previous fiscal year, due mainly to a decrease in profit attributable to decreased sales volume and model mix, which was partially offset by decreased selling, general and administrative expenses as well as continuing cost reduction.

Financial Services Business

Sales revenue from external customers decreased by ¥92.6 billion, or 3.6%, to ¥2,494.2 billion from the previous fiscal year, due mainly to decreased revenues on disposition of lease vehicles.

Operating profit increased by ¥137.2 billion, or 62.5%, to ¥356.9 billion from the previous fiscal year, due mainly to decreased selling, general and administrative expenses.

Life Creation and Other Businesses

Sales revenue from external customers decreased by ¥3.8 billion, or 1.2%, to ¥321.7 billion from the previous fiscal year, due mainly to decreased sales revenue in Other businesses.

Operating loss was ¥11.6 billion, an improvement of ¥13.4 billion from the previous fiscal year, due mainly to decreased selling, general and administrative expenses as well as continuing cost reduction, which was partially offset by decreased sales revenue in Other businesses. In addition, operating loss of aircraft and aircraft engines included in the Life creation and Other businesses was ¥32.3 billion, an improvement of ¥9.9 billion from the previous fiscal year.

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Financial Summary

Fiscal years ended March 31

	2011	2012	2013	2014	U.S. GAAP Yen (millions) 2015		2014	2015	2016	2017	2018	2019	2020	IFRS Yen (millions) 2021
Sales, income and dividends						Sales, income and dividends								
Net sales and other operating revenue	¥8,936,867	¥7,948,095	¥9,877,947	¥11,842,451	¥12,646,747	Sales revenue	¥12,506,091	¥13,328,099	¥14,601,151	¥13,999,200	¥15,361,146	¥15,888,617	¥14,931,009	¥13,170,519
Operating income	569,775	231,364	544,810	750,281	606,878	Operating profit	823,864	670,603	503,376	840,711	833,558	726,370	633,637	660,208
Operating margin	6.4%	2.9%	5.5%	6.3%	4.8%	Operating margin	6.6%	5.0%	3.4%	6.0%	5.4%	4.6%	4.2%	5.0%
Income before income taxes and equity in income of affiliates	630,548	257,403	488,891	728,940	644,809	Share of profit of investments accounted for using the equity method	130,916	96,097	126,001	164,793	247,643	228,827	164,203	272,734
Income taxes	206,827	135,735	178,976	252,662	235,204	Profit before income taxes	933,903	806,237	635,450	1,006,986	1,114,973	979,375	789,918	914,053
Equity in income of affiliates	139,756	100,406	82,723	132,471	126,570	Income tax expense	267,992	245,139	229,092	327,592	(13,666)	303,089	279,986	218,609
Net income attributable to non-controlling interests	(29,389)	(10,592)	(25,489)	(34,642)	(43,168)	Profit for the year	665,911	561,098	406,358	679,394	1,128,639	676,286	509,932	695,444
Net income attributable to Honda Motor Co., Ltd.	534,088	211,482	367,149	574,107	493,007	Profit for the year attributable to owners of the parent	624,703	509,435	344,531	616,569	1,059,337	610,316	455,746	657,425
Cash dividends paid during the period	92,170	108,138	129,765	142,381	158,601	Dividends paid to owners of the parent	142,381	158,601	158,601	162,205	174,221	194,271	196,795	145,090
Research and development	487,591	519,818	560,270	634,130	662,610	R&D expenditures	625,698	670,331	719,810	659,918	730,734	820,037	821,478	780,065
Interest expense	8,474	10,378	12,157	12,703	16,598	Interest expense	12,803	18,194	18,146	12,471	12,970	13,217	24,689	13,877
Assets, long-term debt and shareholders' equity						Assets, liabilities and equity								
Total assets	¥11,577,714	¥11,787,599	¥13,635,357	¥15,622,031	¥18,088,839	Total assets	¥16,048,438	¥18,425,837	¥18,229,294	¥18,958,123	¥19,349,164	¥20,419,122	¥20,461,465	¥21,921,030
Long-term debt	2,043,240	2,235,001	2,710,845	3,234,066	3,933,860	Financing liabilities (Non-current liabilities)	3,224,512	3,926,276	3,736,628	4,022,190	3,881,749	4,142,338	4,221,229	4,715,361
Total Honda Motor Co., Ltd. shareholders' equity	4,439,587	4,398,249	5,043,500	5,918,979	6,696,693	Equity attributable to owners of the parent	6,335,534	7,108,627	6,761,433	7,295,296	7,933,538	8,267,720	8,012,259	9,082,306
Capital expenditures (excluding purchase of operating lease assets)	326,620	424,413	630,408	782,027	714,502	Additions to property, plant and equipment	803,231	703,920	687,306	588,360	484,778	466,657	455,169	390,081
Depreciation (excluding property on operating leases)	377,272	345,105	335,536	442,318	490,375	Depreciation	419,022	451,052	486,410	484,133	513,455	499,036	470,320	428,063

Financial Data

Financial Summary (continued)

Fiscal years ended March 31

	2011	2012	2013	2014	2015	U.S. GAAP Yen	2014	2015	2016	2017	2018	2019	2020	2021	IFRS Yen	
Per common share							Per share									
Net income attributable to Honda Motor Co., Ltd.:																
Basic	¥295.67	¥117.34	¥203.71	¥318.54	¥273.54		¥346.62	¥282.66	¥191.16	¥342.10	¥590.79	¥345.99	¥260.13	¥380.75		
Diluted	295.67	117.34	203.71	318.54	273.54		346.62	282.66	191.16	342.10	590.79	345.99	260.13	380.75		
Dividends	54	60	76	82	88		82	88	88	92	100	111	112	110		
Honda Motor Co., Ltd. shareholders' equity	2,463.29	2,440.35	2,798.37	3,284.14	3,715.66		3,515.27	3,944.23	3,751.59	4,047.81	4,461.36	4,698.74	4,640.46	5,260.06		
	Yen (millions)						Yen (millions)									
Sales							Sales									
Sales amounts:*																
Japan	¥1,503,842	¥1,517,927	¥1,652,995	¥1,912,504	¥1,810,283		¥1,920,114	¥1,800,439	¥1,754,167	¥1,799,772	¥1,919,130	¥2,042,891	¥1,985,945	¥1,849,268		
	17%	19%	17%	16%	14%		15%	14%	12%	13%	12%	13%	13%	14%		
Overseas	7,433,025	6,430,168	8,224,952	9,929,947	10,836,464		10,585,977	11,527,660	12,846,984	12,199,428	13,442,016	13,845,726	12,945,064	11,321,251		
	83%	81%	83%	84%	86%		85%	86%	88%	87%	88%	87%	87%	86%		
Total	¥8,936,867	¥7,948,095	¥9,877,947	¥11,842,451	¥12,646,747		¥12,506,091	¥13,328,099	¥14,601,151	¥13,999,200	¥15,361,146	¥15,888,617	¥14,931,009	¥13,170,519		
	100%	100%	100%	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%		
	Thousands						Thousands									
Unit sales:							Unit sales:									
Motorcycle Business	18,331	15,061	15,494	17,021	17,765		17,008	17,592	17,055	17,661	19,554	20,238	19,340	15,132		
Automobile Business	3,529	3,108	4,014	4,323	4,364		4,340	4,367	4,743	5,028	5,199	5,323	4,790	4,546		
Life Creation Business	5,509	5,819	6,071	6,036	6,001		6,018	5,983	5,965	6,121	6,262	6,301	5,701	5,623		
Number of employees							Number of employees									
	179,060	187,094	190,338	198,561	203,902		199,368	204,730	208,399	211,915	215,638	219,722	218,674	211,374		
Exchange rate (yen amounts per U.S. dollar)							Exchange rate (yen amounts per U.S. dollar)									
Rates for the period-end	¥83	¥82	¥94	¥103	¥120		¥103	¥120	¥113	¥112	¥106	¥111	¥109	¥111		
Average rates for the period	86	79	83	100	110		100	110	120	108	111	111	109	106		

* The geographic breakdown of sales amounts is based on the location of customers.