

HONDA MOTOR CO LTD  
Form 6-K  
August 05, 2014  
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No.1-7628

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF JULY 2014

COMMISSION FILE NUMBER: 1-07628

## HONDA GIKEN KOGYO KABUSHIKI KAISHA

(Name of registrant)

## HONDA MOTOR CO., LTD.

(Translation of registrant's name into English)

1-1, Minami-Aoyama 2-chome, Minato-ku, Tokyo 107-8556, Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):



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**Exhibit 1:**

On July 29, 2014, Honda Motor Co., Ltd. announced its consolidated financial results for the fiscal first quarter ended June 30, 2014.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HONDA GIKEN KOGYO KABUSHIKI KAISHA

(HONDA MOTOR CO., LTD.)

/s/ Kohei Takeuchi  
Kohei Takeuchi  
Operating Officer and Director  
Chief Financial Officer  
Honda Motor Co., Ltd.

Date: August 5, 2014

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**July 29, 2014**

**HONDA MOTOR CO., LTD. REPORTS**

**CONSOLIDATED FINANCIAL RESULTS**

**FOR THE FISCAL FIRST QUARTER ENDED JUNE 30, 2014**

Tokyo, July 29, 2014 Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal first quarter ended June 30, 2014.

**First Quarter Results**

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal first quarter ended June 30, 2014 totaled JPY 146.5 billion (USD 1,445 million), an increase of 19.6% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 81.29 (USD 0.80), an increase of JPY 13.32 (USD 0.13) from JPY 67.97 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 2,988.2 billion (USD 29,482 million), an increase of 5.4% 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 198.0 billion (USD 1,954 million), an increase of 7.1% from the same period last year, due primarily to continuing cost reduction efforts and an increase in sales volume and model mix, despite increased SG&A expenses as well as unfavorable foreign currency effects.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 198.8 billion (USD 1,961 million), an increase of 15.6% from the same period last year.

Equity in income of affiliates amounted to JPY 38.5 billion (USD 381 million) for the quarter, an increase of 21.5% from the corresponding period last year.

**Table of Contents****Business Segment****Motorcycle Business**

For the three months ended June 30, 2013 and 2014

|               | Honda Group Unit Sales           |                                  |              |        | Unit (Thousands)                 |                                  | Consolidated Unit Sales |        |     |
|---------------|----------------------------------|----------------------------------|--------------|--------|----------------------------------|----------------------------------|-------------------------|--------|-----|
|               | Three months ended Jun. 30, 2013 | Three months ended Jun. 30, 2014 | Change       | %      | Three months ended Jun. 30, 2013 | Three months ended Jun. 30, 2014 | Change                  | %      |     |
|               | <b>Motorcycle business</b>       | 4,054                            | <b>4,137</b> | 83     | 2.0                              | 2,371                            | <b>2,457</b>            | 86     | 3.6 |
| Japan         | 54                               | <b>48</b>                        | - 6          | - 11.1 | 54                               | <b>48</b>                        | - 6                     | - 11.1 |     |
| North America | 62                               | <b>62</b>                        | 0            | 0.0    | 62                               | <b>62</b>                        | 0                       | 0.0    |     |
| Europe        | 52                               | <b>60</b>                        | 8            | 15.4   | 52                               | <b>60</b>                        | 8                       | 15.4   |     |
| Asia          | 3,479                            | <b>3,593</b>                     | 114          | 3.3    | 1,796                            | <b>1,913</b>                     | 117                     | 6.5    |     |
| Other Regions | 407                              | <b>374</b>                       | - 33         | - 8.1  | 407                              | <b>374</b>                       | - 33                    | - 8.1  |     |

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 first quarter by business segment, in motorcycle business operations, revenue from sales to external customers increased 2.7%, to JPY 407.7 billion (USD 4,023 million) from the same period last year due mainly to increased consolidated unit sales, despite unfavorable foreign currency translation effects. Operating income totaled JPY 43.9 billion (USD 434 million), an increase of 3.3% from the same period last year, due primarily to an increase in sales volume and model mix, despite increased SG&A expenses and unfavorable foreign currency effects.

**Automobile Business**

For the three months ended June 30, 2013 and 2014

|               | Honda Group Unit Sales           |                                  |              |        | Unit (Thousands)                 |                                  | Consolidated Unit Sales |        |     |
|---------------|----------------------------------|----------------------------------|--------------|--------|----------------------------------|----------------------------------|-------------------------|--------|-----|
|               | Three months ended Jun. 30, 2013 | Three months ended Jun. 30, 2014 | Change       | %      | Three months ended Jun. 30, 2013 | Three months ended Jun. 30, 2014 | Change                  | %      |     |
|               | <b>Automobile business</b>       | 999                              | <b>1,061</b> | 62     | 6.2                              | 858                              | <b>895</b>              | 37     | 4.3 |
| Japan         | 140                              | <b>202</b>                       | 62           | 44.3   | 139                              | <b>201</b>                       | 62                      | 44.6   |     |
| North America | 459                              | <b>445</b>                       | - 14         | - 3.1  | 459                              | <b>445</b>                       | - 14                    | - 3.1  |     |
| Europe        | 40                               | <b>40</b>                        | 0            | 0.0    | 40                               | <b>40</b>                        | 0                       | 0.0    |     |
| Asia          | 285                              | <b>316</b>                       | 31           | 10.9   | 145                              | <b>151</b>                       | 6                       | 4.1    |     |
| Other Regions | 75                               | <b>58</b>                        | - 17         | - 22.7 | 75                               | <b>58</b>                        | - 17                    | - 22.7 |     |

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 and sold through our consolidated 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

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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 5.6%, to JPY 2,319.5 billion (USD 22,885 million) from the same period last year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating income totaled JPY 99.8 billion (USD 985 million), an increase of 3.6% from the same period last year, due primarily to continuing cost reduction efforts and an increase in sales volume and model mix, despite increased SG&A.

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**Table of Contents****Financial Services Business**

Revenue from customers in the financial services business operations increased 12.9%, to JPY 186.7 billion (USD 1,842 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 16.1% to JPY 51.8 billion (USD 511 million) from the same period last year due mainly to increased profit attributable to increased revenue as well as favorable foreign currency effects.

**Power Product and Other Businesses**

For the three months ended June 30, 2013 and 2014

|                                  | Unit (Thousands)                                |              |        |       |
|----------------------------------|---|--------------|--------|-------|
|                                  | Honda Group Unit Sales/ Consolidated Unit Sales |              | Change | %     |
| Three months ended Jun. 30, 2013 | Three months ended Jun. 30, 2014                |              |        |       |
| <b>Power product business</b>    | 1,589   | <b>1,510</b> | - 79   | - 5.0 |
| Japan                            | 63  | <b>68</b>    | 5      | 7.9   |
| North America                    | 828   | <b>773</b>   | - 55   | - 6.6 |
| Europe                           | 237   | <b>240</b>   | 3      | 1.3   |
| Asia                             | 364   | <b>336</b>   | - 28   | - 7.7 |
| Other Regions                    | 97  | <b>93</b>    | - 4    | - 4.1 |

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 June 30, 2013 and for the three months ended June 30, 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 decreased 1.3%, to JPY 74.2 billion (USD 732 million) from the same period last year, due mainly to decreased consolidated unit sales in power product business operations, despite favorable foreign currency translation effects. Operating income increased 75.5% to JPY 2.3 billion (USD 24 million) from the same period last year, due mainly to decreased R&D and SG&A expenses.



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*Geographical Information*

With respect to Honda's sales for the fiscal first quarter by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 987.9 billion (USD 9,747 million), an increase of 1.2% from the same period last year due mainly to increased revenue in automobile business operations. Operating income JPY 62.1 billion (USD 613 million) basically unchanged from the same period last year, due mainly to increased SG&A expenses, despite continuing cost reduction efforts.

In North America, revenue increased by 2.9%, to JPY 1,545.5 billion (USD 15,249 million) from the same period last year due mainly to favorable foreign currency translation effects. Operating income totaled JPY 67.5 billion (USD 666 million), a decrease of 6.0% from the same period last year due mainly to a decrease in sales volume and model mix, as well as increased SG&A expenses.

In Europe, revenue increased by 10.6%, to JPY 194.5 billion (USD 1,920 million) from the same period last year due mainly to increased revenue in motorcycle business operations as well as favorable foreign currency translation effects. Honda reported an operating loss of JPY 1.4 billion (USD 15 million), an improvement of JPY 8.2 million (USD 81 million) from the same period last year due mainly to decreased SG&A expenses and continuing cost reduction efforts.

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In Asia, revenue increased by 3.8%, to JPY 733.4 billion (USD 7,236 million) from the same period last year mainly due to increased revenue in motorcycle and automobile business operations. Operating income increased by 21.4%, to JPY 65.2 billion (USD 644 million) from the same period last year due mainly to an increase in sales volume and model mix, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle/Near East, Africa and Oceania, revenue decreased by 13.5%, to JPY 208.2 billion (USD 2,055 million) from the same period last year mainly due to decreased revenue in automobile business operations as well as unfavorable foreign currency translation effects. Operating income totaled JPY 4.5 billion (USD 45 million), a decrease of 15.2% from the same period last year mainly due to increased SG&A expenses as well as unfavorable foreign currency effects.

Explanatory note:

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 101.36=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 June 30, 2014.

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**Consolidated Statements of Balance Sheets for the Fiscal First Quarter Ended June 30, 2014**

Total assets decreased by JPY 134.2 billion, to JPY 15,487.8 billion from March 31, 2014, mainly due to a decrease in Trade accounts and notes receivables, as well as foreign currency translation effects, despite a decrease in Property on operating leases. Total liabilities decreased by JPY 188.9 billion, to JPY 9,319.6 billion from March 31, 2014, mainly due to a decrease in Trade accounts payable and foreign currency translation effects. Total equity increased by JPY 54.7 billion, to JPY 6,168.1 billion from March 31, 2014 due mainly to net income, despite foreign currency translation effects.

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**Consolidated Statements of Cash Flow for the Fiscal First Quarter Ended June 30, 2014**

Consolidated cash and cash equivalents on June 30, 2014 decreased by JPY 61.2 billion from March 31, 2014, to JPY 1,107.6 billion. The reasons for the increases or decreases for each cash flow activity, when compared with the same period of the previous fiscal year, are as follows:

*Cash flow from operating activities*

Net cash provided by operating activities amounted to JPY 354.6 billion for the fiscal first quarter ended June 30, 2014. Cash inflows from operating activities increased by JPY 50.4 billion compared with the same period of 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 387.5 billion. Cash outflows from investing activities decreased by JPY 110.6 billion compared with the same period of the previous fiscal year, due mainly to a decrease in acquisitions of finance subsidiaries-receivables and an increase of collections of finance subsidiaries-receivables, despite an increase in purchases of operating lease assets.

*Cash flow from financing activities*

Net cash used in financing activities amounted to JPY 18.0 billion. Cash outflows from financing activities increased by JPY 99.1 billion compared with the same period of the previous fiscal year, due mainly to a decrease in proceeds from debt as well as an increase in cash outflow due to an increase in dividends paid.

**Table of Contents****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**

|   | Yen (billions) | Changes from FY 2014 |
|---|----------------|----------------------|
| Net sales and other operating revenue                         | 12,800.0       | + 8.1%               |
| Operating income  | 770.0          | + 2.6%               |
| Income before income taxes and equity in income of affiliates | 755.0          | + 3.6%               |
| Net income attributable to Honda Motor Co., Ltd.              | 600.0          | + 4.5%               |

|   | Yen    |
|---|--------|
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 332.91 |

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 101 and JPY 136, 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.

|  | Yen (billions) |
|--|----------------|
| 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  | - 57.0         |
| Operating income compared with fiscal year 2014  | 19.7           |
| Fair value of derivative instruments   | - 43.0         |
| Others   | 49.3           |
| Income before income taxes and equity in income of affiliates compared with fiscal year 2014 | 26.0           |

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**Dividend per Share of Common Stock**

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on July 29, 2014, resolved to make the quarterly dividend JPY 22 per share of common stock, the record date of which is June 30, 2014. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2015, is JPY 88 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 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.

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**Other Information**

**1. Accounting policies specifically applied for quarterly consolidated financial statements**

**Income taxes**

Honda computes interim income tax expense (benefit) by multiplying a reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes and equity in income of affiliates for the three months ended June 30, 2014. If a reliable estimate cannot be made, Honda utilizes the actual year-to-date effective tax rate.

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**Table of Contents****Consolidated Financial Summary**

For the three months ended June 30, 2013 and 2014

**Financial Highlights**

|  | Yen (millions)                            |  |
|--|---|--|
|  | Three months<br>ended<br>Jun. 30,<br>2013 | Three months<br>ended<br>Jun. 30, 2014 |
| Net sales and other operating revenue                                  | 2,834,095                                 | 2,988,279                              |
| Operating income   | 184,963                                   | 198,043                                |
| Income before income taxes and equity in income of affiliates          | 172,035                                   | 198,813                                |
| Net income attributable to Honda Motor Co., Ltd.                       | 122,499                                   | 146,512                                |
|  | Yen                                       |  |
| Basic net income attributable to Honda Motor Co., Ltd per common share | 67.97                                     | 81.29                                  |
|  | U.S. Dollar (millions)                    |  |
|  |   | Three months<br>ended<br>Jun. 30, 2014 |
| Net sales and other operating revenue                                  |   | 29,482                                 |
| Operating income   |   | 1,954                                  |
| Income before income taxes and equity in income of affiliates          |   | 1,961                                  |
| Net income attributable to Honda Motor Co., Ltd.                       |   | 1,445                                  |
|  | U.S. Dollar                               |  |
| Basic net income attributable to Honda Motor Co., Ltd per common share |   | 0.80                                   |



**Table of Contents****[1] Consolidated Balance Sheets**

|  | Yen (millions)    |                   |
|--|-------------------|-------------------|
|  | Mar. 31, 2014     | Jun. 30, 2014     |
| <b>Assets</b>                                  |                   |                   |
| <b>Current assets:</b>                         |                   |                   |
| Cash and cash equivalents                      | 1,168,914         | 1,107,647         |
| Trade accounts and notes receivable            | 1,158,671         | 1,048,694         |
| Finance subsidiaries-receivables, net          | 1,464,215         | 1,478,573         |
| Inventories                                    | 1,302,895         | 1,289,093         |
| Deferred income taxes                          | 202,123           | 182,655           |
| Other current assets                           | 474,448           | 453,722           |
| <b>Total current assets</b>                    | <b>5,771,266</b>  | <b>5,560,384</b>  |
| <b>Finance subsidiaries-receivables, net</b>   | <b>3,317,553</b>  | <b>3,292,260</b>  |
| <b>Investments and advances:</b>               |                   |                   |
| Investments in and advances to affiliates      | 564,266           | 595,647           |
| Other, including marketable equity securities  | 253,661           | 262,185           |
| <b>Total investments and advances</b>          | <b>817,927</b>    | <b>857,832</b>    |
| <b>Property on operating leases:</b>           |                   |                   |
| Vehicles                                       | 2,718,131         | 2,794,472         |
| Less accumulated depreciation                  | 481,410           | 482,073           |
| <b>Net property on operating leases</b>        | <b>2,236,721</b>  | <b>2,312,399</b>  |
| <b>Property, plant and equipment, at cost:</b> |                   |                   |
| Land   | 521,806           | 519,775           |
| Buildings                                      | 1,895,140         | 1,931,841         |
| Machinery and equipment                        | 4,384,255         | 4,388,157         |
| Construction in progress                       | 339,093           | 308,058           |
|  | 7,140,294         | 7,147,831         |
| Less accumulated depreciation and amortization | 4,321,862         | 4,342,350         |
| <b>Net property, plant and equipment</b>       | <b>2,818,432</b>  | <b>2,805,481</b>  |
| <b>Other assets</b>                            | <b>660,132</b>    | <b>659,465</b>    |
| <b>Total assets</b>                            | <b>15,622,031</b> | <b>15,487,821</b> |

**Table of Contents****[1] Consolidated Balance Sheets continued**

|   | Yen (millions) |               |
|---|----------------|---------------|
|   | Mar. 31, 2014  | Jun. 30, 2014 |
| <b>Liabilities and Equity</b>   |                |               |
| <b>Current liabilities:</b>   |                |               |
| Short-term debt   | 1,319,344      | 1,463,290     |
| Current portion of long-term debt   | 1,303,464      | 1,175,081     |
| Trade payables:   |                |               |
| Notes   | 28,501         | 27,735        |
| Accounts  | 1,071,179      | 946,753       |
| Accrued expenses  | 626,503        | 566,381       |
| Income taxes payable  | 43,085         | 62,882        |
| Other current liabilities   | 319,253        | 349,723       |
| <b>Total current liabilities</b>  | 4,711,329      | 4,591,845     |
| <b>Long-term debt, excluding current portion</b>  | 3,234,066      | 3,204,962     |
| <b>Other liabilities</b>  | 1,563,238      | 1,522,845     |
| <b>Total liabilities</b>  | 9,508,633      | 9,319,652     |
| <b>Equity:</b>  |                |               |
| <b>Honda Motor Co., Ltd. shareholders equity:</b>   |                |               |
| Common stock, authorized 7,086,000,000 shares; issued 1,811,428,430 shares on Mar. 31, 2014 and Jun. 30, 2014 | 86,067         | 86,067        |
| Capital surplus   | 171,117        | 171,117       |
| Legal reserves  | 49,276         | 50,922        |
| Retained earnings   | 6,431,682      | 6,536,898     |
| Accumulated other comprehensive income (loss), net  | (793,014)      | (840,841)     |
| Treasury stock, at cost 9,137,234 shares on Mar. 31, 2014 and 9,137,831 shares on Jun. 30, 2014               | (26,149)       | (26,151)      |
| <b>Total Honda Motor Co., Ltd. shareholders equity</b>  | 5,918,979      | 5,978,012     |
| <b>Noncontrolling interests</b>   | 194,419        | 190,157       |
| <b>Total equity</b>   | 6,113,398      | 6,168,169     |
| <b>Commitments and contingent liabilities</b>   |                |               |
| <b>Total liabilities and equity</b>   | 15,622,031     | 15,487,821    |

**Table of Contents****[2] Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income**

For the three months ended June 30, 2013 and 2014

|  | Yen (millions)                            |  |
|--|---|--|
|  | Three months<br>ended<br>Jun. 30,<br>2013 | Three months<br>ended<br>Jun. 30, 2014 |
| <b>Net sales and other operating revenue</b>                                   | 2,834,095                                 | 2,988,279                              |
| <b>Operating costs and expenses:</b>   |   |  |
| Cost of sales  | 2,124,409                                 | 2,238,262                              |
| Selling, general and administrative  | 383,061                                   | 408,840                                |
| Research and development   | 141,662                                   | 143,134                                |
|  | 2,649,132                                 | 2,790,236                              |
| <b>Operating income</b>  | 184,963                                   | 198,043                                |
| <b>Other income (expenses):</b>  |   |  |
| Interest income  | 5,992                                     | 5,152                                  |
| Interest expense   | (2,974)                                   | (4,413)                                |
| Other, net   | (15,946)                                  | 31                                     |
|  | (12,928)                                  | 770                                    |
| <b>Income before income taxes and equity in income of affiliates</b>           | 172,035                                   | 198,813                                |
| <b>Income tax expense:</b>   |   |  |
| Current  | 43,866                                    | 78,567                                 |
| Deferred   | 26,973                                    | 3,229                                  |
|  | 70,839                                    | 81,796                                 |
| <b>Income before equity in income of affiliates</b>                            | 101,196                                   | 117,017                                |
| <b>Equity in income of affiliates</b>  | 31,767                                    | 38,588                                 |
| <b>Net income</b>  | 132,963                                   | 155,605                                |
| <b>Less: Net income attributable to noncontrolling interests</b>               | 10,464                                    | 9,093                                  |
| <b>Net income attributable to Honda Motor Co., Ltd.</b>                        | 122,499                                   | 146,512                                |
|  |   | Yen                                    |
| <b>Basic net income attributable to Honda Motor Co., Ltd. per common share</b> | 67.97                                     | 81.29                                  |

**Table of Contents****Consolidated Statements of Comprehensive Income**

For the three months ended March 31, 2013 and 2014

|   | Yen (millions)                            |  |
|---|---|--|
|   | Three months<br>ended<br>Jun. 30,<br>2013 | Three months<br>ended<br>Jun. 30, 2014 |
| Net income  | 132,963                                   | 155,605                                |
| Other comprehensive income (loss), net of tax:                      |   |  |
| Adjustments from foreign currency translation                       | 189,546                                   | (55,326)                               |
| Unrealized gains (losses) on available-for-sale securities, net     | 8,694                                     | 8,284                                  |
| Unrealized gains (losses) on derivative instruments, net            | 587                                       |  |
| Pension and other postretirement benefits adjustments               | 2,685                                     | (4,726)                                |
| Other comprehensive income (loss), net of tax                       | 201,512                                   | (51,768)                               |
| Comprehensive income (loss)   | 334,475                                   | 103,837                                |
| Less: Comprehensive income attributable to noncontrolling interests | 18,975                                    | 5,152                                  |
| Comprehensive income (loss) attributable to Honda Motor Co., Ltd.   | 315,500                                   | 98,685                                 |

**Table of Contents****[3] Consolidated Statements of Cash Flows**

|  | Yen (millions)                            |  |
|--|---|--|
|  | Three months<br>ended<br>Jun. 30,<br>2013 | Three months<br>ended<br>Jun. 30, 2014 |
| <b>Cash flows from operating activities:</b>                                       |   |  |
| Net income   | 132,963                                   | 155,605                                |
| Adjustments to reconcile net income to net cash provided by operating activities:  |   |  |
| Depreciation excluding property on operating leases                                | 108,313                                   | 117,312                                |
| Depreciation of property on operating leases                                       | 80,397                                    | 94,947                                 |
| Deferred income taxes  | 26,973                                    | 3,229                                  |
| Equity in income of affiliates   | (31,767)                                  | (38,588)                               |
| Dividends from affiliates  | 5,735                                     | 7,156                                  |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 4,623                                     | 3,528                                  |
| Impairment loss on property on operating leases                                    | 615                                       | 385                                    |
| Loss (gain) on derivative instruments, net   | (21,038)                                  | 627                                    |
| Decrease (increase) in assets:   |   |  |
| Trade accounts and notes receivable  | 92,404                                    | 92,913                                 |
| Inventories  | 38,389                                    | (3,515)                                |
| Other current assets   | 5,742                                     | 21,177                                 |
| Other assets   | 1,022                                     | (8,833)                                |
| Increase (decrease) in liabilities:  |   |  |
| Trade accounts and notes payable   | (101,821)                                 | (71,829)                               |
| Accrued expenses   | (52,262)                                  | (48,100)                               |
| Income taxes payable   | (2,065)                                   | 20,876                                 |
| Other current liabilities  | 46,310                                    | 37,092                                 |
| Other liabilities  | (12,524)                                  | (6,440)                                |
| Other, net   | (17,819)                                  | (22,871)                               |
| <b>Net cash provided by operating activities</b>                                   | <b>304,190</b>                            | <b>354,671</b>                         |
| <b>Cash flows from investing activities:</b>                                       |   |  |
| Increase in investments and advances   | (9,696)                                   | (7,821)                                |
| Decrease in investments and advances   | 14,132                                    | 8,310                                  |
| Payments for purchases of available-for-sale securities                            | (16,453)                                  | (5,351)                                |
| Proceeds from sales of available-for-sale securities                               | 1,597                                     | 3,568                                  |
| Payments for purchases of held-to-maturity securities                              | (10)                                      | (357)                                  |
| Proceeds from redemptions of held-to-maturity securities                           | 1,707                                     | 16                                     |
| Capital expenditures   | (210,696)                                 | (194,225)                              |
| Proceeds from sales of property, plant and equipment                               | 8,079                                     | 13,897                                 |
| Proceeds from insurance recoveries for damaged property, plant and equipment       | 6,800                                     |  |
| Acquisitions of finance subsidiaries-receivables                                   | (745,780)                                 | (652,357)                              |
| Collections of finance subsidiaries-receivables                                    | 559,386                                   | 632,364                                |
| Purchases of operating lease assets  | (271,474)                                 | (361,262)                              |
| Proceeds from sales of operating lease assets                                      | 164,237                                   | 175,340                                |
| Other, net   |   | 328                                    |
| <b>Net cash used in investing activities</b>                                       | <b>(498,171)</b>                          | <b>(387,550)</b>                       |

**Table of Contents****[3] Consolidated Statements of Cash Flows continued**

|   | Yen (millions)                            |  |
|---|---|--|
|   | Three months<br>ended<br>Jun. 30,<br>2013 | Three months<br>ended<br>Jun. 30, 2014 |
| <b>Cash flows from financing activities:</b>                        |   |  |
| Proceeds from short-term debt                                       | 1,928,544                                 | <b>2,025,424</b>                       |
| Repayments of short-term debt                                       | (1,856,102)                               | <b>(1,876,723)</b>                     |
| Proceeds from long-term debt  | 378,042                                   | <b>192,788</b>                         |
| Repayments of long-term debt  | (320,903)                                 | <b>(303,734)</b>                       |
| Dividends paid  | (34,243)                                  | <b>(39,650)</b>                        |
| Dividends paid to noncontrolling interests                          | (5,889)                                   | <b>(5,053)</b>                         |
| Sales (purchases) of treasury stock, net                            | (6)                                       | <b>(2)</b>                             |
| Other, net  | (8,399)                                   | <b>(11,142)</b>                        |
| <b>Net cash provided by (used in) financing activities</b>          | 81,044                                    | <b>(18,092)</b>                        |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | 46,009                                    | <b>(10,296)</b>                        |
| <b>Net change in cash and cash equivalents</b>                      | (66,928)                                  | <b>(61,267)</b>                        |
| <b>Cash and cash equivalents at beginning of the year</b>           | 1,206,128                                 | <b>1,168,914</b>                       |
| <b>Cash and cash equivalents at end of the period</b>               | 1,139,200                                 | <b>1,107,647</b>                       |

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**[4] Assumptions for Going Concern**

None

**[5] Significant changes in Honda Motor Co., Ltd. shareholders equity**

None

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**Table of Contents****[6] 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:

| <b>Segment</b>                     | <b>Principal products and services</b>                             | <b>Functions</b>   |
|------------------------------------|--|--|
| Motorcycle Business                | Motorcycles, all-terrain vehicles<br><br>(ATVs) and relevant parts | Research & Development, Manufacturing,<br>Sales and related services             |
| Automobile Business                | Automobiles and relevant parts                                     | Research & Development, Manufacturing,<br><br>Sales and related services         |
| Financial Services Business        | Financial, insurance services                                      | Retail loan and lease related to Honda<br>products, and Others                   |
| Power Product and Other Businesses | Power products and relevant parts, and others                      | Research & Development, Manufacturing,<br>Sales and related services, and Others |



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## 1. Segment information based on products and services

As of and for the three months ended June 30, 2013

|  | Yen (millions)         |                        |                                   |  |                  |                      |              |
|--|------------------------|------------------------|-----------------------------------|--|------------------|----------------------|--------------|
|  | Motorcycle<br>Business | Automobile<br>Business | Financial<br>Services<br>Business | Power Product<br>& Other<br>Businesses | Segment<br>Total | Reconciling<br>Items | Consolidated |
| Net sales and other operating revenue: |                        |                        |                                   |  |                  |                      |              |
| External customers                     | 396,870                | 2,196,591              | 165,396                           | 75,238                                 | 2,834,095        |                      | 2,834,095    |
| Intersegment                           |                        | 4,404                  | 2,592                             | 2,718                                  | 9,714            | (9,714)              |              |
| Total                                  | 396,870                | 2,200,995              | 167,988                           | 77,956                                 | 2,843,809        | (9,714)              | 2,834,095    |
| Segment income (loss)                  | 42,582                 | 96,377                 | 44,643                            | 1,361                                  | 184,963          |                      | 184,963      |
| Segment assets                         | 1,182,953              | 5,852,034              | 7,206,853                         | 334,441                                | 14,576,281       | (377,965)            | 14,198,316   |
| Depreciation and amortization          | 12,145                 | 92,554                 | 80,755                            | 3,256                                  | 188,710          |                      | 188,710      |
| Capital expenditures                   | 13,026                 | 165,344                | 272,287                           | 3,611                                  | 454,268          |                      | 454,268      |

As of and for the three months ended June 30, 2014

|  | Yen (millions)         |                        |                                   |  |                  |                      |              |
|--|------------------------|------------------------|-----------------------------------|--|------------------|----------------------|--------------|
|  | Motorcycle<br>Business | Automobile<br>Business | Financial<br>Services<br>Business | Power Product<br>& Other<br>Businesses | Segment<br>Total | Reconciling<br>Items | Consolidated |
| Net sales and other operating revenue: |                        |                        |                                   |  |                  |                      |              |
| External customers                     | 407,742                | 2,319,594              | 186,701                           | 74,242                                 | 2,988,279        |                      | 2,988,279    |
| Intersegment                           |                        | 4,158                  | 2,637                             | 2,759                                  | 9,554            | (9,554)              |              |
| Total                                  | 407,742                | 2,323,752              | 189,338                           | 77,001                                 | 2,997,833        | (9,554)              | 2,988,279    |
| Segment income (loss)                  | 43,985                 | 99,836                 | 51,834                            | 2,388                                  | 198,043          |                      | 198,043      |
| Segment assets                         | 1,207,203              | 6,317,177              | 8,009,019                         | 365,019                                | 15,898,418       | (410,597)            | 15,487,821   |
| Depreciation and amortization          | 11,962                 | 102,050                | 95,659                            | 2,588                                  | 212,259          |                      | 212,259      |
| Capital expenditures                   | 9,273                  | 139,971                | 362,199                           | 1,976                                  | 513,419          |                      | 513,419      |
| 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 285,682 million as of June 30, 2013 and JPY 253,224 million as of June 30, 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 80,397 million for the three months ended June 30, 2013 and JPY 94,947 million for the three months ended June 30, 2014, respectively, of depreciation of property on operating leases.

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4. Capital expenditure of Financial Services Business includes JPY 271,474 million for the three months ended June 30, 2013 and JPY 361,262 million for the three months ended June 30, 2014 respectively, of purchase of operating lease assets.

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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

As of and for the three months ended June 30, 2013

|  | Yen (millions) |               |         |           |               |            |                   |              |
|--|----------------|---------------|---------|-----------|---------------|------------|-------------------|--------------|
|  | Japan          | North America | Europe  | Asia      | Other Regions | Total      | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |                |               |         |           |               |            |                   |              |
| External customers                     | 433,538        | 1,405,502     | 158,869 | 598,369   | 237,817       | 2,834,095  |                   | 2,834,095    |
| Transfers between geographic areas     | 542,346        | 95,806        | 17,113  | 108,374   | 2,902         | 766,541    | (766,541)         |              |
| Total                                  | 975,884        | 1,501,308     | 175,982 | 706,743   | 240,719       | 3,600,636  | (766,541)         | 2,834,095    |
| Operating income (loss)                | 62,187         | 71,858        | (9,740) | 53,755    | 5,415         | 183,475    | 1,488             | 184,963      |
| Assets                                 | 3,219,164      | 8,062,987     | 629,302 | 1,688,083 | 739,109       | 14,338,645 | (140,329)         | 14,198,316   |
| Long-lived assets                      | 1,186,448      | 2,679,540     | 126,393 | 466,100   | 156,205       | 4,614,686  |                   | 4,614,686    |

As of and for the three months ended June 30, 2014

|  | Yen (millions) |               |         |           |               |            |                   |              |
|--|----------------|---------------|---------|-----------|---------------|------------|-------------------|--------------|
|  | Japan          | North America | Europe  | Asia      | Other Regions | Total      | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |                |               |         |           |               |            |                   |              |
| External customers                     | 547,782        | 1,453,788     | 174,248 | 604,731   | 207,730       | 2,988,279  |                   | 2,988,279    |
| Transfers between geographic areas     | 440,177        | 91,806        | 20,345  | 128,698   | 534           | 681,560    | (681,560)         |              |
| Total                                  | 987,959        | 1,545,594     | 194,593 | 733,429   | 208,264       | 3,669,839  | (681,560)         | 2,988,279    |
| Operating income (loss)                | 62,149         | 67,513        | (1,487) | 65,278    | 4,593         | 198,046    | (3)               | 198,043      |
| Assets                                 | 3,443,404      | 8,780,234     | 679,266 | 1,999,224 | 748,039       | 15,650,167 | (162,346)         | 15,487,821   |
| Long-lived assets                      | 1,272,648      | 3,099,387     | 138,779 | 584,700   | 165,113       | 5,260,627  |                   | 5,260,627    |
| 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                                |

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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 285,682 million as of June 30, 2013 and JPY 253,224 million as of June 30, 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.

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