Honda Sales Jump 28 Percent Against Toyota's Woes

Yuri Kageyama, AP Business Writer

TOKYO (AP) — Honda posted a 72 billion yen ($774 million) profit for the January-March quarter in a reversal from red ink a year earlier as booming demand in China and India combined with a fledgling U.S. recovery to boost car sales.

Honda Motor Co., Japan's No. 2 automaker, reported Wednesday that quarterly sales surged 28 percent from a year earlier to 2.28 trillion yen ($24.5 billion).

Honda, which makes the Insight hybrid and the Odyssey minivan, sold 874,000 vehicles for the fiscal fourth quarter, up 28.5 percent from 680,000 the year before.

Honda's better fortunes mirror similar recoveries at other Japanese automakers, whose results had been battered the previous year by the financial crisis.

Honda's sales in Japan recovered, helped by tax breaks for "green" models and brisk demand for smaller models like the Fit, Honda said.

For the fiscal year ended March 31, Honda reported a 96 percent rise in profit to 268.4 billion yen ($2.9 billion). Sales of 8.58 trillion yen ($92.3 billion) were down 14 percent from the previous year.

Honda is expecting better results for the fiscal year through March 31, 2011, forecasting 340 billion yen ($3.7 billion) in profit, up 27 percent from the fiscal year just ended.

Sales are projected to climb 9 percent to 9.34 trillion yen ($100.4 billion), it said.

The automaker is targeting sales of 3.6 million vehicles for the current fiscal year, up nearly 7 percent from 3.4 million last year.

Honda's U.S. sales have been recovering moderately, while the European market was also gradually beginning to recover in the latter half, helped by government incentives, according to Tokyo-based Honda.

Honda also has a strong motorcycle division, which contributed to earnings with a 30 percent sales increase to 2.6 million motorcycles for the quarter.

Mazda Motor Corp. and Mitsubishi Motors Corp. — Japan's No. 4 and No. 5 automakers — also posted net profits for the January-March quarter, reversing losses from a year earlier.

Toyota Motor Corp., the world's biggest automaker, whose sales have been hurt by a recall crisis, and Nissan Motor Co., allied with Renault SA of France, this nation's No. 3 automaker, reports earnings next month.

Honda shares lost 1.5 percent to 3,285 yen ($35) in Tokyo.

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