



FY15 2nd Quarter Financial Results



Honda Motor Co., Ltd.

October 28, 2014

CR-V
(North America)



- *FY15 2nd Quarter Financial Results*
- *FY15 Financial Forecast*
- *Dividend*

Tetsuo Iwamura
Executive Vice President

Results Summary

Operating income for the second quarter was 164.4 billion yen due mainly to

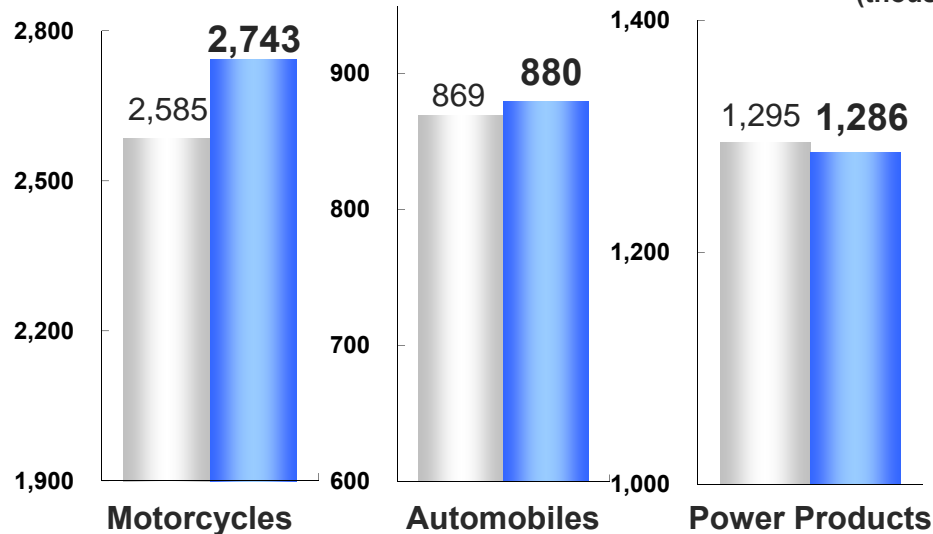
- Increased competitiveness in the North American and Japanese automobile markets
- Positive impact of new automobile model introductions in Asia
- Continuous cost reduction efforts

2nd Quarter Results FY14 and FY15

FY14 **FY15**

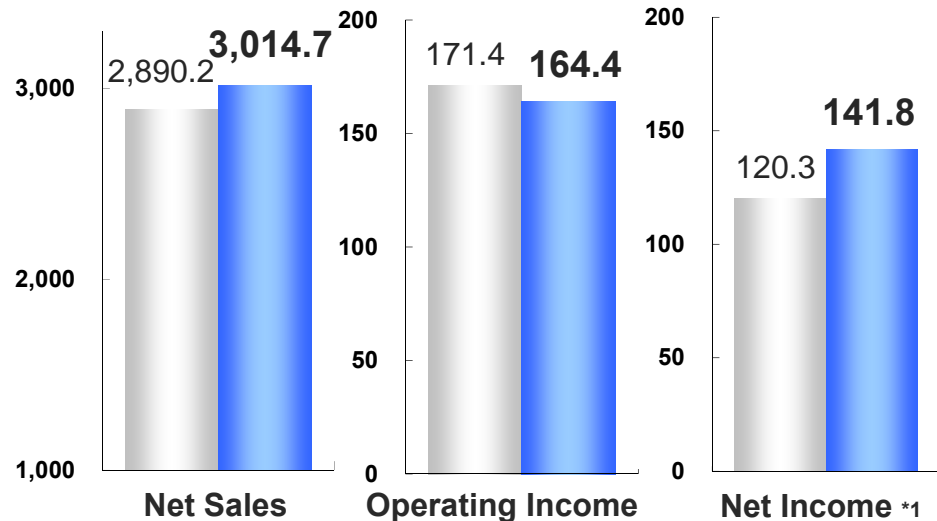
Consolidated Unit Sales

Unit (thousand)



Net Sales / Operating Income

Yen (billion)



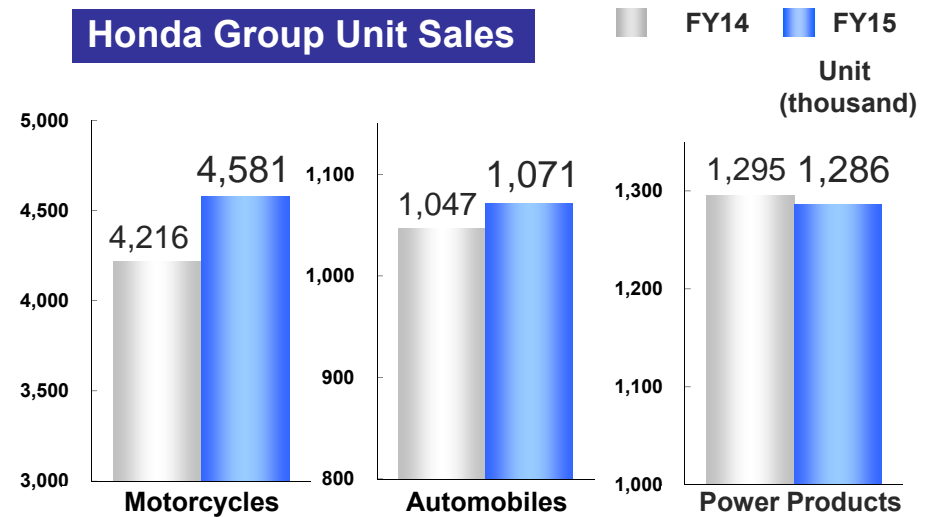
For *1, please refer to footnotes on page 34

FY15 2nd Quarter Unit Sales

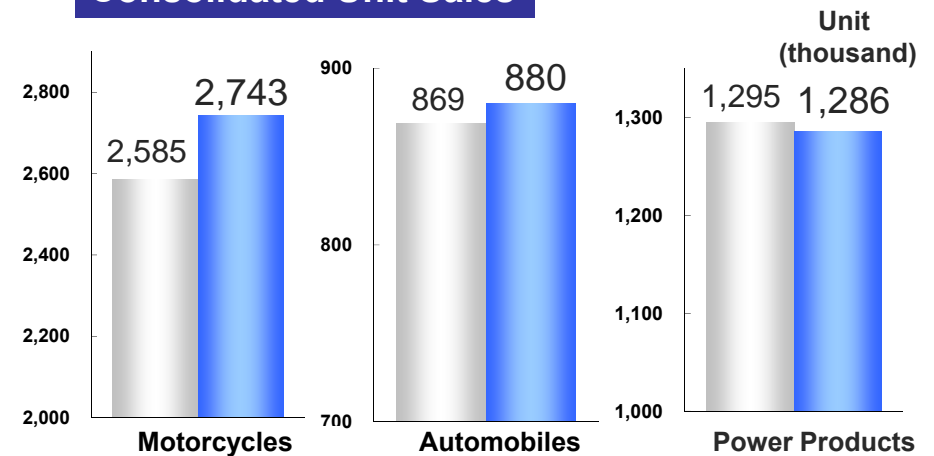
Honda Group Unit Sales (thousand)	2Q Results (3 Months)		
	FY14	FY15	Change
Motorcycles	4,216	4,581	+ 8.7%
Automobiles	1,047	1,071	+ 2.3%
Power Products	1,295	1,286	- 0.7%

Consolidated Unit Sales (thousand)	2Q Results (3 Months)		
	FY14	FY15	Change
Motorcycles	2,585	2,743	+ 6.1%
Automobiles	869	880	+ 1.3%
Power Products	1,295	1,286	- 0.7%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Increase in motorcycle unit sales mainly in India and Indonesia
- Increase in automobile unit sales due to the positive impact of new model introductions as well as the launch of fully remodeled vehicles in Asia as well as other markets

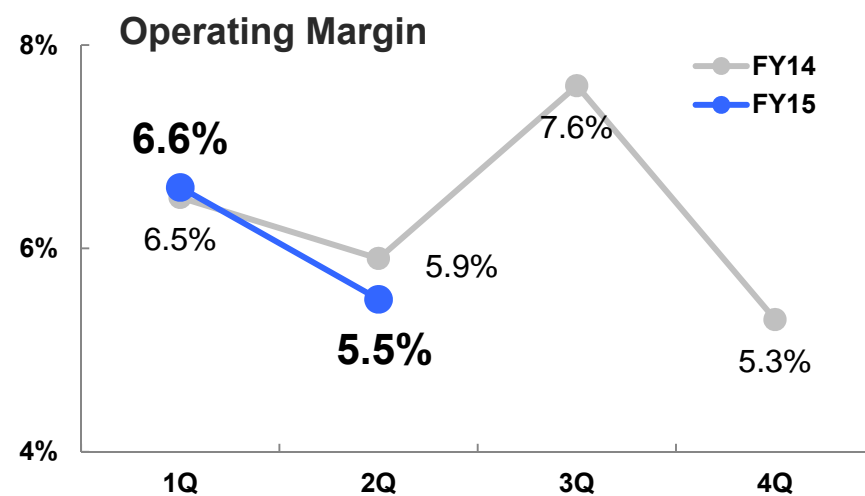
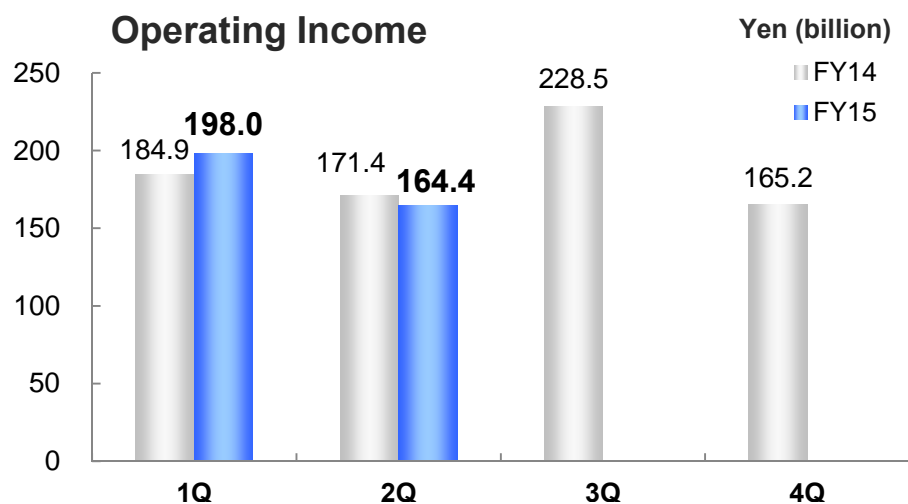
FY15 2nd Quarter Financial Results (Consolidated)

Financial Results Yen (billion)	2Q Results (3 Months)		
	FY14	FY15	Change
Net Sales	2,890.2	3,014.7	+ 4.3%
Operating Income	171.4	164.4	- 4.1%
Operating Margin	5.9%	5.5%	- 0.4pt
Income before income taxes	165.5	179.8	+ 8.6%
Equity in income of affiliates	31.6	22.7	- 28.2%
Net Income ^{*1}	120.3	141.8	+ 17.9%
EPS (Yen) ^{*2}	66.79	78.73	+ 11.94
Average Rates (Yen)			
US Dollar	99	104	Yen down by 5 yen
Euro	131	138	Yen down by 7 yen

Financial Summary

- Net sales and other operating revenue increased by 4.3% mainly due to a rise in motorcycle and automobile unit sales as well as the positive impact of foreign exchange effects
- Operating income decreased by 4.1% mostly due to a decrease in income associated with changes in sales volume and model mix and increased R&D expenses, despite cost reduction efforts and positive FOREX effects
- Net income increased by 17.9%

For *1 and *2, please refer to footnotes on page 34



FY15 Six Months Financial Results (Consolidated)

Honda Group Unit Sales (Consolidated Unit Sales) (thousand)	Six Month Results		
	FY14	FY15	Change
Motorcycles	8,270 (4,956)	8,718 (5,200)	+ 5.4% (+ 4.9%)
Automobiles	2,046 (1,727)	2,132 (1,775)	+ 4.2% (+ 2.8%)
Power Products	2,884 (2,884)	2,796 (2,796)	- 3.1% (- 3.1%)

Financial Results Yen (billion)	Six Month Results		
	FY14	FY15	Change
Net sales	5,724.3	6,003.0	+ 4.9%
Operating income	356.4	362.4	+ 1.7%
Operating margin	6.2%	6.0%	- 0.2pt
Income before income taxes	337.6	378.6	+ 12.2%
Equity in income of affiliates	63.4	61.3	- 3.3%
Net Income *1	242.8	288.4	+ 18.8%
EPS (Yen) *2	134.75	160.02	+ 25.27

For *1 and *2, please refer to footnotes on page 34

Average Rates (Yen)

US Dollar	99	103	Yen down by 4 yen
Euro	130	139	Yen down by 9 yen

FY15 Financial Forecast (Consolidated)

Yen (billion)

	FY14 Results	FY15 Forecast	Change		Change from previous forecast
			amount	%	
Net Sales	11,842.4	12,750.0	+ 907.5	+ 7.7%	- 50.0
Operating Income	750.2	770.0	+ 19.7	+ 2.6%	0.0
Operating Margin	6.3%	6.0%		- 0.3pt	-
Income before Income taxes	728.9	765.0	+ 36.0	+ 4.9%	+ 10.0
Equity in income of affiliates	132.4	120.0	- 12.4	- 9.4%	- 35.0
Net Income ^{*1}	574.1	565.0	- 9.1	- 1.6%	- 35.0
EPS (Yen) ^{*2}	318.54	313.49	- 5.05		

For *1 and *2, please refer to footnotes on page 34

Average Rates (Yen)

US Dollar	100	104 (1H 103 / 2H 105)	Yen down by 4 yen	Yen down by 3 yen
Euro	136	137 (1H 139 / 2H 135)	Yen down by 1 yen	Yen down by 1 yen

FY15 Financial Forecast (Parent Company Only)

Yen (billion)

	FY14 Results	FY15 Forecast	Change		Change from previous forecast
			amount	%	
Net sales	3,488.3	3,500.0	+ 11.6	+ 0.3%	- 140.0
Operating income	125.6	120.0	- 5.6	- 4.5%	- 20.0
Operating Margin	3.6%	3.4%	- 0.2pt		- 0.4pt
Ordinary income	345.9	355.0	+ 9.0	+ 2.6%	0.0
Net income	262.9	285.0	+ 22.0	+ 8.4%	+ 5.0

Average Rates (Yen)

US Dollar	100	104 (1H 103 / 2H 105)	Yen down by 4 yen	Yen down by 3 yen
Euro	136	137 (1H 139 / 2H 135)	Yen down by 1 yen	Yen down by 1 yen

Dividend

(Yen)

Dividend per Share	FY14	FY15 (Expectation)	Increase / Decrease from FY14
1 st Quarter End	20	22	+ 2
2nd Quarter End	20	22	+ 2
3 rd Quarter End	20	(22)	(+ 2)
4 th Quarter End	22	(22)	(±0)
Fiscal Year	82	(88)	(+ 6)



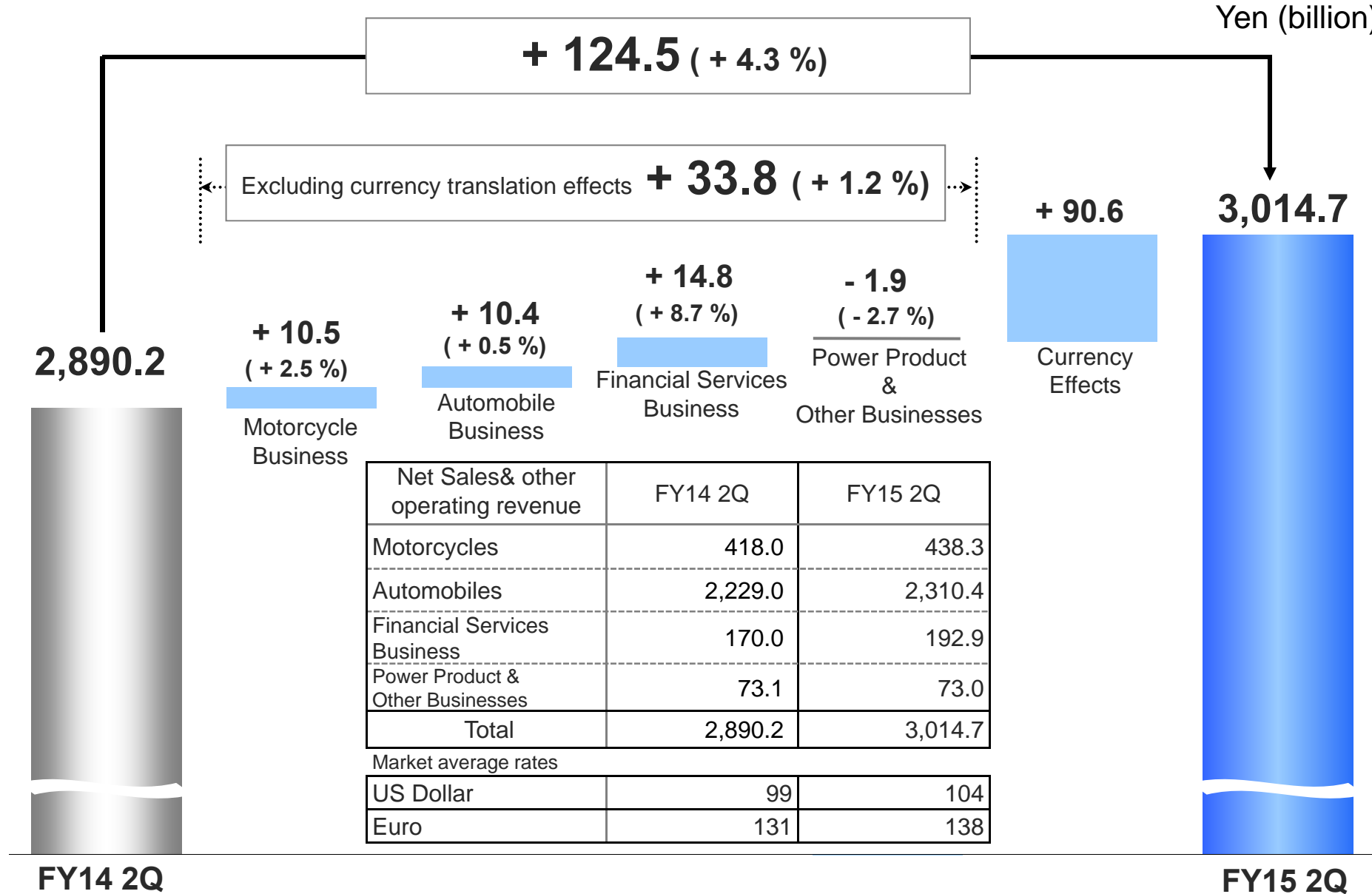
- *FY15 2nd Quarter and Six Months Financial Results*
 - *Net Sales and Other Operating Revenue*
 - *Change in Income before Income Taxes*
 - *Business & Geographical Segment Information*
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 - *Capital Expenditure*
- *FY15 Financial Forecast*

Kohei Takeuchi

***Operating Officer and Director
Chief Financial Officer***

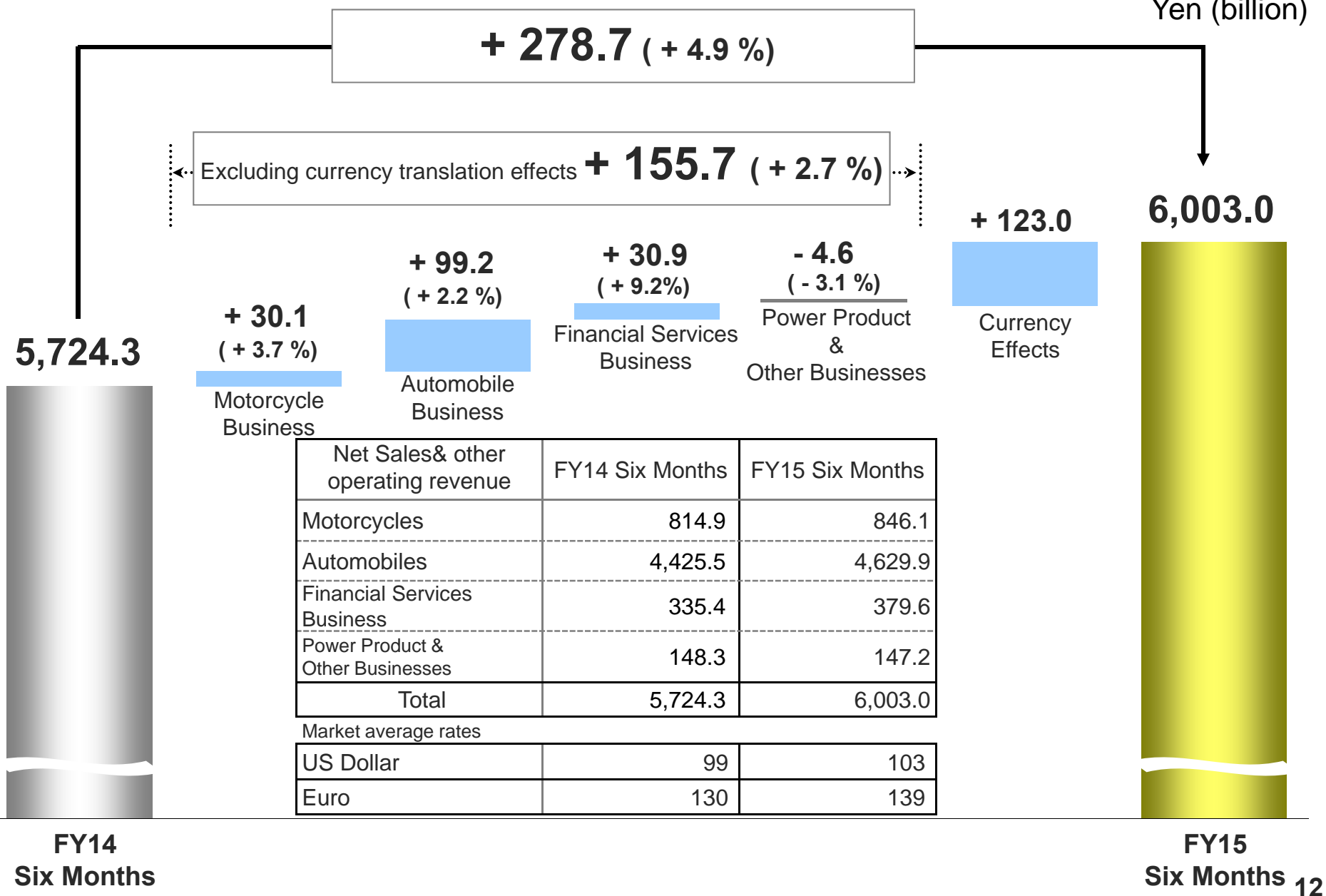
Net Sales and Other Operating Revenue <FY15 2nd Qtr>

Yen (billion)

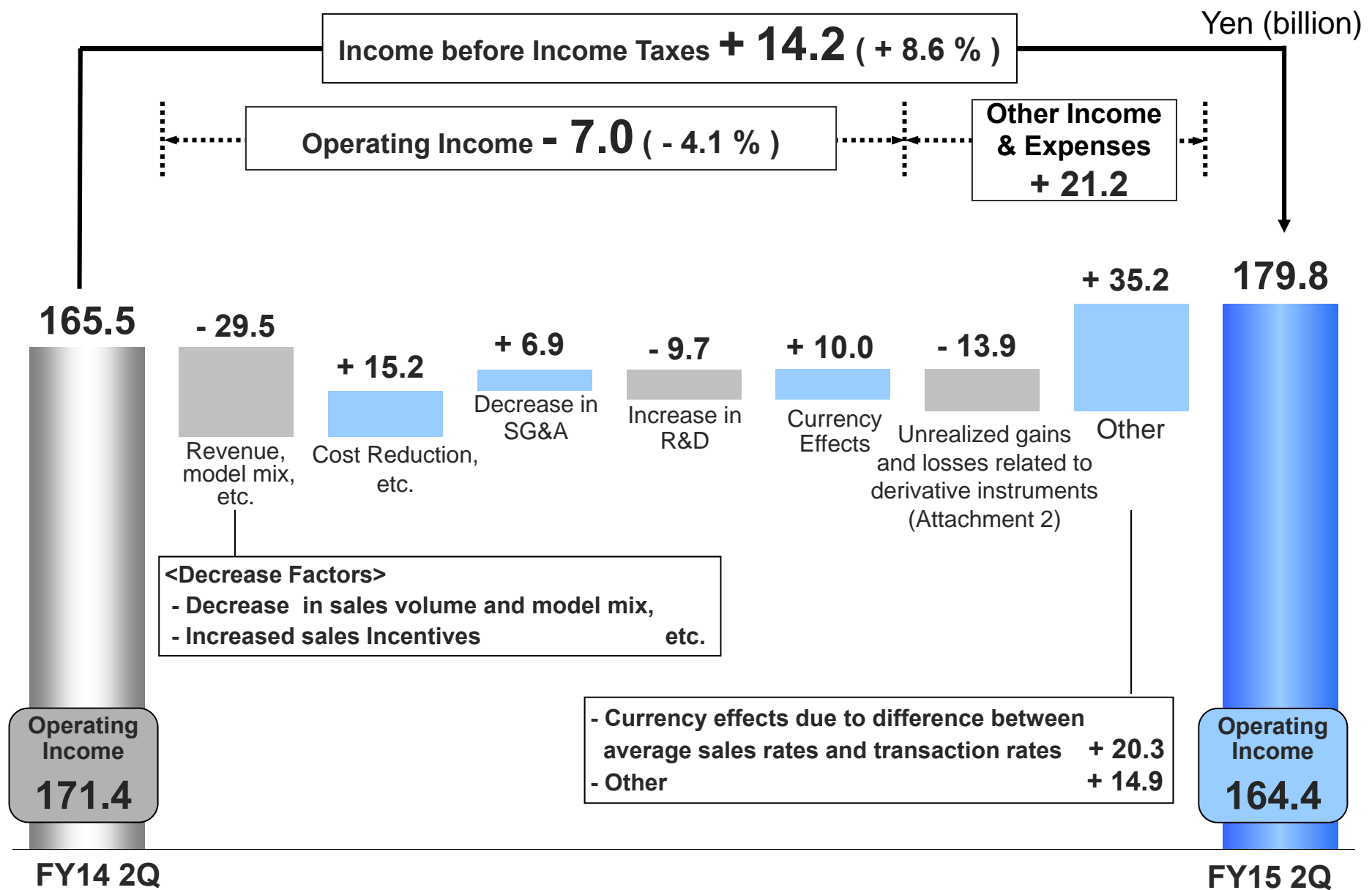


Net Sales and Other Operating Revenue <FY15 Six Months>

Yen (billion)



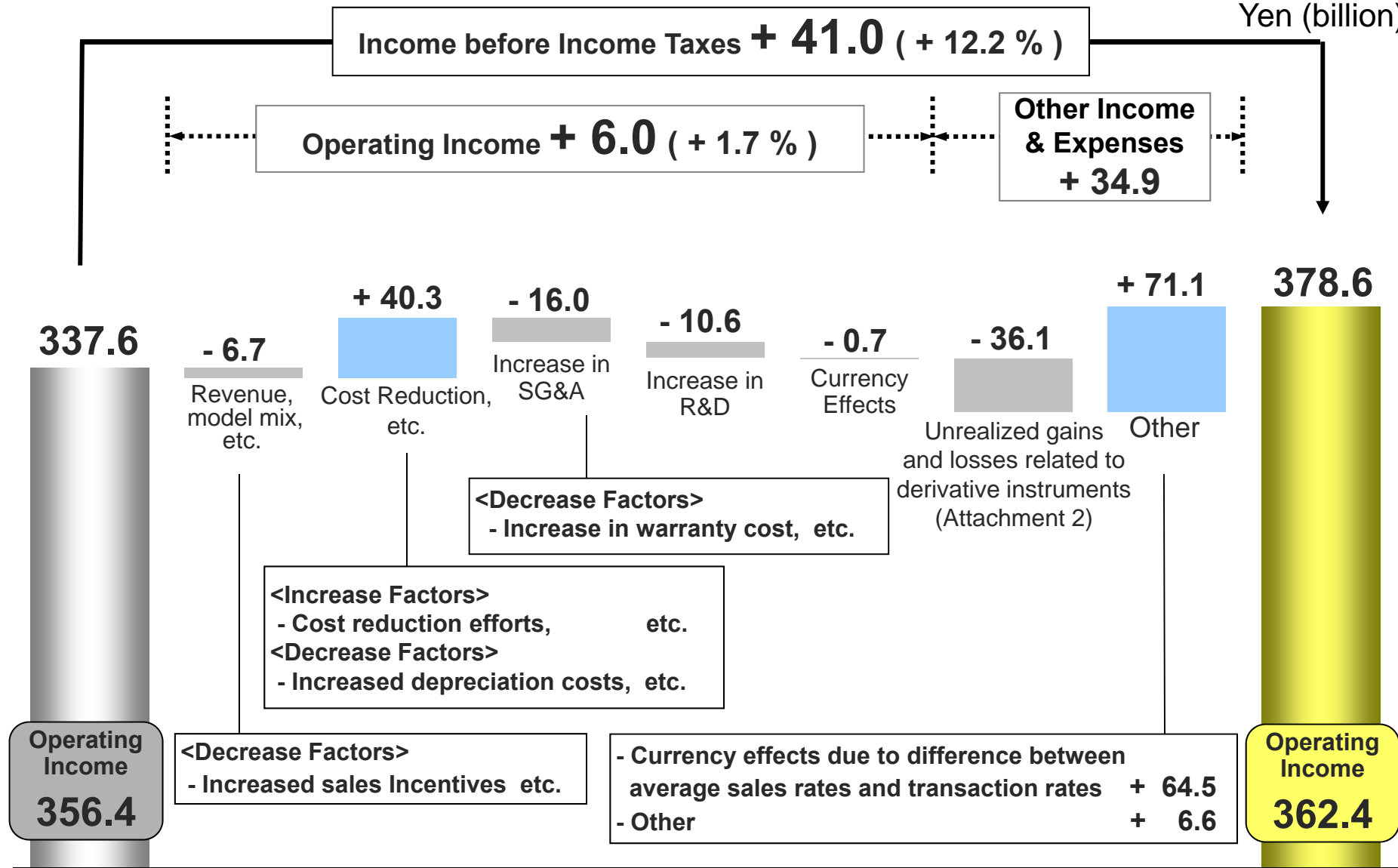
Change in Income before Income Taxes <FY15 2nd Qtr>



*Please refer to Attachment 1 regarding currency effects

Change in Income before Income Taxes <FY15 Six Months>

Yen (billion)



FY14
Six Months

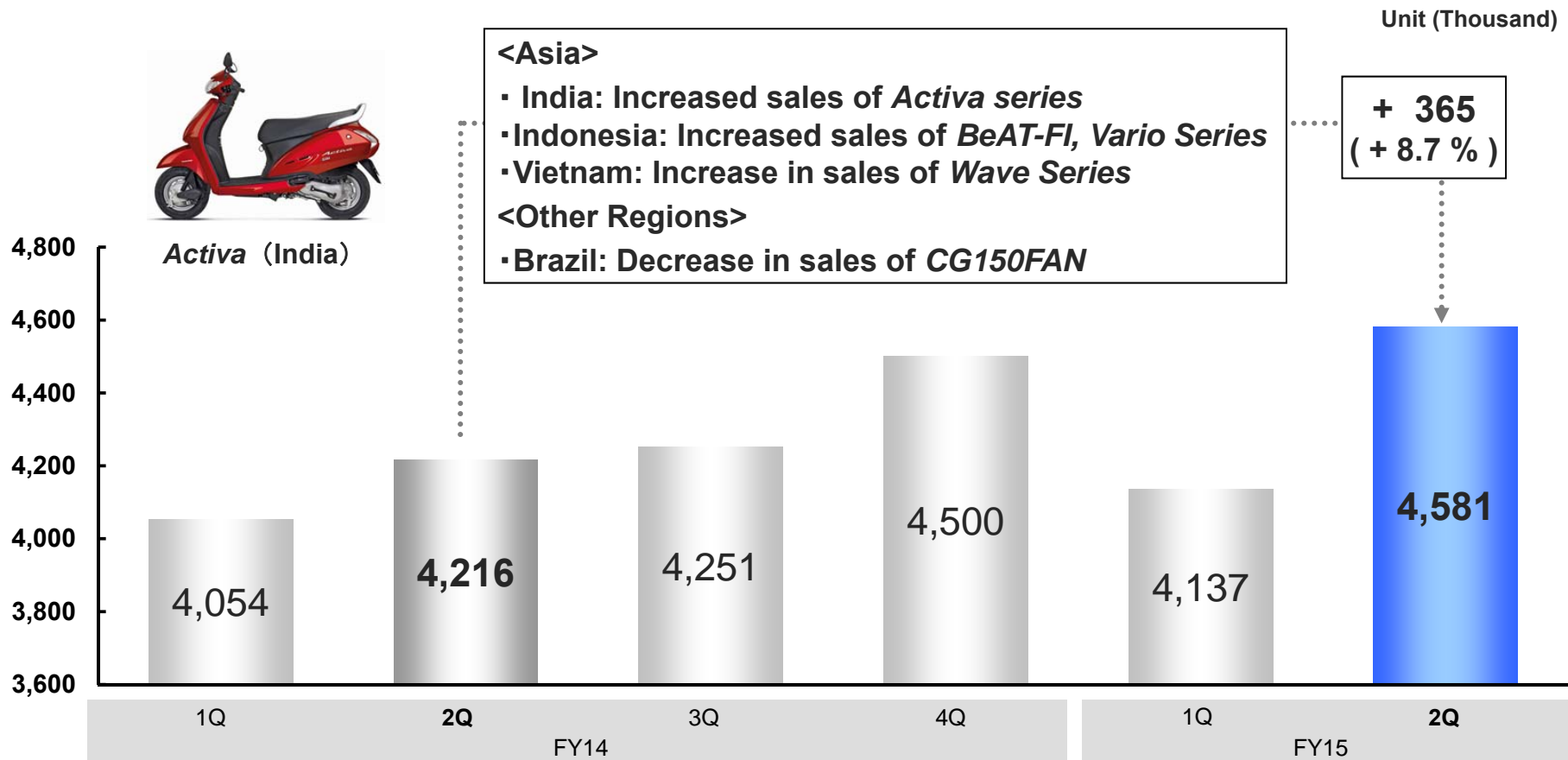
FY15
Six Months 14

*Please refer to Attachment 1 regarding currency effects

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



Activa (India)

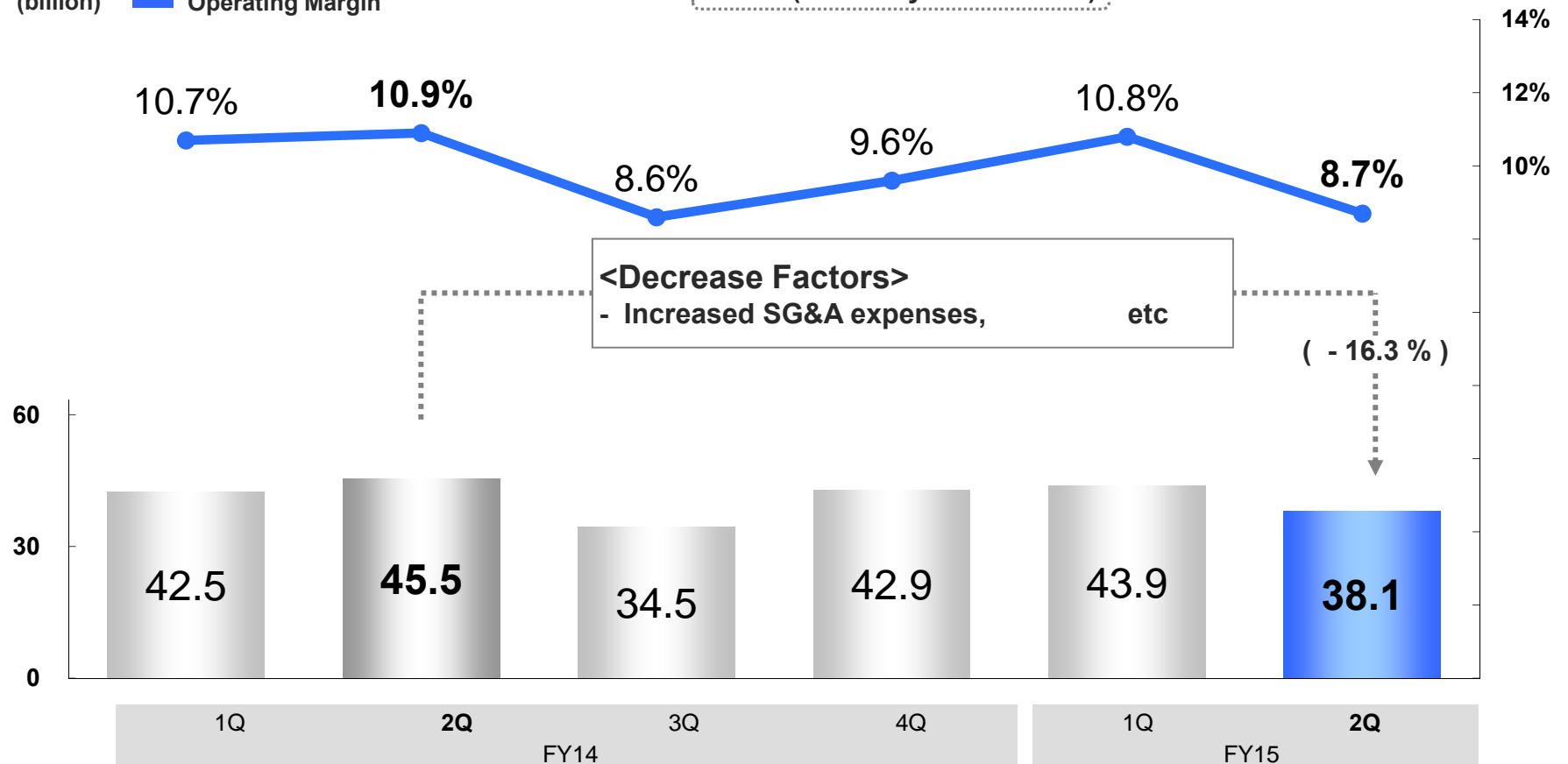


Japan	54	63	52	57	48	50
North America	62	68	63	83	62	69
Europe	52	38	27	49	60	47
Asia	3,479	3,536	3,678	3,843	3,593	3,998
Other Regions	407	511	431	468	374	417
Total	4,054	4,216	4,251	4,500	4,137	4,581

Motorcycle Business Net Sales/Operating Income (Margin)

Unit (thousand) Yen (billion)	FY14				FY15	
	1Q	2Q	3Q	4Q	1Q	2Q
Honda Group Unit Sales (Consolidated Unit Sales)	4,054 (2,371)	4,216 (2,585)	4,251 (2,657)	4,500 (2,730)	4,137 (2,457)	4,581 (2,743)
Net Sales	396.8	418.0	400.1	448.5	407.7	438.3

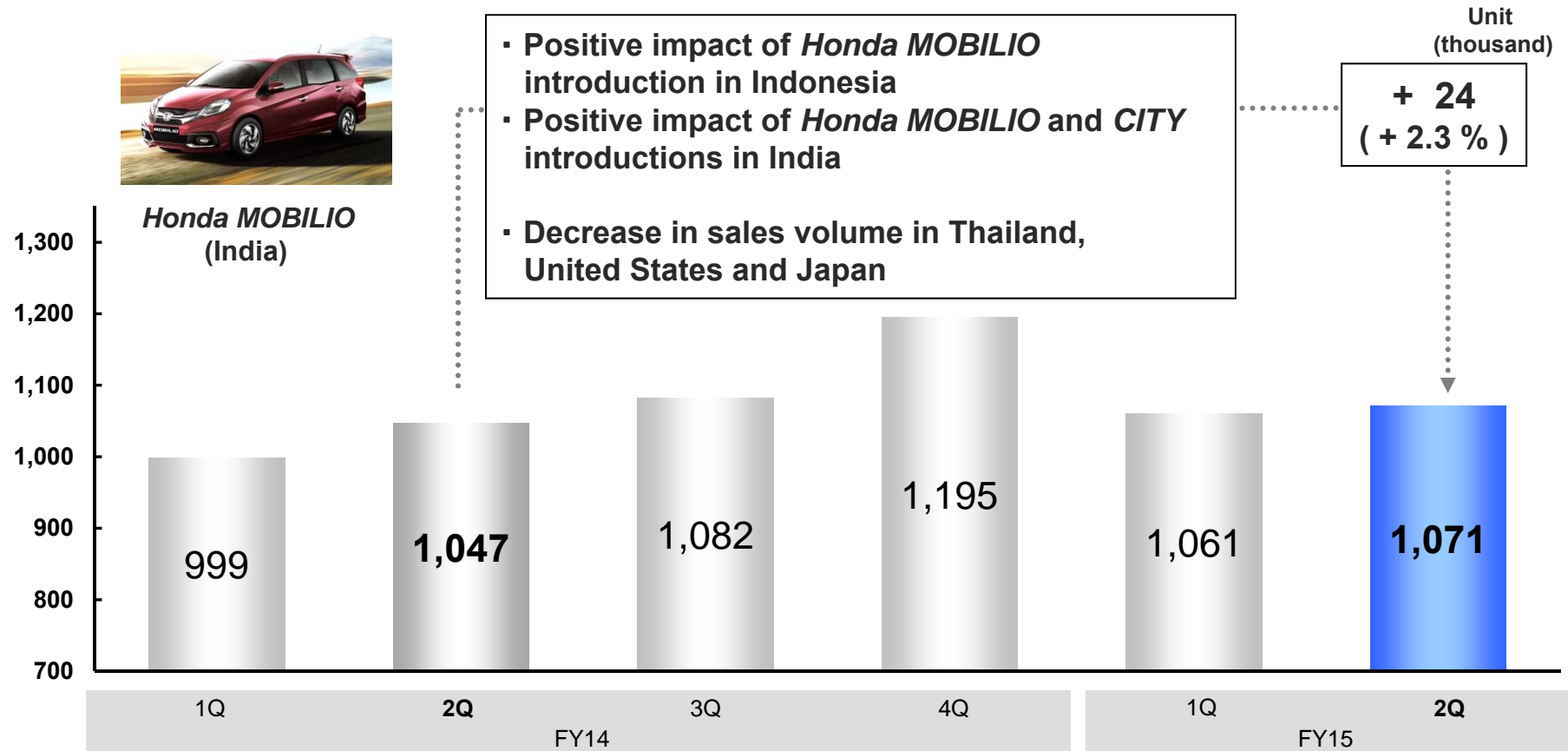
Yen (billion) ■ Operating Income
 ■ Operating Margin



Automobiles - Honda Group Unit Sales



Honda MOBILIO
(India)



Japan	140	180	216	282	202	176
North America	459	447	465	386	445	434
Europe	40	40	38	51	40	45
Asia	285	309	287	405	316	350
Other Regions	75	71	76	71	58	66
Total	999	1,047	1,082	1,195	1,061	1,071

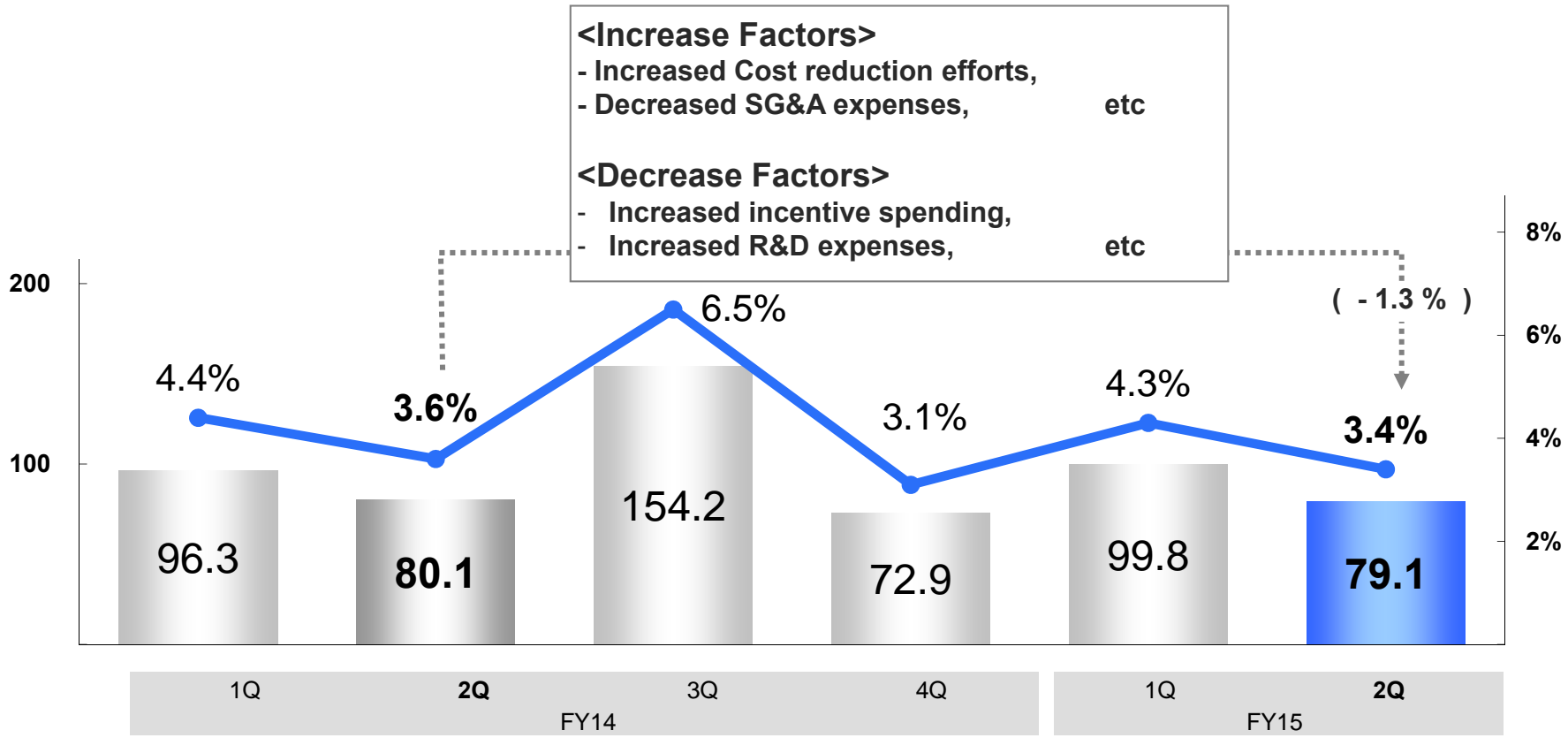
Automobile Business Net Sales/Operating Income (Margin)

Unit (thousand) Yen (billion)	FY14				FY15	
	1Q	2Q	3Q	4Q	1Q	2Q
Honda Group Unit Sales (Consolidated Unit Sales)	999 (858)	1,047 (869)	1,082 (900)	1,195 (933)	1,061 (895)	1,071 (880)
Net Sales	2,200.9	2,233.1	2,377.7	2,383.0	2,323.7	2,316.4

Yen (billion) ■ Operating Income
 ■ Operating Margin

(+ 3.7 %)

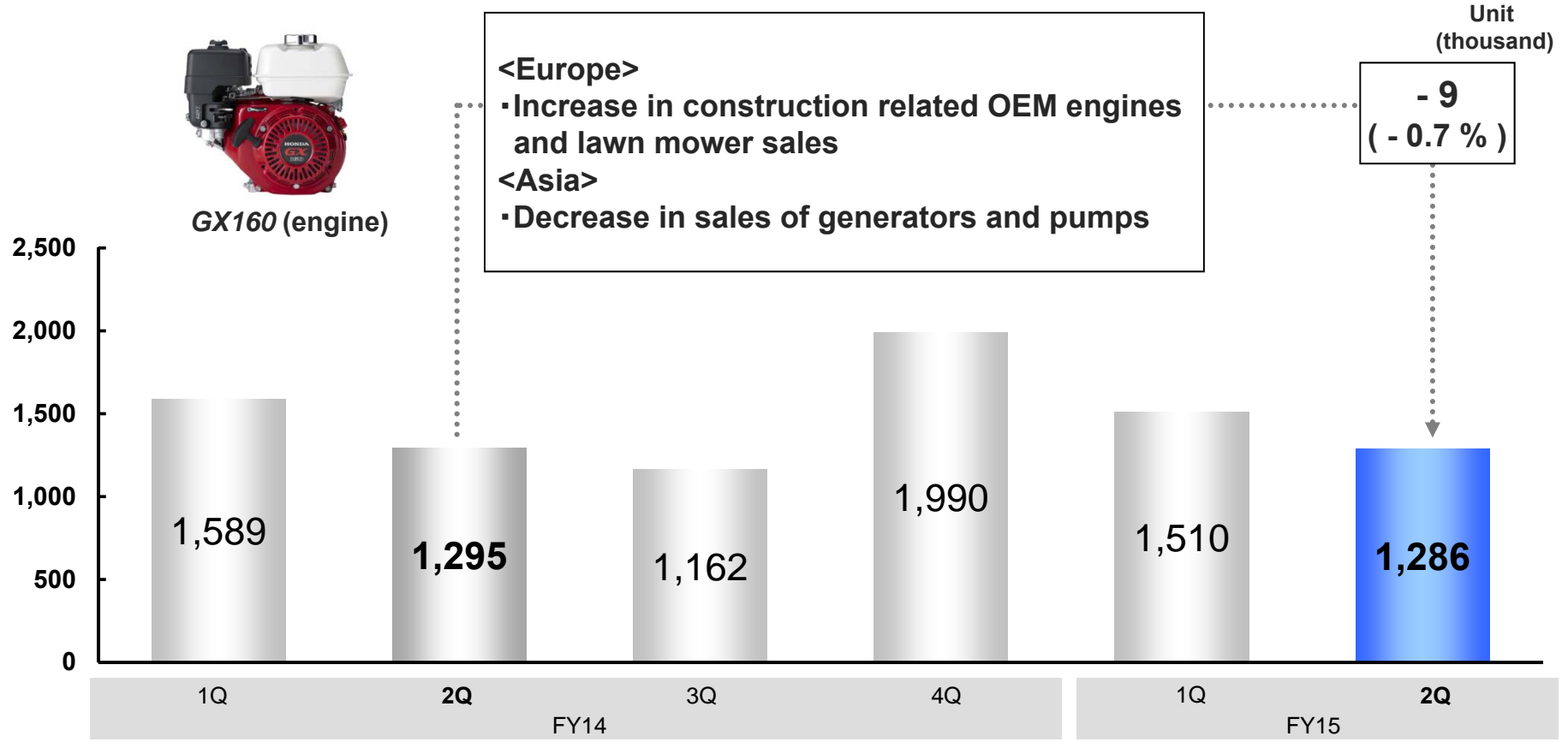
+ 83.3 (Currency Effect + 70.9)



Power Products - Honda Group Unit Sales



GX160 (engine)



Japan	63	93	63	95	68	85
North America	828	504	427	959	773	497
Europe	237	156	198	441	240	191
Asia	364	426	338	372	336	410
Other Regions	97	116	136	123	93	103
Total	1,589	1,295	1,162	1,990	1,510	1,286

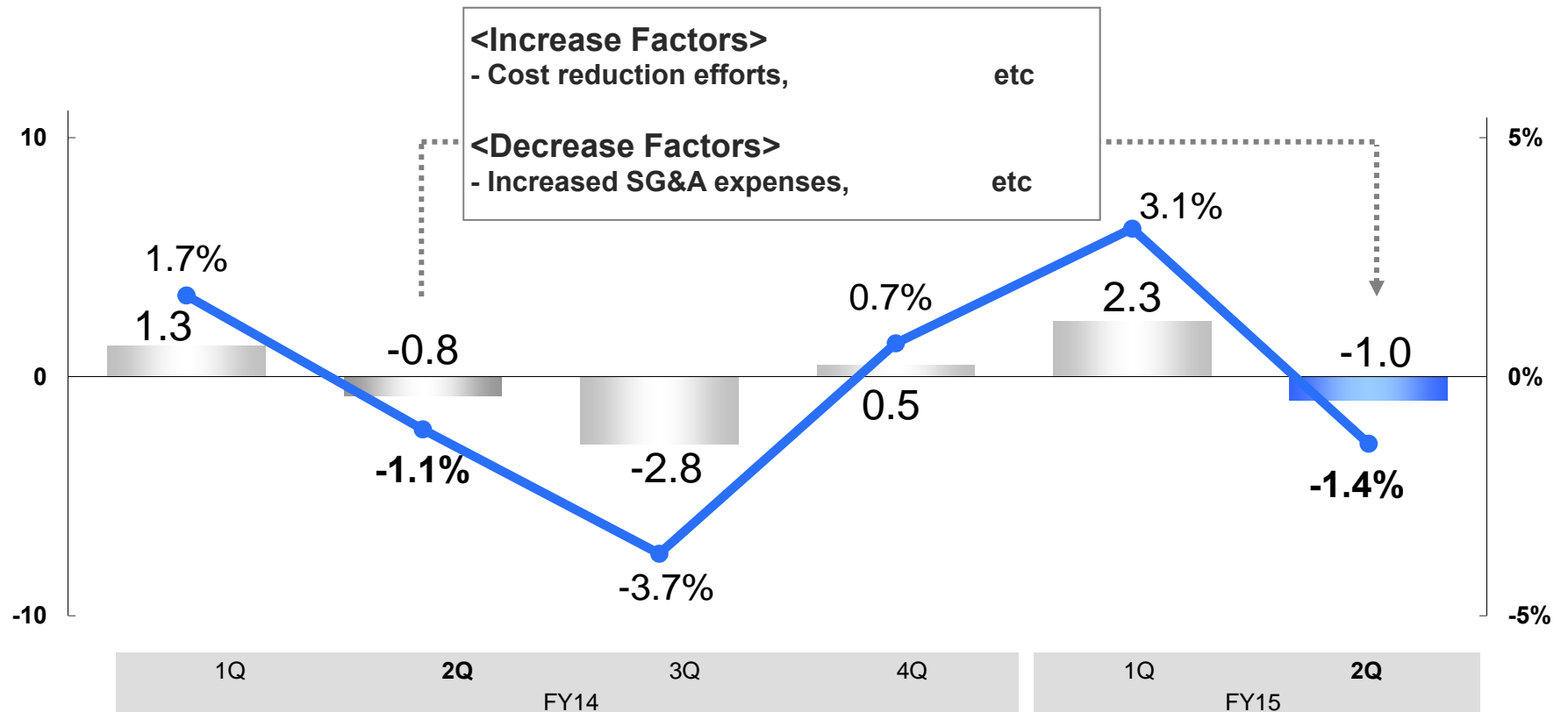
Power Product & Other Businesses Net Sales/Operating Income (Margin)

Unit (thousand) Yen (billion)	FY14				FY15	
	1Q	2Q	3Q	4Q	1Q	2Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,589 (1,589)	1,295 (1,295)	1,162 (1,162)	1,990 (1,990)	1,510 (1,510)	1,286 (1,286)
Net Sales	77.9	75.9	78.6	85.6	77.0	75.4

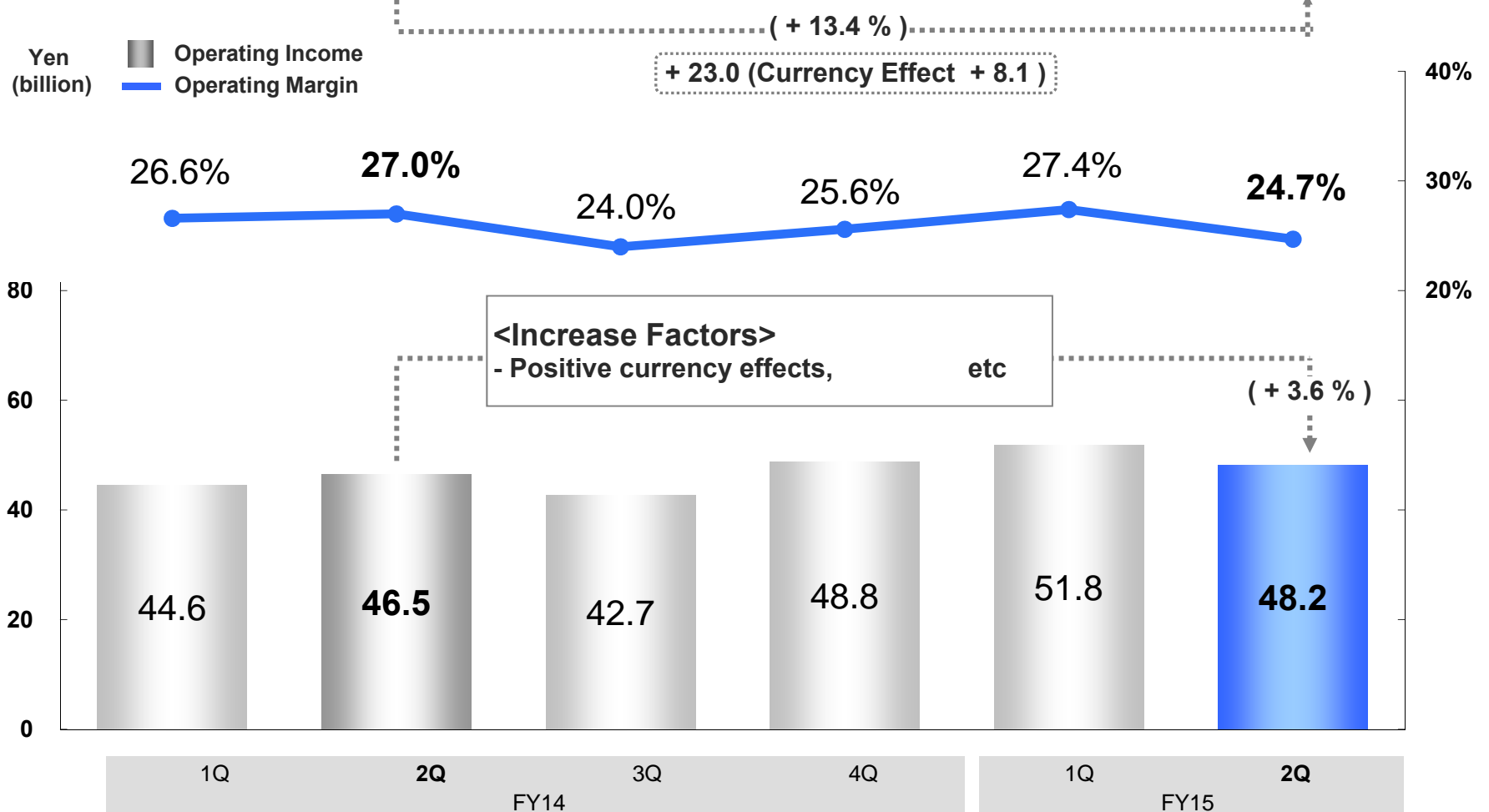
Yen (billion) Operating Income
 Operating Margin

(- 0.7 %)

- 0.5 (Currency Effect + 1.8)

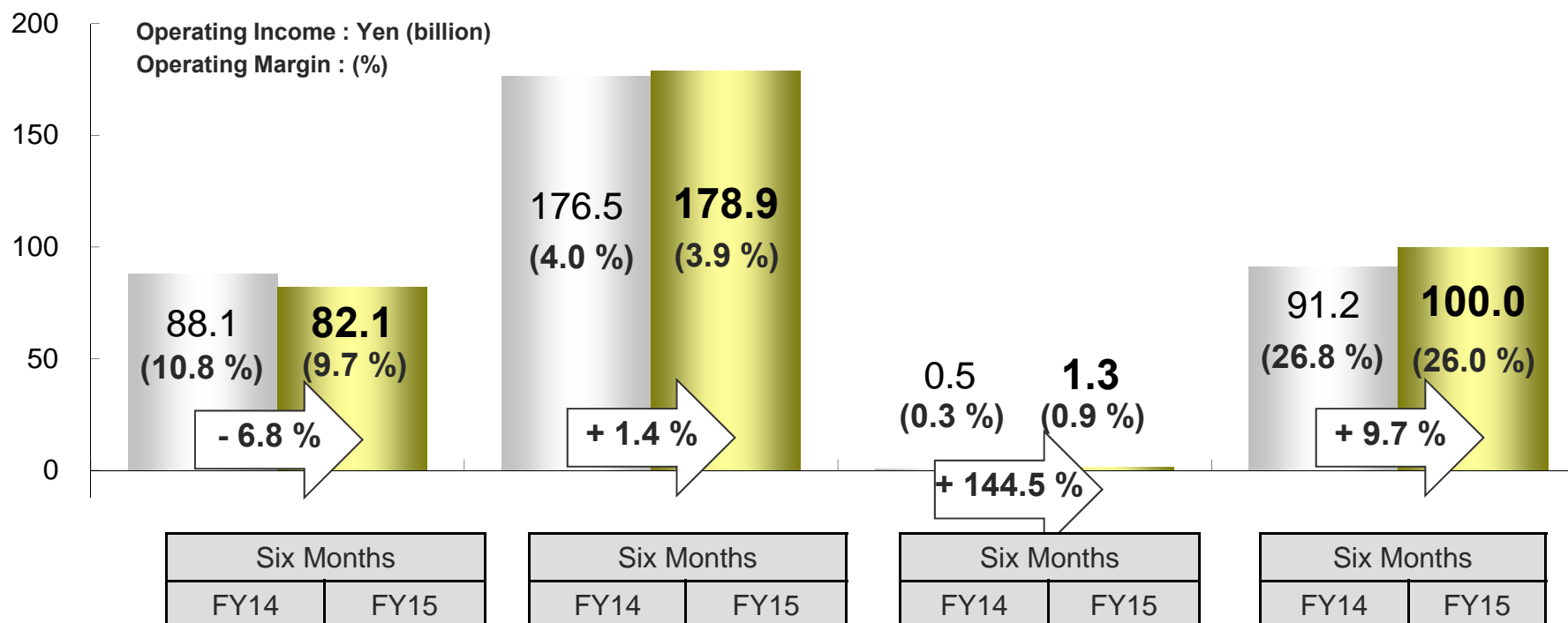


Unit (thousand) Yen (billion)	FY14				FY15	
	1Q	2Q	3Q	4Q	1Q	2Q
Total Assets of Finance Subsidiaries	7,206.8	7,404.6	8,082.7	7,980.9	8,009.0	8,659.0
Net Sales	167.9	172.5	177.6	190.4	189.3	195.6



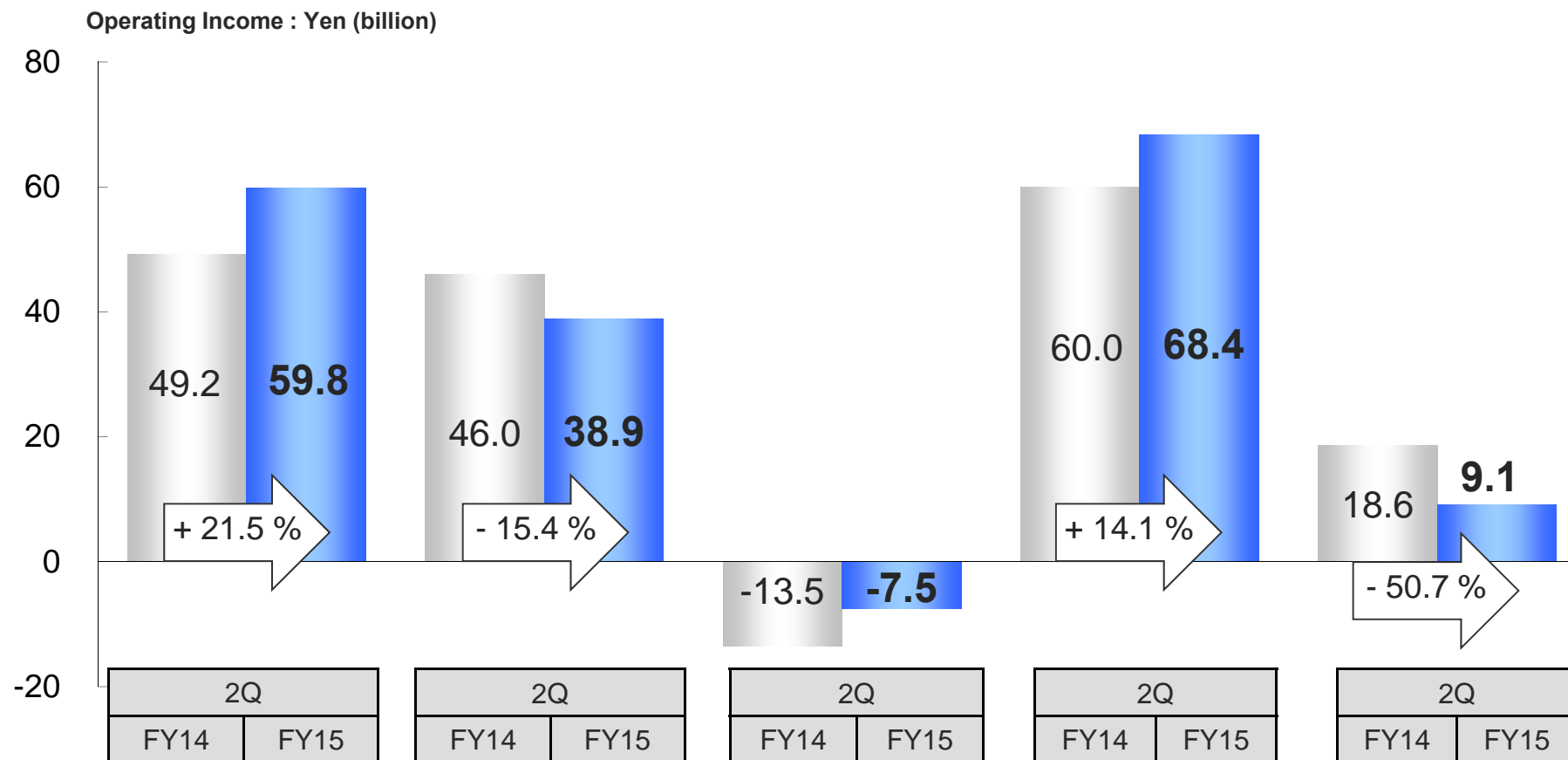
**Net Sales/Operating Income (Margin)
by Business Segment <FY15 Six Months >**

Unit (thousand) Yen (billion)	Motorcycle Business		Automobile Business		Power Product and Other Businesses		Financial Services Business	
	Six Months		Six Months		Six Months		Six Months	
	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15
Honda Group Unit Sales (Consolidated Unit Sales)	8,270 (4,956)	8,718 (5,200)	2,046 (1,727)	2,132 (1,775)	2,884 (2,884)	2,796 (2,796)	— (—)	— (—)
Net Sales	814.9	846.1	4,434.1	4,640.2	153.9	152.4	340.5	384.9



**Net Sales/Operating Income (Margin)
by Geographical Segment <FY15 2nd Qtr>**

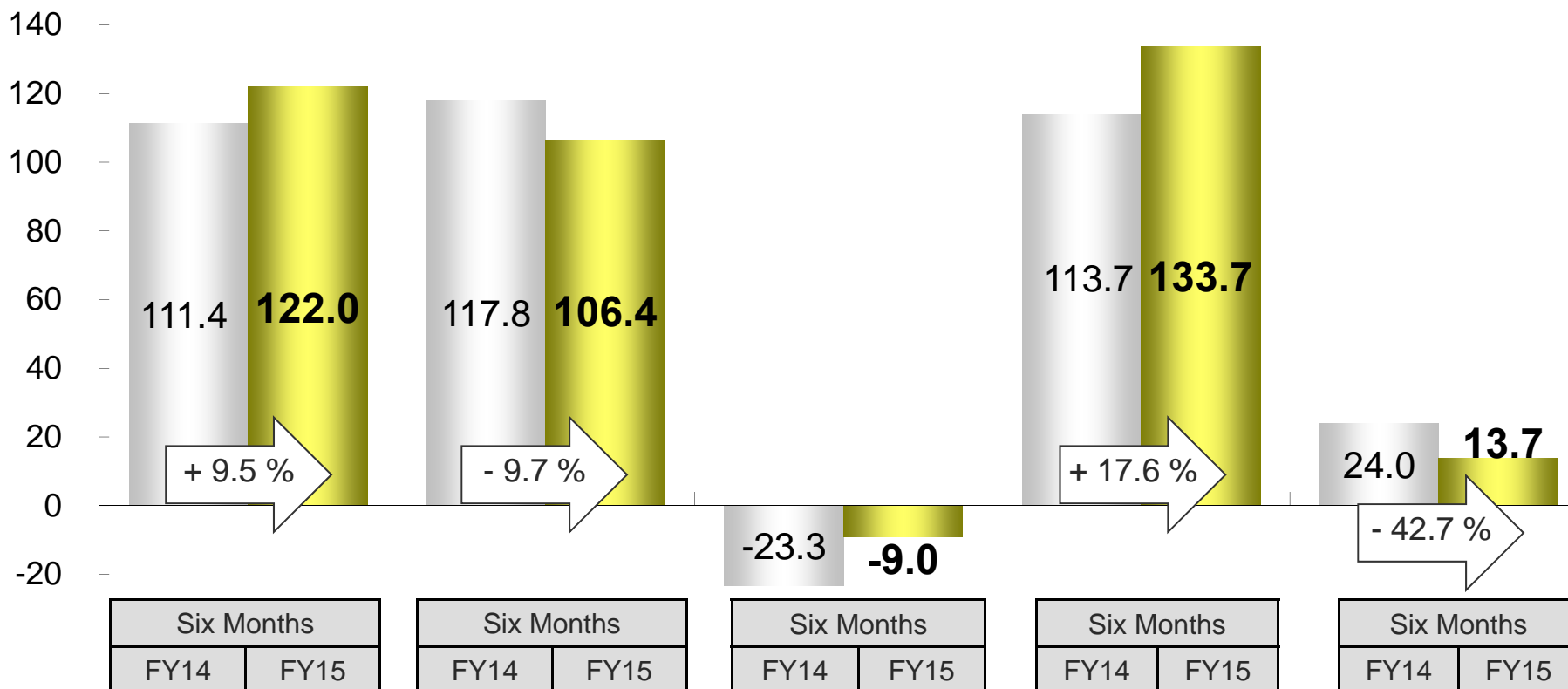
	Japan		North America		Europe		Asia		Other Regions	
	2Q		2Q		2Q		2Q		2Q	
	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15
Net Sales	1,014.4	975.5	1,471.9	1,512.2	174.4	184.8	693.8	789.0	280.4	247.0



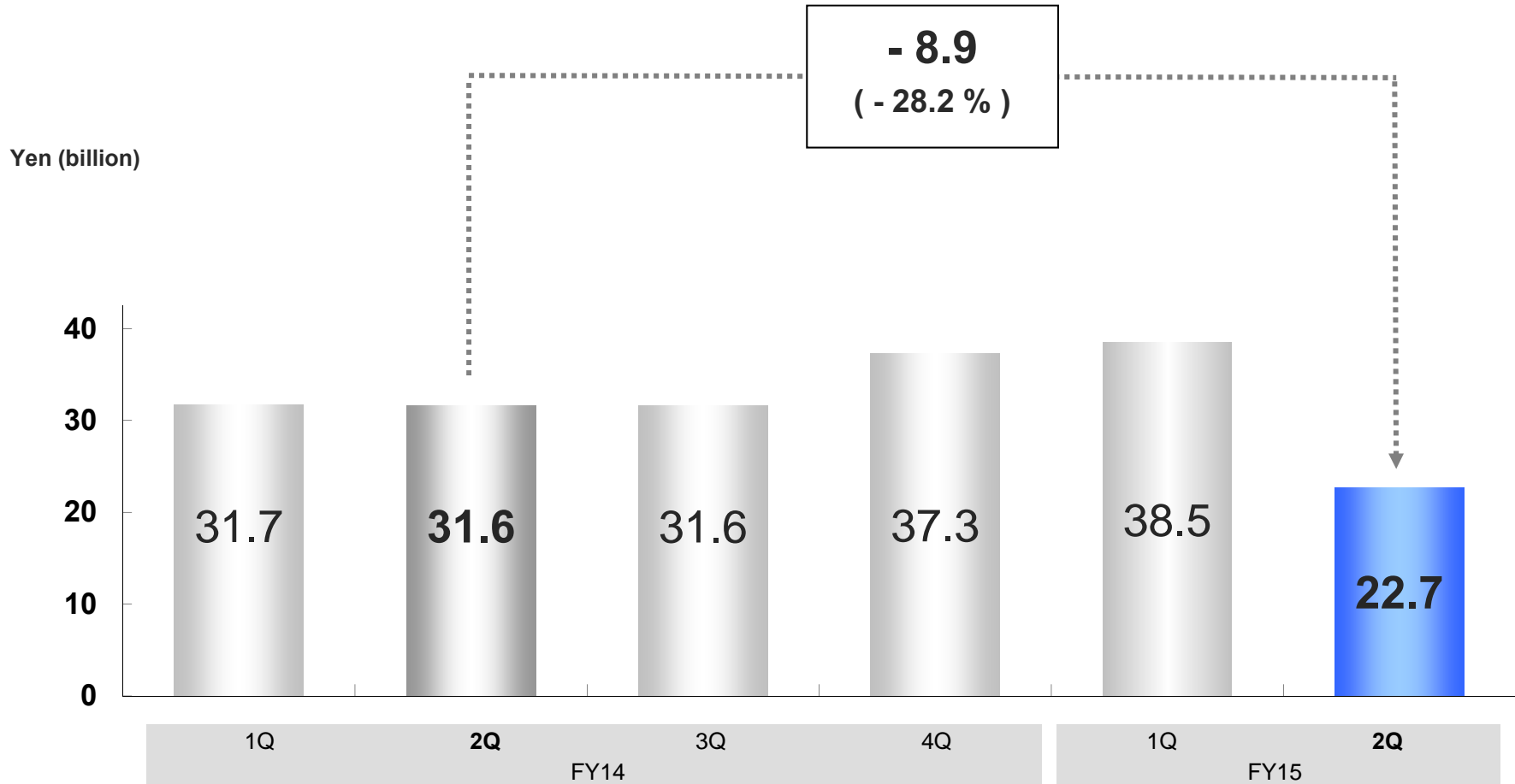
Net Sales/Operating Income (Margin) by Geographical Segment <FY15 Six Months>

	Japan		North America		Europe		Asia		Other Regions	
	Six Months		Six Months		Six Months		Six Months		Six Months	
	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15
Net Sales	1,990.3	1,963.4	2,973.2	3,057.8	350.4	379.4	1,400.6	1,522.4	521.1	455.2

Operating Income : Yen (billion)

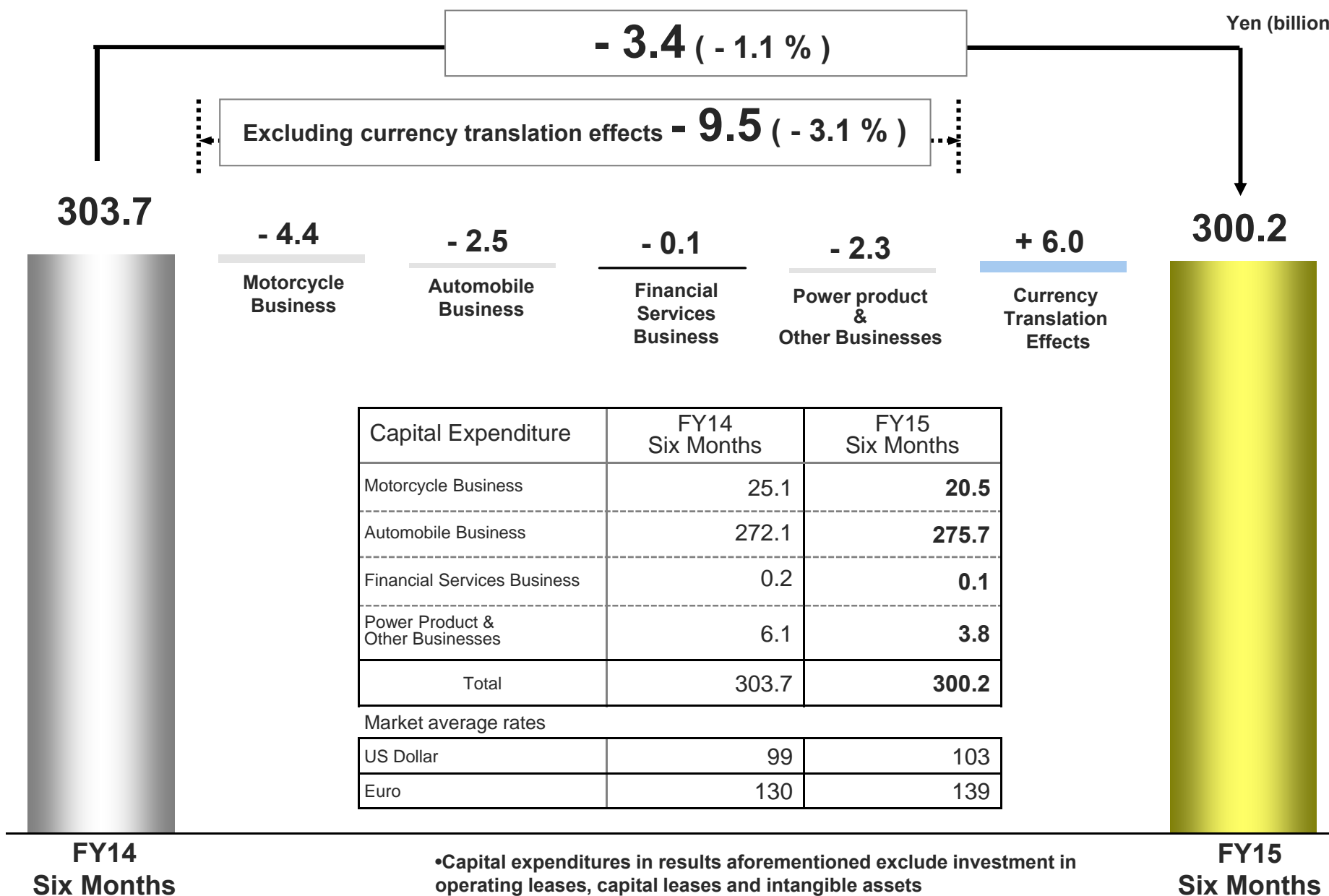


Change in Equity in Income of Affiliates



	Yen (billion)					
From Asia	25.1	28.3	28.0	30.0	29.5	32.5

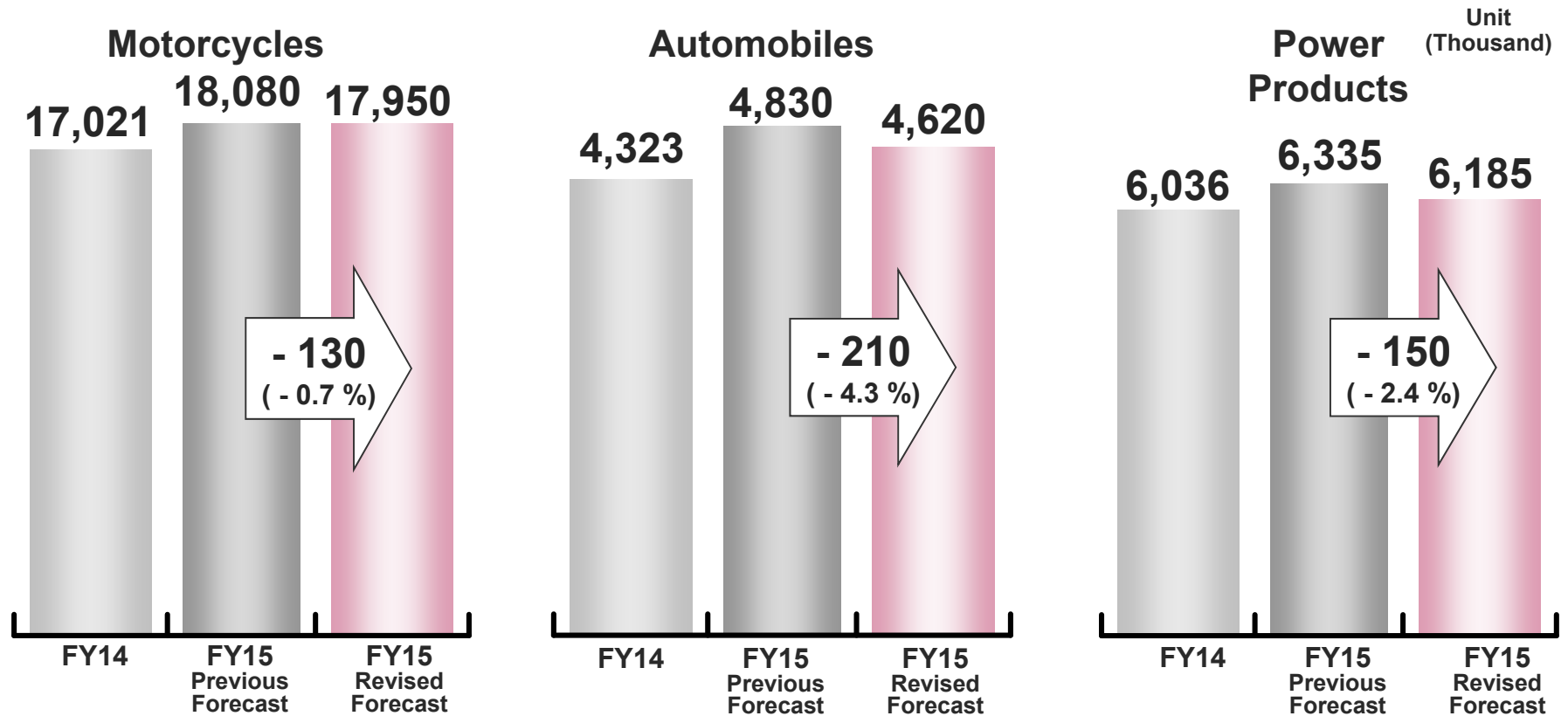
Consolidated Capital Expenditures <FY15 Six Months>





- *FY15 2nd Quarter and Six Months Financial Results*
 - *Net Sales and Other Operating Revenue*
 - *Change in Income before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Equity in Income of Affiliates*
 - *Capital Expenditure*
- *FY15 Financial Forecast*

Forecast: Honda Group Unit Sales

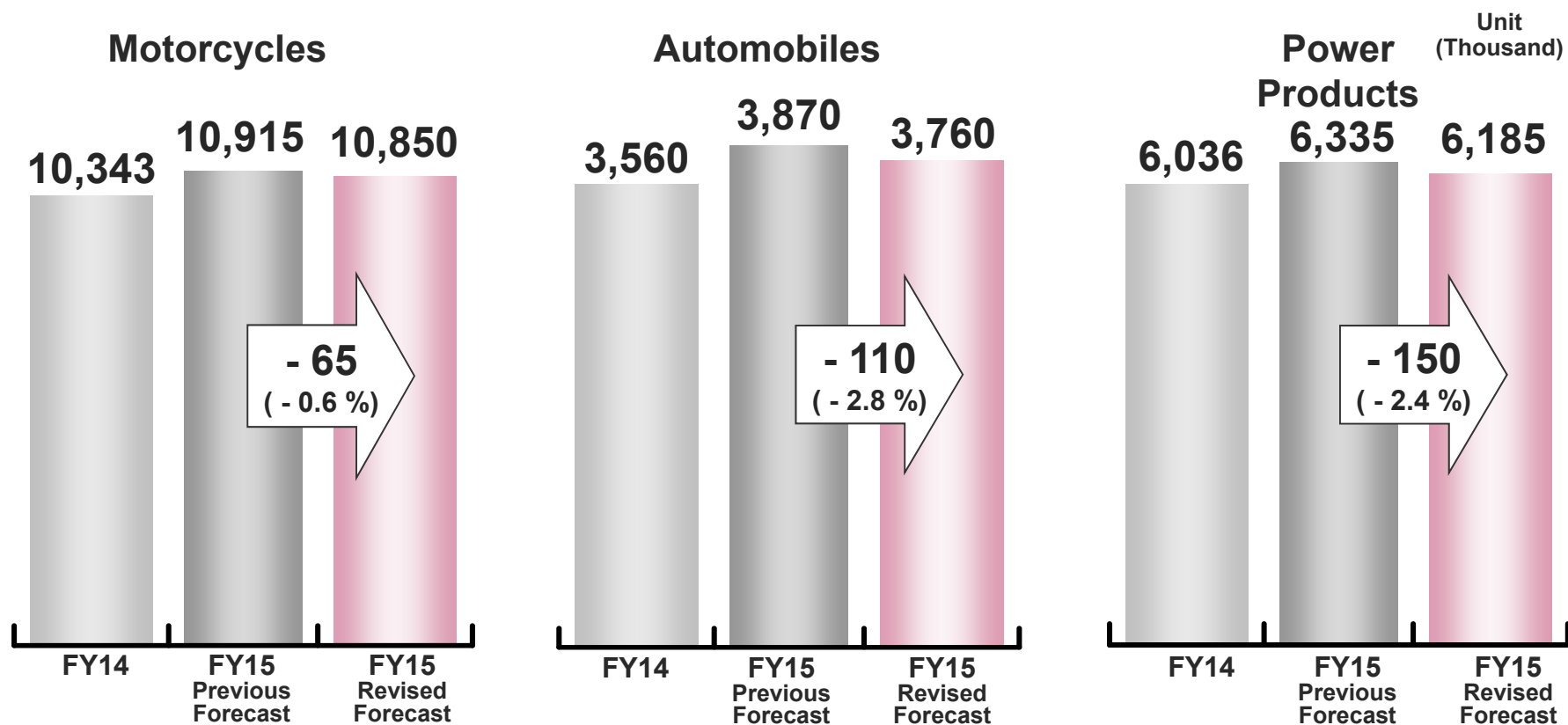


	FY15 Previous Forecast	FY15 Revised Forecast	Change
Japan	230	220	- 10
North America	310	300	- 10
Europe	175	180	+ 5
Asia	15,680	15,640	- 40
Other Region	1,685	1,610	- 75
Total	18,080	17,950	- 130

	FY15 Previous Forecast	FY15 Revised Forecast	Change
Japan	990	890	- 100
North America	1,810	1,810	0
Europe	170	170	0
Asia	1,590	1,490	- 100
Other Region	270	260	- 10
Total	4,830	4,620	- 210

	FY15 Previous Forecast	FY15 Revised Forecast	Change
Japan	325	335	+ 10
North America	2,850	2,815	- 35
Europe	1,070	1,075	+ 5
Asia	1,595	1,480	- 115
Other Region	495	480	- 15
Total	6,335	6,185	- 150

Forecast: Consolidated Unit Sales



	FY15 Previous Forecast	FY15 Revised Forecast	Change
Japan	230	220	- 10
North America	310	300	- 10
Europe	175	180	+ 5
Asia	8,515	8,540	+ 25
Other Region	1,685	1,610	- 75
Total	10,915	10,850	- 65

	FY15 Previous Forecast	FY15 Revised Forecast	Change
Japan	980	880	- 100
North America	1,810	1,810	0
Europe	170	170	0
Asia	640	640	0
Other Region	270	260	- 10
Total	3,870	3,760	- 110

	FY15 Previous Forecast	FY15 Revised Forecast	Change
Japan	325	335	+ 10
North America	2,850	2,815	- 35
Europe	1,070	1,075	+ 5
Asia	1,595	1,480	- 115
Other Region	495	480	- 15
Total	6,335	6,185	- 150

FY15 Financial Forecast (Consolidated)

Yen (billion)

	FY14 Results	FY15 Forecast	Change		Change from previous forecast
			amount	%	
Net Sales	11,842.4	12,750.0	+ 907.5	+ 7.7%	- 50.0
Operating Income	750.2	770.0	+ 19.7	+ 2.6%	0.0
Operating Margin	6.3%	6.0%		- 0.3pt	-
Income before Income taxes	728.9	765.0	+ 36.0	+ 4.9%	+ 10.0
Equity in income of affiliates	132.4	120.0	- 12.4	- 9.4%	- 35.0
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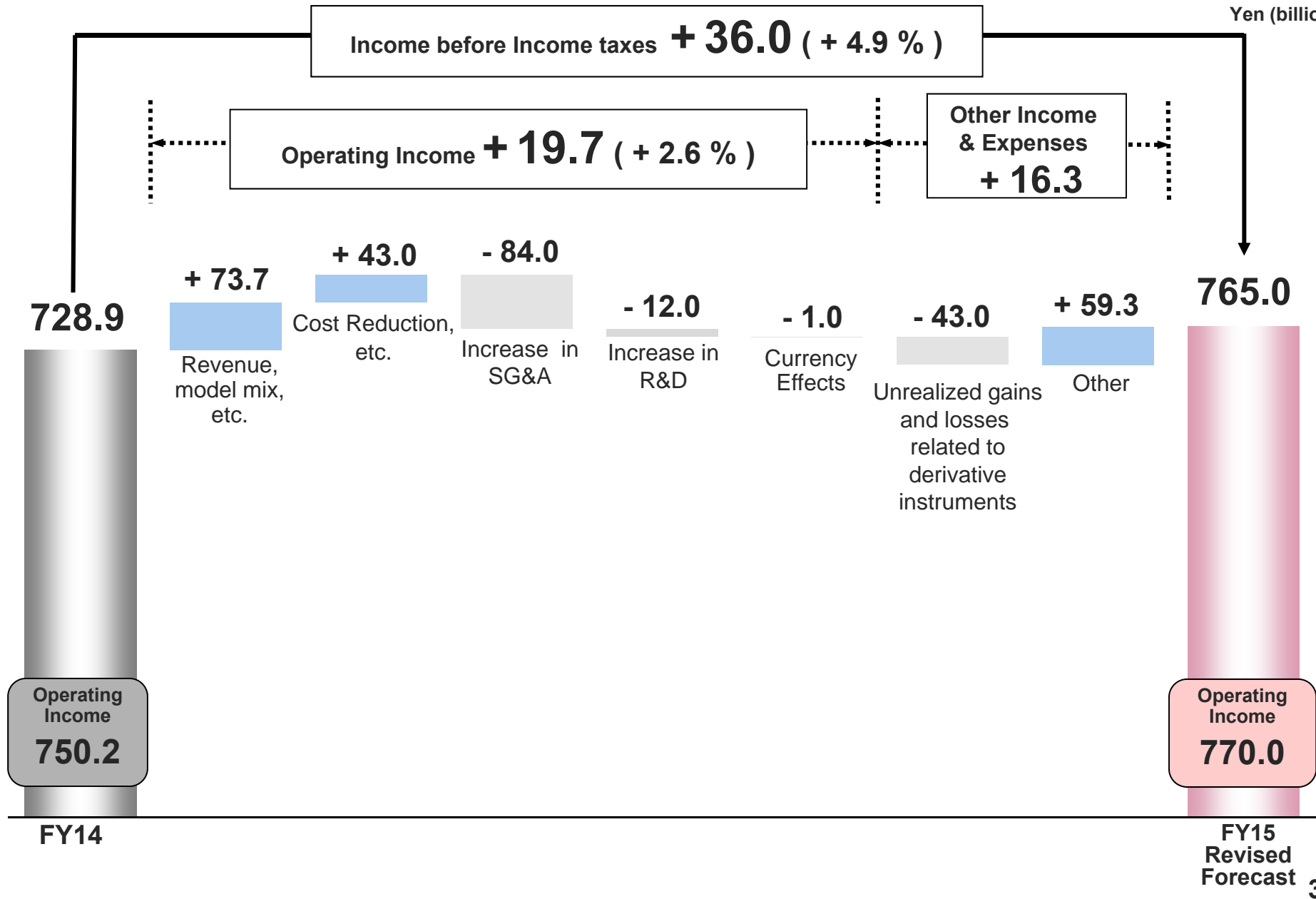
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Average Rates (Yen)

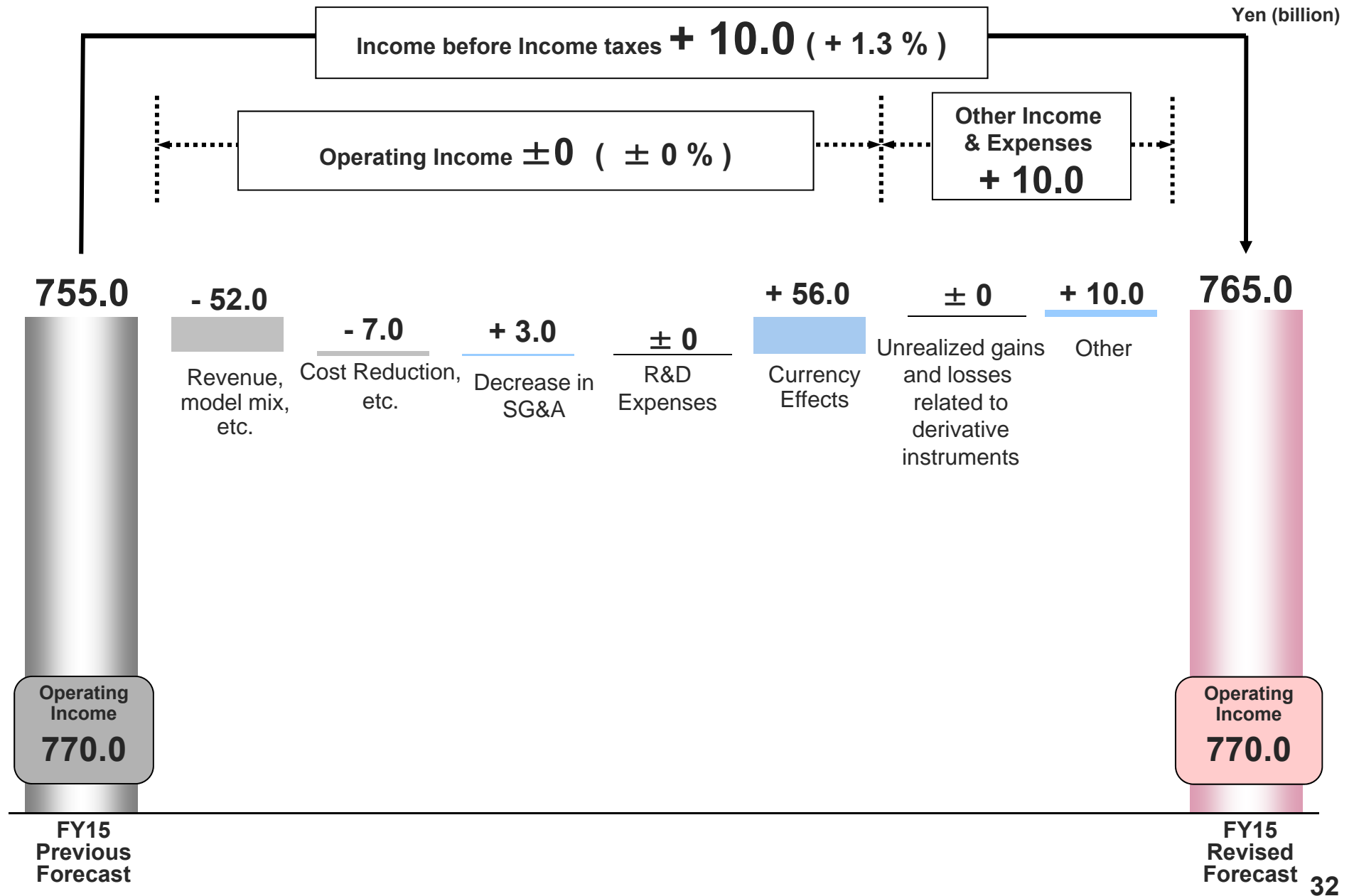
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Euro	136	137 (1H 139 / 2H 135)	Yen down by 1 yen	Yen down by 1 yen

Forecast: Change in Income before Income Taxes

Yen (billion)



Forecast: Change in Income before Income Taxes



Forecast: Capital Expenditures, Depreciation, R&D Expenses

Yen (billion)

	FY14 Results	FY15 Forecast	Change	Change from previous forecast
Capital expenditures *	726.1	670.0	- 56.1	+ 20.0
Depreciation and amortization *	375.8	415.0	+ 39.2	0.0
R&D expenses	634.1	645.0	+ 10.9	0.0

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

Caution with Respect to Forward-Looking Statements:

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

Accounting standards:

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

Notice on the Factors for Increases and Decreases in Income:

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

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

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

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

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

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

*1 Net income attributable to Honda Motor Co., Ltd.

*2 Basic net income attributable to Honda Motor Co., Ltd. per share

Basic net income attributable to Honda Motor Co., Ltd., per share is calculated based on weighted average number of shares outstanding as shown below:

- 2nd Quarter	FY14: 1,802,295,000 (approx), FY15: 1,802,289,000 (approx) (page 5)
- Six Months	FY14: 1,802,295,000 (approx), FY15: 1,802,290,000 (approx) (page 6)
- Fiscal Year	FY14: 1,802,294,000 (approx), FY15: 1,802,289,000 (approx) (pages 7 and 30)

HONDA

The Power of Dreams

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

		Average Rates (Yen)			Yen (billion)	
		FY15 2Q	FY14 2Q	FY15 2Q	Change	FY15 Six Months
	JPY / USD	+ 5.6	99	104	Yen down by 5 yen	+ 6.2
	JPY / Euro	+ 0.4	131	138	Yen down by 7 yen	+ 1.0
	JPY / Others	+ 3.3	—	—	—	+ 0.7
	Transactions between other currencies	- 11.4	—	—	—	- 22.3
	Difference of average rates (Impact on Operating income) *1	- 2.1	*1: Impact of YoY difference of FOREX to be used for booking revenue of foreign currency transactions			- 14.4
	Difference between transaction rates and average sales rates (Impact on Other income & expenses) *2	+ 20.3	*2: Impact of YoY difference between average FOREX and hedge rates during the period			+ 64.5
	Currency effect associated with sales transactions	+ 18.2				+ 50.1
	Currency effect from translation of foreign financial statements (impact on operating income) *3	+ 12.2	*3: Effect due to the difference of the rate used for translating Honda's overseas subsidiaries' financial statements denominated in foreign currencies into Japanese yen with the corresponding period of the fiscal year			+ 13.7
	Total	+ 30.4				+ 63.8

- Unrealized Gains and Losses Related to Derivative Instruments -

Yen (billion)

	2Q		
	FY14	FY15	Change
Foreign currency forward	+ 23.1	+ 1.5	- 21.5
Interest rate swap / Currency swap	- 5.5	+ 2.1	+ 7.6
Others	- 0.0	- 0.1	- 0.0
Total	+ 17.5	+ 3.5	- 13.9

Six Months		
FY14	FY15	Change
+ 49.5	- 2.2	- 51.8
- 10.4	+ 5.4	+ 15.8
+ 0.0	- 0.1	- 0.2
+ 39.1	+ 2.9	- 36.1

- Cash Flows of Non-financial Services Businesses -

