

FY17 Financial Results



Honda Motor Co., Ltd.

April 28, 2017

**Acura MDX Sport Hybrid
(U.S.)**

- *FY17 News Topics*
- *FY17 Financial Results*
- *FY18 Financial Forecasts*
- *Dividend*

- Global automobile sales setting a new historical record
- U.S. automobile sales surpassed 1.6 million units establishing a new all-time sales record
 - Launch of all-new Ridgeline (Jun. 2016)
 - Launch of all-new CR-V (Dec. 2016)
- China automobile sales surpassed 1.3 million units for the first time
 - Strong sales of the CR-V, VezeL, XR-V, Accord and Civic
- Japan
 - VezeL was the top-selling SUV for the third consecutive year
 - N-BOX Series achieved highest sales in the mini-vehicle segment
- India * Honda's production exceeded 5 million units for the first time



Ridgeline



CR-V



VezeL

*subsidiary in India

(Open innovation and Collaboration)

- Discussions to start with Waymo, a unit of Google parent Alphabet Inc., on technical collaboration for self-driving automobile technology (Dec. 22, 2016)
- Establishment of a manufacturing joint venture with GM to produce hydrogen fuel cell systems announced (Jan. 30, 2017)
- Finalized a contract with Hitachi Automotive Systems to establish a joint venture company to develop, produce and sell motors for electric vehicles (Mar. 24, 2017)
- Establishment of R&D Center X, which will focus on new value areas, announced (Feb. 28, 2017)

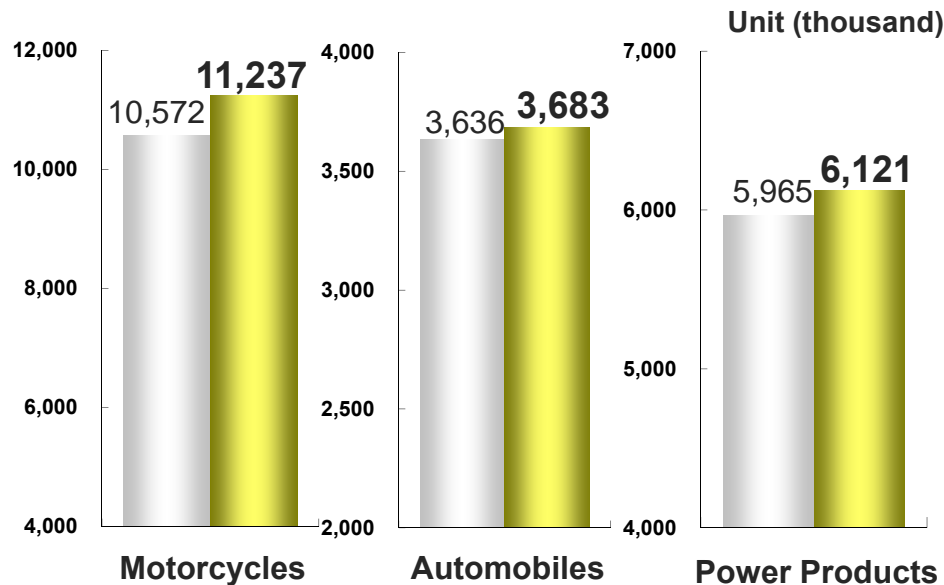
Results Summary

Negative FOREX effects due to a stronger yen was more than offset by the positive effect of new model introductions and full model changes of existing models, cost reduction efforts, a decline in quality related expenses and the impact of pension accounting treatment, resulting in operating profit of **840.7** billion yen, a 67 % increase from the same period a year ago.

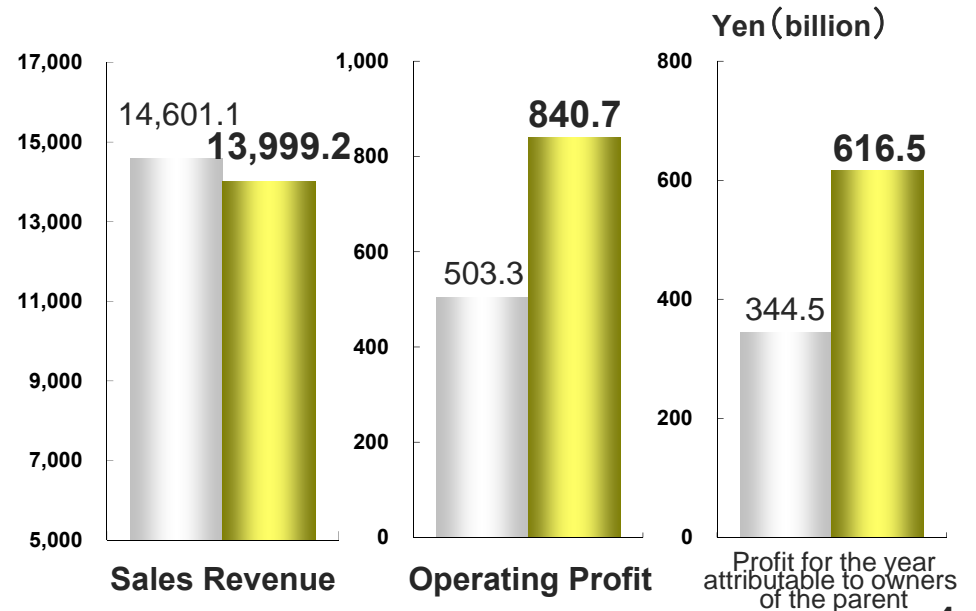
12-month results FY16 and FY17

FY16 FY17

Consolidated Unit Sales



Sales Revenue / Operating Profit / Profit for the Period

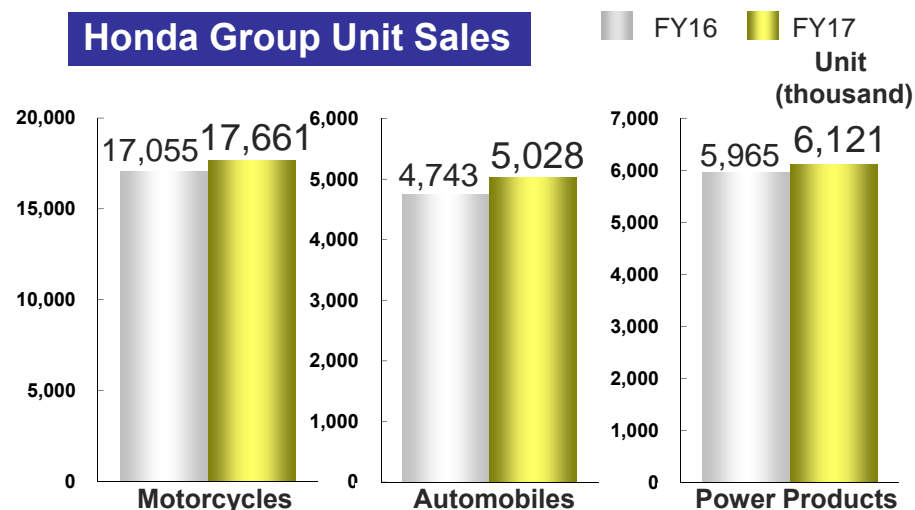


FY17 Unit Sales Results

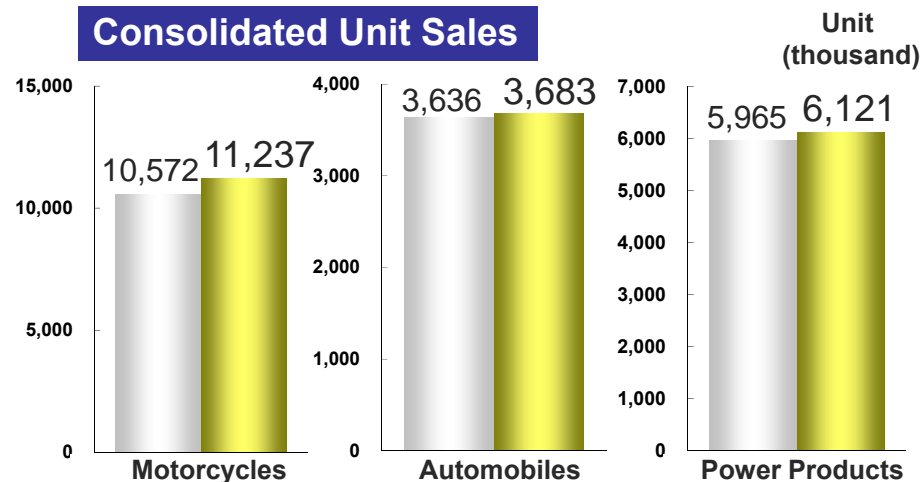
| Honda Group Unit Sales (thousand) | 12-Month Results | | |
|--------------------------------------|------------------|---------------|--------|
| | FY16 | FY17 | Change |
| Motorcycles | 17,055 | 17,661 | + 3.6% |
| Automobiles | 4,743 | 5,028 | + 6.0% |
| Power Products | 5,965 | 6,121 | + 2.6% |

| Consolidated Unit Sales (thousand) | 12-Month Results | | |
|---------------------------------------|------------------|---------------|--------|
| | FY16 | FY17 | Change |
| Motorcycles | 10,572 | 11,237 | + 6.3% |
| Automobiles | 3,636 | 3,683 | + 1.3% |
| Power Products | 5,965 | 6,121 | + 2.6% |

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Increase in motorcycle unit sales due mainly to sales growth in India and Vietnam, despite a decline in sales in Brazil
- Increase in automobile unit sales due primarily to positive effect of new model introductions in China and North America

FY17 Financial Results (consolidated)

| Financial Results Yen (billion) | 12 Months | | |
|--|-----------|-----------------|---------------------|
| | FY16 | FY17 | Change |
| Sales revenue | 14,601.1 | 13,999.2 | - 4.1% |
| Operating profit | 503.3 | 840.7 | + 67.0% |
| Operating margin | 3.4% | 6.0% | + 2.6 pt |
| Share of profit of investments accounted for using the equity method | 126.0 | 164.7 | + 30.8% |
| Profit before income taxes | 635.4 | 1,006.9 | + 58.5% |
| Profit for the year attributable to owners of the parent | 344.5 | 616.5 | + 79.0% |
| Earnings per share ^{*1} (Yen) attributable to owners of the parent | 191.16 | 342.10 | +150.94 |
| Market average rates (Yen) | | | |
| US Dollar | 120 | 108 | Yen up by 12 yen |

Financial Summary

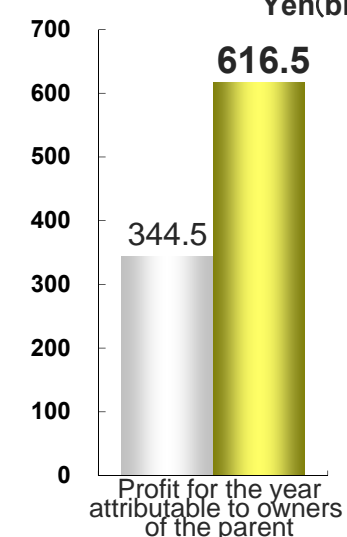
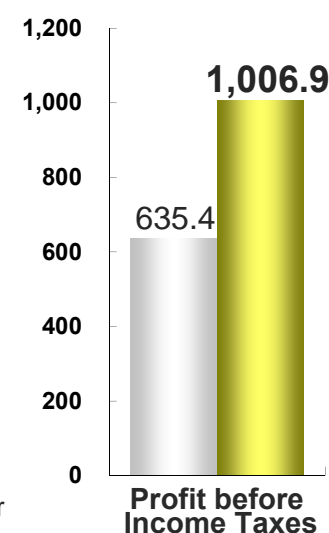
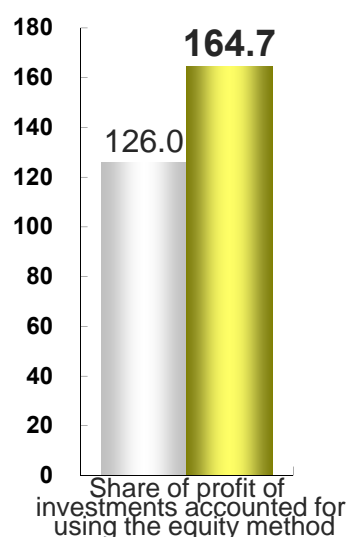
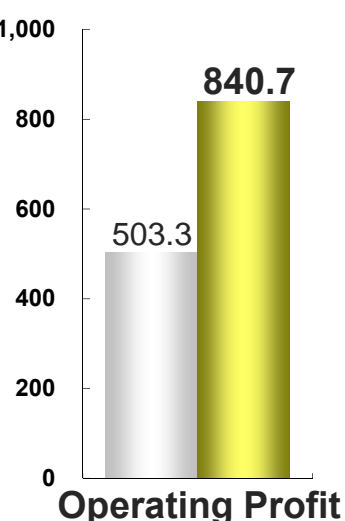
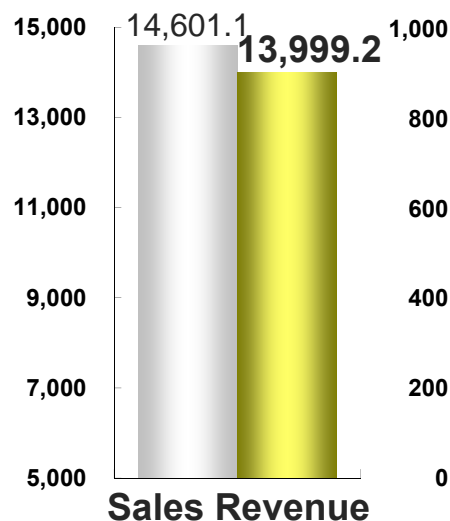
Sales revenue decreased by 4.1% primarily due to negative foreign currency translation effects, despite an increase in sales in all business operations.

Operating profit increased by 67% due primarily to cost reduction efforts, a decline in SG&A expenses, including quality related expenses, and a pension accounting treatment, despite an increase in R&D expenses and negative foreign currency effects.

For *1, please refer to footnotes on page 36

■ FY16 ■ FY17

Yen(billion)



FY18 Financial Forecast (Consolidated)

Yen (billion)

| | FY17 Results | FY18 Forecast | Change | |
|--|-----------------|------------------|---------|----------|
| | | | amount | % |
| Sales revenue | 13,999.2 | 14,200.0 | + 200.8 | + 1.4% |
| Operating profit | 840.7 | 705.0 | - 135.7 | - 16.1% |
| Operating margin | 6.0% | 5.0% | | - 1.0 pt |
| Share of profit of investments accounted for using the equity method | 164.7 | 175.0 | + 10.2 | + 6.2% |
| Profit before income taxes | 1,006.9 | 875.0 | - 131.9 | - 13.1% |
| Profit for the year attributable to owners of the parent | 616.5 | 530.0 | - 86.5 | - 14.0% |
| Earnings per share (Yen) attributable to owners of the parent *1 | 342.10 | 294.07 | | - 48.03 |

For *1, please refer to the footnote on page 36

Market average rates (Yen)

| | | | |
|-----------|-----|------------|-----------------|
| US Dollar | 108 | 105 | Yen up by 3 yen |
|-----------|-----|------------|-----------------|

Yen

| Dividend per Share | FY16 | FY17 (Projection) | Increase/Decrease from | | |
|-----------------------------|------|------------------------|------------------------|-------------------------|---------|
| | | | FY16 | FY18 (Expectation) | FY17 |
| 1 st Quarter End | 22 | 22 | - | (24) | (+ 2) |
| 2 nd Quarter End | 22 | 22 | - | (24) | (+ 2) |
| 3 rd Quarter End | 22 | 24 | + 2 | (24) | (-) |
| 4 th Quarter End | 22 | (24) | (+ 2) | (24) | (-) |
| Fiscal Year | 88 | (92) | (+ 4) | (96) | (+ 4) |

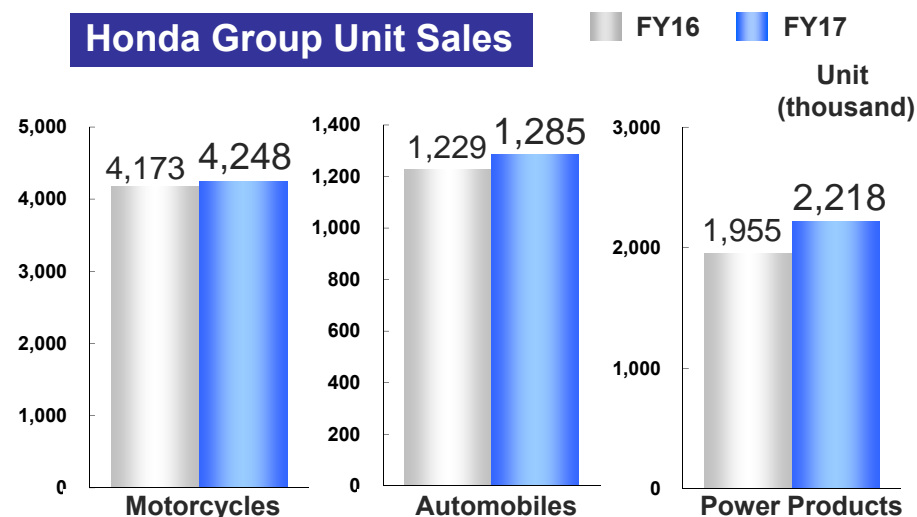
- *FY17 4th Quarter and
Twelve-Month Financial Results*
 - *4th Quarter Financial Results*
 - *Honda Group Unit Sales Summary*
 - *Change in Sales Revenue*
 - *Change in Profit before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Share of profit of investments
accounted for using the equity method*
 - *Capital Expenditures*
- *FY18 Financial Forecast*

FY17 4th Quarter Unit Sales

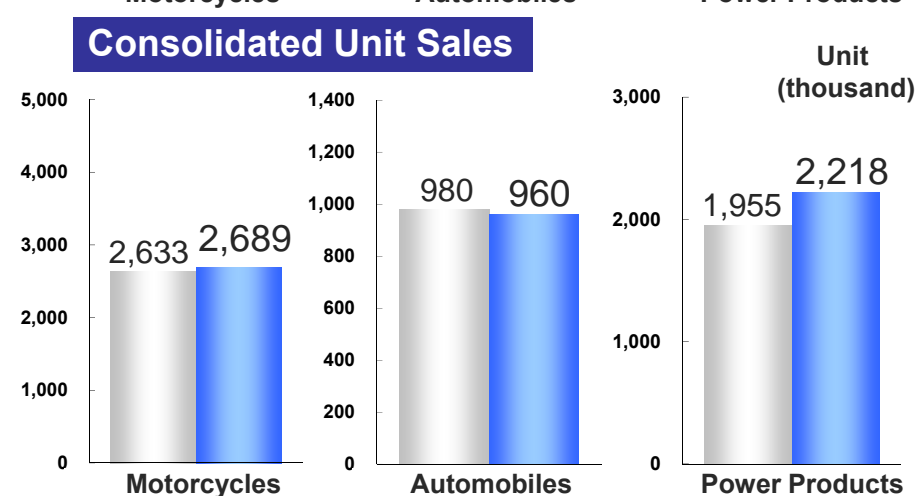
| Honda Group Unit Sales (thousand) | 4Q Results (3 Months) | | |
|--------------------------------------|-----------------------|--------------|---------|
| | FY16 | FY17 | Change |
| Motorcycles | 4,173 | 4,248 | + 1.8% |
| Automobiles | 1,229 | 1,285 | + 4.6% |
| Power Products | 1,955 | 2,218 | + 13.5% |

| Consolidated Unit Sales (thousand) | 4Q Results (3 Months) | | |
|---------------------------------------|-----------------------|--------------|---------|
| | FY16 | FY17 | Change |
| Motorcycles | 2,633 | 2,689 | + 2.1% |
| Automobiles | 980 | 960 | - 2.0% |
| Power Products | 1,955 | 2,218 | + 13.5% |

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Increase in motorcycle unit sales due mainly to sales growth in Pakistan and Vietnam, despite a decline in sales in Indonesia
- Increase in automobile unit sales due primarily to positive effect of new model introductions in China and Malaysia

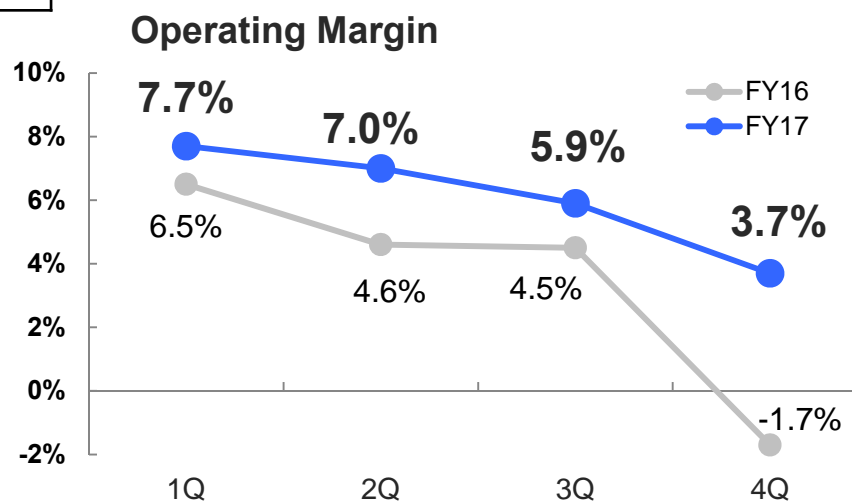
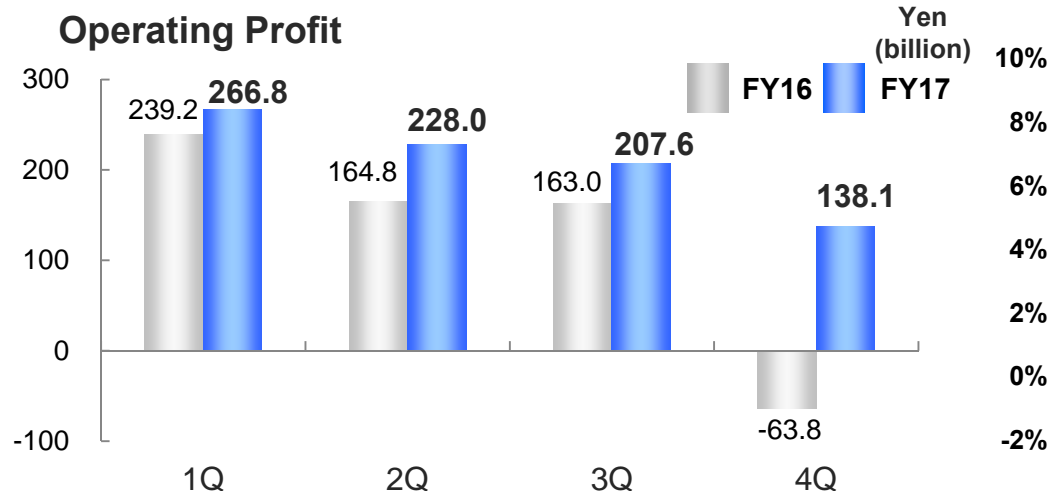
| Financial Results Yen (billion) | 4Q Results (3 Months) | | |
|--|-----------------------|----------------|----------------|
| | FY16 | FY17 | Change |
| Sales revenue | 3,657.8 | 3,763.4 | + 2.9% |
| Operating profit | - 63.8 | 138.1 | - |
| Operating margin | - 1.7% | 3.7% | + 5.4pt |
| Share of profit of investments accounted for using the equity method | 8.3 | 48.5 | + 479.0% |
| Profit before income taxes | - 58.7 | 186.9 | - |
| Profit for the period attributable to owners of the parent | - 93.4 | 95.9 | - |
| Earnings per share *1 (Yen) attributable to owners of the parent | - 51.85 | 53.24 | + 105.09 |
| Market average rates (Yen) | | | |
| US Dollar | 115 | 114 | Yen up by 1yen |

Financial Summary

Sales revenue increased 2.9% primarily due to an increase in revenues in financial services business operations and automobile business operations.

Operating profit increased by JPY 201.9 billion due primarily to cost reduction efforts and a decrease in SG&A expenses, including quality related costs, despite an increase in R&D expenses and negative foreign currency effects.

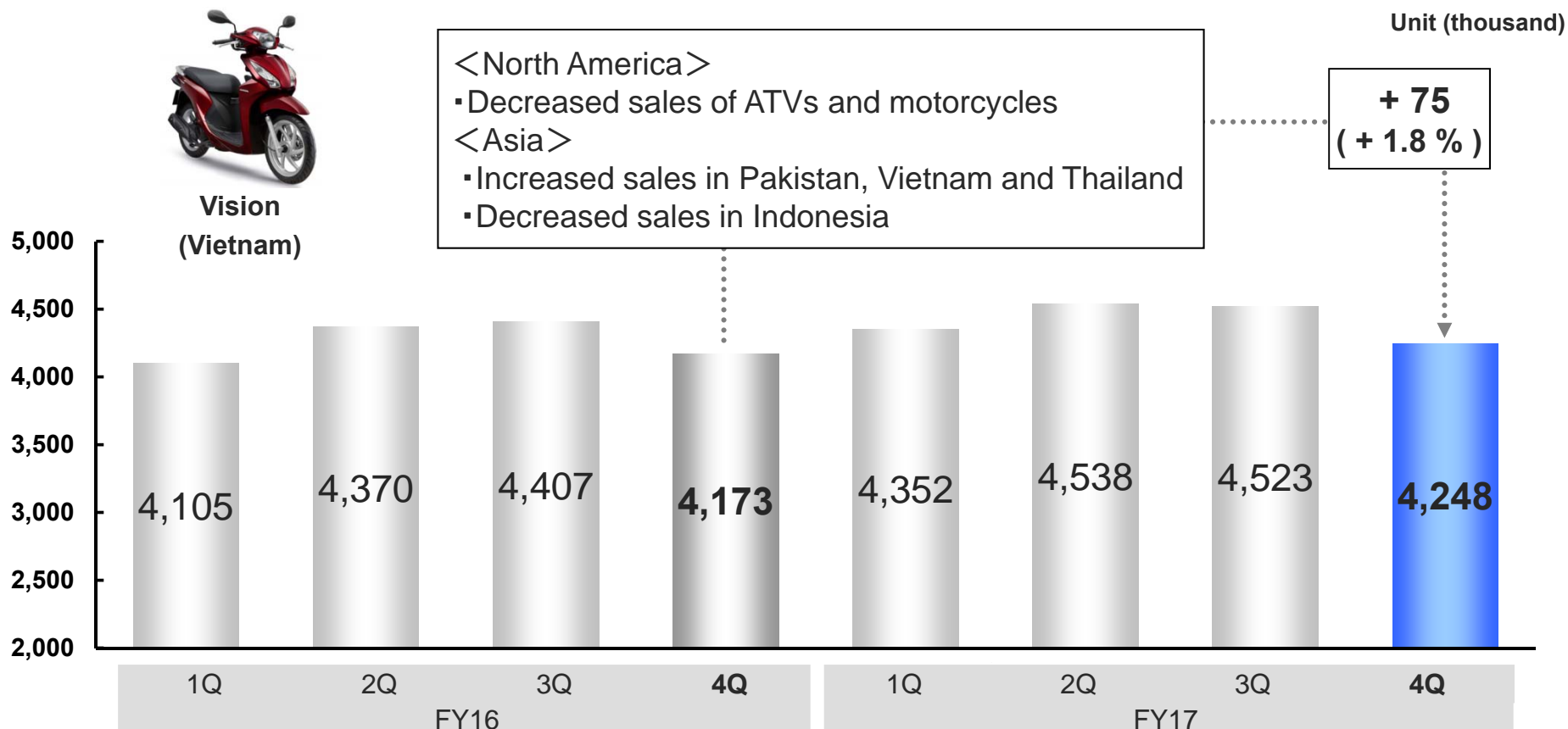
For *1, please refer to footnotes on page 36



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



Vision
(Vietnam)

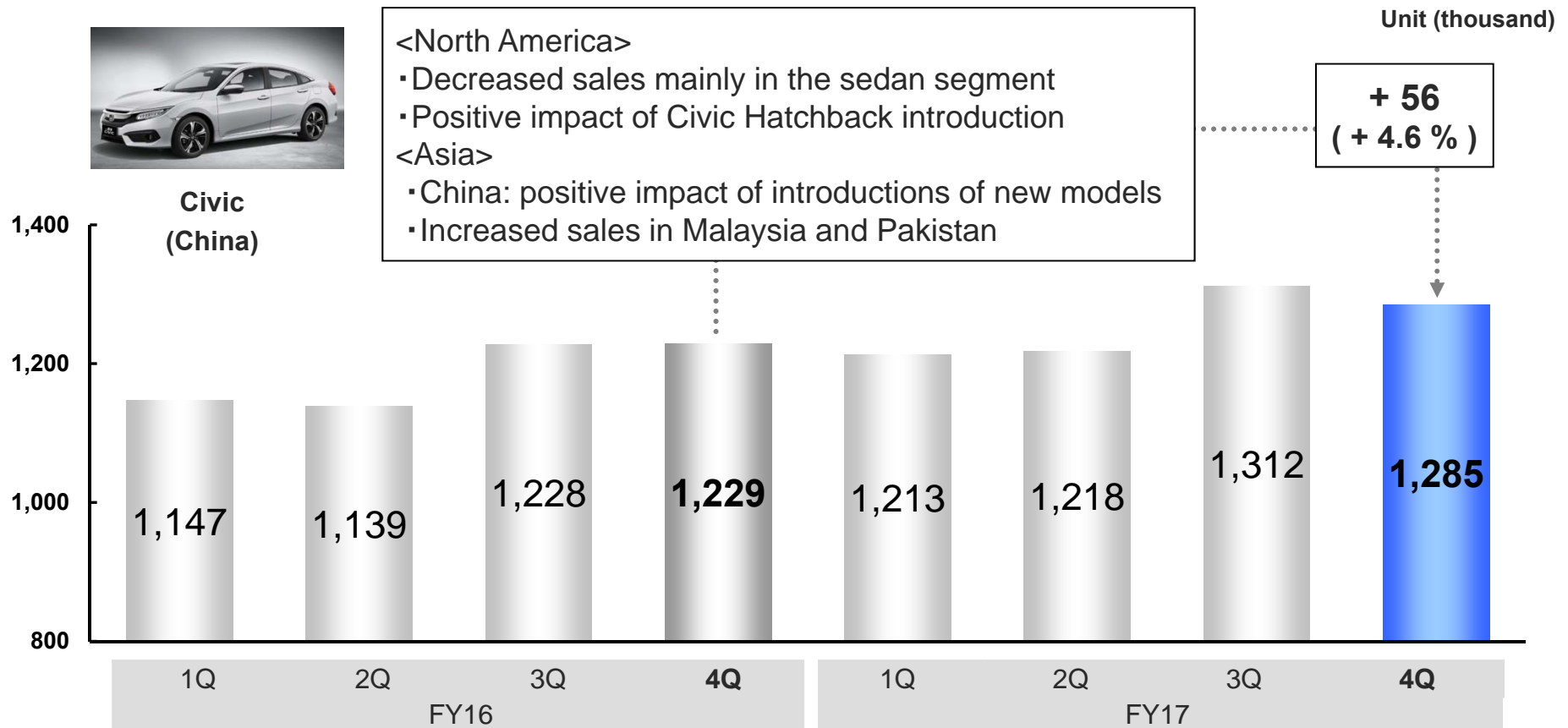


| | | | | | | | | |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Japan | 47 | 50 | 41 | 42 | 29 | 33 | 49 | 45 |
| North America | 75 | 75 | 69 | 89 | 78 | 71 | 68 | 77 |
| Europe | 66 | 48 | 33 | 57 | 72 | 48 | 31 | 66 |
| Asia | 3,571 | 3,851 | 3,968 | 3,743 | 3,885 | 4,125 | 4,115 | 3,812 |
| Other Regions | 346 | 346 | 296 | 242 | 288 | 261 | 260 | 248 |
| Total | 4,105 | 4,370 | 4,407 | 4,173 | 4,352 | 4,538 | 4,523 | 4,248 |

Automobiles - Honda Group Unit Sales



Civic
(China)



| | | | | | | | | |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Japan | 147 | 168 | 151 | 202 | 146 | 156 | 170 | 196 |
| North America | 497 | 473 | 466 | 493 | 510 | 479 | 510 | 471 |
| Europe | 32 | 42 | 43 | 55 | 45 | 45 | 43 | 51 |
| Asia | 405 | 395 | 503 | 420 | 453 | 482 | 527 | 502 |
| Other Regions | 66 | 61 | 65 | 59 | 59 | 56 | 62 | 65 |
| Total | 1,147 | 1,139 | 1,228 | 1,229 | 1,213 | 1,218 | 1,312 | 1,285 |

Power Products - Honda Group Unit Sales



**GCV160
(Engine)**

<North America>

- Increased sales of lawn mower/high pressure washer OEM engines, other

<Europe>

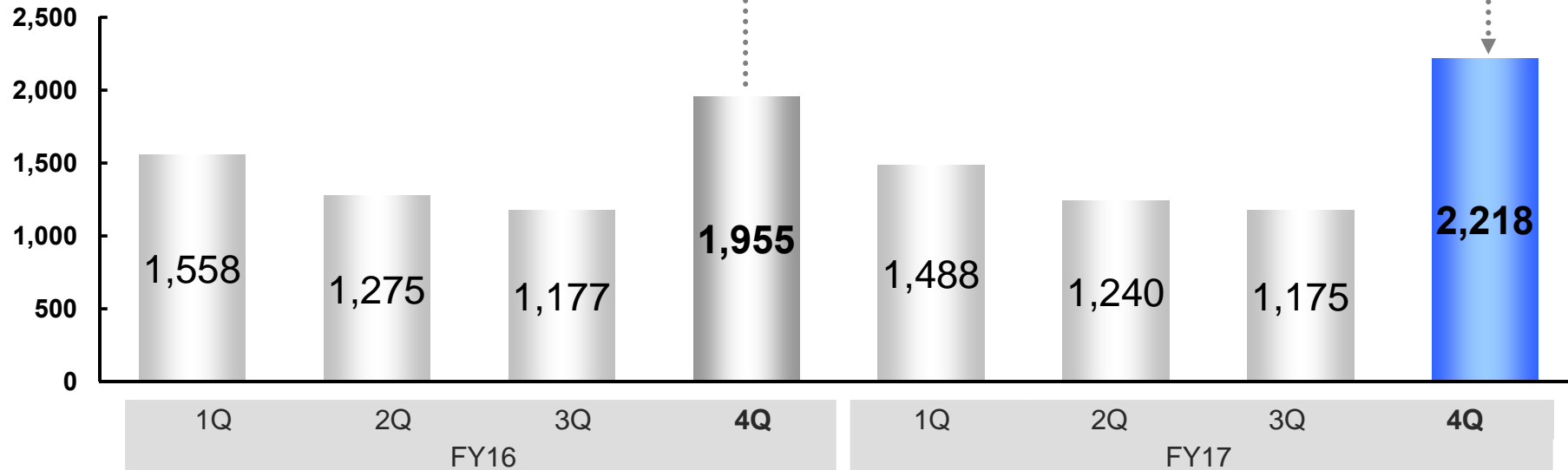
- Increased sales of lawn mower/tiller OEM engines, other

<Asia>

- Increased sales of OEM engines in Indonesia

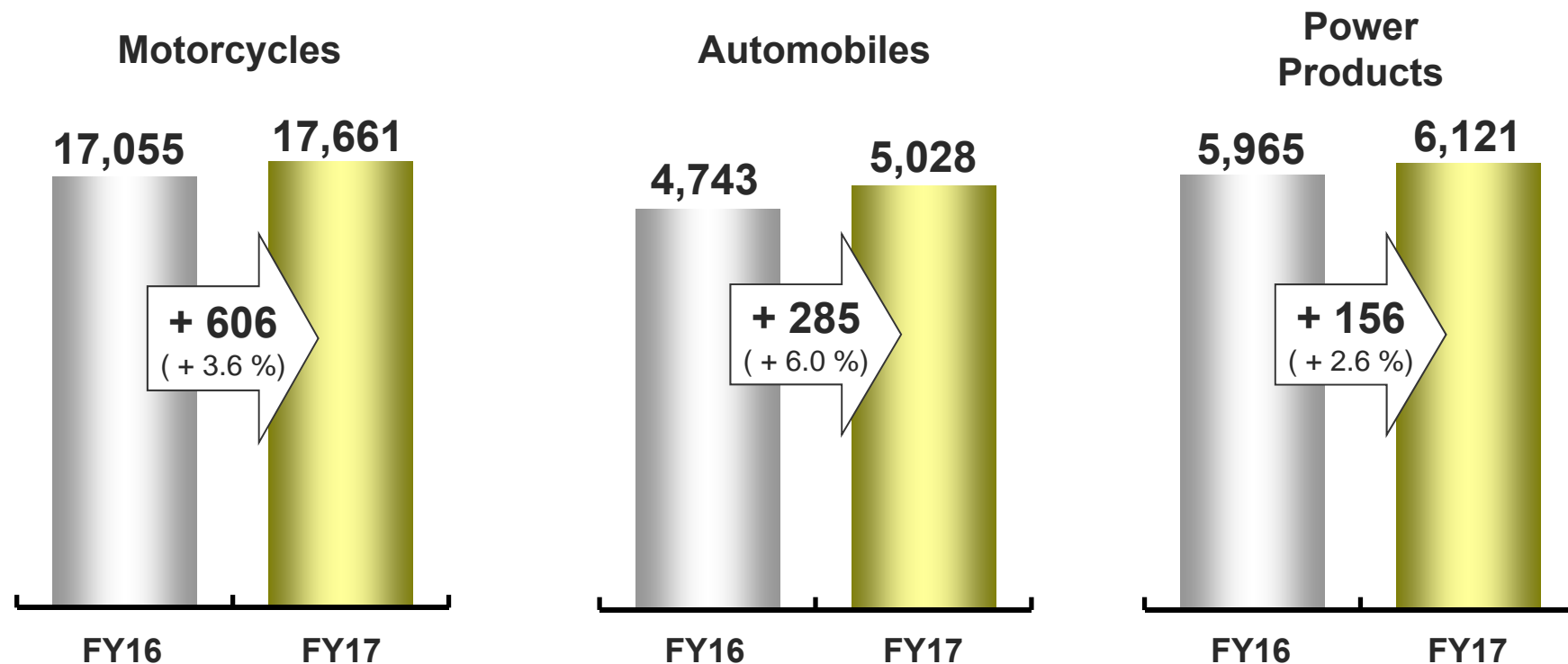
Unit (thousand)

**+ 263
(+ 13.5%)**



| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Japan | 85 | 115 | 62 | 101 | 59 | 87 | 54 | 101 |
| North America | 804 | 532 | 469 | 1,006 | 769 | 522 | 521 | 1,165 |
| Europe | 231 | 174 | 190 | 413 | 225 | 165 | 190 | 455 |
| Asia | 340 | 346 | 344 | 319 | 360 | 376 | 311 | 383 |
| Other Regions | 98 | 108 | 112 | 116 | 75 | 90 | 99 | 114 |
| Total | 1,558 | 1,275 | 1,177 | 1,955 | 1,488 | 1,240 | 1,175 | 2,218 |

Unit (thousand)



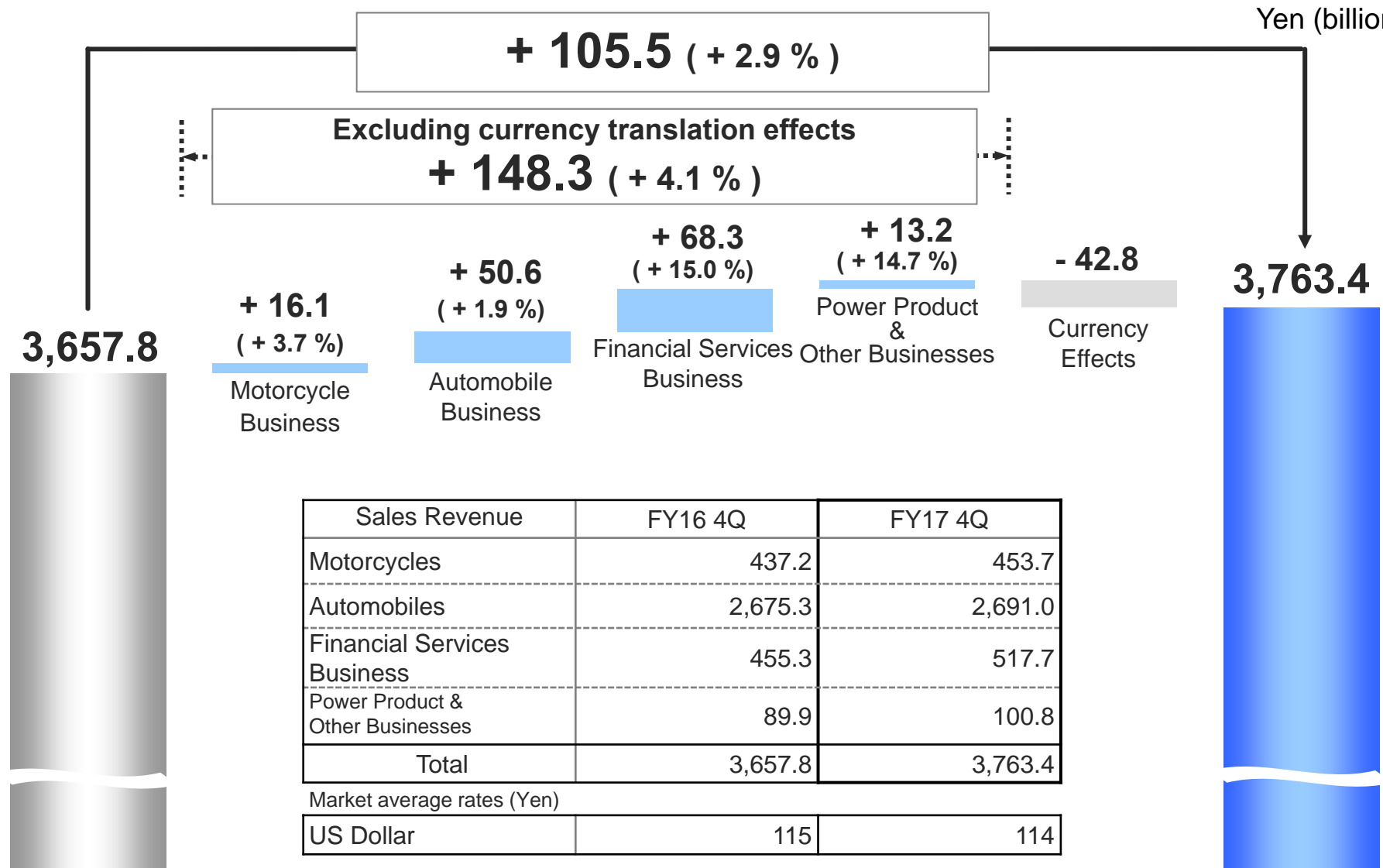
| | FY16 | FY17 | Change |
|---------------|---------------|---------------|--------------|
| Japan | 180 | 156 | - 24 |
| North America | 308 | 294 | - 14 |
| Europe | 204 | 217 | + 13 |
| Asia | 15,133 | 15,937 | + 804 |
| Other Regions | 1,230 | 1,057 | - 173 |
| Total | 17,055 | 17,661 | + 606 |

| | FY16 | FY17 | Change |
|---------------|--------------|--------------|--------------|
| Japan | 668 | 668 | - 0 |
| North America | 1,929 | 1,970 | + 41 |
| Europe | 172 | 184 | + 12 |
| Asia | 1,723 | 1,964 | + 241 |
| Other Regions | 251 | 242 | - 9 |
| Total | 4,743 | 5,028 | + 285 |

| | FY16 | FY17 | Change |
|---------------|--------------|--------------|--------------|
| Japan | 363 | 301 | - 62 |
| North America | 2,811 | 2,977 | + 166 |
| Europe | 1,008 | 1,035 | + 27 |
| Asia | 1,349 | 1,430 | + 81 |
| Other Regions | 434 | 378 | - 56 |
| Total | 5,965 | 6,121 | + 156 |

Change in Sales Revenue <FY17 4th Qtr>

Yen (billion)



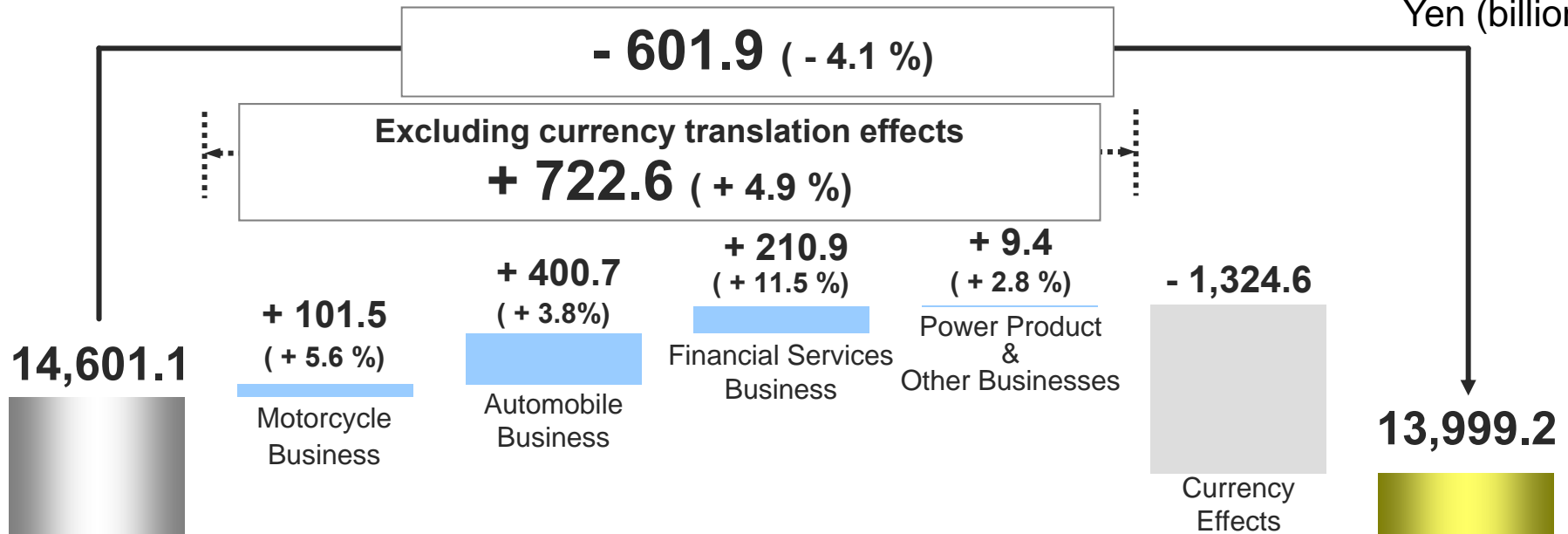
| Sales Revenue | FY16 4Q | FY17 4Q |
|----------------------------------|----------------|----------------|
| Motorcycles | 437.2 | 453.7 |
| Automobiles | 2,675.3 | 2,691.0 |
| Financial Services Business | 455.3 | 517.7 |
| Power Product & Other Businesses | 89.9 | 100.8 |
| Total | 3,657.8 | 3,763.4 |
| Market average rates (Yen) | | |
| US Dollar | 115 | 114 |

FY16 4Q

FY17 4Q

Change in Sales Revenue <FY17 Twelve months>

Yen (billion)



| Sales Revenue | FY16 | FY17 |
|----------------------------------|-----------------|-----------------|
| Motorcycles | 1,805.4 | 1,716.1 |
| Automobiles | 10,625.4 | 10,086.8 |
| Financial Services Business | 1,835.6 | 1,878.0 |
| Power Product & Other Businesses | 334.7 | 318.1 |
| Total | 14,601.1 | 13,999.2 |

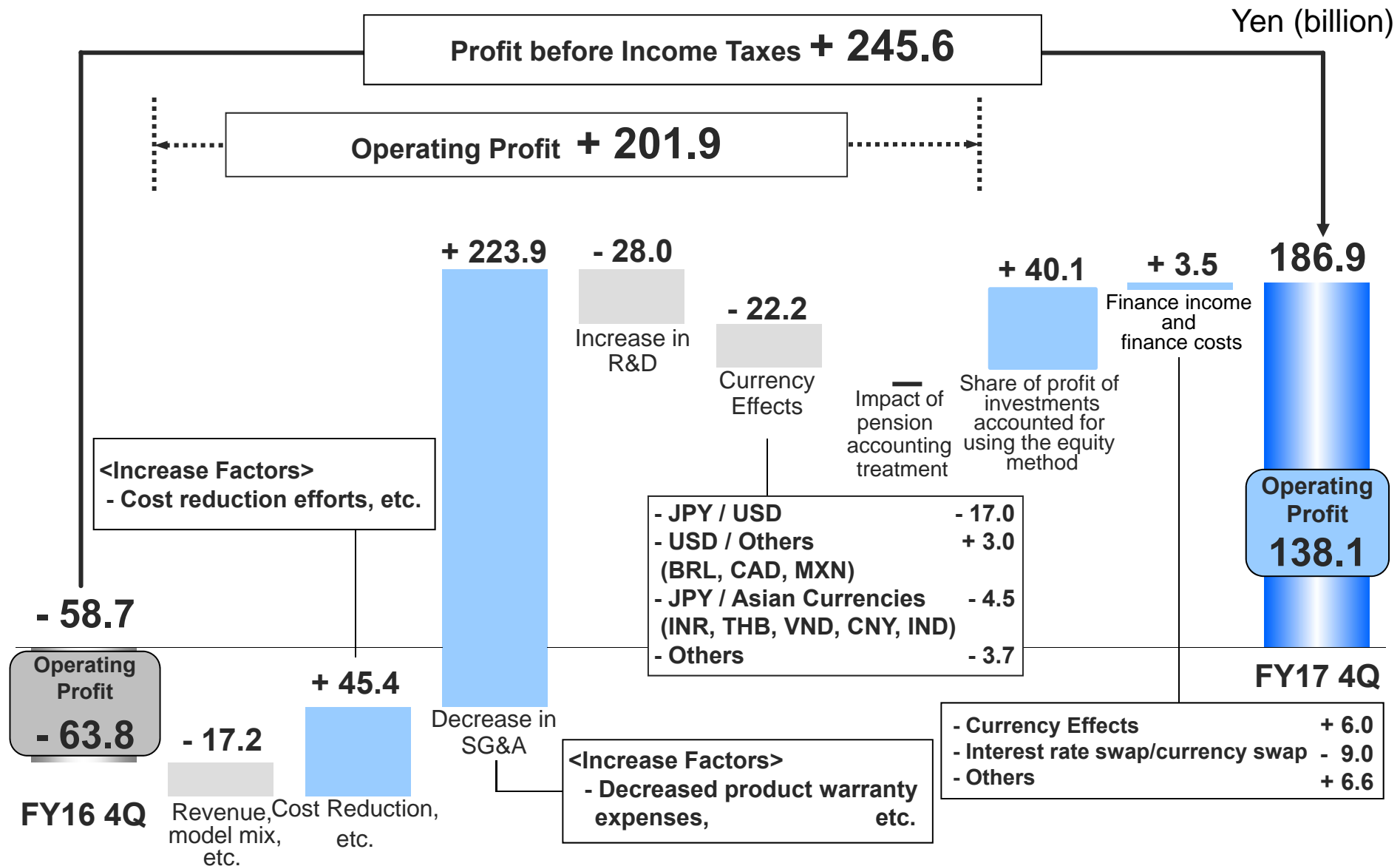
Market average rates (Yen)

| | | |
|-----------|-----|-----|
| US Dollar | 120 | 108 |
|-----------|-----|-----|

FY16

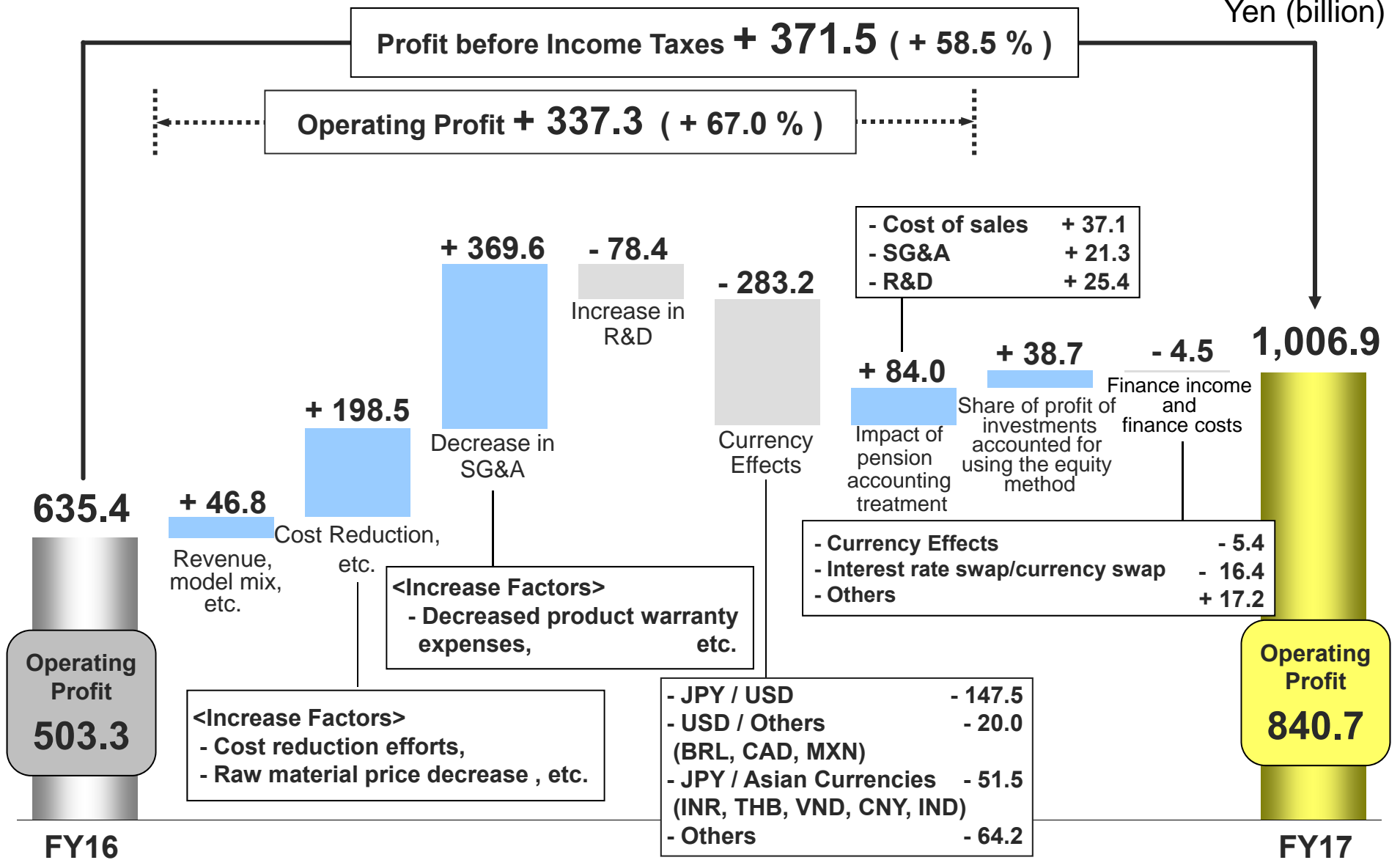
FY17

Change in Profit before Income Taxes <FY17 4th Qtr>



Change in Profit before Income Taxes <FY17 Twelve Months>

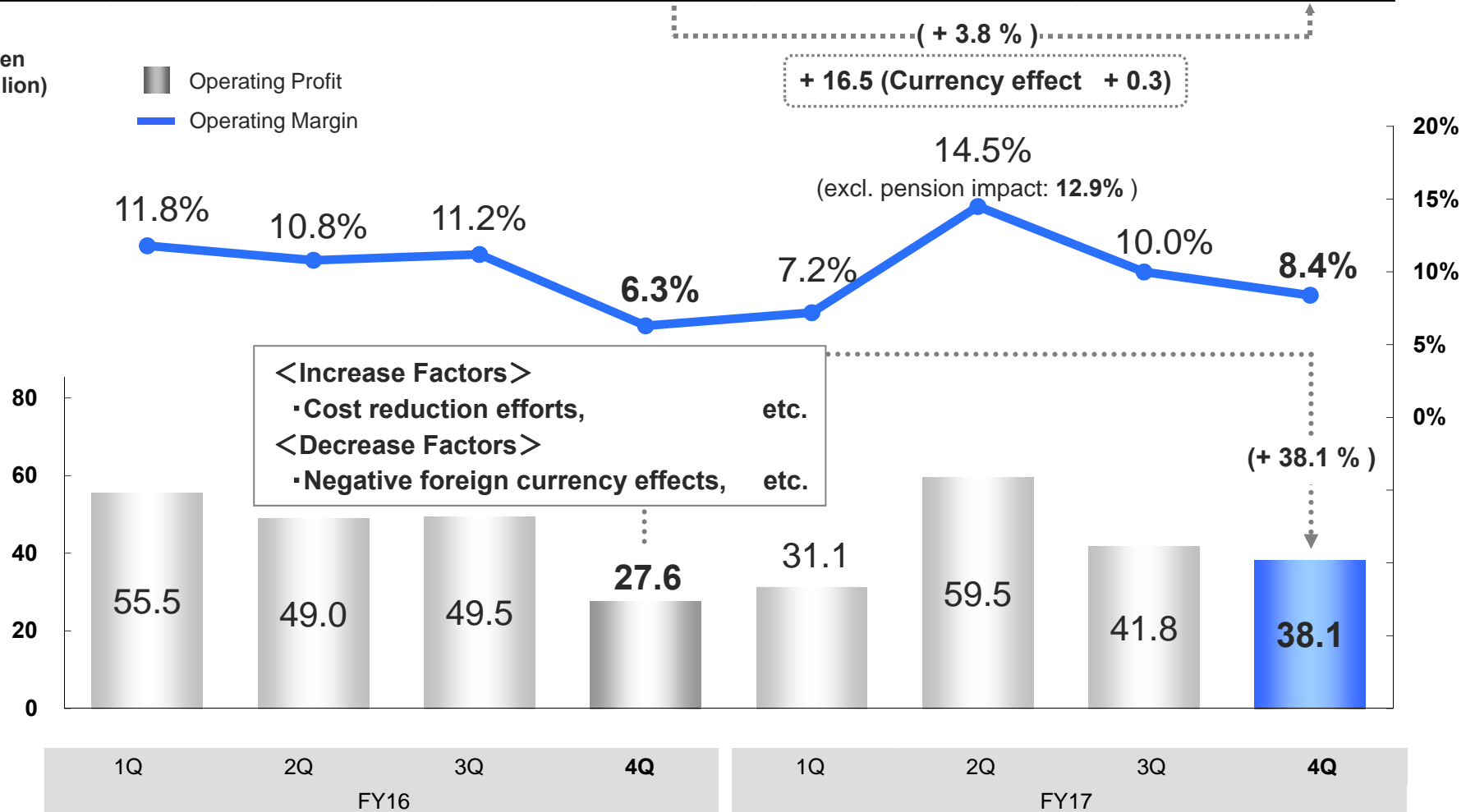
Yen (billion)



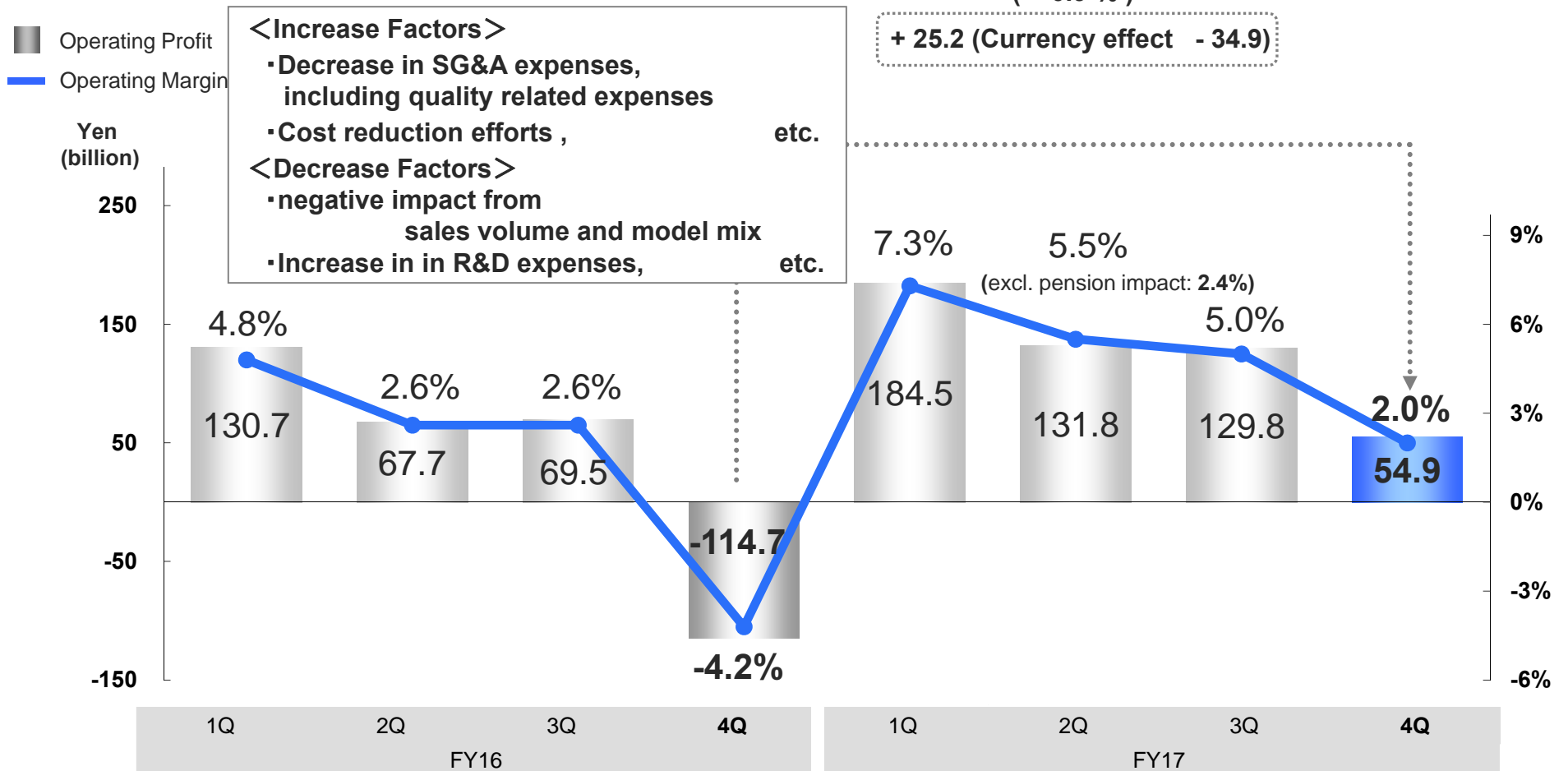
| Unit (thousand) Yen (billion) | FY16 | | | | FY17 | | | |
|--|------------------|------------------|------------------|--------------------------------|------------------|------------------|------------------|--------------------------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Honda Group Unit Sales (Consolidated Unit Sales) | 4,105 (2,545) | 4,370 (2,740) | 4,407 (2,654) | 4,173 (2,633) | 4,352 (2,831) | 4,538 (3,042) | 4,523 (2,675) | 4,248 (2,689) |
| Sales Revenue | 472.7 | 453.2 | 442.1 | 437.2 | 432.4 | 409.3 | 420.6 | 453.7 |

Yen
(billion)

■ Operating Profit
— Operating Margin



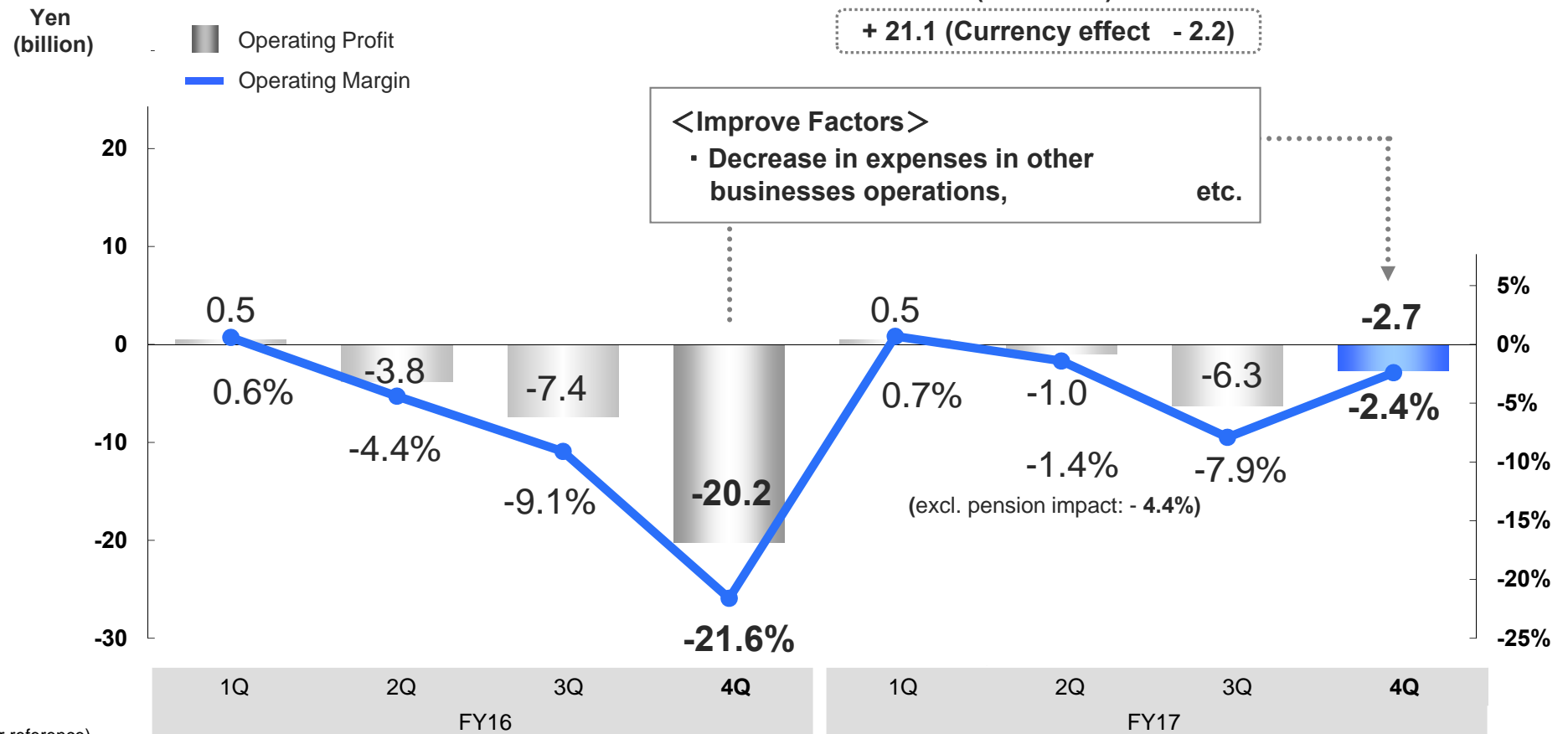
| Unit (thousand) Yen (billion) | FY16 | | | | FY17 | | | |
|----------------------------------|---------|---------|---------|----------------|---------|---------|---------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Honda Group Unit Sales | 1,147 | 1,139 | 1,228 | 1,229 | 1,213 | 1,218 | 1,312 | 1,285 |
| (Consolidated Unit Sales) | (888) | (889) | (879) | (980) | (908) | (890) | (925) | (960) |
| Sales Revenue | 2,706.0 | 2,655.5 | 2,684.5 | 2,721.5 | 2,536.1 | 2,377.4 | 2,596.4 | 2,746.7 |



Power Product & Other Businesses

Sales Revenue/Operating Profit (Margin)

| Unit (thousand) Yen (billion) | FY16 | | | | FY17 | | | |
|--|------------------|------------------|------------------|--------------------------------|------------------|------------------|------------------|--------------------------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Honda Group Unit Sales (Consolidated Unit Sales) | 1,558 (1,558) | 1,275 (1,275) | 1,177 (1,177) | 1,955 (1,955) | 1,488 (1,488) | 1,240 (1,240) | 1,175 (1,175) | 2,218 (2,218) |
| Sales Revenue | 88.1 | 88.2 | 82.0 | 93.6 | 80.9 | 73.5 | 80.3 | 114.8 |



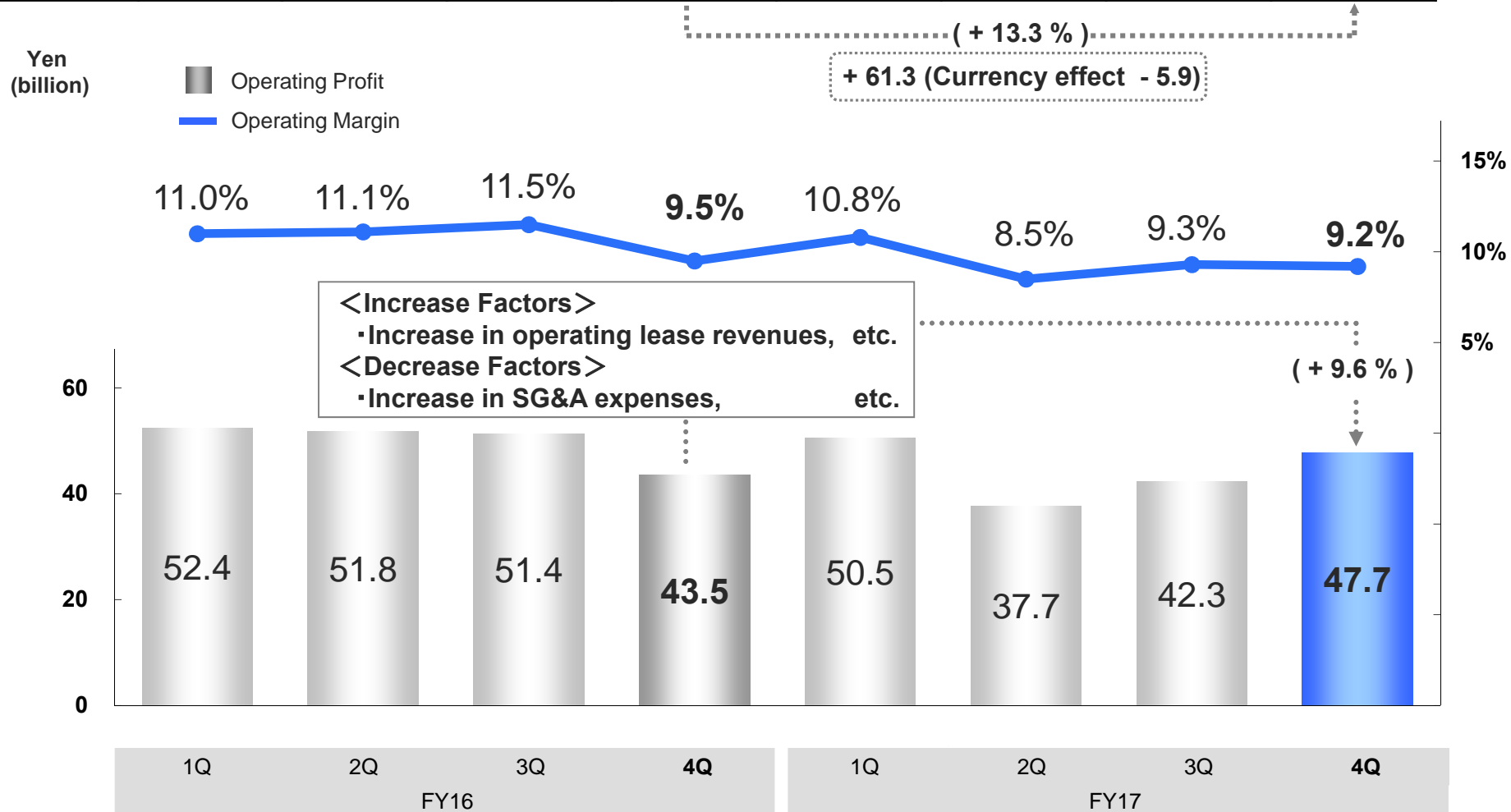
(For reference)

| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
|---|-------|-------|-------|--------------|------|-------|-------|--------------|
| Operating profit from aircraft and aircraft engines | -12.1 | -12.4 | -17.1 | -29.3 | -8.8 | -10.6 | -12.3 | -12.0 |

Financial Services Business

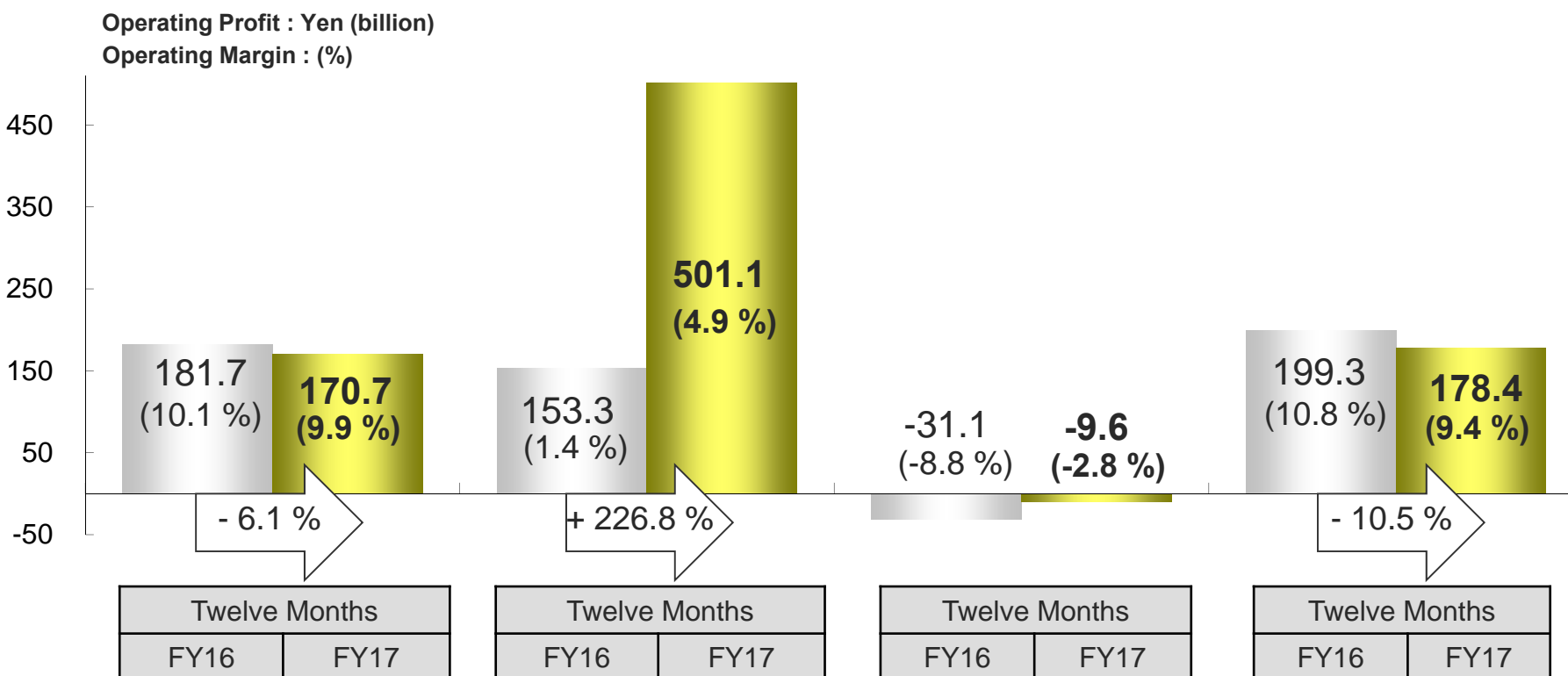
Total Assets/Sales Revenue/Operating Profit (Margin)

| Yen (billion) | FY16 | | | | FY17 | | | |
|--------------------------------------|---------|---------|---------|----------------|---------|---------|---------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Total Assets of Finance Subsidiaries | 9,560.2 | 9,377.7 | 9,431.9 | 9,071.8 | 8,538.3 | 8,440.3 | 9,643.3 | 9,437.0 |
| Sales Revenue | 476.8 | 465.1 | 447.8 | 459.8 | 467.9 | 446.3 | 455.7 | 521.1 |



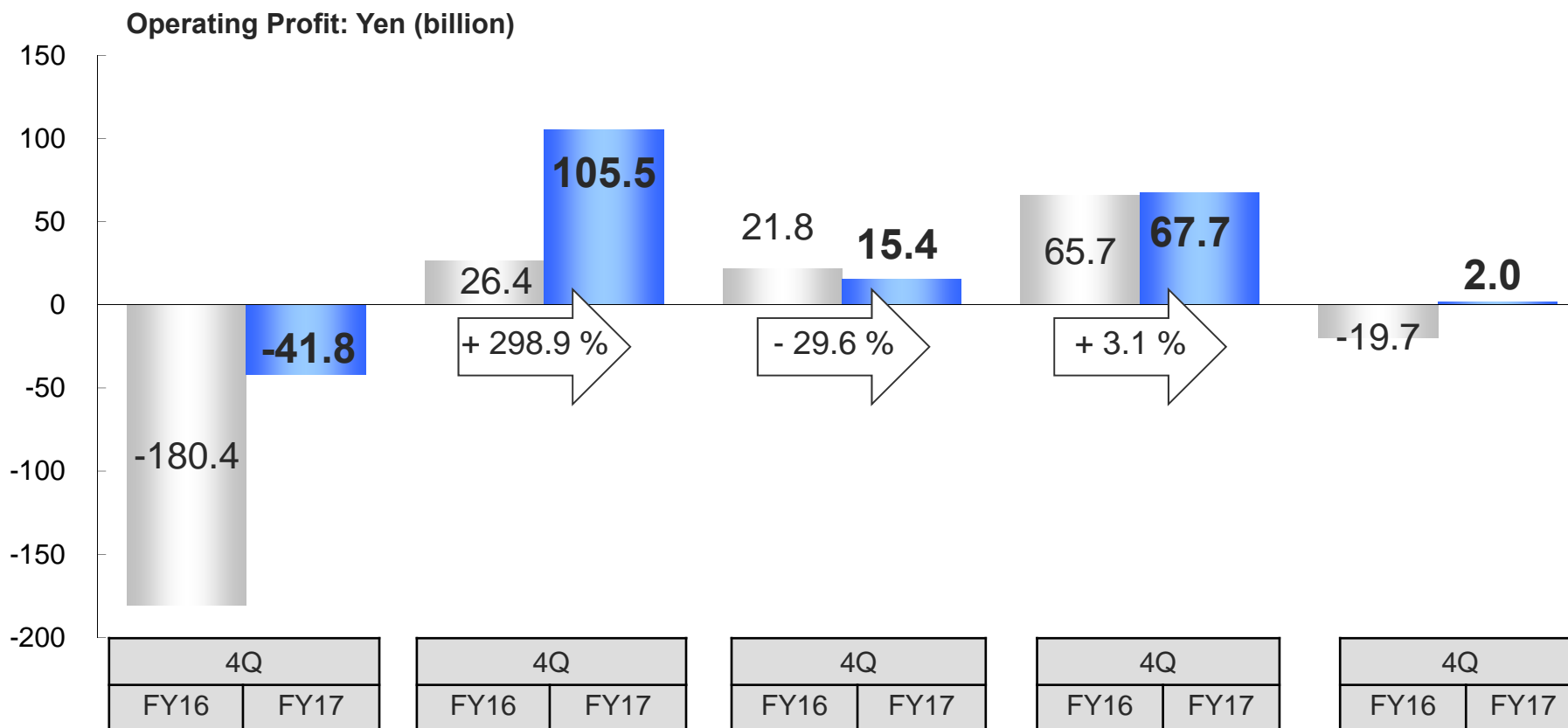
Sales Revenue/Operating Profit (Margin) by Business Segment <FY17 Twelve Months >

| Unit (thousand) Yen (billion) | Motorcycle Business | | Automobile Business | | Power Product and Other Businesses | | Financial Services Business | |
|---|---------------------|--------------------|---------------------|------------------|------------------------------------|------------------|-----------------------------|----------|
| | Twelve Months | | Twelve Months | | Twelve Months | | Twelve Months | |
| | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 |
| Honda Group Unit Sales (Consolidated Unit Sales) | 17,055 (10,572) | 17,661 (11,237) | 4,743 (3,636) | 5,028 (3,683) | 5,965 (5,965) | 6,121 (6,121) | — (—) | — (—) |
| Sales Revenue | 1,805.4 | 1,716.1 | 10,767.6 | 10,256.6 | 352.2 | 349.6 | 1,849.7 | 1,891.2 |



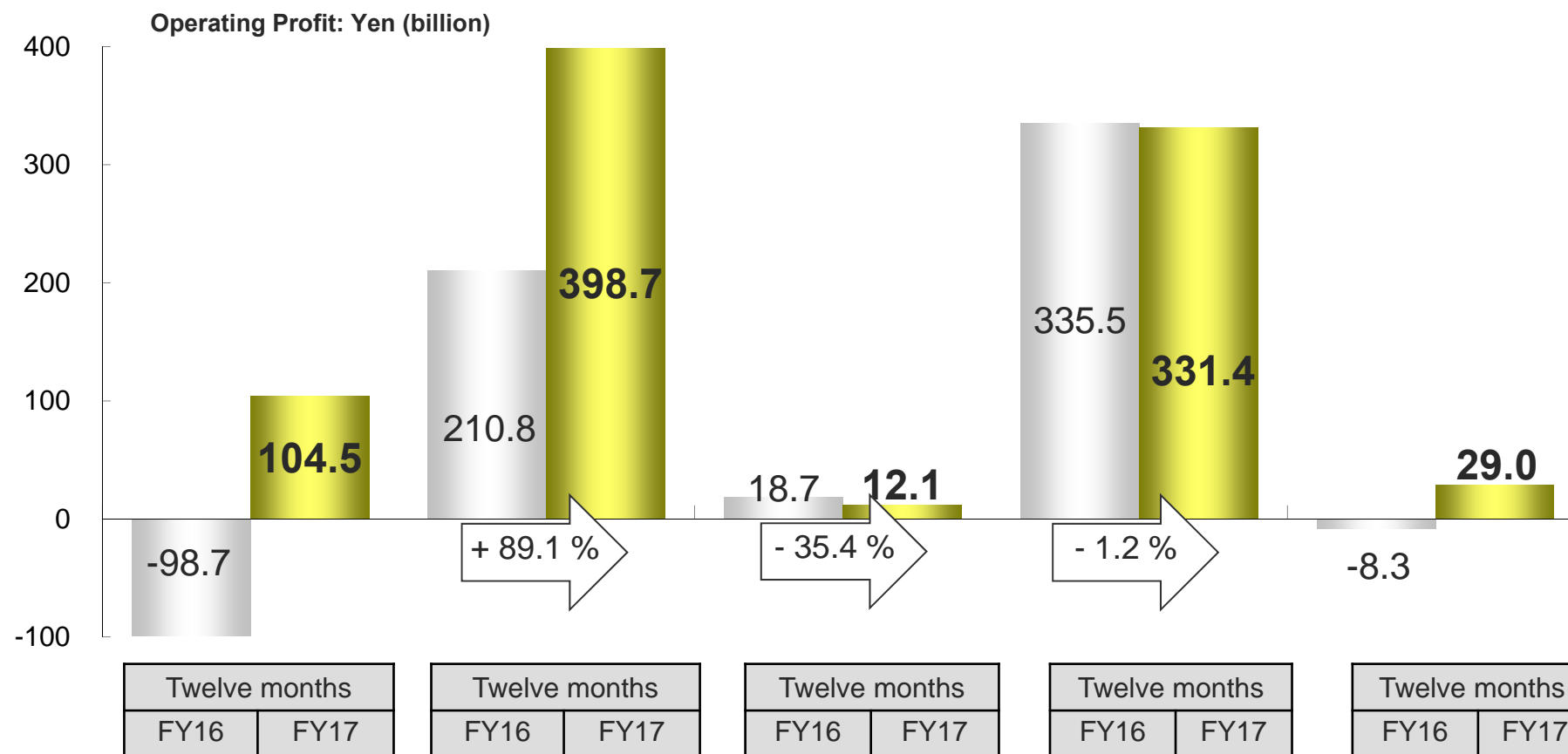
**Sales Revenue/Operating Profit
by Geographical Segment <FY17 4th Qtr>**

| | Japan | | North America | | Europe | | Asia | | Other Regions | |
|---------------|-------|----------------|---------------|----------------|--------|--------------|-------|--------------|---------------|--------------|
| Yen (billion) | 4Q | | 4Q | | 4Q | | 4Q | | 4Q | |
| | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 |
| Sales Revenue | 997.2 | 1,076.9 | 2,102.6 | 2,134.0 | 229.7 | 257.3 | 841.1 | 946.3 | 163.4 | 199.8 |

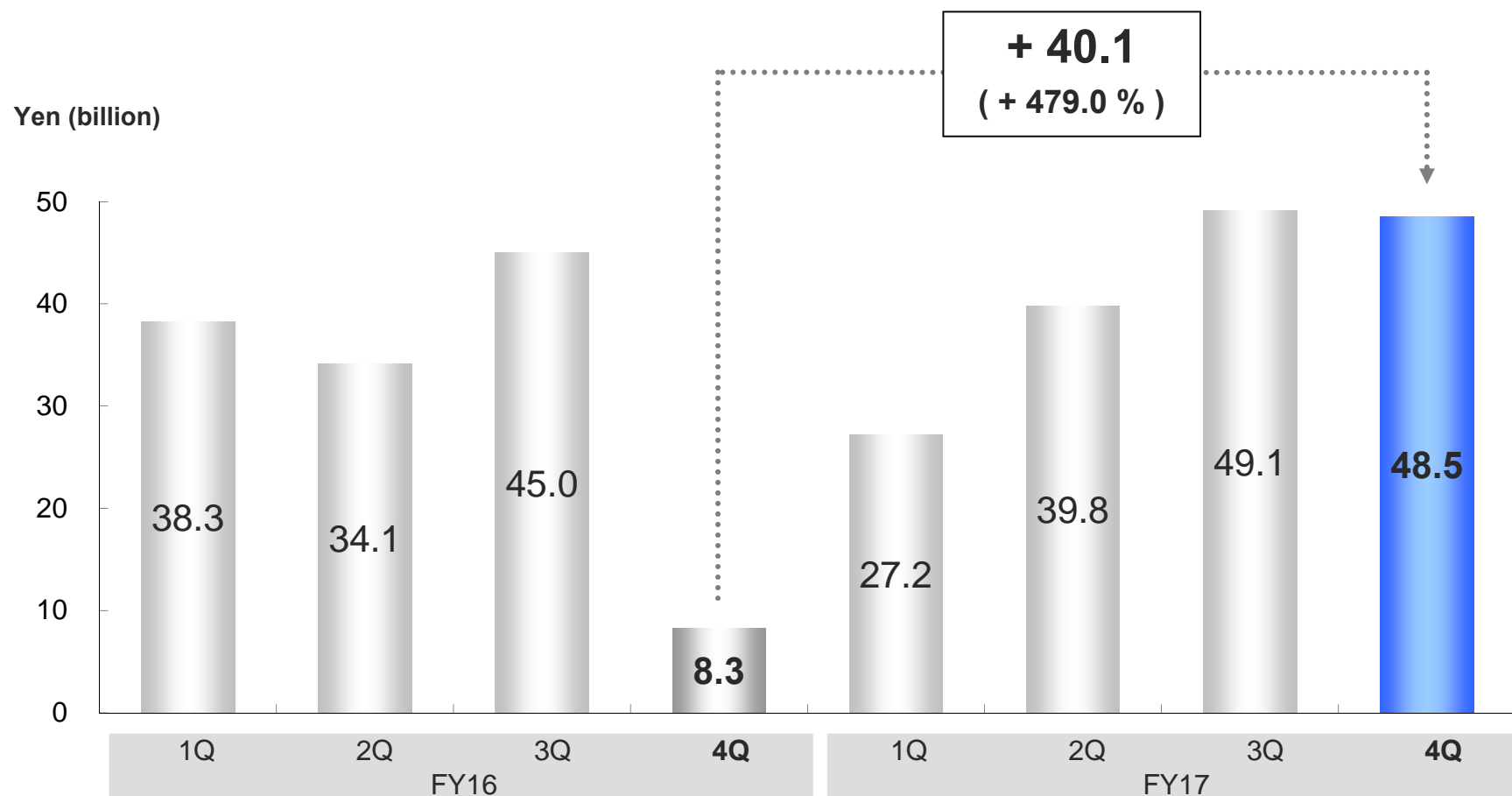


**Sales Revenue/Operating Profit
by Geographical Segment <FY17 Twelve months>**

| Yen (billion) | Japan | | North America | | Europe | | Asia | | Other Regions | |
|---------------|---------------|----------------|---------------|----------------|---------------|--------------|---------------|----------------|---------------|--------------|
| | Twelve months | | Twelve months | | Twelve months | | Twelve months | | Twelve months | |
| | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 | FY16 | FY17 |
| Sales Revenue | 3,928.5 | 4,113.4 | 8,537.0 | 8,098.0 | 776.0 | 789.3 | 3,535.3 | 3,456.0 | 808.6 | 733.4 |



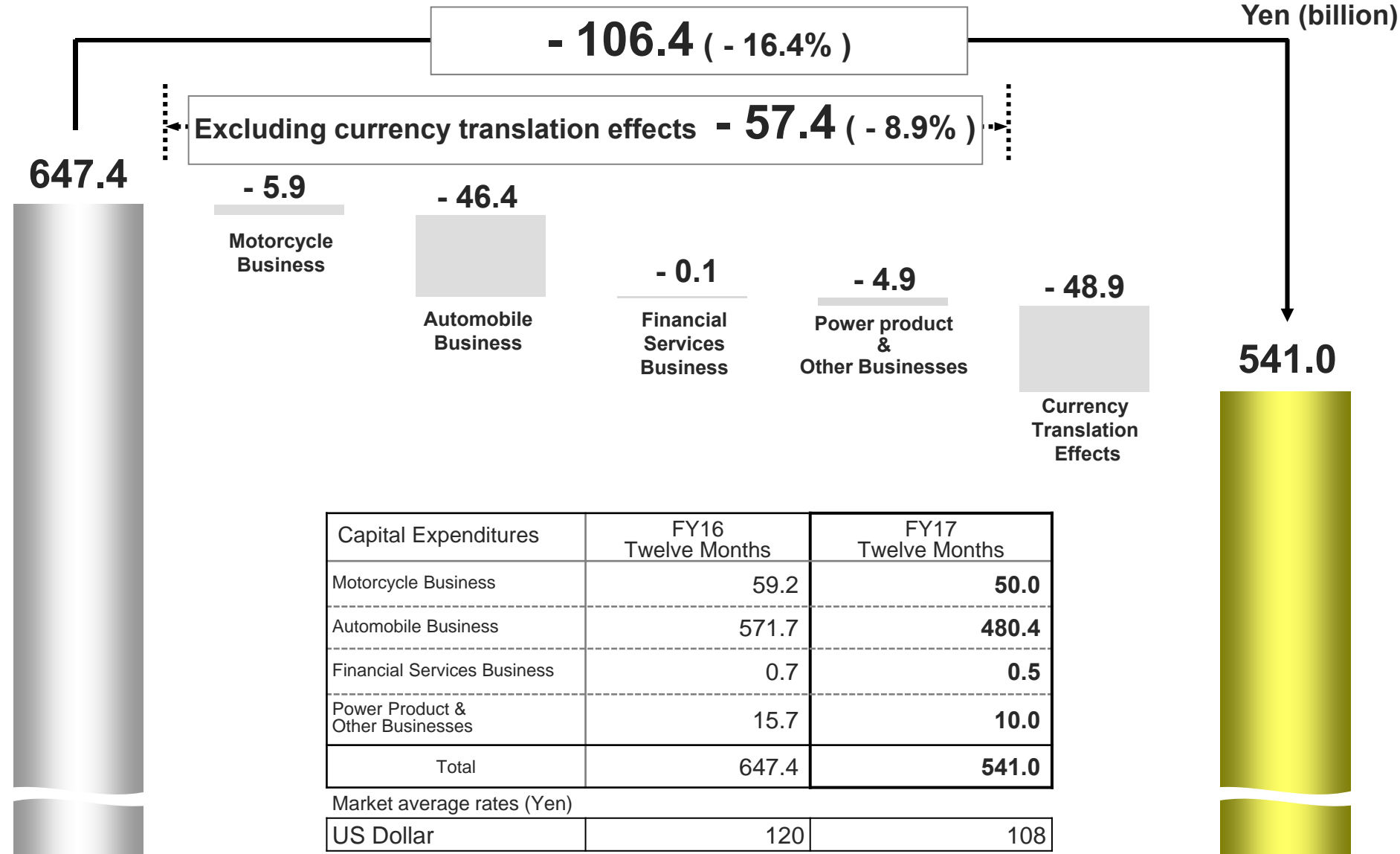
Share of Profit of Investments Accounted for Using the Equity Method



| | Yen (billion) | | | | | | | |
|-----------|---------------|------|------|-------------|------|------|------|-------------|
| From Asia | 32.5 | 28.9 | 39.4 | 24.3 | 39.3 | 36.2 | 40.8 | 43.8 |

Consolidated Capital Expenditures <FY17 Twelve months>

Yen (billion)



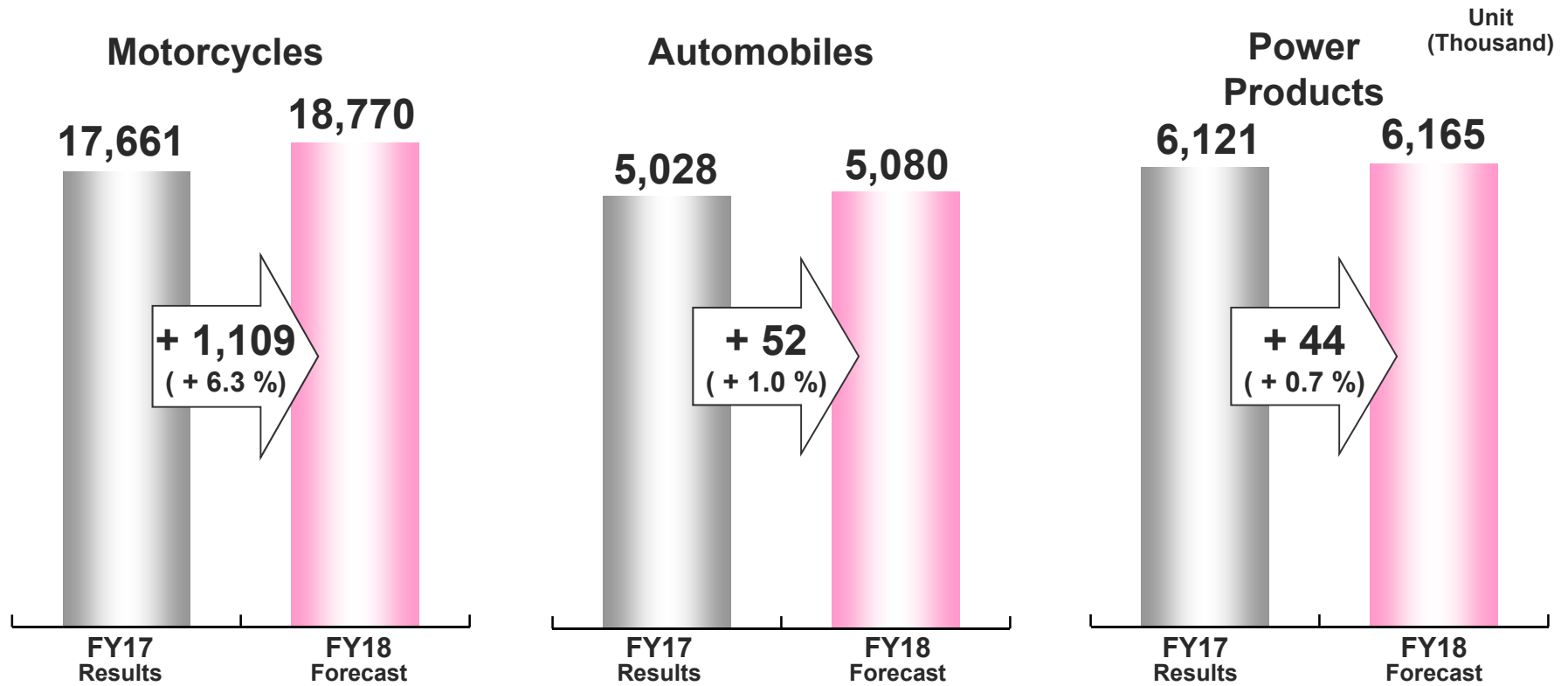
**FY16
Twelve Months**

•Capital expenditures in results aforementioned exclude investment in operating leases, finance leases and intangible assets.

**FY17
Twelve Months**

- *FY17 4th Quarter and Twelve-Month Financial Results*
 - *4th Quarter Financial Results*
 - *Honda Group Unit Sales*
 - *Change in Sales Revenue*
 - *Change in Profit before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Share of Profit of Investments*
 - *Accounted for using the Equity Method*
 - *Capital Expenditures*
- *FY18 Financial Forecast*

Forecast: Honda Group Unit Sales

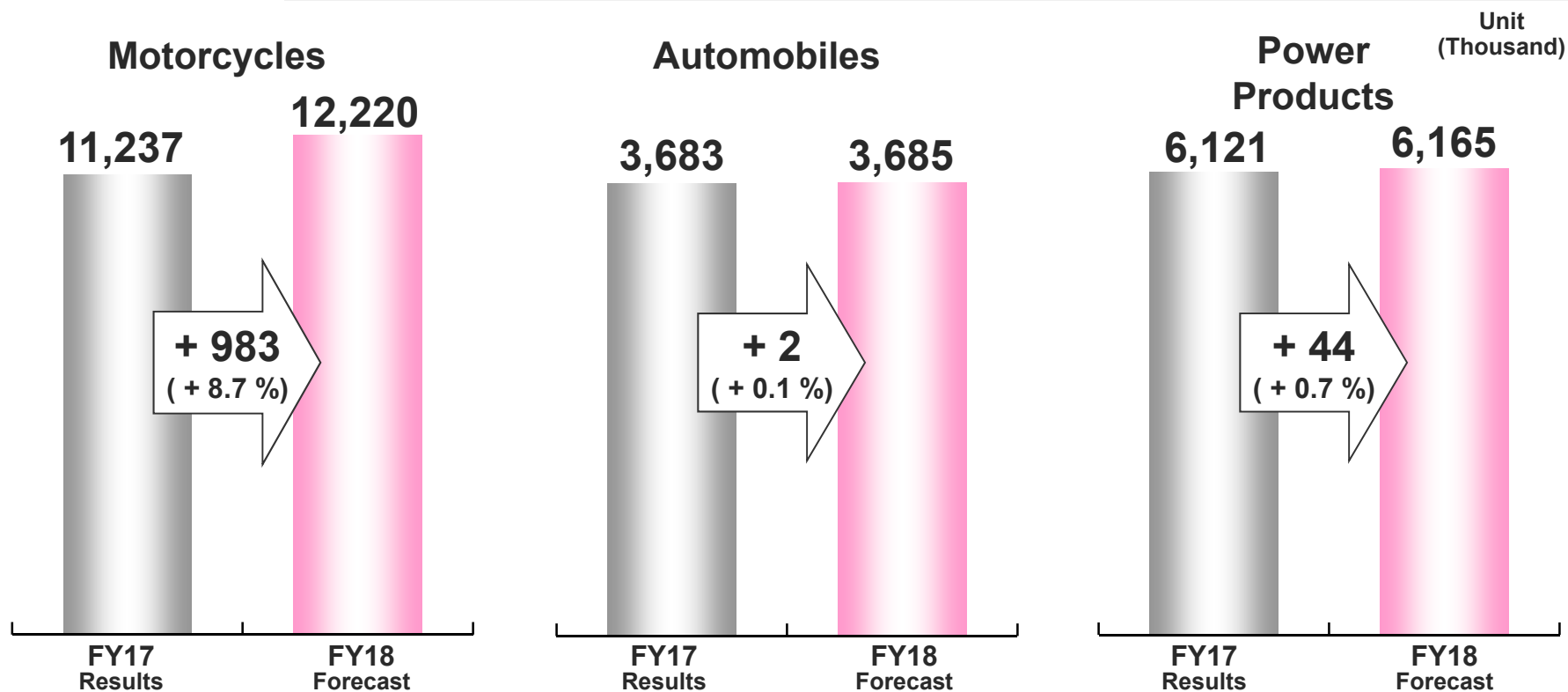


| | FY17 Results | FY18 Forecast | Change |
|---------------|---------------|---------------|----------------|
| Japan | 156 | 170 | + 14 |
| North America | 294 | 315 | + 21 |
| Europe | 217 | 220 | + 3 |
| Asia | 15,937 | 17,015 | + 1,078 |
| Other Region | 1,057 | 1,050 | - 7 |
| Total | 17,661 | 18,770 | + 1,109 |

| | FY17 Results | FY18 Forecast | Change |
|---------------|--------------|---------------|-------------|
| Japan | 668 | 680 | + 12 |
| North America | 1,970 | 1,920 | - 50 |
| Europe | 184 | 175 | - 9 |
| Asia | 1,964 | 2,060 | + 96 |
| Other Region | 242 | 245 | + 3 |
| Total | 5,028 | 5,080 | + 52 |

| | FY17 Results | FY18 Forecast | Change |
|---------------|--------------|---------------|-------------|
| Japan | 301 | 265 | - 36 |
| North America | 2,977 | 3,010 | + 33 |
| Europe | 1,035 | 1,030 | - 5 |
| Asia | 1,430 | 1,460 | + 30 |
| Other Region | 378 | 400 | + 22 |
| Total | 6,121 | 6,165 | + 44 |

Forecast: Consolidated Unit Sales



| | FY17 Results | FY18 Forecast | Change |
|---------------|---------------|---------------|--------------|
| Japan | 156 | 170 | + 14 |
| North America | 294 | 315 | + 21 |
| Europe | 217 | 220 | + 3 |
| Asia | 9,513 | 10,465 | + 952 |
| Other Region | 1,057 | 1,050 | - 7 |
| Total | 11,237 | 12,220 | + 983 |

| | FY17 Results | FY18 Forecast | Change |
|---------------|--------------|---------------|------------|
| Japan | 603 | 615 | + 12 |
| North America | 1,970 | 1,920 | - 50 |
| Europe | 184 | 175 | - 9 |
| Asia | 684 | 730 | + 46 |
| Other Region | 242 | 245 | + 3 |
| Total | 3,683 | 3,685 | + 2 |

| | FY17 Results | FY18 Forecast | Change |
|---------------|--------------|---------------|-------------|
| Japan | 301 | 265 | - 36 |
| North America | 2,977 | 3,010 | + 33 |
| Europe | 1,035 | 1,030 | - 5 |
| Asia | 1,430 | 1,460 | + 30 |
| Other Region | 378 | 400 | + 22 |
| Total | 6,121 | 6,165 | + 44 |

FY18 Financial Forecast (Consolidated)

Yen (billion)

| | FY17 Results | FY18 Forecast | Change | |
|--|-----------------|------------------|---------|----------|
| | | | amount | % |
| Sales revenue | 13,999.2 | 14,200.0 | + 200.8 | + 1.4% |
| Operating profit | 840.7 | 705.0 | - 135.7 | - 16.1% |
| Operating margin | 6.0% | 5.0% | | - 1.0 pt |
| Share of profit of investments accounted for using the equity method | 164.7 | 175.0 | + 10.2 | + 6.2% |
| Profit before income taxes | 1,006.9 | 875.0 | - 131.9 | - 13.1% |
| Profit for the year attributable to owners of the parent | 616.5 | 530.0 | - 86.5 | - 14.0% |

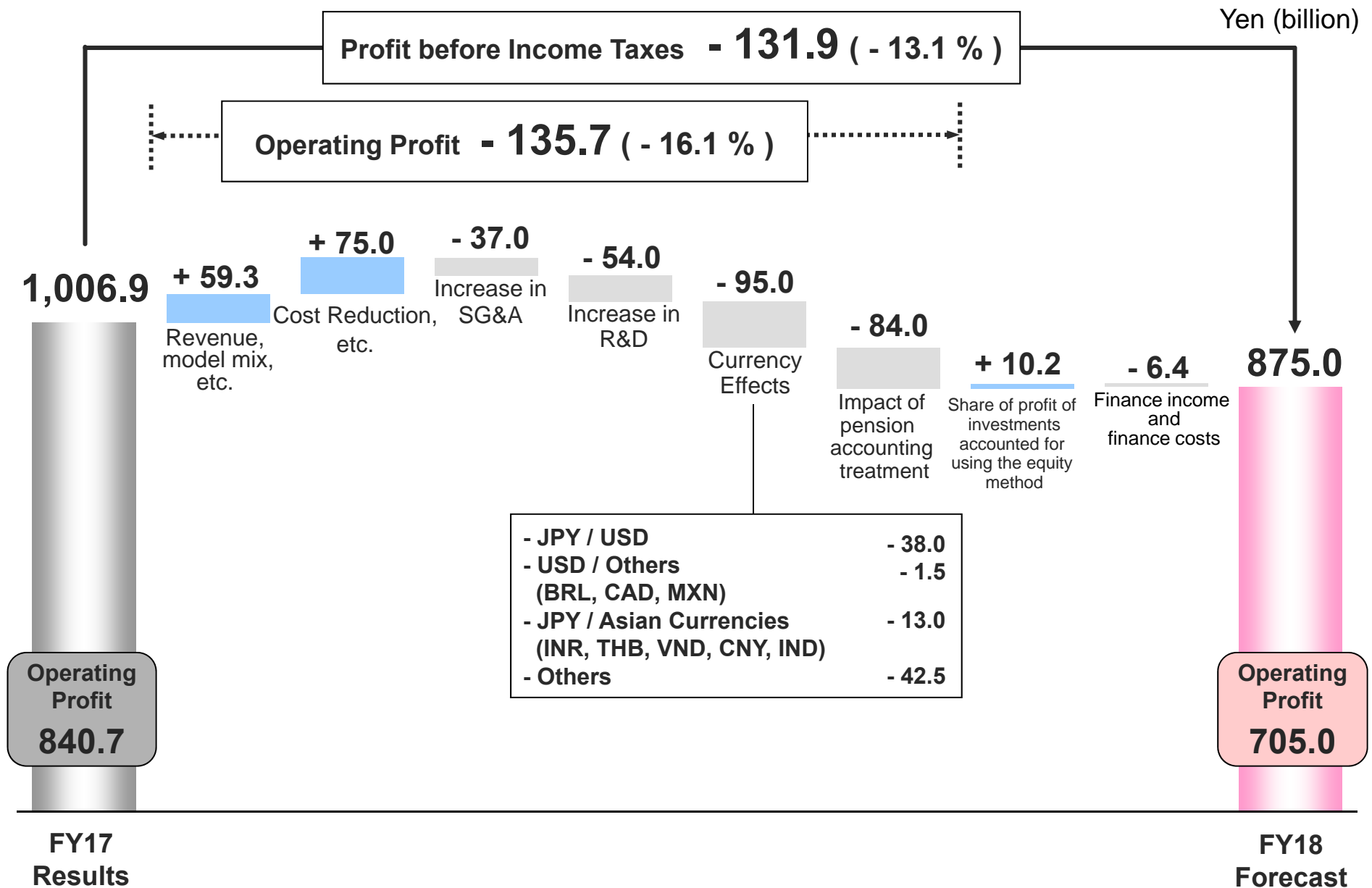
| | | | |
|---|--------|---------------|---------|
| Earnings per share (Yen) attributable to owners of the parent *1 | 342.10 | 294.07 | - 48.03 |
|---|--------|---------------|---------|

For *1, please refer to the footnote on page 36

Market average rates (Yen)

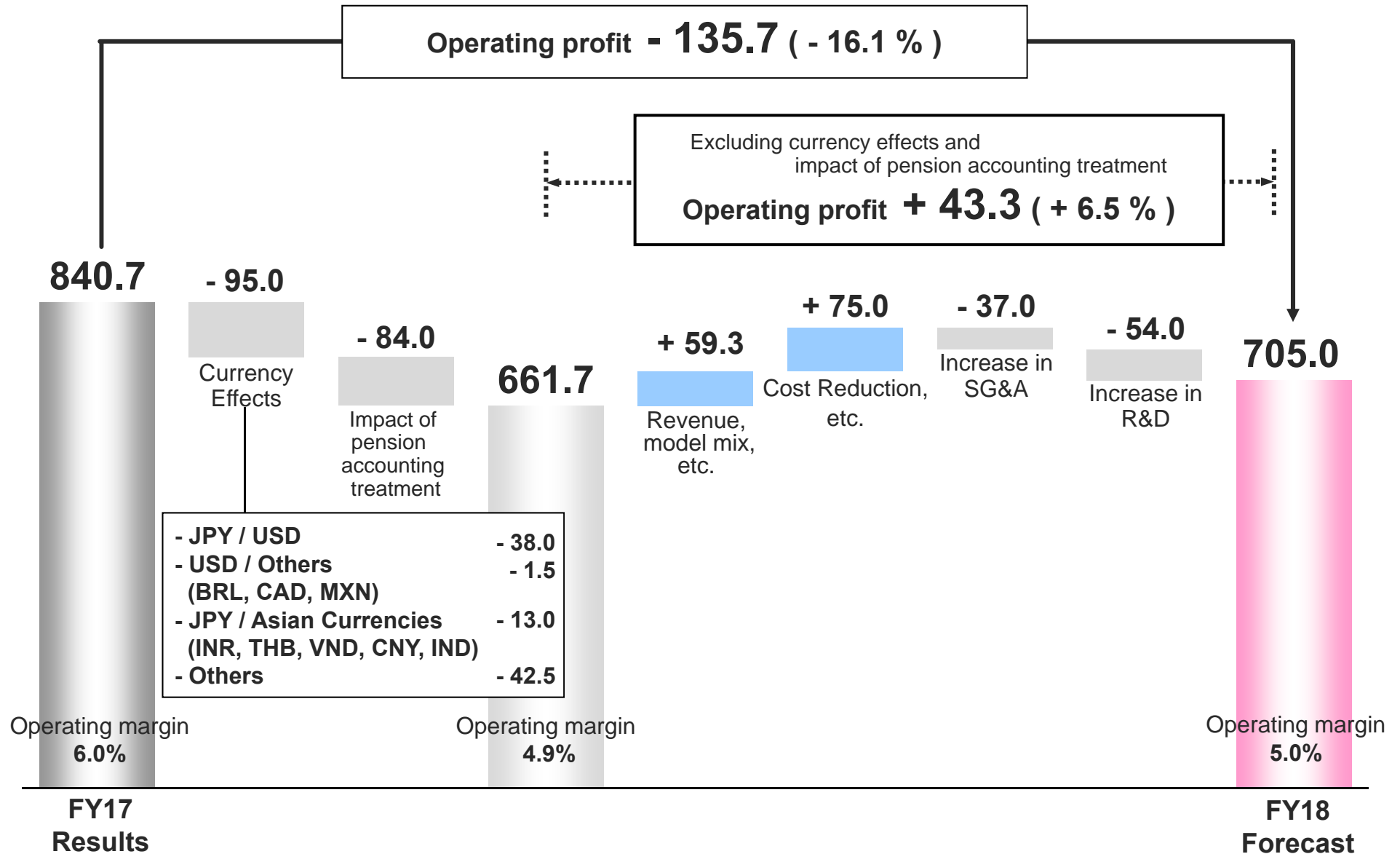
| | | | |
|-----------|-----|------------|-----------------|
| US Dollar | 108 | 105 | Yen up by 3 yen |
|-----------|-----|------------|-----------------|

FY18 Forecast: Change in Profit before Income Taxes



FY18 Forecast: Change in Operating Profit

Yen (billion)



Yen (billion)

| | FY17 Results | FY18 Forecast | Change |
|--|-----------------|------------------|--------|
| Capital expenditures * | 541.0 | 530.0 | - 11.0 |
| Depreciation and amortization * | 437.6 | 450.0 | + 12.3 |
| Research and development expenditures ** | 685.3 | 750.0 | + 64.6 |

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

** Research and development expenditures are research and development activity related costs incurred during the reporting period. In accordance with IFRS, a portion of research and development expenditures is recognized as an intangible asset and amortized over its estimated useful life. As such, this amount is not in conformity with "Research and development" on our Consolidated Statement of Income. Research and development expenditures aforementioned exclude decrease of 25.4 billion yen due to the impact of pension accounting treatment in FY17 2nd quarter.

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 fluctuation of foreign exchange rates, as well as other factors detailed from time to time.

Accounting standards:

Our consolidated financial standards are prepared in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB)

Notice on the Factors for Increases and Decreases in Income:

With respect to the discussion above of the change in Operating profit, 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) "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, etc", 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 "Revenue, model mix, etc", 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 sales revenue 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 Earnings per share attributable to owners of the parent is calculated based on weighted average number of shares outstanding as shown below:

- 4th Quarter FY16: 1,802,283,000 (approx), FY17: 1,802,280,000 (approx) (page 11)
- Fiscal Year FY16: 1,802,285,000 (approx), FY17: 1,802,282,000 (approx), FY18 forecasts: 1,802,280,000 (approx) (pages 6, 7 and 32)

HONDA

The Power of Dreams

Appendix

Yen (billion)

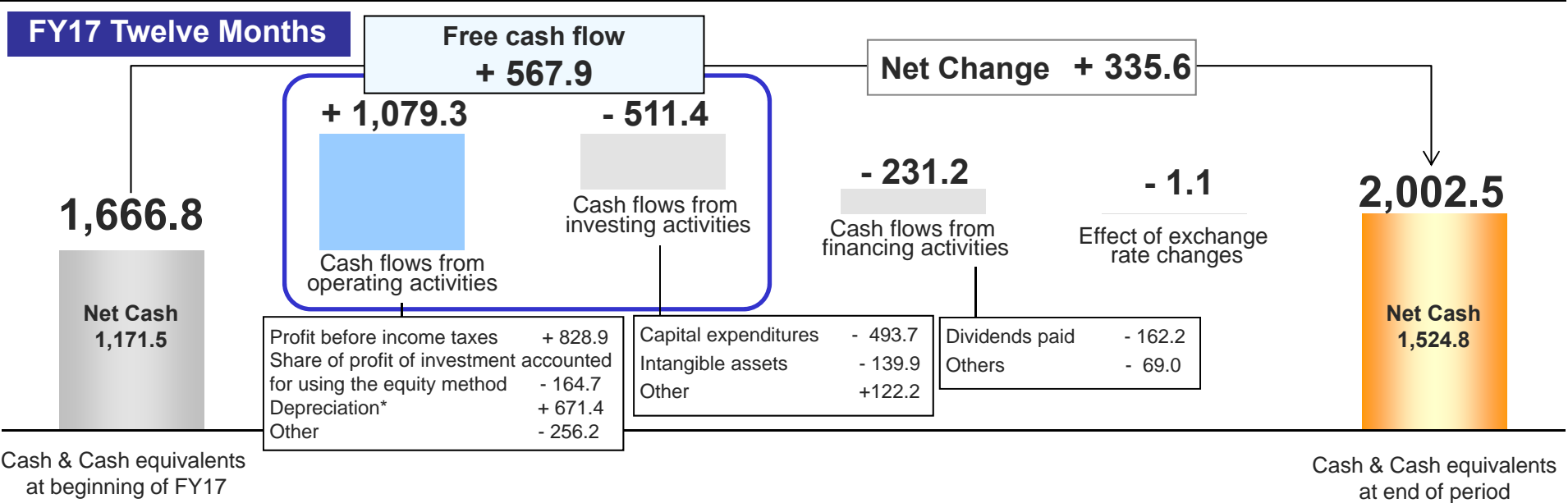
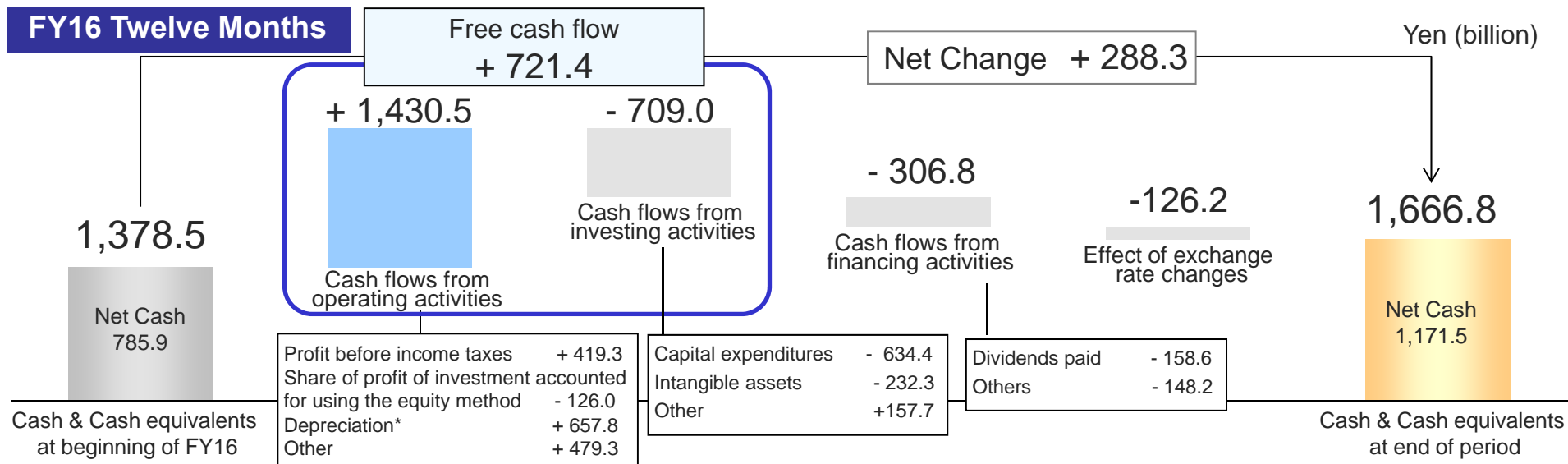
| | 4Q | | |
|--|-------|--------------|--------|
| | FY16 | FY17 | Change |
| Capital expenditures * | 184.3 | 172.3 | - 12.0 |
| Depreciation and amortization * | 111.0 | 126.6 | + 15.5 |
| Research and development expenditures ** | 207.0 | 211.5 | + 4.5 |

| Twelve Months | | |
|---------------|--------------|---------|
| FY16 | FY17 | Change |
| 647.4 | 541.0 | - 106.4 |
| 440.4 | 437.6 | - 2.8 |
| 719.8 | 685.3 | - 34.4 |

* Capital expenditures as well as Depreciation and amortization in results aforementioned exclude investment in operating leases, finance leases and intangible assets.

** Research and development expenditures are research and development activity related costs incurred during the reporting period. In accordance with IFRS, a portion of research and development expenditures is recognized as an intangible asset and amortized over its estimated useful life. As such, this amount is not in conformity with "Research and development" on our Consolidated Statement of Income. Research and development expenditures aforementioned exclude decrease of 25.4 billion yen due to the impact of pension accounting treatment in FY17 2nd quarter.

Cash Flows of Non-financial Services Businesses



* Depreciation, amortization and impairment losses excluding equipment on operating leases

Quarterly Consolidated Unit Sales <IFRS>

| Unit (thousand) | FY16 | | | | | FY17 | | | | | 12 months | |
|-----------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 12 months | 1Q | 2Q | 3Q | 4Q | 12 months | Change | % |
| Japan | 47 | 50 | 41 | 42 | 180 | 29 | 33 | 49 | 45 | 156 | - 24 | - 13.3% |
| North America | 75 | 75 | 69 | 89 | 308 | 78 | 71 | 68 | 77 | 294 | - 14 | - 4.5% |
| Europe | 66 | 48 | 33 | 57 | 204 | 72 | 48 | 31 | 66 | 217 | + 13 | + 6.4% |
| Asia | 2,011 | 2,221 | 2,215 | 2,203 | 8,650 | 2,364 | 2,629 | 2,267 | 2,253 | 9,513 | + 863 | + 10.0% |
| Other Region | 346 | 346 | 296 | 242 | 1,230 | 288 | 261 | 260 | 248 | 1,057 | - 173 | - 14.1% |
| Motorcycles | 2,545 | 2,740 | 2,654 | 2,633 | 10,572 | 2,831 | 3,042 | 2,675 | 2,689 | 11,237 | + 665 | + 6.3% |
| Japan | 135 | 155 | 140 | 184 | 614 | 132 | 143 | 154 | 174 | 603 | - 11 | - 1.8% |
| North America | 497 | 473 | 466 | 493 | 1,929 | 510 | 479 | 510 | 471 | 1,970 | + 41 | + 2.1% |
| Europe | 32 | 42 | 43 | 55 | 172 | 45 | 45 | 43 | 51 | 184 | + 12 | + 7.0% |
| Asia | 158 | 158 | 165 | 189 | 670 | 162 | 167 | 156 | 199 | 684 | + 14 | + 2.1% |
| Other Region | 66 | 61 | 65 | 59 | 251 | 59 | 56 | 62 | 65 | 242 | - 9 | - 3.6% |
| Automobiles | 888 | 889 | 879 | 980 | 3,636 | 908 | 890 | 925 | 960 | 3,683 | + 47 | + 1.3% |
| Japan | 85 | 115 | 62 | 101 | 363 | 59 | 87 | 54 | 101 | 301 | - 62 | - 17.1% |
| North America | 804 | 532 | 469 | 1,006 | 2,811 | 769 | 522 | 521 | 1,165 | 2,977 | + 166 | + 5.9% |
| Europe | 231 | 174 | 190 | 413 | 1,008 | 225 | 165 | 190 | 455 | 1,035 | + 27 | + 2.7% |
| Asia | 340 | 346 | 344 | 319 | 1,349 | 360 | 376 | 311 | 383 | 1,430 | + 81 | + 6.0% |
| Other Region | 98 | 108 | 112 | 116 | 434 | 75 | 90 | 99 | 114 | 378 | - 56 | - 12.9% |
| Power Products | 1,558 | 1,275 | 1,177 | 1,955 | 5,965 | 1,488 | 1,240 | 1,175 | 2,218 | 6,121 | + 156 | + 2.6% |