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Assurance

To disclose environmental data in a more transparent and reliable manner to our diverse stakeholders, Honda obtained the independent practitioner's assurance of the environmental data indicated with for the year ended March 31, 2018 in the Japanese version of this report by Deloitte Tohmatsu Sustainability Co., Ltd., a subsidiary of Deloitte Touche Tohmatsu LLC, which is a member firm of Deloitte Touche Tohmatsu Limited.

Scope of Assurance

Environmental data for the year ended March 31, 2018 from Honda Motor Co., Ltd. and 441 consolidated and affiliated companies in Japan and overseas (as at December 31, 2017) (⇒ p. 50–53).

Environmental data assured:

Direct emissions from business activities (Scope 1), Indirect emissions from energy use (Scope 2) and Emissions from customer use of sold products (Scope 3, category 11) out of Honda's total GHG emissions. GHG emissions (direct emissions (Scope 1), Indirect emissions (Scope 2), Total emissions (Scope 1 and 2)), Energy consumption (Direct energy consumption, Indirect energy consumption and Total energy consumption), Water use/ Wastewater volume, Atmospheric pollutants (SOx emissions, NOx emissions), Waste generated.

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

June 15, 2018

Mr. Takahiro Hachigo,
President and Representative Director
Honda Motor Co., Ltd.

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the environmental data with for the year ended March 31, 2018 (the "Environmental Data") included in the "Honda SUSTAINABILITY REPORT 2018" (the "Report") of Honda Motor Co., Ltd. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Environmental Data in accordance with the calculation and reporting standard adopted by the Company (the Report P. 50-53). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Environmental Data based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Environmental Data is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

GRI Content Index



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016					
	Organizational profile				
102-1	Name of the organization	9			
102-2	Activities, brands, products, and services	6,7,9			
102-3	Location of headquarters	2,9			
102-4	Location of operations	9,10			
102-5	Ownership and legal form	9			
102-6	Markets served	9,10			
102-7	Scale of the organization	9,11 2018 Form 20-F 1,2,8,9,10,11,12,29,30,31,F-6,F-37,F-38			
102-8	Information on employees and other workers	93			
102-9	Supply chain	97,105			
102-10	Significant changes to the organization and its supply chain	2			
102-11	Precautionary Principle or approach	2			
102-12	External initiatives	19			
102-13	Membership of associations	19,32,86			
	Strategy				
102-14	Statement from senior decision-maker	3			
102-15	Key impacts, risks, and opportunities	13,14,15,16,20,21,22,33,34,39,40,41, 42,57,66,80,97			
	Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	4,13,14,15,16,30			
102-17	Mechanisms for advice and concerns about ethics	31			
	Governance				
102-18	Governance structure	17,24,25,26,27,28,29			
102-19	Delegating authority	17			
102-20	Executive-level responsibility for economic, environmental, and social topics	17			
102-21	Consulting stakeholders on economic, environmental, and social topics	17			
102-22	Composition of the highest governance body and its committees	24,25,26,27,28,29			
102-23	Chair of the highest governance body	24,25,26,27,28,29			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
	102-24 Nominating and selecting the highest governance body	24,25,26,27,28,29 Honda Corporate Governance Basic Policies http://world.honda.com/investors/policy/governance.html			
	102-25 Conflicts of interest	24,25,26,27,28,29 Honda Corporate Governance Basic Policies http://world.honda.com/investors/policy/governance.html			
	102-26 Role of highest governance body in setting purpose, values, and strategy	17			
	102-27 Collective knowledge of highest governance body	17			
	102-28 Evaluating the highest governance body's performance	17			
	102-29 Identifying and managing economic, environmental, and social impacts	17			
	102-30 Effectiveness of risk management processes	17			
	102-31 Review of economic, environmental, and social topics	17			
	102-32 Highest governance body's role in sustainability reporting	17			
	102-33 Communicating critical concerns	17,24			
	102-34 Nature and total number of critical concerns	-	Nature and total number of critical concerns	This information is subject to specific confidentiality constraints.	This information is confidential.
	102-35 Remuneration policies	27 Honda Corporate Governance Basic Policies http://world.honda.com/investors/policy/governance.html			
	102-36 Process for determining remuneration	27 Honda Corporate Governance Basic Policies http://world.honda.com/investors/policy/governance.html			
	102-37 Stakeholders involvement in remuneration	27 Honda Corporate Governance Basic Policies http://world.honda.com/investors/policy/governance.html			
	102-38 Annual total compensation ratio	27 Honda Corporate Governance Basic Policies http://world.honda.com/investors/policy/governance.html			
	102-39 Percentage increase in annual total compensation ratio	27 Honda Corporate Governance Basic Policies http://world.honda.com/investors/policy/governance.html			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
	Stakeholder engagement				
	102-40 List of stakeholder groups	18			
	102-41 Collective bargaining agreements	2018 Form 20-F 81,82			
	102-42 Identifying and selecting stakeholders	18			
	102-43 Approach to stakeholder engagement	18			
	102-44 Key topics and concerns raised	18			
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	13,14,15,16,17			
	102-46 Defining report content and topic Boundaries	13,14,15,16,17			
	102-47 List of material topics	2,9,13,14,15,16,17			
	102-48 Restatements of information	13,14,15,16,17			
	102-49 Changes in reporting	13,14,15,16,17			
	102-50 Reporting period	2			
	102-51 Date of most recent report	2			
	102-52 Reporting cycle	2			
	102-53 Contact point for questions regarding the report	2			
	102-54 Claims of reporting in accordance with the GRI Standards	2			
	102-55 GRI content index	112,113,114,115,116,117,118,119,120,121,122,123			
	102-56 External assurance	111			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
Material Topics					
GRI 200 Economic Standard Series					
Economic Performance					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16		
	103-2	The management approach and its components	16		
	103-3	Evaluation of the management approach	16		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	11		
	201-2	Financial implications and other risks and opportunities due to climate change	40,43		
	201-3	Defined benefit plan obligations and other retirement plans	2018 Form 20-F F-43,F-44,F-45,F-46,F-47,F-48		
	201-4	Financial assistance received from government	-	Financial assistance received from government	This information is currently unavailable.
Market Presence					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16		
	103-2	The management approach and its components	16		
	103-3	Evaluation of the management approach	16		
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	95		
	202-2	Proportion of senior management hired from the local community	93		
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16		
	103-2	The management approach and its components	16		
	103-3	Evaluation of the management approach	16		
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	41		
	203-2	Significant indirect economic impacts	9,105		
Procurement Practices					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16		
	103-2	The management approach and its components	16		
	103-3	Evaluation of the management approach	16		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	105		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
Anti-corruption					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16,30		
	103-2	The management approach and its components	16,30		
	103-3	Evaluation of the management approach	16,30		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	31		
	205-2	Communication and training about anti-corruption policies and procedures	31		
	205-3	Confirmed incidents of corruption and actions taken	31		
Anti-competitive Behavior					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16,30		
	103-2	The management approach and its components	16,30		
	103-3	Evaluation of the management approach	16,30		
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	32		
GRI 300 Environmental Standards Series					
Materials					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16,37,38,39,40,42		
	103-2	The management approach and its components	16,37,38,39,40,42		
	103-3	Evaluation of the management approach	16,37,38,39,40,42		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	-	Materials used by weight or volume	This information is currently unavailable. We will consider improving our information disclosure using GRI Standards with a view to completing this by the time we publish our 2020 Sustainability Report.
	301-2	Recycled input materials used	-	Recycled input materials used	This information is currently unavailable. We will consider improving our information disclosure using GRI Standards with a view to completing this by the time we publish our 2020 Sustainability Report.
	301-3	Reclaimed products and their packaging materials	46		
Energy					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16,37,38,39,40,42		
	103-2	The management approach and its components	16,37,38,39,40,42		
	103-3	Evaluation of the management approach	16,37,38,39,40,42		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
GRI 302: Energy 2016	302-1 Energy consumption within the organization	51			
	302-2 Energy consumption outside of the organization	51			
	302-3 Energy intensity	-	Energy intensity	This information is currently unavailable.	We are proceeding with ascertaining per unit energy consumption by business content for motorcycles, automobiles, and power products with the aim of disclosure in the 2019 Sustainability Report.
	302-4 Reduction of energy consumption	51			
	302-5 Reductions in energy requirements of products and services	43,44,49,50,54,55			
Water					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16,37,38,39,40,42			
	103-2 The management approach and its components	16,37,38,39,40,42			
	103-3 Evaluation of the management approach	16,37,38,39,40,42			
GRI 303: Water 2016	303-1 Water withdrawal by source	52			
	303-2 Water sources significantly affected by withdrawal of water	42,47			
	303-3 Water recycled and reused	42,47			
Biodiversity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16,37,38,39,40,48			
	103-2 The management approach and its components	16,37,38,39,40,48			
	103-3 Evaluation of the management approach	16,37,38,39,40,48			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	48			
	304-2 Significant impacts of activities, products, and services on biodiversity	48			
	304-3 Habitats protected or restored	-	Habitats protected or restored	This information is currently unavailable.	We will consider improving our information disclosure using GRI Standards with a view to completing this by the time we publish our 2020 Sustainability Report.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	48			
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16,37,38,39,40,42,43,44,46,47			
	103-2 The management approach and its components	16,37,38,39,40,42,43,44,46,47			
	103-3 Evaluation of the management approach	16,37,38,39,40,42,43,44,46,47			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	49,50			
	305-2 Energy indirect (Scope 2) GHG emissions	49,50			
	305-3 Other indirect (Scope 3) GHG emissions	49,50			
	305-4 GHG emissions intensity	45			
	305-5 Reduction of GHG emissions	49,50,51			
	305-6 Emissions of ozone-depleting substances (ODS)	46			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	53			
Effluents and Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37,38,39,40,42,46,47			
	103-2 The management approach and its components	37,38,39,40,42,46,47			
	103-3 Evaluation of the management approach	37,38,39,40,42,46,47			
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	53			
	306-2 Waste by type and disposal method	53			
	306-3 Significant spills	38			
	306-4 Transport of hazardous waste	47			
	306-5 Water bodies affected by water discharges and/or runoff	47,48			
Environmental Compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37,38,39,40,42			
	103-2 The management approach and its components	37,38,39,40,42			
	103-3 Evaluation of the management approach	37,38,39,40,42			
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	38			
Supplier Environmental Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	97,103			
	103-2 The management approach and its components	97,103			
	103-3 Evaluation of the management approach	97,103			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	104			
	308-2 Negative environmental impacts in the supply chain and actions taken	103,106,107,108			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
GRI 400 Social Standards Series					
Employment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,81,82		
	103-2	The management approach and its components	80,81,82		
	103-3	Evaluation of the management approach	80,81,82		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	93		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88		
	401-3	Parental leave	87,94		
Labor/Management Relations					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,81,82		
	103-2	The management approach and its components	80,81,82		
	103-3	Evaluation of the management approach	80,81,82		
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	89		
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,81,82		
	103-2	The management approach and its components	80,81,82		
	103-3	Evaluation of the management approach	80,81,82		
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management-worker health and safety committees	2018 Form 20-F 81,82		
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	89,95		
	403-3	Workers with high incidence or high risk of diseases related to their occupation	89,95		
	403-4	Health and safety topics covered in formal agreements with trade unions	91,92		
Training and Education					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,81,82		
	103-2	The management approach and its components	80,81,82		
	103-3	Evaluation of the management approach	80,81,82		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	83,93		
	404-2	Programs for upgrading employee skills and transition assistance programs	81,82,83,84,86,87		
	404-3	Percentage of employees receiving regular performance and career development reviews	88,95		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,81,82,86		
	103-2	The management approach and its components	80,81,82,86		
	103-3	Evaluation of the management approach	80,81,82,86		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	24,35,86,87,93		
	405-2	Ratio of basic salary and remuneration of women to men	88,95		
Non-discrimination					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	30,31,32,80		
	103-2	The management approach and its components	30,31,32,80		
	103-3	Evaluation of the management approach	30,31,32,80		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	31,32		
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,97,103		
	103-2	The management approach and its components	80,97,103		
	103-3	Evaluation of the management approach	80,97,103		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	89,104,106,107,108,109		
Child Labor					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,97,103		
	103-2	The management approach and its components	80,97,103		
	103-3	Evaluation of the management approach	80,97,103		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	104		
Forced or Compulsory Labor					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,97,103		
	103-2	The management approach and its components	80,97,103		
	103-3	Evaluation of the management approach	80,97,103		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	104		
Security Practices					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80		
	103-2	The management approach and its components	80		
	103-3	Evaluation of the management approach	80		
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	85,93		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
Rights of Indigenous Peoples					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80		
	103-2	The management approach and its components	80		
	103-3	Evaluation of the management approach	80		
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-	Incidents of violations involving rights of indigenous peoples	This indicator is not applicable. This aspect is not reported because priority is given to other human rights issues.
Human Rights Assessment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	80,81,82,103,104		
	103-2	The management approach and its components	80,81,82,103,104		
	103-3	Evaluation of the management approach	80,81,82,103,104		
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	85,93		
	412-2	Employee training on human rights policies or procedures	104		
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	85		
Local Communities					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18,37 https://global.honda/about/sustainability/community.html		
	103-2	The management approach and its components	18,37 https://global.honda/about/sustainability/community.html		
	103-3	Evaluation of the management approach	18,37 https://global.honda/about/sustainability/community.html		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	18 https://global.honda/about/sustainability/community.html		
	413-2	Operations with significant actual and potential negative impacts on local communities	37 https://global.honda/about/sustainability/community.html		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
Supplier Social Assessment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	97,103		
	103-2	The management approach and its components	97,103		
	103-3	Evaluation of the management approach	97,103		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	104		
	414-2	Negative social impacts in the supply chain and actions taken	104,106,107,108,109		
Public Policy					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18,19		
	103-2	The management approach and its components	18,19		
	103-3	Evaluation of the management approach	18,19		
GRI 415: Public Policy 2016	415-1	Political contributions	19		
Customer Health and Safety					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	57,58,59,61,62,63,64,66		
	103-2	The management approach and its components	57,58,59,61,62,63,64,66		
	103-3	Evaluation of the management approach	57,58,59,61,62,63,64,66		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	64		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	77		
Marketing and Labeling					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	30,37,38,39,40,42		
	103-2	The management approach and its components	30,37,38,39,40,42		
	103-3	Evaluation of the management approach	30,37,38,39,40,42		
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	44		
	417-2	Incidents of non-compliance concerning product and service information and labeling	44		
	417-3	Incidents of non-compliance concerning marketing communications	30,31,32		

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
Customer Privacy					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	33,34		
	103-2	The management approach and its components	33,34		
	103-3	Evaluation of the management approach	33,34		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	34		
Socioeconomic Compliance					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	30,31,32		
	103-2	The management approach and its components	30,31,32		
	103-3	Evaluation of the management approach	30,31,32		
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	31		

Financial Data

Operating and Financial Review

Sales Revenue

Honda's consolidated sales revenue for the fiscal year ended March 31, 2018, increased by ¥1,361.9 billion, or 9.7%, to ¥15,361.1 billion from the fiscal year ended March 31, 2017, due mainly to increased sales revenue in all business operations as well as positive foreign currency translation effects. Honda estimates that by applying Japanese yen exchange rates of the previous fiscal year to the current fiscal year, sales revenue for the year would have increased by approximately ¥963.1 billion, or 6.9%, compared to the increase as reported of ¥1,361.9 billion, which includes positive foreign currency translation effects.

Operating Costs and Expenses

Operating costs and expenses increased by ¥1,369.0 billion, or 10.4%, to ¥14,527.5 billion from the previous fiscal year. Cost of sales increased by ¥1,134.7 billion, or 10.4%, to ¥12,000.5 billion from the previous fiscal year, due mainly to an increase in costs attributable to increased consolidated sales revenue in all business operations, one-time gain from pension plan amendments recognized in the previous fiscal year as well as negative foreign currency effects. Selling, general and administrative expenses increased by ¥173.9 billion, or 10.9%, to ¥1,775.1 billion from the previous fiscal year, due mainly to the loss related to the settlement of multidistrict class action litigation as well as one-time gain from pension plan amendments recognized in the previous fiscal year. Research and development expenses increased by ¥60.4 billion, or 8.7%, to ¥751.8 billion from the previous fiscal year, due mainly to one-time gain from pension plan amendments recognized in the previous fiscal year.

Operating Profit

Operating profit decreased by ¥7.1 billion, or 0.9%, to ¥833.5 billion from the previous fiscal year, due mainly to increased selling, general and administrative expenses, the loss related to the settlement of multidistrict class action litigation as well as one-time gain from pension plan amendments recognized in the previous fiscal year, which was partially offset by an increase in profit attributable to increased sales revenue and model mix as well as continuing cost reduction. Honda estimates that by excluding positive foreign currency effects of approximately ¥21.9 billion, operating profit would have decreased by approximately ¥29.0 billion.

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

Profit before Income Taxes

Profit before income taxes increased by ¥107.9 billion, or 10.7%, to ¥1,114.9 billion, due mainly to increased share of profit of investments accounted for using the equity method. The main factors behind this increase, except factors relating to operating profit, are as follows:

Share of profit of investments accounted for using the equity method had a positive impact of ¥82.8 billion, due mainly to an increase in profit attributable to increased sales revenue at affiliates and joint ventures in Asia. Finance income and finance costs had a positive impact of ¥32.2 billion, due mainly to effect from gains or losses on derivatives.

Income Tax Expense

Income tax expense decreased by ¥341.2 billion to a credit of ¥13.6 billion from the previous fiscal year, due mainly to the impacts of the enactment of the Tax Cuts and Jobs Act in the United States. The average effective tax rate decreased 33.7 percentage points to -1.2% from the previous fiscal year.

Profit for the Year

Profit for the year increased by ¥449.2 billion, or 66.1%, to ¥1,128.6 billion from the previous fiscal year, due mainly to the impacts of the enactment of the Tax Cuts and Jobs Act in the United States.

Profit for the Year Attributable to Owners of the Parent

Profit for the year attributable to owners of the parent increased by ¥442.7 billion, or 71.8%, to ¥1,059.3 billion from the previous fiscal year.

Profit for the Year Attributable to Non-controlling Interests

Profit for the year attributable to non-controlling interests increased by ¥6.4 billion, or 10.3%, to ¥69.3 billion from the previous fiscal year.

Operating segments and geographic segments in financial data

Segment	Principal products and services	Functions
Motorcycle Business	Motorcycles, all-terrain vehicles (ATVs), side-by-sides (SxS) and relevant parts	Research and development, Manufacturing, Sales and related services
Automobile Business	Automobiles and relevant parts	Research and development, Manufacturing, Sales and related services
Financial Services Business	Financial services	Retail loan and lease related to Honda products, Others
Power Product and Other Businesses	Power products and relevant parts, and others	Research and development, Manufacturing, Sales and related services, Others

*Operating segments are defined as the components of Honda for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The accounting policies used for these reportable segments are consistent with the accounting policies used in the Company's consolidated financial statements.

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

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

Financial Data

Motorcycle Business

	FY17	FY18	Change	%
Total	17,661	19,554	1,893	10.7
Japan	156	167	11	7.1
North America	294	313	19	6.5
Europe	217	234	17	7.8
Asia	15,937	17,720	1,783	11.2
Other Regions	1,057	1,120	63	6.0

	FY17	FY18	Change	%
Total	11,237	12,954	1,717	15.3
Japan	156	167	11	7.1
North America	294	313	19	6.5
Europe	217	234	17	7.8
Asia	9,513	11,120	1,607	16.9
Other Regions	1,057	1,120	63	6.0

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

Total demand for motorcycles in Asia*¹ increased around 6% from the previous year to approximately 42,300 thousand units in calendar year 2017. Looking at market conditions by country, in calendar year 2017, demand in India increased about 8% from the previous year to approximately 19,170 thousand units. Demand in China decreased around 1% from the previous year to approximately 7,930 thousand units. Demand in Indonesia increased around 2% from the previous year to approximately 6,310 thousand units. Vietnam saw demand increase around 5% from the previous year to approximately 3,260 thousand units. Demand in Pakistan increased around 18% from the previous year to approximately 1,960 thousand units. Demand in Thailand increased around 4% from the previous year to approximately 1,810 thousand units. Honda's consolidated unit sales in Asia increased 16.9% from the previous fiscal year to 11,120 thousand units in fiscal year 2018. This was due to brisk sales of scooter models such as the Activa in India and the Vision in Vietnam, among other factors. Honda's consolidated unit sales do not include sales by P.T. Astra Honda Motor in Indonesia, which is accounted for using the equity method. P.T. Astra Honda Motor's unit sales for fiscal year 2018 increased around 0.4% from the previous fiscal year to approximately 4,380 thousand units due mainly to an increase in sales of the Scoopy model, despite decreases in sales of the Vario series and other models.

Total demand for motorcycles in Brazil*², the principal market within Other Regions, decreased about 5% from the previous year to approximately 810 thousand units in calendar year 2017. In Other Regions (including South America, the Middle East, Africa, Oceania and other areas), Honda's consolidated unit sales increased 6.0% from the previous fiscal year to 1,120 thousand units in fiscal year 2018 due mainly to an increase in Argentina, despite a decrease in Brazil.

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

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

Financial Data

Automobile Business

	FY17	FY18	Change	%
Total	5,028	5,199	171	3.4
Japan	668	696	28	4.2
North America	1,970	1,902	(68)	(3.5)
Europe	184	183	(1)	(0.5)
Asia	1,964	2,166	202	10.3
Other Regions	242	252	10	4.1

	FY17	FY18	Change	%
Total	3,683	3,689	6	0.2
Japan	603	627	24	4.0
North America	1,970	1,902	(68)	(3.5)
Europe	184	183	(1)	(0.5)
Asia	684	725	41	6.0
Other Regions	242	252	10	4.1

*Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries and sold through our consolidated subsidiaries are accounted for as operating leases in conformity with IFRS and are not included in consolidated sales revenue to the external customers in our Automobile business. Accordingly, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our Automobile business.

Total demand for automobiles in Japan*¹ increased around 2% from the previous fiscal year to approximately 5,190 thousand units in fiscal year 2018. Honda's consolidated unit sales in Japan increased 4.0% from the previous fiscal year to 627 thousand units*² in fiscal year 2018. This was mainly due to the effect of a full model change of the N-BOX model. Honda's unit production of automobiles in Japan increased 2.3% from the previous fiscal year to 829 thousand units in fiscal year 2018. This was mainly due to an increase in domestic sales volume, despite a decrease in export volume.

Total industry demand for automobiles in the United States*³, the principal market within North America, decreased around 2% from the previous year to approximately 17,230 thousand units in calendar year 2017. This result reflected decreased demand for passenger cars, which offset a continued increase for light trucks due to the introduction of new models. Under these conditions, Honda's consolidated unit sales in North America decreased 3.5% from the previous fiscal year to 1,902 thousand units in fiscal year 2018. This decrease was mainly attributable to a decline in sales volume of passenger cars, which offset an increase for the Pilot model. Honda manufactured 1,864 thousand units in fiscal year 2018, a decrease of 3.7% from the previous fiscal year. This decrease mainly reflected production adjustments following a decrease in demand for passenger cars, which offset an increase for light trucks.

Total demand for automobiles in Asia increased around 7% from the previous year to approximately 7,950 thousand units*⁴ in calendar year 2017. This was mainly due to increases in demand in India and Thailand. Total demand for automobiles in China increased about 3% from the previous calendar year to approximately 28,870 thousand units*⁵. Honda's consolidated unit sales in Asia increased 6.0% from the previous fiscal year to 725 thousand units in fiscal year 2018. This increase was mainly attributable to the effect of a full model change of the CR-V model in Thailand and the new BR-V model in Pakistan, despite a decline in sales in Indonesia. Honda's consolidated unit sales do not include unit sales of Dongfeng Honda Automobile Co., Ltd. and GAC Honda Automobile Co., Ltd., both of which are joint ventures accounted for using the equity method in China. Unit sales in China increased 12.7% from the previous fiscal year to 1,443 thousand units in fiscal year 2018. The increase was mainly attributable to the effect of launching the new UR-V model and brisk sales of the Avancier and Civic models. Honda's unit production by consolidated subsidiaries in Asia increased 6.1% from the previous

fiscal year to 798 thousand units*⁶ in fiscal year 2018. Meanwhile, unit production by Chinese joint ventures Dongfeng Honda Automobile Co., Ltd. and GAC Honda Automobile Co., Ltd. increased 15.2% from the previous fiscal year to 1,451 thousand units in fiscal year 2018.

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

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

*3 Source: Autodata

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

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

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

Financial Data

Power Product and Other Businesses

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

	FY17	FY18	Change	%
Total	6,121	6,262	141	2.3
Japan	301	300	(1)	(0.3)
North America	2,977	3,012	35	1.2
Europe	1,035	1,022	(13)	(1.3)
Asia	1,430	1,512	82	5.7
Other Regions	378	416	38	10.1

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

Honda's consolidated unit sales in North America increased 1.2% from the previous fiscal year to 3,012 thousand units in fiscal year 2018 mainly attributable to an increase in sales of generators.

Honda's consolidated unit sales in Europe decreased 1.3% from the previous fiscal year to 1,022 thousand units in fiscal year 2018 mainly due to decreases in sales of lawnmowers and trimmers, despite an increase in sales of OEM engines* and other factors.

Honda's consolidated unit sales in Asia increased 5.7% from the previous fiscal year to 1,512 thousand units in fiscal year 2018. This was mainly due to increases in sales of OEM engines and pumps.

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

Financial Data

Consolidated Statements of Financial Position

March 31, 2017 and 2018

Assets	Yen (millions)	
	2017	2018
Current assets:		
Cash and cash equivalents	¥2,105,976	¥2,256,488
Trade receivables	764,026	800,463
Receivables from financial services	1,878,938	1,840,699
Other financial assets	149,427	213,177
Inventories	1,364,130	1,523,455
Other current assets	292,970	291,006
Total current assets	6,555,467	6,925,288
Non-current assets:		
Investments accounted for using the equity method	597,262	679,517
Receivables from financial services	3,070,615	3,117,364
Other financial assets	364,612	436,555
Equipment on operating leases	4,104,663	4,088,133
Property, plant and equipment	3,200,378	3,062,433
Intangible assets	778,192	741,514
Deferred tax assets	121,509	129,338
Other non-current assets	165,425	169,022
Total non-current assets	12,402,656	12,423,876
Total assets	¥18,958,123	¥19,349,164

Liabilities and Equity	Yen (millions)	
	2017	2018
Current liabilities:		
Trade payables	¥1,183,344	¥1,224,627
Financing liabilities	2,786,928	2,917,261
Accrued expenses	417,736	404,719
Other financial liabilities	119,784	115,405
Income taxes payable	45,507	53,595
Provisions	348,095	305,994
Other current liabilities	527,448	602,498
Total current liabilities	5,428,842	5,624,099
Non-current liabilities:		
Financing liabilities	4,022,190	3,881,749
Other financial liabilities	47,241	60,005
Retirement benefit liabilities	494,131	404,401
Provisions	248,935	220,625
Deferred tax liabilities	900,450	629,722
Other non-current liabilities	246,708	294,468
Total non-current liabilities	5,959,655	5,490,970
Total liabilities	11,388,497	11,115,069
Equity:		
Common stock	86,067	86,067
Capital surplus	171,118	171,118
Treasury stock	(26,189)	(113,271)
Retained earnings	6,712,894	7,611,332
Other components of equity	351,406	178,292
Equity attributable to owners of the parent	7,295,296	7,933,538
Non-controlling interests	274,330	300,557
Total equity	7,569,626	8,234,095
Total liabilities and equity	¥18,958,123	¥19,349,164

Financial Data

Consolidated Statements of Income

Years ended March 31, 2017 and 2018

Yen (millions)

	2017	2018
Sales revenue	¥13,999,200	¥15,361,146
Operating costs and expenses:		
Cost of sales	(10,865,848)	(12,000,581)
Selling, general and administrative	(1,601,212)	(1,775,151)
Research and development	(691,429)	(751,856)
Total operating costs and expenses	(13,158,489)	(14,527,588)
Operating profit	840,711	833,558
Share of profit of investments accounted for using the equity method	164,793	247,643
Finance income and finance costs:		
Interest income	32,389	41,191
Interest expense	(12,471)	(12,970)
Other, net	(18,436)	5,551
Total finance income and finance costs	1,482	33,772
Profit before income taxes	1,006,986	1,114,973
Income tax expense	(327,592)	13,666
Profit for the year	¥679,394	¥1,128,639
Profit for the year attributable to:		
Owners of the parent	¥616,569	¥1,059,337
Non-controlling interests	62,825	69,302
Earnings per share attributable to owners of the parent		
Basic and diluted	342.10	590.79

Consolidated Statements of Cash Flows

Years ended March 31, 2017 and 2018

Yen (millions)

	2017	2018
Cash flows from operating activities:		
Profit before income taxes	¥1,006,986	¥1,114,973
Depreciation, amortization and impairment losses excluding equipment on operating leases	674,329	713,093
Share of profit of investments accounted for using the equity method	(164,793)	(247,643)
Finance income and finance costs, net	(55,911)	13,218
Interest income and interest costs from financial services, net	(119,953)	(127,529)
Changes in assets and liabilities		
Trade receivables	49,217	(41,778)
Inventories	(72,144)	(202,916)
Trade payables	12,999	69,429
Accrued expenses	50,339	(2,700)
Provisions and retirement benefit liabilities	(252,837)	(28,945)
Receivables from financial services	40,525	(174,438)
Equipment on operating leases	(435,503)	(158,337)
Other assets and liabilities	71,940	11,602
Other, net	998	9,314
Dividends received	121,770	161,106
Interest received	220,947	245,095
Interest paid	(99,607)	(115,317)
Income taxes paid, net of refund	(164,229)	(250,556)
Net cash provided by operating activities	885,073	987,671

	2017	2018
Cash flows from investing activities:		
Payments for additions to property, plant and equipment	¥ (494,132)	¥ (415,563)
Payments for additions to and internally developed intangible assets	(143,320)	(156,927)
Proceeds from sales of property, plant and equipment and intangible assets	18,710	15,042
Payments for acquisitions of subsidiaries, net of cash and cash equivalents acquired	(2,835)	—
Payments for acquisitions of investments accounted for using the equity method	(547)	(2,450)
Proceeds from sales of investments accounted for using the equity method	16,208	—
Payments for acquisitions of other financial assets	(222,464)	(280,236)
Proceeds from sales and redemptions of other financial assets	177,762	224,302
Other, net	—	719
Net cash used in investing activities	(650,618)	(615,113)
Cash flows from financing activities:		
Proceeds from short-term financing liabilities	8,207,530	8,106,505
Repayments of short-term financing liabilities	(8,129,295)	(8,004,620)
Proceeds from long-term financing liabilities	1,902,448	1,689,596
Repayments of long-term financing liabilities	(1,622,603)	(1,609,554)
Dividends paid to owners of the parent	(162,205)	(174,221)
Dividends paid to non-controlling interests	(35,059)	(48,332)
Purchases and sales of treasury stock, net	(11)	(87,082)
Other, net	(45,382)	(46,626)
Net cash provided by (used in) financing activities	115,423	(174,334)
Effect of exchange rate changes on cash and cash equivalents	(1,358)	(47,712)
Net change in cash and cash equivalents	348,520	150,512
Cash and cash equivalents at beginning of year	1,757,456	2,105,976
Cash and cash equivalents at end of year	¥2,105,976	¥2,256,488

Financial Data

Segment Information

Segment information as of and for the years ended March 31, 2017 and 2018 is as follows:

As of and for the year ended March 31, 2017

As of and for the year ended March 31, 2018

Yen (millions)

	Motorcycle Business	Automobile Business	Financial Services Business	Power Product and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	¥1,716,165	¥10,086,816	¥1,878,094	¥318,125	¥13,999,200	¥—	¥13,999,200
Intersegment	—	169,850	13,188	31,567	214,605	(214,605)	—
Total	1,716,165	10,256,666	1,891,282	349,692	14,213,805	(214,605)	13,999,200
Segment profit (loss)	170,740	501,181	178,449	(9,659)	840,711	—	840,711
Segment assets	1,505,637	7,543,388	9,437,044	312,303	18,798,372	159,751	18,958,123
Depreciation and amortization	79,398	576,546	664,940	14,544	1,335,428	—	1,335,428
Capital expenditures	66,241	607,629	1,886,607	12,272	2,572,749	—	2,572,749

Yen (millions)

	Motorcycle Business	Automobile Business	Financial Services Business	Power Product and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	¥2,038,712	¥10,852,171	¥2,123,194	¥347,069	¥15,361,146	¥—	¥15,361,146
Intersegment	—	193,038	14,071	24,097	231,206	(231,206)	—
Total	2,038,712	11,045,209	2,137,265	371,166	15,592,352	(231,206)	15,361,146
Segment profit (loss)	267,015	373,840	196,067	(3,364)	833,558	—	833,558
Segment assets	1,533,367	7,879,769	9,409,243	314,838	19,137,217	211,947	19,349,164
Depreciation and amortization	74,128	616,321	748,503	15,164	1,454,116	—	1,454,116
Capital expenditures	63,927	514,910	1,801,554	14,243	2,394,634	—	2,394,634

Explanatory notes:

1. Intersegment sales revenues are generally made at values that approximate arm's-length prices.

2. Reconciling items include elimination of intersegment transactions and balances as well as unallocated corporate assets. Unallocated corporate assets included in reconciling items as of March 31, 2017 and 2018 amounted to ¥530,809 million and ¥519,780 million, respectively, which consist primarily of the Company's cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

Motorcycle Business

Sales revenue from external customers increased by ¥322.5 billion, or 18.8%, to ¥2,038.7 billion from the previous fiscal year, due mainly to increased consolidated unit sales. Operating profit increased by ¥96.2 billion, or 56.4%, to ¥267.0 billion from the previous fiscal year, due mainly to an increase in profit attributable to increased sales volume and model mix, which was partially offset by one-time gain from pension plan amendments recognized in the previous fiscal year.

Automobile Business

Sales revenue from external customers increased by ¥765.3 billion, or 7.6%, to ¥10,852.1 billion from the previous fiscal year, due mainly to increased consolidated unit sales as well as positive foreign currency translation effects. Operating profit decreased by ¥127.3 billion, or 25.4%, to ¥373.8 billion from the previous fiscal year, due mainly to

increased selling, general and administrative expenses, the loss related to the settlement of multidistrict class action litigation as well as one-time gain from pension plan amendments recognized in the previous fiscal year, which was partially offset by continuing cost reduction as well as an increase in profit attributable to increased sales volume and model mix.

Financial Services Business

Sales revenue from external customers increased by ¥245.1 billion, or 13.1%, to ¥2,123.1 billion from the previous fiscal year, due mainly to increased revenues on disposition of lease vehicles and operating lease revenues. Operating profit increased by ¥17.6 billion, or 9.9%, to ¥196.0 billion from the previous fiscal year, due mainly to an increase in profit attributable to increased sales revenue.

Power Product and Other Businesses

Sales revenue from external customers increased by ¥28.9 billion, or 9.1%, to ¥347.0 billion from the previous fiscal year, due mainly to increased consolidated unit sales in power products as well as positive foreign currency translation effects. Operating loss was ¥3.3 billion, an improvement of ¥6.2 billion from the previous fiscal year, due mainly to a decrease in operating costs in Other businesses, which was partially offset by one-time gain from pension plan amendments recognized in the previous fiscal year. In addition, operating loss of aircraft and aircraft engines included in the Power Product and Other Businesses segment was ¥41.8 billion, an improvement of ¥1.9 billion from the previous fiscal year.

Financial Data

Financial Summary

Fiscal years ended March 31

	2008	2009	2010	2011	2012	2013	2014	U.S. GAAP Yen (millions) 2015		2014	2015	2016	2017	IFRS Yen (millions) 2018
Sales, income and dividends									Sales, income and dividends					
Net sales and other operating revenue	¥12,002,834	¥10,011,241	¥8,579,174	¥8,936,867	¥7,948,095	¥9,877,947	¥11,842,451	¥12,646,747	Sales revenue	¥12,506,091	¥13,328,099	¥14,601,151	¥13,999,200	¥15,361,146
Operating income	953,109	189,643	363,775	569,775	231,364	544,810	750,281	606,878	Operating profit	823,864	670,603	503,376	840,711	833,558
Operating margin	7.9%	1.9%	4.2%	6.4%	2.9%	5.5%	6.3%	4.8%	Operating margin	6.6%	5.0%	3.4%	6.0%	5.4%
Income before income taxes and equity in income of affiliates	895,841	161,734	336,198	630,548	257,403	488,891	728,940	644,809	Share of profit of investments accounted for using the equity method	130,916	96,097	126,001	164,793	247,643
Income taxes	387,436	109,835	146,869	206,827	135,735	178,976	252,662	235,204	Profit before income taxes	933,903	806,237	635,450	1,006,986	1,114,973
Equity in income of affiliates	118,942	99,034	93,282	139,756	100,406	82,723	132,471	126,570	Income tax expense	267,992	245,139	229,092	327,592	(13,666)
Net income attributable to non-controlling interests	(27,308)	(13,928)	(14,211)	(29,389)	(10,592)	(25,489)	(34,642)	(43,168)	Profit for the year	665,911	561,098	406,358	679,394	1,128,639
Net income attributable to Honda Motor Co., Ltd.	600,039	137,005	268,400	534,088	211,482	367,149	574,107	493,007	Profit for the year attributable to owners of the parent	624,703	509,435	344,531	616,569	1,059,337
Cash dividends paid during the period	152,590	139,724	61,696	92,170	108,138	129,765	142,381	158,601	Dividends paid to owners of the parent	142,381	158,601	158,601	162,205	174,221
Research and development	587,959	563,197	463,354	487,591	519,818	560,270	634,130	662,610	R&D expenditures	625,698	670,331	719,810	659,918	730,734
Interest expense	16,623	22,543	12,552	8,474	10,378	12,157	12,703	16,598	Interest expense	12,803	18,194	18,146	12,471	12,970
Assets, long-term debt and shareholders' equity									Assets, liabilities and equity					
Total assets	¥12,615,543	¥11,818,917	¥11,629,115	¥11,577,714	¥11,787,599	¥13,635,357	¥15,622,031	¥18,088,839	Total assets	¥16,048,438	¥18,425,837	¥18,229,294	¥18,958,123	¥19,349,164
Long-term debt	1,836,652	1,932,637	2,313,035	2,043,240	2,235,001	2,710,845	3,234,066	3,933,860	Financing liabilities (Non-current liabilities)	3,224,512	3,926,276	3,736,628	4,022,190	3,881,749
Total Honda Motor Co., Ltd. shareholders' equity	4,550,479	4,007,288	4,328,640	4,439,587	4,398,249	5,043,500	5,918,979	6,696,693	Equity attributable to owners of the parent	6,335,534	7,108,627	6,761,433	7,295,296	7,933,538
Capital expenditures (excluding purchase of operating lease assets)	654,030	633,913	348,981	326,620	424,413	630,408	782,027	714,502	Additions to property, plant and equipment	803,231	703,920	687,306	588,360	484,778
Depreciation (excluding property on operating leases)	417,393	441,868	401,743	377,272	345,105	335,536	442,318	490,375	Depreciation	419,022	451,052	486,410	484,133	513,455

Financial Data

Financial Summary (continued)

Fiscal years ended March 31

	2008	2009	2010	2011	2012	2013	2014	2015	U.S. GAAP Yen		2014	2015	2016	2017	2018	IFRS Yen
Per common share										Per share						
Net income attributable to Honda Motor Co., Ltd.:										Profit for the year attributable to owners of the parent						
Basic	¥330.54	¥75.50	¥147.91	¥295.67	¥117.34	¥203.71	¥318.54	¥273.54		Basic	¥346.62	¥282.66	¥191.16	¥342.10	¥590.79	
Diluted	330.54	75.50	147.91	295.67	117.34	203.71	318.54	273.54		Diluted	346.62	282.66	191.16	342.10	590.79	
Dividends	86	63	38	54	60	76	82	88		Dividends	82	88	88	92	100	
Honda Motor Co., Ltd. shareholders' equity	2,507.79	2,208.35	2,385.45	2,463.29	2,440.35	2,798.37	3,284.14	3,715.66		Equity attributable to owners of the parent	3,515.27	3,944.23	3,751.59	4,047.81	4,461.36	
									Yen (millions)							Yen (millions)
Sales									Sales							
Sales amounts:*1									Sales revenue:*1							
Japan	¥1,585,777	¥1,446,541	¥1,577,318	¥1,503,842	¥1,517,927	¥1,652,995	¥1,912,504	¥1,810,283		Japan	¥1,920,114	¥1,800,439	¥1,754,167	¥1,799,772	¥1,919,130	
	13%	14%	18%	17%	19%	17%	16%	14%			15%	14%	12%	13%	12%	
Overseas	10,417,057	8,564,700	7,001,856	7,433,025	6,430,168	8,224,952	9,929,947	10,836,464		Overseas	10,585,977	11,527,660	12,846,984	12,199,428	13,442,016	
	87%	86%	82%	83%	81%	83%	84%	86%			85%	86%	88%	87%	88%	
Total	¥12,002,834	¥10,011,241	¥8,579,174	¥8,936,867	¥7,948,095	¥9,877,947	¥11,842,451	¥12,646,747		Total	¥12,506,091	¥13,328,099	¥14,601,151	¥13,999,200	¥15,361,146	
	100%	100%	100%	100%	100%	100%	100%	100%			100%	100%	100%	100%	100%	
									Thousands							Thousands
Unit sales:*2									Unit sales:*2							
Motorcycles	9,320	10,114	9,639	18,331	15,061	15,494	17,021	17,765		Motorcycles	17,008	17,592	17,055	17,661	19,554	
Automobiles	3,925	3,517	3,392	3,529	3,108	4,014	4,323	4,364		Automobiles	4,340	4,367	4,743	5,028	5,199	
Power Products	6,057	5,187	4,744	5,509	5,819	6,071	6,036	6,001		Power Products	6,018	5,983	5,965	6,121	6,262	
Number of employees	178,960	181,876	176,815	179,060	187,094	190,338	198,561	203,902		Number of employees	199,368	204,730	208,399	211,915	215,638	
Exchange rate (yen amounts per U.S. dollar)									Exchange rate (yen amounts per U.S. dollar)							
Rates for the period-end	¥100	¥98	¥93	¥83	¥82	¥94	¥103	¥120		Rates for the period-end	¥103	¥120	¥113	¥112	¥106	
Average rates for the period	114	101	93	86	79	83	100	110		Average rates for the period	100	110	120	108	111	

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

*2 Honda changed its counting method for unit sales as follows:

- 2008–2010: the total of unit sales of completed products of Honda and its consolidated subsidiaries, and sales of parts for local production at Honda's affiliates accounted for using the equity method
- 2011–2018: the total of unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for using the equity method (Honda Group Unit Sales)