

**HONDA**  
The Power of Dreams

# *FY20 2nd Quarter Financial Results*



**FREED  
CROSSTAR  
(Japan)**

**Honda Motor Co., Ltd.**

November 8, 2019

- *Outline of FY20 2nd Quarter Financial Results and FY20 Financial Forecasts*
- *FY20 2nd Quarter Financial Results and FY20 Financial Forecasts*

## Honda Group Unit Sales <FY20 Six Months>

Unit (thousand)

### Motorcycles

### Automobiles

### Life Creation

	FY19	FY20	Change	FY19	FY20	Change	FY19	FY20	Change
Japan	104	<b>112</b>	+ 8	332	<b>364</b>	+ 32	161	<b>154</b>	- 7
North America	150	<b>149</b>	- 1	946	<b>928</b>	- 18	1,123	<b>1,109</b>	- 14
Europe	141	<b>141</b>	+ 0	80	<b>68</b>	- 12	402	<b>352</b>	- 50
Asia	9,664	<b>8,953</b>	- 711	1,071	<b>1,094</b>	+ 23 <sup>*</sup>	771	<b>693</b>	- 78
Other Regions	608	<b>664</b>	+ 56	122	<b>108</b>	- 14	146	<b>127</b>	- 19
Total	10,667	<b>10,019</b>	- 648	2,551	<b>2,562</b>	+ 11	2,603	<b>2,435</b>	- 168
Change (%)			- 6.1%			+ 0.4%			- 6.5%

\* + 97 thousand in China are included

Japan		Retail	
Six Months Results	Unit (thousand)	vs. FY19 (%)	
Industry Demand	2,621	105.6	
Unit Sales	379	109.5	

(Source: Japan Automobile Dealers Association)



N-BOX・N-BOX Custom



Fit

World Premiere in Oct. 2019

### ■ Sales Results in FY20 (Six Months)

<Industry demand>

Increased compared with the same period last year due to the launch of new models of each company and last-minute demand before consumption tax hike.

<Honda>

Sales surpass pace of overall market due to strong sales of N-BOX and N-VAN.

### ■ Outlook/Forecast for FY20

<Industry demand>

Down just slightly compared with FY19.

(No change from previous forecast\* 5.18million)

<Honda>

A slight decrease is expected compared with FY19.

Downward revision from previous forecast due to the effects of parts supply restrictions on new N-WGN.

Unveiled the World Premiere of all-new Fit at Tokyo Motor Show.

\*Previous forecast : announced on August 2

U.S.		Retail	
Six Months Results	Unit (thousand)	vs. FY19 (%)	
Industry Demand	8,750	99.5	
Unit Sales	836	99.0	

(Source: Autodata)



CR-V



Passport

## ■ Sales Results in FY20 (Six Months)

<Industry demand>

Decreased compared with the same period last year due to a decline in the sedan market.

<Honda>

Maintain equivalent sales as the same period last year, due mainly to a continuing lead of Civic in the segment, increase sales in CR-V and an effect of introducing Passport, although there was a decrease in Accord.  
(FY20 2<sup>nd</sup> Qtr: 102% compared with the same period last year)

## ■ Outlook/Forecast for FY20

<Industry demand>

Moderate decrease.

<Honda>

Strive to sell more than the previous year due to minor model change of CR-V as well as introducing all-new CR-V Hybrid and an effect of introducing Passport.

China	Retail	
Six Months Results	Unit (thousand)	vs. FY19 (%)
Industry Demand *	11,987	90.4
Unit Sales	788	118.7

\*Industry demand is wholesale basis (based on Honda research)



**Breeze**  
Announced in Sep. 2019



**X-NV**  
Announced in Oct. 2019

**■ Sales Results in FY20 (Six Months)**

<Industry demand>

Decreased compared with the same period last year due to a volume decline in all vehicle segments.

<Honda>

Exceeded sales of the same period last year due mainly to increased sales of CR-V, Accord, Crider and the launch of all-new Envix.

**■ Outlook/Forecast for FY20**

<Industry demand>

Decrease slightly compared with FY19.

<Honda>

Strive to achieve historical sales record through the launch of all-new Breeze and EV model X-NV.

## ■ Sales Results in FY20 (Six Months)

Asia	Wholesale	
Six Months Results	Unit (thousand)	vs. FY19 (%)
India	2,680	81.3
Vietnam	1,311	99.5
Thailand	669	90.4
Indonesia	2,437	98.7
Total	7,097	90.7

<Industry demand>

Down compared with the same period last year mainly as a result of tightening loan screening criteria and a decrease in personal consumption in India.

<Honda>

Decreased compared with the same period last year due to the market slowdown in India.

## ■ Outlook/Forecast for FY20

<Industry demand>

Market recovery takes time due to continued decline in consumer spending in India.

<Honda>

Down compared with FY19.  
Downward revision from the previous forecast in anticipation of market slowdown.  
In India, new Activa125 is introduced to comply with new regulations.



ADV150  
(Indonesia)  
Launched in Jul. 2019



Genio  
(Indonesia)  
Launched in Jun. 2019



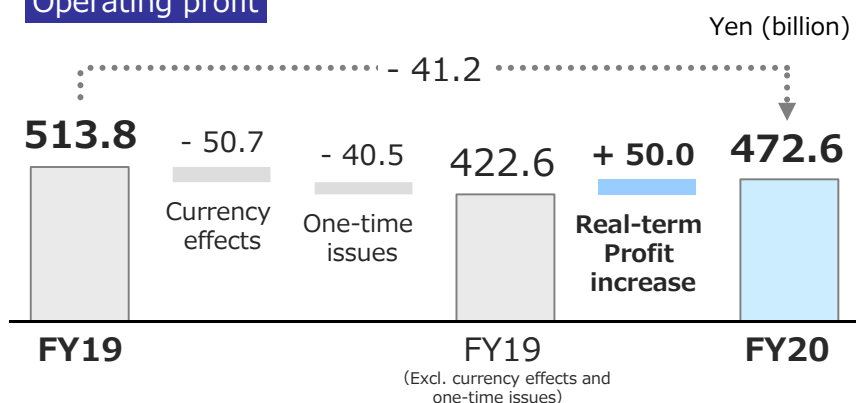
Activa125  
(India)  
Launched in Sep. 2019

Operating profit : Excluding currency effects and one-time issues,  
**Increased 50.0 billion yen**  
 compared with the same period last year, due mainly to continuing cost reduction, although there was an impact from a decrease in sales.

Profit for the period:  
 \*1 Reflect tax expenses increase due to issuance of regulation relating to the Tax Cuts and Jobs Act.

Honda Group Unit Sales (thousand)	YTD		
	FY19 Results	FY20 Results	Change
Motorcycles	10,667	<b>10,019</b>	- 6.1%
Automobiles	2,551	<b>2,562</b>	+ 0.4%
Life Creation	2,603	<b>2,435</b>	- 6.5%

**Operating profit**



Financial Results Yen (billion)	FY19 Results	FY20 Results	Change	
			amount	%
Sales revenue	7,865.8	<b>7,725.3</b>	- 140.4	- 1.8%
Operating profit	513.8	<b>472.6</b>	- 41.2	- 8.0%
Operating margin	6.5%	<b>6.1%</b>		- 0.4 pt
Share of profit of investments accounted for using the equity method	118.2	<b>108.1</b>	- 10.0	- 8.5%
Profit before income taxes	641.3	<b>579.4</b>	- 61.8	- 9.7%
Profit for the period attributable to owners of the parent	455.1	<b>368.8</b>	- 86.2	- 19.0%
Earnings per share attributable to owners of the parent (Yen)	257.44	<b>209.63</b>		- 47.81
Market average rates (Yen)				*3
U.S. Dollar	110	<b>109</b>		- 1

\*1 Profit for the period attributable to owners of the parent

\*2 Please refer to the footnotes on the last page.

\*3 +: weak yen / -: strong yen



Operating profit : Despite the currency effects, the worsening economy in India and a decrease in sales in Japan due to the effects of parts supply restrictions,

**Maintain the same business constitution**  
as the previous year, by steadily implement initiatives to improve profitability.

Honda Group Unit Sales (thousand)	YTD			Change from previous forecast	Financial Results Yen (billion)	FY19 Results	FY20 Forecast	Change		Change from previous forecast
	FY19 Results	FY20 Forecast	Change					amount	%	
Motorcycles	20,238	<b>19,900</b>	- 1.7%	- 450	Sales revenue	15,888.6	<b>15,050.0</b>	- 838.6	- 5.3%	- 600.0
Automobiles	5,323	<b>4,975</b>	- 6.5%	- 135	Operating profit	726.3	<b>690.0</b>	- 36.3	- 5.0%	- 80.0
Life Creation	6,301	<b>6,270</b>	- 0.5%	- 120	Operating margin	4.6%	<b>4.6%</b>		+ 0.0pt	- 0.3pt
					Share of profit of investments accounted for using the equity method	228.8	<b>210.0</b>	- 18.8	- 8.2%	- 10.0
					Profit before income taxes	979.3	<b>905.0</b>	- 74.3	- 7.6%	- 90.0
					Profit for the year attributable to owners of the parent	610.3	<b>575.0</b>	- 35.3	- 5.8%	- 70.0
					Earnings per share attributable to owners of the parent (Yen)	345.99	<b>329.64</b>		- 16.35	- 36.93
					Market average rates (Yen)					
					U.S. Dollar	111	<b>107</b>		- 4	- 3

**Motorcycles**

Decreased from previous forecast due mainly to reflecting the difficulty of market recovery in India.

**Automobiles**

Decreased from previous forecast due to uncertainty of economy in India and a decrease in sales in Japan.

Dividend per Share (Yen)	FY19	FY20 (Expectation)	Increase / Decrease from FY19	Change from previous forecast
1 <sup>st</sup> Quarter End	27	28	+ 1	-
<b>2<sup>nd</sup> Quarter End</b>	28	<b>28</b>	-	-
3 <sup>rd</sup> Quarter End	28	(28)	( - )	( - )
4 <sup>th</sup> Quarter End	28	(28)	( - )	( - )
<b>Fiscal Year</b>	111	<b>(112)</b>	(+ 1)	( - )

### 【Acquisition of the Company's Own Shares】

- Total number of shares to be acquired : Up to 33 million shares (shares of common stock)  
(1.9% of total number of issued shares (excluding treasury stock))
- Total amount of shares to be acquired : Up to 100 billion yen
- Period of acquisition: Starting on November 11, 2019 and ending on March 31, 2020
- Method of acquisition: Market purchases on the Tokyo Stock Exchange
  1. Purchases through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)
  2. Market purchases based on a discretionary trading contract regarding acquisition of own shares

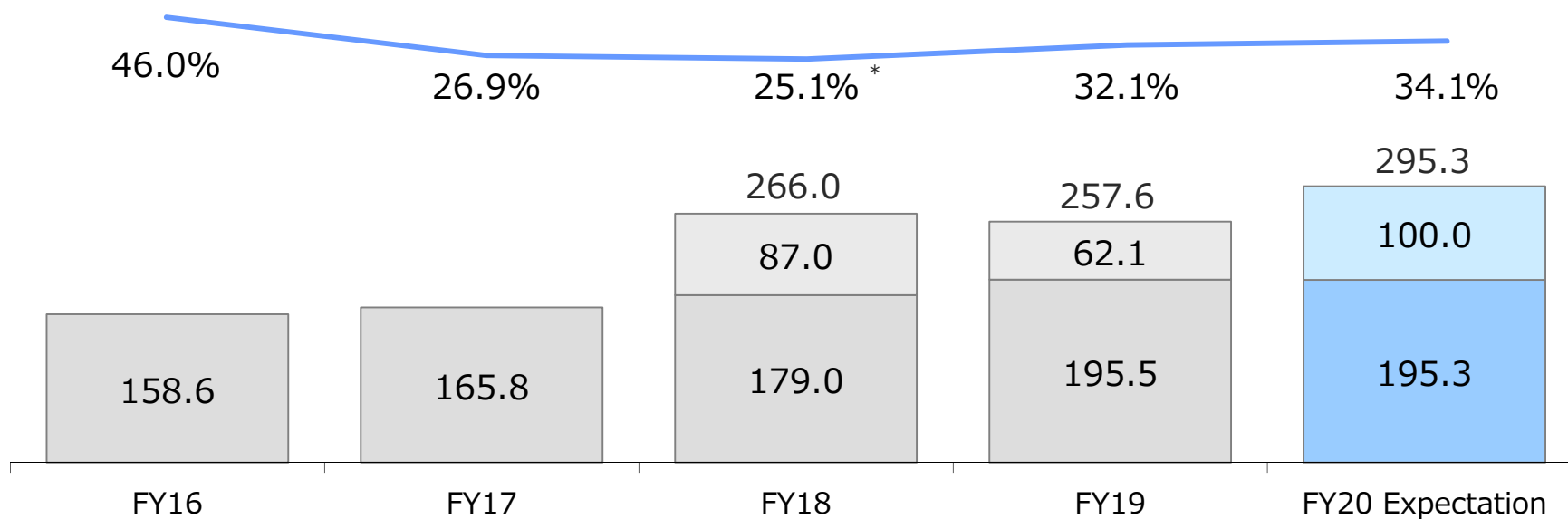
## Shareholders' Return

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 (Expectation)
Fiscal Year(Yen)	88	92	100	111	(112)
Dividend ratio	46.0%	26.9%	25.1%*	32.1%	(34.1%)
Acquisition of the Company's Own Shares(billion)	0.0	0.0	87.0	62.1	(100.0)

\* incl. impact of U.S. corporate tax rate reduction: 16.9%

Acquisition of the Company's Own Shares
  Total Dividend
  Dividend ratio

(Yen billion)



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## FY20 2nd Quarter Financial Results (Consolidated)

Honda Group Unit Sales (thousand)	QTD		
	FY19	FY20	Change
Motorcycles	5,315	<b>5,098</b>	- 4.1%
Automobiles	1,246	<b>1,241</b>	- 0.4%
Life Creation	1,262	<b>1,155</b>	- 8.5%

**Motorcycles**

Decreased sales units in India, although increased unit sales in China and Brazil.

**Automobiles**

Decreased unit sales in India and Pakistan, although increased unit sales in China and Japan.  
China : CR-V, Crider  
Japan : N-BOX, etc.

Financial Results Yen (billion)	QTD		
	FY19	FY20	Change
Sales revenue	3,841.7	<b>3,729.1</b>	- 2.9%
Operating profit	214.4	<b>220.1</b>	+ 2.6%
Operating margin	5.6%	<b>5.9%</b>	+ 0.3pt
Share of profit of investments accounted for using the equity method	63.9	<b>63.9</b>	+ 0.0%
Profit before income taxes	283.0	<b>289.6</b>	+ 2.3%
Profit for the period attributable to owners of the parent	210.7	<b>196.5</b>	- 6.7%
Earnings per share attributable to owners of the parent (Yen)	119.66	<b>111.70</b>	- 7.96
Market average rates (Yen)			
U.S. Dollar	111	<b>107</b>	- 4

**Sales revenue**

Decreased by 2.9%, to 3,729.1 billion from the same period last year, due mainly to decreased sales revenue in Automobile business, Motorcycle business, Life creation and other businesses operations as well as negative foreign currency translation effects, which was partially offset by increased sales revenue in Financial services business operations.

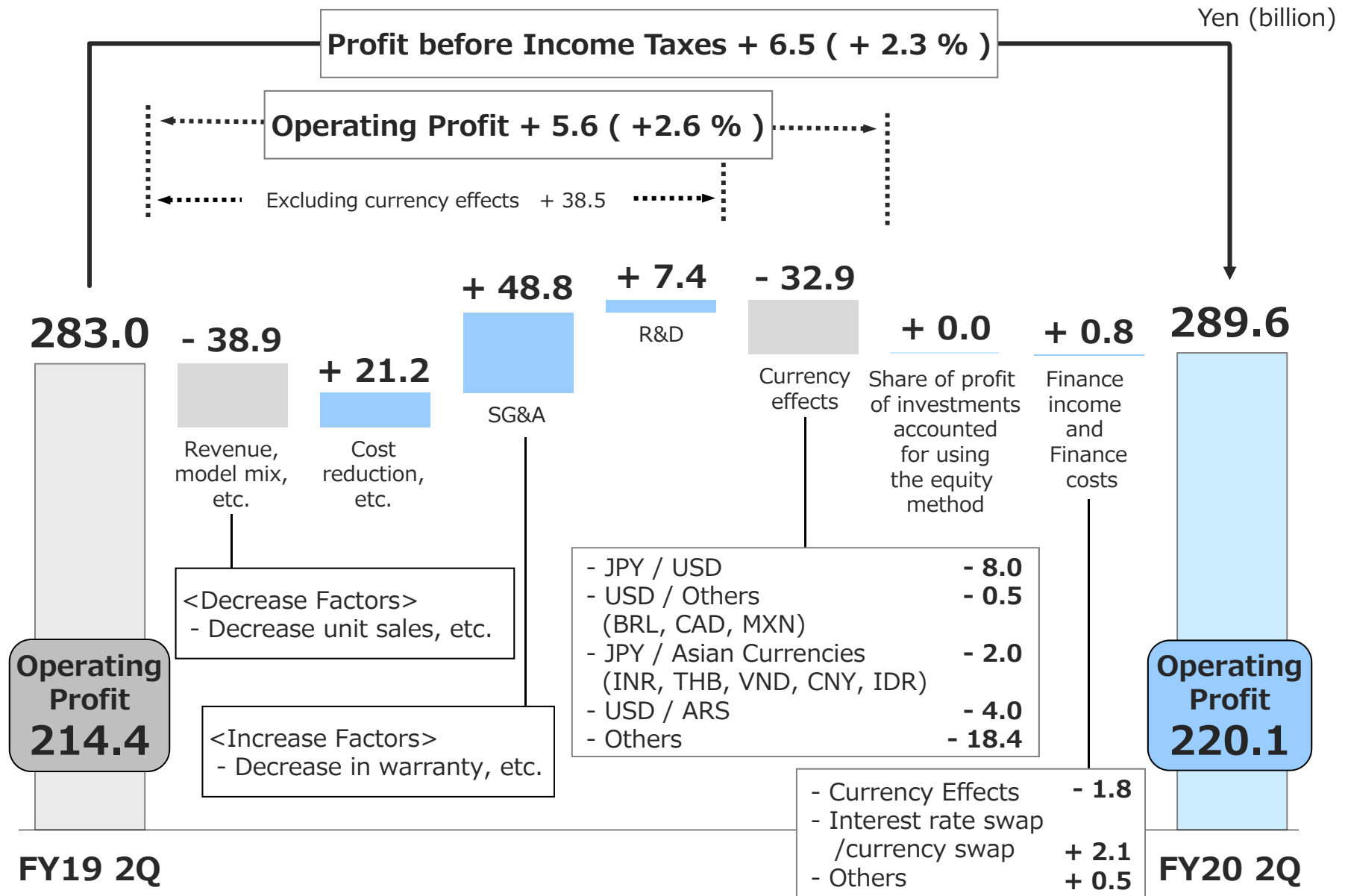
**Operating profit**

Increased by 2.6%, to 220.1 billion from the same period last year, due mainly to decreased selling, general and administrative expenses as well as continuing cost reduction, which was partially offset by a decrease in profit attributable to decreased sales revenue and model mix.

**Profit for the period**

Decreased, due mainly to increased income tax expense in India, which was partially offset by increased profit before income taxes.

## Change in Profit before Income Taxes <FY20 2<sup>nd</sup> Qtr>



**Sales Revenue/Operating Profit (Margin)  
by Business Segment <FY20 2<sup>nd</sup> Qtr>**

	upper : FY20	lower : FY19					
			Unit (thousand)	Motorcycle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses
Honda Group Unit Sales				<b>5,098</b>	<b>1,241</b>	-	<b>1,155</b>
				5,315	1,246	-	1,262
			Yen (billion)				
Sales Revenue				<b>522.5</b>	<b>2,530.8</b>	<b>660.7</b>	<b>81.8</b>
				539.3	2,670.1	600.2	86.9
Operating Profit				<b>77.7</b>	<b>74.9</b>	<b>66.3</b>	<b>1.0</b>
				85.0	69.8	59.1	0.4
Operating Margin				<b>14.9%</b>	<b>3.0%</b>	<b>10.0%</b>	<b>1.3%</b>
				15.8%	2.6%	9.9%	0.5%
Increase/Decrease Factors				Decreased 7.2 billion yen due mainly to a decrease in sales units in India caused from the weak market.	Increased 5.0 billion yen due mainly to decreased selling, general and administrative expenses and continuing cost reduction.	Increased 7.1 billion yen due mainly to an increase in operating lease revenues.	Increased 0.6 billion yen due mainly to decreased selling, general and administrative expenses.

\* Combined operating profit of Automobile Business and Financial Services Business for automobiles

In the financial services business, Honda provides services such as loan and lease, mainly related to sales of automobiles, for customers buying products. Operating profit relating to automobiles in financial services business is allocated in accordance with total assets ratio, etc.

<Reference>  
Combined operating profit \*  
( 138.4 / 4.4 % )  
FY19 2Q : 126.5 / 3.9 %

Operating profit from aircraft and aircraft engines included in above  
- 9.2  
FY19 2Q : - 9.3

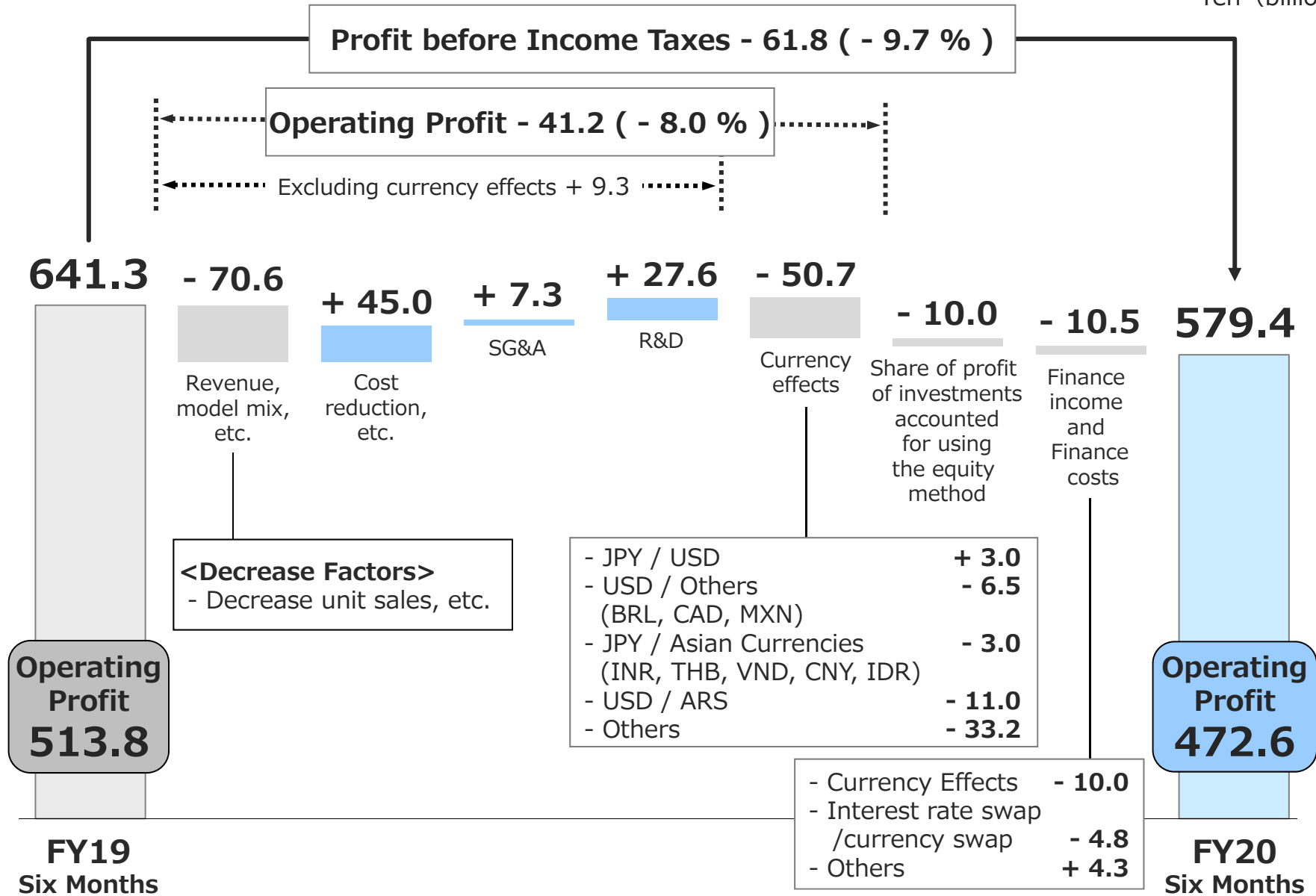
## FY20 Six Months Financial Results (Consolidated)

Financial Results Yen (billion)	FY19 Results	FY20 Results	Change	
			amount	%
Sales revenue	7,865.8	<b>7,725.3</b>	- 140.4	- 1.8%
Operating profit	513.8	<b>472.6</b>	- 41.2	- 8.0%
Operating margin	6.5%	<b>6.1%</b>		- 0.4pt
Share of profit of investments accounted for using the equity method	118.2	<b>108.1</b>	- 10.0	- 8.5%
Profit before income taxes	641.3	<b>579.4</b>	- 61.8	- 9.7%
Profit for the period attributable to owners of the parent	455.1	<b>368.8</b>	- 86.2	- 19.0%
Earnings per share attributable to owners of the parent (Yen)	257.44	<b>209.63</b>		- 47.81
Market average rates (Yen)				
U.S. Dollar	110	<b>109</b>		- 1



# Change in Profit before Income Taxes <FY20 Six Months>

Yen (billion)



## Forecast: Honda Group Unit Sales

Unit (thousand)

### Motorcycles

### Automobiles

### Life Creation

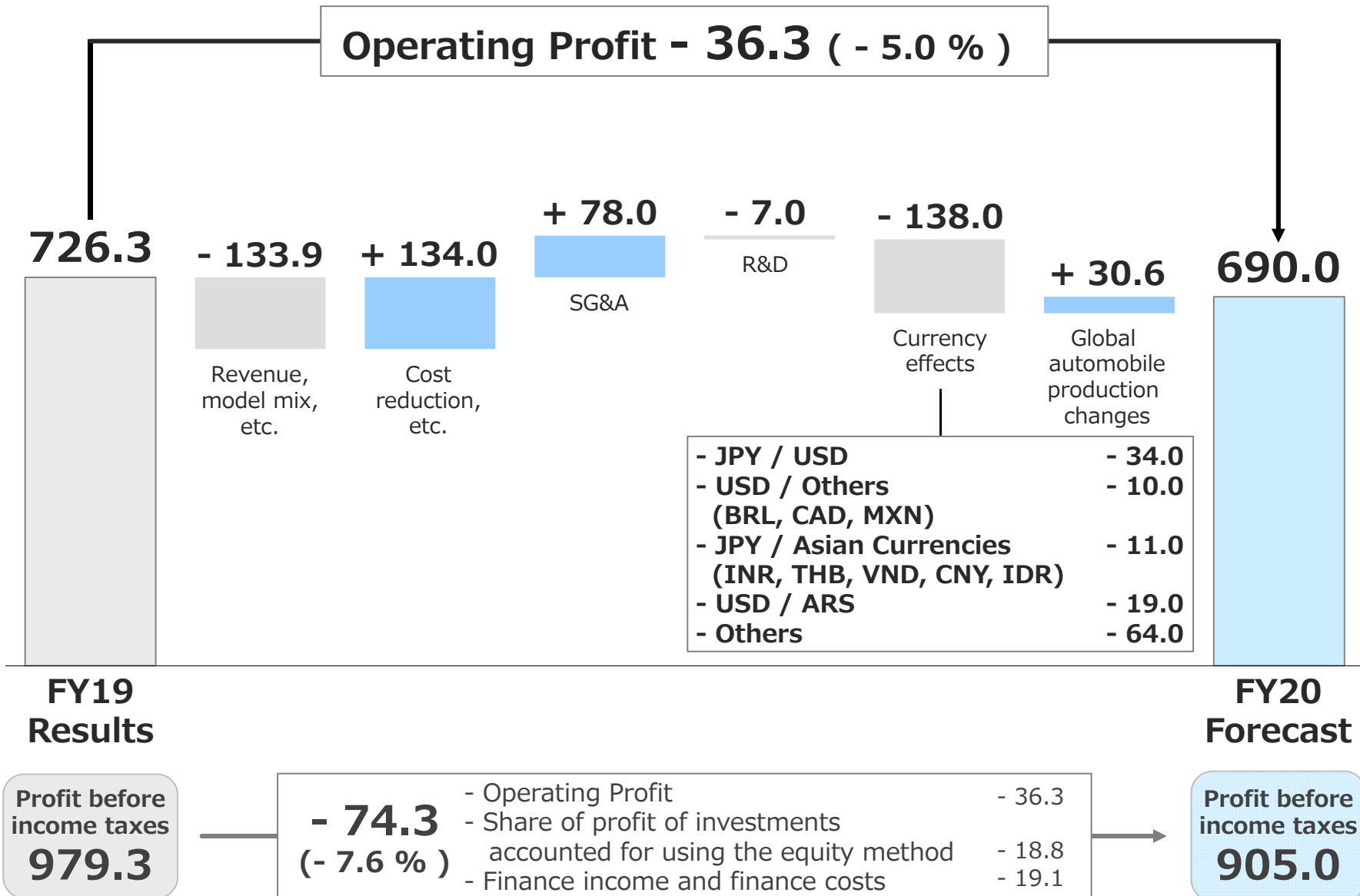
	FY20 Previous	FY20 Revised	Change	FY20 Previous	FY20 Revised	Change	FY20 Previous	FY20 Revised	Change
Japan	200	<b>205</b>	+ 5	700	<b>645</b>	- 55	315	<b>295</b>	- 20
North America	315	<b>315</b>	-	1,875	<b>1,865</b>	- 10	3,095	<b>3,095</b>	-
Europe	245	<b>245</b>	-	145	<b>140</b>	- 5	1,025	<b>985</b>	- 40
Asia	18,265	<b>17,785</b>	- 480	2,165	<b>2,110</b>	- 55	1,575	<b>1,535</b>	- 40
Other Regions	1,325	<b>1,350</b>	+ 25	225	<b>215</b>	- 10	380	<b>360</b>	- 20
Total	20,350	<b>19,900</b>	- 450	5,110	<b>4,975</b>	- 135	6,390	<b>6,270</b>	- 120
FY19 Results	20,238			5,323			6,301		

## FY20 Financial Forecast (Consolidated)

Yen (billion)	FY19 Results	FY20 Forecast	Change		Change from previous forecast
			amount	%	
Sales revenue	15,888.6	<b>15,050.0</b>	- 838.6	- 5.3%	- 600.0
Operating profit	726.3	<b>690.0</b>	- 36.3	- 5.0%	- 80.0
Operating margin	4.6%	<b>4.6%</b>		+ 0.0pt	- 0.3pt
Share of profit of investments accounted for using the equity method	228.8	<b>210.0</b>	- 18.8	- 8.2%	- 10.0
Profit before income taxes	979.3	<b>905.0</b>	- 74.3	- 7.6%	- 90.0
Profit for the year attributable to owners of the parent	610.3	<b>575.0</b>	- 35.3	- 5.8%	- 70.0
Earnings per share attributable to owners of the parent (Yen)	345.99	<b>329.64</b>		- 16.35	- 36.93
Market average rates (Yen)					
U.S. Dollar	111	<b>107</b>		- 4	- 3

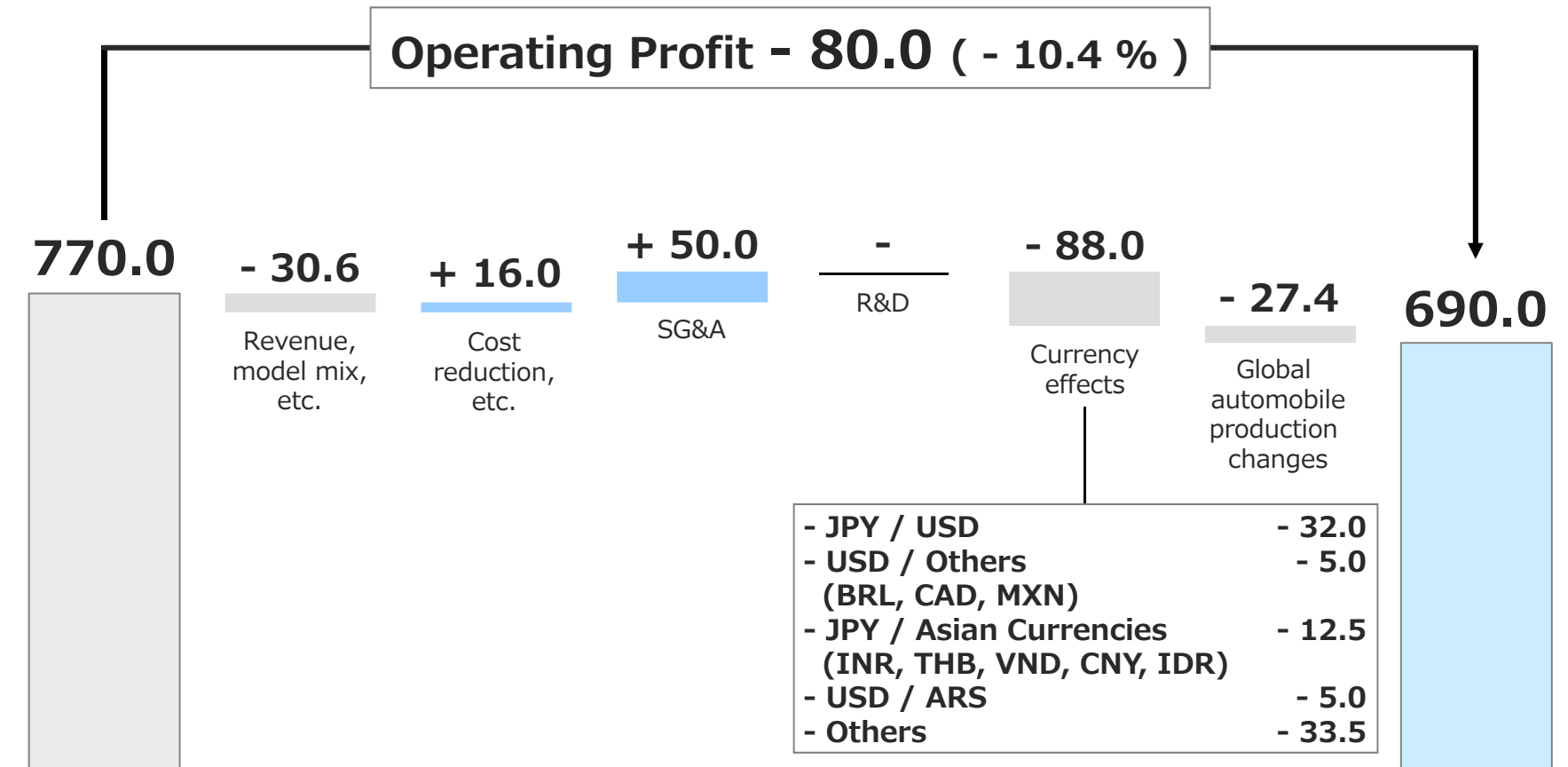
# FY20 Forecast: Change in Operating Profit

Yen (billion)



# FY20 Forecast: Change in Operating Profit

Yen (billion)



**FY20 Previous Forecast**

Profit before income taxes  
**995.0**

<b>- 90.0</b> ( - 9.0 % )	- Operating Profit	- 80.0
	- Share of profit of investments accounted for using the equity method	- 10.0
	- Finance income and finance costs	-

**FY20 Revised Forecast**

Profit before income taxes  
**905.0**

Yen (billion)	FY19 Results	FY20 Forecast	Change	Change from previous forecast
Capital expenditures <sup>*1</sup>	426.5	<b>440.0</b>	+ 13.4	- 50.0
Depreciation and amortization <sup>*1</sup>	450.3	<b>400.0</b>	- 50.3	- 20.0
Research and development expenditures <sup>*2</sup>	820.0	<b>860.0</b>	+ 39.9	-

\*1 Capital expenditures as well as Depreciation in results and forecast aforementioned exclude investment in operating leases, right-of-use assets, and intangible assets.

\*2 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 Consolidated Statements of Income.

## **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 statements 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, Asia 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.*

## **Unit sales:**

### **Motorcycle Business**

*Honda Group Unit Sales is the total unit sales of completed products, including motorcycles, ATVs, and Side-by-Sides 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.*

### **Automobile Business**

*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.*

### **Life Creation Business**

*Honda Group Unit Sales is the total unit sales of completed power 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 Life Creation 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.*

\* Earnings per share attributable to owners of the parent is calculated based on weighted average number of shares outstanding as shown below:

- 2 <sup>nd</sup> Quarter	FY19: 1,761,356,000 (approx) ,	FY20: 1,759,584,000 (approx)
- Six Months	FY19: 1,767,773,000 (approx) ,	FY20: 1,759,574,000 (approx)
- Fiscal year	FY19: 1,763,983,000 (approx) ,	FY20 forecast: 1,744,348,000 (approx)

**HONDA**  
The Power of Dreams



# Appendix

## Change in Sales Revenue (Sales revenue from external customers)

Yen (billion)

### Three Months

compared with FY19 2Q : - 112.6 / - 2.9 % (Excluding currency translation effects : + 15.0 / + 0.4 %)

	FY19	FY20	Change	Change excluding currency translation effects (%)	
Motorcycle Business	539.3	<b>522.5</b>	- 16.7	- 0.3	- 0.1%
Automobile Business	2,624.6	<b>2,473.4</b>	- 151.1	- 64.6	- 2.5%
Financial Services Business	596.0	<b>657.2</b>	+ 61.1	+ 83.1	+ 13.9%
Life Creation and Other Businesses	81.6	<b>75.8</b>	- 5.8	- 3.0	- 3.7%
Total	3,841.7	<b>3,729.1</b>	- 112.6	+ 15.0	+ 0.4%
Market average rate (Yen)					
U.S. Dollar	111	<b>107</b>			

### Six Months

compared with FY19 2Q : - 140.4 / - 1.8 % (Excluding currency translation effects : + 29.0 / + 0.4 %)

	FY19	FY20	Change	Change excluding currency translation effects (%)	
Motorcycle Business	1,094.2	<b>1,055.5</b>	- 38.6	- 7.0	- 0.6%
Automobile Business	5,421.9	<b>5,167.9</b>	- 254.0	- 137.8	- 2.5%
Financial Services Business	1,185.9	<b>1,345.6</b>	+ 159.6	+ 177.5	+ 15.0%
Life Creation and Other Businesses	163.6	<b>156.2</b>	- 7.4	- 3.5	- 2.2%
Total	7,865.8	<b>7,725.3</b>	- 140.4	+ 29.0	+ 0.4%
Market average rate (Yen)					
U.S. Dollar	110	<b>109</b>			

**Sales Revenue/Operating Profit (Margin)  
by Business Segment <FY20 Six Months>**

upper : FY20

lower : FY19

Unit (thousand)

	Motorcyle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses
Honda Group	<b>10,019</b>	<b>2,562</b>	-	<b>2,435</b>
Unit Sales	10,667	2,551	-	2,603
Yen (billion)				
Sales	<b>1,055.5</b>	<b>5,281.0</b>	<b>1,352.7</b>	<b>167.0</b>
Revenue	1,094.2	5,515.3	1,193.4	174.8
Operating Profit	<b>147.6</b>	<b>195.2</b>	<b>132.1</b>	<b>- 2.5</b>
	177.1	221.5	116.3	- 1.1
Operating Margin	<b>14.0%</b>	<b>3.7%</b>	<b>9.8%</b>	<b>- 1.5%</b>
	16.2%	4.0%	9.8%	- 0.7%

\* Combined operating profit of Automobile Business and Financial Services Business for automobiles

In the financial services business, Honda provides services such as loan and lease, mainly related to sales of automobiles, for customers buying products. Operating profit relating to automobiles in financial services business is allocated in accordance with total assets ratio, etc.

<Reference>  
Combined operating profit \*  
( 322.0 / 4.9 % )  
FY19 YTD : 333.0 / 5.0 %

Operating profit from aircraft and aircraft engines included in above  
- 18.3  
FY19 YTD: - 19.3

## Sales Revenue / Operating Profit by Geographical Segment

Yen (billion)

Three Months	Japan		North America		Europe		Asia		Other Regions	
	FY19	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19	FY20
Sales Revenue	1,205.6	<b>1,142.6</b>	2,131.2	<b>2,065.7</b>	210.7	<b>186.5</b>	1,113.6	<b>997.7</b>	176.4	<b>172.0</b>
Operating Profit	27.4	<b>44.5</b>	53.4	<b>76.2</b>	0.2	<b>7.2</b>	127.5	<b>88.3</b>	7.9	<b>- 0.0</b>
Change (%)	+ 62.5%		+ 42.6%		+ 6.9 billion yen		- 30.8%		- 8.0 billion yen	

Six Months	Japan		North America		Europe		Asia		Other Regions	
	FY19	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19	FY20
Sales Revenue	2,345.8	<b>2,293.3</b>	4,444.5	<b>4,381.8</b>	448.0	<b>392.7</b>	2,209.3	<b>2,016.9</b>	379.7	<b>363.3</b>
Operating Profit	42.1	<b>81.2</b>	163.8	<b>178.9</b>	7.2	<b>9.8</b>	250.1	<b>186.2</b>	30.6	<b>8.4</b>
Change (%)	+ 92.8%		+ 9.2%		+ 34.8%		- 25.5%		- 72.5%	

Yen (billion)	QTD			YTD		
	FY19 Results	FY20 Results	Change	FY19 Results	FY20 Results	Change
Capital expenditures	79.9	<b>76.8</b>	- 3.1	176.5	<b>135.3</b>	- 41.1
Depreciation and amortization	106.0	<b>97.8</b>	- 8.2	231.7	<b>203.8</b>	- 27.9
Research and development expenditures	194.3	<b>191.2</b>	- 3.1	380.0	<b>375.5</b>	- 4.5

## Cash Flows of Non-financial Services Businesses

Yen (billion)

Six Months	FY19	FY20
Cash flows from operating activities	+ 538.2	+ 463.6
Cash flows from investing activities	- 332.8	- 360.1
<b>Free cash flow</b>	<b>+ 205.4</b>	<b>+ 103.5</b>
Cash flows from financing activities	- 247.7	- 203.8
Effect of exchange rate changes	+ 34.3	- 55.0
Net change of cash and cash equivalents	- 7.9	- 155.4
<b>Cash &amp; Cash equivalents at end of period</b>	<b>2,142.2</b>	<b>2,226.0</b>
<b>Net cash at end of period</b>	<b>1,683.7</b>	<b>1,855.8</b>

## Sales Revenue/Operating Profit by Business Segment

Yen (billion)

Segment Information	QTD										YTD(6 months)			
	FY19				FY20				Change	Change (%)	FY19 Results	FY20 Results	Change	Change (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
<b>Sales Revenue</b>														
Motorcycle Business	554.9	539.3	516.5	489.4	533.0	522.5			- 16.7	- 3.1%	1,094.2	1,055.5	- 38.6	- 3.5%
Automobile Business	2,845.1	2,670.1	2,859.5	2,912.8	2,750.1	2,530.8			- 139.2	- 5.2%	5,515.3	5,281.0	- 234.3	- 4.2%
Financial Services Business	593.1	600.2	564.0	622.5	692.0	660.7			+ 60.4	+ 10.1%	1,193.4	1,352.7	+ 159.3	+ 13.3%
LC & Other Businesses	87.8	86.9	99.3	103.0	85.2	81.8			- 5.1	- 5.9%	174.8	167.0	- 7.7	- 4.4%
Reconciling items	- 56.9	- 55.0	- 65.8	- 78.7	- 64.1	- 66.8			- 11.8	-	- 112.0	- 131.0	- 19.0	-
<b>Total</b>	<b>4,024.1</b>	<b>3,841.7</b>	<b>3,973.6</b>	<b>4,049.1</b>	<b>3,996.2</b>	<b>3,729.1</b>			<b>- 112.6</b>	<b>- 2.9%</b>	<b>7,865.8</b>	<b>7,725.3</b>	<b>- 140.4</b>	<b>- 1.8%</b>
<b>Operating Profit</b>														
Motorcycle Business	92.1	85.0	69.5	44.9	69.8	77.7			- 7.2	- 8.5%	177.1	147.6	- 29.5	- 16.7%
Automobile Business	151.6	69.8	41.2	- 53.0	120.3	74.9			+ 5.0	+ 7.3%	221.5	195.2	- 26.2	- 11.8%
Financial Services Business	57.1	59.1	60.3	59.1	65.7	66.3			+ 7.1	+ 12.1%	116.3	132.1	+ 15.7	+ 13.6%
LC & Other Businesses	- 1.6	0.4	- 0.9	- 8.7	- 3.5	1.0			+ 0.6	+ 155.7%	- 1.1	- 2.5	- 1.3	-
<b>Total</b>	<b>299.3</b>	<b>214.4</b>	<b>170.1</b>	<b>42.3</b>	<b>252.4</b>	<b>220.1</b>			<b>+ 5.6</b>	<b>+ 2.6%</b>	<b>513.8</b>	<b>472.6</b>	<b>- 41.2</b>	<b>- 8.0%</b>
Operating profit from aircraft and aircraft engines	- 10.0	- 9.3	- 9.8	- 10.9	- 9.1	- 9.2			+ 0.1	-	- 19.3	- 18.3	+ 0.9	-
<b>Total Assets of Finance Subsidiaries</b>	<b>9,783.2</b>	<b>10,153.8</b>	<b>9,944.0</b>	<b>10,236.0</b>	<b>10,076.6</b>	<b>10,131.3</b>			<b>- 22.4</b>	<b>- 0.2%</b>				

# Honda Group Unit Sales/Consolidated Unit Sales

Unit (thousand)

Honda Group Unit Sales	QTD									YTD			Forecast			
	FY19				FY20					Change	FY19 Results	FY20 Results	Change	FY19 Results	FY20 Forecast	Change
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q								
<b>Motorcycles</b>	5,352	5,315	5,013	4,558	4,921	5,098			- 217	10,667	10,019	- 648	20,238	19,900	- 338	
Japan	49	55	53	50	51	61			+ 6	104	112	+ 8	207	205	- 2	
North America	72	78	66	85	74	75			- 3	150	149	- 1	301	315	+ 14	
Europe	80	61	40	68	84	57			- 4	141	141	+ 0	249	245	- 4	
Asia	4,840	4,824	4,523	4,037	4,378	4,575			- 249	9,664	8,953	- 711	18,224	17,785	- 439	
Other Regions	311	297	331	318	334	330			+ 33	608	664	+ 56	1,257	1,350	+ 93	
<b>Automobiles</b>	1,305	1,246	1,408	1,364	1,321	1,241			- 5	2,551	2,562	+ 11	5,323	4,975	- 348	
Japan	162	170	183	204	181	183			+ 13	332	364	+ 32	719	645	- 74	
North America	518	428	498	510	495	433			+ 5	946	928	- 18	1,954	1,865	- 89	
Europe	42	38	41	48	34	34			- 4	80	68	- 12	169	140	- 29	
Asia	520	551	627	535	554	540			- 11	1,071	1,094	+ 23	2,233	2,110	- 123	
Other Regions	63	59	59	67	57	51			- 8	122	108	- 14	248	215	- 33	
<b>Life Creation</b>	1,341	1,262	1,351	2,347	1,280	1,155			- 107	2,603	2,435	- 168	6,301	6,270	- 31	
Japan	72	89	85	90	74	80			- 9	161	154	- 7	336	295	- 41	
North America	575	548	658	1,268	605	504			- 44	1,123	1,109	- 14	3,049	3,095	+ 46	
Europe	229	173	198	384	198	154			- 19	402	352	- 50	984	985	+ 1	
Asia	395	376	309	479	347	346			- 30	771	693	- 78	1,559	1,535	- 24	
Other Regions	70	76	101	126	56	71			- 5	146	127	- 19	373	360	- 13	
<b>Consolidated Unit Sales</b>																
<b>Motorcycles</b>	3,615	3,533	3,230	2,837	3,264	3,278			- 255	7,148	6,542	- 606	13,215	12,850	- 365	
Japan	49	55	53	50	51	61			+ 6	104	112	+ 8	207	205	- 2	
North America	72	78	66	85	74	75			- 3	150	149	- 1	301	315	+ 14	
Europe	80	61	40	68	84	57			- 4	141	141	+ 0	249	245	- 4	
Asia	3,103	3,042	2,740	2,316	2,721	2,755			- 287	6,145	5,476	- 669	11,201	10,735	- 466	
Other Regions	311	297	331	318	334	330			+ 33	608	664	+ 56	1,257	1,350	+ 93	
<b>Automobiles</b>	952	875	942	979	905	828			- 47	1,827	1,733	- 94	3,748	3,360	- 388	
Japan	145	154	165	179	161	163			+ 9	299	324	+ 25	643	565	- 78	
North America	518	428	498	510	495	433			+ 5	946	928	- 18	1,954	1,865	- 89	
Europe	42	38	41	48	34	34			- 4	80	68	- 12	169	140	- 29	
Asia	184	196	179	175	158	147			- 49	380	305	- 75	734	575	- 159	
Other Regions	63	59	59	67	57	51			- 8	122	108	- 14	248	215	- 33	
<b>Life Creation</b>	1,341	1,262	1,351	2,347	1,280	1,155			- 107	2,603	2,435	- 168	6,301	6,270	- 31	
Japan	72	89	85	90	74	80			- 9	161	154	- 7	336	295	- 41	
North America	575	548	658	1,268	605	504			- 44	1,123	1,109	- 14	3,049	3,095	+ 46	
Europe	229	173	198	384	198	154			- 19	402	352	- 50	984	985	+ 1	
Asia	395	376	309	479	347	346			- 30	771	693	- 78	1,559	1,535	- 24	
Other Regions	70	76	101	126	56	71			- 5	146	127	- 19	373	360	- 13	