



FY16 3rd Quarter Financial Results



Honda Motor Co., Ltd.

January 29, 2016

Civic
2016 North American
Car of the Year
(North America)

- *FY16 3rd Quarter News Topics*
- *FY16 3rd Quarter Financial Results*
- *FY16 Financial Forecasts*
- *Dividend*

Tetsuo Iwamura
Executive Vice President

✓ **Civic Full Model Change** (November : North America)

- Enhanced product appeal due to sporty and dynamic design, powertrain innovation and application of Honda SENSING
- Stronger cost competitiveness due to an increase in parts commonality ratio with other models, utilization of global suppliers and expansion of Mexican sourced components
- Winner of 2016 North American Car of the Year award



✓ **Greiz New Model Introduction**

(November: Dongfeng Honda, China)

✓ **Pioneer 1000 New Model Intro.** (October: North America)

- Equipped with newly developed powertrain



(Side by Side)

✓ **Honda Walking Assist Lease Sales Start**

(November: Japan)



✓ **HondaJet Deliveries Begin**

(December: North America)



- ✓ **Exports of the Japan-produced North American Fit began in earnest following a ramp-up of exports of the Japan-produced European Jazz in previous months**

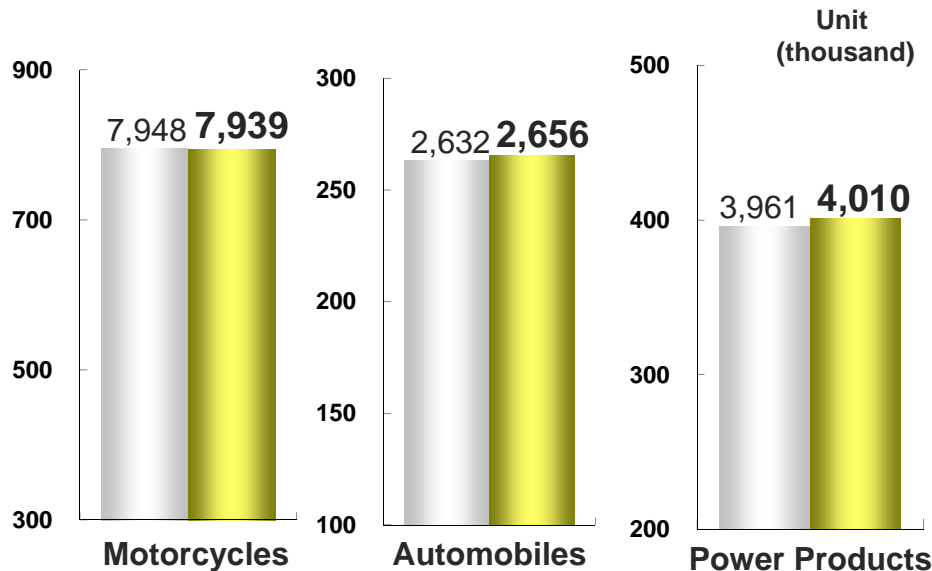
Results Summary

FMC of core models in N.A., the positive effect of HR-V introductions in various markets and cost reduction efforts led to an improvement in the company's fundamental profit structure, but an increase in quality related costs as well as the negative impact of U.S. dollar valuations against other currencies starting with the Brazilian real, resulted in operating profit of 567.2 billion yen.

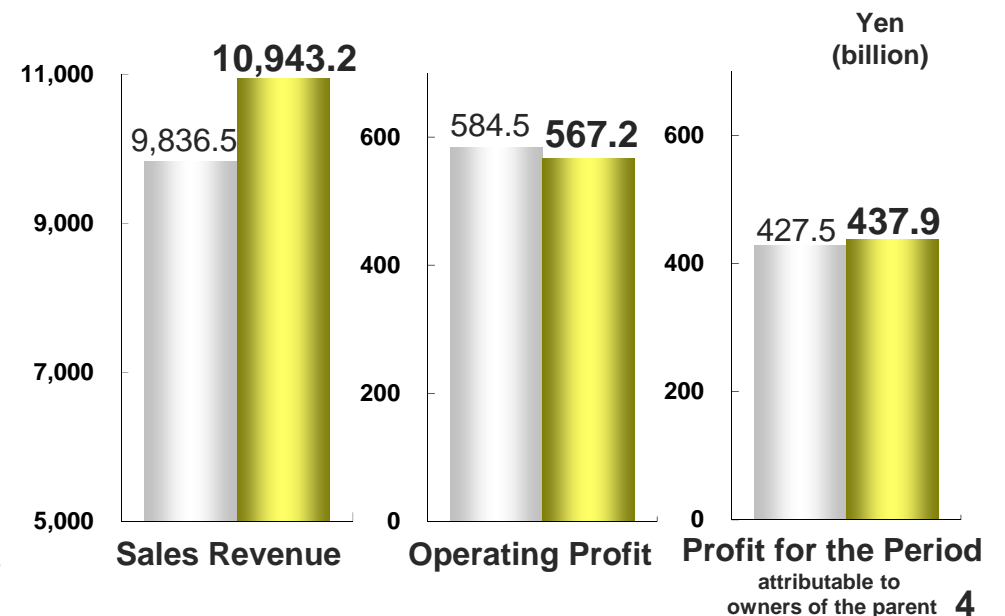
Nine Months Results FY15 and FY16

FY15 FY16

Consolidated Unit Sales



Sales Revenue / Operating Profit / Profit for the Period

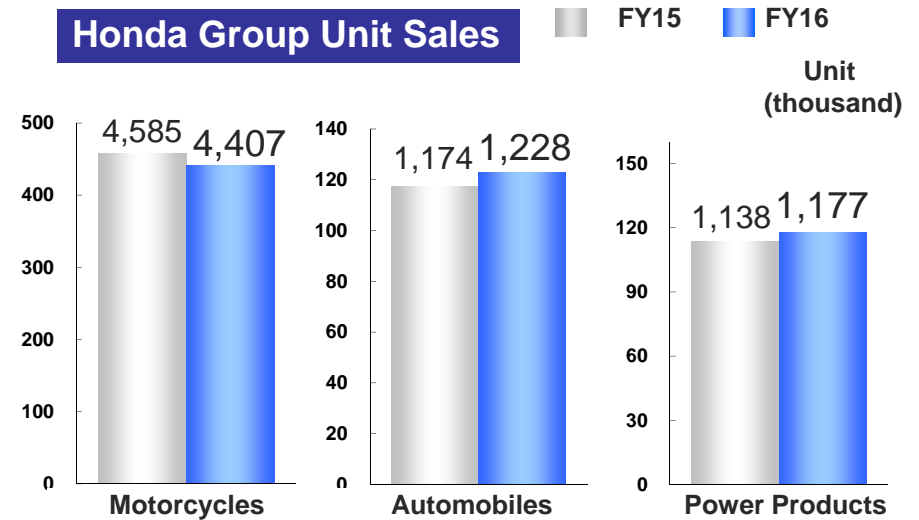


FY16 3rd Quarter Unit Sales

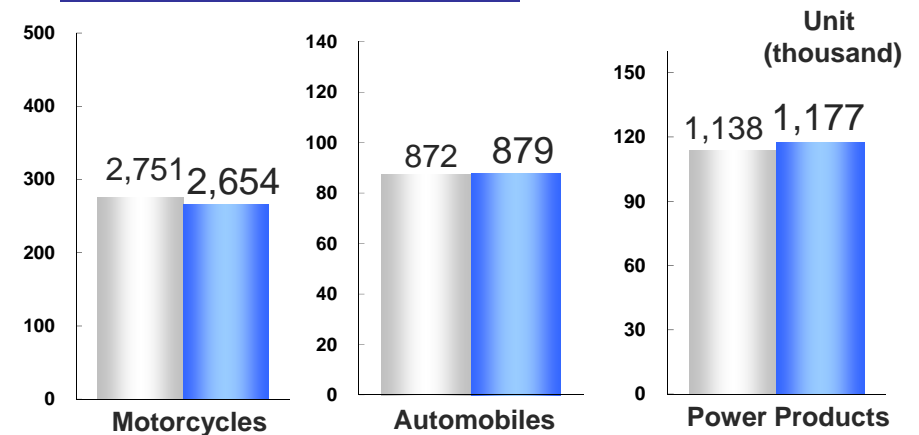
Honda Group Unit Sales (thousand)	3Q Results (3 Months)		
	FY15	FY16	Change
Motorcycles	4,585	4,407	- 3.9%
Automobiles	1,174	1,228	+ 4.6%
Power Products	1,138	1,177	+ 3.4%

Consolidated Unit Sales (thousand)	3Q Results (3 Months)		
	FY15	FY16	Change
Motorcycles	2,751	2,654	- 3.5%
Automobiles	872	879	+ 0.8%
Power Products	1,138	1,177	+ 3.4%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Decrease in motorcycle unit sales due mainly to decreased sales in Indonesia, China and South America despite sales growth in Vietnam and Pakistan
- Automobile unit sales increased primarily in Asia – led by China, Indonesia and Malaysia - despite decreased sales in Japan

FY16 3rd Quarter Financial Results (Consolidated)

Financial Results Yen (billion)	3Q Results (3 Months)		
	FY15	FY16	Change
Sales revenue	3,497.9	3,617.2	+ 3.4%
Operating profit	210.0	163.0	- 22.3%
Operating margin	6.0%	4.5%	- 1.5 pt
Share of profit of investments accounted for using the equity method	36.7	45.0	+ 22.6%
Profit before income taxes	264.4	200.8	- 24.0%
Profit for the period attributable to owners of the parent	152.3	124.1	- 18.5%
Earnings per share *1 (Yen) attributable to owners of the parent	84.56	68.91	- 15.65

Market average rates (Yen)

US Dollar	115	122	Yen down by 7 yen
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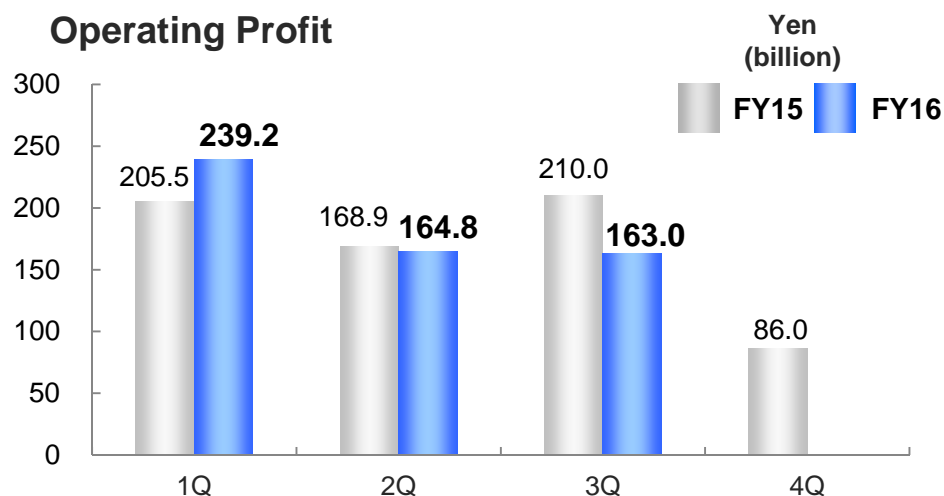
Financial Summary

Sales revenue increased 3.4% primarily due to an increase in automobile and financial services business operations.

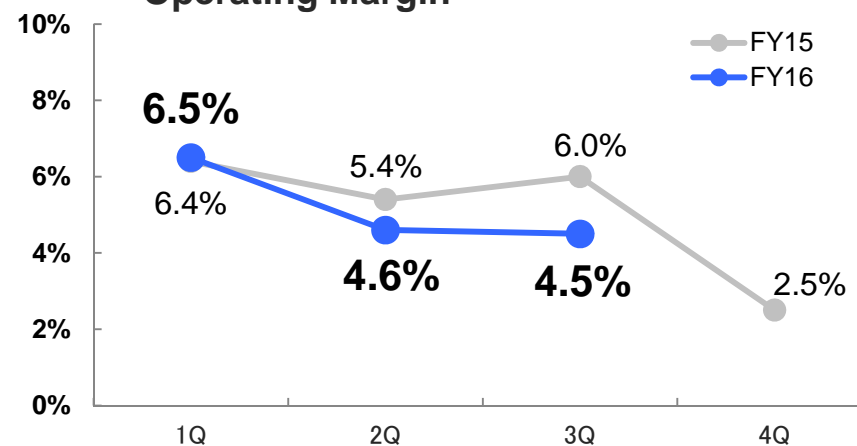
Operating profit decreased by 22.3% due primarily to increased SG&A expenses, including quality related costs, and negative foreign currency effects despite an increase in sales volume and model mix and continuing cost reduction efforts.

For *1, please refer to footnotes on page 35

Operating Profit



Operating Margin



FY16 Nine Months Financial Results (Consolidated)

Yen (billion)

Honda Group Unit Sales (Consolidated Unit Sales)	Nine Month Results		
	FY15	FY16	Change
Motorcycles	13,285 (7,948)	12,882 (7,939)	- 3.0% (- 0.1%)
Automobiles	3,298 (2,632)	3,514 (2,656)	+ 6.5% (+ 0.9%)
Power Products	3,961 (3,961)	4,010 (4,010)	+ 1.2% (+ 1.2%)
Financial Results	Nine Month Results		
	FY15	FY16	Change
Sales revenue	9,836.5	10,943.2	+ 11.3%
Operating profit	584.5	567.2	- 3.0%
Operating margin	5.9%	5.2%	- 0.7 pt
Share of profit of investments accounted for using the equity method	78.1	117.6	+ 50.5%
Profit before income taxes	698.5	694.1	- 0.6%
Profit for the period attributable to owners of the parent	427.5	437.9	+ 2.4%
Earnings per share *1 attributable to owners of the parent (Yen)	237.21	243.01	+ 5.80

For *1, please refer to footnotes on page 35

Market average rates (Yen)

US Dollar	107	122	Yen down by 15 yen
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FY16 Financial Forecasts (Consolidated)

Yen (billion)

	FY15 Results	FY16 Forecast	Change		Change from previous forecast
			amount	%	
Sales revenue	13,328.0	14,550.0	+ 1,221.9	+ 9.2%	- 50.0
Operating profit	670.6	685.0	+ 14.3	+ 2.1%	-
Operating margin	5.0%	4.7%	- 0.3 pt		+ 0.0 pt
Share of profit of investments accounted for using the equity method	96.0	135.0	+ 38.9	+ 40.5%	-
Profit before income taxes	806.2	805.0	- 1.2	- 0.2%	-
Profit for the year attributable to owners of the parent	509.4	525.0	+ 15.5	+ 3.1%	-
Earnings per share (Yen) attributable to owners of the parent *1	282.66	291.30	+ 8.64		-

For *1, please refer to the footnote on page 35

Market average rates (Yen)

US Dollar	110	120 (4Q 115)	Yen down by 10 yen	Yen down by 2 yen
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Dividend

Yen

Dividend per Share	FY15	FY16 (Expectation)	Increase / Decrease from FY15
1 st Quarter End	22	22	-
2 nd Quarter End	22	22	-
3 rd Quarter End	22	22	-
4 th Quarter End	22	(22)	(-)
Fiscal Year	88	(88)	(-)

- *FY16 3rd Quarter and
Nine Month Financial Results*
 - *Honda Group Unit Sales Summary*
 - *Change in Sales Revenue*
 - *Change in Profit before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Share of profit of investments
accounted for using the equity method*
 - *Capital Expenditures*
- *FY16 Financial Forecast*

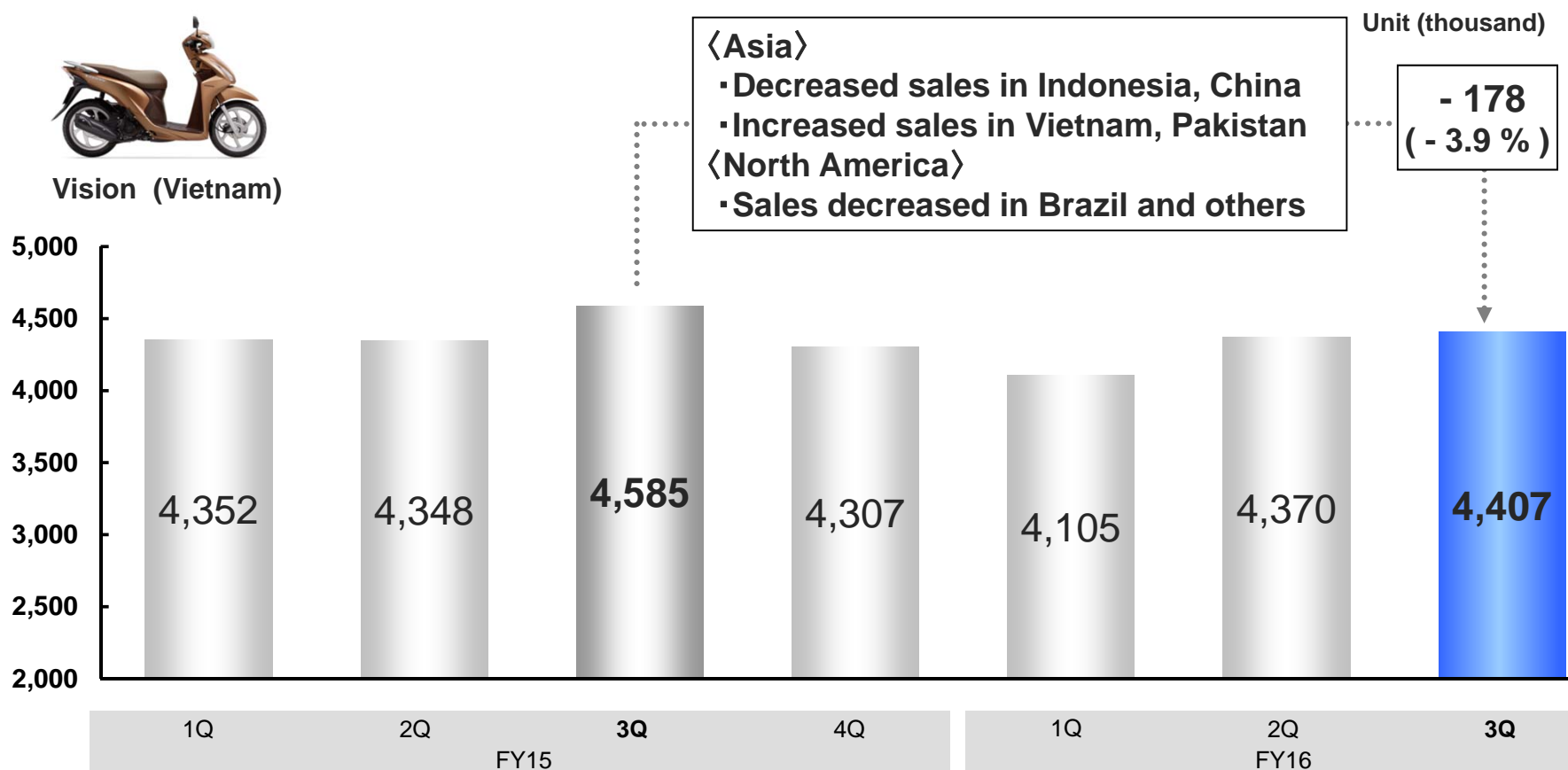
Kohei Takeuchi

***Managing Officer and Director
Chief Financial Officer***

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



Vision (Vietnam)

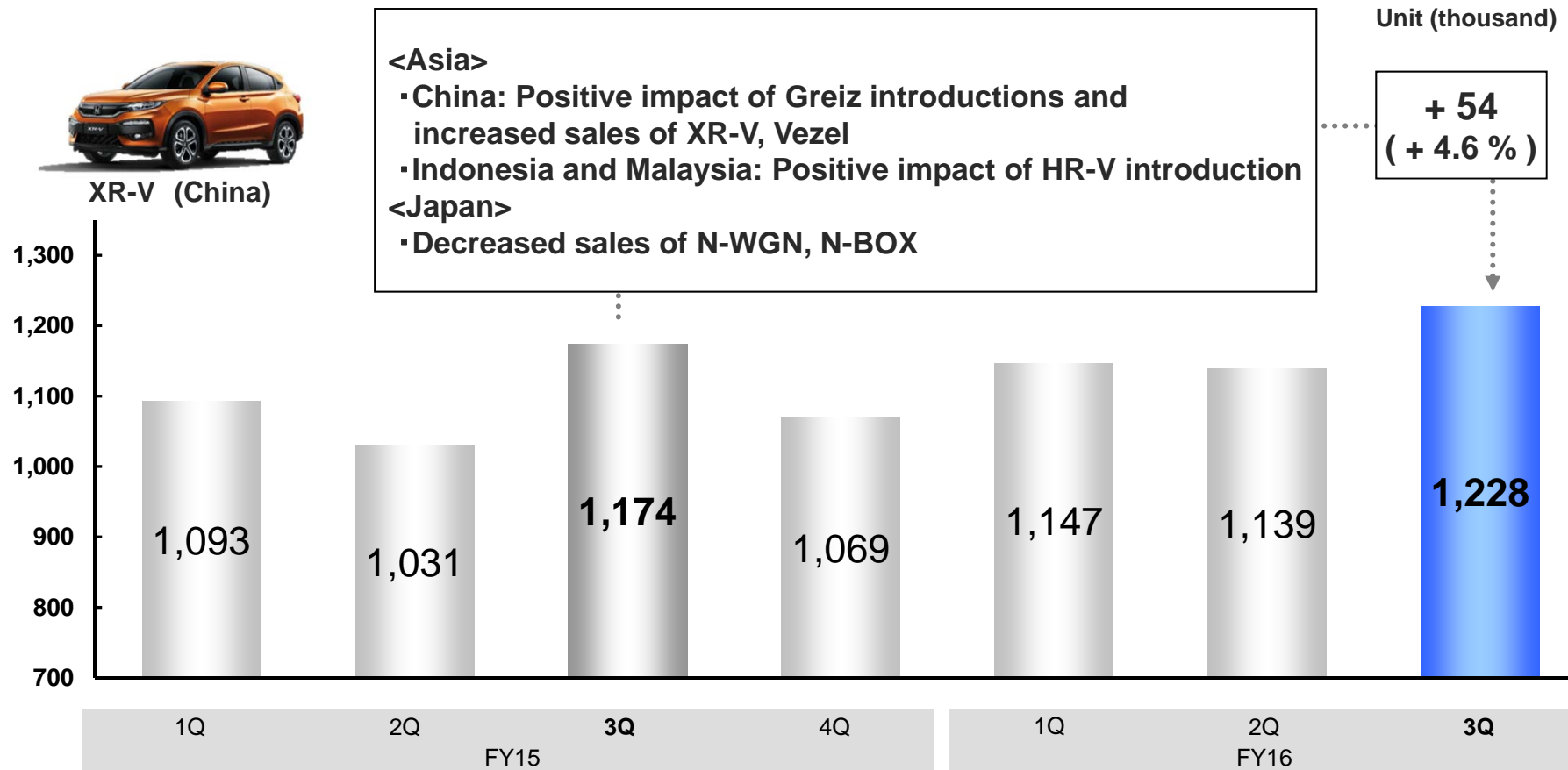


	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	FY15				FY16		
Japan	48	50	49	52	47	50	41
North America	61	68	72	85	75	75	69
Europe	60	46	33	52	66	48	33
Asia	3,762	3,815	4,036	3,732	3,571	3,851	3,968
Other Regions	421	369	395	386	346	346	296
Total	4,352	4,348	4,585	4,307	4,105	4,370	4,407

Automobiles - Honda Group Unit Sales



XR-V (China)



<Asia>

- China: Positive impact of Greiz introductions and increased sales of XR-V, Vezel
- Indonesia and Malaysia: Positive impact of HR-V introduction

<Japan>

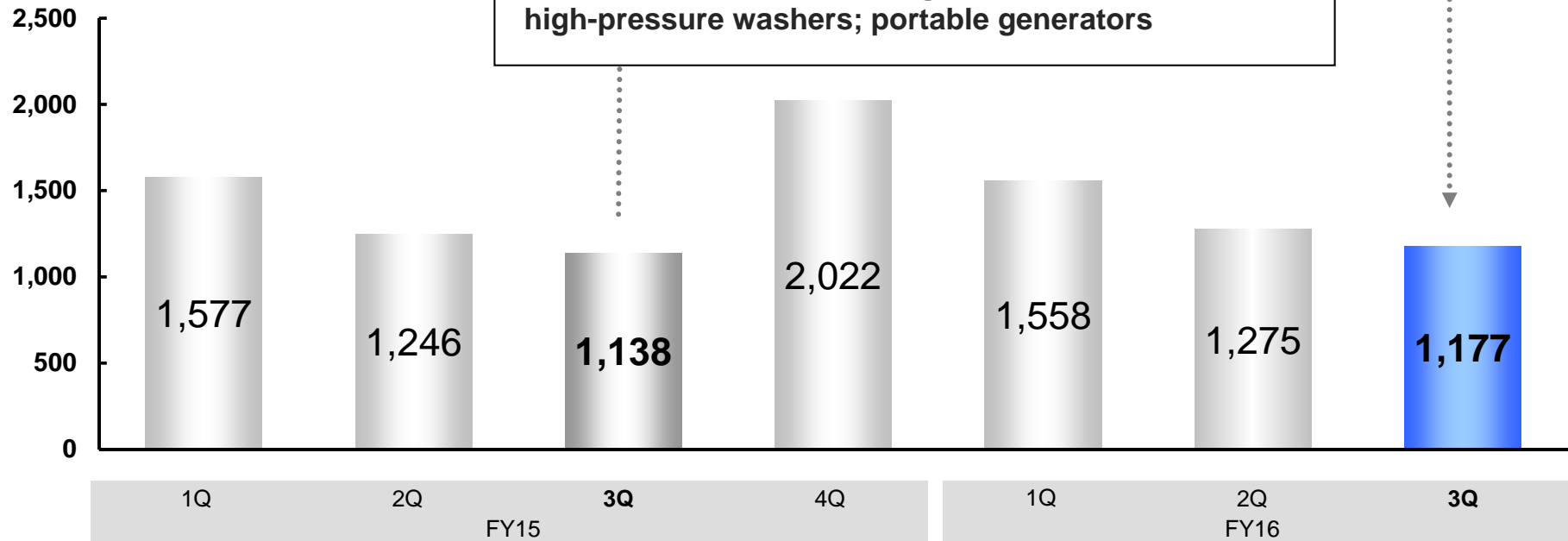
- Decreased sales of N-WGN, N-BOX

	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	202	176	162	221	147	168	151
North America	449	434	474	393	497	473	466
Europe	38	44	36	43	32	42	43
Asia	341	310	431	344	405	395	503
Other Regions	63	67	71	68	66	61	65
Total	1,093	1,031	1,174	1,069	1,147	1,139	1,228

Power Products - Honda Group Unit Sales



WB30XT3 DR (Water pump)

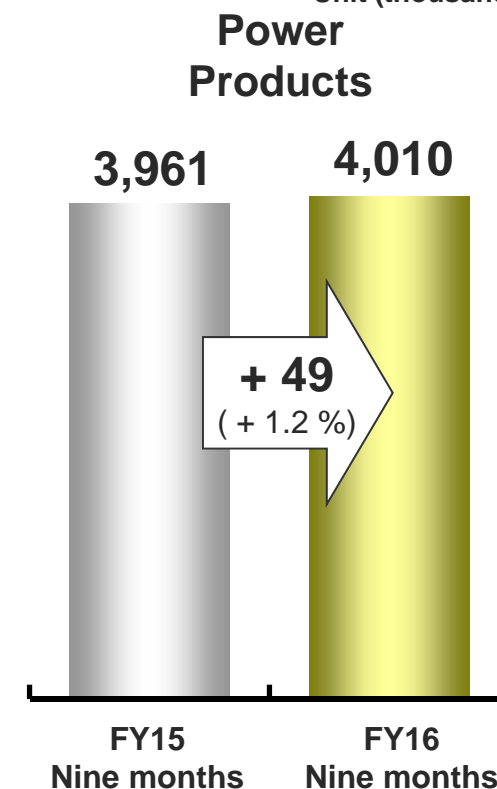
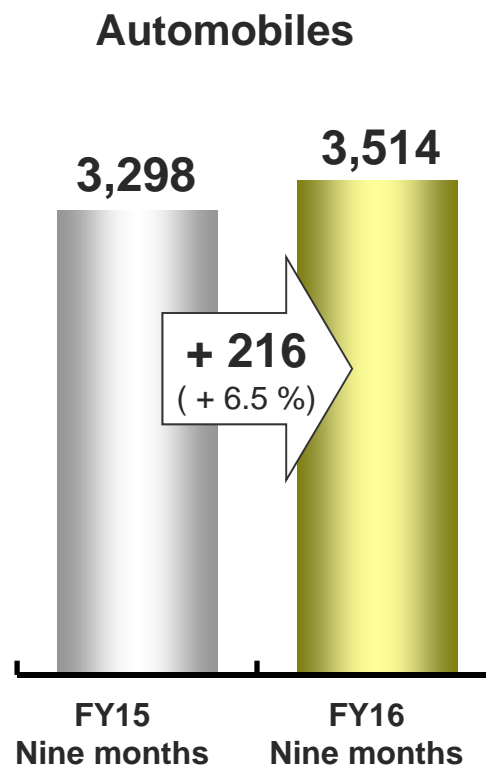
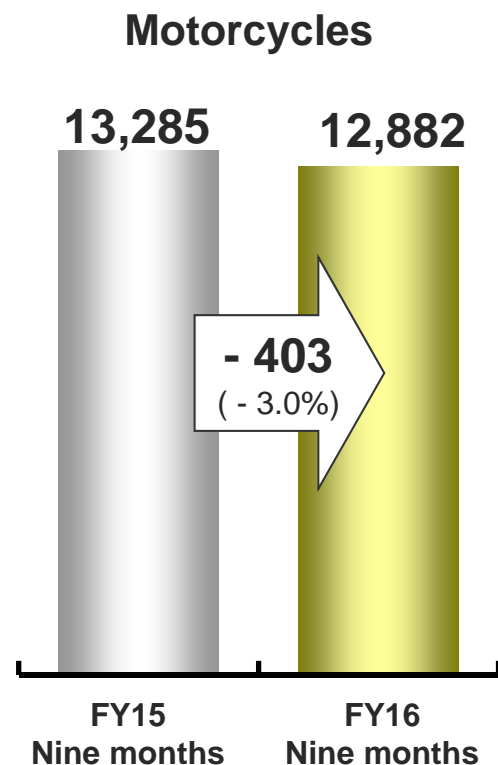


<Asia>
 • Increased in sales of water pumps in Thailand and Indonesia
 <North America>
 • Increase in sales of OEM engines for construction and high-pressure washers; portable generators

Japan	68	85	83	102	85	115	62
North America	775	496	425	1,009	804	532	469
Europe	245	185	199	462	231	174	190
Asia	396	378	289	319	340	346	344
Other Regions	93	102	142	130	98	108	112
Total	1,577	1,246	1,138	2,022	1,558	1,275	1,177

Honda Group Unit Sales <FY16 Nine Months>

Unit (thousand)



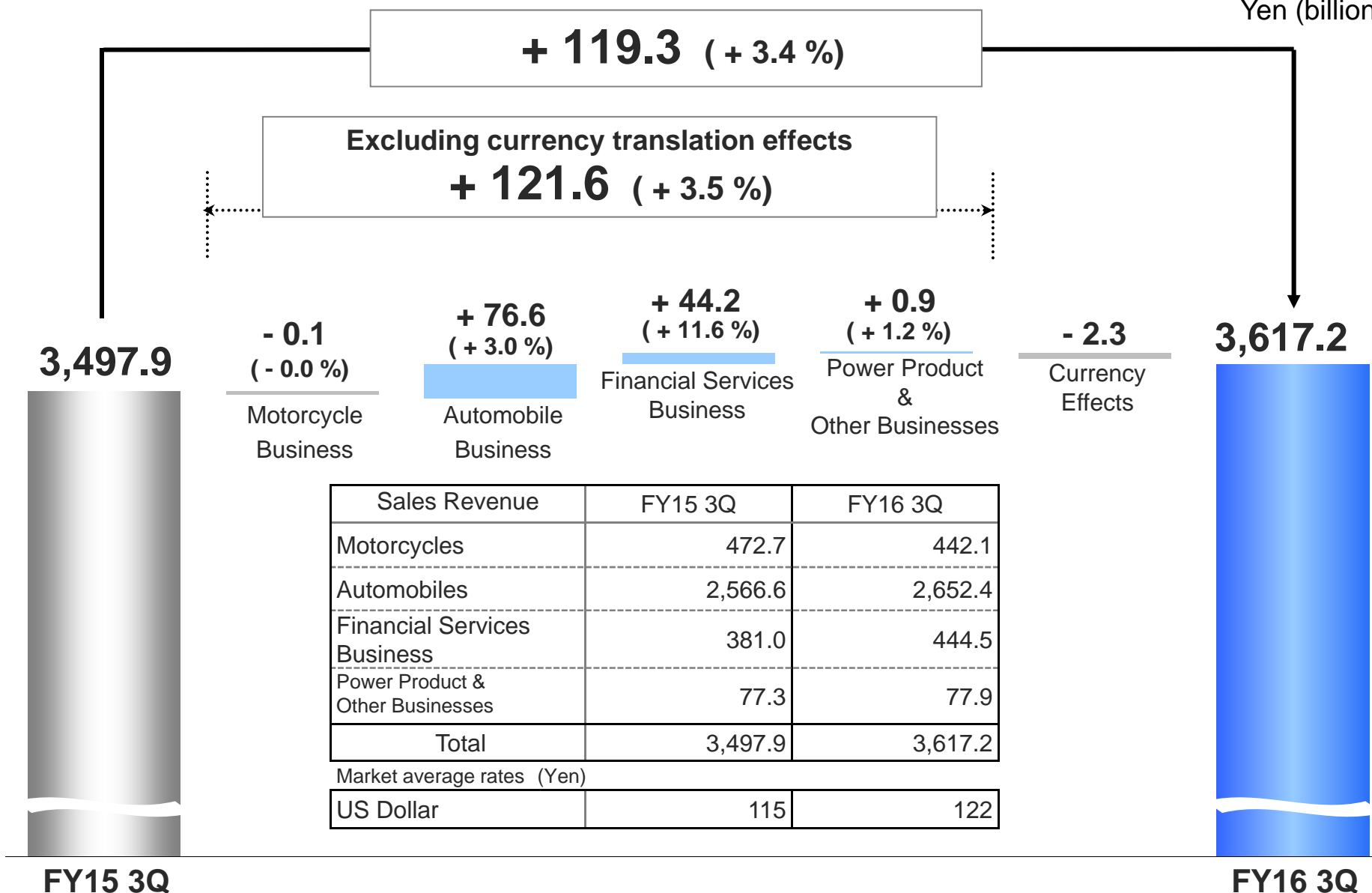
	FY15 Nine Months	FY16 Nine Months	Change
Japan	147	138	- 9
North America	201	219	+ 18
Europe	139	147	+ 8
Asia	11,613	11,390	- 223
Other Regions	1,185	988	- 197
Total	13,285	12,882	- 403

	FY15 Nine Months	FY16 Nine Months	Change
Japan	540	466	- 74
North America	1,357	1,436	+ 79
Europe	118	117	- 1
Asia	1,082	1,303	+ 221
Other Regions	201	192	- 9
Total	3,298	3,514	+ 216

	FY15 Nine Months	FY16 Nine Months	Change
Japan	236	262	+ 26
North America	1,696	1,805	+ 109
Europe	629	595	- 34
Asia	1,063	1,030	- 33
Other Regions	337	318	- 19
Total	3,961	4,010	+ 49

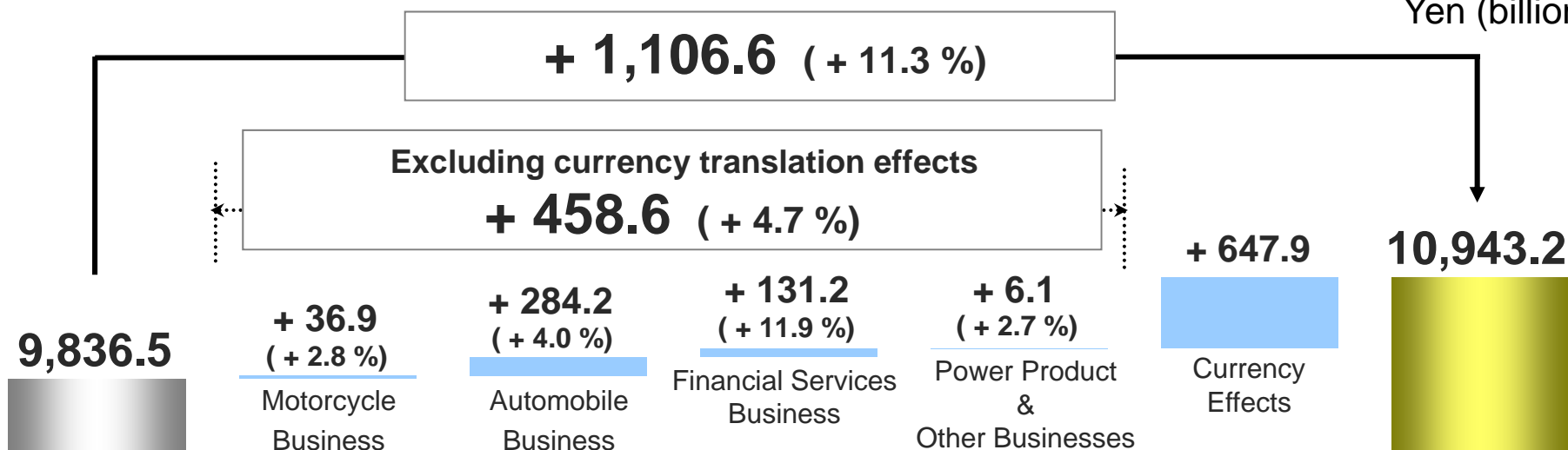
Change in Sales Revenue <FY16 3rd Qtr>

Yen (billion)



Change in Sales Revenue <FY16 Nine months>

Yen (billion)



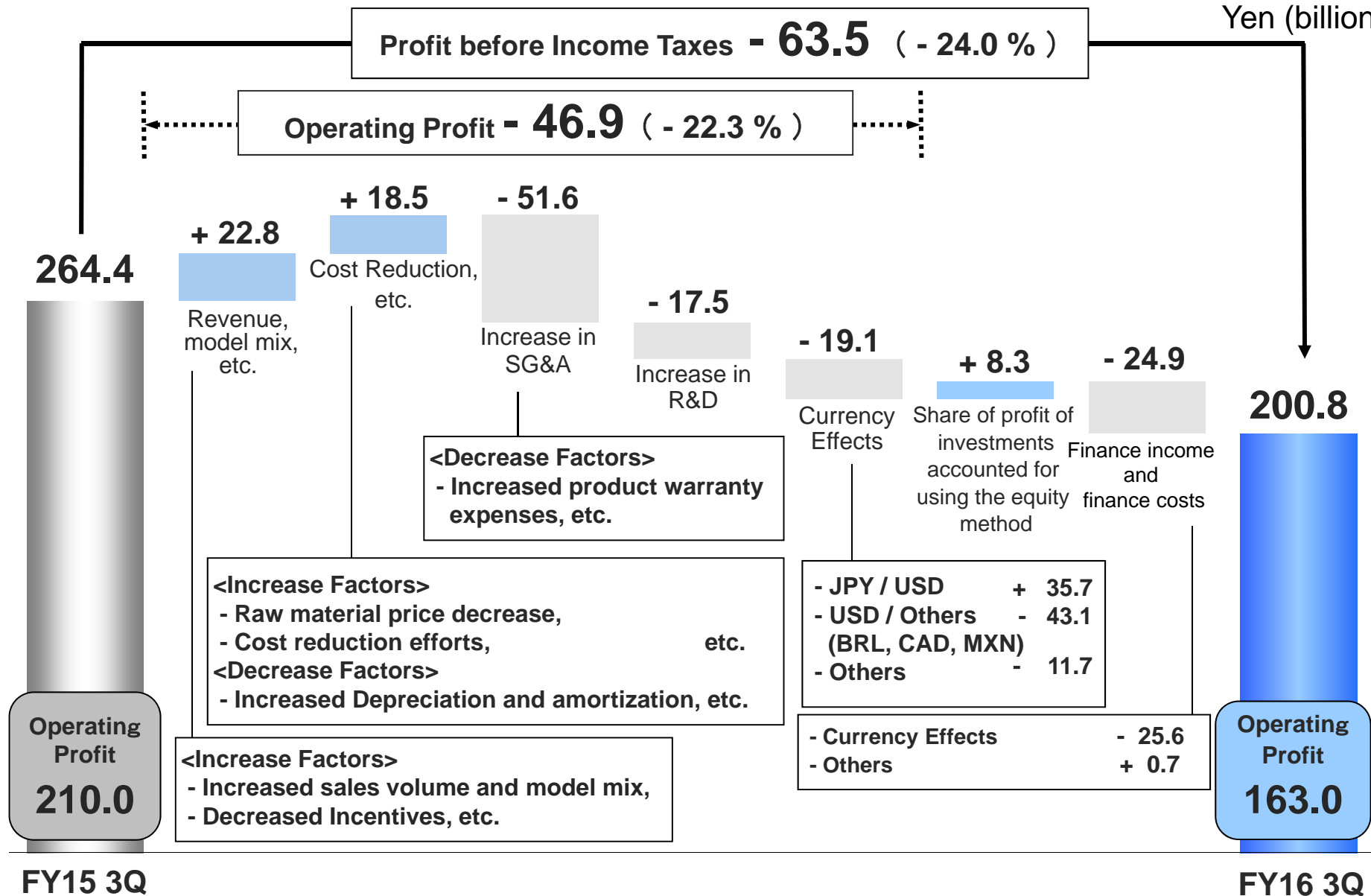
Sales Revenue	FY15 Nine Months	FY16 Nine Months
Motorcycles	1,332.0	1,368.1
Automobiles	7,171.3	7,950.0
Financial Services Business	1,104.5	1,380.2
Power Product & Other Businesses	228.6	244.7
Total	9,836.5	10,943.2
Market average rates (Yen)		
US Dollar	107	122

FY15
Nine Months

FY16
Nine Months 16

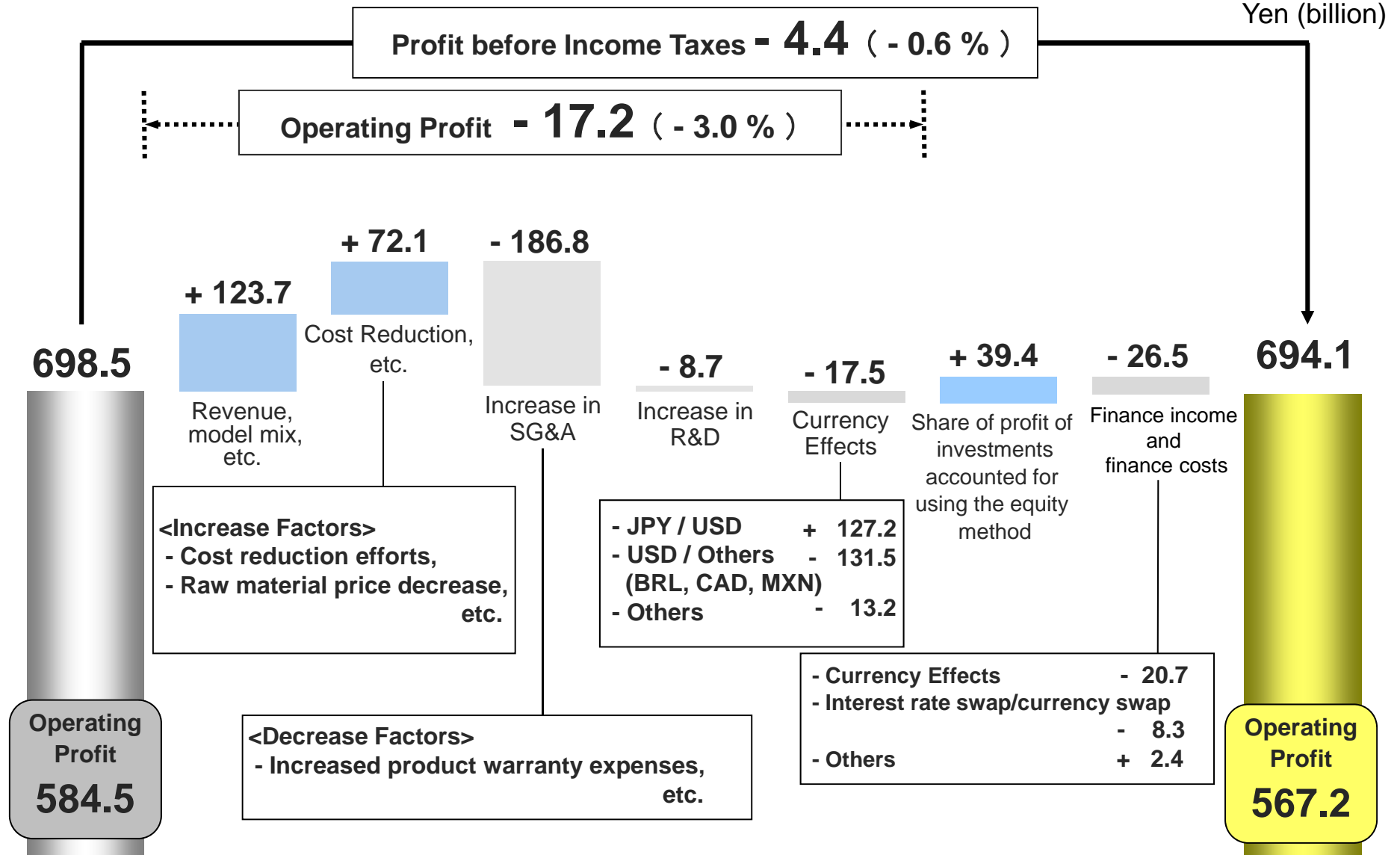
Change in Profit before Income Taxes <FY16 3rd Qtr>

Yen (billion)



Change in Profit before Income Taxes <FY16 Nine months>

Yen (billion)

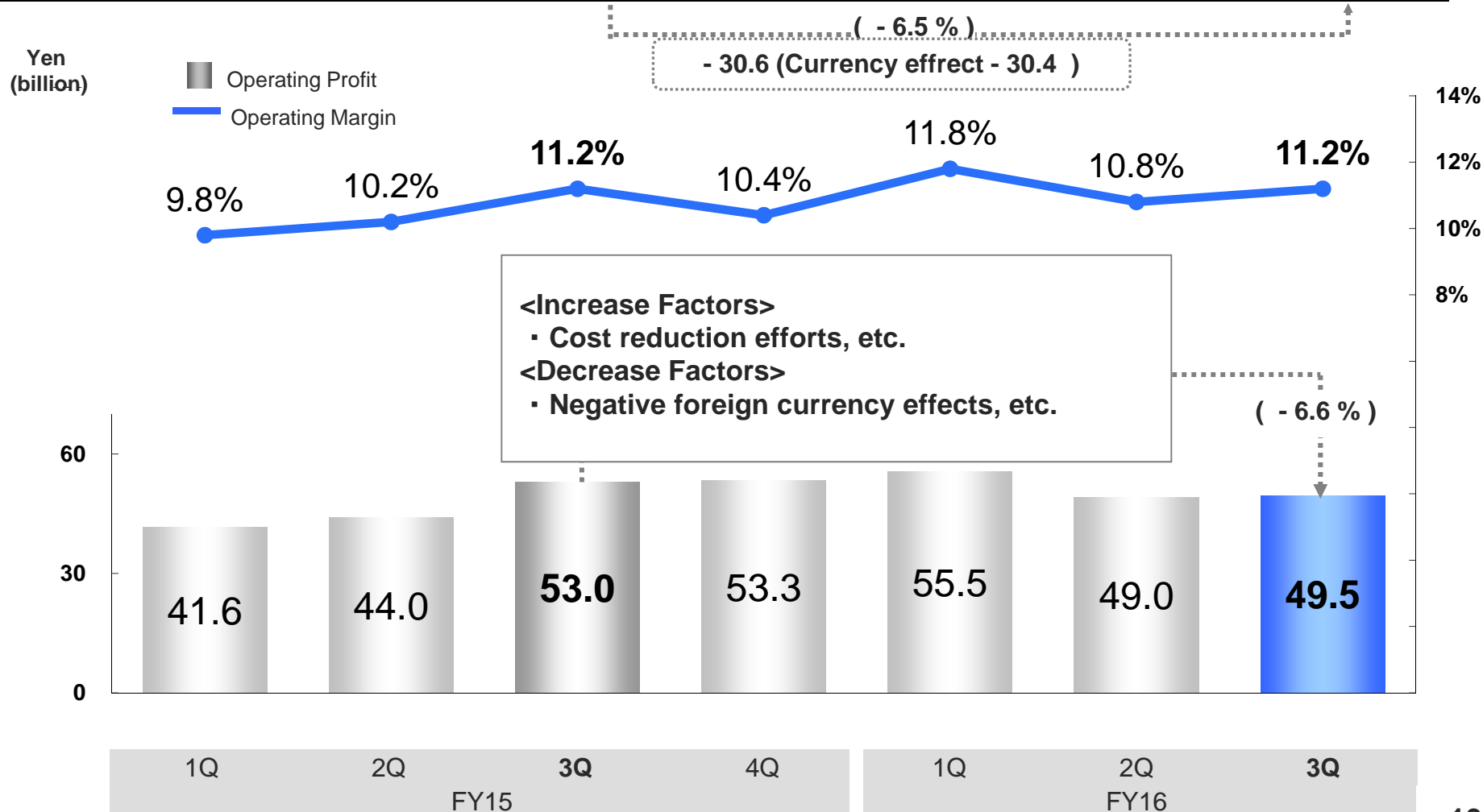


FY15 3Q
Nine months

FY16 3Q
Nine months ¹⁸

Motorcycle Business Sales Revenue /Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY15				FY16		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Honda Group Unit Sales (Consolidated Unit Sales)	4,352 (2,503)	4,348 (2,694)	4,585 (2,751)	4,307 (2,777)	4,105 (2,545)	4,370 (2,740)	4,407 (2,654)
Sales Revenue	426.4	432.7	472.7	514.6	472.7	453.2	442.1

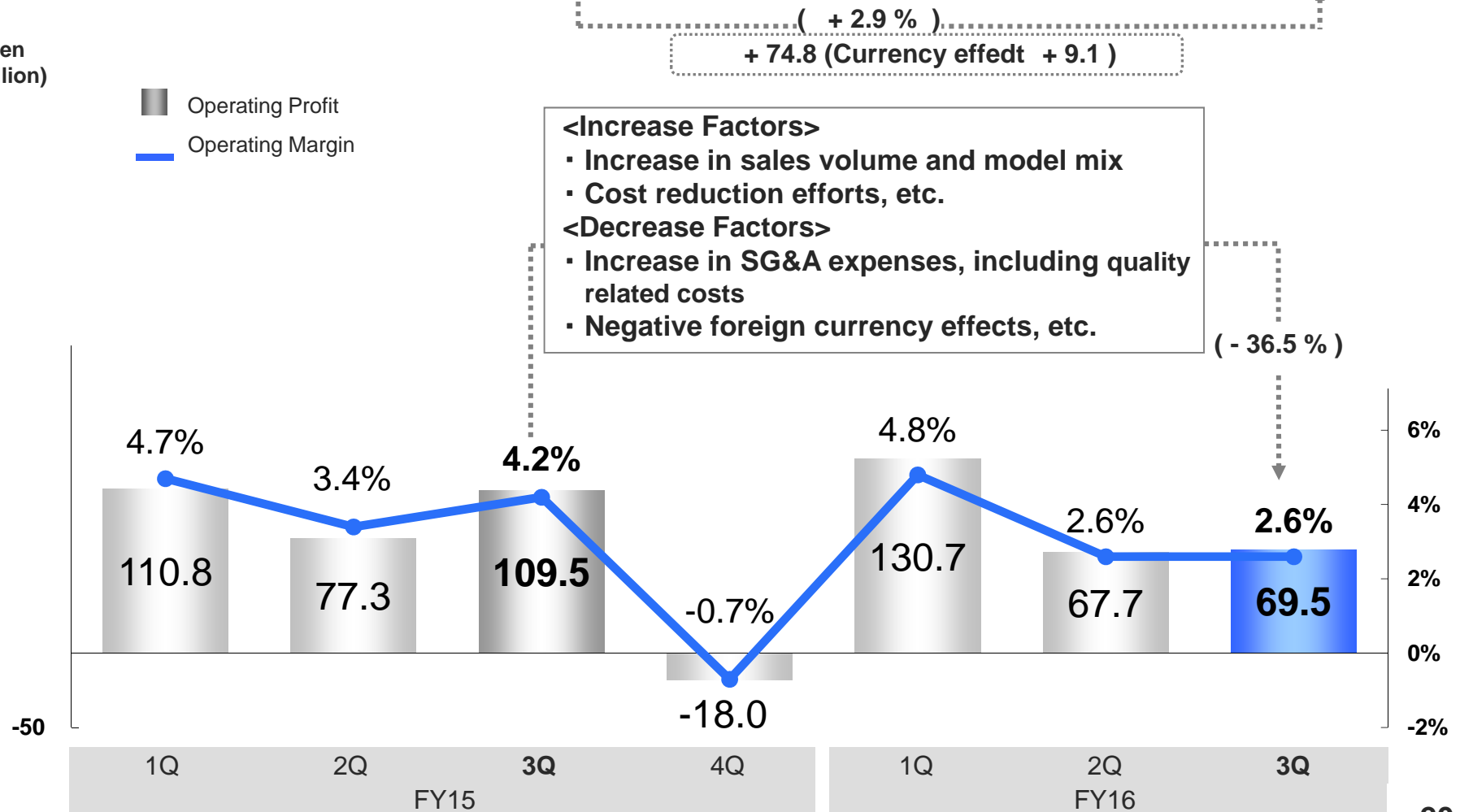


Automobile Business Sales Revenue/Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY15				FY16		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,093 (896)	1,031 (864)	1,174 (872)	1,069 (881)	1,147 (888)	1,139 (889)	1,228 (879)
Sales Revenue	2,357.2	2,305.9	2,609.7	2,484.9	2,706.0	2,655.5	2,684.5

Yen
(billion)

■ Operating Profit
— Operating Margin

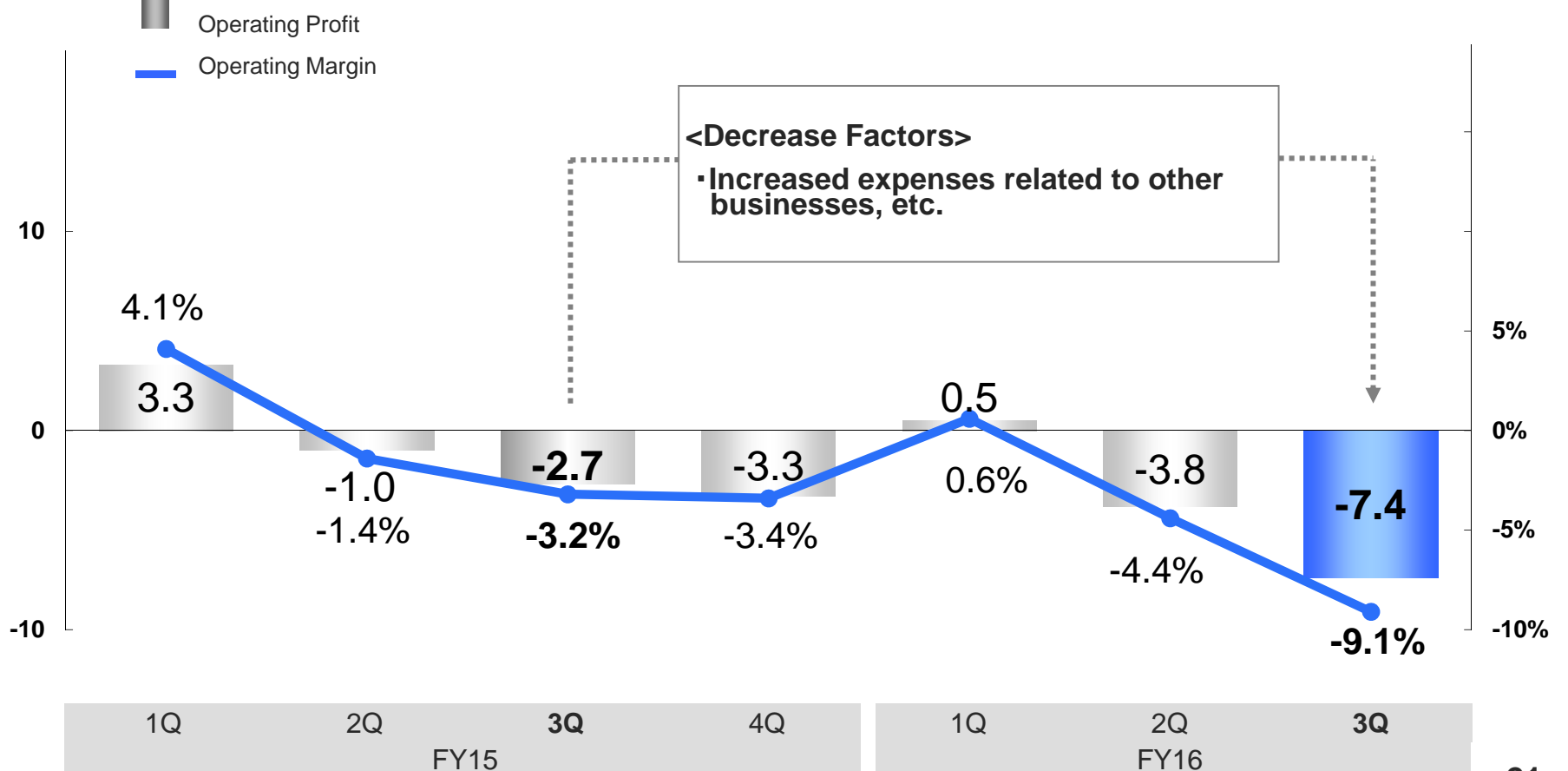


Power Product & Other Businesses

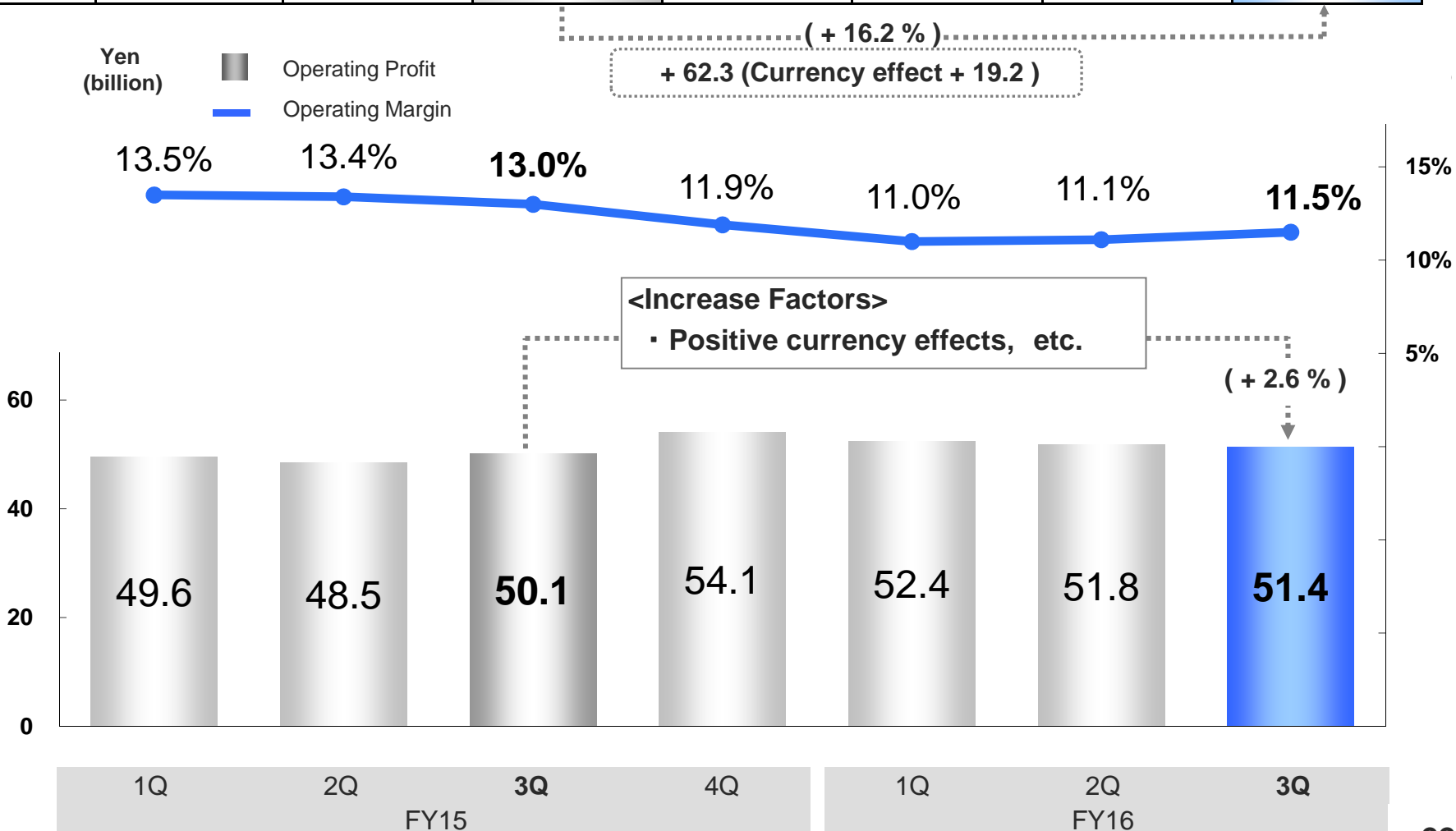
Sales Revenue/Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY15				FY16		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,577 (1,577)	1,246 (1,246)	1,138 (1,138)	2,022 (2,022)	1,558 (1,558)	1,275 (1,275)	1,177 (1,177)
Sales Revenue	83.2	78.8	85.5	99.1	88.1	88.2	82.0

Yen
(billion)

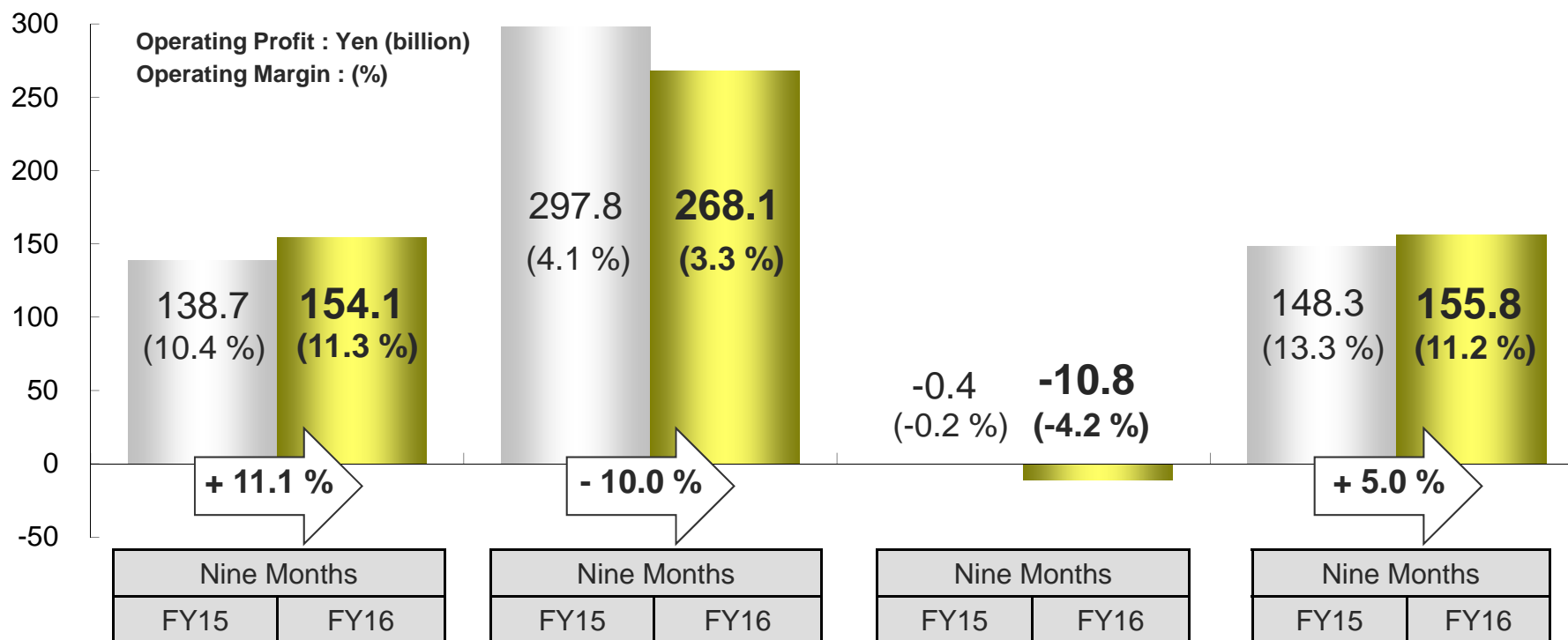


Unit (thousand) Yen (billion)	FY15				FY16		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total Assets of Finance Subsidiaries	8,014.8	8,643.6	9,464.2	9,318.5	9,560.2	9,377.7	9,431.9
Sales Revenue	366.9	362.0	385.4	453.4	476.8	465.1	447.8



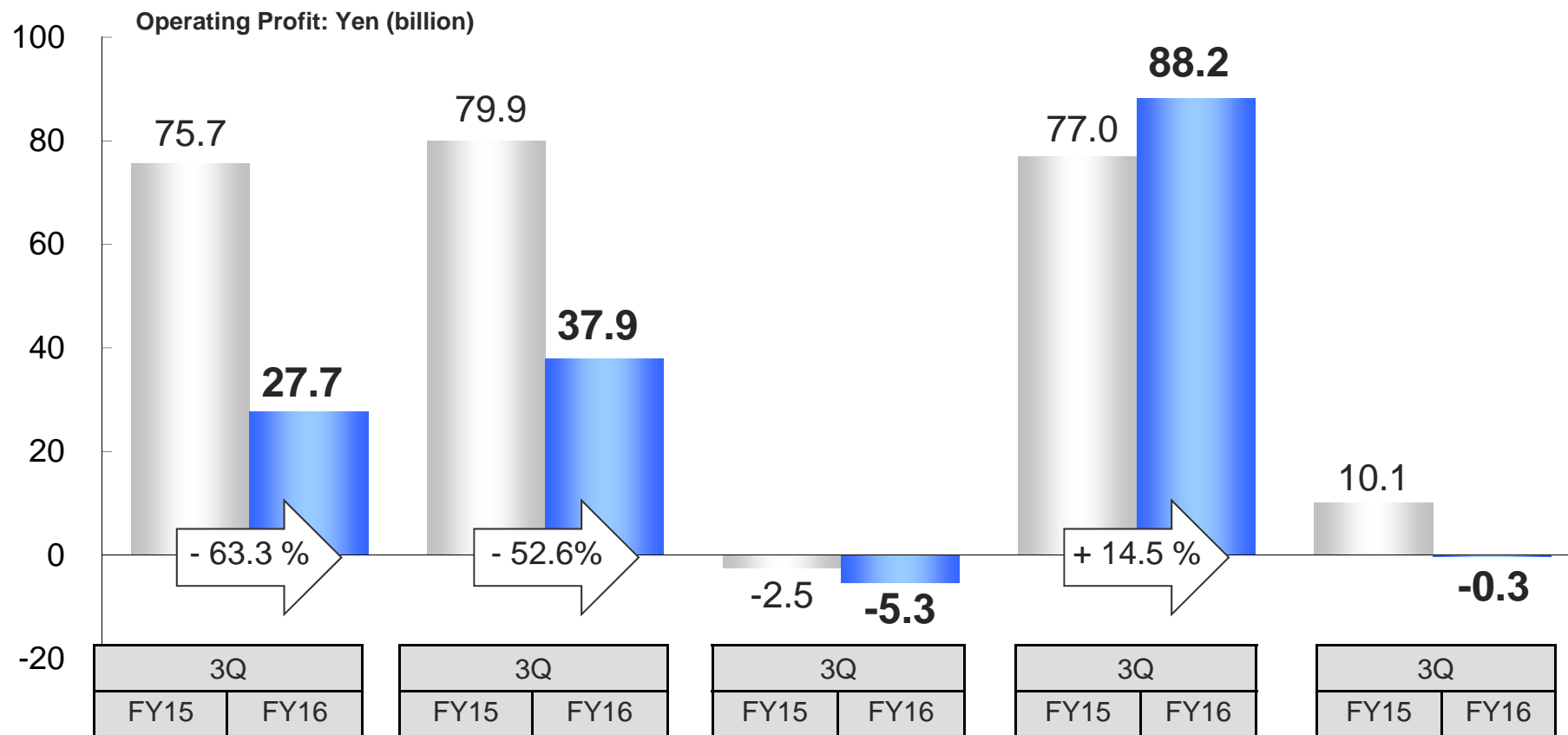
Sales Revenue/Operating Profit (Margin) by Business Segment <FY16 Nine Months >

Unit (thousand) Yen (billion)	Motorcycle Business		Automobile Business		Power Product and Other Businesses		Financial Services Business	
	Nine Months		Nine Months		Nine Months		Nine Months	
	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Honda Group Unit Sales (Consolidated Unit Sales)	13,285 (7,948)	12,882 (7,939)	3,298 (2,632)	3,514 (2,656)	3,961 (3,961)	4,010 (4,010)	— (—)	— (—)
Sales Revenue	1,332.0	1,368.1	7,272.9	8,046.1	247.7	258.5	1,114.4	1,389.8



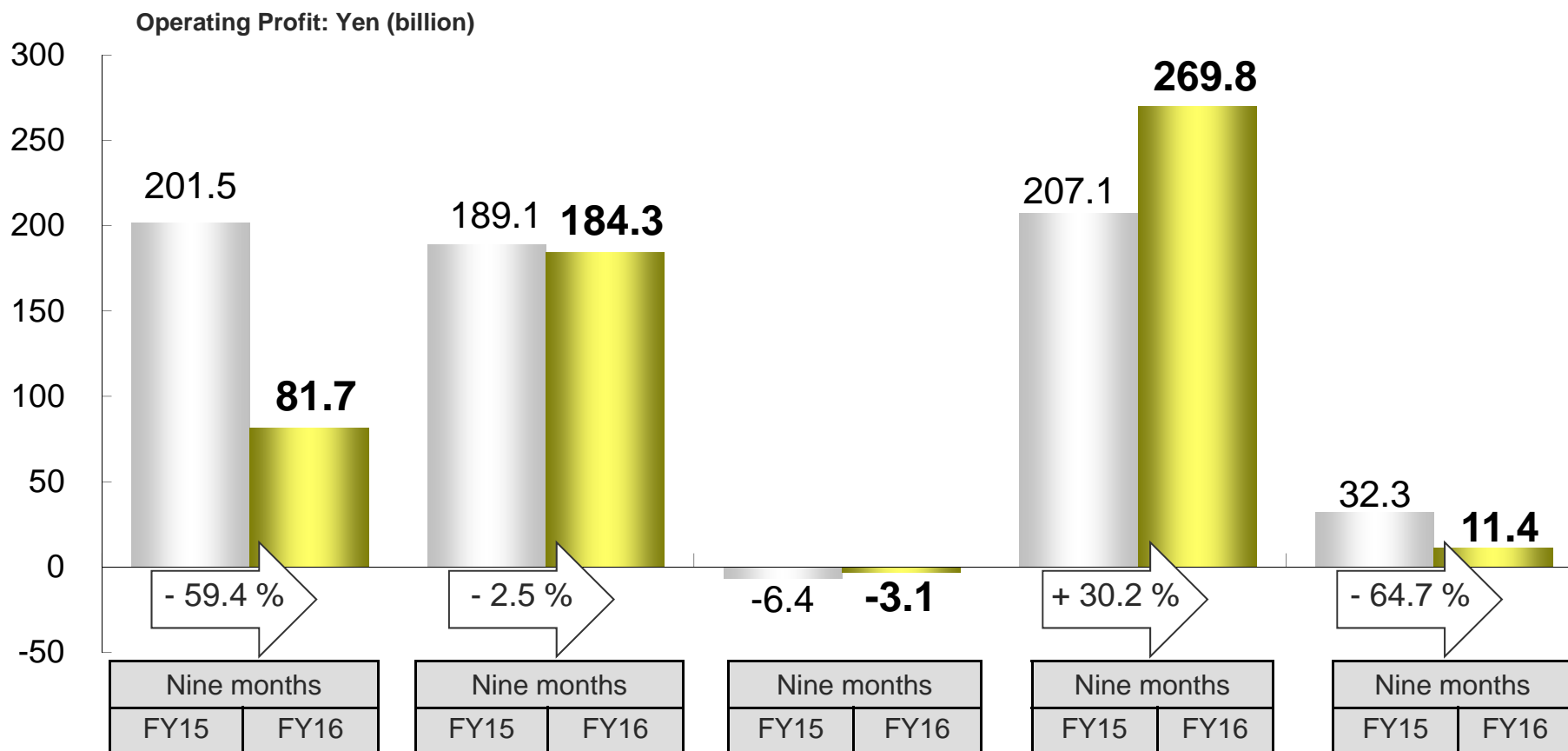
**Sales Revenue/Operating Profit
by Geographical Segment <FY16 3rd Qtr>**

Yen (billion)	Japan		North America		Europe		Asia		Other Regions	
	3Q		3Q		3Q		3Q		3Q	
	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Sales Revenue	964.1	1,032.8	1,967.7	2,146.7	170.3	186.4	873.4	913.8	242.8	193.9



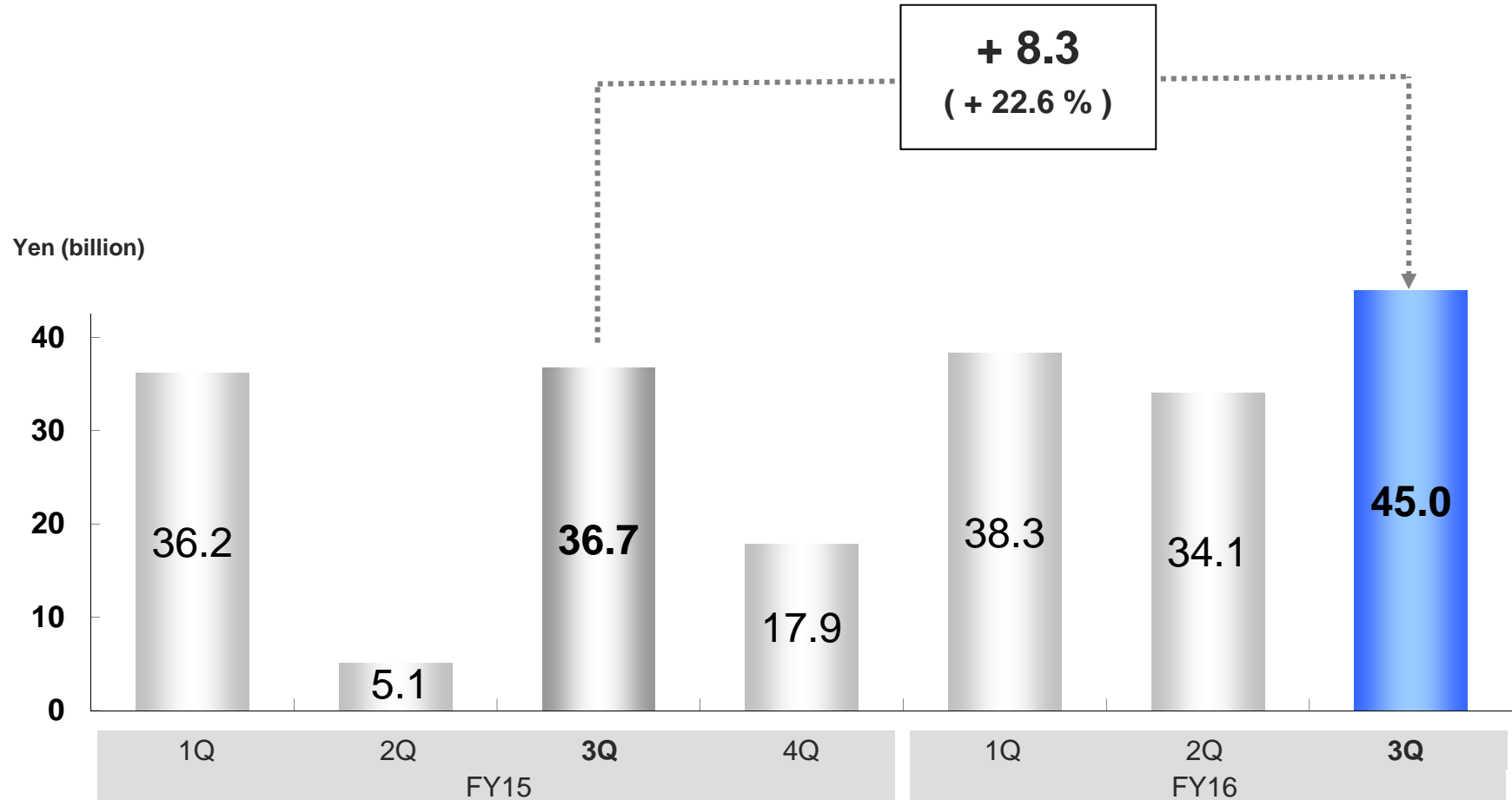
**Sales Revenue/Operating Profit
by Geographical Segment <FY16 Nine months>**

Yen (billion)	Japan		North America		Europe		Asia		Other Regions	
	Nine months		Nine months		Nine months		Nine months		Nine months	
	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Sales Revenue	2,916.1	2,931.3	5,356.6	6,434.4	543.2	546.2	2,412.0	2,694.2	720.5	645.1



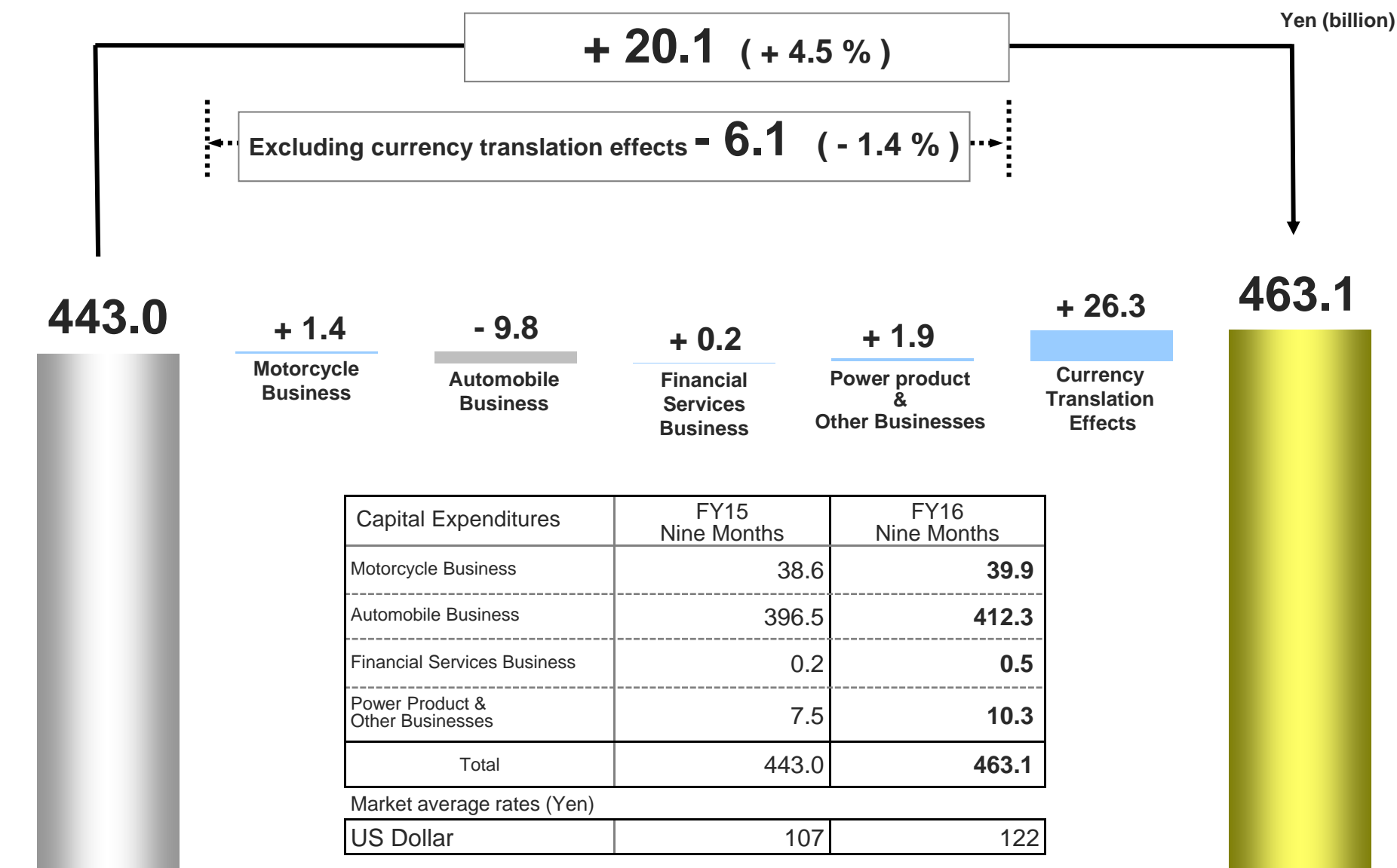
Share of Profit of Investments

Accounted for Using the Equity Method



	Yen (billion)						
From Asia	30.6	15.8	30.4	16.0	32.5	28.9	39.4

Consolidated Capital Expenditures <FY16 Nine months>



**FY15
Nine Months**

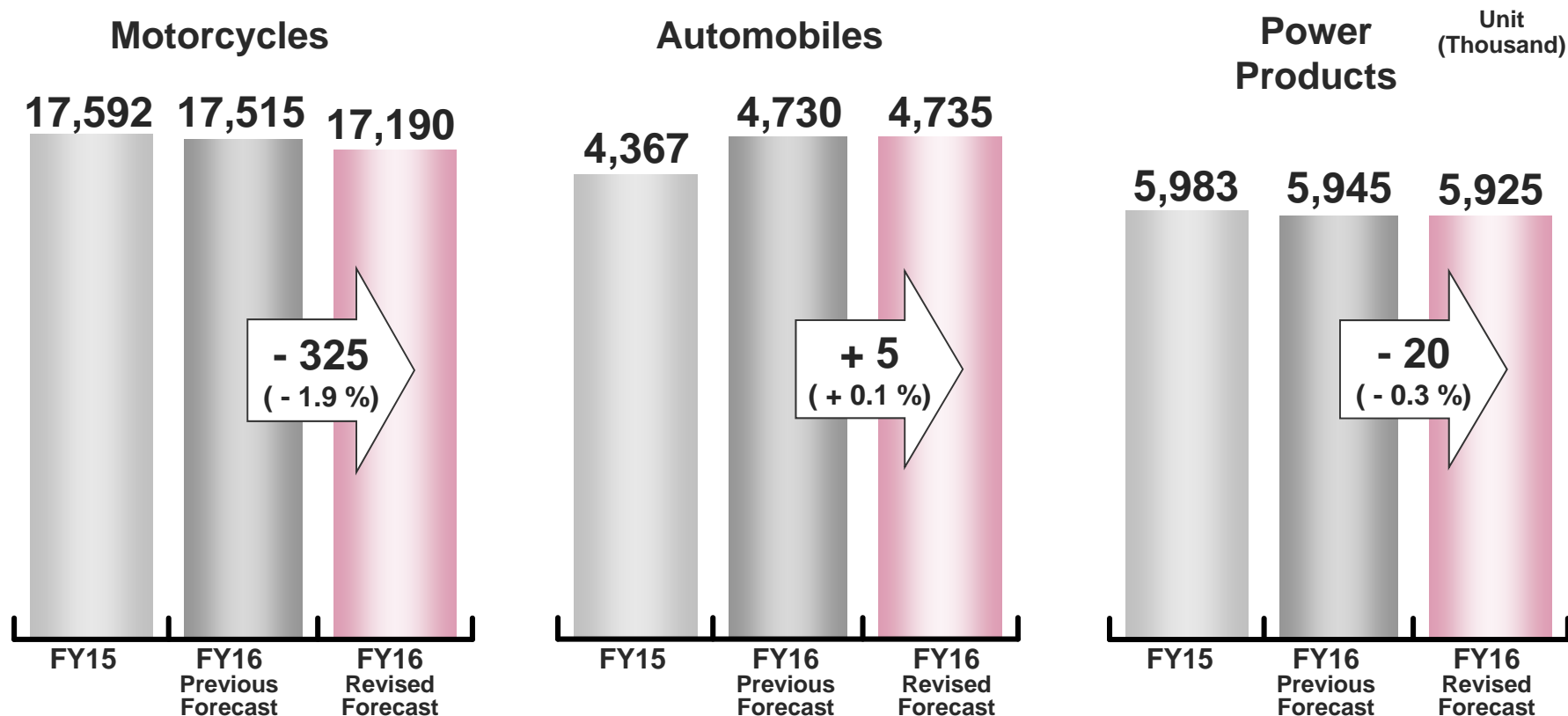
•Capital expenditures in results aforementioned exclude investment in operating leases, capital leases and intangible assets

**FY16
Nine Months** 27

- *FY16 3rd Quarter and
Nine Months Financial Results*
 - *Honda Group Unit Sales Summary*
 - *Change in Sales Revenue*
 - *Change in Profit before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Share of profit of investments
accounted for using the equity method*
 - *Capital Expenditures*

- *FY16 Financial Forecast*

Forecast: Honda Group Unit Sales

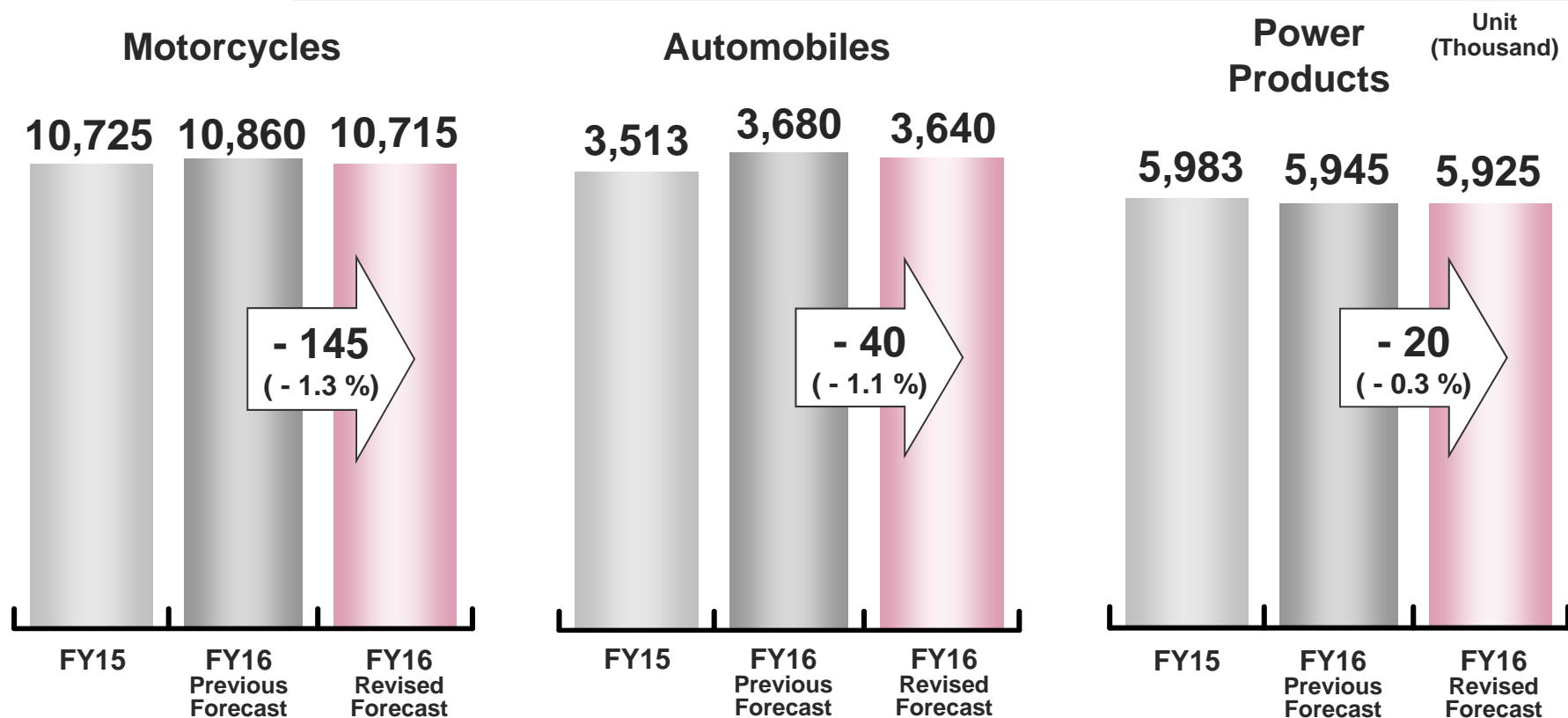


	FY16 Previous Forecast	FY16 Revised Forecast	Change
Japan	200	190	- 10
North America	335	330	- 5
Europe	200	200	-
Asia	15,445	15,235	- 210
Other Region	1,335	1,235	- 100
Total	17,515	17,190	- 325

	FY16 Previous Forecast	FY16 Revised Forecast	Change
Japan	690	675	- 15
North America	1,910	1,910	-
Europe	175	175	-
Asia	1,705	1,730	+ 25
Other Region	250	245	- 5
Total	4,730	4,735	+ 5

	FY16 Previous Forecast	FY16 Revised Forecast	Change
Japan	355	360	+ 5
North America	2,800	2,790	- 10
Europe	1,000	1,000	-
Asia	1,325	1,335	+ 10
Other Region	465	440	- 25
Total	5,945	5,925	- 20

Forecast: Consolidated Unit Sales



	FY16 Previous Forecast	FY16 Revised Forecast	Change
Japan	200	190	- 10
North America	335	330	- 5
Europe	200	200	-
Asia	8,790	8,760	- 30
Other Region	1,335	1,235	- 100
Total	10,860	10,715	- 145

	FY16 Previous Forecast	FY16 Revised Forecast	Change
Japan	640	625	- 15
North America	1,910	1,910	-
Europe	175	175	-
Asia	705	685	- 20
Other Region	250	245	- 5
Total	3,680	3,640	- 40

	FY16 Previous Forecast	FY16 Revised Forecast	Change
Japan	355	360	+ 5
North America	2,800	2,790	- 10
Europe	1,000	1,000	-
Asia	1,325	1,335	+ 10
Other Region	465	440	- 25
Total	5,945	5,925	- 20

FY16 Financial Forecasts (Consolidated)

Yen (billion)

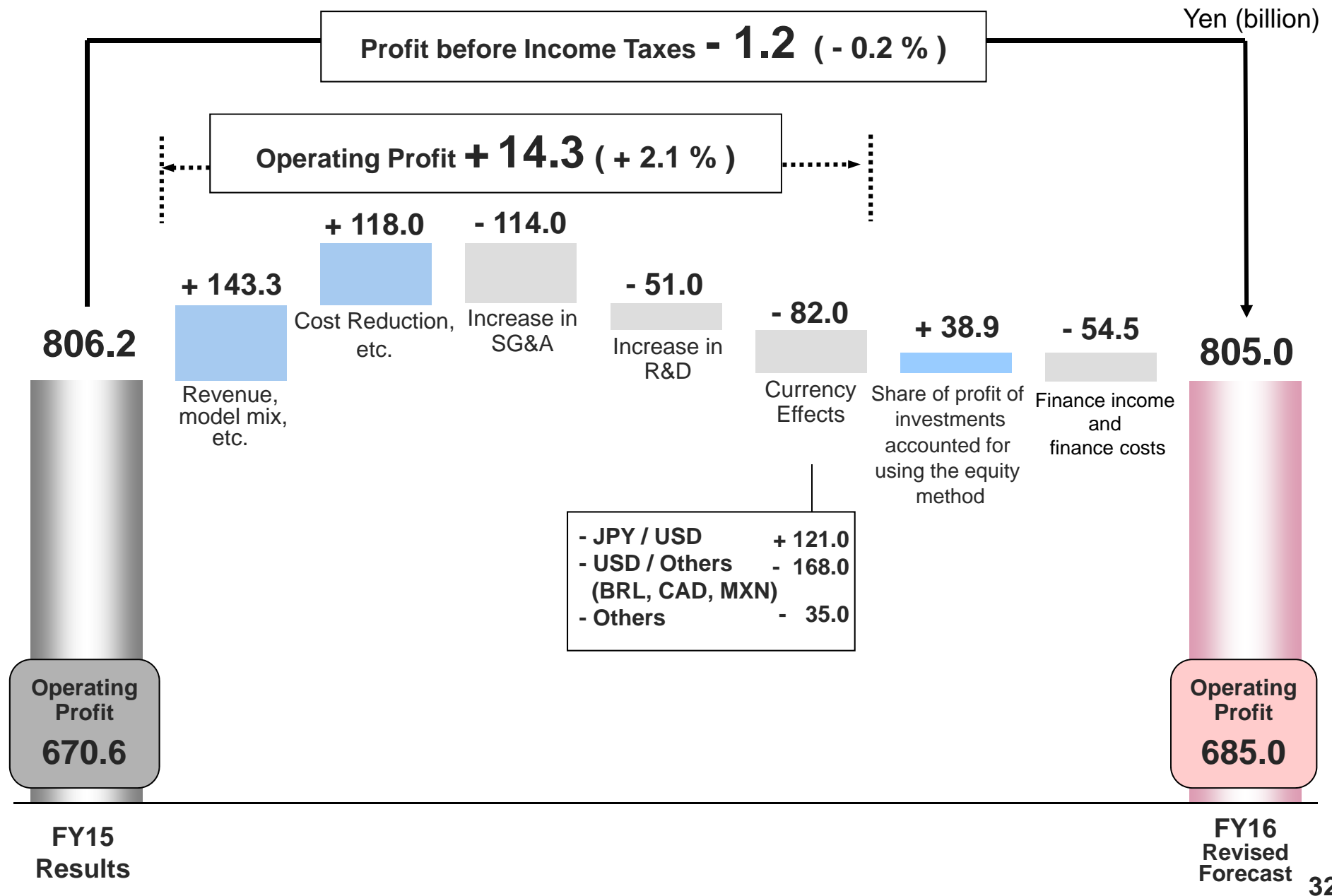
	FY15 Results	FY16 Forecast	Change		Change from previous forecast
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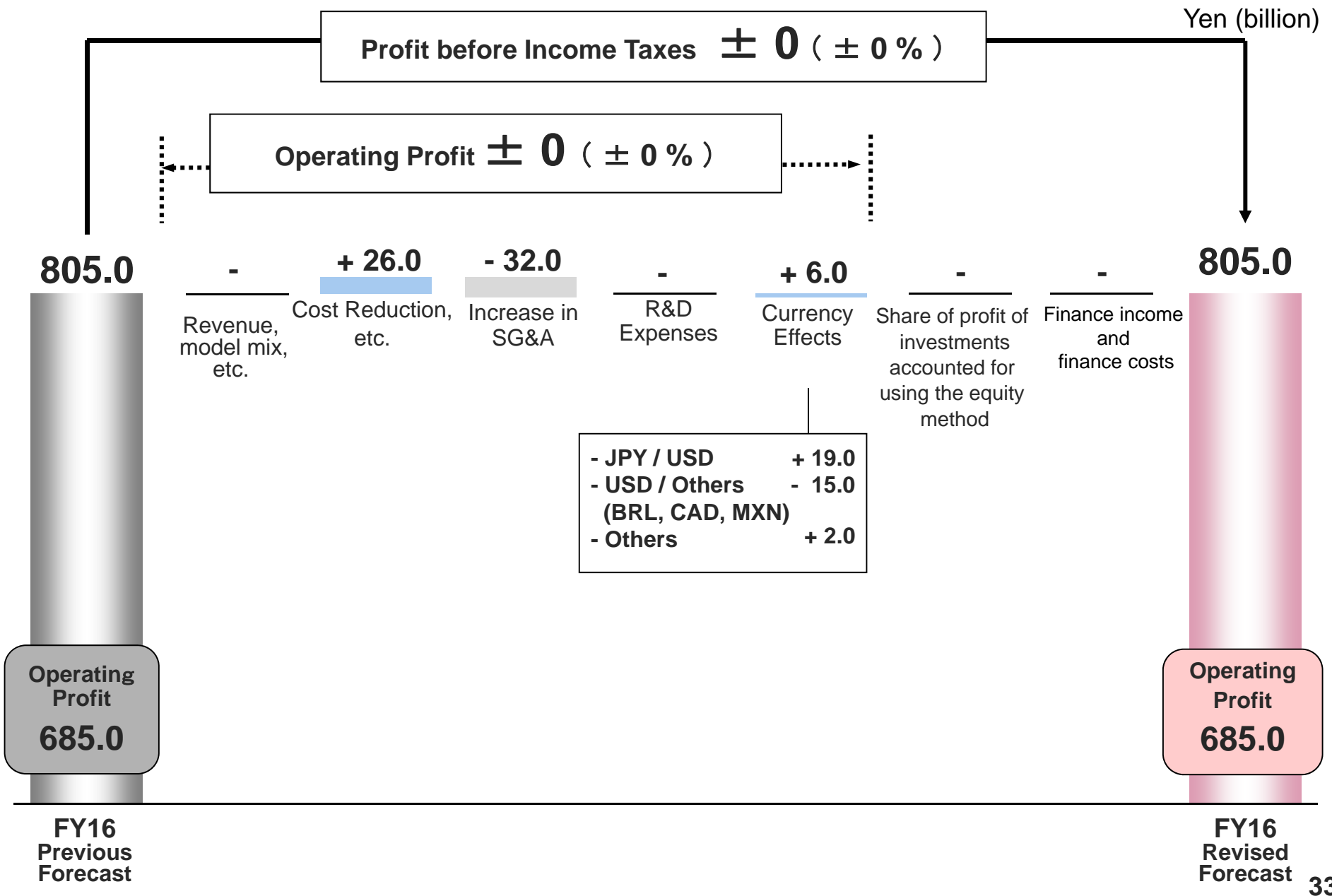
Market average rates (Yen)

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FY16 Forecast: Change in Profit before Income Taxes



FY16 Forecast: Change in Profit before Income Taxes



FY16 Forecast: Capital Expenditures, Depreciation and R&D

Yen (billion)

	FY15 Results	FY16 Forecast	Change	Change from previous forecast
Capital expenditures *	653.8	670.0	+ 16.1	-
Depreciation and amortization *	404.1	455.0	+ 50.8	-
Research and development expenditures **	670.3	735.0	+ 64.6	-

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

** Research and development expenditures are research and development activity related costs incurred during the reporting period. In accordance with IFRS, a portion of research and development expenditures is recognized as an intangible asset and amortized over its estimated useful life. As such, this amount is not in conformity with "Research and development" on our Consolidated Statement of Income

Caution with Respect to Forward-Looking Statements:

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

Accounting standards:

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

Notice on the Factors for Increases and Decreases in Income:

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

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

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

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

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

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

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

- 3rd Quarter FY15: 1,802,288,000 (approx), FY16: 1,802,284,000 (approx) (page 6)
- Nine Months FY15: 1,802,289,000 (approx), FY16: 1,802,285,000 (approx) (page 7)
- Fiscal Year FY15: 1,802,289,000 (approx), FY16 forecasts: 1,802,285,000 (approx) (pages 8 and 31)

HONDA

The Power of Dreams

Appendix

* FY16 3Q results/ forecasts and FY15 results in this presentation are all based on IFRS

Yen (billion)

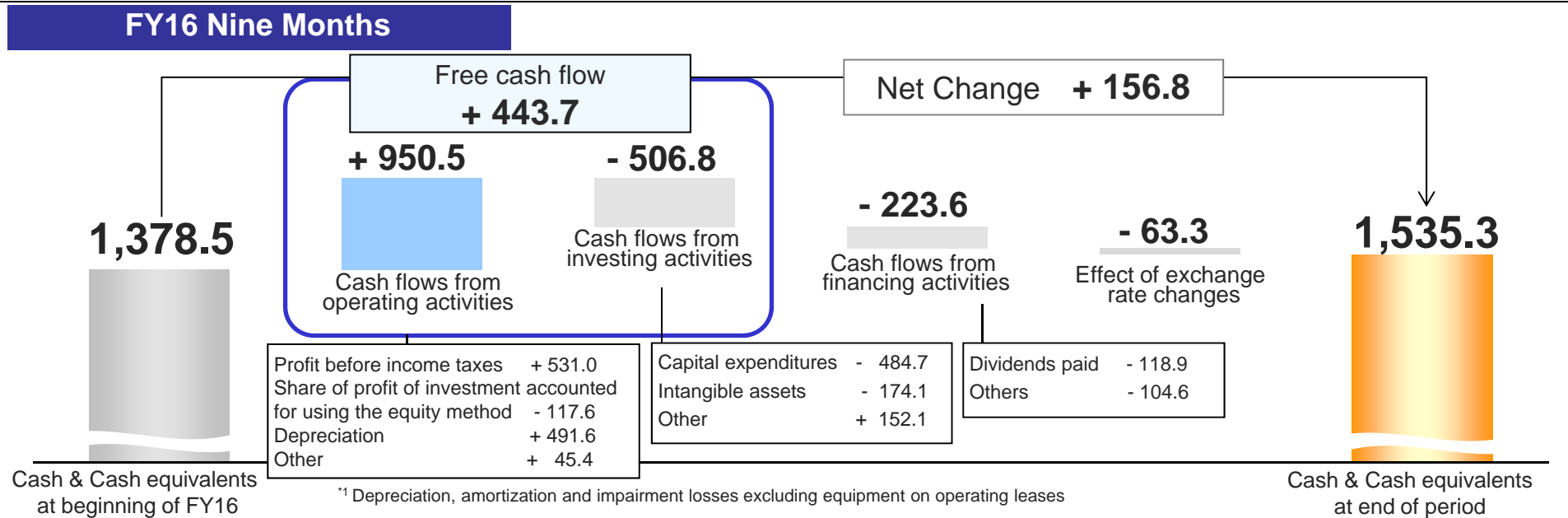
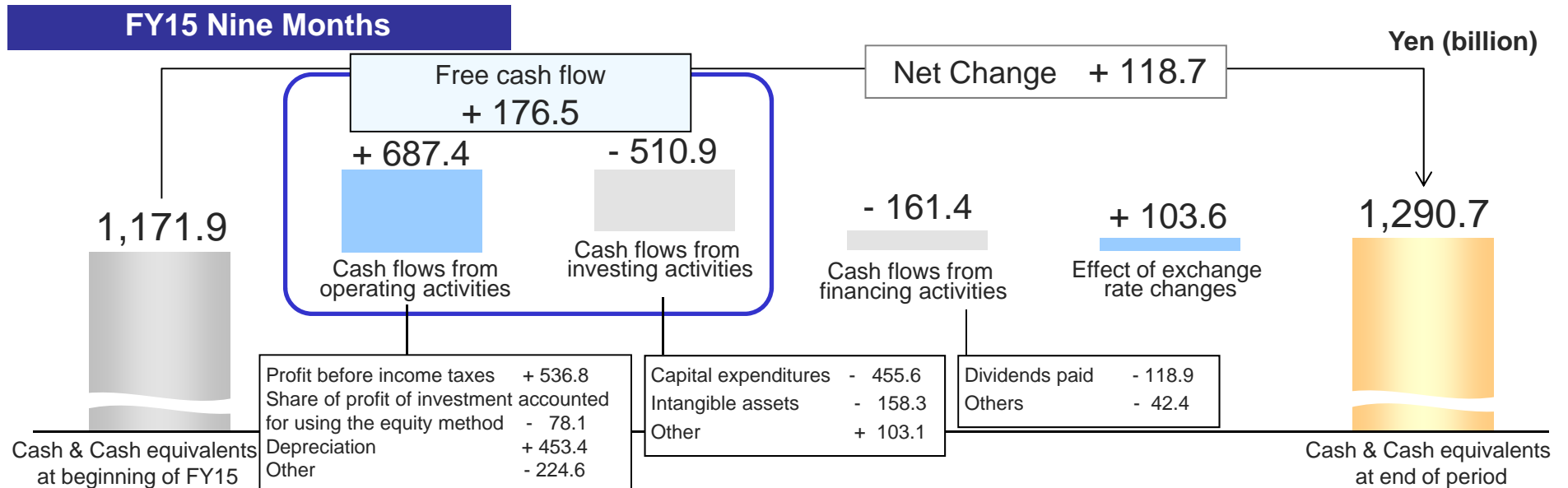
	3Q		
	FY15	FY16	Change
Capital expenditures *	147.4	179.8	+ 32.3
Depreciation and amortization *	107.1	109.4	+ 2.2
Research and development expenditures **	169.1	184.1	+ 15.0

Nine Months		
FY15	FY16	Change
443.0	463.1	+ 20.1
302.8	329.4	+ 26.6
475.5	512.7	+ 37.1

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

** Research and development expenditures are research and development activity related costs incurred during the reporting period. In accordance with IFRS, a portion of research and development expenditures is recognized as an intangible asset and amortized over its estimated useful life. As such, this amount is not in conformity with "Research and development" on our Consolidated Statement of Income

Cash Flows of Non-financial Services Businesses



Yen (billion)

	1Q	2Q	3Q	4Q	FY15
Sales revenue	3,206.7	3,131.9	3,497.9	3,491.5	13,328.0
Operating profit	205.5	168.9	210.0	86.0	670.6
Operating margin	6.4%	5.4%	6.0%	2.5%	5.0%
Share of profit of investments accounted for using the equity method	36.2	5.1	36.7	17.9	96.0
Profit before income taxes	243.5	190.5	264.4	107.6	806.2
Profit for the period attributable to owners of the parent	155.6	119.5	152.3	81.9	509.4

Earnings per share *1 attributable to owners of the parent	86.34	66.32	84.56	45.45	282.66
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Market average rates (Yen)

US Dollar	102	104	115	119	110
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FY15 Quarterly Consolidated Unit Sales <IFRS>

Unit (thousand)		1Q	2Q	3Q	4Q	FY15
	Japan	48	50	49	52	199
	North America	61	68	72	85	286
	Europe	60	46	33	52	191
	Asia	1,913	2,161	2,202	2,202	8,478
	Other Region	421	369	395	386	1,571
Motorcycles		2,503	2,694	2,751	2,777	10,725
	Japan	195	158	145	198	696
	North America	449	434	474	393	1,750
	Europe	38	44	36	43	161
	Asia	151	161	146	179	637
	Other Region	63	67	71	68	269
Automobiles		896	864	872	881	3,513
	Japan	68	85	83	102	338
	North America	775	496	425	1,009	2,705
	Europe	245	185	199	462	1,091
	Asia	396	378	289	319	1,382
	Other Region	93	102	142	130	467
Power Products		1,577	1,246	1,138	2,022	5,983