



FY17 3rd Quarter Financial Results



Honda Motor Co., Ltd.

February 3, 2017

**CR-V
(U.S.)**

- *News Topics*
- *FY17 3rd Quarter Financial Results*
- *FY17 Financial Forecasts*
- *Dividend*

- **Sales of all-new Clarity Fuel Cell begin** (Dec.: U.S.)
- **Launch of all-new CR-V** (Dec.: U.S.)
- **All-new Ridgeline wins "North American Truck of the Year" award** (Jan. 2017: U.S.)
- **Dongfeng Honda announces plan to build 3rd automobile production plant** (Dec. 8)
 - Annual capacity of 120,000 units will increase overall automobile production capacity in China to 1.25 million units (scheduled to become operational in first half of 2019)
- **Discussions with Grab Inc. toward collaboration in the area of motorcycle sharing services in Southeast Asia to begin** (Dec. 12)
- **Discussions to start with Waymo, a unit of Google parent Alphabet Inc., on technical collaboration for self-driving automobile technology** (Dec. 22)
- **Establishment of a manufacturing joint venture with GM to produce hydrogen fuel cell systems announced** (Jan. 30, 2017)
- **100 million-unit worldwide automobile production milestone reached**



Clarity Fuel Cell



CR-V



Ridgeline

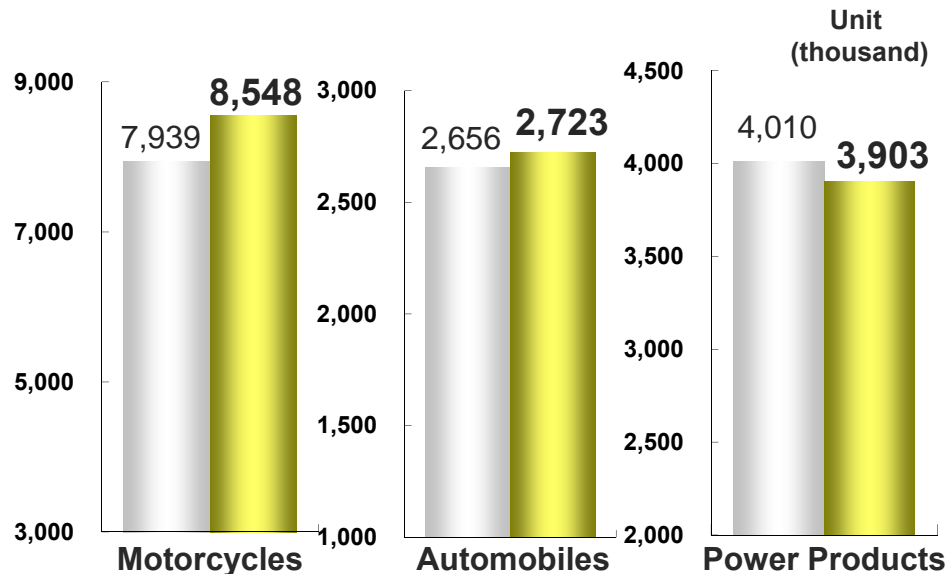
Results Summary

Negative FOREX effects due to a stronger yen was more than offset by the positive effect of new model introductions and full model changes of existing models, cost reduction efforts, a decline in quality related expenses, and the impact of pension accounting treatment resulting in operating profit of 702.6 billion yen, a 23.9 % increase from the same period a year ago.

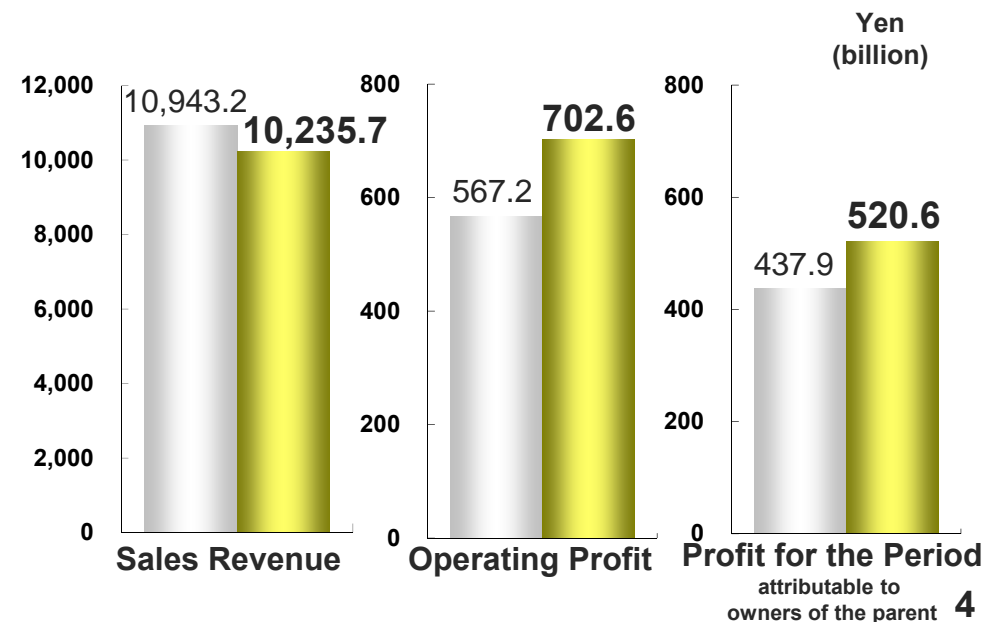
Nine Months Results FY16 and FY17

FY16 FY17

Consolidated Unit Sales



Sales Revenue / Operating Profit / Profit for the Period

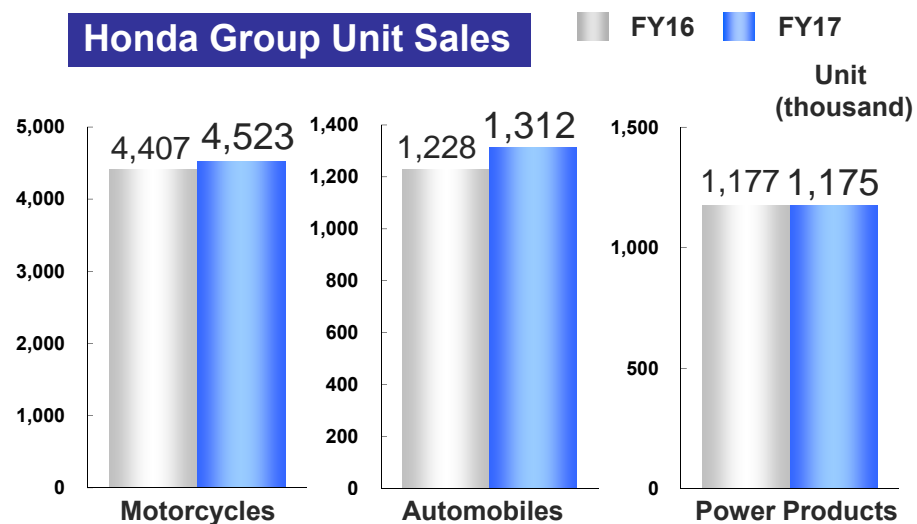


FY17 3rd Quarter Unit Sales

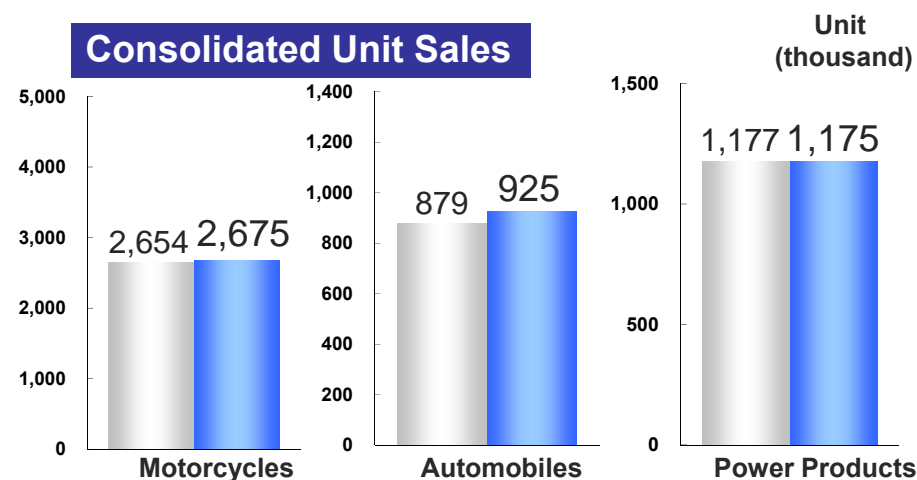
Honda Group Unit Sales (thousand)	3Q Results (3 Months)		
	FY16	FY17	Change
Motorcycles	4,407	4,523	+ 2.6%
Automobiles	1,228	1,312	+ 6.8%
Power Products	1,177	1,175	- 0.2%

Consolidated Unit Sales (thousand)	3Q Results (3 Months)		
	FY16	FY17	Change
Motorcycles	2,654	2,675	+ 0.8%
Automobiles	879	925	+ 5.2%
Power Products	1,177	1,175	- 0.2%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

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

FY17 3rd Quarter Financial Results (Consolidated)

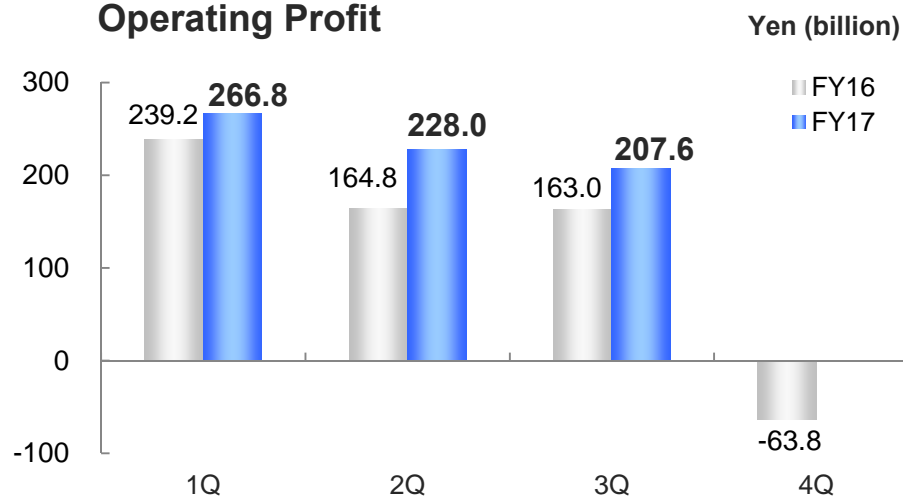
Financial Results Yen (billion)	3Q Results (3 Months)		
	FY16	FY17	Change
Sales revenue	3,617.2	3,501.0	- 3.2%
Operating profit	163.0	207.6	+ 27.4%
Operating margin	4.5%	5.9%	+ 1.4pt
Share of profit of investments accounted for using the equity method	45.0	49.1	+ 8.9%
Profit before income taxes	200.8	260.9	+ 29.9%
Profit for the period attributable to owners of the parent	124.1	168.8	+ 35.9%
Earnings per share *1 (Yen) attributable to owners of the parent	68.91	93.67	+ 24.76
Market average rates (Yen) For *1, please refer to the footnote on page 35			
US Dollar	122	109	Yen up by 13 yen

Financial Summary

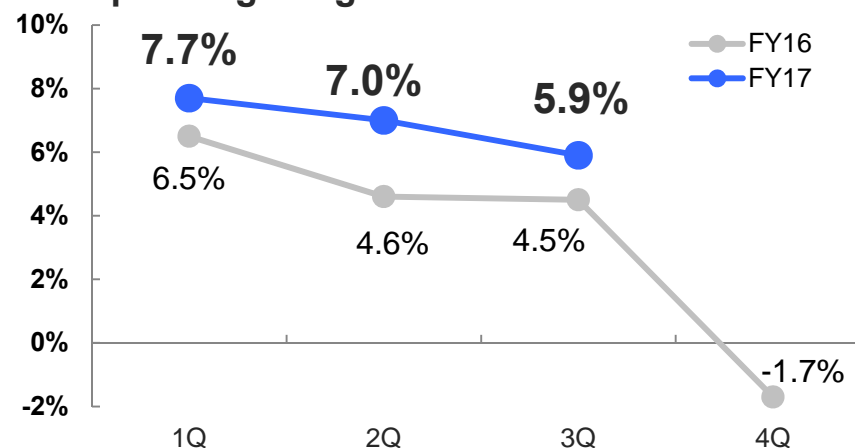
Sales revenue decreased by 3.2% primarily due to negative foreign currency translation impact, despite increases in automobile, financial services, and motorcycle business operations.

Operating profit increased by 27.4% due primarily to a decline in SG&A expenses, including quality related expenses, and cost reduction efforts, despite negative foreign currency effects.

Operating Profit



Operating Margin



FY17 Nine Months Financial Results (Consolidated)

Honda Group Unit Sales (Consolidated Unit Sales) (thousand)	Nine Month Results		
	FY16	FY17	Change
Motorcycles	12,882 (7,939)	13,413 (8,548)	+ 4.1% (+ 7.7%)
Automobiles	3,514 (2,656)	3,743 (2,723)	+ 6.5% (+ 2.5%)
Power Products	4,010 (4,010)	3,903 (3,903)	- 2.7% (- 2.7%)

Financial Results Yen (billion)	Nine Month Results		
	FY16	FY17	Change
Sales revenue	10,943.2	10,235.7	- 6.5%
Operating profit	567.2	702.6	+ 23.9%
Operating margin	5.2%	6.9%	+ 1.7pt
Share of profit of investments accounted for using the equity method	117.6	116.2	- 1.2%
Profit before income taxes	694.1	819.9	+ 18.1%
Profit for the period attributable to owners of the parent	437.9	520.6	+ 18.9%
Earnings per share ^{*1} attributable to owners of the parent (Yen)	243.01	288.86	+ 45.85

For *1, please refer to footnote on page 35

Market average rates (Yen)

US Dollar	122	107	Yen up by 15 yen
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FY17 Financial Forecasts (Consolidated)

	FY16 Results	FY17 Forecast	Change		Change from previous forecast
			amount	%	
Sales revenue	14,601.1	13,800.0	- 801.1	- 5.5%	+ 400.0
Operating profit	503.3	785.0	+ 281.6	+ 55.9%	+ 135.0
Operating margin	3.4%	5.7%	+ 2.3 pt		+ 0.8 pt
Share of profit of investments accounted for using the equity method	126.0	150.0	+ 23.9	+ 19.0%	+ 10.0
Profit before income taxes	635.4	925.0	+ 289.5	+ 45.6%	+ 155.0
Profit for the year attributable to owners of the parent	344.5	545.0	+ 200.4	+ 58.2%	+ 130.0
Earnings per share *1(Yen) attributable to owners of the parent	191.16	302.39	+ 111.23		+ 72.13

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

Market average rates (Yen)

US Dollar	120	107 (4Q 110)	Yen up by 13 yen	Yen down by 4 yen
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Dividend

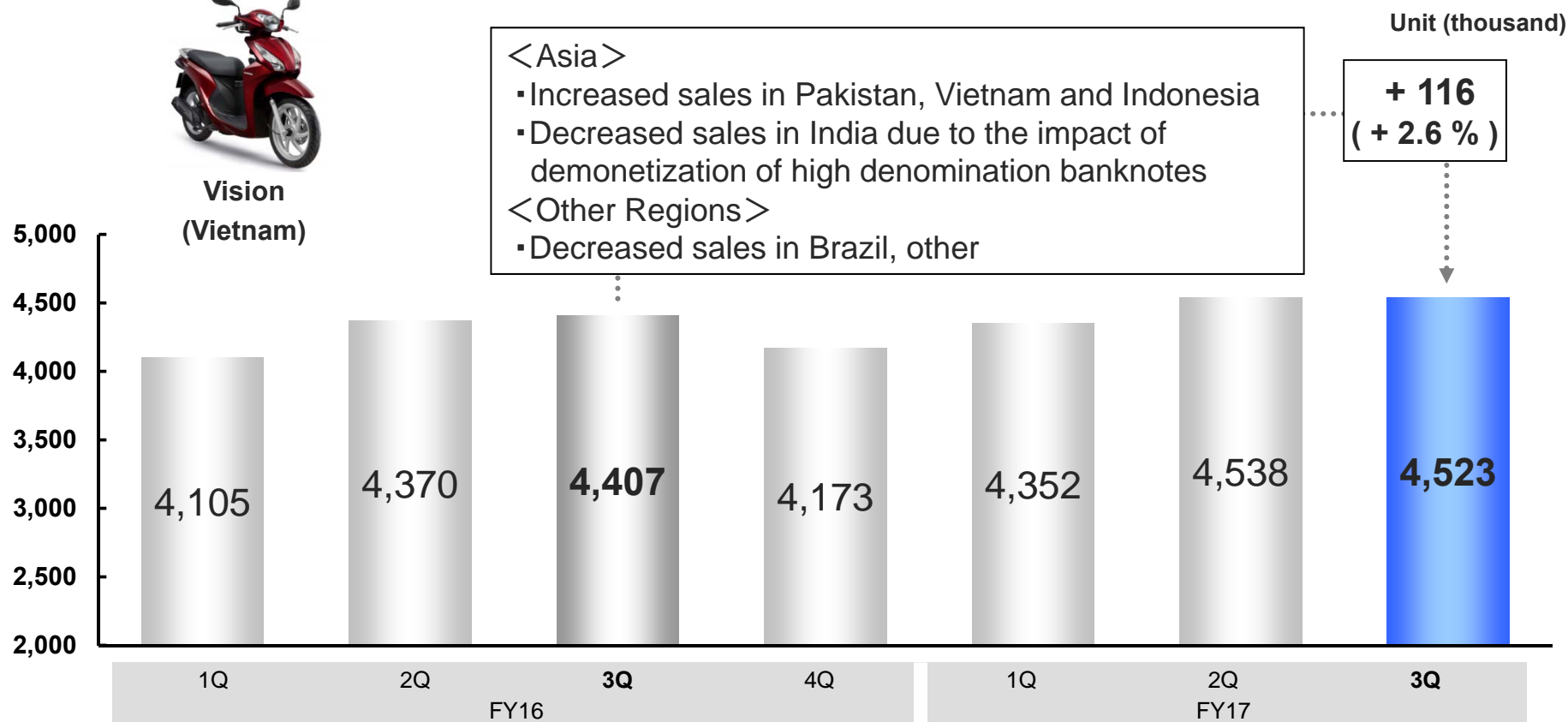
Dividend per Share	FY16	FY17 (Expectation)	(Yen)	
			Increase / Decrease from FY16	Change from previous forecast
1 st Quarter End	22	22	-	-
2 nd Quarter End	22	22	-	-
3 rd Quarter End	22	24	+ 2	+ 2
4 th Quarter End	22	(24)	(+ 2)	(+ 2)
Fiscal Year	88	(92)	(+ 4)	(+ 4)

- *FY17 3rd Quarter and
Nine-Month Financial Results*
 - *Honda Group Unit Sales*
 - *Change in Sales Revenue*
 - *Change in Profit before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Share of Profit of Investments*
 - *Accounted for using the Equity Method*
 - *Capital Expenditures*
- *FY17 Financial Forecast*

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



Vision
(Vietnam)

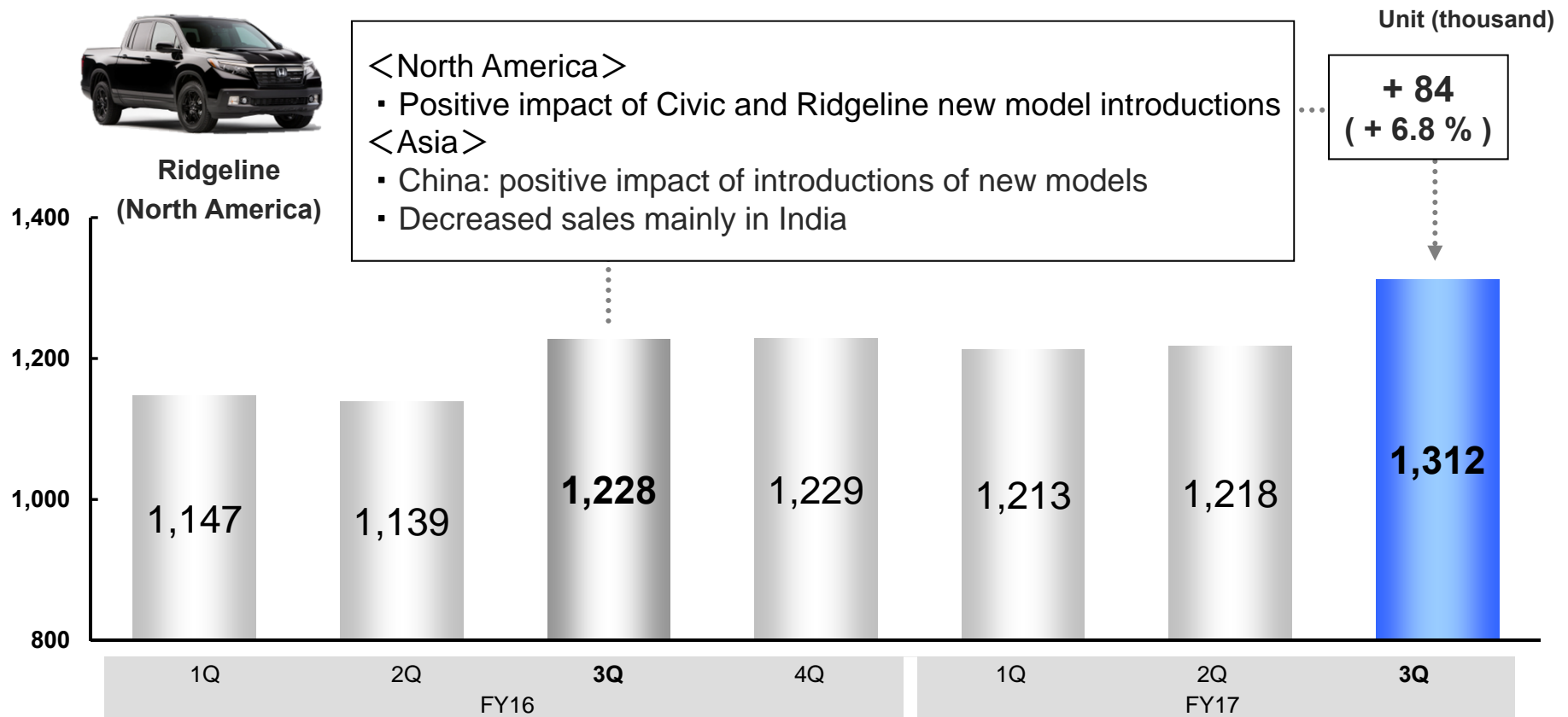


Japan	47	50	41	42	29	33	49
North America	75	75	69	89	78	71	68
Europe	66	48	33	57	72	48	31
Asia	3,571	3,851	3,968	3,743	3,885	4,125	4,115
Other Regions	346	346	296	242	288	261	260
Total	4,105	4,370	4,407	4,173	4,352	4,538	4,523

Automobiles - Honda Group Unit Sales



Ridgeline
(North America)



<North America>

- Positive impact of Civic and Ridgeline new model introductions

<Asia>

- China: positive impact of introductions of new models
- Decreased sales mainly in India

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

Power Products - Honda Group Unit Sales



GCV160
(Engine)

<North America>

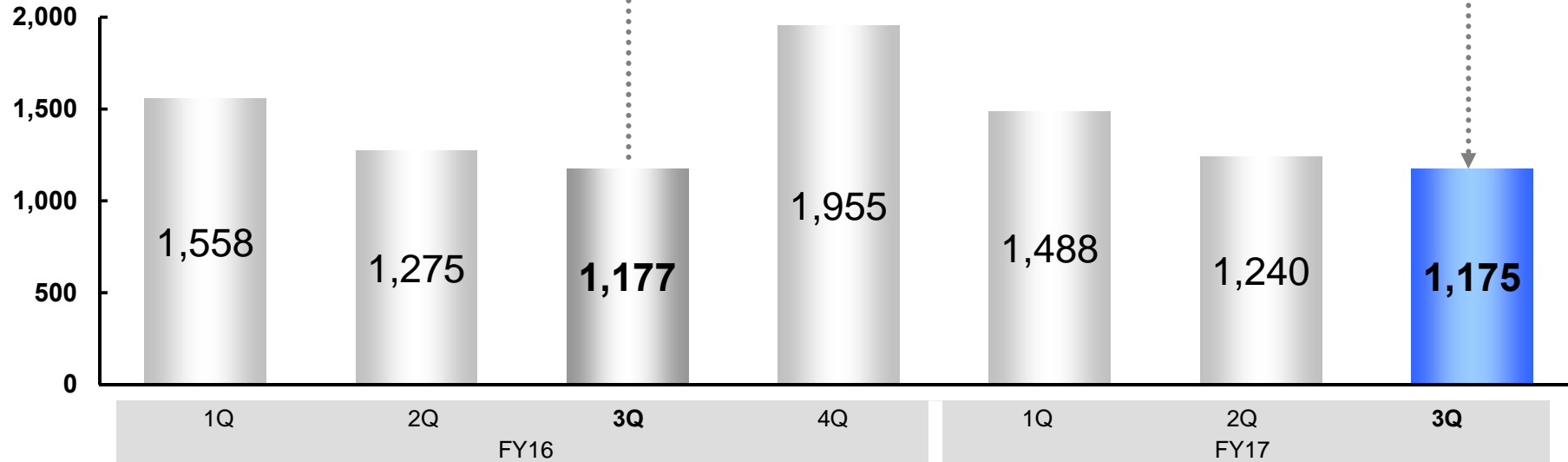
- Increased sales of generator/lawn mower OEM engines, other

<Asia>

- Decreased sales in India due to the impact of demonetization of high denomination banknotes
- Decreased sales in China and Indonesia

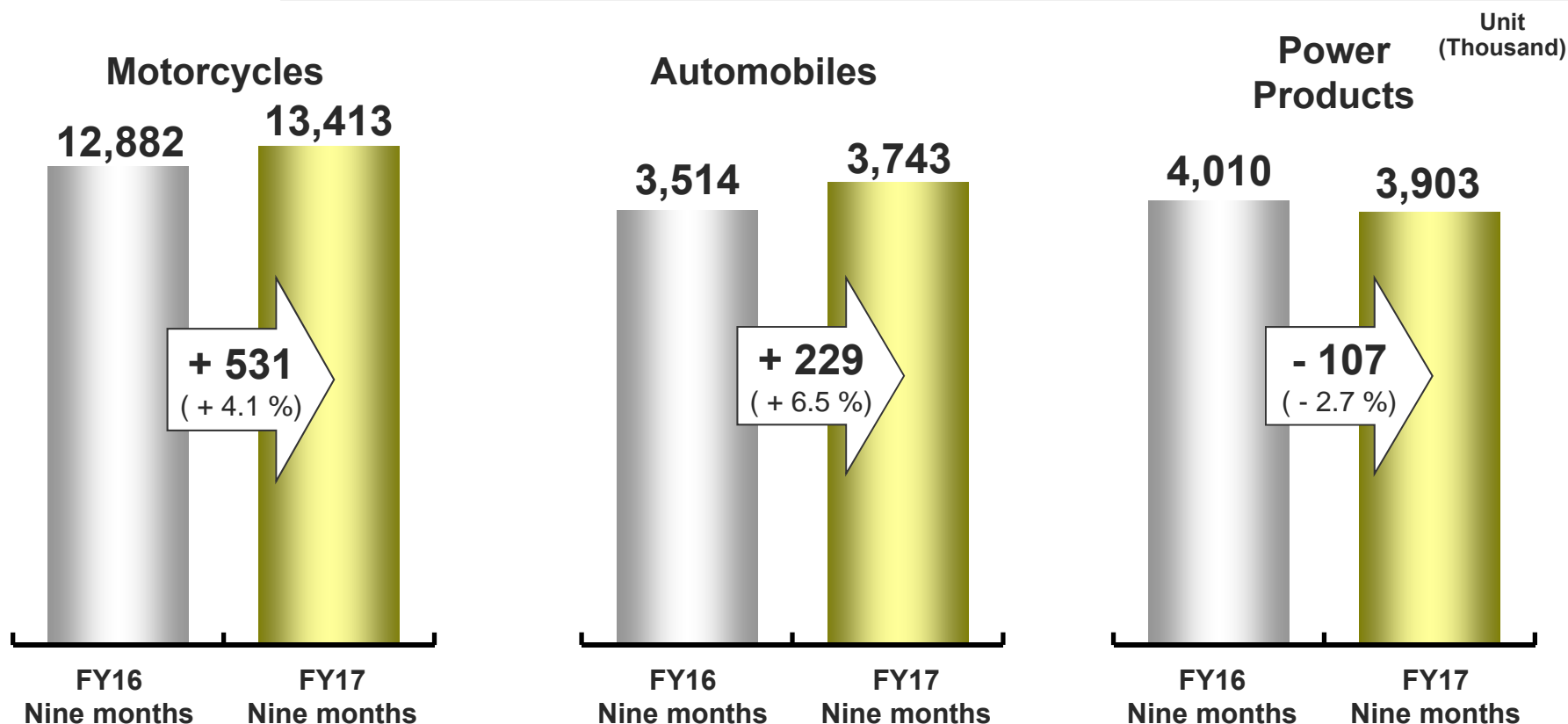
Unit (thousand)

- 2
(- 0.2 %)



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

Honda Group Unit Sales <FY17 Nine months>



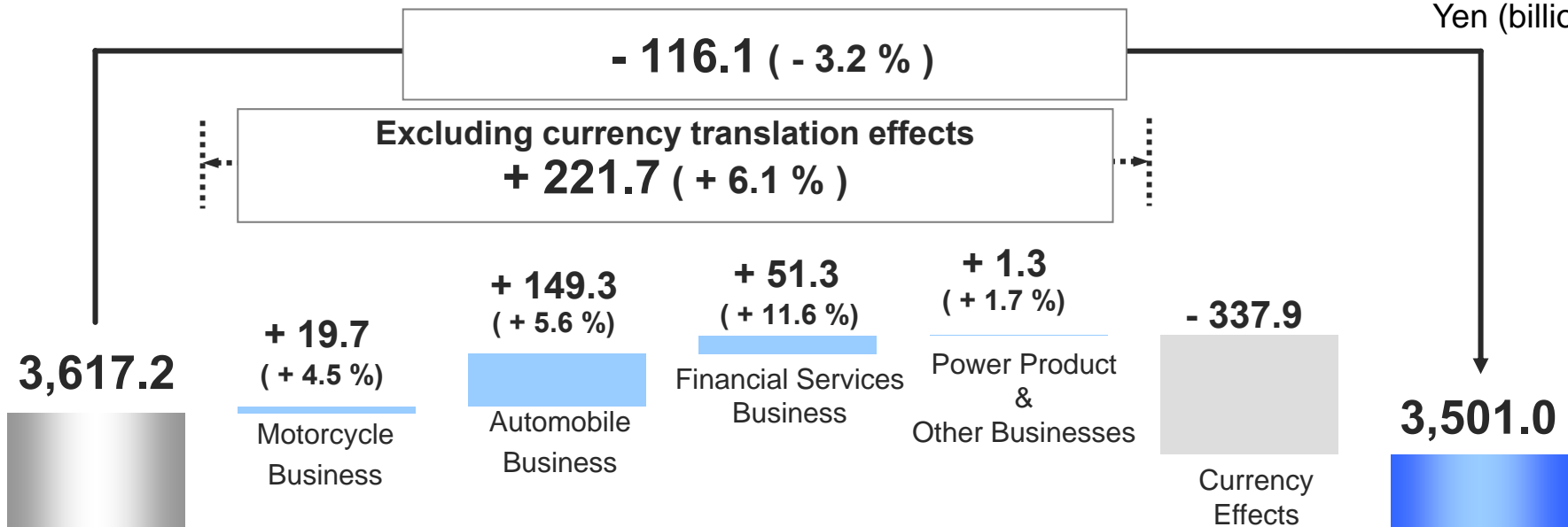
	FY16 Nine Months	FY17 Nine Months	Change
Japan	138	111	- 27
North America	219	217	- 2
Europe	147	151	+ 4
Asia	11,390	12,125	+ 735
Other Region	988	809	- 179
Total	12,882	13,413	+ 531

	FY16 Nine Months	FY17 Nine Months	Change
Japan	466	472	+ 6
North America	1,436	1,499	+ 63
Europe	117	133	+ 16
Asia	1,303	1,462	+ 159
Other Region	192	177	- 15
Total	3,514	3,743	+ 229

	FY16 Nine Months	FY17 Nine Months	Change
Japan	262	200	- 62
North America	1,805	1,812	+ 7
Europe	595	580	- 15
Asia	1,030	1,047	+ 17
Other Region	318	264	- 54
Total	4,010	3,903	- 107

Change in Sales Revenue <FY17 3rd Qtr>

Yen (billion)



Sales Revenue	FY16 3Q	FY17 3Q
Motorcycles	442.1	420.6
Automobiles	2,652.4	2,555.1
Financial Services Business	444.5	452.5
Power Product & Other Businesses	77.9	72.8
Total	3,617.2	3,501.0

Market average rates (Yen)

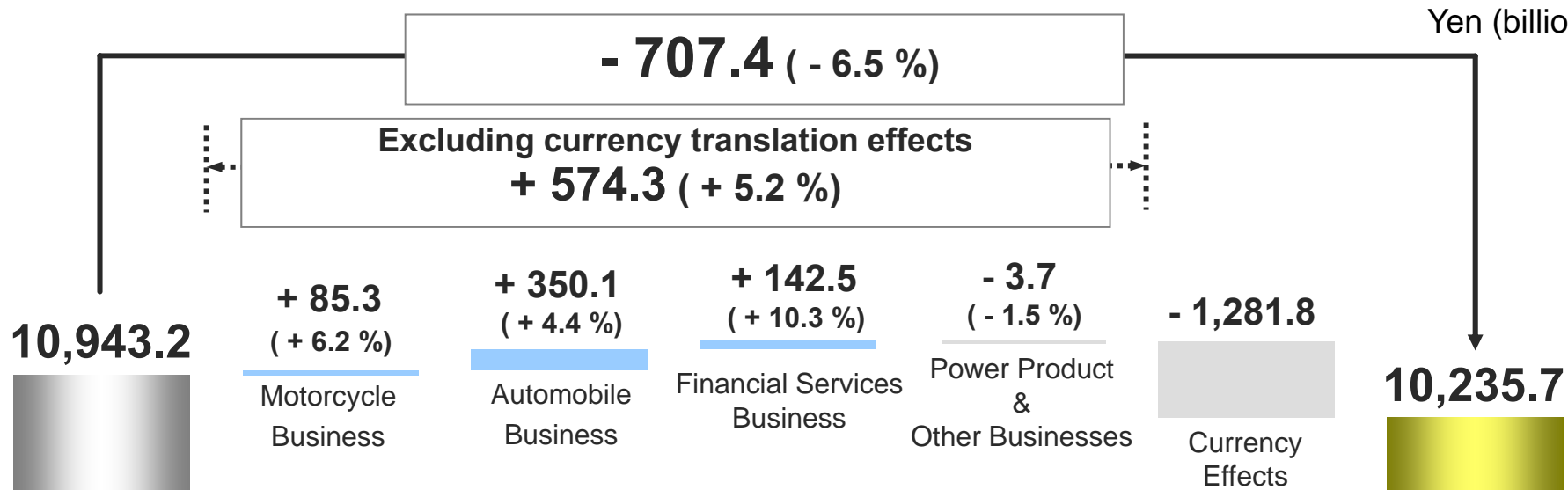
US Dollar	122	109
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FY16 3Q

FY17 3Q

Change in Sales Revenue <FY17 Nine months>

Yen (billion)



Sales Revenue	FY16 Nine Months	FY17 Nine Months
Motorcycles	1,368.1	1,262.4
Automobiles	7,950.0	7,395.7
Financial Services Business	1,380.2	1,360.3
Power Product & Other Businesses	244.7	217.2
Total	10,943.2	10,235.7

Market average rates (Yen)

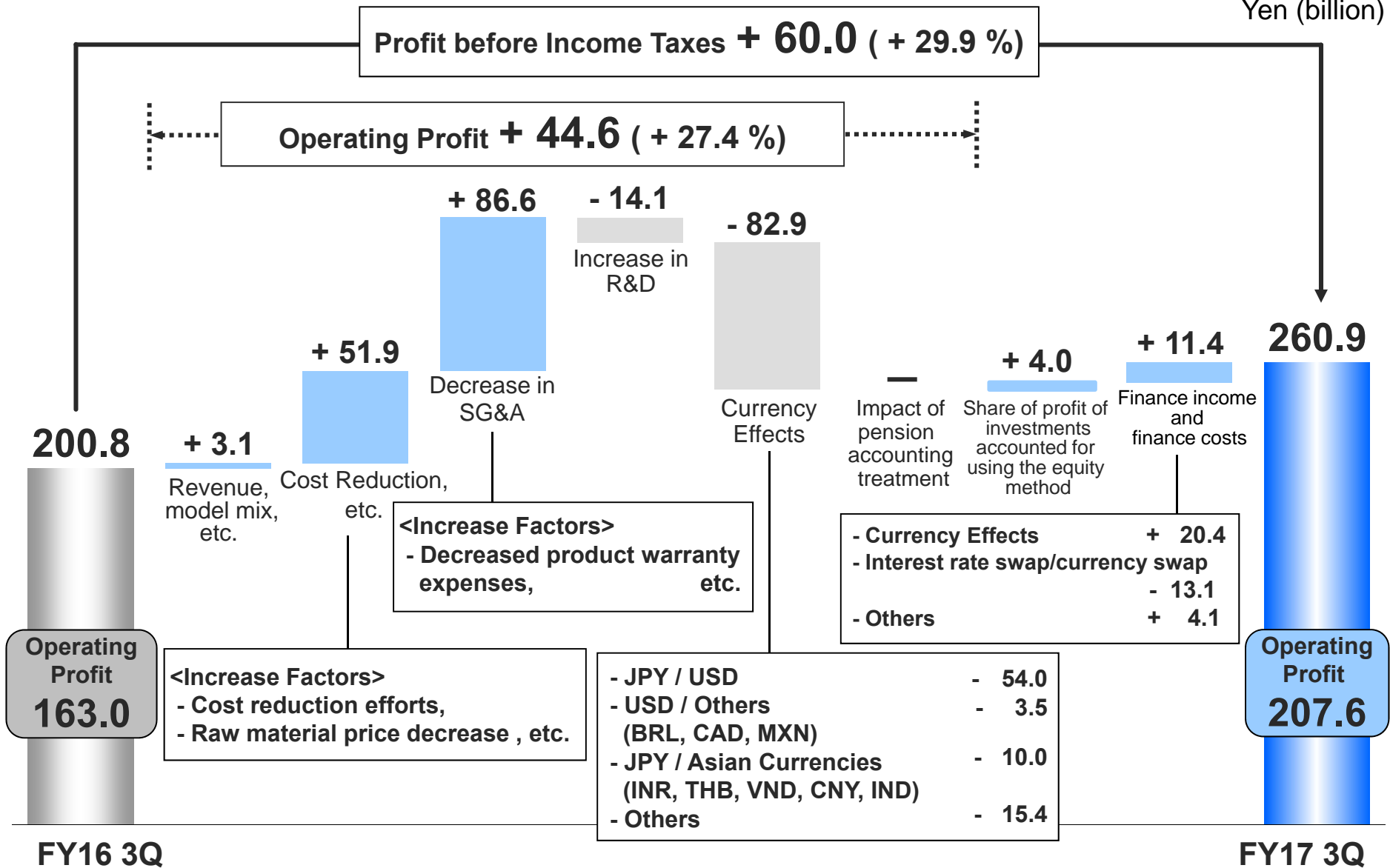
US Dollar	122	107
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**FY16
Nine Months**

**FY17
Nine Months**

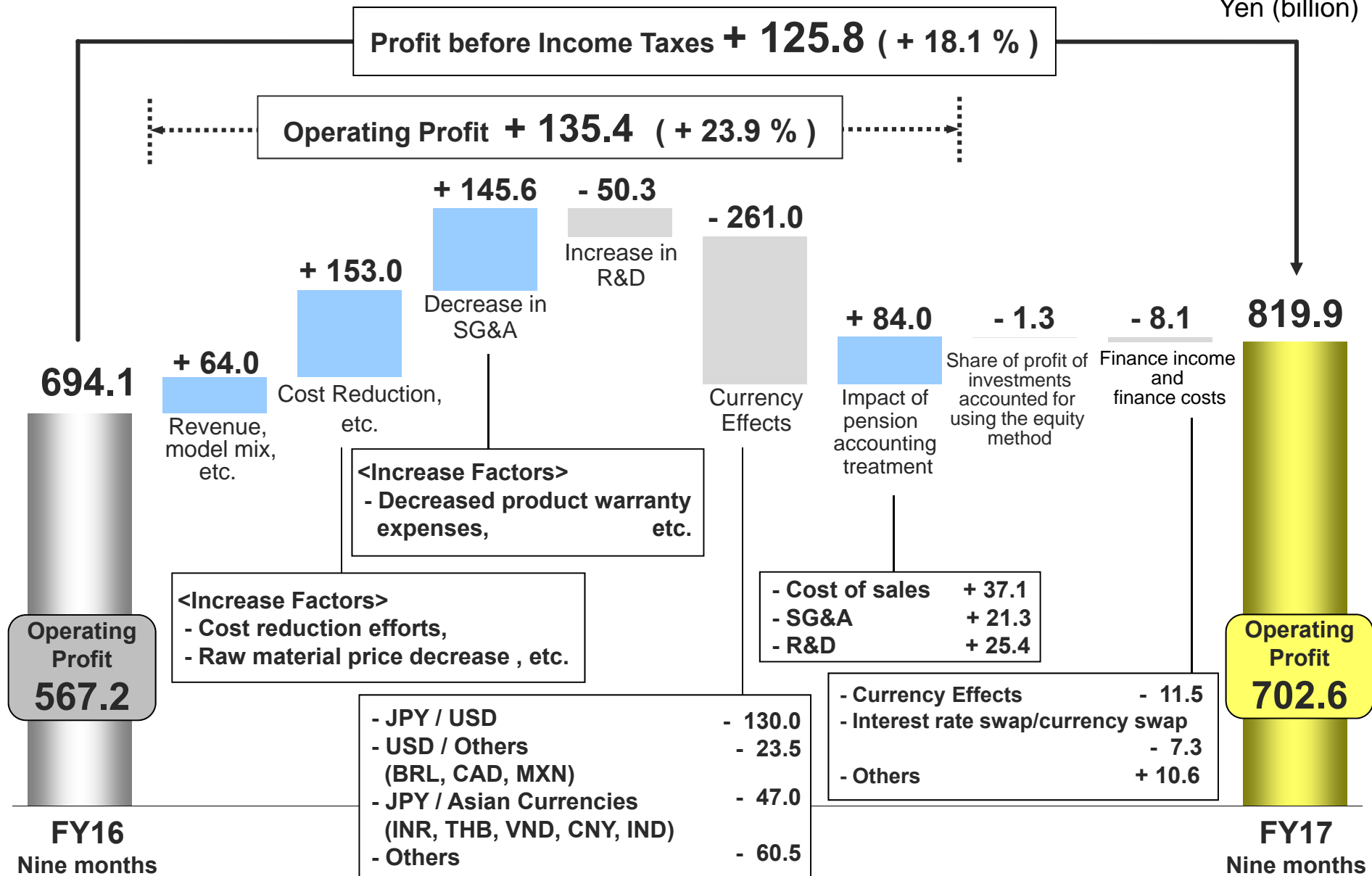
Change in Profit before Income Taxes <FY17 3rd Qtr>

Yen (billion)



Change in Profit before Income Taxes <FY17 Nine months>

Yen (billion)

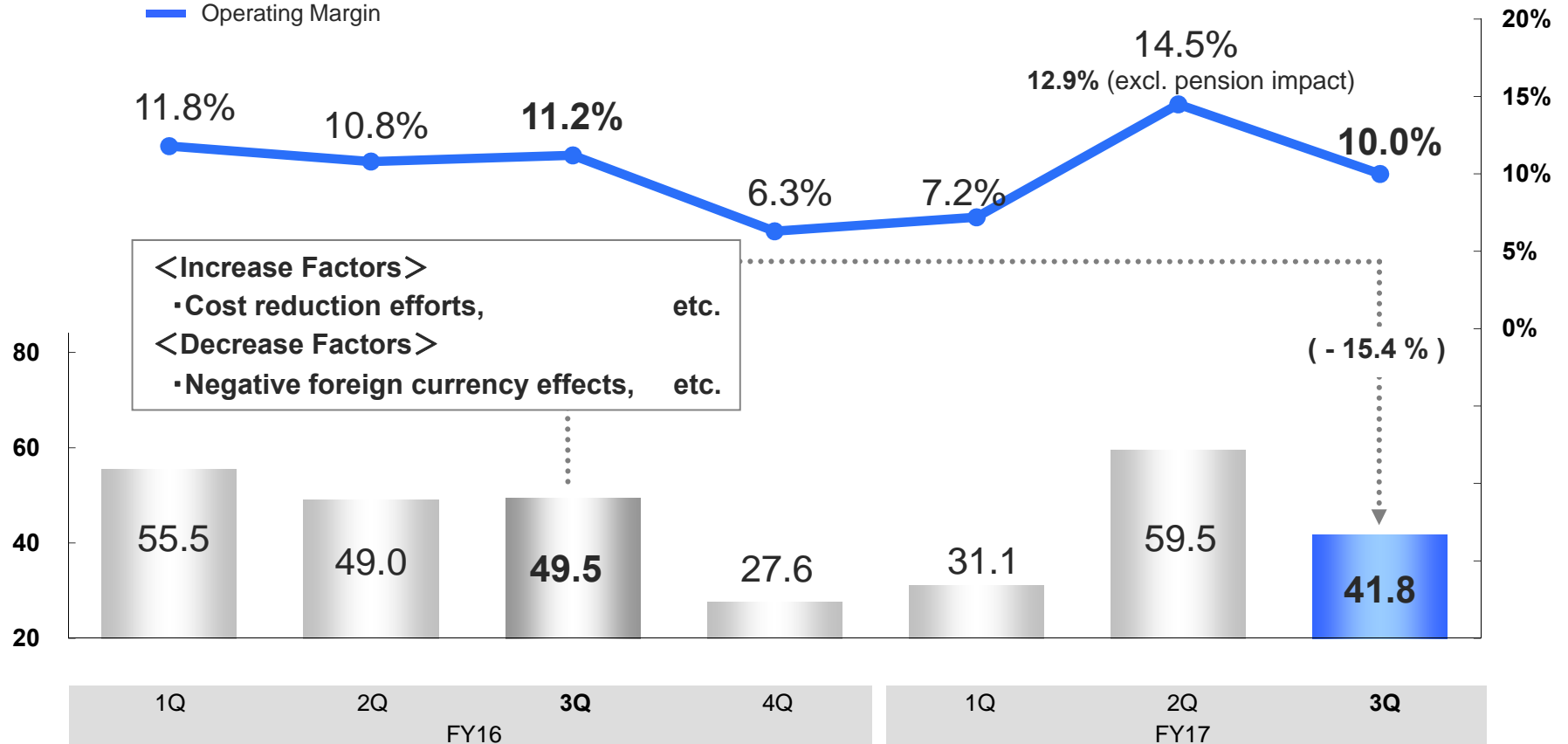


Motorcycle Business Sales Revenue / Operating Profit (Margin)

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

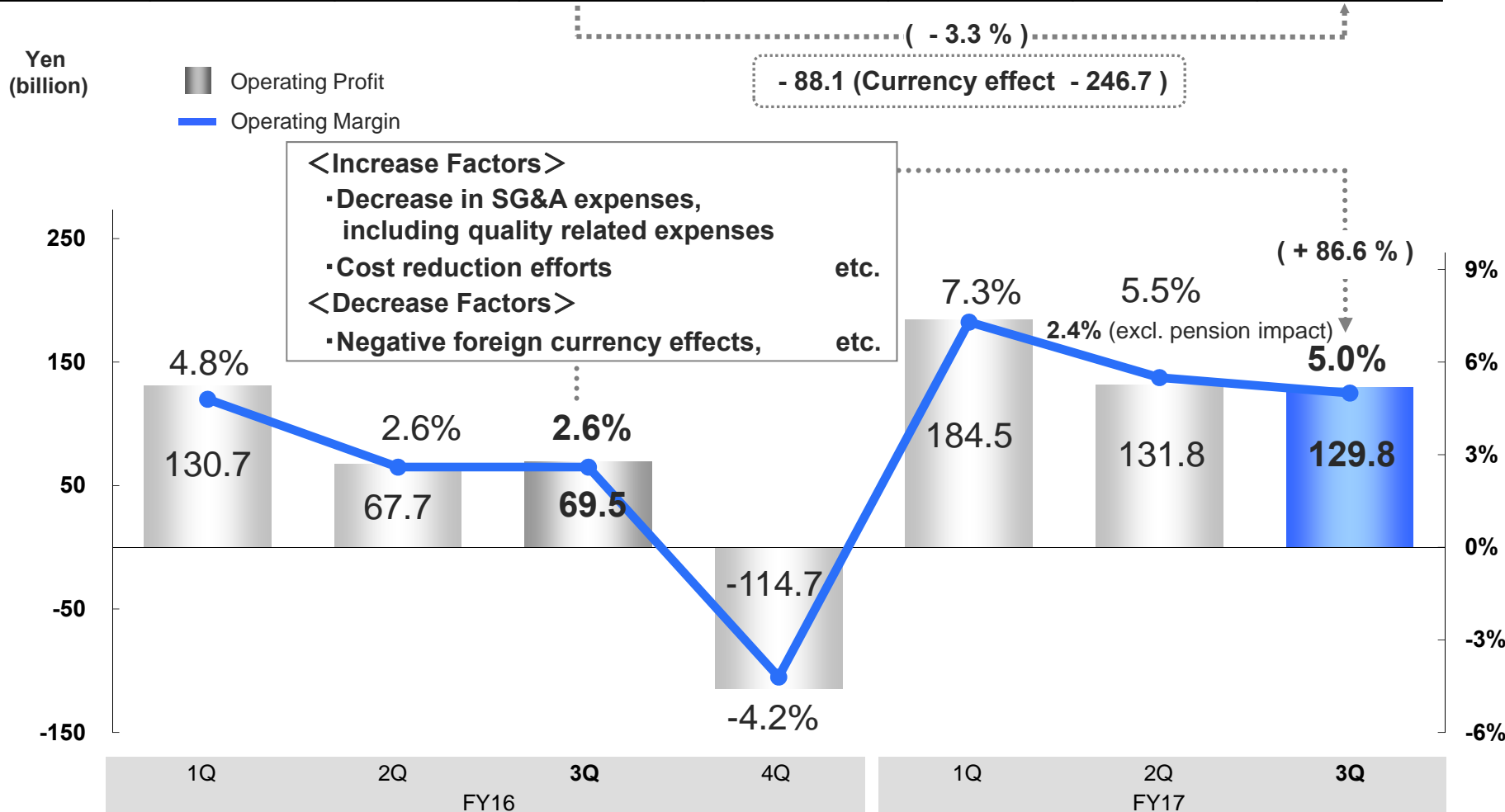
Yen
(billion)

■ Operating Profit
— Operating Margin

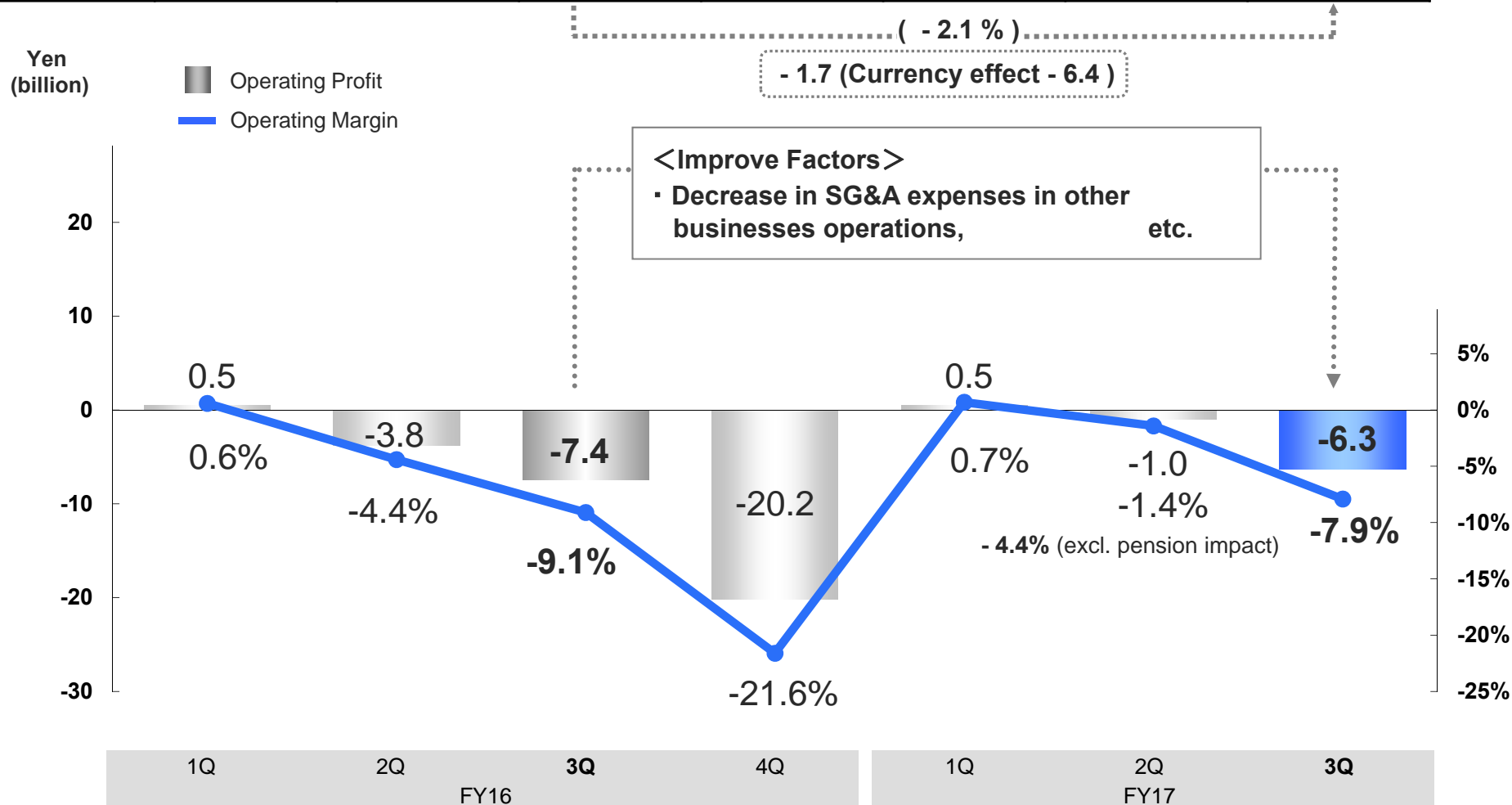


Automobile Business Sales Revenue/Operating Profit (Margin)

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



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



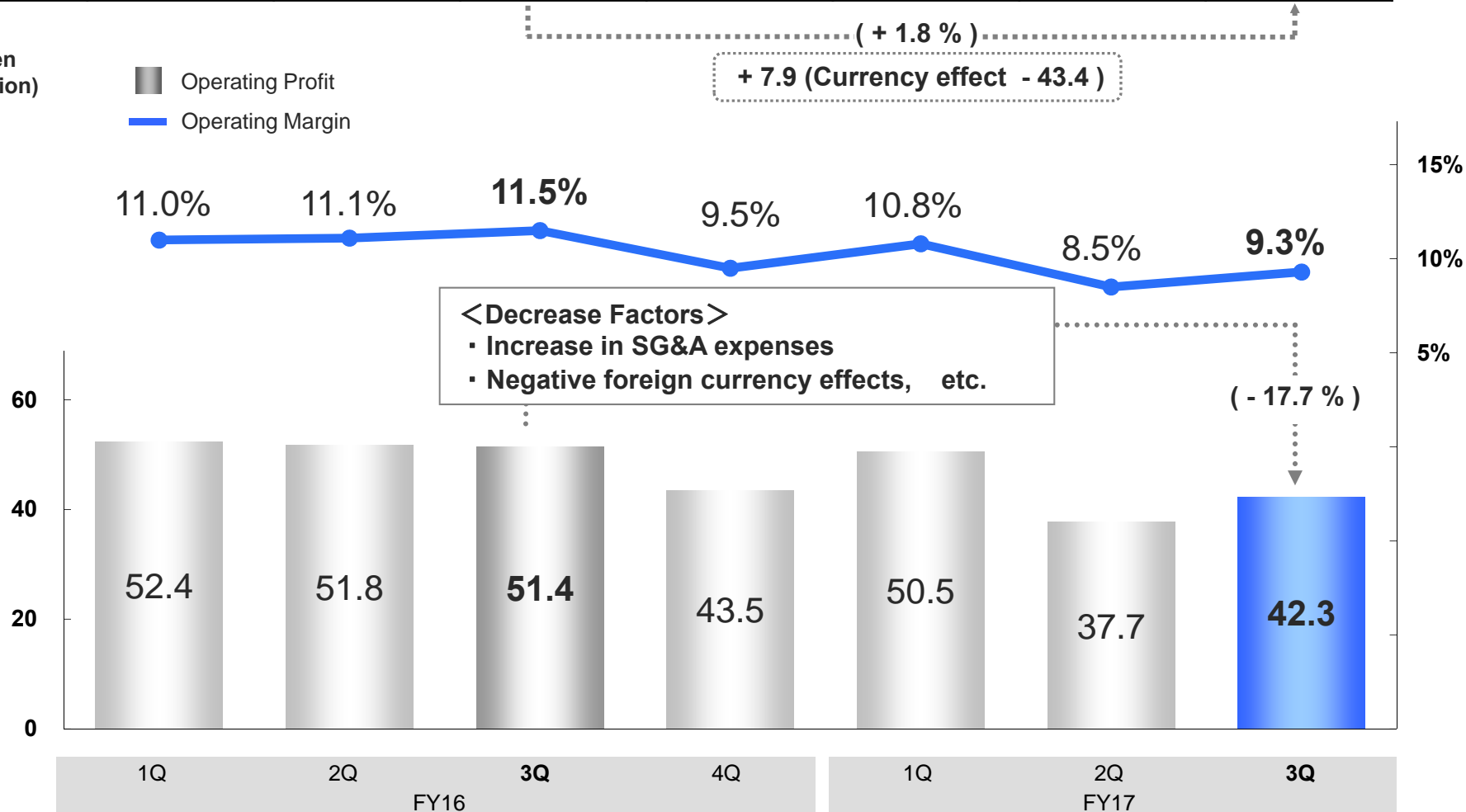
Financial Services Business

Total Assets/Sales Revenue/Operating Profit (Margin)

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

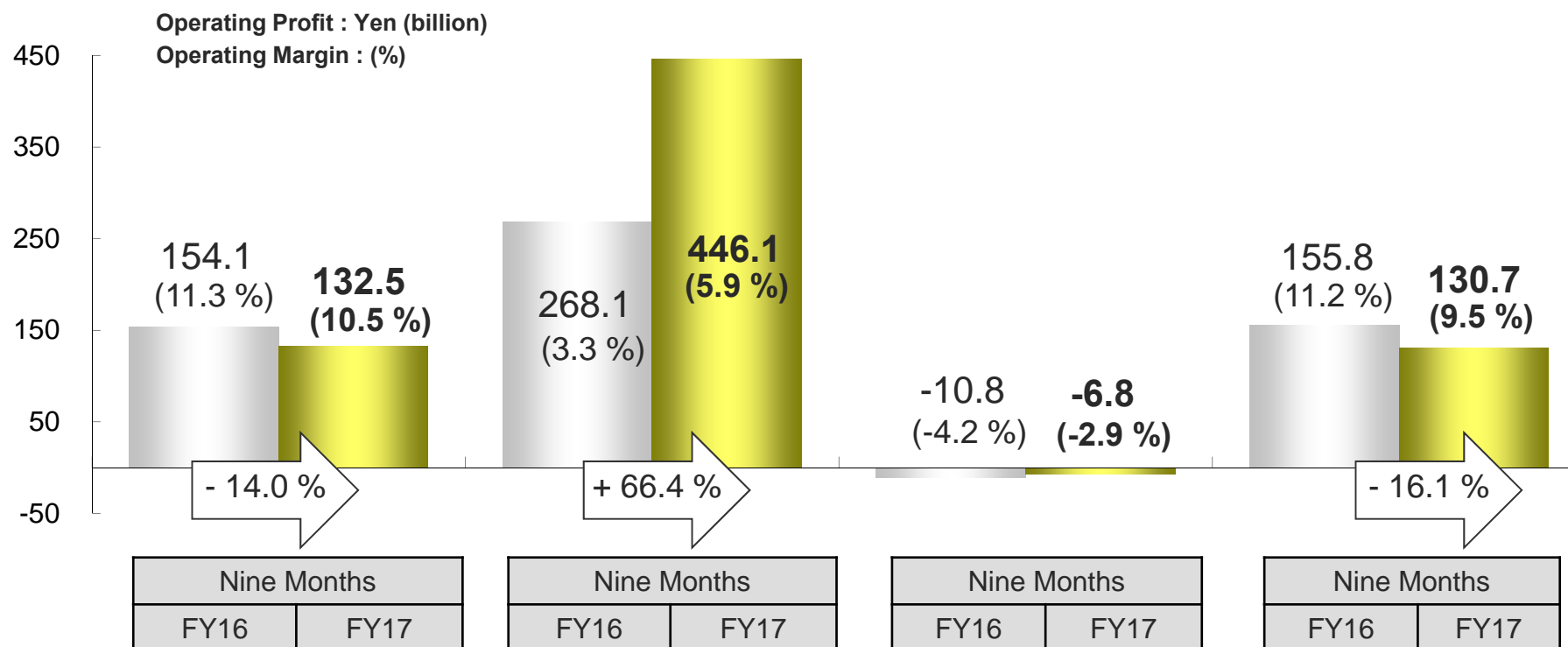
Yen (billion)

■ Operating Profit
— Operating Margin



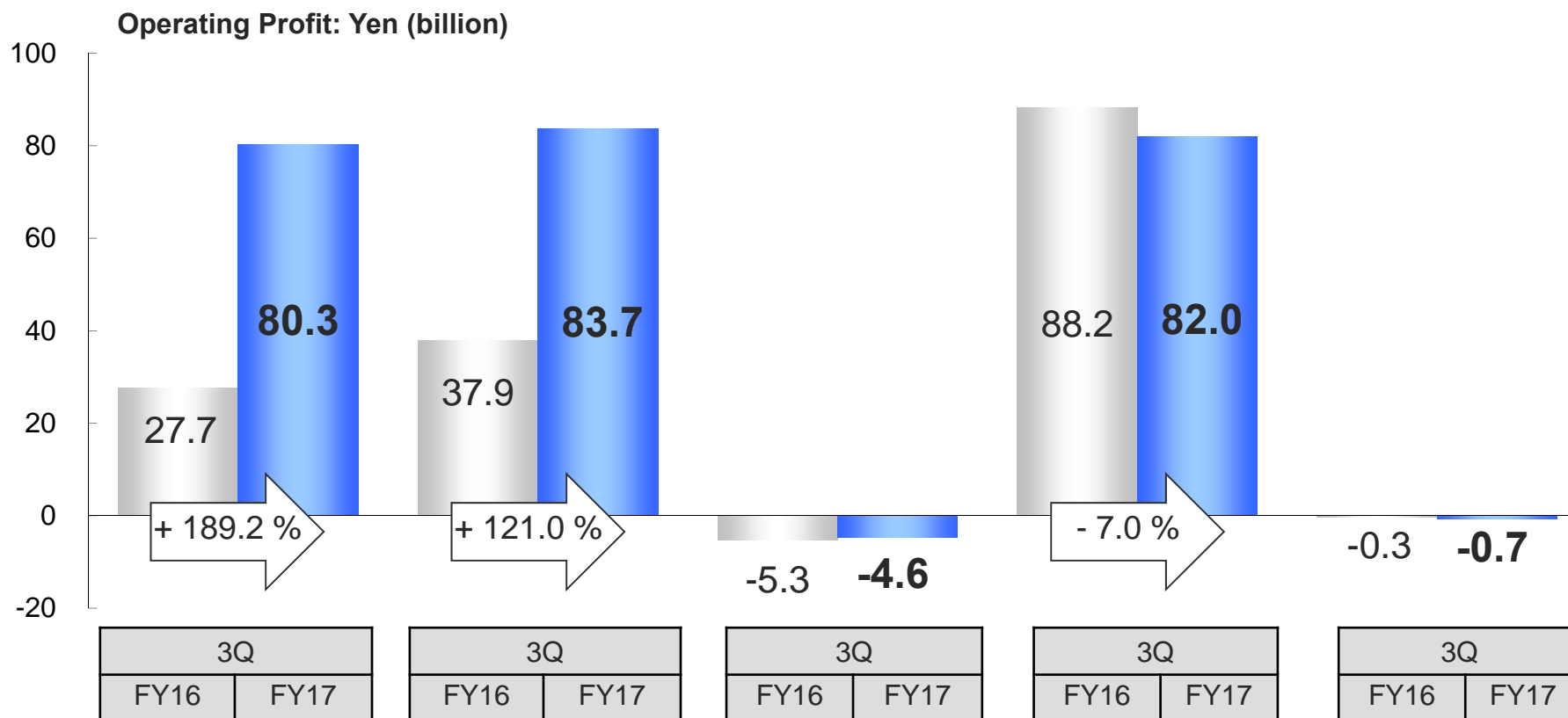
Sales Revenue/Operating Profit (Margin) by Business Segment <FY17 Nine months >

Unit (thousand) Yen (billion)	Motorcycle Business		Automobile Business		Power Product and Other Businesses		Financial Services Business	
	Nine Months		Nine Months		Nine Months		Nine Months	
	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Honda Group Unit Sales (Consolidated Unit Sales)	12,882 (7,939)	13,413 (8,548)	3,514 (2,656)	3,743 (2,723)	4,010 (4,010)	3,903 (3,903)	— (—)	— (—)
Sales Revenue	1,368.1	1,262.4	8,046.1	7,509.9	258.5	234.8	1,389.8	1,370.1



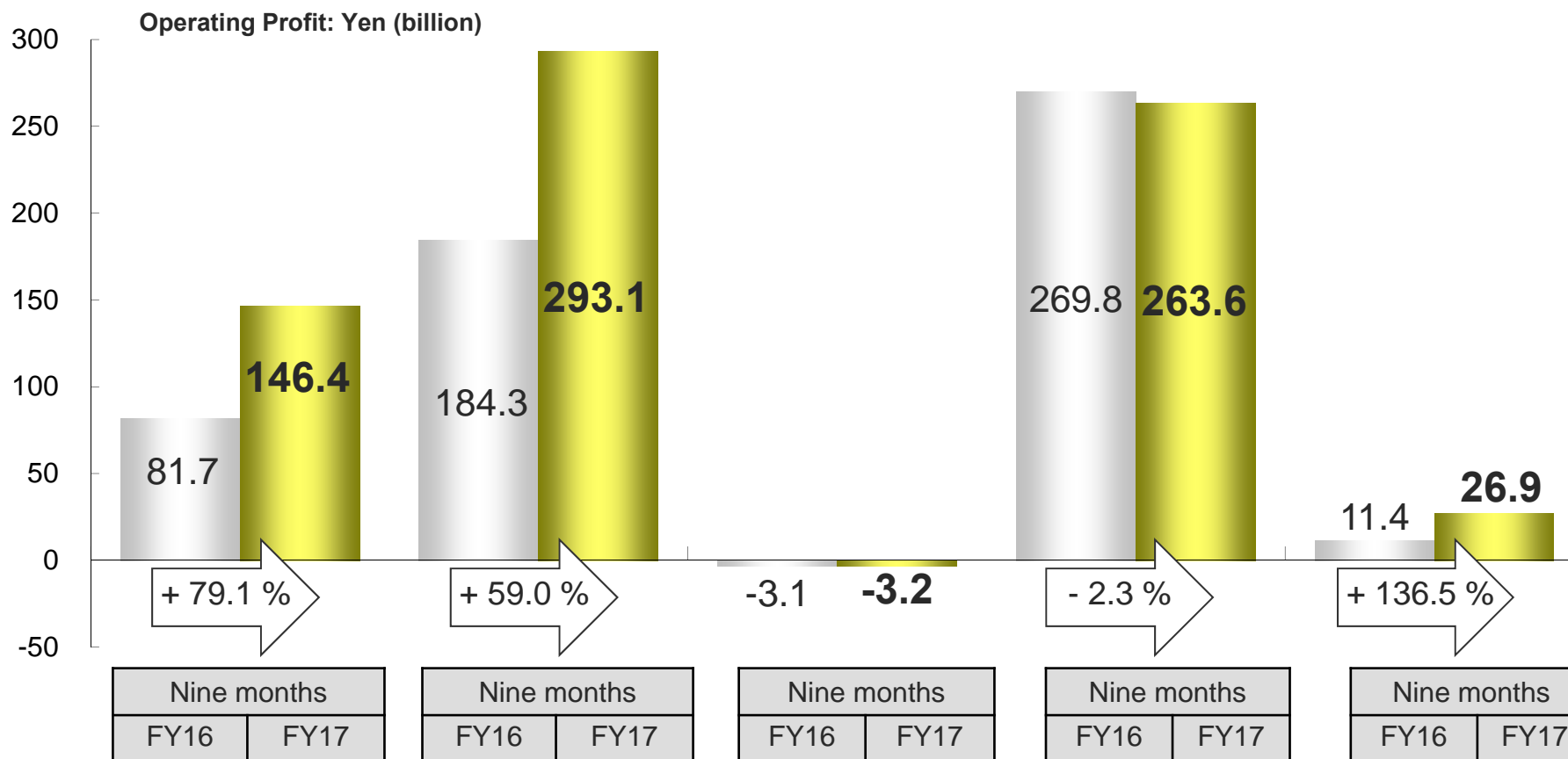
**Sales Revenue/Operating Profit
by Geographical Segment <FY17 3rd Qtr>**

	Japan		North America		Europe		Asia		Other Regions	
Yen (billion)	3Q		3Q		3Q		3Q		3Q	
	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Sales Revenue	1,032.8	1,153.1	2,146.7	2,055.9	186.4	187.9	913.8	847.1	193.9	187.1

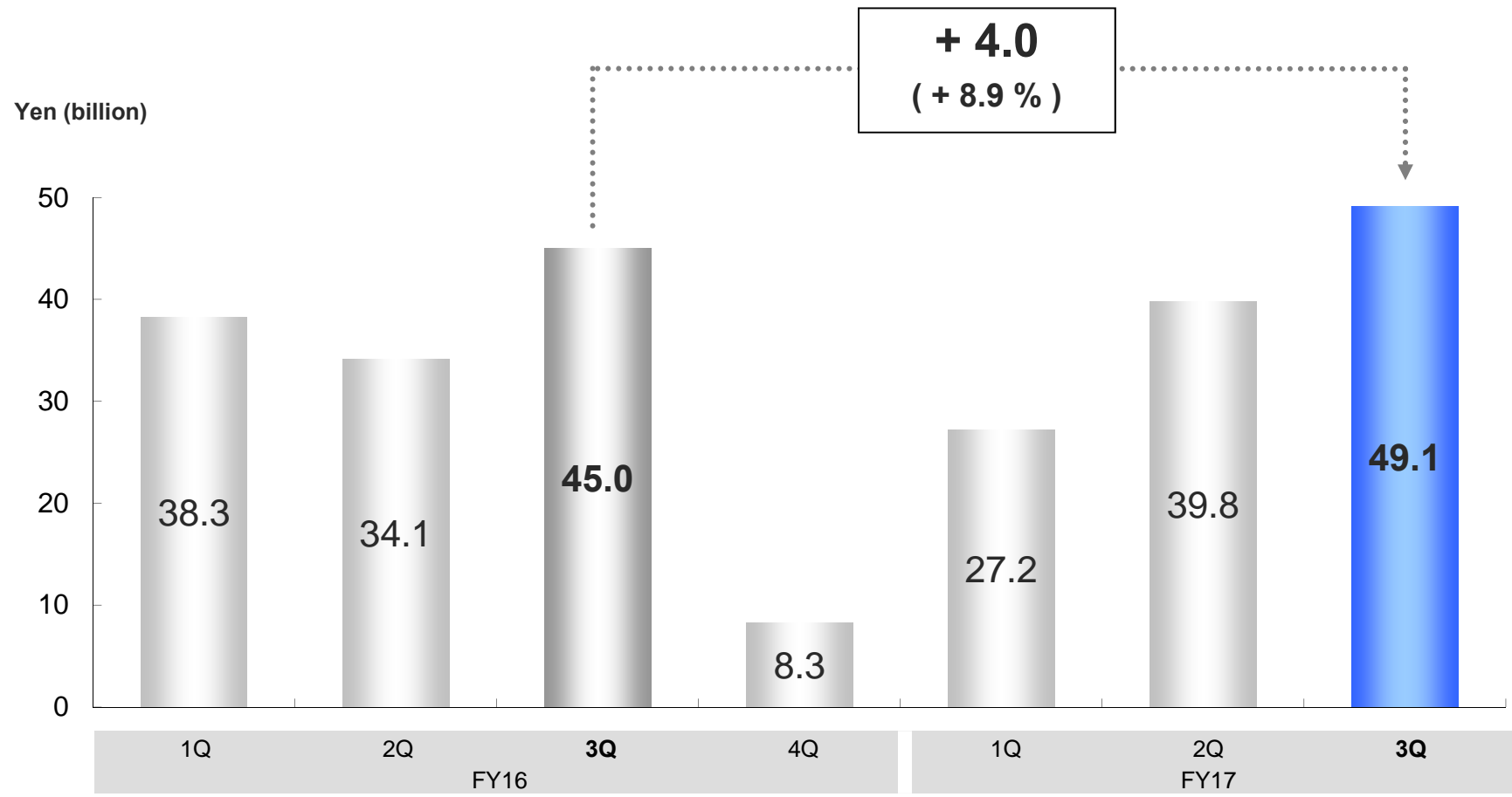


**Sales Revenue/Operating Profit (Margin)
by Geographical Segment <FY17 Nine months>**

Yen (billion)	Japan		North America		Europe		Asia		Other Regions	
	Nine months		Nine months		Nine months		Nine months		Nine months	
	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Sales Revenue	2,931.3	3,036.4	6,434.4	5,963.9	546.2	531.9	2,694.2	2,509.7	645.1	533.6

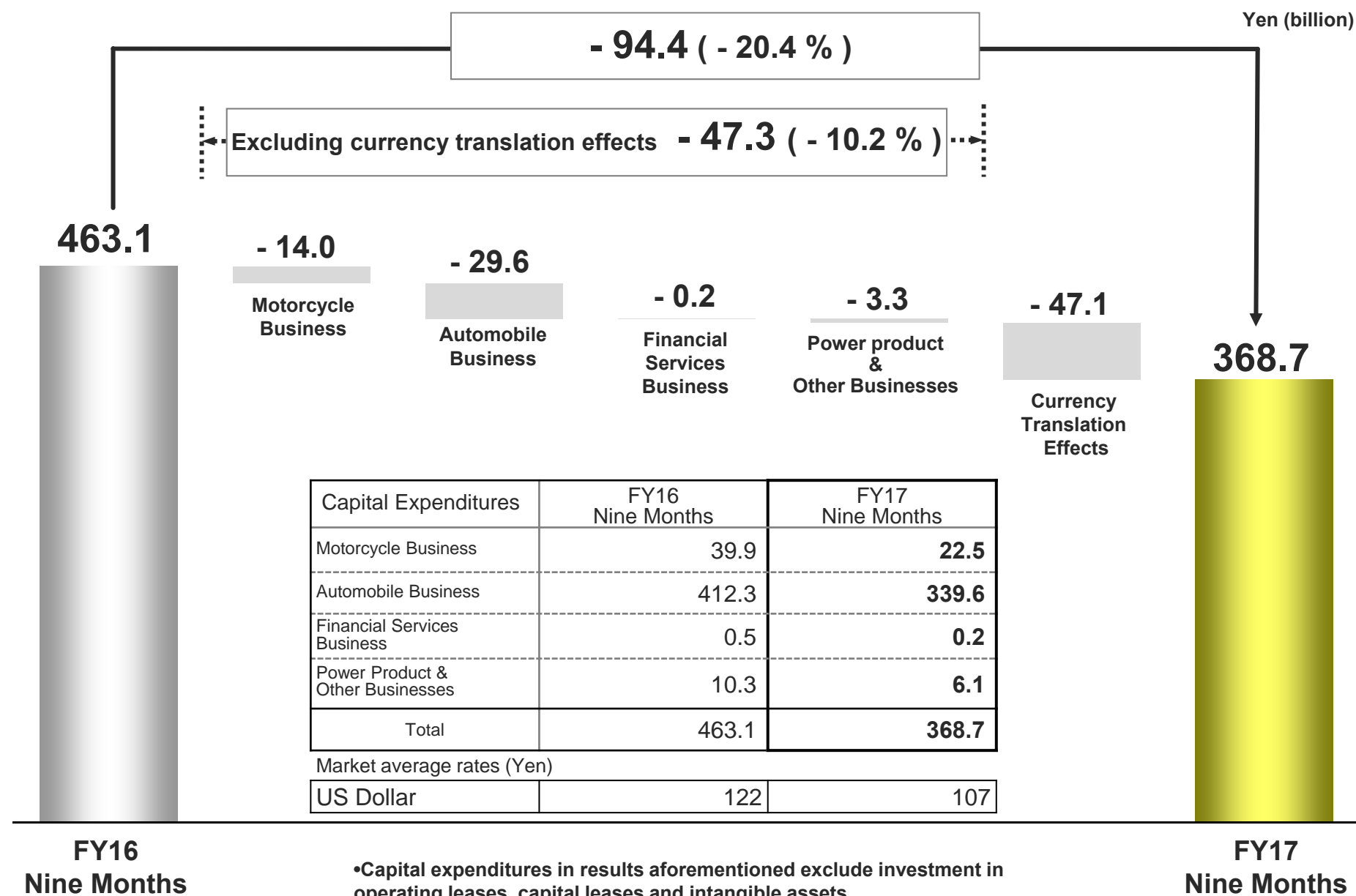


**Share of Profit of Investments
Accounted for Using the Equity Method**



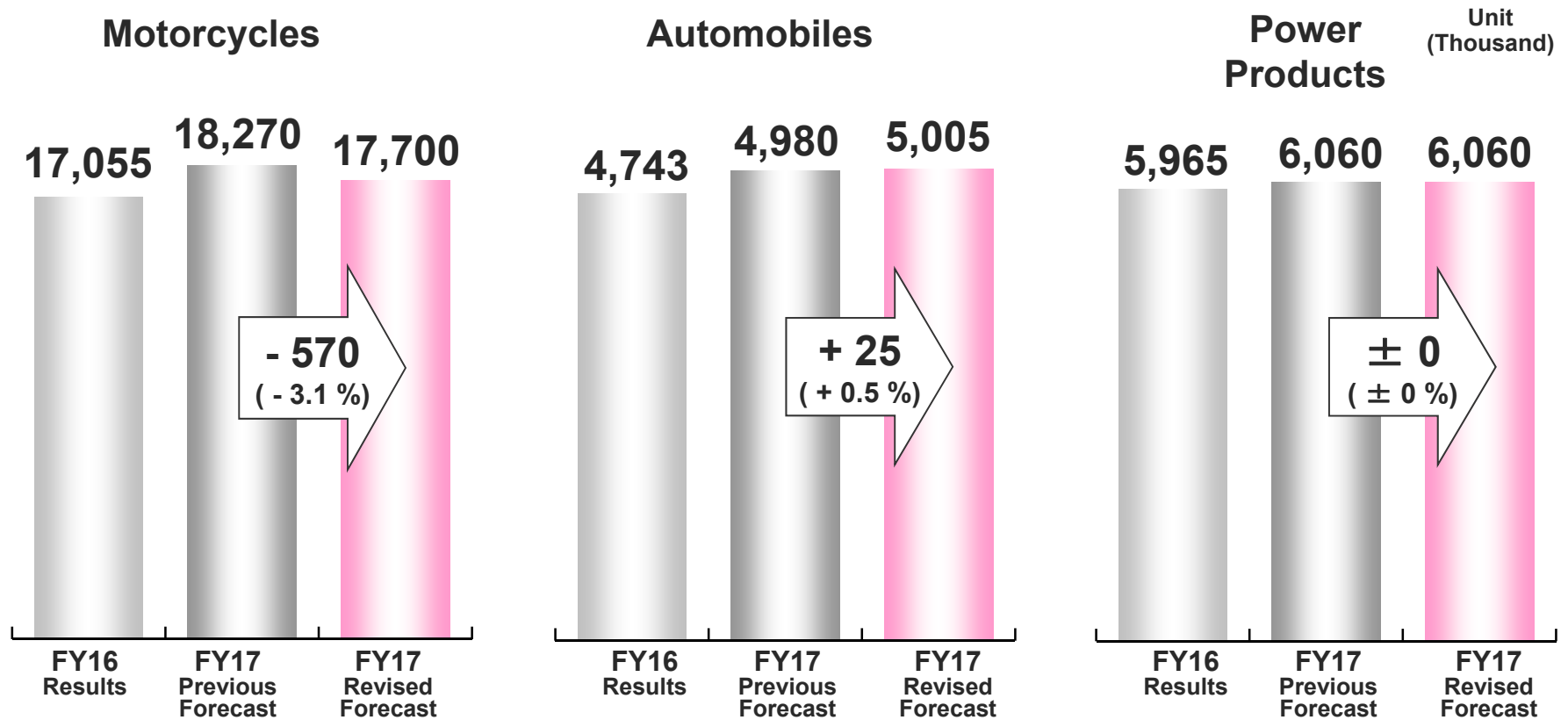
	Yen (billion)						
From Asia	32.5	28.9	39.4	24.3	39.3	36.2	40.8

Consolidated Capital Expenditures <FY17 Nine months>



- *FY17 3rd Quarter and
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 - *Capital Expenditures*
- *FY17 Financial Forecast*

Forecast: Honda Group Unit Sales

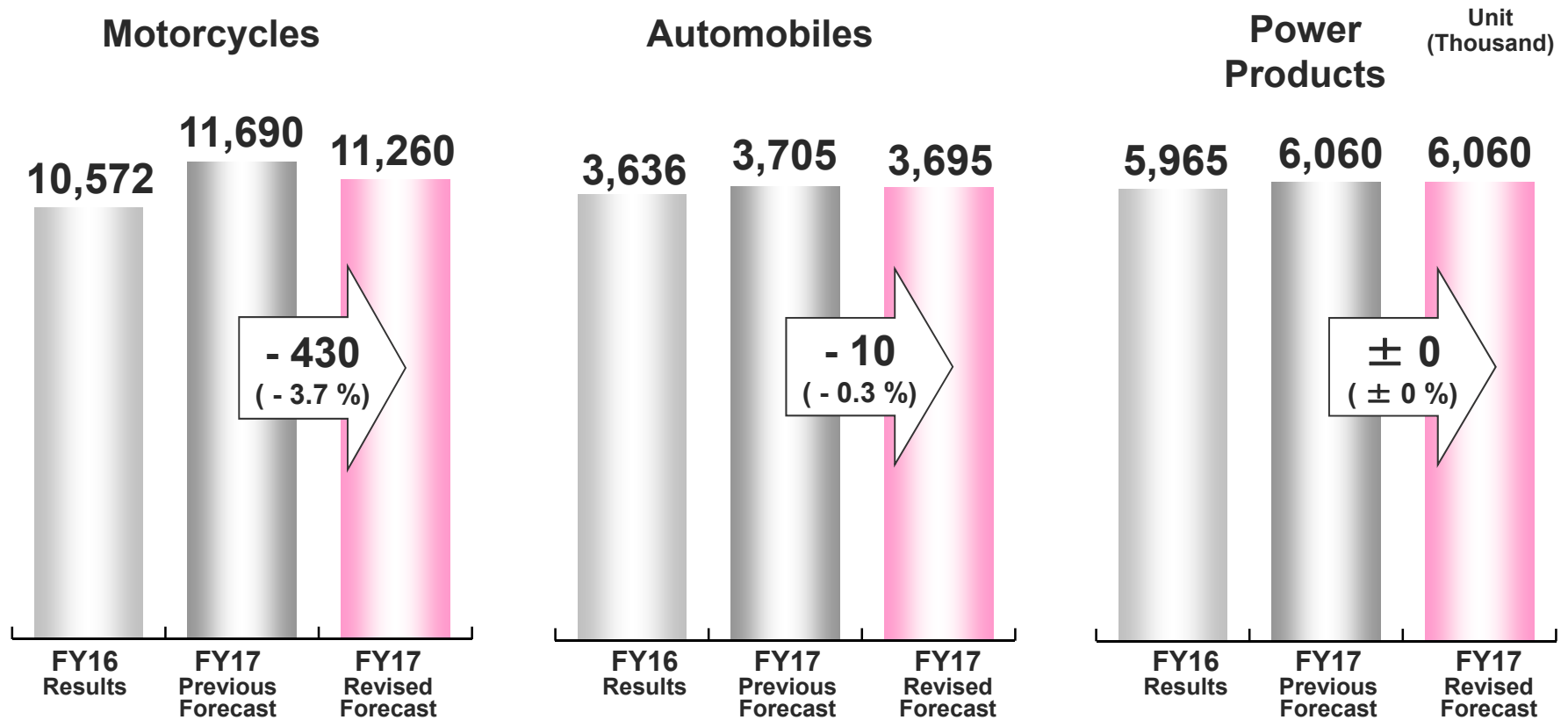


	FY17 Previous Forecast	FY17 Revised Forecast	Change
Japan	160	160	-
North America	315	305	- 10
Europe	210	210	-
Asia	16,535	15,975	- 560
Other Region	1,050	1,050	-
Total	18,270	17,700	- 570

	FY17 Previous Forecast	FY17 Revised Forecast	Change
Japan	655	650	- 5
North America	1,985	1,985	-
Europe	180	180	-
Asia	1,915	1,945	+ 30
Other Region	245	245	-
Total	4,980	5,005	+ 25

	FY17 Previous Forecast	FY17 Revised Forecast	Change
Japan	300	300	-
North America	2,955	2,955	-
Europe	1,030	1,025	- 5
Asia	1,405	1,405	-
Other Region	370	375	+ 5
Total	6,060	6,060	-

Forecast: Consolidated Unit Sales



	FY17 Previous Forecast	FY17 Revised Forecast	Change
Japan	160	160	-
North America	315	305	- 10
Europe	210	210	-
Asia	9,955	9,535	- 420
Other Region	1,050	1,050	-
Total	11,690	11,260	- 430

	FY17 Previous Forecast	FY17 Revised Forecast	Change
Japan	595	590	- 5
North America	1,985	1,985	-
Europe	180	180	-
Asia	700	695	- 5
Other Region	245	245	-
Total	3,705	3,695	- 10

	FY17 Previous Forecast	FY17 Revised Forecast	Change
Japan	300	300	-
North America	2,955	2,955	-
Europe	1,030	1,025	- 5
Asia	1,405	1,405	-
Other Region	370	375	+ 5
Total	6,060	6,060	-

FY17 Financial Forecasts (Consolidated)

	FY16 Results	FY17 Forecast	Change		Change from previous forecast
			amount	%	
Sales revenue	14,601.1	13,800.0	- 801.1	- 5.5%	+ 400.0
Operating profit	503.3	785.0	+ 281.6	+ 55.9%	+ 135.0
Operating margin	3.4%	5.7%	+ 2.3 pt		+ 0.8 pt
Share of profit of investments accounted for using the equity method	126.0	150.0	+ 23.9	+ 19.0%	+ 10.0
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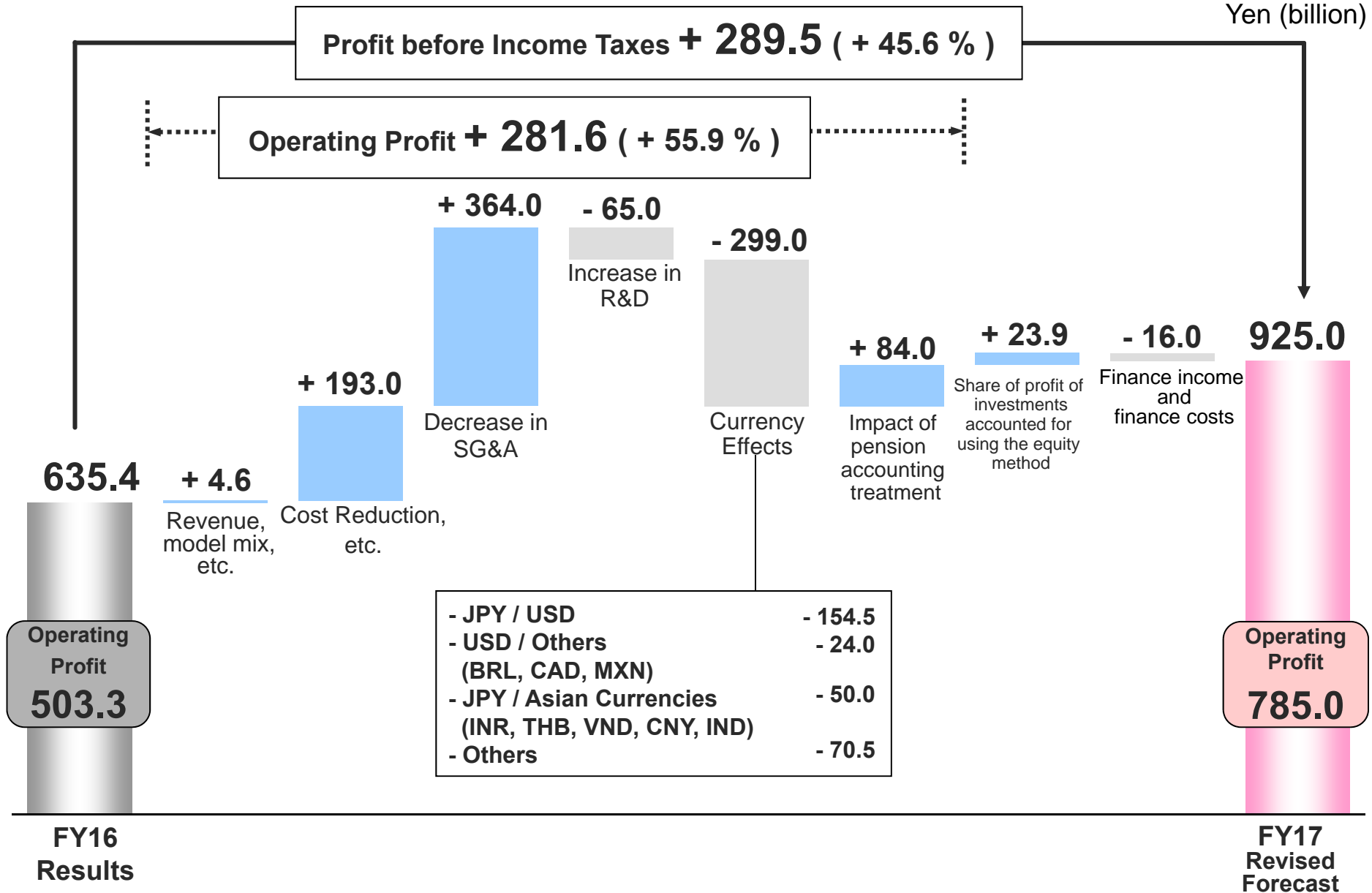
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Market average rates (Yen)

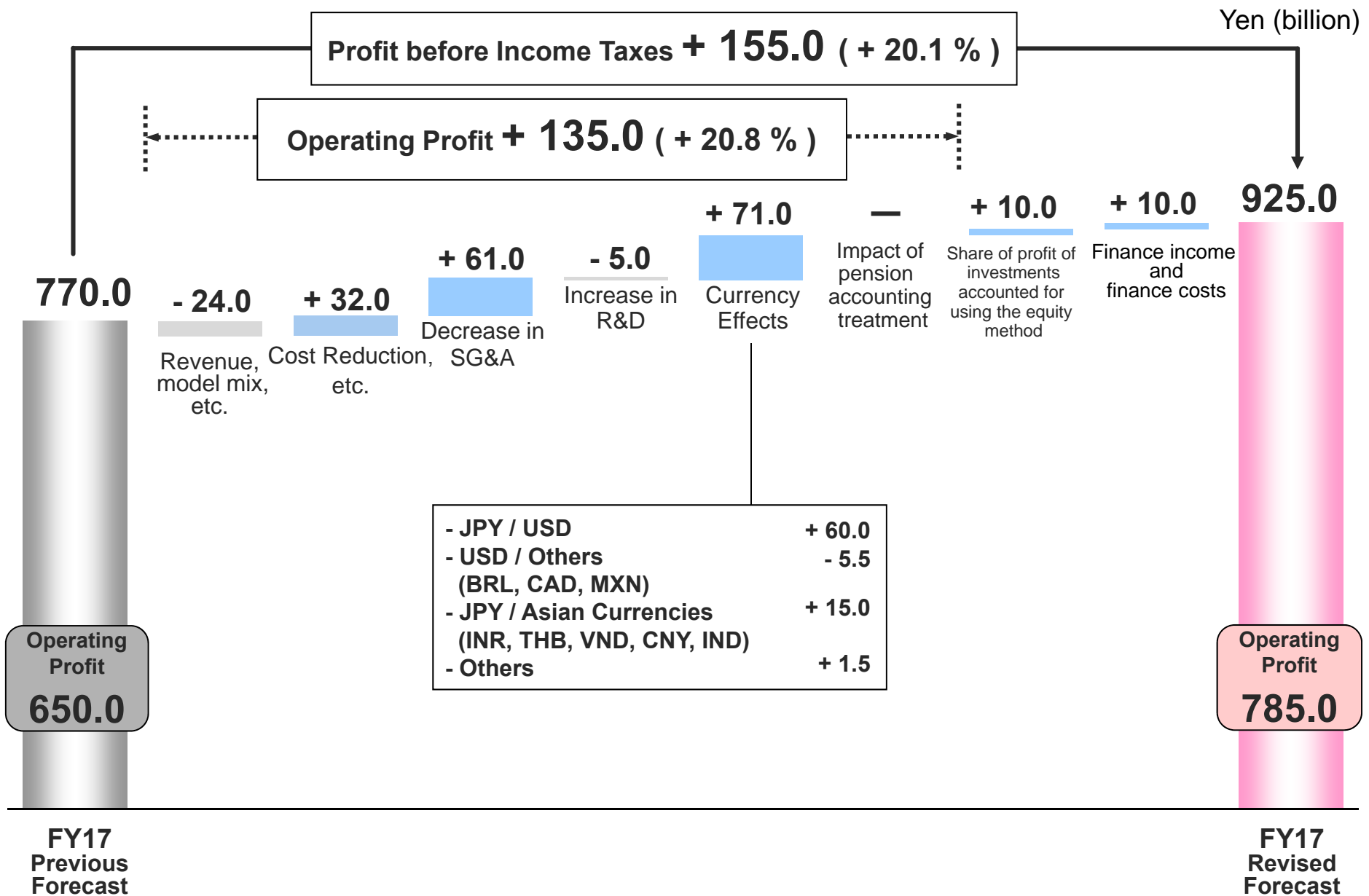
US Dollar	120	107 (4Q 110)	Yen up by 13 yen	Yen down by 4 yen
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FY17 Forecast: Change in Profit before Income Taxes

Yen (billion)



FY17 Forecast: Change in Profit before Income Taxes



FY17 Forecast: Capital Expenditures, Depreciation and R&D

Yen (billion)

	FY16 Results	FY17 Forecast	Change	Change from previous forecast
Capital expenditures *	647.4	540.0	- 107.4	- 20.0
Depreciation *	440.4	430.0	- 10.4	- 10.0
Research and development expenditures **	719.8	690.0	- 29.8	-

* 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. Research and development expenditures aforementioned exclude decrease of 25.4 billion yen due to the impact of pension accounting treatment in FY17 2nd quarter.

Caution with Respect to Forward-Looking Statements:

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

Accounting standards:

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

Notice on the Factors for Increases and Decreases in Income:

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

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

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

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

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

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

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

- 3rd Quarter FY16: 1,802,284,000 (approx), FY17: 1,802,281,000 (approx) (page 6)
- Nine Months FY16: 1,802,285,000 (approx), FY17: 1,802,282,000 (approx) (page 7)
- Fiscal Year FY16: 1,802,285,000 (approx), FY17 forecasts: 1,802,282,000 (approx) (pages 8 and 31)

HONDA

The Power of Dreams

Appendix

Yen (billion)

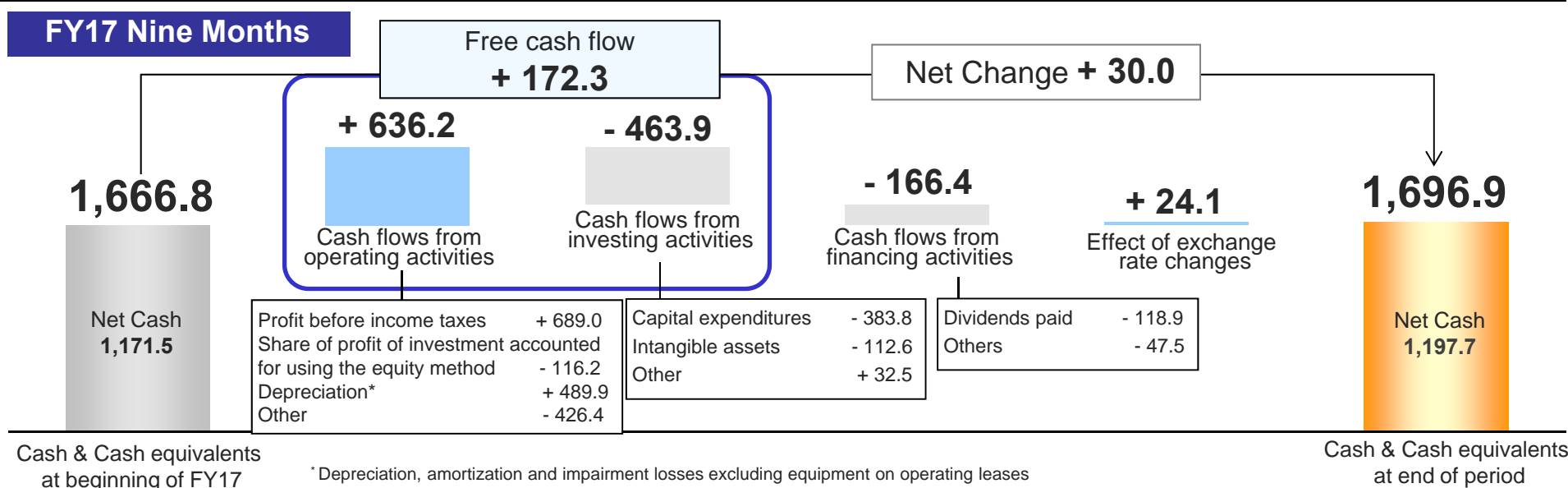
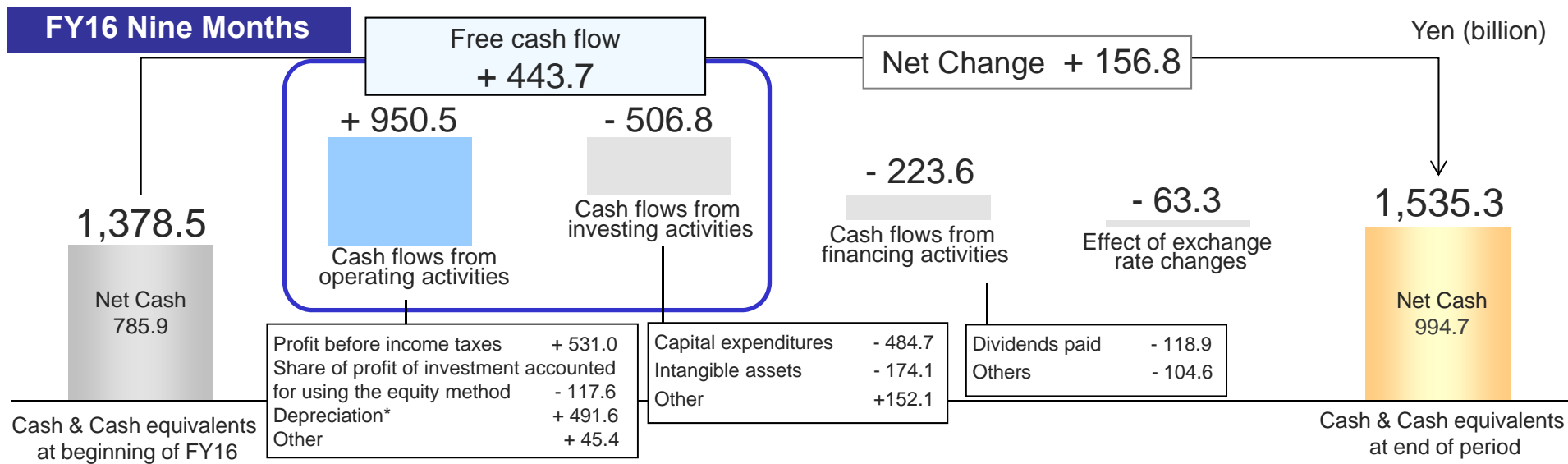
	3Q		
	FY16	FY17	Change
Capital expenditures *	179.8	174.6	- 5.2
Depreciation *	109.4	103.4	- 5.9
Research and development expenditures **	184.1	165.7	- 18.4

Nine Months		
FY16	FY17	Change
463.1	368.7	- 94.4
329.4	311.0	- 18.4
512.7	473.7	- 38.9

* Capital expenditures as well as Depreciation and amortization in results 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. Research and development expenditures aforementioned exclude decrease of 25.4 billion yen due to the impact of pension accounting treatment in FY17 2nd quarter.

Cash Flows of Non-financial Services Businesses



Quarterly Consolidated Unit Sales <IFRS>

Unit (thousand)	FY16					FY17		
	1Q	2Q	3Q	4Q	12 months	1Q	2Q	3Q
Japan	47	50	41	42	180	29	33	49
North America	75	75	69	89	308	78	71	68
Europe	66	48	33	57	204	72	48	31
Asia	2,011	2,221	2,215	2,203	8,650	2,364	2,629	2,267
Other Region	346	346	296	242	1,230	288	261	260
Motorcycles	2,545	2,740	2,654	2,633	10,572	2,831	3,042	2,675
Japan	135	155	140	184	614	132	143	154
North America	497	473	466	493	1,929	510	479	510
Europe	32	42	43	55	172	45	45	43
Asia	158	158	165	189	670	162	167	156
Other Region	66	61	65	59	251	59	56	62
Automobiles	888	889	879	980	3,636	908	890	925
Japan	85	115	62	101	363	59	87	54
North America	804	532	469	1,006	2,811	769	522	521
Europe	231	174	190	413	1,008	225	165	190
Asia	340	346	344	319	1,349	360	376	311
Other Region	98	108	112	116	434	75	90	99
Power Products	1,558	1,275	1,177	1,955	5,965	1,488	1,240	1,175