



FY16 1st Quarter Financial Results



Honda Motor Co., Ltd.

July 31, 2015

PILOT
(North America)

- *FY16 1st Quarter Financial Results*
- *FY16 Financial Forecasts*
- *Dividend*

Tetsuo Iwamura
Executive Vice President

Results Summary

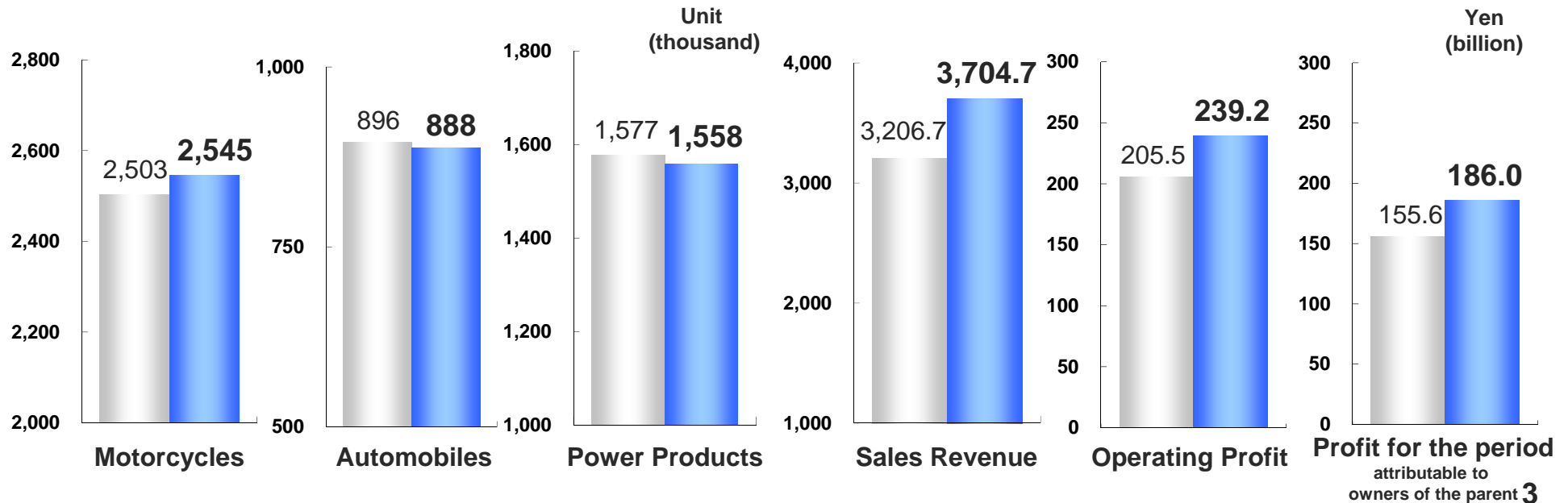
Operating profit for FY16 1Q increased 16.4% to 239.2 billion yen compared to the same period last year. This was mainly due to strong sales in North America, positive effects of the *HR-V* introduction as well as cost reduction efforts, despite increased SG&A expenses, including quality related expenses.

1st Quarter Results FY15 and FY16

FY15 FY16

Consolidated Unit Sales

Sales Revenue / Operating Profit / profit for the period

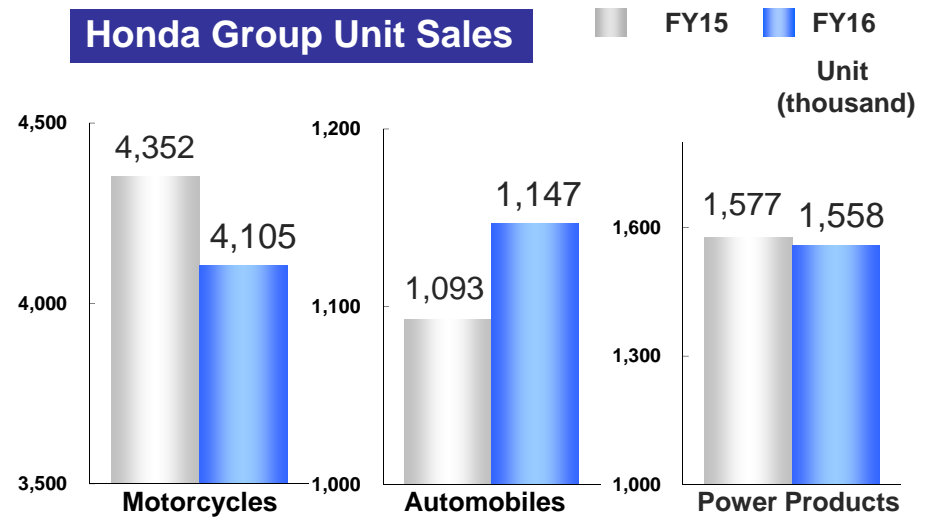


FY16 1st Quarter Unit Sales

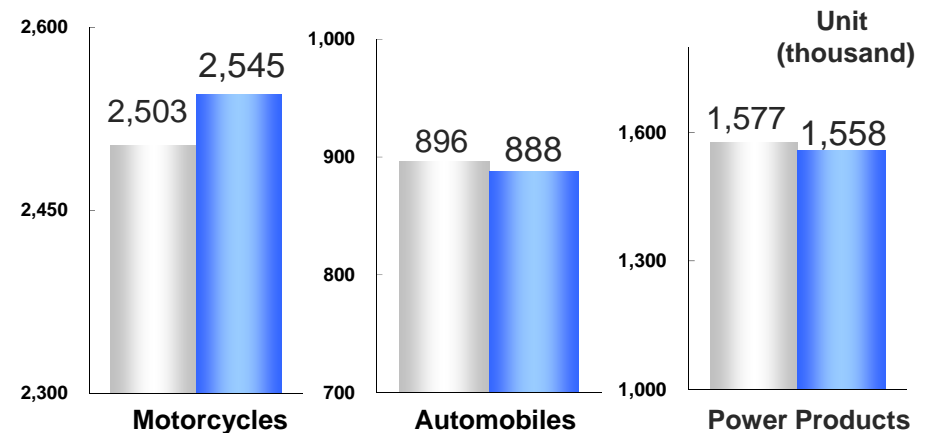
Honda Group Unit Sales (thousand)	1Q Results (3 Months)		
	FY15	FY16	Change
Motorcycles	4,352	4,105	- 5.7%
Automobiles	1,093	1,147	+ 4.9%
Power Products	1,577	1,558	- 1.2%

Consolidated Unit Sales (thousand)	1Q Results (3 Months)		
	FY15	FY16	Change
Motorcycles	2,503	2,545	+ 1.7%
Automobiles	896	888	- 0.9%
Power Products	1,577	1,558	- 1.2%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Decrease in motorcycle unit sales due to lower sales in Indonesia and Brazil despite strong growth in India
- Automobile unit sales increased mainly in North America and China despite a decrease in Japan

FY16 1st Quarter Financial Results (Consolidated)

Financial Results Yen (billion)	1Q Results (3 Months)		
	FY15	FY16	Change
Sales revenue	3,206.7	3,704.7	+ 15.5%
Operating profit	205.5	239.2	+ 16.4%
Operating margin	6.4%	6.5%	+ 0.1 pt
Share of profit of investments accounted for using the equity method	36.2	38.3	+ 5.7%
Profit before income taxes	243.5	282.3	+ 15.9%
Profit for the period attributable to owners of the parent	155.6	186.0	+ 19.6%
Earnings per share ^{*1} attributable to owners of the parent (Yen)	86.34	103.22	+ 16.88

Financial Summary

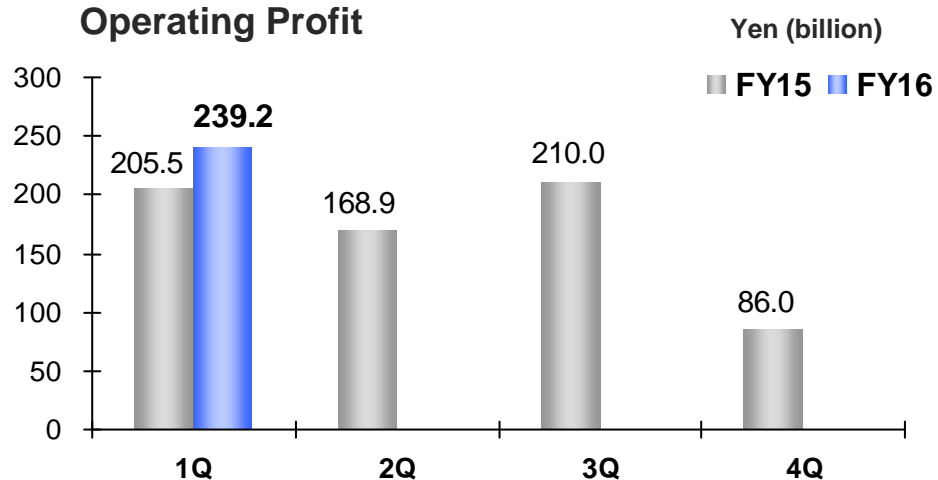
- Sales revenue increased 15.5% due primarily to increased revenue in automobile and financial services business operations, as well as favorable foreign currency translation effects.

- Operating profit increased 16.4% due primarily to an increase in sales volume and model mix and continuing cost reduction efforts, despite increased SG&A expenses, including quality related expenses.

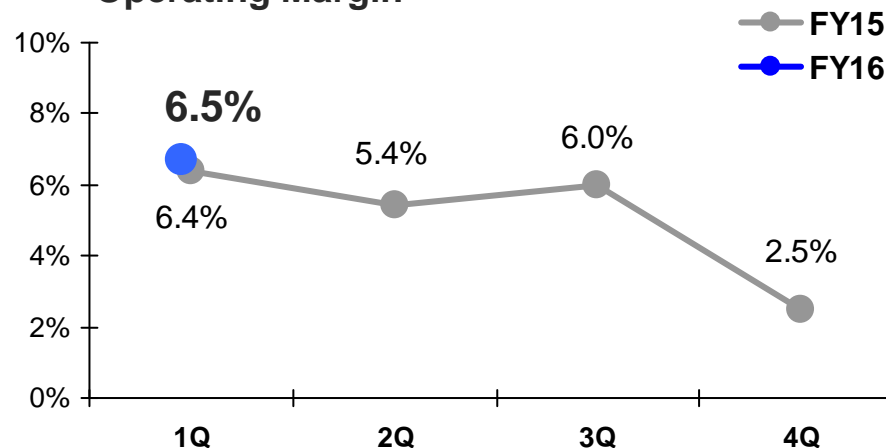
Market average rates (Yen) For *1, please refer to the footnote on page 21

US Dollar	102	121	Yen down by 19 yen
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Operating Profit



Operating Margin



FY16 Financial Forecasts (Consolidated)

No changes have been made to the previous forecasts (on April 28, 2015) Yen (billion)

	FY15 Results	FY16 Forecasts	Change	
			amount	%
Sales revenue	13,328.0	14,500.0	+ 1,171.9	+ 8.8%
Operating profit	670.6	685.0	+ 14.3	+ 2.1%
Operating margin	5.0%	4.7%		- 0.3 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 ^{*1} attributable to owners of the parent (Yen)	282.66	291.30	+ 8.64	
Average rates (Yen)				
US Dollar	110	115	Yen down by 5 yen	

For *1, please refer to the footnote on page 21

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 1st Quarter Financial Results*
 - *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*

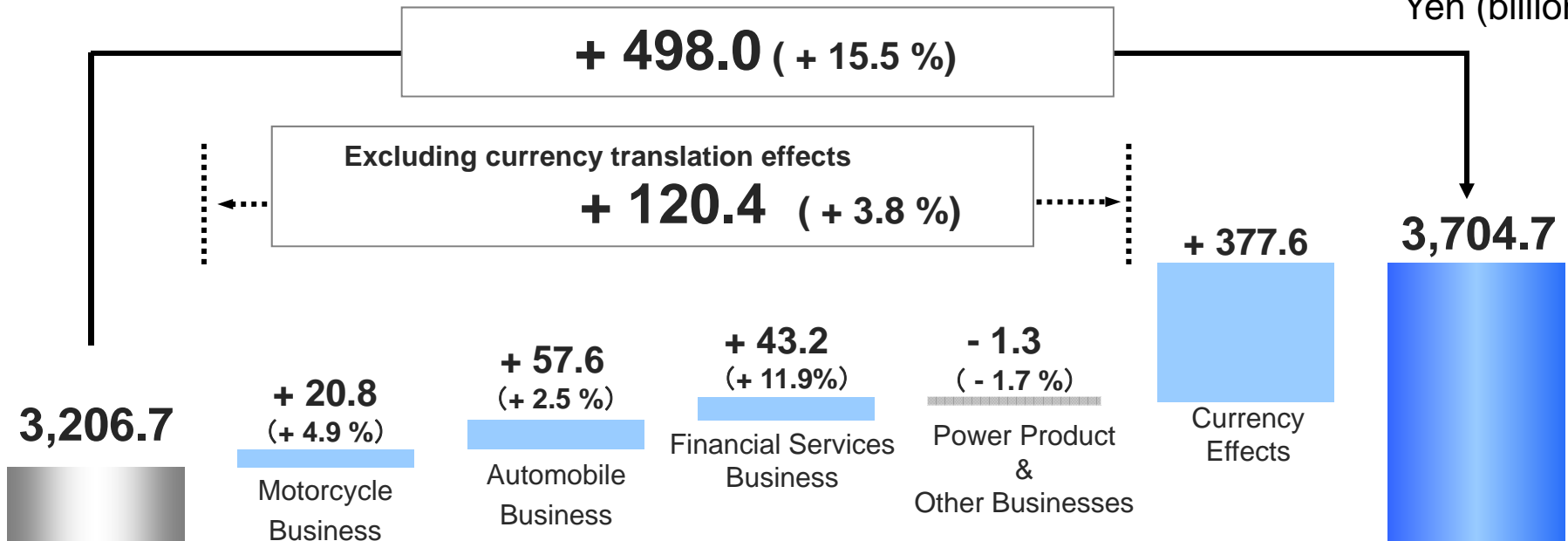
Kohei Takeuchi

Managing Officer and Director

Chief Financial Officer

Change in Sales Revenue <FY16 1st Qtr>

Yen (billion)



Sales Revenue	FY15 1Q	FY16 1Q
Motorcycles	426.4	472.7
Automobiles	2,338.2	2,675.8
Financial Services Business	364.4	473.6
Power Product & Other Businesses	77.6	82.5
Total	3,206.7	3,704.7

Market average rates (Yen)

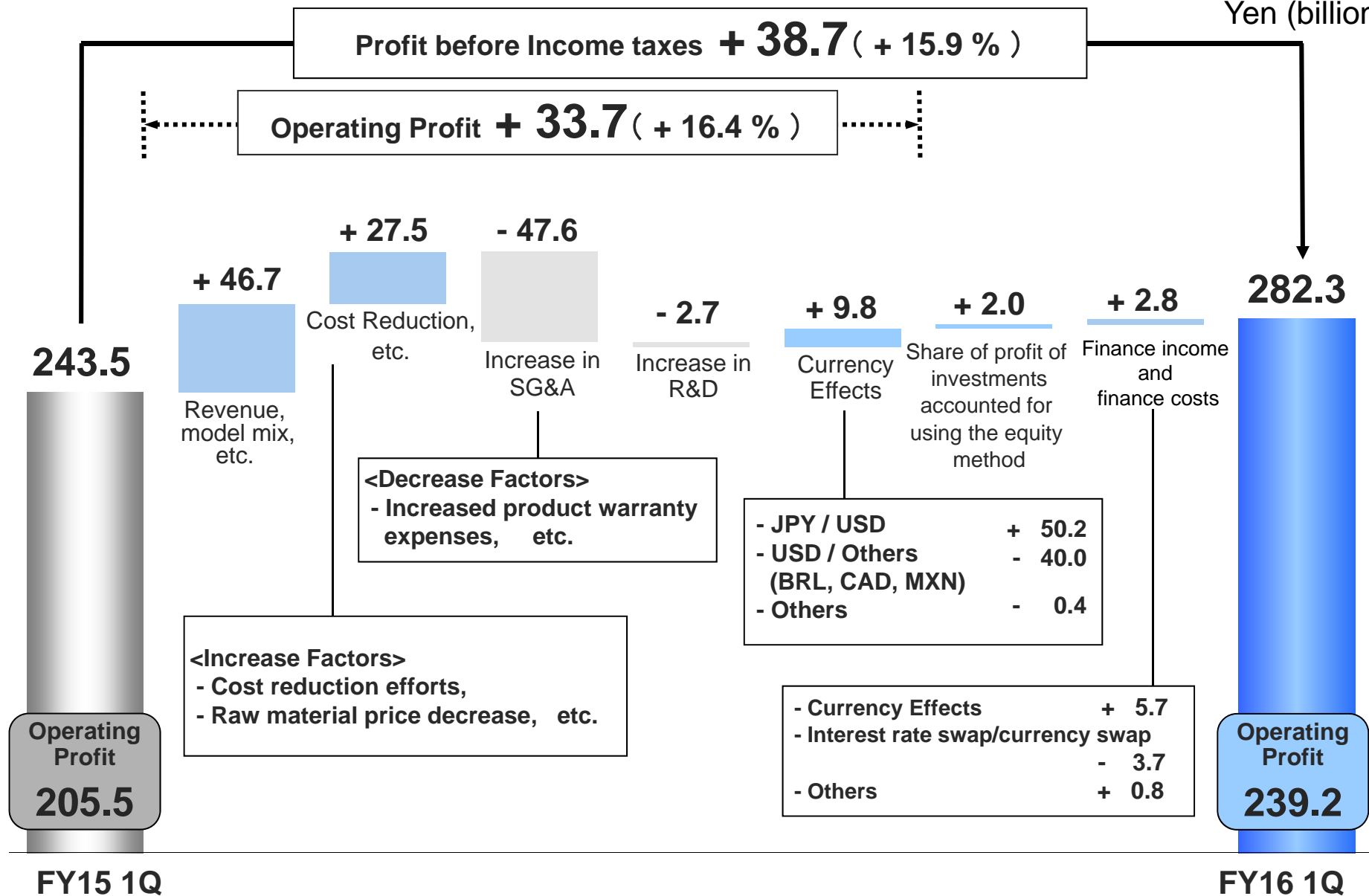
US Dollar	102	121
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FY15 1Q

FY16 1Q

Change in Profit before Income Taxes <FY16 1st Qtr>

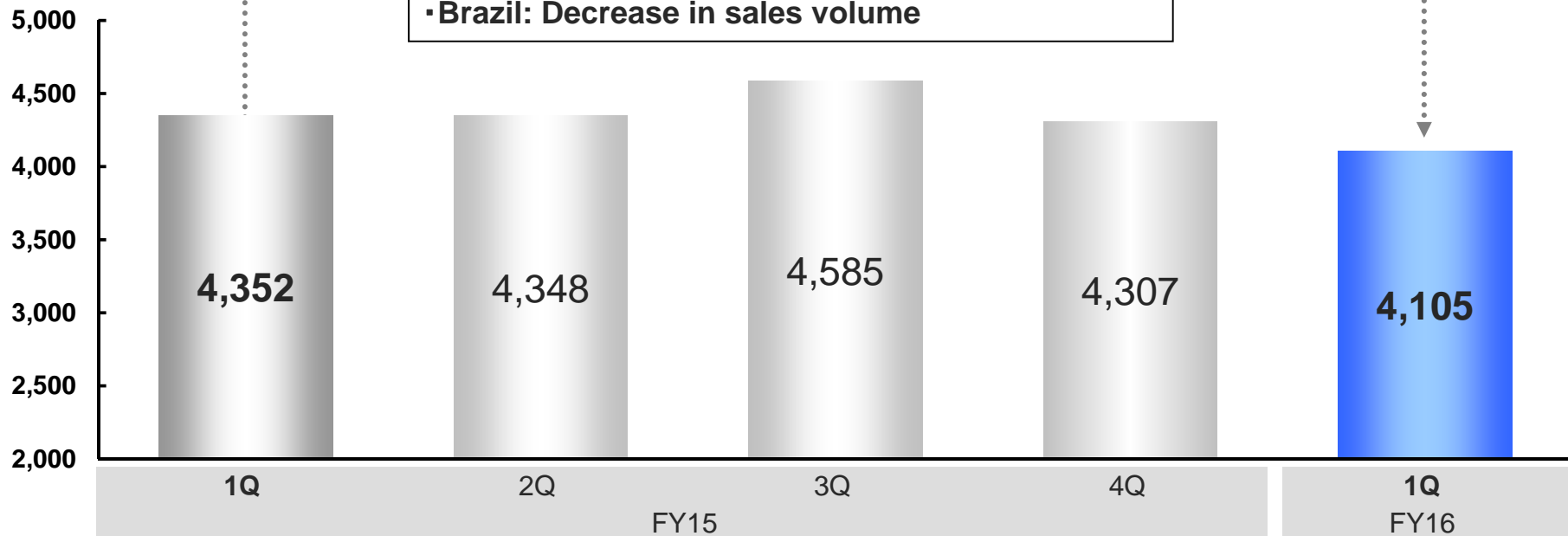
Yen (billion)



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



Activa (India)

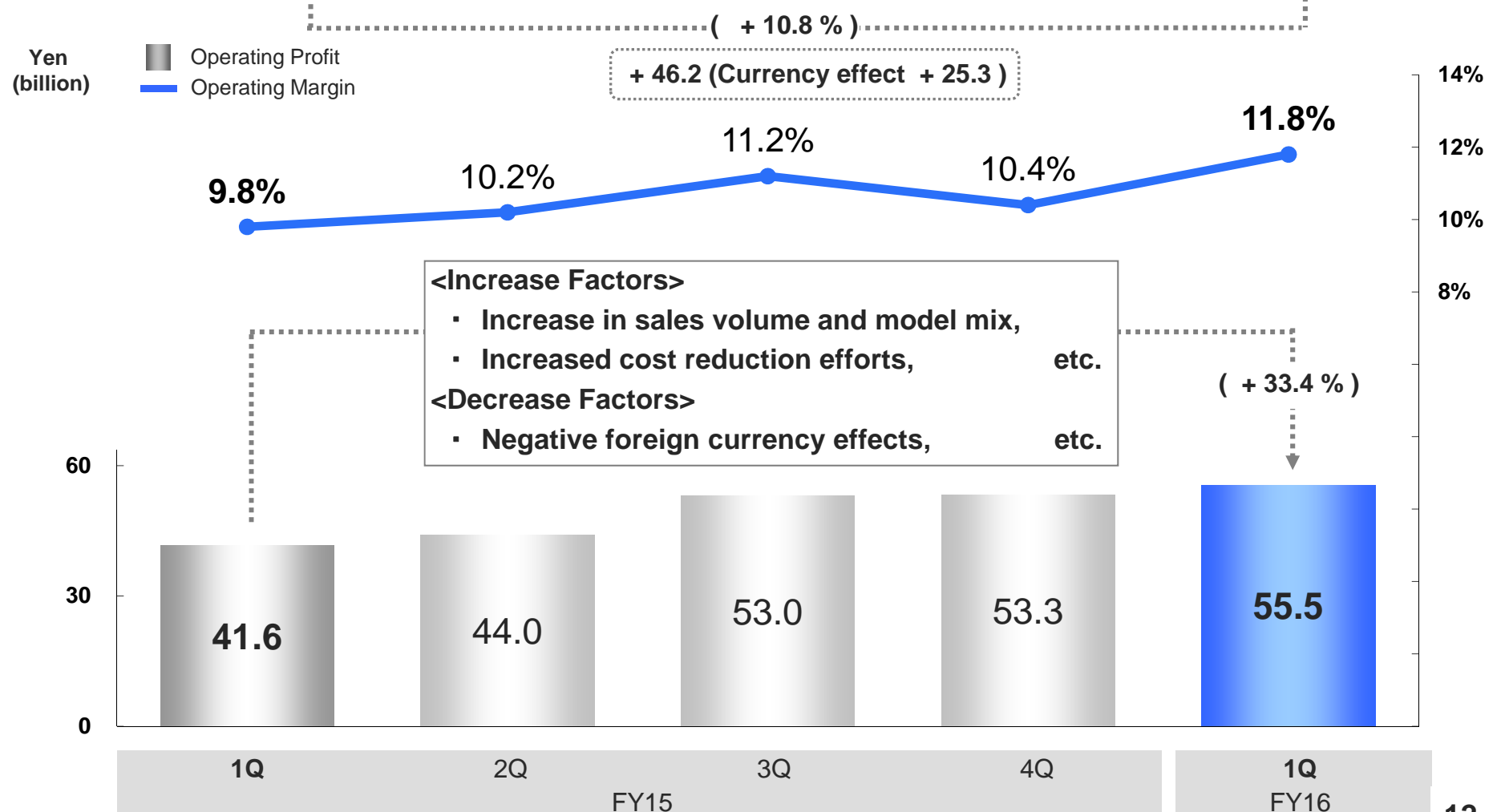


<Asia>
 • Indonesia: Decrease in sales volume
 • India: Increased sales of *Activa series*
 <Other Regions>
 • Brazil: Decrease in sales volume

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

Motorcycle Business Sales Revenue / Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY15				FY16
	1Q	2Q	3Q	4Q	1Q
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)
Sales Revenue	426.4	432.7	472.7	514.6	472.7



Automobiles - Honda Group Unit Sales

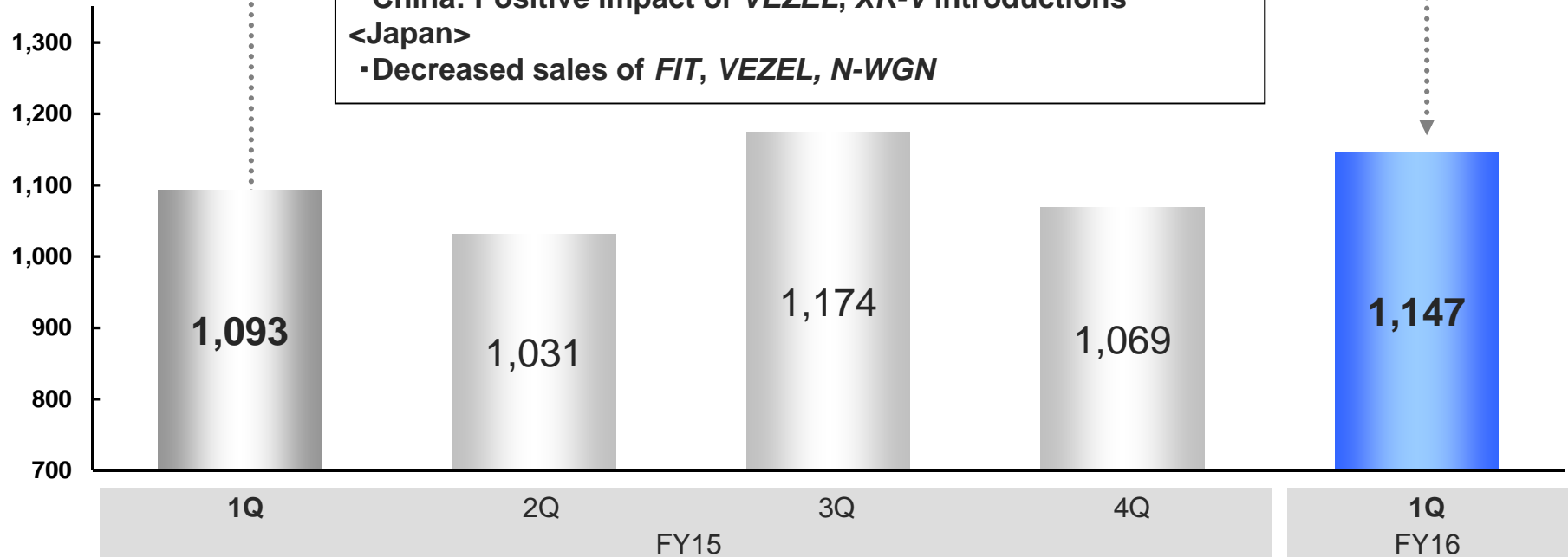
Unit (thousand)



HR-V
(North America)

- <North America>
 - Positive impact of *HR-V*, *ACURA TLX* introductions
 - Increased sales of *CR-V*
- <Asia>
 - China: Positive impact of *VEZEL*, *XR-V* introductions
- <Japan>
 - Decreased sales of *FIT*, *VEZEL*, *N-WGN*

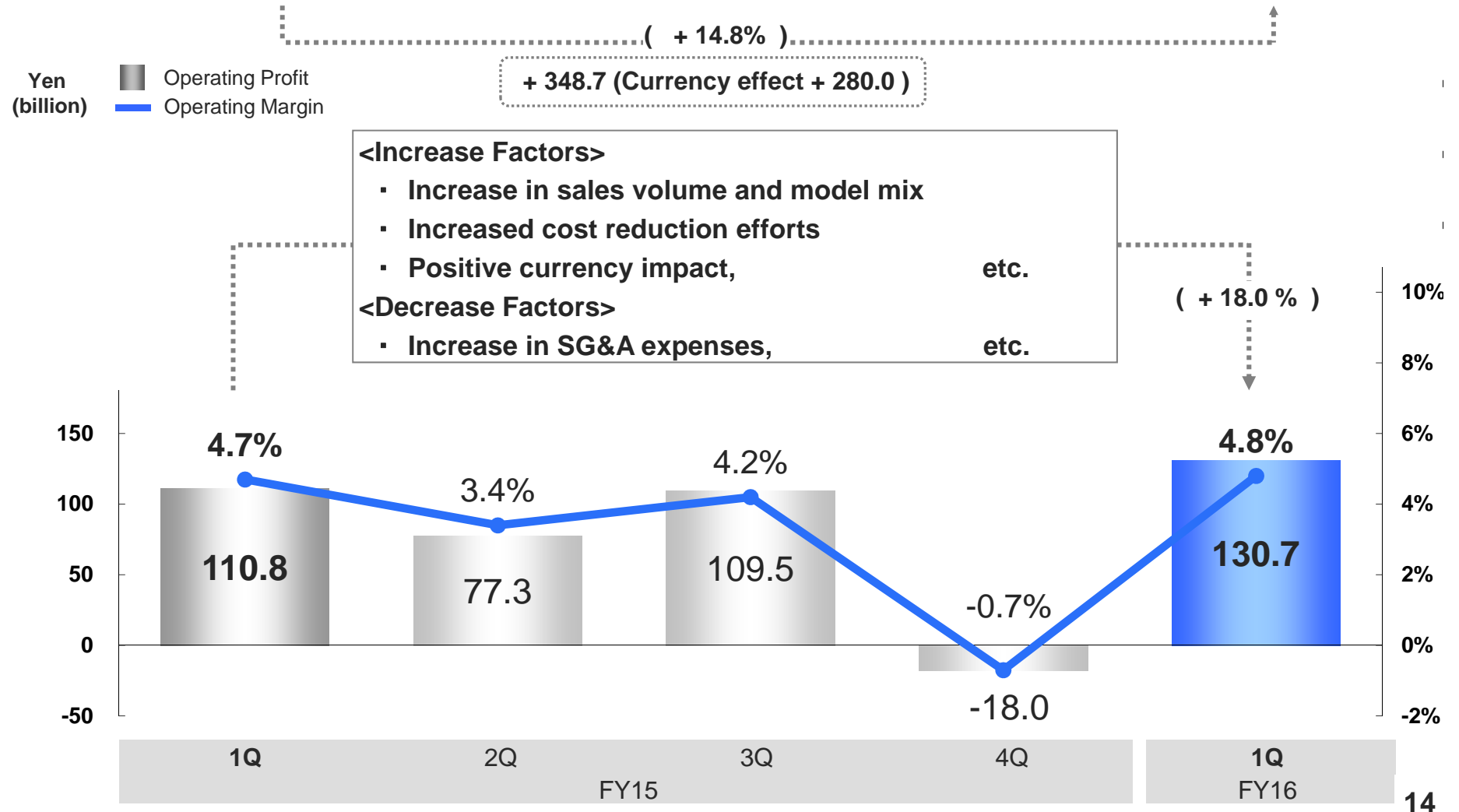
+ 54
(+ 4.9%)



	1Q	2Q	3Q	4Q	1Q
	FY15				FY16
Japan	202	176	162	221	147
North America	449	434	474	393	497
Europe	38	44	36	43	32
Asia	341	310	431	344	405
Other Region	63	67	71	68	66
Total	1,093	1,031	1,174	1,069	1,147

Automobile Business Sales Revenue/Operating Profit (Margin)

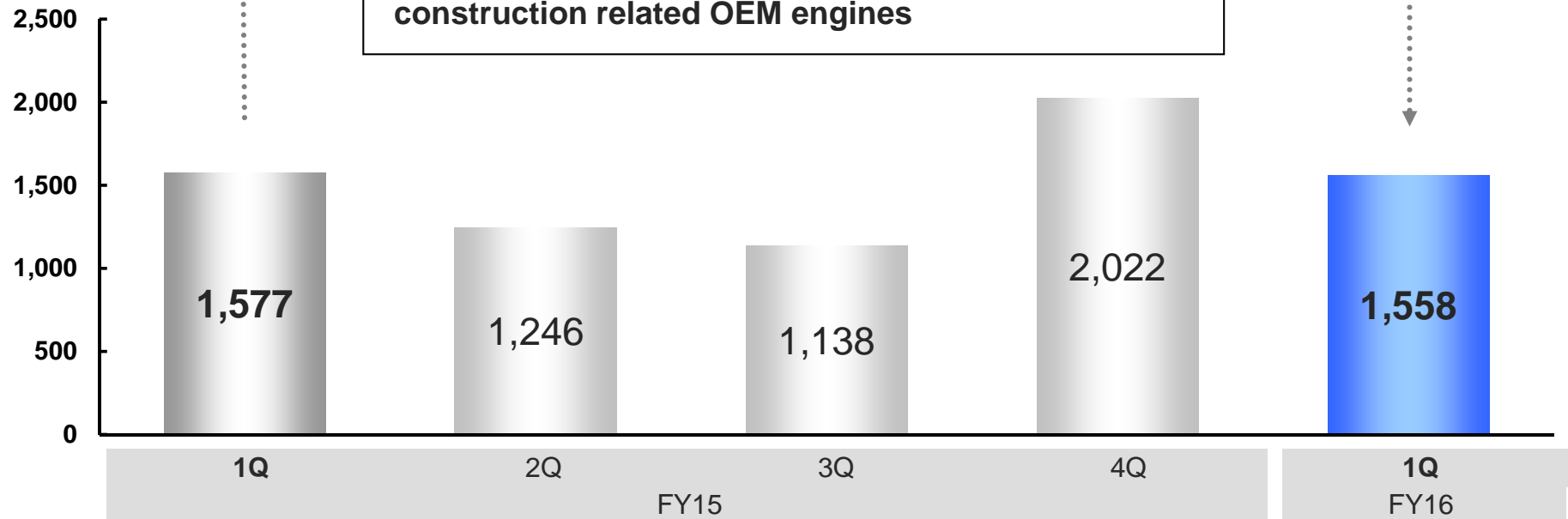
Unit (thousand) Yen (billion)	FY15				FY16
	1Q	2Q	3Q	4Q	1Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,093 (896)	1,031 (864)	1,174 (872)	1,069 (881)	1,147 (888)
Sales Revenue	2,357.2	2,305.9	2,609.7	2,484.9	2,706.0



Power Products - Honda Group Unit Sales



GCV160
(Engine)



<Asia>

- Decrease in sales of OEM engines in China
- Decrease in sales of brushcutters in Thailand

<North America>

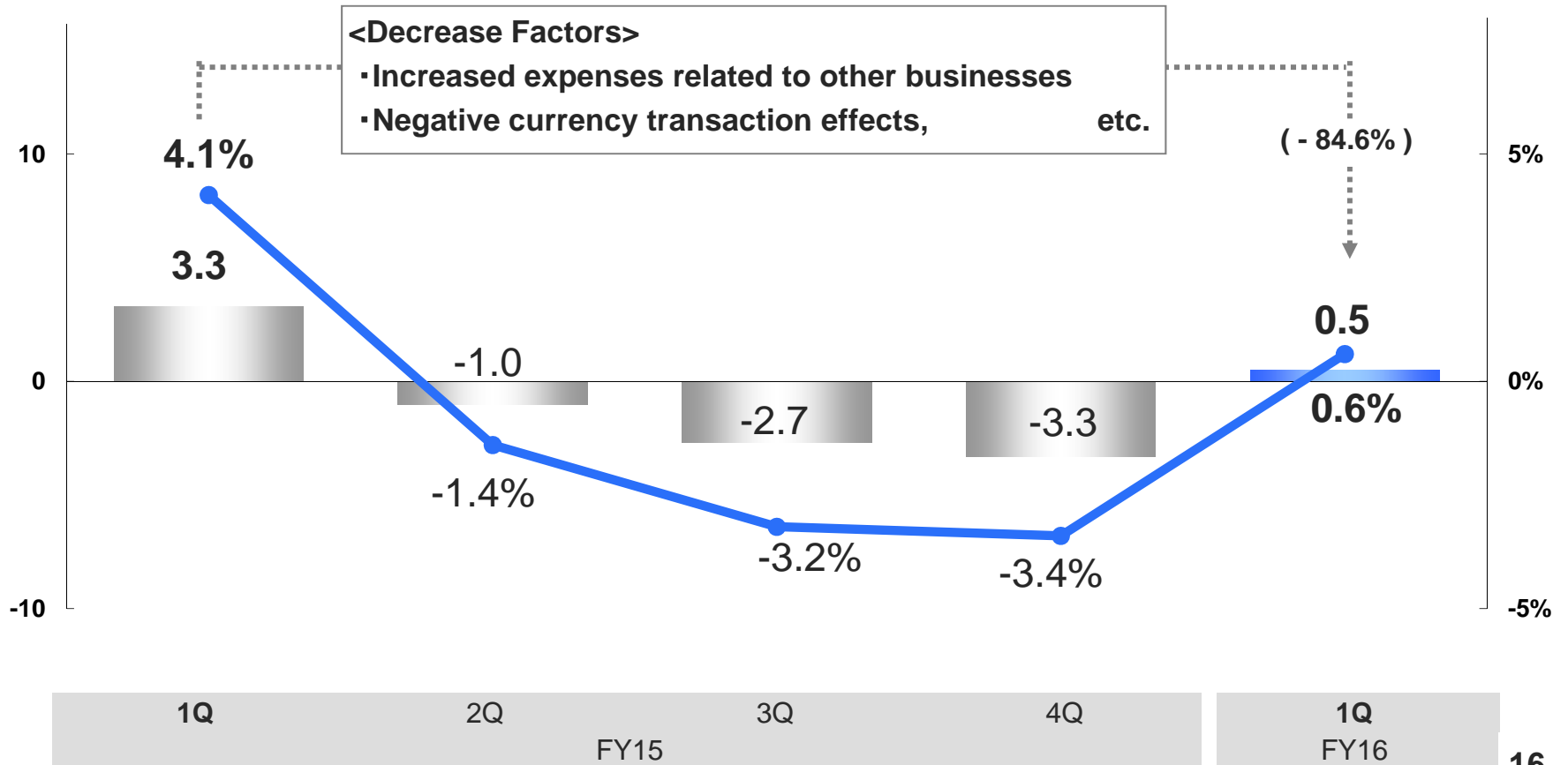
- Increase in sales of high pressure washers and construction related OEM engines

	FY15 1Q	FY15 2Q	FY15 3Q	FY15 4Q	FY16 1Q
Japan	68	85	83	102	85
North America	775	496	425	1,009	804
Europe	245	185	199	462	231
Asia	396	378	289	319	340
Other Region	93	102	142	130	98
Total	1,577	1,246	1,138	2,022	1,558

Unit (thousand) Yen (billion)	FY15				FY16
	1Q	2Q	3Q	4Q	1Q
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)
Sales Revenue	83.2	78.8	85.5	99.1	88.1

Yen (billion) ■ Operating Profit
■ Operating Margin

(+ 5.9%)
+ 4.9 (Currency Effect + 6.2)



Financial Services Business

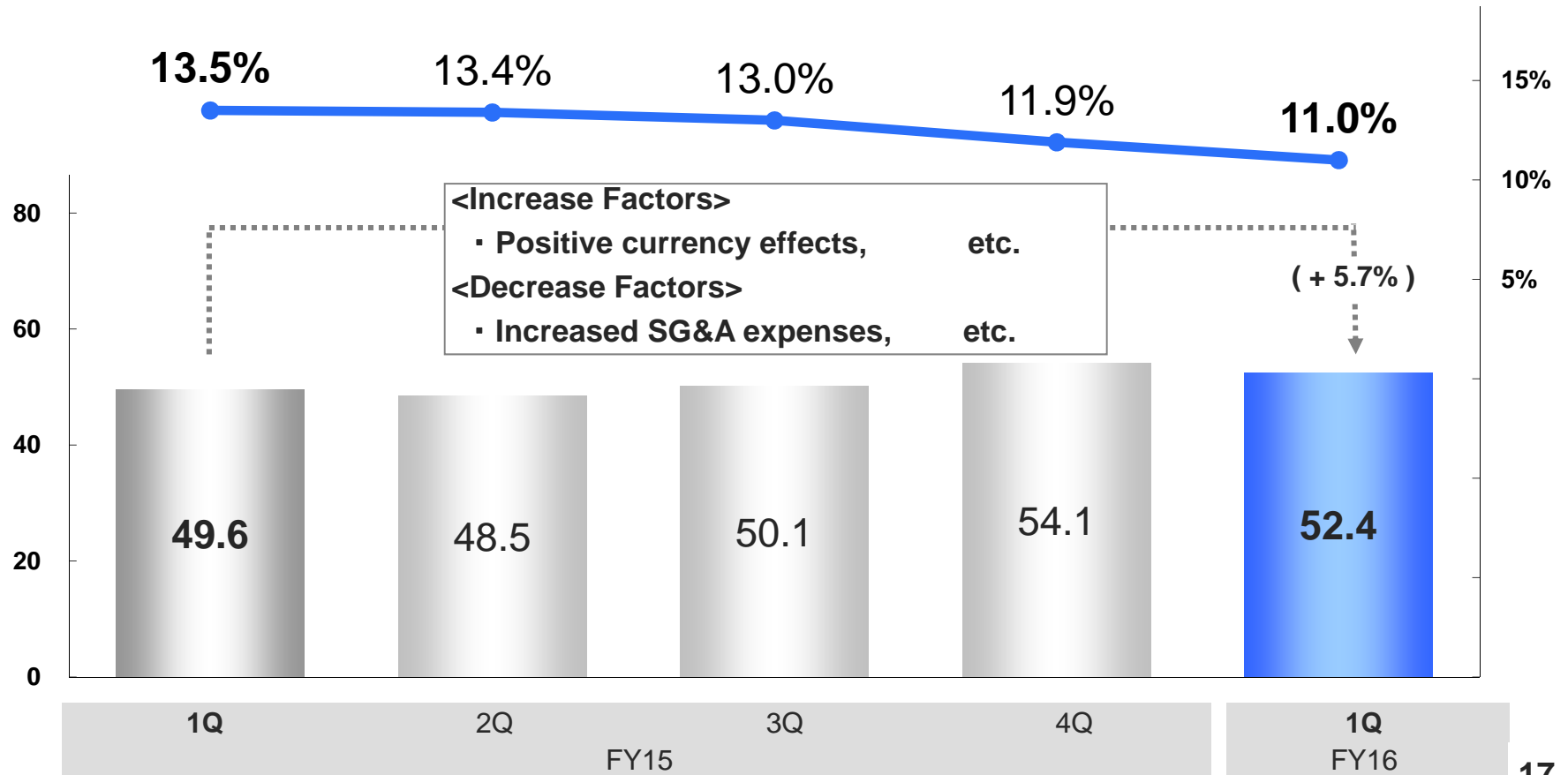
Total Assets/Sales Revenue/Operating Profit (Margin)

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

Yen (billion)
 Operating Profit
 Operating Margin

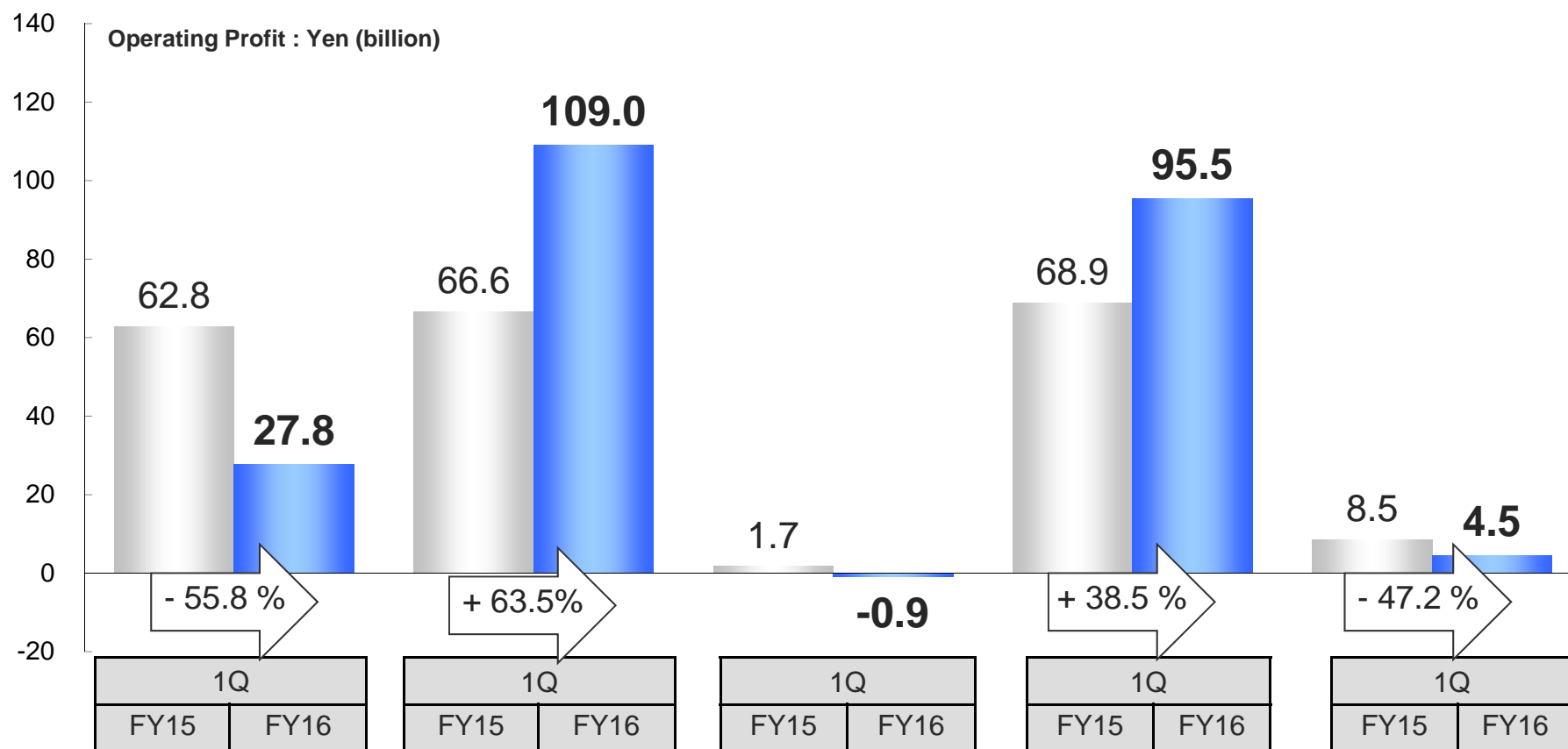
(+ 30.0%)

+ 109.9 (Currency effect + 66.0)

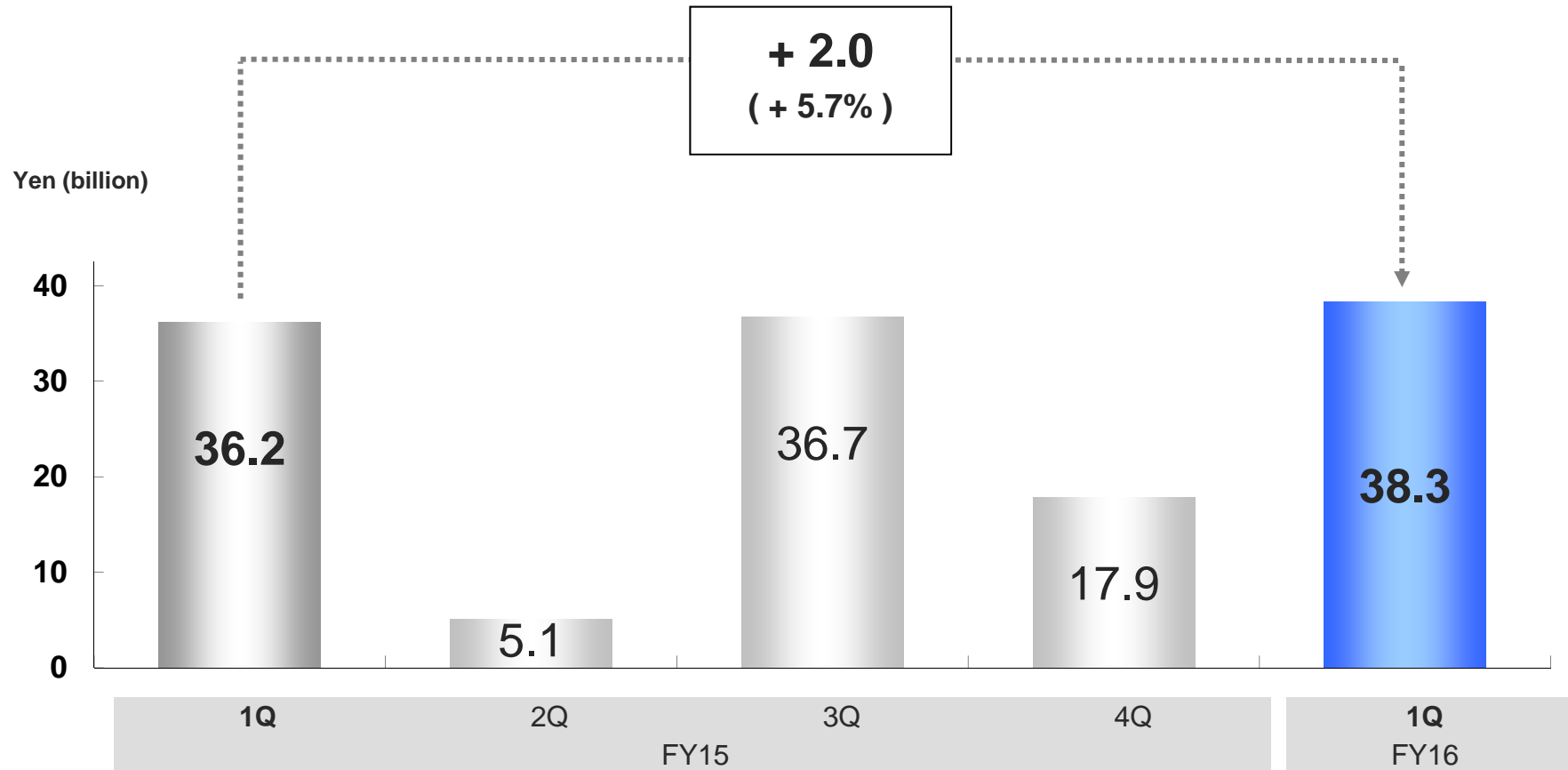


**Sales Revenue/Operating Profit (Margin)
by Geographical Segment <FY16 1st Qtr>**

Yen (billion)	Japan		North America		Europe		Asia		Other Regions	
	1Q		1Q		1Q		1Q		1Q	
	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Sales Revenue	985.6	916.5	1,729.0	2,191.6	192.6	170.8	753.6	898.9	240.2	240.6

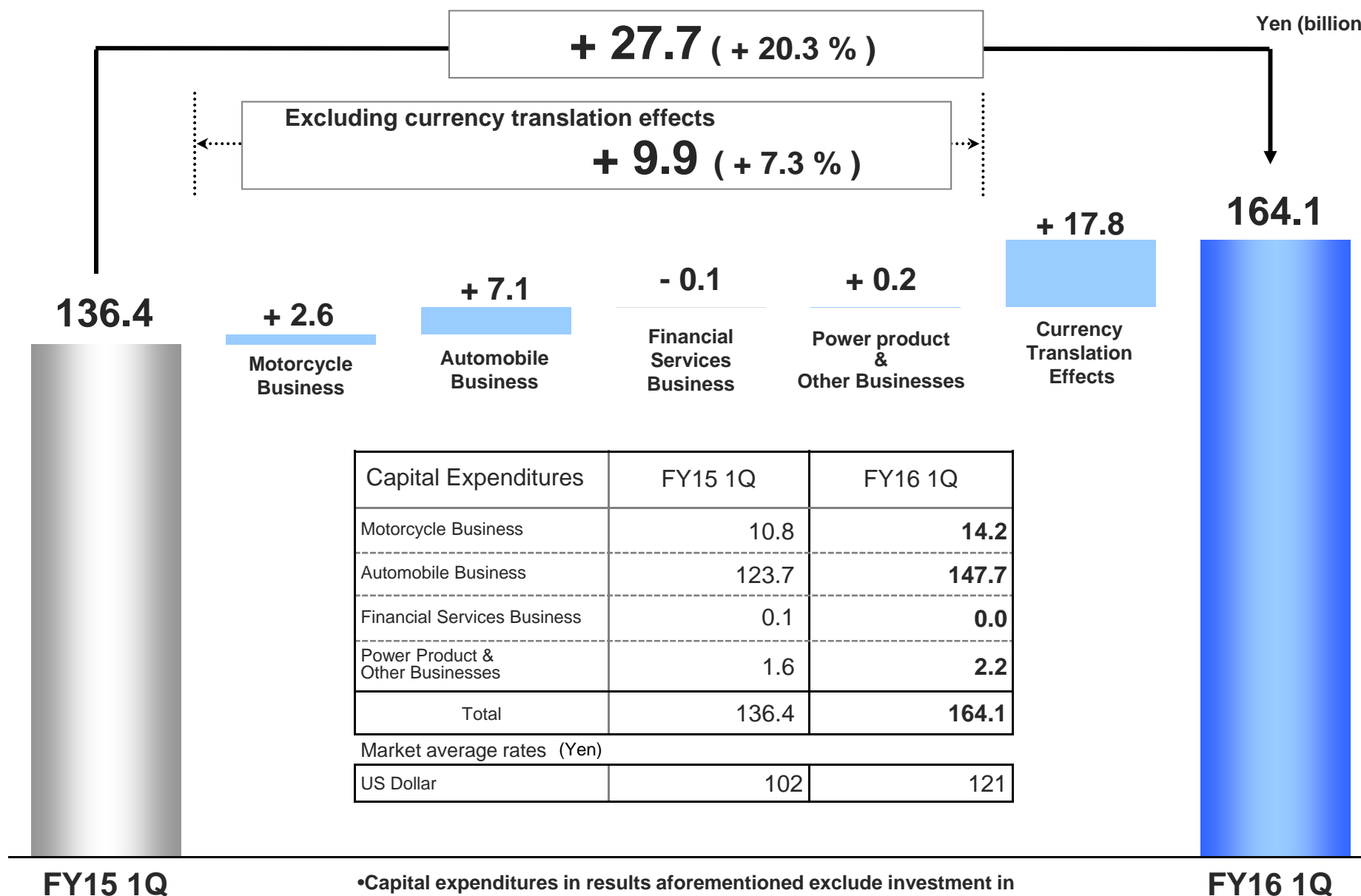


*Share of Profit of Investments
Accounted for Using the Equity Method*



	Yen (billion)				
From Asia	30.6	15.8	30.4	16.0	32.5

Consolidated Capital Expenditures <FY16 1st Qtr>



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

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 foreign exchange rates between the Japanese yen and the U.S. dollar and other major currencies, 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 net sales 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:

- Fiscal Year FY15: 1,802,289,000 (approx), FY16 forecasts: 1,802,285,000 (approx) (pages 6)
- 1st Quarter FY15: 1,802,290,000 (approx), FY16: 1,802,286,000 (approx) (page 5)

HONDA

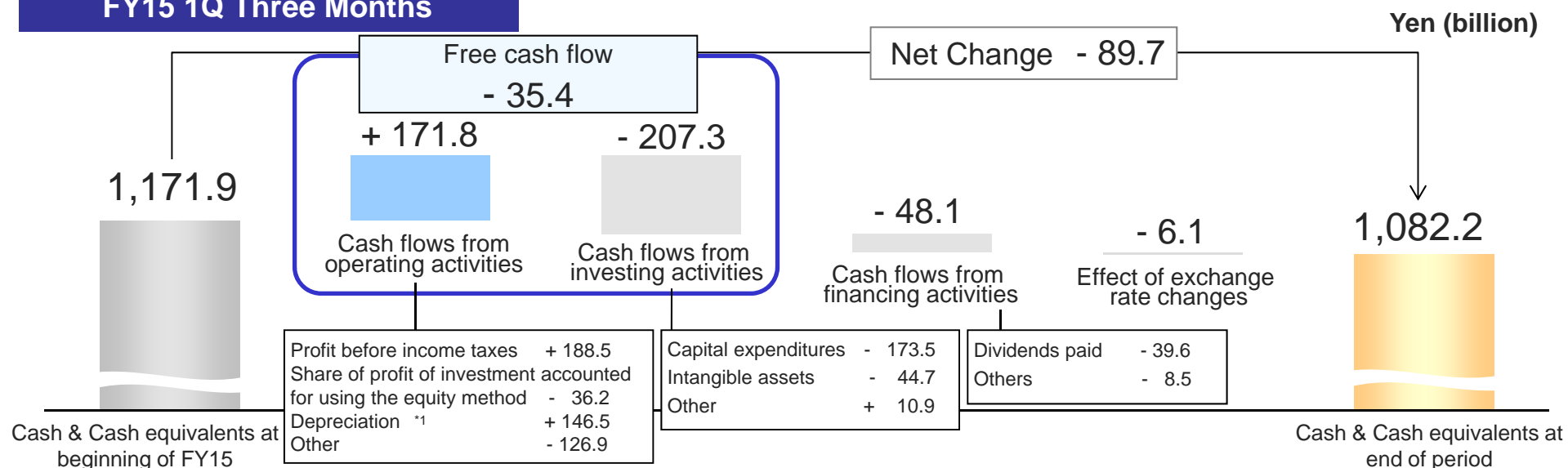
The Power of Dreams

Appendix

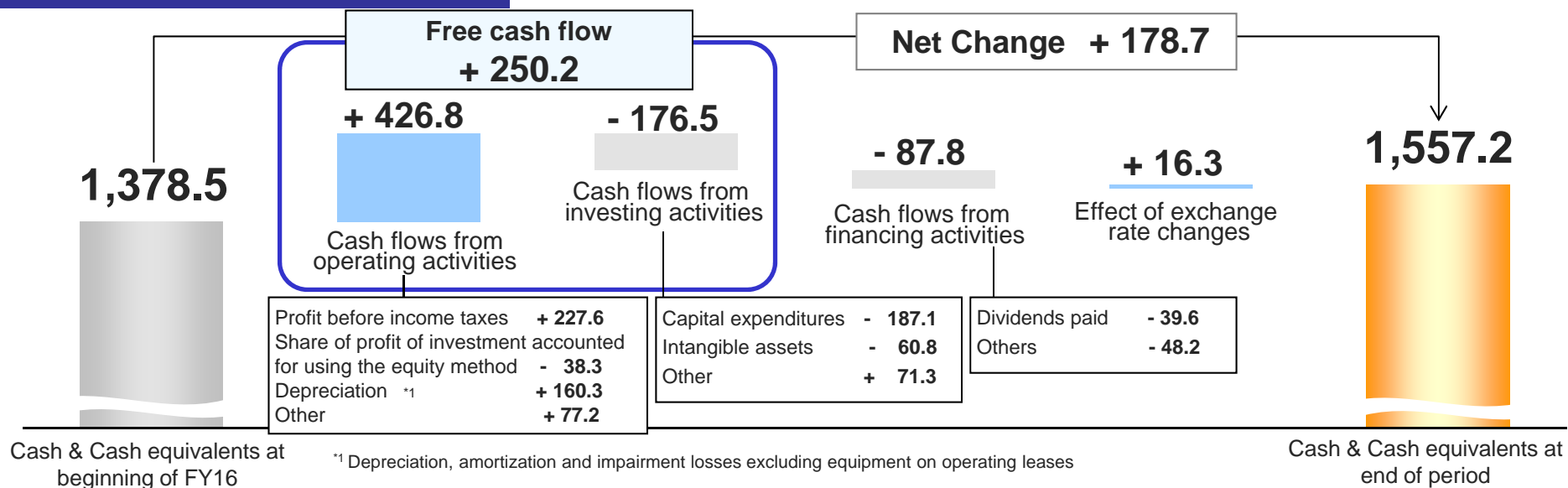
* FY16 1Q results/ forecasts and FY15 results in this presentation are all based on IFRS

Cash Flows of Non-financial Services Businesses

FY15 1Q Three Months



FY16 1Q Three Months



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

Capital Expenditures, Depreciation and R&D <FY16 1st Qtr>

Yen (billion)

	FY15 1Q	FY16 1Q	Change
Capital expenditures *	136.4	164.1	+ 27.7
Depreciation and amortization *	96.1	109.0	+ 12.8
Research and development expenditures **	143.9	166.7	+ 22.8

* 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

FY16 Forecast: Capital Expenditures, Depreciation and R&D

Yen (billion)

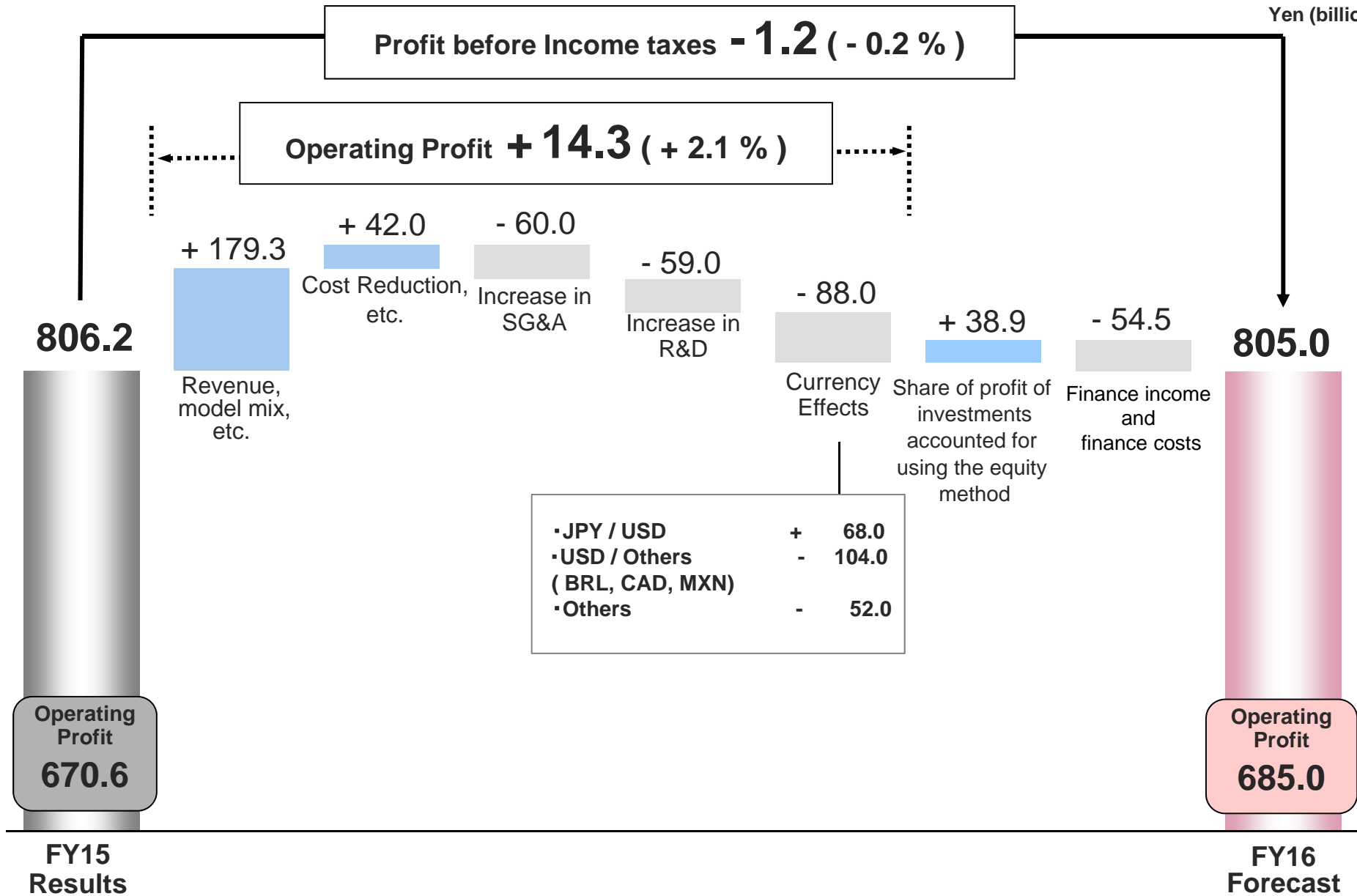
	FY15 Results	FY16 Forecasts	Change
Capital expenditures *	653.8	670.0	+ 16.1
Depreciation and amortization *	404.1	455.0	+ 50.8
Research and development expenditures **	670.3	720.0	+ 49.6

* 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

FY16 Forecast: Change in Profit before Income Taxes

Yen (billion)



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 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