



FY18 3rd Quarter Financial Results



Honda Motor Co., Ltd.

February 2, 2018

**Clarity Plug-In Hybrid
(U.S.)**

- *Outline of FY18 Nine Months Results Summary*
- *Honda Group Unit Sales*
- *Main Markets*
- *News Topics*
- *FY18 Nine Months Financial Results*
- *FY18 Financial Forecasts*
- *Dividend*

Results Summary

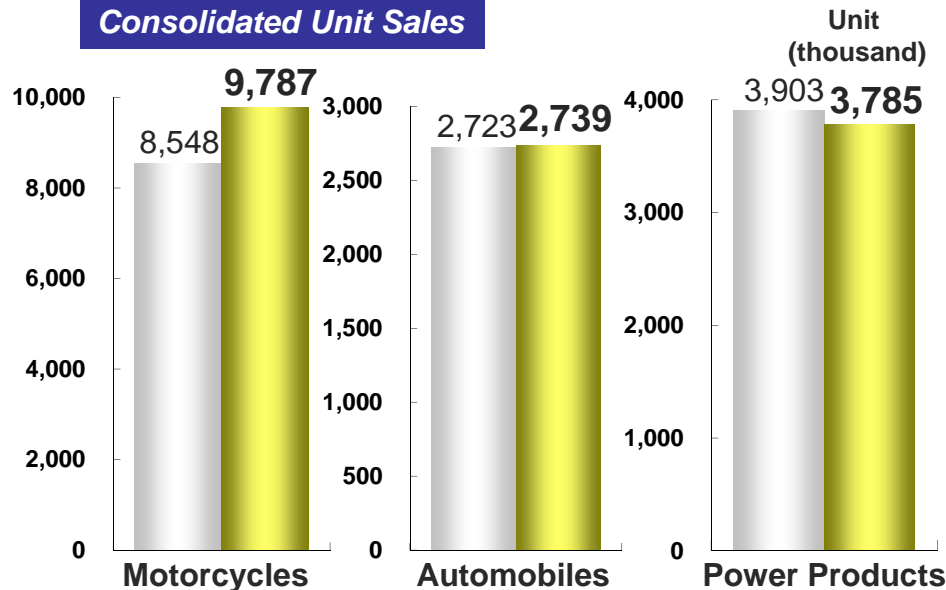
Operating profit was 706.7 billion yen, a 0.6% increase compared to the same period last year, due primarily to robust motorcycle unit sales in Asia and cost reduction efforts, despite the negative impact of the multi-district class action litigation settlement, the reverse effect of the pension accounting treatment during the same period last year and other factors.

Profit for the period attributable to owners of the parent increased to 951.5 billion yen, a 430.9 billion yen increase compared to the same period a year ago, due primarily to an increase in share of profit of investments accounted for using the equity method as well as a 346.1 billion yen positive impact resulting from a revaluation of deferred tax assets and liabilities of subsidiaries following a reduction in the U.S. federal corporate tax rate.

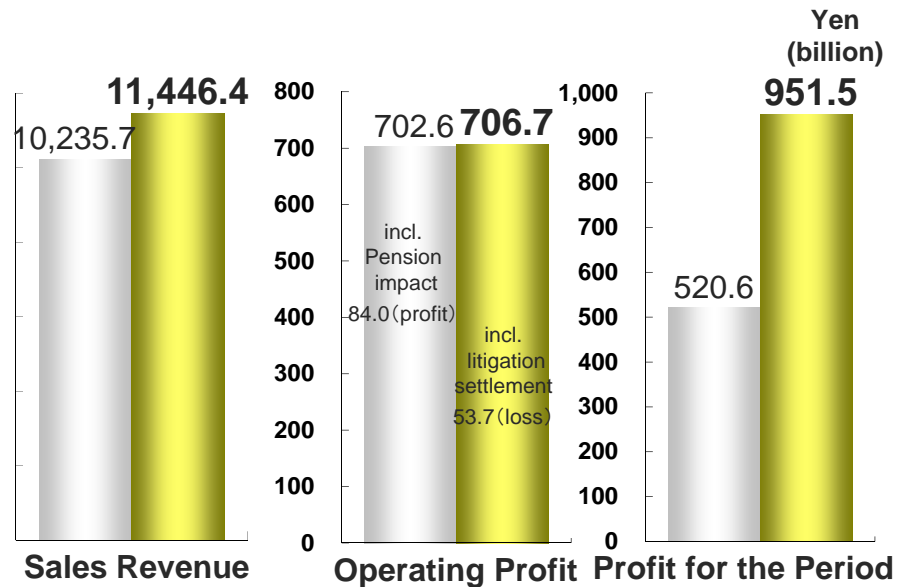
Nine Months Results FY17 and FY18

FY17 FY18

Consolidated Unit Sales



Sales Revenue / Operating Profit / Profit for the Period

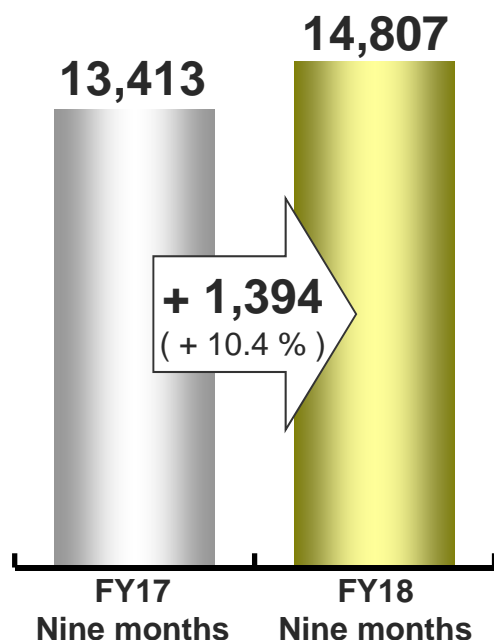


incl. Pension impact 84.0 (profit)

incl. litigation settlement 53.7 (loss)

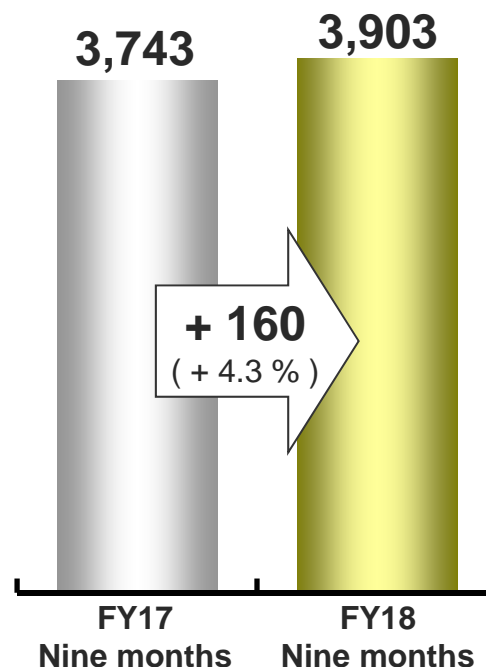
Honda Group Unit Sales <FY18 Nine Months>

Motorcycles



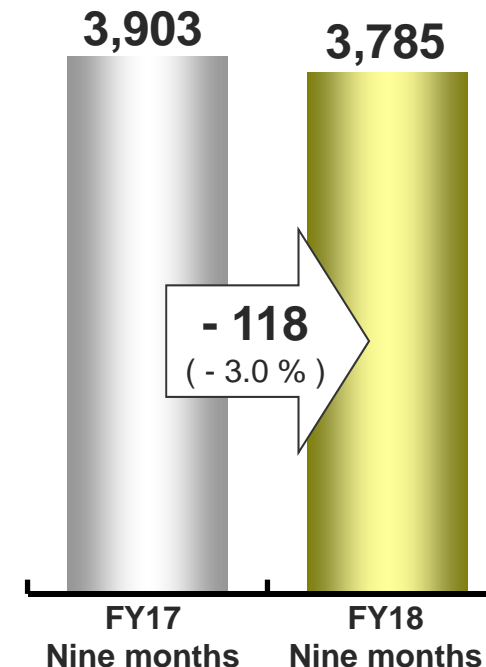
	FY17 Nine Months	FY18 Nine Months	Change
Japan	111	126	+ 15
North America	217	232	+ 15
Europe	151	173	+ 22
Asia	12,125	13,460	+ 1,335
Other Regions	809	816	+ 7
Total	13,413	14,807	+ 1,394

Automobiles



	FY17 Nine Months	FY18 Nine Months	Change
Japan	472	498	+ 26
North America	1,499	1,424	- 75
Europe	133	127	- 6
Asia	1,462	1,671	+ 209
Other Regions	177	183	+ 6
Total	3,743	3,903	+ 160

Power Products Unit (thousand)



	FY17 Nine Months	FY18 Nine Months	Change
Japan	200	202	+ 2
North America	1,812	1,665	- 147
Europe	580	597	+ 17
Asia	1,047	1,041	- 6
Other Regions	264	280	+ 16
Total	3,903	3,785	- 118

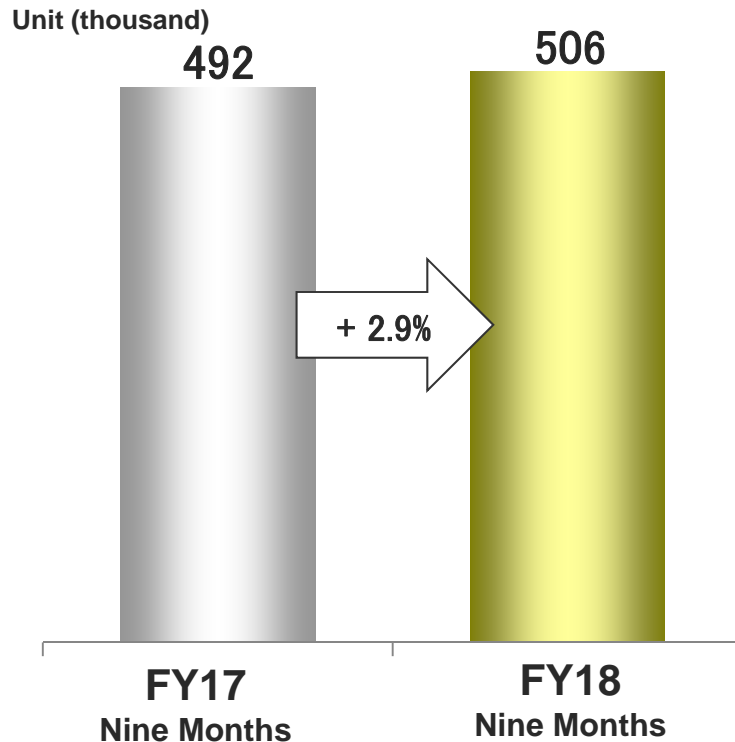
Honda Group Unit sales include those of Honda, its subsidiaries and affiliates which are accounted for using the equity method (mainly wholesale basis).

Main Market (Automobiles – Japan)

Japan	Retail
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	Unit (thousand)	vs. FY17
Industry Demand:	3,656	(104.5%)
Unit Sales :	506	(102.9%)

(Source: Japan Automobile Dealers Association)



- N-BOX series claimed the best-selling model title in Japan in 2017
- N-BOX achieved the highest ratings from JNCAP in Preventive Safety Performance Assessment and Collision Safety Performance Tests (Nov./Jan.)
- Cumulative sales of STEP WGN surpassed 1.5 million units in Japan



STEP WGN SPADA



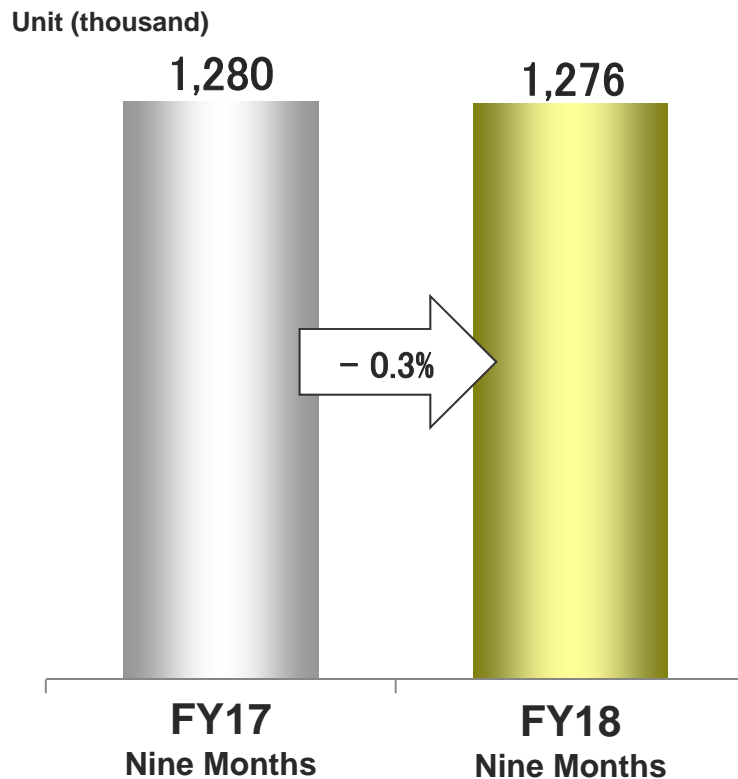
N-BOX

Main Market (Automobiles – U.S.)

U.S	Retail
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	Unit (thousand)	vs. FY17
Industry Demand:	13,198	(98.1%)
Unit Sales :	1,276	(99.7%)

(Source: Autodata)



- **Honda Accord named 2018 North American Car of the Year (Jan.)**

-3rd straight year for Honda to win a North American “of the Year” award following Civic (2016) and Ridgeline (2017)

- **Honda Clarity series awarded 2018 Green Car of the Year® by Green Car Journal (Nov.)**

- **1,641 thousand unit sales in 2017 is a historical record**

- **Cumulative automobile sales surpassed 40 million units in the U.S.**



Accord



Clarity Fuel Cell

Main Market (Automobiles – China)

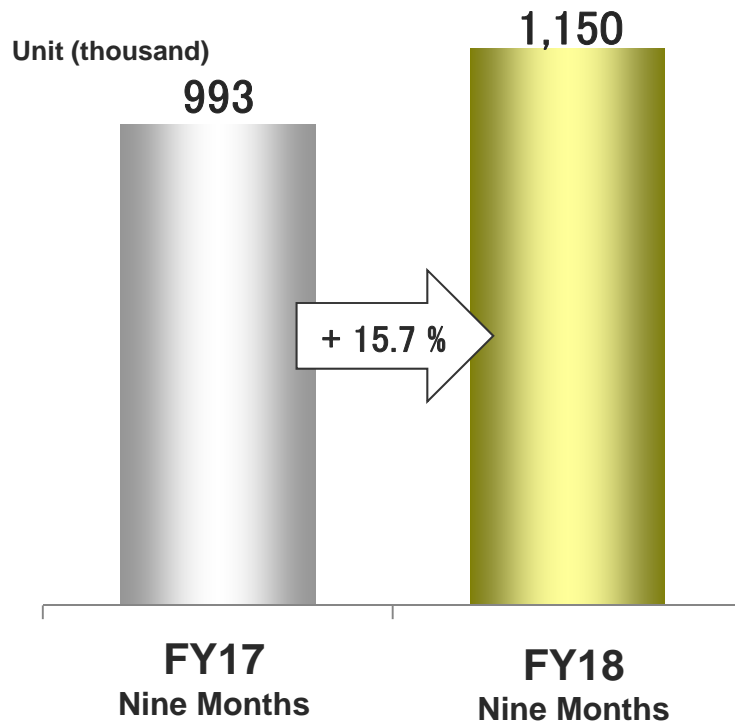
China

Retail

	* Unit (thousand)	vs. FY17
Industry Demand:	21,940	(102.3%)
Unit Sales :	1,150	(115.7%)

*Industry demand is wholesale basis

(Source: China Association of Automobile Manufactures)



▪ **1,458 thousand unit sales in 2017 is a historical record**

-Strong sales led by Civic, Accord and Crider

▪ **New Acura TLX-L launched (Dec.)**



Civic



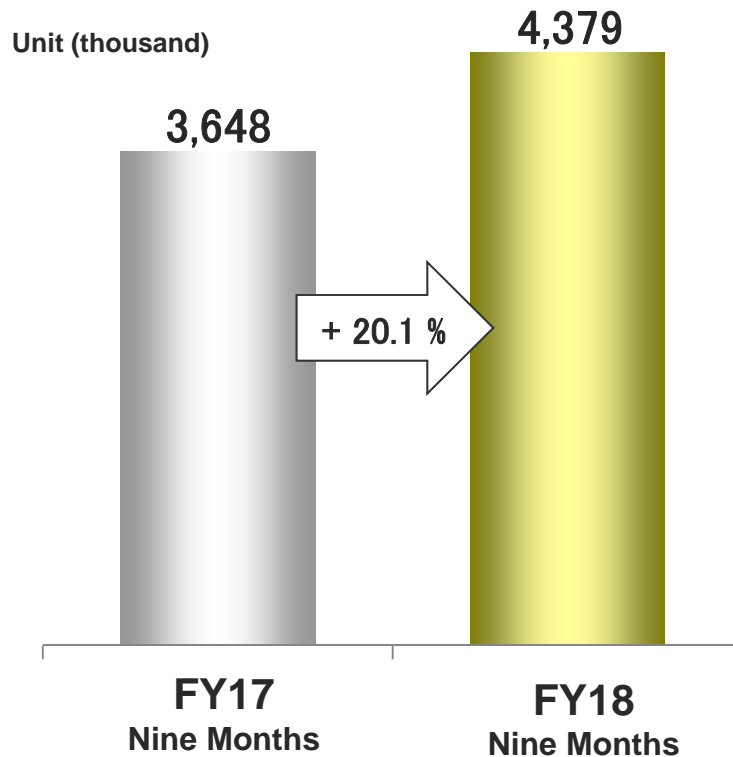
Acura TLX-L

Main Market (Motorcycles – India)

India	Wholesale
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	Unit (thousand)	vs. FY17
Industry Demand:	15,079	(111.8%)
Unit Sales :	4,379	(120.1%)

(Source: Honda)



- Unit sales increased 20.1% from previous year due mainly to strong sales of Activa and CB Shine.

- 5 million 456 thousand unit sales in 2017 is a historical record

- New Grazia scooter launched (Oct.)



Grazia

Activa

- **SoftBank and Honda began joint research on connected car technologies that utilize 5th generation mobile communication system (Nov.)**
 - SoftBank and Honda began a joint research project to strengthen connected car technologies which will offer new experiences and value by connecting mobility products, primarily cars, and various other devices. The two companies will pursue this joint research with a view to the future adoption of 5th generation mobile communication system (“5G”) standards.
- **Honda and SenseTime signed a joint research and development contract in the area of AI technologies for automated driving (Dec.)**
 - This joint research and development effort will seek to combine SenseTime’s moving object recognition technologies with Honda’s AI algorithms for scene understanding, risk prediction and action planning. Ultimately, the two companies will develop highly-sophisticated automated driving technologies which will enable complex automated driving in urban areas.
- **Honda has started to build new motorcycle production plant in Bangladesh (Nov.)**
 - Honda’s motorcycle business joint venture in Bangladesh began construction of a new motorcycle production plant and held a groundbreaking ceremony to mark the start of construction in Munshiganj District. The new plant is scheduled to begin motorcycle production in the second half of 2018 with initial annual production capacity of 100,000 units and is expected to expand its production capacity up to 200,000 units by 2021.



Groundbreaking ceremony for new motorcycle production plant in Bangladesh

FY18 Nine Months Financial Results (Consolidated)

Financial Results Yen (billion)	Nine Month Results		
	FY17	FY18	Change
Sales revenue	10,235.7	11,446.4	+ 11.8%
Operating profit	702.6	706.7	+ 0.6%
Operating margin	6.9%	6.2%	- 0.7pt
Share of profit of investments accounted for using the equity method	116.2	189.7	+ 63.3%
Profit before income taxes	819.9	924.5	+ 12.7%
Profit for the period attributable to owners of the parent	520.6	951.5	+ 82.8%
Earnings per share ^{*1} (Yen) attributable to owners of the parent	288.86	529.39	+ 240.53

*1: Please refer to footnote on page 41

Market average rates (Yen)

US Dollar	107	112	Yen down by 5 yen
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FY18 Financial Forecasts (Consolidated)

Yen (billion)

	FY17 Results	FY18 Forecast	Change		Change from previous forecast
			Amount	%	
Sales revenue	13,999.2	15,200.0	+ 1,200.8	+ 8.6%	+ 150.0
Operating profit	840.7	775.0	- 65.7	- 7.8%	+ 30.0
Operating margin	6.0%	5.1%	- 0.9pt		+ 0.1pt
Share of profit of investments accounted for using the equity method	164.7	240.0	+ 75.2	+ 45.6%	+ 35.0
Profit before income taxes	1,006.9	1,045.0	+ 38.0	+ 3.8%	+ 90.0
Profit for the year attributable to owners of the parent	616.5	1,000.0 ^{*2}	+ 383.4	+ 62.2%	+ 415.0
Earnings per share ^{*1} (Yen) attributable to owners of the parent	342.10	557.70	+ 215.60		+ 231.44

*1: Please refer to the footnote on page 41

*2: Profit for the year attributable to owners of the parent, excluding the 346.1 bil. yen impact of revaluation of deferred tax assets and liabilities in the U.S. consolidated subsidiaries due to the tax reform, is 653.8 bil. yen, and earnings per share attributable to owners of the parent is 364.66 yen, respectively.

Market average rates (Yen)

US Dollar	108	110 (1-3Q 112 / 4Q 105)	Yen down by 2 yen	Yen down by 1 yen
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Dividend

(Yen)

Dividend per Share	FY17	FY18 (Expectation)	Increase / Decrease from FY17
1 st Quarter End	22	24	+ 2
2 nd Quarter End	22	24	+ 2
3 rd Quarter End	24	25	+ 1
4 th Quarter End	24	(25)	(+ 1)
Fiscal Year	92	(98)	(+ 6)

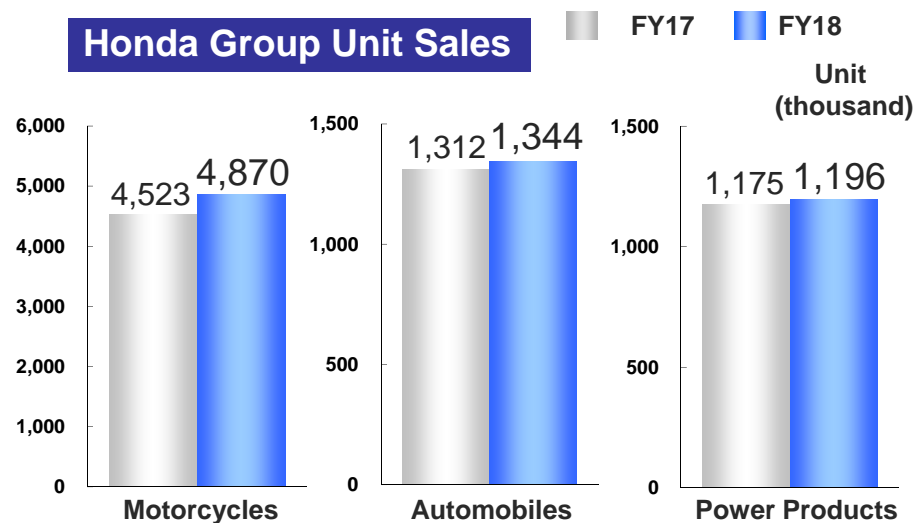
- ***FY18 3rd Quarter and
Nine Month Financial Results***
 - ***Unit Sales***
 - ***Financial Results (Consolidated)***
 - ***Honda Group Unit Sales***
 - ***Change in Sales Revenue***
 - ***Change in Profit before Income Taxes***
 - ***Business & Geographical Segment Information***
 - ***Share of Profit of Investments***
 - ***Accounted for Using the Equity Method***
 - ***Consolidated Capital Expenditures***
- ***FY18 Financial Forecast***

FY18 3rd Quarter Unit Sales

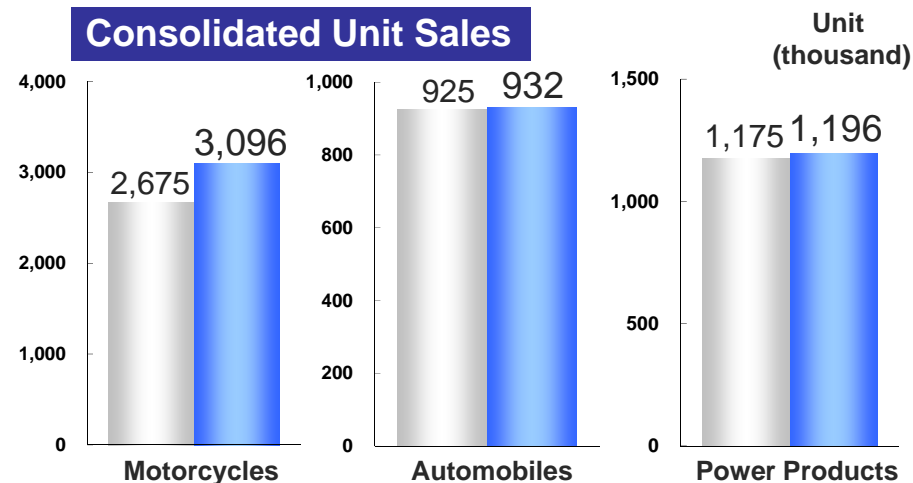
Honda Group Unit Sales (thousand)	3Q Results (3 Months)		
	FY17	FY18	Change
Motorcycles	4,523	4,870	+ 7.7%
Automobiles	1,312	1,344	+ 2.4%
Power Products	1,175	1,196	+ 1.8%

Consolidated Unit Sales (thousand)	3Q Results (3 Months)		
	FY17	FY18	Change
Motorcycles	2,675	3,096	+ 15.7%
Automobiles	925	932	+ 0.8%
Power Products	1,175	1,196	+ 1.8%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Increase in motorcycle unit sales due mainly to sales growth in India, Vietnam and Thailand
- Increase in automobile unit sales due mainly to sales growth in China and Thailand

FY18 3rd Quarter Financial Results (Consolidated)

Financial Results Yen (billion)	3Q Results (3 Months)		
	FY17	FY18	Change
Sales revenue	3,501.0	3,957.1	+ 13.0%
Operating profit	207.6	284.5	+ 37.0%
Operating margin	5.9%	7.2%	+ 1.3pt
Share of profit of investments accounted for using the equity method	49.1	54.5	+ 11.0%
Profit before income taxes	260.9	346.8	+ 32.9%
Profit for the period attributable to owners of the parent	168.8	570.2	+ 237.8%
Earnings per share ^{*1} (Yen) attributable to owners of the parent	93.67	318.50	+ 224.83
Market average rates (Yen)	^{*1} : Please refer to the footnote on page 41		
US Dollar	109	113	Yen down by 4 yen

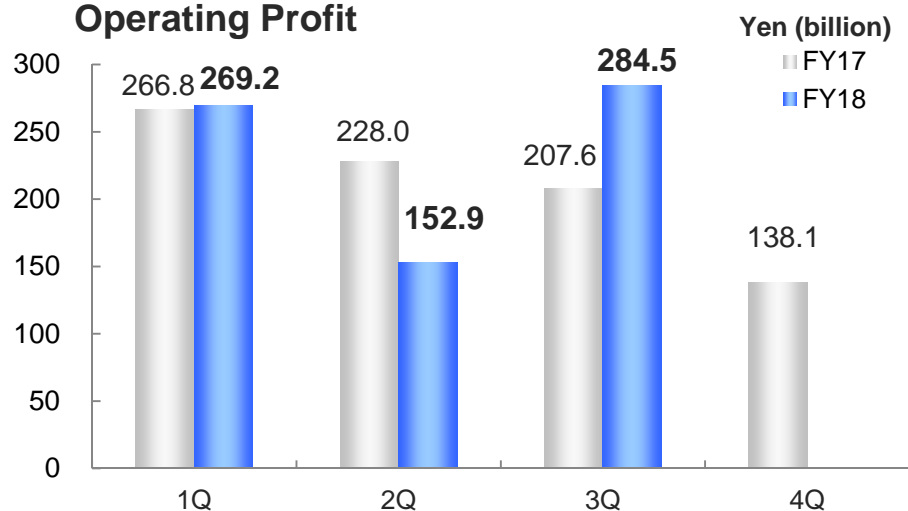
Financial Summary

Sales revenue increased by 13% primarily due to sales increases in all business operations.

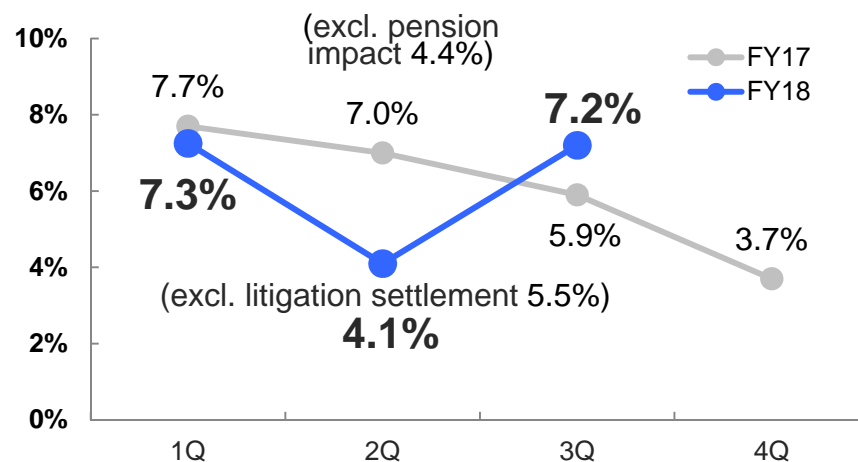
Operating profit increased by 37% due primarily to the positive impact from revenue and model mix, despite an increase in SG&A expenses.

Profit for the period attributable to owners of the parent increased by 401.4 billion yen due mainly to an increase in share of profit of investments accounted for using the equity method and the positive impact from a reduction in the U.S. federal corporate tax rate.

Operating Profit



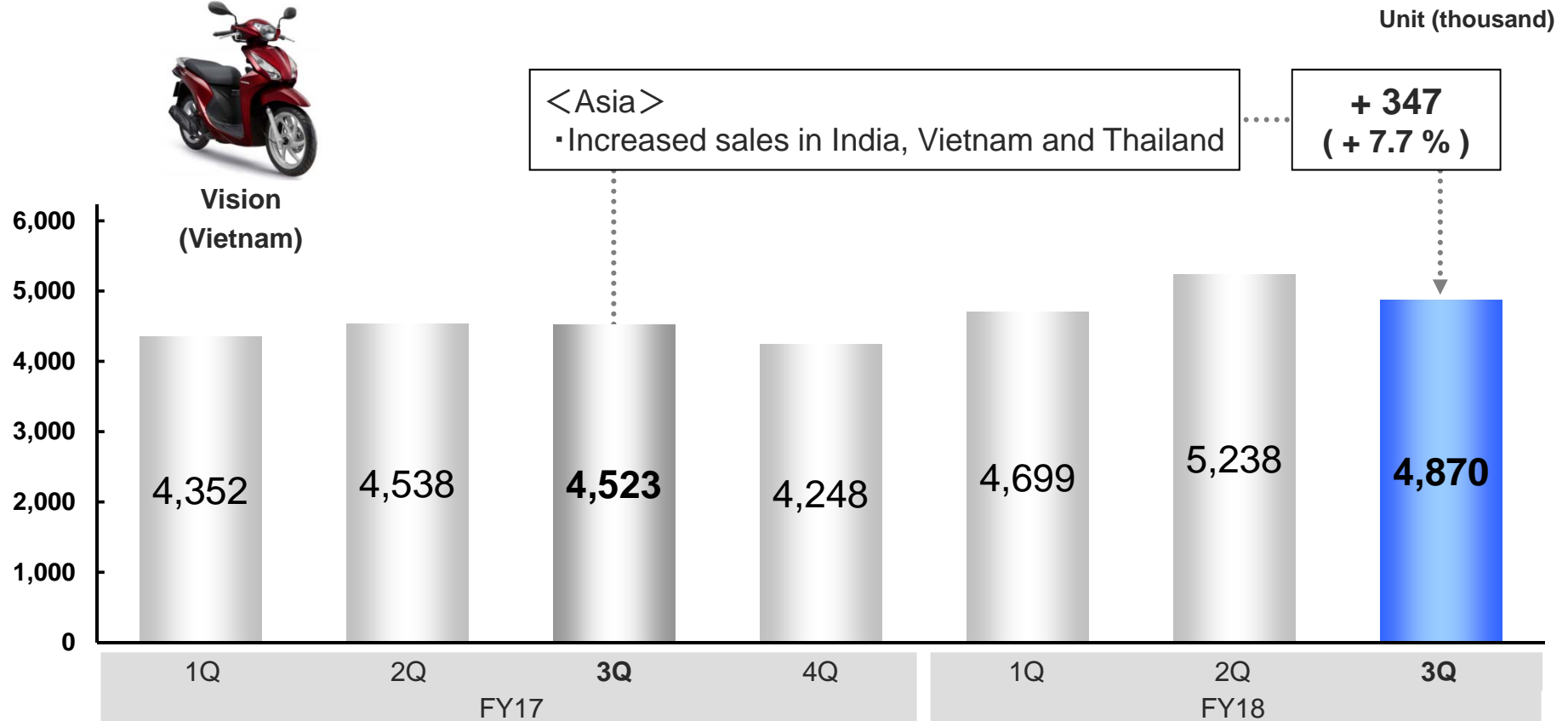
Operating Margin



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



Vision
(Vietnam)



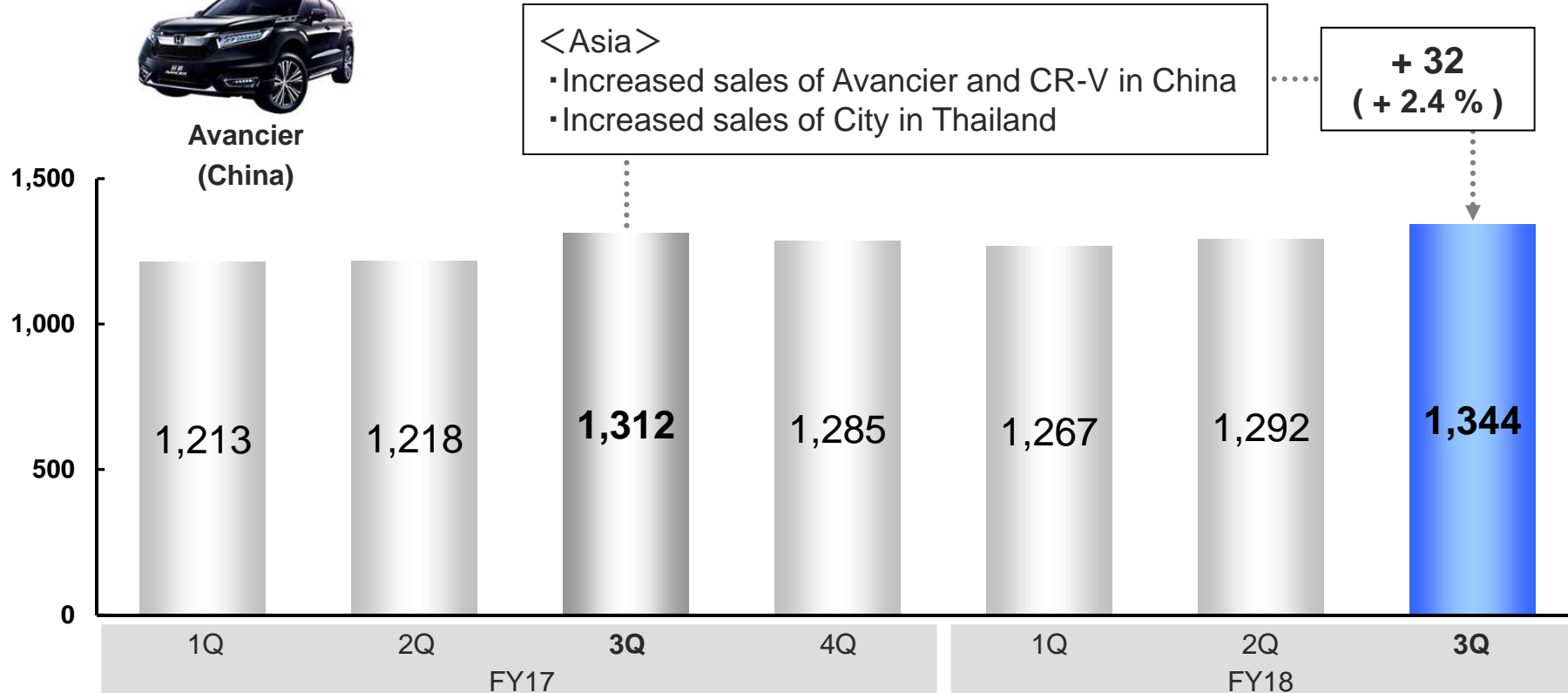
Japan	29	33	49	45	42	42	42
North America	78	71	68	77	80	83	69
Europe	72	48	31	66	81	53	39
Asia	3,885	4,125	4,115	3,812	4,219	4,804	4,437
Other Regions	288	261	260	248	277	256	283
Total	4,352	4,538	4,523	4,248	4,699	5,238	4,870

Automobiles - Honda Group Unit Sales

Unit (thousand)



Avancier
(China)

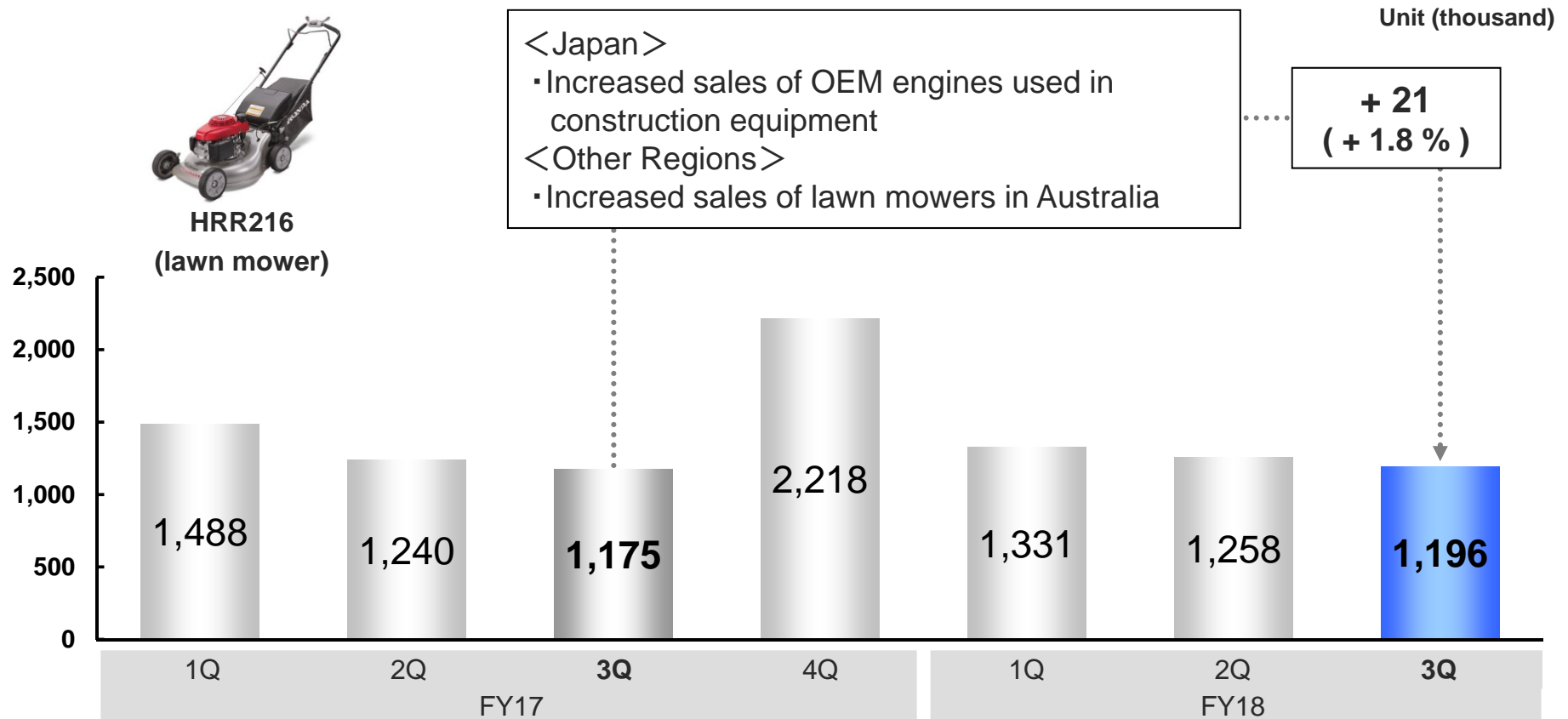


Japan	146	156	170	196	157	167	174
North America	510	479	510	471	481	452	491
Europe	45	45	43	51	42	43	42
Asia	453	482	527	502	523	570	578
Other Regions	59	56	62	65	64	60	59
Total	1,213	1,218	1,312	1,285	1,267	1,292	1,344

Power Products - Honda Group Unit Sales



HRR216
(lawn mower)

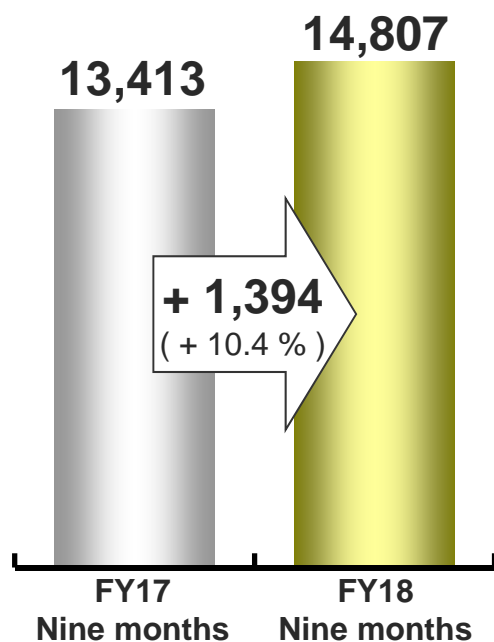


<Japan>
 • Increased sales of OEM engines used in construction equipment
 <Other Regions>
 • Increased sales of lawn mowers in Australia

Japan	59	87	54	101	59	79	64
North America	769	522	521	1,165	596	545	524
Europe	225	165	190	455	240	166	191
Asia	360	376	311	383	362	379	300
Other Regions	75	90	99	114	74	89	117
Total	1,488	1,240	1,175	2,218	1,331	1,258	1,196

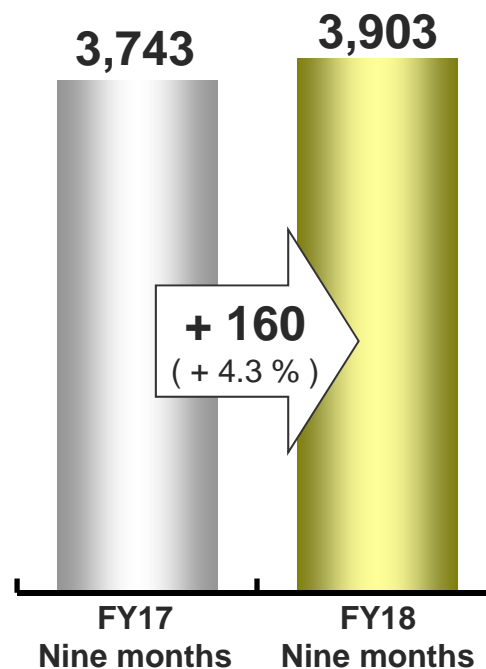
Honda Group Unit Sales <FY18 Nine Months>

Motorcycles



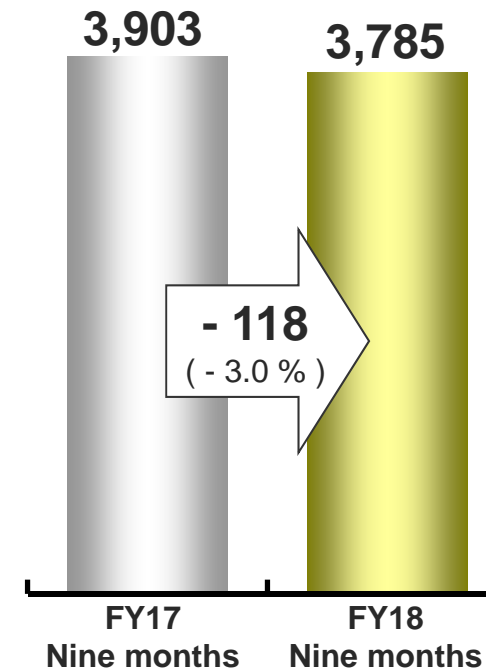
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Other Regions	809	816	+ 7
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Automobiles



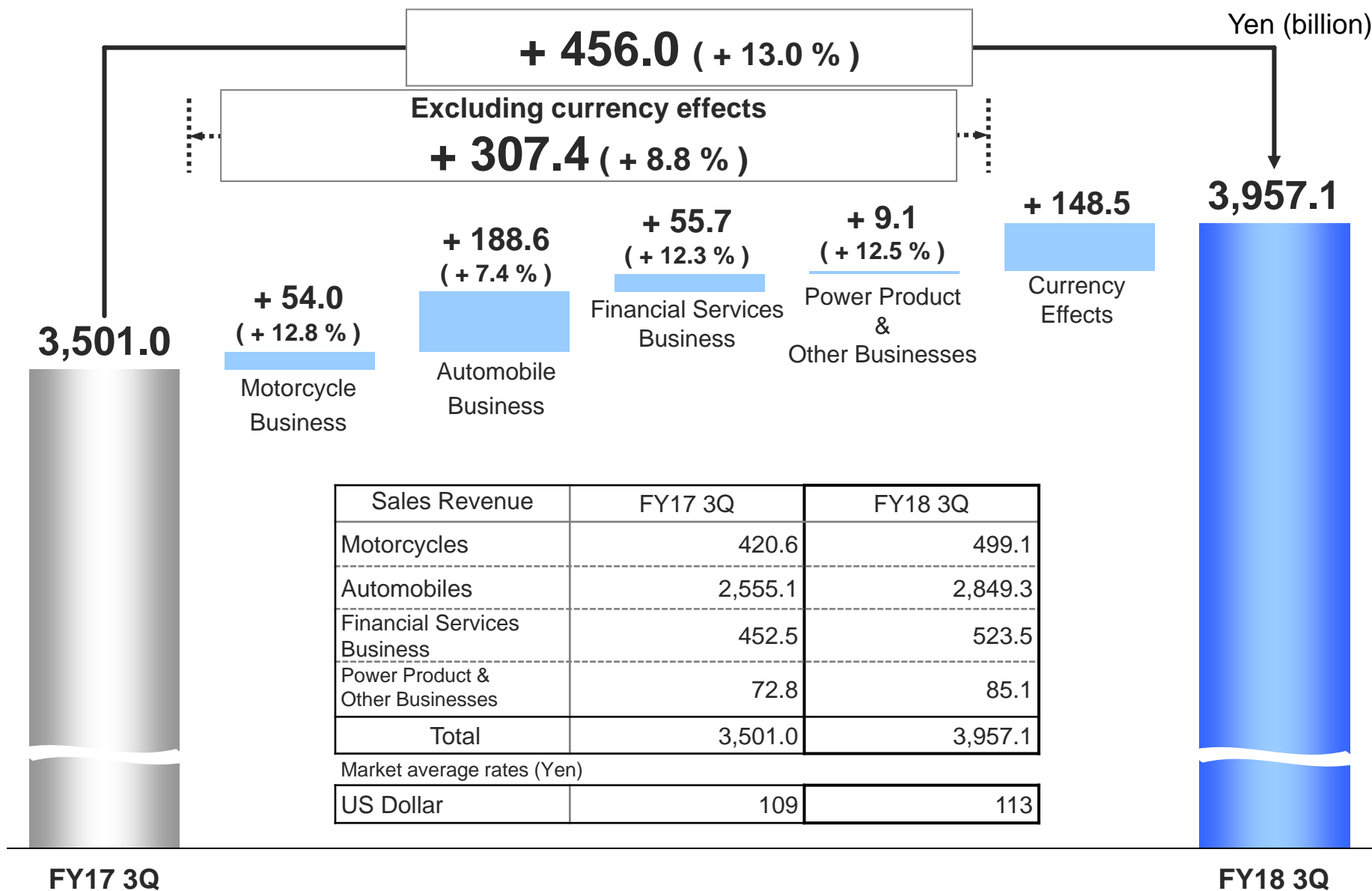
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Europe	133	127	- 6
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Other Regions	177	183	+ 6
Total	3,743	3,903	+ 160

Power Products Unit (thousand)

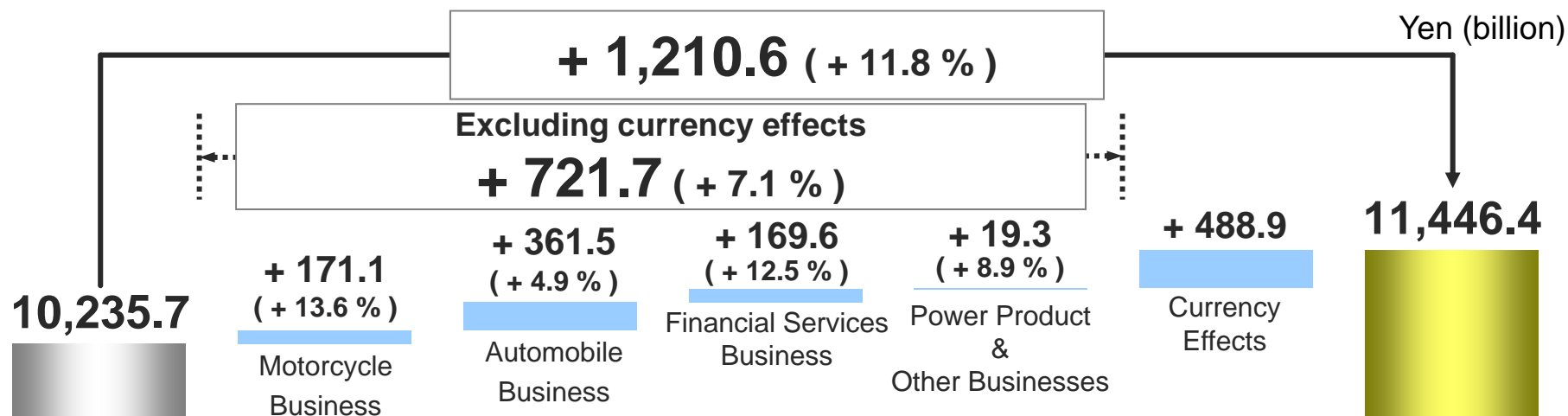


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North America	1,812	1,665	- 147
Europe	580	597	+ 17
Asia	1,047	1,041	- 6
Other Regions	264	280	+ 16
Total	3,903	3,785	- 118

Change in Sales Revenue <FY18 3rd Qtr>



Change in Sales Revenue <FY18 Nine Months>



Sales Revenue	FY17 Nine Months	FY18 Nine Months
Motorcycles	1,262.4	1,517.7
Automobiles	7,395.7	8,087.1
Financial Services Business	1,360.3	1,595.7
Power Product & Other Businesses	217.2	245.7
Total	10,235.7	11,446.4

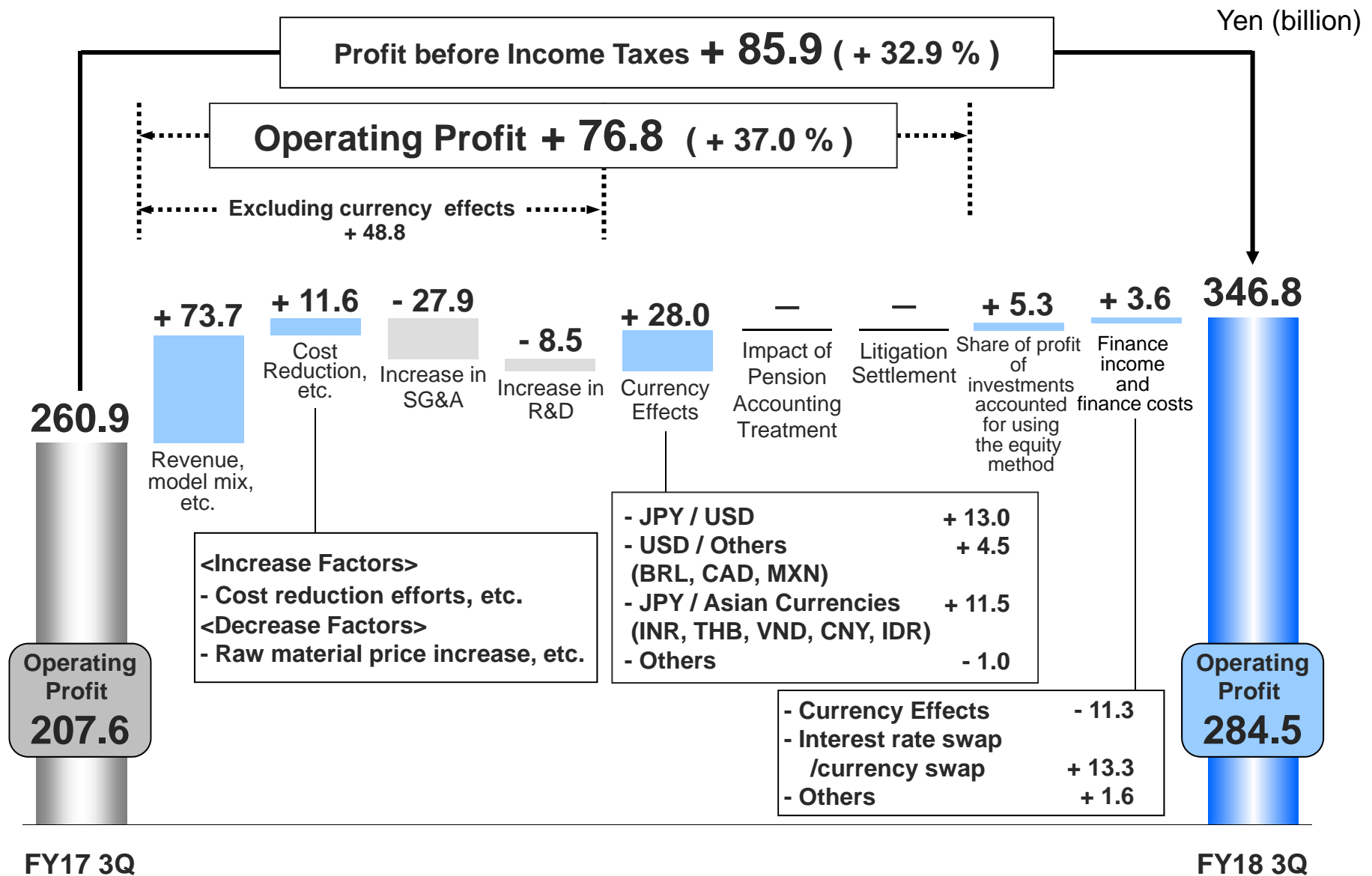
Market average rates (Yen)

US Dollar	107	112
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FY17
Nine Months

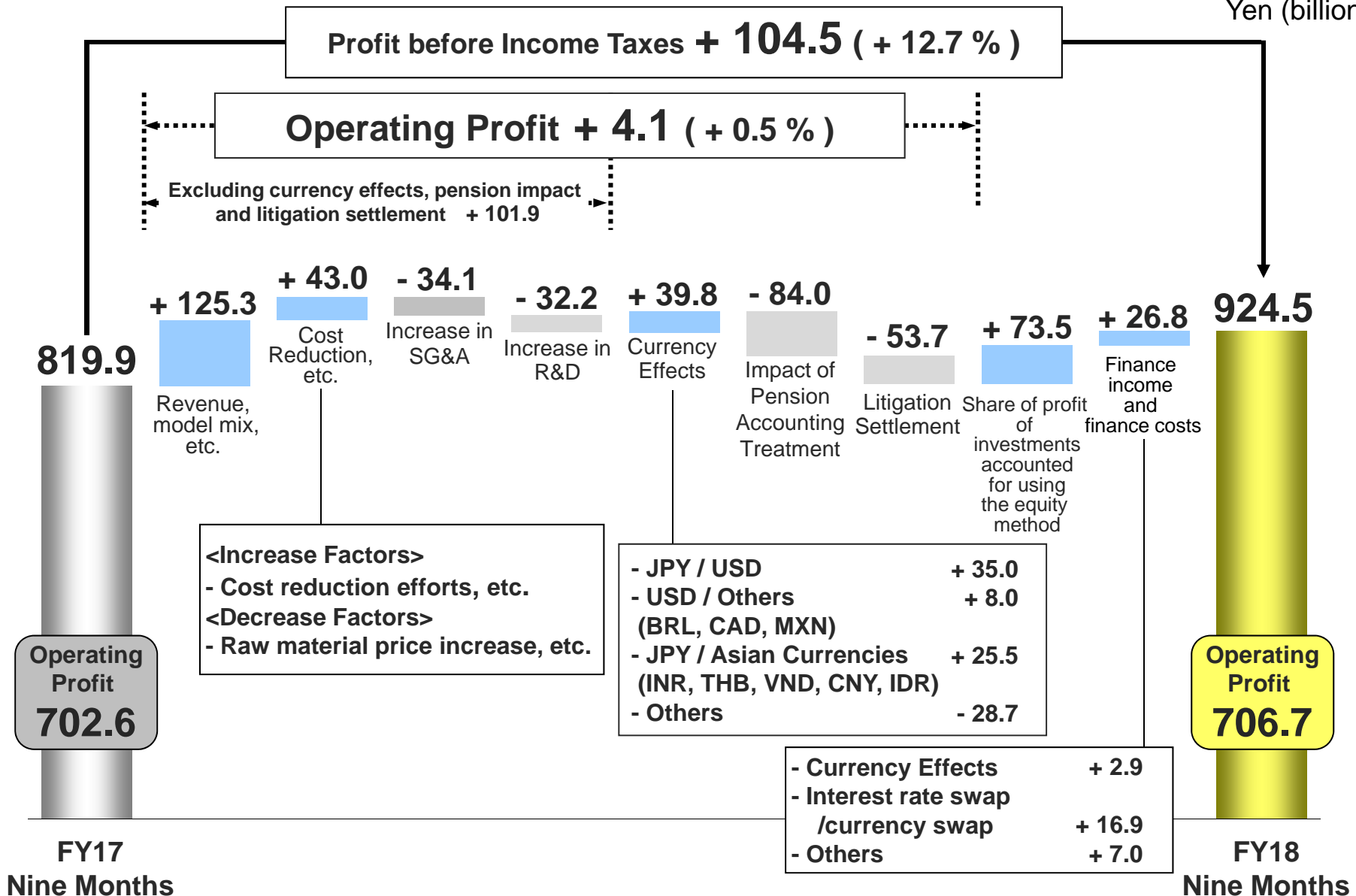
FY18
Nine Months

Change in Profit before Income Taxes <FY18 3rd Qtr>



Change in Profit before Income Taxes <FY18 Nine Months>

Yen (billion)

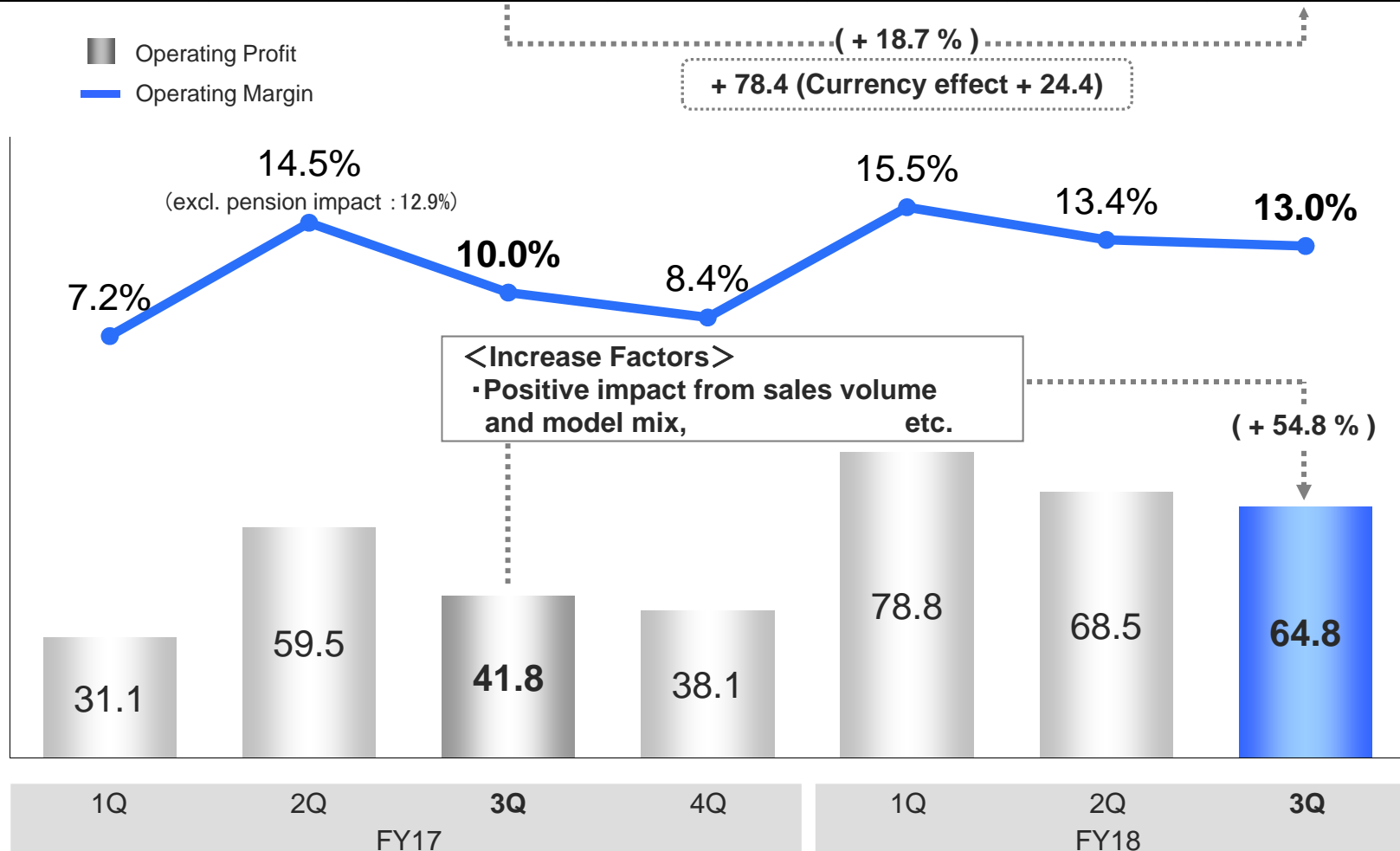


Motorcycle Business Sales Revenue/Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY17				FY18		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Honda Group Unit Sales (Consolidated Unit Sales)	4,352 (2,831)	4,538 (3,042)	4,523 (2,675)	4,248 (2,689)	4,699 (3,245)	5,238 (3,446)	4,870 (3,096)
Sales Revenue	432.4	409.3	420.6	453.7	508.5	510.1	499.1

Yen
(billion)

■ Operating Profit
■ Operating Margin

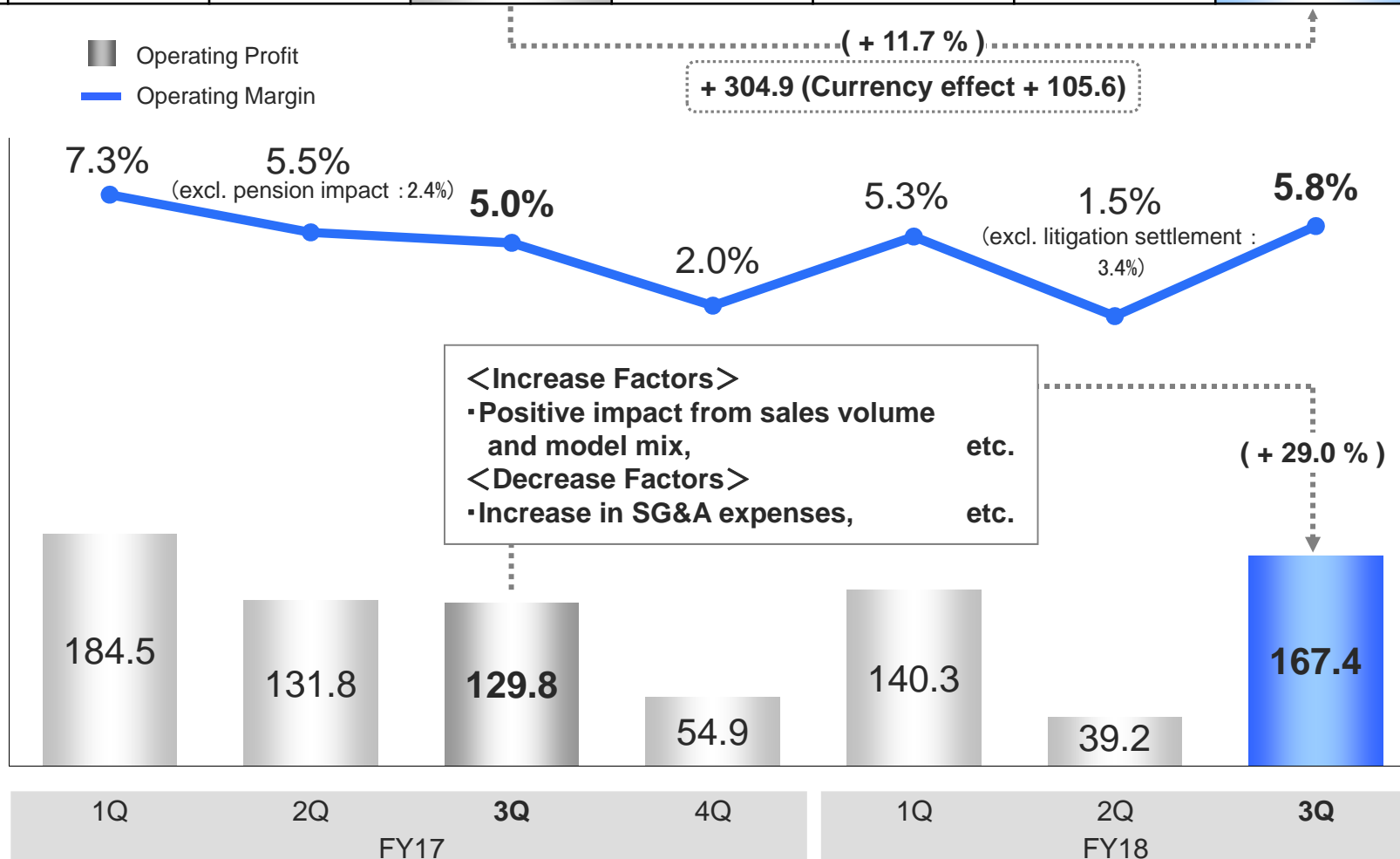


Automobile Business Sales Revenue/Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY17				FY18		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,213 (908)	1,218 (890)	1,312 (925)	1,285 (960)	1,267 (900)	1,292 (907)	1,344 (932)
Sales Revenue	2,536.1	2,377.4	2,596.4	2,746.7	2,624.5	2,693.0	2,901.4

Yen (billion)

■ Operating Profit
— Operating Margin



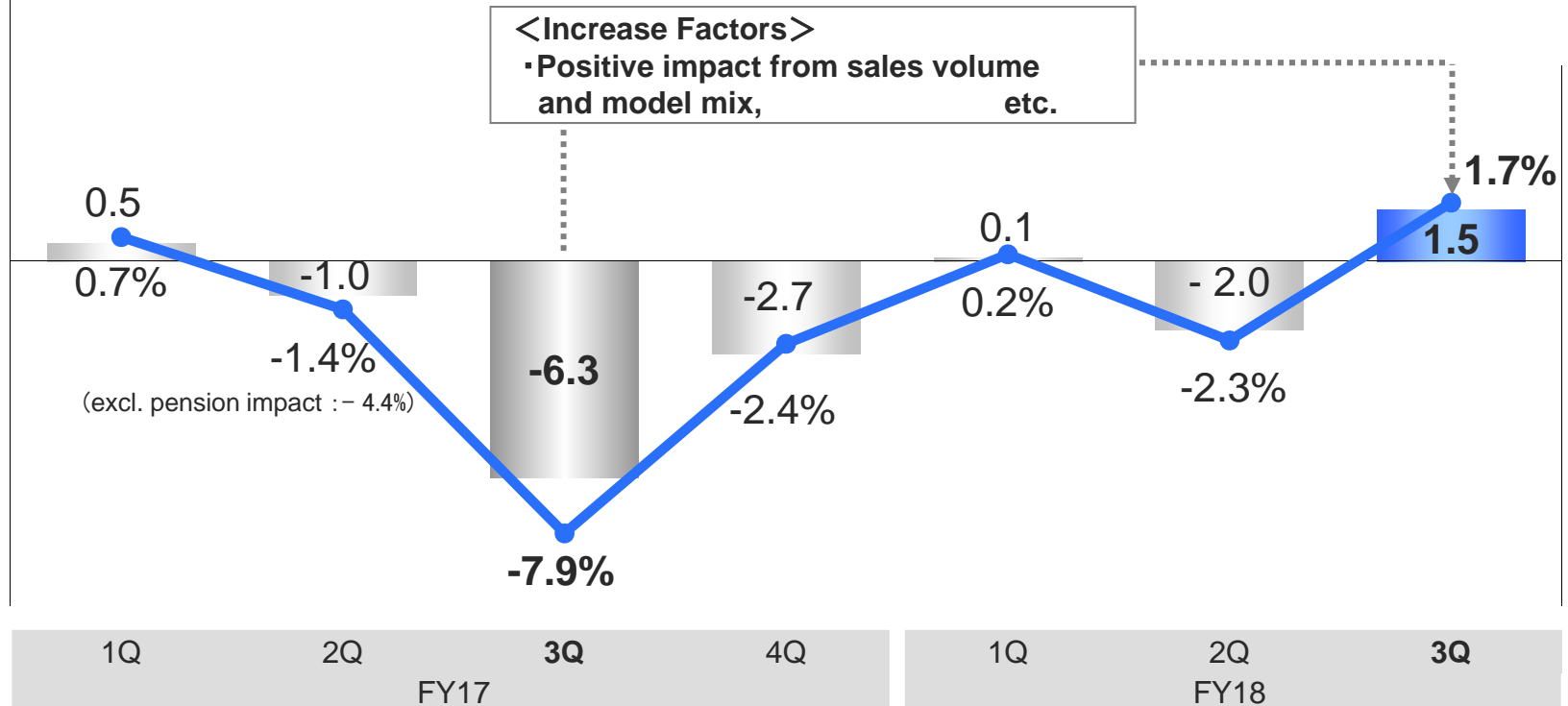
Power Product & Other Businesses

Sales Revenue/Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY17				FY18		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Honda Group * Unit Sales (Consolidated Unit Sales)	1,488 (1,488)	1,240 (1,240)	1,175 (1,175)	2,218 (2,218)	1,331 (1,331)	1,258 (1,258)	1,196 (1,196)
Sales Revenue	80.9	73.5	80.3	114.8	83.1	87.8	93.4

Yen
(billion)

■ Operating Profit
— Operating Margin



*Honda Group Unit Sales and Consolidated Unit Sales include only power product units

(For reference)

	FY17				FY18		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating profit from aircraft and aircraft engines	- 8.8	- 10.6	- 12.3	- 12.0	- 8.5	- 13.6	- 8.0

Financial Services Business

Total Assets/Sales Revenue/Operating Profit (Margin)

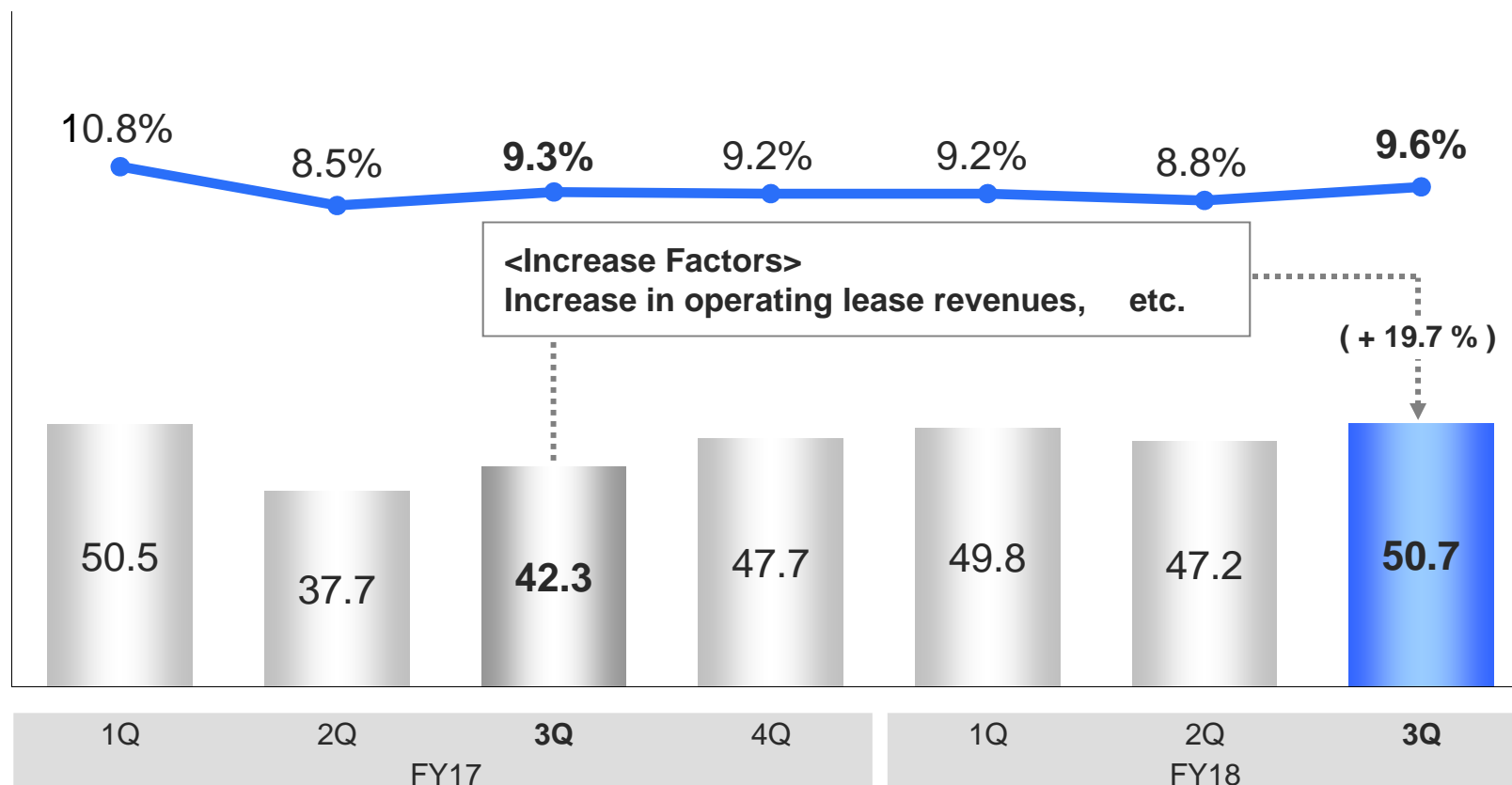
Yen (billion)	FY17				FY18		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total Assets of Finance Subsidiaries	8,538.3	8,440.3	9,643.3	9,437.0	9,494.4	9,688.7	9,867.1
Sales Revenue	467.9	446.3	455.7	521.1	539.6	539.5	527.1

Yen (billion)

■ Operating Profit
■ Operating Margin

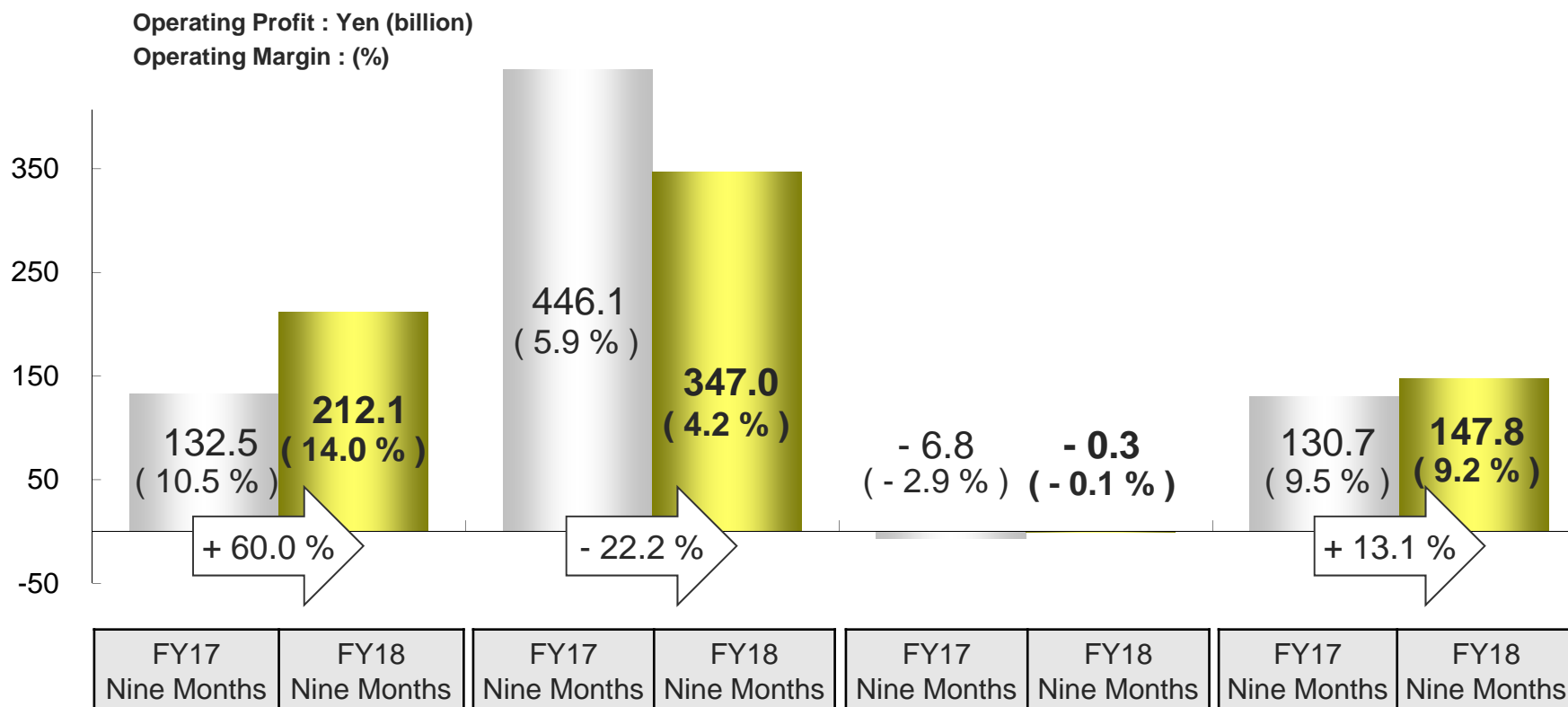
(+ 15.7 %)

+ 71.3 (Currency effect + 15.3)



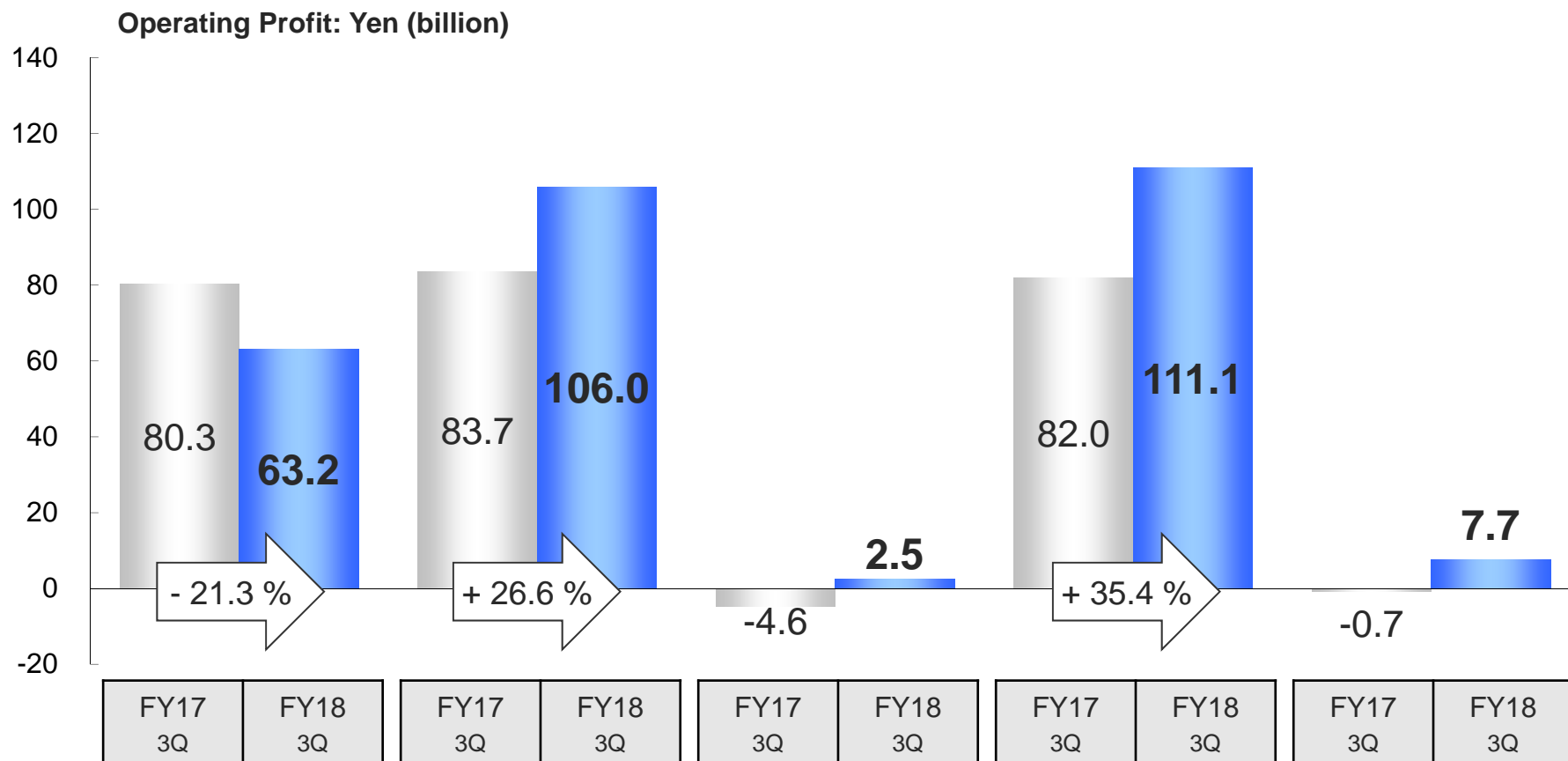
Sales Revenue/Operating Profit (Margin) by Business Segment <FY18 Nine Months >

Unit (thousand) Yen (billion)	Motorcycle Business		Automobile Business		Power Product and Other Businesses		Financial Services Business	
	FY17 Nine Months	FY18 Nine Months	FY17 Nine Months	FY18 Nine Months	FY17 Nine Months	FY18 Nine Months	FY17 Nine Months	FY18 Nine Months
Honda Group Unit Sales (Consolidated Unit Sales)	13,413 (8,548)	14,807 (9,787)	3,743 (2,723)	3,903 (2,739)	3,903 (3,903)	3,785 (3,785)	— (-)	— (-)
Sales Revenue	1,262.4	1,517.7	7,509.9	8,219.0	234.8	264.3	1,370.1	1,606.3



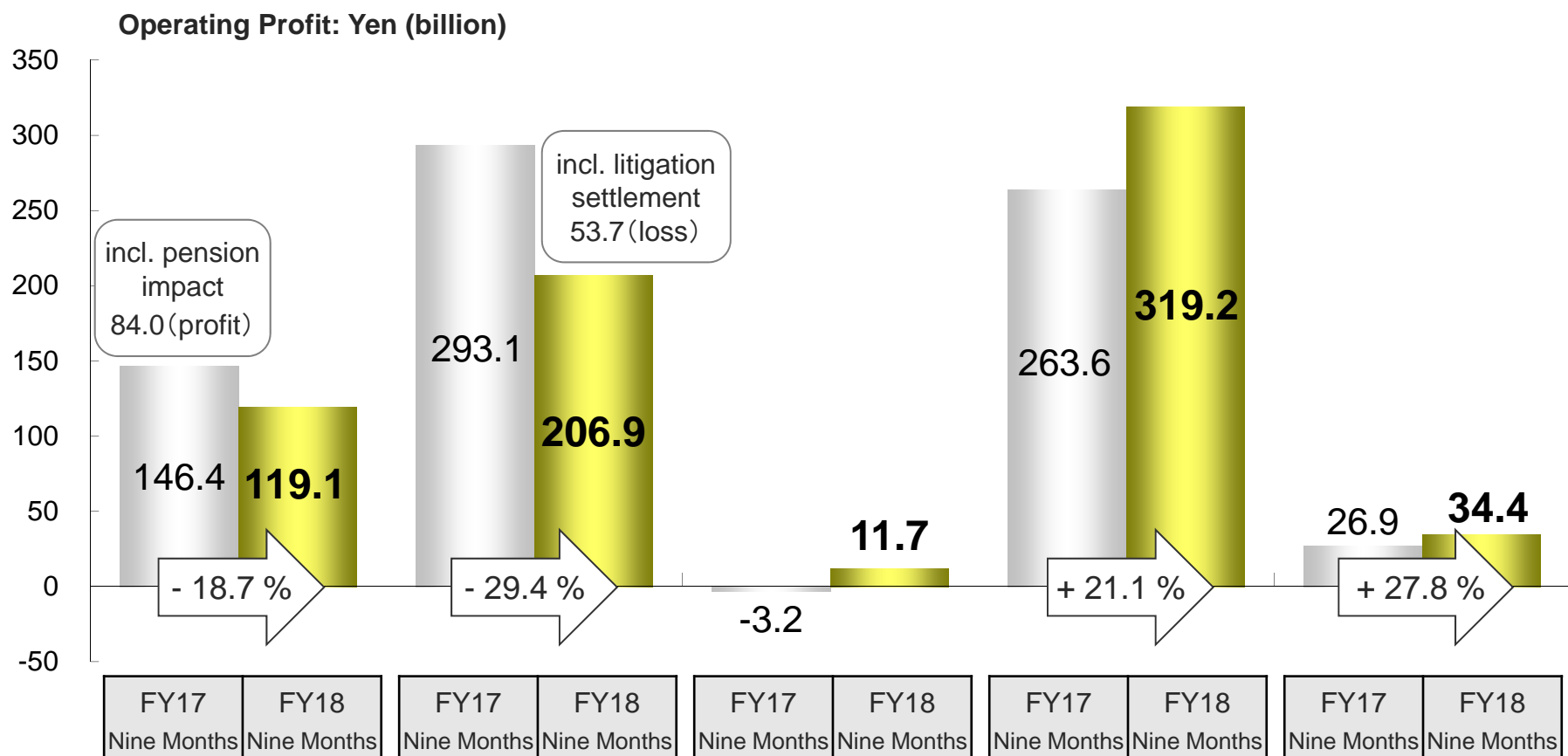
**Sales Revenue/Operating Profit
by Geographical Segment <FY18 3rd Qtr>**

	Japan		North America		Europe		Asia		Other Regions	
Yen (billion)	FY17 3Q	FY18 3Q	FY17 3Q	FY18 3Q	FY17 3Q	FY18 3Q	FY17 3Q	FY18 3Q	FY17 3Q	FY18 3Q
Sales Revenue	1,153.1	1,158.0	2,055.9	2,237.8	187.9	217.5	847.1	1,107.0	187.1	212.1

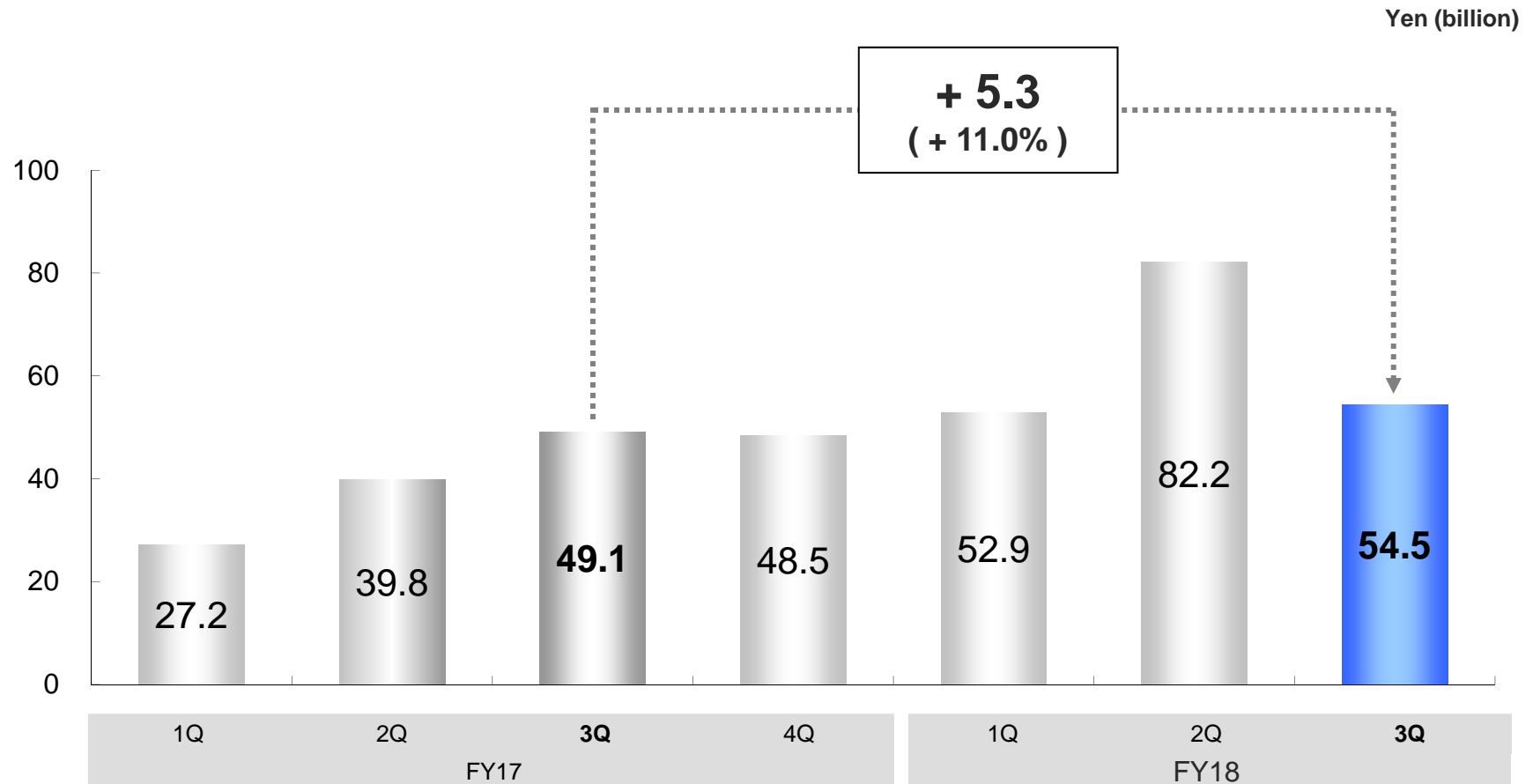


Sales Revenue/Operating Profit (Margin) by Geographical Segment <FY18 Nine Months>

	Japan		North America		Europe		Asia		Other Regions	
Yen (billion)	FY17 Nine Months	FY18 Nine Months	FY17 Nine Months	FY18 Nine Months	FY17 Nine Months	FY18 Nine Months	FY17 Nine Months	FY18 Nine Months	FY17 Nine Months	FY18 Nine Months
Sales Revenue	3,036.4	3,241.3	5,963.9	6,435.9	531.9	639.8	2,509.7	3,182.9	533.6	618.6



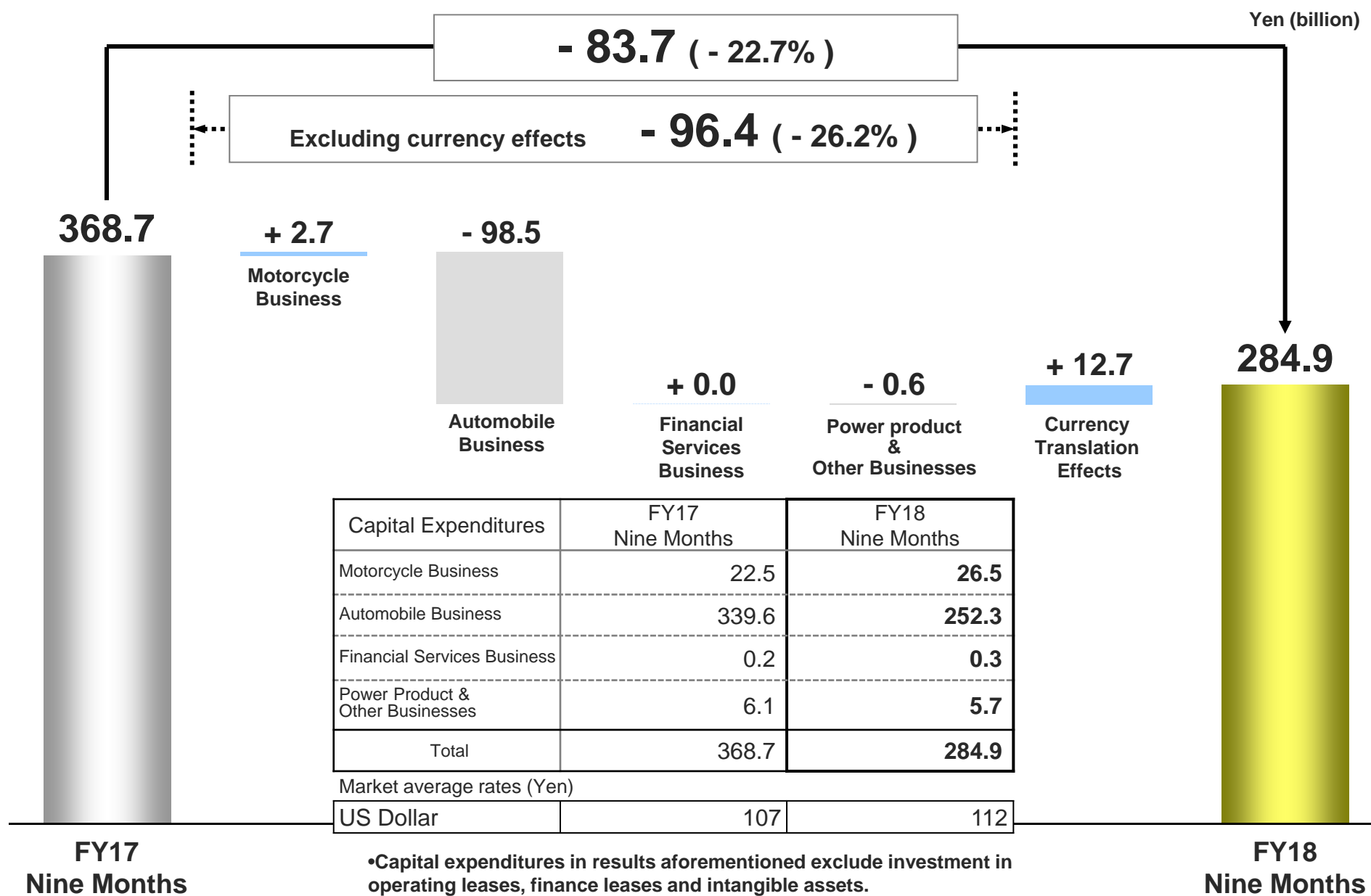
**Share of Profit of Investments
Accounted for Using the Equity Method**



Yen (billion)

From Asia	39.3	36.2	40.8	43.8	46.3	57.9	47.0
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Consolidated Capital Expenditures <FY18 Nine Months>

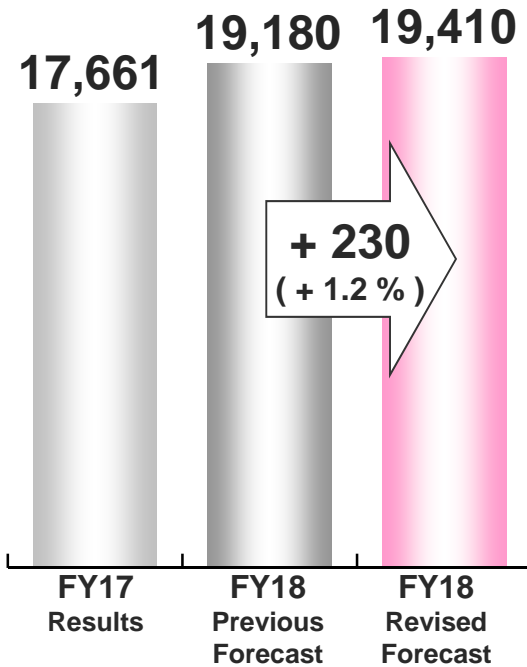


- *FY18 3rd Quarter and
Nine Month Financial Results*
 - *Unit Sales*
 - *Financial Results (Consolidated)*
 - *Honda Group Unit Sales*
 - *Change in Sales Revenue*
 - *Change in Profit before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Share of Profit of Investments*
 - *Accounted for Using the Equity Method*
 - *Consolidated Capital Expenditures*
- **FY18 Financial Forecast**

Forecast: Honda Group Unit Sales

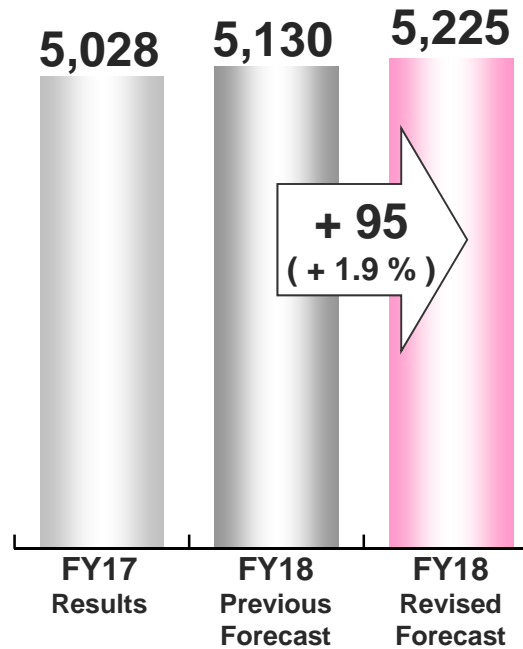
Unit
(thousand)

Motorcycles



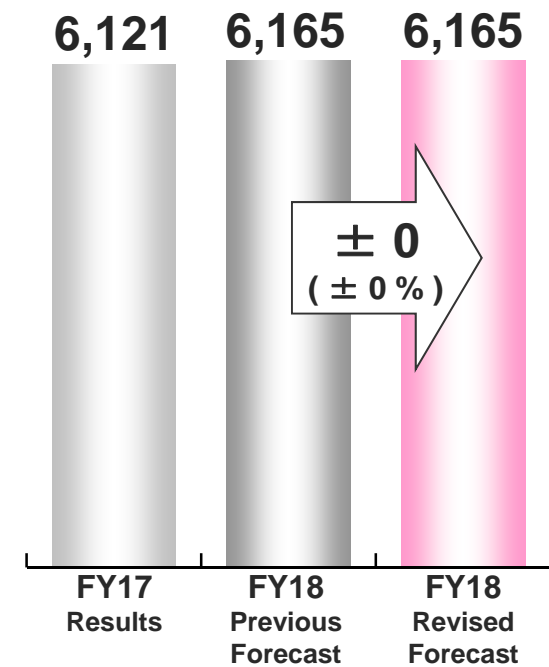
	FY18 Previous Forecast	FY18 Revised Forecast	Change
Japan	165	165	-
North America	315	305	-10
Europe	225	225	-
Asia	17,375	17,615	+240
Other Regions	1,100	1,100	-
Total	19,180	19,410	+230

Automobiles



	FY18 Previous Forecast	FY18 Revised Forecast	Change
Japan	690	690	-
North America	1,920	1,920	-
Europe	175	175	-
Asia	2,100	2,185	+85
Other Regions	245	255	+10
Total	5,130	5,225	+95

Power Products

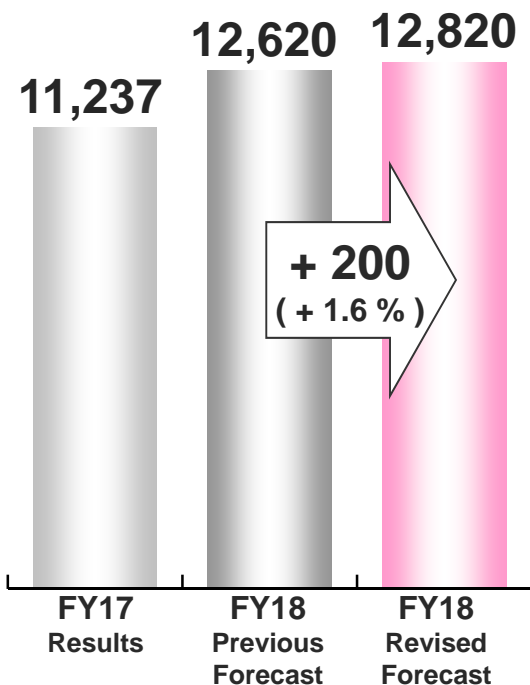


	FY18 Previous Forecast	FY18 Revised Forecast	Change
Japan	280	285	+5
North America	3,010	3,010	-
Europe	1,015	1,015	-
Asia	1,455	1,445	-10
Other Regions	405	410	+5
Total	6,165	6,165	-

Forecast: Consolidated Unit Sales

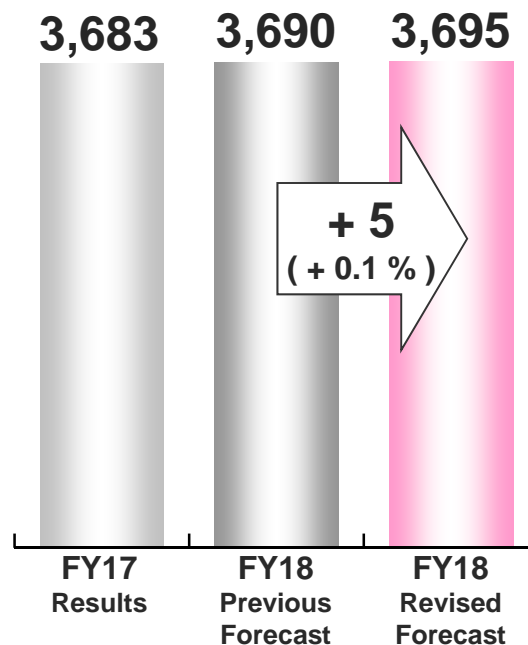
Unit
(thousand)

Motorcycles



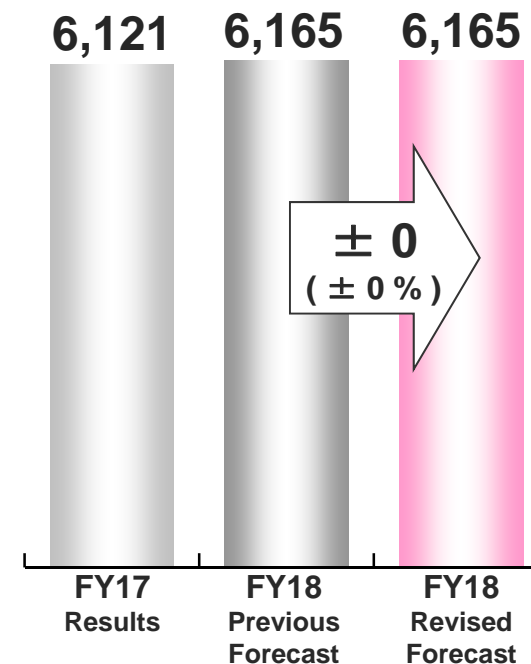
	FY18 Previous Forecast	FY18 Revised Forecast	Change
Japan	165	165	-
North America	315	305	-10
Europe	225	225	-
Asia	10,815	11,025	+210
Other Regions	1,100	1,100	-
Total	12,620	12,820	+200

Automobiles



	FY18 Previous Forecast	FY18 Revised Forecast	Change
Japan	620	620	-
North America	1,920	1,920	-
Europe	175	175	-
Asia	730	725	-5
Other Regions	245	255	+10
Total	3,690	3,695	+5

Power Products



	FY18 Previous Forecast	FY18 Revised Forecast	Change
Japan	280	285	+5
North America	3,010	3,010	-
Europe	1,015	1,015	-
Asia	1,455	1,445	-10
Other Regions	405	410	+5
Total	6,165	6,165	-

FY18 Financial Forecasts (Consolidated)

Yen (billion)

	FY17 Results	FY18 Forecast	Change		Change from previous forecast
			Amount	%	
Sales revenue	13,999.2	15,200.0	+ 1,200.8	+ 8.6%	+ 150.0
Operating profit	840.7	775.0	- 65.7	- 7.8%	+ 30.0
Operating margin	6.0%	5.1%	- 0.9pt		+ 0.1pt
Share of profit of investments accounted for using the equity method	164.7	240.0	+ 75.2	+ 45.6%	+ 35.0
Profit before income taxes	1,006.9	1,045.0	+ 38.0	+ 3.8%	+ 90.0
Profit for the year attributable to owners of the parent	616.5	1,000.0 ^{*2}	+ 383.4	+ 62.2%	+ 415.0
Earnings per share ^{*1} (Yen) attributable to owners of the parent	342.10	557.70	+ 215.60		+ 231.44

*1: Please refer to the footnote on page 41

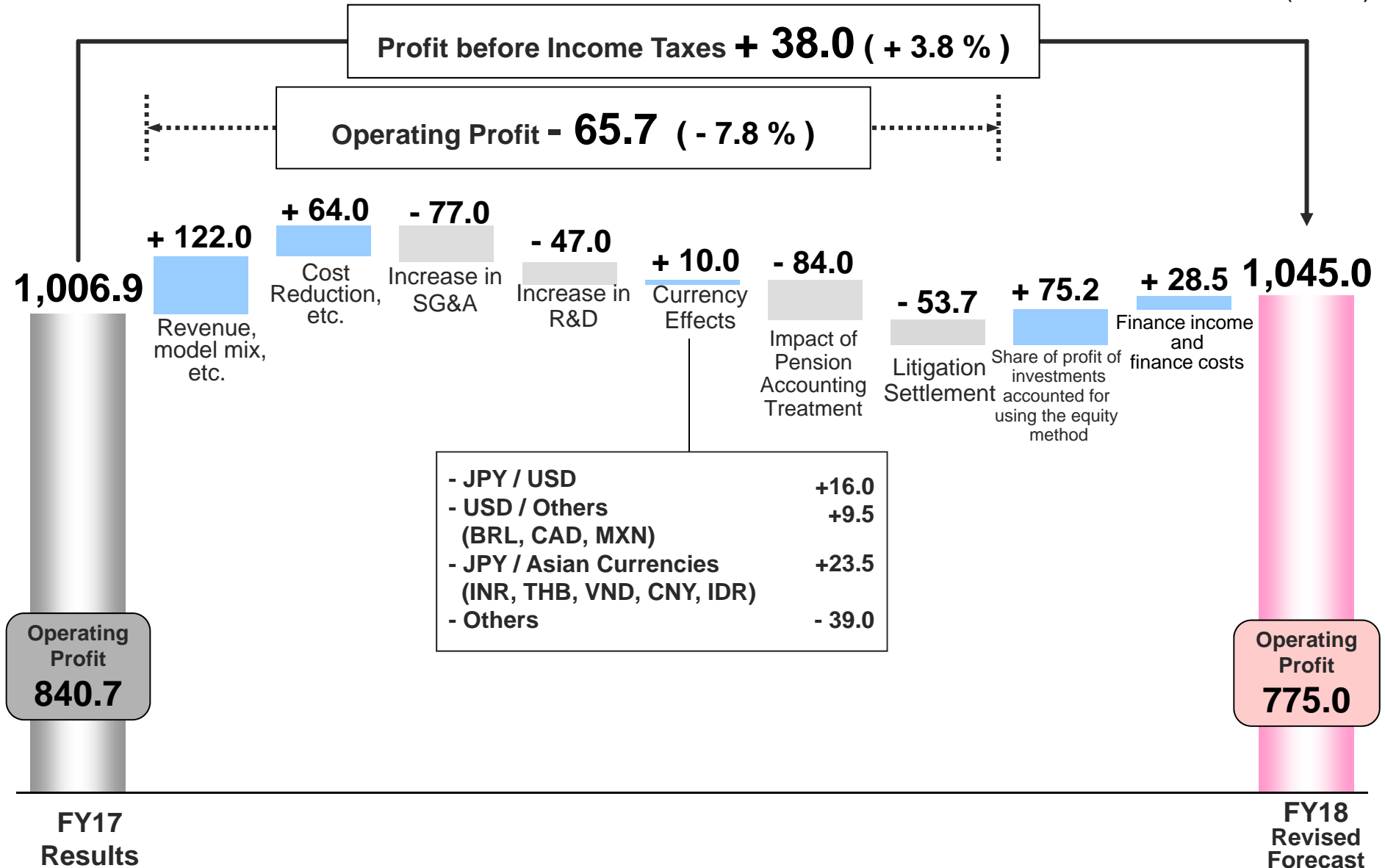
*2: Profit for the year attributable to owners of the parent, excluding the 346.1 bil. yen impact of revaluation of deferred tax assets and liabilities in the U.S. consolidated subsidiaries due to the tax reform, is 653.8 bil. yen, and earnings per share attributable to owners of the parent is 364.66 yen, respectively.

Market average rates (Yen)

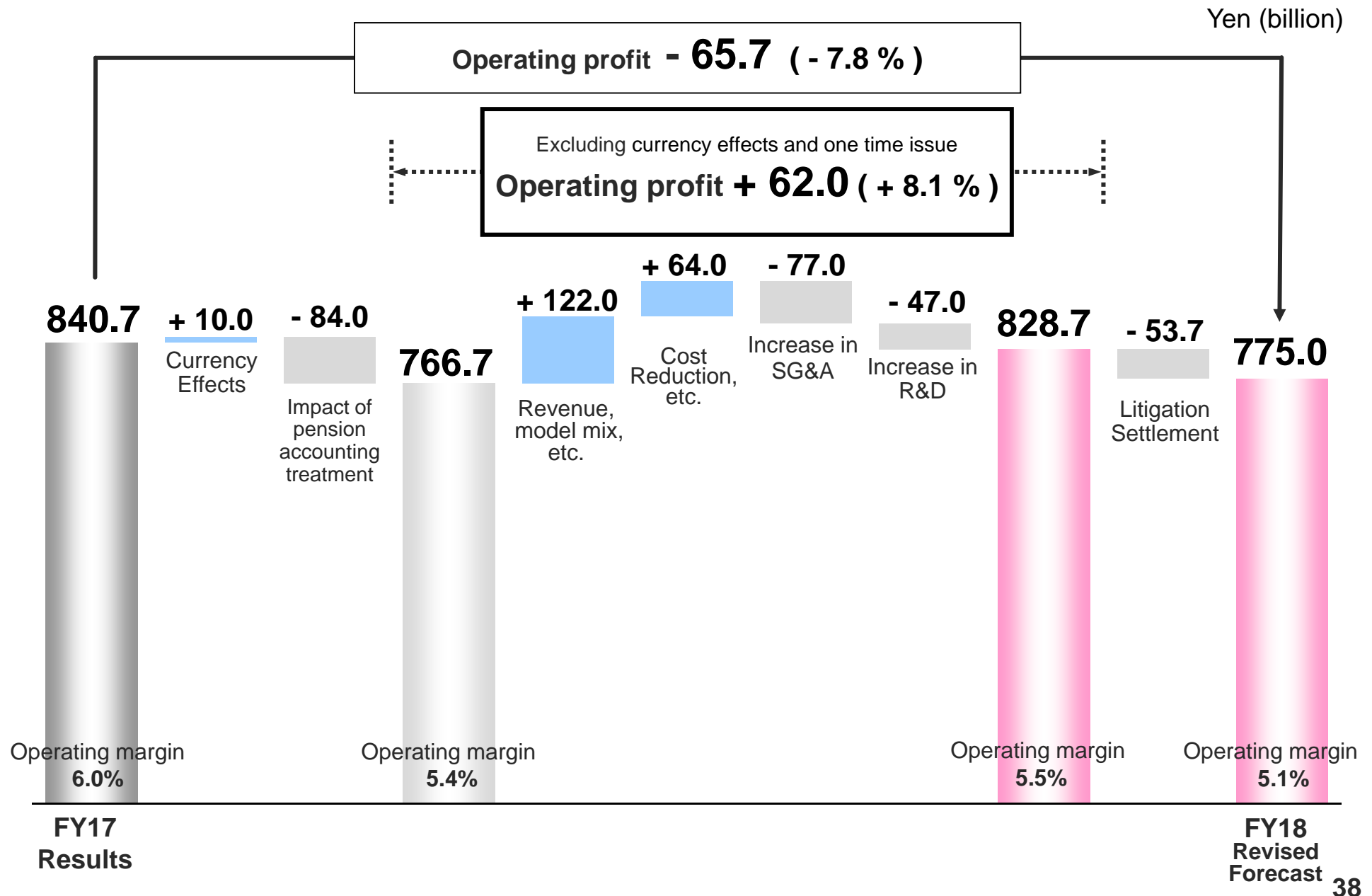
US Dollar	108	110 (1-3Q 112 / 4Q 105)	Yen down by 2 yen	Yen down by 1 yen
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FY18 Forecast: Change in Profit before Income Taxes

Yen (billion)

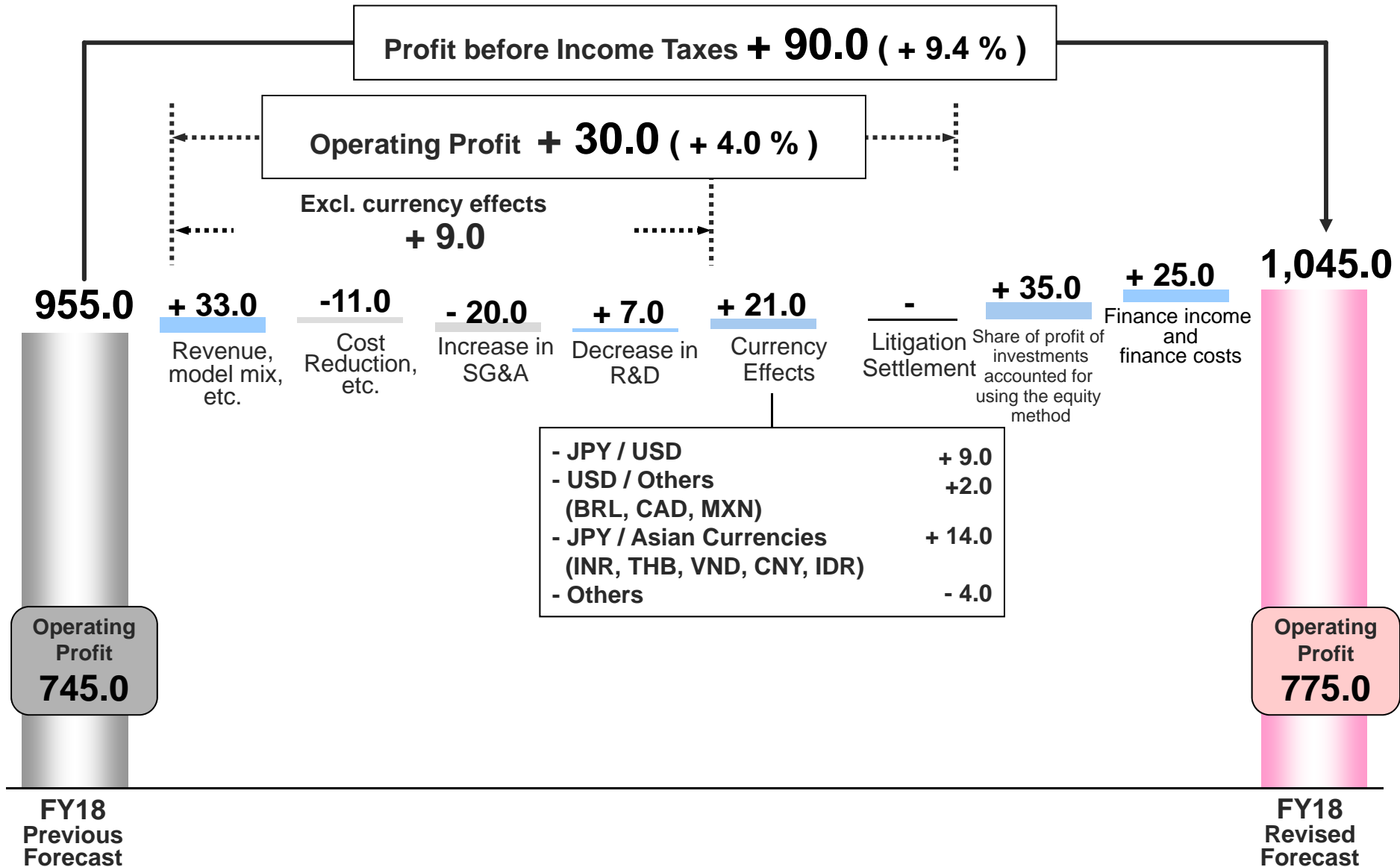


FY18 Forecast: Change in Operating Profit



FY18 Forecast: Change in Profit before Income Taxes

Yen (billion)



FY18 Forecast: Capital Expenditures, Depreciation and R&D

Yen (billion)

	FY17 Results	FY18 Forecast	Change	Change from previous forecast
Capital expenditures *	541.0	505.0	- 36.0	-
Depreciation *	437.6	465.0	+ 27.3	-
Research and development expenditures **	685.3	740.0	+ 54.6	- 10.0

* Capital expenditures as well as Depreciation in results and forecast aforementioned exclude investment in operating leases, finance 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 Statements 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 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 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-Side 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.

Power Product Businesses

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 Power Product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales since no affiliate and joint venture accounted for using the equity method was involved in the sale of Honda power products.

*1 Earnings per share attributable to owners of the parent is calculated based on weighted average number of shares outstanding as shown below: (Page 10, 11, 15, 36)

- 3 rd Quarter	FY17: 1,802,281,000 (approx) (page 15),	FY18: 1,790,411,000 (approx) (page 15)
- Nine Months	FY17: 1,802,282,000 (approx) (page 10),	FY18: 1,797,532,000 (approx) (page 10)
- Fiscal year	FY17: 1,802,282,000 (approx) (page 11 and 36),	FY18 forecast: 1,793,089,000 (approx) (pages 11 and 36)

HONDA

The Power of Dreams

Appendix

Capital Expenditures, Depreciation and R&D

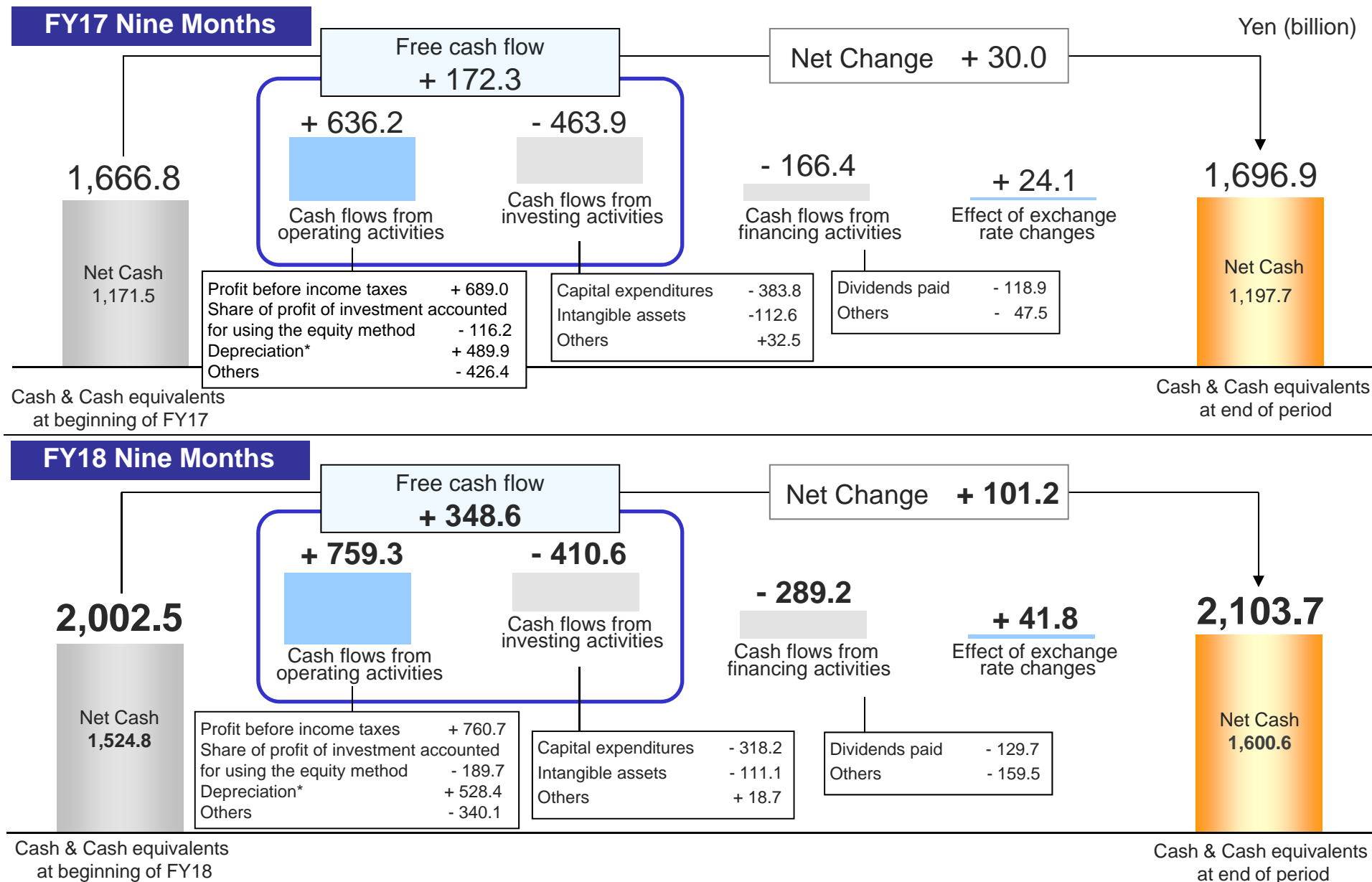
Yen (billion)

	3Q			Nine Months		
	FY17 Results	FY18 Results	Change	FY17 Results	FY18 Results	Change
Capital expenditures *	174.6	80.7	- 93.8	368.7	284.9	- 83.7
Depreciation *	103.4	117.7	+ 14.2	311.0	347.9	+ 36.9
Research and development expenditures **	165.7	183.2	+ 17.4	473.7	514.7	+ 40.9

* Capital expenditures as well as Depreciation in results aforementioned exclude investment in operating leases, finance 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 Statements 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



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

Quarterly Consolidated Unit Sales

Unit (thousand)	FY17					FY18			9 Months	
	1Q	2Q	3Q	4Q	12 Months	1Q	2Q	3Q	Change	%
Japan	29	33	49	45	156	42	42	42	+ 15	+ 13.5%
North America	78	71	68	77	294	80	83	69	+ 15	+ 6.9%
Europe	72	48	31	66	217	81	53	39	+ 22	+ 14.6%
Asia	2,364	2,629	2,267	2,253	9,513	2,765	3,012	2,663	+ 1,180	+ 16.3%
Other Regions	288	261	260	248	1,057	277	256	283	+ 7	+ 0.9%
Motorcycles	2,831	3,042	2,675	2,689	11,237	3,245	3,446	3,096	+ 1,239	+ 14.5%

Japan	132	143	154	174	603	144	151	156	+ 22	+ 5.1%
North America	510	479	510	471	1,970	481	452	491	- 75	- 5.0%
Europe	45	45	43	51	184	42	43	42	- 6	- 4.5%
Asia	162	167	156	199	684	169	201	184	+ 69	+ 14.2%
Other Regions	59	56	62	65	242	64	60	59	+ 6	+ 3.4%
Automobiles	908	890	925	960	3,683	900	907	932	+ 16	+ 0.6%

Japan	59	87	54	101	301	59	79	64	+ 2	+ 1.0%
North America	769	522	521	1,165	2,977	596	545	524	- 147	- 8.1%
Europe	225	165	190	455	1,035	240	166	191	+ 17	+ 2.9%
Asia	360	376	311	383	1,430	362	379	300	- 6	- 0.6%
Other Regions	75	90	99	114	378	74	89	117	+ 16	+ 6.1%
Power Products	1,488	1,240	1,175	2,218	6,121	1,331	1,258	1,196	- 118	- 3.0%