

FY16 Financial Results



Honda Motor Co., Ltd.

May 13, 2016

Clarity Fuel Cell

- *FY16 News Topics*
- *FY16 Financial Results*
- *FY17 Financial Forecasts*
- *Dividend*

Tetsuo Iwamura
Executive Vice President

(FY16 4th Quarter)

- ✓ Sales of **All-new Clarity Fuel Cell** begin (March 2016 : Japan)
- ✓ Launch of New Model **BR-V**(January 2016 : Thailand and Indonesia)



Clarity Fuel Cell



BR-V

(FY16)

United States

- Surpasses **1.6 million** unit sales for first time
 - **Pilot** full-model change (June 2015)
 - **Civic** full-model change (November 2015)



Pilot



Civic

China

- Surpasses **1 million** unit sales for first time
 - Led by SUV models like **CR-V, Vezel and XR-V**



XR-V



N-BOX

Japan

- N-BOX Series achieves No.1 sales in mini-vehicle category
- Vezel achieves No.1 sales in SUV category
 - Global sales of Vezel/HR-V/XR-V surpassed 600 thousand units



Vezel

Results Summary

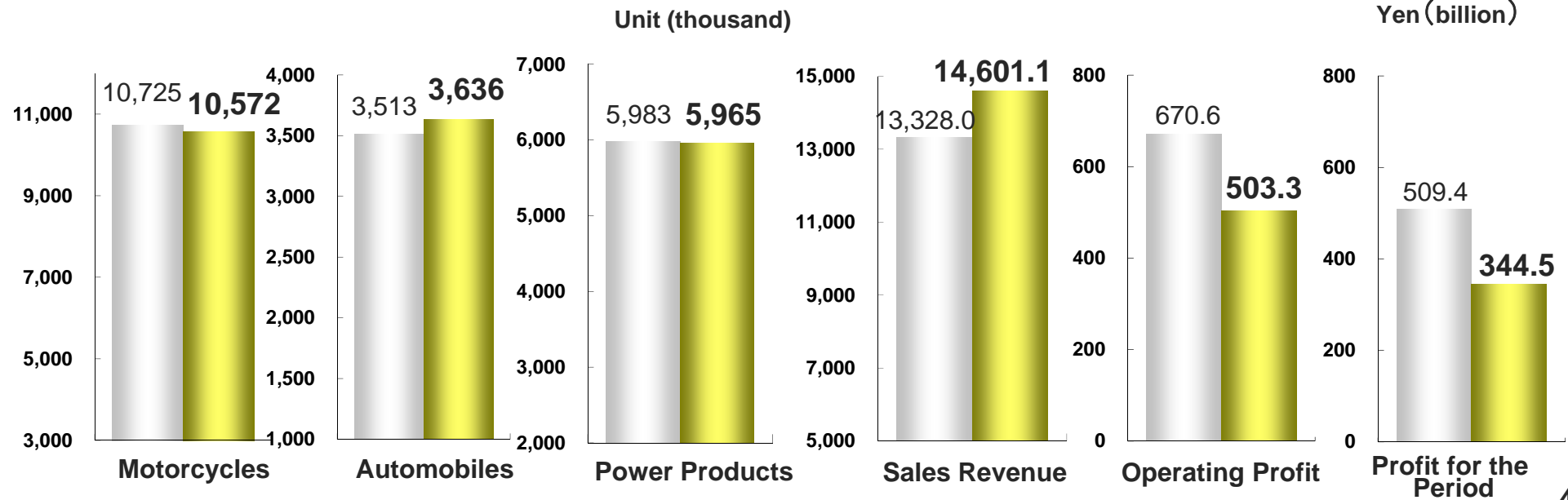
Full-model changes of core models in N.A., the positive effect of HR-V introductions in various markets and cost reduction efforts led to an improvement in the company's fundamental profit structure, but an increase in quality related costs as well as the negative impact of emerging market currencies resulted in operating profit of 503.3 billion yen.

12-month results FY15 and FY16

FY15 FY16

Consolidated Unit Sales

Sales Revenue / Operating Profit / Profit for the Period

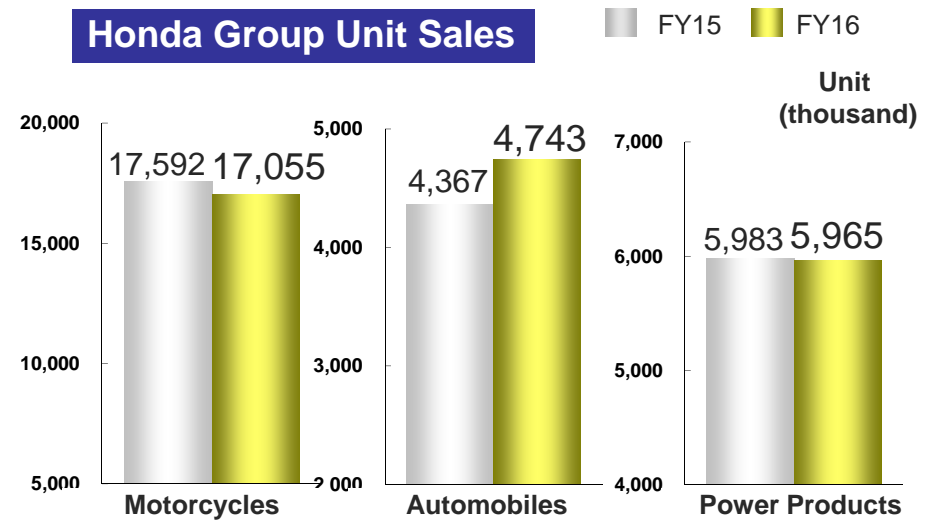


FY16 Unit Sales Results

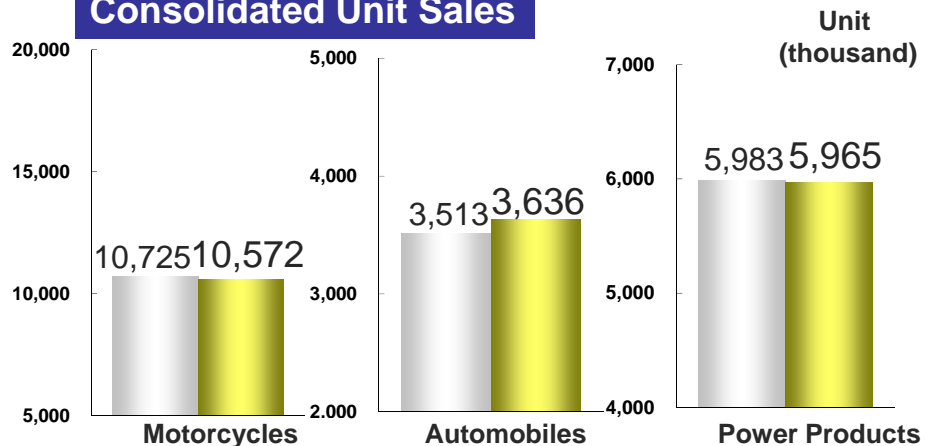
Honda Group Unit Sales (thousand)	12-Month Results		
	FY15	FY16	Change
Motorcycles	17,592	17,055	- 3.1%
Automobiles	4,367	4,743	+ 8.6%
Power Products	5,983	5,965	- 0.3%

Consolidated Unit Sales (thousand)	12-Month Results		
	FY15	FY16	Change
Motorcycles	10,725	10,572	- 1.4%
Automobiles	3,513	3,636	+ 3.5%
Power Products	5,983	5,965	- 0.3%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Decrease in motorcycle unit sales due mainly to decline in sales in Indonesia and South America, despite sales growth in Pakistan and Vietnam
- Increase in automobile unit sales due primarily to new model launches and full model changes in China and North America, despite decreased sales in Japan

FY16 Financial Results (consolidated)

Financial Results	12 Months		
	FY15	FY16	Change
Sales revenue	13,328.0	14,601.1	+ 9.6%
Operating profit	670.6	503.3	- 24.9%
Operating margin	5.0%	3.4%	- 1.6 pt
Share of profit of investments accounted for using the equity method	96.0	126.0	+ 31.1%
Profit before income taxes	806.2	635.4	- 21.2%
Profit for the period attributable to owners of the parent	509.4	344.5	- 32.4%
Earnings per share *1 (Yen) attributable to owners of the parent	282.66	191.16	- 91.5

Financial Summary

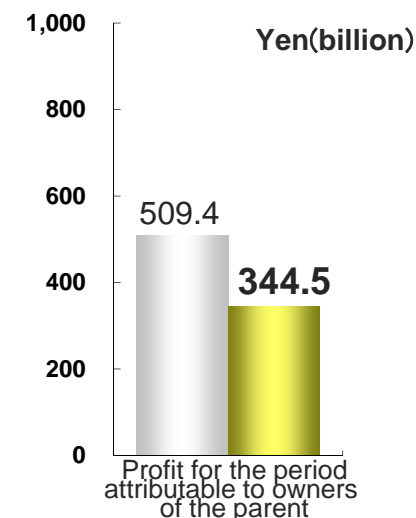
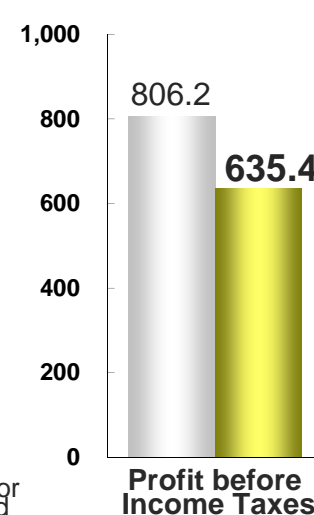
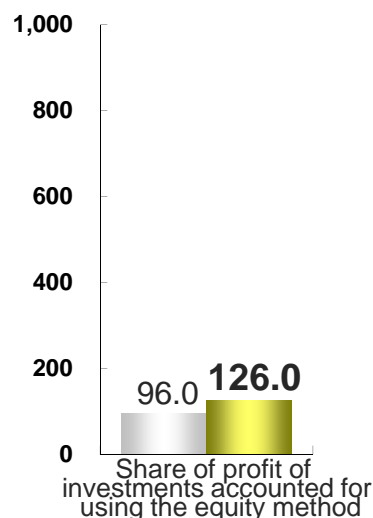
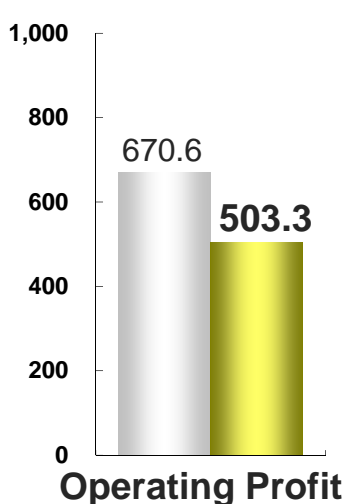
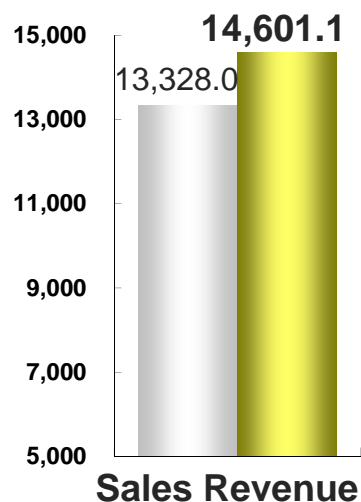
Sales revenue increased 9.6% primarily due to increases in automobile and financial services business operations.

Operating profit decreased by 24.9% 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.

Market average rates (Yen)

US Dollar	110	120	Yen down by 10 yen
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For *1, please refer to footnotes on page 35



FY17 Financial Forecast (Consolidated)

Yen (billion)

	FY16 Results	FY17 Forecast	Change	
			amount	%
Sales revenue	14,601.1	13,750.0	- 851.1	- 5.8%
Operating profit	503.3	600.0	+ 96.6	+ 19.2%
Operating margin	3.4%	4.4%		+ 1.0 pt
Share of profit of investments accounted for using the equity method	126.0	130.0	+ 3.9	+ 3.2%
Profit before income taxes	635.4	705.0	+ 69.5	+ 10.9%
Profit for the year attributable to owners of the parent	344.5	390.0	+ 45.4	+ 13.2%
Earnings per share (Yen) attributable to owners of the parent *1	191.16	216.39	+ 25.23	

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

Market average rates (Yen)

US Dollar	120	105	Yen up by 15 yen
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Dividend

Yen

Dividend per Share	FY15	FY16 (Projection)	Increase/Decrease from		
			FY15	FY17 (Expectation)	FY16
1 st Quarter End	22	22	-	(22)	(-)
2 nd Quarter End	22	22	-	(22)	(-)
3 rd Quarter End	22	22	-	(22)	(-)
4 th Quarter End	22	(22)	(-)	(22)	(-)
Fiscal Year	88	(88)	(-)	(88)	(-)

- *FY16 4th Quarter and Twelve-Month Financial Results*
 - *4th Quarter 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*
- *FY17 Financial Forecast*

Kohei Takeuchi

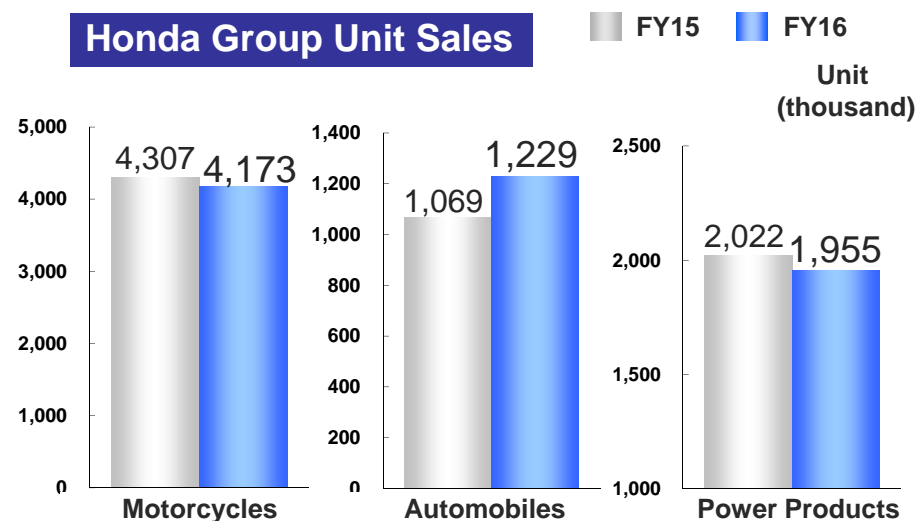
***Senior Managing Officer and Director
Chief Financial Officer***

FY16 4th Quarter Unit Sales

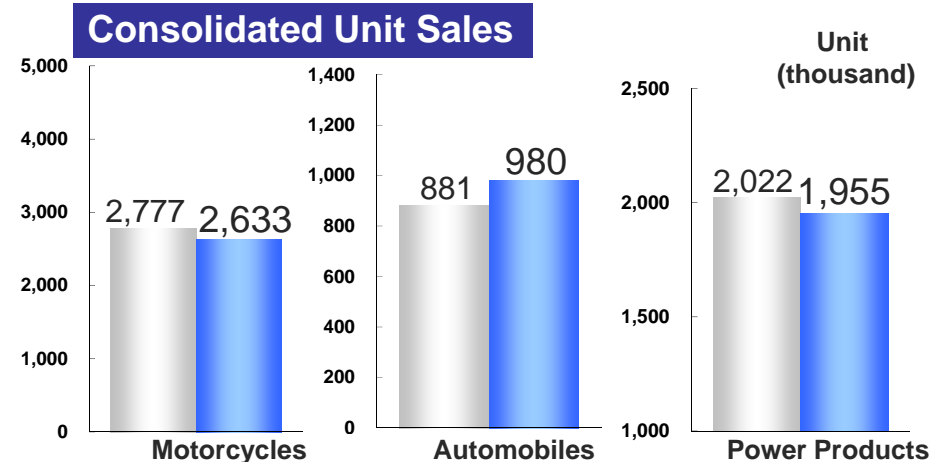
Honda Group Unit Sales (thousand)	4Q Results (3 Months)		
	FY15	FY16	Change
Motorcycles	4,307	4,173	- 3.1%
Automobiles	1,069	1,229	+ 15.0%
Power Products	2,022	1,955	- 3.3%

Consolidated Unit Sales (thousand)	4Q Results (3 Months)		
	FY15	FY16	Change
Motorcycles	2,777	2,633	- 5.2%
Automobiles	881	980	+ 11.2%
Power Products	2,022	1,955	- 3.3%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Decrease in motorcycle unit sales due mainly to decreased sales in Brazil and China, despite sales growth in Pakistan and Philippines
- Automobile unit sales increased due to sales growth in North America and China, as well as the positive impact of new model introductions in Indonesia.

FY16 4th Quarter Financial Results (Consolidated)

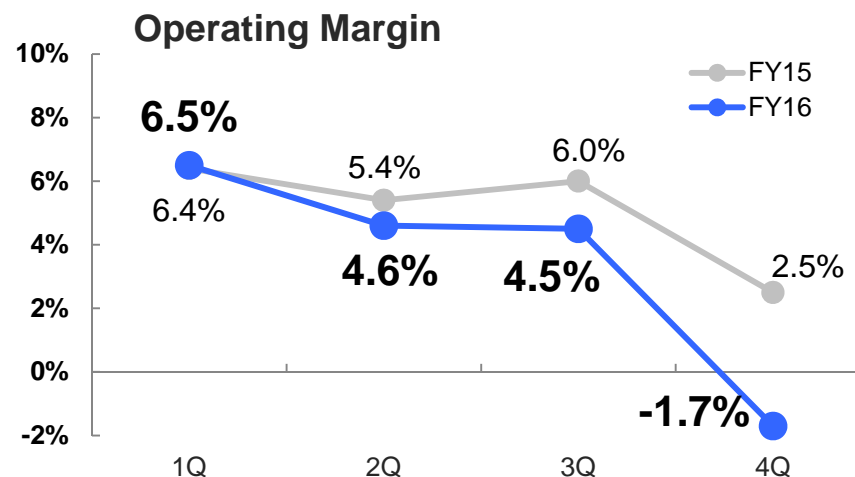
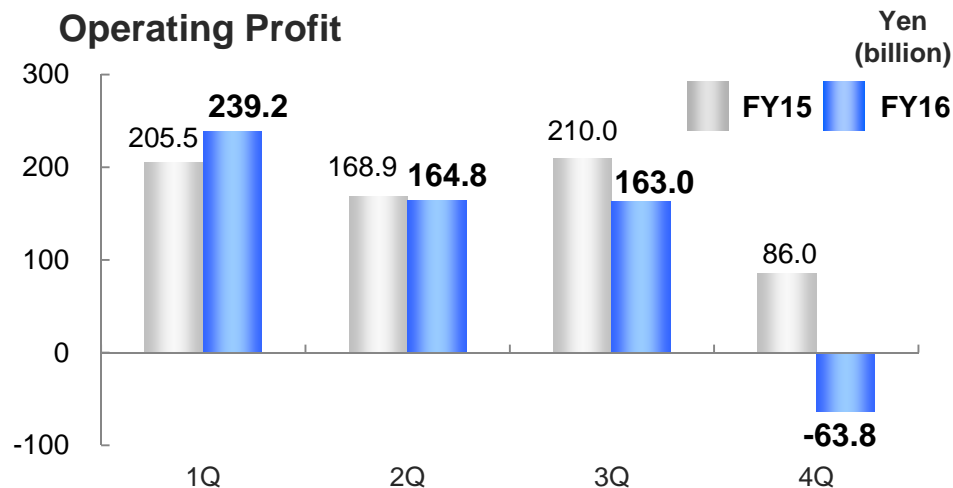
Financial Results Yen (billion)	4Q Results (3 Months)		
	FY15	FY16	Change
Sales revenue	3,491.5	3,657.8	+ 4.8%
Operating profit	86.0	- 63.8	-
Operating margin	2.5%	- 1.7%	- 4.2 pt
Share of profit of investments accounted for using the equity method	17.9	8.3	- 53.3%
Profit before income taxes	107.6	- 58.7	-
Profit for the period attributable to owners of the parent	81.9	- 93.4	-
Earnings per share ^{*1} (Yen) attributable to owners of the parent	45.45	- 51.85	- 97.30
Market average rates (Yen)			
US Dollar	119	115	Yen up by 4 yen

Financial Summary

Sales revenue increased 4.8% primarily due to an increase in automobile business operations despite negative foreign currency translation effects.

Operating loss declined by JPY 149.9 billion 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.

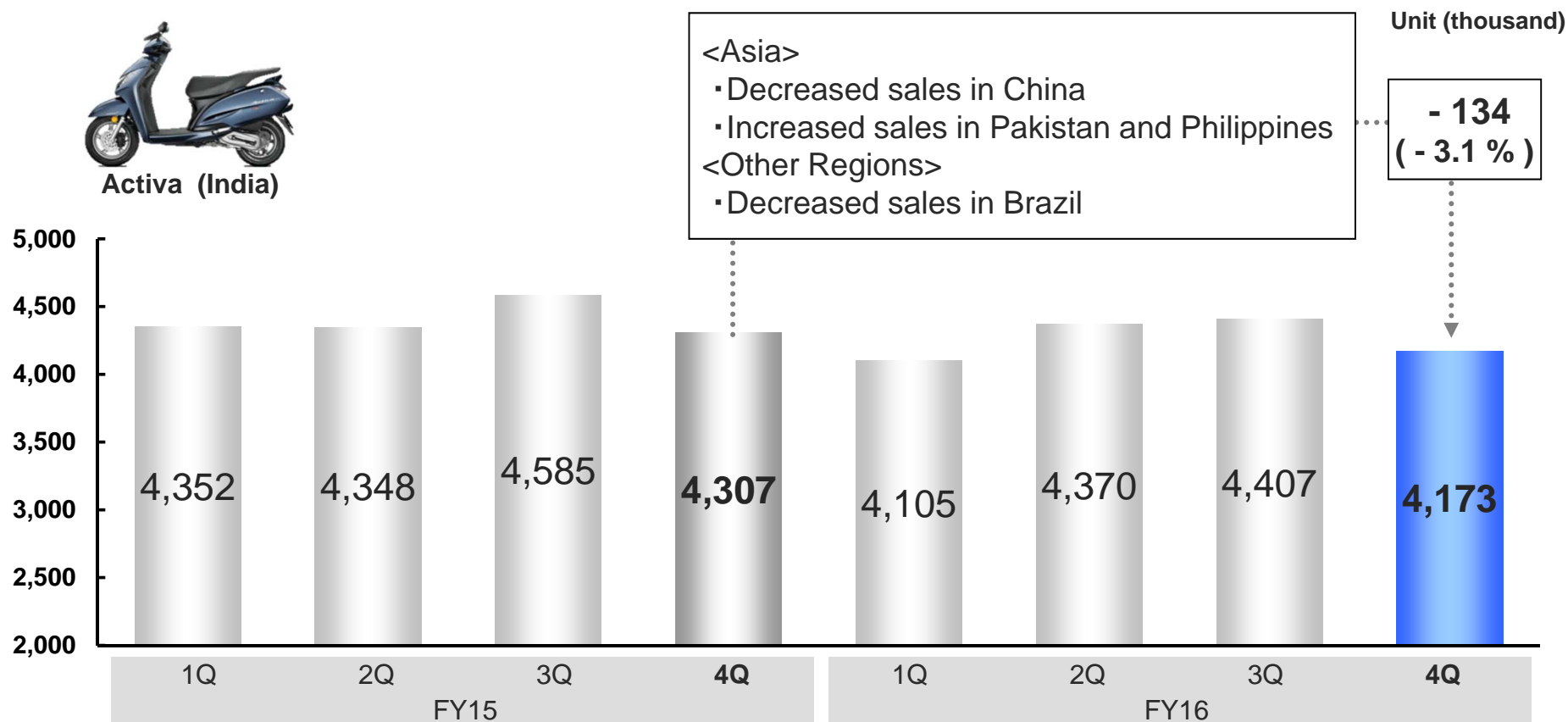
For *1, please refer to footnotes on page 35



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



Activa (India)

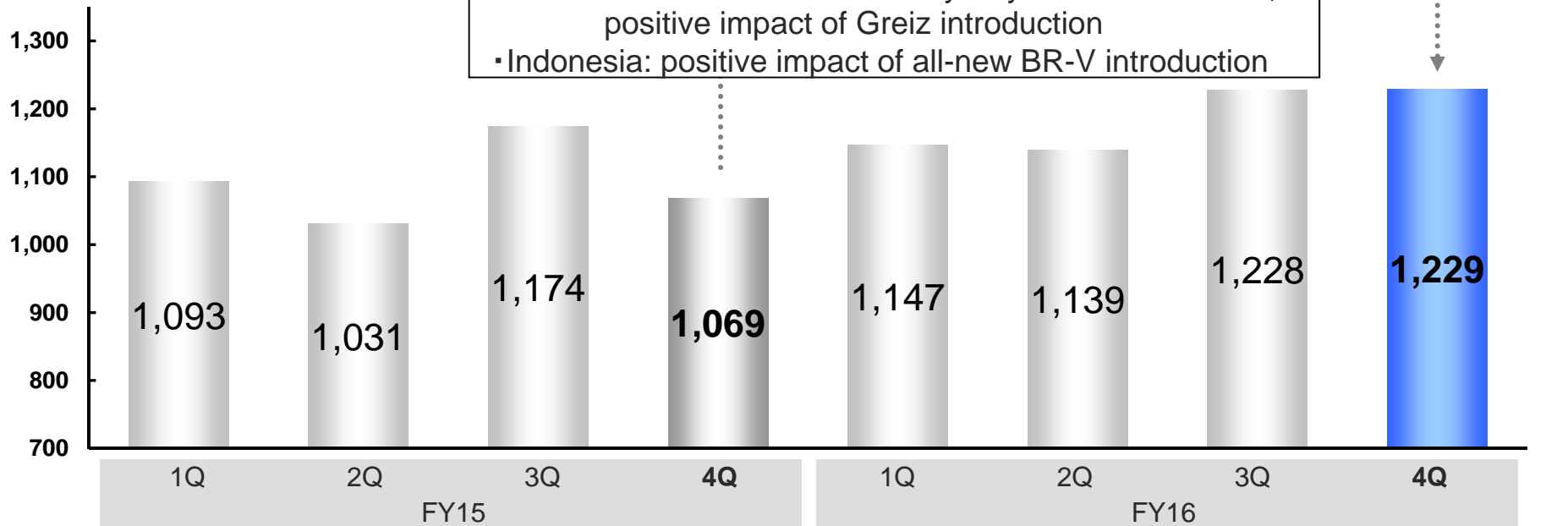


Japan	48	50	49	52	47	50	41	42
North America	61	68	72	85	75	75	69	89
Europe	60	46	33	52	66	48	33	57
Asia	3,762	3,815	4,036	3,732	3,571	3,851	3,968	3,743
Other Regions	421	369	395	386	346	346	296	242
Total	4,352	4,348	4,585	4,307	4,105	4,370	4,407	4,173

Automobiles - Honda Group Unit Sales



Civic (North America)



<North America>
 • Positive impact of Civic full-model change introduction
 Positive impact of all-new HR-V introduction

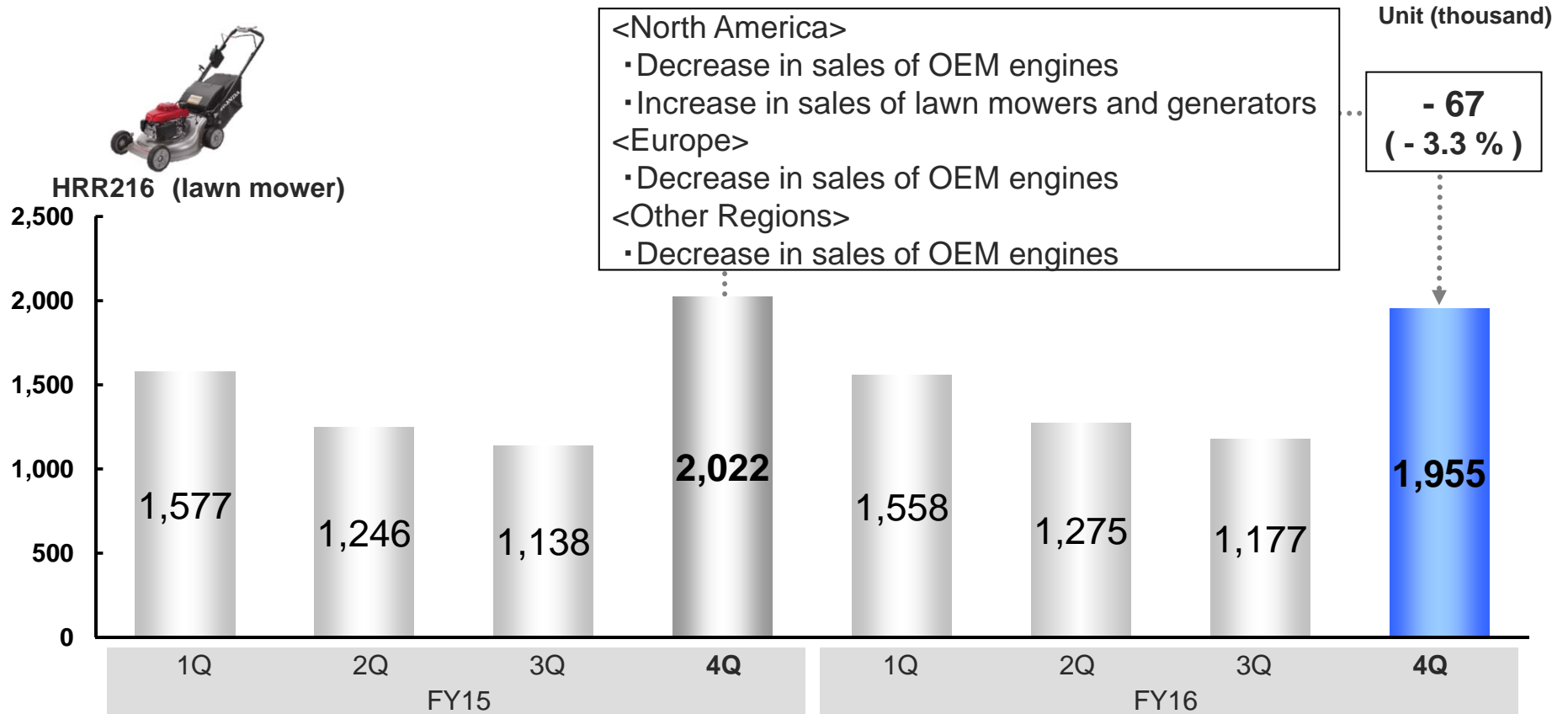
<Asia>
 • China: increased sales of mainly City and SUV models;
 positive impact of Greiz introduction
 • Indonesia: positive impact of all-new BR-V introduction

Japan	202	176	162	221	147	168	151	202
North America	449	434	474	393	497	473	466	493
Europe	38	44	36	43	32	42	43	55
Asia	341	310	431	344	405	395	503	420
Other Regions	63	67	71	68	66	61	65	59
Total	1,093	1,031	1,174	1,069	1,147	1,139	1,228	1,229

Power Products - Honda Group Unit Sales

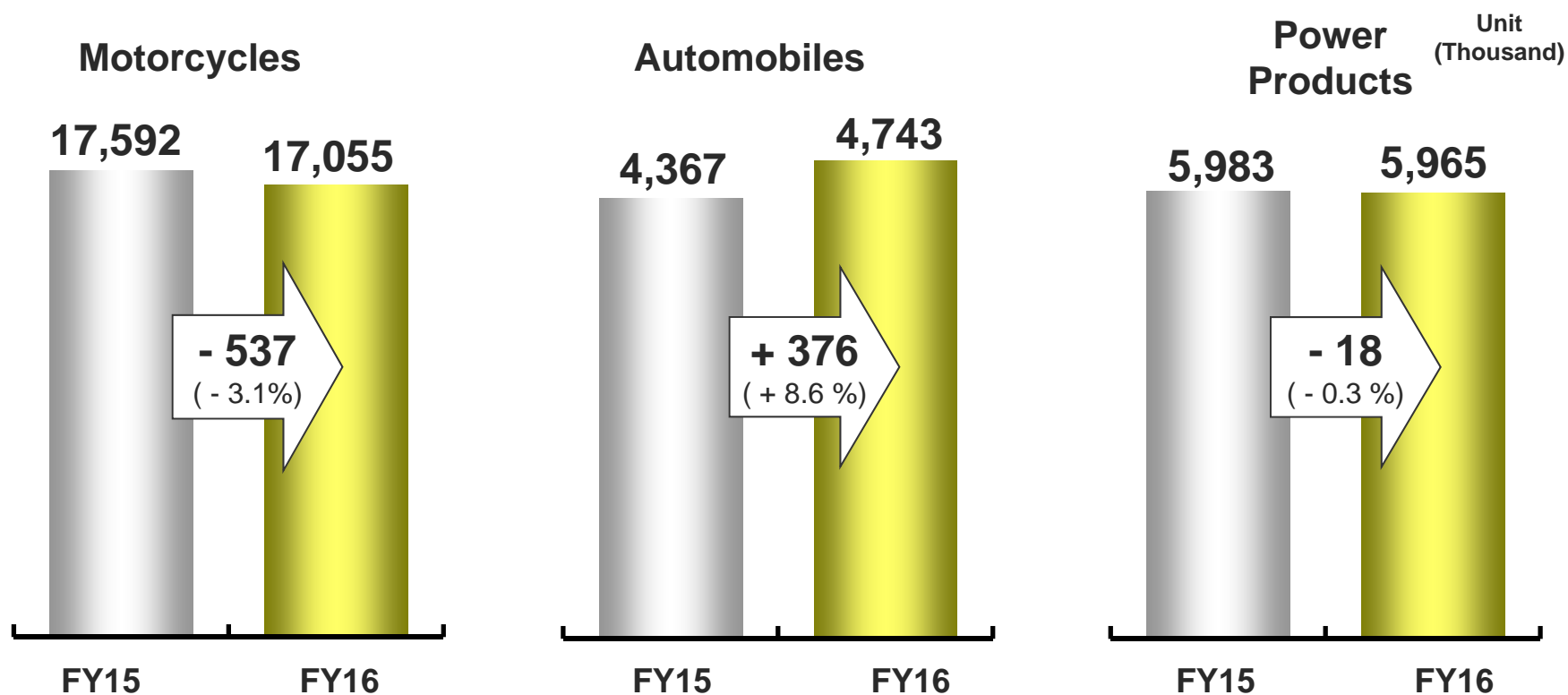


HRR216 (lawn mower)



Japan	68	85	83	102	85	115	62	101
North America	775	496	425	1,009	804	532	469	1,006
Europe	245	185	199	462	231	174	190	413
Asia	396	378	289	319	340	346	344	319
Other Regions	93	102	142	130	98	108	112	116
Total	1,577	1,246	1,138	2,022	1,558	1,275	1,177	1,955

Honda Group Unit Sales <Twelve Months>



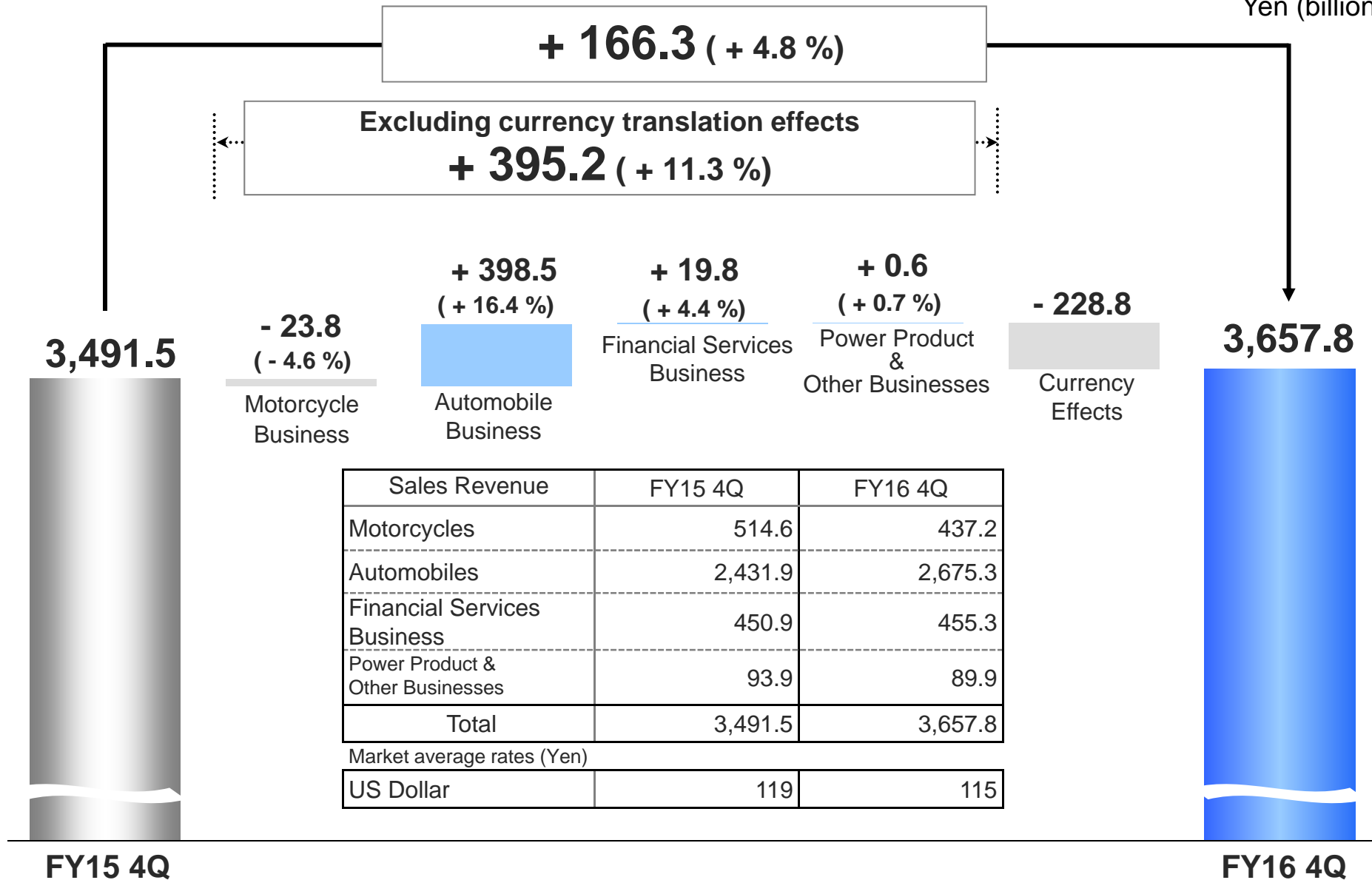
	FY15	FY16	Change
Japan	199	180	- 19
North America	286	308	+ 22
Europe	191	204	+ 13
Asia	15,345	15,133	- 212
Other Regions	1,571	1,230	- 341
Total	17,592	17,055	- 537

	FY15	FY16	Change
Japan	761	668	- 93
North America	1,750	1,929	+ 179
Europe	161	172	+ 11
Asia	1,426	1,723	+ 297
Other Regions	269	251	- 18
Total	4,367	4,743	+ 376

	FY15	FY16	Change
Japan	338	363	+ 25
North America	2,705	2,811	+ 106
Europe	1,091	1,008	- 83
Asia	1,382	1,349	- 33
Other Regions	467	434	- 33
Total	5,983	5,965	- 18

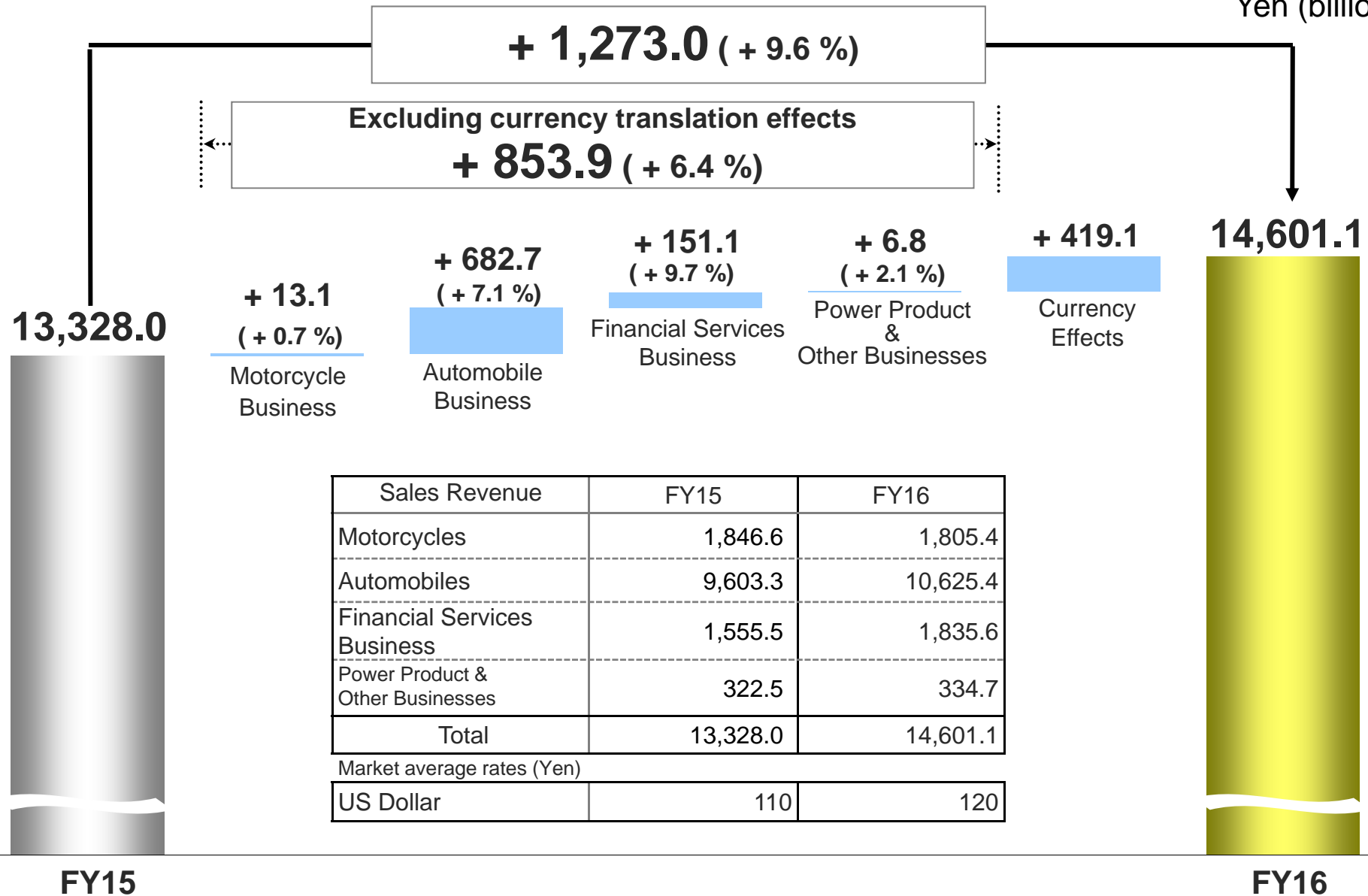
Change in Sales Revenue <FY16 4th Qtr>

Yen (billion)

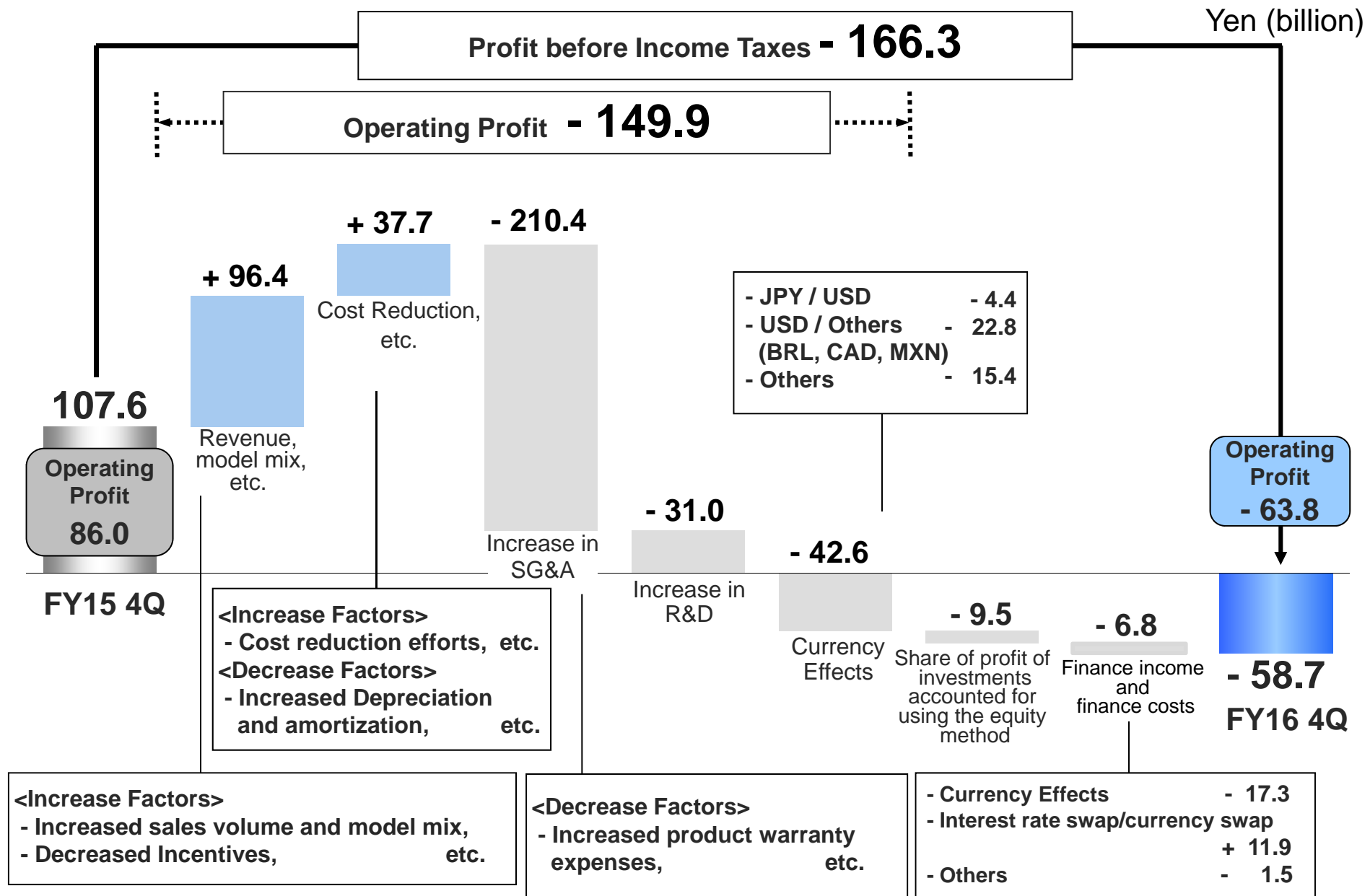


Change in Sales Revenue <FY16 Twelve months>

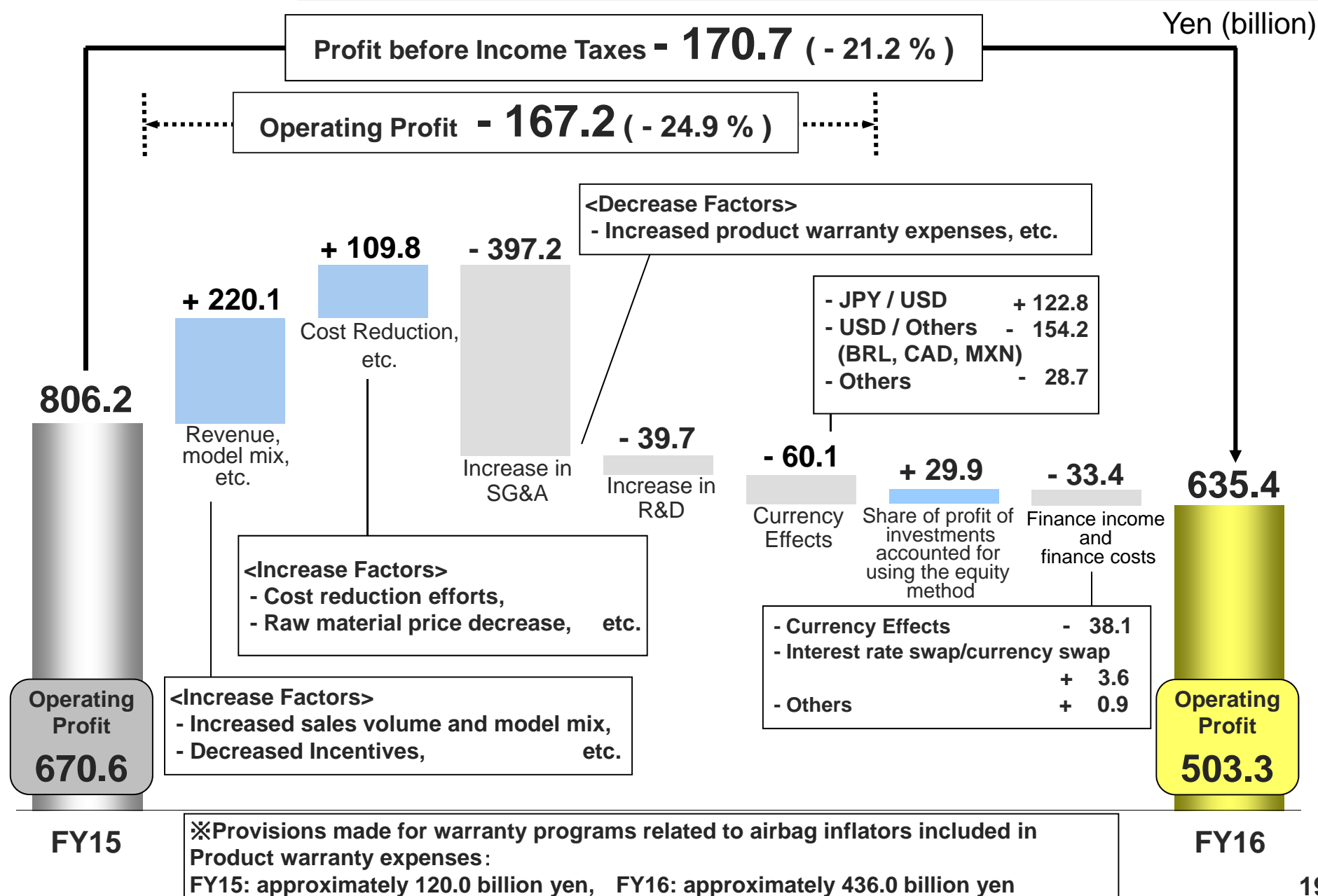
Yen (billion)



Change in Profit before Income Taxes <FY16 4th Qtr>



Change in Profit before Income Taxes <FY16 Twelve Months>

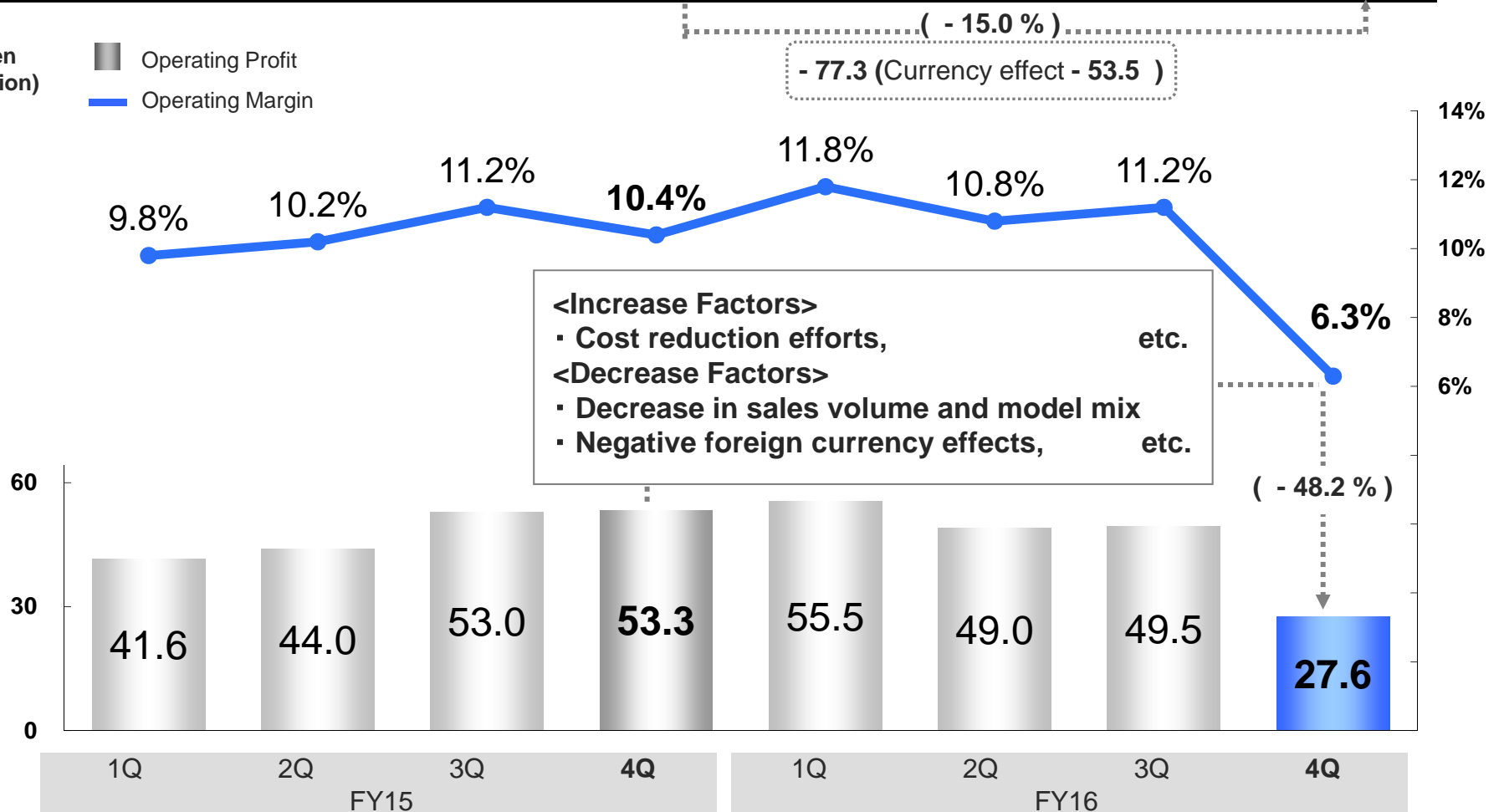


Motorcycle Business Sales Revenue /Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY15				FY16			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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)	4,173 (2,633)
Sales Revenue	426.4	432.7	472.7	514.6	472.7	453.2	442.1	437.2

Yen
(billion)

■ Operating Profit
— Operating Margin



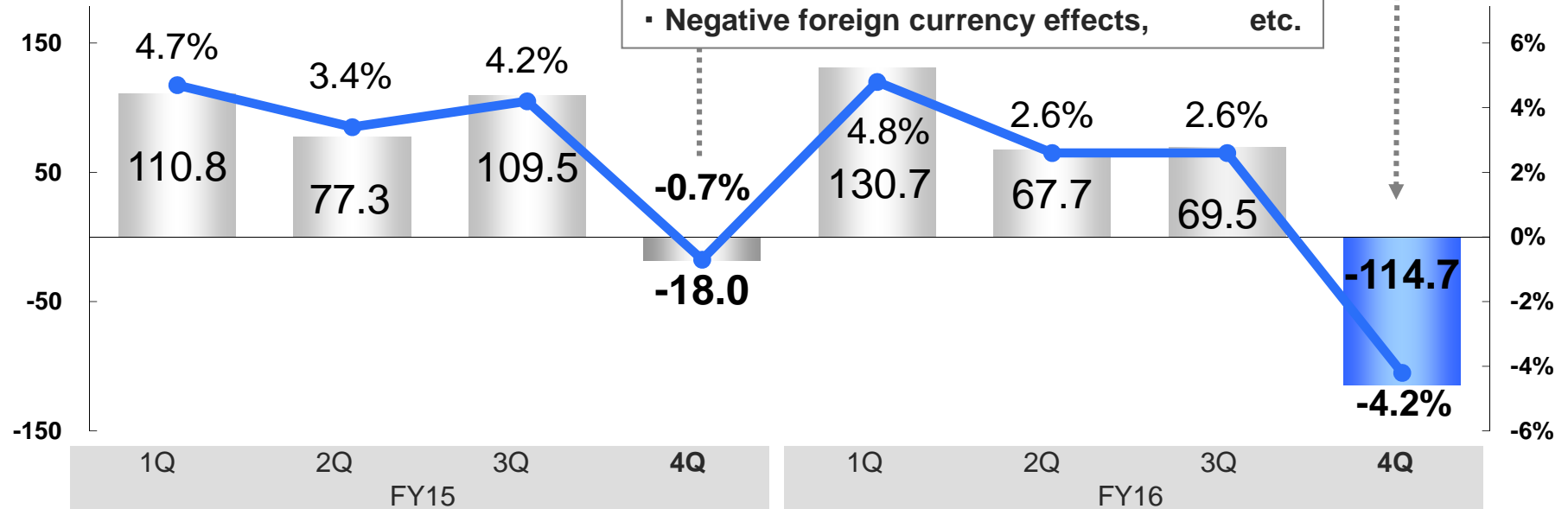
Automobile Business Sales Revenue/Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY15				FY16			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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)	1,229 (980)
Sales Revenue	2,357.2	2,305.9	2,609.7	2,484.9	2,706.0	2,655.5	2,684.5	2,721.5

Yen (billion)
 Operating Profit
 Operating Margin

(+ 9.5%)
 + 236.5 (Currency effect - 155.1)

<Increase Factors>
 • Increase in sales volume and model mix
 • Cost reduction efforts, etc.
<Decrease Factors>
 • Increase in SG&A expenses, including quality related costs
 • Negative foreign currency effects, etc.

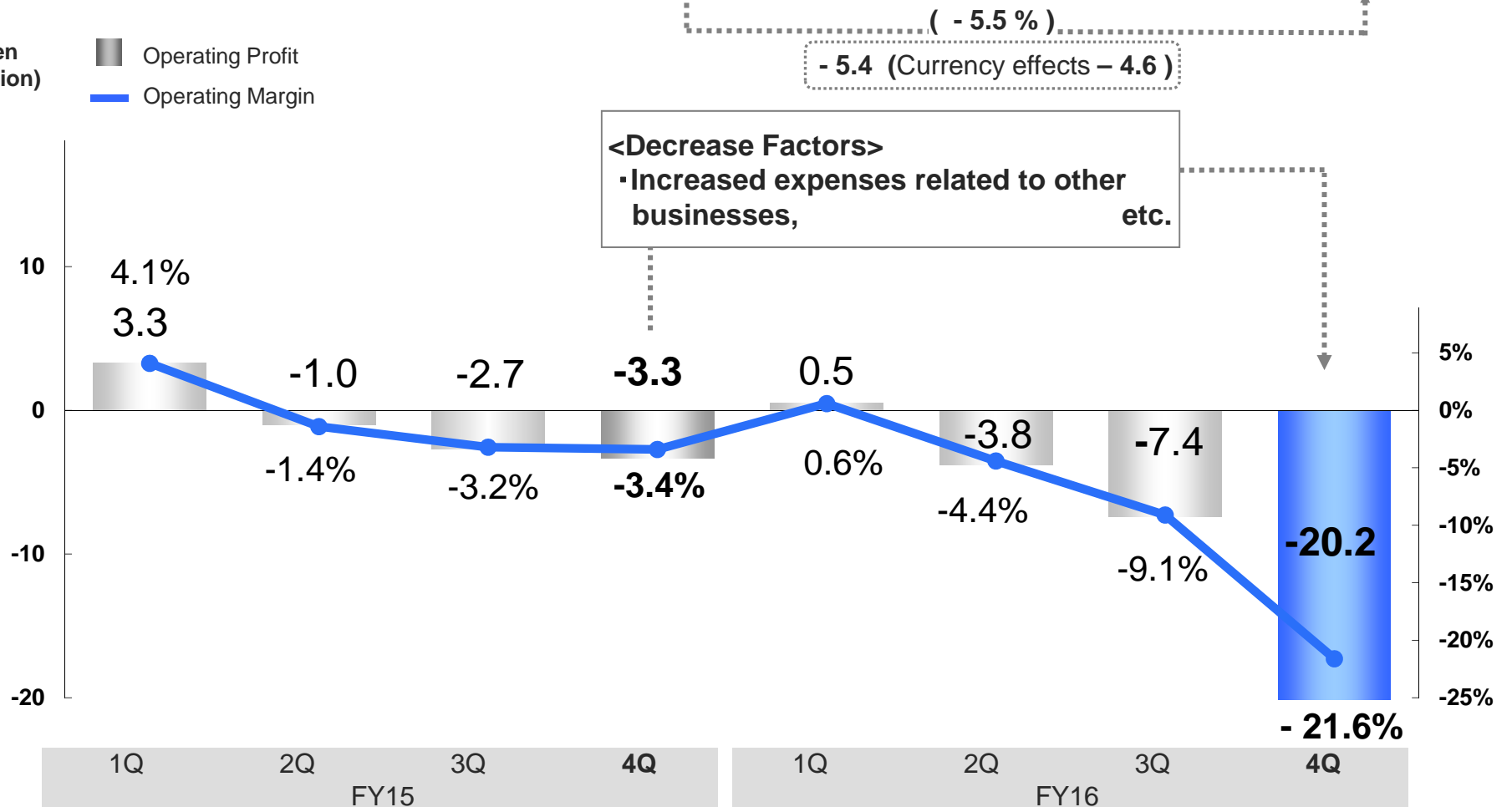


Power Product & Other Businesses

Sales Revenue/Operating Profit (Margin)

Unit (thousand) Yen (billion)	FY15				FY16			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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)	1,955 (1,955)
Sales Revenue	83.2	78.8	85.5	99.1	88.1	88.2	82.0	93.6

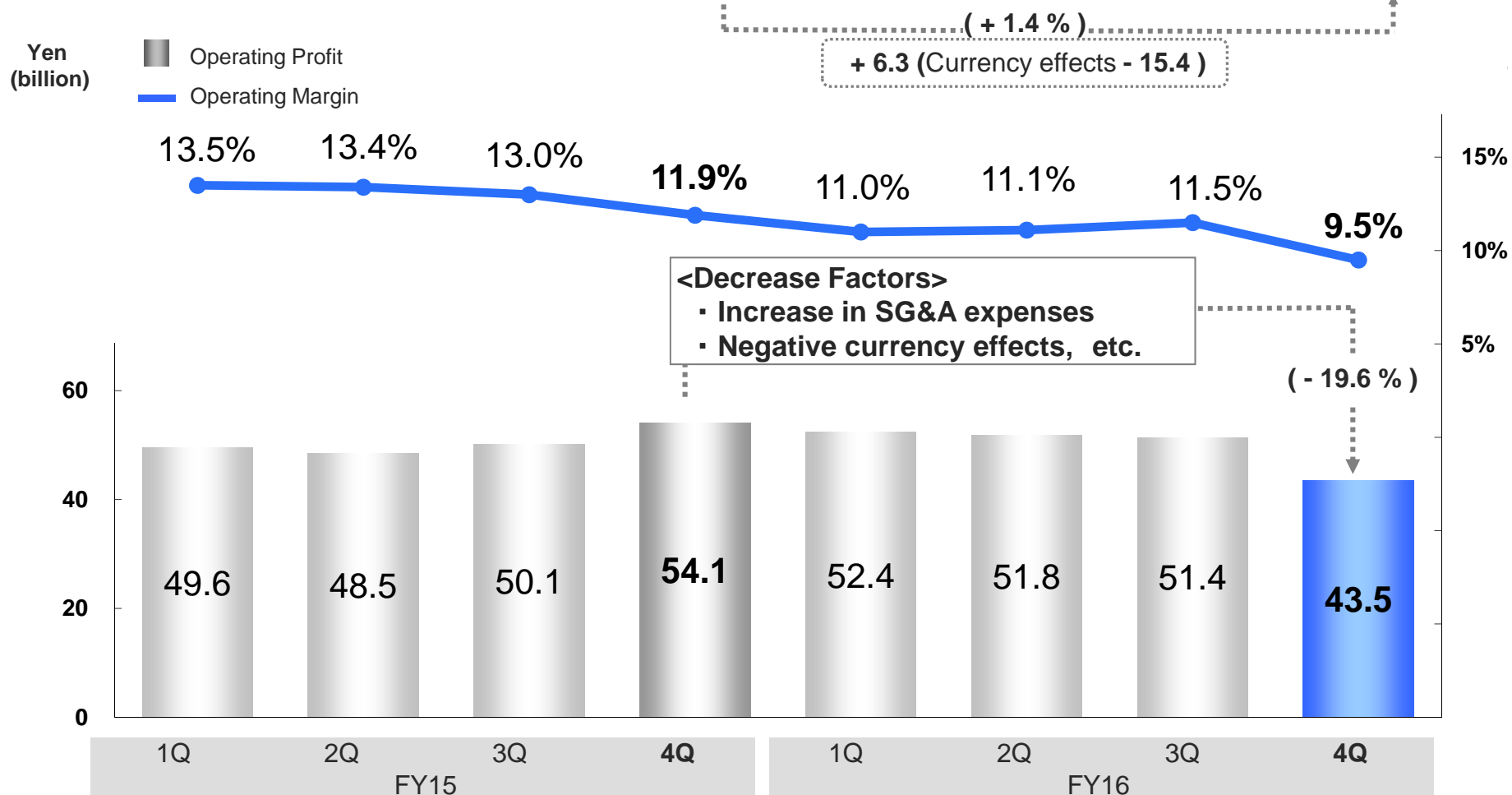
Yen (billion)
 Operating Profit
 Operating Margin



Financial Services Business

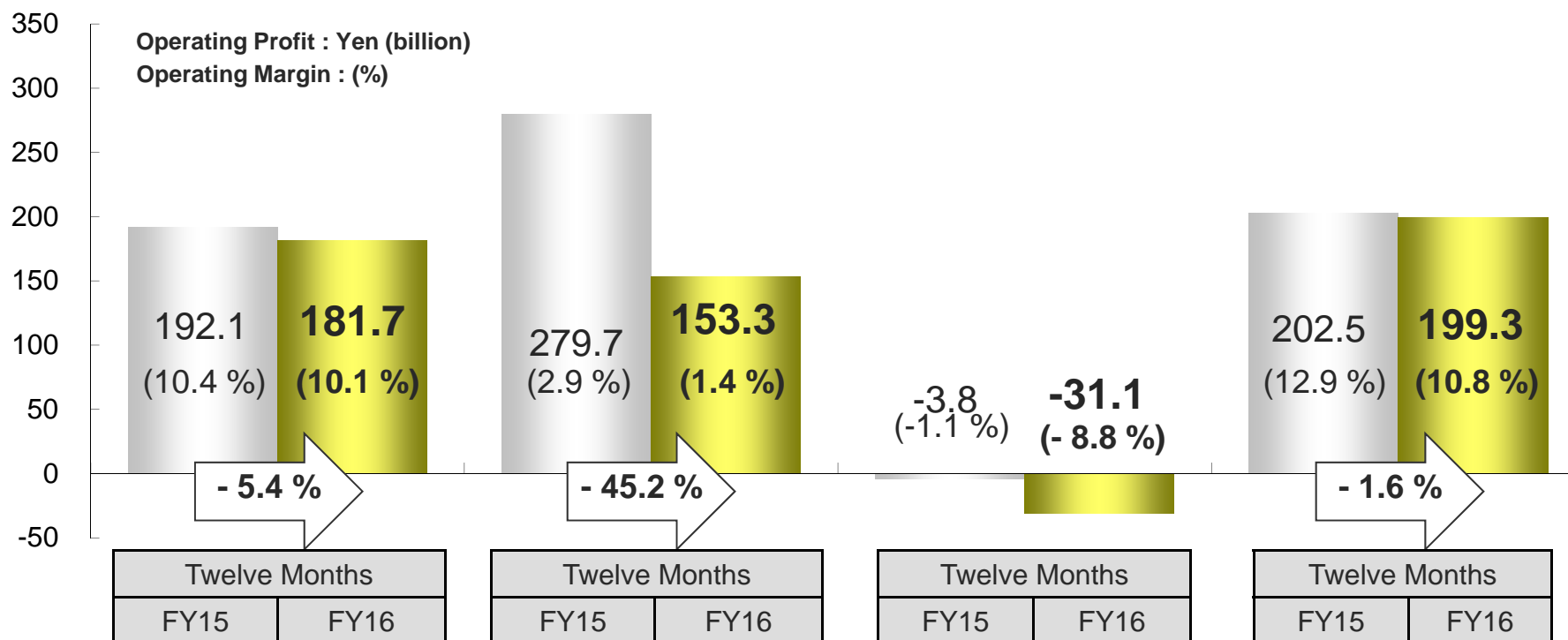
Total Assets/Sales Revenue/Operating Profit (Margin)

Yen (billion)	FY15				FY16			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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	9,071.8
Sales Revenue	366.9	362.0	385.4	453.4	476.8	465.1	447.8	459.8



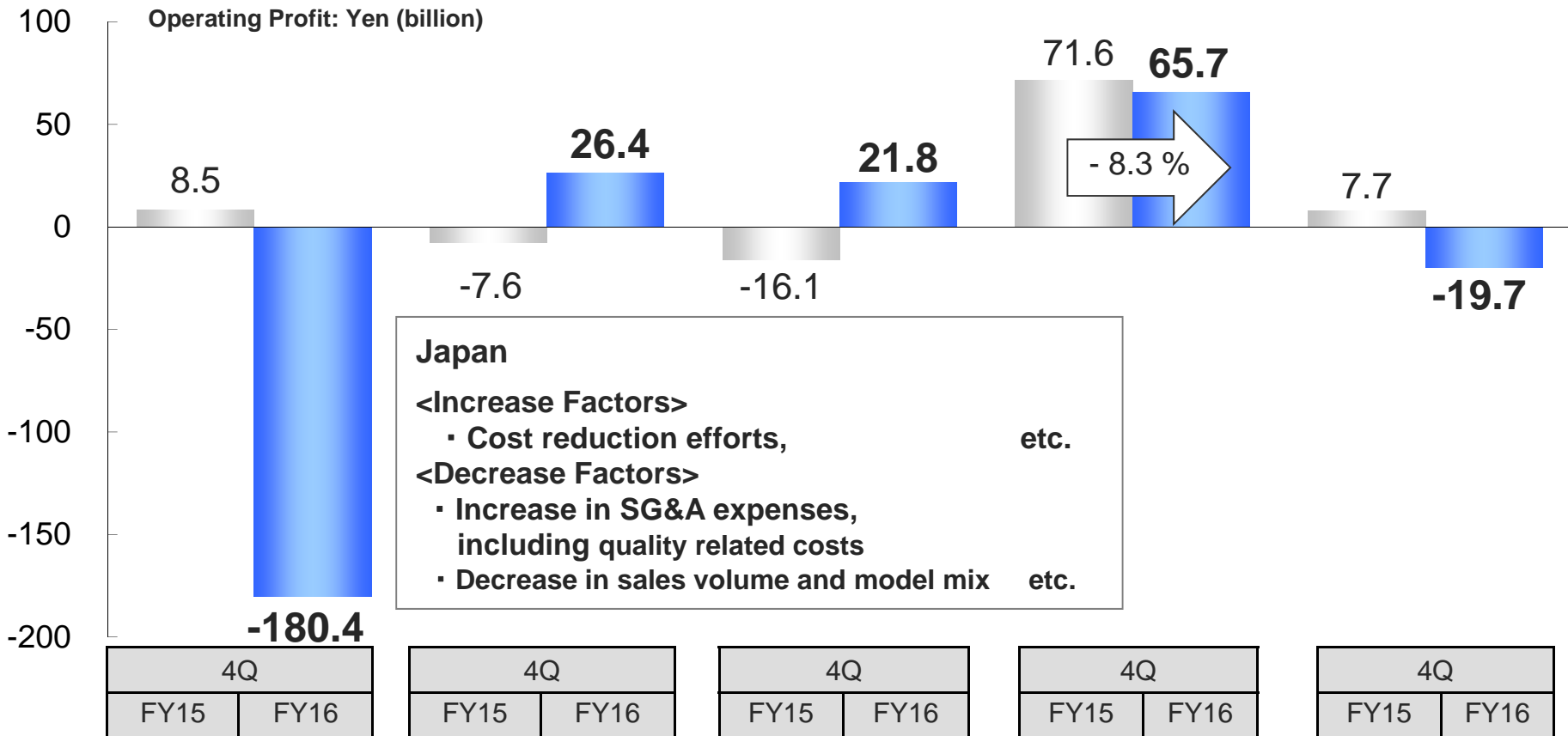
Sales Revenue/Operating Profit (Margin) by Business Segment <FY16 Twelve Months >

Unit (thousand) Yen (billion)	Motorcycle Business		Automobile Business		Power Product and Other Businesses		Financial Services Business	
	Twelve Months		Twelve Months		Twelve Months		Twelve Months	
	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Honda Group Unit Sales (Consolidated Unit Sales)	17,592 (10,725)	17,055 (10,572)	4,367 (3,513)	4,743 (3,636)	5,983 (5,983)	5,965 (5,965)	— (—)	— (—)
Sales Revenue	1,846.6	1,805.4	9,757.8	10,767.6	346.9	352.2	1,567.9	1,849.7



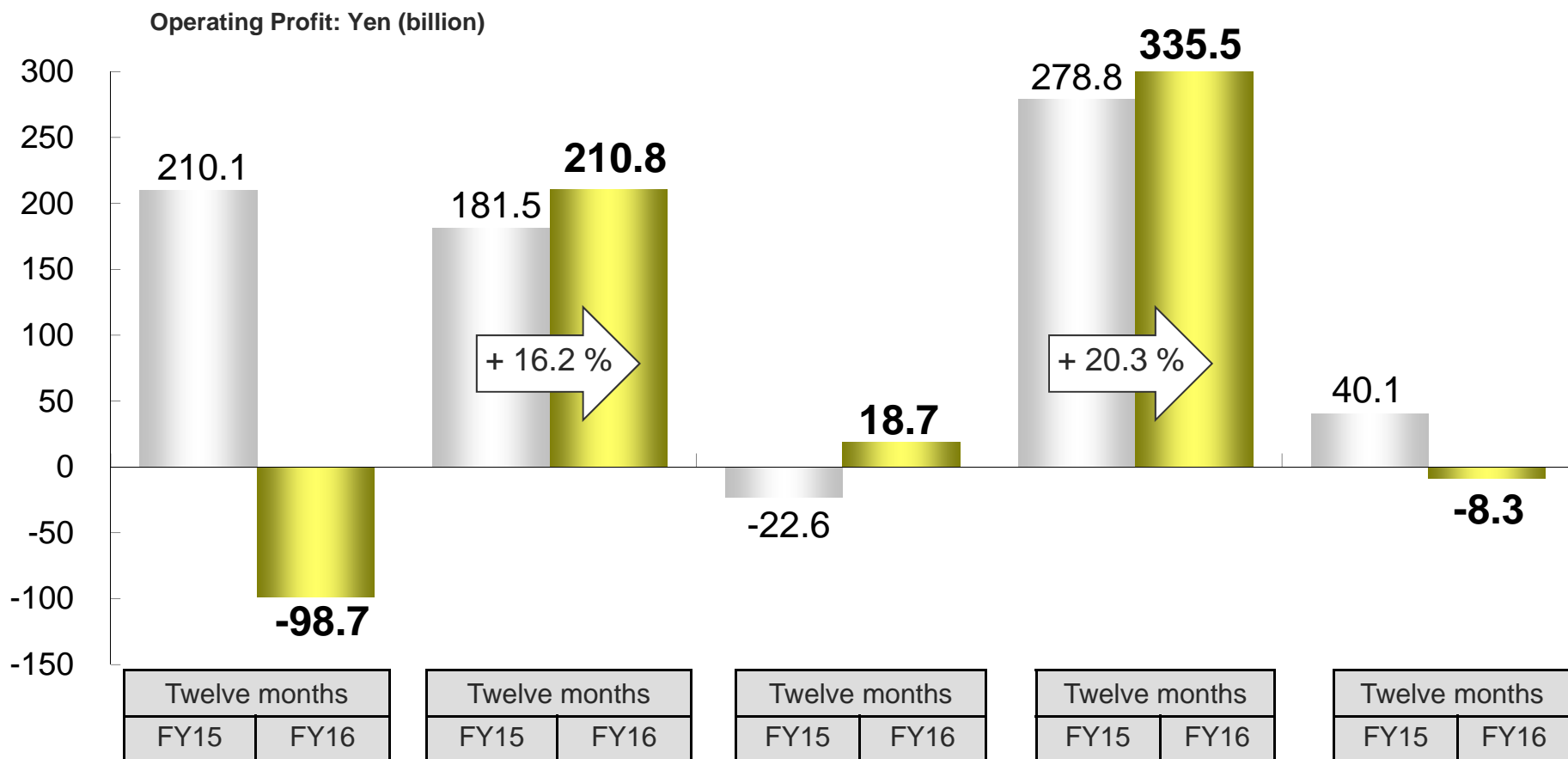
**Sales Revenue/Operating Profit
by Geographical Segment <FY16 4th Qtr>**

Yen (billion)	Japan		North America		Europe		Asia		Other Regions	
	4Q		4Q		4Q		4Q		4Q	
	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Sales Revenue	1,014.7	997.2	1,844.2	2,102.6	180.6	229.7	916.4	841.1	229.8	163.4

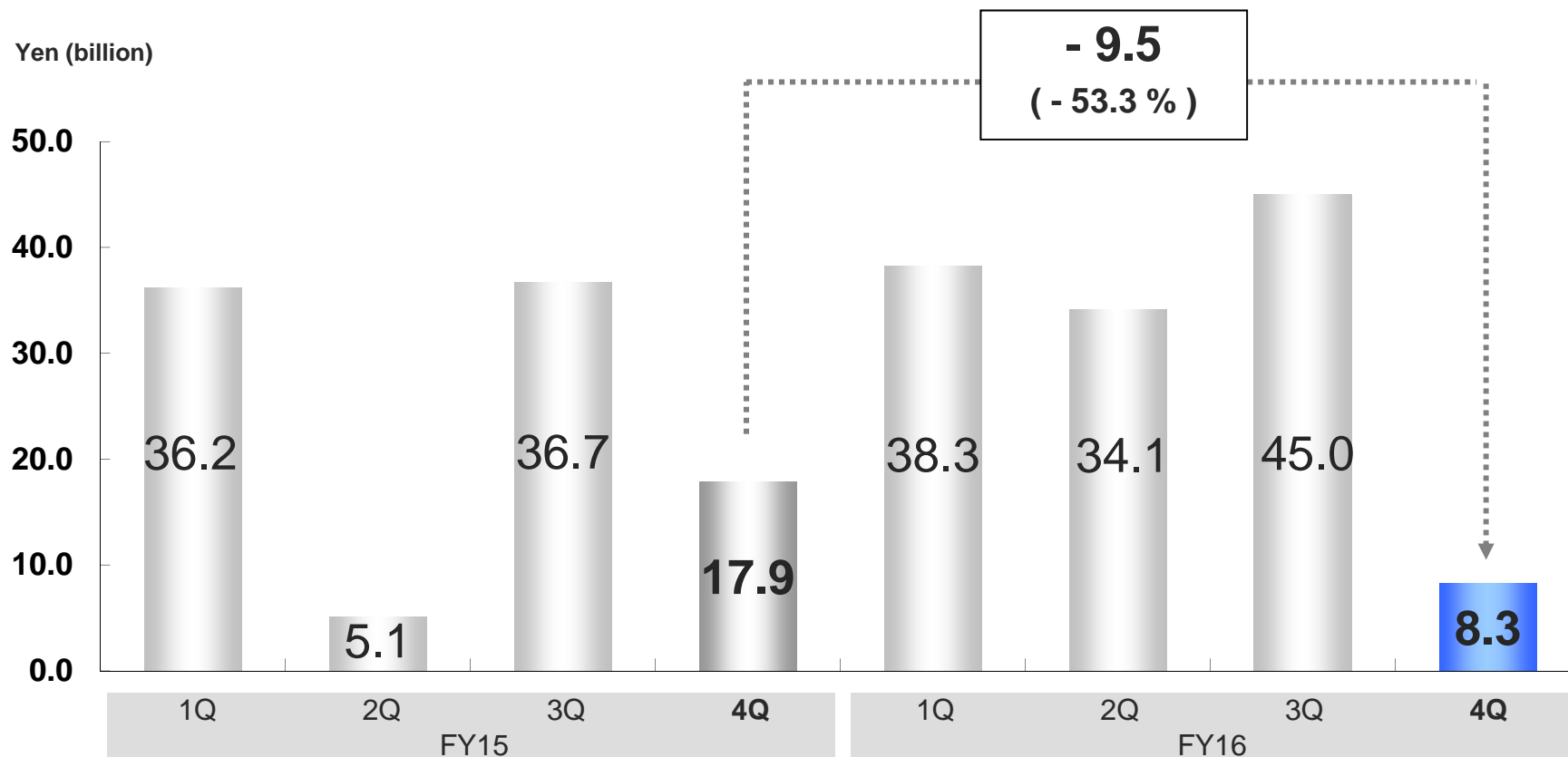


**Sales Revenue/Operating Profit
by Geographical Segment <FY16 Twelve months>**

Yen (billion)	Japan		North America		Europe		Asia		Other Regions	
	Twelve months		Twelve months		Twelve months		Twelve months		Twelve months	
	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Sales Revenue	3,930.9	3,928.5	7,200.8	8,537.0	723.9	776.0	3,328.5	3,535.3	950.3	808.6



Share of Profit of Investments Accounted for Using the Equity Method

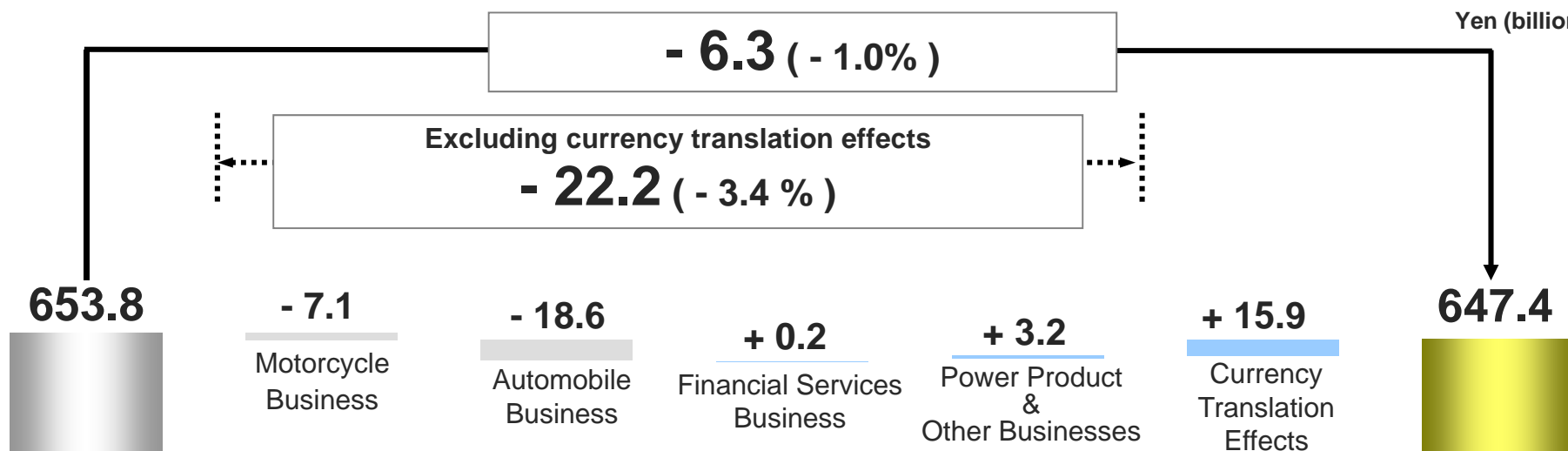


	FY15				FY16			
From Asia	30.6	15.8	30.4	16.0	32.5	28.9	39.4	24.3

Yen (billion)

Consolidated Capital Expenditures <FY16 Twelve months>

Yen (billion)



Capital Expenditures	FY15 Twelve Months	FY16 Twelve Months
Motorcycle Business	68.1	59.2
Automobile Business	573.3	571.7
Financial Services Business	0.4	0.7
Power Product & Other Businesses	11.8	15.7
Total	653.8	647.4

Market average rates (Yen)

US Dollar	110	120
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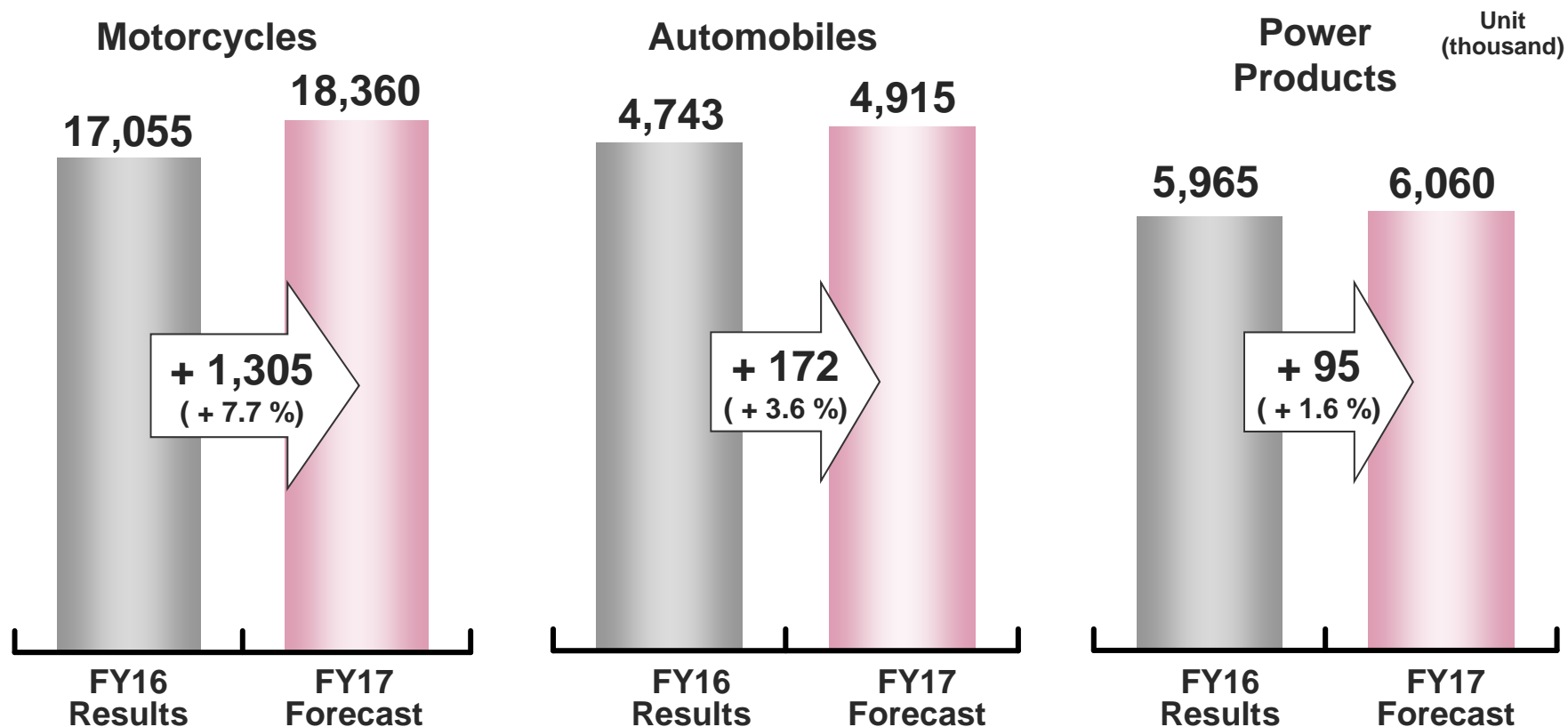
**FY15
Twelve Months**

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

**FY16
Twelve Months**

- *FY16 4th Quarter and
Twelve-Month Financial Results*
 - *4th Quarter 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*
- *FY17 Financial Forecast*

Forecast: Honda Group Unit Sales

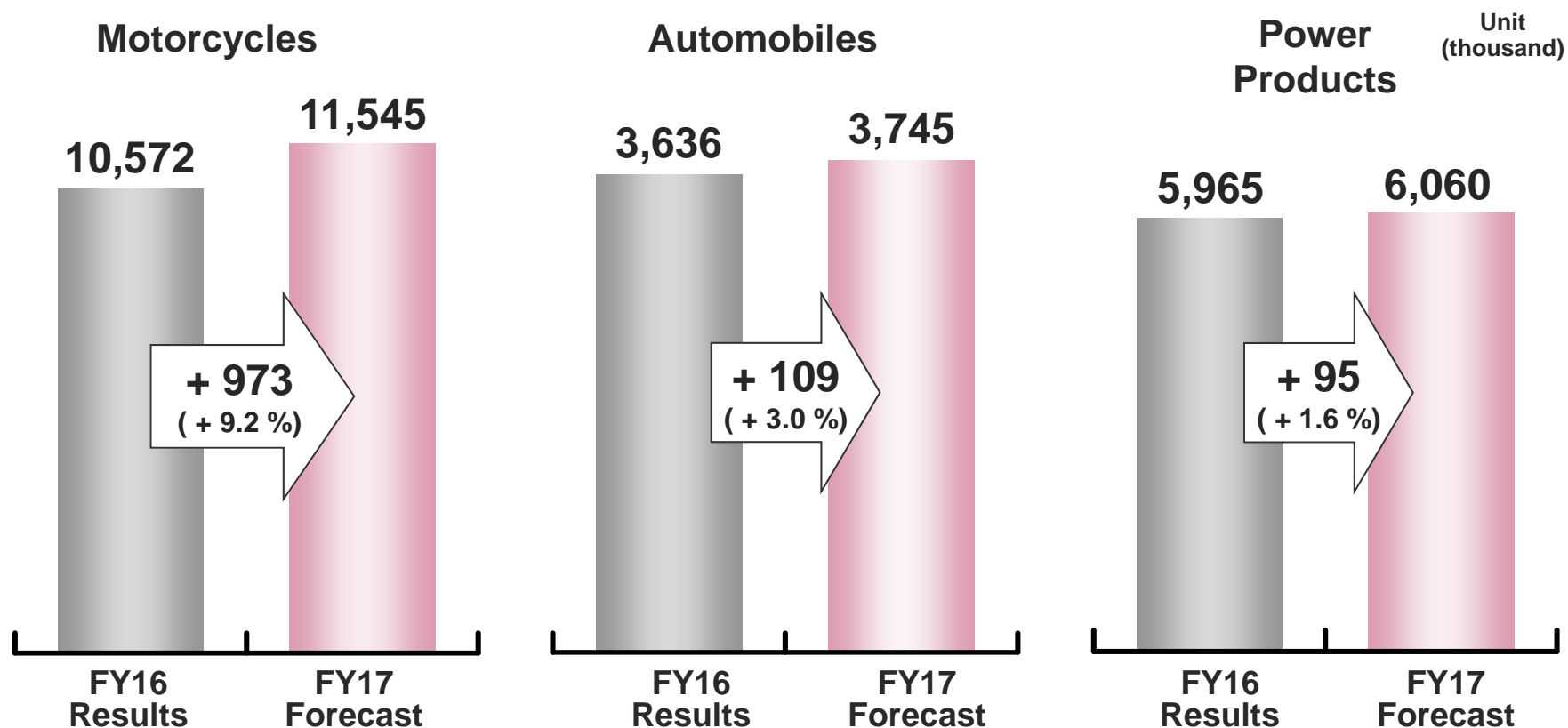


	FY16 Results	FY17 Forecast	Change
Japan	180	150	- 30
North America	308	310	+ 2
Europe	204	180	- 24
Asia	15,133	16,595	+ 1,462
Other Region	1,230	1,125	- 105
Total	17,055	18,360	+ 1,305

	FY16 Results	FY17 Forecast	Change
Japan	668	650	- 18
North America	1,929	1,990	+ 61
Europe	172	190	+ 18
Asia	1,723	1,850	+ 127
Other Region	251	235	- 16
Total	4,743	4,915	+ 172

	FY16 Results	FY17 Forecast	Change
Japan	363	330	- 33
North America	2,811	2,950	+ 139
Europe	1,008	1,035	+ 27
Asia	1,349	1,360	+ 11
Other Region	434	385	- 49
Total	5,965	6,060	+ 95

Forecast: Consolidated Unit Sales



	FY16 Results	FY17 Forecast	Change
Japan	180	150	- 30
North America	308	310	+ 2
Europe	204	180	- 24
Asia	8,650	9,780	+ 1,130
Other Region	1,230	1,125	- 105
Total	10,572	11,545	+ 973

	FY16 Results	FY17 Forecast	Change
Japan	614	600	- 14
North America	1,929	1,990	+ 61
Europe	172	190	+ 18
Asia	670	730	+ 60
Other Region	251	235	- 16
Total	3,636	3,745	+ 109

	FY16 Results	FY17 Forecast	Change
Japan	363	330	- 33
North America	2,811	2,950	+ 139
Europe	1,008	1,035	+ 27
Asia	1,349	1,360	+ 11
Other Region	434	385	- 49
Total	5,965	6,060	+ 95

FY17 Financial Forecast (Consolidated)

Yen (billion)

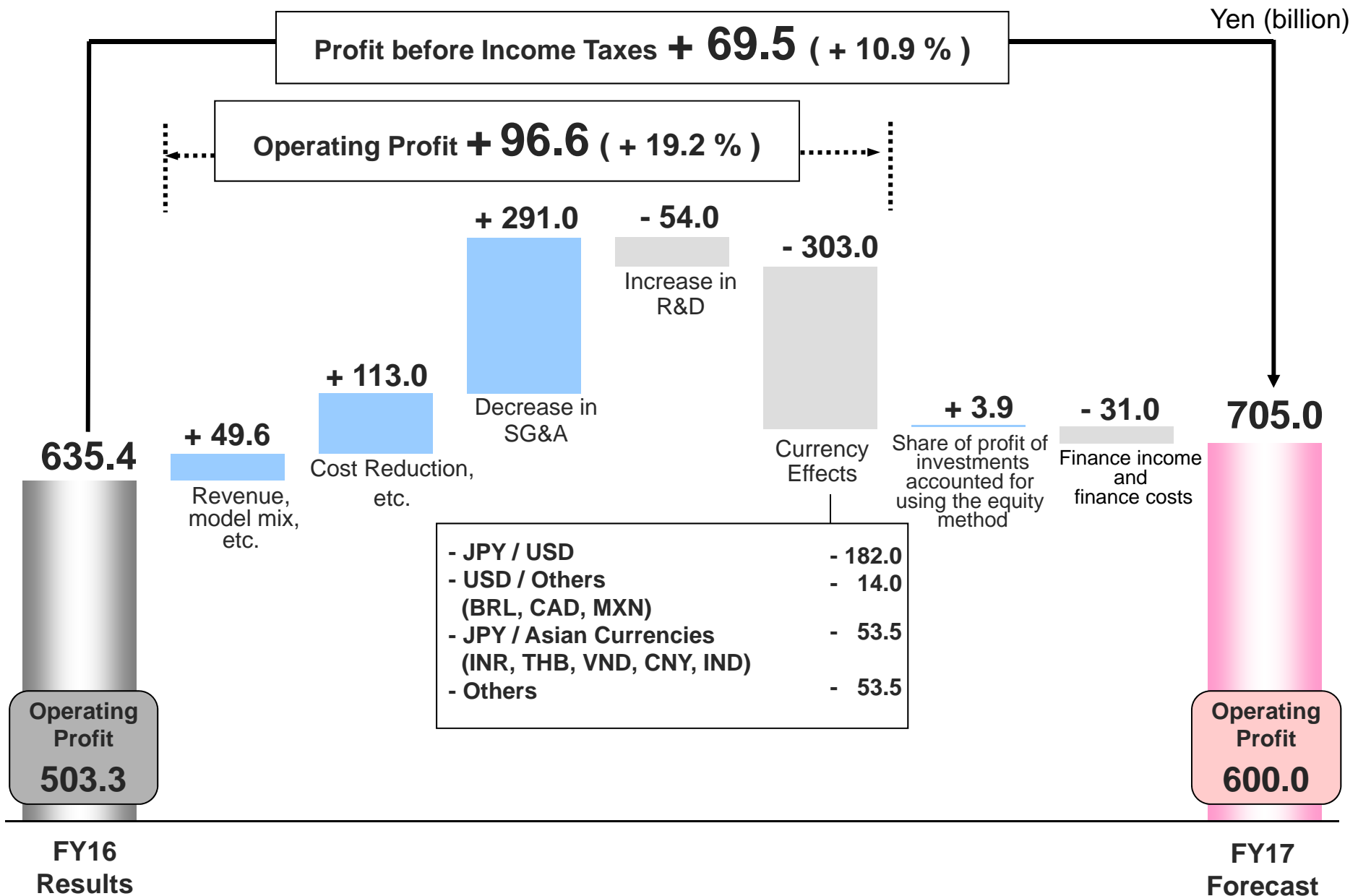
	FY16 Results	FY17 Forecast	Change	
			amount	%
Sales revenue	14,601.1	13,750.0	- 851.1	- 5.8%
Operating profit	503.3	600.0	+ 96.6	+ 19.2%
Operating margin	3.4%	4.4%		+ 1.0 pt
Share of profit of investments accounted for using the equity method	126.0	130.0	+ 3.9	+ 3.2%
Profit before income taxes	635.4	705.0	+ 69.5	+ 10.9%
Profit for the year attributable to owners of the parent	344.5	390.0	+ 45.4	+ 13.2%
Earnings per share (Yen) attributable to owners of the parent *1	191.16	216.39	+ 25.23	

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

Market average rates (Yen)

US Dollar	120	105	Yen up by 15 yen
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FY17 Forecast: Change in Profit before Income Taxes



FY17 Forecast: Capital Expenditures, Depreciation and R&D

Yen (billion)

	FY16 Results	FY17 Forecast	Change
Capital expenditures *	647.4	560.0	- 87.4
Depreciation and amortization *	440.4	440.0	- 0.4
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

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:

- 4th Quarter FY15: 1,802,287,000 (approx), FY16: 1,802,283,000 (approx) (page 11)
- Fiscal Year FY15: 1,802,289,000 (approx), FY16: 1,802,285,000 (approx), FY17 forecasts: 1,802,283,000 (approx) (pages 6, 7 and 32)

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The Power of Dreams

Appendix

* FY17 forecasts and FY15/FY16 results in this presentation are all based on IFRS

Yen (billion)

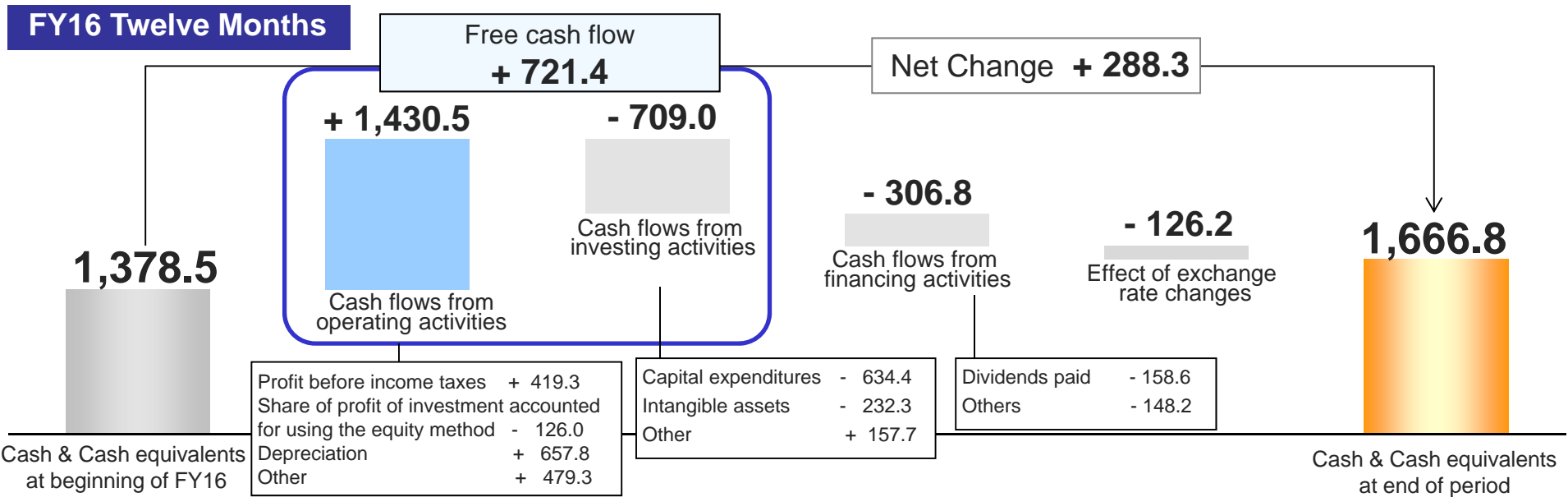
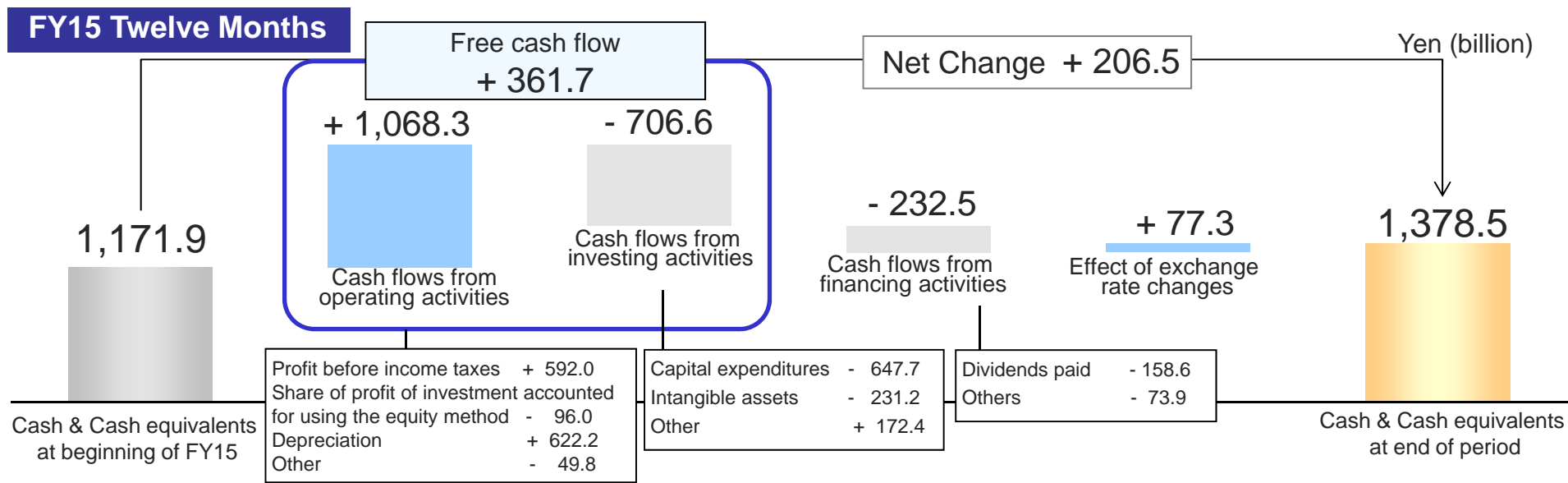
	4Q		
	FY15	FY16	Change
Capital expenditures *	210.7	184.3	- 26.4
Depreciation and amortization *	101.3	111.0	+ 9.7
Research and development expenditures **	194.7	207.0	+ 12.3

Twelve Months		
FY15	FY16	Change
653.8	647.4	- 6.3
404.1	440.4	+ 36.3
670.3	719.8	+ 49.4

* 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



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

FY15/FY16 Quarterly Consolidated Unit Sales <IFRS>

Unit (thousand)										
	1Q	2Q	3Q	4Q	FY15	1Q	2Q	3Q	4Q	FY16
Japan	48	50	49	52	199	47	50	41	42	180
North America	61	68	72	85	286	75	75	69	89	308
Europe	60	46	33	52	191	66	48	33	57	204
Asia	1,913	2,161	2,202	2,202	8,478	2,011	2,221	2,215	2,203	8,650
Other Region	421	369	395	386	1,571	346	346	296	242	1,230
Motorcycles	2,503	2,694	2,751	2,777	10,725	2,545	2,740	2,654	2,633	10,572

Japan	195	158	145	198	696	135	155	140	184	614
North America	449	434	474	393	1,750	497	473	466	493	1,929
Europe	38	44	36	43	161	32	42	43	55	172
Asia	151	161	146	179	637	158	158	165	189	670
Other Region	63	67	71	68	269	66	61	65	59	251
Automobiles	896	864	872	881	3,513	888	889	879	980	3,636

Japan	68	85	83	102	338	85	115	62	101	363
North America	775	496	425	1,009	2,705	804	532	469	1,006	2,811
Europe	245	185	199	462	1,091	231	174	190	413	1,008
Asia	396	378	289	319	1,382	340	346	344	319	1,349
Other Region	93	102	142	130	467	98	108	112	116	434
Power Products	1,577	1,246	1,138	2,022	5,983	1,558	1,275	1,177	1,955	5,965