

FY14 Financial Results



Honda Motor Co., Ltd.

April 25, 2014

FIT
(North America)



- *FY14 Financial Results*
- *FY15 Financial Forecasts*
- *Dividend*

Tetsuo Iwamura
Executive Vice President

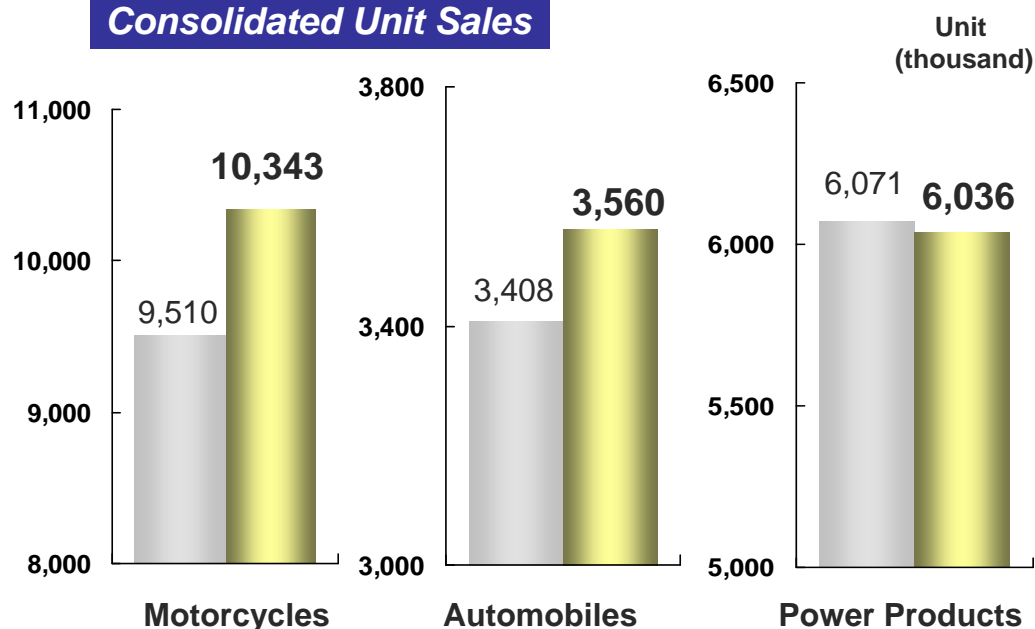
Results Summary

Operating income amounted to 750.2 billion yen, an increase of 37.7% mainly due to increased automobile unit sales in Japan and North America and increased motorcycle unit sales in Asia, as well as continuing cost reduction efforts and favorable currency effects.

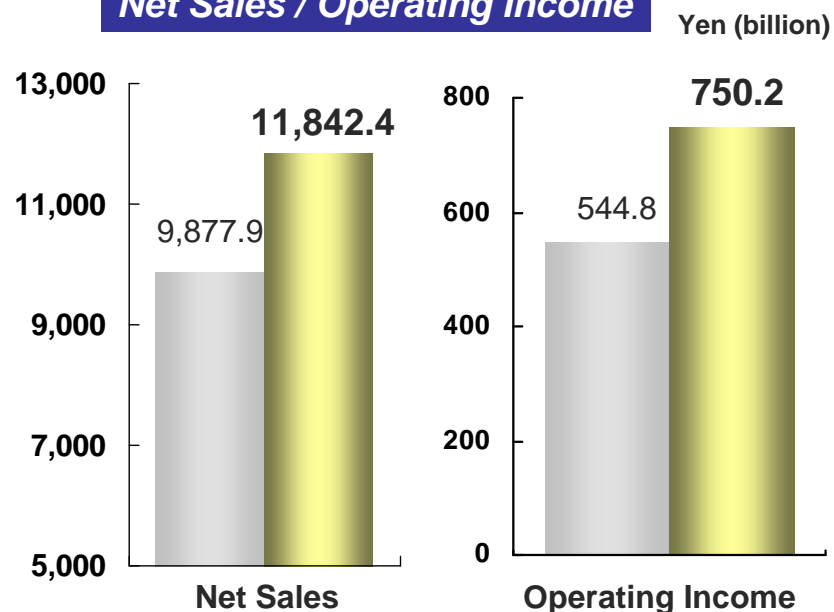
12 months results FY13 and FY14

FY13 FY14

Consolidated Unit Sales



Net Sales / Operating Income

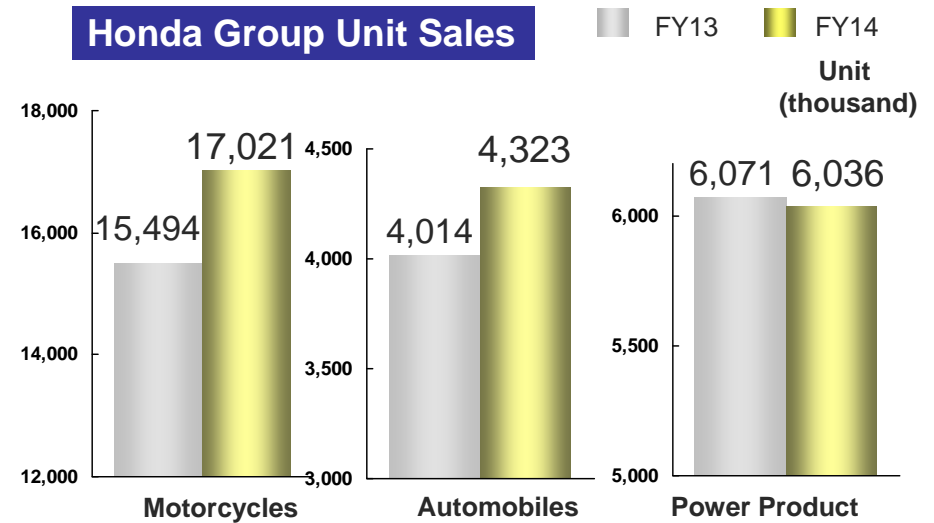


FY14 Unit Sales Results

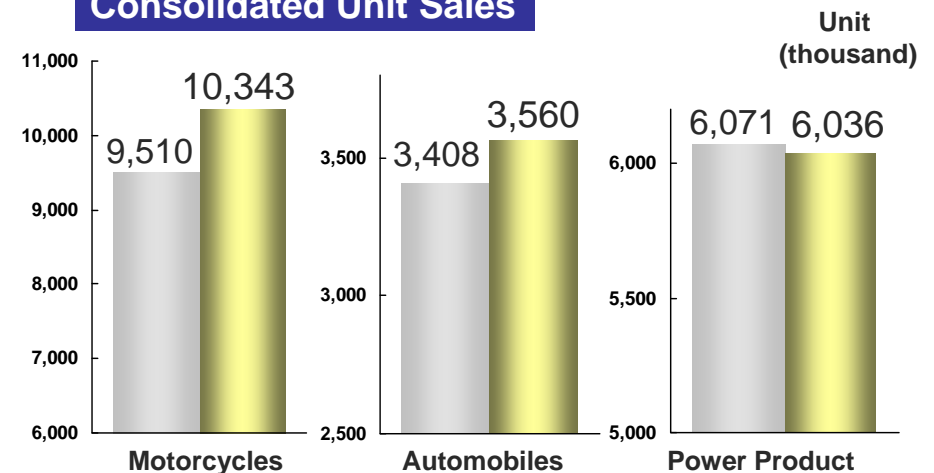
Honda Group Unit Sales (Thousands)	12 Months Results		
	FY13	FY14	Change
Motorcycles	15,494	17,021	+ 9.9%
Automobiles	4,014	4,323	+ 7.7%
Power Products	6,071	6,036	- 0.6%

Consolidated Unit Sales (Thousands)	12 Months Results		
	FY13	FY14	Change
Motorcycles	9,510	10,343	+ 8.8%
Automobiles	3,408	3,560	+ 4.5%
Power Products	6,071	6,036	- 0.6%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Increase in motorcycle unit sales due to the positive impact of new model introductions in India and the introduction of models equipped with fuel injection in Indonesia
- Increase in automobile unit sales due to the positive impact of new model introductions as well as the launch of fully remodeled vehicles in China, Japan and North America

FY14 Financial Results (consolidated)

Financial Results Yen (billion)	12 Months		
	FY13	FY14	Change
Net sales	9,877.9	11,842.4	+ 19.9%
Operating Income	544.8	750.2	+ 37.7%
Operating Margin	5.5%	6.3%	-
Income before income taxes	488.8	728.9	+ 49.1%
Equity in income of affiliates	82.7	132.4	+ 60.1%
Net Income *1	367.1	574.1	+ 56.4%
EPS (Yen) *2	203.71	318.54	+ 114.83

Average Rates (Yen)

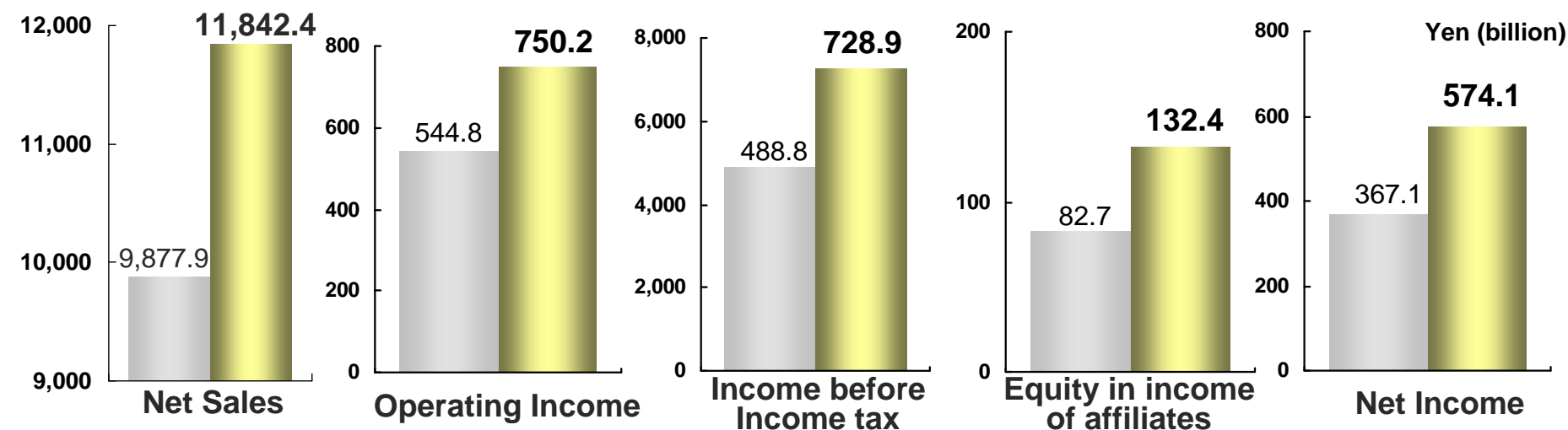
US Dollar	84	100	Yen down by 16 yen
Euro	108	136	Yen down by 28 yen

Financial Summary

-Revenue increased by 19.9% mainly due to increased revenue from automobile and motorcycle business operations, as well as favorable foreign currency translation effects.

-Operating income increased by 37.7% due primarily to an increase in sales volume and model mix and continuing cost reduction efforts as well as favorable foreign currency effect, despite increased SG&A and R&D expenses.

For *1 and *2, please refer to footnotes on page 36



FY15 Financial Forecasts (Consolidated)

Yen (billion)

	FY14 Results	FY15 Forecasts	Change	
			Amount	%
Net Sales	11,842.4	12,750.0	+ 907.5	+ 7.7%
Operating Income	750.2	760.0	+ 9.7	+ 1.3%
Operating Margin	6.3%	6.0%	-	-
Income before Income taxes	728.9	745.0	+ 16.0	+ 2.2%
Equity in income of affiliates	132.4	155.0	+ 22.5	+ 17.0%
Net Income ^{*1}	574.1	595.0	+ 20.8	+ 3.6%
EPS (Yen) ^{*2}	318.54	330.14	+ 11.60	

For *1 and *2, please refer to footnotes on page 36

Average Rates (Yen)

US Dollar	100	100	-
Euro	136	135	Yen up by 1 yen

**FY14 Financial Results
and FY15 Financial Forecasts (Unconsolidated)**

Yen (Billion)

	FY13 Results	FY14 Results	Increase / Decrease from FY13	FY15 Forecasts	Increase / Decrease from FY14
Net Sales	3,244.0	3,488.3	+ 7.5%	3,640.0	+ 4.3%
Operating Income	103.9	125.6	+ 20.9%	140.0	+ 11.5%
Operating Margin	3.2%	3.6%	-	3.8%	-
Ordinary Income	193.8	345.9	+ 78.5%	355.0	+ 2.6%
Net Income	154.7	262.9	+ 69.9%	280.0	+ 6.5%

Average Rates (Yen)

US Dollar	84	100	Yen down by 16 yen	100 円	-
Euro	108	136	Yen down by 28 yen	135 円	Yen up by 1 yen

Dividend

(Yen)

Dividend per Share	FY13	FY14 Results (Projection)	Increase / Decrease from		
			FY13	FY15 (Expectation)	FY14
1 st Quarter End	19	20	+ 1	(22)	(+ 2)
2 nd Quarter End	19	20	+ 1	(22)	(+ 2)
3 rd Quarter End	19	20	+ 1	(22)	(+ 2)
4 th Quarter End	19	(22)	(+ 3)	(22)	(+ 0)
Fiscal Year	76	(82)	(+ 6)	(88)	(+ 6)



- ***FY14 Financial Results***
 - ***4th Quarter Financial Results***
 - ***Net Sales and Other Operating Revenue***
 - ***Change in Income before Income Taxes***
 - ***Business & Geographical Segment Information***
 - ***Equity in Income of Affiliates***
 - ***Capital Expenditure***
- ***FY15 Financial Forecasts***

Kohei Takeuchi

***Operating Officer and Director
Chief Financial Officer***

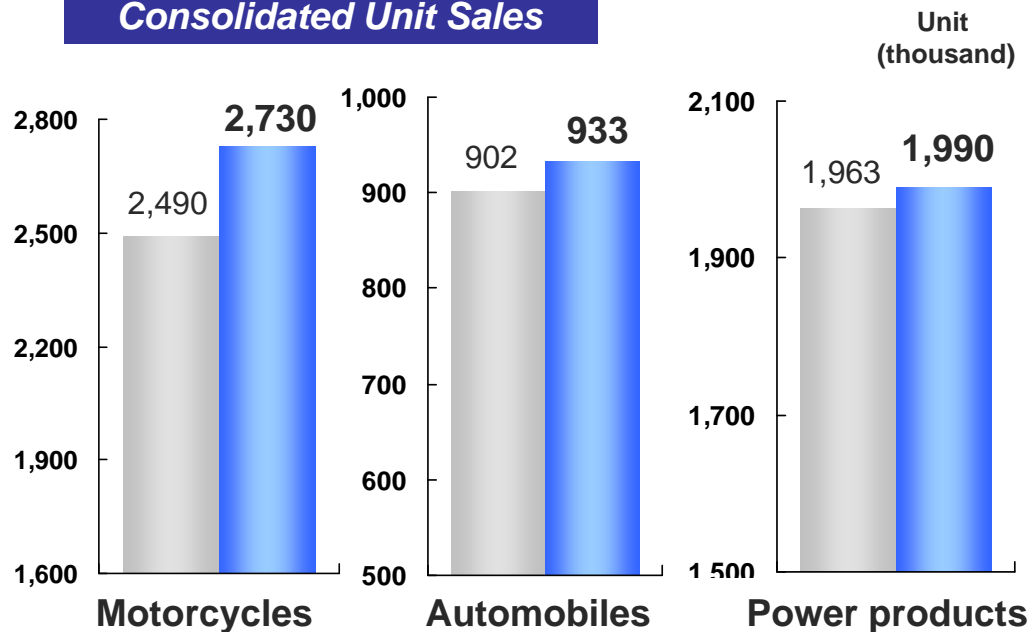
Results Summary

Operating income amounted to 165.2 billion yen, an increase of 21.5% mainly due to increased automobile unit sales in Japan, increased motorcycle unit sales in Asia, and continuing cost reduction efforts, as well as favorable foreign currency effects.

4th Quarter Results FY13 and FY14

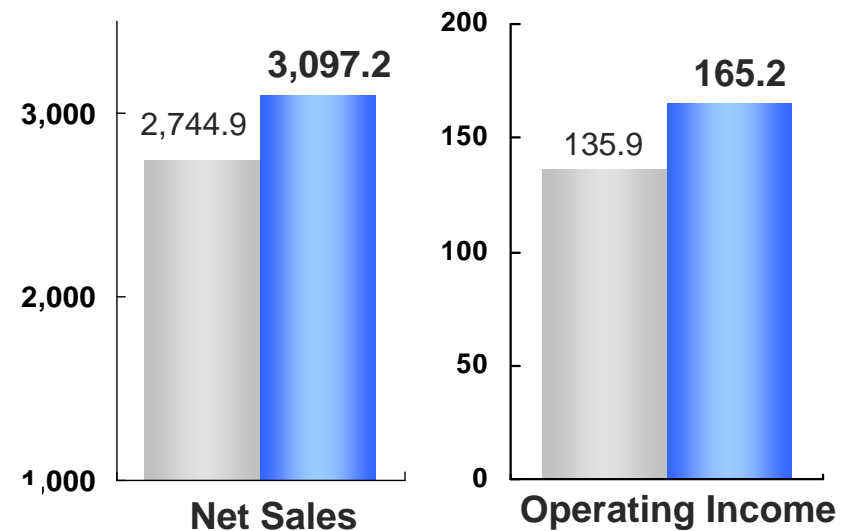
FY13 FY14

Consolidated Unit Sales



Net Sales / Operating Income

Yen (billion)

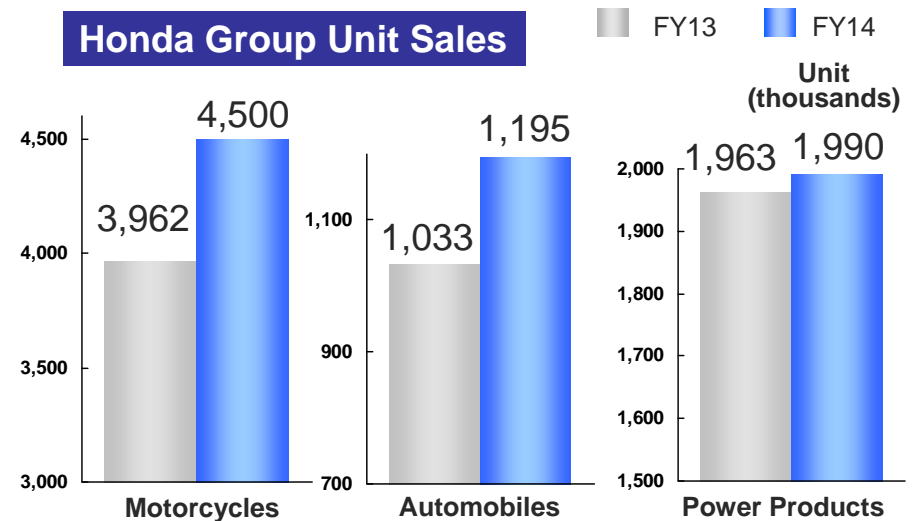


FY14 4th Quarter Unit Sales Results

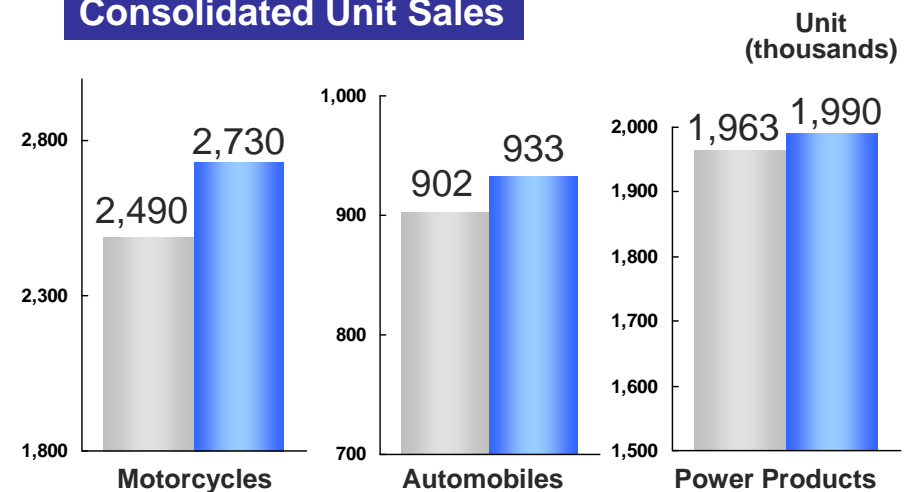
Honda Group Unit Sales (Thousands)	4Q Results (3 Months)		
	FY13	FY14	Change
Motorcycles	3,962	4,500	+ 13.6%
Automobiles	1,033	1,195	+ 15.7%
Power Products	1,963	1,990	+ 1.4%

Consolidated Unit Sales (Thousands)	4Q Results (3 Months)		
	FY13	FY14	Change
Motorcycles	2,490	2,730	+ 9.6%
Automobiles	902	933	+ 3.4%
Power Products	1,963	1,990	+ 1.4%

Honda Group Unit Sales



Consolidated Unit Sales



Honda Group Unit Sales

- Increase in motorcycle unit sales due to new model introductions in India and models equipped with fuel injection in Indonesia.
 - Increase in automobile unit sales due to the positive impact of new model introductions as well as the launch of fully remodeled vehicles in China and Japan, despite a decline in North America due to a cold wave.

FY14 4th Quarter Financial Results (Consolidated)

Financial Results Yen (billion)	4Q Results (3 Months)		
	FY13	FY14	Change
Net Sales	2,744.9	3,097.2	+ 12.8%
Operating Income	135.9	165.2	+ 21.5%
Operating margin	5.0%	5.3%	-
Income before Income Taxes	98.0	174.7	+ 78.1%
Equity in Income of Affiliates	13.0	37.3	+ 185.8%
Net Income ^{*1}	75.7	170.5	+ 125.1%
EPS (Yen) ^{*2}	42.03	94.61	+ 52.58

Average Rates (Yen)

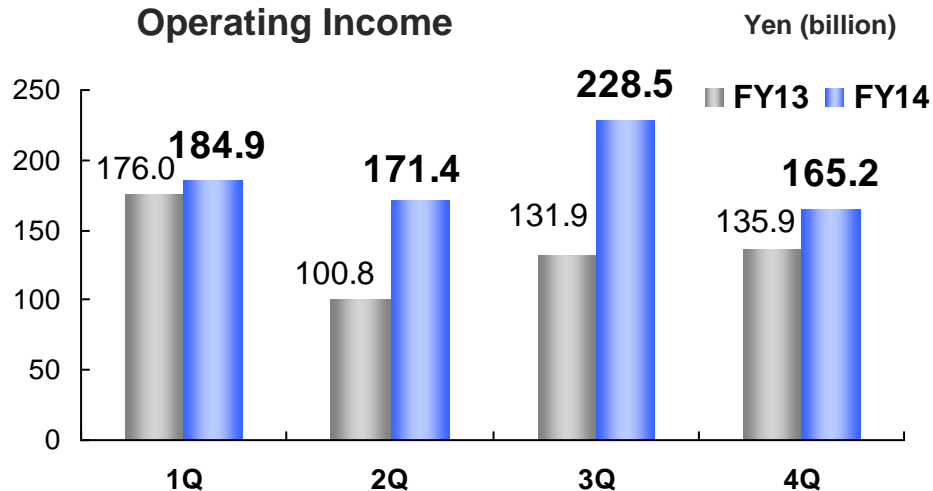
US Dollar	93	103	Yen down by 10 yen
Euro	122	141	Yen down by 19 yen

Financial Summary

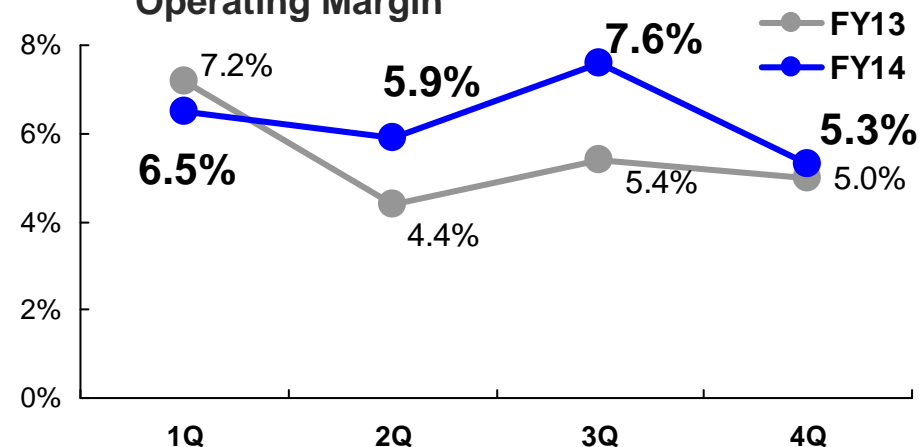
- Net sales and other operating revenue increased by 12.8% mainly due to a rise in automobile and motorcycle net sales as well as the positive impact of foreign exchange effects
- Operating income increased by 21.5% mostly due to a rise in income associated with changes in sales volume and model mix, cost down effects as well as the positive impact of a weaker yen, despite increased SG&A and R&D expenses as well as higher depreciation costs.

For *1 and *2, please refer to footnotes on page 36

Operating Income

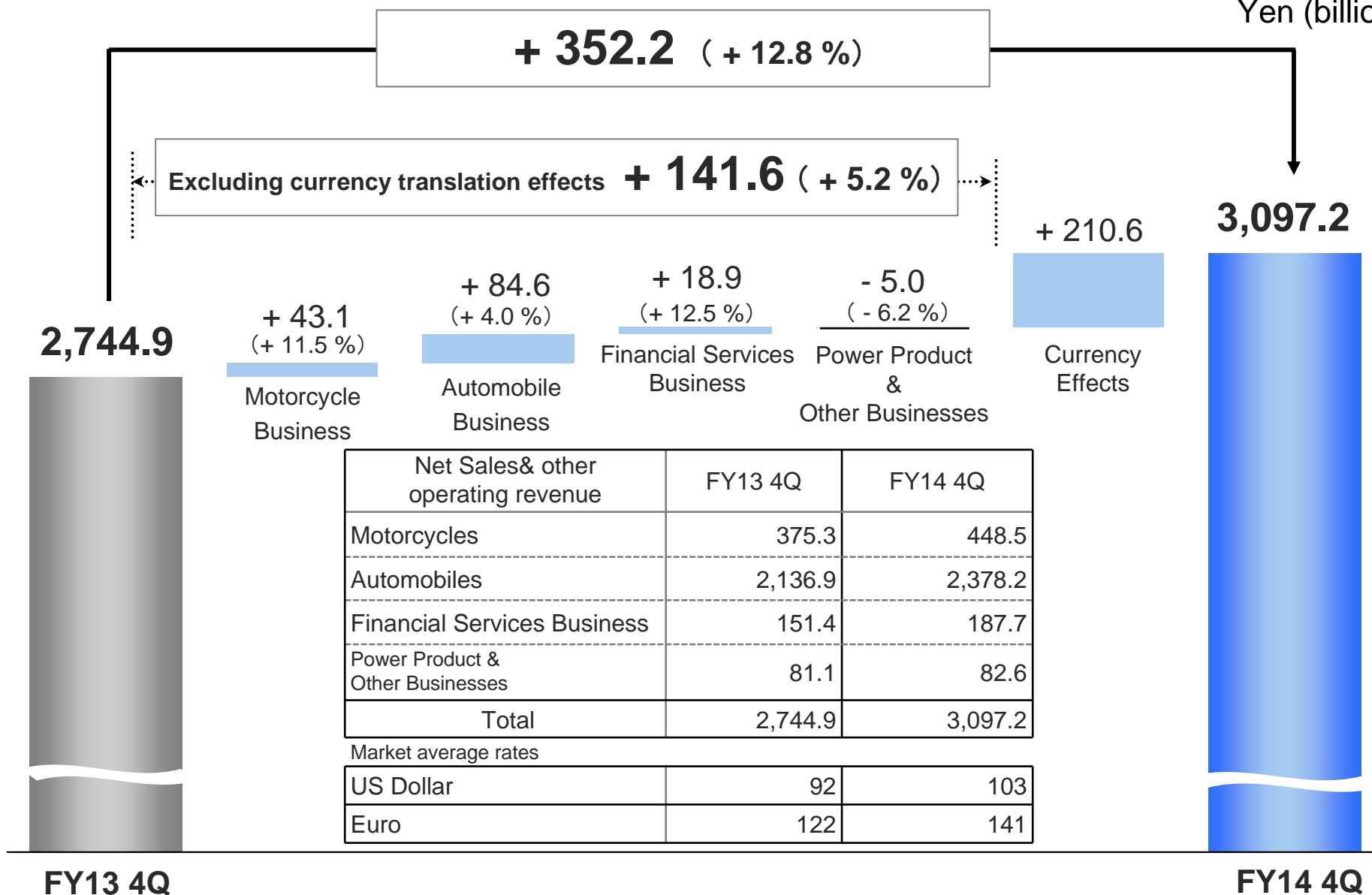


Operating Margin

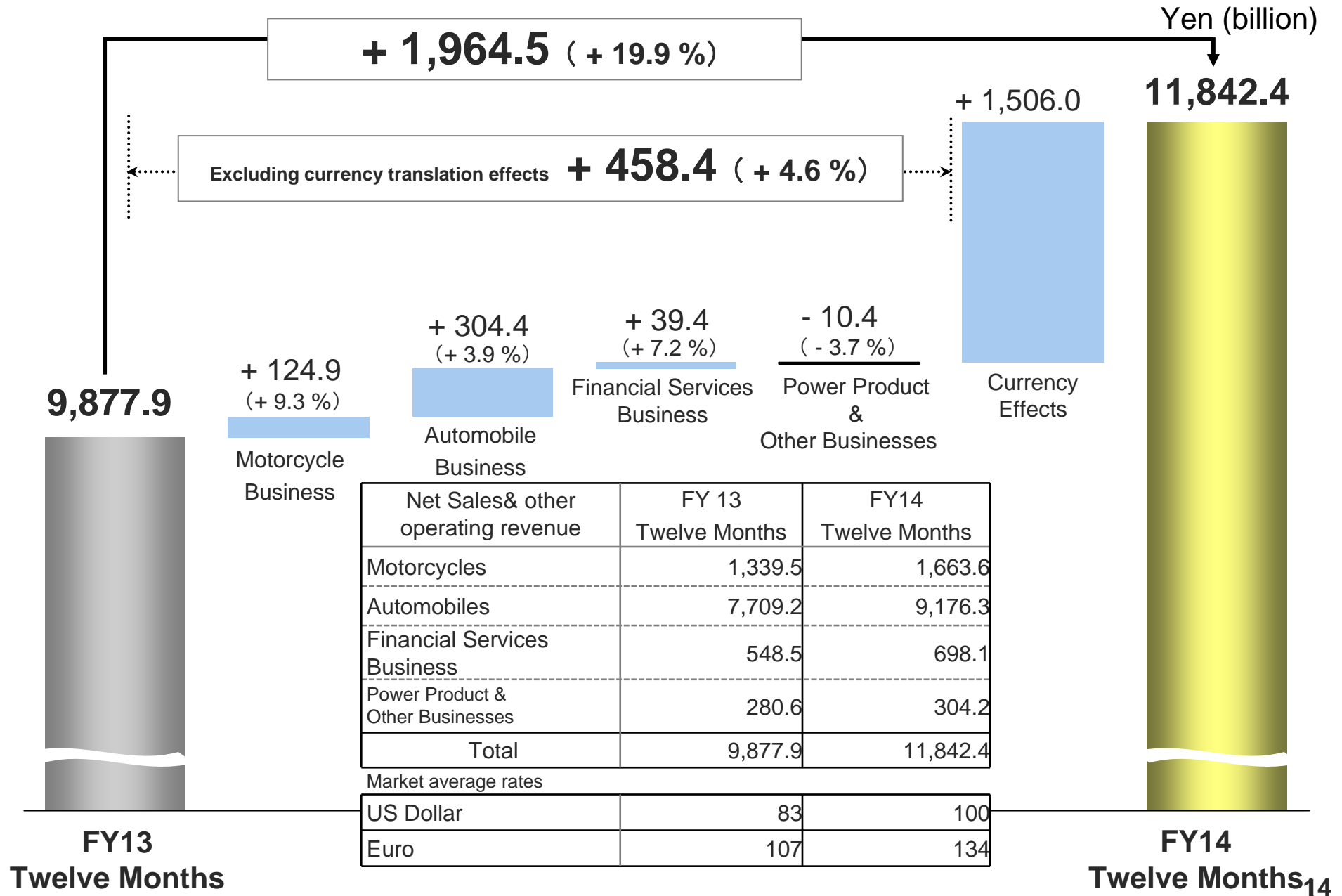


Net Sales and Other Operating Revenue <FY14 4th Qtr>

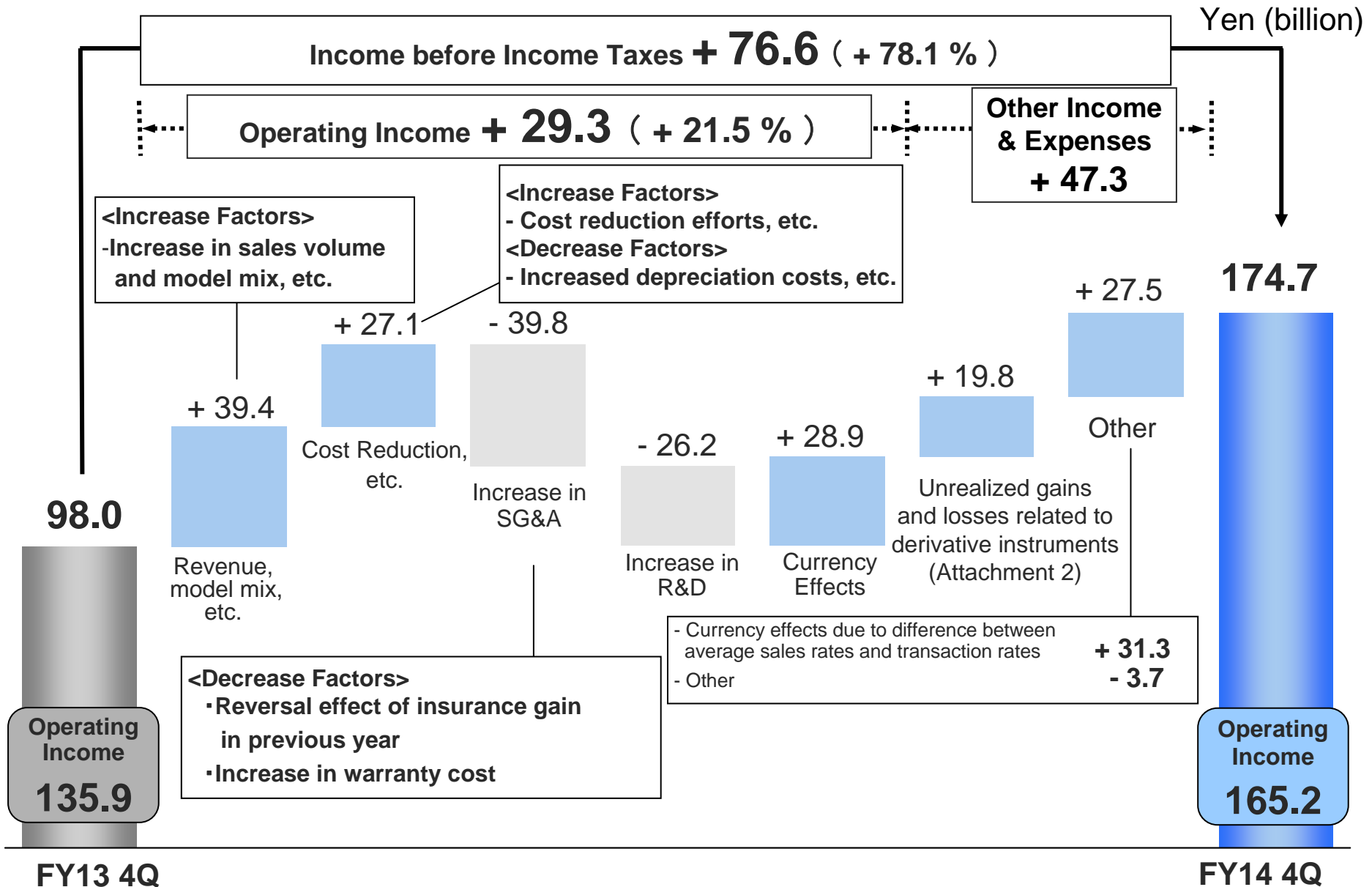
Yen (billion)



Net Sales and Other Operating Revenue <FY14 Twelve Months>



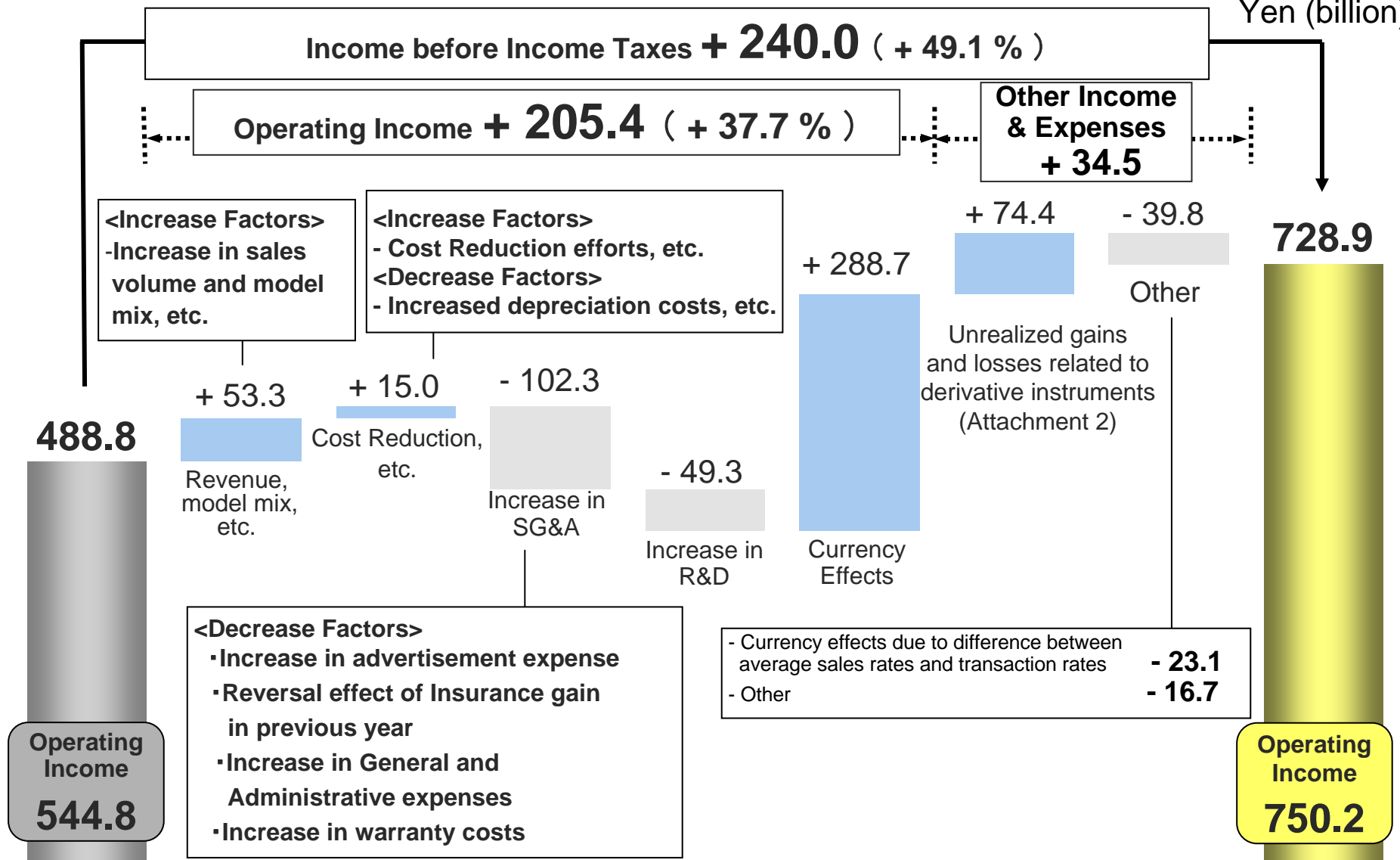
Change in Income before Income Taxes <FY14 4th Qtr>



*Please refer to Attachment 1 regarding currency effects

Change in Income before Income Taxes <FY14 Twelve Months>

Yen (billion)



**FY13
Twelve Months**

**FY14
Twelve Months** ¹⁶

*Please refer to Attachment 1 regarding currency effects

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



Dream Neo
(India)

<ASIA>

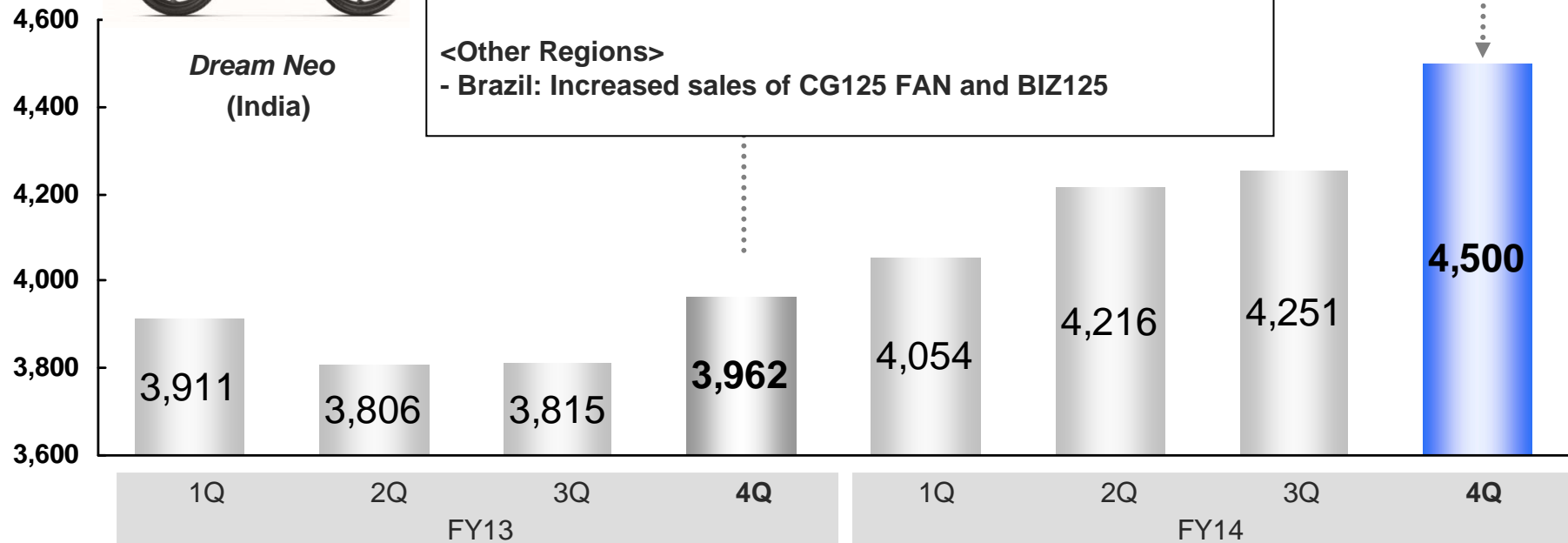
- India: Positive impact of Dream Neo as well as increased sales of Activa and CB Shine
- Indonesia: Increased sales of BeAT FI and Vario Techno 125

<Other Regions>

- Brazil: Increased sales of CG125 FAN and BIZ125

Unit (Thousand)

+ 538
(+ 13.6%)

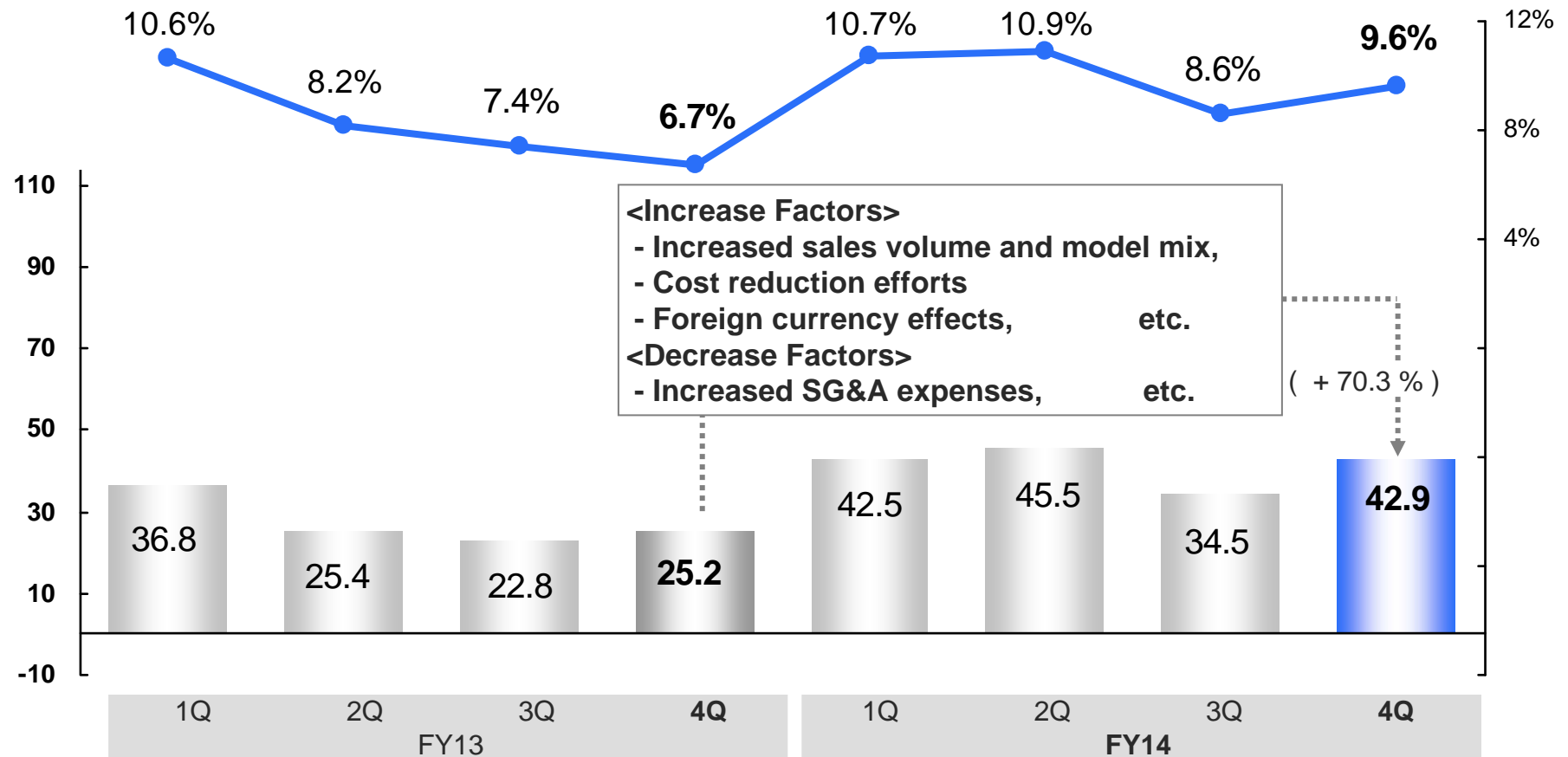


	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	59	57	51	50	54	63	52	57
North America	59	60	62	69	62	68	63	83
Europe	60	38	29	52	52	38	27	49
Asia	3,285	3,162	3,225	3,363	3,479	3,536	3,678	3,843
Other Region	448	489	448	428	407	511	431	468
Total	3,911	3,806	3,815	3,962	4,054	4,216	4,251	4,500

Motorcycle Business Net Sales/Operating Income (Margin)

Unit (thousand) Yen (billion)	FY13				FY14			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Honda Group Unit Sales (Consolidated Unit Sales)	3,911 (2,366)	3,806 (2,304)	3,815 (2,350)	3,962 (2,490)	4,054 (2,371)	4,216 (2,585)	4,251 (2,657)	4,500 (2,730)
Net Sales	346.6	309.7	307.8	375.3	396.8	418.0	400.1	448.5

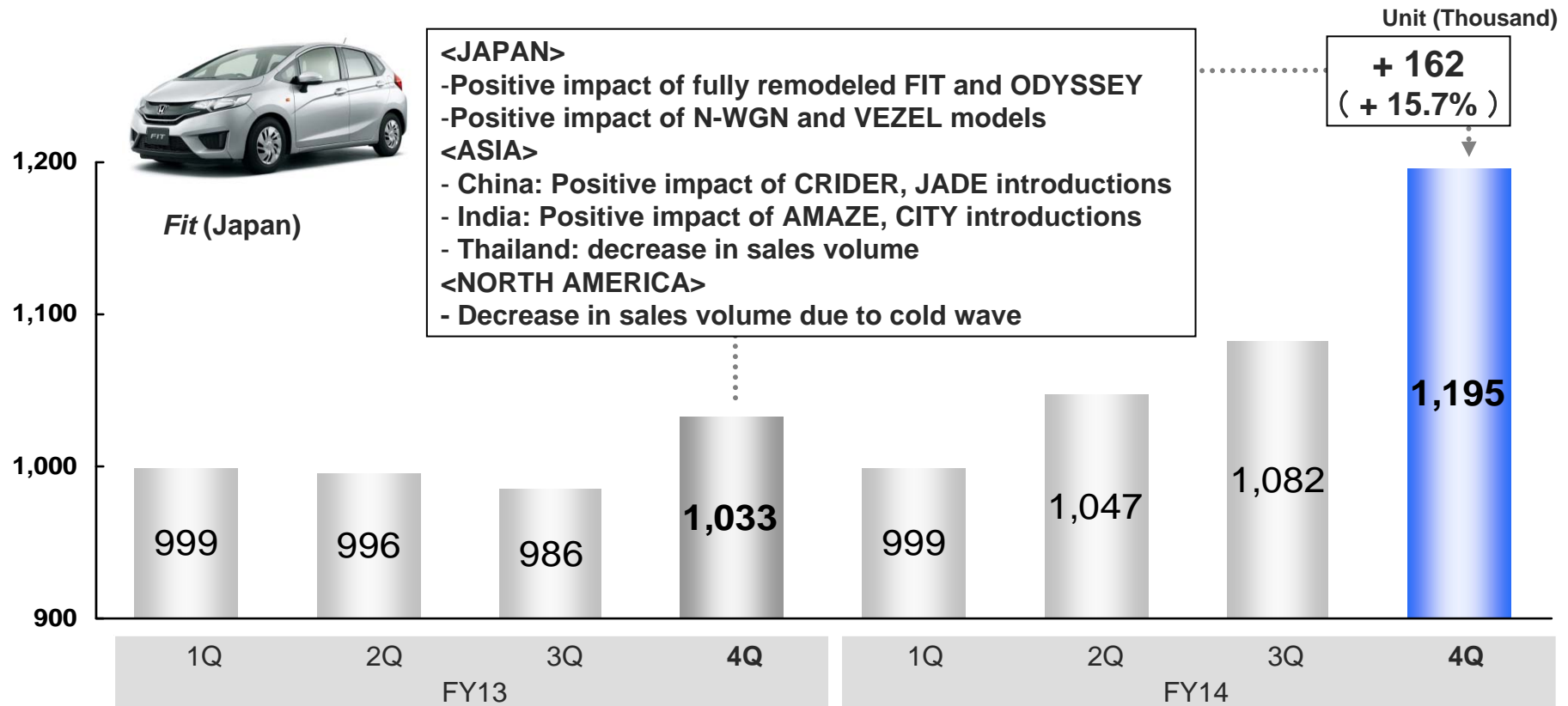
Yen (billion)
 Operating Income
 Operating Margin



Automobiles - Honda Group Unit Sales



Fit (Japan)



Japan	185	169	138	200	140	180	216	282
North America	450	404	454	423	459	447	465	386
Europe	39	44	38	50	40	40	38	51
Asia	262	301	279	280	285	309	287	405
Other Regions	63	78	77	80	75	71	76	71
Total	999	996	986	1,033	999	1,047	1,082	1,195

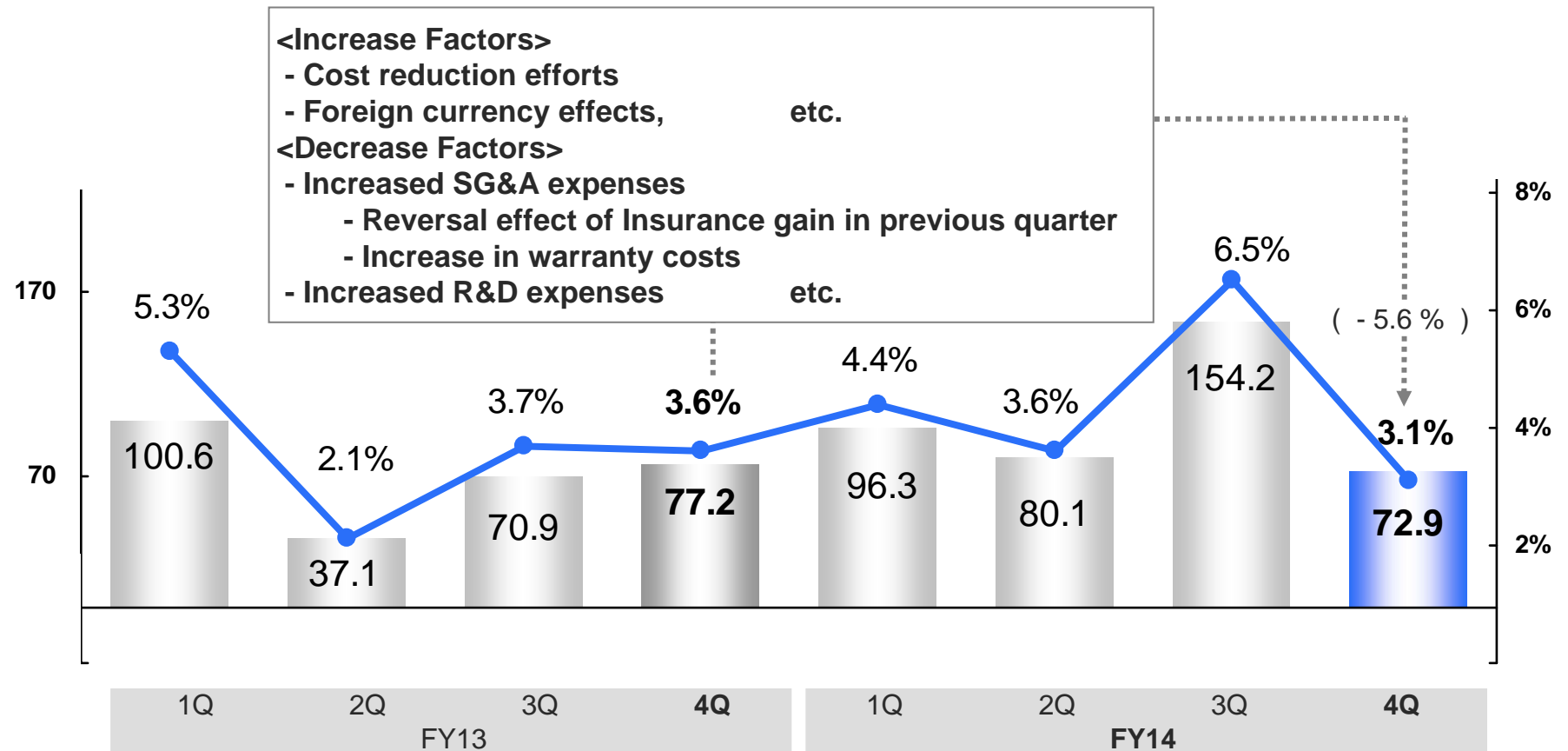
Automobile Business Net Sales/Operating Income (Margin)

	FY13				FY14			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Honda Group Unit Sales (Consolidated Unit Sales)	999 (849)	996 (816)	986 (841)	1,033 (902)	999 (858)	1,047 (869)	1,082 (900)	1,195 (933)
Net Sales	1,894.7	1,769.7	1,918.4	2,140.6	2,200.9	2,233.1	2,377.7	2,383.0

Yen (billion) ■ Operating Income
■ Operating Margin

(+ 11.3%)

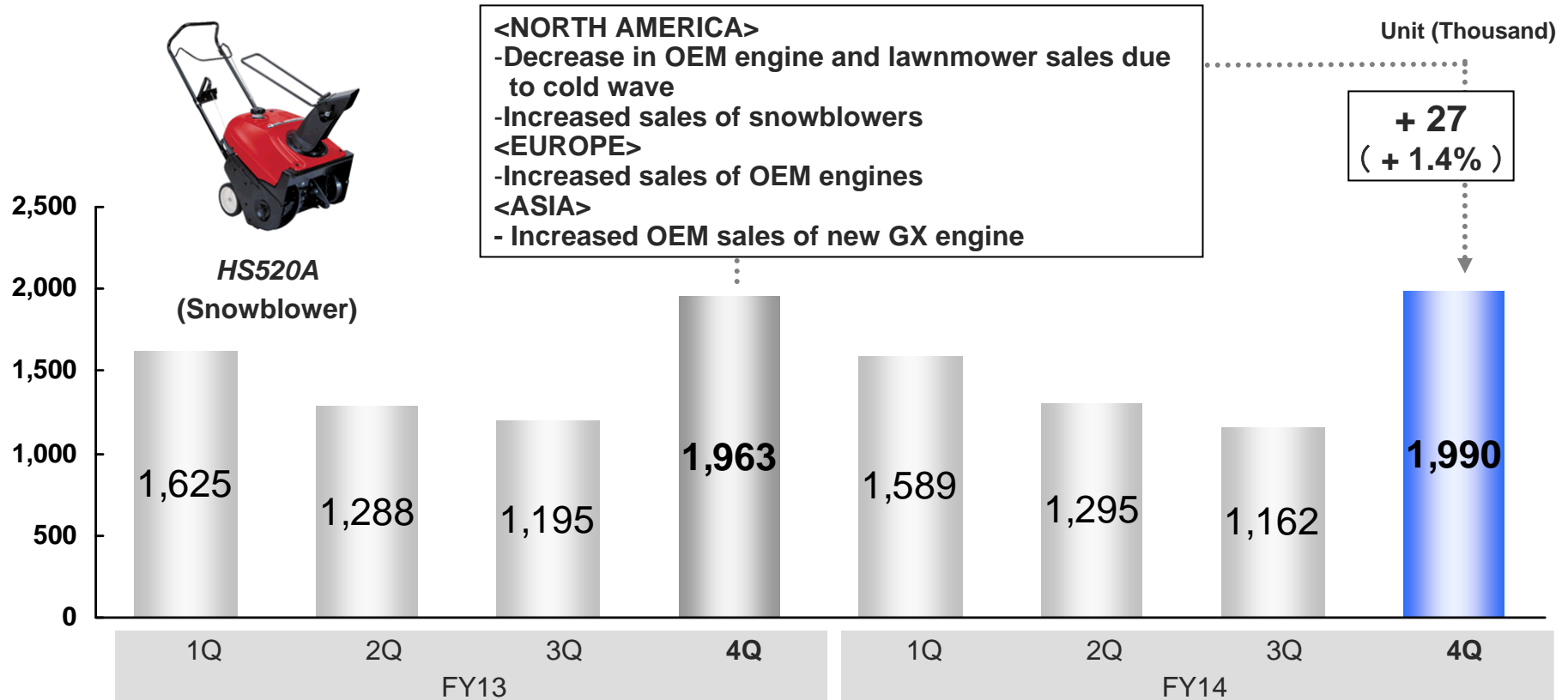
+ 242.4 (Currency effect + 156.6)



Power Products - Honda Group Unit Sales



HS520A
(Snowblower)



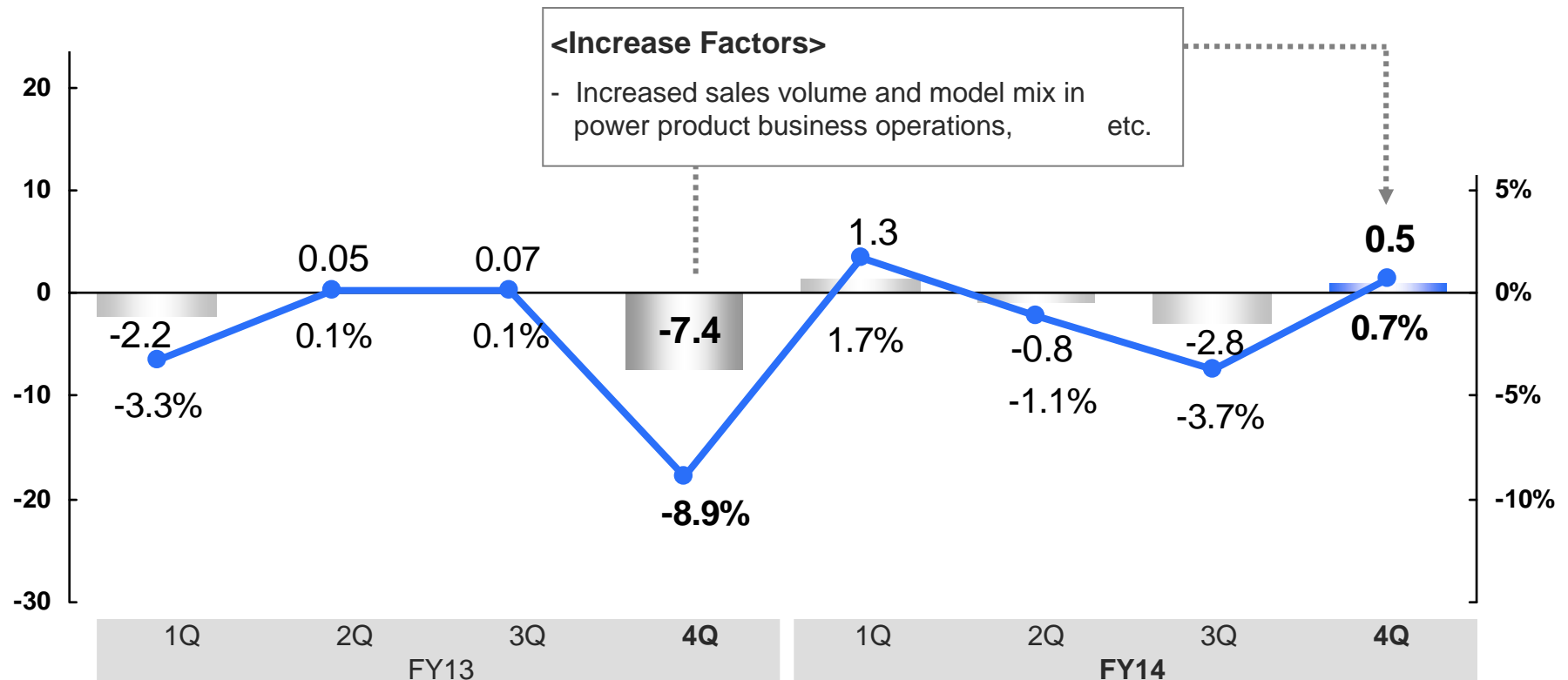
<NORTH AMERICA>
-Decrease in OEM engine and lawnmower sales due to cold wave
-Increased sales of snowblowers
<EUROPE>
-Increased sales of OEM engines
<ASIA>
- Increased OEM sales of new GX engine

Japan	82	88	63	81	63	93	63	95
North America	758	436	426	984	828	504	427	959
Europe	236	150	206	412	237	156	198	441
Asia	421	462	341	348	364	426	338	372
Other Region	128	152	159	138	97	116	136	123
Total	1,625	1,288	1,195	1,963	1,589	1,295	1,162	1,990

Unit (thousand) Yen (billion)	FY13				FY14			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,625 (1,625)	1,288 (1,288)	1,195 (1,195)	1,963 (1,963)	1,589 (1,589)	1,295 (1,295)	1,162 (1,162)	1,990 (1,990)
Net Sales	69.9	67.2	71.3	83.1	77.9	75.9	78.6	85.6

Yen (billion) Operating Income
 Operating Margin

(+ 3.1 %)
+ 2.5 (Currency Effect + 6.5)

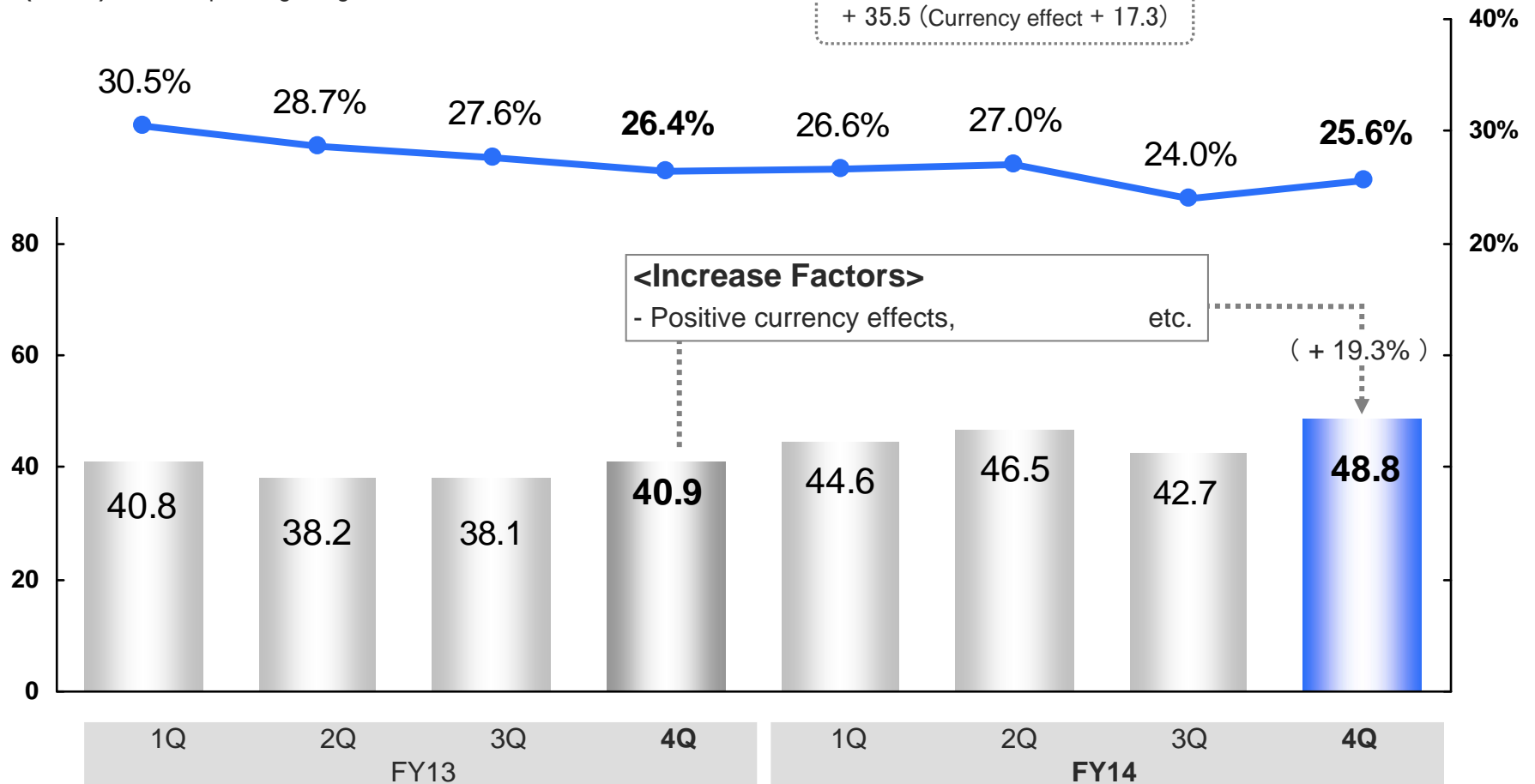


Financial Services Business

Total Assets/Net Sales/Operating Income (Margin)

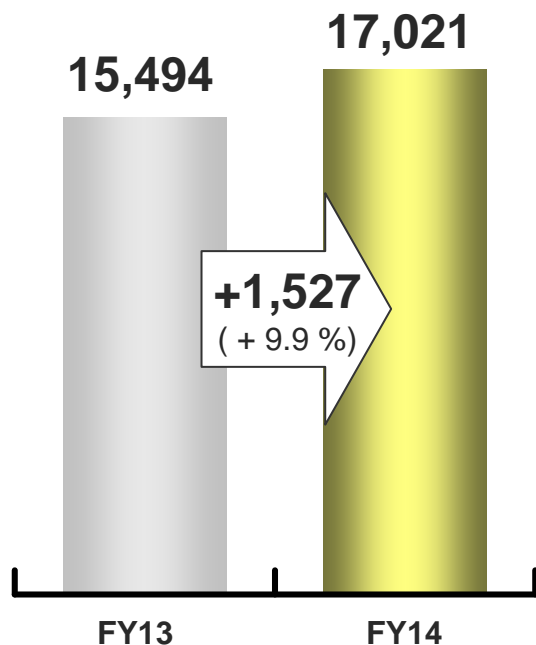
Yen (billion)	FY13				FY14			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Assets of Finance Subsidiaries	5,567.6	5,577.7	6,197.2	6,765.3	7,206.8	7,404.6	8,082.7	7,980.9
Net Sales	134.0	133.1	138.1	154.9	167.9	172.5	177.6	190.4

Yen (billion)
 Operating Income
 Operating Margin



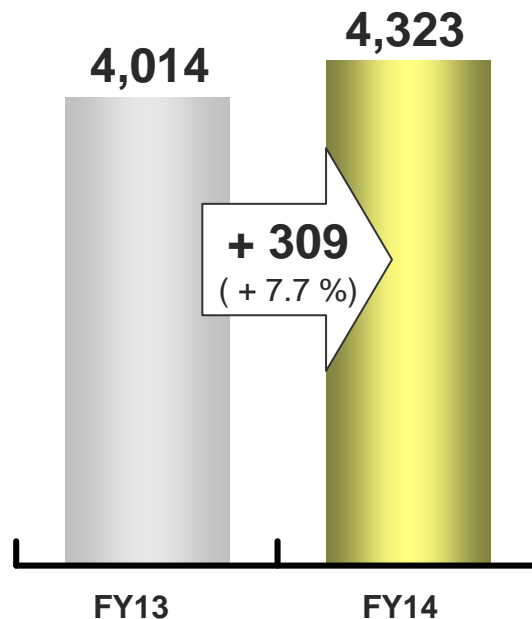
Honda Group Unit Sales <Twelve Months>

Motorcycles



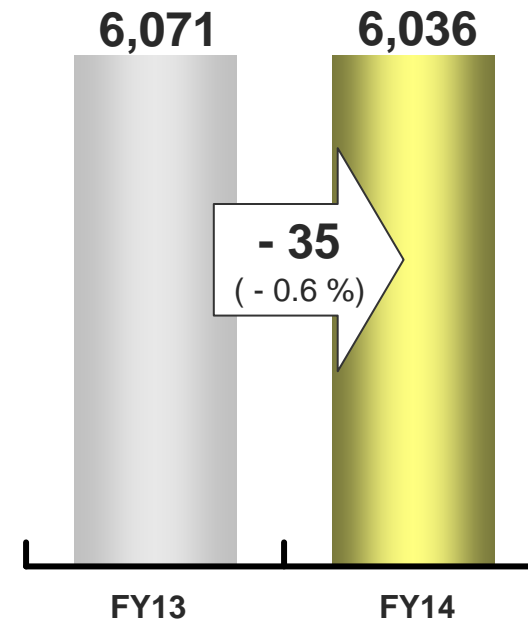
	FY13	FY14	Change
Japan	217	226	+ 9
North America	250	276	+ 26
Europe	179	166	- 13
Asia	13,035	14,536	+ 1,501
Other Region	1,813	1,817	+ 4
Total	15,494	17,021	+ 1,527

Automobiles



	FY13	FY14	Change
Japan	692	818	+ 126
North America	1,731	1,757	+ 26
Europe	171	169	- 2
Asia	1,122	1,286	+ 164
Other Region	298	293	- 5
Total	4,014	4,323	+ 309

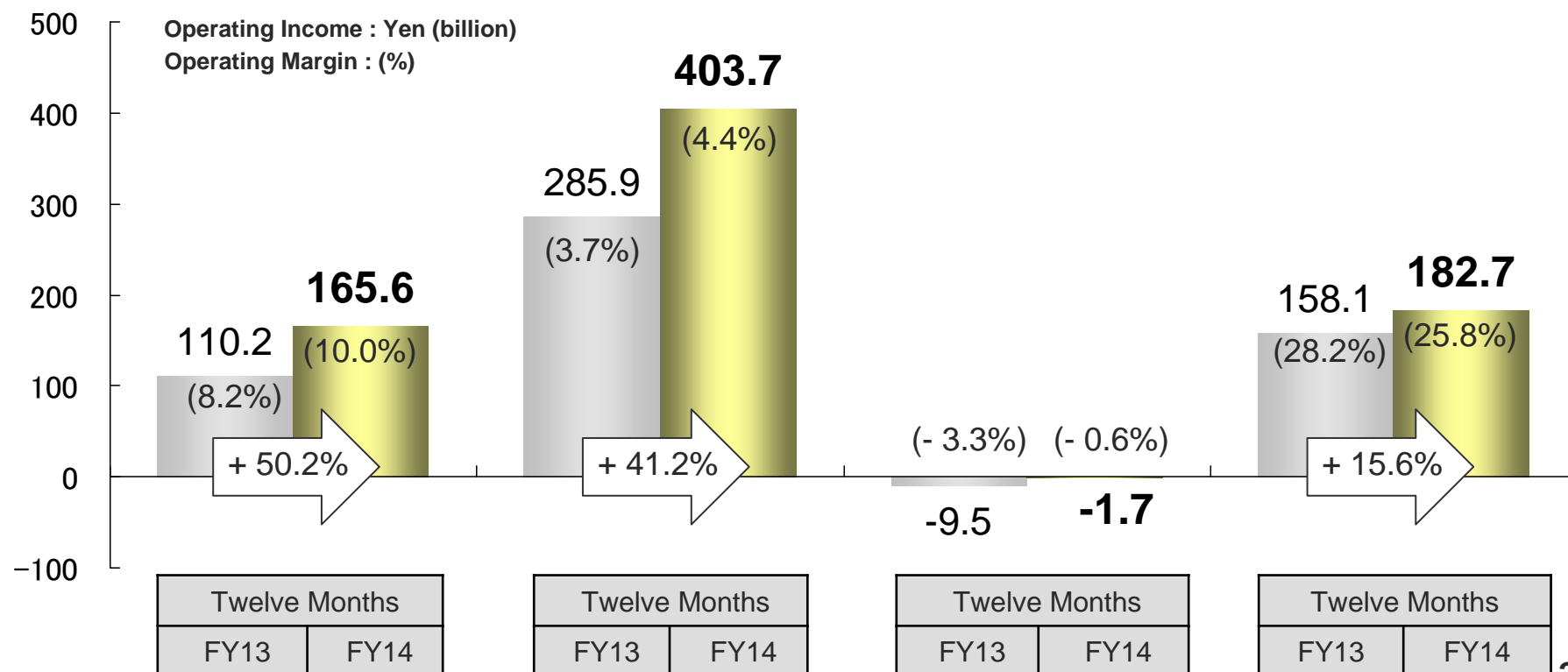
Power Products Unit (Thousand)



	FY13	FY14	Change
Japan	314	314	0
North America	2,604	2,718	+ 114
Europe	1,004	1,032	+ 28
Asia	1,572	1,500	- 72
Other Region	577	472	- 105
Total	6,071	6,036	- 35

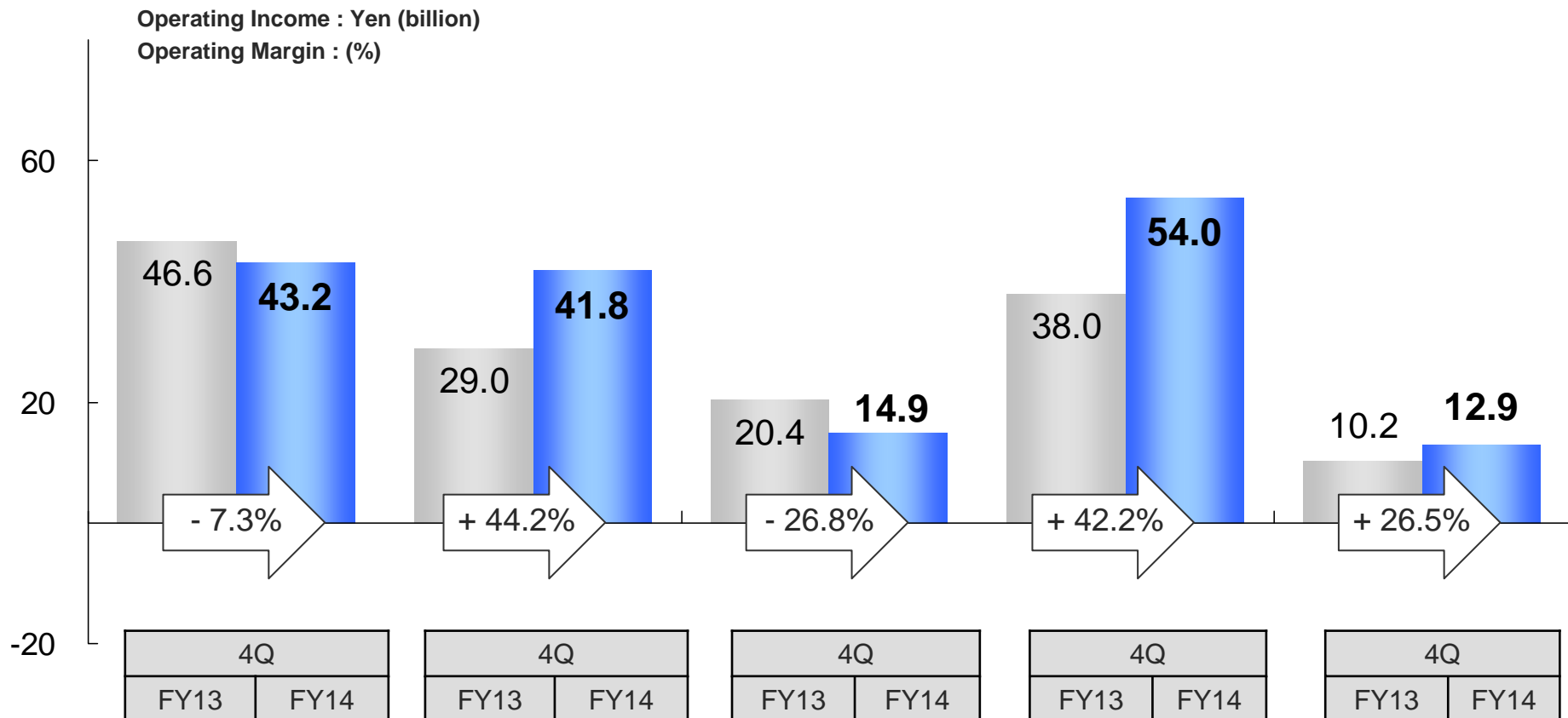
**Net Sales/Operating Income (Margin)
by Business Segment <FY14 Twelve Months >**

Unit (thousand) Yen (billion)	Motorcycle Business		Automobile Business		Power Product and Other Businesses		Financial Services Business	
	Twelve Months		Twelve Months		Twelve Months		Twelve Months	
	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14
Honda Group Unit Sales (Consolidated Unit Sales)	15,494	17,021	4,014	4,323	6,071	6,036	—	—
	(9,510)	(10,343)	(3,408)	(3,560)	(6,071)	(6,036)	(—)	(—)
Net Sales	1,339.5	1,663.6	7,723.5	9,194.9	291.6	318.1	560.2	708.5



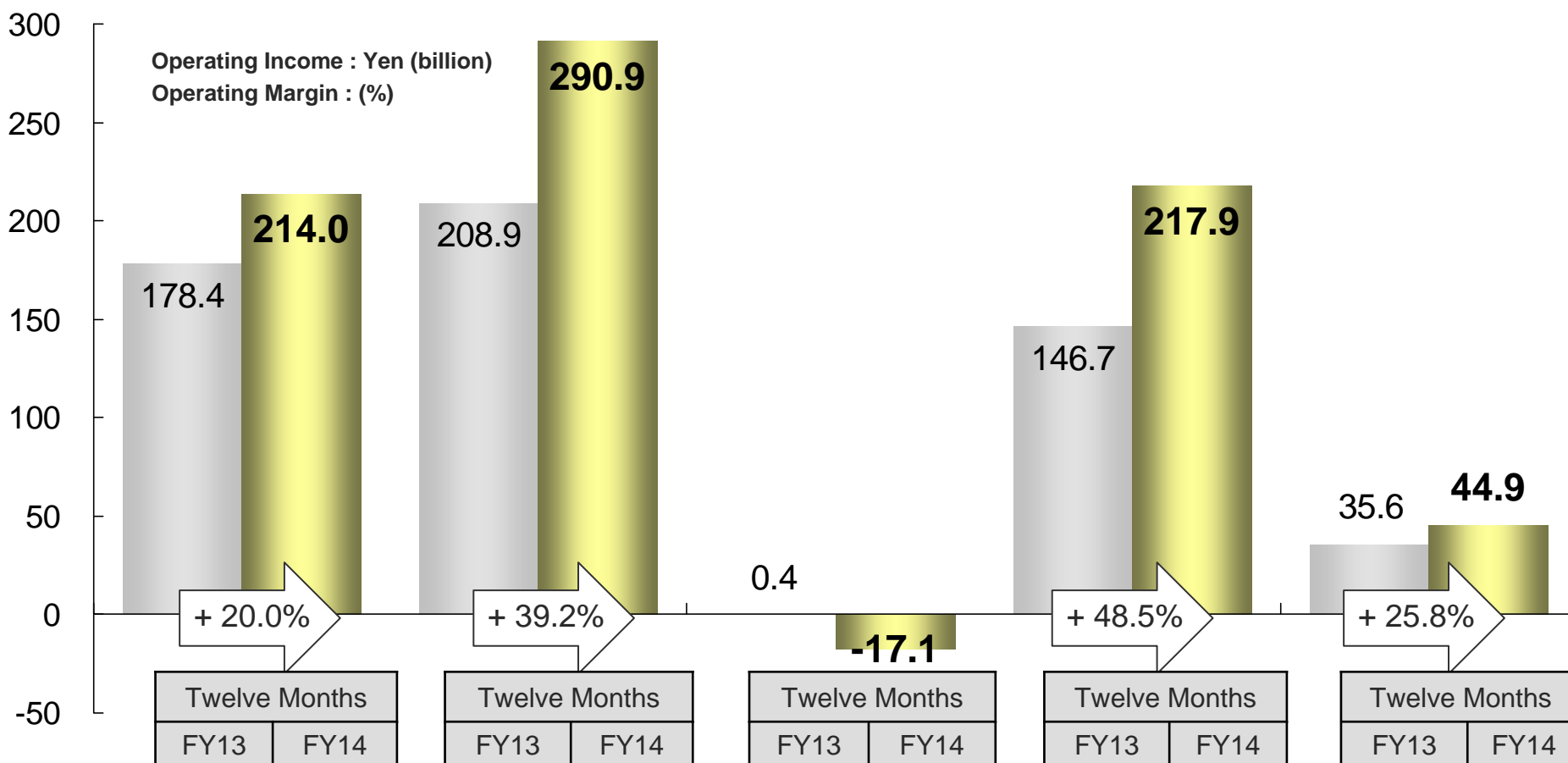
**Net Sales/Operating Income (Margin)
by Geographical Segment <FY14 4th Qtr>**

	Japan		North America		Europe		Asia		Other Regions	
	4Q		4Q		4Q		4Q		4Q	
Yen (billion)	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14
Net Sales	1,059.3	1,109.1	1,341.7	1,405.3	206.8	244.0	665.9	748.2	223.9	260.3

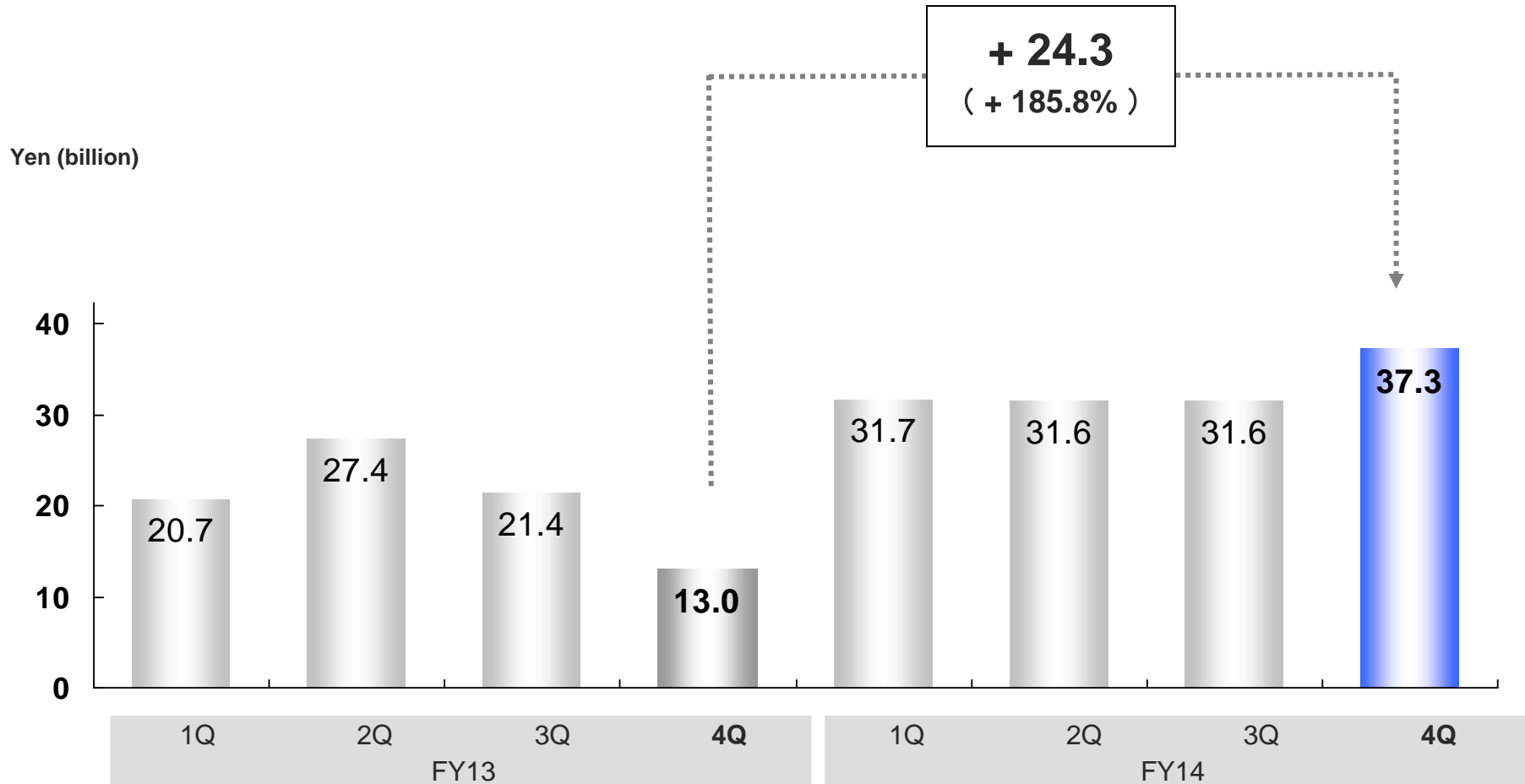


**Net Sales/Operating Income (Margin)
by Geographical Segment <FY14 Twelve Months>**

	Japan		North America		Europe		Asia		Other Regions	
Yen (billion)	Twelve Months		Twelve Months		Twelve Months		Twelve Months		Twelve Months	
	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14
Net Sales	3,893.5	4,192.2	4,857.1	5,969.9	642.1	775.2	2,305.6	2,826.9	896.4	1,025.5

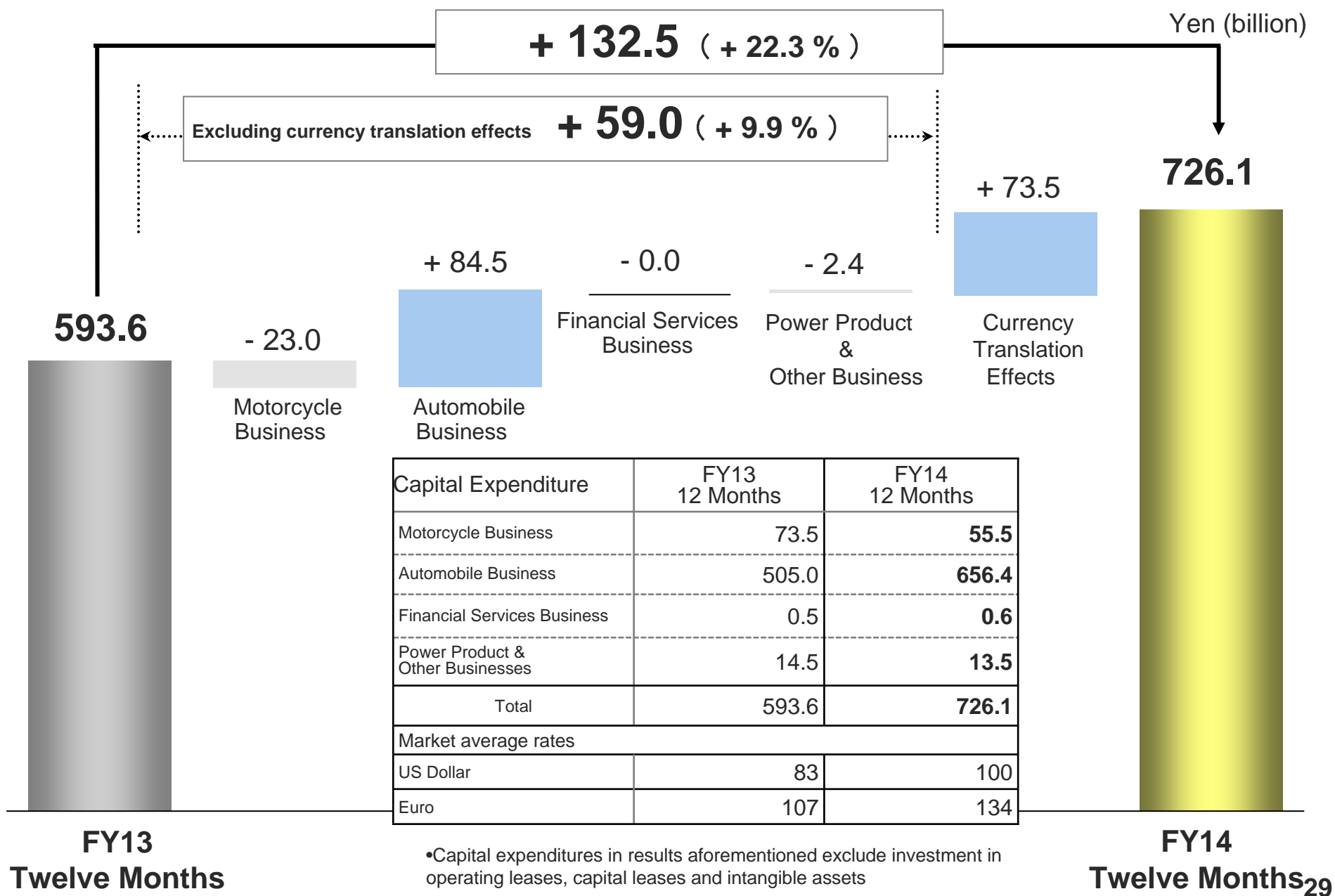


Change in Equity in Income of Affiliates



	Yen (billion)							
From Asia	20.8	25.3	18.0	13.9	25.1	28.3	28.0	30.0

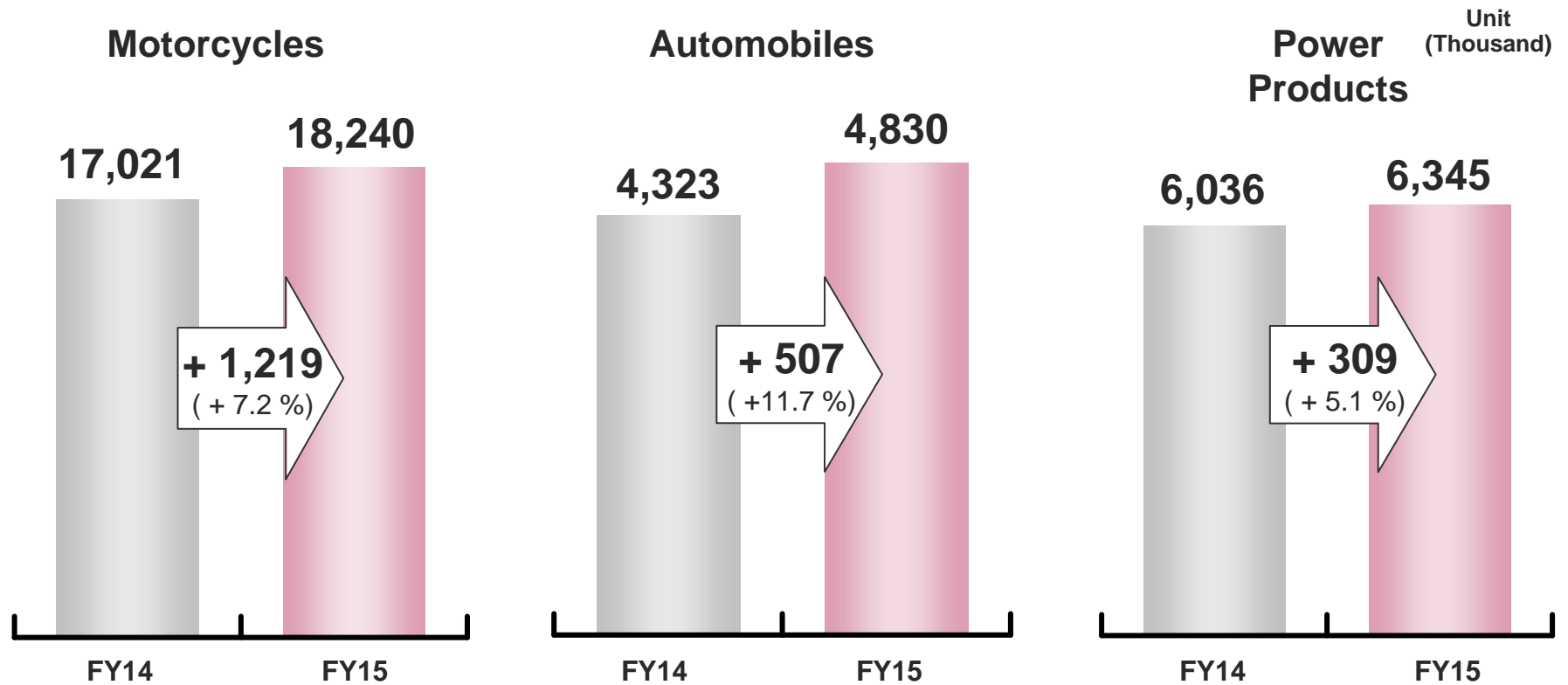
Consolidated Capital Expenditures <FY14 Twelve Months>





- ***FY14 Financial Results***
 - *4th Quarter Financial Results*
 - *Net Sales and Other Operating Revenue*
 - *Change in Income before Income Taxes*
 - *Business & Geographical Segment Information*
 - *Equity in Income of Affiliates*
 - *Capital Expenditure*
- ***FY15 Financial Forecasts***

Forecast: Honda Group Unit Sales

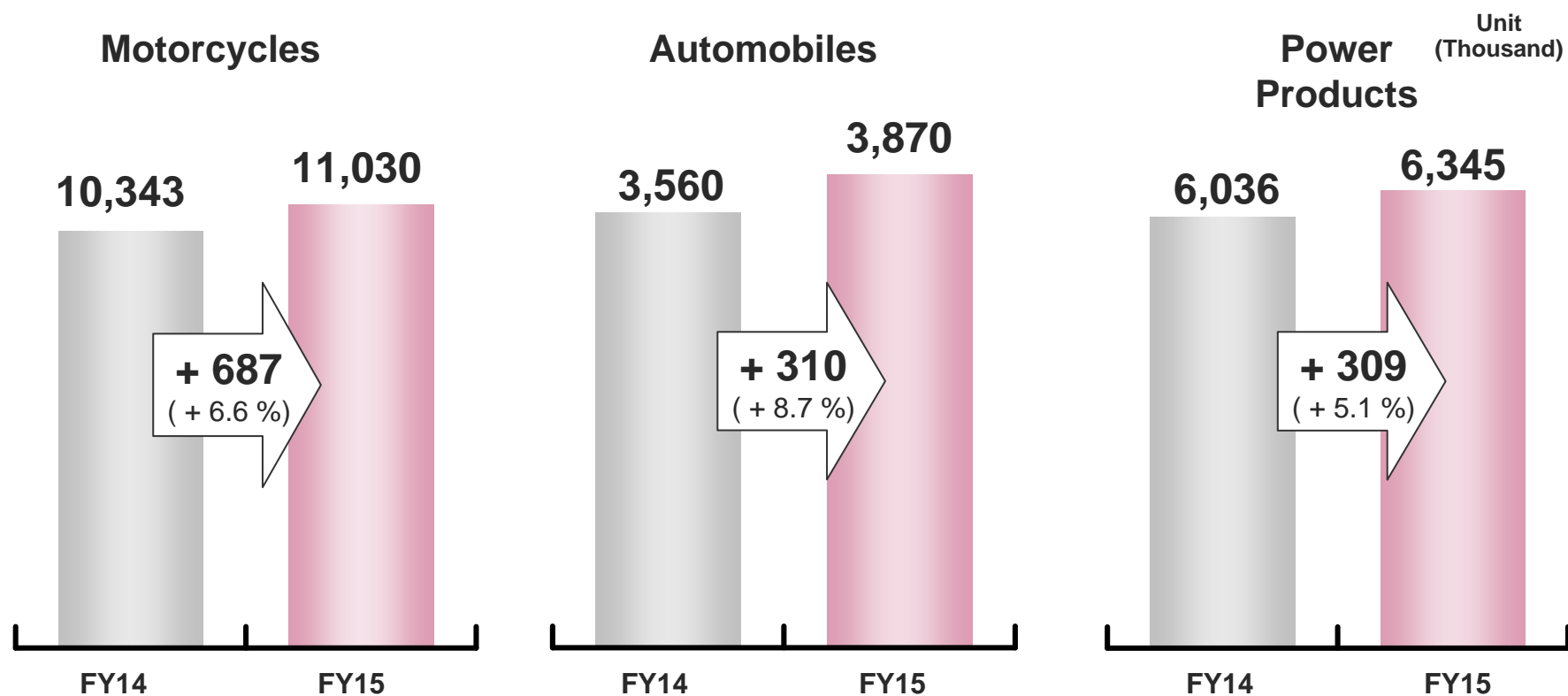


	FY14 Results	FY15 Forecasts	Change
Japan	226	230	+ 4
North America	276	300	+ 24
Europe	166	175	+ 9
Asia	14,536	15,765	+ 1,229
Other Region	1,817	1,770	- 47
Total	17,021	18,240	+ 1,219

	FY14 Results	FY15 Forecasts	Change
Japan	818	990	+ 172
North America	1,757	1,810	+ 53
Europe	169	170	+ 1
Asia	1,286	1,590	+ 304
Other Region	293	270	- 23
Total	4,323	4,830	+ 507

	FY14 Results	FY15 Forecasts	Change
Japan	314	305	- 9
North America	2,718	2,845	+ 127
Europe	1,032	1,030	- 2
Asia	1,500	1,655	+ 155
Other Region	472	510	+ 38
Total	6,036	6,345	+ 309

Forecast: Consolidated Unit Sales



	FY14 Results	FY15 Forecasts	Change
Japan	226	230	+ 4
North America	276	300	+ 24
Europe	166	175	+ 9
Asia	7,858	8,555	+ 697
Other Region	1,817	1,770	- 47
Total	10,343	11,030	+ 687

	FY14 Results	FY15 Forecasts	Change
Japan	812	980	+ 168
North America	1,757	1,810	+ 53
Europe	169	170	+ 1
Asia	529	640	+ 111
Other Region	293	270	- 23
Total	3,560	3,870	+ 310

	FY14 Results	FY15 Forecasts	Change
Japan	314	305	- 9
North America	2,718	2,845	+ 127
Europe	1,032	1,030	- 2
Asia	1,500	1,655	+ 155
Other Region	472	510	+ 38
Total	6,036	6,345	+ 309

FY15 Financial Forecasts (Consolidated)

Yen (billion)

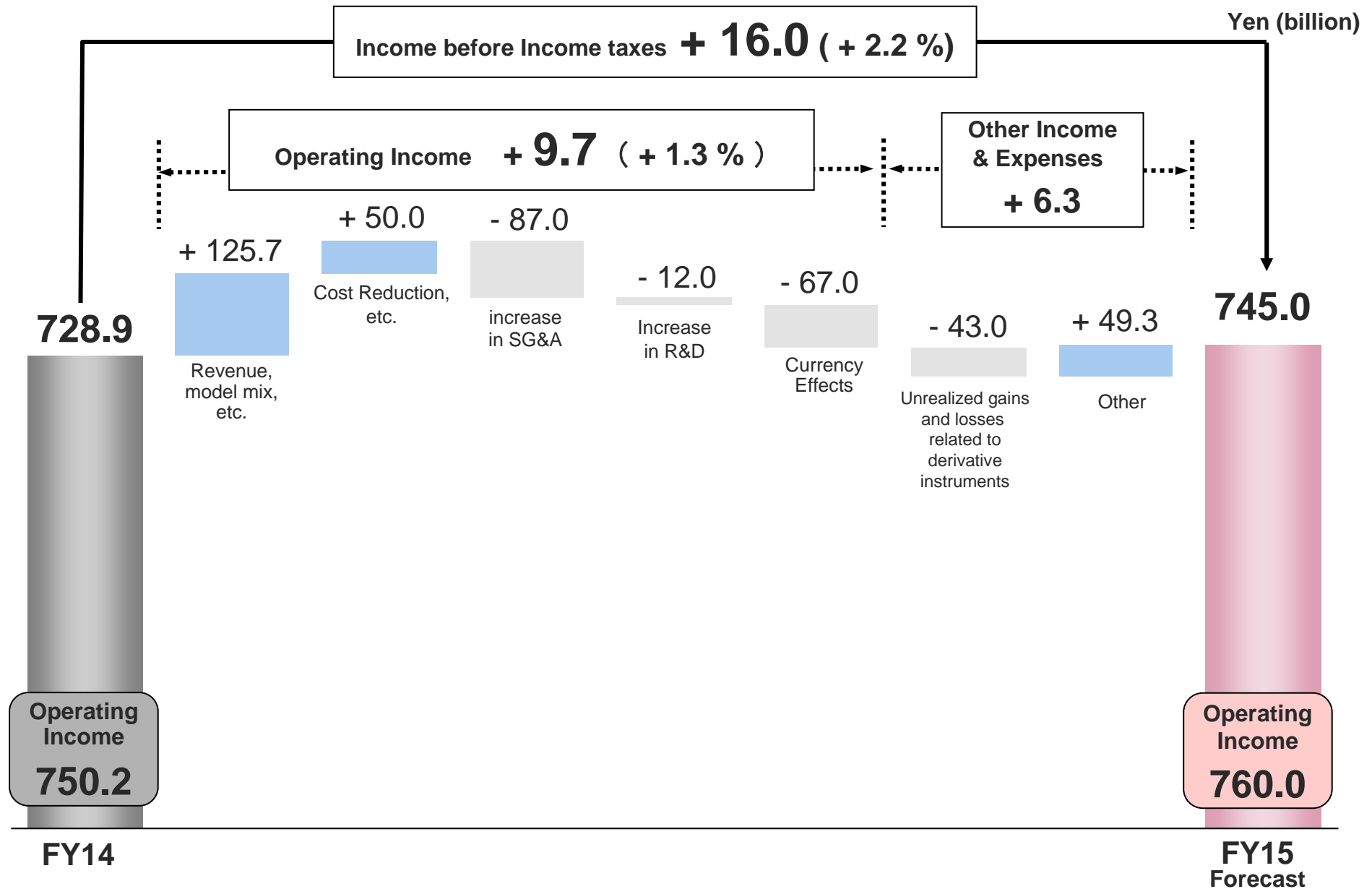
	FY14 Results	FY15 Forecasts	Change	
			Amount	%
Net Sales	11,842.4	12,750.0	+ 907.5	+ 7.7%
Operating Income	750.2	760.0	+ 9.7	+ 1.3%
Operating Margin	6.3%	6.0%	-	-
Income before Income taxes	728.9	745.0	+ 16.0	+ 2.2%
Equity in income of affiliates	132.4	155.0	+ 22.5	+ 17.0%
Net Income ^{*1}	574.1	595.0	+ 20.8	+ 3.6%
EPS (Yen) ^{*2}	318.54	330.14	+ 11.60	

For *1 and *2, please refer to footnotes on page 36

Average Rates (Yen)

US Dollar	100	100	-
Euro	136	135	Yen up by 1 yen

Forecast: Change in Income before Income Taxes



Forecast: Capital Expenditures, Depreciation, R&D Expenses

Yen (billion)

	FY14 Results	FY15 Forecasts	Change
Capital expenditures *	726.1	650.0	- 76.1
Depreciation and amortization *	375.8	415.0	+ 39.2
R&D expenses	634.1	645.0	+ 10.9

* Capital expenditures and Depreciation and amortization in results and forecast 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, the Euro 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 U.S. generally accepted accounting principles.

Notice on the Factors for Increases and Decreases in Income:

With respect to the discussion above of the change in operating income, 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) "Foreign 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 and effects of raw material cost fluctuations", 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 "changes in net sales and model mix", 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.

*1 Net income attributable to Honda Motor Co., Ltd.

*2 Basic net income attributable to Honda Motor Co., Ltd.

Basic net income attributable to Honda Motor Co., Ltd., is calculated based on weighted average number of shares outstanding as shown below:

- Fiscal Year Results	FY13: 1,802,298,000 (approx), FY14: 1,802,294,000 (approx) (page 5, 6, 33)
- 4th Quarter Results	FY13: 1,802,298,000 (approx), FY14: 1,802,291,000 (approx) (page 12)
- Fiscal Year Forecast	FY15: 1,802,291,000 (approx) (pages 6 and 33)

		Average Rates (Yen)			
		FY14 4Q	FY13 4Q	FY14 4Q	Change
	JPY / USD	+ 24.8	93	103	Yen down by 10 yen
	JPY / Euro	+ 2.1	122	141	Yen down by 19 yen
	JPY / Others	- 18.0	-	-	-
	Transactions between other currencies	- 3.3	-	-	-
	Difference of average rates (Impact on Operating income) *1	+ 5.6	*1: Impact of YoY difference of FOREX to be used for booking revenue of foreign currency transactions		
	Difference between transaction rates and average sales rates (Impact on Other income & expenses) *2	+ 31.3	*2: Impact of YoY difference between average FOREX and hedge rates during the period		
	Currency effect associated with sales transaction	+ 36.9			
	Currency effect from translation of foreign financial statements (impact on operating income) *3	+ 23.2	*3: Effect due to the difference of the rate used for translating Honda's overseas subsidiaries' financial statements denominated in foreign currencies into Japanese yen with the corresponding period of the fiscal year		
	Total	+ 60.1			
					Yen (billion)
					FY14 Twelve Months
					+ 107.6
					+ 10.0
					+ 4.5
					- 7.5
					+ 114.6
					- 23.1
					+ 91.5
					+ 174.0
					+ 265.5

- Unrealized Gains and Losses Related to Derivative Instruments -

Yen (billion)

	4Q		
	FY13	FY14	Change
Foreign currency Forward	- 0.3	+ 11.4	+ 11.8
Interest rate swap / Currency swap	- 4.7	+ 3.2	+ 8.0
Others	+ 0.0	- 0.0	- 0.0
Total	- 5.0	+ 14.7	+ 19.8

Twelve Months		
FY13	FY14	Change
- 28.8	+ 49.6	+ 78.5
- 6.1	- 10.2	- 4.0
+ 0.0	- 0.0	- 0.0
- 35.0	+ 39.3	+ 74.4

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