



FY18 Financial Results



**N-BOX·N-BOX Custom
(Japan)**

Honda Motor Co., Ltd.

April 27, 2018

- *Highlights of FY18*
- *Outline of FY18 Financial Results and FY19 Financial Forecasts*
- *FY18 Financial Results and FY19 Financial Forecasts*

Strengths of Honda

Strengths in technology and manufacturing in a broad area that includes motorcycles, automobiles and power products

Existing Strengths

Customer / Market base with 28 million customers around the world

+

Ability to create solutions which includes not only Mono-zukuri but also Koto-zukuri

New Strengths

Integration of advanced Mono-zukuri and Koto-zukuri

Universal passion unique to Honda

Value Proposition

Expand people's dreams and potential

Corporate Attitude

Take on new challenges while being driven by a strong passion

Advancement of
"mobility"

Value creation of
"daily lives"

Serve people worldwide with the **"joy of expanding their life's potential"**

-Lead the advancement of mobility and enable people everywhere in the world to improve their daily lives-

Serve people worldwide with the **“joy of expanding their life’s potential”**
-Lead the advancement of mobility and enable people everywhere in the world to improve their daily lives-

Growth through the pursuit of quality

Creating the Joys

Creating value for “mobility” and “daily lives”

Provide people the joy and freedom of mobility

Provide people the joy of making their lives better

Expanding the Joys

Accommodate the different characteristics of people and society

Provide the ideal products and services that fulfill societies’ expectations and meet individual needs

Ensuring the Joys for the Next Generation

Toward a clean and safe / secure society

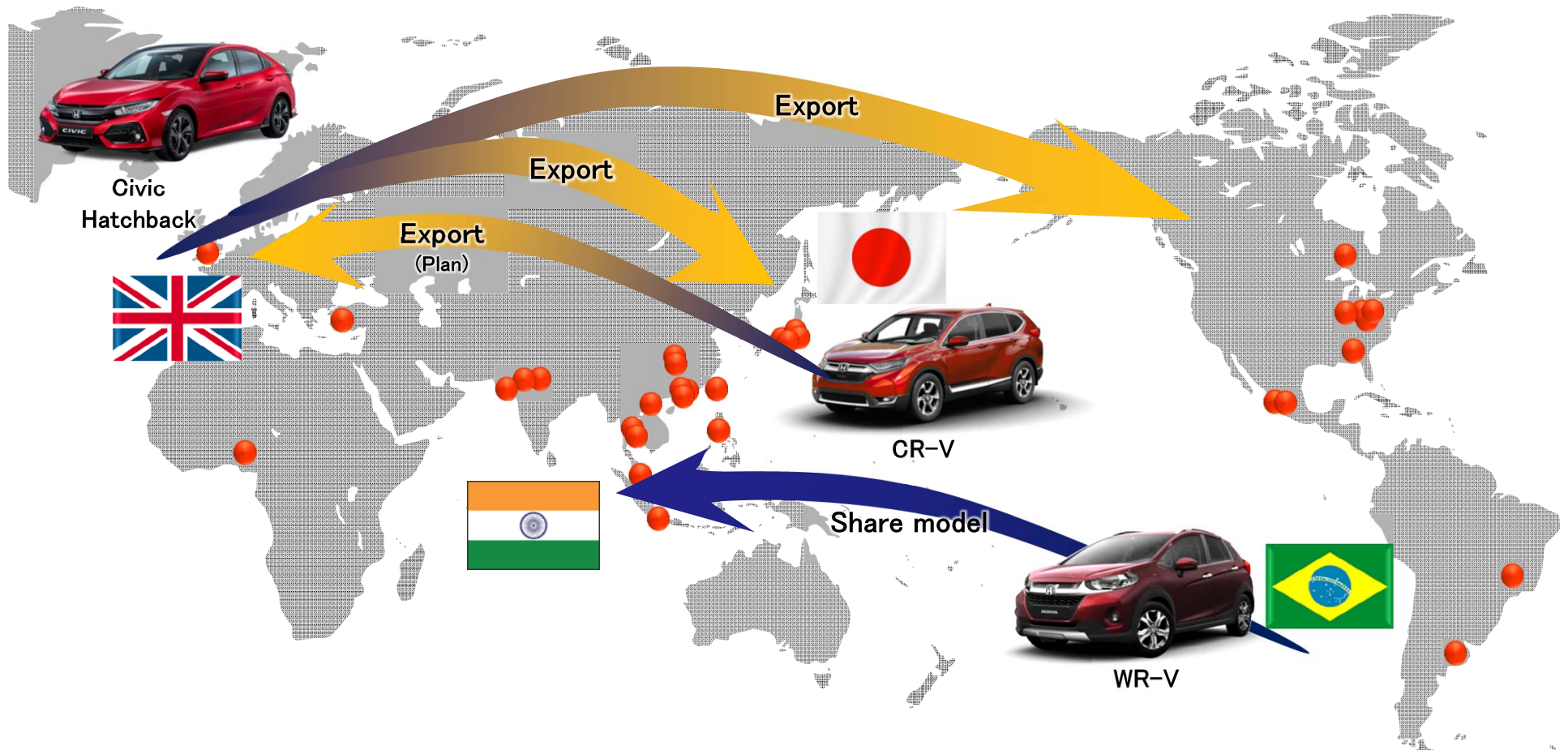
Lead efforts to realize a carbon-free society

Lead efforts to realize a collision-free mobile society

Business viewpoint to focus on

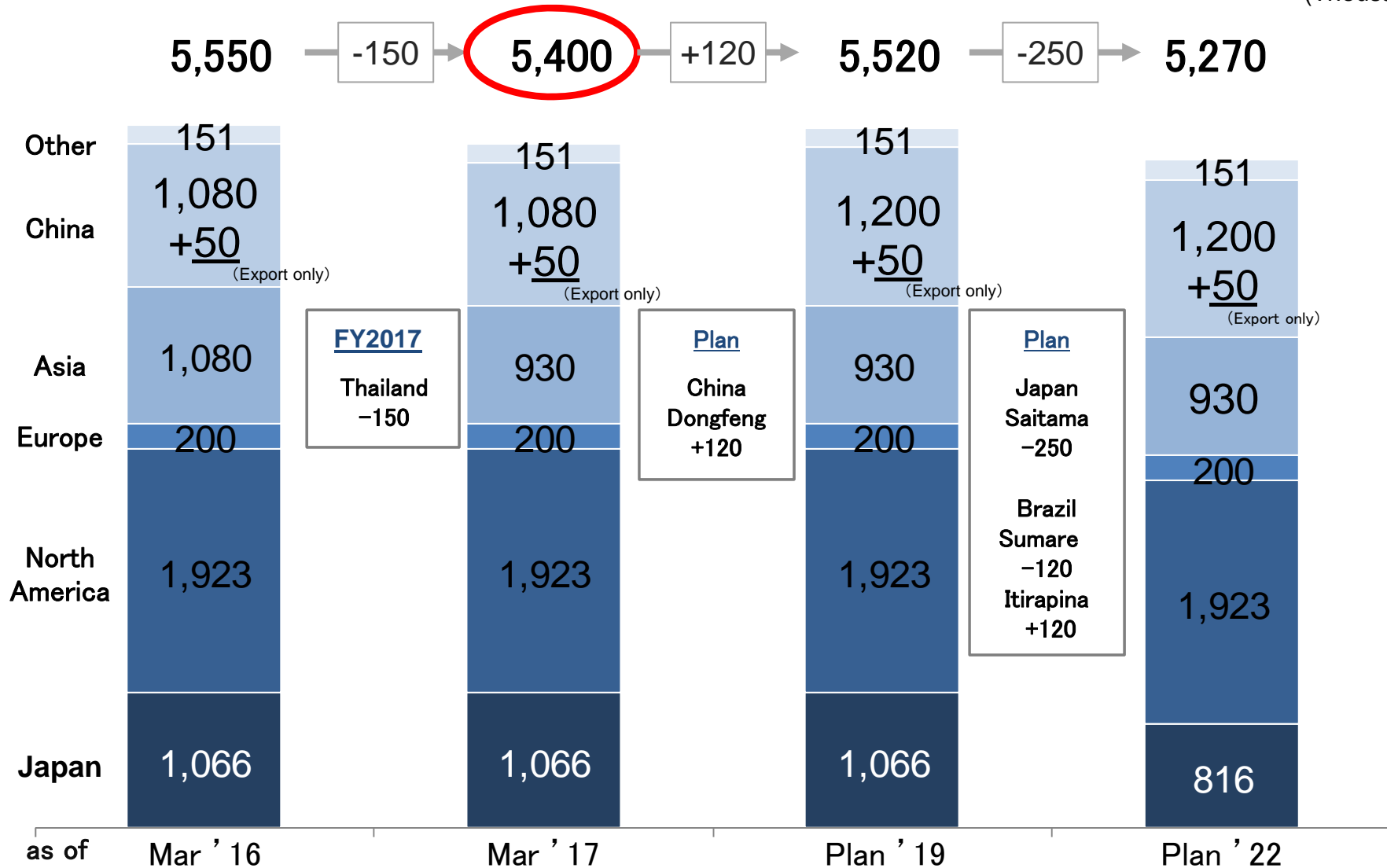
Effective utilization of corporate resources

Advance our six-region global operation structure through inter-regional cooperation and coordination



Global Production Capacity

Unit
(Thousand)



Electrified Model Introduction

		FY2018	FY2019 (Plan)
HEV	North America		Accord
			Insight
	Japan		CR-V (CY2018)
	Europe		CR-V (CY2019)
	China	Guangqi	Acura CDX
Dongfeng		CR-V	
PHEV	North America		Clarity
	Japan		Clarity
BEV	North America		Clarity
	China	Guangqi	SUV (CY2018)
		Dongfeng	(CY2019)



Clarity PHEV



Accord HEV



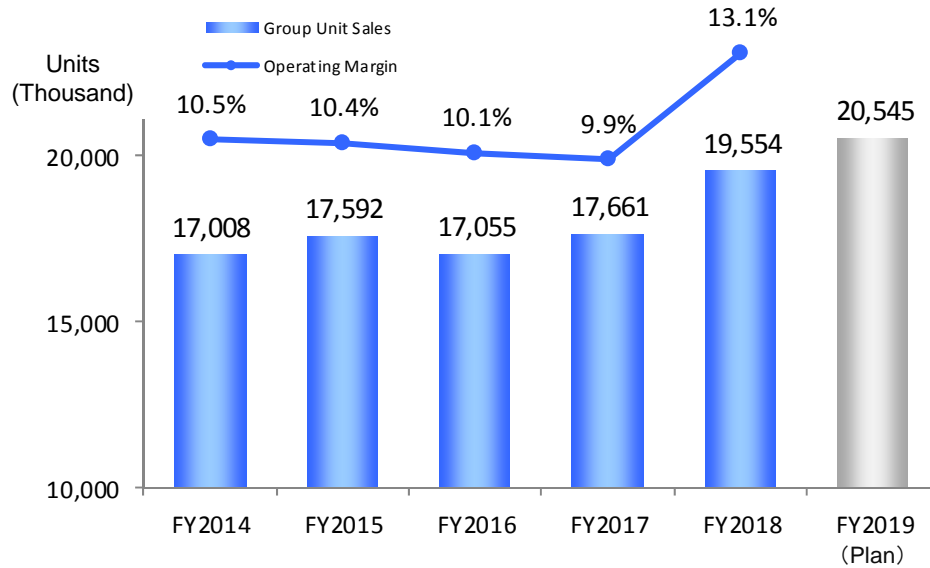
Insight



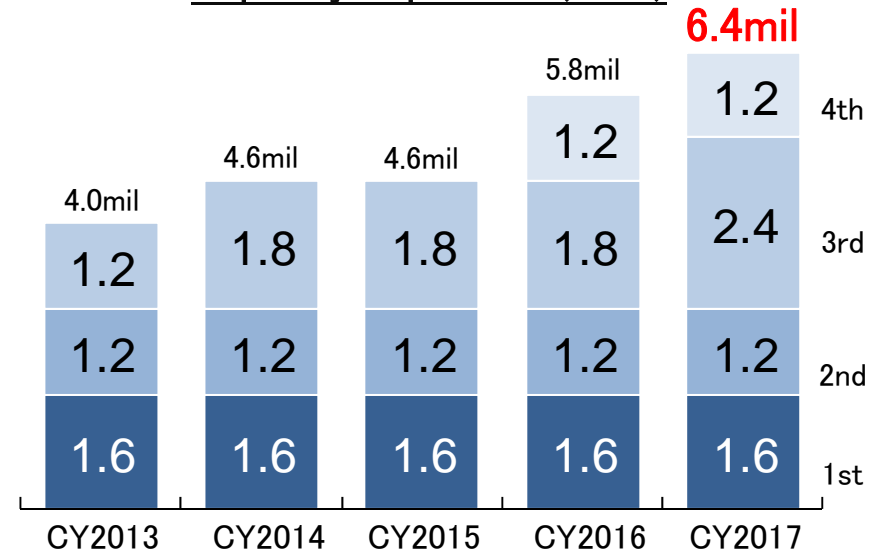
CR-V HEV

Motorcycle Business

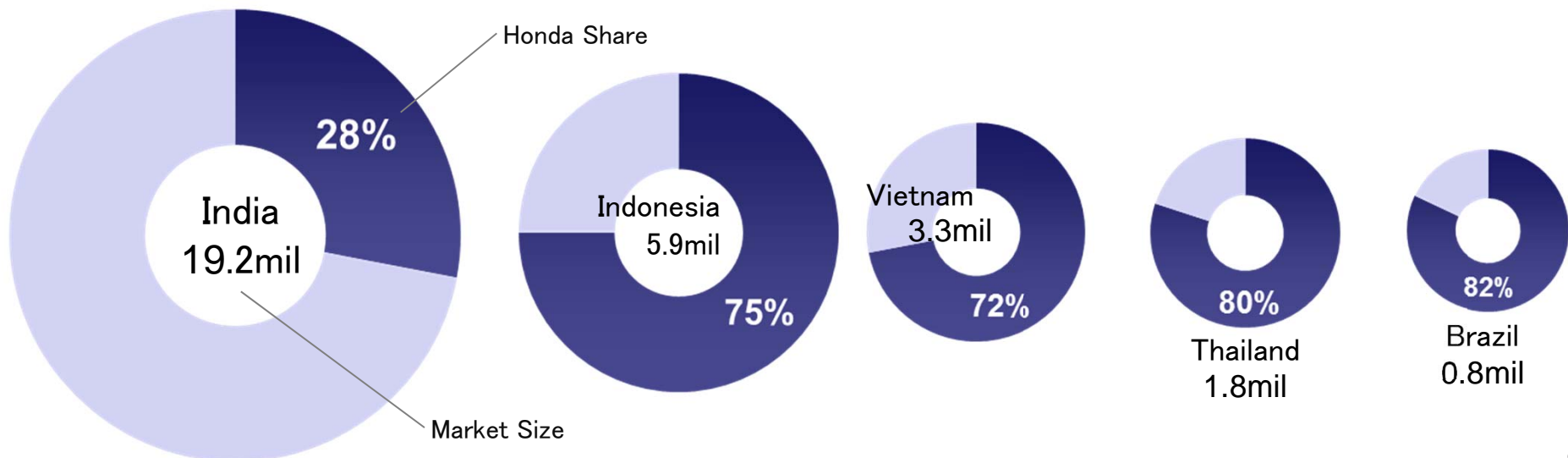
Group Unit Sales and Operating Margin



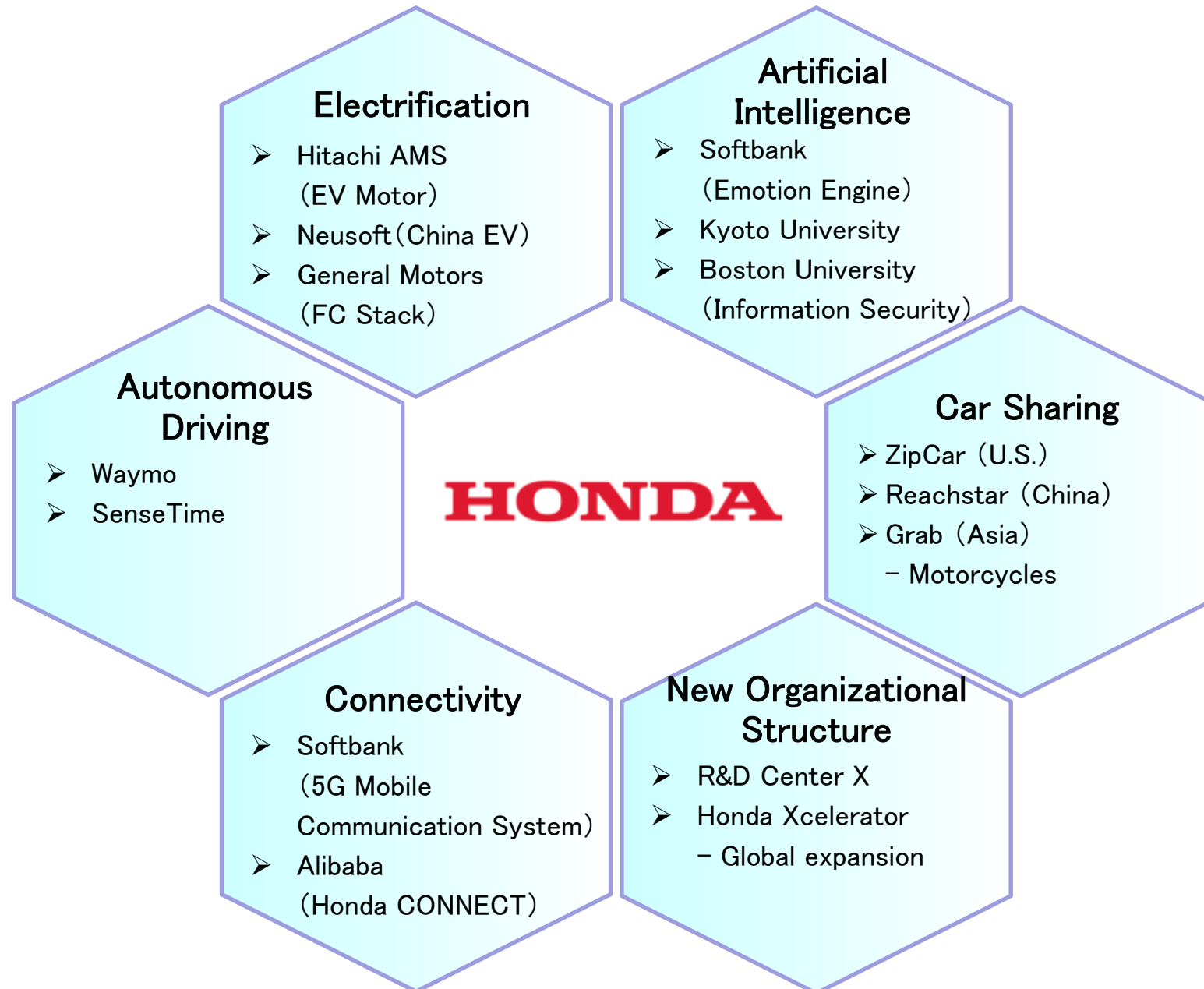
Capacity Expansion (India)



Motorcycle Market Size and Honda Share (CY2017)



Honda's approach to the new business environment



- *Highlights of FY18*
- ***Outline of FY18 Financial Results
and FY19 Financial Forecasts***
- *FY18 Financial Results
and FY19 Financial Forecasts*

Results Summary

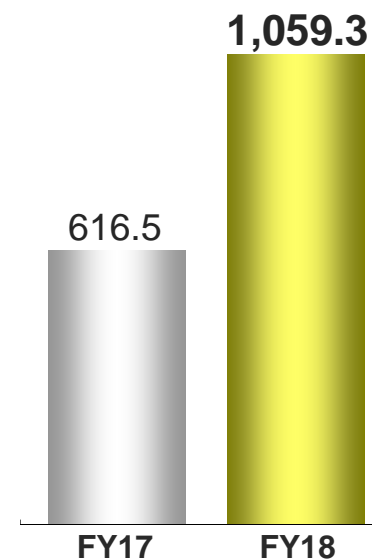
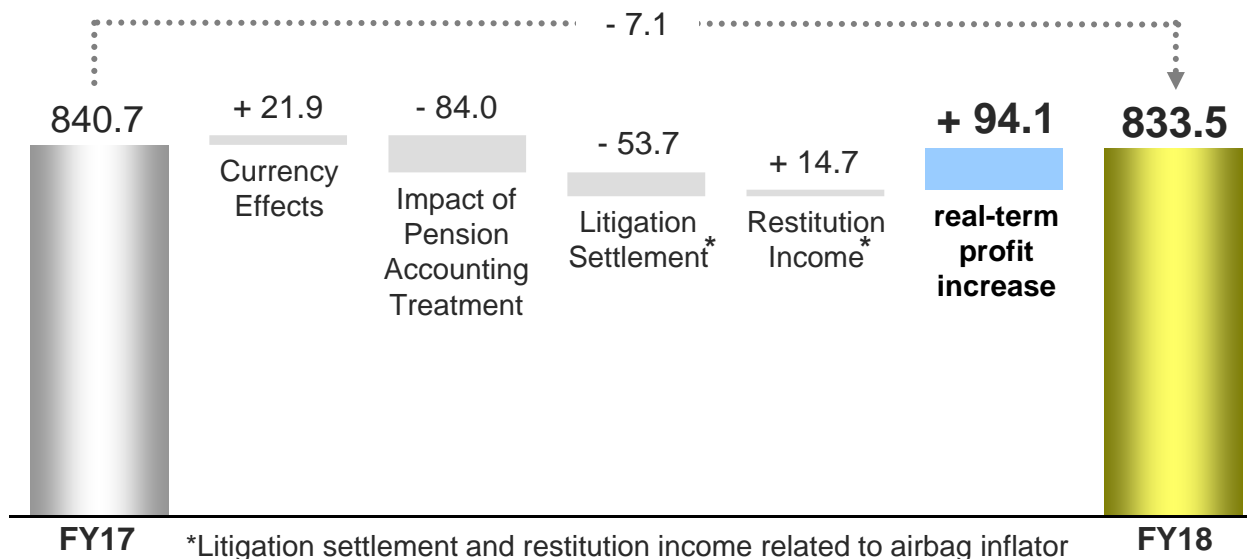
- Operating profit was 833.5 billion yen, a 7.1 billion yen decrease compared to the same period last year. Excluding FOREX effects, the reverse impact of the pension accounting treatment last fiscal year, the multi-district class action litigation settlement and receipt of restitution, the positive impact from revenue and model mix, cost reduction efforts and other factors resulted in a real-term profit increase of 94.1 billion yen.
- Profit for the year attributable to owners of the parent increased to 1,059.3 billion yen, a 71.8% increase compared to last fiscal year, 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.

12-month results FY17 and FY18

FY17 FY18 Yen (billion)

Operating Profit

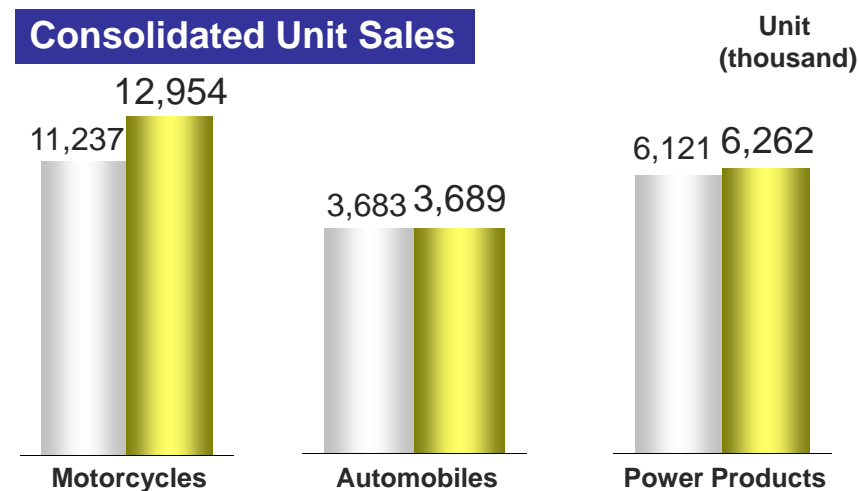
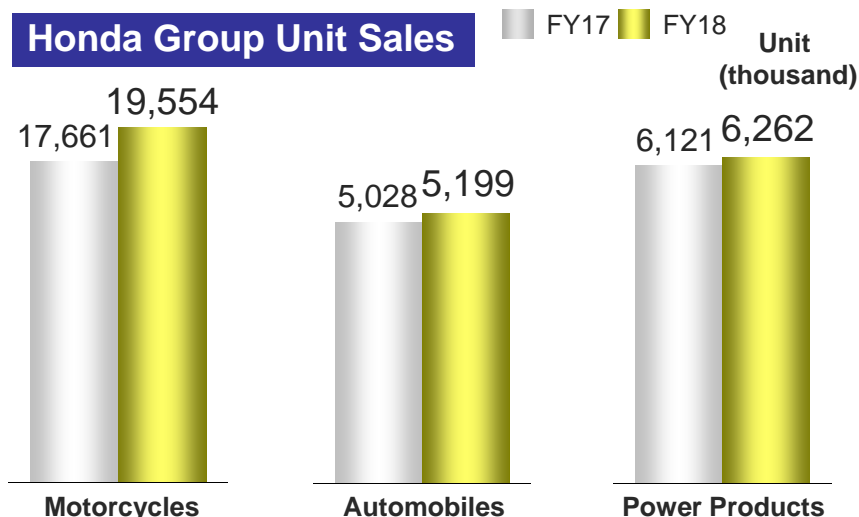
Profit for the year attributable to owners of the parent



FY18 Unit Sales Results

Honda Group Unit Sales (thousand)	12-Month Results		
	FY17	FY18	Change
Motorcycles	17,661	19,554	+ 10.7%
Automobiles	5,028	5,199	+ 3.4%
Power Products	6,121	6,262	+ 2.3%

Consolidated Unit Sales (thousand)	12-Month Results		
	FY17	FY18	Change
Motorcycles	11,237	12,954	+ 15.3%
Automobiles	3,683	3,689	+ 0.2%
Power Products	6,121	6,262	+ 2.3%



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 primarily to sales growth in China and Japan, despite a decline in sales in North America

Japan **Retail**

	Unit (thousand)	vs. FY17
Industry Demand:	5,197	(102.3%)
Unit Sales :	725	(102.0%)

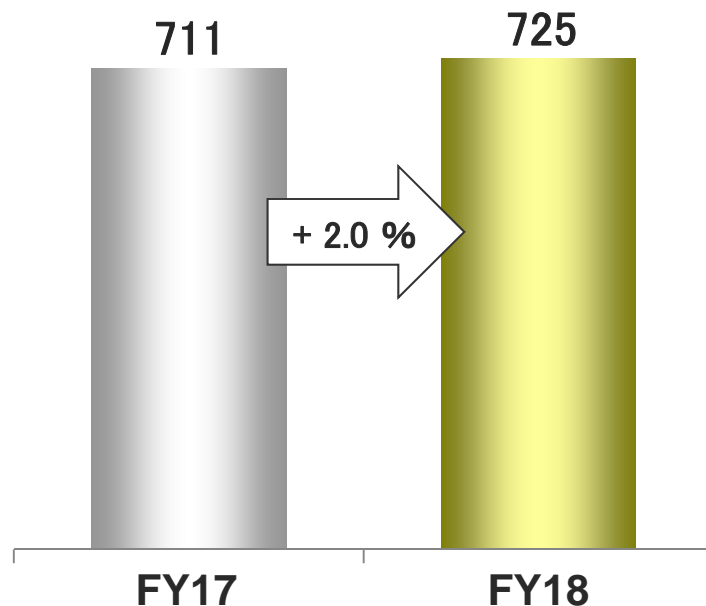
(Source : Japan Automobile Dealers Association)

▪ **N-BOX series claimed the best-selling model title in Japan in FY18**

- also achieved highest sales in the mini-vehicle segment three years in a row

▪ **Legend and Vezel underwent minor model changes; launched (Feb.)**

Unit (thousand)



N-BOX



Legend



Vezel

Main Market (Automobiles)

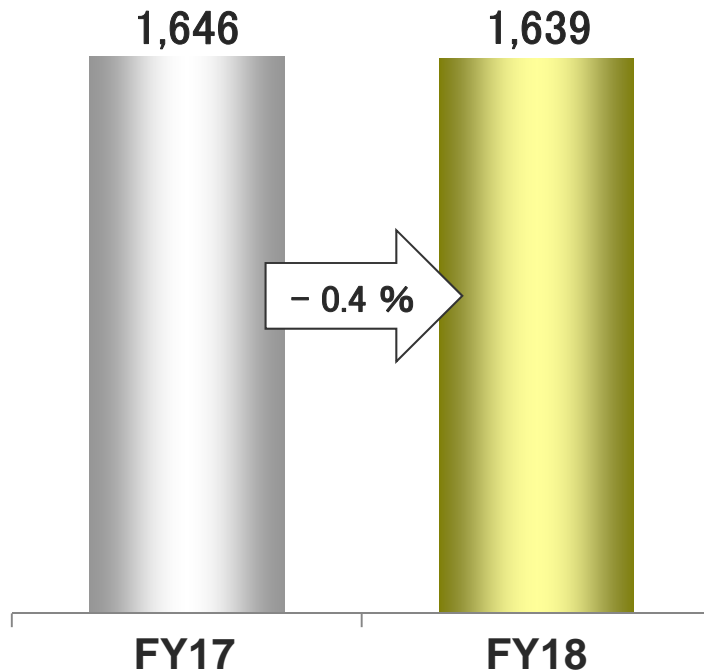
U.S	Retail
------------	---------------

	Unit (thousand)	vs. FY17
Industry Demand:	17,308	(99.0%)
Unit Sales :	1,639	(99.6%)

(Source: Autodata)

- Cumulative automobile production in the U.S. surpassed 25 million units
- U.S. sales of vehicles equipped with Honda Sensing® reached the one million unit mark

Unit (thousand)



- Accord Hybrid launched (Mar.)



25th million unit line-off



Accord Hybrid

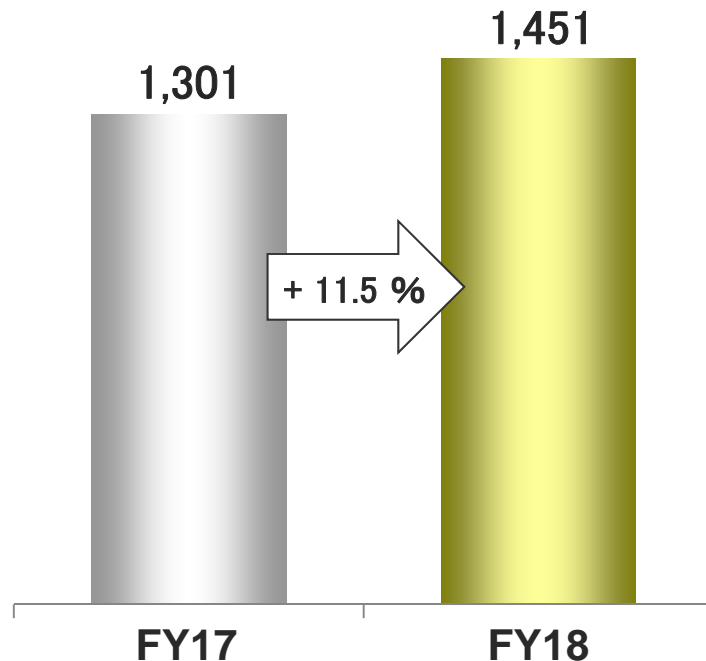
China

Retail

	Unit (thousand)	vs. FY17
Industry Demand:	29,123	(102.4%)
Unit Sales :	1,451	(111.5%)

*Industry demand is wholesale basis
(Source: China Association of Automobile Manufacturers)

Unit (thousand)



• **1.45 million unit sales in FY18 is an all-time record**

- Strong sales led by Avancier, UR-V and Civic

• **Cumulative automobile production surpassed 6 million units at GAC Honda Automobile Co., Ltd. (Guangzhou)**



Civic



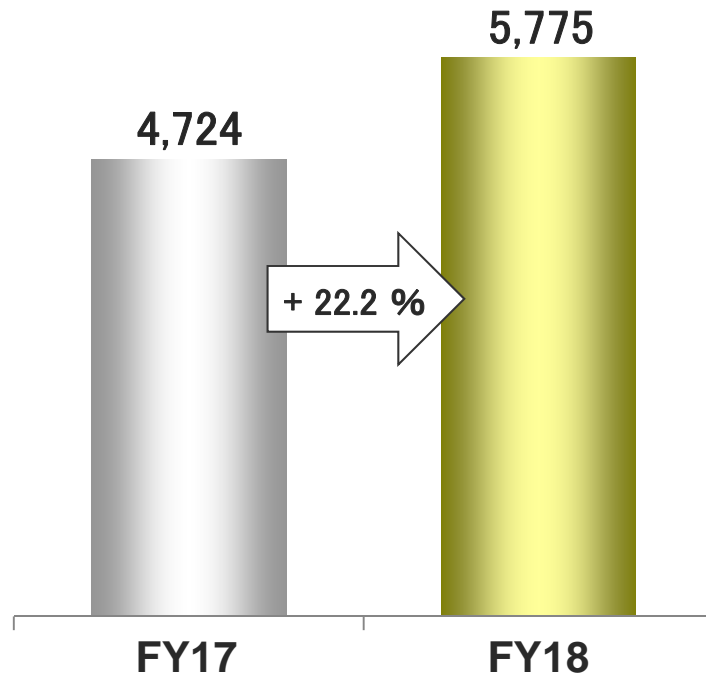
Avancier

India **Wholesale**

	Unit (thousand)	vs. FY17
Industry Demand:	20,189	(114.8%)
Unit Sales :	5,775	(122.2%)

(Source: Honda)

Unit (thousand)



- **5.78 million unit sales in FY18 is an all-time record**
- **Brand-new motorcycle X-Blade launched (Mar.)**
 - 160cc sports model with powerful, sporty looks and youthful appeal
- **New Activa launched (Mar.)**
 - India's top-selling scooter which is popular among all generations



X-Blade



Activa

- PCX and PCX150 underwent full model changes ;launched (Apr.)



PCX

- Premier grand touring bike Gold Wing underwent full model change for the first time in 17 years ; launched (Apr.)



Gold Wing

- HondaJet finished 2017 as the most delivered jet in its category



HondaJet

- Signed MoU for strategic partnership with ANA HOLDINGS to expand business jet market (Mar.)

- Handy EU18i generator with sine wave inverter for ultra-low-noise launched (Apr.)



EU18i

FY18 Financial Results (consolidated)

Financial Results Yen (billion)	12 Months		
	FY17	FY18	Change
Sales revenue	13,999.2	15,361.1	+ 9.7%
Operating profit	840.7	833.5	- 0.9%
Operating margin	6.0%	5.4%	- 0.6pt
Share of profit of investments accounted for using the equity method	164.7	247.6	+ 50.3%
Profit before income taxes	1,006.9	1,114.9	+ 10.7%
Profit for the year attributable to owners of the parent	616.5	1,059.3	+ 71.8%
Earnings per share *1 (Yen) attributable to owners of the parent	342.10	590.79	+ 248.69
Market average rates (Yen)			
US Dollar	108	111	Yen down by 3 yen

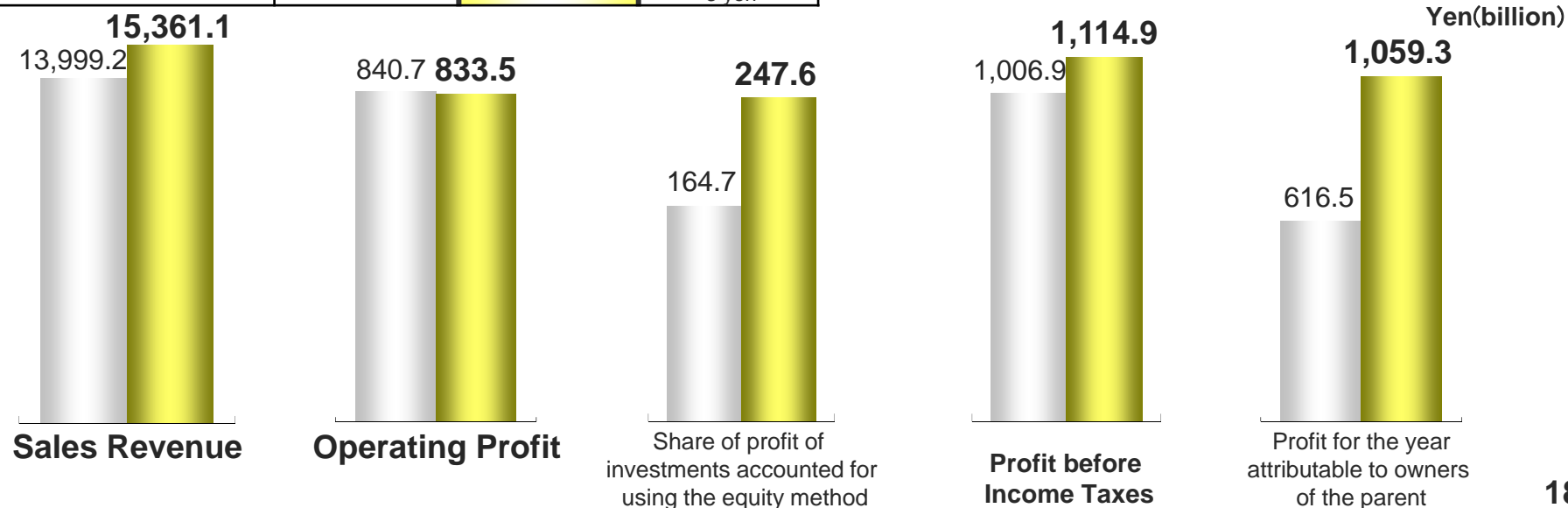
Financial Summary

Sales revenue increased by 9.7% primarily due to sales increases in all business operations and positive FOREX effects.

Operating profit decreased by 0.9% due primarily to an increase in SG&A expenses, the multi-district class action litigation settlement and the impact of the pension accounting treatment last fiscal year, despite the positive impact from revenue and model mix and cost reduction efforts.

For *1, please refer to footnotes on page 48

■ FY17 ■ FY18



FY19 Financial Forecast (Consolidated)

Yen (billion)

	FY18 Results	FY19 Forecast	Change	
			amount	%
Sales revenue	15,361.1	15,600.0	+ 238.8	+ 1.6%
Operating profit	833.5	700.0	- 133.5	- 16.0%
Operating margin	5.4%	4.5%		- 0.9pt
Share of profit of investments accounted for using the equity method	247.6	215.0	- 32.6	- 13.2%
Profit before income taxes	1,114.9	920.0	- 194.9	- 17.5%
Profit for the year attributable to owners of the parent	1,059.3 ^{*2}	570.0	- 489.3	- 46.2%
Earnings per share (Yen) attributable to owners of the parent ^{*1}	590.79	322.42		- 268.37

*1: Please refer to the footnote on page 48

*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 713.2 bil. yen, and earnings per share attributable to owners of the parent is 397.75 yen, respectively.

Market average rates (Yen)

US Dollar	111	105	Yen up by 6 yen
-----------	-----	------------	-----------------

(Yen)

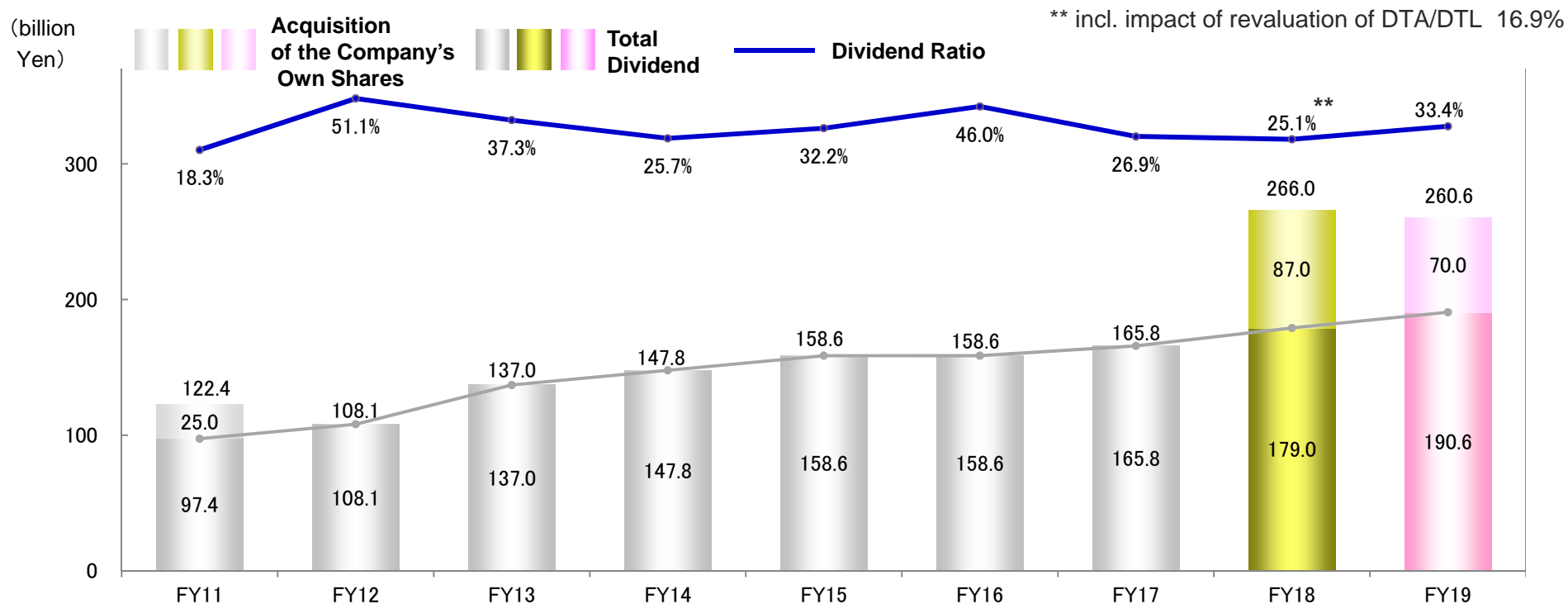
Dividend per Share	FY17	FY18	Increase/ Decrease from FY17	FY19	Increase/ Decrease from FY18
				(Expectation)	
1 st Quarter End	22	24	+ 2	(27)	(+ 3)
2 nd Quarter End	22	24	+ 2	(27)	(+ 3)
3 rd Quarter End	24	25	+ 1	(27)	(+ 2)
4 th Quarter End	24	27	+ 3	(27)	(-)
Fiscal Year	92	100	+ 8	(108)	(+ 8)

【Acquisition of the Company's Own Shares】

- Total number of shares to be acquired : Up to 18 million shares (shares of common stock) (1.0% of total number of issued shares (excluding treasury stock))
- Total amount of shares to be acquired : Up to 70 billion yen
- Period of acquisition: Starting on May 7, 2018 and ending on December 31, 2018
- Method of acquisition: Market purchases on the Tokyo Stock Exchange

Recent Shareholders' Return Summary Trend

		FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 (Expectation)
Dividend (Yen)	1 st Quarter End	12	15	19	20	22	22	22	24	(27)
	2 nd Quarter End	12	15	19	20	22	22	22	24	(27)
	3 rd Quarter End	15	15	19	20	22	22	24	25	(27)
	4 th Quarter End	15	15	19	22	22	22	24	27	(27)
	Fiscal Year	54	60	76	82	88	88	92	100	(108)
Dividend ratio*		18.3%	51.1%	37.3%	25.7%	32.2%	46.0%	26.9%	25.1% **	(33.4%)
Acquisition of the Company's Own Shares (billion)		25.0	0	0	0	0	0	0	87.0	(70.0)



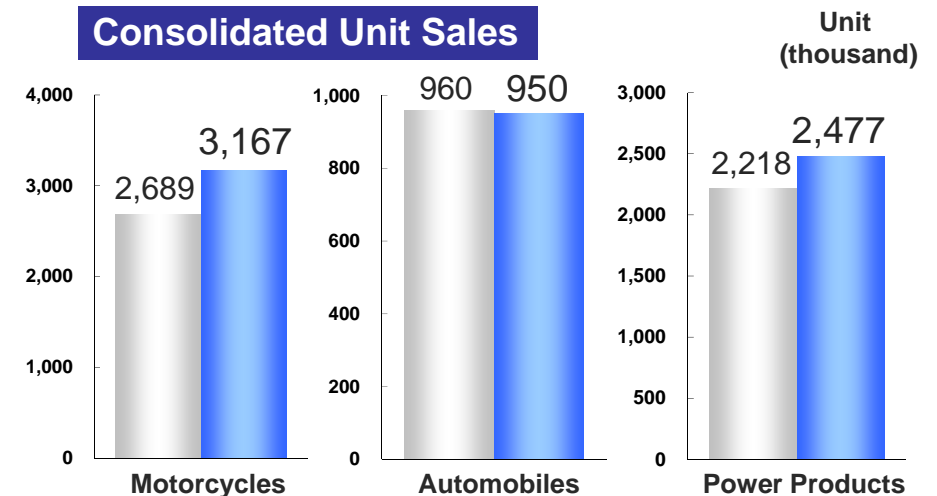
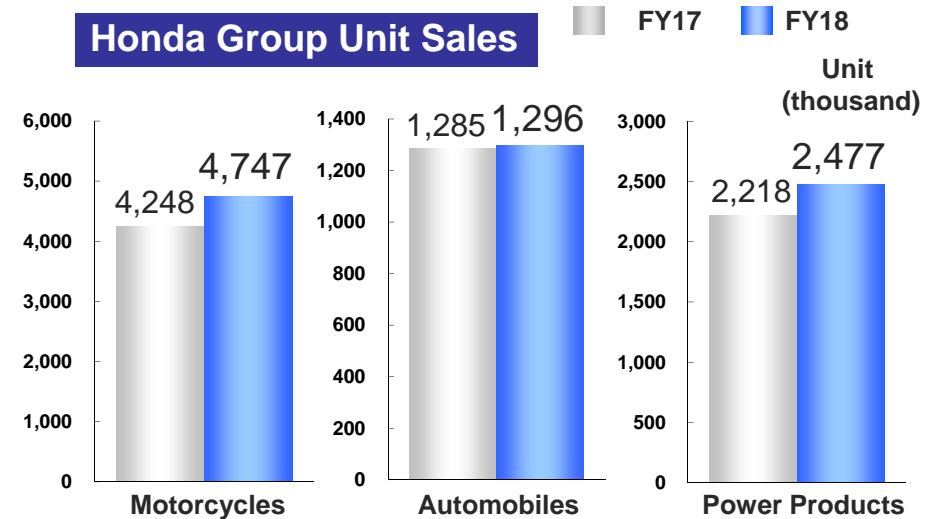
* US GAAP up to FY15 , IFRS from FY16

- *Highlights of FY18*
- *Outline of FY18 Financial Results and FY19 Financial Forecasts*
- ***FY18 Financial Results and FY19 Financial Forecasts***

FY18 4th Quarter Unit Sales

Honda Group Unit Sales (thousand)	4Q Results (3 Months)		
	FY17	FY18	Change
Motorcycles	4,248	4,747	+11.7%
Automobiles	1,285	1,296	+ 0.9%
Power Products	2,218	2,477	+ 11.7%

Consolidated Unit Sales (thousand)	4Q Results (3 Months)		
	FY17	FY18	Change
Motorcycles	2,689	3,167	+ 17.8%
Automobiles	960	950	- 1.0%
Power Products	2,218	2,477	+ 11.7%



Honda Group Unit Sales

- Increase in motorcycle unit sales due mainly to sales growth in India, Pakistan and Thailand
- Increase in automobile unit sales due mainly to sales growth in China and North America despite a decrease in Indonesia

FY18 4th Quarter Financial Results (Consolidated)

Financial Results Yen (billion)	4Q Results (3 Months)		
	FY17	FY18	Change
Sales revenue	3,763.4	3,914.7	+ 4.0%
Operating profit	138.1	126.8	- 8.2%
Operating margin	3.7%	3.2%	- 0.5pt
Share of profit of investments accounted for using the equity method	48.5	57.9	+ 19.2%
Profit before income taxes	186.9	190.4	+ 1.8%
Profit for the period attributable to owners of the parent	95.9	107.7	+ 12.3%
Earnings per share ^{*1} (Yen) attributable to owners of the parent	53.24	60.59	+ 7.35
Market average rates (Yen)	^{*1} : Please refer to the footnote on page 48		
US Dollar	114	108	Yen up by 6 yen

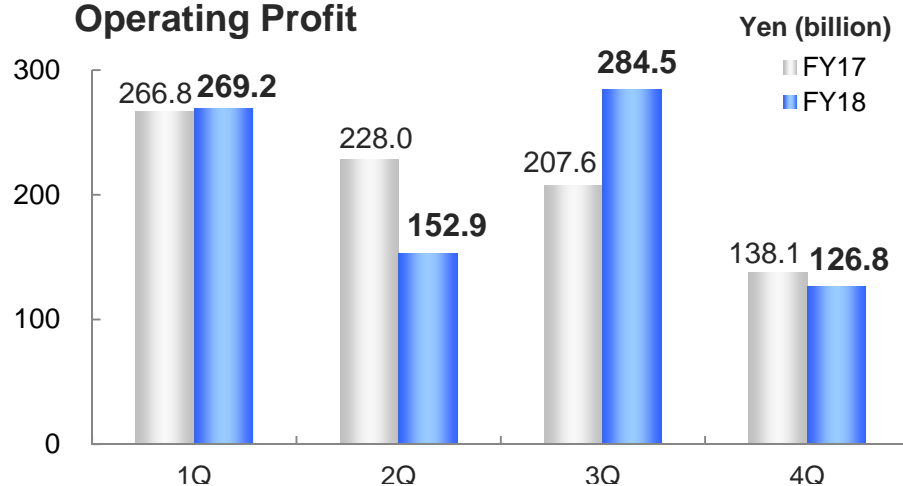
Financial Summary

Sales revenue increased by 4% primarily due to sales increases in all business operations.

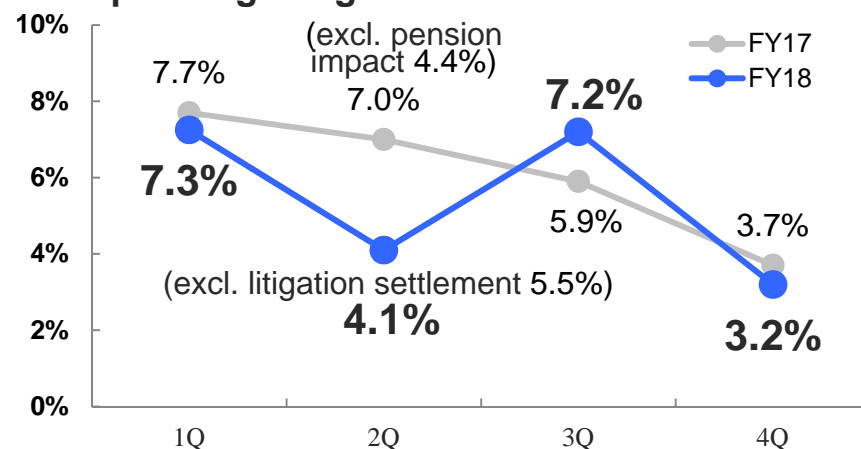
Operating profit decreased by 8.2% due primarily to an increase in SG&A expenses and negative FOREX effects despite the positive impact from cost reduction efforts and other factors.

Profit for the period attributable to owners of the parent increased by 1.8% due mainly to an increase in share of profit of investments accounted for using the equity method.

Operating Profit



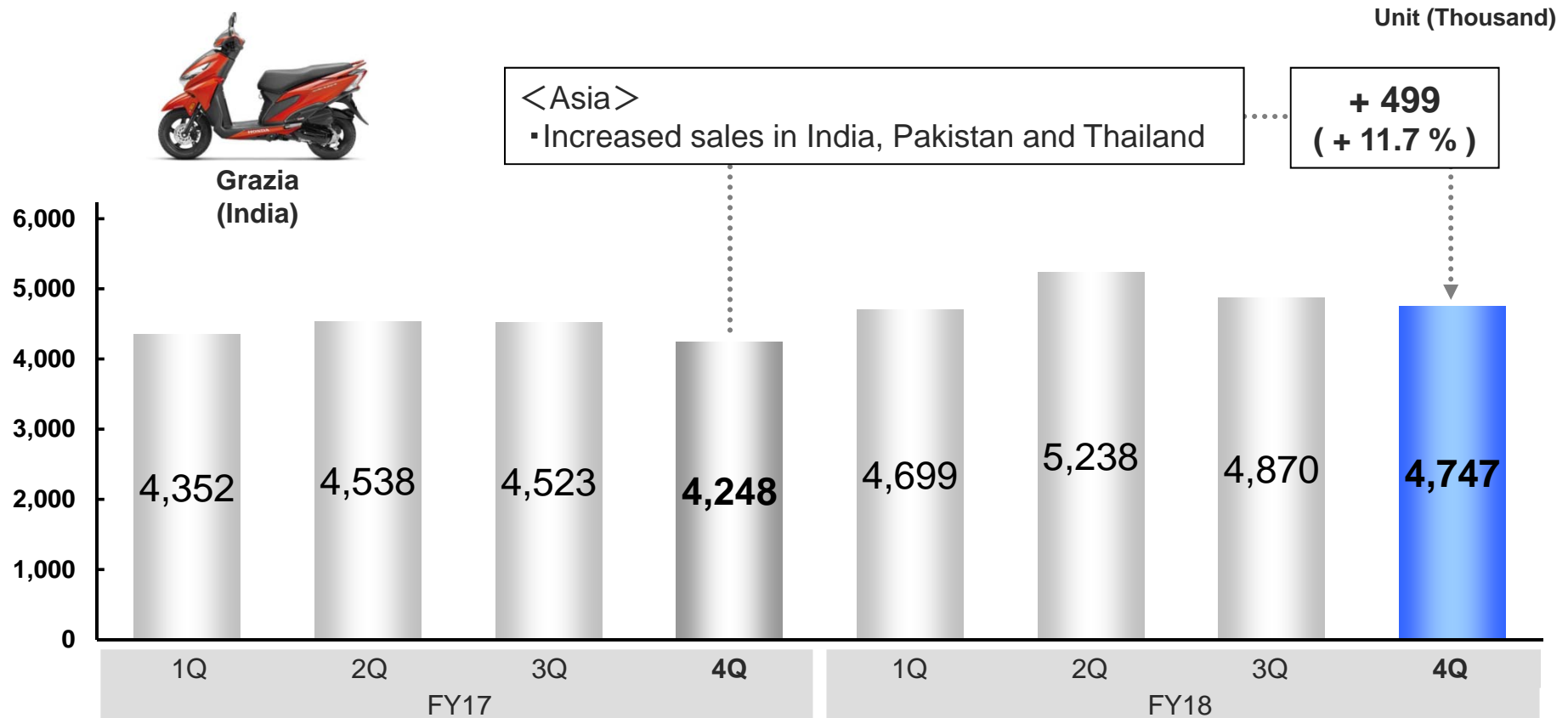
Operating Margin



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



Grazia
(India)



Japan	29	33	49	45	42	42	42	41
North America	78	71	68	77	80	83	69	81
Europe	72	48	31	66	81	53	39	61
Asia	3,885	4,125	4,115	3,812	4,219	4,804	4,437	4,260
Other Regions	288	261	260	248	277	256	283	304
Total	4,352	4,538	4,523	4,248	4,699	5,238	4,870	4,747

Automobiles - Honda Group Unit Sales

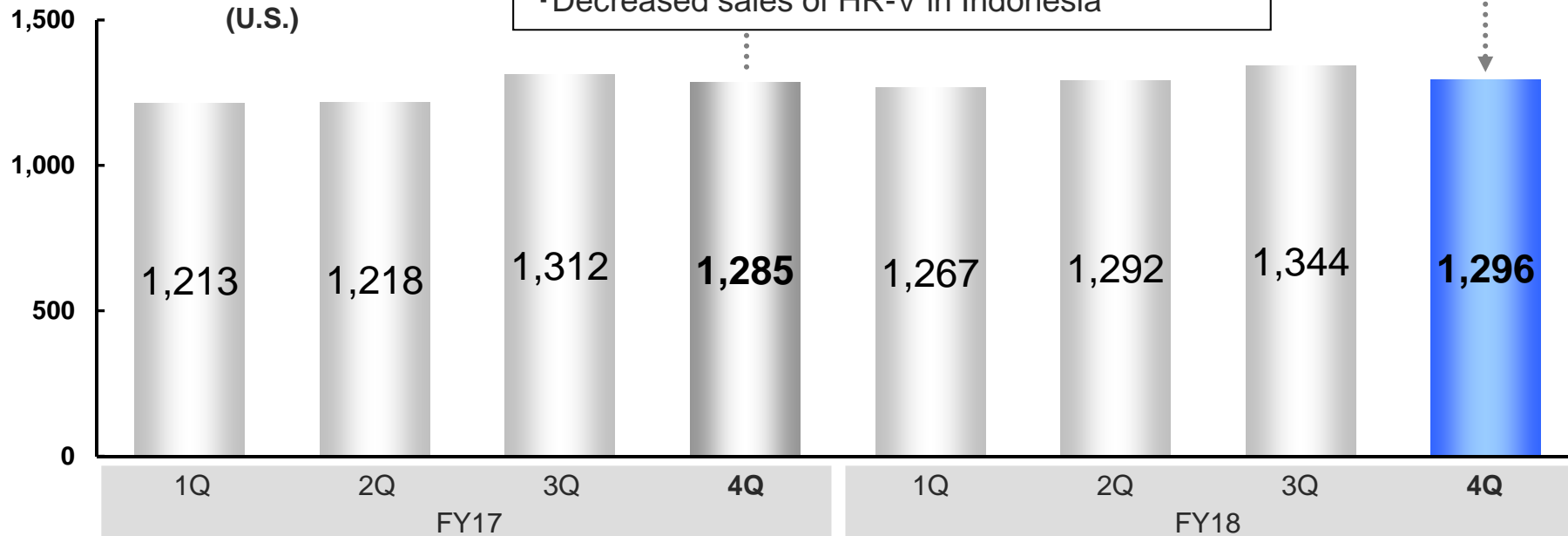


**Pilot
(U.S.)**

<North America>
 • Increased sales of Pilot
 <Asia>
 • Increased sales of Avancier and UR-V in China
 • Decreased sales of HR-V in Indonesia

Unit (Thousand)

**+ 11
(+ 0.9%)**



Japan	146	156	170	196	157	167	174	198
North America	510	479	510	471	481	452	491	478
Europe	45	45	43	51	42	43	42	56
Asia	453	482	527	502	523	570	578	495
Other Regions	59	56	62	65	64	60	59	69
Total	1,213	1,218	1,312	1,285	1,267	1,292	1,344	1,296

Power Products - Honda Group Unit Sales

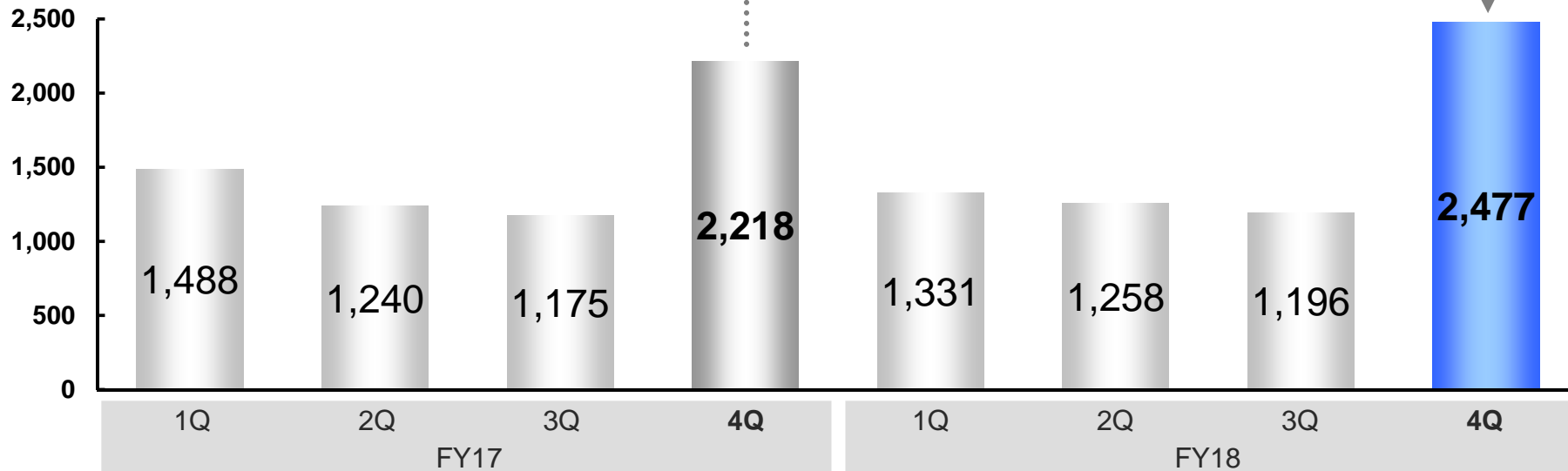


GCV160
(Engine)

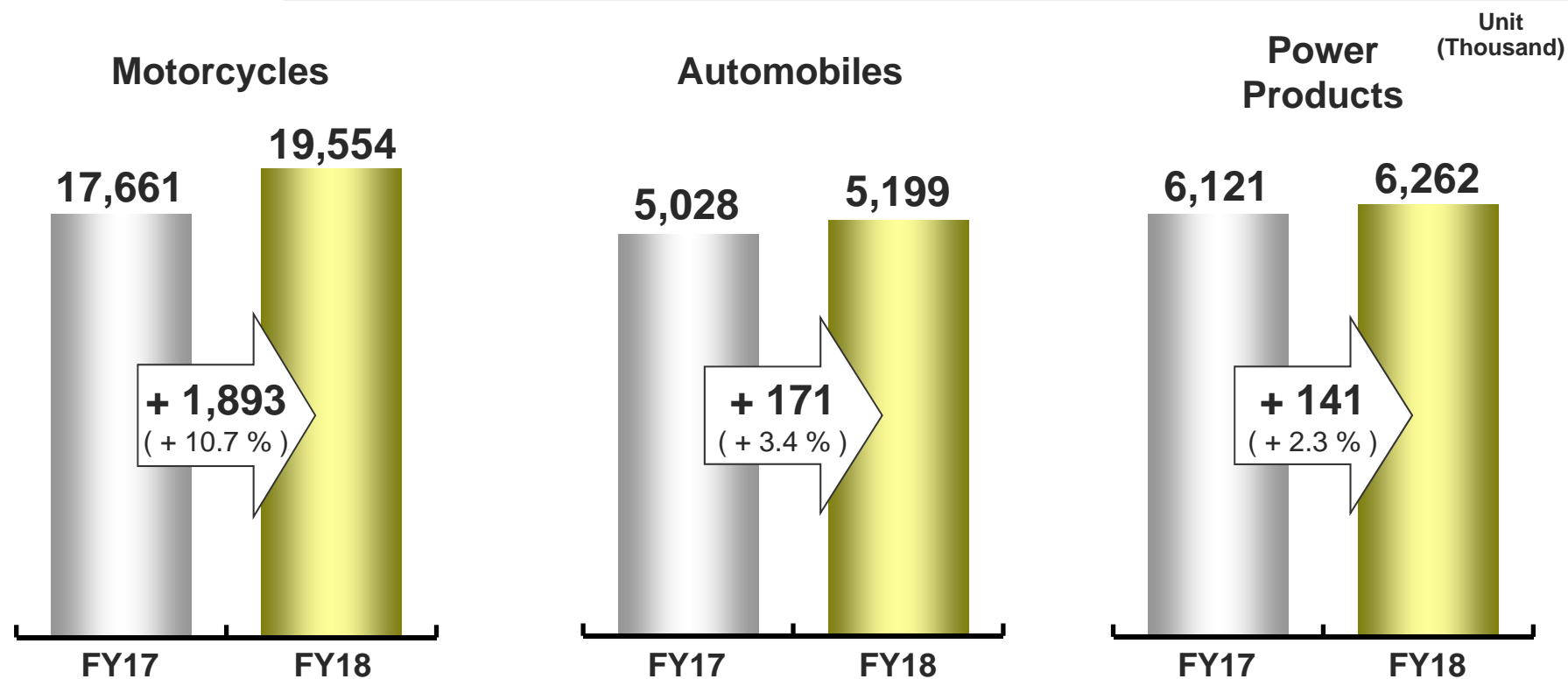
- <North America>
 - Increased sales of OEM engines
- <Asia>
 - Increased sales of OEM engines in China and Thailand

Unit (Thousand)

+ 259
(+ 11.7 %)



Japan	59	87	54	101	59	79	64	98
North America	769	522	521	1,165	596	545	524	1,347
Europe	225	165	190	455	240	166	191	425
Asia	360	376	311	383	362	379	300	471
Other Regions	75	90	99	114	74	89	117	136
Total	1,488	1,240	1,175	2,218	1,331	1,258	1,196	2,477

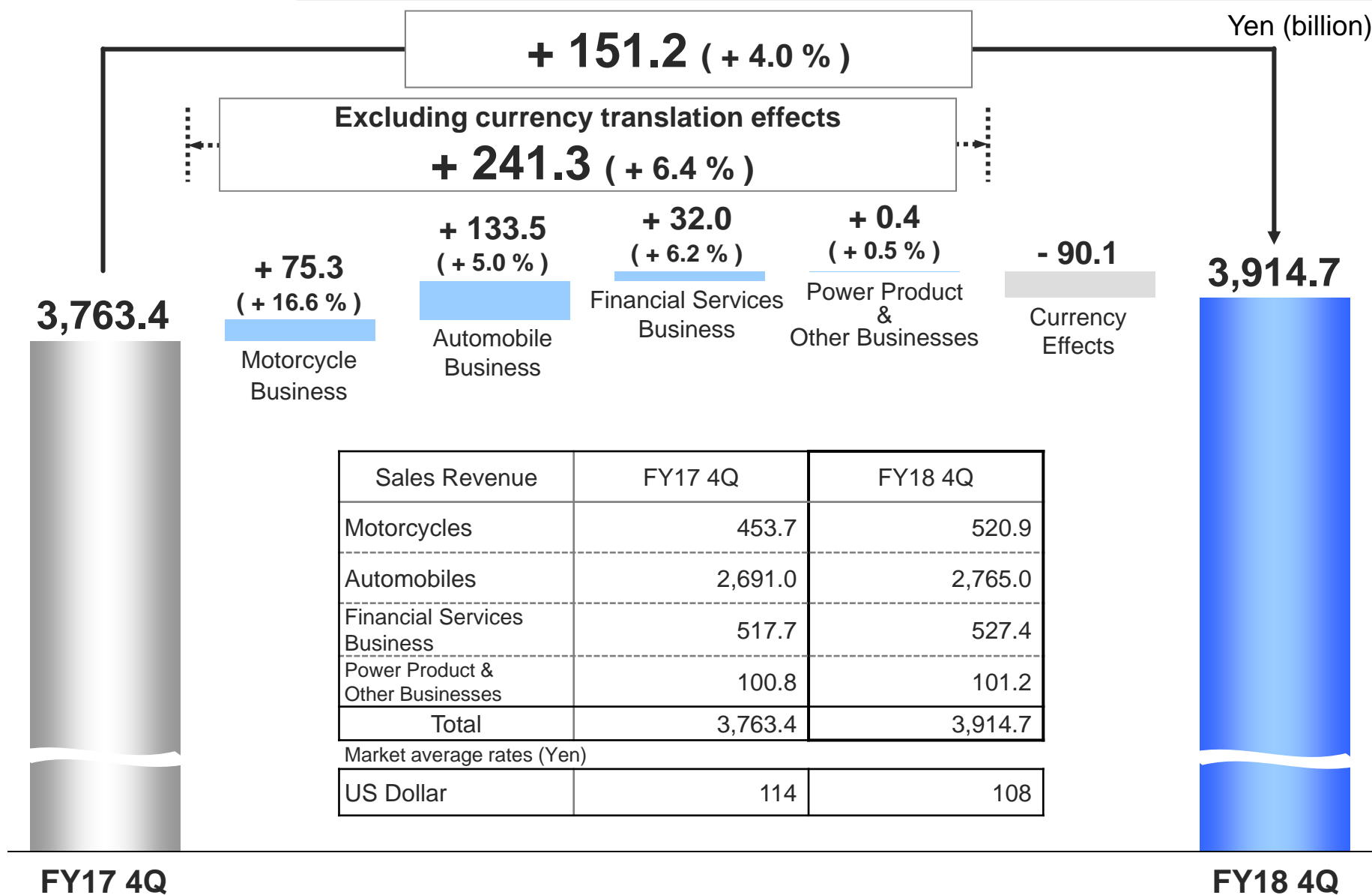


	FY17	FY18	Change
Japan	156	167	+ 11
North America	294	313	+ 19
Europe	217	234	+ 17
Asia	15,937	17,720	+ 1,783
Other Regions	1,057	1,120	+ 63
Total	17,661	19,554	+ 1,893

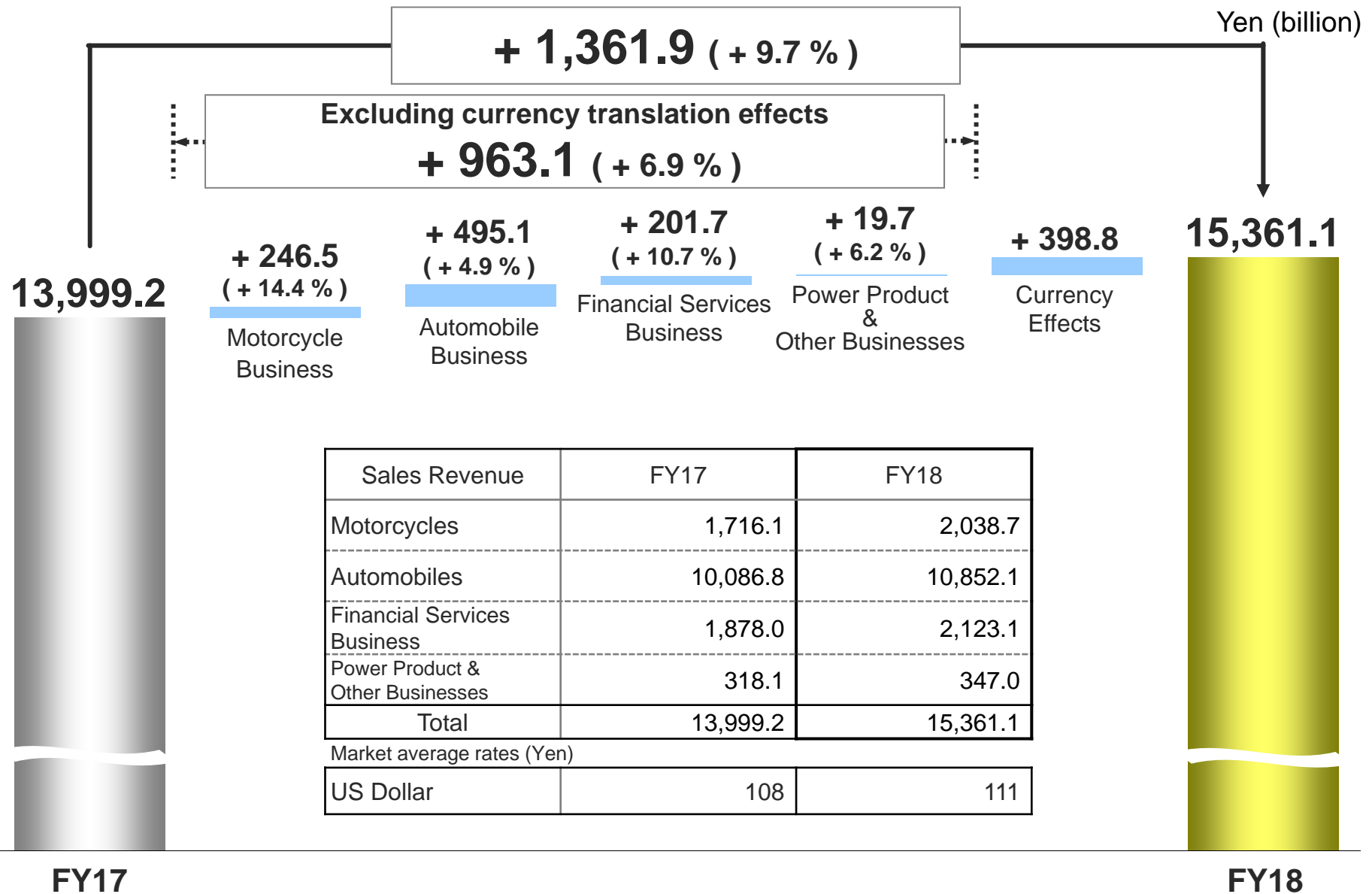
	FY17	FY18	Change
Japan	668	696	+ 28
North America	1,970	1,902	- 68
Europe	184	183	- 1
Asia	1,964	2,166	+ 202
Other Regions	242	252	+ 10
Total	5,028	5,199	+ 171

	FY17	FY18	Change
Japan	301	300	- 1
North America	2,977	3,012	+ 35
Europe	1,035	1,022	- 13
Asia	1,430	1,512	+ 82
Other Regions	378	416	+ 38
Total	6,121	6,262	+ 141

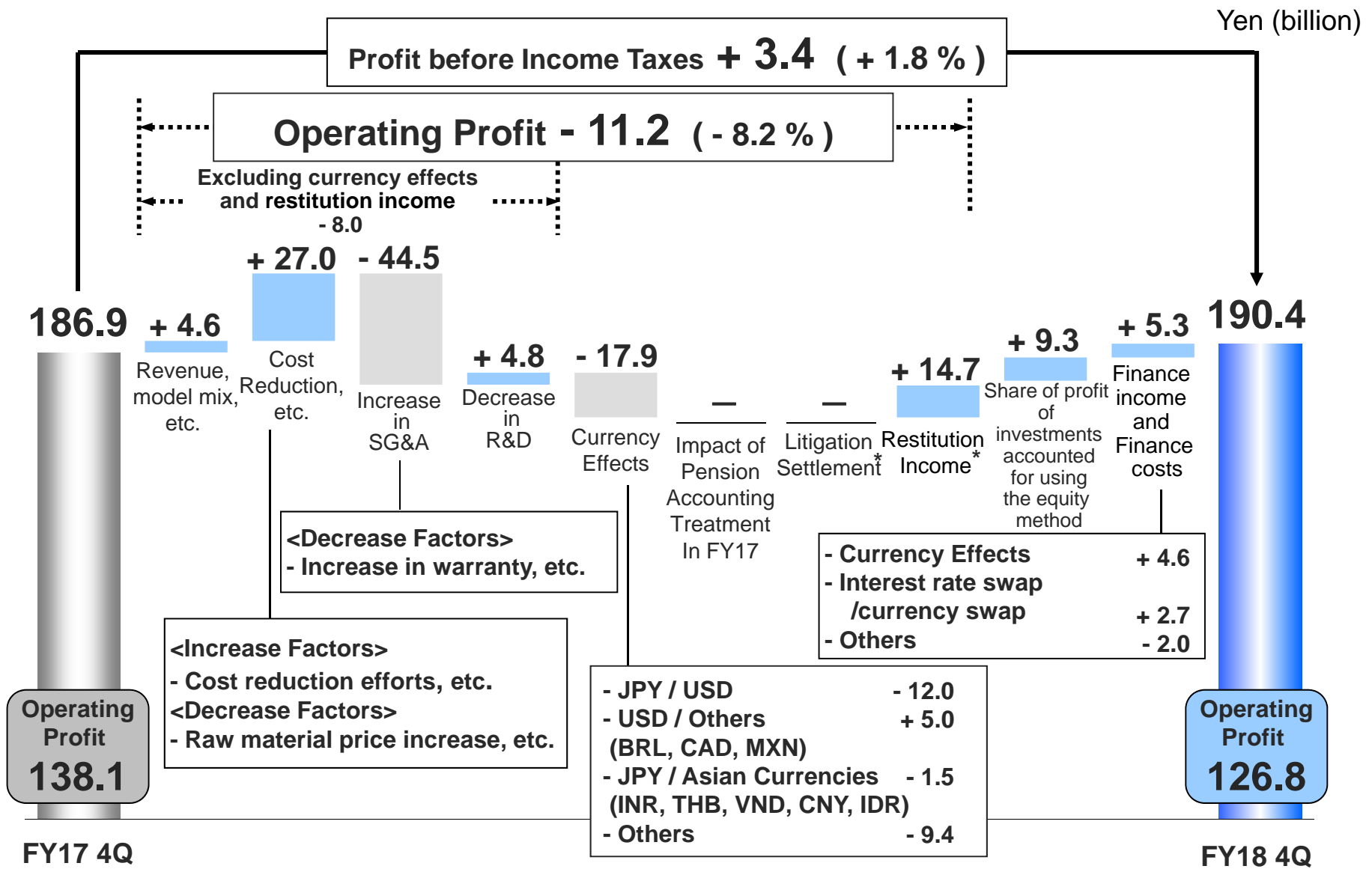
Change in Sales Revenue <FY18 4th Qtr>



Change in Sales Revenue <FY18 Twelve Months>

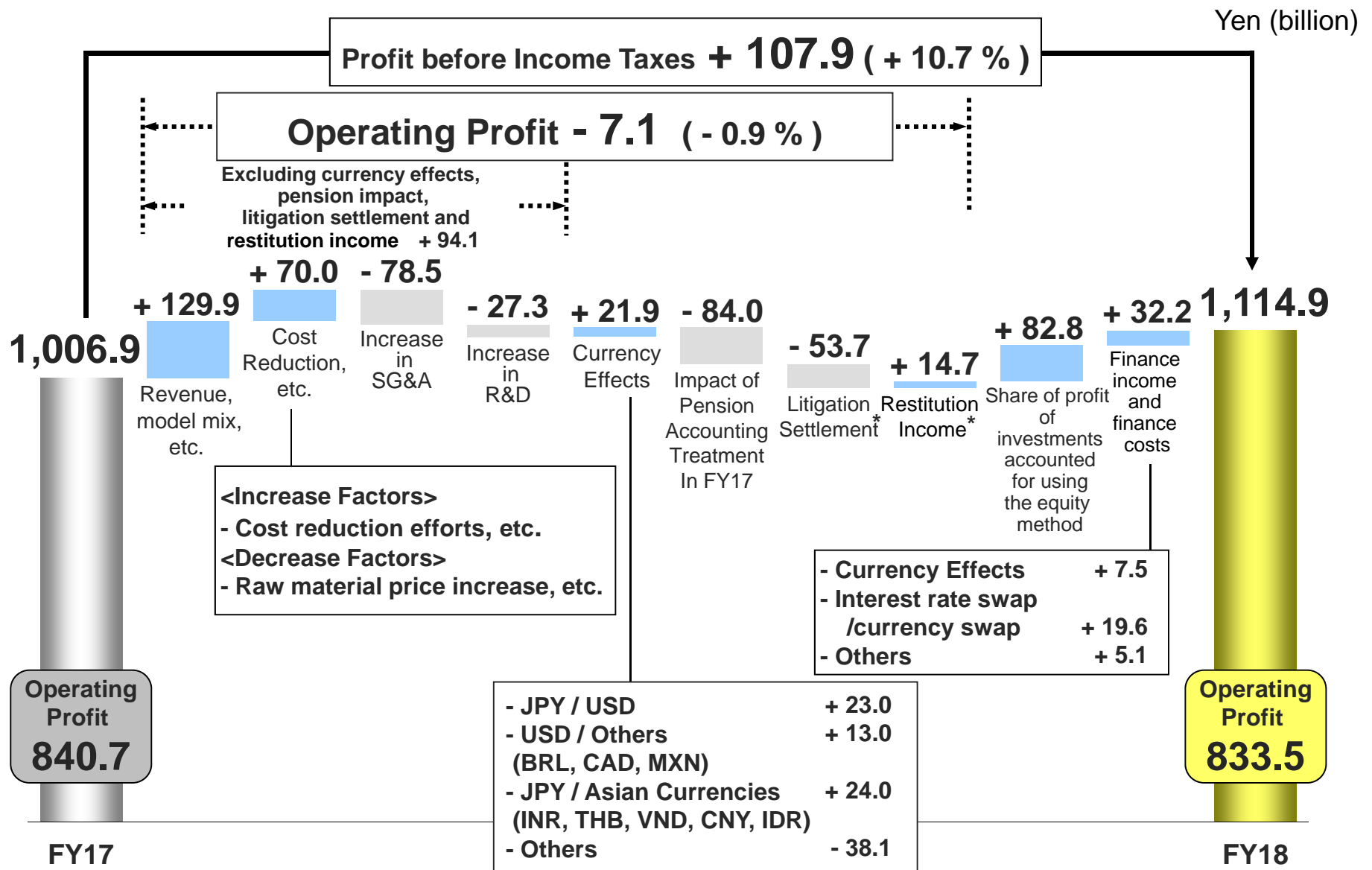


Change in Profit before Income Taxes <FY18 4th Qtr>



*Litigation settlement and restitution income related to airbag inflator

Change in Profit before Income Taxes <FY18 Twelve Months>

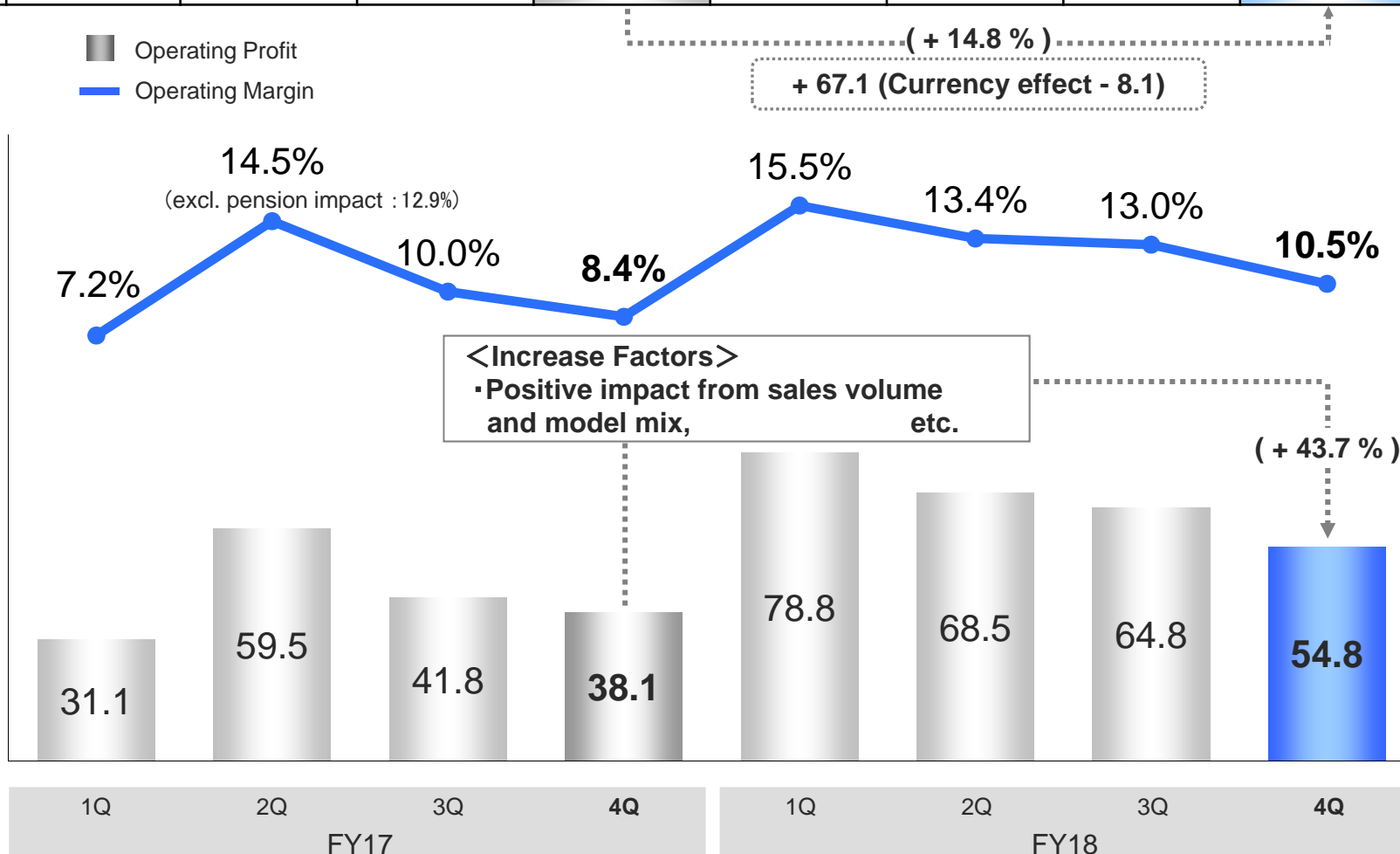


*Litigation settlement and restitution income related to airbag inflator

Unit (thousand) Yen (billion)	FY17				FY18			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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)	4,747 (3,167)
Sales Revenue	432.4	409.3	420.6	453.7	508.5	510.1	499.1	520.9

Yen (billion)

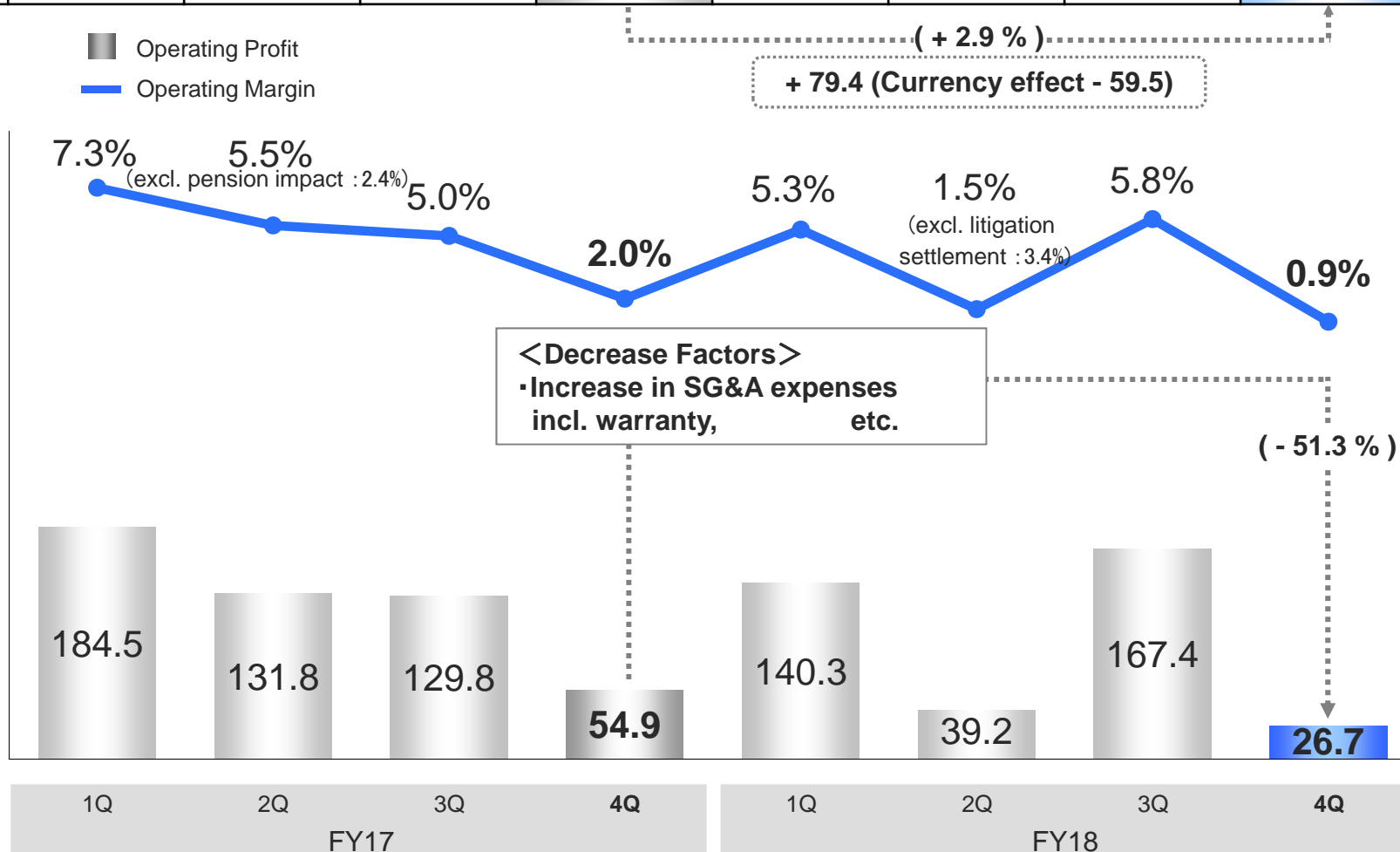
■ Operating Profit
— Operating Margin



Unit (thousand) Yen (billion)	FY17				FY18			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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)	1,296 (950)
Sales Revenue	2,536.1	2,377.4	2,596.4	2,746.7	2,624.5	2,693.0	2,901.4	2,826.1

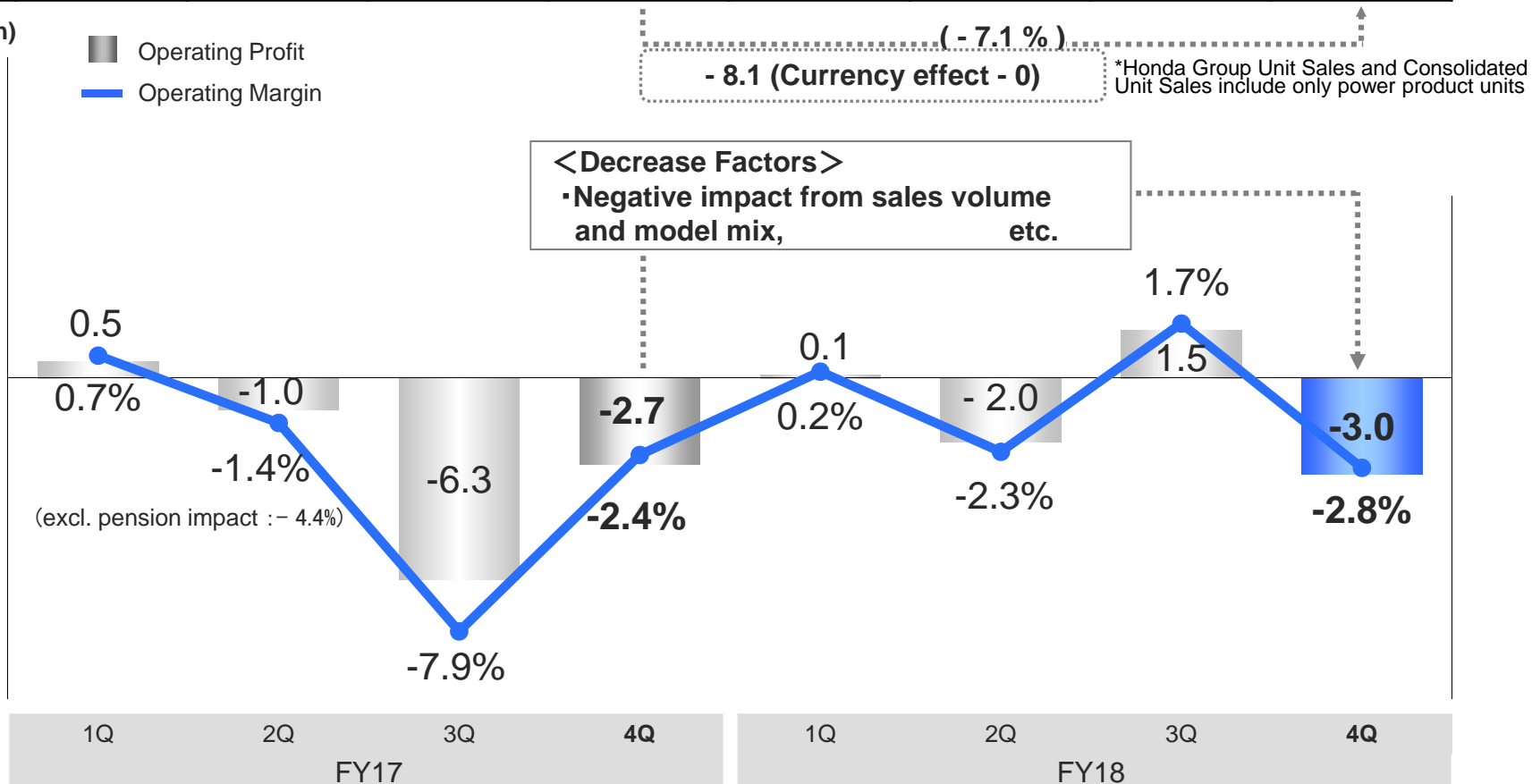
Yen (billion)

■ Operating Profit
— Operating Margin



Unit (thousand) Yen (billion)	FY17				FY18			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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)	2,477 (2,477)
Sales Revenue	80.9	73.5	80.3	114.8	83.1	87.8	93.4	106.7

Yen (billion)



(For reference)

Operating profit from aircraft and aircraft engines	- 8.8	- 10.6	- 12.3	- 12.0	- 8.5	- 13.6	- 8.0	- 11.5
---	-------	--------	--------	---------------	-------	--------	-------	--------

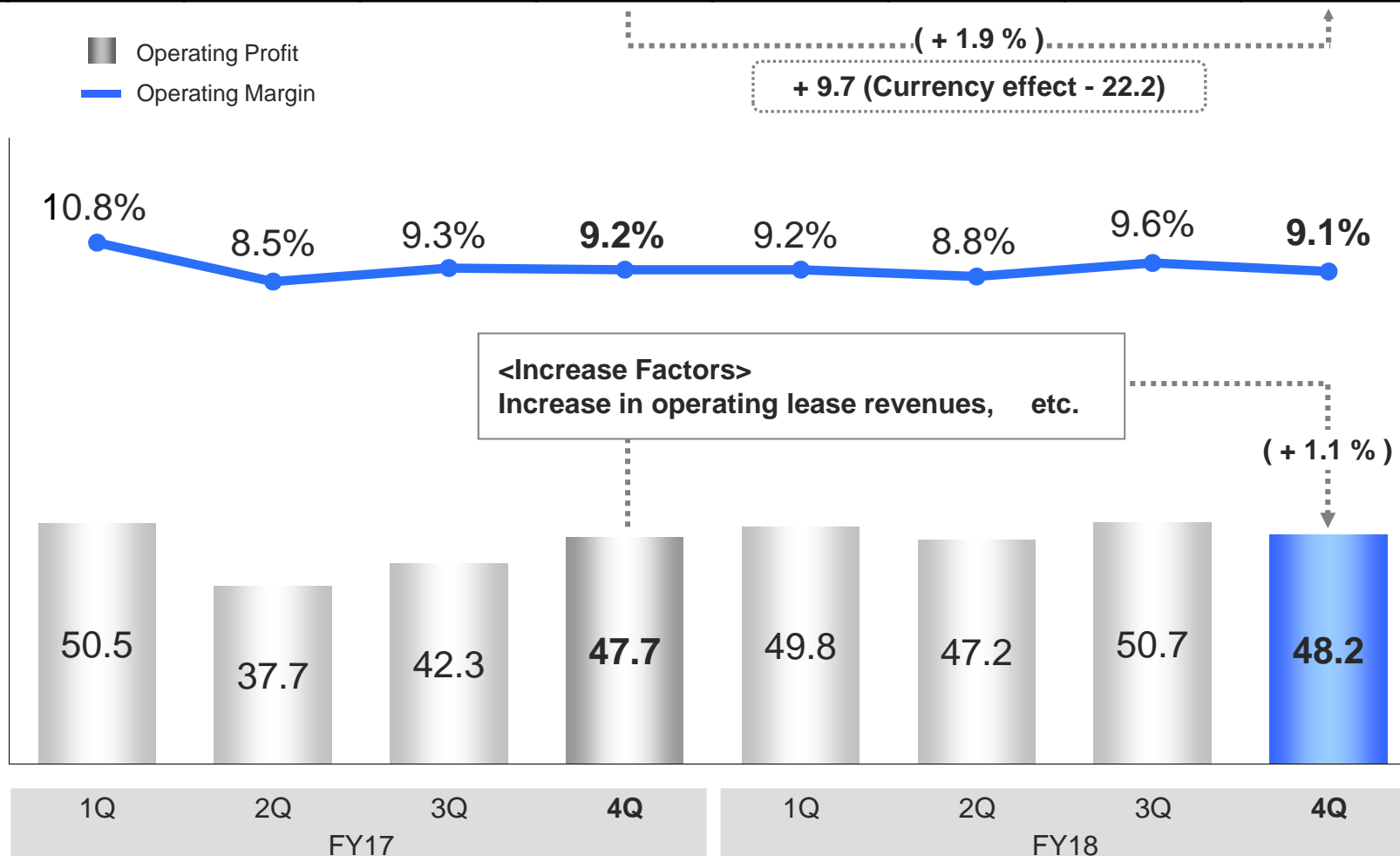
Financial Services Business

Total Assets/Sales Revenue/Operating Profit (Margin)

Yen (billion)	FY17				FY18			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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	9,409.2
Sales Revenue	467.9	446.3	455.7	521.1	539.6	539.5	527.1	530.8

Yen (billion)

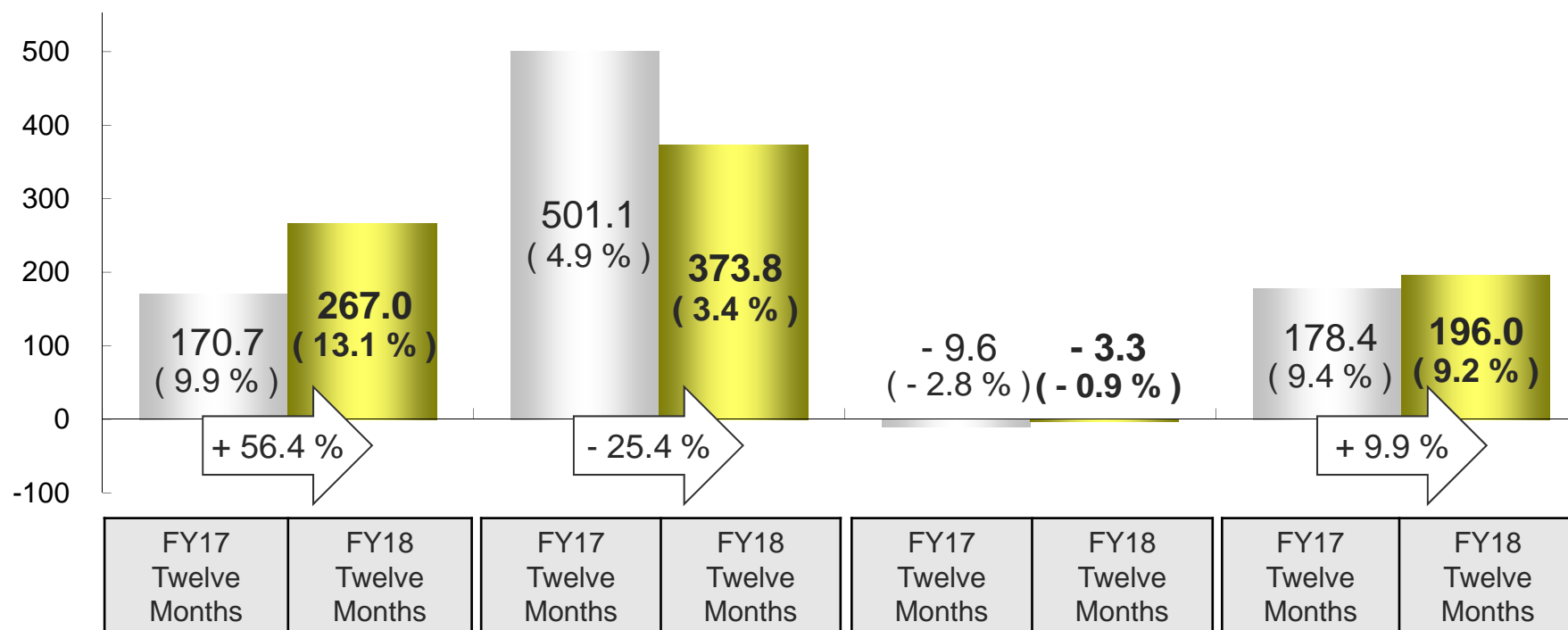
■ Operating Profit
■ Operating Margin



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

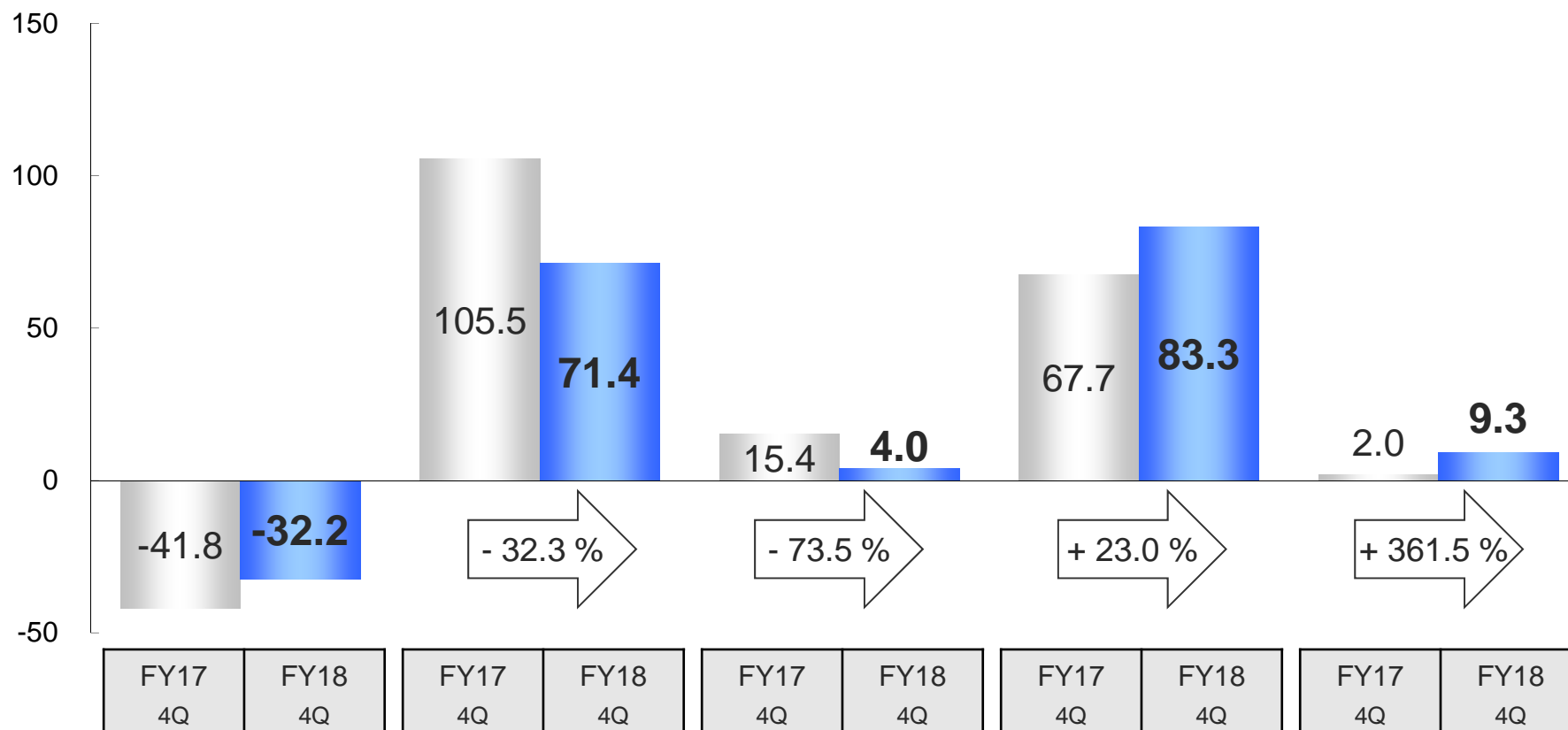
Unit (thousand) Yen (billion)	Motorcycle Business		Automobile Business		Power Product and Other Businesses		Financial Services Business	
	FY17 Twelve Months	FY18 Twelve Months	FY17 Twelve Months	FY18 Twelve Months	FY17 Twelve Months	FY18 Twelve Months	FY17 Twelve Months	FY18 Twelve Months
Honda Group Unit Sales (Consolidated Unit Sales)	17,661 (11,237)	19,554 (12,954)	5,028 (3,683)	5,199 (3,689)	6,121 (6,121)	6,262 (6,262)	— (—)	— (—)
Sales Revenue	1,716.1	2,038.7	10,256.6	11,045.2	349.6	371.1	1,891.2	2,137.2

Operating Profit : Yen (billion)
Operating Margin : (%)



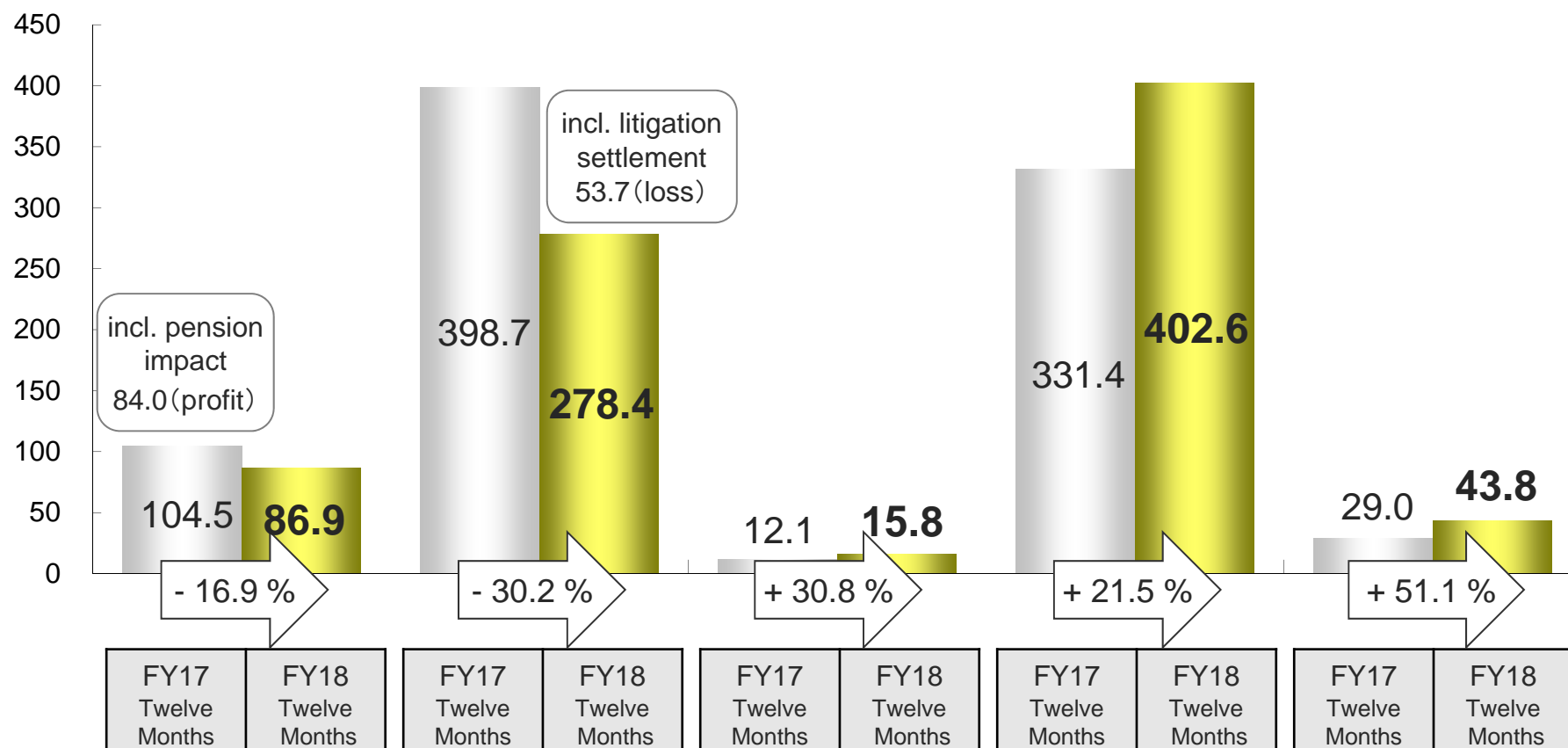
**Sales Revenue/Operating Profit
by Geographical Segment <FY18 4th Qtr>**

	Japan		North America		Europe		Asia		Other Regions	
	FY17 4Q	FY18 4Q	FY17 4Q	FY18 4Q	FY17 4Q	FY18 4Q	FY17 4Q	FY18 4Q	FY17 4Q	FY18 4Q
Sales Revenue	1,076.9	1,239.3	2,134.0	2,148.6	257.3	277.3	946.3	1,038.0	199.8	218.8

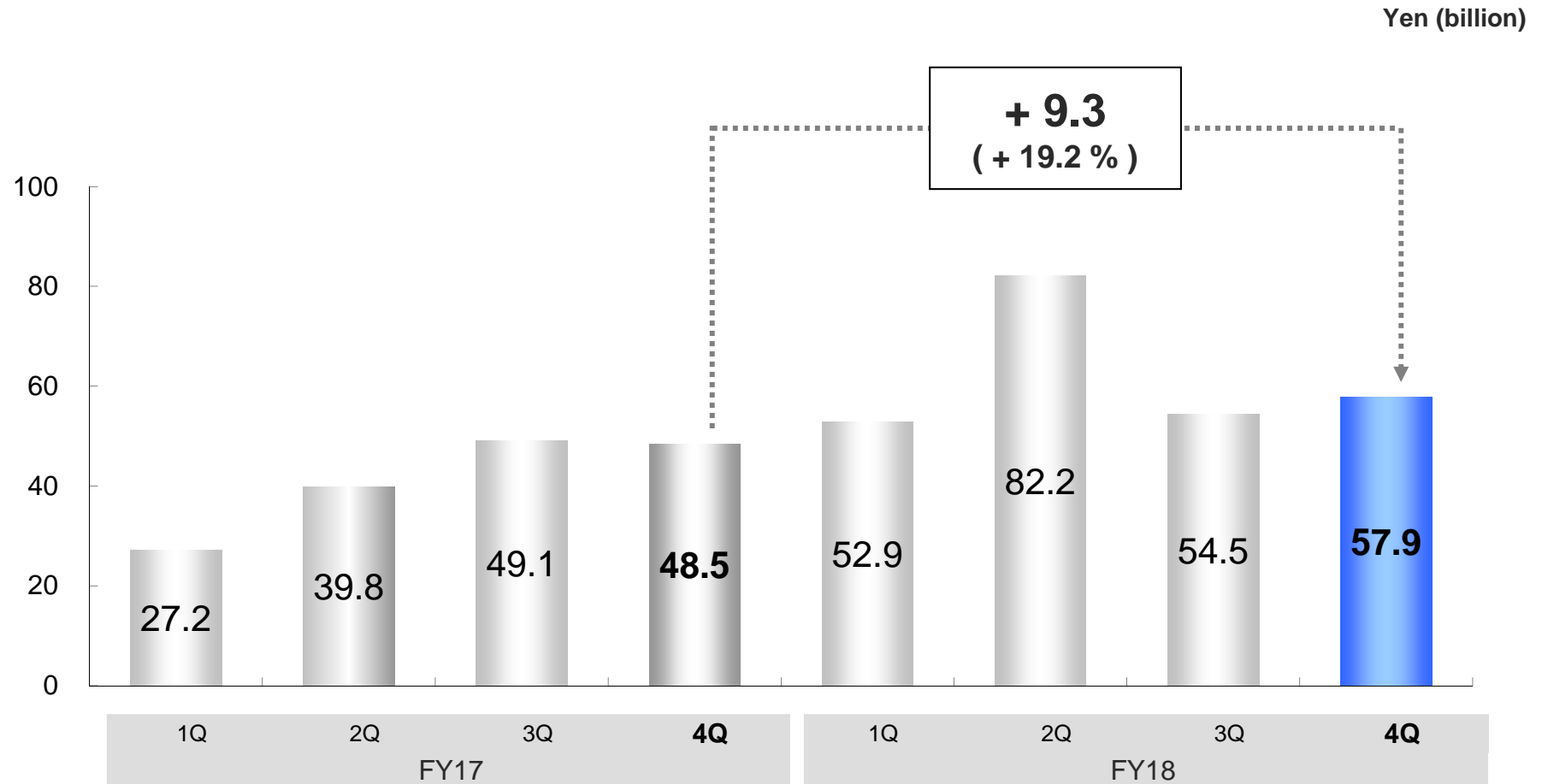


**Sales Revenue/Operating Profit (Margin)
by Geographical Segment <FY18 Twelve months>**

	Japan		North America		Europe		Asia		Other Regions	
Yen (billion)	FY17 Twelve Months	FY18 Twelve Months	FY17 Twelve Months	FY18 Twelve Months	FY17 Twelve Months	FY18 Twelve Months	FY17 Twelve Months	FY18 Twelve Months	FY17 Twelve Months	FY18 Twelve Months
Sales Revenue	4,113.4	4,480.6	8,098.0	8,584.6	789.3	917.2	3,456.0	4,221.0	733.4	837.5



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

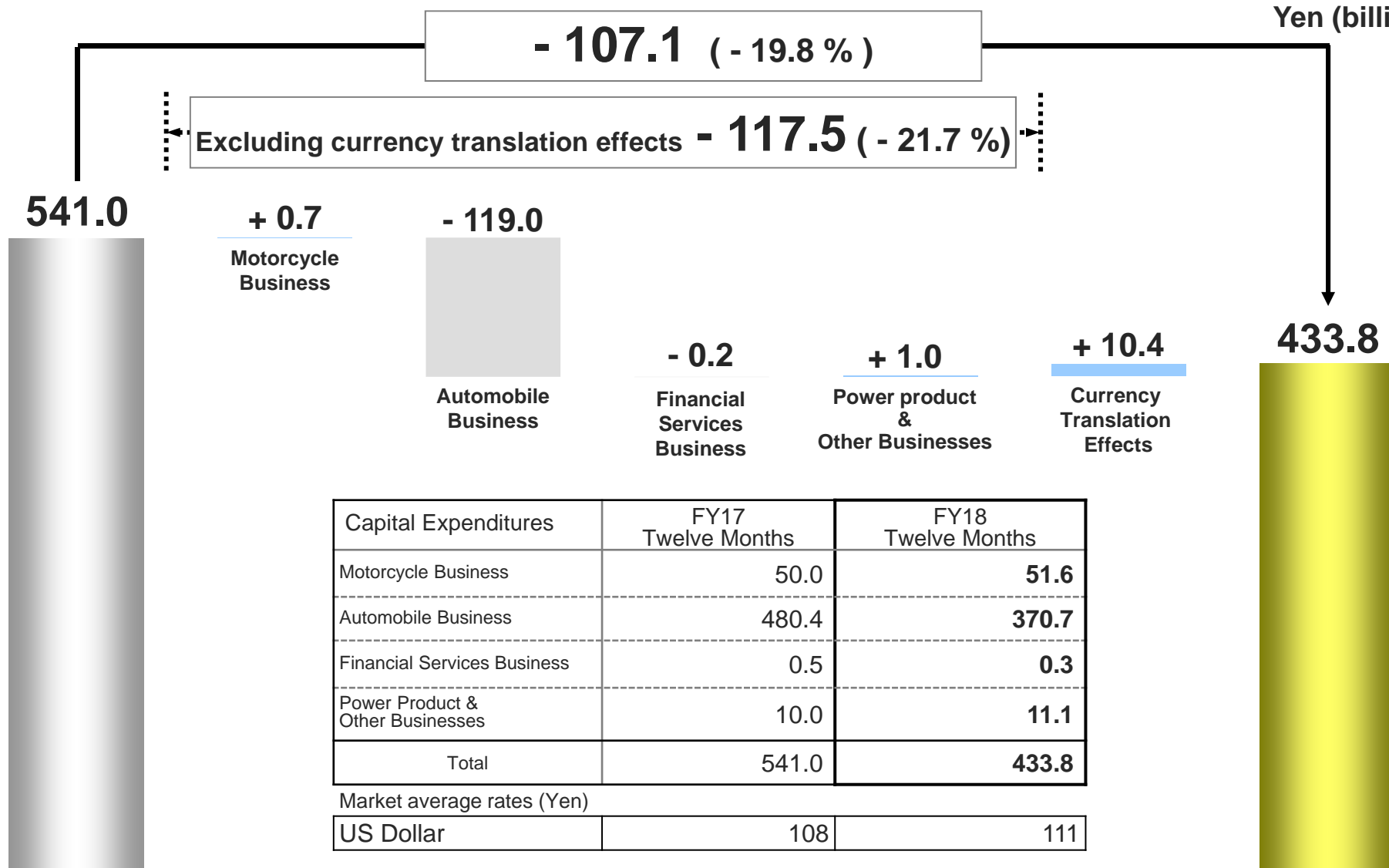


Yen (billion)

From Asia	39.3	36.2	40.8	43.8	46.3	57.9	47.0	55.8
-----------	------	------	------	-------------	------	------	------	-------------

Consolidated Capital Expenditures <FY18 Twelve months>

Yen (billion)

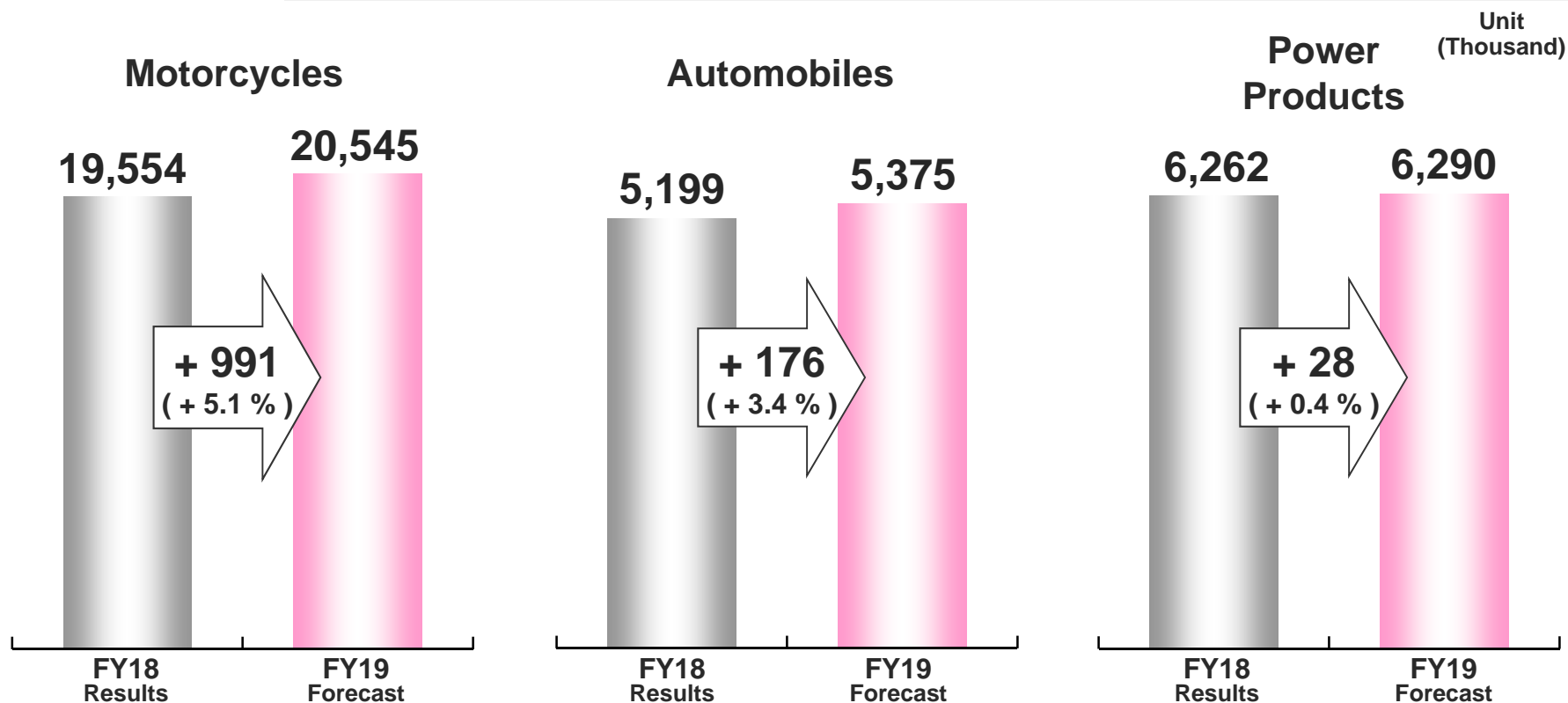


FY17

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

FY18

Forecast: Honda Group Unit Sales

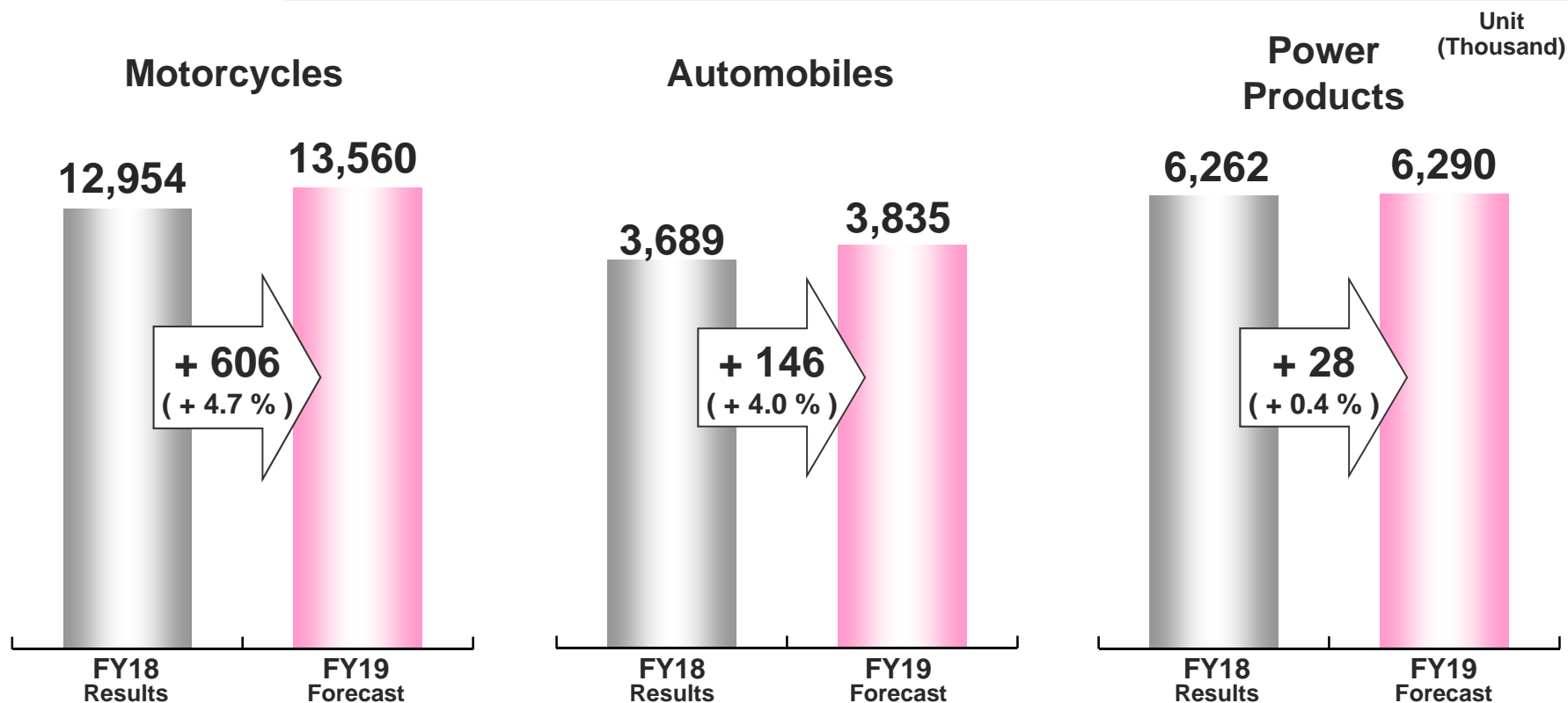


	FY18 Results	FY19 Forecast	Change
Japan	167	190	+ 23
North America	313	325	+ 12
Europe	234	235	+ 1
Asia	17,720	18,545	+ 825
Other Region	1,120	1,250	+ 130
Total	19,554	20,545	+ 991

	FY18 Results	FY19 Forecast	Change
Japan	696	690	-6
North America	1,902	2,015	+ 113
Europe	183	185	+ 2
Asia	2,166	2,220	+ 54
Other Region	252	265	+ 13
Total	5,199	5,375	+ 176

	FY18 Results	FY19 Forecast	Change
Japan	300	300	-
North America	3,012	3,055	+ 43
Europe	1,022	1,030	+ 8
Asia	1,512	1,495	- 17
Other Region	416	410	- 6
Total	6,262	6,290	+ 28

Forecast: Consolidated Unit Sales



	FY18 Results	FY19 Forecast	Change
Japan	167	190	+ 23
North America	313	325	+ 12
Europe	234	235	+ 1
Asia	11,120	11,560	+ 440
Other Region	1,120	1,250	+ 130
Total	12,954	13,560	+ 606

	FY18 Results	FY19 Forecast	Change
Japan	627	620	- 7
North America	1,902	2,015	+ 113
Europe	183	185	+ 2
Asia	725	750	+ 25
Other Region	252	265	+ 13
Total	3,689	3,835	+ 146

	FY18 Results	FY19 Forecast	Change
Japan	300	300	-
North America	3,012	3,055	+ 43
Europe	1,022	1,030	+ 8
Asia	1,512	1,495	- 17
Other Region	416	410	- 6
Total	6,262	6,290	+ 28

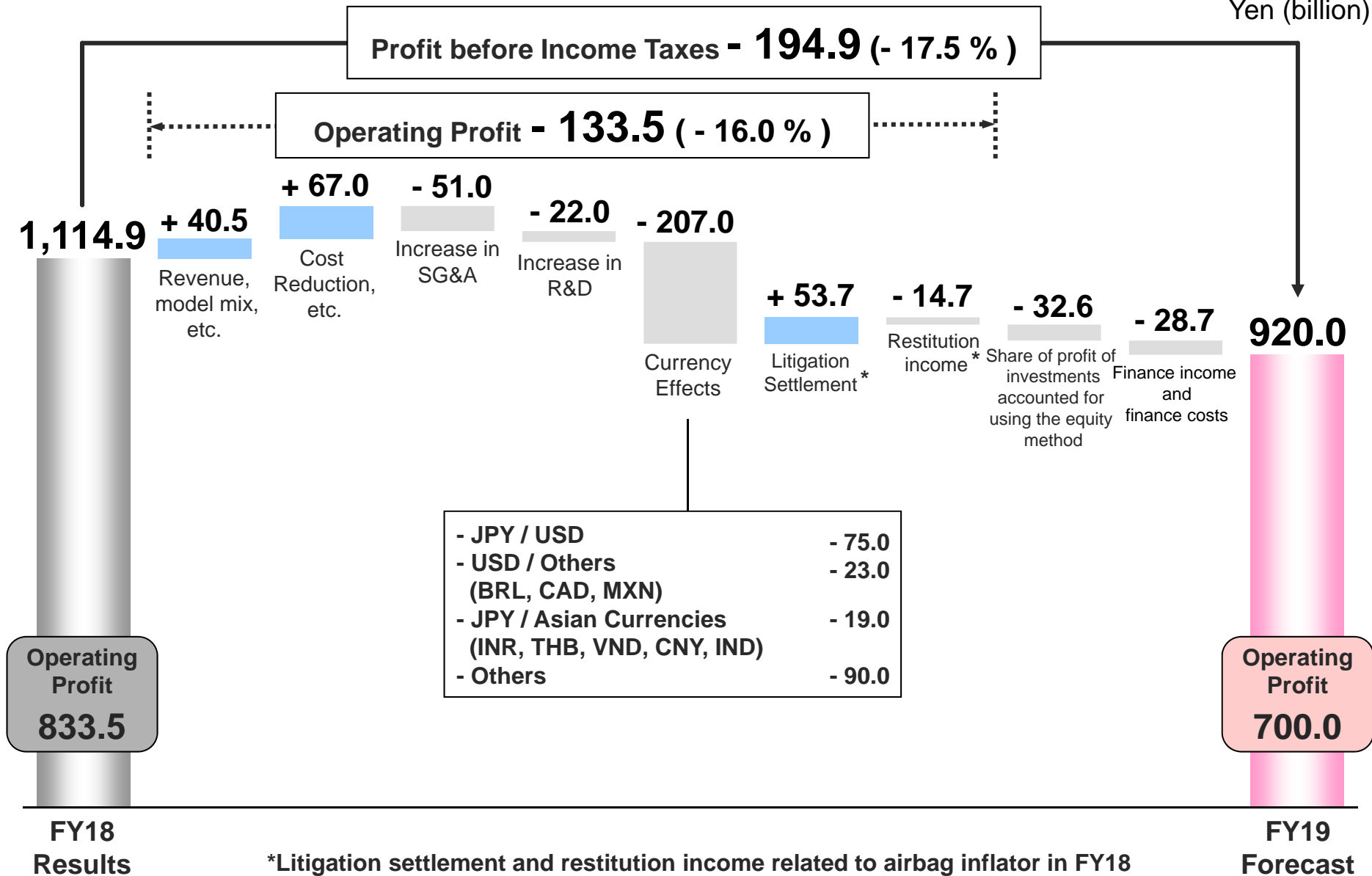
FY19 Financial Forecast (Consolidated)

Yen (billion)

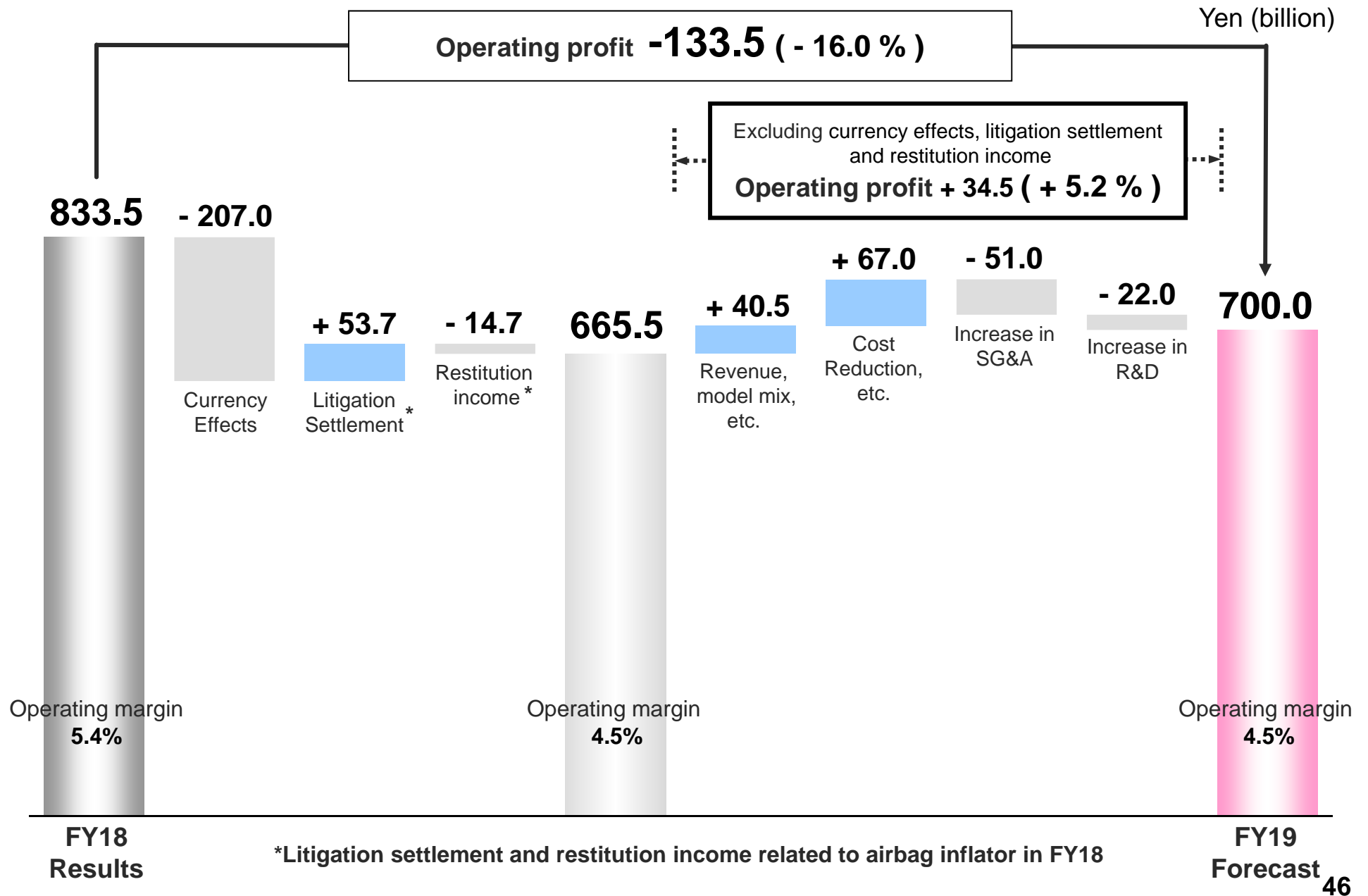
	FY18 Results	FY19 Forecast	Change	
			amount	%
Sales revenue	15,361.1	15,600.0	+ 238.8	+ 1.6%
Operating profit	833.5	700.0	- 133.5	- 16.0%
Operating margin	5.4%	4.5%		- 0.9pt
Share of profit of investments accounted for using the equity method	247.6	215.0	- 32.6	- 13.2%
Profit before income taxes	1,114.9	920.0	- 194.9	- 17.5%
Profit for the year attributable to owners of the parent	1,059.3 ^{*2}	570.0	- 489.3	- 46.2%
Earnings per share (Yen) attributable to owners of the parent ^{*1}	590.79	322.42		- 268.37
<p>*1: Please refer to the footnote on page 48</p> <p>*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 713.2 bil. yen, and earnings per share attributable to owners of the parent is 397.75 yen, respectively.</p>				
Market average rates (Yen)				
US Dollar	111	105	Yen up by 6 yen	

FY19 Forecast: Change in Profit before Income Taxes

Yen (billion)



FY19 Forecast: Change in Operating Profit



FY19 Forecast: Capital Expenditures, Depreciation and R&D

Yen (billion)

	FY18 Results	FY19 Forecast	Change
Capital expenditures *	433.8	480.0	+ 46.2
Depreciation and amortization *	467.3	455.0	- 12.3
Research and development expenditures **	730.7	790.0	+ 59.2

* 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.

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:(Pages18,19,24 and 44)

- 4th Quarter FY17: 1,802,280,000 (approx) (page 24), FY18: 1,778,278,000 (approx) (page 24)
- Fiscal Year FY17: 1,802,282,000 (approx) (page 18), FY18: 1,793,088,000 (approx), (pages 18,19 and 44)
FY19 forecasts: 1,767,893,000 (approx) (pages 19 and 44)

HONDA

The Power of Dreams

Appendix

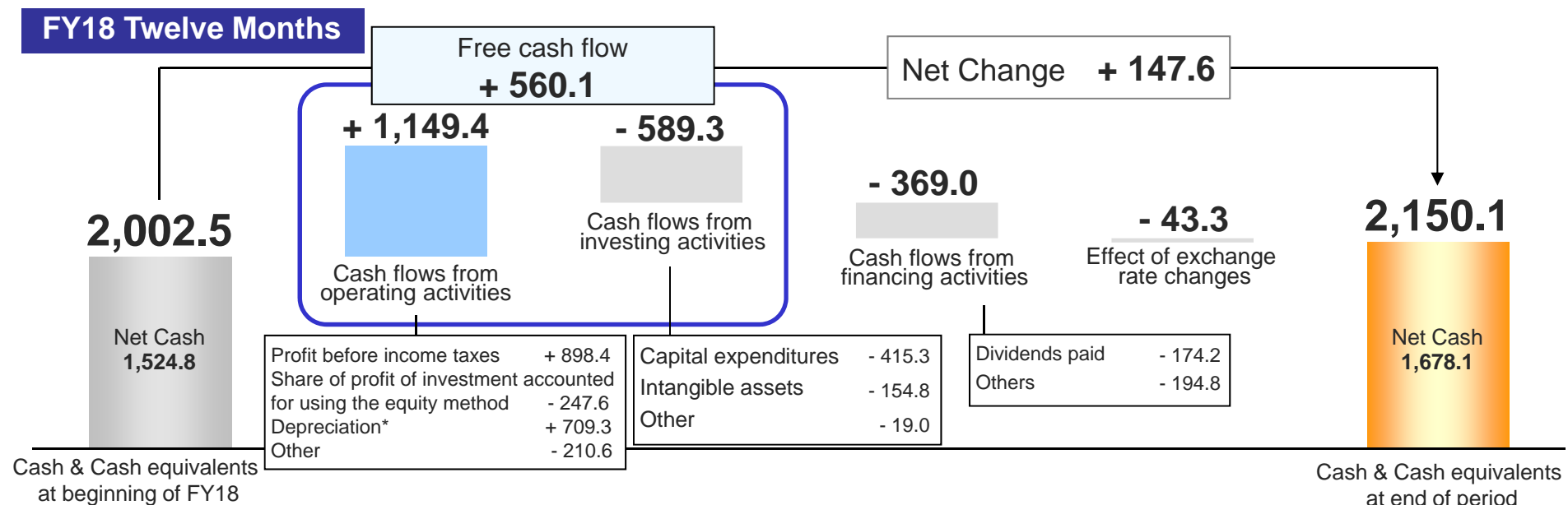
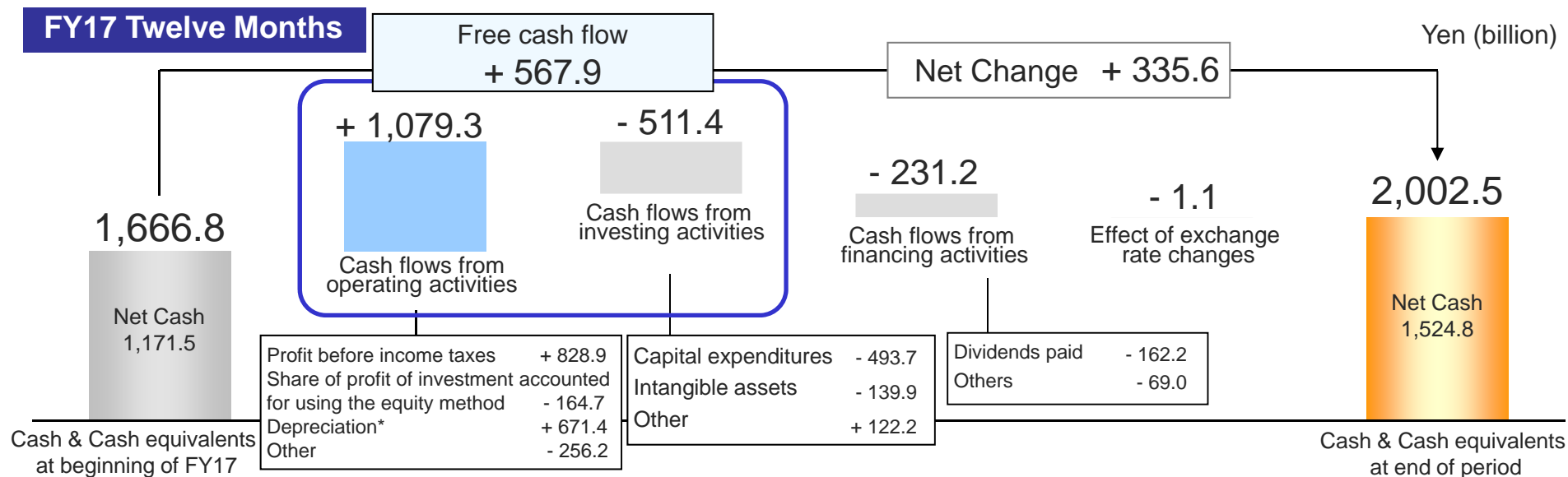
Yen (billion)

	4Q			Twelve Months		
	FY17	FY18	Change	FY17	FY18	Change
Capital expenditures *	172.3	148.9	- 23.4	541.0	433.8	- 107.1
Depreciation and amortization *	126.6	119.3	- 7.2	437.6	467.3	+ 29.7
Research and development expenditures **	211.5	216.0	+ 4.4	685.3	730.7	+ 45.3

* 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					12 months	
	1Q	2Q	3Q	4Q	12 months	1Q	2Q	3Q	4Q	12 months	Change	%
Japan	29	33	49	45	156	42	42	42	41	167	+ 11	+ 7.1%
North America	78	71	68	77	294	80	83	69	81	313	+ 19	+ 6.5%
Europe	72	48	31	66	217	81	53	39	61	234	+ 17	+ 7.8%
Asia	2,364	2,629	2,267	2,253	9,513	2,765	3,012	2,663	2,680	11,120	+ 1,607	+ 16.9%
Other Region	288	261	260	248	1,057	277	256	283	304	1,120	+ 63	+ 6.0%
Motorcycles	2,831	3,042	2,675	2,689	11,237	3,245	3,446	3,096	3,167	12,954	+ 1,717	+15.3%
Japan	132	143	154	174	603	144	151	156	176	627	+ 24	+ 4.0%
North America	510	479	510	471	1,970	481	452	491	478	1,902	- 68	- 3.5%
Europe	45	45	43	51	184	42	43	42	56	183	- 1	- 0.5%
Asia	162	167	156	199	684	169	201	184	171	725	+ 41	+ 6.0%
Other Region	59	56	62	65	242	64	60	59	69	252	+ 10	+ 4.1%
Automobiles	908	890	925	960	3,683	900	907	932	950	3,689	+ 6	+ 0.2%
Japan	59	87	54	101	301	59	79	64	98	300	- 1	- 0.3%
North America	769	522	521	1,165	2,977	596	545	524	1,347	3,012	+ 35	+ 1.2%
Europe	225	165	190	455	1,035	240	166	191	425	1,022	- 13	- 1.3%
Asia	360	376	311	383	1,430	362	379	300	471	1,512	+ 82	+ 5.7%
Other Region	75	90	99	114	378	74	89	117	136	416	+ 38	+ 10.1%
Power Products	1,488	1,240	1,175	2,218	6,121	1,331	1,258	1,196	2,477	6,262	+ 141	+ 2.3%