

HONDA MOTOR CO LTD
Form 6-K
May 09, 2018
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No.1-7628

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF MAY 2018

COMMISSION FILE NUMBER: 1-07628

HONDA GIKEN KOGYO KABUSHIKI KAISHA

(Name of registrant)

HONDA MOTOR CO., LTD.

(Translation of registrant's name into English)

1-1, Minami-Aoyama 2-chome, Minato-ku, Tokyo 107-8556, Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Exhibit 1:

On April 27, 2018, Honda Motor Co., Ltd. (the Company) announced its consolidated financial results for the fiscal fourth quarter and the fiscal year ended March 31, 2018.

Exhibit 2:

The Board of Directors of Honda Motor Co., Ltd. (the Company), at its meeting held on April 27, 2018, resolved to make a distribution of surplus (quarterly dividends), the record date of which is March 31, 2018.

Exhibit 3:

The Board of Directors of Honda Motor Co., Ltd. (the Company), at its meeting held on April 27, 2018, resolved that the Company will acquire its own shares pursuant to Article 459, Paragraph 1 of the Company Law and Article 33 of the Company s Articles of Incorporation.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HONDA GIKEN KOGYO KABUSHIKI KAISHA
(HONDA MOTOR CO., LTD.)

/s/ Eiji Fujimura
Eiji Fujimura
General Manager
Finance Division
Honda Motor Co., Ltd.

Date: May 9, 2018

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April 27, 2018

HONDA MOTOR CO., LTD. REPORTS

CONSOLIDATED FINANCIAL RESULTS

FOR THE FISCAL FOURTH QUARTER AND

THE FISCAL YEAR ENDED MARCH 31, 2018

Tokyo, April 27, 2018 Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal fourth quarter and the fiscal year ended March 31, 2018.

Fourth Quarter Results

Honda's consolidated profit for the period attributable to owners of the parent for the fiscal fourth quarter ended March 31, 2018 totaled JPY 107.7 billion, an increase of 12.3% from the same period last year. Earnings per share attributable to owners of the parent for the quarter amounted to JPY 60.59, an increase of JPY 7.35 from the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated sales revenue for the quarter amounted to JPY 3,914.7 billion, an increase of 4.0% from the same period last year, due primarily to increased sales revenue in all business operations, despite unfavorable foreign currency translation effects.

Consolidated operating profit for the quarter amounted to JPY 126.8 billion, a decrease of 8.2% from the same period last year, due primarily to increased SG&A expenses and unfavorable foreign currency effects, despite continuing cost reduction efforts.

Share of profit of investments accounted for using the equity method for the quarter amounted to JPY 57.9 billion, an increase of 19.2% from the corresponding period last year.

Consolidated profit before income taxes for the quarter totaled JPY 190.4 billion, an increase of 1.8% from the corresponding period last year, mainly due to increased share of profit of investments accounted for using the equity method.

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Fiscal Year Results

Honda's consolidated profit for the year attributable to owners of the parent for the fiscal year ended March 31, 2018 totaled JPY 1,059.3 billion, an increase of 71.8% from the previous fiscal year, mainly due to impacts of the enactment of the U.S. Tax Cuts and Jobs Act. Earnings per share attributable to owners of the parent for the year amounted to JPY 590.79, an increase of JPY 248.69 from the previous fiscal year.

Consolidated sales revenue for the year amounted to JPY 15,361.1 billion, an increase of 9.7% from the previous fiscal year, due primarily to increased sales revenue in all business operations as well as favorable foreign currency translation effects.

Consolidated operating profit for the year amounted to JPY 833.5 billion, a decrease of 0.9% from the previous fiscal year, due primarily to increased SG&A expenses, the loss related to the settlement of multidistrict class action litigation and the reverse effect from the impact of pension plan amendments in the previous fiscal year, despite an increase in sales revenue and model mix and continuing cost reduction efforts.

Share of profit of investments accounted for using the equity method for the year amounted to JPY 247.6 billion, an increase of 50.3% from the previous fiscal year.

Consolidated profit before income taxes for the year totaled JPY 1,114.9 billion, an increase of 10.7% from the previous fiscal year, mainly due to increased share of profit of investment accounted for using the equity method.

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Consolidated Statements of Financial Position for the Fiscal Year Ended March 31, 2018

Total assets increased by JPY 391.0 billion, to JPY 19,349.1 billion from March 31, 2017, mainly due to increased Inventory and Receivables from financial services. Total liabilities decreased by JPY 273.4 billion, to JPY 11,115.0 billion from March 31, 2017, mainly due to decreased Deferred tax liabilities and foreign currency translation effects, despite increased Financial liabilities and Trade payables. Total equity increased by JPY 664.4 billion, to JPY 8,234.0 billion from March 31, 2017 due mainly to an increase in Retained earnings, despite a decrease attributable to acquisition of the Company's own shares.

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Consolidated Statements of Cash Flow for the Fiscal Year Ended March 31, 2018

Consolidated cash and cash equivalents on March 31, 2018 increased by JPY 150.5 billion from March 31, 2017, to JPY 2,256.4 billion. The reasons for the increases or decreases for each cash flow activity, when compared with the previous fiscal year, are as follows:

Cash flow from operating activities

Net cash provided by operating activities amounted to JPY 987.6 billion for the fiscal year ended March 31, 2018. Cash inflows from operating activities increased by JPY 102.5 billion compared with the previous fiscal year due mainly to an increase in cash received from customers, despite increased payments for parts and raw materials.

Cash flow from investing activities

Net cash used in investing activities amounted to JPY 615.1 billion. Cash outflows from investing activities decreased by JPY 35.5 billion compared with the previous fiscal year, due mainly to a decrease in Payments for additions to property, plant and equipment.

Cash flow from financing activities

Net cash used in financing activities amounted to JPY 174.3 billion. Cash outflows from financing activities increased by JPY 289.7 billion compared with the previous fiscal year, due mainly to a decrease in proceeds from financing liabilities and purchases of treasury stock.

Table of Contents**Forecasts for the Fiscal Year Ending March 31, 2019**

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2019, Honda projects consolidated results to be as shown below:

Fiscal year ending March 31, 2019

| | Yen (billions) | Changes from FY2018 |
|--|----------------|---------------------|
| Sales revenue | 15,600.0 | +1.6% |
| Operating profit | 700.0 | -16.0% |
| Profit before income taxes | 920.0 | -17.5% |
| Profit for the year | 635.0 | -43.7% |
| Profit for the year attributable to owners of the parent | 570.0 | -46.2% |

| | Yen |
|---|--------|
| Earnings per share attributable to owners of the parent | |
| Basic and diluted | 322.42 |

Note: The forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar will be JPY 105 for the full year ending March 31, 2019.

The reasons for the increases or decreases in the forecasts of the operating profit, and profit before income taxes for the fiscal year ending March 31, 2019 from the previous year are as follows.

| | Yen (billions) |
|--|----------------|
| Revenue, model mix, etc. | +40.5 |
| Cost reduction, the effect of raw material cost fluctuations, etc. | +67.0 |
| SG&A expenses | -51.0 |
| R&D expenses | -22.0 |
| Currency effect | -207.0 |
| Settlement of multidistrict class action litigation* | +53.7 |
| Restitution income* | -14.7 |
| Operating profit compared with fiscal year 2018 | -133.5 |
| Share of profit of investments accounted for using the equity method | -32.6 |
| Finance income and finance costs | -28.7 |
| Profit before income taxes compared with fiscal year 2018 | -194.9 |

* Litigation settlement and restitution income related to airbag inflator included in SG&A expenses in fiscal year 2018

This announcement contains forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that the actual results of the Company could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in the principal markets of the Company, its consolidated subsidiaries and its affiliates accounted for by the equity-method, and fluctuation of foreign exchange rates, as well as other factors detailed from time to time. The various factors for increases and decreases in profit have been classified in accordance with a method that Honda considers reasonable.

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Dividend per Share of Common Stock

Fiscal fourth quarter dividend is JPY 27 per share of common stock. The total annual dividend per share of common stock for the fiscal year ending March 31, 2018, is JPY 100 per share.

The Company expects to distribute quarterly cash dividends of JPY 27 per share for each quarter for the fiscal year ending March 31, 2019. As a result, total cash dividends for the fiscal year ending March 31, 2019 are expected to be JPY 108 per share.

Basic Rationale for Selection of Accounting Standards

The Company adopted IFRS for the Company's consolidated financial statements from the year ended March 31, 2015 which have been included in the annual securities report (to be submitted to the Financial Services Agency of Japan) and Form 20-F (to be submitted to the U.S. Securities and Exchange Commission), aiming at improving comparability of financial information across international capital markets as well as standardization of financial information and enhancing efficiency of financial reporting of the Company and its consolidated subsidiaries.

Table of Contents**Consolidated Financial Summary**

For the three months and the years ended March 31, 2017 and 2018

Financial Highlights

| | Yen (millions) | | | |
|---|--|-------------------------------------|--------------------------------|--------------------------------|
| | Three months ended Mar. 31, 2017 | Three months ended Mar. 31, 2018 | Year ended Mar. 31, 2017 | Year ended Mar. 31, 2018 |
| Sales revenue | 3,763,434 | 3,914,728 | 13,999,200 | 15,361,146 |
| Operating profit (loss) | 138,102 | 126,826 | 840,711 | 833,558 |
| Profit (loss) before income taxes | 186,993 | 190,448 | 1,006,986 | 1,114,973 |
| Profit (loss) for the period attributable to owners of the parent | 95,959 | 107,745 | 616,569 | 1,059,337 |
| | | | Yen | |
| Earnings (loss) per share attributable to owners of the parent | | | | |
| Basic and diluted | 53.24 | 60.59 | 342.10 | 590.79 |

Table of Contents**[1] Consolidated Statements of Financial Position**

| | Yen (millions) | |
|---|-------------------|-------------------|
| | Mar. 31, 2017 | Mar. 31, 2018 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | 2,105,976 | 2,256,488 |
| Trade receivables | 764,026 | 800,463 |
| Receivables from financial services | 1,878,938 | 1,840,699 |
| Other financial assets | 149,427 | 213,177 |
| Inventories | 1,364,130 | 1,523,455 |
| Other current assets | 292,970 | 291,006 |
| Total current assets | 6,555,467 | 6,925,288 |
| Non-current assets: | | |
| Investments accounted for using the equity method | 597,262 | 679,517 |
| Receivables from financial services | 3,070,615 | 3,117,364 |
| Other financial assets | 364,612 | 436,555 |
| Equipment on operating leases | 4,104,663 | 4,088,133 |
| Property, plant and equipment | 3,200,378 | 3,062,433 |
| Intangible assets | 778,192 | 741,514 |
| Deferred tax assets | 121,509 | 129,338 |
| Other non-current assets | 165,425 | 169,022 |
| Total non-current assets | 12,402,656 | 12,423,876 |
| Total assets | 18,958,123 | 19,349,164 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Trade payables | 1,183,344 | 1,224,627 |
| Financing liabilities | 2,786,928 | 2,917,261 |
| Accrued expenses | 417,736 | 404,719 |
| Other financial liabilities | 119,784 | 115,405 |
| Income taxes payable | 45,507 | 53,595 |
| Provisions | 348,095 | 305,994 |
| Other current liabilities | 527,448 | 602,498 |
| Total current liabilities | 5,428,842 | 5,624,099 |
| Non-current liabilities: | | |
| Financing liabilities | 4,022,190 | 3,881,749 |
| Other financial liabilities | 47,241 | 60,005 |
| Retirement benefit liabilities | 494,131 | 404,401 |
| Provisions | 248,935 | 220,625 |
| Deferred tax liabilities | 900,450 | 629,722 |
| Other non-current liabilities | 246,708 | 294,468 |
| Total non-current liabilities | 5,959,655 | 5,490,970 |
| Total liabilities | 11,388,497 | 11,115,069 |
| Equity: | | |

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| | | |
|---|------------|-------------------|
| Common stock | 86,067 | 86,067 |
| Capital surplus | 171,118 | 171,118 |
| Treasury stock | (26,189) | (113,271) |
| Retained earnings | 6,712,894 | 7,611,332 |
| Other components of equity | 351,406 | 178,292 |
| Equity attributable to owners of the parent | 7,295,296 | 7,933,538 |
| Non-controlling interests | 274,330 | 300,557 |
| Total equity | 7,569,626 | 8,234,095 |
| Total liabilities and equity | 18,958,123 | 19,349,164 |

Table of Contents**[2] Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income**

For the three months ended March 31, 2017 and 2018

| | Yen (millions) | |
|--|--------------------|--------------------|
| | Three months ended | Three months ended |
| | Mar. 31, 2017 | Mar. 31, 2018 |
| Sales revenue | 3,763,434 | 3,914,728 |
| Operating costs and expenses: | | |
| Cost of sales | (2,928,589) | (3,073,933) |
| Selling, general and administrative | (474,572) | (494,956) |
| Research and development | (222,171) | (219,013) |
| Total operating costs and expenses | (3,625,332) | (3,787,902) |
| Operating profit (loss) | 138,102 | 126,826 |
| Share of profit of investments accounted for using the equity method | 48,581 | 57,920 |
| Finance income and finance costs: | | |
| Interest income | 9,250 | 10,997 |
| Interest expense | (3,687) | (3,677) |
| Other, net | (5,253) | (1,618) |
| Total finance income and finance costs | 310 | 5,702 |
| Profit (loss) before income taxes | 186,993 | 190,448 |
| Income tax expense | (75,681) | (68,730) |
| Profit (loss) for the period | 111,312 | 121,718 |
| Profit (loss) for the period attributable to: | | |
| Owners of the parent | 95,959 | 107,745 |
| Non-controlling interests | 15,353 | 13,973 |
| | | Yen |
| Earnings (loss) per share attributable to owners of the parent | | |
| Basic and diluted | 53.24 | 60.59 |

Table of Contents**Consolidated Statements of Comprehensive Income**

For the three months ended March 31, 2017 and 2018

| | Yen (millions) | |
|--|--------------------|--------------------|
| | Three months ended | Three months ended |
| | Mar. 31, 2017 | Mar. 31, 2018 |
| Profit (loss) for the period | 111,312 | 121,718 |
| Other comprehensive income, net of tax: | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of defined benefit plans | 46,593 | 37,554 |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income | 4,665 | (9,129) |
| Share of other comprehensive income of investments accounted for using the equity method | 1,619 | (664) |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange differences on translating foreign operations | (127,471) | (308,991) |
| Share of other comprehensive income of investments accounted for using the equity method | 9,444 | (8,413) |
| Total other comprehensive income, net of tax | (65,150) | (289,643) |
| Comprehensive income for the period | 46,162 | (167,925) |
| Comprehensive income for the period attributable to: | | |
| Owners of the parent | 34,820 | (173,095) |
| Non-controlling interests | 11,342 | 5,170 |

Table of Contents**Consolidated Statements of Income**

For the years ended March 31, 2017 and 2018

| | Yen (millions) | |
|--|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2017 | Year ended Mar. 31, 2018 |
| Sales revenue | 13,999,200 | 15,361,146 |
| Operating costs and expenses: | | |
| Cost of sales | (10,865,848) | (12,000,581) |
| Selling, general and administrative | (1,601,212) | (1,775,151) |
| Research and development | (691,429) | (751,856) |
| Total operating costs and expenses | (13,158,489) | (14,527,588) |
| Operating profit | 840,711 | 833,558 |
| Share of profit of investments accounted for using the equity method | 164,793 | 247,643 |
| Finance income and finance costs: | | |
| Interest income | 32,389 | 41,191 |
| Interest expense | (12,471) | (12,970) |
| Other, net | (18,436) | 5,551 |
| Total finance income and finance costs | 1,482 | 33,772 |
| Profit before income taxes | 1,006,986 | 1,114,973 |
| Income tax expense | (327,592) | 13,666 |
| Profit for the year | 679,394 | 1,128,639 |
| Profit for the year attributable to: | | |
| Owners of the parent | 616,569 | 1,059,337 |
| Non-controlling interests | 62,825 | 69,302 |
| | Yen | |
| Earnings per share attributable to owners of the parent | | |
| Basic and diluted | 342.10 | 590.79 |

Table of Contents**Consolidated Statements of Comprehensive Income**

For the years ended March 31, 2017 and 2018

| | Yen (millions) | |
|--|--------------------------------|--------------------------------|
| | Year ended Mar. 31, 2017 | Year ended Mar. 31, 2018 |
| Profit for the year | 679,394 | 1,128,639 |
| Other comprehensive income, net of tax: | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of defined benefit plans | 58,154 | 13,344 |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income | 22,707 | 19,288 |
| Share of other comprehensive income of investments accounted for using the equity method | 3,262 | 1,688 |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange differences on translating foreign operations | 8,064 | (204,184) |
| Share of other comprehensive income of investments accounted for using the equity method | (22,644) | 10,620 |
| Total other comprehensive income, net of tax | 69,543 | (159,244) |
| Comprehensive income for the year | 748,937 | 969,395 |
| Comprehensive income for the year attributable to: | | |
| Owners of the parent | 696,079 | 899,545 |
| Non-controlling interests | 52,858 | 69,850 |

Table of Contents**[3] Consolidated Statements of Changes in Equity**

| | Yen (millions) | | | | | Total | Non-controlling interests | Total equity |
|--|---|-----------------|----------------|-------------------|----------------------------|-----------|---------------------------|--------------|
| | Equity attributable to owners of the parent | | | | | | | |
| | Common stock | Capital surplus | Treasury stock | Retained earnings | Other components of equity | | | |
| Balance as of April 1, 2016 | 86,067 | 171,118 | (26,178) | 6,194,311 | 336,115 | 6,761,433 | 270,355 | 7,031,788 |
| Comprehensive income for the year | | | | | | | | |
| Profit for the year | | | | 616,569 | | 616,569 | 62,825 | 679,394 |
| Other comprehensive income, net of tax | | | | | 79,510 | 79,510 | (9,967) | 69,543 |
| Total comprehensive income for the year | | | | 616,569 | 79,510 | 696,079 | 52,858 | 748,937 |
| Reclassification to retained earnings | | | | 64,219 | (64,219) | | | |
| Transactions with owners and other | | | | | | | | |
| Dividends paid | | | | (162,205) | | (162,205) | (47,716) | (209,921) |
| Purchases of treasury stock | | | (12) | | | (12) | | (12) |
| Disposal of treasury stock | | | 1 | | | 1 | | 1 |
| Equity transactions and others | | | | | | | (1,167) | (1,167) |
| Total transactions with owners and other | | | (11) | (162,205) | | (162,216) | (48,883) | (211,099) |
| Balance as of March 31, 2017 | 86,067 | 171,118 | (26,189) | 6,712,894 | 351,406 | 7,295,296 | 274,330 | 7,569,626 |
| Comprehensive income for the year | | | | | | | | |
| Profit for the year | | | | 1,059,337 | | 1,059,337 | 69,302 | 1,128,639 |
| Other comprehensive income, net of tax | | | | | (159,792) | (159,792) | 548 | (159,244) |
| Total comprehensive income for the year | | | | 1,059,337 | (159,792) | 899,545 | 69,850 | 969,395 |
| Reclassification to retained earnings | | | | 13,322 | (13,322) | | | |
| Transactions with owners and other | | | | | | | | |
| Dividends paid | | | | (174,221) | | (174,221) | (43,623) | (217,844) |
| Purchases of treasury stock | | | (87,083) | | | (87,083) | | (87,083) |
| Disposal of treasury stock | | | 1 | | | 1 | | 1 |
| Equity transactions and others | | | | | | | | |
| Total transactions with owners and other | | | (87,082) | (174,221) | | (261,303) | (43,623) | (304,926) |
| Balance as of March 31, 2018 | 86,067 | 171,118 | (113,271) | 7,611,332 | 178,292 | 7,933,538 | 300,557 | 8,234,095 |

Table of Contents**[4] Consolidated Statements of Cash Flows**

| | Yen (millions) | |
|--|-----------------------------|-----------------------------|
| | Year ended Mar. 31, 2017 | Year ended Mar. 31, 2018 |
| Cash flows from operating activities: | | |
| Profit before income taxes | 1,006,986 | 1,114,973 |
| Depreciation, amortization and impairment losses excluding equipment on operating leases | 674,329 | 713,093 |
| Share of profit of investments accounted for using the equity method | (164,793) | (247,643) |
| Finance income and finance costs, net | (55,911) | 13,218 |
| Interest income and interest costs from financial services, net | (119,953) | (127,529) |
| Changes in assets and liabilities | | |
| Trade receivables | 49,217 | (41,778) |
| Inventories | (72,144) | (202,916) |
| Trade payables | 12,999 | 69,429 |
| Accrued expenses | 50,339 | (2,700) |
| Provisions and retirement benefit liabilities | (252,837) | (28,945) |
| Receivables from financial services | 40,525 | (174,438) |
| Equipment on operating leases | (435,503) | (158,337) |
| Other assets and liabilities | 71,940 | 11,602 |
| Other, net | 998 | 9,314 |
| Dividends received | 121,770 | 161,106 |
| Interest received | 220,947 | 245,095 |
| Interest paid | (99,607) | (115,317) |
| Income taxes paid, net of refunds | (164,229) | (250,556) |
| Net cash provided by (used in) operating activities | 885,073 | 987,671 |
| Cash flows from investing activities: | | |
| Payments for additions to property, plant and equipment | (494,132) | (415,563) |
| Payments for additions to and internally developed intangible assets | (143,320) | (156,927) |
| Proceeds from sales of property, plant and equipment and intangible assets | 18,710 | 15,042 |
| Payments for acquisitions of subsidiaries, net of cash and cash equivalents acquired | (2,835) | |
| Payments for acquisitions of investments accounted for using the equity method | (547) | (2,450) |
| Proceeds from sales of investments accounted for using the equity method | 16,208 | |
| Payments for acquisitions of other financial assets | (222,464) | (280,236) |
| Proceeds from sales and redemptions of other financial assets | 177,762 | 224,302 |
| Other, net | | 719 |
| Net cash provided by (used in) investing activities | (650,618) | (615,113) |
| Cash flows from financing activities: | | |
| Proceeds from short-term financing liabilities | 8,207,530 | 8,106,505 |
| Repayments of short-term financing liabilities | (8,129,295) | (8,004,620) |
| Proceeds from long-term financing liabilities | 1,902,448 | 1,689,596 |
| Repayments of long-term financing liabilities | (1,622,603) | (1,609,554) |
| Dividends paid to owners of the parent | (162,205) | (174,221) |
| Dividends paid to non-controlling interests | (35,059) | (48,332) |
| Purchases and sales of treasury stock, net | (11) | (87,082) |
| Other, net | (45,382) | (46,626) |
| Net cash provided by (used in) financing activities | 115,423 | (174,334) |
| Effect of exchange rate changes on cash and cash equivalents | (1,358) | (47,712) |
| Net change in cash and cash equivalents | 348,520 | 150,512 |
| Cash and cash equivalents at beginning of year | 1,757,456 | 2,105,976 |

Cash and cash equivalents at end of year

2,105,976

2,256,488

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[5] Assumptions for Going Concern

None

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[6] Notes to Consolidated Financial Statements

[A] Segment Information

Honda has four reportable segments: Motorcycle business, Automobile business, Financial services business and Power product and other businesses, which are based on Honda's organizational structure and characteristics of products and services. Operating segments are defined as the components of Honda for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The accounting policies used for these reportable segments are consistent with the accounting policies used in the Company's consolidated financial statements.

Principal products and services, and functions of each segment are as follows:

| Segment | Principal products and services | Functions |
|------------------------------------|--|--|
| Motorcycle Business | Motorcycles, all-terrain vehicles (ATVs), side-by-sides (SxS) and relevant parts | Research and Development Manufacturing Sales and related services |
| Automobile Business | Automobiles and relevant parts | Research and Development Manufacturing Sales and related services |
| Financial Services Business | Financial services | Retail loan and lease related to Honda products Others |
| Power Product and Other Businesses | Power products and relevant parts, and others | Research and Development Manufacturing Sales and related services Others |

1. Segment information based on products and services

For the three months ended March 31, 2017

| | Yen (millions) | | | | Segment Total | Reconciling Items | Consolidated |
|-----------------------|---------------------|---------------------|-----------------------------|------------------------------------|---------------|-------------------|--------------|
| | Motorcycle Business | Automobile Business | Financial Services Business | Power Product and Other Businesses | | | |
| Sales revenue: | | | | | | | |
| External customers | 453,755 | 2,691,069 | 517,716 | 100,894 | 3,763,434 | | 3,763,434 |
| Intersegment | | 55,669 | 3,437 | 13,987 | 73,093 | (73,093) | |
| Total | 453,755 | 2,746,738 | 521,153 | 114,881 | 3,836,527 | (73,093) | 3,763,434 |
| Segment profit (loss) | 38,158 | 54,983 | 47,740 | (2,779) | 138,102 | | 138,102 |

For the three months ended March 31, 2018

| | Yen (millions) | | | | Segment Total | Reconciling Items | Consolidated |
|--------------------|---------------------|---------------------|-----------------------------|------------------------------------|---------------|-------------------|--------------|
| | Motorcycle Business | Automobile Business | Financial Services Business | Power Product and Other Businesses | | | |
| Sales revenue: | | | | | | | |
| External customers | 520,946 | 2,765,043 | 527,444 | 101,295 | 3,914,728 | | 3,914,728 |
| Intersegment | | 61,099 | 3,438 | 5,472 | 70,009 | (70,009) | |

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| | | | | | | | |
|-----------------------|---------|-----------|---------|---------|-----------|----------|-----------|
| Total | 520,946 | 2,826,142 | 530,882 | 106,767 | 3,984,737 | (70,009) | 3,914,728 |
| Segment profit (loss) | 54,830 | 26,776 | 48,251 | (3,031) | 126,826 | | 126,826 |

Table of Contents**As of and for the year ended March 31, 2017**

| | Yen (millions) | | | | Segment Total | Reconciling Items | Consolidated |
|-------------------------------|------------------------|------------------------|-----------------------------------|--|------------------|----------------------|--------------|
| | Motorcycle Business | Automobile Business | Financial Services Business | Power Product and Other Businesses | | | |
| Sales revenue: | | | | | | | |
| External customers | 1,716,165 | 10,086,816 | 1,878,094 | 318,125 | 13,999,200 | | 13,999,200 |
| Intersegment | | 169,850 | 13,188 | 31,567 | 214,605 | (214,605) | |
| Total | 1,716,165 | 10,256,666 | 1,891,282 | 349,692 | 14,213,805 | (214,605) | 13,999,200 |
| Segment profit (loss) | 170,740 | 501,181 | 178,449 | (9,659) | 840,711 | | 840,711 |
| Segment assets | 1,505,637 | 7,543,388 | 9,437,044 | 312,303 | 18,798,372 | 159,751 | 18,958,123 |
| Depreciation and amortization | 79,398 | 576,546 | 664,940 | 14,544 | 1,335,428 | | 1,335,428 |
| Capital expenditures | 66,241 | 607,629 | 1,886,607 | 12,272 | 2,572,749 | | 2,572,749 |

As of and for the year ended March 31, 2018

| | Yen (millions) | | | | Segment Total | Reconciling Items | Consolidated |
|-------------------------------|------------------------|------------------------|-----------------------------------|--|------------------|----------------------|--------------|
| | Motorcycle Business | Automobile Business | Financial Services Business | Power Product and Other Businesses | | | |
| Sales revenue: | | | | | | | |
| External customers | 2,038,712 | 10,852,171 | 2,123,194 | 347,069 | 15,361,146 | | 15,361,146 |
| Intersegment | | 193,038 | 14,071 | 24,097 | 231,206 | (231,206) | |
| Total | 2,038,712 | 11,045,209 | 2,137,265 | 371,166 | 15,592,352 | (231,206) | 15,361,146 |
| Segment profit (loss) | 267,015 | 373,840 | 196,067 | (3,364) | 833,558 | | 833,558 |
| Segment assets | 1,533,367 | 7,879,769 | 9,409,243 | 314,838 | 19,137,217 | 211,947 | 19,349,164 |
| Depreciation and amortization | 74,128 | 616,321 | 748,503 | 15,164 | 1,454,116 | | 1,454,116 |
| Capital expenditures | 63,927 | 514,910 | 1,801,554 | 14,243 | 2,394,634 | | 2,394,634 |
| Explanatory notes: | | | | | | | |

1. Intersegment sales revenues are generally made at values that approximate arm's-length prices.
2. Unallocated corporate assets, included in reconciling items, amounted to JPY 530,809 million as of March 31, 2017 and JPY 519,780 million as of March 31, 2018 respectively, which consist primarily of cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

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In addition to the disclosure required by IFRS, Honda provides the following supplemental information in order to provide financial statements users with useful information:

2. Supplemental geographical information based on the location of the Company and its subsidiaries

For the three months ended March 31, 2017

| | Yen (millions) | | | | | | | |
|-------------------------|----------------|---------------|---------|---------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Sales revenue: | | | | | | | | |
| External customers | 585,438 | 1,983,504 | 194,485 | 800,607 | 199,400 | 3,763,434 | | 3,763,434 |
| Inter-geographic areas | 491,560 | 150,578 | 62,911 | 145,713 | 404 | 851,166 | (851,166) | |
| Total | 1,076,998 | 2,134,082 | 257,396 | 946,320 | 199,804 | 4,614,600 | (851,166) | 3,763,434 |
| Operating profit (loss) | (41,889) | 105,571 | 15,403 | 67,767 | 2,026 | 148,878 | (10,776) | 138,102 |

For the three months ended March 31, 2018

| | Yen (millions) | | | | | | | |
|-------------------------|----------------|---------------|---------|-----------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Sales revenue: | | | | | | | | |
| External customers | 627,293 | 2,007,361 | 207,314 | 855,184 | 217,576 | 3,914,728 | | 3,914,728 |
| Inter-geographic areas | 612,056 | 141,328 | 70,071 | 182,908 | 1,323 | 1,007,686 | (1,007,686) | |
| Total | 1,239,349 | 2,148,689 | 277,385 | 1,038,092 | 218,899 | 4,922,414 | (1,007,686) | 3,914,728 |
| Operating profit (loss) | (32,219) | 71,484 | 4,080 | 83,335 | 9,349 | 136,029 | (9,203) | 126,826 |

Table of ContentsAs of and for the year ended March 31, 2017

| | Yen (millions) | | | | | | | |
|---|----------------|---------------|---------|-----------|---------------|------------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Sales revenue: | | | | | | | | |
| External customers | 2,114,833 | 7,621,550 | 638,436 | 2,893,404 | 730,977 | 13,999,200 | | 13,999,200 |
| Inter-geographic areas | 1,998,576 | 476,518 | 150,957 | 562,629 | 2,518 | 3,191,198 | (3,191,198) | |
| Total | 4,113,409 | 8,098,068 | 789,393 | 3,456,033 | 733,495 | 17,190,398 | (3,191,198) | 13,999,200 |
| Operating profit (loss) | 104,560 | 398,725 | 12,112 | 331,466 | 29,016 | 875,879 | (35,168) | 840,711 |
| Assets | | | | | | | | |
| Non-current assets other than financial instruments and deferred tax assets | 4,236,574 | 10,743,185 | 675,983 | 2,694,622 | 670,332 | 19,020,696 | (62,573) | 18,958,123 |
| | 2,492,467 | 4,766,609 | 107,443 | 694,919 | 187,220 | 8,248,658 | | 8,248,658 |

As of and for the year ended March 31, 2018

| | Yen (millions) | | | | | | | |
|---|----------------|---------------|---------|-----------|---------------|------------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Sales revenue: | | | | | | | | |
| External customers | 2,240,033 | 8,067,455 | 680,497 | 3,541,680 | 831,481 | 15,361,146 | | 15,361,146 |
| Inter-geographic areas | 2,240,651 | 517,150 | 236,717 | 679,340 | 6,043 | 3,679,901 | (3,679,901) | |
| Total | 4,480,684 | 8,584,605 | 917,214 | 4,221,020 | 837,524 | 19,041,047 | (3,679,901) | 15,361,146 |
| Operating profit (loss) | 86,916 | 278,476 | 15,837 | 402,620 | 43,831 | 827,680 | 5,878 | 833,558 |
| Assets | | | | | | | | |
| Non-current assets other than financial instruments and deferred tax assets | 4,405,523 | 10,651,191 | 727,045 | 2,942,053 | 659,781 | 19,385,593 | (36,429) | 19,349,164 |
| | 2,580,515 | 4,530,019 | 105,649 | 683,006 | 161,913 | 8,061,102 | | 8,061,102 |
| Explanatory notes: | | | | | | | | |

1. Major countries or regions in each geographic area:

| | |
|---------------|---|
| North America | United States, Canada, Mexico |
| Europe | United Kingdom, Germany, Belgium, Turkey, Italy |
| Asia | Thailand, Indonesia, China, India, Vietnam |
| Other Regions | Brazil, Australia |

2. Sales revenues between geographic areas are generally made at values that approximate arm's-length prices.

3. Unallocated corporate assets, included in reconciling items, amounted to JPY 530,809 million as of March 31, 2017 and JPY 519,780 million as of March 31, 2018 respectively, which consist primarily of cash and cash equivalents and financial assets measured at

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fair value through other comprehensive income.

[B] Information about per common share

Equity per share attributable to owners of the parent as of March 31, 2017 and 2018 are calculated based on the following information.

| | 2017 | 2018 |
|---|---------------|----------------------|
| Equity attributable to owners of the parent (millions of yen) | 7,295,296 | 7,933,538 |
| The number of shares outstanding at the end of the period (excluding treasury stock) (shares) | 1,802,280,395 | 1,778,277,815 |
| Equity per share attributable to owners of the parent (yen) | 4,047.81 | 4,461.36 |

Earnings per share attributable to owners of the parent for the years ended March 31, 2017 and 2018 are calculated based on the following information. There were no potentially dilutive common shares outstanding for the years ended March 31, 2017 and 2018.

| | 2017 | 2018 |
|--|---------------|----------------------|
| Profit for the year attributable to owners of the parent (millions of yen) | 616,569 | 1,059,337 |
| Weighted average number of common shares outstanding, basic (shares) | 1,802,282,093 | 1,793,088,970 |
| Basic earnings per share attributable to owners of the parent (yen) | 342.10 | 590.79 |

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[C] Subsequent Event

Acquisition of the Company's Own Shares

The Board of Directors of the Company, at its meeting held on April 27, 2018, resolved that the Company will acquire its own shares pursuant to Article 459, Paragraph 1 of the Company Law and Article 33 of the Company's Articles of Incorporation.

1. Reason for acquisition of own share

The Company will acquire its own shares for the purpose, among others, of improving efficiency of its capital structure and implementing a flexible capital strategy.

2. Details of the acquisition

(1) Class of shares to be acquired:

Shares of common stock

(2) Total number of shares to be acquired:

Up to 18,000,000 shares (1.0% of total number of issued shares (excluding treasury stock))

(3) Total amount of shares to be acquired:

Up to 70 billion yen

(4) Period of acquisition:

Starting on May 7, 2018 and ending on December 31, 2018

(5) Method of acquisition:

Market purchases on the Tokyo Stock Exchange

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[D] Other

1. Loss related to airbag inflators

Honda has been conducting market-based measures in relation to airbag inflators. Honda recognizes a provision for specific warranty costs when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. There is a possibility that Honda will need to recognize additional provisions when new evidence related to the product recalls arise, however, it is not possible for Honda to reasonably estimate the amount and timing of potential future losses as of the date of this report.

In the United States and Canada, various class action lawsuits and civil lawsuits related to the above mentioned market-based measures have been filed against Honda. The plaintiffs have claimed for properly functioning airbag inflators, compensation of economic losses including incurred costs and the decline in the value of vehicles, as well as punitive damages. Most of the class action lawsuits in the United States were transferred to the United States District Court for the Southern District of Florida and consolidated into a multidistrict class action litigation.

For the year ended March 31, 2018, Honda has reached a settlement with the plaintiffs regarding the multidistrict class action litigation in the United States. This settlement is subject to final court approval. Honda recognized the settlement of JPY 53,739 million as selling, general and administrative expenses, which includes funds to support airbag inflator recall efforts and such.

Except for the class action lawsuits in the United States which have been settled, other class action lawsuits and civil lawsuits have not been resolved yet. Honda did not recognize a provision for loss contingencies because the conditions for a provision have not been met as of the date of this report. Therefore, it is not possible for Honda to reasonably estimate the amount and timing of potential future losses as of the date of this report because there are some uncertainties, such as the period when these lawsuits will be concluded.

2. Impairment loss and reversal of impairment loss on investments accounted for using the equity method

The Company recognized impairment losses on certain investments accounted for using the equity method because there is objective evidence of impairment from declines in quoted market values. The amount of the impairment losses is JPY 12,871 million for the fiscal year ended March 31, 2017. The impairment losses are included in share of profit of investments accounted for using the equity method in the consolidated statements of income. For the fiscal year ended March 31, 2018, the Company did not recognize any significant impairment losses.

In addition, the Company recognized reversal of impairment losses on certain investments accounted for using the equity method mainly due to the recovery of quoted market values. The amount of the reversal of impairment losses is JPY 15,782 million, which had been previously recognized, for the fiscal year ended March 31, 2018. The reversal of impairment losses is included in share of profit of investments accounted for using the equity method in the consolidated statements of income.

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3. Impact of the pension plan amendment on the Company's consolidated financial position and results of operations

In August 2016, the Company and its certain subsidiaries in Japan decided, effective April 1, 2017, to extend mandatory retirement age from 60 years old to 65 years old and introduce a flexible retirement scheme that enables employees to choose retirement age between 60 years old and 65 years old, along with amendments to their defined benefit pension plans to align with the postponement of the retirement age, to fulfill diversifying needs of individual employees. The plan amendments include the revision of the benefit curve, to make a lump-sum benefit payment at the retirement age between 60 years old and 65 years old under the new plan consistent with that at the mandatory retirement age, 60 years old. In addition, one of the defined benefit pension plans is replaced by a defined contribution plan.

These plan amendments resulted in a reduction of the defined benefit obligations and recognition of the past service cost in profit or loss. Honda recognized JPY 84,024 million of past service cost in a credit to profit or loss, of which JPY 37,197 million is included in cost of sales, JPY 21,385 million is included in selling, general and administrative and JPY 25,442 million is included in research and development in the consolidated statements of income for the year ended March 31, 2017. The defined benefit obligations and plan assets were also remeasured.

4. Impacts of the Enactment of the U.S. Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act was enacted in the U.S. on December 22, 2017. Due to the Act, the federal corporate income tax rate in the U.S. applicable to the Company's U.S. businesses was reduced from 35 percent to a blended corporate rate of 31.55 percent for the fiscal year ending March 31, 2018 and to 21 percent from the fiscal year commencing on April 1, 2018.

Based on the reduction of the federal corporate income tax rate, the Company reevaluated deferred tax assets and liabilities in its U.S. consolidated subsidiaries. As a result, the Company has recognized impacts of the enactment of the Tax Cuts and Jobs Act, including a decrease in income tax expenses of JPY 346,129 million, in the fiscal year ending March 31, 2018.

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[Translation]

April 27, 2018

To: Shareholders of Honda Motor Co., Ltd.

From: Honda Motor Co., Ltd.

1-1, Minami-Aoyama 2-chome,

Minato-ku, Tokyo, 107-8556

Takahiro Hachigo

President and Representative Director

Notice of Resolution by the Board of Directors**Concerning Distribution of Surplus (Quarterly Dividends)****for the Fiscal Year Ending March 31, 2018**

The Board of Directors of Honda Motor Co., Ltd. (the Company), at its meeting held on April 27, 2018, resolved to make a distribution of surplus (quarterly dividends), the record date of which is March 31, 2018.

Particulars

1. Details of Distribution of Surplus (Quarterly Dividends)

| Record Date | Resolution March 31, 2018 | Previous Dividends Forecast (Announced on February 2, 2018) March 31, 2018 | Dividends Paid for the Corresponding Quarter in Fiscal 2017 March 31, 2017 |
|--|--------------------------------------|---|---|
| Dividends per Share of Common Stock (yen) | 27 | 25 | 24 |
| Total Amount of Dividends (million yen) | 48,103 | | 43,254 |
| Effective Date | May 30, 2018 | | June 16, 2017 |
| Source of Funds for Dividends | Retained Earnings | | Retained Earnings |

2. Basis of the Distribution of Surplus

The Company considers the redistribution of profits to its shareholders to be one of its most important management issues, and makes distributions after taking into account, among others, its retained earnings for future growth and consolidated earnings performance based on a long-term perspective. The Company resolved that a fiscal year-end quarterly dividend payment of ¥27 per share of common stock is to be paid considering its consolidated financial

results for the fiscal year ending March 31, 2018.

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Reference: Details of Annual Dividends

| Record Date | Dividends per Share (yen) | | | | |
|-------------------------------|---|--------------------------------------|-------------------------------------|----------------------------|--------------|
| | End of First Quarter | End of Second Quarter | End of Third Quarter | Fiscal Year-end | Total |
| Dividends Paid in Fiscal 2018 | 24 | 24 | 25 | 27 | 100 |
| Dividends Paid in Fiscal 2017 | 22 | 22 | 24 | 24 | 92 |

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[Translation]

April 27, 2018

To: Shareholders of Honda Motor Co., Ltd.

From: Honda Motor Co., Ltd.

1-1, Minami-Aoyama 2-chome,

Minato-ku, Tokyo, 107-8556

Takahiro Hachigo

President and Representative Director

Notice Concerning Acquisition of the Company's Own Shares

(Acquisition of the Company's own shares pursuant to the Articles of Incorporation of the Company

in accordance with Article 459, Paragraph 1 of the Company Law)

The Board of Directors of Honda Motor Co., Ltd. (the Company), at its meeting held on April 27, 2018, resolved that the Company will acquire its own shares pursuant to Article 459, Paragraph 1 of the Company Law and Article 33 of the Company's Articles of Incorporation.

Particulars

1. Reason for acquisition of own shares

The Company will acquire its own shares for the purpose, among others, of improving efficiency of its capital structure and implementing a flexible capital strategy.

2. Details of the acquisition

(1) Class of shares to be acquired:

Shares of common stock

(2) Total number of shares to be acquired:

Up to 18,000,000 shares (1.0 % of total number of issued shares (excluding treasury stock))

(3) Total amount of shares to be acquired:

Up to 70 billion yen

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(4) Period of acquisition:

Starting on May 7, 2018 and ending on December 31, 2018

(5) Method of acquisition:

Market purchases on the Tokyo Stock Exchange

| | | |
|------------|---|----------------------|
| Reference: | The Company's treasury stock held as of March 31, 2018 | |
| | Total number of issued shares (excluding treasury stock): | 1,778,277,815 shares |
| | Total number of treasury stock: | 33,150,615 shares |