



2015 Honda Fit

AUTO FINANCE FORUM

February 13, 2014

First Canadian Place, 68th Floor, York Room

Caution with Respect to Forward-Looking Statements:

These slides contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 of the United States that involve a number of risks and uncertainties. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “scheduled,” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Such forward-looking statements are necessarily dependent on assumptions, data, or methods that may be incorrect or imprecise and that may be incapable of being realized. Factors such as declines in the financial condition or performance of Honda or Honda Canada Finance Inc. (“HCFI”) or the sales of Honda or Acura products, changes in general business and economic conditions, and fluctuations in interest rates and currency exchange rates, among others, could cause actual results and other matters to differ materially from those in such forward-looking statements.

Accounting standards:

Consolidated financial information and HCFI financial information in this presentation are prepared in conformity with U.S. generally accepted accounting principles.

Exchange rates:

Throughout this presentation, U.S. dollar amounts described with respect to Honda Motor Co., Ltd. have been translated from Japanese yen solely for the convenience of the reader at the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31 of the relevant year for which such dollar amounts are presented, unless otherwise noted.

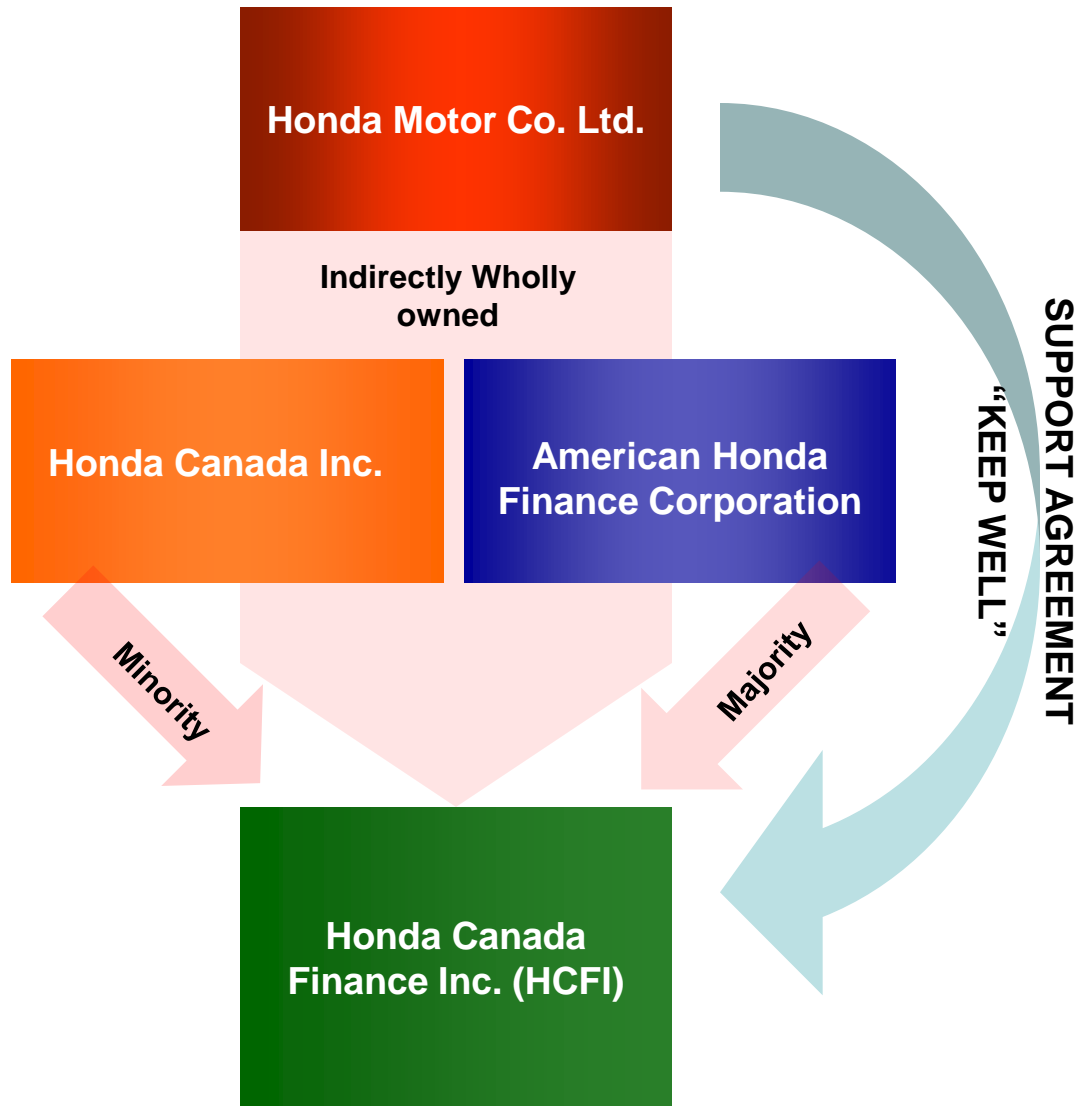
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This information is presented as of February 13, 2014 and does not purport to be accurate as of any other date. We undertake no obligation to update this information. This presentation is posted on the American Honda Financial Services website:

<http://www.hondafinancialservices.com/investor-relations>

- *Honda Motor Co., Ltd. (HM)*
Keep Well Structure

- *Honda Canada Finance Inc (HCFI)*
Honda in Canada
Business Environment
Performance
Funding



OWNERSHIP STRUCTURE

- *Honda Motor Co. Ltd is 'the Parent' company of both Honda Canada Inc. and American Honda Finance Corp.*
- *HCFI is jointly owned by AHFC and Honda Canada Inc.*
- *AHFC holds a majority of the equity and HCFI is consolidated with AHFC.*

HONDA SUPPORT AGREEMENT HIGHLIGHTS

- *Maintain 80% ownership*
- *Ensure HCFI maintains a positive net worth*
- *Cause HCFI to maintain liquidity to meet obligations*

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- **Established a Canadian presence:** 1969
- **Canadian Manufacturing Facilities:** In 2014, Celebrated 28 years of manufacturing in Alliston, Ontario
(2 vehicle and 1 engine plant)
- **Canadian Manufacturing Capacity:** 390,000 Units
- **Vehicles Manufactured in Canada:** Honda: CRV, Civic Sedan, Si and Coupe

Canadian Sales Flash



2013

	YTD 2013	Market Share	YTD 2012	Market Share	% Changes
Honda/Acura	164,236	9.4%	148,712	8.9%	10.40%
Acura	19,005	1.1%	17,154	1.0%	10.80%
ILX	3,192	0.2%	2,259	0.1%	41.30%
RLX/RL	185	0.0%	29	0.0%	537.90%
TL	2,374	0.1%	3,323	0.2%	-28.60%
Acura Passenger Car	6,730	0.4%	7,076	0.4%	-4.90%
MDX	6,114	0.4%	5,242	0.3%	16.60%
RDX	6,112	0.4%	4,726	0.3%	29.30%
Acura Light Truck	12,275	0.7%	10,078	0.6%	21.80%
Honda	145,231	8.3%	131,558	7.9%	10.40%
Accord	17,165	1.0%	9,930	0.6%	72.90%
Civic	64,063	3.7%	64,962	3.9%	-1.40%
Fit	9,512	0.5%	4736	0.3%	100.80%
Honda Passenger Car	90,879	5.2%	80,034	4.8%	13.60%
Accord Crosstour	1,109	0.1%	1,048	0.1%	5.80%
CR-V	34,481	2.0%	33,339	2.0%	3.40%
Odyssey	10,284	0.6%	9,094	0.5%	13.10%
Pilot	6,356	0.4%	5,807	0.3%	9.50%
Ridgeline	2,122	0.1%	2,226	0.1%	-4.70%
Honda Light Truck	54,352	3.1%	51,524	3.1%	5.50%
Total Passenger Car	764,382	43.9%	759,795	45.3%	0.60%
Total Light Truck	978,730	56.1%	915,880	54.7%	6.90%
Total Light Vehicle Sales	1,743,112	100.0%	1,675,675	100.0%	4.0%

CANADIAN MARKET SHARE - HONDA



**The Honda Civic is Canada's
top-selling passenger car for
the 16th consecutive year**

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Auto Sales Environment

- New auto sales are stable to slightly rising
- Used car prices remain strong

Auto Financing Environment

- Leasing and customer retention key competitive advantages for Honda and Acura
- Cost of funds are at very low levels



Residual & Credit Loss Environment

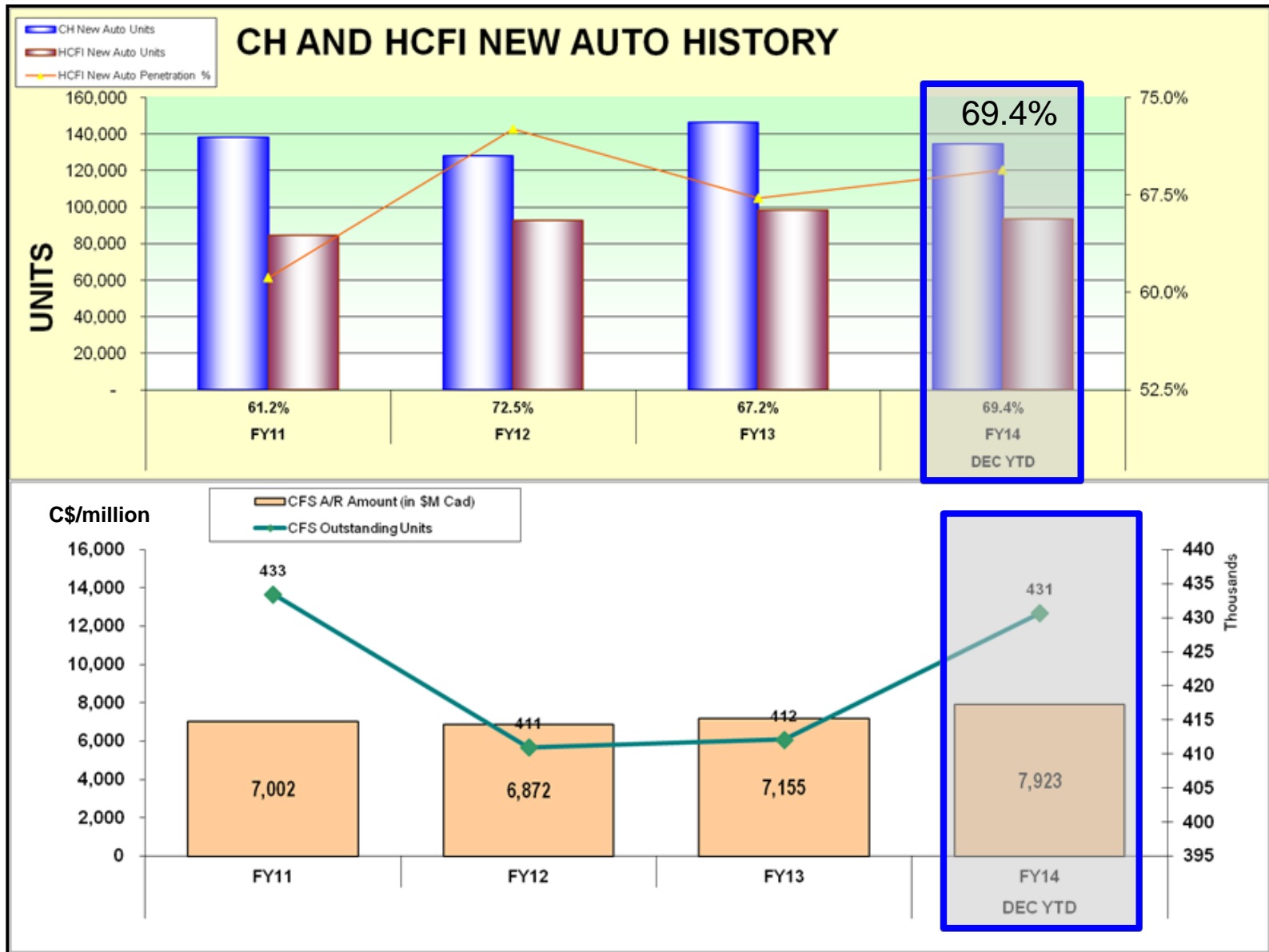
- Residual loss has declined due to the strong used car market and with Honda's #1 in ALG ranking for the overall Mainstream Brand award and Acura's #1 ALG ranking for the Premium Brand award
- Credit loss has declined with an improving economy



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Penetration, A/R Outstanding (CFS) - HCFI



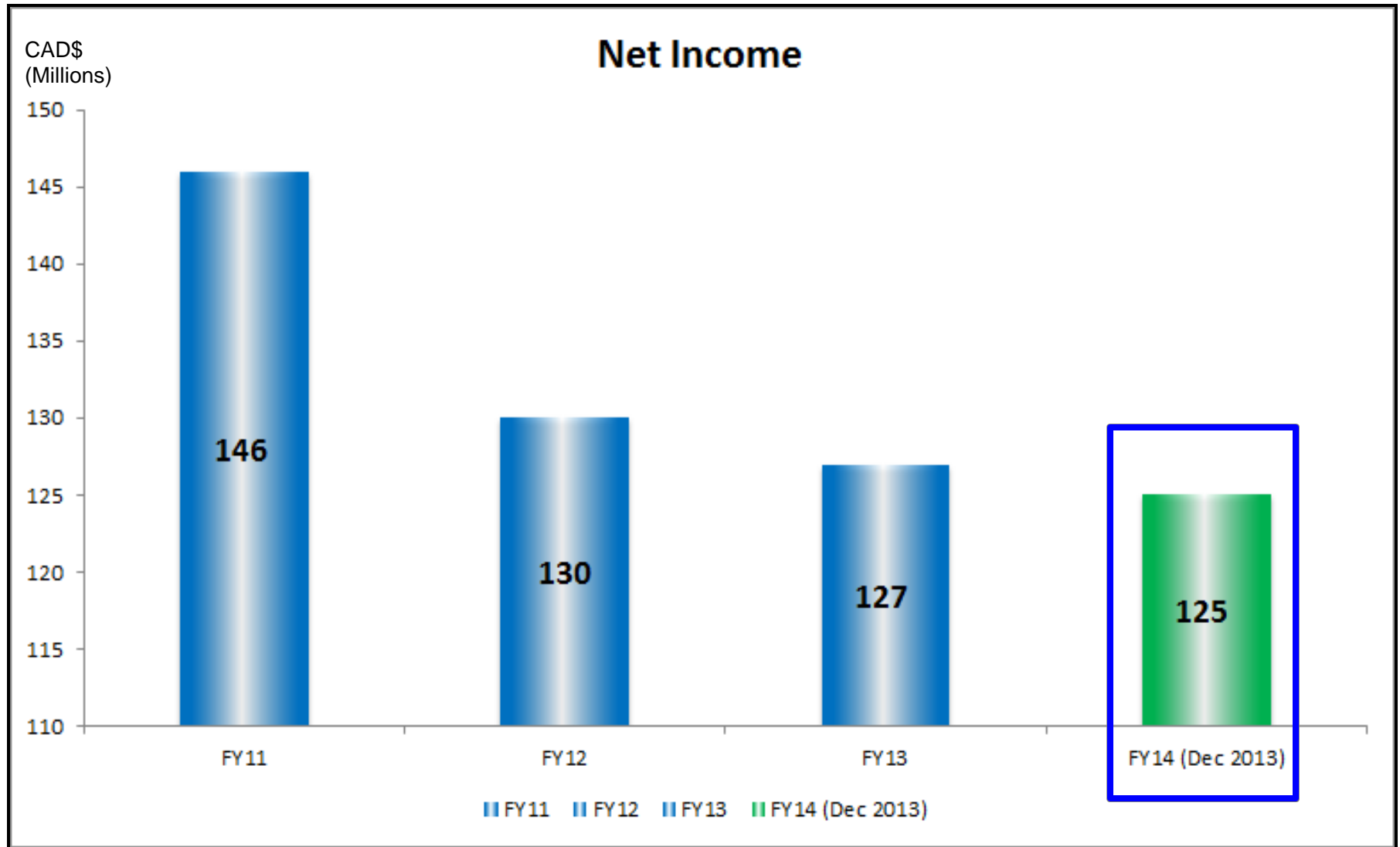
HCFI Performance Data

	FY11	FY12	FY13	Dec '13
Delinquency 60+	0.07%	0.07%	0.06%	0.10%
Net Charge-offs	0.24%	0.19%	0.18%	0.14%
Allowance for Credit Loss	0.25%	0.21%	0.19%	0.16%

Notes:

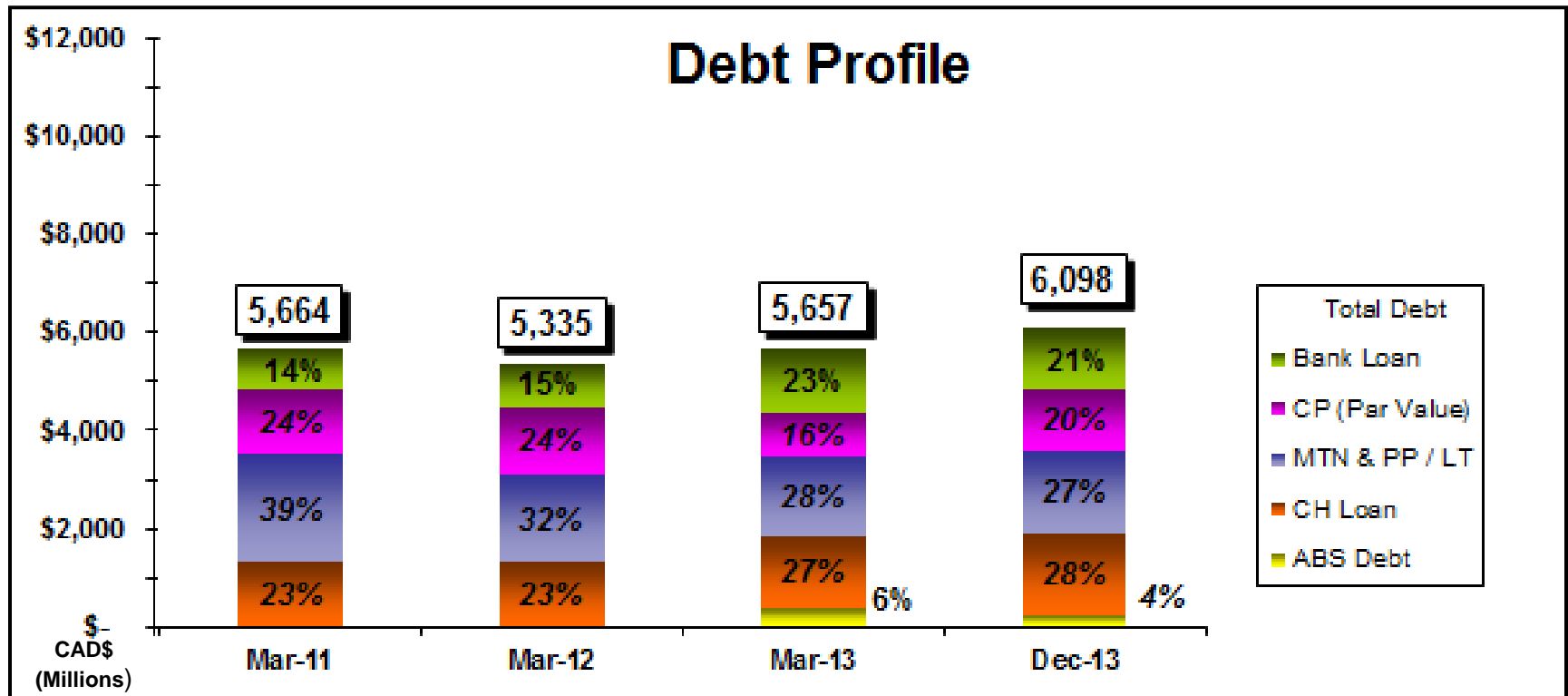
- (1) Percentages based on ending receivable balances for respective periods.
- (2) Percentages based on average receivable balances for respective periods.
- (3) Ending and average receivable balances exclude the allowance for credit losses, write-down of lease residual values, unearned subvention income related to our incentive financing programs and deferred origination costs. Average receivable balances are calculated based on the average of each month's ending receivables balance for that fiscal period.
- (4) Percentages for the nine months ended December 31, 2013 have been annualized.

HCFI Net Income (C\$)



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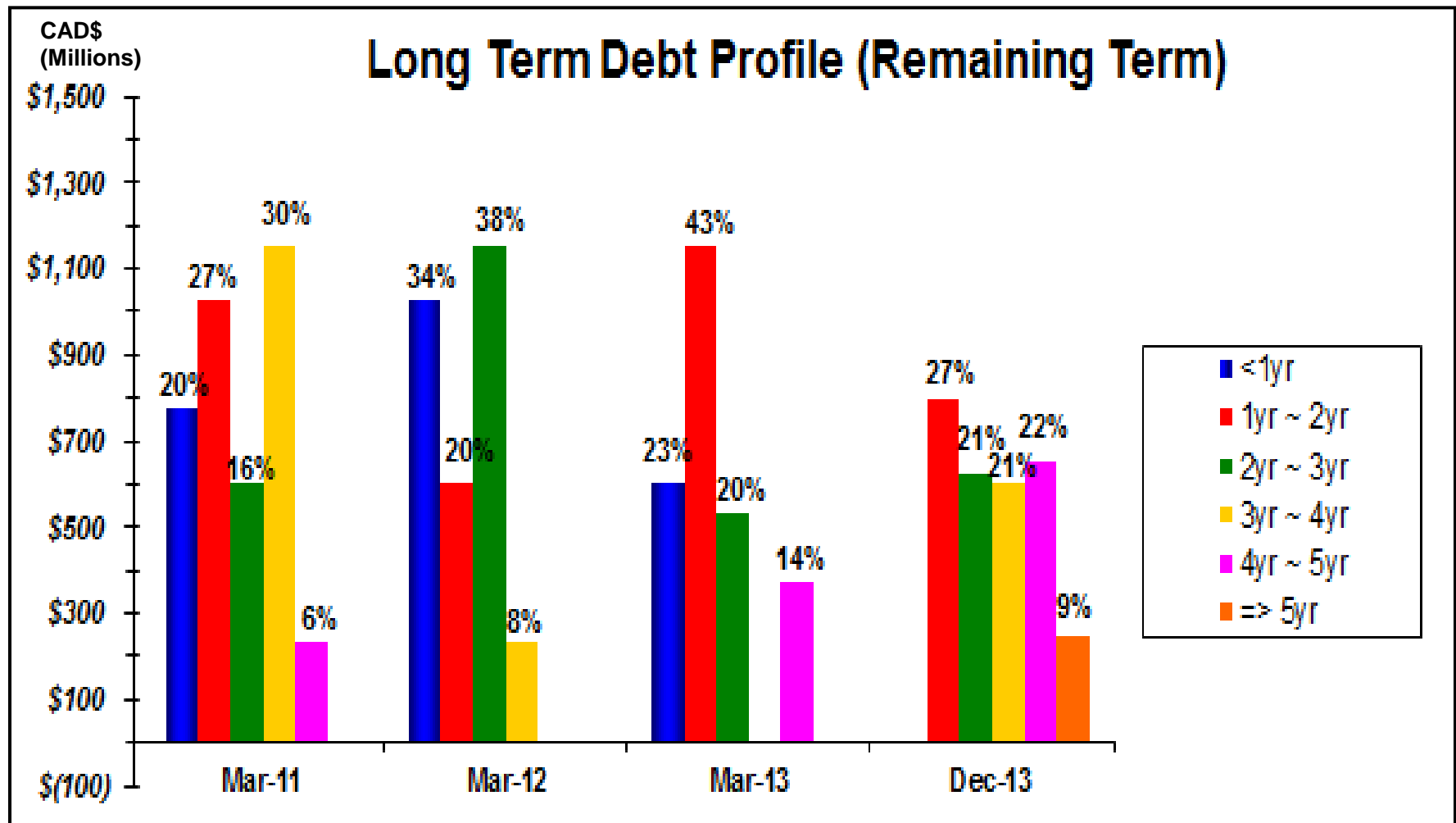
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Diversified HCFI Funding Programs

- Commercial Paper Program CAD \$1.625 billion (supported by \$1.3 B Bank Credit Facilities)
- Private Placement Program (MTN)
- Related Party Debt (CH Loan)
- Bank Loans
- ABS Private Securitization

Unsecured Term Debt Maturity Profile



Provide stability to support Honda/Acura sales

- *Continue to access both secured and unsecured markets*
- *Strengthen our investor relationships*
- *Conservative approach to markets*
- *Maintain prudent maturity profile*

“BLUE SKIES FOR OUR CHILDREN”



Honda 'Urban SUV' Concept

2015 Acura TLX Concept



THANK YOU



2014 Acura RLX Hybrid

<http://www.hondafinancialservices.com/investor-relations>