



Honda Civic Type R

*Investor Presentation
May 2017*

Caution with Respect to Forward-Looking Statements:

These slides may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 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 AHFC 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.

Use and Definition of Non-GAAP Financial Measure:

This presentation includes the following financial measure defined as a non-GAAP financial measure by the SEC: Income before income taxes excluding valuation adjustments and reclassifications. This measure has limitations as an analytical tool and should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our liquidity. Our presentation of this non-GAAP financial measure should also not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of this non-GAAP financial measure may not be comparable to other similarly titled measures of other companies.

We define income before income taxes excluding valuation adjustments and reclassifications as income before income taxes excluding realized (gains)/losses on derivatives and foreign currency denominated debt, (gain)/loss on derivative instruments, and (gain)/loss on foreign currency revaluation of debt. Management believes income before income taxes excluding valuation adjustments and reclassifications is useful because it allows management to evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to fluctuations in performance resulting from currency related charges and interest rate swaps.

A reconciliation of our net income as determined in accordance with GAAP to income before taxes excluding valuation adjustments and reclassifications is provided in Appendix A to these slides.

Accounting Standards:

Financial information is prepared in conformity with U.S. generally accepted accounting principles.

This information is presented as of May 30, 2017 and does not purport to be accurate as of any other date. We undertake no obligation to update this information.

This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities. Any offer or sale of securities will be made only by means of an offering memorandum and related documents.

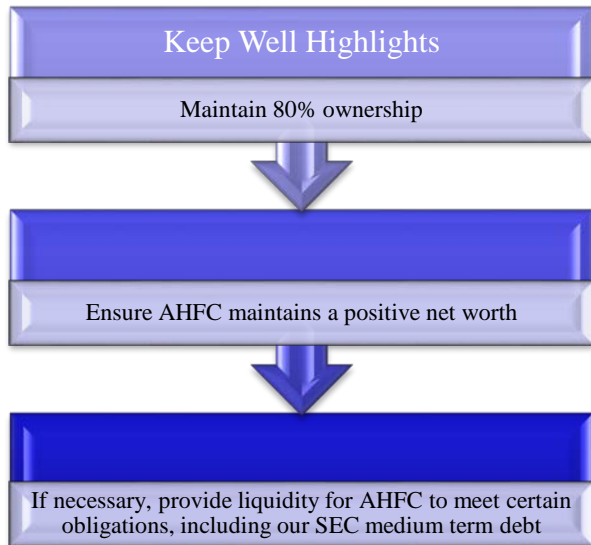
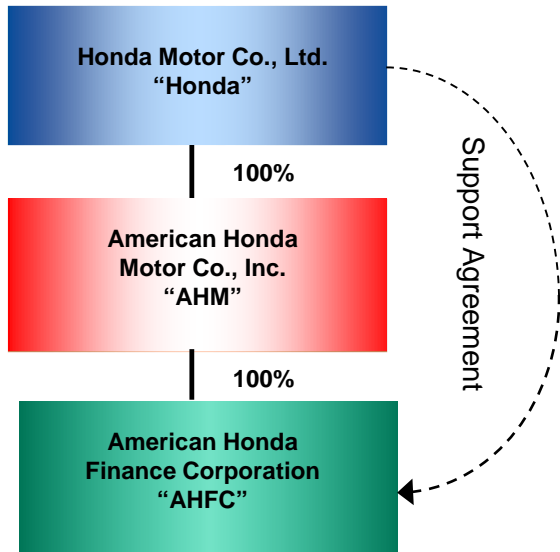
Foreign Currency Translation:

The financial data in these slides is presented on a consolidated basis unless otherwise noted. Upon consolidation, the assets and liabilities are translated at year-end exchange rates, and the revenues and expenses are translated at the average rates of exchange during the respective years. Foreign currency denominated debt is translated at year-end exchange rates, and the foreign currency transaction gains and losses are recognized through earnings.

Honda Corporate Structure

Rating Information: *Moody's A1 Negative*
S&P A+ Negative

*Fiscal year of Honda Motor Co., Ltd.
ends on March 31*





Financial
Services



Financial
Services

AHFC Operations in US



8 Regional Auto offices
1 National Motorcycle
office

HQ located in
Torrance, CA



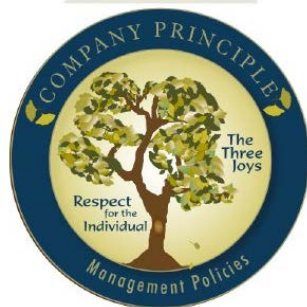
Service Center in Irving TX



Approximately
3.3 million
customers

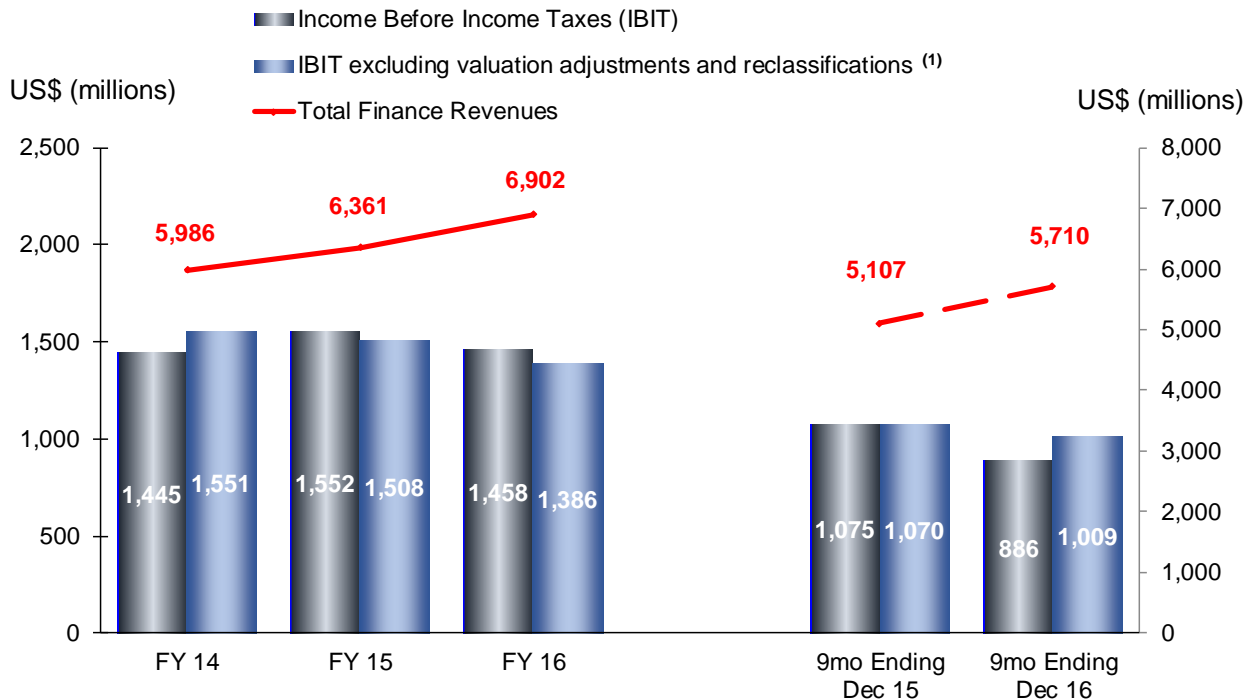


HONDA
PHILOSOPHY



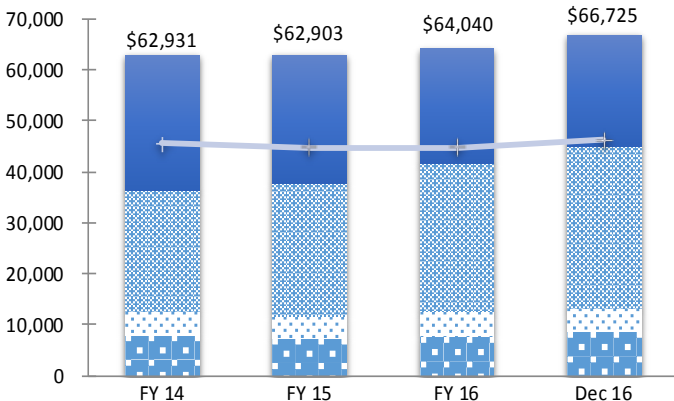
1,425
Employees
(@ 3/31/17)

AHFC Net Income



(1) For a reconciliation of IBIT excluding valuation adjustments and reclassifications see Appendix A

US\$ (millions)



	Retail	\$26,430	\$25,054	\$22,381	\$21,820
	Lease	\$23,952	\$26,239	\$29,182	\$31,448
	Dealer	\$4,372	\$4,256	\$4,771	\$4,874
	Securitized Assets	\$8,177	\$7,354	\$7,706	\$8,583
	Debt	\$45,634	\$44,689	\$44,776	\$46,168

As of Dec 31, 2016:

Retail Loans are approx. 46% of outstanding receivables (including ABS assets)

Leases are 48% of outstanding receivables

Securitized Assets are Retail Loans. We do not currently securitize other asset classes

Dealer Loans

Flooring 28% of the Honda/Acura Auto dealers

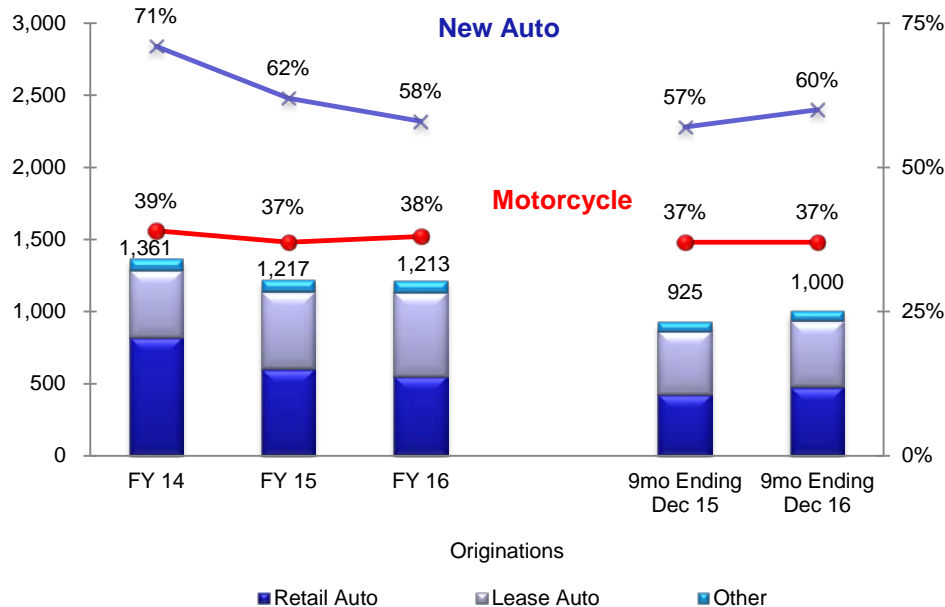
Flooring 96% of the Honda/Acura Motorcycle dealers

Lease includes both direct finance leases and operating leases.
Retail excludes securitized assets

AHFC CFS Originations, Penetration & Outstanding

Unit (thousands)

Penetration



Penetration

FY 14 shows higher new auto penetration as a result of higher incentive programs sponsored by our parent, American Honda Motor Co., Inc. and our affiliate Honda Canada Inc.

Outstanding 3,660 3,749 3,764 3,773 3,851

AHFC Performance Data

- Focus on prime customers
- Loan maturity up to 72 months

	<u>Fiscal Year Ending</u>			<u>9 mo Ending</u>	
	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>Dec 15</u>	<u>Dec 16</u>
Delinquency (60 or more days) ^{(1),(3)}	0.10%	0.10%	0.15%	0.22%	0.24%
Allowance for Credit Losses ^{(1),(3)}	0.24%	0.22%	0.26%	0.25%	0.35%
Charge-Offs (Net of Recoveries) ^{(2),(3),(4)}	0.27%	0.26%	0.33%	0.31%	0.39%

(1) Percentages based on ending receivable balances for respective periods.

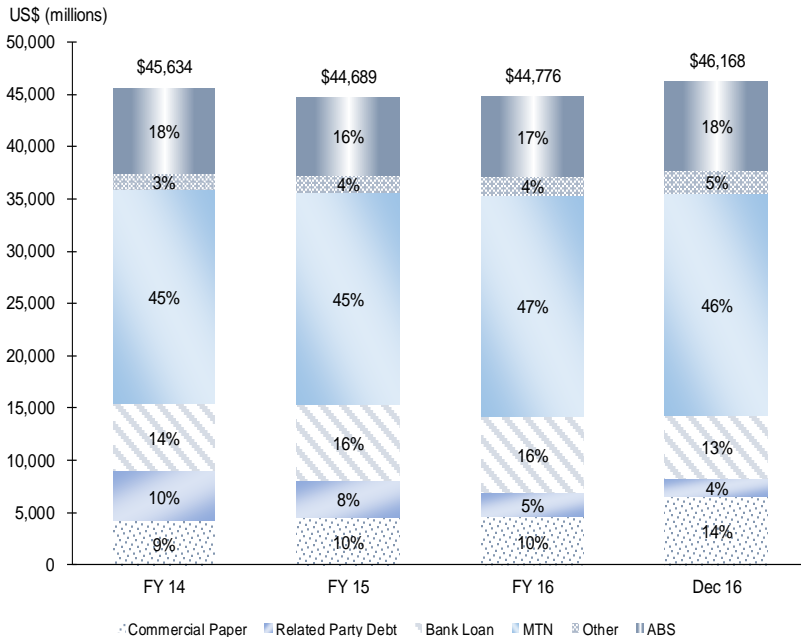
(2) Percentages based on average receivable balances for respective periods.

(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 of the nine months ended Decemeber 31, 2015 and 2016 have been annualized

- *Strong liquidity including committed credit facilities, investment reserves and commercial paper capacity*
- *Expanding our access to various unsecured domestic and international markets*
- *Benchmark program in the ABS markets*
- *Deep and solid relationships with our investor community*
- *Continuously developing new investor relationships*

AHFC Funding Flexibility



MTN includes outstanding debt from Public, 144a and EMTN programs

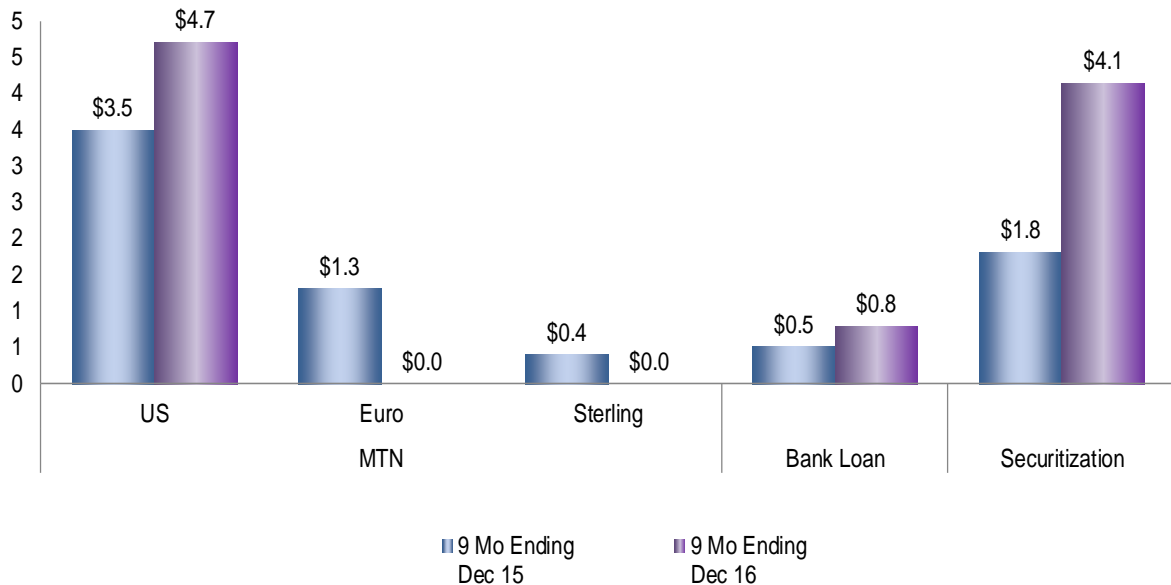
Diversified AHFC Funding Programs

- Commercial Paper Program
US \$7 billion, CAD \$2 billion (HCFI)
(supported by US \$7 billion and CAD \$1.6 billion (HCFI) Bank Credit Facilities)
- Related Party Debt
- Bank Loans
- US \$30 billion Shelf MTN Public Program
- US \$25 billion USMTN Private 144a Program (Inactive)
- US \$11 billion EMTN Program (Inactive)
- Private Placement Issuance (HCFI)
- Public & Private Securitization (AHFC & HCFI)

FYTD Debt Issuance

(US Operations Only)

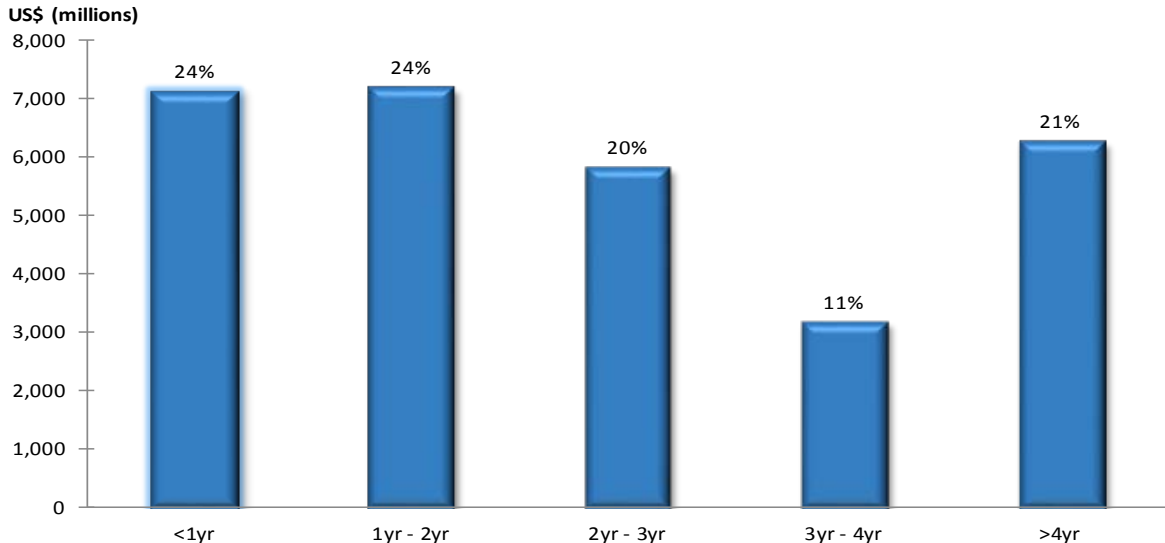
US\$ (billions)



Excludes Commercial Paper and Related Party Debt
Securitization excludes retained notes

Unsecured Term Debt Maturity Profile

As of December 2016



Excludes Commercial Paper and Related Party Debt
Does not include unamortized discounts and fees
Foreign debt based on exchange rates as of December 31, 2016

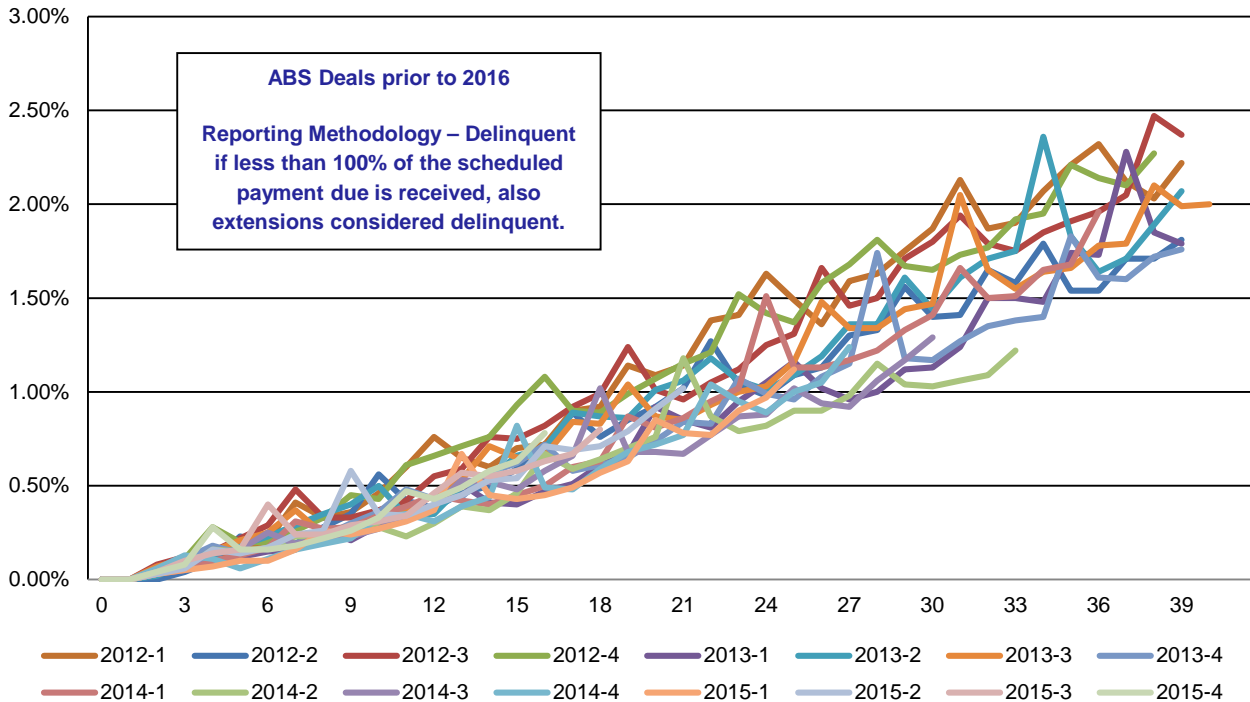
Honda Auto Receivables Owner Trust (ABS Portfolio)

ABS Portfolio Comparison

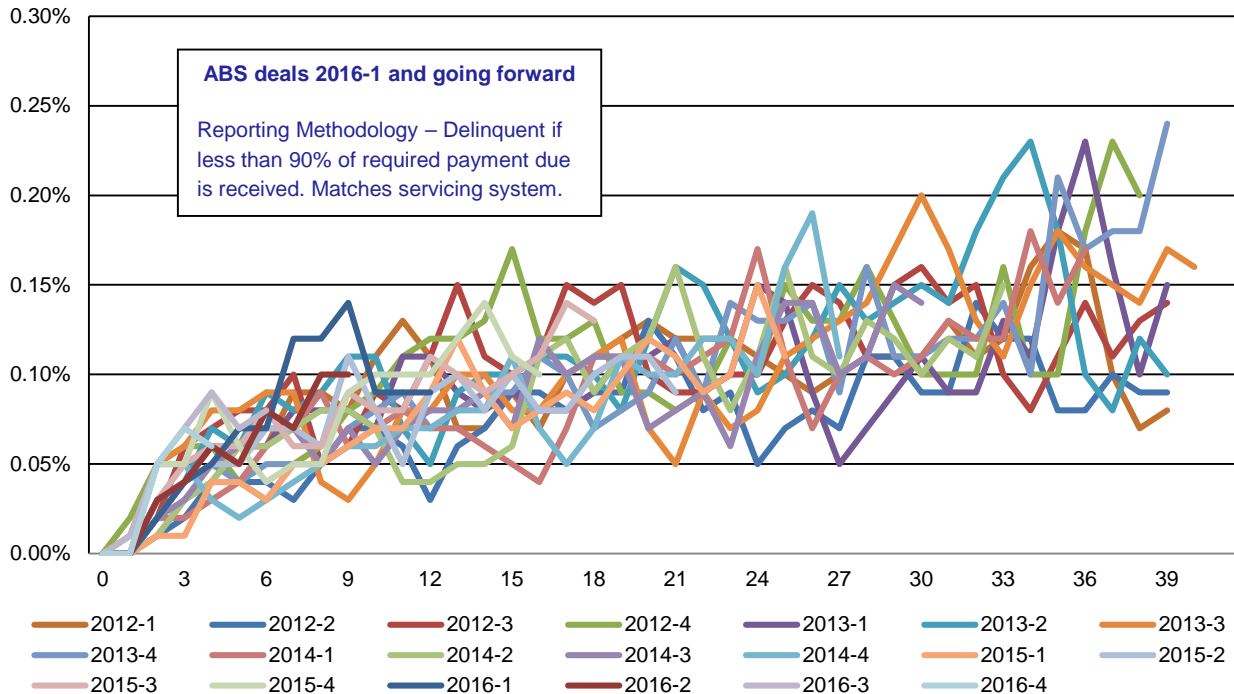
Honda Auto Receivables Owner Trust (HAROT)

		2017-1	2016-4	2016-3	2016-2	2016-1	2015-4	2015-3	2015-2	2015-1
General	Amount (Mill's)	\$1,282	\$1,538	\$1,538	\$1,538	\$1,026	\$1,223	\$1,168	\$1,391	\$1,282
	WAC	2.33%	2.09%	2.17%	2.18%	2.16%	2.17%	2.13%	2.12%	2.13%
	WAOM	60.89	60.24	59.95	59.37	59.42	61.08	59.70	59.67	59.52
	WA Seasoning	13.30	13.53	13.37	13.28	13.61	13.22	13.00	13.39	13.72
	Fico Score	766	764	763	763	761	761	761	759	758
Credit Grade	A	79.83%	78.13%	79.55%	79.64%	79.57%	79.32%	80.91%	80.65%	80.89%
	B	12.32%	13.17%	12.30%	12.18%	12.72%	13.31%	12.20%	12.01%	11.92%
	C	6.16%	7.20%	6.66%	6.61%	6.24%	5.89%	5.37%	5.83%	5.78%
	D	1.69%	1.50%	1.50%	1.57%	1.48%	1.47%	1.51%	1.50%	1.41%
Make	Honda	93.99%	94.17%	86.66%	86.99%	86.88%	86.52%	86.61%	86.18%	87.20%
	Acura	6.01%	5.83%	13.34%	13.01%	13.12%	13.48%	13.39%	13.82%	12.80%
Top 5 Models	Accord	16.97%	18.31%	28.20%	28.57%	28.27%	27.87%	26.37%	25.26%	21.44%
	Civic	16.63%	20.20%	17.72%	17.73%	17.03%	16.00%	15.52%	15.53%	16.80%
	CRV	28.79%	23.37%	13.71%	14.85%	15.16%	17.55%	17.78%	18.80%	20.51%
	Odyssey	18.87%	21.93%	16.78%	13.07%	12.31%	11.18%	11.74%	11.66%	11.41%
	Pilot	6.90%	7.63%	7.34%	9.58%	10.54%	10.05%	10.69%	10.15%	11.32%
Original Term	13-24	0.21%	0.19%	0.15%	0.20%	0.15%	0.05%	0.14%	0.13%	0.19%
	25-36	6.10%	6.05%	7.22%	8.94%	9.58%	1.89%	7.28%	7.65%	7.38%
	37-48	3.58%	4.09%	4.24%	5.40%	3.65%	2.60%	2.57%	2.38%	1.94%
	49-60	65.14%	69.80%	68.44%	65.53%	16.74%	78.70%	73.77%	73.21%	76.27%
	61-72	24.97%	19.87%	19.95%	19.93%	19.89%	16.75%	16.24%	16.62%	14.22%
New/Used	New	92.08%	95.12%	92.66%	95.52%	93.69%	92.99%	93.19%	91.97%	91.17%
	Used	7.92%	4.88%	7.34%	7.48%	6.31%	7.01%	6.81%	8.03%	8.83%

ABS 61+ Days Delinquencies (%)

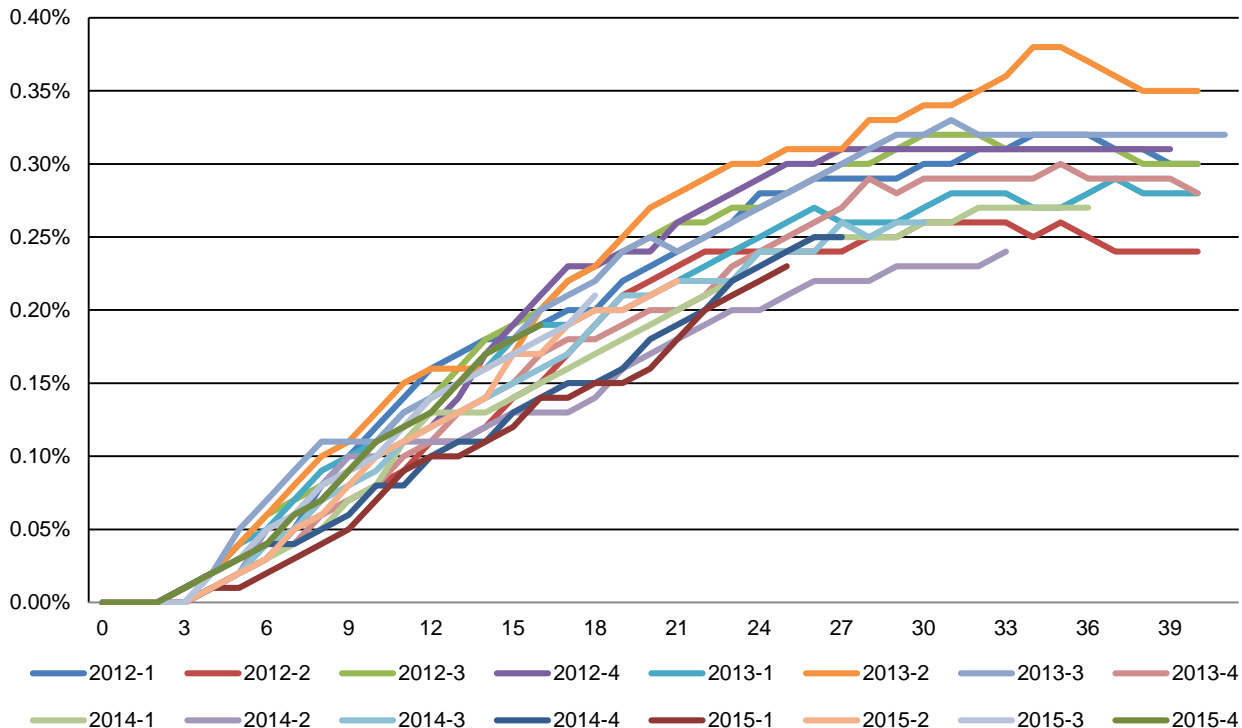


ABS 61+ Days Delinq. (%) New Reporting Method

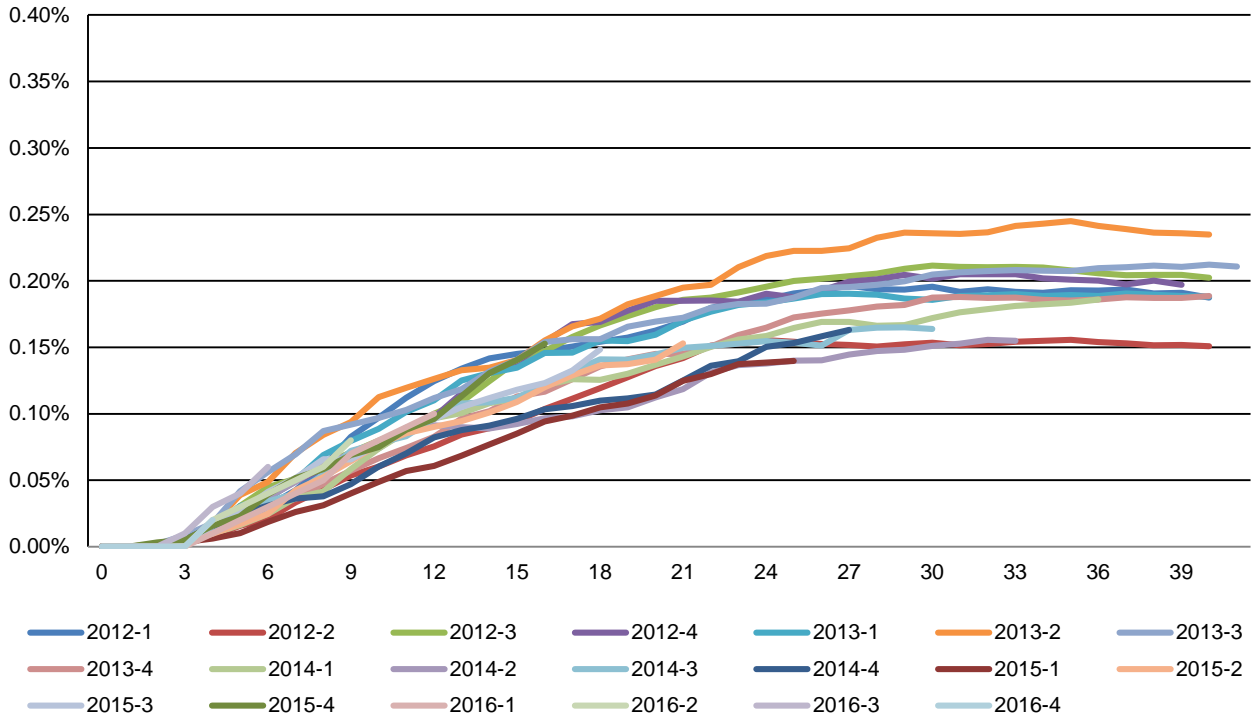


Deals prior to 2016-1 recalculated using new reporting method

ABS Cumulative Net Losses



ABS Cum. Net Losses New Reporting Methodology



Deals prior to 2016-1 recalculated using new reporting method

HONDA
The Power of Dreams

The table set forth below reconciles net income, calculated and presented in accordance with U.S. generally accepted accounting principles, to income before income taxes excluding valuation adjustments and reclassifications:

	Fiscal Years ended March 31,			9 Mo. Ended	
	2014	2015	2016	Dec 15	Dec 16
Net income.....	\$ 956	\$ 992	\$ 910	\$ 690	\$ 552
Add:					
Income tax expense.....	489	560	548	385	334
Realized (gains)/losses on derivatives and foreign currency denominated debt.....	20	(17)	(31)	(31)	10
(Gain)/Loss on derivative instruments	(25)	326	(101)	62	337
(Gain)/Loss on foreign currency revaluation of debt.....	111	(353)	60	(36)	(224)
Income before income taxes excluding valuation adjustments and reclassification.....	<u>\$1,551</u>	<u>\$1,508</u>	<u>\$1,386</u>	<u>\$1,070</u>	<u>\$1,009</u>