



2015 Honda CRV

AUTO FINANCE FORUM

February 12, 2015

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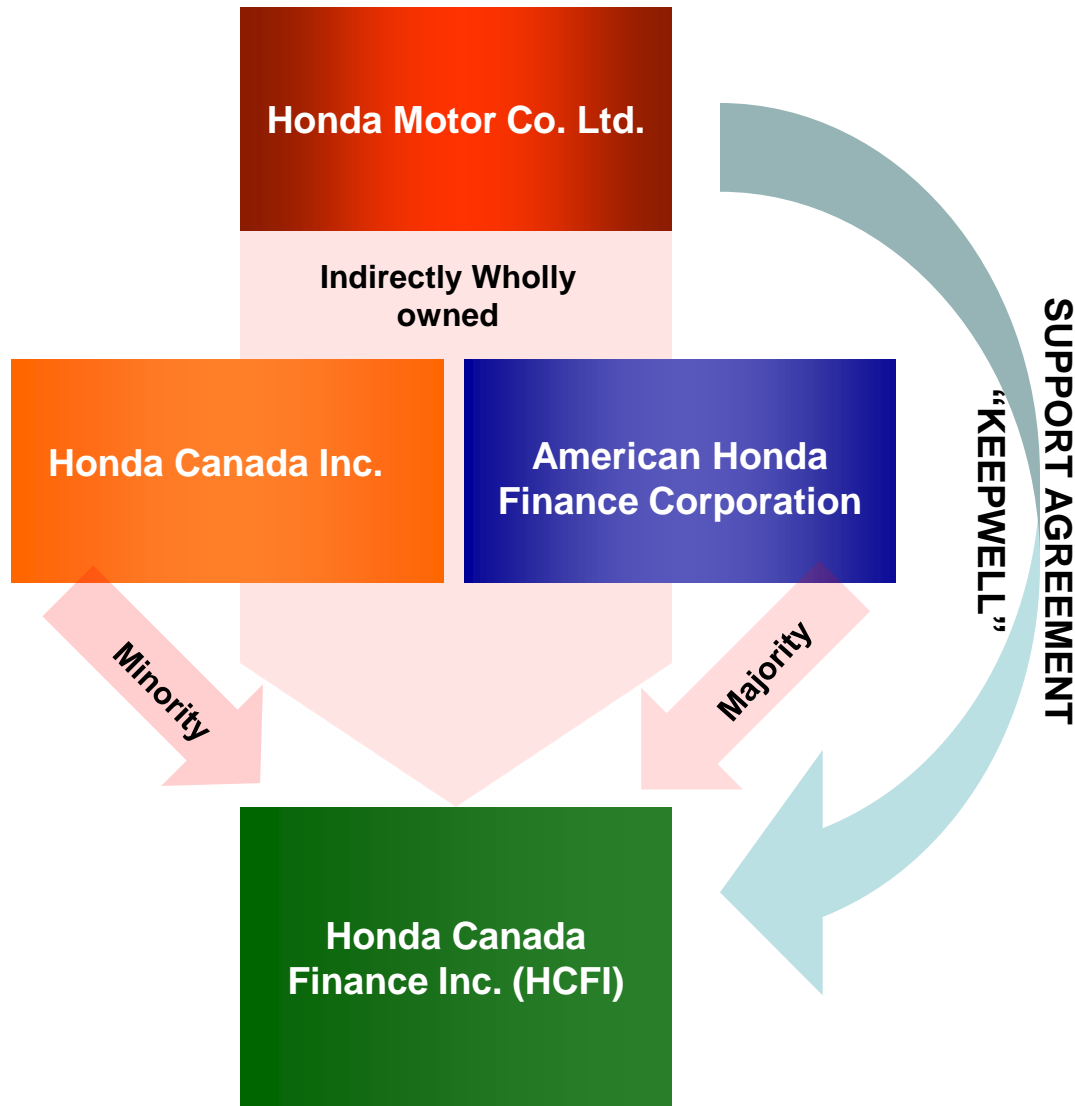
<http://www.hondafinancialservices.com/investor-relations>

- *Honda Motor Co., Ltd. (HM)*
 - Corporate Profile**
 - Forecast of FY2015*
- *Honda Canada Finance Inc (HCFI)*
 - Honda in Canada*
 - Business Environment*
 - Performance*
 - Funding*

- **Established:** September 24, 1948
- **Headquarters:** Tokyo, Japan
- **Segments of Business:** Motorcycles (from 1948)
Power Products (from 1953)
Automobiles (from 1963)
- **Regions of Operation:** Japan, North America, Europe, Asia & Other Regions
- **Number of Employees:** 198,561
- **Capitalization:** ¥86 billion (as of March 31, 2014)

Source: world.honda.com/Investors

Rating Information:	Moody's	A1 Stable
	S&P	A+ Stable
	DBRS	A (High) Stable



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 2015, Celebrated 29 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

2014 Canadian Market Share - Honda

		<h2>Canadian Sales Flash</h2>									
<h3>December 2014</h3>											
	December 2014	Market Share	December 2013	Market Share	% Changes	YTD 2014	Market Share	YTD 2013	Market Share	% Changes	
Honda/Acura	13818	10.5%	13316	11.8%	3.8%	172,426	9.3%	164,236	9.4%	5.0%	
Acura	1884	1.4%	1774	1.6%	6.2%	19533	1.1%	19005	1.1%	2.6%	
ILX	163	0.1%	202	0.2%	-19.3%	2752	0.1%	3192	0.2%	-13.8%	
RLX	24	0.0%	9	0.0%	166.7%	243	0.0%	185	0.0%	31.4%	
TLX	488	0.4%	193	0.2%	152.8%	3497	0.2%	2374	0.1%	47.3%	
TSX	0	0.0%	267	0.2%	0.0%	206	0.0%	979	0.1%	-79.0%	
Acura Passenger Car	675	0.5%	671	0.6%	0.6%	6,698	0.4%	6,730	0.4%	-0.5%	
MDX	658	0.5%	598	0.5%	10.0%	6,272	0.3%	6,114	0.4%	2.6%	
RDX	551	0.4%	498	0.4%	10.6%	6557	0.4%	6112	0.4%	7.3%	
ZDX	0	0.0%	7	0.0%	0.0%	6	0.0%	49	0.0%	-87.8%	
Acura Light Truck	1,209	0.9%	1,103	1.0%	9.6%	12,835	0.7%	12,275	0.7%	4.6%	
Honda	11,934	9.1%	11,542	10.2%	3.4%	152,893	8.3%	145,231	8.3%	5.3%	
Accord	1,031	0.8%	876	0.8%	17.7%	16,962	0.9%	17,165	1.0%	-1.2%	
Civic	4,031	3.1%	3,412	3.0%	18.1%	66,057	3.6%	64,063	3.7%	3.1%	
CR-Z	0	0.0%	0	0.0%	20.0%	100	0.0%	72	0.0%	38.9%	
Fit	898	0.7%	1909	1.7%	-53.0%	11732	0.6%	9512	0.5%	23.3%	
Insight	0	0.0%	2	0.0%	0.0%	0	0.0%	67	0.0%	0.0%	
Honda Passenger Car	5966	4.5%	6204	5.5%	-3.8%	94,851	5.1%	90,879	5.2%	4.4%	
Accord Crosstour	94	0.1%	55	0.0%	70.9%	962	0.1%	1,109	0.1%	-13.3%	
CR-V	4,603	3.5%	4,040	3.6%	13.9%	37,684	2.0%	34,481	2.0%	9.3%	
Odyssey	744	0.6%	730	0.7%	-0.8%	11,400	0.6%	10,204	0.6%	11.6%	
Pilot	413	0.3%	321	0.3%	28.7%	6,113	0.3%	6,356	0.4%	-3.8%	
Ridgeline	114	0.1%	172	0.2%	-33.7%	1,803	0.1%	2,122	0.1%	-15.0%	
Honda Light Truck	5,968	4.5%	5,338	4.7%	11.8%	58,042	3.1%	54,352	3.1%	6.8%	
Total Passenger Car	48,002	36.5%	43,354	38.4%	10.7%	763,792	41.3%	764,382	43.9%	-0.1%	
Total Light Truck	83391	63.5%	69682	61.6%	19.7%	1,085,812	58.7%	978,730	56.1%	10.9%	
Total Light Vehicle Sales	131393	100.0%	113036	100.0%	16.2%	1,849,604	100.0%	1,743,112	100.0%	6.1%	



**The Honda Civic is Canada's
top-selling passenger car for
the 17th consecutive year**

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Auto Sales Environment

- New auto sales hit all time record in 2014
- Used car prices remain strong but some moderation is expected in 2015

Auto Financing Environment

- Leasing and customer retention key competitive advantages for Honda and Acura
- Cost of funds remain attractive



Residual & Credit Loss Environment

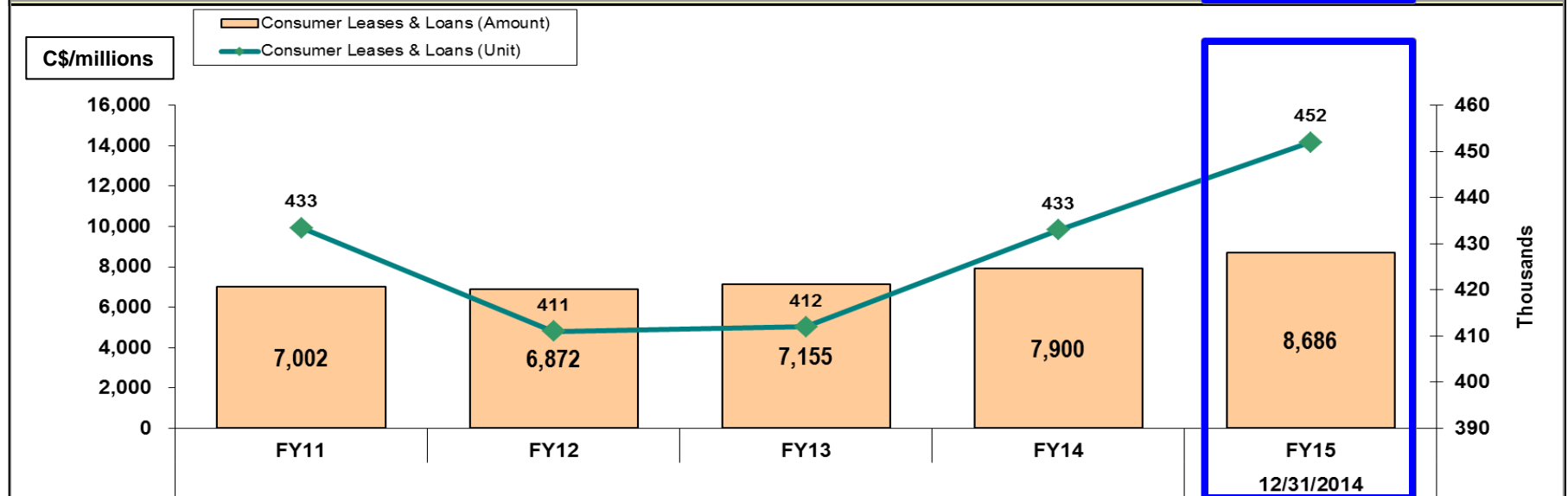
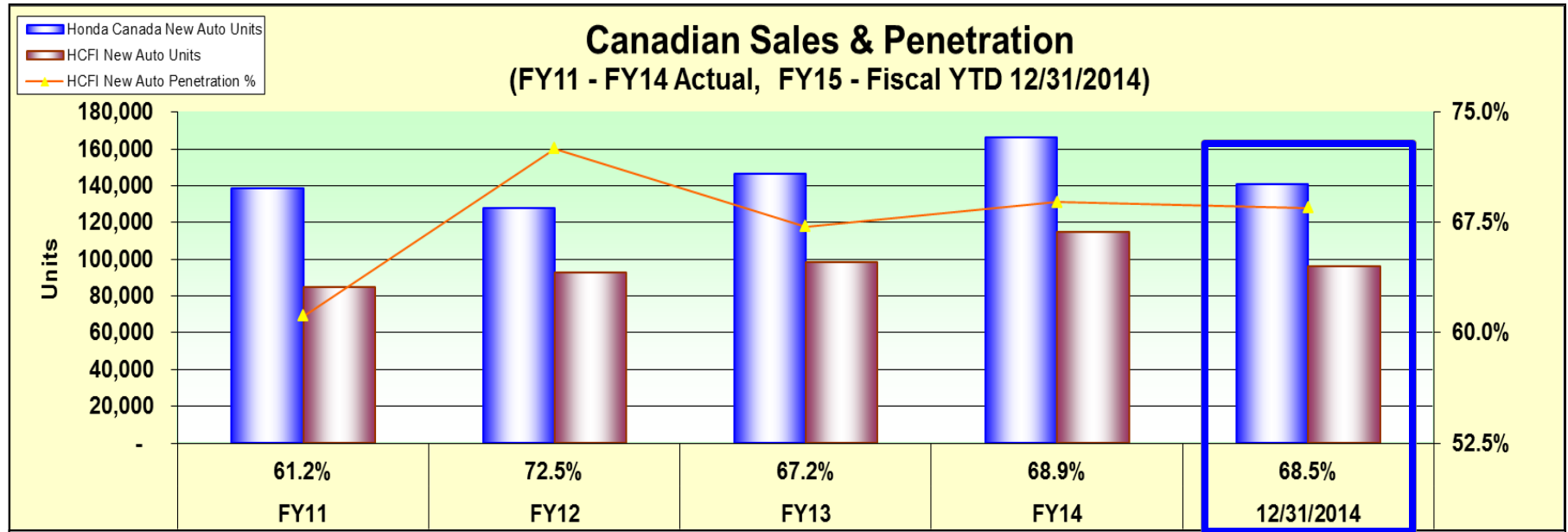
- Residual losses have declined due to the strong used car market
- Credit loss continues to perform well

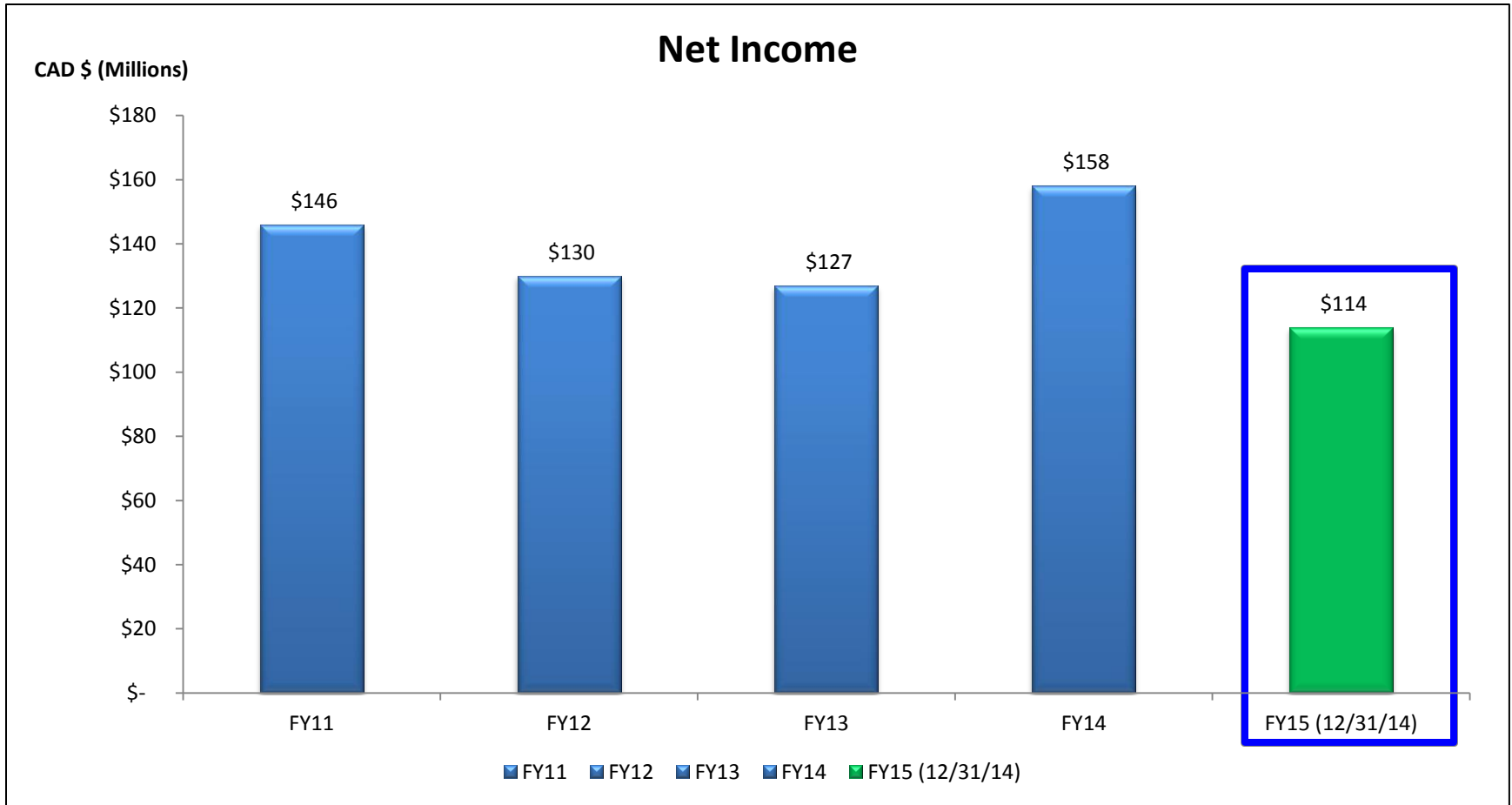


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HCFI Penetration of Canadian Sales





HCFI Performance Data

CFS Portfolio

	Mar-11	Mar-12	Mar-13	Mar-14	Dec-14
Delinquency 60+	0.07%	0.07%	0.06%	0.08%	0.12%
Net Charge-Offs	0.24%	0.19%	0.18%	0.17%	0.12%
Allowance for Credit Loss	0.25%	0.21%	0.19%	0.17%	0.16%

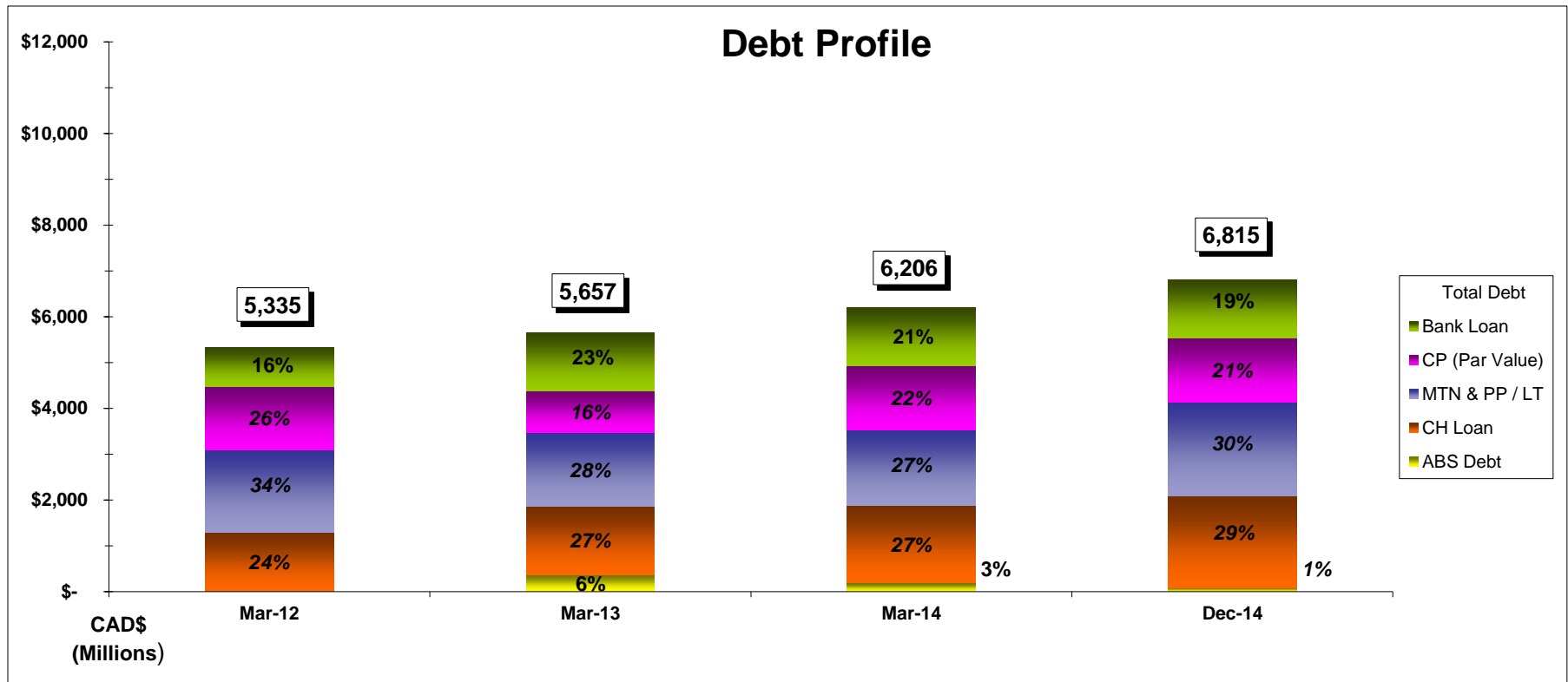
Notes:

- (1) Percentage based on ending receivable balances for respective periods
- (2) Ending Receivable balance exclude allowance for credit losses
- (3) Delinquency are accounts that are 60 days or more past due

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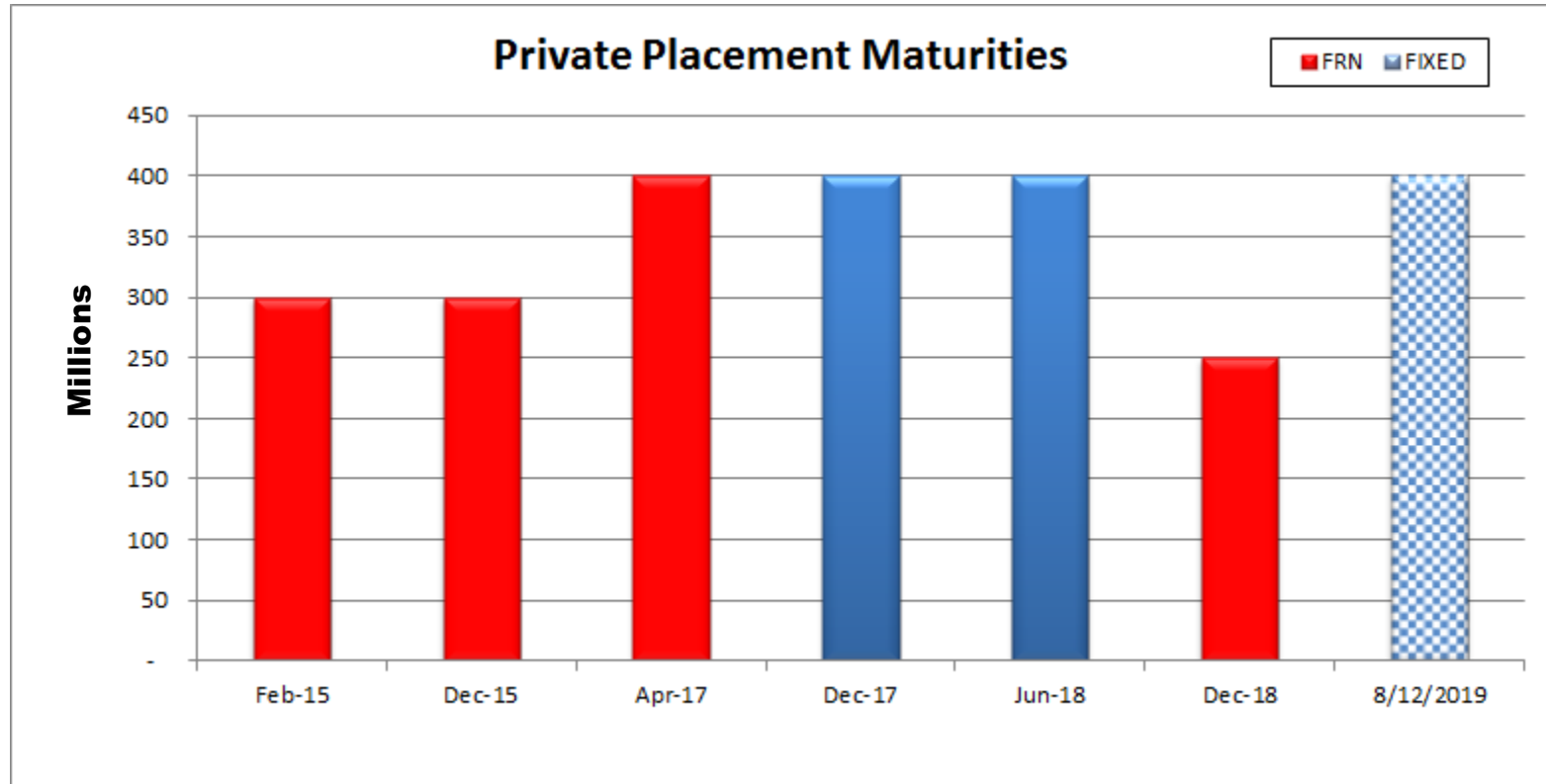
HCFI Debt Profile as at December 31, 2014

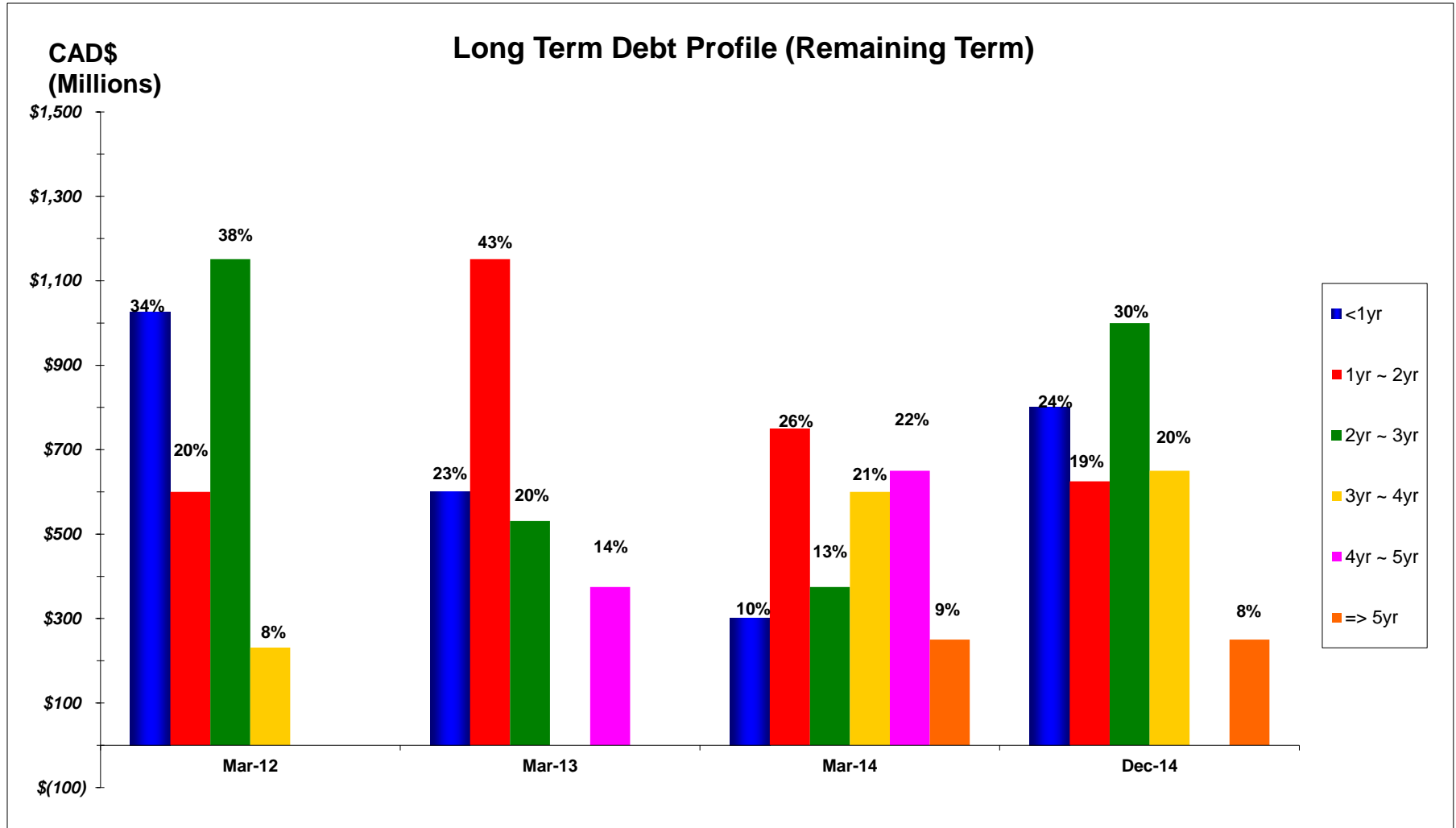


Diversified HCFI Funding Programs

- Commercial Paper Program CAD \$2.0 billion (supported by Bank Credit Facilities)
- Private Placement Program (MTN)
- Related Party Debt (CH Loan)
- Bank Loans
- ABS Private Securitization

HCFI Private Placement 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*



2015 Honda HRV

2015 Acura TLX



THANK YOU
QUESTIONS?



ACURA NSX SUPER CAR