

Honda lowers profit, vehicle sales forecast over chip crunch

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A man walks past the logo of Honda Motor Co. in Tokyo on Oct. 19, 2021. Japanese automaker Honda lowered its profit and vehicle sales forecasts for the fiscal year Friday, pointing to a supply crunch in chips and rising material costs. Credit: AP Photo/Koji Sasahara

Japanese automaker Honda lowered its profit and vehicle sales forecasts

for the fiscal year, pointing Friday to shortages of computer chips and rising material costs.

Honda Motor Co. recorded a 31% drop in its fiscal second quarter profit, to 166.6 billion yen (\$1.5 billion) from 240.9 billion yen last year.

Quarterly sales slipped 7% to 3.4 trillion yen (\$30 billion).

Honda is among many global manufacturers hard hit by a shortage of computer chips due to disruptions related to the pandemic.

Honda Executive Vice President Seiji Kuraishi apologized for the problem.

"We feel so sorry about all those people waiting eagerly for our cars," he said, making a slight bow at a news conference.

Kuraishi said the supply situation was starting to improve, but the recovery in Honda production likely won't come in this [fiscal year](#). Honda plans to rev up production in the next fiscal year to make up for the loss, and the current problems won't hurt investments in future technology such as [electric vehicles](#), he said.

Honda expects a 555 billion yen (\$4.9 billion) profit for the fiscal year through March 2022. That's down 16% from the previous fiscal year, and lower than an earlier forecast for a 670 billion yen (\$5.9 billion) [profit](#).

Honda, which makes the Accord sedan, Cross Cub 110 motorcycles and Asimo humanoid robots, sold 917,000 vehicles in the July-September period, down from 1.25 million vehicles last year.

Tokyo-based Honda now expects to sell 4.2 million vehicles for the

fiscal year through March 2022. It had earlier forecast sales of 4.85 million vehicles. Honda sold 4.5 million vehicles last fiscal year.

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