

Honda's sales, profit drop amid rising costs, chip shortages

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People walk near the logo of Honda Motor Company at a showroom Tuesday, Feb. 8, 2022, in Tokyo. Honda has reported its profit dropped 32% in the last quarter as rising material costs and a shortage of computer chips hurt the Japanese automaker, the Tokyo-based company said Wednesday, Feb. 9. Credit: AP Photo/Eugene Hoshiko

Honda's profit dropped 32% in the last quarter as rising material costs and a shortage of computer chips hurt the Japanese automaker.

Honda Motor Co.'s profit for the three months through December totaled 192.9 billion yen (\$1.7 billion), down from 284 billion yen the year before, the Tokyo-based company said Wednesday.

Quarterly sales slipped 2% to 3.7 trillion yen (\$32 billion).

Like the rest of the world's [automakers](#), Honda's manufacturing also has been affected by delays due to measures to curb coronavirus outbreaks. Japan's top automaker Toyota reported a similar drop in profit.

Honda, which makes the Accord sedan, Gold Wing motorcycles and Asimo robot, said it expects the challenges to persist.

Rising material costs are also a problem, but the company said cost-cutting efforts allowed it to raise its profit projection.

It raised its full fiscal year profit forecast to 670 billion yen (\$5.8 billion) from an earlier projection of 555 billion yen (\$4.8 billion), an improvement from the 657 billion [profit](#) earned in the previous fiscal year.

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