## HONDA MOTOR CO., LTD. REPORTS

CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL SECOUND QUARTER ENDED SEPTEMBER 30, 2012

Tokyo, October 29, 2012--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter ended September 30, 2012.

## Second Quarter Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal second quarter ended September 30, 2012 totaled JPY 82.2 billion (USD 1,060 million), an increase of $36.1 \%$ from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 45.63 (USD 0.59 ), an increase of JPY 12.10 (USD 0.16 ) from JPY 33.53 for the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated net sales and other operating revenue (herein referred to as "revenue") for the quarter amounted to JPY 2,271.2 billion (USD 29,269 million), an increase of 20.4\% from the same period last year, due primarily to increased revenue in automobile business operation as the production has recovered from the impacts of the Great East Japan Earthquake, despite unfavorable foreign currency translation effects.

Consolidated operating income for the quarter amounted to JPY 100.8 billion (USD 1,300 million), an increase of $92.1 \%$ from the same period last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses and unfavorable foreign currency effects.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 106.2 billion (USD 1,369 million), an increase of $38.8 \%$ from the same period last year.

Equity in income of affiliates amounted to JPY 27.4 billion (USD 354 million) for the quarter, an increase of $76.7 \%$ from the corresponding period last year.

## Motorcycle Business

For the three months ended September 30, 2011 and 2012

|  | Honda Group Unit Sales |  |  |  | Consolidated Unit Sales |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |
|  | $\begin{gathered} \text { Three months } \\ \text { ended } \\ \text { Sep. } 30,2011 \\ \hline \end{gathered}$ | $\begin{aligned} & \hline \text { Three months } \\ & \text { ended } \\ & \text { Sep. 30, } 2012 \\ & \hline \end{aligned}$ | Change | \% | $\begin{aligned} & \hline \begin{array}{c} \text { Three months } \\ \text { ended } \end{array} \\ & \text { Sep. } 30,2011 \\ & \hline \end{aligned}$ | $\begin{aligned} & \hline \text { Three months } \\ & \text { ended } \\ & \text { Sep. 30, } 2012 \\ & \hline \end{aligned}$ | Change | \% |
| Motorcycle business | 3,811 | 3,879 | 68 | 1.8 | 2,187 | 2,377 | 190 | 8.7 |
| Japan | 63 | 57 | -6 | -9.5 | 63 | 57 | -6 | -9.5 |
| North America | 53 | 60 | 7 | 13.2 | 53 | 60 | 7 | 13.2 |
| Europe | 47 | 38 | -9 | -19.1 | 47 | 38 | -9 | -19.1 |
| Asia | 3,102 | 3,235 | 133 | 4.3 | 1,478 | 1,733 | 255 | 17.3 |
| Other Regions | 546 | 489 | -57 | -10.4 | 546 | 489 | -57 | -10.4 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

With respect to Honda's sales for the fiscal second quarter by business segment, in motorcycle business operation, revenue from sales to external customers decreased $13.3 \%$, to JPY 309.7 billion (USD 3,991 million) from the same period last year, due mainly to unfavorable foreign currency translation effects, despite of the increase of the consolidated unit sales. Operating income totaled JPY 25.4 billion (USD 327 million), a decrease of $34.8 \%$ from the same period last year, due primarily to decrease of the sales of the exported parts for production from Japan to overseas and unfavorable foreign currency effects, despite decreased SG\&A expenses.

## Automobile Business

For the three months ended September 30, 2011 and 2012

|  |  |  |  |  | Unit (Thousands) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Honda Group Unit Sales |  |  |  | Consolidated Unit Sales |  |  |  |
|  | Three months ended Sep. 30, 2011 | $\begin{gathered} \text { Three months } \\ \text { ended } \\ \text { Sep. } 30,2012 \\ \hline \end{gathered}$ | Change | \% | $\begin{gathered} \hline \begin{array}{c} \text { Three months } \\ \text { ended } \end{array} \\ \text { Sep. } 30,2011 \\ \hline \end{gathered}$ | $\begin{aligned} & \text { Three months } \\ & \text { ended } \\ & \text { Sep. 30, } 2012 \\ & \hline \end{aligned}$ | Change | \% |
| Automobile business | 678 | 996 | 318 | 46.9 | 571 | 816 | 245 | 42.9 |
| Japan | 133 | 169 | 36 | 27.1 | 131 | 168 | 37 | 28.2 |
| North America | 269 | 404 | 135 | 50.2 | 269 | 404 | 135 | 50.2 |
| Europe | 40 | 44 | 4 | 10.0 | 40 | 44 | 4 | 10.0 |
| Asia | 190 | 301 | 111 | 58.4 | 85 | 122 | 37 | 43.5 |
| Other Regions | 46 | 78 | 32 | 69.6 | 46 | 78 | 32 | 69.6 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles and are not included in consolidated net sales to the external customers in our automobile business. As a result, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our automobile business.

In automobile business operation, revenue from sales to external customers increased $32.5 \%$, to JPY 1,766.2 billion (USD 22,760 million) from the same period last year due mainly to an increase in consolidated unit sales, despite unfavorable foreign currency translation effects. Operating income totaled JPY 37.1 billion (USD 479 million), an increase of JPY 66.2 billion (USD 854 million) from the same period last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses, and unfavorable foreign currency effects.

## Financial Services Business

Revenue from customers in the financial services business increased 3.1\%, to JPY 130.4 billion (USD 1,680 million) from the same period last year. Operating income decreased $10.6 \%$ to JPY 38.2 billion (USD 493 million) from the same period last year due mainly to increase of gross residual losses on leased vehicles.

## Power Product and Other Businesses

For the three months ended September 30, 2011 and 2012
Unit (Thousands)

|  | Honda Group Unit Sales/ Consolidated Unit Sales |  |  |  |
| :--- | ---: | ---: | ---: | ---: |
|  | Three months <br> ended <br> Sep. 30, 2011 | Three months <br> ended <br> Sep. 30, 2012 | Change | $\%$ |
| Power product business | 1,276 | 1,288 | 12 | 0.9 |
| Japan | 115 | 88 | -27 | -23.5 |
| North America | 437 | 436 | -1 | -0.2 |
| Europe | 200 | 150 | -50 | -25.0 |
| Asia | 390 | 462 | 72 | 18.5 |
| Other Regions | 134 | 152 | 18 | 13.4 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the three months ended September 30, 2011 and for the three months ended September 30, 2012, since no affiliate accounted for under the equity method was involved in the sale of Honda power products.

Revenue from sales to external customers in power product and other businesses decreased $5.9 \%$, to JPY 64.9 billion (USD 837 million) from the same period last year, due mainly to decreased revenue in other businesses and the unfavorable foreign currency translation effects, despite increase in consolidated unit sales of power products.
Operating income increased by JPY 167 million (USD 2 million) to JPY 53 million (USD 1 million) from the same period last year due mainly to an increase in sales volume and model mix of power product, despite increased SG\&A expenses and unfavorable foreign currency effects.

## Geographical Information

With respect to Honda's sales for the fiscal second quarter by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 925.0 billion (USD 11,921 million), an increase of $14.9 \%$ from the same period last year due mainly to increased revenue in the automobile business operation, despite decreased revenue in the motorcycle operation. Operating income totaled JPY 30.0 billion (USD 387 million), an increase of JPY 65.3 billion (USD 842 million) from the same period last year due mainly to an increase in sales volume and model mix, despite increased R\&D expenses.

In North America, revenue increased by $32.8 \%$, to JPY 1,054.7 billion (USD 13,592 million) from the same period last year due mainly to increased revenue in the automobile business operation. Operating income totaled JPY 26.7 billion (USD 345 million), a decrease of $43.9 \%$ from the same period last year due mainly to increased SG\&A expenses, despite an increase in sales volume and model mix.

In Europe, revenue stayed the same level at JPY 144.5 billion (USD 1,863 million) from the same period last year due to unfavorable foreign currency translation effects, despite increased revenue in the automobile business operation. Honda reported an operating loss of JPY 8.7 billion (USD 112 million), a JPY 4.6 billion (USD 60 million) deterioration from the same period last year mainly due to increased SG\&A expenses and unfavorable foreign currency effects, despite an increase in sales volume and model mix.

In Asia, revenue increased by $32.3 \%$, to JPY 539.4 billion (USD 6,952 million) from the same period last year mainly due to increased revenue in the automobile and motorcycle business operations, despite unfavorable foreign currency translation effects. Operating income increased by $66.5 \%$, to JPY 36.4 billion (USD 469 million) from the same period last year due mainly to an increase in sales volume and model mix, despite unfavorable foreign currency effects.

In Other regions including South America, the Middle East, Africa and Oceania, revenue decreased by $6.0 \%$, to JPY 229.6 billion (USD 2,960 billion) from the same period last year mainly due to decreased revenue in the motorcycle business operation and unfavorable foreign currency translation effects, despite increased revenue in automobile business operation. Operating income totaled JPY 10.5 billion (USD 136 million), a decrease of $54.3 \%$ from the same period last year mainly due to increased SG\&A expenses and unfavorable foreign currency effects, despite an increase in sales volume and model mix.

## Explanatory note

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY $77.60=$ U.S. $\$ 1$, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on September 30, 2012.

## First Half Year Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal first half year ended September 30, 2012 totaled JPY 213.9 billion, an increase of $132.0 \%$ from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal first half amounted to JPY 118.71, an increase of JPY 67.54 from JPY 51.17 for the corresponding period last year.

Consolidated net sales and other operating revenue for the period amounted to JPY $4,707.1$ billion, an increase of $30.7 \%$ from the same period last year, due primarily to increased revenue in automobile business operation as the production has recovered from the impacts of the Great East Japan Earthquake, despite unfavorable foreign currency translation effects.

Consolidated operating income for the period amounted to JPY 276.8 billion, an increase of $268.7 \%$ from the same period last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses, and unfavorable foreign currency effects.

Consolidated income before income taxes and equity in income of affiliates for the period totaled JPY 301.0 billion, an increase of $184.4 \%$ from the same period last year.

Equity in income of affiliates amounted to JPY 48.2 billion for the period, an increase of $9.1 \%$ from the corresponding period last year.

## Business Segment

## Motorcycle Business

For the six months ended September 30, 2011 and 2012

|  |  |  |  |  | Consolidated Unit Sales |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Honda Group Unit Sales |  |  |  |  |  |  |  |
|  | Six months ended Sep. 30,2011 | $\begin{gathered} \hline \text { Six months } \\ \text { ended } \\ \text { Sep. 30, } 2012 \end{gathered}$ | Change | \% | Six months ended Sep. 30,2011 | $\begin{aligned} & \text { Six months } \\ & \text { ended } \\ & \text { Sep. 30, } 2012 \end{aligned}$ | Change | \% |
| Motorcycle business | 7,288 | 7,790 | 502 | 6.9 | 4,136 | 4,743 | 607 | 14.7 |
| Japan | 115 | 116 | 1 | 0.9 | 115 | 116 | 1 | 0.9 |
| North America | 99 | 119 | 20 | 20.2 | 99 | 119 | 20 | 20.2 |
| Europe | 109 | 98 | -11 | -10.1 | 109 | 98 | -11 | -10.1 |
| Asia | 5,980 | 6,520 | 540 | 9.0 | 2,828 | 3,473 | 645 | 22.8 |
| Other Regions | 985 | 937 | -48 | -4.9 | 985 | 937 | -48 | -4.9 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

With respect to Honda's sales for the fiscal first half by business segment, in motorcycle business operation, revenue from sales to external customers decreased $4.6 \%$, to JPY 656.3 billion from the same period last year, due mainly to unfavorable foreign currency translation effects, despite increased consolidated unit sales. Operating income totaled JPY 62.2 billion, a decrease of $25.8 \%$ from the same period last year, due primarily to unfavorable foreign currency effects, despite increase in sales volume and model mix.

## Automobile Business

For the six months ended September 30, 2011 and 2012

|  |  |  |  |  | Unit (Thousands) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Honda Group Unit Sales |  |  |  | Consolidated Unit Sales |  |  |  |
|  | $\begin{gathered} \text { Six months } \\ \text { ended } \\ \text { Sep. } 30,2011 \\ \hline \end{gathered}$ | $\begin{gathered} \text { Six months } \\ \text { ended } \\ \text { Sep. 30, } 2012 \end{gathered}$ | Change | \% | $\begin{gathered} \text { Six months } \\ \text { ended } \\ \text { Sep. } 30,2011 \\ \hline \end{gathered}$ | $\begin{gathered} \text { Six months } \\ \text { ended } \\ \text { Sep. } 30,2012 \\ \hline \end{gathered}$ | Change | \% |
| Automobile business | 1,303 | 1,995 | 692 | 53.1 | 1,. 029 | 1,665 | 636 | 61.8 |
| Japan | 225 | 354 | 129 | 57.3 | 222 | 351 | 129 | 58.1 |
| North America | 494 | 854 | 360 | 72.9 | 494 | 854 | 360 | 72.9 |
| Europe | 75 | 83 | 8 | 10.7 | 75 | 83 | 8 | 10.7 |
| Asia | 406 | 563 | 157 | 38.7 | 135 | 236 | 101 | 74.8 |
| Other Regions | 103 | 141 | 38 | 36.9 | 103 | 141 | 38 | 36.9 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles and are not included in consolidated net sales to the external customers in our automobile business. As a result, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our automobile business.

In automobile business operation, revenue from sales to external customers increased $45.7 \%$, to JPY 3,656.7 billion from the same period last year due mainly to an increase in consolidated unit sales, despite unfavorable foreign currency translation effects. Operating income totaled JPY 137.7 billion, an increase of JPY 243.1 billion from the same period
last year, due primarily to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses and unfavorable foreign currency effects.

## Financial Services Business

Revenue from customers in the financial services business decreased $0.2 \%$, to JPY 261.6 billion from the same period last year due mainly to the unfavorable foreign currency translation effects. Operating income decreased $18.0 \%$ to JPY 79.1 billion from the same period last year due mainly to increase in gross residual losses of leased vehicles, increased cost of credit risk and unfavorable foreign currency translation effects.

## Power Product and Other Businesses

For the six months ended September 30, 2011 and 2012

|  | Unit (Thousands) |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Honda Group Unit Sales/ Consolidated Unit Sales |  |  |  |
|  | Six months ended <br> Sep. 30, 2011 | $\begin{aligned} & \hline \text { Six months } \\ & \text { ended } \\ & \text { Sep. } \mathbf{3 0 , 2 0 1 2} \end{aligned}$ | Change | \% |
| Power product business | 2,788 | 2,913 | 125 | 4.5 |
| Japan | 235 | 170 | -65 | -27.7 |
| North America | 1,014 | 1,194 | 180 | 17.8 |
| Europe | 507 | 386 | -121 | -23.9 |
| Asia | 789 | 883 | 94 | 11.9 |
| Other Regions | 243 | 280 | 37 | 15.2 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the six months ended September 30, 2011 and for the six months ended September 30, 2012, since no affiliate accounted for under the equity method was involved in the sale of Honda power products.

Revenue from sales to external customers in power product and other businesses decreased $5.7 \%$, to JPY 132.4 billion from the same period last year, due mainly to decreased revenue in other businesses and the unfavorable foreign currency translation effects, despite increase in consolidated unit sales of power products. Honda reported an operating loss of JPY 2.2 billion, a decrease of JPY 2.3 billion from the same period last year due mainly to increased SG\&A expenses and unfavorable foreign currency effects.

## Geographical Information

With respect to Honda's sales for the fiscal first half by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 1,931.7 billion, an increase of $35.0 \%$ from the same period last year due mainly to increased revenue in the automobile business operation. Operating income totaled JPY 91.0 billion, an increase of JPY 172.2 billion from the same period last year due mainly to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and R\&D expenses.

In North America, revenue increased by $48.5 \%$, to JPY 2,269.4 billion from the same period last year due mainly to increased revenue in the automobile business operation. Operating income totaled JPY 108.9 billion, an increase of $64.6 \%$ from the same period last year due mainly to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and unfavorable foreign currency effects.

In Europe, revenue decreased by $1.0 \%$, to JPY 292.4 billion from the same period last year mainly due to unfavorable foreign currency translation effects, despite increased revenue in automobile business operation. Honda reported an operating loss of JPY 16.3 billion, a JPY 6.2 billion deterioration from the same period last year mainly due to increased SG\&A expenses and unfavorable foreign currency effects, despite an increase in sales volume and model mix.

In Asia, revenue increased by $34.7 \%$, to JPY $1,052.2$ billion from the same period last year mainly due to increased revenue in the automobile and motorcycle business operations, despite unfavorable foreign currency translation effects. Operating income increased by $45.1 \%$, to JPY 68.1 billion from the same period last year due mainly to an increase in sales volume and model mix and cost reduction, despite increased SG\&A expenses and unfavorable foreign currency effects.

In Other regions including South America, the Middle East, Africa and Oceania, revenue decreased by $5.1 \%$, to JPY 450.0 billion from the same period last year mainly due to decreased revenue in the motorcycle business operation and unfavorable foreign currency translation effects, despite increased revenue in automobile business operations. Operating income totaled JPY 22.8 billion, a decrease of $41.2 \%$ from the same period last year mainly due to increased SG\&A expenses and unfavorable foreign currency effects, despite an increase in sales volume and model mix.

## Consolidated Statements of Balance Sheets for the Fiscal First Half Ended September 30, 2012

Total assets decreased by JPY 333.1 billion, to JPY 11,447.5 billion from March 31, 2012, mainly due to a decrease in cash and cash equivalents and unfavorable foreign currency translation effects, despite increases in fixed assets, property on operating leases and inventory. Total liabilities decreased by JPY 331.5 billion, to JPY $6,920.8$ billion from March 31, 2012, mainly due to a decrease in trade accounts payable and foreign currency translation effects. Total equity decreased by JPY 1.6 billion, to JPY 4,526.6 billion from March 31, 2012 due mainly to unfavorable foreign currency translation effects, despite increased net income.

## Consolidated Statements of Cash Flow for the Fiscal First Half

Consolidated cash and cash equivalents on September 30, 2012 decreased by JPY 265.8 billion from March 31, 2012, to JPY 981.3 billion. The reasons for the increases or decreases for each cash flow activity, when compared with the same period of the previous fiscal year, are as follows:

## Cash flow from operating activities

Net cash provided by operating activities amounted to JPY 309.8 billion of cash inflows for the fiscal first half ended September 30, 2012. Cash inflows from operating activities decreased by JPY 183.8 billion compared with same period of the previous fiscal year due mainly to increased payments for parts and raw materials caused by an increase in automobile production, despite an increase in cash received from customers primarily led by increased unit sales in the automobile business.

## Cash flow from investing activities

Net cash used in investing activities amounted to JPY 551.0 billion of cash outflows. Cash outflows from investing activities increased by JPY 272.4 billion compared with the same period of the previous fiscal year, due mainly to an increase in capital expenditures, an increase in purchases of operating lease assets and acquisitions of finance subsidiaries-receivables.

## Cash flow from financing activities

Net cash provided by financing activities amounted to JPY 22.7 billion of cash inflows. Cash inflows from financing activities increased by JPY 147.4 billion compared with the same period of the previous fiscal year, due mainly to an increase in proceeds from long-term debt, despite increase in redemption of corporate debt securities.

## Forecasts for the Fiscal Year Ending March 31, 2013

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2013, Honda projects consolidated results to be as shown below:

## Fiscal year ending March 31, 2013

|  | Yen (billions) | Changes from FY 2012 |
| :---: | :---: | :---: |
| Net sales and other operating revenue | 9,800 | + $23.3 \%$ |
| Operating income | 520 | + 124.8\% |
| Income before income taxes and equity in income of affiliates | 540 | + 109.8\% |
| Net income attributable to Honda Motor Co., Ltd. | 375 | + 77.3\% |
|  | Yen |  |
| Basic net income attributable to <br> Honda Motor Co., Ltd. per common share | 208.07 |  |

Note: The forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar and the Euro will be JPY 80 and JPY 103, respectively, for the full year ending March 31, 2013.

The reasons for the increases or decreases for forecasts of the operating income, and income before income taxes and equity in income of affiliates for the fiscal year ending March 31, 2013 from the corresponding period last year are as follows.

Yen (billions)
Revenue, model mix, etc., excluding currency effect 382.8

Cost reduction, the effect of raw material cost fluctuations, etc. 167.0

SG\&A expenses, excluding currency effect

- 181.0

R\&D expenses

- 35.2

Currency effect

- 45.0

| Operating income compared with fiscal year 2012 | 288.6 |
| :--- | :--- |

$\begin{array}{lr}\text { Fair value of derivative instruments } & 9.0\end{array}$
Others

- 15.0

Income before income taxes and equity in income of affiliates compared with fiscal year 2012

## Dividend per Share of Common Stock

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on October 29, 2012, resolved to make the quarterly dividend JPY 19 per share of common stock, the record date of which is September 30, 2012. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2013, is JPY 76 per share.

This announcement contains "forward-looking statements" as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time.

## Other Information

## 1. Accounting policies specifically applied for quarterly consolidated financial statements

## (a) Income taxes

Honda computes interim income tax expense (benefit) by multiplying reasonably estimated annual effective tax rate, which inc
ludes the effects of deferred taxes, by year-to-date income before income taxes and equity in income of affiliates for the fiscal six months ended September 30, 2012. If a reliable estimate cannot be made, Honda utilizes the actual year-to-date effective tax rate.

## 2. Changes in accounting policy

## (a) Adoption of New Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-05 "Presentation of Comprehensive Income", which amends the FASB Accounting Standards Codification (ASC) 220 "Comprehensive Income". This amendment requires reporting entities to report other comprehensive income as components of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements and is effective retrospectively.
In December 2011, the FASB issued ASU 2011-12 "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05", which defers the effective date of pending amendments to current accounting guidance prescribed in ASU 2011-05.

Honda adopted ASU 2011-05 as amended by ASU 2011-12, effective April 1, 2012, and discloses consolidated statements of comprehensive income as two separate but consecutive statements.

## (b) Change in depreciation method

Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. In recent years, because sales of global strategic product models are increasing, Honda has been enhancing its production systems and the versatility of production equipment to have better flexibility to meet changes in global customer demand. Further, Honda has resumed more normalized capital expenditures which Honda had previously held down due to financial crisis beginning in the fiscal year ended March 31, 2009. Effective April 1, 2012, Honda changed to the straight line method of depreciation because management believes it better reflects the future economic benefit from the usage of property, plant and equipment under this more flexible and versatile production arrangement. The effect of the change in depreciation method is recognized prospectively as a change in accounting estimate in accordance with the FASB Accounting Standards Codification 250 "Accounting Changes and Error Corrections".
As a result of the change in depreciation method, depreciation expense for the six months and three months ended September 30, 2012 decreased by approximately JPY 21,471 million and JPY 11,332 million, respectively. Net income attributable to Honda Motor Co., Ltd. and Basic net income attributable to Honda Motor Co., Ltd. per common share for the six months and three months ended September 30, 2012 increased by approximately JPY 13,716 million and JPY 7.61, JPY 7,286 million and JPY 4.04, respectively.

## Consolidated Financial Summary

For the three months and six months ended September 30, 2011 and 2012
Financial Highlights

|  | Yen (millions) |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Three months ended <br> Sep. 30, 2011 <br> Unaudited | Three months ended <br> Sep. 30, 2012 <br> Unaudited | Six months ended <br> Sep. 30, 2011 unaudited | $\begin{gathered} \hline \text { Six months } \\ \text { ended } \\ \text { Sep. 30, } 2012 \\ \text { Unaudited } \\ \hline \end{gathered}$ |
| Net sales and other operating revenue | 1,885,892 | 2,271,286 | 3,600,488 | 4,707,195 |
| Operating income | 52,511 | 100,867 | 75,090 | 276,880 |
| Income before income taxes and equity in income of affiliates Net income attributable to Honda Motor Co., Ltd. | 76,555 60,429 | 106,260 82,233 | 105,854 92,226 | 301,040 $\mathbf{2 1 3 , 9 5 6}$ |
|  | Yen |  |  |  |
| Basic net income attributable to Honda Motor Co., Ltd per common share | 33.53 | 45.63 | 51.17 | 118.71 |


|  | U.S. Dollar (millions) |  |
| :--- | :---: | :---: |
|  | Three months <br> ended <br> Sep. 30, 2012 <br> Unaudited | Six months <br> ended |
| Net sales and other <br> operating revenue | $\mathbf{2 9 , 2 6 9}$ | Sep. 30, 2012 <br> Unaudited |
| Operating income | $\mathbf{1 , 3 0 0}$ | $\mathbf{6 0 , 6 6 0}$ |
| Income before income <br> taxes and equity in <br> income of affiliates | $\mathbf{1 , 3 6 9}$ | $\mathbf{3 , 5 6 8}$ |
| Net income attributable <br> to Honda Motor Co., | $\mathbf{1 , 0 6 0}$ | $\mathbf{3 , 8 7 9}$ |
| Ltd. | U.S. Dollar | $\mathbf{2 , 7 5 7}$ |
| Basic net income <br> attributable to Honda <br> Motor Co., the per <br> common share | $\mathbf{0 . 5 9}$ | $\mathbf{1 . 5 3}$ |

## [1] Consolidated Balance Sheets

|  | Yen (millions) |  |
| :--- | ---: | ---: |
| Assets | Mar. 31, 2012 <br> audited | Sep. 30, 2012 <br> unaudited |
| Current assets: |  | $\mathbf{9 8 1 , 3 0 9}$ |
| Cash and cash equivalents | $1,247,113$ | $\mathbf{7 7 4 , 2 6 5}$ |
| Trade accounts and notes receivable | 812,155 | $\mathbf{1 , 0 4 9 , 4 5 0}$ |
| Finance subsidiaries-receivables, net | $1,081,721$ | $\mathbf{1 , 0 8 0 , 9 4 0}$ |
| Inventories | $1,035,779$ | $\mathbf{1 9 6 , 6 6 1}$ |
| Deferred income taxes | 188,755 | $\mathbf{3 1 6 , 4 5 0}$ |
| Other current assets | 373,563 | $\mathbf{4 , 3 9 9 , 0 7 5}$ |
| Total current assets | $4,739,086$ |  |
|  |  | $\mathbf{2 , 3 1 9 , 9 0 2}$ |

## Investments and advances:

Investments in
and advances to affiliates
Other,
including marketable equity securities
Total investments and advances

| 434,744 | $\mathbf{4 6 1 , 5 9 6}$ |
| ---: | ---: |
| 188,863 | $\mathbf{1 6 2 , 2 8 9}$ |
| 623,607 | $\mathbf{6 2 3 , 8 8 5}$ |

## Property on operating leases:

Vehicles

Less accumulated depreciation
Net property on operating leases

| $1,773,375$ | $\mathbf{1 , 7 9 4 , 0 5 2}$ |
| ---: | ---: |
| 300,618 | $\mathbf{3 0 1 , 4 3 9}$ |
| $1,472,757$ | $\mathbf{1 , 4 9 2 , 6 1 3}$ |

Property, plant and equipment, at cost:
Land
Buildings
Machinery and equipment
Construction in progress

| Less accumulated |
| :---: |
| depreciation and amortization |
| Net property, plant |


| 488,265 | $\mathbf{4 8 8 , 4 4 0}$ |
| ---: | ---: |
| $1,492,823$ | $\mathbf{1 , 5 3 9 , 9 4 7}$ |
| $3,300,727$ | $\mathbf{3 , 3 0 9 , 3 2 1}$ |
| 191,107 | $\mathbf{1 9 3 , 4 9 4}$ |
| $5,472,922$ | $\mathbf{5 , 5 3 1 , 2 0 2}$ |
| $3,499,464$ | $\mathbf{3 , 4 9 0 , 8 6 8}$ |
| $1,973,458$ | $\mathbf{2 , 0 4 0 , 3 3 4}$ |
| 607,458 | $\mathbf{5 7 1 , 7 7 8}$ |
| $11,780,759$ | $\mathbf{1 1 , 4 4 7 , 5 8 7}$ |

## [1] Consolidated Balance Sheets - continued

|  | Yen (millions) |  |
| :--- | ---: | ---: |
| Liabilities and Equity | Mar. 31, 2012 <br> audited | Sep. 30, 2012 <br> unaudited |
| Current liabilities: |  |  |
| Short-term debt | 964,848 | $\mathbf{9 4 0 , 9 1 4}$ |
| Current portion of long-term debt | 911,395 | $\mathbf{9 3 4 , 7 4 3}$ |
| Trade payables: |  |  |
| Notes | 26,499 | $\mathbf{2 8 , 9 9 3}$ |
| Accounts | 942,444 | $\mathbf{7 6 3 , 0 2 3}$ |
| Accrued expenses | 489,110 | $\mathbf{4 9 0 , 5 1 6}$ |
| Income taxes payable | 24,099 | $\mathbf{2 8 , 5 1 7}$ |
| Other current liabilities | 221,364 | $\mathbf{2 1 2 , 1 9 7}$ |
| Total current liabilities | $3,579,759$ | $\mathbf{3 , 3 9 8 , 9 0 3}$ |
|  |  |  |
| Long-term debt, excluding current portion | $2,235,001$ | $\mathbf{2 , 1 3 7 , 2 8 8}$ |
| Other liabilities | $1,437,709$ | $\mathbf{1 , 3 8 4 , 7 0 8}$ |
| Total liabilities | $7,252,469$ | $\mathbf{6 , 9 2 0 , 8 9 9}$ |

## Equity:

Honda Motor Co., Ltd. shareholders' equity:
Common stock, authorized 7,086,000,000 shares; issued $1,811,428,430$ shares on Mar. 31, 2012 and $1,811,428,430$ shares on Sep. 30, 2012

| Capital surplus | 172,529 | $\mathbf{1 7 1 , 1 1 7}$ |
| :--- | ---: | ---: |
| Legal reserves | 47,184 | $\mathbf{4 7 , 4 5 7}$ |
| Retained earnings | $5,769,029$ | $\mathbf{5 , 9 2 1 , 4 3 4}$ |
| Accumulated other <br> comprehensive income (loss), net | $(1,646,078)$ | $\mathbf{( 1 , 8 0 4 , 1 4 7 )}$ |
| Treasury stock, at cost 9,128,871 shares on Mar. 31, 2012 and <br> 9,129,505 shares on Sep. 30, 2012 | $(26,117)$ | $\mathbf{( 2 6 , 1 1 9 )}$ |
| Total Honda Motor Co., Ltd. shareholders' equity | $4,402,614$ | $\mathbf{4 , 3 9 5 , 8 0 9}$ |
|  |  | $\mathbf{1 3 0 , 8 7 9}$ |
|  |  | 125,676 |

Commitments and contingent liabilities

| Total liabilities and equity | $11,780,759$ | $\mathbf{1 1 , 4 4 7 , 5 8 7}$ |
| :--- | :--- | :--- |

[2] Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

For the three months ended September 30, 2011 and 2012

Yen (millions)

| Yen (millions) |  |
| :---: | :---: |
| Three months <br> ended <br> Sep. 30, 2011 <br> unaudited | Three months <br> ended |
| $1,885,892$ |  | | Sep. 30, 2012 |
| :---: |
| unaudited |

Operating costs and expenses:
Cost of sales
Selling, general and administrative
Research and development

Operating income

| $1,405,811$ |  |
| ---: | ---: |
| 299,897 | $\mathbf{1 , 7 0 2 , 8 3 5}$ |
| 127,673 |  |
| $1,833,381$ |  |
|  | $\mathbf{3 2 7 , 4 7 2}$ |
|  | $\mathbf{1 4 0 , 1 1 2}$ |
| $\mathbf{2 , 1 7 0 , 4 1 9}$ |  |

Other income (expenses):

| Interest income | 8,508 |  | $\mathbf{6 , 6 6 1}$ |
| :--- | ---: | ---: | ---: |
| Interest expense | $(2,520)$ |  | $\mathbf{( 3 , 1 1 5 )}$ |
| Other, net | 18,056 |  | $\mathbf{1 , 8 4 7}$ |
|  |  | 24,044 |  |
|  |  |  | $\mathbf{5 , 3 9 3}$ |
|  |  |  |  |
| Income before income taxes and equity in |  |  | $\mathbf{1 0 6 , 2 6 0}$ |

Income tax expense:

| Current | 35,772 | 37,915 |
| :---: | :---: | :---: |
| Deferred | $(6,128)$ | 6,898 |
|  | 29,644 | 44,813 |
| Income before equity in income of affiliates | 46,911 | 61,447 |
| Equity in income of affiliates | 15,562 | 27,497 |
| Net income | 62,473 | 88,944 |
| Less: Net income attributable to noncontrolling interests | 2,044 | 6,711 |
| Net income attributable to Honda Motor Co., Ltd. | 60,429 | 82,233 |

Basic net income attributable to
Honda Motor Co., Ltd. per common share

| Yen |  |
| :---: | :---: |
| 33.53 | $\mathbf{4 5 . 6 3}$ |

## Consolidated Statements of Comprehensive Income

For the three months ended September 30, 2011 and 2012

|  | Three months ended <br> Sep. 30, 2011 unaudited | $\begin{aligned} & \text { Three months } \\ & \text { ended } \\ & \text { Sep. 30, } 2012 \\ & \text { unaudited } \end{aligned}$ |
| :---: | :---: | :---: |
| Net income | 62,473 | 88,944 |
| Other comprehensive income (loss), net of tax: |  |  |
| Adjustments from foreign currency translation | $(157,807)$ | $(101,851)$ |
| Unrealized gains (losses) on available-for-sale securities, net | $(8,616)$ | $(2,420)$ |
| Unrealized gains (losses) on derivative instruments, net | 87 | 210 |
| Pension and other postretirement benefits | 1,740 | 1,903 |
| Other comprehensive income (loss), net of tax | $(164,596)$ | $(102,158)$ |
| Comprehensive income (loss) | $(102,123)$ | $(13,214)$ |
| Comprehensive income (loss) attributable to noncontrolling interests | 3,083 | $(4,911)$ |
| Comprehensive income (loss) attributable to Honda Motor Co., Ltd. | $(99,040)$ | $(18,125)$ |

## Consolidated Statements of Income

For the six months ended September 30, 2011 and 2012

Net sales and other operating revenue
Operating costs and expenses:
Cost of sales
Selling, general and administrative
Research and development

Operating income

| Yen (millions) |  |
| :---: | :---: |
| Six months ended | Six months ended |
| Sep. 30, 2011 <br> unaudited | Sep. 30, 2012 unaudited |
| 3,600,488 | 4,707,195 |
| 2,695,451 | 3,494,049 |
| 592,064 | 670,155 |
| 237,883 | 266,111 |
| 3,525,398 | 4,430,315 |
| 75,090 | 276,880 |
| 16,344 | 14,360 |
| $(5,064)$ | $(6,131)$ |
| 19,484 | 15,931 |
| 30,764 | 24,160 |
| 105,854 | 301,040 |

Income tax expense:

| Current | 58,250 | 73,786 |
| :---: | :---: | :---: |
| Deferred | $(4,700)$ | 48,860 |
|  | 53,550 | 122,646 |
| Income before equity in income of affiliates | 52,304 | 178,394 |
| Equity in income of affiliates | 44,200 | 48,229 |
| Net income | 96,504 | 226,623 |
| Less: Net income attributable to noncontrolling interests | 4,278 | 12,667 |
| Net income attributable to Honda Motor Co., Ltd. | 92,226 | 213,956 |
|  |  |  |
| Basic net income attributable to <br> Honda Motor Co., Ltd. per common share | 51.17 | 118.71 |

Consolidated Statements of Comprehensive Income
For the six months ended September 30, 2011 and 2012

## [3] Consolidated Statements of Cash Flows

|  | Yen (millions) |  |
| :---: | :---: | :---: |
|  | Six months ended Sep. 30, 2011 unaudited | $\begin{aligned} & \text { Six months } \\ & \text { ended } \\ & \text { Sep. 30, 2012 } \\ & \text { unaudited } \\ & \hline \end{aligned}$ |
| Cash flows from operating activities: |  |  |
| Net income | 96,504 | 226,623 |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |  |
| Depreciation excluding property on operating leases | 152,677 | 142,150 |
| Depreciation of property on operating leases | 101,715 | 118,213 |
| Deferred income taxes | $(4,700)$ | 48,860 |
| Equity in income of affiliates | $(44,200)$ | $(48,229)$ |
| Dividends from affiliates | 22,649 | 31,365 |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 3,900 | 2,664 |
| Impairment loss on investments in securities | 485 | - |
| Impairment loss on property on operating leases | - | 2,208 |
| Gain on derivative instruments, net | $(26,332)$ | $(24,656)$ |
| Decrease (increase) in assets: |  |  |
| Trade accounts and notes receivable | 146,466 | $(8,278)$ |
| Inventories | 39,586 | $(91,728)$ |
| Other current assets | 75,350 | 53,338 |
| Other assets | $(3,553)$ | $(18,574)$ |
| Increase (decrease) in liabilities: |  |  |
| Trade accounts and notes payable | 29,631 | $(120,313)$ |
| Accrued expenses | $(18,304)$ | 24,494 |
| Income taxes payable | $(8,833)$ | 5,407 |
| Other current liabilities | $(32,784)$ | (387) |
| Other liabilities | $(6,106)$ | 1,290 |
| Other, net | $(30,512)$ | $(34,640)$ |
| Net cash provided by operating activities | 493,639 | 309,807 |
| Cash flows from investing activities: |  |  |
| Increase in investments and advances | $(10,813)$ | $(10,928)$ |
| Decrease in investments and advances | 7,135 | 9,572 |
| Payments for purchases of held-to-maturity securities | $(11,156)$ | $(1,118)$ |
| Proceeds from redemptions of held-to-maturity securities | 45,052 | 6,435 |
| Capital expenditures | $(148,098)$ | $(282,332)$ |
| Proceeds from sales of property, plant and equipment | 11,575 | 19,932 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | - | 2,917 |
| Acquisitions of finance subsidiaries-receivables | $(942,009)$ | $(992,380)$ |
| Collections of finance subsidiaries-receivables | 905,972 | 908,938 |
| Purchases of operating lease assets | $(330,307)$ | $(416,447)$ |
| Proceeds from sales of operating lease assets | 194,073 | 204,356 |
| Net cash used in investing activities | $(278,576)$ | $(551,055)$ |


|  | Yen (millions) |  |
| :---: | :---: | :---: |
|  | Six months ended Sep. 30,2011 unaudited | $\begin{gathered} \hline \text { Six months } \\ \text { ended } \\ \text { Sep. } 30,2012 \\ \text { unaudited } \\ \hline \end{gathered}$ |
| Cash flows from financing activities: |  |  |
| Increase (decrease) in short-term debt, net | $(23,676)$ | 19,166 |
| Proceeds from long-term debt | 373,379 | 592,080 |
| Repayment of long-term debt | $(405,943)$ | $(520,564)$ |
| Dividends paid | $(54,069)$ | $(61,278)$ |
| Dividends paid to noncontrolling interests | $(14,435)$ | $(5,060)$ |
| Purchases of treasury stock, net | (4) | (2) |
| Other, net | - | $(1,614)$ |
| Net cash provided by (used in) financing activities | $(124,748)$ | 22,728 |
| Effect of exchange rate changes on cash and cash equivalents | $(49,937)$ | $(47,284)$ |
| Net change in cash and cash equivalents | 40,378 | $(265,804)$ |
| Cash and cash equivalents at beginning of the year | 1,279,024 | 1,247,113 |
| Cash and cash equivalents at end of the period | 1,319,402 | 981,309 |

## [4] Assumptions for Going Concern

None

## [5] Significant changes in Honda Motor Co., Ltd. shareholders' equity

None

## [6] Segment Information

Honda has four reportable segments: the Motorcycle business, the Automobile business, the Financial services business and the Power product \& other businesses, which are based on Honda's organizational structure and characteristics of products and services. Operating segments are defined as components of Honda's about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. The accounting policies used for these reportable segments are consistent with the accounting policies used in Honda's consolidated financial statements.

Principal products and services, and functions of each segment are as follows:

| Segment | Principal products and services | Functions |
| :--- | :--- | :--- |
| Motorcycle business | Motorcycles, all-terrain vehicles <br> (ATVs) and relevant parts | Research \& Development, Manufacturing, <br> Sales and related services |
| Automobile business | Automobiles and relevant parts | Research \& Development, Manufacturing <br> Sales and related services |
| Financial services business | Financial, insurance services | Retail loan and lease related to Honda <br> products, and Others |
| Power product <br> $\& ~ O t h e r ~ b u s i n e s s e s ~$ | Power products and relevant parts, <br> and others | Research \& Development, Manufacturing <br> Sales and related services, and Others |

1. Segment information based on products and services
(A) For the three months ended September 30, 2011


For the three months ended September 30, 2012

|  | Yen (millions) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Motorcycle Business | Automobile Business | Financial Services Business | Power Product \& Other Businesses | Segment Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |
| External customers | 309,714 | 1,766,213 | 130,400 | 64,959 | 2,271,286 | - | 2,271,286 |
| Intersegment | - | 3,582 | 2,770 | 2,330 | 8,682 | $(8,682)$ | - |
| Total | 309,714 | 1,769,795 | 133,170 | 67,289 | 2,279,968 | $(8,682)$ | 2,271,286 |
| Segment income (loss) | 25,400 | 37,137 | 38,277 | 53 | 100,867 | - | 100,867 |

(B) As of and for the six months ended September 30, 2011

|  | Yen (millions) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Motorcycle Business | Automobile Business | Financial Services Business | Power Product \& Other Businesses | Segment Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |
| External customers | 687,697 | 2,509,964 | 262,321 | 140,506 | 3,600,488 | - | 3,600,488 |
| Intersegment | - | 6,009 | 5,471 | 5,565 | 17,045 | $(17,045)$ | - |
| Total | 687,697 | 2,515,973 | 267,792 | 146,071 | 3,617,533 | $(17,045)$ | 3,600,488 |
| Segment income (loss) | 83,867 | $(105,369)$ | 96,446 | 146 | 75,090 | - | 75,090 |
| Assets | 1,013,316 | 4,422,585 | 5,169,282 | 299,983 | 10,905,166 | 8,093 | 10,913,259 |
| Depreciation and amortization | 19,912 | 127,257 | 102,469 | 4,754 | 254,392 | - | 254,392 |
| Capital expenditures | 24,828 | 111,314 | 332,068 | 4,169 | 472,379 | - | 472,379 |

## As of and for the six months ended September 30, 2012

|  | Yen (millions) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Motorcycle Business | Automobile Business | Financial Services Business | Power Product \& Other Businesses | Segment Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |
| External customers | 656,364 | 3,656,723 | 261,679 | 132,429 | 4,707,195 | - | 4,707,195 |
| Intersegment | - | 7,832 | 5,517 | 4,818 | 18,167 | $(18,167)$ | - |
| Total | 656,364 | 3,664,555 | 267,196 | 137,247 | 4,725,362 | $(18,167)$ | 4,707,195 |
| Segment income (loss) | 62,202 | 137,798 | 79,114 | $(2,234)$ | 276,880 | - | 276,880 |
| Assets | 903,372 | 4,946,320 | 5,577,763 | 284,322 | 11,711,777 | $(264,190)$ | 11,447,587 |
| Depreciation and amortization | 16,420 | 120,868 | 118,872 | 4,203 | 260,363 | - | 260,363 |
| Capital expenditures | 26,653 | 230,473 | 417,058 | 6,780 | 680,964 | - | 680,964 |

Explanatory notes:

1. Intersegment sales and revenues are generally made at values that approximate arm's-length prices.
2. Unallocated corporate assets, included in reconciling items, amounted to JPY 465,864 million as of September 30, 2011 and JPY 228,945 million as of September 30, 2012 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and held-to-maturity securities held by the Company. Reconciling items also include elimination of intersegment transactions.
3. Depreciation and amortization of Financial Services Business include JPY 101,715 million for the six months ended September 30, 2011 and JPY 118,213 million for the six months ended September 30, 2012, respectively, of depreciation of property on operating leases.
4. Capital expenditure of Financial Services Business includes JPY 330,307 million for the six months ended September 30, 2011 and JPY 416,447 million for the six months ended September 30, 2012 respectively, of purchase of operating lease assets.
5. The amounts of Net sales and other operating revenue Intersegment for the three months ended and six months ended September 30, 2011 have been corrected from the amounts previously disclosed.
6. Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. Effective April 1, 2012, Honda changed to the straight line method of depreciation. As a result of the change in depreciation method, depreciation expense for three months ended September 30, 2012 decreased by approximately JPY 1,503 million in Motorcycle Business, JPY 9,566 million in Automobile Business, JPY 19 million in Financial Services Business and JPY 244 million in Power Product \& Other Businesses, respectively. Depreciation expense for six months ended September 30, 2012 decreased by approximately JPY 2,700 million in Motorcycle Business, JPY 18,037 million in Automobile Business, JPY 36 million in Financial Services Business and JPY 698 million in Power Product \& Other Businesses, respectively. It resulted in an increase of segment income. For further information, refer to "Other Information, 2. Changes in accounting policy, (b) Change in depreciation method".
7. For the three months ended September 30, 2012, impact of the floods in Thailand is included in Segment income (loss) of Automobile business, refer to "[7] Other, 3. Impact on the Company's consolidated financial position or results of operations of the floods in Thailand".

In addition to the disclosure required by U.S. GAAP, Honda provides the following supplemental information in order to provide financial statements users with useful information:
2. Supplemental geographical information based on the location of the Company and its subsidiaries
(A) For the three months ended September 30, 2011

|  | Yen (millions) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Japan | North America | Europe | Asia | Other <br> Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |  |
| External customers | 415,310 | 746,735 | 128,642 | 354,136 | 241,069 | 1,885,892 | - | 1,885,892 |
| Transfers between geographic areas | 390,025 | 47,396 | 15,915 | 53,648 | 3,318 | 510,302 | $(510,302)$ | - |
| Total | 805,335 | 794,131 | 144,557 | 407,784 | 244,387 | 2,396,194 | $(510,302)$ | 1,885,892 |
| Operating income (loss) | $(35,305)$ | 47,706 | $(4,033)$ | 21,869 | 23,064 | 53,301 | (790) | 52,511 |

For the three months ended September 30, 2012

(B) As of and for the six months ended September 30, 2011

|  | Yen (millions) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |  |
| External customers | 753,908 | 1,438,584 | 265,242 | 675,893 | 466,861 | 3,600,488 | - | 3,600,488 |
| Transfers between geographic areas | 676,803 | 89,489 | 30,228 | 105,343 | 7,449 | 909,312 | $(909,312)$ | - |
| Total | 1,430,711 | 1,528,073 | 295,470 | 781,236 | 474,310 | 4,509,800 | $(909,312)$ | 3,600,488 |
| Operating income (loss) | $(81,203)$ | 66,218 | $(10,133)$ | 46,976 | 38,808 | 60,666 | 14,424 | 75,090 |
| Assets | 2,884,276 | 5,706,119 | 443,498 | 971,348 | 688,254 | 10,693,495 | 219,764 | 10,913,259 |
| Long-lived assets | 1,036,486 | 1,727,544 | 96,927 | 224,247 | 149,569 | 3,234,773 | - | 3,234,773 |

As of and for the six months ended September 30, 2012

|  | Yen (millions) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Japan | North America | Europe | Asia | Other <br> Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: |  |  |  |  |  |  |  |  |
| External customers | 999,565 | 2,147,345 | 247,479 | 873,541 | 439,265 | 4,707,195 | - | 4,707,195 |
| Transfers between geographic areas | 932,179 | 122,128 | 44,971 | 178,730 | 10,749 | 1,288,757 | $(1,288,757)$ | - |
| Total | 1,931,744 | 2,269,473 | 292,450 | 1,052,271 | 450,014 | 5,995,952 | $(1,288,757)$ | 4,707,195 |
| Operating income (loss) | 91,025 | 108,966 | $(16,359)$ | 68,154 | 22,819 | 274,605 | 2,275 | 276,880 |
| Assets | 3,099,854 | 6,136,429 | 481,588 | 1,170,618 | 615,405 | 11,503,894 | $(56,307)$ | 11,447,587 |
| Long-lived assets | 1,085,389 | 2,000,980 | 106,766 | 301,710 | 127,950 | 3,622,795 | - | 3,622,795 |

Explanatory notes:

1. Major countries or regions in each geographic area:

| North America | United States, Canada, Mexico |
| :--- | :--- |
| Europe | United Kingdom, Germany, France, Italy, Belgium |
| Asia | Thailand, Indonesia, China, India, Vietnam |
| Other Regions | Brazil, Australia |

2. Sales and revenues between geographic areas are generally made at values that approximate arm's-length prices.
3. Unallocated corporate assets, included in reconciling items, amounted to JPY 465,864 million as of September 30, 2011 and JPY 228,945 million as of September 30, 2012 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and held-to-maturity securities held by the Company. Reconciling items also include elimination of transactions between geographic areas.
4. Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. Effective April 1, 2012, Honda changed to the straight line method of depreciation. As a result of the change in depreciation method, depreciation expense for three months ended September 30, 2012 decreased by approximately JPY 8,939 million in Japan, JPY 1,188 million in North America, JPY 538 million in Europe and JPY 667 million in Asia, respectively. Depreciation expense for six months ended September 30, 2012 decreased by approximately JPY 16,995 million in Japan, JPY 2,507 million in North America, JPY 795 million in Europe and JPY 1,174 million in Asia, respectively. It resulted in an increase of segment income. For further information, refer to "Other Information, 2. Changes in accounting policy, (b) Change in depreciation method".
5. For the three months ended September 30, 2012, impact of the floods in Thailand is included in Operating income (loss) of Asia, refer to "[7] Other, 3. Impact on the Company's consolidated financial position or results of operations of the flood in Thailand".

## [7] Other

## 1. Revisions of the prior year's Consolidated Statements of Cash Flow

Revisions have been made to adjust overstatements in both acquisitions of finance subsidiaries-receivables and collections of finance subsidiaries-receivables in the consolidated statements of cash flows, that amounted to JPY 93, 124 million for the fiscal six months ended September 30, 2011.
The revisions have no impact on net cash used in investing activities.

## 2. Impairment loss on investments in affiliate

For the six months ended September 30, 2012, Honda recognized impairment loss of JPY 6,525 million, net of tax, on certain investments in affiliates which have quoted market values because of other-than-temporary decline in fair value below their carrying values. The fair values of the investments were based on quoted market price. The impairment loss is included in equity in income of affiliates in the accompanying consolidated statement of income. For the three months ended September 30, 2012, Honda does not recognize impairment loss on investments in affiliates.

## 3. Impact on the Company's consolidated financial position or results of operations of the floods in Thailand

In October 2011, Thailand suffered from severe floods that caused damage to inventories, and machinery and equipment of certain consolidated subsidiaries and affiliates of the Company. Accordingly, production activities in plant facilities at Honda and its affiliates had been temporarily affected by the floods for the year ended March 31, 2012.

Honda recognized insurance recoveries of JPY 6,271 million which is included in selling, general and administrative expenses in the accompanying consolidated statement of income for the three months ended September 30, 2012. Honda recognizes insurance recoveries in excess of the incurred losses when settlements with insurance companies are reached.

## CONSOLIDATED FINANCIAL SUMMARY 1

FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2012


Notes:
1 Capital expenditures exclude purchase of operating lease assets and acquisition of intangible assets, and depreciation and amortization exclude depreciation of property on operating leases and amortization of intangible assets.
2 Previously, Honda used principally the declining-balance method for calculating the depreciation of property, plant and equipment. Effective April 1, 2012, Honda changed to the straight line method of depreciation. As a result of the change in depreciation method, depreciation expense for the three months and six months ended September 30, 2012 decreased by approximately JPY 11,332 million and JPY 21,471 million, respectively. Net income attributable to Honda Motor Co., Ltd. for the three months and six months ended September 30, 2012 increased by approximately JPY 7,286 million and JPY 13,716 million, respectively.

This announcement contains "forward-looking statements" of Honda. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time. The various factors for increases and decreases in income have been classified in accordance with a method that Honda considers reasonable.

## Honda Group Unit Sales Breakdown by geographical markets based on the location of the external customers

|  | Second Quarter Results |  |  |  | First Half Results |  |  |  | Fiscal Year Results and Forecasts |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3 months ended | 3 months ended |  |  | 6 monthsendedSep. 30,2011 | 6 months <br> ended <br> Sep. 30,2012 | change | \% | Year endedMar. 31, 2012 | Year endingMar. 31, 2013 | change | \% |
|  | Sep. 30, 2011 | $\text { Sep. 30, } 2012$ | change | \% |  |  |  |  |  |  |  |  |
| Motorcycle Business | 3,811 | 3,879 | 68 | 1.8 | 7,288 | 7,790 | 502 | 6.9 | 15,061 | 15,560 | 499 | 3.3 |
| Japan | 63 | 57 | -6 | -9.5 | 115 | 116 | 1 | 0.9 | 220 | 230 | 10 | 4.5 |
| North America | 53 | 60 | 7 | 13.2 | 99 | 119 | 20 | 20.2 | 200 | 255 | 55 | 27.5 |
| Europe | 47 | 38 | -9 | - 19.1 | 109 | 98 | - 11 | - 10.1 | 198 | 180 | -18 | -9.1 |
| Asia | 3,102 | 3,235 | 133 | 4.3 | 5,980 | 6,520 | 540 | 9.0 | 12,412 | 13,055 | 643 | 5.2 |
| Other Regions | 546 | 489 | -57 | -10.4 | 985 | 937 | -48 | -4.9 | 2,031 | 1,840 | -191 | -9.4 |
| Automobile Business | 678 | 996 | 318 | 46.9 | 1,303 | 1,995 | 692 | 53.1 | 3,108 | 4,120 | 1,012 | 32.6 |
| Japan | 133 | 169 | 36 | 27.1 | 225 | 354 | 129 | 57.3 | 588 | 710 | 122 | 20.7 |
| North America | 269 | 404 | 135 | 50.2 | 494 | 854 | 360 | 72.9 | 1,323 | 1,740 | 417 | 31.5 |
| Europe | 40 | 44 | 4 | 10.0 | 75 | 83 | 8 | 10.7 | 158 | 205 | 47 | 29.7 |
| Asia | 190 | 301 | 111 | 58.4 | 406 | 563 | 157 | 38.7 | 837 | 1,155 | 318 | 38.0 |
| Other Regions | 46 | 78 | 32 | 69.6 | 103 | 141 | 38 | 36.9 | 202 | 310 | 108 | 53.5 |
| Power Product Business | 1,276 | 1,288 | 12 | 0.9 | 2,788 | 2,913 | 125 | 4.5 | 5,819 | 6,220 | 401 | 6.9 |
| Japan | 115 | 88 | -27 | -23.5 | 235 | 170 | -65 | -27.7 | 392 | 325 | -67 | -17.1 |
| North America | 437 | 436 | -1 | -0.2 | 1,014 | 1,194 | 180 | 17.8 | 2,314 | 2,630 | 316 | 13.7 |
| Europe | 200 | 150 | -50 | -25.0 | 507 | 386 | -121 | -23.9 | 1,121 | 1,045 | -76 | -6.8 |
| Asia | 390 | 462 | 72 | 18.5 | 789 | 883 | 94 | 11.9 | 1,472 | 1,670 | 198 | 13.5 |
| Other Regions | 134 | 152 | 18 | 13.4 | 243 | 280 | 37 | 15.2 | 520 | 550 | 30 | 5.8 |

1 Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method.
2 Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles and are not included in consolidated net sales to the external customers in our automobile business. As a result, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our automobile business.
3 Honda Group Unit Sales of ATV included in Motorcycle business for the three months ended September 30, 2011 and 2012 are 31 thousand units and 30 thousand units, for the six months ended September 30 , 2011 and 2012 are 57 thousand units and 59 thousand units, respectively.

Consolidated Unit Sales Breakdown by geographical markets based on the location of the external customers
Unit (thousands)

|  | Second Quarter Results |  |  |  | First Half Results |  |  |  | Fiscal Year Results and Forecasts |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3 months ended | 3 monthsendedSep. 30, 2012 | change | \% | 6 monthsendedSep. 30, 2011 | 6 monthsendedSep. 30,2012 |  |  | Year ended <br> Mar. 31, 2012 | Year ending <br> Mar. 31, 2013 |  |  |
|  | $\text { Sep. 30, } 2011$ |  |  |  |  |  | change | \% |  |  | change | \% |
| Motorcycle Business | 2,187 | 2,377 | 190 | 8.7 | 4,136 | 4,743 | 607 | 14.7 | 8,650 | 9,620 | 970 | 11.2 |
| Japan | 63 | 57 | -6 | -9.5 | 115 | 116 | 1 | 0.9 | 220 | 230 | 10 | 4.5 |
| North America | 53 | 60 | 7 | 13.2 | 99 | 119 | 20 | 20.2 | 200 | 255 | 55 | 27.5 |
| Europe | 47 | 38 | -9 | - 19.1 | 109 | 98 | -11 | -10.1 | 198 | 180 | -18 | -9.1 |
| Asia | 1,478 | 1,733 | 255 | 17.3 | 2,828 | 3,473 | 645 | 22.8 | 6,001 | 7,115 | 1,114 | 18.6 |
| Other Regions | 546 | 489 | -57 | - 10.4 | 985 | 937 | -48 | -4.9 | 2,031 | 1,840 | - 191 | -9.4 |
| Automobile Business | 571 | 816 | 245 | 42.9 | 1,029 | 1,665 | 636 | 61.8 | 2,482 | 3,490 | 1,008 | 40.6 |
| Japan | 131 | 168 | 37 | 28.2 | 222 | 351 | 129 | 58.1 | 580 | 700 | 120 | 20.7 |
| North America | 269 | 404 | 135 | 50.2 | 494 | 854 | 360 | 72.9 | 1,323 | 1,740 | 417 | 31.5 |
| Europe | 40 | 44 | 4 | 10.0 | 75 | 83 | 8 | 10.7 | 158 | 205 | 47 | 29.7 |
| Asia | 85 | 122 | 37 | 43.5 | 135 | 236 | 101 | 74.8 | 219 | 535 | 316 | 144.3 |
| Other Regions | 46 | 78 | 32 | 69.6 | 103 | 141 | 38 | 36.9 | 202 | 310 | 108 | 53.5 |
| Power Product Business | 1,276 | 1,288 | 12 | 0.9 | 2,788 | 2,913 | 125 | 4.5 | 5,819 | 6,220 | 401 | 6.9 |
| Japan | 115 | 88 | -27 | -23.5 | 235 | 170 | -65 | -27.7 | 392 | 325 | -67 | -17.1 |
| North America | 437 | 436 | -1 | -0.2 | 1,014 | 1,194 | 180 | 17.8 | 2,314 | 2,630 | 316 | 13.7 |
| Europe | 200 | 150 | -50 | - 25.0 | 507 | 386 | -121 | -23.9 | 1,121 | 1,045 | -76 | -6.8 |
| Asia | 390 | 462 | 72 | 18.5 | 789 | 883 | 94 | 11.9 | 1,472 | 1,670 | 198 | 13.5 |
| Other Regions | 134 | 152 | 18 | 13.4 | 243 | 280 | 37 | 15.2 | 520 | 550 | 30 | 5.8 |

1 Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.
2 Until the fiscal year ended March 31, 2012, Honda has disclosed as "Unit Sales" the total of unit sales of completed products of Honda and its consolidated subsidiaries, and sales of parts for local production at Honda's affiliates accounted for under the equity method. From the fiscal year ending March 31, 2013, Honda discloses "Consolidated Unit Sales" in place of the "Unit Sales". "Consolidated Unit Sales" is the total of unit sales of completed products of Honda and its consolidated subsidiaries, not including parts for local production at Honda's affiliates accounted for under the equity method. Because of this change, unit sales for three months ended September 30, 2011, for six months ended September 30, 2011 and for the fiscal year ended March 31, 2012 have been revised to meet the disclosure of unit sales from the fiscal year ending March $31,2013$.
3 Consolidated Unit Sales of ATV included in Motorcycle business for the three months ended September 30, 2011 and 2012 are 31 thousand units and 30 thousand units, for the six months ended September 30 , 2011 and 2012 are 57 thousand units and 59 thousand units, respectively.

## CONSOLIDATED FINANCIAL SUMMARY 3

FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2012
Net Sales Breakdown by geographical markets based on the location of the external customers

| Yen (millions) | Second Quarter Results |  |  |  | First Half Results |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3 months ended Sep. 30, 2011 | 3 months <br> ended <br> Sep. 30, 2012 | change | \% | 6 months <br> ended <br> Sep. 30, 2011 | 6 months ended Sep. 30, 2012 | change | \% |
| Total | 1,885,892 | 2,271,286 | 385,394 | 20.4 | 3,600,488 | 4,707,195 | 1,106,707 | 30.7 |
| Japan | 346,777 | 414,047 | 67,270 | 19.4 | 627,138 | 849,623 | 222,485 | 35.5 |
| North America | 742,748 | 985,886 | 243,138 | 32.7 | 1,431,091 | 2,135,271 | 704,180 | 49.2 |
| Europe | 128,587 | 124,774 | - 3,813 | - 3.0 | 263,892 | 246,254 | - 17,638 | -6.7 |
| Asia | 408,023 | 491,094 | 83,071 | 20.4 | 772,240 | 971,757 | 199,517 | 25.8 |
| Other Regions | 259,757 | 255,485 | -4,272 | -1.6 | 506,127 | 504,290 | -1,837 | -0.4 |
| Motorcycle Business | 357,333 | 309,714 | -47,619 | -13.3 | 687,697 | 656,364 | - 31,333 | -4.6 |
| Japan | 19,547 | 18,682 | -865 | -4.4 | 36,953 | 38,258 | 1,305 | 3.5 |
| North America | 27,339 | 24,130 | - 3,209 | - 11.7 | 53,356 | 53,334 | -22 | -0.0 |
| Europe | 21,338 | 18,351 | - 2,987 | - 14.0 | 53,758 | 45,227 | - 8,531 | - 15.9 |
| Asia | 143,788 | 147,498 | 3,710 | 2.6 | 284,251 | 308,973 | 24,722 | 8.7 |
| Other Regions | 145,321 | 101,053 | -44,268 | - 30.5 | 259,379 | 210,572 | -48,807 | - 18.8 |
| Automobile Business | 1,333,051 | 1,766,213 | 433,162 | 32.5 | 2,509,964 | 3,656,723 | 1,146,759 | 45.7 |
| Japan | 296,089 | 364,614 | 68,525 | 23.1 | 532,755 | 753,661 | 220,906 | 41.5 |
| North America | 586,772 | 830,241 | 243,469 | 41.5 | 1,109,276 | 1,812,679 | 703,403 | 63.4 |
| Europe | 93,613 | 94,440 | 827 | 0.9 | 178,259 | 175,032 | - 3,227 | -1.8 |
| Asia | 252,950 | 333,229 | 80,279 | 31.7 | 464,387 | 642,670 | 178,283 | 38.4 |
| Other Regions | 103,627 | 143,689 | 40,062 | 38.7 | 225,287 | 272,681 | 47,394 | 21.0 |
| Financial Service Business | 126,498 | 130,400 | 3,902 | 3.1 | 262,321 | 261,679 | -642 | -0.2 |
| Japan | 7,061 | 8,561 | 1,500 | 21.2 | 14,022 | 16,812 | 2,790 | 19.9 |
| North America | 111,133 | 114,643 | 3,510 | 3.2 | 231,748 | 229,938 | - 1,810 | -0.8 |
| Europe | 2,104 | 1,720 | - 384 | - 18.3 | 4,345 | 3,525 | -820 | - 18.9 |
| Asia | 725 | 651 | - 74 | - 10.2 | 1,548 | 1,262 | -286 | -18.5 |
| Other Regions | 5,475 | 4,825 | -650 | - 11.9 | 10,658 | 10,142 | -516 | -4.8 |
| $\begin{array}{\|l\|} \hline \text { Power Product \& } \\ \text { Other Businesses } \end{array}$ | 69,010 | 64,959 | -4,051 | -5.9 | 140,506 | 132,429 | -8,077 | -5.7 |
| Japan | 24,080 | 22,190 | -1,890 | - 7.8 | 43,408 | 40,892 | - 2,516 | - 5.8 |
| North America | 17,504 | 16,872 | -632 | -3.6 | 36,711 | 39,320 | 2,609 | 7.1 |
| Europe | 11,532 | 10,263 | - 1,269 | - 11.0 | 27,530 | 22,470 | - 5,060 | - 18.4 |
| Asia | 10,560 | 9,716 | -844 | -8.0 | 22,054 | 18,852 | - 3,202 | - 14.5 |
| Other Regions | 5,334 | 5,918 | 584 | 10.9 | 10,803 | 10,895 | 92 | 0.9 |

Note:
For detailed information of principal products and services, and functions of each segment, please refer to Fiscal Second Quarter Financial Results "[6] Segment Information."

## CONSOLIDATED FINANCIAL SUMMARY 4 <br> FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2012

## Unaudited Consolidated Balance Sheets

Divided into Non-financial Services Businesses and Finance Subsidiaries

|  | Yen (millions) |  |
| :---: | :---: | :---: |
|  | Mar. 31, 2012 | Sep. 30, 2012 |
| Assets |  |  |
| < Non-financial Services Businesses> |  |  |
| Current Assets: | 3,689,159 | 3,380,914 |
| Cash and cash equivalents | 1,224,185 | 960,476 |
| Trade accounts and notes receivable, net | 483,383 | 457,257 |
| Inventories | 1,035,779 | 1,080,940 |
| Other current assets | 945,812 | 882,241 |
| Investments and advances | 825,410 | 811,707 |
| Property, plant and equipment, net | 1,958,732 | 2,026,974 |
| Other assets | 407,837 | 358,040 |
| Total assets | 6,881,138 | 6,577,635 |
| < Finance Subsidiaries > |  |  |
| Cash and cash equivalents | 22,928 | 20,833 |
| Finance subsidiaries-short-term receivables, net | 1,084,050 | 1,052,850 |
| Finance subsidiaries-long-term receivables, net | 2,384,303 | 2,345,587 |
| Net property on operating leases | 1,472,757 | 1,492,613 |
| Other assets | 680,342 | 665,880 |
| Total assets | 5,644,380 | 5,577,763 |
| Reconciling Items | (744,759) | (707,811) |
| Total assets | 11,780,759 | 11,447,587 |
| Liabilities and Equity |  |  |
| < Non-financial Services Businesses> |  |  |
| Current liabilities: | 1,978,607 | 1,675,634 |
| Short-term debt | 248,501 | 219,570 |
| Current portion of long-term debt | 115,040 | 27,147 |
| Trade payables | 977,003 | 800,652 |
| Accrued expenses | 426,978 | 434,986 |
| Other current liabilities | 211,085 | 193,279 |
| Long-term debt, excluding current portion | 100,405 | 140,828 |
| Other liabilities | 893,209 | 868,318 |
| Total liabilities | 2,972,221 | 2,684,780 |
| < Finance Subsidiaries > |  |  |
| Short-term debt | 1,177,879 | 1,148,761 |
| Current portion of long-term debt | 798,565 | 907,664 |
| Accrued expenses | 96,785 | 89,338 |
| Long-term debt, excluding current portion | 2,136,937 | 1,997,094 |
| Other liabilities | 585,944 | 575,350 |
| Total liabilities | 4,796,110 | 4,718,207 |
| Reconciling Items | $(515,862)$ | $(482,088)$ |
| Total liabilities | 7,252,469 | 6,920,899 |
| Honda Motor Co., Ltd. shareholders' equity | 4,402,614 | 4,395,809 |
| Noncontrolling interests | 125,676 | 130,879 |
| Total equity | 4,528,290 | 4,526,688 |
| Total liabilities and equity | 11,780,759 | 11,447,587 |

## CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2012

Unaudited Consolidated Statements of Cash Flows
Divided into Non-financial Services Businesses and Finance Subsidiaries

| For the six months ended September 30, 2011 | Yen (millions) |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \hline \text { Non-financial } \\ \text { Services } \\ \text { Businesses } \\ \hline \end{gathered}$ | Finance Subsidiaries | Reconciling Items | Consolidated |
| Cash flows from operating activities: <br> Net Income <br> Adjustments to reconcile net income to net cash provided by operating activities: <br> Depreciation <br> Deferred income taxes <br> Equity in income of affiliates <br> Dividends from affiliates <br> Loss (gain) on derivative instruments, net <br> Decrease (increase) in trade accounts and notes receivable <br> Decrease (increase) in inventories <br> Increase (decrease) in trade accounts and notes payable <br> Other, net <br> Net cash provided by (used in) operating activities | 32,804 <br>  <br> 151,923 <br> $(38,185)$ <br> $(44,200)$ <br> 22,649 <br> $(14,192)$ <br> 55,832 <br> 39,586 <br> 26,159 <br> $(16,896)$ <br> 215,480 | 63,700 102,469 33,485 - - $(12,140)$ 90,054 - - 3,562 | $\begin{array}{r} - \\ - \\ - \\ - \\ - \\ 580 \\ - \\ 3,472 \\ (7,023) \\ \hline \end{array}$ | 96,504 <br>  <br> 254,392 <br> $(4,700)$ <br> $(44,200)$ <br> 22,649 <br> $(26,332)$ <br> 146,466 <br> 39,586 <br> 29,631 <br> $(20,357)$ |
| Cash flows from investing activities: <br> * Decrease (increase) in investments and advances Capital expenditures Proceeds from sales of property, plant and equipment Collections (acquisitions) of finance subsidiaries-receivables Purchase of operating lease assets Proceeds from sales of operating lease assets Net cash provided by (used in) investing activities | 88,666 $(146,337)$ 11,480 - - - | $\begin{array}{r} (1,467) \\ (1,761) \\ 95 \\ (33,121) \\ (330,307) \\ 194,073 \end{array}$ | $\begin{array}{r} (56,981) \\ - \\ - \\ (2,916) \\ - \end{array}$ | 30,218 <br> $(148,098)$ <br> 11,575 <br> $(36,037)$ <br> $(330,307)$ <br> 194,073 |
| Cash flows from financing activities: <br> * Increase (decrease) in short-term debt, net <br> * Proceeds from long-term debt <br> * Repayment of long-term debt Dividends paid Dividends paid to noncontrolling interests Sales (purchases) of treasury stock, net | $(39)$ <br> 12,499 <br> $(13,407)$ <br> $(54,069)$ <br> $(14,435)$ <br> $(4)$ <br> $(69,455)$ | $\begin{array}{r} (83,927) \\ 366,114 \\ (400,348) \\ - \\ - \\ - \\ \hline(118,161) \end{array}$ | $\begin{array}{r} 60,290 \\ (5,234) \\ 7,812 \\ - \\ - \\ - \\ \hline 62.868 \end{array}$ | $\begin{array}{r} (23,676) \\ 373,379 \\ (405,943) \\ (54,069) \\ (14,435) \\ (4) \\ \hline(124,748) \end{array}$ |
| Effect of exchange rate changes on cash and cash equivalents | ( 46,390$)$ | (18,161) |  | ( 49,937) |
| Net change in cash and cash equivalents | 53,444 | $(13,066)$ | - | 40,378 |
| Cash and cash equivalents at beginning of period | 1,252,362 | 26,662 | - | 1,279,024 |
| Cash and cash equivalents at end of period | 1,305,806 | 13,596 |  | 1,319,402 |

## CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2012

Unaudited Consolidated Statements of Cash Flows
Divided into Non-financial Services Businesses and Finance Subsidiaries

| For the six months ended September 30, 2012 | Yen (millions) |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \hline \text { Non-financial } \\ \text { Services } \\ \text { Businesses } \\ \hline \end{gathered}$ | Finance Subsidiaries | Reconciling Items | Consolidated |
| Cash flows from operating activities: <br> Net Income <br> Adjustments to reconcile net income to net cash provided by operating activities: <br> Depreciation <br> Deferred income taxes <br> Equity in income of affiliates <br> Dividends from affiliates <br> Impairment loss on long-lived assets <br> Loss (gain) on derivative instruments, net <br> Decrease (increase) in trade accounts and <br> notes receivable <br> Decrease (increase) in inventories <br> Increase (decrease) in trade accounts and <br> notes payable <br> Other, net <br> Net cash provided by (used in) operating activities | $\begin{array}{r}175,736 \\ 141,491 \\ 37,110 \\ (48,229) \\ 31,365 \\ - \\ (24,857) \\ (6,109) \\ (91,728) \\ (119,737) \\ 58,649 \\ \hline 153,691\end{array}$ | $\begin{array}{r} 50,887 \\ 118,872 \\ 11,750 \\ - \\ - \\ 2,208 \\ 201 \\ (2,936) \\ - \\ - \\ (17,715) \\ \hline \end{array}$ | 767 <br> (576) <br> $(7,342)$ | $\begin{array}{r} 226,623 \\ \\ 260,363 \\ 48,860 \\ (48,229) \\ 31,365 \\ 2,208 \\ (24,656) \\ (8,278) \\ (91,728) \\ (120,313) \\ 33,592 \\ \hline \end{array}$ |
| Cash flows from investing activities: <br> * Decrease (increase) in investments and advances Capital expenditures Proceeds from sales of property, plant and equipment Proceeds from insurance recoveries for damaged property, plant and equipment Collections (acquisitions) of finance subsidiaries-receivables Purchase of operating lease assets Proceeds from sales of operating lease assets | $\begin{array}{r}17,928 \\ (281,721) \\ 19,862 \\ 2,917 \\ - \\ - \\ - \\ \hline(241,014)\end{array}$ | $(2,950)$ <br> $(611)$ <br> 70 <br> - <br> $(84,441)$ <br> $(416,447)$ <br> 204,356 <br> $(300,023)$ | $(11,017)$ <br> - <br> - <br> - <br> 999 <br> - <br> - <br> 10,018$)$ | 3,961 <br> $(282,332)$ <br> 19,932 <br> 2,917 <br> $(83,442)$ <br> $(416,447)$ <br> 204,356 <br> $(551,055)$ |
| Net cash provided by (used in) investing activitie | ( 241,014) | $(300,023)$ | $(10,018)$ | $(551,055)$ |
| Cash flows from financing activities: <br> * Increase (decrease) in short-term debt, net <br> * Proceeds from long-term debt <br> * Repayment of long-term debt Dividends paid Dividends paid to noncontrolling interests Sales (purchases) of treasury stock, net Other, net <br> Net cash provided by (used in) financing activities | $(17,479)$ <br> 62,769 <br> $(107,698)$ <br> $(61,278)$ <br> $(5,060)$ <br> $(2)$ <br> $(1,614)$ <br> $(130,362)$ | 23,185 529,311 $(416,575)$ - - - - 135,921 | 13,460 - 3,709 - - - - 17,169 | 19,166 <br> 592,080 <br> $(520,564)$ <br> $(61,278)$ <br> $(5,060)$ <br> $(2)$ <br> $(1,614)$ |
| Effect of exchange rate changes on cash and cash equivalents | $(46,024)$ | $(1,260)$ | - | $(47,284)$ |
| Net change in cash and cash equivalents | $(263,709)$ | ( 2,095 ) | - | $(265,804)$ |
| Cash and cash equivalents at beginning of period | 1,224,185 | 22,928 | - | 1,247,113 |
| Cash and cash equivalents at end of period | 960,476 | 20,833 | - | 981,309 |

Notes:
1 Non-financial services businesses lend to finance subsidiaries. These cash flows are included in the decrease (increase) in investments and advances, increase (decrease) in short-term debt, proceeds from long-term debt, and repayment of long-term debt (marked by ${ }^{*}$ ). The amount of the loans to finance subsidiaries is a JPY 56,981 million decrease for the fiscal first half ended September 30, 2011, and a JPY 11,017 million decrease for the fiscal first half ended September 30, 2012, respectively.
2 Decrease (increase) in trade accounts and notes receivable for finance subsidiaries is due to the reclassification of finance subsidiaries-receivables which relate to sales of inventory in the unaudited consolidated statements of cash flows presented above.

