



FY13 2nd Quarter Financial Results



Honda Motor Co., Ltd.

October 29, 2012

Accord EX-L V-6
(U.S. specification model)

FY13 2nd Quarter Financial Results & FY13 Financial Forecasts

Fumihiko Ike

Senior Managing Officer and Director

Chief Financial Officer

- *FY13 2nd Quarter Consolidated Financial Results*
- *FY13 Financial Forecasts*
- *Dividend*

Kohei Takeuchi

Operating Officer, General Manager of Accounting Division

- *FY13 2nd Quarter Consolidated Financial Results*
 - Net Sales and Other Operating Revenue*
 - Change in Income before Income Taxes*
 - Business Segment Information*
 - Geographical Information*
 - Change in Equity in Income of Affiliates*
 - Consolidated Capital Expenditures*
- *FY 13 Financial Forecasts*

FY13 2nd Quarter Financial Results & FY13 Financial Forecasts

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Outline of FY13 2nd Quarter Financial Results (Consolidated)

Honda Group Unit Sales (Consolidated Unit Sales) (thousand)	2Q Results (Three Months)		
	FY12	FY13	Change
Motorcycles	3,811 (2,187)	3,879 (2,377)	+ 1.8% (+ 8.7%)
Automobiles	678 (571)	996 (816)	+ 46.9% (+ 42.9%)
Power Products	1,276 (1,276)	1,288 (1,288)	+ 0.9% (+ 0.9%)

Financial results Yen (billion)	2Q Results (Three Months)		
	FY12	FY13	Change
Net sales & other operating revenue	1,885.8	2,271.2	+ 20.4%
Operating income	52.5	100.8	+ 92.1%
Income before income taxes	76.5	106.2	+ 38.8%
Equity in income of affiliates	15.5	27.4	+ 76.7%
Net income attributable to Honda Motor Co., Ltd.	60.4	82.2	+ 36.1%

EPS attributable to Honda Motor Co., Ltd. (Yen)	33.53	45.63	+ 12.10
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Note : Shares which are based on calculation of EPS

approx. 1,802,300,000 shares (weighted average number of shares outstanding)	approx. 1,802,299,000 shares (weighted average number of shares outstanding)
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Average Rates (Yen)

US Dollar	78	79	Yen down by 1 yen
Euro	109	98	Yen up by 11 yen

Financial Summary

Since the earthquake, a recovery led by N.A. and Japan along with new model offerings led to an increase in auto sales; India led an increase in motorcycle sales.

Operating Income rose 92.1% to 100.8 billion compared to the same period last year.

Financial Highlights

Honda Group Unit Sales

Motorcycle:

Increased in Asia

Automobiles:

Increased in all regions

Power Products:

Increased in Asia and "Other regions"

Net Sales and Operating Revenue

-Recovery from the earthquake and new model introductions led to an increase for automobile business operations

-Currency fluctuations had a negative impact

Operating Income

【Positive Factors】

- Positive change in sales volume and model mix
- Cost reduction efforts

【Negative Factors】

- Increased SG&A expenses
- Increase in R&D expenses
- Currency fluctuation impact

Outline of FY13 1st Half Financial Results (Consolidated)

Honda Group Unit Sales (Consolidated Unit Sales) (thousand)	2Q Results (Three Months)		
	FY12	FY13	Change
Motorcycles	3,811 (2,187)	3,879 (2,377)	+ 1.8% (+ 8.7%)
Automobiles	678 (571)	996 (816)	+ 46.9% (+ 42.9%)
Power Products	1,276 (1,276)	1,288 (1,288)	+ 0.9% (+ 0.9%)

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(weighted average number of shares outstanding)

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Average Rates (Yen)

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1H Results (Six Months)		
FY12	FY13	Change
7,288 (4,136)	7,790 (4,743)	+ 6.9% (+ 14.7%)
1,303 (1,029)	1,995 (1,665)	+ 53.1% (+ 61.8%)
2,788 (2,788)	2,913 (2,913)	+ 4.5% (+ 4.5%)

1H Results (Six Months)		
FY12	FY13	Change
3,600.4	4,707.1	+ 30.7%
75.0	276.8	+ 268.7%
105.8	301.0	+ 184.4%
44.2	48.2	+ 9.1%
92.2	213.9	+ 132.0%
51.17	118.71	+ 67.54

approx.

1,802,301,000 shares

(weighted average number of shares outstanding)

approx.

1,802,299,000 shares

(weighted average number of shares outstanding)

79	79	-
113	101	Yen up by 12 yen

FY13 Financial Forecasts (Consolidated)

	FY12 Results	FY13 Forecasts	Change		Change from previous forecasts
			amount	%	
Net sales & other operating revenue	7,948.0	9,800.0	+ 1,851.9	+ 23.3%	- 500.0
Operating income	231.3	520.0	+ 288.6	+ 124.8%	- 100.0
Income before income taxes	257.4	540.0	+ 282.5	+ 109.8%	- 95.0
Equity in income of affiliates	100.4	80.0	- 20.4	- 20.3%	- 40.0
Net income attributable to Honda Motor Co., Ltd.	211.4	375.0	+ 163.5	+ 77.3%	- 95.0
EPS attributable to Honda Motor Co., Ltd. (Yen)	117.34	208.07	+ 90.73		

Note : Shares which are based
on calculation of EPS

approx.
1,802,300,000 shares
(weighted average number
of shares outstanding)

approx.
1,802,299,128 shares
(weighted average number
of shares outstanding)

Average Rates (Yen)

US Dollar	79	80 (1H 79 / 2H 80)	Yen down by 1 yen	-
Euro	108	103 (1H 101 / 2H 105)	Yen up by 5 yen	Yen up by 2 yen

FY12 Financial Results and FY13 Financial Forecasts (Unconsolidated)

	FY12 Results	FY13 Forecasts	Change		Change from previous forecasts
			amount	%	
Net sales	2,740.0	3,200.0	+ 459.9	+ 16.8%	- 120.0
Operating income (loss)	- 136.7	50.0	+ 186.7	-	-
Ordinary income	40.3	190.0	+ 149.6	+ 370.4%	-
Net income	46.2	140.0	+ 93.7	+ 202.5%	-

Average Rates (Yen)

US Dollar	79	80 (1H 79 / 2H 80)	Yen down by 1 yen	-
Euro	108	103 (1H 101 / 2H 105)	Yen up by 5 yen	Yen up by 2 yen

(Yen)

Dividend per share	FY12 Results	FY13 Results & Projection	
			Increase / Decrease from FY12
1 st quarter End	15	19	+ 4
2nd quarter End	15	19	+ 4
3 rd quarter End	15	(19)	(+ 4)
4 th quarter End	15	(19)	(+ 4)
Fiscal Year	60	(76)	(+ 16)

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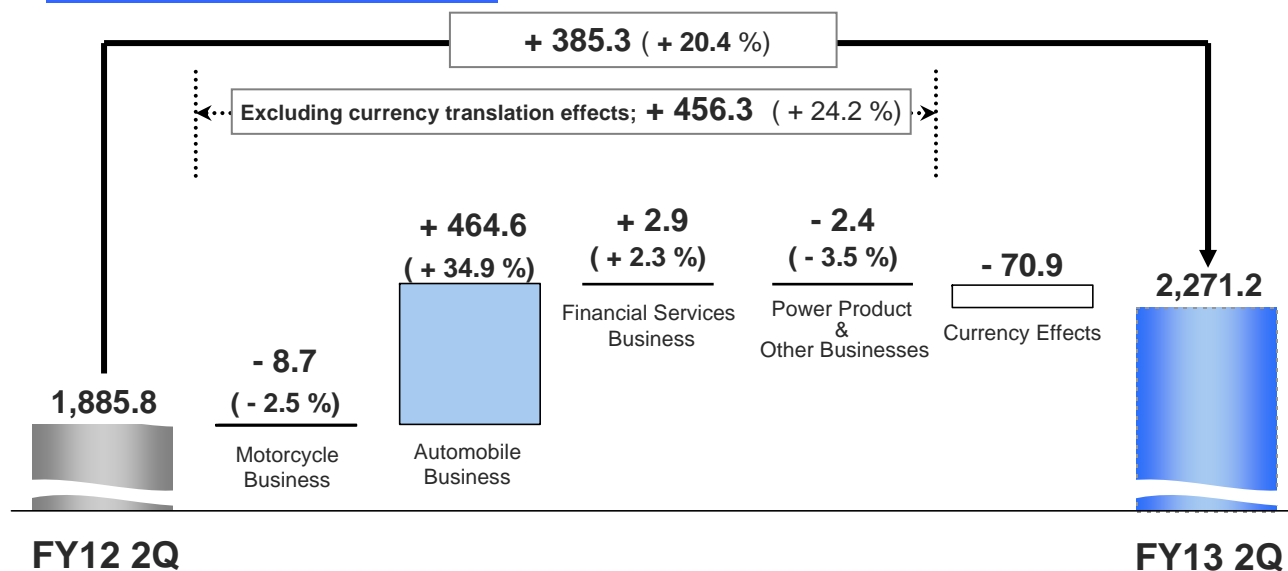
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Net Sales and Other Operating Revenue

2nd Quarter (Three months)



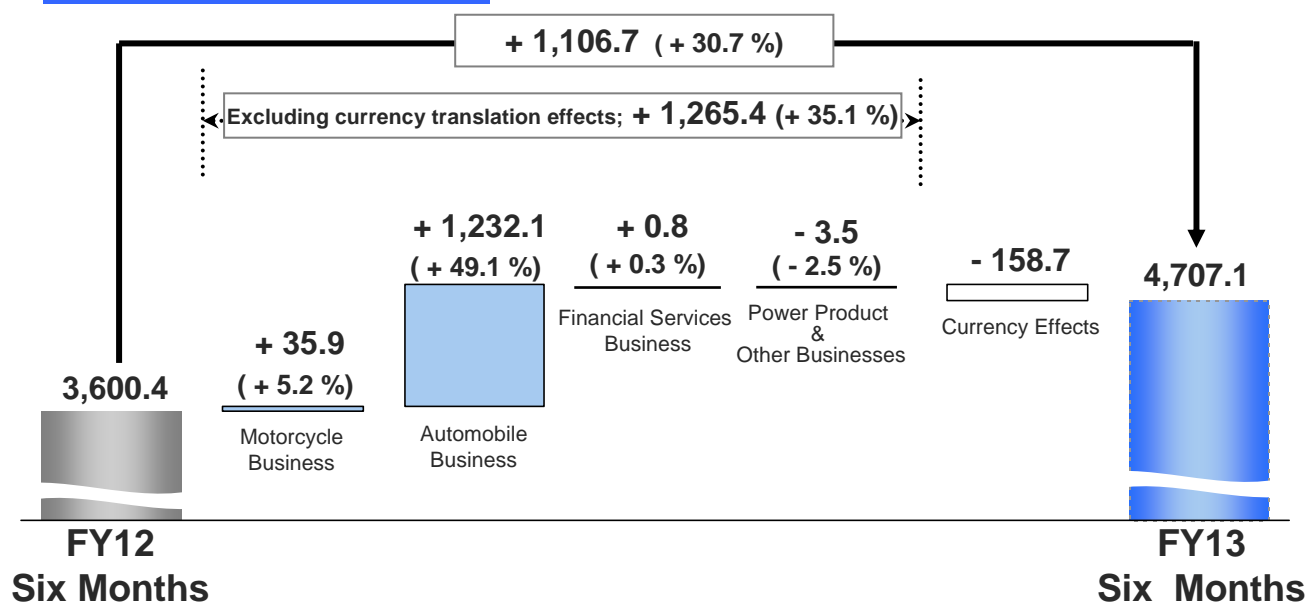
Yen (billion)

Net Sales by Business Segment	2Q	
	FY12	FY13
Motorcycle Business	357.3	309.7
Automobile Business	1,333.0	1,766.2
Financial Services Business	126.4	130.4
Power Product & Other Businesses	69.0	64.9
Total	1,885.8	2,271.2

Market average rates

US Dollar	78	79
Euro	110	98

Six Months



Yen (billion)

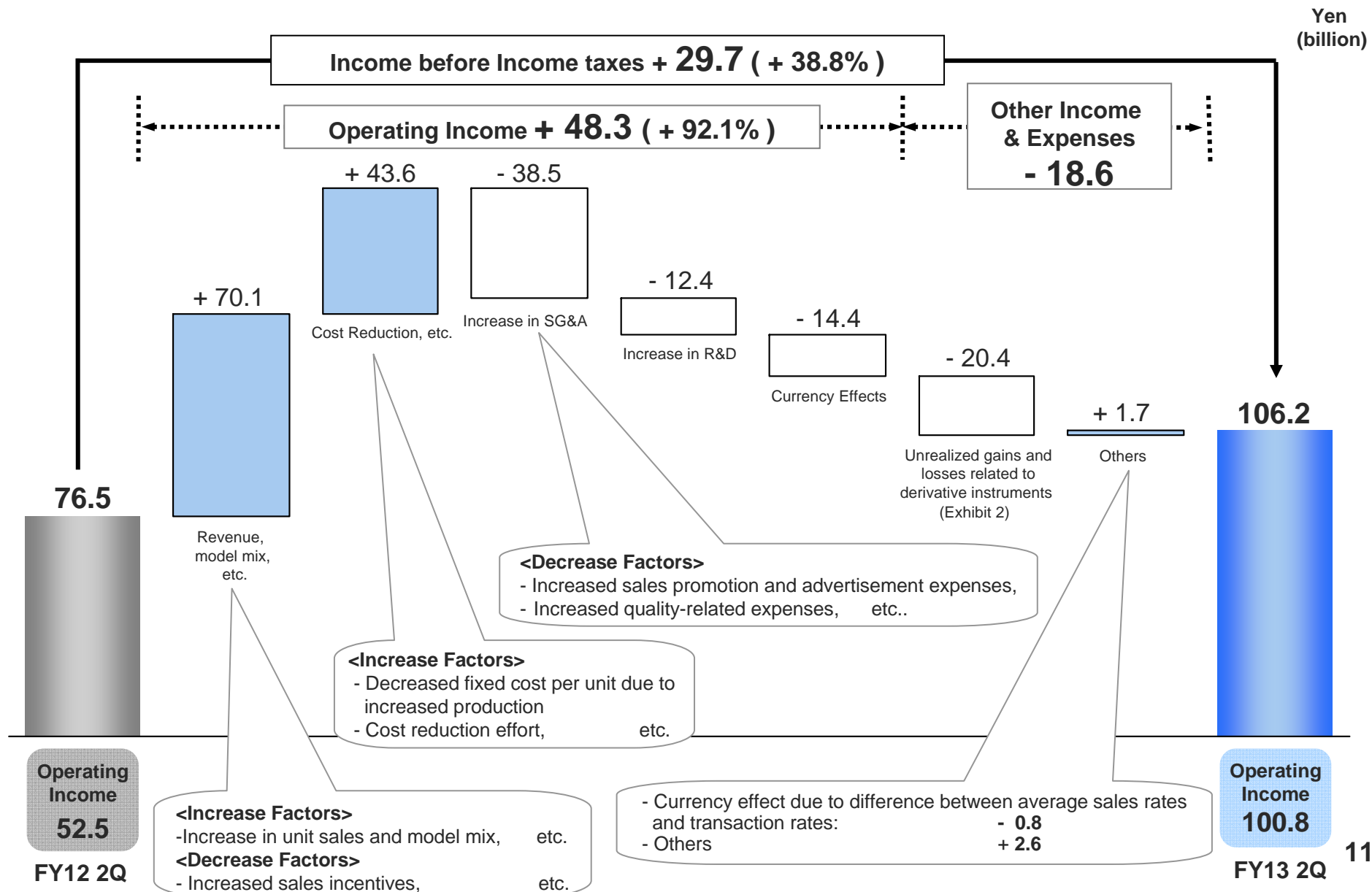
Net Sales by Business Segment	Six months	
	FY12	FY13
Motorcycle Business	687.6	656.3
Automobile Business	2,509.9	3,656.7
Financial Services Business	262.3	261.6
Power Product & Other Businesses	140.5	132.4
Total	3,600.4	4,707.1

Market average rates

US Dollar	80	79
Euro	114	101

Change in Income before Income Taxes <FY13 2nd Quarter>

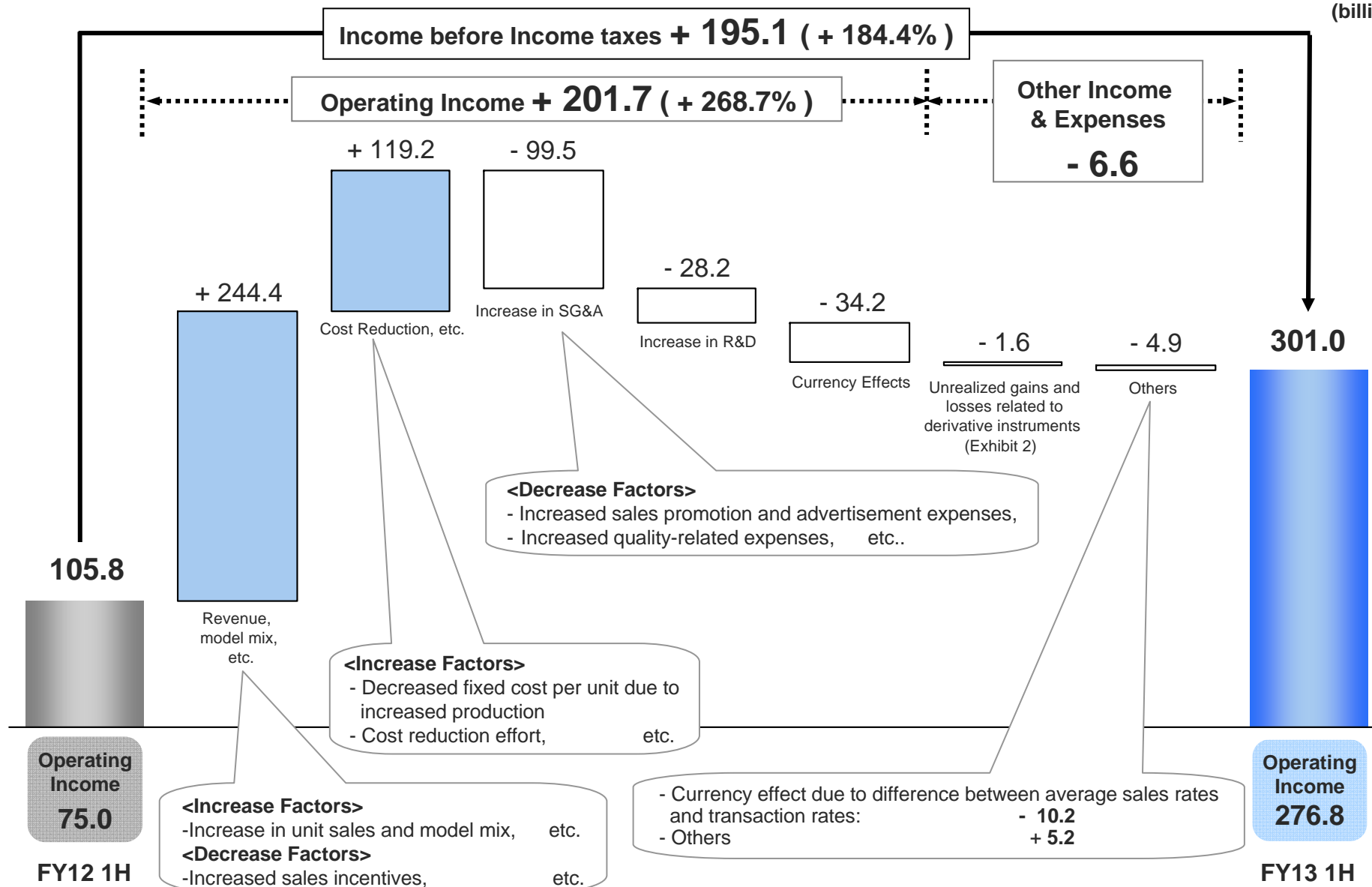
Yen
(billion)



*Please refer to Exhibit 1 regarding currency effects

Change in Income before Income Taxes <FY13 1st Half >

Yen
(billion)



*Please refer to Exhibit 1 regarding currency effects

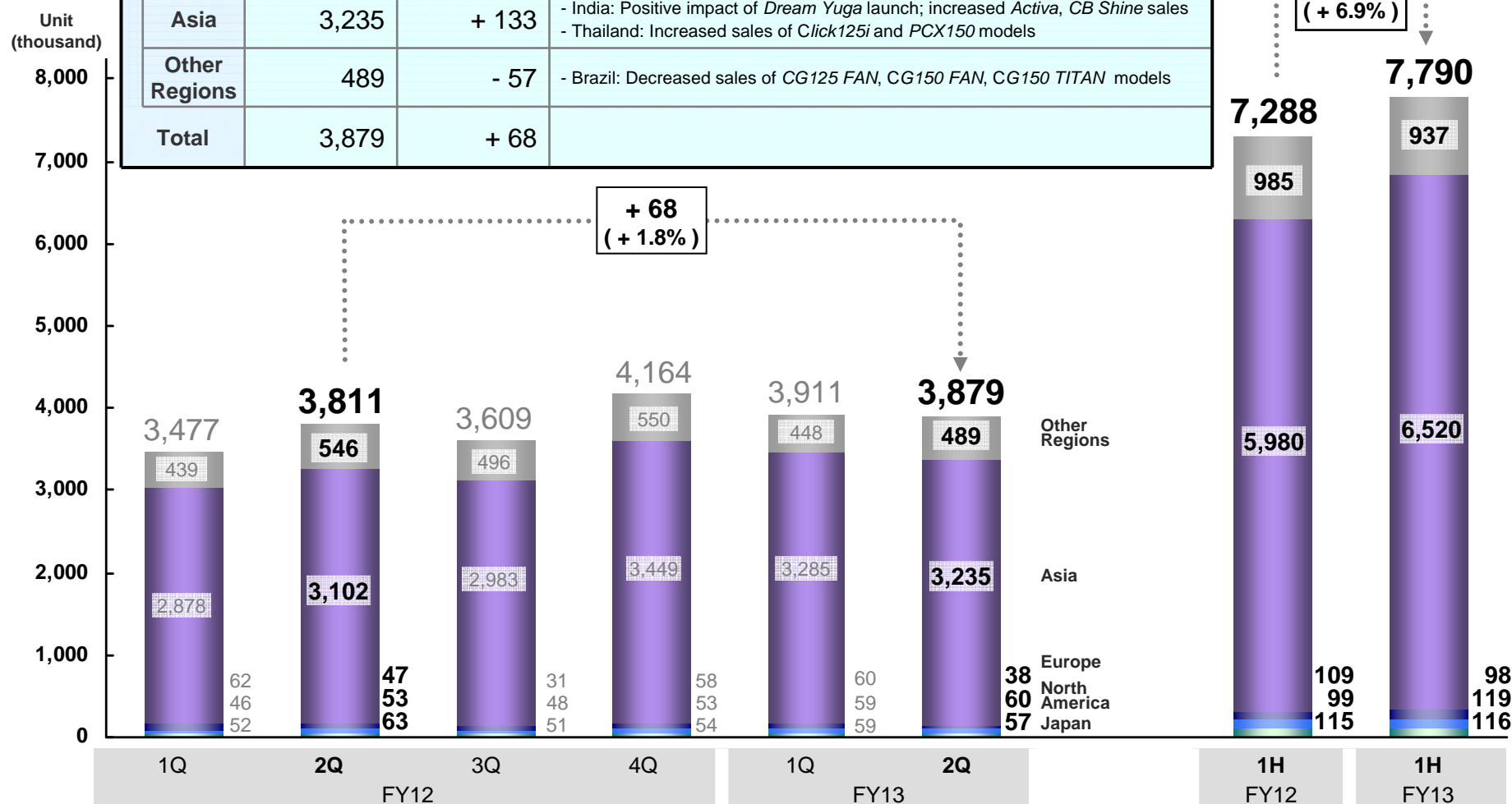
Motorcycle Honda Group Unit Sales (Motorcycles + All-Terrain Vehicles, etc.)

Unit (thousand)	FY13 2Q	Change from FY12 2Q	Major increase / decrease factors
Japan	57	- 6	- Positive impact of NC700X model introduction - Decreased sales of DIO110, Super Cub 50/110 Pro, CBR250R, others
North America	60	+ 7	- U.S: Positive impact of NC700X, CRF250L, Metropolitan model introductions - U.S. Decreased sales of Four Trax Rancher (ATV), Gold Wing, others - Mexico: Increased sales of CGL125, positive impact of new GL150, Dio110
Europe	38	- 9	- Increased sales due to launch of VFR1200X, New Mid Concept series, Vision50 - Market decline in Italy; decreased sales of late in model cycle SH125, SH150
Asia	3,235	+ 133	- India: Positive impact of Dream Yuga launch; increased Activa, CB Shine sales - Thailand: Increased sales of Click125i and PCX150 models
Other Regions	489	- 57	- Brazil: Decreased sales of CG125 FAN, CG150 FAN, CG150 TITAN models
Total	3,879	+ 68	



Dream Yuga (India)

+ 502
(+ 6.9%)

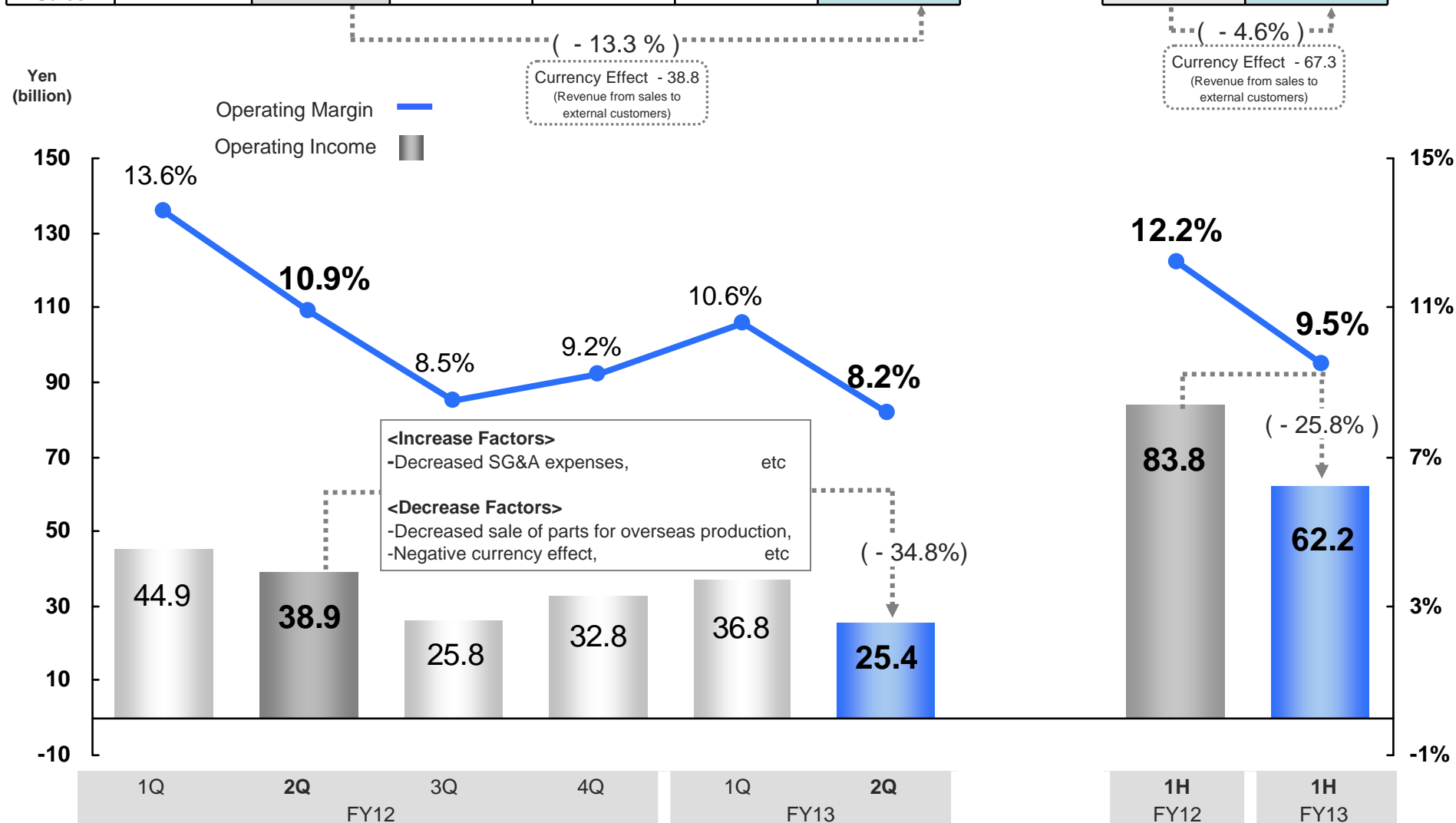


Motorcycle Business

Unit Sales/Net Sales/Operating Income (Margin)

	FY12				FY13	
	1Q	2Q	3Q	4Q	1Q	2Q
Honda Group Unit Sales (Consolidated Unit Sales)	3,477 (1,949)	3,811 (2,187)	3,609 (2,031)	4,164 (2,483)	3,911 (2,366)	3,879 (2,377)
Net Sales	330.3	357.3	302.5	358.5	346.6	309.7

	FY12 1H	FY13 1H
Unit (thousand)	7,288 (4,136)	7,790 (4,743)
Yen (billion)	687.6	656.3



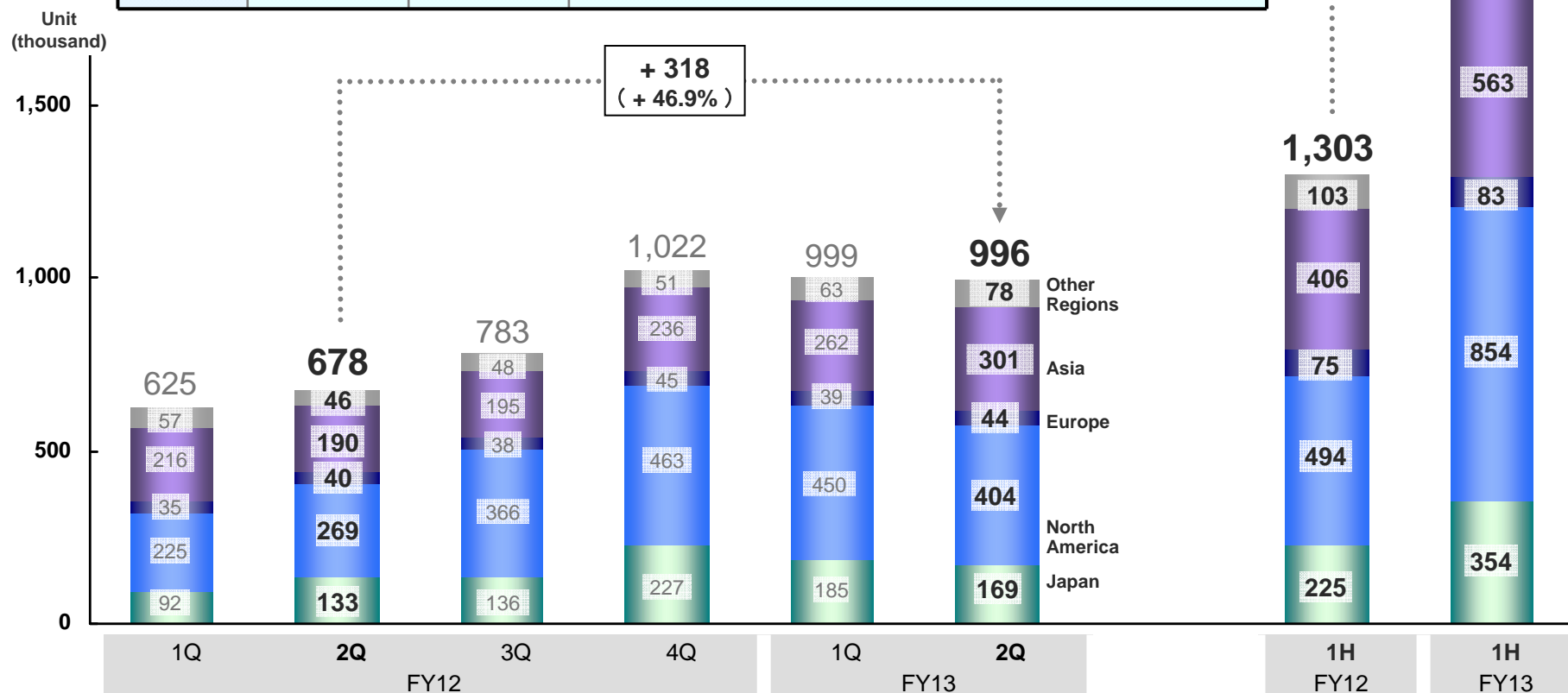
Automobile Honda Group Unit Sales

Unit (thousand)	FY13 2Q	Change from FY12 2Q	Major increase / decrease factors
Japan	169	+ 36	- Positive impact of <i>N-BOX</i> , <i>N-BOX+</i> model introductions - Increased sales of <i>STEP WGN</i>
North America	404	+ 135	- Increased sales of <i>ACCORD</i> , <i>CIVIC</i> and <i>CR-V</i> - Increased sales of <i>MDX</i> , positive impact of fully remodeled <i>RDX</i> launch
Europe	44	+ 4	- Germany: increased sales of <i>CR-V</i> - U.K.: Increased sales of <i>JAZZ</i>
Asia	301	+ 111	- ASEAN: Increased sales of <i>CITY</i> , <i>CIVIC</i> , <i>Brio</i> and <i>FREED</i> - China: Increased sales of <i>CR-V</i> ; positive impact of <i>CROSSTOUR 2.4L</i> , <i>ELYSION</i> model introductions
Other Regions	78	+ 32	- Increased sales in Brazil and Australia
Total	996	+ 318	



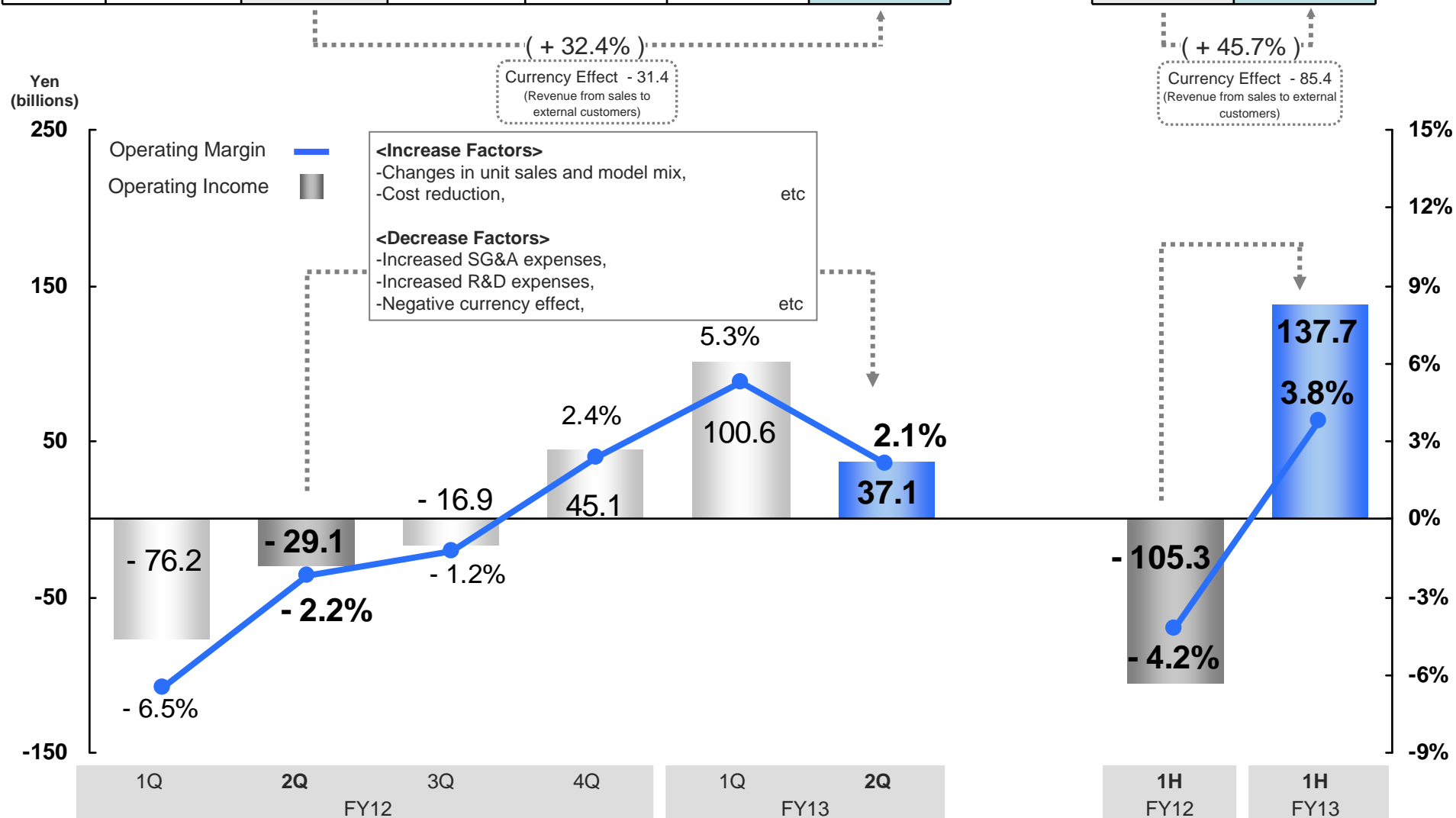
CR-V (North America)

+ 692
(+ 53.1%)



	FY12				FY13	
	1Q	2Q	3Q	4Q	1Q	2Q
Honda Group Unit Sales (Consolidated Unit Sales)	625 (458)	678 (571)	783 (622)	1,022 (831)	999 (849)	996 (816)
Net Sales	1,178.8	1,337.1	1,455.6	1,851.1	1,894.7	1,769.7

	FY12 1H	FY13 1H
Unit (thousand)	1,303 (1,029)	1,995 (1,665)
Yen (billions)	2,515.9	3,664.5

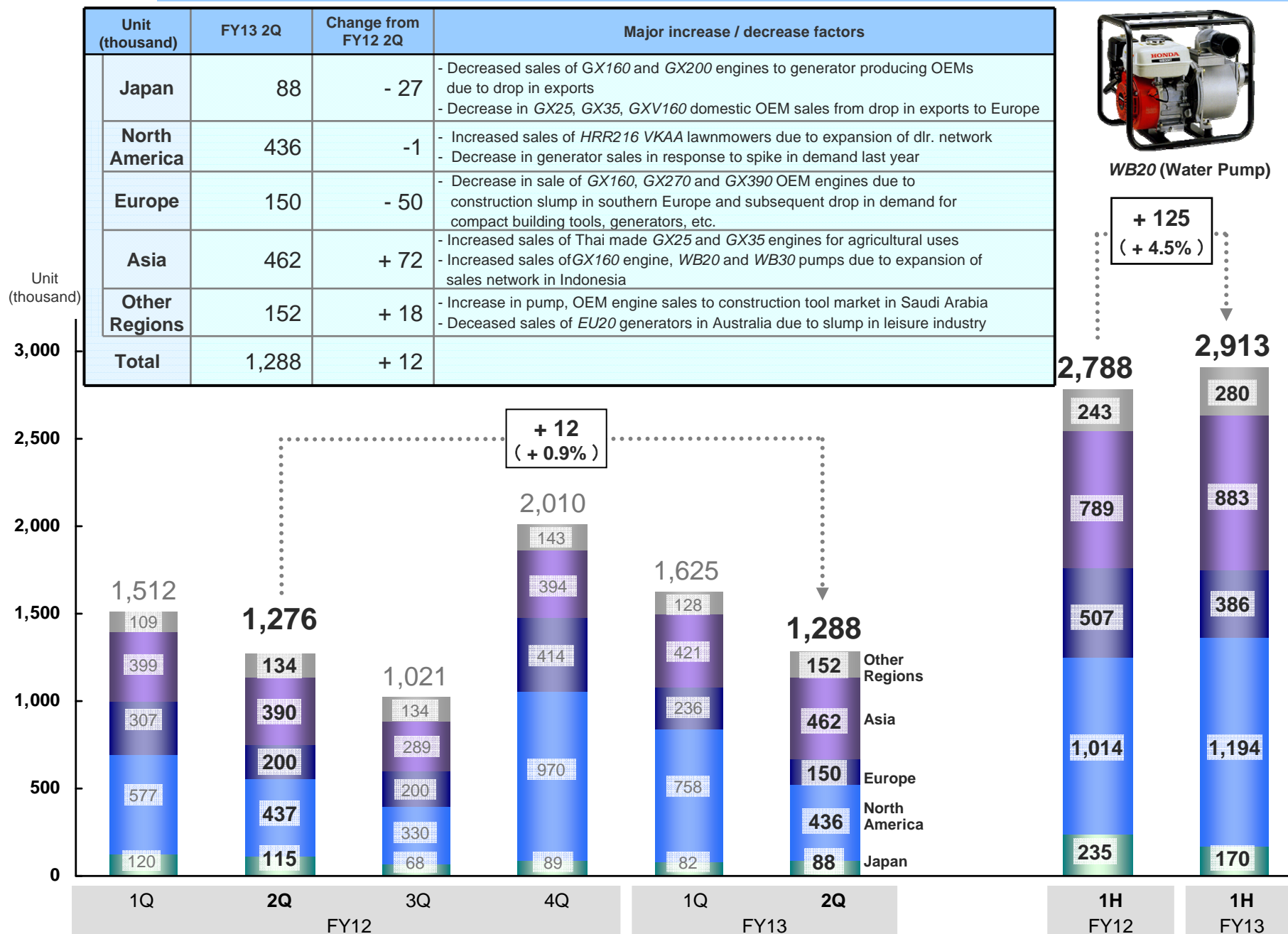


Power Products Honda Group Unit Sales



WB20 (Water Pump)

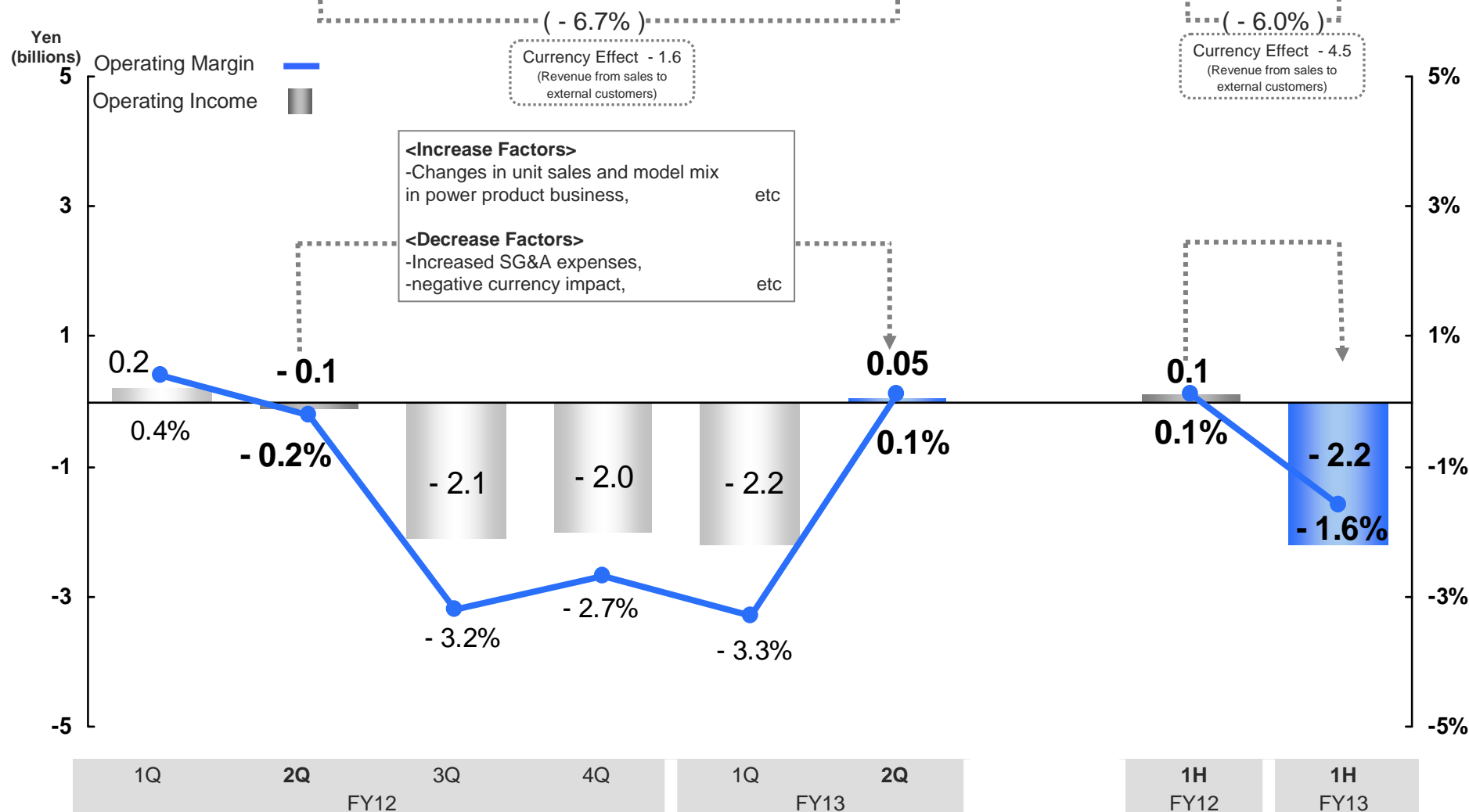
+ 125
(+ 4.5%)



Power Product & Other Businesses Unit Sales/Net Sales/Operating Income (Margin)

	FY12				FY13	
	1Q	2Q	3Q	4Q	1Q	2Q
Honda Group Unit Sales (Consolidated Unit Sales)	1,512	1,276 (1,276)	1,021 (1,021)	2,010 (2,010)	1,625 (1,625)	1,288 (1,288)
Net Sales	73.9	72.1	68.0	75.6	69.9	67.2

	FY12 1H	FY13 1H
Unit Sales (thousand)	2,788 (2,788)	2,913 (2,913)
Net Sales (billions)	146.0	137.2

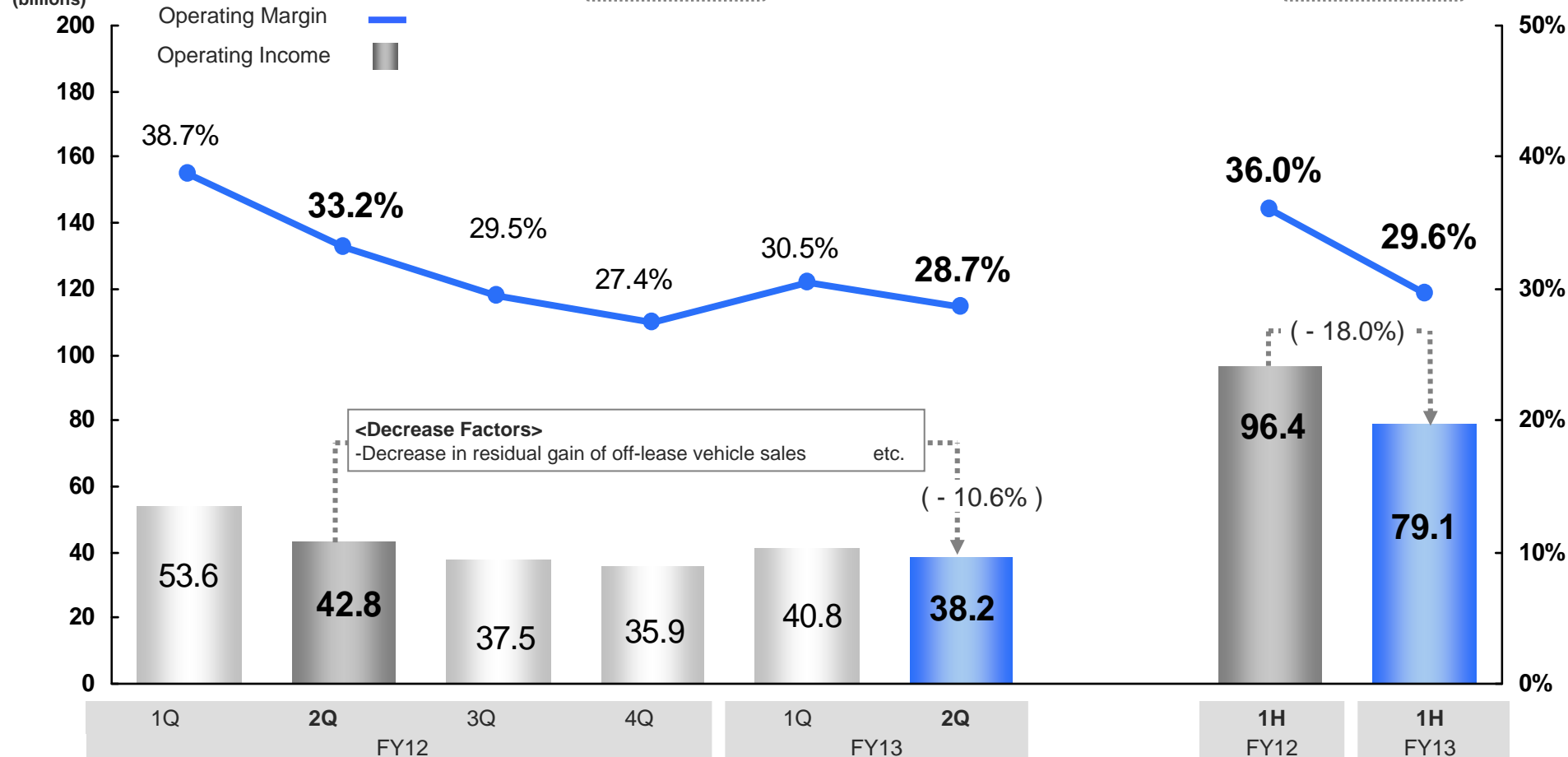


	FY12				FY13	
	1Q	2Q	3Q	4Q	1Q	2Q
Total Assets of Finance Subsidiaries	5,445.7	5,169.2	5,290.5	5,644.3	5,567.6	5,577.7
Net Sales	138.6	129.1	127.5	131.2	134.0	133.1

	FY12 1H	FY13 1H
Operating Income	267.7	267.1

Yen
(billions)

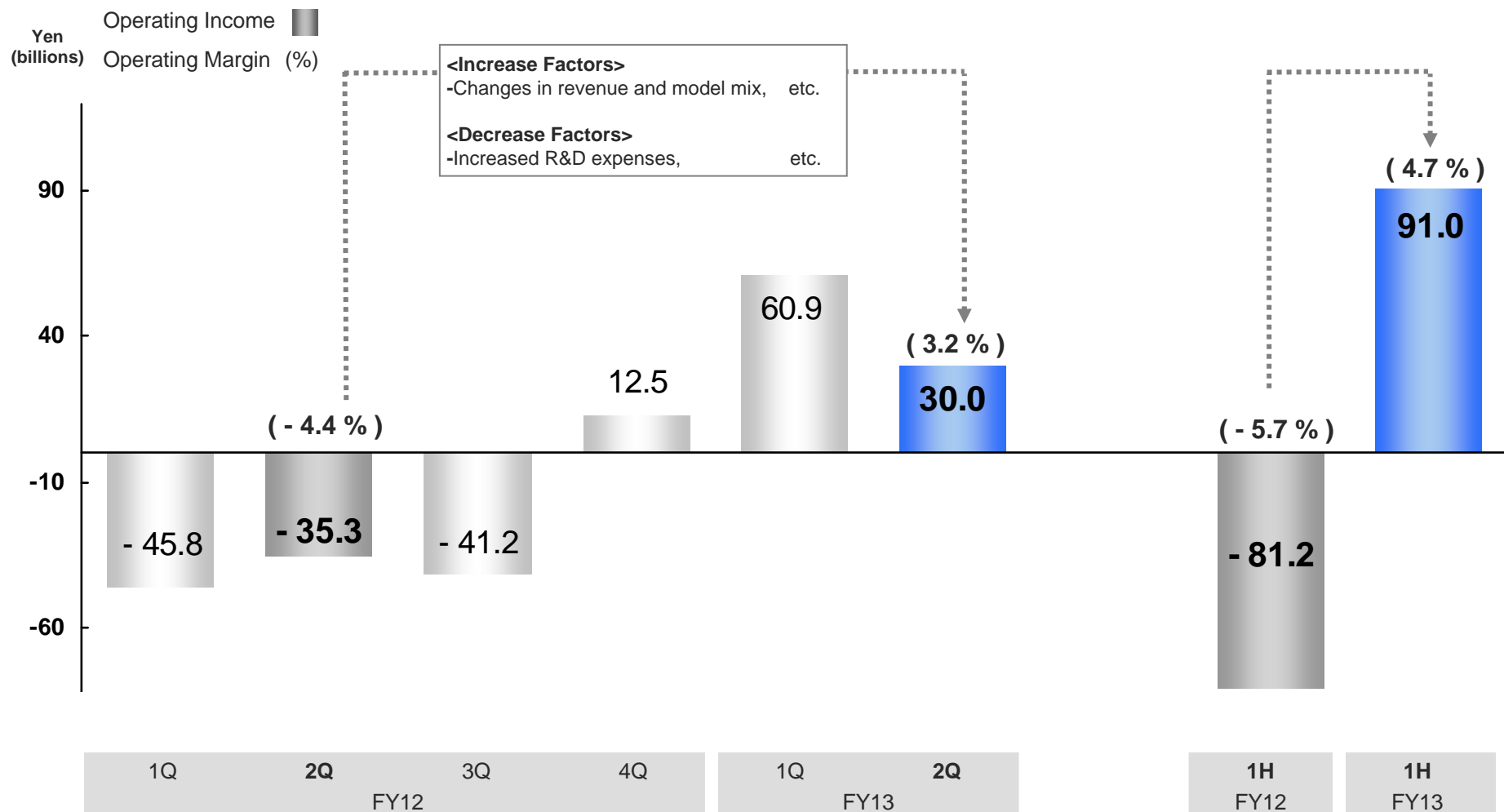
Yen
(billions)



Japan

Net Sales/Operating Income (Margin)

	FY12				FY13		FY12		FY13	
	1Q	2Q	3Q	4Q	1Q	2Q	1H	1H	1H	1H
Net Sales	625.3	805.3	863.1	1,069.0	1,006.6	925.0	1,430.7	1,931.7		
		(+ 14.9%)					(+ 35.0%)			



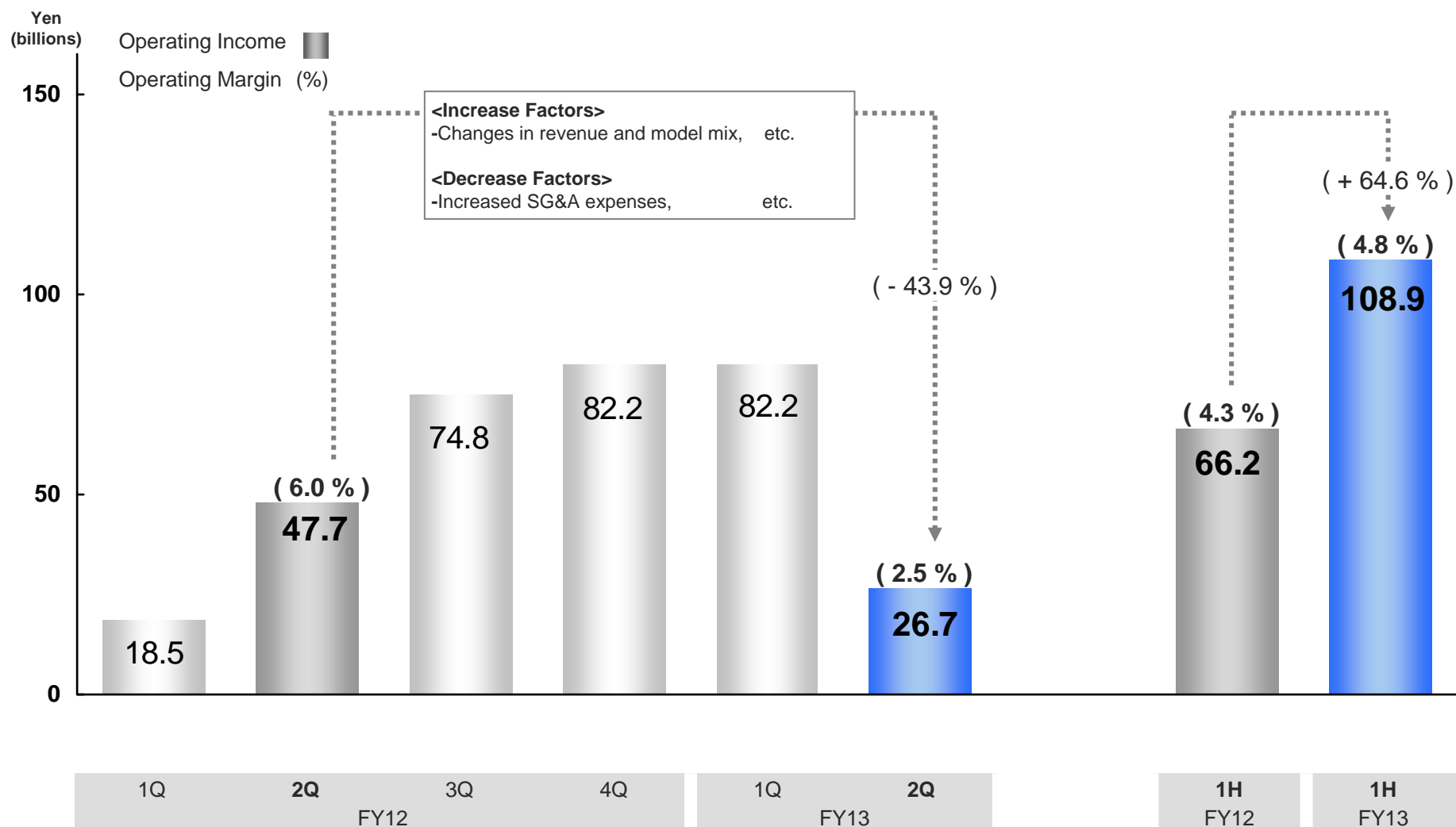
North America

Net Sales/Operating Income (Margin)

	FY12				FY13		FY12		FY13	
	1Q	2Q	3Q	4Q	1Q	2Q	1H	1H	1H	1H
Net Sales	733.9	794.1	986.2	1,200.3	1,214.7	1,054.7	1,528.0	2,269.4		

(+ 32.8 %)

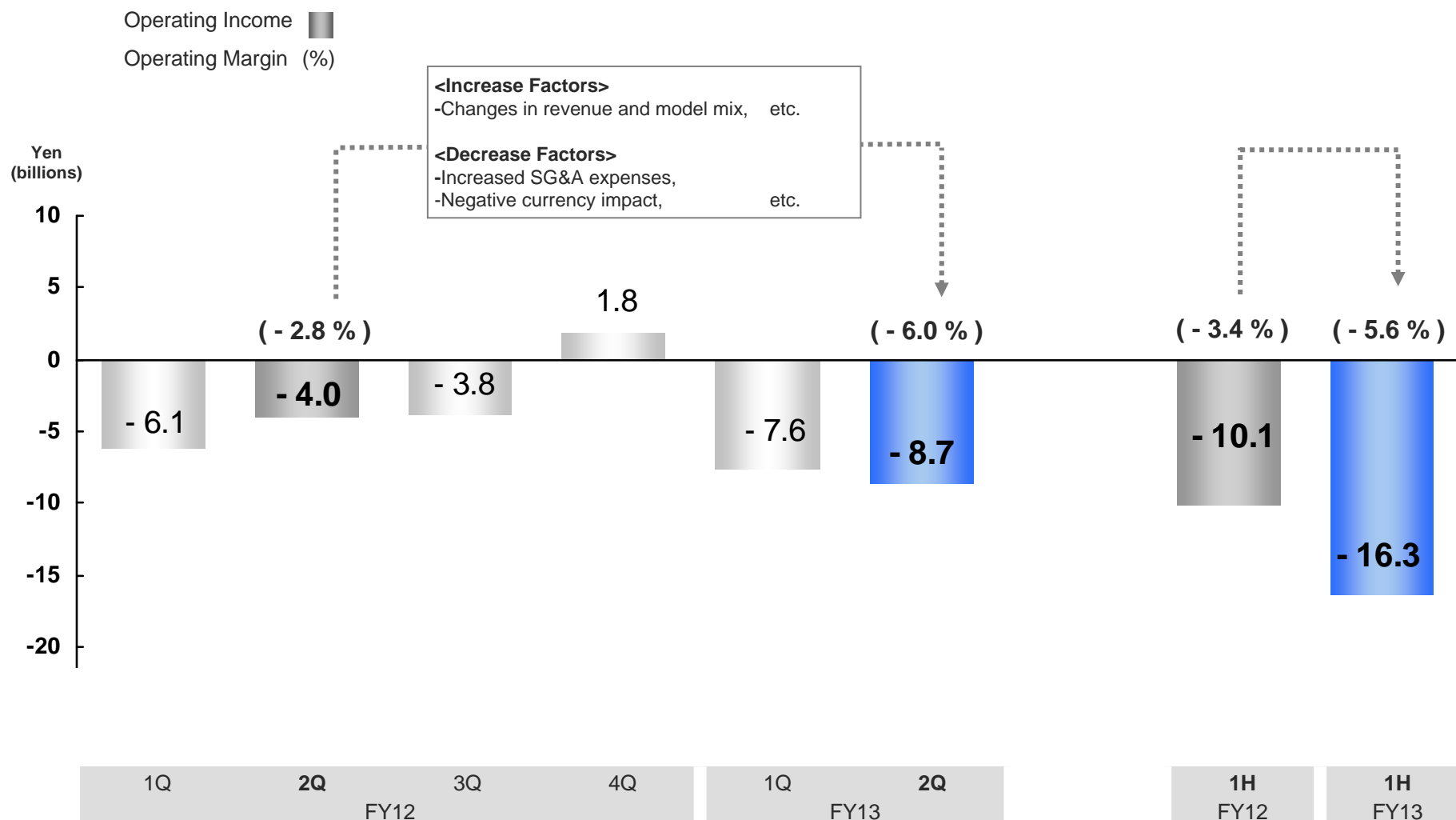
(+ 48.5 %)

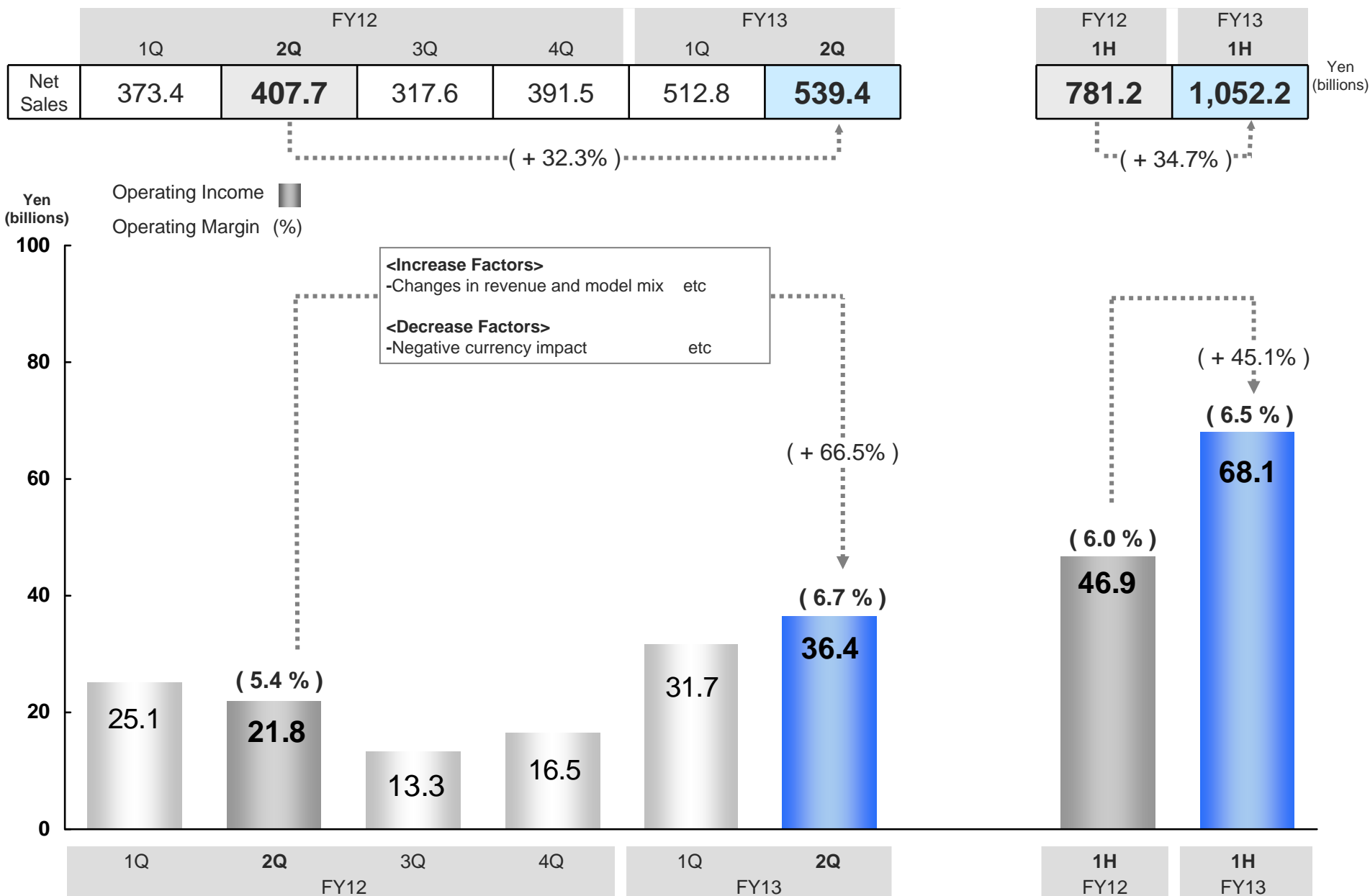


Europe

Net Sales/Operating Income (Margin)

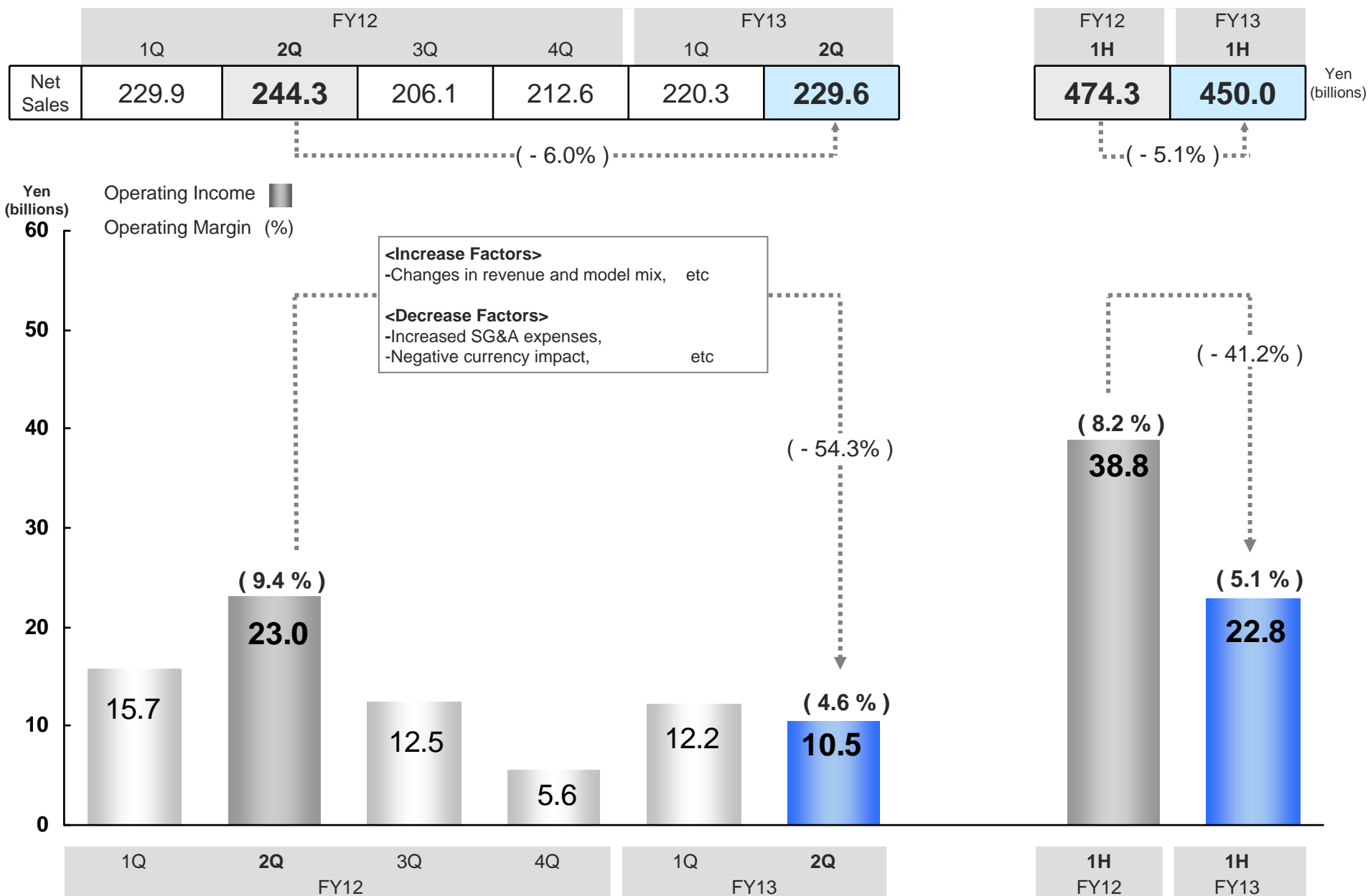
	FY12				FY13		FY12		FY13	
	1Q	2Q	3Q	4Q	1Q	2Q	1H	1H	1H	1H
Net Sales	150.9	144.5	119.4	165.8	147.8	144.5	295.4	292.4		
<div style="display: flex; justify-content: space-around;"> (0.0%) (- 1.0%) </div>										



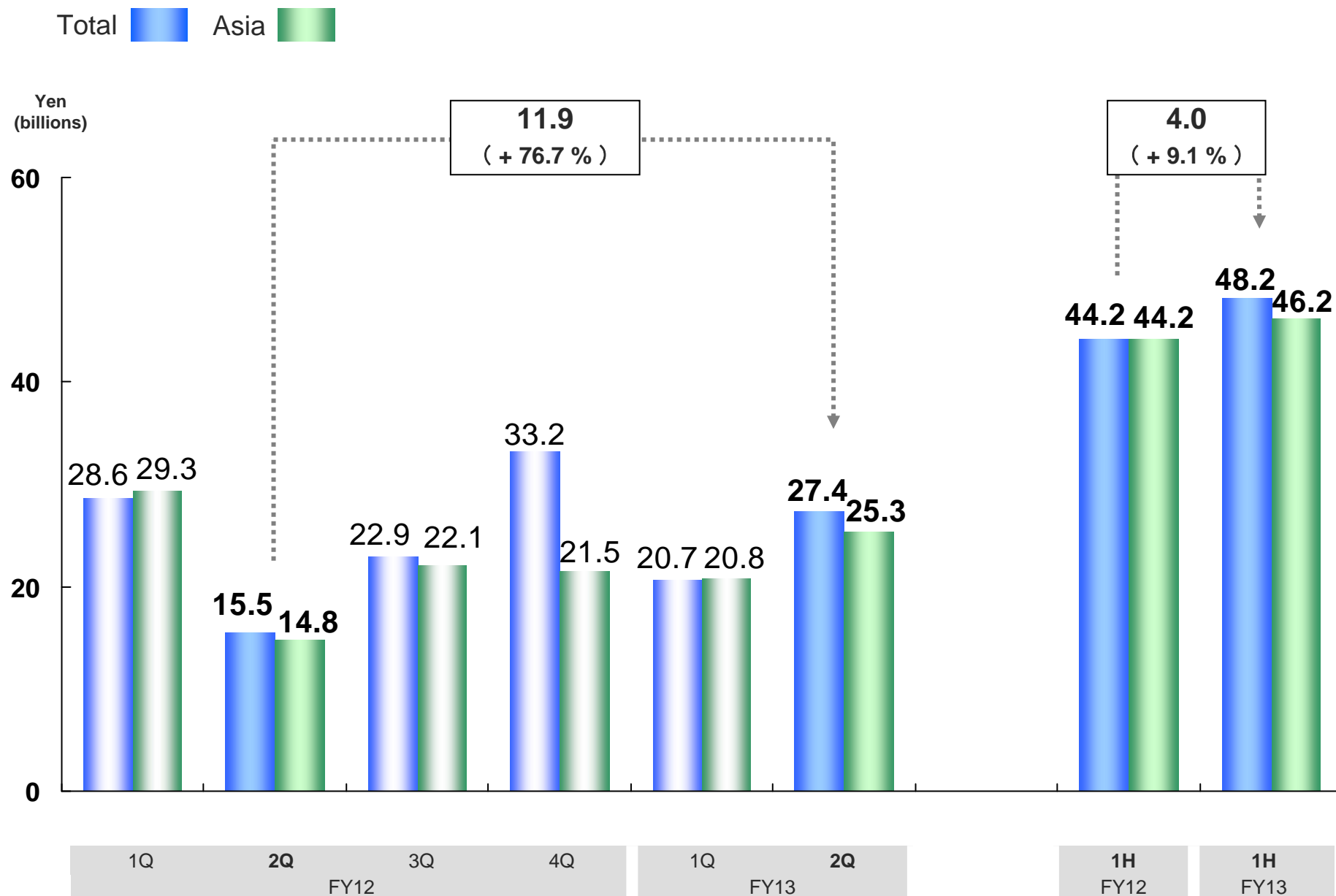


Other Regions

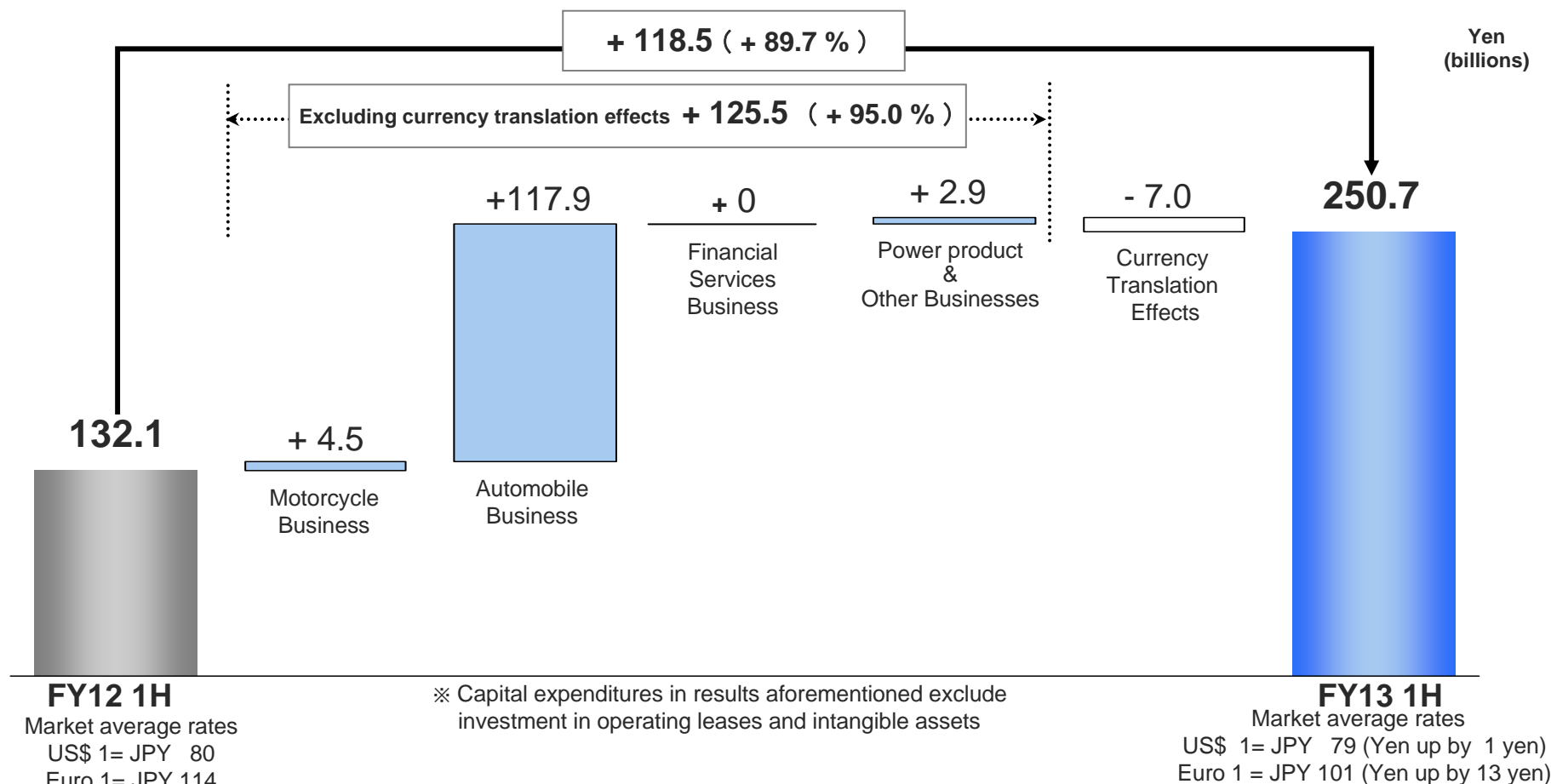
Net Sales/Operating Income (Margin)



Change in Equity in income of affiliates



Consolidated Capital Expenditures <FY13 1H>



	Yen (billions)
Motorcycle Business	24.8
Automobile Business	103.0
Financial Services Business	0.1
Power Product & Other Businesses	4.1
Total	132.1

	Yen (billions)
Motorcycle Business	26.6
Automobile Business	217.1
Financial Services Business	0.1
Power Product & Other Businesses	6.7
Total	250.7

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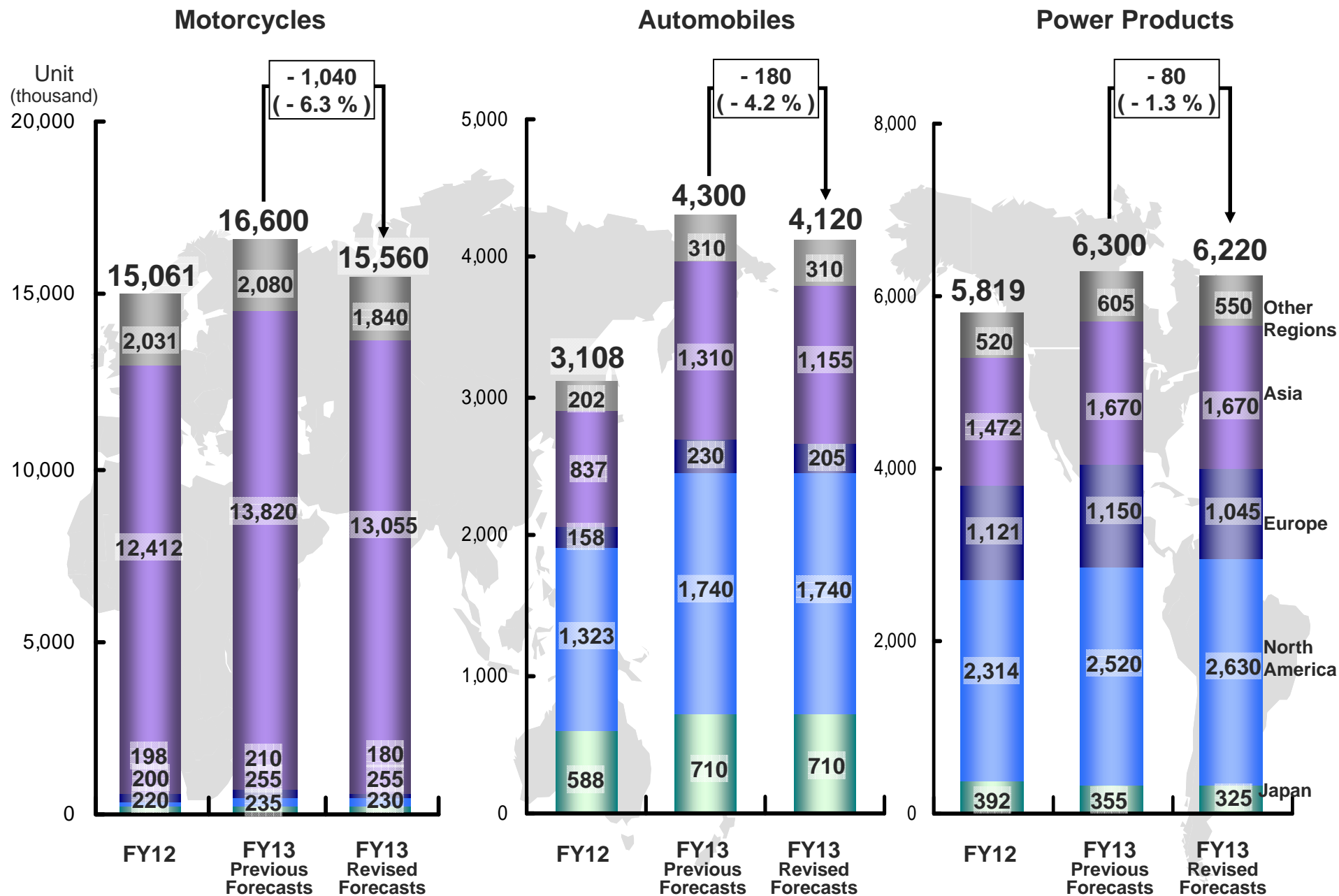
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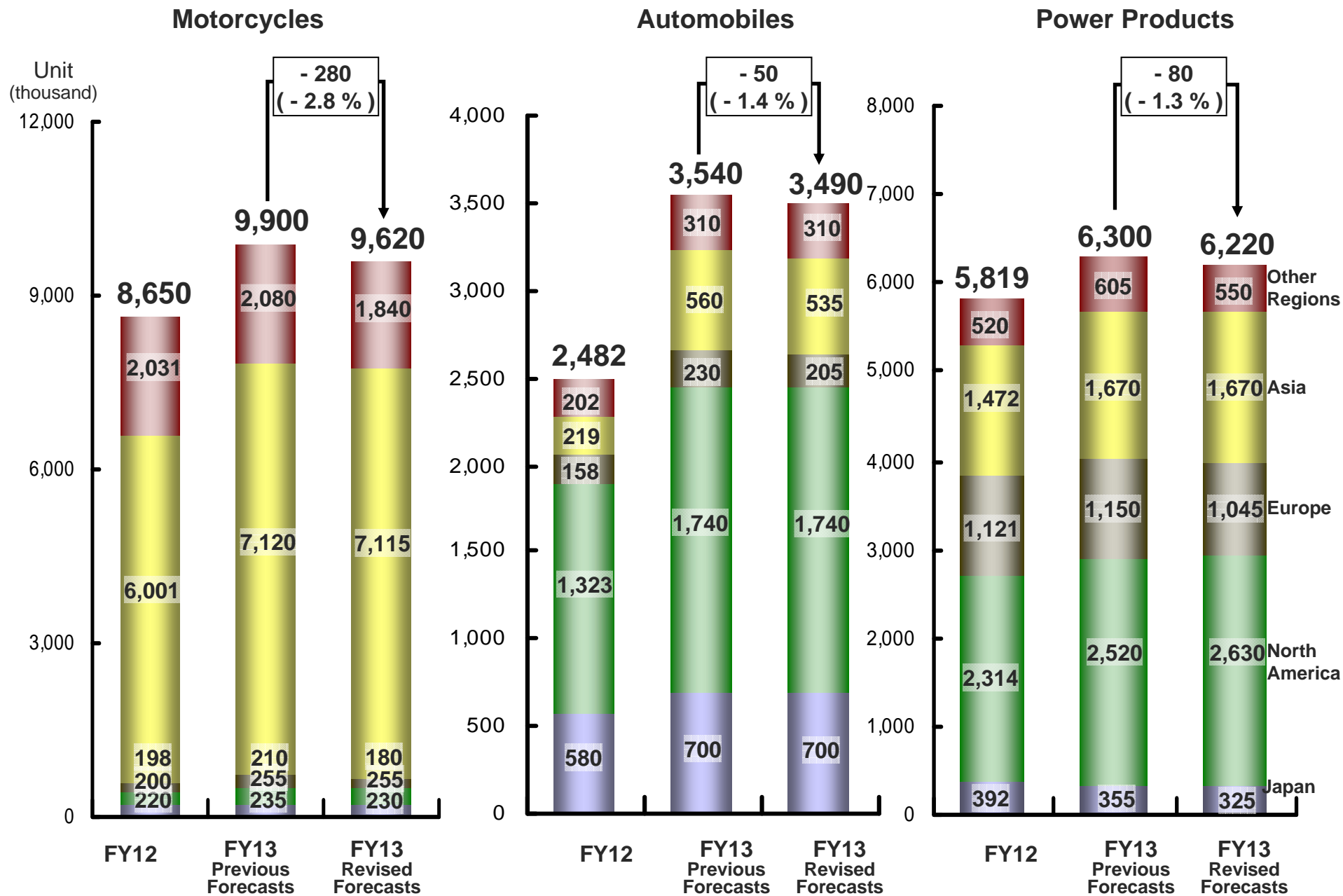
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Forecast: Honda Group Unit Sales



Forecast: Consolidated Unit Sales



FY13 Financial Forecasts (Consolidated)

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			amount	%	
Net sales & other operating revenue	7,948.0	9,800.0	+ 1,851.9	+ 23.3%	- 500.0
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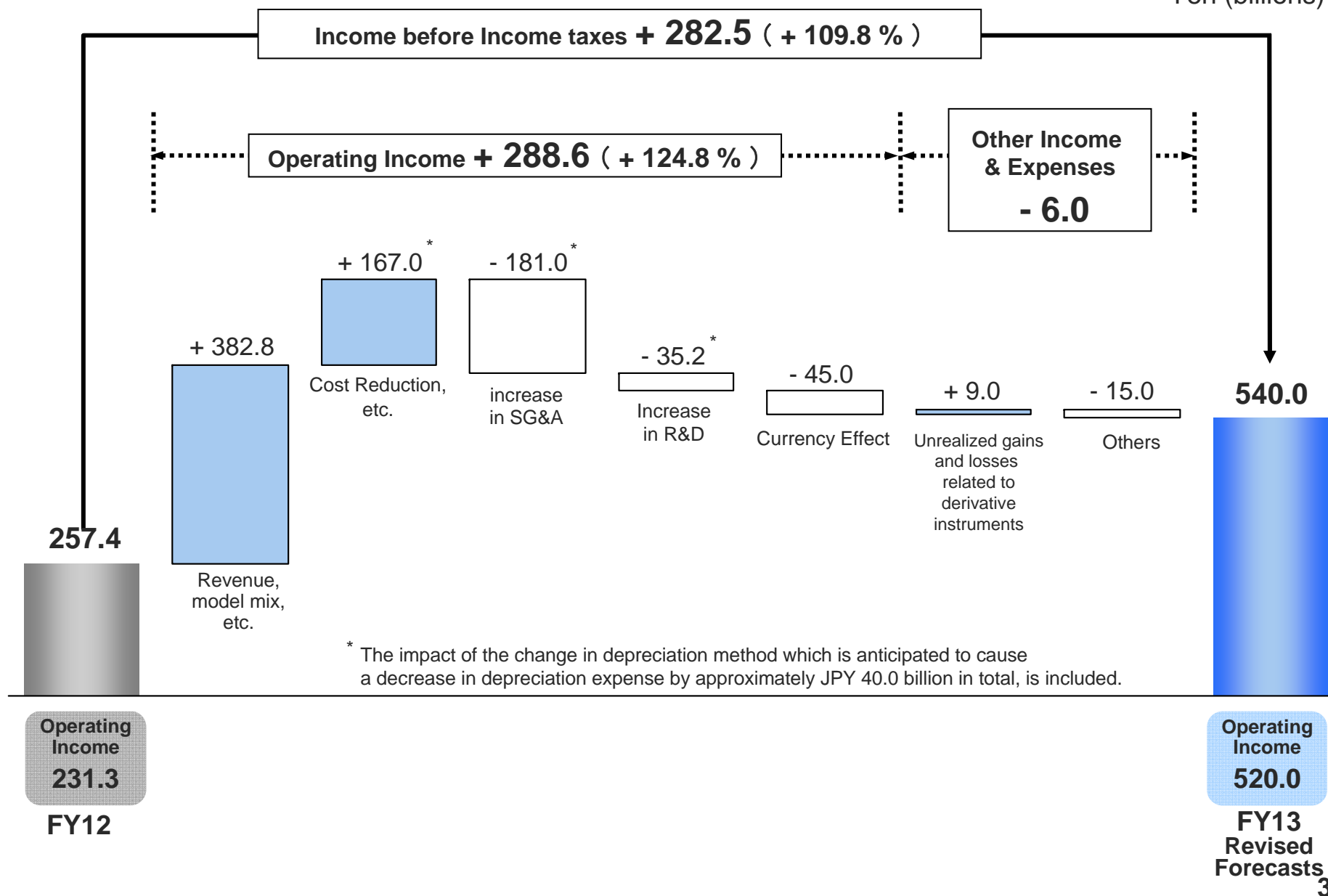
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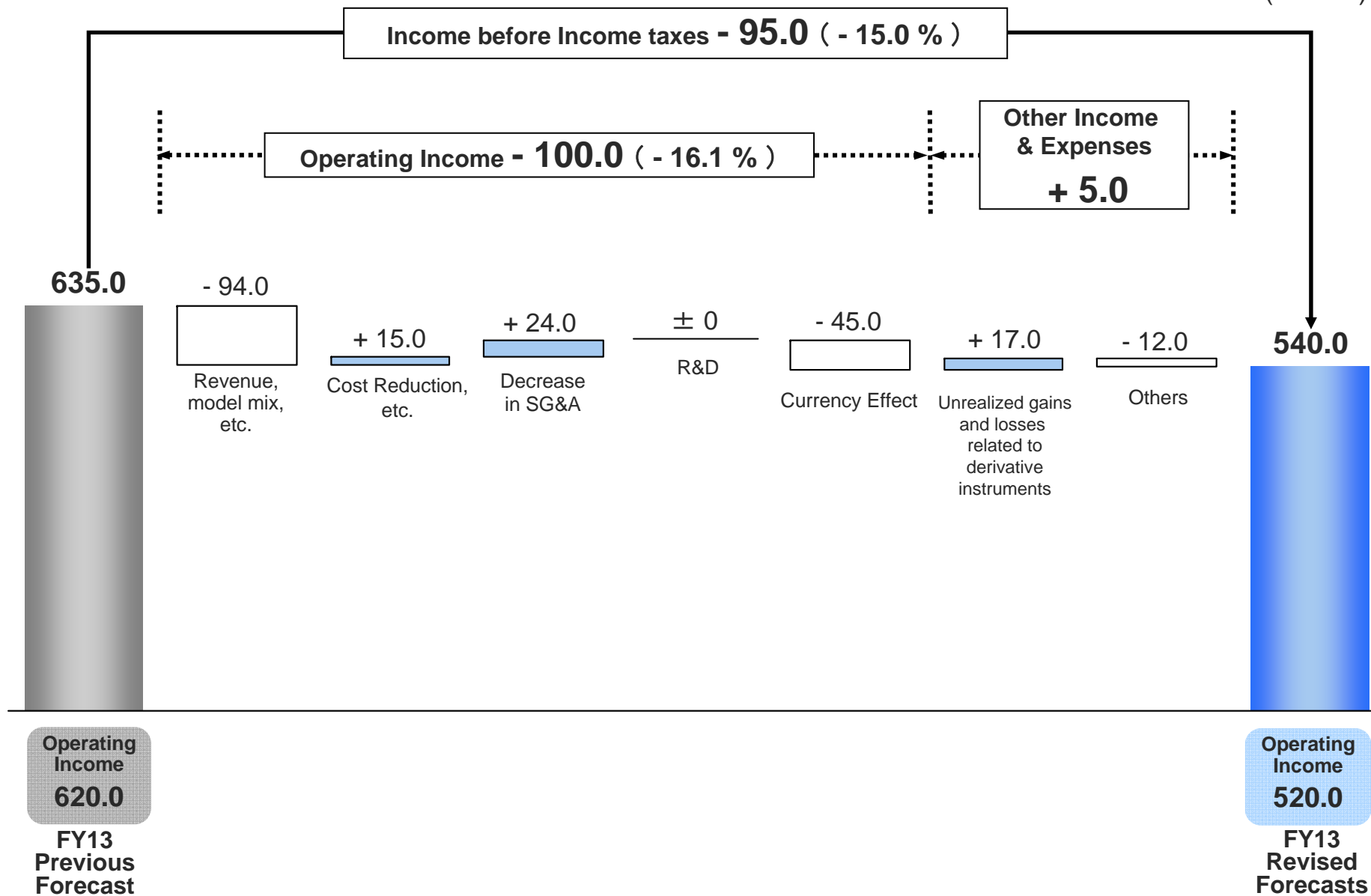
Forecast: Change in Income before Income Taxes

Yen (billions)



Forecast: Change in Income before Income Taxes

Yen (billions)



Forecast: Capital Expenditures, Depreciation, R&D Expenses

	FY12 Results	FY13 Revised Forecasts	Change	Yen (billions) Change from previous forecast
Capital expenditures *	406.5	600.0	+ 193.5	+ 20.0
Depreciation and Amortization *	293.7	285.0**	- 8.7	-
R&D expenses	519.8	555.0	+ 35.2	-

* “Capital expenditures” in results and the forecast aforementioned exclude investment in operating leases and acquisition of intangible assets.

* “Depreciation and amortization” in results and the forecast aforementioned exclude depreciation of investment in operating leases and amortization of intangible assets.

** Honda changed to the straight line method effective from April 2012 for the depreciation method.

Caution with Respect to Forward-Looking Statements:

This slide contains forward-looking statements about the performance of Honda, which 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.

Accounting standards:

Our consolidated financial standards are prepared in conformity with U.S. generally accepted accounting principles.

Notice on the Factors for Increases and Decreases in Income:

With respect to the discussion above of the change in operating income, management has identified the factors set forth below and used what it believes to be a reasonable method to analyze the respective changes in such factors. Each of these factors is explained below. Management has analyzed changes in these factors at the levels of the Company and its material consolidated subsidiaries.

(1) "Foreign currency effects" consist of translation adjustments, which come from the translation of the currency of foreign subsidiaries' financial statements into Japanese Yen, and foreign currency adjustments, which result from foreign-currency-denominated sales, which, at the levels of the Company and those consolidated subsidiaries which have been analyzed, primarily relate to the following currencies: U.S. dollar, Canada dollar, Euro, GBP, BRL and Japanese Yen.

(2) With respect to "cost reduction", management has analyzed cost reduction and effects of raw material cost fluctuations at the levels of the Company and its material foreign manufacturing subsidiaries in North America, Europe and other regions.

(3) With respect to "changes in net sales and model mix", management has analyzed changes in sales volume and in the mix of product models sold in major markets which have resulted in increases/decreases in profit, as well as certain other reasons for increases/decreases in net sales and cost of sales.

(4) With respect to "selling, general and administrative expenses", management has analyzed reasons for an increase/decrease in selling, general and administrative expenses from the previous fiscal year net of currency translation effects.

-Currency Effects-
(effects associated with sales transactions and translation effects)

(Exhibit 1)

			FY13 2Q	Average Rates (Yen)			Yen (billion)
				FY12 2Q	FY13 2Q	Change	FY13 1H
		JPY / USD	+ 3.0	78	79	Yen down by 1 yen	- 0.6
		JPY / Euro	- 1.7	109	98	Yen up by 11 yen	- 3.7
		JPY / Others	- 6.6	—	—	—	- 12.7
		Transactions between other currencies	- 5.7	—	—	—	- 7.7
	Difference of average rates *1 (Impact on Operating income)		- 11.1	*1:Impact of YOY difference of FOREX to be used for booking revenue of foreign currency transactions			- 24.8
	Difference between transaction *2 rates and average rates (Impact on Other income & expenses)		- 0.8	*2:Impact of YOY difference between average FOREX and hedge rates during the period			- 10.2
	Currency effect associated with sales transaction		- 12.0	*3:Effect due to the difference of the rate used for translating Honda's overseas subsidiaries' financial statements denominated in foreign currencies into Japanese yen with the corresponding period of the fiscal year			- 35.0
	Currency effect from translation*3 of foreign financial statements (impact on operating income)		- 3.2				- 9.3
Total		- 15.3				- 44.4	

Yen
(billion)

	2Q			1H		
	FY12	FY13	Change	FY12	FY13	Change
Foreign currency Forward	+ 5.5	- 0.9	- 6.4	+ 13.8	+ 24.6	+ 10.7
Interest rate swap Currency swap	+ 10.1	- 3.5	- 13.7	+ 12.1	- 0.0	- 12.2
Others	+ 0.1	- 0.0	- 0.2	+ 0.3	+ 0.1	- 0.2
Total	+ 15.8	- 4.5	- 20.4	+ 26.3	+ 24.6	- 1.6

