

October 30, 2013

**HONDA MOTOR CO., LTD. REPORTS
CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL SECOUND QUARTER ENDED SEPTEMBER 30, 2013**

Tokyo, October 30, 2013--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter ended September 30, 2013.

Second Quarter Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal second quarter ended September 30, 2013 totaled JPY 120.3 billion (USD 1,231 million), an increase of 46.4% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 66.79 (USD 0.68), an increase of JPY 21.16 (USD 0.22) from JPY 45.63 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 2,890.2 billion (USD 29,567 million), an increase of 27.3% from the same period last year, due primarily to increased revenue in automobile and motorcycle business operations, as well as favorable foreign currency translation effects.

Consolidated operating income for the quarter amounted to JPY 171.4 billion (USD 1,754 million), an increase of 70.0% from the same period last year, due primarily to an increase in sales volume and model mix and favorable foreign currency effects, despite increased SG&A expenses.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 165.5 billion (USD 1,694 million), an increase of 55.8% from the same period last year.

Equity in income of affiliates amounted to JPY 31.6 billion (USD 324 million) for the quarter, an increase of 15.2% from the corresponding period last year.

Business Segment

Motorcycle Business

For the three months ended September 30, 2012 and 2013

Unit (Thousands)

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|----------------------------------|----------------------------------|--------|------|----------------------------------|----------------------------------|--------|------|
| | Three months ended Sep. 30, 2012 | Three months ended Sep. 30, 2013 | Change | % | Three months ended Sep. 30, 2012 | Three months ended Sep. 30, 2013 | Change | % |
| Motorcycle business | 3,806 | 4,216 | 410 | 10.8 | 2,304 | 2,585 | 281 | 12.2 |
| Japan | 57 | 63 | 6 | 10.5 | 57 | 63 | 6 | 10.5 |
| North America | 60 | 68 | 8 | 13.3 | 60 | 68 | 8 | 13.3 |
| Europe | 38 | 38 | 0 | 0.0 | 38 | 38 | 0 | 0.0 |
| Asia | 3,162 | 3,536 | 374 | 11.8 | 1,660 | 1,905 | 245 | 14.8 |
| Other Regions | 489 | 511 | 22 | 4.5 | 489 | 511 | 22 | 4.5 |

Notes:

- 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.
- Honda Group Unit Sales and Consolidated Unit Sales of Motorcycle business for the three months ended September 30, 2012 is revised.

With respect to Honda's sales for the fiscal second quarter by business segment, in motorcycle business operations, revenue from sales to external customers increased 35.0%, to JPY 418.0 billion (USD 4,277 million) from the same period last year, due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating income totaled JPY 45.5 billion (USD 466 million), an increase of 79.3% from the same period last year, due primarily to an increase in sales volume and model mix and favorable foreign currency effects, despite increased SG&A and R&D expenses.

Automobile Business

For the three months ended September 30, 2012 and 2013

Unit (Thousands)

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|----------------------------------|----------------------------------|--------|------|----------------------------------|----------------------------------|--------|------|
| | Three months ended Sep. 30, 2012 | Three months ended Sep. 30, 2013 | Change | % | Three months ended Sep. 30, 2012 | Three months ended Sep. 30, 2013 | Change | % |
| Automobile business | 996 | 1,047 | 51 | 5.1 | 816 | 869 | 53 | 6.5 |
| Japan | 169 | 180 | 11 | 6.5 | 168 | 178 | 10 | 6.0 |
| North America | 404 | 447 | 43 | 10.6 | 404 | 447 | 43 | 10.6 |
| Europe | 44 | 40 | -4 | -9.1 | 44 | 40 | -4 | -9.1 |
| Asia | 301 | 309 | 8 | 2.7 | 122 | 133 | 11 | 9.0 |
| Other Regions | 78 | 71 | -7 | -9.0 | 78 | 71 | -7 | -9.0 |

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 operations, revenue from sales to external customers increased 26.2%, to JPY 2,229.0 billion (USD 22,803 million) from the same period last year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating income totaled JPY 80.1 billion (USD 820 million), an increase of 115.8% from the same period last year, due primarily to an increase in sales volume and

model mix and favorable foreign currency effects, despite increased SG&A expenses.

Financial Services Business

Revenue from customers in the financial services business increased 30.4%, to JPY 170.0 billion (USD 1,739 million) from the same period last year due mainly to an increase in revenue from operating leases and favorable foreign currency translation effects.

Operating income increased 21.7% to JPY 46.5 billion (USD 477 million) from the same period last year due mainly to favorable foreign currency effects.

Power Product and Other Businesses

For the three months ended September 30, 2012 and 2013

| | Unit (Thousands) | | | |
|-------------------------------|---|----------------------------------|--------|-------|
| | Honda Group Unit Sales/ Consolidated Unit Sales | | Change | % |
| | Three months ended Sep. 30, 2012 | Three months ended Sep. 30, 2013 | | |
| Power product business | 1,288 | 1,295 | 7 | 0.5 |
| Japan | 88 | 93 | 5 | 5.7 |
| North America | 436 | 504 | 68 | 15.6 |
| Europe | 150 | 156 | 6 | 4.0 |
| Asia | 462 | 426 | -36 | -7.8 |
| Other Regions | 152 | 116 | -36 | -23.7 |

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, 2012 and for the three months ended September 30, 2013, 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 increased 12.6%, to JPY 73.1 billion (USD 748 million) from the same period last year, due mainly to favorable foreign currency translation effects. Honda reported an operating loss of JPY 0.8 billion (USD 8 million), a decrease of JPY 0.8 billion (USD 9 million) from the same period last year due mainly to increased SG&A expenses in other businesses.

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 1,014.4 billion (USD 10,378 million), an increase of 9.7% from the same period last year due mainly to increased revenue in automobile and motorcycle business operations. Operating income totaled JPY 49.2 billion (USD 504 million), an increase of 64.0% from the same period last year, due mainly to an increase in sales volume and model mix and favorable foreign currency effects, despite increased SG&A and R&D expenses.

In North America, revenue increased by 39.5%, to JPY 1,471.9 billion (USD 15,058 million) from the same period last year due mainly to increased revenue in automobile business operations and favorable foreign currency translation effects. Operating income totaled JPY 46.0 billion (USD 471 million), an increase of 72.1% from the same period last year due mainly to an increase in sales volume and model mix and favorable foreign currency effects, despite increased SG&A expenses.

In Europe, revenue increased by 20.7%, to JPY 174.4 billion (USD 1,785 million) from the same period last year due to favorable foreign currency translation effects, despite decreased revenue in automobile business operations. Honda reported an operating loss of JPY 13.5 billion (USD 139 million), a decline of JPY 4.8 billion (USD 50 million) from the same period last year due mainly to a decrease in sales volume and model mix, despite decreased SG&A expenses and favorable foreign currency effects.

In Asia, revenue increased by 28.6%, to JPY 693.8 billion (USD 7,098 million) from the same period last year mainly due to increased revenue in motorcycle business operations and favorable foreign currency translation effects. Operating income increased by 64.9%, to JPY 60.0 billion (USD 614 million) from the same period last year due mainly to an increase in sales volume and model mix as well as favorable foreign currency effects, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle East, Africa and Oceania, revenue increased by 22.1%, to JPY 280.4 billion (USD 2,869 million) from the same period last year mainly due to increased revenue in motorcycle business operations and favorable foreign currency translation effects. Operating income totaled JPY 18.6 billion (USD 191 million), an increase of 76.9% from the same period last year mainly due to an increase in sales volume and model mix, despite increased SG&A expenses.

Explanatory note:

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 97.75=USD 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, 2013.

First Half Year Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal half year ended September 30, 2013 totaled JPY 242.8 billion, an increase of 13.5% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal first half year amounted to JPY 134.75, an increase of JPY 16.04 from JPY 118.71 for the same period last year.

Consolidated net sales and other operating revenue for the fiscal half year amounted to JPY 5,724.3 billion, an increase of 21.6% from the same period last year, due primarily to increased revenue in automobile and motorcycle business operations as well as favorable foreign currency translation effects.

Consolidated operating income for the fiscal first half year amounted to JPY 356.4 billion, an increase of 28.7% from the same period last year, due primarily to favorable foreign currency effects, despite increased SG&A and R&D expenses.

Consolidated income before income taxes and equity in income of affiliates for the fiscal first half year totaled JPY 337.6 billion, an increase of 12.2% from the same period last year.

Equity in income of affiliates amounted to JPY 63.4 billion for the fiscal first half year, an increase of 31.6% from the same period last year.

Business Segment

Motorcycle Business

For the six months ended September 30, 2012 and 2013

Unit (Thousands)

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|--------------------------------|--------------------------------|--------|------|--------------------------------|--------------------------------|--------|------|
| | Six months ended Sep. 30, 2012 | Six months ended Sep. 30, 2013 | Change | % | Six months ended Sep. 30, 2012 | Six months ended Sep. 30, 2013 | Change | % |
| Motorcycle business | 7,717 | 8,270 | 553 | 7.2 | 4,670 | 4,956 | 286 | 6.1 |
| Japan | 116 | 117 | 1 | 0.9 | 116 | 117 | 1 | 0.9 |
| North America | 119 | 130 | 11 | 9.2 | 119 | 130 | 11 | 9.2 |
| Europe | 98 | 90 | -8 | -8.2 | 98 | 90 | -8 | -8.2 |
| Asia | 6,447 | 7,015 | 568 | 8.8 | 3,400 | 3,701 | 301 | 8.9 |
| Other Regions | 937 | 918 | -19 | -2.0 | 937 | 918 | -19 | -2.0 |

Notes:

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. 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.
2. Honda Group Unit Sales and Consolidated Unit Sales of Motorcycle business for the six months ended September 30, 2012 is revised.

With respect to Honda's sales for the fiscal first half year by business segment, in motorcycle business operations, revenue from sales to external customers increased 24.2%, to JPY 814.9 billion from the same period last year, due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating income totaled JPY 88.1 billion, an increase of 41.7% from the same period last year, due primarily to an increase in sales volume and model mix and favorable foreign currency effects, despite increased SG&A and R&D expenses.

Automobile Business

For the six months ended September 30, 2012 and 2013

Unit (Thousands)

| | Honda Group Unit Sales | | | | Consolidated Unit Sales | | | |
|----------------------------|--------------------------------|--------------------------------|--------|------|--------------------------------|--------------------------------|--------|------|
| | Six months ended Sep. 30, 2012 | Six months ended Sep. 30, 2013 | Change | % | Six months ended Sep. 30, 2012 | Six months ended Sep. 30, 2013 | Change | % |
| Automobile business | 1,995 | 2,046 | 51 | 2.6 | 1,665 | 1,727 | 62 | 3.7 |
| Japan | 354 | 320 | -34 | -9.6 | 351 | 317 | -34 | -9.7 |
| North America | 854 | 906 | 52 | 6.1 | 854 | 906 | 52 | 6.1 |
| Europe | 83 | 80 | -3 | -3.6 | 83 | 80 | -3 | -3.6 |
| Asia | 563 | 594 | 31 | 5.5 | 236 | 278 | 42 | 17.8 |
| Other Regions | 141 | 146 | 5 | 3.5 | 141 | 146 | 5 | 3.5 |

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 operations, revenue from sales to external customers increased 21.0%, to JPY 4,425.5 billion from the same period last year due mainly to favorable foreign currency translation effects. Operating income totaled JPY 176.5 billion, an increase of 28.1% from the same period last year, due primarily to favorable foreign

currency effects, despite a decrease in sales volume and model mix as well as increased SG&A expenses.

Financial Services Business

Revenue from customers in the financial services business increased 28.2%, to JPY 335.4 billion from the same period last year due mainly to increase in revenue from operating leases and favorable foreign currency translation effects. Operating income increased 15.3% to JPY 91.2 billion from the same period last year due mainly to favorable foreign currency effects, despite an increase in SG&A expenses.

Power Product and Other Businesses

For the six months ended September 30, 2012 and 2013

| | Unit (Thousands) | | | |
|-------------------------------|---|--------------------------------|--------|-------|
| | Honda Group Unit Sales/ Consolidated Unit Sales | | Change | % |
| | Six months ended Sep. 30, 2012 | Six months ended Sep. 30, 2013 | | |
| Power product business | 2,913 | 2,884 | -29 | -1.0 |
| Japan | 170 | 156 | -14 | -8.2 |
| North America | 1,194 | 1,332 | 138 | 11.6 |
| Europe | 386 | 393 | 7 | 1.8 |
| Asia | 883 | 790 | -93 | -10.5 |
| Other Regions | 280 | 213 | -67 | -23.9 |

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. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the six months ended September 30, 2012 and for the six months ended September 30, 2013, 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 increased 12.0%, to JPY 148.3 billion from the same period last year, due mainly to favorable foreign currency translation effects. Operating income totaled JPY 0.5 billion, an increase of JPY 2.7 billion from the same period last year, due mainly to decreased SG&A expenses and favorable foreign currency effects, despite a decrease in sales volume and model mix in power product business operations.

Geographical Information

With respect to Honda's sales for the fiscal first half year by geographic segment, in Japan, revenue from domestic and export sales amounted to JPY 1,990.3 billion, an increase of 3.0% from the same period last year due mainly to increased revenue in automobile and motorcycle business operations. Operating income totaled JPY 111.4 billion, an increase of 22.5% from the same period last year due mainly to favorable foreign currency effects, despite increased R&D expenses and SG&A expenses.

In North America, revenue increased by 31.0%, to JPY 2,973.2 billion from the same period last year due mainly to increased revenue in automobile business operations and financial services business, as well as favorable foreign currency translation effects. Operating income totaled JPY 117.8 billion, an increase of 8.2% from the same period last year due mainly to an increase in sales volume and model mix, and favorable foreign currency effects, despite increased SG&A expenses.

In Europe, revenue increased by 19.8%, to JPY 350.4 billion from the same period last year mainly due to favorable foreign currency translation effects, despite decreased revenue in motorcycle and automobile business operations. Honda reported an operating loss of JPY 23.3 billion, a decline of JPY 6.9 billion from the same period last year mainly due to a decrease in sales volume and model mix, despite decreased SG&A expenses and favorable foreign currency effects.

In Asia, revenue increased by 33.1%, to JPY 1,400.6 billion from the same period last year mainly due to increased revenue in automobile and motorcycle business operations as well as favorable foreign currency translation effects. Operating income increased by 66.9%, to JPY 113.7 billion from the same period last year due mainly to an increase in sales volume and model mix as well as favorable foreign currency effects, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle East, Africa and Oceania, revenue increased by 15.8%, to JPY 521.1 billion from the same period last year mainly due to increased revenue in automobile and motorcycle business operations as well as favorable foreign currency translation effects. Operating income totaled JPY 24.0 billion, an increase of 5.5% from the same period last year mainly due to an increase in sales volume and model mix, despite increased SG&A expenses.

**Consolidated Statements of Balance Sheets for the Fiscal First Half Ended
September 30, 2013**

Total assets increased by JPY 872.8 billion, to JPY 14,508.1 billion from March 31, 2013, mainly due to increases in Finance subsidiaries' long-term receivables and Property, plant and equipment, property on operating leases as well as foreign currency translation effects, despite a decrease in cash and cash equivalents. Total liabilities increased by JPY 425.0 billion, to JPY 8,854.9 billion from March 31, 2013, mainly due to an increase in long-term debt and foreign currency translation effects. Total equity increased by JPY 447.8 billion, to JPY 5,653.2 billion from March 31, 2013 due mainly to additional net income and foreign currency translation effects.

Consolidated Statements of Cash Flow for the Fiscal First Half Ended September 30, 2013

Consolidated cash and cash equivalents on September 30, 2013 decreased by JPY 73.8 billion from March 31, 2013, to JPY 1,132.2 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 671.5 billion for the fiscal first half ended September 30, 2013. Cash inflows from operating activities increased by JPY 348.2 billion compared with the same period of the previous fiscal year due mainly to an increase in cash received from customers as a result of increased unit sales of automobiles, despite increased payments for parts and raw materials.

Cash flow from investing activities

Net cash used in investing activities amounted to JPY 989.4 billion. Cash outflows from investing activities increased by JPY 438.3 billion compared with the same period of the previous fiscal year, due mainly to an increase in acquisitions of finance subsidiaries-receivables and purchases of operating lease assets, despite an increase in collections of finance subsidiaries-receivables.

Cash flow from financing activities

Net cash provided by financing activities amounted to JPY 209.6 billion. Cash inflows from financing activities increased by JPY 200.4 billion compared with the same period of the previous fiscal year, due mainly to an increase in proceeds from debt, despite increase in cash outflow due to an increase in dividends paid.

Forecasts for the Fiscal Year Ending March 31, 2014

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2014, Honda projects consolidated results to be as shown below:

Fiscal year ending March 31, 2014

| | <u>Yen (billions)</u> | <u>Changes from FY 2013</u> |
|---|-----------------------|-----------------------------|
| Net sales and other operating revenue | 12,100.0 | + 22.5% |
| Operating income | 780.0 | + 43.2% |
| Income before income taxes and equity in income of affiliates | 765.0 | + 56.5% |
| Net income attributable to Honda Motor Co., Ltd. | 580.0 | + 58.0% |
| | <u>Yen</u> | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 321.81 | |

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 97 and JPY 127, respectively, for the full year ending March 31, 2014.

The reasons for the increases or decreases in the forecasts of the operating income, and income before income taxes and equity in income of affiliates for the fiscal year ending March 31, 2014 from the previous year are as follows.

| | Yen (billions) |
|---|----------------|
| Revenue, model mix, etc. | 143.6 |
| Cost reduction, the effect of raw material cost fluctuations, etc. | 20.0 |
| SG&A expenses | - 129.0 |
| R&D expenses | - 47.5 |
| Currency effect | 248.0 |
| <u>Operating income compared with fiscal year 2013</u> | <u>235.1</u> |
| Fair value of derivative instruments | 72.0 |
| Others | - 31.1 |
| <u>Income before income taxes and equity in income of affiliates compared with fiscal year 2013</u> | <u>276.1</u> |

Dividend per Share of Common Stock

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on October 30, 2013, resolved to make the quarterly dividend JPY 20 per share of common stock, the record date of which is September 30, 2013. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2014, is JPY 80 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 includes the effects of deferred taxes, by year-to-date income before income taxes and equity in income of affiliates for the fiscal three months ended September 30, 2013. 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 February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2013-02 "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income". This amendment requires reporting entities to provide information about the amounts reclassified out of accumulated other comprehensive income by component, and to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income.

Honda adopted ASU 2013-02, effective April 1, 2013. This adoption has no impact on the Honda's financial position or results of operations.

(b) Changing in Fiscal Year-end of a Subsidiary

Effective April 1, 2013, a subsidiary of the Company changed its fiscal year-end from December 31 to March 31. As a result, the Company eliminated the previously existing three month differences between the reporting periods of the Company and the subsidiary in the consolidated financial statements. The elimination of the lag period represents a change in accounting principle and has been reported by retrospective application. The impacts on the retained earnings and noncontrolling interests as of April 1, 2012 are JPY 6,023 million and JPY 1,658 million, respectively. Honda believes the effect of the retrospective application is not material to the Company's consolidated financial statements as of and for the three months and the six months ended September 30, 2012, and therefore the Company's consolidated financial statements have not been retrospectively adjusted, except for the adjustment to retained earnings and noncontrolling interests as of April 1, 2012.

Consolidated Financial Summary

For the three months and six months ended September 30, 2012 and 2013

Financial Highlights

| | Yen (millions) | | | |
|--|---|---|---|---|
| | Three months ended Sep. 30, 2012 Unaudited | Three months ended Sep. 30, 2013 Unaudited | Six months ended Sep. 30, 2012 unaudited | Six months ended Sep. 30, 2013 Unaudited |
| Net sales and other operating revenue | 2,271,286 | 2,890,221 | 4,707,195 | 5,724,316 |
| Operating income | 100,867 | 171,451 | 276,880 | 356,414 |
| Income before income taxes and equity in income of affiliates | 106,260 | 165,587 | 301,040 | 337,622 |
| Net income attributable to Honda Motor Co., Ltd. | 82,233 | 120,368 | 213,956 | 242,867 |
| | Yen | | | |
| Basic net income attributable to Honda Motor Co., Ltd per common share | 45.63 | 66.79 | 118.71 | 134.75 |
| | U.S. Dollar (millions) | | | |
| | | Three months ended Sep. 30, 2012 Unaudited | | Six months ended Sep. 30, 2012 Unaudited |
| Net sales and other operating revenue | | 29,567 | | 58,561 |
| Operating income | | 1,754 | | 3,646 |
| Income before income taxes and equity in income of affiliates | | 1,694 | | 3,454 |
| Net income attributable to Honda Motor Co., Ltd. | | 1,231 | | 2,485 |
| | | U.S. Dollar | | |
| Basic net income attributable to Honda Motor Co., Ltd per common share | | 0.68 | | 1.38 |

[1] Consolidated Balance Sheets

| | Yen (millions) | |
|--|--------------------------|----------------------------|
| | Mar. 31, 2013 audited | Sep. 30, 2013 unaudited |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | 1,206,128 | 1,132,283 |
| Trade accounts and notes receivable | 1,005,981 | 941,229 |
| Finance subsidiaries-receivables, net | 1,243,002 | 1,393,245 |
| Inventories | 1,215,421 | 1,216,975 |
| Deferred income taxes | 234,075 | 230,522 |
| Other current assets | 418,446 | 409,929 |
| Total current assets | 5,323,053 | 5,324,183 |
| | | |
| Finance subsidiaries-receivables, net | 2,788,135 | 3,147,146 |
| | | |
| Investments and advances: | | |
| Investments in and advances to affiliates | 459,110 | 568,181 |
| Other, including marketable equity securities | 209,680 | 262,669 |
| Total investments and advances | 668,790 | 830,850 |
| | | |
| Property on operating leases: | | |
| Vehicles | 2,243,424 | 2,461,216 |
| Less accumulated depreciation | 400,292 | 425,431 |
| Net property on operating leases | 1,843,132 | 2,035,785 |
| | | |
| Property, plant and equipment, at cost: | | |
| Land | 515,661 | 508,733 |
| Buildings | 1,686,638 | 1,767,957 |
| Machinery and equipment | 3,832,090 | 4,110,591 |
| Construction in progress | 288,073 | 302,516 |
| | 6,322,462 | 6,689,797 |
| Less accumulated depreciation and amortization | 3,922,932 | 4,129,063 |
| Net property, plant and equipment | 2,399,530 | 2,560,734 |
| | | |
| Other assets | 612,717 | 609,496 |
| Total assets | 13,635,357 | 14,508,194 |

[1] Consolidated Balance Sheets – continued

| Liabilities and Equity | Yen (millions) | |
|---|--------------------------|----------------------------|
| | Mar. 31, 2013 audited | Sep. 30, 2013 unaudited |
| Current liabilities: | | |
| Short-term debt | 1,238,297 | 1,456,324 |
| Current portion of long-term debt | 945,046 | 915,504 |
| Trade payables: | | |
| Notes | 31,354 | 24,790 |
| Accounts | 956,660 | 934,347 |
| Accrued expenses | 593,570 | 556,681 |
| Income taxes payable | 48,454 | 36,778 |
| Other current liabilities | 275,623 | 291,470 |
| Total current liabilities | 4,089,004 | 4,215,894 |
| Long-term debt, excluding current portion | 2,710,845 | 3,020,453 |
| Other liabilities | 1,630,085 | 1,618,611 |
| Total liabilities | 8,429,934 | 8,854,958 |
| Equity: | | |
| Honda Motor Co., Ltd. shareholders' equity: | | |
| Common stock, authorized 7,086,000,000 shares; issued 1,811,428,430 shares on Mar. 31, 2013 and 1,811,428,430 shares on Sep. 30, 2013 | 86,067 | 86,067 |
| Capital surplus | 171,117 | 171,117 |
| Legal reserves | 47,583 | 48,998 |
| Retained earnings | 6,001,649 | 6,172,811 |
| Accumulated other comprehensive income (loss), net | (1,236,792) | (976,052) |
| Treasury stock, at cost 9,131,140 shares on Mar. 31, 2013 and 9,133,532 shares on Sep. 30, 2013 | (26,124) | (26,134) |
| Total Honda Motor Co., Ltd. shareholders' equity | 5,043,500 | 5,476,807 |
| Noncontrolling interests | 161,923 | 176,429 |
| Total equity | 5,205,423 | 5,653,236 |
| Commitments and contingent liabilities | | |
| Total liabilities and equity | 13,635,357 | 14,508,194 |

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

Consolidated Statements of Income

For the three months ended September 30, 2012 and 2013

| | Yen (millions) | |
|--|---|---|
| | Three months ended Sep. 30, 2012 unaudited | Three months ended Sep. 30, 2013 unaudited |
| Net sales and other operating revenue | 2,271,286 | 2,890,221 |
| Operating costs and expenses: | | |
| Cost of sales | 1,702,835 | 2,150,812 |
| Selling, general and administrative | 327,472 | 416,863 |
| Research and development | 140,112 | 151,095 |
| | <u>2,170,419</u> | <u>2,718,770</u> |
| Operating income | 100,867 | 171,451 |
| Other income (expenses): | | |
| Interest income | 6,661 | 5,928 |
| Interest expense | (3,115) | (2,838) |
| Other, net | 1,847 | (8,954) |
| | <u>5,393</u> | <u>(5,864)</u> |
| Income before income taxes and equity in income of affiliates | 106,260 | 165,587 |
| Income tax expense: | | |
| Current | 37,915 | 59,142 |
| Deferred | 6,898 | 10,288 |
| | <u>44,813</u> | <u>69,430</u> |
| Income before equity in income of affiliates | 61,447 | 96,157 |
| Equity in income of affiliates | 27,497 | 31,686 |
| Net income | <u>88,944</u> | <u>127,843</u> |
| Less: Net income attributable to noncontrolling interests | 6,711 | 7,475 |
| Net income attributable to Honda Motor Co., Ltd. | <u>82,233</u> | <u>120,368</u> |
| | Yen | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 45.63 | 66.79 |

Consolidated Statements of Comprehensive Income
For the three months ended September 30, 2012 and 2013

| | Yen (millions) | |
|---|---|---|
| | Three months ended Sep. 30, 2012 unaudited | Three months ended Sep. 30, 2013 unaudited |
| Net income | 88,944 | 127,843 |
| Other comprehensive income (loss), net of tax: | | |
| Adjustments from foreign currency translation | (101,851) | (23,796) |
| Unrealized gains (losses) on available-for-sale securities, net | (2,420) | 9,756 |
| Unrealized gains (losses) on derivative instruments, | 210 | (241) |
| Pension and other postretirement benefits adjustments | 1,903 | 78,709 |
| Other comprehensive income (loss), net of tax | (102,158) | 64,428 |
| Comprehensive income (loss) | (13,214) | 192,271 |
| Less: Comprehensive income attributable to noncontrolling interests | 4,911 | 4,164 |
| Comprehensive income (loss) attributable to Honda Motor Co., Ltd. | (18,125) | 188,107 |

Consolidated Statements of Income

For the six months ended September 30, 2012 and 2013

| | Yen (millions) | |
|--|---|---|
| | Six months ended Sep. 30, 2012 unaudited | Six months ended Sep. 30, 2013 unaudited |
| Net sales and other operating revenue | 4,707,195 | 5,724,316 |
| Operating costs and expenses: | | |
| Cost of sales | 3,494,049 | 4,275,221 |
| Selling, general and administrative | 670,155 | 799,924 |
| Research and development | 266,111 | 292,757 |
| | <u>4,430,315</u> | <u>5,367,902</u> |
| Operating income | 276,880 | 356,414 |
| Other income (expenses): | | |
| Interest income | 14,360 | 11,920 |
| Interest expense | (6,131) | (5,812) |
| Other, net | 15,931 | (24,900) |
| | <u>24,160</u> | <u>(18,792)</u> |
| Income before income taxes and equity in income of affiliates | 301,040 | 337,622 |
| Income tax expense: | | |
| Current | 73,786 | 103,008 |
| Deferred | 48,860 | 37,261 |
| | <u>122,646</u> | <u>140,269</u> |
| Income before equity in income of affiliates | 178,394 | 197,353 |
| Equity in income of affiliates | 48,229 | 63,453 |
| Net income | <u>226,623</u> | <u>260,806</u> |
| Less: Net income attributable to noncontrolling interests | 12,667 | 17,939 |
| Net income attributable to Honda Motor Co., Ltd. | <u>213,956</u> | <u>242,867</u> |
| | Yen | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 118.71 | 134.75 |

Consolidated Statements of Comprehensive Income
For the six months ended September 30, 2012 and 2013

| | Yen (millions) | |
|---|---|---|
| | Six months ended Sep. 30, 2012 unaudited | Six months ended Sep. 30, 2013 unaudited |
| Net income | 226,623 | 260,806 |
| Other comprehensive income (loss), net of tax: | | |
| Adjustments from foreign currency translation | (152,299) | 165,750 |
| Unrealized gains (losses) on available-for-sale securities, net | (12,228) | 18,450 |
| Unrealized gains (losses) on derivative instruments, | 349 | 346 |
| Pension and other postretirement benefits adjustments | 4,266 | 81,394 |
| Other comprehensive income (loss), net of tax | (159,912) | 265,940 |
| Comprehensive income (loss) | 66,711 | 526,746 |
| Less: Comprehensive income attributable to noncontrolling interests | 10,824 | 23,139 |
| Comprehensive income (loss) attributable to Honda Motor Co., Ltd. | 55,887 | 503,607 |

[3] Consolidated Statements of Cash Flows

| | Yen (millions) | |
|--|---|---|
| | Six months ended Sep. 30, 2012 unaudited | Six months ended Sep. 30, 2013 unaudited |
| Cash flows from operating activities: | | |
| Net income | 226,623 | 260,806 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation excluding property on operating leases | 155,614 | 216,736 |
| Depreciation of property on operating leases | 118,213 | 164,334 |
| Deferred income taxes | 48,860 | 37,261 |
| Equity in income of affiliates | (48,229) | (63,453) |
| Dividends from affiliates | 31,365 | 8,060 |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 2,664 | 10,341 |
| Impairment loss on property on operating leases | 2,208 | 1,322 |
| Loss (gain) on derivative instruments, net | (24,656) | (39,142) |
| Decrease (increase) in assets: | | |
| Trade accounts and notes receivable | (8,278) | 99,663 |
| Inventories | (91,728) | 39,676 |
| Other current assets | 53,338 | 22,522 |
| Other assets | (18,574) | (7,883) |
| Increase (decrease) in liabilities: | | |
| Trade accounts and notes payable | (120,313) | (1,393) |
| Accrued expenses | 24,494 | (16,923) |
| Income taxes payable | 5,407 | (15,829) |
| Other current liabilities | (387) | 27,696 |
| Other liabilities | 1,290 | (6,138) |
| Other, net | (34,640) | (66,154) |
| Net cash provided by operating activities | 323,271 | 671,502 |
| Cash flows from investing activities: | | |
| Increase in investments and advances | (10,928) | (23,411) |
| Decrease in investments and advances | 9,572 | 25,214 |
| Payments for purchases of available-for-sale securities | — | (27,590) |
| Proceeds from sales of available-for-sale securities | — | 4,085 |
| Payments for purchases of held-to-maturity securities | (1,118) | (58) |
| Proceeds from redemptions of held-to-maturity securities | 6,435 | 1,753 |
| Capital expenditures | (282,332) | (355,990) |
| Proceeds from sales of property, plant and equipment | 19,932 | 14,588 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | 2,917 | 6,800 |
| Acquisitions of finance subsidiaries-receivables | (992,380) | (1,582,865) |
| Collections of finance subsidiaries-receivables | 908,938 | 1,219,326 |
| Purchases of operating lease assets | (416,447) | (582,206) |
| Proceeds from sales of operating lease assets | 204,356 | 310,900 |
| Net cash used in investing activities | (551,055) | (989,454) |

[3] Consolidated Statements of Cash Flows – continued

| | Yen (millions) | |
|---|---|---|
| | Six months ended Sep. 30, 2012 unaudited | Six months ended Sep. 30, 2013 unaudited |
| Cash flows from financing activities: | | |
| Proceeds from short-term debt | 3,374,385 | 4,307,274 |
| Repayment of short-term debt | (3,355,219) | (4,133,849) |
| Proceeds from long-term debt | 592,080 | 821,199 |
| Repayment of long-term debt | (520,564) | (688,583) |
| Dividends paid | (61,278) | (70,289) |
| Dividends paid to noncontrolling interests | (5,060) | (8,467) |
| Sales (purchases) of treasury stock, net | (2) | (10) |
| Other, net | (15,078) | (17,581) |
| Net cash provided by (used in) financing activities | 9,264 | 209,694 |
| Effect of exchange rate changes on cash and cash equivalents | (47,284) | 34,413 |
| Net change in cash and cash equivalents | (265,804) | (73,845) |
| Cash and cash equivalents at beginning of the year | 1,247,113 | 1,206,128 |
| Cash and cash equivalents at end of the period | 981,309 | 1,132,283 |

[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: Motorcycle business, Automobile business, Financial services business and 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 the chief operating decision maker 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 (ATVs) and relevant parts | Research & Development, Manufacturing, Sales and related services |
| Automobile business | Automobiles and relevant parts | Research & Development, Manufacturing Sales and related services |
| Financial services business | Financial, insurance services | Retail loan and lease related to Honda products, and Others |
| Power product & Other businesses | Power products and relevant parts, and others | Research & Development, Manufacturing Sales and related services, and Others |

1. Segment information based on products and services

(A) As of and 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 |

As of and for the three months ended September 30, 2013

| | 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 | 418,089 | 2,229,004 | 170,016 | 73,112 | 2,890,221 | — | 2,890,221 |
| Intersegment | — | 4,186 | 2,567 | 2,839 | 9,592 | (9,592) | — |
| Total | 418,089 | 2,233,190 | 172,583 | 75,951 | 2,899,813 | (9,592) | 2,890,221 |
| Segment income (loss) | 45,542 | 80,153 | 46,585 | (829) | 171,451 | — | 171,451 |

(B) 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 | 904,173 | 4,952,109 | 5,577,763 | 284,572 | 11,718,617 | (264,190) | 11,454,427 |
| Depreciation and amortization | 17,701 | 133,051 | 118,872 | 4,203 | 273,827 | — | 273,827 |
| Capital expenditures | 26,653 | 230,473 | 417,058 | 6,780 | 680,964 | — | 680,964 |

As of and for the six months ended September 30, 2013

| | 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 | 814,959 | 4,425,595 | 335,412 | 148,350 | 5,724,316 | — | 5,724,316 |
| Intersegment | — | 8,590 | 5,159 | 5,557 | 19,306 | (19,306) | — |
| Total | 814,959 | 4,434,185 | 340,571 | 153,907 | 5,743,622 | (19,306) | 5,724,316 |
| Segment income (loss) | 88,124 | 176,530 | 91,228 | 532 | 356,414 | — | 356,414 |
| Assets | 1,220,606 | 5,906,273 | 7,404,632 | 334,588 | 14,866,099 | (357,905) | 14,508,194 |
| Depreciation and amortization | 22,110 | 188,703 | 165,122 | 5,135 | 381,070 | — | 381,070 |
| Capital expenditures | 26,147 | 294,398 | 584,140 | 6,632 | 911,317 | — | 911,317 |

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 228,945 million as of September 30, 2012 and JPY 300,860 million as of September 30, 2013 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 118,213 million for the six months ended September 30, 2012 and JPY 164,334 million for the six months ended September 30, 2013, respectively, of depreciation of property on operating leases.
4. Capital expenditure of Financial Services Business includes JPY 416,447 million for the six months ended September 30, 2012 and JPY 582,206 million for the six months ended September 30, 2013 respectively, of purchase of operating lease assets.
5. The amounts of Assets and Depreciation and amortization for the six months ended September 30, 2012 have been corrected from the amounts previously disclosed.

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) As of and for the three months ended September 30, 2012

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|---------|---------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 487,603 | 991,793 | 125,461 | 442,879 | 223,550 | 2,271,286 | — | 2,271,286 |
| Transfers between geographic areas | 437,483 | 62,969 | 19,110 | 96,582 | 6,122 | 622,266 | (622,266) | — |
| Total | 925,086 | 1,054,762 | 144,571 | 539,461 | 229,672 | 2,893,552 | (622,266) | 2,271,286 |
| Operating income (loss) | 30,047 | 26,749 | (8,725) | 36,404 | 10,542 | 95,017 | 5,850 | 100,867 |

As of and for the three months ended September 30, 2013

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|----------|---------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 505,002 | 1,384,716 | 154,810 | 568,889 | 276,804 | 2,890,221 | — | 2,890,221 |
| Transfers between geographic areas | 509,468 | 87,197 | 19,665 | 124,989 | 3,645 | 744,964 | (744,964) | — |
| Total | 1,014,470 | 1,471,913 | 174,475 | 693,878 | 280,449 | 3,635,185 | (744,964) | 2,890,221 |
| Operating income (loss) | 49,281 | 46,029 | (13,574) | 60,020 | 18,651 | 160,407 | 11,044 | 171,451 |

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

| | Yen (millions) | | | | | | | Reconciling Items | Consolidated |
|---|----------------|------------------|----------|-----------|------------------|------------|-------------|----------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | | | |
| 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 | 3,106,694 | 6,136,429 | 481,588 | 1,170,618 | 615,405 | 11,510,734 | (56,307) | 11,454,427 | |
| Long-lived assets | 1,085,389 | 2,000,980 | 106,766 | 301,710 | 127,950 | 3,622,795 | — | 3,622,795 | |

As of and for the six months ended September 30, 2013

| | Yen (millions) | | | | | | | Reconciling Items | Consolidated |
|---|----------------|------------------|----------|-----------|------------------|------------|-------------|----------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | | | |
| Net sales and other operating revenue: | | | | | | | | | |
| External customers | 938,540 | 2,790,218 | 313,679 | 1,167,258 | 514,621 | 5,724,316 | — | 5,724,316 | |
| Transfers between geographic areas | 1,051,814 | 183,003 | 36,778 | 233,363 | 6,547 | 1,511,505 | (1,511,505) | — | |
| Total | 1,990,354 | 2,973,221 | 350,457 | 1,400,621 | 521,168 | 7,235,821 | (1,511,505) | 5,724,316 | |
| Operating income (loss) | 111,468 | 117,887 | (23,314) | 113,775 | 24,066 | 343,882 | 12,532 | 356,414 | |
| Assets | 3,234,347 | 8,239,650 | 619,640 | 1,751,665 | 747,168 | 14,592,470 | (84,276) | 14,508,194 | |
| Long-lived assets | 1,210,069 | 2,735,896 | 128,953 | 489,710 | 154,364 | 4,718,992 | — | 4,718,992 | |

Explanatory notes:

- Major countries or regions in each geographic area:

| | |
|---------------|--|
| North America | United States, Canada, Mexico |
| Europe | United Kingdom, Germany, France, Belgium, Russia |
| Asia | Thailand, Indonesia, China, India, Vietnam |
| Other Regions | Brazil, Australia |
- Sales and revenues between geographic areas are generally made at values that approximate arm's-length prices.
- Unallocated corporate assets, included in reconciling items, amounted to JPY 228,945 million as of September 30, 2012 and JPY 300,860 million as of September 30, 2013 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.
- The amounts of Assets for the six months ended September 30, 2012 have been corrected from the amounts previously disclosed.

[7] Other

1. Impairment loss on investments in affiliates

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, for the six months ended September 30, 2013 and for the three months ended September 30, 2013, Honda did not recognize any significant impairment losses.

2. Immaterial corrections of the prior year's Consolidated Statements of Cash Flows

Adjustments have been made to correct previous immaterial understatements in both depreciation excluding property on operating leases, which is included in cash flows from operating activities, and payments of other debt, which is included in other, net in cash flows from financing activities, in the consolidated statements of cash flows for the six months ended September 30, 2012. These adjustments increased previously reported net cash provided by operating activities and increased previously reported net cash used in financing activities by JPY 13,464 million for the six months ended September 30, 2012.

CONSOLIDATED FINANCIAL SUMMARY 1 FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2013

| Yen (billions) | Second Quarter Results | | | | First Half Results | | | | Fiscal Year Results and Forecasts | | | |
|--|------------------------------|------------------------------|---------|------|------------------------------|------------------------------|---------|------|-----------------------------------|---------------------------|----------|------|
| | 3 months ended Sep. 30, 2012 | 3 months ended Sep. 30, 2013 | change | % | 6 months ended Sep. 30, 2012 | 6 months ended Sep. 30, 2013 | change | % | Year ended Mar. 31, 2013 | Year ending Mar. 31, 2014 | change | % |
| Net sales and other operating revenue | 2,271.2 | 2,890.2 | 618.9 | 27.3 | 4,707.1 | 5,724.3 | 1,017.1 | 21.6 | 9,877.9 | 12,100.0 | 2,222.0 | 22.5 |
| Operating income | 100.8 | 171.4 | 70.5 | 70.0 | 276.8 | 356.4 | 79.5 | 28.7 | 544.8 | 780.0 | 235.1 | 43.2 |
| <as a percentage of net sales> | < 4.4% > | < 5.9% > | | | < 5.9% > | < 6.2% > | | | < 5.5% > | < 6.4% > | | |
| Income before income taxes and equity in income of affiliates | 106.2 | 165.5 | 59.3 | 55.8 | 301.0 | 337.6 | 36.5 | 12.2 | 488.8 | 765.0 | 276.1 | 56.5 |
| <as a percentage of net sales> | < 4.7% > | < 5.7% > | | | < 6.4% > | < 5.9% > | | | < 4.9% > | < 6.3% > | | |
| Equity in income of affiliates | 27.4 | 31.6 | 4.1 | 15.2 | 48.2 | 63.4 | 15.2 | 31.6 | 82.7 | 130.0 | 47.2 | 57.2 |
| <as a percentage of net sales> | < 1.2% > | < 1.1% > | | | < 1.0% > | < 1.1% > | | | < 0.8% > | < 1.1% > | | |
| Net income attributable to Honda Motor Co., Ltd. | 82.2 | 120.3 | 38.1 | 46.4 | 213.9 | 242.8 | 28.9 | 13.5 | 367.1 | 580.0 | 212.8 | 58.0 |
| <as a percentage of net sales> | < 3.6% > | < 4.2% > | | | < 4.5% > | < 4.2% > | | | < 3.7% > | < 4.8% > | | |
| Change factors in Operating income | | | 70.5 | | | | 79.5 | | | | 235.1 | |
| Change in revenue, model mix, etc. | | | 34.6 | | | | - 12.0 | | | | 143.6 | |
| Cost reduction, the effect of raw material cost fluctuations, etc. | | | - 17.6 | | | | - 35.1 | | | | 20.0 | |
| Change in SG&A expenses | | | - 36.0 | | | | - 36.1 | | | | - 129.0 | |
| Change in R&D expenses | | | - 4.1 | | | | - 13.8 | | | | - 47.5 | |
| Currency effects | | | 93.6 | | | | 176.6 | | | | 248.0 | |
| Change in average rates | | | (43.8) | | | | (80.4) | | | | (102.0) | |
| Translation effects | | | (49.8) | | | | (96.2) | | | | (146.0) | |
| Change factors in Other income/expenses | | | - 11.2 | | | | - 42.9 | | | | 40.9 | |
| Unrealized gains and losses related to derivative instruments | | | 22.0 | | | | 14.4 | | | | 72.0 | |
| Others | | | - 33.3 | | | | - 57.4 | | | | - 31.1 | |
| Honda's average rates | USD= | JPY 79 | JPY 99 | | JPY 79 | JPY 99 | | | JPY 84 | JPY 97 | | |
| | EUR= | JPY 98 | JPY 131 | | JPY 101 | JPY 130 | | | JPY 108 | JPY 127 | | |
| Capital expenditures | | 154.7 | 132.2 | | 250.7 | 303.7 | | | 593.6 | 700.0 | | |
| Depreciation and amortization | | 66.1 | 92.0 | | 131.1 | 184.2 | | | 286.6 | 370.0 | | |
| Research and development expenses | | 140.1 | 151.0 | | 266.1 | 292.7 | | | 560.2 | 630.0 | | |

Note:

Capital expenditures exclude purchase of operating lease assets and capital lease assets and acquisition of intangible assets, and depreciation and amortization exclude depreciation of property on operating leases and capital leases and amortization of intangible assets.

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.



CONSOLIDATED FINANCIAL SUMMARY 2
FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2013

Honda Group 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 Sep. 30, 2012 | 3 months ended Sep. 30, 2013 | change | % | 6 months ended Sep. 30, 2012 | 6 months ended Sep. 30, 2013 | change | % | Year ended Mar. 31, 2013 | Year ending Mar. 31, 2014 | change | % |
| Motorcycle Business | 3,806 | 4,216 | 410 | 10.8 | 7,717 | 8,270 | 553 | 7.2 | 15,494 | 17,320 | 1,826 | 11.8 |
| Japan | 57 | 63 | 6 | 10.5 | 116 | 117 | 1 | 0.9 | 217 | 225 | 8 | 3.7 |
| North America | 60 | 68 | 8 | 13.3 | 119 | 130 | 11 | 9.2 | 250 | 280 | 30 | 12.0 |
| Europe | 38 | 38 | 0 | 0.0 | 98 | 90 | -8 | -8.2 | 179 | 170 | -9 | -5.0 |
| Asia | 3,162 | 3,536 | 374 | 11.8 | 6,447 | 7,015 | 568 | 8.8 | 13,035 | 14,800 | 1,765 | 13.5 |
| Other Regions | 489 | 511 | 22 | 4.5 | 937 | 918 | -19 | -2.0 | 1,813 | 1,845 | 32 | 1.8 |
| Automobile Business | 996 | 1,047 | 51 | 5.1 | 1,995 | 2,046 | 51 | 2.6 | 4,014 | 4,430 | 416 | 10.4 |
| Japan | 169 | 180 | 11 | 6.5 | 354 | 320 | -34 | -9.6 | 692 | 825 | 133 | 19.2 |
| North America | 404 | 447 | 43 | 10.6 | 854 | 906 | 52 | 6.1 | 1,731 | 1,795 | 64 | 3.7 |
| Europe | 44 | 40 | -4 | -9.1 | 83 | 80 | -3 | -3.6 | 171 | 185 | 14 | 8.2 |
| Asia | 301 | 309 | 8 | 2.7 | 563 | 594 | 31 | 5.5 | 1,122 | 1,325 | 203 | 18.1 |
| Other Regions | 78 | 71 | -7 | -9.0 | 141 | 146 | 5 | 3.5 | 298 | 300 | 2 | 0.7 |
| Power Product Business | 1,288 | 1,295 | 7 | 0.5 | 2,913 | 2,884 | -29 | -1.0 | 6,071 | 6,000 | -71 | -1.2 |
| Japan | 88 | 93 | 5 | 5.7 | 170 | 156 | -14 | -8.2 | 314 | 315 | 1 | 0.3 |
| North America | 436 | 504 | 68 | 15.6 | 1,194 | 1,332 | 138 | 11.6 | 2,604 | 2,740 | 136 | 5.2 |
| Europe | 150 | 156 | 6 | 4.0 | 386 | 393 | 7 | 1.8 | 1,004 | 965 | -39 | -3.9 |
| Asia | 462 | 426 | -36 | -7.8 | 883 | 790 | -93 | -10.5 | 1,572 | 1,485 | -87 | -5.5 |
| Other Regions | 152 | 116 | -36 | -23.7 | 280 | 213 | -67 | -23.9 | 577 | 495 | -82 | -14.2 |

Notes:

- 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.
- 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.
- Honda Group Unit Sales of ATV included in Motorcycle business for the three months ended September 30, 2012 and 2013 are 30 thousand units and 28 thousand units, for the six months ended September 30, 2012 and 2013 are 59 thousand units and 49 thousand units, respectively.
- Honda Group Unit Sales of Motorcycle business of Asia for the three months ended September 30, 2012 is revised. This revision is included in Honda Group Unit Sales of Motorcycle business for the six months ended September 30, 2012.

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 Sep. 30, 2012 | 3 months ended Sep. 30, 2013 | change | % | 6 months ended Sep. 30, 2012 | 6 months ended Sep. 30, 2013 | change | % | Year ended Mar. 31, 2013 | Year ending Mar. 31, 2014 | change | % |
| Motorcycle Business | 2,304 | 2,585 | 281 | 12.2 | 4,670 | 4,956 | 286 | 6.1 | 9,510 | 10,650 | 1,140 | 12.0 |
| Japan | 57 | 63 | 6 | 10.5 | 116 | 117 | 1 | 0.9 | 217 | 225 | 8 | 3.7 |
| North America | 60 | 68 | 8 | 13.3 | 119 | 130 | 11 | 9.2 | 250 | 280 | 30 | 12.0 |
| Europe | 38 | 38 | 0 | 0.0 | 98 | 90 | -8 | -8.2 | 179 | 170 | -9 | -5.0 |
| Asia | 1,660 | 1,905 | 245 | 14.8 | 3,400 | 3,701 | 301 | 8.9 | 7,051 | 8,130 | 1,079 | 15.3 |
| Other Regions | 489 | 511 | 22 | 4.5 | 937 | 918 | -19 | -2.0 | 1,813 | 1,845 | 32 | 1.8 |
| Automobile Business | 816 | 869 | 53 | 6.5 | 1,665 | 1,727 | 62 | 3.7 | 3,408 | 3,670 | 262 | 7.7 |
| Japan | 168 | 178 | 10 | 6.0 | 351 | 317 | -34 | -9.7 | 685 | 815 | 130 | 19.0 |
| North America | 404 | 447 | 43 | 10.6 | 854 | 906 | 52 | 6.1 | 1,731 | 1,795 | 64 | 3.7 |
| Europe | 44 | 40 | -4 | -9.1 | 83 | 80 | -3 | -3.6 | 171 | 185 | 14 | 8.2 |
| Asia | 122 | 133 | 11 | 9.0 | 236 | 278 | 42 | 17.8 | 523 | 575 | 52 | 9.9 |
| Other Regions | 78 | 71 | -7 | -9.0 | 141 | 146 | 5 | 3.5 | 298 | 300 | 2 | 0.7 |
| Power Product Business | 1,288 | 1,295 | 7 | 0.5 | 2,913 | 2,884 | -29 | -1.0 | 6,071 | 6,000 | -71 | -1.2 |
| Japan | 88 | 93 | 5 | 5.7 | 170 | 156 | -14 | -8.2 | 314 | 315 | 1 | 0.3 |
| North America | 436 | 504 | 68 | 15.6 | 1,194 | 1,332 | 138 | 11.6 | 2,604 | 2,740 | 136 | 5.2 |
| Europe | 150 | 156 | 6 | 4.0 | 386 | 393 | 7 | 1.8 | 1,004 | 965 | -39 | -3.9 |
| Asia | 462 | 426 | -36 | -7.8 | 883 | 790 | -93 | -10.5 | 1,572 | 1,485 | -87 | -5.5 |
| Other Regions | 152 | 116 | -36 | -23.7 | 280 | 213 | -67 | -23.9 | 577 | 495 | -82 | -14.2 |

Notes:

- 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.
- Consolidated Unit Sales of ATV included in Motorcycle business for the three months ended September 30, 2012 and 2013 are 30 thousand units and 28 thousand units, for the six months ended September 30, 2012 and 2013 are 59 thousand units and 49 thousand units, respectively.
- Consolidated Unit Sales of Motorcycle business of Asia for the three months ended September 30, 2012 is revised. This revision is included in Consolidated Unit Sales of Motorcycle business for the six months ended September 30, 2012.

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.

CONSOLIDATED FINANCIAL SUMMARY 3 FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2013

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, 2012 | 3 months ended Sep. 30, 2013 | change | % | 6 months ended Sep. 30, 2012 | 6 months ended Sep. 30, 2013 | change | % |
| Total | 2,271,286 | 2,890,221 | 618,935 | 27.3 | 4,707,195 | 5,724,316 | 1,017,121 | 21.6 |
| Japan | 414,047 | 427,337 | 13,290 | 3.2 | 849,623 | 781,886 | - 67,737 | - 8.0 |
| North America | 985,886 | 1,377,663 | 391,777 | 39.7 | 2,135,271 | 2,775,888 | 640,617 | 30.0 |
| Europe | 124,774 | 152,372 | 27,598 | 22.1 | 246,254 | 309,346 | 63,092 | 25.6 |
| Asia | 491,094 | 619,686 | 128,592 | 26.2 | 971,757 | 1,259,911 | 288,154 | 29.7 |
| Other Regions | 255,485 | 313,163 | 57,678 | 22.6 | 504,290 | 597,285 | 92,995 | 18.4 |
| Motorecycle Business | 309,714 | 418,089 | 108,375 | 35.0 | 656,364 | 814,959 | 158,595 | 24.2 |
| Japan | 18,682 | 22,559 | 3,877 | 20.8 | 38,258 | 42,215 | 3,957 | 10.3 |
| North America | 24,130 | 32,474 | 8,344 | 34.6 | 53,334 | 64,848 | 11,514 | 21.6 |
| Europe | 18,351 | 22,799 | 4,448 | 24.2 | 45,227 | 52,203 | 6,976 | 15.4 |
| Asia | 147,498 | 205,123 | 57,625 | 39.1 | 308,973 | 415,101 | 106,128 | 34.3 |
| Other Regions | 101,053 | 135,134 | 34,081 | 33.7 | 210,572 | 240,592 | 30,020 | 14.3 |
| Automobile Business | 1,766,213 | 2,229,004 | 462,791 | 26.2 | 3,656,723 | 4,425,595 | 768,872 | 21.0 |
| Japan | 364,614 | 373,994 | 9,380 | 2.6 | 753,661 | 684,030 | - 69,631 | - 9.2 |
| North America | 830,241 | 1,173,647 | 343,406 | 41.4 | 1,812,679 | 2,364,862 | 552,183 | 30.5 |
| Europe | 94,440 | 114,535 | 20,095 | 21.3 | 175,032 | 223,857 | 48,825 | 27.9 |
| Asia | 333,229 | 401,199 | 67,970 | 20.4 | 642,670 | 819,646 | 176,976 | 27.5 |
| Other Regions | 143,689 | 165,629 | 21,940 | 15.3 | 272,681 | 333,200 | 60,519 | 22.2 |
| Financial Service Business | 130,400 | 170,016 | 39,616 | 30.4 | 261,679 | 335,412 | 73,733 | 28.2 |
| Japan | 8,561 | 8,401 | - 160 | - 1.9 | 16,812 | 16,872 | 60 | 0.4 |
| North America | 114,643 | 149,921 | 35,278 | 30.8 | 229,938 | 296,566 | 66,628 | 29.0 |
| Europe | 1,720 | 3,368 | 1,648 | 95.8 | 3,525 | 6,328 | 2,803 | 79.5 |
| Asia | 651 | 1,842 | 1,191 | 182.9 | 1,262 | 3,430 | 2,168 | 171.8 |
| Other Regions | 4,825 | 6,484 | 1,659 | 34.4 | 10,142 | 12,216 | 2,074 | 20.4 |
| Power Product and Other Businesses | 64,959 | 73,112 | 8,153 | 12.6 | 132,429 | 148,350 | 15,921 | 12.0 |
| Japan | 22,190 | 22,383 | 193 | 0.9 | 40,892 | 38,769 | - 2,123 | - 5.2 |
| North America | 16,872 | 21,621 | 4,749 | 28.1 | 39,320 | 49,612 | 10,292 | 26.2 |
| Europe | 10,263 | 11,670 | 1,407 | 13.7 | 22,470 | 26,958 | 4,488 | 20.0 |
| Asia | 9,716 | 11,522 | 1,806 | 18.6 | 18,852 | 21,734 | 2,882 | 15.3 |
| Other Regions | 5,918 | 5,916 | - 2 | - 0.0 | 10,895 | 11,277 | 382 | 3.5 |

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
FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2013

Unaudited Consolidated Balance Sheets
Divided into Non-financial Services Businesses and Finance Subsidiaries

| | Yen (millions) | |
|--|-------------------|-------------------|
| | Mar. 31, 2013 | Sep. 30, 2013 |
| Assets | | |
| < Non-financial Services Businesses > | | |
| Current Assets: | 4,014,300 | 3,959,217 |
| Cash and cash equivalents | 1,180,029 | 1,107,095 |
| Trade accounts and notes receivable, net | 551,161 | 539,713 |
| Inventories | 1,215,421 | 1,216,975 |
| Other current assets | 1,067,689 | 1,095,434 |
| Investments and advances | 918,168 | 1,126,627 |
| Property, plant and equipment, net | 2,387,461 | 2,548,713 |
| Other assets | 399,355 | 374,844 |
| Total assets | 7,719,284 | 8,009,401 |
| < Finance Subsidiaries > | | |
| Cash and cash equivalents | 26,099 | 25,188 |
| Finance subsidiaries—short-term receivables, net | 1,245,491 | 1,393,742 |
| Finance subsidiaries—long-term receivables, net | 2,818,654 | 3,148,328 |
| Net property on operating leases | 1,843,132 | 2,035,785 |
| Other assets | 831,946 | 801,589 |
| Total assets | 6,765,322 | 7,404,632 |
| Reconciling Items | (849,249) | (905,839) |
| Total assets | 13,635,357 | 14,508,194 |
| Liabilities and Equity | | |
| < Non-financial Services Businesses > | | |
| Current liabilities: | 2,170,981 | 2,077,530 |
| Short-term debt | 343,085 | 278,378 |
| Current portion of long-term debt | 50,664 | 59,655 |
| Trade payables | 998,989 | 965,201 |
| Accrued expenses | 517,253 | 518,979 |
| Other current liabilities | 260,990 | 255,317 |
| Long-term debt, excluding current portion | 146,528 | 199,870 |
| Other liabilities | 994,905 | 923,029 |
| Total liabilities | 3,312,414 | 3,200,429 |
| < Finance Subsidiaries > | | |
| Short-term debt | 1,397,870 | 1,718,245 |
| Current portion of long-term debt | 894,439 | 855,920 |
| Accrued expenses | 117,360 | 58,234 |
| Long-term debt, excluding current portion | 2,571,196 | 2,837,299 |
| Other liabilities | 716,385 | 796,041 |
| Total liabilities | 5,697,250 | 6,265,739 |
| Reconciling Items | (579,730) | (611,210) |
| Total liabilities | 8,429,934 | 8,854,958 |
| Honda Motor Co., Ltd. shareholders' equity | 5,043,500 | 5,476,807 |
| Noncontrolling interests | 161,923 | 176,429 |
| Total equity | 5,205,423 | 5,653,236 |
| Total liabilities and equity | 13,635,357 | 14,508,194 |

Note:

Honda adjusts the amounts for the year ended March 31, 2013. For detailed information, please refer to Fiscal Second Quarter Financial Results "Other Information."

CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2013

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

| | Yen (millions) | | | |
|--|---|-------------------------|----------------------|--------------|
| | Non-financial Services Businesses | Finance Subsidiaries | Reconciling Items | Consolidated |
| For the six months ended September 30, 2012 | | | | |
| Cash flows from operating activities: | | | | |
| Net income | 175,736 | 50,887 | — | 226,623 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 154,955 | 118,872 | — | 273,827 |
| Deferred income taxes | 37,110 | 11,750 | — | 48,860 |
| Equity in income of affiliates | (48,229) | — | — | (48,229) |
| Dividends from affiliates | 31,365 | — | — | 31,365 |
| Impairment loss on long-lived assets | — | 2,208 | — | 2,208 |
| Loss (gain) on derivative instruments, net | (24,857) | 201 | — | (24,656) |
| Decrease (increase) in trade accounts and notes receivable | (6,109) | (2,936) | 767 | (8,278) |
| Decrease (increase) in inventories | (91,728) | — | — | (91,728) |
| Increase (decrease) in trade accounts and notes payable | (119,737) | — | (576) | (120,313) |
| Other, net | 58,649 | (17,715) | (7,342) | 33,592 |
| Net cash provided by (used in) operating activities | 167,155 | 163,267 | (7,151) | 323,271 |
| Cash flows from investing activities: | | | | |
| * Decrease (increase) in investments and advances | 17,928 | (2,950) | (11,017) | 3,961 |
| Capital expenditures | (281,721) | (611) | — | (282,332) |
| Proceeds from sales of property, plant and equipment | 19,862 | 70 | — | 19,932 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | 2,917 | — | — | 2,917 |
| Collections (acquisitions) of finance subsidiaries-receivables | — | (84,441) | 999 | (83,442) |
| Purchase of operating lease assets | — | (416,447) | — | (416,447) |
| Proceeds from sales of operating lease assets | — | 204,356 | — | 204,356 |
| Net cash provided by (used in) investing activities | (241,014) | (300,023) | (10,018) | (551,055) |
| Cash flows from financing activities: | | | | |
| * Proceeds from (repayment of) short-term debt, net | (17,479) | 23,185 | 13,460 | 19,166 |
| * Proceeds from long-term debt | 62,769 | 529,311 | — | 592,080 |
| * Repayment of long-term debt | (107,698) | (416,575) | 3,709 | (520,564) |
| Dividends paid | (61,278) | — | — | (61,278) |
| Dividends paid to noncontrolling interests | (5,060) | — | — | (5,060) |
| Sales (purchases) of treasury stock, net | (2) | — | — | (2) |
| Other, net | (15,078) | — | — | (15,078) |
| Net cash provided by (used in) financing activities | (143,826) | 135,921 | 17,169 | 9,264 |
| 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 |

CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2013

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

| | Yen (millions) | | | |
|--|---|-------------------------|----------------------|--------------|
| | Non-financial Services Businesses | Finance Subsidiaries | Reconciling Items | Consolidated |
| For the six months ended September 30, 2013 | | | | |
| Cash flows from operating activities: | | | | |
| Net income | 207,282 | 53,524 | — | 260,806 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 215,948 | 165,122 | — | 381,070 |
| Deferred income taxes | 23,463 | 13,798 | — | 37,261 |
| Equity in income of affiliates | (63,453) | — | — | (63,453) |
| Dividends from affiliates | 8,060 | — | — | 8,060 |
| Impairment loss on long-lived assets | — | 1,322 | — | 1,322 |
| Loss (gain) on derivative instruments, net | (47,988) | 8,846 | — | (39,142) |
| Decrease (increase) in trade accounts and notes receivable | 31,427 | 67,268 | 968 | 99,663 |
| Decrease (increase) in inventories | 39,676 | — | — | 39,676 |
| Increase (decrease) in trade accounts and notes payable | (1,062) | 2,226 | (2,557) | (1,393) |
| Other, net | 2,154 | (52,603) | (1,919) | (52,368) |
| Net cash provided by (used in) operating activities | 415,507 | 259,503 | (3,508) | 671,502 |
| Cash flows from investing activities: | | | | |
| * Decrease (increase) in investments and advances | (51,259) | (471) | 31,723 | (20,007) |
| Capital expenditures | (354,056) | (1,934) | — | (355,990) |
| Proceeds from sales of property, plant and equipment | 13,253 | 1,335 | — | 14,588 |
| Proceeds from insurance recoveries for damaged property, plant and equipment | 6,800 | — | — | 6,800 |
| Collections (acquisitions) of finance subsidiaries-receivables | — | (368,341) | 4,802 | (363,539) |
| Purchase of operating lease assets | — | (582,206) | — | (582,206) |
| Proceeds from sales of operating lease assets | — | 310,900 | — | 310,900 |
| Net cash provided by (used in) investing activities | (385,262) | (640,717) | 36,525 | (989,454) |
| Cash flows from financing activities: | | | | |
| * Proceeds from (repayment of) short-term debt, net | (83,007) | 278,819 | (22,387) | 173,425 |
| * Proceeds from long-term debt | 67,623 | 764,206 | (10,630) | 821,199 |
| * Repayment of long-term debt | (24,644) | (663,939) | — | (688,583) |
| Dividends paid | (70,289) | — | — | (70,289) |
| Dividends paid to noncontrolling interests | (8,467) | — | — | (8,467) |
| Sales (purchases) of treasury stock, net | (10) | — | — | (10) |
| Other, net | (17,581) | — | — | (17,581) |
| Net cash provided by (used in) financing activities | (136,375) | 379,086 | (33,017) | 209,694 |
| Effect of exchange rate changes on cash and cash equivalents | 33,196 | 1,217 | — | 34,413 |
| Net change in cash and cash equivalents | (72,934) | (911) | — | (73,845) |
| Cash and cash equivalents at beginning of period | 1,180,029 | 26,099 | — | 1,206,128 |
| Cash and cash equivalents at end of period | 1,107,095 | 25,188 | — | 1,132,283 |

Notes:

- 1 Non-financial services businesses provide loans to finance subsidiaries. These cash flows are included in the decrease (increase) in investments and advances, proceeds from (repayment of) 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 11,017 million decrease for the fiscal first half ended September 30, 2012, and a JPY 31,723 million increase for the fiscal first half ended September 30, 2013, 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.
- 3 Regarding non-financial services businesses, the amounts of depreciation in cash flows from operating activities, and other, net in cash flows from financing activities for the fiscal first half ended September 30, 2012 have been corrected from the amounts previously disclosed. For detailed information, please refer to Fiscal Second Quarter Financial Results "[7] Other."