

October 28, 2014

**HONDA MOTOR CO., LTD. REPORTS
CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL SECOND QUARTER AND FISCAL FIRST HALF YEAR
ENDED SEPTEMBER 30, 2014**

Tokyo, October 28, 2014--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter and fiscal first half year ended September 30, 2014.

Second Quarter Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal second quarter ended September 30, 2014 totaled JPY 141.8 billion (USD 1,296 million), an increase of 17.9% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 78.73 (USD 0.72), an increase of JPY 11.94 (USD 0.11) from JPY 66.79 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 3,014.7 billion (USD 27,545 million), an increase of 4.3% from the same period last year, due primarily to increased revenue in motorcycle and automobile business operations, as well as favorable foreign currency translation effects.

Consolidated operating income for the quarter amounted to JPY 164.4 billion (USD 1,502 million), a decrease of 4.1% from the same period last year, due primarily to a decrease in sales volume and model mix as well as increased R&D expenses, despite continuing cost reduction efforts and favorable foreign currency effects.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 179.8 billion (USD 1,643 million), an increase of 8.6% from the same period last year.

Equity in income of affiliates amounted to JPY 22.7 billion (USD 208 million) for the quarter, a decrease of 28.2% from the corresponding period last year.

Business Segment

Motorcycle Business

For the three months ended September 30, 2013 and 2014

	Honda Group Unit Sales				Consolidated Unit Sales			
	Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014	Change		Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014	Change	
				%				%
Motorcycle business	4,216	4,581	365	8.7	2,585	2,743	158	6.1
Japan	63	50	-13	-20.6	63	50	-13	-20.6
North America	68	69	1	1.5	68	69	1	1.5
Europe	38	47	9	23.7	38	47	9	23.7
Asia	3,536	3,998	462	13.1	1,905	2,160	255	13.4
Other Regions	511	417	-94	-18.4	511	417	-94	-18.4

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

With respect to Honda's sales for the fiscal second quarter by business segment, in motorcycle business operations, revenue from sales to external customers increased 4.9%, to JPY 438.3 billion (USD 4,005 million) from the same period last year due mainly to increased consolidated unit sales as well as favorable foreign currency translation effects. Operating income totaled JPY 38.1 billion (USD 348 million), a decrease of 16.3% from the same period last year, due primarily to increased SG&A expenses.

Automobile Business

For the three months ended September 30, 2013 and 2014

	Honda Group Unit Sales				Consolidated Unit Sales			
	Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014	Change		Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014	Change	
				%				%
Automobile business	1,047	1,071	24	2.3	869	880	11	1.3
Japan	180	176	-4	-2.2	178	173	-5	-2.8
North America	447	434	-13	-2.9	447	434	-13	-2.9
Europe	40	45	5	12.5	40	45	5	12.5
Asia	309	350	41	13.3	133	162	29	21.8
Other Regions	71	66	-5	-7.0	71	66	-5	-7.0

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 and sold through our consolidated 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 3.7%, to JPY 2,310.4 billion (USD 21,109 million) from the same period last year due mainly to increased consolidated unit sales as well as favorable foreign currency translation effects. Operating income totaled JPY 79.1 billion (USD 723 million), a decrease of 1.3% from the same period last year, due primarily to increased expenses for incentives in North America and increased R&D expenses, despite continuing cost reduction efforts, decreased SG&A expenses, as well as favorable foreign currency effects.

Financial Services Business

Revenue from customers in the financial services business operations increased 13.5%, to JPY 192.9 billion (USD 1,763 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 3.6% to JPY 48.2 billion (USD 441 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, 2013 and 2014

	Unit (Thousands)			
	Honda Group Unit Sales/ Consolidated Unit Sales		Change	%
	Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014		
Power product business	1,295	1,286	-9	-0.7
Japan	93	85	-8	-8.6
North America	504	497	-7	-1.4
Europe	156	191	35	22.4
Asia	426	410	-16	-3.8
Other Regions	116	103	-13	-11.2

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates accounted for under the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated net sales to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the three months ended September 30, 2013 and for the three months ended September 30, 2014, 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 totaled to JPY 73.0 billion (USD 667 million) basically unchanged from the same period last year. Honda reported an operating loss of JPY 1.0 billion (USD 10 million) a decline of 0.2 billion (USD 2 million) from the same period last year, due mainly to increased SG&A expenses, despite continuing cost reduction efforts.

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 975.5 billion (USD 8,913 million), a decrease of 3.8% from the same period last year due mainly to decreased revenue in automobile business operations. Operating income totaled JPY 59.8 billion (USD 547 million), an increase of 21.5% from the same period last year, due mainly to continuing cost reduction efforts, as well as favorable foreign currency effects, despite increased SG&A expenses and R&D expenses.

In North America, revenue increased by 2.7%, to JPY 1,512.2 billion (USD 13,817 million) from the same period last year due mainly to favorable foreign currency translation effects, despite decreased revenue in automobile business operations. Operating income totaled JPY 38.9 billion (USD 356 million), a decrease of 15.4% from the same period last year due mainly to a decrease in sales volume and model mix and increased expenses for incentives, despite decreased SG&A expenses.

In Europe, revenue increased by 5.9%, to JPY 184.8 billion (USD 1,689 million) from the same period last year due mainly to increased revenue in motorcycle business operations as well as favorable foreign currency translation effects. Honda reported an operating loss of JPY 7.5 billion (USD 69 million), an improvement of JPY 6.0 billion (USD 55 million) from the same period last year due mainly to an increase in sales volume and model mix, despite unfavorable foreign currency effects.

In Asia, revenue increased by 13.7%, to JPY 789.0 billion (USD 7,209 million) 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 14.1%, to JPY 68.4 billion (USD 626 million) from the same period last year due mainly to an increase in sales volume and model mix, continuing cost reduction efforts, as well as favorable foreign currency effects, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle/Near East, Africa and Oceania, revenue decreased by 11.9%, to JPY 247.0 billion (USD 2,257 million) from the same period last year mainly due to decreased revenue in automobile and motorcycle business operations as well as unfavorable foreign currency translation effects. Operating income totaled JPY 9.1 billion (USD 84 million), a decrease of 50.7% from the same period last year mainly due to a decrease in sales volume and model mix as well as unfavorable foreign currency effects.

Explanatory note:

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 109.45=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, 2014.

First Half Year Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal half year ended September 30, 2014 totaled JPY 288.4 billion, an increase of 18.8% 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 160.02, an increase of JPY 25.27 from JPY 134.75 for the same period last year.

Consolidated net sales and other operating revenue for the fiscal half year amounted to JPY 6,003.0 billion, an increase of 4.9% 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 362.4 billion, an increase of 1.7% from the same period last year, due primarily to continuing cost reduction efforts, despite increased SG&A expenses and R&D expenses.

Consolidated income before income taxes and equity in income of affiliates for the fiscal first half year totaled JPY 378.6 billion, an increase of 12.2% from the same period last year.

Equity in income of affiliates amounted to JPY 61.3 billion for the fiscal first half year, a decrease of 3.3% from the same period last year.

Business Segment

Motorcycle Business

For the six months ended September 30, 2013 and 2014

	Honda Group Unit Sales				Consolidated Unit Sales			
	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Change	%	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Change	%
	Motorcycle business	8,270	8,718	448	5.4	4,956	5,200	244
Japan	117	98	-19	-16.2	117	98	-19	-16.2
North America	130	131	1	0.8	130	131	1	0.8
Europe	90	107	17	18.9	90	107	17	18.9
Asia	7,015	7,591	576	8.2	3,701	4,073	372	10.1
Other Regions	918	791	-127	-13.8	918	791	-127	-13.8

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

With respect to Honda's sales for the fiscal first half year by business segment, in motorcycle business operations, revenue from sales to external customers increased 3.8%, to JPY 846.1 billion from the same period last year, due mainly to increased consolidated unit sales. Operating income totaled JPY 82.1 billion, a decrease of 6.8% from the same period last year, due primarily to increased SG&A expenses, despite an increase in sales volume and model mix.

Automobile Business

For the six months ended September 30, 2013 and 2014

	Honda Group Unit Sales				Consolidated Unit Sales			
	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Change	%	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Change	%
	Automobile business	2,046	2,132	86	4.2	1,727	1,775	48
Japan	320	378	58	18.1	317	374	57	18.0
North America	906	879	-27	-3.0	906	879	-27	-3.0
Europe	80	85	5	6.3	80	85	5	6.3
Asia	594	666	72	12.1	278	313	35	12.6
Other Regions	146	124	-22	-15.1	146	124	-22	-15.1

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 and sold through our consolidated 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 4.6%, to JPY 4,629.9 billion from the same period last year due mainly to increased consolidated unit sales as well as favorable foreign currency translation effects. Operating income totaled JPY 178.9 billion, an increase of 1.4% from the same period last year, due primarily to continuing cost reduction efforts, despite increased expenses for incentives in North America and increased R&D expenses.

Financial Services Business

Revenue from customers in the financial services business operations increased 13.2%, to JPY 379.6 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 9.7% to JPY 100.0 billion from the same period last year due mainly to increased revenue as well as favorable foreign currency effects.

Power Product and Other Businesses

For the six months ended September 30, 2013 and 2014

	Unit (Thousands)			
	Honda Group Unit Sales/ Consolidated Unit Sales			
	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Change	%
Power product business	2,884	2,796	-88	-3.1
Japan	156	153	-3	-1.9
North America	1,332	1,270	-62	-4.7
Europe	393	431	38	9.7
Asia	790	746	-44	-5.6
Other Regions	213	196	-17	-8.0

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. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the six months ended September 30, 2013 and for the six months ended September 30, 2014, since no affiliate accounted for under the equity method was involved in the sale of Honda power products.

Revenue from sales to external customers in power product and other businesses decreased 0.7%, to JPY 147.2 billion from the same period last year, due mainly to decreased revenue in other businesses operations and decreased consolidated unit sales in power products business operations, despite favorable foreign currency translation effects. Operating income increased 144.5% to JPY 1.3 billion from the same period last year, due mainly to continuing cost reduction efforts and decreased R&D expenses.

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 1,963.4 billion, a decrease of 1.4% from the same period last year due mainly to decreased revenue in automobile business operations. Operating income totaled JPY 122.0 billion, an increase of 9.5% from the same period last year due mainly to continuing cost reduction efforts and favorable foreign currency effects, despite increased SG&A expenses and R&D expenses.

In North America, revenue increased by 2.8%, to JPY 3,057.8 billion from the same period last year due mainly to favorable foreign currency translation effects, despite decreased revenue in automobile business operations. Operating income totaled JPY 106.4 billion, a decrease of 9.7% from the same period last year due mainly to increased expenses for incentives, a decrease in sales volume and model mix as well as unfavorable foreign currency effects, despite decreased SG&A expenses as well as continuing cost reduction efforts.

In Europe, revenue increased by 8.3%, to JPY 379.4 billion from the same period last year mainly due to increased revenue in motorcycle business operations as well as favorable foreign currency translation effects. Honda reported an operating loss of JPY 9.0 billion, an improvement of JPY 14.3 billion from the same period last year mainly due to an increase in sales volume and model mix and decreased SG&A expenses, despite unfavorable foreign currency effects.

In Asia, revenue increased by 8.7%, to JPY 1,522.4 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 17.6%, to JPY 133.7 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 Near/Middle East, Africa and Oceania, revenue decreased by 12.6%, to JPY 455.2 billion from the same period last year mainly due to decreased revenue in automobile business operations as well as unfavorable foreign currency translation effects. Operating income totaled JPY 13.7 billion, a decrease of 42.7% from the same period last year mainly due to unfavorable foreign currency effects.

**Consolidated Statements of Balance Sheets for the Fiscal First Half Ended
September 30, 2014**

Total assets increased by JPY 850.5 billion, to JPY 16,472.5 billion from March 31, 2014, mainly due to increases in Property on operating lease and Property, plant and equipment, as well as foreign currency translation effects, despite a decrease in Trade accounts and notes receivables. Total liabilities increased by JPY 447.1 billion, to JPY 9,955.7 billion from March 31, 2014, mainly due to an increase in Short-term debt as well as foreign currency translation effects, despite a decrease in Trade accounts payable. Total equity increased by JPY 403.3 billion, to JPY 6,516.7 billion from March 31, 2014 due mainly to increased Retained earnings attributable to net income as well as foreign currency translation effects.

Consolidated Statements of Cash Flow for the Fiscal First Half Ended September 30, 2014

Consolidated cash and cash equivalents on September 31, 2014 decreased by JPY 6.2 billion from March 31, 2014, to JPY 1,162.7 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 657.3 billion for the fiscal first half ended September 30, 2014. Cash inflows from operating activities decreased by JPY 14.1 billion compared with the same period of the previous fiscal year due mainly to increased payments for parts and raw materials, despite an increase in cash received from customers as a result of increased unit sales of automobiles.

Cash flow from investing activities

Net cash used in investing activities amounted to JPY 729.1 billion. Cash outflows from investing activities decreased by JPY 260.2 billion compared with the same period of the previous fiscal year, due mainly to a decrease in acquisitions of finance subsidiaries-receivables, despite an increase in purchases of operating lease assets.

Cash flow from financing activities

Net cash provided by financing activities amounted to JPY 33.9 billion. Cash inflows from financing activities decreased by JPY 175.7 billion compared with the same period of the previous fiscal year, due mainly to a decrease in proceeds from debt as well as an increase in cash outflow due to an increase in dividends paid.

Forecasts for the Fiscal Year Ending March 31, 2015

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2015, Honda projects consolidated results to be as shown below:

Fiscal year ending March 31, 2015

	<u>Yen (billions)</u>	<u>Changes from FY 2014</u>
Net sales and other operating revenue	12,750.0	+ 7.7%
Operating income	770.0	+ 2.6%
Income before income taxes and equity in income of affiliates	765.0	+ 4.9%
Net income attributable to Honda Motor Co., Ltd.	565.0	- 1.6%
	<u>Yen</u>	
Basic net income attributable to Honda Motor Co., Ltd. per common share	313.49	

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 104 and JPY 137, respectively, for the full year ending March 31, 2015.

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, 2015 from the previous year are as follows.

	<u>Yen (billions)</u>
Revenue, model mix, etc.	73.7
Cost reduction, the effect of raw material cost fluctuations, etc.	43.0
SG&A expenses	- 84.0
R&D expenses	- 12.0
Currency effect	- 1.0
<u>Operating income compared with fiscal year 2014</u>	<u>19.7</u>
Fair value of derivative instruments	- 43.0
Others	59.3
<u>Income before income taxes and equity in income of affiliates compared with fiscal year 2014</u>	<u>36.0</u>

Dividend per Share of Common Stock

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on October 28, 2014, resolved to make the quarterly dividend JPY 22 per share of common stock, the record date of which is September 30, 2014. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2015, is JPY 88 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

Income taxes

Honda computes interim income tax expense (benefit) by multiplying a 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 six months ended September 30, 2014. If a reliable estimate cannot be made, Honda utilizes the actual year-to-date effective tax rate.

Consolidated Financial Summary

For the three months and six months ended September 30, 2013 and 2014

Financial Highlights

	Yen (millions)			
	Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014
Net sales and other operating revenue	2,890,221	3,014,776	5,724,316	6,003,055
Operating income	171,451	164,442	356,414	362,485
Income before income taxes and equity in income of affiliates	165,587	179,865	337,622	378,678
Net income attributable to Honda Motor Co., Ltd.	120,368	141,898	242,867	288,410
	Yen			
Basic net income attributable to Honda Motor Co., Ltd per common share	66.79	78.73	134.75	160.02
	U.S. Dollar (millions)			
		Three months ended Sep. 30, 2014		Six months ended Sep. 30, 2014
Net sales and other operating revenue		27,544		54,847
Operating income		1,502		3,312
Income before income taxes and equity in income of affiliates		1,643		3,460
Net income attributable to Honda Motor Co., Ltd.		1,296		2,635
		U.S. Dollar		
Basic net income attributable to Honda Motor Co., Ltd per common share		0.72		1.46

[1] Consolidated Balance Sheets

	Yen (millions)	
	Mar. 31, 2014	Sep. 30, 2014
Assets		
Current assets:		
Cash and cash equivalents	1,168,914	1,162,705
Trade accounts and notes receivable	1,158,671	1,061,633
Finance subsidiaries-receivables, net	1,464,215	1,575,834
Inventories	1,302,895	1,384,676
Deferred income taxes	202,123	194,330
Other current assets	474,448	490,778
Total current assets	5,771,266	5,869,956
Finance subsidiaries-receivables, net	3,317,553	3,491,702
Investments and advances:		
Investments in and advances to affiliates	564,266	603,479
Other, including marketable equity securities	253,661	277,765
Total investments and advances	817,927	881,244
Property on operating leases:		
Vehicles	2,718,131	3,135,087
Less accumulated depreciation	481,410	534,347
Net property on operating leases	2,236,721	2,600,740
Property, plant and equipment, at cost:		
Land	521,806	530,421
Buildings	1,895,140	1,994,837
Machinery and equipment	4,384,255	4,613,056
Construction in progress	339,093	354,286
	7,140,294	7,492,600
Less accumulated depreciation and amortization	4,321,862	4,539,706
Net property, plant and equipment	2,818,432	2,952,894
Other assets	660,132	676,022
Total assets	15,622,031	16,472,558

[1] Consolidated Balance Sheets – continued

	Yen (millions)	
	Mar. 31, 2014	Sep. 30, 2014
Liabilities and Equity		
Current liabilities:		
Short-term debt	1,319,344	1,560,838
Current portion of long-term debt	1,303,464	1,325,411
Trade payables:		
Notes	28,501	27,809
Accounts	1,071,179	1,047,031
Accrued expenses	626,503	613,964
Income taxes payable	43,085	48,504
Other current liabilities	319,253	340,476
Total current liabilities	4,711,329	4,964,033
Long-term debt, excluding current portion	3,234,066	3,398,044
Other liabilities	1,563,238	1,593,710
Total liabilities	9,508,633	9,955,787
Equity:		
Honda Motor Co., Ltd. shareholders' equity:		
Common stock, authorized 7,086,000,000 shares; issued 1,811,428,430 shares on Mar. 31, 2014 and Sep. 30, 2014	86,067	86,067
Capital surplus	171,117	171,117
Legal reserves	49,276	50,964
Retained earnings	6,431,682	6,639,104
Accumulated other comprehensive income (loss), net	(793,014)	(608,583)
Treasury stock, at cost 9,137,234 shares on Mar. 31, 2014 and 9,139,220 shares on Sep. 30, 2014	(26,149)	(26,156)
Total Honda Motor Co., Ltd. shareholders' equity	5,918,979	6,312,513
Noncontrolling interests	194,419	204,258
Total equity	6,113,398	6,516,771
Commitments and contingent liabilities		
Total liabilities and equity	15,622,031	16,472,558

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

Consolidated Statements of Income

For the three months ended September 30, 2013 and 2014

	Yen (millions)	
	Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014
Net sales and other operating revenue	2,890,221	3,014,776
Operating costs and expenses:		
Cost of sales	2,150,812	2,270,897
Selling, general and administrative	416,863	417,146
Research and development	151,095	162,291
	<u>2,718,770</u>	<u>2,850,334</u>
Operating income	171,451	164,442
Other income (expenses):		
Interest income	5,928	6,457
Interest expense	(2,838)	(4,386)
Other, net	(8,954)	13,352
	<u>(5,864)</u>	<u>15,423</u>
Income before income taxes and equity in income of affiliates	165,587	179,865
Income tax expense:		
Current	59,142	59,577
Deferred	10,288	(9,233)
	<u>69,430</u>	<u>50,344</u>
Income before equity in income of affiliates	96,157	129,521
Equity in income of affiliates	31,686	22,751
Net income	<u>127,843</u>	<u>152,272</u>
Less: Net income attributable to noncontrolling interests	7,475	10,374
Net income attributable to Honda Motor Co., Ltd.	<u>120,368</u>	<u>141,898</u>
	Yen	
Basic net income attributable to Honda Motor Co., Ltd. per common share	66.79	78.73

Consolidated Statements of Comprehensive Income
For the three months ended September 30, 2013 and 2014

	Yen (millions)	
	Three months ended Sep. 30, 2013	Three months ended Sep. 30, 2014
Net income	127,843	152,272
Other comprehensive income (loss), net of tax:		
Adjustments from foreign currency translation	(23,796)	236,107
Unrealized gains (losses) on available-for-sale securities, net	9,756	1,695
Unrealized gains (losses) on derivative instruments, net	(241)	—
Pension and other postretirement benefits adjustments	78,709	4,622
Other comprehensive income (loss), net of tax	64,428	242,424
Comprehensive income (loss)	192,271	394,696
Less: Comprehensive income attributable to noncontrolling interests	4,164	20,540
Comprehensive income (loss) attributable to Honda Motor Co., Ltd.	188,107	374,156

Consolidated Statements of Income
For the six months ended September 30, 2013 and 2014

	Yen (millions)	
	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014
Net sales and other operating revenue	5,724,316	6,003,055
Operating costs and expenses:		
Cost of sales	4,275,221	4,509,159
Selling, general and administrative	799,924	825,986
Research and development	292,757	305,425
	<u>5,367,902</u>	<u>5,640,570</u>
Operating income	356,414	362,485
Other income (expenses):		
Interest income	11,920	11,609
Interest expense	(5,812)	(8,799)
Other, net	(24,900)	13,383
	<u>(18,792)</u>	<u>16,193</u>
Income before income taxes and equity in income of affiliates	337,622	378,678
Income tax expense:		
Current	103,008	138,144
Deferred	37,261	(6,004)
	<u>140,269</u>	<u>132,140</u>
Income before equity in income of affiliates	197,353	246,538
Equity in income of affiliates	63,453	61,339
Net income	<u>260,806</u>	<u>307,877</u>
Less: Net income attributable to noncontrolling interests	17,939	19,467
Net income attributable to Honda Motor Co., Ltd.	<u>242,867</u>	<u>288,410</u>
	Yen	
Basic net income attributable to Honda Motor Co., Ltd. per common share	134.75	160.02

Consolidated Statements of Comprehensive Income
For the six months ended September 30, 2013 and 2014

	Yen (millions)	
	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014
Net income	260,806	307,877
Other comprehensive income (loss), net of tax:		
Adjustments from foreign currency translation	165,750	180,781
Unrealized gains (losses) on available-for-sale securities, net	18,450	9,979
Unrealized gains (losses) on derivative instruments, net	346	—
Pension and other postretirement benefits adjustments	81,394	(104)
Other comprehensive income (loss), net of tax	265,940	190,656
Comprehensive income (loss)	526,746	498,533
Less: Comprehensive income attributable to noncontrolling interests	23,139	25,692
Comprehensive income (loss) attributable to Honda Motor Co., Ltd.	503,607	472,841

[3] Consolidated Statements of Cash Flows

	Yen (millions)	
	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014
Cash flows from operating activities:		
Net income	260,806	307,877
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation excluding property on operating leases	216,736	235,389
Depreciation of property on operating leases	164,334	195,580
Deferred income taxes	37,261	(6,004)
Equity in income of affiliates	(63,453)	(61,339)
Dividends from affiliates	8,060	19,743
Provision for credit and lease residual losses on finance subsidiaries-receivables	10,341	8,273
Impairment loss on property on operating leases	1,322	1,887
Loss (gain) on derivative instruments, net	(39,142)	(2,959)
Decrease (increase) in assets:		
Trade accounts and notes receivable	99,663	117,890
Inventories	39,676	(44,031)
Other current assets	22,522	3,199
Other assets	(7,883)	(26,220)
Increase (decrease) in liabilities:		
Trade accounts and notes payable	(1,393)	(24,587)
Accrued expenses	(16,923)	(19,663)
Income taxes payable	(15,829)	3,523
Other current liabilities	27,696	5,988
Other liabilities	(6,138)	(2,332)
Other, net	(66,154)	(54,850)
Net cash provided by operating activities	671,502	657,364
Cash flows from investing activities:		
Increase in investments and advances	(23,411)	(16,424)
Decrease in investments and advances	25,214	16,131
Payments for purchases of available-for-sale securities	(27,590)	(11,806)
Proceeds from sales of available-for-sale securities	4,085	9,608
Payments for purchases of held-to-maturity securities	(58)	(18,443)
Proceeds from redemptions of held-to-maturity securities	1,753	20,862
Capital expenditures	(355,990)	(350,158)
Proceeds from sales of property, plant and equipment	14,588	28,098
Proceeds from insurance recoveries for damaged property, plant and equipment	6,800	—
Acquisitions of finance subsidiaries-receivables	(1,582,865)	(1,287,722)
Collections of finance subsidiaries-receivables	1,219,326	1,269,162
Purchases of operating lease assets	(582,206)	(723,222)
Proceeds from sales of operating lease assets	310,900	334,421
Other, net	—	328
Net cash used in investing activities	(989,454)	(729,165)

[3] Consolidated Statements of Cash Flows – continued

	Yen (millions)	
	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014
Cash flows from financing activities:		
Proceeds from short-term debt	4,307,274	3,849,955
Repayments of short-term debt	(4,133,849)	(3,680,867)
Proceeds from long-term debt	821,199	607,425
Repayments of long-term debt	(688,583)	(625,855)
Dividends paid	(70,289)	(79,300)
Dividends paid to noncontrolling interests	(8,467)	(13,070)
Sales (purchases) of treasury stock, net	(10)	(7)
Other, net	(17,581)	(24,303)
Net cash provided by financing activities	209,694	33,978
Effect of exchange rate changes on cash and cash equivalents	34,413	31,614
Net change in cash and cash equivalents	(73,845)	(6,209)
Cash and cash equivalents at beginning of year	1,206,128	1,168,914
Cash and cash equivalents at end of the period	1,132,283	1,162,705

[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 and 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 and 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) 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

For the three months ended September 30, 2014

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	438,369	2,310,402	192,982	73,023	3,014,776	—	3,014,776
Intersegment	—	6,089	2,665	2,415	11,169	(11,169)	—
Total	438,369	2,316,491	195,647	75,438	3,025,945	(11,169)	3,014,776
Segment income (loss)	38,130	79,149	48,250	(1,087)	164,442	—	164,442

(B) 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	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

As of and for the six months ended September 30, 2014

	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	846,111	4,629,996	379,683	147,265	6,003,055	—	6,003,055
Intersegment	—	10,247	5,302	5,174	20,723	(20,723)	—
Total	846,111	4,640,243	384,985	152,439	6,023,778	(20,723)	6,003,055
Segment income	82,115	178,985	100,084	1,301	362,485	—	362,485
Assets	1,284,029	6,605,208	8,659,064	373,544	16,921,845	(449,287)	16,472,558
Depreciation and amortization	23,820	204,804	197,060	5,285	430,969	—	430,969
Capital expenditures	21,093	297,268	725,022	4,235	1,047,618	—	1,047,618

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 300,860 million as of September 30, 2013 and JPY 281,684 million as of September 30, 2014 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 164,334 million for the six months ended September 30, 2013 and JPY 195,580 million for the six months ended September 30, 2014, respectively, of depreciation of property on operating leases.
4. Capital expenditure of Financial Services Business includes JPY 582,206 million for the six months ended September 30, 2013 and JPY 723,222 million for the six months ended September 30, 2014 respectively, of purchase of operating lease assets.

In addition to the disclosure required by U.S. GAAP, Honda provides the following supplemental information in order to provide financial statements users with useful information:

2. Supplemental geographical information based on the location of the Company and its subsidiaries

(A) For the three months ended September 30, 2013

	Yen (millions)					Total	Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions			
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

For the three months ended September 30, 2014

	Yen (millions)					Total	Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions			
Net sales and other operating revenue:								
External customers	514,195	1,428,983	169,497	655,733	246,368	3,014,776	—	3,014,776
Transfers between geographic areas	461,328	83,255	15,344	133,272	655	693,854	(693,854)	—
Total	975,523	1,512,238	184,841	789,005	247,023	3,708,630	(693,854)	3,014,776
Operating income (loss)	59,891	38,921	(7,527)	68,495	9,189	168,969	(4,527)	164,442

(B) As of and for the six 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	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

As of and for the six months ended September 30, 2014

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Net sales and other operating revenue:								
External customers	1,061,977	2,882,771	343,745	1,260,464	454,098	6,003,055	—	6,003,055
Transfers between geographic areas	901,505	175,061	35,689	261,970	1,189	1,375,414	(1,375,414)	—
Total	1,963,482	3,057,832	379,434	1,522,434	455,287	7,378,469	(1,375,414)	6,003,055
Operating income (loss)	122,040	106,434	(9,014)	133,773	13,782	367,015	(4,530)	362,485
Assets	3,510,627	9,530,735	643,254	2,159,892	765,941	16,610,449	(137,891)	16,472,558
Long-lived assets	1,286,249	3,472,527	139,316	629,015	177,074	5,704,181	—	5,704,181

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 300,860 million as of September 30, 2013 and JPY 281,684 million as of September 30, 2014 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.

[7] Other

Impairment loss on investments in affiliates

For the three months ended September 30, 2014, Honda recognized impairment loss of JPY 15,901 million, 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.

CONSOLIDATED FINANCIAL SUMMARY 1 FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2014

Yen (billions)	Second Quarter Results				First Half Results				Fiscal Year Results and Forecasts			
	3 months ended Sep. 30, 2013	3 months ended Sep. 30, 2014	change	%	6 months ended Sep. 30, 2013	6 months ended Sep. 30, 2014	change	%	Year ended Mar. 31, 2014	Year ending Mar. 31, 2015	change	%
Net sales and other operating revenue	2,890.2	3,014.7	124.5	4.3	5,724.3	6,003.0	278.7	4.9	11,842.4	12,750.0	907.5	7.7
Operating income	171.4	164.4	- 7.0	- 4.1	356.4	362.4	6.0	1.7	750.2	770.0	19.7	2.6
<as a percentage of net sales>	< 5.9% >	< 5.5% >			< 6.2% >	< 6.0% >			< 6.3% >	< 6.0% >		
Income before income taxes and equity in income of affiliates	165.5	179.8	14.2	8.6	337.6	378.6	41.0	12.2	728.9	765.0	36.0	4.9
<as a percentage of net sales>	< 5.7% >	< 6.0% >			< 5.9% >	< 6.3% >			< 6.2% >	< 6.0% >		
Equity in income of affiliates	31.6	22.7	- 8.9	- 28.2	63.4	61.3	- 2.1	- 3.3	132.4	120.0	- 12.4	- 9.4
<as a percentage of net sales>	< 1.1% >	< 0.8% >			< 1.1% >	< 1.0% >			< 1.1% >	< 0.9% >		
Net income attributable to Honda Motor Co., Ltd.	120.3	141.8	21.5	17.9	242.8	288.4	45.5	18.8	574.1	565.0	- 9.1	- 1.6
<as a percentage of net sales>	< 4.2% >	< 4.7% >			< 4.2% >	< 4.8% >			< 4.8% >	< 4.4% >		
Change factors in Operating income			- 7.0				6.0				19.7	
Change in revenue, model mix, etc.			- 29.5				- 6.7				73.7	
Cost reduction, the effect of raw material cost fluctuations, etc.			15.2				40.3				43.0	
Change in SG&A expenses			6.9				- 16.0				- 84.0	
Change in R&D expenses			- 9.7				- 10.6				- 12.0	
Currency effects			10.0				- 0.7				- 1.0	
Change in average rates			(- 2.1)				(- 14.4)				(- 26.0)	
Translation effects			(12.2)				(13.7)				(25.0)	
Change factors in Other income/expenses			21.2				34.9				16.3	
Unrealized gains and losses related to derivative instruments			- 13.9				- 36.1				- 43.0	
Others			35.2				71.1				59.3	
Honda's average rates	USD=	JPY 99	JPY 104		JPY 99	JPY 103			JPY 100	JPY 104		
	EUR=	JPY 131	JPY 138		JPY 130	JPY 139			JPY 136	JPY 137		
Capital expenditures		132.2	159.5			303.7	300.2			726.1	670.0	
Depreciation and amortization		92.0	100.1			184.2	197.8			375.8	415.0	
Research and development expenses		151.0	162.2			292.7	305.4			634.1	645.0	

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, 2014

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, 2013	3 months ended Sep. 30, 2014	change	%	6 months ended Sep. 30, 2013	6 months ended Sep. 30, 2014	change	%	Year ended Mar. 31, 2014	Year ending Mar. 31, 2015	change	%
Motorcycle Business	4,216	4,581	365	8.7	8,270	8,718	448	5.4	17,021	17,950	929	5.5
Japan	63	50	-13	-20.6	117	98	-19	-16.2	226	220	-6	-2.7
North America	68	69	1	1.5	130	131	1	0.8	276	300	24	8.7
Europe	38	47	9	23.7	90	107	17	18.9	166	180	14	8.4
Asia	3,536	3,998	462	13.1	7,015	7,591	576	8.2	14,536	15,640	1,104	7.6
Other Regions	511	417	-94	-18.4	918	791	-127	-13.8	1,817	1,610	-207	-11.4
Automobile Business	1,047	1,071	24	2.3	2,046	2,132	86	4.2	4,323	4,620	297	6.9
Japan	180	176	-4	-2.2	320	378	58	18.1	818	890	72	8.8
North America	447	434	-13	-2.9	906	879	-27	-3.0	1,757	1,810	53	3.0
Europe	40	45	5	12.5	80	85	5	6.3	169	170	1	0.6
Asia	309	350	41	13.3	594	666	72	12.1	1,286	1,490	204	15.9
Other Regions	71	66	-5	-7.0	146	124	-22	-15.1	293	260	-33	-11.3
Power Product Business	1,295	1,286	-9	-0.7	2,884	2,796	-88	-3.1	6,036	6,185	149	2.5
Japan	93	85	-8	-8.6	156	153	-3	-1.9	314	335	21	6.7
North America	504	497	-7	-1.4	1,332	1,270	-62	-4.7	2,718	2,815	97	3.6
Europe	156	191	35	22.4	393	431	38	9.7	1,032	1,075	43	4.2
Asia	426	410	-16	-3.8	790	746	-44	-5.6	1,500	1,480	-20	-1.3
Other Regions	116	103	-13	-11.2	213	196	-17	-8.0	472	480	8	1.7

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 and sold through our consolidated 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, 2013 and 2014 are 28 thousand units and 31 thousand units, for the six months ended September 30, 2013 and 2014 are 49 thousand units and 53 thousand units, respectively.

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

Unit (thousands)

	Second Quarter Results				First Half Results				Fiscal Year Results and Forecasts			
	3 months ended Sep. 30, 2013	3 months ended Sep. 30, 2014	change	%	6 months ended Sep. 30, 2013	6 months ended Sep. 30, 2014	change	%	Year ended Mar. 31, 2014	Year ending Mar. 31, 2015	change	%
Motorcycle Business	2,585	2,743	158	6.1	4,956	5,200	244	4.9	10,343	10,850	507	4.9
Japan	63	50	-13	-20.6	117	98	-19	-16.2	226	220	-6	-2.7
North America	68	69	1	1.5	130	131	1	0.8	276	300	24	8.7
Europe	38	47	9	23.7	90	107	17	18.9	166	180	14	8.4
Asia	1,905	2,160	255	13.4	3,701	4,073	372	10.1	7,858	8,540	682	8.7
Other Regions	511	417	-94	-18.4	918	791	-127	-13.8	1,817	1,610	-207	-11.4
Automobile Business	869	880	11	1.3	1,727	1,775	48	2.8	3,560	3,760	200	5.6
Japan	178	173	-5	-2.8	317	374	57	18.0	812	880	68	8.4
North America	447	434	-13	-2.9	906	879	-27	-3.0	1,757	1,810	53	3.0
Europe	40	45	5	12.5	80	85	5	6.3	169	170	1	0.6
Asia	133	162	29	21.8	278	313	35	12.6	529	640	111	21.0
Other Regions	71	66	-5	-7.0	146	124	-22	-15.1	293	260	-33	-11.3
Power Product Business	1,295	1,286	-9	-0.7	2,884	2,796	-88	-3.1	6,036	6,185	149	2.5
Japan	93	85	-8	-8.6	156	153	-3	-1.9	314	335	21	6.7
North America	504	497	-7	-1.4	1,332	1,270	-62	-4.7	2,718	2,815	97	3.6
Europe	156	191	35	22.4	393	431	38	9.7	1,032	1,075	43	4.2
Asia	426	410	-16	-3.8	790	746	-44	-5.6	1,500	1,480	-20	-1.3
Other Regions	116	103	-13	-11.2	213	196	-17	-8.0	472	480	8	1.7

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, 2013 and 2014 are 28 thousand units and 31 thousand units, for the six months ended September 30, 2013 and 2014 are 49 thousand units and 53 thousand units, respectively.

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

CONSOLIDATED FINANCIAL SUMMARY 3 FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2014

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, 2013	3 months ended Sep. 30, 2014	change	%	6 months ended Sep. 30, 2013	6 months ended Sep. 30, 2014	change	%
Total	2,890,221	3,014,776	124,555	4.3	5,724,316	6,003,055	278,739	4.9
Japan	427,337	438,469	11,132	2.6	781,886	903,319	121,433	15.5
North America	1,377,663	1,421,370	43,707	3.2	2,775,888	2,868,406	92,518	3.3
Europe	152,372	167,162	14,790	9.7	309,346	340,819	31,473	10.2
Asia	619,686	698,960	79,274	12.8	1,259,911	1,352,416	92,505	7.3
Other Regions	313,163	288,815	- 24,348	- 7.8	597,285	538,095	- 59,190	- 9.9
Motorcycle Business	418,089	438,369	20,280	4.9	814,959	846,111	31,152	3.8
Japan	22,559	18,492	- 4,067	- 18.0	42,215	37,234	- 4,981	- 11.8
North America	32,474	34,480	2,006	6.2	64,848	66,348	1,500	2.3
Europe	22,799	27,026	4,227	18.5	52,203	63,554	11,351	21.7
Asia	205,123	237,012	31,889	15.5	415,101	455,027	39,926	9.6
Other Regions	135,134	121,359	- 13,775	- 10.2	240,592	223,948	- 16,644	- 6.9
Automobile Business	2,229,004	2,310,402	81,398	3.7	4,425,595	4,629,996	204,401	4.6
Japan	373,994	388,583	14,589	3.9	684,030	808,637	124,607	18.2
North America	1,173,647	1,195,871	22,224	1.9	2,364,862	2,420,736	55,874	2.4
Europe	114,535	123,739	9,204	8.0	223,857	241,630	17,773	7.9
Asia	401,199	448,910	47,711	11.9	819,646	871,975	52,329	6.4
Other Regions	165,629	153,299	- 12,330	- 7.4	333,200	287,018	- 46,182	- 13.9
Financial Service Business	170,016	192,982	22,966	13.5	335,412	379,683	44,271	13.2
Japan	8,401	10,858	2,457	29.2	16,872	21,583	4,711	27.9
North America	149,921	167,790	17,869	11.9	296,566	330,267	33,701	11.4
Europe	3,368	3,234	- 134	- 4.0	6,328	6,460	132	2.1
Asia	1,842	2,680	838	45.5	3,430	5,229	1,799	52.4
Other Regions	6,484	8,420	1,936	29.9	12,216	16,144	3,928	32.2
Power Product and Other Businesses	73,112	73,023	- 89	- 0.1	148,350	147,265	- 1,085	- 0.7
Japan	22,383	20,536	- 1,847	- 8.3	38,769	35,865	- 2,904	- 7.5
North America	21,621	23,229	1,608	7.4	49,612	51,055	1,443	2.9
Europe	11,670	13,163	1,493	12.8	26,958	29,175	2,217	8.2
Asia	11,522	10,358	- 1,164	- 10.1	21,734	20,185	- 1,549	- 7.1
Other Regions	5,916	5,737	- 179	- 3.0	11,277	10,985	- 292	- 2.6

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, 2014

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

	Yen (millions)	
	Mar. 31, 2014	Sep. 30, 2014
Assets		
< Non-financial Services Businesses >		
Current assets:	4,223,690	4,268,411
Cash and cash equivalents	1,148,611	1,082,172
Trade accounts and notes receivable, net	660,079	620,803
Inventories	1,302,895	1,384,676
Other current assets	1,112,105	1,180,760
Investments and advances	1,156,389	1,275,540
Property, plant and equipment, net	2,806,443	2,939,306
Other assets	403,998	398,063
Total assets	8,590,520	8,881,320
< Finance Subsidiaries >		
Cash and cash equivalents	20,303	80,533
Finance subsidiaries—short-term receivables, net	1,465,159	1,576,899
Finance subsidiaries—long-term receivables, net	3,319,362	3,493,511
Net property on operating leases	2,236,721	2,600,740
Other assets	939,444	907,381
Total assets	7,980,989	8,659,064
Reconciling items	(949,478)	(1,067,826)
Total assets	15,622,031	16,472,558
Liabilities and Equity		
< Non-financial Services Businesses >		
Current liabilities:	2,339,581	2,314,728
Short-term debt	278,106	235,426
Current portion of long-term debt	96,795	140,934
Trade payables	1,108,428	1,083,843
Accrued expenses	578,209	577,289
Other current liabilities	278,043	277,236
Long-term debt, excluding current portion	190,418	166,200
Other liabilities	851,715	859,747
Total liabilities	3,381,714	3,340,675
< Finance Subsidiaries >		
Short-term debt	1,566,865	1,894,968
Current portion of long-term debt	1,206,876	1,184,589
Accrued expenses	72,049	66,037
Long-term debt, excluding current portion	3,064,476	3,253,923
Other liabilities	829,043	883,630
Total liabilities	6,739,309	7,283,147
Reconciling items	(612,390)	(668,035)
Total liabilities	9,508,633	9,955,787
Honda Motor Co., Ltd. shareholders' equity	5,918,979	6,312,513
Noncontrolling interests	194,419	204,258
Total equity	6,113,398	6,516,771
Total liabilities and equity	15,622,031	16,472,558

CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2014

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

CONSOLIDATED FINANCIAL SUMMARY 5 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2014

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

For the six months ended September 30, 2014	Yen (millions)			
	Non-financial Services Businesses	Finance Subsidiaries	Reconciling Items	Consolidated
Cash flows from operating activities:				
Net income	239,049	68,828	—	307,877
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	233,909	197,060	—	430,969
Deferred income taxes	14,327	(20,331)	—	(6,004)
Equity in income of affiliates	(61,339)	—	—	(61,339)
Dividends from affiliates	19,743	—	—	19,743
Impairment loss on long-lived assets	—	1,887	—	1,887
Loss (gain) on derivative instruments, net	1,359	(4,318)	—	(2,959)
Decrease (increase) in trade accounts and notes receivable	45,323	70,500	2,067	117,890
Decrease (increase) in inventories	(44,031)	—	—	(44,031)
Increase (decrease) in trade accounts and notes payable	(23,611)	(1,356)	380	(24,587)
Other, net	(26,324)	(46,648)	(9,110)	(82,082)
Net cash provided by (used in) operating activities	398,405	265,622	(6,663)	657,364
Cash flows from investing activities:				
* Decrease (increase) in investments and advances	(17,100)	4,645	12,383	(72)
Capital expenditures	(348,358)	(1,800)	—	(350,158)
Proceeds from sales of property, plant and equipment	26,340	1,758	—	28,098
Collections (acquisitions) of finance subsidiaries-receivables	—	(25,322)	6,762	(18,560)
Purchase of operating lease assets	—	(723,222)	—	(723,222)
Proceeds from sales of operating lease assets	—	334,421	—	334,421
Other, net	328	—	—	328
Net cash provided by (used in) investing activities	(338,790)	(409,520)	19,145	(729,165)
Cash flows from financing activities:				
* Proceeds from (repayment of) short-term debt, net	(48,080)	229,753	(12,585)	169,088
* Proceeds from long-term debt	28,240	579,219	(34)	607,425
* Repayment of long-term debt	(17,230)	(608,762)	137	(625,855)
Dividends paid	(79,300)	—	—	(79,300)
Dividends paid to noncontrolling interests	(13,070)	—	—	(13,070)
Sales (purchases) of treasury stock, net	(7)	—	—	(7)
Other, net	(24,303)	—	—	(24,303)
Net cash provided by (used in) financing activities	(153,750)	200,210	(12,482)	33,978
Effect of exchange rate changes on cash and cash equivalents	27,696	3,918	—	31,614
Net change in cash and cash equivalents	(66,439)	60,230	—	(6,209)
Cash and cash equivalents at beginning of period	1,148,611	20,303	—	1,168,914
Cash and cash equivalents at end of period	1,082,172	80,533	—	1,162,705

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 31,723 million increase for the fiscal first half ended September 30, 2013, and a JPY 12,383 million increase for the fiscal first half ended September 30, 2014, 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.