

November 4, 2015

**HONDA MOTOR CO., LTD. REPORTS  
CONSOLIDATED FINANCIAL RESULTS  
FOR THE FISCAL SECOND QUARTER AND FISCAL FIRST HALF YEAR  
ENDED SEPTEMBER 30, 2015**

Tokyo, November 4, 2015--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter and fiscal first half year ended September 30, 2015.

**Second Quarter Results**

Honda's consolidated profit for the period attributable to owners of the parent for the fiscal second quarter ended September 30, 2015 totaled JPY 127.7 billion (USD 1,065 million), an increase of 6.9% from the same period last year. Earnings per share attributable to owners of the parent for the quarter amounted to JPY 70.88 (USD 0.59), an increase of JPY 4.56 (USD 0.04) from JPY 66.32 for the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated sales revenue for the quarter amounted to JPY 3,621.2 billion (USD 30,187 million), an increase of 15.6% from the same period last year, due primarily to increased revenue in automobile, motorcycle, financial services and power product and other business operations, as well as favorable foreign currency translation effects.

Consolidated operating profit for the quarter amounted to JPY 164.8 billion (USD 1,374 million), a decrease of 2.5% from the same period last year, due primarily to increased SG&A expenses, including quality related expenses and unfavorable foreign currency effects, despite an increase in profit attributable to increased sales revenue and model mix, and continuing cost reduction efforts.

Share of profit of investments accounted for using the equity method for the quarter amounted to JPY 34.1 billion (USD 285 million), an increase of 567.4% from the corresponding period last year.

Consolidated profit before income taxes for the quarter totaled JPY 210.9 billion (USD 1,758 million), an increase of 10.7% from the same period last year.

## Business Segment

### Motorcycle Business

For the three months ended September 30, 2014 and 2015

Unit (Thousands)

	Honda Group Unit Sales				Consolidated Unit Sales			
	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2015	Change	%	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2015	Change	%
<b>Motorcycle business</b>	4,348	<b>4,370</b>	22	0.5	2,694	<b>2,740</b>	46	1.7
Japan	50	<b>50</b>	0	0.0	50	<b>50</b>	0	0.0
North America	68	<b>75</b>	7	10.3	68	<b>75</b>	7	10.3
Europe	46	<b>48</b>	2	4.3	46	<b>48</b>	2	4.3
Asia	3,815	<b>3,851</b>	36	0.9	2,161	<b>2,221</b>	60	2.8
Other Regions	369	<b>346</b>	-23	-6.2	369	<b>346</b>	-23	-6.2

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue 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, sales revenue from sales to external customers increased 4.7%, to JPY 453.2 billion (USD 3,779 million) from the same period last year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating profit totaled JPY 49.0 billion (USD 409 million), an increase of 11.3% from the same period last year, due primarily to continuing cost reduction efforts and an increase in sales volume and model mix, despite unfavorable foreign currency effects.

### Automobile Business

For the three months ended September 30, 2014 and 2015

Unit (Thousands)

	Honda Group Unit Sales				Consolidated Unit Sales			
	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2015	Change	%	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2015	Change	%
<b>Automobile business</b>	1,031	<b>1,139</b>	108	10.5	864	<b>889</b>	25	2.9
Japan	176	<b>168</b>	-8	-4.5	158	<b>155</b>	-3	-1.9
North America	434	<b>473</b>	39	9.0	434	<b>473</b>	39	9.0
Europe	44	<b>42</b>	-2	-4.5	44	<b>42</b>	-2	-4.5
Asia	310	<b>395</b>	85	27.4	161	<b>158</b>	-3	-1.9
Other Regions	67	<b>61</b>	-6	-9.0	67	<b>61</b>	-6	-9.0

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue 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 IFRS and are not included in consolidated sales revenue to the external customers in our Automobile business. Accordingly, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our Automobile business.

In automobile business operations, sales revenue from sales to external customers increased 15.7%, to JPY 2,621.6 billion (USD 21,854 million) from the same period last year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating profit totaled JPY 67.7 billion (USD 565 million), a decrease of 12.4% from the same period last year, due primarily to increased SG&A expenses, including quality related expenses and unfavorable foreign currency effects, despite an increase in sales volume and model mix and continuing cost reduction efforts.

## Financial Services Business

Sales revenue from customers in the financial services business operations increased 28.7%, to JPY 462.0 billion (USD 3,851 million) from the same period last year due mainly to an increase in revenue from operating leases and sales of returned lease vehicles as well as favorable foreign currency translation effects. Operating profit increased 6.7% to JPY 51.8 billion (USD 432 million) from the same period last year due mainly to favorable foreign currency effects, despite increased SG&A expenses.

## Power Product and Other Businesses

For the three months ended September 30, 2014 and 2015

	Unit (Thousands)			
	Honda Group Unit Sales/ Consolidated Unit Sales			
	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2015	Change	%
<b>Power product business</b>	1,246	<b>1,275</b>	29	2.3
Japan	85	<b>115</b>	30	35.3
North America	496	<b>532</b>	36	7.3
Europe	185	<b>174</b>	-11	-5.9
Asia	378	<b>346</b>	-32	-8.5
Other Regions	102	<b>108</b>	6	5.9

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue 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, 2014 and 2015, since no affiliates and joint ventures accounted for using the equity method were involved in the sale of Honda power products.

Sales revenue from sales to external customers in power product and other businesses increased 14.6%, to JPY 84.3 billion (USD 703 million) from the same period last year, due mainly to an increased revenue in other businesses and favorable foreign currency translation effects. Honda reported an operating loss of JPY 3.8 billion (USD 32 million), a decline of JPY 2.7 billion (USD 23 million) from the same period last year, due mainly to an increase in operating costs and expenses in other businesses.

### Geographical Information

With respect to Honda's sales for the fiscal second quarter by geographic segment, in Japan, sales revenue from domestic and export sales amounted to JPY 981.9 billion (USD 8,186 million), an increase of 1.6% from the same period last year due mainly to increased revenue in financial service business operations, despite decreased revenue in automobile business operations. Operating profit totaled JPY 26.1 billion (USD 218 million), a decrease of 58.5% from the same period last year, due mainly to a decrease in profit attributable to decreased sales revenue and model mix as well as increased SG&A expenses.

In North America, sales revenue increased by 26.3%, to JPY 2,096.1 billion (USD 17,474 million) from the same period last year due mainly to increased revenue in automobile business operations and favorable foreign currency translation effects. Operating profit totaled JPY 37.4 billion (USD 312 million), a decrease of 12.0% from the same period last year due mainly to increased SG&A expenses, including quality related expenses and unfavorable foreign currency effects, despite an increase in profit attributable to increased sales revenue and model mix.

In Europe, sales revenue increased by 4.8%, to JPY 188.9 billion (USD 1,575 million) from the same period last year due mainly to increased revenue in automobile business operations as well as favorable foreign currency translation effects. Operating profit totaled JPY 3.1 billion (USD 26 million), an increase of JPY 8.8 billion (USD 74 million) from the same period last year due mainly to an increase in profit attributable to increased sales revenue and model mix and continuing cost reduction efforts, despite unfavorable foreign currency effects.

In Asia, sales revenue increased by 12.3%, to JPY 881.4 billion (USD 7,348 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 profit increased by 40.7%, to JPY 86.0 billion (USD 717 million) from the same period last year due mainly to continuing cost reduction efforts, an increase in profit attributable to increased sales revenue and model mix, and favorable foreign currency effects, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle/Near East, Africa and Oceania, sales revenue decreased by 11.3%, to JPY 210.5 billion (USD 1,755 million) from the same period last year mainly due to decreased revenue in motorcycle business operations as well as unfavorable foreign currency translation effects, despite increased revenue in automobile business operations. Operating profit totaled JPY 7.2 billion (USD 60 million), a decrease of 47.2% from the same period last year mainly due to unfavorable foreign currency effects, despite continuing cost reduction effort and an increase in profit attributable to increased sales revenue and model mix.

Explanatory note:

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 119.96=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, 2015.

## **First Half Year Results**

Honda's consolidated profit for the period attributable to owners of the parent for the fiscal half year ended September 30, 2015 totaled JPY 313.7 billion, an increase of 14.0% from the same period last year. Earnings per share attributable to owners of the parent for the fiscal first half year amounted to JPY 174.11, an increase of JPY 21.45 from JPY 152.66 for the corresponding period last year.

Consolidated sales revenue for the fiscal half year amounted to JPY 7,326.0 billion, an increase of 15.6% from the same period last year, due primarily to increased revenue in all business operations, as well as favorable foreign currency translation effects.

Consolidated operating profit for the fiscal half year amounted to JPY 404.1 billion, an increase of 7.9% from the same period last year, due primarily to an increase in profit attributable to increased sales revenue and model mix, and continuing cost reduction efforts, despite increased SG&A expenses, including quality related expenses.

Share of profit of investments accounted for using the equity method for the fiscal half year amounted to JPY 72.5 billion, an increase of 75.3% from the corresponding period last year.

Consolidated profit before income taxes for the fiscal half year totaled JPY 493.2 billion, an increase of 13.6% from the same period last year.

## Business Segment

### Motorcycle Business

For the six months ended September 30, 2014 and 2015

Unit (Thousands)

	Honda Group Unit Sales				Consolidated Unit Sales			
	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015	Change	%	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015	Change	%
<b>Motorcycle business</b>	8,700	<b>8,475</b>	-225	-2.6	5,197	<b>5,285</b>	88	1.7
Japan	98	<b>97</b>	-1	-1.0	98	<b>97</b>	-1	-1.0
North America	129	<b>150</b>	21	16.3	129	<b>150</b>	21	16.3
Europe	106	<b>114</b>	8	7.5	106	<b>114</b>	8	7.5
Asia	7,577	<b>7,422</b>	-155	-2.0	4,074	<b>4,232</b>	158	3.9
Other Regions	790	<b>692</b>	-98	-12.4	790	<b>692</b>	-98	-12.4

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue 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, sales revenue from sales to external customers increased 7.8%, to JPY 925.9 billion from the same period last year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating profit totaled JPY 104.6 billion, an increase of 22.0% from the same period last year, due primarily to continuing cost reduction efforts and an increase in sales volume and model mix, despite increased SG&A expenses, and unfavorable foreign currency effects.

### Automobile Business

For the six months ended September 30, 2014 and 2015

Unit (Thousands)

	Honda Group Unit Sales				Consolidated Unit Sales			
	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015	Change	%	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015	Change	%
<b>Automobile business</b>	2,124	<b>2,286</b>	162	7.6	1,760	<b>1,777</b>	17	1.0
Japan	378	<b>315</b>	-63	-16.7	353	<b>290</b>	-63	-17.8
North America	883	<b>970</b>	87	9.9	883	<b>970</b>	87	9.9
Europe	82	<b>74</b>	-8	-9.8	82	<b>74</b>	-8	-9.8
Asia	651	<b>800</b>	149	22.9	312	<b>316</b>	4	1.3
Other Regions	130	<b>127</b>	-3	-2.3	130	<b>127</b>	-3	-2.3

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue 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 IFRS and are not included in consolidated sales revenue to the external customers in our Automobile business. Accordingly, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our Automobile business.

In automobile business operations, sales revenue from sales to external customers increased 15.0%, to JPY 5,297.5 billion from the same period last year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating profit totaled JPY 198.5 billion, an increase of 5.5% from the same period last year, due primarily to an increase in sales volume and model mix as well as continuing cost reduction efforts, despite increased SG&A expenses, including quality related expenses.

## Financial Services Business

Sales revenue from customers in the financial services business operations increased 29.3%, to JPY 935.6 billion from the same period last year due mainly to an increase in revenue from operating leases and sales of returned lease vehicles as well as favorable foreign currency translation effects. Operating profit increased 6.2% to JPY 104.3 billion from the same period last year due mainly to favorable foreign currency effects, despite increased SG&A expenses.

## Power Product and Other Businesses

For the six months ended September 30, 2014 and 2015

	Unit (Thousands)			
	Honda Group Unit Sales/ Consolidated Unit Sales			
	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015	Change	%
<b>Power product business</b>	2,823	<b>2,833</b>	10	0.4
Japan	153	<b>200</b>	47	30.7
North America	1,271	<b>1,336</b>	65	5.1
Europe	430	<b>405</b>	-25	-5.8
Asia	774	<b>686</b>	-88	-11.4
Other Regions	195	<b>206</b>	11	5.6

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue 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, 2014 and 2015, since no affiliates and joint ventures accounted for using the equity method were involved in the sale of Honda power products.

Sales revenue from sales to external customers in power product and other businesses increased 10.3%, to JPY 166.8 billion from the same period last year, due mainly to increased sales revenue in other businesses as well as favorable foreign currency translation effects. Honda reported an operating loss of JPY 3.3 billion, a decrease of JPY 5.6 billion from the same period last year, due mainly to an increase in operating costs and expenses in other businesses.



### Geographical Information

With respect to Honda's sales for the fiscal first half year by geographic segment, in Japan, sales revenue from domestic and export sales amounted to JPY 1,898.5 billion, a decrease of 2.7% from the same period last year due mainly to decreased revenue in automobile business operations, despite increased revenue in financial service business operations. Operating profit totaled JPY 53.9 billion, a decrease of 57.1% from the same period last year, due mainly to a decrease in profit attributable to decreased sales revenue and model mix as well as increased SG&A expenses, including quality related expenses, despite favorable foreign currency effects.

In North America, sales revenue increased by 26.5%, to JPY 4,287.7 billion from the same period last year due mainly to increased revenue in automobile business operations and favorable foreign currency translation effects. Operating profit totaled JPY 146.4 billion, an increase of 34.1% from the same period last year due mainly to an increase in profit attributable to increased sales revenue and model mix, despite increased SG&A expenses, including quality related expenses and unfavorable foreign currency effects.

In Europe, sales revenue decreased by 3.5%, to JPY 359.7 billion from the same period last year due mainly to decreased revenue in automobile business operations. Operating profit totaled JPY 2.1 billion, an increase of JPY 6.1 billion from the same period last year due mainly to continuing cost reduction efforts, despite unfavorable foreign currency effects.

In Asia, sales revenue increased by 15.7%, to JPY 1,780.3 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 profit increased by 39.6%, to JPY 181.5 billion from the same period last year due mainly to an increase in profit attributable to increased sales revenue and model mix, continuing cost reduction efforts and favorable foreign currency effects, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle/Near East, Africa and Oceania, sales revenue decreased by 5.5%, to JPY 451.1 billion from the same period last year mainly due to decreased revenue in motorcycle business operations as well as unfavorable foreign currency translation effects, despite increased revenue in automobile business operations. Operating profit totaled JPY 11.7 billion, a decrease of 47.2% from the same period last year mainly due to increased SG&A expenses as well as unfavorable foreign currency effects, despite continuing cost reduction efforts and an increase in profit attributable to increased sales revenue and model mix.

## **Consolidated Statements of Balance Sheets for the Fiscal First Half Ended September 30, 2015**

Total assets decreased by JPY 103.5 billion, to JPY 18,322.2 billion from March 31, 2015, mainly due to a decrease in Receivables from financial services as well as foreign currency translation effects, despite an increase in Cash and cash equivalents and Equipment on operating lease. Total liabilities decreased by JPY 114.8 billion, to JPY 10,928.1 billion from March 31, 2015, mainly due to foreign currency translation effects, despite an increase in Financing liabilities. Total equity increased by JPY 11.3 billion, to JPY 7,394.1 billion from March 31, 2015 due mainly to increased Retained earnings attributable to increased Profit for the period, despite foreign currency translation effects.

## **Consolidated Statements of Cash Flow for the Fiscal First Half Ended September 30, 2015**

Consolidated cash and cash equivalents on September 30, 2015 increased by JPY 171.8 billion from March 31, 2015, to JPY 1,643.6 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 705.5 billion for the fiscal first half ended September 30, 2015. Cash inflows from operating activities increased by JPY 353.7 billion compared with the same period of the previous fiscal year due mainly to an increase in cash received from customers attributable to increased unit sales, despite increased payments for parts, raw materials and purchase of equipment on operating leases.

### **Cash flow from investing activities**

Net cash used in investing activities amounted to JPY 428.5 billion. Cash outflows from investing activities increased by JPY 37.8 billion compared with the same period of the previous fiscal year, due mainly to an increase in payments for internally developed intangible assets.

### **Cash flow from financing activities**

Net cash used in financing activities amounted to JPY 43.3 billion. Cash outflows from financing activities increased by JPY 60.5 billion compared with the same period of the previous fiscal year, due mainly to an increase in repayments of financing liabilities.

## Forecasts for the Fiscal Year Ending March 31, 2016

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2016, Honda projects consolidated results to be as shown below:

### **Fiscal year ending March 31, 2016**

	<u>Yen (billions)</u>	<u>Changes from FY 2015</u>
Sales revenue	14,600.0	+ 9.5%
Operating profit	685.0	+ 2.1%
Profit before income taxes	805.0	- 0.2%
Profit for the year attributable to owners of the parent	525.0	+ 3.1%
	<u>Yen</u>	
Earnings per share attributable to owners of the parent	291.30	
Basic and diluted		

Note: The forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar will be JPY 118 for the full year ending March 31, 2016.

The reasons for the increases or decreases in the forecasts of the operating profit, and profit before income taxes for the fiscal year ending March 31, 2016 from the previous year are as follows.

	Yen (billions)
Revenue, model mix, etc.	+ 143.3
Cost reduction, the effect of raw material cost fluctuations, etc.	+ 92.0
SG&A expenses	- 82.0
R&D expenses	- 51.0
Currency effect	- 88.0
<hr/> Operating profit compared with fiscal year 2015	<hr/> + 14.3
Share of profit of investments accounted for using the equity method	+ 38.9
Finance income and finance costs	- 54.5
<hr/> Profit before income taxes compared with fiscal year 2015	<hr/> - 1.2

## **Dividend per Share of Common Stock**

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on November 4, 2015, resolved to make the quarterly dividend JPY 22 per share of common stock, the record date of which is September 30, 2015. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2016, 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 the actual results of the Company could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in the principal markets of the Company, its consolidated subsidiaries and its affiliates accounted for by the equity-method, and fluctuation of foreign exchange rates, as well as other factors detailed from time to time.

## Consolidated Financial Summary

For the three months and six months ended September 30, 2014 and 2015

### Financial Highlights

	Yen (millions)			
	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2015	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015
Sales revenue	3,131,935	<b>3,621,277</b>	6,338,678	<b>7,326,039</b>
Operating profit	168,997	<b>164,842</b>	374,504	<b>404,128</b>
Profit before income taxes	190,560	<b>210,939</b>	434,159	<b>493,266</b>
Profit for the period attributable to owners of the parent	119,530	<b>127,751</b>	275,134	<b>313,788</b>
	Yen			
Earnings per share attributable to owners of the parent Basic and diluted	66.32	<b>70.88</b>	152.66	<b>174.11</b>

	U.S. Dollar (millions)	
	Three months ended Sep. 30, 2015	Six months ended Sep. 30, 2015
Sales revenue	<b>30,187</b>	<b>61,071</b>
Operating profit	<b>1,374</b>	<b>3,369</b>
Profit before income taxes	<b>1,758</b>	<b>4,112</b>
Profit for the period attributable to owners of the parent	<b>1,065</b>	<b>2,616</b>
	U.S. Dollar	
Earnings per share attributable to owners of the parent Basic and diluted	<b>0.59</b>	<b>1.45</b>

## [1] Condensed Consolidated Statements of Financial Position

		Yen (millions)	
		Mar. 31, 2015	Sep. 30, 2015
Assets			
Current assets:			
Cash and cash equivalents		1,471,730	1,643,627
Trade receivables		820,681	724,242
Receivables from financial services		2,098,951	1,990,240
Other financial assets		92,708	61,299
Inventories		1,498,312	1,371,274
Other current assets		313,758	271,287
Total current assets		<u>6,296,140</u>	<u>6,061,969</u>
Non-current assets:			
Investments accounted for using the equity method		614,975	668,247
Receivables from financial services		3,584,654	3,428,550
Other financial assets		350,579	338,593
Equipment on operating leases		3,335,367	3,632,015
Property, plant and equipment		3,189,511	3,115,430
Intangible assets		759,535	796,357
Deferred tax assets		138,069	123,064
Other non-current assets		157,007	158,044
Total non-current assets		<u>12,129,697</u>	<u>12,260,300</u>
Total assets		<u>18,425,837</u>	<u>18,322,269</u>
Liabilities and Equity			
Current liabilities:			
Trade payables		1,157,738	992,165
Financing liabilities		2,833,563	2,667,772
Accrued expenses		377,372	358,751
Other financial liabilities		109,715	100,073
Income taxes payable		53,654	87,826
Provisions		294,281	369,569
Other current liabilities		474,731	471,933
Total current liabilities		<u>5,301,054</u>	<u>5,048,089</u>
Non-current liabilities:			
Financing liabilities		3,926,276	4,134,023
Other financial liabilities		61,147	51,318
Retirement benefit liabilities		592,724	598,856
Provisions		182,661	160,831
Deferred tax liabilities		744,410	704,611
Other non-current liabilities		234,744	230,416
Total non-current liabilities		<u>5,741,962</u>	<u>5,880,055</u>
Total liabilities		<u>11,043,016</u>	<u>10,928,144</u>
Equity:			
Common stock		86,067	86,067
Capital surplus		171,118	171,118
Treasury stock		(26,165)	(26,172)
Retained earnings		6,083,573	6,317,809
Other components of equity		794,034	590,589
Equity attributable to owners of the parent		<u>7,108,627</u>	<u>7,139,411</u>
Non-controlling interests		274,194	254,714
Total equity		<u>7,382,821</u>	<u>7,394,125</u>
Total liabilities and equity		<u>18,425,837</u>	<u>18,322,269</u>

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

**Condensed Consolidated Statements of Income**

For the three months ended September 30, 2014 and 2015

	Yen (millions)	
	Three months ended Sep. 30, 2014	<b>Three months ended Sep. 30, 2015</b>
Sales revenue	3,131,935	<b>3,621,277</b>
Operating costs and expenses:		
Cost of sales	(2,440,476)	<b>(2,828,705)</b>
Selling, general and administrative	(368,169)	<b>(479,067)</b>
Research and development	(154,293)	<b>(148,663)</b>
Total operating costs and expenses	<u>(2,962,938)</u>	<u><b>(3,456,435)</b></u>
Operating profit	<u>168,997</u>	<u><b>164,842</b></u>
Share of profit of investments accounted for using the equity method	5,124	<b>34,199</b>
Finance income and finance costs:		
Interest income	6,222	<b>6,302</b>
Interest expense	(4,820)	<b>(4,307)</b>
Other, net	<u>15,037</u>	<u><b>9,903</b></u>
Total finance income and finance costs	<u>16,439</u>	<u><b>11,898</b></u>
Profit before income taxes	190,560	<b>210,939</b>
Income tax expense	<u>(58,430)</u>	<u><b>(68,598)</b></u>
Profit for the year	<u><u>132,130</u></u>	<u><u><b>142,341</b></u></u>
Profit for the period attributable to:		
Owners of the parent	119,530	<b>127,751</b>
Non-controlling interests	12,600	<b>14,590</b>
	Yen	
Earnings per share attributable to owners of the parent		
Basic and diluted	66.32	<b>70.88</b>



## Condensed Consolidated Statements of Comprehensive Income

For the three months ended September 30, 2014 and 2015

	Yen (millions)	
	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2015
Profit for the period	132,130	<b>142,341</b>
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	326	—
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	2,067	<b>(15,206)</b>
Share of other comprehensive income of investments accounted for using the equity method	1,699	<b>(2,557)</b>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	259,209	<b>(278,654)</b>
Share of other comprehensive income of investments accounted for using the equity method	19,574	<b>(16,120)</b>
Total other comprehensive income, net of tax	<u>282,875</u>	<u><b>(312,537)</b></u>
Comprehensive income for the period	<u>415,005</u>	<u><b>(170,196)</b></u>
Comprehensive income for the period attributable to:		
Owners of the parent	388,034	<b>(165,942)</b>
Non-controlling interests	26,971	<b>(4,254)</b>

**Condensed Consolidated Statements of Income**  
For the six months ended September 30, 2014 and 2015

	Yen (millions)	
	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015
Sales revenue	6,338,678	<b>7,326,039</b>
Operating costs and expenses:		
Cost of sales	(4,942,088)	<b>(5,714,351)</b>
Selling, general and administrative	(730,577)	<b>(913,555)</b>
Research and development	(291,509)	<b>(294,005)</b>
Total operating costs and expenses	<u>(5,964,174)</u>	<u><b>(6,921,911)</b></u>
Operating profit	<u>374,504</u>	<u><b>404,128</b></u>
Share of profit of investments accounted for using the equity method	41,362	<b>72,514</b>
Finance income and finance costs:		
Interest income	12,377	<b>14,094</b>
Interest expense	(9,558)	<b>(9,132)</b>
Other, net	<u>15,474</u>	<u><b>11,662</b></u>
Total finance income and finance costs	<u>18,293</u>	<u><b>16,624</b></u>
Profit before income taxes	434,159	<b>493,266</b>
Income tax expense	<u>(134,946)</u>	<u><b>(147,049)</b></u>
Profit for the year	<u><u>299,213</u></u>	<u><u><b>346,217</b></u></u>
Profit for the period attributable to:		
Owners of the parent	275,134	<b>313,788</b>
Non-controlling interests	24,079	<b>32,429</b>
	Yen	
Earnings per share attributable to owners of the parent		
Basic and diluted	152.66	<b>174.11</b>

**Condensed Consolidated Statements of Comprehensive Income**  
For the six months ended September 30, 2014 and 2015

	Yen (millions)	
	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015
Profit for the period	299,213	<b>346,217</b>
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(6,591)	—
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	10,953	<b>(12,628)</b>
Share of other comprehensive income of investments accounted for using the equity method	1,055	<b>(2,193)</b>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	221,077	<b>(199,042)</b>
Share of other comprehensive income of investments accounted for using the equity method	18,499	<b>(8,404)</b>
Total other comprehensive income, net of tax	<u>244,993</u>	<u><b>(222,267)</b></u>
Comprehensive income for the period	<u>544,206</u>	<u><b>123,950</b></u>
Comprehensive income for the period attributable to:		
Owners of the parent	509,884	<b>110,091</b>
Non-controlling interests	34,322	<b>13,859</b>

### [3] Condensed Consolidated Statements of Changes in Equity

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

	Yen (millions)							
	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
Balance as of April 1, 2014	86,067	171,117	(26,149)	5,831,140	273,359	6,335,534	223,394	6,558,928
Comprehensive income for the period								
Profit for the period				275,134		275,134	24,079	299,213
Other comprehensive income, net of tax					234,750	234,750	10,243	244,993
Total comprehensive income for the period				275,134	234,750	509,884	34,322	544,206
Reclassification to retained earnings				(6,522)	6,522	—		—
Transactions with owners and other								
Dividends paid				(79,300)		(79,300)	(15,395)	(94,695)
Purchases of treasury stock				(8)		(8)		(8)
Disposal of treasury stock				1		1		1
Equity transactions and others							(2,924)	(2,924)
Total transactions with owners and other				(7)	(79,300)	(79,307)	(18,319)	(97,626)
Balance as of September 30, 2014	86,067	171,117	(26,156)	6,020,452	514,631	6,766,111	239,397	7,005,508

As of and for the six months ended September 30, 2015

	Yen (millions)							
	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
Balance as of April 1, 2015	86,067	171,118	(26,165)	6,083,573	794,034	7,108,627	274,194	7,382,821
Comprehensive income for the period								
Profit for the period				313,788		313,788	32,429	346,217
Other comprehensive income, net of tax					(203,697)	(203,697)	(18,570)	(222,267)
Total comprehensive income for the period				313,788	(203,697)	110,091	13,859	123,950
Reclassification to retained earnings				(252)	252	—		—
Transactions with owners and other								
Dividends paid				(79,300)		(79,300)	(30,739)	(110,039)
Purchases of treasury stock				(7)		(7)		(7)
Disposal of treasury stock								
Equity transactions and others							(2,600)	(2,600)
Total transactions with owners and other				(7)	(79,300)	(79,307)	(33,339)	(112,646)
Balance as of September 30, 2015	86,067	171,118	(26,172)	6,317,809	590,589	7,139,411	254,714	7,394,125

#### [4] Consolidated Statements of Cash Flows

	Yen (millions)	
	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015
Cash flows from operating activities:		
Profit before income taxes	434,159	<b>493,266</b>
Depreciation, amortization and impairment losses excluding equipment on operating leases	294,624	<b>326,092</b>
Share of profit of investments accounted for using the equity method	(41,362)	<b>(72,514)</b>
Finance income and finance costs, net	(13,618)	<b>2,707</b>
Interest income and interest costs from financial services, net	(85,958)	<b>(80,846)</b>
Changes in assets and liabilities		
Trade receivables	26,932	<b>36,657</b>
Inventories	(21,176)	<b>78,041</b>
Trade payables	(46,835)	<b>(35,541)</b>
Accrued expenses	(23,152)	<b>(25,100)</b>
Provisions and retirement benefit liabilities	4,113	<b>66,212</b>
Receivables from financial services	106,890	<b>200,799</b>
Equipment on operating leases	(268,788)	<b>(320,178)</b>
Other assets and liabilities	13,002	<b>(11,828)</b>
Other, net	(7,813)	<b>(3,164)</b>
Dividends received	29,973	<b>53,091</b>
Interest received	113,457	<b>120,247</b>
Interest paid	(45,951)	<b>(45,943)</b>
Income taxes paid, net of refunds	(116,722)	<b>(76,484)</b>
Net cash provided by (used in) operating activities	<u>351,775</u>	<u><b>705,514</b></u>
Cash flows from investing activities:		
Payments for additions to property, plant and equipment	(313,708)	<b>(314,887)</b>
Payments for additions to and internally developed intangible assets	(94,599)	<b>(115,462)</b>
Proceeds from sales of property, plant and equipment and intangible assets	16,673	<b>14,406</b>
Payments for acquisitions of other financial assets	(45,581)	<b>(74,024)</b>
Proceeds from sales and redemptions of other financial assets	46,626	<b>63,100</b>
Other, net	(126)	<b>(1,656)</b>
Net cash provided by (used in) investing activities	<u>(390,715)</u>	<u><b>(428,523)</b></u>
Cash flows from financing activities:		
Proceeds from short-term financing liabilities	4,017,079	<b>4,239,202</b>
Repayments of short-term financing liabilities	(3,846,338)	<b>(4,541,807)</b>
Proceeds from long-term financing liabilities	607,999	<b>1,056,529</b>
Repayments of long-term financing liabilities	(641,597)	<b>(662,588)</b>
Dividends paid to owners of the parent	(79,300)	<b>(79,300)</b>
Dividends paid to non-controlling interests	(15,933)	<b>(30,722)</b>
Purchases and sales of treasury stock, net	(7)	<b>(7)</b>
Other, net	(24,730)	<b>(24,677)</b>
Net cash provided by (used in) financing activities	<u>17,173</u>	<u><b>(43,370)</b></u>
Effect of exchange rate changes on cash and cash equivalents	40,723	<b>(61,724)</b>
Net change in cash and cash equivalents	18,956	<b>171,897</b>
Cash and cash equivalents at beginning of year	1,193,584	<b>1,471,730</b>
Cash and cash equivalents at end of period	<u>1,212,540</u>	<u><b>1,643,627</b></u>

**[5] Assumptions for Going Concern**

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 for 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 Company's condensed 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, and Sales and related services
Automobile Business	Automobiles and relevant parts	Research & Development, Manufacturing, and Sales and related services
Financial Services Business	Financial 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

For the three months ended September 30, 2014

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	432,777	2,266,514	359,056	73,588	3,131,935	—	3,131,935
Intersegment	—	39,404	2,953	5,280	47,637	(47,637)	—
Total	432,777	2,305,918	362,009	78,868	3,179,572	(47,637)	3,131,935
Segment profit (loss)	44,091	77,395	48,599	(1,088)	168,997	—	168,997

For the three months ended September 30, 2015

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	453,291	2,621,653	462,006	84,327	3,621,277	—	3,621,277
Intersegment	—	33,899	3,179	3,971	41,049	(41,049)	—
Total	453,291	2,655,552	465,185	88,298	3,662,326	(41,049)	3,621,277
Segment profit (loss)	49,068	67,773	51,867	(3,866)	164,842	—	164,842

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

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	859,252	4,604,728	723,462	151,236	6,338,678	—	6,338,678
Intersegment	—	58,467	5,502	10,922	74,891	(74,891)	—
Total	859,252	4,663,195	728,964	162,158	6,413,569	(74,891)	6,338,678
Segment profit (loss)	85,757	188,234	98,225	2,288	374,504	—	374,504
Segment assets	1,356,057	7,099,827	8,643,687	335,090	17,434,661	(494,740)	16,939,921
Depreciation and amortization	33,405	251,530	216,428	5,960	507,323	—	507,323
Capital expenditures	30,806	355,429	800,181	4,744	1,191,160	—	1,191,160

As of and for the six months ended September 30, 2015

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	925,994	5,297,540	935,678	166,827	7,326,039	—	7,326,039
Intersegment	—	64,086	6,368	9,669	80,123	(80,123)	—
Total	925,994	5,361,626	942,046	176,496	7,406,162	(80,123)	7,326,039
Segment profit (loss)	104,638	198,527	104,309	(3,346)	404,128	—	404,128
Segment assets	1,356,427	7,478,846	9,377,731	343,048	18,556,052	(233,783)	18,322,269
Depreciation and amortization	36,356	281,526	301,048	6,575	625,505	—	625,505
Capital expenditures	32,976	360,776	1,030,924	6,356	1,431,032	—	1,431,032

Explanatory notes:

1. Intersegment sales revenues are generally made at values that approximate arm's-length prices.
2. Unallocated corporate assets, included in reconciling items, amounted to JPY 289,228 million as of September 30, 2014 and JPY 430,679 million as of September 30, 2015 respectively, which consist primarily of cash and cash equivalents and financial assets measured at fair value through other comprehensive income.



In addition to the disclosure required by IFRS, 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

### For the three months ended September 30, 2014

	Yen (millions)							Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	
Sales revenue:								
External customers	504,835	1,584,271	164,987	641,596	236,246	3,131,935	—	3,131,935
Inter-geographic areas	461,615	75,495	15,338	143,403	1,178	697,029	(697,029)	—
Total	966,450	1,659,766	180,325	784,999	237,424	3,828,964	(697,029)	3,131,935
Operating profit (loss)	63,012	42,587	(5,735)	61,104	13,672	174,640	(5,643)	168,997

### For the three months ended September 30, 2015

	Yen (millions)							Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	
Sales revenue:								
External customers	525,761	2,000,518	166,132	719,479	209,387	3,621,277	—	3,621,277
Inter-geographic areas	456,234	95,634	22,807	161,977	1,196	737,848	(737,848)	—
Total	981,995	2,096,152	188,939	881,456	210,583	4,359,125	(737,848)	3,621,277
Operating profit (loss)	26,161	37,466	3,135	86,003	7,213	159,978	4,864	164,842

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

Yen (millions)								
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Sales revenue:								
External customers	1,049,517	3,214,185	337,242	1,261,861	475,873	6,338,678	—	6,338,678
Inter-geographic areas	902,564	174,673	35,688	276,802	1,823	1,391,550	(1,391,550)	—
Total	1,952,081	3,388,858	372,930	1,538,663	477,696	7,730,228	(1,391,550)	6,338,678
Operating profit (loss)	125,862	109,255	(3,945)	130,093	22,209	383,474	(8,970)	374,504
Assets	3,989,531	9,463,807	626,232	2,232,441	767,870	17,079,881	(139,960)	16,939,921
Non-current assets other than financial instruments and deferred tax assets	2,101,119	3,564,177	132,426	666,003	202,035	6,665,760	—	6,665,760

**As of and for the six months ended September 30, 2015**

Yen (millions)								
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Sales revenue:								
External customers	988,830	4,105,050	318,139	1,464,644	449,376	7,326,039	—	7,326,039
Inter-geographic areas	909,724	182,718	41,611	315,743	1,810	1,451,606	(1,451,606)	—
Total	1,898,554	4,287,768	359,750	1,780,387	451,186	8,777,645	(1,451,606)	7,326,039
Operating profit (loss)	53,971	146,489	2,179	181,573	11,717	395,929	8,199	404,128
Assets	4,127,849	10,564,347	639,202	2,431,728	584,145	18,347,271	(25,002)	18,322,269
Non-current assets other than financial instruments and deferred tax assets	2,329,318	4,369,043	112,638	723,554	167,293	7,701,846	—	7,701,846

Explanatory notes:

1. 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

2. Sales revenues between geographic areas are generally made at values that approximate arm's-length prices.

3. Unallocated corporate assets, included in reconciling items, amounted to JPY 289,228 million as of September 30, 2014 and JPY 430,679 million as of September 30, 2015 respectively, which consist primarily of cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

## **[7] Other**

### **1. Loss related to airbag inflators**

Honda provides warranty programs with regard to the product recalls and SIC (Safety Improvement Campaign) related to airbag inflators. Honda recognizes a provision for specific warranty costs when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. There is a possibility that Honda will need to recognize additional provisions when new evidence related to product recalls arise, however, it is not possible for Honda to reasonably estimate the amount and timing of potential future losses as of the date of this report.

In North America, various class actions related to the above mentioned product recalls and SIC have been filed against Honda since October 2014. The plaintiffs have claimed for properly functioning airbag inflators, compensation of economic losses including for incurred costs and the decline in the value of vehicles, as well as punitive damages. Most of the cases in the United States were transferred to the United States District Court for the Southern District of Florida and consolidated into a multi-district litigation.

Regarding the above matter, Honda did not recognize a provision for loss contingencies because the conditions for a provision have not been met as of the date of this report. Also, it is not possible for Honda to reasonably estimate the amount and timing of potential future losses as of the date of this report because there is uncertainty regarding the period when these lawsuits will be concluded.

### **2. Transfer pricing tax refund**

In May 2015, the lawsuit related to transfer pricing involving the Company's foreign transactions with certain Brazilian subsidiaries was concluded, and it was ruled that the Company shall receive a tax refund plus interest in Japan. As a result, income tax expense decreased by JPY 19,145 million for the six months ended September 30, 2015

### **3. Impairment loss on investments in affiliates**

For the six months ended September 30, 2014, the Company recognized impairment losses of JPY 17,365 million on certain investments accounted for using the equity method because there is objective evidence of impairment from declines in quoted market values. The impairment losses are included in share of profit of investments accounted for using the equity method in the consolidated statement of income. For the six months ended September 30, 2015, the Company did not recognize any significant impairment losses.