

HONDA MOTOR CO LTD
Form 6-K
November 22, 2010
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No.1-7628

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF October 2010

COMMISSION FILE NUMBER: 1-07628

HONDA GIKEN KOGYO KABUSHIKI KAISHA

(Name of registrant)

HONDA MOTOR CO., LTD.

(Translation of registrant's name into English)

1-1, Minami-Aoyama 2-chome, Minato-ku, Tokyo 107-8556, Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Exhibit 1:

On October 29, 2010, Honda Motor Co., Ltd. announced its consolidated financial results for the fiscal second quarter and six months ended September 30, 2010.

Exhibit 2:

On October 29, 2010, Honda Motor Co., Ltd. (the Company) revised its forecasts for consolidated financial results of the fiscal year ending March 31, 2011 that were announced on July 30, 2010 as well as for the unconsolidated financial results of the fiscal year ending March 31, 2011 that were announced on April 28, 2010, based on various factors such as recent trends in the Company's financial results.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HONDA GIKEN KOGYO KABUSHIKI KAISHA (
HONDA MOTOR CO., LTD.)

/s/ Yoichi Hojo
Yoichi Hojo
Director
Chief Operating Officer for
Business Management Operations
Honda Motor Co., Ltd.

Date: November 22, 2010

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October 29, 2010

HONDA MOTOR CO., LTD. REPORTS

CONSOLIDATED FINANCIAL RESULTS

FOR THE FISCAL SECOND QUARTER ENDED SEPTEMBER 30, 2010

Tokyo, October 29, 2010 Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter ended September 30, 2010.

Second Quarter Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal second quarter ended September 30, 2010 totaled JPY 135.9 billion (USD 1,622 million), an increase of JPY 81.8 billion from the same period in 2009. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 75.24 (USD 0.90), an increase of JPY 45.46 from JPY 29.78 for the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated net sales and other operating revenue (herein referred to as revenue) for the quarter amounted to JPY 2,251.9 billion (USD 26,866 million), an increase of 9.5% from the same period in 2009, due primarily to increased revenue in the automobile business, despite unfavorable currency translation effects. Honda estimates that if calculated at the same exchange rate as the corresponding period in 2009, revenue for the quarter would have increased by approximately 14.4%.

Consolidated operating income for the quarter totaled JPY 163.4 billion (USD 1,950 million), an increase of JPY 97.9 billion, due primarily to increased sales volume and model mix, reduction in vehicle costs as a result of increased production, and continuing cost reduction efforts, despite increased R&D expenses and the unfavorable currency effects.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 166.2 billion (USD 1,983 million), an increase of JPY 100.0 billion from the same period in 2009.

Equity in income of affiliates amounted to JPY 35.6 billion (USD 425 million) for the quarter, an increase of JPY 13.2 billion from the corresponding period last year.

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Business Segment

With respect to Honda's sales for the fiscal second quarter by business segment, motorcycle unit sales totaled 2,729 thousand units, an increase of 13.4% from the same period last year. Unit sales in Japan totaled 47 thousand units, a decrease of 9.6% from the same period last year. Outside of Japan, total unit sales was 2,682 thousand units, an increase of 13.9% from the same period in 2009*, due mainly to increased unit sales in Asia and Other regions including South America. Revenue from sales to external customers increased 13.6%, to JPY 312.8 billion (USD 3,732 million) from the same period last year. Operating income totaled to JPY 30.0 billion (USD 358 million), an increase of JPY 206.9 from the same period last year, due primarily to increased sales volume and model mix.

* Of the net sales of Honda-brand motorcycle products that are manufactured and sold by overseas affiliates accounted for under the equity method, those with respect to which parts for manufacturing were not supplied from Honda or its subsidiaries are not included in net sales and other operating revenue, in conformity with U.S. generally accepted accounting principles. Accordingly, these unit sales are not included in the financial results. Sales of such products amounted to approximately 1,950 thousand units for the period.

Honda's automobile unit sales totaled 898 thousand units, an increase of 7.2% from the same period last year. In Japan, unit sales amounted to 177 thousand units, an increase of 12.0% from the same period last year. Unit sales outside of Japan increased 6.0% to 721 thousand units from the corresponding period last year, due mainly to increased unit sales in North America, more than offsetting decreased unit sales in Europe. Revenue from sales to external customers increased 10.3% to JPY 1,721.8 billion (USD 20,542 million) from the same period in 2009**, due mainly to increased unit sales, despite the unfavorable currency translation effects. Operating income was JPY 86.3 billion (USD 1,031 million), an increase of JPY 72.6 billion from the same period last year, due primarily to increased sales volume and model mix, reduction in vehicle costs as a result of increased production, and continuing cost reduction efforts, despite increased SG&A expenses and R&D expenses, and the unfavorable currency effects.

** Certain sales of automobiles that are financed with residual value type auto loans by our domestic finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles. As a result, they are not included in total sales of our automobile segment or in our measure of unit sales.

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Revenue from customers in the financial services business decreased 8.8% to JPY 141.4 billion (USD 1,687 million) from the same period in 2009, due mainly to unfavorable currency translation effects. Operating income increased 0.5% to JPY 47.4 billion (USD 566 million) from the same period in 2009, due primarily to the decreased allowance for losses on credit and lease residual values, despite the unfavorable currency effects.

Honda's power product unit sales totaled 1,166 thousand units, an increase of 23.6% from the same period in 2009. In Japan, unit sales totaled 96 thousand units, an increase of 28.0% from the same period last year. Unit sales outside of Japan increased 23.3% from the corresponding period last year, to 1,070 thousand units, due to an increase of unit sales in all the regions. Revenue from sales to external customers in power product and other businesses increased 15.2% to JPY 75.7 billion (USD 904 million) from the same period last year, due mainly to increased unit sales in power products, despite the unfavorable currency translation effects. Honda reported an operating loss of JPY 0.3 billion (USD 4 million), an improvement of JPY 4.3 billion from losses of JPY 4.6 billion in the same period last year, primarily due to increased sales volume and model mix of power products.

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Geographical Information

With respect to Honda's sales for the fiscal second quarter by geographic area, in Japan, revenue from domestic and exports sales amounted to JPY 933.5 billion (USD 11,138 million), up 16.1% from the same period last year, due mainly to increased revenue in automobile business. Operating income totaled JPY 20.2 billion (USD 242 million), an increase of JPY 46.0 billion from losses of JPY 25.7 billion in the same period last year, due primarily to increased sales volume and model mix, reduction in vehicle costs as a result of increased production, and continuing cost reduction efforts, despite increased SG&A expenses and R&D expenses, and the unfavorable currency effects.

In North America, revenue increased by 13.6% to JPY 1,021.6 billion (USD 12,118 million) from the same period in 2009 due mainly to increased revenue in automobile business, despite the unfavorable currency translation effects. Operating income totaled JPY 75.8 billion (USD 905 million), an increase of 59.1% from the corresponding period in 2009, due primarily to increased sales volume and model mix, and reduction in vehicle costs as a result of increased production, despite increased SG&A expenses and the unfavorable currency effect.

In Europe, revenue decreased by 25.6% to JPY 161.3 billion (USD 1,925 million), from the same period in 2009, due primarily to decreased revenue in the automobile business and the unfavorable currency translation effects. Honda reported an operating loss of JPY 3.0 billion (USD 37 million), primarily due to decreased sales volume and unfavorable model mix and, the unfavorable currency effect, despite decreased SG&A expenses.

In Asia, revenue increased by 22.2% to JPY 452.9 billion (USD 5,404 million) from the same period last year due mainly to increased revenue in the automobile business and the motorcycle business, despite the unfavorable currency translation effects. Operating income increased by 39.0% to JPY 38.3 billion (USD 457 million) from the corresponding period in 2009, due mainly to increased sales volume and model mix, and continuing cost reduction effort, despite increased SG&A expenses and the unfavorable currency effect.

In Asia, in addition to subsidiaries, many affiliates accounted for under the equity method manufacture and sell Honda-brand products. Operating income does not include income from these affiliates. Income from these affiliates is recorded as equity in income of affiliates and reflected in net income. Accounting terms of some of the affiliates differ from the Company's.

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In Other regions including South America, the Middle East, Africa and Oceania, revenue increased by 6.1% to JPY 242.5 billion (USD 2,894 billion) from the same period last year, due mainly to increased revenue in motorcycle business and the favorable currency translation effects, despite decreased revenue in the automobile business. Operating income totaled JPY 20.4 billion (USD 244 million), an increase of JPY 10.4 billion from the same period last year primarily due to increase sales volume and model mix, and favorable currency effect.

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 83.82=U.S.\$1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on September 30, 2010.

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First Half-Year Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal first half year ended September 30, 2010 totaled JPY 408.4 billion (USD 4,873 million), an increase of JPY 346.8 from the same period in 2009. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal first half amounted to JPY 225.66 (USD 2.69), an increase of JPY 191.71 from JPY 33.95 for the same period in 2009.

Consolidated revenue for the period amounted to JPY 4,613.3 billion (USD 55,039 million), an increase of 13.7% from the same period in 2009, primarily due to increased revenue in the automobile business, despite the unfavorable currency translation effects. Honda estimates that if calculated at the same exchange rate as the corresponding period in 2009, revenue for the period would have increased by approximately 16.9%.

Consolidated operating income for the period totaled JPY 397.9 billion (USD 4,747 million), an increase of JPY 307.2 billion from the same period last year, due primarily to increased sales volume and model mix, reduction in fixed costs as a result of increased production, and continuing cost reduction efforts, despite increased R&D expenses and the unfavorable currency effects.

Consolidated income before income taxes and equity in income of affiliates for the period totaled JPY 422.3 billion (USD 5,039 million), an increase of JPY 350.7 from the same period in 2009.

Equity in income of affiliates amounted to JPY 71.2 billion (USD 851 million) for the period, an increase of 94.9% from the corresponding period last year.

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Business Segment

With respect to Honda's sales for the fiscal first half by business segment, unit sales of motorcycles totaled 5,616 thousand units, an increase of 20.5% from the same period in 2009. Unit sales in Japan totaled 92 thousand units, a decrease of 5.2% from the same period in 2009. Outside of Japan, total unit sales was 5,524 thousand units, an increase of 21.1%*, due mainly to increased unit sales in Asia and Other Regions including South America. Revenue from sales to external customers increased 19.1%, to JPY 633.0 billion (USD 7,553 million) from the same period in 2009, primarily due to increased unit sales and favorable currency translation effects. Operating income totaled to JPY 61.3 billion (USD 732 million), an increase of 46.3 from the same period in 2009, due primarily to increased sales volume and model mix, and reduction in fixed costs as a result of increased production.

* Of the net sales of Honda-brand motorcycle products that are manufactured and sold by overseas affiliates accounted for under the equity method, those with respect to which parts for manufacturing were not supplied from Honda or its subsidiaries are not included in net sales and other operating revenue, in conformity with U.S. generally accepted accounting principles. Accordingly, these unit sales are not included in the financial results. Sales of such products amounted to approximately 3,850 thousand units for the period.

Honda's unit sales of automobiles for the fiscal first half totaled 1,797 thousand units, an increase of 12.0% from the same period in 2009. In Japan, unit sales totaled 322 thousand units, an increase of 12.6% compared to the same period last year. Unit sales outside of Japan increased 11.9% to 1,475 thousand units, due mainly to increased unit sales in North America and Asia, more than offsetting decreased unit sales in Europe. Revenue from sales to external customers increased 14.6% to JPY 3,534.9 billion (USD 42,173 million) from the same period in 2009**, due mainly to increased unit sales, despite the unfavorable foreign currency translation effects. Operating income totaled to JPY 235.3 billion (USD 2,808 million), an increase of JPY 242.9 billion compared to the same period last year, due primarily to increased sales volume and model mix, reduction in fixed costs as a result of increased production, and continuing cost reduction efforts, despite increased SG&A expenses and R&D expenses, and the unfavorable foreign currency effects.

** Certain sales of automobiles that are financed with residual value type auto loans by our domestic finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles. As a result, they are not included in total sales of our automobile segment or in our measure of unit sales.

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Revenue from sales to external customers in the financial services business decreased 6.4% to JPY 290.9 billion (USD 3,471 million) from the same period in 2009, primarily due to the unfavorable foreign currency translation effects. Operating income increased 8.6% to JPY 102.0 billion (USD 1,218 million) from the same period in 2009, due primarily to the decreased allowance for losses on credit and lease residual values, despite the unfavorable currency effects.

Honda's unit sales of power products totaled 2,606 thousand units, up by 23.2% from the same period in 2009. In Japan, unit sales totaled 195 thousand units, an increase of 33.6% from the same period last year. Unit sales outside of Japan increased 22.4%, to 2,411 thousand units, due primarily to an increase in unit sales in all the regions. Revenue from sales to external customers in power product and other businesses increased by 16.8% to JPY 154.4 billion (USD 1,843 million) from the same period in 2009, due mainly to increased unit sales of power products, despite unfavorable currency translation effects. Honda reported an operating loss of JPY 800 million (USD 10 million), an improvement of JPY 9.8 billion from losses of JPY 10.6 billion in the same period last year, primarily due to increased sales volume and model mix of power product.

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Geographical Information

With respect to Honda's sales for the fiscal first half year by geographic area, in Japan, revenue from domestic and export sales was JPY 1,859.6 billion (USD 22,186 million), up by 20.7% compared to the same period in 2009, due primarily to an increased revenue in the automobile businesses. Operating income totaled to JPY 73.5 billion (USD 878 million), an increase of JPY 103.9 billion from the same period in 2009, due primarily to increased sales volume and model mix, reduction in fixed costs as a result of increased production, and continuing cost reduction efforts, despite the increased SG&A expenses and R&D expenses, and the unfavorable foreign currency effects.

In North America, revenue increased by 15.2% to JPY 2,159.4 billion (USD 25,763 million) from the same period in 2009, due primarily to increased revenue in the automobile business, despite the unfavorable currency translation effect. Operating income totaled to JPY 186.6 billion (USD 2,227 million), an increase of 131.7 from the same period in 2009, due primarily to increased sales volume and model mix, and reduction in fixed costs as a result of increased production, despite the unfavorable foreign currency effects.

In Europe, revenue decreased by 19.3% to JPY 351.1 billion (USD 4,190 million), from the same period in 2009, due primarily to decreased revenue in the automobile business and the unfavorable currency translation effects. Operating income decreased by 72.5% to JPY 0.9 billion (USD 12 million) from the same period in 2009, due primarily to decreased sales volume and model mix and the unfavorable foreign currency effects, despite the decreased SG&A expenses, and reduction in fixed costs as a result of increased production.

In Asia, revenue increased by 33.4% to JPY 923.2 billion (USD 11,014 million) from the same period in 2009, due mainly to increased revenue in the automobile business and in the motorcycle business, despite the unfavorable foreign currency translation effects. Operating income increased by 72.7% to JPY 82.7 billion (USD 987 million) from the same period in 2009 due primarily to increased sales volume and model mix, and continuing cost reduction efforts, despite increased SG&A expenses.

In Other Regions, revenue increased by 18.5% to JPY 478.8 billion (USD 5,713 million) compared to the same period in 2009, due mainly to increased revenue in the motorcycle business and the unfavorable currency translation effects. Operating income totaled to JPY 40.6 billion (USD 486 million), an increase of 31.2 billion from the same period in 2009 due primarily to an increased sales volume and model mix, and favorable impact of foreign currency.

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Consolidated Statements of Balance Sheets for the Quarter Ended September 30, 2010

From March 31, 2010, total assets decreased JPY 264.5 billion (USD 3,156 million), to JPY 11,364.5 billion (USD 135,583 million) at September 30, 2010, mainly due to the unfavorable currency translation effects, which more than offset increased cash and cash equivalents, increased property on operating leases, and increased finance subsidiaries-receivables primarily due to the consolidation of former qualifying special purpose entities (QSPEs) utilized in legacy off-balance sheet securitizations until the year ended March 31, 2010. From March 31, 2010, total liabilities decreased by JPY 310.8 billion (USD 3,708 million), to JPY 6,861.8 billion (USD 81,864 million) at September 30, 2010, mainly due to the adverse currency translation effects, which more than offset increased current liabilities primarily due to the consolidation of former qualifying special purpose entities (QSPEs) utilized in legacy off-balance sheet securitizations until the year ended March 31, 2010. From March 31, 2010, despite adverse currency effects, total equity increased JPY 46.2 billion (USD 552 million), to JPY 4,502.7 billion (USD 53,719 million).

Consolidated Statements of Cash Flows for the Fiscal Second Quarter

Consolidated cash and cash equivalents at September 30, 2010 increased by JPY 146.3 billion (USD 1,746 million) from March 31, 2010, to JPY 1,266.2 billion (USD 15,107 million). The reasons for the increases or decreases for each cash flow activity compared with the previous fiscal year are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to JPY 682.8 billion (USD 8,147 million) of cash inflows for the fiscal six months ended September 30, 2010. Cash inflows from operating activities decreased by JPY 292.1 billion (USD 3,485 million) compared with the corresponding period in 2009, due mainly to increased payments for parts and raw materials primarily due to an increase in automobile production, which was more than offsetting an increase in cash received from customers, primarily due to increased unit sales in the automobile business.

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Cash flows from investing activities

Net cash used in investing activities amounted to JPY 385.1 billion (USD 4,595 million) of cash outflows. Cash outflows from investing activities increased by JPY 42.2 billion (USD 504 million) compared with the corresponding period in 2009, due mainly to an increase in acquisitions of finance subsidiaries-receivables, which was more than offsetting an increase in collections of finance subsidiaries-receivables, and an increase in proceeds from sales of operating lease assets.

Cash flows from financing activities

Net cash used in financing activities amounted to JPY 74.0 billion (USD 883 million) of cash outflows. Cash outflows from financing activities decreased by JPY 292.7 billion (USD 3,493 million) compared with the corresponding period in 2009, due mainly to an increase in debt compared to a decreased for the same period in 2009, which was more than offsetting purchases of the Company's own shares and an increase in dividends paid.

Table of Contents**Forecasts for the Fiscal Year Ending March 31, 2011**

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2011, Honda projects consolidated results to be as shown below:

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 84 and JPY 113, respectively, for the fiscal year ending March 31, 2011.

Projected unit sales for the full year ending March 31, 2011 are shown below.

| | Unit (thousands) | Changes from FY2010 (thousands) |
|------------------------------------|------------------|------------------------------------|
| Motorcycle business | 11,490 | +1,851 |
| Automobile business | 3,615 | +233 |
| Power product and Other businesses | 5,565 | +821 |

FY2011 Forecasts for Consolidated Results**Fiscal year ending March 31, 2011**

| | Yen (billions) | Changes from FY 2010 |
|---|----------------|----------------------|
| Net sales and other operating revenue | 9,000 | +4.9% |
| Operating income | 500 | +37.4% |
| Income before income taxes and equity in income of affiliates | 535 | +59.1% |
| Net income attributable to Honda Motor Co., Ltd. | 500 | +86.3% |
| | Yen | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 276.80 | |

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The reasons for the increases or decreases for forecasts of the operating income, and income before income taxes and equity in income of affiliates for the fiscal year ending March 31, 2011 from the corresponding period last year are as follows.

| | Yen (billions) |
|--|-----------------------|
| Revenue, model mix, etc., excluding currency effect | 299.9 |
| Cost reduction, the effect of raw material cost fluctuations, etc. | 120.0 |
| SG&A expenses, excluding currency effect | - 85.0 |
| R&D expenses | - 36.7 |
| Currency effect | - 162.0 |
| Operating income compared with fiscal year 2010 | 136.2 |
| Fair value of derivative instruments | - 13.0 |
| Others | 75.5 |
| Income before income taxes and equity in income of affiliates compared with fiscal year 2010 | 198.8 |

Dividend per Share of Common Stock

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on October 29, 2010, resolved to make the quarterly dividend JPY 12 per share of common stock, the record date of which is September 30, 2010. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2011, is JPY 48 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. The various factors for increases and decreases in income have been classified in accordance with a method that Honda considers reasonable.

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Others

1. Changes in significant subsidiaries for the three months ended September 30, 2010 (i.e. changes in specific subsidiaries that caused a change in the scope of consolidated financial statements)

None

2. Accounting policies specifically applied for quarterly consolidated financial statements

(a) Income taxes

Honda computes interim income tax expense (benefit) by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes and equity in income of affiliates for the fiscal first half ended September 30, 2010. If a reliable estimate cannot be made, Honda utilizes the actual year-to-date effective tax rate.

3. Changes in accounting procedures for consolidated quarterly financial results

(a) Transfers of Financial Assets, and Consolidation of Variable Interest Entities

Honda adopted Accounting Standards Update (ASU) 2009-16 Accounting for Transfers of Financial Assets, and ASU 2009-17 Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities, effective April 1, 2010. These standards amend the FASB Accounting Standards Codification (ASC) 860 Transfers and Servicing, and ASC 810 Consolidation. ASU 2009-16 removes the concept of a qualifying special purpose entity (QSPE) and removes the exception from applying consolidation accounting standards to QSPEs. ASU 2009-17 requires reporting entities to evaluate former QSPEs for consolidation, changes the approach to determining a variable interest entity's primary beneficiary from a mainly quantitative assessment to an exclusively qualitative assessment designed to identify a controlling financial interest, and increases the frequency of required reassessments to determine whether a company is the primary beneficiary of a variable interest entity.

Upon the adoption of these standards, former 10 QSPEs treated as legacy off-balance sheet prior to the year ended March 31, 2010 were consolidated by the Company as of April 1, 2010. As a result, previously derecognized assets held by former QSPEs including finance subsidiaries receivables of JPY 282,353 million and their related secured debt of JPY 274,329 million were included in the Company's consolidated balance sheet as of April 1, 2010. The assets and liabilities associated with former legacy off-balance sheet securitizations including retained interests in securitizations and servicing assets were removed from the Company's consolidated balance sheet from April 1, 2010. The cumulative effect adjustment upon the adoption of these standards increased the Company's beginning retained earnings for the six months ended September 30, 2010 by JPY 1,432 million, net of tax effect.

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For the three months and six months ended September 30, 2009 and 2010

Financial Highlights

| | Yen (millions) | | | |
|--|---|--|--|--|
| | Three months ended Sep. 30, 2009 unaudited | Three months ended Sep. 30, 2010 unaudited | Six months ended Sep. 30, 2009 unaudited | Six months ended Sep. 30, 2010 unaudited |
| Net sales and other operating revenue | 2,056,655 | 2,251,911 | 4,058,867 | 4,613,374 |
| Operating income | 65,543 | 163,473 | 90,707 | 397,916 |
| Income before income taxes and equity in income of affiliates | 66,140 | 166,204 | 71,598 | 422,353 |
| Net income attributable to Honda Motor Co., Ltd. | 54,037 | 135,929 | 61,597 | 408,416 |
| | Yen | | | |
| Basic net income attributable to Honda Motor Co., Ltd per common share | 29.78 | 75.24 | 33.95 | 225.66 |
| | U.S. Dollar (millions) | | | |
| | Three months ended Sep. 30, 2010 unaudited | | Six months ended Sep. 30, 2010 unaudited | |
| Net sales and other operating revenue | 26,866 | | 55,039 | |
| Operating income | 1,950 | | 4,747 | |
| Income before income taxes and equity in income of affiliates | 1,983 | | 5,039 | |
| Net income attributable to Honda Motor Co., Ltd. | 1,622 | | 4,873 | |
| | U.S. Dollar | | | |
| Basic net income attributable to Honda Motor Co., Ltd per common share | 0.90 | | 2.69 | |

Table of Contents**[1] Consolidated Balance Sheets**

| | Yen (millions) | |
|--|----------------------------|---------------------------|
| | Sep. 30, 2010 unaudited | March 31, 2010 audited |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | 1,266,256 | 1,119,902 |
| Trade accounts and notes receivable | 746,353 | 883,476 |
| Finance subsidiaries-receivables, net | 1,109,265 | 1,100,158 |
| Inventories | 879,662 | 935,629 |
| Deferred income taxes | 177,415 | 176,604 |
| Other current assets | 384,773 | 397,955 |
| Total current assets | 4,563,724 | 4,613,724 |
| Finance subsidiaries-receivables, net | 2,310,501 | 2,361,335 |
| Investments and advances: | | |
| Investments in and advances to affiliates | 487,240 | 457,834 |
| Other, including marketable equity securities | 174,876 | 184,847 |
| Total investments and advances | 662,116 | 642,681 |
| Property on operating leases: | | |
| Vehicles | 1,575,203 | 1,651,672 |
| Less accumulated depreciation | 300,632 | 343,525 |
| Net property on operating leases | 1,274,571 | 1,308,147 |
| Property, plant and equipment, at cost: | | |
| Land | 483,058 | 489,769 |
| Buildings | 1,475,344 | 1,509,821 |
| Machinery and equipment | 3,150,156 | 3,257,455 |
| Construction in progress | 148,483 | 143,862 |
| | 5,257,041 | 5,400,907 |
| Less accumulated depreciation and amortization | 3,301,247 | 3,314,244 |
| Net property, plant and equipment | 1,955,794 | 2,086,663 |
| Other assets | 597,872 | 616,565 |
| Total assets | 11,364,578 | 11,629,115 |

Table of Contents**[1] Consolidated Balance Sheets continued**

| | Yen (millions) | |
|--|----------------------------|---------------------------|
| | Sep. 30, 2010 unaudited | March 31, 2010 audited |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Short-term debt | 1,029,894 | 1,066,344 |
| Current portion of long-term debt | 873,063 | 722,296 |
| Trade payables: | | |
| Notes | 22,008 | 24,704 |
| Accounts | 726,881 | 802,464 |
| Accrued expenses | 495,589 | 542,521 |
| Income taxes payable | 41,592 | 23,947 |
| Other current liabilities | 203,834 | 236,854 |
| Total current liabilities | 3,392,861 | 3,419,130 |
| Long-term debt, excluding current portion | 2,164,359 | 2,313,035 |
| Other liabilities | 1,304,649 | 1,440,520 |
| Total liabilities | 6,861,869 | 7,172,685 |
| Equity: | | |
| Honda Motor Co., Ltd. shareholders equity: | | |
| Common stock, authorized 7,086,000,000 shares; issued 1,811,428,430 shares | 86,067 | 86,067 |
| Capital surplus | 172,529 | 172,529 |
| Legal reserves | 46,143 | 45,463 |
| Retained earnings | 5,589,715 | 5,304,473 |
| Accumulated other comprehensive income(loss), net | (1,489,980) | (1,208,162) |
| Treasury stock, at cost 20,225,694 shares on Mar. 31, 2010 and 9,122,722 shares in Sep. 30, 2010 | (26,098) | (71,730) |
| Total Honda Motor Co., Ltd. shareholders equity | 4,378,376 | 4,328,640 |
| Noncontrolling interest | 124,333 | 127,790 |
| Total equity | 4,502,709 | 4,456,430 |
| Commitments and contingent liabilities | | |
| Total liabilities and equity | 11,364,578 | 11,629,115 |

Table of Contents**[2] Consolidated Statements of Income**

(A) For the three months ended September 30, 2009 and 2010

| | Yen (millions) | |
|--|---|--|
| | Three months ended Sep. 30, 2009 unaudited | Three months ended Sep. 30, 2010 unaudited |
| Net sales and other operating revenue | 2,056,655 | 2,251,911 |
| Operating costs and expenses: | | |
| Cost of sales | 1,556,549 | 1,647,625 |
| Selling, general and administrative | 323,062 | 319,433 |
| Research and development | 111,501 | 121,380 |
| Operating income | 65,543 | 163,473 |
| Other income (expenses): | | |
| Interest income | 3,944 | 5,707 |
| Interest expense | (3,313) | (2,073) |
| Other, net | (34) | (903) |
| Income before income taxes and equity in income of affiliates | 66,140 | 166,204 |
| Income tax expense: | | |
| Current | 23,496 | 8,436 |
| Deferred | 9,662 | 50,793 |
| Income before equity in income of affiliates | 32,982 | 106,975 |
| Equity in income of affiliates | 22,349 | 35,608 |
| Net income | 55,331 | 142,583 |
| Less: Net income attributable to noncontrolling interest | (1,294) | (6,654) |
| Net income attributable to Honda Motor Co., Ltd. | 54,037 | 135,929 |
| | | Yen |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 29.78 | 75.24 |

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(B) For the six months ended September 30, 2009 and 2010

| | Yen (millions) | |
|--|---|--|
| | Six months ended Sep. 30, 2009 unaudited | Six months ended Sep. 30, 2010 unaudited |
| Net sales and other operating revenue | 4,058,867 | 4,613,374 |
| Operating costs and expenses: | | |
| Cost of sales | 3,110,373 | 3,331,761 |
| Selling, general and administrative | 644,694 | 644,042 |
| Research and development | 213,093 | 239,655 |
| Operating income | 90,707 | 397,916 |
| Other income (expenses): | | |
| Interest income | 8,772 | 10,767 |
| Interest expense | (7,124) | (4,247) |
| Other, net | (20,757) | 17,917 |
| Income before income taxes and equity in income of affiliates | 71,598 | 422,353 |
| Income tax expense: | | |
| Current | 36,674 | 20,936 |
| Deferred | 6,983 | 49,704 |
| Income before equity in income of affiliates | 27,941 | 351,713 |
| Equity in income of affiliates | 36,592 | 71,299 |
| Net income | 64,533 | 423,012 |
| Less: Net income attributable to noncontrolling interest | (2,936) | (14,596) |
| Net income attributable to Honda Motor Co., Ltd. | 61,597 | 408,416 |
| | | Yen |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 33.95 | 225.66 |

Table of Contents**[3] Consolidated Statements of Cash Flows**

| | Yen (millions) | |
|--|-------------------------------|----------------------------|
| | Six months ended | Six months ended |
| | Sep. 30, 2009 unaudited | Sep. 30, 2010 unaudited |
| Cash flows from operating activities: | | |
| Net income | 64,533 | 423,012 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation excluding property on operating leases | 200,493 | 177,936 |
| Depreciation of property on operating leases | 116,537 | 107,757 |
| Deferred income taxes | 6,983 | 49,704 |
| Equity in income of affiliates | (36,592) | (71,299) |
| Dividends from affiliates | 71,806 | 34,222 |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 25,355 | 7,046 |
| Impairment loss on investments in securities | 286 | 652 |
| Impairment loss excluding property on operating leases | | 419 |
| Impairment loss on property on operating leases | 2,855 | |
| Loss (gain) on derivative instruments, net | (37,391) | (29,135) |
| Decrease (increase) in assets: | | |
| Trade accounts and notes receivable | 155,332 | 82,815 |
| Inventories | 350,426 | 361 |
| Other current assets | 107,541 | 13,696 |
| Other assets | 24,441 | 6,183 |
| Increase (decrease) in liabilities: | | |
| Trade accounts and notes payable | 22,695 | (21,727) |
| Accrued expenses | (36,767) | 10,932 |
| Income taxes payable | (15,441) | 19,448 |
| Other current liabilities | 17,378 | (9,490) |
| Other liabilities | (33,343) | (80,706) |
| Other, net | (32,128) | (38,937) |
| Net cash provided by operating activities | 974,999 | 682,889 |
| Cash flows from investing activities: | | |
| Increase in investments and advances | (17,559) | (6,029) |
| Decrease in investments and advances | 10,224 | 8,125 |
| Payments for purchases of available-for-sale securities | (2,624) | (122) |
| Proceeds from sales of available-for-sale securities | 1,609 | 2,286 |
| Payments for purchases of held-to-maturity securities | | (26,034) |
| Proceeds from redemptions of held-to-maturity securities | | 17,910 |
| Capital expenditures | (205,132) | (136,011) |
| Proceeds from sales of property, plant and equipment | 8,552 | 11,927 |
| Acquisitions of finance subsidiaries-receivables | (697,795) | (1,123,389) |
| Collections of finance subsidiaries-receivables | 795,003 | 1,067,273 |
| Sales (purchases) of finance subsidiaries-receivables, net | (31,345) | |
| Purchase of operating lease assets | (276,142) | (409,872) |
| Proceeds from sales of operating lease assets | 72,334 | 208,803 |
| Net cash used in investing activities | (342,875) | (385,133) |

Table of Contents**[3] Consolidated Statements of Cash Flows continued**

| | Yen (millions) | |
|---|---|--|
| | Six months ended Sep. 30, 2009 unaudited | Six months ended Sep. 30, 2010 unaudited |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term debt, net | (748,274) | 53,231 |
| Proceeds from long-term debt | 881,529 | 342,480 |
| Repayment of long-term debt | (457,951) | (378,186) |
| Dividends paid | (29,033) | (43,508) |
| Dividends paid to noncontrolling interests | (13,078) | (13,264) |
| Payment for purchase of treasury stock, net | (8) | (34,786) |
| Net cash provided by (used in) financing activities | (366,815) | (74,033) |
| Effect of exchange rate changes on cash and cash equivalents | (9,914) | (77,369) |
| Net change in cash and cash equivalents | 255,395 | 146,354 |
| Cash and cash equivalents at beginning of year | 690,369 | 1,119,902 |
| Cash and cash equivalents at end of period | 945,764 | 1,266,256 |

Table of Contents**[4] Assumptions for Going Concern**

None

[5] Segment Information

Honda has four reportable segments: the Motorcycle business, the Automobile business, the Financial services business and the 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 management in deciding how to allocate resources and in assessing performance. The accounting policies used for these reportable segments are consistent with the accounting policies used in Honda's consolidated financial statements.

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

| Segment | Principal products and services | Functions |
|----------------------------------|---|---|
| Motorcycle business | Motorcycles, all-terrain vehicles (ATVs) and relevant parts | Research & Development, Manufacturing, Sales and related services |
| Automobile business | Automobiles and relevant parts | Research & Development, Manufacturing, Sales and related services |
| Financial services business | Financial, insurance services | Retail loan and lease related to Honda products, and Others |
| Power product & Other businesses | Power products and relevant parts, and others | Research & Development, Manufacturing, Sales and related services, and Others |

1. Segment information based on products and services

(A) As of and for the three months ended September 30, 2009

| | Yen (millions) | | | | Segment Total | Reconciling Items | Consolidated |
|--|---------------------|---------------------|-----------------------------|----------------------------------|---------------|-------------------|--------------|
| | Motorcycle Business | Automobile Business | Financial Services Business | Power Product & Other Businesses | | | |
| Net sales and other operating revenue: | | | | | | | |
| External customers | 275,312 | 1,560,501 | 155,044 | 65,798 | 2,056,655 | | 2,056,655 |
| Intersegment | | | 3,091 | 7,223 | 10,314 | (10,314) | |
| Total | 275,312 | 1,560,501 | 158,135 | 73,021 | 2,066,969 | (10,314) | 2,056,655 |
| Segment income (loss) | 9,319 | 13,708 | 47,182 | (4,666) | 65,543 | | 65,543 |

As of and for the three months ended September 30, 2010

| | Yen (millions) | | | | Segment Total | Reconciling Items | Consolidated |
|--|---------------------|---------------------|-----------------------------|----------------------------------|---------------|-------------------|--------------|
| | Motorcycle Business | Automobile Business | Financial Services Business | Power Product & Other Businesses | | | |
| Net sales and other operating revenue: | | | | | | | |
| External customers | 312,842 | 1,721,869 | 141,417 | 75,783 | 2,251,911 | | 2,251,911 |

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| | | | | | | | |
|-----------------------|---------|-----------|---------|--------|-----------|----------|-----------|
| Intersegment | | 1,647 | 2,824 | 5,971 | 10,442 | (10,442) | |
| Total | 312,842 | 1,723,516 | 144,241 | 81,754 | 2,262,353 | (10,442) | 2,251,911 |
| Segment income (loss) | 30,011 | 86,390 | 47,427 | (355) | 163,473 | | 163,473 |

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Table of Contents(B) As of and for the six months ended September 30, 2009

| | Motorcycle Business | Automobile Business | Financial Services Business | Yen (millions) Power Product & Other Businesses | Segment Total | Reconciling Items | Consolidated |
|--|------------------------|------------------------|-----------------------------------|--|------------------|----------------------|--------------|
| Net sales and other operating revenue: | | | | | | | |
| External customers | 531,678 | 3,083,930 | 310,947 | 132,312 | 4,058,867 | | 4,058,867 |
| Intersegment | | | 6,458 | 13,937 | 20,395 | (20,395) | |
| Total | 531,678 | 3,083,930 | 317,405 | 146,249 | 4,079,262 | (20,395) | 4,058,867 |
| Segment income (loss) | 14,962 | (7,668) | 94,028 | (10,615) | 90,707 | | 90,707 |
| Assets | 976,764 | 4,901,706 | 5,403,975 | 282,779 | 11,565,224 | (307,202) | 11,258,022 |
| Depreciation and amortization | 23,668 | 168,454 | 118,189 | 6,719 | 317,030 | | 317,030 |
| Capital expenditures | 22,024 | 131,848 | 277,365 | 17,632 | 448,869 | | 448,869 |

As of and for the six months ended September 30, 2010

| | Motorcycle Business | Automobile Business | Financial Services Business | Yen (millions) Power Product & Other Businesses | Segment Total | Reconciling Items | Consolidated |
|--|------------------------|------------------------|-----------------------------------|--|------------------|----------------------|--------------|
| Net sales and other operating revenue: | | | | | | | |
| External customers | 633,086 | 3,534,902 | 290,904 | 154,482 | 4,613,374 | | 4,613,374 |
| Intersegment | | 3,048 | 5,905 | 13,052 | 22,005 | (22,005) | |
| Total | 633,086 | 3,537,950 | 296,809 | 167,534 | 4,635,379 | (22,005) | 4,613,374 |
| Segment income (loss) | 61,328 | 235,327 | 102,069 | (808) | 397,916 | | 397,916 |
| Assets | 932,583 | 4,791,810 | 5,480,387 | 285,307 | 11,490,087 | (125,509) | 11,364,578 |
| Depreciation and amortization | 20,711 | 151,118 | 108,580 | 5,284 | 2,856,934 | | 285,693 |
| Capital expenditures | 13,888 | 121,652 | 410,929 | 3,296 | 549,765 | | 549,765 |

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 308,177 million as of September 30, 2009 and JPY 445,331 million as of September 30, 2010 respectively, which consist primarily of cash and cash equivalents and marketable securities held by the Company. Reconciling items also include elimination of intersegment transactions.
3. Depreciation and amortization of Financial Services Business include JPY 116,537 million for the six months ended September 30, 2009 and JPY 107,757 million for the six months ended September 30, 2010, respectively, of depreciation of property on operating leases.

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4. Capital expenditure of Financial Services Business includes JPY 276,142 million for the six months ended September 30, 2009 and JPY 409,872 million for the six months ended September 30, 2010 respectively, of purchase of operating lease assets.

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

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

(A) As of and for the three months ended September 30, 2009

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|---------|---------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 448,368 | 865,031 | 201,158 | 318,562 | 223,536 | 2,056,655 | | 2,056,655 |
| Transfers between geographic areas | 355,975 | 34,409 | 15,787 | 52,286 | 5,150 | 463,607 | (463,607) | |
| Total | 804,343 | 899,440 | 216,945 | 370,848 | 228,686 | 2,520,262 | (463,607) | 2,056,655 |
| Operating income (loss) | (25,710) | 47,694 | 1,873 | 27,556 | 9,948 | 61,361 | 4,182 | 65,543 |

As of and for the three months ended September 30, 2010

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|---------|---------|---------------|-----------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 513,849 | 967,299 | 142,953 | 393,510 | 234,300 | 2,251,911 | | 2,251,911 |
| Transfers between geographic areas | 419,722 | 54,327 | 18,410 | 59,486 | 8,260 | 560,205 | (560,205) | |
| Total | 933,571 | 1,021,626 | 161,363 | 452,996 | 242,560 | 2,812,116 | (560,205) | 2,251,911 |
| Operating income (loss) | 20,299 | 75,879 | (3,073) | 38,315 | 20,447 | 151,867 | 11,606 | 163,473 |

Table of Contents**(B) As of and for the six months ended September 30, 2009**

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|---------|---------|---------------|------------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 853,838 | 1,800,922 | 409,087 | 602,228 | 392,792 | 4,058,867 | | 4,058,867 |
| Transfers between geographic areas | 687,069 | 74,310 | 26,051 | 90,017 | 11,336 | 888,783 | (888,783) | |
| Total | 1,540,907 | 1,875,232 | 435,138 | 692,245 | 404,128 | 4,947,650 | (888,783) | 4,058,867 |
| Operating income (loss) | (30,382) | 54,877 | 3,630 | 47,907 | 9,469 | 85,501 | 5,206 | 90,707 |
| Assets | 2,947,913 | 6,069,575 | 635,443 | 962,156 | 554,753 | 11,169,840 | 88,182 | 11,258,022 |
| Long-lived assets | 1,146,720 | 1,825,284 | 110,725 | 245,732 | 154,648 | 3,483,109 | | 3,483,109 |

As of and for the six months ended September 30, 2010

| | Yen (millions) | | | | | | | |
|--|----------------|---------------|---------|-----------|---------------|------------|-------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 983,208 | 2,052,733 | 314,904 | 802,210 | 460,319 | 4,613,374 | | 4,613,374 |
| Transfers between geographic areas | 876,458 | 106,735 | 36,295 | 121,024 | 18,567 | 1,159,079 | (1,159,079) | |
| Total | 1,859,666 | 2,159,468 | 351,199 | 923,234 | 478,886 | 5,772,453 | (1,159,079) | 4,613,374 |
| Operating income (loss) | 73,566 | 186,666 | 998 | 82,750 | 40,699 | 384,679 | 13,237 | 397,916 |
| Assets | 2,872,553 | 6,117,034 | 499,461 | 1,027,801 | 632,101 | 11,148,950 | 215,628 | 11,364,578 |
| Long-lived assets | 1,151,134 | 1,849,406 | 112,493 | 240,728 | 157,041 | 3,510,802 | | 3,510,802 |
| Explanatory notes: | | | | | | | | |

1. Major countries or regions in each geographic area:

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

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

3.

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Unallocated corporate assets, included in reconciling items, amounted to JPY 308,177 million as of September 30, 2009 and JPY 445,331 million as of September 30, 2010 respectively, which consist primarily of cash and cash equivalents and marketable securities held by the Company. Reconciling items also include elimination of transactions between geographic areas.

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Table of Contents**[6] Information Related to Honda Motor Co., Ltd. Shareholders Equity**

As of and for the three months ended June 30, 2010

1. Information concerning dividends

(a) Dividends paid during the period

Resolved at the General Meeting of Shareholders on June 24, 2010

| | |
|--|-------------------|
| Total amount of dividends (million yen) | 21,775 |
| Dividend per share of common stock (yen) | 12.00 |
| Record date | March 31, 2010 |
| Effective date | June 25, 2010 |
| Resource for dividend | Retained earnings |

Resolved by the Board of Directors at its meeting held on July 30, 2010

| | |
|--|-------------------|
| Total amount of dividends (million yen) | 21,733 |
| Dividend per share of common stock (yen) | 12.00 |
| Record date | June 30, 2010 |
| Effective date | August 26, 2010 |
| Resource for dividend | Retained earnings |

(b) Dividends to be paid for the three months ended September 30, 2010, of which effective date is after September 30, 2010

Resolved by the Board of Directors at its meeting held on October 29, 2010

| | |
|--|--------------------|
| Total amount of dividends (million yen) | 21,627 |
| Dividend per share of common stock (yen) | 12.00 |
| Record date | September 30, 2010 |
| Effective date | November 25, 2010 |
| Resource for dividend | Retained earnings |

2. Significant changes in Honda Motor Co., Ltd. shareholders equity

None

[7] Income Taxes

The Company has decreased a portion of unrecognized tax benefits related to transfer pricing matters of overseas transactions between the Company and foreign affiliates for the Three months ended June 30, 2010. Due primarily to this accounting treatment, the effective tax rates of Honda for the six months ended September 30, 2010 differs from Honda's statutory income tax rate, which is 40% for the fiscal year ending March 31, 2011.

Table of Contents**[8] Unit Sales Breakdown**

For the three months and six months ended September 30, 2009 and 2010

| | Unit (thousands) | | | |
|-----------------------|--|-------------------------------------|-----------------------------------|-----------------------------------|
| | Three months ended Sep. 30, 2009 | Three months ended Sep. 30, 2010 | Six months ended Sep. 30, 2009 | Six months ended Sep. 30, 2010 |
| MOTORCYCLES | | | | |
| Japan | 52 | 47 | 97 | 92 |
| | (52) | (47) | (97) | (92) |
| North America | 43 | 43 | 97 | 103 |
| | (22) | (18) | (53) | (48) |
| Europe | 40 | 41 | 102 | 105 |
| | (38) | (39) | (99) | (102) |
| Asia | 1,864 | 2,153 | 3,683 | 4,527 |
| | (1,864) | (2,153) | (3,683) | (4,527) |
| Other Regions | 408 | 445 | 680 | 789 |
| | (407) | (442) | (675) | (782) |
| Total | 2,407 | 2,729 | 4,659 | 5,616 |
| | (2,383) | (2,699) | (4,607) | (5,551) |
| AUTOMOBILES | | | | |
| Japan | 158 | 177 | 286 | 322 |
| North America | 300 | 368 | 623 | 738 |
| Europe | 73 | 48 | 142 | 101 |
| Asia | 249 | 244 | 438 | 505 |
| Other Regions | 58 | 61 | 115 | 131 |
| Total | 838 | 898 | 1,604 | 1,797 |
| POWER PRODUCTS | | | | |
| Japan | 75 | 96 | 146 | 195 |
| North America | 315 | 367 | 879 | 1,029 |
| Europe | 175 | 200 | 389 | 430 |
| Asia | 267 | 367 | 515 | 711 |
| Other Regions | 111 | 136 | 186 | 241 |
| Total | 943 | 1,166 | 2,115 | 2,606 |

Explanatory notes:

1. The geographical breakdown of unit sales is based on the location of external customers.
2. Unit sales are the total of sales of completed products of Honda and its consolidated subsidiaries, and sales of parts for local production at Honda's affiliates accounted for under the equity method.
3. Figures in brackets represent unit sales of motorcycles only.

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4. Certain sales of automobiles that are financed with residual value type auto loans by our domestic finance subsidiaries are accounted for as operating leases in conformity with U.S. generally accepted accounting principles. As a result, they are not included in total sales of our automobile segment or in our measure of unit sales.

5. Unit sales of Power product business include all trilateral trade transactions from the fiscal year ended March 31, 2010. This change was made and reported by retrospective application in the three months ended March 31, 2010. Honda adjusted unit sales of Power product business for the six months ended September 30, 2009 to conform to the presentation used for the six months ended September 30, 2010.

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Table of Contents**[9] Net Sales Breakdown**

For the three months and six months ended September 30, 2009 and 2010

| | Yen (millions) | | | |
|---|--|-------------------------------------|-----------------------------------|-----------------------------------|
| | Three months ended Sep. 30, 2009 | Three months ended Sep. 30, 2010 | Six months ended Sep. 30, 2009 | Six months ended Sep. 30, 2010 |
| MOTORCYCLE BUSINESS | | | | |
| Japan | 17,935 | 17,152 | 35,594 | 35,601 |
| North America | 25,368 | 20,919 | 57,524 | 58,468 |
| Europe | 26,147 | 21,599 | 64,281 | 55,244 |
| Asia | 103,568 | 133,046 | 208,631 | 272,342 |
| Other Regions | 102,294 | 120,126 | 165,648 | 211,431 |
| Total | 275,312 | 312,842 | 531,678 | 633,086 |
| AUTOMOBILE BUSINESS | | | | |
| Japan | 336,400 | 384,974 | 623,647 | 712,170 |
| North America | 678,992 | 798,035 | 1,416,383 | 1,684,929 |
| Europe | 161,138 | 106,632 | 313,884 | 227,321 |
| Asia | 254,920 | 299,843 | 485,850 | 625,486 |
| Other Regions | 129,051 | 132,385 | 244,166 | 284,996 |
| Total | 1,560,501 | 1,721,869 | 3,083,930 | 3,534,902 |
| FINANCIAL SERVICES BUSINESS | | | | |
| Japan | 6,194 | 6,590 | 12,319 | 12,988 |
| North America | 141,756 | 126,992 | 285,185 | 262,542 |
| Europe | 2,741 | 2,325 | 5,447 | 4,759 |
| Asia | 1,094 | 913 | 2,223 | 1,908 |
| Other Regions | 3,259 | 4,597 | 5,773 | 8,708 |
| Total | 155,044 | 141,417 | 310,947 | 290,904 |
| POWER PRODUCT & OTHER BUSINESSES | | | | |
| Japan | 25,434 | 34,780 | 46,685 | 57,535 |
| North America | 15,658 | 16,313 | 35,794 | 37,133 |
| Europe | 10,231 | 10,642 | 23,558 | 23,453 |
| Asia | 8,714 | 8,476 | 16,754 | 25,332 |
| Other Regions | 5,761 | 5,572 | 9,521 | 11,029 |
| Total | 65,798 | 75,783 | 132,312 | 154,482 |
| TOTAL | | | | |
| Japan | 385,963 | 443,496 | 718,245 | 818,294 |
| North America | 861,774 | 962,259 | 1,794,886 | 2,043,072 |
| Europe | 200,257 | 141,198 | 407,170 | 310,777 |
| Asia | 368,296 | 442,278 | 713,458 | 925,068 |
| Other Regions | 240,365 | 262,680 | 425,108 | 516,163 |
| Total | 2,056,655 | 2,251,911 | 4,058,867 | 4,613,374 |
| Explanatory notes: | | | | |

1. The geographical breakdown of net sales is based on the location of external customers.
2. Net sales of power product & other businesses include revenue from sales of power products and relevant parts, leisure businesses and trading businesses.

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[Translation]

October 29, 2010

To: Shareholders of Honda Motor Co., Ltd.

From: Honda Motor Co., Ltd.
 1-1, Minami-Aoyama 2-chome,
 Minato-ku, Tokyo, 107-8556
 Takano Ito
 President and Representative Director

Notice Concerning Revision of Forecasts for**Consolidated and Unconsolidated Financial Results of the Fiscal Year Ending March 31, 2011**

Honda Motor Co., Ltd. (the Company) revised its forecasts for consolidated financial results of the fiscal year ending March 31, 2011 that were announced on July 30, 2010 as well as for the unconsolidated financial results of the fiscal year ending March 31, 2011 that were announced on April 28, 2010, based on various factors such as recent trends in the Company's financial results.

Particulars

1. Revision of Forecast for Financial Results of the Fiscal Year Ending March 31, 2011

(1) Consolidated Financial Results

| (Millions of Yen, except Basic net income per common share) | Net sales and other operating revenue | Operating income | Income before income taxes | Net income | Basic net income per common share (Yen) |
|---|--|---------------------|----------------------------------|------------|---|
| Forecast previously announced on July 30, 2010 (A) | 9,100,000 | 450,000 | 470,000 | 455,000 | 251.23 |
| Forecast revised on October 29, 2010 (B) | 9,000,000 | 500,000 | 535,000 | 500,000 | 276.80 |
| Change (B-A) | -100,000 | 50,000 | 65,000 | 45,000 | |
| Percentage change (%) (Reference) | -1.1 | 11.1 | 13.8 | 9.9 | |
| Results of the fiscal year ended March 31, 2010 | 8,579,174 | 363,775 | 336,198 | 268,400 | 147.91 |

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(2) Unconsolidated Financial Results

| (Millions of Yen, except Basic net income per common share) | Net sales | Operating income | Ordinary income | Net income | Basic net income per common share (Yen) |
|---|-----------|---------------------|-----------------|------------|---|
| Forecast previously announced on April 28, 2010 (A) | 3,090,000 | -35,000 | 125,000 | 125,000 | 68.89 |
| Forecast revised on October 29, 2010 (B) | 3,060,000 | -10,000 | 190,000 | 160,000 | 88.58 |
| Change (B-A) | -30,000 | 25,000 | 65,000 | 35,000 | |
| Percentage change (%) (Reference) | -1.0 | | 52.0 | 28.0 | |
| Results of the fiscal year ended March 31, 2010 | 2,717,736 | -71,594 | 241,391 | 232,600 | 128.18 |

2. Basis for Revision of Forecast for Financial Results of the Fiscal Year Ending March 31, 2011

(1) For Consolidated Financial Results

Despite the unfavorable foreign currency effects, due mainly to continuing cost reduction efforts, increase in revenue and changes in model mix etc., consolidated operating income, income before income taxes, and net income attributable to Honda Motor Co., Ltd. are now expected to exceed the forecast announced on July 30, 2010.

(2) For Unconsolidated Financial Results

Despite the unfavorable foreign currency effects, due mainly to increase in revenue and changes in model mix etc., continuing cost reduction efforts, unconsolidated operating income, ordinary income, and net income are now expected to exceed the forecast announced on April 28, 2010.

* For more detail, please refer to the Presentation and consolidated financial summary for the fiscal second quarter and the fiscal first half ended September 30, 2010 included in the consolidated financial results for the fiscal second quarter ended September 30, 2010 (URL <http://world.honda.com/investors/event/>) announced by the Company on the same date hereof.

* These forward-looking statements of Honda 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.