

HONDA MOTOR CO LTD  
Form 6-K  
February 02, 2011  
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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 January 2011

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 January 24, 2011, Honda Motor Co., Ltd. (the Company) announced that the Sea Food Section of the Foodstuff Division of Honda Trading Corporation ( HT ), a consolidated subsidiary of the Company, was found to have been involved in inappropriate trading activity. HT is a consolidated subsidiary of the Company, providing trading functions within the Honda Group for such products like sea food and agricultural products, in addition to products, parts, facilities and raw materials for the Company's business.

**Exhibit 2:**

On January 31, 2011, Honda Motor Co., Ltd. announced its consolidated financial results for the fiscal third quarter and nine months ended December 31, 2010.

**Exhibit 3:**

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on January 31, 2011, resolved to make a distribution of surplus (quarterly dividends) the record date of which is December 31, 2010, and revised the amount of the projected dividend per share of common stock for the year ending March 31, 2011

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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: February 2, 2011

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[Translation]

January 24, 2011

To: Shareholders of Honda Motor Co., Ltd.

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

**Inappropriate Trading Activities by a Honda Subsidiary**

Honda Motor Co., Ltd. (the Company) today announced that the Sea Food Section of the Foodstuff Division of Honda Trading Corporation (HT), a consolidated subsidiary of the Company, was found to have been involved in inappropriate trading activity. HT is a consolidated subsidiary of the Company, providing trading functions within the Honda Group for such products like sea food and agricultural products, in addition to products, parts, facilities and raw materials for the Company's business. The Company deeply regrets any concern or difficulty that this matter may have caused its shareholders, business partners or other stakeholders.

1. Background of the Company's Investigation

On December 20, 2010, the Company received an overview report from HT's investigation committee with respect to inappropriate trading activity with several seafood companies by HT's Sea Food Section, Foodstuff Division. On the same day, the Company, with the cooperation of external counsel and certified public accountants, established an investigation committee with Koichi Kondo (Executive Vice President, Representative Director and Compliance Officer of the Company) as the Committee Chairperson. Through this committee, the Company is currently investigating the facts, causes, responsible persons, measures to prevent future occurrences, and the occurrence of any similar inappropriate trading activity within HT.

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2. Latest Summary of Inappropriate Trading Activities

HT's Sea Food Section has a long history in inventory management trading (\*). However, since 2004, through the actions of an employee of HT's Sea Food Section, HT became involved in purchasing inventory significantly over priced compared to market price, and repetitive trading and circular trading of the same inventory among a number of its business partners.

Further, in order to avoid attention to the growing outstanding inventory within HT's Sea Food Section, certain portions of inventory were temporarily sold to other business partners with the promise that HT would buy back such inventory in the future.

As a result of such inappropriate trading activity, HT is facing expansion of its inventory credit against such business partners and delays in collecting trade receivables.

\* Inventory management trading means transactions in which HT temporarily purchases sea food products from seafood companies with the promise that they will buy back such products after a certain period, in order to bridge the gap between the purchasing period (the fishing season) and the sales period for sea food products.

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3. Impact on the Company's Financials

Due to such inappropriate trading activity, HT is facing impairment of inventory and trade receivables, and delinquencies in collecting receivables resulting in a total estimated loss of approximately 15 billion yen.

Although, the revenue, profit, inventory and trade receivables in the Company's past quarterly consolidated financials were overstated, due to the impact of such over statements, the Company plans to reflect such revisions in the Company's consolidated financials for the latest quarter (3rd quarter of the Company's fiscal year ending March, 2011) as the amount of such revisions is not material. The impact on the pre-tax earnings of the Company's consolidated financials is estimated to be approximately 15 billion yen.

4. Future Actions

With respect to such inappropriate trading activity, the Company's investigation committee is continuing its investigation into the cause, responsible persons, measures to prevent future occurrences, and the occurrence of any similar inappropriate trading activity, and will announce results as soon as they become available.

[End]

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(Appendix)

[HT General Information]

Location	Daiichi-Tekko Building, 2F, 1-8-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
Date of Establishment	March 21, 1972
Capital	1.6 billion yen
Shareholders	Honda (100%)
Representative	President & Representative Director: Motohide Sudo
Business Lines	Parts for motorcycle/automobile/power equipment; automotive equipment and machinery; non-ferrous metals; steel/plastics; agriculture, forestry and marine products
Sales	Consolidated: 588.6 billion yen Non-consolidated: 251.3 billion yen (year ended March 2010)
Place of Business	(Domestic) Tokyo, Nagoya, Osaka, Suzuka, Kumamoto, Tochigi, Sayama, Gunma, Hiroshima  (International) United States, Canada, Brazil, Mexico, United Kingdom, Italy, Turkey, Belgium, Romania, Thailand, China, Philippines, India, Pakistan, Vietnam,  Indonesia, Taiwan, Malaysia, S. Korea, Russia, Argentina



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**January 31, 2011**

**HONDA MOTOR CO., LTD. REPORTS**

**CONSOLIDATED FINANCIAL RESULTS**

**FOR THE FISCAL THIRD QUARTER ENDED DECEMBER 31, 2010**

Tokyo, January 31, 2011 Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal third quarter ended December 31, 2010.

**Third Quarter Results**

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal third quarter ended December 31, 2010 totaled JPY 81.1 billion (USD 995 million), a decrease of 39.7% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 45.01 (USD 0.55), a decrease of JPY 29.18 from JPY 74.19 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 2,110.4 billion (USD 25,898 million), a decrease of 5.8% from the same period last year, due primarily to the unfavorable currency translation effects and decreased sales in the automobile business in Japan, despite increased revenue in the motorcycle business centered in Asian countries. Honda estimates that if calculated at the same exchange rate as the corresponding period last year, revenue for the quarter would have decreased by approximately 0.8%.

Despite improved model mix and ongoing cost reduction effects, increased SG&A expenses and R&D expenses and unfavorable foreign currency effected consolidated operating income.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 131.5 billion (US 1,615 million), a decrease of 23.1% from the same period last year.

Equity in income of affiliates amounted to JPY 43.4 billion (USD 533 million) for the quarter, an increase of 32.4% from the corresponding period last year.

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**Business Segment**

With respect to Honda's sales for the fiscal third quarter by business segment, motorcycle unit sales totaled 2,895 thousand units, an increase of 21.7% from the same period last year. Unit sales in Japan totaled 46 thousand units, an increase of 35.3% from the same period last year. Outside of Japan, total unit sales were 2,849 thousand units, an increase of 21.5% from the same period last year\*, due mainly to increased unit sales in Asia and Other regions including South America. Revenue from sales to external customers increased 10.4%, to JPY 301.9 billion (USD 3,706 million), from the same period last year, due mainly to increased unit sales, despite the unfavorable currency translation effect. Operating income totaled to JPY 29.1 billion (USD 357 million), an increase of 83.7% from the same period last year, due primarily to increased sales volume and model mix, despite the unfavorable foreign currency effect.

\* 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 1,750 thousand units for the period.

Honda's automobile unit sales totaled 855 thousand units, a decrease of 6.5% from the same period last year. In Japan, unit sales amounted to 118 thousand units, a decrease of 33.3% from the same period last year. Unit sales outside of Japan totaled to 737 thousand units, which was the same level with the corresponding period last year, due mainly to increased unit sales in North America, despite decreased unit sales in Europe. Revenue from sales to external customers decreased 7.8%, to JPY 1,613.8 billion (USD 19,804 million), from the same period last year\*\*, due mainly to decreased unit sales and the unfavorable currency translation effects. Operating income was JPY 68.4 billion (USD 839 million), a decrease by 38.1% from the same period last year, due primarily to decreased sales volume, increased 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 customers in the financial services business decreased 9.7%, to JPY 136.4 billion (USD 1,674 million) from the same period last year, due mainly to unfavorable currency translation effects. Operating income decreased 16.9% to JPY 44.6 billion (USD 547 million), from the same period last year.

Honda's power product unit sales totaled 1,157 thousand units, an increase of 15.9% from the same period last year. In Japan, unit sales totaled 89 thousand units, an increase of 20.3% from the same period last year. Unit sales outside of Japan increased 15.6% from the corresponding period last year, to 1,068 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 2.0%, to JPY 68.0 billion (USD 835 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 2.0 billion (USD 26 million), an improvement of JPY 0.8 billion from the same period last year, primarily due to increased sales volume and model mix of power products, despite increased SG&A expenses.

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**Geographical Information**

With respect to Honda's sales for the fiscal third quarter by geographic area, in Japan, revenue from domestic and exports sales amounted to JPY 867.5 billion (USD 10,646 million), a decrease of 0.3% from the same period last year, due mainly to decreased revenue in automobile business, despite increased revenue in motorcycle business. Operating income totaled JPY 14.6 billion (USD 180 million), an increase of 45.8% from the same period last year, due primarily to decreased SG&A expenses and continuing cost reduction efforts, despite decreased sales volume, increased R&D expenses, and unfavorable foreign currency effects.

In North America, revenue decreased by 1.7%, to JPY 1,011.8 billion (USD 12,416 million), from the same period last year due mainly to the unfavorable currency translation effects. Operating income totaled JPY 89.6 billion (USD 1,101 million), a decrease of 19.0% from the corresponding period last year, due primarily to increased SG&A expenses and the unfavorable foreign currency effects.

In Europe, revenue decreased by 17.3%, to JPY 150.7 billion (USD 1,850 million), from the same period last year, due primarily to decreased revenue in the automobile business and the motorcycle business, and the unfavorable currency translation effects. Honda reported an operating loss of JPY 9.4 billion (USD 116 million), a deterioration of JPY 2.5 billion from the same period last year, primarily due to decreased sales volume and the unfavorable foreign currency effects, despite decreased SG&A expenses.

In Asia, revenue increased by 12.2%, to JPY 445.5 billion (USD 5,467 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 2.2%, to JPY 35.7 billion (USD 439 million), from the corresponding period last year, due mainly to increased sales volume and mix.

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 decreased by 0.9%, to JPY 238.8 billion (USD 2,932 billion) from the same period last year, due mainly to decreased revenue in the automobile business and the unfavorable currency translation effect, despite increased revenue in motorcycle business. Operating income totaled JPY 15.6 billion (USD 193 million), a decrease of 10.0% from the same period last year, primarily due to increased SG&A expenses.

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 81.49=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 December 31, 2010.

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**Nine Months Results**

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal nine months ended December 31, 2010 totaled JPY 489.5 billion (USD 6,077 million), an increase of 149.5% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal nine months amounted to JPY 270.82 (USD 3.32), an increase of JPY 162.68 from JPY 108.14 for the same period last year.

Consolidated revenue for the period amounted to JPY 6,723.7 billion (USD 82,511 million), an increase of 6.7% from the same period last year, primarily due to increased revenue in the automobile business and the motorcycle business, despite the unfavorable currency translation effects. Honda estimates that if calculated at the same exchange rate as the corresponding period last year, revenue for the period would have increased by approximately 10.6%.

Consolidated operating income for the period totaled JPY 523.5 billion (USD 6,425 million), an increase of 95.6% from the same period last year, due primarily to increased sales volume and model mix, reduction in fixed costs per vehicle 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.

Consolidated income before income taxes and equity in income of affiliates for the period totaled JPY 553.9 billion (USD 6,798 million), an increase of 128.3% from the same period last year.

Equity in income of affiliates amounted to JPY 114.7 billion (USD 1,408 million) for the period, an increase of 65.3% from the corresponding period last year.

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**Business Segment**

With respect to Honda's sales for the fiscal nine months by business segment, unit sales of motorcycles totaled 8 million 511 thousand units, an increase of 20.9% from the same period last year. Unit sales in Japan totaled 138 thousand units, an increase of 5.3% from the same period last year. Outside of Japan, total unit sales was 8 million 373 thousand units, an increase of 21.2% from the same period last year\*, due mainly to increased unit sales in Asia and Other Regions including South America. Revenue from sales to external customers increased 16.1%, to JPY 935.0 billion (USD 11,475 million) from the same period last year, primarily due to increased unit sales. Operating income totaled to JPY 90.4 billion (USD 1,110 million), an increase of 193.5% from the same period last year, 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 5,480 thousand units for the period.

Honda's unit sales of automobiles for the fiscal nine months totaled 2 million 652 thousand units, an increase of 5.3% from the same period last year. In Japan, unit sales totaled 440 thousand units, a decrease of 5.0% compared to the same period last year. Unit sales outside of Japan totaled to 2 million 212 thousand units, an increase of 7.6%, due mainly to increased unit sales in North America and Asia, despite decreased unit sales in Europe. Revenue from sales to external customers increased 6.5%, to JPY 5,148.7 billion (USD 63,183 million), from the same period last year\*\*, due mainly to increased unit sales, despite the unfavorable foreign currency translation effects. Operating income totaled JPY 303.7 billion (USD 3,727 million), an increase 195.6% 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 the financial services business decreased 7.5%, to JPY 427.3 billion (USD 5,244 million), from the same period last year, primarily due to the unfavorable currency translation effects. Operating income decreased 0.7%, to JPY 146.6 billion (USD 1,800 million), from the same period last year.

Honda's unit sales of power products totaled 3,763 thousand units, an increase of 20.9% from the same period last year. In Japan, unit sales totaled 284 thousand units, an increase of 29.1% from the same period last year. Unit sales outside of Japan increased 20.3%, to 3,479 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 6.8%, to JPY 212.6 billion (USD 2,609 million), from the same period last year, due mainly to increased unit sales of power products, despite unfavorable currency translation effects. Honda reported an operating loss of JPY 3.1 billion (USD 39 million), an improvement of JPY 10.4 billion from the same period last year.

## **Geographical Information**

With respect to Honda's sales for the fiscal nine months by geographic area, in Japan, revenue from domestic and export sales was JPY 2,717.3 billion (USD 33,346 million), an increase of 12.7% compared to the same period last year, due primarily to increased revenue in the automobile businesses. Operating income totaled JPY 87.9 billion (USD 1,079 million), an increase of JPY 108.2 billion from the same period last year, due primarily to increased sales volume and mix, reduction in fixed costs per vehicle as a result of increased production, and continuing cost reduction efforts, despite the increased R&D expenses and the unfavorable foreign currency effects.

In North America, revenue increased by 9.2%, to JPY 3,171.2 billion (USD 38,916 million), from the same period last year, due primarily to increased revenue in the automobile business, despite the unfavorable currency translation effect. Operating income totaled JPY 276.3 billion (USD 3,391 million), an increase of 66.8% from the same period last year, due primarily to increased sales volume and mix, and reduction in fixed costs as a result of increased production.

In Europe, revenue decreased by 18.7%, to JPY 501.9 billion (USD 6,160 million), from the same period last year, due primarily to decreased revenue in the automobile business and the unfavorable currency translation effects. Honda reported an operating loss of JPY 8.4 billion (USD 104 million), a deterioration of JPY 5.2 billion from the same period last year, due primarily to decreased sales volume and mix and the unfavorable foreign currency effects, despite the decreased SG&A expenses.



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In Asia, revenue increased by 25.6%, to JPY 1,368.7 billion (USD 16,797 million), from the same period last year, due mainly to increased revenue in the automobile business and in the motorcycle business, despite the unfavorable currency translation effects. Operating income increased by 42.9%, to JPY 118.5 billion (USD 1,455 million), from the same period last year, due primarily to increased sales volume and mix, despite increased SG&A expenses and the unfavorable foreign currency effects.

In Other Regions, revenue increased by 11.3%, to JPY 717.7 billion (USD 8,808 million), compared to the same period last year, due mainly to increased revenue in the motorcycle business and the favorable currency translation effects. Operating income totaled JPY 56.3 billion (USD 692 million), an increase of 109.6% from the same period last year, due primarily to an increased sales volume and mix, and favorable impact of foreign currency, despite increased SG&A expenses.

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**Consolidated Statements of Balance Sheets for the Quarter Ended December 31, 2010**

From March 31, 2010, total assets decreased JPY 369.5 billion (USD 4,534 million), to JPY 11,259.6 billion (USD 138,172 million) at December 31, 2010, mainly due to the unfavorable currency translation effects, despite increased property on operating leases, increased investments and advances, increased cash and cash equivalents, and increased finance subsidiaries-receivables, net, 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 427.7 billion (USD 5,249 million), to JPY 6,744.9 billion (USD 82,771 million) at December 31, 2010, mainly due to the currency translation effects, despite increased current liabilities primarily due to the consolidation of former QSPEs utilized in legacy off-balance sheet securitizations until the year ended March 31, 2010. From March 31, 2010, despite the adverse currency translation effects, total equity increased JPY 58.2 billion (USD 714 million), to JPY 4,514.6 billion (USD 55,401 million).

**Consolidated Statements of Cash Flows for the Fiscal Nine Months**

Consolidated cash and cash equivalents at December 31, 2010 increased by JPY 38.7 billion (USD 476 million) from March 31, 2010, to JPY 1,158.6 billion (USD 14,219 million). The reasons for the increases or decreases for each cash flow activity compared with the previous fiscal nine months are as follows.

**Cash flows from operating activities**

Net cash provided by operating activities amounted to JPY 765.6 billion (USD 9,395 million) of cash inflows for the fiscal nine months ended December 31, 2010. Cash inflows from operating activities decreased by JPY 439.7 billion (USD 5,397 million) compared with the corresponding period last year, due mainly to increased payments for parts and raw materials primarily due to an increase in automobile production, despite 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 615.3 billion (USD 7,551 million) of cash outflows. Cash outflows from investing activities increased by JPY 151.0 billion (USD 1,853 million) compared with the corresponding period last year, due mainly to an increase in acquisitions of finance subsidiaries-receivables and an increase in purchase of operating lease assets, despite 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 20.8 billion (USD 256 million) of cash outflows. Cash outflows from financing activities decreased by JPY 351.6 billion (USD 4,315 million), compared with the corresponding period last year, due mainly to an increase in debts which decreased in the same period last year, despite 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 85 and JPY 112, 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	11,535	+1,896
Automobile business	3,580	+188
Power product and Other businesses	5,610	+866

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

	Yen (billions)	Changes from FY 2010
Net sales and other operating revenue	8,900	+3.7%
Operating income	620	+70.4%
Income before income taxes and equity in income of affiliates	665	+97.8%
Net income attributable to Honda Motor Co., Ltd.	530	+97.5%
	<b>Yen</b>	
Basic net income attributable to Honda Motor Co., Ltd. per common share	293.41	

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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.

	<b>Yen (billions)</b>
Revenue, model mix, etc., excluding currency effect	342.9
Cost reduction, the effect of raw material cost fluctuations, etc.	148.0
SG&A expenses, excluding currency effect	- 44.0
R&D expenses	- 36.7
Currency effect	- 154.0
Operating income compared with fiscal year 2010	256.2
Fair value of derivative instruments	- 23.0
Others	95.5
Income before income taxes and equity in income of affiliates compared with fiscal year 2010	328.8

**Dividend per Share of Common Stock**

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on January 31, 2011, resolved to make the quarterly dividend JPY 15 per share of common stock, the record date of which is December 31, 2010. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2011, is JPY 54 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 nine months ended December 31, 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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4. Out-of-period adjustments

The overstatements of trade accounts and notes receivable, inventories, net sales and other operating revenue, and cost of sales in the previously issued consolidated financial statements, in relation to inventory management trading activities in which a domestic subsidiary of the Company has involved were found. The Company recorded the related cumulative loss amounted to JPY 14,123 million, which incurred in prior fiscal years, as selling, general and administrative expenses in the Company's consolidated statements of income for the nine months ended December 31, 2010, not by retrospectively adjusting the prior year financial statements. As a result, operating income for the nine months ended December 31, 2010 decreased by JPY 14,123 million. The Company also adjusted net sales and other operating revenue amounted to JPY 9,888 million and related operating expenses overstated in the Company's consolidated statements of income for the six months ended September 30, 2010, in the Company's consolidated statements of income for the three months ended December 31, 2010. As a result, operating income for the three months ended December 31, 2010 decreased by JPY 14,403 million, including the above cumulative loss incurred in prior fiscal years. Honda believes that these out-of-period adjustments are immaterial to the Company's consolidated financial statements or results of operations as of and for the three months and nine months ended December 31, 2010 as well as prior periods.

\* Inventory management trading means transactions in which a domestic subsidiary of the Company temporarily purchases sea food products from seafood companies with the promise that they will buy back such products after a certain period, in order to bridge the gap between the purchasing period (the fishing season) and the sales period for sea food products.

**Table of Contents****Consolidated Financial Summary**

For the three months and nine months ended December 31, 2009 and 2010

**Financial Highlights**

	Yen (millions)			
	Three months ended Dec. 31, 2009 unaudited	Three months ended Dec. 31, 2010 unaudited	Nine months ended Dec. 31, 2009 unaudited	Nine months ended Dec. 31, 2010 unaudited
Net sales and other operating revenue	2,240,740	2,110,414	6,299,607	6,723,788
Operating income	176,971	125,653	267,678	523,569
Income before income taxes and equity in income of affiliates	171,013	131,580	242,611	553,933
Net income attributable to Honda Motor Co., Ltd.	134,627	81,118	196,224	489,534
	Yen			
Basic net income attributable to Honda Motor Co., Ltd. per common share	74.19	45.01	108.14	270.82
	U.S. Dollars (millions)			
		Three months ended Dec. 31, 2010 unaudited		Nine months ended Dec. 31, 2010 unaudited
Net sales and other operating revenue		25,898		82,511
Operating income		1,542		6,425
Income before income taxes and equity in income of affiliates		1,615		6,798
Net income attributable to Honda Motor Co., Ltd.		995		6,007
		U.S. Dollars		
Basic net income attributable to Honda Motor Co., Ltd. per common share		0.55		3.32



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

	Yen (millions)	
	Dec. 31, 2010 unaudited	March 31, 2010 audited
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	1,158,669	1,119,902
Trade accounts and notes receivable	733,114	883,476
Finance subsidiaries-receivables, net	1,096,616	1,100,158
Inventories	941,723	935,629
Deferred income taxes	181,154	176,604
Other current assets	432,708	397,955
<b>Total current assets</b>	<b>4,543,984</b>	<b>4,613,724</b>
<b>Finance subsidiaries-receivables, net</b>	<b>2,261,545</b>	<b>2,361,335</b>
<b>Investments and advances:</b>		
Investments in and advances to affiliates	511,060	457,834
Other, including marketable equity securities	199,614	184,847
<b>Total investments and advances</b>	<b>710,674</b>	<b>642,681</b>
<b>Property on operating leases:</b>		
Vehicles	1,570,957	1,651,672
Less accumulated depreciation	293,673	343,525
<b>Net property on operating leases</b>	<b>1,277,284</b>	<b>1,308,147</b>
<b>Property, plant and equipment, at cost:</b>		
Land	479,860	489,769
Buildings	1,467,989	1,509,821
Machinery and equipment	3,121,703	3,257,455
Construction in progress	159,799	143,862
	5,229,351	5,400,907
Less accumulated depreciation and amortization	3,317,762	3,314,244
<b>Net property, plant and equipment</b>	<b>1,911,589</b>	<b>2,086,663</b>
<b>Other assets</b>	<b>554,536</b>	<b>616,565</b>
<b>Total assets</b>	<b>11,259,612</b>	<b>11,629,115</b>

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

	Yen (millions)	
	Dec. 31, 2010 unaudited	March 31, 2010 audited
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Short-term debt	1,076,325	1,066,344
Current portion of long-term debt	916,848	722,296
Trade payables:		
Notes	20,935	24,704
Accounts	662,778	802,464
Accrued expenses	445,029	542,521
Income taxes payable	33,480	23,947
Other current liabilities	205,024	236,854
<b>Total current liabilities</b>	<b>3,360,419</b>	<b>3,419,130</b>
<b>Long-term debt, excluding current portion</b>	<b>2,061,227</b>	<b>2,313,035</b>
<b>Other liabilities</b>	<b>1,323,330</b>	<b>1,440,520</b>
<b>Total liabilities</b>	<b>6,744,976</b>	<b>7,172,685</b>
<b>Equity:</b>		
<b>Honda Motor Co., Ltd. shareholders equity:</b>		
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	46,149	45,463
Retained earnings	5,649,200	5,304,473
Accumulated other comprehensive income (loss), net	(1,539,352)	(1,208,162)
Treasury stock, at cost 20,225,694 shares on Mar. 31, 2010 and 9,125,467 shares in Dec. 31, 2010	(26,107)	(71,730)
<b>Total Honda Motor Co., Ltd. shareholders equity</b>	<b>4,388,486</b>	<b>4,328,640</b>
<b>Noncontrolling interest</b>	<b>126,150</b>	<b>127,790</b>
<b>Total equity</b>	<b>4,514,636</b>	<b>4,456,430</b>
<b>Commitments and contingent liabilities</b>		
<b>Total liabilities and equity</b>	<b>11,259,612</b>	<b>11,629,115</b>

Note: Please refer to Other 3. Change in accounting procedures for consolidated quarterly financial results and Other 4. Out-of-period adjustments .

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

(A) For the three months ended December 31, 2009 and 2010

	Yen (millions)	
	Three months ended	Three months ended
	Dec. 31, 2009 unaudited	Dec. 31, 2010 unaudited
<b>Net sales and other operating revenue</b>	2,240,740	2,110,414
<b>Operating costs and expenses:</b>		
Cost of sales	1,610,147	1,517,648
Selling, general and administrative	341,355	343,003
Research and development	112,267	124,110
<b>Operating income</b>	176,971	125,653
<b>Other income (expenses):</b>		
Interest income	4,372	6,069
Interest expense	(1,172)	(2,017)
Other, net	(9,158)	1,875
<b>Income before income taxes and equity in income of affiliates</b>	171,013	131,580
<b>Income tax expense:</b>		
Current	44,598	19,575
Deferred	19,842	67,461
<b>Income before equity in income of affiliates</b>	106,573	44,544
<b>Equity in income of affiliates</b>	32,806	43,443
<b>Net income</b>	139,379	87,987
<b>Less: Net income attributable to noncontrolling interest</b>	(4,752)	(6,869)
<b>Net income attributable to Honda Motor Co., Ltd.</b>	134,627	81,118
		Yen
<b>Basic net income attributable to Honda Motor Co., Ltd. per common share</b>	74.19	45.01

Note: Please refer to Other 4. Out-of-period adjustments .

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(B) For the nine months ended December 31, 2009 and 2010

	Yen (millions)	
	Nine months ended Dec. 31, 2009 unaudited	Nine months ended Dec. 31, 2010 unaudited
<b>Net sales and other operating revenue</b>	6,299,607	6,723,788
<b>Operating costs and expenses:</b>		
Cost of sales	4,720,520	4,849,409
Selling, general and administrative	986,049	987,045
Research and development	325,360	363,765
<b>Operating income</b>	267,678	523,569
<b>Other income (expenses):</b>		
Interest income	13,144	16,836
Interest expense	(8,296)	(6,264)
Other, net	(29,915)	19,792
<b>Income before income taxes and equity in income of affiliates</b>	242,611	553,933
<b>Income tax expense:</b>		
Current	81,272	40,511
Deferred	26,825	117,165
<b>Income before equity in income of affiliates</b>	108,097	157,676
<b>Equity in income of affiliates</b>	69,398	114,742
<b>Net income</b>	203,912	510,999
<b>Less: Net income attributable to noncontrolling interest</b>	(7,688)	(21,465)
<b>Net income attributable to Honda Motor Co., Ltd.</b>	196,224	489,534
		Yen
<b>Basic net income attributable to Honda Motor Co., Ltd. per common share</b>	108.14	270.82

Note: Please refer to Other 4. Out-of-period adjustments .

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

	Yen (millions)	
	Nine months ended Dec. 31, 2009 unaudited	Nine months ended Dec. 31, 2010 unaudited
<b>Cash flows from operating activities:</b>		
Net income	203,912	510,999
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation excluding property on operating leases	299,230	262,251
Depreciation of property on operating leases	171,724	160,036
Deferred income taxes	26,825	117,165
Equity in income of affiliates	(69,398)	(114,742)
Dividends from affiliates	86,016	44,156
Provision for credit and lease residual losses on finance subsidiaries-receivables	33,953	11,328
Impairment loss on investments in securities	313	673
Impairment loss excluding property on operating leases	54	534
Impairment loss on property on operating leases	3,265	
Loss (gain) on derivative instruments, net	(29,312)	(26,644)
Decrease (increase) in assets:		
Trade accounts and notes receivable	102,346	73,716
Inventories	351,805	(93,519)
Other current assets	130,049	18,408
Other assets	18,634	(9,105)
Increase (decrease) in liabilities:		
Trade accounts and notes payable	17,161	(61,340)
Accrued expenses	(67,690)	(28,242)
Income taxes payable	(18,754)	10,226
Other current liabilities	8,028	(3,940)
Other liabilities	(18,057)	(81,850)
Other, net	(44,694)	(24,480)
<b>Net cash provided by operating activities</b>	<b>1,205,410</b>	<b>765,630</b>
<b>Cash flows from investing activities:</b>		
Increase in investments and advances	(17,597)	(7,432)
Decrease in investments and advances	11,887	10,759
Payments for purchases of available-for-sale securities	(3,324)	(199)
Proceeds from sales of available-for-sale securities	1,994	2,319
Payments for purchases of held-to-maturity securities	(11,034)	(164,145)
Proceeds from redemptions of held-to-maturity securities	1,230	79,517
Capital expenditures	(296,458)	(204,193)
Proceeds from sales of property, plant and equipment	8,280	18,311
Acquisitions of finance subsidiaries-receivables	(1,157,260)	(1,629,600)
Collections of finance subsidiaries-receivables	1,276,994	1,567,415
Sales (purchases) of finance subsidiaries-receivables, net	(42,714)	
Purchase of operating lease assets	(379,793)	(586,391)
Proceeds from sales of operating lease assets	143,498	298,308
<b>Net cash used in investing activities</b>	<b>(464,297)</b>	<b>(615,331)</b>

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

	Yen (millions)	
	Nine months ended Dec. 31, 2009 unaudited	Nine months ended Dec. 31, 2010 unaudited
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term debt, net	(594,131)	127,340
Proceeds from long-term debt	939,245	579,844
Repayment of long-term debt	(659,844)	(612,441)
Dividends paid	(43,550)	(65,136)
Dividends paid to noncontrolling interests	(14,185)	(15,641)
Payment for purchase of treasury stock, net	(12)	(34,794)
<b>Net cash provided by (used in) financing activities</b>	<b>(372,477)</b>	<b>(20,828)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>5,968</b>	<b>(90,704)</b>
<b>Net change in cash and cash equivalents</b>	<b>374,604</b>	<b>38,767</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>690,369</b>	<b>1,119,902</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,064,973</b>	<b>1,158,669</b>

**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 & 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 December 31, 2009**

	Yen (millions)							
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Other Adjustments	Consolidated
Net sales and other operating revenue:								
External customers	273,460	1,749,537	151,031	66,712	2,240,740			2,240,740
Intersegment			2,998	7,178	10,176	(10,176)		
Total	273,460	1,749,537	154,029	73,890	2,250,916	(10,176)		2,240,740
Segment income (loss)	15,855	110,426	53,655	(2,965)	176,971			176,971

**As of and for the three months ended December 31, 2010**

	Yen (millions)							
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Other Adjustments	Consolidated
Net sales and other operating revenue:								

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External customers	301,996	1,613,841	136,442	68,023	2,120,302		(9,888)	2,110,414
Intersegment		7,222	2,854	7,097	17,173	(17,173)		
Total	301,996	1,621,063	139,296	75,120	2,137,475	(17,173)	(9,888)	2,110,414
Segment income (loss)	29,132	68,400	44,603	(2,079)	140,056		(14,403)	125,653

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**Table of Contents**(B) As of and for the nine months ended December 31, 2009

	Yen (millions)							
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Other Adjustments	Consolidated
Net sales and other operating revenue:								
External customers	805,138	4,833,467	461,978	199,024	6,299,607			6,299,607
Intersegment			9,456	21,115	30,571	(30,571)		
Total	805,138	4,833,467	471,434	220,139	6,330,178	(30,571)		6,299,607
Segment income (loss)	30,817	102,758	147,683	(13,580)	267,678			267,678
Assets	993,332	5,019,260	5,507,408	276,334	11,796,334	(291,523)		11,504,811
Depreciation and amortization	36,516	251,300	173,756	9,382	470,954			470,954
Capital expenditures	29,175	225,260	381,575	18,389	654,399			654,399

**As of and for the nine months ended December 31, 2010**

	Yen (millions)							
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Other Adjustments	Consolidated
Net sales and other operating revenue:								
External customers	935,082	5,148,743	427,346	212,617	6,723,788			6,723,788
Intersegment		10,270	8,759	20,149	39,178	(39,178)		
Total	935,082	5,159,013	436,105	232,766	6,762,966	(39,178)		6,723,788
Segment income (loss)	90,460	303,727	146,672	(3,167)	537,692		(14,123)	523,569
Assets	944,662	4,764,066	5,427,253	283,030	11,419,011	(159,399)		11,259,612
Depreciation and amortization	30,542	212,922	161,287	8,536	422,287			422,287
Capital expenditures	21,086	171,191	587,981	7,198	787,456			787,456

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 293,235 million as of December 31, 2009 and JPY 393,266 million as of December 31, 2010 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and held-to-maturity securities held by the Company. Reconciling items also include elimination of intersegment transactions.
- 3.

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Depreciation and amortization of Financial Services Business include JPY 171,724 million for the nine months ended December 31, 2009 and JPY 160,036 million for the nine months ended December 31, 2010, respectively, of depreciation of property on operating leases.

4. Capital expenditure of Financial Services Business includes JPY 379,793 million for the nine months ended December 31, 2009 and JPY 586,391 million for the nine months ended December 31, 2010 respectively, of purchase of operating lease assets.
5. For further information on other adjustments, refer to Other 4. Out-of-period adjustments . The amount of out-of-period adjustments are not used by management in deciding how to allocate resources and in assessing the Company s operating performance. Therefore, the adjustments are not included in Power product and other businesses but as other adjustments for the three months and nine months periods ended December 31, 2010.

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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 December 31, 2009

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Other Adjustments Consolidated
Net sales and other operating revenue:								
External customers	498,019	990,153	167,373	348,678	236,517	2,240,740		2,240,740
Transfers between geographic areas	372,524	38,819	14,845	48,502	4,525	479,215	(479,215)	
Total	870,543	1,028,972	182,218	397,180	241,042	2,719,955	(479,215)	2,240,740
Operating income (loss)	10,034	110,778	(6,857)	35,024	17,439	166,418	10,553	176,971

As of and for the three months ended December 31, 2010

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Other Adjustments Consolidated
Net sales and other operating revenue:								
External customers	404,219	964,492	132,514	387,477	231,600	2,120,302		(9,888) 2,110,414
Transfers between geographic areas	463,331	47,319	18,226	58,044	7,291	594,211	(594,211)	
Total	867,550	1,011,811	150,740	445,521	238,891	2,714,513	(594,211)	(9,888) 2,110,414
Operating income (loss)	14,633	89,698	(9,436)	35,780	15,690	146,365	(6,309)	(14,403) 125,653

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(B) As of and for the nine months ended December 31, 2009

	Japan	North America	Europe	Asia	Yen (millions) Other Regions	Total	Reconciling Items	Other Adjustments	Consolidated
Net sales and other operating revenue:									
External customers	1,351,857	2,791,075	576,460	950,906	629,309	6,299,607			6,299,607
Transfers between geographic areas	1,059,593	113,129	40,896	138,519	15,861	1,367,998	(1,367,998)		
Total	2,411,450	2,904,204	617,356	1,089,425	645,170	7,667,605	(1,367,998)		6,299,607
Operating income (loss)	(20,348)	165,655	(3,227)	82,931	26,908	251,919	15,759		267,678
Assets	2,964,280	6,255,701	617,287	1,007,719	589,558	11,434,545	70,266		11,504,811
Long-lived assets	1,151,134	1,849,406	112,493	240,728	157,041	3,510,802			3,510,802

**As of and for the nine months ended December 31, 2010**

	Japan	North America	Europe	Asia	Yen (millions) Other Regions	Total	Reconciling Items	Other Adjustments	Consolidated
Net sales and other operating revenue:									
External customers	1,377,539	3,017,225	447,418	1,189,687	691,919	6,723,788			6,723,788
Transfers between geographic areas	1,339,789	154,054	54,521	179,068	25,858	1,753,290	(1,753,290)		
Total	2,717,328	3,171,279	501,939	1,368,755	717,777	8,477,078	(1,753,290)		6,723,788
Operating income (loss)	87,919	276,364	(8,438)	118,530	56,389	530,764	6,928	(14,123)	523,569
Assets	2,895,405	6,025,463	492,882	1,046,431	663,111	11,123,292	136,320		11,259,612
Long-lived assets	1,059,010	1,744,305	97,808	219,810	146,464	3,267,397			3,267,397
Explanatory notes:									

1. Major countries or regions in each geographic area:

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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. Unallocated corporate assets, included in reconciling items, amounted to JPY 293,235 million as of December 31, 2009 and JPY 393,266 million as of December 31, 2010 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and held-to-maturity securities held by the Company. Reconciling items also include elimination of transactions between geographic areas.
4. For further information on other adjustments, refer to Other 4. Out-of-period adjustments . The adjustments are not included in Japan but as other adjustments for the three months and nine months periods ended December 31, 2010.

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

As of and for the nine months ended December 31, 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

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

## (b) Dividends to be paid for the nine months ended December 31, 2010, of which effective date is after December 31, 2010

Resolved by the Board of Directors at its meeting held on January 31, 2011

Total amount of dividends (million yen)	27,034
Dividend per share of common stock (yen)	15.00
Record date	December 31, 2010
Effective date	February 25, 2011
Resource for dividend	Retained earnings

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

None

**[7] Income Taxes**

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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 rate of Honda for the nine months ended December 31, 2010 differs from Honda's statutory income tax rate, which is 40% for the fiscal year ending March 31, 2011.

The Company has reversed the related deferred tax assets due to the decrease in the amount of foreign tax credit expected to be utilized as of December 31, 2010. Due primarily to this accounting treatment, the effective tax rate of Honda for the three months ended December 31, 2010 differs from Honda's statutory income tax rate, which is 40% for the fiscal year ending March 31, 2011.

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

For the three months and nine months ended December 31, 2009 and 2010

	Unit (thousands)			
	Three months ended Dec. 31, 2009	Three months ended Dec. 31, 2010	Nine months ended Dec. 31, 2009	Nine months ended Dec. 31, 2010
<b>MOTORCYCLES</b>				
Japan	34	46	131	138
	(34)	(46)	(131)	(138)
North America	47	44	144	147
	(22)	(21)	(75)	(69)
Europe	38	39	140	144
	(36)	(36)	(135)	(138)
Asia	1,892	2,341	5,575	6,868
	(1,892)	(2,341)	(5,575)	(6,868)
Other Regions	367	425	1,047	1,214
	(363)	(422)	(1,038)	(1,204)
Total	2,378	2,895	7,037	8,511
	(2,347)	(2,866)	(6,954)	(8,417)
<b>AUTOMOBILES</b>				
Japan	177	118	463	440
North America	344	364	967	1,102
Europe	49	41	191	142
Asia	275	265	713	770
Other Regions	69	67	184	198
Total	914	855	2,518	2,652
<b>POWER PRODUCTS</b>				
Japan	74	89	220	284
North America	283	350	1,162	1,379
Europe	233	254	622	684
Asia	263	307	778	1,018
Other Regions	145	157	331	398
Total	998	1,157	3,113	3,763

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 nine months ended December 31, 2009 to conform to the presentation used for the nine months ended December 31, 2010.

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

For the three months and nine months ended December 31, 2009 and 2010

	Yen (millions)			
	Three months ended Dec. 31, 2009	Three months ended Dec. 31, 2010	Nine months ended Dec. 31, 2009	Nine months ended Dec. 31, 2010
<b>MOTORCYCLE BUSINESS</b>				
Japan	14,397	16,872	49,991	52,473
North America	19,484	20,904	77,008	79,372
Europe	22,674	18,650	86,955	73,894
Asia	114,797	136,672	323,428	409,014
Other Regions	102,108	108,898	267,756	320,329
<b>Total</b>	<b>273,460</b>	<b>301,996</b>	<b>805,138</b>	<b>935,082</b>
<b>AUTOMOBILE BUSINESS</b>				
Japan	375,535	280,345	999,182	992,515
North America	816,679	803,337	2,233,062	2,488,266
Europe	129,250	97,898	443,134	325,219
Asia	280,953	294,865	766,803	920,351
Other Regions	147,120	137,396	391,286	422,392
<b>Total</b>	<b>1,749,537</b>	<b>1,613,841</b>	<b>4,833,467</b>	<b>5,148,743</b>
<b>FINANCIAL SERVICES BUSINESS</b>				
Japan	6,109	6,735	18,428	19,723
North America	137,246	121,627	422,431	384,169
Europe	2,703	2,245	8,150	7,004
Asia	1,047	938	3,270	2,846
Other Regions	3,926	4,897	9,699	13,604
<b>Total</b>	<b>151,031</b>	<b>136,442</b>	<b>461,978</b>	<b>427,346</b>
<b>POWER PRODUCT &amp; OTHER BUSINESSES</b>				
Japan	27,311	26,865	73,996	74,512
North America	12,496	12,243	48,290	49,376
Europe	11,031	11,438	34,589	34,891
Asia	9,409	11,012	26,163	36,344
Other Regions	6,465	6,465	15,986	17,494
<b>Total</b>	<b>66,712</b>	<b>68,023</b>	<b>199,024</b>	<b>212,617</b>
Other Adjustments		(9,888)		
<b>TOTAL</b>				
Japan	423,352	330,817	1,141,597	1,139,223
North America	985,905	958,111	2,780,791	3,001,183
Europe	165,658	130,231	572,828	441,008
Asia	406,206	443,487	1,119,664	1,368,555
Other Regions	259,619	257,656	684,727	773,819
<b>Total</b>	<b>2,240,740</b>	<b>2,110,414</b>	<b>6,299,607</b>	<b>6,723,788</b>

Other Adjustments	(9,888)
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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.
3. For further information on other adjustments, refer to Others 4. Out-of-period adjustments .

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January 31, 2011

Honda Motor Co., Ltd.

## CONSOLIDATED FINANCIAL SUMMARY 1

FOR THE FISCAL THIRD QUARTER AND THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2010

Yen (billions), Unit (thousands)	Third Quarter Results				Nine Months Results				Fiscal Year Results and Forecasts			
	3 months ended Dec. 31, 2009	3 months ended Dec. 31, 2010	change	%	9 months ended Dec. 31, 2009	9 months ended Dec. 31, 2010	change	%	Year ended Mar. 31, 2010	Year ending Mar. 31, 2011	change	%
Net sales and other operating revenue	2,240.7	2,110.4	-130.3	-5.8%	6,299.6	6,723.7	424.1	6.7%	8,579.1	8,900.0	320.8	3.7%
Operating income	176.9	125.6	-51.3	-29.0%	267.6	523.5	255.8	95.6%	363.7	620.0	256.2	70.4%
		<6.0%>			<4.2%>	<7.8%>			<4.2%>	<7.0%>		
<as a percentage of net sales>	<7.9%>											
Income before income taxes and equity in income of affiliates	171.0	131.5	-39.4	-23.1%	242.6	553.9	311.3	128.3%	336.1	665.0	328.8	97.8%
	<7.6%>	<6.2%>			<3.9%>	<8.2%>			<3.9%>	<7.5%>		
<as a percentage of net sales>												
Equity in income of affiliates	32.8	43.4	10.6	32.4%	69.3	114.7	45.3	65.3%	93.2	130.0	36.7	39.4%
	<1.5%>	<2.1%>			<1.1%>	<1.7%>			<1.1%>	<1.5%>		
<as a percentage of net sales>												
Net income attributable to Honda Motor Co., Ltd.	134.6	81.1	-53.5	-39.7%	196.2	489.5	293.3	149.5%	268.4	530.0	261.6	97.5%
	<6.0%>	<3.8%>			<3.1%>	<7.3%>			<3.1%>	<6.0%>		
<as a percentage of net sales>												
Change Factors in Operating income			-51.3				255.8				256.2	
Change in revenue, model mix, etc. excluding currency effects			17.4				286.4				342.9	
Cost reduction, the effect of raw material cost fluctuations, etc.			3.0				129.2				148.0	
Change in SG&A expenses, excluding currency effects			-15.4				-27.9				-44.0	
			-11.8				-38.4				-36.7	

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Change in R&D expenses													
Currency effects			-44.5						-93.5			-154.0	
Change in average rates			(-32.0)						(-65.5)			(-105.0)	
Translation effects			(-12.4)						(-27.9)			(-49.0)	
Change Factors in Other income/expenses			11.8						55.4			72.5	
Unrealized gains and losses related to derivative instruments			5.0						-3.1			-23.0	
Others			6.7						58.5			95.5	
Honda's average rates	USD=	JPY 89	JPY 83		JPY 93			JPY 87		JPY 93		JPY 85 (4Q : JPY 80)	
	EUR=	JPY 133	JPY 112		JPY 133			JPY 114		JPY 130		JPY 112 (4Q : JPY 105)	
Capital expenditures		98.2	57.8		261.8			190.4		329.7		330.0	
Depreciation and amortization		89.8	78.6		274.8			242.6		366.6		330.0	
Research and development expenses		112.2	124.1		325.3			363.7		463.3		500.0	
Unit Sales													
Motorcycle business		2,378	2,895	517	21.7%	7,037	8,511	1,474	20.9%	9,639	11,535	1,896	19.7%
Japan		34	46	12	35.3%	131	138	7	5.3%	190	190	0	0.0%
North America		47	44	-3	-6.4%	144	147	3	2.1%	189	185	-4	-2.1%
Europe		38	39	1	2.6%	140	144	4	2.9%	199	205	6	3.0%
Asia		1,892	2,341	449	23.7%	5,575	6,868	1,293	23.2%	7,628	9,295	1,667	21.9%
Other Regions		367	425	58	15.8%	1,047	1,214	167	16.0%	1,433	1,660	227	15.8%
Automobile business		914	855	-59	-6.5%	2,518	2,652	134	5.3%	3,392	3,580	188	5.5%
Japan		177	118	-59	-33.3%	463	440	-23	-5.0%	646	595	-51	-7.9%
North America		344	364	20	5.8%	967	1,102	135	14.0%	1,297	1,475	178	13.7%
Europe		49	41	-8	-16.3%	191	142	-49	-25.7%	249	205	-44	-17.7%
Asia		275	265	-10	-3.6%	713	770	57	8.0%	950	1,040	90	9.5%
Other Regions		69	67	-2	-2.9%	184	198	14	7.6%	250	265	15	6.0%
Power product business		998	1,157	159	15.9%	3,113	3,763	650	20.9%	4,744	5,610	866	18.3%
Japan		74	89	15	20.3%	220	284	64	29.1%	322	370	48	14.9%
North America		283	350	67	23.7%	1,162	1,379	217	18.7%	1,818	2,265	447	24.6%
Europe		233	254	21	9.0%	622	684	62	10.0%	1,066	1,130	64	6.0%
Asia		263	307	44	16.7%	778	1,018	240	30.8%	1,069	1,310	241	22.5%
Other Regions		145	157	12	8.3%	331	398	67	20.2%	469	535	66	14.1%

Notes:

- In this chart, change is calculated on the comparison with the same period of previous year.
- Capital expenditures exclude purchase of operating lease assets and acquisition of intangible assets, and depreciation and amortization exclude depreciation of property on operating leases and amortization of intangible assets.
- 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.
- 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 and forecasts.

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- 5 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.
- 6 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 three months and the fiscal nine months ended December 31, 2009 to conform to the presentation used for the fiscal year ended March 31, 2010.
- 7 Please refer to Other 4. Out-of-period adjustments in FY2011 3rd Quarter Financial Results  
This announcement contains forward-looking statements of Honda. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time. The various factors for increases and decreases in income have been classified in accordance with a method that Honda considers reasonable.

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January 31, 2011

Honda Motor Co., Ltd.

## CONSOLIDATED FINANCIAL SUMMARY 2

FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2010

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

	Yen (millions)	
	Dec. 31, 2010	Mar. 31, 2010
<b>Assets</b>		
<b>&lt;Non-financial services businesses&gt;</b>		
Current Assets:	<b>3,402,975</b>	3,535,061
Cash and cash equivalents	<b>1,101,608</b>	1,100,695
Trade accounts and notes receivable, net	<b>404,915</b>	525,768
Inventories	<b>941,723</b>	935,629
Other current assets	<b>954,729</b>	972,969
Investments and advances	<b>930,962</b>	880,721
Property, plant and equipment, net	<b>1,895,878</b>	2,068,119
Other assets	<b>352,609</b>	446,218
<b>Total assets</b>	<b>6,582,424</b>	6,930,119
<b>&lt;Finance Subsidiaries&gt;</b>		
Cash and cash equivalents	<b>57,061</b>	19,207
Finance subsidiaries short-term receivables, net	<b>1,113,017</b>	1,112,984
Finance subsidiaries long-term receivables, net	<b>2,266,736</b>	2,362,813
Net property on operating leases	<b>1,273,922</b>	1,308,147
Other assets	<b>716,517</b>	738,637
<b>Total assets</b>	<b>5,427,253</b>	5,541,788
Reconciling Items	<b>(750,065)</b>	(842,792)
<b>Total assets</b>	<b>11,259,612</b>	11,629,115
<b>Liabilities and Equity</b>		
<b>&lt;Non-financial services businesses&gt;</b>		
Current liabilities:	<b>1,519,584</b>	1,736,752
Short-term debt	<b>216,700</b>	211,325
Current portion of long-term debt	<b>22,729</b>	24,795
Trade payables	<b>692,191</b>	833,326
Accrued expenses	<b>388,896</b>	457,146
Other current liabilities	<b>199,068</b>	210,160
Long-term debt, excluding current portion	<b>165,095</b>	174,197
Other liabilities	<b>871,909</b>	1,024,017
<b>Total liabilities</b>	<b>2,556,588</b>	2,934,966

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<Finance Subsidiaries>

Short-term debt	1,344,707	1,385,032
Current portion of long-term debt	905,744	703,434
Accrued expenses	88,465	125,788
Long-term debt, excluding current portion	1,904,391	2,155,243
Other liabilities	490,674	488,970
<b>Total liabilities</b>	<b>4,733,981</b>	<b>4,858,467</b>
Reconciling Items	(545,593)	(620,748)
<b>Total liabilities</b>	<b>6,744,976</b>	<b>7,172,685</b>
<b>Honda Motor Co., Ltd. shareholders equity</b>	<b>4,388,486</b>	<b>4,328,640</b>
<b>Noncontrolling interests</b>	<b>126,150</b>	<b>127,790</b>
<b>Total equity</b>	<b>4,514,636</b>	<b>4,456,430</b>
<b>Total liabilities and equity</b>	<b>11,259,612</b>	<b>11,629,115</b>

Notes: Please refer to Other 3. Change in accounting procedures for consolidated quarterly financial results and Other 4. Out-of-period adjustments in FY2011 3rd Quarter Financial Results.



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January 31, 2011

Honda Motor Co., Ltd.

## CONSOLIDATED FINANCIAL SUMMARY 3

FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2010

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

For the nine months ended December 31, 2009	Yen (millions)			Consolidated
	Non-financial services businesses	Finance subsidiaries	Reconciling Items	
<b>Cash flows from operating activities:</b>				
Net Income	124,702	79,210		203,912
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	297,198	173,756		470,954
Deferred income taxes	1,950	24,875		26,825
Equity in income of affiliates	(69,398)			(69,398)
Dividends from affiliates	86,016			86,016
Impairment loss on investments in securities	313			313
Impairment loss on long-lived assets and goodwill	54	3,265		3,319
Loss (gain) on derivative instruments, net	(8,370)	(20,942)		(29,312)
Decrease (increase) in trade accounts and notes receivable	41,488	63,615	(2,757)	102,346
Decrease (increase) in inventories	351,805			351,805
Increase (decrease) in trade accounts and notes payable	20,239		(3,078)	17,161
Other, net	10,989	24,775	5,705	41,469
<b>Net cash provided by operating activities</b>	<b>856,986</b>	<b>348,554</b>	<b>(130)</b>	<b>1,205,410</b>
<b>Cash flows from investing activities:</b>				
* Decrease (increase) in investments and advances	113,273	(5,708)	(124,409)	(16,844)
Capital expenditures	(294,676)	(1,782)		(296,458)
Proceeds from sales of property, plant and equipment	8,068	212		8,280
Decrease (increase) in finance subsidiaries-receivables		68,214	8,806	77,020
Purchase of operating lease assets		(379,793)		(379,793)
Proceeds from sales of operating lease assets		143,498		143,498
<b>Net cash used in investing activities</b>	<b>(173,335)</b>	<b>(175,359)</b>	<b>(115,603)</b>	<b>(464,297)</b>
<b>Cash flows from financing activities:</b>				
* Increase (decrease) in short-term debt, net	(345,805)	(364,457)	116,131	(594,131)
* Proceeds from long-term debt	104,970	836,915	(2,640)	939,245
* Repayment of long-term debt	(16,657)	(645,429)	2,242	(659,844)
Dividends paid	(43,550)			(43,550)
Dividends paid to noncontrolling interests	(14,185)			(14,185)
Sales (purchases) of treasury stock, net	(12)			(12)
<b>Net cash provided by (used in) financing activities</b>	<b>(315,239)</b>	<b>(172,971)</b>	<b>115,733</b>	<b>(372,477)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>5,337</b>	<b>631</b>		<b>5,968</b>

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<b>Net change in cash and cash equivalents</b>	373,749	855	374,604
<b>Cash and cash equivalents at beginning of period</b>	668,114	22,255	690,369
<b>Cash and cash equivalents at end of period</b>	1,041,863	23,110	1,064,973

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January 31, 2011

Honda Motor Co., Ltd.

## CONSOLIDATED FINANCIAL SUMMARY 3

FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2010

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

For the nine months ended December 31, 2010	Yen (millions)			Consolidated
	Non-financial services businesses	Finance subsidiaries	Reconciling Items	
<b>Cash flows from operating activities:</b>				
Net Income	423,413	87,586		510,999
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	261,000	161,287		422,287
Deferred income taxes	41,234	75,931		117,165
Equity in income of affiliates	(114,742)			(114,742)
Dividends from affiliates	44,156			44,156
Impairment loss on investments in securities	673			673
Impairment loss on long-lived assets and goodwill	534			534
Loss (gain) on derivative instruments, net	(14,453)	(12,191)		(26,644)
Decrease (increase) in trade accounts and notes receivable	67,766	6,388	(438)	73,716
Decrease (increase) in inventories	(93,519)			(93,519)
Increase (decrease) in trade accounts and notes payable	(59,020)		(2,320)	(61,340)
Other, net	(87,540)	(23,523)	3,408	(107,655)
<b>Net cash provided by operating activities</b>	<b>469,502</b>	<b>295,478</b>	<b>650</b>	<b>765,630</b>
<b>Cash flows from investing activities:</b>				
* Decrease (increase) in investments and advances	(96,029)	5,595	11,253	(79,181)
Capital expenditures	(202,603)	(1,590)		(204,193)
Proceeds from sales of property, plant and equipment	17,890	421		18,311
Decrease (increase) in finance subsidiaries-receivables		(65,266)	3,081	(62,185)
Purchase of operating lease assets		(586,391)		(586,391)
Proceeds from sales of operating lease assets		298,308		298,308
<b>Net cash used in investing activities</b>	<b>(280,742)</b>	<b>(348,923)</b>	<b>14,334</b>	<b>(615,331)</b>
<b>Cash flows from financing activities:</b>				
* Increase (decrease) in short-term debt, net	28,153	114,784	(15,597)	127,340
* Proceeds from long-term debt	12,011	571,272	(3,439)	579,844
* Repayment of long-term debt	(18,659)	(597,834)	4,052	(612,441)
Dividends paid	(65,136)			(65,136)
Dividends paid to noncontrolling interests	(15,641)			(15,641)
Sales (purchases) of treasury stock, net	(34,794)			(34,794)
<b>Net cash provided by (used in) financing activities</b>	<b>(94,066)</b>	<b>88,222</b>	<b>(14,984)</b>	<b>(20,828)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(93,781)</b>	<b>3,077</b>		<b>(90,704)</b>

<b>Net change in cash and cash equivalents</b>	913	37,854	38,767
<b>Cash and cash equivalents at beginning of period</b>	1,100,695	19,207	1,119,902
<b>Cash and cash equivalents at end of period</b>	1,101,608	57,061	1,158,669

## Notes:

- 1 Non-financial services businesses lend to finance subsidiaries. These cash flows are included in the decrease (increase) in investments and advances, increase (decrease) in short-term debt, proceeds from long-term debt, and repayment of long-term debt (marked by \*). The amount of the loans to finance subsidiaries is a JPY 124,409 million decrease for the fiscal nine months ended December 31, 2009, and a JPY 11,253 million increase for the fiscal nine months ended December 31, 2010, respectively.
- 2 Decrease (increase) in trade accounts and notes receivable for finance subsidiaries is due to the reclassification of finance subsidiaries-receivables which relate to sales of inventory in the unaudited consolidated statements of cash flows presented above.

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[Translation]

January 31, 2011

To: Shareholders of Honda Motor Co., Ltd.

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

**Notice of Resolution by the Board of Directors****Concerning Distribution of Surplus (Quarterly Dividends) and Revision of Dividend Forecast for Fiscal 2011**

The Board of Directors of Honda Motor Co., Ltd., (the Company), at its meeting held on January 31, 2011, resolved to make a distribution of surplus (quarterly dividends) the record date of which is December 31, 2010, and revised the amount of the projected dividend per share of common stock for the year ending March 31, 2011 as follows.

**Particulars**

## 1. Details of Distribution of Surplus (Quarterly Dividends)

	<b>Resolution</b>	<b>Previous Dividends Forecast (Announced on October 29, 2010)</b>	<b>Dividends Paid for the Third Quarter in Fiscal 2010</b>
Record Date	December 31, 2010	Same as on left	December 31, 2009
Dividend per Share of Common Stock (yen)	15	12	10
Total Amount of Dividends (million yen)	27,034		18,146
Effective Date	February 25, 2011		February 26, 2010
Resource for Dividend	Retained Earnings		Retained Earnings

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## 2. Details of the Revised Dividend Payments

<b>Record Date</b>	<b>Dividends Per Share (yen)</b>				<b>Total</b>
	<b>The End of First Quarter</b>	<b>The End of Second Quarter (Interim)</b>	<b>The End of Third Quarter</b>	<b>Year-end</b>	
Latest Dividend Forecast (Announced on October 29, 2010)				12	48
Projected Dividends				15	54
Performance in Fiscal 2011	12	12	15		
Performance in Fiscal 2010	8	8	10	12	38

3. The basis for revising the projected dividends for the fiscal year ending March 31, 2011 which was announced on October 29, 2010. The Company considers the redistribution of profits to its shareholders to be one of the most important management issues, and makes distributions after taking into account its long-term consolidated earnings performance. The Company resolved that ¥15 of the quarterly dividend payment per share of common stock for the third quarter is expected to be paid considering its forecast for consolidated financial results for the fiscal year ending March 31, 2011. The Company also revised the amount of the projected dividend per share of common stock for the year ending March 31, 2011 that was announced on October 29, 2010.