

HONDA MOTOR CO LTD
Form 6-K
November 06, 2009
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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 2009

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):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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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Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes " No "

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

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Exhibit 1:

On October 27, 2009, Honda Motor Co., Ltd. announced its consolidated financial results for the fiscal second quarter and six months ended September 30, 2009.

Exhibit 2:

On October 27, 2009, Honda Motor Co., Ltd. (the Company) announced that significant discrepancies occurred between the consolidated financial results of the fiscal first half ended September 30, 2009 and the Company's forecasts for the same period that were announced on July 29, 2009 as follows. The Company also revised its forecasts for consolidated financial results of the fiscal year ending March 31, 2010 that were announced on July 29, 2009.

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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 6, 2009

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October 27, 2009

HONDA MOTOR CO., LTD. REPORTS

CONSOLIDATED FINANCIAL RESULTS

FOR THE FISCAL SECOND QUARTER ENDED SEPTEMBER 30, 2009

Tokyo, October 27, 2009 Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter and the fiscal half ended September 30, 2009.

Second Quarter Results

Honda's consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal second quarter ended September 30, 2009 totaled JPY 54.0 billion (USD 599 million), a decrease of 56.2% from the same period in 2008. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 29.78 (USD 0.33), a decrease of JPY 38.18 from JPY 67.96 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 2,056.6 billion (USD 22,799 million), a decrease of 27.2% from the same period in 2008, primarily due to decreased sales in the automobile business and unfavorable currency translation effects. Honda estimates that had the exchange rates unchanged from the corresponding period in 2008, revenue for the quarter would have decreased by approximately 16.1%.

Consolidated operating income for the quarter totaled JPY 65.5 billion (USD 727 million), a decrease of 56.0%, due primarily to decreased profit attributable to decreased sales, the impact of unfavorable currency effects caused by the appreciation of the Japanese yen and the increase in fixed costs per unit as a result of reduced production despite decreased SG&A expenses and R&D expenses and continuing cost reduction efforts.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 66.1 billion (USD 733 million), a decrease of 55.7% from the same period in 2008.

Equity in income of affiliates amounted to JPY 22.3 billion (USD 248 million) for the quarter, a decrease of 18.1% 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 2,407 thousand units, a decrease of 16.8% from the same period last year. Unit sales in Japan totaled 52 thousand units, a decrease of 34.2% compared to the same period last year. Outside of Japan, total unit sales totaled 2,355 thousand units, a decrease of 16.3% from the same period in 2008*, due mainly to decreased unit sales in Indonesia and Other Regions including Brazil in South America, more than offsetting increased unit sales in India. Revenue from sales to external customers decreased 31.4%, to JPY 275.3 billion (USD 3,052 million) from the same period last year, due mainly to decreased unit sales and unfavorable currency translation effects. Operating income decreased 79.9% to JPY 9.3 billion (USD 103 million) from the same period last year, due primarily to decreased profit attributable to decreased sales and the impact of unfavorable currency effects, more than offsetting decreased SG&A expenses and R&D expenses.

* 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 1,350 thousand units for the period.

Honda's automobile unit sales totaled 838 thousand units, a decrease of 10.4% from the same period last year. In Japan, unit sales amounted to 158 thousand units, an increase of 3.9% compared to the same period last year due mainly to favorable sales of *Insight*, *Zest* and *Fit* together with tax breaks and incentives on fuel-efficient green cars. Unit sales outside of Japan decreased 13.2% to 680 thousand units from the corresponding period last year, due mainly to decreased unit sales in North America, more than offsetting increased unit sales in Asia, especially in China and India. Revenue from sales to external customers decreased 28.1% to JPY 1,560.5 billion (USD 17,299 million) from the same period in 2008, due mainly to decreased unit sales and the unfavorable currency translation effects. Operating income decreased 82.7% to JPY 13.7 billion (USD 152 million) from the same period last year, due primarily to decreased profit attributable to decreased unit sales, the impact of unfavorable currency effects and the increase in fixed costs, more than offsetting decreased SG&A expenses and R&D expenses and continuing cost reduction efforts.

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Revenue from sales to external customers in the financial services business decreased 2.2% to JPY 155.0 billion (USD 1,719 million) from the same period in 2008, due mainly to the unfavorable currency translation effects, more than offsetting an increase in operating lease revenues. Operating income increased 94.0% to JPY 47.1 billion (USD 523 million) from the same period in 2008, due primarily to the decreased allowance for losses on lease residual values, a gain from lease assets and a decrease in funding costs.

Honda's power product unit sales totaled 932 thousand units, a decrease of 22.5% from the same period in 2008. In Japan, unit sales totaled 75 thousand units, a decrease of 48.6% from the same period last year. Unit sales outside of Japan totaled 857 thousand units, a decrease of 18.8% from the corresponding period last year due primarily to a decline in unit sales in all the regions. Revenue from sales to external customers in power product and other businesses decreased by 31.9% to JPY 65.7 billion (USD 729 million) from the same period last year, due mainly to decreased unit sales of power products and unfavorable currency translation effects. Honda reported an operating loss of JPY 4.6 billion (USD 52 million), primarily due to decreased profit attributable to decreased revenue, which more than offset decreased SG&A expenses.

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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 export sales amounted to JPY 804.3 billion (USD 8,916 million), down 32.6% compared to the same period last year, due primarily to a decrease of export sales in the automobile business. Honda reported an operating loss of JPY 25.7 billion (USD 285 million), due primarily to decreased profit attributable to decreased sales, the impact of unfavorable currency effects caused by the appreciation of the Japanese yen and the increase in fixed costs, more than offsetting decreased SG&A expenses and R&D expenses.

In North America, revenue decreased by 34.3% to JPY 899.4 billion (USD 9,971 million) from the same period in 2008, due mainly to decreased unit sales in the automobile business and the impact of unfavorable currency translation effects. Operating income increased by 111.7% to JPY 47.6 billion (USD 529 million) from the same period in 2008, due mainly to decreased SG&A expenses including the decreased allowance for losses on lease residual values, a decrease in funding costs in the financial services business and continuing cost reduction efforts, more than offsetting decreased profit attributable to decreased revenue, the increase in fixed costs and the impact of unfavorable currency effects.

In Europe, revenue decreased by 38.1% to JPY 216.9 billion (USD 2,405 million), from the same period in 2008, due primarily to decreased revenue in all of the business segments and the impact of unfavorable currency translation effects. Operating income decreased by 77.4% to JPY 1.8 billion (USD 21 million) from the same period in 2008, due mainly to decreased profit attributable to decreased revenue, the increase in fixed costs per unit as a result of reduced production and the impact of unfavorable currency effects, more than offsetting decreased SG&A expenses.

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In Asia, revenue decreased by 17.9% to JPY 370.8 billion (USD 4,111 million) from the same period last year due mainly to the impact of unfavorable currency translation effects and decreased revenue in the automobile business. Operating income decreased by 24.8% to JPY 27.5 billion (USD 305 million) from the same period in 2008, due mainly to the impact of unfavorable currency effects and decreased profit attributable to decreased revenue, more than offsetting decreased SG&A expenses.

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.

In Other Regions including Latin America, the Middle East, Africa and Oceania, revenue decreased by 34.6% to JPY 228.6 billion (USD 2,535 million) compared to the same period last year, due mainly to the impact of unfavorable currency translation effects and decreased revenue in the automobile business and motorcycle business. Operating income decreased by 79.6% to JPY 9.9 billion (USD 110 million) from the same period in 2008, due primarily to decreased profit attributable to decreased unit sales of motorcycles and automobiles and the unfavorable currency impacts.

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥ 90.21=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, 2009.

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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, 2009 totaled JPY 61.5 billion (USD 683 million), a decrease of 79.2% from the same period in 2008. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal first half amounted to JPY 33.95 (USD 0.38), a decrease of JPY 129.57 from JPY 163.52 for the same period in 2008.

Consolidated revenue for the period amounted to JPY 4,058.8 billion (USD 44,994 million), a decrease of 28.7% from the same period in 2008, primarily due to decreased revenue in the automobile business and unfavorable currency translation effects. Honda estimates that had exchange rate remain same from the corresponding period in 2008, revenue for the period would have decreased by approximately 18.4%.

Consolidated operating income for the period totaled JPY 90.7 billion (USD 1,006 million), a decrease of 74.8%, due primarily to decreased profit attributable to decreased revenue, the impact of unfavorable currency effects caused by the appreciation of the Japanese yen and the increase in fixed costs, despite decreased SG&A expenses and R&D expenses and continuing cost reduction efforts.

Consolidated income before income taxes and equity in income of affiliates for the period totaled JPY 71.5 billion (USD 794 million), a decrease of 80.8% from the same period in 2008.

Equity in income of affiliates amounted to JPY 36.5 billion (USD 406 million) for the period, a decrease of 44.1% 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 4,659 thousand units, a decrease of 16.9% from the same period in 2008. Unit sales in Japan totaled 97 thousand units, a decrease of 29.2%. Outside of Japan, total unit sales was 4,562 thousand units, a decrease of 16.6%*, due mainly to decreased unit sales in Asia and Other Regions including South America. Revenue from sales to external customers decreased 33.0%, to JPY 531.6 billion (USD 5,894 million) from the same period in 2008. Operating income decreased by 80.7% to JPY 14.9 billion (USD 166 million) from the same period in 2008, due primarily to decreased profit attributable to decreased revenue and the impact of unfavorable currency effects, more than offsetting decreased SG&A expenses and R&D expenses.

* 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 2,570 thousand units for the period.

Honda's unit sales of automobiles for the fiscal first half totaled 1,604 thousand units, a decrease of 15.4% from the same period in 2008. In Japan, unit sales totaled 286 thousand units, an increase of 2.1% compared to the same period last year, due mainly to favorable sales of *Insight* and *FREED*. Unit sales outside of Japan decreased 18.5% to 1,318 thousand units, due mainly to decreased unit sales in North America. Revenue from sales to external customers decreased 29.9% to JPY 3,083.9 billion (USD 34,186 million) from the same period in 2008, due mainly to decreased unit sales and the unfavorable currency translation effects. Honda reported an operating loss of JPY 7.6 billion (USD 85 million), due primarily to decreased profit attributable to decreased unit sales, the increase in fixed costs and the impact of unfavorable currency effects, more than offsetting decreased SG&A expenses and R&D expenses and continuing cost reduction efforts.

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Revenue from sales to external customers in the financial services business increased 2.2% to JPY 310.9 billion (USD 3,447 million) from the same period in 2008, due mainly to an increase in operating lease revenues, more than offsetting the unfavorable currency translation effects. Operating income increased 77.1% to JPY 94.0 billion (USD 1,042 million) from the same period in 2008, due primarily to the decreased allowance for losses on lease residual values and a decrease in funding costs.

Honda's unit sales of power products was 2,090 thousand units, down by 17.7% from the same period in 2008. In Japan, unit sales totaled 146 thousand units, a decrease of 52.1% from the same period last year. Unit sales outside of Japan decreased 13.1%, to 1,944 thousand units, due primarily to a decline of unit sales in all the regions. Revenue from sales to external customers in power product and other businesses decreased by 32.8% to JPY 132.3 billion (USD 1,467 million) from the same period in 2008, due mainly to decreased unit sales of power products and unfavorable currency translation effects. Honda reported an operating loss of JPY 10.6 billion (USD 118 million), primarily due to decreased profit attributable to decreased revenue, which more than offset decreased SG&A expenses.

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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 1,540.9 billion (USD 17,081 million), down by 34.2% compared to the same period in 2008, due primarily to a decrease in export sales in the automobile businesses. Honda reported an operating loss of JPY 30.3 billion (USD 337 million).

In North America, revenue decreased by 34.5% to JPY 1,875.2 billion (USD 20,787 million) from the same period in 2008 due mainly to decreased revenue in the automobile business and the impact of unfavorable currency translation effects. Operating income decreased by 53.1% to JPY 54.8 billion (USD 608 million) from the same period in 2008.

In Europe, revenue decreased by 39.2% to JPY 435.1 billion (USD 4,824 million), from the same period in 2008, due primarily to decreased revenue in all of the business segments and the impact of unfavorable currency translation effects. Operating income decreased by 81.5% to JPY 3.6 billion (USD 40 million) from the same period in 2008.

In Asia, revenue decreased by 22.1% to JPY 692.2 billion (USD 7,674 million) from the same period in 2008, due mainly to the impact of unfavorable currency translation effects and decreased revenue in the automobile business. Operating income decreased by 35.3% to JPY 47.9 billion (USD 531 million) from the same period in 2008.

In Other Regions, revenue decreased by 37.2% to JPY 404.1 billion (USD 4,480 million) compared to the same period in 2008, due mainly to the impact of unfavorable currency translation effects and decreased revenue in the motorcycle business and automobile business. Operating income decreased by 88.9% to JPY 9.4 billion (USD 105 million) from the same period in 2008.

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Consolidated Statements of Balance Sheets for the Fiscal Half Year Ended September 30, 2009

From March 31, 2009, total assets decreased JPY 560.8 billion (USD 6,218 million), to JPY 11,258.0 billion (USD 124,798 million) at September 30, 2009, mainly due to decreased inventories and the currency translation effects. From March 31, 2009, total liabilities decreased by JPY 577.2 billion (USD 6,399 million), to JPY 7,111.2 billion (USD 78,830 million) at September 30, 2009, mainly due to decreased current liabilities and the currency translation effects, despite an increase in long-term liabilities. From March 31, 2009, total equity increased by JPY 16.3 billion (USD 182 million), to JPY 4,146.7 billion (USD 45,968 million), primarily due to net income despite dividend paid and the currency translation effects.

Consolidated Statements of Cash Flows for the Fiscal First Half

Consolidated cash and cash equivalents at September 30, 2009 increased by JPY 255.3 billion (USD 2,831 million) from March 31, 2009, to JPY 945.7 billion (USD 10,484 million). The reasons for the increases or decreases for each cash flow activity compared with the corresponding period of the previous year are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to JPY 974.9 billion (USD 10,808 million) for the fiscal first half ended September 30, 2009, mainly attributable to a decrease in inventories and depreciation, decrease in trade accounts and notes receivable and net income. Cash inflows from operating activities increased by JPY 488.3 billion (USD 5,413 million) compared with the corresponding period in 2008.

Cash flows from investing activities

Net cash used in investing activities amounted to JPY 342.8 billion (USD 3,801 million), due mainly to capital expenditures, the acquisitions of finance subsidiaries-receivables and the purchase of operating lease assets, which exceeded collections of finance subsidiaries-receivables and the sales of operating lease assets. Cash outflows from investing activities decreased by JPY 698.3 billion (USD 7,742 million) compared with the corresponding period in 2008.

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Cash flows from financing activities

Net cash used in financing activities amounted to JPY 366.8 billion (USD 4,066 million), due mainly to decrease in short-term debt, payment of long-term debt and dividends paid, which exceeded proceeds from long-term debt. Cash outflows from financing activities increased by JPY 836.7 billion (USD 9,276 million) compared with the corresponding period in 2008.

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In regard to the forecasts of the financial results for the fiscal year ending March 31, 2010, 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 125, respectively, for the second half of the fiscal year ending March 31, 2010, and JPY 90 and JPY 129, respectively, for the full year ending March 31, 2010.

Projected unit sales for the full fiscal year ending March 31, 2010 are shown below.

| | Unit (thousands) | Changes from FY2009 (thousands) |
|------------------------------------|------------------|------------------------------------|
| Motorcycle business | 9,565 | -549 |
| Automobile business | 3,400 | -117 |
| Power product and Other businesses | 4,455 | -732 |

FY2010 Forecasts for Consolidated Results**Fiscal year ending March 31, 2010**

| | Yen (billions) | Changes from FY 2009 |
|---|----------------|----------------------|
| Net sales and other operating revenue | 8,450 | -15.6% |
| Operating income | 190 | +0.2% |
| Income before income taxes and equity in income of affiliates | 170 | +5.1% |
| Net income attributable to Honda Motor Co., Ltd. | 155 | +13.1% |
| | Yen | |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 85.42 | |

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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, 2010 from the corresponding period last year are as follows.

| | Yen (billions) |
|--|-----------------------|
| Revenue, model mix, etc., excluding currency effect | -241.7 |
| Cost reduction, the effect of raw material cost fluctuations, etc. | +17.0 |
| SG&A expenses, excluding currency effect | +371.0 |
| R&D expenses | +63.1 |
| Currency effect | -209.0 |
| Operating income compared with fiscal year 2009 | +0.3 |
| Fair value of derivative instruments | +24.0 |
| Others | - 16.0 |
| Income before income taxes and equity in income of affiliates compared with fiscal year 2009 | +8.2 |

Dividend per Share of Common Stock

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on October 27, 2009, resolved to make the quarterly dividend JPY 8 per share of common stock, the record date of which is September 30, 2009. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2010, is JPY 32 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, 2009

(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, 2009. 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) Noncontrolling Interests in Consolidated Financial Statements

Honda adopted the FASB Accounting Standards Codification (ASC) 810 Consolidation, which is a replacement of Statement of Financial Accounting Standards No. 160, Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51, effective April 1, 2009. This statement requires that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements, and requires that changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary shall be accounted for as equity transactions. Upon the adoption of ASC 810, noncontrolling interests, which were previously referred to as minority interests and classified between total liabilities and stockholders' equity on the consolidated balance sheets, are now included as a separate component of total equity. In addition, the presentation of consolidated statements of income and cash flows has been changed. As the presentation and disclosure requirements of ASC 810 have been applied retrospectively, Honda has made reclassifications to the prior consolidated financial statements to conform to the presentation used for the three months and six months periods ended September 2009. The adoption of ASC 810 did not have a material impact on the Company's consolidated financial position or results of operations.

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(b) Adjustment resulting from change in fiscal year-end of a subsidiary

During the fiscal year ended March 31, 2009, a subsidiary of the Company changed its fiscal year-end from December 31 to March 31. As a result, the Company eliminated the previously existed 3-month difference between the reporting periods of the Company and the subsidiary in the consolidated financial statements. The elimination of the lag period which was adjusted in the three months ended March 31, 2009 represented a change in accounting principles and was reported by retrospective application. The impact on the retained earnings balance as of April 1, 2008 was ¥6,214 million. Honda adjusted its consolidated financial statements for the six months ended September 30, 2008 to conform to the presentation used for the fiscal year ended March 31, 2009.

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For the three months and six months ended September 30, 2008 and 2009

Financial Highlights

| | Yen (millions) | | | |
|---|--|--|--|--|
| | Three months ended Sep. 30, 2008 (Unaudited) | Three months ended Sep. 30, 2009 (Unaudited) | Six months ended Sep. 30, 2008 (Unaudited) | Six months ended Sep. 30, 2009 (Unaudited) |
| Net sales and other operating revenue | 2,826,865 | 2,056,655 | 5,694,086 | 4,058,867 |
| Operating income | 148,851 | 65,543 | 359,327 | 90,707 |
| Income before income taxes and equity in income of affiliates | 149,462 | 66,140 | 373,686 | 71,598 |
| Net income attributable to Honda Motor Co., Ltd. | 123,316 | 54,037 | 296,713 | 61,597 |

| | Yen | | | |
|---|--|--|--|--|
| | Three months ended Sep. 30, 2008 (Unaudited) | Three months ended Sep. 30, 2009 (Unaudited) | Six months ended Sep. 30, 2008 (Unaudited) | Six months ended Sep. 30, 2009 (Unaudited) |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 67.96 | 29.78 | 163.52 | 33.95 |

| | U.S. Dollar (millions) | |
|---|--|--|
| | Three months ended Sep. 30, 2009 (Unaudited) | Six months ended Sep. 30, 2009 (Unaudited) |
| Net sales and other operating revenue | 22,799 | 44,994 |
| Operating income | 727 | 1,006 |
| Income before income taxes and equity in income of affiliates | 733 | 794 |
| Net income attributable to Honda Motor Co., Ltd. | 599 | 683 |

| | U.S. Dollar | |
|---|--|--|
| | Three months ended Sep. 30, 2009 (Unaudited) | Six months ended Sep. 30, 2009 (Unaudited) |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 0.33 | 0.38 |

Note: Certain revisions for misclassifications have been made to the prior years' operating income, income before income taxes and equity in income of affiliates, net income attributable to Honda Motor Co., Ltd. and Basic net income attributable to Honda Motor Co., Ltd. per common share. Please refer to Others 3. Changes in accounting procedures for consolidated quarterly financial results.

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

| | Yen (millions) | |
|--|-------------------------------------|-------------------|
| | September 30, 2009 (Unaudited) | March 31, 2009 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | 945,764 | 690,369 |
| Trade accounts and notes receivable | 702,952 | 854,214 |
| Finance subsidiaries-receivables, net | 1,031,946 | 1,172,030 |
| Inventories | 908,966 | 1,243,961 |
| Deferred income taxes | 207,303 | 198,158 |
| Other current assets | 377,618 | 462,446 |
| Total current assets | 4,174,549 | 4,621,178 |
| Finance subsidiaries-receivables, net | 2,334,371 | 2,400,282 |
| Investments and advances: | | |
| Investments in and advances to affiliates | 490,449 | 505,835 |
| Other, including marketable equity securities | 158,354 | 133,234 |
| Total investments and advances | 648,803 | 639,069 |
| Property on operating leases: | | |
| Vehicles | 1,582,837 | 1,557,060 |
| Less accumulated depreciation | 309,343 | 269,261 |
| Net property on operating leases | 1,273,494 | 1,287,799 |
| Property, plant and equipment, at cost: | | |
| Land | 470,528 | 469,279 |
| Buildings | 1,470,022 | 1,446,090 |
| Machinery and equipment | 3,152,375 | 3,133,439 |
| Construction in progress | 171,364 | 159,567 |
| | 5,264,289 | 5,208,375 |
| Less accumulated depreciation and amortization | 3,156,661 | 3,060,654 |
| Net property, plant and equipment | 2,107,628 | 2,147,721 |
| Other assets | 719,177 | 722,868 |
| Total assets | 11,258,022 | 11,818,917 |

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

| | Yen (millions) | |
|---|-----------------------------------|-------------------|
| | September 30, 2009 (Unaudited) | March 31, 2009 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Short-term debt | 949,134 | 1,706,819 |
| Current portion of long-term debt | 762,337 | 977,523 |
| Trade payables: | | |
| Notes | 21,471 | 31,834 |
| Accounts | 675,852 | 674,498 |
| Accrued expenses | 513,504 | 562,673 |
| Income taxes payable | 22,532 | 32,614 |
| Other current liabilities | 220,286 | 251,407 |
| Total current liabilities | 3,165,116 | 4,237,368 |
| Long-term debt, excluding current portion | 2,474,729 | 1,932,637 |
| Other liabilities | 1,471,441 | 1,518,568 |
| Total liabilities | 7,111,286 | 7,688,573 |
| Equity: | | |
| Honda Motor Co., Ltd. shareholders equity: | | |
| Common stock, authorized 7,086,000,000 shares; issued 1,834,828,430 shares | 86,067 | 86,067 |
| Capital surplus | 172,529 | 172,529 |
| Legal reserves | 44,838 | 43,965 |
| Retained earnings | 5,130,958 | 5,099,267 |
| Accumulated other comprehensive income (loss), net | (1,331,991) | (1,322,828) |
| Treasury stock, at cost 20,219,430 shares on Mar. 31, 2009 and 20,222,627 shares in Sep. 30, 2009 | (71,720) | (71,712) |
| Total Honda Motor Co., Ltd. shareholders equity | 4,030,681 | 4,007,288 |
| Noncontrolling interest | 116,055 | 123,056 |
| Total equity | 4,146,736 | 4,130,344 |
| Commitments and contingent liabilities | | |
| Total liabilities and equity | 11,258,022 | 11,818,917 |

Note: Please refer to Others 3. Changes in accounting procedures for consolidated quarterly financial results .

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

(A) For the three months ended September 30, 2008 and 2009

| | Yen (millions) | |
|--|---|---|
| | Three months ended September 30, 2008 (Unaudited) | Three months ended September 30, 2009 (Unaudited) |
| Net sales and other operating revenue | 2,826,865 | 2,056,655 |
| Operating costs and expenses: | | |
| Cost of sales | 2,058,223 | 1,556,549 |
| Selling, general and administrative | 483,165 | 323,062 |
| Research and development | 136,626 | 111,501 |
| Operating income | 148,851 | 65,543 |
| Other income: | | |
| Interest | 11,551 | 3,944 |
| Other | 11,468 | 5,617 |
| Other expenses: | | |
| Interest | 5,262 | 3,313 |
| Other | 17,146 | 5,651 |
| Income before income taxes and equity in income of affiliates | 149,462 | 66,140 |
| Income tax expense: | | |
| Current | 25,481 | 23,496 |
| Deferred | 21,977 | 9,662 |
| Income before equity in income of affiliates | 102,004 | 32,982 |
| Equity in income of affiliates | 27,288 | 22,349 |
| Net income | 129,292 | 55,331 |
| Less: Net income attributable to noncontrolling interest | (5,976) | (1,294) |
| Net income attributable to Honda Motor Co., Ltd. | 123,316 | 54,037 |

| | Yen | |
|--|-------|-------|
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 67.96 | 29.78 |

Note: Please refer to Others 3. Changes in accounting procedures for consolidated quarterly financial results .

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(B) For the six months ended September 30, 2008 and 2009

| | Yen (millions) | |
|--|---|---|
| | Six months ended September 30, 2008 (Unaudited) | Six months ended September 30, 2009 (Unaudited) |
| Net sales and other operating revenue | 5,694,086 | 4,058,867 |
| Operating costs and expenses: | | |
| Cost of sales | 4,109,548 | 3,110,373 |
| Selling, general and administrative | 951,438 | 644,694 |
| Research and development | 273,773 | 213,093 |
| Operating income | 359,327 | 90,707 |
| Other income: | | |
| Interest | 22,392 | 8,772 |
| Other | 20,774 | 713 |
| Other expenses: | | |
| Interest | 11,414 | 7,124 |
| Other | 17,393 | 21,470 |
| Income before income taxes and equity in income of affiliates | 373,686 | 71,598 |
| Income tax expense: | | |
| Current | 63,199 | 36,674 |
| Deferred | 66,529 | 6,983 |
| Income before equity in income of affiliates | 243,958 | 27,941 |
| Equity in income of affiliates | 65,481 | 36,592 |
| Net income | 309,439 | 64,533 |
| Less: Net income attributable to noncontrolling interest | (12,726) | (2,936) |
| Net income attributable to Honda Motor Co., Ltd. | 296,713 | 61,597 |
| | | Yen |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 163.52 | 33.95 |

Note: Please refer to Others 3. Changes in accounting procedures for consolidated quarterly financial results .

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

| | Yen (millions) | |
|--|--|--|
| | Six months ended Sep. 30, 2008 (Unaudited) | Six months ended Sep. 30, 2009 (Unaudited) |
| Cash flows from operating activities: | | |
| Net income | 309,439 | 64,533 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation excluding property on operating leases | 205,057 | 200,493 |
| Depreciation of property on operating leases | 92,757 | 116,537 |
| Deferred income taxes | 66,529 | 6,983 |
| Equity in income of affiliates | (65,481) | (36,592) |
| Dividends from affiliates | 26,759 | 71,806 |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 37,524 | 25,355 |
| Impairment loss on investments in securities | 13,673 | 286 |
| Impairment loss excluding property on operating leases | 3,577 | |
| Impairment loss on property on operating leases | 4,898 | 2,855 |
| Loss (gain) on derivative instruments, net | (56,015) | (37,391) |
| Decrease (increase) in assets: | | |
| Trade accounts and notes receivable | 67,991 | 155,332 |
| Inventories | (155,200) | 350,426 |
| Other current assets | (19,471) | 107,541 |
| Other assets | 8,544 | 24,441 |
| Increase (decrease) in liabilities: | | |
| Trade accounts and notes payable | (92,139) | 22,695 |
| Accrued expenses | (7,812) | (36,767) |
| Income taxes payable | 4,405 | (15,441) |
| Other current liabilities | 19,926 | 17,378 |
| Other liabilities | 36,253 | (33,343) |
| Other, net | (14,564) | (32,128) |
| Net cash provided by operating activities | 486,650 | 974,999 |
| Cash flows from investing activities: | | |
| Increase in investments and advances | (1,265) | (17,559) |
| Decrease in investments and advances | 1,486 | 10,224 |
| Payments for purchases of available-for-sale securities | (31,537) | (2,624) |
| Proceeds from sales of available-for-sale securities | 1,309 | 1,609 |
| Payments for purchases of held-to-maturity securities | (14,458) | |
| Proceeds from redemptions of held-to-maturity securities | 10,513 | |
| Capital expenditures | (314,465) | (205,132) |
| Proceeds from sales of property, plant and equipment | 11,437 | 8,552 |
| Acquisitions of finance subsidiaries-receivables | (1,555,101) | (697,795) |
| Collections of finance subsidiaries-receivables | 1,110,815 | 795,003 |
| Sales (purchases) of finance subsidiaries-receivables, net | 123,090 | (31,345) |
| Purchase of operating lease assets | (437,093) | (276,142) |
| Proceeds from sales of operating lease assets | 53,995 | 72,334 |
| Net cash used in investing activities | (1,041,274) | (342,875) |

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

| | Yen (millions) | |
|---|--|--|
| | Six months ended Sep. 30, 2008 (Unaudited) | Six months ended Sep. 30, 2009 (Unaudited) |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term debt, net | 228,914 | (748,274) |
| Proceeds from long-term debt | 870,684 | 881,529 |
| Repayment of long-term debt | (540,316) | (457,951) |
| Dividends paid | (79,842) | (29,033) |
| Dividends paid to noncontrolling interests | (9,473) | (13,078) |
| Payment for purchase of treasury stock, net | (6) | (8) |
| Net cash provided by (used in) financing activities | 469,961 | (366,815) |
| Effect of exchange rate changes on cash and cash equivalents | (11,831) | (9,914) |
| Net change in cash and cash equivalents | (96,494) | 255,395 |
| Cash and cash equivalents at beginning of year | 1,050,902 | 690,369 |
| Cash and cash equivalents at end of period | 954,408 | 945,764 |

Note: Please refer to Others 3. Changes in accounting procedures for consolidated quarterly financial results .

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 for which separate financial information is available, and that information 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), personal watercrafts 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, 2008

| | 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 | 401,090 | 2,170,632 | 158,523 | 96,620 | 2,826,865 | | 2,826,865 |
| Intersegment | | | 4,149 | 6,474 | 10,623 | (10,623) | |
| Total | 401,090 | 2,170,632 | 162,672 | 103,094 | 2,837,488 | (10,623) | 2,826,865 |
| Segment income (loss) | 46,395 | 79,063 | 24,317 | (924) | 148,851 | | 148,851 |

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) | |

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| | | | | | | | |
|-----------------------|---------|-----------|---------|---------|-----------|----------|-----------|
| 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 |

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(B) As of and for the six months ended September 30, 2008

| | Yen (millions) | | | | | | |
|--|------------------------|------------------------|-----------------------------------|--|------------------|----------------------|--------------|
| | Motorcycle Business | Automobile Business | Financial Services Business | Power Product & Other Businesses | Segment Total | Reconciling Items | Consolidated |
| Net sales and other operating revenue: | | | | | | | |
| External customers | 794,138 | 4,398,645 | 304,328 | 196,975 | 5,694,086 | | 5,694,086 |
| Intersegment | | | 7,868 | 12,960 | 20,828 | (20,828) | |
| Total | 794,138 | 4,398,645 | 312,196 | 209,935 | 5,714,914 | (20,828) | 5,694,086 |
| Segment income (loss) | 77,548 | 229,404 | 53,090 | (715) | 359,327 | | 359,327 |
| Assets | 1,220,216 | 5,884,158 | 6,473,585 | 289,721 | 13,867,680 | (494,205) | 13,373,475 |
| Depreciation and amortization | 25,692 | 171,834 | 93,189 | 7,099 | 297,814 | | 297,814 |
| Capital expenditures | 44,669 | 245,550 | 437,508 | 7,116 | 734,843 | | 734,843 |

As of and for the six months ended September 30, 2009

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

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 336,896 million as of September 30, 2008 and JPY 308,177 million as of September 30, 2009 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 92,757 million for the six months ended September 30, 2008 and JPY 116,537 million for the six months ended September 30, 2009, respectively, of depreciation of property on operating leases.

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4. Capital expenditure of Financial Services Business includes JPY 437,093 million for the six months ended September 30, 2008 and JPY 276,142 million for the six months ended September 30, 2009 respectively, for purchase of operating lease assets.

5. Please refer to Others 3. Changes in accounting procedures for consolidated quarterly financial results .

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In addition to the disclosure required by U.S.GAAP, Honda provides the following supplemental information as required by Financial Instruments and Exchange Law:

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, 2008

| | Yen (millions) | | | | | | Reconciling Items | Consolidated |
|--|----------------|------------------|---------|---------|------------------|-----------|----------------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | | |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 504,141 | 1,297,927 | 322,591 | 373,578 | 328,628 | 2,826,865 | | 2,826,865 |
| Transfers between geographic areas | 689,385 | 72,125 | 28,133 | 78,258 | 20,913 | 888,814 | (888,814) | |
| Total | 1,193,526 | 1,370,052 | 350,724 | 451,836 | 349,541 | 3,715,679 | (888,814) | 2,826,865 |
| Operating income | 40,934 | 22,526 | 8,301 | 36,631 | 48,796 | 157,188 | (8,337) | 148,851 |

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

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

Table of Contents**(B) As of and for the six months ended September 30, 2008**

| | Yen (millions) | | | | | | Reconciling | Consolidated |
|--|----------------|---------------|---------|-----------|---------------|------------|-------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Items | |
| Net sales and other operating revenue: | | | | | | | | |
| External customers | 969,420 | 2,732,962 | 655,322 | 734,059 | 602,323 | 5,694,086 | | 5,694,086 |
| Transfers between geographic areas | 1,373,708 | 130,268 | 59,940 | 154,020 | 41,012 | 1,758,948 | (1,758,948) | |
| Total | 2,343,128 | 2,863,230 | 715,262 | 888,079 | 643,335 | 7,453,034 | (1,758,948) | 5,694,086 |
| Operating income | 78,844 | 117,109 | 19,594 | 74,093 | 85,103 | 374,743 | (15,416) | 359,327 |
| Assets | 3,142,058 | 7,505,511 | 926,033 | 1,148,474 | 709,834 | 13,431,910 | (58,435) | 13,373,475 |
| Long-lived assets | 1,091,368 | 1,985,283 | 157,589 | 269,588 | 150,428 | 3,654,256 | | 3,654,256 |

As of and for the six months ended September 30, 2009

| | Yen (millions) | | | | | | Reconciling | Consolidated |
|--|----------------|---------------|---------|---------|---------------|------------|-------------|--------------|
| | Japan | North America | Europe | Asia | Other Regions | Total | Items | |
| 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 |
| 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 |
| 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 336,896 million as of September 30, 2008 and JPY 308,177 million as of September 30, 2009 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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4. Please refer to Others 3. Changes in accounting procedures for consolidated quarterly financial results .

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3. Overseas Sales and revenues based on the location of the customer

(A) For the three months ended September 30, 2008

| | Yen (millions) | | | | Total |
|--|----------------|---------|---------|---------------|-----------|
| | North America | Europe | Asia | Other Regions | |
| Overseas sales | 1,293,583 | 320,102 | 435,298 | 387,096 | 2,436,079 |
| Consolidated sales | | | | | 2,826,865 |
| Overseas sales ratio to consolidated sales | 45.8% | 11.3% | 15.4% | 13.7% | 86.2% |

For the three months ended September 30, 2009

| | Yen (millions) | | | | Total |
|--|----------------|---------|---------|---------------|-----------|
| | North America | Europe | Asia | Other Regions | |
| Overseas sales | 861,774 | 200,257 | 368,296 | 240,365 | 1,670,692 |
| Consolidated sales | | | | | 2,056,655 |
| Overseas sales ratio to consolidated sales | 41.9% | 9.7% | 17.9% | 11.7% | 81.2% |

(B) For the six months ended September 30, 2008

| | Yen (millions) | | | | Total |
|--|----------------|---------|---------|---------------|-----------|
| | North America | Europe | Asia | Other Regions | |
| Overseas sales | 2,721,646 | 650,225 | 871,829 | 707,937 | 4,951,637 |
| Consolidated sales | | | | | 5,694,086 |
| Overseas sales ratio to consolidated sales | 47.8% | 11.4% | 15.3% | 12.5% | 87.0% |

For the six months ended September 30, 2009

| | Yen (millions) | | | | Total |
|--|----------------|---------|---------|---------------|-----------|
| | North America | Europe | Asia | Other Regions | |
| Overseas sales | 1,794,886 | 407,170 | 713,458 | 425,108 | 3,340,622 |
| Consolidated sales | | | | | 4,058,867 |
| Overseas sales ratio to consolidated sales | 44.2% | 10.0% | 17.6% | 10.5% | 82.3% |

Explanatory note:

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 |
| Other Regions | Brazil, Australia |

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

As of and for the six months ended September 30, 2009

1. Information concerning dividends

(a) Dividends paid during the period

Resolved at the General Meeting of Shareholders on June 23, 2009

| | |
|--|-------------------|
| Total amount of dividends (million yen) | 14,516 |
| Dividend per share of common stock (yen) | 8.00 |
| Record date | March 31, 2009 |
| Effective date | June 24, 2009 |
| Resource for dividend | Retained earnings |

Resolved by the Board of Directors at its meeting held on July 29, 2009

| | |
|--|-------------------|
| Total amount of dividends (million yen) | 14,516 |
| Dividend per share of common stock (yen) | 8.00 |
| Record date | June 30, 2009 |
| Effective date | August 24, 2009 |
| Resource for dividend | Retained earnings |

(b) Dividends to be paid for the three months ended September 30, 2009, of which effective date is after September 30, 2009

Resolved by the Board of Directors at its meeting held on October 27, 2009

| | |
|--|--------------------|
| Total amount of dividends (million yen) | 14,516 |
| Dividend per share of common stock (yen) | 8.00 |
| Record date | September 30, 2009 |
| Effective date | November 25, 2009 |
| Resource for dividend | Retained earnings |

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

None

[7] Income Taxes

Because of operating losses for the fiscal half ended September 30, 2009, certain subsidiaries of the Company have recorded valuation allowances over their deferred tax assets as of September 30, 2009. Due primarily to this accounting treatment, the effective tax rates of Honda for the three months and six months ended September 2009 differs from Honda's statutory income tax rate, which is 40% for the fiscal year ending March 31, 2010.

[8] Reclassifications

Certain revisions for reclassifications have been made to the prior years' consolidated financial statements to conform to the presentation used for the same period in 2009.

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

For the three months and six months ended September 30, 2008 and 2009

| | Unit (thousands) | | | |
|-----------------------|-------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| | Three months ended Sep. 30, 2008 | Three months ended Sep. 30 2009 | Six months ended Sep. 30, 2008 | Six months ended Sep. 30, 2009 |
| MOTORCYCLES | | | | |
| Japan | 79 | 52 | 137 | 97 |
| | (79) | (52) | (137) | (97) |
| North America | 93 | 43 | 173 | 97 |
| | (45) | (22) | (95) | (53) |
| Europe | 66 | 40 | 157 | 102 |
| | (64) | (38) | (152) | (99) |
| Asia | 2,146 | 1,864 | 4,196 | 3,683 |
| | (2,146) | (1,864) | (4,196) | (3,683) |
| Other Regions | 509 | 408 | 945 | 680 |
| | (504) | (407) | (937) | (675) |
| Total | 2,893 | 2,407 | 5,608 | 4,659 |
| | (2,838) | (2,383) | (5,517) | (4,607) |
| AUTOMOBILES | | | | |
| Japan | 152 | 158 | 280 | 286 |
| North America | 401 | 300 | 861 | 623 |
| Europe | 87 | 73 | 162 | 142 |
| Asia | 204 | 249 | 425 | 438 |
| Other Regions | 91 | 58 | 169 | 115 |
| Total | 935 | 838 | 1,897 | 1,604 |
| POWER PRODUCTS | | | | |
| Japan | 146 | 75 | 305 | 146 |
| North America | 402 | 315 | 895 | 879 |
| Europe | 231 | 175 | 550 | 389 |
| Asia | 296 | 257 | 545 | 490 |
| Other Regions | 127 | 110 | 246 | 186 |
| Total | 1,202 | 932 | 2,541 | 2,090 |
| 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.

Table of Contents**[10] Net Sales Breakdown**

For the three months and six months ended September 30, 2008 and 2009

| | Yen (millions) | | | |
|---|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| | Three months ended Sep. 30, 2008 | Three months ended Sep. 30, 2009 | Six months ended Sep. 30, 2008 | Six months ended Sep. 30, 2009 |
| MOTORCYCLE BUSINESS | | | | |
| Japan | 25,634 | 17,935 | 47,149 | 35,594 |
| North America | 51,949 | 25,368 | 103,358 | 57,524 |
| Europe | 47,795 | 26,147 | 112,477 | 64,281 |
| Asia | 117,330 | 103,568 | 245,006 | 208,631 |
| Other Regions | 158,382 | 102,294 | 286,148 | 165,648 |
| Total | 401,090 | 275,312 | 794,138 | 531,678 |
| AUTOMOBILE BUSINESS | | | | |
| Japan | 322,290 | 336,400 | 610,833 | 623,647 |
| North America | 1,072,541 | 678,992 | 2,293,662 | 1,416,383 |
| Europe | 253,112 | 161,138 | 491,945 | 313,884 |
| Asia | 304,227 | 254,920 | 599,601 | 485,850 |
| Other Regions | 218,462 | 129,051 | 402,604 | 244,166 |
| Total | 2,170,632 | 1,560,501 | 4,398,645 | 3,083,930 |
| FINANCIAL SERVICES BUSINESS | | | | |
| Japan | 6,023 | 6,194 | 12,000 | 12,319 |
| North America | 144,268 | 141,756 | 276,859 | 285,185 |
| Europe | 3,664 | 2,741 | 7,199 | 5,447 |
| Asia | 1,282 | 1,094 | 2,498 | 2,223 |
| Other Regions | 3,286 | 3,259 | 5,772 | 5,773 |
| Total | 158,523 | 155,044 | 304,328 | 310,947 |
| POWER PRODUCT & OTHER BUSINESSES | | | | |
| Japan | 36,839 | 25,434 | 72,467 | 46,685 |
| North America | 24,825 | 15,658 | 47,767 | 35,794 |
| Europe | 15,531 | 10,231 | 38,604 | 23,558 |
| Asia | 12,459 | 8,714 | 24,724 | 16,754 |
| Other Regions | 6,966 | 5,761 | 13,413 | 9,521 |
| Total | 96,620 | 65,798 | 196,975 | 132,312 |
| TOTAL | | | | |
| Japan | 390,786 | 385,963 | 742,449 | 718,245 |
| North America | 1,293,583 | 861,774 | 2,721,646 | 1,794,886 |
| Europe | 320,102 | 200,257 | 650,225 | 407,170 |
| Asia | 435,298 | 368,296 | 871,829 | 713,458 |
| Other Regions | 387,096 | 240,365 | 707,937 | 425,108 |
| Total | 2,826,865 | 2,056,655 | 5,694,086 | 4,058,867 |
| 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 27, 2009

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 Concerning Discrepancies from Forecasts for Consolidated Financial Results of the**Fiscal First Half Ended September 30, 2009 and****Revision of Forecasts for Consolidated Financial Results of the****Fiscal Year Ending March 31, 2010**

Honda Motor Co., Ltd. (the Company) hereby announces that significant discrepancies occurred between the consolidated financial results of the fiscal first half ended September 30, 2009 and the Company's forecasts for the same period that were announced on July 29, 2009 as follows.

The Company also revised its forecasts for consolidated financial results of the fiscal year ending March 31, 2010 that were announced on July 29, 2009.

Particulars

1. Discrepancies from Forecasts for Financial Results of the Fiscal First Half Ended September 30, 2009
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 attributable to Honda Motor Co., Ltd. | Basic net income per common share (Yen) |
|---|---------------------------------------|------------------|----------------------------|--|---|
| Forecast previously announced on July 29, 2009 (A) | 3,920,000 | -10,000 | -25,000 | -10,000 | -5.51 |
| Results of the fiscal first half ended September 30, 2009 (B) | 4,058,867 | 90,707 | 71,598 | 61,597 | 33.95 |
| Change (B-A) | 138,867 | 100,707 | 96,598 | 71,597 | |
| Percentage change (%) (Reference) | 3.5 | | | | |
| Results of the fiscal first half ended September 30, 2008 | 5,694,086 | 359,327 | 373,686 | 296,713 | 163.52 |

Note: Honda adjusted its consolidated operating income, income before income taxes, net income attributable to Honda Motor Co., Ltd and basic net income per common share for the six months ended September 30, 2008.

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Basis for the Occurrence of Significant Discrepancies from Previous Forecasts for Consolidated Financial Results of the Fiscal First Half Ended September 30, 2009

Consolidated operating income, income before income taxes and net income attributable to Honda Motor Co., Ltd. for the fiscal first half ended September 30, 2009 exceeded the forecasts for consolidated financial results for the same period that were announced on July 29, 2009, due mainly to decreased SG&A expenses, the favorable change in revenue, model mix, etc., continuing cost reduction efforts, decreased R&D expenses and currency effects.

2. Revision of Forecast for Consolidated Financial Results of the Fiscal Year Ending March 31, 2010

| (Millions of Yen, except Basic net income per common share) | Net sales and other operating revenue | Operating income | Income before income taxes | Net income attributable to Honda Motor Co., Ltd. | Basic net income per common share (Yen) |
|---|---|---------------------|-------------------------------|---|---|
| Forecast announced on July 29, 2009 (A) | 8,280,000 | 70,000 | 45,000 | 55,000 | 30.31 |
| Forecast revised on October 27, 2009 (B) | 8,450,000 | 190,000 | 170,000 | 155,000 | 85.42 |
| Change (B-A) | 170,000 | 120,000 | 125,000 | 100,000 | |
| Percentage change (%) (Reference) | 2.1 | 171.4 | 277.8 | 181.8 | |
| Results of the fiscal year ended March 31, 2009 | 10,011,241 | 189,643 | 161,734 | 137,005 | 75.50 |

Basis for Revision of Forecast for Financial Results of the Fiscal Year Ending March 31, 2010

Due mainly to the favorable change in revenue, model mix, etc., continuing cost reduction efforts and decreased R&D expenses, 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 29, 2009.

* 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, 2009 included in the consolidated financial results for the fiscal second quarter ended September 30, 2009 (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.