Fourth Quarter Results

Honda’s consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal fourth quarter ended March 31, 2011 totaled JPY 44.5 billion (USD 536 million), a decrease of 38.3% from the same period last year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the quarter amounted to JPY 24.72 (USD 0.30), a decrease of JPY 15.06 from JPY 39.78 for the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated net sales and other operating revenue (herein referred to as “revenue”) for the quarter amounted to JPY 2,213.0 billion (USD 26,616 million), a decrease of 2.9% from the same period last year, due primarily to the unfavorable currency translation effects, despite increased revenue in the motorcycle business together with revenue related to licensing agreements. Honda estimates that if calculated at the same exchange rate as the corresponding period last year, revenue for the quarter would have increased by approximately 3.3%.

Consolidated operating income for the quarter amounted to JPY 46.2 billion (USD 556 million), a decrease of 51.9% from the same period last year, due primarily to increased SG&A expenses, unfavorable foreign currency effects, and impact of the Great East Japan Earthquake occurred on March 11, 2011 (the “Earthquake”) despite continuing cost reduction efforts, decreased R&D expenses, increased sales volume and model mix and operating income related to licensing agreements.

Consolidated income before income taxes and equity in income of affiliates for the quarter totaled JPY 76.6 billion (USD 921 million), a decrease of 18.1% from the same period last year, despite non-operating income related to dissolution of the joint venture.

Equity in income of affiliates amounted to JPY 25.0 billion (USD 301 million) for the
quarter, an increase of 4.7% from the corresponding period last year.


** For detailed information of the dissolution and licensing agreements, please refer to [11] Other, 2. Dissolution of the joint venture below.

**Business Segment**

With respect to Honda’s sales for the fiscal fourth quarter by business segment, motorcycle unit sales totaled 2,934 thousand units, an increase of 12.8% 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 5.4%, to JPY 353.1 billion (USD 4,247 million), from the same period last year, due mainly to increased unit sales and revenue related to licensing agreements, despite the unfavorable currency translation effects. Operating income totaled to JPY 48.1 billion (USD 579 million), an increase of 71.8% from the same period last year, due primarily to increased unit sales and model mix and operating income related to licensing agreements, despite increased SG&A expenses and unfavorable foreign currency effects.

*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 1,810 thousand units for the period.

**For detailed information of licensing agreements, please refer to [11] Other, 2. Dissolution of the joint venture below.

Honda’s automobile unit sales totaled 860 thousand units**, a decrease of 1.6% from the same period last year due mainly to decreased unit sales in Japan, despite increased unit sales in North America. Revenue from sales to external customers decreased 4.4%, to JPY 1,645.3 billion (USD 19,788 million), from the same period last year, due mainly to unfavorable currency translation effects. Honda reported an operating loss of JPY 39.1 billion (USD 471 million), a deterioration of JPY 63.1 billion from the same period last year, due primarily to increased SG&A expenses, unfavorable foreign currency effects and the impact of the Earthquake, despite continuing cost reduction efforts and decreased R&D expenses.

**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.

Revenue from customers in the financial services business decreased 6.8%, to JPY 134.5 billion (USD 1,618 million) from the same period last year. Operating income decreased 16.1% to JPY 39.6 billion (USD 476 million) from the same period last year due mainly to the unfavorable foreign currency effects, despite the decreased allowance for losses on credit and lease residual values.

Honda’s power product unit sales totaled 1,746 thousand units, an increase of 7.1% from the same period last year due to an increase of unit sales in all the regions. Revenue from sales to external customers in power product and other businesses increased 1.8%, to JPY 80.0 billion (USD 963 million), from the same period last year, due mainly to increased unit sales in power products, despite unfavorable currency translation effects. Honda reported an operating loss of JPY 2.3 billion (USD 28 million), an improvement of JPY 0.7 billion from the same period last year, primarily due to continuing cost reduction efforts and increased sales volume and model mix of power products, despite increased SG&A expenses.
**Geographical Information**

With respect to Honda’s sales for the fiscal fourth quarter by geographic area, in Japan, revenue from domestic and exports sales amounted to JPY 893.8 billion (USD 10,750 million), a decrease of 0.1% from the same period last year, due mainly to decreased revenue in the automobile business, despite revenue related to licensing agreements. Honda reported an operating loss of JPY 21.8 billion (USD 262 million), a deterioration of JPY 13.0 billion from the same period last year, due primarily to decreased sales volume and model mix, increased SG&A expenses, unfavorable foreign currency effects and the impact of the Earthquake, despite continuing cost reduction efforts, decreased R&D expenses and operating income related to licensing agreements.

In North America, revenue decreased by 2.7%, to JPY 976.6 billion (USD 11,745 million), from the same period last year due mainly to unfavorable currency translation effects. Operating income totaled JPY 24.5 billion (USD 296 million), a decrease of 65.3% from the corresponding period last year, due primarily to increased SG&A expenses and the unfavorable foreign currency effects, despite increased sales volume and model mix.

In Europe, revenue decreased by 5.2%, to JPY 197.3 billion (USD 2,374 million), from the same period last year, due primarily to unfavorable currency translation effects. Honda reported an operating loss of JPY 1.7 billion (USD 21 million), an improvement of JPY 5.8 billion from the same period last year, primarily due to continuing cost reduction efforts and decreased SG&A expenses, despite the unfavorable foreign currency effects.

In Asia, revenue increased by 10.1%, to JPY 472.4 billion (USD 5,681 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 6.8%, to JPY 32.1 billion (USD 386 million), from the corresponding period last year, due mainly to increased sales volume and mix and decrease in fixed costs as volume of production increase, despite increased SG&A expenses and unfavorable foreign currency effects.

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 South America, the Middle East, Africa and Oceania, revenue increased by 5.2%, to JPY 264.3 billion (USD 3,179 billion) from the same period last year, due mainly to increased revenue in the motorcycle business and the automobile business, despite the unfavorable foreign currency effects. Operating income totaled
JPY 13.1 billion (USD 158 million), a decrease of 30.4% from the same period last year, primarily due to increased SG&A expenses and the unfavorable foreign currency effects, despite increased sales volume and model mix.

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 83.15=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 March 31, 2011.
Fiscal Year Results

Honda’s consolidated net income attributable to Honda Motor Co., Ltd. for the fiscal year ended March 31, 2011 totaled JPY 534.0 billion (USD 6,423 million), an increase of 99.0% from the previous fiscal year. Basic net income attributable to Honda Motor Co., Ltd. per common share for the fiscal year amounted to JPY 295.67 (USD 3.56), an increase of JPY 147.76 from JPY 147.91 for the previous fiscal year.

Consolidated revenue for the period amounted to JPY 8,936.8 billion (USD 107,479 million), an increase of 4.2% from the previous fiscal 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 previous fiscal year, revenue for the period would have increased by approximately 8.7%.

Consolidated operating income for the period totaled JPY 569.7 billion (USD 6,852 million), an increase of 56.6% from the previous fiscal year, due primarily to increased sales volume and model mix, decrease in fixed costs as volume of production increase and continuing cost reduction efforts, despite increased SG&A expenses and R&D expenses, the unfavorable foreign currency effects, and the impact of the Earthquake.

Consolidated income before income taxes and equity in income of affiliates for the period totaled JPY 630.5 billion (USD 7,583 million), an increase of 87.6% from the previous fiscal year due mainly to increased operating income and the non-operating income related to the dissolution of the joint venture.

Equity in income of affiliates amounted to JPY 139.7 billion (USD 1,681 million) for the period, an increase of 49.8% from the previous fiscal year.

Business Segment

With respect to Honda’s sales for the fiscal year by business segment, unit sales of motorcycles totaled 11,445 thousand units, an increase of 18.7% from the previous fiscal year*, due mainly to increased unit sales in Asia and Other regions including South America. Revenue from sales to external customers increased 13.0%, to JPY 1,288.1 billion (USD 15,492 million) from the previous fiscal year, primarily due to increased unit sales and revenue related to licensing agreements. Operating income totaled to JPY 138.5 billion (USD 1,667 million), an increase of 135.6% from the previous fiscal year, due primarily to increased sales volume and model mix, decrease in fixed costs as volume of
production increase, and operating income related to licensing agreements.

*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 7,290 thousand units for the period.

Honda’s unit sales of automobiles for the fiscal year totaled 3,512 thousand units, an increase of 3.5% from the previous fiscal year, due mainly to increased unit sales in North America and Asia, despite decreased unit sales in Japan and Europe. Revenue from sales to external customers increased 3.6%, to JPY 6,794.0 billion (USD 81,709 million), from the previous fiscal year**, due mainly to increased unit sales, despite unfavorable foreign currency translation effects. Operating income totaled JPY 264.5 billion (USD 3,182 million), an increase of 108.7% compared to the previous fiscal year, due primarily to increased sales volume and model mix, decrease in fixed costs as volume of production increase, and continuing cost reduction efforts, despite increased SG&A expenses and R&D expenses, the unfavorable foreign currency effects, and the impact of the Earthquake.

**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.

Revenue from the financial services business to external customers decreased 7.3%, to JPY 561.8 billion (USD 6,758 million), from the same period last year, primarily due to unfavorable currency translation effects. Operating income decreased 4.4%, to JPY 186.2 billion (USD 2,240 million), from the previous fiscal year due mainly to unfavorable foreign currency effects, despite the decreased allowance for losses on both credit and lease residual values.

Honda’s unit sales of power products totaled 5,509 thousand units, an increase of 16.1% from the previous fiscal year 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 5.4%, to JPY 292.6 billion (USD 3,520 million), from the previous fiscal year, due mainly to increased unit sales of power products. Honda reported an operating loss of JPY 5.5 billion (USD 66 million), an improvement of JPY 11.1 billion from the previous fiscal year due primarily to increased sales volume and model mix of power products, despite increased SG&A expenses and unfavorable foreign currency effects.
Geographical Information

With respect to Honda’s sales for the fiscal year by geographic area, in Japan, revenue from domestic and export sales was JPY 3,611.2 billion (USD 43,430 million), an increase of 9.2% compared to the previous fiscal year, due primarily to increased revenue in the automobile business and revenue related to licensing agreements. Operating income totaled JPY 66.1 billion (USD 795 million), an increase of JPY 95.2 billion from the previous fiscal year, due primarily to increased sales volume and mix, continuing cost reduction efforts and operating income related to licensing agreements, despite the increased SG&A expenses and R&D expenses, the unfavorable foreign currency effects, and the impact of the Earthquake.

In North America, revenue increased by 6.1%, to JPY 4,147.8 billion (USD 49,885 million), from the previous fiscal year, due primarily to increased revenue in the automobile business, despite the unfavorable currency translation effects. Operating income totaled JPY 300.9 billion (USD 3,619 million), an increase of 27.3% from the previous fiscal year.

In Europe, revenue decreased by 15.3%, to JPY 699.2 billion (USD 8,410 million), from the previous fiscal year, due primarily to decreased revenue in the automobile business and the unfavorable currency translation effects. Honda reported an operating loss of JPY 10.2 billion (USD 123 million), an improvement of JPY 0.6 billion from the previous fiscal year.

In Asia, revenue increased by 21.2%, to JPY 1,841.1 billion (USD 22,143 million), from the previous fiscal 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 33.3%, to JPY 150.6 billion (USD 1,812 million), from the previous fiscal year.

In Other Regions, revenue increased by 9.5%, to JPY 982.0 billion (USD 11,811 million), compared to the previous fiscal year, due mainly to increased revenue in the motorcycle business and in the automobile business, and favorable currency translation effects. Operating income totaled JPY 69.5 billion (USD 836 million), an increase of 51.8% from the same period last year.
Consolidated Statements of Balance Sheets for the Fiscal Year Ended March 31, 2011

From March 31, 2010, total assets decreased JPY 58.2 billion (USD 700 million), to JPY 11,570.8 billion (USD 139,157 million) at March 31, 2011, mainly due to unfavorable currency translation effects, despite increased cash and cash equivalents, increased property on operating leases, 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 184.7 billion (USD 2,222 million), to JPY 6,987.9 billion (USD 84,040 million) at March 31, 2011, 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, total equity increased JPY 126.4 billion (USD 1,521 million), to JPY 4,582.9 billion (USD 55,116 million) due mainly to net income, despite foreign currency translation effects.

Consolidated Statements of Cash Flows for the Fiscal Year

Consolidated cash and cash equivalents at March 31, 2011 increased by JPY 159.1 billion (USD 1,914 million) from March 31, 2010, to JPY 1,279.0 billion (USD 15,382 million). The reasons for the increases or decreases for each cash flow activity compared with the previous fiscal year are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to JPY 1,070.8 billion (USD 12,878 million) of cash inflows for the fiscal year ended March 31, 2011. Cash inflows from operating activities decreased by JPY 473.3 billion (USD 5,693 million) compared with the previous fiscal 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.

Cash flows from investing activities

Net cash used in investing activities amounted to JPY 731.3 billion (USD 8,796 million) of cash outflows. Cash outflows from investing activities increased by JPY 135.6 billion (USD 1,631 million) compared with the previous fiscal 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 100.4 billion (USD 1,208 million) of cash outflows. Cash outflows from financing activities decreased by JPY 458.8 billion (USD 5,518 million), compared with the previous fiscal year, due mainly to an increase in debts which decreased in the previous fiscal year, despite purchases of the Company’s own shares and an increase in dividends paid.

*Supplemental information for cash flows*

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<th>FY2010 Year-end</th>
<th>FY2011 Year-end</th>
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<tr>
<td>Shareholders’ equity ratio (%)</td>
<td>37.2</td>
<td>38.5</td>
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<td>Shareholders’ equity ratio on a market price basis (%)</td>
<td>51.5</td>
<td>48.7</td>
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<td>Repayment period (years)</td>
<td>2.7</td>
<td>3.8</td>
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<tr>
<td>Interest coverage ratio</td>
<td>11.1</td>
<td>9.8</td>
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- Shareholders’ equity ratio: Honda Motor Co., Ltd. shareholders’ equity / total assets
- Shareholders’ equity ratio on a market price basis: issued common stock stated at market price / total assets
- Repayment period: interest bearing debt / cash flows from operating activities
- Interest coverage ratio: (cash flows from operating activities + interest paid) / interest paid

Explanatory notes:
1. All figures are calculated based on the information included in the consolidated financial statements.
2. Cash flows from operating activities are obtained from the consolidated statement of cash flows. Interest bearing debt represents Honda’s outstanding debts with interest payments, which are included on the consolidated balance sheets.
3. “Shareholders’ equity ratio” is calculated based on “total Honda Motor Co., Ltd. shareholders’ equity”.
Forecasts for the Fiscal Year Ending March 31, 2011

The Company is currently unable to reasonably calculate forecasts of the consolidated financial results for the fiscal six months ending September 30, 2011, or for the fiscal year ending March 31, 2012, due to the impact of the Great East Japan Earthquake that occurred on March 11, 2011. Therefore, the Company will release the forecasts of the consolidated financial results for the fiscal six months ending September 30, 2011 and for the fiscal year ending March 31, 2012 as soon as they become available.

Profit Redistribution Policy and Dividend per Share of Common Stock for fiscal years 2011

The Company strives to carry out its operations worldwide from a global perspective and to increase its corporate value. With respect to the redistribution of profits to our shareholders, which we consider to be one of the most important management issues, the Company’s basic policy for dividends is to make distributions after taking into account its long-term consolidated earnings performance. The Company will also acquire its own shares at the optimal timing with the goal of improving efficiency of the Company’s capital structure and implementing a flexible capital policy. The present goal is to maintain a shareholders return ratio (i.e. the ratio of the total of the dividend payment and the repurchase of the Company’s own shares to net income attributable to Honda Motor Co., Ltd.) of approximately 30%. Retained earnings will be allocated toward financing R&D activities that are essential for the future growth of the Company and capital expenditures and investment programs that will expand its operations for the purpose of improving business results and strengthening the Company’s financial condition.

The Company plans to distribute year-end cash dividends of JPY 15 per share for the year ended March 31, 2011. As a result, total cash dividends for the year ended March 31, 2011, together with the first quarter cash dividends of JPY 12, the second quarter cash dividends of JPY 12 and the third quarter cash dividends of JPY 15, are planned to be JPY 54 per share, an increase of JPY 16 per share from the annual dividends paid for the year ended March 31, 2010.

Also, please note that the year-end cash dividends for the year ended March 31, 2011 is a matter to be resolved at the general meeting of shareholders. The dividend forecast for the fiscal year ending March 31, 2012 is not determined, as the Company is currently unable to reasonably calculate forecasts of the consolidated financial results for the fiscal year ending March 31, 2012, due to the impact of the Great East Japan Earthquake that occurred on March 11, 2011.
Risk Factors

You should carefully consider the risks described below before making an investment decision. If any of the risks described below actually occurs, Honda’s business, financial condition or results of operations could be adversely affected. In that event, the trading prices of Honda’s common stock and American Depositary Shares could decline, and you may lose all or part of your investment. Additional risks not currently known to Honda or that Honda now deems immaterial may also harm Honda and affect your investment.

Risks Relating to the Great East Japan Earthquake and its Aftermath
The Great East Japan Earthquake that occurred on March 11, 2011 and the nuclear power plant disaster have caused and will continue to cause significant damage to the Japanese economy. On March 11, 2011, Honda temporarily suspended production at its sites located in Japan due to the effects of this disaster, which includes a shortage of parts supplies. By April 11, 2011, Honda had resumed production activities at all of its production sites; however, production at Honda’s automobile plants both in and outside of Japan has been reduced. In addition, Honda’s business sites, such as Honda’s R&D subsidiary located in Tochigi Prefecture, were heavily damaged, and Honda is currently working to restore them. Honda’s production activities may be affected depending on the status of parts supplies, and on the status of infrastructure, such as the supply of electricity and logistics services. Furthermore, sales in domestic and international markets may decline. If these effects are magnified or continue for an extended period, Honda’s results of operations may be adversely affected.

Risks Relating to Honda’s Industry

Honda may be adversely affected by market conditions
Honda conducts its operations in Japan and throughout the world, including North America, Europe and Asia. A sustained loss of consumer confidence in these markets, which may be caused by continued economic slowdown, recession, changes in consumer preferences, rising fuel prices, financial crisis or other factors could trigger a decline in demand for automobiles, motorcycles and power products that may adversely affect Honda’s results of operations.

Prices for automobiles, motorcycles and power products can be volatile
Prices for automobiles, motorcycles and power products in certain markets may experience sharp changes over short periods of time. This volatility is caused by many factors, including fierce competition, which is increasing, short-term fluctuations in demand from instability in underlying economic conditions, changes in tariffs, import regulations and other taxes,
shortages of certain materials and components, high material prices and sales incentives by Honda or other manufacturers or dealers. There can be no assurance that such price volatility will not continue or intensify or that price volatility will not occur in markets that to date have not experienced such volatility.

Overcapacity within the industry has increased and will likely continue to increase if the economic downturn continues in Honda’s major markets or worldwide, leading, potentially, to further increased price pressure. Price volatility in any or all of Honda’s markets could adversely affect Honda’s results of operations in a particular period.
Risks Relating to Honda’s Business Generally

Currency and Interest Rate Risks

Honda’s operations are subject to currency fluctuations
Honda has manufacturing operations throughout the world, including Japan, and exports products and components to various countries. Honda purchases materials and components and sells its products and components in foreign currencies. Therefore, currency fluctuations may affect Honda’s pricing of products sold and materials purchased. Accordingly, currency fluctuations have an effect on Honda’s results of operations and financial condition, as well as Honda’s competitiveness, which will over time affect its results.
Since Honda exports many products and components, particularly from Japan, and generates a substantial portion of its revenues in currencies other than the Japanese yen, Honda’s results of operations would be adversely affected by an appreciation of the Japanese yen against other currencies, in particular the U.S. dollar.

Honda’s hedging of currency and interest rate risk exposes Honda to other risks
Although it is impossible to hedge against all currency or interest rate risk, Honda uses derivative financial instruments in order to reduce the substantial effects of currency fluctuations and interest rate exposure on our cash flow and financial condition. These instruments include foreign currency forward contracts, currency swap agreements and currency option contracts, as well as interest rate swap agreements. Honda has entered into, and expects to continue to enter into, such hedging arrangements. As with all hedging instruments, there are risks associated with the use of such instruments. While limiting to some degree our risk fluctuations in currency exchange and interest rates by utilizing such hedging instruments, Honda potentially forgoes benefits that might result from other fluctuations in currency exchange and interest rates. Honda is also exposed to the risk that its counterparties to hedging contracts will default on their obligations. Honda manages exposure to counterparty credit risk by limiting the counterparties to major international banks and financial institutions meeting established credit guidelines. However, any default by such counterparties might have an adverse effect on Honda.
Legal and Regulatory Risks

The automobile, motorcycle and power product industries are subject to extensive environmental and other governmental regulations

Regulations regarding vehicle emission levels, fuel economy, noise and safety and noxious substances, as well as levels of pollutants from production plants, are extensive within the automobile, motorcycle and power product industries. These regulations are subject to change, and are often made more restrictive. The costs to comply with these regulations can be significant to Honda’s operations.

Honda is reliant on the protection and preservation of its intellectual property

Honda owns or otherwise has rights in a number of patents and trademarks relating to the products it manufactures, which have been obtained over a period of years. These patents and trademarks have been of value in the growth of Honda’s business and may continue to be of value in the future. Honda does not regard any of its businesses as being dependent upon any single patent or related group of patents. However, an inability to protect this intellectual property generally, or the illegal infringement of some or a large group of Honda’s intellectual property rights, would have an adverse effect on Honda’s operations.

Honda is subject to legal proceedings

Honda is and could be subject to suits, investigations and proceedings under relevant laws and regulations of various jurisdictions. A negative outcome in any of the legal proceedings pending against Honda could adversely affect Honda’s business, financial condition or results of operations.

Risks Relating to Honda’s Operations

Honda’s financial services business conducts business under highly competitive conditions in an industry with inherent risks

Honda’s financial services business offers various financing plans to its customers designed to increase the opportunity for sales of its products and to generate financing income. However, customers can also obtain financing for the lease or purchase of Honda’s products through a variety of other sources that compete with our financing services, including commercial banks and finance and leasing companies. The financial services offered by us also involve credit risk as well as risks relating to lease residual values, cost of capital and access to funding. Competition for customers and/or these risks may affect Honda’s results of operations in the future.
Honda relies on various suppliers for the provision of certain raw materials and components
Honda purchases raw materials, and certain components and parts, from numerous external suppliers, and relies on some key suppliers for some items and the raw materials it uses in the manufacture of its products. Honda’s ability to continue to obtain these supplies in an efficient and cost-effective manner is subject to a number of factors, some of which are not within Honda’s control. These factors include the ability of its suppliers to provide a continued source of supply and Honda’s ability to compete with other users in obtaining the supplies. Loss of a key supplier in particular may affect our production and increase our costs.

Honda conducts its operations in various regions of the world
Honda conducts its businesses worldwide, and in several countries, Honda conducts businesses through joint ventures with local entities, in part due to the legal and other requirements of those countries. These businesses are subject to various regulations, including the legal and other requirements of each country. If these regulations or the business conditions or policies of these local entities change, it may have an adverse affect on Honda’s business, financial condition or results of operations.

Honda may be adversely affected by wars, use of force by foreign countries, terrorism, multinational conflicts, political uncertainty, natural disasters, epidemics and labor strikes
Honda conducts its businesses worldwide, and its operations may variously be subject to wars, use of force by foreign countries, terrorism, multinational conflicts, political uncertainty, natural disasters, epidemics, labor strikes and other events beyond our control which may delay or disrupt Honda’s local operations in the affected regions, including the purchase of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. Delays or disruptions in one region may in turn affect our global operations. If such delay or disruption occurs and continues for a long period of time, Honda’s business, financial condition or results of operations may be adversely affected.

Honda may be adversely affected by inadvertent disclosure of confidential information
Although Honda maintains internal controls through established procedures to keep confidential information including personal information of its customers and relating parties, such information may be inadvertently disclosed. If this occurs, Honda may be subject to, and may be adversely affected by, claims for damages from the customers or parties affected. Also, inadvertent disclosure of confidential business or technical information to third parties may result in a loss of Honda’s competitiveness.
Risks Relating to Pension Costs and Other Postretirement Benefits

Honda has pension plans and provides other post-retirement benefits. The amounts of pension benefits, lump-sum payments and other post-retirement benefits are primarily based on the combination of years of service and compensation. The funding policy is to make periodic contributions as required by applicable regulations. Benefit obligations and pension costs are based on assumptions of many factors, including the discount rate, the rate of salary increase and the expected long-term rate of return on plan assets. Differences in actual expenses and costs or changes in assumptions could affect Honda’s pension costs and benefit obligations, including Honda’s cash requirements to fund such obligations, which could materially affect our financial condition and results of operations.

A holder of ADSs will have fewer rights than a shareholder has and such holder will have to act through the depositary to exercise those rights

The rights of shareholders under Japanese law to take various actions, including exercising voting rights inherent in their shares, receiving dividends and distributions, bringing derivative actions, examining a company’s accounting books and records, and exercising appraisal rights, are available only to holders of record. Because the depositary, through its custodian agents, is the record holder of the Shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited Shares. The depositary will make efforts to exercise votes regarding the Shares underlying the ADSs as instructed by the holders and will pay to the holders the dividends and distributions collected from the Company. However, in the capacity as an ADS holder, such holder will not be able to bring a derivative action, examine our accounting books or records or exercise appraisal rights through the depositary.

Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

The Company’s Articles of Incorporation, Regulations of the Board of Directors, Regulations of the Board of Corporate Auditors and the Japanese Company Law govern corporate affairs of the Company. Legal principles relating to such matters as the validity of corporate procedures, directors’ and officers’ fiduciary duties, and shareholders’ rights may be different from those that would apply if the Company were a U.S. company. Shareholders’ rights under Japanese law may not be as extensive as shareholders’ rights under the laws of the United States. A ADS holder may have more difficulty in asserting his/her rights as a shareholder than such ADS holder would as a shareholder of a U.S. corporation. In addition, Japanese courts may not be willing to enforce liabilities against the Company in actions brought in Japan that are based upon the securities laws of the United States or any U.S. state.

Because of daily price range limitations under Japanese stock exchange rules, a holder of ADSs may not be able to sell his/her shares of the Company’s Common Stock at a particular price on any particular trading day, or at all

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day’s closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a
particular trading day, or at all.

**U.S. investors may have difficulty in serving process or enforcing a judgment against the Company or its directors, executive officers or corporate auditors**
The Company is a limited liability, joint stock corporation incorporated under the laws of Japan. Most of its directors, executive officers and corporate auditors reside in Japan. All or substantially all of the Company’s assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon the Company or these persons or to enforce against the Company or these persons judgments obtained in U.S. Courts predicated upon the civil liability provisions of the Federal securities laws of the United States. There is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgment of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

**The Company’s shareholders of record on a record date may not receive the dividend they anticipate**
The customary dividend payout practice and relevant regulatory regime of publicly listed companies in Japan may differ from that followed in foreign markets. The Company’s dividend payout practice is no exception. While the Company may announce forecasts of year-end and interim dividends prior to the record date, these forecasts are not legally binding. The actual payment of year-end dividends requires a resolution of the Company’s shareholders. If the shareholders adopt such a resolution, the year-end dividend payment is made to shareholders as of the applicable record date, which is currently specified as March 31 by the Company’s Articles of Incorporation. However, such a resolution of the shareholders is usually made at an ordinary general meeting of shareholders held in June. The payment of interim dividends requires a resolution of the Company’s board of directors. If the board adopts such a resolution, the dividend payment is made to shareholders as of the applicable record date, which is currently specified as September 30 by the Articles of Incorporation. However, the board usually does not adopt a resolution with respect to an interim dividend until after September 30.

Shareholders of record as of an applicable record date may sell shares after the record date in anticipation of receiving a certain dividend payment based on the previously announced forecasts. However, since these forecasts are not legally binding and resolutions to pay dividends are usually not adopted until after the record date, our shareholders of record on record dates for year-end or interim dividends may not receive the dividend they anticipate.
Management Policy

The company has omitted its management policy since there are no significant changes from the management policy disclosed in its 6-K filed on May 22, 2007.
For the material of that 6-K, click on the following link.
http://www.honda.co.jp/investors/

Medium- and long-term management strategy and Management target: Preparing for the Next Leap Forward

Honda aims to achieve global growth by further encouraging and strengthening innovation and creativity and creating quality products that please the customers and exceed their expectations.
Therefore, in order to improve the competitiveness of its products, Honda will endeavor to enhance its R&D, production and sales capabilities. Furthermore, Honda will continue to enhance its social reputation in the community through companywide activities.
Honda recognizes that further enhancing the following specific areas is essential to its success:

1. Research and Development
In connection with its efforts to develop the most effective safety and environmental technologies, Honda will continue to be innovative in advanced technology and products. Honda aims to create and introduce new value-added products to quickly respond to specific needs in various markets around the world. Honda will also continue its efforts to conduct research on experimental technologies for the future.

2. Production Efficiency
Honda will establish and enhance efficient and flexible production systems at its global production bases and supply high quality products, with the aim of meeting the needs of its customers in each region.

3. Sales Efficiency
Honda will remain proactive in its efforts to expand product lines through the innovative use of IT and will show its continued commitment to different customers throughout the world by upgrading its sales and service structure.

4. Product Quality
In response to increasing customer demand, Honda will upgrade its quality control by enhancing the functions of and coordination among the development, purchasing, production, sales and service departments.

5. Safety Technologies
Honda is working to develop safety technologies that enhance accident prediction and prevention, technologies to help reduce the risk of injuries to passengers and pedestrians from car accidents, and technologies that enhance compatibility between large and small vehicles, as well as expand its lineup of products incorporating such technologies. Honda will reinforce and continue to advance its contribution to traffic safety in motorized societies in Japan and abroad. Honda also intends to remain active in a variety of traffic safety programs, including advanced driving and motorcycling training programs provided by local dealerships.

6. The Environment
Honda will step up its efforts to create better, cleaner and more fuel-efficient engine technologies and to further improve recyclables throughout its product lines. Honda will also work to advance fuel cell technology and steadily promote its new solar cell business. In addition, Honda will further its efforts to minimize its environmental impact. To this end, Honda sets global targets to reduce the environmental burden as measured by the Life Cycle Assessment*, in all areas of business, spanning production, logistics and sales.

*Life Cycle Assessment: A comprehensive system for quantifying the impact Honda’s products have on the environment at the different stages in their life cycles, from material procurement and energy consumption to waste disposal.

7. Continuing to Enhance Honda’s Social Reputation and Communication with the Community
In addition to continuing to provide products incorporating Honda’s advanced safety and environmental technologies, Honda will continue striving to enhance its social reputation by, among other things, strengthening its corporate governance, compliance, and risk management as well as participating in community activities and making philanthropic contributions.

Through these Company-wide activities, Honda will strive to become a company whose presence is welcomed by our shareholders, customers and society.

Preparing for the Future

The Company temporarily suspended production at its sites located in Japan due to the effects
of the Great East Japan Earthquake that occurred on March 11, 2011, which included a shortage of parts supplies. In addition, some of Honda’s business sites, such as Honda’s R&D subsidiary located in Tochigi Prefecture, were severely damaged. By April 11, 2011, the Company had resumed production activities at all of its production sites; however, production of completed automobiles at plants within Japan and production of components and parts for Honda’s overseas sites will be operating at approximately half the normal rate until the end of June. Honda will make decisions regarding operation from July onwards upon consideration of the circumstances at the time, as parts supplies are still not stable. However, we do anticipate that we will be able to return to normal production by the end of this year. Production at Honda’s automobile plants overseas is still reduced as well and Honda will also make decisions regarding these operations upon consideration of the circumstances at the time. Therefore, Honda is putting a great deal of effort into providing support, so that it can ensure stable production by suppliers and resume the services that dealers provide customers. Honda will do all that it can to overcome these grave circumstances and bring about the recovery of its operations as soon as possible.

In response to the occurrence of inappropriate activities at Honda Trading Corporation, which is a subsidiary of the Company, and based on the investigation report and suggestion for preventive countermeasures that was submitted to the Company's board of directors by the investigation committee established with external experts, the Company will build a system to make appropriate business judgments in accordance with the applicable laws and regulations and will further enhance corporate governance, increasing compliance awareness, and strengthen the risk management systems including through a reexamination of personnel management systems.

Honda will strive to achieve its vision for the Company as it moves towards 2020: “To provide good products in a timely fashion, at affordable prices, and with low Co2 emissions”.
**Consolidated Financial Summary**

For the three months and the year ended March 31, 2010 and 2011

**Financial Highlights**

<table>
<thead>
<tr>
<th></th>
<th>Yen (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three months</td>
</tr>
<tr>
<td></td>
<td>ended Mar. 31,</td>
</tr>
<tr>
<td></td>
<td>2010 unaudited</td>
</tr>
<tr>
<td>Net sales and other operating revenue</td>
<td>2,279,567</td>
</tr>
<tr>
<td>Operating income</td>
<td>96,097</td>
</tr>
<tr>
<td>Income before income taxes and equity in income of affiliates</td>
<td>93,587</td>
</tr>
<tr>
<td>Net income attributable to Honda Motor Co., Ltd.</td>
<td>72,176</td>
</tr>
<tr>
<td>Basic net income attributable to Honda Motor Co., Ltd. per common share</td>
<td>39.78</td>
</tr>
</tbody>
</table>

|                                | U.S. Dollars (millions)  |
|                                | Three months ended Mar. 31, 2011 unaudited | Year ended Mar. 31, 2011 unaudited |
| Net sales and other operating revenue | 26,616          | 107,479            |
| Operating income               | 556             | 6,852              |
| Income before income taxes and equity in income of affiliates | 921             | 7,583              |
| Net income attributable to Honda Motor Co., Ltd. | 536             | 6,423              |
| Basic net income attributable to Honda Motor Co., Ltd. per common share | 0.30            | 3.56               |
## [1] Consolidated Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>audited</td>
<td>unaudited</td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,119,902</td>
<td>1,279,024</td>
</tr>
<tr>
<td>Trade accounts and notes receivable</td>
<td>883,476</td>
<td>787,691</td>
</tr>
<tr>
<td>Finance subsidiaries-receivables, net</td>
<td>1,100,158</td>
<td>1,131,068</td>
</tr>
<tr>
<td>Inventories</td>
<td>935,629</td>
<td>899,813</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>176,604</td>
<td>202,291</td>
</tr>
<tr>
<td>Other current assets</td>
<td>397,955</td>
<td>390,160</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>4,613,724</td>
<td>4,690,047</td>
</tr>
<tr>
<td>Finance subsidiaries-receivables, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,361,335</td>
<td>2,348,913</td>
</tr>
<tr>
<td><strong>Investments and advances:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and advances to affiliates</td>
<td>457,834</td>
<td>440,026</td>
</tr>
<tr>
<td>Other, including</td>
<td></td>
<td></td>
</tr>
<tr>
<td>including marketable equity securities</td>
<td>184,847</td>
<td>199,906</td>
</tr>
<tr>
<td><strong>Total investments and advances</strong></td>
<td>642,681</td>
<td>639,932</td>
</tr>
<tr>
<td><strong>Property on operating leases:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td>1,651,672</td>
<td>1,645,517</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>343,525</td>
<td>287,885</td>
</tr>
<tr>
<td><strong>Net property on operating leases</strong></td>
<td>1,308,147</td>
<td>1,357,632</td>
</tr>
<tr>
<td><strong>Property, plant and equipment, at cost:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>489,769</td>
<td>483,654</td>
</tr>
<tr>
<td>Buildings</td>
<td>1,509,821</td>
<td>1,473,067</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>3,257,455</td>
<td>3,166,353</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>143,862</td>
<td>202,186</td>
</tr>
<tr>
<td><strong>Less accumulated depreciation and amortization</strong></td>
<td>3,314,244</td>
<td>3,385,904</td>
</tr>
<tr>
<td><strong>Net property, plant and equipment</strong></td>
<td>2,086,663</td>
<td>1,939,356</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td>616,565</td>
<td>594,994</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>11,629,115</td>
<td>11,570,874</td>
</tr>
</tbody>
</table>
### Liabilities and Equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>1,066,344</td>
<td>1,094,740</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>722,296</td>
<td>962,455</td>
</tr>
<tr>
<td>Trade payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes</td>
<td>24,704</td>
<td>25,216</td>
</tr>
<tr>
<td>Accounts</td>
<td>802,464</td>
<td>691,520</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>542,521</td>
<td>525,540</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>23,947</td>
<td>31,960</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>236,854</td>
<td>236,761</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>3,419,130</td>
<td>3,568,192</td>
</tr>
<tr>
<td><strong>Long-term debt, excluding current portion</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,313,035</td>
<td>2,043,240</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,440,520</td>
<td>1,376,530</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>7,172,685</td>
<td>6,987,962</td>
</tr>
<tr>
<td><strong>Equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Honda Motor Co., Ltd. shareholders’ equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, authorized 7,086,000,000 shares; issued 1,811,428,430 shares</td>
<td>86,067</td>
<td>86,067</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>172,529</td>
<td>172,529</td>
</tr>
<tr>
<td>Legal reserves</td>
<td>45,463</td>
<td>46,330</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>5,304,473</td>
<td>5,666,539</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss), net</td>
<td>(1,208,162)</td>
<td>(1,495,380)</td>
</tr>
<tr>
<td>Treasury stock, at cost 20,225,694 shares on Mar. 31, 2010 and 9,126,716 shares in Mar. 31, 2011</td>
<td>(71,730)</td>
<td>(26,110)</td>
</tr>
<tr>
<td><strong>Total Honda Motor Co., Ltd. shareholders’ equity</strong></td>
<td>4,328,640</td>
<td>4,449,975</td>
</tr>
<tr>
<td><strong>Noncontrolling interest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>127,790</td>
<td>132,937</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>4,456,430</td>
<td>4,582,912</td>
</tr>
</tbody>
</table>

**Total liabilities and equity** | 11,629,115 | 11,570,874 |
## Consolidated Statements of Income

(A) For the three months ended March 31, 2010 and 2011

<table>
<thead>
<tr>
<th>Yen (millions)</th>
<th>Three months ended Mar. 31, 2010 unaudited</th>
<th>Three months ended Mar. 31, 2011 unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales and other operating revenue</strong></td>
<td>2,279,567</td>
<td>2,213,079</td>
</tr>
<tr>
<td><strong>Operating costs and expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>1,694,201</td>
<td>1,647,432</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>351,275</td>
<td>395,615</td>
</tr>
<tr>
<td>Research and development</td>
<td>137,994</td>
<td>123,826</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>96,097</td>
<td>46,206</td>
</tr>
<tr>
<td><strong>Other income (expenses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>5,088</td>
<td>6,741</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(4,256)</td>
<td>(2,210)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(3,342)</td>
<td>25,878</td>
</tr>
<tr>
<td><strong>Income before income taxes and equity in income of affiliates</strong></td>
<td>93,587</td>
<td>76,615</td>
</tr>
<tr>
<td><strong>Income tax expense:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>8,991</td>
<td>36,136</td>
</tr>
<tr>
<td>Deferred</td>
<td>29,781</td>
<td>13,015</td>
</tr>
<tr>
<td><strong>Income before equity in income of affiliates</strong></td>
<td>54,815</td>
<td>27,464</td>
</tr>
<tr>
<td><strong>Equity in income of affiliates</strong></td>
<td>23,884</td>
<td>25,014</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>78,699</td>
<td>52,478</td>
</tr>
<tr>
<td><strong>Less: Net income attributable to noncontrolling interests</strong></td>
<td>6,523</td>
<td>7,924</td>
</tr>
<tr>
<td><strong>Net income attributable to Honda Motor Co., Ltd.</strong></td>
<td>72,176</td>
<td>44,554</td>
</tr>
<tr>
<td><strong>Basic net income attributable to Honda Motor Co., Ltd. per common share</strong></td>
<td>39.78</td>
<td>24.72</td>
</tr>
</tbody>
</table>
(B) For the year ended March 31, 2010 and 2011

<table>
<thead>
<tr>
<th></th>
<th>Year ended Mar. 31, 2010 audited</th>
<th>Year ended Mar. 31, 2011 unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales and other operating revenue</strong></td>
<td>8,579,174</td>
<td>8,936,867</td>
</tr>
<tr>
<td><strong>Operating costs and expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>6,414,721</td>
<td>6,496,841</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1,337,324</td>
<td>1,382,660</td>
</tr>
<tr>
<td>Research and development</td>
<td>463,354</td>
<td>487,591</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>363,775</td>
<td>569,775</td>
</tr>
<tr>
<td><strong>Other income (expenses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>18,232</td>
<td>23,577</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(12,552)</td>
<td>(8,474)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(33,257)</td>
<td>45,670</td>
</tr>
<tr>
<td><strong>Income before income taxes and equity in income of affiliates</strong></td>
<td>336,198</td>
<td>630,548</td>
</tr>
<tr>
<td><strong>Income tax expense:</strong></td>
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<td></td>
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<tr>
<td>Current</td>
<td>90,263</td>
<td>76,647</td>
</tr>
<tr>
<td>Deferred</td>
<td>56,606</td>
<td>130,180</td>
</tr>
<tr>
<td><strong>Income before equity in income of affiliates</strong></td>
<td>189,329</td>
<td>423,721</td>
</tr>
<tr>
<td><strong>Equity in income of affiliates</strong></td>
<td>93,282</td>
<td>139,756</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>282,611</td>
<td>563,477</td>
</tr>
<tr>
<td>Less: Net income attributable to noncontrolling interests</td>
<td>14,211</td>
<td>29,389</td>
</tr>
<tr>
<td><strong>Net income attributable to Honda Motor Co., Ltd.</strong></td>
<td>268,400</td>
<td>534,088</td>
</tr>
<tr>
<td><strong>Yen</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basic net income attributable to Honda Motor Co., Ltd. per common share</strong></td>
<td>147.91</td>
<td>295.67</td>
</tr>
<tr>
<td>Yen (millions)</td>
<td>Common stock</td>
<td>Capital surplus</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Balance at March 31, 2009</td>
<td>86,067</td>
<td>172,529</td>
</tr>
<tr>
<td>Transfer to legal reserves</td>
<td>1,498</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to Honda Motor Co., Ltd. Shareholders</td>
<td>(61,696)</td>
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<tr>
<td>Dividends paid to noncontrolling interests</td>
<td></td>
<td></td>
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<tr>
<td>Capital transactions and others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comprehensice income (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>268,400</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax</td>
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<td></td>
</tr>
<tr>
<td>Adjustments from foreign currency translation</td>
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<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on marketable securities, net</td>
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<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on derivative instruments, net</td>
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</tr>
<tr>
<td>Pension and other postretirement benefits adjustments</td>
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<td></td>
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<tr>
<td>Total comprehensive income</td>
<td>383,066</td>
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<tr>
<td>Purchase of treasury stock</td>
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<td></td>
</tr>
<tr>
<td>Reissuance of treasury stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement of treasury stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at March 31, 2010</td>
<td>86,067</td>
<td>172,529</td>
</tr>
<tr>
<td>Cumulative effect of adjustments resulting from the adoption of new accounting standards on variable interest entities, net of tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted balances at March 31, 2010</td>
<td>86,067</td>
<td>172,529</td>
</tr>
<tr>
<td>Transfer to legal reserves</td>
<td>867</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to Honda Motor Co., Ltd. Shareholders</td>
<td>(92,170)</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
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<td></td>
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<tr>
<td>Capital transactions and others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comprehensice income (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>534,088</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments from foreign currency translation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on marketable securities, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on derivative instruments, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and other postretirement benefits adjustments</td>
<td>2,784</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>246,870</td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reissuance of treasury stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement of treasury stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at March 31, 2011</td>
<td>86,067</td>
<td>172,529</td>
</tr>
</tbody>
</table>
### Consolidated Statements of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Yen (millions)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year ended</td>
<td>Year ended</td>
</tr>
<tr>
<td></td>
<td>audited</td>
<td>unaudited</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>282,611</td>
<td>563,477</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation excluding property on operating leases</td>
<td>401,743</td>
<td>351,496</td>
</tr>
<tr>
<td>Depreciation of property on operating leases</td>
<td>227,931</td>
<td>212,143</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>56,606</td>
<td>130,180</td>
</tr>
<tr>
<td>Equity in income of affiliates</td>
<td>(93,282)</td>
<td>(139,756)</td>
</tr>
<tr>
<td>Dividends from affiliates</td>
<td>140,901</td>
<td>98,182</td>
</tr>
<tr>
<td>Gain on sales of investments in affiliates</td>
<td>—</td>
<td>(46,756)</td>
</tr>
<tr>
<td>Provision for credit and lease residual losses on finance subsidiaries-receivables</td>
<td>40,062</td>
<td>13,305</td>
</tr>
<tr>
<td>Impairment loss on investments in securities</td>
<td>603</td>
<td>2,133</td>
</tr>
<tr>
<td>Damaged and Impairment loss on long-lived assets and goodwill excluding property on operating leases</td>
<td>548</td>
<td>16,833</td>
</tr>
<tr>
<td>Impairment loss on property on operating leases</td>
<td>3,312</td>
<td>835</td>
</tr>
<tr>
<td>Loss (gain) on derivative instruments, net</td>
<td>(37,753)</td>
<td>(7,788)</td>
</tr>
<tr>
<td>Decrease (increase) in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade accounts and notes receivable</td>
<td>(6,910)</td>
<td>38,700</td>
</tr>
<tr>
<td>Inventories</td>
<td>352,994</td>
<td>(33,676)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>103,071</td>
<td>266</td>
</tr>
<tr>
<td>Other assets</td>
<td>24,150</td>
<td>(40,729)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade accounts and notes payable</td>
<td>151,345</td>
<td>(55,331)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(20,457)</td>
<td>39,103</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>(14,524)</td>
<td>9,461</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>5,662</td>
<td>32,209</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(30,146)</td>
<td>(83,115)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(44,255)</td>
<td>(30,335)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>1,544,212</td>
<td>1,070,837</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in investments and advances</td>
<td>(19,419)</td>
<td>(11,412)</td>
</tr>
<tr>
<td>Decrease in investments and advances</td>
<td>14,078</td>
<td>13,995</td>
</tr>
<tr>
<td>Payments for purchases of available-for-sale securities</td>
<td>(5,871)</td>
<td>(262)</td>
</tr>
<tr>
<td>Proceeds from sales of available-for-sale securities</td>
<td>4,945</td>
<td>2,739</td>
</tr>
<tr>
<td>Payments for purchases of held-to-maturity securities</td>
<td>(21,181)</td>
<td>(179,951)</td>
</tr>
<tr>
<td>Proceeds from redemptions of held-to-maturity securities</td>
<td>6,283</td>
<td>154,977</td>
</tr>
<tr>
<td>Proceeds from sales of investments in affiliates</td>
<td>—</td>
<td>71,073</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(392,062)</td>
<td>(318,543)</td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>24,472</td>
<td>24,725</td>
</tr>
<tr>
<td>Acquisitions of finance subsidiaries-receivables</td>
<td>(1,448,146)</td>
<td>(2,208,480)</td>
</tr>
<tr>
<td>Collections of finance subsidiaries-receivables</td>
<td>1,595,235</td>
<td>2,109,904</td>
</tr>
<tr>
<td>Sales (purchases) of finance subsidiaries-receivables, net</td>
<td>(55,168)</td>
<td>—</td>
</tr>
<tr>
<td>Purchase of operating lease assets</td>
<td>(544,027)</td>
<td>(798,420)</td>
</tr>
<tr>
<td>Proceeds from sales of operating lease assets</td>
<td>245,110</td>
<td>408,265</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(595,751)</td>
<td>(731,390)</td>
</tr>
</tbody>
</table>
Consolidated Statements of Cash Flows – continued

<table>
<thead>
<tr>
<th>Yen (millions)</th>
<th>Year ended Mar. 31, 2010 audited</th>
<th>Year ended Mar. 31, 2011 unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in short-term debt, net</td>
<td>(649,641)</td>
<td>113,669</td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>1,132,222</td>
<td>799,520</td>
</tr>
<tr>
<td>Repayment of long-term debt</td>
<td>(963,833)</td>
<td>(870,406)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(61,696)</td>
<td>(92,170)</td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td>(16,278)</td>
<td>(16,232)</td>
</tr>
<tr>
<td>Sale (purchase) of treasury stock, net</td>
<td>(18)</td>
<td>(34,797)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>(559,244)</td>
<td>(100,416)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>40,316</td>
<td>(79,909)</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>429,533</td>
<td>159,122</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>690,369</td>
<td>1,119,902</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the period</strong></td>
<td>1,119,902</td>
<td>1,279,024</td>
</tr>
</tbody>
</table>
[5] Events or circumstances that raise substantial doubt upon the entity's ability to continue as a going concern

None

[6] Significant Accounting Policies:

1. Consolidated subsidiaries
   Number of consolidated subsidiaries: 383
   Corporate names of principal consolidated subsidiaries:
   American Honda Motor Co., Inc., Honda of America Mfg., Inc., Honda Canada Inc., Honda R&D Co., Ltd.,
   American Honda Finance Corporation.

2. Affiliated companies
   Number of affiliated companies: 92
   Corporate names of major affiliated companies accounted for under the equity method:
   Guangqi Honda Automobile Co., Ltd., Dongfeng Honda Automobile Co., Ltd., P.T. Astra Honda Motor

3. Changes of consolidated subsidiaries and affiliated companies
   Consolidated subsidiaries:
   Newly formed consolidated subsidiaries: 20
   Reduced through reorganization: 27
   Affiliated companies:
   Reduced through reorganization: 11; Hero Honda Motors Ltd.

4. The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, since the Company has listed its American Depositary Shares on the New York Stock Exchange and files reports with the U.S. Securities and Exchange Commission.

5. The average exchange rates for the three months ended March 31, 2011 were ¥82.34=U.S.$1 and ¥112.57= Euro 1. The average exchange rates for the same period last year were ¥90.07=U.S.$1 and ¥125.62= Euro 1. The average exchange rates for the fiscal year ended March 31, 2011 were ¥85.71=U.S.$1 and ¥113.11 = Euro 1 as compared with ¥92.85=U.S.$1 and ¥131.15 = Euro 1 for the same period last year.

6. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥83.15=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 March 31, 2011.

7. Honda’s common stock-to-ADS exchange ratio is one share of common stock to one ADS.

8. Inventories are stated at the lower of cost, determined principally by the first-in, first-out method, or market.

9. Honda classifies its debt and equity securities in the following categories: available-for-sale, trading, or held-to-maturity. Debt securities that are classified as “held-to-maturity” securities are reported at amortized cost. Debt and equity securities classified as “trading” securities are reported at fair value, with unrealized gains and losses included in earnings. Other marketable debt and equity securities are classified as “available-for-sale” securities and are reported at fair value, with unrealized gains or losses, net of deferred taxes included in accumulated other comprehensive income (loss) in the stockholders’ equity section of the consolidated balance sheets.

10. Goodwill, all of which is allocated to Honda’s reporting units, is not amortized but instead is tested for impairment at least annually.

11. Depreciation of property, plant and equipment is calculated principally by the declining-balance method based on estimated useful lives and salvage values of the respective assets.

12. Honda applies hedge accounting for certain foreign currency forward contracts related to forecasted foreign currency transactions between the Company and its subsidiaries.

13. The allowance for credit losses on finance subsidiaries-receivables is maintained at an amount management deems adequate to cover estimated losses on finance receivables. The allowance is based on management’s
evaluation of many factors, including current economic trends, industry experience, inherent risks in the portfolio and the borrower’s ability to pay.

14. Finance subsidiaries of the Company purchase insurance to cover a substantial amount of the estimated residual value of vehicles leased to customers. The allowance for losses on lease residual values is maintained at an amount management deems adequate to cover estimated losses on the uninsured portion of the vehicles’ lease residual values. The allowance is also based on managements’ evaluation of many factors, including current economic conditions, industry experience and the finance subsidiaries’ historical experience with residual value losses.

15. Provisions for retirement benefits are provided based on the fair value of both projected benefit obligations and plan assets at the end of the fiscal year to cover for employees’ retirement benefits. The Company recognizes its overfunded or underfunded status for the defined benefit postretirement plan as an asset or liability in its consolidated balance sheets and recognizes changes in the funded status in accumulated comprehensive income (loss), net of taxes. Prior service cost (benefit) is amortized by using the straight-line method and the estimated average remaining service years of employees. Actuarial loss is amortized if unrecognized net gain or loss exceeds ten percent of the greater of the projected benefit obligation or the market-related value of plan assets by using the straight-line method and the estimated average remaining service years of employees.

16. Estimated warranty expenses are provided based on historical warranty claim experience with consideration given to the expected level of future warranty costs as well as current information on repair costs. Included in warranty expenses accruals are costs for general warranties on vehicles Honda sells and product recalls.

[7] Significant Accounting Policy Change

1. 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 in prior fiscal years 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 ¥282,353 million and their related secured debt of ¥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 year ended March 31, 2011 by ¥1,432 million, net of tax effect.

2. Multiple - Deliverable Revenue Arrangements
Honda adopted Accounting Standards Update (ASU) 2009-13 “Multiple - Deliverable Revenue Arrangements - a consensus of the FASB Emerging Issues Task Force”, which amends the FASB Accounting Standards Codification (ASC) 605-25 “Revenue Recognition - Multiple-Element Arrangements”, effective April 1, 2010. This standard requires allocation of the overall consideration to each deliverable in an arrangement with multiple deliverables using the estimated selling price in the absence of vendor-specific objective evidence or third-party evidence of selling price for deliverables and eliminate residual method of allocation. The adoption of this standard did not have a material impact on the Company’s consolidated financial position or results of operations.
[8] Notes to Consolidated financial statements

Notes to Consolidated balance sheets:

1. The allowance for assets are as follows: Yen (millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The allowance for doubtful trade accounts and notes receivables</td>
<td>8,555</td>
<td>7,904</td>
</tr>
<tr>
<td>The allowance for credit losses for finance subsidiaries-receivables</td>
<td>34,927</td>
<td>24,890</td>
</tr>
<tr>
<td>The allowance for losses on lease residual values for financial-subsidiaries receivables</td>
<td>9,253</td>
<td>7,225</td>
</tr>
<tr>
<td>The allowance for inventory losses and obsolescence</td>
<td>25,569</td>
<td>21,748</td>
</tr>
<tr>
<td>The allowance for doubtful accounts for other assets</td>
<td>9,319</td>
<td>23,275</td>
</tr>
</tbody>
</table>

2. Net book value of property, plant and equipment that were subject to specific collateral securing indebtedness and debt-related mortgages are as follows: Yen (millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgaged assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade accounts and notes receivable</td>
<td>8,655</td>
<td>13,808</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,777</td>
<td>11,691</td>
</tr>
<tr>
<td>Other Current liabilities</td>
<td>—</td>
<td>5,337</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>20,492</td>
<td>24,548</td>
</tr>
<tr>
<td>Finance subsidiaries-receivables</td>
<td>352,618</td>
<td>504,587</td>
</tr>
<tr>
<td>Mortgage-related debts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>44,503</td>
<td>298,379</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>326,851</td>
<td>232,577</td>
</tr>
</tbody>
</table>

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. Upon the adoption of these standards, former 10 QSPEs treated as legacy off-balance sheet in prior fiscal years were consolidated by the Company as of April 1, 2010. As a result, the finance subsidiaries-receivables pledged as collateral and related secured debt obligations have increased in the Company’s consolidated financial statements.

Note: Please refer to [7] Significant Accounting Policy Change.

3. Honda has entered into various guarantee and indemnification agreements which are primarily for employee bank loans to cover their housing costs as follows: Yen (millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans of employees for their housing costs</td>
<td>31,772</td>
<td>30,393</td>
</tr>
</tbody>
</table>

If an employee defaults on his/her loan payments, Honda is required to perform under the guarantee. The undiscounted maximum amount of Honda’s obligation to make future payments in the event of defaults is shown above. As of March 31, 2011, no amount has been accrued for any estimated losses under these obligations, as it is probable that the employees will be able to make all scheduled payments.

Notes to Consolidated statements of stockholders’ equity

The total amount of dividends for the fiscal year ended March 31, 2011, was JPY 92,170 million. The company intends to distribute year-end cash dividends of JPY 27,034 million to the stockholders of record on March 31, 2011.
[9] 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:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Principal products and services</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorcycle business</td>
<td>Motorcycles, all-terrain vehicles (ATVs) and relevant parts</td>
<td>Research &amp; Development, Manufacturing, Sales and related services</td>
</tr>
<tr>
<td>Automobile business</td>
<td>Automobiles and relevant parts</td>
<td>Research &amp; Development, Manufacturing, Sales and related services</td>
</tr>
<tr>
<td>Financial services business</td>
<td>Financial, insurance services</td>
<td>Retail loan and lease related to Honda products, and Others</td>
</tr>
<tr>
<td>Power product &amp; Other businesses</td>
<td>Power products and relevant parts, and others</td>
<td>Research &amp; Development, Manufacturing, Sales and related services, and Others</td>
</tr>
</tbody>
</table>

1. Segment information based on products and services

(A) For the three months ended March 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Yen (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Motorcycle Business</td>
</tr>
<tr>
<td>Net sales and other operating revenue:</td>
<td></td>
</tr>
<tr>
<td>External customers</td>
<td>335,154</td>
</tr>
<tr>
<td>Intersegment</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>335,154</td>
</tr>
<tr>
<td>Cost of sales,</td>
<td>307,134</td>
</tr>
<tr>
<td>SG&amp;A and R&amp;D expenses</td>
<td></td>
</tr>
<tr>
<td>Segment income (loss)</td>
<td>28,020</td>
</tr>
</tbody>
</table>

For the three months ended March 31, 2011

<table>
<thead>
<tr>
<th></th>
<th>Yen (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Motorcycle Business</td>
</tr>
<tr>
<td>Net sales and other operating revenue:</td>
<td></td>
</tr>
<tr>
<td>External customers</td>
<td>353,112</td>
</tr>
<tr>
<td>Intersegment</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>353,112</td>
</tr>
<tr>
<td>Cost of sales,</td>
<td>304,978</td>
</tr>
<tr>
<td>SG&amp;A and R&amp;D expenses</td>
<td></td>
</tr>
<tr>
<td>Segment income (loss)</td>
<td>48,134</td>
</tr>
</tbody>
</table>
(B) As of and for the year ended March 31, 2010

<table>
<thead>
<tr>
<th>Segment</th>
<th>Motorcycle Business</th>
<th>Automobile Business</th>
<th>Financial Services Business</th>
<th>Power Product &amp; Other Businesses</th>
<th>Segment Total</th>
<th>Reconciling Items</th>
<th>Other Adjustments</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales and other operating revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External customers</td>
<td>1,140,292</td>
<td>6,554,848</td>
<td>606,352</td>
<td>277,682</td>
<td>8,579,174</td>
<td></td>
<td></td>
<td>8,579,174</td>
</tr>
<tr>
<td>Intersegment</td>
<td>—</td>
<td>—</td>
<td>12,459</td>
<td>26,936</td>
<td>39,395</td>
<td>(39,395)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,140,292</td>
<td>6,554,848</td>
<td>618,811</td>
<td>304,618</td>
<td>8,618,569</td>
<td>(39,395)</td>
<td></td>
<td>8,579,174</td>
</tr>
<tr>
<td><strong>Cost of sales, SG&amp;A and R&amp;D expenses</strong></td>
<td>1,081,455</td>
<td>6,428,090</td>
<td>423,910</td>
<td>321,339</td>
<td>8,254,794</td>
<td>(39,395)</td>
<td></td>
<td>8,215,399</td>
</tr>
<tr>
<td><strong>Segment income (loss)</strong></td>
<td>58,837</td>
<td>126,758</td>
<td>194,901</td>
<td>(16,721)</td>
<td>363,775</td>
<td></td>
<td></td>
<td>363,775</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>1,025,665</td>
<td>5,044,247</td>
<td>5,541,788</td>
<td>281,966</td>
<td>11,893,666</td>
<td>(264,551)</td>
<td></td>
<td>11,629,115</td>
</tr>
<tr>
<td></td>
<td>Depreciation and amortization</td>
<td>48,683</td>
<td>337,787</td>
<td>230,453</td>
<td>12,751</td>
<td>629,674</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital expenditures</td>
<td>38,332</td>
<td>284,586</td>
<td>546,342</td>
<td>23,748</td>
<td>893,008</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of and for the year ended March 31, 2011

<table>
<thead>
<tr>
<th>Segment</th>
<th>Motorcycle Business</th>
<th>Automobile Business</th>
<th>Financial Services Business</th>
<th>Power Product &amp; Other Businesses</th>
<th>Segment Total</th>
<th>Reconciling Items</th>
<th>Other Adjustments</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales and other operating revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External customers</td>
<td>1,288,194</td>
<td>6,794,098</td>
<td>561,896</td>
<td>292,679</td>
<td>8,936,867</td>
<td></td>
<td></td>
<td>8,936,867</td>
</tr>
<tr>
<td>Intersegment</td>
<td>—</td>
<td>8,218</td>
<td>11,562</td>
<td>25,600</td>
<td>45,380</td>
<td>(45,380)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,288,194</td>
<td>6,802,316</td>
<td>573,458</td>
<td>318,279</td>
<td>8,982,247</td>
<td>(45,380)</td>
<td></td>
<td>8,936,867</td>
</tr>
<tr>
<td><strong>Cost of sales, SG&amp;A and R&amp;D expenses</strong></td>
<td>1,149,600</td>
<td>6,537,766</td>
<td>387,179</td>
<td>323,804</td>
<td>8,398,349</td>
<td>(45,380)</td>
<td>14,123</td>
<td>8,367,092</td>
</tr>
<tr>
<td><strong>Segment income (loss)</strong></td>
<td>138,594</td>
<td>264,550</td>
<td>186,279</td>
<td>(5,525)</td>
<td>583,898</td>
<td></td>
<td>(14,123)</td>
<td>569,775</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>933,671</td>
<td>4,883,029</td>
<td>5,572,152</td>
<td>290,730</td>
<td>11,679,582</td>
<td>(108,708)</td>
<td></td>
<td>11,570,874</td>
</tr>
<tr>
<td></td>
<td>Depreciation and amortization</td>
<td>40,324</td>
<td>296,364</td>
<td>213,805</td>
<td>13,146</td>
<td>563,639</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital expenditures</td>
<td>37,084</td>
<td>284,586</td>
<td>546,342</td>
<td>23,748</td>
<td>893,008</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 338,135 million as of March 31, 2010 and JPY 453,116 million as of March 31, 2011 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and held-to-maturity securities held by the Company. Reconciling items also include elimination of intersegment transactions.
3. Depreciation and amortization of Financial Services Business include JPY 227,931 million for the year ended March 31, 2010 and JPY 212,143 million for the year ended March 31, 2011, respectively, of depreciation of property on operating leases.
4. Capital expenditure of Financial Services Business includes JPY 544,027 million for the year ended March 31, 2010 and JPY 798,420 million for the year ended March 31, 2011 respectively, of purchase of operating lease assets.
5. For further information on other adjustments, refer to [11] Other 1 “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 year ended March 31, 2011.
In addition to the disclosure required by U.S. GAAP, Honda provides the following supplemental information in order to provide financial statements users with useful information:

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

(A) For the three months ended March 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>North America</th>
<th>Europe</th>
<th>Asia</th>
<th>Other Regions</th>
<th>Total</th>
<th>Reconciling Items</th>
<th>Other Adjustments</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales and other operating revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External customers</td>
<td>512,656</td>
<td>961,342</td>
<td>193,397</td>
<td>369,141</td>
<td>243,031</td>
<td>2,279,567</td>
<td></td>
<td></td>
<td>2,279,567</td>
</tr>
<tr>
<td>Transfers between geographic areas</td>
<td>381,671</td>
<td>42,670</td>
<td>14,719</td>
<td>60,014</td>
<td>8,290</td>
<td>507,364</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>894,327</td>
<td>1,004,012</td>
<td>208,116</td>
<td>429,155</td>
<td>251,321</td>
<td>2,786,931</td>
<td>(507,364)</td>
<td></td>
<td>2,279,567</td>
</tr>
<tr>
<td>Cost of sales, SG&amp;A and R&amp;D expenses</td>
<td>903,114</td>
<td>933,288</td>
<td>215,761</td>
<td>399,080</td>
<td>232,421</td>
<td>2,683,664</td>
<td>(500,194)</td>
<td></td>
<td>2,183,470</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(8,787)</td>
<td>70,724</td>
<td>(7,645)</td>
<td>30,075</td>
<td>18,900</td>
<td>103,267</td>
<td>(7,170)</td>
<td></td>
<td>96,097</td>
</tr>
</tbody>
</table>

For the three months ended March 31, 2011

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>North America</th>
<th>Europe</th>
<th>Asia</th>
<th>Other Regions</th>
<th>Total</th>
<th>Reconciling Items</th>
<th>Other Adjustments</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales and other operating revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External customers</td>
<td>456,464</td>
<td>924,280</td>
<td>171,008</td>
<td>404,371</td>
<td>256,956</td>
<td>2,213,079</td>
<td></td>
<td></td>
<td>2,213,079</td>
</tr>
<tr>
<td>Transfers between geographic areas</td>
<td>437,415</td>
<td>52,338</td>
<td>26,351</td>
<td>68,041</td>
<td>7,350</td>
<td>591,495</td>
<td>(591,495)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>893,879</td>
<td>976,618</td>
<td>197,359</td>
<td>472,412</td>
<td>264,306</td>
<td>2,804,574</td>
<td>(591,495)</td>
<td></td>
<td>2,213,079</td>
</tr>
<tr>
<td>Cost of sales, SG&amp;A and R&amp;D expenses</td>
<td>915,680</td>
<td>952,060</td>
<td>199,124</td>
<td>440,305</td>
<td>251,146</td>
<td>2,758,315</td>
<td>(591,442)</td>
<td></td>
<td>2,166,873</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(21,801)</td>
<td>24,558</td>
<td>(1,765)</td>
<td>32,107</td>
<td>13,160</td>
<td>46,259</td>
<td>(53)</td>
<td></td>
<td>46,206</td>
</tr>
</tbody>
</table>
### (B) As of and for the year ended March 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>North America</th>
<th>Europe</th>
<th>Asia</th>
<th>Other Regions</th>
<th>Total</th>
<th>Reconciling Items</th>
<th>Other Adjustments</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales and other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>operating revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External customers</td>
<td>1,864,513</td>
<td>3,752,417</td>
<td>769,857</td>
<td>1,320,047</td>
<td>872,340</td>
<td>8,579,174</td>
<td></td>
<td></td>
<td>8,579,174</td>
</tr>
<tr>
<td>Transfers between</td>
<td>1,441,264</td>
<td>155,799</td>
<td>55,615</td>
<td>198,533</td>
<td>24,151</td>
<td>1,875,362</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>geographic areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,305,777</td>
<td>3,908,216</td>
<td>825,472</td>
<td>1,518,580</td>
<td>896,491</td>
<td>10,454,536</td>
<td>(1,875,362)</td>
<td></td>
<td>8,579,174</td>
</tr>
<tr>
<td><strong>Cost of sales,</strong></td>
<td>3,334,912</td>
<td>3,671,837</td>
<td>836,344</td>
<td>1,405,574</td>
<td>850,683</td>
<td>10,099,350</td>
<td></td>
<td>(1,883,951)</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A and R&amp;D</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>(29,135)</td>
<td>236,379</td>
<td>(10,872)</td>
<td>113,006</td>
<td>45,808</td>
<td>355,186</td>
<td>8,589</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>2,947,764</td>
<td>6,319,896</td>
<td>591,423</td>
<td>1,050,727</td>
<td>619,345</td>
<td>11,529,155</td>
<td>99,960</td>
<td></td>
<td>11,629,115</td>
</tr>
<tr>
<td><strong>Long-lived assets</strong></td>
<td>1,113,386</td>
<td>1,861,596</td>
<td>107,262</td>
<td>240,704</td>
<td>162,198</td>
<td>3,485,146</td>
<td></td>
<td></td>
<td>3,485,146</td>
</tr>
</tbody>
</table>

Explanatory notes:
1. Major countries or regions in each geographic area:
   - North America: United States, Canada, Mexico
   - Europe: United Kingdom, Germany, France, Italy, Belgium
   - Asia: Thailand, Indonesia, China, India, Vietnam
   - Other Regions: Brazil, Australia
2. Sales and revenues between geographic areas are generally made at values that approximate arm’s-length prices.
3. Unallocated corporate assets, included in reconciling items, amounted to JPY 338,135 million as of March 31, 2010 and JPY 453,116 million as of March 31, 2011 respectively, which consist primarily of cash and cash equivalents, available-for-sale securities and hold-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 [11] Other 1 “Out-of-period adjustments”. The adjustments are not included in Japan but as other adjustments for the year ended March 31, 2011.
Notes to information about per common share

Honda Motor Co., Ltd. shareholders’ equity per common share and basic net income attributable to Honda Motor Co., Ltd. per common share are as follows: Yen

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Honda Motor Co., Ltd. shareholders’ equity per common share</td>
<td>2,385.45</td>
<td>2,469.05</td>
</tr>
<tr>
<td>Basic net income attributable to Honda Motor Co., Ltd. per common share</td>
<td>147.91</td>
<td>295.67</td>
</tr>
</tbody>
</table>

Honda Motor Co., Ltd. shareholders’ equity per common share has been computed by dividing Honda Motor Co., Ltd. shareholders’ equity by the number of shares outstanding at the end of each period. The number of common shares, at the end of the year ended March 31, 2010 and 2011 were 1,814,602,736 and 1,802,301,714, respectively. Basic net income attributable to Honda Motor Co., Ltd. per common share has been computed by dividing net income attributable to Honda Motor Co., Ltd. by the weighted average number of shares outstanding during each period. The weighted average number of shares outstanding for the year ended March 31, 2010 and 2011 were 1,814,605,803 and 1,806,360,505, respectively. There were no potentially dilutive shares issued during the years ended March 31, 2010 or 2011.

Other

1. 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 year ended March 31, 2011, not by retrospectively adjusting the prior year financial statements. As a result, operating income for the year ended March 31, 2011 decreased by JPY 14,123 million. 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.

2. Dissolution of the joint venture
On March 22, 2011, Honda sold all of its investments in Hero Honda Motors Ltd. (HHML) with book value of JPY 34,275 million, which represented 26.0% of HHML’s total outstanding shares, to its joint venture partner at JPY 71,073 million for the dissolution of the joint venture. In addition, Honda and HHML have signed a new licensing agreement which enables HHML to continue producing, selling and servicing its current products. Consideration for the licensing agreement was JPY 45,000 million, and becomes due through 2014.

Total consideration received less interest portion, including the fair value attributable to the termination of certain obligations under the joint venture agreement, is allocated to each element using the relative selling price method in accordance with FASB ASC 605 “Revenue Recognition”. As a result, the Company recognized revenue of JPY 32,015 million related to the licensing agreement in Net sales and other operating revenue, and gain on sale of the investments of JPY 46,756 million in Other income (expense) – Other, net.

Transaction prices were determined through negotiation based on the estimate by management of Honda after considering economic rationality.

3. Impact on the Company’s consolidated financial position or results of operations of the Great East Japan Earthquake occurred on March 11, 2011

On March 11, 2011, Japan experienced a large earthquake commonly referred to as the Great East Japan Earthquake, which caused damage to certain of property, plant and equipment and inventory, and temporary suspension of production of the Company’s plants and research and development activities of the Company and its domestic consolidated subsidiaries.

As a result, the Company and its domestic consolidated subsidiaries recognized JPY 45,720 million of losses, of which JPY 17,450 million is included in cost of sales and JPY 28,270 million is included in selling, general and administrative
in the accompanying consolidated statement of income for the year ended March 31, 2011. The losses mainly consist of unallocated fixed production overhead of JPY 15,062 million which is included in cost of sales, and loss on damaged property, plant and equipment of JPY 15,647 million which is included in selling, general and administrative.

The Company and its domestic consolidated subsidiaries did not recognize the costs of future restoration activities expected to be incurred in the next fiscal year in the current year consolidated financial statements.

[12] Reclassifications and Revision

Certain reclassifications have been made to the prior years’ consolidated financial statements to conform to the presentation used for the fiscal year ended March, 2011.
## Unit Sales Breakdown
For the three months and the year ended March 31, 2010 and 2011

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th>Three months ended</th>
<th>Year ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOTORCYCLES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>59</td>
<td>52</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td></td>
<td>(59)</td>
<td>(52)</td>
<td>(190)</td>
<td>(190)</td>
</tr>
<tr>
<td>North America</td>
<td>45</td>
<td>38</td>
<td>189</td>
<td>185</td>
</tr>
<tr>
<td></td>
<td>(23)</td>
<td>(21)</td>
<td>(98)</td>
<td>(90)</td>
</tr>
<tr>
<td>Europe</td>
<td>59</td>
<td>58</td>
<td>199</td>
<td>202</td>
</tr>
<tr>
<td></td>
<td>(57)</td>
<td>(57)</td>
<td>(192)</td>
<td>(195)</td>
</tr>
<tr>
<td>Asia</td>
<td>2,053</td>
<td>2,310</td>
<td>7,628</td>
<td>9,178</td>
</tr>
<tr>
<td></td>
<td>(2,053)</td>
<td>(2,310)</td>
<td>(7,628)</td>
<td>(9,178)</td>
</tr>
<tr>
<td>Other Regions</td>
<td>386</td>
<td>476</td>
<td>1,433</td>
<td>1,690</td>
</tr>
<tr>
<td></td>
<td>(384)</td>
<td>(472)</td>
<td>(1,422)</td>
<td>(1,676)</td>
</tr>
<tr>
<td>Total</td>
<td>2,602</td>
<td>2,934</td>
<td>9,639</td>
<td>11,445</td>
</tr>
<tr>
<td></td>
<td>(2,576)</td>
<td>(2,912)</td>
<td>(9,530)</td>
<td>(11,329)</td>
</tr>
<tr>
<td><strong>AUTOMOBILES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>183</td>
<td>142</td>
<td>646</td>
<td>582</td>
</tr>
<tr>
<td>North America</td>
<td>330</td>
<td>356</td>
<td>1,297</td>
<td>1,458</td>
</tr>
<tr>
<td>Europe</td>
<td>58</td>
<td>56</td>
<td>249</td>
<td>198</td>
</tr>
<tr>
<td>Asia</td>
<td>237</td>
<td>238</td>
<td>950</td>
<td>1,008</td>
</tr>
<tr>
<td>Other Regions</td>
<td>66</td>
<td>68</td>
<td>250</td>
<td>266</td>
</tr>
<tr>
<td>Total</td>
<td>874</td>
<td>860</td>
<td>3,392</td>
<td>3,512</td>
</tr>
<tr>
<td><strong>POWER PRODUCTS</strong></td>
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</tr>
<tr>
<td>Japan</td>
<td>102</td>
<td>104</td>
<td>322</td>
<td>388</td>
</tr>
<tr>
<td>North America</td>
<td>656</td>
<td>706</td>
<td>1,818</td>
<td>2,085</td>
</tr>
<tr>
<td>Europe</td>
<td>444</td>
<td>490</td>
<td>1,066</td>
<td>1,174</td>
</tr>
<tr>
<td>Asia</td>
<td>291</td>
<td>307</td>
<td>1,069</td>
<td>1,325</td>
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<tr>
<td>Other Regions</td>
<td>138</td>
<td>139</td>
<td>469</td>
<td>537</td>
</tr>
<tr>
<td>Total</td>
<td>1,631</td>
<td>1,746</td>
<td>4,744</td>
<td>5,509</td>
</tr>
</tbody>
</table>

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.
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.
### Net Sales Breakdown
For the three months and the year ended March 31, 2010 and 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOTORCYCLE BUSINESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>20,470</td>
<td>17,771</td>
<td>70,461</td>
<td>70,244</td>
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<tr>
<td>North America</td>
<td>26,948</td>
<td>17,292</td>
<td>103,956</td>
<td>96,664</td>
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<tr>
<td>Europe</td>
<td>37,710</td>
<td>29,996</td>
<td>124,665</td>
<td>103,890</td>
</tr>
<tr>
<td>Asia</td>
<td>137,639</td>
<td>168,655</td>
<td>461,067</td>
<td>577,669</td>
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<tr>
<td>Other Regions</td>
<td>112,387</td>
<td>119,398</td>
<td>380,143</td>
<td>439,727</td>
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<tr>
<td>Total</td>
<td>335,154</td>
<td>353,112</td>
<td>1,140,292</td>
<td>1,288,194</td>
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<tr>
<td><strong>AUTOMOBILE BUSINESS</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Japan</td>
<td>384,673</td>
<td>318,219</td>
<td>1,383,855</td>
<td>1,310,734</td>
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<tr>
<td>North America</td>
<td>780,370</td>
<td>764,586</td>
<td>3,013,432</td>
<td>3,252,852</td>
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<tr>
<td>Europe</td>
<td>132,192</td>
<td>116,477</td>
<td>575,326</td>
<td>441,696</td>
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<tr>
<td>Asia</td>
<td>274,455</td>
<td>301,353</td>
<td>1,041,258</td>
<td>1,221,704</td>
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<td>149,691</td>
<td>144,720</td>
<td>540,977</td>
<td>567,112</td>
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<td>Total</td>
<td>1,721,381</td>
<td>1,645,355</td>
<td>6,554,848</td>
<td>6,794,098</td>
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<tr>
<td><strong>FINANCIAL SERVICES BUSINESS</strong></td>
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<td></td>
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<td></td>
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<tr>
<td>Japan</td>
<td>6,207</td>
<td>6,626</td>
<td>24,635</td>
<td>26,349</td>
</tr>
<tr>
<td>North America</td>
<td>130,738</td>
<td>119,791</td>
<td>553,169</td>
<td>503,960</td>
</tr>
<tr>
<td>Europe</td>
<td>2,278</td>
<td>2,259</td>
<td>10,428</td>
<td>9,263</td>
</tr>
<tr>
<td>Asia</td>
<td>1,048</td>
<td>882</td>
<td>4,318</td>
<td>3,728</td>
</tr>
<tr>
<td>Other Regions</td>
<td>4,103</td>
<td>4,992</td>
<td>13,802</td>
<td>18,596</td>
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<tr>
<td>Total</td>
<td>144,374</td>
<td>134,550</td>
<td>606,352</td>
<td>561,896</td>
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<tr>
<td><strong>POWER PRODUCT &amp; OTHER BUSINESSES</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>24,371</td>
<td>22,003</td>
<td>98,367</td>
<td>96,515</td>
</tr>
<tr>
<td>North America</td>
<td>17,600</td>
<td>18,541</td>
<td>65,890</td>
<td>67,917</td>
</tr>
<tr>
<td>Europe</td>
<td>19,777</td>
<td>20,373</td>
<td>54,366</td>
<td>55,264</td>
</tr>
<tr>
<td>Asia</td>
<td>10,591</td>
<td>13,025</td>
<td>36,754</td>
<td>49,369</td>
</tr>
<tr>
<td>Other Regions</td>
<td>6,319</td>
<td>6,120</td>
<td>22,305</td>
<td>23,614</td>
</tr>
<tr>
<td>Total</td>
<td>78,658</td>
<td>80,062</td>
<td>277,682</td>
<td>292,679</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>435,721</td>
<td>364,619</td>
<td>1,577,318</td>
<td>1,503,842</td>
</tr>
<tr>
<td>North America</td>
<td>955,656</td>
<td>920,210</td>
<td>3,736,447</td>
<td>3,921,393</td>
</tr>
<tr>
<td>Europe</td>
<td>191,957</td>
<td>169,105</td>
<td>764,785</td>
<td>610,113</td>
</tr>
<tr>
<td>Asia</td>
<td>423,733</td>
<td>483,915</td>
<td>1,543,397</td>
<td>1,852,470</td>
</tr>
<tr>
<td>Other Regions</td>
<td>272,500</td>
<td>275,230</td>
<td>957,227</td>
<td>1,049,049</td>
</tr>
<tr>
<td>Total</td>
<td>2,279,567</td>
<td>2,213,079</td>
<td>8,579,174</td>
<td>8,936,867</td>
</tr>
</tbody>
</table>

**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 [11] Other 1 “Out-of-period adjustments”.

- 40 -
Unconsolidated Financial Summary
(For the year ended March 31, 2010 and 2011)

Financial Highlights
(For the year ended March 31, 2010 and 2011)

<table>
<thead>
<tr>
<th></th>
<th>Year ended Mar. 31, 2010</th>
<th>% Change</th>
<th>Year ended Mar. 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,717,736</td>
<td>+ 7.3%</td>
<td>2,915,416</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(71,594)</td>
<td>-</td>
<td>13,994</td>
</tr>
<tr>
<td>Ordinary income (loss)</td>
<td>241,391</td>
<td>- 4.8%</td>
<td>229,769</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>232,600</td>
<td>- 62.7%</td>
<td>86,657</td>
</tr>
<tr>
<td>Net income per share (loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>128.18</td>
<td></td>
<td>47.97</td>
</tr>
</tbody>
</table>

Financial forecast for the Fiscal Year Ending March 31, 2012

The Company is currently unable to reasonably calculate forecasts of the unconsolidated financial results for the fiscal year ending March 31, 2012, due to the impact of the Great East Japan Earthquake that occurred on March 11, 2011.
Therefore, the Company will release the forecasts of unconsolidated financial results for the fiscal year ending March 31, 2012 as soon as they become available.
<table>
<thead>
<tr>
<th></th>
<th>Year ended Mar. 31, 2010</th>
<th>Year ended Mar. 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td>880,494</td>
<td>966,667</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td>1,658,790</td>
<td>1,509,316</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2,539,284</td>
<td>2,475,984</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>463,604</td>
<td>449,239</td>
</tr>
<tr>
<td><strong>Fixed liabilities</strong></td>
<td>239,334</td>
<td>234,889</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>702,938</td>
<td>684,129</td>
</tr>
<tr>
<td><strong>Common stock</strong></td>
<td>86,067</td>
<td>86,067</td>
</tr>
<tr>
<td><strong>Capital surplus</strong></td>
<td>170,313</td>
<td>170,313</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>1,629,466</td>
<td>1,536,491</td>
</tr>
<tr>
<td><strong>Treasury stock</strong></td>
<td>(78,872)</td>
<td>(26,209)</td>
</tr>
<tr>
<td><strong>Difference of appreciation and conversion</strong></td>
<td>29,371</td>
<td>25,192</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>1,836,346</td>
<td>1,791,854</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>2,539,284</td>
<td>2,475,984</td>
</tr>
</tbody>
</table>
## Unconsolidated Statements of Income
(Parent company only)

<table>
<thead>
<tr>
<th></th>
<th>Year ended Mar. 31, 2010</th>
<th>Year ended Mar. 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>2,717,736</td>
<td>2,915,416</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>1,969,699</td>
<td>2,037,882</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>819,632</td>
<td>863,539</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(71,594)</td>
<td>13,994</td>
</tr>
<tr>
<td><strong>Non-operating income</strong></td>
<td>342,209</td>
<td>243,092</td>
</tr>
<tr>
<td><strong>Non-operating expenses</strong></td>
<td>29,223</td>
<td>27,317</td>
</tr>
<tr>
<td><strong>Ordinary income (loss)</strong></td>
<td>241,391</td>
<td>229,769</td>
</tr>
<tr>
<td><strong>Extraordinary income</strong></td>
<td>1,668</td>
<td>115,334</td>
</tr>
<tr>
<td><strong>Extraordinary loss</strong></td>
<td>4,378</td>
<td>172,690</td>
</tr>
<tr>
<td><strong>Income before income taxes (loss)</strong></td>
<td>238,680</td>
<td>172,413</td>
</tr>
<tr>
<td><strong>Income taxes (benefit) expense:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td>18,262</td>
<td>62,838</td>
</tr>
<tr>
<td><strong>Prior years</strong></td>
<td></td>
<td>9,331</td>
</tr>
<tr>
<td><strong>Deferred</strong></td>
<td>(12,181)</td>
<td>13,586</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>232,600</td>
<td>86,657</td>
</tr>
</tbody>
</table>
## Unconsolidated Statements of Stockholders' Equity

(Parent company only)

<table>
<thead>
<tr>
<th>Stockholders' equity</th>
<th>Difference of appreciation and conversion</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Common stock</td>
</tr>
<tr>
<td>Balance at March 31, 2010</td>
<td>86,067</td>
</tr>
<tr>
<td>Changes of items during the period</td>
<td></td>
</tr>
<tr>
<td>Dividend from surplus</td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>86,657</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
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</tr>
<tr>
<td>Reissuance of treasury stock</td>
<td>3</td>
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<tr>
<td>Retirement of treasury stock</td>
<td></td>
</tr>
<tr>
<td>others</td>
<td></td>
</tr>
<tr>
<td>Total changes of items during the period</td>
<td></td>
</tr>
<tr>
<td>Balance at March 31, 2011</td>
<td>86,067</td>
</tr>
</tbody>
</table>

Explanatory note:
Number of treasury stock: Shares

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>20,225,694</td>
<td>9,126,716</td>
</tr>
<tr>
<td></td>
<td>Unit Sales Breakdown</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------</td>
<td>------------------</td>
</tr>
<tr>
<td></td>
<td>(Parent company only)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Year ended</td>
</tr>
<tr>
<td><strong>MOTORCYCLES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>189</td>
</tr>
<tr>
<td>(motorcycles only)</td>
<td></td>
<td>(189)</td>
</tr>
<tr>
<td>Export</td>
<td></td>
<td>138</td>
</tr>
<tr>
<td>(motorcycles only)</td>
<td></td>
<td>(137)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>327</td>
</tr>
<tr>
<td>(motorcycles only)</td>
<td></td>
<td>(327)</td>
</tr>
<tr>
<td><strong>AUTOMOBILES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>678</td>
</tr>
<tr>
<td>(mini vehicles only)</td>
<td></td>
<td>(160)</td>
</tr>
<tr>
<td>Export</td>
<td></td>
<td>264</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>942</td>
</tr>
<tr>
<td><strong>POWER PRODUCTS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Japan</td>
<td></td>
<td>315</td>
</tr>
<tr>
<td>Export</td>
<td></td>
<td>563</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>878</td>
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</tbody>
</table>
## Net Sales Breakdown
(Parent company only)

<table>
<thead>
<tr>
<th></th>
<th>Yen (millions)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year ended</td>
<td>Year ended</td>
<td></td>
</tr>
<tr>
<td><strong>MOTORCYCLES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>50,115</td>
<td>49,427</td>
<td></td>
</tr>
<tr>
<td>Export</td>
<td>228,767</td>
<td>243,154</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>278,882</td>
<td>292,581</td>
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<tr>
<td><strong>AUTOMOBILES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1,082,497</td>
<td>974,360</td>
<td></td>
</tr>
<tr>
<td>Export</td>
<td>1,273,598</td>
<td>1,546,563</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,356,095</td>
<td>2,520,924</td>
<td></td>
</tr>
<tr>
<td><strong>POWER PRODUCTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>20,142</td>
<td>22,144</td>
<td></td>
</tr>
<tr>
<td>Export</td>
<td>62,615</td>
<td>79,766</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>82,758</td>
<td>101,910</td>
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</tr>
<tr>
<td><strong>TOTAL</strong></td>
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<tr>
<td>Japan</td>
<td>1,152,755</td>
<td>1,045,933</td>
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<tr>
<td>Export</td>
<td>1,564,981</td>
<td>1,869,483</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,717,736</td>
<td>2,915,416</td>
<td></td>
</tr>
</tbody>
</table>

Explanatory notes:
1. The summary unconsolidated financial information set forth above is derived from the complete unconsolidated financial information of the Company to be filed with the Securities and Exchange Commission on the Company's Form 6-K for the month May 2011.
2. Unconsolidated financial statements have been prepared on the basis of generally accepted accounting principles in Japan.
3. The unit sales and yen amounts described above are rounded down to the nearest one thousand units and one million yen, respectively.
## CONSOLIDATED FINANCIAL SUMMARY 1

### FOR THE FISCAL FOURTH QUARTER AND THE FISCAL YEAR ENDED MARCH 31, 2011

<table>
<thead>
<tr>
<th>Fourth Quarter Results</th>
<th>Fiscal Year Results and Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 months ended Mar. 31, 2010</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales and other operating revenue</td>
<td>2,279.5</td>
</tr>
<tr>
<td>Operating income</td>
<td>&lt; 4.2% &gt;</td>
</tr>
<tr>
<td>Equity in income of affiliates</td>
<td>&lt; 4.1% &gt;</td>
</tr>
<tr>
<td>Net income attributable to Honda Motor Co., Ltd.</td>
<td>&lt; 3.2% &gt;</td>
</tr>
<tr>
<td>Change in R&amp;D expenses</td>
<td>35.7</td>
</tr>
<tr>
<td>Impact of the Great East Japan Earthquake</td>
<td>- 45.7</td>
</tr>
<tr>
<td>Currency effects</td>
<td>- 44.0</td>
</tr>
<tr>
<td>Change in average rates</td>
<td>( - 32.5)</td>
</tr>
<tr>
<td>Translation effects</td>
<td>( - 11.5)</td>
</tr>
<tr>
<td>Currency effects excluding derivative instruments</td>
<td>- 27.2</td>
</tr>
<tr>
<td>Others</td>
<td>60.2</td>
</tr>
<tr>
<td>Honda's average rates</td>
<td>JPY 91</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>67.9</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>91.8</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>137.9</td>
</tr>
<tr>
<td>Unit Sales</td>
<td></td>
</tr>
<tr>
<td>Motorcycle business</td>
<td>2,602</td>
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<tr>
<td>Japan</td>
<td>59</td>
</tr>
<tr>
<td>North America</td>
<td>45</td>
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<tr>
<td>Europe</td>
<td>59</td>
</tr>
<tr>
<td>Asia</td>
<td>2,053</td>
</tr>
<tr>
<td>Other Regions</td>
<td>386</td>
</tr>
<tr>
<td>Automobile business</td>
<td>874</td>
</tr>
<tr>
<td>Japan</td>
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<td>North America</td>
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<tr>
<td>Europe</td>
<td>58</td>
</tr>
<tr>
<td>Asia</td>
<td>237</td>
</tr>
<tr>
<td>Other Regions</td>
<td>66</td>
</tr>
<tr>
<td>Power product business</td>
<td>1,631</td>
</tr>
<tr>
<td>Japan</td>
<td>102</td>
</tr>
<tr>
<td>North America</td>
<td>656</td>
</tr>
<tr>
<td>Europe</td>
<td>444</td>
</tr>
<tr>
<td>Asia</td>
<td>291</td>
</tr>
<tr>
<td>Other Regions</td>
<td>138</td>
</tr>
</tbody>
</table>

### Notes:

1. In this chart, "change" is calculated on the comparison with the same period of previous year.
2. 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.
3. 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.
4. 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.
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.

The Company is currently unable to reasonably calculate forecasts of the consolidated financial results for the fiscal year ending March 31, 2012, due to the impact of the Great East Japan Earthquake that occurred on March 11, 2011. Therefore, the Company will release the forecasts of the consolidated financial results for the fiscal year ending March 31, 2012 as soon as they become available.
**CONSOLIDATED FINANCIAL SUMMARY 2**

FOR THE FISCAL YEAR ENDED MARCH 31, 2011

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;Non-financial services businesses&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,587,110</td>
<td>3,535,061</td>
</tr>
<tr>
<td>Trade accounts and notes receivable, net</td>
<td>1,252,362</td>
<td>1,100,695</td>
</tr>
<tr>
<td>Inventories</td>
<td>459,120</td>
<td>525,768</td>
</tr>
<tr>
<td>Other current assets</td>
<td>899,813</td>
<td>935,629</td>
</tr>
<tr>
<td>Investments and advances</td>
<td>975,815</td>
<td>972,969</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>866,809</td>
<td>880,721</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,924,014</td>
<td>2,068,119</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,535,061</td>
<td>4,328,640</td>
</tr>
<tr>
<td>&lt;Finance Subsidiaries&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>26,662</td>
<td>19,207</td>
</tr>
<tr>
<td>Finance subsidiaries—short-term receivables, net</td>
<td>1,136,791</td>
<td>1,112,984</td>
</tr>
<tr>
<td>Finance subsidiaries—long-term receivables, net</td>
<td>2,356,090</td>
<td>2,362,813</td>
</tr>
<tr>
<td>Net property on operating leases</td>
<td>1,352,863</td>
<td>1,308,147</td>
</tr>
<tr>
<td>Other assets</td>
<td>699,746</td>
<td>738,637</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,572,152</td>
<td>5,541,788</td>
</tr>
<tr>
<td>Reconciling Items</td>
<td>(767,685)</td>
<td>(842,792)</td>
</tr>
<tr>
<td>Total assets</td>
<td>4,804,467</td>
<td>4,709,037</td>
</tr>
<tr>
<td><strong>Liabilities and Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;Non-financial services businesses&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>1,678,655</td>
<td>1,736,752</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>212,428</td>
<td>211,325</td>
</tr>
<tr>
<td>Trade payables</td>
<td>45,301</td>
<td>24,795</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>727,607</td>
<td>833,326</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>463,624</td>
<td>457,146</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,701,541</td>
<td>2,934,966</td>
</tr>
<tr>
<td>&lt;Finance Subsidiaries&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>1,369,485</td>
<td>1,385,032</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>928,944</td>
<td>703,434</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>98,604</td>
<td>125,788</td>
</tr>
<tr>
<td>Long-term debt, excluding current portion</td>
<td>1,509,549</td>
<td>1,715,243</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>536,161</td>
<td>488,970</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,842,743</td>
<td>4,858,467</td>
</tr>
<tr>
<td>Reconciling Items</td>
<td>(556,322)</td>
<td>(620,748)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,286,421</td>
<td>4,237,719</td>
</tr>
<tr>
<td><strong>Honda Motor Co., Ltd. shareholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>4,449,975</td>
<td>4,328,640</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>132,937</td>
<td>127,790</td>
</tr>
<tr>
<td>Total equity</td>
<td>4,582,912</td>
<td>4,456,430</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>11,570,874</td>
<td>11,629,115</td>
</tr>
</tbody>
</table>
CONSOLIDATED FINANCIAL SUMMARY 3
FOR THE FISCAL YEAR ENDED MARCH 31, 2011

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

<table>
<thead>
<tr>
<th>For the year ended March 31, 2010</th>
<th>Yen (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-financial services businesses</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>176,370</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>399,221</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>20,622</td>
</tr>
<tr>
<td>Equity in income of affiliates</td>
<td>(93,282)</td>
</tr>
<tr>
<td>Dividends from affiliates</td>
<td>140,901</td>
</tr>
<tr>
<td>Gain on sales of investments in affiliates</td>
<td>—</td>
</tr>
<tr>
<td>Impairment loss on investments in securities</td>
<td>603</td>
</tr>
<tr>
<td>Damaged and impairment loss on long-lived assets and goodwill</td>
<td>548</td>
</tr>
<tr>
<td>Loss (gain) on derivative instruments, net</td>
<td>(6,683)</td>
</tr>
<tr>
<td>Decrease (increase) in trade accounts and notes receivable</td>
<td>(67,982)</td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>352,994</td>
</tr>
<tr>
<td>Increase (decrease) in trade accounts and notes payable</td>
<td>153,440</td>
</tr>
<tr>
<td>Other, net</td>
<td>22,892</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>1,099,644</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities:** | | | | |
| * Decrease (increase) in investments and advances | 106,565 | (5,878) | (121,852) | (21,165) |
| Proceeds from sales of investments in affiliates | — | — | — | — |
| Capital expenditures                      | (389,747) | (2,315) | — | (392,062) |
| Proceeds from sales of property, plant and equipment | 24,132 | 340 | — | 24,472 |
| Decrease (increase) in finance subsidiaries-receivables | — | 87,571 | 4,350 | 91,921 |
| Purchase of operating lease assets        | — | (544,027) | — | (544,027) |
| Proceeds from sales of operating lease assets | 245,110 | — | — | 245,110 |
| Net cash used in investing activities      | (259,050) | (219,199) | (117,502) | (595,751) |

| **Cash flows from financing activities:** | | | | |
| * Increase (decrease) in short-term debt, net | (458,642) | (304,264) | 113,265 | (649,641) |
| * Proceeds from long-term debt              | 115,120 | 1,023,804 | (6,702) | 1,132,222 |
| * Repayment of long-term debt               | (25,285) | (941,995) | 3,447 | (963,833) |
| Dividends paid                              | (61,696) | — | — | (61,696) |
| Dividends paid to noncontrolling interests  | (16,278) | — | — | (16,278) |
| Sales (purchases) of treasury stock, net    | (18)    | — | — | (18) |
| Net cash provided                           | (446,799) | (222,455) | 110,010 | (559,244) |

| Effect of exchange rate changes on cash and cash equivalents | 38,786 | 1,530 | — | 40,316 |
| Net change in cash and cash equivalents           | 432,581 | (3,048) | — | 429,533 |
| Cash and cash equivalents at beginning of period | 668,114 | 22,255 | — | 690,369 |
| Cash and cash equivalents at end of period         | 1,100,695 | 19,207 | — | 1,119,902 |
Unaudited Consolidated Statements of Cash Flows
Divided into Non-financial Services Businesses and Finance Subsidiaries

For the year ended March 31, 2011

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Non-financial services businesses</th>
<th>Finance subsidiaries</th>
<th>Reconciling Items</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>456,181</td>
<td>107,296</td>
<td></td>
<td>563,477</td>
</tr>
<tr>
<td>Adjustments to reconcile net income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>349,834</td>
<td>213,805</td>
<td></td>
<td>563,639</td>
</tr>
<tr>
<td>Equity in income of affiliates</td>
<td>28,691</td>
<td>101,489</td>
<td></td>
<td>130,180</td>
</tr>
<tr>
<td>Dividends from affiliates</td>
<td>139,756</td>
<td>139,756</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sales of investments in affiliates</td>
<td></td>
<td></td>
<td></td>
<td>46,182</td>
</tr>
<tr>
<td>Impairment loss on investments in securities</td>
<td></td>
<td></td>
<td></td>
<td>2,133</td>
</tr>
<tr>
<td>Damaged and impairment loss on long-lived assets and goodwill</td>
<td></td>
<td></td>
<td></td>
<td>16,833</td>
</tr>
<tr>
<td>Loss (gain) on derivative instruments, net</td>
<td></td>
<td></td>
<td></td>
<td>670</td>
</tr>
<tr>
<td>Decrease (increase) in trade accounts and notes receivable</td>
<td></td>
<td></td>
<td></td>
<td>26,837</td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td></td>
<td></td>
<td></td>
<td>33,676</td>
</tr>
<tr>
<td>Increase (decrease) in trade accounts and notes payable</td>
<td></td>
<td></td>
<td></td>
<td>50,618</td>
</tr>
<tr>
<td>Other, net</td>
<td></td>
<td></td>
<td></td>
<td>73,797</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>634,758</td>
<td>440,722</td>
<td>(4,643)</td>
<td>1,070,837</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th>Non-financial services businesses</th>
<th>Finance subsidiaries</th>
<th>Reconciling Items</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Decrease (increase) in investments and advances</td>
<td>(41,730)</td>
<td>4,951</td>
<td>16,865</td>
<td>(19,914)</td>
</tr>
<tr>
<td>Proceeds from sales of investments in affiliates</td>
<td>71,073</td>
<td>-</td>
<td>-</td>
<td>71,073</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(316,472)</td>
<td>(2,071)</td>
<td>-</td>
<td>(318,543)</td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>24,089</td>
<td>636</td>
<td>-</td>
<td>24,725</td>
</tr>
<tr>
<td>Decrease (increase) in finance subsidiaries receivables</td>
<td>-</td>
<td>(90,859)</td>
<td>(7,717)</td>
<td>(98,576)</td>
</tr>
<tr>
<td>Purchase of operating lease assets</td>
<td>-</td>
<td>(798,420)</td>
<td>-</td>
<td>(798,420)</td>
</tr>
<tr>
<td>Proceeds from sales of operating lease assets</td>
<td>-</td>
<td>408,265</td>
<td>-</td>
<td>408,265</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(263,040)</td>
<td>(477,498)</td>
<td>9,148</td>
<td>(731,390)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities:</th>
<th>Non-financial services businesses</th>
<th>Finance subsidiaries</th>
<th>Reconciling Items</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Increase (decrease) in short-term debt, net</td>
<td>11,270</td>
<td>107,495</td>
<td>(5,096)</td>
<td>113,669</td>
</tr>
<tr>
<td>* Proceeds from long-term debt</td>
<td>18,174</td>
<td>786,399</td>
<td>(5,053)</td>
<td>796,520</td>
</tr>
<tr>
<td>* Repayment of long-term debt</td>
<td>(27,539)</td>
<td>848,511</td>
<td>5,644</td>
<td>(870,406)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(92,170)</td>
<td>-</td>
<td>-</td>
<td>(92,170)</td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td>(16,232)</td>
<td>-</td>
<td>-</td>
<td>(16,232)</td>
</tr>
<tr>
<td>Sales (purchases) of treasury stock, net</td>
<td>(34,797)</td>
<td>-</td>
<td>-</td>
<td>(34,797)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>(141,294)</td>
<td>45,383</td>
<td>(4,505)</td>
<td>(100,416)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effect of exchange rate changes on cash and cash equivalents</th>
<th>Non-financial services businesses</th>
<th>Finance subsidiaries</th>
<th>Reconciling Items</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>(78,757)</td>
<td>(1,152)</td>
<td>-</td>
<td>-</td>
<td>(79,909)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net change in cash and cash equivalents</th>
<th>Non-financial services businesses</th>
<th>Finance subsidiaries</th>
<th>Reconciling Items</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>151,667</td>
<td>7,455</td>
<td>-</td>
<td>-</td>
<td>159,122</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at beginning of period</th>
<th>Non-financial services businesses</th>
<th>Finance subsidiaries</th>
<th>Reconciling Items</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,100,695</td>
<td>19,207</td>
<td>-</td>
<td>-</td>
<td>1,119,902</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at end of period</th>
<th>Non-financial services businesses</th>
<th>Finance subsidiaries</th>
<th>Reconciling Items</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,252,362</td>
<td>26,662</td>
<td>-</td>
<td>-</td>
<td>1,279,024</td>
</tr>
</tbody>
</table>

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 121,852 million decrease for the fiscal year ended March 31, 2010, and a JPY 16,865 million increase for the fiscal year ended March 31, 2011, 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.
The Company is currently unable to reasonably calculate forecasts of the unconsolidated financial results for the fiscal year ending March 31, 2012, due to the impact of the Great East Japan Earthquake that occurred on March 11, 2011.

Therefore, the Company will release the forecasts of unconsolidated financial results for the fiscal year ending March 31, 2012 as soon as they become available.