

HONDA MOTOR CO LTD  
Form 6-K  
August 03, 2015  
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No.1-7628

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

UNDER THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF JULY 2015

COMMISSION FILE NUMBER: 1-07628

**HONDA GIKEN KOGYO KABUSHIKI KAISHA**

(Name of registrant)

**HONDA MOTOR CO., LTD.**

(Translation of registrant's name into English)

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

(Address of principal executive offices)

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

Form 20-F ☒ Form 40-F ☐

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

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



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**Exhibit 1:**

TOKYO, Japan, July 6, 2015 The new President & CEO of Honda Motor Co., Takahiro Hachigo, unveiled his future vision for the company.

<Two themes to be pursued for the new Honda>

1. Advancement of the six-region global operation structure
2. Continuous development of challenging products unique to Honda and delivering them to our customers around the world  
<Future of Honda My thoughts based on personal experiences at the spot >

Honda's strength is that team/project members share one goal and take on challenges and attain high targets.

Honda's challenges have always been generated at the spot.

**Exhibit 2:**

On July 31, 2015, Honda Motor Co., Ltd. announced its consolidated financial results for the fiscal first quarter ended June 30, 2015.

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

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

/s/ Shinji Suzuki  
Shinji Suzuki  
General Manager  
Finance Division  
Honda Motor Co., Ltd.

Date: August 3, 2015

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**<Two themes to be pursued for the new Honda>**

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Honda's strength is that team/project members share one goal and take on challenges and attain high targets.

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For details, please refer to the website of Honda Motor Co., Ltd.

<http://world.honda.com/news/2015/c150706CEO-Speech/index.html>

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**July 31, 2015**

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

**CONSOLIDATED FINANCIAL RESULTS**

**FOR THE FISCAL FIRST QUARTER ENDED JUNE 30, 2015**

Tokyo, July 31, 2015 Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal first quarter ended June 30, 2015.

**First Quarter Results**

Honda's consolidated profit for the period attributable to owners of the parent for the fiscal first quarter ended June 30, 2015 totaled JPY 186.0 billion (USD 1,519 million), an increase of 19.6% from the same period last year. Earnings per share attributable to owners of the parent for the quarter amounted to JPY 103.22 (USD 0.84), an increase of JPY 16.88 (USD 0.14) from JPY 86.34 for the corresponding period last year. One Honda American Depositary Share represents one common share.

Consolidated sales revenue for the quarter amounted to JPY 3,704.7 billion (USD 30,255 million), an increase of 15.5% from the same period last year, due primarily to increased revenue in automobile and financial services business operations, as well as favorable foreign currency translation effects.

Consolidated operating profit for the quarter amounted to JPY 239.2 billion (USD 1,954 million), an increase of 16.4% from the same period last year, due primarily to an increase in profit attributable to increased sales revenue and model mix, continuing cost reduction efforts and favorable foreign currency effects, despite increased SG&A expenses, including quality related expenses.

Share of profit of investments accounted for using the equity method amounted to JPY 38.3 billion (USD 313 million) for the quarter, an increase of 5.7% from the corresponding period last year.

Consolidated profit before income taxes for the quarter totaled JPY 282.3 billion (USD 2,306 million), an increase of 15.9% from the same period last year.

**Table of Contents****Business Segment****Motorcycle Business**

For the three months ended June 30, 2014 and 2015

|                            | Honda Group Unit Sales           |                                  |        |        | Consolidated Unit Sales          |                                  |        |        |
|----------------------------|----------------------------------|----------------------------------|--------|--------|----------------------------------|----------------------------------|--------|--------|
|                            | Three months ended Jun. 30, 2014 | Three months ended Jun. 30, 2015 | Change | %      | Three months ended Jun. 30, 2014 | Three months ended Jun. 30, 2015 | Change | %      |
| <b>Motorcycle business</b> | 4,352                            | <b>4,105</b>                     | - 247  | - 5.7  | 2,503                            | <b>2,545</b>                     | 42     | 1.7    |
| Japan                      | 48                               | <b>47</b>                        | - 1    | - 2.1  | 48                               | <b>47</b>                        | - 1    | - 2.1  |
| North America              | 61                               | <b>75</b>                        | 14     | 23.0   | 61                               | <b>75</b>                        | 14     | 23.0   |
| Europe                     | 60                               | <b>66</b>                        | 6      | 10.0   | 60                               | <b>66</b>                        | 6      | 10.0   |
| Asia                       | 3,762                            | <b>3,571</b>                     | - 191  | - 5.1  | 1,913                            | <b>2,011</b>                     | 98     | 5.1    |
| Other Regions              | 421                              | <b>346</b>                       | - 75   | - 17.8 | 421                              | <b>346</b>                       | - 75   | - 17.8 |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

With respect to Honda's sales for the fiscal first quarter by business segment, in motorcycle business operations, sales revenue from sales to external customers increased 10.8%, to JPY 472.7 billion (USD 3,860 million) from the same period last year due mainly to increased consolidated unit sales and favorable foreign currency translation effects. Operating profit totaled JPY 55.5 billion (USD 454 million), an increase of 33.4% from the same period last year, due primarily to an increase in sales volume and model mix, despite increased SG&A expenses and unfavorable foreign currency effects.

**Automobile Business**

For the three months ended June 30, 2014 and 2015

|                            | Honda Group Unit Sales           |                                  |        |        | Consolidated Unit Sales          |                                  |        |        |
|----------------------------|----------------------------------|----------------------------------|--------|--------|----------------------------------|----------------------------------|--------|--------|
|                            | Three months ended Jun. 30, 2014 | Three months ended Jun. 30, 2015 | Change | %      | Three months ended Jun. 30, 2014 | Three months ended Jun. 30, 2015 | Change | %      |
| <b>Automobile business</b> | 1,093                            | <b>1,147</b>                     | 54     | 4.9    | 896                              | <b>888</b>                       | - 8    | - 0.9  |
| Japan                      | 202                              | <b>147</b>                       | - 55   | - 27.2 | 195                              | <b>135</b>                       | - 60   | - 30.8 |
| North America              | 449                              | <b>497</b>                       | 48     | 10.7   | 449                              | <b>497</b>                       | 48     | 10.7   |
| Europe                     | 38                               | <b>32</b>                        | - 6    | - 15.8 | 38                               | <b>32</b>                        | - 6    | - 15.8 |
| Asia                       | 341                              | <b>405</b>                       | 64     | 18.8   | 151                              | <b>158</b>                       | 7      | 4.6    |
| Other Regions              | 63                               | <b>66</b>                        | 3      | 4.8    | 63                               | <b>66</b>                        | 3      | 4.8    |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries and sold through our consolidated subsidiaries are accounted for as operating leases in conformity with IFRS and are not included in consolidated sales revenue to the external customers in our Automobile business. Accordingly, they are not included

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in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our Automobile business.

In automobile business operations, sales revenue from sales to external customers increased 14.4%, to JPY 2,675.8 billion (USD 21,853 million) from the same period last year due mainly to favorable foreign currency translation effects, despite decreased consolidated unit sales. Operating profit totaled JPY 130.7 billion (USD 1,068 million), an increase of 18.0% from the same period last year, due primarily to an increase in sales volume and model mix, continuing cost reduction efforts and favorable currency effects, despite increased SG&A expenses, including quality related expenses.

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**Table of Contents****Financial Services Business**

Sales revenue from customers in the financial services business operations increased 30.0%, to JPY 473.6 billion (USD 3,868 million) from the same period last year due mainly to an increase in revenue from operating leases and sales of returned lease vehicles as well as favorable foreign currency translation effects. Operating profit increased 5.7% to JPY 52.4 billion (USD 428 million) from the same period last year due mainly to favorable foreign currency effects, despite increased SG&A expenses.

**Power Product and Other Businesses**

For the three months ended June 30, 2014 and 2015

|                               | Unit (Thousands)                                |                                  |        |        |
|-------------------------------|-------------------------------------------------|----------------------------------|--------|--------|
|                               | Honda Group Unit Sales/ Consolidated Unit Sales |                                  |        |        |
|                               | Three months ended Jun. 30, 2014                | Three months ended Jun. 30, 2015 | Change | %      |
| <b>Power product business</b> | <b>1,577</b>                                    | <b>1,558</b>                     | - 19   | - 1.2  |
| Japan                         | 68                                              | 85                               | 17     | 25.0   |
| North America                 | 775                                             | 804                              | 29     | 3.7    |
| Europe                        | 245                                             | 231                              | - 14   | - 5.7  |
| Asia                          | 396                                             | 340                              | - 56   | - 14.1 |
| Other Regions                 | 93                                              | 98                               | 5      | 5.4    |

Note: Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. In power product business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales for the three months ended June 30, 2014 and 2015, since no affiliates and joint ventures accounted for using the equity method were involved in the sale of Honda power products.

Sales revenue from sales to external customers in power product and other businesses increased 6.2%, to JPY 82.5 billion (USD 674 million) from the same period last year, due mainly to favorable foreign currency translation effects. Operating profit decreased 84.6% to JPY 0.5 billion (USD 4 million) from the same period last year, due mainly to an increase in operating costs and expenses in Other businesses and negative foreign currency effects.

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### **Geographical Information**

With respect to Honda's sales for the fiscal first quarter by geographic segment, in Japan, sales revenue from domestic and export sales amounted to JPY 916.5 billion (USD 7,485 million), a decrease of 7.0% from the same period last year due mainly to decreased revenue in automobile business operations. Operating profit totaled JPY 27.8 billion (USD 227 million), a decrease of 55.8% from the same period last year, due mainly to a decrease in profit attributable to decreased sales revenue and model mix as well as increased SG&A expenses, including quality related expenses, despite favorable foreign currency effects.

In North America, sales revenue increased by 26.7%, to JPY 2,191.6 billion (USD 17,898 million) from the same period last year due mainly to increased revenue in automobile business operations and favorable foreign currency translation effects. Operating profit totaled JPY 109.0 billion (USD 890 million), an increase of 63.5% from the same period last year due mainly to an increase in profit attributable to increased sales revenue and model mix, despite increased SG&A expenses, including quality related expenses and unfavorable foreign currency effects.

In Europe, sales revenue decreased by 11.3%, to JPY 170.8 billion (USD 1,395 million) from the same period last year due mainly to decreased revenue in automobile business operations as well as unfavorable foreign currency translation effects. Honda reported an operating loss of JPY 0.9 billion (USD 8 million), a decline of JPY 2.7 billion (USD 22 million) from the same period last year due mainly to a decrease in profit attributable to decreased sales revenue and model mix as well as unfavorable foreign currency effects.

In Asia, sales revenue increased by 19.3%, to JPY 898.9 billion (USD 7,341 million) from the same period last year mainly due to increased revenue in automobile and motorcycle business operations as well as favorable foreign currency translation effects. Operating profit increased by 38.5%, to JPY 95.5 billion (USD 780 million) from the same period last year due mainly to an increase in profit attributable to increased sales revenue and model mix, continuing cost reduction efforts and favorable foreign currency effects, despite increased SG&A expenses.

In Other regions, which includes South America, the Middle/Near East, Africa and Oceania, sales revenue amounted to JPY 240.6 billion (USD 1,965 million) basically unchanged from the same period last year mainly due to increased revenue in automobile business operations, despite unfavorable foreign currency translation effects. Operating profit totaled JPY 4.5 billion (USD 37 million), a decrease of 47.2% from the same period last year mainly due to increased SG&A expenses as well as unfavorable foreign currency effects, despite an increase in profit attributable to increased sales revenue and model mix and continuing cost reduction efforts.

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Explanatory note:

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of JPY 122.45=USD 1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on June 30, 2015.

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**Consolidated Statements of Balance Sheets for the Fiscal First Quarter Ended June 30, 2015**

Total assets increased by JPY 472.6 billion, to JPY 18,898.5 billion from March 31, 2015, mainly due to an increase in Cash and cash equivalents, Equipment on operating lease, as well as foreign currency translation effects. Total liabilities increased by JPY 247.5 billion, to JPY 11,290.6 billion from March 31, 2015, mainly due to an increase in Financing liabilities and foreign currency translation effects. Total equity increased by JPY 225.0 billion, to JPY 7,607.9 billion from March 31, 2015 due mainly to increased Retained earnings attributable to increased Profit for the period as well as foreign currency translation effects.

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### **Consolidated Statements of Cash Flow for the Fiscal First Quarter Ended June 30, 2015**

Consolidated cash and cash equivalents on June 30, 2015 increased by JPY 179.2 billion from March 31, 2015, to JPY 1,650.9 billion. The reasons for the increases or decreases for each cash flow activity, when compared with the same period of the previous fiscal year, are as follows:

#### **Cash flow from operating activities**

Net cash provided by operating activities amounted to JPY 415.8 billion for the fiscal first quarter ended June 30, 2015. Cash inflows from operating activities increased by JPY 282.7 billion compared with the same period of the previous fiscal year due mainly to an increase in cash received from customers, despite increased payments for parts, raw materials and purchase of equipment on operating leases.

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

Net cash used in investing activities amounted to JPY 243.7 billion. Cash outflows from investing activities increased by JPY 33.9 billion compared with the same period of the previous fiscal year, due mainly to an increase in purchases of property, plant and equipment.

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

Net cash used in financing activities amounted to JPY 11.6 billion. Cash outflows from financing activities increased by JPY 7.6 billion compared with the same period of the previous fiscal year, due mainly to a decrease in proceeds from debts.

**Table of Contents****Forecasts for the Fiscal Year Ending March 31, 2016**

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

**Fiscal year ending March 31, 2016**

|                                                          | Yen (billions) | Changes from FY 2015 |
|----------------------------------------------------------|----------------|----------------------|
| Sales revenue                                            | 14,500.0       | + 8.8%               |
| Operating profit                                         | 685.0          | + 2.1%               |
| Profit before income taxes                               | 805.0          | - 0.2%               |
| Profit for the year attributable to owners of the parent | 525.0          | + 3.1%               |

|                                                         | Yen    |
|---------------------------------------------------------|--------|
| Earnings per share attributable to owners of the parent |        |
| Basic and diluted                                       | 291.30 |

Note: The forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar will be JPY 115 for the full year ending March 31, 2016.

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

|                                                                      | Yen (billions) |
|----------------------------------------------------------------------|----------------|
| Revenue, model mix, etc.                                             | + 179.3        |
| Cost reduction, the effect of raw material cost fluctuations, etc.   | + 42.0         |
| SG&A expenses                                                        | - 60.0         |
| R&D expenses                                                         | - 59.0         |
| Currency effect                                                      | - 88.0         |
| Operating profit compared with fiscal year 2015                      | + 14.3         |
| Share of profit of investments accounted for using the equity method | + 38.9         |
| Finance income and finance costs                                     | - 54.5         |
| Profit before income taxes compared with fiscal year 2015            | - 1.2          |

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**Dividend per Share of Common Stock**

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on July 31, 2015, resolved to make the quarterly dividend JPY 22 per share of common stock, the record date of which is June 30, 2015. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2016, is JPY 88 per share.

This announcement contains forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar and other major currencies, as well as other factors detailed from time to time.

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### **Consolidated Financial Summary**

For the three months ended June 30, 2014 and 2015

### **Financial Highlights**

|                                                            | <b>Yen (millions)</b>                   |                                         |
|------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
|                                                            | <b>Three months ended Jun. 30, 2014</b> | <b>Three months ended Jun. 30, 2015</b> |
| Sales revenue                                              | 3,206,743                               | 3,704,762                               |
| Operating profit                                           | 205,507                                 | 239,286                                 |
| Profit before income taxes                                 | 243,599                                 | 282,327                                 |
| Profit for the period attributable to owners of the parent | 155,604                                 | 186,037                                 |
|                                                            | <b>Yen</b>                              |                                         |
| Earnings per share attributable to owners of the parent    |                                         |                                         |
| Basic and diluted                                          | 86.34                                   | 103.22                                  |
|                                                            | <b>U.S. Dollar (millions)</b>           |                                         |
|                                                            |                                         | <b>Three months ended Jun. 30, 2015</b> |
| Sales revenue                                              |                                         | 30,255                                  |
| Operating profit                                           |                                         | 1,954                                   |
| Profit before income taxes                                 |                                         | 2,306                                   |
| Profit for the period attributable to owners of the parent |                                         | 1,519                                   |
|                                                            | <b>U.S. Dollar</b>                      |                                         |
| Earnings per share attributable to owners of the parent    |                                         |                                         |
| Basic and diluted                                          |                                         | 0.84                                    |

**Table of Contents****[1] Condensed Consolidated Statements of Financial Position**

|                                                   | Yen (millions)    |                   |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | Mar. 31, 2015     | Jun. 30, 2015     |
| <b>Assets</b>                                     |                   |                   |
| Current assets:                                   |                   |                   |
| Cash and cash equivalents                         | 1,471,730         | <b>1,650,933</b>  |
| Trade receivables                                 | 820,681           | <b>816,436</b>    |
| Receivables from financial services               | 2,098,951         | <b>2,128,927</b>  |
| Other financial assets                            | 92,708            | <b>90,208</b>     |
| Inventories                                       | 1,498,312         | <b>1,457,279</b>  |
| Other current assets                              | 313,758           | <b>282,383</b>    |
| <b>Total current assets</b>                       | <b>6,296,140</b>  | <b>6,426,166</b>  |
| Non-current assets:                               |                   |                   |
| Investments accounted for using the equity method | 614,975           | <b>657,832</b>    |
| Receivables from financial services               | 3,584,654         | <b>3,572,725</b>  |
| Other financial assets                            | 350,579           | <b>350,592</b>    |
| Equipment on operating leases                     | 3,335,367         | <b>3,552,875</b>  |
| Property, plant and equipment                     | 3,189,511         | <b>3,257,301</b>  |
| Intangible assets                                 | 759,535           | <b>785,562</b>    |
| Deferred tax assets                               | 138,069           | <b>131,847</b>    |
| Other non-current assets                          | 157,007           | <b>163,603</b>    |
| <b>Total non-current assets</b>                   | <b>12,129,697</b> | <b>12,472,337</b> |
| <b>Total assets</b>                               | <b>18,425,837</b> | <b>18,898,503</b> |
| <b>Liabilities and Equity</b>                     |                   |                   |
| Current liabilities:                              |                   |                   |
| Trade payables                                    | 1,157,738         | <b>1,111,277</b>  |
| Financing liabilities                             | 2,833,563         | <b>3,096,771</b>  |
| Accrued expenses                                  | 377,372           | <b>378,632</b>    |
| Other financial liabilities                       | 109,715           | <b>123,600</b>    |
| Income taxes payable                              | 53,654            | <b>105,452</b>    |
| Provisions                                        | 294,281           | <b>341,046</b>    |
| Other current liabilities                         | 474,731           | <b>460,057</b>    |
| <b>Total current liabilities</b>                  | <b>5,301,054</b>  | <b>5,616,835</b>  |
| Non-current liabilities:                          |                   |                   |
| Financing liabilities                             | 3,926,276         | <b>3,854,931</b>  |
| Other financial liabilities                       | 61,147            | <b>55,519</b>     |
| Retirement benefit liabilities                    | 592,724           | <b>606,631</b>    |
| Provisions                                        | 182,661           | <b>183,252</b>    |
| Deferred tax liabilities                          | 744,410           | <b>740,428</b>    |
| Other non-current liabilities                     | 234,744           | <b>233,007</b>    |
| <b>Total non-current liabilities</b>              | <b>5,741,962</b>  | <b>5,673,768</b>  |
| <b>Total liabilities</b>                          | <b>11,043,016</b> | <b>11,290,603</b> |
| Equity:                                           |                   |                   |

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|                                             |            |                   |
|---------------------------------------------|------------|-------------------|
| Common stock                                | 86,067     | <b>86,067</b>     |
| Capital surplus                             | 171,118    | <b>171,118</b>    |
| Treasury stock                              | (26,165)   | <b>(26,170)</b>   |
| Retained earnings                           | 6,083,573  | <b>6,230,039</b>  |
| Other components of equity                  | 794,034    | <b>883,951</b>    |
| Equity attributable to owners of the parent | 7,108,627  | <b>7,345,005</b>  |
| Non-controlling interests                   | 274,194    | <b>262,895</b>    |
| Total equity                                | 7,382,821  | <b>7,607,900</b>  |
| Total liabilities and equity                | 18,425,837 | <b>18,898,503</b> |

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

For the three months ended June 30, 2014 and 2015

|                                                                      | Yen (millions)                            |                                        |
|----------------------------------------------------------------------|-------------------------------------------|----------------------------------------|
|                                                                      | Three months<br>ended<br>Jun. 30,<br>2014 | Three months<br>ended<br>Jun. 30, 2015 |
| Sales revenue                                                        | 3,206,743                                 | 3,704,762                              |
| Operating costs and expenses:                                        |                                           |                                        |
| Cost of sales                                                        | (2,501,612)                               | (2,885,646)                            |
| Selling, general and administrative                                  | (362,408)                                 | (434,488)                              |
| Research and development                                             | (137,216)                                 | (145,342)                              |
| Total operating costs and expenses                                   | (3,001,236)                               | (3,465,476)                            |
| Operating profit                                                     | 205,507                                   | 239,286                                |
| Share of profit of investments accounted for using the equity method | 36,238                                    | 38,315                                 |
| Finance income and finance costs:                                    |                                           |                                        |
| Interest income                                                      | 6,155                                     | 7,792                                  |
| Interest expense                                                     | (4,738)                                   | (4,825)                                |
| Other, net                                                           | 437                                       | 1,759                                  |
| Total finance income and finance costs                               | 1,854                                     | 4,726                                  |
| Profit before income taxes                                           | 243,599                                   | 282,327                                |
| Income tax expense                                                   | (76,516)                                  | (78,451)                               |
| Profit for the year                                                  | 167,083                                   | 203,876                                |
| Profit for the period attributable to:                               |                                           |                                        |
| Owners of the parent                                                 | 155,604                                   | 186,037                                |
| Non-controlling interests                                            | 11,479                                    | 17,839                                 |
|                                                                      | Yen                                       |                                        |
| Earnings per share attributable to owners of the parent              |                                           |                                        |
| Basic and diluted                                                    | 86.34                                     | 103.22                                 |

**Table of Contents****Condensed Consolidated Statements of Comprehensive Income**

For the three months ended June 30, 2014 and 2015

|                                                                                                          | Yen (millions)                            |                                        |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------|
|                                                                                                          | Three months<br>ended<br>Jun. 30,<br>2014 | Three months<br>ended<br>Jun. 30, 2015 |
| Profit for the period                                                                                    | 167,083                                   | 203,876                                |
| Other comprehensive income, net of tax:                                                                  |                                           |                                        |
| Items that will not be reclassified to profit or loss                                                    |                                           |                                        |
| Remeasurements of defined benefit plans                                                                  | (6,917)                                   |                                        |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income | 8,886                                     | 2,578                                  |
| Share of other comprehensive income of investments accounted for using the equity method                 | (644)                                     | 364                                    |
| Items that may be reclassified subsequently to profit or loss                                            |                                           |                                        |
| Exchange differences on translating foreign operations                                                   | (38,132)                                  | 79,612                                 |
| Share of other comprehensive income of investments accounted for using the equity method                 | (1,075)                                   | 7,716                                  |
| Total other comprehensive income, net of tax                                                             | (37,882)                                  | 90,270                                 |
| Comprehensive income for the period                                                                      | 129,201                                   | 294,146                                |
| Comprehensive income for the period attributable to:                                                     |                                           |                                        |
| Owners of the parent                                                                                     | 121,850                                   | 276,033                                |
| Non-controlling interests                                                                                | 7,351                                     | 18,113                                 |

**Table of Contents****[3] Condensed Consolidated Statements of Changes in Equity**

As of and for the three months ended June 30, 2014

|                                           | Yen (millions)<br>Equity attributable to owners of the parent |                    |                   |                      |                                  |           |                              |                 |
|-------------------------------------------|---------------------------------------------------------------|--------------------|-------------------|----------------------|----------------------------------|-----------|------------------------------|-----------------|
|                                           | Common<br>stock                                               | Capital<br>surplus | Treasury<br>stock | Retained<br>earnings | Other<br>components<br>of equity | Total     | Non-controlling<br>interests | Total<br>equity |
| Balance as of April 1, 2014               | 86,067                                                        | 171,117            | (26,149)          | 5,831,140            | 273,359                          | 6,335,534 | 223,394                      | 6,558,928       |
| Comprehensive income for the period       |                                                               |                    |                   |                      |                                  |           |                              |                 |
| Profit for the period                     |                                                               |                    |                   | 155,604              |                                  | 155,604   | 11,479                       | 167,083         |
| Other comprehensive income, net of tax    |                                                               |                    |                   |                      | (33,754)                         | (33,754)  | (4,128)                      | (37,882)        |
| Total comprehensive income for the period |                                                               |                    |                   | 155,604              | (33,754)                         | 121,850   | 7,351                        | 129,201         |
| Reclassification to retained earnings     |                                                               |                    |                   | (6,916)              | 6,916                            |           |                              |                 |
| Transactions with owners and other        |                                                               |                    |                   |                      |                                  |           |                              |                 |
| Dividends paid                            |                                                               |                    |                   | (39,650)             |                                  | (39,650)  | (12,300)                     | (51,950)        |
| Purchases of treasury stock               |                                                               |                    | (2)               |                      |                                  | (2)       |                              | (2)             |
| Equity transactions and others            |                                                               |                    |                   |                      |                                  |           | (428)                        | (428)           |
| Total transactions with owners and other  |                                                               |                    | (2)               | (39,650)             |                                  | (39,652)  | (12,728)                     | (52,380)        |
| Balance as of June 30, 2014               | 86,067                                                        | 171,117            | (26,151)          | 5,940,178            | 246,521                          | 6,417,732 | 218,017                      | 6,635,749       |

As of and for the three months ended June 30, 2015

|                                           | Yen (millions)<br>Equity attributable to owners of the parent |                    |                   |                      |                                  |           |                              |                 |
|-------------------------------------------|---------------------------------------------------------------|--------------------|-------------------|----------------------|----------------------------------|-----------|------------------------------|-----------------|
|                                           | Common<br>stock                                               | Capital<br>surplus | Treasury<br>stock | Retained<br>earnings | Other<br>components<br>of equity | Total     | Non-controlling<br>interests | Total<br>equity |
| Balance as of April 1, 2015               | 86,067                                                        | 171,118            | (26,165)          | 6,083,573            | 794,034                          | 7,108,627 | 274,194                      | 7,382,821       |
| Comprehensive income for the period       |                                                               |                    |                   |                      |                                  |           |                              |                 |
| Profit for the period                     |                                                               |                    |                   | 186,037              |                                  | 186,037   | 17,839                       | 203,876         |
| Other comprehensive income, net of tax    |                                                               |                    |                   |                      | 89,996                           | 89,996    | 274                          | 90,270          |
| Total comprehensive income for the period |                                                               |                    |                   | 186,037              | 89,996                           | 276,033   | 18,113                       | 294,146         |
| Reclassification to retained earnings     |                                                               |                    |                   | 79                   | (79)                             |           |                              |                 |
| Transactions with owners and other        |                                                               |                    |                   |                      |                                  |           |                              |                 |
| Dividends paid                            |                                                               |                    |                   | (39,650)             |                                  | (39,650)  | (26,812)                     | (66,462)        |
| Purchases of treasury stock               |                                                               |                    | (5)               |                      |                                  | (5)       |                              | (5)             |
| Equity transactions and others            |                                                               |                    |                   |                      |                                  |           | (2,600)                      | (2,600)         |

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|                                          |        |         |          |           |         |           |          |           |
|------------------------------------------|--------|---------|----------|-----------|---------|-----------|----------|-----------|
| Total transactions with owners and other |        |         | (5)      | (39,650)  |         | (39,655)  | (29,412) | (69,067)  |
| Balance as of June 30, 2015              | 86,067 | 171,118 | (26,170) | 6,230,039 | 883,951 | 7,345,005 | 262,895  | 7,607,900 |

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**Table of Contents****[4] Consolidated Statements of Cash Flows**

|                                                                                          | Yen (millions)                            |                                        |
|------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------|
|                                                                                          | Three months<br>ended<br>Jun. 30,<br>2014 | Three months<br>ended<br>Jun. 30, 2015 |
| Cash flows from operating activities:                                                    |                                           |                                        |
| Profit before income taxes                                                               | 243,599                                   | 282,327                                |
| Depreciation, amortization and impairment losses excluding equipment on operating leases | 147,220                                   | 161,009                                |
| Share of profit of investments accounted for using the equity method                     | (36,238)                                  | (38,315)                               |
| Finance income and finance costs, net                                                    | (5,568)                                   | (2,239)                                |
| Interest income and interest costs from financial services, net                          | (43,486)                                  | (39,099)                               |
| Changes in assets and liabilities                                                        |                                           |                                        |
| Trade receivables                                                                        | 13,649                                    | (18,337)                               |
| Inventories                                                                              | 33,824                                    | 67,768                                 |
| Trade payables                                                                           | (83,206)                                  | 3,799                                  |
| Accrued expenses                                                                         | (36,972)                                  | (16,245)                               |
| Provisions and retirement benefit liabilities                                            | 9,303                                     | 36,858                                 |
| Receivables from financial services                                                      | 22,205                                    | 104,402                                |
| Equipment on operating leases                                                            | (117,954)                                 | (158,340)                              |
| Other assets and liabilities                                                             | (20,039)                                  | (31,714)                               |
| Other, net                                                                               | (8,430)                                   | (3,166)                                |
| Dividends received                                                                       | 15,469                                    | 17,833                                 |
| Interest received                                                                        | 58,269                                    | 57,923                                 |
| Interest paid                                                                            | (19,854)                                  | (20,811)                               |
| Income taxes paid, net of refunds                                                        | (38,678)                                  | 12,243                                 |
| Net cash provided by operating activities                                                | 133,113                                   | 415,896                                |
| Cash flows from investing activities:                                                    |                                           |                                        |
| Payments for additions to property, plant and equipment                                  | (173,634)                                 | (187,191)                              |
| Payments for additions to and internally developed intangible assets                     | (45,548)                                  | (61,641)                               |
| Proceeds from sales of property, plant and equipment and intangible assets               | 10,331                                    | 11,832                                 |
| Payments for acquisitions of other financial assets                                      | (21,447)                                  | (44,388)                               |
| Proceeds from sales and redemptions of other financial assets                            | 20,231                                    | 38,425                                 |
| Other, net                                                                               | 328                                       | (749)                                  |
| Net cash used in investing activities                                                    | (209,739)                                 | (243,712)                              |
| Cash flows from financing activities:                                                    |                                           |                                        |
| Proceeds from short-term financing liabilities                                           | 2,059,611                                 | 1,935,856                              |
| Repayments of short-term financing liabilities                                           | (1,889,976)                               | (1,917,912)                            |
| Proceeds from long-term financing liabilities                                            | 195,723                                   | 249,458                                |
| Repayments of long-term financing liabilities                                            | (309,254)                                 | (215,950)                              |
| Dividends paid to owners of the parent                                                   | (39,650)                                  | (39,650)                               |
| Dividends paid to non-controlling interests                                              | (9,057)                                   | (10,334)                               |
| Purchases and sales of treasury stock, net                                               | (2)                                       | (5)                                    |
| Other, net                                                                               | (11,380)                                  | (13,064)                               |
| Net cash provided by financing activities                                                | (3,985)                                   | (11,601)                               |
| Effect of exchange rate changes on cash and cash equivalents                             | (6,580)                                   | 18,620                                 |
| Net change in cash and cash equivalents                                                  | (87,191)                                  | 179,203                                |
| Cash and cash equivalents at beginning of year                                           | 1,193,584                                 | 1,471,730                              |

|                                            |           |                  |
|--------------------------------------------|-----------|------------------|
| Cash and cash equivalents at end of period | 1,106,393 | <b>1,650,933</b> |
|--------------------------------------------|-----------|------------------|

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**[5] Assumptions for Going Concern**

None

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**Table of Contents****[6] Segment Information**

Honda has four reportable segments: Motorcycle business, Automobile business, Financial services business and Power product and other businesses, which are based on Honda's organizational structure and characteristics of products and services. Operating segments are defined as components of Honda for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The accounting policies used for these reportable segments are consistent with the accounting policies used in Company's condensed consolidated financial statements.

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

| <b>Segment</b>                     | <b>Principal products and services</b>                         | <b>Functions</b>                                                                    |
|------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Motorcycle Business                | Motorcycles, all-terrain vehicles<br>(ATVs) and relevant parts | Research & Development, Manufacturing,<br>and Sales and related services            |
| Automobile Business                | Automobiles and relevant parts                                 | Research & Development, Manufacturing,<br>and Sales and related services            |
| Financial Services Business        | Financial services                                             | Retail loan and lease related to Honda<br>products, and Others                      |
| Power Product and Other Businesses | Power products and relevant parts, and others                  | Research & Development, Manufacturing<br><br>Sales and related services, and Others |

## 1. Segment information based on products and services

As of and for the three months ended June 30, 2014

|                               | <b>Yen (millions)</b>          |                                |                                            |                                                   |                          |                              |                     |
|-------------------------------|--------------------------------|--------------------------------|--------------------------------------------|---------------------------------------------------|--------------------------|------------------------------|---------------------|
|                               | <b>Motorcycle<br/>Business</b> | <b>Automobile<br/>Business</b> | <b>Financial<br/>Services<br/>Business</b> | <b>Power Product<br/>and Other<br/>Businesses</b> | <b>Segment<br/>Total</b> | <b>Reconciling<br/>Items</b> | <b>Consolidated</b> |
| Sales revenue:                |                                |                                |                                            |                                                   |                          |                              |                     |
| External customers            | 426,475                        | 2,338,214                      | 364,406                                    | 77,648                                            | 3,206,743                |                              | 3,206,743           |
| Intersegment                  |                                | 19,063                         | 2,549                                      | 5,642                                             | 27,254                   | (27,254)                     |                     |
| Total                         | 426,475                        | 2,357,277                      | 366,955                                    | 83,290                                            | 3,233,997                | (27,254)                     | 3,206,743           |
| Segment profit (loss)         | 41,666                         | 110,839                        | 49,626                                     | 3,376                                             | 205,507                  |                              | 205,507             |
| Segment assets                | 1,257,393                      | 6,776,803                      | 8,014,881                                  | 337,192                                           | 16,386,269               | (449,321)                    | 15,936,948          |
| Depreciation and amortization | 15,905                         | 125,630                        | 104,514                                    | 2,837                                             | 248,886                  |                              | 248,886             |
| Capital expenditures          | 14,637                         | 165,729                        | 384,396                                    | 2,099                                             | 566,861                  |                              | 566,861             |

As of and for the three months ended June 30, 2015

|  | <b>Yen (millions)</b>          |                                |                                            |                                                   |                          |                              |                     |
|--|--------------------------------|--------------------------------|--------------------------------------------|---------------------------------------------------|--------------------------|------------------------------|---------------------|
|  | <b>Motorcycle<br/>Business</b> | <b>Automobile<br/>Business</b> | <b>Financial<br/>Services<br/>Business</b> | <b>Power Product<br/>and Other<br/>Businesses</b> | <b>Segment<br/>Total</b> | <b>Reconciling<br/>Items</b> | <b>Consolidated</b> |

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|                               |           |           |           |         |            |           |            |
|-------------------------------|-----------|-----------|-----------|---------|------------|-----------|------------|
| Sales revenue:                |           |           |           |         |            |           |            |
| External customers            | 472,703   | 2,675,887 | 473,672   | 82,500  | 3,704,762  |           | 3,704,762  |
| Intersegment                  |           | 30,187    | 3,189     | 5,698   | 39,074     | (39,074)  |            |
| Total                         | 472,703   | 2,706,074 | 476,861   | 88,198  | 3,743,836  | (39,074)  | 3,704,762  |
| Segment profit (loss)         | 55,570    | 130,754   | 52,442    | 520     | 239,286    |           | 239,286    |
| Segment assets                | 1,478,203 | 7,847,973 | 9,560,216 | 352,962 | 19,239,354 | (340,851) | 18,898,503 |
| Depreciation and amortization | 17,916    | 139,107   | 147,039   | 3,086   | 307,148    |           | 307,148    |
| Capital expenditures          | 16,522    | 207,662   | 519,708   | 2,709   | 746,601    |           | 746,601    |
| Explanatory notes:            |           |           |           |         |            |           |            |

1. Intersegment sales revenues are generally made at values that approximate arm's-length prices.
2. Unallocated corporate assets, included in reconciling items, amounted to JPY 253,224 million as of June 30, 2014 and JPY 337,414 million as of June 30, 2015 respectively, which consist primarily of cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

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

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

As of and for the three months ended June 30, 2014

|                                                                             | Yen (millions) |               |         |           |               |            |                   |              |
|-----------------------------------------------------------------------------|----------------|---------------|---------|-----------|---------------|------------|-------------------|--------------|
|                                                                             | Japan          | North America | Europe  | Asia      | Other Regions | Total      | Reconciling Items | Consolidated |
| Sales revenue:                                                              |                |               |         |           |               |            |                   |              |
| External customers                                                          | 544,682        | 1,629,914     | 172,255 | 620,265   | 239,627       | 3,206,743  |                   | 3,206,743    |
| Inter-geographic areas                                                      | 440,949        | 99,178        | 20,350  | 133,399   | 645           | 694,521    | (694,521)         |              |
| Total                                                                       | 985,631        | 1,729,092     | 192,605 | 753,664   | 240,272       | 3,901,264  | (694,521)         | 3,206,743    |
| Operating profit (loss)                                                     | 62,850         | 66,668        | 1,790   | 68,989    | 8,537         | 208,834    | (3,327)           | 205,507      |
| Assets                                                                      | 3,928,172      | 8,715,171     | 657,733 | 2,040,626 | 763,327       | 16,105,029 | (168,081)         | 15,936,948   |
| Non-current assets other than financial instruments and deferred tax assets | 2,033,973      | 3,182,757     | 131,152 | 610,660   | 199,295       | 6,157,837  |                   | 6,157,837    |

As of and for the three months ended June 30, 2015

|                                                                             | Yen (millions) |               |         |           |               |            |                   |              |
|-----------------------------------------------------------------------------|----------------|---------------|---------|-----------|---------------|------------|-------------------|--------------|
|                                                                             | Japan          | North America | Europe  | Asia      | Other Regions | Total      | Reconciling Items | Consolidated |
| Sales revenue:                                                              |                |               |         |           |               |            |                   |              |
| External customers                                                          | 463,069        | 2,104,532     | 152,007 | 745,165   | 239,989       | 3,704,762  |                   | 3,704,762    |
| Inter-geographic areas                                                      | 453,490        | 87,084        | 18,804  | 153,766   | 614           | 713,758    | (713,758)         |              |
| Total                                                                       | 916,559        | 2,191,616     | 170,811 | 898,931   | 240,603       | 4,418,520  | (713,758)         | 3,704,762    |
| Operating profit (loss)                                                     | 27,810         | 109,023       | (956)   | 95,570    | 4,504         | 235,951    | 3,335             | 239,286      |
| Assets                                                                      | 4,166,091      | 10,892,516    | 651,735 | 2,583,144 | 718,636       | 19,012,122 | (113,619)         | 18,898,503   |
| Non-current assets other than financial instruments and deferred tax assets | 2,312,171      | 4,346,423     | 120,860 | 767,435   | 212,452       | 7,759,341  |                   | 7,759,341    |

Explanatory notes:

1. Major countries or regions in each geographic area:

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

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2. Sales revenues between geographic areas are generally made at values that approximate arm's-length prices.
3. Unallocated corporate assets, included in reconciling items, amounted to JPY 253,224 million as of June 30, 2014 and JPY 337,414 million as of June 30, 2015 respectively, which consist primarily of cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

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### **[7] Other**

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

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

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

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

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

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