

HONDA

**INTERIM BUSINESS REPORT FOR
THE FIRST-HALF TERM (SIX MONTHS
ENDED SEPTEMBER 30, 2000) OF
THE 77TH FISCAL PERIOD**

(This is a translation of summary information of the interim business report in the Japanese language which is contained in the November 2000 issue of “Honda Kabunushi Tsushin” (News for Stockholders), mailed on November 30, 2000, to holders of Honda Common Stock in Japan.)

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

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Honda Motor Co., Ltd.'s business activities are based on fundamental corporate philosophies, which are "Respect for the Individual" and "The Three Joys."

"Respect for the Individual" defines Honda's relationship with its associates, business partners and society. It is based on sharing a commitment to initiative, equality and mutual trust among people.

It is Honda's belief that everyone who comes in contact with Honda's activities will gain a sense of satisfaction through the experience of buying, selling or creating our products and services. This philosophy is expressed as "The Three Joys."

With these corporate philosophies as the foundation, Honda's business is guided by the following Company principle:

"Maintaining a global viewpoint,
we are dedicated to supplying products of the highest quality
yet at a reasonable price for worldwide customer satisfaction."

Honda actively works to share a sense of satisfaction with all of its customers, importantly including shareholders, to continue to improve its corporate value.

◆Management Organization

Honda has long undertaken such proactive measures as appointing independent board members and independent auditors in consideration of improving corporate governance.

Honda has established a global organization in which its operations are divided into five geographic regions worldwide to enable management to respond quickly to the changing needs of customers in each region. Through this system, which is also based on the aforementioned corporate philosophies, Honda is taking a long-term perspective, cooperating with the local communities where it does business to create mutual benefits. The goal is to become a company that society wants to exist. Honda will strive to reflect its market-focused efforts to develop quicker and more accurate responses to changes in local needs.

Honda's four business operations—motorcycles, automobiles, power products, and spare parts—formulate medium- and long-term plans for business development in individual product categories, and each operation aims to maximize its business performance on a global basis.

Honda's administrative operations coordinate the entire organization to optimize the allocation of business resources. These efforts are aimed at increasing Companywide efficiencies.

For investors and shareholders, Honda's basic policy emphasizes the disclosure of financial results on a quarterly basis as well as the timely and accurate disclosure of its management strategies through mass media. Honda will remain committed to such disclosure in the future.

◆Dividend Policy

The Company considers redistribution of profits to shareholders as one of the most important management issues. Accordingly, the Company attempts to increase its corporate value while carrying out its operations from a global standpoint.

The Company intends to redistribute profits to shareholders, with regard to its projected comprehensive cash needs/requirements, and make distribution payments, taking into account the Company's consolidated earnings performance over the long term.

In consideration of shareholders' expectations, retained earnings will be applied toward financing the 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 its business results and strengthening its financial condition. The application of retained earnings toward such purchasing and retiring of the Company's shares will remain open for consideration.

◆Preparing for the Future

Honda recognizes that, as part of its intention of improving its product competitiveness and corporate structure to respond with speed and flexibility to changes in customers' needs, it is essential to deal effectively with the following issues:

- Enhancement of R&D capability
- Enhancement of production efficiency
- Enhancement of sales efficiency
- Preservation of the global environment
- Advancement of safety-related technologies

1. Enhancement of R&D capability

Together with efforts to develop environmental and safety technologies, Honda intends to create products that have new value and match respective needs in the global market. Aiming to improve efficiency and shorten development time, Honda will make the best use of information technology (IT).

2. Enhancement of production efficiency

To accurately respond to the diverse needs of customers, Honda will establish efficient and flexible production systems globally, which are expected to enable the production of a greater variety of Honda's high-quality products and shorten the lead time required for the start-up of new models.

3. Enhancement of sales efficiency

Honda will upgrade its sales network to improve customer-focused activities.

Honda also aims to make its sales information system more convenient and effective for customers by utilizing IT.

4. Preservation of the global environment

Honda will proactively extend clean and fuel-efficient engine technologies to its entire product lineup. In the area of production activities, Honda promotes recycling and other environmental preservation activities on a global scale under its "Green Factory" concept.

5. Advancement of safety-related technologies

In the area of highly crashworthy car body technologies, Honda studies and analyzes traffic accidents at its indoor omnidirectional car-to-car crash test facility, with the aim of producing vehicles that can withstand "real world" traffic accidents. Honda also conducts research and development in technologies to protect pedestrians from injuries. Honda proactively conducts traffic safety programs, including car driver and motorcycle rider education, as an important part of its comprehensive efforts to contribute to traffic safety in a motorized society.

Honda will continue to improve these activities to reach its goal of becoming the kind of company that society hopes for.

CONSOLIDATED FINANCIAL SUMMARY

For the six months ended September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

Financial Highlights	Yen (millions)		U.S. dollars (thousands)	
	Six months ended September 30, 2000	% Change	Six months ended September 30, 1999	Six months ended September 30, 2000
Net sales and other operating revenue	¥3,051,918	0.6%	¥3,032,916	\$28,258,500
Operating income.....	201,490	-12.2%	229,545	1,865,648
Income before income taxes	192,041	-15.2%	226,428	1,778,157
Net income.....	121,907	-10.6%	136,380	1,128,769

	Yen		U.S. dollars	
	Six months ended September 30, 2000	Six months ended September 30, 1999	Six months ended September 30, 1999	Six months ended September 30, 2000
Net income per common share:				
Basic.....	¥ 125.11	¥ 139.96	\$ 1.16	1.16
Diluted	125.11	139.96		1.16
Net income per American share:				
Basic.....	250.22	279.92		2.32
Diluted	250.22	279.92		2.32

UNIT SALES BREAKDOWN

For the six months ended September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

	Units (thousands)	
	Six months ended September 30, 2000	Six months ended September 30, 1999
Motorcycles:		
Japan.....	215	244
(ATVs included above).....	(—)	(—)
North America.....	230	168
(ATVs included above).....	(132)	(105)
Europe	172	202
(ATVs included above).....	(3)	(2)
Others	1,928	1,532
(ATVs included above).....	(6)	(6)
Total	<u>2,545</u>	<u>2,146</u>
(ATVs included above).....	<u>(141)</u>	<u>(113)</u>
Automobiles:		
Japan.....	364	338
North America.....	648	619
Europe	96	137
Others	134	99
Total	<u>1,242</u>	<u>1,193</u>
Power Products:		
Japan.....	85	91
North America.....	678	757
Europe	564	492
Others	496	429
Total	<u>1,823</u>	<u>1,769</u>

Explanatory notes: 1. The geographical breakdown of unit sales is based on the location of affiliated and unaffiliated customers.

2. Due to the change in method of business segment categorization as described in explanatory note 7 on page 10, the above unit sales breakdown for the corresponding period ended September 30, 1999 is restated; i.e., unit sales of all-terrain vehicles (ATVs) are included in Motorcycles, which were previously included in Power Products.

NET SALES BREAKDOWN

For the six months ended September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

	Yen (millions)			
	Six months ended September 30, 2000		Six months ended September 30, 1999	
Motorcycle business:				
Japan.....	¥ 51,081	(13.0%)	¥ 55,063	(15.9%)
North America.....	109,608	(28.0%)	88,774	(25.6%)
Europe	76,402	(19.5%)	89,242	(25.7%)
Others	154,807	(39.5%)	114,031	(32.8%)
Total	<u>¥ 391,898</u>	<u>(100.0%)</u>	<u>¥ 347,110</u>	<u>(100.0%)</u>
Automobile business:				
Japan.....	¥ 726,040	(29.5%)	¥ 667,651	(26.9%)
North America.....	1,386,158	(56.4%)	1,384,632	(55.8%)
Europe	156,216	(6.4%)	257,738	(10.4%)
Others	188,861	(7.7%)	170,924	(6.9%)
Total	<u>¥2,457,275</u>	<u>(100.0%)</u>	<u>¥2,480,945</u>	<u>(100.0%)</u>
Others:				
Japan.....	¥ 55,088	(27.2%)	¥ 51,907	(25.3%)
North America.....	103,614	(51.1%)	113,222	(55.3%)
Europe	25,698	(12.7%)	23,206	(11.3%)
Others	18,345	(9.0%)	16,526	(8.1%)
Total	<u>¥ 202,745</u>	<u>(100.0%)</u>	<u>¥ 204,861</u>	<u>(100.0%)</u>
Total:				
Japan.....	¥ 832,209	(27.3%)	¥ 774,621	(25.5%)
North America.....	1,599,380	(52.4%)	1,586,628	(52.3%)
Europe	258,316	(8.5%)	370,186	(12.2%)
Others	362,013	(11.8%)	301,481	(10.0%)
Total	<u>¥3,051,918</u>	<u>(100.0%)</u>	<u>¥3,032,916</u>	<u>(100.0%)</u>

Explanatory notes: 1. The geographical breakdown of net sales is based on the location of affiliated and unaffiliated customers.

2. Due to the change in method of business segment categorization as described in explanatory note 7 on page 10, the above net sales breakdown for the corresponding period ended September 30, 1999 is restated; i.e., net sales of all-terrain vehicles (ATVs) are included in Motorcycles, which were previously included in Others.

BUSINESS SEGMENT INFORMATION

For the year ended March 31, 2000 and the six months ended September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

Yen
(millions)

Net Sales and Other Operating Revenue	Six months ended September 30, 2000	% Change	Six months ended September 30, 1999	Year ended March 31, 2000
Motorcycle business:				
Sales to unaffiliated customers	¥ 391,898	12.9%	¥ 347,110	¥ 718,910
Automobile business:				
Sales to unaffiliated customers	2,457,275	(1.0)	2,480,945	4,961,026
Financial services:				
Sales to unaffiliated customers	79,546	8.1	73,576	137,128
Intersegment sales.....	3,455	(5.9)	3,672	7,601
Total.....	83,001	7.4	77,248	144,729
Other business:				
Sales to unaffiliated customers	123,199	(6.2)	131,285	281,776
Intersegment sales.....	4,174	70.7	2,445	7,100
Total.....	127,373	(4.8)	133,730	288,876
Eliminations	(7,629)	—	(6,117)	(14,701)
Consolidated	3,051,918	0.6	3,032,916	6,098,840

For the year ended March 31, 2000 and the six months ended September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

Yen
(millions)

Operating Income	Six months ended September 30, 2000	% Change	Six months ended September 30, 1999	Year ended March 31, 2000
Motorcycle business.....	¥ 25,477	7.3%	¥ 23,741	¥ 47,264
Automobile business	159,845	(15.7)	189,562	348,061
Financial services.....	16,067	89.6	8,476	18,054
Other business	101	(98.7)	7,766	12,851
Consolidated.....	201,490	(12.2)	229,545	426,230

GEOGRAPHICAL SEGMENT INFORMATION

For the year ended March 31, 2000 and the six months ended September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

Yen
(millions)

Operating Income	Six months ended September 30, 2000	% Change	Six months ended September 30, 1999	Year ended March 31, 2000
Japan.....	¥ 65,793	20.2%	¥ 54,736	¥116,338
North America.....	126,508	(7.4)	136,600	273,083
Europe	(18,403)	—	6,056	(14,460)
Others	26,147	32.7	19,703	33,671
Eliminations	1,445	—	12,450	17,598
Consolidated.....	201,490	(12.2)	229,545	426,230

PREVIOUS FIVE-YEAR FINANCIAL RESULTS (ON A CONSOLIDATED BASIS)

For the years ended March 31, 1997, 1998, 1999 and 2000 and the period ended September 30, 2000 Honda Motor Co., Ltd. and Subsidiaries	73rd period	74th period	75th period	76th period	77th period
	Year ended March 31, 1997	Year ended March 31, 1998	Year ended March 31, 1999	Year ended March 31, 2000	First half ended September 30, 2000
Net sales and other					
operating revenue (¥ millions)	¥5,293,302	¥5,999,738	¥6,231,041	¥6,098,840	¥3,051,918
Operating income (¥ millions)	401,447	462,313	548,698	426,230	201,490
Income before income taxes and equity					
in income of affiliates (¥ millions)	390,722	443,351	520,511	416,063	192,041
Net income (¥ millions).....	221,168	260,625	305,045	262,415	121,907
Net income per common					
share, basic (¥).....	227.00	267.49	313.05	269.31	125.11
Net income per common					
share, diluted (¥).....	226.97	267.45	313.05	269.31	125.11
Total assets (¥ millions)	4,191,294	4,815,265	5,034,247	4,898,428	5,148,012
Total stockholders' equity (¥ millions)	1,388,430	1,607,914	1,763,855	1,930,373	2,042,427
Stockholders' equity per					
common share (¥).....	1,425.04	1,650.14	1,810.20	1,981.07	2,096.07
Research and development (¥ millions)	251,128	285,863	311,632	334,036	166,500
Capital expenditures (¥ millions)	217,782	309,517	237,080	222,891	122,267
Depreciation (¥ millions).....	141,351	153,337	177,666	172,139	78,172

Explanatory notes: 1. Net income per common share is calculated according to the average number of issued shares during the interim term, and stockholders' equity per common share is calculated based on shares issued at fiscal term-end.

2. The amounts over one million yen described above disregard figures of less than one million yen.

CONSOLIDATED BALANCE SHEETS

March 31, 2000 and September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

Assets	Yen (millions)		
	September 30, 2000	March 31, 2000	September 30, 1999
Current assets:			
Cash and cash equivalents	¥ 444,535	¥ 430,587	¥ 446,234
Trade accounts and notes receivable	346,244	390,659	340,240
Finance subsidiaries—receivables	693,139	731,580	632,306
Inventories	559,539	567,705	550,816
Deferred income taxes	161,792	154,277	146,523
Other current assets	175,997	180,903	179,016
Total current assets	<u>2,381,246</u>	<u>2,455,711</u>	<u>2,295,135</u>
 Finance subsidiaries—receivables	 1,146,886	 878,242	 832,135
 Investments and advances	 401,586	 389,094	 395,447
 Property, plant and equipment, at cost:			
Land	291,113	296,591	296,656
Buildings	792,155	783,055	771,110
Machinery and equipment	1,762,220	1,731,589	1,720,296
Construction in progress	92,229	63,408	48,419
	<u>2,937,717</u>	<u>2,874,643</u>	<u>2,836,481</u>
Less accumulated depreciation	1,791,435	1,753,603	1,734,265
Net property, plant and equipment	<u>1,146,282</u>	<u>1,121,040</u>	<u>1,102,216</u>
 Other assets	 72,012	 54,341	 118,442
 Total assets	 <u>¥5,148,012</u>	 <u>¥4,898,428</u>	 <u>¥4,743,375</u>

Liabilities and Stockholders' Equity	Yen (millions)		
	September 30, 2000	March 31, 2000	September 30, 1999
Current liabilities:			
Bank loans and commercial paper	¥ 797,870	¥ 495,953	¥ 544,029
Current portion of long-term debt.....	312,429	343,576	219,035
Trade payables	644,323	696,876	647,510
Accrued expenses	514,562	483,917	475,944
Income taxes payable.....	61,869	53,319	78,799
Other current liabilities	119,495	128,670	111,036
Total current liabilities.....	<u>2,450,548</u>	<u>2,202,311</u>	<u>2,076,353</u>
Long-term debt	449,553	574,566	567,992
Other liabilities.....	205,484	191,178	319,138
Total liabilities	<u>3,105,585</u>	<u>2,968,055</u>	<u>2,963,483</u>
Stockholders' equity:			
Common stock, authorized 3,600,000,000 shares, par value ¥50; issued 974,414,215 shares at March 31, 2000 and September 30, 2000	86,067	86,067	86,067
Capital surplus	172,529	172,529	172,529
Legal reserves	27,765	27,545	27,285
Retained earnings.....	2,328,842	2,218,848	2,103,792
Adjustments from foreign currency translation.....	(570,825)	(580,676)	(542,621)
Net unrealized gains on marketable equity securities.....	33,011	41,022	38,560
Minimum pension liabilities adjustments	(34,962)	(34,962)	(105,720)
Accumulated other comprehensive income (loss)	(572,776)	(574,616)	(609,781)
Total stockholders' equity	<u>2,042,427</u>	<u>1,930,373</u>	<u>1,779,892</u>
Total liabilities and stockholders' equity.....	<u>¥5,148,012</u>	<u>¥4,898,428</u>	<u>¥4,743,375</u>

CONSOLIDATED STATEMENTS OF INCOME

For the six months ended September 30, 2000 and 1999
Honda Motor Co., Ltd. and Subsidiaries

	Yen (millions)	
	Six months ended September 30, 2000	Six months ended September 30, 1999
Net sales and other operating revenue	¥3,051,918	¥3,032,916
Operating costs and expenses:		
Cost of sales.....	2,145,288	2,081,113
Selling, general and administrative expenses.....	538,640	561,240
Research and development expenses.....	166,500	161,018
	<u>2,850,428</u>	<u>2,803,371</u>
Operating income.....	201,490	229,545
Other income:		
Interest.....	5,959	7,033
Other.....	2,308	3,583
	<u>8,267</u>	<u>10,616</u>
Other expenses:		
Interest.....	9,908	9,736
Other.....	7,808	3,997
	<u>17,716</u>	<u>13,733</u>
Income before income taxes.....	192,041	226,428
Income taxes	81,573	96,119
Income before equity in income of affiliates.....	110,468	130,309
Equity in income of affiliates	11,439	6,071
Net income.....	121,907	136,380
Retained earnings:		
Balance at beginning of period.....	2,218,848	1,977,613
Cash dividends paid.....	(11,693)	(9,744)
Transfer to legal reserves.....	(220)	(457)
Balance at end of period.....	<u>¥2,328,842</u>	<u>¥2,103,792</u>

	Yen	
	Six months ended September 30, 2000	Six months ended September 30, 1999
Net income per common share:		
Basic.....	¥ 125.11	¥ 139.96
Diluted.....	125.11	139.96
Net income per American share:		
Basic.....	250.22	279.92
Diluted.....	<u>250.22</u>	<u>279.92</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended March 31, 2000 and the six months ended September 30, 2000
Honda Motor Co., Ltd. and Subsidiaries

	Yen (millions)	
	Six months ended September 30, 2000	Year ended March 31, 2000
Cash flows from operating activities:		
Net income	¥121,907	¥ 262,415
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	78,172	172,139
Deferred income taxes	(35,718)	(42,544)
Equity in income of affiliates	(11,439)	(16,786)
Decrease (increase) in:		
Trade accounts and notes receivable	31,125	(43,732)
Inventories	1,202	(42,376)
Increase (decrease) in trade payables	(29,452)	62,506
Other, net	64,006	55,608
Net cash provided by operating activities	219,803	407,230
Cash flows from investing activities:		
Decrease (increase) in investments and advances	(22,781)	14,102
Capital expenditures	(122,267)	(222,891)
Proceeds from sales of property, plant and equipment	6,075	18,573
Decrease (increase) in finance subsidiaries—receivables	(214,957)	(111,375)
Net cash used in investing activities	(353,930)	(301,591)
Cash flows from financing activities:		
Increase (decrease) in short-term debt	319,160	(42,096)
Proceeds from long-term debt	82,941	290,822
Repayment of long-term debt	(241,691)	(265,392)
Cash dividends paid	(11,693)	(20,463)
Increase in commercial paper classified as long-term debt	494	7,187
Net cash provided by (used in) financing activities	149,211	(29,942)
Effect of exchange rate changes on cash and cash equivalents	(1,136)	(22,734)
Net change in cash and cash equivalents	13,948	52,963
Cash and cash equivalents at beginning of period/year	430,587	377,624
Cash and cash equivalents at end of period/year	¥444,535	¥ 430,587

EXPLANATORY NOTES

Honda Motor Co., Ltd. and Subsidiaries

1. The Company prepares its consolidated financial statements in conformity with United States generally accepted accounting principles since the Company has issued American Depositary Receipts listed on the New York Stock Exchange and files reports with the U.S. Securities and Exchange Commission, except all segment information which is prepared in accordance with a Ministerial Ordinance under the Securities and Exchange Law of Japan.

2. Net income per Common Share amounts are computed based on Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share." Basic net income per Common Share is computed based on the weighted average number of Common Shares outstanding during each period. For the Company, the computation of fully diluted net income per Common Share is similar to the computation of basic net income per Common Share except for the assumption that convertible bonds of the Company were converted into Common Shares.

3. The average exchange rate for the fiscal first half ended September 30, 2000 was ¥107.17=U.S.\$1, a difference of ¥10.18

as compared with ¥117.35=U.S.\$1 for the corresponding period last year.

4. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥108.00=U.S.\$1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on September 29, 2000.

5. One American Depositary Share represents two Common Shares.

6. The Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." The following table represents components of the Company's comprehensive income. Other comprehensive income (loss) consists of changes in adjustments from foreign currency translation, net unrealized gains on marketable equity securities and minimum pension liabilities adjustment.

	Yen (millions)	
	Six months ended September 30, 2000	Six months ended March 31, 2000
Net income	¥121,907	¥136,380
Other comprehensive income (loss)	1,840	(110,599)
Comprehensive income (loss)	<u>¥123,747</u>	<u>¥ 25,781</u>

7. Effective from the fiscal fourth quarter ended March 31, 2000, Honda changed its method of business segment categorization from the former categorization based on the similarity of the principal products included within each segment as well as the relevant markets for such products, to the new categorization including the factor of Honda's organization as an additional criterion.

As the result of the change, Honda's all-terrain vehicle (ATV) business is categorized in its Motorcycle business segment, which had been previously categorized as a part of the power product business of its Other business segment. Prior year's figures have been reclassified to reflect this change.

UNCONSOLIDATED FINANCIAL SECTION

UNCONSOLIDATED BALANCE SHEETS

March 31, 2000 and September 30, 2000 and 1999
Honda Motor Co., Ltd.

Assets	Yen (millions)		
	September 30, 2000	March 31, 2000	September 30, 1999
Current assets	¥ 653,108	¥ 744,346	¥ 708,297
Cash and bank deposits.....	100,131	152,170	92,875
Notes receivable.....	7,797	4,290	7,819
Accounts receivable.....	172,860	193,096	165,588
Marketable securities.....	—	128,829	175,861
Inventories.....	130,330	142,899	124,977
Short-term loans.....	152,927	35,998	55,656
Other.....	92,306	101,255	98,592
Allowance for doubtful accounts.....	(3,246)	(14,192)	(13,073)
 Fixed assets	 1,186,769	 1,014,242	 995,314
Tangible fixed assets.....	556,222	552,695	534,726
Buildings.....	167,661	165,906	161,010
Machinery and equipment.....	97,746	89,276	85,547
Land.....	224,953	224,994	220,563
Other.....	65,861	72,518	67,604
Intangible fixed assets.....	3,053	3,126	3,197
Investments and others.....	627,493	458,419	457,390
Investment securities.....	489,730	342,005	338,678
Other investments.....	157,330	121,656	124,954
Allowance for doubtful accounts.....	(19,568)	(5,242)	(6,242)
 Total assets	 ¥1,839,877	 ¥1,758,588	 ¥1,703,612

Explanatory notes: 1. The amounts described above disregard figures of less than one million yen.

2. Accumulated depreciation of tangible fixed assets was ¥919,126 million.

3. Net income per share for the period was ¥44.88.

Liabilities and Stockholders' Equity	Yen (millions)		
	September 30, 2000	March 31, 2000	September 30, 1999
Current liabilities	¥ 481,725	¥ 507,022	¥ 445,656
Notes payable.....	1,828	2,548	2,001
Accounts payable.....	255,558	276,328	265,562
Short-term bank loans.....	147	152	2,384
Current portion of bond redemption due within one year.....	50,000	50,000	—
Accrued product warranty.....	31,950	27,702	26,018
Accrued employees' bonuses.....	31,923	34,786	31,878
Other.....	110,318	115,505	117,812
Fixed liabilities	64,924	38,666	88,257
Bonds.....	—	—	50,000
Long-term bank loans.....	31,248	31,325	31,429
Accrued employees' retirement benefits.....	8,038	—	—
Accrued directors' retirement allowances.....	4,791	—	—
Other.....	20,845	7,341	6,828
Total current liabilities.....	<u>546,650</u>	<u>545,689</u>	<u>533,914</u>
Common stock	86,067	86,067	86,067
Capital surplus	163,829	163,829	163,829
Legal reserve	21,516	21,516	21,516
Earned surplus	973,185	941,486	898,284
Voluntary reserve.....	906,527	754,439	754,439
Unappropriated retained earnings.....	66,657	187,046	143,845
Variance of the estimate of securities.....	48,628	—	—
Total stockholders' equity.....	<u>1,293,226</u>	<u>1,212,899</u>	<u>1,169,697</u>
Total liabilities and stockholders' equity	<u>¥1,839,877</u>	<u>¥1,758,588</u>	<u>¥1,703,612</u>

UNCONSOLIDATED STATEMENTS OF INCOME

For the six months ended September 30, 1999 and 2000
Honda Motor Co., Ltd.

	Yen (millions)	
	Six months ended September 30, 2000	Six months ended September 30, 1999
Ordinary profit and loss:		
Operating profit and loss:		
Operating revenue:		
Net sales.....	¥1,496,533	¥1,421,358
Operating expenses:		
Cost of sales.....	1,066,634	997,923
Gross profit.....	429,899	423,435
Selling, general and administrative expenses.....	389,809	354,336
Operating profit.....	40,090	69,099
Nonoperating profit.....	39,074	61,130
Nonoperating expenses.....	14,461	10,376
Ordinary profit.....	64,702	119,853
Extraordinary profit.....	900	69
Extraordinary loss.....	15,441	5,985
Income before income taxes.....	50,161	113,937
Income taxes:		
Current.....	29,486	47,360
Deferred.....	(23,057)	(14,825)
Net income.....	43,732	81,402
Unappropriated retained earnings at beginning of period.....	22,925	21,735
Prior period adjustments of tax effect.....	—	33,049
Reversal of reserve for special depreciation due to application of tax effect accounting.....	—	1,301
Reversal of reserve for loss resulting from overseas investments		
due to application of tax effect accounting.....	—	7
Reversal of reserve for a reduced-value entry of cost of assets		
due to application of tax effect accounting.....	—	6,348
Unappropriated retained earnings at end of period.....	¥ 66,657	¥ 143,845

Explanatory note: The amounts described above disregard figures of less than one million yen.

COMMON STOCK

As of September 30, 2000
Honda Motor Co., Ltd.

Number of shares authorized to be issued	3,600,000,000 shares
Number of shares issued and outstanding	974,414,215 shares
Number of stockholders	36,165
Share prices (closing prices on the Tokyo Stock Exchange)	High ¥5,000 (May 2000)
	Low ¥3,380 (June 2000)
	Close ¥3,980 (September 30, 2000)

BREAKDOWN OF STOCKHOLDERS

As of September 30, 2000
Honda Motor Co., Ltd.

	Number of stockholders	Number of shares held (thousands)
Individuals and others	34,339	74,416
Financial institutions	345	570,958
Securities companies	39	2,893
Legal persons	654	126,111
Foreign institutions and individuals	788	200,034
Total	<u>36,165</u>	<u>974,414</u>

Explanatory notes: 1. The number of shares described above disregard figures of less than one thousand shares.
2. Individuals and others include one thousand shares of treasury stock.
3. Legal persons include 13 thousand shares of the Japan Securities Depository Center.

PRINCIPAL STOCKHOLDERS

As of September 30, 2000
Honda Motor Co., Ltd.

	Number of shares held (thousands)	%
The Mitsubishi Trust & Banking Corp.	58,477	6.0
The Bank of Tokyo-Mitsubishi, Ltd.	48,565	5.0
The Tokio Marine & Fire Insurance Co., Ltd.	39,271	4.0
The Tokai Bank, Ltd.	37,674	3.9
The Asahi Bank, Ltd.	33,013	3.4
The Sanwa Bank, Ltd.	33,005	3.4
The Chuo Mitsui Trust & Banking Co., Ltd.	30,419	3.1
The Meiji Mutual Life Insurance Company	29,921	3.1
Nippon Life Insurance Company	28,085	2.9
The Yasuda Fire & Marine Insurance Co., Ltd.	<u>23,830</u>	<u>2.5</u>

Explanatory notes: 1. The number of shares described above disregard figures of less than one thousand shares.
2. The shares held by The Mitsubishi Trust & Banking Corp. include 26,557 thousand shares held in connection with that institution's trust banking operations.
3. The Chuo Mitsui Trust & Banking Co., Ltd. is the result of the April 1, 2000, merger of The Chuo Trust & Banking Co., Ltd. and The Mitsui Trust & Banking Co., Ltd.

PREVIOUS FIVE-YEAR FINANCIAL RESULTS (ON AN UNCONSOLIDATED BASIS)

For the years ended March 31, 1997, 1998, 1999 and 2000 and the period ended September 30, 2000 Honda Motor Co., Ltd.	73rd period	74th period	75th period	76th period	77th period
	Year ended March 31, 1997	Year ended March 31, 1998	Year ended March 31, 1999	Year ended March 31, 2000	First half ended September 30, 2000
Net sales (¥ millions).....	¥2,846,192	¥3,077,427	¥2,962,170	¥2,919,840	¥1,496,533
Ordinary profit (¥ millions).....	166,621	212,946	259,787	201,440	64,702
Net income (¥ millions).....	90,344	127,988	135,944	135,322	43,732
Net income per common share (¥)	92.73	131.36	139.51	138.88	44.88
Total assets (¥ millions)	1,512,618	1,563,655	1,656,243	1,758,588	1,839,877
Stockholders' equity (¥ millions)	838,369	949,612	1,065,359	1,212,899	1,293,226
Net assets per share (¥).....	860.46	974.55	1,093.33	1,244.75	1,327.18
Common stock (¥ millions).....	86,028	86,067	86,067	86,067	86,067
Stockholders' equity ratio (%)	55.4	60.7	64.3	69.0	70.3

Explanatory notes: 1. Net income per common share is calculated according to the average number of issued shares during the interim term, and stockholders' equity per common share is calculated based on shares issued at fiscal term-end.

2. The amounts over one million yen described above disregard figures of less than one million yen.

BOARD OF DIRECTORS

As of September 30, 2000

Chairman and Representative Director

Yoshihide Munekuni

President and Representative Director

Hiroyuki Yoshino

Executive Vice President and Representative Director

Koichi Amemiya

Senior Managing and Representative Directors

Katsuro Suzuki

Takeo Fukui

Michiyoshi Hagino

Minoru Harada

Motoatsu Shiraishi

Satoshi Aoki

Managing Directors

Kentaro Kato

Atsuyoshi Hyogo

Hiroshi Okubo

Satoshi Dobashi

Satoshi Toshida

Ikuo Shimizu

Koki Hirashima

Directors

Yoshio Okawara

Kazuo Ibuki

Akira Takano

Koichi Kondo

Mikio Yoshimi

Yasuo Ikenoya

Masaaki Kato

Shigeru Takagi

Masahiro Yoshimura

Toshio Saito

Hiroshi Kuroda

Akio Hamada

Toru Onda

Teruo Kowashi

Seiichi Moriguchi

Tetsuo Iwamura

Takashi Yamamoto

Takanobu Ito

Director and Advisor

Nobuhiko Kawamoto

Corporate Auditors

Kunihiro Chujo*

Kenichi Takashima*

Yasuyuki Suzuki

Yasuharu Yabuta

(*full-time service)

