

January 30, 2008

**HONDA MOTOR CO., LTD. REPORTS
CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL THIRD QUARTER AND
THE NINE MONTHS ENDED DECEMBER 31, 2007**

Tokyo, January 30, 2008--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal third quarter and the fiscal nine months ended December 31, 2007.

Third Quarter Results

Honda's consolidated net income for the fiscal third quarter ended December 31, 2007 totaled JPY 200.0 billion (USD 1,752 million), an increase of 38.1% from the same period in 2006. Basic net income per common share for the quarter amounted to JPY 110.25 (USD 0.97), an increase of JPY 30.80 from JPY 79.45 for the corresponding period in 2006. One Honda American Depository Share represents one common share.

Consolidated net sales and other operating revenue (herein referred to as "revenue") for the quarter amounted to JPY 3,044.8 billion (USD 26,674 million), an increase of 10.0% from the same period in 2006, due mainly to increased revenue in Europe, Asia and other regions in motorcycle business and in automobile business. Honda estimates that if calculated at the same exchange rate as the corresponding period in 2006, revenue for the quarter would have increased by approximately 8.9%.

Consolidated operating income for the quarter totaled JPY 276.2 billion (USD 2,420 million), an increase of 34.7% compared to the same period in 2006. This increase in operating income was primarily due to the increased profit attributable to higher revenue and continuing cost reduction efforts which offset the negative impact of increased raw material costs, increased depreciation expenses and R&D expenses.

Consolidated income before income taxes, minority interest and equity in income of affiliates for the quarter totaled JPY 260.7 billion (USD 2,284 million), an increase of 31.2% from the same period in 2006.

Equity in income of affiliates amounted to JPY 31.3 billion (USD 274 million) for the quarter, an increase of 21.3% from the same period in 2006.

Business Segment

With respect to Honda sales for the fiscal third quarter by business segment, motorcycle unit sales totaled 2,366 thousand units, a decrease of 14.4% from the same period in 2006. Unit sales in Japan totaled 54 thousand units, a decrease of 23.9% from the same period in 2006. Overseas unit sales was 2,312 thousand units, a decrease of 14.2% from the same period in 2006*, due mainly to a decline in unit sales of parts for local production at Honda's affiliates accounted for under the equity method in Asia, more than offsetting favorable unit sales mainly in Brazil and Vietnam. Revenue from external customers increased 20.3%, to JPY 364.6 billion (USD 3,195 million) from the same period in 2006, due mainly to the increased revenue in Asia and other regions and the positive impact of currency translation effects. Operating income increased by 172.2% to JPY 30.3 billion (USD 266 million) from the same period in 2006, due mainly to the change in model mix, increased profit attributable to higher revenue, and positive currency effects caused by the depreciation of the Japanese yen, offsetting increased SG&A expenses.

*Of the net sales of Honda-brand motorcycle products that are manufactured and sold by overseas affiliates accounted for under the equity method, those with respect to which parts for manufacturing were not supplied from Honda or its subsidiaries are not included in net sales and other operating revenue, in conformity with U.S. generally accepted accounting principles. Accordingly, these unit sales are not included in the financial results. Sales of such products amounted to approximately 1,160 thousand units for the period.

Honda automobile unit sales totaled 991 thousand units, an increase of 8.3% from the same period in 2006. In Japan, unit sales amounted to 145 thousand units, a decrease of 7.1% from the same period in 2006. Overseas unit sales increased 11.5% to 846 thousand units from the same period in 2006, due mainly to the increased unit sales in North America with the positive effect of all-new *Accord* launched in September, and increased unit sales in Europe, Asia and other regions. Increased overseas unit sales of *CR-V* and *Civic* also contributed. Revenue from external customers increased 8.2% to JPY 2,449.0 billion (USD 21,454 million) from the same period in 2006, due mainly to increased overseas unit sales and the positive impact of currency translation effects. Operating income increased 37.3% to JPY 220.7 billion (USD 1,934 million) from the same period in 2006, due mainly to increased profit attributable to higher revenue, continuing cost reduction efforts, a decrease in provision for sales incentives in North America and decreased SG&A expenses, offsetting adverse

effect on the elimination of unrealized profits on inventories, increased raw material costs, increased depreciation expenses and R&D expenses.

Revenue from customers in financial services business increased 30.4% to JPY 135.9 billion (USD 1,191 million) from the same period in 2006. Operating income increased 0.7% to JPY 22.9 billion (USD 201 million) from the same period in 2006, due primarily to increased profit attributable to higher revenue, offsetting the increased SG&A expenses

Honda power product unit sales totaled 1,178 thousand units, a decrease of 14.8% from the same period in 2006. In Japan, unit sales totaled 123 thousand units, a decrease of 0.8% from the same period in 2006. Overseas unit sales totaled 1,055 thousand units, a decrease of 16.1% from the same period in 2006, due primarily to a decline of unit sales of general purpose engines that are supplied to original equipment manufacturers (OEM)* in the U.S. and Europe despite increased unit sales of general purpose engines in China. Revenue from external customers in power product and other businesses decreased by 2.1% to JPY 95.1 billion (USD 834 million) from the same period in 2006, due mainly to decreased unit sales of power products in North America. Operating income decreased 78.3% to JPY 2.2 billion (USD 20 million) from the same period in 2006. This was primarily due to the decreased revenue, increased SG&A expenses and R&D expenses in Other businesses.

*OEM: (Original Equipment Manufacturing)

OEM refers to a manufacturing of products and components supplied for sale under a third-party brand.

Geographical Information

With respect to Honda sales for the fiscal third quarter by geographic area, in Japan, revenue for domestic and exports sales totaled JPY 1,246.1 billion (USD 10,917 million), up 1.8% compared to the same period in 2006, due primarily to the increased revenue from exports in automobile business, which offset the negative impact of the decreased unit sales of automobiles in Japan. Operating income totaled JPY 56.2 billion (USD 493 million), up 34.1% from the same period in 2006, due primarily to continuing cost reduction efforts, higher revenue and decreased SG&A expenses, offsetting increased raw material costs, increased depreciation expenses and R&D expenses.

In North America, revenue increased by 1.8% to JPY 1,640.5 billion (USD 14,372 million) from the same period in 2006, due mainly to increased unit sales in automobile business and increased operating lease revenues in financial services business, offsetting the negative impact of currency translation effects caused by depreciation of the U.S. dollars against Japanese yen. Operating income increased by 32.3% to JPY 156.3 billion (USD 1,370 million) from the same period in 2006, due primarily to the change in sales price and a decrease in provision for sales incentives in automobile business, higher revenue, continuing cost reduction efforts and the decreased SG&A expenses, which more than offset the negative impact of increased raw material costs.

In Europe, revenue increased by 33.1% to JPY 361.7 billion (USD 3,169 million), from the same period in 2006, due primarily to the increased automobile unit sales and the positive impact of currency translation effects. Operating income increased by 54.5% to JPY 5.8 billion (USD 51 million) from the same period in 2006, due primarily to higher revenue and positive currency effects caused by depreciation of the Japanese yen.

In Asia, revenue increased by 36.2% to JPY 413.4 billion (USD 3,622 million) from the same period in 2006, due primarily to increased automobile unit sales and the positive impact of the currency translation effects. Operating income increased by 89.3% to JPY 38.3 billion (USD 336 million) from the same period in 2006, due mainly to increased profit attributable to higher revenue and positive currency effects caused by depreciation of the Japanese yen, more than offsetting increased SG&A expenses.

In Asia, in addition to subsidiaries, many affiliates accounted for under the equity method manufacture and sell Honda-brand products. Operating income does not include income from these affiliates. Income from these affiliates is recorded as equity in income of affiliates and reflected in net income. Accounting terms of some of the affiliates differ from the Company's.

In other regions, revenue increased by 47.4% to JPY 284.6 billion (USD 2,493 million) compared to the same period in 2006, due mainly to increased revenue in all business segments and the positive impact of currency translation effects. Operating income increased by 98.1% to JPY 31.7 billion (USD 278 million) from the same period in 2006, due mainly to higher revenue and the positive currency effects caused by depreciation of the Japanese yen, offsetting increased SG&A expenses.

Nine Months Results

Honda's consolidated net income for the fiscal nine months ended December 31, 2007 totaled JPY 574.6 billion (USD 5,034 million), an increase of 38.1% from the same period in 2006. Basic net income per common share for the period amounted to JPY 316.49 (USD 2.77), an increase of JPY 88.53 from JPY 227.96 for the same period in 2006.

Consolidated revenue for the period amounted to JPY 8,947.2 billion (USD 78,382 million), an increase of 11.9% from the same period in 2006. Honda estimates that if calculated at the same exchange rate as the corresponding period in 2006, revenue for the period would have increased by approximately 7.6%.

Consolidated operating income for the period totaled JPY 784.2 billion (USD 6,870 million), an increase of 30.4% compared to the same period in 2006. This increase in operating income was primarily due to increased profit attributable to higher revenue, continuing cost reduction efforts and positive currency effects caused by depreciation of the Japanese yen, which offset increased raw material costs, and increased depreciation expenses, SG&A expenses and R&D expenses.

Consolidated income before income taxes, minority interest and equity in income of affiliates for the period totaled JPY 748.9 billion (USD 6,561 million), an increase of 35.2% from the same period last year.

Equity in income of affiliates amounted to JPY 94.5 billion (USD 828 million) for the period, an increase of 13.3% from the same period last year.

Business Segment

With respect to Honda sales for the fiscal nine months by business segment, motorcycle unit sales totaled 6,952 thousand units, a decrease of 12.7% from the same period in 2006. Unit sales in Japan totaled 245 thousand units, a decrease of 5.0%. Overseas unit sales was 6,707 thousand units, a decrease of 12.9%* from the same period in 2006, due mainly to decreased units sales of parts for local production at Honda's affiliates accounted for under the equity method in Asia, offsetting an increase in unit sales in other regions especially in Latin America. Revenue from external customers increased 17.5%, to JPY 1,114.6 billion (USD 9,765 million) from the same period in 2006, due mainly to increased revenue in Asia and other regions and the positive impact of currency translation effects. Operating income increased by 74.8 % to JPY 98.5 billion (USD 863 million) from the same period in 2006, due mainly to the increased profit on higher revenue and the positive currency effects caused by depreciation of the Japanese yen, offsetting increased SG&A expenses and R&D expenses.

*Of the net sales of Honda-brand motorcycle products that are manufactured and sold by overseas affiliates accounted for under the equity method, those with respect to which parts for manufacturing were not supplied from Honda or its subsidiaries are not included in net sales and other operating revenue, in conformity with U.S. generally accepted accounting principles. Accordingly, these unit sales are not included in the financial results. Sales of such products amounted to approximately 3,290 thousand units for the period.

Honda automobile unit sales was 2,874 thousand units, an increase of 6.6% from the same period in 2006. In Japan, unit sales decreased 12.2% to 424 thousand units. Overseas unit sales increased 10.8% to 2,450 thousand units, due mainly to the increased unit sales in North America, Europe, Asia and other regions. Revenue from external customers increased 10.4% to JPY 7,132.7 billion (USD 62,486million) from the same period in 2006, due to the increased overseas unit sales and the positive impact of currency translation effects. Operating income increased 31.8% to JPY 582.0 billion (USD 5,099 million) from the same period in 2006, due mainly to higher revenue, continuing cost reduction efforts and positive currency effects caused by the depreciation of the Japanese yen, which offset the negative impact of increased raw material costs, increased depreciation expenses and increased SG&A expenses and R&D expenses.

Revenue from customers in financial services business increased 35.3% to JPY 395.5 billion (USD 3,465 million) from the same period in 2006. Operating income increased 15.9% to JPY 86.4 billion (USD 757 million) from the same period in 2006, due mainly to increased profit on higher revenue, which offset increased SG&A expenses.

Honda power products unit sales was 3,965 thousand units, down 7.6 % from the same period

in 2006. In Japan, unit sales totaled 399 thousand units, an increase of 2.8% from the same period in 2006. Overseas unit sales decreased 8.7%, to 3,566 thousand units, due mainly to a decline in unit sales in North America. Revenue from external customers in power product and other businesses increased by 1.5% to JPY 304.3 billion (USD 2,667 million) from the same period in 2006. Operating income was JPY 17.2 billion (USD 151 million), a decrease of 40.5% from the same period in 2006, due mainly to increased SG&A expenses and the increased R&D expenses in Other businesses.

Geographical Information

With respect to Honda sales for the fiscal nine months by geographical segment, in Japan, revenue for domestic and exports sales was JPY 3,637.9 billion (USD 31,870 million), up 3.7% compared to the same period in 2006, due primarily to increased revenue from exports in automobile business and positive currency effects, which partially offset the negative impact of decreased automobile sales in Japan. Operating income was JPY 190.2 billion (USD 1,666 million), up 19.0% from the same period in 2006, due primarily to increased profit attributable to higher revenue, continuing cost reduction efforts, decreased SG&A expenses and positive currency effects, which offset the negative impact of increased raw material costs, increased depreciation expenses and R&D expenses.

In North America, revenue increased by 6.2% to JPY 4,781.0 billion (USD 41,884 million) from the same period in 2006, due mainly to increased sales in automobile business, increased operating lease revenues in financial services business and positive impact of the currency translation effects. Operating income increased by 12.5% to JPY 369.4 billion (USD 3,237 million) from the same period in 2006, due primarily to increased profit on higher revenue, continuing cost reduction efforts and positive currency effects.

In Europe, revenue increased by 27.0% to JPY 1,152.8 billion (USD 10,099 million) compared to the same period in 2006, due primarily to increased automobile unit sales and the positive impact of the currency translation effects. Operating income increased by 70.5% to JPY 32.8 billion (USD 288 million) from the same period in 2006.

In Asia, revenue increased by 35.1% to JPY 1,222.3 billion (USD 10,708 million) from the same period in 2006, due primarily to the increased automobile sales and the positive impact of currency translation effects. Operating income increased by 87.6% to JPY 108.7 billion (USD 952 million) from the same period in 2006.

In other regions, revenue increased by 37.5% to JPY 778.8 billion (USD 6,823 million) compared to the same period in 2006, due mainly to increased motorcycle and automobile sales and the positive impact of the currency translation effects. Operating income increased by 58.8% to JPY 83.7 billion (USD 733 million) from the same period in 2006.

Consolidated Statements of Cash Flows for the Fiscal Nine Months

Consolidated cash and cash equivalents at the end of the period from April 1, 2007 through December 31, 2007 increased by JPY 17.9 billion (USD 158 million) from March 31, 2007, to JPY 963.5 billion (USD 8,441 million). The reasons for the increases or decreases for each cash flow activity are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to JPY 707.4 billion (USD 6,198 million) for the fiscal nine months ended December 31, 2007, mainly attributable to the increase in net income, the increase in depreciation and the decrease in trade accounts and notes receivable, which offset the increase in inventories and the decrease in accrued expenses. Cash inflows from operating activities increased by JPY 204.0 billion (USD 1,788 million) compared with the same period in 2006.

Cash flows from investing activities

Net cash used in investing activities amounted to JPY 1243.1 billion (USD 10,891 million), due mainly to capital expenditures, the acquisitions of finance subsidiaries-receivables, which exceeded collections of and proceeds from sales of finance subsidiaries-receivables and the purchase of operating lease assets. Cash outflows from investing activities increased by JPY 350.7 billion (USD 3,073 million) compared with the same period in 2006.

Cash flows from financing activities

Net cash provided by financing activities amounted to JPY 523.2 billion (USD 4,584 million), which was attributable to proceeds from long-term debt and increase in short-term debt, which exceeded repayment of long-term debt, cash dividends paid and payment for purchase of treasury stock. Cash inflows from financing activities increased by JPY 156.1 billion (USD 1,368 million) compared with the same period in 2006.

Forecasts for Fiscal Year Ending March 31, 2008

With regard to the forecasts of financial results for the fiscal year ending March 31, 2008, Honda projects consolidated results as shown below:

FY2008 Forecasts for Consolidated Results

Fiscal year ending March 31, 2008

	<u>Yen (billions)</u>	<u>Changes from FY2007</u>
Net sales and other operating revenue	12,150	+ 9.6%
Operating income	920	+ 8.0%
Income before income taxes, minority interest and equity in income of affiliates	915	+ 15.4%
Net income	690	+ 16.5%
	<u>Yen</u>	
Basic net income per common share	380.25	—

These forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar and the Euro will be JPY 105 and JPY 155, respectively, for the fiscal fourth quarter ending March 31, 2008, and JPY 114 and JPY 161, respectively, for the full year ending March 31, 2008.

Dividend per Share of Common Stock

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on January 30, 2008, resolved to make the quarterly dividend of JPY 22 per share of common stock, the record date of which is December 31, 2007. It also intends to distribute year-end cash dividends of JPY 22 per share, the record date of which will be March 31, 2008. The total projected annual dividend per share of common stock for the fiscal year ending March 31, 2008, together with the first quarter and the second quarter cash dividends of JPY 20 and JPY 22 per share, respectively, is JPY 86 per share, an increase of JPY 19 per share from the annual dividends paid for the year ended March 31, 2007.

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 materially differ from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time.

Others

1. Changes in significant subsidiaries for the nine months ended December 31, 2007
(i.e. changes in specific subsidiaries that caused a change in the scope of consolidated financial statements)

None

2. Adoption of summary procedures in accounting procedures

None

3. Changes in accounting procedures from the preceding fiscal year for consolidated financial results

Certain revisions for misclassifications have been made to the consolidated financial statements for the fiscal nine months ended December 31, 2006 and the fiscal year ended March 31, 2007 to conform to the presentation used for the fiscal third quarter ended December 31, 2007, as follows. Please refer to Significant Accounting Policy Changes on page 25 and Revisions of classifications on page 27 for details.

[1] Consolidated Financial Summary

For the three months and nine months ended December 31, 2006 and 2007

Financial Highlights

	Yen (millions)					
	Three months ended	%	Three months ended	Nine months ended	%	Nine months ended
	Dec. 31, 2006	Change	Dec. 31, 2007	Dec. 31, 2006	Change	Dec. 31, 2007
Net sales and other operating revenue	2,768,652	10.0%	3,044,814	7,999,250	11.9%	8,947,283
Operating income	205,110	34.7%	276,243	601,655	30.4%	784,265
Income before income taxes, minority interest and equity in income of affiliates	198,785	31.2%	260,745	553,793	35.2%	748,995
Net income	144,827	38.1%	200,009	416,138	38.1%	574,609

	Yen				
	Three months ended	%	Nine months ended	%	
Basic net income per common share	79.45		110.25	227.96	316.49

	U.S. Dollar (millions)	
	Three months ended	Nine months ended
	Dec. 31, 2007	Dec. 31, 2007
Net sales and other operating revenue	26,674	78,382
Operating income	2,420	6,870
Income before income taxes, minority interest and equity in income of affiliates	2,284	6,561
Net income	1,752	5,034

	U.S. Dollar	
	Three months ended	Nine months ended
Basic net income per common share	0.97	2.77

Explanatory note:

Certain revisions for misclassifications and reclassifications have been made to the consolidated financial statements for the three months and the fiscal nine months ended December 31, 2006 to conform to the presentation used for the same period in 2007.

[2] Unit Sales Breakdown

	Unit (thousands)			
	Three months ended	Three months ended	Nine months ended	Nine months ended
	Dec. 31, 2006	Dec. 31 2007	Dec. 31, 2006	Dec. 31, 2007
MOTORCYCLES				
Japan	71	54	258	245
	(71)	(54)	(258)	(245)
North America	107	102	339	303
	(60)	(52)	(183)	(157)
Europe	56	61	232	224
	(54)	(58)	(225)	(216)
Asia	2,217	1,748	6,189	5,016
	(2,217)	(1,748)	(6,189)	(5,016)
Other Regions	314	401	943	1,164
	(310)	(396)	(932)	(1,153)
Total	2,765	2,366	7,961	6,952
	(2,712)	(2,308)	(7,787)	(6,787)
AUTOMOBILES				
Japan	156	145	483	424
North America	471	481	1,338	1,391
Europe	72	90	222	282
Asia	155	188	471	552
Other Regions	61	87	181	225
Total	915	991	2,695	2,874
POWER PRODUCTS				
Japan	124	123	388	399
North America	615	361	2,080	1,527
Europe	365	352	1,001	1,022
Asia	161	202	530	664
Other Regions	117	140	294	353
Total	1,382	1,178	4,293	3,965

Explanatory notes:

1. The geographical breakdown of net sales is based on the location of external customers.
2. Unit sales are the total of sales of completed products of Honda and its consolidated subsidiaries, and sales of parts for local production at Honda's affiliates accounted for under the equity method.
3. Figures in brackets represent unit sales of motorcycles only.

[3] Net Sales Breakdown

(A) For the three months ended December 31, 2006 and 2007

	Yen (millions)			
	Three months ended Dec. 31, 2006		Three months ended Dec. 31, 2007	
MOTORCYCLE BUSINESS				
Japan	23,240	(7.7%)	17,934	(4.9%)
North America	60,859	(20.1%)	56,238	(15.4%)
Europe	37,128	(12.2%)	43,404	(11.9%)
Asia	93,785	(30.9%)	124,604	(34.2%)
Other Regions	88,233	(29.1%)	122,492	(33.6%)
Total	303,245	(100.0%)	364,672	(100.0%)
AUTOMOBILE BUSINESS				
Japan	351,836	(15.5%)	320,285	(13.1%)
North America	1,385,797	(61.2%)	1,395,559	(57.0%)
Europe	200,983	(8.9%)	274,366	(11.2%)
Asia	198,787	(8.8%)	258,139	(10.5%)
Other Regions	126,496	(5.6%)	200,669	(8.2%)
Total	2,263,899	(100.0%)	2,449,018	(100.0%)
FINANCIAL SERVICES BUSINESS				
Japan	5,577	(5.4%)	5,765	(4.2%)
North America	92,591	(88.8%)	123,318	(90.7%)
Europe	3,326	(3.2%)	3,424	(2.5%)
Asia	836	(0.8%)	1,289	(1.0%)
Other Regions	1,896	(1.8%)	2,130	(1.6%)
Total	104,226	(100.0%)	135,926	(100.0%)
POWER PRODUCT & OTHER BUSINESSES				
Japan	40,040	(41.2%)	38,594	(40.6%)
North America	24,744	(25.4%)	19,626	(20.6%)
Europe	18,079	(18.6%)	19,829	(20.8%)
Asia	8,061	(8.3%)	9,406	(9.9%)
Other Regions	6,358	(6.5%)	7,743	(8.1%)
Total	97,282	(100.0%)	95,198	(100.0%)
TOTAL				
Japan	420,693	(15.2%)	382,578	(12.6%)
North America	1,563,991	(56.5%)	1,594,741	(52.4%)
Europe	259,516	(9.4%)	341,023	(11.2%)
Asia	301,469	(10.9%)	393,438	(12.9%)
Other Regions	222,983	(8.0%)	333,034	(10.9%)
Total	2,768,652	(100.0%)	3,044,814	(100.0%)

Explanatory notes:

1. The geographical breakdown of net sales is based on the location of external customers.
2. Net sales of power product & other businesses include revenue from sales of power products and relevant parts, leisure businesses and trading businesses.

[3] Net Sales Breakdown

(B) For the nine months ended December 31, 2006 and 2007

	Yen (millions)			
	Nine months ended Dec. 31, 2006		Nine months ended Dec. 31, 2007	
MOTORCYCLE BUSINESS				
Japan	76,086	(8.0%)	72,398	(6.5%)
North America	200,342	(21.1%)	177,336	(15.9%)
Europe	143,842	(15.2%)	159,296	(14.3%)
Asia	272,058	(28.7%)	358,664	(32.2%)
Other Regions	256,563	(27.0%)	346,941	(31.1%)
Total	948,891	(100.0%)	1,114,635	(100.0%)
AUTOMOBILE BUSINESS				
Japan	1,038,820	(16.1%)	933,793	(13.1%)
North America	3,818,865	(59.1%)	4,022,806	(56.4%)
Europe	608,371	(9.4%)	863,173	(12.1%)
Asia	624,351	(9.7%)	787,144	(11.0%)
Other Regions	367,928	(5.7%)	525,809	(7.4%)
Total	6,458,335	(100.0%)	7,132,725	(100.0%)
FINANCIAL SERVICES BUSINESS				
Japan	16,349	(5.6%)	17,414	(4.4%)
North America	258,705	(88.5%)	358,695	(90.7%)
Europe	9,274	(3.2%)	9,998	(2.5%)
Asia	2,154	(0.7%)	3,733	(0.9%)
Other Regions	5,784	(2.0%)	5,695	(1.5%)
Total	292,266	(100.0%)	395,535	(100.0%)
POWER PRODUCT & OTHER BUSINESSES				
Japan	112,719	(37.6%)	112,889	(37.1%)
North America	91,941	(30.7%)	78,404	(25.8%)
Europe	54,904	(18.3%)	63,099	(20.7%)
Asia	24,740	(8.2%)	29,856	(9.8%)
Other Regions	15,454	(5.2%)	20,140	(6.6%)
Total	299,758	(100.0%)	304,388	(100.0%)
TOTAL				
Japan	1,243,974	(15.6%)	1,136,494	(12.7%)
North America	4,369,853	(54.6%)	4,637,241	(51.8%)
Europe	816,391	(10.2%)	1,095,566	(12.2%)
Asia	923,303	(11.5%)	1,179,397	(13.2%)
Other Regions	645,729	(8.1%)	898,585	(10.1%)
Total	7,999,250	(100.0%)	8,947,283	(100.0%)

Explanatory notes:

1. The geographical breakdown of net sales is based on the location of external customers.
2. Net sales of power product & other businesses include revenue from sales of power products and relevant parts, leisure businesses and trading businesses.

[4] Consolidated Statements of Income and Retained Earnings

(A) For the three months ended December 31, 2006 and 2007

	Yen (millions)	
	Three months ended Dec. 31, 2006 (Unaudited)	Three months ended Dec. 31, 2007 (Unaudited)
Net sales and other operating revenue	2,768,652	3,044,814
Operating costs and expenses:		
Cost of sales	1,945,754	2,140,323
Selling, general and administrative	474,746	481,042
Research and development	143,042	147,206
Operating income	205,110	276,243
Other income:		
Interest	10,945	11,666
Other	7,196	2,750
Other expenses:		
Interest	2,218	3,535
Other	22,248	26,379
Income before income taxes, minority interest and equity in income of affiliates	198,785	260,745
Income tax (benefit) expense:		
Current	67,766	36,780
Deferred	4,757	47,100
Income before minority interest and equity in income of affiliates	126,262	176,865
Minority interest in income of consolidated subsidiaries	(7,248)	(8,163)
Equity in income of affiliates	25,813	31,307
Net income	144,827	200,009
Retained earnings:		
Balance at beginning of period	4,482,612	4,955,044
Cumulative effect of adjustments resulting from the adoption of SAB No. 108, net of tax	(62,640)	—
Adjusted balances at beginning of period	4,419,972	4,955,044
Reissuance of treasury stock	(1)	275
Cash dividends	54,710	39,921
Transfer to legal reserves	398	23
Balance at end of period	4,509,692	5,114,834
	Yen	
Basic net income per common share	79.45	110.25

Explanatory note:

Certain revisions for misclassifications and reclassifications have been made to the consolidated financial statements for the three months ended December 31, 2006 to conform to the presentation used for the same period in 2007.

[4] Consolidated Statements of Income and Retained Earnings

(B) For the nine months ended December 31, 2006 and 2007

	Yen (millions)	
	Nine months ended Dec. 31, 2006 (Unaudited)	Nine months ended Dec. 31, 2007 (Unaudited)
Net sales and other operating revenue	7,999,250	8,947,283
Operating costs and expenses:		
Cost of sales	5,691,553	6,341,145
Selling, general and administrative	1,318,054	1,393,361
Research and development	387,988	428,512
Operating income	601,655	784,265
Other income:		
Interest	31,070	37,186
Other	12,477	1,865
Other expenses:		
Interest	8,900	11,290
Other	82,509	63,031
Income before income taxes, minority interest and equity in income of affiliates	553,793	748,995
Income tax (benefit) expense:		
Current	202,210	195,976
Deferred	2,509	51,546
Income before minority interest and equity in income of affiliates	349,074	501,473
Minority interest in income of consolidated subsidiaries	(16,384)	(21,432)
Equity in income of affiliates	83,448	94,568
Net income	416,138	574,609
Retained earnings:		
Balance at beginning of period	4,267,886	4,654,890
Cumulative effect of adjustments resulting from the adoption of SAB No. 108, net of tax	(62,640)	—
Adjusted balances at beginning of period	4,205,246	4,654,890
Reissuance of treasury stock	279	275
Cash dividends	109,494	112,669
Transfer to legal reserves	1,919	1,721
Balance at end of period	4,509,692	5,114,834
	Yen	
Basic net income per common share	227.96	316.49

Explanatory note:

Certain revisions for misclassifications and reclassifications have been made to the consolidated financial statements for the fiscal nine months ended December 31, 2006 to conform to the presentation used for the same period in 2007.

[5] Consolidated Balance Sheets

Assets	Yen (millions)			Yen (millions)	
	Mar. 31, 2007 (Audited)	Dec. 31, 2007 (Unaudited)	change	Dec. 31, 2006 (Unaudited)	change
Current assets:					
Cash and cash equivalents	945,546	963,538	17,992	717,057	246,481
Trade accounts and notes receivable	1,055,470	974,760	(80,710)	885,427	89,333
Finance subsidiaries-receivables, net	1,426,224	1,496,738	70,514	1,474,747	21,991
Inventories	1,183,116	1,349,894	166,778	1,170,848	179,046
Deferred income taxes	155,390	141,608	(13,782)	172,048	(30,440)
Other current assets	426,863	473,111	46,248	423,358	49,753
Total current assets	5,192,609	5,399,649	207,040	4,843,485	556,164
Finance subsidiaries-receivables, net	3,039,826	3,081,741	41,915	3,201,359	(119,618)
Investments and advances:					
Investments in and advances to affiliates	497,337	566,556	69,219	487,474	79,082
Other, including marketable equity securities	254,610	244,963	(9,647)	261,864	(16,901)
Total investments and advances	751,947	811,519	59,572	749,338	62,181
Property on operating leases:					
Vehicles	345,909	915,245	569,336	123,161	792,084
Less accumulated depreciation	9,700	74,980	65,280	1,623	73,357
Net property on operating leases	336,209	840,265	504,056	121,538	718,727
Property, plant and equipment, at cost:					
Land	429,373	450,566	21,193	417,420	33,146
Buildings	1,322,394	1,399,163	76,769	1,283,626	115,537
Machinery and equipment	2,988,064	3,227,392	239,328	2,935,111	292,281
Construction in progress	204,318	258,206	53,888	192,827	65,379
	4,944,149	5,335,327	391,178	4,828,984	506,343
Less accumulated depreciation and amortization	2,865,421	3,107,069	241,648	2,854,617	252,452
Net property, plant and equipment	2,078,728	2,228,258	149,530	1,974,367	253,891
Other assets	637,181	662,153	24,972	618,231	43,922
Total assets	12,036,500	13,023,585	987,085	11,508,318	1,515,267

[5] Consolidated Balance Sheets – continued

Liabilities, Minority Interests and Stockholders' Equity	Yen (millions)			Yen (millions)	
	Mar. 31, 2007 (Audited)	Dec. 31, 2007 (Unaudited)	change	Dec. 31, 2006 (Unaudited)	change
Current liabilities:					
Short-term debt	1,265,868	1,674,042	408,174	1,377,493	296,549
Current portion of long-term debt	775,409	956,810	181,401	741,229	215,581
Trade payables:					
Notes	33,276	38,410	5,134	31,229	7,181
Accounts	1,133,280	1,009,146	(124,134)	932,586	76,560
Accrued expenses	807,341	689,329	(118,012)	749,341	(60,012)
Income taxes payable	76,031	59,699	(16,332)	56,258	3,441
Other current liabilities	196,322	276,490	80,168	236,327	40,163
Total current liabilities	4,287,527	4,703,926	416,399	4,124,463	579,463
Long-term debt, excluding current portion	1,905,743	1,980,636	74,893	1,760,678	219,958
Other liabilities	1,237,712	1,239,138	1,426	1,051,726	187,412
Total liabilities	7,430,982	7,923,700	492,718	6,936,867	986,833
Minority interests in consolidated subsidiaries	122,907	140,720	17,813	118,194	22,526
Stockholders' equity:					
Common stock	86,067	86,067	—	86,067	—
Capital surplus	172,529	172,529	—	172,529	—
Legal reserves	37,730	39,451	1,721	37,730	1,721
Retained earnings	4,654,890	5,114,834	459,944	4,509,692	605,142
Accumulated other comprehensive income (loss), net					
Adjustments from foreign currency translation	(279,002)	(232,429)	46,573	(293,494)	61,065
Net unrealized gains (losses) on marketable equity securities	58,139	51,770	(6,369)	58,324	(6,554)
Net unrealized gains (losses) on derivative instruments	20	(316)	(336)	(250)	(66)
Minimum pension liabilities adjustments	—	—	—	(75,914)	75,914
Pension and other postretirement benefits adjustment	(206,323)	(200,986)	5,337	—	(200,986)
Total Accumulated other comprehensive income(loss), net	(427,166)	(381,961)	45,205	(311,334)	(70,627)
Treasury Stock	(41,439)	(71,755)	(30,316)	(41,427)	(30,328)
Total stockholders' equity	4,482,611	4,959,165	476,554	4,453,257	505,908
Commitments and contingent liabilities					
Total liabilities, minority interests and stockholders' equity	12,036,500	13,023,585	987,085	11,508,318	1,515,267

Explanatory note:

Certain revisions for misclassifications and reclassifications have been made to the consolidated financial statements for the fiscal nine months ended December 31, 2006 to conform to the presentation used for the same period in 2007.

[6] Consolidated Statements of Cash Flows

	Yen (millions)	
	Nine months ended Dec. 31, 2006 (Unaudited)	Nine months ended Dec. 31, 2007 (Unaudited)
Cash flows from operating activities:		
Net income	416,138	574,609
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation excluding property on operating leases	254,112	306,841
Depreciation of property on operating leases	1,607	68,493
Deferred income taxes	2,509	51,546
Minority interest in income	16,384	21,432
Equity in income of affiliates	(83,448)	(94,568)
Dividends from affiliates	37,955	40,419
Provision for credit and lease residual losses on finance subsidiaries-receivables	34,802	39,646
Loss (gain) on derivative instruments, net	63,626	50,029
Decrease (increase) in assets:		
Trade accounts and notes receivable	118,926	94,870
Inventories	(86,075)	(154,792)
Other current assets	(27,381)	(14,902)
Other assets	(37,080)	(98,008)
Increase (decrease) in liabilities:		
Trade accounts and notes payable	(121,826)	(98,239)
Accrued expenses	(55,583)	(117,797)
Income taxes payable	(56,368)	(7,763)
Other current liabilities	22,577	11,591
Other liabilities	32,756	39,391
Other, net	(30,224)	(5,335)
Net cash provided by operating activities	503,407	707,463
Cash flows from investing activities:		
Increase in investments and advances	(9,223)	(4,363)
Decrease in investments and advances	583	636
Payment for purchase of available-for-sale securities	(104,452)	(145,949)
Proceeds from sales of available-for-sale securities	115,354	160,505
Payment for purchase of held-to-maturity securities	(7,364)	(30,006)
Proceeds from redemption of held-to-maturity securities	27,046	28,345
Capital expenditures	(415,004)	(493,087)
Proceeds from sales of property, plant and equipment	13,233	21,592
Acquisitions of finance subsidiaries-receivables	(2,226,908)	(2,054,367)
Collections of finance subsidiaries-receivables	1,565,719	1,705,004
Proceeds from sales of finance subsidiaries-receivables	274,811	160,338
Purchase of operating lease assets	(126,223)	(608,485)
Proceeds from sales of operating lease assets	—	16,641

Net cash used in investing activities	(892,428)	(1,243,196)
Cash flows from financing activities:		
Increase (decrease) in short-term debt, net	411,329	408,819
Proceeds from long-term debt	629,433	880,308
Repayment of long-term debt	(530,380)	(613,888)
Cash dividends paid	(109,494)	(112,669)
Cash dividends paid to minority interests	(7,032)	(8,504)
Payment for purchase of treasury stock, net	(26,679)	(30,771)
Net cash provided by financing activities	367,177	523,295
Effect of exchange rate changes on cash and cash equivalents	22,113	30,430
Net change in cash and cash equivalents	269	17,992
Cash and cash equivalents at beginning of period	716,788	945,546
Cash and cash equivalents at end of period	717,057	963,538

Explanatory note:

Certain revisions for misclassifications and reclassifications have been made to the consolidated financial statements for the fiscal nine months ended December 31, 2006 to conform to the presentation used for the same period in 2007.

Significant Accounting Policies:

1. Consolidated subsidiaries
Number of consolidated subsidiaries: 399
2. Affiliated companies
Number of affiliated companies: 102
3. Changes of consolidated subsidiaries and affiliated companies
Consolidated subsidiaries:
Newly formed consolidated subsidiaries: 14
Reduced through reorganization: 20
Affiliated companies:
Newly formed affiliated companies: 3
Reduced through reorganization: 3
4. The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, since the Company has listed its American Depositary Shares on the New York Stock Exchange and files reports with the U.S. Securities and Exchange Commission.
5. The average exchange rates for the three months ended December 31, 2007 were ¥113.19=U.S.\$1 and ¥163.87= euro 1. The average exchange rates for the same period last year were ¥117.82=U.S.\$1 and ¥151.94= euro 1. The average exchange rates for the fiscal nine months ended December 31, 2007 were ¥117.28=U.S.\$1 and ¥162.82= euro 1 as compared with ¥116.19=U.S.\$1 and ¥147.96= euro 1 for the same period last year.
6. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥114.15=U.S.\$1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on December 31, 2007.
7. Honda's common stock-to-ADS exchange ratio is one share of common stock to one ADS.
8. Inventories are stated at the lower of cost, determined principally by the first-in, first-out method, or market.
9. Honda classifies its debt and equity securities in the following categories: available-for-sale, trading, or held-to-maturity. Debt securities that are classified as "held-to-maturity" securities are reported at amortized cost. Debt and equity securities classified as "trading" securities are reported at fair value, with unrealized gains and losses included in earnings. Other marketable debt and equity securities are classified as "available-for-sale" securities and are reported at fair value, with unrealized gains or losses, net of deferred taxes included in accumulated other comprehensive income (loss) in the stockholders' equity section of the consolidated balance sheets.
10. Goodwill, all of which is allocated to Honda's reporting units, is not amortized but instead is tested for impairment at least annually.
11. Depreciation of property, plant and equipment is calculated principally by the declining-balance method based on estimated useful lives and salvage values of the respective assets.
12. Honda applies hedge accounting for certain foreign currency forward contracts related to forecasted foreign currency transactions between the Company and its subsidiaries.
13. The allowance for credit losses is maintained at an amount management deems adequate to cover estimated losses on finance receivables. The allowance is based on management's evaluation of many factors, including current economic trends, industry experience, inherent risks in the portfolio and the borrower's ability to pay.
14. Finance subsidiaries of the Company purchase insurance to cover a substantial amount of the estimated residual value of vehicles leased to customers. The allowance for losses on lease residual values is maintained at an amount management deems adequate to cover estimated losses on the uninsured portion of the vehicles' lease residual values. The allowance is also based on managements' evaluation of many factors, including current economic conditions, industry experience and the finance subsidiaries' historical experience with residual value losses.

15. Provisions for retirement benefits are provided based on the fair value of both projected benefit obligations and plan assets at the end of the fiscal year to cover for employees' retirement benefits. The Company recognizes its overfunded or underfunded status for the defined benefit postretirement plan as an asset or liability in its consolidated balance sheets and recognizes changes in the funded status in accumulated comprehensive income (loss), net of taxes. Net transition obligation has been amortized over approximately 19 years since the fiscal year ended March 31, 1990. Prior service cost (benefit) is amortized by using the straight-line method and the estimated average remaining service years of employees. Actuarial loss is amortized if unrecognized net gain or loss exceeds ten percent of the greater of the projected benefit obligation or the market-related value of plan assets by using the straight-line method and the estimated average remaining service years of employees.
16. Estimated warranty expenses are provided based on historical warranty claim experience with consideration given to the expected level of future warranty costs as well as current information on repair costs. Included in warranty expenses accruals are costs for general warranties on vehicles Honda sells and product recalls.

Significant Accounting Policy Changes

1. In September 2006, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB No. 108"). SAB No. 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying current year misstatements for the purpose of materiality assessment. SAB No. 108 requires that registrants quantify a current year misstatement using an approach that considers both the impact of prior year misstatements that remain on the balance sheet and those that were recorded in the current year income statement. The Company historically quantified misstatements and assessed materiality based on a current year income statement approach. The transition provisions of SAB No. 108 permit the Company to adjust for the cumulative effect on retained earnings of immaterial errors related to prior years.

The Company adopted SAB No. 108 effective beginning of the fiscal year ended March 31, 2007, and adjusted the items described below in the accompanying consolidated financial statements as of the beginning of the fiscal year ended March 31, 2007 to correct the prior year misstatements, which were considered to be immaterial to the consolidated statements of income and consolidated balance sheets in prior years under the income statement approach. The net impact of these adjustments decreased the Company's beginning retained earnings and beginning accumulated other comprehensive loss for 2007 by ¥62,640 million, net of tax effect of ¥31,235 million, and ¥18,149 million, respectively.

The Company adopted the provisions of SAB 108 for the fiscal year ended March 31, 2007. As a result of the adoption, the Company adjusted the beginning retained earnings and beginning accumulated other comprehensive loss in the consolidated financial statements for the six months ended September 30, 2006. The impact of misstatements to the consolidated financial statements was immaterial. Accordingly, the Company had not revised the consolidated statement of income and consolidated balance sheet except for beginning retained earnings and beginning accumulated other comprehensive loss.

- (1) The Company and its certain domestic subsidiaries in Japan historically calculated depreciation of property, plant and equipment, using a salvage value determined as 5% of the acquisition cost. However, since the sales proceeds received for the liquidated assets and their economical value at the end of its useful life historically have been nominal, the Company and its certain domestic subsidiaries assessed the adequacy of the salvage value and concluded that they should have calculated depreciation using the salvage value of ¥1 for its property, plant and equipment. The Company and its certain domestic subsidiaries recalculated depreciation expenses retrospectively considering the corrected salvage value. The reassessment indicated that an accumulated overstatement of property, plant and equipment in the consolidated financial statements had occurred.
 - (2) Equity in income of affiliates should be recognized based on affiliates' consolidated financial statements in accordance with U.S. generally accepted accounting principles. However, the Company historically recognized equity in income of affiliates based on the results of operations of the parent-only financial statements of the affiliates, as the Company assessed that the difference between the total amounts of equity in income on the consolidation basis and those on the parent-only basis had been immaterial to the Company's consolidated financial statements under the income statement approach. This misstatement resulted in an accumulated understatement of equity in income of affiliates and the carrying value of the investments in affiliates in the consolidated financial statements.
 - (3) The Company reclassified the residual tax effect of minimum pension liabilities included in accumulated other comprehensive income during the year ended March 31, 2006, which related to corporate tax rate changes in the past based on the proportional allocation over the expiration of unrecognized obligation. However, the residual tax effect should have been reclassified only when the pension plan is liquidated or dissolved under the portfolio approach. This misstatement resulted in an understatement of accumulated other comprehensive loss and corresponding overstatement in income tax benefit.
2. The company adopted the FASB Interpretation (FIN) No. 48, "Accounting for Uncertainty in Income Taxes" as of April 1, 2007. This Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes". This Interpretation prescribes a two step process for the recognition and measurement in the financial statement of a tax position taken or expected to be taken in a tax return. The adoption of FIN 48 had an immaterial impact on the Company's financial statements.

Notes to Consolidated balance sheets:

1. The allowance for assets are as follows:

	<u>Mar.31, 2007</u>	Yen (millions) <u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
The allowance for doubtful trade accounts and notes receivables	8,199	7,676	8,023
The allowance for credit losses for finance subsidiaries-receivables	33,512	37,248	38,567
The allowance for losses on lease residual values for financial-subsidiaries receivables	33,928	24,952	36,554
The allowance for inventory losses and obsolescence	27,521	22,020	27,772

2. Net book value of property, plant and equipment which were subject to specific mortgages securing indebtedness and debt-related mortgages are as follows:

	<u>Mar.31, 2007</u>	Yen (millions) <u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
Mortgage securitized debt			
Property, plant and equipment	23,654	33,439	39,199
A finance subsidiary pledged as collateral finance subsidiaries-receivables	1,931	—	3,181
Debt related mortgages			
Short-term debt	2,882	8,435	9,933
Long-term debt	17,025	11,035	17,802

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

	<u>Mar.31, 2007</u>	Yen (millions) <u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
Bank loans of employees for their housing costs	41,151	37,378	42,203

If an employee defaults on his/her loan payments, Honda is required to perform under the guarantee. The undiscounted maximum amount of Honda's obligation to make future payments in the event of defaults were shown as above. As of December 31, 2007, no amount has been accrued for any estimated losses under the obligations, as it is probable that the employees will be able to make all scheduled payments.

Notes to information about per common share :

Stockholders' equity per common share and basic net income per common share are as follows:

	<u>Mar. 31, 2007</u>	Yen <u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
Stockholders' equity per common share	2,460.28	2,732.92	2,444.17
Basic net income per common share	324.62	316.49	227.96

Stockholders' equity per common share has been computed by dividing stockholders' equity by the number of shares outstanding at the end of each period. The number of common shares, at the end of the year ended March 31, 2007 and fiscal nine months ended December 31, 2007 and 2006 were 1,821,992,908, 1,814,601,172 and 1,821,995,008, respectively.

Basic net income per common share has been computed by dividing net income available to common stockholders by the weighted average number of shares outstanding during each period. The weighted average number of shares outstanding for the year ended March 31, 2007 and nine months ended December 31, 2007 and 2006 were 1,824,675,228, 1,815,588,785 and 1,825,479,757, respectively. There were no potentially dilutive shares issued during the year ended March 31, 2007 and nine months ended December 31, 2007 and 2006.

Revisions of classifications:

Certain revisions for misclassifications have been made to the consolidated financial statements for the fiscal nine months ended December 31, 2006 to conform to the presentation used for the same period in 2007, as follows. Certain revisions for misclassifications have already been made to the consolidated financial statements for the fiscal year ended March 31, 2007 in the same way.

1. Minority interest and minority interest in income, which were included in other liabilities and other expenses-other, respectively, have been revised to be disclosed independently in consolidated balance sheets and consolidated statements of income. Minority interest in income and cash dividends paid to minority interests, which were included in other liabilities and other, net, in cash flows from operating activities, have been revised to be disclosed independently in cash flows from operating activities and cash flows from financing activities, respectively, in the consolidated statements of cash flows.
2. Auction rate securities, which were classified as cash equivalents, have been revised to be classified as available-for-sale securities due within one year, which are included in other current assets in the consolidated balance sheets. Payment for purchase of auction rate securities and proceeds from sales of auction rate securities have been revised to be classified in payment for purchase of available-for-sale securities and proceeds from sales of available-for-sale securities in the consolidated statements of cash flows, respectively.
3. The long-term portion of deferred tax liabilities and deferred tax assets related to the lease transactions of finance subsidiaries, which were classified in other current liabilities and deferred income taxes, have been revised to be classified in other liabilities and other assets, respectively.
4. The long-term portion of accrued expenses and prepaid expenses related to pension benefit plans, which were included in accrued expenses and other current assets have been revised to be classified in other liabilities and other assets, respectively. The long-term portion of deferred tax liabilities, which were included in other current liabilities, and deferred tax assets, have also been revised to be classified in other liabilities and other assets.
5. The long-term portion of prepaid expenses, deferred income and accrued expenses related to extended vehicle service contracts of the subsidiaries in the United States, which were included in other current assets, trade payables accounts and accrued expenses, respectively, have been revised to be classified in other liabilities and other assets. The long-term portion of related deferred tax liabilities, which were included in other current liabilities, and deferred income taxes have also been revised to be classified in other liabilities and other assets.

Certain revisions for misclassifications have been made to the consolidated financial statements for the fiscal nine months ended December 31, 2006 and the fiscal year ended March 31, 2007 to conform to the presentation used for the fiscal third quarter ended December 31, 2007, as follows.

1. Investor level goodwill of affiliates, which was classified as other assets, has been revised to be classified as investments and advances-affiliates.
2. The long-term portion of deferred tax assets related to pension benefit plans, which was classified as deferred income taxes in current assets have been revised to be classified as other assets.

[7] Segment Information

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

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

Segment	Principal products and services	Functions
Motorcycle business	Motorcycles, all-terrain vehicles (ATVs), personal watercrafts and relevant parts	Research & Development, Manufacturing, Sales and related services
Automobile business	Automobiles and relevant parts	Research & Development, Manufacturing Sales and related services
Financial services business	Financial, and insurance services	Retail loan and lease related to Honda products, and Others
Power product & other businesses	Power products and relevant parts, and others	Research & Development, Manufacturing Sales and related services, and Others

(A) As of and for the three months ended December 31, 2006

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Consolidated
Net sales and other operating revenue:							
External customers	303,245	2,263,899	104,226	97,282	2,768,652	—	2,768,652
Intersegment	—	—	810	7,810	8,620	(8,620)	—
Total	303,245	2,263,899	105,036	105,092	2,777,272	(8,620)	2,768,652
Cost of sales, SG&A and R&D expenses	292,090	2,103,108	82,295	94,669	2,572,162	(8,620)	2,563,542
Segment income	11,155	160,791	22,741	10,423	205,110	—	205,110

As of and for the three months ended December 31, 2007

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Consolidated
Net sales and other operating revenue:							
External customers	364,672	2,449,018	135,926	95,198	3,044,814	—	3,044,814
Intersegment	—	—	3,745	5,015	8,760	(8,760)	—
Total	364,672	2,449,018	139,671	100,213	3,053,574	(8,760)	3,044,814
Cost of sales, SG&A and R&D expenses	334,305	2,228,306	116,764	97,956	2,777,331	(8,760)	2,768,571
Segment income	30,367	220,712	22,907	2,257	276,243	—	276,243

(B) As of and for the nine months ended December 31, 2006

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Consolidated
Net sales and other operating revenue:							
External customers	948,891	6,458,335	292,266	299,758	7,999,250	—	7,999,250
Intersegment	—	—	2,601	13,834	16,435	(16,435)	—
Total	948,891	6,458,335	294,867	313,592	8,015,685	(16,435)	7,999,250
Cost of sales, SG&A and R&D expenses	892,513	6,016,582	220,265	284,670	7,414,030	(16,435)	7,397,595
Segment income	56,378	441,753	74,602	28,922	601,655	—	601,655
Assets	1,099,010	5,169,665	5,607,371	299,649	12,175,695	(667,377)	11,508,318
Depreciation and amortization	29,121	215,526	2,270	8,802	255,719	—	255,719
Capital expenditures	44,418	351,095	126,845	7,795	530,153	—	530,153

As of and for the nine months ended December 31, 2007

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Consolidated
Net sales and other operating revenue:							
External customers	1,114,635	7,132,725	395,535	304,388	8,947,283	—	8,947,283
Intersegment	—	—	11,807	16,073	27,880	(27,880)	—
Total	1,114,635	7,132,725	407,342	320,461	8,975,163	(27,880)	8,947,283
Cost of sales, SG&A and R&D expenses	1,016,101	6,550,650	320,905	303,242	8,190,898	(27,880)	8,163,018
Segment income	98,534	582,075	86,437	17,219	784,265	—	784,265
Assets	1,230,350	5,738,024	6,273,168	323,987	13,565,529	(541,944)	13,023,585
Depreciation and amortization	34,506	262,765	69,229	8,834	375,334	—	375,334
Capital expenditures	53,196	390,439	608,913	17,036	1,069,584	—	1,069,584

Explanatory notes:

- Intersegment sales and revenues are generally made at values that approximate arm's-length prices.
- Unallocated corporate assets, included in reconciling items, amounted to JPY 301,005 million as of December 31, 2006 and JPY 362,408 million as of December 31, 2007, which consist primarily of cash and cash equivalents and marketable securities held by the Company. Reconciling items also include elimination of intersegment transactions.
- Depreciation and amortization of Financial Services Business include depreciation of property on operating leases, which were JPY 1,607 million and JPY 68,493 million for the fiscal nine months ended December 31, 2006 and the fiscal nine months ended December 31, 2007, respectively.
- Capital expenditure of Financial Services Business includes the purchase of operating lease assets, which were JPY 126,223 million and JPY 608,485 million for the fiscal nine months ended December 31, 2006 and the fiscal nine months ended December 31, 2007, respectively.
- Certain revisions for misclassifications and reclassifications have been made to the consolidated financial statements for the three months and the fiscal nine months ended December 31, 2006 to conform to the presentation used for the same period in 2007.

[8] Supplemental Geographical Information

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

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

(A) As of and for the three months ended December 31, 2006

	Yen (millions)							Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	
Net sales and other operating revenue:								
External customers	508,744	1,568,971	254,297	249,372	187,268	2,768,652	—	2,768,652
Transfers between geographic areas	715,104	43,215	17,389	54,081	5,787	835,576	(835,576)	—
Total	1,223,848	1,612,186	271,686	303,453	193,055	3,604,228	(835,576)	2,768,652
Cost of sales, SG&A and R&D expenses	1,181,929	1,493,978	267,918	283,199	177,006	3,404,030	(840,488)	2,563,542
Operating income	41,919	118,208	3,768	20,254	16,049	200,198	4,912	205,110

As of and for the three months ended December 31, 2007

	Yen (millions)							Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	
Net sales and other operating revenue:								
External customers	515,041	1,600,090	336,651	320,565	272,467	3,044,814	—	3,044,814
Transfers between geographic areas	731,083	40,493	25,098	92,846	12,144	901,664	(901,664)	—
Total	1,246,124	1,640,583	361,749	413,411	284,611	3,946,478	(901,664)	3,044,814
Cost of sales, SG&A and R&D expenses	1,189,899	1,484,205	355,928	375,063	252,821	3,657,916	(889,345)	2,768,571
Operating income	56,225	156,378	5,821	38,348	31,790	288,562	(12,319)	276,243

(B) As of and for the nine months ended December 31, 2006

	Yen (millions)							Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total			
Net sales and other operating revenue:									
External customers	1,528,151	4,384,934	806,855	732,941	546,369	7,999,250	—	7,999,250	
Transfers between geographic areas	1,980,820	116,240	100,748	171,560	19,967	2,389,335	(2,389,335)	—	
Total	3,508,971	4,501,174	907,603	904,501	566,336	10,388,585	(2,389,335)	7,999,250	
Cost of sales, SG&A and R&D expenses	3,349,102	4,172,758	888,312	846,548	513,611	9,770,331	(2,372,736)	7,397,595	
Operating income	159,869	328,416	19,291	57,953	52,725	618,254	(16,599)	601,655	
Assets	2,845,451	6,694,409	863,274	870,328	385,851	11,659,313	(150,995)	11,508,318	
Long-lived assets	931,376	798,658	194,610	200,335	85,758	2,210,737	—	2,210,737	

As of and for the nine months ended December 31, 2007

	Yen (millions)							Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total			
Net sales and other operating revenue:									
External customers	1,483,939	4,653,559	1,082,813	973,501	753,471	8,947,283	—	8,947,283	
Transfers between geographic areas	2,154,002	127,525	70,026	248,869	25,356	2,625,778	(2,625,778)	—	
Total	3,637,941	4,781,084	1,152,839	1,222,370	778,827	11,573,061	(2,625,778)	8,947,283	
Cost of sales, SG&A and R&D expenses	3,447,739	4,411,634	1,119,952	1,113,643	695,124	10,788,092	(2,625,074)	8,163,018	
Operating income	190,202	369,450	32,887	108,727	83,703	784,969	(704)	784,265	
Assets	3,020,771	7,418,111	963,723	1,097,331	556,412	13,056,348	(32,763)	13,023,585	
Long-lived assets	1,030,986	1,588,850	188,609	257,169	120,126	3,185,740	—	3,185,740	

Explanatory notes:

- Major countries or regions in each geographic area:

North America	United States, Canada, Mexico
Europe	United Kingdom, Germany, France, Italy, Belgium
Asia	Thailand, Indonesia, China, India
Others	Brazil, Australia
- Intersegment sales and revenues are generally made at values that approximate arm's-length prices.
- Unallocated corporate assets, included in reconciling items, amounted to JPY 301,005 million as of December 31, 2006 and JPY 362,408 million as of December 31, 2007, which consist primarily of cash and cash equivalents and marketable securities held by the Company. Reconciling items also include elimination of intersegment transactions.
- Certain revisions for misclassifications and reclassifications have been made to the consolidated financial statements for the three months and the fiscal nine months ended December 31, 2006 to conform to the presentation used for the same period in 2007.

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

For the three months ended December 31, 2006

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	1,563,991	259,516	301,469	222,983	2,347,959
Consolidated sales					2,768,652
Overseas sales ratio to consolidated sales	56.5%	9.4%	10.9%	8.0%	84.8%

For the three months ended December 31, 2007

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	1,594,741	341,023	393,438	333,034	2,662,236
Consolidated sales					3,044,814
Overseas sales ratio to consolidated sales	52.4%	11.2%	12.9%	10.9%	87.4%

For the nine months ended December 31, 2006

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	4,369,853	816,391	923,303	645,729	6,755,276
Consolidated sales					7,999,250
Overseas sales ratio to consolidated sales	54.6%	10.2%	11.5%	8.1%	84.4%

For the nine months ended December 31, 2007

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	4,637,241	1,095,566	1,179,397	898,585	7,810,789
Consolidated sales					8,947,283
Overseas sales ratio to consolidated sales	51.8%	12.2%	13.2%	10.1%	87.3%

Explanatory note:

Major countries or regions in each geographic area:

North America	United States, Canada, Mexico
Europe	United Kingdom, Germany, France, Italy, Belgium
Asia	Thailand, Indonesia, China, India
Others	Brazil, Australia

CONSOLIDATED FINANCIAL SUMMARY 1

FOR THE FISCAL THIRD QUARTER AND THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2007

Unit (thousands), Yen (billions)	Third Quarter Results				Nine Months Results				Fiscal Year Forecasts			
	3 months ended Dec. 31, 2006	3 months ended Dec. 31, 2007	Note 1 change	%	9 months ended Dec. 31, 2006	9 months ended Dec. 31, 2007	Note 1 change	%	Year ended Mar. 31, 2007	Year ending Mar. 31, 2008	Note 1 change	%
Net sales and other operating revenue	2,768.6	3,044.8	276.1	10.0%	7,999.2	8,947.2	948.0	11.9%	11,087.1	12,150.0	1,062.8	9.6%
Operating income	205.1	276.2	71.1	34.7%	601.6	784.2	182.6	30.4%	851.8	920.0	68.1	8.0%
<as a percentage of net sales>	< 7.4% >	< 9.1% >			< 7.5% >	< 8.8% >			< 7.7% >	< 7.6% >		
Income before income taxes, minority interest and equity in income of affiliates	198.7	260.7	61.9	31.2%	553.7	748.9	195.2	35.2%	792.8	915.0	122.1	15.4%
<as a percentage of net sales>	< 7.2% >	< 8.6% >			< 6.9% >	< 8.4% >			< 7.2% >	< 7.5% >		
Equity in income of affiliates	25.8	31.3	5.4	21.3%	83.4	94.5	11.1	13.3%	103.4	107.0	3.5	3.5%
<as a percentage of net sales>	< 0.9% >	< 1.0% >			< 1.0% >	< 1.1% >			< 0.9% >	< 0.9% >		
Net income	144.8	200.0	55.1	38.1%	416.1	574.6	158.4	38.1%	592.3	690.0	97.6	16.5%
<as a percentage of net sales>	< 5.2% >	< 6.6% >			< 5.2% >	< 6.4% >			< 5.3% >	< 5.7% >		
Remarks	*Net sales and other operating revenue, operating income, income before income taxes, minority interest and equity in income of affiliates, equity in income of affiliates and net income set record highs for the fiscal third quarter.				*Net sales and other operating revenue, operating income, income before income taxes, minority interest and equity in income of affiliates, equity in income of affiliates and net income set record highs for the fiscal nine months.							
Change Factors in Operating income	71.1				182.6				68.1			
Change in revenue, model mix, etc., excluding currency effects	64.6				198.3				166.3			
Cost reduction, the effect of raw material cost fluctuations, etc.	9.9				- 20.1				4.0			
Change in SG&A expenses, excluding currency effects	- 2.2				- 35.6				- 102.0			
Change in R&D expenses	- 4.1				- 40.5				- 33.2			
Currency effects	2.9				80.5				33.0			
Change in average rates	(- 1.6)				(45.4)				(11.0)			
Translation effects	(4.6)				(35.1)				(22.0)			
Change Factors in Other income/expenses	- 9.1				12.5				54.0			
Change in fair value of derivative instruments	- 17.0				13.5				14.0			
Others	7.8				- 1.0				40.0			
Honda's average rates	USD=	JPY 118	JPY 113		JPY 116	JPY 117		JPY 117	JPY 114 (4Q: JPY 105)			
	EUR=	JPY 152	JPY 164		JPY 148	JPY 163		JPY 151	JPY 161 (4Q: JPY 155)			
Capital expenditures excluding purchase of operating lease assets	133.0	135.6	135.6		403.9	461.0		627.0	745.0			
Purchase of operating lease assets	126.2	160.5	160.5		126.2	608.4		366.7				
Depreciation and amortization excluding property on operating lease	98.5	107.6	107.6		254.1	306.8		361.7	414.0			
Depreciation of property on operating leases	1.6	28.2	28.2		1.6	68.4		9.7				
Research and development expenses	143.0	147.2	147.2		387.9	428.5		551.8	585.0			
Unit Sales	Note 3				Note 4							
Motorcycle business	2,765	2,366	- 399	- 14.4%	7,961	6,952	- 1,009	- 12.7%	10,369	9,230	- 1,139	- 11.0%
(motorcycles only)	(2,712)	(2,308)	(- 404)	(- 14.9%)	(7,787)	(6,787)	(- 1,000)	(- 12.8%)	(10,121)	(9,000)	(- 1,121)	(- 11.1%)
Japan	71	54	- 17	- 23.9%	258	245	- 13	- 5.0%	337	330	- 7	- 2.1%
(motorcycles only)	(71)	(54)	(- 17)	(- 23.9%)	(258)	(245)	(- 13)	(- 5.0%)	(337)	(330)	(- 7)	(- 2.1%)
North America	107	102	- 5	- 4.7%	339	303	- 36	- 10.6%	503	460	- 43	- 8.5%
(motorcycles only)	(60)	(52)	(- 8)	(- 13.3%)	(183)	(157)	(- 26)	(- 14.2%)	(282)	(250)	(- 32)	(- 11.3%)
Europe	56	61	5	8.9%	232	224	- 8	- 3.4%	329	295	- 34	- 10.3%
(motorcycles only)	(54)	(58)	(4)	(7.4%)	(225)	(216)	(- 9)	(- 4.0%)	(317)	(285)	(- 32)	(- 10.1%)
Asia	2,217	1,748	- 469	- 21.2%	6,189	5,016	- 1,173	- 19.0%	7,895	6,570	- 1,325	- 16.8%
(motorcycles only)	(2,217)	(1,748)	(- 469)	(- 21.2%)	(6,189)	(5,016)	(- 1,173)	(- 19.0%)	(7,895)	(6,570)	(- 1,325)	(- 16.8%)
Other Regions	314	401	87	27.7%	943	1,164	221	23.4%	1,305	1,575	270	20.7%
(motorcycles only)	(310)	(396)	(86)	(27.7%)	(932)	(1,153)	(221)	(23.7%)	(1,290)	(1,565)	(275)	(21.3%)
Automobile business	915	991	76	8.3%	2,695	2,874	179	6.6%	3,652	3,900	248	6.8%
Japan	156	145	- 11	- 7.1%	483	424	- 59	- 12.2%	672	615	- 57	- 8.5%
North America	471	481	10	2.1%	1,338	1,391	53	4.0%	1,788	1,835	47	2.6%
Europe	72	90	18	25.0%	222	282	60	27.0%	324	380	56	17.3%
Asia	155	188	33	21.3%	471	552	81	17.2%	620	750	130	21.0%
Other Regions	61	87	26	42.6%	181	225	44	24.3%	248	320	72	29.0%
Power product business	1,382	1,178	- 204	- 14.8%	4,293	3,965	- 328	- 7.6%	6,421	6,035	- 386	- 6.0%
Japan	124	123	- 1	- 0.8%	388	399	11	2.8%	527	550	23	4.4%
North America	615	361	- 254	- 41.3%	2,080	1,527	- 553	- 26.6%	3,103	2,420	- 683	- 22.0%
Europe	365	352	- 13	- 3.6%	1,001	1,022	21	2.1%	1,625	1,680	55	3.4%
Asia	161	202	41	25.5%	530	664	134	25.3%	760	960	200	26.3%
Other Regions	117	140	23	19.7%	294	353	59	20.1%	406	425	19	4.7%

Notes:
1 In this chart, "change" is calculated on the comparison with the same period of previous year.
2 Honda accounts for certain vehicle lease transactions with which Honda made contracts from the fiscal third quarter ended December 31, 2006 as operating leases, which were all previously accounted for as direct financing leases.
3 Unit sales are the total of sales of completed products of Honda and its consolidated subsidiaries, and sales of parts for local production at Honda's affiliates accounted for under the equity method.
4 Of the net sales of Honda-brand motorcycle products that are manufactured and sold by overseas affiliates accounted for under the equity method, those with respect to which parts for manufacturing were not supplied from Honda or its subsidiaries are not included in net sales and other operating revenue, in conformity with U.S. generally accepted accounting principles. Accordingly, these unit sales are not included in the financial results and forecasts.

This announcement contains "forward-looking statements" of Honda. Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time. The various factors for increases and decreases in income have been classified in accordance with a method that Honda considers reasonable.

CONSOLIDATED FINANCIAL SUMMARY 2 FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2007

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

	Yen (millions)			Yen (millions)	
	Mar. 31, 2007	Dec. 31, 2007	Change	Dec. 31, 2006	Change
Assets					
<Non-financial services businesses>					
Current Assets:	4,049,885	4,195,798	145,913	3,704,489	491,309
Cash and cash equivalents	921,309	933,999	12,690	698,772	235,227
Trade accounts and notes receivable, net	546,790	528,591	(18,199)	451,320	77,271
Inventories	1,183,116	1,349,894	166,778	1,170,848	179,046
Other current assets	1,398,670	1,383,314	(15,356)	1,383,549	(235)
Investments and advances	1,023,014	1,089,655	66,641	1,015,710	73,945
Property, plant and equipment, net	2,059,514	2,209,071	149,557	1,954,877	254,194
Other assets	417,325	467,226	49,901	394,879	72,347
Total assets	7,549,738	7,961,750	412,012	7,069,955	891,795
<Finance Subsidiaries>					
Cash and cash equivalents	24,237	29,539	5,302	18,285	11,254
Finance subsidiaries—short-term receivables, net	1,451,606	1,526,780	75,174	1,509,116	17,664
Finance subsidiaries—long-term receivables, net	3,040,572	3,082,330	41,758	3,202,150	(119,820)
Net property on operating leases	336,209	840,265	504,056	121,538	718,727
Other assets	841,580	794,254	(47,326)	756,282	37,972
Total assets	5,694,204	6,273,168	578,964	5,607,371	665,797
Reconciling Items	(1,207,442)	(1,211,333)	(3,891)	(1,169,008)	(42,325)
Total assets	12,036,500	13,023,585	987,085	11,508,318	1,515,267
Liabilities, Minority interests and Stockholders' Equity					
<Non-financial services businesses>					
Current liabilities:	2,359,648	2,245,909	(113,739)	2,076,896	169,013
Short-term debt	243,487	360,719	117,232	237,132	123,587
Current portion of long-term debt	19,713	19,071	(642)	17,565	1,506
Trade payables	1,182,894	1,053,650	(129,244)	976,875	76,775
Accrued expenses	671,467	572,291	(99,176)	580,818	(8,527)
Other current liabilities	242,087	240,178	(1,909)	264,506	(24,328)
Long-term debt, excluding current portion	55,468	47,762	(7,706)	55,638	(7,876)
Other liabilities	910,966	967,006	56,040	731,928	235,078
Total liabilities	3,326,082	3,260,677	(65,405)	2,864,462	396,215
<Finance Subsidiaries>					
Short-term debt	1,842,119	2,135,784	293,665	1,963,237	172,547
Current portion of long-term debt	758,855	954,760	195,905	726,413	228,347
Accrued expenses	178,236	168,542	(9,694)	175,035	(6,493)
Long-term debt, excluding current portion	1,869,470	1,939,112	69,642	1,723,097	216,015
Other liabilities	421,673	420,815	(858)	413,330	7,485
Total liabilities	5,070,353	5,619,013	548,660	5,001,112	617,901
Reconciling Items	(965,453)	(955,990)	9,463	(928,707)	(27,283)
Total liabilities	7,430,982	7,923,700	492,718	6,936,867	986,833
Minority interests in consolidated subsidiaries	122,907	140,720	17,813	118,194	22,526
Common stock	86,067	86,067	—	86,067	—
Capital surplus	172,529	172,529	—	172,529	—
Legal reserves	37,730	39,451	1,721	37,730	1,721
Retained earnings	4,654,890	5,114,834	459,944	4,509,692	605,142
Accumulated other comprehensive income (loss), net	(427,166)	(381,961)	45,205	(311,334)	(70,627)
Treasury stock	(41,439)	(71,755)	(30,316)	(41,427)	(30,328)
Total stockholders' equity	4,482,611	4,959,165	476,554	4,453,257	505,908
Total liabilities, minority interests and stockholders' equity	12,036,500	13,023,585	987,085	11,508,318	1,515,267

Notes: Certain revisions for misclassifications and reclassifications have been made to the prior years' consolidated financial statements to conform to the presentation used for the fiscal nine months ended December 31, 2007.

CONSOLIDATED FINANCIAL SUMMARY 3 FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2007

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

	Yen (millions)			
	Non-financial services businesses	Finance subsidiaries	Reconciling Items	Consolidated
For the nine months ended December 31, 2006				
Cash flows from operating activities:				
Net Income	382,424	33,727	(13)	416,138
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	253,449	2,270	—	255,719
Deferred income taxes	(2,075)	4,584	—	2,509
Minority interest in income	16,375	9	—	16,384
Equity in income of affiliates	(83,448)	—	—	(83,448)
Dividends from affiliates	37,955	—	—	37,955
Loss (gain) on derivative instruments, net	41,857	21,769	—	63,626
Decrease (increase) in trade accounts and notes receivable	84,942	40,252	(6,268)	118,926
Decrease (increase) in inventories	(86,075)	—	—	(86,075)
Increase (decrease) in trade accounts and notes payable	(121,325)	—	(501)	(121,826)
Other, net	(102,678)	(19,042)	5,219	(116,501)
Net cash provided by operating activities	421,401	83,569	(1,563)	503,407
Cash flows from investing activities:				
* Decrease (increase) in investments and advances	73,283	—	(51,339)	21,944
Capital expenditures	(414,382)	(622)	—	(415,004)
Proceeds from sales of property, plant and equipment	12,926	307	—	13,233
Decrease (increase) in finance subsidiaries-receivables	—	(411,462)	25,084	(386,378)
Purchase of operating lease assets	—	(126,223)	—	(126,223)
Proceeds from sales of operating lease assets	—	—	—	—
Net cash used in investing activities	(328,173)	(538,000)	(26,255)	(892,428)
Cash flows from financing activities:				
* Increase (decrease) in short-term debt, net	27,264	348,741	35,324	411,329
* Proceeds from long-term debt	15,347	616,678	(2,592)	629,433
* Repayment of long-term debt	(12,503)	(520,563)	2,686	(530,380)
Proceeds from issuance of common stock	—	7,613	(7,613)	—
Cash dividends paid	(109,507)	—	13	(109,494)
Cash dividends paid to minority interests	(7,032)	—	—	(7,032)
Payment for purchase of treasury stock, net	(26,679)	—	—	(26,679)
Net cash provided by (used in) financing activities	(113,110)	452,469	27,818	367,177
Effect of exchange rate changes on cash and cash equivalents	21,458	655	—	22,113
Net change in cash and cash equivalents	1,576	(1,307)	—	269
Cash and cash equivalents at beginning of period	697,196	19,592	—	716,788
Cash and cash equivalents at end of period	698,772	18,285	—	717,057

CONSOLIDATED FINANCIAL SUMMARY 4 FOR THE FISCAL NINE MONTHS ENDED DECEMBER 31, 2007

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

	Yen (millions)			
	Non-financial services businesses	Finance subsidiaries	Reconciling Items	Consolidated
For the nine months ended December 31, 2007				
Cash flows from operating activities:				
Net Income	543,830	30,791	(12)	574,609
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	306,105	69,229	—	375,334
Deferred income taxes	49,058	2,488	—	51,546
Minority interest in income	21,414	18	—	21,432
Equity in income of affiliates	(94,568)	—	—	(94,568)
Dividends from affiliates	40,419	—	—	40,419
Loss (gain) on derivative instruments, net	6,781	43,248	—	50,029
Decrease (increase) in trade accounts and notes receivable	34,990	60,840	(960)	94,870
Decrease (increase) in inventories	(154,792)	—	—	(154,792)
Increase (decrease) in trade accounts and notes payable	(108,483)	—	10,244	(98,239)
Other, net	(130,414)	17,198	(39,961)	(153,177)
Net cash provided by operating activities	514,340	223,812	(30,689)	707,463
Cash flows from investing activities:				
* Decrease (increase) in investments and advances	(16,560)	—	25,728	9,168
Capital expenditures	(492,659)	(428)	—	(493,087)
Proceeds from sales of property, plant and equipment	21,306	286	—	21,592
Decrease (increase) in finance subsidiaries-receivables	—	(193,528)	4,503	(189,025)
Purchase of operating lease assets	—	(608,485)	—	(608,485)
Proceeds from sales of operating lease assets	—	16,641	—	16,641
Net cash used in investing activities	(487,913)	(785,514)	30,231	(1,243,196)
Cash flows from financing activities:				
* Increase (decrease) in short-term debt, net	111,640	293,765	3,414	408,819
* Proceeds from long-term debt	14,041	866,267	—	880,308
* Repayment of long-term debt	(18,225)	(595,691)	28	(613,888)
Proceeds from issuance of common stock	—	2,996	(2,996)	—
Cash dividends paid	(112,681)	—	12	(112,669)
Cash dividends paid to minority interests	(8,504)	—	—	(8,504)
Payment for purchase of treasury stock, net	(30,771)	—	—	(30,771)
Net cash provided by (used in) financing activities	(44,500)	567,337	458	523,295
Effect of exchange rate changes on cash and cash equivalents	30,763	(333)	—	30,430
Net change in cash and cash equivalents	12,690	5,302	—	17,992
Cash and cash equivalents at beginning of period	921,309	24,237	—	945,546
Cash and cash equivalents at end of period	933,999	29,539	—	963,538

Notes:

- 1 Non-financial services businesses lend to finance subsidiaries. These cash flows are included in the decrease (increase) in investments and advances, increase (decrease) in short-term debt, proceeds from long-term debt, and repayment of long-term debt (marked by *). The amount of the loans to finance subsidiaries is a JPY 58,952 million decrease for the fiscal nine months ended December 31, 2006, and a JPY 22,732 million increase for the fiscal nine months ended December 31, 2007, respectively.
- 2 Decrease (increase) in trade accounts and notes receivable for finance subsidiaries is due to the reclassification of finance subsidiaries-receivables which relate to sales of inventory in the unaudited consolidated statements of cash flows presented above.
- 3 Certain revisions for misclassifications and reclassifications have been made to the prior years' consolidated financial statements to conform to the presentation used for the fiscal nine months ended December 31, 2007.

SUPPLEMENT 1 FOR CONSOLIDATED FINANCIAL SUMMARY

Unit (thousands, Yen (billions))	First Quarter	Second Quarter	Third Quarter	Nine Months	Fourth Quarter	Year ended	First Quarter	Second Quarter	Third Quarter	change	%	Nine Months	
	Results	Results	Results	ended Dec. 31, 2006 Results	Results	Mar. 31, 2007 Results	Results	Results	Results	Note 1		ended Dec. 31, 2007 Results	
Net sales and other operating revenue	2,599.7	2,630.8	2,768.6	7,999.2	3,087.8	11,087.1	2,931.1	2,971.3	3,044.8	276.1	10.0%	8,947.2	
Japan	396.0	427.1	420.6	1,243.9	437.2	1,681.1	371.3	382.5	382.5	- 38.1	- 9.1%	1,136.4	
Overseas	2,203.6	2,203.6	2,347.9	6,755.2	2,650.6	9,405.9	2,559.7	2,588.8	2,662.2	314.2	13.4%	7,810.7	
Operating income	203.5	193.0	205.1	601.6	250.2	851.8	221.6	286.3	276.2	71.1	34.7%	784.2	
Income before income taxes, minority interest and equity in income of affiliates	191.3	163.6	198.7	553.7	239.0	792.8	218.2	269.9	260.7	61.9	31.2%	748.9	
Equity in income of affiliates	30.1	27.4	25.8	83.4	19.9	103.4	37.0	26.2	31.3	5.4	21.3%	94.5	
Net income	143.4	127.9	144.8	416.1	176.1	592.3	166.1	208.4	200.0	55.1	38.1%	574.6	
Honda's average rates USD=	JPY 114	JPY 116	JPY 118	JPY 116	JPY 120	JPY 117	JPY 121	JPY 118	JPY 113	-JPY 5	- 4.4%	JPY 117	
Honda's average rates EUR=	JPY 144	JPY 148	JPY 152	JPY 148	JPY 157	JPY 151	JPY 162	JPY 162	JPY 164	JPY 12	7.3%	JPY 163	
Honda's transaction rates USD=	JPY 116	JPY 113	JPY 116	JPY 115	JPY 117	JPY 115	JPY 118	JPY 120	JPY 116	JPY 0	0.0%	JPY 118	
Honda's transaction rates EUR=	JPY 139	JPY 143	JPY 146	JPY 142	JPY 150	JPY 144	JPY 155	JPY 159	JPY 162	JPY 16	9.9%	JPY 159	
Capital expenditures excluding purchase of operating lease assets	98.0	172.8	133.0	403.9	223.1	627.0	132.6	192.7	135.6	2.6	2.0%	461.0	
Purchase of operating lease assets	Note 2	-	-	126.2	126.2	240.5	366.7	261.0	186.8	160.5	34.3	27.2%	608.4
Depreciation and amortization excluding property on operating leases	75.1	80.3	98.5	254.1	107.6	361.7	98.5	100.6	107.6	9.0	9.2%	306.8	
Depreciation of property on operating leases	-	-	1.6	1.6	8.1	9.7	16.4	23.8	28.2	26.6	-	68.4	
Research and development expenses	116.3	128.6	143.0	387.9	163.8	551.8	141.5	139.7	147.2	4.1	2.9%	428.5	
Unit sales	Note 3												
based on the location of external customers													
Unit sales in motorcycle business	2,380	2,816	2,765	7,961	2,408	10,369	2,253	2,333	2,366	- 399	- 14.4%	6,952	
(motorcycles only)	Note 4	(2,338)	(2,737)	(2,712)	(7,787)	(2,334)	(10,121)	(2,211)	(2,268)	(2,308)	(- 404)	(- 14.9%)	(6,787)
Japan	89	98	71	258	79	337	84	107	54	- 17	- 23.9%	245	
(motorcycles only)	(89)	(98)	(71)	(258)	(79)	(337)	(84)	(107)	(54)	(- 17)	(- 23.9%)	(245)	
North America	89	143	107	339	164	503	80	121	102	- 5	- 4.7%	303	
(motorcycles only)	(53)	(70)	(60)	(183)	(99)	(282)	(44)	(61)	(52)	(- 8)	(- 13.3%)	(157)	
Europe	105	71	56	232	97	329	95	68	61	5	8.9%	224	
(motorcycles only)	(102)	(69)	(54)	(225)	(92)	(317)	(93)	(65)	(58)	(4)	(7.4%)	(216)	
Asia	1,809	2,163	2,217	6,189	1,706	7,895	1,623	1,645	1,748	- 469	- 21.2%	5,016	
(motorcycles only)	(1,809)	(2,163)	(2,217)	(6,189)	(1,706)	(7,895)	(1,623)	(1,645)	(1,748)	(- 469)	(- 21.2%)	(5,016)	
Other Regions	288	341	314	943	362	1,305	371	392	401	87	27.7%	1,164	
(motorcycles only)	(285)	(337)	(310)	(932)	(358)	(1,290)	(367)	(390)	(396)	(86)	(27.7%)	(1,153)	
Unit sales in automobile business	896	884	915	2,695	957	3,652	946	937	991	76	8.3%	2,874	
Japan	156	171	156	483	189	672	136	143	145	- 11	- 7.1%	424	
North America	456	411	471	1,338	450	1,788	465	445	481	10	2.1%	1,391	
Europe	71	79	72	222	102	324	92	100	90	18	25.0%	282	
Asia	153	163	155	471	149	620	187	177	188	33	21.3%	552	
Other Regions	60	60	61	181	67	248	66	72	87	26	42.6%	225	
Unit sales in power product business	1,724	1,187	1,382	4,293	2,128	6,421	1,529	1,258	1,178	- 204	- 14.8%	3,965	
Japan	137	127	124	388	139	527	135	141	123	- 1	- 0.8%	399	
North America	971	494	615	2,080	1,023	3,103	687	479	361	- 254	- 41.3%	1,527	
Europe	382	254	365	1,001	624	1,625	390	280	352	- 13	- 3.6%	1,022	
Asia	162	207	161	530	230	760	220	242	202	41	25.5%	664	
Other Regions	72	105	117	294	112	406	97	116	140	23	19.7%	353	
Interest bearing debt	3,472.9	3,715.5	3,879.4	/	3,947.0	/	4,282.6	4,293.1	4,611.4	732.0	18.9%	/	
Non-financial services businesses	234.2	194.1	310.3	/	318.6	/	310.7	312.5	427.5	117.2	37.8%	/	
Finance subsidiaries	4,077.0	4,368.1	4,412.7	/	4,470.4	/	4,888.7	4,839.1	5,029.6	616.9	14.0%	/	
Reconciling items	- 838.3	- 846.7	- 843.6	/	- 842.0	/	- 916.7	- 858.4	- 845.7	- 2.0	0.2%	/	
Total Asset	10,729.1	11,191.0	11,508.3	/	12,036.5	/	12,655.4	12,657.7	13,023.5	1,515.2	13.2%	/	
Total stockholders' equity	4,156.4	4,312.2	4,453.2	/	4,482.6	/	4,752.5	4,836.7	4,959.1	505.9	11.4%	/	
Basic net income per common share	JPY 78.46	JPY 70.05	JPY 79.45	JPY 227.96	JPY 96.70	JPY 324.62	JPY 91.38	JPY 114.94	JPY 110.25	JPY 30.80	38.8%	316.49	

Notes :

- In this chart, "change" is calculated on the comparison with the same period of previous year.
- Honda accounts for certain vehicle lease transactions with which Honda made contracts from the fiscal third quarter ended December 31, 2006 as operating leases, which were all previously accounted for as direct financing leases.
- Unit sales are the total of sales of completed products of Honda and its consolidated subsidiaries, and sales of parts for local production at Honda's affiliates accounted for under the equity method.
- Of the net sales of Honda-brand motorcycle products that are manufactured and sold by overseas affiliates accounted for under the equity method, those with respect to which parts for manufacturing were not supplied from Honda or its subsidiaries are not included in net sales and other operating revenue, in conformity with U.S. generally accepted accounting principles. Accordingly, these unit sales are not included in the financial results and forecasts.

SUPPLEMENT 2 FOR CONSOLIDATED FINANCIAL SUMMARY

Unit (thousands), Yen (billions)													Nine Months ended Dec. 31, 2007 Results
	First Quarter Results	Second Quarter Results	Third Quarter Results	Nine Months ended Dec. 31, 2006 Results	Fourth Quarter Results	Year ended Mar. 31, 2007 Results	First Quarter Results	Second Quarter Results	Third Quarter Results	change Note 1	%		
Net sales and other operating revenue	Note 2	2,599.7	2,630.8	2,768.6	7,999.2	3,087.8	11,087.1	2,931.1	2,971.3	3,044.8	276.1	10.0%	8,947.2
Business segments													
Motorcycle business		310.1	335.5	303.2	948.8	421.7	1,370.6	368.3	381.6	364.6	61.4	20.3%	1,114.6
Automobile business		2,095.6	2,098.8	2,263.8	6,458.3	2,430.7	8,889.0	2,327.2	2,356.4	2,449.0	185.1	8.2%	7,132.7
Financial services business		90.8	98.9	105.0	294.8	118.4	413.3	129.8	137.8	139.6	34.6	33.0%	407.3
Power product & other businesses		108.4	100.0	105.0	313.5	125.3	438.9	115.2	105.0	100.2	- 4.8	- 4.6%	320.4
Reconciling items		- 5.3	- 2.4	- 8.6	- 16.4	- 8.3	- 24.8	- 9.4	- 9.6	- 8.7	- 0.1	—	- 27.8
Geographical Information													
Japan		1,109.2	1,175.8	1,223.8	3,508.9	1,265.1	4,774.1	1,176.2	1,215.5	1,246.1	22.2	1.8%	3,637.9
North America		1,467.9	1,421.0	1,612.1	4,501.1	1,671.4	6,172.6	1,583.3	1,557.1	1,640.5	28.3	1.8%	4,781.0
Europe		325.1	310.7	271.6	907.6	440.1	1,347.7	400.2	390.8	361.7	90.0	33.1%	1,152.8
Asia		287.5	313.5	303.4	904.5	366.9	1,271.4	393.3	415.6	413.4	109.9	36.2%	1,222.3
Other Regions		176.9	196.3	193.0	566.3	231.3	797.6	226.3	267.9	284.6	91.5	47.4%	778.8
Reconciling items		- 767.0	- 786.6	- 835.5	- 2,389.3	- 887.0	- 3,276.3	- 848.3	- 875.7	- 901.6	- 66.0	—	- 2,625.7
Operating income	Note 2	203.5	193.0	205.1	601.6	250.2	851.8	221.6	286.3	276.2	71.1	34.7%	784.2
Business segments													
Motorcycle business		13.1	32.0	11.1	56.3	44.2	100.6	31.1	37.0	30.3	19.2	172.2%	98.5
Automobile business		150.0	130.8	160.7	441.7	157.7	599.5	148.3	213.0	220.7	59.9	37.3%	582.0
Financial services business		29.2	22.6	22.7	74.6	40.9	115.5	34.2	29.3	22.9	0.1	0.7%	86.4
Power product & other businesses		11.0	7.4	10.4	28.9	7.2	36.1	7.9	6.9	2.2	- 8.1	- 78.3%	17.2
Reconciling items		—	—	—	—	—	—	—	—	—	—	—	—
Geographical Information													
Japan		48.9	68.9	41.9	159.8	68.2	228.1	60.6	73.3	56.2	14.3	34.1%	190.2
North America		114.4	95.7	118.2	328.4	128.4	456.8	97.0	116.0	156.3	38.1	32.3%	369.4
Europe		6.4	9.0	3.7	19.2	12.6	31.9	10.3	16.7	5.8	2.0	54.5%	32.8
Asia		19.4	18.2	20.2	57.9	19.2	77.1	36.9	33.4	38.3	18.0	89.3%	108.7
Other Regions		15.2	21.4	16.0	52.7	19.5	72.2	21.7	30.1	31.7	15.7	98.1%	83.7
Reconciling items		- 1.0	- 20.4	4.9	- 16.5	2.1	- 14.4	- 4.9	16.6	- 12.3	- 17.2	—	- 0.7

- Notes :
- In this chart, "change" is calculated on the comparison with the same period of previous year.
 - The geographical information of net sales and other operating revenue and operating income are based on the location of the company and its subsidiaries.