

April 25, 2008

**HONDA MOTOR CO., LTD. REPORTS
CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL FOURTH QUARTER AND
THE FISCAL YEAR ENDED MARCH 31, 2008**

Tokyo, April 25, 2008--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal fourth quarter and the fiscal year ended March 31, 2008.

Fourth Quarter Results

Honda's consolidated net income for the fiscal fourth quarter ended March 31, 2008 totaled JPY 25.4 billion (USD 254 million), a decrease of 85.6% from the same period in 2007, due to, among other things, increased income taxes. Basic net income per common share for the quarter amounted to JPY 14.01 (USD 0.14), a decrease of JPY 82.69 from JPY 96.70 for the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated net sales and other operating revenue (herein referred to as "revenue") for the quarter amounted to JPY 3,055.5 billion (USD 30,498 million), a decrease of 1.0% from the same period in 2007. Honda estimates that if calculated at the same exchange rate as the corresponding period in 2007, revenue for the quarter would have increased by approximately 4.4%.

Consolidated operating income for the quarter totaled JPY 168.8 billion (USD 1,685 million), a decrease of 32.5% compared to the same period last year. This decrease in operating income was primarily due to the negative impact of sales incentives in North America, increased raw material costs, depreciation expenses and SG&A expenses and currency effects caused by the appreciation of the Japanese yen, offsetting the positive impact of increased unit sales in automobile business, continuing cost reduction efforts and decreased R&D expenses.

Consolidated income before income taxes, minority interest and equity in income of affiliates for the quarter totaled JPY 146.8 billion (USD 1,466 million), a decrease of 38.6% from the same period in 2007.

Equity in income of affiliates amounted to JPY 24.3 billion (USD 243 million) for the quarter, an increase of 22.1% from the corresponding period last year. Equity in income of affiliates set record high for the fiscal fourth quarter.

Business Segment

With respect to Honda's sales for the fiscal fourth quarter by business segment, motorcycle unit sales totaled 2,368 thousand units, a decrease of 1.7% from the same period last year. Unit sales in Japan totaled 66 thousand units, a decrease of 16.5% compared to the same period last year. Overseas unit sales was 2,302 thousand units, a decrease of 1.2% from the same period in 2007*, due mainly to a decline in unit sales in North America, Europe and Asia, more than offsetting favorable unit sales in other regions mainly in Latin America. Revenue from external customers increased 5.3%, to JPY 444.0 billion (USD 4,432 million) from the same period last year, due mainly to increased revenue in Asia and other regions. Operating income increased by 19.3% to JPY 52.7 billion (USD 527 million) from the same period last year, due mainly to continuing cost reduction efforts, favorable model mix, decreased R&D expenses and positive currency effects mainly caused by weaker Japanese yen against the Brazilian real, 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 1,280 thousand units for the period.

Honda's automobile unit sales totaled 1,051 thousand units, an increase of 9.8% from the same period last year. In Japan, unit sales amounted to 191 thousand units, an increase of 1.1% from the same period last year. Overseas unit sales increased 12.0% to 860 thousand units from the corresponding period last year, due mainly to increased unit sales in all regions.

Revenue from external customers decreased 3.0% to JPY 2,356.6 billion (USD 23,522 million) from the same period in 2007, due mainly to the negative impact of currency translation effect. Operating income decreased 49.6% to JPY 79.5 billion (USD 794 million) from the same period last year, due primarily to increased sales incentives in North America, the negative currency effects caused by appreciation of the Japanese yen, increased SG&A expenses and increased raw material costs, more than offsetting ongoing cost reduction efforts, increased unit sales and decreased R&D expenses.

Revenue from customers in financial services business increased 17.5% to JPY 138.0 billion (USD 1,378 million) from the same period in 2007, due mainly to an increase in operating lease revenues. Operating income decreased 23.4% to JPY 31.3 billion (USD 313 million) from the same period in 2007, due primarily to the increased SG&A expenses.

Honda's power product unit sales totaled 2,092 thousand units, a decrease of 1.7% from the same period in 2007. In Japan, unit sales totaled 151 thousand units, an increase of 8.6% from the same period last year. Overseas unit sales totaled 1,941 thousand units, a decrease of 2.4% from the corresponding period last year, due primarily to a decline of unit sales in North America.

Revenue from external customers in power product and other businesses decreased by 1.0% to JPY 116.8 billion (USD 1,166 million) from the same period last year, due mainly to decreased unit sales of power products and the negative impact of currency translation effects. Operating income decreased 29.2% to JPY 5.1 billion (USD 51 million) from the same period in 2007. This was primarily due to increased SG&A expenses and R&D expenses and the negative currency effects caused by the appreciation of the Japanese yen.

Geographical Information

With respect to Honda's sales for the fiscal fourth quarter by geographic area, in Japan, revenue for domestic and exports sales amounted to JPY 1,251.0 billion (USD 12,487 million), down 1.1% compared to the same period last year, due primarily to decreased revenue in motorcycle business. Operating income totaled JPY 2.3 billion (USD 24 million), down 96.5% from the same period last year due primarily to the negative impact of the currency effects caused by the appreciation of the Japanese yen and increased raw material costs.

In North America, revenue decreased by 11.2% to JPY 1,484.1 billion (USD 14,814 million) from the same period in 2007 due mainly to the negative impact of the currency translation effects. Operating income decreased by 50.8% to JPY 63.1 billion (USD 631 million) from the same period last year due primarily to increased sales incentives in automobile business, increased SG&A expenses, the negative impact of currency effects caused by appreciation of the Japanese yen and increased raw material costs, which compressed the positive impact of the increased unit sales of automobile business.

In Europe, revenue increased by 0.3% to JPY 441.3 billion (USD 4,405 million), from the same period in 2007 due primarily to increased revenue in automobile business. Operating income increased by 47.0% to JPY 18.6 billion (USD 186 million) from the same period last year due primarily to continuing cost reduction efforts and higher revenue, offsetting increased SG&A expenses.

In Asia, revenue increased by 13.4% to JPY 415.9 billion (USD 4,151 million) from the same period last year due primarily to increased revenue in motorcycle business and automobile business, offsetting the negative impact of the currency translation effects. Operating income increased by 14.6% to JPY 21.9 billion (USD 220 million) from the corresponding period last year due mainly to higher revenue, 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 35.7% to JPY 313.9 billion (USD 3,134 million) compared to the same period last year due mainly to increased revenue in all business segments. Operating income increased by 67.8% to JPY 32.7 billion (USD 327 million)

from the corresponding period in 2007 due mainly to the positive currency effects mainly caused by depreciation of the Japanese yen against the Brazilian real, higher revenue, continuing cost reduction efforts, offsetting increased SG&A expenses.

Fiscal Year Results

Honda's consolidated net income for the fiscal year ended March 31, 2008 totaled JPY 600.0 million (USD 5,989 billion), an increase of 1.3% from the previous fiscal year. Basic net income per common share for the period amounted to JPY 330.54 (USD 3.30), an increase of JPY 5.92 over the JPY 324.62 for the previous fiscal year.

Consolidated revenue for the period amounted to JPY 12,002.8 billion (USD 119,801 million), an increase of 8.3% from the previous fiscal year. Consolidated operating income for the period totaled JPY 953.1 billion (USD 9,513 million), an increase of 11.9% compared to the previous fiscal year. This increase in operating income was due mainly to higher revenue, continuing cost reduction efforts and positive currency effects, 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 895.8 billion (USD 8,941 million), an increase of 13.0% from the previous fiscal year.

Equity in income of affiliates amounted to JPY 118.9 billion (USD 1,187 million) for the period, an increase of 15.0% from the previous fiscal year.

Revenue, operating income, income before income taxes, equity in income of affiliates and net income renewed record highs for the fiscal year.

Business Segment

With respect to Honda sales for the fiscal year by business segment, motorcycle unit sales totaled 9,320 thousand units, a decrease of 10.1% from the previous fiscal year. Unit sales in Japan totaled 311 thousand units, a decrease of 7.7%. Overseas unit sales was 9,009 thousand units, a decrease of 10.2%* from the previous fiscal year, due mainly to decreased units sales of parts for local production at Honda's affiliates accounted for under the equity method in Asia, offsetting increased unit sales in other regions especially in Latin America. Revenue from external customers increased 13.7%, to JPY 1,558.6 billion (USD 15,557 million) from the same period in 2007, due mainly to increased revenue mainly in Asia and other regions and the positive impact of currency translation effects. Operating income increased by 50.4 % to JPY 151.2 billion (USD 1,510 million) from the previous fiscal year, due mainly to the positive currency effects caused by depreciation of the Japanese yen against

Brazilian real and the favorable model mix, offsetting increased R&D expenses and 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 4,580 thousand units for the period.

Honda's automobile unit sales was 3,925 thousand units, an increase of 7.5% from the previous fiscal year. In Japan, unit sales decreased 8.5% to 615 thousand units, while overseas unit sales increased 11.1% to 3,310 thousand units. Revenue from external customers increased 6.8% to JPY 9,489.3 billion (USD 94,714 million) from the previous fiscal year due to increased unit sales and the positive impact of currency translation effects. Operating income increased 10.4% to JPY 661.6 billion (USD 6,604 million) from the previous fiscal year.

Revenue from customers in financial services business increased 30.2% to JPY 533.5 billion (USD 5,325 million) from the previous fiscal year. Operating income increased 2.0% to JPY 117.7 billion (USD 1,176 million) from the previous fiscal year, due mainly to higher revenue, which offset increased SG&A expenses.

Honda's power products unit sales was 6,057 thousand units, down 5.7 % from the previous fiscal year. In Japan, unit sales totaled 550 thousand units, an increase of 4.4% from the previous fiscal year. Overseas unit sales decreased 6.6%, to 5,507 thousand units, due mainly to decreased unit sales in North America. Revenue from external customers in power product and other businesses increased by 0.8% to JPY 421.1 billion (USD 4,204 million) from the previous fiscal year. Operating income was JPY 22.3 billion (USD 223 million), a decrease of 38.2% from the previous fiscal year, due mainly to increased SG&A expenses and the increased R&D expenses in other businesses.

Geographical Information

With respect to Honda's sales for the fiscal year by geographical segment, in Japan, revenue for domestic and exports sales was JPY 4,889.0 billion (USD 48,798 million), up 2.4% compared to the previous fiscal year. Operating income was JPY 192.5 billion (USD 1,922 million), down 15.6% from the previous fiscal year, due primarily to increased R&D expenses, increased depreciation expenses and increased raw material costs, which more than offset the positive impact of continuing cost reduction efforts and higher revenue.

In North America, revenue increased by 1.5% to JPY 6,265.2 billion (USD 62,534 million) from the previous fiscal year, due mainly to increased sales in automobile business, offsetting the negative impact of the currency translation effects. Operating income decreased by 5.3% to JPY 432.6 billion (USD 4,318 million) from the previous fiscal year.

In Europe, revenue increased by 18.3% to JPY 1,594.2 billion (USD 15,912 million) compared to the previous fiscal year, due primarily to increased revenue in automobile business and the positive impact of the currency translation effects. Operating income increased by 61.1% to JPY 51.5 billion (USD 514 million) from the previous fiscal year, due primarily to higher revenue and continuing cost reduction efforts.

In Asia, revenue increased by 28.9% to JPY 1,638.2 billion (USD 16,352 million) from the previous fiscal year, due primarily to increased revenue in motorcycle business and automobile business. Operating income increased by 69.4% to JPY 130.7 billion (USD 1,305 million) from the previous fiscal year, due mainly to higher revenue and positive currency effects, offsetting increased SG&A expenses.

In other regions, revenue increased by 37.0% to JPY 1,092.8 billion (USD 10,907 million) compared to the previous fiscal year, due mainly to increased sales in automobile, motorcycle and power product businesses and the positive impact of the currency translation effects. Operating income increased by 61.2% to JPY 116.4 billion (USD 1,163 million) from the previous fiscal year, due primarily to higher sales, positive currency effects and continuing cost reduction efforts, more than offsetting increased SG&A expenses.

Forecasts for the Fiscal Year Ending March 31, 2009

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2009, Honda projects consolidated and unconsolidated results to be as shown below:

FY2009 Forecasts for Consolidated Results

First half ending September 30, 2008

	<u>Yen (billions)</u>	<u>Changes from FY 2008</u>
Net sales and other operating revenue	5,780	- 2.1%
Operating income	300	- 40.9%
Income before income taxes and equity in income of affiliates	320	- 34.5%
Net income	230	- 38.6%
	<u>Yen</u>	
Basic net income per Common share	126.75	

Fiscal year ending March 31, 2009

	<u>Yen (billions)</u>	<u>Changes from FY 2008</u>
Net sales and other operating revenue	12,140	+ 1.1%
Operating income	650	- 31.8%
Income before income taxes and equity in income of affiliates	675	- 24.7%
Net income	490	- 18.3%
	<u>Yen</u>	
Basic net income per Common share	270.04	

FY2009 Forecasts for Unconsolidated Results

Fiscal year ending March 31, 2009

	<u>Yen (billions)</u>	<u>Changes from FY 2008</u>
Net sales	4,110	+ 0.5%
Operating income	23	- 83.6%
Ordinary income	192	- 45.3%
Net income	157	- 47.4%

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 100 and JPY 155, respectively, for the first half of the year ending March 31, 2009, and JPY 100 and JPY 155, respectively, for the full year ending March 31, 2009.

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. The various factors for increases and decreases in income have been classified in accordance with a method that Honda considers reasonable.

Consolidated Statements of Cash Flows for the Fiscal Year

Consolidated cash and cash equivalents at the end of the period from April 1, 2007 through March 31, 2008 increased by JPY 105.3 billion (USD 1,052 million) from March 31, 2007, to JPY 1,050.9 billion (USD 10,489 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 1,126.9 billion (USD 11,248 million) of cash inflows for the fiscal year ended March 31, 2008.

Cash flow from operating activities consists of the following main components: the major component of the Company's cash inflows is cash received from customers, while the major components of the Company's cash outflows are payments for parts and raw materials, SG&A expenses, and income taxes. Compared with the prior fiscal year, cash inflows from cash received from customers increased, due to the continued growth in net sales because of higher unit sales in motorcycle business in other regions and higher overseas unit sales in automobile business. On the other hand, cash outflows for payments for parts and raw materials increased, as a result of an increase in sales units. The other reasons for increases in cash outflows are an increase of payments for operating expenses and an increase of income taxes payments. However, these increases were within the range of the growth in net sales, and because of stable operating margins, net cash provided by operating activities increased by JPY 222.3 billion (USD 2,220 million) compared with the previous fiscal year.

Cash flows from investing activities

Net cash used in investing activities amounted to JPY 1,686.3 billion (USD 16,832 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 555.6 billion (USD 5,546 million) compared with the previous fiscal year.

Cash flows from financing activities

Net cash provided by financing activities amounted to JPY 688.0 billion (USD 6,867 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 the Company's own stock. Cash inflows from financing activities increased by JPY 264.5 billion (USD 2,641 million) compared with the previous fiscal year.

Supplemental information for cash flows

	FY2007 Year-end	FY2008 Year-end
Shareholders' equity ratio (%)	37.2	36.0
Shareholders' equity ratio on a market price basis (%)	62.7	40.9
Repayment period (years)	4.4	3.9
Non-financial services businesses (years)	0.4	0.4
Interest coverage ratio	6.7	6.9
Non-financial services businesses	59.3	53.4

- Shareholders' equity ratio: shareholders' equity / total assets
- Shareholders' equity ratio on a market price basis: issued common stock stated at market price / total assets
- Repayment period: interest bearing debt / cash flows from operating activities
- Interest coverage ratio: (cash flows from operating activities + interest paid) / interest paid

Explanatory notes:

1. All figures are calculated based on the information included in the consolidated financial statements.
2. Cash flows from operating activities are obtained from the consolidated statement of cash flows.
Interest bearing debt represents Honda's outstanding debt with interest payments, which are included on the consolidated balance sheets.

Profit Redistribution Policy and Dividend per Share of Common Stock for fiscal years 2008 and 2009

The Company strives to carry out its operations from a global perspective and to increase its corporate value. With respect to the redistribution of profits to our shareholders, which we consider to be one of the most important management issues, the Company's basic policy for dividends is to make distributions after taking into account its long-term consolidated earnings performance.

The Company will also acquire its own shares at the optimal timing with the goal of improving efficiency of the Company's capital structure. The present goal is to maintain a shareholders return ratio (i.e. the ratio of the total of the dividend payment and the repurchase of the Company's own shares to consolidated net income) of approximately 30%. Retained earnings will be allocated toward financing R&D activities that are essential for the future growth of the Company and capital expenditures and investment programs that will expand its operations for the purpose of improving business results and strengthening the Company's financial condition.

The Company plans to distribute year-end cash dividends of JPY 22 per share for the year ended March 31, 2008. As a result, total cash dividends for the year ended March 31, 2008, together with the first quarter cash dividends of JPY 20, the second quarter cash dividends of JPY 22 and the third quarter cash dividends of JPY 22, are planned to be JPY 86 per share, an increase of JPY 19 per share from the annual dividends paid for the year ended March 31, 2007.

Also, please note that the year-end cash dividends for the year ended March 31, 2008 are matters to be resolved at general meeting of shareholders.

The Company plans to distribute quarterly cash dividends of JPY 22 per share for each quarter for the year ending March 31, 2009. As a result, total cash dividends for the year ending March 31, 2009 are planned to be JPY 88 per share, an increase of JPY 2 from the annual dividends paid for the year ended March 31, 2008.

Risk Factors

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

Relating to Honda's industry

1. Honda may be adversely affected by market conditions

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

2. Prices for automobiles, motorcycles and power products can be volatile

Prices for automobiles, motorcycles and power products in certain markets may experience sharp changes over short periods of time. This volatility is caused by many factors, including fierce competition, which is increasing, short-term fluctuations in demand from underlying economic conditions, changes in tariffs, import regulations and other taxes, shortages of certain supplies, high material prices and sales incentives by Honda or other manufacturers or dealers. There can be no assurance that such price volatility will not continue or intensify or that price volatility will not occur in markets that to date have not experienced such volatility. Overcapacity within the industry has increased and will likely continue to increase if the economic downturn continues in Honda's major markets or worldwide, leading, potentially, to further increased price pressure. Price volatility in any or all of Honda's markets could adversely affect Honda's results of operations in a particular period.

Risks Relating Honda's Business Generally

(Currency and Interest Rate Risks)

1. Honda's operations are subject to currency fluctuations

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

the Japanese yen against other currencies, in particular the U.S. dollar.

2. Honda's hedging of currency and interest rate risk exposes Honda to other risks

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

(Legal and Regulatory Risks)

1. The automobile, motorcycle and power product industries are subject to extensive environmental and other governmental regulation

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

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

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

3. Honda is subject to legal proceedings

Honda is subject to a number of suits, investigations and/or proceedings under relevant laws and regulations of various jurisdictions. A negative outcome in one or more of these pending legal proceedings could adversely affect Honda's business, financial condition or results of operations.

(Risks Relating to Honda's Operations)

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

Honda's financial services business offers various financing plans designed to increase the opportunity for sales of its products and to generate financing income. However, customers can also obtain financing for the lease or purchase of Honda's products through a variety of other sources that compete with our financing services, including commercial banks and finance and leasing companies. The financial services offered by us also involve risks relating to residual value, credit risk and cost of capital. Competition for customers and/or these risks may affect Honda's results of operations in the future.

2. Honda relies on various suppliers for the provision of certain raw materials and components

Honda purchases raw materials, and certain components and parts, from numerous external suppliers, and relies on some key suppliers for some items and the raw materials it uses in the manufacture of its products. Honda's ability to continue to obtain these supplies in an efficient and cost-effective manner is subject to a number of factors, some of which are not within Honda's control. These factors include the ability of its suppliers to provide a continued source of supply and Honda's ability to compete with other users in obtaining the supplies. Loss of a key supplier in particular may affect our production and increase our costs.

3. Honda conducts its operations in various regions of the world

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

4. Honda may be adversely affected by wars, use of force by foreign countries, terrorism, multinational conflicts, natural disasters, epidemics and labor strikes

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

5. Honda may be adversely affected by inadvertent disclosure of confidential information

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

Management Policy

The company omits the disclosure of management policy since there are no significant changes from the management policy disclosed in 6-K filed on May 22, 2007.

For the material of that 6-K, click on the following link.

<http://www.honda.co.jp/investors/>

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

The company omits the disclosure of medium- and long-term management strategy and management target: preparing for the next leap forward since there are no significant changes from the management policy disclosed in 6-K filed on May 22, 2007.

For the material of that 6-K, click on the following link.

<http://www.honda.co.jp/investors/>

Preparing for the Future

In the global economy, there are concerns of economic slowdown in the U.S., Europe and Japan. In addition, the pace of economic expansion in Asia outside Japan is expected to decline. Moreover, the global business environment in which Honda's management operates still remain uncertain because of global political and economic uncertainties, fluctuations in oil and raw material prices, and movements in currency, finance and capital markets. As a result, Honda expects the operating environment to remain difficult.

It is under these circumstances that Honda seeks to strengthen its corporate structure quickly and flexibly to meet the requirements of its customers and society and the changes in its business environment. Also, in order to improve the competitiveness of its products, Honda will endeavor to enhance its R&D, production and sales capabilities. Furthermore, Honda will continue striving to earn even more trust and understanding from society through Companywide activities. Honda recognizes that further enhancing the following specific areas is essential to its success:

1. Research and Development

Along with efforts to develop even more effective safety and environmental technologies, Honda will enhance creativity in its advanced technology and products, and will create and swiftly introduce new value-added products that meet specific needs in various markets around the world. Honda will also continue its efforts to research future technologies.

2. Production Efficiency

Honda will establish and enhance efficient and flexible production systems and expand production capacity at its global production bases, with the aim of increasing its capability of supplying high quality products.

3. Sales Efficiency

Honda will remain proactive in its efforts to expand product lines through the innovative use of IT and to upgrade sales and service structure, in order to further satisfy its customers.

4. Product Quality

Responding to increasing customer demand, Honda will upgrade its quality control through enhancing the functions of and coordination among the development, purchasing, production, sales and service departments.

5. Safety Technologies

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

6. The Environment

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

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

7. Continuing to Increase Society's Trust in and Understanding toward Honda

In addition to continuing to provide products incorporating Honda's advanced safety and environmental technologies, Honda will continue striving to earn even more trust and understanding from society by, among other things, undertaking activities for corporate governance, compliance, and risk management and contributing to society.

Through these Company-wide activities, Honda will strive to materialize Honda's visions of "Value Creation (Creating New Value for our Customers)," "Glocalization (Expanding Regional Operations)," and "Commitment for the Future (Developing Safety and Environmental Solutions)," with the aim of sharing joy with Honda's customers, thus becoming a company that society wants to exist.

[1] Consolidated Financial Summary

For the three months and Year ended March 31, 2007 and 2008

Financial Highlights

	Yen (millions)					
	Three months ended	%	Three months ended	Year ended	%	Year ended
	Mar. 31, 2007	Change	Mar. 31, 2008	Mar. 31, 2007	Change	Mar. 31, 2008
Net sales and other operating revenue	3,087,890	-1.0%	3,055,551	11,087,140	8.3%	12,002,834
Operating income	250,224	-32.5%	168,844	851,879	11.9%	953,109
Income before income taxes, minority interest and equity in income of affiliates	239,075	-38.6%	146,846	792,868	13.0%	895,841
Net income	176,184	-85.6%	25,430	592,322	1.3%	600,039

	Yen		
	2007	2008	2008
Basic net income per common share	96.70	14.01	330.54

	U.S. Dollars (millions)	
	Three months ended	Year ended
	Mar. 31, 2008	Mar. 31, 2008
Net sales and other operating revenue	30,498	119,801
Operating income	1,685	9,513
Income before income taxes, minority interest and equity in income of affiliates	1,466	8,941
Net income	254	5,989

	U.S. Dollars	
	2008	2008
Basic net income per common share	0.14	3.30

[2] Unit Sales Breakdown

	Unit (thousands)			
	Three months ended	Three months ended	Year ended	Year ended
	Mar. 31, 2007	Mar. 31 2008	Mar. 31, 2007	Mar. 31, 2008
MOTORCYCLES				
Japan	79	66	337	311
	(79)	(66)	(337)	(311)
North America	164	150	503	453
	(99)	(85)	(282)	(242)
Europe	97	89	329	313
	(92)	(85)	(317)	(301)
Asia	1,706	1,617	7,895	6,633
	(1,706)	(1,617)	(7,895)	(6,633)
Other Regions	362	446	1,305	1,610
	(358)	(443)	(1,290)	(1,596)
Total	2,408	2,368	10,369	9,320
	(2,334)	(2,296)	(10,121)	(9,083)
AUTOMOBILES				
Japan	189	191	672	615
North America	450	459	1,788	1,850
Europe	102	109	324	391
Asia	149	203	620	755
Other Regions	67	89	248	314
Total	957	1,051	3,652	3,925
POWER PRODUCTS				
Japan	139	151	527	550
North America	1,023	888	3,103	2,415
Europe	624	671	1,625	1,693
Asia	230	251	760	915
Other Regions	112	131	406	484
Total	2,128	2,092	6,421	6,057

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 March 31, 2007 and 2008

	Yen (millions)			
	Three months ended Mar. 31, 2007		Three months ended Mar. 31, 2008	
MOTORCYCLE BUSINESS				
Japan	25,667	(6.1%)	21,194	(4.8%)
North America	107,951	(25.6%)	88,273	(19.9%)
Europe	75,931	(18.0%)	67,391	(15.2%)
Asia	111,331	(26.4%)	125,754	(28.3%)
Other Regions	100,846	(23.9%)	141,449	(31.8%)
Total	421,726	(100.0%)	444,061	(100.0%)
AUTOMOBILE BUSINESS				
Japan	373,906	(15.4%)	387,212	(16.4%)
North America	1,360,274	(56.0%)	1,186,640	(50.4%)
Europe	308,828	(12.6%)	319,493	(13.6%)
Asia	237,261	(9.8%)	261,319	(11.1%)
Other Regions	150,476	(6.2%)	202,002	(8.5%)
Total	2,430,745	(100.0%)	2,356,666	(100.0%)
FINANCIAL SERVICES BUSINESS				
Japan	5,148	(4.4%)	5,991	(4.3%)
North America	106,187	(90.4%)	125,230	(90.7%)
Europe	3,368	(2.9%)	3,236	(2.3%)
Asia	996	(0.8%)	1,203	(0.9%)
Other Regions	1,736	(1.5%)	2,358	(1.8%)
Total	117,435	(100.0%)	138,018	(100.0%)
POWER PRODUCT & OTHER BUSINESSES				
Japan	32,495	(27.6%)	34,886	(29.9%)
North America	36,611	(31.0%)	31,041	(26.6%)
Europe	32,239	(27.3%)	33,748	(28.9%)
Asia	10,263	(8.7%)	9,593	(8.2%)
Other Regions	6,376	(5.4%)	7,538	(6.4%)
Total	117,984	(100.0%)	116,806	(100.0%)
TOTAL				
Japan	437,216	(14.2%)	449,283	(14.7%)
North America	1,611,023	(52.2%)	1,431,184	(46.8%)
Europe	420,366	(13.6%)	423,868	(13.9%)
Asia	359,851	(11.6%)	397,869	(13.0%)
Other Regions	259,434	(8.4%)	353,347	(11.6%)
Total	3,087,890	(100.0%)	3,055,551	(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– continued

(B) For the Year ended March 31, 2007 and 2008

	Yen (millions)			
	Year ended Mar. 31, 2007		Year ended Mar. 31, 2008	
MOTORCYCLE BUSINESS				
Japan	101,753	(7.4%)	93,592	(6.0%)
North America	308,293	(22.5%)	265,609	(17.0%)
Europe	219,773	(16.0%)	226,687	(14.5%)
Asia	383,389	(28.0%)	484,418	(31.1%)
Other Regions	357,409	(26.1%)	488,390	(31.4%)
Total	1,370,617	(100.0%)	1,558,696	(100.0%)
AUTOMOBILE BUSINESS				
Japan	1,412,726	(15.9%)	1,321,005	(13.9%)
North America	5,179,139	(58.3%)	5,209,446	(54.9%)
Europe	917,199	(10.3%)	1,182,666	(12.5%)
Asia	861,612	(9.7%)	1,048,463	(11.0%)
Other Regions	518,404	(5.8%)	727,811	(7.7%)
Total	8,889,080	(100.0%)	9,489,391	(100.0%)
FINANCIAL SERVICES BUSINESS				
Japan	21,497	(5.2%)	23,405	(4.4%)
North America	364,892	(89.1%)	483,925	(90.7%)
Europe	12,642	(3.1%)	13,234	(2.5%)
Asia	3,150	(0.8%)	4,936	(0.9%)
Other Regions	7,520	(1.8%)	8,053	(1.5%)
Total	409,701	(100.0%)	533,553	(100.0%)
POWER PRODUCT & OTHER BUSINESSES				
Japan	145,214	(34.8%)	147,775	(35.1%)
North America	128,552	(30.8%)	109,445	(26.0%)
Europe	87,143	(20.8%)	96,847	(23.0%)
Asia	35,003	(8.4%)	39,449	(9.4%)
Other Regions	21,830	(5.2%)	27,678	(6.5%)
Total	417,742	(100.0%)	421,194	(100.0%)
TOTAL				
Japan	1,681,190	(15.2%)	1,585,777	(13.2%)
North America	5,980,876	(53.9%)	6,068,425	(50.6%)
Europe	1,236,757	(11.1%)	1,519,434	(12.7%)
Asia	1,283,154	(11.6%)	1,577,266	(13.1%)
Other Regions	905,163	(8.2%)	1,251,932	(10.4%)
Total	11,087,140	(100.0%)	12,002,834	(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

(A) For the three months ended March 31, 2007 and 2008

	Yen (millions)	
	Three months ended Mar. 31, 2007	Three months ended Mar. 31, 2008
Net sales and other operating revenue	3,087,890	3,055,551
Operating costs and expenses:		
Cost of sales	2,173,589	2,202,025
Selling, general and administrative	500,218	525,235
Research and development	163,859	159,447
Operating income	250,224	168,844
Other income:		
Interest	11,294	12,958
Other	766	20,835
Other expenses:		
Interest	4,012	5,333
Other	19,197	50,458
Income before income taxes, minority interest and equity in income of affiliates	239,075	146,846
Income tax (benefit) expense:		
Current	98,084	160,119
Deferred	(18,957)	(20,205)
Income before minority interest and equity in income of affiliates	159,948	6,932
Minority interest in income of consolidated subsidiaries	(3,733)	(5,876)
Equity in income of affiliates	19,969	24,374
Net income	176,184	25,430
	Yen	
Basic net income per common share	96.70	14.01

[4] Consolidated Statements of Income– continued

(B) For the Year ended March 31, 2007 and 2008

	Yen (millions)	
	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008
Net sales and other operating revenue	11,087,140	12,002,834
Operating costs and expenses:		
Cost of sales	7,865,142	8,543,170
Selling, general and administrative	1,818,272	1,918,596
Research and development	551,847	587,959
Operating income	851,879	953,109
Other income:		
Interest	42,364	50,144
Other	13,243	5,384
Other expenses:		
Interest	12,912	16,623
Other	101,706	96,173
Income before income taxes, minority interest and equity in income of affiliates	792,868	895,841
Income tax (benefit) expense:		
Current	300,294	356,095
Deferred	(16,448)	31,341
Income before minority interest and equity in income of affiliates	509,022	508,405
Minority interest in income of consolidated subsidiaries	(20,117)	(27,308)
Equity in income of affiliates	103,417	118,942
Net income	592,322	600,039
	Yen	
Basic net income per common share	324.62	330.54

[5] Consolidated Balance Sheets

Assets	Yen (millions)		
	Mar. 31, 2007	Mar. 31, 2008	change
Current assets:			
Cash and cash equivalents	945,546	1,050,902	105,356
Trade accounts and notes receivable	1,055,470	1,021,743	(33,727)
Finance subsidiaries-receivables, net	1,426,224	1,340,728	(85,496)
Inventories	1,183,116	1,199,260	16,144
Deferred income taxes	155,390	158,825	3,435
Other current assets	426,863	460,110	33,247
Total current assets	5,192,609	5,231,568	38,959
Finance subsidiaries-receivables, net	3,039,826	2,707,820	(332,006)
Investments and advances:			
Investments in and advances to affiliates	497,337	549,812	52,475
Other, including marketable equity securities	254,610	222,110	(32,500)
Total investments and advances	751,947	771,922	19,975
Property on operating leases:			
Vehicles	345,909	1,014,412	668,503
Less accumulated depreciation	9,700	95,440	85,740
Net property on operating leases	336,209	918,972	582,763
Property, plant and equipment, at cost:			
Land	429,373	457,352	27,979
Buildings	1,322,394	1,396,934	74,540
Machinery and equipment	2,988,064	3,135,513	147,449
Construction in progress	204,318	227,479	23,161
	4,944,149	5,217,278	273,129
Less accumulated depreciation and amortization	2,865,421	3,015,979	150,558
Net property, plant and equipment	2,078,728	2,201,299	122,571
Other assets	637,181	783,962	146,781
Total assets	12,036,500	12,615,543	579,043

[5] Consolidated Balance Sheets – continued

Liabilities, Minority Interests and Stockholders' Equity	Yen (millions)		
	Mar. 31, 2007	Mar. 31, 2008	change
Current liabilities:			
Short-term debt	1,265,868	1,687,115	421,247
Current portion of long-term debt	775,409	871,050	95,641
Trade payables:			
Notes	33,276	39,006	5,730
Accounts	1,133,280	1,015,130	(118,150)
Accrued expenses	807,341	730,615	(76,726)
Income taxes payable	76,031	71,354	(4,677)
Other current liabilities	196,322	264,280	67,958
Total current liabilities	4,287,527	4,678,550	391,023
Long-term debt, excluding current portion	1,905,743	1,836,652	(69,091)
Other liabilities	1,237,712	1,414,270	176,558
Total liabilities	7,430,982	7,929,472	498,490
Minority interests in consolidated subsidiaries	122,907	141,806	18,899
Stockholders' equity:			
Common stock, authorized 7,086,000,000 shares in 2007 and 2008; issued 1,834,828,430 shares in 2007 and 2008	86,067	86,067	—
Capital surplus	172,529	172,529	—
Legal reserves	37,730	39,811	2,081
Retained earnings	4,654,890	5,099,983	445,093
Accumulated other comprehensive income(loss), net	(427,166)	(782,198)	(355,032)
Treasury stock, at cost 12,835,522 shares in 2007 and 20,290,531 shares in 2008	(41,439)	(71,927)	(30,488)
Total stockholders' equity	4,482,611	4,544,265	61,654
Commitments and contingent liabilities			
Total liabilities, minority interests and stockholders' equity	12,036,500	12,615,543	579,043

[6] Consolidated Statements of Stockholders' Equity and Comprehensive Income

	Yen (millions)						
	Common stock	Capital surplus	Legal reserves	Retained earnings	Accumulated other comprehensive income (loss), net	Treasury stock	Total stockholders' equity
Balance at March 31, 2006	86,067	172,529	35,811	4,267,886	(407,187)	(29,356)	4,125,750
Cumulative effect of adjustments resulting from the adoption of SAB No.108, net of tax	—	—	—	(62,640)	18,149	—	(44,491)
Adjusted balances as of March 31, 2006	86,067	172,529	35,811	4,205,246	(389,038)	(29,356)	4,081,259
Transfer to legal reserves			1,919	(1,919)			—
Cash dividends				(140,482)			(140,482)
Comprehensive income (loss):							
Net income				592,322			592,322
Other comprehensive income (loss), net of tax							
Adjustments from foreign currency translation					96,775		96,775
Unrealized gains (losses) on marketable securities, net					(4,571)		(4,571)
Unrealized gains (losses) on derivative instruments, net					84		84
Minimum pension liabilities adjustment					8,908		8,908
Total comprehensive income							693,518
Adjustments for initially applying SFAS No. 158, net of tax					(139,324)		(139,324)
Purchase of treasury stock						(30,974)	(30,974)
Reissuance of treasury stock				(277)		18,891	18,614
Balance at March 31, 2007	86,067	172,529	37,730	4,654,890	(427,166)	(41,439)	4,482,611
Transfer to legal reserves			2,081	(2,081)			—
Cash dividends				(152,590)			(152,590)
Comprehensive income (loss):							
Net income				600,039			600,039
Other comprehensive income (loss), net of tax							
Adjustments from foreign currency translation					(312,267)		(312,267)
Unrealized gains (losses) on marketable securities, net					(26,459)		(26,459)
Unrealized gains (losses) on derivative instruments, net					440		440
Pension and other postretirement benefits adjustments					(16,746)		(16,746)
Total comprehensive income							245,007
Purchase of treasury stock						(34,404)	(34,404)
Reissuance of treasury stock				(275)		3,916	3,641
Balance at March 31, 2008	86,067	172,529	39,811	5,099,983	(782,198)	(71,927)	4,544,265

[7] Consolidated Statements of Cash Flows

	Yen (millions)	
	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008
Cash flows from operating activities:		
Net income	592,322	600,039
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation excluding property on operating leases	361,747	417,393
Depreciation of property on operating leases	9,741	101,032
Deferred income taxes	(16,448)	31,341
Minority interest in income	20,117	27,308
Equity in income of affiliates	(103,417)	(118,942)
Dividends from affiliates	54,849	67,764
Provision for credit and lease residual losses on finance subsidiaries-receivables	44,128	58,011
Loss (gain) on derivative instruments, net	56,836	70,251
Decrease (increase) in assets:		
Trade accounts and notes receivable	(49,529)	(67,696)
Inventories	(96,839)	(100,622)
Other current assets	(15,206)	(2,609)
Other assets	(5,523)	(130,666)
Increase (decrease) in liabilities:		
Trade accounts and notes payable	38,186	32,327
Accrued expenses	41,898	(24,768)
Income taxes payable	(37,282)	20
Other current liabilities	1,103	2,301
Other liabilities	14,274	179,537
Other, net	(6,432)	(15,103)
Net cash provided by operating activities	904,525	1,126,918
Cash flows from investing activities:		
Increase in investments and advances	(9,874)	(6,417)
Decrease in investments and advances	3,829	1,270
Payment for purchase of available-for-sale securities	(141,902)	(158,426)
Proceeds from sales of available-for-sale securities	172,806	179,911
Payment for purchase of held-to-maturity securities	(13,614)	(39,482)
Proceeds from redemption of held-to-maturity securities	41,109	32,557
Capital expenditures	(597,958)	(668,228)
Proceeds from sales of property, plant and equipment	20,641	26,868
Acquisitions of finance subsidiaries-receivables	(2,857,024)	(2,712,775)
Collections of finance subsidiaries-receivables	2,138,875	2,312,311
Proceeds from sales of finance subsidiaries-receivables	477,927	158,497
Purchase of operating lease assets	(366,795)	(839,261)
Proceeds from sales of operating lease assets	1,276	26,776
Net cash used in investing activities	(1,130,704)	(1,686,399)
Cash flows from financing activities:		
Increase (decrease) in short-term debt, net	306,063	601,957
Proceeds from long-term debt	969,491	1,061,792
Repayment of long-term debt	(677,539)	(782,749)
Cash dividends paid	(140,482)	(152,590)
Cash dividends paid to minority interests	(7,434)	(9,663)
Payment for purchase of treasury stock, net	(26,689)	(30,746)
Net cash provided by financing activities	423,410	688,001
Effect of exchange rate changes on cash and cash equivalents	31,527	(23,164)
Net change in cash and cash equivalents	228,758	105,356
Cash and cash equivalents at beginning of year	716,788	945,546
Cash and cash equivalents at end of year	945,546	1,050,902

Significant Accounting Policies:

1. Consolidated subsidiaries
Number of consolidated subsidiaries: 397
Corporate names of principal consolidated subsidiaries:
American Honda Motor Co., Inc., Honda of America Mfg., Inc., Honda Canada Inc., Honda R&D Co., Ltd.,
American Honda Finance Corporation
2. Affiliated companies
Number of affiliated companies: 104
Corporate names of major affiliated companies accounted for under the equity method:
Guangzhou Honda Automobile Co., Ltd., Hero Honda Motors Ltd., Dongfeng Honda Automobile Co., Ltd.
3. Changes of consolidated subsidiaries and affiliated companies
Consolidated subsidiaries:
Newly formed consolidated subsidiaries: 19
Reduced through reorganization: 27
Affiliated companies:
Newly formed affiliated companies: 8
Reduced through reorganization: 6
4. The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, since the Company has listed its American Depositary Shares on the New York Stock Exchange and files reports with the U.S. Securities and Exchange Commission.
5. The average exchange rates for the three months ended March 31, 2008 were ¥105.29=U.S.\$1 and ¥157.65= euro 1. The average exchange rates for the same period last year were ¥119.52=U.S.\$1 and ¥156.50= euro 1. The average exchange rates for the fiscal year ended March 31, 2008 were ¥114.28=U.S.\$1 and ¥161.53= euro 1 as compared with ¥117.02=U.S.\$1 and ¥150.09= 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 ¥100.19=U.S.\$1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on March 31, 2008.
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 Change

Honda adopted the provision of FASB Interpretation No.48 "Accounting for Uncertainty in Income Taxes" (FIN48) on April 1, 2007. This interpretation requires that an entity recognizes in the consolidated financial statements the impact of a tax position, if any, based on the technical merits of the position, when that position is more likely than not to be sustained upon examination. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of this interpretation did not have a material impact on the Honda's financial position and results.

Additional Information

Honda has been examined by the Tokyo Regional Taxation Bureau with regard to transfer pricing taxation for the period from the year ended March 31, 2002 to the year ended March 31, 2007. Honda has recognized the liability for unrecognized tax benefit, including those related to this examination in accordance with FIN 48 in the consolidated financial statements as of March 31, 2008.

Notes to Consolidated balance sheets:

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

	<u>Mar.31, 2007</u>	<u>Mar. 31, 2008</u>
The allowance for doubtful trade accounts and notes receivables	8,199	8,181
The allowance for credit losses for finance subsidiaries-receivables	33,512	33,354
The allowance for losses on lease residual values for financial-subidiaries receivables	33,928	24,887
The allowance for inventory losses and obsolescence	27,521	17,140

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

	<u>Mar.31, 2007</u>	<u>Mar. 31, 2008</u>
Mortgage securitized debt		
Property, plant and equipment	23,654	26,564
A finance subsidiary pledged as collateral finance subsidiaries-receivables	1,931	—
Debt related mortgages		
Short-term debt	2,882	2,682
Long-term debt	17,025	12,739

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: Yen (millions)

	<u>Mar.31, 2007</u>	<u>Mar. 31, 2008</u>
Bank loans of employees for their housing costs	41,151	36,456

If an employee defaults on his/her loan payments, Honda is required to perform under the guarantee. The undiscounted maximum amount of Honda's obligation to make future payments in the event of defaults is shown above. As of March 31, 2008, 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 Consolidated statements of stockholders' equity

The total amount of dividends for the fiscal year ended March 31, 2008, was JPY 152,590 million. The company intends to distribute year-end cash dividends of JPY 39,921 million to the stockholders of record on March 31, 2008.

Notes to information about per common share:

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

	<u>Mar. 31, 2007</u>	<u>Mar. 31, 2008</u>
Stockholders' equity per common share	2,460.28	2,504.36
Basic net income per common share	324.62	330.54

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 2008 were 1,821,992,908 and 1,814,537,899, 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 2008 were 1,824,675,228 and 1,815,356,440, respectively. There were no potentially dilutive shares issued during the years ended March 31, 2007 or 2008.

Revisions of classifications:

Certain revisions for misclassifications have been made to the consolidated financial statements for the fiscal year ended March 31, 2007 to conform to the presentation used for the fiscal year ended March 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.

[8] 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 March 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	421,726	2,430,745	117,435	117,984	3,087,890	—	3,087,890
Intersegment	—	—	1,032	7,334	8,366	(8,366)	—
Total	421,726	2,430,745	118,467	125,318	3,096,256	(8,366)	3,087,890
Cost of sales, SG&A and R&D expenses	377,496	2,272,955	77,527	118,054	2,846,032	(8,366)	2,837,666
Segment income	44,230	157,790	40,940	7,264	250,224	—	250,224

As of and for the three months ended March 31, 2008

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Consolidated
Net sales and other operating revenue:							
External customers	444,061	2,356,666	138,018	116,806	3,055,551	—	3,055,551
Intersegment	—	—	3,692	5,498	9,190	(9,190)	—
Total	444,061	2,356,666	141,710	122,304	3,064,741	(9,190)	3,055,551
Cost of sales, SG&A and R&D expenses	391,308	2,277,076	110,349	117,164	2,895,897	(9,190)	2,886,707
Segment income	52,753	79,590	31,361	5,140	168,844	—	168,844

(B) As of and for the Year ended March 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	1,370,617	8,889,080	409,701	417,742	11,087,140	—	11,087,140
Intersegment	—	—	3,633	21,168	24,801	(24,801)	—
Total	1,370,617	8,889,080	413,334	438,910	11,111,941	(24,801)	11,087,140
Cost of sales, SG&A and R&D expenses	1,270,009	8,289,537	297,792	402,724	10,260,062	(24,801)	10,235,261
Segment income	100,608	599,543	115,542	36,186	851,879	—	851,879
Assets	1,161,707	5,437,709	5,694,204	338,671	12,632,291	(595,791)	12,036,500
Depreciation and amortization	40,576	309,877	10,676	10,359	371,488	—	371,488
Capital expenditures	68,880	540,859	367,728	16,394	993,861	—	993,861

As of and for the Year ended March 31, 2008

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Product & Other Businesses	Segment Total	Reconciling Items	Consolidated
Net sales and other operating revenue:							
External customers	1,558,696	9,489,391	533,553	421,194	12,002,834	—	12,002,834
Intersegment	—	—	15,499	21,571	37,070	(37,070)	—
Total	1,558,696	9,489,391	549,052	442,765	12,039,904	(37,070)	12,002,834
Cost of sales, SG&A and R&D expenses	1,407,409	8,827,726	431,254	420,406	11,086,795	(37,070)	11,049,725
Segment income	151,287	661,665	117,798	22,359	953,109	—	953,109
Assets	1,240,527	5,591,311	5,907,839	330,604	13,070,281	(454,738)	12,615,543
Depreciation and amortization	48,000	356,003	101,987	12,435	518,425	—	518,425
Capital expenditures	86,687	544,922	839,888	21,794	1,493,291	—	1,493,291

Explanatory notes:

1. Intersegment sales and revenues are generally made at values that approximate arm's-length prices.
2. Unallocated corporate assets, included in reconciling items, amounted to JPY 377,873 million as of March 31, 2007 and JPY 385,442 million as of March 31, 2008, which consist primarily of cash and cash equivalents and marketable securities held by the Company. Reconciling items also include elimination of intersegment transactions.
3. Depreciation and amortization of Financial Services Business include depreciation of property on operating leases, which were JPY 9,741 million and JPY 101,032 million for the fiscal year ended March 31, 2007 and the fiscal year ended March 31, 2008, respectively.
4. Capital expenditure of Financial Services Business includes the purchase of operating lease assets, which were JPY 366,795 million and JPY 839,261 million for the fiscal year ended March 31, 2007 and the fiscal year ended March 31, 2008, respectively.

[9] Supplemental Geographical Information

In addition to the disclosure required by U.S.GAAP, Honda provides the following supplemental information as required by Financial Instruments 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 March 31, 2007

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Net sales and other operating revenue:								
External customers	533,569	1,617,863	421,709	291,739	223,010	3,087,890	—	3,087,890
Transfers between geographic areas	731,583	53,607	18,413	75,163	8,292	887,058	(887,058)	—
Total	1,265,152	1,671,470	440,122	366,902	231,302	3,974,948	(887,058)	3,087,890
Cost of sales, SG&A and R&D expenses	1,196,886	1,543,059	427,424	347,702	211,766	3,726,837	(889,171)	2,837,666
Operating income	68,266	128,411	12,698	19,200	19,536	248,111	2,113	250,224

As of and for the three months ended March 31, 2008

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Net sales and other operating revenue:								
External customers	569,462	1,437,953	419,427	333,616	295,093	3,055,551	—	3,055,551
Transfers between geographic areas	681,637	46,226	21,957	82,304	18,897	851,021	(851,021)	—
Total	1,251,099	1,484,179	441,384	415,920	313,990	3,906,572	(851,021)	3,055,551
Cost of sales, SG&A and R&D expenses	1,248,743	1,421,001	422,724	393,923	281,211	3,767,602	(880,895)	2,886,707
Operating income	2,356	63,178	18,660	21,997	32,779	138,970	29,874	168,844

(B) As of and for the Year ended March 31, 2007

	Yen (millions)							Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total			
Net sales and other operating revenue:									
External customers	2,061,720	6,002,797	1,228,564	1,024,680	769,379	11,087,140	—	11,087,140	
Transfers between geographic areas	2,712,403	169,847	119,161	246,723	28,259	3,276,393	(3,276,393)	—	
Total	4,774,123	6,172,644	1,347,725	1,271,403	797,638	14,363,533	(3,276,393)	11,087,140	
Cost of sales, SG&A and R&D expenses	4,545,988	5,715,817	1,315,736	1,194,250	725,377	13,497,168	(3,261,907)	10,235,261	
Operating income	228,135	456,827	31,989	77,153	72,261	866,365	(14,486)	851,879	
Assets	2,985,123	6,834,409	948,922	935,963	414,147	12,118,564	(82,064)	12,036,500	
Long-lived assets	992,723	1,028,132	198,232	219,358	93,485	2,531,930	—	2,531,930	

As of and for the Year ended March 31, 2008

	Yen (millions)							Reconciling Items	Consolidated
	Japan	North America	Europe	Asia	Other Regions	Total			
Net sales and other operating revenue:									
External customers	2,053,401	6,091,512	1,502,240	1,307,117	1,048,564	12,002,834	—	12,002,834	
Transfers between geographic areas	2,835,639	173,751	91,983	331,173	44,253	3,476,799	(3,476,799)	—	
Total	4,889,040	6,265,263	1,594,223	1,638,290	1,092,817	15,479,633	(3,476,799)	12,002,834	
Cost of sales, SG&A and R&D expenses	4,696,482	5,832,635	1,542,676	1,507,566	976,335	14,555,694	(3,505,969)	11,049,725	
Operating income	192,558	432,628	51,547	130,724	116,482	923,939	29,170	953,109	
Assets	3,127,143	6,863,970	948,544	1,080,439	574,890	12,594,986	20,557	12,615,543	
Long-lived assets	1,084,163	1,589,356	171,030	260,141	128,156	3,232,846	—	3,232,846	

Explanatory notes:

1. Major countries or regions in each geographic area:

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

2. Intersegment sales and revenues are generally made at values that approximate arm's-length prices.

3. Unallocated corporate assets, included in reconciling items, amounted to JPY 377,873 million as of March 31, 2007 and JPY 385,442 million as of March 31, 2008, which consist primarily of cash and cash equivalents and marketable securities held by the Company. Reconciling items also include elimination of intersegment transactions.

4. Certain revisions for misclassifications have been made to the consolidated financial statements for the fiscal year ended March 31, 2007 to conform to the presentation used for the fiscal year ended March 31, 2007.

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

For the three months ended March 31, 2007

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	1,611,023	420,366	359,851	259,434	2,650,674
Consolidated sales					3,087,890
Overseas sales ratio to consolidated sales	52.2%	13.6%	11.7%	8.3%	85.8%

For the three months ended March 31, 2008

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	1,431,184	423,868	397,869	353,347	2,606,268
Consolidated sales					3,055,551
Overseas sales ratio to consolidated sales	46.8%	13.9%	13.0%	11.6%	85.3%

For the Year ended March 31, 2007

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	5,980,876	1,236,757	1,283,154	905,163	9,405,950
Consolidated sales					11,087,140
Overseas sales ratio to consolidated sales	53.9%	11.2%	11.6%	8.1%	84.8%

For the Year ended March 31, 2008

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	6,068,425	1,519,434	1,577,266	1,251,932	10,417,057
Consolidated sales					12,002,834
Overseas sales ratio to consolidated sales	50.6%	12.7%	13.1%	10.4%	86.8%

Explanatory note:

Major countries or regions in each geographic area:

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

Unconsolidated Financial Summary

(Parent company only)

(For the year ended March 31, 2007 and 2008)

Financial Highlights

(Parent company only)

	Yen (millions)		
	Year ended Mar. 31, 2007	% Change	Year ended Mar. 31, 2008
Net sales	4,030,881	1.4%	4,088,029
Operating income	201,719	-30.4%	140,490
Ordinary income	306,145	14.7%	351,154
Net income	214,106	39.5%	298,594
		Yen	
Net income per share	117.32		164.44

Financial forecast for the Fiscal Year Ending March 31, 2009

(Parent company only)

	Yen (millions)
	Year ending Mar. 31, 2009
Net sales	4,110,000
Operating income	23,000
Ordinary income	192,000
Net income	157,000
	Yen
Net income per share	86.52

[1] Unit Sales Breakdown
(Parent company only)

	Unit (thousands)	
	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008
MOTORCYCLES		
Japan	341	313
(motorcycles only)	(341)	(313)
Export	726	543
(motorcycles only)	(435)	(328)
<hr/> Total	1,067	857
(motorcycles only)	(776)	(642)
 AUTOMOBILES		
Japan	705	619
(mini vehicles only)	(285)	(209)
<hr/> Export	677	758
Total	1,383	1,377
 POWER PRODUCTS		
Japan	525	549
<hr/> Export	1,176	1,046
Total	1,702	1,595

Explanatory notes:

Of the unit export sales in power product business, which were not assembled and had prices under 60% of the full component parts' FOB price are not included in unit sales for the fiscal year ended March 31, 2008, by changing the methodologies in quantifying units by Japan Land Engine Manufacturers Association. Therefore, the unit sales for the fiscal year ended March 31, 2007 has been revised to match the method used for the fiscal year ended March 31, 2008. Utilizing the old methodology for the fiscal year ended March 31, 2007, unit sales for the fiscal year ended March 31, 2007 was 6,163 thousand units.

[2] Net Sales Breakdown
(Parent company only)

	Yen (millions)	
	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008
MOTORCYCLES		
Japan	70,464	69,745
Export	413,623	392,395
Total	484,087	462,141
AUTOMOBILES		
Japan	1,062,431	942,372
Export	2,345,490	2,545,143
Total	3,407,921	3,487,515
POWER PRODUCTS		
Japan	31,372	30,718
Export	107,499	107,653
Total	138,872	138,372
TOTAL		
Japan	1,164,269	1,042,836
Export	2,866,612	3,045,193
Total	4,030,881	4,088,029

Explanatory notes:

1. The summary unconsolidated financial information set forth above is derived from the complete unconsolidated financial information of the Company to be filed with the Securities and Exchange Commission on the Company's Form 6-K for the month May 2008.
2. Unconsolidated financial statements have been prepared on the basis of generally accepted accounting principles in Japan.
3. The unit sales and yen amounts described above are rounded down to the nearest one thousand units and one million yen, respectively.

[3] Unconsolidated Statements of Income
(Parent company only)

	Yen(millions)	
	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008
Net sales	4,030,881	4,088,029
Cost of sales	2,723,370	2,800,356
Selling, general and administrative expenses	1,105,791	1,147,182
Operating income	201,719	140,490
Non-operating income	174,600	234,053
Non-operating expenses	70,175	23,388
Ordinary income	306,145	351,154
Extraordinary income	15,161	6,475
Extraordinary loss	79,924	4,245
Income before income taxes	241,382	353,385
Income taxes		
Current	77,564	61,033
Deferred	(50,288)	(6,243)
Net income	214,106	298,594

[4] Unconsolidated Balance Sheets
(Parent company only)

	Yen (millions)	
	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008
Current assets	1,150,148	1,151,720
Fixed assets	1,481,669	1,528,390
Total assets	2,631,818	2,680,111
Current liabilities	718,935	664,950
Fixed liabilities	130,783	144,238
Total liabilities	849,718	809,189
Common stock	86,067	86,067
Capital surplus	170,313	170,313
Retained earnings	1,511,984	1,657,978
Treasury stock	(44,769)	(78,877)
Difference of appreciation and conversion	58,503	35,439
Total net assets	1,782,099	1,870,921
Total liabilities and net assets	2,631,818	2,680,111

Explanatory note:

The Company's unconsolidated balance sheet for the fiscal year ended March 31, 2008 is classified in assets, liabilities and net assets to confirm with change in generally accepted accounting principles in Japan.

[5] Unconsolidated Statements of Stockholders' Equity
(Parent company only)

	Stockholders' equity					Difference of appreciation and conversion		Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unrealized gains on securities	Deferred loss (gain) on hedges	
Balance at March 31, 2007	86,067	170,313	1,511,984	(44,769)	1,723,595	58,483	20	1,782,099
Changes of items during the period								
Dividend from surplus			(152,590)		(152,590)			(152,590)
Net income			298,594		298,594			298,594
Purchase of treasury stock				(34,203)	(34,203)			(34,203)
Reissuance of treasury stock			(10)	95	85			85
others						(23,503)	439	(23,063)
Total changes of items during the period	—	—	145,994	(34,108)	111,886	(23,503)	439	88,822
Balance at March 31, 2008	86,067	170,313	1,657,978	(78,877)	1,835,482	34,980	459	1,870,921

Explanatory note:

Number of treasury stock: Shares

<u>Mar. 31, 2007</u>	<u>Mar. 31, 2008</u>
12,020,805	20,219,745

Change in Presentation of Unconsolidated Financial Statements

Prior to the issuances of “Q&A of Accounting for Financial Instruments” revised November 6, 2007 and “Guidelines on Regulations for Terminology, Forms and Preparation of Annual Financial Statements” issued on October 2, 2007, certificate of deposits issued by domestic entities (“Domestic CDs”) were classified as “Cash and deposits” in “Current assets” in the non-consolidated balance sheet. Subsequent to the amendments and as of March 31, 2008, Domestic CDs were classified as “Investment securities” in “Current assets” in the non-consolidated balance sheet. The Domestic CDs included in “Investment securities” in “Current assets” in the non-consolidated balance sheet as of March 31, 2008 amount to ¥ 200,003 million.

Additionally, interest income from Domestic CDs, which was classified as “Other income–Interest” prior to the amendments, have been reclassified as “Other income – Other” in the non-consolidated statement of income for the fiscal year ended March 31, 2008. Interest income from Domestic CD included in Other income – Other in the non-consolidated statement of income for the fiscal year ended March 31, 2008 amounts to ¥ 786 million.

Notes for Balance Sheets (as of March 31, 2007 and 2008)

The Company has been examined by the Tokyo Regional Taxation Bureau with regarded to transfer pricing taxation for the period from the year ended March 31, 2002 to the year ended March 31, 2007. The Company has not yet recognized any tax liability related to this examination in the financial statement as of March 31, 2008 as the examination has not been completed.

CONSOLIDATED FINANCIAL SUMMARY 1 FOR THE FISCAL FOURTH QUARTER AND THE FISCAL YEAR ENDED MARCH 31, 2008

Unit (thousands), Yen (billions)	Fourth Quarter Results				Fiscal Year Results				Fiscal Year Forecasts		
	3 months ended Mar. 31, 2007	3 months ended Mar. 31, 2008	Note 1 change	%	Year ended Mar. 31, 2007	Year ended Mar. 31, 2008	Note 1 change	%	Year ending Mar. 31, 2009	Note 1 change	%
Net sales and other operating revenue	3,087.8	3,055.5	- 32.3	- 1.0%	11,087.1	12,002.8	915.6	8.3%	12,140.0	137.1	1.1%
Operating income	250.2	168.8	- 81.3	- 32.5%	851.8	953.1	101.2	11.9%	650.0	- 303.1	- 31.8%
<as a percentage of net sales>	< 8.1% >	< 5.5% >			< 7.7% >	< 7.9% >			< 5.4% >		
Income before income taxes, minority interest and equity in income of affiliates	239.0	146.8	- 92.2	- 38.6%	792.8	895.8	102.9	13.0%	675.0	- 220.8	- 24.7%
<as a percentage of net sales>	< 7.7% >	< 4.8% >			< 7.2% >	< 7.5% >			< 5.6% >		
Equity in income of affiliates	19.9	24.3	4.4	22.1%	103.4	118.9	15.5	15.0%	106.0	- 12.9	- 10.9%
<as a percentage of net sales>	< 0.6% >	< 0.8% >			< 0.9% >	< 1.0% >			< 0.9% >		
Net income	176.1	25.4	- 150.7	- 85.6%	592.3	600.0	7.7	1.3%	490.0	- 110.0	- 18.3%
<as a percentage of net sales>	< 5.7% >	< 0.8% >			< 5.3% >	< 5.0% >			< 4.0% >		
Remarks	- Equity in income of affiliates set record high for the fiscal fourth 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 year.						
Change Factors in Operating income											
Change in revenue, model mix, etc., excluding currency effects											
Cost reduction, the effect of raw material cost fluctuations, etc.											
Change in SG&A expenses, excluding currency effects											
Change in R&D expenses											
Currency effects											
Change in average rates											
Translation effects											
Change Factors in Other income/expenses											
Change in fair value of derivative instruments											
Others											
Honda's average rates	USD=	JPY 120	JPY 106		JPY 117	JPY 114			JPY 100 (1H : JPY 100, 2H: JPY 100)		
	EUR=	JPY 157	JPY 158		JPY 151	JPY 162			JPY 155 (1H : JPY 155, 2H : JPY 155)		
Capital expenditures excluding purchase of operating lease assets											
Purchase of operating lease assets											
Depreciation and amortization excluding property on operating lease											
Depreciation of property on operating leases											
Research and development expenses											
Unit Sales											
Motorcycle business	2,408	2,368	- 40	- 1.7%	10,369	9,320	- 1,049	- 10.1%	10,620	1,300	13.9%
(motorcycles only)	(2,334)	(2,296)	(- 38)	(- 1.6%)	(10,121)	(9,083)	(- 1,038)	(- 10.3%)	(10,360)	(1,277)	(14.1%)
Japan	79	66	- 13	- 16.5%	337	311	- 26	- 7.7%	300	- 11	- 3.5%
(motorcycles only)	(79)	(66)	(- 13)	(- 16.5%)	(337)	(311)	(- 26)	(- 7.7%)	(300)	(- 11)	(- 3.5%)
North America	164	150	- 14	- 8.5%	503	453	- 50	- 9.9%	480	27	6.0%
(motorcycles only)	(99)	(85)	(- 14)	(- 14.1%)	(282)	(242)	(- 40)	(- 14.2%)	(240)	(- 2)	(- 0.8%)
Europe	97	89	- 8	- 8.2%	329	313	- 16	- 4.9%	310	- 3	- 1.0%
(motorcycles only)	(92)	(85)	(- 7)	(- 7.6%)	(317)	(301)	(- 16)	(- 5.0%)	(300)	(- 1)	(- 0.3%)
Asia	1,706	1,617	- 89	- 5.2%	7,895	6,633	- 1,262	- 16.0%	7,685	1,052	15.9%
(motorcycles only)	(1,706)	(1,617)	(- 89)	(- 5.2%)	(7,895)	(6,633)	(- 1,262)	(- 16.0%)	(7,685)	(1,052)	(15.9%)
Other Regions	362	446	84	23.2%	1,305	1,610	305	23.4%	1,845	234	14.5%
(motorcycles only)	(358)	(443)	(85)	(23.7%)	(1,290)	(1,596)	(306)	(23.7%)	(1,835)	(238)	(14.9%)
Automobile business	957	1,051	94	9.8%	3,652	3,925	273	7.5%	4,140	215	5.5%
Japan	189	191	2	1.1%	672	615	- 57	- 8.5%	620	5	0.8%
North America	450	459	9	2.0%	1,788	1,850	62	3.5%	1,770	- 80	- 4.3%
Europe	102	109	7	6.9%	324	391	67	20.7%	470	79	20.2%
Asia	149	203	54	36.2%	620	755	135	21.8%	920	165	21.9%
Other Regions	67	89	22	32.8%	248	314	66	26.6%	360	46	14.6%
Power product business	2,128	2,092	- 36	- 1.7%	6,421	6,057	- 364	- 5.7%	6,155	98	1.6%
Japan	139	151	12	8.6%	527	550	23	4.4%	550	-	0.0%
North America	1,023	888	- 135	- 13.2%	3,103	2,415	- 688	- 22.2%	2,365	- 50	- 2.1%
Europe	624	671	47	7.5%	1,625	1,693	68	4.2%	1,725	32	1.9%
Asia	230	251	21	9.1%	760	915	155	20.4%	990	75	8.2%
Other Regions	112	131	19	17.0%	406	484	78	19.2%	525	41	8.5%

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.

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 YEAR ENDED MARCH 31, 2008

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

	Yen (millions)		
	Mar. 31, 2007	Mar. 31, 2008	Change
Assets			
<Non-financial services businesses>			
Current Assets:	4,049,885	4,091,060	41,175
Cash and cash equivalents	921,309	1,022,466	101,157
Trade accounts and notes receivable, net	546,790	552,442	5,652
Inventories	1,183,116	1,199,260	16,144
Other current assets	1,398,670	1,316,892	(81,778)
Investments and advances	1,023,014	1,023,113	99
Property, plant and equipment, net	2,059,514	2,183,220	123,706
Other assets	417,325	530,156	112,831
Total assets	7,549,738	7,827,549	277,811
<Finance Subsidiaries>			
Cash and cash equivalents	24,237	28,436	4,199
Finance subsidiaries—short-term receivables, net	1,451,606	1,351,867	(99,739)
Finance subsidiaries—long-term receivables, net	3,040,572	2,708,367	(332,205)
Net property on operating leases	336,209	918,972	582,763
Other assets	841,580	900,197	58,617
Total assets	5,694,204	5,907,839	213,635
Reconciling Items	(1,207,442)	(1,119,845)	87,597
Total assets	12,036,500	12,615,543	579,043
Liabilities, Minority interests and Stockholders' Equity			
<Non-financial services businesses>			
Current liabilities:	2,359,648	2,307,339	(52,309)
Short-term debt	243,487	324,507	81,020
Current portion of long-term debt	19,713	20,486	773
Trade payables	1,182,894	1,057,446	(125,448)
Accrued expenses	671,467	632,506	(38,961)
Other current liabilities	242,087	272,394	30,307
Long-term debt, excluding current portion	55,468	56,225	757
Other liabilities	910,966	1,121,208	210,242
Total liabilities	3,326,082	3,484,772	158,690
<Finance Subsidiaries>			
Short-term debt	1,842,119	2,128,442	286,323
Current portion of long-term debt	758,855	863,797	104,942
Accrued expenses	178,236	148,276	(29,960)
Long-term debt, excluding current portion	1,869,470	1,786,744	(82,726)
Other liabilities	421,673	408,803	(12,870)
Total liabilities	5,070,353	5,336,062	265,709
Reconciling Items	(965,453)	(891,362)	74,091
Total liabilities	7,430,982	7,929,472	498,490
Minority interests in consolidated subsidiaries	122,907	141,806	18,899
Common stock	86,067	86,067	—
Capital surplus	172,529	172,529	—
Legal reserves	37,730	39,811	2,081
Retained earnings	4,654,890	5,099,983	445,093
Accumulated other comprehensive income (loss), net	(427,166)	(782,198)	(355,032)
Treasury stock	(41,439)	(71,927)	(30,488)
Total stockholders' equity	4,482,611	4,544,265	61,654
Total liabilities, minority interests and stockholders' equity	12,036,500	12,615,543	579,043

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 year ended March 31, 2008.

CONSOLIDATED FINANCIAL SUMMARY 3 FOR THE FISCAL YEAR ENDED MARCH 31, 2008

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 year ended March 31, 2007				
Cash flows from operating activities:				
Net Income	537,186	55,149	(13)	592,322
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	360,812	10,676	—	371,488
Deferred income taxes	(35,483)	19,035	—	(16,448)
Minority interest in income	20,102	15	—	20,117
Equity in income of affiliates	(103,417)	—	—	(103,417)
Dividends from affiliates	54,849	—	—	54,849
Loss (gain) on derivative instruments, net	28,370	28,466	—	56,836
Decrease (increase) in trade accounts and notes receivable	(5,445)	(34,318)	(9,766)	(49,529)
Decrease (increase) in inventories	(96,839)	—	—	(96,839)
Increase (decrease) in trade accounts and notes payable	41,965	—	(3,779)	38,186
Other, net	8,613	14,185	14,162	36,960
Net cash provided by operating activities	810,713	93,208	604	904,525
Cash flows from investing activities:				
* Decrease (increase) in investments and advances	93,311	—	(40,957)	52,354
Capital expenditures	(597,025)	(933)	—	(597,958)
Proceeds from sales of property, plant and equipment	20,364	277	—	20,641
Decrease (increase) in finance subsidiaries-receivables	—	(256,274)	16,052	(240,222)
Purchase of operating lease assets	—	(366,795)	—	(366,795)
Proceeds from sales of operating lease assets	—	1,276	—	1,276
Net cash used in investing activities	(483,350)	(622,449)	(24,905)	(1,130,704)
Cash flows from financing activities:				
* Increase (decrease) in short-term debt, net	32,964	241,349	31,750	306,063
* Proceeds from long-term debt	25,424	949,360	(5,293)	969,491
* Repayment of long-term debt	(18,077)	(664,906)	5,444	(677,539)
Proceeds from issuance of common stock	—	7,613	(7,613)	—
Cash dividends paid	(140,495)	—	13	(140,482)
Cash dividends paid to minority interests	(7,434)	—	—	(7,434)
Payment for purchase of treasury stock, net	(26,689)	—	—	(26,689)
Net cash provided by (used in) financing activities	(134,307)	533,416	24,301	423,410
Effect of exchange rate changes on cash and cash equivalents	31,057	470	—	31,527
Net change in cash and cash equivalents	224,113	4,645	—	228,758
Cash and cash equivalents at beginning of period	697,196	19,592	—	716,788
Cash and cash equivalents at end of period	921,309	24,237	—	945,546

CONSOLIDATED FINANCIAL SUMMARY 4 FOR THE FISCAL YEAR ENDED MARCH 31, 2008

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 year ended March 31, 2008				
Cash flows from operating activities:				
Net Income	580,728	19,323	(12)	600,039
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	416,438	101,987	—	518,425
Deferred income taxes	7,612	23,729	—	31,341
Minority interest in income	27,280	28	—	27,308
Equity in income of affiliates	(118,942)	—	—	(118,942)
Dividends from affiliates	67,764	—	—	67,764
Loss (gain) on derivative instruments, net	(14,020)	84,271	—	70,251
Decrease (increase) in trade accounts and notes receivable	(57,164)	(9,996)	(536)	(67,696)
Decrease (increase) in inventories	(100,622)	—	—	(100,622)
Increase (decrease) in trade accounts and notes payable	19,299	—	13,028	32,327
Other, net	107,626	1,342	(42,245)	66,723
Net cash provided by operating activities	935,999	220,684	(29,765)	1,126,918
Cash flows from investing activities:				
* Decrease (increase) in investments and advances	(87,073)	—	96,486	9,413
Capital expenditures	(667,601)	(627)	—	(668,228)
Proceeds from sales of property, plant and equipment	26,476	392	—	26,868
Decrease (increase) in finance subsidiaries-receivables	—	(227,525)	(14,442)	(241,967)
Purchase of operating lease assets	—	(839,261)	—	(839,261)
Proceeds from sales of operating lease assets	—	26,776	—	26,776
Net cash used in investing activities	(728,198)	(1,040,245)	82,044	(1,686,399)
Cash flows from financing activities:				
* Increase (decrease) in short-term debt, net	98,926	548,993	(45,962)	601,957
* Proceeds from long-term debt	32,387	1,032,504	(3,099)	1,061,792
* Repayment of long-term debt	(24,918)	(760,750)	2,919	(782,749)
Proceeds from issuance of common stock	—	6,149	(6,149)	—
Cash dividends paid	(152,602)	—	12	(152,590)
Cash dividends paid to minority interests	(9,663)	—	—	(9,663)
Payment for purchase of treasury stock, net	(30,746)	—	—	(30,746)
Net cash provided by (used in) financing activities	(86,616)	826,896	(52,279)	688,001
Effect of exchange rate changes on cash and cash equivalents	(20,028)	(3,136)	—	(23,164)
Net change in cash and cash equivalents	101,157	4,199	—	105,356
Cash and cash equivalents at beginning of period	921,309	24,237	—	945,546
Cash and cash equivalents at end of period	1,022,466	28,436	—	1,050,902

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 48,570 million decrease for the fiscal year ended March 31, 2007, and a JPY 90,337 million increase for the fiscal year ended March 31, 2008, 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.

UNCONSOLIDATED FINANCIAL SUMMARY FOR THE FISCAL YEAR ENDED MARCH 31, 2008 (Parent company only)

Unit (thousands), Yen (billions)	Results for the fiscal year ended March 31, 2007	Results for the fiscal year ended March 31, 2008			Forecasts for the fiscal year ending March 31, 2009		
			change Note 1	%		change Note 1	%
Net sales	4,030.8	4,088.0	57.1	1.4%	4,110.0	21.9	0.5%
Domestic	1,164.2	1,042.8	- 121.4	- 10.4%	1,113.0	70.1	6.7%
Export	2,866.6	3,045.1	178.5	6.2%	2,997.0	- 48.1	- 1.6%
Operating income	201.7	140.4	- 61.2	- 30.4%	23.0	- 117.4	- 83.6%
<as a percentage of net sales>	< 5.0% >	< 3.4% >			< 0.6% >		
Ordinary income	306.1	351.1	45.0	14.7%	192.0	- 159.1	- 45.3%
<as a percentage of net sales>	< 7.6% >	< 8.6% >			< 4.7% >		
Net income	214.1	298.5	84.4	39.5%	157.0	- 141.5	- 47.4%
<as a percentage of net sales>	< 5.3% >	< 7.3% >			< 3.8% >		
Remarks		*Net sales and Ordinary income set record high for the fiscal year					
Change Factors in Operating income			- 61.2			- 117.4	
Change in revenue, model mix, etc			- 9.6			48.4	
Cost reduction, including the effect of raw material cost fluctuation			- 9.3			- 25.0	
Change in SG&A expenses, excluding R&D expenses			- 1.9			12.0	
Change in R&D expenses			- 39.4			- 34.8	
Currency effects			- 0.8			- 118.0	
Change Factors in Other income / expenses			106.2			- 41.6	
Change in fair value of derivative instruments			7.9			- 23.0	
Others			98.2			- 18.7	
Honda's average rates USD=	JPY 117		JPY 114			JPY 100 (1H: 100, 2H: 100)	
Honda's average rates EUR=	JPY 151		JPY 162			JPY 155 (1H: 155, 2H: 155)	
Capital expenditures	140.4		144.5			185.0	
Motorcycle production-related	6.6		25.8			18.0	
Automobile production-related	66.3		54.4			78.0	
Power product production-related	1.8		1.0			1.0	
Others	65.5		63.1			88.0	
Depreciation and amortization	68.6		81.5			89.0	
Research and development expenses	536.7		576.1			611.0	
Interest bearing debt Note 2	26.3		16.0				
Unit sales in motorcycle business (motorcycles only)	1,067	857	- 210	- 19.7%	815	- 42	- 5.0%
Domestic (motorcycles only)	(776)	(642)	(- 134)	(- 17.3%)	(605)	(- 37)	(- 5.9%)
Export (motorcycles only)	341	313	- 27	- 8.1%	300	- 13	- 4.4%
Domestic (motorcycles only)	(341)	(313)	(- 27)	(- 8.1%)	(300)	(- 13)	(- 4.4%)
Export (motorcycles only)	726	543	- 182	- 25.1%	515	- 28	- 5.3%
Export (motorcycles only)	(435)	(328)	(- 106)	(- 24.5%)	(305)	(- 23)	(- 7.2%)
Unit sales in automobile business	1,383	1,377	- 5	- 0.4%	1,360	- 17	- 1.3%
Domestic	705	619	- 86	- 12.2%	640	20	3.4%
Registration vehicles	419	409	- 10	- 2.4%	430	20	5.0%
Mini vehicles	285	209	- 76	- 26.6%	210	—	0.2%
Export	677	758	80	11.9%	720	- 38	- 5.1%
Unit sales in power product business	1,702	1,595	- 107	- 6.3%	1,610	14	0.9%
Domestic	525	549	23	4.4%	550	—	0.2%
Export Note 3	1,176	1,046	- 130	- 11.1%	1,060	13	1.3%

Note1: In this chart, "change" is calculated on the comparison with the same period of previous year.

Note2: Interest bearing debt primarily comprises of funds received from subsidiaries by means of the Cash Management System.

Note3: Of the unit export sales in power product business, which were not assembled and had prices under 60% of the full component parts' FOB price are not included in unit sales for the fiscal year ended March 31, 2008, by changing the methodologies in quantifying units by Japan Land Engine Manufacturers Association. Therefore, the unit sales for the fiscal year ended March 31, 2007 has been revised to match the method used for the fiscal year ended March 31, 2008. Utilizing the old methodology for the fiscal year ended March 31, 2007, unit sales for the fiscal year ended March 31, 2007 is 6,163 thousand units

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SUPPLEMENT 1 FOR CONSOLIDATED FINANCIAL SUMMARY

Unit (thousands), Yen (billions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year ended	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	change	%	Year ended
	Results	Results	Results	Results	Mar. 31, 2007 Results	Results	Results	Results	Results	Note 1		Mar. 31, 2008 Results
Net sales and other operating revenue	2,599.7	2,630.8	2,768.6	3,087.8	11,087.1	2,931.1	2,971.3	3,044.8	3,055.5	- 32.3	- 1.0%	12,002.8
Japan	396.0	427.1	420.6	437.2	1,681.1	371.3	382.5	382.5	449.2	12.0	2.8%	1,585.7
Overseas	2,203.6	2,203.6	2,347.9	2,650.6	9,405.9	2,559.7	2,588.8	2,662.2	2,606.2	- 44.4	- 1.7%	10,417.0
Operating income	203.5	193.0	205.1	250.2	851.8	221.6	286.3	276.2	168.8	- 81.3	- 32.5%	953.1
Income before income taxes, minority interest and equity in income of affiliates	191.3	163.6	198.7	239.0	792.8	218.2	269.9	260.7	146.8	- 92.2	- 38.6%	895.8
Equity in income of affiliates	30.1	27.4	25.8	19.9	103.4	37.0	26.2	31.3	24.3	4.4	22.1%	118.9
Net income	143.4	127.9	144.8	176.1	592.3	166.1	208.4	200.0	25.4	- 150.7	- 85.6%	600.0
Honda's average rates USD=	JPY 114	JPY 116	JPY 118	JPY 120	JPY 117	JPY 121	JPY 118	JPY 113	JPY 106	JPY -14	- 13.2%	JPY 114
Honda's average rates EUR=	JPY 144	JPY 148	JPY 152	JPY 157	JPY 151	JPY 162	JPY 162	JPY 164	JPY 158	JPY 1	0.6%	JPY 162
Honda's transaction rates USD=	JPY 116	JPY 113	JPY 116	JPY 117	JPY 115	JPY 118	JPY 120	JPY 116	JPY 109	JPY -8	- 7.3%	JPY 116
Honda's transaction rates EUR=	JPY 139	JPY 143	JPY 146	JPY 150	JPY 144	JPY 155	JPY 159	JPY 162	JPY 161	JPY 11	6.8%	JPY 159
Capital expenditures excluding purchase of operating lease assets	98.0	172.8	133.0	223.1	627.0	132.6	192.7	135.6	192.9	- 30.2	- 13.5%	654.0
Purchase of operating lease assets	-	-	126.2	240.5	366.7	261.0	186.8	160.5	230.7	- 9.7	- 4.1%	839.2
Depreciation and amortization excluding property on operating leases	75.1	80.3	98.5	107.6	361.7	98.5	100.6	107.6	110.5	2.9	2.7%	417.3
Depreciation of property on operating leases	-	-	1.6	8.1	9.7	16.4	23.8	28.2	32.5	24.4	300.0%	101.0
Research and development expenses	116.3	128.6	143.0	163.8	551.8	141.5	139.7	147.2	159.4	- 4.4	- 2.7%	587.9
Unit sales based on the location of external customers												
Unit sales in motorcycle business (motorcycles only)	2,380	2,816	2,765	2,408	10,369	2,253	2,333	2,366	2,368	- 40	- 1.7%	9,320
Japan	89	98	71	79	337	84	107	54	66	- 13	- 16.5%	311
North America	89	143	107	164	503	80	121	102	150	- 14	- 8.5%	453
Europe	105	71	56	97	329	95	68	61	89	- 8	- 8.2%	313
Asia	1,809	2,163	2,217	1,706	7,895	1,623	1,645	1,748	1,617	- 89	- 5.2%	6,633
Other Regions	288	341	314	362	1,305	371	392	401	446	84	23.2%	1,610
Unit sales in automobile business	896	884	915	957	3,652	946	937	991	1,051	94	9.8%	3,925
Japan	156	171	156	189	672	136	143	145	191	2	1.1%	615
North America	456	411	471	450	1,788	465	445	481	459	9	2.0%	1,850
Europe	71	79	72	102	324	92	100	90	109	7	6.9%	391
Asia	153	163	155	149	620	187	177	188	203	54	36.2%	755
Other Regions	60	60	61	67	248	66	72	87	89	22	32.8%	314
Unit sales in power product business	1,724	1,187	1,382	2,128	6,421	1,529	1,258	1,178	2,092	- 36	- 1.7%	6,057
Japan	137	127	124	139	527	135	141	123	151	12	8.6%	550
North America	971	494	615	1,023	3,103	687	479	361	888	- 135	- 13.2%	2,415
Europe	382	254	365	624	1,625	390	280	352	671	47	7.5%	1,693
Asia	162	207	161	230	760	220	242	202	251	21	9.1%	915
Other Regions	72	105	117	112	406	97	116	140	131	19	17.0%	484
Interest bearing debt	3,472.9	3,715.5	3,879.4	3,947.0		4,282.6	4,293.1	4,611.4	4,394.8	447.7	11.3%	
Non-financial services businesses	234.2	194.1	310.3	318.6		310.7	312.5	427.5	401.2	82.5	25.9%	
Finance subsidiaries	4,077.0	4,368.1	4,412.7	4,470.4		4,888.7	4,839.1	5,029.6	4,778.9	308.5	6.9%	
Reconciling items	- 838.3	- 846.7	- 843.6	- 842.0		- 916.7	- 858.4	- 845.7	- 785.3	56.7	- 6.7%	
Total Asset	10,729.1	11,191.0	11,508.3	12,036.5		12,655.4	12,657.7	13,023.5	12,615.5	579.0	4.8%	
Total stockholders' equity	4,156.4	4,312.2	4,453.2	4,482.6		4,752.5	4,836.7	4,959.1	4,544.2	61.6	1.4%	
Basic net income per common share	JPY 78.46	JPY 70.05	JPY 79.45	JPY 96.70	JPY 324.62	JPY 91.38	JPY 114.94	JPY 110.25	JPY 14.01	JPY -82.69	- 85.5%	330.54

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)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year ended	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	change	%	Year ended
	Results	Results	Results	Results	Mar. 31, 2007 Results	Results	Results	Results	Results	Note 1		Mar. 31, 2008 Results
Net sales and other operating revenue Note 2	2,599.7	2,630.8	2,768.6	3,087.8	11,087.1	2,931.1	2,971.3	3,044.8	3,055.5	- 32.3	- 1.0%	12,002.8
Business segments												
Motorcycle business	310.1	335.5	303.2	421.7	1,370.6	368.3	381.6	364.6	444.0	22.3	5.3%	1,558.6
Automobile business	2,095.6	2,098.8	2,263.8	2,430.7	8,889.0	2,327.2	2,356.4	2,449.0	2,356.6	- 74.0	- 3.0%	9,489.3
Financial services business	90.8	98.9	105.0	118.4	413.3	129.8	137.8	139.6	141.7	23.2	19.6%	549.0
Power product & other businesses	108.4	100.0	105.0	125.3	438.9	115.2	105.0	100.2	122.3	- 3.0	- 2.4%	442.7
Reconciling items	- 5.3	- 2.4	- 8.6	- 8.3	- 24.8	- 9.4	- 9.6	- 8.7	- 9.1	- 0.8	-	- 37.0
Geographical Information												
Japan	1,109.2	1,175.8	1,223.8	1,265.1	4,774.1	1,176.2	1,215.5	1,246.1	1,251.0	- 14.0	- 1.1%	4,889.0
North America	1,467.9	1,421.0	1,612.1	1,671.4	6,172.6	1,583.3	1,557.1	1,640.5	1,484.1	- 187.2	- 11.2%	6,265.2
Europe	325.1	310.7	271.6	440.1	1,347.7	400.2	390.8	361.7	441.3	1.2	0.3%	1,594.2
Asia	287.5	313.5	303.4	366.9	1,271.4	393.3	415.6	413.4	415.9	49.0	13.4%	1,638.2
Other Regions	176.9	196.3	193.0	231.3	797.6	226.3	267.9	284.6	313.9	82.6	35.7%	1,092.8
Reconciling items	- 767.0	- 786.6	- 835.5	- 887.0	- 3,276.3	- 848.3	- 875.7	- 901.6	- 851.0	36.0	-	- 3,476.7
Operating income Note 2	203.5	193.0	205.1	250.2	851.8	221.6	286.3	276.2	168.8	- 81.3	- 32.5%	953.1
Business segments												
Motorcycle business	13.1	32.0	11.1	44.2	100.6	31.1	37.0	30.3	52.7	8.5	19.3%	151.2
Automobile business	150.0	130.8	160.7	157.7	599.5	148.3	213.0	220.7	79.5	- 78.2	- 49.6%	661.6
Financial services business	29.2	22.6	22.7	40.9	115.5	34.2	29.3	22.9	31.3	- 9.5	- 23.4%	117.7
Power product & other businesses	11.0	7.4	10.4	7.2	36.1	7.9	6.9	2.2	5.1	- 2.1	- 29.2%	22.3
Reconciling items	-	-	-	-	-	-	-	-	-	-	-	-
Geographical Information												
Japan	48.9	68.9	41.9	68.2	228.1	60.6	73.3	56.2	2.3	- 65.9	- 96.5%	192.5
North America	114.4	95.7	118.2	128.4	456.8	97.0	116.0	156.3	63.1	- 65.2	- 50.8%	432.6
Europe	6.4	9.0	3.7	12.6	31.9	10.3	16.7	5.8	18.6	5.9	47.0%	51.5
Asia	19.4	18.2	20.2	19.2	77.1	36.9	33.4	38.3	21.9	2.7	14.6%	130.7
Other Regions	15.2	21.4	16.0	19.5	72.2	21.7	30.1	31.7	32.7	13.2	67.8%	116.4
Reconciling items	- 1.0	- 20.4	4.9	2.1	- 14.4	- 4.9	16.6	- 12.3	29.8	27.7	-	29.1

Notes :

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