

October 28, 2008

**HONDA MOTOR CO., LTD. REPORTS  
CONSOLIDATED FINANCIAL RESULTS  
FOR THE FISCAL SECOND QUARTER AND  
THE FIRST HALF ENDED SEPTEMBER 30, 2008**

Tokyo, October 28, 2008--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter and the fiscal first half ended September 30, 2008.

**Second Quarter Results**

Honda's consolidated net income for the fiscal second quarter ended September 30, 2008 totaled JPY 123.3 billion (USD 1,191 million), a decrease of 40.9% from the same period in 2007. Basic net income per common share for the quarter amounted to JPY 67.96 (USD 0.66), a decrease of JPY 46.98 from JPY 114.94 for the corresponding period last year. One Honda American Depository Share represents one common share.

Consolidated net sales and other operating revenue (herein referred to as "revenue") for the quarter amounted to JPY 2,826.8 billion (USD 27,294 million), a decrease of 4.9% from the same period in 2007, resulting primarily from currency translation effects. 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 1.7%.

Consolidated operating income for the quarter totaled JPY 148.8 billion (USD 1,437 million), a decrease of 48.0%, due primarily to increased SG&A expenses, the negative impact of currency effects caused by the appreciation of the Japanese yen, the negative impact of decreased revenue, model mix, etc. and increased raw material costs, despite continuing cost reduction efforts.

Consolidated income before income taxes, minority interest and equity in income of affiliates for the quarter totaled JPY 149.4 billion (USD 1,443 million), a decrease of 44.6% from the same period in 2007.

Equity in income of affiliates amounted to JPY 27.2 billion (USD 263 million) for the quarter, an increase of 4.0% from the corresponding period last year.

## Business Segment

With respect to Honda's sales for the fiscal second quarter by business segment, motorcycle unit sales totaled 2,893 thousand units, an increase of 24.0% from the same period last year. Unit sales in Japan totaled 79 thousand units, a decrease of 26.2% compared to the same period last year. Overseas unit sales was 2,814 thousand units, an increase of 26.4% from the same period in 2007\*, due mainly to increased unit sales in Asia and Other regions including Brazil and an increase in sales of motorcycle knocked-down parts for local production at Asian affiliates accounted for under the equity method in Indonesia and India. Revenue increased 5.1%, to JPY 401.0 billion (USD 3,873 million) from the same period last year, due mainly to increased sales in Asia and other regions including Brazil, offsetting negative currency translation effects. Operating income was JPY 46.3 billion (USD 448 million), an increase of 25.4% from the same period last year, due mainly to the positive impact of increased revenue, model mix, etc. and continuing cost reduction efforts, more than offsetting increased raw material costs.

\*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 1,260 thousand units for the period.

Honda's automobile unit sales totaled 935 thousand units, approximately the level of the same period last year. In Japan, unit sales amounted to 152 thousand units, an increase of 6.3% from the same period last year. Overseas unit sales decreased 1.4% to 783 thousand units from the corresponding period last year, due mainly to weak demand for light trucks in North America and decreased unit sales in Europe, more than offsetting an increase of unit sales in Asia and other regions including Brazil and increased sales of automobile knocked-down parts for local production at Chinese affiliates accounted for under the equity method. Revenue decreased 7.9% to JPY 2,170.6 billion (USD 20,958 million) from the same period in 2007, due mainly to the negative impact of currency translation effects and decreased overseas unit sales. Operating income decreased 62.9% to JPY 79.0 billion (USD 763 million) from the same period last year, due primarily to the negative impact of decreased revenue, model mix etc., the negative currency effects caused by the appreciation of the Japanese yen, increased SG&A expenses and increased raw material costs, more than offsetting continuing cost reduction efforts.

Revenue from customers in the financial services business increased 18.5% to JPY 158.5 billion (USD 1,531 million) from the same period in 2007, due mainly to an increase in

operating lease revenues. Operating income decreased 17.1% to JPY 24.3 billion (USD 235 million) from the same period in 2007, due primarily to the increased provision related to credit losses and allowance for losses on lease residual values, and the negative currency effects caused by the appreciation of the Japanese yen, despite increased revenue.

Honda's power product unit sales totaled 1,202 thousand units, a decrease of 4.5% from the same period in 2007. In Japan, unit sales totaled 146 thousand units, an increase of 3.5% from the same period last year. Overseas unit sales totaled 1,056 thousand units, a decrease of 5.5% from the corresponding period last year, due primarily to a decline of unit sales of general-purpose engines for OEM\* production in North America and Europe. Revenue in the power product and other businesses decreased by 2.8% to JPY 96.6 billion (USD 933 million) from the same period last year, due mainly to decreased unit sales of power products. Operating income decreased JPY 7.8 billion from the same period in 2007, to record operating loss of JPY 924 million (USD 9 million). This was primarily due to increased R&D expenses of other businesses and the negative impact of decreased revenue, model mix, etc.

\* OEM (Original equipment manufacturing)

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

### Geographical Information

With respect to Honda's sales for the fiscal second quarter by geographic area, in Japan, revenue for domestic and exports sales amounted to JPY 1,193.5 billion (USD 11,524 million), down 1.8% compared to the same period last year, due primarily to decreased export sales in automobile business. Operating income totaled JPY 40.9 billion (USD 395 million), down 44.2% from the same period last year due primarily to the negative impact of the currency effects caused by the appreciation of the Japanese yen, the negative impact of decreased revenue, model mix, etc., increased raw material costs and increased depreciation expenses, more than offsetting continuing cost reduction efforts and decreased SG&A expenses.

In North America, revenue decreased by 12.0% to JPY 1,370.0 billion (USD 13,228 million) from the same period in 2007 due mainly to the negative impact of the currency translation effects, decreased revenue in automobile business and decreased unit sales in all of the business segments. Operating income decreased by 80.6% to JPY 22.5 billion (USD 217 million) from the same period last year due primarily to increased SG&A expenses, the negative impact of currency effects caused by appreciation of the Japanese yen, the negative impact of decreased revenue, model mix, etc., increased raw material costs and the increased provision related to credit losses and allowance for losses on lease residual values, more than offsetting continuing cost reduction efforts.

In Europe, revenue decreased by 10.3% to JPY 350.7 billion (USD 3,386 million), from the same period in 2007 due primarily to the negative impact of currency translation effects and decreased revenue in automobile business. Operating income decreased by 50.5% to JPY 8.3 billion (USD 80 million) from the same period last year due primarily to the negative impact of decreased revenue, model mix, etc., increased SG&A expenses and increased raw material costs, despite continuing cost reduction efforts.

In Asia, revenue increased by 8.7% to JPY 451.8 billion (USD 4,363 million) from the same period last year due to increased revenue in all business segments, offsetting the negative impact of the currency translation effects. Operating income increased by 9.6% to JPY 36.6 billion (USD 354 million) from the corresponding period last year due mainly to the positive impact of increased revenue, model mix, etc., more than offsetting the negative impact of currency effects caused by appreciation of the Japanese yen and 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 such as Latin America, Middle East, Africa and Oceania, revenue increased by 30.5% to JPY 349.5 billion (USD 3,375 million) compared to the same period last year, due mainly to increased revenue in all business segments. Operating income increased by 61.7% to JPY 48.7 billion (USD 471 million) from the corresponding period in 2007 due mainly to the positive impact of increased revenue, model mix, etc. and the positive currency effects caused by the depreciation of the Japanese yen, more than offsetting increased SG&A expenses.

United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥ 103.57=U.S.\$1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on September 30, 2008.

## **First Half-Year Results**

Honda's consolidated net income for the fiscal first half year ended September 30, 2008 totaled JPY 302.9 billion (USD 2,925 million), a decrease of 19.1% from the same period in 2007. Basic net income per Common share for the period amounted to JPY 166.94 (USD 1.61), a decrease of JPY 39.32 from JPY 206.26 for the same period in 2007.

Consolidated revenue for the period amounted to JPY 5,694.0 billion (USD 54,978 million), a decrease of 3.5% from the same period in 2007, primarily due to currency translation effects. Honda estimates that if calculated at the same exchange rate as the same period in 2007, revenue for the quarter would have increased by approximately 4.4%.

Consolidated operating income for the period totaled JPY 370.1 billion (USD 3,574 million), a decrease of 27.1% compared to the same period in 2007. This decrease in operating income was primarily due to the negative currency effects caused by the appreciation of the Japanese yen, increased SG&A expenses and increased raw material costs, more than offsetting the positive impact of higher transaction price and continuing cost reduction efforts.

Consolidated income before income taxes, minority interest and equity in income of affiliates for the period totaled JPY 384.5 billion (USD 3,713 million), a decrease of 21.2% from the same period in 2007.

Equity in income of affiliates amounted to JPY 65.4 billion (USD 632 million) for the period, an increase of 3.5% from the same period in 2007. Equity in income of affiliates set a record high for the fiscal first half.

## Business Segment

With respect to Honda's sales for the fiscal first half by business segment, unit sales of motorcycles totaled 5,608 thousand units, an increase of 22.3% from the same period in 2007. Unit sales in Japan totaled 137 thousand units, a decrease of 28.3%. Overseas unit sales was 5,471 thousand units, an increase of 24.5%\*, due mainly to the increased units sales of motorcycle knocked-down parts for local production at Honda's affiliates accounted for under the equity method in Asia. Revenue increased 5.9%, to JPY 794.1 billion (USD 7,668 million) from the same period in 2007, due mainly to increased revenue in Asia and Other Regions including Brazil, despite the negative currency translation effects. Operating income increased by 13.8 % to JPY 77.5 billion (USD 749 million) from the same period in 2007, due mainly to the positive impact of increased revenue, model mix, etc., which more than offset increased SG&A expenses and the negative currency effects caused by the appreciation of the Japanese yen.

\*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 2,480 thousand units for the period.

Honda's unit sales of automobiles was 1,897 thousand units, increased by 0.7% from the same period in 2007. In Japan, unit sales totaled 280 thousand units, approximately the same level of the same period in 2007. Overseas unit sales increased 0.8% to 1,617 thousand units, due mainly to the increased unit sales in Asia and other regions including Brazil. Revenue decreased 6.1% to JPY 4,398.6 billion (USD 42,470 million) from the same period in 2007, due to the negative impact of the currency translation effects, more than offsetting increased overseas unit sales. Operating income decreased 33.5% to JPY 240.2 billion (USD 2,320 million) from the same period in 2007, primarily due to the negative currency effects caused by the appreciation of the Japanese yen, increased SG&A expenses and increased raw material costs, which more than offset the positive impact of model mix, etc., continuing cost reduction efforts and decreased R&D expenses.

Revenue in financial services business increased 17.2% to JPY 304.3 billion (USD 2,938 million) from the same period in 2007, due mainly to the increased operating lease revenues, despite negative currency translation effects. Operating income decreased 16.4% to JPY 53.0 billion (USD 513 million) from the same period in 2007, due mainly to the increased provision related to credit losses and allowance for losses on lease residual values, which more than offset the increased revenue.

Honda's unit sales of power products was 2,541 thousand units, down by 8.8 % from the same period in 2007. In Japan, unit sales totaled 305 thousand units, an increase of 10.5%. Overseas unit sales decreased 11.0%, to 2,236 thousand units, due mainly to the declined unit sales in North America and Europe. Revenue in power product and other businesses decreased by 5.8% to JPY 196.9 billion (USD 1,902 million) from the same period in 2007, due mainly to decreased unit sales in power product business. Operating income decreased JPY 15.6 billion from the same period in 2007, to record operating loss of JPY 715 million (USD 7 million), due mainly to the negative impact of decreased revenue, model mix, etc. and increased R&D expenses of other businesses.

### Geographical Information

With respect to Honda's sales for the fiscal first half by geographical segment, in Japan, revenue for domestic and exports sales was JPY 2,343.1 billion (USD 22,624 million), down by 2.0% compared to the same period in 2007, due primarily to decreased revenue in motorcycle and automobile businesses in Japan. Operating income was JPY 78.8 billion (USD 761 million), down by 41.2% from the same period in 2007, due primarily to the negative currency effects caused by the appreciation of the Japanese yen, decreased revenue and increased raw material costs, which more than offset continuing cost reduction efforts, decreased SG&A expenses and decreased R&D expenses.

In North America, revenue decreased by 8.8% to JPY 2,863.2 billion (USD 27,645 million) from the same period in 2007, due mainly to the negative impact of the currency translation effects and decreased revenue in automobile business. Operating income decreased by 45.0% to JPY 117.1 billion (USD 1,131 million) from the same period in 2007, mainly due to the negative currency effects, increased SG&A expenses and increased raw material costs, more than offsetting the positive impact of model mix, etc. and continuing cost reduction efforts.

In Europe, revenue decreased by 9.6% to JPY 715.2 billion (USD 6,906 million) compared to the same period in 2007, due primarily to the negative impact of the currency translation effects. Operating income decreased by 27.6% to JPY 19.5 billion (USD 189 million) from the same period in 2007, due mainly to increased SG&A expenses and the negative currency effects caused by the appreciation of the Japanese yen, more than offsetting continuing cost reduction efforts.

In Asia, revenue increased by 9.8% to JPY 888.0 billion (USD 8,575 million) from the same period in 2007, due primarily to the increased revenue in all of the business segments, which offset the negative impact of the currency translation effects. Operating income increased by 20.7% to JPY 84.9 billion (USD 820 million) from the same period in 2007, due mainly to the positive impact of increased revenue, model mix and continuing cost reduction efforts, more than offsetting the negative currency effects caused by the appreciation of the Japanese yen and increased SG&A expenses.

In other regions, revenue increased by 30.2% to JPY 643.3 billion (USD 6,212 million) compared to the same period in 2007, due mainly to the increased revenue in all of the business segments. Operating income increased by 63.9% to JPY 85.1 billion (USD 822 million) from the same period in 2007, due mainly to the positive impact of increased revenue, model mix

and the positive currency effects caused by the appreciation of the Japanese yen, despite increased SG&A expenses.

## **Consolidated Statements of Balance Sheets for the Fiscal Half Year Ended September 30, 2008**

From April 1, 2008, total assets increased JPY 757.9 billion (USD 7,318 million), to JPY 13,373.4 billion (USD 129,125 million) at September 30, 2008, mainly due to increased finance subsidiaries-receivables, property on operating leases and current assets, along with currency translation effects. From April 1, 2008, total liabilities increased by JPY 540.2 billion (USD 5,217 million), to JPY 8,469.7 billion (USD 81,778 million) at September 30, 2008, mainly due to currency translation effects and an increase in funds raised by finance subsidiaries. For the six months ended September 30, 2008, total stockholders' equity increased JPY 217.8 billion (USD 2,103 million), to JPY 4,762.1 billion (USD 45,980 million), primarily due to quarterly net income.

## **Consolidated Statements of Cash Flows for the Fiscal First Half**

Consolidated cash and cash equivalents at the end of the period from April 1, 2008 through September 30, 2008 decreased by JPY 96.4 billion (USD 932 million) from March 31, 2008, to JPY 954.4 billion (USD 9,215 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 486.6 billion (USD 4,699 million) of cash inflows for the fiscal first half ended September 30, 2008, mainly attributable to an increase in quarterly net income, a decrease in depreciation and a decrease in trade accounts and notes receivable, which offset an increase in inventories and a decrease in trade accounts and notes payable. Cash inflows from operating activities decreased by JPY 60.8 billion (USD 588 million) compared with the corresponding period in 2007.

### **Cash flows from investing activities**

Net cash used in investing activities amounted to JPY 1,041.2 billion (USD 10,054 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 and sales of operating lease assets. Cash outflows from investing activities increased by JPY 146.8 billion (USD 1,418 million) compared with the corresponding period in 2007.

Cash flows from financing activities

Net cash provided by financing activities amounted to JPY 469.9 billion (USD 4,538 million), which was attributable to proceeds from long-term debt, increase in short-term debt and repayment of long-term debt, despite cash dividends paid. Cash inflows from financing activities increased by JPY 244.1 billion (USD 2,358 million) compared with the corresponding period in 2007.

## **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 results to be as shown below:

The 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 135, respectively, for the second half of the year ending March 31, 2009, and JPY 103 and JPY 145, respectively, for the full year ending March 31, 2009.

Projected unit sales for the full year ending March 31, 2009 are shown below.

	<u>Unit (thousands)</u>	<u>Changes from FY2008</u> <u>(thousands)</u>
Motorcycle business	10,835	+ 1,515
Automobile business	4,015	+ 90
Power product business	5,630	- 427

## **FY2009 Forecasts for Consolidated Results**

### **Fiscal year ending March 31, 2009**

	<u>Yen (billions)</u>	<u>Changes from FY 2008</u>
Net sales and other operating revenue	11,600	- 3.4%
Operating income	550	- 42.3%
Income before income taxes minority interest and equity in income of affiliates	580	- 35.3%
Net income	485	- 19.2%
	<u>Yen</u>	
Basic net income per Common share	267.29	

The reasons for the increases or decreases for forecasts of the operating income and income before income taxes, minority interest and equity in income of affiliates for the fiscal year ending March 31, 2009 from the corresponding period last year are as follows.

	Yen (billions)
Revenue, model mix, etc., excluding currency effect	141.0
Cost reduction, the effect of raw material cost fluctuations, etc.	- 143.0
SG&A expenses, excluding currency effect	- 100.0
R&D expenses	- 12.1
Currency effect	- 289.0
<hr/> Operating income compared with fiscal year 2008	<hr/> - 403.1
Fair value of derivative instruments	115.0
Others	- 27.7
<hr/> Income before income taxes, minority interest and equity in income of affiliates compared with fiscal year 2008	<hr/> - 315.8

### **Dividend per Share of Common Stock**

The Board of Directors of Honda Motor Co., Ltd., at its meeting held on October 28, 2008, resolved to make the quarterly dividend JPY 22 per share of common stock, the record date of which is September 30, 2008. The total expected annual dividend per share of common stock for the fiscal year ending March 31, 2009, is JPY 88 per share.

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

## Others

1. Changes in significant subsidiaries for the three months ended September 30, 2008 (i.e. changes in specific subsidiaries that caused a change in the scope of consolidated financial statements)

None

2. Accounting policies specifically applied for quarterly consolidated financial statements

(a) Income taxes

Honda computes interim income tax expense (benefit) by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes, minority interest and equity in income of affiliates for the fiscal first half ended September 30, 2008. If a reliable estimate cannot be made, Honda utilizes the actual year-to-date effective tax rate.

3. Changes in accounting procedures for consolidated quarterly financial results

(a) Fair value measurements

Honda adopted Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements" effective April 1, 2008. This statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction, and emphasizes that a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability.

In February 2008, FASB issued FASB staff position (FSP) No. FAS 157-2 "Effective date of FASB statement No. 157". This FSP delays the effective date for SFAS No. 157, for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually).

The adoption of this statement does not have a material impact on the Company's consolidated financial position or results of operations.

The Company has omitted disclosures required by this statement.

(b) The fair value option for financial assets and financial liabilities

The Statement of Financial Accounting Standards (SFAS) No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of SFAS No. 115" has been effective since April 1, 2008. This statement permits entities to choose to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value. Subsequent changes in fair value for designated items will be required to be reported in earnings in the current period. Honda has not elected the fair value option during the six months ended September 30, 2008. Accordingly, the adoption of this statement has no impact on the Company's consolidated financial position or results of operations.

**[1] Consolidated Financial Summary**

For the three months and six months ended September 30, 2008 and 2007

**Financial Highlights**

	Yen (millions)			
	Three months ended Sep. 30, 2008	Three months ended Sep. 30, 2007	Six months ended Sep. 30, 2008	Six months ended Sep. 30, 2007
Net sales and other operating revenue	<b>2,826,865</b>	2,971,346	<b>5,694,086</b>	5,902,469
Operating income	<b>148,851</b>	286,338	<b>370,198</b>	508,022
Income before income taxes, minority interest and equity in income of affiliates	<b>149,462</b>	269,992	<b>384,557</b>	488,250
Net income	<b>123,316</b>	208,483	<b>302,927</b>	374,600
	Yen			
Basic net income per common share	<b>67.96</b>	114.94	<b>166.94</b>	206.26
	U.S. Dollar (millions)			
	Three months ended Sep. 30, 2008		Six months ended Sep. 30, 2008	
Net sales and other operating revenue	<b>27,294</b>		<b>54,978</b>	
Operating income	<b>1,437</b>		<b>3,574</b>	
Income before income taxes, minority interest and equity in income of affiliates	<b>1,443</b>		<b>3,713</b>	
Net income	<b>1,191</b>		<b>2,925</b>	
	U.S. Dollar			
Basic net income per common share	<b>0.66</b>		<b>1.61</b>	

**[2] Consolidated Balance Sheets**

	Yen (millions)	
	September 30, 2008 ( Unaudited )	March 31, 2008
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	954,408	1,050,902
Trade accounts and notes receivable	936,240	1,021,743
Finance subsidiaries-receivables, net	1,519,304	1,340,728
Inventories	1,334,851	1,199,260
Deferred income taxes	190,364	158,825
Other current assets	520,408	460,110
<b>Total current assets</b>	<b>5,455,575</b>	<b>5,231,568</b>
 <b>Finance subsidiaries-receivables, net</b>	 <b>2,873,062</b>	 <b>2,707,820</b>
 <b>Investments and advances:</b>		
Investments in and advances to affiliates	563,960	549,812
Other, including marketable equity securities	183,530	222,110
<b>Total investments and advances</b>	<b>747,490</b>	<b>771,922</b>
 <b>Property on operating leases:</b>		
Vehicles	1,455,662	1,014,412
Less accumulated depreciation	185,217	95,440
<b>Net property on operating leases</b>	<b>1,270,445</b>	<b>918,972</b>
 <b>Property, plant and equipment, at cost:</b>		
Land	469,593	457,352
Buildings	1,451,974	1,396,934
Machinery and equipment	3,263,015	3,135,513
Construction in progress	229,205	227,479
	<b>5,413,787</b>	<b>5,217,278</b>
Less accumulated depreciation and amortization	3,144,930	3,015,979
<b>Net property, plant and equipment</b>	<b>2,268,857</b>	<b>2,201,299</b>
 <b>Other assets</b>	 <b>758,046</b>	 <b>783,962</b>
<b>Total assets</b>	<b>13,373,475</b>	<b>12,615,543</b>

[2] Consolidated Balance Sheets – continued

Liabilities, Minority Interests and Stockholders' Equity	Yen (millions)	
	September 30, 2008 ( Unaudited )	March 31, 2008
<b>Current liabilities:</b>		
Short-term debt	1,908,169	1,687,115
Current portion of long-term debt	859,591	871,050
Trade payables:		
Notes	36,710	39,006
Accounts	889,313	1,015,130
Accrued expenses	724,551	730,615
Income taxes payable	73,217	71,354
Other current liabilities	250,977	264,280
<b>Total current liabilities</b>	<b>4,742,528</b>	<b>4,678,550</b>
<b>Long-term debt, excluding current portion</b>	<b>2,180,968</b>	<b>1,836,652</b>
<b>Other liabilities</b>	<b>1,546,264</b>	<b>1,414,270</b>
<b>Total liabilities</b>	<b>8,469,760</b>	<b>7,929,472</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>141,605</b>	<b>141,806</b>
<b>Stockholders' equity:</b>		
Common stock, authorized 7,086,000,000 shares; issued 1,834,828,430 shares	86,067	86,067
Capital surplus	172,529	172,529
Legal reserves	42,258	39,811
Retained earnings	5,320,620	5,099,983
Accumulated other comprehensive income(loss), net	(787,432)	(782,198)
Treasury stock, at cost 20,290,531 shares on Mar. 31, 2008 and 20,292,173 shares in Sep. 30, 2008	(71,932)	(71,927)
<b>Total stockholders' equity</b>	<b>4,762,110</b>	<b>4,544,265</b>
<b>Commitments and contingent liabilities</b>		
<b>Total liabilities, minority interests and stockholders' equity</b>	<b>13,373,475</b>	<b>12,615,543</b>

**[3] Consolidated Statements of Income**

(A) For the six months ended September 30, 2007 and 2008

	Yen (millions)	
	Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2008
<b>Net sales and other operating revenue</b>	5,902,469	<b>5,694,086</b>
<b>Operating costs and expenses:</b>		
Cost of sales	4,200,822	<b>4,098,677</b>
Selling, general and administrative	912,319	<b>951,438</b>
Research and development	281,306	<b>273,773</b>
<b>Operating income</b>	508,022	<b>370,198</b>
<b>Other income:</b>		
Interest	25,520	<b>22,392</b>
Other	1,227	<b>20,774</b>
<b>Other expenses:</b>		
Interest	7,755	<b>11,414</b>
Other	38,764	<b>17,393</b>
<b>Income before income taxes, minority interest and equity in income of affiliates</b>	488,250	<b>384,557</b>
<b>Income tax (benefit) expense:</b>		
Current	159,196	<b>67,087</b>
Deferred	4,446	<b>66,529</b>
<b>Income before minority interest and equity in income of affiliates</b>	324,608	<b>250,941</b>
<b>Minority interest in income of consolidated subsidiaries</b>	(13,269)	<b>(13,495)</b>
<b>Equity in income of affiliates</b>	63,261	<b>65,481</b>
<b>Net income</b>	374,600	<b>302,927</b>
	Yen	
<b>Basic net income per common share</b>	206.26	<b>166.94</b>

(B) For the three months ended September 30, 2007 and 2008

	Yen (millions)	
	Three months ended Sep. 30, 2007	Three months ended Sep. 30, 2008
<b>Net sales and other operating revenue</b>	2,971,346	<b>2,826,865</b>
<b>Operating costs and expenses:</b>		
Cost of sales	2,088,906	<b>2,058,223</b>
Selling, general and administrative	456,333	<b>483,165</b>
Research and development	139,769	<b>136,626</b>
<b>Operating income</b>	286,338	<b>148,851</b>
<b>Other income:</b>		
Interest	12,216	<b>11,551</b>
Other	5,292	<b>11,468</b>
<b>Other expenses:</b>		
Interest	3,703	<b>5,262</b>
Other	30,151	<b>17,146</b>
<b>Income before income taxes, minority interest and equity in income of affiliates</b>	269,992	<b>149,462</b>
<b>Income tax (benefit) expense:</b>		
Current	78,188	<b>25,481</b>
Deferred	3,148	<b>21,977</b>
<b>Income before minority interest and equity in income of affiliates</b>	188,656	<b>102,004</b>
<b>Minority interest in income of consolidated subsidiaries</b>	(6,418)	<b>(5,976)</b>
<b>Equity in income of affiliates</b>	26,245	<b>27,288</b>
<b>Net income</b>	208,483	<b>123,316</b>
	Yen	
<b>Basic net income per common share</b>	114.94	<b>67.96</b>

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

	Yen (millions)	
	Six months ended Sep. 30, 2007 (Unaudited)	Six months ended Sep. 30, 2008 (Unaudited)
<b>Cash flows from operating activities:</b>		
Net income	374,600	<b>302,927</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation excluding property on operating leases	199,190	<b>205,057</b>
Depreciation of property on operating leases	40,260	<b>92,757</b>
Deferred income taxes	4,446	<b>66,529</b>
Minority interest in income	13,269	<b>13,495</b>
Equity in income of affiliates	(63,261)	<b>(65,481)</b>
Dividends from affiliates	36,504	<b>26,759</b>
Provision for credit and lease residual losses on finance subsidiaries-receivables	22,168	<b>37,524</b>
Impairment loss on investments in securities	472	<b>13,673</b>
Loss (gain) on derivative instruments, net	17,844	<b>(56,015)</b>
Decrease (increase) in assets:		
Trade accounts and notes receivable	188,756	<b>67,991</b>
Inventories	(47,023)	<b>(155,200)</b>
Other current assets	(18,588)	<b>(19,471)</b>
Other assets	(80,869)	<b>8,544</b>
Increase (decrease) in liabilities:		
Trade accounts and notes payable	(119,509)	<b>(92,139)</b>
Accrued expenses	(47,777)	<b>(7,812)</b>
Income taxes payable	14,774	<b>4,405</b>
Other current liabilities	(360)	<b>12,943</b>
Other liabilities	31,875	<b>36,253</b>
Other, net	(19,227)	<b>(6,089)</b>
<b>Net cash provided by operating activities</b>	<b>547,544</b>	<b>486,650</b>
<b>Cash flows from investing activities:</b>		
Increase in investments and advances	(2,237)	<b>(1,265)</b>
Decrease in investments and advances	484	<b>1,486</b>
Payments for purchases of available-for-sale securities	(112,368)	<b>(31,537)</b>
Proceeds from sales of available-for-sale securities	108,749	<b>1,309</b>
Payments for purchases of held-to-maturity securities	(16,423)	<b>(14,458)</b>
Proceeds from redemptions of held-to-maturity securities	12,175	<b>10,513</b>
Capital expenditures	(342,874)	<b>(314,465)</b>
Proceeds from sales of property, plant and equipment	11,292	<b>11,437</b>
Acquisitions of finance subsidiaries-receivables	(1,448,823)	<b>(1,555,101)</b>
Collections of finance subsidiaries-receivables	1,138,113	<b>1,110,815</b>
Proceeds from sales of finance subsidiaries-receivables	196,538	<b>123,090</b>
Purchase of operating lease assets	(447,902)	<b>(437,093)</b>
Proceeds from sales of operating lease assets	8,883	<b>53,995</b>
<b>Net cash used in investing activities</b>	<b>(894,393)</b>	<b>(1,041,274)</b>

[4] Consolidated Statements of Cash Flows – continued

	Yen (millions)	
	Six months ended Sep. 30, 2007 (Unaudited)	Six months ended Sep. 30, 2008 (Unaudited)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term debt, net	263,145	228,914
Proceeds from long-term debt	523,884	870,684
Repayment of long-term debt	(446,185)	(540,316)
Cash dividends paid	(72,748)	(79,842)
Cash dividends paid to minority interests	(8,148)	(9,473)
Payment for purchase of treasury stock, net	(34,156)	(6)
<b>Net cash provided by financing activities</b>	<b>225,792</b>	<b>469,961</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>39,115</b>	<b>(11,831)</b>
<b>Net change in cash and cash equivalents</b>	<b>(81,942)</b>	<b>(96,494)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>945,546</b>	<b>1,050,902</b>
<b>Cash and cash equivalents at end of period</b>	<b>863,604</b>	<b>954,408</b>

**[5] Assumptions for Going Concern**

None

**[6] 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.

1. 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, 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 September 30, 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	381,649	2,356,487	133,760	99,450	2,971,346	—	2,971,346
Intersegment	—	—	4,076	5,556	9,632	(9,632)	—
Total	381,649	2,356,487	137,836	105,006	2,980,978	(9,632)	2,971,346
Segment income (loss)	37,009	213,039	29,316	6,974	286,338	—	286,338

**As of and for the three months ended September 30, 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	401,090	2,170,632	158,523	96,620	2,826,865	—	2,826,865
Intersegment	—	—	4,149	6,474	10,623	(10,623)	—
Total	401,090	2,170,632	162,672	103,094	2,837,488	(10,623)	2,826,865
Segment income (loss)	46,395	79,063	24,317	(924)	148,851	—	148,851

**(B) As of and for the six months ended September 30, 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	749,963	4,683,707	259,609	209,190	5,902,469	—	5,902,469
Intersegment	—	—	8,062	11,058	19,120	(19,120)	—
Total	749,963	4,683,707	267,671	220,248	5,921,589	(19,120)	5,902,469
Segment income (loss)	68,167	361,363	63,530	14,962	508,022	—	508,022
Assets	1,196,047	5,635,136	6,085,475	313,730	13,230,388	(572,652)	12,657,736
Depreciation and amortization	22,388	170,506	40,757	5,799	239,450	—	239,450
Capital expenditures	32,127	279,229	448,143	13,812	773,311	—	773,311

**As of and for the six months ended September 30, 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	794,138	4,398,645	304,328	196,975	5,694,086	—	5,694,086
Intersegment	—	—	7,868	12,960	20,828	(20,828)	—
Total	794,138	4,398,645	312,196	209,935	5,714,914	(20,828)	5,694,086
Segment income (loss)	77,548	240,275	53,090	(715)	370,198	—	370,198
Assets	1,220,216	5,884,158	6,473,585	289,721	13,867,680	(494,205)	13,373,475
Depreciation and amortization	25,692	171,834	93,189	7,099	297,814	—	297,814
Capital expenditures	44,669	245,550	437,508	7,116	734,843	—	734,843

## 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 356,070 million as of September 30, 2007 and JPY 336,896 million as of September 30, 2008 respectively, 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 JPY 40,260 million for the six months ended September 30, 2007 and JPY 92,757 million for the six months ended September 30, 2008, respectively, of depreciation of property on operating leases.
4. Capital expenditure of Financial Services Business includes JPY 447,902 million for the six months ended September 30, 2007 and JPY 437,093 million for the six months ended September 30, 2008 respectively, of purchase of operating lease assets.

**[7] 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 September 30, 2007**

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Net sales and other operating revenue:								
External customers	494,520	1,513,873	367,999	333,416	261,538	2,971,346	—	2,971,346
Transfers between geographic areas	721,007	43,297	22,820	82,227	6,376	875,727	(875,727)	—
Total	1,215,527	1,557,170	390,819	415,643	267,914	3,847,073	(875,727)	2,971,346
Operating income	73,336	116,050	16,756	33,409	30,182	269,733	16,605	286,338

**As of and for the three months ended September 30, 2008**

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Net sales and other operating revenue:								
External customers	504,141	1,297,927	322,591	373,578	328,628	2,826,865	—	2,826,865
Transfers between geographic areas	689,385	72,125	28,133	78,258	20,913	888,814	(888,814)	—
Total	1,193,526	1,370,052	350,724	451,836	349,541	3,715,679	(888,814)	2,826,865
Operating income	40,934	22,526	8,301	36,631	48,796	157,188	(8,337)	148,851

**(B) As of and for the six months ended September 30, 2007**

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Net sales and other operating revenue:								
External customers	968,898	3,053,469	746,162	652,936	481,004	5,902,469	—	5,902,469
Transfers between geographic areas	1,422,919	87,032	44,928	156,023	13,212	1,724,114	(1,724,114)	—
Total	2,391,817	3,140,501	791,090	808,959	494,216	7,626,583	(1,724,114)	5,902,469
Operating income	133,977	213,072	27,066	70,379	51,913	496,407	11,615	508,022
Assets	3,028,312	7,228,714	899,298	1,057,354	523,598	12,737,276	(79,540)	12,657,736
Long-lived assets	1,027,024	1,480,613	195,023	249,716	116,123	3,068,499	—	3,068,499

**As of and for the six months ended September 30, 2008**

	Yen (millions)							
	Japan	North America	Europe	Asia	Other Regions	Total	Reconciling Items	Consolidated
Net sales and other operating revenue:								
External customers	969,420	2,732,962	655,322	734,059	602,323	5,694,086	—	5,694,086
Transfers between geographic areas	1,373,708	130,268	59,940	154,020	41,012	1,758,948	(1,758,948)	—
Total	2,343,128	2,863,230	715,262	888,079	643,335	7,453,034	(1,758,948)	5,694,086
Operating income	78,844	117,109	19,594	84,964	85,103	385,614	(15,416)	370,198
Assets	3,142,058	7,505,511	926,033	1,148,474	709,834	13,431,910	(58,435)	13,373,475
Long-lived assets	1,091,368	1,985,283	157,589	269,588	150,428	3,654,256	—	3,654,256

## 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. Sales and revenues between geographic areas are generally made at values that approximate arm's-length prices.

## 3. Unallocated corporate assets, included in reconciling items, amounted to JPY 356,070 million as of September 30, 2007 and JPY 336,896 million as of September 30, 2008 respectively, which consist primarily of cash and cash equivalents and marketable securities held by the Company. Reconciling items also include elimination of transactions between geographic areas.

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

(A) For the three months ended September 30, 2007

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	1,508,837	373,049	403,592	303,338	2,588,816
Consolidated sales					2,971,346
Overseas sales ratio to consolidated sales	50.8%	12.6%	13.6%	10.1%	87.1%

For the three months ended September 30, 2008

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	1,293,583	320,102	435,298	387,096	2,436,079
Consolidated sales					2,826,865
Overseas sales ratio to consolidated sales	45.8%	11.3%	15.4%	13.7%	86.2%

(B) For the six months ended September 30, 2007

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	3,042,500	754,543	785,959	565,551	5,148,553
Consolidated sales					5,902,469
Overseas sales ratio to consolidated sales	51.5%	12.8%	13.3%	9.6%	87.2%

For the six months ended September 30, 2008

	Yen (millions)				
	North America	Europe	Asia	Other Regions	Total
Overseas sales	2,721,646	650,225	871,829	707,937	4,951,637
Consolidated sales					5,694,086
Overseas sales ratio to consolidated sales	47.8%	11.4%	15.3%	12.5%	87.0%

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

## [8] Information Related to Stockholders' Equity

As of and for the six months ended September 30, 2008

### 1. Information concerning cash dividends

#### (a) Cash dividends paid during the period

##### Resolved at the General Meeting of Shareholders on June 24, 2008

Total amount of dividends (million yen)	39,921
Dividend per share of common stock (yen)	22.00
Record date	March 31, 2008
Effective date	June 25, 2008
Resource for dividend	Retained earnings

##### Resolved by the Board of Directors at its meeting held on July 25, 2008

Total amount of dividends (million yen)	39,921
Dividend per share of common stock (yen)	22.00
Record date	June 30, 2008
Effective date	August 25, 2008
Resource for dividend	Retained earnings

#### (b) Cash dividends to be paid for the three months ended September 30, 2008, of which effective date is after September 30, 2008

##### Resolved by the Board of Directors at its meeting held on October 28, 2008

Total amount of dividends (million yen)	39,921
Dividend per share of common stock (yen)	22.00
Record date	September 30, 2008
Effective date	November 26, 2008
Resource for dividend	Retained earnings

### 2. Significant changes in stockholders' equity

None

## [9] Reclassifications

Certain revisions for misclassifications and reclassifications have been made to the prior years' consolidated financial statements to conform to the presentation used for the same period in 2008.

**[10] Unit Sales Breakdown**

	Unit (thousands)			
	Three months ended Sep. 30, 2007	<b>Three months ended Sep. 30 2008</b>	Six months ended Sep. 30, 2007	<b>Six months ended Sep. 30, 2008</b>
<b>MOTORCYCLES</b>				
Japan	107	<b>79</b>	191	<b>137</b>
	(107)	<b>(79)</b>	(191)	<b>(137)</b>
North America	121	<b>93</b>	201	<b>173</b>
	(61)	<b>(45)</b>	(105)	<b>(95)</b>
Europe	68	<b>66</b>	163	<b>157</b>
	(65)	<b>(64)</b>	(158)	<b>(152)</b>
Asia	1,645	<b>2,146</b>	3,268	<b>4,196</b>
	(1,645)	<b>(2,146)</b>	(3,268)	<b>(4,196)</b>
Other Regions	392	<b>509</b>	763	<b>945</b>
	(390)	<b>(504)</b>	(757)	<b>(937)</b>
<b>Total</b>	<b>2,333</b>	<b>2,893</b>	<b>4,586</b>	<b>5,608</b>
	(2,268)	<b>(2,838)</b>	(4,479)	<b>(5,517)</b>
<b>AUTOMOBILES</b>				
Japan	143	<b>152</b>	279	<b>280</b>
North America	445	<b>401</b>	910	<b>861</b>
Europe	100	<b>87</b>	192	<b>162</b>
Asia	177	<b>204</b>	364	<b>425</b>
Other Regions	72	<b>91</b>	138	<b>169</b>
<b>Total</b>	<b>937</b>	<b>935</b>	<b>1,883</b>	<b>1,897</b>
<b>POWER PRODUCTS</b>				
Japan	141	<b>146</b>	276	<b>305</b>
North America	479	<b>402</b>	1,166	<b>895</b>
Europe	280	<b>231</b>	670	<b>550</b>
Asia	242	<b>296</b>	462	<b>545</b>
Other Regions	116	<b>127</b>	213	<b>246</b>
<b>Total</b>	<b>1,258</b>	<b>1,202</b>	<b>2,787</b>	<b>2,541</b>

Explanatory notes:

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

## [11] Net Sales Breakdown

For the three months and six months ended September 30, 2007 and 2008

	Yen (millions)			
	Three months ended Sep. 30, 2007	Three months ended Sep. 30 2008	Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2008
<b>MOTORCYCLE BUSINESS</b>				
Japan	27,411	<b>25,634</b>	54,464	<b>47,149</b>
North America	65,571	<b>51,949</b>	121,098	<b>103,358</b>
Europe	48,127	<b>47,795</b>	115,892	<b>112,477</b>
Asia	121,730	<b>117,330</b>	234,060	<b>245,006</b>
Other Regions	118,810	<b>158,382</b>	224,449	<b>286,148</b>
Total	381,649	<b>401,090</b>	749,963	<b>794,138</b>
<b>AUTOMOBILE BUSINESS</b>				
Japan	310,534	<b>322,290</b>	613,508	<b>610,833</b>
North America	1,295,629	<b>1,072,541</b>	2,627,247	<b>2,293,662</b>
Europe	303,337	<b>253,112</b>	588,807	<b>491,945</b>
Asia	271,214	<b>304,227</b>	529,005	<b>599,601</b>
Other Regions	175,773	<b>218,462</b>	325,140	<b>402,604</b>
Total	2,356,487	<b>2,170,632</b>	4,683,707	<b>4,398,645</b>
<b>FINANCIAL SERVICES BUSINESS</b>				
Japan	5,830	<b>6,023</b>	11,649	<b>12,000</b>
North America	121,381	<b>144,268</b>	235,377	<b>276,859</b>
Europe	3,373	<b>3,664</b>	6,574	<b>7,199</b>
Asia	1,271	<b>1,282</b>	2,444	<b>2,498</b>
Other Regions	1,905	<b>3,286</b>	3,565	<b>5,772</b>
Total	133,760	<b>158,523</b>	259,609	<b>304,328</b>
<b>POWER PRODUCT &amp; OTHER BUSINESSES</b>				
Japan	38,755	<b>36,839</b>	74,295	<b>72,467</b>
North America	26,256	<b>24,825</b>	58,778	<b>47,767</b>
Europe	18,212	<b>15,531</b>	43,270	<b>38,604</b>
Asia	9,377	<b>12,459</b>	20,450	<b>24,724</b>
Other Regions	6,850	<b>6,966</b>	12,397	<b>13,413</b>
Total	99,450	<b>96,620</b>	209,190	<b>196,975</b>
<b>TOTAL</b>				
Japan	382,530	<b>390,786</b>	753,916	<b>742,449</b>
North America	1,508,837	<b>1,293,583</b>	3,042,500	<b>2,721,646</b>
Europe	373,049	<b>320,102</b>	754,543	<b>650,225</b>
Asia	403,592	<b>435,298</b>	785,959	<b>871,829</b>
Other Regions	303,338	<b>387,096</b>	565,551	<b>707,937</b>
Total	2,971,346	<b>2,826,865</b>	5,902,469	<b>5,694,086</b>

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.

## CONSOLIDATED FINANCIAL SUMMARY 1

FOR THE FISCAL SECOND QUARTER AND THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2008

Unit (thousands), Yen (billions)	Second Quarter Results				First Half Results				Fiscal Year Forecasts			
	3 months ended Sep. 30, 2007	3 months ended Sep. 30, 2008	Note 1 change	%	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Note 1 change	%	Year ended Mar. 31, 2008	Year ending Mar. 31, 2009	Note 1 change	%
Net sales and other operating revenue	2,971.3	2,826.8	- 144.4	- 4.9%	5,902.4	5,694.0	- 208.3	- 3.5%	12,002.8	11,600.0	- 402.8	- 3.4%
Operating income	286.3	148.8	- 137.4	- 48.0%	508.0	370.1	- 137.8	- 27.1%	953.1	550.0	- 403.1	- 42.3%
<as a percentage of net sales>	< 9.6% >	< 5.3% >			< 8.6% >	< 6.5% >			< 7.9% >	< 4.7% >		
Income before income taxes, minority interest and equity in income of affiliates	269.9	149.4	- 120.5	- 44.6%	488.2	384.5	- 103.6	- 21.2%	895.8	580.0	- 315.8	- 35.3%
<as a percentage of net sales>	< 9.1% >	< 5.3% >			< 8.3% >	< 6.8% >			< 7.5% >	< 5.0% >		
Equity in income of affiliates	26.2	27.2	1.0	4.0%	63.2	65.4	2.2	3.5%	118.9	125.0	6.0	5.1%
<as a percentage of net sales>	< 0.9% >	< 1.0% >			< 1.1% >	< 1.1% >			< 1.0% >	< 1.1% >		
Net income	208.4	123.3	- 85.1	- 40.9%	374.6	302.9	- 71.6	- 19.1%	600.0	485.0	- 115.0	- 19.2%
<as a percentage of net sales>	< 7.0% >	< 4.4% >			< 6.3% >	< 5.3% >			< 5.0% >	< 4.2% >		
Change Factors in Operating income			- 137.4				- 137.8				- 403.1	
Change in revenue, model mix, etc., excluding currency effects			- 32.7				95.4				141.0	
Cost reduction, the effect of raw material cost fluctuations, etc.			- 10.7				- 20.4				- 143.0	
Change in SG&A expenses, excluding currency effects			- 50.0				- 91.8				- 100.0	
Change in R&D expenses			3.1				7.5				- 12.1	
Currency effects			- 47.1				- 128.4				- 289.0	
Change in average rates			( - 34.4)				( - 89.3)				( - 202.0)	
Translation effects			( - 12.6)				( - 39.1)				( - 87.0)	
Change Factors in Other income/expenses			16.9				34.1				87.2	
Change in fair value of derivative instruments			56.0				73.8				115.0	
Others			- 39.0				- 39.7				- 27.7	
Honda's average rates	USD=	JPY 118	JPY 108		JPY 119	JPY 106			JPY 114	JPY 103 (2H : JPY 100)		
	EUR=	JPY 162	JPY 161		JPY 162	JPY 163			JPY 162	JPY 145 (2H : JPY 135)		
Capital expenditures excluding purchase of operating lease assets		192.7	147.2		325.4	297.7			654.0	710.0		
Purchase of operating lease assets		186.8	219.4		447.9	437.0			839.2	-		
Depreciation and amortization excluding property on operating leases		100.6	104.3		199.1	205.0			417.3	430.0		
Depreciation of property on operating leases		23.8	53.0		40.2	92.7			101.0	-		
Research and development expenses		139.7	136.6		281.3	273.7			587.9	600.0		
Unit Sales Note 2												
Motorcycle business Note 3	2,333	2,893	560	24.0%	4,586	5,608	1,022	22.3%	9,320	10,835	1,515	16.3%
(motorcycles only)	(2,268)	(2,838)	(570)	(25.1%)	(4,479)	(5,517)	(1,038)	(23.2%)	(9,083)	(10,605)	(1,522)	(16.8%)
Japan	107	79	- 28	- 26.2%	191	137	- 54	- 28.3%	311	240	- 71	- 22.8%
(motorcycles only)	(107)	(79)	(- 28)	(- 26.2%)	(191)	(137)	(- 54)	(- 28.3%)	(311)	(240)	(- 71)	(- 22.8%)
North America	121	93	- 28	- 23.1%	201	173	- 28	- 13.9%	453	445	- 8	- 1.8%
(motorcycles only)	(61)	(45)	(- 16)	(- 26.2%)	(105)	(95)	(- 10)	(- 9.5%)	(242)	(235)	(- 7)	(- 2.9%)
Europe	68	66	- 2	- 2.9%	163	157	- 6	- 3.7%	313	305	- 8	- 2.6%
(motorcycles only)	(65)	(64)	(- 1)	(- 1.5%)	(158)	(152)	(- 6)	(- 3.8%)	(301)	(295)	(- 6)	(- 2.0%)
Asia	1,645	2,146	501	30.5%	3,268	4,196	928	28.4%	6,633	8,055	1,422	21.4%
(motorcycles only)	(1,645)	(2,146)	(501)	(30.5%)	(3,268)	(4,196)	(928)	(28.4%)	(6,633)	(8,055)	(1,422)	(21.4%)
Other Regions	392	509	117	29.8%	763	945	182	23.9%	1,610	1,790	180	11.2%
(motorcycles only)	(390)	(504)	(114)	(29.2%)	(757)	(937)	(180)	(23.8%)	(1,596)	(1,780)	(184)	(11.5%)
Automobile business	937	935	- 2	- 0.2%	1,883	1,897	14	0.7%	3,925	4,015	90	2.3%
Japan	143	152	9	6.3%	279	280	1	0.4%	615	620	5	0.8%
North America	445	401	- 44	- 9.9%	910	861	- 49	- 5.4%	1,850	1,735	- 115	- 6.2%
Europe	100	87	- 13	- 13.0%	192	162	- 30	- 15.6%	391	415	24	6.1%
Asia	177	204	27	15.3%	364	425	61	16.8%	755	890	135	17.9%
Other Regions	72	91	19	26.4%	138	169	31	22.5%	314	355	41	13.1%
Power product business	1,258	1,202	- 56	- 4.5%	2,787	2,541	- 246	- 8.8%	6,057	5,630	- 427	- 7.0%
Japan	141	146	5	3.5%	276	305	29	10.5%	550	550	-	-
North America	479	402	- 77	- 16.1%	1,166	895	- 271	- 23.2%	2,415	1,920	- 495	- 20.5%
Europe	280	231	- 49	- 17.5%	670	550	- 120	- 17.9%	1,693	1,710	17	1.0%
Asia	242	296	54	22.3%	462	545	83	18.0%	915	950	35	3.8%
Other Regions	116	127	11	9.5%	213	246	33	15.5%	484	500	16	3.3%

Notes:

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



October 28, 2008  
Honda Motor Co., Ltd.

CONSOLIDATED FINANCIAL SUMMARY 2  
FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 2008

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

	Yen (millions)	
	Sept. 30, 2008	Mar. 31, 2008
<b>Assets</b>		
<b>&lt;Non-financial services businesses&gt;</b>		
Current Assets:	4,180,909	4,091,060
Cash and cash equivalents	927,140	1,022,466
Trade accounts and notes receivable, net	540,389	552,442
Inventories	1,334,851	1,199,260
Other current assets	1,378,529	1,316,892
Investments and advances	1,005,196	1,023,113
Property, plant and equipment, net	2,250,210	2,183,220
Other assets	548,409	530,156
<b>Total assets</b>	<b>7,984,724</b>	<b>7,827,549</b>
<b>&lt;Finance Subsidiaries&gt;</b>		
Cash and cash equivalents	27,268	28,436
Finance subsidiaries—short-term receivables, net	1,530,501	1,351,867
Finance subsidiaries—long-term receivables, net	2,874,184	2,708,367
Net property on operating leases	1,270,445	918,972
Other assets	771,187	900,197
<b>Total assets</b>	<b>6,473,585</b>	<b>5,907,839</b>
Reconciling Items	(1,084,834)	(1,119,845)
<b>Total assets</b>	<b>13,373,475</b>	<b>12,615,543</b>
<b>Liabilities, Minority interests and Stockholders' Equity</b>		
<b>&lt;Non-financial services businesses&gt;</b>		
Current liabilities:	2,266,235	2,307,339
Short-term debt	409,280	324,507
Current portion of long-term debt	21,205	20,486
Trade payables	932,861	1,057,446
Accrued expenses	617,035	632,506
Other current liabilities	285,854	272,394
Long-term debt, excluding current portion	58,601	56,225
Other liabilities	1,149,257	1,121,208
<b>Total liabilities</b>	<b>3,474,093</b>	<b>3,484,772</b>
<b>&lt;Finance Subsidiaries&gt;</b>		
Short-term debt	2,251,399	2,128,442
Current portion of long-term debt	841,548	863,797
Accrued expenses	157,276	148,276
Long-term debt, excluding current portion	2,138,637	1,786,744
Other liabilities	455,668	408,803
<b>Total liabilities</b>	<b>5,844,528</b>	<b>5,336,062</b>
Reconciling Items	(848,861)	(891,362)
<b>Total liabilities</b>	<b>8,469,760</b>	<b>7,929,472</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>141,605</b>	<b>141,806</b>
Common stock	86,067	86,067
Capital surplus	172,529	172,529
Legal reserves	42,258	39,811
Retained earnings	5,320,620	5,099,983
Accumulated other comprehensive income (loss), net	(787,432)	(782,198)
Treasury stock	(71,932)	(71,927)
<b>Total stockholders' equity</b>	<b>4,762,110</b>	<b>4,544,265</b>
<b>Total liabilities, minority interests and stockholders' equity</b>	<b>13,373,475</b>	<b>12,615,543</b>

## CONSOLIDATED FINANCIAL SUMMARY 3 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 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
<b>For the six months ended September 30, 2007</b>				
<b>Cash flows from operating activities:</b>				
Net Income	343,641	30,971	( 12)	374,600
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	198,693	40,757	—	239,450
Deferred income taxes	939	3,507	—	4,446
Minority interest in income	13,258	11	—	13,269
Equity in income of affiliates	( 63,261)	—	—	( 63,261)
Dividends from affiliates	36,504	—	—	36,504
Loss (gain) on derivative instruments, net	( 352)	18,196	—	17,844
Decrease (increase) in trade accounts and notes receivable	90,504	88,930	9,322	188,756
Decrease (increase) in inventories	( 47,023)	—	—	( 47,023)
Increase (decrease) in trade accounts and notes payable	( 129,718)	—	10,209	( 119,509)
Other, net	( 57,583)	6,798	( 46,747)	( 97,532)
Net cash provided by operating activities	385,602	189,170	( 27,228)	547,544
<b>Cash flows from investing activities:</b>				
* Decrease (increase) in investments and advances	( 48,801)	—	39,181	( 9,620)
Capital expenditures	( 342,633)	( 241)	—	( 342,874)
Proceeds from sales of property, plant and equipment	13,223	( 1,931)	—	11,292
Decrease (increase) in finance subsidiaries-receivables	—	( 110,759)	( 3,413)	( 114,172)
Purchase of operating lease assets	—	( 447,902)	—	( 447,902)
Proceeds from sales of operating lease assets	—	8,883	—	8,883
Net cash used in investing activities	( 378,211)	( 551,950)	35,768	( 894,393)
<b>Cash flows from financing activities:</b>				
* Increase (decrease) in short-term debt, net	( 8,643)	277,391	( 5,603)	263,145
* Proceeds from long-term debt	8,347	515,537	—	523,884
* Repayment of long-term debt	( 13,475)	( 432,757)	47	( 446,185)
Proceeds from issuance of common stock	—	2,996	( 2,996)	—
Cash dividends paid	( 72,760)	—	12	( 72,748)
Cash dividends paid to minority interests	( 8,148)	—	—	( 8,148)
Payment for purchase of treasury stock, net	( 34,156)	—	—	( 34,156)
Net cash provided by (used in) financing activities	( 128,835)	363,167	( 8,540)	225,792
<b>Effect of exchange rate changes on cash and cash equivalents</b>	39,229	( 114)	—	39,115
<b>Net change in cash and cash equivalents</b>	( 82,215)	273	—	( 81,942)
<b>Cash and cash equivalents at beginning of period</b>	921,309	24,237	—	945,546
<b>Cash and cash equivalents at end of period</b>	839,094	24,510	—	863,604

## CONSOLIDATED FINANCIAL SUMMARY 4 FOR THE FISCAL FIRST HALF ENDED SEPTEMBER 30, 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
<b>For the six months ended September 30, 2008</b>				
<b>Cash flows from operating activities:</b>				
Net Income	258,900	44,027	—	302,927
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	204,625	93,189	—	297,814
Deferred income taxes	4,424	62,105	—	66,529
Minority interest in income	13,476	19	—	13,495
Equity in income of affiliates	(65,481)	—	—	(65,481)
Dividends from affiliates	26,759	—	—	26,759
Loss (gain) on derivative instruments, net	(10,732)	(45,283)	—	(56,015)
Decrease (increase) in trade accounts and notes receivable	(11,292)	78,274	1,009	67,991
Decrease (increase) in inventories	(155,200)	—	—	(155,200)
Increase (decrease) in trade accounts and notes payable	(88,611)	—	(3,528)	(92,139)
Other, net	11,671	62,642	5,657	79,970
Net cash provided by operating activities	188,539	294,973	3,138	486,650
<b>Cash flows from investing activities:</b>				
* Decrease (increase) in investments and advances	1,959	—	(35,911)	(33,952)
Capital expenditures	(314,050)	(415)	—	(314,465)
Proceeds from sales of property, plant and equipment	11,258	179	—	11,437
Decrease (increase) in finance subsidiaries-receivables	—	(323,722)	2,526	(321,196)
Purchase of operating lease assets	—	(437,093)	—	(437,093)
Proceeds from sales of operating lease assets	—	53,995	—	53,995
Net cash used in investing activities	(300,833)	(707,056)	(33,385)	(1,041,274)
<b>Cash flows from financing activities:</b>				
* Increase (decrease) in short-term debt, net	111,340	83,759	33,815	228,914
* Proceeds from long-term debt	15,959	867,289	(12,564)	870,684
* Repayment of long-term debt	(10,112)	(541,744)	11,540	(540,316)
Proceeds from issuance of common stock	—	2,544	(2,544)	—
Cash dividends paid	(79,842)	—	—	(79,842)
Cash dividends paid to minority interests	(9,473)	—	—	(9,473)
Payment for purchase of treasury stock, net	(6)	—	—	(6)
Net cash provided by (used in) financing activities	27,866	411,848	30,247	469,961
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(10,898)	(933)	—	(11,831)
<b>Net change in cash and cash equivalents</b>	(95,326)	(1,168)	—	(96,494)
<b>Cash and cash equivalents at beginning of period</b>	1,022,466	28,436	—	1,050,902
<b>Cash and cash equivalents at end of period</b>	927,140	27,268	—	954,408

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 36,185 million increase for the fiscal first half ended September 30, 2007, and a JPY 38,455 million decrease for the fiscal first half ended September 30, 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.

## SUPPLEMENT 1 FOR CONSOLIDATED FINANCIAL SUMMARY

Unit (thousands), Yen (billions)	First Quarter	Second Quarter	Fiscal First Half	Third Quarter	Fourth Quarter	Year ended	First Quarter	Second Quarter	change	%	Fiscal First Half
	Results	Results	ended Sep. 30, 2007 Results	Results	Results	Mar. 31, 2008 Results	Results	Results	Note 1		ended Sep. 30, 2008 Results
Net sales and other operating revenue	2,931.1	2,971.3	5,902.4	3,044.8	3,055.5	12,002.8	2,867.2	2,826.8	- 144.4	- 4.9%	5,694.0
Japan	371.3	382.5	753.9	382.5	449.2	1,585.7	351.6	390.7	8.2	2.2%	742.4
Overseas	2,559.7	2,588.8	5,148.5	2,662.2	2,606.2	10,417.0	2,515.5	2,436.0	- 152.7	- 5.9%	4,951.6
Operating income	221.6	286.3	508.0	276.2	168.8	953.1	221.3	148.8	- 137.4	- 48.0%	370.1
Income before income taxes, minority interest and equity in income of affiliates	218.2	269.9	488.2	260.7	146.8	895.8	235.0	149.4	- 120.5	- 44.6%	384.5
Equity in income of affiliates	37.0	26.2	63.2	31.3	24.3	118.9	38.1	27.2	1.0	4.0%	65.4
Net income	166.1	208.4	374.6	200.0	25.4	600.0	179.6	123.3	- 85.1	- 40.9%	302.9
Honda's average rates USD=	JPY 121	JPY 118	JPY 119	JPY 113	JPY 106	JPY 114	JPY 105	JPY 108	-JPY 10	- 9.3%	JPY 106
Honda's average rates EUR=	JPY 162	JPY 162	JPY 162	JPY 164	JPY 158	JPY 162	JPY 164	JPY 161	-JPY 1	- 0.6%	JPY 163
Honda's transaction rates USD=	JPY 118	JPY 120	JPY 119	JPY 116	JPY 109	JPY 116	JPY 104	JPY 106	-JPY 14	- 13.2%	JPY 105
Honda's transaction rates EUR=	JPY 155	JPY 159	JPY 157	JPY 162	JPY 161	JPY 159	JPY 159	JPY 161	JPY 2	1.2%	JPY 160
Capital expenditures excluding purchase of operating lease assets	132.6	192.7	325.4	135.6	192.9	654.0	150.4	147.2	- 45.4	- 23.6%	297.7
Purchase of operating lease assets	261.0	186.8	447.9	160.5	230.7	839.2	217.6	219.4	32.5	17.4%	437.0
Depreciation and amortization excluding property on operating leases	98.5	100.6	199.1	107.6	110.5	417.3	100.7	104.3	3.6	3.7%	205.0
Depreciation of property on operating leases	16.4	23.8	40.2	28.2	32.5	101.0	39.7	53.0	29.1	122.4%	92.7
Research and development expenses	141.5	139.7	281.3	147.2	159.4	587.9	137.1	136.6	- 3.1	- 2.2%	273.7
Unit sales											
based on the location of external customers											
Unit sales in motorcycle business	2,253	2,333	4,586	2,366	2,368	9,320	2,715	2,893	560	24.0%	5,608
(motorcycles only)	(2,211)	(2,268)	(4,479)	(2,308)	(2,296)	(9,083)	(2,679)	(2,838)	(570)	(25.1%)	(5,517)
Japan	84	107	191	54	66	311	58	79	- 28	- 26.2%	137
(motorcycles only)	(84)	(107)	(191)	(54)	(66)	(311)	(58)	(79)	(- 28)	(- 26.2%)	(137)
North America	80	121	201	102	150	453	80	93	- 28	- 23.1%	173
(motorcycles only)	(44)	(61)	(105)	(52)	(85)	(242)	(50)	(45)	(- 16)	(- 26.2%)	(95)
Europe	95	68	163	61	89	313	91	66	- 2	- 2.9%	157
(motorcycles only)	(93)	(65)	(158)	(58)	(85)	(301)	(88)	(64)	(- 1)	(- 1.5%)	(152)
Asia	1,623	1,645	3,268	1,748	1,617	6,633	2,050	2,146	501	30.5%	4,196
(motorcycles only)	(1,623)	(1,645)	(3,268)	(1,748)	(1,617)	(6,633)	(2,050)	(2,146)	(501)	(30.5%)	(4,196)
Other Regions	371	392	763	401	446	1,610	436	509	117	29.8%	945
(motorcycles only)	(367)	(390)	(757)	(396)	(443)	(1,596)	(433)	(504)	(114)	(29.2%)	(937)
Unit sales in automobile business	946	937	1,883	991	1,051	3,925	962	935	- 2	- 0.2%	1,897
Japan	136	143	279	145	191	615	128	152	9	6.3%	280
North America	465	445	910	481	459	1,850	460	401	- 44	- 9.9%	861
Europe	92	100	192	90	109	391	75	87	- 13	- 13.0%	162
Asia	187	177	364	188	203	755	221	204	27	15.3%	425
Other Regions	66	72	138	87	89	314	78	91	19	26.4%	169
Unit sales in power product business	1,529	1,258	2,787	1,178	2,092	6,057	1,339	1,202	- 56	- 4.5%	2,541
Japan	135	141	276	123	151	550	159	146	5	3.5%	305
North America	687	479	1,166	361	888	2,415	493	402	- 77	- 16.1%	895
Europe	390	280	670	352	671	1,693	319	231	- 49	- 17.5%	550
Asia	220	242	462	202	251	915	249	296	54	22.3%	545
Other Regions	97	116	213	140	131	484	119	127	11	9.5%	246
Interest bearing debt	4,282.6	4,293.1		4,611.4	4,394.8		4,843.8	4,948.7	655.5	15.3%	
Non-financial services businesses	310.7	312.5		427.5	401.2		448.0	489.0	176.5	56.5%	
Finance subsidiaries	4,888.7	4,839.1		5,029.6	4,778.9		5,236.7	5,231.5	392.4	8.1%	
Reconciling items	- 916.7	- 858.4		- 845.7	- 785.3		- 840.9	- 771.9	86.5	- 10.1%	
Basic net income per common share	JPY 91.38	JPY 114.94	JPY 206.26	JPY 110.25	JPY 14.01	JPY 330.54	JPY 98.98	JPY 67.96	JPY -46.98	- 40.9%	166.94

**Notes :**

- In this chart, "change" is calculated on the comparison with the same period of previous year.
- 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)											Fiscal First Half ended Sep. 30, 2008 Results
	First Quarter Results	Second Quarter Results	Fiscal First Half ended Sep. 30, 2007 Results	Third Quarter Results	Fourth Quarter Results	Year ended Mar. 31, 2008 Results	First Quarter Results	Second Quarter Results	change Note 1	%	
Net sales and other operating revenue <span style="float:right">Note 2</span>	2,931.1	2,971.3	5,902.4	3,044.8	3,055.5	12,002.8	2,867.2	2,826.8	- 144.4	- 4.9%	5,694.0
Business segments											
Motorcycle business	368.3	381.6	749.9	364.6	444.0	1,558.6	393.0	401.0	19.4	5.1%	794.1
Automobile business	2,327.2	2,356.4	4,683.7	2,449.0	2,356.6	9,489.3	2,228.0	2,170.6	- 185.8	- 7.9%	4,398.6
Financial services business	129.8	137.8	267.6	139.6	141.7	549.0	149.5	162.6	24.8	18.0%	312.1
Power product & other businesses	115.2	105.0	220.2	100.2	122.3	442.7	106.8	103.0	- 1.9	- 1.8%	209.9
Reconciling items	- 9.4	- 9.6	- 19.1	- 8.7	- 9.1	- 37.0	- 10.2	- 10.6	- 0.9	—	- 20.8
Geographical Information											
Japan	1,176.2	1,215.5	2,391.8	1,246.1	1,251.0	4,889.0	1,149.6	1,193.5	- 22.0	- 1.8%	2,343.1
North America	1,583.3	1,557.1	3,140.5	1,640.5	1,484.1	6,265.2	1,493.1	1,370.0	- 187.1	- 12.0%	2,863.2
Europe	400.2	390.8	791.0	361.7	441.3	1,594.2	364.5	350.7	- 40.0	- 10.3%	715.2
Asia	393.3	415.6	808.9	413.4	415.9	1,638.2	436.2	451.8	36.1	8.7%	888.0
Other Regions	226.3	267.9	494.2	284.6	313.9	1,092.8	293.7	349.5	81.6	30.5%	643.3
Reconciling items	- 848.3	- 875.7	- 1,724.1	- 901.6	- 851.0	- 3,476.7	- 870.1	- 888.8	- 13.0	—	- 1,758.9
Operating income <span style="float:right">Note 2</span>	221.6	286.3	508.0	276.2	168.8	953.1	221.3	148.8	- 137.4	- 48.0%	370.1
Business segments											
Motorcycle business	31.1	37.0	68.1	30.3	52.7	151.2	31.1	46.3	9.3	25.4%	77.5
Automobile business	148.3	213.0	361.3	220.7	79.5	661.6	161.2	79.0	- 133.9	- 62.9%	240.2
Financial services business	34.2	29.3	63.5	22.9	31.3	117.7	28.7	24.3	- 4.9	- 17.1%	53.0
Power product & other businesses	7.9	6.9	14.9	2.2	5.1	22.3	0.2	- 0.9	- 7.8	- 113.2%	- 0.7
Reconciling items	—	—	—	—	—	—	—	—	—	—	—
Geographical Information											
Japan	60.6	73.3	133.9	56.2	2.3	192.5	37.9	40.9	- 32.4	- 44.2%	78.8
North America	97.0	116.0	213.0	156.3	63.1	432.6	94.5	22.5	- 93.5	- 80.6%	117.1
Europe	10.3	16.7	27.0	5.8	18.6	51.5	11.2	8.3	- 8.4	- 50.5%	19.5
Asia	36.9	33.4	70.3	38.3	21.9	130.7	48.3	36.6	3.2	9.6%	84.9
Other Regions	21.7	30.1	51.9	31.7	32.7	116.4	36.3	48.7	18.6	61.7%	85.1
Reconciling items	- 4.9	16.6	11.6	- 12.3	29.8	29.1	- 7.0	- 8.3	- 24.9	—	- 15.4

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

**UNCONSOLIDATED FINANCIAL FORECASTS  
FOR THE FISCAL YEAR ENDING MARCH 31, 2009**  
(Parent company only)

Unit (thousands), Yen (billions)	Results for the fiscal year ended Mar. 31, 2008	Forecasts for the fiscal year ending Mar. 31, 2009		
			change <small>Note 1</small>	%
Net sales	4,088.0	3,960.0	- 128.0	- 3.1%
Domestic	1,042.8	1,075.0	32.1	3.1%
Export	3,045.1	2,885.0	- 160.1	- 5.3%
Operating income	140.4	-15.0	- 155.4	- 110.7%
<as a percentage of net sales>	< 3.4% >	< -0.4% >		
Ordinary income	351.1	163.0	- 188.1	- 53.6%
<as a percentage of net sales>	< 8.6% >	< 4.1% >		
Net income	298.5	148.0	- 150.5	- 50.4%
<as a percentage of net sales>	< 7.3% >	< 3.7% >		
Change Factors in Operating income			- 155.4	
Change in revenue, model mix, etc			18.3	
Cost reduction, including the effect of raw material cost fluctuations			- 40.0	
Change in SG&A expenses, excluding R&D expenses			28.0	
Change in R&D expenses			- 18.8	
Currency effects			- 143.0	
Change Factors in Other income / expenses			- 32.7	
Change in fair value of derivative instruments			- 23.0	
Others			- 9.7	
Honda's average rates USD=	JPY 114		JPY 103	
Honda's average rates EUR=	JPY 162		JPY 145	
Capital expenditures	144.5		180.0	
Motorcycle production-related	25.8		17.0	
Automobile production-related	54.4		75.0	
Power product production-related	1.0		1.0	
Others	63.1		87.0	
Depreciation and amortization	81.5		89.0	
Research and development expenses	576.1		595.0	
Interest bearing debt <small>Note 2</small>	16.0			
Unit sales in motorcycle business	857	700	- 157	- 18.4%
(motorcycles only)	( 642 )	( 545 )	( - 97 )	( - 15.2% )
Domestic	313	242	- 71	- 22.9%
(motorcycles only)	( 313 )	( 242 )	( - 71 )	( - 22.9% )
Export	543	458	- 85	- 15.8%
(motorcycles only)	( 328 )	( 303 )	( - 25 )	( - 7.8% )
Unit sales in automobile business	1,377	1,360	- 17	- 1.3%
Domestic	619	640	20	3.4%
Registration vehicles	409	430	20	5.0%
Mini vehicles	209	210	—	0.2%
Export	758	720	- 38	- 5.1%
Unit sales in power product business	1,595	1,410	- 185	- 11.6%
Domestic	549	550	—	0.2%
Export	1,046	860	- 186	- 17.8%

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.

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 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.