

FY08 3rd Quarter Financial Results



HONDA
The Power of Dreams

Honda Motor Co., Ltd.
January 30, 2008

FIT
(for Domestic market)

FY08 3rd Quarter Financial Results & FY08 Financial Forecasts

Outline

Executive Vice President - Koichi Kondo

- (1) 3rd Quarter & Nine Months Consolidated Financial Results
- (2) FY08 Financial Forecasts (Consolidated)
- (3) Dividend to Shareholders

Details

CFO - Fumihiko Ike

- (1) 3rd Quarter & Nine Months Financial Results (Consolidated)
- (2) Consolidated Capital Expenditures (Consolidated)
- (3) FY08 Financial Forecasts (Consolidated)

Unit Sales Unit (thousands)	3Q Results		
	FY07	FY08	Change
Motorcycles	2,765	2,366	- 14.4%
Automobiles	915	991	+ 8.3%
Power Products	1,382	1,178	-14.8%

Financial results Yen (billions)	3Q Results		
	FY07	FY08	Change
Net sales & other operating revenue	2,768.6	3,044.8 *	+ 10.0%
Operating income	205.1	276.2 *	+ 34.7%
Income before income taxes	198.7	260.7 *	+ 31.2%
Equity in income of affiliates	25.8	31.3 *	+ 21.3%
Net income	144.8	200.0 *	+ 38.1%

EPS (Yen)	79.45	110.25 *	+ 30.80
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Note : Shares which are based on calculation of EPS approx. 1,822,824,000 shares approx. 1,814,190,000 shares * Record high for 3Q (weighted average number of shares outstanding)

Average Rates (Yen)

US Dollar	118	113	stronger by 5 yen
Euro	152	164	weaker by 12 yen

Business environment

Subprime mortgage crisis slows down U.S. economy
Growth of Emerging markets
High prices for raw materials and crude oil continued
Yen appreciation against the U.S. dollar
with yen depreciation against other currencies

Motorcycle business:

Growth in Brazil continued
Recovery in Indonesia
Struggling market in North America

Automobile business:

Growth of Emerging markets such as BRICs and others
Strong demand for fuel-efficient cars in the U.S.
Japan automobile market situation remained stagnant

Major change factors

Increased unit sales in overseas regions in automobile business improved operating margin despite signs of a difficult market situation

Unit Sales

Motorcycles: Decreased unit sales of component parts sets for Asia
 Strong sales in South America, etc.
Automobiles: Increased unit sales in overseas regions
Power Products: Increased unit sales in Asia and Other Regions
 Decreased unit sales in North America

Net sales & other operating revenue

Increased unit sales in automobile segments

Operating income

<Increase Factors>

- Increased profit from higher revenue
- Continuing cost reduction effects

<Decrease Factors>

- Adverse effect on the elimination of unrealized profits on inventories
- Increasing raw material prices

Outline of 3rd Quarter & Nine Month Financial Results (Consolidated)

Unit Sales Unit (thousands)	3Q Results		
	FY07	FY08	Change
Motorcycles	2,765	2,366	- 14.4%
Automobiles	915	991	+ 8.3%
Power Products	1,382	1,178	-14.8%

Nine Months Results		
FY07	FY08	Change
7,961	6,952	- 12.7%
2,695	2,874	+ 6.6%
4,293	3,965	- 7.6%

Financial results Yen (billions)	3Q Results		
	FY07	FY08	Change
Net sales & other operating revenue	2,768.6	3,044.8 *	+ 10.0%
Operating income	205.1	276.2 *	+ 34.7%
Income before income taxes	198.7	260.7 *	+ 31.2%
Equity in income of affiliates	25.8	31.3 *	+ 21.3%
Net income	144.8	200.0 *	+ 38.1%

Nine Months Results		
FY07	FY08	Change
7,999.2	8,947.2 *	+ 11.9%
601.6	784.2 *	+ 30.4%
553.7	748.9 *	+ 35.2%
83.4	94.5 *	+ 13.3%
416.1	574.6 *	+ 38.1%

EPS (Yen)	79.45	110.25 *	+ 30.80
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227.96	316.49 *	+ 88.53
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Note : Shares which are based on calculation of EPS approx. 1,822,824,000 shares approx. 1,814,190,000 shares * Record high for 3Q
(weighted average number of shares outstanding)

approx. 1,825,479,000 shares approx. 1,815,588,000 shares * Record high for nine months
(weighted average number of shares outstanding)

Average Rates (Yen)

US Dollar	118	113	stronger by 5 yen
Euro	152	164	weaker by 12 yen

116	117	weaker by 1 yen
148	163	weaker by 15 yen

FY08 Financial Forecasts (Consolidated)

Yen (billions)

	FY07 Results	FY08 Revised Forecasts	Change		Change from previous forecasts
			amount	%	
Net sales & other operating revenue	11,087.1	12,150.0	+ 1,062.8	+ 9.6%	- 150.0
Operating income	851.8	920.0	+ 68.1	+ 8.0%	+ 40.0
Income before income taxes	792.8	915.0	+ 122.1	+ 15.4%	+ 45.0
Equity in income of affiliates	103.4	107.0	+ 3.5	+ 3.5%	+ 9.0
Net income	592.3	690.0	+ 97.6	+ 16.5%	+ 50.0
EPS (Yen)	324.62	380.25	+ 55.63		

Note : Shares which are based on calculation of EPS

approx.
1,824,675,000 shares
(weighted average number of shares outstanding)

approx.
1,814,601,000 shares
(Dec. 31, 2007)

Average Rates (Yen)

US Dollar	117 (4Q: 120)	114 (4Q: 105)	stronger by 3 yen (4Q: stronger by 15 yen)	stronger by 2 yen
Euro	151 (4Q: 157)	161 (4Q: 155)	weaker by 10 yen (4Q: stronger by 2 yen)	weaker by 6 yen

(Yen)

Dividend per share	FY07 Results	FY08 (Projects)	Increase from FY07 results
1 st quarter End	-	20	+ 17
2 nd quarter End	30	22	
3 rd quarter End	17	22	
4 th quarter End	20	(22)	(+ 2)
Fiscal Year	67	(86)	(+ 19)

FY08 3rd Quarter Financial Results & **FY08 Financial Forecasts**

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- (3) Dividend to Shareholders

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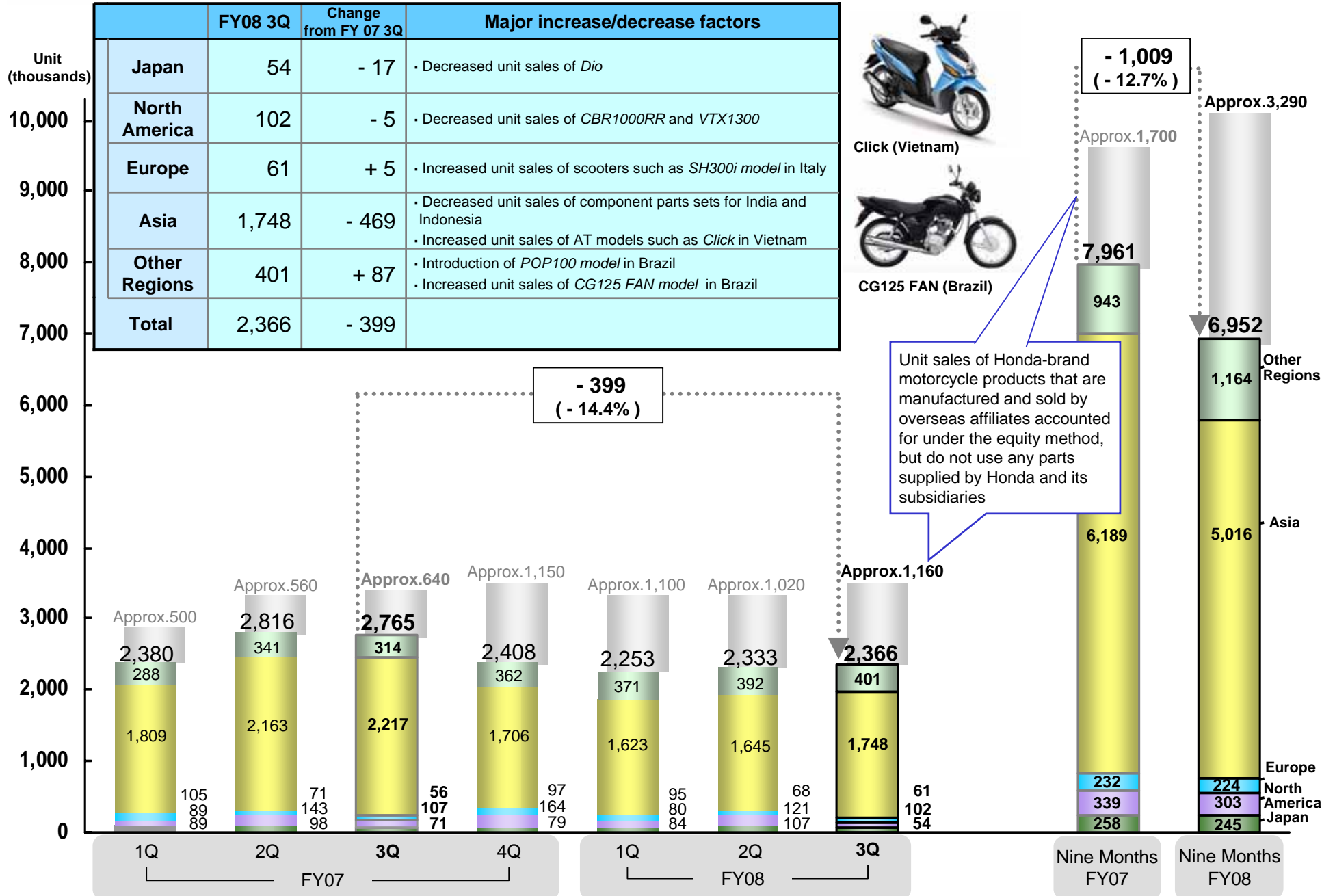
CFO - Fumihiko Ike

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Details of FY08 3rd Quarter Financial Results & FY08 Financial Forecasts

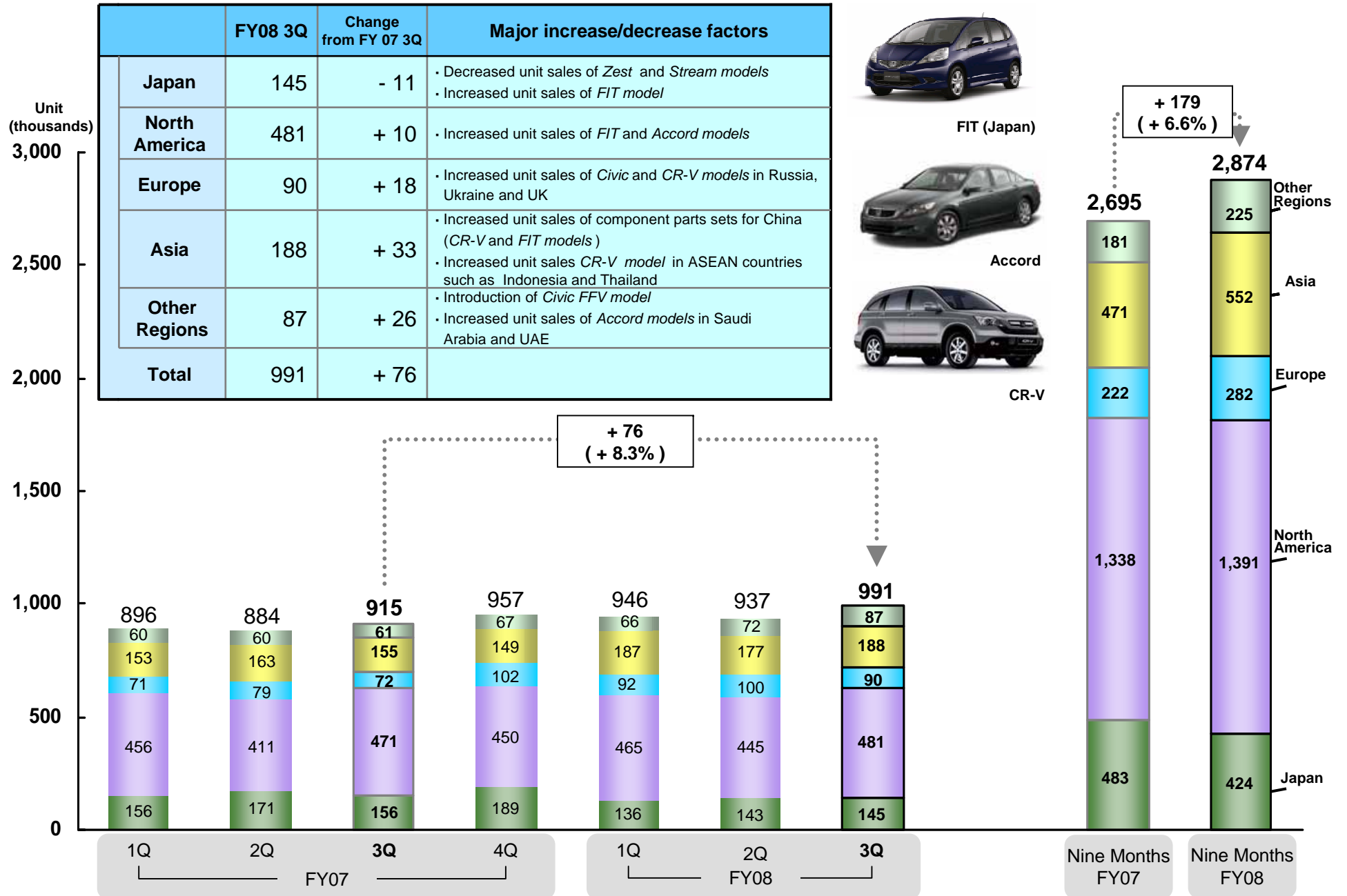
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Motorcycle Unit Sales (Motorcycles + All-Terrain Vehicles, etc.)



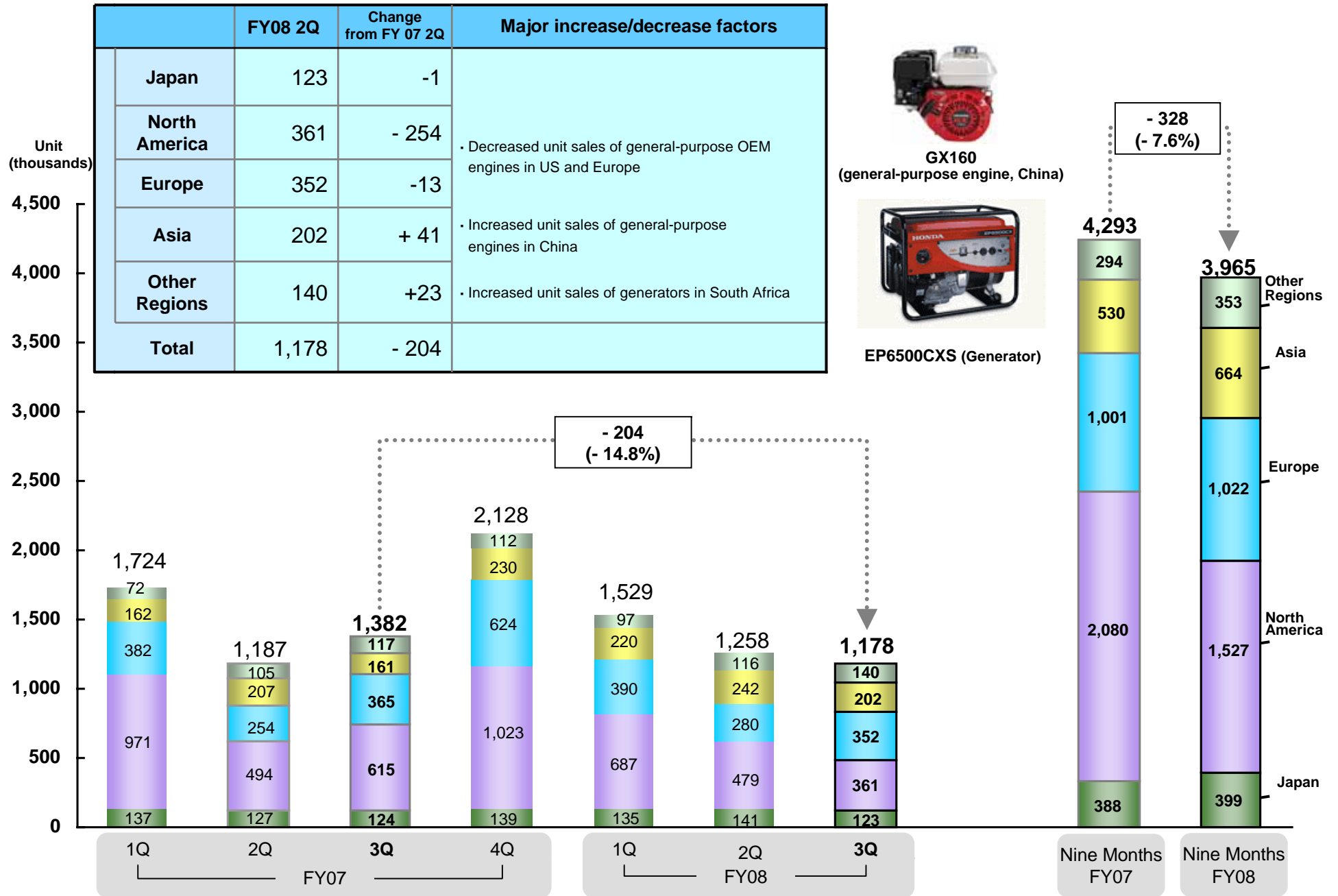
Unit sales is the total of sales of completed products of Honda and its consolidated subsidiaries and sales of parts for Honda's affiliates accounted for under the equity method.

Automobile Unit Sales



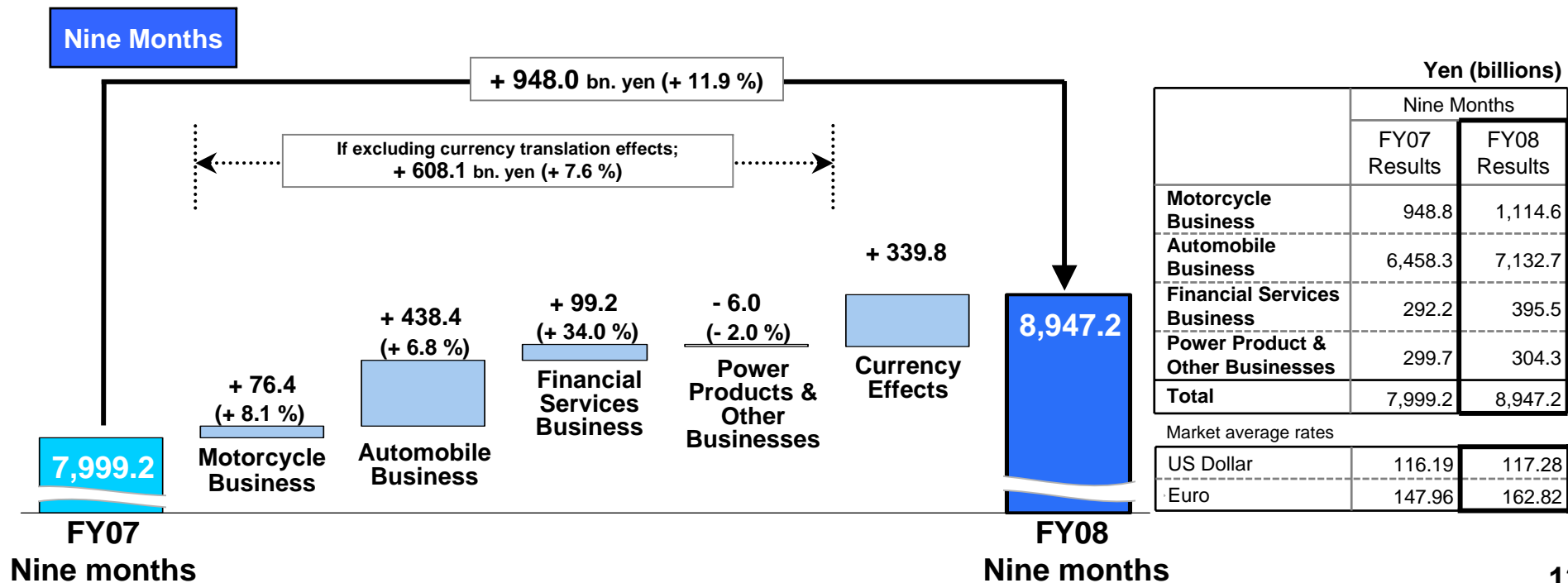
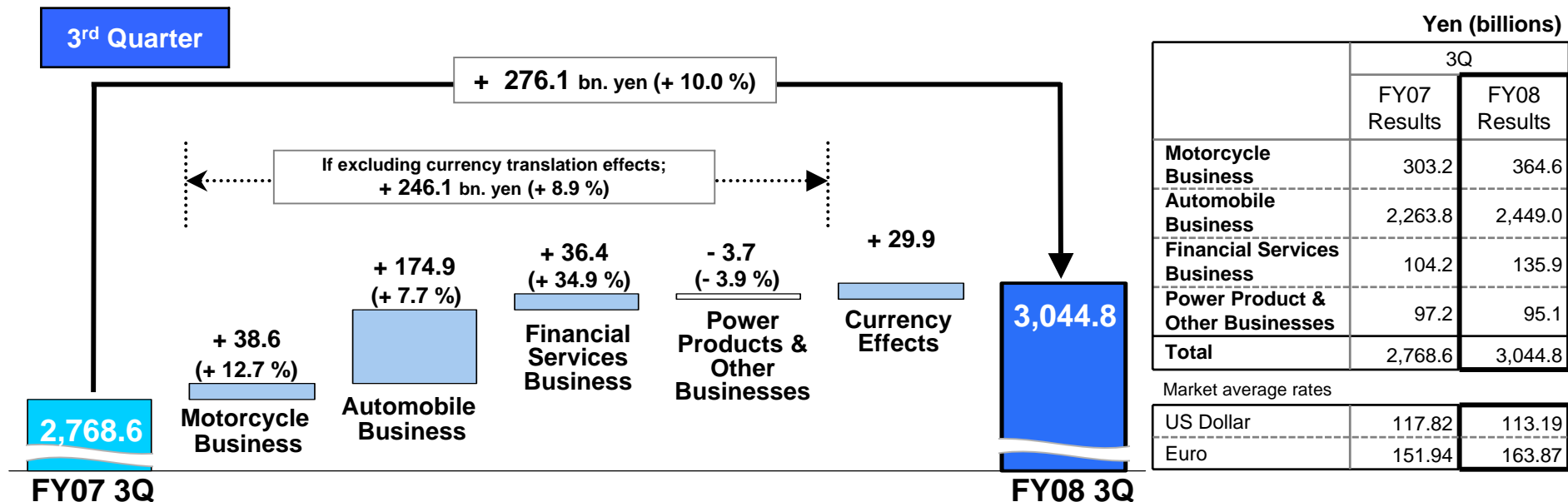
Unit sales is the total of sales of completed products of Honda and its consolidated subsidiaries and sales of parts for Honda's affiliates accounted for under the equity method. **10**

Power Products Unit Sales



Unit sales is the total of sales of completed products of Honda and its consolidated subsidiaries and sales of parts for Honda's affiliates accounted for under the equity method. **11**

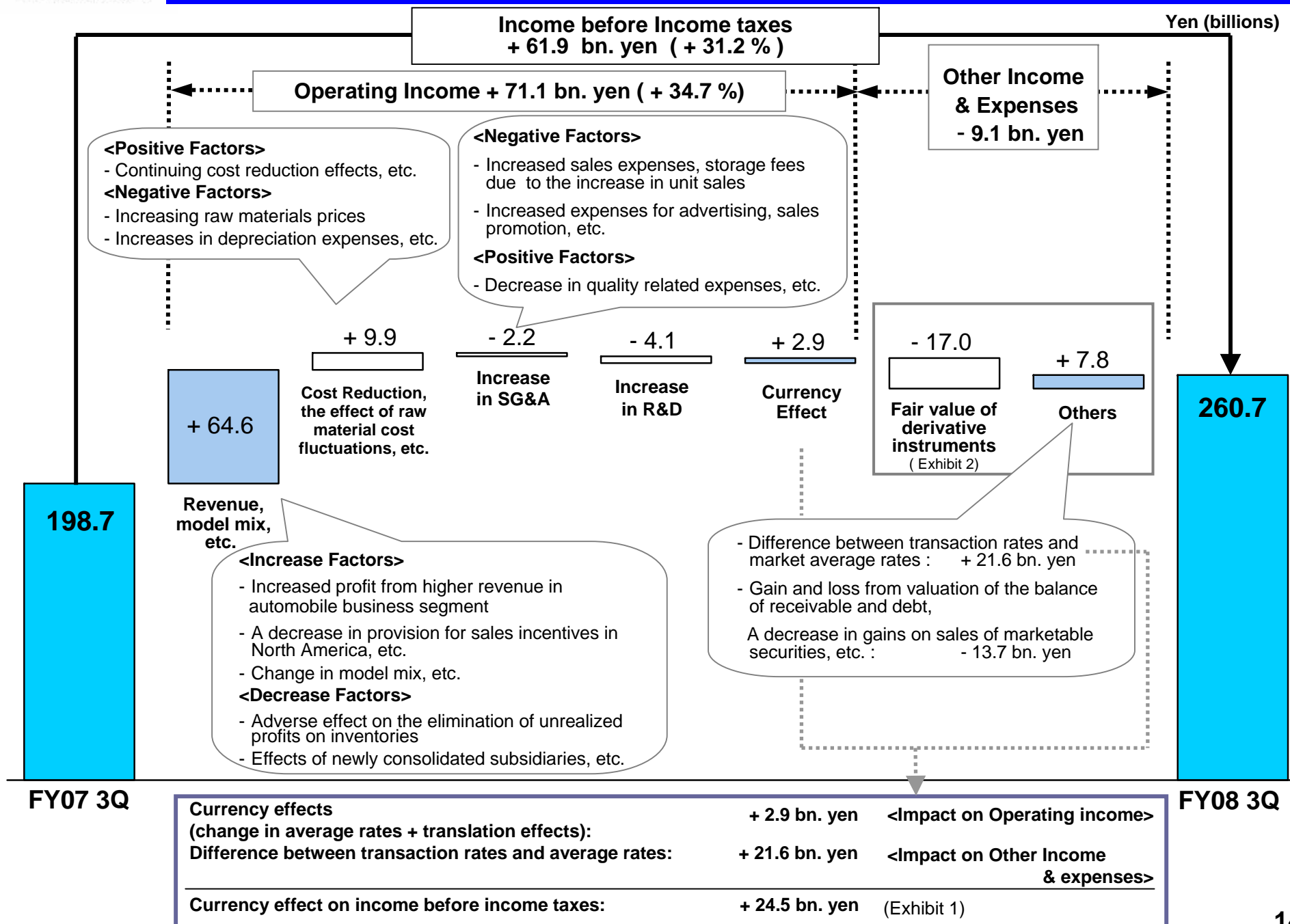
FY08 3rd Quarter and Nine Months Net Sales by Business Segment



Details of FY08 3rd Quarter Financial Results & FY08 Financial Forecasts

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Change in Income Before Income Taxes < FY08 3rd Quarter >



FY08 3rd Quarter & Nine Months Change in Income Before Income Taxes
- Currency effects (real effects/translation effects) - (Exhibit 1)

		Effects FY08 3Q Yen (billions)	Average Rates (Yen)			Effects FY08 Nine month Yen (billions)
			FY07 3Q	FY08 3Q	Change	
	JPY / USD	- 14.3	118	113	stronger by 5 yen	+ 9.9
	JPY / Euro	+ 4.1	152	164	weaker by 12 yen	+ 14.7
	JPY / Others	+ 4.9	-	-	-	+ 23.9
	Transactions between other currencies	+3.5	-	-	-	- 3.2
Difference of average rates^{*1} (impact on Operating income)		- 1.6	*1: Difference of the rate used for recording sales denominated in foreign currencies with corresponding period of FY07			+ 45.4
Difference between transaction^{*2} rates and average rates		+ 21.6	*2: Changes from the balance, in the corresponding period of the previous year, between the amounts of revenue in yen calculated by the average exchange rate for recording and that by the rate of transaction for transferring to the relevant account			+ 25.4
Sub Total		+ 19.9				+ 70.8
Difference of Currency^{*3} translation effects (impact on Operating income)		+ 4.6	*3: Difference of the rate used for converting Honda's overseas subsidiaries' financial statements denominated in foreign currencies into Japanese yen with corresponding period of FY07			+ 35.1
Total		+ 24.5				+ 105.9
Impact on Operating income		+ 2.9				+ 80.5
Impact on Other income & expenses		+ 21.6				+ 25.4

Yen (billions)

	3Q			Nine Months		
	FY07	FY08	Change	FY07	FY08	Change
Gain and loss on fair value adjustments for foreign currency exchange contracts	- 7.7	- 6.8	+ 0.8	- 15.0	- 7.2	+ 7.7
Interest rate swap	- 2.5	- 25.0	- 22.5	- 22.0	- 43.2	- 21.2
Others	- 4.8	- 0.2	+ 4.5	- 26.5	+ 0.5	+ 27.0
Total	- 15.1	- 32.1	- 17.0	- 63.6	- 50.0	+ 13.5

Reference:

(3Q)

<Swap interest rate>

At the end of Sep, 2006 5.11%
At the end of Dec, 2006 5.16%
Difference (+ 0.05%)

At the end of Sep, 2007 4.62%
At the end of Dec, 2007 3.92%
Difference (- 0.70%)

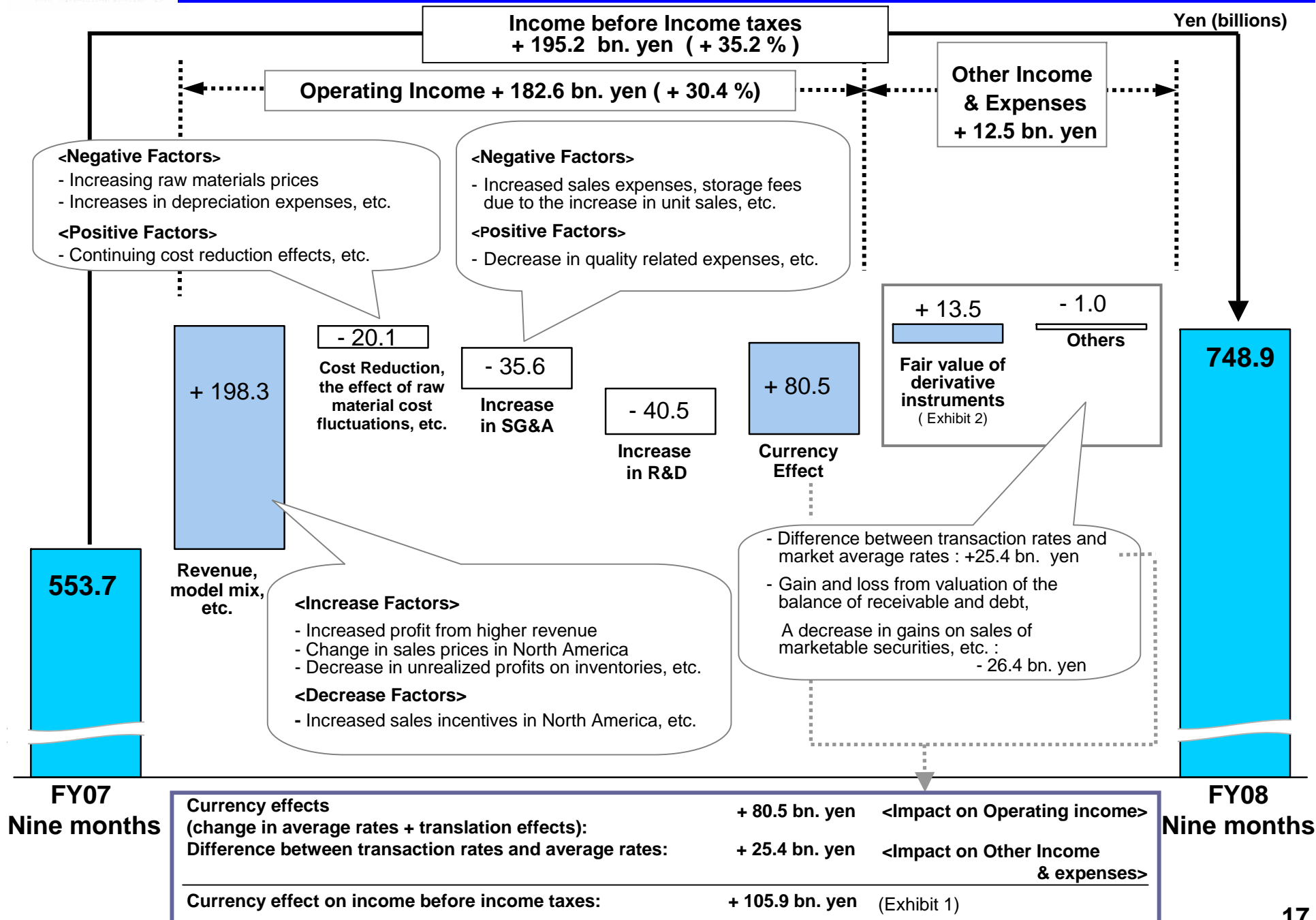
(Nine Months)

<Swap interest rate>

At the end of Mar, 2006 5.23%
At the end of Dec, 2006 5.16%
Difference (-0.07%)

At the end of Mar, 2007 5.04%
At the end of Dec, 2007 3.92%
Difference (-1.12%)

Change in Income Before Income Taxes < FY08 Nine Months >



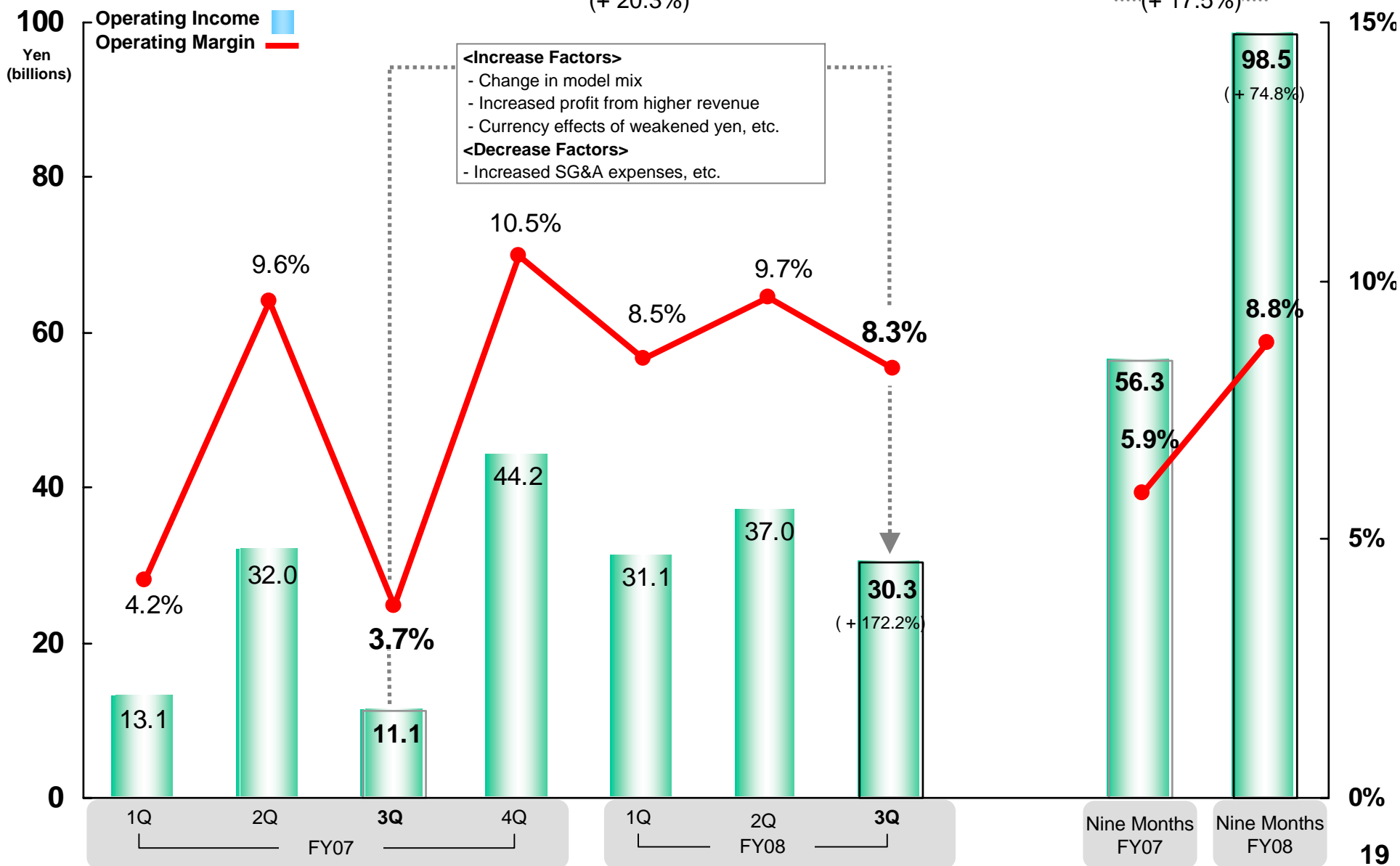
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Net Sales	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	310.1	335.5	303.2	421.7	368.3	381.6	364.6

Net Sales	FY07	FY08
	Nine Months	Nine Months
	948.8	1,114.6

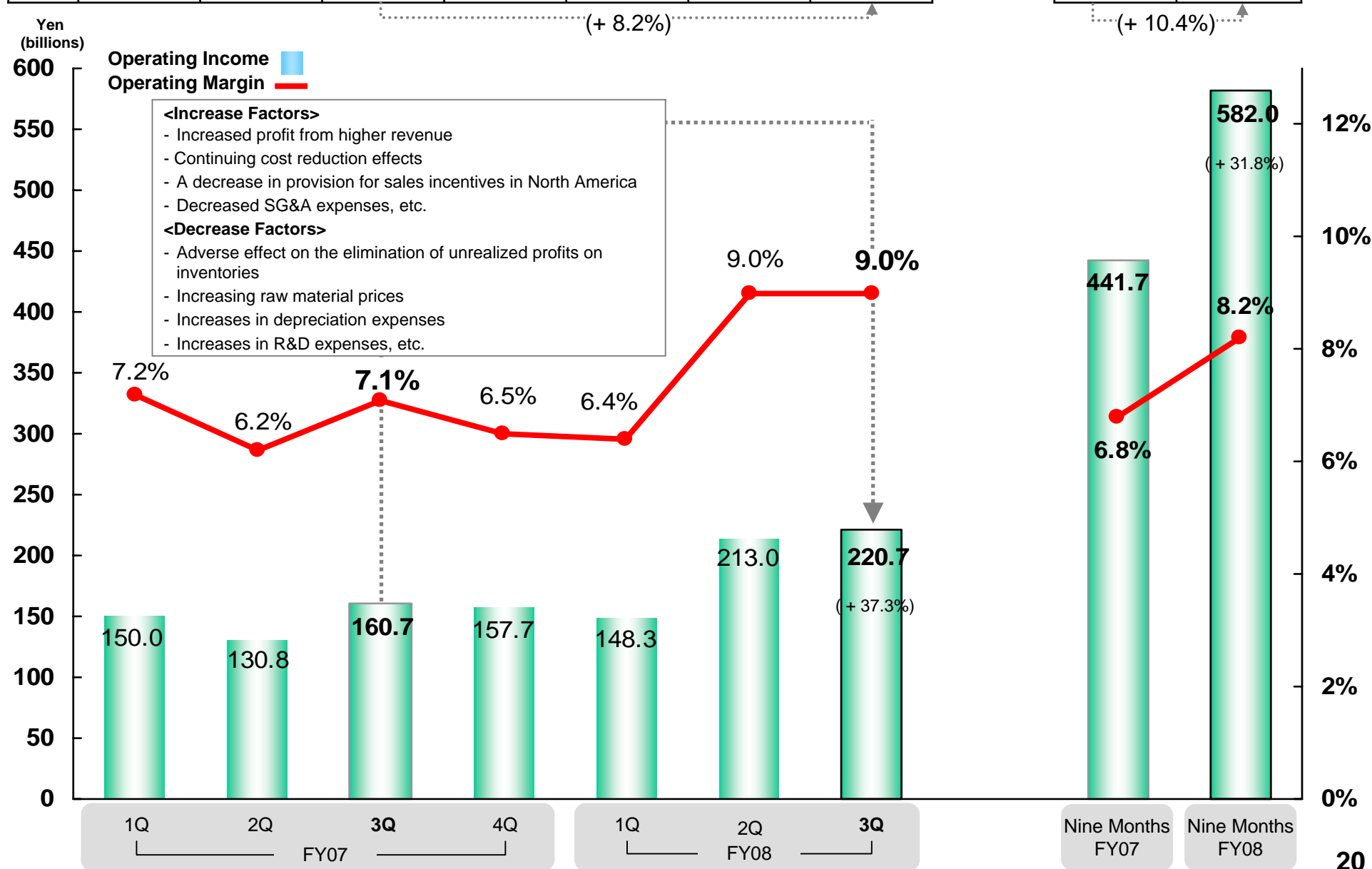
Yen (billions)



Automobile Business Net Sales/Operating Income/Operating Margin

	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	2,095.6	2,098.8	2,263.8	2,430.7	2,327.2	2,356.4	2,449.0

	FY07 Nine Months	FY08 Nine Months
Net Sales	6,458.3	7,132.7

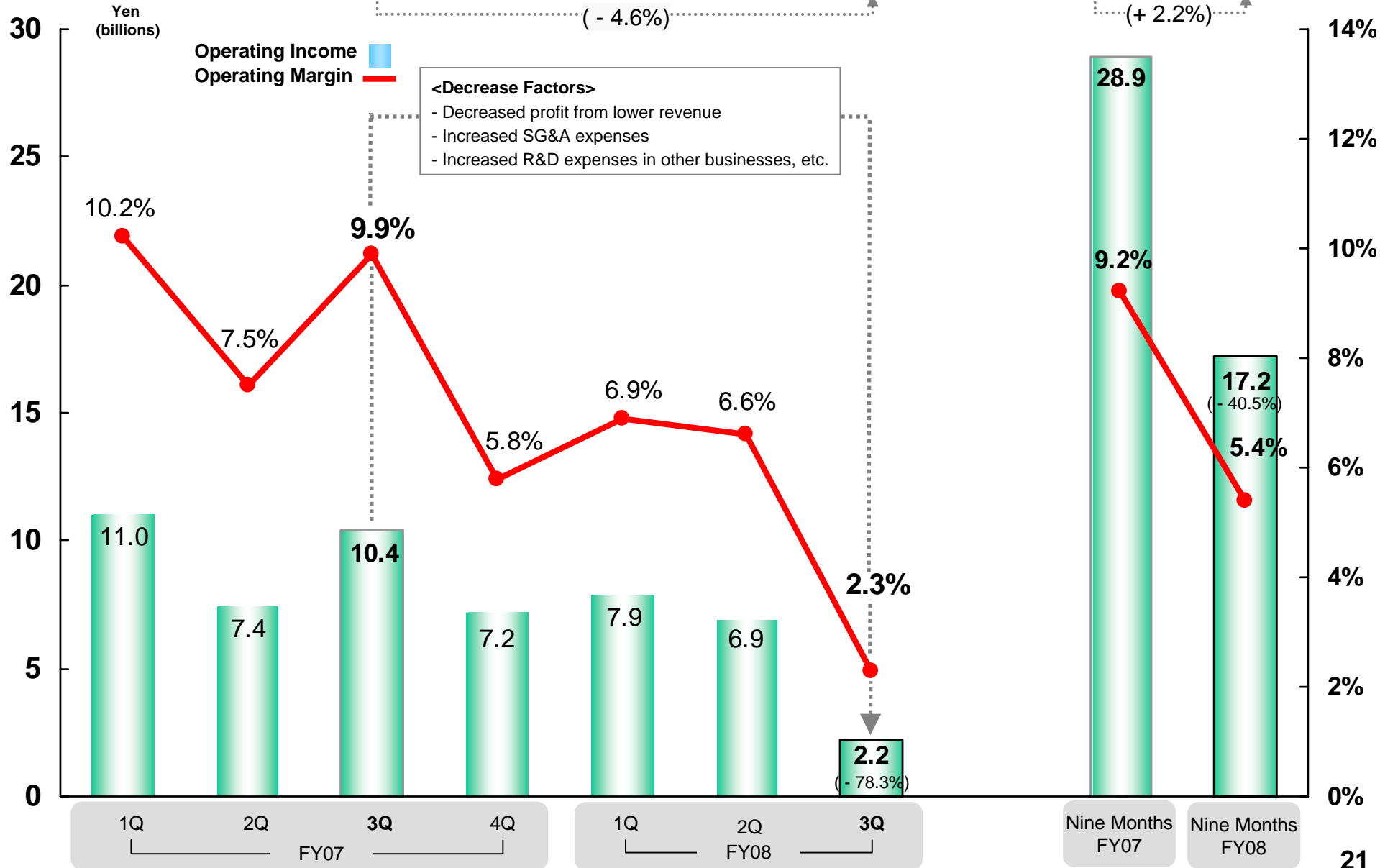


Power Products & Other Businesses

Net Sales/Operating Income/Operating Margin

Net Sales	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	108.4	100.0	105.0	125.3	115.2	105.0	100.2

Net Sales	FY07	FY08
	Nine Months	Nine Months
	313.5	320.4

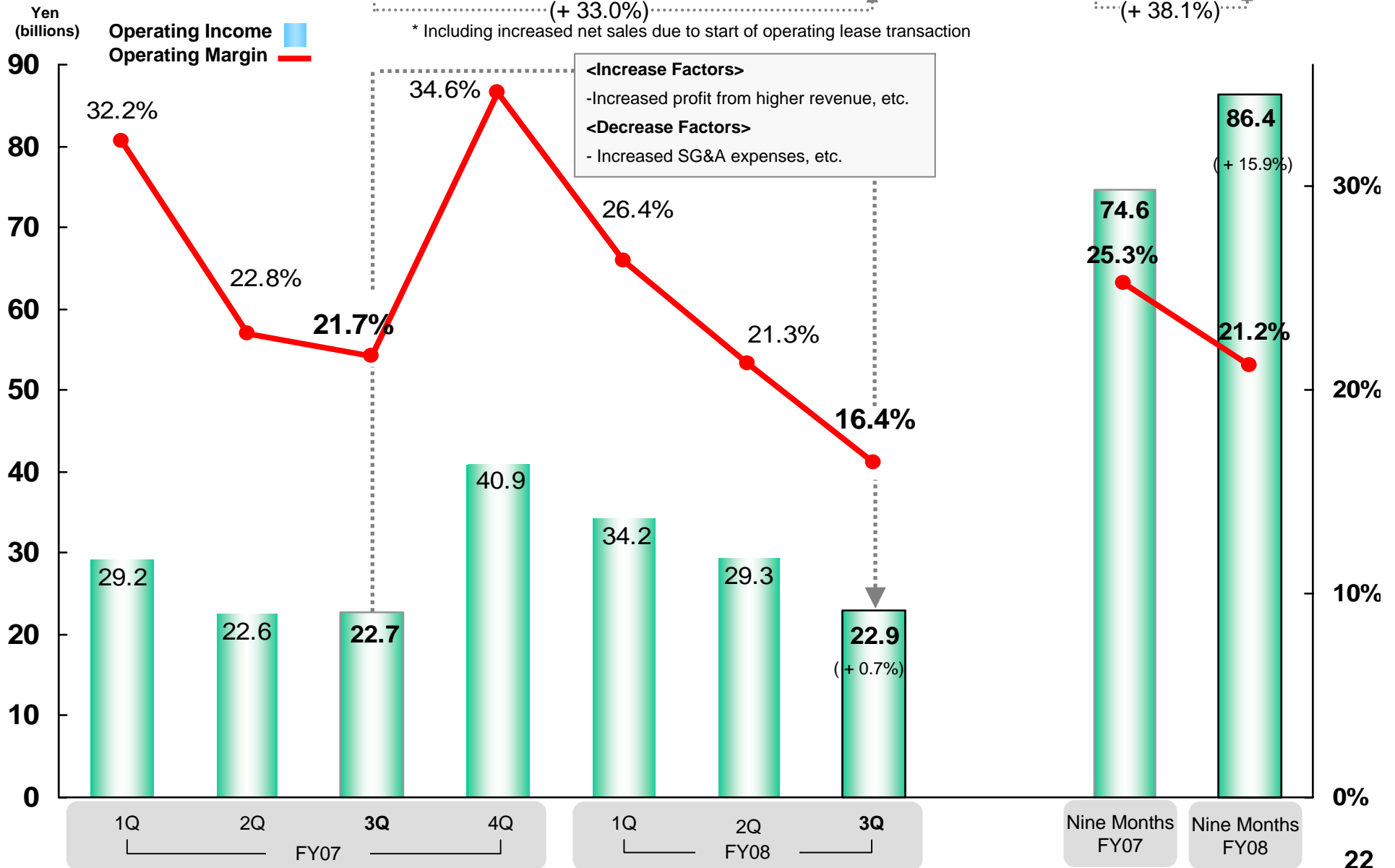


Financial Services Business Net Sales/Operating Income/Operating Margin

	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	90.8	98.9	105.0*	118.4*	129.8*	137.8*	139.6*

	FY07 Nine Months	FY08 Nine Months
Net Sales	294.8	407.3

Yen (billions)



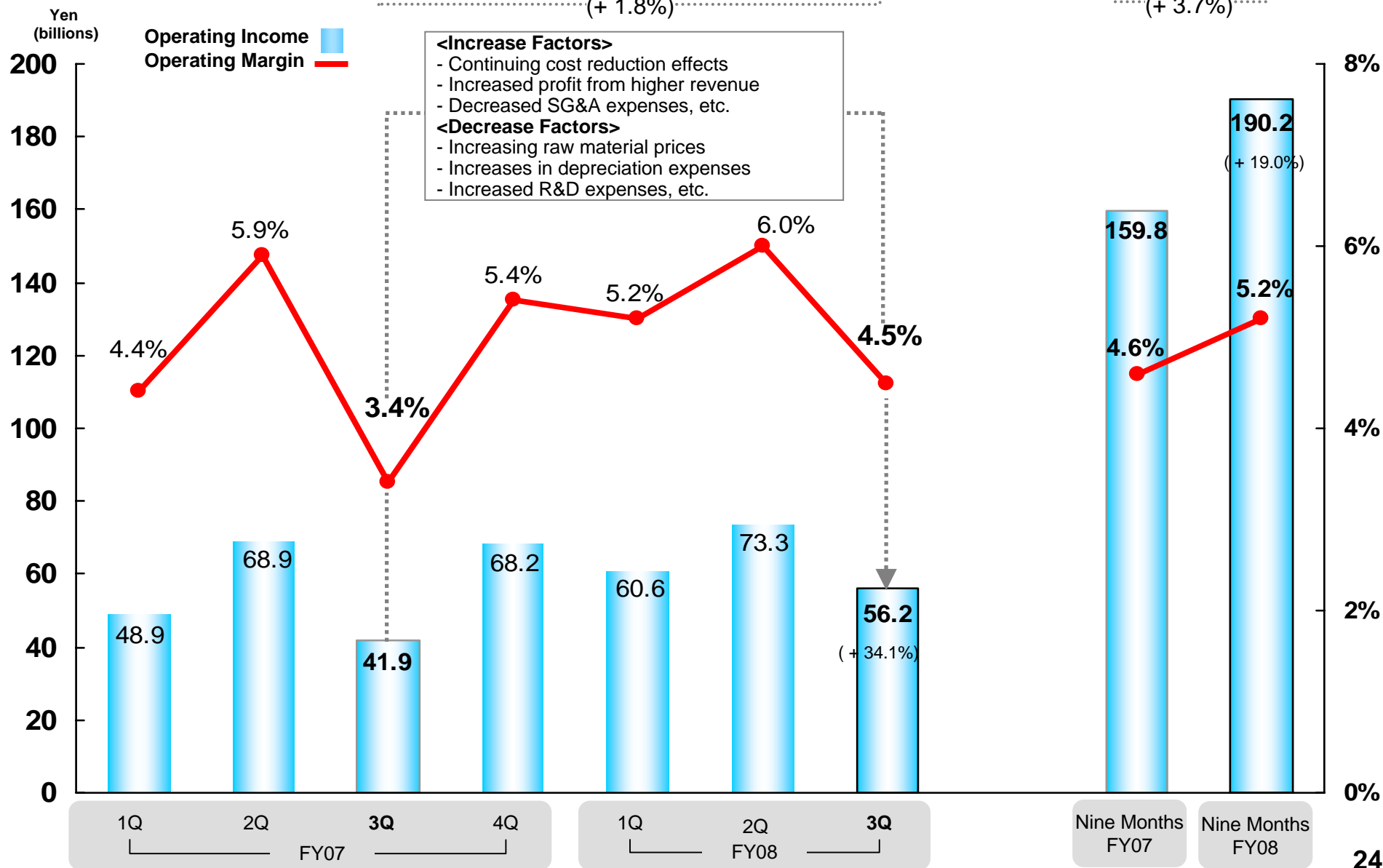
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Japan Net Sales / Operating Income / Operating Margin

	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	1,109.2	1,175.8	1,223.8	1,265.1	1,176.2	1,215.5	1,246.1

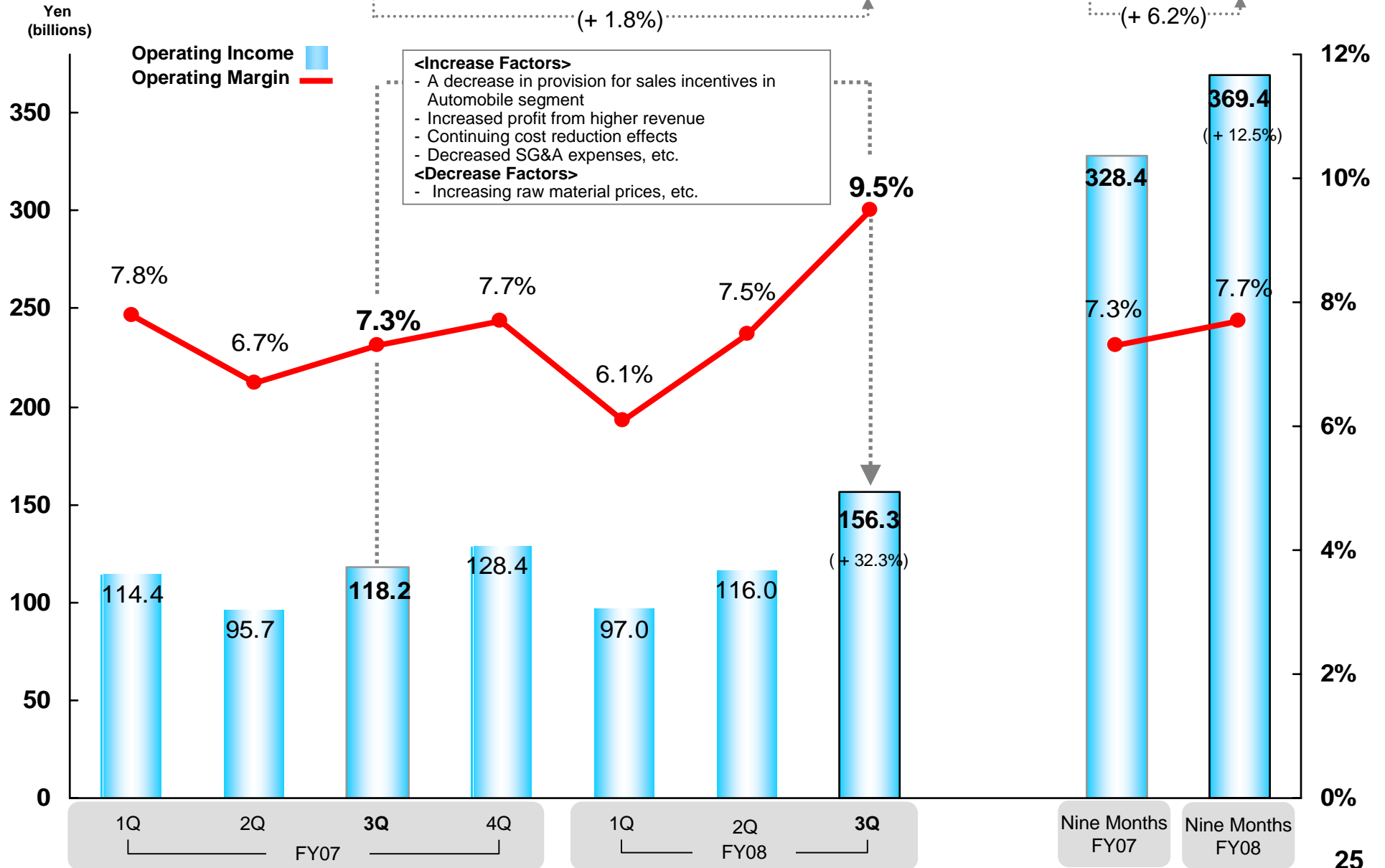
	FY07 Nine Months	FY08 Nine Months
Net Sales	3,508.9	3,637.9



North America Net Sales / Operating Income / Operating Margin

	FY07 1Q	2Q	3Q	4Q	FY08 1Q	2Q	3Q
Net Sales	1,467.9	1,421.0	1,612.1	1,671.4	1,583.3	1,557.1	1,640.5

	FY07 Nine Months	FY08 Nine Months
Net Sales	4,501.1	4,781.0



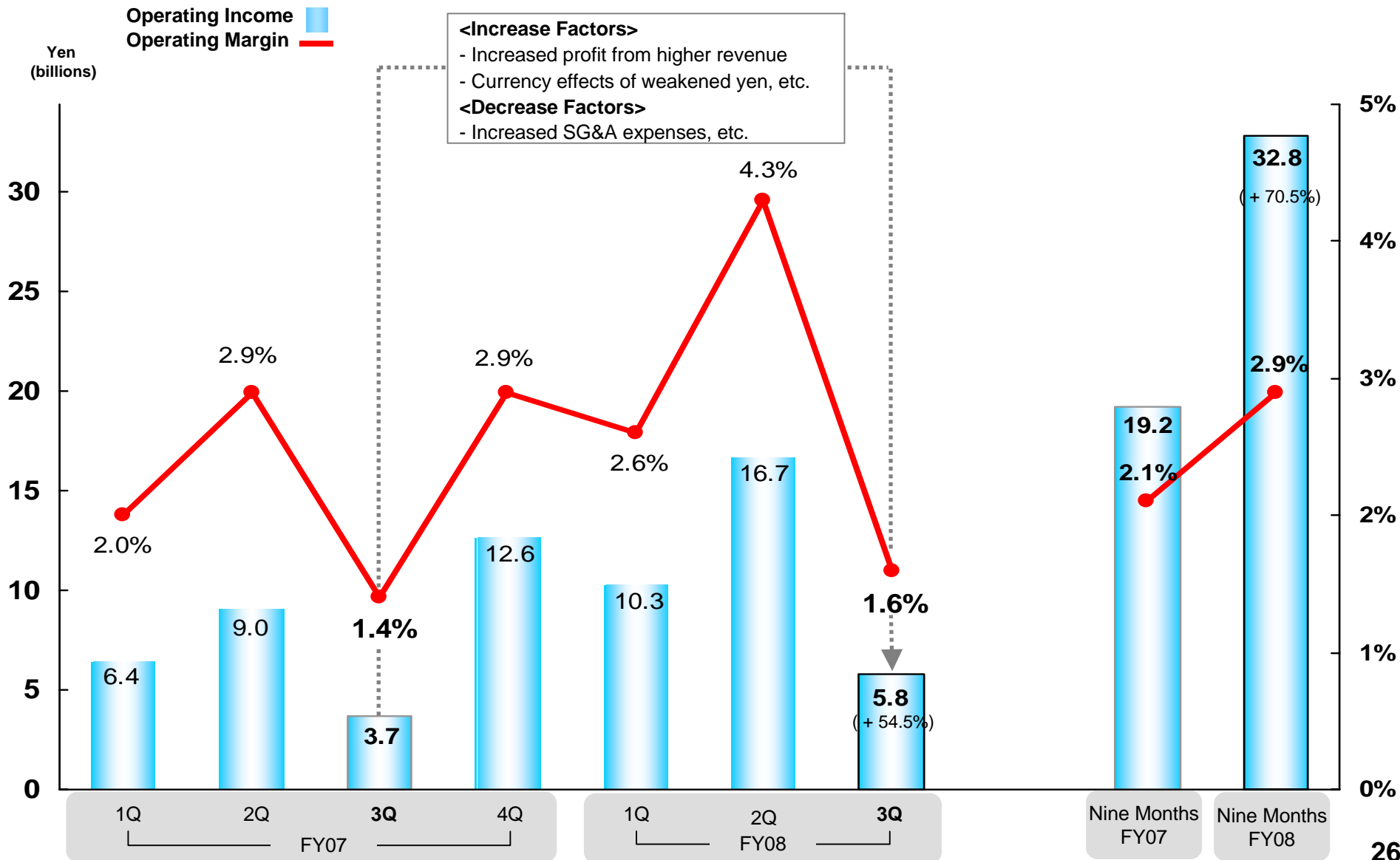
Europe Net Sales / Operating Income / Operating Margin

	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	325.1	310.7	271.6	440.1	400.2	390.8	361.7

	FY07	FY08
	Nine Months	Nine Months
Net Sales	907.6	1,152.8

(+ 33.1%)

(+ 27.0%)

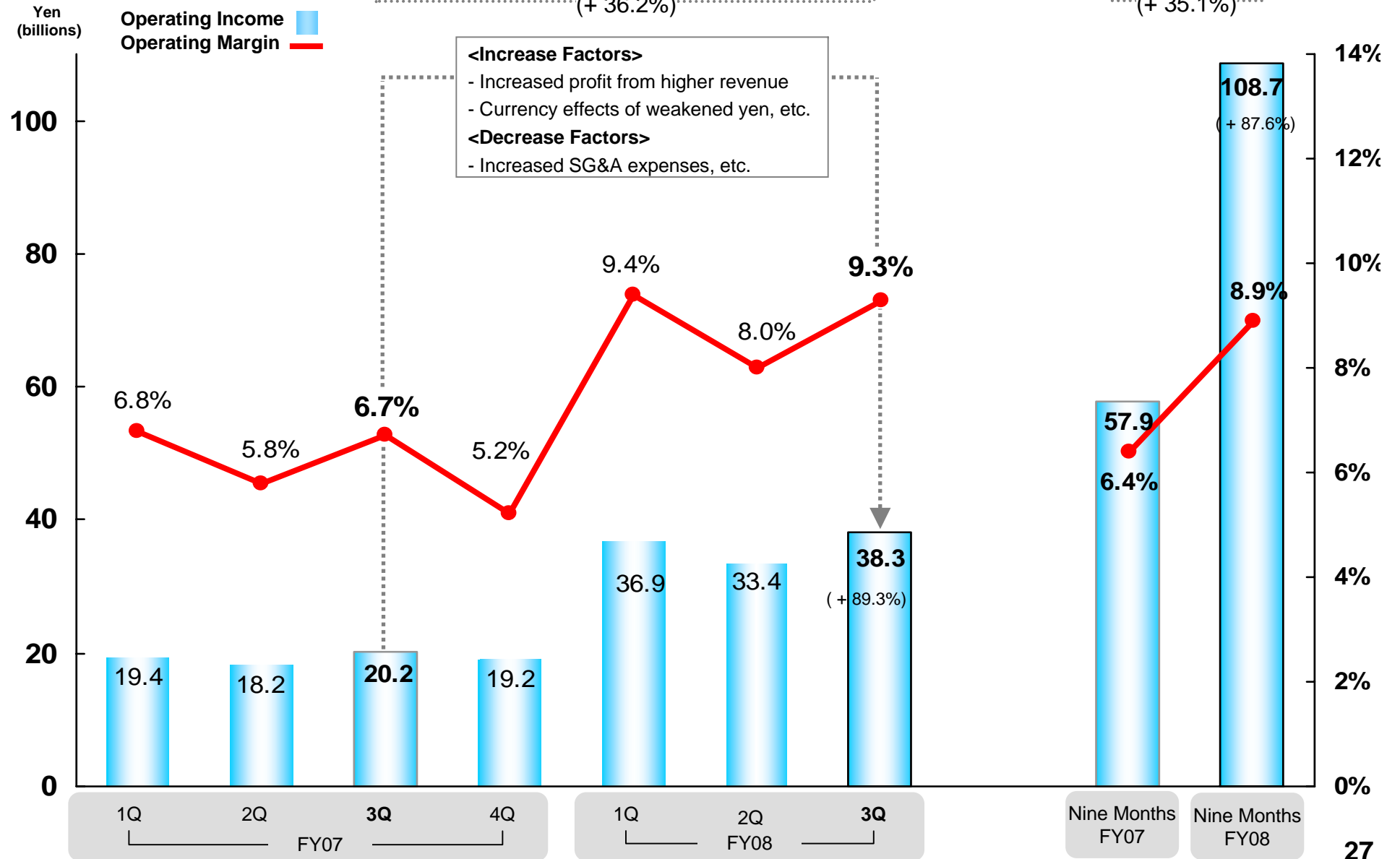


Asia Net Sales / Operating Income / Operating Margin

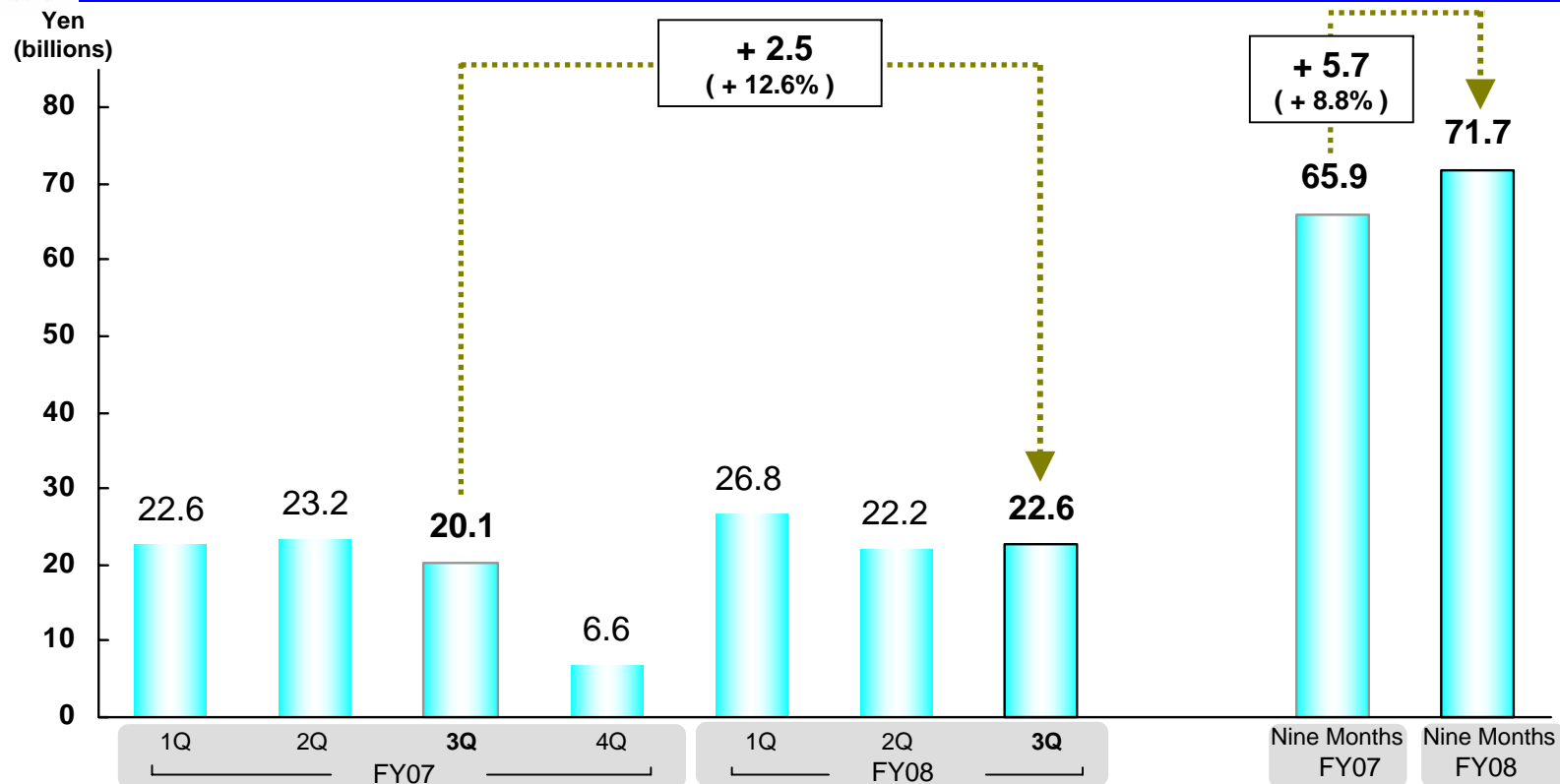
	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	287.5	313.5	303.4	366.9	393.3	415.6	413.4

	FY07 Nine Months	FY08 Nine Months
Net Sales	904.5	1,222.3

Yen (billions)



Asia Equity in income of affiliates



Reference:

Operating income & Net income for affiliates accounted for under the equity method in Asia

Operating income	58.0	55.7	49.9	30.1	61.2	56.3	55.7	163.7	173.4
Net income	51.8	50.2	44.2	27.6	57.2	50.0	49.7	146.3	157.0

Affiliates accounted for under the equity method

Motorcycle Business

China	Sundiro Honda Motorcycle Co., Ltd.* Wuyang-Honda Motors (Guangzhou) Co., Ltd.*
India	Hero Honda Motors Ltd.
Indonesia	P.T. Astra Honda Motor*
Malaysia	Hicom-Honda MFG. Malaysia SDN. BHD.
Pakistan	Atlas Honda Limited*
Thailand	A.P. Honda Co., Ltd.

Automobile Business:

China	Guangzhou Honda Automobile Co., Ltd.* Dongfeng Honda Engine Co., Ltd.* Dongfeng Honda Automobile Co., Ltd.*
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Others 36, Total 46 companies
As of the end of December, 2007

* Indicates fiscal term of companies differs from that of Honda Motor Co., Ltd.

Other Regions Net Sales / Operating Income / Operating Margin

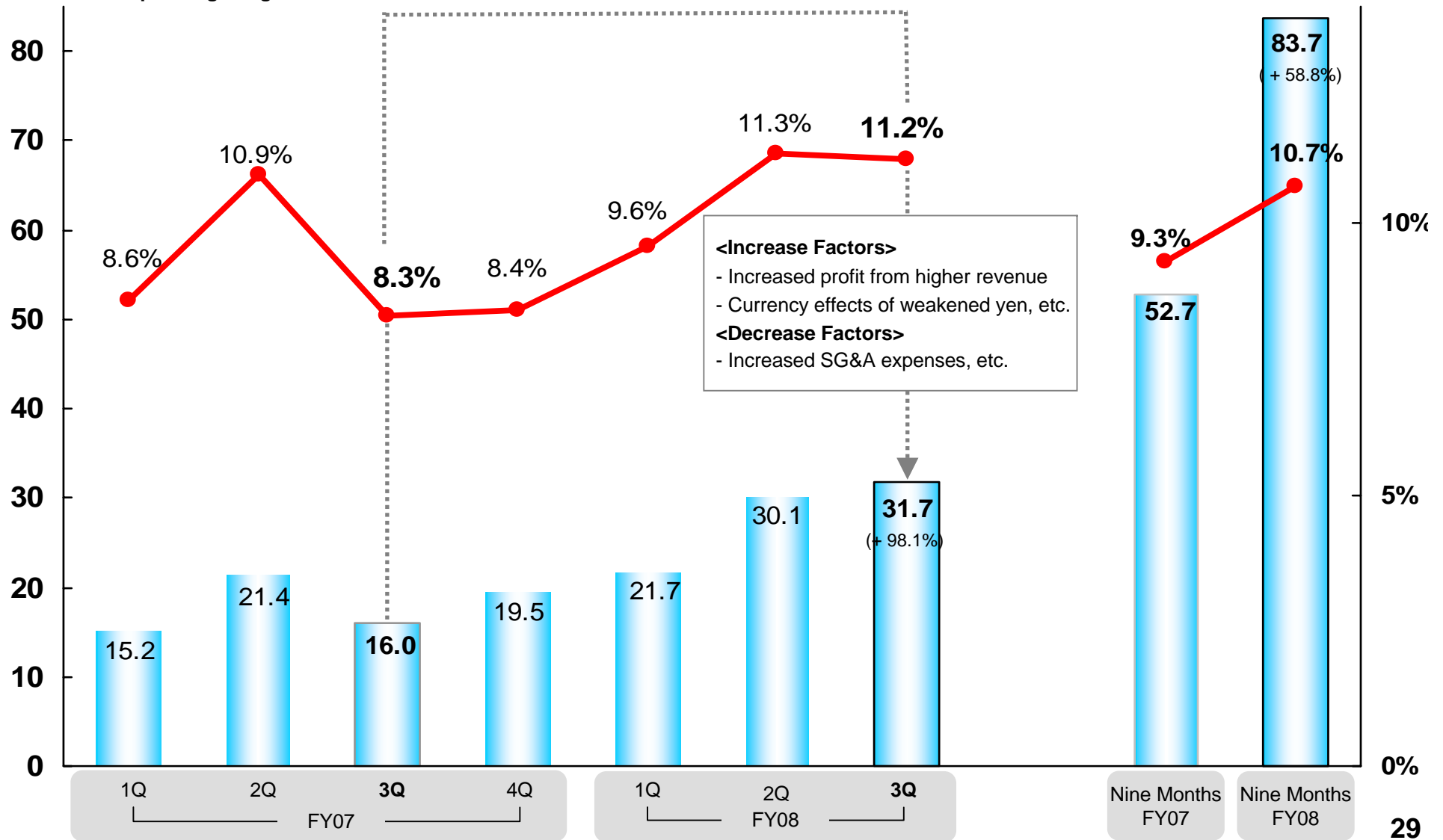
	FY07				FY08		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	176.9	196.3	193.0	231.3	226.3	267.9	284.6

	FY07	FY08
	Nine Months	Nine Months
Net Sales	566.3	778.8

Yen (billions)

Yen (billions)

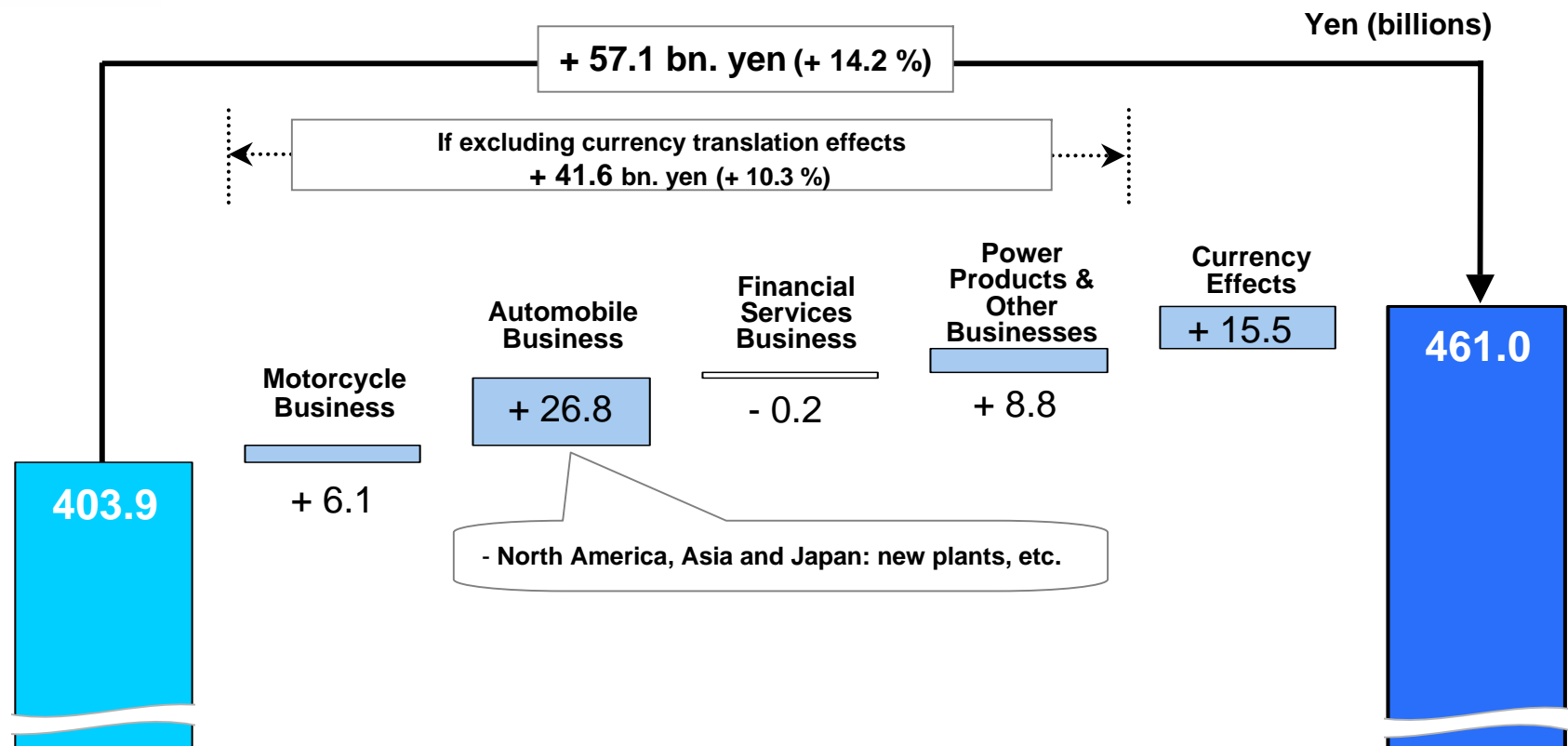
Operating Income ■
Operating Margin —



Details of FY08 3rd Quarter Financial Results & **FY08 Financial Forecasts**

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FY08 Nine Months Consolidated Capital Expenditures



FY07 Nine Months

Market average rates
US\$ 1= JPY 116.19
Euro 1= JPY 147.96

Yen (billions)

Motorcycle Business	44.4
Automobile Business	351.0
Financial Services Business	0.6
Power Products & Other Businesses	7.7
Total	403.9

※ Depreciation and amortization in results aforementioned exclude depreciation of investment in operating leases.

FY08 Nine Months

Market average rates
US\$ 1= JPY 117.28 (weaker by 1.09 yen)
Euro 1= JPY 162.82 (weaker by 14.86 yen)
Yen (billions)

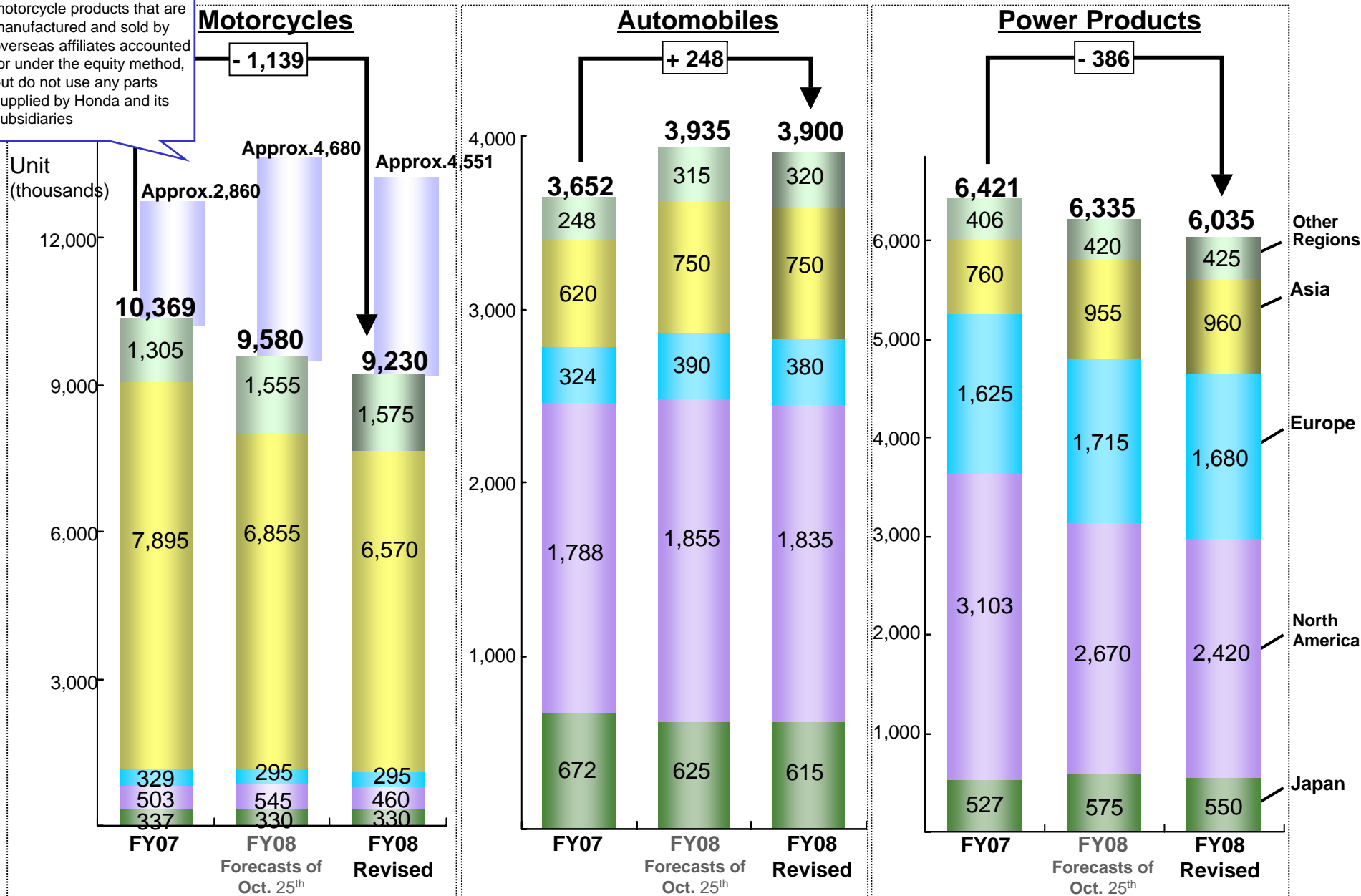
Motorcycle Business	53.1
Automobile Business	390.4
Financial Services Business	0.4
Power Products & Other Businesses	17.0
Total	461.0

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Forecast: Unit Sales by Business Segment

Unit sales of Honda-brand motorcycle products that are manufactured and sold by overseas affiliates accounted for under the equity method, but do not use any parts supplied by Honda and its subsidiaries



FY08 Financial Forecasts (Consolidated)

Yen (billions)

	FY07 Results	FY08 Revised Forecasts	Change		Change from previous forecasts
			amount	%	
Net sales & other operating revenue	11,087.1	12,150.0	+ 1,062.8	+ 9.6%	- 150.0
Operating income	851.8	920.0	+ 68.1	+ 8.0%	+ 40.0
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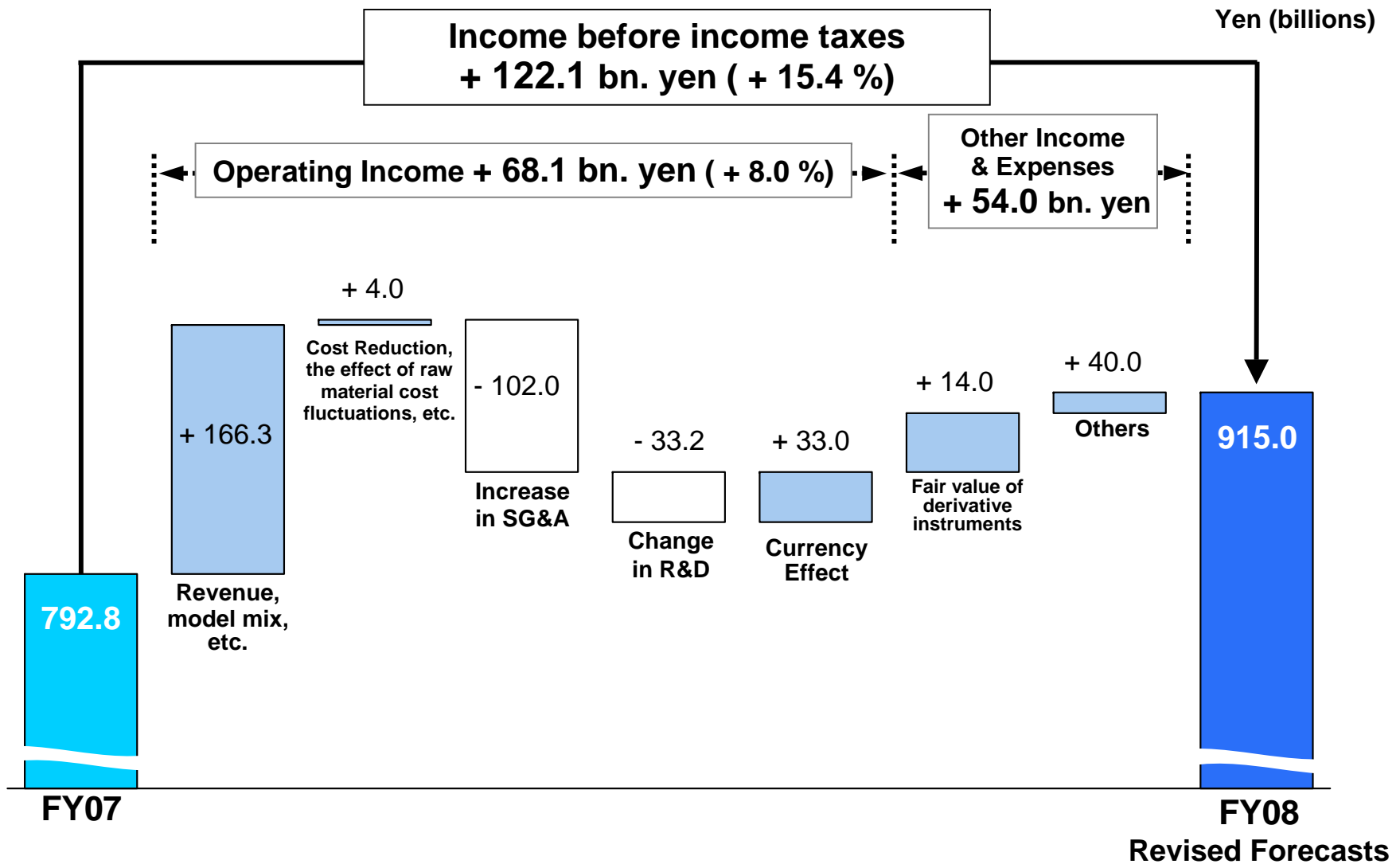
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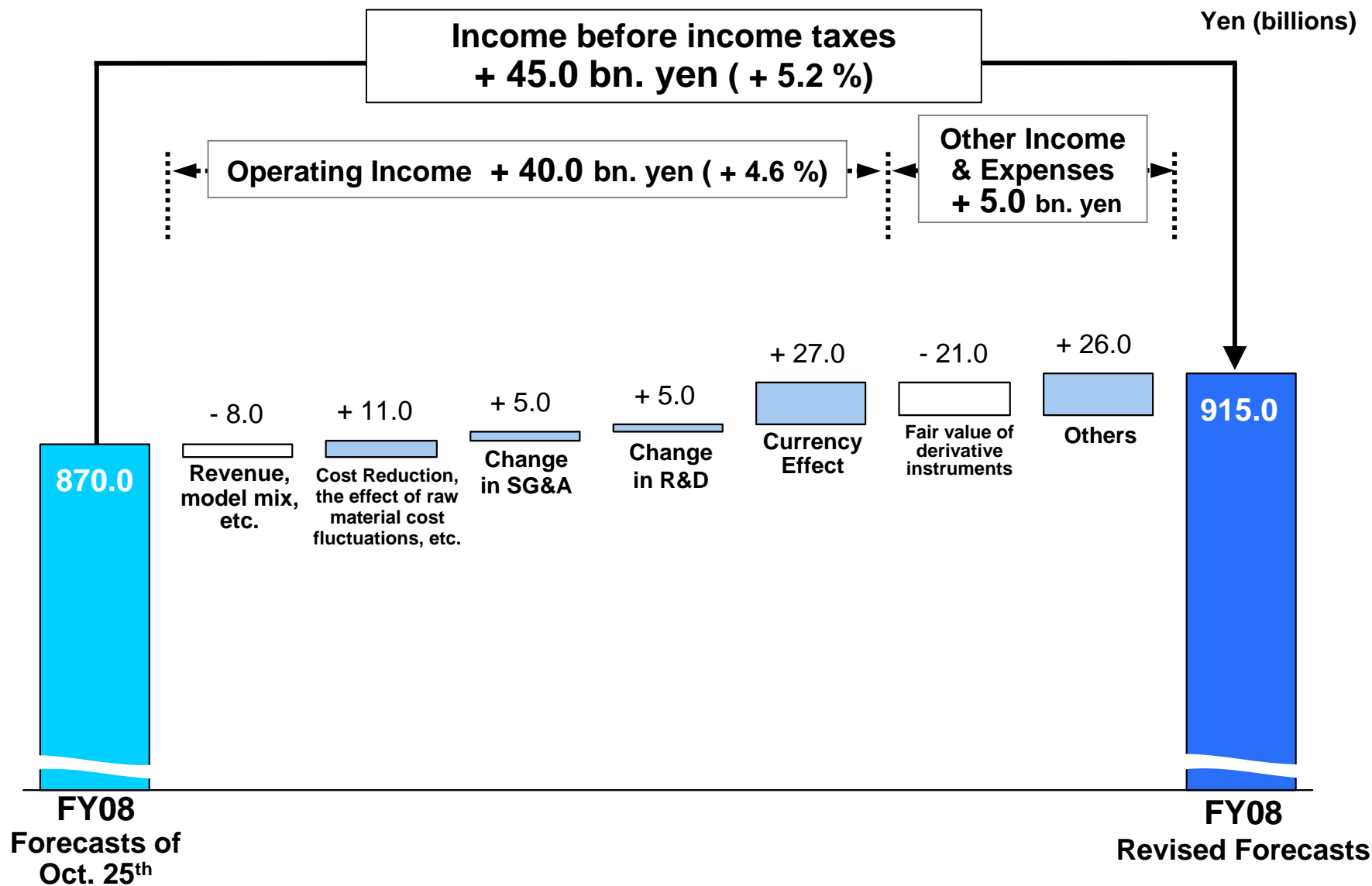
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Euro	151 (4Q: 157)	161 (4Q: 155)	weaker by 10 yen (4Q: stronger by 2 yen)	weaker by 6 yen

Forecast: Change in Income Before Income Taxes



Forecast: Change in Income Before Income Taxes



Yen (billions)

	FY07 Results	FY08 forecasts	Change	Change from previous forecasts of Oct. 25 th
Capital expenditures *	627.0	745.0	+ 117.9	- 10.0
Depreciation and amortization *	361.7	414.0	+ 52.2	+ 4.0
R&D expenses	551.8	585.0	+ 33.1	- 5.0

* Capital expenditures in results and the forecast aforementioned exclude investment in operating leases.
Depreciation and amortization in results and the forecast aforementioned exclude depreciation of investment in operating leases.

Caution with Respect to Forward-Looking Statements:

This slide contains forward-looking statements about the performance of Honda, which 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.

Accounting standards:

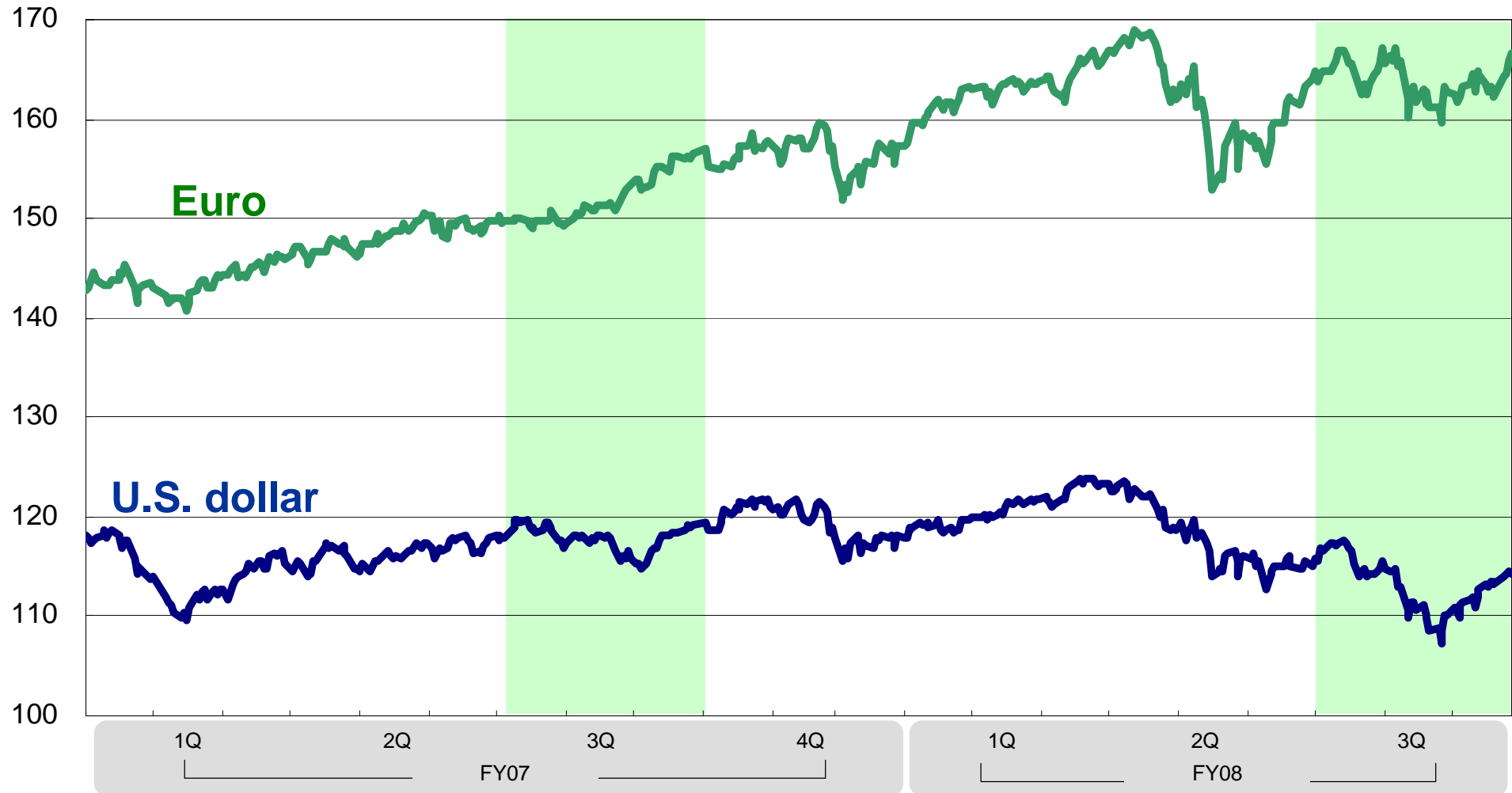
Our consolidated financial standards are prepared in conformity with U.S. generally accepted accounting principles.

Notice on the Factors for Increases and Decreases in Income:

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

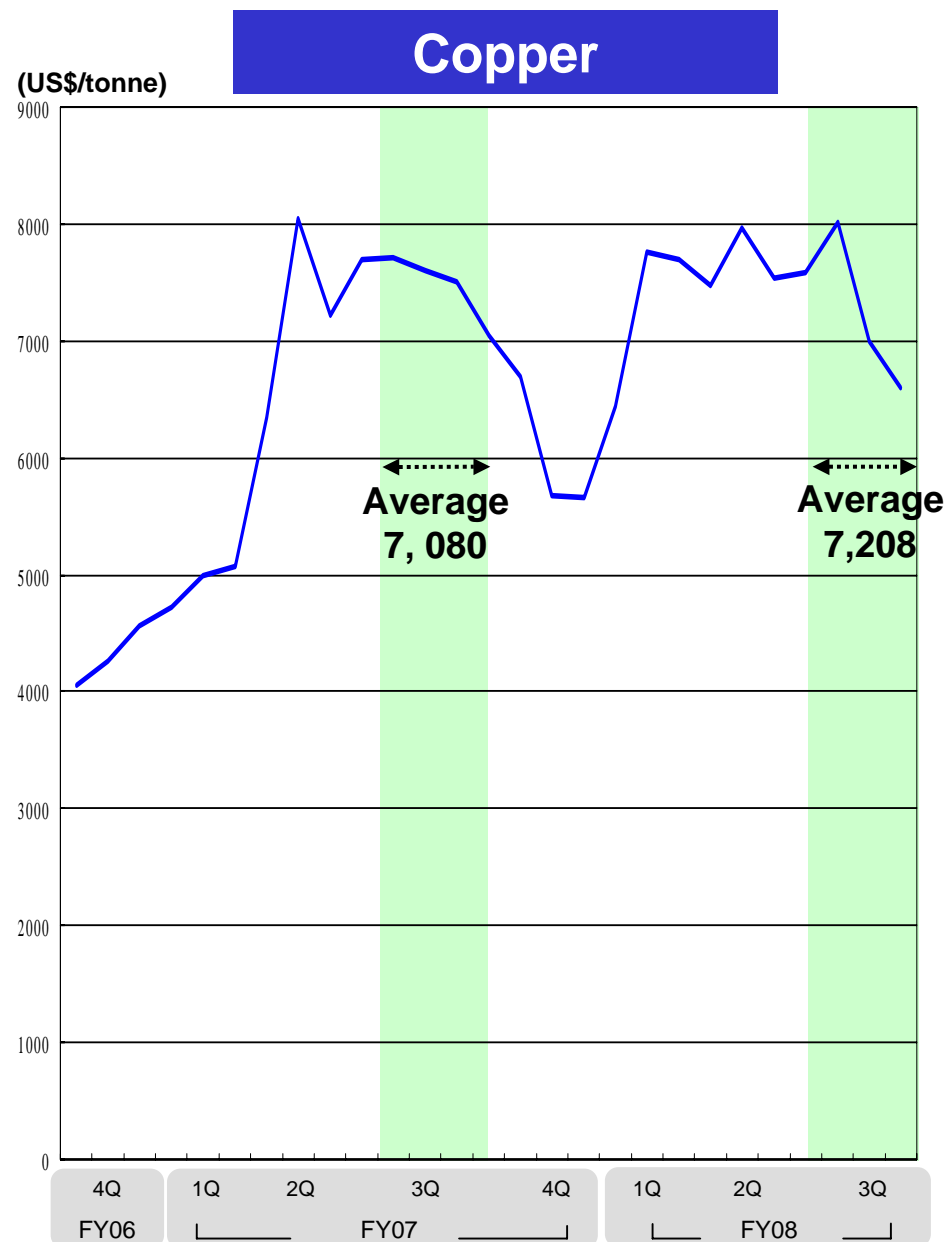
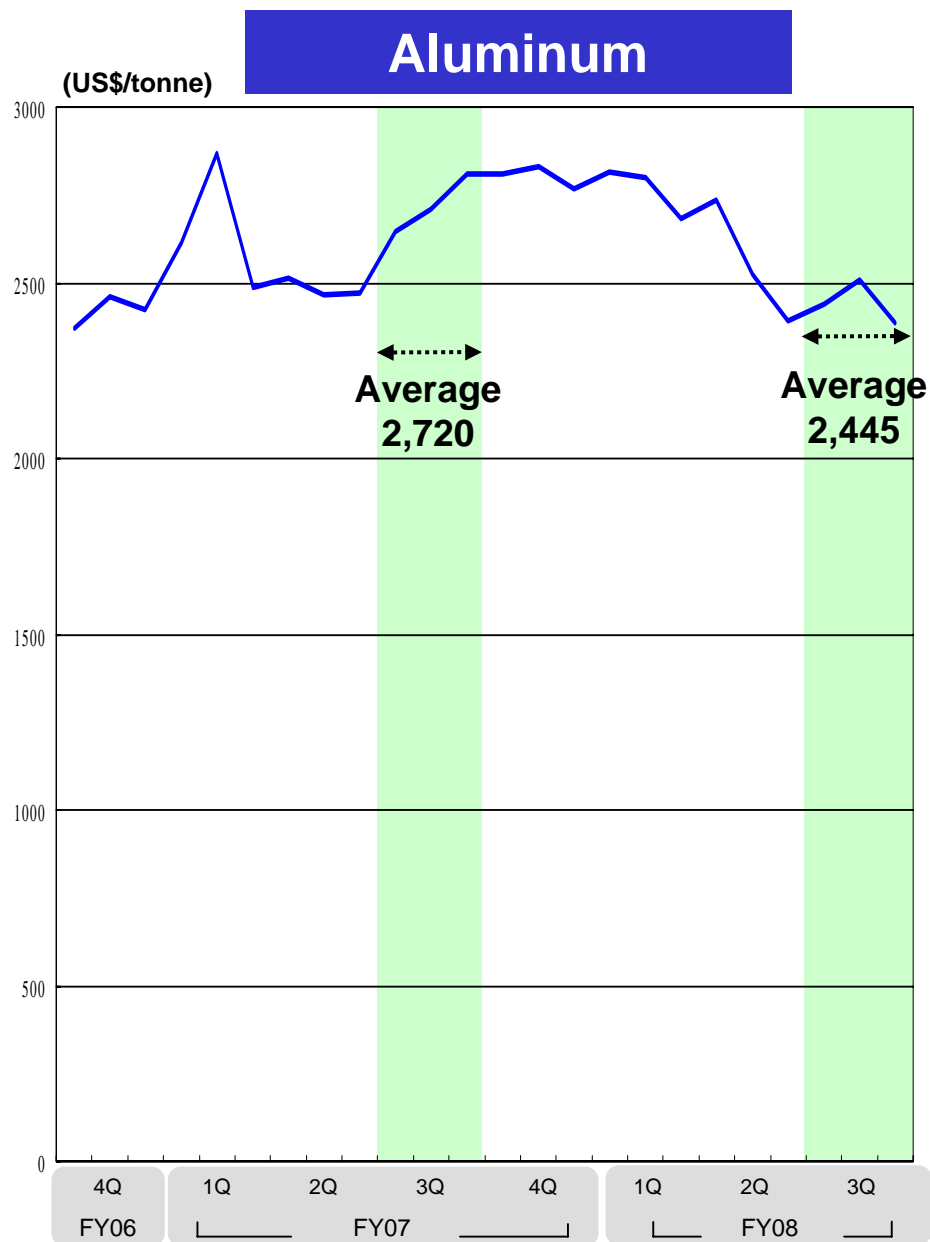
- Foreign Currency Exchange rates
(U.S. dollar & Euro to JPY)
- Transition of commodity markets
(Rare metal prices)

Yen amounts per U.S. dollar / Euro



The exchange rate prevailing on the Tokyo Foreign Exchange Market

(Reference) Transition of commodity markets (Base metal prices)



(Reference) Transition of commodity markets (Precious metal prices)

