HONDA
The Power of Dreams

Honda Environmental Annual Report 2008

Environmental information disclosure

Honda discloses its environmental policies and practices on its website (http://world.honda.com/environment/) and in the Environmental Annual Report, which describes Honda's environmental initiatives, including fundamental policies, the overall direction of initiatives and their implementation in each of Honda's operations. The report also outlines Honda's progress, plans and specific targets as an industry leader on environmental issues.

This report—which is integral to our Plan, Do, Check and Act (PDCA) process—documents the actions we've taken during the period in question. We invite readers to provide us with feedback so that we can continue to improve our environmental policies, practices and communications.

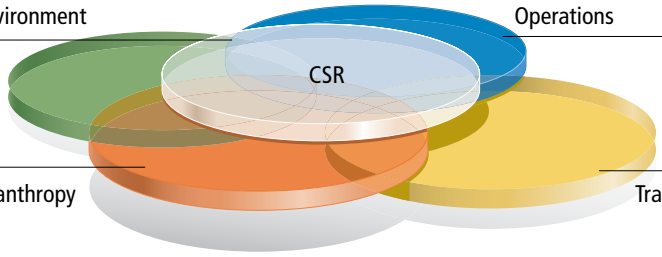
Please note that the website version of this report includes supplementary information not included in the printed version.

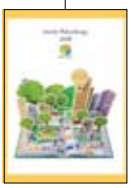
FY2008 reports

In addition to the Environmental Annual Report, Honda publishes both printed and online versions of the reports shown here:

CSR Report
An outline of Honda's fundamental policies and actions with respect to corporate social responsibility.
Topics: quality and safety, the environment, stakeholders and community initiatives.
Publication date: September 2008.
URL http://world.honda.com/csr/

Annual Report
An outline of achievements and results for each business segment in FY2008.
Publication date: September 2008.
URL http://world.honda.com/investors/annualreport/





Honda Philanthropy
An outline of Honda's fundamental approach to philanthropy, with a description of its principal initiatives as of FY2008.
Publication date: September 2008.
URL http://world.honda.com/community/

Driving Safety Promotion Report
An outline of Honda's approach to the promotion of driving safety and a presentation of its principal initiatives as of 2007.
(Available only in Japanese.)

Honda publishes these reports to provide readily accessible information on our initiatives and results. It's all part of our effort to enhance communications with our stakeholders—and to further improve our practices in all domains. We also provide information updates on our website.

Honda Worldwide site: key URLs

Corporate information ..... http://world.honda.com/profile/
CSR ..... http://world.honda.com/CSR/
Investor relations ..... http://world.honda.com/investors/
Environment ..... http://world.honda.com/environment/
Philanthropy ..... http://world.honda.com/community/
Safety ..... http://world.honda.com/safety/

Contents

Report scope

Period covered
FY2008 (April 1, 2007–March 31, 2008)
The report also refers to activities conducted in FY2009.

Areas covered
Primarily Japan, with some coverage of other countries.

Organizations covered
The report primarily focuses on environmental initiatives undertaken in FY2008 by Honda Motor Co., Ltd. and the following major affiliates in Japan:
Honda R&D Co., Ltd.
Honda Engineering Co., Ltd.
Honda Motorcycle Japan Co., Ltd.
Honda Access Corporation

Information is also provided on the environmental impact of the business operations of Honda Motor Co., Ltd. and 149 other Honda Group companies in Japan. Some information is also included on the activities of 83 Honda Group companies in Japan and other countries that conduct final assembly of our products, as well as principal parts manufacturers. For details, please see page 95.

Addressing environmental issues; striving to be a company society wants to exist

Acting globally

The last fiscal year witnessed considerable social change. During this period, as people came face to face with increasingly serious environmental and energy problems, Honda continued to meet the needs of its customers by providing them automobiles, motorcycles and power products, delivering more than 24 million products worldwide. We see the growth we achieved as an indication of higher consumer expectations—and we accept our responsibility to work even harder to meet the increasingly high demands of our customers and society at large.

To ensure the continuing creation of new value for customers during the three-year mid-term concluded in FY2008, Honda acted to strengthen the fundamentals of our product creation capabilities. We have made good progress in further developing our advanced manufacturing systems, strengthening our foundation for growth in international operations and reducing the environmental impact of our corporate activities. We will continue to realize the benefits of these ongoing initiatives as we act from a global perspective to contribute to the achievement of sustainable development for societies worldwide. We believe our proactive efforts to help resolve the world's environmental and energy problems define our value as a company and fuel our growth.

Environmental and energy issues have become top priorities

Environmental problems have deepened with each passing year. At recent summits—in Heiligendamm, Germany in 2007 and in Toyako, Japan in 2008—world leaders have put the question of finding global solutions to environmental issues at the top of their agendas. Meanwhile, the surge in oil prices and other energy problems confront us with daunting long-term dilemmas.

Whereas in the past the challenge of curbing emissions has been addressed solely at the regional level, the threat of climate change and other environmental problems surpasses the regulatory reach of national governments. We now face unprecedented global problems that demand global solutions.

As a corporation providing mobility products on a global scale, Honda considers its approach to environmental and energy issues integral to its operations. We recognize both the urgency of the situation and our responsibility to help contribute to solutions.

Leading the way with environmental and energy technologies

Addressing the challenge of developing revolutionary technologies, Honda is continuing its development of a fuel cell vehicle that consumes no fossil fuels and emits no CO_2. Working steadily toward the full-scale commercialization of fuel cell vehicles, Honda released the next-generation FCX Clarity fuel cell vehicle in 2008.

Advancing its initiatives in the development of renewable energy technologies, Honda began manufacturing and selling thin-film solar cells in Japan in 2007, and continued its work toward commercial production of ethanol derived from non-edible biomass, a world's first.

As we continue to develop advanced technologies, we're making steady progress toward the attainment of worldwide targets, announced in 2006, to reduce our CO_2 emissions from products and production operations by 2010. We will continue to lead the way in applying advanced technology to help solve environmental and energy problems.

Making sustainable development truly sustainable

Honda recognizes the need to resolve environmental and energy issues. We also recognize that people around the world want sustainable prosperity. We attach the greatest importance to applying technology to the attainment of both objectives, and we recognize the enormity of the challenges ahead. We approach the future with a sense of confidence born of our past success in overcoming daunting challenges with the help of original thinking and innovation. We will continue working toward delivering on the promise of truly sustainable mobility for everyone, applying the advanced creativity that defines us and striving to be a company people throughout the world want to exist.

President & CEO

Takeo Fukui

Producing the world's cleanest, most efficient products at the world's cleanest, most efficient factories

Publishing the Honda Environmental Annual Report 2008

Honda's approach to pressing environmental issues

The automobile industry first began to turn its attention to environmental issues when emissions regulations were introduced. At the time, concerns were focused primarily on the negative impact of emissions on human health. Today, the nature of the problem is fundamentally different. The key problem now is not one we can sense directly. It takes the form of CO_2 and other gases that threaten to disrupt ecosystems and bring harm to life throughout our planet via global warming. Today's problems are global problems.

We face dilemmas born of the Industrial Revolution and the radical lifestyle changes it spawned. Such problems are caused by technology and cannot be solved without it. Applying low-fuel-consumption, low-emissions technologies such as the CVCC engine, Honda has long been engaged in the development of environmental technology. When it comes to environmental responsibility, we're a world leader.

The pressing environmental and energy problems faced by the world today demand the application of even more advanced technology. Honda will be called upon to attain new heights in original thinking and advanced technology in the development and manufacture of motorcycles, automobiles and power products, and in the use of energy in products and production. In confronting these challenges, we're putting everything we have into the development of tomorrow's technologies.

Strengthening product and production technologies

We are strengthening our initiatives to reduce the environmental impact of our products and production activities, working steadily to attain our own voluntary targets.

Introducing products with superior environmental performance

Honda's initiatives continue apace with the introduction of hybrid automobiles, further improvements to the efficiency of our engine technologies and the production of low-emissions vehicles with good fuel economy. We are also strengthening our clean-energy initiatives.

- Honda will introduce a new dedicated hybrid vehicle in 2009, strengthening a product line-up that already features the Civic Hybrid.
- The next-generation FCX Clarity fuel cell vehicle was introduced in November 2007. Following its release in the U.S. in summer 2008, the FCX Clarity is to be released in Japan in autumn 2008. In addition to offering the ultimate in environmental performance, the FCX Clarity features advanced design and driving pleasure made possible by the innovative layout of its power plant. It offers customers attractive new value as a next-generation vehicle.
- In the U.S., Honda began experimental operation of its Home Energy Station IV, designed to provide fuel for a hydrogen-powered fuel cell vehicle, as well as sufficient heat and electricity for a home.
- In October 2007 affiliate Honda Soltec began production of thin-film solar cells at its factory in Japan. It will produce and sell solar cells with an annual capacity equivalent to 27.5 megawatts, sufficient to meet the electrical needs of some 9,000 households.

Enhancing environmental performance in product development and manufacturing

As a leader in environmental responsibility, Honda has a long-term goal: to strengthen our capacity to create products with superior environmental performance and reduce the environmental impact of our product development and production activities worldwide.

- Work began in 2007 on the construction of a new automobile plant in Yori, Japan. Thanks to the introduction of highly efficient production, logistics and recycling practices, this highly advanced, environmentally responsible plant is expected to achieve energy use levels 30% lower than current facilities.
- Expected to go online in 2009, a new engine plant in Ogawa, Japan, will handle production of advanced new engines and feature flexible manufacturing systems that will allow it to switch efficiently between production of different models. These enhanced systems are to be introduced at Honda facilities worldwide.
- In Thailand construction is underway on a new automobile factory designed on the basis of Honda's Green Factory initiative.
- Work is progressing on the new Sakura R&D Center in Japan, which will feature multiple test courses that replicate a variety of conditions, from high-speed to city driving. The new facility will enable Honda to accelerate the development of advanced technologies while remaining focused on environmental conservation, safety and strengthening the development of next-generation vehicles that enhance the joy of driving. The new center—a testament to environmental responsibility—will begin initial operations in 2009 and full operations in 2010.

Working with determination on these and other initiatives, we're striving to attain the 2010 targets we set to reduce our environmental impact, while continuing to lead the way in environmental conservation.

Why we're publishing the Honda Environmental Annual Report 2008

Honda uses this annual report to publish the results of its environmental initiatives. Beginning this year, the report is divided into sections reporting on global and Japan-based initiatives. We hope its publication will lead to greater appreciation of the worldwide scope of our environmental initiatives.

Around the world, popular values are rapidly evolving as environmental awareness reaches unprecedented levels. This report is part of our effort to express the fact that we recognize our responsibility to help people everywhere continue to enjoy convenient mobility far into the future.

We warmly welcome readers to share with us their opinions and ideas about Honda's activities, as outlined in this report.

Director Responsible for the Environment
Senior Managing Director

Masaaki Kato

The Honda Environment Statement

Honda has long been committed to environmental conservation. In the 1990s we strengthened our organizational structure and released the Honda Environment Statement to clearly define our approach to environmental issues. We have continued to strengthen our environmental conservation initiatives, which are central to everything we do.

Looking to the future, we articulated our Vision 2010, which affirms that our corporate culture is based on freedom and openness, challenge and cooperation. The commitment to the future defined in our vision statement mandates that we work diligently to meet our ambitious environmental goals. We understand that there are no shortcuts in our collective task of overcoming the environmental issues facing society—or to being a company society wants to exist.

Honda Environment Statement

As a responsible member of society whose task lies in the preservation of the global environment, the company will make every effort to contribute to human health and the preservation of the global environment in each phase of its corporate activity. Only in this way will we be able to count on a successful future not only for our company, but for the entire world.

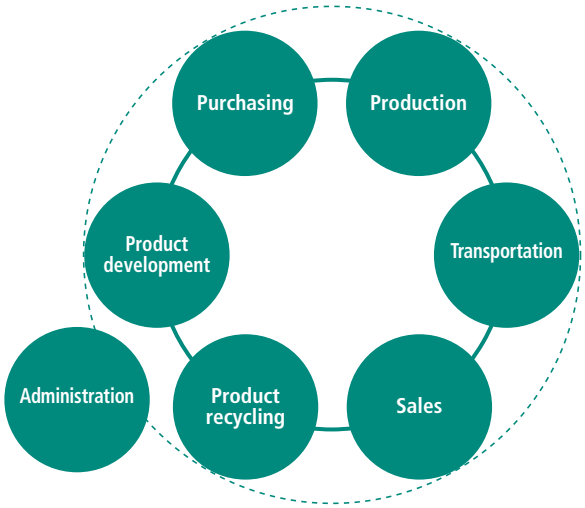
We should pursue our daily business interests under the following principles:

1. We will make efforts to recycle materials and conserve resources and energy at every stage of our products' life cycle from research, design, production and sales, to services and disposal.
2. We will make every effort to minimize and find appropriate methods to dispose of waste and contaminants that are produced through the use of our products, and in every stage of the life cycle of these products.
3. As both a member of the company and of society, each associate will focus on the importance of making efforts to preserve human health and the global environment, and will do his or her part to ensure that the company as a whole acts responsibly.
4. We will consider the influence that our corporate activities have on the local environment and society, and endeavor to improve the social standing of the company.

Established and announced in June 1992

Assessing environmental impact

Honda is aware of its responsibility for the environmental impact generated by its corporate activities and use of its products, and is committed to minimizing it. To achieve this, it is essential that we identify specific issues and set targets for action. We set specific goals in the context of our Life Cycle Assessment system, which is used to measure, assess and analyze environmental impact.



Domain	Concerns	Environmental impact	Major initiatives
Product development	CO_2 Exhaust emissions Noise	**Global environmental issues** Global warming Ozone depletion Resource depletion Air pollution Waste Water pollution Soil pollution Noise **Local environmental issues**	• Exhaust emissions • Fuel efficiency improvements • Noise reduction • Enhanced recyclability
Purchasing	CO_2 Waste Wastewater Exhaust emissions Noise Chemicals		• Green purchasing
Production			• Green factories
Transportation	CO_2 Waste		• Green logistics
Sales	CO_2 Removed parts Fluorocarbons Waste		• Green dealers (automobiles, motorcycles and power products)
Product recycling	CO_2 End-of-life products		• Recovery, recycling and reuse of parts • Technical support for the proper disposal and recycling of end-of-life products
Administration	CO_2 Waste		• Green offices

Global initiatives

Advancing production in six regions

As a global manufacturer, Honda strives to manufacture the world's cleanest, most efficient products at the world's cleanest, most efficient factories.

Annual production in Honda's six regions by unit volume

Japan
Automobile production 1,297,000
Motorcycle production 443,000
Power products production 1,420,000

Note: Power products data for Japan includes only completely assembled units

North America
Automobile production 1,441,000
Motorcycle production 248,000
Power products production 1,554,000

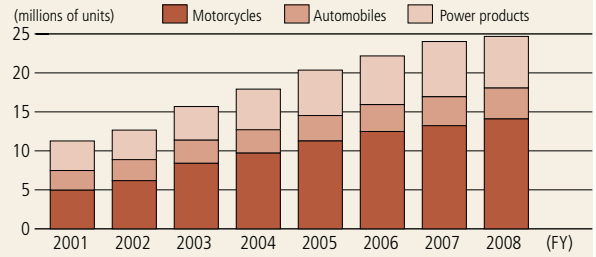
Europe/Middle East/Africa
Automobile production 279,000
Motorcycle production 223,000
Power products production 936,000

China
Automobile production 492,000
Motorcycle production 1,628,000
Power products production 487,000

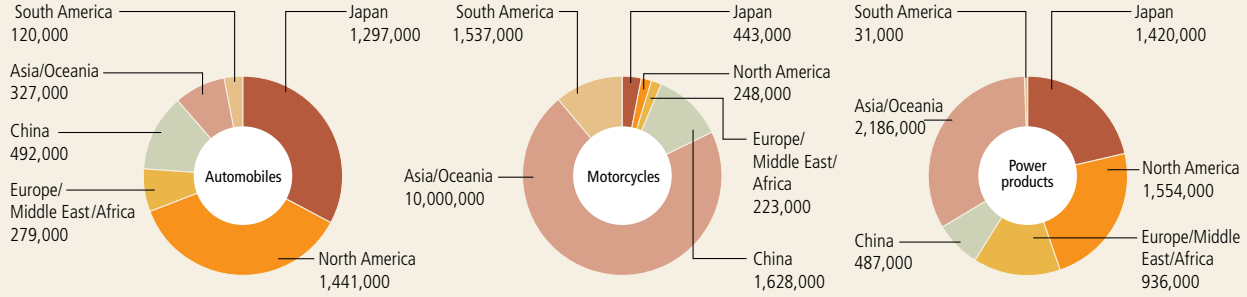
South America
Automobile production 120,000
Motorcycle production 1,537,000
Power products production 31,000

Asia/Oceania
Automobile production 327,000
Motorcycle production 10,000,000
Power products production 2,186,000

Production volume by product category



Production volume by region



Driven by its philosophy of building products close to the customer, Honda manufactures its products in six different regions worldwide. In FY2008 we manufactured and delivered 24 million units to customers around the world. Always conscious of the environmental impact of its operations, Honda is working hard to take environmental responsibility to ever higher levels around the world.

In 2006 Honda became the world's first automaker to announce global CO_2 reduction goals for its products and production activities (see p13). It also presented an aggressive and unprecedented strategy to help stabilize climate change. We consider such initiatives to be the responsibility of a global corporation, and we will continue to lead the way in environmental protection.

2010 CO_2 reduction targets and progress

To help combat global climate change, Honda is leading the way, setting global targets for CO_2 reduction and progressing steadily toward the achievement of those targets.

Addressing global climate change

Global climate change

Rapidly increasing emissions of carbon dioxide, flurons and other greenhouse gases are considered to be the key cause of global climate changes. This problem cannot be resolved solely by action at the regional level. That's why Honda is addressing the problem on a global scale.

Growing demand for mobility

Currently, there is a significant gap between developed and developing countries in terms of availability of convenient transportation. Since improvements in the quality of mobility are essential to improvements in the quality of life, the demand for automobiles and other forms of transportation will continue to grow.

Honda is working to further develop its technology to reconcile

the threat of global climate change with the growing demand for mobility.

Our overall goal is to manufacture products with the lowest in-use CO_2 emissions at manufacturing plants with the lowest CO_2 emissions per unit of production.

Product efficiency

Setting goals for higher fuel-efficiency averages for all products worldwide

Since the internal combustion engine is expected to continue to provide the principal means of mobility until at least 2020, Honda is working to improve its efficiency and fuel economy. Stringent regulations such as Corporate Average Fuel Economy (CAFE) standards have been introduced in the U.S., Europe and other regions to mandate fuel-efficiency improvements for automobile fleets. Recognizing the need for global initiatives, Honda is moving from measuring regional fuel-efficiency averages to measuring global fuel-efficiency averages, and from fuel-efficiency averages based on vehicle categories to average targets for its entire worldwide vehicle lineup.

Production efficiency

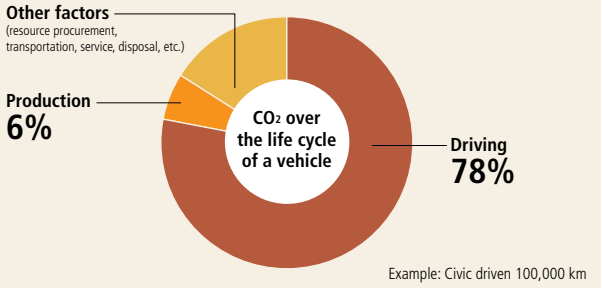
Reducing per-vehicle CO_2 emissions in manufacturing worldwide

Honda is also committed to further improving the efficiency of its worldwide manufacturing processes and reducing CO_2 emissions. To this end, in 2006 we established global targets for average per-unit CO_2 emissions in manufacturing and are working steadily to reach these targets.

Targets that address the automobile life cycle

According to assessments made on the basis of the Honda Life Cycle Assessment (LCA) system (see p16), approximately 78% of emissions are generated by the operation of vehicles and about 6% in their manufacture. Thus Honda's CO_2 targets, which focus both on its products and its production processes, cover more than 80% of the CO_2 emissions generated throughout the life cycle of its automobiles.

CO_2 emissions over the life cycle of a vehicle
(as assessed with the Honda LCA system)



2010 CO_2 reduction targets and progress (baseline: 2000)

	Automobiles	Motorcycles	Power products
Product CO_2 reduction targets Global average of CO_2 emitted by all Honda products	10% (per g/km)	10% (per g/km)	10% (per kg/h)
Production CO_2 reduction targets Global average of per-unit CO_2 emitted during production	10% (per unit)	20% (per unit)	20% (per unit)

•Target scope:

Product—Automobiles: Japan, North America, Europe/Middle East/Africa, Asia/Oceania, China, South America (more than 90% of worldwide sales)

Product—Motorcycles: Japan, North America, Europe, Thailand, India, China, Indonesia, Vietnam, Brazil, Philippines, Malaysia, Pakistan (more than 90% of worldwide sales)

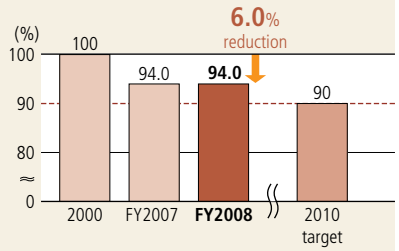
Product—Power products: All sales in all regions (excluding marine outboards)

Production: All manufacturing by Honda Motor and 74 other Honda Group companies worldwide engaged in the assembly of products and major components. (See p95 for details.)
Note: Includes data from Honda Auto Parts Manufacturing Co., Ltd.

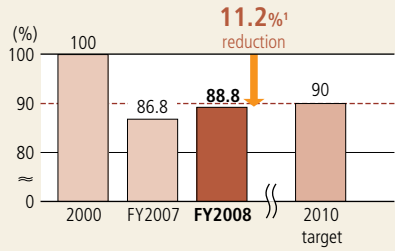
FY2008 results (in progress)

Product CO_2 reduction

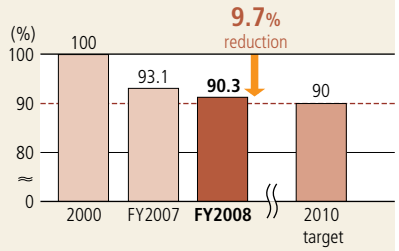
Automobiles



Motorcycles

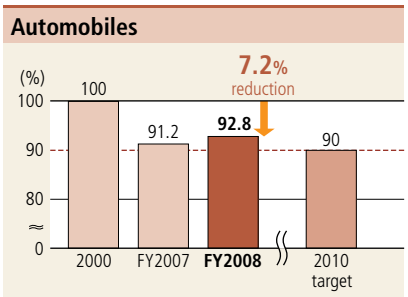


Power products

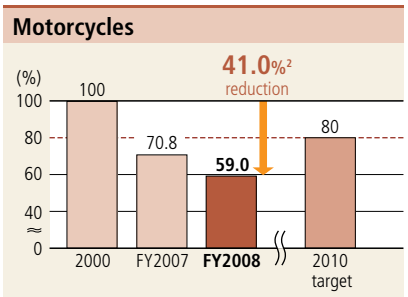


Production CO_2 reduction

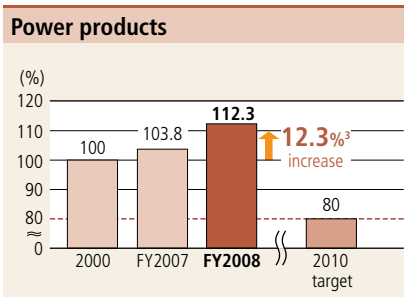
Automobiles



Motorcycles



Power products



1 An 11.2% reduction from 2000 has already been attained, and we are working steadily to achieve further reduction.
2 Although the target has already been attained, an expansion of production is foreseen in this region, where CO_2 emissions are relatively high. We are striving to maintain the reduction target level and achieve even greater reduction by 2010.
3 Higher, per-unit emissions in power products manufacturing can be attributed to changes in production and more feature-rich new products.

CO_2 reduction initiatives

Striving to attain all CO_2 reduction targets, Honda is engaged in various initiatives:

Gasoline automobiles → p19
Hybrid automobiles → p19
Diesel automobiles → p19
Production initiatives → pp25, 49
Entering the solar power industry → p46

Environmental management

Honda has developed an institutional framework to put into practice the principles of environmental conservation as defined in the Honda Environment Statement. Honda's environmental management system, which mandates that environmental conservation initiatives be planned and executed appropriately, is described here.

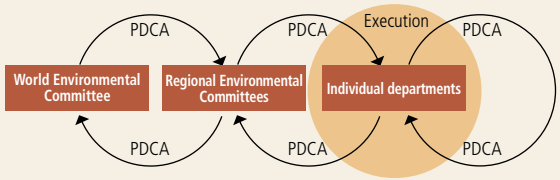
Policy

Based on mid-term policies determined by the Executive Council, environmental action plans are developed by individual departments. These plans are then discussed and approved by Regional Environmental Committees. Next, individual departments take responsibility for implementation based on the commitments specified in their plans. Results are evaluated by Regional Environmental Committees, and, on the basis of their guidance, plans and targets are developed in each of Honda's six regions, completing the PDCA[1] cycle at the regional level. Issues considered to be global in scope are referred to the World Environmental Committee, whose deliberations are reflected in mid-term policy statements.

A hallmark of Honda environmental initiatives is that planning and execution are not delegated to specialists; rather, associates in all departments are directly involved. All associates are engaged with environmental issues as part of their duties.

1 The Plan, Do, Check, Act cycle is an internal efficiency procedure.

Environmental preservation based on the PDCA cycle



Organization

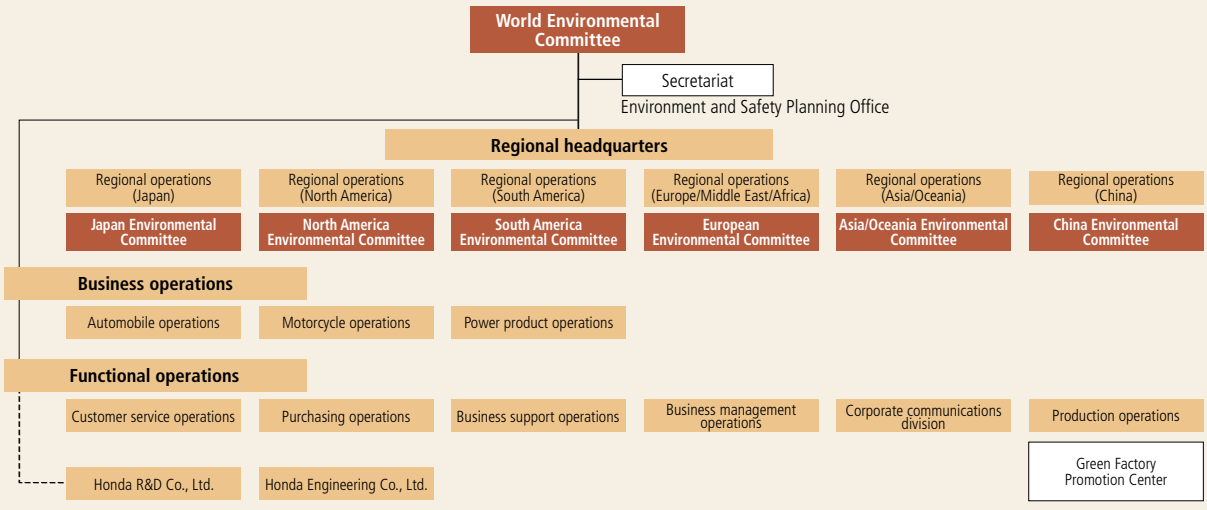
World Environmental Committee

In December 1991 Honda created what is now referred to as the Japan Environmental Committee. Its role is to play a central part in addressing environmental issues in Japan. Subsequently, the organizational framework was extended to Honda's other five regions. In March 1995 the World Environmental Committee was established to create and promote global plans in keeping with medium-term business plans. Continuing its focus on issues common to the global organization, the company initiated the Green Factory project[1] in 1997 and the LCA Project in 2000. The Green Factory Promotion Center[2] was established in 2004 to intensify environmental initiatives in the production domain and to advance the Green Factory initiative.

1 In addition to the Green Factory initiative, energy conservation and waste reduction measures are being implemented at Honda factories worldwide.

2 The Green Factory Promotion Center oversees environmental initiatives in the production domain, supervising and coordinating environmental measures implemented at Honda factories. The center serves as a secretariat for internal environmental audits conducted by Honda factories and monitors the administration of environmental management throughout the organization.

Global environmental preservation organization



Environmental management at Honda facilities

Along with the establishment of organization-wide environmental management, Honda's facilities are introducing environmental management systems to continuously improve their ability to protect the environment and more thoroughly mitigate the environmental impact of SOCs. Honda has been proactive in acquiring environmental management ISO 14001 certification for its production and other facilities. All of Honda's production facilities in Japan had acquired certification by FY1998. As part of the Green Office initiative, the Honda Motor headquarters building in Aoyama acquired ISO 14001 certification in FY2000, as did the new Wako Building in FY2006. We are also working toward certification of major facilities worldwide. In Europe, we are promoting compliance with the EU's Eco Management and Audit Scheme (EMAS). Honda's ISO 14001–certified facilities (shown on adjacent map) total 58 sites as of the end of FY2008. There are currently seven EMAS-certified facilities in Europe. As shown in the adjacent table, three additional facilities acquired ISO 14001 certification and two additional facilities acquired EMAS certification in FY2008. We will continue working to acquire and retain ISO 14001 and EMAS certification throughout the Honda Group. In pursuing these initiatives, we will continue to apply the PDCA cycle in order to reduce the environmental impact of our operations. ISO 14001 certification extends beyond production, and 151 Honda affiliates have received certification worldwide.

URL http://world.honda.com/environment/ecology/2008report/management/management02/

Sites acquiring ISO 14001 certification in FY2008

Facility	Region	Activities	Date of certification
Honda Malaysia Sdn.Bhd.	Malaysia	Automobile manufacturing	Apr. 2007
Zengcheng Factory, Guangzhou Honda	China	Automobile manufacturing	Jan. 2008
Honda Philippines Inc.	Philippines	Motorcycle manufacturing	Mar. 2008

Sites acquiring EMAS certification in FY2008

Facility	Region	Activities	Date of certification
Honda Italia Industriale S.p.A.	Italy	Motorcycle manufacturing	Oct. 2007
Montesa Honda S.A.	Spain	Motorcycle manufacturing	Mar. 2008

ISO 14001/EMAS-certified manufacturing sites as of FY2008

Case Study

Supplier REACH seminars

Honda has begun holding seminars for suppliers on the topic of REACH, the new European chemical substances regulations. REACH (Registration, Evaluation, Authorization and Restriction of Chemical Substances) was enacted in June 2007 and required preregistration of chemical substances beginning in June 2008. Honda is addressing this issue with a focus on the global supply chain. We've held seminars for all regions that supply Europe with parts and products to ensure comprehensive and coordinated compliance with the new regulations.

Supplier REACH seminar

Environmental risk management

Emergency protocols

In anticipation of accidents or emergencies that could cause environmental pollution, each factory and department has clearly defined procedures for the prevention of pollution.

Compliance with laws and regulations

All Honda facilities strive for improved environmental conservation based on the Honda Environment Statement. We've introduced environmental management systems throughout our organization. We also abide by our own voluntary standards, which are more stringent than national or regional laws and regulations.

In April 2003 we established the Honda Conduct Guidelines and are implementing them worldwide. In the guidelines, compliance is defined as "compliance with laws, company rules and social norms," while environmental conservation is defined as the "proper processing of waste and pollutants," "efficient use of natural resources and recycling," and "legally required measurements, recording and reporting." Upon the introduction of the guidelines, a director was nominated as compliance officer, and we have continued to work to strengthen compliance and risk-management frameworks under the supervision of the director in charge of each part of our organization.

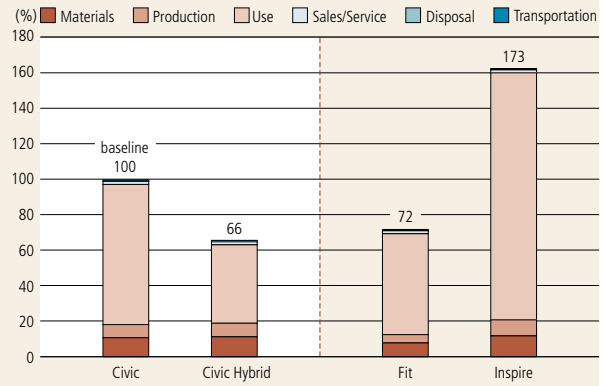
Promoting Life Cycle Assessment (LCA)

The Honda LCA System

In March 2002 we established the Honda LCA System in Japan to measure the environmental impact of our products from manufacturing to disposal. Applying this system, we are working to reduce environmental impact.

One of the key elements we are monitoring is CO_2 emissions. Based on emissions measurements, we are setting targets for production, purchasing, sales, administration, transportation and other domains, and implementing effective initiatives to reduce emissions.

LCA results for major automobile models released in FY2008 (Japan)

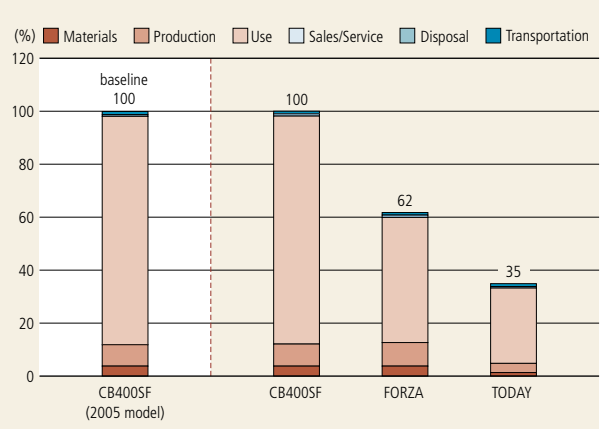


Note 1: CO_2 emissions according to Honda calculations.
Note 2: The Civic and Civic Hybrid are treated as the standard.
The Civic is treated as the baseline and accorded a value of 100.
Note 3: Calculations are based on a total vehicle mileage of 100,000 km.

Product LCA

In FY2007 we introduced a new product LCA system to represent the volume of CO_2 emissions associated with the life cycle of a single vehicle, from the procurement of raw materials to disposal. The adjacent graphs display calculations for major automobile and motorcycle models introduced in the past year. The results provide confirmation of the importance of the use stage in CO_2 emissions. Using this system, we can more accurately assess the volume of CO_2 emissions for all aspects of a vehicle's life cycle, reinforcing our reduction efforts.

LCA results for major motorcycle models released in FY2008 (Japan)



Note 1: CO_2 emissions according to Honda calculations.
Note 2: The CB400SF is treated as the baseline and accorded a value of 100.
Note 3: Calculations are based on a total vehicle mileage of 50,000 km.

FY2008 Environmental Initiatives

Product development

Sustainable mobility for everyone

Taking the lead in exploring new environmental and energy technologies to enhance the mobility of our customers while striving to reduce environmental impact, Honda is meeting the demand for transportation with environmentally responsible products and helping to provide sustainable mobility.

Product development

Automobiles

**From fuel cell vehicles to hybrids,
Honda is pioneering emerging technologies**

FY2008 featured initiatives

Fuel cell vehicles

New fuel cell vehicle revealed at U.S. auto show

The FCX Clarity is a lightweight, compact, highly fuel-efficient hydrogen-powered fuel cell vehicle. It's powered by Honda's unique V Flow FC Stack, which features a vertical gas flow (V Flow) cell structure in which gravity facilitates more efficient drainage of water, a byproduct of the electricity-generation process, allowing for a more efficient fuel cell and a more compact, lightweight stack. The V Flow FC Stack's wave flow–channel separators improve hydrogen and air dispersion, achieving electricity-generating performance that is approximately 10% higher than straight flow channels. As a result, the V Flow FC Stack achieves a higher output of 100 kW, smaller size and lower weight, with a 50% improvement in output density by volume and a 67% increase in output density by mass compared to the 2005 FCX.[1] Fuel efficiency is 20% higher and range is 30% greater than in previous FCX models. The FCX Clarity's interior is also the first to incorporate Honda Bio-Fabric—a new interior fabric made from plant material—and the first to feature climate-controlled seats that help reduce energy consumption. The new model was announced at the Los Angeles Auto Show in November 2007 and has been available for lease to individual customers in southern California since July 2008.

1 Honda calculations

The new FCX Clarity

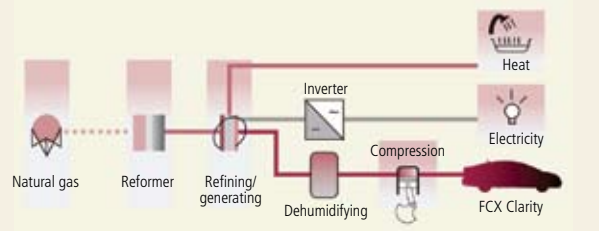
Home energy stations and solar cell hydrogen stations

Testing the Home Energy Station IV

Honda is moving ahead with research into hydrogen production and supply systems to promote the widespread adoption of fuel cell vehicles. In FY2004 we began experimental operations of our Home Energy Station, a cogeneration system that generates hydrogen from natural gas to provide heat and electricity for the home and fuel for a hydrogen-powered vehicle. In 2007 we introduced the Home Energy Station IV, beginning experimental operations in Torrance, California. To make the new technology even more suitable for the average household, the focus was placed on high efficiency and compactness. Previous Home Energy Station systems were equipped with a separate purifier and fuel cell. By unifying these components and introducing the ability to switch from hydrogen refining to power generation, the system's size has been reduced 70% compared to the first-generation model. A household with a Home Energy Station IV and an FCX Clarity could reduce its carbon footprint by approximately 30% and its energy costs by approximately 50% compared to a household driving a gasoline-powered vehicle and using conventionally generated electricity. In California, Honda is also continuing to develop its solar-powered Hydrogen Stations, which use solar energy to produce hydrogen from water.

The Home Energy Station IV

Schematic: the Home Energy Station IV



Gasoline-powered automobiles

Enhanced fuel economy thanks to advanced Variable Cylinder Management

A prototype of the new Honda Pilot was unveiled at the North American International Auto Show in January 2008. Offering enhanced fuel economy, it went on sale in May 2008. The new V6 engine in this second-generation Pilot features an advanced version of Variable Cylinder Management (VCM), with a 4-cylinder mode in addition to the 3- and 6-cylinder modes featured in the original VCM. Switching between three different cylinder configurations while in operation, VCM optimizes performance and fuel economy under all driving conditions.

The second-generation 2009 Pilot

Hybrid automobiles

New hybrids and sports hybrids

In FY2000 Honda released the first hybrid automobile in the U.S.—the Insight. In FY2006 the release of the Civic Hybrid, featuring 3-stage i-VTEC + IMA (Integrated Motor Assist), was met with widespread acclaim in Japan, North America and Europe, as well as elsewhere. Now two new hybrid vehicles are under development that will feature lighter and more compact IMA systems, further increasing fuel economy. The new hybrids are scheduled for release in Japan, North America and Europe in early 2009. Honda also plans to release a sports hybrid based on the CR-Z concept car shown at the 2007 Tokyo Motor Show. With a lineup that will soon consist of four models—including a Fit hybrid—sales of Honda's hybrid vehicles are projected to grow to 500,000 units.

The CR-Z hybrid concept car

Diesel-powered automobiles

Complying with European emissions standards

Implementation of diesel engines is attracting growing attention in Europe and elsewhere as a key means of combating CO_2 emissions. In FY2004 Honda introduced the environmentally responsible 2.2-liter 4-cylinder i-CTDi diesel engine. Featured on the European Accord and other vehicles, it has won praise for its significantly lower emissions. Now Honda offers the i-DTEC engine, developed to meet ever-stricter emissions requirements worldwide. The new Accord and Accord Tourer, released in Europe in June 2008, are equipped with a 2.2-liter i-DTEC engine that complies with Euro 5 emissions standards scheduled to come into effect in 2009. i-DTEC-equipped models will be released in North America and Japan in FY2010.

European Accord

European Accord Tourer

FY2008 regional initiatives

North America: the greenest vehicle of 2008

In February 2008 the American Council for an Energy-Efficient Economy announced its Greenest Vehicles of 2008. The award ranks all consumer automobiles sold in North America according to vehicle exhaust emissions and greenhouse gas emissions during a product's entire life cycle. The natural gas–powered Civic GX placed first for the second consecutive year, while the Civic Hybrid, Civic 1.8L and Fit 1.5L placed third, 11th and 12th, respectively. A Honda vehicle has now achieved a first-place ranking for eight consecutive years.

Civic GX

Europe: taking action on emissions

Since the release of the Civic in Europe in 2001, each new model introduced in European markets has complied with Euro 4 emission standards and featured further enhancements in emissions performance. Product CO_2 emissions have also been reduced through the introduction of hybrid and diesel-powered automobiles. The release of a 2.2-liter diesel-powered Accord in January 2004 was followed by a diesel FR-V (known in Japan as the Edix) and, in January 2006, a diesel Civic. The new CR-V, released in January 2007, features a diesel particulate filter (DPF) that reduces fuel consumption and produces cleaner emissions. And sales of the Civic Hybrid more than tripled in FY2008 from the previous year.

European CR-V

Asia-Oceania: embracing ethanol

Honda Automobile (Thailand) Co., Ltd. released a new Accord in December 2007 that features an engine that runs on E20, a fuel mixture that contains 20% ethanol. Since then, all models manufactured by the company have been designed to run on E20, including the latest Jazz (known as the Fit in some markets), which went on sale in May 2008. Every model manufactured by Honda Automobile (Thailand) for the Thai market now accepts E20, a mixture that offers superior performance, superior fuel economy and compliance with Euro 4 emissions standards. The Thai government began offering a 5% tax break for E20 vehicles in January 2008, lowering their retail price and placing them within reach of more customers.

E20-friendly Thai automobiles

China: lower emissions, better fuel economy

The Civic Hybrid went on sale in China in November 2007. In a joint project with Tsinghua University and Honda, the cars were tested on the streets of Beijing as part of a study on fuel consumption. The results were released in December 2007 at a press conference highlighting the superior fuel economy of Honda's IMA system. In March 2008 Beijing, host of the 2008 Summer Olympics, became the first Chinese city to adopt the National Standard IV, an emissions standard on par with the Euro 4 standard. Honda is currently taking the lead on its competition, as all Honda models on sale in China already comply with the new standard.

Civic Hybrid

South America: the growing popularity of flexible fuel vehicles

In Brazil, ethanol made from sugar cane is widely used, and Honda began developing engines to run on ethanol-gasoline fuel mixtures in the late 1980s. Today consumers can purchase E100, 100% ethanol fuel, at regular Brazilian gas stations. In FY2007 Honda introduced versions of the Civic and Fit that can run on any gas-ethanol mix. These FFVs, or flexible fuel vehicles, have been very well received—in FY2008 sales rose 72% for the Civic FFV and 41% for the Fit FFV.

Civic FFV

Case Study

RITE-Honda research into making ethanol from inedible biomass moves to validation stage

Honda R&D Co., Ltd. and the Research Institute of Innovative Technology for the Earth (RITE) will set up a manufacturing facility in fall 2009 to continue research on their jointly developed method of producing ethanol from soft-biomass[1], moving it into the practical validation stage. Honda will continue to participate in the investigation of the social acceptability and economic feasibility of a bioalcohol production system. The project could help promote the introduction of ethanol production technology in regions throughout the world and, in the process, help curb CO_2 emissions.

1 Soft-biomass refers to a renewable organic resource derived from non-fossilized plant substances. In a broader sense, it can also refer to livestock feces and urine, rotten lumber and inedible plant substances.

Product development

Motorcycles

Striving to achieve its CO_2 emissions reduction targets for 2010, Honda continues to introduce fuel economy–improving technologies and expand the implementation of PGM-FI worldwide, while working to achieve even cleaner exhaust emissions.

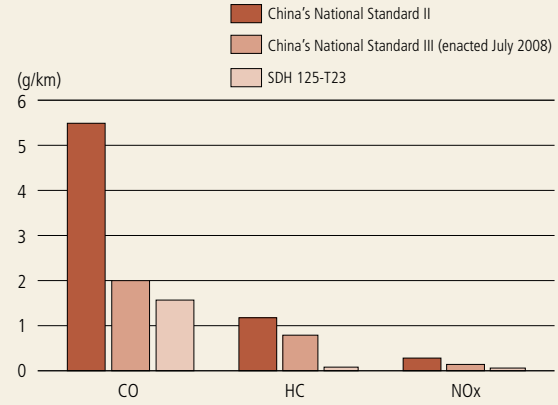
FY2008 regional initiatives

Complying with China's emissions standards

Introduced to the Chinese market in July 2007, the SDH 125-T23 is a carburetor-equipped scooter that complies with China's National Standard III emissions standards, which went into effect in July 2008. Its primary exhaust-cleaning technology consists of streaming the exhaust into two inline catalytic converters and introducing a secondary airflow between them. The upstream catalytic converter reduces NOx levels, while the downstream catalytic converter oxidizes CO and HC, reducing emissions of these substances. Ignition optimization and modifications in the structure of the carburetor have allowed for quicker startup operation of the catalytic converter. This results in improved emission levels and an extremely clean-running vehicle.

SDH 125-T23

SDH 125-T23 exhaust emissions levels



North America: cleaner watercraft emissions

The 2008 AquaTrax F-15X personal watercraft contains a clean 4-stroke engine that not only offers lower fuel consumption than a 2-stroke but also cleaner emissions. The engine has been awarded a three-star rating by the California Air Resources Board, which signifies that it is 65% cleaner than an engine with a one-star rating.

AquaTrax F-15X

Product development

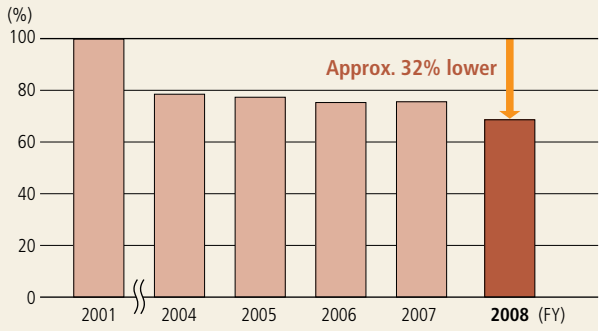
Power products

Honda continues to strive for better fuel economy, cleaner exhaust emissions and quieter performance, leading the way in complying with increasingly strict standards worldwide.

Exhaust emissions

Continuing its efforts to reduce hydrocarbons and NOx contained in exhaust emissions, Honda has achieved an approximate reduction of 32% in FY2008 compared to a FY2001 baseline. Honda will continue to strive for even cleaner power products exhaust emissions.

Reduction of average HC and NOx output[1] (FY2001=100)



1 Global average

Complying with the strictest emissions standards in the world

The newly updated BF50/BF40 medium-output 4-stroke marine outboards were released in March 2008. These outboards comply with the 2008 emissions standards of the California Air Resources Board (CARB), the strictest in the world, as well as those of Europe's Recreational Craft Directive. Their environmental performance easily exceeds the 2006 standards set by the U.S. Environmental Protection Agency, as well as voluntary standards in Japan.

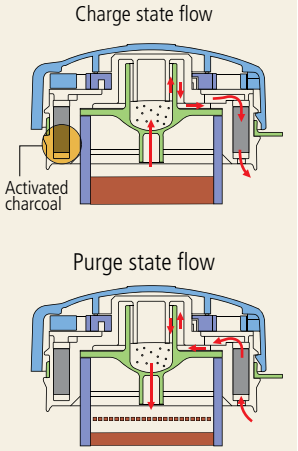
BF50 4-stroke outboard

Raising the bar: even more environmentally responsible generators

The 2007 GC- and GX-type engines have been designed with thinner piston rings to lower engine oil consumption. As a result of this and other improvements, the amount of known pollutants such as HC and NOx has been reduced by 20% compared to 2006 models. The new models also comply with CARB's Tier 3 standards, the world's toughest. The GCV160, used mainly in lawnmowers, also features a fluoride coating, fluoride tubing and tank caps with activated charcoal. These measures reduce HC emissions by 58% from the 2006 model.

GCV160 engine

New fuel cap



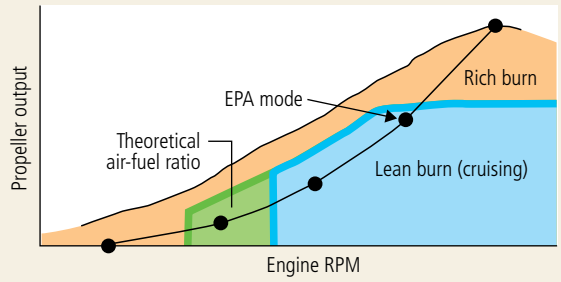
Fuel efficiency improvement

Taking outboard fuel economy to a higher level

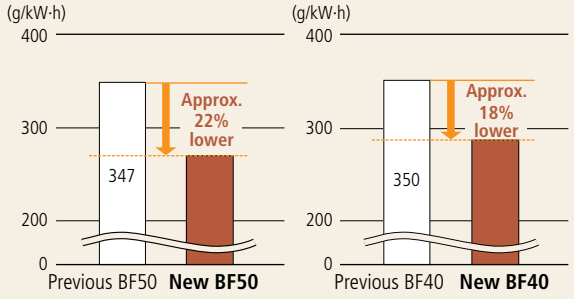
Thanks to PGM-FI and lean burn control the new BF50/BF40 outboard series registers a 22% and 18% improvement[1] (respectively) in fuel economy compared to previous models[2] when cruising (engine RPM sustained at 3,000 to 4,500).

1 Compared to previous BF50 (Honda calculations).
2 Fuel consumption when RPM is at 80% and output is at 57% in EPA Emission Mode (Honda calculations).

Lean burn control



Fuel consumption ratios



Alternative fuels

Compact home cogeneration system released in the U.S.

In March 2007 American Honda Motor Co., Inc. and Massachusetts-based Climate Energy, LLC began sales of the freewatt™ system, a micro-sized combined heat and power (Micro-CHP) cogeneration system for the home. Sales began in Massachusetts, and the company plans to make the system available in Rhode Island and New York as well. Honda's innovative cogeneration system features the GE160V—the world's smallest natural gas engine—and a unique sine-wave inverter technology, which together create a compact unit suitable for residential use. This cogeneration unit is paired with a furnace or boiler produced by Climate Energy to complete the freewatt system. In addition to being extremely quiet, it produces a maximum 3.26 kW of heat and 1.2 kW of electricity, reducing both energy costs and CO_2 emissions by approximately 30%.[1]

1 Compared to 80% energy-efficient conventional heating systems (Climate Energy calculations).

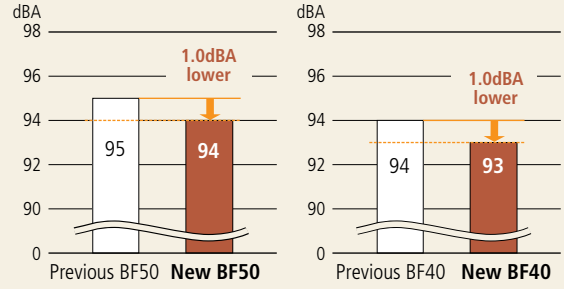
Noise reduction

Reducing noise through enhanced design

Noise levels in the new BF50/40 outboard series have been reduced by 1.0dBA from the previous model through improvements such as a longer exhaust pipe and an optimized rib design inside the upper portion of the extension case, for improved rigidity.[1]

1 Previous BF50 model used as baseline (Honda calculations)

Noise level comparison



Lower noise, same great performance

Acclaimed for being both easy to use and environmentally responsible, the newest model in the HRG lawnmower series was released in February 2008. The new cutting blades and other improvements in the HRG415C3 and HRG465C3 equip them to maintain performance with reduced noise levels—only 94 dBA, or 2 dBA below EU standards.

HRG465C3 walk-behind lawnmower

FY2008 Environmental Initiatives

Operational domains

Sustainable mobility for everyone

Striving to share joy with people around the world, Honda is working hard to reduce the environmental impact of its operations. As a global leader in environmental conservation, Honda continues to lead the way in environmental protection, strengthening its environmental initiatives to fulfill its commitment to the future.

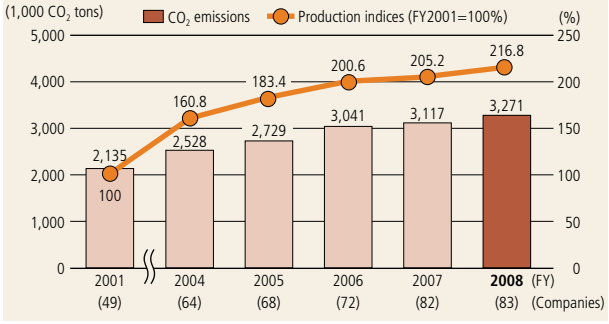
Production results

Honda is promoting its Green Factory initiative worldwide and in doing so is developing production technology appropriate for a recycling-based society. We are also promoting energy conservation and waste-reduction initiatives at our factories on a global basis. We have calculated the CO_2 emissions, landfill waste and water use of all Honda Group companies involved in the manufacture of finished vehicles, as well as major Honda parts suppliers, for FY2008. The results of this calculation of cumulative worldwide environmental impact are shown in the adjacent charts. Encompassing 83 companies, including subsidiaries, Group companies and major affiliates, these calculations include virtually all production of finished vehicles. (For more details, please see p95.)

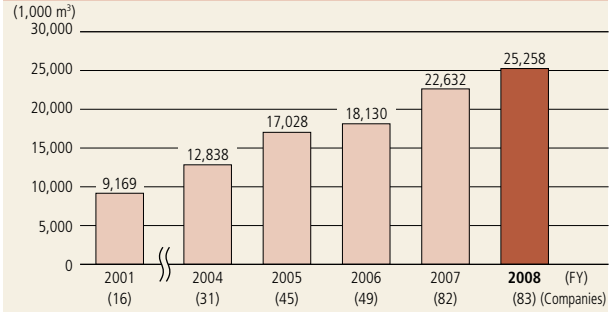
Companies included in FY2008 calculations (83)

Note 1: Group companies are indicated by parentheses.
Note 2: Calculations of CO_2 for countries outside Japan are based on energy use expressed as electricity coefficients. Calculations of electricity coefficients in Japan are based on the Factory Greenhouse Gas Guidelines published by Japan's Ministry of the Environment (version 1.6). Other calculations are based on the conversion formula presented on p50.
Note 3: Landfill waste total includes waste processed by other companies.
Note 4: Production volume calculations are based on automobile, motorcycle and power products unit production volumes of the facilities and a set formula.

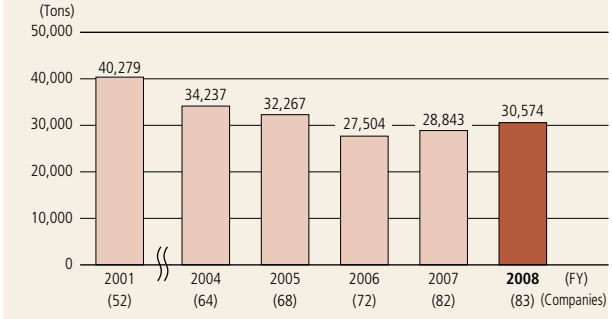
CO_2 emissions



Water use



Landfill waste



Energy use, water use and waste by region

Issue	Region	Japan	North America	South America	Europe	Asia/Oceania	China
No. of Group companies covered		33	8	2	8	22	10
Energy use	Electricity (MWh)	1,521,442	1,141,898	182,836	181,619	430,531	417,450
	Natural gas (GJ)	3,704,818	5,682,028	169,683	1,002,724	563,238	447,075
	Petroleum gas (GJ)	963,353	32,558	163,170	0	766,391	447,916
	Oil-based fuels, other (GJ)	995,973	356,038	146,804	527	2,407,943	373,060
Waste	External landfill disposal (tons)	0	7,409	1,236	2,075	2,266	17,588
	Recycled volume (tons)	217,646	193,525	40,956	41,435	126,563	73,776
Water use	Tap water (1,000 m³)	6,152	1,875	101	822	2,882	3,135
	Groundwater (1,000 m³)	4,101	1,944	1,084	0	2,699	196
	Rainwater (1,000 m³)	94	170	0	0.1	3	0

FY2008 regional initiatives

North America: advances in paint technology

In collaboration with The Ohio State University, Honda of America Mfg., Inc. developed a new paint booth air-conditioning control system that reduces energy consumption by as much as 25%, thanks to a predictive control mechanism that allows for the continuous, automatic control of temperature and humidity. Following a pilot demonstration at the Marysville Motorcycle Plant in 2006, the company began using this Intelligent Paint Booth system at its Marysville Automobile Plant in November 2007. Honda of America Mfg., Inc. has applied for a patent on this unique, energy-saving technology. Other Honda plants in North America are preparing to implement it, while Honda manufacturing operations around the world are considering implementation.


The Marysville Automobile Plant

North America: reducing the environmental impact of parts transportation

In North America Honda implemented a new hub-and-spoke system for the transportation of new vehicle components parts and assemblies. This approach is based around three hubs—an existing facility in Ohio and two new facilities in Tennessee and Ontario. Previously each North American auto plant conducted its parts shipping independently. Today all three plants are integrated into a single system, reducing truck travel. The result: a reduction in CO_2 emissions of more than 4,900 metric tons in FY2008. The next major expansion of the system will come with the integration of the new automobile plant in Indiana, which begins mass production in late 2008.

Europe: green electricity powers new Aalst logistics center

Honda Belgium has constructed a warehouse in Aalst that can run solely on environmentally responsible electric power. The 7,000-m^2 photovoltaic solar panels installed on its roof generate 880 kW of electricity, enough to meet all the facility's energy needs, with any excess power sold to the local power utility. When inclement weather or other conditions prevent the panels from functioning at sufficient capacity, hydroelectricity is purchased from hydroelectric power stations in the nearby Alps. Other measures have also been implemented to reduce the warehouse's environmental impact, including strict wastewater disposal restrictions and the use of rainwater in sanitary facilities.


Our new Aalst warehouse boasts solar panels

Europe: conserving power by optimizing compressed air use

At one point 20% of the total electricity consumption at the Honda Italia Industriale Atessa facility was earmarked for the generation of compressed air. Beginning October 2007, the circuit used for die-casting, which requires higher pressure, was split from the circuits used for the rest of the factory's processes, which can function at lower pressure. Thanks to the use of controller-equipped compressors, compressed air is only generated as necessary to match fluctuation in demand, reducing the amount of energy used to compress air by 20%.

Asia: VOC reduction in India

As Honda Siel Cars India continues to rapidly expand its operations, doubling annual output to 100,000 vehicles as of December 2007, it has simultaneously introduced a range of environmental reforms. One is a VOC-reduction initiative that curbed VOCs by 35% via the introduction of 12 robots to its body finishing line. The introduction of electrostatic spray guns to the bumper painting line has also reduced VOC emissions, by 30%.


Body finishing robots


Bumper electrostatic spray guns

Asia: Thailand's environmentally conscious factory

Honda Automobile (Thailand) continues to serve as a hub and to set standards of high quality for other Honda facilities. The replacement of traditional electrostatic ionizing air machinery with more efficient robots for the base coating process has reduced VOC emissions and other paint-related waste products by approximately 50%. By greatly enhancing paint adhesion, it has been possible to reduce the amount of paint required. The company is currently building a new factory that will feature even more efficient assembly lines and an enhanced working environment. It will also incorporate various initiatives to protect the local environment, improve water circulation and more efficiently manage waste disposal. The new production facility will strive to meet its CO_2-reduction targets and conserve natural resources by using natural light, recycling water and adopting other environmental measures.

China: reducing CO_2 via a modal shift

In China, completed vehicles are being transported to market more efficiently, reducing environmental impact. To reduce CO_2 emissions, Dongfeng Honda in Wuhan now uses the railway to transport products to Beijing, Guangzhou and Urumqi, while maritime transportation along the Yangtze River is used in shipping product to Chongqing and Shanghai. Guangzhou Honda developed the industry's first railway transportation model at the end of 2003, with the number of direct shipments and destinations gradually expanding each year. It now uses rail to ship to Shanghai, Beijing and beyond.


Transporting vehicles by rail

South America: core sand recycling in Brazil

Moto Honda da Amazonia once could only repurpose as cement the core sand used in casting, but since August 2007 it has been reused in casting. This was done with help from Amazon Sand, which, like Moto Honda da Amazonia, is located in Manaus. Consumption of core sand has been greatly reduced.


Core sand used in casting


Recycling

South America: reducing packing materials in Brazil

In August 2007 Moto Honda da Amazonia began using reusable plastic casings instead of plastic film when shipping products. In FY2008 this measure reduced the use of plastic film by 9,533 km. Motorcycles are now shipped in specially designed, space-efficient returnable cases instead of metal containers, further reducing materials use.


Conventional plastic film


Packing without plastic film

Global philanthropic initiatives

Habitat preservation: Spring Creek clean-up

Honda Canada

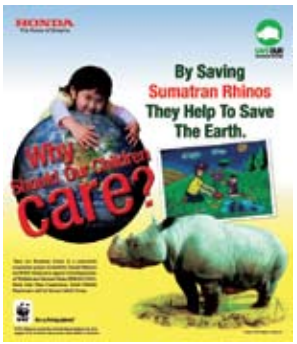
The Spring Creek area near Honda of Canada Mfg. in Alliston, Ontario, is home to environmentally sensitive species such as brook trout and increasingly rare birds. To help conserve their habitat, in 2000 Honda Canada began a program to help protect the area. On the first Saturday of May each year, approximately 100 volunteer associates and their families gather to clean up the creek. To help preserve biodiversity and protect the environment, birdhouses have been built for the local bluebirds and several thousand trees and shrubs have been planted.


Spring Creek clean-up

Protecting an endangered species: The Rhino Rescue Project

Honda Malaysia

In conjunction with the World Wildlife Fund Malaysia, Honda Malaysia began the Rhino Rescue Project in 2006 to help study and protect the endangered Sumatran rhinoceros. Scheduled to last until 2011, the project consists of scientific studies and fieldwork aiming to protect and restore the animals' habitat. In addition to providing the WWF operational funds, Honda Malaysia is also helping with a range of public awareness initiatives, including school programs and dealer displays.



A Rhino Rescue Project poster

Environmental awards

For information on the various awards Honda companies have received for their environmental activities, visit:

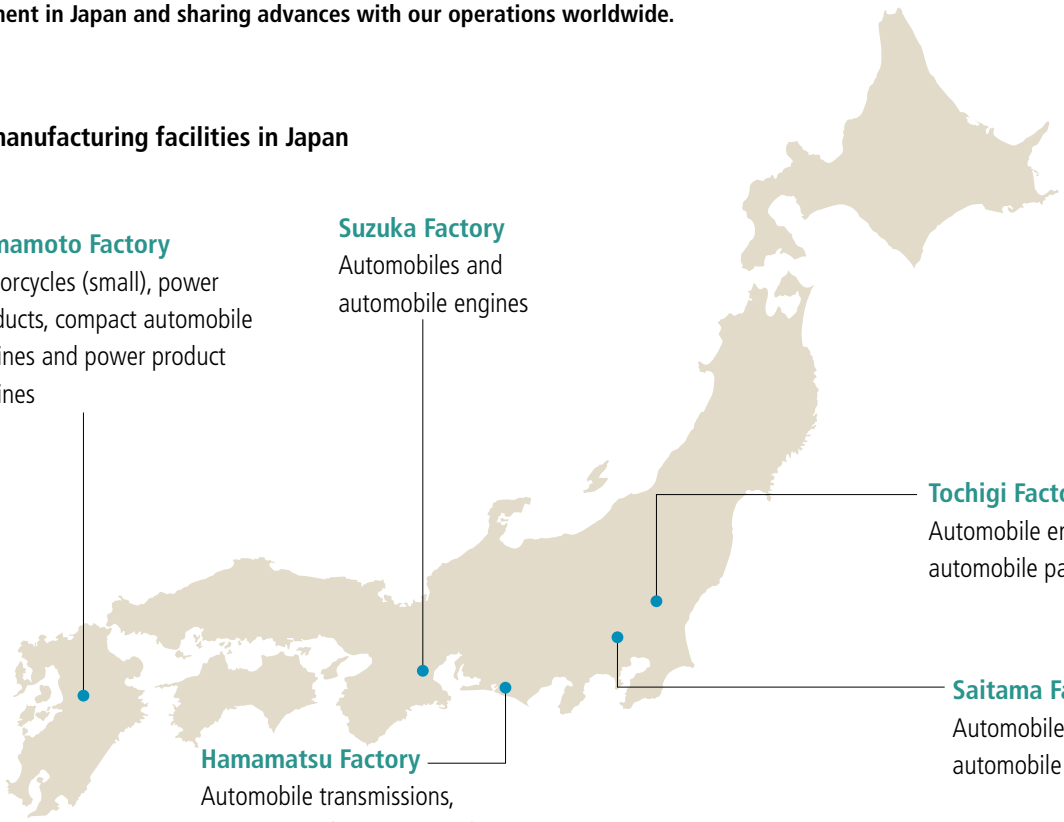
URL **http://world.honda.com/environment/ecology/2008report/overseas/overseas12/**

Initiatives in Japan

Manufacturing in Japan

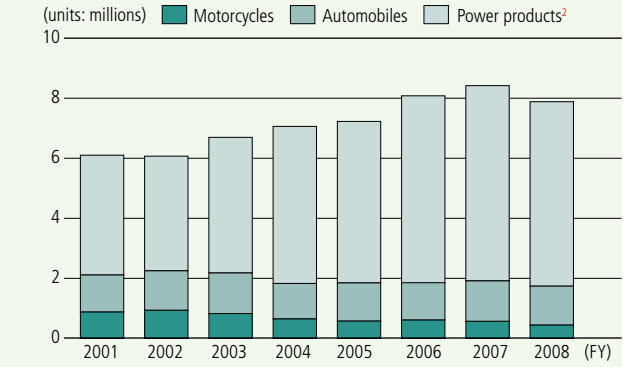
To advance the goal of environmental conservation, Honda is working proactively on environmental technology and product development in Japan and sharing advances with our operations worldwide.

Honda manufacturing facilities in Japan



1 The manufacture of motorcycles at Hamamatsu Factory was transferred to Kumamoto Factory starting in April 2008.

Change in manufacturing units



2 Includes units that are not complete products.

In FY2008 Honda produced 7,880,000 units at its five manufacturing facilities in Japan. After assessing the environmental impact of its operations, and in accordance with the 2006 announcement of its global CO_2-reduction targets for 2010 (see p13), in 2007 Honda announced its environmental impact reduction targets for FY2011 for Japan (see p30). Striving to achieve its worldwide environmental conservation goals, Honda is taking the initiative and working even more proactively.

On April 14, 2008, production began at a new motorcycle plant in Kumamoto, Japan. Inspired by a "light, air and wind" theme and featuring Honda's most advanced, high-efficiency manufacturing technology, the plant is designed to be people-friendly and environmentally responsible, and to fulfill the role of leader factory for Honda motorcycle production worldwide. Furthermore, in view of the fact that the plant is located near the foot of scenic Mt. Aso, Honda has implemented further measures to reduce the impact of its operations on the environment and enhance the working environment. Installing a solar power system and making use of natural sunlight have reduced CO_2 output by 20% and made the new facility a true Green Factory.

FY2011 Japan targets and progress

Striving to further reduce environmental impact in accordance with targets announced in June 2007

Striving to reduce environmental impact

Honda has been implementing proactive measures to help resolve environmental challenges since the 1960s, when concerns about air pollution began to grow. In 1966, soon after expanding into automobile production, we established a department to research air pollution measures. In 1972, under the theme "Blue Skies for Our Children," we introduced the CVCC engine, becoming the world's first company to comply with the U.S. Clean Air Act without the use of a catalytic converter—a challenge thought by many to be nearly insurmountable. Believing that problems caused by technology should be solved by technology, we've continued to confront environmental challenges. In the 1990s we strengthened our organizational structure to reflect our commitment to the environment and published the Honda Environment Statement to define our approach. We've continued to strengthen our initiatives in accordance with this statement. In 1999 we defined specific environmental targets, primarily for cleaner exhaust emissions and higher fuel efficiency, and implemented the measures necessary to achieve them by the end of FY2006. A leader in environmental conservation, we're expanding our focus on reducing CO_2 emissions, shifting it from the regional to the global level. We've defined reduction targets for both our products and production operations, and our worldwide business units are working together to attain them.

Working to resolve environmental issues in Japan

Recognizing the importance of reducing the environmental impact of its corporate activities on a regional basis, Honda set new targets for the reduction of its environmental impact in Japan in FY2008. We have defined targets for reducing CO_2 emitted during transportation, reducing the use of substances of concern, increasing operations-related recycling and more—for a total of eight environmental impact reduction targets for FY2011. The company announced targets for reducing environmental impact from all products and production operations by FY2011 as part of an overall strategy (see below) for the reduction of CO_2 emissions worldwide announced in May 2006. We are intensifying our efforts to attain these targets.

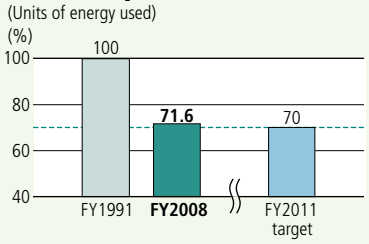
Reducing environmental impact: targets for FY2011

Issue	Scope		Item	Target		Area
Energy/ global warming	Products	Automobiles	CO_2 emissions reduction	10% reduction (baseline: 2000)[1]	Per g/km	Worldwide (Global targets announced in 2006) → pp12–13
		Motorcycles		10% reduction (baseline: 2000)[1]	Per g/km	
		Power products		10% reduction (baseline: 2000)[1]	Kg/h	
	Production	Automobiles	CO_2 emissions reduction	10% reduction (baseline: 2000)[1]	Per unit	
		Motorcycles		20% reduction (baseline: 2000)[1]	Per unit	
		Power products		20% reduction (baseline: 2000)[1]	Per unit	
	Production in Japan[2]		CO_2 emissions reduction	30% reduction (baseline: FY1991)[3]	Units of energy used	Japan (announced in 1998)
	Transportation[4]		CO_2 emissions reduction	10% reduction (baseline: FY2007)	As % of revenue	New targets Japan New targets for Japan announced in June 2007
SOCs	Production		VOC[5] emissions reduction	35% reduction (baseline: FY2001)	Per automobile painted	
Recycling	Total of corporate activities[6]		Landfill waste	Zero waste for all facilities		
	Production[2]		Waste	10% reduction (baseline:FY2001)	As % of revenue	
			Water use	30% reduction (baseline: FY2001)	As % of revenue	
	Transportation[7]		Use of packaging materials	45% reduction (baseline: FY2001)	As % of revenue	
	Vehicle recycling	Automobiles	ASR recycle rate	70% or more[8]		
		Motorcycles	Recycling rate	At least 95% (by FY2016)[9]		

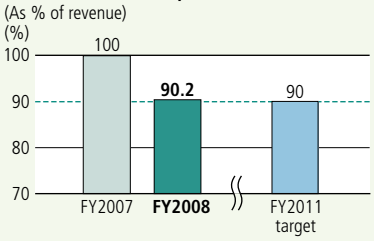
1 Targets for CO_2 emissions reduction by 2010 announced in 2006 (For details, see pp12–13)
2 Five Honda Motor production facilities
3 Targets for production announced in 1998
4 In accordance with the amendment to Japan's Rationalization in Energy Use Law, this is the responsibility of Honda Motor Co., Ltd. as the transporting entity (transportation of completed vehicles/devices; transportation of parts between facilities; parts transportation, etc.)
5 Primarily SOCs such as organic solvents included in paints and thinners that may cause photochemical oxidation
6 The primary 48 organizations involved in manufacturing and research & development (including academic institutions and Honda Motor Co., Ltd.)
7 Transportation of parts and component parts sets; export of completed motorcycles
8 95% recycling defined as recycling of entire vehicle
9 Scale as used in former MITI Used Automobile Recycling Initiative

FY2008 results (in progress)

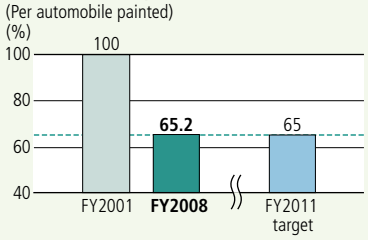
Production CO_2 reduction
(Units of energy used)



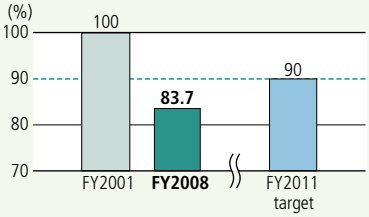
CO_2 emissions in transportation
(As % of revenue)



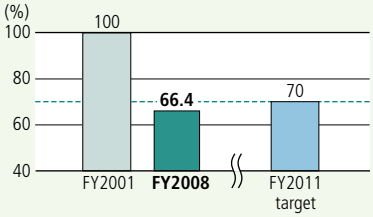
VOC emissions in production
(Per automobile painted)



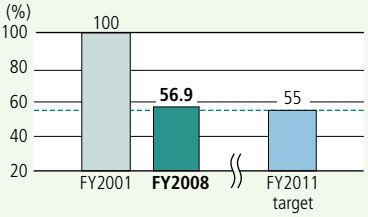
Waste in production
(As % of revenue)



Water use in production
(As % of revenue)



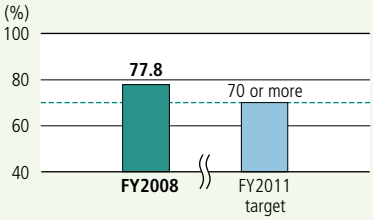
Use of packaging materials in transportation
(As % of revenue)



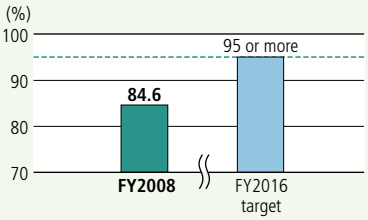
Landfill waste
(Total of corporate activities)

Zero waste for all facilities
(48 companies)

ASR recycling rate (automobiles)



Recycling rate (motorcycles)



Strategies for achieving targets

Item		Strategy	See
Energy/ global warming	Fuel conversion	Conversion of all factories to natural gas completed (FY2007)	—
	Energy savings	Introduction in all factories of high-efficiency devices (boilers, refrigerators, compressors, etc.); reduction of air pressure loss; calibration of temperature in painting chambers; adjustment of cogeneration equipment for higher-efficiency operation; reduction of power consumption by robots in standby mode, etc.	p49
		Reduction of CO_2 emissions at dealers through use of environmental accounting	p58
		Conversion from trucking to marine/rail transport, reduction of transport distances, improvements in fuel economy resulting in reduction in CO_2 emissions	p54
	Alternative fuels/ natural energy use, etc.	Proactive introduction of Honda-designed solar panels	p49
SOCs	VOC	Shift to water-based paints, increase in operational efficiency and reduction of losses resulting in VOC emissions	p52
Recycling	Disposal	Zero landfill waste at factories and 32 manufacturing suppliers (by FY2008)	pp 48,51
		Introduction of returnable containers, conversion to simpler packaging and other means of reducing the volume of packaging materials	p54
		Strengthening authorized recycling facilities, expansion of full recycling	p62
	Water use	Recycling forging coolant, use of rainwater, etc.	p49
Environmental strategies to be implemented at new facilities	Yorii Plant (scheduled to begin operation in 2010)	Energy/resource consumption at world-leading levels, resulting in per-unit production CO_2 emissions levels 20% lower than those of FY2001 (Energy/resource recycling Green Factory)	p53

Results of FY2008 initiatives and targets for FY2009

We strive to reduce our environmental impact by setting—and attaining—ambitious targets for environmental conservation in every domain and every stage of the product life cycle.

Major objectives		Strategies			FY2008 Targets
Product development	Exhaust emissions	Automobiles	Increase availability of low-emissions vehicles		Further increase availability of low- and very low-emission vehicles[1]
		Motorcycles	Expand implementation of fuel injection technology		Implement fuel injection on all scooters released in Japan
		Power products	Comply with pending regulations		Further expand compliance
	Fuel efficiency improvements	Implement technologies for better fuel efficiency		Automobiles	Further improve fuel efficiency
				Motorcycles	Continue improving fuel efficiency
				Power products	Further improve fuel efficiency
	Development of alternative energy products	Automobiles			Continue expansion of product offerings/sales
		Power products			
Purchasing	Green purchasing initiative	Reduce SOCs in suppliers' parts and materials			Promote compliance with SOC guidelines
		Promote environmental impact management by suppliers[2]			Ensure that suppliers reduce CO_2 emissions
					Ensure that suppliers reduce landfill waste
					—
					—
		Promote introduction of environmental management systems by suppliers			Promote ISO 14001 certification for all suppliers
Production	Green factory initiative	Improve energy efficiency			Per-unit energy consumption reduced 25.5% (baseline: FY1991)
					CO_2 emissions: 490,000 CO_2 tons
		Zero landfill waste			Maintain zero landfill waste
		Reduce waste (byproducts)			Waste recycling rate: 99.0% or more
					Reduce internally incinerated waste at least 90% (baseline: FY1999)
		Reduce VOC emissions			VOC emissions (automobiles): 34.0 g/m^2
Transportation	Green logistics initiative	Implementation of environmental management systems by transport partners			Continue implementation by three main partners
		Improve transportation efficiency			CO_2 emissions: 40,847 CO_2 tons (transportation of completed automobiles)[4]
		Reduction of packaging used in component parts sets			—
Sales	Green dealers initiative	Automobiles	Promote implementation of environmental management at dealers		Expand Eco Drive program and its promotion
		Motorcycles	Promote implementation of environmental management at dealers		Dream Dealer network expansion
		Power products	Promote environmental conservation at dealers		Promote environmental conservation at dealers
Recycling	Improve recyclability	Increase recyclability rate	Automobiles		Minimum 90% recyclability for all newly introduced or remodeled vehicles
					Maximum 1% chloride in ASR for all newly released or redesigned models
			Motorcycles		Minimum 95% recyclability for all newly introduced or remodeled models
			Power products		Strengthen recycling system
	Increase parts recovery, reuse and recycling	Promote remanufacturing and reuse			Expand range of vehicles using recycled parts
	Technical support for proper disposal and recycling of end-of-life products	Develop technologies for proper disposal and recycling of end-of-life products		Automobiles	Maintain recycling systems for automobiles
				Motorcycles	Maintain recycling systems for motorcycles To increase recycling, strengthen communications regarding plastic parts used
Administration	Green office initiative	Promote integration of environmental impact management at offices			CO_2 emissions for 9 office buildings: 12,913 CO_2 tons
					Reduce landfill waste generation for nine office buildings to 502 tons

Targets announced, progress

Target		Progress as of FY2008	See
Automobiles	Hexavalent chromium: elimination by December 2005	Attained	p63
Motorcycles	Hexavalent chromium: elimination by December 2005	Attained	p64
Power products	Hexavalent chromium: elimination by December 2006	Attained	p64

For more information, visit:

URL http://world.honda.com/environment/ecology/2008report/target/target10/

Results of FY2008 initiatives and targets for FY2009

FY2008 Results	Status	FY2009 Targets	See
2 additional models (5 types) approved	○	Further increase availability of low- and very low emission vehicles [1]	pp39, 40
Implemented fuel injection on nearly all scooters released in Japan	○	Continue to improve emissions performance	p44
Complied with CARB Tier 3 emissions standards for power products	○	Further expand compliance	p46
Complied with FY2011 Japanese fuel economy standards in all seven categories	○	Further improve fuel efficiency	p41
Improved fuel efficiency with low-friction engines and fuel-injection models	○	Expand implementation to products other than scooters	p45
Improved fuel efficiency for outboards through lean-burn control	○	Further improve fuel efficiency	p46
Leased more fuel cell vehicles	○	Continue expansion of product offerings/sales	p43
Expanded sales of ECOWILL cogeneration systems	○	Continue expansion of product offerings/sales	p46
Elimination of lead in bearing shells and bushing: nearly complete	○	Promote reduction of lead	p48
Reduced per-unit CO_2 emissions by 13.5% (baseline: FY2001)	○	Ensure that suppliers reduce per-unit CO_2 emissions	p48
		Ensure that suppliers reduce per-unit CO_2 emissions by 1.0% for specific shipments	—
Continue to maintain landfill waste by suppliers at zero	○	Ensure suppliers continue to reduce landfill waste	p48
—	—	Ensure suppliers reduce per-unit waste generation by 1.1% (baseline: FY2008)	—
—	—	Reduce supplier per-unit water use	—
407 (99%) suppliers ISO14001 certified	△	Promote alternative certification for non-certified suppliers	p48
Reduced per-unit energy consumption by 28.4% (baseline: FY1991)	○	Reduce per-unit energy consumption 27.0% (baseline: FY1991)	p50
CO_2 emissions: 479,000 CO_2 tons	○	CO_2 emissions: 494,000 CO_2 tons [3]	p50
Maintained zero landfill waste	○	Maintain zero landfill waste	p51
Waste recycling rate: 99.5%	○	Control waste generation	p51
Internally incinerated waste reduced 93.1% (baseline: FY1999)	○		p51
VOC emissions (automobiles): 32.1 g/m^2	○	VOC emissions (automobiles): 33.0 g/m^2 [3]	p52
Continued implementation by three main partners	○	Continue joint implementation	p55
CO_2 emissions: 39,927 CO_2 tons (transportation of completed automobiles)	○	CO_2 emissions: 90.29g/CO_2 kiloton per unit (responsibility of transporting entity)	p55
—	—	Reduce component parts set packaging by 43% (baseline: FY2001)	p57
Created safe driving instruction featuring Eco Drive	○	Automobile dealer (individual affiliates) per-unit CO_2 emissions: 1% reduction (baseline: FY2008)	pp59, 60
Launched 13 environmentally responsible Dream Dealers (total: 100)	○	Motorcycle dealer (individual affiliates) per-unit CO_2 emissions: 1% reduction (baseline: FY2008)	p61
Reduced CO_2 emissions and monitored Environmental Registers for power products dealers	○	Power products dealer (individual affiliates) per-unit CO_2 emissions: 1% reduction (baseline: FY2008)	p61
Minimum 90% recyclability for all newly introduced or remodeled vehicles	○	Minimum 90% recyclability for all newly introduced or remodeled vehicles	p63
Automobiles: Maximum 1% chloride in ASR for all newly released or redesigned models	○	Maximum 1% chloride in ASR for all newly released or redesigned models	p63
Motorcycles: Achieved minimum recyclability of 95%	○	Strengthen recycling system	p64
Power products: Achieved minimum recyclability of 95%	○	Strengthen recycling system	p64
Added 8 models of remanufactured[5] torque converters	○	Expand range of vehicles using recycled parts (consider 6 models of remanufactured power steering)	p65
Maintained recycling systems for automobiles and motorcycles	○	Continue to maintain recycling systems	p67
Strengthened communications regarding plastic parts used Commenced recycling tests of waste plastic	○	Adopt waste plastic recycling and engine recovery to improve recycling rates	p68
CO_2 emissions for 9 office buildings: 13,131 CO_2 tons [6]	△	CO_2 emissions for the Honda Group (16 companies and 27 facilities) [7]: 38,188 CO_2 tons	p70
Landfill waste generated for 9 office buildings: 512 tons [6]	△	Landfill waste generated by the Honda Group (16 companies and 27 facilities) [7]: 1,894 tons	p70

1 Low-emissions vehicle defined as having emissions 50% lower than FY2006 standards; very low-emissions vehicle defined as having emissions 75% lower than FY2006 emissions standards
2 32 target suppliers
3 FY2009 target figures for CO_2 and VOC emissions are higher than those for FY2008 results due to changes in business conditions and to increased production and launch of new businesses
4 Revised numbers reflect calculation methods in the amendment to Rationalization in Energy Use Law of Japan
5 Remanufactured parts have been assembled from reused parts
6 Total for Aoyama, Wako, Shirako, Yaesu, Sapporo, Sendai, Nagoya, Osaka, Fukuoka
7 Starting in FY2009, targets and results will be reported for the Honda Group, including not only Honda Motor and its nine buildings (Aoyama, Wako, Shirako, Yaesu, Sapporo, Sendai, Nagoya, Osaka and Fukuoka), but also several companies of the Honda Group in Japan—Mobility Land, Honda Kaihatsu, Honda Sun, Honda Commtec, Honda Technical College, Honda Airways, Honda Trading, Honda Finance, Rainbow Motor School, Kibo no Sato Honda, Honda R&D Sun, KP Tech, Chu-o Air Survey Corp., Circuit Service Creates and Japan Race Promotion—for a total of 16 companies and 27 facilities

Environmental management

Honda has put in place a comprehensive institutional framework to ensure that its environmental initiatives are efficiently implemented.

Organization

In December 1991 Honda established the Japan Environmental Committee to ensure that environmental initiatives undertaken in Japan are executed to the highest standards and Honda maintains leadership in the field.

Operating officers and administrators from the production and purchasing domains, Japan Regional Operations, Customer Service, Business Support and Honda R&D participate in the committee. In addition, the committee establishes divisional committees or liaisons in each department to promote product and parts recycling and the reduction of environmental impact from factories, transportation and Group companies.

In FY2008 a new environmental office was established within Japan Regional Operations and efforts were intensified to reduce the environmental impact of the internal institutions and Group companies that make up the sales domain, including automotive dealers throughout Japan.

Roles

Japan Environmental Committee

As it works to address social concerns about the environment, the committee proposes mid-term policies and targets while monitoring the progress of individual departments. In addition, the committee proposes measures to respond to inter-departmental issues and strives to maintain and enhance environmental initiatives in Japan, ensuring that they are executed to the highest standards.

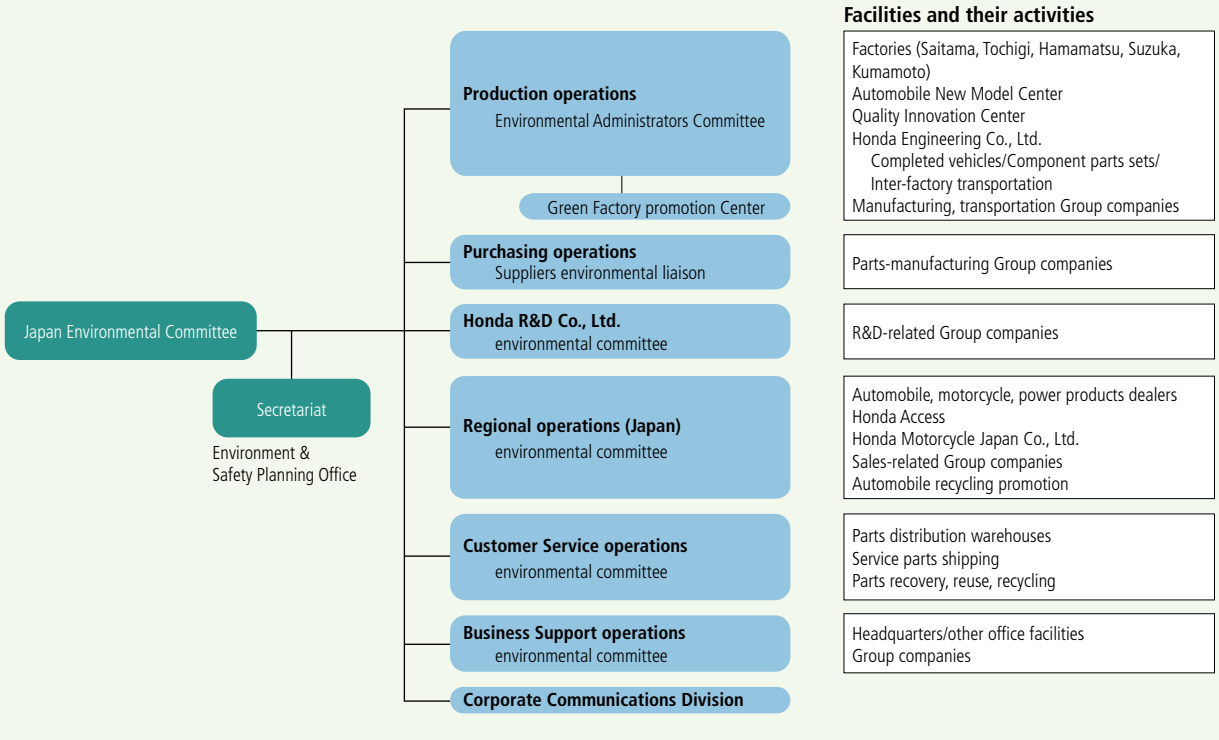
Since FY2006, Honda has been strengthening initiatives in affiliated groups, including Japanese financial companies.

Individual departments (operations)

Individual departments (operations) set targets based on mid-term environmental policies and targets established by the Japan Environmental Committee.

Each department reviews its PDCA cycle for reduction in environmental impact of internal institutions, group companies and transportation. It also reviews environmental operations and policies.

Environmental preservation initiatives in Japan: organization



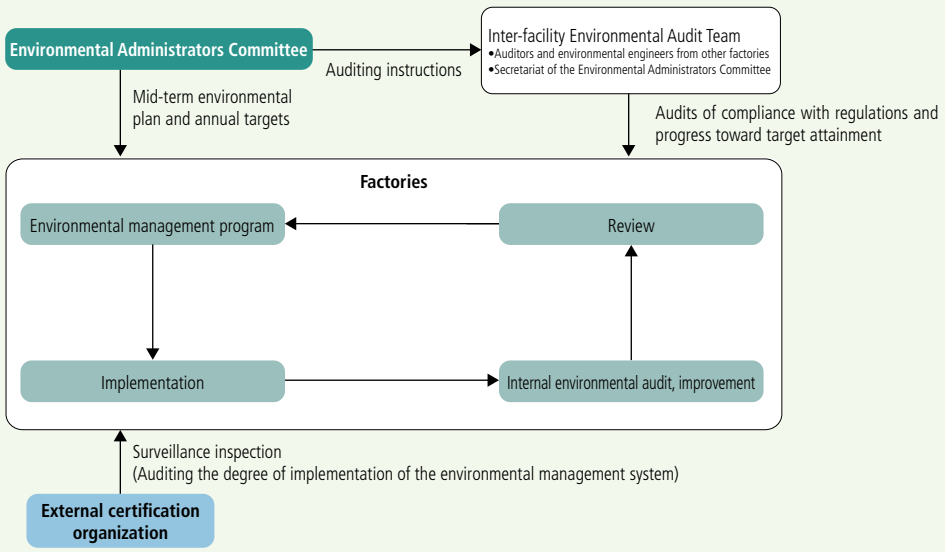
Environmental audits

Environmental initiatives at facilities in Japan are implemented in accordance with an environmental management program based on annual targets and the Mid-term Environmental Plan determined by the Environmental Administrators Committee. To verify that the environmental management systems are appropriately implemented and continuously improved, internal environmental audits and renewal/surveillance inspections by external certification organizations are conducted at our facilities. The internal environmental audits conducted in FY2008 led to three citations, five major recommendations, 205 other recommendations and 198 findings. The external surveillance inspections conducted in FY2008 led to one citation, 13 other recommendations and 17 findings. In all cases, we responded promptly with corrective action.

Engineers and auditors are dispatched by the Environmental Administrators Committee to visit other facilities to confirm their compliance and the level of progress made in achieving their environmental conservation targets.[1] The Inter-Facility Environmental Audit is conducted by engineers and auditors from other factories in accordance with instructions provided by the Environmental Administrators Committee. In FY2008 these audits were conducted from July to September 2007.

1 In these peer audits, one factory audits another. Similar peer audits are exchanged by non-production facilities and divisions within non-production facilities.

Environmental audit system



Environmental risk management

Product recalls

As necessary, Honda conducts product recalls in accordance with the guidelines of our Quality Committee. In FY2008 we notified Japan's Ministry of Land, Infrastructure, Transport and Tourism of one environment-related product recall. Details are below.

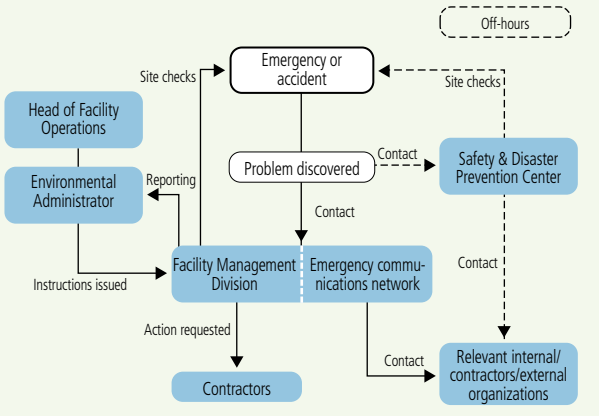
FY2008 product recalls

Name	VAMOS	VAMOS Hobio
Type	LA-HM1, LA-HM2, ABA-HM1, ABA-HM2	LA-HM3, LA-HM4, ABA-HM3, ABA-HM4
Vehicles affected	61,368 (manufactured between August 22, 2001 and January 17, 2007)	
Defect	In vehicles with turbochargers, the exhaust manifold was made of inappropriate materials, creating the possibility of cracks due to expansion and contraction if exposed to heat and frequently driven up steep roads. This in turn could result in the leakage of exhaust gas.	
Improvement	Exhaust manifold replaced by one made of appropriate materials.	
Measures to inform users and automobile overhaul factories of the defect	• Users: We notified automobile users of the defect by mail. • Automobile overhaul factories: We published a notice in the bulletin issued by the Japan Automobile Service Promotion Association. • We affixed a #1915 sticker near the door striker on the driver's side door aperture on repaired automobiles.	

Emergency protocols

In anticipation of accidents or emergencies that could cause environmental pollution, each factory and department has clearly defined procedures for the prevention or mitigation of pollution. Emergency drills and training events are held regularly in Japan to increase emergency preparedness. There were no environment-related emergencies in FY2008.

Emergency protocols



Compliance with laws and regulations

There were no environment-related lawsuits filed against Honda in FY2008. We did receive seven complaints or requests concerning traffic conditions in the vicinity of our dealerships. We responded promptly and reminded all personnel of their responsibility to be proactive in resolving such issues and preventing their recurrence.

It was discovered that the levels of chromium in the cement used in the foundation at the new motorcycle facility at Kumamoto Factory exceeded standard levels. Having received a contractor's report, we identified the site where the cement was used and notified Ozu Town in Kumamoto Prefecture. Following a careful examination, we detected three instances of excessive chromium levels. Although we believe this problem is unlikely to have a direct impact on the environment, we are nevertheless removing the soil to minimize any potential future impact.

In addition, we were notified by the supplier of paper used in last year's Environmental Annual Report that the ratio of paper recycled from out-of-date product catalogues was mislabeled. The actual ratio was 15%. We apologize for this oversight and will continue to use environmentally responsible paper to the extent feasible.

Other issues

Seeking to coexist in harmony with local communities everywhere, Honda is currently promoting its Green Factory initiative. We have always been proactive in environmental conservation. We seek to earn the ever-greater trust of communities that host our facilities. While continuing our monitoring of soil and groundwater, we have increased the number of observation wells at our factory sites. We can confirm that substances of concern used at the factories have been contained within our premises. We will continue to monitor groundwater at our facilities and publish the results in our Environmental Annual Report (see p93).

Environmental accounting

Honda is engaged in identifying the cost of environmental conservation efforts, with the following objectives:

- Environmental accounting is to be used in support of management decision-making in environmental affairs.
- Environmental accounting provides society a means of evaluating Honda's actions.

The table below shows the environmental conservation costs incurred by Honda in FY2008. Environmental conservation–related research and development costs and facility environmental conservation costs have increased over the previous year.

Costs and effects of environmental conservation initiatives in FY2008 (units: millions of yen)

Category		Outline of main initiatives	Investment	Expenses	Effects
Business area costs	Pollution prevention costs	•Prevention of air, water and soil pollution	2,133	2,342	**Production** •Total CO_2 emissions: 479,000 CO_2 tons 11,000 tons under target → p50 •Internally incinerated waste: 1,000 tons Reduced by 400 tons from the previous fiscal year → p51 •Per-unit VOC emissions: 32.1 g/m² 1.9 g/m² lower than target → p52
	Global environment conservation costs	•Prevention of global warming and ozone layer depletion; other environmental conservation	3,310	583	
	Recycling costs	•Waste processing, separation, reduction, elimination and recycling	44	1,535	
Upstream/downstream costs		•Green purchasing (balance) •Collection, recycling, reuse and proper disposal of products manufactured and sold •Industry organization and other membership fees	1,184	1,024	
Management costs		•Associate environmental training •Implementation, operation and acquisition of certification for environmental management systems •Monitoring and measurement of environmental impact •Management of organizations responsible for environmental conservation	11	1,202	
Research and development costs		•Research and development on products contributing to environmental conservation •Research, development and design for reduction of environmental impact throughout the product life cycle	16,100	159,700	
Philanthropic initiative costs		•Environmental improvement measures, including ecosystem protection, greenification and natural landscape conservation •Support and distribution of information to local citizens •Donations to and support of organizations engaged in environmental conservation •Disclosure of environmental information	0	807	
Environmental damage costs		•Recovery of polluted soil	0	2	

1) Scope of calculations:
- Companies covered:
  Honda Motor Co., Ltd., Honda R&D Co, Ltd., Honda Engineering Co., Ltd.
- Domains covered:
  All domains impacting the life cycle of Honda products
- Period: April 1, 2007, to March 31, 2008

2) Due to the difficulty in certain situations of deriving precise figures, some figures are estimates
3) Some calculations are based on reference materials, particularly guidelines and guidebooks published by Japan's Ministry of the Environment
4) Costs are quoted on a cash-flow basis with depreciation costs excluded
5) For further information on the effects of initiatives, please refer to other sections of this annual report

Environmental training

Environmental training for new associates

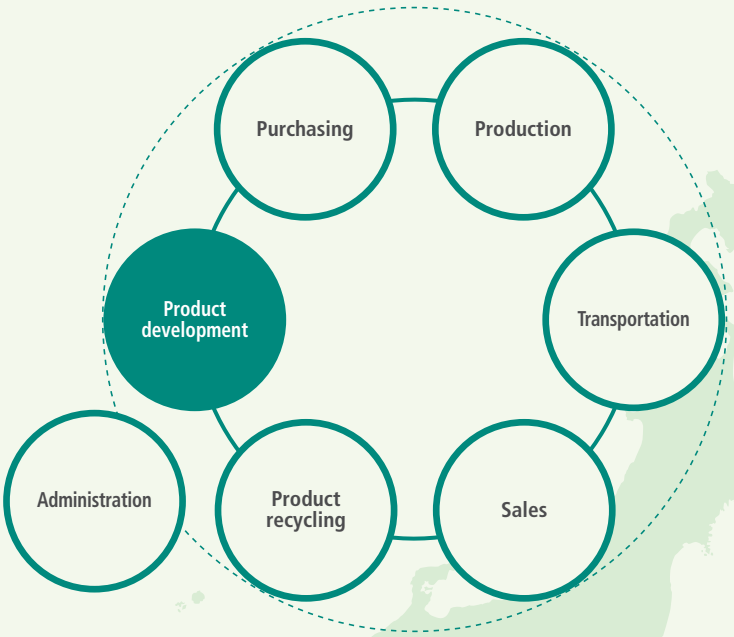
As part of Honda's training curriculum for all new hires, environmental training programs are provided to ensure that associates recognize their responsibilities for environmental conservation as an integral part of their duties. As a responsible corporate citizen, Honda provides training on the company's environmental and safety policies to new associates to help deepen their environmental awareness and recognition of the importance of the responsibilities of a mobility manufacturer. Immediately after joining Honda, new associates visit Honda plants to receive presentations about Honda's environmental philosophy and initiatives, and to get hands-on experience in environmental measures implemented in automobile and motorcycle manufacturing.

Small group initiatives

At NH Circle Conventions associates give presentations on environmental issues, conservation of energy and other resources, and recycling. Winning presentations are publicized as good examples for all associates. As the severity and global scope of environmental problems become more obvious, Honda is striving to make associates more aware of the environment and encouraging them to voluntarily act in an environmentally responsible manner in their professional and personal lives.

Environmental training based on environmental management systems

Every factory and office develops plans for education and training programs on the basis of their environmental management system and holds regular training events for all personnel, operators engaged in environmentally sensitive operations and internal environmental auditors.



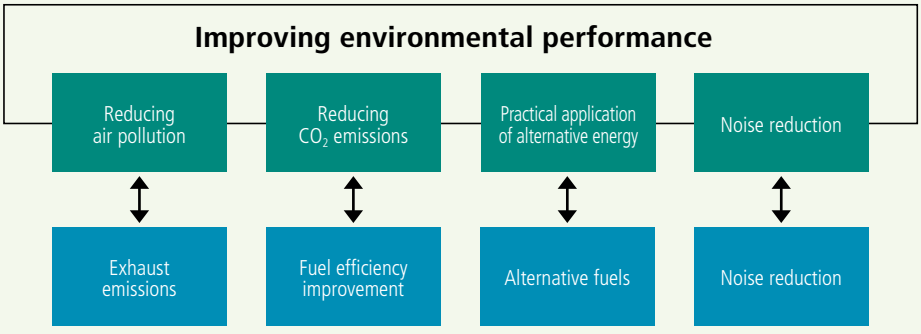
FY2008 Environmental Initiatives

Product development

Advancing technologies for future generations

Honda prioritizes initiatives that focus on the product use stage, where the greatest reductions in the environmental impact of a product during its life cycle can be achieved. We are committed to attaining ambitious voluntary targets, including those for cleaner exhaust emissions, higher fuel efficiency (to minimize CO_2 emissions), and practical applications of alternative energy, striving for the harmonious coexistence of human beings, the environment and our products.

Major initiatives in product development



Product development

Automobiles

While striving to achieve cleaner exhaust emissions and improve fuel efficiency for Honda automobiles, we are also working to develop products that use alternative fuels.

Annual targets and results

FY2008 targets

- Further increase availability of low- and very low-emission vehicles[1]
- Further improve fuel efficiency
- Development of alternative energy products

FY2008 results

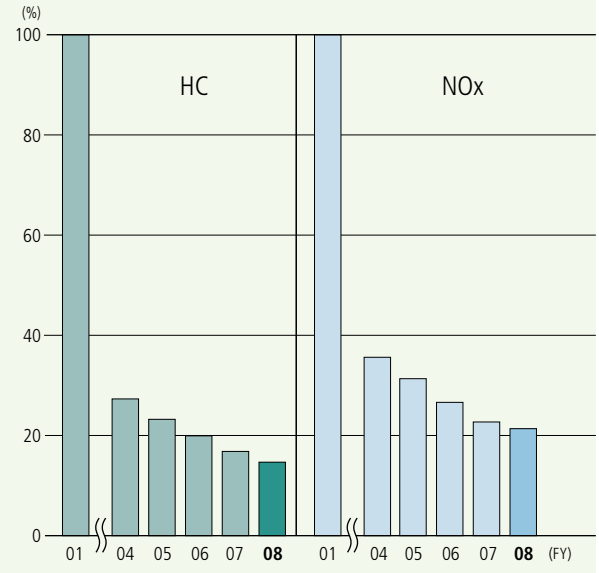
- 2 additional models (5 types) approved
- Complied with FY2011 Japanese fuel economy standards in all 7 categories
- Leased more fuel cell vehicles

1 The new regulations introduced by Japan's MLIT, created to encourage automakers to provide low-emissions vehicles, established two categories of vehicles with particularly low HC and NOx emissions: low-emissions vehicles with emissions 50% lower than the levels required under the 2005 exhaust emissions standards, and very low-emissions vehicles with emissions 75% lower than the levels required by the 2005 standards.

Exhaust emissions

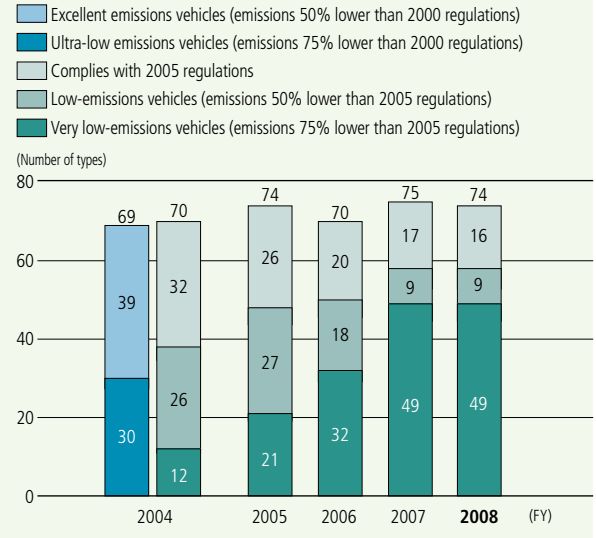
Honda continues to prioritize cleaner exhaust emissions from gasoline vehicles. We are working to reduce the levels of CO, HC and NOx contained in exhaust emissions. In FY2008 we achieved our target of reducing HC exhaust emission 83.8% and NOx emissions 78.2% (baseline: FY2001). As early as FY2004, Honda complied with the 2005 exhaust emissions standards for all models and has since expanded the number of models certified as low-emissions vehicles and very low-emissions vehicles. Among vehicles released in FY2008, two models and 15 types were certified as very low-emissions vehicles, for a total of 26 models and 58 types certified as low-emissions vehicles. Going forward, Honda will expand the lineup of vehicles certified as low-emissions vehicles and very low-emissions vehicles and make automobile exhaust emissions even cleaner.

Trend of total HC and NOx emissions in Japan (baseline: FY2001)



Note 1: Since a new low-emissions vehicle certification program under the 2005 exhaust emissions standards was introduced in 2003, total FY2004 emissions of HC and NOx of models subject to the 2000 exhaust emissions standards, and of older models, are calculated based on the 10-15 mode. For models subject to the 2005 exhaust emissions standards, HC and NOx emissions are calculated based on the new test mode introduced with the 2005 regulations. Further, for those models subject to the 2005 exhaust emissions standards, total emissions of HC are calculated as non-methane hydrocarbon (NMHC).
Note 2: Total emissions in Japan, excluding emissions from transport trucks and light transport trucks

Types complying with exhaust emissions standards or earning special certification



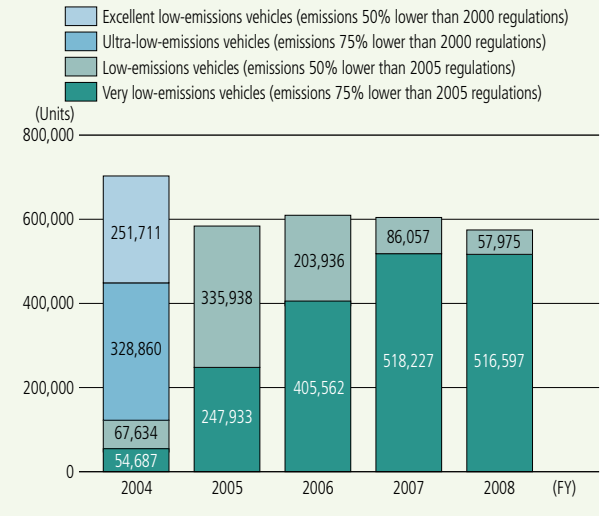
Note 1: Since a new low-emissions vehicle certification program under the 2005 exhaust emissions standards was introduced on October 1, 2003, the numbers approved under the 2000 exhaust emissions standards and under the 2005 exhaust emissions standards are both indicated in this table.
Note 2: Japan's MLIT has instituted this certification system to encourage manufacturers to provide low-emissions vehicles. Low-emissions vehicles with HC and NOx emissions levels below the 2000 exhaust emissions standards are classified into three categories for certification:
75% lower than the standards: "Ultra"
50% lower than the standards: "Excellent"
25% lower than the standards: "Good"

Models/types and sales results for certified low-emissions vehicles

Honda has endeavored to expand the number of models that comply with the 2005 exhaust emissions standards and are certified by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) as low-emissions vehicles. The two models introduced in FY2008, the Fit and Inspire, were certified as very low-emissions vehicles. Sales of our vehicles that comply with the 2005 emissions standards of Japan's MLIT and are certified as low-emissions vehicles totaled 574,572 units in FY2008, accounting for 89.8% of Honda's total unit sales in Japan (89.1% of passenger-car unit sales).

Low-emissions vehicles released in FY2008 (certified under Japan's MLIT 2005 standards)	
Very low-emissions vehicles (emissions 75% lower than 2005 regulations): 2 models	Fit
	Inspire

Sales trends



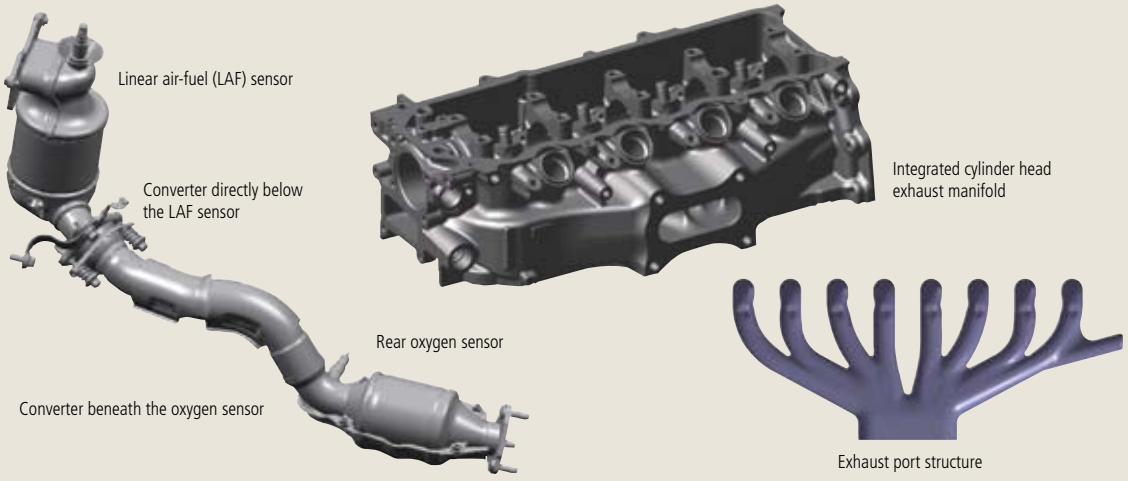
Note: After FY2005 only vehicles certified as low-emissions vehicles under the 2005 exhaust emissions standards are included

Case Study

Cleaner emissions in major vehicles

The Honda Fit

The completely remodeled, second-generation Honda Fit was released in October 2007. It is available with a 1.3-liter or 1.5-liter i-VTEC engine, both of which are certified by Japan's MLIT as very low-emissions engines. First introduced to Japan in 2001, the Fit is now sold in 115 countries worldwide, with cumulative sales surpassing 2 million units. With the new Fit we aimed to maintain a highly efficient system for cleaning exhaust emissions while decreasing the use of rare precious metals. The latest model features a newly developed integrated cylinder head exhaust manifold and an extremely heat-resistant catalytic converter. The aluminum of the exhaust ports speeds up catalytic activation immediately after the engine is started, allowing us to reduce the quantity of precious metals used in the converter. Instead of the conventional approach, in which two oxygen sensors are used for air-fuel ratio control, the Fit features a linear air-fuel ratio sensor, an oxygen sensor and an air-flow sensor. This high-precision air-fuel ratio control greatly improves environmental performance.



Exhaust purification (high-precision air-fuel ratio control) system sensor

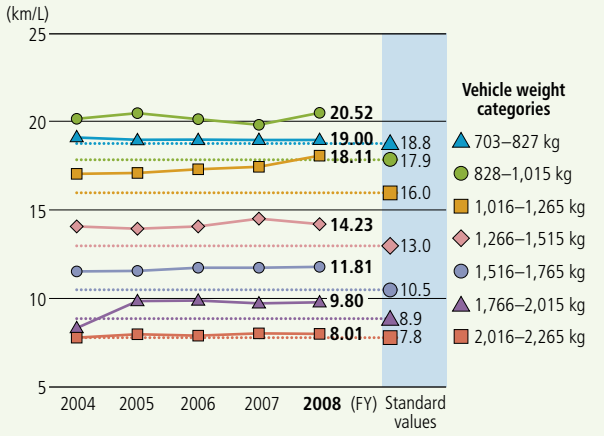
Fuel efficiency improvement

Honda has introduced a range of technologies to improve fuel efficiency and reduce CO_2 emissions that contribute to global warming. As a result, the Fit model introduced in FY2008 attained the level of fuel efficiency mandated by the FY2011 fuel efficiency standards + 25% requirement.

Average fuel efficiency by weight category

Levels mandated by FY2011 fuel efficiency standards have been attained for all weight categories. FY2008 progress follows:

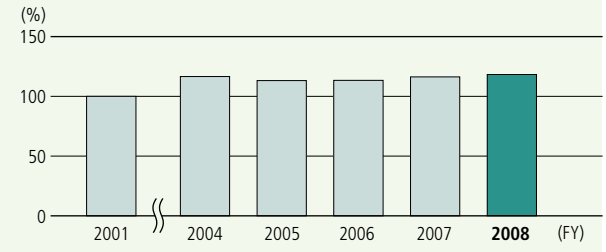
Trends in average fuel efficiency by category for vehicles complying with Japan FY2011 fuel efficiency standards



Average fuel efficiency

The average fuel efficiency of Honda automobiles was improved approximately 18.4% (baseline: FY2001).

Improvement in average fuel efficiency[1] (FY2001=100%)



1 Average fuel efficiency for Japan-market vehicles

Types complying with FY2011 fuel efficiency standards and units shipped[1]

In accordance with an amendment to the Energy Saving Law of Japan, fuel efficiency standards for FY2011 were announced. Honda is striving to expand the lineup of the number of vehicle types that exceed these standards. Of the vehicles sold in FY2008, one model (4 types) attained for the first time the FY2011 fuel efficiency standards. A total of 26 models (59 types) have now attained the standards. Also, one model (1 type) was newly certified as meeting the FY2011 fuel efficiency standards + 5% requirement. Further, one model (1 type) was newly certified as meeting the FY2011 fuel efficiency standards + 20% requirement. Finally, one model (1 type) was newly certified as meeting the FY2011 fuel efficiency standards + 25% requirement. A total of 537,918 vehicles—approximately 90% of all Honda vehicles sold in Japan in FY2008—attained these standards.

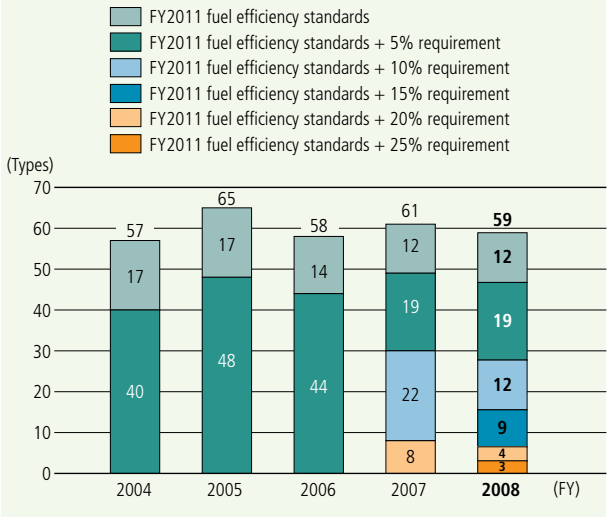
1 Shipping figures reported to Japan's MLIT and Ministry of Economy, Trade and Industry

All-new and remodeled vehicles introduced in FY2008 attaining FY2011 standards

FY2011 Fuel Efficiency Standards + 25% requirement: 1 model	Fit 1.3-liter FF
FY2011 Fuel Efficiency Standards + 20% requirement: 1 model	Fit 1.5-liter FF (some types)
FY2011 Fuel Efficiency Standards + 15% requirement: 1 model	Fit 1.5-liter FF (some types)
FY2011 Fuel Efficiency Standards + 5% requirement: 1 model	Fit 1.3-liter FWD
	Fit 1.5-liter FF (some types)
FY2011 Fuel Efficiency Standards requirement: 1 model	Fit 1.5-liter 4WD

Note: as per fuel efficiency levels confirmed by April 2008.

Trends in the number of types attaining FY2011 fuel efficiency standards

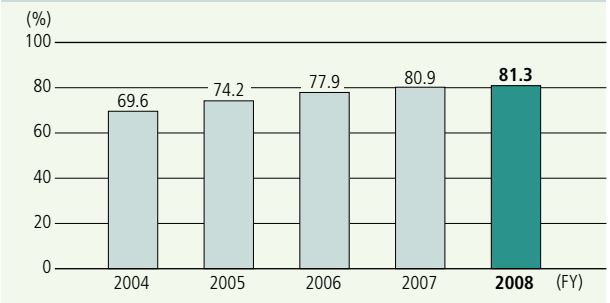


Note: Figures for FY2008 as per fuel efficiency levels confirmed by April 2008.

Standard Eco Drive devices

Many Honda vehicles come standard with Eco Drive devices, such as fuel efficiency meters. As of March 2008, 20 models were equipped with these devices, accounting for approximately 81.3% of all Honda vehicles sold in Japan in FY2008.

Trend in vehicles with Eco Drive devices as standard equipment



Case Study

Improved fuel efficiency in major vehicles

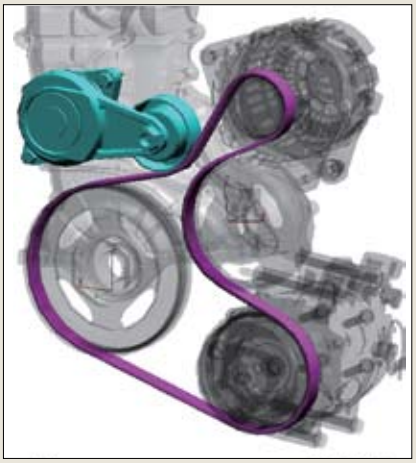
The Honda Fit

The new Fit achieves a class-leading fuel economy of 24.0 kilometers per liter[1] thanks to its newly developed 1.3-liter i-VTEC engine and a newly designed torque converter–equipped continuously variable transmission (CVT). The Fit exceeds Japan's FY2011 fuel efficiency standards by 25%. Its 4-valve i-VTEC engine balances fuel economy and high power output. It boasts increased fuel economy with improved combustion efficiency through the use of only one valve and the implementation of low-friction technology. The pistons have a patterned molybdenum disulfide coating (a world's first) and an optimized piston skirt configuration.

The Fit features various other friction-reducing technologies, including a crank embedded with molybdenum disulfide, a narrowed cam chain and an auxiliary belt automatic tensioner. The newly developed CVT with torque converter increases driving performance from a standing start while a broad lock-up clutch helps increase fuel economy. The Fit also features a new creep control system. This provides optimized creep control when idling, driving at low speeds and driving uphill (the latter is made possible using an inclination sensor). Pressing the brake stops creep force, slowing the car and moderating fuel consumption.

1 Fit G FF without factory options

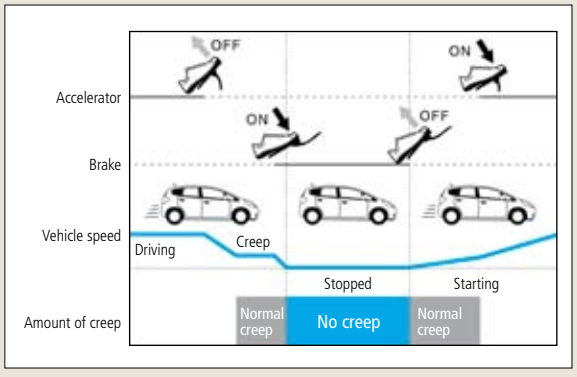
1.3-liter i-VTEC engine



Auxiliary belt drive system

Torque converter-equipped CVT

Patterned piston coating



Creep control in action

Alternative fuel vehicles

Fuel cell vehicles

As of March 2008, Honda had delivered 11 fuel cell vehicles to customers in Japan and 24 to customers in the United States for a total of 35 vehicles. Honda debuted the new FCX Clarity fuel cell vehicle in 2007, announcing plans to begin leasing the vehicle in July in the U.S. and in fall 2008 in Japan. Honda also exhibited the FCX Clarity at the G8 Hokkaido Toyako Summit in July 2008.

April 2008: the FCX Clarity was Indy Japan's official car

Noise reduction

Honda is striving to reduce noise during acceleration. The main source of acceleration noise is the engine, especially in the intake and exhaust systems. The technologies presented below were implemented in the Fit released in October 2007 to suppress intake and exhaust noise, reducing exterior noise to 71dBA, lower than the 76dBA required by regulations.[1]

1 1.3-liter i-VTEC FF CVT model

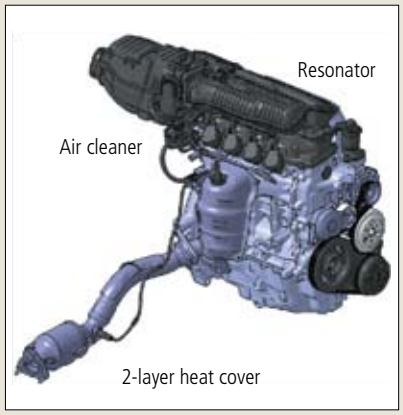
Case Study

Principal noise/vibration reduction technologies

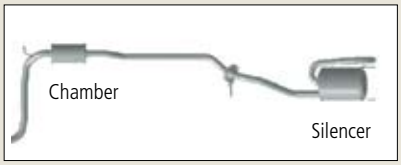
Engine noise reduction technology
- High-rigidity cylinder block
- High-rigidity crankshaft
- High-rigidity chain case
- Stiffener, integrated aluminum oil pan
- Plastic engine belt cover

Stiffener, integrated aluminum oil pan
Curved surfaces and rib layout for high rigidity and radiant noise suppression

Intake noise/radiant noise reduction technology
- High-rigidity air cleaner
- High-rigidity resonator chamber



Exhaust noise/radiant noise reduction technology
- Noise-absorbing chamber
- Long tailpipe silencer
- 2-layer heat cover



Plastic engine belt cover
High rigidity for radiant noise suppression

Reduction of in-vehicle VOCs

In October 2007 Honda reduced in-vehicle VOC emissions through design improvements to the S2000, its convertible sports car. As a result, all Honda automobiles sold in Japan meet the guidelines for in-vehicle VOC content mandated by Japan's Ministry of Health, Labor and Welfare. Honda is the first automaker to achieve these standards for all automobiles, including commercial vehicles.

Product development

Motorcycles

We are working to expand the implementation of PGM-FI in our motorcycles, which improves environmental performance and fuel efficiency.

Annual targets and results

FY2008 targets

- Implement fuel injection on all scooters released in Japan
- Continue improving fuel efficiency

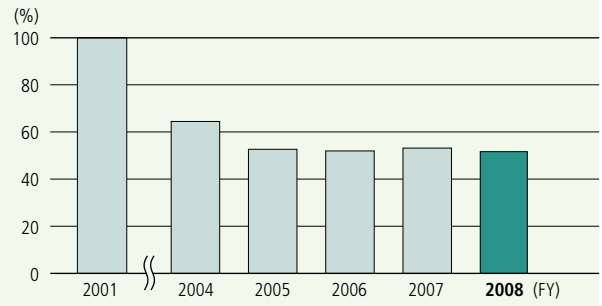
FY2008 results

- Continued improving fuel efficiency
- Improved fuel efficiency with low-friction and fuel injection models

Exhaust emissions

By the end of FY2008, nearly all scooters Honda manufactured for use in Japan featured fuel-injected engines. Honda introduced many new models in FY2008, all of which have cleaner exhaust emissions due to the implementation of PGM-FI and catalytic converters.

Average HC reduction for Japan-market motorcycles (FY2001=100%)



Case Study

Improvements in emissions performance in major models

New model CB400SF

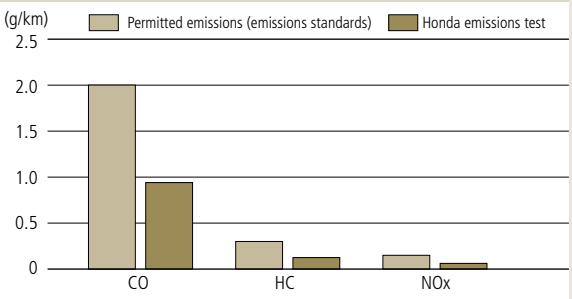
The new CB400SF complies with Japan's 2007 gasoline emissions standards and, by employing PGM-FI and a catalytic converter, displays exceptionally clean performance in Honda emissions tests, with CO, HC and NOx emissions less than half that of mandated levels.

CB400SF

Engine

PGM-FI throttle body

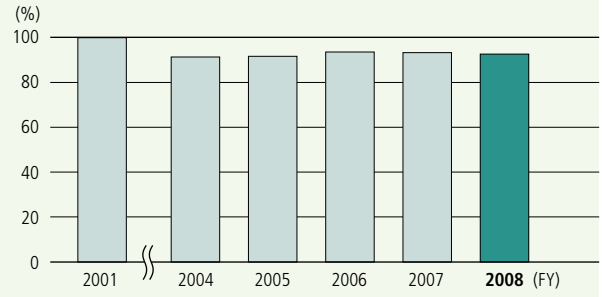
CB400SF exhaust emissions



Fuel efficiency improvement

We introduced a large number of new models in FY2008, all of which have reduced CO_2 emissions and improved fuel efficiency through reduced engine friction and the application of PGM-FI technology.

Reduction of CO_2 emissions for motorcycles released in Japan
(FY2001=100%)

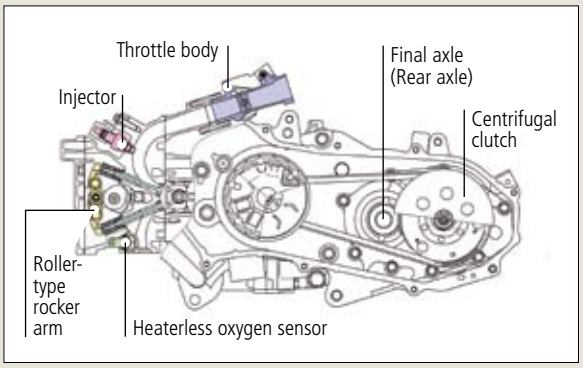


Case Study

Improvements in fuel efficiency for major models

The new Gyro X and Gyro Canopy

The new Gyro X and Gyro Canopy scooters use 4-stroke engines in place of earlier 2-stroke designs. We reduced exhaust emissions and improved fuel efficiency through friction reduction by implementing roller-type rocker arms, PGM-FI and a three-way catalytic converter. The fuel efficiency of the new Gyro X is 70% better than that of the previous model.



Fuel efficiency improvement
Gyro X fuel efficiency (ECE40 mode) (Honda calculations)


The new Gyro X


The new Gyro Canopy

Product development

Power products

Anticipating the introduction of new regulations around the world, we are working constantly to further improve the environmental performance of Honda power products and introduce alternative-energy products.

Annual targets and results

FY2008 targets

- Comply with pending regulations
- Further improve fuel efficiency
- Development of alternative energy products

FY2008 results

- Complied with CARB Tier 3 emissions standards for power products
- Improved fuel efficiency for outboards through lean burn control
- Expanded sales of ECOWILL cogeneration systems

Alternative fuels

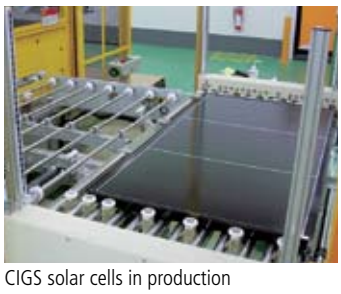
Compact household cogeneration system

A new model of the Micro-sized Combined Heat and Power (MCHP) compact cogeneration unit introduced in October 2006 was designed by Honda to reduce the energy costs of ordinary households by reducing the electricity purchased from utility companies. The new model featured a 22.5% increase in generation capacity and 85.5% energy efficiency. Incorporating Honda's compact household cogeneration unit, 19,442 units of the ECOWILL cogeneration system were sold in FY2008. Since its release in March 2003, 66,264 units have been sold.

MCHP1.0

Advances in solar cell production and sales

In October 2007 Honda Soltec began mass production of non-silicon CIGS (copper, indium, gallium and selenium) thin-film solar cells developed by Honda Engineering. The width of the energy-generating layers of CIGS solar cells is approximately 2.4 micrometers, roughly 1/80th the width of polycrystal silicon cells. Rapidly produced, CIGS solar cells also have a short energy payback time (the time it takes to recover the energy used in cell production) of 0.9 years, about two-thirds that of polycrystal silicone. One issue related to the development of Honda Soltec solar cells concerns the homogeneity of the electricity-generation layer. In contrast with polycrystal silicon, which has a maximum cell size of 15 cm, Honda can produce CIGS substrates that measure 73 x 92 cm. To accomplish this, we implemented original technologies, including methods for in-plane temperature distribution with high-temperature processing exceeding 500°C and doping technology based on automotive coating technology. Our thin-film solar cells have a highly efficient 11.15% energy-conversion rate. Honda Soltec has begun selling the cells throughout Japan.



CIGS solar cells in production

Noise reduction

Importing overseas lawnmowers to achieve noise reduction

Honda began importing two newly released lawnmower models, the HRG415C3 (410 mm mowing width) and the HRG465C3 (460 mm mowing width) from Honda Europe Power Equipment (Honda France Manufacturing) for sale in Japan in February 2008.

Both models feature a newly developed cutting blade which maintains cutting efficiency while achieving performance at 94dBA, 2dBA below EU noise standards.

Walk-behind lawnmower HRG415C3

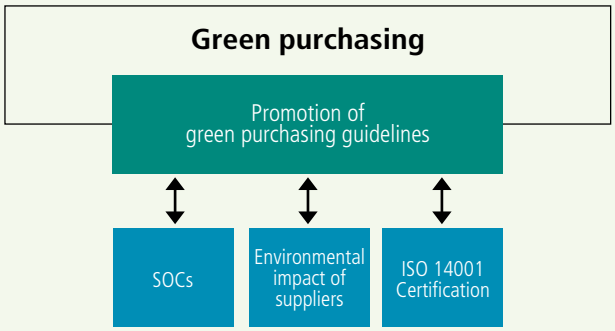
FY2008 Environmental Initiatives

Purchasing

Striving for environmentally responsible purchasing of materials and parts

An automobile is made of some 20,000 to 30,000 parts, many of which are purchased from suppliers. This means the cooperation of suppliers is essential to the effort to minimize our environmental impact throughout the product life cycle. As part of our initiative to ensure that the purchasing of materials and parts is conducted in accordance with Honda's principles of environmental conservation, we formulated the Honda Green Purchasing Guidelines. We are also encouraging suppliers to achieve ISO 14001 certification. Strengthening ties with trusted partners, we're working proactively to achieve environmentally responsible purchasing.

Principal purchasing initiatives



Purchasing

Green purchasing

Honda has formulated green purchasing guidelines and is working with its suppliers to maximize procurement of materials and parts with minimal environmental impact.

Annual targets and results

FY2008 targets

- Promote compliance with SOC guidelines
- Ensure that suppliers reduce CO_2 emissions
- Ensure that suppliers reduce landfill waste
- Promote ISO 14001 certification for all suppliers

FY2008 results

- Elimination of lead in bearing shells and bushing: nearly complete
- Reduced per-unit CO_2 emissions by 13.5% (baseline: FY2001)
- Continued to maintain landfill waste by suppliers at zero
- 407 (99%) suppliers ISO14001 certified

Promotion of green purchasing guidelines

Moving proactively to implement environmentally responsible purchasing of parts and materials, we formulated green purchasing guidelines in FY2002. (Please refer to outline of guidelines below.) Sharing targets and action items with our suppliers, we are working to attain our targets by FY2011.

Honda green purchasing guidelines: an outline

	Category	Action	Target
Products	Handling of SOCs, proportion included in parts	Volume contained in product (part/material)	Action in accordance with Honda SOC guidelines[1]
Production	Monitoring environmental impact of suppliers	Volume of CO_2 emissions	FY2011: 6% decrease (baseline: FY2001)
		Landfill waste volume	FY2008: zero landfill waste
Policy	Status of environmental management systems at suppliers	ISO 14001 certification status	FY2006: certification for all suppliers in Japan (attained)

1 These govern the handling of EU-defined SOCs (lead, mercury, hexavalent chromium, cadmium) and other SOCs defined by Honda, with the aim of reducing or eliminating them.

Handling of SOCs

Honda is reducing its use of four metals considered to have a very harmful impact on the environment—lead, mercury, hexavalent chromium, cadmium—in its production of motorcycles, automobiles and power products in Japan. In FY2008 Honda made good progress in its goal to eliminate the use of lead or lead alloys in automobile bearing seals and bushings.

Environmental impact of parts production by suppliers

In FY2008 Honda applied its LCA System in an initiative to seek reductions in CO_2 emissions and landfill waste generated by suppliers. As a result, CO_2 emissions by suppliers were reduced 13.5% from FY2001 levels and landfill waste was reduced to zero, and thus the target was attained. In both cases, these achievements were the result of a cooperative effort between Honda and its suppliers. In FY2009 we will continue to seek further reduction in SOCs as defined in the guidelines, as well as a reduction in the environmental impact of our suppliers' activities.

Promoting ISO 14001 certification for suppliers

In FY2008 we worked proactively to encourage suppliers to acquire ISO 14001 certification. As a result, 99% of our suppliers, a total of 407 companies, have now acquired this certification. We also promoted adoption of alternate certification.

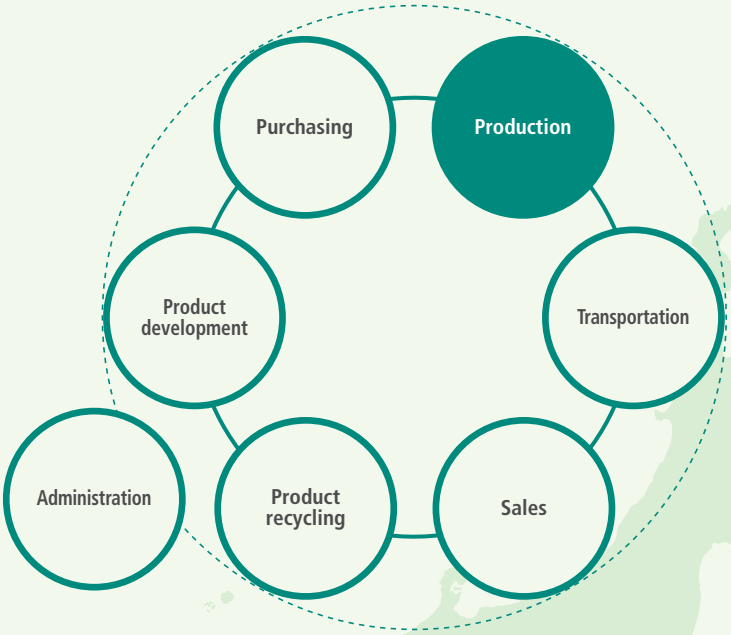
Parts recycling initiative

Recycling of used molds

Since most molds are made of metal, they are recycled. However, since some molds are used for many different service replacement parts, it can be difficult to determine when they can be recycled. In FY2003 Honda began sharing guidelines with suppliers on mold recycling, leading to standardization of procedures and more proactive recycling.

Results for FY2008

- 10,119 molds recycled
- 1,410 tons of molds recycled



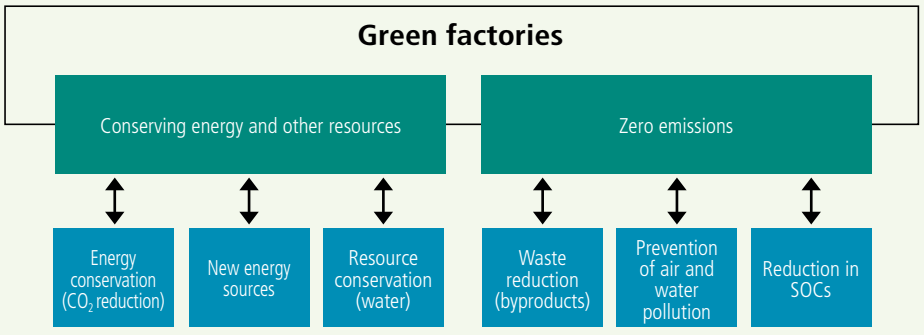
FY2008 Environmental Initiatives

Production

Making Honda factories even more environmentally responsible

Honda is working to minimize the impact of its manufacturing operations on the global environment. We're also seeking to improve the working environment for our associates and enhance cooperation with local communities. Through these efforts, we strive to give local communities reason to be proud to host our factories. These are the goals of our worldwide Green Factory initiative.

Major production initiatives



Production

Green factories

Honda has proactively reduced the use of energy and other resources, and made progress toward zero emissions in production, in accordance with its Green Factory initiative.

Annual targets and results

FY2008 targets

- 25.5% reduction in per-unit energy consumption (baseline: FY1991)
- CO_2 emissions: 490,000 CO_2 tons
- Waste recycling rate: 99.0% or more
- Reduce internally incinerated waste at least 90% (baseline: FY1999)
- VOC emissions (automobiles): 34.0 g/m^2

FY2008 results

- Per-unit energy consumption reduced 28.4% (baseline: FY1991)
- CO_2 emissions: 479,000 CO_2 tons
- Waste recycling rate: 99.5%
- Internally incinerated waste reduced 93.1% (baseline: FY1999)
- VOC emissions (automobiles): 32.1 g/m^2

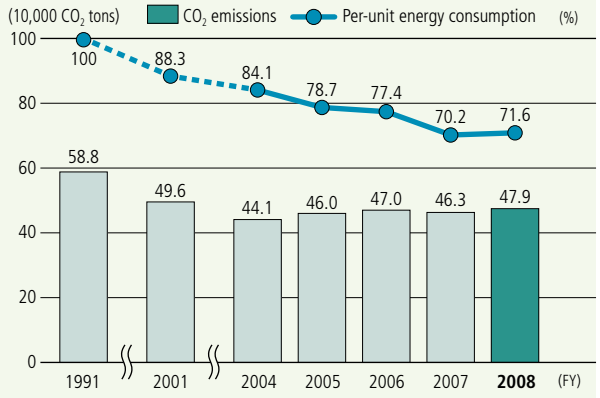
Note: covers five factories in Japan: Saitama, Tochigi, Hamamatsu, Suzuka and Kumamoto.

Conserving energy and other resources

Mid-term targets and progress

In FY2008 energy consumption per unit was reduced 28.4%, exceeding the target of a 25.5% reduction from FY1991 levels.

CO_2 emissions and per-unit energy consumption



Note: Per-unit energy consumption values are shown as indices (FY1991=100%).

CO_2 emissions formulae

Electricity	0.378 CO_2 tons/MWh
Natural gas (13A 46MJ)	2.330 CO_2 tons/1,000 Nm^3
Natural gas (13A 45MJ)	2.277 CO_2 tons/1,000 Nm^3
Kerosene	2.489 CO_2 tons/kl
Diesel oil	2.619 CO_2 tons/kl
Gasoline	2.322 CO_2 tons/kl
LPG	3.000 CO_2 tons/ton

Notes

Electricity: Formula designated in Japan's Ministry of the Environment guidelines for calculating greenhouse gas emissions (V. 1.6)

Fuels: Factor used in the reporting system established under Japan's Law Concerning the Promotion of Measures to Cope with Global Warming

Energy savings

CO_2 emissions attributable to use of energy in the production domain totaled 479,000 tons, 2.2% lower than the target of 490,000 tons (8.5% lower than FY1991 levels) and 3.5% higher than the previous fiscal year's total of 463,000 tons. Energy-saving and other measures were implemented, but production expansion and weather impacts led to an increase. To reduce energy consumption, Honda will continue to reduce CO_2, introducing new energy sources and efficiently monitoring energy use through the application of our LCA process.

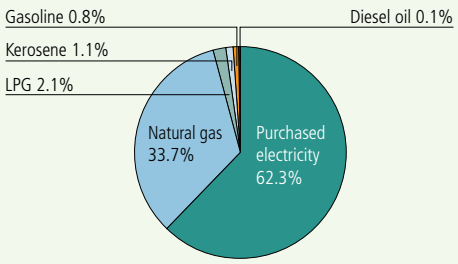
Energy conservation initiatives

- Introduction of high-efficiency compressors
- Introduction of hydraulic inverter control units

Ongoing energy conservation efforts

- Making energy use more transparent to facilitate reduction

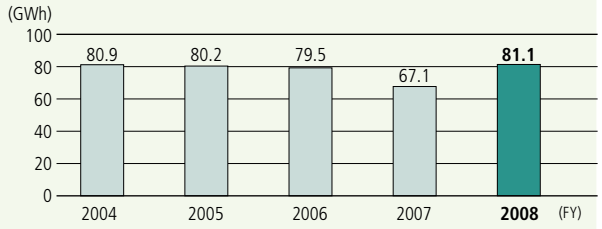
Energy consumption (CO_2 equivalents)



Introduction of new energy sources

Consumption of new energy sources (solar power, cogeneration) in the production domain totaled 81.1 million GWh in FY2008, accounting for approximately 9% of total electricity consumption. A cogeneration system installed at the Kumamoto Factory and solar power installed at new facilities were the main factors leading to this improvement. We will continue to work toward further improvements in efficiency and reductions of CO_2 emissions.

Power generation from new energy sources



Note: Solar power generation and natural-gas cogeneration are considered new energy sources according to definitions contained in Japan's Law Concerning Special Measures to Promote the Use of New Energy.

Greenhouse gas emissions

In FY2008 greenhouse gases emitted in the production domain totaled the equivalent of 483,000 CO_2 tons, for a 3% increase over the previous fiscal year, due to increased CO_2 emissions. Through more efficient use of gas-recovery equipment during the introduction of HFC gas into automobile air-conditioning systems, as well as other measures, HFC emissions were reduced 3,000 CO_2 tons.

Greenhouse gas emissions

- CO_2 emissions from energy consumption and waste incineration: 480,000 CO_2 tons
- Emissions of greenhouse gases other than CO_2: 3,000 CO_2 tons

Note: Greenhouse gas emissions (CO_2, CH_4, N_2O, HFC, PFC and SF_6) calculated according to guidelines provided by Japan's Ministry of the Environment.

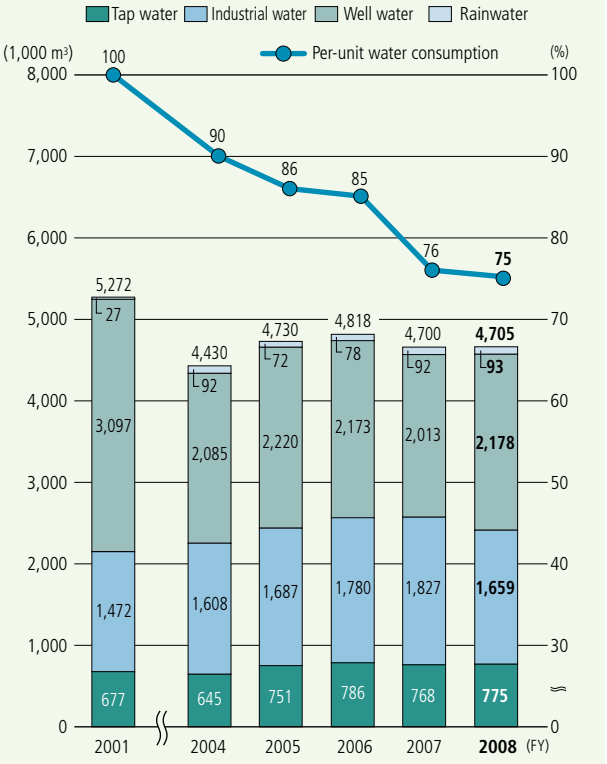
Resource conservation (water use)

Water used in the production domain decreased 10.8% from 2000 levels to 4,705,000 m^3. The per-unit water consumption index decreased 25% from FY2001 levels. The decline can be attributed to a slight increase of 93,000 m^3 in rainwater use.

Water conservation measures implemented in FY2008

- Recycling of water recovered from wastewater treatment
- Reduction of water supply required due to improvement of efficiency of cogeneration system operation
- Recycling of cooling water used in forging

Water consumption and per-unit water consumption



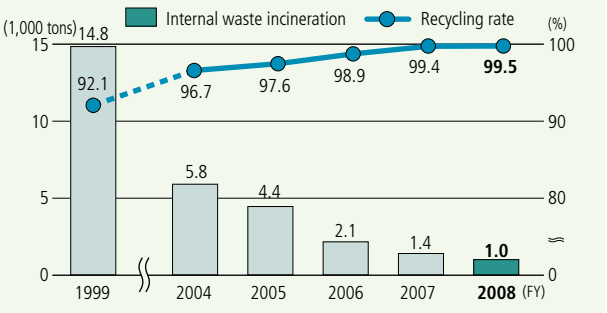
Note: Per-unit water consumption values are shown as indices (FY2001=100%).

Zero emissions

Reduction in waste (byproducts)

All factories in Japan recorded zero direct off-site landfill waste in FY2008. Recycling volumes were increased and the incineration of waste and byproducts was reduced. Approximately 1,000 tons of waste were incinerated in FY2008, a 93% reduction from FY1999 levels. We will further reduce waste incineration by improving waste segregation and recycling and proactively reducing the total volume of waste and byproducts by preventing their generation at source.

Trends in internal waste incineration and recycling rate



Breakdown of waste (byproducts) associated with production (1,000 tons)

Type	FY2005	FY2006	FY2007	FY2008
Off-site landfill	0.00	0.00	0.00	0.00
External disposal by contractors	0.10	0.02	0.12	0.22
Internal incineration	4.38	2.11	1.35	1.03
Internal concentration	6.03	6.91	6.27	4.88
Recycling	176.91	189.40	206.35	217.65
Total waste	187.42	198.44	214.09	223.77

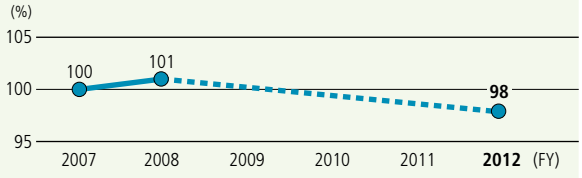
Note: Excluding incinerated residues

$$\text{Recycling ratio} = \frac{\text{Total byproducts} - \text{Internal liquid waste concentration volume} - \text{Internal incineration volume}}{\text{Total byproducts} - \text{Internal liquid waste concentration volume}} \times 100$$

Per-unit byproduct generation

In accordance with Japan's Law for the Promotion of Effective Utilization of Resources, Honda set a new target for the reduction of the byproducts (metals and casting aggregates) it generates: a 2% reduction from FY2007 levels by FY2012. Byproduct generation increased 1% in FY2008 as a result of model changes and production expansion. We will continue to strive to improve production and efficiency, and to reduce the generation of byproducts.

Per-unit byproduct generation (FY2007=100%)



Preventing air and water pollution

Gas emissions from combustion systems and factory wastewater are closely monitored to maintain air and water quality at levels mandated by voluntary standards, which are more stringent than government regulations. (For specific results, please refer to Japan Facilities Information on p85.)

Elimination of SOCs

VOC[1] emissions

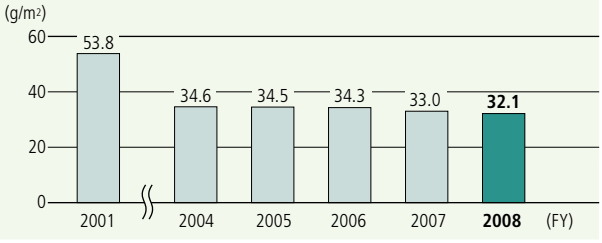
The main sources of VOC emissions are solvents used in automobile paint processes. In FY2008 average VOC emissions were 32.1 g/m^2, a reduction of 0.9 g/m^2 from FY2007, and 1.9 g/m^2 lower than our target. We will continue to extend the use of water-based paints, introduce high-efficiency painting lines and implement other measures to reduce VOC emissions.

1 VOCs mainly consist of organic solvents contained in paints and adhesives. VOCs remain toxic for a long period of time, causing depletion of the ozone layer in the stratosphere and photochemical smog in the troposphere. For these reasons, their use is regulated in many countries.

Measures implemented in FY2008 to reduce VOC emissions

- Comprehensive reductions in waste and loss (better recovery of thinners used in cleaning and other areas)
- Improved painting efficiency through robotics, stationary electronic painting devices and other measures
- Continuing introduction of water-based paints

Trend in per-unit VOC emissions

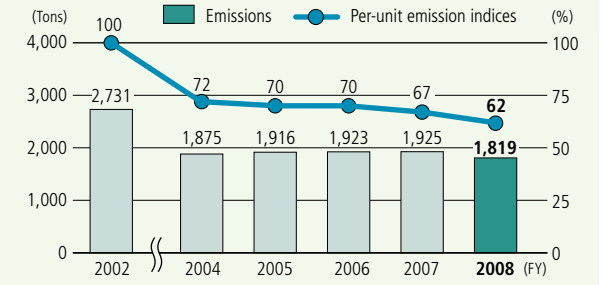


PRTR[1] emissions

The adjacent charts provide statistical data for FY2008 on chemical substances within the scope of the PRTR system. The volume of emissions discharged into the atmosphere/hydrosphere was approximately 1,819 tons, 33% below FY2002. The PRTR per-unit emission index declined 38% from FY2002. We will continue to strive for reduction in the use of these substances in conjunction with measures to reduce VOC emissions. (For further details, please refer to Supplementary Data.)

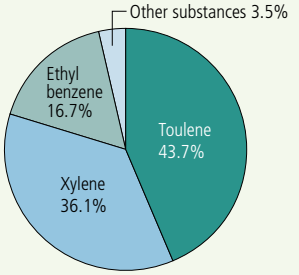
1 The PRTR (Pollutant Release and Transfer Register) system is based on Japan's Law Concerning the Reporting of Specified Chemical Substances Released into the Environment and the Promotion of Improvements in their Management.

Emissions of substances treated under the PRTR system and per-unit emission indices



Note: PRTR per-unit emission values are indices (FY2002=100%).

Breakdown of the emissions of substances treated within PRTR system



Report concerning the storage and disposal of devices containing PCBs

In FY2008 we notified the government about our efforts to deal with 695 condensers and transformers containing PCBs (44 were excluded from reporting since FY2007). We have concluded an agreement with the Japan Environmental Safety Corporation for pre-processing. We are storing these devices to ensure that PCBs do not damage the environment and are preparing measures for their proper disposal.

Case Study

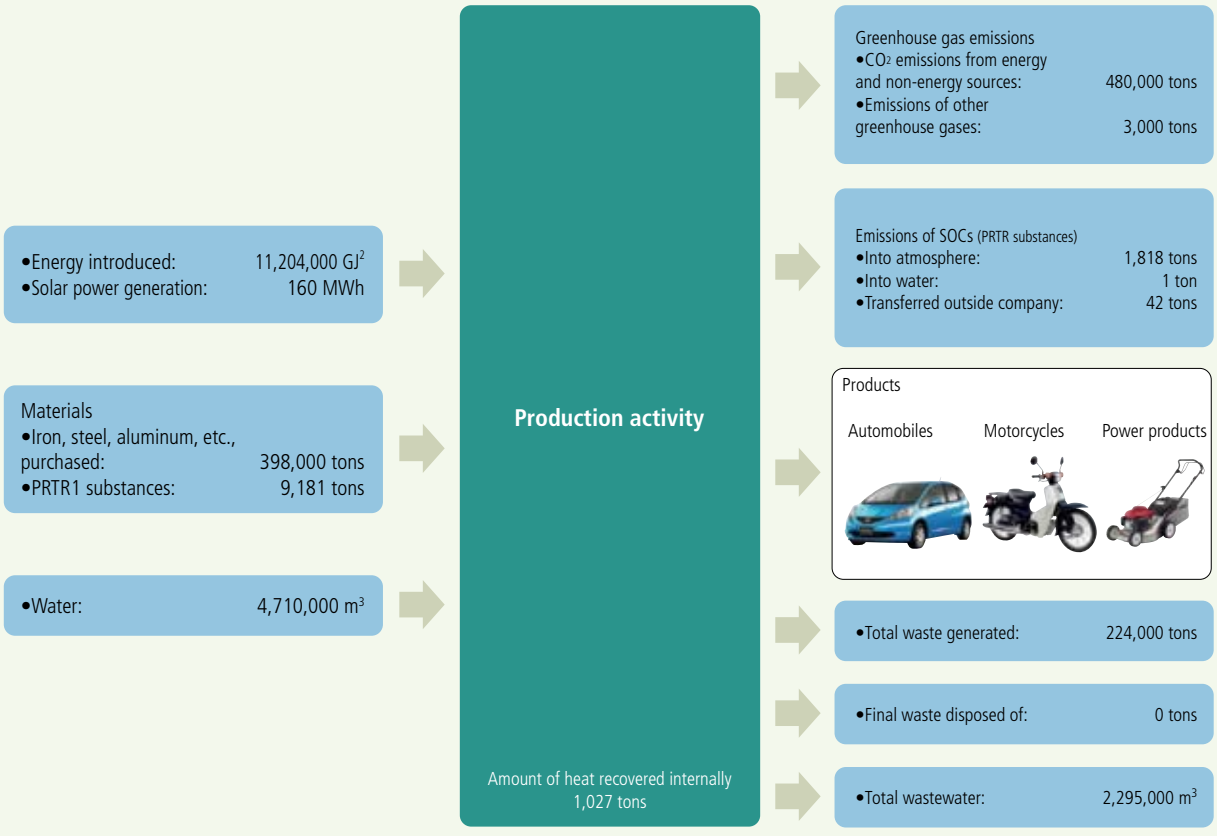
Two next-generation environmentally responsible factories

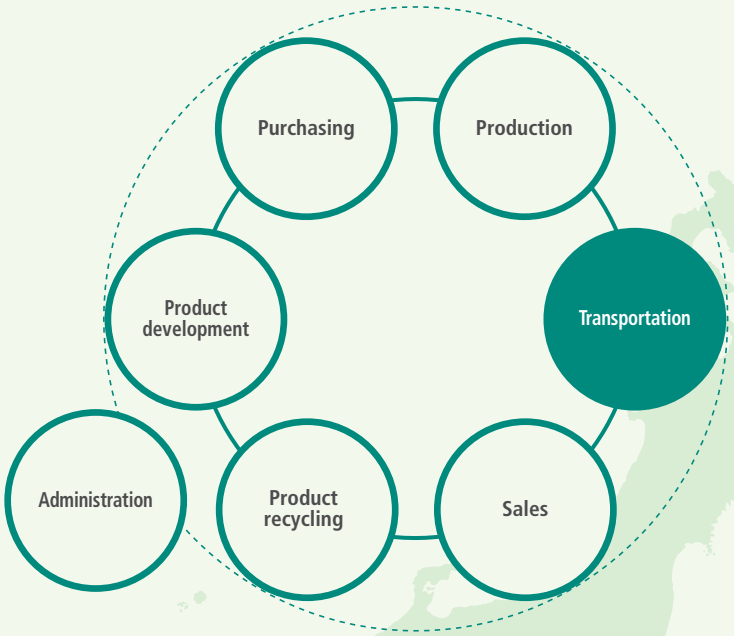
Honda is proactive about innovation in its manufacturing operations. Our goal is to develop technologies and products in Japan that position us as an environmental leader, then implement them around the world, advancing our manufacturing systems and capabilities. Two new plants in Saitama—the Ogawa Engine Plant scheduled to begin operations in 2009 and the Yorii Automobile Plant scheduled to begin operations in 2010—will play a central role in this endeavor. The Ogawa plant will produce advanced, environmentally responsible, next-generation engines, while the Yorii factory will take a leadership role in achieving new standards in energy efficiency in auto production and creating new value as a next-generation factory. Both facilities will be people-friendly Green Factories that will focus on recycling energy and resources. Both will feature high-quality and highly efficient production and logistics systems. The new plants will reduce energy through recycling and the use of an advanced energy-control system.


Ogawa Engine Plant (illustration)


Yorii Automobile Plant (illustration)

Flow of materials in production in FY2008





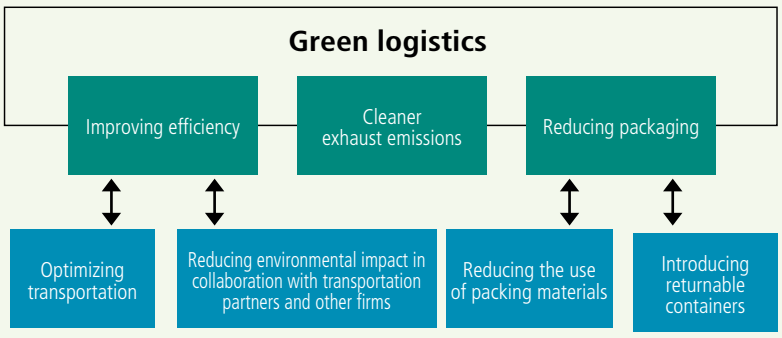
FY2008 Environmental Initiatives

Transportation

Striving for efficient, environmentally responsible transportation

We are continually striving to improve our efficiency in every area, including the transportation of finished products. Wherever possible we are changing the means of transportation from truck to ship and rail. We're developing environmental management systems jointly with our partners and implementing other environmentally responsible logistics measures. We are also reducing the use of packaging materials by introducing simpler packaging, using new packaging materials, altering specifications and promoting the use of returnable containers.

Major transportation initiatives



Transportation

Green logistics

Honda has improved transportation efficiency through energy-saving operations and a modal shift from trucking to more energy-efficient rail and marine shipping. To reduce packaging waste, we are proactively introducing packaging methods that require less material. We are also promoting the increased use of returnable materials.

Annual targets and results

FY2008 targets

- Continue implementation by three main partners
- CO_2 emissions: 40,847 CO_2 tons (transportation of completed automobiles)

FY2008 results

- Continued implementation by three main partners
- CO_2 emissions: 39,927 CO_2 tons (transportation of completed automobiles)

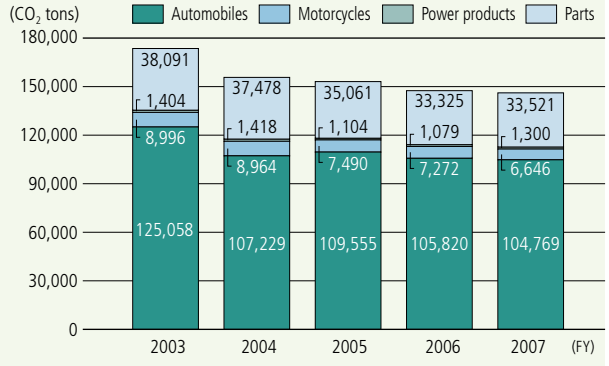
Note: Calculations based on Japan's Rationalization in Energy Use Law

Improving efficiency

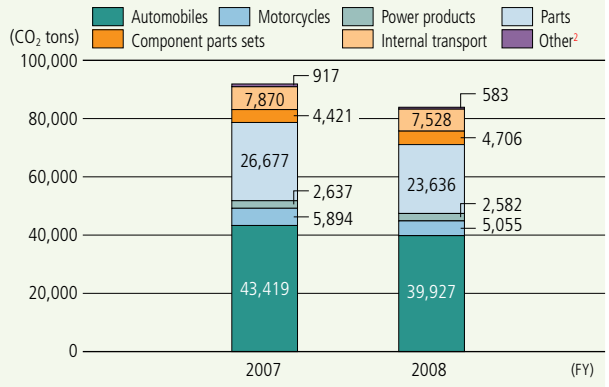
In FY2008 CO_2 emissions associated with the transportation of automobiles, motorcycles, power products and parts in Japan totaled 84,017 CO_2 tons.

Trend in CO_2 emissions associated with transportation

Honda's independent calculations[1]



Calculations based on Japan's Rationalization in Energy Use Law[1]

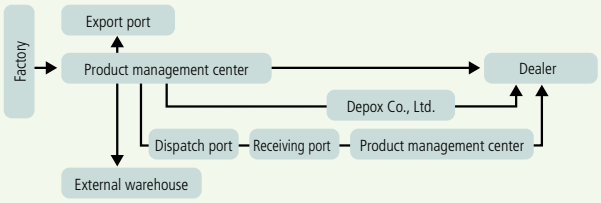


1 From FY2003 to FY2007 Honda made these calculations according to its own formula. Starting in FY2008, we switched to calculations based on Japan's Rationalization of Energy Use Law.
2 Includes sales, administration, corporate communications and other operations.

Automobile transportation initiatives

By encouraging Honda's transportation partners in Japan to promote energy conservation and by improving average fuel efficiency through the introduction of new trailers, we improved fuel efficiency in the transportation of finished automobiles by 2.0% and reduced transportation-related CO_2 emissions by 1,234 CO_2 tons in FY2008 (baseline: FY2007). In future, we will expand transportation by ship and rail to further reduce CO_2 emissions associated with the transportation of automobiles.

Transportation operations covered by CO_2 emissions calculations
(transportation of completed automobiles)



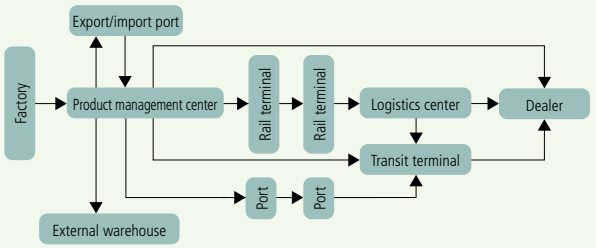
Transportation efficiency improvements overcoming increases in transportation volume, resulting in CO_2 emissions reduction (FY2008)

Measure	Start	CO_2 reduction
Energy-saving operations, introduction of digital tachometers	FY2005	886
Suzuka–Tsuruga–Niigata (modal shift from trucking to marine shipping)	FY2006	301
Suzuka—Tokyo area (expansion of modal shift)	FY2007	470
Total reduction		1,234

Motorcycle transportation initiatives

For the transportation of finished motorcycles, we expanded our use of railway transportation to save energy. Shipments for the Tokyo area now leave from Kumamoto instead of Hakata, reducing our emissions by four CO_2 tons. We will continue to expand the use of railway transportation to reduce emissions.

Transportation operations covered by CO_2 emissions calculations
(transportation of completed motorcycles)



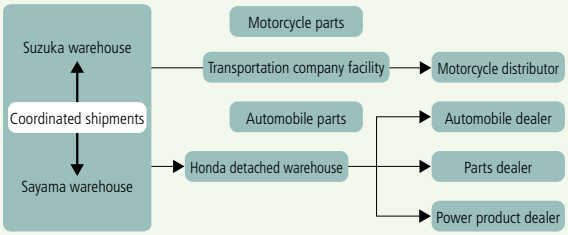
Reduction of CO_2 in the transportation of completed motorcycles

Measure	Start	CO_2 reduction
Kumamoto–Oita–Yokosuka (modal shift from trucking to shipping)	FY2007	242 CO_2 tons
Shipments for the Tokyo area now leave from Kumamoto, not Hakata	FY2008 (new)	4 CO_2 tons

Parts transportation initiatives

In FY2008, by restructuring our parts distribution network we made progress toward consolidating shipments at Suzuka and centralizing the facility's parts distribution through charter flights. This drastically reduced the total distance goods had to travel compared to previous shipments from facilities in both Sayama and Suzuka. Although this fiscal year's statistics reflect a mixture of existing shipping routes from Sayama and Suzuka in addition to the charter flights from Suzuka beginning in August 2007, CO_2 emissions were reduced 88.6% from the previous fiscal year's levels. This was achieved in part through the consolidation of Honda warehouses (from 75 to 72). In addition, since February 2008 shipments from Suzuka have been made via charter flights, and Sayama shipments will be included in the Suzuka charter flights with the completion of the consolidation of parts at our Suzuka facility during the first part of FY2009. Both will lead to further reductions in CO_2.

Transportation operations covered by CO_2 emissions calculations
(transportation of parts)



Exhaust emissions

To comply with regulations governing diesel emissions enacted by the Tokyo Metropolitan Government and three neighboring prefectural governments, Honda's transportation partners continued introducing diesel particulate filters (DPF) and low-emissions vehicles. As a result, particulate matter emissions were reduced approximately 50.6 tons in FY2008 from the previous fiscal year.

Case Study

Operations begin at Suzuka Distribution Center

The Suzuka Distribution Center, which handles parts for automobiles and power products, began operations in June. The center aims to further improve customer satisfaction and optimize parts distribution through the consolidation of several small warehouses scattered throughout the Sayama and Suzuka areas. The new facility helps reduce environmental impact through efficient distribution methods that reduce the distance goods are transported. It also emphasizes the use of returnable containers and simplified packaging. Reduction of environmental impact and energy costs at the center has also been achieved through the use of environmentally responsible Eco-Ice.[1]

Suzuka Distribution Center

1 Eco-Ice is a heat-storage/air-conditioning system that uses cheaper electricity purchased at night to create ice in the summer and warm water in the winter, for the purposes of heating and cooling during daytime hours. Its implementation has reduced operational costs and heating/cooling equipment space requirements.

Reducing packaging

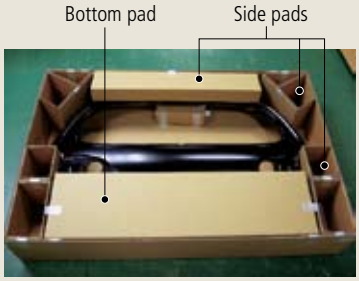
Parts transportation initiatives

In FY2008 we used 24,591 tons of packaging materials, a reduction of 1,042 tons, or approximately 4%, from FY2007. The use of returnable containers in coordination with charter flights contributed to the reduction. We plan to further reduce such material use by using returnable containers in our exports.

Case Study

Reduction of packaging used for spare parts

Previous system

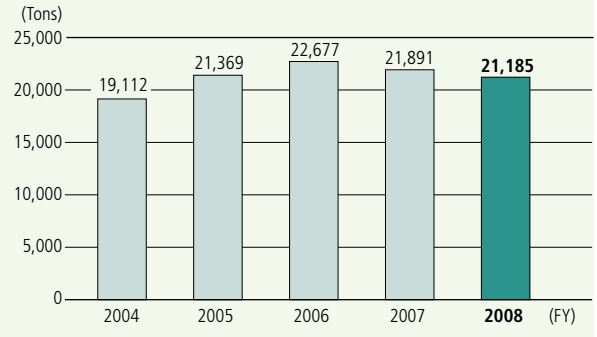


Skin pad on skin side

New system

Padless Backless No plastic band

Trends in packaging materials for spare parts



Note: Calculations of packaging materials used revised with reused metal subtracted

Reducing packaging in the transportation of component parts sets[1]

In FY2008 we accelerated the introduction of returnable containers for both internal and external packaging, planning and beginning the implementation of the program at all facilities to which component parts sets are shipped. Use of the containers began at facilities in India, Malaysia and Brazil, and the program was expanded. Further, by expanding the use of returnable containers for shipments destined for the UK and Taiwan, we increased the use of returnable containers by 16% from FY2007 and as a result reduced our use of cardboard. We will continue with the conversion from disposable to returnable shipping materials.

1 Component parts sets are delivered to overseas plants for local assembly.

External returnable container use rates

Area	Use rates	
	2006	2007
North America	69.7%	82.1%
South America	14.0%	41.7%
Europe	69.7%	67.8%
Asia/Oceania	51.7%	57.5%
China	1.9%	24.9%
Average	49.6%	60.2%

Less packaging materials with component parts sets

Measure	Reduction
Reduced use of steel	2,990 tons
Reduced use of cardboard	259 tons

Note: reduction in disposable packaging was facilitated by higher use of returnable containers.

Import of completed motorcycles

By using returnable cases when importing scooters from China, Honda is striving to maintain zero landfill disposal of shipping materials. By eliminating the use of cardboard and introducing returnable steel containers, we continue to use less packaging.

Using less packaging in the import/export of motorcycles

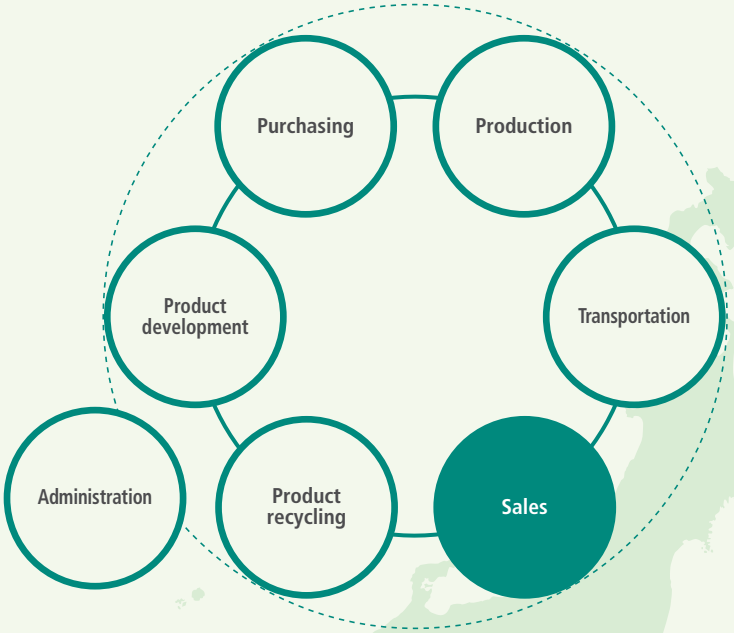
Measure	Reduction
Reduced use of steel	1,869 tons
Reduced use of cardboard	1,228 tons

Power products transportation initiatives

Through the use of returnable steel cases for transporting medium and large marine outboards in Japan, Honda is using less steel and cardboard.

Using less packaging in the transportation of power products

Measure	Reduction
Reduced use of steel	30 tons
Reduced use of cardboard	1 ton



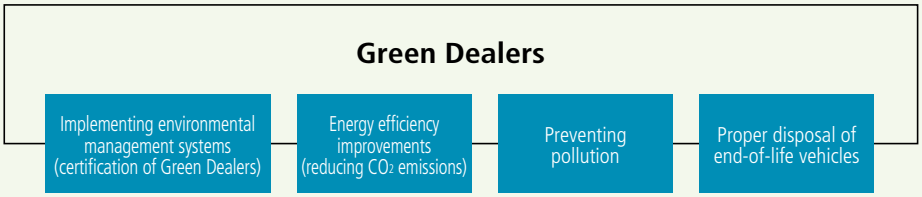
FY2008 Environmental Initiatives

Sales

Strengthening the bonds of trust with customers and communities

Honda is continuing with the implementation of environmental management systems and promoting Green Dealer certification to further advance environmental initiatives in sales and service. We encourage dealers to be proactive in environmental conservation and to continuously implement measures to make their operations more environmentally responsible, enhancing the value they offer and the trust they earn from customers and communities.

Sales initiatives



Sales

Green Dealers

Honda is proactively introducing environmental management systems at automobile dealers and communicating with customers on environmental issues.

Annual targets and results

FY2008 targets

- Automobiles: Expand Eco Drive program and its promotion
- Motorcycles: Dream Dealer network expansion
- Power products: Promote environmental conservation at dealers

FY2008 results

- Automobiles: Created safe driving instruction featuring Eco Drive
- Motorcycles: Launched of 13 environmentally responsible Dream Dealers (total: 100)
- Power products: Reduced CO_2 emissions and monitored Environmental Registers for power products dealers

Automobile dealers

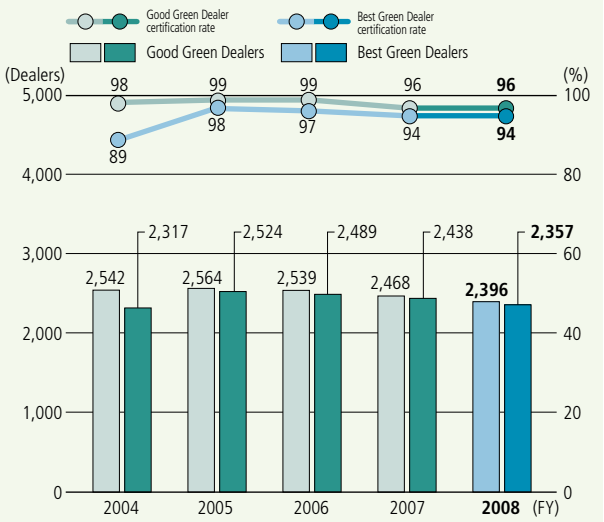
Introduction of environmental management systems

In FY2001 Honda introduced the Green Dealer certification system[1] for automobile dealers in conjunction with our own environmental management system.

We promote the acquisition of certification by all dealers. At the end of March 2008 a total of 2,357 dealers were certified as Best Green Dealers, a step above certification as a Good Green Dealer. Best Green Dealers are recognized as having taken steps to improve energy efficiency, contribute to their communities and enhance their environmental conservation initiatives. In particular, these dealers are reducing CO_2 emissions by promoting energy conservation and eco-driving.

1 The Green Dealer certification system, developed by Honda on the basis of experience and expertise gained in qualifying for ISO 14001 certification, was established to verify implementation of Honda's environmental management system. It is implemented in two tiers. Good Green Dealer certification is awarded to dealers that comply with environmental regulations and make other efforts to protect the environment, such as cleaning up areas surrounding their facilities. Best Green Dealer certification is awarded to dealers that have improved their environmental practices. The number of certified dealers and the certification rate may vary in conjunction with the consolidation, closure and opening of dealerships.

Trends in Green Dealer certification



Case Study

Eco Drive safe-driving instruction

As part of an initiative by automobile dealers to promote safe driving, Honda strengthened its environmental communications with customers, introducing them to environmentally responsible driving practices—driving that is easy on the environment and the pocketbook. For example, at certified Best Green Dealers, we added environmentally responsible driving to the safe-driving curriculum. Dealers explained that environmentally responsible driving implies gentle, gradual acceleration and maintaining a steady, moderate driving speed. By driving with moderation, drivers can improve both fuel economy and safety. In FY2008 dealerships taught ecological driving to 19,424 drivers at 3,865 safe-driving instruction sessions.

Case Study

Environmental communications through our dealers

To promote environmental communication with customers, Honda Green Dealers have been participating in local environmental fairs and hosting elementary and junior high school students on field trips. One of our Best Green Dealers, Honda Cars Kyoto, hosted a field trip for local elementary school students. In addition to introducing students to the work of an automotive dealer by providing tours of showrooms and maintenance facilities, Honda also educated elementary students about our environmental efforts with the help of our Dream Baton publication. To develop a plan aimed at solving regional environmental issues, Honda Cars Kyoto also participated in the Kyoto Local Agenda 21 Forum/Team Kyoto Environmental Activity Project, along with other local Kyoto businesses, NPOs, the Kyoto Municipal Center For Promotion of Environment Protection and the city of Kyoto. As part of the plan determined at the forum, they implemented an environmental education program for elementary school students in February 2008. In addition to teaching 48 sixth-graders from an elementary school in Kyoto about global warming, Honda Cars Kyoto participated in this cooperative effort by providing details about Honda's efforts to reduce CO_2 through the promotion of environmentally responsible driving. Honda Cars Kyoto also held a session about fuel economy and talked about environmentally responsible vehicles such as the Fit, the Civic Hybrid and the FCX Clarity, Honda's new fuel cell vehicle that is being leased in North America beginning in FY2009. The environmental education program was a well-publicized initiative that created an excellent opportunity for children to think more about environmental problems.

A field trip

Raising environmental awareness among local schoolchildren

Case Study

The Honda Environmental Register

Honda encourages dealers to reduce their environmental impact through our Green Dealer program. As one practical measure, we ask automobile dealers to use the Honda Environmental Register to record data on their use of electricity, water, gasoline and other resources. This initiative can help dealers better manage these resources as well as reduce their environmental impact and costs. Honda independently developed this accounting system to automatically calculate the emissions of substances of concern, such as CO_2, based on the data entered by dealers on energy consumption and waste generation. Dealers can lower costs and raise their environmental awareness by referring to the CO_2 emissions data generated by this accounting system. We plan to expand the Honda Environmental Register initiative to help motorcycle and power product dealers reduce their environmental impact as well.

Screen shot of the Honda Environmental Register

Motorcycle dealers

Wholesaling

Honda Motorcycle Japan, a wholesaler, updated its environmental statement in FY2008 and created an environmental management program for its dealerships and sites. To reduce greenhouse gas emissions and improve performance, in FY2009 it will pursue waste reduction policies and promote measures aimed at reducing its use of electricity and gasoline.

Retailing

In March 2002 Honda began building a network of Dream Dealers to market sports bikes. Dream Dealers—the equivalent of Green Dealers for motorcycles—must meet predefined environmental requirements. In FY2008 Honda established 13 additional Dream Dealers, expanding the Dream Dealer network to 100 retail sales outlets.

Honda asked Dream Dealers to fulfill the following three environmental requirements in FY2008: full compliance with environmental laws and regulations; promotion of environmental conservation; and proactive recycling of motorcycles. We were able to recycle 927 end-of-life motorcycles through 61 Dream Dealers.

In FY2008 we worked with dealers to prepare for the implementation of environmental management systems. In FY2008 seven Dream Dealers are scheduled to implement systems. We will continue to lead the industry in environmental conservation.

Case Study

The Honda Environmental Register

In FY2008 Honda Motorcycle Japan Kyushu Center affixed heat deflection film to windows to improve the working environment and reduce CO_2. In addition to preserving office privacy without lowering blinds, the film reduces electricity usage by reducing the need for lights and air-conditioning.


Before implementation

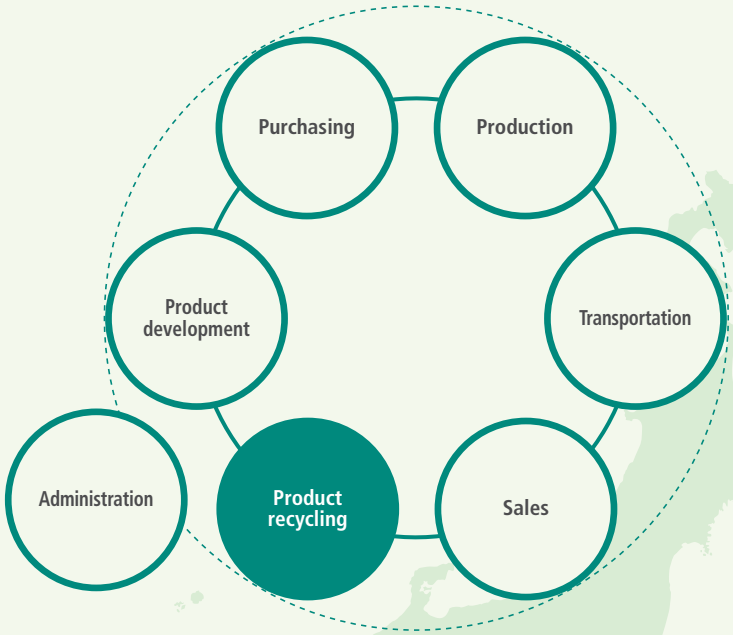

After implementation

Power products dealers

Promoting reduction of environmental impact

In FY2008 we focused on further raising environmental awareness among Honda power products dealers. We facilitated the participation of Green Dealers in the Green Conference, and conducted an awareness campaign explaining the proper disposal of end-of-life products to two Green Dealers (six locations), 213 distributors and 131 service network outlets. Plants and copies of the 2007 Honda Environmental Report were distributed. In FY2009 we will work with two more Green Dealers at six locations to reduce the environmental impact of their operations. We will also continue to share information about environmental conservation with the entire dealer network.

A power products Green Dealer



FY2008 Environmental Initiatives

Product recycling
(reduce, reuse, recycle)

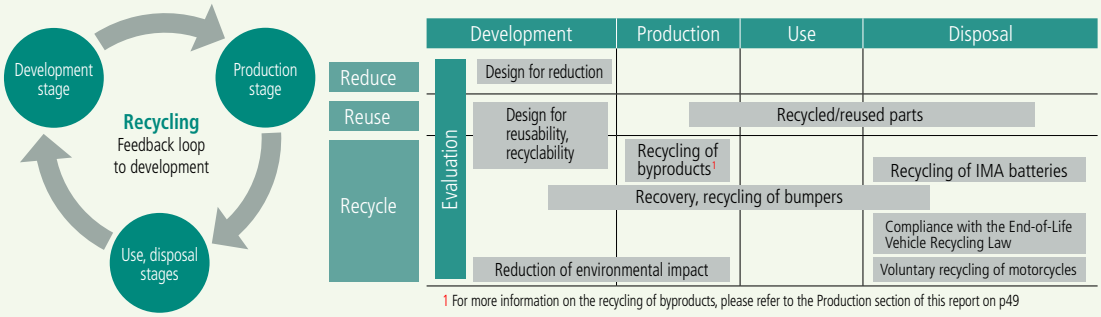
Leading the way to a recycling-based society

Since the introduction of Japan's End-of-Life Vehicle Recycling Law in 2005, automakers have been obliged to recycle and properly dispose of shredder residue, airbags and CFCs. Honda has long been proactive in implementing product recycling. In 1991 we began recovering and recycling replacement bumpers. In 1998 we launched the sale of remanufactured parts. In 2004 we began recovering and recycling automobile oil filters. Honda has consistently been first among Japan's leading automakers to take action on recycling.

Honda's policy on product recycling

1. Design products that are superior in performance in accordance with the reduce, reuse, recycle principle
2. Implement economical and effective recycling measures and use the results as feedback in new product development
3. Give priority to designs that allow for reusability and reduce the energy and other resources needed for reuse and recycling
4. Minimize SOCs contained in products, taking into account the disposal of end-of-life vehicles
5. Cooperate and collaborate with all stakeholders

Product recycling



1 For more information on the recycling of byproducts, please refer to the Production section of this report on p49

Product recycling

Development initiatives

Honda prioritizes the recyclability of our products. Based on the reduce, reuse and recycle principle, we carefully select materials and design structures for our products in the development stage.

Annual targets and results

FY2008 targets

- Increase recyclability rate[1]
- Automobiles: Minimum 90% recyclability, maximum 1% chloride in ASR for all newly introduced or remodeled vehicles
- Motorcycles: Minimum 95% recyclability for all newly introduced or remodeled vehicles
- Power products: Strengthen recycling system

FY2008 results

- Increase recyclability rate[1]
- Automobiles: Minimum 90% recyclability, maximum 1% chloride in ASR for all newly introduced or remodeled vehicles
- Motorcycles: Achieved minimum recyclability of 95%
- Power products: Achieved minimum recyclability of 95%

1 Based on JAMA guidelines for defining and calculating new-vehicle recyclability

Automobiles

Reduce, reuse, recycle assessment system

We have been using this system to evaluate and improve the design of new automobiles.

Reducing by design

In addition to downsizing and reducing the weight of metal parts, including the body frame, engine and transmission, we have reduced the weight of non-metal parts by using better materials and enhancing the composition of parts. (See p64 Case Study.)

Reusing and recycling by design

Honda implemented the recyclability improvements listed below for all new models released or updated in FY2008. As a result, we achieved 90% or greater recyclability (based on JAMA guidelines) for our vehicles. With the implementation of high-tensile steel body panels on the new Inspire, we have achieved weight reduction.

Reusing and recycling by design

Use of easily recycled materials and repro-cessed resin	We use easy-to-recycle thermoplastic resins such as polypropylene and polyethylene in many of our interior and exterior resin parts. In addition, we use reprocessed resin in sound-absorbent materials and splash guards, among other parts.
Material identification marks for resin and rubber parts	Material identification marks, based on ISO standards, are displayed on all resin and rubber parts large enough for such labeling.
Recyclability through structural design	We facilitated maintenance by reducing the number of joints in parts and simplified design by applying clips and set-in structures. Also, we improved the recyclability of materials and reusability of parts.

Reducing the use of SOCs

Reducing the use of four heavy metals

In the production of the Fit and other vehicles released in FY2008, we attained the reduction targets set by the Japan Automobile Manufacturers Association (JAMA).

JAMA voluntary reduction targets (new automobiles)

Target substance	Target period	Details
Lead	Starting in 2006	Amount per vehicle (baseline: 1996) (Automobiles: 10% or less) (Motorcycles: 60 g or less)
Mercury	Starting in 2005	Banned except for some parts (small amounts allowed in discharge headlights and LCD panels for navigation systems)
Hexavalent chromium	Starting in 2008	Banned
Cadmium	Starting in 2007	Banned

Note: Exceptions provided for in the case of lead and mercury

Reducing HFC134a use

We expanded, by approximately 10%, the installation of air conditioners that reduce the use of HFC134a (baseline: FY1996), using them in 22 out of 24 models. We are examining the viability of implementing air conditioners that do not use HFC134a, and monitoring new technological developments.

Reducing PVC use

To facilitate the recycling of automobile shredder residue (ASR) in compliance with Japan's End-of-Life Vehicle Recycling Law, we are reducing the use of PVCs. By discontinuing the use of PVCs in interior and exterior resin parts, we reduced the content of chlorine in ASR to 1% or less in all new models released in FY2008.

Motorcycles

Reduce, reuse, recycle assessment system

Since 1992 we have been using this assessment system to evaluate and improve the design of new motorcycles.

Reducing by design

On the new CBR600RR we implemented an easily recyclable, hollow aluminum die-cast motorcycle frame, making the motorcycle 17% lighter than the previous model.

CBR600RR

Previous model cast frame

Current model cast frame

Reusing and recycling by design

Improved recyclability

To further improve recyclability, we applied the latest approaches in information technology to gather and calculate recycling data. Using this system, we will work toward product designs that attain greater than 95% recyclability. To help facilitate increased recycling, we also label plastic parts whenever possible, even in the case of small resin parts.

Use of recycled resins

Recycled materials are used in approximately 15% of resin parts on scooters. We are also expanding the use of recycled resins to include fenders, undercovers and other parts for motorcycles.

Reducing the use of SOCs

Reducing the use of four heavy metals

One of Honda's commitments is to reduce the use of four heavy metals considered to have adverse effects on the environment (lead, mercury, hexavalent chromium and cadmium) in all models produced in Japan by the end of 2005. We attained our voluntary reduction targets by the end of FY2007 and in FY2008 continued to operate within target levels. We also began to reduce the use of polycyclic aromatic hydrocarbons, prohibited under 2010 European regulations.

Power products

Reusing and recycling by design

To achieve our target of recycling at least 95% of the materials used in power products, we proactively reduced the generation of automotive shredder residue (ASR) and promoted the use of recovered heat energy.

Reducing use of SOCs

Reducing the use of four heavy metals

Honda also committed itself to reducing the use of four heavy metals (lead, mercury, hexavalent chromium and cadmium) in all power products produced in Japan by the end of 2006. No regulatory standards for power products are in effect in Japan, but Honda is working to voluntarily reduce the use of SOCs in power products in accordance with JAMA's voluntary targets. We have already attained the targets for lead, mercury and cadmium. For hexavalent chromium, we have eliminated all use except for in anti-corrosion treatments in certain marine outboards.

Case Study

A lighter design for the Inspire

In December 2007 the all-new Honda Inspire was released in Japan. Strong, lightweight, high-tensile steel has been deployed in approximately 48% of the main frame components, improving torsional rigidity by some 20%[1] while also achieving significant weight savings. In addition, the effective use of aerodynamic design of the body's underside and flush surfaces has resulted in outstanding aerodynamics. The Inspire's highly efficient body design makes it lightweight yet rigid, with great aerodynamics.

Design featuring high-tensile steel

1 Compared to previous model (Honda calculations)

Product recycling

Use initiatives

Always striving to conserve resources and expand recycling and reuse, Honda is promoting systems for the recycling of end-of-life products and recovery of parts.

Annual targets and results

FY2008 targets

- Expand range of vehicles using recycled parts

FY2008 results

- Added 8 models of remanufactured torque converters

Recovery, recycling and reuse of parts

Expanding Honda's parts recycling business

Honda has sold highly functional recycled parts, such as torque converters, since 1998. In July 2001 we also began marketing reused parts, expanding the operation known as Honda Recycle Parts.

Recycled parts lineup and sales performance

Recently, the number of models in which reused parts can be fitted has declined, and both the performance and durability of functional parts have improved. To enhance customer satisfaction, we are working to increase the number of models in which these parts can be used.

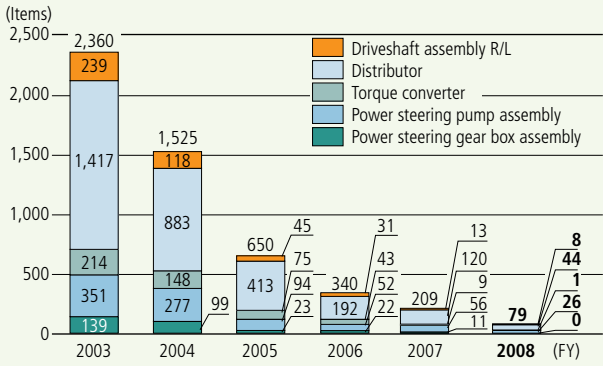
Current reuse of parts

Through the use of recovered parts and efforts to recycle materials, we have achieved a reuse rate of 84%, as shown in the adjacent graph.

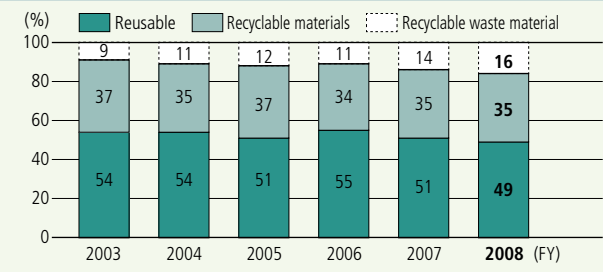
Reusing parts

Since January 2002 (July 2001 in the Tokyo area) customers in Japan have been offered the convenience of ordering both used and new parts through Honda's genuine-parts distribution channels. To expand the supply of used parts, in FY2008 we examined the viability of providing even more convenience for customers through the use of external distribution channels. We are still examining the possibility of building a cooperative sales system for reused parts involving used parts sales networks and outstanding automotive dismantlers.

Trends in component sales in Japan



Increase reuse of recovered parts



Example: recycled parts

Example: reused parts

Used parts

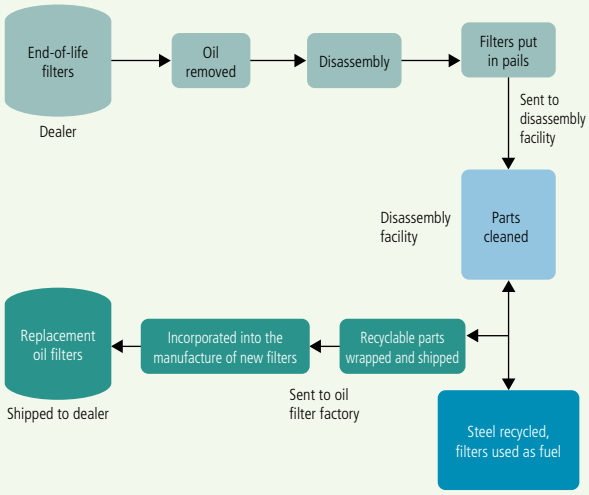
Removed parts

Recycling oil filters

We collect and disassemble end-of-life oil filters to recycle them as metal and fuel. We also reuse some of their components as production parts. We started recovering these filters through Honda dealers nationwide in January 2004, and began recovering filters from service and repair companies in 2005. In addition, we increased the number of oil filter types targeted for recovery from two to six, and in FY2007 succeeded in recovering about 27% of all filters sold in Japan. We will make further efforts to increase the number of end-of-life oil filters collected.

End-of-life filters are disassembled and recycled

Flow of oil filter recycling



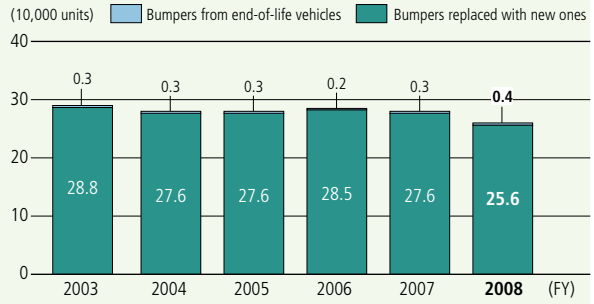
Recovery and recycling of bumpers

In FY2008 we recovered 260,090 used bumpers (886 tons) from Honda automobile dealers and service and repair companies. A total of 1,378 tons of recycled resin was reused.

Bumpers and resin recovered in FY2008
260,090 bumpers, 886 tons of resin

- Bumpers replaced for repair: 256,000 (872 tons)
- End-of-life vehicle bumpers: 4,090 (14 tons)

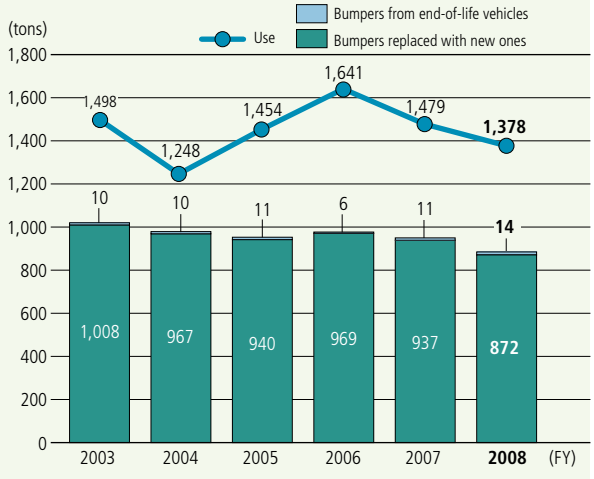
Number of bumpers recovered in Japan



Use of recycled resin: 1,378 tons

- **Products made from recycled bumper resin**
  Automobiles: bumpers for repair, splash shields, splash guards, etc.
  Motorcycles: undercover

Use of resin recycled from recovered bumpers



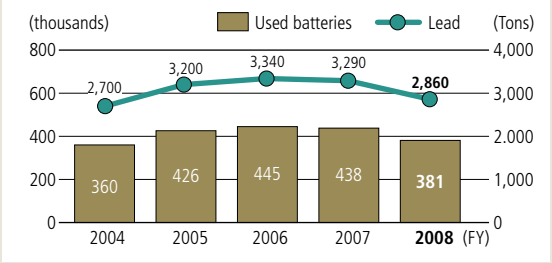
Notes:
1. The use of recycled resin exceeds the amount of resin recovered because it includes the use of resin recovered from bumpers found to be defective in the production process and the recycled resin stored since from the previous year (248 tons).
2. For the use of resin recycled from recovered bumpers, the amounts for FY2004 and later are calculated assuming the unit weight of a bumper to be 3.4 kg.

Case Study

Recovery of used batteries

Since FY1998 Honda has collected used batteries from customers through 72 sales locations in Japan and is expanding voluntary collection through cooperation with recovery agencies.

Batteries and lead recovered



Note: Amount of lead recovered calculated as 10kg x 75% per used battery.

Product recycling

Disposal initiatives

Honda operates an efficient, stable recycling system for end-of-life automobiles in compliance with Japan's End-of-Life Vehicle Recycling Law. We are also promoting proper recycling and disposal of motorcycles through voluntary measures.

Annual targets and results

FY2008 targets

- Automobiles: Maintain recycling systems
- Motorcycles: To increase recycling and strengthen communications regarding the use of plastic parts

FY2008 results

- Automobiles: Maintained recycling systems
- Motorcycles: Strengthened communications regarding plastic parts
- Motorcycles: Commenced recycling tests of waste plastic

Automobiles

End-of-life recycling law

Japan's End-of-Life Vehicle Recycling Law, enacted in January 2005, is intended to promote environmental conservation and the effective use of resources through measures that ensure the responsible and efficient recycling of end-of-life vehicles. Under the law, automakers are obliged to collect and properly dispose of the following three items:

- Fluorocarbons used as air conditioner refrigerants that would contribute to depletion of the ozone layer and global warming if released into the atmosphere;
- Airbags, which are difficult to dispose of because they contain explosive agents;
- Automobile shredder residue (ASR)—what remains after useable materials are extracted from end-of-life vehicles.

Complying with this law, Honda is optimizing recycling-oriented measures applied throughout the life cycle of the automobile, from development to disposal.

Recycling fees

Honda recycling fees cover the cost of properly disposing of and recycling its products at minimal cost to the customer. We maintained our recycling fees at a reasonable level through efficient disposal of end-of-life vehicles.

FY2008 accomplishments: compliance with the End-of-Life Recycling Law

In FY2008 approximately 380,000 end-of-life vehicles were shredded, up 13% from the previous year. While the number of end-of-life vehicles for which recycling of fluorocarbons and ASR was possible grew at generally the same rate, the number of end-of-life vehicles equipped with airbags rose dramatically (49%) compared to last year.

Total deposits and costs for recycling of fluorocarbons, airbags and ASR

In FY2008, in accordance with the provisions of the End-of-Life Vehicle Recycling Law, Honda received from the Japan Automobile Recycling Promotion Center a total of ¥3,106,007,127 to recycle fluorocarbons, airbags and ASR. We incurred recycling costs totaling ¥3,072,849,452, including internal costs, and recorded a surplus of ¥33,157,675 for FY2008.

Recycling results for FY2008		
Fluorocarbons	Recovered without deployment	88,039 kg/289,752 vehicles
Airbag inflators	Recovered after deployment	245,819 units
	Units processed	217,668 units/116,055 vehicles
	Recycling rate	94.1 (Standard: 85% or more)
Shredder residue	Volume received	65,973 tons/335,597 vehicles
	ASR that would have been generated had full recycling not been done	6,960 tons/39,909 vehicles
	Recycling rate	77.8%

Total recycling deposits received	¥3,106,007,127
Total recycling costs	¥3,072,849,452

Recycling end-of-life vehicles

We have begun experimenting with the economic feasibility of having recycled resin from used bumpers recovered by automotive disassembly companies and processed by recycling companies. After examining the results of the experiment to see how we could improve the system, we decided to expand the program in FY2009. In the four-month FY2008 experiment, we recovered approximately 8,200 bumpers from end-of-life vehicles, in the process reclaiming 15 tons of polypropylene (recycled resin).

Participating companies:	Parts Line; Auto Recycling Nakashima Fukuoka; West-Japan Auto Recycling Co., Ltd.; Nishiki

Expansion of full recycling[1]

Honda participates in the TH Team[2] to expand full recycling and achieve high ASR recycling rates and low recycling costs. In FY2008 we invited approximately 100 automobile-dismantling companies to participate in a three-part workshop discussing guidelines and methods for dismantling parts.

- Session 1: Eco-R
- Session 2: Mie Auto Recycle Center (Cooperative)
- Session 3: Toyota Metal Co., Ltd.

In these training sessions, Honda provided demonstrations of how to fully dismantle end-of-life vehicles. It also made recommendations on safe dismantling tools and distributed materials showing parts containing copper—all with the aim of promoting full recycling.


Dismantling demonstration

1 Recycling in which end-of-life vehicles are not shredded, but dismantled into very fine pieces that are completely recycled. An electric arc furnace, converter or other method is used to separate out iron and steel.
2 Honda's partnership with Toyota, Daihatsu and Hino, which focuses on ASR recycling.

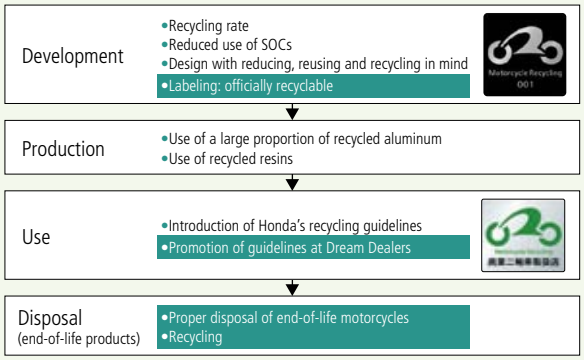
Motorcycles

Voluntary recycling activities

In cooperation with other motorcycle manufacturers and a number of motorcycle importers in Japan, Honda began voluntary recycling of motorcycles on October 1, 2004. The program, which is proceeding smoothly in its fourth year with the cooperation of dealers, importers and others, is a pioneering initiative in regular, voluntary recycling of motorcycles. Under this program, motorcycles that customers want to dispose of are accepted at dealers or other specified facilities and appropriately processed and recycled at recycling facilities. In FY2008, with a view to increasing recycling rates, we began experimenting with the recycling of resin materials.


Motorcycle recycling

Outline of Honda's motorcycle recycling system



FY2008 recycling results

Number of motorcycles accepted

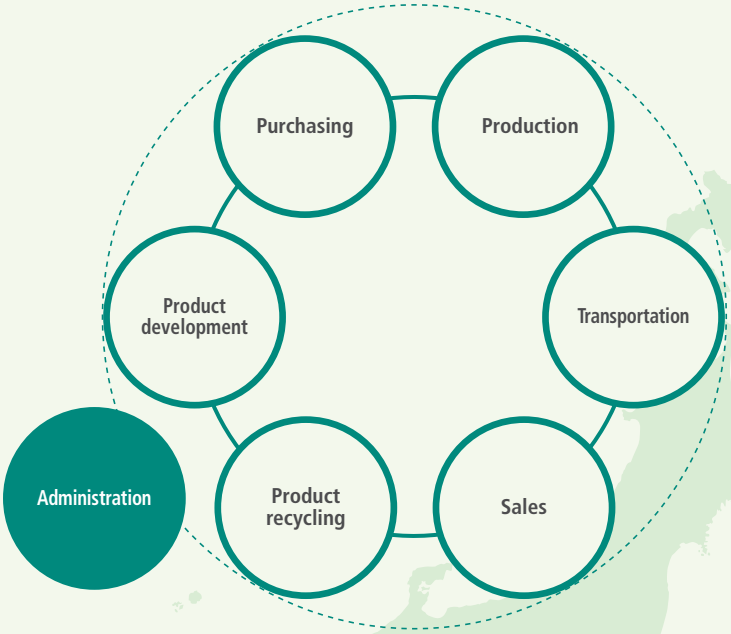
Of the end-of-life motorcycles accepted at designated facilities, 2,115 were Honda products, accounting for 63.8% of the total. 65.4% of dealers accepting end-of-life motorcycles for recycling were Honda Dream Dealers.

Recycling rate

According to calculations based on the number of motorcycles handled at 14 disposal and recycling facilities, the recycling rate was 84.1% for Honda scooters (including three-wheel scooters and commercial-use scooters) and 85.7% for Honda motorcycles. On a unit-average basis, we achieved an 84.6% recycling rate.

Labeling as officially recyclable

All Honda motorcycles sold in Japan include the cost of recycling in their prices and bear a label to this effect.



FY2008 Environmental Initiatives

Administration

Environmentally responsible office management

Honda is focused on environmental conservation measures in the management of its office facilities. Ideally, these measures will lead to customers, suppliers and associates strengthening their own environmental conservation measures.

Administration initiatives

Green offices

- Environmental improvements based on environmental management systems
- Energy conservation (reducing CO_2 emissions)
- Waste reduction and improvement in recycling rates
- Introduction of low-emissions vehicles for company use

Administration

Green offices

Honda has launched initiatives aimed at reducing the environmental impact of its administrative operations. One is the creation of Green Offices.

Annual targets and results

FY2008 targets

- CO_2 emissions at nine offices: 12,913 CO_2 tons
- Waste generated at nine offices: 502 tons

FY2008 results

- CO_2 emissions: 13,131 CO_2 tons
- Waste generated: 512 tons

Note: The data in question is from the following nine offices: Aoyama, Wako, Shirako, Yaesu, Sapporo, Sendai, Nagoya, Osaka and Fukuoka.

Honda Group office environmental impact initiatives

In FY2008 Honda pursued initiatives to monitor and reduce waste and CO_2 emissions generated by all nine of its offices[1]. The Shirako Building received ISO 14001 certification, and certification of our Aoyama and Wako buildings was renewed. Meanwhile, the Sapporo, Sendai, Yaesu, Nagoya and Fukuoka offices worked to monitor and plan reductions of CO_2 and waste in preparation for their ISO 14001 certification applications in FY2010. In FY2009, in addition to the ongoing systematization of environmental conservation efforts at our facilities, water-use monitoring was also initiated.

Administrative targets and results

	FY2008 targets[1]	FY2008 results[1]	FY2009 targets[2]
CO_2 emissions (CO_2 tons)	12,913	13,131 (98.4% attainment)	12,992
Waste generated (tons)	502	512 (98.1% attainment)	505

1 Starting in FY2008, in addition to our buildings in Aoyama, Wako, Shirako and Yaesu, our Sapporo, Sendai, Nagoya, Osaka and Fukuoka buildings have been included.

Strengthening administrative initiatives in Honda Group companies

In FY2008, 16 companies and 27 facilities of the Honda Group in Japan intensified their efforts to reduce the environmental impact of their operations. In July 2007, 21 facilities participated in a highly informative Green Conference, where awareness of key issues was raised and existing initiatives were strengthened with the help of presentations on the environmental initiatives underway at each facility. By the end of FY2008, seven Honda Group companies in Japan had received ISO 14001 certification. Our objective is for all 21 facilities to be certified by the end of FY2010, enhancing our efforts to protect the environment and coexist harmoniously with host communities.

Honda Group targets

	FY2008 targets	FY2008 results	FY2009 targets
CO_2 emissions (CO_2 tons)	38,047	38,522 (98.8% attainment)	38,188
Waste (tons)	2,551	1,911 (133.5% attainment)	1,894

Note: Starting in FY2009, targets and results will be reported for the Honda Group, including Honda Motor Co., Ltd. and its nine buildings (see list above), and also some companies of the Honda Group in Japan—Mobility Land, Honda Kaihatsu, Honda Sun, Honda Commtec, Honda Technical College, Honda Airways, Honda Trading, Honda Finance, Rainbow Motor School, Kibo no Sato Honda, Honda R&D Sun, KP Tech, Chu-o Air Survey Corp., Circuit Service Creates and Japan Race Promotion—a total of 16 companies and 27 facilities.

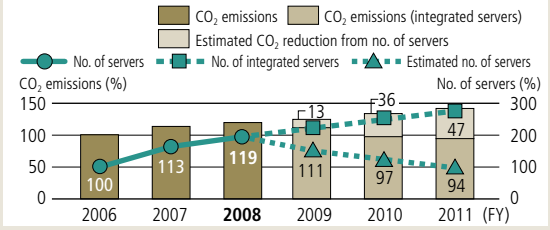
URL http://world.honda.com/environment/ecology/2008report

Case Study

Aiming to lead the industry in green computing

As our operations expand, so do our computer resources—and computers use power. We've been working toward reducing their energy consumption by adopting better approaches to control and integration. Through large-scale optimization of advanced technology, by FY2011 we aim to reduce CO_2 output in this area 20% from current levels.

Estimated reduction in CO_2 emissions at the Wako System Center

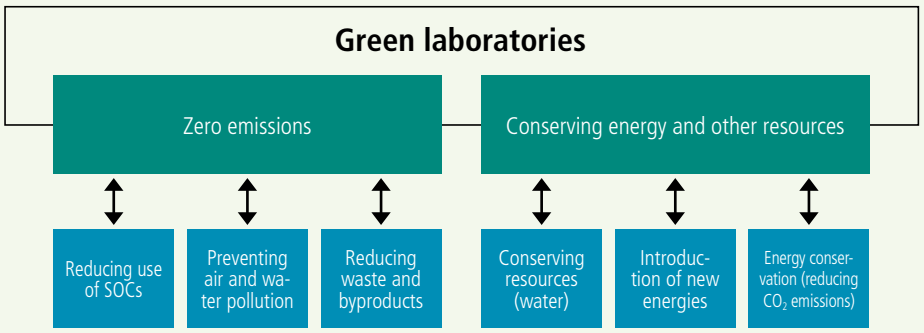


Honda Group companies in Japan

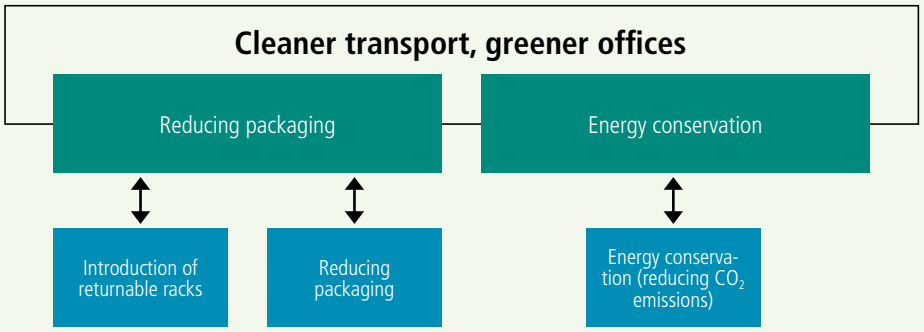
Linked by shared principles, acting independently on behalf of all

While sharing basic principles, each Honda Group company in Japan focuses on its own operations and products while keeping in mind the common goal of reducing environmental impact. Each acts independently to confront environmental issues at hand, setting high targets and working proactively to protect the environment. In this section we will focus on the initiatives of the Honda Group and in particular on those undertaken by Honda R&D, the Group's research and development arm; Honda Engineering, which is in charge of production technology; and Honda Access, which is in charge of research, development and sales of genuine Honda parts and accessories.

Honda R&D & Honda Engineering: principal initiatives



Honda Access: principal initiatives



Honda Group companies in Japan

Honda R&D initiatives

In charge of research and development for the Honda Group, Honda R&D aims to develop products that have the world's lowest environmental impact in facilities that show great respect for the environment.

Annual targets and results

FY2008 targets

- Per-unit CO_2 emissions: 3.5% reduction (baseline: FY2005)
- Total CO_2 emissions: 159,000 CO_2 tons
- Per-unit waste generated: 12% reduction (baseline: FY2005)

FY2008 results

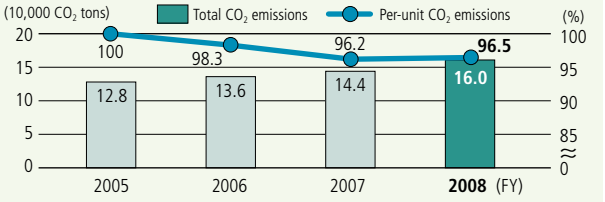
- Per-unit CO_2 emissions: 3.5% reduction (baseline: FY2005)
- Total CO_2 emissions: 160,000 CO_2 tons
- Per-unit waste generated: 10% reduction (baseline: FY2005)

Reducing environmental impact

Saving energy

Thanks to a variety of energy-saving efforts and other initiatives, in FY2008 Honda achieved its targets of a 3.5% reduction in per-unit CO_2 emissions (compared to FY2005) and total CO_2 emissions of 160,000 tons. A total of 22,165 kW in new energy sources were generated at our Automobile R&D Center (Tochigi) from the addition of a second cogeneration system and a second NaS battery system.

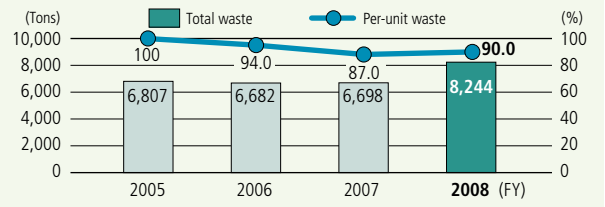
Total and per-unit CO_2 emissions (FY2005=100%)



Eliminating waste

Total waste generated in FY2008 was 8,244 tons, 1,546 tons more than in FY2007. We achieved a 10% reduction in per-unit volume since FY2005, attaining our target.

Total and per-unit waste (FY2005=100%)

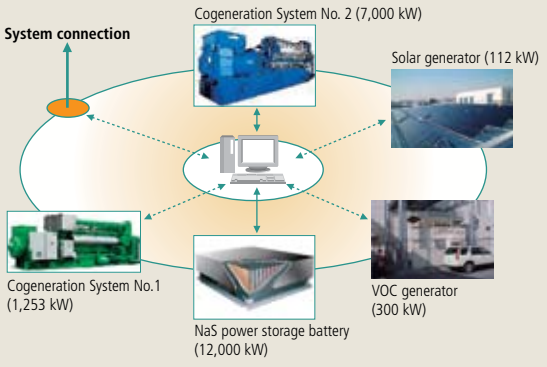


Case Study

The world's largest NaS battery system

Automobile R&D Center, Tochigi

In April 2007 Honda began operation of the 12,000-kW NaS Battery System No. 2, the world's largest sodium-sulfur (NaS) battery system. This system has three times the electrical efficiency of conventional lead acid batteries. It reduces environmental impact, because it levels electricity usage by drawing electricity from NaS batteries during the day and from the power grid at night. In addition, the use of the NaS battery during times of peak demand in the summer ensures a steady power supply without risk of outages. NaS Battery System No. 2 can be used as a secondary battery to address energy fluctuations from less reliable renewable energy sources such as solar power systems. It also works alongside the newly installed 7,000-kW Cogeneration System No. 2, acting as an onsite, small-scale power supply. Both systems control electrical demand, forming a microgrid system that creates a stable, grid-connected power supply and further reduces environmental impact.



Honda Group companies in Japan

Honda Engineering initiatives

Honda Engineering, which is responsible for the development of production technology, aims to design factories with the world's lowest environmental impact while applying the same high standards to its own facilities.

Annual targets and results

FY2008 targets

- Per-unit CO_2 emissions: 7% reduction (baseline: FY2001)
- Total CO_2 emissions: 25,086 tons
- Waste generated: 2,031 tons
- Waste-recycling rate: 99%
- External waste incineration: 31 tons

FY2008 results

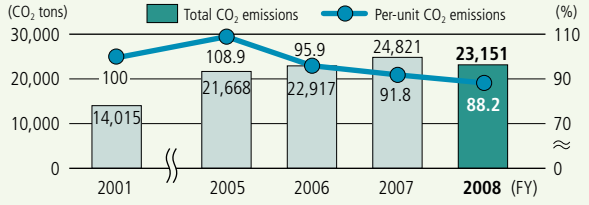
- Per-unit CO_2 emissions: 11.8% reduction
- Total CO_2 emissions: reduced to 23,151 tons
- Waste generated: 1,931 tons
- Waste-recycling rate: 98.6%
- External waste incineration: 27.2 tons

Reducing environmental impact

Saving energy

In FY2008 Honda Engineering exceeded its target of a 7% reduction in per-unit CO_2 emissions, achieving a reduction of 11.8%. It also bettered its target for total CO_2 emissions, with a reduction to 23,151 CO_2 tons (baseline FY2001).

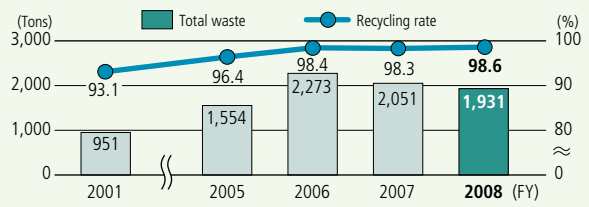
Total and per-unit CO_2 emissions (FY2001=100%)



Eliminating waste

In FY2008 Honda Engineering achieved a recycling rate of 98.6%, falling short of its target of 99% due to increased research activities. It attained its target for waste generation, generating a total of 1,931 tons. The company will strengthen efforts to process more of the industrial substances currently not being recycled. Going forward, it will strengthen its waste-separation procedures as part of the effort to achieve a higher recycling rate.

Total and per-unit waste

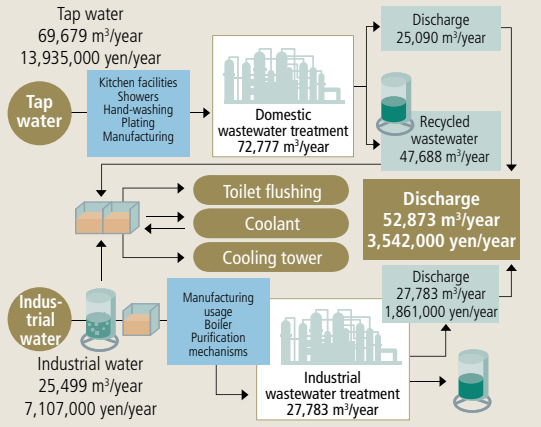


Case Study

Using water wisely

Honda Engineering is taking proactive steps to use water more efficiently. The company has always used advanced wastewater treatment to protect the Nomoto River, a rich ecosystem and major water discharge point. In the development of production technology, a wide variety of substances are discharged into water, which must then be treated. For this purpose, we use several absorption towers, a membrane separation–activated sludge process that removes nitrogen, and a hybrid system combining both methods. In FY2008 our treatment facility expanded its recycling capacity to 47,688 m^3 and reduced wastewater by 51%. This was accomplished via a redesign that added capacity to reclaim discharge, including coolants and sewage.

Wastewater reclamation



Honda Group companies in Japan

Honda Access initiatives

Honda Access, which is responsible for the research, development and sale of genuine Honda parts, always strives to be environmentally responsible, whether it's providing parts and accessories or operating its own facilities—the Niiza Headquarters, the Tochigi R&D Center and Hidaka Factory.

Note: Results for the Tochigi R&D Center are included in the section of this report that deals with Honda R&D's Automobile R&D Center (Tochigi); results reported here cover only the Niiza Headquarters facility and Hidaka Factory.

Annual targets and results

FY2008 targets

- CO_2 emissions: reduce to 1,528 tons (8% reduction from FY2001)
- Packaging: 1.60 kg/unit (64% reduction from FY2001)

FY2008 results

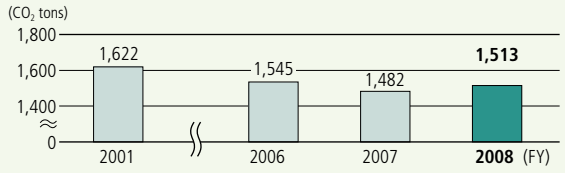
- CO_2 emissions: reduced to 1,513 tons (9% reduction from FY2001)
- Packaging: 1.59 kg/unit (65% reduction from FY2001)

Reducing environmental impact

Saving energy

In FY2008 CO_2 emissions from Niiza Headquarters and Hidaka Factory totaled 1,513 tons (a reduction of 9% from FY2001), bettering the target of 1,528 tons (a reduction of 8% from FY2001). This can be attributed mainly to energy savings achieved through temperature control adjustments in conjunction with the implementation of Japan's "Cool Biz/Warm Biz" initiatives (guidelines for business attire that allow for less energy use from heating and cooling) and the updating of heating/cooling equipment.

CO_2 emissions



Note: In connection with a change in calculation formulae, figures have been adjusted.

Reducing packaging

Honda Access is using less packaging material by designing simpler packaging, adjusting packaging specifications and converting to standardized containers. In FY2008 Honda Access reduced its use of packaging material to 1.59 kg per unit, a reduction of 65% from FY2001 levels.

Per-unit packaging

Principal packaging reduction measures

- Downsizing boxes for floor mats
- Reduction of individual packaging and boxes
  - External box + individual box → external box + bag
  - Improvement of individual door visor packaging
- Packaging redesign for spoilers (Elysion, Odyssey, Life, etc.)

Case Study

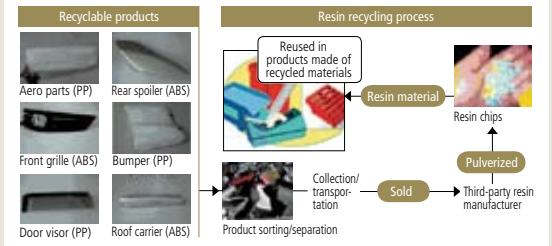
Electronic notification for dealers in Japan & Europe

Honda has transitioned from communication using paper to quick, precise, electronic distribution of indispensable, up-to-date information on automobile service and maintenance. As a result, the company has reduced printed manuals by 65% (47.3m pages) from FY2006.

Recycling plastic waste

Honda Access's Hidaka Factory is reducing resin waste by recycling it into raw materials. Polycarbonate and polypropylene resin waste is collected, sorted and sent off-site, where it is converted to reusable resin pellets.

Turning plastic into raw materials



Honda Group companies in Japan

Environmental impact of Group companies (Japan)

Sharing basic principles that inform their policies and actions, member companies of the Honda Group in Japan are working proactively to minimize the environmental impact of their operations and products, independently setting ambitious targets for each aspect of environmental performance and working to attain them. The following is a summary of the results of their initiatives.

Note on our calculations

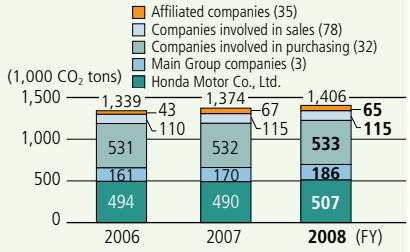
This summary covers 149 companies, as outlined below. (For details, see p94.)

- Honda Motor Co., Ltd.
- Main Group companies: Honda R&D, Honda Engineering, Honda Access
- Companies involved in purchasing: 32
- Companies involved in sales: 78
- Affiliated companies: 35

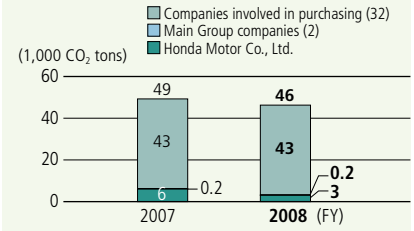
Note on data compilation

With respect to companies included in calculations beginning this year, historical data is provided to the extent possible.

CO_2 emissions (energy use)

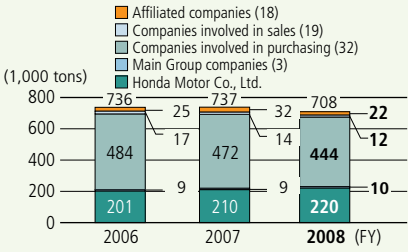


Greenhouse gas volume
(excluding CO_2 associated with energy use[1])

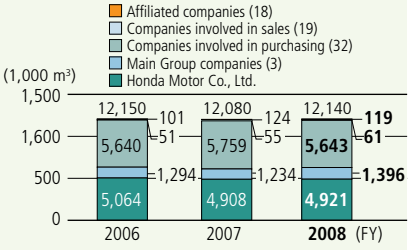


1 CO_2 associated with energy use, methane, N_2O, HFC, PFC, SF_6

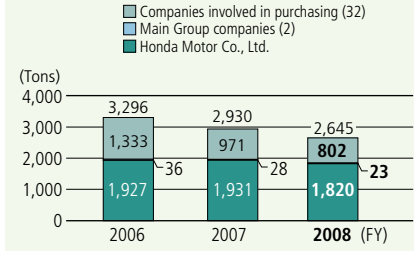
Waste



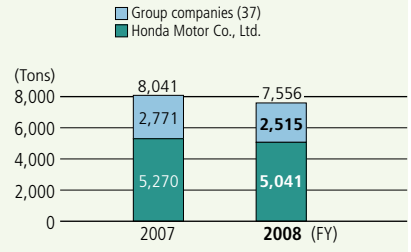
Water use



PRTR emissions



VOC emissions



Case Study

The Honda Green Conference

The Honda Green Conference, convened every three years since FY2000, is a major environmental event that helps further reduce the environmental impact of the entire Honda Group. At the conference, examples are presented of environmental conservation activities implemented at Honda facilities. From FY2006 onward, annual meetings were held to facilitate reporting on predefined themes in each domain. The Honda Green Conference also reconvened in FY2008, with approximately 100 Honda companies participating. From among the Japan business domains, 11 themes received Excellence Awards and were presented as case studies to the entire group, while 21 other themes received honorable mentions. Divisions also shared the results of their efforts over the preceding three years, as well as the direction of their future efforts. Plans are being made to have factories based outside of Japan participate in the next Honda Green Conference, slated for FY2011. For details, please visit:

URL http://world.honda.com/environment/ecology/2008report/

Honda Green Conference 2007 Excellence Award winners

- Kibounosato Honda Co., Ltd.
- Tsuzuki Manufacturing Co., Ltd.
- Honda Cars Kyoto Co., Ltd.
- Honda Access Corporation Overseas Customers Service Dept.
- Honda R&D Co., Ltd.
- Automobile R&D Center (Takasu Proving Ground)
- Suzuka Factory
- Facility Management Bloc
- Keihin Corporation
- Nippon Konpo Unyu Soko Co., Ltd.
- Yutaka Giken Co., Ltd.
- Honda Engineering Co., Ltd. Vehicle Body Metal Parts Manufacturing Department
- Customer Service Operations
- Suzuka Logistics Center

FY2008 Environmental Initiatives

Community

Fulfilling our commitment to the future

Environmental conservation, a primary focus of Honda's community initiatives, is designed to enhance the coexistence of our operations with the communities that host them. Deepening ties with individuals and communities worldwide, we strive to anticipate social imperatives and foster well-being through all our activities. We are working proactively to fulfill our responsibilities as a corporate citizen, taking the lead in environmental conservation and working to provide future generations with a cleaner world.

Honda takes a global perspective on environmental conservation and the initiatives undertaken by its facilities to help ensure harmonious coexistence with host communities. Through our websites, pamphlets, other publications and events, we are proactively sharing information about our community initiatives.

URL http://world.honda.com/community/

Philanthropic environmental initiatives

Watershed conservation in Japan

Honda is helping conserve precious watersheds for future generations. Current and retired Honda associates are hard at work on local forest conservation projects, planting trees[1] and performing arboreal services near our facilities in Japan.

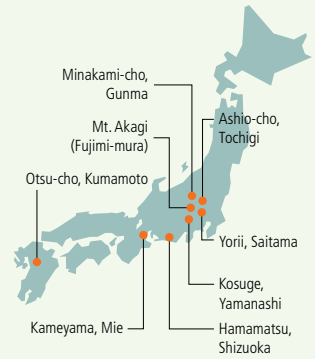
Volunteer forest conservation initiatives in FY2008

Facility	Events	Location	Work	Partici-pants	Institutions
Honda HQ	2	Kosuge, Yamanashi	Tree planting	55	OISCA International
Wako	2	Yorii, Saitama	Tree planting Cutting underbrush	58	OISCA International
Saitama	3	Minakami-cho Fujimi-mura	Cutting underbrush Removing trees[1] Tree-planting	160	NPO CCC
Suzuka	2	Kameyama, Mie	Thinning forest[2]	98	NPO Mori no Kaze (Mountain Wind)
Hamamatsu	1	Hamamatsu, Shizuoka	Tree planting	25	NPO Forest of the Plenteers
Kumamoto	3	Otsu-cho, Kumamoto	Tree planting Cutting underbrush	169	Kikuchi Forestry Association
Tochigi	2	Ashio-cho, Tochigi	Tree planting Cutting underbrush	91	NPO CCC
Total	15			656	

1 Removing trees to promote sapling growth
2 Thinning out forest to promote growth

Tree planting

Project locations



The Joyful Forest Project

To confront rapid desertification in the Inner Mongolia Autonomous Region of the People's Republic of China, Honda is supporting the Desert Planting Volunteer Association in its Joyful Forest Project initiative, which was developed to cultivate forests in the desert. Since joining the project in 2000, Honda has helped with operational planning, financial support and, through its volunteers, the actual planting. In May and September of FY2008, 106 current and retired associates participated in volunteer tours. Having successfully channeled the energies of over 435 current and retired associates, volunteer tours have now concluded. The Joyful Forest Project's objective—afforestation—is now well underway and rooted in the local community. In 2007 the Chinese government achieved its aim of assigning parcels to local residents, who will now independently safeguard the project. Honda is committed to providing further financial support.

The Joyful Forest Project

The Honda Beach Clean-up Project

As one of our community initiatives, Honda developed the Beach Cleaner, which is used to clean up the seashore. A group of current and retired associates assembled a volunteer caravan to work with municipal authorities to put this innovative device to work. The towable Beach Cleaner has a simple structure based on the functions of a rake and a sieve. As it churns up the sand, buried litter is collected for proper disposal. In FY2008 the Beach Cleaner Caravan visited 19 sites in Japan, and with the help of more than 1,060 current and retired associates some 5,800 bags of litter[1] were collected. The Beach Cleaner equipment is now being loaned to local municipalities upon request. After confirming that appropriate conditions and safety precautions are in place, Honda has loaned the Beach Cleaner to nine municipalities, which have put it to work cleaning up the seashore.

1 Including tires and driftwood.

Collecting litter at the beach

Supporting NGOs and foundations

In FY2008 the Honda Philanthropy Office offered financial support or contributions in a total of 11 cases.

Environmental communications

As an integral part of environmental management, we are engaged in a wide range of communication initiatives to enhance mutual understanding between the company and its stakeholders—particularly our customers and host communities. Moreover, we provide a range of environmental information to the public through various media, including Honda websites. Environmental liaison sections are established in the context of our environmental management systems to coordinate communication at the local level, addressing remarks and requests from local residents.

Environmental education

The Honda Fuel Cell Automobile Classroom

Children hold the future in their hands. That's why Honda began the Honda Fuel Cell Automobile Classroom—to build interest in the enjoyment of automobiles and inspire dreams about the potential of tomorrow's technology. During FY2008 Honda held 10 sessions at Welcome Plaza Aoyama and one exhibition each in Nagoya and Fukuoka. Approximately 80 families participated. Our Fuel Cell Automobile Classroom allowed children to experience for themselves the marvelous technology behind fuel cell vehicles. This was accomplished with the help of presentations that used picture-story animation, experiments in which a motor is powered with electricity produced from a hydrogen-oxygen reaction, and test rides in a Honda FCX fuel cell vehicle.

Nature Wagon

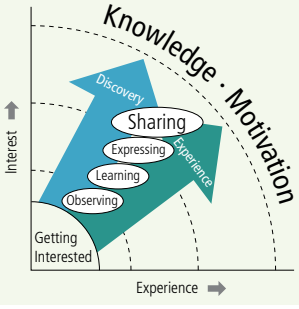
Organized with the help of retired Honda associates, the Nature Wagon is an environmental education program on wheels—a van filled with natural objects from the ocean and forest. The Nature Wagon travels to elementary schools and community centers, bringing nature to the city. Started in the Tokyo area in April 2000, the Nature Wagon is now active in all Honda factory host communities in Japan. In FY2008 the Nature Wagon visited 246 sites near Honda facilities (in Tokyo, Saitama, Suzuka, Hamamatsu, Kumamoto and Tochigi), bringing nature to about 14,000 children in city settings. Crafts using logs and other natural materials are introduced, and children are encouraged to explore and discover nature for themselves. Many teachers and students enjoy the experience so much they have invited the Nature Wagon to return. The Nature Wagon program will continue to evolve, visiting mainly elementary schools in communities that host Honda facilities.

Nature Wagon events and participants (FY2008)

Area	No. of events	Participants (approx.)
Tokyo area	49	3,767
Suzuka	73	3,310
Hamamatsu	59	4,333
Kumamoto	28	984
Tochigi	37	1,789
Total	246	14,183

Hello Woods

Honda manages a forest called Hello Woods in Motegi Town, Tochigi Prefecture, as a living museum where children can discover and experience nature. Activities here focus on providing children with the opportunity to play and learn in the forest. We have transformed the forest into a real-world classroom, providing children the freedom to play, to discover the wonders and wisdom of nature, and to learn what they can do to help sustain the planet. Hello Woods is a forest of broadleaf deciduous trees in the Hakkouzan mountains, home to a diverse community of plants and wildlife. Playing in the forest, children become interested in nature, discovering fascinating things about our natural environment. It's an experience with lasting educational benefits. Staff, called cast members or forest storytellers, are always available to help the children learn as they play in the forest.



With the forest as their classroom, children become interested in nature. Experience and discovery lead to learning, knowledge and the desire to learn more.

Trend in visitors (approximate)

FY2005	FY2006	FY2007	FY2008
65,000	77,000	86,000	100,000

The Fan Fun Lab

At the Fan Fun Lab in Twin Ring Motegi, Honda presents its environmental initiatives through interactive exhibits, panels and films. The Fan Fun Lab aims to provide a space where children—tomorrow's leaders—can learn about the environment and deepen their understanding about what they, as individuals, can do to conserve it. School groups attend fun, educational workshops such as the New Energy Classroom, where they can learn about the Honda FCX fuel cell vehicle. The design of the Honda FCX and its importance in relation to global warming and next-generation energy sources are explained in easy-to-understand terms. Some 942 people attended the New Energy Classroom in FY2008.

Cooperating with communities

All Honda facilities organize environmental exhibitions and clean-up activities, taking part in local environmental events as part of our corporate commitment to being responsible members of the community. In FY2008 we continued to engage in cooperative activities that achieved greater harmony with communities and strengthened the environmental awareness and responsibility of our associates. Our associates participated in 79 local environmental events that were attended by some 130,000 people.

Communicating about the environment

Honda promotes communication about environmental issues related to its factories through risk-reduction communication, factory tours and roundtable discussions. Such steps deepen bonds of mutual understanding and trust between local residents and our factories regarding our environmental measures, including the proactive steps we've taken to reduce environmental risks. In FY2008 each factory organized tours and roundtable discussions, with some 150 people participating in these community events. We are committed to open communication with local residents.

An environmental roundtable

On exhibit: low-emissions vehicles

In FY2008 Honda exhibited low-emissions vehicles and participated in presentations at environmental events held primarily by Japan's national and local governments. In FY2008 we were involved in 22 such events.

Eco Car World 2007

Environmental publications: communications collateral

In FY2008 Honda disclosed environmental information related to its operations primarily by the following means:

Brochures

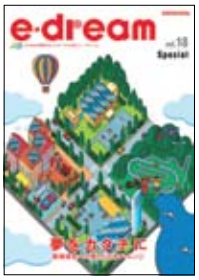
●The Honda Environmental Annual Report

This report describes Honda's environmental initiatives, including its fundamental policies, the overall direction of its initiatives and their implementation in each of Honda's operations. The report also outlines the progress Honda has made as an industry leader on environmental issues, and outlines plans and specific targets for ongoing environmental initiatives.

URL http://world.honda.com/environment/ecology/2008report/

●e-dream

This informative magazine, which contains information on automobiles, motorcycles and power products, is published to facilitate better communication between dealerships and customers. It also provides information on Honda's environmental vision and major initiatives.



●Eco Drive pamphlets

These pamphlets on energy-efficient driving are distributed at dealerships and events to raise consciousness about fuel-efficient driving.

●Honda Eco Lab

Published in Japanese in 2007, this pamphlet is designed to introduce junior high school students to Honda's environmental initiatives, and is distributed at Honda facilities and events.

The Internet

●The Honda Worldwide Website environment section

The Honda website discloses a full range of environmental information, including product data, environmental news and Honda's history of environmental conservation. It also includes HTML and PDF versions of our Environmental Annual Reports.

URL http://world.honda.com/environment/

●Honda Eco Lab Kids

Honda Eco Lab Kids introduces elementary school students to global environmental issues and Honda's environmental initiatives. It also provides examples of how kids can lead environmentally responsible lives at home.

Communicating about the environment through events and the media

Honda publicizes environmental information on its operations primarily through the following means:

Events

●Participation in environmental events (events organized by corporations and governments)

●Hosting environmental exhibitions

●Release events for new vehicles and technologies

Advertising

●Corporate advertising

●Product advertising/product catalogues

URL http://world.honda.com/message/

Environmental awards

Award	Sponsor	Recipient	Date
Received Outstanding Technical Paper Award at the 57th Society of Automotive Engineers of Japan Awards for "A Study of a Gasoline HCCI Engine Equipped with an Electromagnetic VVT Mechanism—Increasing the Higher Load Operational Range with the Inter-Cylinder EGR Boost System."	Society of Automotive Engineers of Japan	Honda R&D Co., Ltd.	May 2007
Received Technological Development Award at the 57th Society of Automotive Engineers of Japan Awards for the development of the new low-fuel-consumption 1.8L i-VTEC gasoline engine with delayed intake valve closing.	Society of Automotive Engineers of Japan	Honda R&D Co., Ltd.	May 2007
Received Outstanding Paper Award and Outstanding Presentation Award at SETC 2007 (13th Small Engine Technology Conference) for "Research on Extended Expansion General-Purpose Engine."	SAE International Society of Automotive Engineers of Japan	Honda R&D Co., Ltd.	October 2007
Received Outstanding Lecture Award at SETC 2007 (13th Small Engine Technology Conference) for "Reduction of fuel consumption of single-cylinder general-purpose engines."	SAE International Society of Automotive Engineers of Japan	Honda R&D Co., Ltd.	October 2007
Received Outstanding Paper Award at SETC 2007 (13th Small Engine Technology Conference) for "Study of Eco-Friendly Four-Cycle Motorcycle Engine Oils."	SAE International Society of Automotive Engineers of Japan	Honda R&D Co., Ltd.	October 2007
Received Excellence Award at the Toyo Keizai Environmental Report Awards for the Honda Environmental Annual Report 2007.	Toyo Keizai Shimposha	Honda Motor Co., Ltd.	May 2008

Case Study

The prize-winning Honda Environmental Annual Report 2007

The Honda Environmental Annual Report 2007 was the recipient of the Excellence Award at the 11th Annual Environmental Report Awards sponsored by the Japanese news organization Toyo Keizai Shimposha. This is Honda's second consecutive year to receive an award at the Environmental Report Awards, which were established in 1998 by Toyo Keizai Shimposha and the Green Reporting Forum to promote environmental reporting. The judges' decision was based on the clarity of information disclosure covering seven operational domains (product development, purchasing, production, transportation, sales, product recycling and administration). Judges also took into account Honda's proactive stance toward environmental conservation—including the publication of CO_2 reduction targets both for our products and production processes—as well as awareness of global environmental issues.

FY2008 Environmental Performance Data

Supplementary information

Supplementary information

Product environmental performance information (Japan)

Automobiles Environmental performance of new or remodeled automobiles sold in Japan in FY2008

Model			Fit							Inspire
Type covered			RS			L		G		35TL/35iL
Release date			2007.10.26							2007.12.21
Type details			DBA-GE8		DBA-GE9	DBA-GE6	DBA-GE7	DBA-GE6	DBA-GE7	DBA-CP3
Engine (motor) type			L15A			L13A				J35A
Engine displacement (cm³)			1496			1339				3471
Drive train	Type of drive train[1]		FF		4WD	FF	4WD	FF	4WD	FF
	Transmission		5-speed manual	Continuously variable transmission (with 7 speed mode) + paddle shifter	Electronically controlled 5-speed automatic + paddle shifter	Continuously variable transmission	Electronically controlled 5-speed automatic	Electronically controlled 5-speed automatic	Electronically controlled 5-speed automatic	Electronically controlled 5-speed automatic (with lock-up mechanism)
Vehicle weight (kg)			1,050-1,080	1,080-1,100	1,160, 1,170	1,030-1,080	1,140-1,170	1,010-1,070	1,140-1,160	1,600-1,620
Emissions	Compliance with 2005 Emissions Standards[2]		○							○
	MLIT Low-Emissions Vehicle certification level[3]		★★★★							★★★★
10-15+11 mode	Values reported to MLIT (g/km)	CO	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
		NMHC	0.013	0.013	0.013	0.013	0.013	0.013	0.013	0.013
		NOx	0.013	0.013	0.013	0.013	0.013	0.013	0.013	0.013
Fuel economy	10-15 mode (km/L)		17.2	19.6	18.8	16.2	21.5	17.0	24.0 / 21.5	17.0	9.8
	CO_2 emissions (g/km)		135.0	118.5	123.5	143.3	108.0	136.6	96.7 / 108.0	136.6	236.9
	Compliance with FY2011 Fuel Economy Standards		–	–	–	○	–	–	–	–	–
	Attains FY2011 Fuel Economy Standards + 5%		○	–	–	–	–	○	–	○	–
	Attains FY2011 Fuel Economy Standards + 10%		–	–	–	–	–	–	–	–	–
	Attains FY2011 Fuel Economy Standards + 15%		–	–	○	–	–	–	–	–	–
	Attains FY2011 Fuel Economy Standards + 20%		–	○	–	–	–	–	–	–	–
	Attains FY2011 Fuel Economy Standards + 25%		–	–	–	○	–	○	–	–	–
	Equipped with a fuel economy meter[4]		Standard equipment	Standard equipment	Standard equipment	Standard equipment	Standard equipment	Standard equipment	Standard equipment	Standard equipment
Compliance with Green Purchasing Law	8 prefectures/cities, including Tokyo		○	○	○	○	○	○	○	○
	7 prefectures/cities in the Kyoto-Osaka-Kobe area		○	○	○	○	○	○	○	○
Compliance with Green Purchasing Law			○	○	○	○	○	○	○	–
Eligibility for Green Tax rebate			–	○	–	○	–	○	–	–
Noise level (MLIT measurement)	Noise near exhaust outlet (dbA) / Engine rpm		86/4,800	79/4,000	87/4,950	80/4,000	85/4,500	80/4,000	85/4,500	81/4,650
	Acceleration noise (dbA)		72	72	73	71	72	71	72	73
	Constant speed passing noise (dbA), 50 km/h		69 (50)	69 (50)	69 (5)	68 (50)	69 (50)	68 (50)	69 (50)	69 (50)
Air conditioner	Refrigerant HFC 134a consumption (g)		420							450
Reduction in SOCs	Lead[5] (meets JAMA target of 10% of 1996 levels)		○							○
	Mercury[6] (meets JAMA target for elimination after January 2005)		○							○
	Hexavalent chromium (meets JAMA target for elimination after January 2008)		○							○
	Cadmium (meets JAMA target for elimination after January 2007)		○							○
Recycling	Recyclability[7]		Over 90% of entire vehicle							Over 90% of entire vehicle

1 FF=Front engine, front-wheel drive; 4WD=4-wheel drive

2 Complies with long-term CO_2 emission standards for passenger and light-duty vehicles

3 ★★★: Low-emissions vehicle with emissions 50% lower than 2005 standards
★★★★: Low-emissions vehicle with emissions 75% lower than 2005 standards

4 Eco Drive support devices, including real-time fuel economy meters, average fuel economy meters and eco lamps

5 Lead batteries are excluded from the reduction target, as a separate recovery and recycling channel has been established

6 Mercury used in minute quantities required to ensure traffic safety (in parts such as LCDs for navigation systems, combination meters, high-intensity-discharge headlights and interior fluorescent lights) is excluded from the reduction target

7 Based on JAMA guidelines for defining and calculating new-vehicle recyclability

Note 1: Fuel economy values obtained under predefined testing conditions. Fuel economy may vary under actual driving conditions (depending on weather, road surface, manner of driving, vehicle maintenance, etc).

Automobile exhaust emissions standards in Japan (g/km)

Item	Passenger and light-duty vehicles
	2005 Emissions Standards
CO (carbon monoxide)	1.15
NMHC (non-methane hydrocarbon)	0.05
NOx (nitrogen oxide)	0.05

Japan's Ministry of Land, Infrastructure and Transport Low-Emissions Vehicle certification standards (g/km)

Item	Passenger and light-duty vehicles	
	Emissions 50% lower than 2005 standards (★★★)	Emissions 75% lower than 2005 standards (★★★★)
CO (carbon monoxide)	1.15	1.15
NMHC (non-methane hydrocarbon)	0.025	0.013
NOx (nitrogen oxide)	0.025	0.013

FY2011 fuel economy standards (gasoline-powered passenger vehicles) in Japan

Vehicle weight / taxable weight (kg)	< 702	703–827	828–1,015	1,016–1,265	1,266–1,515	1,516–1,765	1,766–2,015	2,016–2,265	2,266+
FY2011 Fuel Economy Standards	21.2	18.8	17.9	16.0	13.0	10.5	8.9	7.8	6.4
FY2011 Fuel Economy Standard +5%	22.3	19.7	18.8	16.8	13.7	11.0	9.3	8.2	6.7
FY2011 Fuel Economy Standard +10%	23.3	20.7	19.7	17.6	14.3	11.6	9.8	8.6	7.0
FY2011 Fuel Economy Standard +15%	24.4	21.6	20.6	18.4	15.0	12.1	10.2	9.0	7.4
FY2011 Fuel Economy Standard +20%	25.4	22.6	21.5	19.2	15.6	12.6	10.7	9.4	7.7
FY2011 Fuel Economy Standard +25%	26.5	23.5	22.4	20.0	16.3	13.1	11.1	9.8	8.0

Note1: Fuel economy for vehicles tested in 10-15 mode (km/L)

Note2: For FY2011 fuel economy standards for gasoline-powered trucks, please refer to the following URL:

URL http://world.honda.com/environment/ecology/2008report/data/regulation/

Vehicle noise regulation in Japan

Item	Passenger vehicles	Mini truck / light truck
Noise near exhaust outlet standard value dbA	96	97
Acceleration noise standard value dbA	76	76
Constant speed passing noise standard value dbA	72	74

Supplementary information

Product environmental performance information

Information is provided only for major, high-volume selling models that were either newly released or fully remodeled in FY2008.

URL http://world.honda.com/environment/ecology/2008report/data/

Motorcycles

Environmental performance of new or remodeled motorcycles sold in Japan in FY2008 (major models)

Model name		Today	Dio	Zoomer	CB400 SUPER FOUR
Release date		2007.08.31	2007.10.30	2007.10.5	2007.12.25
Type		JBH-AF67	JBH-AF68	JBH-AF58	EBL-NC42
Engine type		AF67E Air-cooled 4-stroke single-cylinder OHC	AF67E Air-cooled 4-stroke single-cylinder OHC	AF69E Liquid-cooled 4-stroke single-cylinder	NC42E Liquid-cooled 4-stroke, 4-valve,4-cylinder DOHC
Engine displacement (cm^3)		49	49	49	399
Transmission		Continuously variable transmission	Continuously variable transmission	Continuously variable transmission	Constant mesh 6-speed return
Vehicle weight (kg)		79	81	87	304
Exhaust emissions (MLIT measurement)	CO (g/km)	2.0	2.0	2.0	2.0
	HC (g/km)	0.50	0.50	0.50	0.50
	No (g/km)	0.15	0.15	0.15	0.15
Fuel economy	60 km level course test measurement	—	—	—	31.0
	30 km level course test measurement	73.0 (MLIT measurement)	73.0	75.0	—
Noise (MLIT measurement)	Noise near exhaust outlet standard value dbA	84/81 (4125rpm)	84/81 (4125rpm)	84/82 (4250rpm)	94/86 (5250rpm)
	Acceleration noise standard value dbA	71/70	71/70	71/70	73/72
	Constant speed passing noise standard value dbA	65/64 (19km/h)	65/64 (19km/h)	65/64 (21km/h)	72/68 (50km/h)

Note: Principal measurements based on Japan's Road Vehicles Law documentation

Motorcycle exhaust emissions standards in Japan (g/km)

Item	Type 1 Scooters (less than 50cc)	Type 2 Scooters (50cc to 125cc)	Light motorcycles (under 250cc)	Small motorcycles (over 250cc)
CO (carbon monoxide)	2.0	2.0	2.0	2.0
NMHC (non-methane hydrocarbon)	0.50	0.50.	0.30	0.30
NOx (nitrogen oxide)	0.15	0.15	0.15	0.15

Motorcycle noise regulation in Japan (since October 1, 2001)

Item	Type 1 Scooters (less than 50cc)	Type 2 Scooters (50cc to 125cc)	Light motorcycles (under 250cc)	Small motorcycles (over 250cc)
Constant speed passing noise standard value dbA	65	68	71	72
Noise near exhaust outlet standard value dbA	84	90	94	94
Acceleration noise standard value dbA	71	71	73	73

Power products

Environmental performance of newly released or remodeled power products sold in Japan in FY2008 (major models)

Category			Machinery				Single-wheeled devices		Lawnmowers		Tillers		Marine outboards	
Release date			2007.7.12				2008.2.26		2008.2.4		2008.2.19		2008.3.6	
Model name			F530		F730		FR316	FR716	HRG415C3	HRG465C3	FU655L	FU755L	BF50D	BF40D
Type			FATJ		FAVJ		FBAJ	FBBJ	SDJE	SDJE	FAWJ	FAYJ	BBEJ	BBDJ
			L	LB JA	L	LB								
Engine type			GX160		GX200		GX120K1	GX200	GCV135E		GX160K1	GX200	BEBEJ	BEBDJ
			Air-cooled 4-stroke single-cylinder OHV				Air-cooled 4-stroke single-cylinder OHV		Air-cooled 4-stroke single-cylinder OHV		Air-cooled 4-stroke single-cylinder OHV		4-stroke 3-cylinder Upright gasoline engine (SOHC)	
Engine displacement			163		196		118	196	135	135	163	196	808	
Weight (kg)			62	67 60	92	95	52	51	32	33	93	100	100	100
Continuous operation (hr)			—		—		—	—	1.5	1.5	—	—	—	—
Fuel economy	Fuel consumption rate (g/kWh)		—		—		—	—	—	—	—	—	340	360
Emissions	Engine unit	Compliance with EPA Phase II emissions standards for power products[1]	○		○		○	○	○	○	○	○	—	—
		Compliance with CARB Tier 3 emissions standards for power products[1]	○		○		○	○	○	○	○	○	—	—
		Compliance with Japan Land Engine Manufacturers Association voluntary standards	○		○		○	○	○	○	○	○	—	—
Noise	EU guaranteed sound power level L_{WA} dBA		—		—		—	—	—	—	—	—	Passing noise 70 dB	Passing noise 70 dB
	Noise at the ear L_{PA} dBA		85		85		82	86	83.5	81.5	84.5	84.9	Long tiller handle 86 db	Long tiller handle 78 db

1 Similar models have obtained emissions certification in the United States, but products marketed in Japan are not guaranteed to meet those standards.

Power products emissions standards

Item		Non-handheld 100-225cc
Applicable models		F530 (GX160), F730(GX200), FR316(GX120), FR716(GX120), FR716(GX200), HRG415C3(GCV135), HRG465C3(GCV135), FU655L(GX160), FU755L(GX200)
EPA Phase II regulations (g/kWh)	CO (including aging deterioration)	610
	HC+NOx (including aging deterioration)	16.1

Item		80–225cc (horizontal type)	80-225cc (vertical)
Applicable models		F530(GX160), F730(GX200), FR316(GX120), FR716(GX200), FU655L(GX160),FU755L(GX200)	HRG415C3(GCV135) HRG465C3(GCV135)
CARB Tier 3 regulations (g/kWh)	CO (including aging deterioration)	549	549
	HC+NOx (including aging deterioration)	10	10

Item			Engines for non-portable equipment
Applicable models			F530(GX160), F730(GX200), FR316(GX120), FR716(GX200), HRG415C3(GCV135), HRG465C3(GCV135), FU655L(GX160),FUR755L(GX200)
Voluntary Standards of the Japan Land Engine Manufacturers Association (g/kWh)	2003 primary standards (new-engine regulations)	CO	519
		HC+NOx	16.1
	2008 secondary standards (in-use engine regulations)[1]	CO (including aging deterioration)	610[2]
		HC+NOx (including aging deterioration)	16.1[2]

1 Standards must be complied with throughout a defined operating period 2 To take effect in 2008

Supplementary information

Japan facilities information

Air Quality, Water Quality and PRTR

Water Quality
- Items listed are those substances for which measurement is required by the Water Pollution Control Law and local government by-laws.
- Values listed are calculated based on monthly measurements. Substances not listed here are also measured on an ongoing basis to ensure that values are in compliance with regulatory standards.

Air Quality
- Items listed are those for which measurement is required by the Air Pollution Control Law and local government by-laws.
- Equipment measured includes boilers, drying ovens, incinerators, etc.

Supplementary explanation of terms: tables are compiled based on measurements taken between April 2007 and March 2008.

Honda Motor Co., Ltd.

Saitama Factory

- Address: 1-10-1 Shin-Sayama, Sayama City, Saitama Prefecture, Japan
- Established: 1964
- Major products: Legend, Odyssey, Accord, etc.
- Number of associates: 5,334 (as of March 31, 2008)
- Water discharge points: sewage system (domestic and industrial wastewater); Iruma River (indirect cooling water)
- ISO14001 acquired: January 1998

Water Quality

- Domestic and industrial wastewater (sewage system)

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5–9	5–9	7.0 (6.6)	7.0
Biochemical oxygen demand (BOD)	mg/L	600	360	320 (120)	208
Suspended solids (SS)	mg/L	600	360	44 (13)	23.9
Oil content	mg/L	30	18	10 (2.0)	6
Phenols	mg/L	5	3	< 0.1	< 0.1
Copper and its compounds	mg/L	3	2	< 0.1	< 0.1
Zinc and its compounds	mg/L	2	2	1.0 (0.2)	0.3
Soluble iron and its compounds	mg/L	10	6	< 0.5	< 0.5
Soluble manganese and its compounds	mg/L	10	6	2.3 (<0.5)	1.7
Total chromium	mg/L	2	1.2	< 0.05	< 0.05
Fluorine content	mg/L	8	5	3.2 (2.1)	2.7
Colon bacillus colony count	Parts/cm^3	Excluded because release is to sewage system			
Nitrogen	mg/L	240	150	25 (19)	21.3
Phosphorous	mg/L	32	20	19 (1.0)	10.3
Cadmium and its compounds	mg/L	0.1	0.06	< 0.01	< 0.01
Cyanides	mg/L	1	0.6	< 0.1	< 0.1
Lead and its compounds	mg/L	0.1	0.06	0.009 (< 0.1)	0.002
Hexavalent chromium compounds	mg/L	0.5	0.3	< 0.05	< 0.05

- Indirect cooling water (released into rivers)

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8-8.6	5.8-8.6	7.7 (6.8)	7.2
Biochemical oxygen demand (BOD)	mg/	25	15	1.2 (< 0.5)	0.9
Chemical oxygen demand	mg/	30	18	3.6 (1.0)	2.2
Suspended solids (SS)	mg/	60	36	17 (5)	< 5
Lead and its compounds	mg/	5	3	< 2.0	< 2.0
	mg/	0.1	0.06	0.03(< 0.001)	0.002

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.05	0.025	< 0.002	< 0.002
		0.10	0.05	< 0.003	< 0.003
		0.20	0.10	0.003 (< 0.002)	< 0.002
		0.25	0.125	0.006 (0.004)	0.005
Nitrogen oxides	ppm	70	10	8.3 (4)	5.65
		150	75	57 (21)	40.5
		180	90	73 (51)	64.3
		230	115	110 (29)	51.6
		250	125	100 (100)	100
Hydrogen chloride	mg/Nm^3	500	200	140 (< 3.5)	70.9
Sulphur oxides	Nm^3/h	7.01	4.58	0.594 (0.76)	0.68
Dioxins	ng-TEQ/Nm^3	2.5	0.1	0.015	0.015

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Soluble zinc compounds	30,555	0	0	306	4,889	0	0	25,360
Bisphenol A epoxy resins	34,312	0	0	0	2,717	0	244	31,351
Ethyl benzene	395,235	179,077	0	0	0	136,960	25,857	53,341
Ethylene glycol	1,926,540	0	0	0	0	0	0	1,926,540
Xylene	943,163	297,423	0	0	0	327,823	71,224	246,693
1,3,5-trimethyl benzene	45,666	31,731	0	0	0	0	4,496	9,439
Toluene	1,166,675	509,899	0	0	0	19,828	138,583	498,365
Nickel compounds	5,729	0	0	1,318	974	0	0	3,437
Benzene	27,615	6	0	0	0	0	2,315	25,294
Polyoxyethylene alkyl ether (An alkyl radical combined with 12-15 carbon molecules and amalgams)	1,700	0	0	170	1,224	0	306	0
Formaldehyde	1,963	1,963	0	0	0	0	0	0
Manganese and its compounds	14,471	0	0	724	5,788	0	0	7,959
Total	4,593,624	1,020,099	0	2,518	15,592	484,611	243,025	2,827,779
Dioxins (unit: mg-TEQ)	–	0.02	0	0	100.85	0	0	0

Note: Water and air quality items listed are those for which measurement is required by law.

Japan facilities information

Tochigi Factory

- Address: 19 Matsuyama Cho, Mohka City, Tochigi Prefecture
- Established: 1970
- Major Products: Engine parts, suspension parts, etc.
- Employment: 1,331 associates (as of March 2008)
- Water discharge point: Kokai River via Gogyo River
- ISO 14001 acquired: September 1997

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	8.2 (7.2)	7.6
Biochemical oxygen demand (BOD)	mg/L	25	12.5	6.5 (< 0.5)	2.63
Suspended solids (SS)	mg/L	50	25	7.8 (< 0.5)	1.65
Oil content	mg/L	5	2.5	1.6 (< 0.1)	< 0.64
Phenols	mg/L	1	0.5	< 0.1 (< 0.05)	< 0.0075
Copper and its compounds	mg/L	3	1.5	0.1 (< 0.05)	< 0.0075
Zinc and its compounds	mg/L	2	1	0.77 (< 0.06)	0.17
Soluble iron and its compounds	mg/L	3	1.5	0.6 (<0.06)	0.21
Soluble manganese and its compounds	mg/L	3	1.5	0.2 (< 0.02)	0.088
Total chromium	mg/L	2	1	< 0.1 (< 0.02)	0.06
Fluorine content	mg/L	8	4	< 0.2 (< 0.2)	0.2
Colon bacillus colony count	Parts/cm^3	3000	1500	0 (0)	0
Nitrogen	mg/L	120	60	13 (9.6)	11.5
Phosphorous	mg/L	16	8	0.17 (< 0.05)	< 0.11
Cadmium and its compounds	mg/L	0.1	0.05	< 0.01 (< 0.005)	< 0.0075
Cyanides	mg/L	1	0.5	< 0.1 (< 0.05)	< 0.09
Lead and its compounds	mg/L	0.2	0.1	< 0.01 (< 0.01)	< 0.01
Hexavalent chromium compounds	mg/L	0.1	0.05	< 0.05 (< 0.02)	< 0.035

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.1	0.05	< 0.006 (< 0.001)	< 0.0024
Nitrogen oxides	ppm	180	90	63 (17)	36.1
Sulphur oxides	K value	8	4	< 0.1 (< 0.005)	< 0.041

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Soluble zinc compounds	8,629	0	17	0	8,612	0	0	0
Molybdenum and its compounds	1,718	0	0	0	1,718	0	0	0
Total	10,347	0	17	0	10,330	0	0	0

Hamamatsu Factory

- Address: 1-13-1 Aoi Higashi, Naka-ku, Hamamatsu City, Shizuoka Prefecture
- Established: 1954
- Major Products: Motorcycles, automatic transmissions for automobiles, etc.
- Employment: 3,295 associates (including those working at the Hosoe Plant, as of March 2008)
- Water discharge point: Sewage system (industrial and non-industrial wastewater), Isaji River, Danzu River (rainwater only)
- ISO 14001 acquired: March 1998

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.0–9.0	5.0–9.0	7.9 (7.4)	7.6
Biochemical oxygen demand (BOD)	mg/L	600	300	62.7 (28.9)	43.9
Chemical oxygen demand	mg/L	Excluded because release is to sewage system			
Suspended solids (SS)	mg/L	600	300	105 (48.5)	80.0
Oil content	mg/L	35	17.5	4.7 (< 1.0)	1.2
Phenols	mg/L	5	2.5	< 0.2	< 0.2
Copper and its compounds	mg/L	3	1.5	< 0.1	< 0.1
Zinc and its compounds	mg/L	2	1	0.68 (0.09)	0.35
Soluble iron and its compounds	mg/L	10	5	0.3 (0.2)	0.25
Soluble manganese and its compounds	mg/L	10	5	0.2 (< 0.2)	0.2
Total chromium	mg/L	2	1	< 0.05	< 0.05
Fluorine content	mg/L	8	4	2.1(0.2)	1.15
Colon bacillus colony count	Parts/cm^3	Excluded because release is to sewage system			
Nitrogen	mg/L	240	120	34.8 (13.5)	24.2
Phosphorous	mg/L	32	16	3.19 (2.03)	2.6
Cadmium and its compounds	mg/L	0.1	0.05	< 0.01	< 0.01
Cyanides	mg/L	1	0.5	< 0.01	< 0.01
Lead and its compounds	mg/L	0.1	0.05	0.02 (< 0.01)	0.01
Hexavalent chromium compounds	mg/L	0.5	0.25	< 0.05	< 0.05

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.20	0.1	< 0.02	< 0.02
		0.25	0.13	< 0.02	< 0.02
		0.30	0.15	< 0.02	< 0.02
Nitrogen oxides	ppm	150	75	86 (19)	44.8
		180	90	55 (17)	36.1
		250	125	120 (110)	115
Hydrogen chloride	mg/Nm^3	700	350	< 83 (< 78)	< 90
		80	40	3.1 (< 0.8)	< 1.1
Sulphur oxides	Nm^3/h	2.22	1.11	< 0.07 (< 0.05)	< 0.06
Dioxins	ng-TEQ/Nm^3	5	2.5	1.11	0.11
		10	5	0.0054 (0.00 3)	0.0042

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Ethyl benzene	11,188	3,706	0	0	421	2,527	15	4,519
Ethylene glycol	176,274	0	0	0	0	0	0	176,274
Xylene	70,840	40,736	0	0	788	5,800	2,133	21,383
1,3,5-trimethyl benzene	3,723	583	0	0	240	1,358	0	1,542
Toluene	66,974	14,338	0	0	0	2,115	532	49,989
Nickel compounds	971	0	0	2	960	0	0	9
Benzene	1,948	1	0	0	0	156	0	1,791
Total	331,918	59,364	0	2	2,409	11,956	2,680	255,507
Dioxins (unit: mg-TEQ)	–	27.65	0	0.35	48.45	0	0	0

Note: Water and air quality items listed are those for which measurement is required by law.

Hamamatsu Factory Hosoe Plant

- Address: 5794-1 Kiga, Hosoe Cho, Kita-ku Hamamatsu City
- Established: 2001
- Major Products: Marine outboards
- Employment: Included as Hamamatsu Factory associates
- Water discharge point: Lake Hamana (rainwater only)

Water Quality

No dedicated facility

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.10	0.05	< 0.02	< 0.02
Nitrogen oxides	ppm	150	75	63	53

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Ethyl benzene	2,483	0	0	0	0	142	0	2,341
Xylene	11,588	1	0	0	0	661	0	10,926
Toluene	18,210	3	0	0	0	1,038	0	17,169
Benzene	1,345	1	0	0	0	77	0	1,267
Total	33,626	5	0	0	0	1,918	0	31,703

Suzuka Factory

- Address: 1907 Hirata Cho, Suzuka City, Mie Prefecture
- Established: 1960
- Major Products: Civic, Fit, Airwave, etc.
- Employment: 6,981 associates (as of March, 2008)
- Water discharge point: Suzuka River
- ISO 14001 acquired: February 1998

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.8 (6.1)	6.9
Biochemical oxygen demand (BOD)	mg/L	Max. 65 Ave. 50	Max. 58 Ave. 45	35 (1)	13
Chemical oxygen demand (COD burden)	kg/day	192.5	173.2	166 (93.9)	135.1
Suspended solids (SS)	mg/L	Max. 90 Ave. 70	Max. 81 Ave. 63	31 (4)	13
Oil content	mg/L	1	0.9	0.7 (< 0.5)	< 0.5
Phenols	mg/L	1	0.9	< 0.1	< 0.1
Copper and its compounds	mg/L	1	0.9	0.10 (< 0.01)	0.03
Zinc and its compounds	mg/L	2	1	0.31 (0.03)	0.13
Soluble iron and its compounds	mg/L	10	5	2.3 (0.06)	1.0
Soluble manganese and its compounds	mg/L	10	5	0.94 (0.09)	0.55
Total chromium	mg/L	2	1	< 0.2	< 0.2
Fluorine content	mg/L	8	4	2.2 (0.50)	1.4
Colon bacillus colony count	Parts/cm³	3,000	1,500	2300 (<10)	145
Nitrogen	kg/day	214.7	193.2	53.9 (19.5)	34.5
Phosphorous	kg/day	21.2	19.0	6.2 (1.0)	3.4
Cadmium and its compounds	mg/L	0.1	0.05	< 0.01	< 0.01
Cyanides	mg/L	1	0.5	0.09 (< 0.05)	< 0.05
Lead and its compounds	mg/L	0.1	0.05	< 0.01	< 0.01
Hexavalent chromium compounds	mg/L	0.5	0.25	< 0.05	< 0.05

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.20	0.100	0.005	0.035
Nitrogen oxides	ppm	70	35	17.4	15.0
		130	65	37.2	15.7
		150	75	48.6	18.9
		180	90	66.2	30.1
		200	100	37.4	37.4
		230	115	61.7	22.8
Sulphur oxides	K value	14.5	7.25	< 1	< 1
Dioxins	ng-TEQ/Nm³	5	2.5	0.44	–

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Soluble zinc compounds	29,306	0	117	0	5,806	0	0	23,383
Bisphenol A epoxy resins	63,353	0	0	0	286	0	0	63,067
Ethyl benzene	276,395	108,907	0	0	0	92,843	9,238	65,407
Ethylene glycol	1,644,767	0	0	0	0	0	0	1,644,767
Xylene	913,664	212,942	0	0	0	346,903	21,755	332,064
1,3,5-trimethyl benzene	61,825	28,213	0	0	0	28,723	4,889	0
Toluene	792,217	251,595	0	0	0	21,124	17,342	502,156
Nickel compounds	4,162	0	208	0	1,454	0	0	2,500
Hydrogen fluoride and its water-soluble salts	2,119	39	150	0	1,930	0	0	0
Benzene	21,699	54	0	0	0	0	0	21,645
Manganese and its compounds	8,759	0	875	0	1,313	0	0	6,571
Total	3,818,266	601,750	1,350	0	10,789	489,593	53,224	2,661,560
Dioxins (unit: mg-TEQ)	–	27.41	0	0	16.98	0	0	0

Note: Water and air quality items listed are those for which measurement is required by law.

Japan facilities information

Kumamoto Factory

- Address: 1500 Hirakawa Ohaza, Ohzu Machi, Kikuchi Gun, Kumamoto Prefecture
- Established: 1976
- Major Products: Minibike, mini vehicle engines, multipurpose engines, transmission parts for passenger vehicles, etc.
- Employment: 3,032 associates (as of March 31, 2008)
- Water discharge point: Kikuchi River via Hyuga River and Koushi River
- ISO 14001 acquired: November 1997

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	6.5–7.9	7.9 (7.4)	7.7
Biochemical oxygen demand (BOD)	mg/L	Max. 10, Ave. 7	3.5	3.7 (0.5)	1.7
Suspended solids (SS)	mg/L	Max. 15, Ave. 10	5	5 (1)	2.0
Oil content	mg/L	Max. 1.5, Ave. 1	0.5	< 0.5	< 0.5
Phenols	mg/L	Max. 0.075, Ave. 0.05	0.025	< 0.025	< 0.025
Copper and its compounds	mg/L	Max. 0.45, Ave. 0.3	0.15	< 0.05	< 0.05
Zinc and its compounds	mg/L	Max. 2, Ave. 1.5	0.75	0.19 (0.06)	0.11
Soluble iron and its compounds	mg/L	Max. 4.5, Ave. 3	1.5	0.07 (< 0.05)	0.06
Soluble manganese and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Total chromium	mg/L	Max. 0.15, Ave. 0.1	0.05	< 0.02	< 0.02
Fluorine content	mg/L	8	4	< 0.2	< 0.2
Colon bacillus colony count	Parts/cm^3	3,000	1,500	96	96
Nitrogen	mg/L	Max. 120, Ave. 60	30	19.0 (3.6)	9.8
Phosphorous	mg/L	8	4	2.4 (0.32)	0.97
Cadmium and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Cyanides	mg/L	0.1	0.05	< 0.05	< 0.05
Lead and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Hexavalent chromium compounds	mg/L	Max. 0.75, Ave. 0.05	0.04	< 0.02	< 0.02

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.05	0.025	0.002 (< 0.001)	0.0015
		0.1	0.05	0.005 (< 0.001)	0.003
Nitrogen oxides	ppm	150	75	47 (5)	23
		180	90	21 (12)	17
		230	115	6 (5)	5.1
		600	300	75 (67)	71

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
4,4'-isopropylidenediphenol, 1-chloro, and 2,3 epoxypropane polycondensation (liquid only) = Bisphenol A epoxy resins	1,441	29	0	0	0	0	0	1,412
Ethyl benzene	20,138	12,979	0	0	0	725	230	6,204
Ethylene glycol	67,423	0	0	0	0	0	0	67,423
Xylene	221,826	104,915	0	0	0	75,359	6,341	35,211
Toluene	81,773	18,987	0	0	0	17,627	430	44,729
Benzene	1,092	0	0	0	0	0	0	1,092
Total	393,693	136,910	0	0	0	93,711	7,001	156,071

Automobile New Model Center

- Address: 2900 Kamitakanezawa Ohaza, Takanezawa Machi, Shioya Gun, Tochigi Prefecture
- Established: 1995
- Major Responsibilities: Manufacturing of fuel cell vehicles and technical support of automobile manufacturing
- Employment: 487 associates (as of March 31, 2008)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	8.0 (6.8)	7.4
Biochemical oxygen demand (BOD)	mg/L	25	12.5	2.7 (< 1.0)	1.8
Chemical oxygen demand	mg/L	25	12.5	8.8 (1.7)	5.7
Suspended solids (SS)	mg/L	50	25	8.8 (< 1.0)	5.0
Oil content	mg/L	5	2.5	1.0 (< 0.5)	0.7
Phenols	mg/L	1	0.5	< 0.1	< 0.1
Copper and its compounds	mg/L	3	1.5	< 0.1	< 0.1
Zinc and its compounds	mg/L	2	1	0.2 (< 0.1)	0.1
Soluble iron and its compounds	mg/L	3	1.5	0.2 (< 0.1)	0.2
Soluble manganese and its compounds	mg/L	3	1.5	< 0.1	0.2
Total chromium	mg/L	2	1	< 0.1	< 0.1
Fluorine content	mg/L	8	4	0.5 (< 0.2)	0.3
Colon bacillus colony count	Parts/cm^3	3,000	1,500	0.0	0.0
Nitrogen	mg/L	20	14	13.9	13.9
Phosphorous	mg/L	2	1	0.2	0.2
Cadmium and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Cyanides	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Lead and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Hexavalent chromium compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.1	0.05	< 0.002	< 0.001
		0.2	0.1	< 0.004	< 0.003
Nitrogen oxides	ppm	150	75	57	35.7
		230	115	82	50.0
Sulphur oxides	K value	7	3.5	< 0.018	< 0.0065

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Xylene	2,126	388	0	0	121	0	191	1,426
Toluene	3,525	564	0	0	172	0	273	2,516
Total	5,651	952	0	0	293	0	464	3,942

Note: Water and air quality items listed are those for which measurement is required by law.

Quality Innovation Center Tochigi

- Address: 52-1 Hagadai, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: April 2003
- Major Responsibilities: Responses to quality issues in the market
- Employment: 683 associates (as of March 31, 2008)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.7 (6.7)	7.4
Biochemical oxygen demand (BOD)	mg/L	25	12.5	2.2 (< 0.5)	0.7
Chemical oxygen demand (COD)	mg/L	25	12.5	5.9 (2.5)	4.0
Suspended solids (SS)	mg/L	50	25	1.6 (< 0.5)	0.7
Oil content	mg/L	5	2.5	0.6 (0.1)	0.3
Phenols	mg/L	1	0.5	< 0.05	< 0.05
Copper and its compounds	mg/L	3	1.5	< 0.05	< 0.05
Zinc and its compounds	mg/L	2	1	0.08 (0.06)	0.07
Soluble iron and its compounds	mg/L	3	1.5	0.06 (< 0.05)	0.04
Soluble manganese and its compounds	mg/L	3	1.5	0.01	0.01
Total chromium	mg/L	2	1	< 0.02	< 0.02
Fluorine content	mg/L	8	4	0.2 (< 0.2)	0.2
Colon bacillus colony count	Parts/cm^3	3,000	1,500	0.0	0.0
Nitrogen	mg/L	20	14	4.8 (3.6)	4.2
Phosphorous	mg/L	2	1	0.16 (< 0.05)	0.09
Cadmium and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Cyanides	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Lead and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Hexavalent chromium compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.3	0.15	< 0.005	< 0.005
Nitrogen oxides	ppm	180	90	34(20)	26.8
Sulphur oxides	K value	7	3.5	< 0.1	< 0.1

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Ethyl benzene	2,341	0	0	0	0	0	2,341	0
Xylene	10,672	1	0	0	0	0	10,671	0
Toluene	19,505	1	0	0	0	0	19,504	0
Benzene	955	4	0	0	0	0	951	0
Total	33,473	6	0	0	0	0	33,467	0

Honda R&D Co., Ltd.

Automobile R&D Center (Wako)
Fundamental Technology Research Center
Aircraft Engine R&D Center

- Address: 1-4-1 Chuo, Wako City, Saitama Prefecture
- Established: 1960 (spin-off from Honda Motor Co., Ltd.)
- Major Responsibilities: Automobile design research, various basic research and development, and development of aircraft engines
- Water discharge point: Wastewater Treatment Center, located in the Arakawa Right Bank District (sewage)

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.0–9.0	5.0–9.0	8.8 (7.4)	8.1
Biochemical oxygen demand (BOD)	mg/L	600	300	130 (6.4)	63
Chemical oxygen demand (COD)	mg/L	Excluded because release is to sewage system			
Suspended solids (SS)	mg/L	600	300	230 (18)	100
Oil content	mg/L	30	15	6.9 (< 2)	3.0
Phenols	mg/L	5	2.5	< 0.5	< 0.5
Copper and its compounds	mg/L	3	1.5	< 0.1	< 0.1
Zinc and its compounds	mg/L	2	1	0.3 (0.2)	0.25
Soluble iron and its compounds	mg/L	10	5	< 1	< 1
Soluble manganese and its compounds	mg/L	10	5	< 1	< 1
Total chromium	mg/L	2	1	< 0.1	< 0.1
Fluorine content	mg/L	8	4	< 1	< 1
Colon bacillus colony count	Parts/cm^3	Excluded because release is to sewage system			
Nitrogen	mg/L	240	120	61 (7)	29
Phosphorous	mg/L	32	16	2 (< 0.1)	1.5
Cadmium and its compounds	mg/L	0.1	0.05	< 0.01	< 0.01
Cyanides	mg/L	1	0.5	< 0.1	< 0.1
Lead and its compounds	mg/L	0.1	0.05	< 0.01	< 0.01
Hexavalent chromium compounds	mg/L	0.5	0.25	< 0.05	< 0.05

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.1	0.05	< 0.01	< 0.01
Nitrogen oxides	ppm	150	75	44 (17)	25
Sulphur oxides	K value	9	4.5	< 0.2	< 0.2

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Ethyl benzene	1,200	140	0	0	25	0	1,035	0
Xylene	6,040	732	0	0	126	0	5,182	0
Toluene	10,276	838	0	0	157	0	9,281	0
Total	17,516	1,710	0	0	308	0	15,498	0

Note: Water and air quality items listed are those for which measurement is required by law.

Japan facilities information

Motorcycle R&D Center
Power Products R&D Center

- Address: 3-15-1 Senzui, Asaka City, Saitama Prefecture
- Established: 1973
- Major Responsibilities: Research and development of motorcycles and power products
- Water discharge point: Arakawa River Right Bank District Shingashi River Sewage Treatment Center

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.0–9.0	5.0–9.0	8.9 (6.9)	8.1
Biochemical oxygen demand (BOD)	mg/L	600	300	360 (19)	63
Chemical oxygen demand (COD)	mg/L	Excluded because release is to sewage system			
Suspended solids (SS)	mg/L	600	300	590 (14)	100
Oil content	mg/L	30	15	16 (< 2)	3.0
Phenols	mg/L	5	2.5	0.37 (0.05)	< 0.5
Copper and its compounds	mg/L	3	1.5	0.03 (0.01)	< 0.1
Zinc and its compounds	mg/L	2	1	0.12 (0.03)	0.25
Soluble iron and its compounds	mg/L	10	5	0.21 (0.03)	< 1
Soluble manganese and its compounds	mg/L	10	5	0.09 (Figures not available)	< 1
Total chromium	mg/L	2	1	Figures not available	< 0.1
Fluorine content	mg/L	8	4	0.16 (Figures not available)	0.1
Colon bacillus colony count	Parts/cm^3	Excluded because release is to sewage system			
Nitrogen	mg/L	240	120	173 (14.9)	29
Phosphorous	mg/L	32	16	11.6 (0.83)	1.5
Cadmium and its compounds	mg/L	0.1	0.05	Figures not available	< 0.01
Cyanides	mg/L	1	0.5	Figures not available	< 0.1
Lead and its compounds	mg/L	0.1	0.05	Figures not available	< 0.01
Hexavalent chromium compounds	mg/L	0.5	0.25	Figures not available	< 0.05

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.1	0.05	0.006 (< 0.0049)	0.0053
Nitrogen oxides	ppm	150	75	41 (23)	28.4
Sulphur oxides	K value	9	4.5	0.003 (< 0.001)	0.0026

Honda calculation formula x 0.5 HGA

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Ethyl benzene	13,982	136	0	0	283	0	13,563	0
Xylene	67,748	256	0	0	1,413	0	66,079	0
Toluene	122,127	810	0	0	4,190	0	117,127	0
Total	203,857	1,202	0	0	5,886	0	196,769	0

Automobile R&D Center (Tochigi)

- Address: 4630 Shimotakanesawa, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: 1982 Tochigi Laboratory, Wako Research Center
- Major Responsibilities: General automobile research (design, trial production, and testing of engines, bodies, and chassis)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center (domestic and industrial water)

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.7 (7.0)	7.3
Biochemical oxygen demand (BOD)	mg/L	25	12.5	3.0 (0.2)	1.2
Chemical oxygen demand (COD)	mg/L	25	12.5	13.0 (3.7)	7.3
Suspended solids (SS)	mg/L	50	25	15.0 (0)	2.6
Oil content	mg/L	5	2.5	0.9 (0)	0.4
Phenols	mg/L	1	0.5	< 0.05	< 0.05
Copper and its compounds	mg/L	3	1.5	< 0.1	< 0.1
Zinc and its compounds	mg/L	2	1	< 0.1	< 0.1
Soluble iron and its compounds	mg/L	3	1.5	< 0.05	< 0.05
Soluble manganese and its compounds	mg/L	3	1.5	< 0.01	< 0.01
Total chromium	mg/L	2	1	< 0.02	< 0.02
Fluorine content	mg/L	8	4	< 0.2	< 0.2
Colon bacillus colony count	Parts/cm^3	3,000	1,500	0 (0)	0.00
Nitrogen	mg/L	20	10	16.0 (9.5)	13.0
Phosphorous	mg/L	2	1	0.6 (0.1)	0.26
Cadmium and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Cyanides	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Lead and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Hexavalent chromium compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.3	0.15	< 0.001	< 0.001
Nitrogen oxides	ppm	180	90	65 (41)	48.3
Sulphur oxides	K value	7	3.5	< 0.27 (0.04)	< 0.93

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Toluene	779,375	13,550	0	0	340	0	765,485	0
Xylene	330,074	5,636	0	0	190	0	324,248	0
Ethyl benzene	49,064	811	0	0	27	0	48,226	0
1,3,5-trimethyl benzene	11,685	159	0	0	0	0	11,526	0
Benzene	5,458	75	0	0	0	0	5,383	0
Total	1,175,656	20,231	0	0	557	0	1,154,868	0

Note: Water and air quality items listed are those for which measurement is required by law.

Automobile R&D Center (Tochigi Proving Ground)

- Address: 4627 Shimotakanesawa, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: 1979
- Major Responsibilities: Comprehensive R&D of motorcycles, automobiles, and power products (on test courses)
- Water discharge point: Via Automobile R&D Center (Tochigi) Nomoto River via Haga Industrial Park Treatment Center (domestic and industrial water)

Water Quality Since water is discharged via the Automobile R&D Center (Tochigi), water calculations are included in that facility's results.

Air Quality No dedicated facility

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Ethyl benzene	12,579	1	0	0	0	0	12,578	0
Xylene	57,827	4	0	0	0	0	57,823	0
1,3,5-trimethyl benzene	3,663	0	0	0	0	0	3,663	0
Toluene	135,616	31	0	0	0	0	135,585	0
Benzene	5,281	4	0	0	0	0	5,277	0
Total	214,966	40	0	0	0	0	214,926	0

Automobile R&D Center (Takasu Proving Ground)

- Address: 21-10, Takasu Cho, Kamikawa Gun, Hokkaido
- Established: 1996
- Major Responsibilities: Comprehensive R&D of motorcycles, automobiles, and power products (on test courses)
- Water discharge point: Shumamu River

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	6.5	6.5
Biochemical oxygen demand (BOD)	mg/L	160	80	18	18
Chemical oxygen demand (COD)	mg/L	160	80	18	18
Suspended solids (SS)	mg/L	200	100	37	37
Oil content	mg/L	5	2.5	4.1	4.1
Phenols	mg/L	3	1.5	< 0.5	< 0.5
Copper and its compounds	mg/L	3	1.5	< 0.05	< 0.05
Zinc and its compounds	mg/L	2	1	< 0.05	< 0.05
Soluble iron and its compounds	mg/L	10	5	0.16	0.16
Soluble manganese and its compounds	mg/L	10	5	< 0.1	< 0.1
Total chromium	mg/L	2	1	< 0.05	< 0.05
Fluorine content	mg/L	8	4	0.5	0.5
Colon bacillus colony count	Parts/cm^3	3,000	1,500	56	56
Nitrogen	mg/L	120	60	1.4	1.4
Phosphorous	mg/L	16	8	0.3	0.3
Cadmium and its compounds	mg/L	0.1	0.05	< 0.01	< 0.01
Cyanides	mg/L	1	0.5	< 0.1	< 0.1
Lead and its compounds	mg/L	0.1	0.05	< 0.02	< 0.02
Hexavalent chromium compounds	mg/L	0.5	0.25	< 0.05	< 0.05

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.3	0.15	< 0.01	< 0.01
Nitrogen oxides	ppm	180	90	62	62
Sulphur oxides	K value	7	3.5	< 0	< 0

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Xylene	18,783	1	0	0	0	0	18,782	0
Toluene	34,893	7	0	0	0	0	34,887	0
Benzene	1,491	1	0	0	0	0	1,490	0
Total	55,167	8	0	0	0	0	55,159	0

Note: Water and air quality items listed are those for which measurement is required by law.

Japan facilities information

Honda Engineering Co., Ltd.

- Address: 6-1 Hagadai, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: 1990
- Major Responsibilities: General machinery and equipment (development, design and manufacture of machine tools, dies and functional parts)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center (domestic and industrial water)
- ISO 14001 acquired: July 1997

Water Quality

Item	Unit	Regulations (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.6–8.6	5.6–8.6	8.3 (7.2)	7.6
Biochemical oxygen demand (BOD)	mg/L	25	17.5	12 (< 0.5)	1.3
Chemical oxygen demand (COD)	mg/L	25	17.5	12 (1.9)	3.4
Suspended solids (SS)	mg/L	50	35	2.8 (< 1)	1.2
Oil content	mg/L	5.0	3.5	< 1.0	1
Phenols	mg/L	1	0.7	0.05 (< 0.05)	0.05
Copper and its compounds	mg/L	3	2.1	< 0.05	< 0.05
Zinc and its compounds	mg/L	2	1.4	0.22 (< 0.05)	0.08
Soluble iron and its compounds	mg/L	3	2.1	0.08 (< 0.05)	0.05
Soluble manganese and its compounds	mg/L	3	2.1	0.03 (0.01)	0.01
Total chromium	mg/L	2	1.4	< 0.02	< 0.02
Fluorine content	mg/L	8	5.6	0.3 (< 0.2)	0.225
Colon bacillus colony count	Parts/cm^3	3,000	2,100	2 (0)	0.125
Nitrogen	mg/L	20	14	7.3 (0.91)	2.8
Phosphorous	mg/L	2	1.4	0.86 (0.5)	0.21
Cadmium and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Cyanides	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Lead and its compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available
Hexavalent chromium compounds	mg/L	Figures not generated	Figures not available	Figures not available	Figures not available

Air Quality

Item	Unit	Regulation standards (incl. agreed standards)	Voluntary standards	Measurement results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.2	0.1	< 0.005	< 0.005
Nitrogen oxides	ppm	180	90	78 (< 5)	33.3
Hydrogen chloride	mg/Nm^3	40	20	4.8 (< 2.7)	3.8
Sulphur oxides	Nm^3/h	1.51	0.755	< 0.2 (< 0.003)	0.04

PRTR Listed Substances

(Unit: kg)

Substance	Volume handled	Volume discharged		Volume transferred		Recycling	Volume disposed	Volume consumed (transferred to products)
		Atmosphere	Released into public water system	Sewage	Waste disposal sites outside company			
Toluene	1,070	75	0	0	39	0	945	11
Nickel compounds	669	0	0	0	653	0	0	16
Total	1,739	75	0	0	692	0	945	27

FY2008 Honda Motor Co., Ltd.: PRTR Listed Substances[1] Handled (Production domain)

Substances of Concern Declared in accordance with PRTR Law

(units: kg/dioxins: mg-TEQ)

Legal number[2]	CAS number	Substance	Volume handled	Atmosphere	Release into public water system	Total Volume	Sewage	Waste disposal sites outside company[3]	Total transferred	Recycling[4]	Volume disposed	Volume consumed (transferred to products)
1	–	Soluble zinc compounds	68,490	0	134	134	306	19,307	19,613	0	0	48,743
30	25068-38-6	Bisphenol A epoxy resins	99,106	29	0	29	0	3,003	3,003	0	244	95,830
40	100-41-4	Ethyl benzene	705,439	304,669	0	304,669	0	421	421	233,197	35,340	131,812
43	107-21-1	Ethylene glycol	3,815,004	0	0	0	0	0	0	0	0	3,815,004
63	1330-20-7	Xylene	2,161,081	656,017	0	656,017	0	788	788	756,546	101,453	646,277
224	108-67-8	1,3,5-trimethyl benzene	111,214	60,527	0	60,527	0	240	240	30,081	9,385	10,981
227	108-88-3	Toluene	2,125,849	794,822	0	794,822	0	0	0	61,732	156,887	1,112,408
232	–	Nickel compounds	10,862	0	208	208	1,320	3,388	4,708	0	0	5,946
283	–	Hydrogen fluoride and its water-soluble salts	2,119	39	150	189	0	1,930	1,930	0	0	0
299	71-43-2	Benzene	53,699	62	0	62	0	0	0	233	2,315	51,089
307	–	Formaldehyde	1,700	0	0	0	170	1,224	1,394	0	306	0
310	50-00-0	Manganese	1,963	1,963	0	1,963	0	0	0	0	0	0
311	–	Manganese and its compounds	23,230	0	875	875	724	7,101	7,825	0	0	14,530
346	–	Molybdenum and its compounds	1,718	0	0	0	0	1,718	1,718	0	0	0
Total			9,181,474	1,818,128	1,367	1,819,495	2,520	39,120	41,640	1,081,789	305,930	5,932,620
179	–	Dioxins (unit: mg-TEQ)	–	55.08	0	55.08	0.35	166.28	166.63	0	0	0

1 Among the 354 primary specified substances controlled under article 1 of Japan's Law for PRTR (Pollutant Release and Transfer Register) and Promotion of Chemical Management (substances of concern). Substances in amounts of 1,000 kg or more

2 Numbers assigned primary specified chemical under Japan's Law for PRTR (Pollutant Release and Transfer Register) and Promotion of Chemical Management

3 Volume for which recycling fees have been paid

4 Amount sold to external recycling companies

Note: Water and air quality items listed are those for which measurement is required by law.

Sewage

FY2008 Summary of Sewage Use by All Facilities

Measured item	Legal standard	Saitama Factory	Tochigi Factory	Hamamatsu Factory	Suzuka Factory	Kumamoto Factory	Automobile New Model Center
Cadmium	≤ 0.01mg/L	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001
Cyanides	Figures not generated	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available
Organic phosphorus	Figures not generated	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available
Lead	≤ 0.01mg/L	0.001	< 0.001	< 0.005	< 0.005	< 0.001	< 0.005
Hexavalent chromium	≤ 0.05mg/L	< 0.005	< 0.005	< 0.02	< 0.04	< 0.04	< 0.005
Arsenic	≤ 0.01mg/L	< 0.001	< 0.001	< 0.005	< 0.005	0.001	< 0.001
Total mercury	≤ 0.0005mg/L	< 0.00001	< 0.0005	< 0.0005	< 0.0005	< 0.0005	< 0.0005
Alkyl mercury	Figures not generated	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available
PCBs	Figures not generated	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available
Dichloromethane	≤ 0.02mg/L	< 0.0002	< 0.002	0.002	< 0.002	< 0.002	< 0.002
Carbon tetrachloride	≤ 0.002mg/L	< 0.00002	< 0.0002	< 0.0002	< 0.0005	< 0.0002	< 0.0002
1, 2 Dichloromethane	≤ 0.004mg/L	< 0.00004	< 0.0004	< 0.0004	< 0.0004	< 0.0004	< 0.0004
1, 2 Dichloromethane	≤ 0.02mg/L	< 0.002	< 0.002	0.002	< 0.002	< 0.002	< 0.002
cis-1 Dichloromethane	≤ 0.04mg/L	< 0.004	< 0.004	< 0.004	< 0.004	< 0.004	< 0.004
1,1,1 Trichloroethane	≤ 1.0mg/L	< 0.001	< 0.0005	< 0.0005	< 0.001	< 0.0005	< 0.0005
1,1,2 Trichloroethane	≤ 0.006mg/L	< 0.0006	< 0.0006	< 0.0006	< 0.0006	< 0.0006	< 0.0006
Trichlorethylene	≤ 0.03mg/L	< 0.001	0.002	0.009	< 0.002	< 0.002	< 0.001
Tetrachloroethylene	≤ 0.01mg/L	< 0.001	0.0041	0.0041	< 0.0005	< 0.0005	< 0.0005
1, 3 Dichloropropene	≤ 0.002mg/L	< 0.0002	< 0.0002	< 0.0002	< 0.0002	< 0.0002	< 0.0002
Thiram	≤ 0.006mg/L	< 0.0006	< 0.0006	< 0.0006	< 0.0006	< 0.0006	< 0.0006
Simazine	≤ 0.003mg/L	< 0.0003	< 0.0003	< 0.0003	< 0.0003	< 0.0003	< 0.0003
Thiobencarb	≤ 0.02mg/L	< 0.002	< 0.002	< 0.002	< 0.002	< 0.002	< 0.002
Benzene	≤ 0.01mg/L	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001
Selenium	≤ 0.01mg/L	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001
Fluorine	≤ 0.8mg/L	0.16	< 0.2	<0.2	< 0.1	0.1	< 0.2
Boron	≤ 1.0mg/L	< 0.1	< 0.1	< 0.05	0.02	<0.01t	< 0.1

Measured item	Legal standard	Quality Innovation Center Tochigi	Automobile R&D Center (Wako), other	Motorcycle R&D Center, other	Automobile R&D Center (Tochigi)	Honda Engineering Co., Ltd.
Cadmium	≤ 0.01mg/L	< 0.001	< 0.001	< 0.01	< 0.001	< 0.001
Cyanides	Figures not generated	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available
Organic phosphorus	Figures not generated	Figures not available	Figures not available	< 0.001	Figures not available	Figures not available
Lead	≤ 0.01mg/L	0.002	< 0.001	< 0.005	< 0.001	0.007
Hexavalent chromium	≤ 0.05mg/L	< 0.005	< 0.005	< 0.005	< 0.005	< 0.005
Arsenic	≤ 0.01mg/L	< 0.001	< 0.001	0.006	< 0.001	0.002
Total mercury	≤ 0.0005mg/L	< 0.0005	< 0.00005	< 0.0005	< 0.0005	< 0.0005
Alkyl mercury	Figures not generated	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available
PCBs	Figures not generated	Figures not available	Figures not available	Figures not available	Figures not available	Figures not available
Dichloromethane	≤ 0.02mg/L	< 0.002	< 0.002	< 0.001	< 0.002	< 0.002
Carbon tetrachloride	≤ 0.002mg/L	< 0.0002	< 0.0002	< 0.0001	< 0.0002	< 0.0002
1, 2 Dichloromethane	≤ 0.004mg/L	< 0.0004	< 0.0004	< 0.0001	< 0.0004	< 0.0004
1, 1 Dichloromethane	≤ 0.02mg/L	< 0.002	< 0.002	< 0.001	< 0.002	< 0.002
cis-1,2 Dichloromethane	≤ 0.04mg/L	< 0.004	< 0.004	< 0.001	< 0.004	< 0.004
1,1,1 Trichloroethane	≤ 1.0mg/L	< 0.001	< 0.0005	< 0.005	< 0.001	< 0.001
1,1,2 Trichloroethane	≤ 0.006mg/L	< 0.0006	< 0.0006	< 0.0001	< 0.0006	< 0.0006
Trichlorethylene	≤ 0.03mg/L	< 0.001	< 0.002	< 0.001	< 0.001	< 0.001
Tetrachloroethylene	≤ 0.01mg/L	< 0.0005	< 0.0005	< 0.0005	< 0.0005	< 0.005
1, 3 Dichloropropene	≤ 0.002mg/L	< 0.0002	< 0.0002	< 0.0002	< 0.0002	< 0.0002
Thiram	≤ 0.006mg/L	< 0.0006	< 0.0006	< 0.0002	< 0.0006	< 0.0006
Simazine	≤ 0.003mg/L	< 0.0003	< 0.0003	< 0.0002	< 0.0003	< 0.0003
Thiobencarb	≤ 0.02mg/L	< 0.002	< 0.002	< 0.0002	< 0.002	< 0.002
Benzene	≤ 0.01mg/L	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001
Selenium	≤ 0.01mg/L	< 0.001	< 0.001	< 0.002	< 0.001	< 0.001
Fluorine	≤ 0.8mg/L	< 0.2	< 0.1	0.1	< 0.2	< 0.2
Boron	≤ 1.0mg/L	0.14	< 0.1	0.03	< 0.1	< 0.1

•These figures are certified measurements provided by a measurement company, and have been listed with no amendment.

Legend

Undetected <___: indicates that figures are the minimum amount detectable by the measuring equipment used and that nothing was detected

Report scope

Purchasing domain

Major results in the purchasing domain cover the following 32 firms:

Yutaka Giken Co., Ltd.
Asama Giken Co., Ltd.
Honda Foundry Co., Ltd.
Honda Lock Mfg. Co., Ltd.
Yachiyo Industry Co., Ltd.
MSD Co., Ltd.
Showa Corporation
Keihin Corporation
TS TECH Co., Ltd.
F.C.C. Co., Ltd.
Nissin Kogyo Co., Ltd.
Musashi Seimitsu Co., Ltd.
F-Tech Inc.
Yanagawa Seiki Co., Ltd.
H-one Co., Ltd.
Yamada Seisakusho Co., Ltd.
AIKITEC Co., Ltd.
Takao Kinzoku Kogyo Co., Ltd.
Tanaka Seimitsu Kogyo Co., Ltd.
Tsuzuki Manufacturing Co., Ltd.
Atsumitec Co., Ltd.
Shinnichi Kogyo Co., Ltd.
Kyushu Yanagawa Seiki Co., Ltd.
Kikuchi Co., Ltd.
Goshi Giken Co., Ltd.
Steel Center Co., Ltd.
Nihon Plast Co., Ltd.
Honda elesys Co., Ltd.
Bestex Kyoei Co., Ltd.
Kaneta Kogyo Co., Ltd.
Marujun Co., Ltd.
Masuda Seisakusho Co., Ltd.

Production domain

Production results cover the following five Japan-based factories of Honda Motor Co., Ltd.:

Saitama Factory
Tochigi Factory
Hamamatsu Factory (including Hosoe Plant)
Suzuka Factory
Kumamoto Factory

Transportation domain

Results in transportation cover the transportation in Japan of automobiles, motorcycles, power products and repair parts produced by Honda Motor Co., Ltd. Results for packaging materials cover packages used in exporting completed motorcycles and component parts sets.[1]

1 Sets of parts exported for local assembly into final products

Administration domain

Results in this domain cover the following Japan-based office buildings of Honda Motor Co., Ltd.:

Wako Building
Aoyama Building
Shirako Building
Yaesu Building
Sapporo Building
Sendai Building
Nagoya Building
Osaka Building
Fukuoka Building

Honda Group companies in Japan

Data on environmental preservation initiatives cover the three main Honda Group companies in Japan.
Information on environmental impact covers 149 Honda Group companies in Japan.

■ Main Honda Group companies in Japan (3)
Honda R&D Co., Ltd.
Honda Engineering Co., Ltd.
Honda Access Corporation

■ Purchasing domain (32)
Yutaka Giken Co., Ltd.
Asama Giken Co., Ltd.
Honda Foundry Co., Ltd.
Honda Lock Mfg. Co., Ltd.
Yachiyo Industry Co., Ltd.
MSD Co., Ltd.
Showa Corporation
Keihin Corporation
TS TECH Co., Ltd.
F.C.C. Co., Ltd.
Nissin Kogyo Co., Ltd.
Musashi Seimitsu Co., Ltd.
F-Tech Inc.
Yanagawa Seiki Co., Ltd.
H-one Co., Ltd.
Yamada Seisakusho Co., Ltd.
AIKITEC Co., Ltd.
Takao Kinzoku Kogyo Co., Ltd.
Tanaka Seimitsu Kogyo Co., Ltd.
Tsuzuki Manufacturing Co., Ltd.
Atsumitec Co., Ltd.
Shinnichi Kogyo Co., Ltd.
Kyushu Yanagawa Seiki Co., Ltd.
Kikuchi Co., Ltd.
Goshi Giken Co., Ltd.
Steel Center Co., Ltd.
Nihon Plast Co., Ltd.
Honda elesys Co., Ltd.
Bestex Kyoei Co.,Ltd.
Kaneta Kogyo Co., Ltd.
Marujun Co., Ltd.
Masuda Seisakusho Co., Ltd.

■ Sales domain (78)
Honda Wacord Co., Ltd.
Honda Primo Tokyo Higashi Co., Ltd
Honda Primo Yokohama Co., Ltd.
Honda Primo Shinshu Co., Ltd.
Honda World Fukui Co., Ltd.
Honda Sales Meisei Co., Ltd.
Honda Cars Hiroshima Co., Ltd.
Honda Primo Higashi Yamaguchi Co., Ltd.
Honda Primo Shin Fukushima Co., Ltd.
Honda Cars Aichi Higashi Co., Ltd.
Honda Cars Sapporo Co., Ltd.
Honda Cars Miyagi Chuo Co., Ltd.
Honda Cars Yamagata Co., Ltd.
Honda Cars Fukushima Co., Ltd.
Honda Cars Gunma Chuo Co., Ltd.
Honda Cars Tochigi Co., Ltd.
Honda Cars Ibaraki Co., Ltd.
Honda Cars Chiba Chuo Co., Ltd.
Honda Cars Keiyo Co., Ltd.
Honda Cars Saitama Co., Ltd.
Honda Cars Saitama Higashi Co., Ltd.
Honda Cars Tokyo Chuo Co., Ltd.
Honda Cars Yokohama Co., Ltd.
Honda Cars Yamanashi Co., Ltd.
Honda Cars Shizuoka Nishi Co., Ltd.
Honda Cars Aichi Co., Ltd.
Honda Cars Mie Chuo Co., Ltd.
Honda Cars Kyoto Co., Ltd.
Honda Cars Osaka Co., Ltd.
Honda Cars Kobe Co., Ltd.
Honda Cars Hyogo Co., Ltd.
Honda Cars Hiroshima Co., Ltd.
Honda Cars Ehime Co., Ltd.
Honda Cars Oita Kita Co., Ltd.
Honda Cars Kumamoto Co., Ltd.
Honda Cars Fukuoka Co., Ltd.
Honda Cars Higo Co., Ltd.
Honda Sales Asahikawa Co., Ltd.
Honda Automobiles Sales Kita Tohoku Co., Ltd.
Honda Automobiles Sales Minami Kinki Co., Ltd.
Honda Automobiles Sales Okayama Co., Ltd.
Honda Automobiles Sales Shikoku Co., Ltd.
Honda Automobiles Sales Oita Co., Ltd.
Honda Automobiles Sales Nagasaki Co., Ltd.
Honda Automobiles Sales Minami Kyushu Co., Ltd.
Okinawa Honda Co., Ltd.
Honda Automobiles Sales Hokuriku Co., Ltd.
Honda Automobiles Sales Yamaguchi Co., Ltd.
Honda Automobiles Sales Niigata Co., Ltd.
Honda Automobiles Sales Co., Ltd.
Honda Express Sales Co., Ltd.
Honda Clio Shiga Co., Ltd.
Honda Verno Ishikawa
Honda Senshu Sales Co., Ltd.
Honda Cars Hakata Co., Ltd.
Minami Honda Automobiles Co., Ltd.
Honda Primo Cosmo Osaka Co., Ltd.
Honda Kitatokushima Co., Ltd.
Honda Cars Shizuoka Co., Ltd.
Honda Dream Kanto Co., Ltd.
Honda Dream Tokyo Co., Ltd.
Honda Dream Chubu Co., Ltd.
Honda Dream Tohoku Co., Ltd.
Honda Dream Kinki Co., Ltd.
Honda Dream Kyushu Co., Ltd.
Honda Dream Chushikoku Co., Ltd.
All Honda Sales Corporation
Honda Hokkaido Co., Ltd.
Honda Motorcycle Japan Co., Ltd.
Honda U-Tec Co., Ltd.
Honda Consulting Co., Ltd.
Depox Express Co., Ltd.
Depox Co., Ltd.
Depox Kansai Co., Ltd.
Honda Body Service Okayama Co., Ltd.
Honda Cars Fukuoka Body Service Co., Ltd.
Honda Body Service Kanagawa Co., Ltd.
Honda Body Service Tochigi Co., Ltd.

■ Other domains (35 firms)

Mizutani Seiki Industry Co., Ltd.
Honda Logistics Inc.
Best Logi Kumamoto Co., Ltd.
PSG Co., Ltd.
Honda Taxi Co., Ltd.
Best Logi Tochigi Co., Ltd.
Best Logi Mie Co., Ltd.
Best Logi Saitama Co., Ltd.
Best Logi Shizuoka Co., Ltd.
Best Express Co., Ltd.
Komulusu Inc.
Honda Racing Corporation
Honda Research Institute Japan Co., Ltd.
Honda Soltec Co., Ltd.
Honda R&D Sun Co., Ltd.
Kibounosato Honda Co., Ltd.
Honda Sun Co., Ltd.
Honda Kaihatsu Co., Ltd.
Japan Race Promotion Inc.
Honda Finance Co., Ltd.
Honda Trading Corporation
Mobilityland Corporation
Rainbow Motor School Co., Ltd.
Honda Airways Co., Ltd.
Chu-o Air Survey Corp.
Honda Commtec Inc.
Circuit Service Creates
Honda Technical College
Alice Sanyo Co., Ltd.
MAP Co., Ltd.
MAP Sayama Co., Ltd.
ACT Maritime Co., Ltd.
Honda Tokuso Co., Ltd.
KPTEC Co., Ltd.
Mobility Culture Publishing Co., Ltd.

Global environmental information

Global environmental information covers a total of 83 Honda companies, which include both Japan-based and overseas companies that assemble final products, including Honda Motor Co., Ltd. and major parts companies. 74 of these companies are covered by the scope of the 2010 CO_2 reduction targets.

■ Japan (33 companies)

Honda Motor Co., Ltd.
Yutaka Giken Co., Ltd.
Asama Giken Co., Ltd.
Honda Foundry Co., Ltd.
Honda Lock Mfg. Co., Ltd.
Yachiyo Industry Co., Ltd.
MSD Co., Ltd.
Showa Corporation
Keihin Corporation
TS TECH Co., Ltd.
F.C.C. Co., Ltd.
Nissin Kogyo Co., Ltd
Musashi Seimitsu Co., Ltd.
F-Tech Inc.
Yanagawa Seiki Co., Ltd.
H-one Co., Ltd.
Yamada Seisakusho Co., Ltd.
AIKITEC Co., Ltd.
Takao Kinzoku Kogyo Co., Ltd.
Tanaka Seimitsu Kogyo Co., Ltd.
Tsuzuki Manufacturing Co., Ltd.
Atsumitec Co., Ltd.
Shinnichi Kogyo Co., Ltd.
Kyushu Yanagawa Seiki Co., Ltd.
Kikuchi Co., Ltd.
Goshi Giken Co., Ltd.
Steel Center Co., Ltd.
Nihon Plast Co., Ltd.
Honda elesys Co., Ltd.
Bestex Kyoei Co., Ltd.
Kaneta Kogyo Co., Ltd.
Marujun Co., Ltd.
Masuda Seisakusho Co., Ltd

■ North America (8 companies)

Honda of America Mfg., Inc. (US)
Honda Transmission Mfg. of America, Inc. (US)
Honda Power Equipment Mfg., Inc. (US)
Honda of South Carolina Mfg., Inc. (US)
Honda Manufacturing of Alabama, LLC (US)
Honda Precision Parts of Georgia, LLC (US)
Honda Canada Inc. (Canada)
Honda de Mexico, S.A. de C.V. (Mexico)

■ South America (2 companies)

Moto Honda da Amazonia Ltda. (Brazil)
Honda Automoveis do Brasil Ltda. (Brazil)

■ Europe (8 companies)

Honda of the U.K. Mfg., Ltd. (UK)
Honda Belgium N.V. (Belgium)
Honda Europe N.V. (Belgium)
Honda Italia Industriale S.p.A. (Italy)
C.I.A.P. S.P.A. (Italy)
Montesa Honda S.A. (Spain)
Honda Turkiye A.S. (Turkey)
Honda Europe Power Equipment S.A. (France)

■ Asia/Oceania (22 companies)

Honda Automobile (Thailand) Co., Ltd. (Thailand)
Thai Honda Mfg. Co., Ltd. (Thailand)
Asian Autoparts Co., Ltd. (Thailand)
Honda Cars Philippines Inc. (The Philippines)
Honda Philippines, Inc. (The Philippines)
Honda Parts Mfg. Corp. (The Philippines)
Honda Taiwan Co., Ltd. (Taiwan)
Honda Siel Cars India Ltd. (India)
Honda Motorcycle and Scooter India (Private) Ltd. (India)
Hero Honda Motors Ltd. (India)
Honda Siel Power Products Ltd. (India)
P.T. Honda Prospect Motor (Indonesia)
P.T. Honda Precision Parts Mfg. (Indonesia)
P.T. Astra Honda Motor (Indonesia)
Honda Atlas Cars (Pakistan) Ltd. (Pakistan)
Atlas Honda Ltd. (Pakistan)
Honda Vietnam Co., Ltd. (Vietnam)
Machino Auto-Parts Co., Ltd. (Vietnam)
Honda Autoparts Mfg. (M) SDN BHD (Malaysia)
Honda Malaysia Sdn. Bhd. (Malaysia)
Armstrong Auto Parts SDN. BHD. (Malaysia)
HICOM-Honda Mfg. Malaysia SDN. BHD. (Malaysia)

■ China (9 companies)

Honda Automobile (China) Co., Ltd. (China)
Dongfeng Honda Auto Parts Co., Ltd. (China)
Dongfeng Honda Engine Co., Ltd. (China)
Dongfeng Honda Automobile Co., Ltd. (China)
Guangzhou Honda Automobile Co., Ltd. (China)
Wuyang-Honda Motors (Guangzhou) Co., Ltd. (China)
Jialing-Honda Motors Co., Ltd. (China)
Honda Mindong Generator Co., Ltd. (China)
Sundiro Honda Motorcycle Co., Ltd. (China)
Honda Auto Parts Manufacturing Co., Ltd. (China)

History of Honda environmental initiatives

	Product Development	Corporate Activities
2007	**FCX Clarity released** **Next-generation i-DTEC diesel engine released** **Next-generation thin-film solar cells released**  FCX Clarity	**FY2011 targets announced for environmental impact reduction in Japan**
2006	Flexible fuel vehicle (FFV) released in Brazil	Incorporation of Honda Soltec Joint development of technology announced for the production of ethanol from inedible plant biomass (partner: RITE) Global targets announced for reduction of all product- and production-related CO_2 emissions by 2010
2005	New Honda Civic Hybrid released World's first delivery of a fuel cell vehicle to an individual customer Next-generation iGX440 generator released	
2004	Accord Hybrid released in U.S. DioZ4, world's first 50cc bike equipped with fuel injection, released	Voluntary motorcycle recycling operations begin Joint project with Toyota for appropriate ASR recycling initiated
2003	Honda FC Stack introduced World's first electronically controlled fuel injection system for a 4-stroke 50cc scooter introduced Home Energy Station pilot project begins VCM-equipped Inspire released in Japan World's first delivery of a fuel cell vehicle to a private corporation i-CTDI diesel engine released Home cogeneration system introduced	 Thin-film solar cells at Hamamatsu Factory's Hosoe Plant
2002	FCX fuel cell vehicles delivered on the same day in U.S. and Japan Next-gen thin-film solar cells introduced	Experimental operation of Intelligent Community Vehicle System (ICVS) begins in Singapore Substances of concern guidelines established
2001	Civic Hybrid released I-DSI engine (23 km/liter) released  FCX	Green purchasing guidelines established Energy efficient Hosoe Plant at Hamamatsu Factory begins operations
2000	Liquid-cooled 4-stroke 50cc engine released Stream with DOHC i-VTEC engine released	Green Dealer certification system established Zero landfill waste operations achieved at all factories in Japan
1999	Accord becomes first car to comply with California SULEV requirements Hybrid Insight released (achieves world's top fuel economy of 35km/liter) Civic GX natural gas vehicle released	First Honda Green Conference 2005 targets for motorcycle, automobile and power product fuel economy and exhaust emissions announced
1998	BF series marine outboards released (complying with EPA and Japan Boating Industry Association regulations) VFR800FI released (Honda's first motorcycle equipped with a three-way, EURO 1–compliant catalytic converter)	ISO 14001 certification earned by all factories in Japan Green Dealer project initiated
1997	ZLEV technology introduced EV-PLUS electric vehicle released California ULEV-compliant vehicle released (Accord)	Green Factory project initiated New recycling project initiated Honda Belgium receives ISO 14001 certification; Honda facilities worldwide working toward certification
1995	California LEV-compliant vehicle released (Civic)	
1994	Marine outboards (BF6/8/40) comply with European Bodensee regulations	Zero use of 1,1,1 trichloroethane in manufacturing achieved
1992		Honda Environment Statement announced
1991		Environmental Committee founded
1989	VTEC engine introduced	
1978		Heating systems start using recaptured heat
1976		Community Forests initiative begins
1973	CVCC engine-equipped Civic released	
1972		Particle collection equipment installed on roof of Sayama Factory (now Saitama Factory) (first in Japan)
1971	CVCC engine released	Activated sludge tap water processing facility installed at Hamamatsu Factory (first in Japan)
1970		Pollution Control Department established
1966		Air Pollution Laboratory established at Honda R&D Recycling of industrial water begins


VTEC engine-equipped Civic 3-door SiR II


CVCC Civic

Third-party comment

Toshihiko Goto

Chair, Environmental Auditing Research Group

Toshihiko Goto serves as head of the Social Investment Forum Japan and the Sustainability Forum Japan, both NPOs. In addition to acting as chair of the Network for Sustainability Communication and co-chair of the Japan Council for Sustainable Development, he is also a part-time lecturer at Tokyo Keizai University and a trustee of several other organizations, including the Sustainable Management Forum of Japan. In addition, he participates on government and industry environmental committees and serves as a judge on various environment and CSR commendation committees.

The Honda Environmental Annual Report is published as part of a larger dialogue with the public that includes the company's CSR Report and its Annual Report. I respect Honda for compiling such informative reports, which provide an enormous amount of information that stakeholders consider vital. I think that this information could be even better leveraged if Honda thoroughly documented the connections among the reports' contents, item by item, on their website.

While the CSR Report uses the Global Reporting Initiative (GRI) guidelines as reference, the Environmental Annual Report follows its own original guidelines. Given that today's world emphasizes relevance over comprehensiveness, it would benefit Honda to define the concepts upon which it established these guidelines—to explain what it considers material and relevant. I think that Honda's decision to place a global perspective as the focus of the 2008 report was a very appropriate editorial policy, considering the nature of their operations.

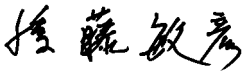
The directors' forewords show deep insight into environmental and energy problems and reaffirm the company's efforts to be innovative. They also present a broad range of technological developments and advanced initiatives. Having said that, world leaders mapped out a course at last year's Bali conference toward the regulation of total emissions of greenhouse gases as a response to climate change. I consider that we are entering into a sustainability revolution nearly comparable to the Industrial Revolution. I would like to see Honda focus on the goal of reducing global greenhouse gases in half by 2050. Setting such a goal would seem to be an ideal extension of its long-term vision. Plans for the 2020s and mid-term plans for 2013 could be defined in that longer-range context. While 2050 seems distant, it is the year when today's newly hired university graduates become 65 and face retirement, so it is a relevant milestone. It may also be time to revise the 1992 Honda Environment Statement.

Honda has been implementing Environmental Management Systems (EMS) worldwide and thus will continue to improve the accuracy of global data assessment. I would like to see an increase in the quality of strategic EMS utilized not only for the forecasting of three-year plans, but for mid- and long-term plans.

I do not see much information on biodiversity in the description of Honda's initiatives. In 2010 the Conference of the Parties to the Convention on Biological Diversity (COP10) will convene in Nagoya, and a major theme will be private sector initiatives. I would like Honda to increase the visibility of their initiatives in this domain. Dealers may make efforts of their own, but I would like to see Honda enumerate organization-wide initiatives and quantify their results.

Although I consider it appropriate enough that this report take booklet form out of consideration for its readership, I would like to recommend more extensive use of the web version of this report when handling the considerable volume of information being published.

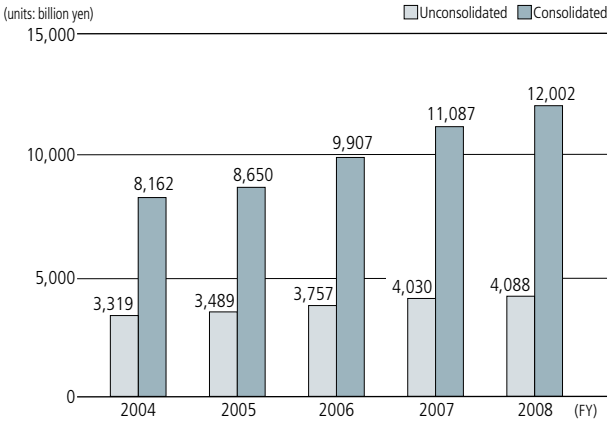
A few years ago, a European economist mentioned to me that he was under the impression from speaking to people in the Japanese automotive industry that Honda was not a typical Japanese firm. He praised Honda for not following the Japanese crowd. I hope that Honda will continue to blaze its own path as a unique Japanese company.



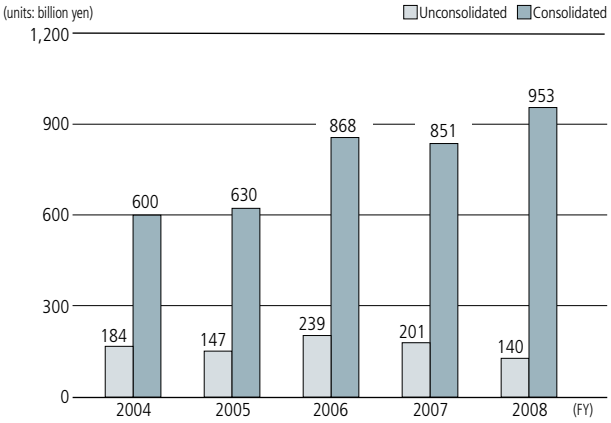
Company overview & financial information

Company name	Honda Motor Co., Ltd.
Head office	2-1-1 Minami Aoyama, Minato-ku Tokyo 107-8556, Japan
Established	September 24, 1948
President & CEO	Takeo Fukui
Capital	¥86 billion (as of March 31, 2008)
Sales (Results of FY2008)	Consolidated: ¥12,002.8 billion Unconsolidated: ¥4,088 billion
Number of associates	Consolidated: 178,960 (as of March 31, 2008) Unconsolidated: 26,583 (as of March 31, 2008)
Consolidated subsidiaries	397 (as of March 31, 2008)
Chief products	Automobiles: Standard-sized vehicles, compact vehicles and mini-vehicles Motorcycles: Scooters, mini-bikes, motorcycles, ATVs and personal watercraft Power products: Power product engines, lawnmowers and marine outboards

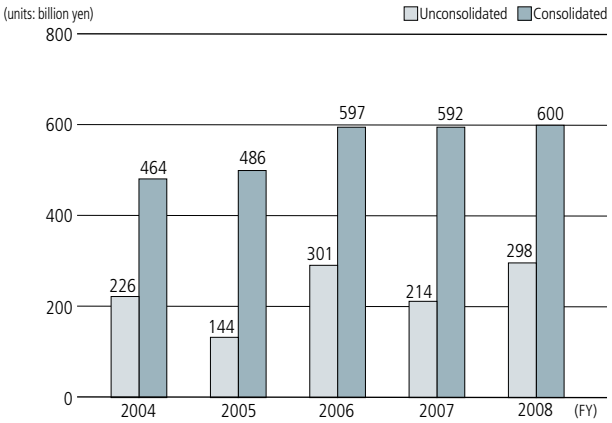
Net sales



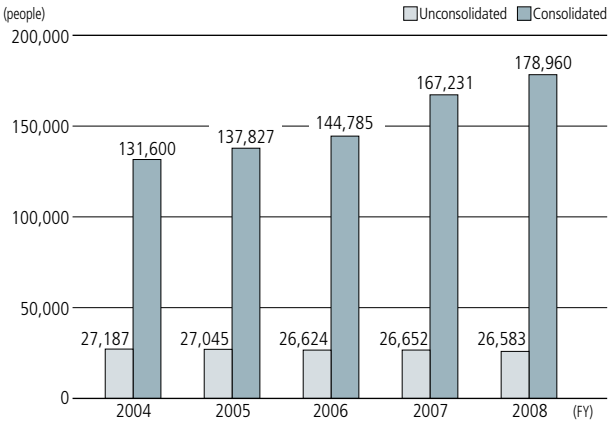
Operating income



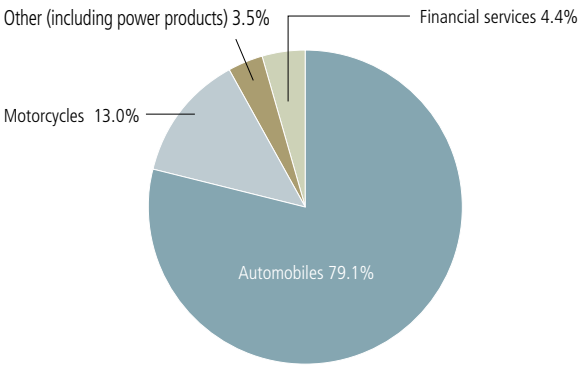
Net income



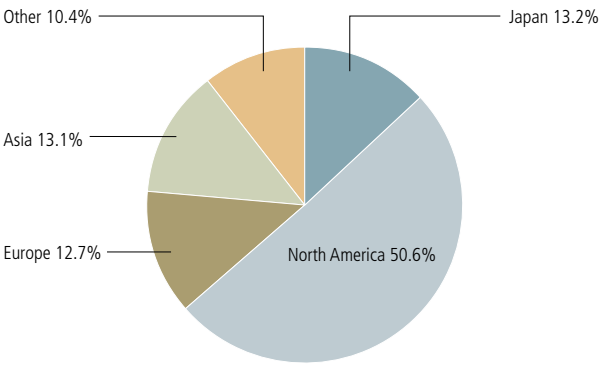
Number of associates



Net sales by operational area (consolidated: FY2008)



Net sales by region (consolidated: FY2008)



Persons responsible

Sales and services	Automobile sales	Naoyuki Sekiguchi
		Minoru Awahara
	Motorcycle sales	Minoru Nagata
	Power product sales	Hideki Kuji
	Parts sales	Koji Yamaguchi
	Recycle promotion office	Hideaki Kobayashi
Purchasing	Automobile purchasing	Yukihiro Seki

Factory and office operations environmental administrator

Saitama Factory	Makoto Shimoosawa
Tochigi Factory	Masayuki Ashigawa
Hamamatsu Factory	Tadayuki Onishi
Suzuka Factory	Masaomi Ajioka
Kumamoto Factory	Shinji Oketani
Automobile New Model Center	Makoto Horiuchi
Quality Innovation Center Tochigi	Yukihiro Kariya
Head Office	Haruki Nagata

Honda R&D Co., Ltd.

Automobile R&D Center (Wako)/ Fundamental Technology Research Center/ Aircraft Engine R&D Center	Akira Aoyama
Motorcycle R&D Center/ Power Products R&D Center	Chikara Fukuda
Automobile R&D Center (Tochigi)/ Automobile R&D Center (Tochigi Proving Ground)/ Automobile R&D Center (Takasu Proving Ground)	Tomoyuki Sawada

	Honda Engineering Co., Ltd.	Masuhiro Sakurai
Logistics	Products and component parts sets	Toshihide Nakai
Administration	Administration	Haruki Nagata
	Personnel	Shinya Konuma
	Corporate Communication	Yasuhiro Wada
Secretariat	Environment & Safety Planning Office	Michio Shinohara

Note: current as of June 1, 2008

Third-party verification

For the reasons given below, we have not obtained third-party verification.

1. No guidelines have been established for third-party verification.
2. The qualifications required of third-party verification organizations have not been clearly established.

We will continue to consider third-party verification and the timing of its potential introduction in light of progress made in relation to the items described above. The results presented in this report have been presented by the departments concerned and endorsed by Honda's Japan Environmental Committee. Information relating to factories has been reviewed in environmental audits and surveillance inspections under the auspices of ISO 14001.

Please direct enquiries to:

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This report can also be found on Honda's Worldwide website.
http://world.honda.com/environment/ecology/2008report/

Environmental mark

This mark symbolizes the wind blowing gently over the beautiful green earth, clear water that gives the essence of life, and the perpetually shining sun. Honda uses this environmental mark around the world to show its commitment to the conservation of the global environment.

HONDA

The Power of Dreams

This pamphlet is printed on paper recycled from excess copies of out-of-date product catalogues and other publications, and printed with 100% VOC-emissions-free soy ink using a printing process free of hazardous wastewater emissions.

Honda Motor Co., Ltd.

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