

Annual Report 2005

Year Ended March 31, 2005

Honda Motor Co., Ltd.





(Cover)
The next-generation *Ridgeline* truck went on sale in North America in March 2005.

Corporate Profile

Since its establishment in 1948, Honda Motor Co., Ltd., has remained on the leading edge by providing products of the highest quality that create new values, at a reasonable price, for worldwide customer satisfaction. In addition, the Company has conducted its activities with a commitment to environmental protection and enhancing safety in a mobile society.

The Company has grown to become the world's largest motorcycle manufacturer and one of the leading automakers. With a global network of 437* subsidiaries and equity-method affiliates, Honda develops, manufactures, and markets a wide variety of products ranging from small general-purpose engines and scooters to specialty sports cars, to earn the Company an outstanding reputation from customers worldwide.

Maintaining its commitment to achieving the visions of "Value Creation," "Glocalization" and "Commitment for the Future," Honda aims to share joy with its customers worldwide, thus becoming "a company that society wants to exist."

* As of March 31, 2005

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Caution with Respect to Forward-Looking Statements

This annual report contains "forward-looking statements" as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Such statements are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and the U.S. dollar, the Euro and other major currencies, as well as other factors detailed from time to time.

Financial Highlights

Financial Data

Honda Motor Co., Ltd., and Subsidiaries
Years ended or at March 31

	Yen (millions except per share amounts)			U.S. dollars (millions except per share amounts)
	2003	2004	2005	2005
Net sales and other operating revenue	¥7,971,499	¥8,162,600	¥8,650,105	\$80,549
Operating income*	724,527	600,144	630,920	5,875
Income before income taxes and equity in income of affiliates	609,755	641,927	656,805	6,116
Net income	426,662	464,338	486,197	4,527
Per common share (Basic)	439.43	486.91	520.68	4.85
Per American depository share	219.71	243.45	260.34	2.42
Cash dividends paid during the period	30,176	33,541	47,797	445
Per common share	31	35	51	0.47
Per American depository share	15.5	17.5	25.5	0.24
Stockholders' equity	2,629,720	2,874,400	3,289,294	30,629
Per common share	2,734.69	3,054.90	3,556.49	33.12
Per American depository share	1,367.34	1,527.45	1,778.24	16.56
Total assets	7,681,291	8,328,768	9,316,970	86,758
Depreciation	220,874	213,445	225,752	2,102
Capital expenditures	316,991	287,741	373,980	3,482

* Certain reclassifications have been made to the prior years' consolidated financial statements to conform to the presentation used for the years ended March 31, 2004 and 2005.

Operating Data

Years ended March 31

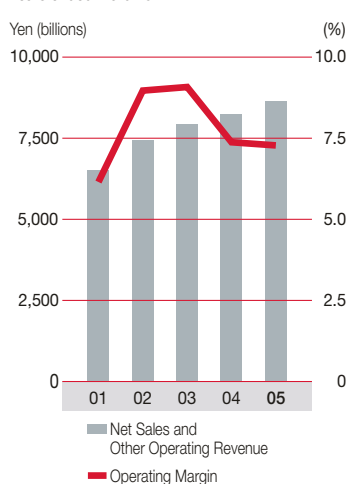
	Motorcycle (Thousands)			Automobile (Thousands)			Power Products (Thousands)		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Unit Sales Breakdown									
Japan	432	403	378	849	716	712	472	477	432
North America	610	656	643	1,522	1,558	1,575	1,872	2,363	2,514
Europe	305	299	338	207	231	267	1,290	1,261	1,309
Asia	5,948	7,017	8,192	205	341	512	657	619	712
Other Regions	785	831	931	105	137	176	293	327	333
Total	8,080	9,206	10,482	2,888	2,983	3,242	4,584	5,047	5,300

Years ended March 31

	Motorcycle Business Yen (millions)			Automobile Business Yen (millions)			Financial Services Business Yen (millions)			Power Product & Other Businesses Yen (millions)		
	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
Net Sales Breakdown												
Japan	¥ 98,391	¥ 93,203	¥ 97,405	¥1,513,596	¥1,397,237	¥1,463,531	¥ 21,308	¥ 20,043	¥ 20,017	¥115,411	¥118,010	¥118,252
North America	329,073	322,213	321,828	3,926,848	3,900,755	3,923,930	210,903	212,522	222,494	101,102	107,440	106,824
Europe	175,736	182,400	198,471	420,292	516,108	597,467	5,548	7,448	8,827	60,385	64,154	66,030
Asia	222,955	242,370	289,169	397,156	532,552	661,471	199	899	1,441	25,216	25,790	24,930
Other Regions	151,940	156,104	190,881	182,202	245,372	317,236	-	1,784	2,962	13,238	16,196	16,939
Total	¥978,095	¥996,290	¥1,097,754	¥6,440,094	¥6,592,024	¥6,963,635	¥237,958	¥242,696	¥255,741	¥315,352	¥331,590	¥332,975

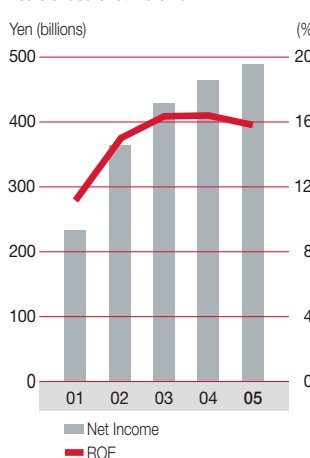
Net Sales and Other Operating Revenue & Operating Margin

Years ended March 31



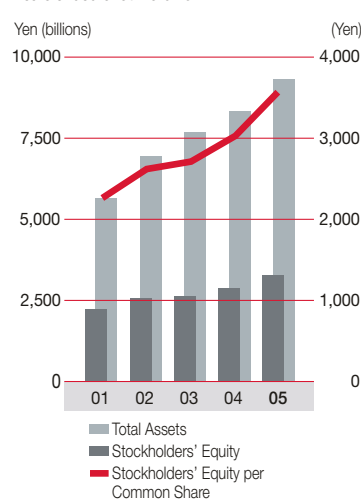
Net Income and Return on Equity (ROE)

Years ended or at March 31



Total Assets, Stockholders' Equity and Stockholders' Equity per Common Share

Years ended or at March 31



Throughout this annual report, the United States dollar amounts have been translated from Japanese yen solely for the convenience of the reader at the rate of ¥107.39=U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2005.