

December 19, 2005

**Suzuka Circuitland Co., Ltd., to Become Wholly Owned Subsidiary  
of Honda Motor Co., Ltd. through Summary Share Exchange**

Tokyo, December 19<sup>th</sup>, 2005 – Honda Motor Co., Ltd. announced today that it has decided at its Board of Directors meeting held today to acquire all of the shares of Suzuka Circuitland Co., Ltd. (“Suzuka Circuitland”) by share exchange and thereby make Suzuka Circuitland a wholly owned subsidiary of the Company.

The official date of the share exchange will be March 10, 2006, after Suzuka Circuitland has obtained a resolution approving the share exchange agreement from its extraordinary general shareholders’ meeting to be held on February 7, 2006.

**1. Purpose of making Suzuka Circuitland a wholly owned subsidiary by share exchange**

The Company established Suzuka Circuitland to operate motor circuit and leisure facilities with the aim of contributing to the development of motorization. The Company has decided to make Suzuka Circuitland its wholly owned subsidiary so that the Company can strengthen its management basis and operate its business with greater flexibility and efficiency and thereby better engage in the further development of motor sports, mobility, and safe driving.

**2. Terms of the share exchange**

**(1) Schedule for the share exchange**

December 19, 2005	Company’s Board of Directors approves the share exchange agreement
December 19, 2005	Company executes the share exchange agreement
February 7, 2006 (planned)	Suzuka Circuitland shareholders’ meeting for obtaining approval for share exchange agreement
March 10, 2006 (planned)	Date of share exchange

Note: The share exchange will be carried out under Article 358, Paragraph 1, of the Commercial Code. Therefore the Company will not be required to obtain a resolution approving the share exchange agreement from its general shareholders’ meeting.

**(2) Share exchange ratio**

	Honda Motor Co., Ltd. (absolute parent company)	Suzuka Circuitland Co., Ltd (wholly owned subsidiary)
Share exchange ratio	1	0.024

Notes: **1. Share allocation ratio**

0.024 Company shares will be allocated for each Suzuka Circuitland share. No Company shares will be allocated to 34,163,410 shares of Suzuka Circuitland which are held by the Company.

**2. Basis for calculation of share exchange ratio**

The Company and Suzuka Circuitland asked Nikko Cordial Securities Inc. to calculate a share exchange ratio. The share exchange ratio shown in the table above was decided by discussion between the Company and Suzuka Circuitland based on that calculation.

**3. Results, method and basis of the calculation by the third party**

Nikko Cordial Securities Inc. calculated the value of the Company's shares using the market price method and the value of Suzuka Circuitland's shares using the revised total assets book value method.

**4. Number of new shares the Company will issue through the share exchange**

No new shares will be issued. Instead of issuing new shares, the Company will deliver its own shares that it possesses (140,078 shares of common stock).

**(3) Cash payment with share exchange**

There will not be any cash payment with the share exchange.

**3. Information relating to Honda and Suzuka Circuitland (as of September 30, 2005)**

1. Name of the company	Honda Motor Co., Ltd.	Suzuka Circuitland Co., Ltd.
2. Business	Manufacturing and sales of transportation machine and tools	Management of amusement parks and motor sports facilities
3. Establishment	September 24, 1948	February 1, 1961
4. Address of Head Office	1-1, Minamiaoyama 2-chome, Minato-ku, Tokyo	7992 Ino-cho, Suzuka-shi, Mie Prefecture
5. Representative	Takeo Fukui, President	Ikuo Shimizu, President

6. Capital stock (millions of yen)	86,067	2,000
7. Total number of issued shares	928,414,215	40,000,000
8. Shareholders' equity (millions of yen)	1,682,882	5,394
9. Total assets (millions of yen)	2,357,085	23,276
10. Settlement of accounts	March 31	March 31
11. Number of employees	26,977	366
12. Principal parties of the company's transactions	Domestic and overseas manufacturers and sales companies related to transportation machine and tools.	Honda Motor Co., Ltd.
13. Principal shareholders and ratio of voting rights	Japan Trustee Services Bank, Ltd. (7.3%) The Master Trust Bank of Japan, Ltd. (5.5%) Moxley & Co. (4.8%) Tokio Marine & Nichido Fire Insurance Co., Ltd. (3.8%) The Bank of Tokyo-Mitsubishi, Ltd. (3.3%)	Honda Motor Co., Ltd. (85.4%)
14. Principal banks	The Bank of Tokyo-Mitsubishi, Ltd. Mitsubishi UFJ Trust and Banking Corporation Saitama Resona Bank, Limited Mizuho Corporate Bank, Ltd. UFJ Bank Limited	The Bank of Tokyo-Mitsubishi, Ltd. Mitsubishi UFJ Trust and Banking Corporation UFJ Bank Limited Saitama Resona Bank, Limited
15. Relationship between parties	<p><b>Capital:</b> The Company holds 85.4% of Suzuka Circuitland's issued shares.</p> <p><b>Persons:</b> No director of either company sits on both company's boards.</p> <p><b>Business trading:</b> The Company purchased race tickets from Suzuka Circuitland. Also the Company utilize Suzuka Circuit and Tama Tech, which are the facilities operated by Suzuka Circuitland.</p>	
16. Past 3 fiscal year' financial results	See as below.	

Fiscal year (Year ended March 31,)	Honda Motor Co., Ltd.			Suzuka Circuitland Co., Ltd.		
	2003	2004	2005	2003	2004	2005
Net sales (millions of yen)	3,322,719	3,319,793	3,489,106	19,262	18,091	18,563
Operating income (millions of yen)	144,838	184,773	147,554	(631)	(1,568)	228
Ordinary income (millions of yen)	242,680	311,244	211,249	(781)	(1,889)	98
Net income (millions of yen)	170,035	226,494	144,489	1,335	3,657	(333)
Net income per share (yen)	174.63	237.51	154.74	33.39	91.44	(8.33)
Dividend per share (yen)	32	42	65	-	-	-
Shareholders' equity per share (yen)	1,477.49	1,637.87	1,677.57	57.29	148.74	140.40

#### 4. The situation after the share exchange

##### (1) Corporate name, business, address, and representative

There will be no change in either party's corporate name, business, address, or representative from the information set out in "3. Information relating to Honda and Suzuka Circuitland" above.

##### (2) Capital

There will be no increase in the Company's capital as a result of the share exchange.

##### (3) Impact on financial results

Suzuka Circuitland is already a Company's consolidated subsidiary. The Company expects that there should therefore be no significant change in the Company's consolidated financial results as a result of the share exchange.