

March 8, 2006

Honda Express Co., Ltd. and Komyo Co., Ltd., to Become Wholly Owned Subsidiaries of Honda Motor Co., Ltd. through Summary Share Exchange

Tokyo, March 8, 2006 – Honda Motor Co., Ltd. (the “Company”) decided today at its Board of Directors meeting to acquire all of the shares of Honda Express Co., Ltd. (“Honda Express”) and Komyo Co., Ltd. (“Komyo”) by a share exchange and thereby make them wholly owned subsidiaries of the Company.

The official date of the share exchange will be April 28, 2006, after Honda Express and Komyo have obtained resolutions approving the share exchange agreement from their extraordinary general shareholders’ meetings to be held on March 27, 2006.

1. Purpose of making Honda Express and Komyo wholly owned subsidiaries by share exchange

The Company invests in Honda Express and Komyo in order to realize efficient logistical operations. It has decided to make Honda Express and Komyo its wholly owned subsidiaries so that the Company can strengthen its management base and operate its business with greater flexibility and efficiency, thereby better engaging in its further evolution and development toward becoming an advanced company that offers even more value added logistical operations that support the logistical businesses of the group and exceed customers’ expectations.

Honda Express and Komyo today entered into a basic agreement providing to the effect that they will effect a merger on October 1, 2006.

2. Terms of the share exchange

(1) Schedule for the share exchange

March 8, 2006	Company’s Board of Directors approves the share exchange agreement
March 8, 2006	Company executes the share exchange agreement
March 27, 2006 (planned)	Honda Express shareholders’ meeting for obtaining approval for share exchange agreement
March 27, 2006 (planned)	Komyo shareholders’ meeting for obtaining approval for share exchange agreement

April 28, 2006 Date of share exchange
(planned)

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)	Honda Express Co., Ltd. (wholly owned subsidiary)	Komyo Co., Ltd. (wholly owned subsidiary)
Share exchange ratio	1	0.259	0.968

Notes: **1. Share allocation ratio**

- (1) 0.259 Company shares will be allocated for each Honda Express share. No Company shares will be allocated to 9,000,000 shares of Honda Express which are held by the Company.
- (2) 0.968 Company shares will be allocated for each Komyo share. No Company shares will be allocated to 400,000 shares of Komyo which are held by the Company.

2. Basis for calculation of share exchange ratio

The Company, Honda Express and Komyo asked Shin Nihon Ernst & Young to calculate a share exchange ratio. The share exchange ratio shown in the table above was decided by discussion between the Company, Honda Express and Komyo based on that calculation.

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

Shin Nihon Ernst & Young calculated the value of the Company's shares using the market price method and the value of Honda Express's and Komyo's shares using the adjusted book value method.

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

- (1) No new shares will be issued for share exchange with Honda Express. Instead of issuing new shares, the Company will deliver its own shares that it possesses (2,331,000 shares of common stock).

- (2) No new shares will be issued for share exchange with Komyo. Instead of issuing new shares, the Company will deliver its own shares that it possesses (387,200 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 the Company, Honda Express and Komyo (as of September 30, 2005)

1. Corporate name	Honda Motor Co., Ltd.	Honda Express Co., Ltd.	Komyo Co., Ltd.
2. Business	Manufacturing and sales of transportation machine and tools	Transportation of motor trucks, packing and storage	Warehousing business, transportation of motor trucks, packing, manufacturing and sales of packing material
3. Establishment	September 24, 1948	June 1, 1961	October 10, 1960
4. Address of head office	1-1, Minamiaoyama 2-chome, Minato-ku, Tokyo	7754-1, Kokufu-cho, Suzuka, Mie	1-12-5, Shin Sayama, Sayama, Saitama
5. Representative	Takeo Fukui, President	Ryozo Watai, President	Masanori Kobayashi, President
6. Capital stock (millions of yen)	86,067	900	400
7. Total number of issued shares	928,414,215	18,000,000	800,000
8. Shareholders' equity (millions of yen)	1,682,882	19,250	4,294
9. Total assets (millions of yen)	2,357,085	39,625	11,957
10. Settlement of accounts	March 31	March 31	March 31
11. Number of employees	26,977	1,206	348
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.	Honda Motor Co., Ltd. Honda Access Co., Ltd. Isuzu Linex Co., Ltd. and others

13. Principal shareholders and ratio of voting rights	1. Japan Trustee Services Bank, Ltd. (7.3%) 2. The Master Trust Bank of Japan, Ltd. (5.5%) 3. Moxley & Co. (4.8%) 4. Tokio Marine & Nichido Fire Insurance Co., Ltd. (3.8%) 5. The Bank of Tokyo-Mitsubishi, Ltd. (3.3%)	1. Honda Motor Co., Ltd. (50.0%) 2. Honda gojokai (50.0%)	1. Honda Motor Co., Ltd. (50.0%) 2. Honda gojokai (50.0%)
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. Saitama Resona Bank, Limited Development Bank of Japan	The Bank of Tokyo-Mitsubishi, Ltd. Saitama Resona Bank, Limited THE SHOKO CHUKIN BANK
15. Relationship with the Company		Capital: The Company holds 50.0% of issued shares of Honda Express. Persons: Five ex-employees of the Company are now directors (a president, two managing directors, and a director) and an operating officer of Honda Express. One employee of the Company is also a corporate auditor of Honda Express. Business trading: The Company entrusts transportation of products and parts, and packing and storage, to Honda Express	Capital: The Company holds 50.0% of Komyo issued shares. Persons: Two ex employees of the Company are now directors (a president and a director) of Komyo. One employee of the Company is also a corporate auditor of Komyo. Business trading: The Company entrusts transportation of products and parts, and packing and storage, to Komyo.
16. Past 3 years' financial results	See below		

Notes

1. The Company cancelled 11,000,000 shares of its own shares as of February 7, 2006, so the current total number of issued shares is 917,414,215 shares.
2. The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited were merged as of January 1, 2006, and newly formed The Bank of Tokyo-Mitsubishi UFJ, Ltd.

3. Honda gojokai (mutual aid society) is a society composed of employees of the Company and its subsidiaries and affiliates with the aim of employees' mutual aid.

16. Past three years' financial results

Fiscal year (Year ended March 31.)	Honda Motor Co., Ltd.			Honda Express Co., Ltd.			Komyo Co., Ltd.		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Net sales (millions of yen)	3,322,719	3,319,793	3,489,106	51,211	46,376	48,103	18,155	17,541	18,155
Operating income (millions of yen)	144,838	184,773	147,554	2,163	(242)	1,465	679	129	569
Ordinary income (millions of yen)	242,680	311,244	211,249	2,189	240	1,761	622	71	522
Net income (millions of yen)	170,035	226,494	144,489	1,110	(83)	1,024	352	(38)	300
Net income per share (yen)	174.63	237.51	154.74	61.68	(4.65)	56.92	439.49	(48.02)	375.49
Dividend per share (yen)	32	42	65	7.5	7.5	7.5	75	75	75
Shareholders' equity per share (yen)	1,477.49	1,637.87	1,677.57	933.15	948.29	1,016.02	4,912.12	4,797.61	5,115.71

3. 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 the Company, Honda Express and Komyo" 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

The Company expects that there should be a minor impact on the Company's consolidated financial results as a result of the share exchange.