

**HONDA MOTOR CO., LTD. REPORTS
CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL SECOND QUARTER AND
THE FIRST HALF ENDED SEPTEMBER 30, 2000**

Tokyo, November 8, 2000--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal second quarter and the first half ended September 30, 2000.

Second Quarter Results

Honda's consolidated net income for the fiscal second quarter ended September 30, 2000 totaled ¥58.1 billion (\$538 million), a decrease of 8.5% from the same period in 1999. Net income per Common Share, both on a basic and fully diluted basis, for the quarter amounted to ¥59.63 (\$0.55), compared to ¥65.19 for the same period in 1999. Each of Honda's American Depositary Shares represents two Common Shares.

Although unit sales in motorcycles and power products increased during the fiscal second quarter, consolidated net sales and other operating revenue (herein referred to as "revenue") for the quarter amounted to ¥1,502.4 billion (\$13,912 million), a decrease of 0.9% from the same period in 1999.

This decrease in revenue was primarily due to currency translation effects, which had a negative impact on foreign currency-denominated revenue from Honda's overseas subsidiaries translated into yen.

Honda estimates that had the exchange rate of yen remained unchanged from the same period in 1999, revenue for the quarter would have increased by approximately 4.3%.

Consolidated operating income for the fiscal second quarter totaled ¥97.1 billion (\$899 million), a decrease of 7.1% compared to the same period in 1999. The negative impact of the appreciation of the yen together with increase in research and development expenses were major factors for this decrease, which undermined Honda's ongoing cost reduction efforts and the decrease in selling, general and administrative expenses.

Consolidated income before income taxes for the quarter totaled ¥90.2 billion (\$836

million), decreasing 14.3% from the same period in 1999.

With respect to Honda's sales in the fiscal second quarter by business category, motorcycle unit sales increased 25.4% to 1,319,000 units, and revenue increased 15.1%, to ¥194.0 billion (\$1,797 million). This increase in unit sales was due primarily to higher sales in Asian countries out side of Japan.

Honda's unit sales of automobiles decreased by 1.9% to 606,000 units, and revenue decreased 3.6%, to ¥1,207.8 billion (\$11,183 million) during the quarter. Unit sales of automobiles increased in Asia and Japan, however, lower sales in Europe were the primary contributors to this decrease in unit sales.

Unit sales of power products totaled 794,000 units, an increase of 2.3% compared to the same period in 1999. Strong sales of Honda's general-purpose engines in Europe and Asia offset the decline in unit sales in North America. Revenue from other businesses, including the power product business and financial services, increased by 6.4% to ¥100.5 billion (\$931 million).

First Half-Year Results

Honda's consolidated net income for the first six months ended September 30, 2000 totaled ¥121.9 billion (\$1,129 million), a decrease of 10.6% from the previous year. Net income per Common Share for the fiscal first half, both on a basic and fully diluted basis, amounted to ¥125.11 (\$1.16), compared to ¥139.96 of the corresponding period a year ago.

Unit sales in all of Honda's business categories, namely motorcycles, automobiles and power products, increased and consolidated net sales and other operating revenue (herein referred to as "revenue") for the six months amounted to ¥3,051.9 billion (\$28,259 million), an increase of 0.6% from last year.

Revenue included the effect of currency translation, and Honda estimates that had the exchange rate of the yen remained unchanged from the previous year, revenue for the year would have increased by approximately 8.4%.

Consolidated operating income for the fiscal first half totaled ¥201.4 billion (\$1,866 million), a decrease of 12.2% compared to the corresponding period last year. Despite an increase in revenue and Honda's ongoing cost reduction efforts, the negative impact of the appreciation of the yen was the major factor for this decrease in operating income.

Consolidated income before income taxes for the fiscal first half totaled ¥192.0 billion (\$1,778 million), a decrease of 15.2% compared to the previous year.

With respect to Honda's sales for the six-month period by business category, motorcycle unit sales increased 18.6% to 2,545,000 units, and revenue increased 12.9% to ¥391.8 billion (\$3,629 million). Unit sales in Asian countries such as India, Indonesia and Thailand, as well as in North America increased during the period and offset the decline in unit sales in Japan and Europe.

Honda's unit sales of automobile increased by 4.1% to 1,242,000 units, while revenue decreased 1.0% to ¥2,457.2 billion (\$22,753 million) for the six-month period. Strong sales of the Odyssey and the Vamos in Japan, higher sales of the Acura TL, CL and the Odyssey in North America, together with recovery of sales in Asian markets were the primary contributors to this increase in unit sales.

Unit sales of power products totaled 1,823,000 units, representing an increase of 3.1% compared to the previous year. Strong sales of Honda's general-purpose engines in Europe and Asia offset the decline in unit sales in North America. Honda's other businesses, including power products and financial services, showed a 1.0% decrease in revenue, amounting to ¥202.7 billion (\$1,877 million).

Forecasts for fiscal year ending March 31, 2001

In overseas markets, although the economies of Asian countries are expected to continue to recover, Honda foresees consumer spending in the United States to slow and European business conditions to remain severe due to the ongoing depreciation of the euro. It will take some time for the economy in Japan to recover and the business environment will remain severe, in view of tougher sales competition.

In regards to the forecasts of the financial results for fiscal year ending March 31, 2001, Honda projects the consolidated and unconsolidated results as below:

Forecasts for consolidated results

	<u>In billions of yen</u>	<u>Changes from FY 2000</u>
Net sales and other operating revenue	¥6,220	+2.0%
Income before income taxes	360	-13.5%
Net income	220	-16.2%

Forecasts for unconsolidated results

	<u>In billions of Yen</u>	<u>Changes from FY2000</u>
Net sales	¥2,950	+1.0%
Ordinary profit	120	-40.4%
Net income	88	-35.0%

These forecasts are based on the assumption that the exchange rates for the yen to the U.S. dollar and the euro for the current fiscal year will average ¥106 and ¥96, respectively.

Honda projects that the year-end cash dividend will be ¥12.00 per share of common stock. Total cash dividends for the term will be ¥23.00.

This announcement contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934. Honda's actual results could materially differ from those contained in these forward-looking statements as a result of numerous factors outside of Honda's control. Such factors include general economic conditions in Honda's principal markets, and foreign exchange rates between the Japanese yen and other major currencies, as well as other factors detailed from time to time in Honda's reports filed with the U.S. Securities and Exchange Commission.

[1] Unit Sales Breakdown

	(In thousands of units)			
	Three months ended Sep. 30, 2000	Three months ended Sep. 30, 1999	Six months ended Sep. 30, 2000	Six months ended Sep. 30, 1999
MOTORCYCLES				
Japan	114	138	215	244
(ATVs included above)	(-)	(-)	(-)	(-)
North America	137	100	230	168
(ATVs included above)	(84)	(62)	(132)	(105)
Europe	66	80	172	202
(ATVs included above)	(1)	(1)	(3)	(2)
Others	1,002	734	1,928	1,532
(ATVs included above)	(3)	(3)	(6)	(6)
Total	1,319	1,052	2,545	2,146
(ATVs included above)	(88)	(66)	(141)	(113)
AUTOMOBILES				
Japan	184	179	364	338
North America	306	311	648	619
Europe	46	81	96	137
Others	70	47	134	99
Total	606	618	1,242	1,193
POWER PRODUCTS				
Japan	42	43	85	91
North America	270	326	678	757
Europe	229	175	564	492
Others	253	232	496	429
Total	794	776	1,823	1,769

Explanatory Note:

1. The geographical breakdown of unit sales is based on the location of affiliated and unaffiliated customers.
2. Due to the change in method of business segment categorization as described in Explanatory Note 7 of page 15, above unit sales breakdown for corresponding period ended September 1999 is restated; i.e., unit sales of all-terrain vehicles (ATVs) are included in Motorcycles, which were previously included in Power Products.

[2] Net Sales Breakdown

(A) For the three months ended September 30, 2000 and 1999

	(In millions of Yen)	
	Three months ended Sep. 30, 2000	Three months ended Sep. 30, 1999
MOTORCYCLE BUSINESS		
Japan	¥25,747 (13.3%)	¥29,561 (17.5%)
North America	61,939 (31.9%)	47,991 (28.5%)
Europe	26,932 (13.9%)	32,056 (19.0%)
Others	79,449 (40.9%)	58,928 (35.0%)
Total	¥194,067 (100.0%)	¥168,536 (100.0%)
AUTOMOBILE BUSINESS		
Japan	¥364,824 (30.2%)	¥348,823 (27.8%)
North America	669,596 (55.4%)	671,593 (53.6%)
Europe	71,166 (5.9%)	142,875 (11.4%)
Others	102,218 (8.5%)	89,928 (7.2%)
Total	¥1,207,804 (100.0%)	¥1,253,219 (100.0%)
OTHERS		
Japan	¥28,353 (28.2%)	¥26,915 (28.5%)
North America	51,289 (51.0%)	49,527 (52.4%)
Europe	11,871 (11.8%)	8,937 (9.5%)
Others	9,060 (9.0%)	9,114 (9.6%)
Total	¥100,573 (100.0%)	¥94,493 (100.0%)
TOTAL		
Japan	¥418,924 (27.9%)	¥405,299 (26.7%)
North America	782,824 (52.1%)	769,111 (50.7%)
Europe	109,969 (7.3%)	183,868 (12.1%)
Others	190,727 (12.7%)	157,970 (10.5%)
Total	¥1,502,444 (100.0%)	¥1,516,248 (100.0%)

Explanatory Note:

1. The geographical breakdown of net sales is based on the location of affiliated and unaffiliated customers.
2. Due to the change in method of business segment categorization as described in Explanatory Note 7 of page 15 above net sales breakdown for corresponding period ended September 1999 is restated; i.e., net sales of all-terrain vehicles (ATVs) are included in Motorcycles, which were previously included in Others.

[2] Net Sales Breakdown - continued

(B) For the six months ended September 30, 2000 and 1999

	(In millions of Yen)			
	Six months ended Sep. 30, 2000		Six months ended Sep. 30, 1999	
	¥	(%)	¥	(%)
MOTORCYCLE BUSINESS				
Japan	¥51,081	(13.0%)	¥55,063	(15.9%)
North America	109,608	(28.0%)	88,774	(25.6%)
Europe	76,402	(19.5%)	89,242	(25.7%)
Others	154,807	(39.5%)	114,031	(32.8%)
Total	¥391,898	(100.0%)	¥347,110	(100.0%)
AUTOMOBILE BUSINESS				
Japan	¥726,040	(29.5%)	¥667,651	(26.9%)
North America	1,386,158	(56.4%)	1,384,632	(55.8%)
Europe	156,216	(6.4%)	257,738	(10.4%)
Others	188,861	(7.7%)	170,924	(6.9%)
Total	¥2,457,275	(100.0%)	¥2,480,945	(100.0%)
OTHERS				
Japan	¥55,088	(27.2%)	¥51,907	(25.3%)
North America	103,614	(51.1%)	113,222	(55.3%)
Europe	25,698	(12.7%)	23,206	(11.3%)
Others	18,345	(9.0%)	16,526	(8.1%)
Total	¥202,745	(100.0%)	¥204,861	(100.0%)
TOTAL				
Japan	¥832,209	(27.3%)	¥774,621	(25.5%)
North America	1,599,380	(52.4%)	1,586,628	(52.3%)
Europe	258,316	(8.5%)	370,186	(12.2%)
Others	362,013	(11.8%)	301,481	(10.0%)
Total	¥3,051,918	(100.0%)	¥3,032,916	(100.0%)

Explanatory Note:

1. The geographical breakdown of net sales is based on the location of affiliated and unaffiliated customers.
2. Due to the change in method of business segment categorization as described in Explanatory Note 7 of page 15, above net sales breakdown for corresponding period ended September 1999 is restated; i.e., net sales of all-terrain vehicles (ATVs) are included in Motorcycles, which were previously included in Others.

[3] Consolidated Financial Summary

(For the three months and six months ended September 30, 2000 and 1999)

Financial Highlights

	(In millions of Yen)					
	Three months ended Sep. 30, 2000	%	Three months ended Sep. 30, 1999	Six months ended Sep. 30, 2000	%	Six months ended Sep. 30, 1999
		Change			Change	
Net sales and other operating revenue	¥1,502,444	-0.9%	¥1,516,248	¥3,051,918	0.6%	¥3,032,916
Operating income	97,119	-7.1%	104,548	201,490	-12.2%	229,545
Income before income taxes	90,274	-14.3%	105,366	192,041	-15.2%	226,428
Net income	58,105	-8.5%	63,518	121,907	-10.6%	136,380
	(In Yen)					
Net income per						
Common Share Basic	¥59.63		¥65.19	¥125.11		¥139.96
Diluted	59.63		65.19	125.11		139.96
American Share Basic	119.26		130.38	250.22		279.92
Diluted	119.26		130.38	250.22		279.92

	(In thousands of U.S. Dollar)	
	Three months ended Sep. 30, 2000	Six months ended Sep. 30, 2000
Net sales and other operating revenue	\$13,911,519	\$28,258,500
Operating income	899,250	1,865,648
Income before income taxes	835,870	1,778,157
Net income	538,009	1,128,769
	(In U.S. Dollar)	
Net income per		
Common Share Basic	\$0.55	\$1.16
Diluted	0.55	1.16
American Share Basic	1.10	2.32
Diluted	1.10	2.32

[4] Consolidated Statements of Income and Retained Earnings (Unaudited)

(A) For the three months ended September 30, 2000 and 1999

	(In millions of Yen)	
	Three months ended Sep. 30, 2000	Three months ended Sep. 30, 1999
Net sales and other operating revenue	¥1,502,444	¥1,516,248
Operating costs and expenses:		
Cost of sales	1,060,750	1,042,839
Selling, general and administrative	258,201	285,172
Research and development	<u>86,374</u>	<u>83,689</u>
Operating income	97,119	104,548
Other income:		
Interest	3,315	4,607
Other	1,641	3,344
Other expenses:		
Interest	4,805	4,294
Other	<u>6,996</u>	<u>2,839</u>
Income before income taxes	90,274	105,366
Income taxes	<u>38,329</u>	<u>46,403</u>
Income before equity in income of affiliates	51,945	58,963
Equity in income of affiliates	<u>6,160</u>	<u>4,555</u>
Net income	58,105	63,518
Retained earnings:		
Balance at beginning of period	2,270,737	2,040,274
Cash dividends paid	-	-
Transfer to legal reserves	<u>-</u>	<u>-</u>
Balance at end of period	<u><u>¥2,328,842</u></u>	<u><u>¥2,103,792</u></u>
	(In Yen)	
Net income per Common Share		
Basic	¥59.63	¥65.19
Diluted	59.63	65.19
American Share		
Basic	119.26	130.38
Diluted	119.26	130.38

[4] Consolidated Statements of Income and Retained Earnings (Unaudited) - continued
 (B) For the six months ended September 30, 2000 and 1999

	(In millions of Yen)	
	Six months ended Sep. 30, 2000	Six months ended Sep. 30, 1999
Net sales and other operating revenue	¥3,051,918	¥3,032,916
Operating costs and expenses:		
Cost of sales	2,145,288	2,081,113
Selling, general and administrative	538,640	561,240
Research and development	<u>166,500</u>	<u>161,018</u>
Operating income	201,490	229,545
Other income:		
Interest	5,959	7,033
Other	2,308	3,583
Other expenses:		
Interest	9,908	9,736
Other	<u>7,808</u>	<u>3,997</u>
Income before income taxes	192,041	226,428
Income taxes	<u>81,573</u>	<u>96,119</u>
Income before equity in income of affiliates	110,468	130,309
Equity in income of affiliates	<u>11,439</u>	<u>6,071</u>
Net income	121,907	136,380
Retained earnings:		
Balance at beginning of period	2,218,848	1,977,613
Cash dividends paid	(11,693)	(9,744)
Transfer to legal reserves	<u>(220)</u>	<u>(457)</u>
Balance at end of period	<u><u>¥2,328,842</u></u>	<u><u>¥2,103,792</u></u>
	(In Yen)	
Net income per Common Share		
Basic	¥125.11	¥139.96
Diluted	125.11	139.96
American Share		
Basic	250.22	279.92
Diluted	250.22	279.92

[5] Consolidated Balance Sheets

(In millions of Yen)

Assets	Sep. 30, 2000	Mar. 31, 2000	Sep. 30, 1999
	(Unaudited)	(Audited)	(Unaudited)
Current assets:			
Cash and cash equivalents	¥444,535	¥430,587	¥446,234
Trade accounts and notes receivable	346,244	390,659	340,240
Finance subsidiaries- receivables	693,139	731,580	632,306
Inventories	559,539	567,705	550,816
Deferred income taxes	161,792	154,277	146,523
Other current assets	175,997	180,903	179,016
Total current assets	2,381,246	2,455,711	2,295,135
Finance subsidiaries- receivables	1,146,886	878,242	832,135
Investments and advances	401,586	389,094	395,447
Property, plant and equipment, at cost:			
Land	291,113	296,591	296,656
Buildings	792,155	783,055	771,110
Machinery and equipment	1,762,220	1,731,589	1,720,296
Construction in progress	92,229	63,408	48,419
	2,937,717	2,874,643	2,836,481
Less accumulated depreciation	1,791,435	1,753,603	1,734,265
Net property, plant and equipment	1,146,282	1,121,040	1,102,216
Other assets	72,012	54,341	118,442
Total assets	¥5,148,012	¥4,898,428	¥4,743,375

[5] Consolidated Balance Sheets - continued

(In millions of Yen)

Liabilities and Stockholders' Equity

	<u>Sep. 30, 2000</u> (Unaudited)	<u>Mar. 31, 2000</u> (Audited)	<u>Sep. 30, 1999</u> (Unaudited)
Current liabilities:			
Bank loans and commercial paper	¥797,870	¥495,953	¥544,029
Current portion of long-term debt	312,429	343,576	219,035
Trade payables	644,323	696,876	647,510
Accrued expenses	514,562	483,917	475,944
Income taxes payable	61,869	53,319	78,799
Other current liabilities	<u>119,495</u>	<u>128,670</u>	<u>111,036</u>
Total current liabilities	<u>2,450,548</u>	<u>2,202,311</u>	<u>2,076,353</u>
Long-term debt	449,553	574,566	567,992
Other liabilities	205,484	191,178	319,138
Total liabilities	<u>¥3,105,585</u>	<u>¥2,968,055</u>	<u>¥2,963,483</u>
Stockholders' equity:			
Common stock	86,067	86,067	86,067
Capital surplus	172,529	172,529	172,529
Legal reserves	27,765	27,545	27,285
Retained earnings	2,328,842	2,218,848	2,103,792
Adjustments from foreign currency translation	(570,825)	(580,676)	(542,621)
Net unrealized gains on marketable equity securities	33,011	41,022	38,560
Minimum pension liabilities adjustments	(34,962)	(34,962)	(105,720)
Accumulated other comprehensive income (loss)	<u>(572,776)</u>	<u>(574,616)</u>	<u>(609,781)</u>
Total stockholders' equity	<u>¥2,042,427</u>	<u>¥1,930,373</u>	<u>¥1,779,892</u>
Total liabilities and stockholders' equity	<u>¥5,148,012</u>	<u>¥4,898,428</u>	<u>¥4,743,375</u>

[6] Consolidated Statements of Cash Flows (Unaudited)

	<u>(In millions of Yen)</u>
	<u>Six months</u>
	<u>ended</u>
	<u>Sep. 30, 2000</u>
Cash flows from operating activities:	
Net income	¥121,907
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	78,172
Deffered income taxes	(35,718)
Equity in income of affiliates	(11,439)
Decrease (increase) in:	
Trade accounts and notes receivable	31,125
Inventories	1,202
Increase (decrease) in trade payables	(29,452)
Other, net	64,006
Net cash provided by operating activities	<u>219,803</u>
Cash flows from investing activities:	
Decrease (increase) in investments and advances	(22,781)
Capital Expenditures	(122,267)
Proceeds from sales of property, plant and equipment	6,075
Decrease (increase) in finance subsidiaries-receivables	<u>(214,957)</u>
Net cash used in investing activities	<u>(353,930)</u>
Cash flows from financing activities:	
Increase (decrease) in short-term debt	319,160
Proceeds from long-term debt	82,941
Repayment of long-term debt	(241,691)
Cash dividends paid	(11,693)
Increase (decrease) in commercial paper classified as long-term debt	494
Net cash provided by (used in) financing activities	<u>149,211</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,136)</u>
Net change in cash and cash equivalents	<u>13,948</u>
Cash and cash equivalents at beginning of year	<u>430,587</u>
Cash and cash equivalents at end of year	<u>¥444,535</u>

Explanatory Notes:

1. The Company prepares its consolidated financial statements in conformity with United States generally accepted accounting principles since the Company has issued American Depositary Receipts listed on the New York Stock Exchange and files reports with the U.S. Securities and Exchange Commission, except all segment information which is prepared in accordance with a Ministerial Ordinance under the Securities and Exchange Law of Japan.
2. Net income per Common Share amounts are computed based on Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share". Basic net income per Common Share is computed based on the weighted average number of Common Shares outstanding during each period. For the Company, the computation of fully diluted net income per Common Share is similar to the computation of basic net income per Common Share except for the assumption that convertible bonds of the Company were converted into Common Shares.
3. The average exchange rate for the fiscal second quarter ended September 30, 2000 was ¥107.65=U.S.\$1. The average exchange rate for the corresponding period last year was ¥113.68=U.S.\$1, a difference of ¥6.03. The average exchange rate for the fiscal first half ended September 30, 2000 was ¥107.17=U.S.\$1, a difference of ¥10.18 as compared with ¥117.35=U.S.\$1 for the corresponding period last year.
4. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥108.00=U.S.\$1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on September 29, 2000.
5. One American Depositary Share represents two Common Shares.
6. The Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No.130, "Reporting Comprehensive Income". The following table represents components of the Company's comprehensive income. Other comprehensive income (loss) consists of changes in adjustments from foreign currency translation, net unrealized gains on marketable equity securities and minimum pension liabilities adjustment.

(In millions of Yen)	Three months ended September 30, 2000	Three months ended September 30, 1999
Net income	¥ 58,105	¥ 63,518
Other comprehensive income (loss)	9,073	(97,182)
Comprehensive income (loss)	67,178	(33,664)

(In millions of Yen)	Six months ended September 30, 2000	Six months ended September 30, 1999
Net income	¥121,907	¥136,380
Other comprehensive income (loss)	1,840	(110,599)
Comprehensive income (loss)	123,747	25,781

7. Effective fiscal fourth quarter ended March 2000, Honda changed its method of business segment categorization from the former categorization based on the similarity of the principal products included within each segment as well as the relevant markets for such products, to the new categorization including the factor of Honda's organization as an additional criterion.

As the result of the change, Honda's all-terrain vehicle (ATV) business is categorized in its "Motorcycle Business" segment, which had been previously categorized as a part of power product business of "Other Businesses" segment. Prior year figures have been reclassified to reflect this change.

[6] Segment Information

(A) Business Segment Information

For the six months ended September 30, 2000

(In millions of Yen)

	Motor- cycle Business	Auto- mobile Business	Financial Services	Other Businesses	Total	Eliminations	Consolidated
Net sales and other operating revenue:							
Sales to unaffiliated customers	¥391,898	¥2,457,275	¥79,546	¥123,199	¥3,051,918	—	¥3,051,918
Intersegment sales	—	—	3,455	4,174	7,629	(7,629)	—
Total	¥391,898	¥2,457,275	¥83,001	¥127,373	¥3,059,547	(¥7,629)	¥3,051,918
Cost of sales, S.G.A. and R&D expenses	366,421	2,297,430	66,934	127,272	2,858,057	(7,629)	2,850,428
Operating income	¥25,477	¥159,845	¥16,067	¥101	¥201,490	—	¥201,490

For the six months ended September 30, 1999

(In millions of Yen)

	Motor- cycle Business	Auto- mobile Business	Financial Services	Other Businesses	Total	Eliminations	Consolidated
Net sales and other operating revenue:							
Sales to unaffiliated customers	¥347,110	¥2,480,945	¥73,576	¥131,285	¥3,032,916	—	¥3,032,916
Intersegment sales	—	—	3,672	2,445	6,117	(6,117)	—
Total	¥347,110	¥2,480,945	¥77,248	¥133,730	¥3,039,033	(¥6,117)	¥3,032,916
Cost of sales, S.G.A. and R&D expenses	323,369	2,291,383	68,772	125,964	2,809,488	(6,117)	2,803,371
Operating income	¥23,741	¥189,562	¥8,476	¥7,766	¥229,545	—	¥229,545

1. Segmentation of Business

Business segment is based on Honda's business organization and the similarity of the principal products included within each segment as well as the relevant markets for such products.

2. Principal products of each segment

<u>Business</u>	<u>Sales</u>	<u>Principal Products</u>
Motorcycle	Motorcycles, all-terrain vehicles (ATVs) and relevant parts	Large-size motorcycles, mid-size motorcycles, motorized bicycles, all-terrain vehicles (ATVs)
Automobile	Automobiles and relevant parts	Compact cars, sub-compact cars, minivehicles
Financial Services	Financial and insurance services	N/A
Other	Power products and relevant parts, and others	Power tillers, generators, general purpose engines, lawn mowers

3. Effective fiscal fourth quarter ended March 2000, Honda changed its method of business segment categorization from the former categorization based on the similarity of the principal products included within each segment as well as the relevant markets for such products, to the new categorization including the factor of the Honda's organization as an additional criterion.

As a result of the change, Honda's all-terrain vehicle (ATV) business is categorized in its "Motorcycle Business" segment, which had been previously categorized as a part of power product business of the "Other Businesses" segment. Prior year figures have been restated to reflect this change.

(B) Geographical Segment Information

The geographical segmentation is based on the location where sales originated.

For the six months ended September 30, 2000

(In millions of Yen)

	<u>Japan</u>	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net sales and other operating revenue:							
Sales to unaffiliated customers	¥935,904	¥1,603,113	¥257,372	¥255,529	¥3,051,918	—	¥3,051,918
Transfers between geographical segments	830,921	54,171	9,634	5,923	900,649	(900,649)	—
Total	¥1,766,825	¥1,657,284	¥267,006	¥261,452	¥3,952,567	(¥900,649)	¥3,051,918
Cost of sales, S.G.A. and R&D expenses	1,701,032	1,530,776	285,409	235,305	3,752,522	(902,094)	2,850,428
Operating income	<u>¥65,793</u>	<u>¥126,508</u>	<u>(¥18,403)</u>	<u>¥26,147</u>	<u>¥200,045</u>	<u>¥1,445</u>	<u>¥201,490</u>

For the six months ended September 30, 1999

(In millions of Yen)

	<u>Japan</u>	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net sales and other operating revenue:							
Sales to unaffiliated customers	¥873,493	¥1,590,906	¥362,453	¥206,064	¥3,032,916	—	¥3,032,916
Transfers between geographical segments	807,513	66,727	7,097	4,063	885,400	(885,400)	—
Total	¥1,681,006	¥1,657,633	¥369,550	¥210,127	¥3,918,316	(¥885,400)	¥3,032,916
Cost of sales, S.G.A. and R&D expenses	1,626,270	1,521,033	363,494	190,424	3,701,221	(897,850)	2,803,371
Operating income	<u>¥54,736</u>	<u>¥136,600</u>	<u>¥6,056</u>	<u>¥19,703</u>	<u>¥217,095</u>	<u>¥12,450</u>	<u>¥229,545</u>

(C) Overseas Sales

For the six months ended September 30, 2000

(In Millions of Yen)

	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
Overseas Sales	¥1,599,380	¥258,316	¥362,013	¥2,219,709
Consolidated Sales				¥3,051,918
Overseas Sales Ratio to Consolidated Sales	52.4%	8.5%	11.8%	72.7%

For the six months ended September 30, 1999

(In Millions of Yen)

	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
Overseas Sales	¥1,586,628	¥370,186	¥301,481	¥2,258,295
Consolidated Sales				¥3,032,916
Overseas Sales Ratio to Consolidated Sales	52.3%	12.2%	10.0%	74.5%

Unconsolidated Financial Summary

(Parent company only)

(For the six months ended September 30, 2000 and 1999)

1. The Board of Directors' Meeting for Interim Financial Results

(Parent company only)

(1) Date on which the meeting was held: November 8, 2000 (Wed.)

(2) The matters resolved:

(A) Unconsolidated (parent company) financial results for the first half (six months ended September 30, 2000) of the 77th fiscal period as specified hereunder.

(B) Interim dividend:

(a) ¥11.00 per share of Common Stock

(b) Payment commences on December 1, 2000 (Fri.)

2. Financial Highlights

(Parent company only)

	(In millions of Yen)		
	Six months ended Sep. 30, 2000	Six months ended Sep. 30, 1999	Year ended Mar. 31, 2000
Net sales	¥1,496,533	¥1,421,358	¥2,919,840
Operating profit	40,090	69,099	139,226
Ordinary profit	64,702	119,853	201,440
Net income	43,732	81,402	135,322
Net income per share	¥44.88	¥83.54	¥138.88
Interim dividend per share	11.00	11.00	—

3. Financial forecast for the Fiscal Year Ending March 31, 2001

(Parent company only)

	(In millions of Yen)
	Fiscal year ending Mar. 31, 2001
Net sales	¥2,950,000
Ordinary profit	120,000
Net income	88,000
Dividend per share for the term	(In Yen) 23.00

3. Unconsolidated Statements of Income

(Parent company only)

	(In millions of Yen)		
	Six months ended Sep. 30, 2000	Six months ended Sep. 30, 1999	Year ended Mar. 31, 2000
Net sales	¥1,496,533	¥1,421,358	¥2,919,840
Cost of sales	1,066,634	997,923	2,046,911
Selling, general and administrative expenses	389,809	354,336	733,702
Operating profit	40,090	69,099	139,226
Non-operating profit	39,074	61,130	83,784
Non-operating expenses	14,461	10,376	21,569
Ordinary Profit	64,702	119,853	201,440
Extraordinary profit	900	69	2,031
Extraordinary loss	15,441	5,985	13,782
Income before income taxes	50,161	113,937	189,689
Income taxes			
Current	29,486	47,360	61,968
Deferred	(23,057)	(14,825)	(7,601)
Net income	¥43,732	¥81,402	¥135,322

4. Unconsolidated Balance Sheets

(Parent company only)

	(In millions of Yen)		
	<u>As of Sep. 30, 2000</u>	<u>As of Mar. 31, 2000</u>	<u>As of Sep. 30, 1999</u>
Current assets	¥653,108	¥744,346	¥708,297
Fixed assets	1,186,769	1,014,242	995,314
Total assets	<u>¥1,839,877</u>	<u>¥1,758,588</u>	<u>¥1,703,612</u>
Current liabilities	¥481,725	¥507,022	¥445,656
Fixed liabilities	64,924	38,666	88,257
Total liabilities	<u>¥546,650</u>	<u>¥545,689</u>	<u>¥533,914</u>
Common stock	¥86,067	¥86,067	¥86,067
Statutory reserve	185,345	185,345	185,345
Earned surplus	973,185	941,486	898,284
Stockholders' equity	<u>¥1,293,226</u>	<u>¥1,212,899</u>	<u>¥1,169,697</u>
Total liabilities and stockholders' equity	<u>¥1,839,877</u>	<u>¥1,758,588</u>	<u>¥1,703,612</u>

5. Unit Sales Breakdown

(Parent company only)

	(In thousands of units)		
	Six months ended Sep. 30, 2000	Six months ended Sep. 30, 1999	Year ended Mar. 31, 2000
MOTORCYCLES			
Japan	205	230	430
(ATV included)	(-)	(-)	(-)
Export	376	314	682
(ATV included)	(149)	(120)	(244)
<u>Total</u>	<u>581</u>	<u>544</u>	<u>1,112</u>
AUTOMOBILES			
Japan	368	344	720
(Mini vehicles included)	(142)	(146)	(303)
Export	250	255	502
<u>Total</u>	<u>619</u>	<u>599</u>	<u>1,223</u>
POWER PRODUCTS			
Japan	84	90	183
Export	1,795	1,940	4,117
<u>Total</u>	<u>1,879</u>	<u>2,031</u>	<u>4,300</u>

5. Net Sales Breakdown - continued

(Parent company only)

	(In millions of Yen)		
	Six months ended Sept. 30, 2000	Six months ended Sept. 30, 1999	Year ended Mar. 31, 2000
MOTORCYCLES			
Japan	¥39,889	¥42,213	¥80,463
Export	<u>167,302</u>	<u>130,911</u>	<u>304,338</u>
Total	<u>¥207,191</u>	<u>¥173,125</u>	<u>¥384,801</u>
AUTOMOBILES			
Japan	¥555,351	¥496,117	¥1,052,726
Export	<u>678,650</u>	<u>675,075</u>	<u>1,333,257</u>
Total	<u>¥1,234,002</u>	<u>¥1,171,193</u>	<u>¥2,385,984</u>
POWER PRODUCTS			
Japan	¥7,657	¥7,632	¥17,194
Export	<u>47,682</u>	<u>69,407</u>	<u>131,859</u>
Total	<u>¥55,339</u>	<u>¥77,040</u>	<u>¥149,054</u>
TOTAL			
Japan	¥602,898	¥545,964	¥1,150,384
Export	<u>893,635</u>	<u>875,394</u>	<u>1,769,455</u>
Total	<u>¥1,496,533</u>	<u>¥1,421,358</u>	<u>¥2,919,840</u>

Explanatory Notes:

1. The summary unconsolidated financial information set forth above is derived from the complete unconsolidated financial information of the Company to be filed with the Securities and Exchange Commission on the Company's Form 6-K for the month of November 2000.
2. Unconsolidated financial statements have been prepared on the basis of generally accepted accounting principles in Japan in accordance with the Japanese Commercial Code.
3. The unit sales and yen amounts described above are rounded down to the nearest one thousand units and one million yen, respectively.
4. For the fiscal first half ended September 2000, sales breakdown has been described based on business operation. Due to this reclassification, sales of ATV which were previously included in power product sales have been stated in motorcycles.
5. Parts and other revenues which were described separately in previous year have been included in respective sales based on the principal products. Sales breakdown of the prior year has been restated in accordance with above mentioned changes.

Management Policy

Honda's business activities are based on fundamental corporate philosophies known as "Respect for the Individual" and "The Three Joys."

"Respect for the Individual" defines Honda's relationship with its associates, business partners and society. It is based on sharing a commitment to initiative, equality and mutual trust among people.

It is Honda's belief that everyone who comes in contact with Honda's activities will gain a sense of satisfaction through the experience of Buying, Selling or Creating our products and services. This philosophy is expressed as "The Three Joys."

With these corporate philosophies as the foundation, Honda's business is guided by the following Company Principle:

"Maintaining a global viewpoint,
we are dedicated to supplying products of the highest quality
yet at a reasonable price for worldwide customer satisfaction"

Honda actively works to share a sense of satisfaction with all of its customers, importantly including shareholders, to continue to improve its corporate value.

Management Organization

Honda has long undertaken proactive measures such as appointing independent board members and independent auditors in consideration of improving corporate governance.

Honda has established a global organization in which its operations are divided into five geographic regions worldwide, to enable management to respond quickly to the changing needs of customers in each region. Through this system, which is also based on the aforementioned corporate philosophies, Honda is taking a long-term perspective, cooperating with the local communities where it does businesses in order to create mutual benefits. The goal is to become a company that society wants to exist. Honda will strive to reflect its market-focused effort to develop quicker and more accurate responses to changes in local needs.

Honda's four business operations—motorcycles, automobiles, power products, and spare parts— formulate medium and long-term plans for business development in individual product categories, and each operation aims to maximize its business performance on a global basis.

Honda's administrative operations coordinate the entire organization to optimize the allocation of business resources. These efforts are aimed at increasing company-wide efficiencies.

For investors and shareholders, Honda's basic policy emphasizes the disclosure of financial results on quarterly basis, as well as the timely and accurate disclosure of its management strategies through the mass media. Honda will remain committed to such disclosure in the future.

Dividend Policy

The Company considers redistribution of profits to shareholders as one of the most important management issues. Accordingly, the Company attempts to increase its corporate value while carrying out its operations from a global standpoint.

The Company intends to redistribute profits to shareholders, with regard to its projected comprehensive cash needs/requirements, and to make distribution payments, taking into account the Company's consolidated earnings performance in the long-term.

In consideration of shareholders expectations, retained earnings will be applied toward financing the R&D activities that are essential for the future growth of the Company, and capital expenditures and investment programs that will expand its operations for the purpose of improving its business results and strengthening its financial condition. The application of retained earnings toward such purchasing and retiring of the Company's shares will remain open for consideration.

Preparing for the Future

Honda recognizes that, as part of its intention of improving product competitiveness and corporate structure to respond with speed and flexibility to changes in customers' needs, it is essential to deal effectively with the following issues.

- Enhancement of R&D capability
- Enhancement of production efficiency
- Enhancement of sales efficiency
- Preservation of the global environment
- Advancement of safety-related technologies

1. Enhancement of R&D capability

Together with efforts to develop environmental and safety technologies, Honda intends to create products that have new value and match respective needs in the global market.

Aiming to improve efficiency and shorten development time, Honda will make the best use of information technology (IT).

2. Enhancement of production efficiency

In order to accurately respond to the diverse needs of customers, Honda will establish efficient and flexible production systems globally, which are expected to enable the production of a greater variety of Honda's high-quality products, and shorten the lead time required for the start-up of new models.

3. Enhancement of sales efficiency

Honda will upgrade its sales network to improve customer-focused activities.

Honda also aims to make its sales information system more convenient and effective for customers by utilizing IT.

4. Preservation of the global environment

Honda will proactively extend clean and fuel-efficient engine technologies to its entire product lineup. In the area of production activities, Honda promotes recycling and other environmental preservation activities on a global scale under its "Green Factory" concept.

5. Advancement of safety-related technologies

In the area of highly crashworthy car body technologies, Honda studies and analyzes traffic accidents at its indoor omnidirectional car-to-car crash test facility, with the aim to produce vehicles that can withstand “real world” traffic accidents. Honda also conducts research and development in technologies to protect pedestrians from injuries. Honda proactively conducts traffic safety programs, including car driver and motorcycle rider education, as an important part of its comprehensive efforts to contribute to traffic safety in a motorized society.

Honda will continue to improve these activities in order to reach its goal of becoming the kind of company that society hopes for.

CONSOLIDATED FINANCIAL SUMMARY
FOR FISCAL FIRST HALF ENDED 9/30/2000

(Billions of Yen)

	Results for fiscal first half ended Sep. 30, 1999	Results for fiscal first half ended Sep. 30, 2000 (% change)	Forecasts for fiscal year ending Mar.31, 2001 (% change)	Results for fiscal year ended Mar. 31, 2000
Net sales and other operating revenue	3,032.9	3,051.9 (0.6%)	6,220.0 (2.0%)	6,098.8
Japan	774.6	832.2 (7.4%)	1,690.0 (4.8%)	1,612.1
Overseas	2,258.2	2,219.7 (-1.7%)	4,530.0 (1.0%)	4,486.6
Operating income <as a percentage of net sales>	229.5 < 7.6% >	201.4 (-12.2%) < 6.6% >	375.0 (-12.0%) < 6.0% >	426.2 < 7.0% >
Income before income taxes <as a percentage of net sales>	226.4 < 7.5% >	192.0 (-15.2%) < 6.3% >	360.0 (-13.5%) < 5.8% >	416.0 < 6.8% >
Net income <as a percentage of net sales>	136.3 < 4.5% >	121.9 (-10.6%) < 4.0% >	220.0 (-16.2%) < 3.5% >	262.4 < 4.3% >
Factors of change in operating income		(Increase factors) Change in revenue 9.3 Cost reduction 18.5 Decrease in SG&A expenses 22.6 (Decrease factors) Currency effects -73.0 Increase in R&D -5.4	(Increase factors) Change in revenue 3.1 model mix, etc Cost reduction 37.0 Decrease in SG&A 21.5 (Decrease factors) Currency effects -90.0 Increase in R&D -22.9	
Honda's transaction rate USD=	¥117	¥106	¥106	¥111
Honda's transaction rate EUR=	¥127	¥102	¥96	¥116
Capital expenditures	86.5	122.2	290.0	222.8
Depreciation	82.8	78.1	170.0	172.1
Research and development	161.0	166.5	357.0	334.0
Interest bearing debt	1,331.0	1,559.8		1,414.0
Remarks		Net sales as a first half increased for the first time since the first half ended 9/30/98. Operating income, income before income taxes and net income as a first half decreased for the two consecutive years.	Net sales as a fiscal year would increase compared to the last fiscal year. Operating income, income before income taxes and net income for the fiscal year would decline compared to the last fiscal year.	

(Thousands of unit)

Unit sales of automobiles	1,193	1,242 (4.1%)	2,610 (5.5%)	2,473
Japan	338	364 (7.7%)	770 (9.1%)	706
Overseas	855	878 (2.7%)	1,840 (4.1%)	1,767
North America	619	648 (4.7%)	1,360 (5.0%)	1,295
Europe	137	96 (-29.9%)	200 (-19.7%)	249
Others	99	134 (35.4%)	280 (25.6%)	223
Unit sales of motorcycles	2,146	2,545 (18.6%)	5,100 (15.0%)	4,436
(ATVs included above)	(113)	(141) (24.8%)	(285) (20.8%)	(236)
Japan	244	215 (-11.9%)	400 (-9.1%)	440
(ATVs included above)	(-)	(-)	(-)	(-)
Overseas	1,902	2,330 (22.5%)	4,700 (17.6%)	3,996
(ATVs included above)	(113)	(141) (24.8%)	(285) (20.8%)	(236)
North America	168	230 (36.9%)	510 (29.4%)	394
(ATVs included above)	(105)	(132) (25.7%)	(270) (23.3%)	(219)
Europe	202	172 (-14.9%)	360 (-7.5%)	389
(ATVs included above)	(2)	(3) (50.0%)	(5) (-16.7%)	(6)
Others	1,532	1,928 (25.8%)	3,830 (19.2%)	3,213
(ATVs included above)	(6)	(6) (-)	(10) (-9.1%)	(11)
Unit sales of power products	1,769	1,823 (3.1%)	4,190 (3.3%)	4,057
Japan	91	85 (-6.6%)	170 (-7.1%)	183
Overseas	1,678	1,738 (3.6%)	4,020 (3.8%)	3,874
North America	757	678 (-10.4%)	1,660 (2.9%)	1,614
Europe	492	564 (14.6%)	1,330 (0.4%)	1,325
Others	429	496 (15.6%)	1,030 (10.2%)	935

This announcement contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934. Honda's actual results could materially differ from those contained in these forward-looking statements as a result of numerous factors outside of Honda's control, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and other major currencies, as well as other factors detailed from time to time in Honda's reports filed with the U.S. Securities and Exchange Commission.

Consolidated Financial Summary (Supplemental version)

Honda Motor Co., Ltd.

(Thousands of units, Millions of Yen)

	Second Quarter Results			First Half Results			Forecasts	
	3M ended Sept. 2000	3M ended Sept. 1999	% change	6M ended Sept. 2000	6M ended Sept. 1999	% change	Y ending Mar.2001	% change
Unit sales of motorcycles								
Japan	114	138	-17.4 %	215	244	-11.9 %	400	-9.1 %
North America	137	100	37.0 %	230	168	36.9 %	510	29.4 %
Europe	66	80	-17.5 %	172	202	-14.9 %	360	-7.5 %
Others	1,002	734	36.5 %	1,928	1,532	25.8 %	3,830	19.2 %
Total	1,319	1,052	25.4 %	2,545	2,146	18.6 %	5,100	15.0 %
Unit sales of automobiles								
Japan	184	179	2.8 %	364	338	7.7 %	770	9.1 %
North America	306	311	-1.6 %	648	619	4.7 %	1,360	5.0 %
Europe	46	81	-43.2 %	96	137	-29.9 %	200	-19.7 %
Others	70	47	48.9 %	134	99	35.4 %	280	25.6 %
Total	606	618	-1.9 %	1,242	1,193	4.1 %	2,610	5.5 %
Unit sales of power products								
Japan	42	43	-2.3 %	85	91	-6.6 %	170	-7.1 %
North America	270	326	-17.2 %	678	757	-10.4 %	1,660	2.9 %
Europe	229	175	30.9 %	564	492	14.6 %	1,330	0.4 %
Others	253	232	9.1 %	496	429	15.6 %	1,030	10.2 %
Total	794	776	2.3 %	1,823	1,769	3.1 %	4,190	3.3 %
Exchange rate to U.S. \$1								
Honda transaction rates	107.00	118.00	-10.3 %	106.00	117.00	-10.4 %	106.00	-4.7 %
Average rates for the period	107.65	113.68	-5.6 %	107.17	117.35	-9.5 %	106.00	-5.3 %
Rates for the period-end				108.00	106.95	1.0 %		
Exchange rate to Euro								
Honda transaction rates	99.00	125.00	-26.3 %	102.00	127.00	-24.5 %	96.00	-20.8 %
Average rates for the period	97.56	119.15	-22.1 %	98.63	123.57	-25.3 %	96.00	-20.2 %
Rates for the period-end				95.03	113.65	-19.6 %		
Key items								
Net sales and other operating revenue	1,502,444	1,516,248	-0.9 %	3,051,918	3,032,916	0.6 %	6,220,000	2.0 %
Operating income	97,119	104,548	-7.1 %	201,490	229,545	-12.2 %	375,000	-12.0 %
Income before income taxes	90,274	105,366	-14.3 %	192,041	226,428	-15.2 %	360,000	-13.5 %
Net income	58,105	63,518	-8.5 %	121,907	136,380	-10.6 %	220,000	-16.2 %
Capital expenditures	66,264	42,561	55.7 %	122,267	86,590	41.2 %	290,000	30.1 %
Depreciation	39,815	41,645	-4.4 %	78,172	82,846	-5.6 %	170,000	-1.2 %
Research and development	86,374	83,689	3.2 %	166,500	161,018	3.4 %	357,000	6.9 %
Stockholders' equity				2,042,427	1,779,892	14.8 %		
Total assets				5,148,012	4,743,375	8.5 %		
Interest bearing debt				1,559,852	1,331,056	17.2 %		

	Second Quarter	First Half	Forecasts
Factors of change in operating income			
Changes in revenue, product mix, etc.	-6,715	+9,327	+3,179
Translation effects of gross profit	-16,000	-48,000	-50,000
Other changes in revenue, product mix	+9,285	+57,327	+53,179
Currency effects	-35,000	-73,000	-90,000
(U. S. Dollar)	-20,000	-41,000	-40,000
(Euro and other currencies)	-15,000	-32,000	-50,000
Cost reduction	+10,000	+18,500	+37,000
Materials and other	+10,500	+20,500	+52,000
Labor expenses	-2,500	-5,000	-10,000
Depreciation	+2,000	+3,000	-5,000
Change in SG&A	+26,971	+22,600	+21,555
Translation effects of SG&A	+10,000	+28,000	+28,000
Other changes in SG&A	+16,971	-5,400	-6,445
Change in R&D	-2,685	-5,482	-22,964
Change in operating income	-7,429	-28,055	-51,230

This announcement contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934. Honda's actual results could materially differ from those contained in these forward-looking statements as a result of numerous factors outside of Honda's control, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and other major currencies, as well as other factors detailed from time to time in Honda's reports filed with the U.S. Securities and Exchange Commission.

**UNCONSOLIDATED FINANCIAL SUMMARY
FOR FISCAL FIRST HALF ENDED 9/30/00**

(Parent company only)

(Billions of Yen)

	Results for fiscal first half ended Sep. 30, 1999	Results for fiscal first half ended Sep. 30, 2000 (% change)	Forecasts for fiscal year ending Mar.31, 2000 (% change)	Results for fiscal year ended Mar. 31, 1999
Net sales	1,421.3	1,496.5 (5.3%)	2,950.0 (1.0%)	2,919.8
Japan	545.9	602.8 (10.4%)	1,245.0 (8.2%)	1,150.3
Overseas	875.3	893.6 (2.1%)	1,705.0 (-3.6%)	1,769.4
Operating profit	69.0	40.0 (-42.0%)	59.0 (-57.6%)	139.2
<as a percentage of net sales>	< 4.9% >	< 2.7% >	< 2.0% >	< 4.8% >
Ordinary profit	119.8	64.7 (-46.0%)	120.0 (-40.4%)	201.4
<as a percentage of net sales>	< 8.4% >	< 4.3% >	< 4.1% >	< 6.9% >
Net income	81.4	43.7 (-46.3%)	88.0 (-35.0%)	135.3
<as a percentage of net sales>	< 5.7% >	< 2.9% >	< 3.0% >	< 4.6% >
Factors of change in operating income		(Increase factors) Changes in revenue, model mix, etc 40.4 Cost reduction 9.0 (Decrease factors) Currency effects 43.0 Increase in R&D 19.9 Increase in SG&A 15.5	(Increase factors) Changes in revenue model mix, etc 11.3 Cost reduction 13.0 (Decrease factors) Currency effects 58.0 Increase in R&D 26.3 Increase in SG&A 20.1	
Weighted average translation rate USD=	¥117	¥107	¥106	¥111
Weighted average translation rate EUR=	¥127	¥99	¥94	¥116
Honda's transaction rate USD=	¥117	¥106	¥106	¥111
Honda's transaction rate EUR =	¥127	¥102	¥96	¥116
Capital expenditures	28.1	34.5	107.0	80.2
M/C production - related	1.5	1.0	3.5	3.5
A/M production - related	15.3	22.9	47.0	46.5
P/P production - related	0.8	0.8	1.5	1.6
Other	10.3	9.6	55.0	28.4
Depreciation	26.7	27.4	60.0	57.1
Research and development	150.6	170.6	344.0	317.6
Interest bearing debt	83.8	81.3	30.0	81.4
Remarks		Net sales increased for the first time in last two years. Operating profit, ordinary profit and net income declined.	Net sales would increase for the first time in last two years. Operating profit, ordinary profit and net income would decline for the two consecutive years.	

(Thousands of unit)

AUTOMOBILES				
Domestic production	587	606 (3.3%)	1,230 (1.3%)	1,214
Japan sales	344	368 (7.1%)	770 (6.8%)	720
Registration cars	197	226 (14.2%)	467 (12.0%)	417
Mini vehicles	146	142 (-2.6%)	303 (-0.3%)	303
Export	255	250 (-2.0%)	465 (-7.5%)	502
Overseas production	612	618 (0.9%)	1,310 (4.5%)	1,254
MOTORCYCLES				
Japan sales	230	205 (-10.8%)	385 (-10.6%)	430
(ATVs included above)	(-)	(-)	(-)	(-)
Export	314	376 (19.8%)	775 (13.6%)	682
(ATVs included above)	(120)	149 (24.2%)	300 (22.6%)	244
POWER PRODUCTS				
Japan sales	90	84 (-7.3%)	175 (-4.6%)	183
Export	1,940	1,795 (-7.5%)	3,855 (-6.4%)	4,117

This announcement contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934. Honda's actual results could materially differ from those contained in these forward-looking statements as a result of numerous factors outside of Honda's control, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and other major currencies, as well as other factors detailed from time to time in Honda's reports filed with the U.S. Securities and Exchange Commission.