

July 29, 2003

**HONDA MOTOR CO., LTD. REPORTS
UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL FIRST QUARTER
ENDED JUNE 30, 2003**

Tokyo, July 29, 2003 --- Honda Motor Co., Ltd. today announced its unaudited consolidated financial results for the fiscal first quarter ended June 30, 2003.

Honda's consolidated net income for the fiscal first quarter ended June 30, 2003 totaled JPY 101.8 billion (USD 850 million), a decrease of 5.4% from the same period in 2002. Basic net income per Common Share for the quarter amounted to JPY 106.02 (USD 0.88), compared to JPY 110.42 for the same period in 2002. Two of Honda's American Depositary Shares represent one Common Share.

Unit sales in all Honda's business categories, namely motorcycles, automobiles and power products, increased for the quarter and consolidated net sales and other operating revenue (herein referred to as "revenue") totaled a record high, JPY 2,008.2 billion (USD 16,763 million), an increase of 3.7% over the corresponding period in 2002.

Revenue included 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 the yen remained unchanged from the same period in 2002, revenue for the quarter would have increased by approximately 8.2%.

Consolidated operating income for the first quarter totaled JPY 150.1 billion (USD 1,254 million), a decrease of 12.1% compared to the same period in 2002. This decrease in operating income was primarily due to the appreciation of the yen and an increase in selling, general and administrative (SG&A) expenses, which offset increased revenue, Honda's ongoing cost reduction efforts as well as a decrease of research and development (R&D) expenses.

Consolidated income before income taxes for the quarter totaled JPY 147.9 billion (USD 1,235 million), a decrease of 9.6% from the same period in 2002.

With respect to Honda's sales in the fiscal first quarter by business category, motorcycle unit sales increased 9.5% to 2,001,000 units, due mainly to strong sales in Asian countries. However, revenue decreased 4.1%, to JPY 241.5 billion (USD 2,016 million) due to the appreciation of the yen against the U.S. dollar, which had negative currency translation effects.

Honda's unit sales of automobiles increased by 2.0% to 708,000 units, due primarily to favorable sales in North America, Europe and Asian countries, which offset declined unit sales in Japan. As a result, revenue increased 4.5%, to JPY 1,621.0 billion (USD 13,531 million) during the quarter.

Revenue from financial services increased 7.7% to JPY63.9 billion due mainly to higher revenue from favorable automobile sales in North America.

Unit sales of power products totaled 1,217,000 units, an increase of 8.6% compared to the corresponding period in 2002. Favorable sales of Honda's general-purpose engines in North America contributed to this increase. Revenue from power product and other businesses increased by 8.8% to JPY 85.7 billion (USD 716 million).

Forecasts for the fiscal year ending March 31, 2004

Consolidated financial forecasts

First half ending September 30, 2003

	<u>In billions of yen</u>	<u>Changes from FY 2003</u>
Net sales and other operating revenue	4,050	+5.1%
Income before income taxes	298	+8.9%
Net income	206	+5.8%

Fiscal year ending March 31, 2004

	<u>In billions of Yen</u>	<u>Changes from FY 2003</u>
Net sales and other operating revenue	8,300	+4.1%
Income before income taxes	648	+6.3%
Net income	451	+5.7%

Unconsolidated financial forecasts

First half ending September 30, 2003

	<u>In billions of yen</u>	<u>Changes from FY 2003</u>
Net sales and other operating revenue	1,610	-1.0%
Income before income taxes	135	+11.8%
Net income	96	+4.7%

Fiscal year ending March 31, 2004

	<u>In billions of Yen</u>	<u>Changes from FY 2003</u>
Net sales and other operating revenue	3,360	+1.1%
Income before income taxes	270	+11.3%
Net income	196	+15.3%

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 JPY 117 and JPY 126, respectively.

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 Jun. 30, 2003	Three months ended Jun. 30, 2002
MOTORCYCLE BUSINESS		
Japan	94	94
(motorcycles included above)	(94)	(94)
North America	99	119
(motorcycles included above)	(65)	(59)
Europe	101	98
(motorcycles included above)	(99)	(96)
Others	1,707	1,516
(motorcycles included above)	(1,705)	(1,511)
<hr/> Total	<hr/> 2,001	<hr/> 1,827
(motorcycles included above)	(1,963)	(1,760)

AUTOMOBILE BUSINESS

Japan	153	213
North America	397	367
Europe	56	46
Others	102	68
<hr/> Total	<hr/> 708	<hr/> 694

POWER PRODUCT BUSINESS

Japan	110	128
North America	634	517
Europe	244	267
Others	229	209
<hr/> Total	<hr/> 1,217	<hr/> 1,121

[2] Net Sales Breakdown

(A) For the three months ended June 30, 2003 and 2002

(In millions of Yen)

	Three months ended Jun. 30, 2003		Three months ended Jun. 30, 2002
MOTORCYCLE BUSINESS			
Japan	23,684	(9.8%)	25,533 (10.1%)
North America	59,294	(24.5%)	74,613 (29.6%)
Europe	62,280	(25.8%)	56,420 (22.4%)
Others	96,296	(39.9%)	95,299 (37.9%)
Total	241,554	(100.0%)	251,865 (100.0%)

AUTOMOBILE BUSINESS

Japan	294,184	(18.1%)	376,919 (24.3%)
North America	1,033,041	(63.7%)	955,200 (61.6%)
Europe	126,298	(7.8%)	93,375 (6.0%)
Others	167,478	(10.4%)	125,917 (8.1%)
Total	1,621,001	(100.0%)	1,551,411 (100.0%)

FINANCIAL SERVICES

Japan	5,359	(8.5%)	6,425 (11.1%)
North America	56,094	(88.6%)	50,386 (86.8%)
Europe	1,737	(2.7%)	1,199 (2.1%)
Others	151	(0.2%)	- (-)
Total	63,341	(100.0%)	58,010 (100.0%)

POWER PRODUCT & OTHER BUSINESSES

Japan	28,069	(34.1%)	25,343 (33.5%)
North America	28,349	(34.4%)	28,883 (38.2%)
Europe	15,029	(18.3%)	13,501 (17.9%)
Others	10,885	(13.2%)	7,823 (10.4%)
Total	82,332	(100.0%)	75,550 (100.0%)

TOTAL

Japan	351,296	(17.5%)	434,220 (22.4%)
North America	1,176,778	(58.6%)	1,109,082 (57.3%)
Europe	205,344	(10.2%)	164,495 (8.5%)
Others	274,810	(13.7%)	229,039 (11.8%)
Total	2,008,228	(100.0%)	1,936,836 (100.0%)

Explanatory Note:

1. The geographical breakdown of net sales is based on the location of affiliated and unaffiliated customers.
2. Net sales of power product & other businesses including revenue from sales of power products and related parts, leisure businesses and trading.

[3] Consolidated Financial Summary

Financial Highlights

	(In millions of Yen)		
	Three months ended Jun. 30, 2003	% Change	Three months ended Jun. 30, 2002
Net sales and other operating revenue	2,008,228	3.7%	1,936,836
Operating income	150,183	-12.1%	170,823
Income before income taxes	147,995	-9.6%	163,704
Net income	101,819	-5.4%	107,598
	(In Yen)		
Basic net income per Common Share	106.02		110.42
American Depositary Share	53.01		55.21

	(In millions of U.S. Dollars)	
	Three months ended Jun. 30, 2003	
Net sales and other operating revenue	16,763	
Operating income	1,254	
Income before income taxes	1,235	
Net income	850	
	(In U.S. Dollars)	
Net income per Common Share	0.88	
American Depositary Share	0.44	

Explanatory Note:

The number of treasury stock has been excluded from the calculation for basic net income per common share.

[4] Consolidated Statements of Income and Retained Earnings

	(In millions of Yen)	
	Three months ended Jun. 30, 2003	Three months ended Jun. 30, 2002
Net sales and other operating revenue	2,008,228	1,936,836
Operating costs and expenses:		
Cost of sales	1,388,450	1,318,856
Selling, general and administrative	366,851	339,134
Research and development	102,744	108,023
Operating income	150,183	170,823
Other income:		
Interest	1,904	2,366
Other	12,869	16,036
Other expenses:		
Interest	3,369	4,320
Other	13,592	21,201
Income before income taxes	147,995	163,704
Income taxes	58,922	67,919
Income before equity in income of affiliates	89,073	95,785
Equity in income of affiliates	12,746	11,813
Net income	101,819	107,598
Retained earnings:		
Balance at beginning of period	3,161,664	2,765,600
Cash dividends paid	(15,386)	(14,616)
Transfer to legal reserves	(2,944)	(43)
Balance at end of period	3,245,153	2,858,539
	(In Yen)	
Basic net income per Common Share	106.02	110.42
American Depositary Share	53.01	55.21

Explanatory Note:

The number of treasury stock has been excluded from the calculation for basic net income per common share.

[5] Consolidated Balance Sheets

(In millions of Yen)

Assets	<u>Jun. 30, 2003</u> (Unaudited)	<u>Mar. 31, 2003</u> (Audited)	<u>Jun. 30, 2002</u> (Unaudited)
Current assets:			
Cash and cash equivalents	578,991	547,404	492,547
Trade accounts and notes receivable	380,891	444,498	366,924
Finance subsidiaries- receivables, net	1,114,177	1,097,541	903,205
Inventories	775,977	751,980	638,409
Deferred income taxes	212,537	202,376	177,005
Other current assets	<u>255,641</u>	<u>248,561</u>	<u>209,485</u>
Total current assets	<u>3,318,214</u>	<u>3,292,360</u>	<u>2,787,575</u>
Finance subsidiaries- receivables, net	2,377,177	2,230,020	1,815,320
Investments and advances	453,376	412,971	397,207
Property, plant and equipment, at cost:			
Land	348,858	342,991	329,395
Buildings	955,703	942,747	908,063
Machinery and equipment	2,039,632	2,023,724	2,006,414
Construction in progress	<u>85,312</u>	<u>72,112</u>	<u>86,848</u>
	3,429,505	3,381,574	3,330,720
Less accumulated depreciation	<u>2,019,359</u>	<u>1,987,231</u>	<u>1,968,713</u>
Net property, plant and equipment	<u>1,410,146</u>	<u>1,394,343</u>	<u>1,362,007</u>
Other assets	351,758	351,597	248,785
Total assets	<u>7,910,671</u>	<u>7,681,291</u>	<u>6,610,894</u>

[5] Consolidated Balance Sheets - continued

(In millions of Yen)

Liabilities and Stockholders' Equity

	<u>Jun. 30, 2003</u> (Unaudited)	<u>Mar. 31, 2003</u> (Audited)	<u>Jun. 30, 2002</u> (Unaudited)
Current liabilities:			
Short-term debt	891,795	877,954	887,540
Current portion of long-term debt	364,525	304,342	207,696
Trade payables	757,514	830,671	772,565
Accrued expenses	762,206	777,492	637,092
Income taxes payables	50,689	64,179	50,664
Other current liabilities	<u>317,763</u>	<u>267,752</u>	<u>192,043</u>
Total current liabilities	<u>3,144,492</u>	<u>3,122,390</u>	<u>2,747,600</u>
Long-term debt	1,233,122	1,140,182	801,824
Other liabilities	798,561	788,999	536,935
Total liabilities	<u>5,176,175</u>	<u>5,051,571</u>	<u>4,086,359</u>
Stockholders' equity:			
Common stock	86,067	86,067	86,067
Capital surplus	172,529	172,529	172,529
Legal reserves	32,335	29,391	29,012
Retained earnings	3,245,153	3,161,664	2,858,539
Adjustments from foreign currency translation	(451,824)	(469,472)	(443,332)
Net unrealized gains on marketable equity securities	22,136	14,820	9,613
Minimum pension liabilities adjustment	<u>(308,513)</u>	<u>(308,513)</u>	<u>(187,824)</u>
Accumulated other comprehensive income (loss)	(738,201)	(763,165)	(621,543)
Treasury stock	(63,387)	(56,766)	(69)
Total stockholders' equity	<u>2,734,496</u>	<u>2,629,720</u>	<u>2,524,535</u>
Total liabilities and stockholders' equity	<u>7,910,671</u>	<u>7,681,291</u>	<u>6,610,894</u>

[6] Segment Information

(A) Business Segment Information

For the three months ended June 30, 2003

	(In millions of Yen)						
	<u>Motor- cycle Business</u>	<u>Auto- mobile Business</u>	<u>Financial Services</u>	<u>Power Product and Other Businesses</u>	<u>Total</u>	<u>Corporate assets and Eliminations</u>	<u>Consolidated</u>
Net sales and other operating revenue:							
Sales to unaffiliated customers	241,554	1,621,001	63,341	82,332	2,008,228	—	2,008,228
Intersegment-sales	0	0	617	3,417	4,034	(4,034)	—
Total	<u>241,554</u>	<u>1,621,001</u>	<u>63,958</u>	<u>85,749</u>	<u>2,012,262</u>	<u>(4,034)</u>	<u>2,008,228</u>
Cost of sales, S.G.A. and R&D expenses	<u>235,695</u>	<u>1,498,382</u>	<u>43,401</u>	<u>84,601</u>	<u>1,862,079</u>	<u>(4,034)</u>	<u>1,858,045</u>
Operating income	<u>5,859</u>	<u>122,619</u>	<u>20,557</u>	<u>1,148</u>	<u>150,183</u>	<u>0</u>	<u>150,183</u>

For the three months ended June 30, 2002

	(In millions of Yen)						
	<u>Motor- cycle Business</u>	<u>Auto- mobile Business</u>	<u>Financial Services</u>	<u>Power Product and Other Businesses</u>	<u>Total</u>	<u>Corporate assets and Eliminations</u>	<u>Consolidated</u>
Net sales and other operating revenue:							
Sales to unaffiliated customers	251,865	1,551,411	58,010	75,550	1,936,836	—	1,936,836
Intersegment-sales	0	0	1,392	3,287	4,679	(4,679)	—
Total	<u>251,865</u>	<u>1,551,411</u>	<u>59,402</u>	<u>78,837</u>	<u>1,941,515</u>	<u>(4,679)</u>	<u>1,936,836</u>
Cost of sales, S.G.A. and R&D expenses	<u>239,341</u>	<u>1,414,467</u>	<u>42,279</u>	<u>74,605</u>	<u>1,770,692</u>	<u>(4,679)</u>	<u>1,766,013</u>
Operating income	<u>12,524</u>	<u>136,944</u>	<u>17,123</u>	<u>4,232</u>	<u>170,823</u>	<u>0</u>	<u>170,823</u>

Explanatory Note:

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 (ATV), personal water craft and relevant parts	Large-size motorcycles, mid-size motorcycles, motorized bicycles, all-terrain vehicles (ATV), personal water craft
Automobile	Automobiles and relevant parts	Compact cars, sub-compact cars, mini-vehicles
Financial Services	Financial and insurance services	
Power Product & Other	Power products and relevant parts, and others	Power tillers, generators, general purpose engines, lawn mowers

(B) Geographical Segment Information

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

For the three months ended June 30, 2003

(In millions of Yen)

	<u>Japan</u>	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	<u>Corporate assets and Eliminations</u>	<u>Consolidated</u>
Net sales and other operating revenue:							
Sales to unaffiliated customers	411,863	1,179,328	202,828	214,209	2,008,228	—	2,008,228
Transfers between geographical segments	<u>531,959</u>	<u>32,323</u>	<u>48,562</u>	<u>13,032</u>	<u>625,876</u>	<u>(625,876)</u>	<u>—</u>
Total	943,822	1,211,651	251,390	227,241	2,634,104	(625,876)	2,008,228
Cost of sales, S.G.A. and R&D expenses	<u>905,975</u>	<u>1,112,728</u>	<u>245,568</u>	<u>211,560</u>	<u>2,475,831</u>	<u>(617,786)</u>	<u>1,858,045</u>
Operating income (losses)	<u>37,847</u>	<u>98,923</u>	<u>5,822</u>	<u>15,681</u>	<u>158,273</u>	<u>(8,090)</u>	<u>150,183</u>

For the three months ended June 30, 2002

(In millions of Yen)

	<u>Japan</u>	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	<u>Corporate assets and Eliminations</u>	<u>Consolidated</u>
Net sales and other operating revenue:							
Sales to unaffiliated customers	490,042	1,112,105	164,116	170,573	1,936,836	—	1,936,836
Transfers between geographical segments	<u>461,738</u>	<u>36,101</u>	<u>26,665</u>	<u>4,249</u>	<u>528,753</u>	<u>(528,753)</u>	<u>—</u>
Total	951,780	1,148,206	190,781	174,822	2,465,589	(528,753)	1,936,836
Cost of sales, S.G.A. and R&D expenses	<u>908,720</u>	<u>1,036,933</u>	<u>193,789</u>	<u>159,909</u>	<u>2,299,351</u>	<u>(533,338)</u>	<u>1,766,013</u>
Operating income (losses)	<u>43,060</u>	<u>111,273</u>	<u>(3,008)</u>	<u>14,913</u>	<u>166,238</u>	<u>4,585</u>	<u>170,823</u>

(C) Overseas Sales

For the three months ended June 30, 2003

(In Millions of Yen)

	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
Overseas Sales	1,176,778	205,344	274,810	1,656,932
Consolidated Sales				2,008,228
Overseas Sales Ratio to Consolidated Sales	58.6%	10.2%	13.7%	82.5%

For the three months June 30, 2002

(In Millions of Yen)

	<u>North America</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
Overseas Sales	1,109,082	164,495	229,039	1,502,616
Consolidated Sales				1,936,836
Overseas Sales Ratio to Consolidated Sales	57.3%	8.5%	11.8%	77.6%

Explanatory Notes:

1. The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States 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. The average exchange rates for the fiscal first quarter ended June 30, 2003 were ¥118.50=U.S.\$1 and ¥134.66=euro1. The average exchange rates for the corresponding period last year were ¥127.04=U.S.\$1 and ¥116.57=euro1
3. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥119.80=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 June 30, 2003.
4. The Company's Common Stock-to-ADR exchange rate has been changed from two shares of Common Stock to one ADR to one share of Common Stock to two ADRs, effective January 10, 2002.
5. The Company has 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 June 30, 2003	Three months ended June 30, 2002
Net income	101,819	107,598
Other comprehensive income (loss)	24,964	(142,368)
Comprehensive income(loss)	126,783	(34,770)

6. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the presentation used for the fiscal first quarter ended June 30, 2003.
7. The number of treasury stock has been excluded from the calculation for basic net income per common share.

**CONSOLIDATED FINANCIAL SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(Billions of Yen)

	Results for the fiscal first quarter ended Jun. 30, 2002	Results for the fiscal first quarter ended Jun. 30, 2003 [change / %]	Forecasts for the fiscal year ending Mar. 31, 2004 [change / %]	Results for the fiscal year ended Mar. 31, 2003
Net sales and other operating revenue	1,936.8	2,008.2 [71.3 / 3.7%]	8,300.0 [328.5 / 4.1%]	7,971.4
- Japan	434.2	351.2 [-82.9 / -19.1%]	1,800.0 [51.2 / 2.9%]	1,748.7
- Overseas	1,502.6	1,656.9 [154.3 / 10.3%]	6,500.0 [277.2 / 4.5%]	6,222.7
Operating income	170.8	150.1 [-20.6 / -12.1%]	644.0 [-45.4 / -6.6%]	689.4
<as a percentage of net sales>	< 8.8% >	< 7.5% >	< 7.8% >	< 8.6% >
Income before income taxes	163.7	147.9 [-15.7 / -9.6%]	648.0 [38.2 / 6.3%]	609.7
<as a percentage of net sales>	< 8.5% >	< 7.4% >	< 7.8% >	< 7.6% >
Net income	107.5	101.8 [-5.7 / -5.4%]	451.0 [24.3 / 5.7%]	426.6
<as a percentage of net sales>	< 5.6% >	< 5.1% >	< 5.4% >	< 5.4% >
Factors of change in operating income		(INCREASE FACTORS) -Change in revenue model mix, etc. 18.2 -Cost reduction 8.0 -Change in R&D 5.2 (DECREASE FACTORS) -Currency effects -19.0 Change in transaction rates (-19.5) Translation effects (-6.5) Difference between transaction rate and weighted average rate (7.0) -Change in SG&A -33.2	(INCREASE FACTORS) -Change in revenue model mix, etc. 77.7 -Cost reduction 50.0 (DECREASE FACTORS) -Currency effects -85.8 Change in transaction rates (-77.0) Translation effects (-13.5) Difference between transaction rate and weighted average rate (4.7) -Change in SG&A -59.3 -Change in R&D -28.1	
Average rates for the period USD=	JPY 127	JPY 119	JPY 117	JPY 122
Average rates for the period EUR=	JPY 116	JPY 134	JPY 128	JPY 122
Honda's transaction rate USD=	JPY 128	JPY 119	JPY 117	JPY 123
Honda's transaction rate EUR=	JPY 112	JPY 126	JPY 126	JPY 115
Capital expenditures	61.7	57.2	320.0	316.9
Depreciation	49.2	50.6	200.0	220.8
Research and development	108.0	102.7	465.0	436.8
Interest bearing debt	1,897.0	2,489.4		2,322.4
Remarks		· Net sales set record high for the fiscal first quarter.	· Net sales, income before income taxes and net income to set record high.	
				(Thousands of unit)
Unit sales of motorcycles	1,827	2,001 [174 / 9.5%]	9,080 [1,000 / 12.4%]	8,080
(M/C included above)	(1,760)	(1,963) [203 / 11.5%]	(8,760) [986 / 12.7%]	(7,774)
Japan	94	94 [0 / 0.0%]	430 [-2 / -0.5%]	432
(M/C included above)	(94)	(94) [0 / 0.0%]	(430) [-2 / -0.5%]	(432)
Overseas	1,733	1,907 [174 / 10.0%]	8,650 [1,002 / 13.1%]	7,648
(M/C included above)	(1,666)	(1,869) [203 / 12.2%]	(8,330) [988 / 13.5%]	(7,342)
North America	119	99 [-20 / -16.8%]	660 [50 / 8.2%]	610
(M/C included above)	(59)	(65) [6 / 10.2%]	(350) [26 / 8.0%]	(324)
Europe	98	101 [3 / 3.1%]	290 [-15 / -4.9%]	305
(M/C included above)	(96)	(99) [3 / 3.1%]	(284) [-12 / -4.1%]	(296)
Others	1,516	1,707 [191 / 12.6%]	7,700 [967 / 14.4%]	6,733
(M/C included above)	(1,511)	(1,705) [194 / 12.8%]	(7,696) [974 / 14.5%]	(6,722)
Unit sales of automobiles	694	708 [14 / 2.0%]	3,065 [177 / 6.1%]	2,888
Japan	213	153 [-60 / -28.2%]	815 [-34 / -4.0%]	849
Overseas	481	555 [74 / 15.4%]	2,250 [211 / 10.3%]	2,039
North America	367	397 [30 / 8.2%]	1,560 [38 / 2.5%]	1,522
Europe	46	56 [10 / 21.7%]	215 [8 / 3.9%]	207
Others	68	102 [34 / 50.0%]	475 [165 / 53.2%]	310
Unit sales of power products	1,121	1,217 [96 / 8.6%]	5,070 [486 / 10.6%]	4,584
Japan	128	110 [-18 / -14.1%]	430 [-42 / -8.9%]	472
Overseas	993	1,107 [114 / 11.5%]	4,640 [528 / 12.8%]	4,112
North America	517	634 [117 / 22.6%]	2,235 [363 / 19.4%]	1,872
Europe	267	244 [-23 / -8.6%]	1,295 [5 / 0.4%]	1,290
Others	209	229 [20 / 9.6%]	1,110 [160 / 16.8%]	950

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UNCONSOLIDATED FINANCIAL FORECASTS
FOR THE FISCAL YEAR
(Parent company only)

(Billions of Yen)

	Results for the fiscal year ended March 31, 2003	Forecasts for the fiscal year ending March 31, 2004 (change / % change)	
Net sales and other operating revenue	3,322.7	3,360.0	(37.2 / 1.1%)
- Domestic	1,276.6	1,260.0	(-16.6 / -1.3%)
- Export	2,046.0	2,100.0	(53.9 / 2.6%)
Operating income	144.8	165.0	(20.1 / 13.9%)
<as a percentage of net sales>	< 4.4% >	< 4.9% >	
Ordinary profit	242.6	270.0	(27.3 / 11.3%)
<as a percentage of net sales>	< 7.3% >	< 8.0% >	
Net income	170.0	196.0	(25.9 / 15.3%)
<as a percentage of net sales>	< 5.1% >	< 5.8% >	
Factors of change in operating income		(INCREASE FACTORS)	
		Change in revenue, model mix, etc	31.0
		Cost reduction	19.0
		Change in SG&A (Excluding R&D expenses)	23.3
		(DECREASE FACTORS)	
		Currency effects	-18.0
		Change in R&D expenses	-35.3
Weighted average translation rate USD=	JPY 122	JPY 117	
Weighted average translation rate EUR=	JPY 122	JPY 128	
Honda's transaction rate USD=	JPY 123	JPY 117	
Honda's transaction rate EUR=	JPY 115	JPY 126	
Capital expenditures	78.1	100.0	
M/C production-related	2.4	2.0	
A/M production-related	31.2	33.0	
P/P production-related	0.8	1.0	
Others	43.5	64.0	
Depreciation	59.0	60.0	
Research and development	414.6	450.0	
Remarks		· Net sales to set record high for the third consecutive years. · Ordinary profit and net income to set record high.	
			(Thousands of units)
Unit sales of motorcycle business	1,205	1,140	(-65 / -5.5%)
(motorcycles included above)	(875)	(810)	(-65 / -7.5%)
Domestic sales	429	430	(- / 0.1%)
(motorcycles included above)	(429)	(430)	(- / 0.1%)
Export sales	776	710	(-66 / -8.5%)
(motorcycles included above)	(446)	(380)	(-66 / -14.8%)
Unit sales of automobile business	1,357	1,275	(-82 / -6.1%)
Domestic sales	871	825	(-46 / -5.3%)
Registration vehicles	605	525	(-80 / -13.4%)
Mini vehicles	265	300	(34 / 13.0%)
Export sales	485	450	(-35 / -7.4%)
Unit sales of power product business	4,548	5,000	(451 / 9.9%)
Domestic sales	473	430	(-43 / -9.2%)
Export sales	4,075	4,570	(494 / 12.1%)

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Consolidated Financial Summary (Supplemental version)

Honda Motor Co., Ltd.

(Thousands of units, Millions of Yen)

	Fourth Quarter Results				Fiscal Year Results & Forecasts			
	3M ended Jun. 2003	3M ended Jun. 2002	change	% change	Year ending Mar. 2004	Year ended Mar. 2003	change	% change
Unit sales of motorcycles								
Japan	94	94	0	0.0 %	430	432	-2	-0.5 %
(M/C included above)	(94)	(94)	(0)	(0.0%)	(430)	(432)	(-2)	(-0.5%)
North America	99	119	-20	-16.8 %	660	610	50	8.2 %
(M/C included above)	(65)	(59)	(6)	(10.2%)	(350)	(324)	(26)	(8.0%)
Europe	101	98	3	3.1 %	290	305	-15	-4.9 %
(M/C included above)	(99)	(96)	(3)	(3.1%)	(284)	(296)	(-12)	(-4.1%)
Others	1,707	1,516	191	12.6 %	7,700	6,733	967	14.4 %
(M/C included above)	(1,705)	(1,511)	(194)	(12.8%)	(7,696)	(6,722)	(974)	(14.5%)
Total	2,001	1,827	174	9.5 %	9,080	8,080	1,000	12.4 %
(M/C included above)	(1,963)	(1,760)	(203)	(11.5%)	(8,760)	(7,774)	(986)	(12.7%)
Unit sales of automobiles								
Japan	153	213	-60	-28.2 %	815	849	-34	-4.0 %
North America	397	367	30	8.2 %	1,560	1,522	38	2.5 %
Europe	56	46	10	21.7 %	215	207	8	3.9 %
Others	102	68	34	50.0 %	475	310	165	53.2 %
Total	708	694	14	2.0 %	3,065	2,888	177	6.1 %
Unit sales of power products								
Japan	110	128	-18	-14.1 %	430	472	-42	-8.9 %
North America	634	517	117	22.6 %	2,235	1,872	363	19.4 %
Europe	244	267	-23	-8.6 %	1,295	1,290	5	0.4 %
Others	229	209	20	9.6 %	1,110	950	160	16.8 %
Total	1,217	1,121	96	8.6 %	5,070	4,584	486	10.6 %
Exchange rate to USD (Note)								
Honda's transaction rates	119.00	128.00	-9.00	-7.0 %	117.00	123.00	-6.00	-4.9 %
Market average rates for the period	118.50	127.04	-8.54	-6.7 %	117.00	121.95	-4.95	-4.1 %
Rates for the period-end	119.80	119.50	0.30	0.3 %		120.20		
Exchange rate to EUR (Note)								
Honda's transaction rates	126.00	112.00	14.00	12.5 %	126.00	115.00	11.00	9.6 %
Market average rates for the period	134.66	116.57	18.09	15.5 %	128.00	121.04	6.96	5.8 %
Rates for the period-end	136.92	118.13	18.79	15.9 %		129.83		
Key items								
Net sales and other								
operating revenue	2,008,228	1,936,836	71,392	3.7 %	8,300,000	7,971,499	328,501	4.1 %
Japan	351,296	434,220	-82,924	-19.1 %	1,800,000	1,748,706	51,294	2.9 %
Overseas	1,656,932	1,502,616	154,316	10.3 %	6,500,000	6,222,793	277,207	4.5 %
Operating income	150,183	170,823	-20,640	-12.1 %	644,000	689,449	-45,449	-6.6 %
Income before income taxes	147,995	163,704	-15,709	-9.6 %	648,000	609,755	38,245	6.3 %
Net income	101,819	107,598	-5,779	-5.4 %	451,000	426,662	24,338	5.7 %
Capital expenditures	57,259	61,791	-4,532	-7.3 %	320,000	316,991	3,009	0.9 %
Depreciation	50,684	49,239	1,445	2.9 %	200,000	220,874	-20,874	-9.5 %
Research and development	102,744	108,023	-5,279	-4.9 %	465,000	436,863	28,137	6.4 %
Stockholders' equity	2,734,496	2,524,535	209,961	8.3 %		2,629,720		
Total assets	7,910,671	6,610,894	1,299,777	19.7 %		7,681,291		
Interest bearing debt	2,489,442	1,897,060	592,382	31.2 %		2,322,478		
Notes	· Net sales set record high for the fiscal first quarter.				· Net sales, income before income taxes and net income set record high.			

Note

- Honda's transaction rates : rates to be used mainly for exchanging the Company's foreign currency-denominated trade amount into yen.
Market average rates for the period : rates to be used for translating the Company's subsidiaries' foreign currency-denominated statements of income into yen.
Rates for the period-end : rates to be used for translating the Company's subsidiaries' foreign currency-denominated assets and liabilities into yen.

	1st Quarter	Fiscal Year Forecasts
Factors of changes in operating income		
Changes in revenue, model mix, etc.	+18,298	+77,793
Currency effects	-19,000	-85,800
(Change in transaction rates)	-19,500	-77,000
U. S. Dollar	(-23,000)	(-68,000)
Euro	(+5,000)	(+16,600)
Others	(-1,500)	(-25,600)
(Translation effects)	-6,500	-13,500
Gross profit	(-12,000)	(-31,300)
SG&A	(+5,500)	(+17,800)
(Difference between transaction rate and weighted average rate)	+7,000	+4,700
Cost reduction	+8,000	+50,000
Materials and other	+10,000	+50,000
Labor expenses	-3,000	-13,000
Depreciation	+1,000	+13,000
Changes in SG&A	-33,217	-59,305
Changes in R&D	+5,279	-28,137
Changes in operating income	-20,640	-45,449

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