

**July 28, 2004**

**HONDA MOTOR CO., LTD. REPORTS  
CONSOLIDATED FINANCIAL RESULTS  
FOR THE FISCAL FIRST QUARTER  
ENDED JUNE 30, 2004**

Tokyo, July 28, 2004--- Honda Motor Co., Ltd. today announced its consolidated financial results for the fiscal first quarter ended June 30, 2004.

**First Quarter Results**

Honda's consolidated net income for the fiscal first quarter ended June 30, 2004 totaled JPY 114.2 billion (USD 1,054 million), an increase of 12.2% from the corresponding period in 2003. Basic net income per Common Share for the quarter amounted to JPY 121.65 (USD 1.12), compared to JPY 106.02 for the same period in 2003. Two of Honda's American Depositary Shares represent one Common Share.

Unit sales in all of Honda's business categories relating to products, namely motorcycles, automobiles and power products, increased during the fiscal first quarter and consolidated net sales and other operating revenue (herein referred to as "revenue") for the quarter amounted to JPY 2,073.1 billion (USD 19,120 million), increased by 3.2% over the corresponding period in 2003. Revenue was negatively affected by currency translation, which was caused by the translation of foreign currency denominated revenue from Honda's overseas subsidiaries into yen. Honda estimates that if the exchange rate of yen had remained unchanged from that in the corresponding period in 2003, revenue for the quarter would have increased by approximately 7.7%.

Consolidated operating income for the fiscal first quarter totaled JPY 159.9 billion (USD 1,476 million), an increase of 0.3% compared to the corresponding period in 2003. This increase in operating income was due primarily to an increase in revenue contributed by higher unit sales of automobiles, motorcycles and power products and ongoing cost reduction effects, which offset the negative effects of the depreciation of the U.S. dollar.

Consolidated income before income taxes for the quarter totaled JPY 174.0 billion (USD 1,605 million), an increase of 17.6% from the corresponding period in 2003.

With respect to Honda's sales in the fiscal first quarter by business category, motorcycle unit sales increased by 29.0% to 2,582 thousand units. Of them, unit sales in Japan increased 3.2% to 97 thousand units, and overseas unit sales increased 30.3% to 2,485 thousand units. Revenue increased 13.5%, to JPY 274.0 billion (USD 2,528 million). This increase in revenue was due mainly to increased unit sales which offset the negative impact of the appreciation of the yen against the U.S. dollar. Operating income increased 197.6% to JPY 17.1 billion (USD 159 million).

Honda's unit sales of automobiles for the quarter increased by 9.0% to 772 thousand units. In Japan, unit sales of automobiles increased 0.7% to 154 thousand units, and overseas unit sales increased 11.4% to 618 thousand units. Revenue increased 2.1%, to JPY 1,655.1 billion (USD 15,265 million), due primarily to increased unit sales, offsetting negative currency translation effects. Operating income decreased 5.3% to JPY 115.6 billion (USD 1,067 million) due mainly to negative currency effects caused by the depreciation of the U.S. dollar, which offset positive impacts of higher profit from increased revenue and ongoing cost reduction effects.

Revenue from financial services for the quarter decreased 7.1% to JPY 59.4 billion (USD 548 million). Operating income decreased 26.8% to JPY 22.2 billion (USD 205 million).

Unit sales of power products for the quarter totaled 1,387 thousand units, an increase of 14.0% compared to the corresponding period in 2003. Of them, unit sales in Japan totaled 118 thousand units, increased by 7.3%, and overseas unit sales increased 14.6% to 1,269 thousand units. Revenue from power products and other businesses increased by 3.3% to JPY 88.5 billion (USD 817 million), due primarily to increased unit sales of power products, offsetting the negative currency translation effects. Operating income increased 332.9% to JPY 4.8 billion (USD 45 million).

With respect to Honda's sales for the year by geographic segment, in Japan, revenue was JPY 957.9 billion (USD 8,835 million), 1.5% up by the same period of previous year, due primarily to increased sales in all business segments. Operating income in Japan was JPY 32.9 billion (USD 304 million), 11.6% down from the same period of previous year, mainly due to negative currency effects caused by the appreciation of the yen, which offset both improved profit through increased revenue and effects of cost reductions.

In North America, revenue decreased by 6.4% from the corresponding period of the previous year to JPY 1,134.6 billion (USD 10,464 million), due to the negative currency translation effects, although unit sales in motorcycles and power products increased.

Operating income also decreased by 25.8% to JPY 80.6 billion (USD 744 million) from the previous year.

In Europe, revenue for the quarter increased by 9.2% to JPY 274.4 billion (USD 2,531 million) compared to the same period of the previous year, due mainly to increased unit sales in motorcycles, automobiles and power products. Operating income in Europe increased by 153.4% to JPY 14.9 billion (USD 138 million).

In Asia, revenue increased by 27.4% to JPY 203.1 billion (USD 1,873 million) from the same period of the previous year, due mainly to continued strong sales in motorcycle and automobile businesses. Operating income also increased by 98.2% to JPY 19.8 billion (USD 183 million) from the previous year.

Revenue from Other Regions for the quarter increased by 47.6% to JPY 102.5 billion (USD 946 million) compared to the previous year, due to increased unit sales in motorcycles and automobiles. Operating income increased by 53.3% to JPY 8.7 billion (USD 80 million) from the previous year.

## Forecasts for the fiscal year ending March 31, 2005

### Consolidated financial forecasts

*First half ending September 30, 2004*

	<u>In billions of yen</u>	<u>Changes from FY2004</u>
Net sales and other operating revenue	4,240	+5.3%
Operating income	305	-4.1%
Income before income taxes	305	-8.1%
Net income	222	-7.2%

*Fiscal year ending March 31, 2005*

	<u>In billions of yen</u>	<u>Changes from FY2004</u>
Net sales and other operating revenue	8,560	+4.9%
Operating income	580	-3.4%
Income before income taxes	550	-14.3%
Net income	417	-10.2%

### Unconsolidated financial forecasts

*First half ending September 30, 2004*

	<u>In billions of yen</u>	<u>Changes from FY2004</u>
Net sales	1,670	+5.6%
Operating income	53	-41.3%
Ordinary income	80	-47.4%
Net income	50	-54.7%

*Fiscal year ending March 31, 2005*

	<u>In billions of yen</u>	<u>Changes from FY2004</u>
Net sales	3,410	+2.7%
Operating income	103	-44.3%
Ordinary income	175	-43.8%
Net income	125	-44.8%

These forecasts are based on the assumption that the average exchange rates for the yen to the U.S. dollar and the euro for the second half ending March 31, 2005 will be JPY 105 and JPY 125, respectively, and the current fiscal year ending March 31, 2005, JPY 107 and JPY 128.

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 unit)	
	<b>Three months ended June 30, 2004</b>	Three months ended June 30, 2003
<b>MOTORCYCLES</b>		
Japan	<b>97</b>	94
(motorcycles only)	<b>( 97)</b>	( 94)
North America	<b>126</b>	99
(motorcycles only)	<b>( 63)</b>	( 65)
Europe	<b>109</b>	101
(motorcycles only)	<b>( 106)</b>	( 99)
Asia	<b>2,038</b>	1,498
(motorcycles only)	<b>( 2,038)</b>	( 1,498)
Other Regions	<b>212</b>	209
(motorcycles only)	<b>( 208)</b>	( 207)
<hr/> Total	<hr/> <b>2,582</b>	<hr/> 2,001
(motorcycles only)	<b>( 2,512)</b>	( 1,963)
 <b>AUTOMOBILES</b>		
Japan	<b>154</b>	153
North America	<b>391</b>	397
Europe	<b>66</b>	56
Asia	<b>122</b>	79
Other Regions	<b>39</b>	23
<hr/> Total	<hr/> <b>772</b>	<hr/> 708
 <b>POWER PRODUCTS</b>		
Japan	<b>118</b>	110
North America	<b>702</b>	634
Europe	<b>285</b>	244
Asia	<b>204</b>	154
Other Regions	<b>78</b>	75
<hr/> Total	<hr/> <b>1,387</b>	<hr/> 1,217

## [2] Net Sales Breakdown

(In millions of Yen)

	Three months ended June 30, 2004		Three months ended June 30, 2003	
<b>MOTORCYCLE BUSINESS</b>				
Japan	25,754	( 9.4% )	23,684	( 9.8% )
North America	72,396	( 26.4% )	59,294	( 24.5% )
Europe	67,700	( 24.7% )	62,280	( 25.8% )
Asia	66,324	( 24.2% )	60,905	( 25.2% )
Other Regions	41,912	( 15.3% )	35,391	( 14.7% )
<b>Total</b>	<b>274,086</b>	<b>( 100.0% )</b>	<b>241,554</b>	<b>( 100.0% )</b>
<b>AUTOMOBILE BUSINESS</b>				
Japan	324,108	( 19.6% )	294,184	( 18.2% )
North America	953,620	( 57.6% )	1,033,041	( 63.7% )
Europe	145,397	( 8.8% )	126,298	( 7.8% )
Asia	160,622	( 9.7% )	123,492	( 7.6% )
Other Regions	71,443	( 4.3% )	43,986	( 2.7% )
<b>Total</b>	<b>1,655,190</b>	<b>( 100.0% )</b>	<b>1,621,001</b>	<b>( 100.0% )</b>
<b>FINANCIAL SERVICES</b>				
Japan	5,248	( 9.0% )	5,359	( 8.5% )
North America	50,336	( 85.9% )	56,094	( 88.6% )
Europe	2,113	( 3.6% )	1,737	( 2.7% )
Asia	334	( 0.6% )	151	( 0.2% )
Other Regions	556	( 0.9% )	-	( - )
<b>Total</b>	<b>58,587</b>	<b>( 100.0% )</b>	<b>63,341</b>	<b>( 100.0% )</b>
<b>POWER PRODUCT &amp; OTHER BUSINESSES</b>				
Japan	28,740	( 33.7% )	28,069	( 34.1% )
North America	28,663	( 33.6% )	28,349	( 34.4% )
Europe	17,869	( 20.9% )	15,029	( 18.3% )
Asia	6,284	( 7.4% )	7,634	( 9.3% )
Other Regions	3,734	( 4.4% )	3,251	( 3.9% )
<b>Total</b>	<b>85,290</b>	<b>( 100.0% )</b>	<b>82,332</b>	<b>( 100.0% )</b>
<b>TOTAL</b>				
Japan	383,850	( 18.5% )	351,296	( 17.5% )
North America	1,105,015	( 53.3% )	1,176,778	( 58.6% )
Europe	233,079	( 11.2% )	205,344	( 10.2% )
Asia	233,564	( 11.3% )	192,182	( 9.6% )
Other Regions	117,645	( 5.7% )	82,628	( 4.1% )
<b>Total</b>	<b>2,073,153</b>	<b>( 100.0% )</b>	<b>2,008,228</b>	<b>( 100.0% )</b>

Explanatory notes:

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

### [3] Consolidated Financial Summary

#### Financial Highlights

	(In millions of Yen)		
	<b>Three months ended June 30, 2004</b>	<b>% Change</b>	<b>Three months ended June 30, 2003</b>
Net sales and other operating revenue	<b>2,073,153</b>	3.2%	2,008,228
Operating income	<b>159,993</b>	0.3%	159,465
Income before income taxes	<b>174,080</b>	17.6%	147,995
Net income	<b>114,262</b>	12.2%	101,819
	(In Yen)		
Basic net income per Common Share	<b>121.65</b>		106.02
American Depositary Share	<b>60.82</b>		53.01
	(In millions of U.S. Dollar)		
	<b>Three months ended June 30, 2004</b>		
Net sales and other operating revenue	<b>19,120</b>		
Operating income	<b>1,476</b>		
Income before income taxes	<b>1,605</b>		
Net income	<b>1,054</b>		
	(In U.S. Dollar)		
Basic net income per Common Share	<b>1.12</b>		
American Depositary Share	<b>0.56</b>		

#### Explanatory note:

Certain reclassifications have been made to operating income of the prior year's fiscal first quarter to conform to the presentation used for the fiscal first quarter ended June 30, 2004.

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

	(In millions of Yen)	
	<u>Three months ended June 30, 2004</u>	<u>Three months ended June 30, 2003</u>
<b>Net sales and other operating revenue</b>	2,073,153	2,008,228
<b>Operating costs and expenses:</b>		
Cost of sales	1,441,910	1,378,586
Selling, general and administrative	363,055	367,433
Research and development	<u>108,195</u>	<u>102,744</u>
<b>Operating income</b>	<b>159,993</b>	159,465
Other income:		
Interest	2,505	1,904
Other	29,303	3,005
Other expenses:		
Interest	3,049	3,369
Other	<u>14,672</u>	<u>13,010</u>
<b>Income before income taxes</b>	<b>174,080</b>	147,995
Income taxes	<u>78,647</u>	<u>58,922</u>
<b>Income before equity in income of affiliates</b>	<b>95,433</b>	89,073
Equity in income of affiliates	<u>18,829</u>	<u>12,746</u>
<b>Net income</b>	<b>114,262</b>	101,819
<b>Retained earnings:</b>		
Balance at beginning of period	3,589,434	3,161,664
Cash dividends paid	( 21,641)	( 15,386)
Transfer to legal reserves	<u>( 2,179)</u>	<u>( 2,944)</u>
Balance at end of period	<u><u>3,679,876</u></u>	<u><u>3,245,153</u></u>
	(In Yen)	
<b>Basic net income per</b>		
Common Share	121.65	106.02
American Depositary Share	60.82	53.01

**[5] Consolidated Balance Sheets**

(In millions of Yen)

<b>Assets</b>	<b>June 30, 2004</b>	Mar. 31, 2004	June 30, 2003
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
<b>Current assets:</b>			
Cash and cash equivalents	<b>654,931</b>	724,421	578,991
Trade accounts and notes receivable	<b>336,584</b>	373,416	380,891
Finance subsidiaries-receivables, net	<b>1,296,870</b>	1,264,620	1,114,177
Inventories	<b>756,169</b>	765,433	775,977
Deferred income taxes	<b>196,026</b>	222,179	212,537
Other current assets	<b>335,739</b>	303,185	255,641
<b>Total current assets</b>	<b>3,576,319</b>	3,653,254	3,318,214
<b>Finance subsidiaries-receivables, net</b>	<b>2,380,262</b>	2,377,338	2,377,177
<b>Investments and advances</b>	<b>564,619</b>	541,066	453,376
<b>Property, plant and equipment, at cost:</b>			
Land	<b>355,628</b>	354,762	348,858
Buildings	<b>978,705</b>	968,159	955,703
Machinery and equipment	<b>2,103,455</b>	2,072,347	2,039,632
Construction in progress	<b>73,001</b>	49,208	85,312
	<b>3,510,789</b>	3,444,476	3,429,505
Less accumulated depreciation	<b>2,053,115</b>	2,008,945	2,019,359
<b>Net property, plant and equipment</b>	<b>1,457,674</b>	1,435,531	1,410,146
<b>Other assets</b>	<b>323,006</b>	321,579	351,758
<b>Total assets</b>	<b>8,301,880</b>	8,328,768	7,910,671

[5] Consolidated Balance Sheets - continued

Liabilities and Stockholders' Equity

	(In millions of Yen)		
	<u>June 30, 2004</u> (Unaudited)	<u>Mar. 31, 2004</u> (Audited)	<u>June 30, 2003</u> (Unaudited)
<b>Current liabilities:</b>			
Bank loans and commercial paper	564,432	734,271	891,795
Current portion of long-term debt	527,946	487,125	364,525
Trade payables	813,989	911,237	757,514
Accrued expenses	783,822	813,733	762,206
Income taxes payable	31,254	31,194	50,689
Other current liabilities	391,320	357,259	317,763
<b>Total current liabilities</b>	<u>3,112,763</u>	<u>3,334,819</u>	<u>3,144,492</u>
<b>Long-term debt</b>	1,480,329	1,394,612	1,233,122
<b>Other liabilities</b>	720,935	724,937	798,561
<b>Total liabilities</b>	<u>5,314,027</u>	<u>5,454,368</u>	<u>5,176,175</u>
<b>Stockholders' equity:</b>			
Common stock	86,067	86,067	86,067
Capital surplus	172,719	172,719	172,529
Legal reserves	34,597	32,418	32,335
Retained earnings	3,679,876	3,589,434	3,245,153
Adjustments from foreign currency translation	( 633,769)	( 665,413)	( 451,824)
Net unrealized gains on marketable equity securities	35,312	36,066	22,136
Minimum pension liabilities adjustments	<u>( 223,939)</u>	<u>( 225,226)</u>	<u>( 308,513)</u>
Accumulated other comprehensive income (loss)	( 822,396)	( 854,573)	( 738,201)
Treasury stock	<u>( 163,010)</u>	<u>( 151,665)</u>	<u>( 63,387)</u>
<b>Total stockholders' equity</b>	<u>2,987,853</u>	<u>2,874,400</u>	<u>2,734,496</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>8,301,880</u></u>	<u><u>8,328,768</u></u>	<u><u>7,910,671</u></u>

## [ 6 ] Segment Information

### (A) Business Segment Information

For the three months ended June 30, 2004

(In millions of Yen)

	Motor- cycle Business	Auto- mobile Business	Financial Services	Power Product & Other Businesses	Total	Eliminations	Consolidated
Net sales and other operating revenue:							
Sales to unaffiliated customers	274,086	1,655,190	58,587	85,290	2,073,153	—	2,073,153
Intersegment sales	0	0	837	3,259	4,096	(4,096)	—
Total	274,086	1,655,190	59,424	88,549	2,077,249	(4,096)	2,073,153
Cost of sales, SG&A and R&D expenses	256,894	1,539,509	37,157	83,696	1,917,256	(4,096)	1,913,160
Operating income	17,192	115,681	22,267	4,853	159,993	0	159,993

For the three months ended June 30, 2003

(In millions of Yen)

	Motor- cycle Business	Auto- mobile Business	Financial Services	Power Product & Other Businesses	Total	Eliminations	Consolidated
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	241,554	1,621,001	63,958	85,749	2,012,262	(4,034)	2,008,228
Cost of sales, SG&A and R&D expenses	235,778	1,498,847	33,544	84,628	1,852,797	(4,034)	1,848,763
Operating income	5,776	122,154	30,414	1,121	159,465	0	159,465

#### Explanatory notes:

##### 1. Business Segment

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

Business	Sales	Principal Products
Motorcycle business	Motorcycles, all-terrain vehicles (ATV), personal watercrafts and relevant parts	Motor-driven cycles, mid-sized motorcycles, small-sized motorcycles, all-terrain vehicles (ATV), personal watercrafts
Automobile business	Automobiles and relevant parts	Compact cars, sub-compact cars, minivehicles
Financial services	Financial and insurance services	N/A
Power product & other businesses	Power products and relevant parts, and others	Power tillers, generators, general purpose engines, lawn mowers, outboard engines

(B) Geographic Segment Information

The geographic segments are based on the location where sales are originated.

For the three months ended June 30, 2004

	( In millions of Yen)							
	Japan	North- America	Europe	Asia	Other Regions	Total	Eliminations	Consolidated
Net sales and other operating revenue:								
Sales to unaffiliated customers	453,368	1,107,408	229,476	182,274	100,627	2,073,153	—	2,073,153
Transfers between geographic segments	504,587	27,252	44,995	20,863	1,899	599,596	(599,596)	—
Total	957,955	1,134,660	274,471	203,137	102,526	2,672,749	(599,596)	2,073,153
Cost of sales, SG&A and R&D expenses	925,002	1,054,006	259,491	183,303	93,825	2,515,627	(602,467)	1,913,160
Operating income	32,953	80,654	14,980	19,834	8,701	157,122	2,871	159,993

For the three months ended June 30, 2003

	( In millions of Yen)							
	Japan	North- America	Europe	Asia	Other Regions	Total	Eliminations	Consolidated
Net sales and other operating revenue:								
Sales to unaffiliated customers	411,863	1,179,328	202,828	147,097	67,112	2,008,228	—	2,008,228
Transfers between geographic segments	531,959	32,323	48,562	12,382	2,333	627,559	(627,559)	—
Total	943,822	1,211,651	251,390	159,479	69,445	2,635,787	(627,559)	2,008,228
Cost of sales, SG&A and R&D expenses	906,557	1,102,954	245,478	149,472	63,771	2,468,232	(619,469)	1,848,763
Operating income	37,265	108,697	5,912	10,007	5,674	167,555	(8,090)	159,465

Explanatory note:

Geographic Segment

Asia was previously included in Other Regions. From the first half ended September 30, 2003, it is separately presented in the Geographic Segment. Certain reclassifications have been made to the geographic segment information of the prior year's fiscal first quarter to conform to the presentation used for the fiscal first quarter ended June 30, 2004.

(C) Overseas Sales

The geographic segments are based on the location of affiliated and unaffiliated customers.

For the three months ended June 30, 2004

	( In millions of Yen)				
	North- America	Europe	Asia	Other Regions	Total
Overseas Sales	1,105,015	233,079	233,564	117,645	1,689,303
Consolidated Sales					2,073,153
Overseas Sales Ratio to Consolidated Sales	53.3%	11.2%	11.3%	5.7%	81.5%

For the three months ended June 30, 2003

	( In millions of Yen)				
	North- America	Europe	Asia	Other Regions	Total
Overseas Sales	1,176,778	205,344	192,182	82,628	1,656,932
Consolidated Sales					2,008,228
Overseas Sales Ratio to Consolidated Sales	58.6%	10.2%	9.6%	4.1%	82.5%

Explanatory note:

Overseas Sales

Asia was previously included in Other Regions. From the first half ended September 30, 2003, it is separately presented in the overseas sales. Certain reclassifications have been made to the overseas sales of the prior year's fiscal first quarter to conform to the presentation used for the fiscal first quarter ended June 30, 2004.

Explanatory notes:

1. The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States because 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. All segment information, however, 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, 2004 were ¥109.77=U.S.\$1 and ¥132.28=euro1. The average exchange rates for the corresponding period last year were ¥118.50=U.S.\$1 and ¥134.66=euro1.
3. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥108.43=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, 2004.
4. The Company's Common Stock-to-ADR exchange rate was 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, 2004	Three months ended June 30, 2003
Net income	114,262	101,819
Other comprehensive income	32,177	24,964
Comprehensive income	146,439	126,783

6. Certain gains and losses on sale and disposal of property, plant and equipment, which were previously recorded in other income (expenses), have been reclassified to selling, general and administrative expenses and net realized gains and losses on interest rate swap contracts not designated as accounting hedges by finance subsidiaries, which were previously recorded in cost of sales, have been included in other income (expenses) – other in the prior year's fiscal fourth quarter, respectively. Accordingly, those reclassification have been made to the consolidated statements of income and retained earnings and to the segment information of the prior year's fiscal first quarter to conform to the presentation used for the fiscal first quarter ended June 30, 2004.
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 FIRST QUARTER ENDED JUNE 30, 2004**

(Billions of yen)

	Results for the fiscal first quarter ended June 30, 2003	Results for the fiscal first quarter ended June 30, 2004 [ change / %]	Forecasts for the fiscal year ending Mar. 31, 2005 [ change / %]	Results for the fiscal year ended Mar. 31, 2004
Net sales and other operating revenue	2,008.2	2,073.1 [ 64.9 / 3.2%]	8,560.0 [ 397.4 / 4.9%]	8,162.6
- Japan	351.2	383.8 [ 32.5 / 9.3%]	1,810.0 [ 181.5 / 11.1%]	1,628.4
- Overseas	1,656.9	1,689.3 [ 32.3 / 2.0%]	6,750.0 [ 215.8 / 3.3%]	6,534.1
Operating income	159.4	159.9 [ 0.5 / 0.3%]	580.0 [ -20.1 / -3.4%]	600.1
<as a percentage of net sales>	< 7.9% >	< 7.7% >	< 6.8% >	< 7.4% >
Income before income taxes	147.9	174.0 [ 26.0 / 17.6%]	550.0 [ -91.9 / -14.3%]	641.9
<as a percentage of net sales>	< 7.4% >	< 8.4% >	< 6.4% >	< 7.9% >
Net income	101.8	114.2 [ 12.4 / 12.2%]	417.0 [ -47.3 / -10.2%]	464.3
<as a percentage of net sales>	< 5.1% >	< 5.5% >	< 4.9% >	< 5.7% >
Factors of change in Operating income		(INCREASE FACTORS) -Change in revenue, model mix, etc. 46.3 -Cost reduction 7.8 (DECREASE FACTORS) -Currency effects -41.9 Change in average rates (-31.4) Translation effects (-10.5) -Change in SG&A expenses -6.2 -Change in R&D expenses -5.4	(INCREASE FACTORS) -Change in revenue, model mix, etc. 54.4 -Cost reduction 42.0 -Change in SG&A expenses 10.5 (DECREASE FACTORS) -Currency effects -106.0 Change in average rates (-88.3) Translation effects (-17.7) -Change in R&D expenses -21.0	
Honda's average rates USD=	JPY 119	JPY 110	JPY 107 (2H: JPY 105)	JPY 113
Honda's average rates EUR=	JPY 134	JPY 132	JPY 128 (2H: JPY 125)	JPY 133
Capital expenditures	49.8	54.6	290.0	258.3
Depreciation	47.2	47.3	200.0	199.0
Research and development	102.7	108.1	470.0	448.9
Interest bearing debt	2,489.4	2,572.7		2,616.0
Remarks		· Net sales set record high for the fiscal first quarter for four consecutive years. · Income before income taxes and net income set record high for the fiscal first quarter.	· Net sales to set record high.	

(Thousands of unit)

Unit sales of motorcycles (motorcycles only)	2,001 (1,963)	2,582 [ 581 / 29.0%] (2,512) [ 549 / 28.0%]	9,290 [ 84 / 0.9%] (8,939) [ 48 / 0.5%]	9,206 (8,891)
Japan (motorcycles only)	94 (94)	97 [ 3 / 3.2%] (97) [ 3 / 3.2%]	370 [ -33 / -8.2%] (370) [ -33 / -8.2%]	403 (403)
Overseas (motorcycles only)	1,907 (1,869)	2,485 [ 578 / 30.3%] (2,415) [ 546 / 29.2%]	8,920 [ 117 / 1.3%] (8,569) [ 81 / 1.0%]	8,803 (8,488)
North America (motorcycles only)	99 (65)	126 [ 27 / 27.3%] (63) [ -2 / -3.1%]	715 [ 59 / 9.0%] (380) [ 20 / 5.6%]	656 (360)
Europe (motorcycles only)	101 (99)	109 [ 8 / 7.9%] (106) [ 7 / 7.1%]	295 [ -4 / -1.3%] (285) [ -4 / -1.4%]	299 (289)
Asia (motorcycles only)	1,498 (1,498)	2,038 [ 540 / 36.0%] (2,038) [ 540 / 36.0%]	6,980 [ -37 / -0.5%] (6,980) [ -37 / -0.5%]	7,017 (7,017)
Other Regions (motorcycles only)	209 (207)	212 [ 3 / 1.4%] (208) [ 1 / 0.5%]	930 [ 99 / 11.9%] (924) [ 102 / 12.4%]	831 (822)
Unit sales of automobiles	708	772 [ 64 / 9.0%]	3,255 [ 272 / 9.1%]	2,983
Japan	153	154 [ 1 / 0.7%]	770 [ 54 / 7.5%]	716
Overseas	555	618 [ 63 / 11.4%]	2,485 [ 218 / 9.6%]	2,267
North America	397	391 [ -6 / -1.5%]	1,565 [ 7 / 0.4%]	1,558
Europe	56	66 [ 10 / 17.9%]	255 [ 24 / 10.4%]	231
Asia	79	122 [ 43 / 54.4%]	510 [ 169 / 49.6%]	341
Other Regions	23	39 [ 16 / 69.6%]	155 [ 18 / 13.1%]	137
Unit sales of power products	1,217	1,387 [ 170 / 14.0%]	5,600 [ 553 / 11.0%]	5,047
Japan	110	118 [ 8 / 7.3%]	420 [ -57 / -11.9%]	477
Overseas	1,107	1,269 [ 162 / 14.6%]	5,180 [ 610 / 13.3%]	4,570
North America	634	702 [ 68 / 10.7%]	2,840 [ 477 / 20.2%]	2,363
Europe	244	285 [ 41 / 16.8%]	1,300 [ 39 / 3.1%]	1,261
Asia	154	204 [ 50 / 32.5%]	790 [ 171 / 27.6%]	619
Other Regions	75	78 [ 3 / 4.0%]	250 [ -77 / -23.5%]	327

Notes : 1. Capital expenditures and Depreciation are the figures of "Property, plant and equipment (excluding company cars)".

2. Unit sales and net sales of Honda-brand motorcycle products with 100% locally procured and manufactured by overseas affiliates are not included in unit sales and net sales and other operating revenue.

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 FORECASTS  
FOR THE FISCAL YEAR ENDING MARCH 31, 2005  
(Parent company only)**

(Billions of yen)

	Results for the fiscal year ended March 31, 2004	Forecasts for the fiscal year ending March 31, 2005 (change / % change)	
Net sales	3,319.7	3,410.0 ( 90.2 / 2.7%)	
- Domestic	1,144.1	1,270.0 ( 125.8 / 11.0%)	
- Export	2,175.6	2,140.0 ( -35.6 / -1.6%)	
Operating income	184.7	103.0 ( -81.7 / -44.3%)	
<as a percentage of net sales>	< 5.6% >	< 3.0% >	
Ordinary income	311.2	175.0 ( -136.2 / -43.8%)	
<as a percentage of net sales>	< 9.4% >	< 5.1% >	
Net income	226.4	125.0 ( -101.4 / -44.8%)	
<as a percentage of net sales>	< 6.8% >	< 3.7% >	
Factors of change in operating income	/	(INCREASE FACTORS)	
		Change in revenue, model mix, etc.	23.3
		Cost reduction	29.0
		(DECREASE FACTORS)	
		Impact from change of accounting standard for royalty (changed in the fiscal year ended Mar. 31, 2004)	-28.5
		Currency effects	-58.0
Change in SG&A (excluding R&D expenses)	-29.5		
Change in R&D	-18.1		
Honda's average rates USD=	JPY 113	JPY 107 (2H: JPY 105)	
Honda's average rates EUR=	JPY 133	JPY 128 (2H: JPY 125)	
Capital expenditures	85.0	100.0	
Motorcycle production-related	2.7	3.0	
Automobile production-related	31.5	34.0	
Power product production-related	0.9	2.0	
Others	49.7	61.0	
Depreciation	55.0	56.0	
Research and development	446.9	465.0	
Interest bearing debt	3.8		
Remarks	/	· Net sales to set record high	

(Thousands of unit)

Unit sales of motorcycle business	1,133	1,170 ( 36 / 3.2%)
(motorcycles only)	(815)	(830) ( 14 / 1.7%)
Domestic sales	403	370 ( -33 / -8.3%)
(motorcycles only)	(403)	(370) ( -33 / -8.3%)
Export sales	730	800 ( 69 / 9.5%)
(motorcycles only)	(412)	(460) ( 47 / 11.5%)
Unit sales of automobile business	1,204	1,280 ( 75 / 6.3%)
Domestic sales	725	780 ( 54 / 7.6%)
Registration vehicles	455	500 ( 44 / 9.9%)
Mini vehicles	270	280 ( 9 / 3.7%)
Export sales	479	500 ( 20 / 4.3%)
Unit sales of power product business	5,142	5,550 ( 407 / 7.9%)
Domestic sales	467	420 ( -47 / -10.1%)
Export sales	4,674	5,130 ( 455 / 9.7%)

Note: Capital expenditures and Depreciation are the figures of "Property, plant and equipment (excluding company cars)".

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 )

(Thousands of units, Millions of Yen)

	First Quarter Results				Fiscal Year Results & Forecasts			
	3M ended June 2004	3M ended June 2003	change	% change	Year ending Mar. 2005	Year ended Mar. 2004	change	% change
Unit sales of motorcycles								
Japan	97	94	3	3.2 %	370	403	-33	-8.2 %
(motorcycles only)	(97)	(94)	(3)	(3.2%)	(370)	(403)	(-33)	(-8.2%)
North America	126	99	27	27.3 %	715	656	59	9.0 %
(motorcycles only)	(63)	(65)	(-2)	(-3.1%)	(380)	(360)	(20)	(5.6%)
Europe	109	101	8	7.9 %	295	299	-4	-1.3 %
(motorcycles only)	(106)	(99)	(7)	(7.1%)	(285)	(289)	(-4)	(-1.4%)
Asia	2,038	1,498	540	36.0 %	6,980	7,017	-37	-0.5 %
(motorcycles only)	(2,038)	(1,498)	(540)	(36.0%)	(6,980)	(7,017)	(-37)	(-0.5%)
Others	212	209	3	1.4 %	930	831	99	11.9 %
(motorcycles only)	(208)	(207)	(1)	(0.5%)	(924)	(822)	(102)	(12.4%)
Total	2,582	2,001	581	29.0 %	9,290	9,206	84	0.9 %
(motorcycles only)	(2,512)	(1,963)	(549)	(28.0%)	(8,939)	(8,891)	(48)	(0.5%)
Unit sales of automobiles								
Japan	154	153	1	0.7 %	770	716	54	7.5 %
North America	391	397	-6	-1.5 %	1,565	1,558	7	0.4 %
Europe	66	56	10	17.9 %	255	231	24	10.4 %
Asia	122	79	43	54.4 %	510	341	169	49.6 %
Others	39	23	16	69.6 %	155	137	18	13.1 %
Total	772	708	64	9.0 %	3,255	2,983	272	9.1 %
Unit sales of power products								
Japan	118	110	8	7.3 %	420	477	-57	-11.9 %
North America	702	634	68	10.7 %	2,840	2,363	477	20.2 %
Europe	285	244	41	16.8 %	1,300	1,261	39	3.1 %
Asia	204	154	50	32.5 %	790	619	171	27.6 %
Others	78	75	3	4.0 %	250	327	-77	-23.5 %
Total	1,387	1,217	170	14.0 %	5,600	5,047	553	11.0 %
Exchange rates to USD (Note)								
Honda's transaction rates	108.00	119.00	-11.00	-10.2 %				
Honda's average rates for the period	109.77	118.50	-8.73	-8.0 %	107.00	113.07	-6.07	-5.7 %
Rates for the period-end	108.43	119.80	-11.37	-10.5 %		105.69		
Exchange rates to EUR (Note)								
Honda's transaction rates	133.00	126.00	7.00	5.3 %				
Honda's average rates for the period	132.28	134.66	-2.38	-1.8 %	128.00	132.61	-4.61	-3.6 %
Rates for the period-end	131.06	136.92	-5.86	-4.5 %		128.88		
Key items								
Net sales and other								
operating revenue	2,073,153	2,008,228	64,925	3.2 %	8,560,000	8,162,600	397,400	4.9 %
Japan	383,850	351,296	32,554	9.3 %	1,810,000	1,628,493	181,507	11.1 %
Overseas	1,689,303	1,656,932	32,371	2.0 %	6,750,000	6,534,107	215,893	3.3 %
Operating income	159,993	159,465	528	0.3 %	580,000	600,144	-20,144	-3.4 %
Income before income taxes	174,080	147,995	26,085	17.6 %	550,000	641,927	-91,927	-14.3 %
Net income	114,262	101,819	12,443	12.2 %	417,000	464,338	-47,338	-10.2 %
Capital expenditures	54,660	49,871	4,789	9.6 %	290,000	258,316	31,684	12.3 %
Depreciation	47,327	47,248	79	0.2 %	200,000	199,042	958	0.5 %
Research and development	108,195	102,744	5,451	5.3 %	470,000	448,967	21,033	4.7 %
Stockholders' equity						2,874,400		
Total assets						8,328,768		
Interest bearing debt						2,616,008		
Remarks	<ul style="list-style-type: none"> <li>Net sales set record high for the fiscal first quarter for four consecutive years .</li> <li>Income before income taxes and net income set record high for the fiscal first quarter.</li> </ul>				<ul style="list-style-type: none"> <li>Net sales to set record high</li> </ul>			

Notes

- Honda's transaction rates : rates to be used mainly for exchanging the Company's foreign currency-denominated trade amount into yen.  
Honda's average rates : 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.
- Capital expenditures and Depreciation are the figures of Property, plant and equipment (excluding company cars).
- Unit sales and net sales of Honda-brand motorcycle products with 100% locally procured and manufactured by overseas affiliates are not included in unit sales and net sales and other operating revenues.

Factors of changes in operating income	First Quarter	Fiscal Year Results
Changes in revenue, model mix, etc.	+46,300	+54,400
Currency effects	-41,900	-106,000
(Change in average rates)	-31,400	-88,300
U. S. Dollar vs. Yen	(-23,600)	(-51,500)
Euro vs. Yen	(-6,000)	(-6,000)
Others vs. Yen	(-400)	(-11,300)
Between other currencies	(-6,600)	(-19,500)
(Translation effects)	-10,500	-17,700
Gross profit	(-21,100)	(-50,900)
SG&A	(+10,600)	(+33,200)
Cost reduction	+7,800	+42,000
Materials and others	+11,300	+56,000
Labor expenses	-3,500	-14,000
Changes in SG&A expenses	-6,200	+10,500
Changes in R&D expenses	-5,400	-21,000
Changes in operating income	+500	-20,100

First Quarter	Fiscal Year Results
+46,300	+54,400
-41,900	-106,000
-31,400	-88,300
(-23,600)	(-51,500)
(-6,000)	(-6,000)
(-400)	(-11,300)
(-6,600)	(-19,500)
-10,500	-17,700
(-21,100)	(-50,900)
(+10,600)	(+33,200)
+7,800	+42,000
+11,300	+56,000
-3,500	-14,000
-6,200	+10,500
-5,400	-21,000
+500	-20,100

First Quarter	Fiscal Year Results
+46,300	+54,400
-41,900	-106,000
-31,400	-88,300
(-23,600)	(-51,500)
(-6,000)	(-6,000)
(-400)	(-11,300)
(-6,600)	(-19,500)
-10,500	-17,700
(-21,100)	(-50,900)
(+10,600)	(+33,200)
+7,800	+42,000
+11,300	+56,000
-3,500	-14,000
-6,200	+10,500
-5,400	-21,000
+500	-20,100

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.