
FY05 1st Quarter Financial Results



Elysion

HONDA
The Power of Dreams

Agenda

- Outline of FY05 1Q Consolidated Financial Results & FY05 Consolidated / Unconsolidated Financial Forecasts

Presenter: Executive Vice President - **Koichi Amemiya**

- Details of FY05 1Q Consolidated Financial Results & FY05 Consolidated Financial Forecasts

- (1) 1st Quarter Results
- (2) Balance Sheets
- (3) FY05 Financial Forecasts

Presenter: Senior Managing Director - **Satoshi Aoki**

**· Outline of FY05 1Q Consolidated Financial Results &
FY05 Consolidated / Unconsolidated Financial Forecasts**

- (1) Outline of FY05 1st Quarter Financial Results**

- (2) FY05 Financial Forecasts**
 - Consolidated
 - Unconsolidated

- (3) Notification of Treasury Stock**

Outline of FY05 1st Quarter Results

(Billions of Yen)

	FY05 1Q	FY04 1Q	Change
Net sales & other operating revenue	2,073.1*	2,008.2	+ 3.2%
Operating income	159.9	159.4	+ 0.3%
Income before income taxes	174.0*	147.9	+ 17.6%
Equity in income of affiliates	18.8*	12.7	+ 47.7%
Net income	114.2*	101.8	+ 12.2%
EPS (Yen)	121.65*	106.02	+ 14.7%

* Record high as 1st Quarter

Average Rates (Yen)

US Dollar	110	119	stronger by 9 yen
Euro	132	134	stronger by 2 yen

FY05 Consolidated Financial Forecasts

(Billions of Yen)

	FY05 Revised Forecasts	FY04	Change
Net sales & other operating revenue	8,560.0*	8,162.6	+ 4.9%
Operating income	580.0	600.1	- 3.4%
Income before income taxes	550.0	641.9	- 14.3%
Net income	417.0	464.3	- 10.2%
EPS (Yen)	444.34	486.91	- 8.7%

* To set record high for five fiscal years in a row

Average Rates (Yen)

US Dollar	107 (2H: 105)	113	stronger by 6 yen
Euro	128 (2H: 125)	133	stronger by 5 yen

FY05 Consolidated Financial Forecasts

(Billions of Yen)

	FY05 Revised Forecasts	FY05 Forecasts of Apr. 27 th	Change
Net sales & other operating revenue	8,560.0*	8,500.0	+ 60.0
Operating income	580.0	560.0	+ 20.0
Income before income taxes	550.0	500.0	+ 50.0
Net income	417.0	390.0	+ 27.0
EPS (Yen)	444.34	414.49	+ 29.85

* To set record high for five fiscal years in a row

Average Rates (Yen)

US Dollar	107 (2H: 105)	105	weaker by 2 yen
Euro	128 (2H: 125)	125	weaker by 3 yen

FY05 Unconsolidated Financial Forecasts

(Billions of Yen)

	FY05 Revised Forecasts	FY04	Change
Net sales	3,410.0*	3,319.7	+ 2.7%
Operating profit	103.0	184.7	- 44.3%
Ordinary income	175.0	311.2	- 43.8%
Net income	125.0	226.4	- 44.8%

* To set record high

Average Rates (Yen)

US Dollar	107 (2H: 105)	113	stronger by 6 yen
Euro	128 (2H: 125)	133	stronger by 5 yen

FY05 Unconsolidated Financial Forecasts

(Billions of Yen)

	FY05 Revised Forecasts	FY05 Forecasts of Apr. 27 th	Change
Net sales	3,410.0*	3,390.0	+ 20.0
Operating profit	103.0	90.0	+ 13.0
Ordinary income	175.0	165.0	+ 10.0
Net income	125.0	125.0	± 0

* To set record high

Average Rates (Yen)

US Dollar	107 (2H: 105)	105	weaker by 2 yen
Euro	128 (2H: 125)	125	weaker by 3 yen

Notification of Company Stock

Acquisition of Company Stock

<p>From May 6, 2004 to May 11, 2004</p> <p>Aggregate number of shares acquired : approx. 676 thousand shares of common stock</p> <p>Aggregate amount of acquisition: approx. 3 billion yen</p>	<p>(From June 25, 2002 to May 11, 2004)</p> <p>(Aggregate number of shares acquired : approx. 35.9 million shares of common stock)</p> <p>(Aggregate amount of acquisition: approx. 163 billion yen)</p>
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Retirement of Treasury Stock

<p>Retirement of 35 million shares of common stock (ratio to total shares of common stock issued and outstanding before retirement: 3.59%) Scheduled date of retirement: August 23rd, 2004</p>
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Buyback Plan

<p>From August 3, 2004 to October 15, 2004</p> <p>Maximum number of shares to be acquired: 7.5 million shares of common stock</p> <p>Maximum amount of acquisition: 30 billion yen</p>
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**Details of FY05 1Q Consolidated Financial Results &
FY05 Consolidated / Unconsolidated Financial Forecasts**

(1) 1st Quarter Results

Net Sales by Business Segment

Business Segment Information

Geographic Segment Information

Change in Income before Income Taxes

(2) Balance Sheets

(3) FY05 Financial Forecasts

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(1) 1st Quarter Results

Net Sales by Business Segment

Business Segment Information

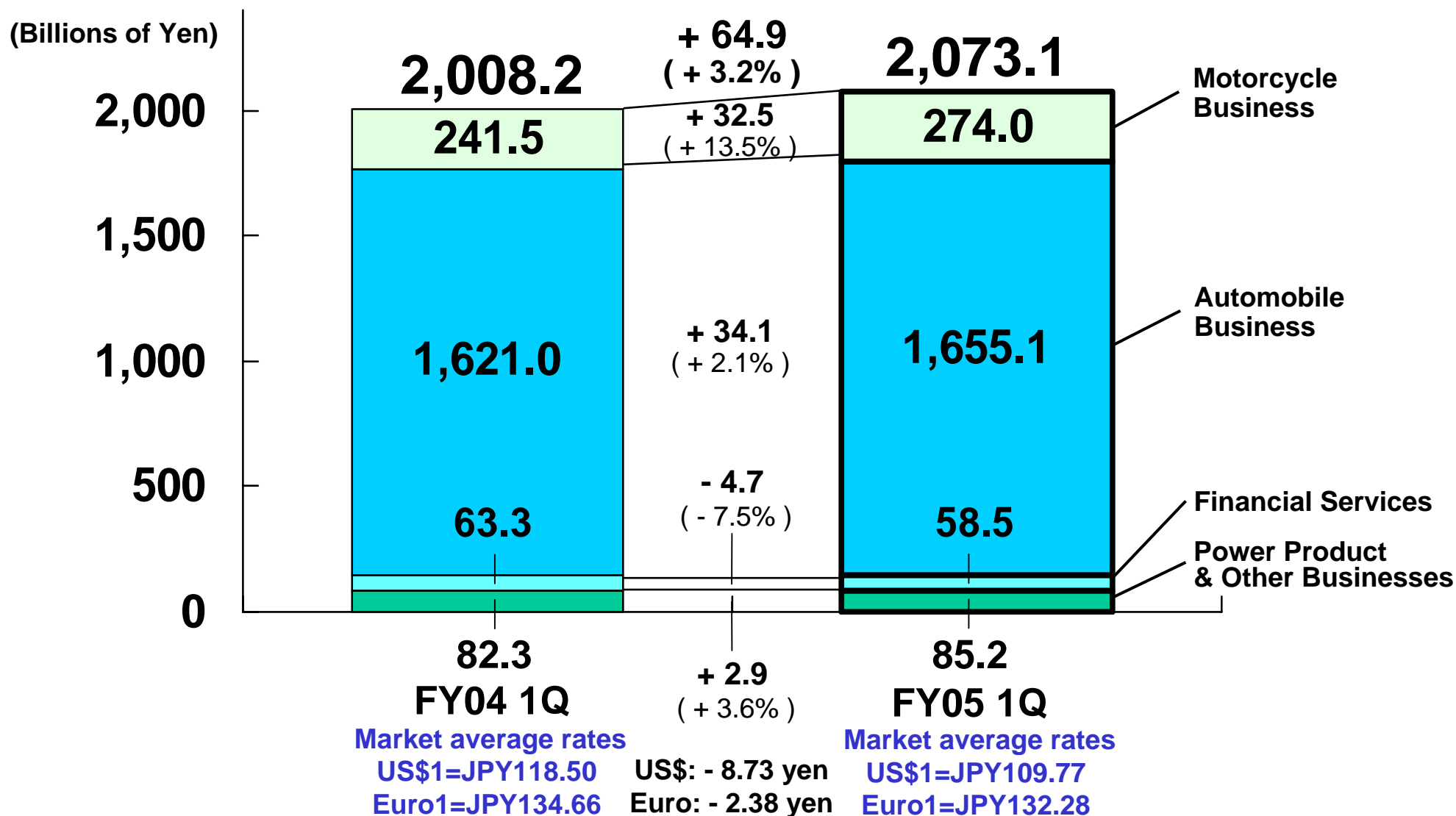
Geographic Segment Information

Change in Income before Income Taxes

(2) Balance Sheets

(3) FY05 Financial Forecasts

FY05 1st Quarter Net Sales by Business Segment



(Substantial sales increase of approx. 155 bn. yen < + 7.7% > if excluding currency translation effects < approx. 90 bn. yen >)

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(1) 1st Quarter Results

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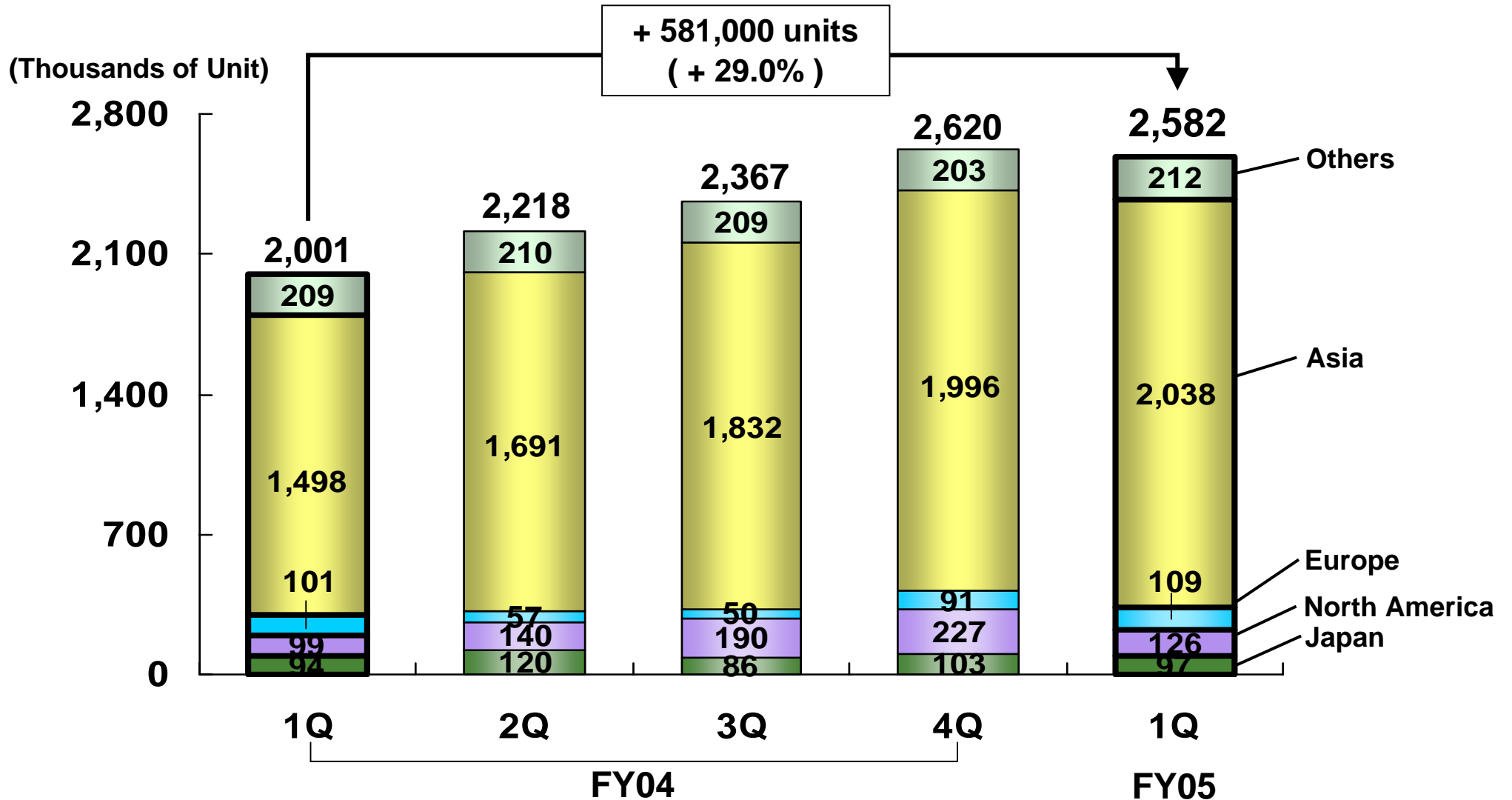
Change in Income before Income Taxes

(2) Balance Sheets

(3) FY05 Financial Forecasts

Unit Sales of Motorcycles

(Motorcycles + All-Terrain Vehicles, etc.)



Motorcycle Operation: Japan

Unit Sales in FY05 1Q: 97,000 units
(+ 3,000 units from FY04 1Q)

- Increased retail sales of Forza, Smart-Dio Z4



Forza



Smart-Dio Z4

Motorcycle Operation: North America

Unit Sales in FY05 1Q: 126,000 units
(+ 27,000 units from FY04 1Q)

- Increased wholesales of ATVs
(32,000 units → 62,000 units)
- Increased wholesales CRF50F



TRX450R



CRF50F

Motorcycle Operation: Europe

Unit Sales in FY05 1Q: 109,000 units
(+ 8,000 units from FY04 1Q)

- Increased retail sales CBR1000RR and CBR125R



CBR1000RR



CBR125R

Motorcycle Operation: Asia

Unit Sales in FY05 1Q: 2,038,000 units
(+ 540,000 units from FY04 1Q)

- Increased wholesales of parts for local production in India and Indonesia
- Increased wholesales of motorcycles in Vietnam, India and Thailand



Splendor Plus



Supra Fit



Wave α



Eterno

Motorcycle Operation: Other Regions

Unit Sales in FY05 1Q: 212,000 units
(+ 3,000 units from FY04 1Q)

- Increased wholesales in Middle & Near East



CGL125



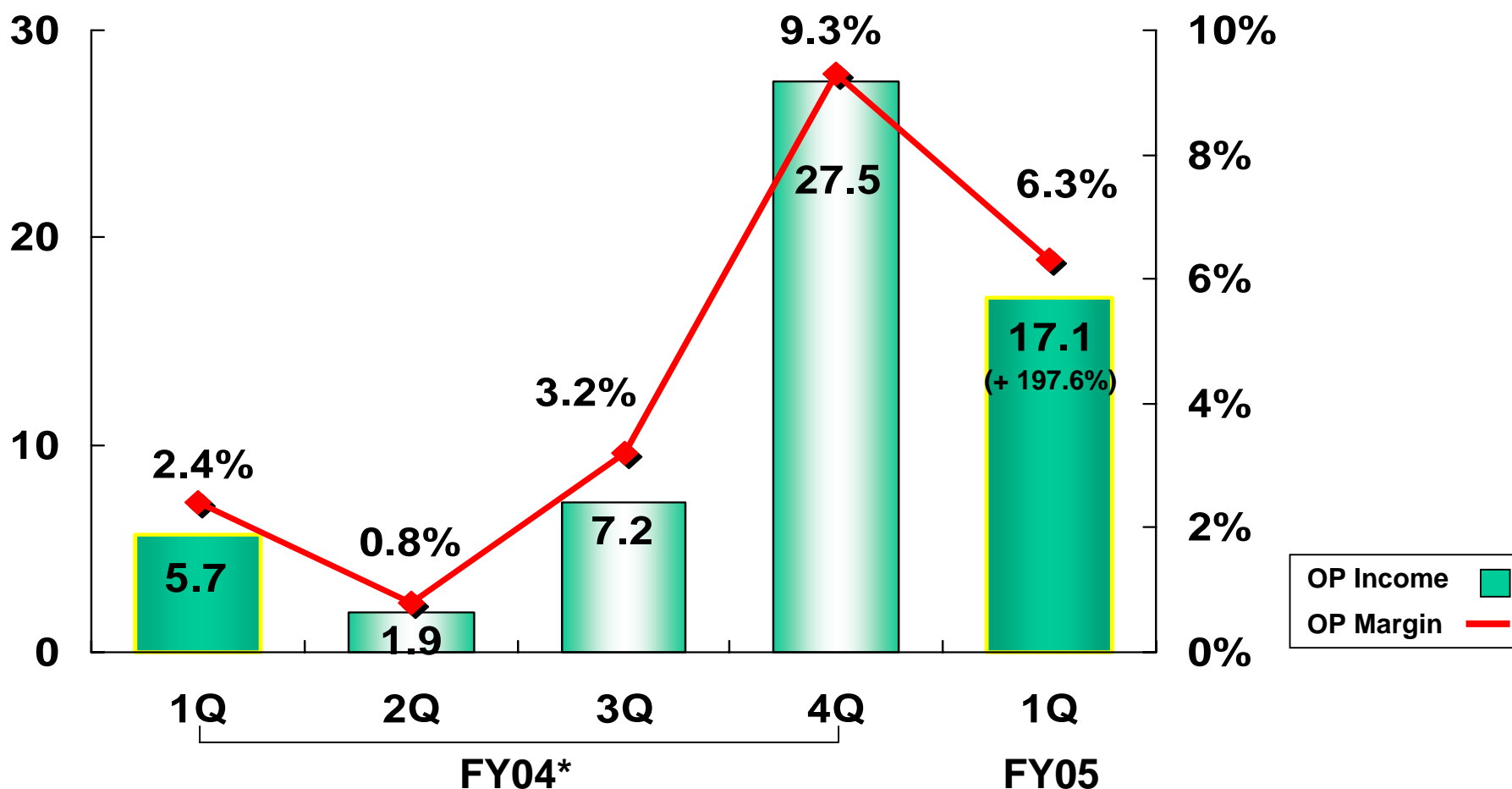
Activa

Motorcycle Business

Net Sales / Operating Income / Operating Margin

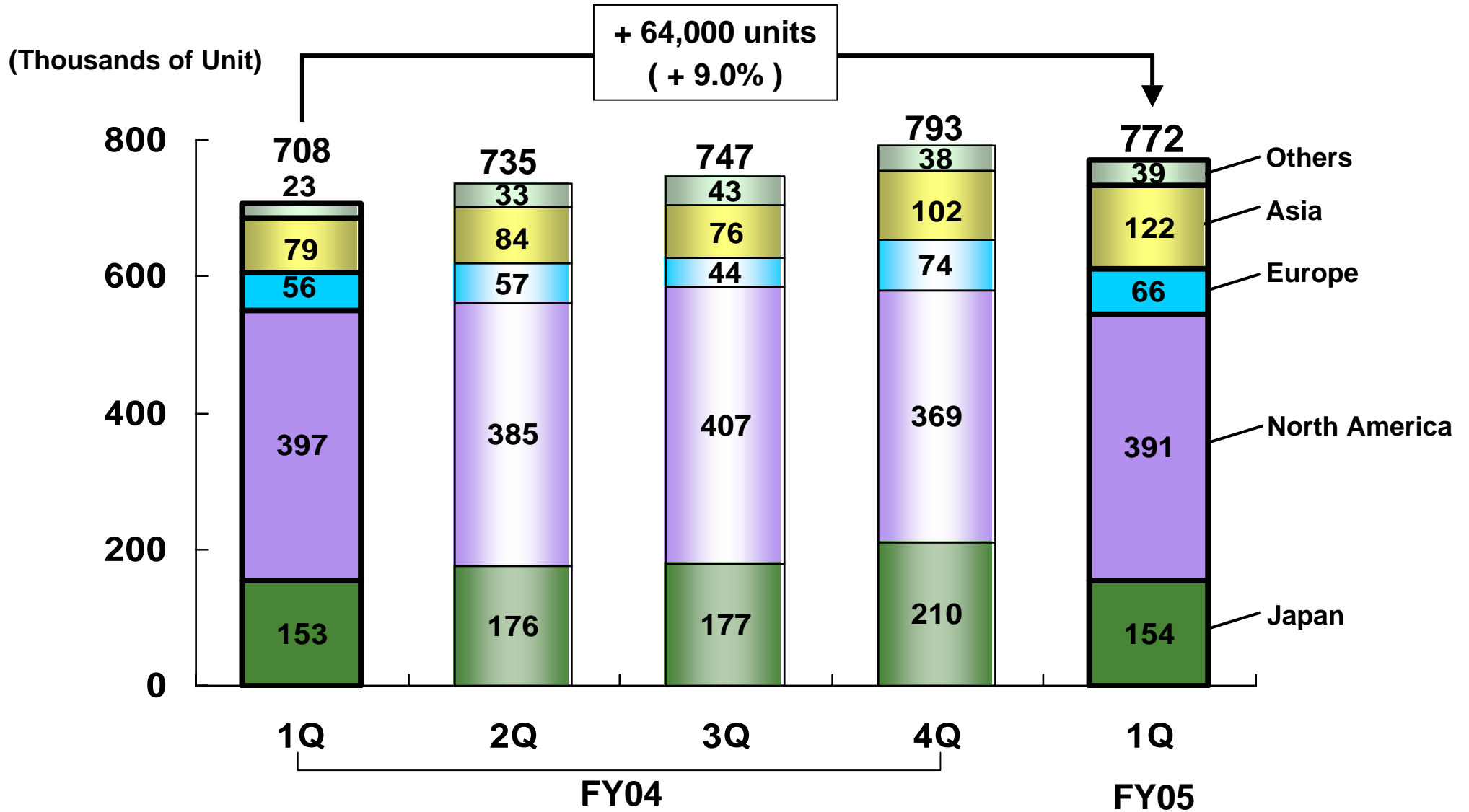
Net Sales	241.5	233.5	226.3	294.8	274.0 (+ 13.5%)
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(Billions of Yen)



* Certain reclassifications have been made to operating income of each quarter during FY04 to conform to the presentation used for FY05 1Q.

Unit Sales of Automobiles



Automobile Operation: Japan

Unit Sales in FY05 1Q: 154,000 units

(+ 1,000 units from FY04 1Q)

- Increased retail sales of Odyssey, Life and Elysion
- Decreased retail sales of Fit



Odyssey



Life



Elysion

Automobile Operation: North America

Unit Sales in FY05 1Q: 391,000 units

(- 6,000 units from FY04 1Q)

- Increased wholesales in U.S.
(346,000 units → 349,000 units)
- Decreased wholesales in Canada
(44,000 units → 35,000 units)



Acura TL



Pilot

Automobile Operation: Europe

Unit Sales in FY05 1Q: 66,000 units
(+ 10,000 units from FY04 1Q)

- Increase retail sales of Accord Diesel, Civic and Jazz



Accord Diesel



Civic



Jazz

Automobile Operation: Asia

Unit Sales in FY05 1Q: 122,000 units

(+ 43,000 units from FY04 1Q)

- Increased wholesales of parts for local production in China (35,000 units → 63,000units)
- Increased wholesales in Indonesia, India and Thailand



Accord



Fit Saloon

Automobile Operation: Other Regions

Unit Sales in FY05 1Q: 39,000 units

(+ 16,000 units from FY04 1Q)

- Strong wholesales in Latin America and Middle & Near East



Fit



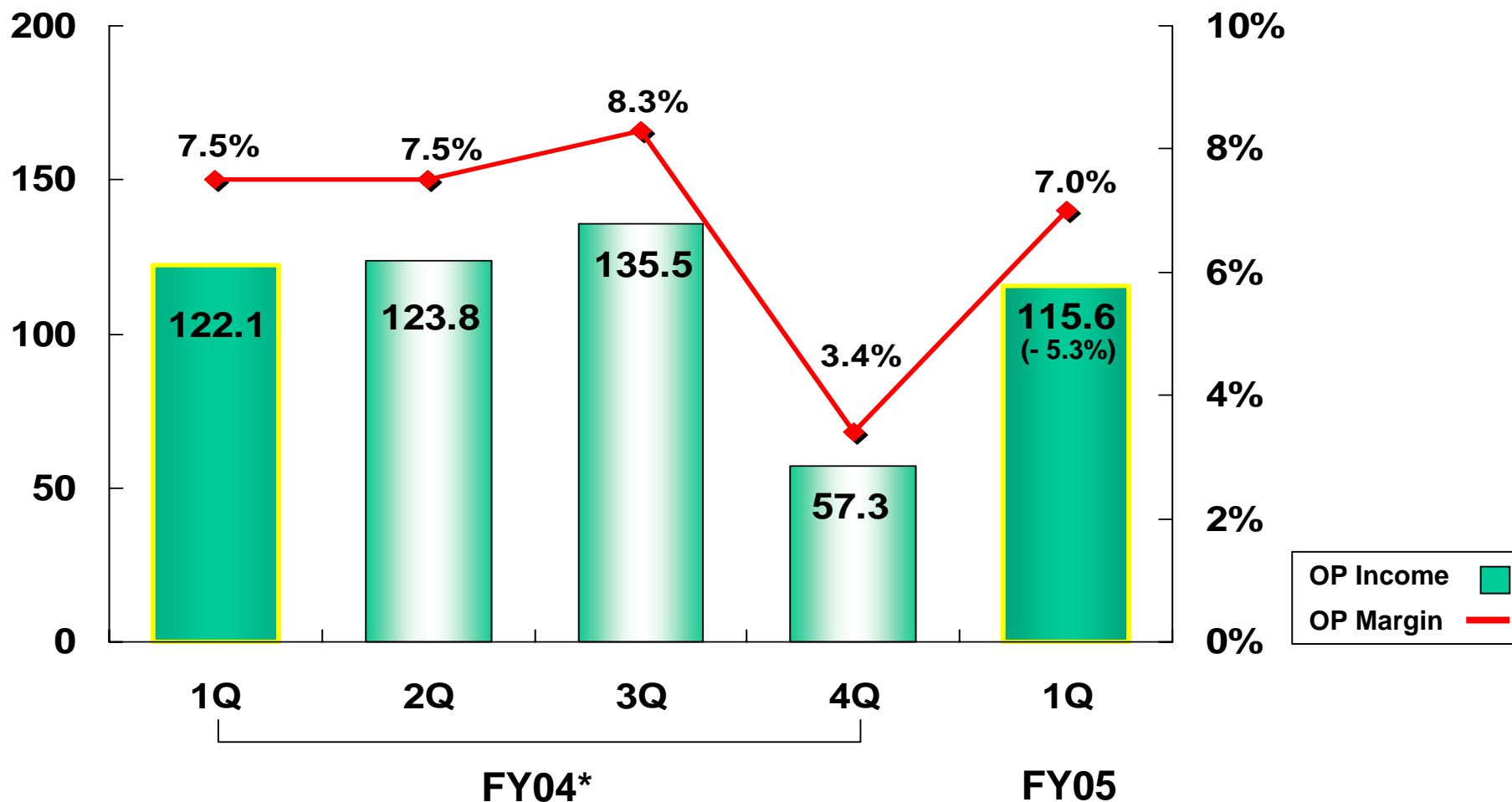
Civic

Automobile Business

Net Sales / Operating Income / Operating Margin

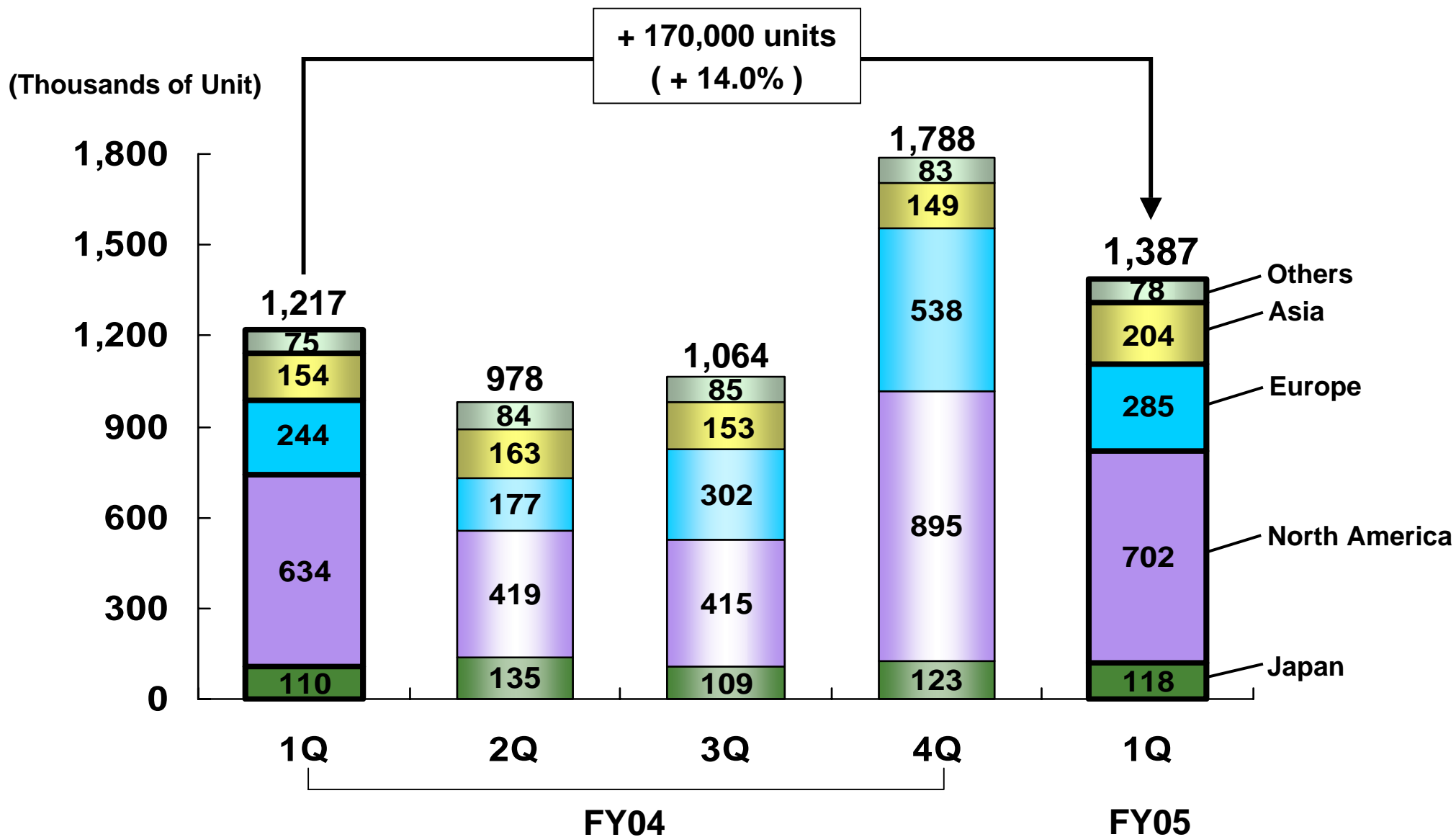
Net Sales	1,621.0	1,646.2	1,630.4	1,694.3	1,655.1 (+ 2.1%)
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(Billions of Yen)



* Certain reclassifications have been made to operating income of each quarter during FY04 to conform to the presentation used for FY05 1Q.

Unit Sales of Power Products



Power Products Operation

Unit Sales in FY05 1Q: 1,387,000 units
(+ 170,000 units from FY04 1Q)

- Increased retail sales of general-purpose engines in North America



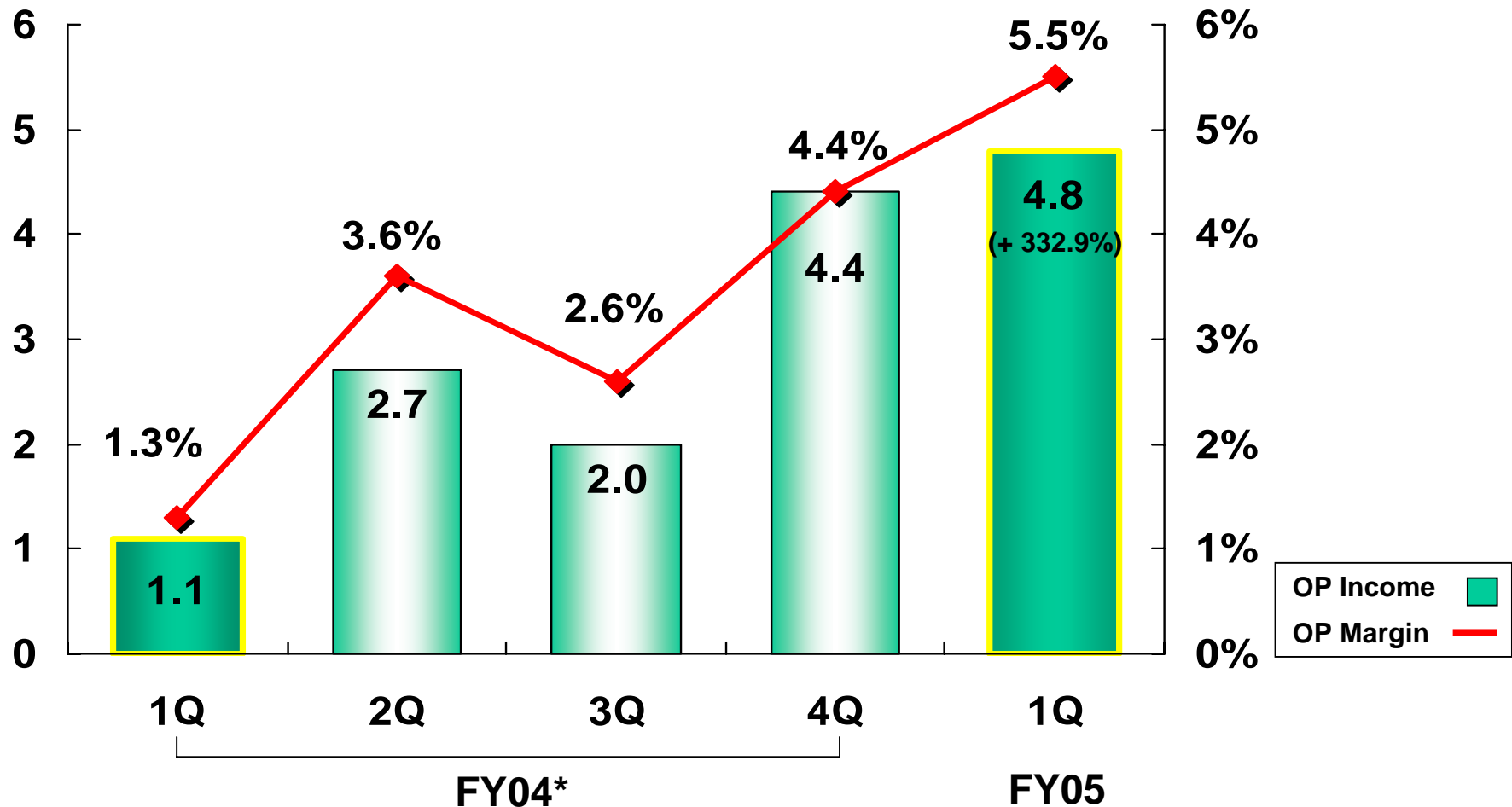
GC engine

Power Product and Other Businesses

Net Sales / Operating Income / Operating Margin

Net Sales	85.7	76.8	79.1	99.8	88.5 (+ 3.3%)
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(Billions of Yen)



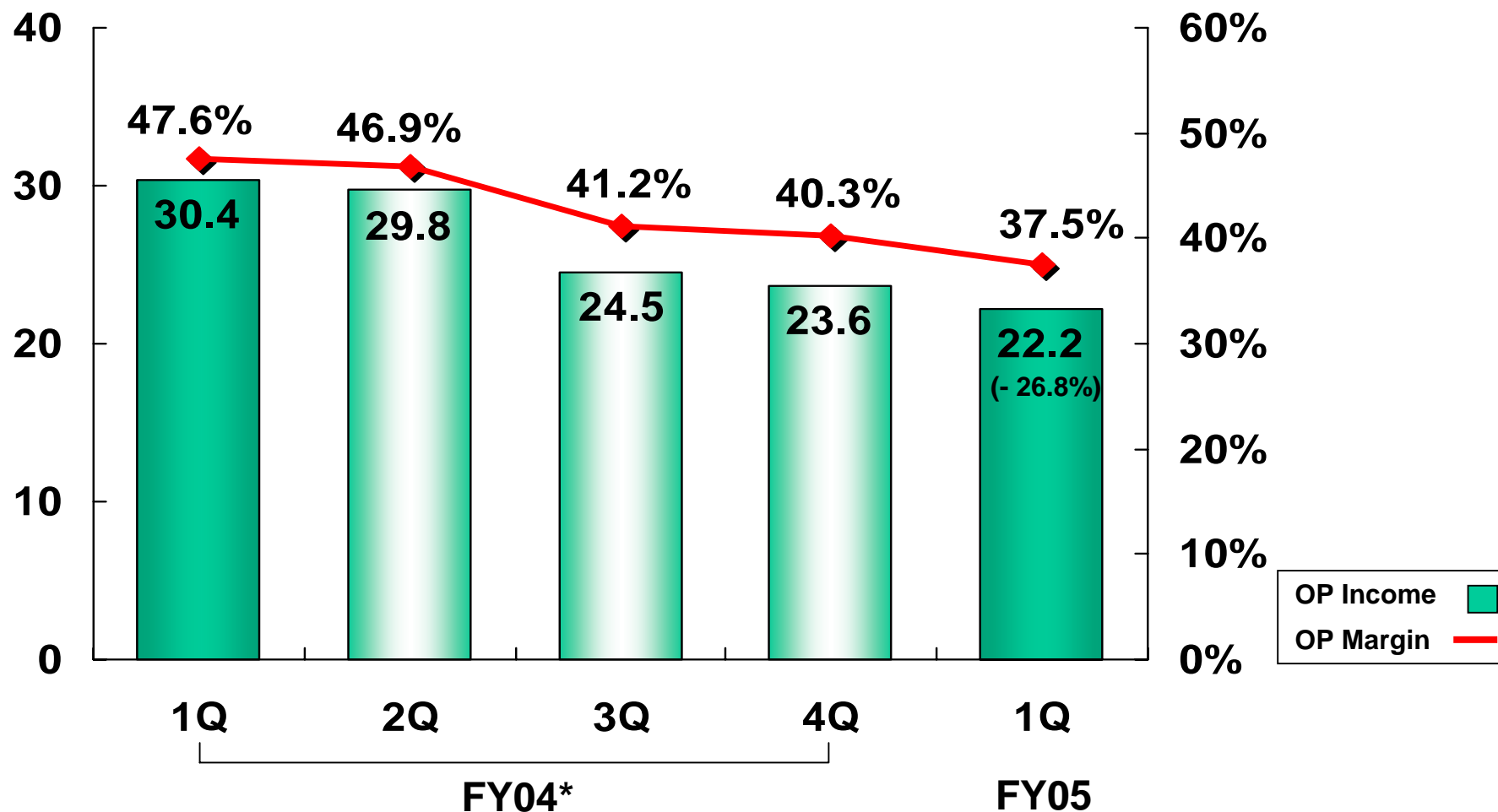
* Certain reclassifications have been made to operating income of each quarter during FY04 to conform to the presentation used for FY05 1Q.

Financial Services

Net Sales / Operating Income / Operating Margin

Net Sales	63.9	63.5	59.6	58.6	59.4 (- 7.1%)
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(Billions of Yen)



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**Details of FY05 1Q Consolidated Financial Results &
FY05 Consolidated / Unconsolidated Financial Forecasts**

(1) 1st Quarter Results

Net Sales by Business Segment

Business Segment Information

Geographic Segment Information

Change in Income before Income Taxes

(2) Balance Sheets

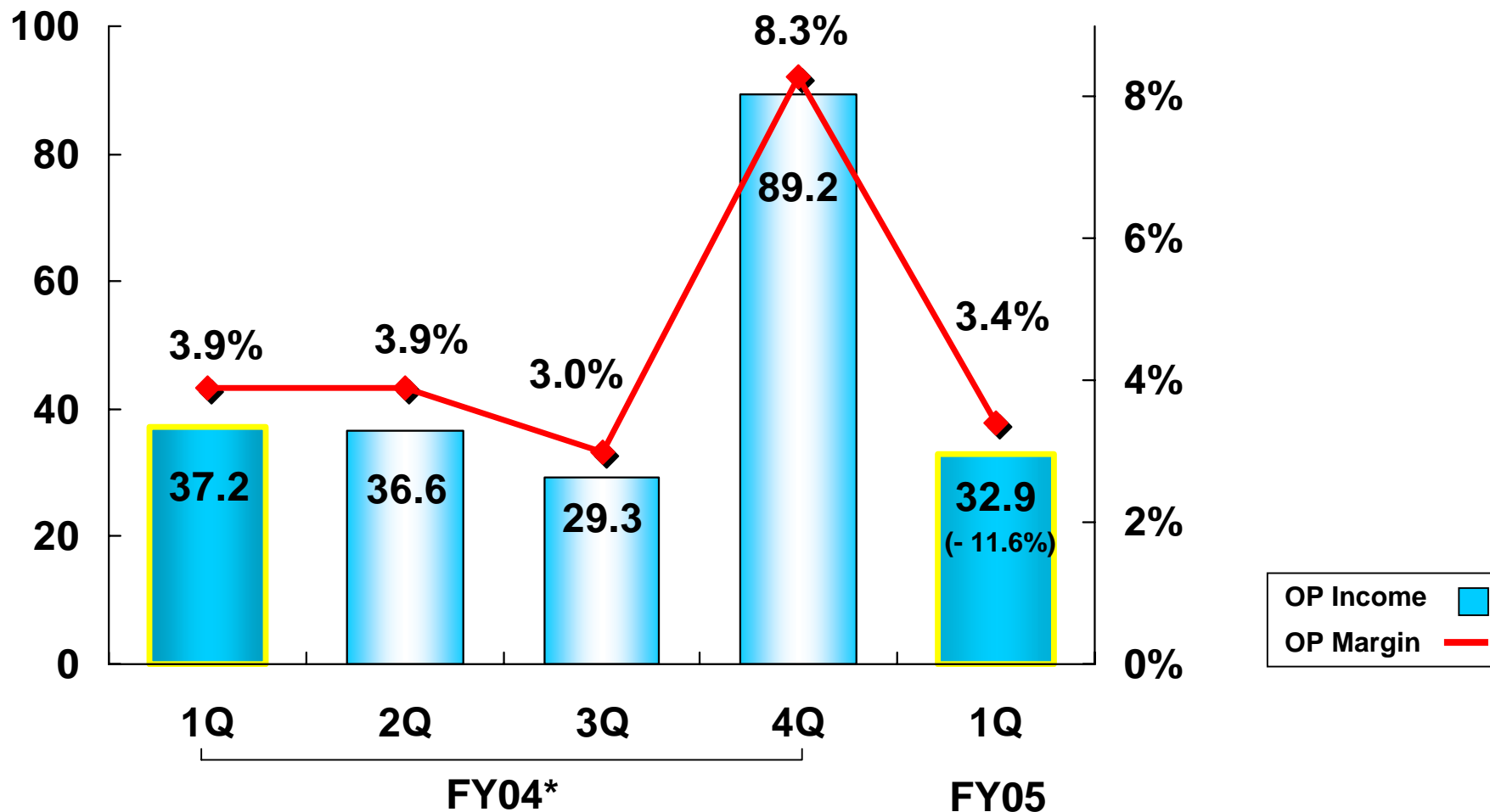
(3) FY05 Financial Forecasts

Japan

Net Sales / Operating Income / Operating Margin

Net Sales	943.8	943.1	962.3	1,081.5	957.9 (+ 1.5%)
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(Billions of Yen)



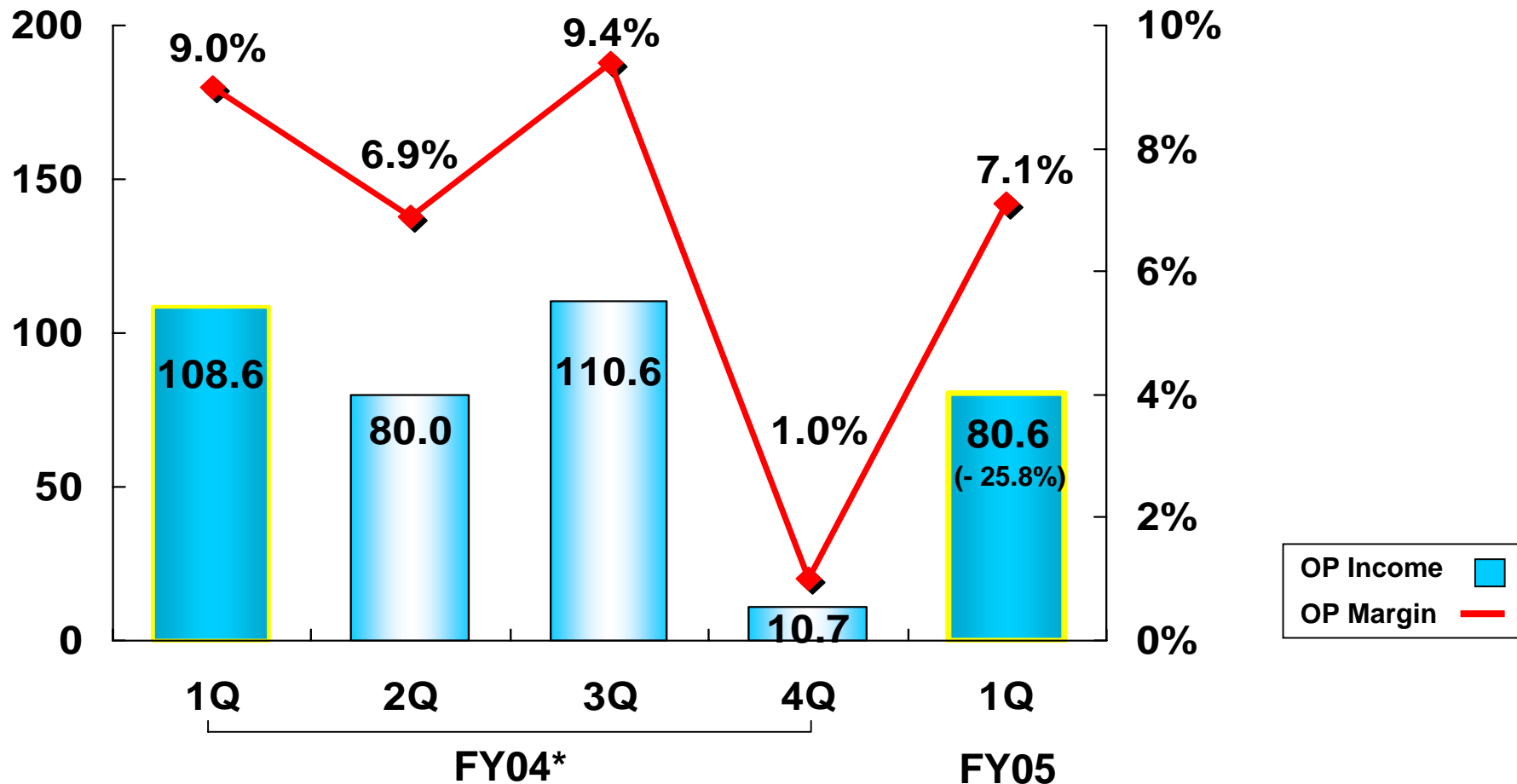
* Certain reclassifications have been made to operating income of each quarter during FY04 to conform to the presentation used for FY05 1Q.

North America

Net Sales / Operating Income / Operating Margin

Net Sales	1,211.6	1,167.3	1,173.8	1,120.2	1,134.6 (- 6.4%)
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(Billions of Yen)



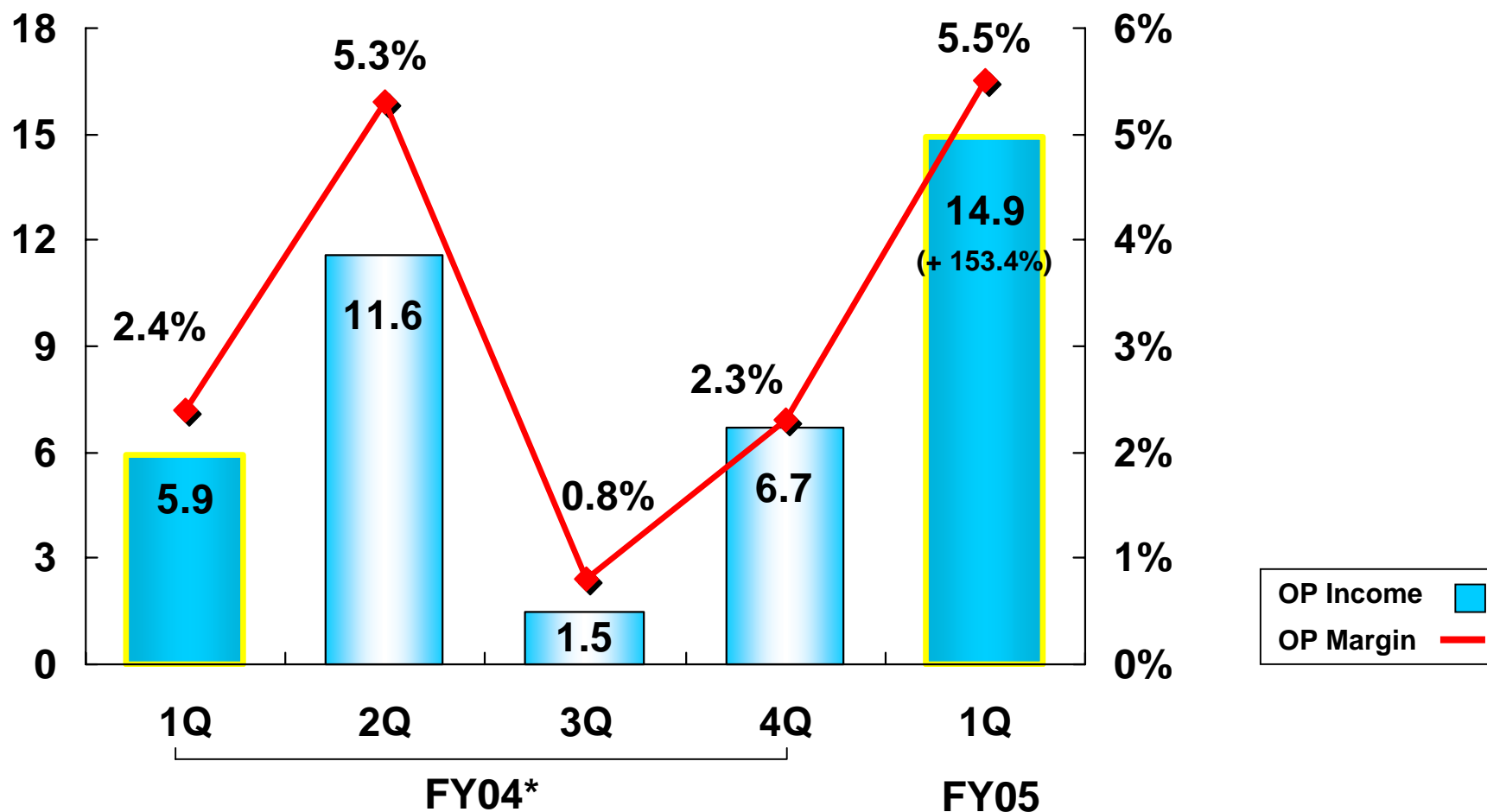
* Certain reclassifications have been made to operating income of each quarter during FY04 to conform to the presentation used for FY05 1Q.

Europe

Net Sales / Operating Income / Operating Margin

Net Sales	251.3	220.4	186.5	290.1	274.4 (+ 9.2%)
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(Billions of Yen)

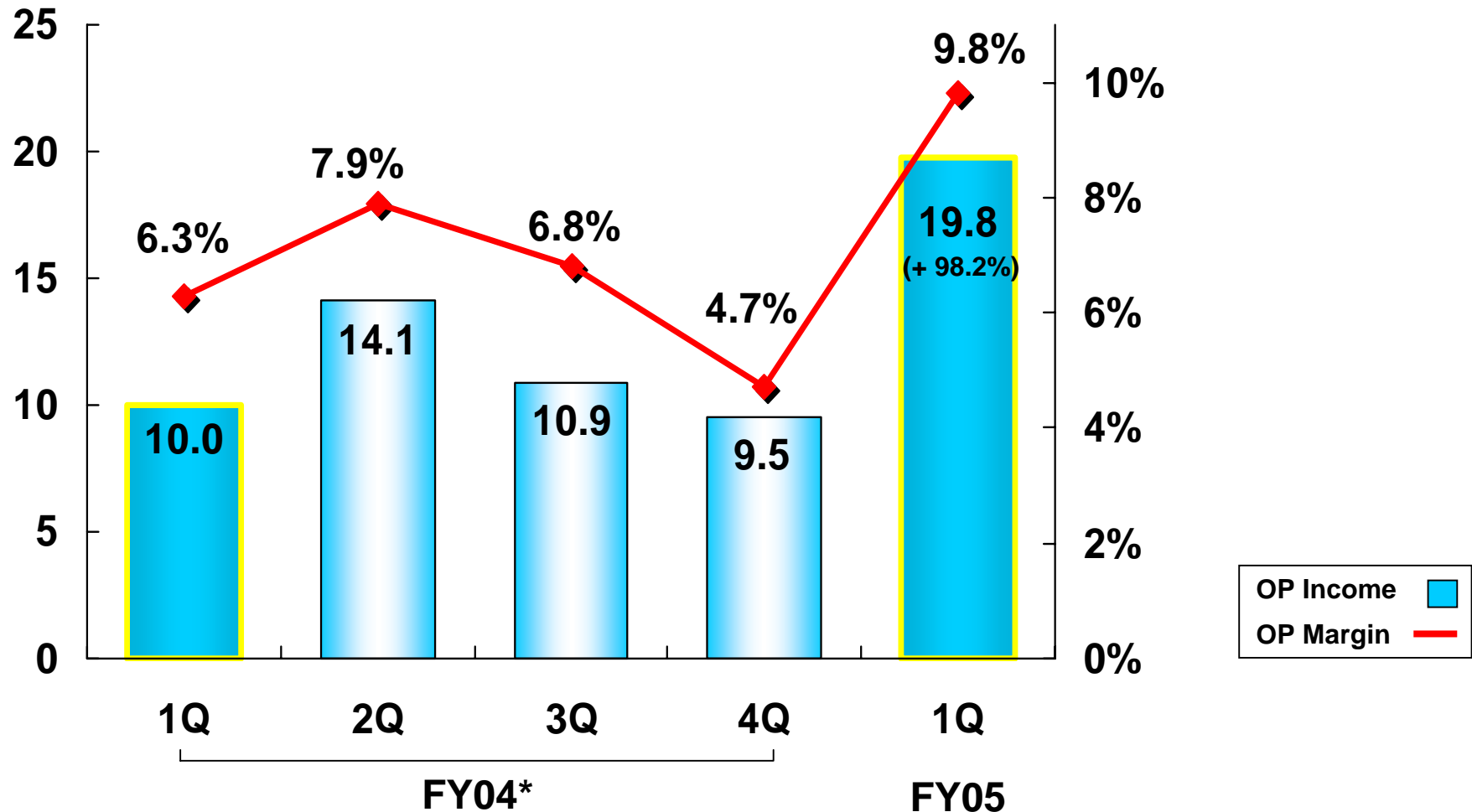


* Certain reclassifications have been made to operating income of each quarter during FY04 to conform to the presentation used for FY05 1Q.

Net Sales / Operating Income / Operating Margin

Net Sales	159.4	179.4	160.4	204.7	203.1 (+ 27.4%)
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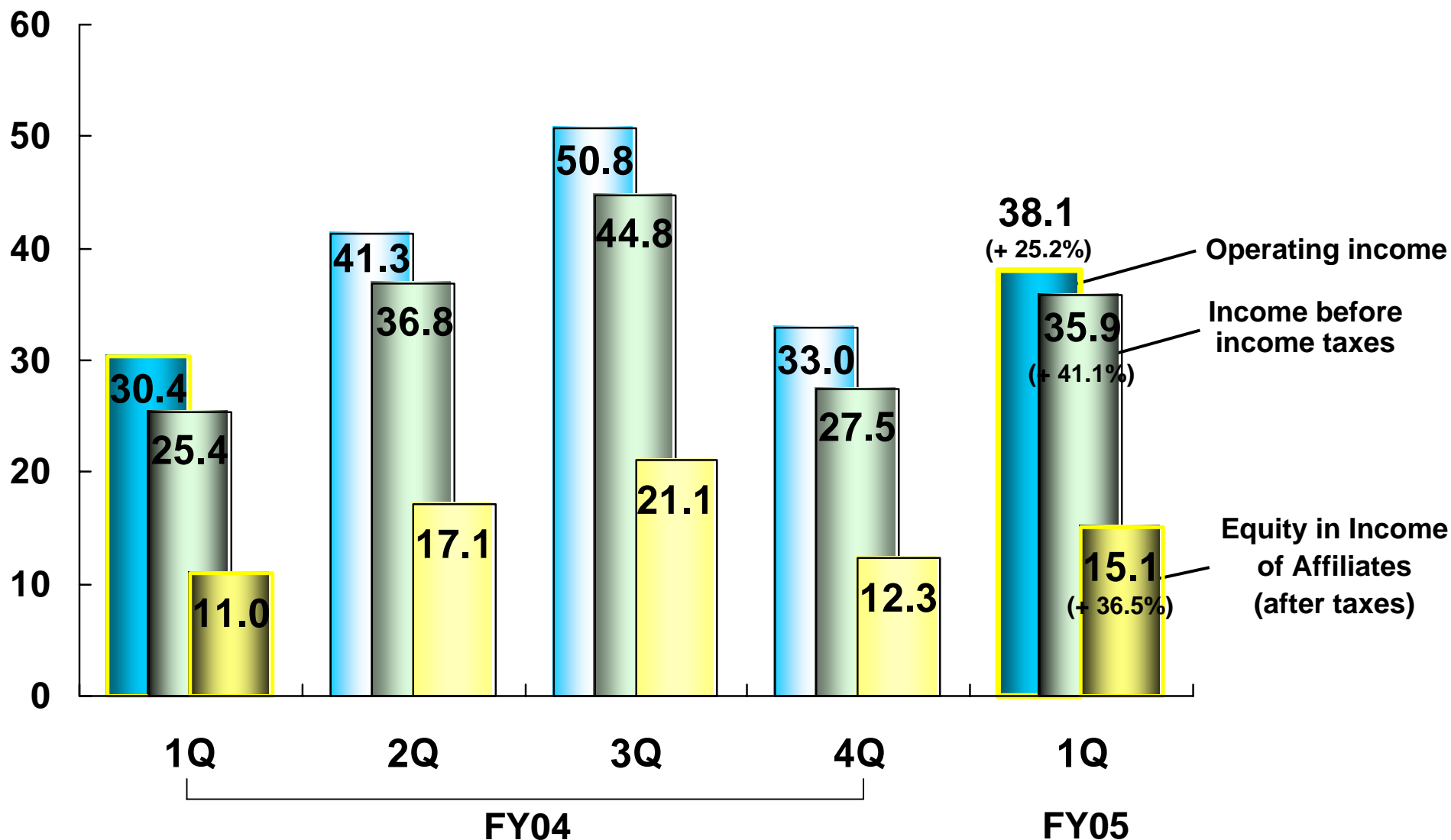
(Billions of Yen)



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Equity in Income of Affiliates – Asia

(Billions of Yen)

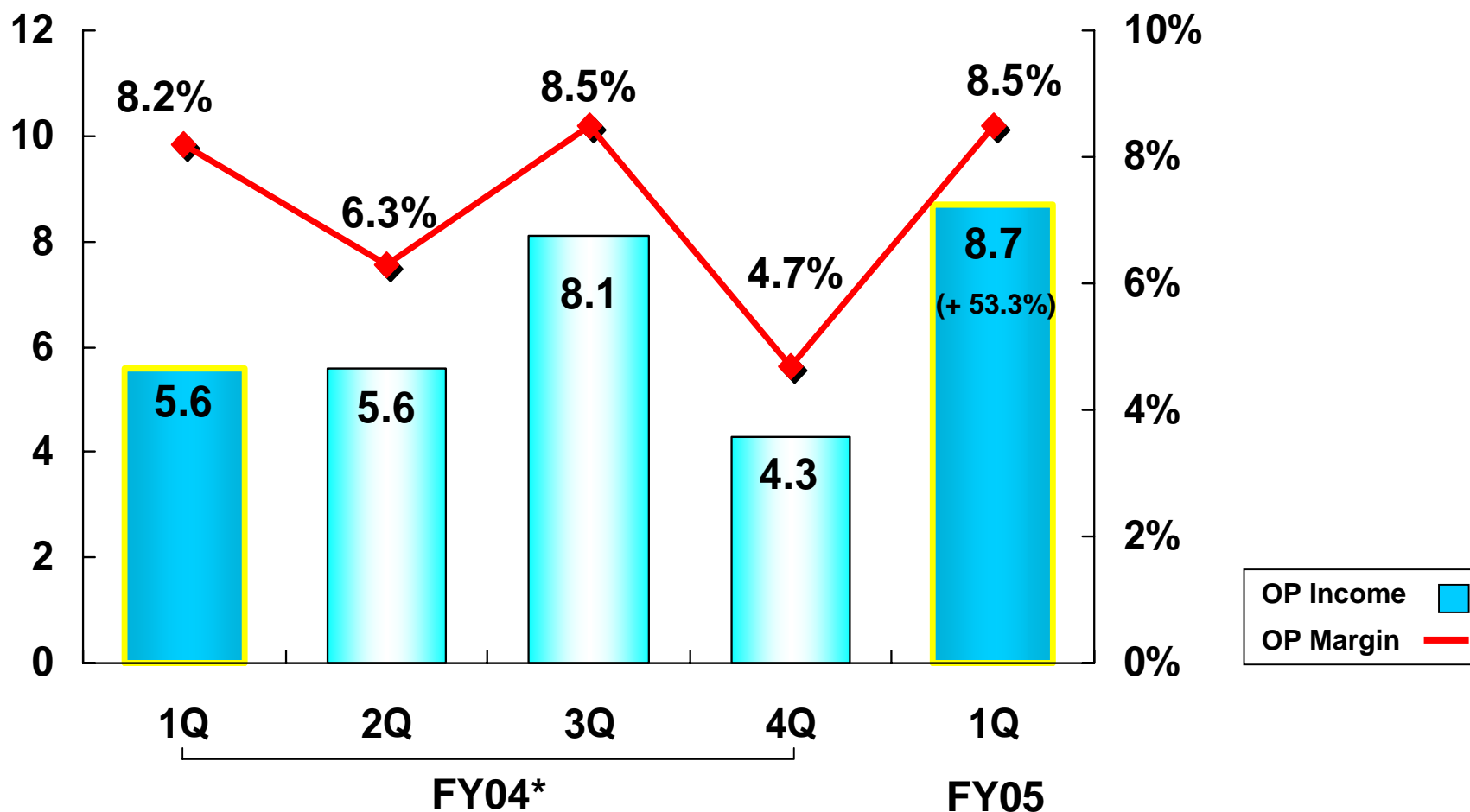


Other Regions

Net Sales / Operating Income / Operating Margin

Net Sales	69.4	89.9	95.5	93.2	102.5 (+ 47.6%)
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(Billions of Yen)



* Certain reclassifications have been made to operating income of each quarter during FY04 to conform to the presentation used for FY05 1Q.

**Details of FY05 1Q Consolidated Financial Results &
FY05 Consolidated / Unconsolidated Financial Forecasts**

(1) 1st Quarter Results

Net Sales by Business Segment

Business Segment Information

Geographic Segment Information

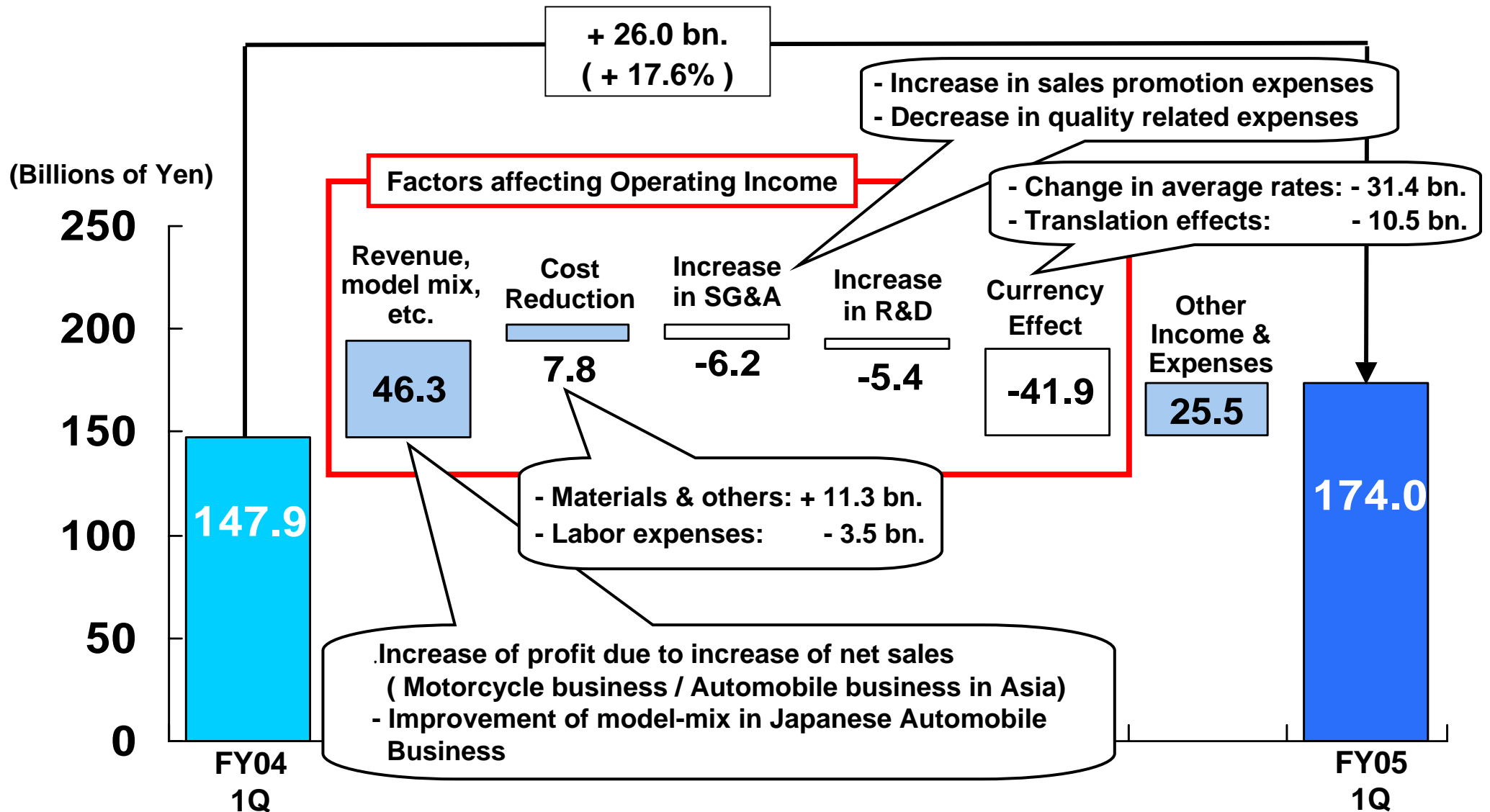
Change in Income before Income Taxes

(2) Balance Sheets

(3) FY05 Financial Forecasts

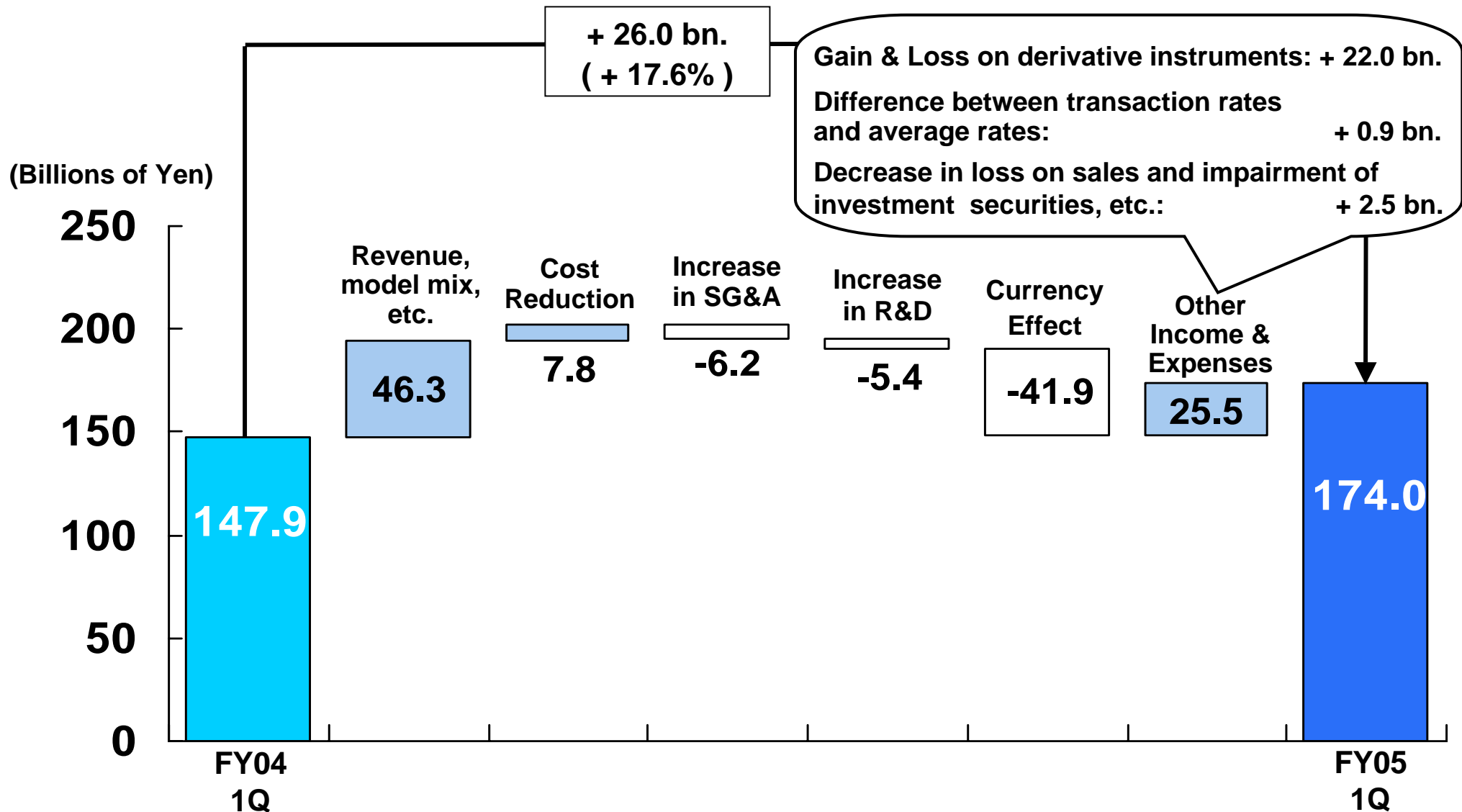
Change in Income Before Income Taxes

< FY05 1st Quarter >



Change in Income Before Income Taxes

< FY05 1st Quarter >



Gain and Loss on Derivative Instruments and Related Others

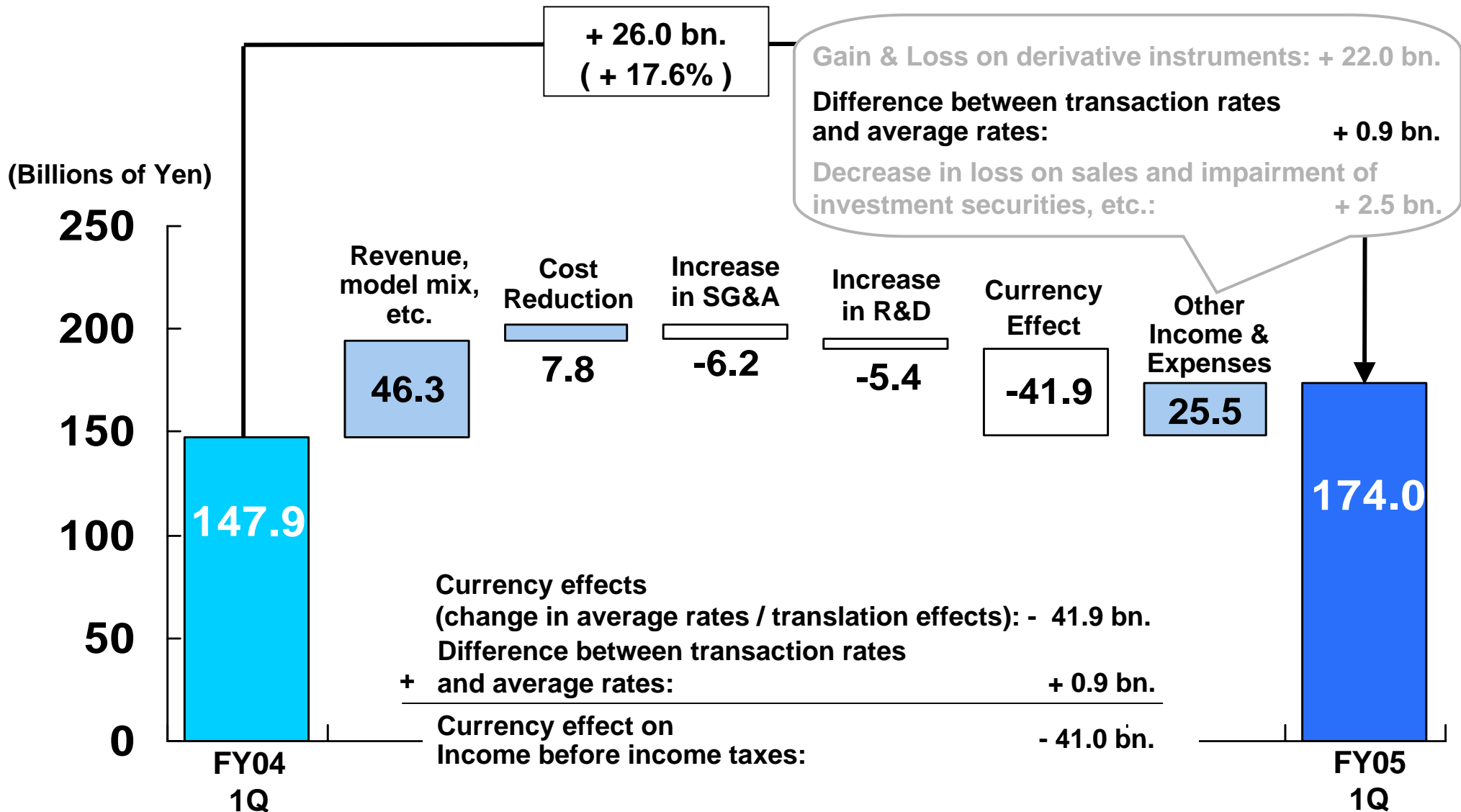
(Billions of Yen)

	FY05 1Q	FY04 1Q	Change
Foreign Currency Exchange Related*	- 3.8	- 2.8	- 1.0
Interest Rate Related	+ 30.7	- 4.3	+ 35.1
Others	+ 3.0	+ 15.1	- 12.0
Total	+ 29.9	+ 7.9	+ 22.0

	*Fair Value Adjustments for Foreign Currency Exchange Contracts	1Q	2Q	3Q	4Q
A	Reversal of Fair Value Adjustments for the Prior Quarter	- 7.6	- 3.8		
B	Fair Value Adjustments for the Current Quarter	+ 3.8			
A + B	Gain and Loss on Fair Value Adjustments for Foreign Currency Exchange Contracts	- 3.8			

Change in Income Before Income Taxes

< FY05 1st Quarter >



Currency Effect on Income Before Income Taxes

(Billions of Yen)

Impact on Operating Income	Difference of Average Rates	Effects (Billions of Yen)	FY05 1Q Average Rates (Yen)	FY04 1Q Average Rates (Yen)	Change
	JPY / USD	- 23.6	110	119	- 9 yen
	JPY / Euro	- 0.6	132	134	- 2 yen
	JPY / Others	- 0.4	-	-	-
	Transactions between other currencies	- 6.6	-	-	-
	Total	- 31.4	-	-	-
Impact on Other Income & Expenses	Difference of Currency translation	Effects (Billions of Yen)	FY05 1Q Market Average Rates (Yen)	FY04 1Q Market Average Rates (Yen)	Change
	JPY/USD	- 10.5	109.77	118.50	- 8.73 yen
	JPY/Euro		132.28	134.66	- 2.38 yen
	Difference between transaction rates and average rates	+ 0.9			
Total	- 41.0				

Outline of FY05 1st Quarter Results

(Billions of Yen)

	FY05 1Q	FY04 1Q	FY04 1Q before reclassification
Net sales & other operating revenue	2,073.1*	2,008.2	2,008.2
Operating income	159.9	159.4	150.1
Income before income taxes	174.0*	147.9	147.9
Equity in income of affiliates	18.8*	12.7	12.7
Net income	114.2*	101.8	101.8
EPS (Yen)	121.65*	106.02	106.02

* Record high as 1st Quarter

< Details of Reclassification >

Certain gains and losses on sale and disposal of property, plant and equipment:

Other income (expenses) → Selling, general administrative expenses

Net realized gains and losses on interest rate swap contracts:

Cost of sales → Other income (expenses)

**Details of FY05 1Q Consolidated Financial Results &
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(1) 1st Quarter Results

Net Sales by Business Segment

Business Segment Information

Geographic Segment Information

Change in Income before Income Taxes

(2) Balance Sheets

(3) FY05 Financial Forecasts

Consolidated Balance Sheets

(Billions of Yen)

	End of FY05 1Q	End of FY04	Change	Actual difference*
Total Assets	8,301.8	8,328.7	- 26.8	+ 145.0
Finance subsidiaries' receivables	3,677.1	3,641.9	+ 35.1	- 47.0
Property, plant and equipment only	1,457.6	1,435.5	+ 22.1	+ 14.0
Total Liabilities	5,314.0	5,454.3	- 140.3	- 205.0
Interest Bearing Debt only (Finance subsidiaries only) (Non-financial services business)	2,572.7 (2,355.5) (217.1)	2,616.0 (2,387.4) (228.5)	- 43.3 (- 31.8) (- 11.4)	- 95.0 (- 81.0) (- 14.0)

Exchange rates

US Dollar	108.43	105.69	weaker by 2.74 yen
Euro	131.06	128.88	weaker by 2.18 yen

	FY05 1Q	FY04 1Q	Change	Actual difference*
Capital Expenditures	54.6	49.8	+ 4.7	+ 6.2
Depreciation	47.3	47.2	+ 0.1	+ 1.4

(Capital Expenditure & Depreciation are amount of Property, plant & equipment < but excluding company vehicles >)

*Excluding currency effect

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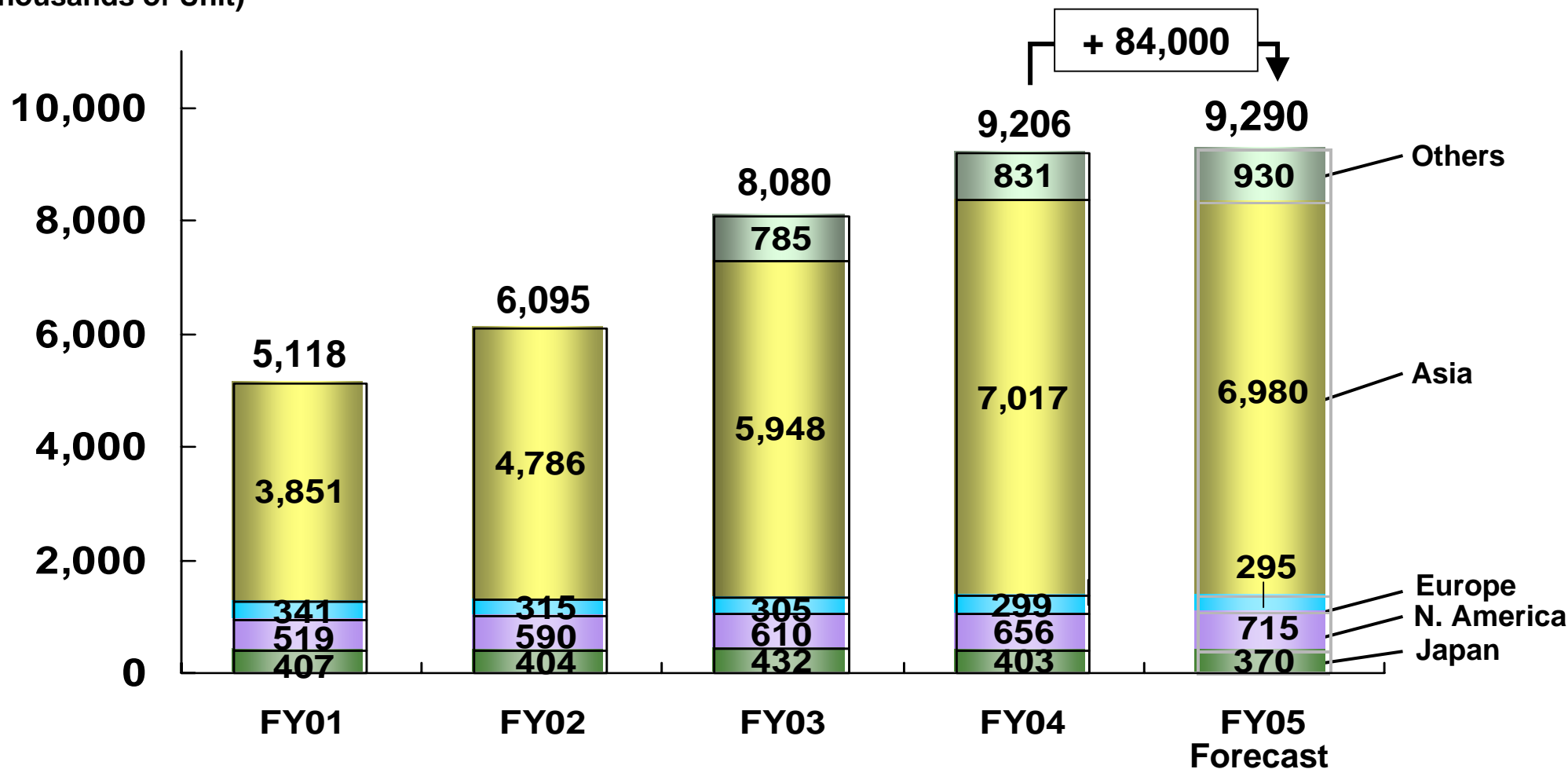
(2) Balance Sheets

(3) FY05 Financial Forecasts

Forecast: Unit Sales of Motorcycles

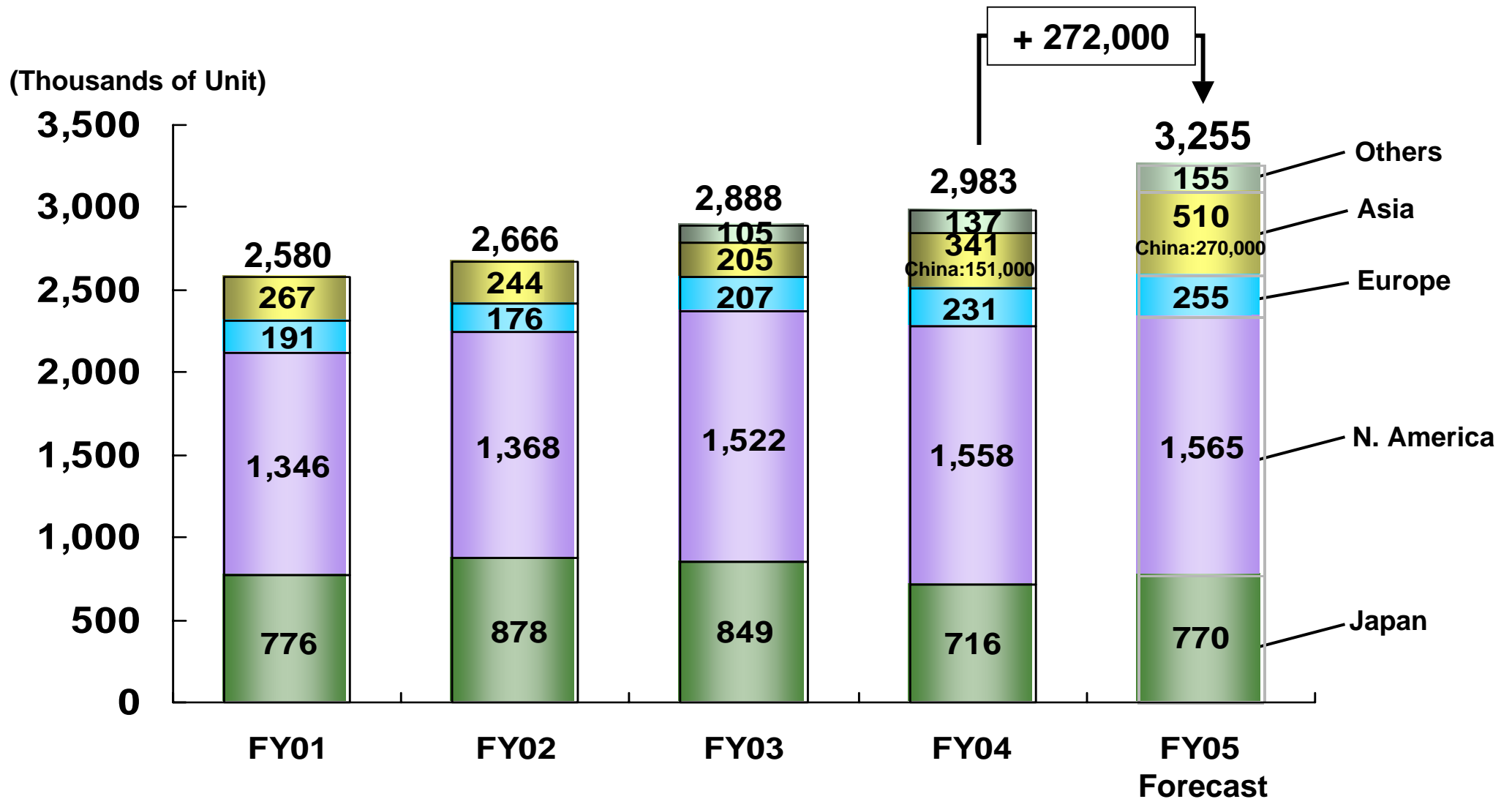
(Motorcycles + All-Terrain Vehicles, etc.)

(Thousands of Unit)



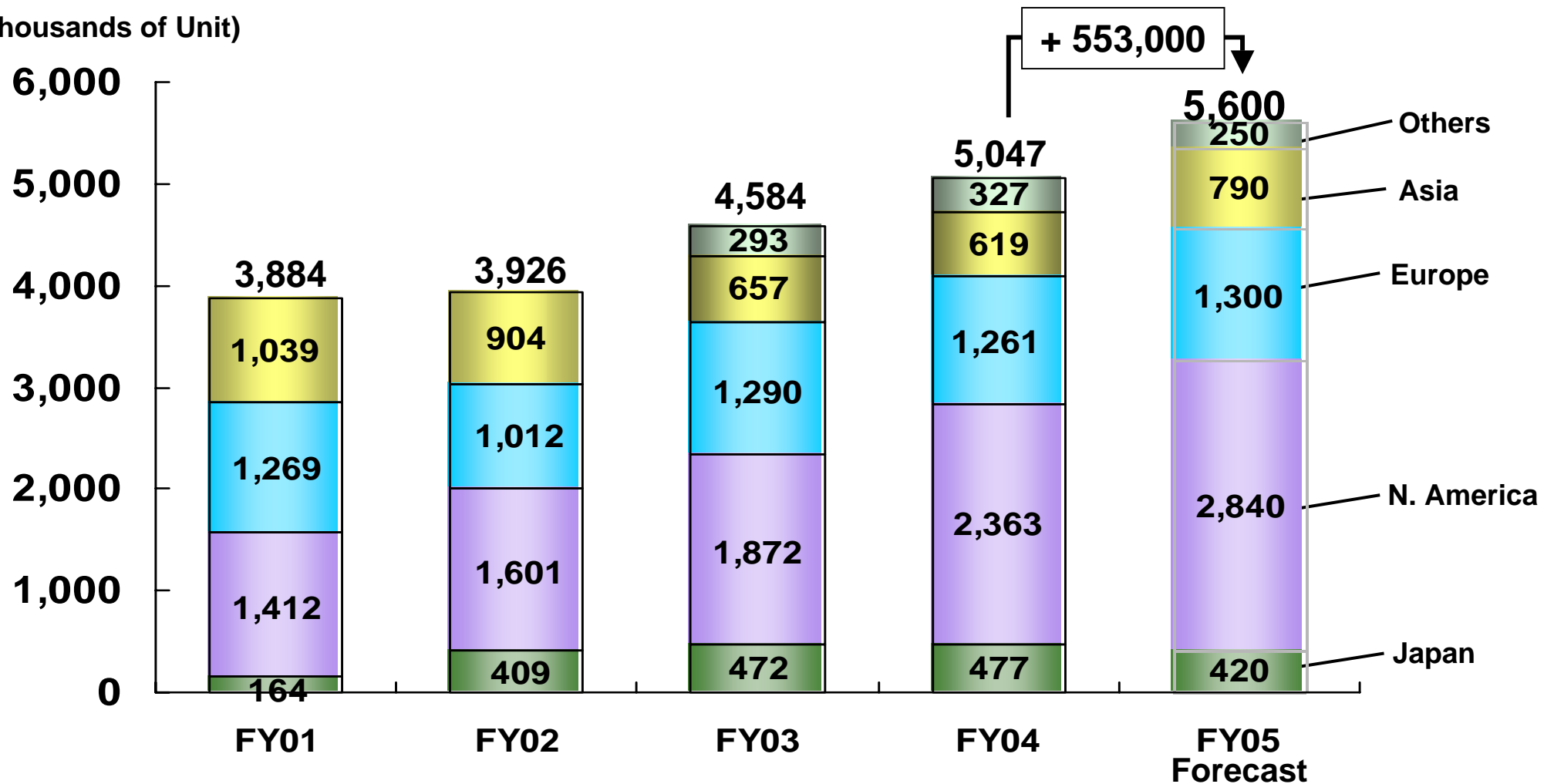
* Unit sales of Honda-brand motorcycle products with 100% locally procured and manufactured by overseas affiliates are not included in unit sales. Planned local unit sales of those Honda-brand motorcycles are approx. 1.5 million units in FY05 (approx. + 1 million units to FY04).

Forecast: Unit Sales of Automobiles



Forecast: Unit Sales of Power Products

(Thousands of Unit)



FY05 Consolidated Financial Forecasts

(Billions of Yen)

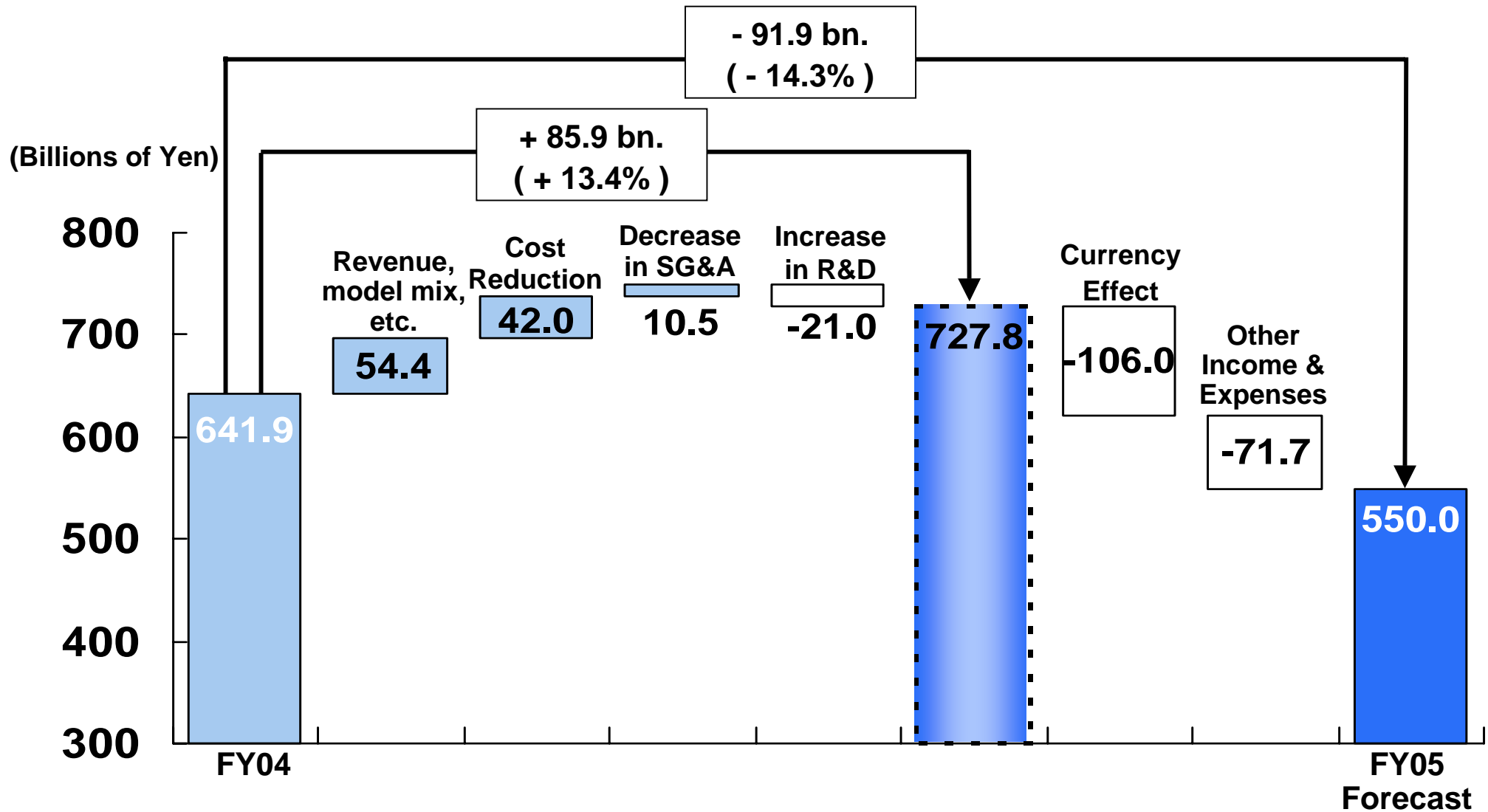
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Forecast of Change in Income Before Income Taxes



FY05 Consolidated Financial Forecasts

(Billions of Yen)

	FY05	FY04	Change
Capital Expenditure	290.0	258.3	+ 12.3%
Depreciation	200.0	199.0	+ 0.5%
R & D	470.0	448.9	+ 4.7%

(Capital Expenditure & Depreciation are amounts of Property, plant & equipment < but excluding company vehicles >)

Caution with Respect to Forward-Looking Statement:

This slide contains forward-looking statements about the future performance of Honda, which are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, 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.

Segment Information:

The segment information has been prepared in accordance with a Ministerial Ordinance under the Securities and Exchange Law of Japan, which requires certain additional information to be disclosed, including business and geographical segment information.

HONDA
The Power of Dreams