2005

Honda Environmental Annual Report

Commitment to the future

Honda Environmental Information Disclosure

Honda traditionally published two types of brochures as its primary means of disclosing environmental information. These were the *Honda Environmental Annual Report* and *Honda ECOLOGY*, both of which were available to the general public on the Internet. We published these two different brochures to convey and disclose environmental information in order to strengthen our two key concepts:

- It is vital that we convey accurate information on the progress made in our environmental commitment during the previous year by clearly distinguishing between "annual results" and "past results and future efforts."
  * We see the *Honda Environmental Annual Report* as an integral part of our PDCA (Plan, Do, Check, and Act) Process, relating to our environmental commitment made over the entire report year.
- It is important to convey a full picture of our environmental commitment—past, present, and future—so that the general public is able to assess our results for the year for themselves. This provides them with the essential information by which we are judged.

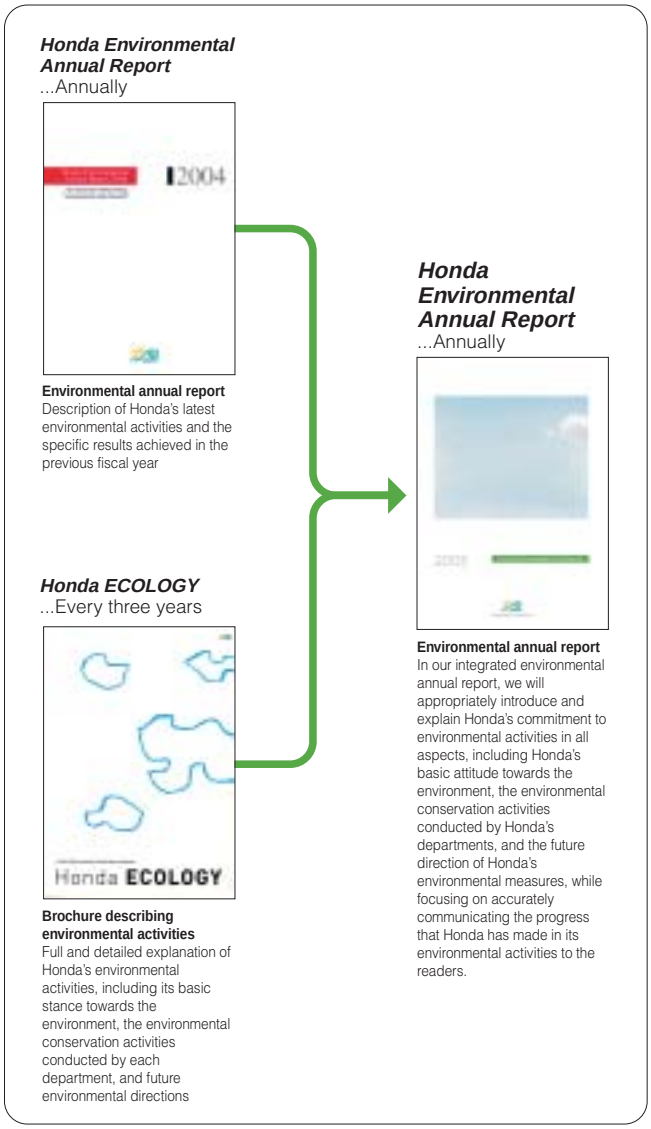
This year, however, we have integrated the *Honda Environmental Annual Report* and Honda ECOLOGY, in order to reduce the burden on readers who had to read two different brochures to review Honda's environmental activities, and to make these reports easier to understand in view of the reports becoming more complex due to increased technical details.

In this integrated environmental annual report, we will appropriately introduce and explain Honda's commitment to environmental activities in all aspects, including Honda's basic policy toward the environment, the environmental conservation activities conducted by Honda operations, and the future direction of Honda's environmental activities, while focusing on accurately communicating the progress that Honda has made in its environmental activities.

Please evaluate Honda's environmental commitment based on this report. We will utilize this report as a means to promote communication with all consumers and to further improve our environmental activities.

Honda's environmental activities are fully disclosed on the following website as well:

W http://world.honda.com/environment/



Note: This report has been compiled on the basis of Honda guidelines.

Picture on the front cover:
Space by Tokuro Sakamoto

Segments Covered by the Report

Period covered	Fiscal 2004 (from April 1, 2004, to March 31, 2005)
Areas covered	Mainly Japan and some overseas areas
Organizations covered	Honda Motor Co., Ltd.; Honda R&D Co., Ltd.; Honda Engineering Co., Ltd; Honda Motorcycle Japan Co., Ltd.; and the following production companies and subsidiaries outside of Japan

North America
Honda of America Mfg., Inc. (U.S.)
Honda Transmission Mfg. of America, Inc. (U.S.)
Honda Power Equipment Mfg., Inc. (U.S.)
Honda of South Carolina Mfg., Inc. (U.S.)
Honda Mfg. of Alabama L.L.C. (U.S.)
Honda Canada Inc. (Canada)
Honda de Mexico, S.A. de C.V. (Mexico)

South America
Moto Honda da Amazonia Ltda. (Brazil)
Honda Automoveis do Brasil Ltda. (Brazil)

Europe
Honda of the U.K. Mfg., Ltd. (U.K.)
Honda Europe N.V. (Belgium)
Honda Belgium N.V. (Belgium)
Honda Italia Industriale S.p.A. (ATESSA) (Italy)
C.I.A.P. S.p.A. (Italy)
Montesa Honda S.A. (Spain)
Honda Turkiye A.S. (Turkey)
Honda Europe Power Equipment S.A. (France)

Asia and Pacific
Honda Automobile (Thailand) Co., Ltd. (Thailand)
Thai Honda Mfg. Co., Ltd. (Thailand)
Asian Autoparts Co., Ltd. (Thailand)
Honda Cars Philippines, Inc. (Philippines)
Honda Philippines, Inc. (Philippines)
Honda Parts Mfg. Co. (Philippines)
Honda Taiwan Co., Ltd. (Taiwan)
Honda Siel Cars India Ltd. (India)
Honda Motorcycle and Scooter India (Pvt.) Ltd. (India)
Honda Siel Power Equipment Ltd. (India)
P.T. Honda Prospect Motor (Indonesia)
P.T. Honda Precision Parts Mfg. (Indonesia)
P.T. Astra Honda Motor (Indonesia)
Honda Atlas Cars (Pakistan) Ltd. (Pakistan)
Honda Vietnam Co., Ltd. (Vietnam)
Honda Autoparts Mfg., SDN. BHD. (Malaysia)
Honda Malaysia Sdn. Bhd. (Malaysia)

China
Dongfeng Honda Auto Parts Co., Ltd. (China)
Dongfeng Honda Engine Co., Ltd. (China)
Dongfeng Honda Automobile Co., Ltd. (China)
Guangzhou Honda Automobile Co., Ltd. (China)
Wuyang-Honda Motors (Guangzhou) Co., Ltd. (China)
Jialing-Honda Motors Co., Ltd. (China)
Honda Mindong Generator Co., Ltd. (China)
Sundiro Honda Motorcycle Co., Ltd. (China)

Note: For overseas manufacturing companies and subsidiaries, please refer to "Global Environmental Data (Production Domain)" and "Environmental Activities Outside of Japan" in this report.

CONTENTS

Striving to Become a Company that Society Wants to Exist

Takeo Fukui
President and C.E.O.

Honda's Dynamically Growing Business

Thanks to support from many people, Honda has been doing well in its business operations.

In fiscal 2004, Honda achieved record unit sales of motorcycles, automobiles, and power equipment, and provided its customers all over the world with as many as 20 million engines in total. We also reached a record high in net sales for the fifth time in five terms.

In addition, we have continuously taken on challenges in new business fields looking toward the future, including research on robot technologies, as represented by the development of ASIMO, and the development of an experimental airplane (HondaJet).

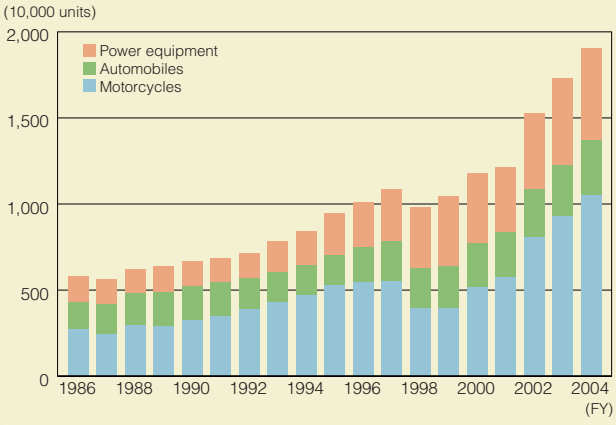
Becoming the World's No. 1 in the "Value Creation" by Improving Individual Associates' "Initiative," "Technology," and "Quality"

Honda is determined to strengthen the characteristics that make Honda unique in the development area to give joy and excitement to customers and to become the world's No. 1 in "creating new value."

In other words, we will further advance our "value creation" to differentiate Honda from other companies and make us a leading company in the world in each area of our business. We will seek to satisfy people all over the world with our products and continue to do so over the next generation.

To this end, we must further strengthen our sites and sources for creation, which means that it is of utmost importance for individual associates of Honda to make decisions and behave themselves by their own initiative. By improving individual associate's "initiative," "technical skill," and job "quality," we can further drive Honda to increase its "value creation."

Global Sales Units of Motorcycles, Automobiles, and Power Equipment



Honda's View——Self-Consciousness as a Global Corporate Citizen

I deeply recognize that Honda will become more closely involved with environmental issues as it expands its business operations. To turn that expression around, I strongly believe that we will not be able to expand our business unless we fulfill our environmental responsibility.

For global environmental problems, in particular, nothing will actually be bettered unless we think and do what we can to give the best global solution to these problems, beyond selfish individualism.

At Honda, we will be aware of our responsibilities as a "global corporate citizen" and get involved with these problems as an interested party with strong ambitions, voluntarily setting high targets for ourselves.

To Become a Company that Society Wants to Exist

We want to advance consistently, which we believe gives Honda its unique identity. We will continue to take on challenges to create new value, properly acknowledging the social problems that undergo many changes over time. We will provide people with joy and excitement, which will make them value Honda's existence.

We aim to become a company that people all over the world want to exist.

Toward an Environmentally Advanced Company

In Publishing the Honda Environmental Annual Report 2005

Spread of Environmental Problems

In order to deal with global warming, the subject of growing debate all over the world since the 1990s, the Japanese government formulated a plan to achieve the targets set by the Kyoto Protocol in April 2005. Henceforth, various measures will be implemented toward the achievement of these targets in an accelerated manner.

In developed countries, various environmental problems, including adverse effects on human health and waste problems, are becoming increasingly obvious.

Honda, as a company conducting business on a global scale, believes one of its important corporate responsibilities is to tackle environmental issues.

Honda's Commitment to the Environment

Honda has long been involved in environmental conservation activities. In 1992, we created the Honda Environment Statement, which clarifies our view on environmental conservation. Based on this statement, we conduct various activities to solve environmental problems.

Honda wants to consistently be advanced in environmental activities. Specifically, in order to be an environmentally advanced company, we think it necessary to meet the following requirements:

- To set high targets and to achieve them earlier than planned
- To conduct environmental activities in all our business categories without exception and without fail
- To implement autonomous activities in every region where we conduct business operations
- To properly communicate our environmental plans and achievements to society at large

As a specific example of its environmental activities, in 1999 Honda released numerical targets to lower the exhaust emissions and improve the fuel economy of its products as along with the year in which these figures were to be attained. Since then, we have reported the level of achievement every year. All these targets will be achieved in this fiscal year.

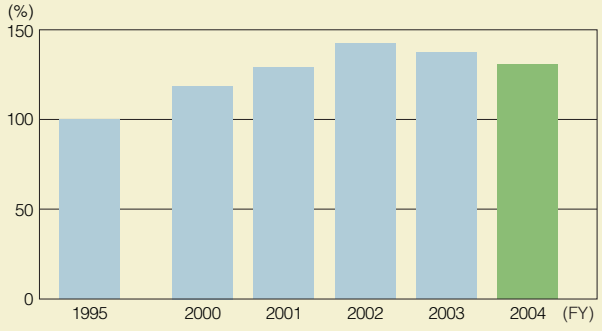
In the product domain, in view of the fact that society will continue to rely on fossil fuels at least for the near future, in the automobile segment we introduced the Accord equipped with a clean diesel engine in Europe. In addition, we released the Accord Hybrid in North America, featuring a V6 engine equipped with the Variable Cylinder Management (VCM) system. In the area of motorcycles, we expanded the use of the fuel injection system to smaller models. In the area of power equipment, we will soon release next-generation engines that adopt the world's first technology to electronically control the engine revolutions and will begin marketing small cogeneration systems for household use in overseas regions. For the introduction of fuel cell vehicles to promote the use of next-generation energy, we have delivered 19 such vehicles worldwide. We are also promoting the in-house development of the fuel cell stack to further improve their performance.

Future Challenges

As a company that pursues better mobility, Honda will steadily meet the aforementioned four requirements.

Especially for the reduction of CO_2 emissions, this issue will not be solved by simply clearing one obstacle. Honda is therefore committed to taking dramatic steps to solve this problem in every area of its business operations. In other words, we will reduce CO_2 emissions in the production and

Improvement in Average Fuel Economy of Honda Automobiles (in Japan)



Fuel Cell Vehicle: the FCX

transportation of our products and even during their use by our customers. We want to be a company that manufactures products with the highest environmental performance, based on a production system with the smallest environmental impact in the world. For local environmental problems, we will implement additional measures, beyond the expectations of the local community.

I believe that we can achieve what people say is difficult through human intelligence. Honda, centering on "value creation," will take on more challenges working toward the reduction of its environmental impacts.

In Publishing the Honda Environmental Annual Report 2005

This annual report summarizes our activities in each fiscal year and is published to keep the public informed of our efforts.

From this fiscal year, the report newly includes a section to introduce our next-generation technologies, and an effort was made to make it more understandable for readers.

Once you have read this report we would greatly appreciate your frank comments in order to help us continue to improve our efforts in the future.

M. Hagino

Michiyoshi Hagino
Director in charge of environment
Senior Managing Director

Honda is committed to R&D and the early introduction of various environmental technologies in order to share the benefits of new technologies with its customers. In this section, we will introduce the technologies adopted for our products in fiscal 2004; those that are now under research or already applied, and advanced environmental activities that we are promoting in our business operations.

Fuel Cell Vehicle FCX

Releasing the FCX Equipped with the Honda FC STACK Next-Generation Fuel Cell

Honda developed a next-generation fuel cell stack, the "Honda FC STACK," in September 2003. With this high-output but much more compact fuel cell stack, it is possible to start the vehicle at 20 degrees below zero centigrade, which has proved difficult with traditional fluorine-based electrolyte membranes. The Honda FC STACK, after its 2003 approval by the Ministry of Land, Infrastructure and Transport, underwent starting tests at temperatures below zero in Hokkaido as well as driving tests on public roads at low temperatures.

New York Governor George E. Pataki and American Honda Motor Co., Inc. President and CEO Koichi Kondo

In April 2004, using a Home Energy Station (HES) that had both a hydrogen refueling function and a cogeneration function, we conducted a driving test of a Honda FC STACK-equipped FCX on public roads in the U.S. state of California. In July, the FCX was certified by the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB). Compared with the Ballard Stack-equipped FCX, the Honda FC STACK-equipped FCX has achieved nearly a 20% improvement in fuel economy (from 48 miles per kg of hydrogen to 57 miles) and in range (from 160 miles to 190 miles). This Honda FC STACK-equipped FCX was introduced in the northeastern part of the United States, and a total of three FCX vehicles were leased to the State of New York and to the local government of Hokkaido in December 2004 and in January 2005, respectively, where temperatures drop to below zero in the winter.

Honda FC STACK-equipped FCX

Also from April 2004, test drives of the Honda FC STACK-equipped FCX on public roads were started in Yakushima, the World Natural Heritage, as part of the Yakushima Zero Emissions Project in which demonstration tests of a self-sufficient energy system were conducted to create a model for a recycling-based society.

Honda is promoting comprehensive research for a future society where fuel cells will be a common form of energy source, by conducting tests on both vehicles and hydrogen refueling systems in cold regions, including the test operations of the Honda FC STACK and the second-generation model of HES II.

Hybrid Vehicle

Introducing the Accord Hybrid in the U.S., Following the Release of Smaller Hybrid Vehicles

The Accord Hybrid 2005 Model (perspective view of the engine hood)

In the U.S., Honda introduced the Insight as its first hybrid vehicle in the country in December 1999. Subsequently, in 2002, we applied hybrid technologies to the Civic, one of the best-selling compact cars in the U.S. Then in December 2004, as Honda's third hybrid vehicle in the U.S. market, we released the Accord Hybrid.

The Accord Hybrid, featuring a V6 engine (i-VTEC) with Variable Cylinder Management (VCM) in combination with the Integrated Motor Assist (IMA) hybrid system, has achieved the world's highest fuel economy for a V6 engine, similar to that of a Honda Civic. Specifically, it achieves a fuel economy rating of 29 mpg* in the city and 37 mpg* on the highway and delivers a high performance with a maximum output of 255 horsepower, with an exceptionally broad and flat torque curve for outstanding power and driving performance. In addition, it provides for quick acceleration performance for overtaking and comfortable cruising.

Compared with the Accord V6 Sedan, the Accord Hybrid has improved fuel economy (by 38% in the city and 23% on the highway) as well as maximum output (by 15 horsepower).

The Insight, Honda's first hybrid vehicle, has also improved its fuel economy from 35.0 km/ℓ to 36.0 km/ℓ (at 10-15 mode), thereby achieving the world's highest standard in fuel economy.

* Approved by the U.S. Environmental Protection Agency

Hydrogen Fueling System

Further Progress in the Hydrogen Fueling System for Household Use —Beginning Experiments of the Second-Generation Model

Honda started the experimental operation of the HES II, the second-generation model of the Home Energy Station, which has both a hydrogen fueling function and a cogeneration function, jointly with Plug Power of the U.S..

In addition, in the northeastern part of the U.S., we started test drives of the Honda FC STACK-equipped FCX, which enables startup at subzero temperatures, on public roads in September 2004. By testing the vehicle and hydrogen supply system in cold regions, we are promoting comprehensive research for a future society where fuel cells will be used as a common power source.

The HES II is a single-component unit that has been reduced to less than half the size of the original HES in cubic capacity through natural gas reformation and downsizing of the pressure device. The HES II is housed at Plug Power's headquarters in Latham, New York.

HES II and FCX

Next-Generation Motorcycle

Developing a Honda FC STACK-Equipped Fuel Cell Motorcycle in the Pursuit of Further Fuel Cell Possibilities

Honda designed a lighter and more compact version of the Honda FC STACK for motorcycles and developed a fuel cell motorcycle equipped with this Honda FC STACK by applying the Honda FC STACK technology (fuel cell system) developed for automobiles.

The Honda FC STACK-equipped motorcycle is based on a 125 cc scooter. For this motorcycle, sufficient body space is secured in the center of the body to install the highly efficient Honda FC STACK next-generation fuel cell, which enables startup at a subzero temperature, by locating the entire EV drive system in the rear-wheel swing arm. Other features are installed around the stack in an efficient manner, thereby maintaining almost the same body size as other motorcycles in the same class.

Fuel cell motorcycle

Pursuing Higher Environmental Performance—Developing a Hybrid Scooter

For further reduction of exhaust emissions and substantial improvement in fuel economy, Honda developed a 50 cc hybrid scooter prototype for market introduction in the near future. The scooter uses both an electric motor and an engine, but has sufficient storage space.

The 50 cc model is equipped with a range of Honda's existing environmental technologies, including the alternating current generator (ACG) starter with an idle stop function, the electronically controlled fuel injection system (PGM-FI), and an electronically controlled belt converter. In addition, it is equipped with a series/parallel hybrid system adopting a direct rear-wheel drive electric motor, incorporates a nickel-hydrogen battery in the front cowl as a secondary battery, and provides sufficient utility space.

Compared with the DioZ4, we aim to improve the fuel economy of the scooter to at least 1.6 times the current rate (at a constant speed of 30km/h) and reduce CO_2 emissions by at least 37%.

Hybrid scooter

Developing an Electric Motor-Powered Commuter Scooter for Urban Use

Honda developed an electric motor-powered commuter scooter prototype for market introduction in the near future as an environmentally friendly urban transportation. This lightweight scooter has a very compact body. It has improved performance in heat release and battery life by incorporating a 360 Wh light nickel-hydrogen battery as the power source. In addition, it adopts a module structure integrating the drive motor and a central controller for battery charging/discharging and driving functions. The motorcycle achieves a driving performance to that of a gasoline-powered model through such measures as setting the hill climbing ability at 12 degrees.

* Honda announced the development of the aforementioned three models in August 2004.

Electric motor-powered commuter scooter

Alternative Energy

For the Popularization of Natural Gas Vehicles —Introducing Natural Gas Refueling Equipment for Household Use (North America)

Honda began marketing the Civic GX natural gas-powered vehicle and a home natural gas refueling appliance called Phill in California in spring 2005, jointly with FuelMaker, a natural gas refueling appliance maker based in Toronto, Canada.

The marketing of the Civic GX was started mainly for fleet customers in 1998, and the U.S. Environmental Protection Agency evaluated it as the cleanest internal combustion engine vehicle it had ever tested. The leasing of the Phill system will enable refueling in a household garage. With Phill, sufficient natural gas for driving the Civic GX for approximately 100 miles (160 km) can be refueled in eight hours.

Phill can be leased at 17 officially approved Honda Civic GX dealers in California.

Civic GX and Phill System

Next-Generation General-Purpose Engine iGX 440

Achieving the World's Highest Standard in Environmental Performance by Adopting the World's First Technology to Electronically Control Engine Speed

Honda developed the all-new next-generation iGX440 general-purpose engine (maximum output: 15 horsepower; displacement: 438 cm^3) as the world's first single-cylinder general-purpose engine* equipped with the technology to electronically control engine speed. Sales of this engine started in July 2005.

The iGX440 adopts a new electronic governor technology to electronically control the engine without a battery. This electronic governor system allows the electronic control unit (ECU) to continuously monitor throttle opening and engine speed, electronically regulating the throttle opening to maintain a constant engine speed even under changing engine load conditions. In addition, thanks to the adoption of an auto fuel valve and auto choke, it is not necessary to open and close the fuel valve or adjust the choke, leading to a significant improvement in ease of operation. The iGX440 has also achieved emission levels approximately 30% lower than the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) regulation standards, thus meeting the world's highest standards of environmental performance.

Next-generation general-purpose engine iGX440

* Surveyed by Honda

Small Cogeneration Unit for Household Use

To Promote Home Cogeneration Systems throughout the World

Honda's small and light cogeneration unit for household use, adopts the world's smallest natural gas engine, the GE 160V, and Honda's unique sine wave inverter technology. Honda reached a basic agreement with Climate Energy LLC (head office: Boston, Massachusetts, USA) on a project to supply this unit to Climate Energy, which will market a system incorporating this cogeneration unit. Accordingly, Honda plans to launch the small cogeneration system for home users in the latter half of 2005.

This unit has a thermal output of approximately 3kW (thermal recovery rate: 65%), electric energy of approximately 1kW (power generation efficiency: approximately 20%) which is suitable for general households, and a total energy utilization efficiency of 85%, to reduce household primary energy consumption. In addition, an approximate 30% decrease in CO_2 emissions is expected from the use of this cogeneration unit.

This unit received the 2004 Prize for Natural Gas Industry Innovation (Planning, Research and Development Section) from Germany's Association for the Efficient and Environmentally Friendly Use of Energy (ASUE), which demonstrates that this unit is also highly evaluated overseas as the first practical cogeneration system for household use.

Small household cogeneration unit

Reducing the Use of Substances of Concern

Reducing the Use of Substances of Concern for Domestically Produced Models by the End of 2005

Honda will reduce the use of substances said to badly affect the environment, namely four heavy metals (lead, mercury, cadmium, and hexavalent chromium), for its automobile and motorcycle models produced in Japan.

For substances of concern (SOC), the Japan Automobile Manufacturers Association (JAMA) has set voluntary reduction targets. Among these substances, Honda has already attained the targets for two substances (lead and mercury) for all automobile and motorcycle models. For the remaining two substances, we will abolish the use of cadmium by the end of 2005 and reduce the use of hexavalent chromium by the end of 2005 (excluding its use in certain parts), thereby achieving all the targets for the four substances earlier than scheduled in the JAMA guideline.

For power equipment, there are no domestic regulatory standards. We, however, make voluntary efforts to reduce the use of harmful substances in power equipment according to JAMA's voluntary targets. We have already attained the targets for three substances (lead, mercury, and cadmium) and have reduced the use of hexavalent chromium by half. We will continue our efforts to completely abolish the use of this substance by the end of 2006.

Traditional bolt containing hexavalent chromium

New hexavalent chromium–free bolt

Advanced Office— Honda Wako Building

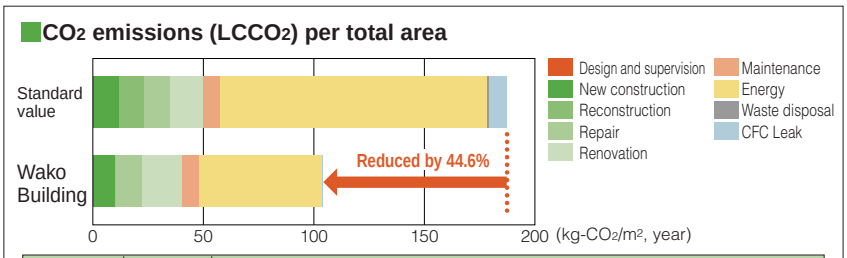
To Reduce Life Cycle CO_2

Honda Wako Building, constructed at the former site of the Wako Plant, started its operations in August 2004. With six stories above-ground and a total floor area of 52,183.5 m², this building makes full use of natural light and natural energy sources such as solar energy for power generation and reuses waste water from air conditioners, canteens, etc. as well as rainwater for reducing energy and resource consumption and to promote recycling. In addition, the building itself is designed to largely reduce its life cycle CO_2 ($LCCO_2$*) emissions, from construction to disposal stages, by removing underground floors and reusing construction waste soil.

For the building, we expect that CO_2 emissions per total area will be reduced by 44.6% and the primary energy consumption by 49.1%, compared with standard values.

Outside of Honda Wako Building

Roof covered with solar power generation panels made by Honda Engineering



	Total area (m²)	CO_2 emissions (kg – CO_2/m², year)								
		Design and supervision	New construction	Re-construction	Repair	Renovation	Maintenance	Energy	Waste disposal	CFC leak
Wako Building	52,138.5	0.3	9.8	0.0	11.9	18.3	7.4	55.7	0.2	0.2
Standard value	52,138.5	0.4	11.3	11.3	11.9	14.9	7.4	121.2	0.6	8.4

*Life Cycle CO_2 ($LCCO_2$) means the total amount of CO_2 emitted from the building from its construction stage through disposal. $LCCO_2$ is used as a guideline for energy conservation, and the standard value shows average data for ordinary buildings obtained in 1990.

Honda Environment Statement

Under the slogan “Blue Skies for Our Children,” Honda has long been committed to environmental activities. In the 1990s, we improved our organizational structure step by step and created the Honda Environment Statement to clearly define our approach towards environmental issues. Since then, Honda has been improving its environmental conservation activities, regarding them as one of our most important corporate themes.

Looking towards the future, Honda has established its 2010 vision, based on a corporate culture of “freedom and openness, challenge and cooperation.” As mentioned in our vision statement, in order to pass on joys to the next generation, we will strengthen our measures to achieve the challenging environmental improvement goals that we have established. Through these activities, our goal is to become a company that society wants to exist.

Honda Environment Statement

As a responsible member of society whose task lies in
the preservation of the global environment, the company will make
every effort to contribute to human health and the preservation of
the global environment in each phase of its corporate activity.
Only in this way will we be able to count on a successful future
not only for our company, but for the entire world.

We should pursue our daily business interest under the following principles:

1 We will make efforts to recycle materials and conserve resources and energy at every stage of our products’ life cycle from research, design, production and sales, to services and disposal.

2 We will make every effort to minimize and find appropriate methods to dispose of waste and contaminants that are produced through the use of our products, and in every stage of life cycle of these products.

3 As both a member of the company and of society, each associate will focus on the importance of making efforts to preserve human health and the global environment, and will do his or her part to ensure that the company as a whole acts responsibly.

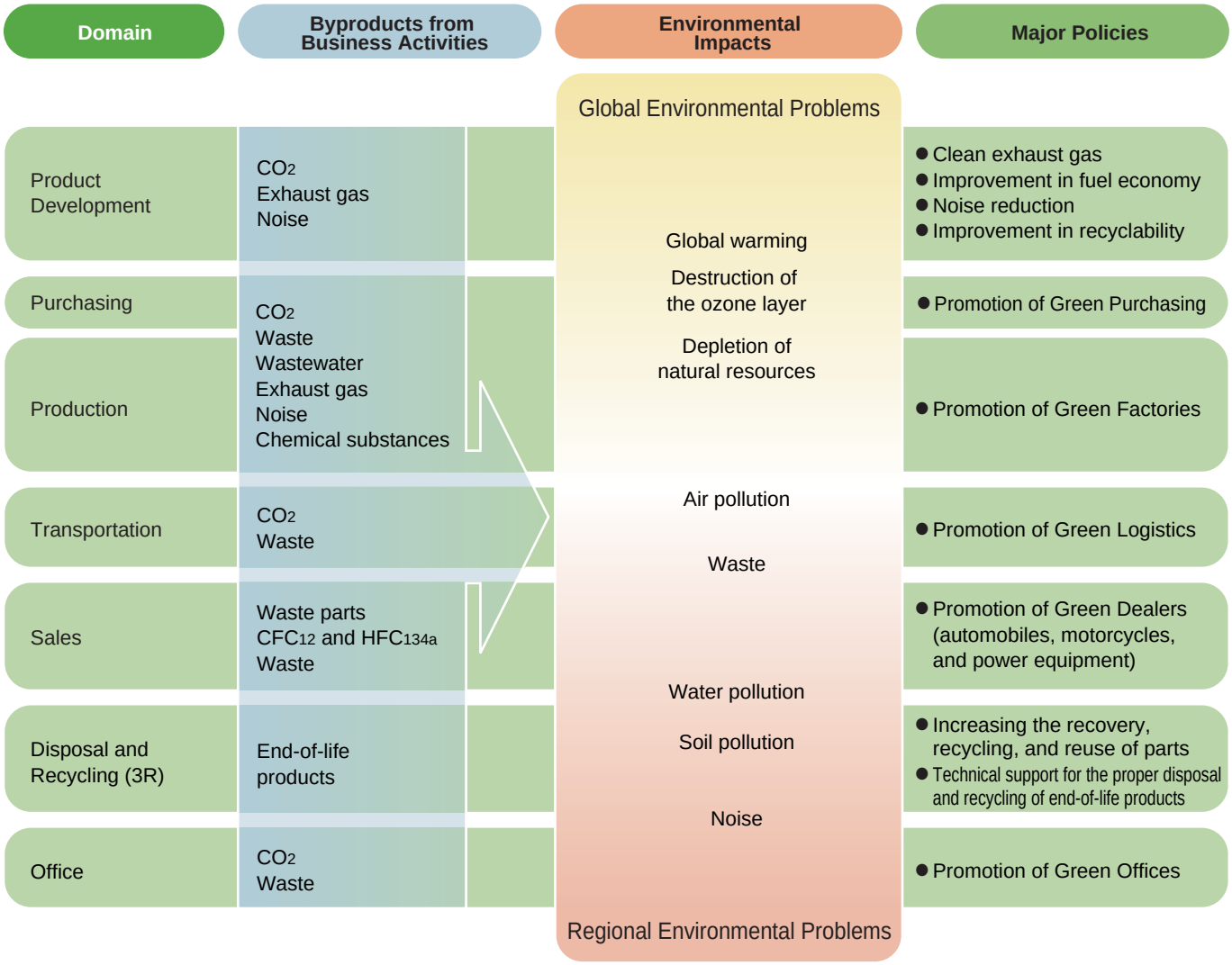
4 We will consider the influence that our corporate activities have on the local environment and society, and endeavor to improve the social standing of the company.

Established and announced in June 1992

Assessment of and Our Policy on the Environmental Load Generated by Our Corporate Activities

Honda is aware of its corporate responsibility for the environmental load generated by all of its corporate activities and the use of its products and embraces an uncompromising commitment to reduce this and to conserve the environment. To achieve this, it is essential to establish directions for specifically defined issues and set targets for action based on the impacts of our corporate activities and the use of our products on the global environment.

Recognizing this, our approach is to define specific goals toward which we will work in an effort to resolve the issues that have been identified by using our life cycle assessment system (LCA), which assesses and analyzes the measurable environmental impact as of today.



Specific Targets to Be Achieved and Results

To give further impetus to its environmental conservation activities and achieve clear results in a more effective manner, Honda has set itself voluntary targets and is working toward their attainment. The following data give our targets and the level to which we attained them at the end of fiscal 2004. Our progress towards reaching our targets is presented in "Results of Environmental Conservation."

Cleaner Exhaust Gas by 2005 (Announced in 2001)

Specific Targets		Progress Made in Fiscal 2004	Reference
Automobiles	To have Honda passenger vehicles approved[1] as "★★★ low emission vehicle" and "★★★★ low emission vehicle" by the Ministry of Land, Infrastructure and Transport by 2005[2]	In fiscal 2004, 48 types of 21 models attained the objective. Percentage of vehicles that attained the objective to total unit sales[3] : 80.5%	Page 23

1. The target was to have most Honda passenger vehicles approved as "Ultra" low emission vehicles by the Ministry of Land, Infrastructure and Transport by 2005 at the time when it was announced in 2001. However, because the Low Emission Vehicles' Approval—which corresponds to the 2005 exhaust emissions standards—was introduced in October 2003, we are promoting the attainment of "★★★ low emission vehicle" approval and "★★★★ low emission vehicle" approval that correspond to the 2005 exhaust emissions standards, which are stricter than conventional ones.
2. Target in Japan
3. From this fiscal year, the progress is shown in the percentage to total sales units.

Targets to Be Achieved by 2005 by Improving Clean Exhaust Gas Emissions and Fuel Economy (Announced in 1999)

Specific Targets		Progress Made in Fiscal 2004	Reference
Automobiles	Up to fiscal 2005: To reduce the total exhaust emissions of HC and NOx by approximately 75% for new vehicles (compared with fiscal 1995)*	HC: Reduced by 86.0% NO*x*: Reduced by 86.0% [Attained]	Page 23
	Up to fiscal 2005: To achieve the new fuel efficiency standards of Japan for fiscal 2010 for all weight categories*	Achieved for all 7 categories [Attained]	Page 25
	Up to fiscal 2005: To improve the average fuel economy by approximately 25% (compared with fiscal 1995)*	Improved by approximately 30.9% [Attained]	Page 25
Motorcycles	Up to fiscal 2005: To reduce the total exhaust emissions of HC to approximately 1/3 for new vehicles (compared with fiscal 1995)	Reduced by approximately 74% (Reduced to approximately 26%) [Attained]	Page 28
	Up to fiscal 2005: To improve the average fuel economy by approximately 30% (compared with fiscal 1995)	Improved by approximately 34.2% [Attained]	Page 29
Power Equipment	Up to fiscal 2005: To reduce the average exhaust emissions of HC and NO*x* by approximately 30% for new products (compared with fiscal 1995)	Reduced by approximately 38% [Attained]	Page 30
	Up to fiscal 2005: To improve the average fuel economy by approximately 30% (compared with fiscal 1995)	Improved by approximately 28%	Page 31

* Target in Japan

Energy Saving and Reduction in Waste in the Production Domain (Announced in 1998)

Specific Targets	Progress Made in Fiscal 2004	Reference
Up to fiscal 2010: 30% reduction in energy unit (compared with fiscal 1990)	Reduced by 23.6%	Page 35
Up to fiscal 2001: Achieving zero landfill disposal	[Attained]	Page 36

Recyclability Rate for New Models of Automobiles and Motorcycles (Announced in 1998)

Specific Targets		Progress Made in Fiscal 2004	Reference
Automobiles	90% or more from 2000 onward	[Attained]	Page 45
Motorcycles	90% or more	[Attained]	Page 46

Reduction of Substances of Concern in All the Models Produced in Japan (Announced in 2005)

Specific Targets			Reference
Automobiles	Hexavalent chromium	To be totally abolished by the end of December 2005*	Page 45
	Cadmium	To be totally abolished by the end of December 2005	Page 45
Motorcycles	Hexavalent chromium	To be totally abolished by the end of December 2005	Page 47
	Cadmium	To be totally abolished by the end of December 2005	Page 47
Power Equipment	Hexavalent chromium	To be totally abolished by the end of December 2006	Page 47

* Excluding some parts for the S2000

Activities Already Successfully Completed

The following activities not featured in this report have already been completed successfully.		Time completed
Automobiles	Abolition of CFC12 in favor of HFC134a	End of 1994
	Discontinuing the use of sodium azide[1] (Mass-produced vehicles sold in Japan)	End of 1998
	Reducing the lead content in the covering of wire harnesses[2]	End of 1998
	Up to fiscal 2002 : To achieve a clean performance that exceeds the 2000 exhaust emissions standards of Japan by 50% or more for all vehicles[3]	End of 2002
	Reducing the lead content in all the models produced in Japan to one-tenth or less (target set by JAMA)	May 2004
	Totally abolishing the use of mercury for all the models produced in Japan (excluding some parts)[4]	Achieved by 2001
Motorcycles:	Reducing the lead content in the covering of wire harnesses	End of 1998
	Reducing the lead content in all the models produced in Japan to 60 grams or less (target set by JAMA)	January 2005
	Totally abolishing the use of mercury for all the models produced in Japan (excluding some parts)[4]	Achieved by 2001
Power Equipment	Reducing the lead content in the covering of wire harnesses	End of 1998
	Reducing the lead content in all the models produced in Japan (pursuant to the target set by JAMA)	—
	No use of mercury for all the models produced in Japan	—
	Totally abolishing the use of cadmium for all the models produced in Japan	—
Production Domain	15% reduction in energy consumption unit by 2001 (compared with fiscal 1990)	March 2002

1. Sodium azide: Sodium azide's chemical symbol is NaN_3. It was the primary ingredient in the gas generator for automotive air bag systems. When an automobile that contains an air bag system that has not been activated is crushed, for example, the sodium azide is released into the atmosphere, where it forms a potential hazard to workers' health.
2. Wire harnesses: An automobile contains a huge number of wires (approximately 1,000) that form the wiring networks. Wire harnesses are used to systematically run the wires between terminals and connectors and facilitate their installation on vehicles.
3. Target in Japan
4. Slight amounts contained in discharge headlights and liquid crystal panels for navigation systems

Results for Fiscal 2004 and Targets for Fiscal 2005

We continued our efforts of the previous year in fiscal 2004 with a commitment to achieving the high targets set for all domains in the life cycle of our products. Some activities achieved their set targets while others failed to attain their goals for various reasons, including changes in conditions. The outcomes of all activities whether "on target" or not were analyzed, and the findings were fed back to the targets and programs set for fiscal 2005 in our commitment to further reduce the environmental loads of our products.

Major Policies		Procedures		Fiscal 2004 Targets	Fiscal 2004 Results	Level of Attainment	Fiscal 2005 Targets	Reference
Product Development	Clean exhaust gas	Automobiles	Expansion of "★★★ low emission vehicles" and "★★★★ low emission vehicles"	Expansion of "★★★ low emission vehicles" and "★★★★ low emission vehicles"	Three additional models were approved as "★★★ low emission vehicles" and "★★★★ low emission vehicles" (21 models in total)	◎	Expansion of "★★★ low emission vehicles" and "★★★★ low emission vehicles"	Page 23
		Motorcycles	Shift to 4-stroke engines[1]	To be successively expanded	Attained for all 7 models released in fiscal 2004. Shift to 4-stroke engines: attained by 97.2% of the models	◎	Continuous shift to 4-stroke engines for new models, expanded application of FI technology	Page 28
		Power equipment	Comply with regulations in advance		Attained for all 9 models released in fiscal 2004	◎	Future extensions	Page 30
		Development of alternative energy vehicles			Starting leasing of fuel cell vehicles	◎		Page 27
					Release of the cogeneration system for households	◎		Page 31
	Improvements in fuel economy	Upgrading efficiency by employing new technologies	Automobiles	Improvements in the average fuel economy by category	Attainment of the fiscal 2010 fuel economy standards of Japan for 7 categories	◎	Further improvements in fuel economy	Page 25
			Motorcycles	Improvements in fuel economy for new models	34.2% improvement in the average fuel economy for all the models released in Japan in fiscal 2004	◎		Page 29
			Power equipment	Further improvements in fuel economy	EM45is power generator: 30% improvement compared with the previous model	◎		Page 31
Purchasing	Promotion of Green Purchasing	Reduction of chemical substances contained in the products of suppliers (parts and materials)		Promoting changeover in compliance with Honda's chemical substance guidelines	Changeover was completed for lead and lead compounds. Changeover is now promoted for chromium (VI).	△	Changeover in accordance with Honda's chemical substance guidelines must be promoted	Page 33
		Management of environmental impacts in suppliers' manufacturing process		Reduction of suppliers' CO_2 emissions	Carbon intensity was reduced 4.4% compared with that in fiscal 2000 (for affiliated companies).	◎	Reduction in suppliers' CO_2 emissions	Page 33
				Reduction of suppliers' landfill waste	79% reduction as compared with fiscal 2000 (regarding affiliated companies)	◎	Reduction in suppliers' landfill waste	Page 33
		Introduction of environmental management systems to suppliers		Promotion of the acquisition of ISO 14001 certification by all suppliers	Acquisition by 355 companies (80%)	◎	Promotion of the acquisition of ISO 14001 certification by all suppliers	Page 33
Production	Promotion of Green Factories	Improvements in energy efficiency		Energy unit: 21.8% reduction	Energy unit: 23.6% reduction	◎	23.1% reduction[2]	Page 35
				CO_2 emission volume: 481,000 CO_2-tons	CO_2 emission volume: 468,000 CO_2-tons	◎	460,000 CO_2-tons	Page 35
		Zero landfill disposal		(Continuance of zero landfill disposal)	(Continuance of zero landfill disposal)	◎	(Continuance of zero landfill disposal)	Page 36
		Reducing waste (by-products)		Recyclability rate 97%	Recyclability rate 97.6%	◎	Recyclability rate 98%	Page 36
				Internally incinerated waste: 65% reduction compared with fiscal 1998	Internally incinerated waste: 70% reduction compared with fiscal 1998	◎	Internally incinerated waste: 85% reduction compared with fiscal 1998	Page 36
		Reducing VOC emissions		VOC emissions/Automobiles: 33.0 g/m^2	VOC emissions/Automobiles: 32.8 g/m^2	◎	VOC emissions/Automobiles: 32.5 g/m^2	Page 37
Transportation	Promotion of Green Logistics	Implementation of environmental management system for distribution companies		Joint environmental management by the four major companies	Regular organization of exchange meetings with major transportation companies	◎	Continuance of joint implementation of the environmental management system by the four main companies	Page 39
		Improvements in shipping efficiency		CO_2 emission volume: 114,900 CO_2-tons (Transport of completed automobiles)	CO_2 emission volume: 109,555 CO_2-tons (Transport of completed automobiles)	◎	CO_2 emission volume: 115,332 CO_2-tons[3] (transport of completed automobiles)	Page 39
Sales	Promotion of Green Dealers/Green Distributors	Automobiles	Introduction of environmental management systems to dealers	Expansion of the Best Green Dealer-certified stores	Acquisition of the Best Green Dealer certification by 2,524 stores	◎	Further expansion of the Best Green Dealer-certified stores	Page 42
		Motorcycles	Introduction of environmental management systems to distributors and dealers	Expansion of the Honda Dream Stores	Launch of 30 environmentally friendly Honda Dream stores	◎	Expansion of Honda Dream Stores	Page 43
		Power equipment	Promotion of environmental conservation activities for dealers	Expansion of Green Dealers for power products	Certification acquired by 3 stores of 1 dealer	◎	Expansion of Green Dealers for power products	Page 43
Disposal and Recycling	Improved recyclability	Improvement of recyclability	Automobiles	Improvement in recycling rate	More than 90% achieved for models newly released or models whose design was changed in fiscal 2004	◎	Improvement of recyclability	Page 45
			Motorcycles		More than 95% achieved for models newly released or models whose design was changed in fiscal 2004	◎		Page 46
			Power equipment					Page 47
	Increasing the recovery, recycling, and reuse of parts	Integration of the remanufacturing business and reuse business		Expansion of models for which reused parts can be applied	Number of models for which reused parts can be applied increased to 13	◎	Expansion of recycling parts Expansion of models for which reused parts can be applied	Page 48
	Technical support for proper disposal and recycling of end-of-life vehicles	Technical support for proper disposal and recycling of end-of-life vehicles		Promotion of the establishment of a recycling system	Launch of a recycling system for automobiles and motorcycles	◎	Generalization of a recycling system for automobiles and motorcycles	Page 50
Office	Promotion of Green Office	Introduction of environmental management systems to offices		Full-scale implementation of environmentally-friendly business activities[4]	Being promoted by each division/office	◎	Cooperative promotion of reduction in environmental impacts by offices	Page 54

1. The shift to 4-stroke engines has been completed, except for some special vehicles. From now on, we will expand the use of FI technology to more models and will newly develop other technologies and expand their application to mass-produced models.
2. The fiscal 2005 target for energy consumption unit has increased as compared with fiscal 2004 results, in consideration of the production environment and the addition of new business operations.
3. While the fiscal 2005 target for CO2 emission has increased as compared with the fiscal 2004 results, this increase is to allow for the planned growth in shipments. This target figure does, however, already include the (anticipated) reduction effect arising from the measures being taken to improve transport efficiency.
4. At the Aoyama Office, which is implementing an environmental management system (EMS), environmental viewpoints are introduced to daily business activities. We call the development of business that takes the environment into consideration, "environmentally-friendly business activities."

Notes:
★★★low emission vehicle: Emissions are 50% lower than the 2005 exhaust emissions standards
★★★★low emission vehicle: Emissions are 75% lower than the 2005 exhaust emissions standards

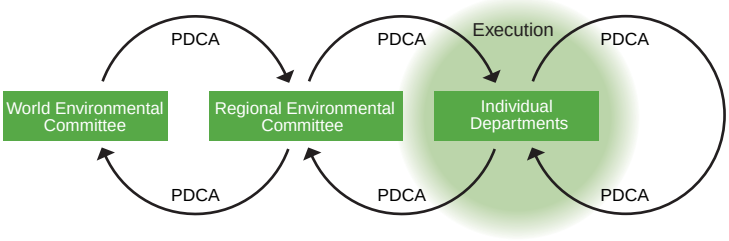
To give concrete meaning to the Honda Environment Statement, which specifies the general direction of the Company's environmental conservation activities, Honda has made efforts to establish and expand its organization with respect to the environment. For the effective implementation of environmental conservation activities, we have established an environmental management system as described below.

General Policy

Honda's environmental action plans are established by individual departments based on the medium-term policies developed by the Executive Committee. These plans are then discussed and approved by the Environmental Committee. Next, the individual responsible departments involved push ahead with their commitment in accordance with these plans. The results are scrutinized and evaluated by the Environmental Committee and fed back to the next targets and plans to complete the PDCA* cycle at the regional level (Japan, North America, South America, Europe, Asia/Oceania, and China). Global issues that are shared worldwide are reported to the World Environmental Committee and fed back to the Mid-Term Policy Statement.

The hallmark of Honda's activities is that planning and execution are not left to specially appointed staff, but rather the individual associates in all departments are involved themselves. This is what Honda means when it says, "All members of the Honda organization are individually engaged in a positive commitment to environmental issues as part of their own duties."

Environmental Conservation Activities Based on the PDCA Cycle



* PDCA stands for Plan, Do, Check, Act.

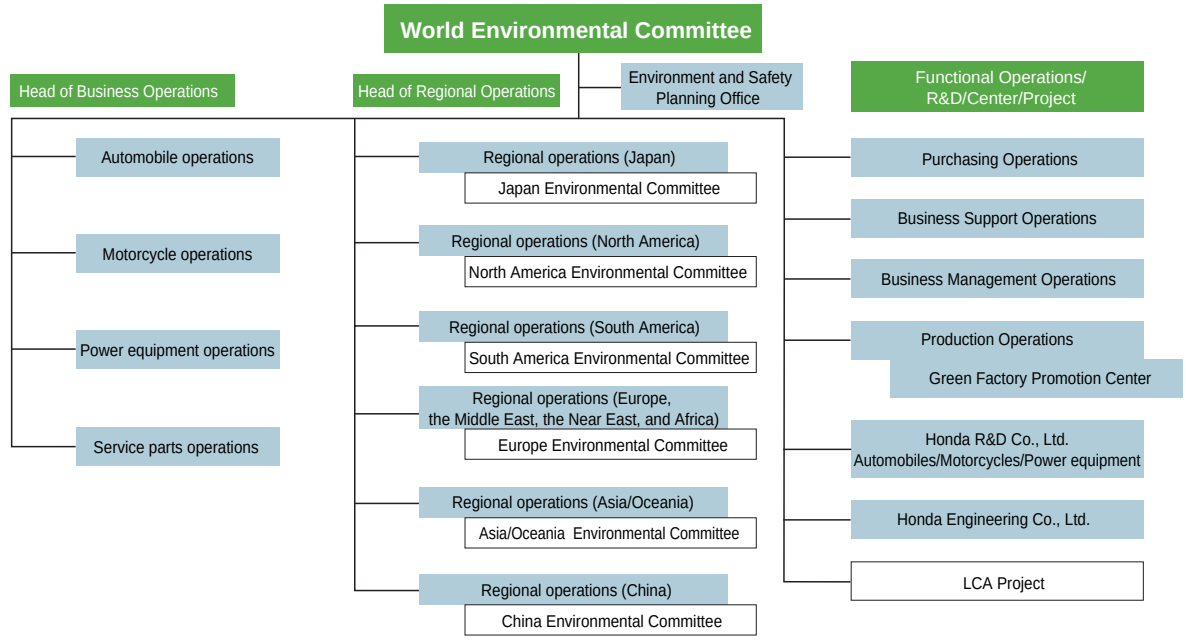
Organization

In December 1991, Honda created its Environmental Committee to play a central role in addressing environmental issues in Japan. Subsequently, the organizational framework was extended to North America, South America, Europe, Asia/Oceania and China. In March 1995, the World Environmental Committee was set up to frame and promote global plans for our commitment.

In addition, we have created a system to effectively promote our efforts on trans-organizational themes. In this context, we initiated the Green Factory Project[1] in 1997 and the LCA Project in 2000. For the Green Factory Project, we changed its name to the Green Factory Promotion Center[2] in 2004 as an organization to accelerate environmental activities in the production domain and to promote the Green Factory Plan.

1. The Green Factory Project was an organization to promote the Green Factory Plan, with the goal of promoting a new factory concept for a recycling-based society. Led by this organization, solutions to issues such as energy-saving and waste reduction were deployed to our factories throughout the world.
2. The Green Factory Promotion Center oversees environmental activities in the production domain and comprehensively manages and coordinates the environmental measures taken by Honda factories. The Center also serves as a secretariat for environmental audits mutually conducted by Honda factories and checks the individual progress of these factories in the administration of their environmental management system from a company-wide perspective.

Organization for Global Environmental Conservation Act.



Role

World Environmental Committee

The World Environmental Committee considers global plans for our commitments in accordance with our mid-term policy. This committee decides environmental policies and conducts annual reviews of their execution and implementation.

Japan Environmental Committee

The objective of the Japan Environmental Committee is to enhance the level of execution of environmental conservation activities that are undertaken in Japan. It reviews the annual PDCA cycle of individual departments and establishes overall compatible targets. It also establishes new policies in accordance with an analysis of the situation of the individual departments. Through these activities, the committee tries to maintain and improve its environmental activities to cover the entire life cycle of Honda's products on an ongoing basis.

Sales Domain

The mission of the Sales Domain, which consists of automobiles, motorcycles, power equipment, and parts, is to meet current market needs in terms of the expansion of environmentally friendlier products, the proper disposal of end-of-life products, and parts recycling.

Factory and Office Operations Domain

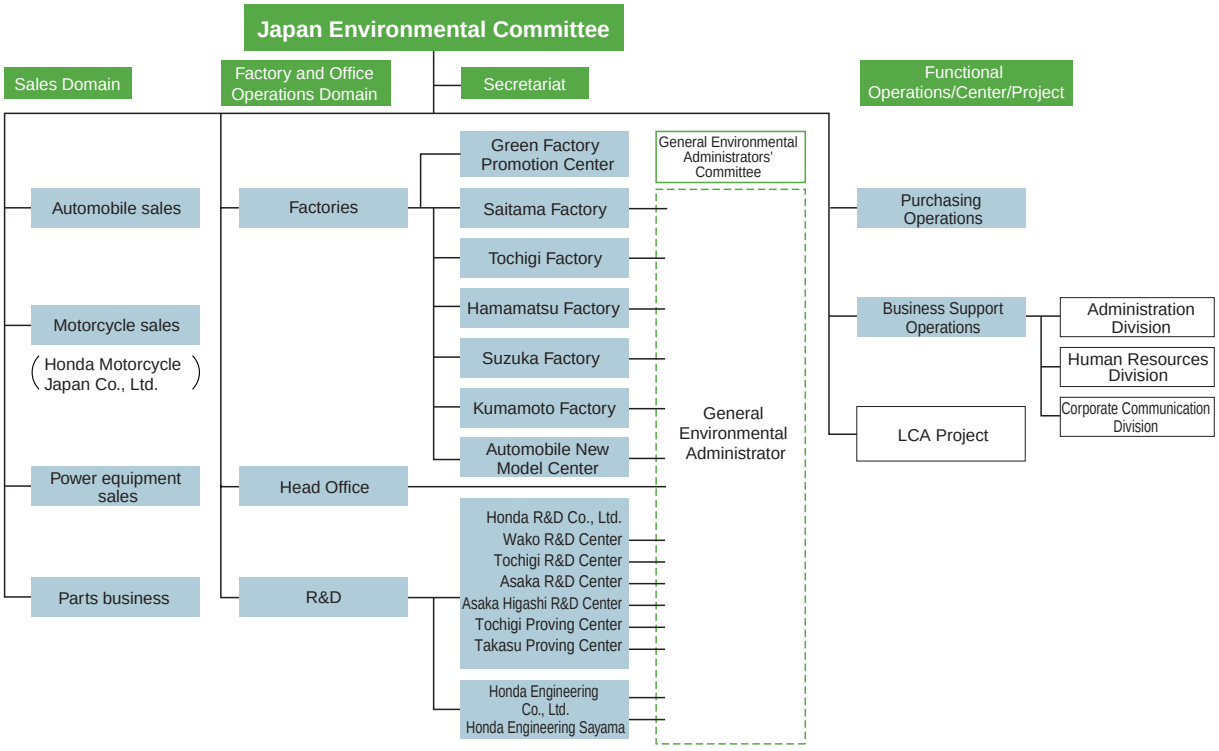
The Factory and Office Operations Domain comprises the departments organized within our factories and offices. This domain is responsible for dealing with environmental issues at our factories and offices. The general environmental administrator* determines and carries out policy measures for the Factory and Office Operations Domain through the General Environmental Administrators' Committee. The Green Factory Promotion Center is in charge of communicating the companywide policies to factories and promoting environmental plans.

* General environmental administrators are responsible for environmental activities at their factory/office and for the running of the environmental organization. They also have a managerial responsibility for the environmental management system of the factory/office.

Functional Operations/Center/Project

The Business Support Operations have the role of handling environmental issues for the entire range of PR, environmental training, and social activities in general. It comprises the Administration Division, which promotes such measures as the expanding use of environmentally friendly vehicles within the Company, the Human Resources Division, which provides associates with environmental training, and the Corporate Communication Division, which disseminates information on Honda's activities to society. The Purchasing Operation promotes green purchasing to increase the percentage of materials and parts with less impact on the environment within the total goods purchased by the Company. There are projects and centers on cross-divisional themes.

Organization for Domestic Environmental Conservation Activities



Environmental Management by Honda's Business Sites
(ISO 14001 and EMAS)

Concurrently with the building of the environmental management system for Honda as a whole, each of the Company's business sites are introducing environmental management systems to continuously improve their ability to protect the environment and to more thoroughly control substances with environmental impacts.

Honda has actively engaged in acquiring ISO 14001 certification, the international standard for environmental management systems, primarily for its production operations.

In Japan, all of Honda's production plants acquired certification in fiscal 1997. Also as a part of the Green Office promotion, the Head Office building in Aoyama acquired ISO 14001 certification in 1999 as did six other regional offices in 2001.

We are also advancing the work to acquire certification for our major production plants in North America, South America, Europe, and Asia/Oceania and China. In Europe, we are promoting the acquisition of the EU's Eco Management and Audit Scheme (EMAS).

Honda's ISO 14001-certified business sites are as shown below, totaling 46 sites as of the end of fiscal 2004. There are currently three EMAS-certified business sites in Europe.

Please refer to the upper right table for business sites that acquired ISO 14001 and EMAS certification in fiscal 2004.

We will further promote the establishment of ISO 14001-certified (and EMAS-certified in Europe) environmental management systems within the Honda Group and encourage certified business sites to continue to retain their certification. Through these measures, we will promote the PDCA cycle at our business sites as continuous measures to reduce the environmental impacts of our business.

Business Sites that Acquired the ISO 14001 Certification in Fiscal 2004

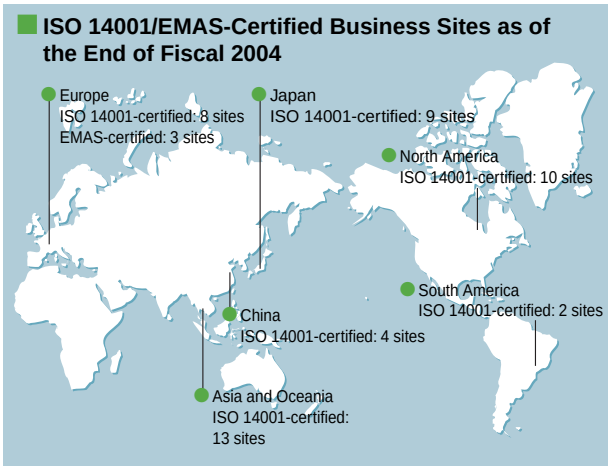
Name of Business Site	Location	Details of Business	Date of Certification
Honda Automoveis do Brasil Ltda.	Brazil	Automobiles	March 2005
P.T.Honda Prospect Motor	Indonesia	Automobile parts	January 2005

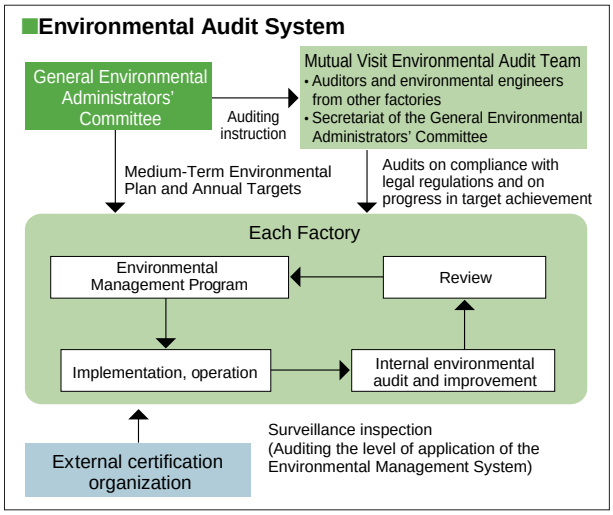
Environmental Audits

Environmental conservation activities at domestic sites are carried out in accordance with the environmental management program based on annual targets and the Mid-Term Environmental Plan, determined by the General Environmental Administrators' Committee. To confirm that the environmental management system is appropriately implemented through these activities and continuously improved, in-house environmental audits and surveillance inspections by outside certification organizations are carried out in our factories and offices.

In fiscal 2004, in-house environmental audits and renewal/surveillance inspections by outside certification organizations were conducted at our sites. The in-house environmental audits led to 4 citations of nonconformance and 442 recommendations and suggestions. The outside inspections led to 2 minor recommendations and 55 findings. We promptly responded to these recommendations and comments. Further, the Mutual Visit Environmental Audit* is carried out in factories to confirm the compliance and the level of progress made in achieving their targets of environmental conservation activities based on the Company's policy. The Mutual Visit Environmental Audit is conducted by engineers and auditors from other factories in accordance with instructions given by the General Environmental Administrators' Committee. In fiscal 2004, the Mutual Environmental Audit was conducted from June to August.

* The Mutual Visit Environmental Audit is implemented among factories. Peer audits are conducted between different non-production sites and between different divisions within the same non-production site.





Environmental Accounting

Honda is in the process of identifying the costs necessary for environmental conservation activities based on the following objectives:

- Environmental accounting is to provide a management tool in the environmental area.
- Environmental accounting offers indices for corporate evaluation and serves as a data source for disclosure to the public.

The following table shows the environmental conservation costs incurred by the Company in fiscal 2004.

Compared with the previous fiscal year, pollution prevention costs increased due to the use of water-based paints for the painting process in the production domain and upstream/downstream costs increased due to responses made to the enforcement of the End-of-Life Vehicle Recycling Law.

Costs and Effects of Environmental Conservation Activities in Fiscal 2004

(Unit: Millions of yen)

Category		Details of Major Activities, etc.	Investment Amount	Expense Amount	Effects
Business areas costs	Pollution prevention costs	• Prevention of air, water and soil pollution, etc.	1,037	2,055	■ Production domain • Total CO_2 emission: 468,000 tons Reduced by 13,000 tons from the target value →See Page 35. • Amount of internally incinerated waste: 4,400 tons Reduced by 1,400 tons compared with the previous fiscal year →See Page 36. • Total VOC emission: 32.8 g/m^2 Reduced by 0.2g/m^2 from the target →See Page 37.
	Global environmental conservation costs	• Prevention of global warming and ozone layer depletion, and other environmental conservation	692	343	
	Resources cycling costs	• Disposal, reduction, recycling of waste	266	1,238	
Upstream/downstream costs		• Green purchasing (balance) • Collection, recycling, reuse and proper disposal of the products manufactured and sold • Member fees and other charges paid to trade organizations	0	2,427	
Management activity costs		• Provision of environmental training to employees • Building, operation and acquisition of the certification of an environmental management system • Monitoring and measurement of environmental impacts • Organization in charge of environmental conservation measures	13	1,087	
Research and development costs		• Research and development of products contributing to environmental conservation • Research, development, and planning for reducing environmental impacts throughout the life cycle of products, etc.	7,700	129,420	
Social activity costs		• Environmental improvement measures including nature protection, greening and the preservation of beautiful scenery • Provision of support and information to local citizens • Donation and support to organizations engaged in environmental conservation activities • Disclosure of environment-related information	0	499	
Environmental damage costs		• Restoration of polluted soil	0	0.7	

1) The scope of the present calculations is as follows:
- Companies included in the accounts:
  Honda Motor Co., Ltd., Honda R&D Co, Ltd, Honda Engineering Co., Ltd.
- Domains included in the accounts:
  All domains in the life cycle of Honda products
- Targeted period:
  April 1, 2004, through March 31, 2005

2) The published figures include some that have been estimated and some given as combined figures because of the difficulty of determining differential amounts.
3) For the tabulation, we referred to reference materials on environmental accounting, including the guidelines and guidebooks published by the Ministry of the Environment of Japan.
4) This Report publishes the specific results achieved in our efforts for each fiscal year. The aggregate total of our environmental conservation costs are quoted on a cash-flow basis in terms of the monetary amount less depreciation costs.

Environmental Training

Stratified Environmental Training Programs

Environmental training programs are part of Honda's training curriculum, and these programs are provided for its associates to have a full recognition of their own responsibilities and be able to make progress in the company's commitment to the environment as an integral part of their own work tasks.

For new associates, a training program is also provided to help them deepen their understanding of Honda's basic policy towards the environment. Immediately after entering the company, new associates visit Honda's factories to personally experience the manufacturing of automobiles and motorcycles as well as the environmental measures used in the manufacturing process. The training programs are continuously provided to associates in a timely manner after they enter the company so that they can receive relevant information and consider the environment during the conduct of their business operations.

Honda is aggressively promoting activities focusing on energy and resource conservation and recycling as part of its efforts to encourage voluntary activities in the workplace. Activities conducted on successful themes are introduced as good examples and presented at NH Circle Conventions (presentation meetings attended by representatives of Honda associates all over the world) and at the Honda Green Conferences. In addition, these activities are promoted companywide and introduced in other Honda factories and offices.

Because environmental problems are becoming more global, Honda makes associates more aware of the environment through these measures and encourages them to voluntarily act in an environmentally friendly manner in their business and personal lives.

Environmental Training Based on the Environmental Management System

Every factory and office develops plans for education and training programs conducted on the basis of the environmental management system and holds regular training events for general personnel, operators who are engaged in specially designated works, and internal environmental auditors.

Promotion of Life Cycle Assessment (LCA)

Honda established the Honda LCA Data System in March 2002. Using this system, we set annual CO_2 emission reduction targets for each department using CO_2 emissions generated by that department in fiscal 2000 as a baseline and promote the PDCA cycle from a quantitative aspect to reduce environmental impact.

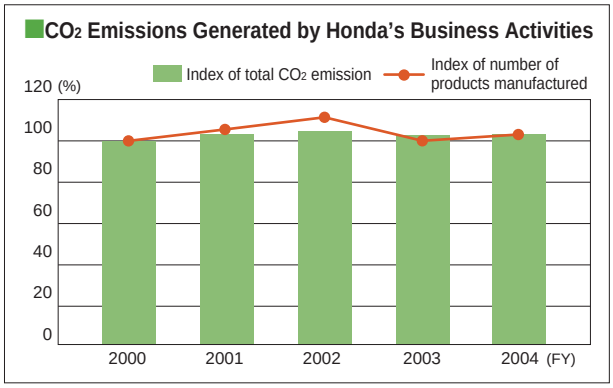
In fiscal 2004, each domestic department (manufacturing, purchase, sales/service, and logistics) used the Honda LCA Data System to collect data and calculate CO_2 emissions generated by business operations. As a result, compared with fiscal 2003, the number of products manufactured in fiscal 2004 increased by approximately 3% (with the number of products manufactured in fiscal 2000 set at 100), while CO_2 emissions were reduced by approximately 1% due to the efforts of our departments in reducing environmental impact.

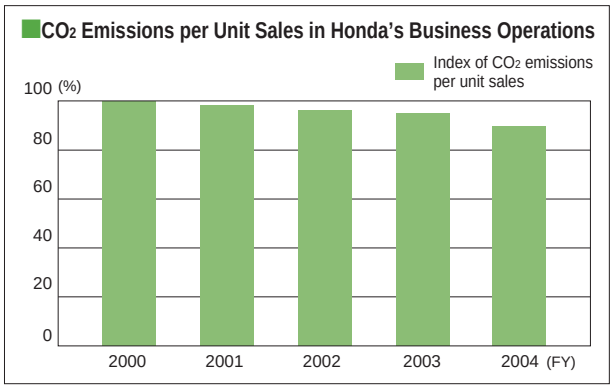
These results demonstrate that the departments have made improvements in their environmental activities. In addition, carbon intensity per sales revenue has improved year after year since fiscal 2000.

In the future, we will improve the efficiency of data collection and the accuracy of the collected data to steadily reduce our environmental impact.

In fiscal 2005, we plan to expand the use of our life cycle assessment system to quantify our environmental impact in other regions and to conduct activities to reduce such impact.

In addition, we will improve the level of our data system for product models to achieve higher efficiency of our product LCA and expand the use of this system to currently produced models and models under development.





Notes:
1. CO_2 emissions are computed using a formula unique to Honda.
2. CO_2 emissions per unit sales are indicated as ton-CO_2 per ¥100 million.
3. The figures are shown as indices (fiscal 2000 = 100).

Environmental Risk Management

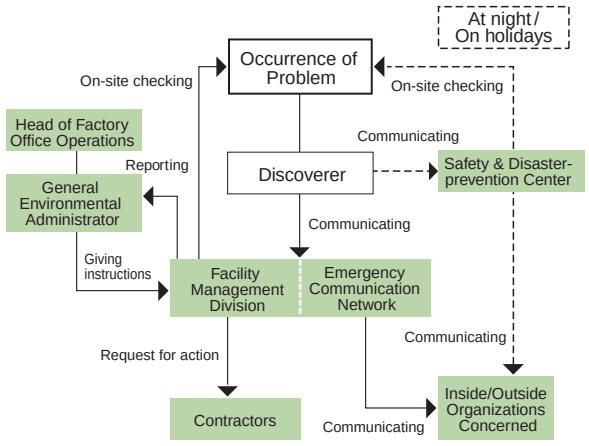
●Product Recalls

We have conducted product recalls in accordance with the statutes of its Quality Committee. We did not have an environment-related product recall in fiscal 2004.

●Action in Emergencies

For accidents or emergencies that may cause environmental pollution, individual factories and their individual departments have clearly defined procedures and priorities to prevent or mitigate pollution. Daily activities include regular emergency drills and training events to acquire and improve competence in accident and emergency defense procedures. There were no environment-related emergencies in fiscal 2004.

■Emergency Action Route



●Compliance with Legal Acts and Regulations

All sites and offices of Honda promote environmental improvement activities in accordance with the Environmental Management System. For all environmental issues, Honda has established, and strictly abides by, its own voluntary standards, which are more stringent than national or local regulations.

In April 2003, Honda established Honda Conduct Guidelines as part of its efforts to improve its corporate governance system. In the guidelines, compliance is defined as "compliance with laws, company rules, and social norms," and environmental conservation is defined as the "proper processing of waste and pollutants," "efficient use of natural resources and recycling," and "legally required measurements, recording and reporting." At the same time, a director in charge of compliance was nominated as Compliance Officer. Honda is strengthening the framework under which every organization performs their duties toward compliance and risk management under the leadership of a director in charge.

There were no environment-related lawsuits filed against Honda in fiscal 2004.

The Saitama Factory received five complaints by phone in their daily operations. The complaints were mainly made in request for improvements to the traffic environment, including those related to traffic jams caused by vehicles coming in and out of the factory, parked cars and traffic noise, and for improvements in the factory environment, such as planting trees around the premises of the factory. The factory promptly responded to these complaints and asked all related personnel to pay due attention to the problems. The factory then reported the situations and steps taken to those who had registered the complaints and to the relevant administrative authorities.

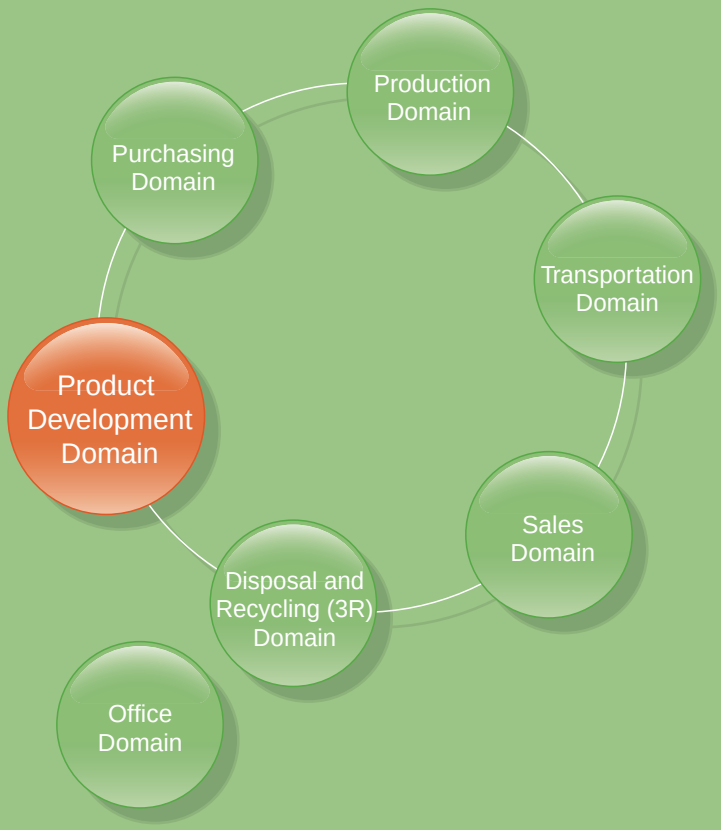
●Measures for Other Issues

Based on the important concept of "cooperation with local communities," Honda actively promotes Green Factory activities and continuously adopts measures to resolve environmental issues. Our goal is to be a company that enjoys the confidence of local communities. We will continue our effort to become a company in which local communities can take pride.

To strengthen the monitoring of groundwater, we increased the number of observation wells established at our factory sites, which are used to monitor the soil and groundwater. As a result, it was confirmed that measured substances used at the factories have never been released beyond the boundaries of the premises.

Also, we will continue to monitor groundwater in the premises of our factories and will voluntarily announce the results in our environmental annual reports and on our Web site.

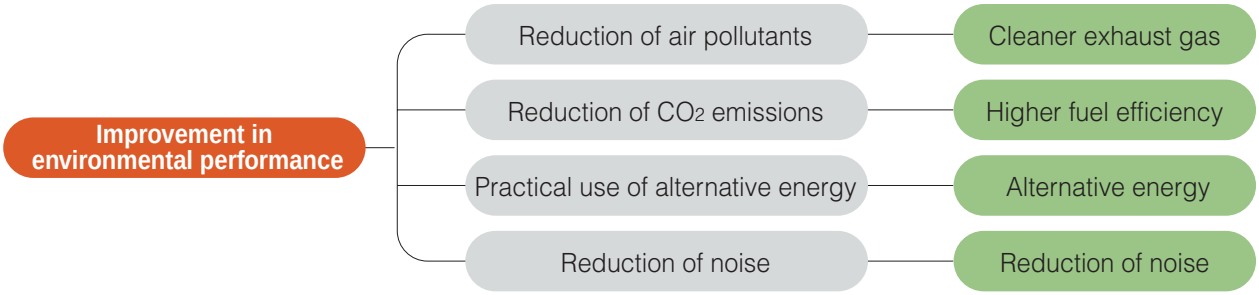
Product Development Domain



Continuously Making Progress in Technologies, Pursuing a Higher Goal for Future Generations

Honda has actively taken environmental actions focusing on the product use stage because the environmental impact of its products can be reduced the most in that stage of their life cycle. In 1999, Honda announced specific targets to be achieved by 2005 with the improvement of cleaner exhaust gas and higher fuel economy for its automobiles, motorcycles, and power equipment. Honda is now in the process of working towards achieving these targets. Honda is committed to building a better relationship between human beings, the environment and its products by upholding strict voluntary targets for different environmental themes, including cleaner exhaust gas, higher fuel efficiency (reduction of CO_2 emissions), and practical use of alternative energy.

Major Activities in the Product Development Domain



Automobiles

Besides achieving cleaner exhaust gas and improved fuel economy for Honda automobiles, efforts are under way to develop products using alternative forms of energy.

Main targets for fiscal 2004 in Japan

- To increase the number of vehicles approved by the Ministry of Land, Infrastructure and Transport as "★★★ low emission vehicles" and "★★★★ low emission vehicles"
- To improve average fuel economy for all vehicle weight categories as defined in the fiscal 2010 fuel economy standards

Main achievements in fiscal 2004 in Japan

- Achieved compliance of all vehicles with 2005 exhaust emissions regulations
  Another 10 types of 3 models approved as "★★★ low emission vehicles" and "★★★★ low emission vehicles"(48 types of 21 models approved in total)
- Attained the fuel economy standards for fiscal 2010 for all the categories

* In order to give greater impetus to the use of low emission vehicles, the Ministry of Land, Infrastructure and Transport of Japan has instituted this approval system. Low emission vehicles with HC and Nox emission levels below the 2005 exhaust emission standards are classified into two categories for approval.
75% lower than the 2005 exhaust emission standards: "★★★★ low emission vehicles"
50% lower than the 2005 exhaust emission standards: "★★★ low emission vehicles"

Achieving Cleaner Exhaust Gas

Progress towards Targets to Be Achieved by 2005 with Cleaner Exhaust Gas

Honda has given high priority to cleaner exhaust gas in gasoline-powered vehicles. We are working to reduce such emissions such as carbon monoxide (CO), hydrocarbons (HC), and nitrogen oxides (NOx) contained in exhaust emissions.

Targets

- Up to fiscal 2005: To reduce the total exhaust emissions of HC and NOx by approximately 75% for new vehicles (compared with fiscal 1995)[1]
- Up to fiscal 2005: To have almost all Honda passenger vehicles approved as "★★★ low emission vehicles" and "★★★★ low emission vehicles"

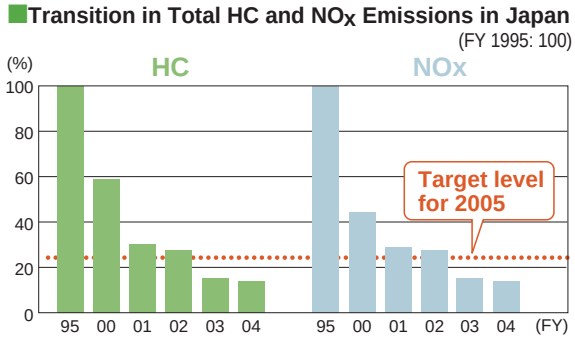
Progress

In fiscal 2004, the target of reducing the total exhaust emissions of HC and NOx by 75% for new automobiles (compared with fiscal 1995) was achieved, as in fiscal 2003.

- Total HC emission level: Reduced approx. 86.0% (compared with 1995)[2]
- Total NOx emission level: Reduced approx. 86.0% (compared with 1995)[2]

1. Target applicable to Japan 2. Results in Japan (excluding trucks)

Transition in Total HC and NO_X Emissions in Japan



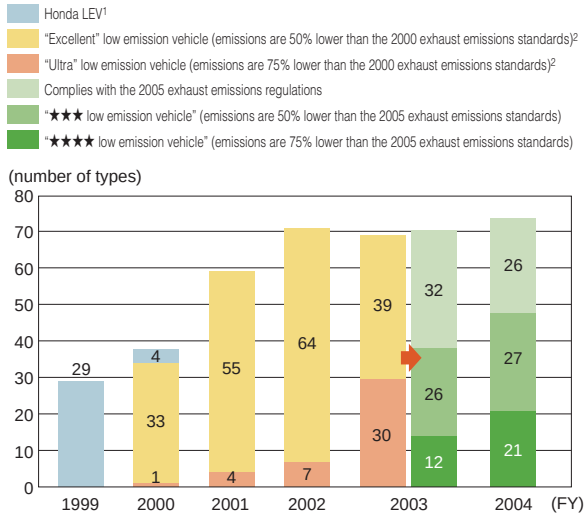
Note: In fiscal 2003, when a new low emission vehicle approval scheme under the 2005 exhaust emissions standards was introduced, total emissions of HC and NOx of those models subject to the 2000 exhaust emissions standards and older models were computed and totaled using the 10-15 mode, and total emissions of HC and NOx of those models subject to the 2005 exhaust emissions standards were computed and totaled using the new test mode for the 2005 regulations. For those models subject to the 2005 exhaust emissions standards, total emissions of HC are computed in non-methane hydrocarbon (NMHC).

Note: ★★★ low emission vehicle... emissions are 50% lower than the 2005 exhaust emissions standards
★★★★ low emission vehicle...emissions are 75% lower than the 2005 exhaust emissions standards

Since fiscal 2003, Honda had been promoting the earlier compliance of all its models with the 2005 exhaust emissions standards and made all the models comply with the standards. Honda is promoting the approval of its models as "★★★ low emission vehicles" and "★★★★ low emission vehicles."

- As of the end of March 2005, 27 types of 13 models were approved as "★★★ low emission vehicles and 21 types of 11 models were approved as "★★★★ low emission vehicles."

Number of Types that Were Approved as a Honda LEV or "Excellent"/"Ultra" Low Emission Vehicle or Complied with the 2005 Exhaust Emissions Standards (Light Trucks Are Excluded)



Note: Because a new low emission vehicle approval scheme under the 2005 exhaust emissions standards was introduced on October 1, 2003, the numbers approved under the 2000 exhaust emissions standards and under the 2005 exhaust emissions standards are both indicated.

1. Honda LEV: All vehicles equipped with low emission vehicle (LEV) engines developed by Honda in 1996 and based on the Company's own standards.
2. In order to give greater impetus to the use of low emission vehicles, the Ministry of Land, Infrastructure and Transport of Japan has instituted this approval system. Low emission vehicles with HC and NOx emission levels below the 2000 exhaust emissions standards are classed into three categories for approval.
   75% lower than the standards: "Ultra"
   50% lower than the standards: "Excellent"
   25% lower than the standards: "Good"

1 Models/Types and Sales Results for Honda LEVs and Vehicles Approved as Low Emission Vehicles by the Ministry of Land, Infrastructure and Transport of Japan

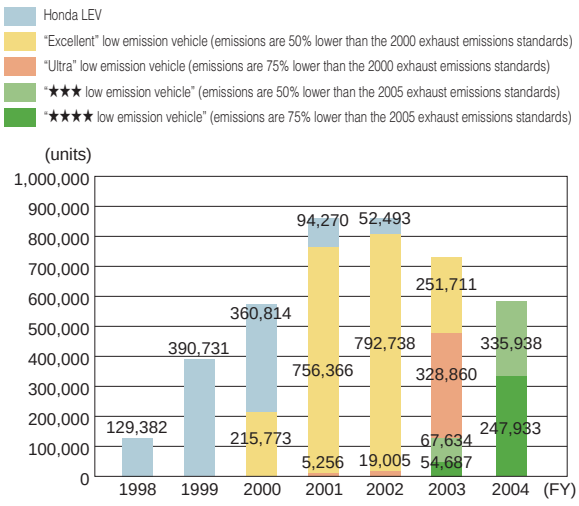
Honda has endeavored to expand the number of its models that meet the 2005 exhaust emissions standards and are approved by the Ministry of Land, Infrastructure and Transport as low emission vehicles. For the three models introduced in fiscal 2004 (the Elysion, the Legend, and the Edix), all types of the Elysion and Legend models and some types of the Edix model were approved as "★★★★ low emission vehicles." Also, some types of the Edix model were approved as "★★★ low emission vehicles."

Unit sales of Honda models that meet the 2005 exhaust emissions standards of the Ministry of Land, Infrastructure and Transport and are approved as low emission vehicles came to 583,871 in fiscal 2004, accounting for 81.4% of Honda's total domestic unit sales (80.5% of the unit sales of passenger cars).

Low Emission Vehicles Marketed in Fiscal 2004 (Models Approved as "★★★★" or "★★★" Low Emission Vehicles under the 2005 Exhaust Emissions Regulations)

Approved as "★★★★ low emission vehicles" (75% lower than the 2005 standards) 3 models	Approved as "★★★ low emission vehicles" (50% lower than the 2005 standards) 1 model
Elysion	Edix (FF 17 X)
Edix (FF 20X)	
Legend	

Transition in the Sales Results in Japan



Notes:
1. Figures quoted for the years prior to the establishment of the Low Emission Vehicles' Approval System of Japan (FY 1998–1999) refer to Honda LEV conforming vehicles.
2. For fiscal 2004, only the sales of vehicles that meet the 2005 exhaust emissions standards and are approved as low emission vehicles are shown.

Note: ★★★ low emission vehicle... emissions are 50% lower than the 2005 exhaust emissions standards
★★★★ low emission vehicle...emissions are 75% lower than the 2005 exhaust emissions standards

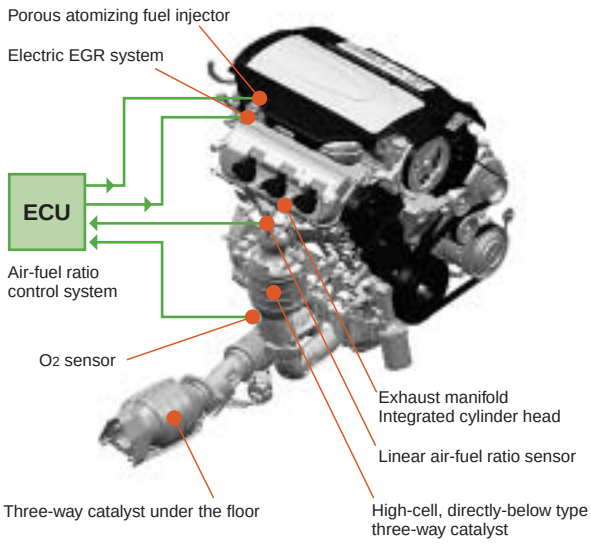
2 Improvement in the Emission Performance of Honda's Main Models

Legend

In October 2004, Honda launched the all-new Legend as the top-of-the-line-up sedan. While achieving a maximum output of 300 horsepower generated generously by its V6 3.5-ℓ engine, the Legend was approved as a "★★★★ low emission vehicle" by the Ministry of Land, Infrastructure and Transport.

Its porous atomizing fuel injector and electric EGR system contribute to higher combustion efficiency and lead to cleaner exhaust gas. Also, by adopting an integrated cylinder head and exhaust manifold as well as a catalytic converter attached directly below the cylinder head, the heat loss of the combustion gas has been reduced, and the catalytic converter can be promptly activated. Also, thanks to the precise control of the air-fuel ratio, the cleaning performance of the catalytic converter can be maximized even immediately after a cold start, thereby achieving an extremely clean performance.

Major Technologies Used in V6 3.5-ℓ VTEC Engines Mounted in the Legend



Improvement in Fuel Economy

Progress towards Targets to Be Achieved by 2005

Honda has introduced various technologies for improving fuel economy as a way of reducing CO_2 emissions, which are responsible for global warming.
As a result, the Elysion and the Edix*, which were launched in fiscal 2004, met the fuel economy standards for fiscal 2010.

* Excluding some types

Targets

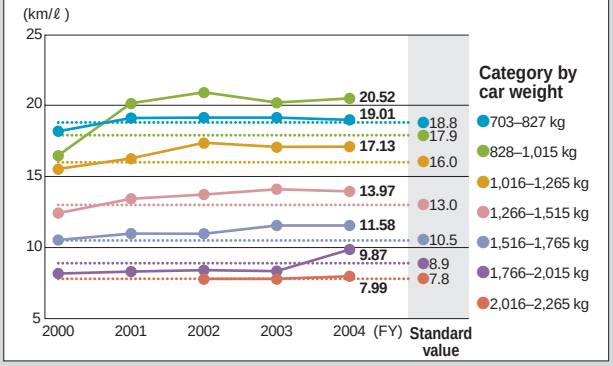
- Up to fiscal 2005: To achieve the new 2010 fuel efficiency standards of Japan for all weight categories
- Up to fiscal 2005: To improve the average fuel economy by approximately 25% (compared with fiscal 1995)

* Average fuel economy in Japan (for gasoline-powered passenger vehicles)

Progress

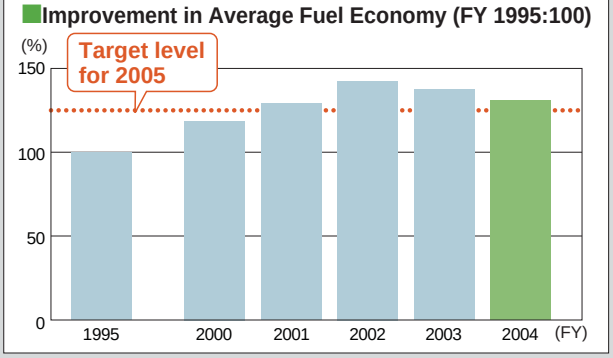
- The 2010 Fuel Economy Standards of Japan were attained in all weight categories. In fiscal 2004, we were able to achieve the following progress.

Transition in Average Fuel Economy by Category in Accordance with the 2010 Fuel Economy Standards of Japan



- Average fuel economy was improved by approximately 30.9% (compared with fiscal 1995) and achieved the objective for 2005 (improvement in average fuel economy by approximately 25%) every year since fiscal 2001.

Improvement in Average Fuel Economy (FY 1995:100)



1 Types Conforming to 2010 Fuel Economy Standards and Shipment Results*

In accordance with an amendment to the Energy Saving Law of Japan, the 2010 Fuel Economy Standards were announced. Honda is making efforts to increase the types that exceed the values.

Of the models sold in fiscal 2004, two models (eight types) newly met the 2010 Fuel Economy Standards. As a result, a total of 27 models (65 types) currently meet the standards. Also, two models (four types) were newly certified as vehicles that meet the "2010 Fuel Economy Standards + 5%" requirement, and a total of 21 models (48 types) are now certified as such vehicles.

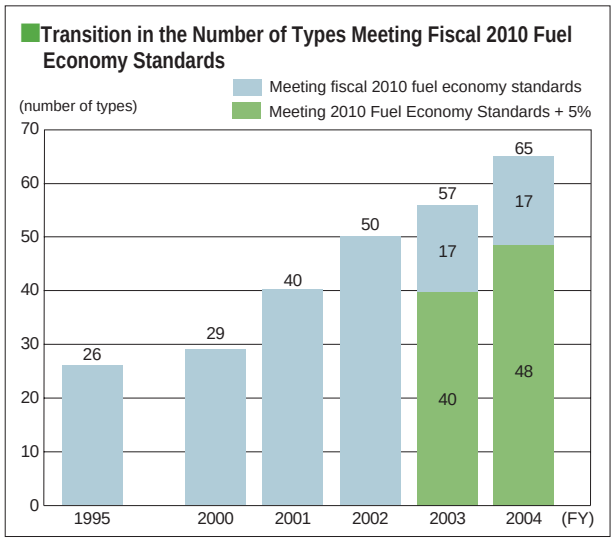
The number of vehicles shipped in fiscal 2004 that meet these standards was 669,691, approximately 90% of all Honda vehicles shipped within Japan.

* Shipment results reported to the Ministry of Land, Infrastructure and Transport and the Ministry of Economy, Trade and Industry

Models	Types Meeting the Standards
◎ Elysion	All types
○ Edix	All types, excluding 4WDs with a displacement of 2.0ℓ

◎: All types meet the 2010 Fuel Economy Standards + 5%
○: Some types meet the 2010 Fuel Economy Standards + 5%

Transition in the Number of Types Meeting Fiscal 2010 Fuel Economy Standards



2 Standard Eco Drive Devices

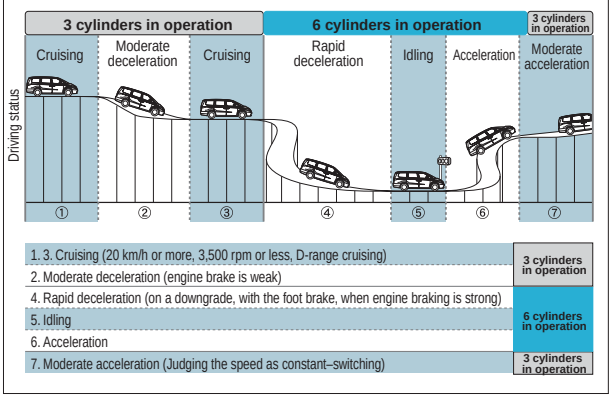
Many Honda models come standard with eco drive devices, such as fuel economy meters. As of March 2005, 18 Honda models come equipped with fuel economy meters, accounting for approximately 60.4% of all Honda vehicles sold within Japan. Also, six models (three of which have fuel economy meters) come equipped with eco lamps, which light up when the car is being economically driven, i.e., in a cruising condition or in deceleration. Honda models equipped with either fuel economy meters or eco lamps account for approximately 72.7% of all Honda vehicles sold within Japan in fiscal 2004.

3 Fuel Economy for Main Models

Elysion

All types of the Elysion model, which was put on the market in May 2004, were approved by the Ministry of Land, Infrastructure and Transport as a vehicle that meets the 2010 Fuel Economy Standards + 5% requirement. With its V6 3.0-ℓ i-VTEC engine, the Elysion achieved the highest level in its class[1] for power output and torque as well as fuel economy (9.8 km/ℓ[2]) due to its variable cylinder management system, which shifts between three- and 6-cylinder combustion according to driving conditions, as well as its precise throttle control function using drive-by-wire (DBW) technology. With its 2.4-ℓ 4-cylinder i-VTEC engine, the Elysion has achieved a fuel economy of 10.2 km/ℓ[2] by adopting the variable valve timing control (VTC) system, which continuously varies the intake valve timing phase in accordance with engine load, and a function to stop one of two intake valves at a low engine speed.

Operation of Adjustable Cylinder System



1. 3.0-ℓ class minivan
2. Fuel economy in 10-15 mode (This figure was obtained during an inspection made by the Ministry of Land, Infrastructure and Transport.)

Insight

For the hybrid model Insight, which provides both high fuel economy and the joy of driving, Honda adopted an engine under-cover to improve the car's aerodynamic performance. At the same time, the IMA system was improved. As a result, the Insight's fuel economy was improved from 35.0 km/ℓ * to 36.0 km/ℓ , achieving the world's highest class performance in fuel economy.

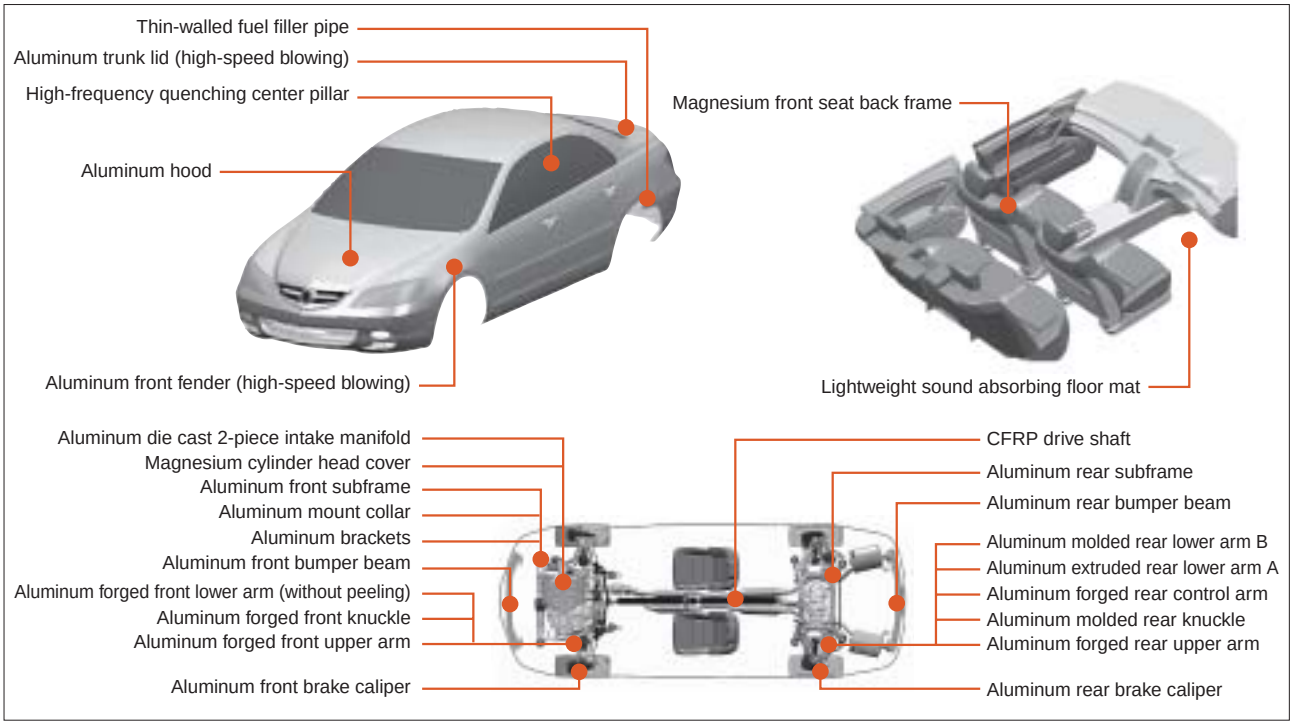
* For five-speed MT vehicles in 10-15 mode

The Insight

Legend

Weight reduction is an effective measure of improving fuel economy. The Legend, which went on sale in October 2004, has achieved a significant reduction of 151 kg in weight*. In addition, its more efficient VTEC-based combustion system and improved aerodynamic performance have contributed to the achievement of fuel economy of 8.6 km/ℓ while ensuring high output and high driving performance through the adoption of the SH-AWD system.

* Compared with those manufactured by the use of traditional technologies and materials



Alternative Fuel Vehicles

●Fuel Cell Vehicles

Honda has leased six FCX vehicles in Japan and 13 in the United States (a total of 19) since it first delivered the FCX to its Japanese and U.S. customers on the same day in December 2002. In fiscal 2004, we leased an FCX capable of starting at subfreezing temperatures—a world's first—to the Hokkaido prefectural government in January 2005. This was our first lease of a fuel cell vehicle in the cold weather area of Japan, following that in New York in December 2004.

In Yakushima, the World Natural Heritage, we started test-driving the FCX in late April 2004 as part of the Yakushima Zero Emission Project to conduct a demonstration/test of a self-sufficient energy system and create a model for a recycling-based society.

In addition, we started a joint test operation of a second-generation home energy station (HESII) equipped with hydrogen fueling and cogeneration functions with Plug Power Inc. of the United States (based in the state of New York). Through conducting tests on fuel cell vehicles and hydrogen fueling systems in cold areas, we promote comprehensive research for a future society where fuel cells will be used as a common power source.

Honda continues its technology development to expand fuel cell vehicle uses in various regions.

FCX delivery ceremony at the Hokkaido prefectural government office

●Natural-Gas Vehicles

The sales of the CIVIC GX, which is powered by natural gas—a more abundant and cleaner-burning fuel than oil—amounted to 81 vehicles in Japan in fiscal 2004.

The CIVIC GX

Noise Reduction

Honda also focuses on the development of technology to reduce exterior noise. The air intake, exhaust, and engine are the major sources of exterior noise.

The new Legend, which was put on sale in October 2004, achieved the similar level of exterior noise (to 74 db, which is lower than the regulation standard of 76 db) compared with that of the previous model by reducing exterior noise caused by the engine and intake/exhaust due to the adoption of the following technologies while the output of its engine was increased.

Technology to reduce engine noise

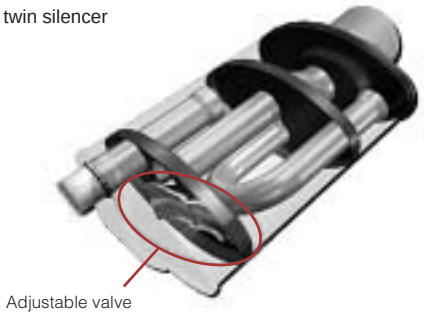
- Highly rigid cylinder block
- Highly rigid crankshaft
- Acoustic material in the engine room
- Engine design cover (noise insulating structure)
- Engine under-cover (noise absorbing type)

Technology to reduce intake noise

- High-volume air cleaner
- Air cleaner using noise absorbing material
- High-volume resonator chamber

Technology to reduce exhaust noise

- Flow adjustable twin silencer



Structure of a flow adjustable twin silencer

Motorcycles

We completed the adoption of 4-stroke engines to all models* to achieve cleaner exhaust gas and better fuel economy. We are now expanding the use of our electronically controlled fuel injection (FI) system to include small models and developing and applying other new technologies to mass-produced models.

* Except some special models

Main targets for fiscal 2004 in Japan

- To expand the use of 4-stroke engines
- To improve the fuel economy of new models

Main achievements in fiscal 2004 in Japan

- Adopted 4-stroke engines for all models launched in fiscal 2004 (4-stroke motorcycles as a percentage of all motorcycles manufactured by Honda: 97.2%)*
- Improved the average fuel economy by 34.2% for all models marketed in fiscal 2004*

*Results in Japan

Achieving Cleaner Exhaust Gas

Progress towards Targets to Be Achieved by 2005 with Cleaner Exhaust Gas

Targets

- Up to fiscal 2005: To reduce total exhaust emissions of HC* to approximately 1/3 for new motorcycles (compared with fiscal 1995)

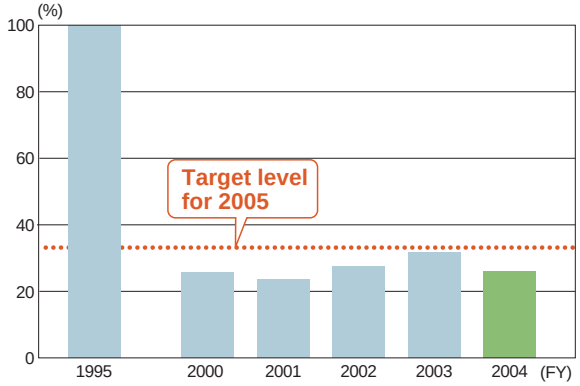
* Total for Japan, the United States, the European Union, and Thailand

Progress

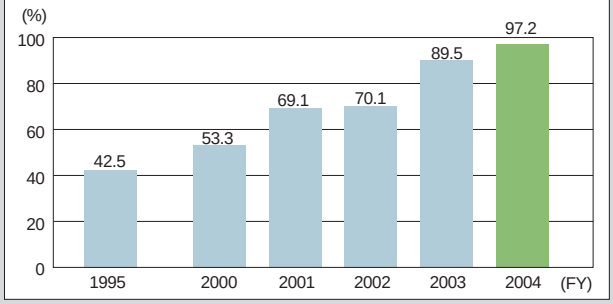
- In fiscal 2003, total HC emissions from new Honda vehicles increased by 3.3 points due to a large increase in the number of unit sales. In fiscal 2004, however, emissions decreased by 4.9 points compared with the 2003 level as a result of progress in technological development and application. We have thus reduced total emissions to approximately one-fourth of the 1995 level and have continuously achieved the target of reducing HC emissions to approximately one-third of the 1995 level every year since 2000.

  In Japan, we completed the adoption of 4-stroke engines. Also, we expanded the use of our electronically controlled fuel injection (FI) system to include small models and developed and applied other new technologies to mass-produced models. As a result, total HC emissions in Japan dropped to approximately 13.3% of the 1995 level, down approximately 2.9 points from that in the previous year.

Transition in Total HC Emissions as Compared with the 2005 Target Level (FY 1995: 100)



Percentage of the Sales of Models with 4-Stroke Engines (in Japan)



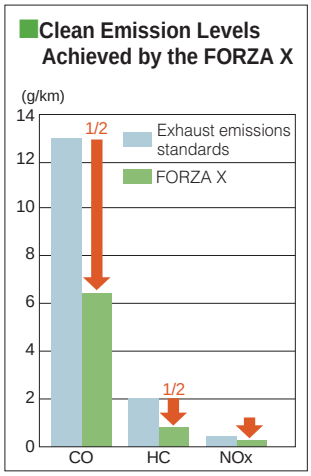
Improvement in Emission Performance of Honda's Main Models

Honda promotes cleaner exhaust gases both in Japan and throughout the world. In fiscal 2004, we continued to apply electronically controlled fuel injection (FI) technology to small motorcycles to realize cleaner exhaust gases in 4-stroke engines.

In Europe, we launched the Zoomer, a 50 cc moped, as the first FI system-equipped moped in the region. The Zoomer has achieved clean emission levels equal to 1/2 or less of the Euro II emissions standards for CO and HC+NOx.

In Japan, we expanded the use of our FI system to medium-sized models in addition to large and small ones. The FORZA X (250 cc), which went on sale in April 2004, and the FORZA Z, which was launched in July of the same year, have both achieved 1/2 or less of the exhaust emissions standards in Japan for CO and HC.

Clean Emission Levels Achieved by the FORZA X



FORZA X

Improvement in Fuel Economy

Progress towards Targets to Be Achieved by 2005 for Improvements in Fuel Economy

Targets

- Up to fiscal 2005: To improve the average fuel economy* by approximately 30% (compared with fiscal 1995)

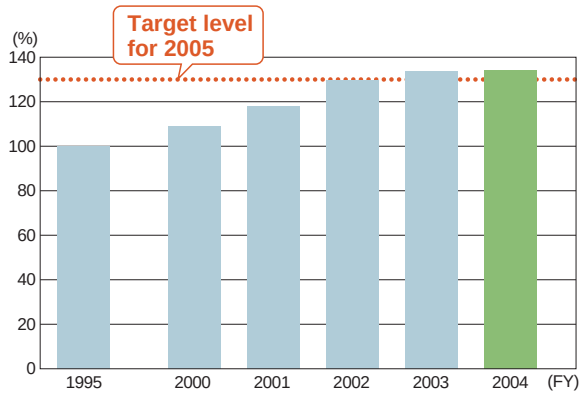
* Total average for Japan, the United States, Europe, and Thailand

Progress

- Honda has expanded the use of 4-stroke engines in motorcycles not only in Japan but also overseas.

  Furthermore, both within and outside Japan, we expanded the use of our FI system to include more models and developed and applied other fuel economy improvement technologies. As a result, we improved the average fuel economy by 34.2% over the 1995 level, following an improvement of 30% over the 1995 level achieved in 2003.

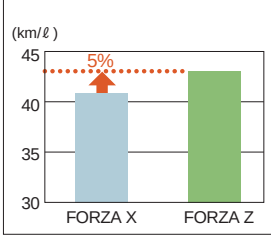
Improvement in Average Fuel Economy (FY 1995: 100)



Improvement in Fuel Economy for Main Models

In fiscal 2004, Honda continued to expand the use of FI technology to further improve fuel efficiency of 4-stroke engines. The FORZA Z, which went on sale in Japan in July 2004, is equipped with the PGM-FI system. In addition, it is the world's first 250-cc scooter to feature a Honda S-Matic (electronically controlled belt converter). The fuel economy of the FORZA Z was improved by 5% (at a constant speed of 60 km/h) compared with that of the base model.

Fuel Economy Improvement Achieved with the FORZA Z

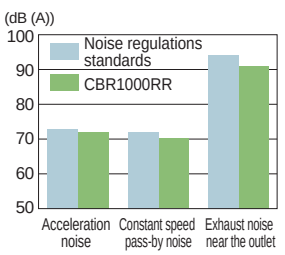


FORZA Z

Noise Reduction

For the CBR 1000RR, launched in the domestic market in April 2004, we achieved a level of noise reduction that is below the third noise regulation standards by using the following noise reduction technologies.

Quietness Performance for the CBR 1000RR



CBR1000RR

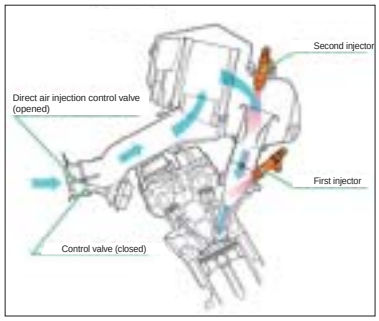
Exhaust noise

The variable exhaust system that controls the diameter of the exhaust pipe according to driving condition is placed on the exhaust pipe manifold. This system improved output characteristics and achieved an excellent level of quietness as a result of the exhaust noise reduction.

Variable exhaust system

Intake noise

By installing a variable intake system to control the intake opening at the front part of the duct, we improved output characteristics while significantly reducing intake noise.



Variable intake system

Engine noise

By placing sound insulating materials (the materials were changed as part of measures to reduce harmful substances contained in very small amounts, which also led to 40% reduction in weight and a higher insulation rate) inside the cowl, the quietness was further improved.

Drive system

The tire's internal structure (reinforcement materials and rigidity control) was changed to provide more comfort, gripping power, and reduced weight while ensuring significant noise reduction.

Power Equipment

For power equipment, our environmental commitment is to comply with stringent regulations in advance, in focusing on cleaner exhaust gases, and improved fuel economy in all product areas.

Main targets for fiscal 2004 in Japan

- To comply with stringent emissions regulations in advance
- To improve the fuel economy for new product models

Main achievements in fiscal 2004 in Japan

- Achieved compliance with regulations in advance for all models released in fiscal 2004
- EM45is power generator: Improved fuel economy of at least 30% compared with the previous model

Achieving Cleaner Exhaust Gas

Targets for 2005 and Progress

Targets

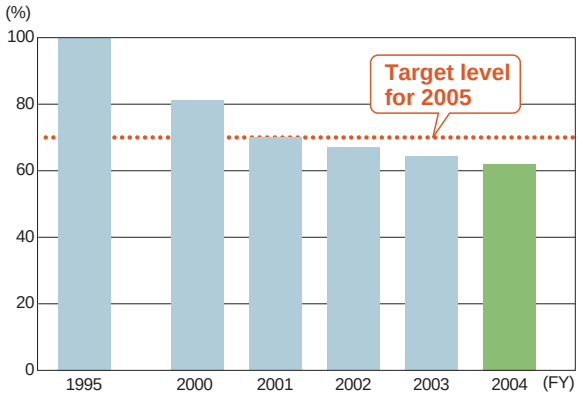
- Up to fiscal 2005: To reduce the average exhaust emissions* of HC and NOx by approximately 30% for new products (compared with fiscal 1995)

*Average emission levels worldwide

Progress

- We were able to achieve an approximate 30% reduction in average HC and NOx emission levels in fiscal 2001. In fiscal 2004, we succeeded in realizing an approximate 38% reduction by continuously taking various measures.

Reductions in Total Emissions of HC and NOx
(FY1995: 100)

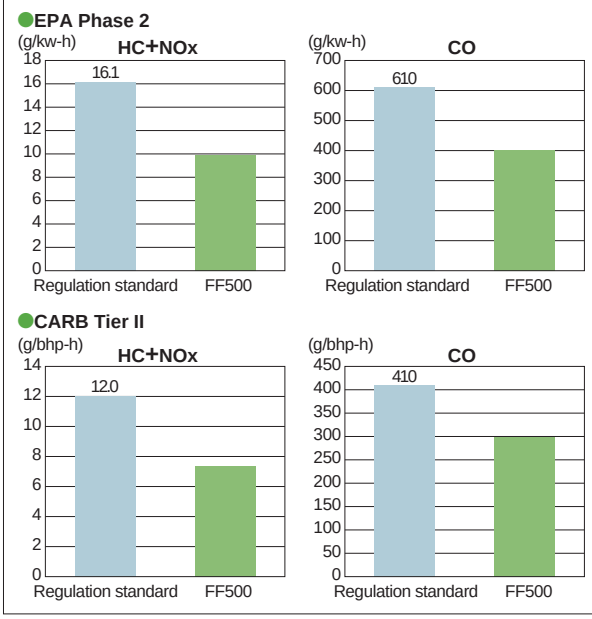


Improvement in Emission Performance of Honda's Main Models

The small Salad FF500 tiller, launched in September 2004, is equipped with Honda's e-SPEC engine GCV 160 and meets the phase 2 regulations of the U.S. EPA and Tier II standards of California's Air Resources Board (CARB), which are the most stringent standards in the world.

Salad FF500

Clean Emission Levels Achieved with the Salad FF500



* Honda names the environmental conservation technology in power equipment as e-SPEC, which represents Honda's determination to pass down a rich natural environment to next generations.

Improvement in Fuel Economy

Targets for 2005 and Progress

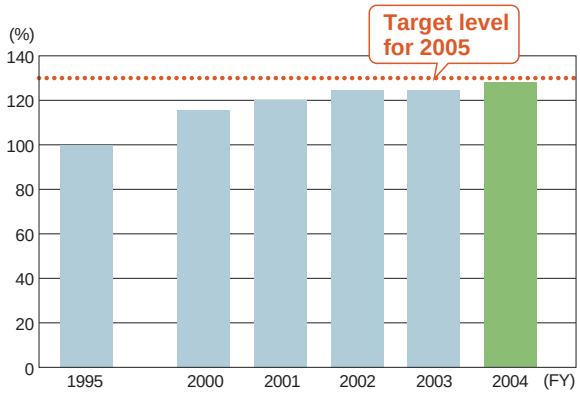
Targets

- Up to fiscal 2005: To improve the average fuel economy by approximately 30% (compared with fiscal 1995)

Progress

- We were able to improve the average fuel economy by approximately 28% by the end of fiscal 2004.

Improvement in Average Fuel Economy

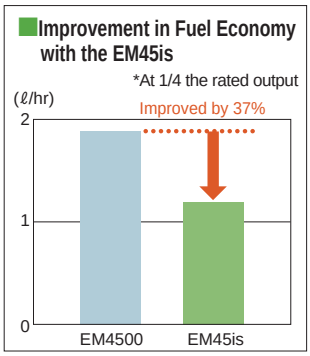


Efforts to Improve Fuel Economy

The EM 45is, EB 45i, EM55is, and EB 55i power generators, which were put on sale in July 2004, have an output capability of both 100 V and 200 V and are equipped with Honda's unique highly efficient inverter and an eco throttle that automatically controls the engine speed according to the electric load. Thanks to these technologies, fuel economy has improved by 30% or more (at 1/4 the rated output) compared with those of previous models*.

EM45is

Improvement in Fuel Economy with the EM45is



* The EM4500 from the EM series and the EB6500SX (U.S.) from the EB series

Alternative Fuel Technology

Honda started marketing its own gas cogeneration unit for household use through gas companies in March 2003 in order to reduce energy consumption in ordinary households. In fiscal 2004, 9,167 units of the small household cogeneration unit, which adopts Honda's small gas cogeneration unit for household use, were sold.

Small household cogeneration unit

Noise Reduction

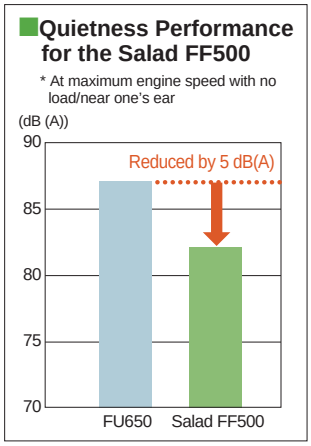
We introduced the following technologies to reduce noise from our major power equipment released in fiscal 2004.

Salad FF500

Through such measures as reducing the engine's mechanical noise, we reduced the noise of the FF500 by 5 dB compared with the noise of comparable model (FU650) which has a similar output level.

The noise level is 82 dB(A), meeting the European noise regulations for 2006 (stage 2) criteria.

Quietness Performance for the Salad FF500

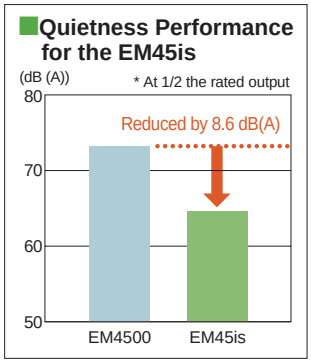


EM45is, EB45i, EM55is, and EB55i

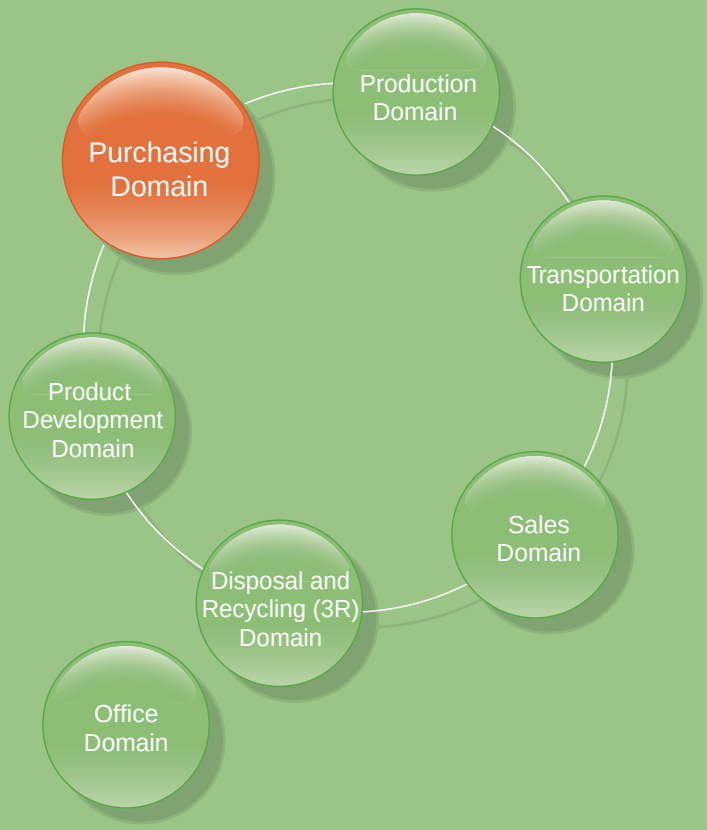
We have adopted the Noise Prevention Shroud and Intake and Exhaust Chamber System, which smoothes airflow and greatly reduces the intake and exhaust noise, in order to reduce the engine's mechanical noise and intake/exhaust noise. In addition, an eco throttle contributes to further reduce noise effectively. As a result, the noise level was reduced by approximately 9 dB(A) (at 1/2 the rated output) compared with those of previous models*.

* The EM4500 from the EM series and the EB6500SX (U.S.) from the EB series

Quietness Performance for the EM45is



Purchasing Domain



For the Procurement of Materials and Parts Which Have Reduced Environmental Impact

A single vehicle comprises as many as 20,000 to 30,000 parts, most of which automobile manufacturers purchase from suppliers. Therefore, to reduce the environmental impact of products throughout their lifecycles, automobile manufacturers need to cooperate with their suppliers. Honda set green purchasing guidelines for the procurement of materials and parts which have reduced environmental impact while making efforts to reduce the environmental impact directly caused by the company. Based on these guidelines, we are actively promoting green purchasing activities in strong cooperation with our suppliers, including asking them to acquire ISO 14001 certification.

Major Activities in the Purchasing Domain

Promotion of green purchasing

- Promotion of green purchasing guidelines
  - Management of chemical substances
  - Reduction in environmental impact caused by suppliers
  - Promotion of the acquisition of ISO 14001 certification

Honda has set green purchasing guidelines to increase the percentage of materials and parts which have reduced environmental impact.

Main targets for fiscal 2004 in Japan

- To replace specified chemical substances with alternative materials in accordance with Honda's chemical substance guidelines
- To reduce suppliers' CO_2 emissions
- To reduce suppliers' landfill waste
- To promote the acquisition of ISO 14001 certification by all suppliers

Main achievements in fiscal 2004 in Japan

- Completed the replacement of lead and lead compounds with alternative materials. The replacement of hexavalent chromium, except for black and green chromate, is currently underway.
- Reduced CO_2 emissions per energy consumption unit by 4.4%*
- Reduced landfill waste by 79% from the fiscal 2000 level*
- Certification acquired by 355 companies (80% of suppliers)

* Affiliated companies only (subsidiary companies and associated companies based on the Securities and Exchange Law)

Promotion of Green Purchasing

1 Green Purchasing Guidelines

In 2001, Honda set green purchasing guidelines to aggressively promote the procurement of materials and parts which have reduced environmental impact. (See the framework of Honda's green purchasing guidelines below.)

In cooperation with our suppliers, we started to promote green purchasing with specific management items and targets toward 2010.

●Management of chemical substances

Honda is committed to reducing the use of the four heavy metals said to have adverse effects on the environment (lead, mercury, hexavalent chromium, and cadmium) in all models of automobiles, motorcycles, and power equipment manufactured in Japan by the end of December 2006. One of the major results achieved in fiscal 2004 was the complete replacement of lead and lead compounds listed in Honda's chemical substance guidelines with alternative materials. However, we were unable to replace hexavalent chromium (excluding black and green chromates) with alternative materials as planned, but we will fully abolish the use of this heavy metal* in automobiles and motorcycles by the end of December 2005 and in power equipment by the end of December 2006.

* Excluding the use in some S2000 parts

●Reduction in environmental impact caused by suppliers in manufacturing parts

In fiscal 2004, making full use of the Honda LCA System, we made efforts to reduce CO_2 emissions and landfill waste. As a result, CO_2 emissions from suppliers were reduced by 4.4% on energy consumption unit basis compared with that in fiscal 2000. Also, landfill waste from suppliers decreased 79% compared with that in fiscal 2000. These were made possible by cooperation between Honda and its suppliers.

In fiscal 2005, we will continue to promote the management of chemical substances and reduction in the use of substances that cause environmental impact based on our green purchasing guidelines.

●Promoting the acquisition of ISO 14001 certification by Honda' suppliers

In fiscal 2004, Honda worked towards its target of having all of its suppliers acquire ISO 14001 certification. This resulted in the certification of 355 companies, which account for 80% of all Honda suppliers.

2 Efforts in Relation to the Purchase of Spare Parts

●Recycling of used molds

Because most molds are made of steel, used molds are recycled. CO_2 emissions from iron making with recycled steels are about 25% of those from iron making using iron ore. Therefore, the recycling of used molds should be actively promoted. However, many molds are stored for a long time after mass production uses, because these old molds are still used for manufacturing various repair parts, and it is difficult to determine when to dispose of the mold.

Since fiscal 2002, Honda has provided its suppliers with information on repair parts and the criteria for disposing of molds to help them recycle the old molds on a regular basis. In fiscal 2004, Honda and our suppliers continuously cooperated to actively promote the recycling of used molds.

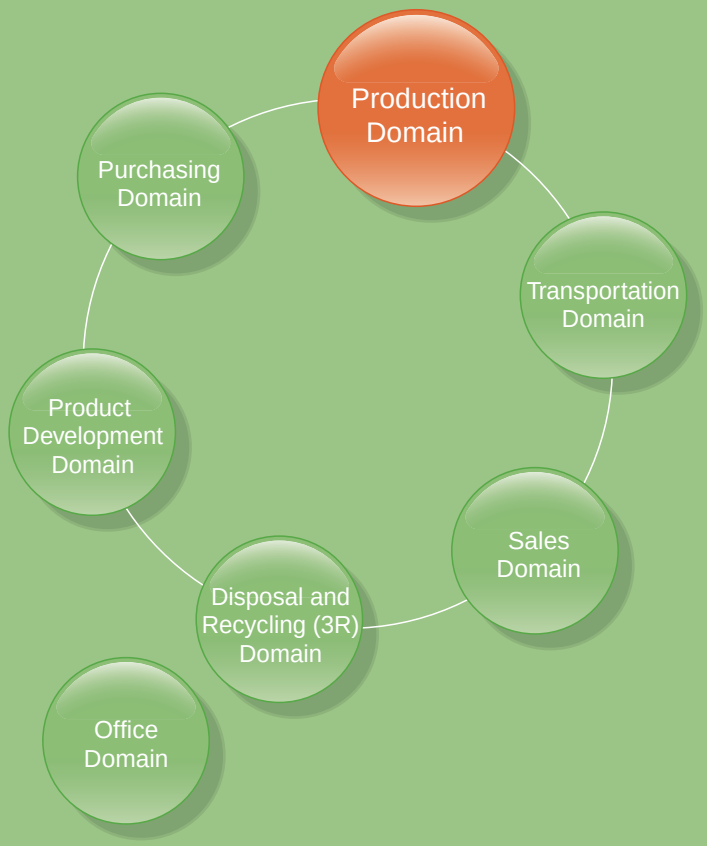
Achievements in Fiscal 2004
Number of molds disposed of: 54,500
Equivalent weight: 7,500 tons

■Framework of Honda's Green Purchasing Guidelines

Honda Green Purchasing	Classification	Management Item	Target
Products	Management of chemical substances contained in products (purchased parts)	Content of chemical substances in products (parts and materials)	Compliance with the schedule set forth in Honda's guidelines on chemical substances*
Manufacturing	Management of environmental impacts by suppliers	CO_2 emission volume	2010: 6% reduction over 2000
		Waste amount (reduction of landfill)	2007: Zero landfill
Corporate System	Promoting environmental management systems at suppliers	Further acquisition of ISO 14001 certification	2005: Completion in Japan 2008: Completion in other countries

* Honda's guidelines on chemical substances: The guidelines show the schedule for reducing, abolishing the use of, or replacing chemical substances of concern, including those regulated in Europe (lead, mercury, hexavalent chromium, cadmium) and those voluntarily regulated by Honda.

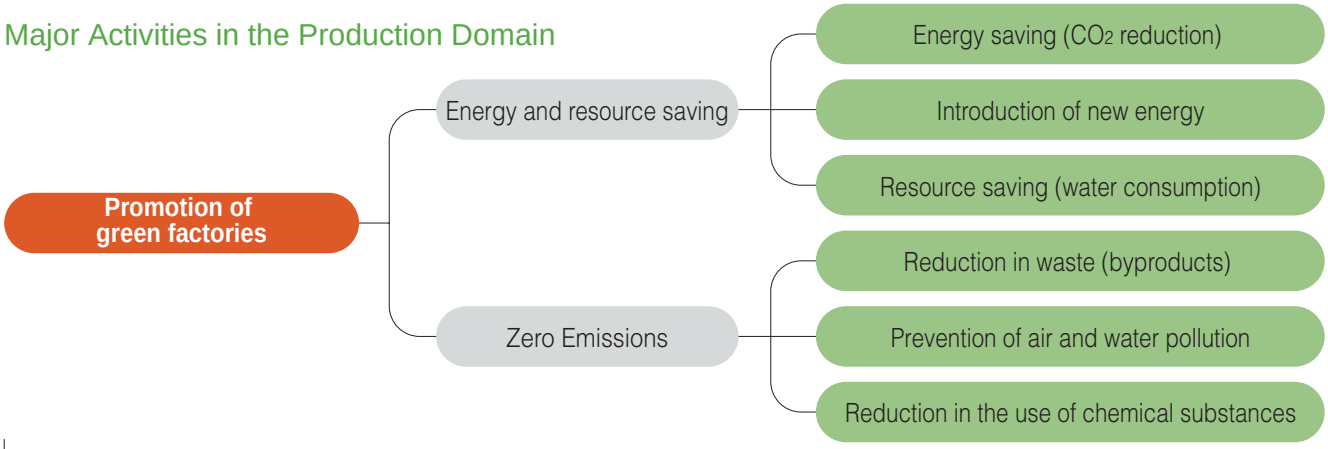
Production Domain



Making Our Factories Even Friendlier to People, the Global Environment, and Local Communities and Minimizing Our Environmental Impact to as Low as Zero

We conduct production activities to manufacture products through various processes where various resources and energy are consumed. We will minimize the impact on the global environment by these activities in all aspects. And we will also improve the working environment for associates and make efforts to cooperate with local communities. Through these efforts, we aim to develop our factories into those that local people can be proud of. Honda has been promoting its Green Factory Plan throughout the world toward that goal.

Major Activities in the Production Domain



In the production domain, Honda has aggressively reduced the use of energy and resources and made progress to zero emissions based on Green Factory Plan.

Main targets for fiscal 2004 in Japan

- Energy consumption unit: 21.8% reduction over the fiscal 1990 level
- CO_2 emissions: 481,000 CO_2-tons
- Waste recycling rate: 97%
- In-house incineration of waste: 65% reduction over the fiscal 1998 level
- VOC emissions (automobile production): 33.0 g/m^2

Main achievements in fiscal 2004 in Japan

- Energy consumption unit: 23.6% reduction over the fiscal 1990 level
- CO_2 emissions: 468,000 CO_2-tons
- Waste recycling rate: 97.6%
- In-house incineration of waste: 70% reduction over the fiscal 1998 level
- VOC emissions (automobile production): 32.8 g/m^2

* The "production domain" section covers five factories in Japan—Saitama, Tochigi, Hamamatsu, Suzuka, and Kumamoto—and the Automobile New Model Center in Tochigi.

Promotion of Green Factories

1 Energy and Resource Saving

Targets and Progress for Fiscal 2010 on Promoting Energy Saving

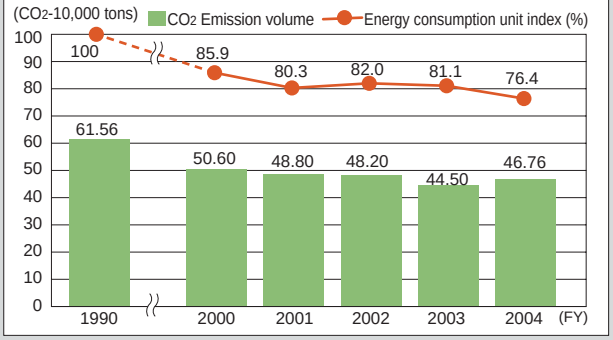
Targets

- To reduce energy consumption unit by 30% over the fiscal 1990 level by fiscal 2010

Progress

- In fiscal 2004, energy consumption unit decreased by 23.6%, exceeding the target of 21.8% reduction over the fiscal 1990 level.

CO_2 Emission Volume and Energy Consumption Unit in Japanese Factories



Note: Energy consumption unit values are now shown as indices (FY 1990:100).
The fiscal 2002 energy consumption unit shown in the previous report was erroneous and has been corrected.

Energy saving

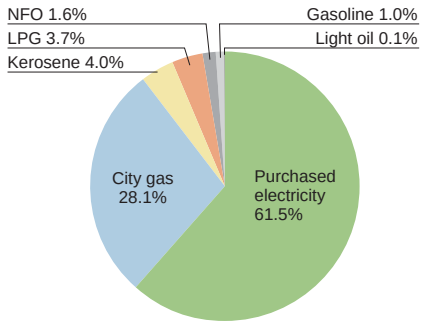
CO_2 emissions attributed to energy use in the production domain came to 467,600 CO_2-tons in fiscal 2004, up 5.1% from the previous year's level (445,000 CO_2-tons) (a 24.0% reduction over the fiscal 1990 level). CO_2 emissions were thus reduced by 2.8% compared with the numerical target of 481,000 tons. These results were mainly due to increase in production, the influence of the weather, and the implementation of measures shown in the upper right section.

As future measures, Honda will promote further energy conservation, introduce new energy sources, and efficiently control energy use through LCA activities to further reduce energy consumptio

Main Energy-Saving Measures

- Reduction by streamlining various production processes
- Reduction in standby electricity for robots
- Reduction in air pressure
- Changeover of fuels for freezing machines (from kerosene to LNG)
- More efficient operation of cogeneration units
- Reduction in energy use by introducing highly efficient freezing machines
- Replacement with energy saving burners for alloy furnaces
- Introduction of highly efficient boilers

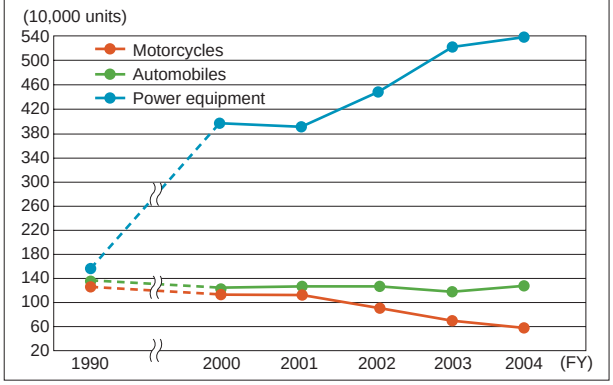
Breakdown of Energy Use (in CO_2 equivalent)



The following CO_2 conversion factors* were used:	
Electricity	0.404 (CO_2-ton/MWh)
City gas	2.015 (CO_2-ton/1,000 Nm^3)
Kerosene	2.532 (CO_2-ton/kℓ)
Gasoline	2.246 (CO_2-ton/kℓ)
Light oil	2.576 (CO_2-ton/kℓ)
LPG	3.031 (CO_2-ton/ton)
NFO	2.716 (CO_2-ton/kℓ)

* CO_2 conversion factors have been fixed since fiscal 1990.

Transition in Production Output in Japan

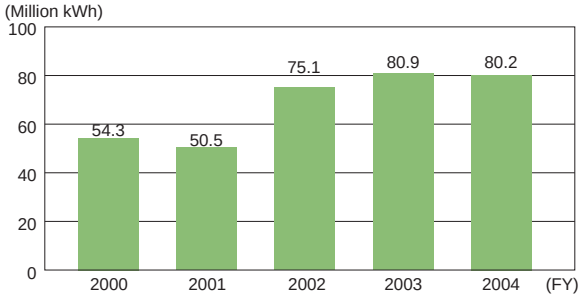


* Starting from fiscal 1999, ATV's, which were previously classified as a products, have been reclassified as a motorcycles.

Introduction of new energy source

Power generation using new energy source came to 80.2 million kWh in the production domain in fiscal 2004, accounting for approximately 10% of total electricity consumption.

Power Generation Using New Energy Sources



Note: Photovoltaic power generation (power generation field) and natural gas cogeneration (new form of use), as defined in the New Energy Law, are targeted as new energy types.

Greenhouse gas emissions

In fiscal 2004, greenhouse gas emissions in the production domain came to 477,000 tons in CO_2 equivalent.

Greenhouse gas emissions

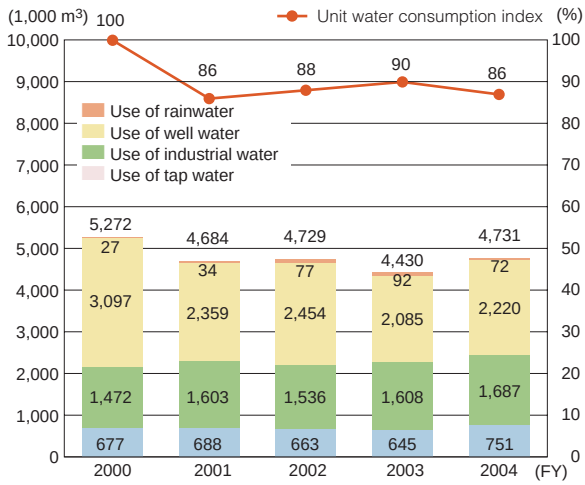
- CO_2 emissions from energy consumption and waste incineration: 471,000 CO_2-tons
- Emissions of greenhouse gases other than CO_2: 6,000 CO_2-tons

Note: The emission of greenhouse gases was calculated according to the guidelines provided by the Ministry of the Environment of Japan. The greenhouse gases include CO_2, CH_4, N_2O, HFC, PFC, and SF_6.

Resource saving (water use)

Water use at domestic factories in fiscal 2004 totaled 4,731,000 m^3. Water use decreased 10% from the 2000 level. Water saving was achieved by the following measures.

Water Consumption and Water Consumption Unit Index



Note: In this fiscal 2004 report, water consumption unit values are shown as indices (FY 2000:100).

Water Saving Measures Taken in Fiscal 2004

- Collection of blow-down water from cooling towers
- Full-scale operation of equipment to recycle cooling water used in the forging process
- Further utilization of rainwater

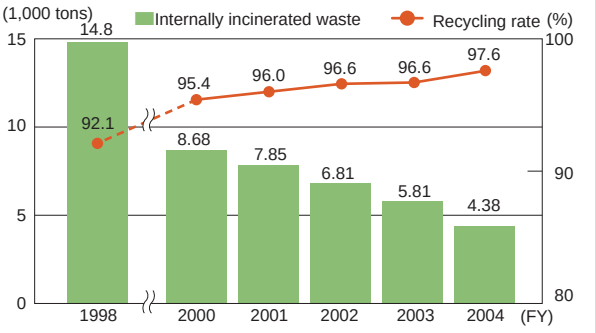
2 Zero Emissions

Reduction in waste (by-products)

Continued from the previous year, zero off-site landfill were achieved at all domestic factories in fiscal 2004. In addition, we are making efforts to reduce the total amount of by-products and the amount of waste incinerated.

The amount of waste incinerated was approximately 4,400 tons, down 70%, achieving the target of a 65% reduction over the fiscal 1998 level. We will further reduce waste incineration by improving waste segregation and aggressively reduce the total amount of by-products, notably by preventing their generation at the sources.

Weight of Internally Incinerated Waste and the Recycling Rate



$$\text{Recycling rate} = \frac{\text{Total amount of by-products} - \text{Amount incinerated}}{\text{Total amount of by-products}} \times 100$$

$$\text{Total amount of by-products} = \text{Total amount of waste} - \text{Amount of internally concentrated liquid waste}$$

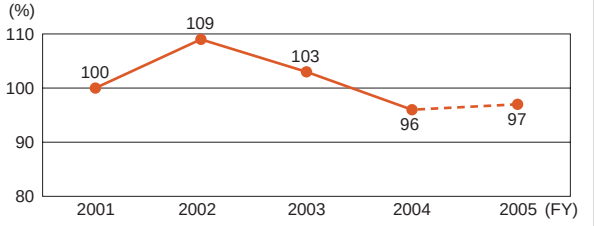
Breakdown of Waste Associated with Production Activities (Unit: 1,000 tons)

Type	Fiscal 1990	Fiscal 2003	Fiscal 2004
External landfill	18.1	0.00	0.00
Intermediate external disposal	8.2	0.11	0.10
Internal incineration	17.0	5.81	4.38
Internal concentration	0.0	4.37	6.03
Recycling	139.6	170.58	177.97
Total amount of by-products	182.9	179.47	188.48

* Excluding burnt residues

The plan for reducing the generation of byproducts, which was developed based on the Law concerning the Promotion of the Utilization of Recycled Resources, sets the target for fiscal 2005 as shown in the upper right graph. In fiscal 2004, the generation of byproducts decreased by 4% from the fiscal 2001 level.

Unit Generation of Byproducts Shown in the Form of Indices (FY 2001:100)



●Prevention of air and water pollution

Gas emissions from combustion systems and factory wastewater are closely monitored to maintain air and water quality at the level of our voluntary standards, which are more stringent than the regulations. (For specific measurement results, refer to “Factory Data”.)

●Volatile organic compound (VOC)*

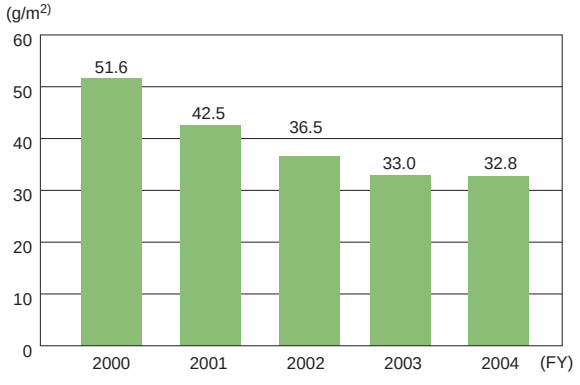
The major source of VOC emissions is paint solvents used on automobiles. In fiscal 2004, we measured VOC emissions at Saitama, Suzuka, and Tochigi Factories. In fiscal 2004, the average VOC emissions from these factories were 32.8g/m^2, down 1% from the previous fiscal year. The reduction was achieved by the following measures.

VOC Reduction Measures Taken in Fiscal 2004

- Exhaustive reduction in waste and loss (improvement in the recovery of thinners for cleaning, etc.)
- Improvement in coating efficiency
- Introduction of water-based paints (to paint the Legend at Saitama Factory)
- Integration of production lines (transferring the production models of Tochigi Factory to Suzuka Factory)

We will further reduce VOC emissions by such measures as expanding the use of water-based paints.

Transition in the Amount of VOC Emissions



* VOCs mainly consist of organic solvents contained in paints and adhesives. VOCs remain toxic for a long time, and cause the depletion of the ozone layer in the stratosphere and photochemical smog in the troposphere. Therefore, VOCs are regulated in many countries around the world.

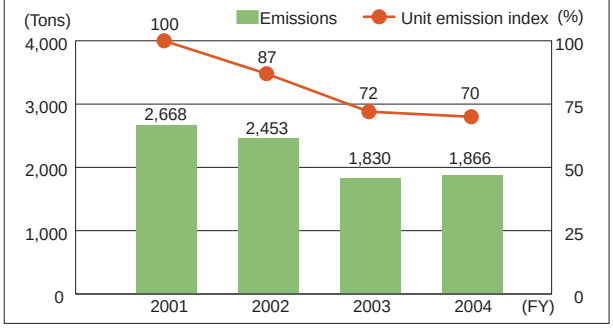
●Chemical emission (PRTR)*

The charts below give statistical data for fiscal 2004 for chemical substances falling within the scope of the PRTR Law.

The emission levels discharged into the air/hydrosphere amounted to roughly 1,866 tons, down approximately 36% from the fiscal 2001 level. The PRTR unit emission index was also reduced by approximately 30% compared with that in fiscal 2001. We will further reduce the use of these substances in line with measures to reduce VOC emissions. (For data on the production domain and each Honda factory, please see the relevant pages at the end of this report.)

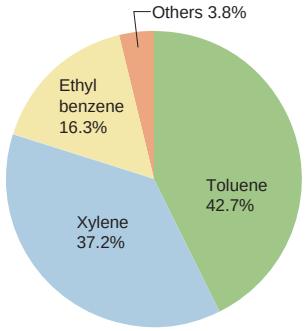
* PRTR (Pollution Release and Transfer Register) system: law concerning the reporting of specified chemical substances released into the environment and the promotion of improvements in their management.

Emissions of Substances Treated under the PRTR System and the Unit Emission Index



Note: In this fiscal 2004 report, PRTR unit emission values are shown in the form of indices (FY 2000:100)

Breakdown of the Emissions of Substances Treated under the PRTR System

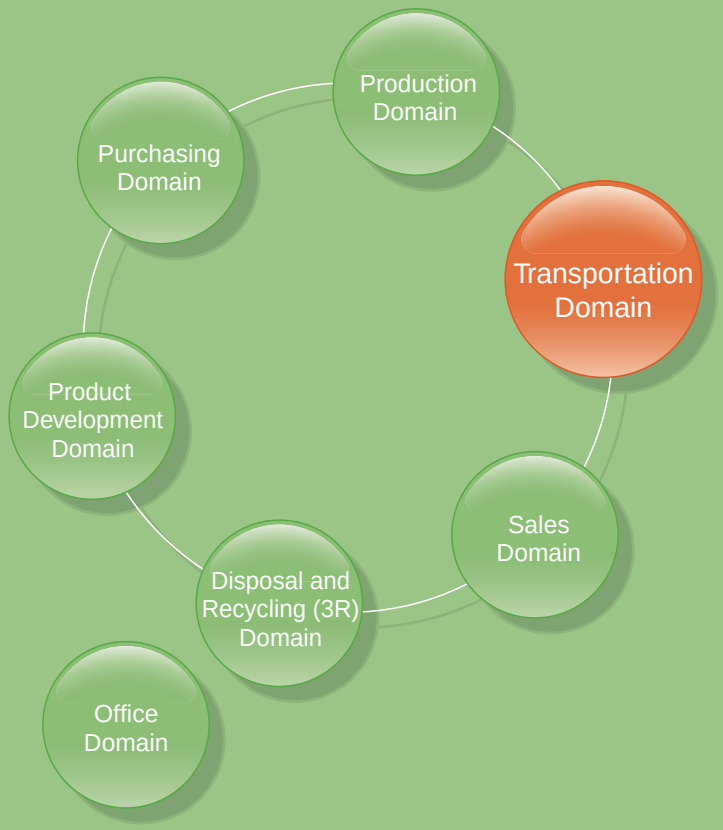


●Report concerning the Storing and Disposal of Devices Containing PCB

In fiscal 2004, we submitted the report to the government on 739 units containing PCB (condensers and transformers containing PCB oil).

We will continue to store these devices properly in compliance with the storing criteria set by the government, such as preventing the outflow of PCB into the surrounding environment.

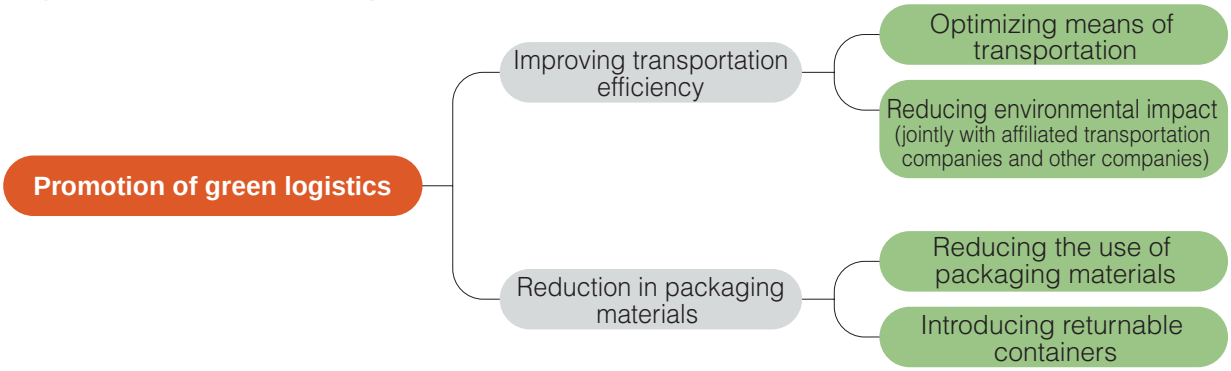
Transportation Domain



Highly Efficient and Environment-Conscious Transportation

Honda improves its transportation efficiency by promoting a modal shift to transportation by ship and rail as well as joint transportation with other companies. Also, we are developing environmental management systems jointly with affiliated transportation companies and implementing multifarious measures for green logistics. Furthermore, we are reducing the use of packaging materials by utilizing simpler packaging; reviewing materials to be used; altering specifications; and expanding the use of returnable containers.

Major Activities in the Transportation Domain



In the transportation domain, Honda has improved transportation efficiency by energy-saving driving and modal shift. Also, to reduce the amount of packaging waste, we are aggressively promoting a packaging method that uses returnable materials or less material.

Main targets for fiscal 2004 in Japan

- To jointly implement the environmental management system with four major transportation companies
- To improve transportation efficiency: CO_2 emission of 114,900 CO_2-tons (for transport of completed automobiles)

Main achievements in fiscal 2004 in Japan

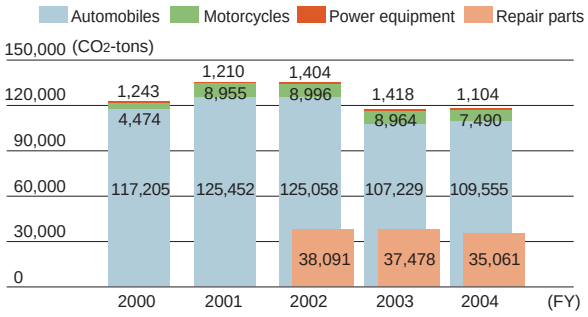
- Held periodic meetings to exchange environmental information with main transportation companies
- Improved transportation efficiency: CO_2 emission of 109,555 CO_2-tons (transportation of completed automobiles)

Promotion of Green Logistics

1 Improving Transportation Efficiency

In fiscal 2004, total CO_2 emissions from the transportation of automobiles, motorcycles, power equipment, and repair parts amounted to 153,210 CO_2-tons.

Transition in CO_2 Emissions from Transportation Activities



●CO_2 emissions from the transportation of completed automobiles: 109,555 CO_2-tons

By encouraging affiliated transportation companies to promote energy-saving driving and by improving average fuel economy through the introduction of digital tachometers, we improved the fuel economy in transporting completed automobiles by 3%. Also, we reduced CO_2 emissions from transporting vehicles by 2,723 CO_2-tons in fiscal 2004. In the future, we will expand transportation by ship (modal shift) to further reduce CO_2 emissions from the transportation of our products. The following main measures were taken in fiscal 2004.


In-vehicle digital tachometer


Analysis being made after returning to the garage

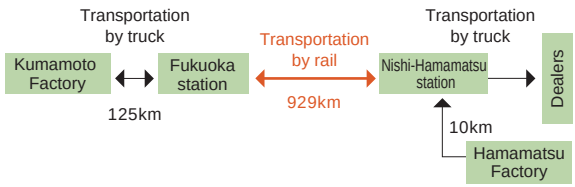
CO_2 Reductions due to Measures to Improve the Transportation Efficiency, Which Resulted in Total Emission Increase Less than Transportation Volume Increase (Fiscal 2004)

Item	Target	Date Started	Reduction (in CO_2-tons)
Energy-saving driving and introduction of digital tachometers	Automobiles	April 2004	2,723
		Total reduction	2,723

●CO_2 emissions from the transportation of completed motorcycles: 7,490 CO_2-tons

For the transportation of completed motorcycles, we promoted a modal shift to transportation by rail as an energy-saving activity at affiliated transportation companies. In fiscal 2004, long-distant transportation by large and small JR freight containers was expanded to cover transportation between Kumamoto and Hamamatsu in addition to transportation from Kumamoto to Kanto/Sapporo and from Hamamatsu to Sapporo. This modal shift contributed to an 81% reduction in CO_2 emissions from relevant transportation routes and led to a 13% reduction in total emissions from domestic transportation.

Example of Modal Shift (For the transport of completed motorcycles)



●CO_2 emissions from the transportation of repair parts: 35,061 CO_2-tons

For CO_2 emissions from the transportation of repair parts, we were able to achieve a reduction of 336 CO_2-tons, exceeding the reduction target of 63 CO_2-tons. A reduction in emissions was made possible because the use of depots for motorcycles was discontinued, transportation routes from depots to sales stores were changed, and the modal shift was further promoted.

2 Cleaner Exhaust Gases from Transportation

In order to comply with ordinances on environment conservation enacted by the Tokyo Metropolitan Government and three neighboring prefectural governments, affiliated transportation companies continued to introduce diesel particulate filters (DPFs) and low emission vehicles. As a result, we reduced PM emissions by approximately 21.1 tons.

Reduction in Packaging Materials by Product Category

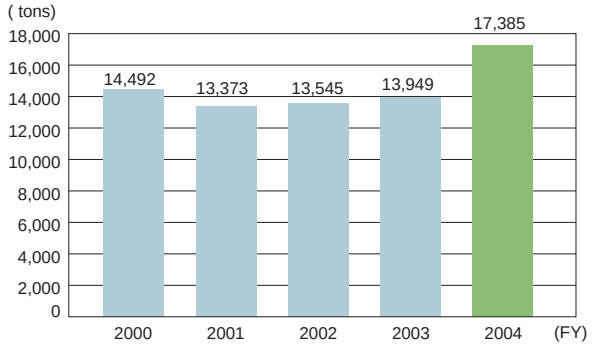
1 Activities to Reduce Packaging Materials Used for Repair Parts

●Reduction in the use of packaging materials for repair parts

In fiscal 2004, as a result of taking the following measures to minimize the use of packaging materials, we were able to save the equivalent of 311 tons of packaging materials. The total use of packaging materials, however, increased to 17,385 tons from the previous year's level due to the reduced use of returnable containers, an increase in the number of parts shipments for recalls, and increased sales.

In the future, we will reduce the use of packaging materials by improving the packages for bumpers and changing the packaging materials. Also, we will examine the use of returnable containers as boxes used within warehouses.

■Transition in the Use of Packaging Materials for Repair Parts



●Activities to reduce packaging materials

Reduction in Packaging Materials

- Reduction in the use of cardboard (air caps* instead of cardboard boxes)
- Discontinued use of cardboard separators (replacing metal crates used for overseas shipment with returnable containers)
- Use of biodegradable plastic bands

* Air cap: vinyl packaging material using encapsulated air bubbles

Example of Reducing the Use of Packaging Materials

Before improvement (metal crates)

After improvement (returnable container)

2 Activities to Reduce Packaging Materials Used for Knockdown (KD) Parts*

●Development and introduction of new types of returnable containers

In fiscal 2004, we reduced the use of cardboard materials by only 22.7 tons. In the future, however, we will expand the use of two types of returnable containers developed to be used in exportation to Canada, the United States, and China in order to achieve a substantial decrease in the use of packaging materials.

Also, we introduced returnable containers, instead of polystyrene foam, for the transportation of rear differential gears to North America, thereby reducing the quantity of polystyrene foam used on an annual basis.

* Knockdown parts are sets of parts to be delivered overseas and assembled at the overseas production.

Returnable containers used in exportation to Canada, the United States, and China

Returnable container used in the export of rear differential gears to North America

Reduction in Packaging Materials for Knockdown Parts (Fiscal 2004)

Item	Reduction
Reduction in the use of cardboard materials	22.7 tons
Reduction in the use of polystyrene foam	7.8 tons

3 Export and Import of Completed Motorcycles

For the import of scooters from China, we have achieved zero waste by continuously using returnable pallets in the transportation process. For the export of motorcycles, we continued to promote the use of non-cardboard packaging materials and returnable steel cases to reduce the amount of packaging materials used.

Reduction in Packaging Materials in the Export of Completed Motorcycles (Fiscal 2004)

Item	Reduction
Reduction in the use of steel materials	503.8 tons
Reduction in the use of cardboard materials	7.2 tons

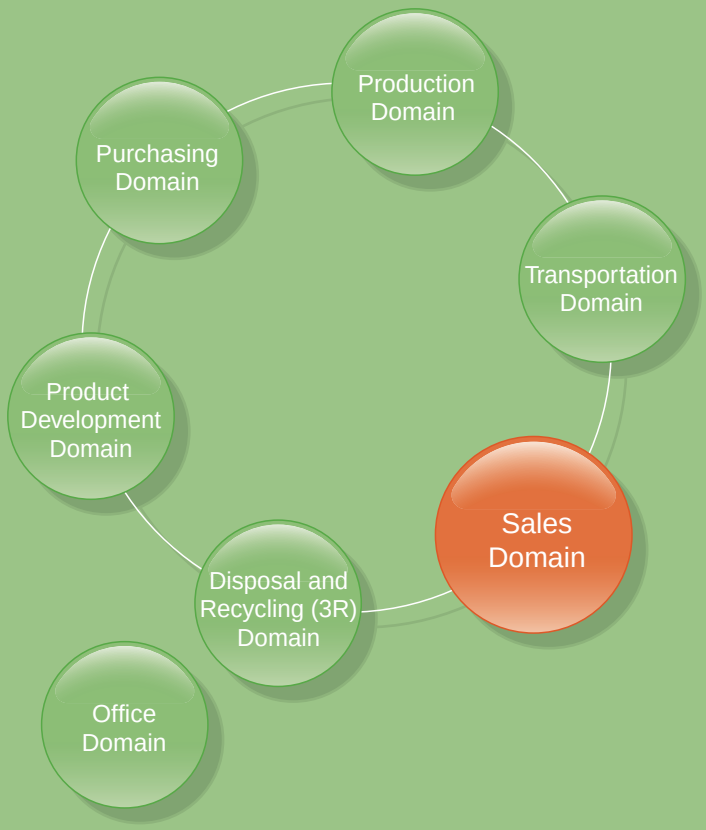
4 Transportation of Power Equipment

By using returnable steel cases for the domestic transportation of medium-sized and large outboard engines, we reduced the use of steel and cardboard materials.

Reduction in Packaging Materials in the Transportation of Power Equipment (Fiscal 2004)

Item	Reduction
Reduction in the use of steel materials	8 tons
Reduction in the use of cardboard materials	4 tons

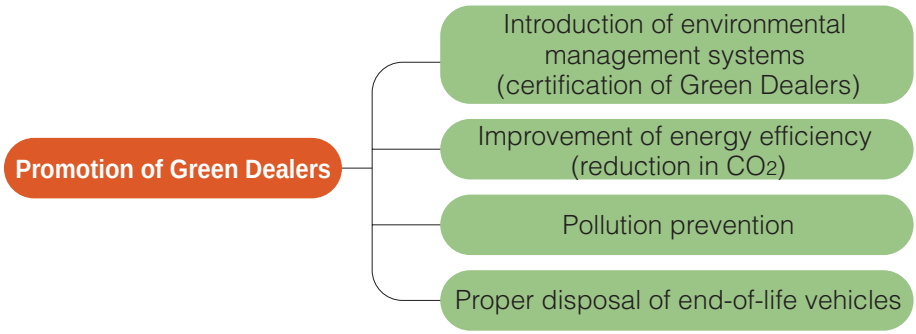
Sales Domain



Encouraging Honda Dealers to Become Environmentally Advanced Dealers Who Are Valued and Trusted by Customers and Local Communities

Honda promotes its unique environmental management systems and green dealer certification system to further advance its environmental activities in the sales and service domain. We encourage our dealers to steadily conduct environmental conservation activities and continuously implement measures towards more environmentally advanced dealers who are valued and trusted by customers and local communities.

Major Activities in the Sales Domain



We are in the process of introducing our own environmental management system to Honda automobile dealers and are making efforts to improve our environmental efficiency, including the proper disposal of end-of-life products.

Main targets for fiscal 2004 in Japan

- To further increase the number of Best Green Dealer stores
- To increase the number of Honda Dream Stores
- To increase the number of Green Dealers of power equipment

Main achievements in fiscal 2004 in Japan

- Increased the number of Best Green Dealer stores to 2,524
- Opened 30 environmentally friendly Honda Dream Stores (47 in total)
- Certification acquired by three stores of one dealer

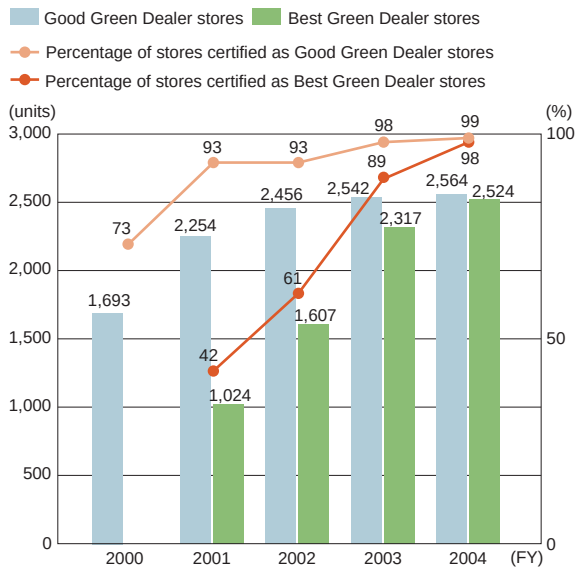
Promotion of Green Dealers (Automobiles)

1 Introduction of Environmental Management Systems

Honda has introduced the Green Dealer certification system* to its automobile dealers as Honda's unique environmental management system and promotes the acquisition of this certification by all of the dealers' stores. As of the end of March 2004, 2,524 stores are certified as Best Green Dealer stores. Best Green Dealer certification is the next step after being certified as a Good Green Dealer store. These Best Green Dealer stores implement measures to improve energy efficiency, contribute to local communities, and improve their environmental conservation activities. In particular, these stores are reducing their CO_2 emissions by promoting energy saving activities and eco driving.

* Honda established this proprietary environment management system on the basis of the know-how obtained through acquiring ISO 14001 certification. The Honda Green Dealer Certification System is implemented in two tiers. The Good Green Dealer Certification is awarded to dealers who comply with environmental regulations and make other efforts such as cleaning-up surroundings. The Best Green Dealer Certification is awarded to dealers who improve their environmental efficiency.

Number of Stores Certified under the Green Dealer Certification System



2 Compliance with the End-of-Life Vehicle Recycling Law

Honda aggressively conducted activities to educate its automobile dealers and other dealers on the End-of-Life Vehicle Recycling Law, which was fully enforced in Japan in January 2005.

Organization of Study Meetings for Dealers

Honda organized regional study meetings for its automobile dealers throughout Japan at about 50 venues within the country. A total of approximately 5,700 people from dealers' sales-related departments participated in study meetings and deepened their understanding of the End-of-Life Vehicle Recycling Law and measures to comply with this law.

Study meeting for dealers

Creation of Educational Materials for Dealers

To help dealers comply with the End-of-Life Vehicle Recycling Law, we issued *Recycle Navigation*, which contains all the latest news on this law. *Recycle Navigation* provides information on seminars held by administrative organizations and industrial associations as well as updates on most recent activities by related organizations and the industry. Also, we created the following materials: separate manuals for sales, service, and accounting departments; training videos and DVDs to teach dealers how to deal with customers in relation to recycling issues; and desk pads for quick reference, etc..

Recycle Navigation

●Building an Online System for Dealers

Honda incorporated a function to deal with the End-of-Life Vehicle Recycling Law into its online e-Dealer system to ensure smooth recycling operations by its dealers (i.e., making inquiries into automobile recycling prices and depositing the recycling cost paid by consumers to the Japan Automobile Recycling Promotion Center). Thanks to this online system, all Honda dealers can smoothly conduct online operations for recycling, including inquiries into recycling prices and the issuance of written estimates, sales agreements, and written requests for the disposal of end-of-life vehicles that dealers have accepted, at all the following stages: marketing new cars; carrying out automobile safety inspections; buying, selling, or offering trade-ins for second-hand cars; and accepting end-of-life vehicles.

●Activities That Educate Honda Vehicle Users

Honda created and distributed leaflets to help its customers deepen their understanding of the End-of-Life Vehicle Recycling Law. We also distributed them to Honda's factories and offices as well as affiliated companies to raise their awareness of the law.

Leaflet on the Automobile Recycling Law

3 Other Activities

We implemented the following measures to promote environmental improvement activities at dealers based on our environmental management systems.

For its automobile dealers, Honda held the third Green Dealers Conference to enable dealers to share and mutually spread information about their Green Dealer activities. At the conference, six dealers presented their activities that reduce electricity consumption and waste generation, representing dealers from all over the country. (September 2004)

●Publication of *GD Press* (an environmental information magazine for dealers)

Through this magazine distributed to all the dealers, we introduce examples of environmental activities and other environment-related information.

●Participation in the Honda Green Conference (see page 59) (by Honda Verno Yamaguchi)

GD Press (an environmental information magazine for dealers)

The third Green Dealers Conference

Expansion of Environmental Commitment to the Motorcycle and Power Equipment Areas

1 Motorcycles

●Distributor

Honda Motorcycle Japan, Honda's subsidiary responsible for motorcycle business in Japan, carried out an activity called Paperless 50 on a company-wide scale in fiscal 2004. All its branches and sites conducted paperless activities from the ground up and succeeded in reducing their use of paper by 50%. They were also able to achieve the central management of information through this project. Specifically, they made an inventory of all documents and data created, sent, or received by them and searched for measures to reduce such documents and data or integrate them. Next, they made rules regarding the dispatch and collection of information through the use of IT. As for the environmental management activities conducted by the ISO 14001-certified Osaka Branch, in fiscal 2004—the fourth year from the first certification—the branch raised its environmental impact reduction target by another 5% from the reduction level achieved in the previous year. Also, the branch achieved 38% reduction in waste generation.

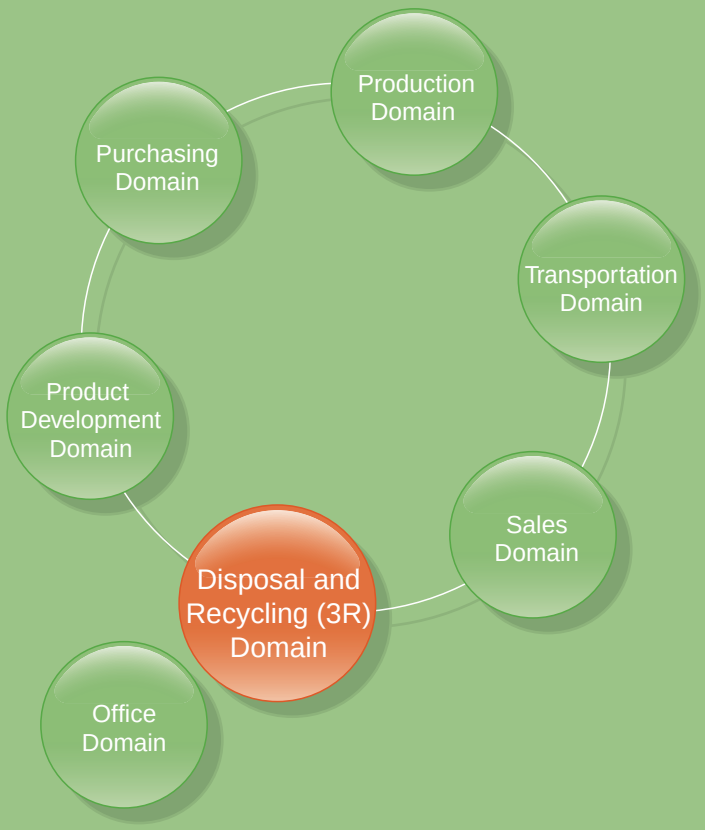
●Dealers

In March 2002, we opened a network for marketing sports bikes composed of Honda Dream Stores which should meet the environmental requirements as green dealers for motorcycles. In fiscal 2004, we added the promotion of motorcycle recycling to the following environmental requirements to be met by Honda Dream stores: fully comply with environment-related laws and regulations and promote environmental conservation. We were able to establish another 30 Honda Dream stores (47 stores in total) and, thus, expanded the network of these stores. In fiscal 2005, we will continue to expand the Honda Dream Stores network for more customer satisfaction and promotion of green dealer activities.

2 Power Equipment

In fiscal 2004—continuing from the previous fiscal year—under the theme of reducing environmental impact, we were determined to make our dealers the best green dealers in the industry and encouraged them to issue manifests concerning the disposal of industrial waste as well as to recycle packaging materials. In fiscal 2004, three stores of one dealer were certified as Green Dealer stores. Also, to promote the recycling of packaging materials, the effect of reducing and recycling packaging materials used by Honda dealers, including power-equipment sales offices, were identified and verified. We will implement more measures to expand the number of Green Dealer stores and encourage our 26 power-equipment dealers to be certified as Honda Green Dealers.

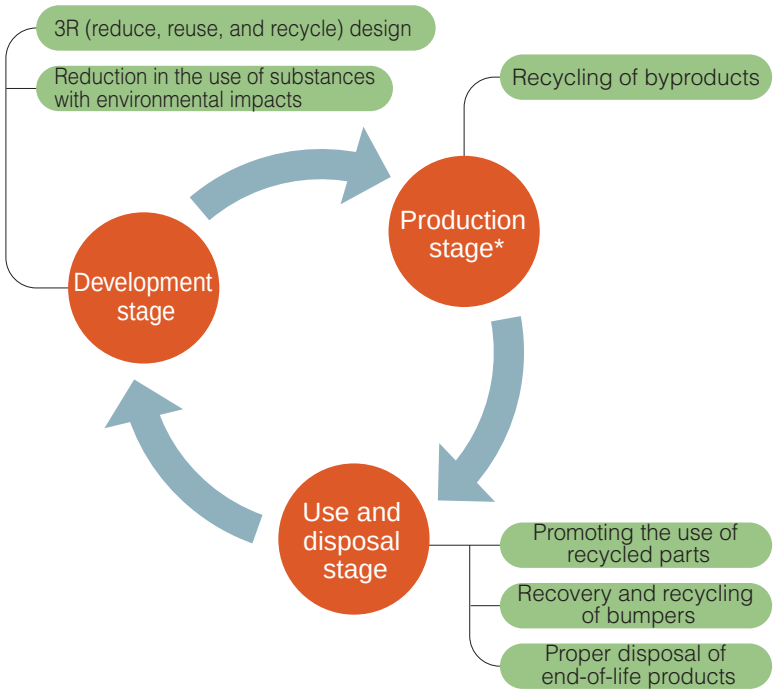
Disposal and Recycling (3R) Domain



From “Cradle to Cradle”—Exploiting Recycling Possibilities

It is said that approximately 5 million vehicles become end-of-life vehicles in Japan on an annual basis, 4 million of which are disposed of within the country. On a weight basis, 81% to 83% of these vehicles are recycled, and the remaining 17% to 19% become shredder dust. There is an increasing demand for measures to reduce such dust because landfill sites no longer have enough capacity to accept shredder dust, and a conversion to a recycling-based society is now being more strongly demanded. To respond to this situation, the End-of-Life Vehicle Recycling Law was enforced in Japan in January 2005. Also, voluntary recycling activities for motorcycles were started jointly by Japanese manufacturers and some importers in October 2004. Honda is aggressively making efforts to minimize the use of substances of concern, the amount of landfill waste and reuse resources throughout a product’s entire life cycle, including development, production, use, and disposal.

Major Activities in the Disposal and Recycling (3R) Domain



* For activities at the production stage, please refer to the achievements described in the Production Domain section.

Honda gives priority to the recyclability of its products. Based on the 3R (reduce, reuse, and recycle) concept, we carefully select materials and structures for our products at the product development stage.

Main targets for fiscal 2004 in Japan

- Automobiles, motorcycles, and power equipment: To improve recyclability rates

Main achievements in fiscal 2004 in Japan

- Automobiles: Achieved 90% or more recyclability for models newly marketed or changed in fiscal 2004
- Motorcycles: Achieved 95% or more recyclability for models newly marketed or changed in fiscal 2004
- Power products: Achieved 95% or more recyclability for all nine models released in fiscal 2004

Automobiles

3R Design

1 3R Assessment System

Since fiscal 2001, we have been using 3R preliminary assessment system to evaluate and improve the 3R design of newly developed models.

2 Design for Reduction (Reduction in Waste Generation)

For the Legend, which was put on the market in October 2004, the following designs for reduction were adopted.

Downsized or lightened parts and components

- Small VSA modulator
- Magnesium seat back frame
- Aluminum front/rear subframe
- Aluminum hood compression
- Aluminum trunk lid
- Aluminum front/rear brake caliper
- Carbon fiber reinforced plastic (CFRP) drive shaft
- Aluminum knuckle suspension arm

We added engine oil with an extended service life, long-life coolants, etc., to all models newly marketed or changed in fiscal 2004.

Oil and others with an extended service life

	Replacement timing
Engine oil	10,000 km → 15,000 km
Long-life coolant (engine cooling liquid)	Interval: 3 years → 11 years
Oil filter	20,000 km → 30,000 km
Automotive transmission fluid	Interval: 40,000 km → 80,000 km

3 Design for Recyclability

For all new models newly marketed or changed in fiscal 2004, we achieved 90% or more recyclability by implementing the following measures.

Design for easier dismantling (for the Legend)

Examples of improvements:	Front inner fender Front bumper lower grill
Examples of integration:	Front brake pad Drive shaft boots

Standardization of resin materials (promotion of olefin resin)

For all new models and changed models released in fiscal 2004, highly recyclable olefin resins are now used in injection-molded interior parts. Also, material identification marks are displayed on all resin parts large enough for such labeling.

Examples of parts that use olefin resin materials

- Air cleaner case
- Air-conditioning unit
- Bumper face
- Pillar decoration
- Door lining
- Inner fender
- Instrument panel
- Others

Use of recycled materials (resins)

In fiscal 2004, we used 14.1 kg of recycled resins for the Legend. We will further increase the use of recycled materials.

Reduction in Substances of Concern

Honda is striving to reduce the use of four heavy metals (lead, mercury, hexavalent chromium, and cadmium), which are said to have adverse effects on the environment, by the end of December 2005 in all the models produced within Japan.

Of the four substances, we have already achieved the voluntary reduction targets of JAMA[1] for lead and mercury in all models earlier than scheduled in JAMA's guideline. For the remaining two substances, we aim to fully abolish their use[2] by the end of December 2005.

1. Voluntary reduction targets set by JAMA (for newly developed models)

Targeted substances	Targeted (implementation) period	Details
Lead	In and after January 2006	Use amount per vehicle (compared with the 1996 level) (Automobiles) one-tenth or below (Motorcycles) 60 kg or below
Mercury	In and after January 2005	Banned except for some parts (slightly contained in discharge headlights and liquid crystal panels for navigation systems)
Hexavalent chromium	In and after January 2008	Banned
Cadmium	In and after January 2007	Banned

2. Excluding some S2000 parts for hexavalent chromium

Motorcycles
3R Design

1 Reduced Use of Lead

Honda completed the replacement of lead with iron as a material used in wheel balancers while giving consideration to the anticorrosion property required for the material. Also, we abolished the use of lead in carbon brushes of motors.

2 Reduced Use of Other Substances of Concern

Honda has been replacing other substances of concern based on its guidelines on chemical substances. In particular, for the new Legend, we implemented measures to reduce the use of hexavalent chromium in antirust coating and reduced its use by half on the basis of the number of targeted parts.

Hexavalent chromium-free parts

Also, we are reducing the use of cadmium contained in slight amounts in electric and electronic parts (such as IC chips).

In addition, we aggressively reduced the amount of polyvinyl chloride (PVC) contained in interior and exterior resin parts and replaced it with more recyclable materials. For most of the injection molded interior parts, we use olefin resin materials, which are highly recyclable. For the Legend, we adopted the urethane spray method in manufacturing surface sheets for the instrument panel and door lining top. Also for the undercoating, we adopted urethane resin to reduce the use of PVC to one-fifth that used in the previous model.

3 Reduction in HFC134a

We expanded the application of air conditioners that reduce the use of HFC134a by approximately 10% compared with the 1995 level and adopted it for 21 out of 27 models. Regarding the future of air conditioners without HFC134a, we have been conducting the following activities since last year.

- We are collecting information to understand the industry's movement and the current level of technology.
- We are examining the adoption of such air conditioners for automobiles.

4 Reduction in In-Vehicle VOC

Honda traditionally has selected materials with lower VOC emissions in order to reduce in-vehicle odor and adverse effects on people's health caused by VOC. For models newly marketed or changed in and after fiscal 2005, we will take measures to meet the numerical targets set by the Ministry of Health, Labour and Welfare for the in-vehicle concentration of 13 specific substances.

1 3R Assessment System

Since 1992, Honda has been checking each of its new models with its 3R preliminary assessment system in order to improve 3R-related performance.

2 Design for Reduction (Reduction in Waste Generation)

●Reduction in size and weight

As for technology to reduce size and weight, we promote the use of aluminum die cast frames that can be welded. We adopted thin-walled hollow construction materials manufactured by Gravity Die Casting (GDC) process to further reduce the size and weight of the head pipes of the CBR 1000RR, released in fiscal 2004.

●Extension of service life

By December 2004, we expanded the use of Honda's original puncture-proof technology called "tuffup tube" to 4.2 million completed motorcycles. We have thus steadily promoted the use of these unique tubes.

3 Design for Recyclability

●Improved recyclability

For models newly marketed or changed in fiscal 2004, 95% or more of their materials are recyclable. Also, to further improve recyclability, we implemented a system using the latest IT technology to collect and compute recycling-related data. Using this system, we will promote product designs that attain 95 % recyclability. Honda marks the name of the material on even small resin parts as much as possible.

●Use of recycled resin

We are also expanding the adoption of recycled resin to fenders and under-covers. For scooters released in fiscal 2004, recycled resin materials are used in approximately 15% of their resin parts.

Power Equipment

Reduction in Substances of Concern

Honda is making efforts to reduce the use of four heavy metals (lead, mercury, hexavalent chromium, and cadmium), which are said to have adverse effects on the environment, by the end of December 2005 in all models produced within Japan.

Of the four substances, we have already achieved the voluntary reduction targets of JAMA for lead and mercury in all models earlier than scheduled in JAMA's guideline. For the remaining two substances, we aim to fully abolish their use by the end of December 2005.

1 Reduction in the Use of Lead

- A lead-free wheel balancer that had been in use since fiscal 2003 was gradually being used for cast wheels and spoke wheels of new models, and lead-free wheel balancers were finally applied to all models in fiscal 2004.
- We achieved all the voluntary reduction targets of JAMA in January 2005. (Please refer to note 2 on page 45.)

2 Reduction in Other Substances of Concern

Honda has been replacing various substances of concern based on its guidelines on chemical substances. Since December 2002, we have replaced approximately 60% of those parts containing a tiny amount of hexavalent chromium with hexavalent chromium-free parts.

Design for Recyclability

With a goal of improving the recyclability to 95% which includes recovered heat energy of all parts and materials used by fiscal 2004, we made every effort to reduce shredder dust.

●Improved recyclability

We were able to achieve an average recycling rate of 99.4% (based on our own computation formula, including recovered heat energy) for nine models released in fiscal 2004.

Reduction in Substances of Concern

Honda is making efforts to reduce the use of four heavy metals (lead, mercury, hexavalent chromium, and cadmium), which are said to have adverse effects on the environment, by the end of December 2006 in all power equipment produced within Japan.

For power equipment, there are no domestic regulatory standards. We, however, are voluntarily working to reduce the use of harmful substances in power equipment according to JAMA's voluntary targets. We have already attained the targets for three substances (lead, mercury, and cadmium) and have reduced the use of hexavalent chromium by half. We will continue our activities to completely abolish the use of this substance by the end of December 2006.

Repair Parts

Honda is promoting a recycling system for end-of-life products, including technological development and assistance. Our efforts also concentrate on increasing the recovery of parts, including end-of-life bumpers, the expansion of their recycling and reuse, and improvements in the actual recycling rate.

Main targets for fiscal 2004 in Japan

- To expand the number of models in which reused parts are used

Main achievements in fiscal 2004 in Japan

- Increased the number of applicable models from 6 to 13

Increasing the Recovery, Recycling, and Reusing of Repair Parts

1 Expansion of the Honda Recycle Parts Business

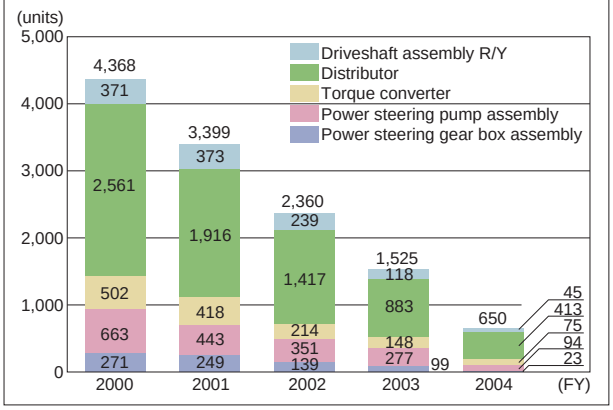
Since 1998, Honda has sold the recycled highly functional parts such as torque converters. In July 2001, we started selling reused parts and these already marketed recycled parts as Honda Recycle Parts.

●Recycled parts

(1) Expansion of the lineup and sales performance

In recent years, the number of models in operation in which reused parts can be applied has decreased, and both performance and durability of functional parts have improved. As a result, sales of repair parts have decreased. In consideration of these changes in circumstances, we began to review the application of recycled parts that should be developed.

■Transition in the Sales of Recycled Parts in Japan

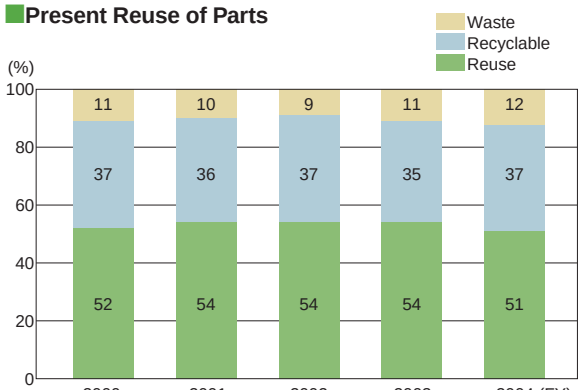


(2) Present reuse of parts

By effective use of recovered parts and material recycling efforts, we achieved a reuse rate of 88%, as shown in the upper right graph.

Recycled Parts

■Present Reuse of Parts



●Reused parts

Starting in July 2001 in the Kanto District and expanding to the rest of Japan in January 2002, reused parts and genuine parts could be ordered at the same time through Honda's genuine parts distribution channel, providing convenience for purchasers.

Reused parts comprise second-hand parts (16 items) that are selected and removed from end-of-life vehicles two generations before and removed parts (9 items) that are taken away to install optional parts.

In fiscal 2004, we increased the number of applicable models from 6 to 13.

Reused Parts

Second-hand parts　　Removed parts

2 Recovery and Recycling of Bumpers

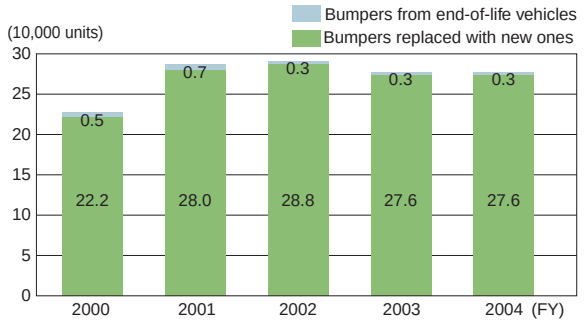
In fiscal 2004, we recovered 276,248 replaced bumpers (940 tons) from Honda automobile dealers and general servicing and repair companies. As a result, 1,454 tons of recycled resin were used.

* In fiscal 2005, we will start implementing measures to increase the use of recycled resin for repair bumpers.

●Number of Bumpers Recovered in Fiscal 2004 and the Amount of Resin Recovered: 279,428 Bumpers, 951 Tons

Bumpers replaced for repair: 276,248 bumpers, 940 tons
End-of-life vehicle bumpers: 3,180 bumpers, 11 tons

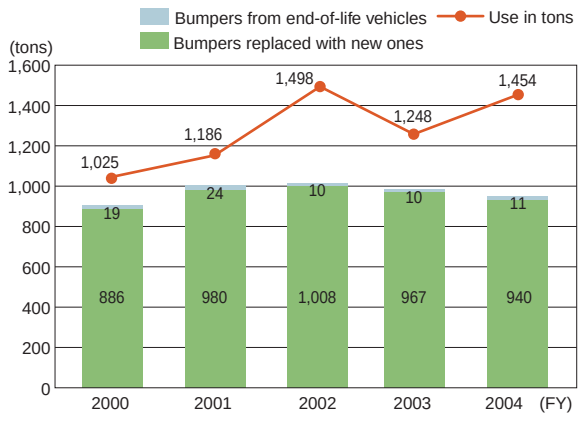
■Number of Recovered Bumpers in Japan



●Use of Recycled Resin: 1,454 Tons

Products Made from Recycled Resin
Automobiles: splash shield, splash guard, bumper for repair, etc.
Motorcycles: under cover

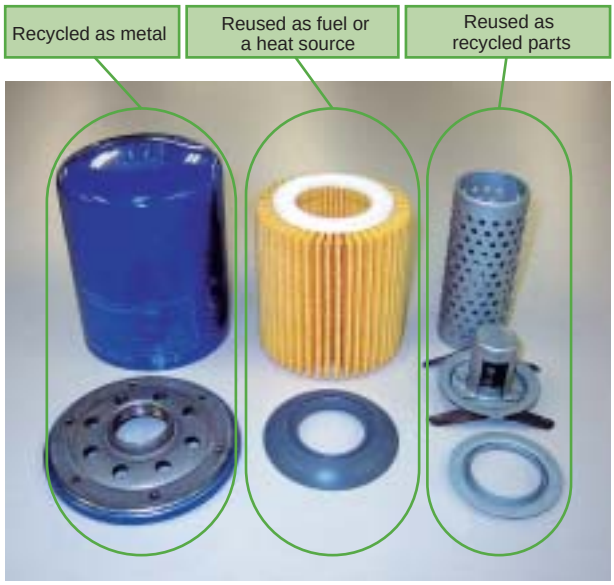
■Use of Resin Recycled from Recovered Bumpers



Notes:
1. The use of recycled resin exceeds the amount of resin recovered because the former includes the use of resin recovered from bumpers found defective in the production process and the recycled resin stored since the previous year.
2. For the use of resin recycled from recovered bumpers, the amounts for fiscal 2003 and onwards are calculated assuming the unit weight of a bumper to be 3.4 kg.

3 Recovery and Recycling of Oil Filters

We collect and disassemble end-of-life oil filters to recycle them as metal and fuel. Also, we reuse some of their components as mass-production parts. We started recovering these filters in January 2004. In fiscal 2004, we recovered, through Honda dealers, end-of-life oil filters which amount to 16% of all oil filters sold in that year. In fiscal 2005, we will start the recovery of end-of-life filters from general servicing and repair companies in addition to our dealers, thereby increasing the quantity of end-of-life oil filters collected.



End-of-life filters that are disassembled and recycled

Re-collecting end-of-life filters put in a pail

End-of-Life Products

Main targets for fiscal 2004 in Japan

- To promote the establishment of a recycling system

Main achievements in fiscal 2004 in Japan

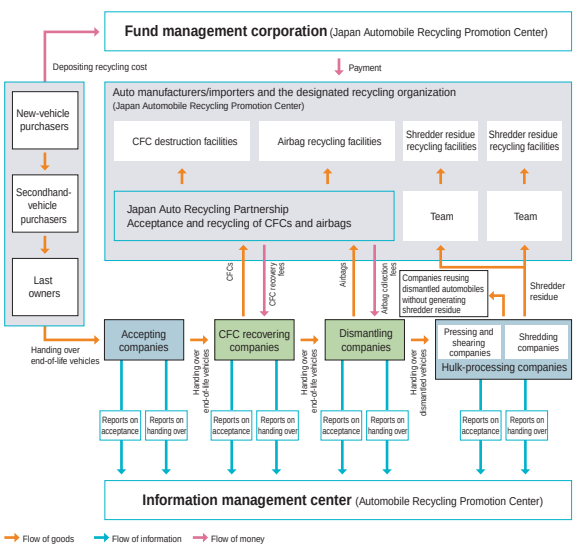
- Launched recycling systems for automobiles and motorcycles

Automobiles

End-of-Life Vehicle Recycling Law

On January 1, 2005, the Law for the Recycling of End-of-Life Vehicles (End-of-Life Vehicle Recycling Law) was fully enforced in Japan. This law is intended to promote environmental conservation and the effective use of resources by implementing measures to ensure the proper and smooth recycling of end-of-life vehicles. Under the law, automobile manufacturers are obliged to collect and properly dispose of the following three items: CFCs that are used as air conditioner refrigerants and would destroy the ozone layer and contribute to global warming if emitted into the air; airbags that are difficult to dispose of because of their explosive nature; and automobile shredder residue that remain after the collection of useful materials from end-of-life vehicles. The End-of-Life Vehicle Recycling Law involves a lot of companies—as shown in the diagram below—and to comply with this law, Honda will take the leading role as a responsible automobile manufacturer. Also, to ensure environmental conservation through the recycling of automobiles, we will further enhance recycling measures throughout an automobile's entire life cycle, from development using designs for recycling to disposal as an end-of-life vehicle. These measures include the establishment of a recycling system with the goal of attaining 95% recycle rate by 2015.

Flow under the End-of-Life Vehicle Recycling Law



1 Recycling Fees

Honda has set its recycling fees in such a way that the cost of properly disposing and recycling its products will be properly covered while the cost to be paid by customers will be minimized.

For Honda's recycling fees, please go to the following Web site:

W http://www.honda.co.jp/auto-recycle/

2 Measures concerning the Three Items

CFCs

For CFCs contained in automobile air conditioners, we have established a system of properly disposing them without emitting them into the air. We are implementing this system and outsourcing the CFC recovery, transportation, and destruction processes to Japan Auto Recycling Partnership.

Also, we will reduce the quantity of CFCs contained in automobile air conditioners and develop air conditioners that will not use CFCs.

Airbags

It is necessary to properly recycle inflators for airbags, which are safety equipment used in automobiles. There are two recycling methods: (1) remove the inflators from the module and recycle them at designated facilities and (2) deploy the airbags inside the end-of-life vehicles and then recycle the inflators. It depends on the dismantling company which method to adopt, but Honda intends to recommend the in-vehicle deployment of airbags for recycling in cooperation with dismantling companies while developing tools and equipment required for this method. We have applied a system of simultaneously deploying all airbags in a vehicle, as opposed to deploying them one by one, to models released in the market in 1998 and onwards. Almost all Honda vehicles are now equipped with this system.

This system greatly reduces the burden on dismantling companies. We are promoting the airbag and inflator collection and recycling processes in cooperation with Japan Auto Recycling Partnership, outsourcing these processes to this organization.

●Automobile shredder residue (ASR)

End-of-life vehicles are dismantled and then shredded by shredding equipment. Scrap metal is removed from the shredded pieces, and the remains are left as automobile shredder residue (ASR). Automobile makers are now accepting and recycling ASR. For the efficient and reliable recycling of ASR, Honda has formed the TH Team with Toyota Motor Corporation; Daihatsu Motor Co., Ltd.; and Hino Motors, Ltd. We outsource the actual recycling of ASR to the ASR Recycling Division of Toyotsu Recycling Co., Ltd. In December 2004, Honda made a 3% investment in this recycling company to further promote the recycling of ASR.

The End-of-Life Vehicle Recycling Law provides for phase-by-phase improvements in ASR recycling (a recycling rate of 30% by 2005, 50% by 2010, and 70% by 2015), and Honda will implement measures to comply with these criteria before the given deadlines. We will reduce weight of new models to reduce the generation of ASR and develop materials that will not emit harmful substances when incinerated.

Achievements in Fiscal 2004

Honda completed all preparations to comply with the End-of-Life Vehicle Recycling Law by December 2004 and started operations related to the law, which was fully enforced on January 1, 2005. We properly dispose of and recycle CFCs, airbags, and ASR using the recycling fees paid by customers.

Honda provides information to relevant companies and monitors the disposal of the three items to ensure nothing goes wrong.

1 Achievements regarding the Three Items

Immediately after the End-of-Life Vehicle Law was enforced, there was some confusion in the treatment of the three items because of the existence of end-of-life vehicles not covered by the law (i.e., vehicles disposed by the end of fiscal 2004). We, however, were able to begin successfully dealing with the items in March 2004 with the support of relevant companies.

●CFCs

From January to March, we recovered 5,304 kg of CFCs from 15,166 end-of-life vehicles. CFCs include both CFC, which was used for air conditioners till the first half of 1990s, and HFC, and of the recovered CFCs, 54% were CFC.

Recovered CFCs are stored in steel bottles and transported to destruction facilities. Because dismantling companies store CFCs until they have collected a predefined amount, the number of vehicles from which CFCs were recovered was small in January 2005, as shown in the following graph.

●Airbags

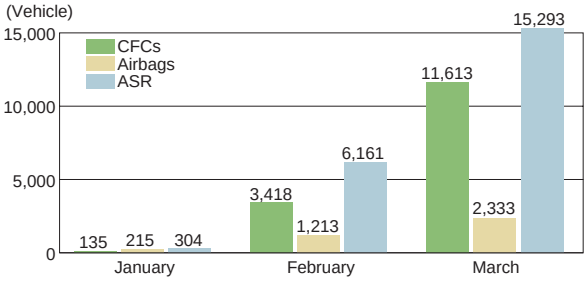
Among the end-of-life vehicles disposed from January to March 2005, 3,761 were equipped with airbags, 85.4% of which were deployed before being removed from the vehicle. Also, we recovered inflators from 550 vehicles, and 94.5% of them were recycled.

●Automobile shredder residue (ASR)

End-of-life vehicles are shredded in their final treatment process, and therefore it takes time from the acceptance of end-of-life vehicles to the disposal of ASR. The number of vehicles from which ASR was generated was almost zero in January 2005. We, however, accepted an increased number of end-of-life vehicles in February and March. The number of end-of-life vehicles to which Article 28 (disposal of shredder residue) and Article 31 (100% recycling without ASR) of the End-of-Life Vehicle Recycling Law applied totaled 21,758. We achieved a 53.2% ASR recycling rate for vehicles covered by Articles 28 and 31 of the law.

ASR is used as energy resources, and slugs are effectively used as road construction materials.

■Number of Vehicles from which CFCs, Airbags, or ASR were Recovered



2 Recycling Results (from January to March 2005)

We published the following recycling results of specified goods pursuant to Article 27-2 of the End-of-Life Vehicle Recycling Law and Article 29 of the Ministerial Ordinance.

■Outline of Recycling Results in Fiscal 2004 (from January to March 2005)

CFC	Total amount recovered	5,304 kg	15,166 vehicles
Airbags and inflators	Removed without deployment	943 pieces	3,761 vehicles
	Removed after deployment	6,662 pieces	
	Recycling rate	94.5% (standard: at least 85%)	
Shredder residue	Amount accepted	3,337.9 tons	19,980 units
	Reduction by full recycling	311.4 tons	1,778 vehicles
	Recycling rate	53.2%	

Total amount of deposits repaid	¥164,675,000
Total recycling costs	¥169,165,157

* For details, please refer to the relevant data shown at the end of this report.

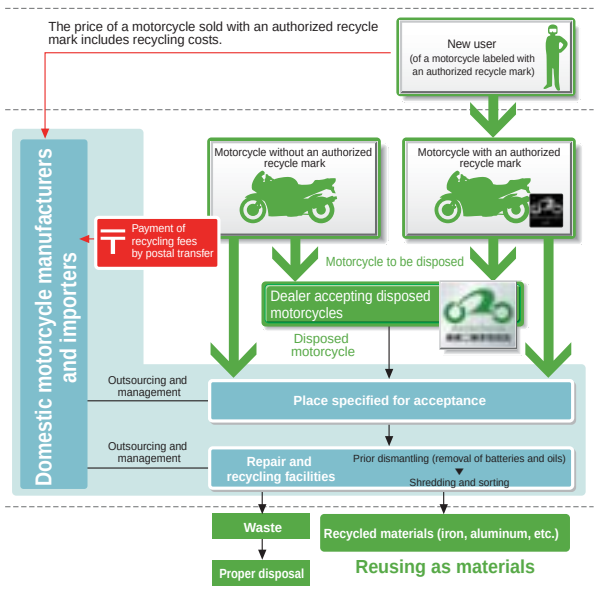
Motorcycles
Voluntary Recycling Activities

Honda, in cooperation with domestic motorcycle manufacturers and some motorcycle importers, started conducting voluntary recycling activities for motorcycles on October 1, 2004.

These activities are the world's first initiative to fulfill our social responsibilities as a manufacturer or importer toward the stable recycling of motorcycles in cooperation with motorcycle dealers.

Under this program, we accept motorcycles that customers want to dispose of at our dealers or at places specified for acceptance and then properly dispose of and recycle them at recycling facilities.

Outline of the Motorcycle Recycling System

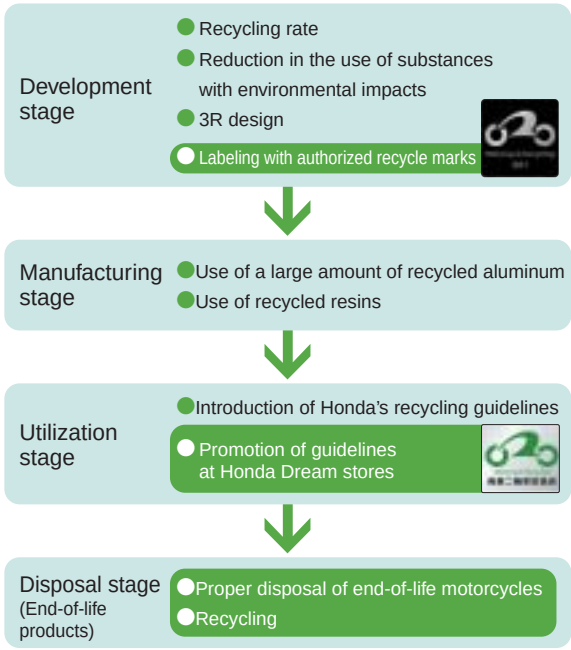


Honda has made voluntary efforts to achieve the optimal recycling of motorcycles throughout all stages of its operations, from product development to manufacturing, marketing, and disposal. At the development stage, we have promoted the 3R (reduce, reuse, and recycle) design and reduction in the use of substances of concern. At the manufacturing stage, we have expanded the use of recycled aluminum and resins. At the marketing stage, we have increased the number of Honda Dream stores. We have thus implemented recycling measures consistently throughout all stages.

Voluntary activities to recycle motorcycles, which started in October 2004, have promoted the labeling of motorcycles with authorized recycle marks as well as the collection, transportation, proper disposal, and recycling of end-of-life motorcycles. As a result, Honda is now able to effectively implement consistent environmental measures, from development to disposal, for end-of-life motorcycles. In the future, we will make efforts as a manufacturer to reduce recycling costs.

Honda will further strengthen these measures and demonstrate its effectiveness within Japan and expand this recycling model overseas.

Outline of Honda's Motorcycle Recycling System



Number of motorcycles accepted

Of end-of-life motorcycles accepted at designated places, 396 of which were Honda's products, which accounted for 51.8% of the total.

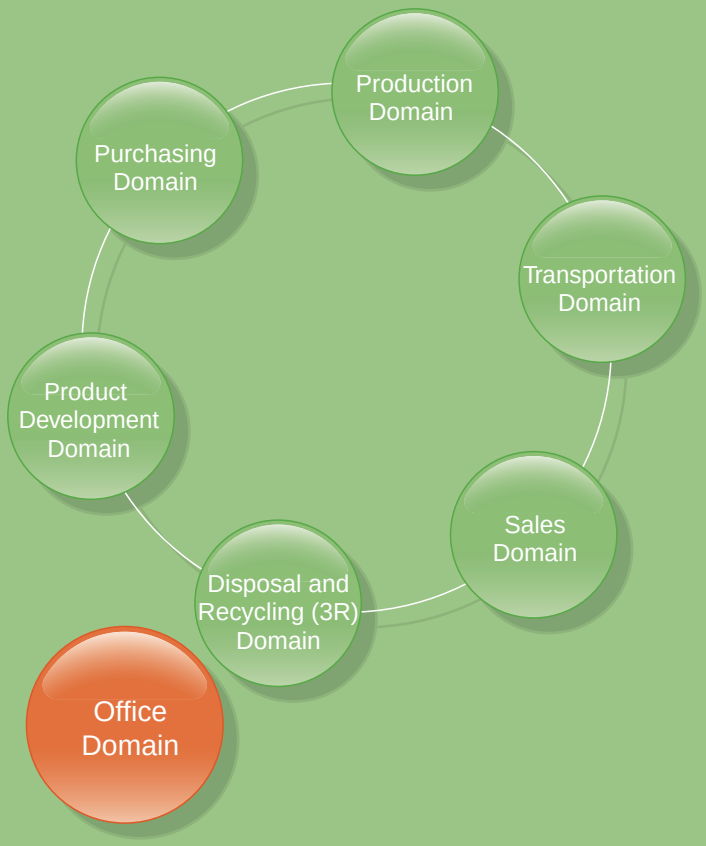
Recycling rate

According to calculations made based on the number of motorcycles treated at 14 disposal and recycling facilities by category, the recycling rate of Honda's scooters (including three-wheeler scooters and business scooters) was 84.2%, and that of its motorcycles was 85.9%. We achieved an 85.1% recycling rate on a weighted average basis.

Labeling with an authorized recycle mark

Honda released 28 new models (60 types) labeled with an authorized recycle mark as of the end of March 2005. We will label all of our new models with authorized recycle marks by the end of September 2005.

Office Domain



Carrying out Environment-Conscious Operations at Offices on a Daily Basis

Honda implements drastic environmental conservation measures at its offices as well. Ideally, we hope that these measures, taken through our daily business operations and sales activities, will motivate our factories, suppliers, and customers in carrying out environmental activities and indirectly have a favorable impact on the environment.

Main Activities in the Office Domain

Promotion of Green Offices

- Establishment of environment improvement activities based on environmental management systems
- Energy saving (reduction in CO_2)
- Reduction in waste and improvement in recycling rates
- Introduction of low emission vehicles as company-owned cars

Honda actively conducts environmental activities in the offices. We will further reduce the environmental impacts caused by our offices through coordinated approach and will conduct environment improvement activities in all our business operations to make our offices more environmentally friendly and greener for the conservation of the global environment.

Main targets for fiscal 2004 in Japan

- To advance environmental conservation activities in daily business

Main achievements in fiscal 2004 in Japan

- All departments improved environmental conservation activities.
- CO_2 emissions and waste from four office buildings totaled 14, 276 tons and 302 tons, respectively.

Promotion of Green Offices

Honda's head office acquired ISO 14001 certification in November 1999 and has since been committed to reducing the environmental impacts caused by its business activities. Associates have engaged in activities to reduce their environmental impacts as part of their office work, and the environmental impacts directly caused by the Aoyama Head Office building have been reduced. In fiscal 2004, we promoted new measures implemented to introduce environmental viewpoints into daily business activities at the Aoyama Head Office building. We believe these measures are important because the operations we conduct inside the building, due to their nature, indirectly cause very large environmental impacts outside the building.

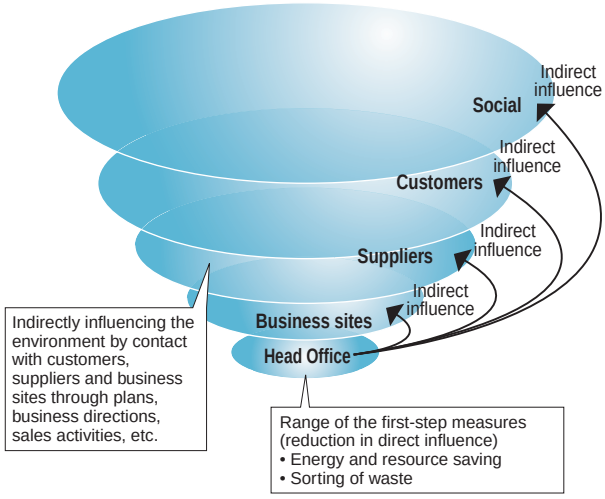
In addition, following the start of operations at the Wako Building, Honda's offices in the Aoyama Building, Wako Building, Yaesu Building, and Shirako Building enhanced cooperative measures to reduce their environmental impacts. As a result, in fiscal 2004, CO_2 emissions and waste from these four office buildings totaled 14,276 tons and 302 tons, respectively.

In fiscal 2005, we will enhance our efforts to further reduce their environmental impacts through mutual cooperation to achieve the reduction targets of 2.7% for CO_2 emissions and 22.4% for waste generation. We will implement environmental improvement activities in all business operations to make our offices more environmentally friendly and greener for the conservation of the global environment.

Achievements and Targets of Honda Office Buildings (Aoyama, Wako, Shirako, and Yaesu)

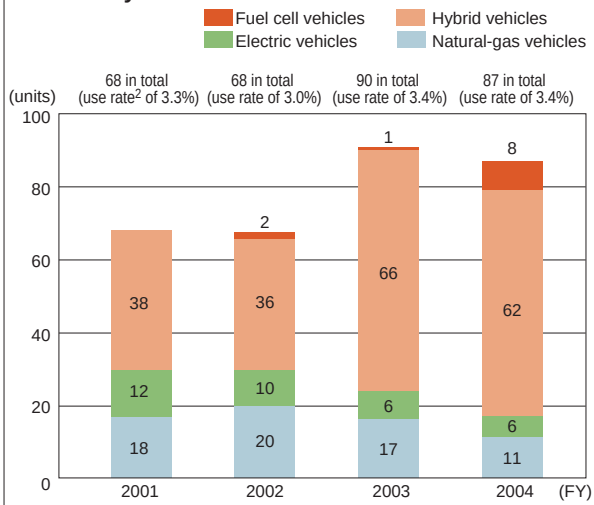
	Achievements in fiscal 2004	Targets for fiscal 2005
CO_2 emissions	14,276 tons	13,894 tons (2.7% reduction)
Waste generation	302 tons	234 tons (22.4% reduction)

Next Step to Be Taken in Office Buildings Based on ISO 14001



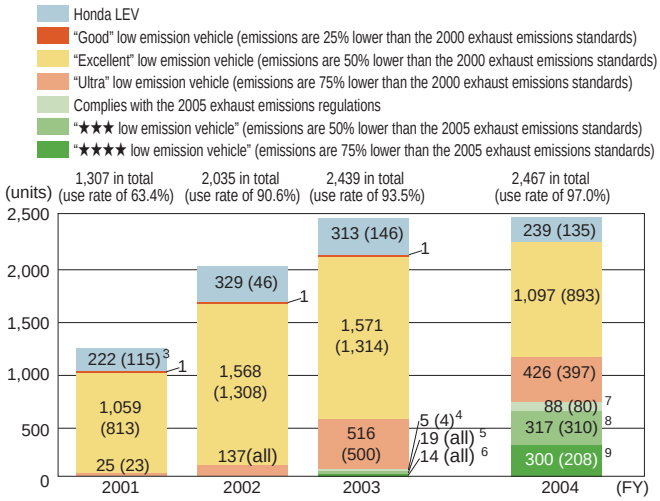
Related Data: Use of environmentally friendly/low-emission vehicles as company-owned cars at the main business sites

Use of Government-Designated Environmentally Friendly Vehicles[1]



1. Non-gasoline vehicles meeting the government's green procurement criteria. For gasoline powered vehicles, see 4–7.
2. The use rate is the ratio of environmentally friendly vehicles or low emission vehicles to all the vehicles owned by business sites (2,063 in fiscal 2001, 2,247 in fiscal 2002, 2,609 in fiscal 2003, and 2,543 in fiscal 2004)
3. The figure in parentheses shows the number of vehicles meeting the fuel economy standards of Japan for fiscal 2010.

Use of Low-Emission Vehicles with High Fuel Economy (Gasoline powered vehicles, hybrid vehicles, natural-gas vehicles)



4. Two vehicles met the Fiscal 2010 Fuel Economy Standards + 5% target.
5. All the vehicles met the Fiscal 2010 Fuel Economy Standards + 5% target.
6. All the vehicles met the Fiscal 2010 Fuel Economy Standards + 5% target.
7. 37 vehicles met the Fiscal 2010 Fuel Economy Standards + 5% target.
8. 189 vehicles met the Fiscal 2010 Fuel Economy Standards + 5% target.
9. 161 vehicles met the Fiscal 2010 Fuel Economy Standards + 5% target.

Note: ★★★ low emission vehicle... emissions are 50% lower than the 2005 exhaust emissions standards
★★★★ low emission vehicle...emissions are 75% lower than the 2005 exhaust emissions standards

Social Activities

Passing down a Clean Environment to Future Generations through Social Activities

Environmental conservation activities have been one of the primary focuses in Honda's social activities. Through these efforts, we want to be a valued member of local communities where our offices and factories operate. In order to take root in local communities all over the world and share and pass down a clean environment to next generations, we are willing to meet social requirements always ahead of our time as a responsible corporate citizen.

In the area of social activities, we are promoting global nature conservation activities facilitated by the Green Renaissance Office, and our business sites are conducting cooperative activities with local communities. Also, through various media, including the Internet and printed brochures, and by holding related events, we are disseminating diverse environmental information to the society at large.

Green Renaissance Activities

1 Achievements in Support Reforestation Activities in Japan

Honda supports activities to protect and grow riverhead forests. In regions where our factories and offices are located, we support reforestation activities in which our associates participate as volunteers.

- Honda's Saitama Factory has been supporting and participating in a reforestation project called the Riverhead Forest (Tone River) Revitalization Project by Volunteers. This event, which preserves and revitalizes nature through forestation, is held by the CCC Creative Plant's Gunma Project at the source of the Tone River and in the upper reaches of the Minakami-Naramata Dam. In fiscal 2004, Honda associates and retirees volunteered to help thin out* trees in June.
- The Kumamoto Factory started forestation activities on a mountain in Aso town, supporting the activities of the Aso Green Stock Foundation conducted at the riverhead of the Shira River. In fiscal 2004, Honda associates and retirees volunteered to participate in planting in April and mowing in September.
- The Hamamatsu Factory started forestation activities on a mountain in Misakubo town, supporting the activities of Plenteer Forest, a nonprofit organization. In fiscal 2004, Honda associates and retirees volunteered to participate in planting in May and November.
- In March 2005, in the district where our head office building is located, we decided to start activities to conserve the forest owned by Kosuge village, located in the riverhead of the Tama River. In fiscal 2005, Honda associates will start planting activities as volunteers.

* To fell trees except those to be cultivated

Planting activities in Misakubo town, Shizuoka Prefecture

2 Plans for the Reforestation of Deserts in China: The Joyful Forest Project

The Joyful Forest Project was started in 2002 to help prevent rapid desertification through sand-arresting afforestation in the Horchin Desert in the Autonomous Region of Mongolia in the People's Republic of China. Since its start, Honda has been giving financial support and dispatching volunteers to the project as well as participating in the formulation of specific projects.

In fiscal 2004, volunteer afforestation projects were held in May and September with a lot of Honda associates and retirees participating. Thanks to these projects, reforestation is steadily under way on the site.

From February to March 2005, photo exhibitions for the Joyful Forest were held at the Honda Welcome Plaza on the first floor of the Aoyama Head Office building as well as at Honda's Wako Building and other plants. The display showed photos of the desert before afforestation, the gradual greening of the site during the afforestation process, and the actual afforestation activities by the volunteers. We will continue to implement these projects and photo exhibitions as part of our activities to enlighten our associates.

Planting activities in the Horchin Desert

3 Eco Wagon

The Eco Wagon is a program that is mainly designed for children to help them experience and study nature. Honda holds this event in cooperation with Honda retirees. The Eco Wagon visits schools in a Honda wagon loaded with natural materials obtained from the sea and mountains. In fiscal 2004, approximately 19,000 people participated in the program held in the areas surrounding Honda's sites (Tokyo, Saitama, Suzuka, Hamamatsu, Kumamoto, and Tochigi). Participants were given the opportunity to actually touch materials, such as wood from thinning of forest and children in particular were given the chance to improve their awareness of nature. Teachers and children participating in the program stated their desire to participate in this program again in the future. The Eco Wagon program will be implemented mainly for teachers and children of schools located in the neighborhood of Honda's factories.

Activities by the Eco Wagon

●Frequency of Eco Wagon Event and Number of Participants

Locations	Frequency of Event	Number of Participants (Total)
Saitama area	116 times	10,719
Suzuka area	64 times	3,855
Hamamatsu area	54 times	4,680
Kumamoto area	4 times	265
Tochigi area	1 time	59

Cooperation in Low Emission Vehicle Fairs and Support for Environment-Related Seminars

Honda has exhibited its various low emission vehicles at environment-related events held mainly by the national and local governments and has given support to environment-related seminars held at such fairs. In fiscal 2004, we exhibited our vehicles at or gave support to a total of 33 environment-related events.

An environment-related event

Cooperative Activities with Local Communities

Every Honda business site has been implementing environmental exhibitions, clean-up activities, and taking part in local environmental events as a corporate commitment toward cooperating with local communities. In fiscal 2004, continuing from the previous fiscal year, we conducted various activities to attain the objectives of "cooperative activities in closer harmony with local communities" and "enhancement of the environmental morale of associates." Honda associates joined in 50 local environmental events, in which a total of approximately 200,000 people participated. The environmental exhibitions held by Honda business sites, in which each site demonstrated its unique commitment towards cooperation with their local communities, attracted an increasing number of exhibitors and participants from local communities. Thus, Honda's cooperative activities have certainly taken root in local communities.

Support to NGOs and Environment-Related Foundations

In fiscal 2004, the Philanthropy Office offered support to five organizations engaged in environment-related social activities.

Other Activities

Honda conducts various other social activities besides environment-related ones. For details, please refer to our Web site. In fiscal 2005, we plan to publish an annual report on our social activities.

Environmental Communication

As an integral part of our environmental management, we are engaged in a wide range of communication activities to enhance mutual understanding between ourselves and our stakeholders, including our customers and the local communities where our factories and offices are located.

Moreover, we provide a range of environmental information to the general public through various media and the Internet.

1 Establishment of a Liaison Section

Liaison sections are set up based on the environmental management system to coordinate communication at the local level in dealing with opinions and requests from residents in the community.

2 Dissemination of Environmental Information through the Media and Events

Honda discloses environmental information related to its corporate activities by the following means.

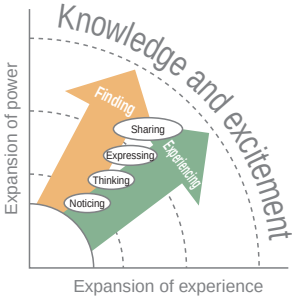
Brochures	• *Honda Environmental Annual Report* (Environmental annual report) • Publication of other booklets on environmental topics
Internet	• Honda Web site http://www.world.honda.com/environment/ (Disclosure of a full range of environment-related information, including the above brochures)
Facilities	• FAN FUN LAB http://www.honda.co.jp/fanfunlab/ (Environment-related exhibition at the Twin Link Motegi facility) • HELLO WOODS' http://www.honda.co.jp/hellowoods/ (Field events letting participants experience nature through play in which nature at the Twin Link Motegi is a key element)
Events	• Cooperation with low emission vehicle fairs, etc. (Active participation in various events organized by national and local government authorities as well as companies) • Holding environmental exhibitions • Presentation events for the announcement of new vehicles and/or new technology
Advertising	• Corporate advertising (e-TECH) • Product advertising/product catalogs

Web site introducing Honda's commitment to the environment

3 Environmental Education Support Activities

●HELLO WOODS'

Honda has a forest named HELLO WOODS' in Motegi town, Tochigi Prefecture, which it uses as a museum where children can discover and experience nature. The Company conducts activities that focus on providing children with the opportunity to actively play and learn in a forest. Mainly targeting children, who will be the driving force in tomorrow's society, we have transformed the forest located near residences into teaching materials and classrooms where they can play as much as they want, discover the wonders and wisdoms of nature, and think about what they should do for a sustainable earth.



Field for activities

HELLO WOODS' is a forest of broad-leaved deciduous trees that extends over 42 hectares and has a pathway approximately 3 kilometers long that is covered with wood chips (crushed lumber from thinning). Children become interested in nature by playing in the forest, discovering a lot of interesting things, and increasing their exposure to the natural environment, all of which leave a lasting impression on them and helps them become wiser. As people who support children in playing and learning in the forest, our staff members, called "cast" (forest storytellers), are always available for them.

Program structure

(1) Experience of playing in the forest to become interested in nature
(2) Experience of creating activities to develop a free, creative mind to materialize individual thoughts into forms
(3) Experience of living outdoors for self-discovery in a completely different environment
(4) Experience of afforestation to think about the possibilities of forests
(5) Experience of cooking to recognize the rich blessings of forests located near residences and learning methods and tips for cooking "gifts" from the forest

Honda gives importance to individual possibilities. We will provide more places and opportunities to bring out the full potential of each individual.

"Cast walk" (experience of playing in the forest)

4 Honda Green Conference

The Honda Green Conference is a big environmental event that has been held since 1999 to help further reduce the environmental impacts of the entire Honda Group. At the conference, excellent examples of environmental conservation activities conducted at Honda's business sites are presented so that all participants can share this useful information.

Honda believes that it is important for all its factories, research facilities, and suppliers to cooperate together to promote environmental activities and encourage all to participate in the conference.

In fiscal 2004, the Sixth Honda Green Conference was held at Tochigi Factory.

In addition to presentations by 16 teams selected from among Honda's domestic business sites, activities at Honda Wako Building, which started operations in August 2004, was introduced as a special example.

Honda will further increase the number of participants in the Green Conference to promote future environmental activities.

Speakers (Departments)	
Goshi Giken Co., Ltd.	Parts Business Division
Tsuzuki Manufacturing Co., Ltd.	Tochigi Factory
Hirata Technical Co., Ltd.	Saitama Factory
Honda Access Co., Ltd.	Hamamatsu Factory
Honda Express Co., Ltd.	Suzuka Factory
Honda elesys Co., Ltd.	Kumamoto Factory
Honda Yonrin Hanbai Yamaguchi Co., Ltd.	Special example/Administration & Legal Division
Honda Parts Seinan Co., Ltd.	
Honda R&D Co., Ltd.	
Honda Engineering Co., Ltd.	

Sixth Honda Green Conference

5 Promoting Communication on the Local Environment

Honda conducts local environmental communication activities (risk communication, factory tours, local round-table meetings, etc.) at its factories to deepen mutual understanding and trust with local residents regarding the factories' environmental measures, including measures to reduce their environmental risks. In fiscal year 2004, each factory organized factory tours and local round-table meetings. We will continue to promote communication with local residents at our factories.

Environment-Related Prizes and Awards Won by Honda

Name of Prize	Sponsor	Prize Winner	Date of Award
Received the Technological Development Award at the 54th Society of Automobile Engineers of Japan Awards for the development of hybrid NV control technology for variable cylinder engines.	The Society of Automobile Engineers of Japan	Honda R&D Co., Ltd.	May 2004
Received the Fifth Saitama Environment Award	Saitama Prefecture Saitama Environmental Promotion Council Television Saitama	Honda Motor Co., Ltd., Saitama Factory	June 2004
Received the Fiscal 2004 Grand Award for Best Technology for the ECOWILL system, which adopts Honda's compact household cogeneration unit	The Japan Gas Association	Honda Motor Co., Ltd.	June 2004
Received an award from the director general of the Agency for Natural Resources and Energy at the Fiscal 2004 Energy-Saving Grand Prix for the Smart Dio Z4	The Energy Conservation Center, Japan	Honda Motor Co., Ltd.	February 2005
Received the Fiscal 2004 (31st) Iwatani Naoji Memorial Award for the ECOWILL system, which adopts Honda's compact household cogeneration unit	The Iwatani Naoji Foundation	Honda Motor Co., Ltd.	March 2005
Received a prize for excellence at the First Aichi Environmental Awards for the ECOWILL system, which adopts Honda's compact household cogeneration unit	Aichi Prefecture	Honda Motor Co., Ltd.	March 2005

Note: Only data for models with a large sales turnover is given. For data on all our products please refer to the following Web site.

W http://www.honda.co.jp/environmental-report/2005/index.html

Automobiles Environmental Data for New Models and Remodeled Automobiles Sold in Japan in Fiscal 2004 (Major Models)

Model Name			ELYSION	EDIX	LEGEND
Main type listed			G	17X	–
Marketing date			2004.5.13	2004.7.8	2004.10.7
Type			DBA-RR1	CBA-BE1	DBA-KB1
Engine (motor) type			K24A	D17A	J35A
Total engine deplacement (cm^3)			2354	1668	3.471
Running gear	Type of drive line[1]		FF	FF	4WD
	Transmission		Electronically controlled 5-speed AT	Electronically controlled 4-speed AT	Electronically controlled 5-speed AT (S Matic)
Vehicle weight (kg)			1780–1910	1360–1380	1760
Emission gas concentration	Complies with 2005 CO_2 emission standards[2]		○	○	○
	Level approved under MLIT's low- emission vehicle approval system[3]		★★★★	★★★	★★★★
10.15+11 mode	Figures reported to MLIT (g/km)	CO	0.40	0.60	0.50
		NMHC	0.013	0.025	0.013
		NOx	0.013	0.025	0.013
Fuel economy	10-15 mode (km/ℓ)		10.2	13.8	8.6[7]
	CO_2 emissions (g/km)		227.6	168.2	270.0
	Complies with Fiscal 2010 Fuel Economy Standards		○	○	–
	Complies with Fiscal 2010 Fuel Economy Standards + 5% target		○	○	–
	Equipped with a fuel economy meter[4]		–[5]	Comes standard	Comes standard
Designation of local government-designated low emission vehicle	8 prefectures/cities, including Tokyo		○	○	○
	6 prefectures/cities in the Kyoto-Osaka-Kobe area		○	○	○
Vehicles liable to green tax system			○	○	–
Noise level (examined by MLIT)	Exhaust noise near the outlet (dB (A))/Engine (rpm)		80/4000	87/4725	77/4650
	Acceleration noise (dB (A))		74	74	74
	Constant speed pass-by noise (dB (A), 50 km/h)		69 (50)	70 (50)	69 (50)
Air conditioner	Refrigerant HFC134a consumption (g)		750	580	500
Lead consumption	JAMA's 2005 target met (1/3 of 1996)				
	JAMA's 2006 target met (1/10 of 1996)		○	○	○
Mercury consumption			Totally abolished, excluding some cases[6]	Totally abolished, excluding some cases[6]	Totally abolished, excluding some cases[6]
Hexavalent chromium consumption			Extremely small amount	Extremely small amount	Extremely small amount
Cadmium consumption			Extremely small amount	Extremely small amount	Extremely small amount

1. FF stands for "front-engine/front-wheel drive," and 4WD stands for "four-wheel drive."
2. Complies with long-term CO_2 emission standards for passenger vehicles and light-duty vehicles
3. Three stars (★★★) indicate that the emission level of the vehicle was reduced 50% of the 2005 CO_2 emission standards (certified), and four stars (★★★★) indicate that the emission level of the vehicle was reduced 75% of the 2005 CO_2 emission standards (certified).
4. Eco driving support devices, including real-time fuel economy meters, average fuel economy meters, and eco lamps
5. Comes standard for V6 engines
6. Contained in a very small amount in discharge headlights and liquid-crystal panels for navigation systems
7. Vehicles with leather interior; those with the Advance Package; and those with both leather interior and the Advance Package (equipped with a hydraulic power steering system)

Automobile Exhaust Emissions Standards of Japan : New Test Mode (g/km)

Item	Passenger Vehicle
	2005 Standards
CO (carbon monoxide)	1.15
NMHC (non-methane hydrocarbons)	0.05
NO_X (nitrogen oxides)	0.05

Ministry of Land, Infrastructure and Transport in Japan Low Emission Vehicle Approval Standard: New Test Mode (g/km)

Item	Passenger Vehicle	
	50% Emission Reduction Level against FY 2005 Standards (★★★ Low Emission Vehicle)	75% Emission Reduction Level against FY 2005 Standards (★★★★ LowEmission Vehicle)
CO (carbon monoxide)	1.15	1.15
NMHC (non-methane hydrocarbons)	0.025	0.013
NO_X (nitrogen oxides)	0.025	0.013

2010 Fuel Economy Standards of Japan (Gasoline-Powered Passenger Vehicle)

Vehicle weight / Taxable weight (kg)	–702	703–827	828–1,015	1,016–1,265	1,266–1,515	1,516–1,765	1,766–2,015	2,016–2,265	2,266–
10-15 mode fuel consumption (km/ℓ)	21.2	18.8	17.9	16.0	13.0	10.5	8.9	7.8	6.4

2010 Target (2010 Fuel Efficiency Standards + 5%) for Gasoline-Powered Passenger Vehicles

Vehicle weight / Taxable weight (kg)	–702	703–827	828–1,015	1,016–1,265	1,266–1,515	1,516–1,765	1,766–2,015	2,016–2,265	2,266–
10-15 mode fuel consumption (km/ℓ)	22.3	19.7	18.8	16.8	13.7	11.0	9.3	8.2	6.7

Noise Regulation Values of Japan (on and after October 1, 1999)

Exhaust noise near the outlet	standard value	dB(A)	96
Acceleration noise	standard value	dB(A)	76
Constant speed pass-by noise	standard value	dB(A)	72

Motorcycles Environmental Data for New Models and Remodeled Motorcycles Sold in Japan in Fiscal 2004 (Major Models)

Model Name		PS250	Dio Cesta	CBR600RR	XR50・Motard	XR100・Motard	XR230	XR400・Motard
Marketing date		2004.6.30	2004.7.2	2005.1.27	2005.2.25	2005.2.25	2005.3.25	2005.3.29
Type		BA-MF09	BA-AF62	BC-PC37	BA-AD14	BC-HD13	BA-MD36	BC-ND08
Engine model/type		MF04E water-cooled 4-stroke	AF61E air-cooled 4-stroke	PC37E water-cooled 4-stroke	AC16E air-cooled 4-stroke	HC07E air-cooled 4-stroke	MD33E air-cooled 4-stroke	NC38E air-cooled 4-stroke
Total engine displacement (cm^3)		249	49	599	49	99	223	397
Transmission	Constant mesh	–	–	6-speed return	5-speed return	5-speed return	6-speed return	5-speed return
	Continuously variable	Continuously variable (V-Matic)	Continuously variable (V-Matic)	–	–	–	–	–
Vehicle weight (kg)		171	81	194	83	86	120	145
Emission gas concentration	CO (g/km)	10.5	10.5	10.5	10.5	10.5	10.5	10.5
	HC (g/km)	1.60	1.60	1.60	1.60	1.60	1.40	1.60
	NO_X (g/km)	0.24	0.26	0.24	0.24	0.24	0.24	0.24
Fuel consumption rate	60 km/h constant speed test value	37.2	–	29.0	–	53.2	40.0	36.0
	30 km/h constant speed test value	–	65.0	–	86.0	–	–	–
Noise level (values examined by MLIT)	Exhaust noise near the outlet dB(A)	94/85 (3500rpm)	84/81 (4000rpm)	94/89 (5750rpm)	84/79 (4000rpm)	90/80 (4000rpm)	94/81 (3750rpm)	94/84 (3500rpm)
	Acceleration noise dB(A)	73/72	71/70	73/72	71/69	71/70	73/72	73/72
	Constant speed pass-by noise dB(A)	71/69 (40km/h)	65/63 (18km/h)	72/69 (50km/h)	65/63 (25km/h)	68/67 (40km/h)	71/68 (40km/h)	72/69 (50km/h)

Note: Main data are values submitted in the type certification application form in accordance with the Road Vehicle Act.

Motorcycle Exhaust Emissions Standards of Japan

Item	Regulation Values	
	4-stroke	2-stroke
CO (carbon monoxide) g/km	13.00	8.00
HC (hydrocarbons) g/km	2.00	3.00
NOx (nitrogen oxides) g/km	0.30	0.10

Noise Regulation Values of Japan (Effective on and after October 1, 2001)

Item	Class A Motorcycle 50cc or Less	Class B Motorcycle Over 50cc to 125cc or Less	Light Vehicle Over 125cc to 250cc or Less	Small Vehicle Over 250cc
Exhaust noise near the outlet, standard value dB(A)	84	90	94	94
Acceleration noise, standard value dB(A)	71	71	73	73
Constant speed pass-by noise, standard value dB(A)	65	68	71	72

Power Equipment Environmental Data for New Models and Remodeled Products Sold in Japan in Fiscal 2004 (Major Models)

Category			Small Power Generator		Snow Plow	Small Tiller	Walking Type Lawn Mower
Marketing date			2004.7.1		2004.9.1	2004.9.1	2005.2.17
Type name			EM45is/EB45i	EM55is/EB55i	Snowra i HSS970i/HSS970iH	Salad FF500/FF500H	HRX537
Type			EAJJ/EALJ	EAHJ/EAKJ	EAGJ	FANJ	MAGA
Engine model/type			GX340	GX390	GXV340	GCV160	GCV190
			Air-cooled, 4-stroke single-cylinder OHV		Air-cooled, 4-stroke OHV	Air-cooled, 4-stroke, single-cylinder vertical OHC	Air-cooled, 4-stroke, single-cylinder OHC
Total engine displacement (cm^3)			337	389	337	160	187
Weight (kg)			EM45is: 95 EB45i: 90	EM55is: 95 EB55i: 90	163	Dry weight: 74 Equipped weight: 78	Dry weight: 42.1 Equipped weight: 43.6
Duration of continuous driving (hr.)			12^2–5.2 (1/4 load to rated load)	10.2^2–4.2 (1/4 load to rated load)	–	–	–
Fuel economy	Fuel consumption rate (g/kWh)		390	390	313	313	313
Emission gas concentrations	Engine unit	Fuel consumption rate at maximum output (g/kWh)	○	○	○	○	○
		EPA Phase 2 compliance with multipurpose engine emission standards[1]	○	○	○	○	○
		CARB Tier 2 compliance with multipurpose engine emission standards[1]	○	○	○	○	○
Noise	EU guaranteed noise values Lwa (dB (A))		96	97	99	93	100
	Noise at the ear Lpa (dB (A))		81	82	82	79	88

1. Similar models have obtained an emissions permit in the United States, but products marketed in Japan are not guaranteed to meet those standards.
2. When eco throttle is in operation

Multipurpose Engine Emissions Standards

Item		Stationary, 100–225 cc	Stationary, 225–1,000 cc	Handheld, 50 cc or more
Applicable models		Salad FF500/FF500H, HRX537	Snowra i HSS970i/HSS970iH	EM45is/EM55is, EB45i/EB55i
EPA regulations (Phase 2) (g/kW-hr)	CO (Including aging deterioration)	610	610	603
	HC	16.1	(12.1)[1]	72
	NO_X (Including aging deterioration)			

1. The CO value for snow blowers is stipulated, but HC and No_X values are not.

Item		65–225 cc, horizontal	225 cc or more
Applicable models		Salad FF500/FF500H, HRX537	EM45is/EM55is,EB45i/EB55i, Snowra i HSS970i/HSS970iH
CARB Tier 2 regulations (g/bhp-hr)	CO (Including aging deterioration)	410	410
	HC	12	(9)[1]
	NO_X (Including aging deterioration)		

1. The CO value for snow blowers is stipulated, but HC and No_X values are not.

Voluntary Standards of the Japan Land Engine Manufacturers Association (g/kWh)		Unmobile Engine Equipment		Engine for portable devices
		100–225 cc	225 cc or more	50 cc or more
Applicable models		Salad FF500/FF500H, HRX537	Snowra i HSS970i/HSS970iH	EM45is/EM55is, EB45i/EB55i
2003 primary standards (new engine regulations)	CO	519	(519)[2]	603
	HC	16.1	(13.4)[2]	166
	NO_X			
2008 secondary standards (in-use regulations)[1]	CO (Including aging deterioration)	610	(610)[2]	603
	HC (Including aging deterioration)	16.1	(12.1)[2]	72
	NO_X			

1. Regulation standard within a defined accumulated operation time
2. Snow blowers are not included in the list of items that need to be voluntarily regulated.

Water Quality, Air Quality, and PRTR

(Supplementary explanation) The tables are based on measurements taken between April 2004 and March 2005.

Water Quality
- Items given are those substances for which measurements are required by the Water Pollution Control Law and bylaws of local government authorities.
- The listed data had been obtained by statistical processing of our monthly data. Measurements of substances not listed here are conducted on an ongoing basis to ensure that they are in line with regulatory standards.

Air Quality
- Items given are those substances for which measurements are required by the Water Pollution Control Law and bylaws of local government authorities.
- The equipment measured includes boilers, drying ovens, incinerators, etc.

Honda Motor Co., Ltd.

Saitama Factory

- Address: 1-10-1 Shin-Sayama, Sayama City, Saitama Prefecture
- Established: 1964
- Main products: Legend, Odyssey, Accord, etc.
- Number of employees: 5,522 (as of March 31, 2005)
- Water discharge points: Sewage system (domestic and industrial wastewater), Iruma River (indirect cooling water)
- ISO 14001 acquired: January 1998

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5–9	5–9	7.3 (6.5)	6.9
Biochemical oxygen demand (BOD)	mg/ℓ	600	360	300 (120)	205
Suspended solids (SS)	mg/ℓ	600	360	64 (18)	30.8
Oil content	mg/ℓ	30	18	14 (4.4)	7.6
Phenols	mg/ℓ	5	3	Less than 0.1	Less than 0.1
Copper and its compounds	mg/ℓ	3	2	Less than 0.1	Less than 0.1
Zinc and its compounds	mg/ℓ	5	3	0.5 (0.2)	0.33
Soluble iron and its compounds	mg/ℓ	10	6	Less than 0.5	Less than 0.5
Soluble manganese and its compounds	mg/ℓ	10	6	2.1 (0.9)	1.5
Total chromium	mg/ℓ	2	1.2	Less than 0.5	Less than 0.5
Fluorine content	mg/ℓ	8	5	2.8 (1.4)	2.03
Colon bacillus colony count	No./cm³	Excluded because of release to the sewage system			
Nitrogen content	mg/ℓ	Excluded because of release to the sewage system			
Phosphorous content	mg/ℓ	Excluded because of release to the sewage system			
Cadmium and its compounds	mg/ℓ	0.1	0.06	Less than 0.01	Less than 0.01
Cyanides	mg/ℓ	1	0.6	Less than 0.1	Less than 0.1
Lead and its compounds	mg/ℓ	0.1	0.06	0.009 (Less than 0.001)	0.002
Chromium (VI) compounds	mg/ℓ	0.5	0.3	Less than 0.05	Less than 0.05

* Domestic and industrial wastewater (sewage)

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.20	0.10	0.005 (Less than 0.002)	0.0006
		0.25	0.125	0.001 (Less than 0.005)	0.0005
Nitrogen oxides	ppm	70	10	8.7 (Less than 7.4)	4.08
		130	65	65 (64)	64.5
		150	75	63 (38)	52.7
		180	90	22 (15)	18.5
		230	115	110 (23)	55.2
		250	125	100 (97)	98.5
Hydrogen chloride	mg/Nm³	500	200	25 (Less than 2.8)	12.5
Sulphur oxides	Nm³/h	7.78	3.89	0.643 (0.14)	0.39
Dioxins	ng-TEQ/Nm³	2.5	0.1	0.06	0.06

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Soluble zinc compounds	28,869	0	0	289	4,619	0	0	23,961
Bis Phenol A epoxy resins	53,658	0	0	0	1,695	0	1,142	50,821
Ethyl benzene	462,627	186,640	0	0	0	176,824	24,449	74,714
Ethylene glycol	1,845,558	0	0	0	0	0	0	1,845,558
Xylene	1,092,989	293,538	0	0	0	393,657	63,260	342,534
Trichlorofluoromethane	1,100	0	0	0	1,100	0	0	0
1,3,5-Trimethyl benzene	40,411	35,757	0	0	0	0	4,654	0
Toluene	1,302,827	527,910	0	0	0	23,547	111,005	640,365
Nickel compounds	5,748	0	0	1,322	977	0	0	3,449
Bis (2-ethylhexyl) phthalic acid	35,100	0	0	0	777	0	80	34,243
Benzene	31,851	45	0	0	0	0	1,803	30,003
Polyoxyethylene alkyl ether	1,247	0	0	125	561	0	561	0
Formaldehyde	–	2,228	0	0	0	0	0	0
Manganese and its compounds	11,660	0	0	583	4,664	0	0	6,413
Total	4,913,645	1,046,118	0	2,319	14,393	594,028	206,954	3,052,061
Dioxins (unit: mg-TEQ)	–	2.06	0	0	733.26	0	0	0

Note: For water and air quality, the items for which measurements are required by law are listed.

Tochigi Factory

- Address: 19 Matsuyama Cho, Mohka City, Tochigi Prefecture
- Established: 1970
- Main products: Engine parts, suspension parts, etc.
- Number of employees: 1,545 (as of March 31, 2005)
- Water discharge point: Kokai River via Gogyo River
- ISO 14001 acquired: September 1997

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.5 (7.0)	7.3
Biochemical oxygen demand (BOD)	mg/ℓ	25	12.5	9.9 (4.5)	7.0
Suspended solids (SS)	mg/ℓ	50	25	14.5 (1.3)	5.0
Oil content	mg/ℓ	5	2.5	3.5 (Less than 0.5)	0.9
Phenols	mg/ℓ	1	0.5	Less than 0.1	Less than 0.1
Copper and its compounds	mg/ℓ	3	1.5	Less than 0.1	Less than 0.1
Zinc and its compounds	mg/ℓ	5	2.5	1.7 (Less than 0.1)	0.66
Soluble iron and its compounds	mg/ℓ	3	1.5	2.2 (Less than 0.1)	0.30
Soluble manganese and its compounds	mg/ℓ	3	1.5	0.03 (0.02)	0.025
Total chromium	mg/ℓ	2	1	Less than 0.01	Less than 0.01
Fluorine content	mg/ℓ	8	4	0.1 (Less than 0.01)	0.05
Colon bacillus colony count	No./cm³	3,000	1,500	11 (0)	2.2
Nitrogen content	mg/ℓ	120	60	12 (11)	11.5
Phosphorous content	mg/ℓ	16	8	0.09 (Less than 0.01)	0.05
Cadmium and its compounds	mg/ℓ	0.1	0.05	Less than 0.01	Less than 0.01
Cyanides	mg/ℓ	1	0.5	Less than 0.1	Less than 0.1
Lead and its compounds	mg/ℓ	0.2	0.1	Less than 0.01	Less than 0.01
Chromium (VI) compounds	mg/ℓ	0.1	0.05	Less than 0.05	Less than 0.05

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.3	0.15	Less than 0.006 (Less than 0.001)	Less than 0.006
Nitrogen oxides	ppm	180	135	96 (37)	92
Sulphur oxides	K value	8	4	Less than 0.46 (Less than 0.005)	Less than 0.36

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Soluble zinc compounds	10,020	0	20	0	10,000	0	0	0
Total	10,020	0	20	0	10,000	0	0	0

Hamamatsu Factory

- Address: 1-13-1 Aoi Higashi, Hamamatsu City, Shizuoka Prefecture
- Established: 1954
- Main products: Motorcycles, automatic transmissions for automobiles, etc.
- Employees: 4,107 (as of March 31, 2005)
- Water discharge point: Isaji River, Danzu River (rainwater only)
- ISO 14001 acquired: March 1998

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.7–8.7	5.7–8.7	7.8 (7.1)	7.4
Biochemical oxygen demand (BOD)	mg/ℓ	300	150	149 (26.7)	64.7
Suspended solids (SS)	mg/ℓ	300	150	198 (19.5)	92.5
Oil content	mg/ℓ	35	17.5	11.7 (Less than 2.5)	4.1
Phenols	mg/ℓ	5	2.5	Less than 0.03	Less than 0.03
Copper and its compounds	mg/ℓ	3	1.5	Less than 0.1	Less than 0.1
Zinc and its compounds	mg/ℓ	5	2.5	0.23 (0.10)	0.19
Soluble iron and its compounds	mg/ℓ	10	5	0.4 (0.2)	0.30
Soluble manganese and its compounds	mg/ℓ	10	5	Less than 0.1	Less than 0.1
Total chromium	mg/ℓ	2	1	Less than 0.05	Less than 0.05
Fluorine content	mg/ℓ	15	7.5	0.7 (0.5)	0.6
Colon bacillus colony count	No./cm³	Excluded because of release to the sewage system			
Nitrogen content	mg/ℓ	Excluded because of release to the sewage system			
Phosphorous content	mg/ℓ	Excluded because of release to the sewage system			
Cadmium and its compounds	mg/ℓ	0.1	0.05	Less than 0.01	Less than 0.01
Cyanides	mg/ℓ	1	0.5	Less than 0.01	Less than 0.01
Lead and its compounds	mg/ℓ	0.1	0.05	0.02 (Less than 0.01)	0.01
Chromium (VI) compounds	mg/ℓ	0.5	0.25	Less than 0.05	Less than 0.05

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.10	0.05	Less than 0.02	Less than 0.02
		0.20	0.10	0.01 (Less than 0.02)	Less than 0.02
		0.30	0.15	Less than 0.02	Less than 0.02
Nitrogen oxides	ppm	150	75	68 (19)	51.3
		180	90	52 (10)	33.9
		250	125	89 (64)	76.50
Hydrogen chloride	mg/Nm³	700	350	85 (79)	82
		80	40	Less than 2.5	Less than 2.5
Sulphur oxides	Nm³/h	2.32	1.21	0.1 (Less than 0.05)	0.075
Dioxins	ng-TEQ/Nm³	5	2.5	0.31	0.31
		10	5	0	0

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethyl benzene	15,531	3,009	0	0	1,203	687	0	10,632
Ethylene glycol	209,628	0	0	0	0	0	0	209,628
Xylene	118,335	37,020	0	0	14,959	3,434	0	62,922
1,3,5-Trimethyl benzene	2,301	1,636	0	0	665	0	0	0
Toluene	125,138	10,652	0	0	4,138	5,036	0	105,312
Nickel compounds	2,482	0	0	0	0	0	0	2,482
Benzene	3,582	14	0	0	0	266	0	3,302
Total	476,997	52,331	0	0	20,965	9,423	0	394,278
Dioxins (unit: mg-TEQ)	–	13.00	0	0.59	85.00	0	0	0

Note: For water and air quality, the items for which measurements are required by law are listed.

Hamamatsu Factory Hosoe Plant

- Address: 5794-1 Kiga Aza Ohtsubo, Hosoe Cho, Inasa Gun, Shizuoka Prefecture
- Established: 2001
- Main products: Outboard engines
- Employees: Included as Hamamatsu Factory employees
- Water discharge point: Lake Hamana (rainwater only)

Water Quality

No applicable facilities

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.10	0.05	Less than 0.02	Less than 0.02
Nitrogen oxides	ppm	150	75	67	53

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethyl benzene	4,558	18	0	0	0	117	0	4,423
Xylene	22,795	91	0	0	0	587	0	22,117
Toluene	33,433	134	0	0	0	861	0	32,438
Benzene	1,483	6	0	0	0	3	0	1,474
Total	62,269	249	0	0	0	1,568	0	60,452

Suzuka Factory

- Address: 1907 Hirata Cho, Suzuka City, Mie Prefecture
- Established: 1960
- Main products: Civic, Fit, Airwave, etc.
- Employees: 7,092 (as of March 31, 2005)
- Water discharge point: Suzuka River
- ISO 14001 acquired: February 1998

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.1 (6.6)	6.9
Biochemical oxygen demand (BOD)	mg/ℓ	Maximum 65/ average 50	Maximum 58/ average 45	38 (3)	14.7
Chemical oxygen demand (COD)	kg/day	192.5	173.2	169.0 (80.4)	137.7
Suspended solids (SS)	mg/ℓ	Maximum 90/ average 70	Maximum 81/ average 63	25 (3)	10.3
Oil content	mg/ℓ	1	0.9	0.7 (Undetected)	0.2
Phenols	mg/ℓ	1	0.9	Undetected	Undetected
Copper and its compounds	mg/ℓ	1	0.9	0.02 (Undetected)	0.006
Zinc and its compounds	mg/ℓ	5	2.5	0.35 (0.04)	0.10
Soluble iron and its compounds	mg/ℓ	10	5	1.75 (0.01)	0.54
Soluble manganese and its compounds	mg/ℓ	10	5	0.5 (Undetected)	0.278
Total chromium	mg/ℓ	2	1	Undetected	Undetected
Fluorine content	mg/ℓ	8	4	2.8 (1.1)	1.9
Colon bacillus colony count	No./cm^3	3,000	1,500	Undetected	Undetected
Nitrogen content	mg/ℓ	214.7	193.2	29.3 (12.9)	25.3
Phosphorous content	mg/ℓ	21.2	19.0	4.1 (1.2)	2.1
Cadmium and its compounds	mg/ℓ	0.1	0.05	0.008 (Undetected)	0.001
Cyanides	mg/ℓ	1	0.5	Undetected	Undetected
Lead and its compounds	mg/ℓ	0.1	0.05	Undetected	Undetected
Chromium (VI) compounds	mg/ℓ	0.5	0.25	Undetected	Undetected

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.05	0.025	Less than 0.01	Less than 0.01
		0.10	0.050	Less than 0.01	Less than 0.01
		0.20	0.100	0.02 (Less than 0.01)	Less than 0.01
		0.50	0.250	0.02 (Less than 0.01)	Less than 0.01
Nitrogen oxides	ppm	70	35	24.3 (22.6)	23.5
		130	65	1.0 (1.0)	1.0
		150	75	66.8 (20.4)	33.7
		180	90	74.7 (2.0)	28.6
		200	100	30.7 (19.8)	25.3
		230	115	41.9 (0.5)	21.6
		250	125	76.7 (74.7)	75.7
Hydrogen chloride	mg/Nm^3	700	350	29(8)	18.5
Sulphur oxides	K value	14.5	7.25	Less than 1	Less than 1
Dioxins	ng-TEQ/Nm^3	0.1	0.1	0.057 (0.021)	0.039

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Soluble zinc compounds	32,187	0	128	0	6,388	0	0	25,671
Bis Phenol A epoxy resins	55,635	0	0	0	302	0	1	55,332
Ethyl benzene	265,453	100,677	0	0	0	94,996	7,670	62,110
Ethylene glycol	1,302,947	0	0	0	0	0	0	1,302,947
Xylene	946,135	242,997	0	0	0	354,803	22,022	326,313
1,3,5-Trimethyl benzene	63,535	30,749	0	0	0	28,598	4,178	10
Toluene	742,548	231,064	0	0	0	18,773	25,169	467,542
Nickel compounds	4,719	0	229	0	1,608	0	0	2,882
Bis (2-ethylhexyl) phthalic acid	14,216	0	0	0	145	0	0	14,071
Hydrogen fluoride and soluble salt	1,900	0	0	0	0	0	1,900	0
Benzene	20,698	52	0	0	0	0	0	20,646
Polyoxyethylene alkyl ether	3,426	0	0	0	0	0	3,426	0
Manganese and its compounds	9,932	0	974	0	1,467	0	0	7,491
Total	3,463,331	605,539	1,331	0	9,910	497,170	64,366	2,285,015
Dioxins (unit: mg-TEQ)	–	19.00	0	0	642.00	0	0	0

Note: For water and air quality, the items for which measurements are required by law are listed.

Kumamoto Factory

- Address: 1500 Hirakawa Ohaza, Ohzu Machi, Kikuchi Gun, Kumamoto Prefecture
- Established: 1976
- Main products: Minibike, Mini vehicle engines, multipurpose engines, transmission parts for passenger vehicles, etc.
- Number of employees: 3,406 (as of March 31, 2005)
- Water discharge point: Kikuchi River via Hyuga River and Koushi River
- ISO 14001 acquired: November 1997

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	6.5–7.9	7.9 (7.1)	7.6
Biochemical oxygen demand (BOD)	mg/ℓ	7	3.5	3.2 (Less than 0.5)	1.2
Suspended solids (SS)	mg/ℓ	10	5	3.3 (1.0)	2.1
Oil content	mg/ℓ	1	0.5	0.7 (Less than 0.5)	Less than 0.5
Phenols	mg/ℓ	0.05	0.025	Less than 0.025	Less than 0.025
Copper and its compounds	mg/ℓ	0.3	0.15	Less than 0.05	Less than 0.02
Zinc and its compounds	mg/ℓ	1.5	0.75	0.11 (0.06)	0.09
Soluble iron and its compounds	mg/ℓ	3	1.5	0.09 (Less than 0.05)	0.07
Soluble manganese and its compounds	mg/ℓ	Should not be detected	Below detection limit	Undetected	Undetected
Total chromium	mg/ℓ	0.1	0.05	Less than 0.02	Less than 0.02
Fluorine content	mg/ℓ	8	4	0.09 (0.09)	0.09
Colon bacillus colony count	No./cm³	3,000	1,500	180 (180)	180
Nitrogen content	mg/ℓ	60	30	45 (29)	40
Phosphorous content	mg/ℓ	8	4	2 (1)	1.3
Cadmium and its compounds	mg/ℓ	Should not be detected	Below detection limit	Undetected	Undetected
Cyanides	mg/ℓ	0.1	0.05	Less than 0.1	Less than 0.1
Lead and its compounds	mg/ℓ	Should not be detected	Below detection limit	Undetected	Undetected
Chromium (VI) compounds	mg/ℓ	0.05	0.025	Less than 0.04	Less than 0.04

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.05	0.025	0.008 (Less than 0.001)	Less than 0.001
		0.1	0.05	0.004 (Less than 0.001)	Less than 0.001
Nitrogen oxides	ppm	150	75	18.4 (Less than 5.0)	12.3
		180	90	27.5 (Less than 2.0)	15.8
		230	115	4.7 (Less than 3.0)	2.2

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Bis Phenol A epoxy resins	1,710	34	0	0	0	0	0	1,676
Ethyl benzene	19,292	13,347	0	0	0	527	84	5,334
Ethylene glycol	59,608	0	0	0	0	0	0	59,608
Xylene	231,737	121,370	0	0	0	69,125	7,893	33,349
Toluene	79,444	25,667	0	0	0	13,621	242	39,914
Total	391,791	160,418	0	0	0	83,273	8,219	139,881

Automobile New Model Center

- Address: 2900 Kamitakanezawa Ohaza, Takanezawa Machi, Shioya Gun, Tochigi Prefecture
- Established: 1995
- Main products: Manufacturing of fuel cell vehicles and technical support of automobile manufacturing
- Number of employees: 481 (as of March 31, 2005)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.8 (6.9)	7.3
Biochemical oxygen demand (BOD)	mg/ℓ	25	12.5	3.9 (Less than 0.1)	1.2
Chemical oxygen demand (COD)	mg/ℓ	25	12.5	9.3 (1.8)	4.7
Suspended solids (SS)	mg/ℓ	50	25	5.2 (Less than 1.0)	1.2
Oil content	mg/ℓ	5	2.5	0.5 (Less than 0.5)	Less than 0.5
Phenols	mg/ℓ	1	0.5	Less than 0.1	Less than 0.1
Copper and its compounds	mg/ℓ	3	Below detection limit	Less than 0.1	Less than 0.1
Zinc and its compounds	mg/ℓ	5	2.5	Less than 0.1	Less than 0.1
Soluble iron and its compounds	mg/ℓ	3	1.5	0.2 (Less than 0.1)	0.15
Soluble manganese and its compounds	mg/ℓ	3	1.5	Less than 0.1	0.1
Total chromium	mg/ℓ	2	1	Less than 0.1	Less than 0.1
Fluorine content	mg/ℓ	8	4	3 (2.4)	2.7
Colon bacillus colony count	No./cm³	3,000	Less than 1,500	70 (0)	3.2
Nitrogen content	mg/ℓ	Less than 20	Less than 14	11.3 (8.1)	10
Phosphorous content	mg/ℓ	Less than 2	Less than 1	0.2 (Less than 0.1)	0.2
Cadmium and its compounds	mg/ℓ	Undetected	Undetected	Less than 0.005	Less than 0.005
Cyanides	mg/ℓ	Undetected	Undetected	Less than 0.005	Less than 0.005
Lead and its compounds	mg/ℓ	Undetected	Undetected	Less than 0.01	Less than 0.01
Chromium (VI) compounds	mg/ℓ	Undetected	Undetected	Less than 0.002	Less than 0.002

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.2	0.16	0.002 or less	0.002 or less
		0.3	0.24	0.002	0.002
Nitrogen oxides	ppm	180	126	110	100.0
		230	115	Less than 75	42.0
Sulphur oxides	K value	7	5.6	0.0	0.0
		7	5.6	Less than 0.02	Less than 0.02

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethylene glycol	4,475	0	0	0	0	0	0	4,475
Xylene	8,165	323	0	0	55	0	84	7,703
Toluene	11,155	1,082	0	0	123	787	193	8,970
Total	23,795	1,405	0	0	178	787	277	21,148

Note: For water and air quality, the items for which measurements are required by law are listed.

Quality Innovation Center Tochigi

- Address: 52-1 Hagadai, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: April 2003
- Main products: Responses to quality issues in the market
- Number of employees: 443 (as of March 31, 2005)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.8 (6.9)	7.6
Biochemical oxygen demand (BOD)	mg/ℓ	25	12.5	3.9 (Less than 0.1)	0.8
Chemical oxygen demand (COD)	mg/ℓ	25	12.5	9.3 (1.8)	3.2
Suspended solids (SS)	mg/ℓ	50	25	5.2 (Less than 1.0)	1.9
Oil content	mg/ℓ	5	2.5	1.4 (Less than 0.5)	0.3
Phenols	mg/ℓ	1	0.5	Less than 0.05	Less than 0.05
Copper and its compounds	mg/ℓ	Undetected	Undetected	Undetected	Undetected
Zinc and its compounds	mg/ℓ	5	2.5	0.07 (Less than 0.06)	0.065
Soluble iron and its compounds	mg/ℓ	3	1.5	Less than 0.05	Less than 0.05
Soluble manganese and its compounds	mg/ℓ	3	1.5	Less than 0.01	Less than 0.01
Total chromium	mg/ℓ	2	1	Less than 0.1	Less than 0.1
Fluorine content	mg/ℓ	8	6.5	0.2 (Less than 0.01)	Less than 0.01
Colon bacillus colony count	No./cm³	3,000	1,500	15 (0)	0.63
Nitrogen content	mg/ℓ	20	10	1.7 (0.9)	1.3
Phosphorous content	mg/ℓ	2	1	Less than 0.05	Less than 0.05
Cadmium and its compounds	mg/ℓ	Undetected	Undetected	Undetected	Undetected
Cyanides	mg/ℓ	Undetected	Undetected	Undetected	Undetected
Lead and its compounds	mg/ℓ	Undetected	Undetected	Undetected	Undetected
Chromium (VI) compounds	mg/ℓ	Undetected	Undetected	Undetected	Undetected

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.3	0.15	0.005 or less	0.005 or less
Nitrogen oxides	ppm	180	90	68.0	62.0
Sulphur oxides	K value	7	3.5	Less than 0.1	Less than 0.1

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethyl benzene	1,026	245	0	0	0	0	378	403
Xylene	5,280	1,019	0	0	0	0	1,888	2,373
Toluene	10,331	2,371	0	0	0	0	4,371	3,589
Benzene	323	78	0	0	0	0	115	130
Total	16,960	3,713	0	0	0	0	6,752	6,495

Note: For water and air quality, the items for which measurements are required by law are listed.

Groundwater

Results of Groundwater Test Taken at Plants and Factories in Japan in Fiscal 2004

Substance Detected	Legal Limit	Branch			
		Saitama Factory	Tochigi Factory	Hamamatsu Factory	Suzuka Factory
Chromium (VI)	0.05mg/ℓ or less	Less than 0.005	Less than 0.005	Less than 0.02	Less than 0.04
Lead	0.01mg/ℓ or less	0.001	Less than 0.005	Less than 0.005	Less than 0.005
Cadmium	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.001	Less than 0.001
Total mercury	0.0005mg/ℓ or less	Less than 0.00005	Less than 0.0005	Less than 0.0005	Less than 0.0005
Alkyl mercury	Should not be detected	Less than 0.00005	Less than 0.0005	Less than 0.0005	Undetected
Total cyanides	Should not be detected	Less than 0.01	Less than 0.1	Less than 0.1	Undetected
PCB	Should not be detected	Less than 0.00005	Less than 0.0005	Less than 0.0005	Undetected
Selenium	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.002	Less than 0.001
Fluorine	0.8mg/ℓ or less	0.47	Less than 0.2	Less than 0.08	Less than 0.1
Boron	1.0mg/ℓ or less	Less than 0.1	Less than 0.1	Less than 0.05	0.03
Arsenic	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.001	Less than 0.005
Benzene	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.001	Less than 0.001
Dichloromethane	0.02mg/ℓ or less	Less than 0.002	Less than 0.002	Less than 0.002	Less than 0.002
Tetrachloride carbon	0.002mg/ℓ or less	Less than 0.0002	Less than 0.0002	Less than 0.0002	Less than 0.0005
1,2-dichloroethane	0.004mg/ℓ or less	Less than 0.0004	Less than 0.0004	Less than 0.0004	Less than 0.0004
1,1-dichloroethylene	0.02mg/ℓ or less	Less than 0.002	0.002	Less than 0.002	Less than 0.002
Cis-1,2-dichloroethylene	0.04mg/ℓ or less	Less than 0.004	Less than 0.004	Less than 0.004	Less than 0.004
1,1,1-trichloroethane	1.0mg/ℓ or less	Less than 0.002	Less than 0.0005	Less than 0.0005	Less than 0.001
1,1,2-trichloroethane	0.006mg/ℓ or less	Less than 0.0006	Less than 0.0006	Less than 0.0006	Less than 0.0006
Trichloroethylene	0.03mg/ℓ or less	Less than 0.003	0.029*	0.004	Less than 0.002
Tetrachloroethylene	0.01mg/ℓ or less	0.003	0.0296*	0.0027	Less than 0.0005
1,3-dichloropropane	0.02mg/ℓ or less	Less than 0.0002	Less than 0.0002	Less than 0.0002	Less than 0.0002
Thiram	0.006mg/ℓ or less	Less than 0.0006	Less than 0.0006	Less than 0.0006	Less than 0.0006
Simazine	0.003mg/ℓ or less	Less than 0.0003	Less than 0.0003	Less than 0.0003	Less than 0.0003
Thiobencarb	0.02mg/ℓ or less	Less than 0.002	Less than 0.002	Less than 0.002	Less than 0.002
Organic phosphorus compound	Should not be detected	Less than 0.1	Less than 0.1	–	Undetected

Substance Detected	Legal Limit	Branch		
		Kumamoto Factory	Automobile New Model Center	Quality Innovation Center Tochigi
Chromium (VI)	0.05mg/ℓ or less	Less than 0.005	Less than 0.005	Less than 0.005
Lead	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	0.004–less than 0.001
Cadmium	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.001
Total mercury	0.0005mg/ℓ or less	Less than 0.00005	Less than 0.001	Less than 0.00005
Alkyl mercury	Should not be detected	Less than 0.0005	Less than 0.0005	Less than 0.00005
Total cyanides	Should not be detected	Less than 0.001	Less than 0.1	Less than 0.05
PCB	Should not be detected	Less than 0.0005	Less than 0.0005	Less than 0.00005
Selenium	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.001
Fluorine	0.8mg/ℓ or less	Less than 0.08	Less than 0.2	Less than 0.2
Boron	1.0mg/ℓ or less	Less than 0.1	Less than 0.1	Less than 0.1
Arsenic	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.001
Benzene	0.01mg/ℓ or less	Less than 0.001	Less than 0.001	Less than 0.001
Dichloromethane	0.02mg/ℓ or less	Less than 0.002	Less than 0.002	Less than 0.002
Tetrachloride carbon	0.002mg/ℓ or less	Less than 0.0002	Less than 0.0002	Less than 0.0002
1,2-dichloroethane	0.004mg/ℓ or less	Less than 0.0004	Less than 0.0004	Less than 0.0004
1,1-dichloroethylene	0.02mg/ℓ or less	Less than 0.002	Less than 0.002	Less than 0.002
Cis-1,2-dichloroethylene	0.04mg/ℓ or less	Less than 0.004	Less than 0.004	Less than 0.004
1,1,1-trichloroethane	1.0mg/ℓ or less	Less than 0.003	Less than 0.0005	Less than 0.001
1,1,2-trichloroethane	0.006mg/ℓ or less	Less than 0.0006	Less than 0.0006	Less than 0.0006
Trichloroethylene	0.03mg/ℓ or less	Less than 0.003	Less than 0.001	Less than 0.001
Tetrachloroethylene	0.01mg/ℓ or less	Less than 0.001	Less than 0.0005	Less than 0.0005
1,3-dichloropropane	0.02mg/ℓ or less	Less than 0.0002	Less than 0.0002	Less than 0.0002
Thiram	0.006mg/ℓ or less	Less than 0.0006	Less than 0.0006	Less than 0.0006
Simazine	0.003mg/ℓ or less	Less than 0.0003	Less than 0.0003	Less than 0.0003
Thiobencarb	0.02mg/ℓ or less	Less than 0.002	Less than 0.002	Less than 0.002
Organic phosphorus compound	Should not be detected	Less than 0.1	Less than 0.1	Not applicable

● The figures in the chart are the certified measurements of a measurement company, and have been listed with no amendment.

Legend

Undetected, less than ___: Indicate that figures are the minimum amount detectable by the measuring equipment used and that nothing was detected

* At the Tochigi Factory, the tetrachloroethylene content in groundwater exceeded the legal limit (0.01 mg/ℓ or less), and the trichloroethylene content was near the legal limit (0.03 mg/ℓ or less). The factory, however, has never used these two substances. In the Matsuyama-cho District in Moka City, where the Tochigi Plant is located, groundwater pollution by organic chlorine compounds, including tetrachloroethylene and trichloroethylene, was detected. Tochigi Prefecture and Moka City are now monitoring groundwater in areas where these pollutants were detected. (For the monitoring results, please refer to the following Web site: www.city.moka.tochigi.jp/densi/mizukankyou.htm.) The Tochigi Plant will also continue monitoring and measuring these substances.

Note: For water and air quality, the items for which measurements are required by law are listed.

Honda R&D Co., Ltd.

Wako R&D Center/ Wako Basic Technology Research Center/ Wako Nishi R&D Center

- Address: 1-4-1 Chuo, Wako City, Saitama Prefecture
- Established: 1960 (spin-off from Honda Motor Co., Ltd.)
- Main products: Automobile design research, various basic research and development, and development of aircraft engines
- Water discharge point: Wastewater Treatment Center, located in the Arakawa Right Bank District (sewage)

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.0–9.0	5.0–9.0	8.6 (7.3)	8.0
Biochemical oxygen demand (BOD)	mg/ℓ	600	300	310 (5.8)	77
Chemical oxygen demand (COD)	mg/ℓ	Excluded because of release to the sewage system			
Suspended solids (SS)	mg/ℓ	600	300	260 (10)	76
Oil content	mg/ℓ	30	15	12 (2)	3.4
Phenols	mg/ℓ	5	2.5	Less than 0.5	Less than 0.5
Copper and its compounds	mg/ℓ	3	1.5	Less than 0.1	Less than 0.1
Zinc and its compounds	mg/ℓ	5	2.5	Less than 0.5	Less than 0.5
Soluble iron and its compounds	mg/ℓ	5	2.5	Less than 1	Less than 1
Soluble manganese and its compounds	mg/ℓ	10	5	Less than 1	Less than 1
Total chromium	mg/ℓ	2	1	Less than 0.1	Less than 0.1
Fluorine content	mg/ℓ	8	4	Less than 1	Less than 1
Colon bacillus colony count	No./cm³	Excluded because of release to the sewage system			
Nitrogen content	mg/ℓ	240	120	72 (4.2)	25
Phosphorous content	mg/ℓ	32	16	5.9 (0.3)	2.5
Cadmium and its compounds	mg/ℓ	0.1	0.05	Less than 0.01	Less than 0.01
Cyanides	mg/ℓ	1	0.5	Less than 0.1	Less than 0.1
Lead and its compounds	mg/ℓ	0.1	0.05	Less than 0.01	Less than 0.01
Chromium (VI) compounds	mg/ℓ	0.5	0.25	Less than 0.05	Less than 0.05

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.1	0.05	Less than 0.01	Less than 0.01
Nitrogen oxides	ppm	150	75	70 (19)	32
Sulphur oxides	K value	9	4.5	0.3 (0.1)	0.2

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethyl benzene	1,158	249	0	0	33	0	876	0
Xylene	6,388	882	0	0	125	0	5,381	0
Toluene	9,925	933	0	0	159	0	8,833	0
Total	17,471	2,064	0	0	317	0	15,090	0

Asaka R&D Center/ Asaka Higashi R&D Center

- Address: 3-15-1 Senzui, Asaka City, Saitama Prefecture
- Established: 1973
- Main Products: Research and development of motorcycles and power products
- Water discharge point: Arakawa River Right Bank District Shingashi River Sewage Treatment Center

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.0–9.0	5.8–8.6	9.5* (7.0)	8.0
Biochemical oxygen demand (BOD)	mg/ℓ	600	420	370 (1.6)	164.9
Chemical oxygen demand (COD)	mg/ℓ	Excluded because of release to the sewage system			
Suspended solids (SS)	mg/ℓ	600	420	560 (3.6)	208.4
Oil content	mg/ℓ	30	21	20.5 (Less than 1)	9.0
Phenols	mg/ℓ	5	3.5	0.32 (Undetected)	0.2
Copper and its compounds	mg/ℓ	3	2.1	0.04 (Undetected)	0.02
Zinc and its compounds	mg/ℓ	5	3.5	0.34 (0.04)	0.15
Soluble iron and its compounds	mg/ℓ	10	7	0.34 (0.05)	0.18
Soluble manganese and its compounds	mg/ℓ	10	7	0.02 (0.01)	0.02
Total chromium	mg/ℓ	2	1.4	Less than 0.1	Less than 0.1
Fluorine content	mg/ℓ	8	5.6	Less than 0.1	Less than 0.1
Colon bacillus colony count	No./cm³	Excluded because of release to the sewage system			
Nitrogen content	mg/ℓ	240	168	104 (25.2)	62.0
Phosphorous content	mg/ℓ	32	22.4	9.5 (0.5)	5.5
Cadmium and its compounds	mg/ℓ	0.1	0.07	Less than 0.005	Less than 0.005
Cyanides	mg/ℓ	1	0.7	Less than 0.1	Less than 0.1
Lead and its compounds	mg/ℓ	0.1	0.07	Less than 0.05	Less than 0.05
Chromium (VI) compounds	mg/ℓ	0.5	0.35	Less than 0.02	Less than 0.02

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.1	0.07	Less than 0.0059 (Less than 0.0059)	Less than 0.0059
Nitrogen oxides	ppm	150	105	40	40
Sulphur oxides	K value	9	6.3	Less than 0.098 (Less than 0.0046)	0.0763

* Because the measurement results exceeded the regulation standards when construction work was being carried out at the facilities, neutralization measures were immediately taken, and wastewater subsequently released into the sewage system had a lower pH.

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethyl benzene	12,437	33	0	0	179	0	12,225	0
Xylene	60,244	69	0	0	807	0	59,368	0
Toluene	108,374	179	0	0	2,697	0	105,498	0
Benzene	3,997	1	0	0	0	0	3,996	0
Total	185,052	282	0	0	3,683	0	181,087	0

Note: For water and air quality, the items for which measurements are required by law are listed.

Tochigi R&D Center

- Address: 4630 Shimotakanesawa, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: 1982 (Tochigi Laboratory, Wako Research Center)
- Main Products: General automobile research (design, trial production, and testing of engines, bodies, and chassis)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center (domestic and industrial water)

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.5 (7)	6.45
Biochemical oxygen demand (BOD)	mg/ℓ	25	17.5	2.1 (0.1)	0.88
Chemical oxygen demand (COD)	mg/ℓ	25	17.5	8.6 (4.7)	6.55
Suspended solids (SS)	mg/ℓ	50	35	2.4 (0)	0.77
Oil content	mg/ℓ	5	3.5	0.8 (0)	0.1
Phenols	mg/ℓ	1	0.7	Less than 0.01	Less than 0.01
Copper and its compounds	mg/ℓ	3	2.1	Less than 0.02	Less than 0.02
Zinc and its compounds	mg/ℓ	5	3.5	0.21 (0.13)	0.17
Soluble iron and its compounds	mg/ℓ	3	2.1	Less than 0.02	Less than 0.02
Soluble manganese and its compounds	mg/ℓ	3	2.1	Less than 0.005	Less than 0.005
Total chromium	mg/ℓ	2	1.4	0.22	0.22
Fluorine content	mg/ℓ	8	5.6	Less than 0.1	Less than 0.1
Colon bacillus colony count	No./cm^3	3,000	2,100	29 (0)	10.67
Nitrogen content	mg/ℓ	20	–	20 (12)	15.08
Phosphorous content	mg/ℓ	2	1.4	0.32 (0.09)	0.15
Cadmium and its compounds	mg/ℓ	Should not be detected	Below detection limit	Less than 0.005	Less than 0.005
Cyanides	mg/ℓ	Should not be detected	Below detection limit	Less than 0.1	Less than 0.1
Lead and its compounds	mg/ℓ	Should not be detected	Below detection limit	Less than 0.05	Less than 0.05
Chromium (VI) compounds	mg/ℓ	Should not be detected	Below detection limit	Less than 0.02	Less than 0.02

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm^3	0.15	0.105	Less than 0.006 (0.005)	0.005
		0.3	0.21	0.002 (Less than 0.001)	0.001
		0.5	0.35	Less than 0.005 (Less than 0.003)	0.004
Nitrogen oxides	ppm	150	105	67 (38)	54.8
		180	126	73 (46)	60.5
		250	175	100 (41)	74
Hydrogen chloride	mg/Nm^3	700	490	Less than 73 (Less than 55)	64
Sulphur oxides	K value	7	4.9	Less than 0.24 (0.009)	0.091
Dioxins	ng-TEQ/Nm^3	10	0.1	0.041	0.041

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethyl benzene	50,110	890	0	0	60	0	49,160	0
Ethylene glycol	2,172	43	0	0	28	0	2,101	0
Xylene	407,392	7,100	0	0	610	0	399,682	0
Dichloromethane	1,350	11	0	0	0	0	1,339	0
Toluene	857,230	15,000	0	0	1,200	0	841,030	0
Total	1,318,254	23,044	0	0	1,898	0	1,293,312	0
Dioxins (unit: mg-TEQ)	0	1.38	0.01	0	190.91	0	0	0

Tochigi Proving Center

- Address: 4627 Shimotakanezawa, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: 1979
- Main products: Comprehensive R&D of motorcycles, automobiles, and power products (on test courses)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center via Tochigi R&D Center wastewater treatment facilities (domestic and industrial wastewater)

Water Quality

(The data of this center are included in the data of Tochigi R&D Center because wastewater from the center is treated at the Tochigi R&D Center's treatment facilities.)

Air Quality

(There are no specified facilities.)

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethyl benzene	12,889	1	0	0	25	0	12,863	0
Xylene	59,145	4	0	0	115	0	59,026	0
1,3,5-Trimethyl benzene	4,263	0	0	0	18	0	4,245	0
Toluene	145,424	32	0	0	180	0	145,212	0
Benzene	5,256	4	0	0	13	0	5,239	0
Total	226,977	41	0	0	351	0	226,585	0

Note: For water and air quality, the items for which measurements are required by law are listed.

Takasu Proving Center

- Address: 21-10, Takasu Cho, Kamikawa Gun, Hokkaido
- Established: 1996
- Main products: Comprehensive R&D of motorcycles, automobiles, and power products (on test courses)
- Water discharge point: Shumamu River

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.8–8.6	5.8–8.6	7.1	7.1
Biochemical oxygen demand (BOD)	mg/ℓ	160	80	Less than 2.0	Less than 2.0
Chemical oxygen demand (COD)	mg/ℓ	160	80	4.1	4.1
Suspended solids (SS)	mg/ℓ	200	100	8.2	8.2
Oil content	mg/ℓ	5	2.5	Less than 2.0	Less than 2.0
Phenols	mg/ℓ	3	1.5	Less than 0.2	Less than 0.2
Copper and its compounds	mg/ℓ	3	1.5	Less than 0.05	Less than 0.05
Zinc and its compounds	mg/ℓ	5	2.5	Less than 0.05	Less than 0.05
Soluble iron and its compounds	mg/ℓ	10	5	Less than 0.1	Less than 0.1
Soluble manganese and its compounds	mg/ℓ	10	5	Less than 0.1	Less than 0.1
Total chromium	mg/ℓ	2	1	Less than 0.05	Less than 0.05
Fluorine content	mg/ℓ	8	4	Less than 0.2	Less than 0.2
Colon bacillus colony count	No./cm³	3,000	1,500	0	0
Nitrogen content	mg/ℓ	120	60	Less than 0.2	Less than 0.2
Phosphorous content	mg/ℓ	16	8	Less than 0.05	Less than 0.05
Cadmium and its compounds	mg/ℓ	0.1	0.05	Less than 0.01	Less than 0.01
Cyanides	mg/ℓ	1	0.5	Less than 0.1	Less than 0.1
Lead and its compounds	mg/ℓ	0.1	0.05	Less than 0.02	Less than 0.02
Chromium (VI) compounds	mg/ℓ	0.5	0.25	Less than 0.05	Less than 0.05

Air Quality

(There are no specified facilities.)

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Xylene	15,473	1	0	0	0	0	15,472	0
Toluene	28,534	5	0	0	0	0	28,529	0
Benzene	1,118	1	0	0	0	0	1,117	0
Total	45,125	7	0	0	0	0	45,118	0

Honda Engineering Co., Ltd.

- Address: 6-1 Hagadai, Haga Machi, Haga Gun, Tochigi Prefecture
- Established: 1990
- Main products: General machinery and equipment (development, design, and manufacture of machine tools, dies, and functional parts.)
- Water discharge point: Nomoto River via Haga Industrial Park Treatment Center (domestic and industrial water)
- ISO 14001 acquired: July 1997

Water Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Hydrogen ion concentration	pH	5.6–8.6	5.6–8.6	7.7 (7.2)	7.4
Biochemical oxygen demand (BOD)	mg/ℓ	25	12.5	8.1 (Less than 0.5)	3.2
Chemical oxygen demand (COD)	mg/ℓ	25	12.5	9.1 (3)	5.9
Suspended solids (SS)	mg/ℓ	50	25	Less than 6.8 (Less than 1)	2.6
Phenols	mg/ℓ	Less than 5	Less than 5	Less than 0.05	Less than 0.05
Copper and its compounds	mg/ℓ	Less than 3	Less than 3	Less than 0.05	Less than 0.05
Zinc and its compounds	mg/ℓ	Less than 5	Less than 5	0.31 (0.12)	0.21
Soluble iron and its compounds	mg/ℓ	Less than 10	Less than 10	Less than 0.05	Less than 0.05
Soluble manganese and its compounds	mg/ℓ	Less than 10	Less than 10	Less than 0.01	Less than 0.01
Total chromium	mg/ℓ	Less than 2	Less than 2	Less than 0.02	Less than 0.02
Fluorine content	mg/ℓ	Less than 15	Less than 15	0.2	0.2
Colon bacillus colony count	No./cm³	3,000	1,500	170 (0)	14
Nitrogen content	mg/ℓ	20	10	8.6 (6.7)	6.1
Phosphorous content	mg/ℓ	2	1	1.8 (0.3)	0.7
Cadmium and its compounds	mg/ℓ	Less than 0.1	Less than 0.1	Less than 0.005	Less than 0.005
Cyanides	mg/ℓ	Less than 1	Less than 1	Less than 0.05	Less than 0.05
Lead and its compounds	mg/ℓ	Less than 0.1	Less than 0.1	Less than 0.01	Less than 0.01
Chromium (VI) compounds	mg/ℓ	Less than 0.5	Less than 0.5	Less than 0.02	Less than 0.02

Air Quality

Item	Unit	Regulation Standards (Incl. Agreed Standards)	Voluntary Regulation Standards	Measurement Results	
				Maximum (minimum)	Average
Particulates	g/Nm³	0.3	0.15	Less than 0.005	Less than 0.005
Nitrogen oxides	ppm	180	90	Less than 7.6 (Less than 5.0)	Less than 6.3
Sulphur oxides	mg/Nm³	40	20	5.2 (2.9)	4.1
Hydrogen chloride	Nm³/h	1.77	0.885	Less than 0.011	Less than 0.011

PRTR Listed Substances

(Unit: kg)

Substance	Volume Handled	Volume Discharged		Volume Transferred		Recycling	Volume 100 Disposed	Volume Consumed (Transferred to Products)
		Atmosphere	Public Waters	Sewage	Waste Disposal Sites Outside Company			
Ethylene glycol	2,970	152	0	0	340	0	0	2,478
Nickel compounds	740	0	0	0	140	600	0	0
Molybdenum and its compounds	1,774	610	0	0	958	0	0	206
Total	5,484	762	0	0	1,438	600	0	2,684

Honda Engineering Sayama

Water Quality

(Nothing to be listed because domestic and industrial wastewater is treated at the Saitama Factory and then released into the sewage system)

Air Quality

(There are no specified facilities.)

PRTR Listed Substances

(There are no PRTR listed substances.)

- Address: 1-10-1, Shinsayama, Sayama City, Saitama Prefecture
- Established: 1974
- Main products: Development of production technologies and manufacture of production equipment
- Water discharge point: Sewage system via the wastewater treatment facilities of the Saitama Factory (domestic and industrial wastewater)
- ISO 14001 certification date: September 1997

Note: For water and air quality, the items for which measurements are required by law are listed.

Results of Fiscal 2004 Survey in Japan by Honda[1]

Primary specified chemical substances Notification items based on the PRTR Law

Substance No[2]	CAS No.	Name of Substance	Quantity Handled	Released into the Air	Released into Public Water Areas	Total Released	To Sewage	External Disposal Waste[3]	Total Transfer Amount	Recycling[4]	Quantity Removed	Consumption (Shipped Amount)
1	–	Water-soluble zinc compounds	71,076	0	148	148	289	21,007	21,296	0	0	49,632
30	25068-38-6	Bisphenol A-type epoxy resin	111,003	34	0	34	0	1,997	1,997	0	1,143	107,829
40	100-41-4	Ethyl benzene	767,461	303,691	0	303,691	0	1,203	1,203	273,151	32,203	157,213
43	107-21-1	Ethylene glycol	3,422,216	0	0	0	0	0	0	0	0	3,422,216
63	1330-20-7	Xylene	2,420,156	695,339	0	695,339	0	15,014	15,014	821,606	93,259	794,938
217	75-69-4	Trichlorofluoromethane	1,100	0	0	0	0	1,100	1,100	0	0	0
224	108-67-8	1,3,5-trimethylbenzene	106,247	68,142	0	68,142	0	665	665	28,598	8,832	10
227	108-88-3	Toluene	2,294,545	796,509	0	796,509	0	4,261	4,261	62,625	136,609	1,294,541
231	7440-02	Nickel	2,482	0	0	0	0	0	0	0	0	2,482
232	–	Nickel compounds	10,467	0	229	229	1,322	2,585	3,907	0	0	6,331
272	117-81-7	Bis Phthalate (2-ethyl-hexyl)	49,316	0	0	0	0	922	922	0	80	48,314
283	–	Hydrogen fluoride or its water-soluble salts	1,900	0	0	0	0	0	0	0	1,900	0
299	71-43-2	Benzene	57,614	117	0	117	0	0	0	269	1,803	55,425
307	–	Poly (oxyethylene) = alkylether	4,673	0	0	0	125	561	686	0	3,987	0
310	50-00-0	Formaldehyde	–	2,228	0	2,228	0	0	0	0	0	0
311	–	Manganese and its compounds	21,592	0	974	974	583	6,131	6,714	0	0	13,904
		Total	9,341,848	1,866,060	1,351	1,867,411	2,319	55,446	57,765	1,186,249	279,816	5,952,835
179	–	Dioxins (unit: mg-TEQ)	–	34.06	0.00	34.06	0.59	1,460.26	1,460.85	0.00	0.00	0.00

1. Study conducted on 354 types of primary specified chemical substances falling within the scope of the Law concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promotion of the Improvement of Their Management (PRTR Law). Substances treated on a scale of 1,000 kg or more.
2. Numbers of primary specified chemical substances falling within the scope of the PRTR Law
3. Amount recycled by paying recycling cost
4. Amount sold to external recycling companies
5. The dash in the "Quantity Handled" column means "not applicable" because the substances are reaction products.
6. Total for five factories (Saitama, Tochigi, Hamamatsu, Suzuka, and Kumamoto Factories) and the Automobile New Model Center

Recycling Results for End-of-Life Vehicles in Fiscal 2004

●Started on: January 1, 2005 ●Ended on: March 31, 2005

Item			Announced Data
CFCs	Recycling amount	CFC accepted	2.838.5 kg
		HFC accepted	2,465.6 kg
		Total	5,304.1 kg
		Number of vehicles from which CFC was recovered and accepted	8,571 vehicles
		Number of vehicles from which HFC was recovered and accepted	6,595 vehicles
		Total	15,166 vehicles
	Cost	Amount of recycling deposits repaid	¥31,696,940
		Total recycling cost	¥34,947,806
Inflators (airbags)	Recycling amount	Number of inflators recovered	943 pieces
		Number of airbags deployed	6,662 pieces
		Total	7,605 pieces
		Number of vehicles from which inflators were collected	548 vehicles
		Number of vehicles in which all airbags were deployed	3,211 vehicles
		Number of vehicles in which some were collected and others deployed	2 vehicles
		Total	3,761 vehicles
		Total weight of inflators accepted	44.0 kg
		Total weight of inflators accepted and made reusable	41.6 kg
	Recycling rate	Recycling rate of inflators	94.5%
	Cost	Amount of recycling deposits repaid	¥6,652,340
		Total recycling cost	¥11,651,119
Automobile shredder residue (ASR)	Recycling amount	Weight of ASR accepted	3,337.9 tons
		Number of vehicles of which ASR was accepted and used	19,980 vehicles
		Number of dismantled vehicles recycled by commission into articles of iron or steel without generating ASR	1,778 vehicles
		Weight of ASR delivered to recycling facilities	1,903.3 tons
		Weight of slugs, fly ash, etc., remaining after recycling ASR at recycling facilities	216.0 tons
		Weight of ASR equivalent to the amount not generated (in the commissioned recycling of dismantled vehicles into articles of iron or steel without generating ASR)	311.4 tons
		Weight of slugs, fly ash, etc., remaining after the commissioned recycling of dismantled vehicles into articles of iron or steel without generating ASR	2.5 tons
		Weight of ASR reduced	101.9 tons
	Recycling rate	Recycling rate of ASR	53.2%
	Facilities	Facilities complying with the standards	*See below
	Cost	Amount of recycling deposits repaid	¥126,325,720
		Total recycling cost	¥122,566,232

* Names of facilities complying with the standards for automobile shredder residue

Aomori Renewable Energy Recycling Co., Ltd.
Tohoku Tokyotekko Co., Ltd.
Kosaka Seiren Co., Ltd.
Onahama Smelting and Refining Co., Ltd.
Yamanaka Corporation
Shimada Industry Co., Ltd.
Nikko Mikkaichi Recycling Co., Ltd.
Sano Maruka Corporation
Toyota Metal Co., Ltd.
Akemi Recycling Center Co., Ltd.
Mie Chuo Kaihatsu Co., Ltd.
GE Co., Ltd.
Clean Stage Co., Ltd.
Daiei Inter Nature System Inc.
Dowa Mining Co., Ltd.
Mizushima Eco-Works Co., Ltd.
Kyoei Recycle Co., Ltd.
Mitsubishi Materials Corporation
Kanemura Eco Works Co., Ltd.
Takunan Shoji Co., Ltd.

Honda deems it its mission to manufacture products with the highest environmental performance using the most efficient production system.

In this section, we report the environmental performance of automobiles in four major regions, global CO_2 emissions from major factories and other examples of our environmental efforts overseas.

Product Domain

Through its unique technologies, Honda introduces products that demonstrate environmental performance that exceeds the legal standards established in each country for the reduction of exhaust emissions and improvement of fuel economy. We are willing to contribute to the achievement of a sustainable mobility society by meeting people's mobility needs while minimizing the environmental impacts caused by our products. In the product domain, we are implementing measures based on the following three approaches.

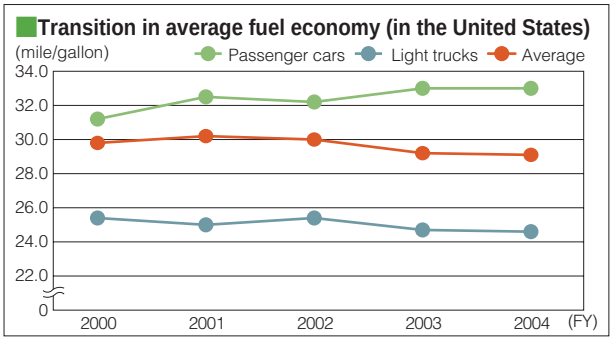
1. Further improvements in the reduction of exhaust emissions from internal-combustion engines and increased fuel economy
2. Evolution of hybrid vehicles
3. Promotion of alternative fuel-powered vehicles

1 Further Improvements in Exhaust Emissions and Fuel Economy

●North America (United States)

In the U.S., Honda achieved the highest corporate average fuel economy (CAFE) for its entire vehicle fleet of any automobile maker. For cleaner exhaust gas, Honda has always provided the U.S. market with low emission vehicles with higher performance than what is required by emission regulations. Specifically, we introduced the first gasoline-powered low emission vehicles (LEVs), ultra low emission vehicles (ULEVs) and super ultra low emission vehicles (SULEVs) in the market. At present, at least 60% of Honda/Acura branded vehicles meet or exceed the Tier II/bin 5 exhaust gas standard (NOx: 0.07 g/mile). In December 2004, based on the achievement of high fuel economy and cleaner exhaust gas from these Honda vehicles, the Union of Concerned Scientists (UCS) named Honda the 2004 Greenest Automaker.

■Transition in average fuel economy (in the United States)



●Europe

In Europe, Honda developed and released models with high fuel economy, hybrid vehicles, and clean diesel vehicles to meet the industry's voluntary emission standard for average fuel economy (CO_2 emissions: 140 g/km) by 2009.

●Asia and Oceania

In Thailand, Honda locally produced Jazz has already achieved the EURO-IV emission regulation standards to be introduced in the future. As a result, in the period from January to December 2004, 40% of the vehicles sold by Honda meet the EURO-IV regulation standards.

●China

In China, Honda has already achieved the EURO-III regulation standards to be gradually implemented in Beijing from November 2005 for all the models sold in the market.

2 Evolution of Hybrid Vehicles

Honda released the Insight in November 1999, the first hybrid car equipped with Honda's Integrated Motor Assist (IMA) System that achieved the world's highest fuel economy* as a mass-produced gasoline-powered vehicle. In North America, Honda subsequently began marketing of the Civic Hybrid in April 2002 (in December 2001 in Japan), and the Accord Hybrid in December 2004, adopting Honda's Variable Cylinder Management (VCM) system for its V6 engine. Its Suzuka and Saitama Factories in Japan manufacture Honda's hybrid cars. Honda sells the Civic Hybrid, its best-selling hybrid model, in 19 countries in North America, Europe, Japan, and Asia and Oceania regions.

In April 2005, Honda passed the 100,000 unit milestone in global sales of hybrid cars (approx. 89,000 in the U.S, 5,900 in Japan, 3,800 in Europe, and 1,500 in Canada) .

*10-15 mode: 5-speed manual transmission vehicle
35 km/l at the time of announcement in 1999 → present model: 36 km/l

3 Promotion of Alternative Fuel-Powered Vehicles

In order to promote use of vehicles powered by alternative fuels, Honda leased a total of 19 FCX fuel cell vehicles in Japan and the U.S. We are also trying to expand sales of the Civic GX, our natural gas-powered vehicle, in North America.

Additionally, for facilities to supply alternative fuels, we are promoting the development of hydrogen stations and the introduction of affordable fueling equipment for natural gas-powered vehicles for household use. Honda is thus playing a leading role in the promotion of alternative fuel-powered vehicles.

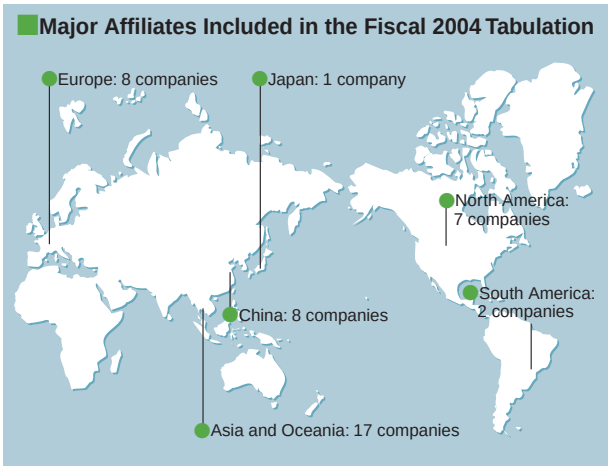
Production Domain

In the production domain, Honda is promoting its Green Factory Plan to develop its factories into new manufacturing operations suitable for a recycling-based society. To this end, we are also expanding our energy conservation and waste reduction activities to our overseas plants.

For fiscal 2004, CO_2 emissions, the amount of waste sent to off-site landfills, and the water use were calculated for Honda Motor Co., Ltd. and its major affiliates. The calculation results are tabulated in the graphs shown on the right.

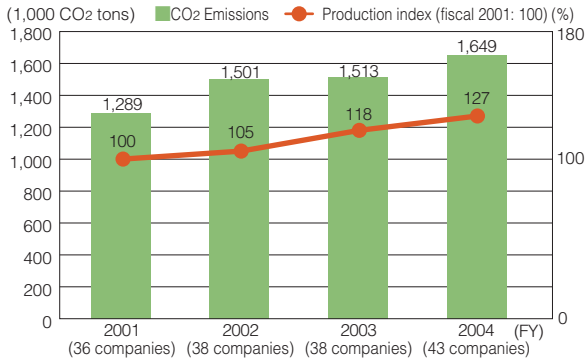
In the fiscal 2004 tabulation, 43 companies (Honda Motor and affiliates in which Honda Motor holds at least a 50% share) are included. For details, please see p. 3.

Major Affiliates Included in the Fiscal 2004 Tabulation

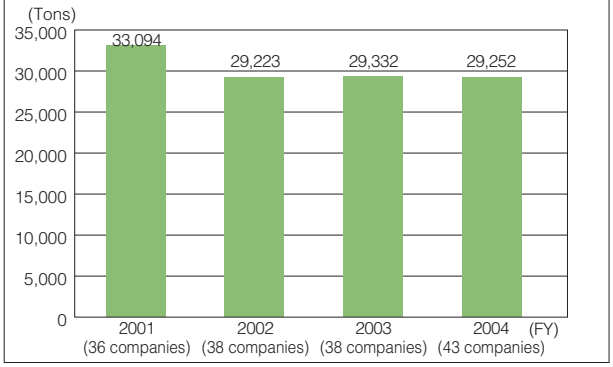


Notes:
1. Figures show the number of affiliates included.
2. Overseas CO_2 emissions were calculated based on the amount of energy used, using the coefficient shown in the Japanese Ministry of the Environment's guidelines for calculating global warming gases released by companies (version 1.5).
3. Waste disposed of as off-site landfill includes waste externally disposed of by other methods.
4. Production indices are calculated based on the total number of motorcycles, automobiles, and power equipment manufactured by the companies included in the tabulation.

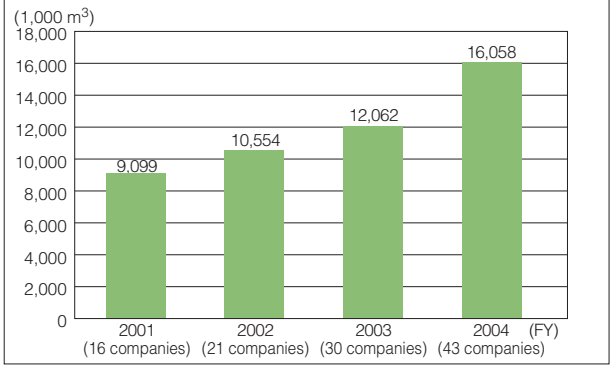
CO_2 Emissions



Waste used as off-site Landfill



Use of Water Resources



Environmental Data by Region (Production Domain)

Item	Region	Japan	North America	South America	Europe	Asia and Oceania	China
Number of affiliates included in the tabulation		1	7	2	8	17	8
Energy	Electricity (MWh)	711,771	1,053,322	109,887	163,326	226,181	232,279
	Natural gas (GJ)	2,680,061	5,803,348	79,216	826,119	173,557	36,582
	Petroleum gas (GJ)	286,486	43,256	99,666	16,161	511,919	311,693
	Oil-based fuel and others (GJ)	460,622	22,980	214,586	12,781	1,057,819	384,235
Waste	Externally used as landfill (in tons)	0	10,819	1,009	2,765	2,137	12,522
	Recycled (in tons)	177,970	303,624	26,987	31,767	781,031	40,447
Water resources	Tap water (in 1,000 m^3)	1,755	1,929	0.9	743	2,028	2,074
	Underground water (in 1,000 m^3)	2,810	1,805	1,130	0	1,324	370
	Rainwater (in 1,000 m^3)	72	12	0	0	6	0

Note: From this fiscal year, the environmental data of each site are tabulated and shown by region.

North America

●Introduction of Equipment to Reuse Rain Water from Holding Ponds (United States)

The Marysville Automobile Plant (MAP) of Honda of America Mfg., Inc. (HAM) established two holding ponds, with a total capacity of approximately 28,000 m^2, to store rainwater for use as alternative water supply to approximately 190,000 tons a year of groundwater supplied to the plant's manufacturing process. The facility has been in operation since December 2004. The plant optimizes the supply of rainwater by using the two holding ponds: one for summer use (with a capacity of approximately 76,000 tons), and the other for winter use (with a capacity of approximately 7,600 tons). By using these two ponds, the plant expects that its groundwater use will be reduced by approximately 150,000 tons a year. In January 2005, because of the use of this equipment to reuse rainwater, MAP was awarded the Karl G. Voelkel Award from the Ohio Water Environmental Association.

MAP also is constructing a new, water-based paint facility which will start operation by the middle of 2006, thereby reducing emissions by 41%. The facility will introduce high-efficiency ovens, air recycling systems, and highly efficient variable drive motors to reduce its use of energy by 34%.

Holding ponds established adjacent to MAP

●Removal of the Steam Boiler System (United States)

The East Liberty Automobile Plant (ELP) of Honda of America Mfg., Inc. (HAM) removed their steam boiler system in December 2004.

The steam boiler system was introduced at the time ELP opened in 1989, and the system supplied steam to the plant's eight major processes for heat transmission and moisture supply. As an energy conservation measure, at ELP, its four major departments, each in charge of facilities management, body painting, bumper painting, and assembly, jointly examined a system to replace the steam boiler system. As a result, they determined to newly introduce the following three technologies:

(1) To replace the heat exchanger with a gas heater
(2) To introduce a system to recover and reuse waste heat from the bumper painting process that was using steam heat
(3) To replace the steam moisturizer with a cooling mist spray device

This conversion to a more efficient system has contributed to a reduction in energy consumption, and to the achievement of a safer workplace as well.

Members of the project to remove the steam boiler system

Boiler room

Europe

●Environmental Commitment of Honda Belgium N.V. (Belgium)

Honda Belgium N.V. (BH) conducted the following environmental activities and was awarded the Flemish Environmental Charter Award.

(1) Reduction of pollutants contained in wastewater by activated carbon filtration
(2) Prevention of accidental elution and effusion of dirty water by the establishment of a weather shed above the waste collection containers
(3) Improvement of thermal insulation within the facilities by increasing the opening and closing speed of the automatic gate used for transporting materials on-site
(4) Reduction of landfill waste by sorting the waste

Activated carbon filtration

Waste collection place with a weather shed

●Acquisition of EMAS Certification by Honda Europe N.V. (Belgium)

Honda Europe N.V. (HE) has successfully completed the examination for the EMAS environmental management system and is now applying for its certification registration. HE is thus becoming the 4th European Honda site achieving the EMAS standard.

Following the successful introduction by Montesa Honda in Spain, HE has also introduced the unpacked transportation of finished motorcycles for distribution, and is promoting this transportation method for more products and to all distribution channels in Europe.

●Improvement of Transportation Efficiency Following the Expansion of Facilities (France)

Honda Europe Power Equipment (HEPE) reviewed its working process at the time it expanded its facilities, and remarkably improved transportation efficiency on-site by designing a unique transportation flow. In addition, by introducing equipment to reduce the volume of cardboard boxes without reconciling their recyclability, HEPE achieved improvement in both recyclability and transportation efficiency.

Equipment to reduce the volume of cardboard boxes

Asia, Oceania, and China

●Reuse of Automatic Transmissions (China)

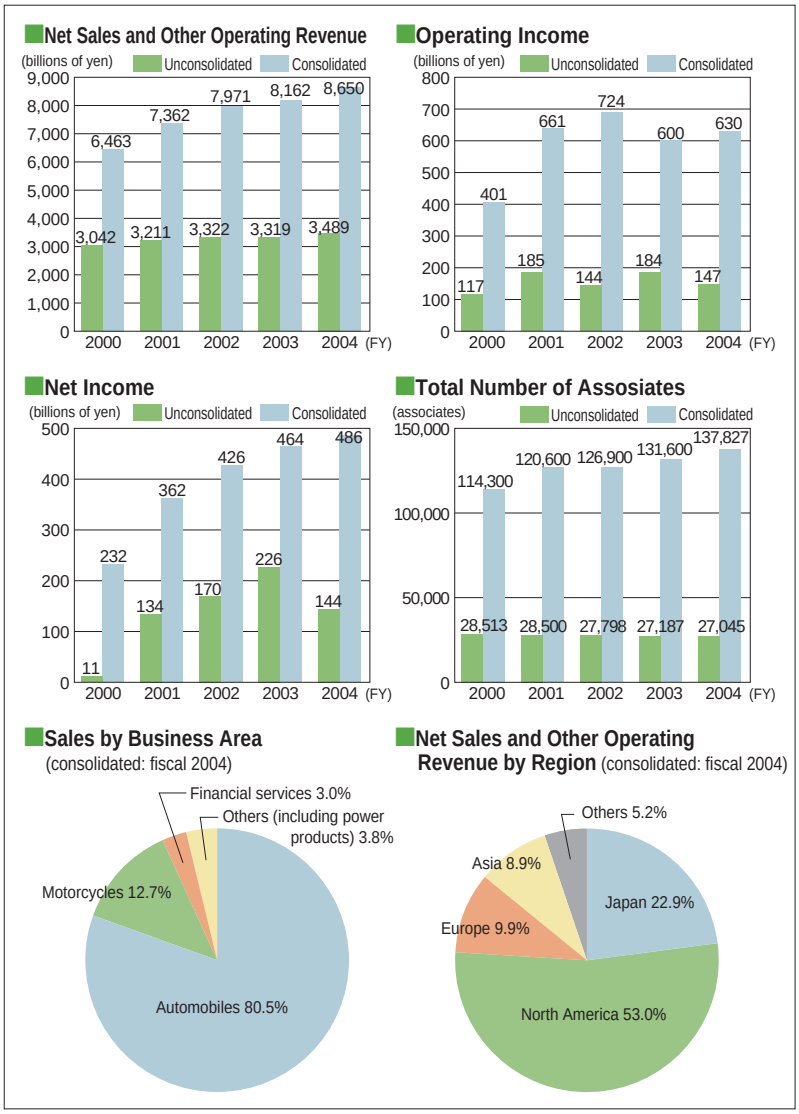
In Asia, Oceania, and China, Honda is promoting the reuse of automatic transmissions.

With Dongfeng Honda Engine Co., Ltd. serving as the activity center, the production and sales sites in Asia, Oceania, and China cooperate together to promote the reuse of automatic transmissions within a wide area, and it is expected that further progress will be made in this effort.

Working for the reuse of automatic transmissions

Corporate Profile & Financial Data

Company name	Honda Motor Co., Ltd.
Head office location	1-1, 2-chome Minami-Aoyama, Minato-ku, Tokyo
Established	September 24, 1948
Company Representative	Takeo Fukui President and Chief Executive Officer
Capital	¥86,067 million (as of the end of March 2005)
Sales (Results of fiscal 2004)	Consolidated: ¥8,650,105 million Unconsolidated: ¥3,489,106 million
Total number of associates	Consolidated: 137,827 (as of the end of March 2005) Unconsolidated: 27,045 (as of the end of March 2005)
Consolidated subsidiaries	319 subsidiaries (as of the end of March 2005)
Major products	Automobiles Standard-sized vehicles, compact vehicles, and mini vehicles Motorcycles Motorbikes, minibikes, small motorcycles, ATVs, and personal watercraft Power equipment Agricultural equipment, generators, multipurpose engines, lawn mowers and outboard engines



Persons Responsible for Contents

Sales and Services	Automobile sales	Toshiaki Mikoshiba
		Yuzuru Kurihara
	Motorcycle sales	Ko Yamaguchi
	Power equipment sales	Hideki Kuji
	Parts sales	Toshio Sugiyama
	Recycle Promotion Office	Munechika Okamoto
Purchasing	Automobile purchasing	Toshiyuki Shigekushi

Factory and Office Operations	Environmental Adminstrator	
	Saitama Factory	Koichi Odaka
	Tochigi Factory	Hiroshi Yanaka
	Hamamatsu Factory	Tadayuki Onishi
	Suzuka Factory	Kosaku Arakawa
	Kumamoto Factory	Yuji Tanno
	Automobile New Model Center	Tsuguo Motoori
	Head Office:	Nobutaka Okabe
	Honda R&D Co., Ltd.	
	Wako R&D Center/Wako Basic Technology Research Center/ Wako Nishi R&D Center	Shinichi Endo
	Asaka R&D Center/Asaka Higashi R&D Center	Yutaka Nakagiri
	Tochigi R&D Center	Maruo Ota
	Tochigi Proving Center/Takasu Proving Center	Hiromi Motohashi
	Honda Engineering Co., Ltd.	
	Honda Engineering	Akinori Tamura
	Honda Engineering Samaya	Kenzo Sato
Logistics	Products and KD parts	Tomonori Arai
Administration	Administration	Nobutaka Okabe
	Personnel	Noboru Kamimura
	Public Relations	Hiroshi Oshima
Secretariat	Environment and Safety Planning Office	Keiichi Mitobe

As of June 1, 2005

External Verification

For the reasons given below, we have not obtained any external verification.

1. No guidelines have been established for external verification.
2. The qualifications required of the verification organizations are not clear.

We will continue to examine the details and timing of external verification, paying attention to the progress made in relation to the items described above.

The results presented in this report have been collected by each of the active departments concerned and endorsed within the Japan Environmental Committee's system. Data relating to the factories has been checked by environmental audits and surveillance inspections under ISO 14001.

For all inquiries concerning the contents of this report,
please contact us at the following numbers:
Environment and Safety Planning Office
Tel.: 81-3-5412-1155 Fax: 81-3-5412-1154

HONDA

This report is printed on nonwood paper made from 100% bagasse
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Honda Motor Co., Ltd.
1-1, 2-chome Minami-Aoyama,Minato-ku,Tokyo
Published: September 2005

IGKA 20000509

Results of the Questionnaire and Interviews regarding the *Honda Environmental Annual Report 2004*

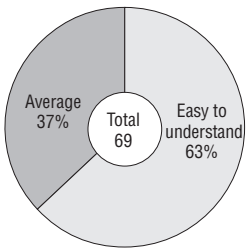
Questionnaire:
Conducted from June 2004 to April 2005 (69 respondents in total)

Interviews:
Conducted from November to December 2004 (two interviewees*)

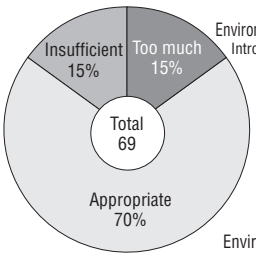
* Among those who responded to the questionnaire in the *Honda Environmental Annual Report 2004*, two were chosen and interviewed so that their opinions on the Company's environmental conservation activities and annual report could be heard directly.

Major Findings

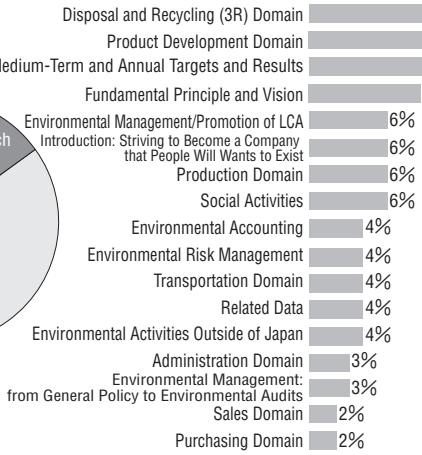
■Intelligibility



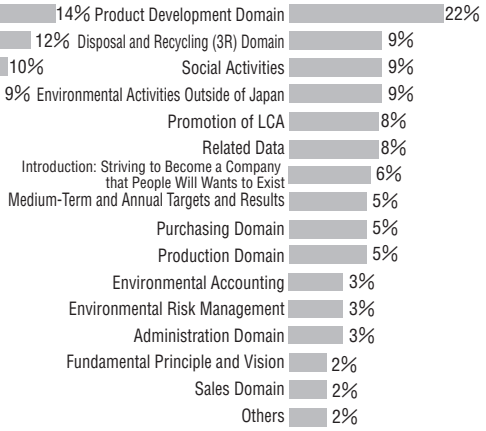
■Amount of information



■Parts found most interesting



■Part that needs to be improved



Main Opinions and Requests from Our Readers and Honda's Responses

Opinions and Requests regarding *Honda Environmental Annual Report 2004*

- **It is burdensome to read both the *Honda Environmental Annual Report* and *Honda ECOLOGY*. Honda needs to examine the possibility of integrating these two brochures.**

→ This year, we have integrated the *Honda Environmental Annual Report* and *Honda ECOLOGY* to not only reduce the burden on readers who had to read two different brochures but also make these reports easier to understand in view of the fact that the reports are becoming more complex due to increased technical details. In this integrated environmental annual report, we will appropriately introduce and explain our commitment to environmental activities in all aspects, including our basic policy toward the environment, environmental conservation activities conducted by our operations, and the future direction of our environmental activities, while focusing on accurately conveying the progress we have made in our environmental activities. As in the previous report, technical jargon was avoided as much as possible, and explanations and comments were added for easier understanding.

- **More substantial information about Honda's advanced research, technologies, and activities need to be included in the report.**

→ In this annual report, we have a section entitled "Honda's Advanced Environmental Measures" to introduce technologies adopted for our products, those that are now under research or already applied, and advanced environmental activities that we are promoting in our business operations.

Requests regarding Honda's Environmental Conservation Activities

- Aggressive promotion of LCA
- Various innovative efforts in the product development domain
- Enhancement of cooperation with suppliers and dealers in the purchasing and sales domains
- Better communication with stakeholders on environmental activities
- Making Honda's unique environmental efforts more public

The opinions you have kindly presented to us are of immense value to use in our future environmental conservation activities and the disclosure of Environmental Information, including the *Honda Environmental Annual Report*. We sincerely thank you for your cooperation.

We hereby request all our readers to let us have the benefit of their opinions and ideas.

Our "*Honda Annual Environmental Report 2005*" presents a summary of the results of our environmental commitments in fiscal 2004 from the viewpoint of the life cycle of our products. Our goal is to give details of our commitments and activities in the most concise manner in concrete figures and data that measure up to objective evaluation.

We will strive to enrich the content of our Report by giving full consideration to your opinions, ideas and advice.

To help us achieve this goal, we would be most grateful for your cooperation in completing the questionnaire on the back of this leaf and sending it back to us.

FAX: 81-3-5412-1154

Environment and Safety Planning Office, Honda Motor Co., Ltd.