

Honda Motor Co., Ltd. Annual Report 2002

Year Ended March 31, 2002



HONDA
The Power of Dreams



Honda celebrates its 25th anniversary of listing on the New York Stock Exchange in February 2002.

CORPORATE PROFILE

Established in 1948, Honda Motor Co., Ltd., is one of today's leading manufacturers of automobiles and the largest manufacturer of motorcycles in the world. The Company is recognized internationally for its expertise and leadership in developing and manufacturing a wide variety of products that incorporate Honda's highly efficient internal combustion engine technologies, ranging from small general-purpose engines to specialty sports cars. Approximately 12.6 million Honda engines were sold worldwide during the fiscal year ended March 31, 2002.

By following a corporate strategy that emphasizes speed, efficiency, flexibility and innovation in every facet of the Company's operations—from product development and manufacturing to marketing—Honda strives to achieve the ultimate goal of satisfying its customers. Through a worldwide commitment to advancing this objective, Honda—and its many partners who share this commitment—have succeeded in creating a global network that comprises 437 subsidiaries and affiliates. Honda operates through 109 overseas production facilities in 29 overseas countries, which supply Honda products to most of the industrialized countries of the world.

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This annual report contains the consolidated financial statements of Honda Motor Co., Ltd., and its subsidiaries, prepared for holders of Honda American and European shares. Please note that the financial statements appearing in the Notice of Convocation of the 78th Ordinary General Meeting of Stockholders, which was held in Tokyo, Japan, on June 25, 2002, were prepared on the basis of accounting principles generally accepted in Japan in accordance with the Japanese Commercial Code and related solely to Honda Motor Co., Ltd., and were not consolidated with those of its subsidiaries. On May 31, 2002, the original notice in the Japanese language was mailed to holders of Honda common stock in Japan and an English translation thereof was mailed to holders of Honda American shares.

CAUTION WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This annual report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Although Honda believes that its plans, intentions and expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such plans, intentions or expectations will be achieved. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements set forth below.

Honda believes that the following important factors, among others, in some cases have affected, and in the future, could affect, its operations: the political, economic and social conditions in Japan, the United States and elsewhere, including the relevant governments' specific policies with respect to economic growth, inflation, taxation, currency conversion, imports and sources of supplies and the availability of credit, particularly to the extent that such current or future conditions and policies affect the automobile, motorcycle and power products industries and markets in Japan and the United States, and the demand, sales volume and sales prices for Honda's automobiles, motorcycles and power products; the effects of competition in the automobile, motorcycle and power products markets on the demand, sales volume and sales prices for Honda's automobiles, motorcycles and power products; Honda's ability to finance its working capital and capital expenditure requirements, including obtaining any required external debt or other financing; and the effects of economic stagnation or recession in Honda's principal markets and exchange rate fluctuations on the Company's results of operations.