

Yoshihide Munekuni
Chairman
Honda Motor Co., Ltd.

Caution with respect to forward-looking statements

This presentation contains forward-looking statements about the future performance of Honda, which are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors outside of the Company's control, including general economic conditions in Honda's principal markets and foreign exchange rates between the Japanese yen and other major currencies, as well as other factors detailed from time to time in the Company's reports filed with the U.S. Securities and Exchange Commission.

Honda Corporate Culture

- Strong culture guides business actions
- Focus on customer
- New global brand strategy
 - . . . only one Honda
 - Create new values for customers and shareholders

HONDA
The power of dreams.™

Honda “Dream” Motorcycle



HONDA
The power of dreams.™

**Not only ideas . . .
but the determination to
make them come true**

Honda Corporate Vision

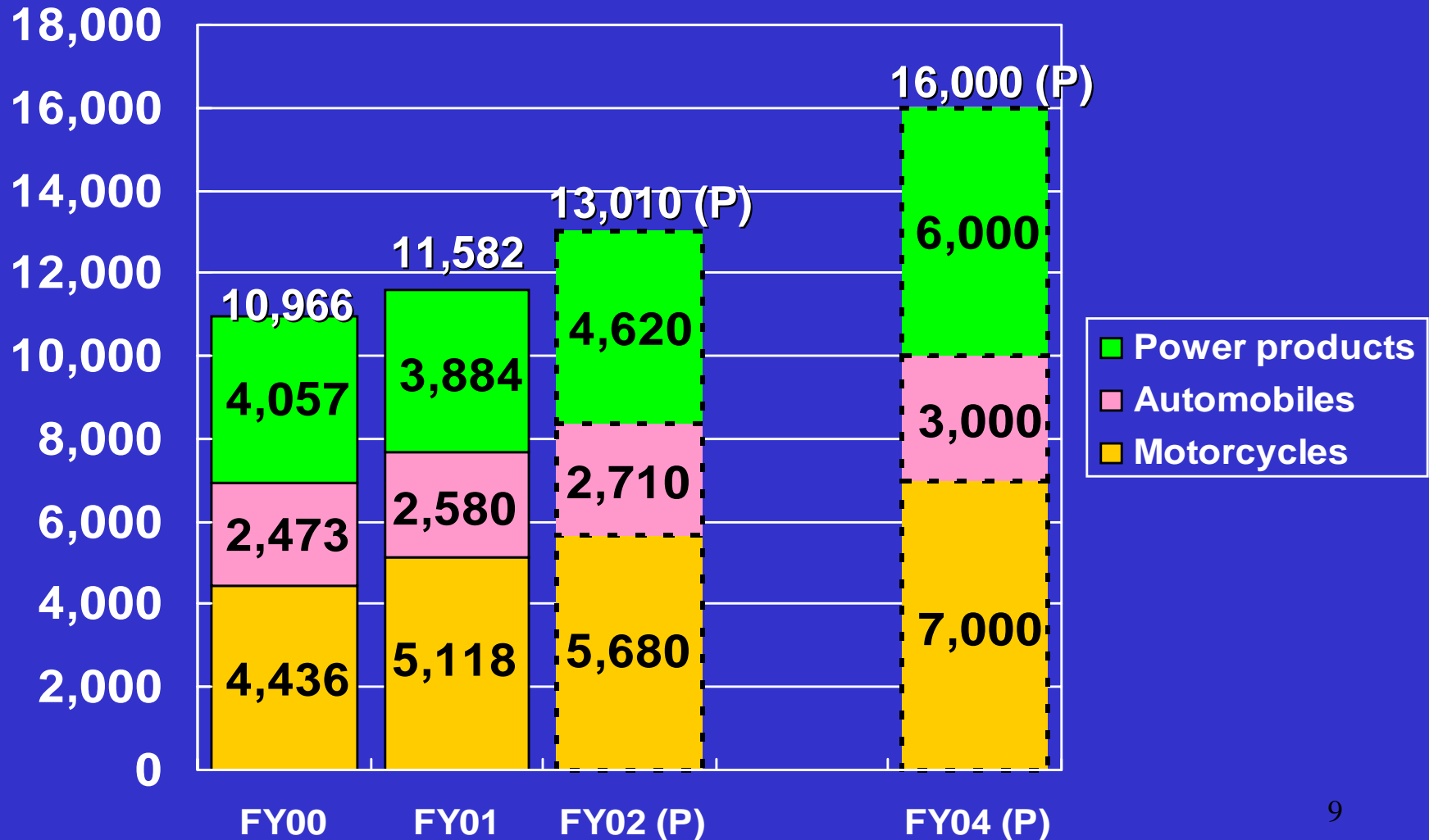
Society will want Honda to exist.

Today's Focus

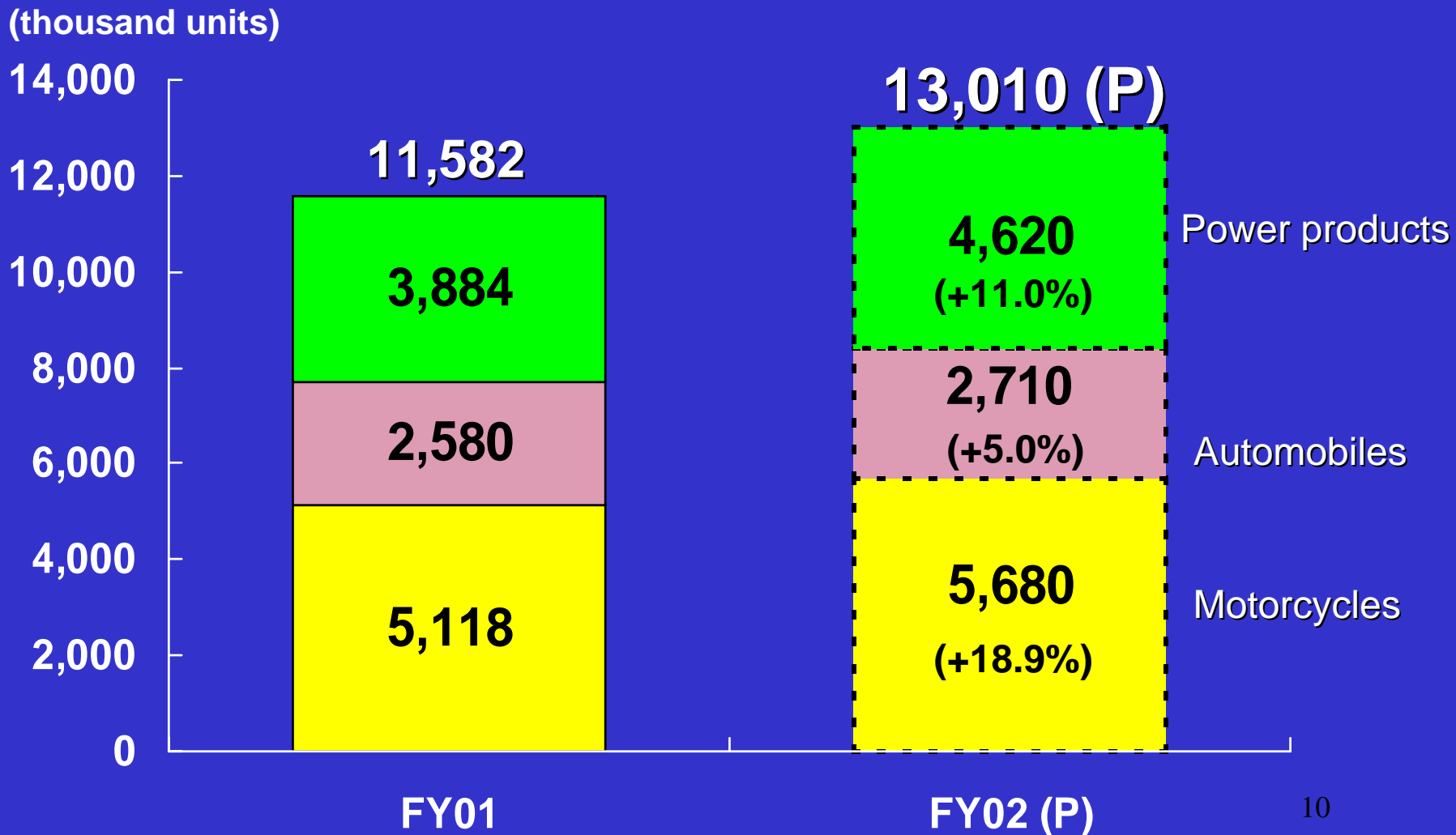
- Current actions to achieve corporate vision
- New strategies targeting challenges in Europe

FY 2004 Global Sales Target

(thousand units)



Progress To FY 2004 Target

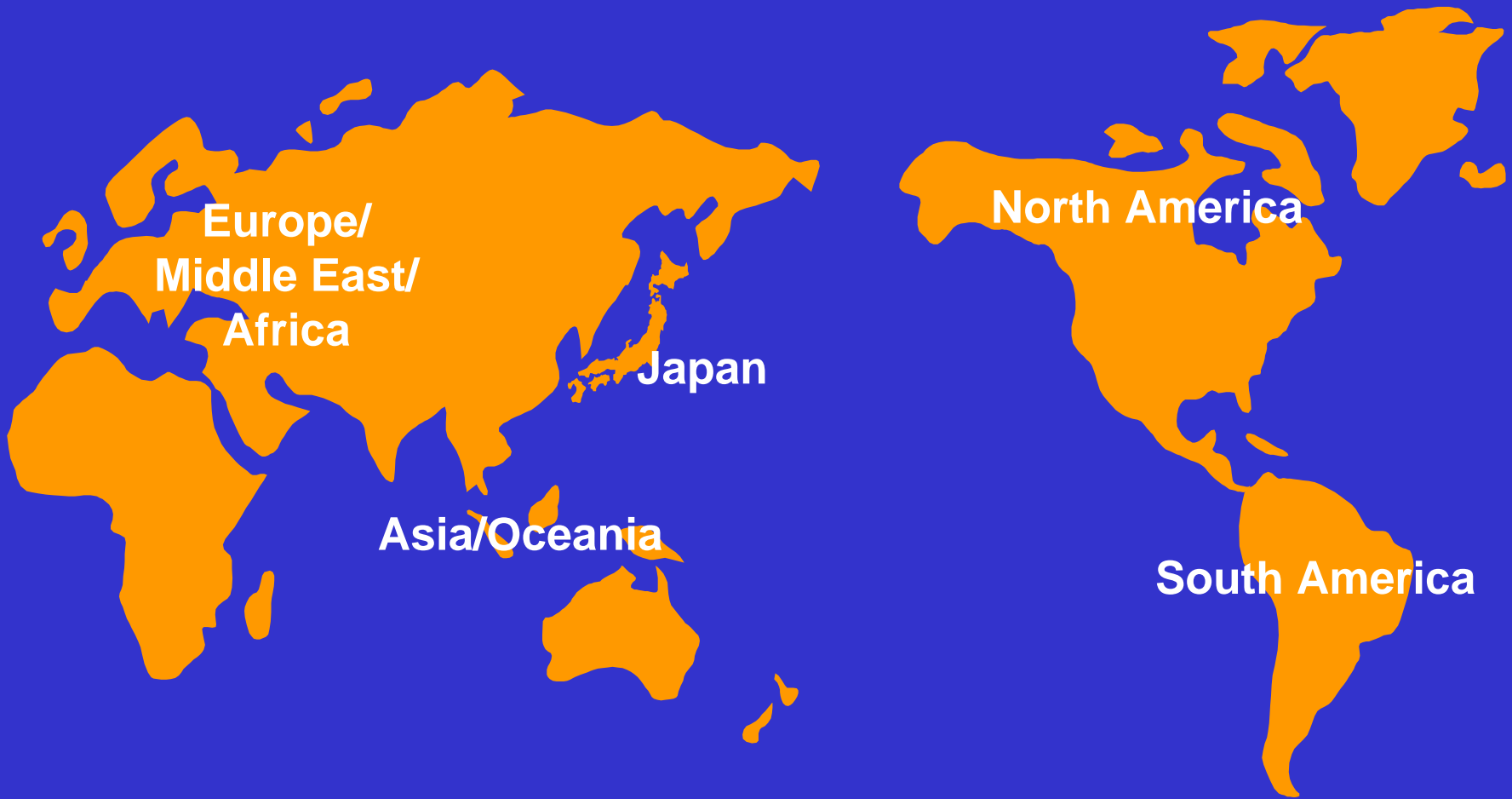


Market-in Approach



- Understand each local market
- Tailor products to local needs

5-Region Global Strategy



Global Production Resources



“Made by Global Honda”

- Global network of factories
- Make full use of global resources
- New platform strategies
 - small
 - compact
 - mid-size
 - light truck

Global New Manufacturing System

- One concept on global basis
- Increased standardization
 - improved quality
 - shortened lead time
 - reduced investment
 - increased flexibility



Global Introduction



Expand New System

- Apply New Manufacturing System to production of motorcycles and power products
- Achieve by FY 2003
- High level of efficiency and flexibility

FY 2004 Targets

- 16 million units
- Record net sales
- Record net income
- Based on cost-cutting, increased sales and favorable exchange rates . . .
- . . . could achieve two years early



**Europe is major
challenge**

Revamp European Business

FY 2001 Negative Factors

- Weaker euro
- Weak sales due to pricing issues
- Lack of products in key segments
- Lower capacity utilization rate at the U.K. auto plant

Major Improvement in FY '02

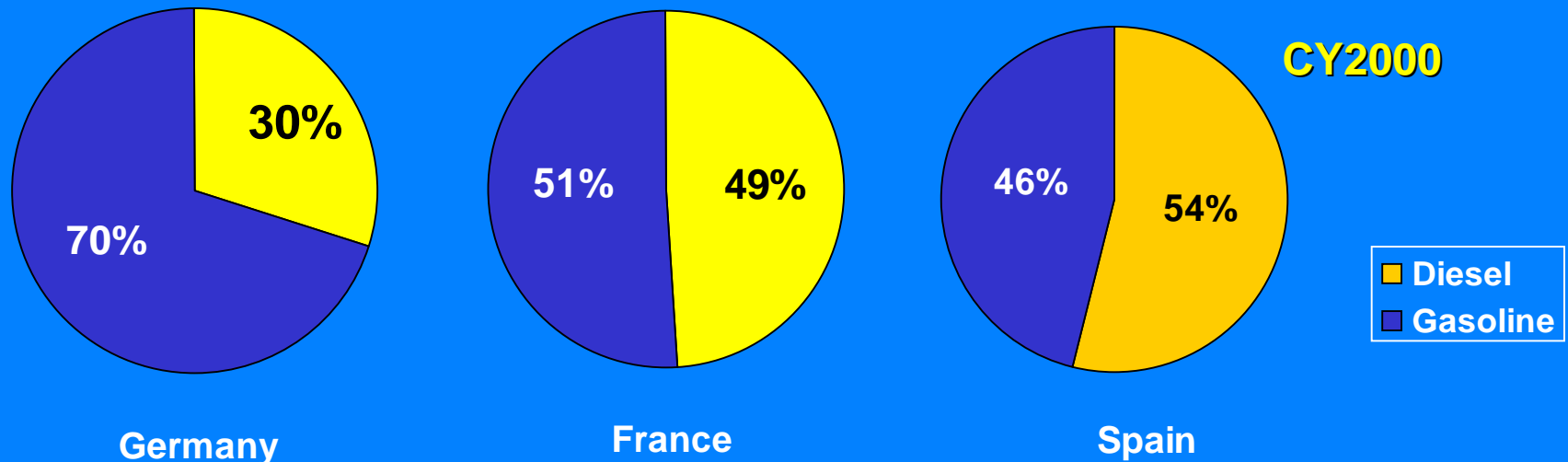


- Civic sales improving with launch
- Civic 5-door to continental Europe
- All-new Civic 3-door (fall 2001)
- Civic diesel model (early 2002)
- Stream minivan (April 2001)
- All-new CR-V SUV (fall 2001)
- New small car (early 2002)

Small Cars & Diesel Cars

- Rising market penetration of small and diesel-powered vehicles in Europe
 - High thermal efficiency and low CO2 emissions
 - Taxation incentives on diesel fuel

Diesel-powered vehicles in major European passenger car markets



New “B Category” Car Next Generation i-DSI Engine (Dual & Sequential Ignition)

- Advanced & compact
- Highest level fuel efficiency
- Important product for Europe



Diesel Engine Strategy

- Two new engines for “C” and “D” categories
- Ratio of diesel sales are higher

Diesel Engine Strategy

New Civic Diesel

- Civic diesel on sale in early 2002
- New 1.7-liter engine from Isuzu
- 15,000 units per year



Diesel Engine Strategy

New 2-liter class Honda diesel engine

- Lightweight, aluminum block engine
- Planned for next generation Euro Accord (2003)
 - High performance
 - Environmentally friendly

U.K. Production Plan

- 2nd plant starts in summer 2001
(total annual capacity to 250,000 units)
 - UK plant focus on Civic platform models
 - Sales expansion on European continent
 - Exports of Civic 3-door to Japan and North America
 - Exports of CR-V to North America
 - Euro Accord to be built in Japan

Strengthen Euro Operations

Motorcycle & Power Products Business

- New product introductions
 - 25 new motorcycles
 - New lawn mowers and grass trimmer
- Increase local production
- Launch New Manufacturing System for motorcycle plants
- FY 2004 motorcycle sales target up 30%

Business Challenges

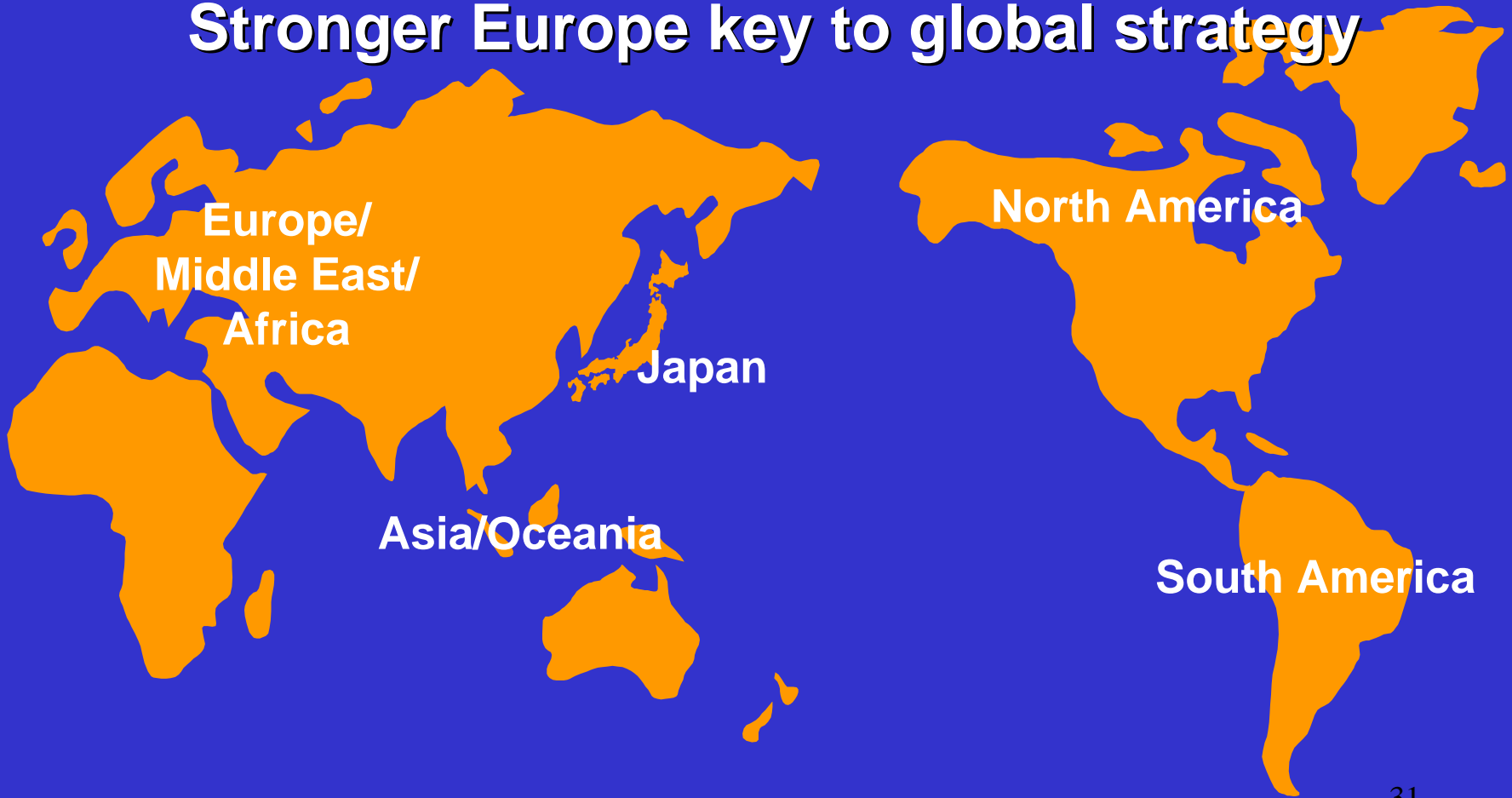
- Environment and safety
- Japan sales
- Emerging markets
- Europe --- number one challenge



**European operations
profitable in ¥ FY 2003**

Honda Global Strategy

Stronger Europe key to global strategy



HONDA
The power of dreams.™