

Remarks by K. Amemiya
Honda Information Meeting -- November 19 , 2001

Good morning everyone. I want to thank you very much for taking your time to join this Honda business information meeting today.

It is impossible for me to find the right words to convey our concern for our friends in New York and their families. On behalf of the entire global Honda, I want to express our sympathy to the victims of the terrorist attacks on September 11.

We have the greatest respect for your courage in continuing with the business of the world. And, at Honda, we appreciate your efforts very much. The U.S. economy has now begun to slow. But we also plan to carry on with our business hoping to make a positive contribution.

In each of the past several years, we have been explaining to you our plan to follow an independent corporate strategy based on speed, efficiency and flexibility – together with advanced technology and the global reach of our operations.

To achieve this, we have talked about increasing the flexibility and efficiency of global manufacturing. We announced plans to introduce a new line of advanced gasoline engines – even as we pursue new advanced technologies. And we made the commitment to improve the safety of our vehicles, even as they become more fuel-efficient.

Today, after a quick review of our global business, I would like to update you on the results from these efforts.

Looking first at North America, the auto industry is marked by weaker consumer confidence and lower factory utilization rates. The U.S. market will exceed 16 million units this year. However, the use of heavy incentives by a number of major automakers and a softer economy will lead to a sales decline next year.

However, Honda's sales outlook in the U.S. remains positive. We enjoyed another record sales month in October, supported by strong demand for a number of products. Also, the all-new "Acura RSX" sports coupe is off to a great start. And this month we

launched the fully remodeled CR-V.

Turning to Japan, as you can see, while industry demand has been declining since 1990, Honda has steadily increased sales for the past 10 years.

Particularly, since the introduction of the remodeled Odyssey in December '99, our year-on-year sales including mini-vehicles have increased for 23 consecutive months. This year, four hot selling Honda models rank among Japan's top 10 selling models. In addition, a new small car based on our global small platform is scheduled to launch next month. This will help accelerate Honda's Japan auto sales toward our 2003 target of 900,000 units.

Looking at our European auto operation, there is no quick fix. But we believe our product and manufacturing strategies will begin to pay off in the future. Sales of the new Civic 5-door and now the new Civic 3-door are contributing positively to our sales in Europe. We also will introduce the Jazz, a much-awaited new B-segment model.

With regard to the addition of diesel engines, in September, we unveiled a Honda Civic with a 1.7-liter Isuzu made diesel engine to be launched early 2002. In addition, we will introduce our own 2-liter class diesel turbo engine for the next generation European Accord in 2003.

Significantly, our new manufacturing strategies have helped initiate our UK plants into our Global Supply Network. For instance, we will export the Civic 3-door from the UK plant to both Japan and North America. And the new UK-built CR-V also will be exported to North America. In this way, we can use our capacity in the UK to increase the supply of products to meet customer needs anywhere in the world.

In Asia, we are achieving greater involvement in our production and sales operations. With the deregulation of foreign investment in Southeast Asian countries, we increased our capital participation in our automobile operations in Indonesia, Malaysia and Thailand. And in the growing market of China, we continue to experience outstanding growth in sales of the Accord.

Turning to our motorcycle business, we believe this business segment will again be a source of strength for Honda. Sales in India are quite strong for both motorcycles and scooters. Sales in Indonesia and Thailand continue to increase for sporty family

models based on our clean 4-stroke engines. In China, our new joint venture will soon begin production and sales of a Honda brand model. And, while I am talking about motorcycle sales, I should add that sales in Brazil continue to build on our market leadership.

In our power product business, we increased our model line up by offering a powerful, environmentally friendly V-6 marine engine. We also are expanding sales of multi-purpose engines through OEM business.

Now, let me update you on some of our recent progress toward fulfilling Honda's corporate strategy.

The introduction of our New Manufacturing System is giving us a new level of flexibility on a global basis, while also cutting costs and increasing the speed of new model launches. Because each major plant utilizes basically the same system, we are able to quickly utilize capacity at a plant in one market to meet the needs of our customers in another market. As I mentioned, our UK plants are one example of the outcome of this New Manufacturing System.

We are also further increasing production capacity in North America. This month, our new Alabama plant began production six months earlier than originally planned. Currently, our light truck inventory of the Odyssey and Acura MDX is quite low. The flexible production line in Alabama will allow us to expand production of the popular Odyssey minivan and boost light truck capacity above 300,000 units per year.

Looking at advanced technology -- environment and safety issues are among the highest priorities in Honda. We have continued to invest in and develop our own basic technologies. In this way, we make an important contribution to our customers and society -- and continue independently to improve our competitiveness.

Two years ago, we announced plans to replace our 4-cylinder gasoline auto engine lineup worldwide with new "i-series" engines -- by 2005. These new lightweight engines combine advanced performance with top class fuel efficiency and low emissions.

We have begun to realize this plan with the introduction of a number of new models in Japan, Europe and North America. Importantly, these models have been met with

great enthusiasm from our customers.

In addition to conventional gasoline engines, Honda has taken the lead in introducing other advanced powertrain technologies.

The Honda Insight gas-electric hybrid vehicle has been named by the U.S. EPA as the most fuel-efficient passenger car for 3 consecutive years. When we launched the Insight in 1999 – we also revealed plans to expand our hybrid lineup by introducing a mass production Civic Hybrid model in December of this year in Japan.

The new hybrid system makes further advancements by incorporating a newly developed *i*-DSI 1.3-liter lean-burn engine. The combination of this new engine and a newly developed unique technology we call the “cylinder cutoff system” significantly increases the amount of electrical energy recovered during deceleration. Our goal is for the new Civic Hybrid to be named as the most fuel-efficient car in the 4-door, 5-passenger sedan category. And U.S. introduction comes next spring.

Finally, in the area of alternative fuel technology, work continues on our fuel cell electric vehicle program, including our independent development of a fuel cell stack.

In the area of safety, we constructed the world's largest indoor crash safety testing facility to continue to advance safety technologies in our vehicles. This is the first facility of its kind established to experience “real world” car-to-car crash tests -- with the goal to improve both collision safety and pedestrian injury reduction technologies.

For instance, the new Civic is not only among the most fuel efficient cars in America. It has a 5-star safety rating from NHTSA. Also, it achieved the highest-ever rating for pedestrian safety in the latest Euro NCAP tests. Importantly, Honda will continue to develop vehicles that achieve top-class fuel efficiency and safety.

I hope you can see that the corporate strategy we have explained over the past several years is now being realized. There is no doubt that these activities are strengthening the Honda brand and our competitiveness on a global basis.

From the earliest days of our company, the key to our success has been creating new dreams together with the willingness and commitment to make these ideas come true. In other words, Honda is driven by “The power of dreams.” Only with new dreams and

new efforts can we continue to meet the needs of our customers.

Thank you again for joining us today, and now I like to introduce Mr. Aoki who will discuss about fiscal 1st half financial results ended September 30, 2001.