

HONDA MOTOR CO LTD
Form 6-K
January 21, 2003
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No.1-7628

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE MONTH OF December 2002

COMMISSION FILE NUMBER: 1-07628

HONDA GIKEN KOGYO KABUSHIKI KAISHA

(Name of registrant)

HONDA MOTOR CO., LTD.

(Translation of registrant's name into English)

1-1, Minami-Aoyama 2-chome, Minato-ku, Tokyo 107-8556, Japan

(Address of principal executive officers)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:
Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes ☐ No ☐

If ☒ Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

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Exhibit 1:

On December 4, 2002 Honda Europe Motorcycle S.r.l. unveiled the new motorcycle models for 2003 at the Palazzo Albergati event space in Bologna, Italy. (Ref.#02075)

Exhibit 2:

On December 5, 2002 Honda Motor Co., Ltd. released a new model of its intelligent humanoid robot ASIMO which is capable of interpreting the postures and gestures of humans and moving independently in response. (Ref.#02076)

Exhibit 3:

On December 17, 2002 Honda Motor Co., Ltd. announced that total production of its Super Cub had reached 35 million units in the 44 years and three months since it first went on sale in August 1958. (Ref.#02077)

Exhibit 4:

On December 18, 2002 Honda Motor Co., Ltd. announced its 2002 forecast and 2003 plan in both sales and production. (Ref.#02078)

Exhibit 5:

On December 18, 2002 Honda Motor Co., Ltd. announced its business plan for calendar year 2003, including Honda's plan to increase its customer base from the 2002 forecast of 15.27 million customers to 17.35 million customers in 2003. (Ref.#02079)

Exhibit 6:

On December 18, 2002 Guangzhou Honda Automobile Co., Ltd., Honda's automobile production and sales joint venture in China, announced that it would increase its production capacity to 240,000 units annually by spring 2004. (Ref.#02080)

Exhibit 7:

On December 24, 2002 Honda Motor Co., Ltd., announced today that its global production in November was up 10.1% from the same month a year earlier, while overseas production was up for the 23rd consecutive months, at 13.9%. (Ref.#02083)

Exhibit 8:

Interim Business Report for the First-Half term (six months ended September 30, 2002) of the 79th fiscal period.

Exhibit 9:

Semi Annual Report for the First-Half term (six months ended September 30, 2002) of the 79th fiscal period.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HONDA GIKEN KOGYO
KABUSHIKI KAISHA
(HONDA MOTOR CO., LTD)

/s/ SATOSHI AOKI

Satoshi Aoki
Senior Managing and
Representative Director

Date: January 15, 2003

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Honda Europe Motorcycle S.r.l. (head office: Rome, Italy; President: Shoichi Kitahara), a local European subsidiary of Honda Motor Co., Ltd., issued the following press release on December 4, 2002 (local time: 2:00 PM; Japan time: 10:00 PM).

(Reference)

ref. #02075

**Honda Announces New 2003 Motorcycle Models
for the European Market**

December 4, 2002 Honda Europe Motorcycle S.r.l. unveiled the new motorcycle models for 2003 at the Palazzo Albergati event space in Bologna, Italy. Following is an overview of the main models.

Pantheon / Pantheon 150

This stylish scooter offers a choice between a 125cc or a 150cc water-cooled, 4-stroke, single-cylinder engine. The full model change features not just an all-new exterior look, but also a newly developed PGM-FI (programmed fuel injection) system previously only available on large sports bikes that has been specially designed for smaller models. This is the first time Honda has offered PGM-FI on this class of motorcycle. The PGM-FI gives the Pantheon a smooth, powerful ride and superior fuel economy, combined with the environmental performance to clear European EURO-2 emissions standards for 2003 by a significant margin.

Manufacturer: Honda Italia Industriale S.P.A.

Sales release date: January 2003

Planned vehicle sales (annual): 25,000

Newly developed compact PGM-FI (installed on Pantheon and Pantheon 150)

Honda has applied its miniaturization technology to make maximum use of the wealth of technical know-how accumulated in developing conventional fuel injection for larger bikes. The result is the newly developed PGM-FI, small enough to fit on a small 125cc motorcycle. The compact PGM-FI adds new value to small motorcycles, making them more environment-friendly, with improved performance and economy. Innovations include reducing the number of sensors from eight to six and the total number of system parts from sixteen to nine compared to the conventional system for larger bikes, reducing the cost of the unit. The fuel injection system is significantly lighter and more compact than a conventional carburetor. It also delivers outstanding environmental performance: levels of CO, HC, and NOx exhaust emissions are only $\frac{1}{6}$, $\frac{1}{10}$, and $\frac{1}{3}$ of levels stipulated in EURO-2 regulations, respectively, and fuel economy is approximately 45% higher than the previous Pantheon model equipped with a 2-stroke engine.

Pantheon

Cutaway model of compact PGM-FI unit

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CB1300

This on-road naked sports model is equipped with a high-performance 4-stroke, in-line 4-cylinder, 1300cc water-cooled engine. A newly designed lightweight, compact engine and frame deliver nimble, powerful performance for a top-quality ride. Painstaking attention was also given to the feel of the bike its pleasing sound and vibration provide added sensory enjoyment. Other features include multi-function digital meters, an under-seat storage space which, at approx. 12.4L, is the largest in its class, and a wealth of optional parts designed to suite the varied tastes of European users.

Sales release date: March 2003

Planned vehicle sales (annual): 4,000

HORNET

This mid-class, on-road naked sports model is equipped with a 4-stroke, in-line 4-cylinder, 600cc water-cooled engine. A functional electric speedometer and Honda's original anti-theft system have been added as standard equipment, while the basic concept for the vehicle remains unchanged. It also features an environment-friendly engine with heat tube and metal catalytic converter and other enhancements to functionality and environmental performance, along with exterior design changes for a more refined look.

Sales release date: February 2003

Planned vehicle sales (annual): 17,000

CB1300

HORNET

Photographs and related publicity information on the above models will be available at the following URL as of December 5, 2002:

<http://www.honda.co.jp/PR/>

(The site is intended exclusively for the use of journalists.)

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ref. #02076

Introducing a New ASIMO Featuring Intelligence Technology

December 5, 2002 Honda Motor Co., Ltd. has released a new model of its intelligent humanoid robot ASIMO which is capable of interpreting the postures and gestures of humans and moving independently in response. ASIMO's ability to interact with humans has advanced significantly it can greet approaching people, follow them, move in the direction they indicate, and even recognize their faces and address them by name. Further, utilizing networks such as the Internet, ASIMO can provide information while executing tasks such as reception duties. ASIMO is the world's first humanoid robot to exhibit such a broad range of intelligent capabilities.

Starting from January of next year, Honda plans to commence rental of this new version of ASIMO to public institutions and companies.

The New ASIMO
Movement in response to a gesture (posture recognition)

The key features of the new ASIMO include:

1. Advanced communication ability thanks to recognition technology

1. Recognition of moving objects
2. Posture/gesture recognition
3. Environment recognition
4. Sound recognition
5. Face recognition

2. Network integration

1. Integration with user's network system
2. Internet connectivity

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1. Advanced communication ability thanks to recognition technology

Recognition of moving objects

Using the visual information captured by the camera mounted in its head, ASIMO can detect the movements of multiple objects, assessing distance and direction.

Specifically, ASIMO can:

- follow the movements of people with its camera;
- follow a person;
- greet a person when he or she approaches.

Recognition of the distance and direction
of movement of multiple objects

Recognition of postures and gestures

Based on visual information, ASIMO can interpret the positioning and movement of a hand, recognizing postures and gestures. Thus ASIMO can react not only to voice commands, but also to the natural movements of human beings.

For example, ASIMO can:

- recognize an indicated location and move to that location (posture recognition);
- shake a person's hand when a handshake is offered (posture recognition);
- respond to a wave by waving back (gesture recognition).

Movement to an indicated location

Recognition of hand movements
such as the waving of a hand

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Environment recognition

ASIMO is able to assess its immediate environment, recognizing the position of obstacles and avoiding them to prevent collisions.

Specifically, ASIMO can:

- stop and start to avoid a human being or other moving object which suddenly appears in its path;
- recognize immobile objects in its path and move around them.

Distinguishing sounds

ASIMO's ability to identify the source of sounds has been improved, and it can distinguish between voices and other sounds.

For example, ASIMO can:

- recognize when its name is called, and turn to face the source of the sound;
- look at the face of the person speaking, and respond;
- recognize sudden, unusual sounds, such as that of a falling object or a collision, and face in that direction.

Face recognition

ASIMO has the ability to recognize faces, even when ASIMO or the human being is moving.

For example, ASIMO can:

- recognize the faces of people which have been pre-registered, addressing them by name, communicating messages to them, and guiding them;
- recognize approximately ten different people.

Distinguish between registered faces.

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2. Network integration

Integration with user's network system

ASIMO can:

- execute functions appropriately based on the user's customer data;
- greet visitors, informing personnel of the visitor's arrival by transmitting messages and pictures of the visitor's face;
- guide visitors to a predetermined location, etc.

Internet connectivity

Accessing information via the Internet, ASIMO can become a provider of news and weather updates, for example, ready to answer people's questions, etc.

Photos of the new ASIMO will be available as of December 5, 2002 at
<http://www.honda.co.jp/PR/photo/ASIMO/>.
(this site is intended exclusively for the use of journalists)

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ref. #02077

Total Super Cub Production Reaches 35 Million Units

December 17, 2002 Honda Motor Co., Ltd. has announced that total production of its Super Cub has reached 35 million units in the 44 years and three months since it first went on sale in August 1958.

The first-generation Super Cub, developed under the direction of company founder Soichiro Honda, was designed to be a new type of versatile scooter that anyone could ride with ease. At a time when 2-stroke engines were the norm, the Super Cub was fitted with a revolutionary, high-performance 50cc 4-stroke engine that offered superb economy and durability. The creative design also featured a low-floor backbone frame for easy mounting and dismounting, large plastic leg shields to protect riders' legs from dirt and wind, and other innovations.

Since then the Super Cub has undergone many improvements, resulting in remarkable increases in both driving performance and fuel economy, but the basic design and concepts remain unchanged. Its original styling has made it the scooter of choice for business use—in fact, the name "Cub" has become synonymous with working scooters.

The Super Cub was first exported to the U.S. in 1959, and since then has been popular with customers in more than 160 countries worldwide. Currently manufactured in fourteen countries centered in the expanding motorcycle market of South-East Asia, the Super Cub is a practical scooter that enjoys a strong reputation around the world.

1958 Super Cub C100

2002 Super Cub 50 (Standard type)

Photographs and related publicity information on the Super Cub are available for downloading from the following URL:

<http://www.honda.co.jp/PR/>

(The site is intended exclusively for the use of journalists.)

Table of Contents**Total Super Cub Production**

| Year | Production | Total |
|-------------------------------|-------------------|--------------|
| 1958 | 24,195 | 24,195 |
| 1959 | 167,443 | 191,638 |
| 1960 | 564,365 | 756,003 |
| 1961 | 661,398 | 1,417,401 |
| 1962 | 790,012 | 2,207,413 |
| 1963 | 889,005 | 3,096,418 |
| 1964 | 822,719 | 3,919,137 |
| 1965 | 790,396 | 4,709,533 |
| 1966 | 700,296 | 5,409,829 |
| 1967 | 526,238 | 5,936,067 |
| 1968 | 660,482 | 6,596,549 |
| 1969 | 601,441 | 7,197,990 |
| 1970 | 735,065 | 7,933,055 |
| 1971 | 625,884 | 8,558,939 |
| 1972 | 537,867 | 9,096,806 |
| 1973 | 469,732 | 9,566,538 |
| 1974 | 634,942 | 10,201,480 |
| 1975 | 493,855 | 10,695,335 |
| 1976 | 472,212 | 11,167,547 |
| 1977 | 558,634 | 11,726,181 |
| 1978 | 600,147 | 12,326,328 |
| 1979 | 520,447 | 12,846,775 |
| 1980 | 652,239 | 13,499,014 |
| 1981 | 680,523 | 14,179,537 |
| 1982 | 749,955 | 14,929,492 |
| 1983 | 595,673 | 15,525,165 |
| 1984 | 431,302 | 15,956,467 |
| 1985 | 475,649 | 16,432,116 |
| 1986 | 469,077 | 16,901,193 |
| *1987(Jan-Feb) | 56,715 | 16,957,908 |
| *1987(Mar-Sep) | 282,991 | 17,240,899 |
| *1987(Oct-Dec), 1988(Jan-Mar) | 233,646 | 17,474,545 |
| FY1988 | 504,066 | 17,978,611 |
| FY1989 | 595,611 | 18,574,222 |
| FY1990 | 734,460 | 19,308,682 |
| FY1991 | 730,887 | 20,039,569 |
| FY1992 | 721,701 | 20,761,270 |
| FY1993 | 1,106,160 | 21,867,430 |
| FY1994 | 1,142,531 | 23,009,961 |
| FY1995 | 1,379,099 | 24,389,060 |
| FY1996 | 1,523,897 | 25,912,957 |
| FY1997 | 1,550,872 | 27,463,829 |
| FY1998 | 886,407 | 28,350,236 |
| FY1999 | 1,230,443 | 29,580,679 |
| FY2000 | 1,269,734 | 30,850,413 |
| FY2001 | 2,272,227 | 33,122,640 |
| 2002(Apr-Nov) | 2,290,603 | 35,413,243 |

* Figures up to and including 1986 are for calendar years. Figures for 1987 are shown by month due to changeover to a method based on the Honda fiscal year. Figures for fiscal 1988 (Apr 1988-Mar 1989) and after are calculated by fiscal year.

Overseas Cub Production Facilities

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| <u>Country</u> | <u>Facility</u> | <u>Models produced</u> |
|----------------|--|--|
| Japan | Kumamoto Factory | Super Cub (C50, 90), Little Cub, Postal Cub, Newspaper Delivery Cub |
| Philippines | Honda Philippines, Inc. | Wave125S (ANF125), Wave α (NF100) |
| Korea | Daelinm Motor Co., Ltd. | Citi Plus (C100) |
| Vietnam | Honda Vietnam Co., Ltd. | Super Dream (C100), Future (NF110), Wave α (NF100) |
| India | Hero Honda Motors Ltd. | Street Smart (C100) |
| Indonesia | P.T. Astra Honda Motor | Astrea Legenda (C100), Supra (NF100), Karisma (ANF125), Kirana (AND125) |
| Thailand | Thai Honda Mfg. Co., Ltd. | Dream Exces (C100), Wave100 (NF100), Wave125 (ANF125), Dream125 (AND125) |
| Malaysia | Kah Motor Co., Sdn. Bhd. | EX-5 (C100), EX-5 Class1 (NF110) |
| Bangladesh | Atlas Bangladesh Ltd. | C50 |
| China | Sundiro Honda Motorcycle Co., Ltd. | Wave (NF100) |
| Mauritius | Maurimotors Industries Ltd. | C70 |
| Columbia | Fabrica Nacional de Autopartes Afanalca S.A. | C70 |
| Brazil | Motor Honda da Amazonia Ltda. | BIZ (C100) |
| Mexico | Honda de Mexico, S.A. de C.V. | BIZ (C100) |

As of November 2002

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This press release is embargoed until 11:00am, December 18, 2002 (JST).

December 18, 2002
Ref.#02078

2002/2003 SALES & PRODUCTION**<Global Sales (unit:10 thousand)>**

*=New record

| | 2002 | | 2003 | |
|--------------------|--------------|------|--------------|------|
| | Forecast | % | Plan | % |
| Motorcycles & ATVs | *approx. 805 | 140% | *approx. 925 | 115% |
| Automobiles | * 282 | 106% | * 310 | 110% |
| Power Products | * 440 | 117% | * 500 | 113% |
| Total | * 1,527 | 126% | * 1,735 | 114% |

<Motorcycles & ATVs>

*=New record

| | 2002 | | 2003 | |
|--------------------------|------------|--------|------------|--------|
| | Forecast | % | Plan | % |
| | (Units) | | (Units) | |
| Japan sales | 420,500 | 103.1% | 430,000 | 102.3% |
| Export sales | 481,400 | 95.8% | 400,000 | 83.1% |
| Motorcycles Total | 901,900 | 99.1% | 830,000 | 92.0% |
| ATVs | *325,600 | 106.0% | *350,000 | 107.5% |
| Motorcycles & ATVs Total | *1,227,500 | 100.8% | 1,180,000 | 96.1% |
| KD sets | *6,733,800 | 149.1% | *7,900,000 | 117.3% |

Electric power assist bicycle (Racoon) not included in the above figures.

| | | | | |
|-------------------------------|-------|-------|-------|--------|
| Electric power assist bicycle | 4,600 | 41.9% | 5,000 | 108.7% |
|-------------------------------|-------|-------|-------|--------|

<Automobiles>

*=New record

| | 2002 | | 2003 | |
|-----------------------|------------|--------|------------|--------|
| | Forecast | % | Plan | % |
| | (Units) | | (Units) | |
| Registration vehicles | *612,400 | 107.7% | *655,000 | 107.0% |
| Mini vehicles | 287,600 | 97.7% | 285,000 | 99.1% |
| Japan sales | *900,000 | 104.3% | *940,000 | 104.4% |
| Export sales | 473,000 | 113.8% | 420,000 | 88.8% |
| Total | 1,373,000 | 107.4% | 1,360,000 | 99.1% |
| KD sets | *1,457,000 | 116.8% | *1,550,000 | 106.4% |

Import car sales are included in registration vehicles.

| | | | | |
|-------------------------|------------|--------|------------|--------|
| Japan production () | 1,380,000 | 107.4% | 1,340,000 | 97.1% |
| Overseas production () | *1,500,000 | 109.7% | *1,850,000 | 123.3% |
| Global production () | *2,880,000 | 108.5% | *3,190,000 | 110.8% |

() completely built unit (CBU) + complete knock-down (CKD)

() CBU production at local plants (excluding overseas CKD)

() Domestic production plus overseas production

<Power Products>

*=New record

| | 2002 | | 2003 | |
|--|----------|---|------|---|
| | Forecast | % | Plan | % |

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| | (Units) | | (Units) | |
|--------------|------------|--------|------------|--------|
| Japan sales | 494,200 | 120.1% | 365,000 | 73.9% |
| Export sales | 3,916,400 | 117.2% | 4,635,000 | 118.3% |
| Total | *4,410,600 | 117.5% | *5,000,000 | 113.4% |

OEM engines for export are included in Japan sales since 2001.

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Ref. #02079

Honda Announces Business Plan for CY2003

Tokyo, December, 2002 Honda Motor Co., Ltd. today announced its business plan for calendar year 2003, including Honda's plan to increase its customer base from the 2002 forecast of 15.27 million customers to 17.35 million customers in 2003.

Honda announced its mid-term business plan in July 2002, calling for a further advance of the global activities it has vigorously pursued in order to provide new value-added products for 20 million customers in the fiscal year ending March 31, 2005.

Based on its mid-term plan, in 2002, Honda completed innovating the production operations at its major automobile plants in Japan, the U.S., and Europe to the New Manufacturing System, enabling those manufacturing lines to respond more quickly and flexibly to changes in the marketplace. Capitalizing on these improved characteristics, Honda has utilized its worldwide resources to steadily expand Made by Global Honda activities which ensure procurement and production in the most efficient locations to achieve quick delivery to customers.

In 2003, through global networking, Honda plans to invigorate its entire worldwide operations with the type of energy and vitality inherent in Asia, where the market is expected to continue to expand. Based on the concept and activities of Made by Global Honda, Honda aims to achieve motorcycle sales of 9.25 millions, automobile sales of 3.1 million, and power product sales of 5 million resulting in a total of 17.35 million customers in 2003.

Major Plans by Business Category

Motorcycle Operations:

Japan

A new 50cc city-commuter model with unique styling will be launched. The model will be the 4th product created by the N Project, which has helped develop new markets by offering new values.

More reasonably priced made-in-China products will be supplied as a follow-up to the Today model, the first Chinese-made Honda scooter sold in Japan.

The CBR600RR, developed based on technologies used in the RC211V, winner of the 2002 Moto GP World Championship, will be introduced in Japan as the new standard for Honda's sports model line-up. It will also be marketed in other countries in Europe and North America.

Made by Global Honda

In addition to products made in China and Thailand, motorcycles made in India and Brazil will be exported to various countries around the world.

The number of models being shared globally, on a complementary basis between regions will be increased from currently about 20 models to more than 30 models.

A new motorcycle R&D center in Shanghai will begin operations in April 2003.

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Honda Announces Business Plan for 2003

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Providing new products with high added value

In spring 2003, the 125cc and 150cc Pantheon scooters equipped with fuel injection systems will go on sale in Europe. The newly developed PGM-FI fuel injection system for small displacement engines will be gradually expanded to models for other markets around the world.

Automobile Operations:

Japan

In spring 2003, Honda will import to Japan two light truck models produced in North America, the MDX sport utility vehicle and the new Element.

A new upscale sedan model will be launched equipped with state-of-the-art technologies, including Honda's new accident avoidance safety technology.

The number of sales personnel will be increased to over 14,000 people.

A new dealer system utilizing IT will be established to create a more efficient sales structure.

In fall 2003, annual production capacity in Japan will reach 1.35 million units, achieving higher flexibility in mini-vehicle production.

The daily production capacity of the four lines at Suzuka Factory and the Saitama Factory will be increased to 1,100 vehicles in early 2003, with the Suzuka Factory's #2 line to be eliminated in January 2003.

Honda and Yachiyo Kogyo will implement Honda's flexible New Manufacturing System innovations at Yachiyo Kogyo's production line by fall 2003, to increase its daily production capacity to 1,000 vehicles.

North America

In spring 2003, a new sports sedan model will be launched on the Acura channel.

Europe

In addition to the new Accord and the Accord Wagon, the Accord Diesel will be introduced at the end of 2003.

The new diesel engine, independently developed by Honda and to be installed in the Accord, will be manufactured at the Tochigi Center of Honda Engineering.

Asia

Mass production of the CR-V will start in January 2003 in Taiwan at a new plant 100% owned by Honda. First year production volume is set at 20,000 units.

Mass production will begin at new automobile plants in January in Malaysia and in March in Indonesia.

A complementary product supply network will be established among Honda operations in Thailand, Indonesia and the Philippines.

The production capacity at Honda's Thai plant will be expanded from the current 70,000 units to 120,000 units by mid 2003.

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Honda Announces 3-Year Business Plan

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China

The production and sales of the Fit Saloon (known in Japan as the Fit Aria) will start next summer at Guangzhou Honda in China for the domestic Chinese market.

The production capacity at Guangzhou Honda will be increased to 120,000 units in February 2003, with an additional expansion to 240,000 units in spring 2004.

The export of powertrain components from the Philippines and Indonesia to Europe will begin in fall 2003.

South America

In Spring 2003, the production and sales of the Honda Fit will begin in Brazil.

The production capacity at the Brazilian plant will increase from 30,000 units to 50,000 units in spring 2003.

Small Car Series

More than 500,000 small car series models built on the Global Small Platform will be sold globally in 2004.

Power Product Operations:

The annual production capacity of the plant in Thailand has been increased from 400,000 units to 1 million units in November 2002, with exports to Europe and North America to begin in 2003.

Products in the home-use category will be aggressively marketed in Japan, including a personal use mini-tiller, and a home-use hybrid snowplow model.

The sales of a compact, home-use energy cogeneration system unit will begin in Japan in spring 2003.

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Ref.# 02080

Honda Increases Automobile Production Capacity in China

Tokyo, December 18, 2002 Guangzhou Honda Automobile Co., Ltd., Honda's automobile production and sales joint venture in China, will increase its production capacity to 240,000 units annually by spring 2004. Guangzhou Honda is currently in the process of increasing capacity from 50,000 to 120,000 units a year by February 2003. The latest capacity increase was determined necessary in response to the continuing expansion of the Chinese passenger car market.

The new expansion project includes additional investment of approximately 660 million yuan (¥10 billion) to expand the facilities, including the assembly plant building and additional sub-assembly lines. Guangzhou Honda expects plant employment to increase from 2,400 to 3,400 associates by spring 2004.

After the expansion is complete, the production line at Guangzhou Honda will incorporate Honda's New Manufacturing System to become a mass production operation with a high level of efficiency and flexibility equivalent to other Honda production bases in Japan, North America and Europe. The New Manufacturing System improvements include more flexible welding equipment, functional process zones on the main assembly line with quality assurance within each zone, a standardized main assembly line with sub-lines absorbing processes that fall outside common assembly parameters, and an enhanced workplace environment.

As Guangzhou Honda plans to launch the all-new Accord in January 2003 and the Fit Saloon (sold as the Fit Aria in Japan), the third production model to go into production in summer 2003, the company will make full use of the increased production capacity to respond to the ever-diversifying needs of the Chinese market. Guangzhou Honda began building the Odyssey minivan in spring 2002.

The production and sales of Guangzhou Honda have been increasing at a faster pace than initially anticipated since production began in March 1999. Production results for 2002 are expected to reach 59,000 units, with cumulative production through the end of 2002 expected to exceed 152,000 units and production for 2003 forecast at 112,000 units.

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In addition, Guangzhou Honda will increase the number of dealers from approximately 130 to 200 dealers by the end of 2003. It is the first sales and service dealer network in China to be developed by a manufacturer, integrating auto sales and service into one organization, including maintenance service, parts supply and communication with customers.

Current Outline of Guangzhou Honda Automobile Co., Ltd.

| | |
|-----------------------|--|
| Established: | July 1998 |
| Capital Investment: | Approx. 1.15 billion yuan |
| Capitalization Ratio: | Honda Motor Co., Ltd.: 50% |
| | Guangzhou Auto Group Corp.: 50% |
| Location: | Guangzhou City, China |
| Representative: | President, Koji Kadowaki |
| Employment: | Approx. 2,400 associates |
| Start Production: | March 1999 |
| Products: | Accord 2.0L, 2.3L, 3.0L V6 and Odyssey |
| Annual Capacity: | 120,000 units (as of February 2003) |

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(NOTE: This release is embargoed until 11:30 a.m., Dec. 24)

Ref.#02083

Honda Global Production Up 10.1% In November

December 24, 2002 Honda Motor Co., Ltd., announced today that its global production in November was up 10.1% from the same month a year earlier, while overseas production was up for the 23rd consecutive month, at 13.9%. Domestic sales were down slightly, at 0.7%, while industry-wide, sales were up 1.4% for the month. For the calendar year, domestic sales were up 5.3% compared to the first 11 months of 2001.

Domestic sales totaled 76,697 vehicles in November, again led by the Fit sub-compact vehicle (26,407 units), up 33.6% from November 2001. Honda's Life mini-vehicle (10,131 units) and Mobilio (6,734 units) were the other Honda best-sellers last month.

By vehicle category, passenger car and light truck sales were up 6.7%, while mini vehicle sales were down 14.9%.

Export shipments from Japan in November were up sharply by 27.4%, partly due to a sharp rise in shipments to Asia.

Honda Production, Sales And Exports November 2002

PRODUCTION

| | Nov. Units | Vs. 11/01 | Annual Total Units | 2002 Vs. 2001 |
|---------------------|-------------------|------------------|-------------------------------|--------------------------|
| Domestic (CBU+CKD) | 121,394 | +6.1% | 1,271,998 | +8.4% |
| Overseas (CBU only) | 136,891 | +13.9% | 1,410,631 | +10.5% |
| Worldwide Total (*) | 258,285 | +10.1% | 2,682,629 | +9.5% |

(*) except overseas CKD

REGIONAL PRODUCTION

| | Nov. Units | Vs. 11/01 | Annual Total Units | Vs. 2001 |
|----------------|-------------------|------------------|-------------------------------|-----------------|
| North America | 96,553 | +5.5% | 1,038,228 | +4.0% |
| (USA only) | 64,009 | +10.6% | 701,039 | +7.8% |
| Europe | 17,113 | +28.1% | 164,296 | +56.9% |
| Asia | 18,115 | +58.6% | 160,334 | +27.4% |
| Others | 5,110 | +34.2% | 47,773 | 0.4% |
| Overseas Total | 136,891 | +13.9% | 1,410,631 | +10.5% |

Table of Contents**SALES**

| Vehicle type | Nov. Units | Vs. 11/01 | Annual Total Units | Vs. 2001 |
|-------------------------------|-----------------------|------------------|-------------------------------|-----------------|
| Passenger cars & light trucks | 54,064 | +6.7% | 558,625 | +8.4% |
| (Imports | 459 | 32.0% | 8,080 | +1.0% |
| Mini vehicles | 22,633 | 14.9% | 267,498 | 0.7% |
| TOTAL | 76,697 | 0.7% | 826,123 | +5.3% |

EXPORTS

| | Nov. Units | Vs. 11/01 | Annual Total Units | Vs. 2001 |
|---------------|-----------------------|------------------|-------------------------------|-----------------|
| North America | 27,630 | +4.5% | 271,979 | +8.5% |
| (USA only | 24,139 | +3.5% | 241,793 | +4.8%) |
| Europe | 5,255 | 13.8% | 64,702 | +12.7% |
| Asia | 2,428 | +176.2% | 30,303 | +5.8% |
| Others | 10,602 | +304.5% | 65,159 | +51.0% |
| TOTAL | 45,915 | +27.4% | 432,143 | +13.7% |

For further information, please contact:

Masaya Nagai
 Noriko Okamoto
 Tatsuya David Iida
 Honda Motor Co., Ltd. Corporate Communications Division
 Telephone: 03-5412-1512
 Facsimile: 03-5412-1545

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**INTERIM BUSINESS REPORT FOR THE FIRST-HALF TERM
(SIX MONTHS ENDED SEPTEMBER 30, 2002)
OF THE 79TH FISCAL PERIOD**

(This is a translation of summary information of the interim business report in the Japanese language which is contained in the November 2002 issue of Honda Kabunushi Tsushin (News for Stockholders), mailed on November 22, 2002, to holders of Honda Common Stock in Japan.)

**HONDA MOTOR CO., LTD.
(HONDA GIKEN KOGYO KABUSHIKI KAISHA)
TOKYO, JAPAN**

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CONSOLIDATED FINANCIAL SUMMARY

For the six months ended September 30, 2002 and 2001 and forecasts for the fiscal year ending March 31, 2003
Honda Motor Co., Ltd. and Subsidiaries

| | Yen (millions) | | U.S. dollar (millions) | | Yen (millions) |
|---|--|--|--|--|--------------------------------------|
| | | | | | FORECASTS* |
| Financial Highlights | Six months ended September 30, 2002 | % change | Six months ended September 30, 2001 | Six months ended September 30, 2002 | Fiscal year ending March 31, 2003 |
| Net sales and other operating revenue | ¥ 3,853,611 | 9.9% | ¥ 3,504,996 | \$ 31,432 | ¥ 7,900,000 |
| Operating income | 323,869 | 2.7 | 315,237 | 2,642 | |
| Income before income taxes and equity in income of affiliates | 273,701 | 1.4 | 269,987 | 2,232 | 580,000 |
| Net income | 194,779 | 12.1 | 173,740 | 1,589 | 410,000 |
| | Yen | | U.S. dollar | | Yen |
| | | | | | FORECAST* |
| | Six months ended September 30, 2002 | Six months ended September 30, 2001 | Six months ended September 30, 2002 | | Fiscal year ending March 31, 2003 |
| Basic net income per common share | ¥ 199.98 | ¥ 178.30 | \$ 1.63 | | |
| Basic net income per American share | 99.99 | 89.15 | 0.82 | | |
| Cash dividend per common share | 16 | 13 | | | ¥ 32 |

UNIT SALES BREAKDOWN

For the six months ended September 30, 2002 and 2001 and forecasts for the fiscal year ending March 31, 2003
Honda Motor Co., Ltd. and Subsidiaries

| | Units (thousands) | | |
|------------------------------|--|--|--------------------------------------|
| | | | |
| | Six months ended September 30, 2002 | Six months ended September 30, 2001 | FORECASTS* |
| | | | Fiscal year ending March 31, 2003 |
| Motorcycles: | | | |
| Japan | 215 | 216 | 430 |
| (motorcycles included above) | (215) | (216) | (430) |
| North America | 291 | 254 | 660 |
| (motorcycles included above) | (138) | (127) | (342) |
| Europe | 155 | 162 | 310 |
| (motorcycles included above) | (150) | (159) | (303) |
| Others | 3,206 | 2,174 | 6,710 |
| (motorcycles included above) | (3,201) | (2,169) | (6,701) |
| Total | 3,867 | 2,806 | 8,110 |
| (motorcycles included above) | (3,704) | (2,671) | (7,776) |

Automobiles:

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| | | | |
|---------------|-------|-------|-------|
| Japan | 426 | 421 | 900 |
| North America | 732 | 655 | 1,500 |
| Europe | 104 | 84 | 200 |
| Others | 144 | 128 | 290 |
| | <hr/> | <hr/> | <hr/> |
| Total | 1,406 | 1,288 | 2,890 |
| | <hr/> | <hr/> | <hr/> |

Power Products:

| | | | |
|---------------|-------|-------|-------|
| Japan | 252 | 191 | 440 |
| North America | 900 | 736 | 1,970 |
| Europe | 424 | 375 | 1,220 |
| Others | 430 | 408 | 970 |
| | <hr/> | <hr/> | <hr/> |
| Total | 2,006 | 1,710 | 4,600 |
| | <hr/> | <hr/> | <hr/> |

Explanatory note: The geographical breakdown of unit sales is based on the location of affiliated and unaffiliated customers.

** These forecasts are based on the assumption that the exchange rates for the yen to the U.S. dollar and the euro for the current fiscal year will average ¥122 and ¥113, respectively. This announcement contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934. Honda's actual results could materially differ from those contained in these forward-looking statements as a result of numerous factors outside of Honda's control. Such factors include 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 Honda's reports filed with the U.S. Securities and Exchange Commission.*

Table of Contents**NET SALES BREAKDOWN**

| For the six months ended September 30, 2002 and 2001 Honda Motor Co., Ltd. and Subsidiaries | | | Yen (millions) | | | |
|--|---|-----------|---|---|-----------|--------|
| | | | Six months ended September 30, 2002 | Six months ended September 30, 2001 | | |
| Motorcycle business: | | | | | | |
| Japan | ¥ | 51,975 | 10.4% | ¥ | 53,850 | 12.1% |
| North America | | 164,254 | 33.0 | | 150,384 | 33.9 |
| Europe | | 87,221 | 17.5 | | 81,660 | 18.4 |
| Others | | 194,384 | 39.1 | | 157,543 | 35.6 |
| | | | | | | |
| Total | ¥ | 497,834 | 100.0% | ¥ | 443,437 | 100.0% |
| | | | | | | |
| Automobile business: | | | | | | |
| Japan | ¥ | 758,141 | 24.5% | ¥ | 815,995 | 28.7% |
| North America | | 1,862,010 | 60.2 | | 1,652,405 | 58.2 |
| Europe | | 204,265 | 6.6 | | 158,638 | 5.6 |
| Others | | 267,097 | 8.7 | | 212,469 | 7.5 |
| | | | | | | |
| Total | ¥ | 3,091,513 | 100.0% | ¥ | 2,839,507 | 100.0% |
| | | | | | | |
| Others: | | | | | | |
| Japan | ¥ | 66,930 | 25.3% | ¥ | 56,995 | 25.7% |
| North America | | 154,275 | 58.4 | | 128,501 | 57.9 |
| Europe | | 26,280 | 9.9 | | 21,549 | 9.7 |
| Others | | 16,779 | 6.4 | | 15,007 | 6.7 |
| | | | | | | |
| Total | ¥ | 264,264 | 100.0% | ¥ | 222,052 | 100.0% |
| | | | | | | |
| Total: | | | | | | |
| Japan | ¥ | 877,046 | 22.8% | ¥ | 926,840 | 26.4% |
| North America | | 2,180,539 | 56.6 | | 1,931,290 | 55.1 |
| Europe | | 317,766 | 8.2 | | 261,847 | 7.5 |
| Others | | 478,260 | 12.4 | | 385,019 | 11.0 |
| | | | | | | |
| Total | ¥ | 3,853,611 | 100.0% | ¥ | 3,504,996 | 100.0% |
| | | | | | | |

Explanatory notes:

1. The geographical breakdown of net sales is based on the location of affiliated and unaffiliated customers.
2. Net sales of others includes revenue from sales of power products and related parts, leisure businesses, and trading and finance subsidiaries.

Table of Contents**BUSINESS SEGMENT INFORMATION**

| | Yen (millions) | | | |
|--|--|-------------|--|--|
| | Six months ended September 30, 2002 | % change | Six months ended September 30, 2001 | Fiscal year ended March 31, 2002 |
| Net Sales and Other Operating Revenue | | | | |
| Motorcycle business: | | | | |
| Sales to unaffiliated customers | ¥ 497,834 | 12.3% | ¥ 443,437 | ¥ 947,900 |
| Automobile business: | | | | |
| Sales to unaffiliated customers | 3,091,513 | 8.9 | 2,839,507 | 5,929,742 |
| Financial services: | | | | |
| Sales to unaffiliated customers | 117,116 | 22.3 | 95,731 | 201,906 |
| Intersegment sales | 1,737 | (42.0) | 2,993 | 7,409 |
| Total | 118,853 | 20.4 | 98,724 | 209,315 |
| Other businesses: | | | | |
| Sales to unaffiliated customers | 147,148 | 16.5 | 126,321 | 282,890 |
| Intersegment sales | 5,495 | 8.7 | 5,056 | 10,968 |
| Total | 152,643 | 16.2 | 131,377 | 293,858 |
| Eliminations | (7,232) | | (8,049) | (18,377) |
| Consolidated | ¥ 3,853,611 | 9.9 | ¥ 3,504,996 | ¥ 7,362,438 |

| | Yen (millions) | | | |
|-------------------------|---|-------------|--|---|
| | Six months ended September 30, 2002 | % change | Six months ended September 30, 2001 | Fiscal year ended March 31, 2002 |
| Operating Income | | | | |
| Motorcycle business | ¥ 37,326 | 27.5% | ¥ 29,271 | ¥ 69,656 |
| Automobile business | 246,446 | (8.0) | 267,985 | 520,510 |
| Financial services | 33,520 | 71.6 | 19,535 | 45,084 |
| Other businesses | 6,577 | | (1,554) | 4,046 |
| Consolidated | ¥ 323,869 | 2.7 | ¥ 315,237 | ¥ 639,296 |

GEOGRAPHICAL SEGMENT INFORMATION

For the six months ended September 30, 2002 and 2001 and the year ended March 31, 2002
Honda Motor Co., Ltd. and Subsidiaries

Yen
(millions)

| | Six months ended September 30, 2002 | % change | Six months ended September 30, 2001 | Fiscal year ended March 31, 2002 |
|-------------------------|---|-------------|--|---|
| Operating Income | | | | |
| Japan | ¥ 91,149 | (29.1)% | ¥ 128,549 | ¥ 253,431 |
| North America | 189,610 | (4.7) | 199,022 | 402,395 |
| Europe | 1,668 | | (20,708) | (35,338) |
| Others | 33,099 | 18.6 | 27,915 | 40,711 |
| Eliminations | 8,343 | | (19,541) | (21,903) |
| Consolidated | ¥ 323,869 | 2.7 | ¥ 315,237 | ¥ 639,296 |

The geographical segmentation is based on the location where sales originated.

Table of Contents**FIVE-YEAR FINANCIAL RESULTS**

For the years ended March 31, 1999, 2000, 2001 and 2002

and the six months ended September 30, 2002
Honda Motor Co., Ltd. and Subsidiaries

| | Year ended March 31, 1999 | Year ended March 31, 2000 | Year ended March 31, 2001 | Year ended March 31, 2002 | Six months ended September 30, 2002 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--|
| Net sales and other operating revenue (¥ millions) | ¥ 6,231,041 | ¥ 6,098,840 | ¥ 6,463,830 | ¥ 7,362,438 | ¥ 3,853,611 |
| Operating income (¥ millions) | 548,698 | 426,230 | 406,960 | 639,296 | 323,869 |
| Income before income taxes and equity in income of affiliates (¥ millions) | 520,511 | 416,063 | 384,976 | 551,342 | 273,701 |
| Net income (¥ millions) | 305,045 | 262,415 | 232,241 | 362,707 | 194,779 |
| Net income per common share, basic (¥) | 313.05 | 269.31 | 238.34 | 372.23 | 199.98 |
| Net income per common share, diluted (¥) | 313.05 | 269.31 | 238.34 | 372.23 | 199.98 |
| Total assets (¥ millions) | 5,034,247 | 4,898,428 | 5,667,409 | 6,940,795 | 6,971,585 |
| Total stockholders' equity (¥ millions) | 1,763,855 | 1,930,373 | 2,230,291 | 2,573,941 | 2,593,350 |
| Stockholders' equity per common share (¥) | 1,810.20 | 1,981.07 | 2,288.87 | 2,641.55 | 2,666.73 |
| Research and development (¥ millions) | 311,632 | 334,036 | 352,829 | 395,176 | 213,023 |
| Capital expenditures (¥ millions) | 237,080 | 222,891 | 285,687 | 303,424 | 133,290 |
| Depreciation (¥ millions) | 177,666 | 172,139 | 170,342 | 194,944 | 102,105 |

Explanatory note: Net income per common share is calculated according to the average number of issued shares during the interim term, and stockholders' equity per common share is calculated based on shares issued at fiscal term-end. The number of issued shares for this calculation had included the number of treasury stock prior to the fiscal year ended March 31, 2001, whereas the number of treasury stock has been excluded from the calculation after the fiscal year ended March 31, 2002.

Table of Contents**CONSOLIDATED STATEMENTS OF INCOME**

For the six months ended September 30, 2002 and 2001
Honda Motor Co., Ltd. and Subsidiaries

| | Yen (millions) | |
|---|---|---|
| | Six months ended September 30, 2002 | Six months ended September 30, 2001 |
| Net sales and other operating revenue | ¥ 3,853,611 | ¥ 3,504,996 |
| Operating costs and expenses: | | |
| Cost of sales | 2,614,864 | 2,405,537 |
| Selling, general and administrative | 701,855 | 601,468 |
| Research and development | 213,023 | 182,754 |
| | 3,529,742 | 3,189,759 |
| Operating income | 323,869 | 315,237 |
| Other income: | | |
| Interest | 4,093 | 4,056 |
| Other | 5,541 | 1,167 |
| | 9,634 | 5,223 |
| Other expenses: | | |
| Interest | 6,377 | 8,765 |
| Other | 53,425 | 41,708 |
| | 59,802 | 50,473 |
| Income before income taxes and equity in income of affiliates | 273,701 | 269,987 |
| Income taxes | 107,184 | 113,326 |
| Income before equity in income of affiliates | 166,517 | 156,661 |
| Equity in income of affiliates | 28,262 | 17,079 |
| Net income | 194,779 | 173,740 |
| Retained earnings: | | |
| Balance at beginning of period | 2,765,600 | 2,428,293 |
| Cash dividends paid | (14,616) | (11,693) |
| Transfer to legal reserves | (43) | (448) |
| Balance at end of period | ¥ 2,945,720 | ¥ 2,589,892 |

| Yen | |
|--|---|
| Six months ended September 30, 2002 | Six months ended September 30, 2001 |

| | | | |
|--|-----------------|----------|---------------|
| Basis net income per common share | ¥ 199.98 | ¥ | 178.30 |
| Basis net income per American share | 99.99 | | 89.15 |
| | <hr/> | | <hr/> |

Table of Contents**CONSOLIDATED BALANCE SHEETS**

March 31, 2002 and September 30, 2002 and 2001
Honda Motor Co., Ltd. and Subsidiaries

| | Yen (millions) | | |
|--|-------------------------------|-----------------------|-------------------------------|
| Assets | September 30, 2002 | March 31, 2002 | September 30, 2001 |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 518,408 | ¥ 609,441 | ¥ 465,706 |
| Trade accounts and notes receivable | 332,185 | 452,208 | 368,947 |
| Finance subsidiaries receivables, net | 980,852 | 995,087 | 767,479 |
| Inventories | 670,268 | 644,282 | 640,223 |
| Deferred income taxes | 205,290 | 182,788 | 180,741 |
| Other current assets | 227,826 | 204,538 | 178,952 |
| Total current assets | 2,934,829 | 3,088,344 | 2,602,048 |
| Finance subsidiaries receivables, net | 2,024,071 | 1,808,861 | 1,564,031 |
| Investments and advances | 395,138 | 395,495 | 364,978 |
| Property, plant and equipment, at cost: | | | |
| Land | 336,708 | 318,208 | 304,136 |
| Buildings | 912,139 | 920,106 | 839,359 |
| Machinery and equipment | 2,018,426 | 2,048,244 | 1,883,224 |
| Construction in progress | 96,542 | 82,610 | 145,418 |
| | 3,363,815 | 3,369,168 | 3,172,137 |
| Less accumulated depreciation | 1,987,880 | 1,979,455 | 1,894,853 |
| Net property, plant and equipment | 1,375,935 | 1,389,713 | 1,277,284 |
| Other assets | 241,612 | 258,382 | 174,190 |
| Total assets | ¥ 6,971,585 | ¥ 6,940,795 | ¥ 5,982,531 |

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| | Yen (millions) | | |
|---|-------------------------------|-----------------------|-------------------------------|
| Liabilities and Stockholders' Equity | September 30, 2002 | March 31, 2002 | September 30, 2001 |
| Current liabilities: | | | |
| Short-term debt | ¥ 937,819 | ¥ 1,035,069 | ¥ 1,068,122 |
| Current portion of long-term debt | 142,231 | 308,014 | 361,388 |
| Trade payables | 775,584 | 840,957 | 723,156 |
| Accrued expenses | 719,596 | 678,118 | 574,890 |
| Income taxes payable | 66,269 | 61,244 | 110,823 |
| Other current liabilities | 232,643 | 186,657 | 136,550 |
| Total current liabilities | 2,874,142 | 3,110,059 | 2,974,929 |
| Long-term debt | 953,833 | 716,614 | 344,271 |
| Other liabilities | 550,260 | 540,181 | 323,792 |
| Total liabilities | 4,378,235 | 4,366,854 | 3,642,992 |
| Stockholders' equity: | | | |
| Common stock, authorized 3,600,000,000 shares; issued 974,414,215 shares at September 30, 2002, March 31, 2002 and September 30, 2001 | 86,067 | 86,067 | 86,067 |
| Capital surplus | 172,529 | 172,529 | 172,529 |
| Legal reserves | 29,012 | 28,969 | 28,377 |
| Retained earnings | 2,945,720 | 2,765,600 | 2,589,892 |
| Adjustments from foreign currency translation | (455,149) | (300,081) | (459,243) |
| Net unrealized gains on marketable equity securities | 12,611 | 8,730 | 3,599 |
| Minimum pension liabilities adjustments | (187,824) | (187,824) | (81,682) |
| Accumulated other comprehensive income (loss) | (630,362) | (479,175) | (537,326) |
| Treasury stock | (9,616) | (49) | |
| Total stockholders' equity | 2,593,350 | 2,573,941 | 2,339,539 |
| Total liabilities and stockholders' equity | ¥ 6,971,585 | ¥ 6,940,795 | ¥ 5,982,531 |

Table of Contents**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the six months ended September 30, 2002 and 2001
Honda Motor Co., Ltd. and Subsidiaries

| | Yen (millions) | |
|---|--|---|
| | Six months ended September 30, 2002 | Six months ended September 30, 2001 |
| Cash flows from operating activities: | | |
| Net income | ¥ 194,779 | ¥ 173,740 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 102,105 | 89,858 |
| Deferred income taxes | (8,713) | (44,278) |
| Equity in income of affiliates | (28,262) | (17,079) |
| Loss on fair value adjustment of derivative instrument (profit) | 43,462 | 30,576 |
| Decrease (increase) in assets: | | |
| Trade accounts and notes receivable | 97,858 | 61,630 |
| Inventories | (62,948) | (36,773) |
| Increase (decrease) in trade payables | (26,445) | (81,018) |
| Other, net | 60,393 | 91,675 |
| Net cash provided by operating activities | 372,229 | 268,331 |
| Cash flows from investing activities: | | |
| Decrease (increase) in investments and advances | 11,785 | 4,082 |
| Capital expenditures | (133,290) | (133,092) |
| Proceeds from sales of property, plant and equipment | 5,517 | 6,320 |
| Decrease (increase) in finance subsidiaries' receivables | (417,561) | (353,738) |
| Net cash used in investing activities | (533,549) | (476,428) |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term debt | (4,164) | 196,418 |
| Proceeds from long-term debt | 349,893 | 220,501 |
| Repayment of long-term debt | (229,568) | (148,345) |
| Acquisition of treasury stock | (9,567) | |
| Cash dividends paid | (14,616) | (11,693) |
| Increase (decrease) in commercial paper classified as long-term debt | 2,069 | 391 |
| Net cash provided by (used in) financing activities | 94,047 | 257,272 |
| Effect of exchange rate changes on cash and cash equivalents | (23,760) | (988) |
| Net change in cash and cash equivalents | (91,033) | 48,187 |
| Cash and cash equivalents at beginning of year | 609,441 | 417,519 |
| Cash and cash equivalents at end of year | ¥ 518,408 | ¥ 465,706 |

Table of Contents**EXPLANATORY NOTES**

Honda Motor Co., Ltd. and Subsidiaries

1. The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America since the Company has issued American Depositary Receipts listed on the New York Stock Exchange and files reports with the U.S. Securities and Exchange Commission, except all segment information which is prepared in accordance with a Ministerial Ordinance under the Securities and Exchange Law of Japan.
2. The average exchange rates for the fiscal first half ended September 30, 2002 were ¥123.14=U.S.\$1 and ¥116.94=euro1, as compared with ¥122.21=U.S.\$1 and ¥107.77=euro1, for the corresponding period last year.
3. United States dollar amounts have been translated from yen solely for the convenience of the reader at the rate of ¥122.60=U.S.\$1, the mean of the telegraphic transfer selling exchange rate and the telegraphic transfer buying exchange rate prevailing on the Tokyo foreign exchange market on September 30, 2002.
4. The Company's Common Stock-to-ADR exchange rate has been changed from two shares of Common Stock to one ADR to one share of Common Stock to two ADRs, effective January 10, 2002.
5. The Company has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income. The following table represents components of the Company's comprehensive income. Other comprehensive income (loss) consists of changes in adjustments from foreign currency translation, net unrealized gains on marketable equity securities and minimum pension liabilities adjustment.
6. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the presentation used for the fiscal second quarter and first half ended September 30, 2002.

| | Yen (millions) | |
|-----------------------------------|---|---|
| | Six months Ended September 30, 2002 | Six months Ended September 30, 2001 |
| Net income | ¥ 194,779 | ¥ 173,740 |
| Other comprehensive income (loss) | (151,187) | (52,799) |
| Comprehensive income (loss) | ¥ 43,592 | ¥ 120,941 |

Table of Contents**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Divided into Non-financial Services Businesses and Finance Subsidiaries (Unaudited)

For the six months ended September 30, 2002

Honda Motor Co., Ltd. and Subsidiaries

| | Yen (millions) | |
|--|--------------------------------------|-------------------------|
| | Six months ended September 30, 2002 | |
| | Non-financial services businesses | Finance subsidiaries |
| Cash flows from operating activities: | | |
| Net income | ¥ 200,010 | ¥ (5,082) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 101,711 | 394 |
| Deferred income taxes | (32,271) | 23,558 |
| Equity in income of affiliates | (28,048) | |
| Loss on fair value adjustment of derivative instrument (profit) | 2,282 | 41,180 |
| Decrease (increase) in trade accounts and notes receivable | 95,394 | |
| Decrease (increase) in inventories | (62,948) | |
| Increase (decrease) in trade payables | (29,419) | |
| Other, net | 63,469 | 8,432 |
| Net cash provided by operating activities | 310,270 | 68,482 |
| Cash flows from investing activities: | | |
| Decrease (increase) in investments and advances* | (159,786) | (125) |
| Capital expenditures | (131,206) | (2,084) |
| Proceeds from sales of property, plant and equipment | 5,439 | 78 |
| Decrease (increase) in finance subsidiaries receivables | | (420,528) |
| Net cash used in investing activities | (285,553) | (422,659) |
| Free cash flow (cash flows from operating and investing activities) | 24,717 | (354,177) |
| Free cash flow of non-financial services businesses excluding the increase in loans (amounting to ¥154,808 million) to finance subsidiaries (Note) | 179,525 | |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term debt* | (74,844) | 220,252 |
| Proceeds from long-term debt* | 7,446 | 344,287 |
| Repayment of long-term debt* | (4,117) | (225,451) |
| Proceeds from issuance of common stock | | 16,967 |
| Acquisition of treasury stock | (9,567) | |
| Cash dividends paid | (14,661) | (194) |
| Increase (decrease) in commercial paper classified as long-term debt | | 2,069 |
| Net cash provided by financing activities | (95,743) | 357,930 |
| Effect of exchange rate changes on cash and cash equivalents | (23,262) | (498) |
| Net change in cash and cash equivalents | (94,288) | 3,255 |
| Cash and cash equivalents at beginning of year | 590,798 | 18,643 |
| Cash and cash equivalents at end of year | ¥ 496,510 | ¥ 21,898 |

*Notes: Non-financial services businesses loans to finance subsidiaries. These cash flows were included in the items of Decrease (increase) in investments and advances of non-financial services businesses, and Increase (decrease) in short-term debt , Proceeds from long-term debt and Repayment of long-term debt of finance subsidiaries (marked by *). Free cash flow of non-financial services businesses excluding the increase in loans to finance subsidiaries is stated for readers information.*

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UNCONSOLIDATED FINANCIAL SECTION

Table of Contents**UNCONSOLIDATED BALANCE SHEETS**

March 31, 2002 and September 30, 2002 and 2001
Honda Motor Co., Ltd.

| | Yen (millions) | | |
|---------------------------------|--------------------|--------------------|--------------------|
| | September 30, 2002 | March 31, 2002 | September 30, 2001 |
| Assets | | | |
| Current assets | ¥ 783,642 | ¥ 766,973 | ¥ 738,586 |
| Cash and bank deposits | 165,257 | 150,794 | 153,628 |
| Notes/accounts receivable | 235,441 | 261,288 | 239,376 |
| Inventories | 119,092 | 128,879 | 132,665 |
| Other | 266,744 | 229,477 | 215,837 |
| Allowance for doubtful accounts | (2,895) | (3,466) | (2,921) |
| Fixed assets | 1,217,210 | 1,170,832 | 1,087,105 |
| Tangible fixed assets | 583,016 | 584,064 | 577,512 |
| Buildings | 168,358 | 169,469 | 169,411 |
| Machinery and equipment | 93,153 | 95,943 | 95,715 |
| Land | 242,710 | 234,658 | 231,632 |
| Other | 78,794 | 83,992 | 80,752 |
| Intangible fixed assets | 3,467 | 3,163 | 2,751 |
| Investments and others | 630,727 | 583,604 | 506,841 |
| Investment securities | 471,267 | 436,422 | 376,269 |
| Other investments | 178,911 | 166,849 | 149,695 |
| Allowance for doubtful accounts | (19,451) | (19,668) | (19,123) |
| Total assets | ¥ 2,000,853 | ¥ 1,937,805 | ¥ 1,825,691 |

Explanatory note: The amounts described above disregard figures of less than one million yen.

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| Liabilities and Stockholders' Equity | Yen (millions) | | |
|--|---------------------------|-----------------------|---------------------------|
| | September 30, 2002 | March 31, 2002 | September 30, 2001 |
| Current liabilities | ¥ 500,231 | ¥ 523,785 | ¥ 486,433 |
| Notes/accounts payable | 293,055 | 294,035 | 269,483 |
| Short-term bank loans | 626 | 123 | 30,131 |
| Accrued expenses | 89,396 | 113,306 | 84,771 |
| Accrued product warranty | 43,078 | 38,028 | 31,095 |
| Accrued employees' bonuses | 31,440 | 35,107 | 31,628 |
| Other | 42,634 | 43,184 | 39,323 |
| Fixed liabilities | 91,079 | 71,372 | 59,504 |
| Long-term bank loans | 949 | 1,045 | 1,097 |
| Reserve for product warranties | 30,444 | 27,766 | 25,011 |
| Accrued employees' retirement benefits | 49,474 | 33,237 | 24,053 |
| Other | 10,212 | 9,323 | 9,343 |
| Total liabilities | 591,311 | 595,157 | 545,938 |
| Common stock | 86,067 | 86,067 | 86,067 |
| Capital surplus | 168,912 | 168,912 | 163,829 |
| Retained earnings (including legal reserves) | 1,138,572 | 1,061,853 | 1,005,505 |
| Unrealized gains on securities available for sale | 25,606 | 25,864 | 24,351 |
| Treasury stock | (9,616) | (49) | |
| Total stockholders' equity | 1,409,541 | 1,342,648 | 1,279,753 |
| Total liabilities and stockholders' equity | ¥ 2,000,853 | ¥ 1,937,805 | ¥ 1,825,691 |

Note: Reclassifications on stockholders' equity have been made to the prior periods-end to conform to the Amended Regulations Concerning the Terms, Forms and Methods of Preparation of Semi-annual Financial Statements, Etc.

Table of Contents**UNCONSOLIDATED STATEMENTS OF INCOME**

For the six months ended September 30, 2002 and 2001
and forecasts for fiscal year ending March 31, 2003
Honda Motor Co., Ltd.

| | Yen (millions) | | |
|--|---|---|---|
| | Six months ended September 30, 2002 | Six months ended September 30, 2001 | FORECASTS* Fiscal year ending March 31, 2003 |
| Ordinary profit and loss: | | | |
| Operating profit and loss: | | | |
| Operating revenue: | | | |
| Net sales | ¥ 1,625,558 | ¥ 1,551,914 | ¥ 3,300,000 |
| Operating expenses: | | | |
| Cost of sales | 1,108,036 | 1,066,789 | |
| Selling, general and administrative expenses | 451,359 | 402,137 | |
| Operating profit | 66,162 | 82,987 | |
| Non-operating profit | 62,837 | 47,655 | |
| Non-operating expenses | 8,238 | 10,619 | |
| Ordinary profit | 120,762 | 120,023 | 225,000 |
| Extraordinary profit | 1,474 | 91 | |
| Extraordinary loss | 4,108 | 31,528 | |
| Income before income taxes | 118,128 | 88,585 | |
| Income taxes: | | | |
| Current | 51,883 | 52,922 | |
| Deferred | (25,469) | (30,246) | |
| Net income | 91,714 | 65,910 | 165,000 |
| Unappropriated retained earnings at beginning of period | 32,366 | 10,706 | |
| Unappropriated retained earnings at end of period | ¥ 124,081 | ¥ 76,617 | |

Explanatory note: The amounts described above disregard figures of less than one million yen.

* These forecasts are based on the assumption that the exchange rates for the yen to the U.S. dollar and the euro for the current fiscal year will average and respectively. This announcement contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934. Honda's actual results could materially differ from those contained in these forward-looking statements as a result of numerous factors outside of Honda's control. Such factors include 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 Honda's reports filed with the U.S. Securities and Exchange Commission.

Table of Contents**COMMON STOCK INFORMATION**

As of September 30, 2002
Honda Motor Co., Ltd.

| | | |
|---|----------------------|-----------------------------|
| Number of shares authorized to be issued | 3,600,000,000 shares | |
| Number of shares issued and outstanding | 974,414,215 shares | |
| Number of stockholders | 55,053 | |
| Share prices (closing prices on the Tokyo Stock Exchange) | High | ¥5,990 (May 2002) |
| | Low | ¥4,620 (September 2002) |
| | Close | ¥4,930 (September 30, 2002) |

BREAKDOWN OF STOCKHOLDERS

| As of September 30, 2002 Honda Motor Co., Ltd. | Number of stockholders | Number of shares held (thousands) |
|---|---------------------------|---|
| Individuals and others | 53,074 | 66,676 |
| Financial institutions | 299 | 536,244 |
| Securities companies | 42 | 2,009 |
| Domestic companies and others | 705 | 104,209 |
| Foreign institutions and individuals | 932 | 263,341 |
| Treasury stock | 1 | 1,932 |
| Total | 55,053 | 974,414 |

Explanatory notes:

1. The number of shares described above disregard figures of less than one thousand shares.
2. Individuals and others include shares of treasury stock.
3. Domestic companies and others include shares of the Japan Securities Depository Center.

PRINCIPAL STOCKHOLDERS

| As of September 30, 2002 Honda Motor Co., Ltd. | Number of shares held (thousands) | % |
|---|---|-----|
| The Bank of Tokyo-Mitsubishi, Ltd. | 47,066 | 4.9 |
| UFJ Bank, Limited | 40,429 | 4.2 |
| The Tokio Marine & Fire Insurance Co., Ltd. | 37,635 | 3.9 |
| The Master Trust Bank of Japan, Ltd. | 36,880 | 3.8 |
| Japan Trustee Services Bank, Ltd. | 35,235 | 3.7 |
| State Street Bank and Trust Company, N.A. | 32,884 | 3.4 |
| The Mitsubishi Trust & Banking Corp. | 31,845 | 3.3 |
| Meiji Life Insurance Company | 28,444 | 2.9 |
| The Chase Manhattan Bank, N.A., London | 24,932 | 2.6 |
| UFJ Trust Bank, Limited | 23,860 | 2.5 |

Explanatory notes:

1. The number of shares described above disregard figures of less than one thousand shares.
2. Number of shares of the Company's common stock held by The Master Trust Bank of Japan, Ltd., Japan Trustee Services Bank, Ltd., and UFJ Trust Bank, Limited are owned exclusively in connection with their trust businesses.
3. State Street Bank and Trust Company, N.A. and The Chase Manhattan Bank, N.A., London conduct custody

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services of the Company's common stock mainly owned by institutional investors in Europe and the United States and are also nominees of shares of the Company's common stock held by such institutional investors.

Table of Contents**FIVE-YEAR FINANCIAL RESULTS (UNCONSOLIDATED)**

For the years ended March 31, 1999, 2000, 2001 and 2002
and the six months ended September 30, 2002
Honda Motor Co., Ltd.

| | Year ended March 31, 1999 | Year ended March 31, 2000 | Year ended March 31, 2001 | Year ended March 31, 2002 | Six months ended September 30, 2002 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|---|
| Net sales (¥ millions) | ¥ 2,962,170 | ¥ 2,919,840 | ¥ 3,042,022 | ¥ 3,211,186 | ¥ 1,625,558 |
| Ordinary profit (¥ millions) | 259,787 | 201,440 | 137,374 | 218,987 | 120,762 |
| Net income (¥ millions) | 135,944 | 135,322 | 11,326 | 134,925 | 91,714 |
| Net income per common share (¥) | 139.51 | 138.88 | 11.62 | 138.47 | 94.17 |
| Total assets (¥ millions) | 1,656,243 | 1,758,588 | 1,765,814 | 1,937,805 | 2,000,853 |
| Stockholders' equity (¥ millions) | 1,065,359 | 1,212,899 | 1,236,686 | 1,342,648 | 1,409,541 |
| Stockholders' equity per common share (¥) | 1,093.33 | 1,244.75 | 1,269.16 | 1,377.92 | 1,449.43 |
| Common stock (¥ millions) | 86,067 | 86,067 | 86,067 | 86,067 | 86,067 |
| Stockholders' equity ratio (%) | 64.3% | 69.0% | 70.0% | 69.3% | 70.4% |

Explanatory notes:

1. The amounts over one million yen described above disregard figures of less than one million yen.
2. Net income per common share is calculated according to the average number of issued shares during the interim term, and stockholders' equity per common share is calculated based on shares issued at fiscal term-end. The number of issued shares for this calculation had included the number of treasury stock prior to the fiscal year ended March 31, 2001, whereas the number of treasury stock has been excluded from the calculation after the fiscal year ended March 31, 2002.

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BOARD OF DIRECTORS

As of September 30, 2002

Chairman and Representative Director

Yoshihide Munekuni

President and Representative Director

Hiroyuki Yoshino

Executive Vice President and Representative Director

Koichi Amemiya

Senior Managing and Representative Directors

Katsuro Suzuki

Takeo Fukui

Michiyoshi Hagino

Minoru Harada

Motoatsu Shiraishi

Satoshi Aoki

Managing Directors

Atsuyoshi Hyogo

Hiroshi Okubo

Satoshi Dobashi

Satoshi Toshida

Koki Hirashima

Koichi Kondo

Yasuo Ikenoya

Toru Onda

Directors

Satoru Kishi

Akira Takano

Mikio Yoshimi

Masaaki Kato

Shigeru Takagi

Masahiro Yoshimura

Toshio Saito

Hiroshi Kuroda

Akio Hamada

Teruo Kowashi

Seiichi Moriguchi

Tetsuo Iwamura

Takashi Yamamoto

Takanobu Ito

Masaru Takabayashi

Tatsuhiro Oyama

Suguru Kanazawa

Manabu Nishimae

Director and Advisor

Nobuhiko Kawamoto

Corporate Auditors

Kunihiro Chujo*

Kenichi Takashima*

Koji Miyajima

Yasuharu Yabuta

* Full-time service auditor

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Printed in Japan

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Semi annual report on a consolidated basis for the first-half term
(Six months ended September 30, 2002) of the 79th fiscal period

(This is a translation of summary information of the semi annual report in
the Japanese language, which is contained in Hanki Houkokusho . (Semi
annual report) issued in December, 2002)

HONDA MOTOR CO., LTD
(HONDA GIKEN KOGYO KABUSHIKI KAISHA)
TOKYO, JAPAN

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

September 30, 2002

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2001 and 2002 and March 31, 2002

| | Yen (millions) | | |
|--|-----------------------|-----------------------|--------------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 465,706 | ¥ 518,408 | ¥ 609,441 |
| Trade accounts and notes receivable, net of allowance for doubtful accounts of ¥8,559 million in September 30, 2001, ¥7,310 million in September 30, 2002 and ¥8,662 million in March 31, 2002 | 368,947 | 332,185 | 452,208 |
| Finance subsidiaries-receivables, net (note 2) | 767,479 | 980,852 | 995,087 |
| Inventories (note 3) | 640,223 | 670,268 | 644,282 |
| Deferred income taxes | 180,741 | 205,290 | 182,788 |
| Other current assets | 178,952 | 227,826 | 204,538 |
| Total current assets | 2,602,048 | 2,934,829 | 3,088,344 |
| Finance subsidiaries-receivables, net (note 2) | 1,564,031 | 2,024,071 | 1,808,861 |
| Investments and advances: | | | |
| Investments in and advances to affiliates | 219,934 | 249,877 | 249,959 |
| Other, including marketable equity securities (note 4) | 145,044 | 145,261 | 145,536 |
| Total investments and advances | 364,978 | 395,138 | 395,495 |
| Property, plant and equipment, at cost (note 5): | | | |
| Land | 304,136 | 336,708 | 318,208 |
| Buildings | 839,359 | 912,139 | 920,106 |
| Machinery and equipment | 1,883,224 | 2,018,426 | 2,048,244 |
| Construction in progress | 145,418 | 96,542 | 82,610 |
| | 3,172,137 | 3,363,815 | 3,369,168 |
| Less accumulated depreciation | 1,894,853 | 1,987,880 | 1,979,455 |
| Net property, plant and equipment | 1,277,284 | 1,375,935 | 1,389,713 |
| Other assets | 174,190 | 241,612 | 258,382 |
| Total assets | ¥ 5,982,531 | ¥ 6,971,585 | ¥ 6,940,795 |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2001 and 2002 and March 31, 2002

| | Yen (millions) | | |
|---|-----------------------|-----------------------|-------------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Liabilities and Stockholders' Equity | | | |
| Current liabilities: | | | |
| Short-term debt (note 5) | ¥ 1,068,122 | ¥ 937,819 | ¥ 1,035,069 |
| Current portion of long-term debt (note 5) | 361,388 | 142,231 | 308,014 |
| Trade payables: | | | |
| Notes | 29,378 | 24,736 | 26,009 |
| Accounts | 693,778 | 750,848 | 814,948 |
| Accrued expenses | 574,890 | 719,596 | 678,118 |
| Income taxes payable | 110,823 | 66,269 | 61,244 |
| Other current liabilities | 136,550 | 232,643 | 186,657 |
| Total current liabilities | 2,974,929 | 2,874,142 | 3,110,059 |
| Long-term debt (note 5) | 344,271 | 953,833 | 716,614 |
| Other liabilities (note 6) | 323,792 | 550,260 | 540,181 |
| Total liabilities | 3,642,992 | 4,378,235 | 4,366,854 |
| Stockholders' equity: | | | |
| Common stock, authorized 3,600,000,000 shares ; issued 974,414,215 shares at September 30, 2001 and 2002 and March 31, 2002 | 86,067 | 86,067 | 86,067 |
| Capital surplus | 172,529 | 172,529 | 172,529 |
| Legal reserves | 28,377 | 29,012 | 28,969 |
| Retained earnings | 2,589,892 | 2,945,720 | 2,765,600 |
| Accumulated other comprehensive income (loss) (notes 4 and 8) | (537,326) | (630,362) | (479,175) |
| Treasury stock, at cost 1,932,337 shares and 10,036 shares at September 30, 2002 and March 31, 2002 | | (9,616) | (49) |
| Total stockholders' equity | 2,339,539 | 2,593,350 | 2,573,941 |
| Commitments and contingent liabilities (notes 11 and 12) | | | |
| Total liabilities and stockholders' equity | ¥ 5,982,531 | ¥ 6,971,585 | ¥ 6,940,795 |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Income

For the 6 months ended September 30, 2001 and 2002 and the year ended March 31, 2002

| | Yen (millions) | | |
|---|-----------------------|-----------------------|-------------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Net sales and other operating revenue | ¥ 3,504,996 | ¥ 3,853,611 | ¥ 7,362,438 |
| Operating costs and expenses: | | | |
| Cost of sales | 2,405,537 | 2,614,864 | 5,036,188 |
| Selling, general and administrative | 601,468 | 701,855 | 1,291,778 |
| Research and development | 182,754 | 213,023 | 395,176 |
| | 3,189,759 | 3,529,742 | 6,723,142 |
| Operating income | 315,237 | 323,869 | 639,296 |
| Other income: | | | |
| Interest | 4,056 | 4,093 | 7,445 |
| Other | 1,167 | 5,541 | 1,898 |
| | 5,223 | 9,634 | 9,343 |
| Other expenses (note 1(q)): | | | |
| Interest | 8,765 | 6,377 | 16,769 |
| Other | 41,708 | 53,425 | 80,528 |
| | 50,473 | 59,802 | 97,297 |
| Income before income taxes and equity in income of affiliates | 269,987 | 273,701 | 551,342 |
| Income taxes: | | | |
| Current | 157,604 | 115,897 | 223,064 |
| Deferred | (44,278) | (8,713) | 8,086 |
| | 113,326 | 107,184 | 231,150 |
| Income before equity in income of affiliates | 156,661 | 166,517 | 320,192 |
| Equity in income of affiliates | 17,079 | 28,262 | 42,515 |

| | | | |
|--|-----------------------|-----------------------|-------------------|
| Net income | ¥ 173,740 | ¥ 194,779 | ¥ 362,707 |
| | | | |
| | Yen | | |
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Basic net income per common share (note 1(o)): | ¥ 178.30 | ¥ 199.98 | ¥ 372.23 |

See accompanying notes to consolidated financial statements.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

For the 6 months ended September 30, 2001 and 2002 and the year ended March 31, 2002

| | Yen (millions) | | |
|--|-----------------------|-----------------------|--------------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Common stock: | | | |
| Balance at beginning of the period | ¥ 86,067 | ¥ 86,067 | ¥ 86,067 |
| Balance at end of the period | 86,067 | 86,067 | 86,067 |
| Capital surplus: | | | |
| Balance at beginning of the period | 172,529 | 172,529 | 172,529 |
| Balance at end of the period | 172,529 | 172,529 | 172,529 |
| Legal reserves: | | | |
| Balance at beginning of the period | 27,929 | 28,969 | 27,929 |
| Transfer from retained earnings | 448 | 43 | 1,040 |
| Balance at end of the period | 28,377 | 29,012 | 28,969 |
| Retained earnings: | | | |
| Balance at beginning of the period | 2,428,293 | 2,765,600 | 2,428,293 |
| Net income for the period | 173,740 | 194,779 | 362,707 |
| Cash dividends | (11,693) | (14,616) | (24,360) |
| Transfer to legal reserves | (448) | (43) | (1,040) |
| Balance at end of the period | 2,589,892 | 2,945,720 | 2,765,600 |
| Accumulated other comprehensive income (loss): (notes 4 and 8) | | | |
| Balance at beginning of the period | (484,527) | (479,175) | (484,527) |
| Other comprehensive income (loss) for the period, net of tax | (52,799) | (151,187) | 5,352 |
| Balance at end of the period | (537,326) | (630,362) | (479,175) |
| Treasury stock: | | | |
| Balance at beginning of the period | | (49) | |
| Purchase of treasury stock | | (9,567) | (49) |
| Balance at end of the period | | (9,616) | (49) |
| Total stockholders' equity | ¥ 2,339,539 | ¥ 2,593,350 | ¥ 2,573,941 |

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| | | | |
|--|-----------|-----------|-----------|
| Disclosure of comprehensive income: | | | |
| Net income for the period | ¥ 173,740 | ¥ 194,779 | ¥ 362,707 |
| Other comprehensive income (loss) for the period, net of tax (notes 4 and 8) | (52,799) | (151,187) | 5,352 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | ¥ 120,941 | ¥ 43,592 | ¥ 368,059 |
| | <hr/> | <hr/> | <hr/> |

See accompanying notes to consolidated financial statements.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the 6 months ended September 30, 2001 and 2002 and the year ended March 31, 2002

| | Yen (millions) | | |
|--|-----------------------|-----------------------|-------------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Cash flows from operating activities (note 7): | | | |
| Net income | ¥ 173,740 | ¥ 194,779 | ¥ 362,707 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation | 89,858 | 102,105 | 194,944 |
| Deferred income taxes | (44,278) | (8,713) | 8,086 |
| Equity in income of affiliates | (17,079) | (28,262) | (42,515) |
| Provision for credit and lease residual losses on finance subsidiaries-receivables | 10,143 | 14,443 | 22,139 |
| Loss on derivative instruments and related others | 30,576 | 43,462 | 21,740 |
| Decrease (increase) in assets: | | | |
| Trade accounts and notes receivable | 61,630 | 97,858 | 5,539 |
| Inventories | (36,773) | (62,948) | 10,191 |
| Other current assets | 1,609 | (82,642) | 69,243 |
| Other assets | (21,826) | (11,079) | (28,577) |
| Increase (decrease) in liabilities: | | | |
| Trade payables | (81,018) | (26,445) | (14,101) |
| Accrued expenses | 50,671 | 82,292 | 75,772 |
| Income taxes payable | 73,172 | 6,315 | 20,551 |
| Other current liabilities | (42,161) | 24,093 | (41,717) |
| Other liabilities | 17,739 | 4,898 | 59,762 |
| Other, net | 2,328 | 22,073 | 26,186 |
| Net cash provided by operating activities | 268,331 | 372,229 | 749,950 |
| Cash flows from investing activities: | | | |
| Decrease in investments and advances | 4,082 | 11,785 | 476 |
| Capital expenditures | (133,092) | (133,290) | (303,424) |
| Proceeds from sales of property, plant and equipment | 6,320 | 5,517 | 7,416 |
| Acquisitions of finance subsidiaries-receivables | (1,410,913) | (1,735,474) | (2,900,128) |
| Collections of finance subsidiaries-receivables | 848,506 | 927,562 | 1,615,182 |
| Proceeds from sales of finance subsidiaries-receivables | 208,669 | 390,351 | 693,907 |
| Net cash used in investing activities | (476,428) | (533,549) | (886,571) |
| Cash flows from financing activities : | | | |
| Increase (decrease) in short-term debt | 196,418 | (4,164) | 5,997 |
| Proceeds from long-term debt | 220,501 | 349,893 | 624,070 |
| Repayment of long-term debt | (148,345) | (229,568) | (298,718) |
| Cash dividends paid | (11,693) | (14,616) | (24,360) |
| Increase in commercial paper classified as long-term debt | 391 | 2,069 | 649 |
| Purchase of treasury stock | | (9,567) | |
| Net cash provided by financing activities | 257,272 | 94,047 | 307,638 |
| Effect of exchange rate changes on cash and cash equivalents | (988) | (23,760) | 20,905 |
| Net change in cash and cash equivalents | 48,187 | (91,033) | 191,922 |
| Cash and cash equivalents at beginning of year | 417,519 | 609,441 | 417,519 |

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| | | | |
|--|-----------|-----------|-----------|
| Cash and cash equivalents at end of year | ¥ 465,706 | ¥ 518,408 | ¥ 609,441 |
|--|-----------|-----------|-----------|

See accompanying notes to consolidated financial statements.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the 6 months ended September 30, 2001 and 2002 and the year ended March 31, 2002

(1) General and Summary of Significant Accounting Policies

(a) Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments which are necessary for a fair presentation have been included. The results for interim periods are not necessarily indicative of results which may be expected for any other interim period or for the year. For further information, refer to the March 31, 2002 consolidated financial statements and notes thereto included in Honda Motor Co., Ltd. and Subsidiaries Annual Report for the year ended March 31, 2002. Consolidated financial statements ended March 31, 2002 are audited while consolidated financial statements ended September 30, 2001 and 2002 are unaudited.

(b) Description of Business

Honda Motor Co., Ltd. (the Company) and its subsidiaries (collectively Honda) develop, manufacture, distribute and provide financing for the sale of its motorcycles, automobiles and power products. Honda's manufacturing operations are principally conducted in 25 separate factories, 5 of which are located in Japan. Principal overseas manufacturing facilities are located in the United States of America, Canada, the United Kingdom, France, Italy, Spain, India, Pakistan, the Philippines, Thailand, Vietnam, Brazil and Mexico.

Net sales and other operating revenue by category of activity for the 6 months ended September 30, 2002 were derived from: motorcycle business 12.9%, automobile business 80.2%, financial services 3.0%, and other businesses 3.9%. Operating income by category of activity for the 6 months ended September 30, 2002 was derived from: motorcycle business 11.5%, automobile business 76.1%, financial services 10.3%, and other businesses 2.1%.

Honda sells motorcycles, automobiles and power products in most countries in the world. For the 6 months ended September 30, 2002, 74.3% of net sales and other operating revenue (¥2,864,466 million) was derived from subsidiaries operating outside Japan (2001: ¥2,481,798 million). Net sales and other operating revenue for the 6 months ended September 30, 2002 was geographically broken down based on the location of customers as follows: Japan 22.8%, North America 56.6%, Europe 8.2%, and others 12.4%. For the 6 months ended September 30, 2002, 69.3% of operating income (¥224,377 million) was generated from foreign subsidiaries, disregarding the effect of elimination of unrealized profits between domestic operations and foreign operations (2001: ¥206,229 million).

(c) Basis of Presenting Consolidated Financial Statements

The Company and its domestic subsidiaries maintain their books of account in conformity with financial accounting standards of Japan, and its foreign subsidiaries generally maintain their books of account in conformity with those of the countries of their domicile.

The consolidated financial statements presented herein have been prepared in a manner and reflect the adjustments which are necessary to conform them with accounting principles generally accepted in the United States of America.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(d) Consolidation Policy

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The investments in 20% to 50% owned affiliates are stated at their underlying equity value.

Minority interests in net assets and income are not significant and, accordingly, are not presented separately in the accompanying consolidated balance sheets and statements of income.

(e) Use of Estimates

Management of Honda has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(f) Revenue Recognition

Sales of manufactured products are recognized when persuasive evidence of an arrangement including title transfer exists, delivery has occurred, the sales price is fixed or determinable, and collectibility is probable. Provisions for dealer sales allowances are normally recognized as sales reductions at the time of sale.

Interest income from finance receivables is recognized using the interest method. Finance receivable origination fees and certain direct origination costs are deferred, and the net fee or cost is recognized using the interest method over the contractual life of the finance receivables.

Finance subsidiaries of the Company periodically sell finance receivables. Gain or loss is recognized equal to the difference between the cash proceeds received and the carrying value of the receivables sold and is recorded in the period in which the sale occurs. Honda allocates the recorded investment in finance receivables between the portion(s) of the receivables sold and portion(s) retained based on the relative fair values of those portions on the date the receivables are sold. Honda recognizes gains or losses attributable to the change in the fair value of the retained interests, which are recorded at estimated fair value and accounted for as trading securities. Honda determines the value of the retained interest by discounting the future cash flows. Those cash flows are net of estimated credit losses and are discounted at a rate which Honda believes is commensurate with the risks involved. A servicing asset or liability is amortized in proportion to and over the period of estimated net servicing income. Servicing assets and servicing liabilities at September 30, 2001 and 2002 and March 31, 2002 were not significant.

(g) Cash Equivalents

Honda considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

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Notes to Consolidated Financial Statements

(h) Inventories

Inventories are stated at the lower of cost, determined principally by the first-in, first-out method, or market.

(i) Investments in Securities

Honda classifies its debt and equity securities in one of three categories: available-for-sale, trading, or held-to-maturity. Debt securities that are classified as held-to-maturity securities are reported at amortized cost. Debt and equity securities classified as trading securities are reported at fair value, with unrealized gains and losses included in earnings. Other debt and equity securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains or losses net of deferred taxes included in other comprehensive income (loss) and accumulated in the stockholders' equity section of the consolidated balance sheets. Honda did not hold any trading securities at September 30, 2001 and 2002 and March 31, 2002, except for retained interests in the sold pools of finance receivables, which are accounted for as trading securities and included in finance receivables. Honda did not hold any held-to-maturity securities at September 30, 2001 and 2002 and March 31, 2002.

(j) Goodwill

Prior to the adoption of Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations, and SFAS No. 142, Goodwill and Intangible Assets on April 1, 2002, goodwill, which represented the excess cost over the net tangible and identifiable intangible assets acquired at acquisition dates of investments in subsidiaries and affiliates, was amortized on a straight-line basis over the expected periods to be benefited, generally five years.

Honda adopted the provisions of SFAS No. 141 and SFAS No. 142 on April 1, 2002. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations completed after June 30, 2001. SFAS No. 142 requires that goodwill no longer be amortized, but instead be tested for impairment at least annually. SFAS No. 142 also required Honda to perform an assessment of whether there was an indication that goodwill was impaired as of April 1, 2002. Honda completed this transitional assessment by September 30, 2002 and concluded that no goodwill impairment needed to be recognized. The adoption of SFAS No. 141 and SFAS No. 142 did not have a material effect on Honda's consolidated financial position and results of operations.

Net income exclusive of goodwill amortization expense recognized under previous accounting standards on an after-tax basis is as follows:

| | Yen (millions) | | |
|----------------------------------|-----------------------|--|----------------------------------|
| | The 6 months ended | | |
| | September 30, 2001 | The 6 months ended September 30, 2002 | The year ended March 31, 2002 |
| Reported net income | ¥ 173,740 | ¥ 194,779 | ¥ 362,707 |
| Add back : Goodwill amortization | 978 | | 2,056 |
| Adjusted net income | ¥ 174,718 | ¥ 194,779 | ¥ 364,763 |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

| | Yen | | |
|-----------------------------------|----------|----------|----------|
| Basic net income per common share | | | |
| Reported net income | ¥ 178,30 | ¥ 199.98 | ¥ 372.23 |
| Goodwill amortization | 1.01 | | 2.11 |
| Adjusted net income | ¥ 179.31 | ¥ 199.98 | ¥ 374.34 |

(k) Depreciation

Depreciation of property, plant and equipment is calculated principally by the declining-balance method based on estimated useful lives of the respective assets.

(l) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, which retains the fundamental provisions in SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, for recognizing and measuring impairment losses on long-lived assets held for use and long-lived assets to be disposed of by sale, while also resolving significant implementation issues associated with SFAS No. 121.

Honda adopted the provisions of SFAS No. 144 on April 1, 2002.

Honda's long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows (undiscounted and without interest charges) expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less costs to sell. The adoption of SFAS No. 144 did not have a material effect on Honda's consolidated financial position and results of operations.

(m) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date.

Deferred income taxes are also provided on the undistributed earnings of subsidiaries and affiliates to the extent that the Company anticipates receiving them in the form of dividends.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(n) Product-Related Expenses

Advertising and sales promotion costs are expensed as incurred. Provisions for estimated costs related to product warranty are made at the time of sale.

(o) Basic Net Income per Common Share

Basic net income per common share has been computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during each period. The weighted average number of common shares outstanding for the periods ended September 30, 2001, 2002 and March 31, 2002 was 974,412,215, 973,972,176 and 974,408,513, respectively.

(p) Foreign Currency Translation

Foreign currency financial statement amounts are translated into Japanese yen on the basis of the period-end rate for all assets and liabilities and the weighted average rate for the period for all income and expense amounts. Translation adjustments resulting therefrom are included in other comprehensive income (loss) and are accumulated in the stockholders' equity section of the consolidated balance sheets.

(q) Derivative Financial Instruments

The Company and certain of its subsidiaries have entered into foreign exchange agreements and interest rate agreements to manage currency and interest rate exposures. These instruments include foreign currency forward contracts, currency swap agreements, currency option contracts and interest rate swap agreements. Prior to the adoption of Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities and SFAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of FASB statement No. 133 on April 1, 2001, gains and losses on foreign exchange instruments that qualify for hedge accounting treatment were recognized in the same period in which gains or losses from the transaction being hedged were recognized. The differential paid or received on interest rate swap agreements was recognized over the life of the agreement as an adjustment to interest expense. In the event of an early termination of the hedge, any deferred gain or loss on the hedging instrument was deferred until the hedged item was realized. Derivative financial instruments that did not meet the criteria for hedge accounting were marked to market.

The Financial Accounting Standards Board issued SFAS No. 133 in June 1998 and SFAS No. 138 in June 2000. Both standards establish accounting and reporting standards for derivative instruments and for hedging activities, and require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income (loss), depending on whether a derivative is designated as part of a hedge transaction and the type of hedge transaction. The ineffective portion of all hedges will be recognized in earnings.

Honda adopted SFAS No.133 and SFAS No. 138 on April 1, 2001. The cumulative effect adjustment upon the adoption of SFAS No.133 and SFAS No. 138, net of the related income tax effect, resulted in a decrease to net income of ¥89 million and a decrease to other comprehensive income of ¥5,998 million. Due to the immateriality of the amount, the cumulative effect adjustment to net income of ¥89 million and the cumulative effect adjustment to other comprehensive income of ¥5,998 million were recognized in other expenses in the consolidated statements of income for the 6 months ended September 30, 2001 and for the year ended March 31, 2002.

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The adoption of SFAS No.133 and SFAS No. 138 has not altered Honda's hedging strategies. However, all derivatives are now recognized as either assets or liabilities in the consolidated balance sheets and measured at fair value. In addition, because Honda has not elected to apply hedge accounting subsequent to the adoption of SFAS No.133 and SFAS No. 138, changes in the fair value of its derivative instruments are recognized in earnings in the period of the change. The amount recognized in earnings (included in other expenses - other) during the 6 months ended September 30, 2001 and 2002 and for the year ended March 31, 2002, excluding the cumulative effect adjustment, were ¥20,327 million, ¥31,929 million and ¥14,039 million, respectively.

(r) Pension and Other Postretirement Benefits

The Company and certain of its subsidiaries have various pension plans covering substantially all of their employees in Japan and in certain foreign countries who meet eligibility requirements. Certain of the Company's subsidiaries in North America provide certain health care and life insurance benefits to retired employees.

(s) Internal-Use Software

Certain internal-use software costs are capitalized once specific criteria are met and are amortized on a straight-line basis over five years.

(t) New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued SFAS No. 143, "Accounting for Asset Retirement Obligations", which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This Statement applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and (or) normal use of the asset. SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. The liability is accreted at the end of each period through charges to operating expense. If the obligation is settled for other than the carrying amount of the liability, Honda will recognize a gain or loss on settlement. Honda is required and plans to adopt the provisions of SFAS No. 143 for the fiscal year beginning April 1, 2003. Honda is currently analysing SFAS No. 143 and has not yet determined the impact of adopting this Statement as of the date of this report.

In June 2002, the Financial Accounting Standards Board issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including with Certain Costs Incurred in a Restructuring)". This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, where the definition of a liability under FASB Concepts is met. This Statement also requires that a liability for a cost associated with an exit or disposal activity be measured at fair value.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

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The fair value of a liability is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction. The provisions of this Statement are effective for exit or disposal activities that are initiated after December 31, 2002. Honda has not yet determined the impact of adopting this Statement as of the date of this report.

(u) Reclassifications

Certain reclassifications have been made to the prior years' consolidated financial statements to conform to the presentation used for the 6 months ended September 30, 2002.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(2) Finance Subsidiaries - Receivables

Finance subsidiaries-receivables represent finance receivables generated by finance subsidiaries. Finance receivables include wholesale financing to dealers and retail financing and direct financing leases to consumers.

The allowance for credit losses is maintained at an amount management deems adequate to cover estimated losses on finance receivables. The allowance is based on management's evaluation of many factors, including current economic trends, industry experience, inherent risks in the portfolio and the borrower's ability to pay.

Finance subsidiaries of the Company purchase insurance to cover a substantial amount of the estimated residual value of vehicles leased to customers. The allowance for losses on lease residual values is maintained at an amount management deems adequate to cover estimated losses on the uninsured portion of the vehicles' lease residual values. The allowance is also based on management's evaluation of many factors, including current economic conditions, industry experience and the finance subsidiaries' historical experience with residual value losses.

Finance subsidiaries-receivables, net, consisted of the following at September 30, 2001 and 2002 and March 31, 2002:

| | Yen (millions) | | |
|---|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Direct financing leases | ¥ 1,029,232 | ¥ 1,572,938 | ¥ 1,410,324 |
| Retail | 1,217,683 | 1,381,584 | 1,230,479 |
| Wholesale | 132,222 | 179,130 | 236,396 |
| Term loans to dealers | 19,846 | 21,146 | 22,288 |
| Total finance receivables | 2,398,983 | 3,154,798 | 2,899,487 |
| Retained interests in the sold pools of finance receivables | 85,654 | 59,677 | 106,879 |
| | 2,484,637 | 3,214,475 | 3,006,366 |
| Less: | | | |
| Allowance for credit losses | 10,020 | 14,511 | 12,965 |
| Allowance for losses on lease residual values | 9,339 | 17,132 | 12,560 |
| Unearned interest income and fees | 133,768 | 177,909 | 176,893 |
| Finance subsidiaries-receivables, net | 2,331,510 | 3,004,923 | 2,803,948 |
| Less current portion | 767,479 | 980,852 | 995,087 |
| Noncurrent finance subsidiaries-receivables, net | ¥ 1,564,031 | ¥ 2,024,071 | ¥ 1,808,861 |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(3) Inventories

Inventories at September 30, 2001 and 2002 and March 31, 2002 are summarized as follows:

| | Yen (millions) | | |
|-----------------|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Finished goods | ¥ 408,307 | ¥ 448,147 | ¥ 408,703 |
| Work in process | 26,390 | 24,719 | 21,521 |
| Raw materials | 205,526 | 197,402 | 214,058 |
| | ¥ 640,223 | ¥ 670,268 | ¥ 644,282 |

(4) Investments and Advances-Other

Investments and advances-other at September 30, 2001 and 2002 and March 31, 2002 consisted of the following:

| | Yen (millions) | | |
|---|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Marketable equity securities | ¥ 85,147 | ¥ 79,187 | ¥ 79,804 |
| Nonmarketable preferred stock - Mitsubishi Tokyo Financial Group, Inc. | 10,200 | 10,200 | 10,200 |
| Guaranty deposits | 30,628 | 33,603 | 30,679 |
| Life insurance contracts | 4,984 | 4,487 | 4,524 |
| Advances | 3,422 | 1,979 | 2,503 |
| Other | 10,663 | 15,805 | 17,826 |
| | ¥ 145,044 | ¥ 145,261 | ¥ 145,536 |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Certain information with respect to available-for-sale securities, all of which are marketable equity securities at September 30, 2001 and 2002 and March 31, 2002 is summarized below:

| | Yen (millions) | | |
|-------------------------|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Cost | ¥ 68,969 | ¥ 49,689 | ¥ 56,884 |
| Fair value | 85,147 | 79,187 | 79,804 |
| Gross unrealized gains | 31,938 | 33,398 | 36,637 |
| Gross unrealized losses | ¥ 15,760 | ¥ 3,900 | ¥ 13,717 |

(5) Short-Term and Long-Term Debt

Short-term debt at September 30, 2001 and 2002 and March 31, 2002 is as follows:

| | Yen (millions) | | |
|-----------------------|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Short-term bank loans | ¥ 361,335 | ¥ 226,073 | ¥ 313,635 |
| Medium-term notes | 409,230 | 336,202 | 391,756 |
| Commercial paper | 297,557 | 375,544 | 329,678 |
| | ¥ 1,068,122 | ¥ 937,819 | ¥ 1,035,069 |

Long-term debt at September 30, 2001 and 2002 and March 31, 2002 is as follows:

| | | | |
|----------------------|-----------|-------------|-------------|
| Total long-term debt | ¥ 705,659 | ¥ 1,096,064 | ¥ 1,024,628 |
| Less current portion | 361,388 | 142,231 | 308,014 |
| | ¥ 344,271 | ¥ 953,833 | ¥ 716,614 |

Property, plant and equipment with a net book value of approximately ¥11,837 million, ¥13,306 million and ¥11,477 million at September 30, 2001 and 2002 and March 31, 2002, respectively, were subject to specific mortgages securing indebtedness.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(6) Other Liabilities

Other liabilities at September 30, 2001 and 2002 and March 31, 2002 are summarized as follows:

| | Yen (millions) | | |
|--|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2001 |
| Allowance for dealers and customers | ¥ 90,154 | ¥ 106,990 | ¥ 115,789 |
| Minority interest | 33,539 | 43,384 | 35,978 |
| Additional minimum pension liabilities | 174,871 | 354,772 | 354,772 |
| Deferred income taxes | 980 | 1,339 | 1,561 |
| Other | 24,248 | 43,775 | 32,081 |
| | ¥ 323,792 | ¥ 550,260 | ¥ 540,181 |

(7) Supplemental Disclosures of Cash Flow Information

| | Yen (millions) | | |
|----------------------------------|---|--|----------------------------------|
| | The 6 months ended September 30, 2001 | The 6 months ended September 30, 2002 | The year ended March 31, 2002 |
| Cash paid during the period for: | | | |
| Interest | ¥ 54,760 | ¥ 52,305 | ¥ 105,614 |
| Income taxes | 85,414 | 110,872 | 200,453 |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(8) Comprehensive Income

Comprehensive income consists of net income, change in adjustments from foreign currency translation, change in net unrealized gains on marketable equity securities, and change in minimum pension liabilities adjustment, and is included in the consolidated statements of stockholders' equity.

Accumulated other comprehensive income (loss) at September 30, 2001 and 2002 and March 31, 2002 are as follows:

| | Yen (millions) | | |
|--|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Adjustments from foreign currency translation | ¥ (459,243) | ¥ (455,149) | ¥ (300,081) |
| Net unrealized gains on marketable equity securities | 3,599 | 12,611 | 8,730 |
| Minimum pension liabilities adjustment | (81,682) | (187,824) | (187,824) |
| Total accumulated other comprehensive income (loss) | ¥ (537,326) | ¥ (630,362) | ¥ (479,175) |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(9) Fair Value of Financial Instruments

The estimated fair values of significant financial instruments at September 30, 2001 and 2002 and March 31, 2002 are as follows:

| | Yen (millions) | | | | | |
|---|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|
| | September 30, 2001 | | September 30, 2002 | | March 31, 2002 | |
| | Carrying amount | Estimated fair value | Carrying amount | Estimated fair value | Carrying amount | Estimated fair value |
| Finance subsidiaries-receivables (a) | ¥ 1,435,856 | ¥ 1,440,225 | ¥ 1,622,281 | ¥ 1,640,412 | ¥ 1,567,614 | ¥ 1,566,851 |
| Investments and advances- marketable equity securities | 85,147 | 85,147 | 79,187 | 79,187 | 79,804 | 79,804 |
| Debt | (1,773,781) | (1,777,915) | (2,033,883) | (2,037,827) | (2,059,697) | (2,064,112) |
| Foreign exchange instruments (b): | | | | | | |
| Asset position | ¥ 5,067 | ¥ 5,067 | ¥ 5,043 | ¥ 5,043 | ¥ 1,617 | ¥ 1,617 |
| Liability position | (7,422) | (7,422) | (17,253) | (17,253) | (22,107) | (22,107) |
| Net | ¥ (2,355) | ¥ (2,355) | ¥ (12,210) | ¥ (12,210) | ¥ (20,490) | ¥ (20,490) |
| Interest rate instruments (c): | | | | | | |
| Asset position | ¥ | ¥ | ¥ 143 | ¥ 143 | ¥ 5,940 | ¥ 5,940 |
| Liability position | (41,870) | (41,870) | (52,229) | (52,229) | (22,835) | (22,835) |
| Net | ¥ (41,870) | ¥ (41,870) | ¥ (52,086) | ¥ (52,086) | ¥ (16,895) | ¥ (16,895) |

- (a) The carrying amounts of Finance subsidiaries-receivables at September 30, 2001 and 2002 and March 31, 2002 in the table exclude ¥895,654 million, ¥1,382,642 million and ¥1,236,334 million of direct financing leases, net, classified as finance subsidiaries-receivables in the consolidated balance sheets, respectively.
- (b) The fair values of foreign currency forward contracts, foreign currency option contracts and foreign currency swap agreements are included in other assets/liabilities and other current assets/liabilities in the consolidated balance sheets as follows:

| | | Yen (millions) | | |
|---------------------------|--|--------------------|--------------------|----------------|
| | | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Other current assets | | ¥ 5,067 | ¥ 1,683 | ¥ 1,052 |
| Other assets | | | 3,360 | 565 |
| Other current liabilities | | (7,422) | (17,253) | (22,107) |
| Other liabilities | | | | |
| | | ¥ (2,355) | ¥ (12,210) | ¥ (20,490) |

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

- (c) The fair values of interest rate swap agreements are included in other assets/liabilities and other current liabilities in the consolidated balance sheets as follows:

| | Yen (millions) | | |
|---------------------------|--------------------|--------------------|----------------|
| | September 30, 2001 | September 30, 2002 | March 31, 2002 |
| Other assets | ¥ | ¥ 143 | ¥ 5,940 |
| Other current liabilities | (41,828) | (52,111) | (22,777) |
| Other liabilities | (42) | (118) | (58) |
| | ¥ (41,870) | ¥ (52,086) | ¥ (16,895) |

The estimated fair value amounts have been determined using relevant market information and appropriate valuation methodologies. However, these estimates are subjective in nature and involve uncertainties and matters of significant judgement and, therefore, cannot be determined with precision. The effect of using different assumptions and/or estimation methodologies may be significant to the estimated fair value amounts.

The methodologies and assumptions used to estimate the fair values of financial instruments are as follows:

Cash and cash equivalents, trade receivables and trade payables

The carrying amounts approximate fair values because of the short maturity of these instruments.

Finance subsidiaries-receivables

The fair values of retail receivables and term loans to dealers were estimated by discounting future cash flows using the current rates for these instruments of similar remaining maturities. Given the short maturities of wholesale receivables, the carrying amount of such receivables approximates fair value.

Marketable equity securities

The fair value of marketable equity securities was estimated using quoted market prices.

Debt

The fair values of bonds and notes were estimated based on the quoted market prices for the same or similar issues. The fair value of long-term loans was estimated by discounting future cash flows using rates currently available for loans of similar terms and remaining maturities. The carrying amounts of short-term bank loans and commercial paper approximate fair values because of the short maturity of these instruments.

Foreign exchange and interest rate instruments

The fair values of foreign currency forward contracts and foreign currency option contracts were estimated by obtaining quotes from banks. The fair values of currency swap agreements and interest rate swap agreements were estimated by discounting future cash flows using rates currently available for these instruments of similar terms and remaining maturities.

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(10) Risk Management Activities and Derivative Financial Instruments

The Company and certain of its subsidiaries are parties to derivative financial instruments in the normal course of business to reduce their exposure to fluctuations in foreign exchange rates and interest rates. Currency swap agreements are used to convert long-term debt denominated in a certain currency to long-term debt denominated in other currencies. Foreign currency forward contracts and purchased option contracts are normally used to hedge sale commitments denominated in foreign currencies (principally U.S. dollars). Foreign currency written option contracts are entered into in combination with purchased option contracts to offset premium amounts to be paid for purchased option contracts. Interest rate swap agreements are mainly used to convert floating rate financing, such as commercial paper, to (normally three-five years) fixed rate financing in order to match financing costs with income from finance receivables. These instruments involve, to varying degrees, elements of credit, exchange rate and interest rate risks in excess of the amount recognized in the consolidated balance sheets.

The aforementioned instruments contain an element of risk in the event the counterparties are unable to meet the terms of the agreements. However, Honda minimizes the risk exposure by limiting the counterparties to major international banks and financial institutions meeting established credit guidelines. Management does not expect any counterparty to default on its obligations and, therefore, does not expect to incur any losses due to counterparty default. Honda generally does not require or place collateral for these financial instruments.

Foreign currency forward contracts and currency swap agreements are agreements to exchange different currencies at a specified rate on a specific future date. Foreign currency option contracts are contracts that allow the holder of the option the right but not the obligation to exchange different currencies at a specified rate on a specific future date. At September 30, 2001 and 2002 and March 31, 2002, the total amounts of foreign currency forward contracts, currency swap agreements and foreign currency option contracts outstanding were ¥849,050 million, ¥851,571 million and ¥720,493 million, respectively.

Interest rate swap agreements generally involve the exchange of fixed and floating rate interest payment obligations without the exchange of the underlying principal amount. At September 30, 2001 and 2002 and March 31, 2002, the notional principal amounts of interest rate swap agreements were ¥1,485,286 million, ¥1,892,057 million and ¥1,845,695 million, respectively.

(11) Commitments and Contingent Liabilities

At September 30, 2002, Honda had commitments for purchases of property, plant and equipment of approximately ¥22,297 million. Contingent liabilities for guarantees and similar activities of bank loans of employees, affiliates and other companies amounted to approximately ¥102,441 million.

Honda is subject to potential liability under various lawsuits and claims. Such lawsuits and claims include product liability and personal injury lawsuits or claims, and other claims. Although the aggregate ultimate liability under these lawsuits and claims at September 30, 2002 was not determinable, on the basis of legal advice received, management is of the opinion that such liability would not have a significant adverse effect on the consolidated financial statements.

(Continued)

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HONDA MOTOR CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(12) Leases

Honda has several operating leases, primarily for office and other facilities, and certain office equipment.

Future minimum lease payments under noncancelable operating leases that have initial or remaining lease terms in excess of one year at September 30, 2002 are as follows:

| | | Yen (millions) |
|------------------------------|---|-------------------|
| Within one year | ¥ | 27,414 |
| Over one year | | 69,800 |
| Total minimum lease payments | ¥ | 97,214 |

Rental expenses under operating leases for the 6 months ended September 30, 2001 and 2002 and for the year ended March 31, 2002 were ¥25,106 million, ¥25,116 million and ¥48,471 million, respectively.

(Continued)

Table of Contents**Segment Information**

(A) Business Segment Information

For the six months ended September 30, 2002

| | (In millions of Yen) | | | | | | |
|--|-------------------------|-----------------------------|-----------------------|---------------------|-----------|--------------|--------------|
| | Motor-cycle Business | Auto- mobile Business | Financial Services | Other Businesses | Total | Eliminations | Consolidated |
| Net sales and other operating revenue: | | | | | | | |
| Sales to unaffiliated customers | 497,834 | 3,091,513 | 117,116 | 147,148 | 3,853,611 | | 3,853,611 |
| Intersegment sales | 0 | 0 | 1,737 | 5,495 | 7,232 | (7,232) | |
| Total | 497,834 | 3,091,513 | 118,853 | 152,643 | 3,860,843 | (7,232) | 3,853,611 |
| Cost of sales, S.G.A. and R&D expenses | 460,508 | 2,845,067 | 85,333 | 146,066 | 3,536,974 | (7,232) | 3,529,742 |
| Operating income | 37,326 | 246,446 | 33,520 | 6,577 | 323,869 | 0 | 323,869 |

For the six months ended September 30, 2001

| | (In millions of Yen) | | | | | | |
|--|-------------------------|-----------------------------|-----------------------|---------------------|-----------|--------------|--------------|
| | Motor-cycle Business | Auto- mobile Business | Financial Services | Other Businesses | Total | Eliminations | Consolidated |
| Net sales and other operating revenue: | | | | | | | |
| Sales to unaffiliated customers | 443,437 | 2,839,507 | 95,731 | 126,321 | 3,504,996 | | 3,504,996 |
| Intersegment sales | 0 | 0 | 2,993 | 5,056 | 8,049 | (8,049) | |
| Total | 443,437 | 2,839,507 | 98,724 | 131,377 | 3,513,045 | (8,049) | 3,504,996 |
| Cost of sales, S.G.A. and R&D expenses | 414,166 | 2,571,522 | 79,189 | 132,931 | 3,197,808 | (8,049) | 3,189,759 |
| Operating income | 29,271 | 267,985 | 19,535 | (1,554) | 315,237 | 0 | 315,237 |

Explanatory Note:

1. Segmentation of Business

Business segment is based on Honda's business organization and the similarity of the principal products included within each segment as well as the relevant markets for such products.

2. Principal products of each segment

| Business | Sales | Principal Products |
|------------|--|--|
| Motorcycle | Motorcycles, all-terrain vehicles (ATV), personal water craft and relevant parts | Large-size motorcycles, mid-size motorcycles, motorized bicycles, all-terrain vehicles (ATV), personal water craft |
| Automobile | Automobiles and relevant parts | Compact cars, sub-compact cars, minivehicles |

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| | | |
|--------------------|---|---|
| Financial Services | Financial and insurance services | N/A |
| Other | Power products and relevant parts, and others | Power tillers, generators, general purpose engines, lawn mowers, outboard engines |

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(B) Geographical Segment Information

The geographical segmentation is based on the location where sales originated.

For the six months ended September 30, 2002

| | (In millions of Yen) | | | | | | |
|---|-----------------------|---------------|---------|---------|-----------|--------------|--------------|
| | Japan | North-America | Europe | Others | Total | Eliminations | Consolidated |
| Net sales and other operating revenue: | | | | | | | |
| Sales to unaffiliated customers | 989,145 | 2,187,855 | 319,762 | 356,849 | 3,853,611 | | 3,853,611 |
| Transfers between geographical segments | 928,269 | 67,177 | 64,036 | 9,032 | 1,068,514 | (1,068,514) | |
| Total | 1,917,414 | 2,255,032 | 383,798 | 365,881 | 4,922,125 | (1,068,514) | 3,853,611 |
| Cost of sales, S.G.A. and R&D expenses | 1,826,265 | 2,065,422 | 382,130 | 332,782 | 4,606,599 | (1,076,857) | 3,529,742 |
| Operating income | 91,149 | 189,610 | 1,668 | 33,099 | 315,526 | 8,343 | 323,869 |

For the six months ended September 30, 2001

| | (In millions of Yen) | | | | | | |
|---|-----------------------|---------------|----------|---------|-----------|--------------|--------------|
| | Japan | North-America | Europe | Others | Total | Eliminations | Consolidated |
| Net sales and other operating revenue: | | | | | | | |
| Sales to unaffiliated customers | 1,023,198 | 1,938,500 | 269,242 | 274,056 | 3,504,996 | | 3,504,996 |
| Transfers between geographical segments | 821,468 | 74,805 | 8,779 | 6,693 | 911,745 | (911,745) | |
| Total | 1,844,666 | 2,013,305 | 278,021 | 280,749 | 4,416,741 | (911,745) | 3,504,996 |
| Cost of sales, S.G.A. and R&D expenses | 1,716,117 | 1,814,283 | 298,729 | 252,834 | 4,081,963 | (892,204) | 3,189,759 |
| Operating income | 128,549 | 199,022 | (20,708) | 27,915 | 334,778 | (19,541) | 315,237 |

(C) Overseas Sales

For the six months ended September 30, 2002

| | (In millions of Yen) | | | |
|--|-----------------------|---------|---------|-----------|
| | North-America | Europe | Others | Total |
| Overseas Sales | 2,180,539 | 317,766 | 478,260 | 2,976,565 |
| Consolidated Sales | | | | 3,853,611 |
| Overseas Sales Ratio to Consolidated Sales | 56.6% | 8.2% | 12.4% | 77.2% |

For the six months ended September 30, 2001

| | (In millions of Yen) | | | |
|--|-----------------------|--------|--------|-------|
| | North-America | Europe | Others | Total |

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| | <u>North-America</u> | <u>Europe</u> | <u>Others</u> | <u>Total</u> |
|--|----------------------|---------------|---------------|--------------|
| Overseas Sales | 1,931,290 | 261,847 | 385,019 | 2,578,156 |
| Consolidated Sales | | | | 3,504,996 |
| Overseas Sales Ratio to Consolidated Sales | 55.1% | 7.5% | 11.0% | 73.6% |

Table of Contents**Consolidated Balance Sheets****divided into Non-financial services businesses and Finance Subsidiaries (Unaudited)**

| | (In millions of Yen) | |
|--|----------------------|--------------|
| | Sep. 30, 2002 | % of total |
| Assets | | |
| < Non-financial services businesses > | | |
| Current Assets: | 2,753,438 | 39.5 |
| Cash and cash equivalents | 496,510 | |
| Trade accounts and notes receivable | 337,460 | |
| Inventories | 670,268 | |
| Other current assets | 1,249,200 | |
| Investments and advances | 539,381 | 7.7 |
| Property, plant and equipment, at cost | 1,354,388 | 19.4 |
| Other assets | 225,157 | 3.3 |
| Total assets | 4,872,364 | 69.9 |
| < Finance Subsidiaries > | | |
| Cash and cash equivalents | 21,898 | 0.3 |
| Finance subsidiaries-short-term receivables, net | 981,372 | 14.1 |
| Finance subsidiaries-long-term receivables, net | 2,026,304 | 29.1 |
| Other assets | 69,533 | 1.0 |
| Total assets | 3,099,107 | 44.5 |
| Eliminations among subsidiaries | (999,886) | (14.4) |
| Total assets | 6,971,585 | 100.0 |
| Liabilities and Stockholders' Equity | | |
| < Non-financial services businesses > | | |
| Current liabilities: | 1,831,948 | 26.3 |
| Short-term debt | 227,200 | |
| Current portion of long-term debt | 8,417 | |
| Trade payables | 777,643 | |
| Accrued expenses | 611,512 | |
| Other current liabilities | 207,176 | |
| Long-term debt | 36,163 | 0.5 |
| Other liabilities | 549,932 | 7.9 |
| Total liabilities | 2,418,043 | 34.7 |
| < Finance Subsidiaries > | | |
| Short-term debt | 1,489,661 | 21.4 |
| Current portion of long-term debt | 133,814 | 1.9 |
| Accrued expenses | 114,904 | 1.6 |
| Long-term debt | 919,510 | 13.2 |
| Other liabilities | 161,419 | 2.3 |
| Total liabilities | 2,819,308 | 40.4 |
| Eliminations among subsidiaries | (859,116) | (12.3) |

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| | | |
|---|------------------|--------------|
| Total liabilities | 4,378,235 | 62.8 |
| Common stock | 86,067 | 1.2 |
| Capital surplus | 172,529 | 2.5 |
| Legal reserves | 29,012 | 0.4 |
| Retained earnings | 2,945,720 | 42.2 |
| Accumulated other comprehensive income (loss) | (630,362) | (9.0) |
| Treasury stock | (9,616) | (0.1) |
| | <hr/> | <hr/> |
| Total stockholders' equity | 2,593,350 | 37.2 |
| | <hr/> | <hr/> |
| Total liabilities and stockholders' equity | 6,971,585 | 100.0 |
| | <hr/> | <hr/> |

Table of Contents**Consolidated Statements of Cash Flows**
divided into Non-financial services businesses and Finance Subsidiaries (Unaudited)

| | (In millions of Yen) | |
|---|---|-------------------------|
| | Non-financial services businesses | Finance Subsidiaries |
| For the six months ended September 30, 2002 | | |
| Cash flows from operating activities: | | |
| Net Income | 200,100 | (5,082) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 101,711 | 394 |
| Deferred income taxes | (32,271) | 23,558 |
| Equity in income of affiliates | (28,048) | |
| Loss on fair value adjustment of derivative instrument (profit) | 2,282 | 41,180 |
| Decrease (increase) in trade accounts and notes receivable | 95,394 | |
| Decrease (increase) in inventories | (62,948) | |
| Increase (decrease) in trade payables | (29,419) | |
| Other, net | 63,469 | 8,432 |
| Net cash provided by operating activities | 310,270 | 68,482 |
| Cash flows from investing activities: | | |
| *Decrease (increase) in investments and advances | (159,786) | (125) |
| Capital expenditures | (131,206) | (2,084) |
| Proceeds from sales of property, plant and equipment | 5,439 | 78 |
| Decrease (increase) in finance subsidiaries-receivables | | (420,528) |
| Net cash used in investing activities | (285,553) | (422,659) |
| Free cash flow (Cash flows from operating and investing activities) | 24,717 | (354,177) |
| Free cash flow of Non-financial services businesses excluding the increase in loans (amounting to 81,986 million yen) to Finance subsidiaries (Note) | 179,525 | |
| Cash flows from financing activities: | | |
| *Increase (decrease) in short-term debt | (74,844) | 220,252 |
| *Proceeds from long-term debt | 7,446 | 344,287 |
| *Repayment of long-term debt | (4,117) | (225,451) |
| Proceeds from issuance of common stock | | 16,967 |
| Acquisition of treasury stock | (9,567) | |
| Cash dividends paid | (14,661) | (194) |
| Increase (decrease) in commercial paper classified as long-term debt | | 2,069 |
| Net cash provided by financing activities | (95,743) | 357,930 |
| Effect of exchange rate changes on cash and cash equivalents | (23,262) | (498) |
| Net change in cash and cash equivalents | (94,288) | 3,255 |
| Cash and cash equivalents at beginning of year | 590,798 | 18,643 |
| Cash and cash equivalents at end of year | 496,510 | 21,898 |

Note:

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Non-financial services businesses loans to finance subsidiaries. These cash flows were included in the items of Other net of Non financial services businesses, and Increase (decrease) in short-term debt and Repayment of long-term debt of Finance subsidiaries (marked by *). Free cash flow of Non financial services businesses excluding the increase in lending to finance subsidiaries are stated for the readers information.

Table of Contents**Semiannual Financial Statements and other information**

(1) Semiannual Financial Statements

(1) Semiannual Balance Sheets

| | (In Millions of Yen) | | |
|---|-----------------------------|-----------------------------|-------------------------|
| | As of September 30, 2001 | As of September 30, 2002 | As of March 31, 2002 |
| (ASSETS) | | | |
| I Current Assets | | | |
| 1 Cash and bank deposits | ¥ 153,628 | ¥ 165,257 | ¥ 150,794 |
| 2 Notes receivable-trade | 8,214 | 6,878 | 4,708 |
| 3 Accounts receivable-trade | 231,162 | 228,563 | 256,580 |
| 4 Inventories | 132,665 | 119,092 | 128,879 |
| 5 Short-term loans receivable | 106,798 | 139,714 | 123,290 |
| 6 Others | 109,038 | 127,030 | 106,186 |
| 7 Allowance for doubtful accounts | -2,921 | -2,895 | -3,466 |
| Total current assets | 738,586 | 783,642 | 766,973 |
| II Fixed assets | | | |
| (1) Tangible fixed assets (Note 1) | | | |
| 1 Buildings | 169,411 | 168,358 | 169,469 |
| 2 Machinery and equipment | 95,715 | 93,153 | 95,943 |
| 3 Land | 231,632 | 242,710 | 234,658 |
| 4 Others | 80,752 | 78,794 | 83,992 |
| Total tangible fixed assets | 577,512 | 583,016 | 584,064 |
| (2) Intangible assets | 2,751 | 3,467 | 3,163 |
| (3) Investments and other assets | | | |
| 1 Investment securities | 376,269 | 471,267 | 436,422 |
| 2 Others | 149,695 | 178,911 | 166,849 |
| 3 Allowance for doubtful accounts | -19,123 | -19,451 | -19,668 |
| Total investments and other assets | 506,841 | 630,727 | 583,604 |
| Total fixed assets | 1,087,105 | 1,217,210 | 1,170,832 |
| Total assets | ¥ 1,825,691 | ¥ 2,000,853 | ¥ 1,937,805 |

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| (In Millions of Yen) | | | |
|--|-----------------------------|-----------------------------|-------------------------|
| | As of September 30, 2001 | As of September 30, 2002 | As of March 31, 2002 |
| (LIABILITIES) | | | |
| I Current liabilities | | | |
| 1 Notes payable-trade | ¥ 1,099 | ¥ 755 | ¥ 899 |
| 2 Accounts payable-trade | 268,384 | 292,300 | 293,135 |
| 3 Short-term loans | 30,131 | 626 | 123 |
| 4 Corporate and other income taxes payable | 34,114 | 31,655 | 32,182 |
| 5 Accrued product warranty | 31,095 | 43,078 | 38,028 |
| 6 Accrued employees' bonuses | 31,628 | 31,440 | 35,107 |
| 7 Others | 89,980 | 100,376 | 124,309 |
| Total current liabilities | 486,433 | 500,231 | 523,785 |
| II Non-current liabilities | | | |
| 1 Long-term loans | 1,097 | 949 | 1,045 |
| 2 Accrued product warranty | 25,011 | 30,444 | 27,766 |
| 3 Accrued employees' retirement benefits | 24,053 | 49,474 | 33,237 |
| 4 Accrued officers' retirement benefits | 5,103 | 6,174 | 5,195 |
| 5 Others | 4,239 | 4,037 | 4,128 |
| Total non-current liabilities | 59,504 | 91,079 | 71,372 |
| Total liabilities | 545,938 | 591,311 | 595,157 |
| (STOCKHOLDERS' EQUITY) | | | |
| I Common stock | 86,067 | | 86,067 |
| II Capital surplus | 163,829 | | 168,912 |
| III Legal reserve | 21,516 | | 21,516 |
| IV Retained earnings | | | |
| 1 General reserve | 907,371 | | 907,371 |
| 2 Unappropriated retained earnings | 76,617 | | 132,965 |
| Total retained earnings | 983,989 | | 1,040,337 |
| V Unrealized gain or loss on other securities | 24,351 | | 25,864 |
| VI Treasury stock | | | -49 |
| Total stockholders' equity | 1,279,753 | | 1,342,648 |
| I Common stock | | 86,067 | |
| II Capital surplus | | | |
| 1 Capital surplus | | 168,912 | |
| Total capital surplus | | 168,912 | |
| III Retained earnings | | | |
| 1 Legal reserve | | 21,516 | |
| 2 General reserve | | 992,974 | |
| 3 Unappropriated retained earnings | | 124,081 | |
| Total retained earnings | | 1,138,572 | |
| IV Unrealized gain-or-loss on other securities | | 25,606 | |
| V Treasury stock | | -9,616 | |

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| | | | |
|--|-------------|-------------|-------------|
| Total stockholders' equity | | 1,409,541 | |
| Total liability and stockholders' equity | ¥ 1,825,691 | ¥ 2,000,853 | ¥ 1,937,805 |

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(2) Semiannual Statement of Income

| | | (In Millions of Yen) | | |
|-----|---|--|--|---------------------------------|
| | | Half Year ended September 30, 2001 | Half year ended September 30, 2002 | Year ended March 31, 2002 |
| I | Net sales | ¥ 1,551,914 | ¥ 1,625,558 | ¥ 3,211,186 |
| II | Cost of Sales | 1,066,789 | 1,108,036 | 2,184,432 |
| | Gross Profit | 485,125 | 517,521 | 1,026,753 |
| III | Selling, general and administrative expenses | 402,137 | 451,359 | 840,924 |
| | Operating income | 82,987 | 66,162 | 185,829 |
| IV | Non-operating income (Note 1) | 47,655 | 62,837 | 92,388 |
| V | Non-operating expenses (Note 2) | 10,619 | 8,238 | 59,231 |
| | Ordinary income | 120,023 | 120,762 | 218,987 |
| VI | Extraordinary income | 91 | 1,474 | 1,646 |
| VII | Extraordinary loss (Note 3) | 31,528 | 4,108 | 45,362 |
| | Income before income taxes | 88,585 | 118,128 | 175,270 |
| | Corporate, inhabitant and business income taxes | 52,922 | 51,883 | 73,589 |
| | Deferred income taxes | -30,246 | -25,469 | -33,245 |
| | Net income | 65,910 | 91,714 | 134,925 |
| | Unappropriated retained earnings at beginning of the year | 10,706 | 32,366 | 10,706 |
| | Interim dividends | | | 12,667 |
| | Unappropriated retained earnings | ¥ 76,617 | ¥ 124,081 | ¥ 132,965 |

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HONDA MOTOR CO., LTD.

Significant Basic Information for Preparing Semiannual Financial Statements

1. Basis of accounting for assets and method of cost determination

(1) Securities

Investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are stated at cost, which is determined by the moving average method.

Other securities

Marketable securities

Marketable securities classified as other securities are stated at fair value based on market prices at half year-end and other factors with any change in unrealized holding gain or loss, net of applicable income taxes, included directly in shareholders' equity and the cost of securities sold is determined using the moving average method.

Non-marketable securities

Non-marketable securities classified as other securities are stated at cost, which is determined by the moving average method.

(2) Inventories

Finished goods, auto parts for sale, raw materials, work in process and supplies are stated at the lower of the last purchase cost or market.

(3) Derivative financial instruments

Derivative financial instruments are stated at fair value.

2. Method of depreciation of fixed assets

(1) Depreciation of tangible fixed assets is computed using the declining-balance method.

(2) Amortization of intangible assets is computed using the straight-line method.

3. Basis of accounting for provisions and reserves

(1) Allowance for doubtful accounts

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The allowance for doubtful accounts is provided for possible bad debt at an amount determined based on the historical experience of bad debt for normal receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers experiencing financial difficulties.

(2) Accrued product warranty

Accrued product warranty has been provided at the sum of the following:

- (1) an estimate of warranty costs to be incurred during the remaining warranty periods based on the historical warranty claim experiences and an estimate of probability of future warranty costs.
- (2) an estimate of future warranty claims mainly associated with regulatory reporting and others.

(3) Accrued bonuses

Accrued bonuses are provided for payments of bonuses to employees at an amount based on the estimated bonus payments to be paid in the following year and their allocated amounts attributed to the current year.

(4) Accrued employees' retirement benefits

Accrued employees' retirement benefits are provided for payments of retirement benefits at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the half year-end.

The net retirement benefit obligation at transition is being amortized by the straight-line method over 15 years.

Prior service cost is being amortized by the straight-line method over the average remaining years of service of the employees.

Actuarial gain or loss is amortized in the years following the year in which the gain or loss is recognized by the straight-line method over the average remaining years of service of the employees.

(5) Accrued officers' retirement benefits

Accrued officers' retirement benefits are provided for the payment of retirement benefits to directors and statutory auditors at the amount based on the internal rules of the Company, which would be required to be paid if all directors and statutory auditors retired at half year-end.

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4. Leases

Finance lease transactions except for those under which the ownership of leased assets is transferred to a lessee, are accounted for as operating leases.

5. Other significant basic information for preparing semiannual financial statements

Accounting for consumption tax

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

Consumption tax refund receivable is presented in other current assets.

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Changes to the Significant Basic Information for Preparing Semiannual Financial Statements

Basis of accounting for provisions and reserves

Accrued product warranty

Prior to the half year ended September 30, 2001 and the year ended March 31, 2002, accrued product warranty had been provided for future warranty claims at the sum of 1) an estimate of warranty costs based on the two-year historical warranty claim experience plus an estimate of probability of future warranty claims in accordance with warranty policy, and 2) an estimate of future warranty claims mainly associated with regulatory reporting and others. Effective April 1, 2001 the Company changed its method of estimating accrued product warranty regarding 1) above to the method which further takes into consideration warranty costs to be incurred during the remaining warranty periods in addition to the historical warranty claims. The new accounting method was adopted because the new method results in a better matching of cost and revenue and a strengthening of the financial position since the Company gained the ability to more closely correlate revenues with actual warranty claims by both product and region.

The retroactive adjustment of 17,071 million is presented as a provision for product warranty in the extraordinary loss section of the statement of income. The effect of this change for the half year ended September 30, 2001 is a decrease in selling, general and administrative expenses of ¥130 million, an increase in operating profit and ordinary profit of ¥130 million, respectively, and a decrease in income before income taxes of ¥16,941 million. The effect of this change for the year ended March 31, 2002 is an increase in selling, general and administrative expenses of ¥2,902 million, a decrease in operating profit and ordinary profit of ¥2,902 million, respectively, and a decrease in income before income taxes of ¥19,973 million.

Prior to the half year ended September 30, 2001 and the year ended March 31, 2002, all accrued product warranty had been presented in the current liabilities section of the semiannual balance sheets. From the fiscal year ended March 31, 2002 accrued product warranty is segregated into the current portion to be presented in the current liabilities section, which is expected to be utilized within one year and the non-current portion to be presented in the non-current liabilities, which will be utilized for more than one year.

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Additional Information

As of March 31, 2002, treasury stock, which was included in the other current assets section of the balance sheet as of the previous year end, is presented at the bottom line of the stockholders' equity section as a reduction of the stockholders' equity in accordance with the revised Regulations Concerning Terminology, Forms and Preparation Methods of Financial Statements.

Accounting Standard for Treasury Stock and Reduction of Legal Reserves (Accounting Standards Board of Japan Financial Accounting Standards No.1 February 21, 2002) was adopted from the half year ended September 30, 2002. The effect of this change was immaterial to the statement of income.

In addition, the stockholders' equity section of the semiannual balance sheet as of this half year-end is presented to comply with the amendments made to Regulations Concerning Terminology, Forms and Preparation Methods of Semiannual Financial Statements due to the revision of Regulations Concerning Terminology, Forms and Preparation Methods of Semiannual Financial Statements.

Accordingly, from this half year, treasury stock, which was included in the other current assets section of the semiannual balance sheet as of the previous half year-end, is presented as a reduction of the stockholders' equity at the bottom line of the stockholders' equity section.

Table of Contents**Foot Notes****(Notes to Semiannual Balance Sheets)**

1. Accumulated depreciation of tangible fixed assets

| September 30, | | March 31, |
|-------------------|----------|-----------|
| 2001 | 2002 | 2002 |
| (Millions of Yen) | | |
| ¥928,484 | ¥917,735 | ¥916,089 |

2. Contingent Liabilities

(1) Guarantees provided

Guarantees were provided to the following subsidiaries, affiliates and others for the issuance of their commercial papers and other purposes:

| As of September 30, 2001 | (Millions of Yen) |
|---------------------------------------|-------------------|
| Honda Finance Co., Ltd. | ¥ 130,000 |
| SUNDIRO HONDA MOTORCYCLE CO., LTD. | 3,976 |
| HONDA AUTOMOBILE (THAILAND) CO., LTD. | 1,451 |
| HONDA TRADING AMERICA CORP. | 655 |
| HONDA EXPRESS CO., LTD. | 58 |
| HONDA R&D CO., LTD. | 27 |
| HONDA FOUNDRY Co., Ltd. | 25 |
| KOMYO CO., LTD. | 25 |
| Honda Engineering Co., Ltd. | 21 |
| HONDA RACING CORPORATION | 11 |
| HONDA PART SALES Co., LTD. | 10 |
| Honda Kaihatsu Co., Ltd. | 6 |
| HONDA ACCESS CORP. | 6 |
| SUZUKA CIRCUITLAND CO., LTD. | 4 |
| HONDA AIRWAYS Co., Ltd. | 2 |
| Employees | 78,711 |
| Total | ¥ 214,993 |

SUNDIRO HONDA MOTORCYCLE CO., LTD. was formerly named as TIANJIN HONDA MOTORS CO., LTD.

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| As of September 30, 2002 | (Millions of Yen) |
|---------------------------------|--------------------------|
| Honda Finance Co., Ltd. | ¥ 30,000 |
| HONDA TRADING AMERICA CORP. | 538 |
| HONDA EXPRESS CO., LTD. | 45 |
| KOMYO CO., LTD. | 23 |
| HONDA FOUNDRY Co., Ltd. | 20 |
| Honda Engineering Co., Ltd. | 18 |
| HONDA R&D CO., LTD. | 16 |
| HONDA RACING CORPORATION | 10 |
| Honda Kaihatsu Co., Ltd. | 5 |
| HONDA ACCESS CORP. | 5 |
| SUZUKA CIRCUITLAND CO., LTD. | 3 |
| HONDA AIRWAYS Co., Ltd. | 2 |
| Employees | 72,363 |
| Total | ¥ 103,054 |

| As of March 31, 2002 | (Millions of Yen) |
|---------------------------------------|--------------------------|
| Honda Finance Co., Ltd. | ¥ 30,000 |
| HONDA AUTOMOBILE (THAILAND) CO., LTD. | 804 |
| HONDA TRADING AMERICA CORP. | 596 |
| HONDA EXPRESS CO., LTD. | 54 |
| KOMYO CO., LTD. | 23 |
| HONDA R&D CO., LTD. | 21 |
| HONDA FOUNDRY Co., Ltd. | 21 |
| Honda Engineering Co., Ltd. | 19 |
| HONDA RACING CORPORATION | 10 |
| Honda Kaihatsu Co., Ltd. | 6 |
| HONDA ACCESS CORP. | 5 |
| SUZUKA CIRCUITLAND CO., LTD. | 4 |
| HONDA AIRWAYS Co., Ltd. | 2 |
| Employees | 75,224 |
| Total | ¥ 106,797 |

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(2) Keep-well agreements

The Company entered into the keep-well agreements with the subsidiaries for the credit enhancement purposes in connection with their financing.

The related outstanding balances of obligations owed by the subsidiaries are as follows:

| <u>As of September 30, 2001</u> | <u>(Millions of Yen)</u> |
|----------------------------------|--------------------------|
| HONDA INTERNATIONAL FINANCE B.V. | ¥ 81,880 |
| HONDA FINANCE EUROPE PLC. | 17,522 |
| Total | ¥ 99,403 |

| <u>As of September 30, 2002</u> | <u>(Millions of Yen)</u> |
|----------------------------------|--------------------------|
| Honda Finance Co., Ltd. | ¥ 210,000 |
| HONDA INTERNATIONAL FINANCE B.V. | 65,059 |
| HONDA FINANCE EUROPE PLC. | 19,050 |
| Total | ¥ 294,110 |

| <u>As of March 31, 2002</u> | <u>(Millions of Yen)</u> |
|----------------------------------|--------------------------|
| Honda Finance Co., Ltd. | ¥ 210,000 |
| HONDA INTERNATIONAL FINANCE B.V. | 62,982 |
| HONDA FINANCE EUROPE PLC. | 18,582 |
| Total | ¥ 291,564 |

| | <u>September 30,</u> | | <u>March 31,</u> |
|--|--------------------------|-------------|------------------|
| | <u>2001</u> | <u>2002</u> | <u>2002</u> |
| | <u>(Millions of Yen)</u> | | |
| 3. Export bills of exchange discounted (without letters of credit) | ¥ 6,394 | ¥ 5,010 | ¥ 6,006 |

Table of Contents**(Notes to Semiannual Statements of Income)**

| | Half year ended September 30, 2001 | Half year ended September 30, 2002 | Year ended March 31, 2002 |
|--|---------------------------------------|---------------------------------------|------------------------------|
| (Millions of Yen) | | | |
| 1. Non-operating income mainly consists of: | | | |
| Interest income | ¥ 424 | ¥ 302 | ¥ 732 |
| Dividends received | ¥ 36,615 | ¥ 47,172 | ¥ 71,167 |
| 2. Non-operating expenses mainly consists of: | | | |
| Interest expenses | ¥ 526 | ¥ 359 | ¥ 997 |
| Foreign exchange losses | | | ¥ 35,511 |
| 3. Extraordinary losses mainly consists of: | | | |
| Provision for accrued product warranty | ¥ 17,071 | | ¥ 17,071 |
| Write-down of investment securities | ¥ 11,926 | | ¥ 15,177 |
| Write-down of investment securities was mainly due to the impairment of the following investments: | | | |
| HONDA MOTOR EUROPE (SOUTH) S.A. | ¥ 6,536 | | ¥ 6,536 |
| ANADOLU HONDA OTOMOBILCILIK A.S. | ¥ 3,392 | | ¥ 3,392 |
| 4. Depreciation expense | | | |
| Tangible fixed assets | ¥ 29,113 | ¥ 28,254 | ¥ 61,570 |
| Intangible assets | 66 | 65 | 131 |
| Total | ¥ 29,180 | ¥ 28,319 | ¥ 61,702 |

Table of Contents**Lease Transactions**

Finance lease transactions except for those under which the ownership of leased assets are transferred to a lessee.

1. Proforma acquisition cost, accumulated depreciation and net book value of leased assets

| | Acquisition cost | As of September 30, 2001 Accumulated depreciation | (Millions of Yen) Net book value |
|-------------------------------|------------------|--|-------------------------------------|
| Tools, furniture and fixtures | ¥16,357 | ¥10,976 | ¥5,380 |
| Other | 270 | 111 | 159 |
| Total | ¥16,628 | ¥11,088 | ¥5,540 |

| | Acquisition cost | As of September 30, 2002 Accumulated depreciation | (Millions of Yen) Net book value |
|-------------------------------|------------------|--|-------------------------------------|
| Tools, furniture and fixtures | ¥9,312 | ¥5,502 | ¥3,809 |
| Other | 224 | 99 | 125 |
| Total | ¥9,537 | ¥5,602 | ¥3,935 |

| | Acquisition cost | As of March 31, 2002 Accumulated depreciation | (Millions of Yen) Net book value |
|-------------------------------|------------------|--|-------------------------------------|
| Tools, furniture and fixtures | ¥11,012 | ¥6,866 | ¥4,146 |
| Other | 256 | 96 | 160 |
| Total | ¥11,269 | ¥6,962 | ¥4,306 |

The above pro forma acquisition costs include imputed interests because the balance of future lease payments is immaterial to the balance of tangible fixed assets and other factors as of the half year-end (year-end).

2. Future lease payments

| | Within one year | As of September 30, 2001 Over one year | (Millions of Yen) Total |
|--|-----------------|---|----------------------------|
| | ¥2,918 | ¥2,621 | ¥5,540 |

| | Within one year | As of September 30, 2002 Over one year | (Millions of Yen) Total |
|--|-----------------|---|----------------------------|
| | ¥1,940 | ¥1,994 | ¥3,935 |

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| <u>Within one year</u> | <u>As of March 31, 2002 Over one year</u> | <u>(Millions of Yen) Total</u> |
|------------------------|---|------------------------------------|
| ¥2,220 | ¥2,086 | ¥4,306 |

The above future lease payments include imputed interests because the balance of future lease payments is immaterial to the balance of tangible fixed assets and other factors as of the half year-end (year-end).

| <u>Half year ended September 30, 2001</u> | | <u>(Millions of Yen)</u> |
|---|------------------------------|--------------------------|
| <u>Lease payment</u> | <u>Depreciation expenses</u> | |
| ¥2,390 | ¥2,390 | |

| <u>Half year ended September 30, 2002</u> | | <u>(Millions of Yen)</u> |
|---|------------------------------|--------------------------|
| <u>Lease payment</u> | <u>Depreciation expenses</u> | |
| ¥2,380 | ¥2,380 | |

| <u>Year ended March 31, 2002</u> | | <u>(Millions of Yen)</u> |
|----------------------------------|------------------------------|--------------------------|
| <u>Lease payment</u> | <u>Depreciation expenses</u> | |
| ¥3,638 | ¥3,638 | |

4. Method of estimating pro forma depreciation expenses

Proforma depreciation of leased assets is calculated using the straight-line method over the respective lease terms with the residual value of zero.

Table of Contents**Securities**

Marketable equity securities, as of September 30, 2001 and 2002 and March 31, 2002 which are included in investments in subsidiaries and affiliates, are as follows:

| | As of September 30, 2001 | | (Millions of Yen) |
|-----------------------------|---------------------------------|-------------------|--------------------------|
| | Carrying value | Fair value | Unrealized gain |
| Investments in subsidiaries | ¥ 3,124 | ¥ 8,069 | ¥ 4,944 |
| Investments in affiliates | 22,781 | 88,095 | 65,314 |
| Total | ¥ 25,905 | ¥ 96,164 | ¥ 70,259 |
| | | | |
| | As of September 30, 2002 | | (Millions of Yen) |
| | Carrying value | Fair value | Unrealized gain |
| Investments in subsidiaries | ¥ 3,124 | ¥ 11,441 | ¥ 8,317 |
| Investments in affiliates | 23,425 | 129,793 | 106,367 |
| Total | ¥ 26,550 | ¥ 141,235 | ¥ 114,685 |
| | | | |
| | As of March 31, 2002 | | (Millions of Yen) |
| | Carrying value | Fair value | Unrealized gain |
| Investments in subsidiaries | ¥ 3,124 | ¥ 9,778 | ¥ 6,654 |
| Investments in affiliates | 22,781 | 112,249 | 89,468 |
| Total | ¥ 25,905 | ¥ 122,028 | ¥ 96,123 |

Table of Contents**Per Share Data**

| | Half year ended September 30, 2001 | Half year ended September 30, 2002 | Year ended March 31, 2002 |
|----------------------|---|---|--------------------------------------|
| | | | |
| | | (Yen) | |
| Net asset per share | ¥ 1,313.36 | ¥ 1,449.43 | ¥ 1,377.92 |
| Net income per share | ¥ 67.64 | ¥ 94.17 | ¥ 138.47 |

Diluted net income per share is not provided due to no potential dilution effect.

(Additional information)

Accounting Standard for Earnings per Share (Accounting Standards Board of Japan Financial Accounting Standards No.2 September 25, 2002) and Implementation Guidance on Accounting Standard for Earnings per Share (Accounting Standards Board of Japan Financial Accounting Implementation Guidance No.4 September 25, 2002) were adopted from the half year ended September 30, 2002.

Per share data for the previous half year of the preceding fiscal year and the preceding fiscal year, which was computed by applying the above accounting standard and accounting implementation guidance are as follows:

| | Half year ended September 30, 2001 | Year ended March 31, 2002 |
|----------------------|---|--------------------------------------|
| | | |
| | | (Yen) |
| Net asset per share | ¥ 1,313.36 | ¥ 1,377.92 |
| Net income per share | ¥ 67.64 | ¥ 138.08 |

*The basis to compute net income per share is as follows:

| | Half year ended September 30, 2001 | Half year ended September 30, 2002 | Year ended March 31, 2002 |
|---------------------------------------|---|---|--------------------------------------|
| | | | |
| Net income | | ¥ 91,714 million | |
| Amount not applicable to common stock | | | |
| Net income applicable to common stock | | ¥ 91,714 million | |
| Weighted average number of shares | | 973,972,176 shares | |