

FOR IMMEDIATE RELEASE - May 5, 1997

HONDA TO BUILD MANUFACTURING PLANT IN SOUTH CAROLINA FOR PRODUCTION OF ALL-TERRAIN VEHICLES

FLORENCE, S.C. - Honda today announced it will construct a \$30 million manufacturing plant near Florence for the production of 4-wheel all-terrain vehicles (ATVs). The new company, Honda of South Carolina Mfg. (HSC), a subsidiary of American Honda Motor Co. will begin production in fall 1998 with 300 associates and an annual production capacity of 100,000 units. At full production, HSC will employ 600 associates.

HSC will build the 175,000-square-foot plant on a 500-acre site southwest of Florence, near the community of Timmonsville. Production processes will include frame manufacturing, welding, painting, plastic molding and assembly. Reflecting Honda's long-standing business philosophy to build products in the markets where they are sold, this will be Honda's tenth manufacturing plant in North America. Honda also has a motorcycle plant, two auto plants, an engine plant and a transmission plant in Ohio, a lawn mower plant in North Carolina, an auto plant in Ontario, Canada, and motorcycle and auto plants in Mexico.

"Our commitment to America continues to grow because of the success of our existing operations here and the growing demand for the products we build," said Takeshi Yamada, chairman of Honda of America Mfg. responsible for directing Honda's manufacturing operations throughout the Americas Region. "South Carolina meets all of our key needs. It has an outstanding workforce, proximity to a strong sales market, excellent transportation systems and the necessary infrastructure to support industry."

Over the past six years, the U.S. ATV market has doubled from 150,000 units in 1991 to more than 300,000 in 1996. Honda, which created the ATV product category more than 25 years ago, holds about 30 percent of the market, including sales of approximately 100,000 in 1996. Almost half of Honda's sales come in fifteen states within the Sun Belt region.

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"Demand for ATVs and motorcycles continues to grow," said John Petas, senior vice president of the American Honda Motorcycle Division, Honda's sales arm for ATVs. "This new plant makes us even more excited about the future. It will give us flexibility to meet the growing needs of our customers in America and other global markets."

Today, ATVs are used to perform a number of important tasks including farming, ranching, hunting, industrial uses and safety patrols, as well as for recreation. Advantages afforded by ATVs over larger vehicles include maneuverability, towing capabilities, all-weather use and ease of operation. All Honda ATVs have high flotation tires that make them suitable for environmentally fragile areas.

Honda has manufactured ATVs at its Honda of America Mfg. Motorcycle Plant in Marysville, Ohio, since 1989. Honda produces four ATV models exclusively in the U.S. -- the FourTrax 400, FourTrax 300, FourTrax 300 4x4 and the FourTrax 250 Recon.

Honda employs more than 17,000 associates in the U.S. and has invested more than \$4 billion in its North America manufacturing and R&D operations.

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Honda of South Carolina Mfg., Inc. (HSC)
Fact Sheet

Ownership:	American Honda Motor Co., Inc.
Location:	Timmonsville, South Carolina
Establishment:	April 1997
Investment:	\$30 million
Production Start-up:	Fall 1998
Products:	4-wheel all-terrain vehicles (ATVs)
Capacity:	100,000 units
Employment:	300 associates (initial) 600 associates (projected)
Plant Size:	175,000 square feet
Site:	500 acres (total site)
Production Processes:	Frame manufacturing, welding, painting, plastic molding and assembly