

50 years of investing in America

1959-2009



HONDA

“Home sweet Honda.”



Honda Motor Co. had been in business for only 11 years when it established its first overseas operations in 1959—a move that resulted in America becoming a major manufacturing center for Honda and the company's second home. Honda views its contribution to America as more than the \$12.1 billion total capital investment in U.S. operations. Investment is Honda's way of creating new value for America—for the customers who purchase and enjoy Honda products, for the associates who rely on Honda's manufacturing jobs, for the supplier and dealer networks who partner with Honda, and for the communities in which Honda associates live and work.

Honda's Capital Investment in Manufacturing Facilities Through 2008

COMPANY	LOCATION—OPENING YEAR	CAPITAL INVESTMENT	PRODUCTS MANUFACTURED ¹	ANNUAL PRODUCTION CAPACITY
Honda of America Mfg., Inc.	Marysville, OH—1979 ²	\$171 million	Gold Wing 1800, VTX 1300 V-Twin Cruiser, Engines	75,000 Motorcycles 75,000 Engines
	Marysville, OH—1982	\$3.9 billion	Accord Sedan, Accord Coupe, Acura TL, Acura RDX	440,000 Vehicles
	Anna, OH—1985	\$1.6 billion	4-Cylinder Engines, V6 Engines, Driveshafts, Brake Components, Camshafts	1.18 million Engines 2.3 million Components
	East Liberty, OH—1989	\$1 billion	Element, CR-V, Civic Sedan, Civic GX	240,000 Vehicles
Honda Power Equipment Mfg., Inc.	Sweptonville, NC—1984	\$199 million	General Purpose Engines, Lawnmowers, Snow Throwers, Water Pumps, String Trimmers, Mini-Tillers	340,000 Products 2 million Engines
Honda Transmission Mfg. of America, Inc.	Russells Point, OH—1996	\$400 million	Automatic Transmissions, Transmission Gears, 4WD Systems	800,000 Transmissions 328,000 Transmission Gear Sets 150,000 4WD Systems
Honda of South Carolina Mfg., Inc.	Timmonsville, SC—1998	\$273 million	Four Trax & SportTrax ATVs	266,000 ATVs 310,000 Engines
	Timmonsville, SC—2002		AquaTrax Personal Watercrafts	29,000 PWCs
Honda Manufacturing of Alabama, LLC	Lincoln, AL—2001	\$1.4 billion	Odyssey, Pilot, Ridgeline, V6 Engines	300,000 Vehicles 300,000 Engines
Honda Precision Parts of Georgia, LLC	Tallapoosa, GA—2006	\$150 million	Automatic Transmissions	300,000 Transmissions
Honda Manufacturing of Indiana, LLC	Greensburg, IN—2008	\$550 million	Civic Sedan, Civic GX ³	200,000 Vehicles
UNDER CONSTRUCTION				
Honda Aircraft Company, Inc.	Greensboro, NC—2009	\$100 million	HondaJet	100 Jets
Honda Aero, Inc.	Burlington, NC—2010	\$27 million	GE-Honda HF120 Turbofan Engine	200 Engines

¹ Using domestic and globally sourced parts.
² The Marysville Motorcycle Plant ceased motorcycle production in 2009.
³ Civic GX production expected to begin in 2009.



INVESTING IN AMERICA

- Honda invests in enhancing the fuel efficiency of its products. From power equipment to motor vehicles to the HondaJet, Honda leads the industry in developing and implementing cleaner technologies across all product lines.
- Honda works to enhance the safety of all Honda and Acura vehicles, regardless of size or price, beyond government mandates. Honda also installs safety technologies to help protect the occupants of other vehicles as well as pedestrians.
- Honda invests five percent of its global revenues in research and development with a focus on creating original technology that adds new value for Honda customers and society at large. Honda's U.S. R&D operations are capable of “complete product creation”—researching, designing, and developing all-new vehicles.
- Honda builds products close to its customers. During the past four years, Honda has broken ground on six new facilities while expanding four existing facilities—an investment totaling \$1.23 billion.
- Honda designs flexibility into each assembly line, giving the company the ability to quickly adjust production to meet consumer demand and maintain workforce stability. This innovative approach to manufacturing has resulted in a more stable production base for Honda associates.
- Honda creates value through world-class engineering, meticulous quality, and by pursuing strategies that result in the highest auto resale values in the industry.

» To view a detailed report on Honda's economic contribution in the U.S., visit publicpolicy.honda.com/EIS.

Honda's Economic Contribution to America

In conjunction with its 50th anniversary of U.S. operations, Honda commissioned the Center for Automotive Research (CAR) in Ann Arbor, Michigan, to conduct a study of the potential economic contribution of American Honda Motor Co., Inc., its affiliated companies, its suppliers, and its associated retail operations. By evaluating direct employment and

compensation data supplied by Honda for calendar year 2007 and applying standard economic multipliers, CAR estimated that Honda's U.S. presence generated 367,000 jobs with \$17 billion in compensation. The figures for the state of Indiana are forecast for the year 2010 and reflect a typical year for potential operational effects of Honda's new Greensburg auto plant.

	U.S. TOTALS	OH	CA	AL	GA	NC	SC	IN ⁴	OTHER U.S. STATES (TOTALS)
EMPLOYMENT									
Direct and Dealer Employment (includes retail, sales and service)	145,727	20,141	18,164	6,231	4,311	4,730	3,359	2,126	86,665
Supplier Employment	87,974	21,972	8,428	5,298	2,550	2,087	1,201	1,535	44,703
Indirect Employment	133,982	29,450	10,651	6,157	5,274	4,437	2,768	4,323	70,922
Total U.S. Operations	367,683	71,563	37,443	17,686	12,135	11,254	7,328	7,984	202,290
WAGES & SALARIES									
Total	\$17 billion	\$2.8 billion	\$690 million	\$803 million	\$105 million	\$200 million	\$155 million	\$330 million	\$11.8 billion

⁴ Opened in 2008. Forecast for the year 2010, a typical year for operational results, using 2007 data.

1977
Honda announces plans to build a manufacturing plant in America.

1979
Marysville, Ohio, motorcycle plant begins assembly.

1980
Building on its success in U.S. motorcycle production, Honda breaks ground on a \$250 million automobile manufacturing plant in Marysville, Ohio.

1984
Honda Power Equipment Mfg., Inc. opens in Swepsonville, North Carolina, to meet growing demand for Honda lawnmowers.

1986
Marysville, Ohio, auto plant begins production on a second assembly line.

1987
Honda exports its first U.S.-built automobile, the Accord Sedan, to Taiwan.

1989
Honda opens its second U.S. auto plant in East Liberty, Ohio.

1994
Honda begins producing Acura CL, the first U.S.-designed, -developed, and -manufactured luxury vehicle from an international nameplate. Honda opens \$325 million transmission plant in Russells Point, Ohio.

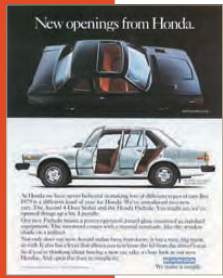
1998
Honda opens plant in Timmonsville, South Carolina, to produce ATVs.

2002
Honda opens a second plant in Timmonsville, South Carolina, to produce personal watercrafts.

2005
Honda's Timmonsville, South Carolina, plant celebrates production of 1.5 millionth ATV.

2007
Honda begins \$50 million expansion of the Honda Precision Parts of Georgia, LLC transmission plant.

2009
Natural gas Civic GX production begins at Honda's Indiana plant.



“New openings from Honda.”

1982
Honda becomes first Japanese automaker to build cars in the U.S.

“The most important thing is to maintain the quality that the American buyer has come to associate with Honda products, which I am confident we can do.”
— HONDA MOTOR CO., LTD. PRESIDENT KAZUICHI KAWASHIMA

1985
Anna, Ohio, engine plant opens to supply motorcycle engines to Honda's U.S. manufacturing facilities and today is the largest automobile engine plant in Honda's global production network.

1988
Honda establishes Honda Engineering America, Inc. close to its Marysville, Ohio, auto plant, for the design and manufacture of production tooling.

1994
Accord becomes the number one automobile export from America with more than 100,000 units exported to Japan and other markets in a single year.

2001
Honda Manufacturing of Alabama, LLC opens; the plant completes a \$425 million expansion to double annual capacity only three years later.

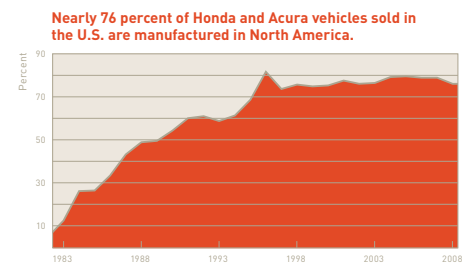
2003
Honda produces its 10-millionth vehicle in the U.S.

“Increasing customer demand for our products, together with the determination and creativity of our associates and suppliers in North America, is what made it possible to produce 10 million vehicles in less than two decades.”
— PRESIDENT AND CEO OF HONDA OF AMERICA MFG., INC. KOJI HIRASHIMA

2008
Honda opens \$550 million automotive plant in Greensburg, Indiana to produce fuel efficient vehicles.



Honda has had 30 years of new openings in the U.S. since the company's first U.S. manufacturing plant began operations in Ohio in 1979. Today, nearly 76 percent of the Honda and Acura vehicles sold in the U.S. are manufactured¹ in North America. Honda's newest opening in the U.S. occurred in fall 2008 in Greensburg, Indiana. It is the company's 11th major U.S. plant and the latest example of Honda's commitment to build products close to its customers.



¹ Using domestic and globally sourced parts.



Honda's flexible manufacturing system



Manufacturing associate in Ohio



Greensburg, Indiana, plant line-off

INNOVATING MANUFACTURING

- In 2008, Honda produced 987,000 cars and light trucks, 1.3 million vehicle engines, 1.2 million general purpose engines, 323,000 power equipment products, and 184,000 powersports products (motorcycles, personal watercrafts and ATVs) in the U.S.
- The opening of the new \$550 million auto plant in Greensburg, Indiana, created more than 900 jobs for new Honda associates in 2008. These associates produce the fuel-efficient, four-cylinder Civic Sedan and will produce the only compressed natural gas car available in America, the near-zero emission Civic GX.
- Honda completed a \$50 million expansion of its Tallapoosa, Georgia, transmission plant in 2008—less than three years after opening the \$100-million facility. The expanded plant manufactures parts previously produced in Japan.
- Honda Aircraft Company, Inc. opened a new \$100 million world headquarters and R&D center in 2008 and continues

- construction of its new production facility in Greensboro, North Carolina, to develop and produce an advanced light jet.
- Honda Aero, Inc., is constructing a new \$27 million plant that will build fuel-efficient GE-Honda Turbofan aircraft engines in Burlington, North Carolina. The engines will be sourced to HondaJet and other aircraft manufacturers.
- Expansion projects totaling nearly \$140 million at the Anna, Ohio, engine plant and the \$100 million expansion of the Russells Point, Ohio, transmission plant were completed in 2008.
- Honda's American factories produce vehicles and components that were researched and developed by Honda R&D teams in the U.S.

» Watch flexible manufacturing in action at publicpolicy.honda.com/lexmfg.

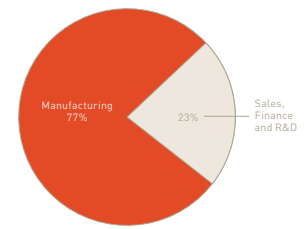
Flexible Manufacturing

Honda has a unique approach to aligning production capacity with the marketplace. Making this lean strategy work requires significant investment in flexible manufacturing—a system introduced to Honda's U.S. plants in 2000 that provides the ability to build multiple products on the same line and to efficiently transfer production from one plant to another. This maximizes capacity and allows Honda to adjust quickly to market demand.

Honda's flexible manufacturing system results in increased product quality, reduced lead time needed to launch new models, and improved efficiency of manufacturing operations while helping to provide a stable production base for its associates, dealers and suppliers in America.

One recent example of Honda's flexibility was the shift of all production of the Pilot SUV and Ridgeline truck from the Marysville, Ohio, plant to the Lincoln, Alabama, auto plant to more fully utilize the plant's 300,000-unit annual production capacity in the face of American consumers' reduced demand for SUVs and minivans.

77 percent of the jobs Honda creates in the U.S. are in manufacturing.





1959
Honda opens office in Los Angeles, California, with eight employees.



“You meet the nicest people on a Honda.”

1963
Significant growth at American Honda headquarters in California results in the company moving into its new Gardena offices that would be home for 27 years.



1965
Honda begins selling power equipment products, including generators and lawn and garden equipment, through its U.S. motorcycle dealers.

1975
First American designers and engineers are hired when R&D office is established in California.

1970
The first 58 Honda auto dealerships open.

1977
American Honda has more than 1,000 associates and 680 dealers.

“I want all employees and their families to be happy working for, or being associated with Honda.”

— HONDA FOUNDER SOICHIRO HONDA



1986
Honda establishes new Acura luxury brand and U.S. dealer network.

1990

More than 2,500 American Honda associates move to a new 101-acre campus headquarters in Torrance, California.



2000
Honda's continuing growth creates nearly 10,000 new American jobs over the next five years.



2005
U.S. direct employment grows by 1,500 jobs partly due to plant expansions in Alabama and Ohio.

2002
Honda's annual U.S. payroll surpasses \$1 billion.

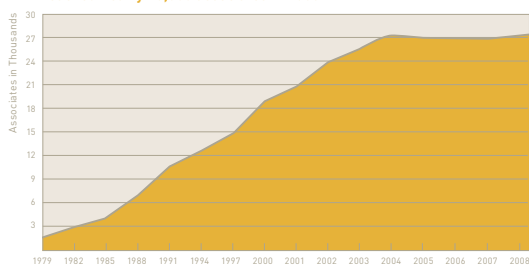
2007
Honda Manufacturing of Alabama, LLC doubles its direct employment to 4,000 since opening in 2001.

2009
Honda Aircraft Company, Inc. and Honda Aero, Inc. now employ nearly 400 Americans.

2008
Honda hires 900 associates at its new Indiana auto plant.

Honda's first eight sales employees opened the American Honda offices in 1959. When the first manufacturing associates joined the company 20 years later, they were called “associates” to eliminate the distinction between management and all other employees and to reflect Honda’s vision of openness and communication. Today, Honda’s U.S. employment spans many sectors, including sales and service, manufacturing, research and development, engineering, and finance. Honda’s 28,000 U.S. associates all work toward a common goal: to design, manufacture, sell, and service the highest-quality products for customers in America. Building and selling Honda products creates jobs in America.

Honda's U.S. direct employment reached nearly 28,000 associates in 2008.



¹ Using domestic and globally sourced parts.



Honda auto dealership



The ergonomic “Superseat”



Manufacturing associates in Alabama

PROVIDING EMPLOYMENT

- In 2008, Honda directly employed nearly 28,000 associates in America with a U.S. payroll of approximately \$2.1 billion. 77 percent of those jobs were in manufacturing.
- Last year, more than 900 new U.S. associates were hired at Honda's new auto plant in Greensburg, Indiana.
- Honda's relationship with 545 U.S. suppliers supports more than 87,000 jobs in the U.S.²
- Honda automobile, motorcycle, ATV, personal watercraft, and power

equipment dealers employed nearly 100,000 individuals last year.

- Honda's U.S. financing operations employed more than 1,200 associates in 10 offices in 2008.
 - Honda associates receive competitive compensation and benefits packages, including a traditional pension and an employer's match for 401(K) accounts.
- » Learn more about the types of jobs Honda creates in the U.S. at publicpolicy.honda.com/employment.

Ergonomics and Efficiency

In an effort to ensure the health and safety of its manufacturing associates and better position them to achieve the highest levels of quality, Honda continually evaluates the ergonomics of its manufacturing lines and invests in improvements through new technology and training. Honda associates work with engineers to create better ergonomics throughout the assembly process and to provide suggestions in improving efficiency. Honda's associates have developed lift-assist tools for heavy components, more efficient and comfortable work stations, and new assembly procedures.

A team of Honda associates recently worked to improve line-side ergonomics in the Lincoln, Alabama, auto plant. The collaboration resulted in the “Superseat,” a robotic chair that allows associates easy maneuverability inside the Odyssey minivan frame as it moves along the line.

Honda's Potential Impact in the U.S.: 367,683 Jobs

In conjunction with the 50th anniversary of Honda's operations in the U.S., the Center for Automotive Research (CAR) conducted a study to estimate the potential economic contribution of American Honda, its affiliated companies, its suppliers, and its associated retail operations. The CAR study used direct employment and compensation data supplied by Honda for calendar year 2007.

KEY FINDINGS

- Honda's total U.S. operations support 367,683 private sector jobs with \$17 billion in annual compensation.
- Honda's U.S. facilities directly support 151,957 private sector jobs with \$9 billion in annual compensation.
- Honda's U.S. dealerships and product-related retail operations support 215,726 private sector jobs with \$8 billion in annual compensation.

² CAR study based on 2007 data.

1975
Honda's first U.S. research operations established.

More of a good thing.



The style and performance of the Accord Plus are the epitome of design, a great powered engine, and advanced styling, known as proofing the best in America. The Accord Wagon.

“More of a good thing.”

1985
Honda R&D opens its Ohio Center for new vehicle development, which now includes body, chassis, interior, electrical, engine application and safety engineering.



1990
The 1991 Accord Wagon is Honda's first U.S. development of a "derivative model"—the wagon was based on the 1990 Accord Sedan.

1996
The 1997 Acura CL is the first new-model development to be led by an American engineer.

1997
First Accord Coupe with exclusive U.S.-designed exterior styling launches in a 1998 model.

2000
Honda establishes North Carolina research facility for development of Honda/Infiniti.

2001
U.S.-developed Acura MDX wins *Motor Trend* SUV of the Year and North American Truck of the Year.

"The MDX is the first SUV to deliver sport and utility with no compromise and this award validates this achievement."
—ACURA EXECUTIVE VICE PRESIDENT DICK COLLIVER



2002
Honda launches the innovative 2003 Element SUV that was designed and developed in the U.S. The U.S.-developed 2003 Honda Pilot is the first eight-passenger crossover vehicle.

2004
U.S.-designed, developed and manufactured Acura TL is introduced.

2005
The 2006 Accord becomes the first U.S.-developed model to launch globally. Honda's first-ever pickup truck, the U.S.-developed 2006 Ridgeline, is launched. The award-winning U.S.-developed 2004 Civic Coupe and Civic Si debut.

2007
U.S.-developed Acura MDX is introduced.



2008
Two U.S.-developed models launch, the 2009 Acura TL and the 2009 Honda Pilot.

2009
The Acura ZDX concept makes its debut at the New York Auto Show.

First established in California in 1975 to conduct local market research and design activities, Honda's U.S. research and development operations now include 13 facilities with the capability of "complete product creation"—developing all-new vehicles from market research and design styling through engineering design, testing, local parts procurement, and mass production preparation. Honda's U.S.-based designers and engineers create new value for Honda customers through innovation in the development of new products and vehicles. Honda R&D is also taking a leading role in the advancement of safety and environmental technologies. Since 1991, Honda R&D has fully developed 22 unique Honda and Acura models in the U.S.

- Six of 16 Honda and Acura models currently sold in America, including four of seven light truck models, were researched, designed, and developed in America. These include innovative and trend-setting cars and light trucks such as the Acura MDX and TL, and the Honda Pilot, Element, Ridgeline, Civic Coupe, and Civic Coupe Si.
- Honda has three California-based design studios: the Honda Design Studio is responsible for the styling design of Honda brand automobiles, light trucks, and motorcycles; the Acura Design Studio is responsible for the styling design of Acura brand automobiles and light trucks;

and the Advanced Design Studio in Pasadena is responsible for creating future design concepts for Honda and Acura products and works closely with leading American design schools.

- Honda operates an automobile development center in Raymond, Ohio, that features one of the world's most advanced safety research and testing laboratories. Honda also utilizes a test facility in California's Mojave Desert that features numerous on- and off-road test courses.

» View Honda's researchers and designers in action in the video at publicpolicy.honda.com/R&D.



Product design with clay model



Road testing in winter conditions



Product design with computer imaging

ADVANCING

PRODUCT DEVELOPMENT

Honda's U.S. Vehicle Development History

U.S.-DEVELOPED MODEL	ACHIEVEMENT
1989 Honda Accord SEI	First U.S. Honda R&D-led product development, including design, manufacturing, and sales.
1991 Accord Wagon	First U.S. Honda R&D-developed "derivative model"—a station wagon based on the 1990 Accord Sedan.
1993 Civic Coupe	First Civic Coupe—based on the 1992 Civic hatchback.
1994 Accord Wagon	First time U.S. Honda R&D developed a "derivative model" simultaneously with the base model.
1997 Acura CL 2.2 (Coupe)	First all-new vehicle developed by U.S. Honda R&D and the first development to be led by an American engineer.
1997 Acura CL 3.0 (Coupe)	First vehicle to utilize Honda's all new high-output V6 engine.
1997 Acura 1.6EL	First Acura model developed exclusively for Canadian market by U.S. Honda R&D.
1998 Accord Coupe	First Accord Coupe with exclusive exterior styling for U.S. market.
1999 Acura 3.2TL	Second all-new Acura model developed by U.S. Honda R&D.
2001 Acura 3.2CL	Third all-new Acura model designed and developed by U.S. Honda R&D. First application of new six-speed manual transmission for V6 engine.
2001 Acura MDX	Honda's first luxury crossover vehicle—a pioneer in the segment—featuring seven-passenger seating and improved fuel efficiency. Awarded <i>Motor Trend</i> SUV of the Year and North American Truck of the Year.
2001 Civic Coupe	First vehicle in the industry to earn NHTSA five-star safety ratings in both frontal and side impact (NCAP) crash testing.
2002 Acura TL	First high performance TL "Type-S" model.
2003 Honda Pilot	First eight-passenger crossover vehicle and five-time winner of <i>Car and Driver</i> magazine's "5 Best Trucks" award.
2003 Honda Element	Innovative SUV with flat cargo floor and "B-pillarless" wide-opening side doors.
2004 Acura TL	America's best-selling luxury sedan in 2004, 2005, and 2006.
2006 Honda Ridgeline	Honda's first-ever, and highly innovative, pickup truck wins 2006 <i>Motor Trend</i> , North American, and Canadian Truck of the Year.
2006 Accord Sedan and Coupe	First time U.S. R&D is responsible for global launch of new model including coordination of production launch in eight plants worldwide.
2006 Civic Coupe and Civic Si	Sporty two-door coupe and high-performance Si versions of the Civic win 2006 <i>Motor Trend</i> , North American and Canadian Car of the Year.
2007 Acura MDX	Second generation of U.S. development for one of Acura's most popular and trend-setting models.
2009 Honda Pilot	Second generation of U.S. development for Honda's award-winning, mid-size, eight passenger SUV.
2009 Acura TL	Third generation of U.S. development for Acura's top-selling luxury sedan.

Innovative U.S. Designs

Honda introduces innovative products and features that its customers may not dream of on their own, but that add to their ownership experience. While Honda did not create the minivan, the magic seat—developed in the U.S. and first seen in the Odyssey—became a segment-defining feature for all minivans. And, the In-Bed Trunk™ and dual action tailgate—developed by Honda in the U.S. and first seen in the Ridgeline—gives it a distinct competitive advantage in the pickup truck segment. These real-world examples of Honda's investment in U.S. R&D demonstrate the company's commitment to innovative, customer-focused features that address how people use and enjoy their vehicles.

Map Legend

- Honda Suppliers States (shaded)
- ✦ Auto Dealers
- ▲ Manufacturing Facilities¹
- ▲ Future Manufacturing Facilities
- Sales, Service, and Parts Zone Offices
- ◆ American Honda Finance Corporation
- ★ Rider Education Centers
- R&D Facilities
- ★ Headquarters
- Parts Centers
- ▼ Major Ports
- ▼ Powersports Dealers
- ◆ Power Equipment Dealers
- ▲ Eagle Rock School and Professional Development Center

¹ Using domestic and globally sourced parts.

CALIFORNIA

Cantil
Mojave Desert Test Track



Torrance
Vehicle Design & Development

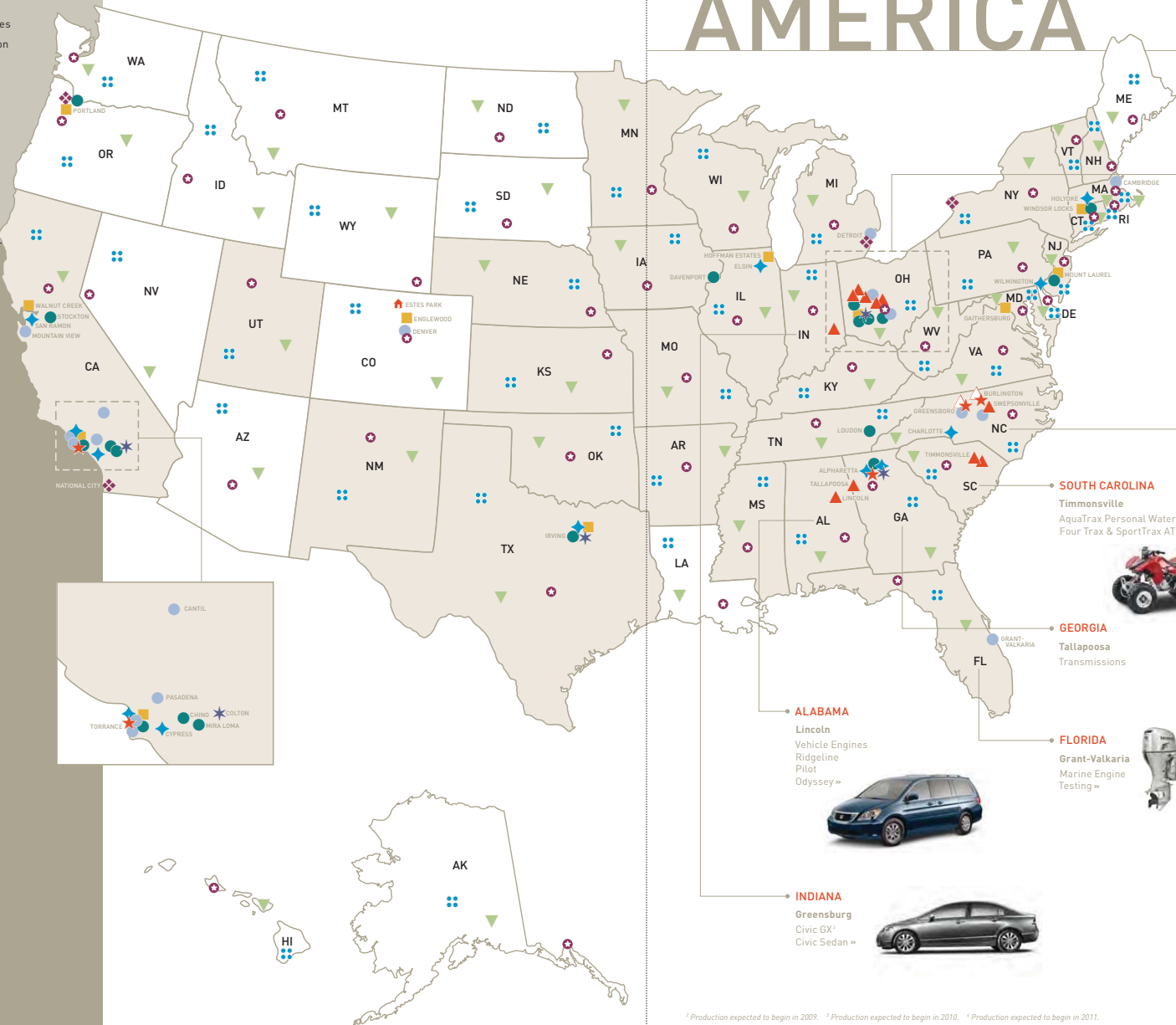


American Honda Headquarters



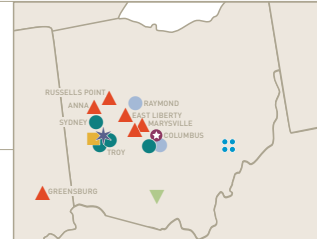
National City

Honda Port



Honda's 2008

INVESTMENT IN AMERICA



OHIO

East Liberty

Element²
Civic Sedan
Civic GX
CR-V



Anna

Vehicle Engines
Driveshafts
Brake Components
Camshafts

Raymond

Crash Safety Research³



Russells Point

Transmissions
Transmission Gear
4WD Systems

Marysville

Engines
VTX 1300 V-Twin Cruiser⁴
Gold Wing 1800
Accord Sedan
Acura TL
Acura RDX
Accord Coupe⁴



SOUTH CAROLINA

Timmonsville
AquaTrax Personal Watercrafts
Four Trax & SportTrax ATVs⁴



GEORGIA

Tallapoosa
Transmissions

FLORIDA

Grant-Valkaria
Marine Engine
Testing⁴



ALABAMA

Lincoln
Vehicle Engines
Ridgeline
Pilot
Odyssey⁴



INDIANA

Greensburg
Civic GX²
Civic Sedan⁴



NORTH CAROLINA

Sweepsonville
Snow Throwers
Lawnmowers⁴
Water Pumps
String Trimmers
Mini-Tillers
General Purpose Engines



Burlington

Aircraft Engines¹

Greensboro

HondaJet⁴



¹ Production expected to begin in 2009. ² Production expected to begin in 2010. ³ Production expected to begin in 2011.

1979
Honda partners with first U.S. manufacturing suppliers in preparation for opening of the company's first U.S. motorcycle plant.

1982
Number of U.S. suppliers increase to 40 with opening of Honda's first auto plant in America.



“Rare Accord.”

1987
Honda announces a five-part strategy that includes plans to increase local parts sourcing.



1990
Honda's Supplier Diversity Initiative is launched.



1991
Honda conducts first regional Supplier Diversity Workshop.

1995
Honda reaches \$1 billion in annual U.S. parts purchases for first time.

1996
Honda announces an accelerated "Strategy for the Americas" with a 50 percent expansion in U.S. automobile engine and automatic transmission production.

2001
13 new suppliers join Honda to support its new Alabama auto plant.

2002
Honda exceeds \$10 billion in annual U.S. parts purchases.

2003
Honda has more than 500 suppliers, employing tens of thousands of Americans.



2004
First annual Minority Automotive Supplier Conference.

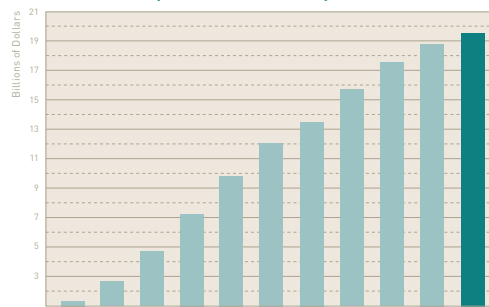
2005
Honda's regional parts centers total 15.



2009
Honda's U.S. supply base reaches 845.

Honda consistently works with U.S. suppliers to increase the efficiency and quality of the components they engineer and manufacture for the company's U.S. and global operations. Honda's investment in its suppliers has helped many of them achieve global competitiveness from their U.S. locations. The rare depth of these relationships—the first of which was established in 1979—contributes not only to the health of Honda's U.S. supplier base, but to that of the entire U.S. automotive industry.

Honda purchased more than \$19.5 billion in North American parts and materials last year.



Teamwork with Honda engineers and suppliers



Troy, Ohio, parts center



Partnering with U.S. Steel companies

EMPOWERING SUPPLIERS

- 545 suppliers in 34 states provide the parts and materials to produce Honda and Acura products in the U.S.
- In 2008, Honda purchased \$19.5 billion in parts and materials in North America—\$17.5 billion were purchased from U.S. suppliers.
- Honda purchased nearly \$1.5 billion in parts, materials, and other goods from minority-owned U.S. suppliers last year.
- More than 14,000 companies supply maintenance, repair and operational (MRO) services to Honda's U.S. operations.
- The early involvement by suppliers in the development of new products allows Honda to better utilize the suppliers' expertise. This, in turn, helps the company develop the best design in the shortest timeframe, while advancing the quality and uniqueness of Honda products.
- Through five years of trials and testing, Honda and its suppliers worked together to improve high strength steel. Today, the

steel is found in up to 60 percent of each new Honda and Acura white body, helping the company achieve its weight reduction goals to maintain fuel economy leadership while enhancing both safety and performance.

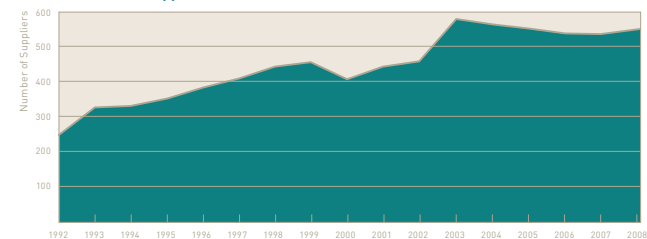
- Honda, along with the Rainbow/PUSH Coalition, developed the Automotive Project and sponsors an annual Minority Automotive Supplier Conference.
- With Honda's encouragement and assistance, nearly 90 percent of Honda's U.S. original equipment suppliers have achieved third-party ISO 14001 certification for environmentally sound production processes.
- The American Honda Parts Division delivers parts and materials to Honda and Acura dealers from 15 regional parts centers located throughout the country.

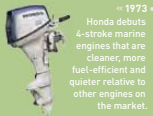
» Learn more about Honda's unique partnership with its manufacturing suppliers at publicpolicy.honda.com/suppliers.

Supporting the Tool & Die Industry

Following years of decline of the U.S. tooling industry, Honda developed a program with the objective of helping to re-establish strong, financially stable tool and die supplier partnerships in America. By helping U.S. parts manufacturers more efficiently design and manufacture their products and by providing financial support through new purchase orders, Honda has been able to assist its tool and die partners in becoming more globally and locally competitive. The new manufacturing techniques have brought many U.S. tool and die prices to competitive levels. Today, these manufacturers are a growing contributor to Honda's American operations.

Honda's U.S. supplier base has more than doubled since 1992.





1973

Honda debuts 4-stroke marine engines that are cleaner, more fuel-efficient and quieter relative to other engines on the market.

1975
The Civic CVCC is the first car to meet Clean Air Act without the use of a catalytic converter.



1983
The CRX-HF becomes the first mass-produced car to break the 50 mpg fuel economy mark.

1989
Honda becomes the first automaker in America to use waterborne basecoat paint in mass production.



1999
Honda introduces the first gas-electric hybrid vehicle in the U.S., the 2000 Insight.

2000
The 2001 Civic is the first gasoline car to achieve ultra-low-emission vehicle (ULEV) status in all 50 states.



2005
The world's first fuel cell family, the Spallinas, takes delivery of the first fuel cell vehicle leased to an individual customer.

Honda introduces Variable Cylinder Management (VCM) technology, the first cylinder deactivation system for an overhead cam V6 engine.

World's first natural gas home refueling device, PhilTM, is offered for lease to customers in California together with the Civic GX natural gas vehicle.

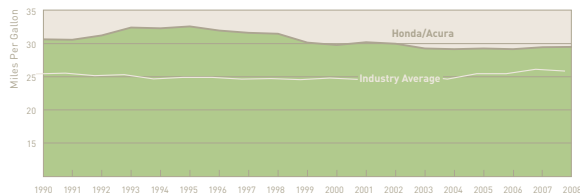
2009
FCX Clarity is named World Green Car by an international jury of journalists.



"It comes with a conscience."

Honda recognizes that it has a responsibility to help protect the environment and secure a sustainable future. The company's investment in original technology is designed to balance customer demands for performance and safety with this environmental responsibility. To help reduce greenhouse gases and demand for petroleum-based fuels, Honda is advancing internal combustion engine technology to lower emissions and increase fuel efficiency; developing more advanced powertrain technologies, including hybrids; and advancing alternative fuel vehicles along with refueling infrastructure. In addition, Honda works continuously to reduce waste and energy consumption in its factories, offices, and warehouse facilities.

Honda's Fuel Economy Leadership



Source: National Highway Traffic Safety Administration



2010 Insight gasoline-electric hybrid vehicle



Shipping via AutoMax railcars



FCX Clarity fuel cell vehicle

DEVELOPING ENVIRONMENTAL TECHNOLOGIES

- In 2009, Honda introduced the all-new, more affordable Insight Hybrid featuring Honda's new Eco-Assist™ system to aid drivers in maximizing fuel efficiency. A second all-new hybrid vehicle will be introduced in the near future as Honda continues to advance its Integrated Motor Assist™ hybrid technology.
- Last year, Honda began leasing the zero-emission FCX Clarity fuel cell car to customers in Southern California. The Clarity's revolutionary Honda V Flow fuel cell stack is 20 percent smaller and 30 percent lighter than the previous Honda fuel cell, yet has greater power, longer range, and superior cold-weather performance.
- The Civic GX natural gas vehicle is the only car certified by the U.S. EPA to meet both federal Tier 2-Bin 2 and Inherently Low Emission Vehicle (ILEV) zero evaporative emission certification standards.
- Honda was the first automaker to develop a solar-powered hydrogen refueling station, which produces hydrogen from water with no harmful emissions.
- Honda is committed to maintaining a minimum 90 percent level of design recyclability¹ for all vehicles and 95 percent

recyclability for all powersports and power equipment products sold in North America.

- In 2008, two of Honda's U.S. manufacturing plants were operating as zero-waste-to-landfill facilities. Overall, Honda reduced waste to landfill by 26 percent last year. Total landfill waste² from U.S. automobile production has been reduced by 75 percent since 2001.
- Honda's Northwest Regional Facility in Gresham, Oregon, was the first existing building owned by an automaker to earn a platinum green building certification from the U.S. Green Building Council for Leadership in Energy and Environmental Design (LEED).
- Honda transports 81 percent of its automobiles by rail, the most fuel-efficient transport method available today. In FY2008, Honda saved more than 500,000 gallons of diesel fuel through its use of Honda-designed AutoMax railcars.
- HondaJet was designed with fuel-efficient GE-Honda turbofan engines and a patented over-the-wing engine configuration, which help increase fuel efficiency by 15 to 20 percent compared to other jets in its class.

>> View an interactive diagram and learn how fuel cell vehicles work at publicpolicy.honda.com/fuelcell.

Hydrogen Infrastructure

Increasing the number of convenient hydrogen refueling options, such as home refueling, is a critical component for transitioning to widespread adoption of hydrogen fuel cell vehicles. Honda first invested in tackling the home refueling challenge with its EV Plus electric vehicle program in the 1990s, followed by the Civic GX natural gas vehicle program that began in the early 2000s. For hydrogen fuel cell vehicle home refueling, Honda is researching two approaches: using renewable solar energy to produce hydrogen, and an experimental Home Energy Station which uses natural gas to provide fuel for hydrogen-powered fuel cell vehicles while providing heat and electricity for a home. Last year, Honda researchers introduced the fourth-generation of the Home Energy Station which is even more efficient and better suited for home use than previous versions.

¹ Honda's calculation of product recyclability is based on the ISO standard 22628, titled "Road Vehicles Recyclability and Recoverability Calculation Method," which bases its estimates on existing, proven treatment technologies and takes into account the mass of materials recycled, reused, or recovered for energy or otherwise diverted from landfill disposal. In addition to these guidelines, Honda's calculation also takes into account recyclable mass of nonmetal residue.

² Excluding mineral waste.

1986
First Acura product equipped with airbags, the 1987 Legend Coupe.

1988
First Rider Education Center opens in Colton, California. Honda built centers in Atlanta, Georgia; Troy, Ohio, and Irving, Texas, which are now operated by the Motorcycle Safety Foundation.

It looks like we're being followed.



"It looks like we're being followed."

1990
Honda becomes first automaker to commit to installing standard dual front airbags in every vehicle by 1994.

Honda introduces first front passenger air bag that deploys upward toward the windshield rather than directly at the passenger. >



2000
Polar II, the world's most sophisticated pedestrian dummy, is developed by Honda for use in safety testing and research.

2002
Acura MDX is first mid-size SUV and the first luxury-brand SUV to earn 5-star front and side impact crash safety ratings.

Honda Odyssey becomes first minivan with standard equipment to earn 5-star front and side impact crash safety ratings.

Honda CR-V is first compact SUV to earn 5-star front and side impact crash safety ratings. >



2005
Honda is the first automaker to apply the Occupant Position Detection System to prevent side airbag deployment when a child or small adult is leaning into the airbag's deployment path.

2007
Honda has the most models earning NHTSA's 5-star front and side impact crash safety ratings and a Top Safety Pick designation from the Insurance Institute for Highway Safety (IIHS).

2008
All rows of seats of every Honda and Acura model are equipped with advanced side curtain airbags.¹

2009
Entire MY2009 Acura fleet earns IIHS Top Safety Pick and NHTSA's 5-star safety ratings for both front and side impact crash tests.



Honda's commitment to look beyond government regulations to develop advanced safety technology has made an important contribution to the U.S. auto industry. Honda has developed safety technologies in areas where there currently is no government mandate, including pedestrian safety, vehicle-to-vehicle compatibility, and collision avoidance. Honda has created some of the world's leading test facilities for this purpose, and the results are found in the Honda and Acura products offered to customers. As part of its "Safety for Everyone" commitment, Honda focuses on developing enhanced levels of protection for all road users, including the drivers and all passengers in Honda and Acura vehicles as well as the occupants of other vehicles and pedestrians.

Honda and Acura MY2009 Vehicles Earn Highest Crash Safety Ratings

	NHTSA NCAP 5-STAR FRONTAL IMPACT	NHTSA SINCAP 5-STAR SIDE IMPACT	IIHS TOP SAFETY PICK
HONDA			
Element	•	•	•
Odyssey	•	•	•
Pilot	•	•	•
Ridgeline	•	•	•
Accord	•	•	•
Civic	•	•	•
CR-V	•	•	•
FIT	•	•	•
S2000		•	
ACURA			
MDX	•	•	•
RL	•	•	•
RDX	•	•	•
TL	•	•	•
TSX	•	•	•

Source: Government star ratings are part of the National Highway Traffic Safety Administration's (NHTSA's) New Car Assessment Program (www.safercar.gov).
Source: Insurance Institute for Highway Safety



Crash testing conducted in Ohio



Motorcycle airbag on Gold Wing



Polar II pedestrian test dummy

ENHANCING SAFETY

- Featured on 90 percent of MY2009 Honda and Acura models, the Advanced Compatibility Engineering™ (ACE™) body structure provides improved crash compatibility between vehicles of different size and ride height, enhancing protection for the vehicle occupants while reducing the potential for injury to the occupants of the opposing vehicle in a frontal collision.
- More than 99 percent of all Honda and Acura models sold in the U.S. in 2008 earned NHTSA's top 5-star crash safety rating in the New Car Assessment Program frontal crash test.
- Honda was the first automaker to introduce a front passenger airbag that deploys upward toward the windshield rather than directly at the passenger and has consistently led the industry in introducing new "smart" airbag technology.
- One of the world's most advanced indoor crash safety research facilities is operated by Honda in Ohio. Engineers at Honda's Advanced Safety Research Facility conduct highly sophisticated research and testing to provide a deeper understanding of real world collisions.
- Honda engineers are developing collision avoidance safety technology. These efforts have resulted in the world's first commercially deployed Collision Mitigation Braking System (CMBS) that warns the driver and, if a collision is deemed unavoidable, applies the brakes to reduce crash speed.
- For the 2009 model year, Vehicle Stability Assist (VSA) is standard equipment on all Honda and Acura light trucks.

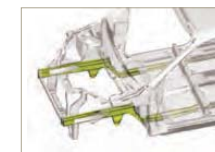
- All 2009 Acura vehicles received the highest possible rating in each IIHS crash test—the first and only time an automobile nameplate has earned a "Top Safety Pick" rating for its entire line-up.
- To help enhance the safety of all-terrain vehicles (ATVs) sold in the U.S. and to lessen the likelihood that children will ride ATVs not specifically designed for them, Honda helped initiate legislation to require all ATV manufacturers and distributors to meet minimum safety standards as a condition of selling products in the U.S.
- Honda is the only manufacturer to offer ATV, dirt bike, and street motorcycle safety training through its U.S. Rider Education Centers. Through the Motorcycle Safety Foundation, Honda has opened these facilities to riders of other motorcycle brands.
- Honda introduced the motorcycle industry's first airbag on a production model of the Gold Wing in 2006.

>> **Witness a crash safety test in slow motion to see what Honda engineers see. Go to publicpolicy.honda.com/crashtest.**

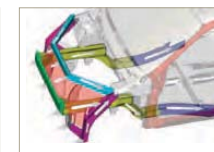
Pedestrian Safety

Honda's commitment to safety includes investing in protection of the most vulnerable of people on American roadways: pedestrians. Recognizing that pedestrian fatalities represent more than one in 10 traffic-related deaths in America, Honda created the Polar II advanced pedestrian dummy, with a focus on head and neck injuries, for use in recreating real-world dynamics of such incidents at the Honda crash test facility in Ohio. Though there is no U.S. government requirement, more than 8 million Honda and Acura vehicles on the road today feature technologies designed to reduce injuries to pedestrians, including an energy absorbing hood structure, breakaway windshield wiper pivots, and deformable hood hinges. Honda has made its pedestrian dummy technology available to other U.S. research institutions.

90 percent of Honda and Acura MY2009 models feature the ACE™ collision compatibility body structure.



Conventional Structure: Concentrated load type



New Structure: Distributed load type

1960
Honda begins association with the Tournament of Roses Parade.

1970
Honda launches National Youth Program Using Minibikes followed by a donation of 10,000 minibikes.



“One good turn
deserves another.”

1981
Honda of America Mfg. Foundation forms to fund community outreach in Ohio.

1982
Honda begins supporting the United Way.

1984
American Honda Foundation is established.

“Through a program of responsible investment in organizations meeting the needs of American society in the areas of youth and scientific education, the American Honda Foundation strives to assist in creating lasting benefits for society.”

AMERICAN HONDA FOUNDATION MISSION STATEMENT

1989
First Honda Campus All-Star Challenge.

1991
Honda Riders Club of America begins annual sponsorship of Ride for Kids to support the Pediatric Brain Tumor Foundation of the United States.



1992
Honda's Community Action Team forms to help to serve as the face of American Honda in the community.

1993
Honda opens the Eagle Rock School and Professional Development Center in Estes Park, Colorado.



1995
Honda Heroes volunteer program begins in Ohio.



1997
Honda associates in Southern California begin volunteering one day a month as Rolling Readers, reading to preschool through fifth grade students.

The Honda Initiation Grant Program is established to provide research grants to universities across North America.

2002
Honda begins support of Washington D.C.'s Living Classrooms Foundation.

2006
Honda establishes North American Diversity Committee to address diversity and inclusion initiatives for the company.

2009
American Honda Foundation celebrates 25 years.



Honda Campus All-Star Challenge



Living Classrooms



Battle of the Bands

INVESTING IN COMMUNITIES

The American Honda Foundation Grants for Fiscal Year 2008

ORGANIZATION (LOCATION)	PROGRAM TITLE
Algalita Marine Research Foundation (LONG BEACH, CA)	GIS Student/Research Interaction and Public Education Program
The Center for Science Teaching and Learning (ROCKVILLE CENTRE, NY)	Modular Science Exhibits
Chabot Space & Science Centers (OAKLAND, OH)	Techbridge
Cuyahoga Community College Foundation (CLEVELAND, OH)	Science, Engineering, Mathematics and Aerospace Academy Program
Detroit Educational Television Foundation (WIXOM, MI)	Think Squad
Dramatic Results (SIGNAL HILL, CA)	Increasing Math
Everybody Wins! DC (WASHINGTON, DC)	Power Lunch and Readers Are Leaders Programs
Gateway to Science (BISMARCK, ND)	Mobile Laboratory Project
Intrepid Museum Foundation (NEW YORK, NY)	Propel Yourself Forward
Jackie Robinson Foundation (LOS ANGELES, CA)	Education & Leadership Development Program
MK Level Playing Field Institute (SAN FRANCISCO, CA)	Summer Math and Science Honors (SMASH) Academy
National Aquarium In Baltimore (BALTIMORE, MD)	Aquarium on Wheels
New Haven Ecology Project (NEW HAVEN, CT)	Lessons from the Land
New Horizons (GLENDALE, CA)	MathWorks, Inc.
New York Hall of Science (NEW YORK, NY)	Science Career Ladder Program
Pajama Program (NEW YORK, NY)	Pajama Program
Perkins School for the Blind (NEW HAMPTON, MA)	The Science Enhancement Project
United Negro College Fund (LOS ANGELES, CA)	STEM Scholars Program
Winston-Salem State University (WINSTON, NC)	Girls Empowered By Mathematics and Science

Just as Honda develops innovative products, the company also develops innovative programs to support the needs of communities. Honda benefits greatly from the resources of the communities where it does business. In return, the company is dedicated to supporting these communities through unique programming, corporate contributions, associate volunteerism, and foundation giving. The variety of programs allows Honda to be involved in a broad range of initiatives focused on youth, education, science, and technology.

- Working with the YMCA, Honda helped create the National Youth Project Using Minibikes program in 1970 as an innovative way to positively impact the lives of disadvantaged youth.
- Honda opened the Eagle Rock School and Professional Development Center in 1993 to intervene in the lives of students who have struggled to succeed in traditional school settings.
- Honda's support of The Living Classrooms Foundation has enabled more than 7,300 low-income students in Washington, D.C. to participate in hands-on educational programs aboard a historic buy boat on the Anacostia River.
- Honda Battle of the Bands was the first national program showcasing the pageantry and showmanship of the Historically Black Colleges and Universities. Honda awards grants to participating marching bands each year.
- During the past 15 years, 1,900 Ohio associates have volunteered more than 500,000 hours to local non-profit agencies as part of the Honda Heroes volunteer program.
- Last year, Honda provided a grant to the Detroit Symphony Orchestra to support and expand the Orchestra's music programs for young people in Detroit.
- Taught in schools, churches and women's groups, the American Honda Finance Corporation's Power of Credit educational program provides lessons about how to maintain good credit.

» See all of the local and national programs that Honda supports at publicpolicy.honda.com/communities.

Honda Campus All-Star Challenge

One of the original community outreach programs created by Honda is the Honda Campus All-Star Challenge. Launched in 1989, it was the first-ever academic competition between students at America's Historically Black Colleges and Universities (HBCUs). To date, more than 50,000 HBCU students have participated, and Honda has awarded millions of dollars in grants to HBCUs to enhance campus life through improved facilities and academic resources. Honda's involvement is much more than that of a sponsor. The company is an active program participant, investing significant staff support. In addition, many Honda associates serve as volunteers in the program.

Honda In AMERICA

- » \$12.1 billion total capital investment.
- » 28,000 associates.
- » \$2.1 billion payroll in 2008.
- » 545 U.S. suppliers.
- » \$17.5 billion U.S. parts purchases in 2008.
- » 13 R&D facilities.
- » Nearly 76 percent of Honda and Acura vehicles sold in the U.S. in 2008 were manufactured¹ in North America.
- » More than 99 percent of all Honda and Acura 2008 models sold in the U.S. earned NHTSA's top 5-star frontal crash safety rating.
- » 987,000 cars and light trucks, 1.3 million vehicle engines, 1.2 million general purpose engines, 323,000 power equipment products, and 184,000 powersports products (motorcycles, personal watercrafts and ATVs) produced in the U.S. in 2008.

¹ Using domestic and globally sourced parts.

Is it an economical sports car?
Or is it a sporty economy car?

Can you handle the popularity?
Own a Honda and suddenly you're a powerhouse of personal inspiration. There's no seeing this sleek, sleek, sleek sport around of the four stroke OHV engine. Works wonders with girls. Prices start about \$215. Upkeep is low. And you meet the nicest people. That's a big draw, right there. World's biggest seller: **HONDA**

1983 Car and Driver 10 Best List.
1984 Car and Driver 10 Best List.
1985 Car and Driver 10 Best List.
1986 Car and Driver 10 Best List.
1987 Car and Driver 10 Best List.
1988 Car and Driver 10 Best List.
1989 Car and Driver 10 Best List.

There's a pattern here somewhere.

Rare Accord.

You meet the nicest people on a Honda.

What will be.

Finally, a sports car for people with more than one friend.

One good turn deserves another.

The Honda Civic 1.8i VTEC, 16-Valve, 180-hp, 2008 EPA 24/34/31. The Honda Civic 2.4i VTEC, 16-Valve, 195-hp, 2008 EPA 24/34/31. The Honda Civic Hybrid, 16-Valve, 141-hp, 2008 EPA 48/48/44. The Honda Civic EX-L, 16-Valve, 195-hp, 2008 EPA 24/34/31. The Honda Civic LX, 16-Valve, 195-hp, 2008 EPA 24/34/31. The Honda Civic Si, 16-Valve, 200-hp, 2008 EPA 24/34/31. The Honda Civic Hybrid EX-L, 16-Valve, 141-hp, 2008 EPA 48/48/44. The Honda Civic Hybrid LX, 16-Valve, 141-hp, 2008 EPA 48/48/44. The Honda Civic Hybrid Si, 16-Valve, 141-hp, 2008 EPA 48/48/44.

