

HONDA ANNOUNCES GLOBAL ORGANIZATION CHANGES

May 20, 1994 -- Honda Motor Co. today announced organization changes aimed at further strengthening the efficiency of its regional business operations around the world. These changes will take effect June 29, 1994.

Under the new framework, Honda's global business operations (automobiles, motorcycles, power equipment and parts), will be integrated in four regional operations (the Americas, Europe/Middle East/Africa, Asia and Japan).

Each of the four regional operations will have more autonomy in making decisions for those markets.

The Chief Operating Officers for each of the four regions will be report to an executive committee which will include Honda's Chief Executive Officer, Nobuhiko Kawamoto.

In Japan, meanwhile, four business units -- motorcycles, automobiles, power products and service parts -- will coordinate the company's global strategies.

Two additional global units will be formed to support each regional operation:

Business Support Operations (Human Resources, Administration, Public Relations and Information Systems)

Business Management Operations (Finance, Accounting and Affiliated Businesses)

Each unit will have COO who will report to the executive committee. Honda believes that these changes will have the following impacts:

- + The COO of each region will have more day-to-day responsibility for decision-making in that region
- + Improved self-reliance of Honda operations in each region
- + Improved global planning and coordination in sales, product development, manufacturing and procurement
- + Maximized focus of Honda's global resources in each region, enabling the company to create more effective global strategy

BACKGROUND

Since 1991, Honda has been changing its organization step by step to cope with dramatic changes in the global business environment. These changes have been made with the objective of making Honda's global organization more efficient and effective by helping each regional organization integrate itself more successfully into local markets.

In March, 1991, Honda divided its operations into three regional divisional operations -- automobiles, motorcycles and power equipment. In June, 1992, the company divided its automobile business into four regional operations: Japan, North America, Europe, and Rest of World.

The changes announced today are the latest step toward further enhancing Honda's global organization and its ability to implement its global strategies.

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