



Source of Value Creation

Honda Philosophy	07
Handing Down Our Values	09
Growth Trajectory	11
Honda's Businesses	13
Honda Brand	15

Honda Philosophy

The Honda Philosophy, imbued in the Company by its founders Soichiro Honda and Takeo Fujisawa, comprises Fundamental Beliefs (Respect for the Individual and The Three Joys), the Company Principle and Management Policies.

The Honda Philosophy is not only shared by all associates, but also forms the basis for all company activities and sets the standard for the conduct and decision-making of all associates throughout the Honda Group. Driven by its dreams and reflecting its values, Honda will continue taking on challenges to share joys and excitement with customers and communities around the world to strive to become a company society wants to exist.



Fundamental Beliefs

Respect for the Individual

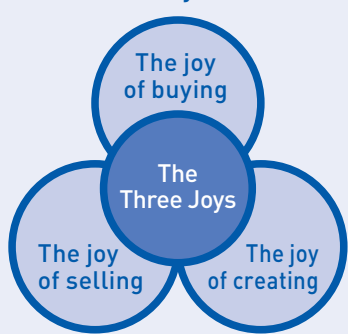


- Initiative:** Initiative means not to be bound by preconceived ideas, but think creatively and act on your own initiative and judgment, while understanding that you must take responsibility for the results of those actions.
- Equality:** Equality means to recognize and respect individual differences in one another and treat each other fairly. Our company is committed to this principle and to creating equal opportunities for each individual. An individual's race, sex, age, religion, national origin, educational background, and social or economic status have no bearing on the individual's opportunities.
- Trust:** The relationship among associates at Honda should be based on mutual trust. Trust is created by recognizing each other as individuals, helping out where others are deficient, accepting help where we are deficient, sharing our knowledge, and making a sincere effort to fulfill our responsibilities.

Honda is a group of individuals who fulfill their respective roles toward realizing common goals. In the process of fulfilling these roles, each person is expected to utilize his or her unique attributes. Every achievement at Honda is the culmination of the hard work of each and every person. Therefore, each individual deserves respect for making these efforts.

Respect for the Individual must also be applied not only to the members of the Honda Group but also to our business partners and all the people and companies we work with.

The Three Joys



- The joy of buying:** The joy of buying is achieved through providing products and services that exceed the needs and expectations of each customer.
- The joy of selling:** The joy of selling occurs when those who are engaged in selling and servicing Honda products develop relationships with a customer based on mutual trust. Through this relationship, Honda associates, dealers and distributors experience pride and joy in satisfying the customer and in representing Honda to the customer.
- The joy of creating:** The joy of creating occurs when Honda associates and suppliers involved in the design, development, engineering and manufacturing of Honda products recognize a sense of joy in our customers and dealers. The joy of creating occurs when quality products exceed expectations and we experience pride in a job well done.

Honda's businesses enhance personal mobility and provide products with value and create employment opportunities. At the same time, however, these businesses also have a negative impact on the environment and local communities. To win the trust of society, Honda must provide products, technologies and services demanded by society while minimizing negative impacts on society.

We believe that sincerely responding to the changing demands of society based on the philosophy of "The Three Joys" will truly make Honda a company recognized and counted on by society.

Company Principle

Maintaining a global viewpoint (1), we are dedicated (4) to supplying products of the highest quality yet at a reasonable price (3) for worldwide customer satisfaction (2).

(1) Maintaining a Global Viewpoint

Honda's operations span the world. For this reason, all Honda associates must continuously improve the quality of their work with an eye toward attaining the world's highest levels while striving to provide products and services that exceed customer expectations in accordance with the different characteristics of each region of the world. The world is currently facing issues on a global scale such as environmental destruction, depletion of resources and energy, and food shortages. Honda recognizes that its own activities also have a significant negative impact on society and in response will tackle the challenge of addressing global issues.



(2) For Worldwide Customer Satisfaction

Honda's business is assured only by the existence of customers who buy our products. With this in mind, all associates at Honda must make their utmost efforts at their respective jobs to meet and exceed the expectations of all our customers throughout the world.

Besides just responding to the specific needs of our customers, we must also address changes in the times encompassing society, culture and lifestyles. We must be always ahead of the times and highly perceptive to quickly pinpoint latent customer needs.



(3) Supplying Products of the Highest Quality Yet at a Reasonable Price

The high-quality products we strive for are created through a series of corporate activities. They include carrying out the best design in terms of safety, the environment and performance; using the most appropriate raw materials; undertaking production utilizing the most productive manufacturing methods; and then carrying out sales and providing services that ensure the joy of our customers. At the same time, to realize reasonable prices, we must aim for maximum effectiveness and efficiency in all aspects of product design, manufacturing, sales and other business activities. Genuine improvements are created by discovering new ways to attain the dual imperatives of high-quality products and reasonable prices.



(4) We Are Dedicated

Honda's success is the result of all colleagues making their utmost efforts toward reaching common goals. The word "we" is used in recognition of the importance of each and every person making up our company. All Honda associates play their respective roles as they participate in corporate activities. The word "we" also expresses the idea that each person is an individual who thinks and acts independently toward the attainment of common goals. At the same time, it signifies that we are colleagues who mutually learn from and trust. "We are dedicated" will ultimately lead to the true joy of our work.



Management Policies

- Proceed always with ambition and youthfulness.
- Respect sound theory, develop fresh ideas and make the most effective use of time.
- Enjoy your work and encourage open communications.
- Strive constantly for a harmonious flow of work.
- Be ever mindful of the value of research and endeavor.

Handing Down Our Values

Values That Have Been Handed Down throughout Honda's History.



Let's Think,
"What Can I
Do for Society
and for Others?"

Honda founder Soichiro Honda urged us to think, "What can I do for society and for others?" In other words, this strong determination asks how we can keep our aspirations high and maintain a burning passion for realizing these aspirations. To be useful to society and share joy with many stakeholders, we will continue anticipating the needs of the times and contribute to advancing a mobility society leveraging our unique technologies.

Utilize Uniqueness Not Difference

Honda believes "there is no difference among people, there is only uniqueness, in the abilities of each individual." Put simply, it is more important to demonstrate the capabilities of each person than comparing the superiority of his or her strengths with those of others. To maximize capabilities as an organization, we believe that it is crucial to recognize each person's individuality and make efforts to bring out such special qualities to the fullest.



Carry Our Own Torch



Since its founding, Honda has continuously been a company which has "carried the torch with our own hands." In other words, Honda will walk its own path while exploring new paths where no person has yet set foot, opening unexplored lands overgrown with thorns, brightly burning "the torch of great ambition" and holding the torch on its own.

Take the Hardest Road

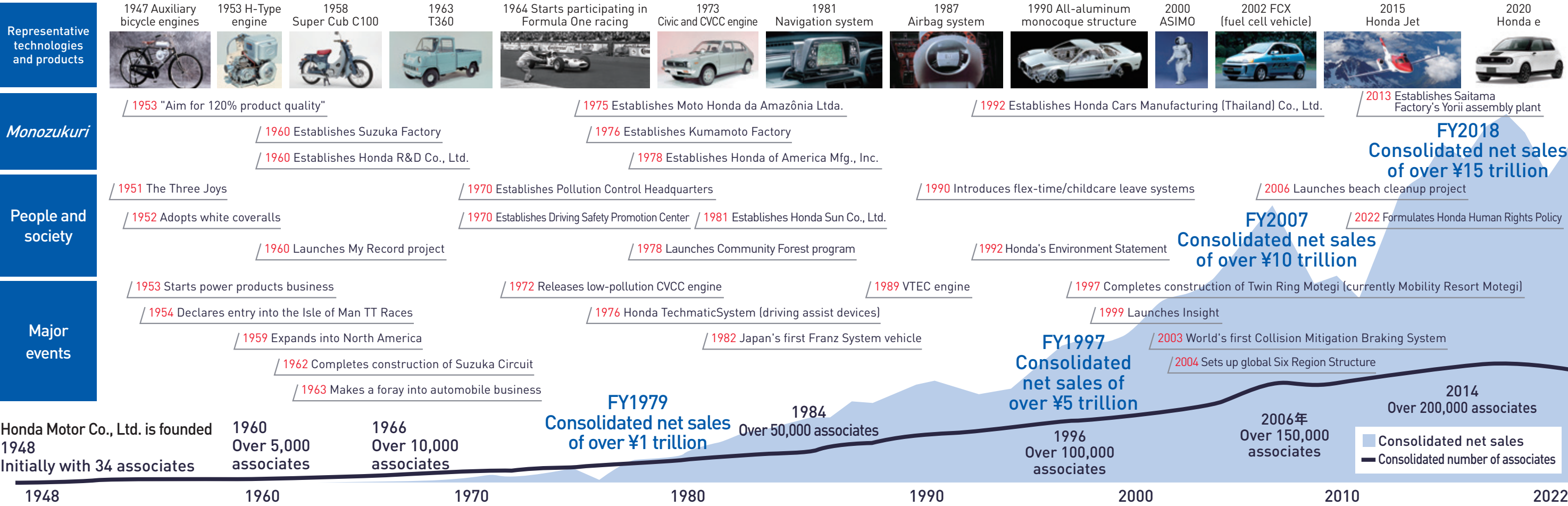


We have continued to take on challenges, no matter how difficult they may seem, to fulfill our aspirations, thinking outside the box and making the "impossible" happen.

Growth Trajectory

Using dreams as a driving force, Honda has created products that make the daily lives of people more convenient across the world by responding to the needs of each era and continuing to take on challenges in the fields of automobiles, motorcycles, power products, aircraft and robotics through innovative technologies and ideas.

– History of Challenges Honda Has Taken On to Fulfill Dreams and Respond to the Needs of the Times –



1948–1960
Founding
– "How easy would riding a bicycle be if it had an engine?" –

[Historical background]

As a nation defeated prior to the conclusion of the San Francisco Peace Treaty, Japan was still under the occupation of the Allied Forces, suffering from food shortages and starvation. Amid the traffic situation that has worsened from before the war, bicycles were a daily means of transportation for people and an instrument to carry a large amount of goods.

[Honda's initiatives]

Upon encountering the former Imperial Army's generator engines for powering wireless radios, Soichiro Honda converted them into auxiliary engines for bicycles and then launched sales. He subsequently developed and commercialized an original engine. He then pushed ahead with his ambition of giving shape to his unique ideas and creating world-first products with bold and original designs. These efforts culminated in the creation of the Super Cub motorcycle, which became a huge hit.

1960–1980
Aim to be the No. 1 in the world
– Provide joy to customers throughout the world –

[Historical background]

As motorization picked up speed across the globe, the Ministry of International Trade and Industry announced the National Car Concept in 1955, which also accelerated motorization in Japan. Nonetheless, from the standpoint of protecting industries, the country announced the Specified Industry Promotion Bill in 1961 (to limit the entry of new companies, which was defeated later). Pollution from automobile exhaust gas also emerged as a major problem. In response, the Muskie Act was passed in the United States in 1970.

[Honda's initiatives]

Under the belief that there should be free competition, Honda prepared for the enforcement of the bill by accelerating its entry into the automobile business. In 1972, Honda released the world's first low-pollution CVCC engine to fully comply with the Muskie Act, which was said to be the most stringent emission regulations at the time. Also, driven by its conviction that Honda can become No. 1 in Japan only when it becomes the best in the world, Honda bolstered its international competitiveness by establishing sales networks and production bases worldwide to create products that offer the world's top levels of performance from the customer's perspective.

1980–2000
Taking on challenges toward new technologies
– Dreams and technologies, rolling out appealing products –

[Historical background]

Electronics technologies were developed rapidly in the automobile industry from the 1970s with the worldwide advance in improvements and spread of IT and other technologies. However, this technological progress also had a downside, as underscored by such social issues as the degradation of the natural environment, traffic congestion, frequent traffic accidents and issues involving defective vehicles.

[Honda's initiatives]

Honda focused on sketching an image of automobiles that evolve in step with advances in electronics technologies, formulated an electric component strategy that anticipates the future and created new value (navigation system, etc.). While providing products equipped with features that consider social issues, such as the Franz System, Honda also actively developed products that appeal to customers by utilizing its involvement in Formula One racing, high performance and design.

2000–Present
Toward becoming a company society wants to exist
– Serve people worldwide with the "joy of expanding their life's potential" –

[Historical background]

The world became connected through the Internet while digitalization and mobilization continue to advance. Meanwhile, globalization progressed both politically and socially. There was a relative rise of emerging countries following the U.S. 9-11 terrorist attacks, the Iraq War and the collapse of Lehman Brothers. Expectations are being placed on companies to resolve environmental and social issues, including making efforts toward the SDGs.

[Honda's initiatives]

To meet the needs of customers worldwide, Honda undertook its business with the global Six Region Structure, which includes the Regional Operations in China and South America. As a frontrunner in terms of the environment and safety, Honda has offered customers worldwide products with technologies that realize low pollution, low fuel consumption and superior safety. Honda aims to further create new value during the current transformation period that occurs only once in 100 years.



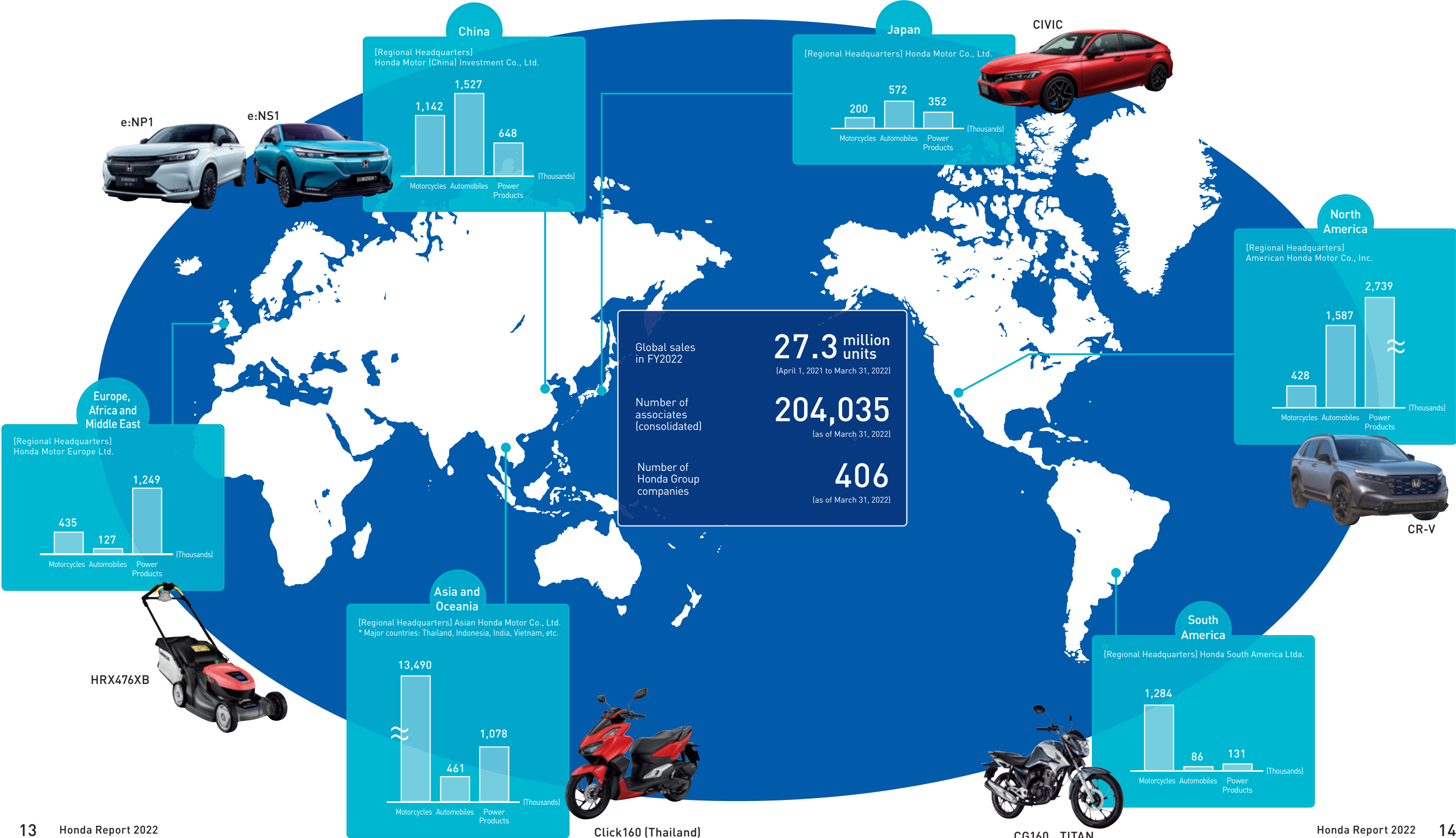
Honda's Businesses

Honda's Businesses

As a total mobility company that realizes the joy and freedom of mobility Honda undertakes creative *monozukuri* (the art of manufacturing) in the respective fields of automobiles, motorcycles, power products, aircraft, aircraft engines and robotics technology. By linking our technologies and know-how, Honda will continue to produce products beneficial to next-generation mobility that opens up future possibilities and to people's lives.

Global Development

Based on the concept that "important matters lie beyond the road of globalization," Honda has expanded overseas since commencing the export of motorcycles in the 1950s. Currently, we operate Regional Operations in the six regions of Japan, North America, South America, Asia/Oceania, Europe/Africa/Middle East and China and provide products and services to customers throughout the world.



Honda Brand

Since its founding in 1948, it has been Honda's desire to

"help people and society" and
"expand the potential of people's lives."

By offering a broad range of mobility and power units that leverage our own technologies, ideas and designs, we have been providing people with power to take action and value that contributes to the evolution of mobility and livelihoods.

Our "2030 Vision" makes the statement that Honda will

"Serve people worldwide with the
'joy of expanding their life's potential'."

While sharing this feeling,

each and every associate has been making
individual efforts to create the Honda Brand.

At the core is the Honda Philosophy.

Honda regards the basic principles of "Respect for the Individual" and "The Three Joys" as not mere words but also as something shared as the values of each person and the standards of behavior and judgment.

The accumulation of these principles is nothing less than a brand asset.

By becoming a force that supports people
who are determined to take a step forward,

Honda will continue striving to expand the potential of people's lives.

As a banner for leading these activities, we aim to strengthen the Honda Brand.

