

HONDA

The Power of Dreams

THE MARKET

Honda, the world's largest engine manufacturer, is involved in many different market segments in Australia. They range from prestige cars via motorcycles, outboard engines and power equipment to general purpose engines for original equipment manufacturers.

Offering state-of-the-art technology, scrupulous quality, safety and superb performance, Honda sells more than 200,000 products each year into the Australian market and 15 million products globally.

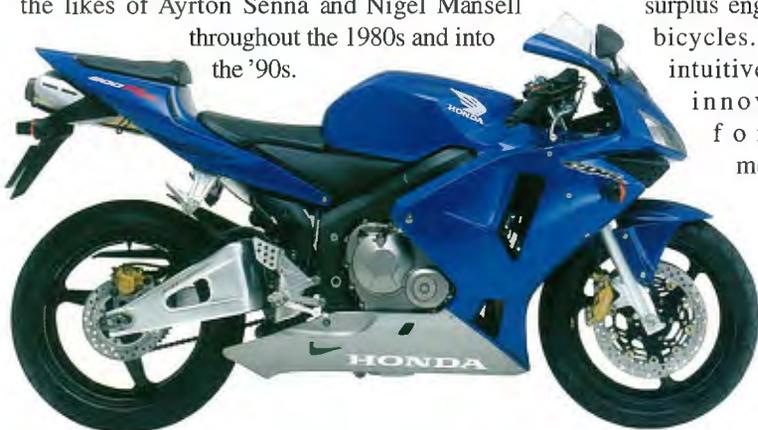
The remarkable penetration of the Honda brand in Australia has been made possible by the variety of products and the sales and service dedication of over a thousand retail outlets and 280 OEMs. The great range of products means that customers are constantly introduced to the Honda brand at many different points.

ACHIEVEMENTS

The Honda brand can list many major achievements over its history, partly due to the multitude of markets that it serves.

In 1949, the first 'Dream' D-type motorcycle was produced, setting the stage for all of the many races Honda has since won. In 1961, Honda Racing Team took out the first five places in the Isle of Man TT Race. Today, Honda dominates the Moto GP Championship which Valentino Rossi won from 2001 to 2003. Honda dominated this premier class for two decades with Australian riders Wayne Gardner and Mick Doohan. Indeed, Honda achieved its 500th World Grand Prix victory in motorcycle racing in 2001!

But two-wheeled Hondas weren't the only successful ones. Honda's first sports car (S500) and light truck (T360) were released in 1963 and only three years later in 1966 Brabham Honda won 11 straight races, a first in F2 racing. Honda has progressed with many milestones on and off the track including the domination of F1 racing with the likes of Ayrton Senna and Nigel Mansell throughout the 1980s and into the '90s.



HISTORY

Soichiro Honda, the founder of one of the world's mightiest motor corporations, was born in Hamamatsu, in the Shizuoka Prefecture of Japan, in 1906. His father owned a blacksmith's shop and repaired bicycles as a sideline.

As a teenager, Soichiro Honda was apprenticed to a car repair shop in Tokyo. He embarked on a number of his own projects, displaying an exceptional gift in technical innovation. He even hand-built racing cars which notched up a string of victories on the Japanese circuit.

Founding his own business in the 1930s, Mr Honda tested his talents behind the wheel of a racing car, but an accident ended his career. He then studied metallurgy, and started a business producing engine parts.

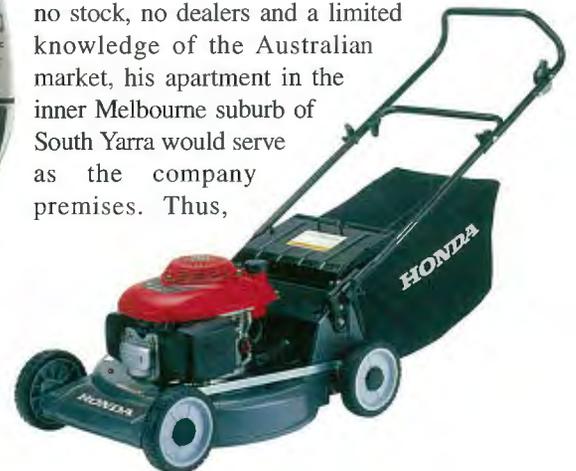
After the devastation of World War II, Mr Honda revived his business by fitting war surplus engines to bicycles. The intuitive and innovative former mechanic



concentrated on designing and manufacturing products which appealed to him - starting with motorcycles. By 1948, the company began to prosper as Japan's post-war economy took its first, bold steps towards expansion.

A partner, Mr Takeo Fujisawa, looked after the commercial side of the new enterprise, leaving Mr Honda free to design and test. They worked in harmony out of a tiny rented factory, and continued this management style even when the Honda company had established itself as a major multinational business, until both retired from active participation in 1973.

In Australia, Honda products were imported by various companies in almost every state before an official presence was established in 1969. The first moves towards a unified, national representation were modest. Mr T. Shiomi, Honda Australia's first General Manager, decided that since he had no staff, no stock, no dealers and a limited knowledge of the Australian market, his apartment in the inner Melbourne suburb of South Yarra would serve as the company premises. Thus,



Honda Australia started officially on February 4th, 1969 in a rented flat.

Honda grew enormously during the following decades and in October 1991 Honda MPE was established. Dedicated to Honda Motorcycles, Power Equipment and Marine, and separate from Honda cars, the company was formed to focus attention on the many opportunities in the Australian market.

THE PRODUCT

The strength of the Honda brand derives from the simple fact that each Honda product is designed, engineered and manufactured to be the leader in its field, delivering optimum performance, reliability, economy and world leading emission levels.

Honda's advanced engineering has created the world's best engines, and as a result, Honda is the world's largest and most successful engine manufacturer.

Honda's first product, the A-type bicycle engine, was produced in small quantities in 1947. Today, in Australia, more than 80,000 engines are sold each year to Original Equipment Manufacturers. These engines power the likes of icons such as Victa, Rover, Onga and Davey, who badge their own products powered by these outstanding Honda engines.

Honda's commitment to the environment and quality motor vehicle manufacturing has been thoroughly demonstrated by the introduction of the unforgettable Civic, Accord, Legend, NSX, CRV, S2000, MDX and, more recently, the Insight which is a hybrid motor vehicle.

The GB30 outboard engine was released in 1964, and today Honda offers the largest and cleanest range of four-stroke engines in the world, ranging from 2 to 225hp.

The first Honda power product, the F-150 Tiller, was released in 1959 followed in 1965 by the E300 portable generator. Today, Honda is a market leader in the Power Equipment market in Australia with products ranging from lawn mowers to brushcutters, generators, tillers and pumps.

RECENT DEVELOPMENTS

Honda has brought the world a myriad of leading edge technologies, such as the CVCC (Compound Vortex Controlled Combustion), fitted to the first automobile engine to meet the US Clean Air Act requirements. More recently, Honda led the world in bringing to market a fuel cell vehicle, the FCX.

Honda's ongoing efforts in research and development play a central role in helping create original, innovative products that meet both the expectations of customers and the needs of society. Honda's Wako Research Centre focuses on fundamental research in the fields of electronics, biotechnology and new materials. Four facilities

share the initiative in developing new products for tomorrow, with a focus on increased durability, reliability and performance.

Honda was the first company in the world to develop a humanoid robot capable of autonomous, bipedal motion. Honda's advanced robot, ASIMO, incorporates artificial intelligence enabling the robot to understand and independently respond to body language and gestures. Honda's goal is to create a robot that will be a true partner to humankind.

Honda is also taking aim at the sky. Two of Honda's recent challenges include the development of a compact business jet and a piston aircraft engine. Honda's US R&D operation has already created a prototype of the jet, which is entering the test flight phase.



Established in Japan, the US and Germany in 2003, Honda Research Institute (HRI) has been charged with fundamental research and is working closely with local scientific communities. HRI is applying research in the field of artificial intelligence to enhance automotive safety and to develop advanced robots, and is using new materials research to support the development of ultra-lightweight materials and new catalysts for fuel cells. In the area of biotechnology, HRI is also investigating the feasibility of deriving automotive fuel from plants.

PROMOTION

Honda utilises a mixture of television, radio, press, outdoor and electronic advertising. Supporting the promotion of the brand is the racing program, with Honda participating both domestically and internationally.

A fundamental component of supporting brand awareness is corporate identification; with over 1,000 retail outlets, Honda has a very strong external presence within Australia.

BRAND VALUES

Since its foundation, Honda has been powered by dreams. The ongoing dream is to provide genuine satisfaction to people everywhere. Products of the highest quality at a reasonable price are the core of "The Power of Dreams" which encapsulates Honda's core values.

Honda's mission is to offer products, technologies and services that contribute to society and improve people's lives. Dreams are central to all activities and Honda's respect for people and their individual differences has led to a free, vital corporate culture that encourages creativity.

To ensure that Honda



meets local needs, the company has gone beyond establishing local sales networks. Many products are not only manufactured but also developed in the regions where they are used. Honda has more than 120 manufacturing facilities in 29 countries outside Japan, producing motorcycles, automobiles, and power products that bring Honda in contact with over 15 million customers each year.

At the same time, Honda recognises its social responsibility as a corporate citizen. Honda is working to reduce the impact on the global environment at all stages of its operations, from development and production to sales. This involves improving the efficiency with which the company uses energy and other natural resources, reducing harmful emissions and increasing the fuel efficiency of its products, as well as creating green factories to help solve the world's environmental problems.

THINGS YOU DIDN'T KNOW ABOUT HONDA

- The Honda Collection Hall in Japan houses 50 years of Honda innovation from the motorised bicycle built by Soichiro Honda in 1948 to a prototype jet aircraft engine now under development.
- The Collection Hall includes a priceless link with Australian history: Sir Jack Brabham's Honda-powered Formula 2 car in which he won the 1966 European title with a record number of victories.
- Honda's indoor car-to-car omnidirectional crash test facility, the world's first, was completed in 2000 and provides collision simulation conducted under real world conditions.
- Honda has built more than 300,000 lawnmowers at Honda Manufacturing Australia (HMA) in Melbourne.
- Honda Australia Roadcraft Training (HART) provides rider and driver training to more than 12,000 riders and drivers each year.
- Honda Australia Riders Club (HRCA) has more than 75,000 members and organises events such as ride days, track days and Moto GP hospitality.
- In December 2002 Honda began to deliver the FCX motor vehicle, powered by a revolutionary fuel cell, to Japanese customers. This demonstrates Honda's commitment to the environment in engineering and manufacturing.

