



Hello Discover Honda's Dreams U.S. Study Trip Attendees!

My name is Charles and it's truly my JOY to be one of your corporate hosts during the DHD-US study trip in June. Thank you for your registration. This is 1 of 3 homework emails to help you prepare for our trip. Please keep the following info confidential and do not forward/post.

#### Warm-up Lap

It's best if you find a quiet time and place to read the following info, links and watch the videos. Trying to do it in between helping customers won't be productive for them or you. I also strongly recommend that you leverage the larger screen of a PC or laptop rather than trying to ingest the voluminous content on your cell phone. Some even prefer to print hard copies to take notes on. Before we embark on our journey of discovery, it is important that you have context about where we are going, why we are going there, and what you will see. We have carefully selected these venues to maximize your learning. Many are not open to the public, or even to all of the Honda associates working at that facility. We strongly encourage you to review each part of the pre-study curriculum thoroughly, click through the links, and read the articles in their entirety in advance of the trip. Knowing this info ahead of time will add significantly to your experience and understanding of what makes Honda unique.

#### Go to the Spot

Honda has a philosophy that compels us to "go to the spot." It's part of the "Three Realities Principle," a basic Honda concept in research and problem solving. In the face of any business challenge, the three realities means that we should 1) go to the actual spot to 2) learn the real situation from the people with direct experience and 3) be realistic in making decisions. In other words, gain information as directly as possible from the source, through hands-on experience, using our own senses of touch, sight and hearing. This method helps to create realistic understanding and solutions. We are fortunate to visit many spots and meet key individuals during our journey. Each experience holds a special place in Honda's Dreams - some will reveal important elements of the past and some signal the future. Besides increasing your knowledge about Honda, we hope that you will feel an even larger sense of intrinsic

pride for representing our brand. I say "our" because YOU are Honda to our customers. Additionally, we have carefully selected a few corporate hosts, from various disciplines, that will accompany us to share their unique knowledge and expertise with you. By the end of the trip, you will be so well versed in Honda knowledge, that you will be our honored guests at a formal graduation ceremony. OK, here's the lesson.

### U.S. Origins

Being our own distributor in a new country was a big deal. When we started American Honda in 1959, it was unheard of for a Japanese company to do it themselves. Virtually everyone farmed this job out to an established American distribution supplier who already understood the business. In fact, some of our major competitors like Toyota and Subaru still do. But our challenging spirit encourages us to learn the job ourselves and then do it better. AHM founder Kawashima credits this direct distribution strategy - being closer/quicker to service the customer - as a cornerstone of our early success. Another key advantage is that we depend more on rail shipping as compared to our competitors. This option has numerous benefits such as higher speed, more cost efficiency, and a reduced environmental footprint. One clarification: "American Honda" (AHM) is the business HQ in Torrance, CA, whereas "Honda of America" (HAM) is the manufacturing arm in Marysville, OH. Please learn more about our origins here:

<http://world.honda.com/history/challenge/1959establishingamericanhonda/index.html>

### The Three Joys

Fundamental to Honda's philosophy are the "Three Joys". In 1955, Mr. Fujisawa, Honda's co-founder, stated emphatically, "no company can survive without putting the joy of customers first". This really sets the stage for our pride and enthusiasm. Here's the original manifesto as presented by Mr. Honda in 1951:

<http://world.honda.com/history/limitlessdreams/satisfaction/page03.html>

### The Joy of Creating/Producing

Since there are 3 Joys and 3 emails, let's focus on 1 Joy per email. "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." We try to walk the walk. Check out these genuine comments from associates about their Joy:

<https://www.youtube.com/watch?v=DNNDuK0LoM>

### Honda R&D Americas

Being the first Japanese OEM to build cars in the United States (Accords, Ohio, 1982) was a strategic game changer, and it was eventually copied by our competitors. However, production was just the beginning of a much bigger dream. By 1987, Honda developed a 5-part plan for North American expansion which included additional US content, another line, and product development capabilities. Again, radical thinking for a Japanese nameplate back then. This spot is now the mecca of hardcore Honda Automobile Engineering in North America. Code named HRA, it's the top-secret, sacred ground, skunk works lab where future dreams become viable products. Frankly, getting unprecedented access was a tough ticket. But we told them that you are the best-of-the-best, hand-picked rock stars who make it happen for us on a daily basis, so they designed a very special day. There are only a handful

of auto companies capable of full product development in the US, from product conception through issuing final drawings, so it's a huge point of pride for us. But wait, there's more! Besides the ability to fully design, engineer and test all-new vehicles here, they also now contribute to integrated global product development. Check out these links:

<https://hondainamerica.com/r-and-d/>

[http://world.honda.com/history/challenge/08\\_creativity/index.html](http://world.honda.com/history/challenge/08_creativity/index.html)

<https://www.hemmings.com/blog/index.php/2013/03/14/fuel-economy-emissions-and-a-cvcc-equipped-chevrolet-impala/>

#### Honda of America Manufacturing (HAM) - Marysville Auto Plant (MAP)

We have a strong belief in building products in markets where we do business. Besides contributing to being a company that society wants to exist, it yields many benefits such as local investment, reduced shipping for parts/products, and improved logistic coordination. If you have never been to an auto assembly plant before, this will be a treat. Even our tenured pro Trainers boast that visiting HAM was a highlight of their career. They share specific learnings from this venue on a daily basis. For example, here's a fun fact: Some of the critical tooling, fixtures, and robotics which build the cars are designed by Honda! We have a separate engineering company (EG/EGA) which does that. Anybody can build cars, but Honda builds the machines which build our cars. During our specially designed tour, I have asked for various supervisors to speak to us - in real time along the line - about the proprietary processes and high quality that goes into building our phenomenal product. Please learn more about HAM origins at the essay here and then click to see the exterior of the facility:

<http://world.honda.com/history/challenge/1980establishinghondaofamerica/index.html>

<https://ohio.honda.com/our-operations#facilities>

#### Go Postal

You will be receiving hardcopy brochures about some venues and Honda's Philosophy in the mail. Please read them as they offer more detail. Typically issued only to our internal associates, the Top Talks book is a quick read about the way Honda thinks, and I suggest that you read it in advance of the trip. However if you are slammed, please at least get through chapter 1 including: 3 Joys (p. 13), 120% Quality (p. 22), & TT Entry (p. 29).

#### One Team Honda

One of our strongest differentiators is our diverse product lineup. In 1971, we had a tag line "From Mighty to Mini, Honda has it all!" Always remember that beyond designing, engineering, producing and distributing class-leading cars and trucks, we are a mobility company. And while we are humble about it, the fact is that we are, by far, the largest engine manufacturer in the world. Why not share that fun fact with your customers? Here's a decade old TV spot which speaks to our whole "One Team Honda" lineup, racing, and the excitement it brings. Hopefully it can start revving you up for the trip:

<https://www.youtube.com/watch?v=7-cBZddcOm4>

### Overall Origins

Here is a brand new, very well-produced video about Honda's Origins from a macro, global perspective. It takes us all the way from Mr. Honda as a boy through to our robots featured at the 2018 CES show. Produced externally by a third party, some of the figures are off (for example, Motorcycle Sales in India) but it is the best one I have seen. Check it out:

<https://www.youtube.com/watch?v=ws1o-N024es&feature=youtu.be>

### Extra Credit for A+ Students

Nuke some popcorn, this one will take about 45 minutes, but it's a classic thriller. Deep from the History Channel archives, here's a summary of examples to illustrate Honda's Origins and Challenging Spirit in the US:

<https://www.youtube.com/watch?v=9YArO5uj51k>

### Victory Lap

OK, enough for round one. This trip is our only opportunity to hang out together, so please understand that we have built an aggressive schedule to maximize your experience. You will be very busy with activities and visits early morning until late evening. Sorry, it's not a relaxing summer vacation. The reason I share this news with you isn't to scare you off, but to advise that you should appoint/delegate your workload to someone else while you are away. The opportunity to get and send messages and/or make calls will be minimal. Real time long-distance communication on this trip is difficult, not only due to lack of time, but many of the venues we visit will not allow cell phones. You may check in with your office before/after our daily activities, while you are on the bus, and there will be a couple of short bio breaks during the day. But short of an emergency, please try to avoid doing business while "class is in session." Your dealer principals went on a similar busy trip to Japan and will hopefully empathize with this request. Finally, thanks for your attention and engagement with this important curriculum. If you have questions or want to discuss the material further, please contact me at the info below. We look forward to spending time with you and sharing our passion for Honda together!

Thank you,

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*"We all have a right to our crazy dreams!"...Soichiro Honda*