

# **Honda to Build New Transmission Plant in Celaya, Mexico**

-- Operation will be on same site as new automobile plant now under construction --

CELAYA, Mexico, May 2, 2013 - Honda de Mexico, S.A. de C.V. (HDM) today announced plans to construct a new transmission plant in Celaya, near the city of Guanajuato, on the same site as the new automobile plant currently under construction that will begin production of the Honda Fit in Spring 2014.

With an initial investment of US\$470 million, the transmission plant will begin operation in the second half of 2015 with an annual production capacity of 350,000 units, with plans to more than double annual output in the coming years. Employment of 1,500 new associates is expected when the plant reaches its full production capacity of approximately 700,000 units annually.

By establishing a production base with outstanding global competitiveness in CVT manufacturing in the same location as the new automobile plant, Honda de Mexico will establish a highly efficient production structure that maximizes local content in Mexico and the rest of North America.

The new transmission plant, Honda's third in North America, will produce continuously variable transmissions (CVTs) for automobiles built in Mexico, where further market growth is expected, as well as for other Honda auto plants in North America and globally. When the new transmission plant reaches full production, Honda's transmission capacity in North America will exceed 2 million units, and will support Honda's capacity to produce 1.92 million automobiles per year in the region.

"We are establishing a production base with outstanding global competitiveness in CVT production in the same location as our new automobile plant in Celaya," said Tetsuo Iwamura, COO of Honda North American Regional Operations. "As we continue to advance our commitment to build products close to the customer, we appreciate the strong support we have received here in Mexico."

Honda established its first Mexican manufacturing operations in September 1985. Two years later, Honda de Mexico started motorcycle import sales and, in March 1988, began production of motorcycle products and automobile service parts in El Salto, Jalisco. Automobile production began in 1995 with the Accord and, in 2007, production switched to the CR-V. Honda de Mexico has a current annual capacity of 63,000 automobiles.

With the new 200,000-unit Celaya automobile plant scheduled to begin operation in February 2014, Honda de Mexico's annual production capacity will increase to a total of 263,000 units. In 2012, Honda sold 54,000 units in Mexico (up 150.6% from a year ago), with sales volume steadily increasing.

The new transmission plant in Mexico will join existing Honda transmission manufacturing operations in Ohio and Georgia, increasing Honda's annual transmission production capacity in

North America from the current 1.375 million units to more than 1.7 million units in 2016, and to more than 2 million units when the Mexican plant reaches full capacity.

### **About Honda**

Honda established operations in America in 1959, and now employs more than 33,000 associates in its North American sales, R&D and manufacturing operations with a capital investment of more than \$22 billion.

Based on Honda's approach of "building products close to the customer" Honda started local production of motorcycles in the U.S. in September 1979. In November 1982, Honda became the first Japanese automaker to begin automobile production in the U.S. Since then, Honda has continued to expand local production, and cumulative production volume of automobiles in North America through March 2013 was more than 25 million units.

Honda now operates 14 major manufacturing facilities in North America, producing a wide range of Honda and Acura automobiles, automobile engines and transmissions, Honda all-terrain vehicles, and power equipment products such as lawn mowers, mini-tillers and general purpose engines, using domestic and globally sourced parts.

Seven Honda auto plants in the North American region, including four in the U.S., have the capacity to produce 1.63 million automobiles each year. In 2012, 90 percent of the Honda and Acura automobiles sold in the U.S. were produced in North America. This will increase to 1.92 million vehicles per year in 2014, when the sales percentage of locally produced automobiles is expected to rise to more than 95 percent.

### **Honda de Mexico, S.A. de C.V. overview**

Established:	September 1985
Capital investment:	5,023,434,270 Mexican Peso
	Honda Motor Co., Ltd. 0.42%
Investment ratio:	American Honda Motor Co. Inc. 99.47%
	Honda of America Mfg., Inc. 0.11%
Representative:	President Isamu Yamaki
Locations:	El Salto, Jalisco Celaya, Guanajuato (under construction)
Business:	Production and sales of motorcycles, automobiles and service parts Sales of power equipment products
Models produced:	Motorcycle: Tool, Cargo, Dio, GL150 Automobile: CR-V
Production capacity:	Motorcycle: 100,000 units/year Automobile: 63,000 units/year
Employment:	Approximately 3,400 associates (as of April 2013)

Source: Honda Motor Co., Ltd.