

HSCI Announces Production Cut Honda Motor reduces production by 50% at plants in Japan

New Delhi, 25 April 2011- Honda Siel Cars India Ltd., leading manufacturer of premium cars in India, today announced production cut at its Greater Noida plant by about 50% from May, 2011.

The announcement comes following a production cut by Honda Motor at its plants in Japan following a shortage of components due to the impact of the Tsunami on its parts suppliers.

Commenting on the situation Mr. Jnaneswar Sen, Sr. Vice President Marketing & Sales said, "We are experiencing gaps in our supply chain due to the situation in Japan, resulting in production cuts. We are moving to single shift operations from May, 2011, while carefully monitoring the situation. We plan to get back to normal production as soon as supplies normalize."

The situation with parts supply in Japan remains fluid, production of component parts and vehicles at Honda plants is at approximately 50% of the original production plan. Honda will carefully monitor the situation and manage its operations accordingly.

Most of Japan-based Honda suppliers are making progress to restart production, and many either have or are ready to resume parts production. However, there are a few suppliers that have yet to resolve the challenge to resume their production. In those cases, Honda is working with its suppliers to help reestablish their operations, while evaluating other possible sources for those parts in the supply chain.

Honda is making every effort to work towards a full recovery after July to reduce inconvenience to customers.

The March 11 earthquake and tsunami in Japan disrupted the operations of automobile component manufacturers in the coastal region, impacting the automobile industry globally.