

PROLOGUE

Head of Section, Head of Department, Head of Company! Words, I say. It's so that chains of command don't get tangled up that we use those labels. They don't say a thing about our worth. Me, I never put my seal on anything as "The President." Maybe I should have been fired!

—Soichiro Honda

"President" is no more than the name of a post in an organization called the corporation. It isn't a rank expressing the greatness of a person. When some people become president, however, they start strutting about like they're field marshal. President is the most hazardous occupation known to man.

—Takeo Fujisawa

A quarter-century after total defeat, the Japanese were enjoying a period of unusual prosperity and hope in government. People spoke of a *showa genroku*, combining the calendric term for their emperor Hirohito's reign with another referring to some of Shogunate Japan's happiest days.

But the good times were growing oversweet in 1973. The name of warlord Toyotomi, the former footsoldier who unified Japan in the sixteenth century, was being mouthed in appraisal of Prime Minister Kakuei Tanaka and his inebriating plan to "Remodel the Japanese Archipelago." The leader of humble origins was yet to be exposed and brought down in a notorious corruption case, the Lockheed scandal.

The U.S. policy decision a couple of years earlier to suspend the dollar's convertibility into gold—the so-called Nixon shock—had generated a vast amount of excess capital in Japan. Companies seeking secure areas of investment were swamping the real estate and stock markets with their surplus funds. Land values skyrocketed, and ordinary people were robbed one after another of dreams of owning a home. Prices, indeed, were on the rise across the board. The Japanese economy was wading step by step into the perilous waters of inflation. The trade surplus reached nine billion dollars, and when the U.S. cut the value of its currency by a tenth in February, the yen's exchange rate was put on a floating basis, where it remains today.

It was early in 1973, too, that cars started to sell like hot cakes for reasons that aren't entirely clear. As summer approached, a number of explosions occurred at various petrochemical complexes in the western reaches of Honshu, the main and largest of the Japanese islands. A goods shortage, of which there had been warning signs enough, soon became a reality, particularly for oil-related products. Brand-new cars that weren't equipped with spare tires started to show up at the dealers.

Still, cars kept on selling. The word "bubble" had not yet assumed an economic meaning, but some balloon was surely swelling beyond control. What was in store just several months hence nobody foresaw: the first oil crisis, and panic in the developed world.

The annual rain season did not last long in 1973 and ceded to a long, hot summer.

The ninth of August was the hottest day of that hectic year, and the heat did not subside with nightfall. The cramped, patchy main lobby of Haneda International Airport was roiling with travelers returning to or fleeing the metropolis. The traditional *obon* holiday season was still a week away, but larger companies had begun staggering their employees' summer vacations. Local and federal agents on strict watch also inflated the crowd. Just that morning, thanks to a caller, police belatedly learned that around noon the previous day, former South Korean presidential candidate Kim Dae-jung had been abducted at gunpoint by five men, in broad daylight, from a hotel in bustling Tokyo. It beat gangster films.

Meanwhile, the special lounge on the second floor was no less stuffy despite the air-conditioning. Well over a hundred reporters awaited the arrival of a man. The soiree's impatiently anticipated star, Soichiro Honda, had turned a provincial factory called Honda Giken Kogyo (Honda Tech-research Industries) into the deservedly far-famed "HONDA" in just a quarter-century.

He had departed ten days ago on an inspection tour regarding the state of the auto industry in China, the Communist giant with whom diplomatic relations had just been restored. While Soichiro had left Japan on an All-Nippon Airways plane chartered by the Japan Amateur Sports Association, he was due back via Hong Kong on a regular service flight, "JL 62" (Japan Air Lines). The aircraft that bore the hero landed safely shortly after eight as scheduled.

The plane taxied to the passenger boarding bridge and docked. When the fore door opened, out came—first in line—a short man wearing a blue jeans jacket and no tie. Soichiro's trademark casual style.

"Hey, I made the papers, didn't I! Well, they got it right too this time. The world's too finely engineered for secrets, it's really a system against hiding anything. So let me just tell you. After I quit, I'll pass all my free time at a driving range, with an eye to becoming a pro."

Like some bully caught in the middle of his latest prank, now and then he shot his visibly scarred left hand up to scratch his balding head. His was an original Japanese, the dialect of his native Hamamatsu cropping up now and then amidst the tunes of working-class Tokyo.

After going through entry and customs, he appeared at the special lounge, the site of the press conference, where the bulk of the reporters waited. He repeated the same gesture but wore a less facetious expression as he elaborated upon his decision to retire.

"Ever since I was a young man I've liked to wear red shirts. Get past sixty, though, and people want to put you in a red *chanchanko*"—a sleeveless kimono, a sort of cardigan. "I'd like to think of myself as young and hale but I'm already sixty-six. Five, six years past that mark of sixty, you begin to lose your management sense, and you can't keep up with society's needs and your employees' demands anymore. In the hurly-burly world of business management, it's not easy to ignore those gaps, and I must say I've been feeling them acutely these days. And that's why I've decided to pull myself from the front line.

"You people call me a 'founder-president,' but a company doesn't belong to an individual or to his family. Honda Motor belongs to our employees and stockholders. Don't you all agree? The boss has got to be young to answer to them... We've found a successor that both insiders and outsiders like a lot. Well, now seems a good time.

"The vice president [Takeo Fujisawa] and I, we're half-good each. We're like apprentice geishas who count as one geisha together. We wouldn't have made it if either of us wasn't there. We're just applying the same logic to the business of quitting. One goes, the other does too.

"There's nothing in particular I want to take up. Anyway, I don't think the young executives would take to coddling me. I won't do more than I'm asked to, but I'm afraid it won't leave me any free time to speak of."

That so many reporters were there waiting for Honda was the result of media manipulation. It began on August 1 at the Federation of Economic Organizations assembly hall in Tokyo, where Honda Motor announced an additional public offering of twenty-six million stocks. There, executive director Michihiro Nishida suggested that a change in leadership was imminent.

"For the last few years, preparing the succession has been the number-one priority issue for the president and the vice president, and they have completed the task. Though no decisions have been made within the company, the two may privately be considering retirement."

Sharp journalists, catching on immediately, did not ask Nishida to clarify himself. They knew what the next step was.

The president, Honda, was out of the country. That meant they had to interview the co-founder of Honda Motor, Takeo Fujisawa. In Honda circles, Fujisawa was referred to as "Roppongi" after his home in Roppongi, Minato ward; likewise Honda was "Nishiochiai" thanks to his Nishiochiai address in Shinjuku ward. For those who had shared their joys and sorrows since the company's founding, Honda was also "Pop" or "Dad," while the more dignified Fujisawa was "Uncle" and sometimes "Master Roppongi." The president-to-be Kiyoshi Kawashima, who was for the others more a comrade-in-arms than an authority figure, went by "Bro" or even "Kiichan" (-chan is an affectionate version of the honorific -san).

Fujisawa was reputed to abhor journalists.

Media people are always looking for ways to spark up a fight between me and Nishiochiai. Don't ask me why they get such a kick out of it; what I do know is that they better look somewhere else for news fodder. I've considered holding a press conference and telling them, "We're terribly sorry, but we aren't after each other's throats," but that'd be too childish. Instead I avoid seeing them, period.

But the truth was that Fujisawa did not shun journalists. Whenever a reporter, heading for one of the bars in Roppongi, chose instead to take a turn towards the Defense Agency building at the main intersection, it was often because he knew that in the quiet residential district beyond was a living room where, in fact, he would be quite welcome. Generous with his stock of alcohol but nimble

on the essential questions, Fujisawa took evident pleasure in getting a reporter to tell *him* about the goings-on at Honda Motor.

The night of the day Nishida dropped the hint, Fujisawa was fully prepared for the reporters—indeed, waiting for them. It was none other than he who had directed Nishida to hint, at the public offering, that Soichiro Honda was about to retire.

A fair number of “acute” newspapermen were lured to Roppongi that night to disturb Fujisawa’s peace.

“I guess I don’t have a choice, eh?” he mumbled, looking especially annoyed. He invited them all into his living room as usual. Having poured himself a liberal dose of expensive imported brandy, he proceeded to lay his heart bare in his lam-bent style.

“This autumn Honda Motor will be celebrating its twenty-fifth anniversary. I’ve already made up my mind to retire then, and I’ve conveyed my state of mind to Nishiochiai. How he’ll respond to my message is a different matter. If he retires with me, his successor will probably be Kawashima. That, we have agreed on for some time now.”

In the spring of 1970, Honda Motor made a virtual shift to group leadership by promoting four of its directors at once to executives with representative rights. Takao Shirai, Kihachiro Kawashima, and Michihiro Nishida were appointed heads respectively of general affairs, sales, and accounting. In charge of technology and overall coordination was Kiyoshi Kawashima, the president-to-be (no relation to the other Kawashima).

Honda and Fujisawa made a point of being absent at board meetings, leaving day-to-day operations to the new directors. A year after the rule of four was established, Soichiro retired as president of the subsidiary Honda R&D and began to devote himself to public relations. He did not show up at Honda headquarters unless he was needed. Likewise, Fujisawa, to whom the president’s personal seal and control over the business side of things had long been entrusted, adopted a leisurely routine of coming in at eleven and leaving at two; Honda headquarters was where he had lunch. Once in a while, donning an expensive kimono—he preferred wearing it in the informal style—he would stroll across Tokyo, setting out from his home in Roppongi for a couple hours’ walk, through Iikura, Shinbashi, and Ginza, finally on to the Honda headquarters in Yaesuguchi, only to communicate that he had no intention of helping out that day. But in accordance with an unwritten protocol, when there was an emergency, one of the four directors visited Fujisawa at his home and sought his sanction.

All was in place for the baton to be passed on to the successors. Since Honda and Fujisawa had just been reappointed to their posts at the stockowners’ meeting in April, however, the prevalent view within Honda Motor was that the two would not retire until the spring of 1975, when their terms expired.

Among the Honda people who subscribed to that scenario was Soichiro Honda himself. Upon receiving a cue from Fujisawa early that spring via Nishida, Honda judged that it was indeed time and relayed back an okay. But he assumed that his co-founder meant two years hence.

It would be a lie to say that Soichiro Honda, great lover of festivities, did not

wish at heart to preside as president at the diamond jubilee of the company named after himself. In March he had lost his second son Katsuhisa to illness and sorely needed a distraction from his sorrow. Work was it.

Hardly a year's gone by since we came out with the light car "Civic." When it comes to cars, I don't see our foundations as being secure yet. True, with the help of our low-emission CVCC engine, we overcame the "defective car" rep. But while the engine clears the Muskie law standard for 1975 easily, we're still in the labs for 1976. In fact, whether or not we'll make it in cars depends on where the Diet (the Japanese Congress) comes down on emissions. I've left day-to-day management to Roppongi, but it's my job as top dog to keep yapping at the tech boys. Kawashima is only forty-five. If I stay on for just a couple of years more, it isn't as though he wouldn't be replacing me as a "young leader."

When Honda departed for China—as much for pleasure as for business—he was not prepared emotionally for retirement. Japan's relations with China had been normalized in September 1971. Communications were still shoddy in that vast nation, whose inner reaches were yet to be connected to the rest of the world with radio waves, let alone phone lines. Meanwhile in Tokyo, the Nishida hint of the first of August had precipitated a kind of summer rain; the papers were soaked with news that Honda and Fujisawa were about to bow out. The press, however, were in the dark about what the duo's post-retirement status would be. Fujisawa, who had verified the simultaneous resignation rumor, adamantly refused to enlighten the media on this matter, insisting, "That's for the supreme head of management to do, and by that I mean President Soichiro Honda." The press were thus unable to give closure to their news story until they could interview Soichiro himself and turn his remarks to ink.

While he was in China, Soichiro did not have the slightest idea that back home his stepping down was the talk of town. When he picked up a Japanese paper in a hotel in Hong Kong en route to Tokyo and read the big news about himself, he felt as though he were reading the obituary of an alter ego named Soichiro Honda. Though the article was not framed in the customary black borders, there was a picture of his face and a lovingly detailed enumeration of his many accomplishments. The headlines were writ large:

HONDA MOTOR'S "PRIZE SON" IS C.E.O.; HONDA RESIGNS,
KAWASHIMA PROMOTED; "MOVING BEYOND THE FOUNDING ERA";
GROUP LEADERSHIP BY YOUNG EXECs

The reason for his retirement was given as follows:

Mr. Honda, who has always been a step ahead of the times, faced his first great challenge since founding his company when the "defective car" issue exploded in 1969. "I wouldn't have admitted this back then, but those were really our darkest days," says Vice President Fujisawa, who announced officially yesterday that he will be resigning (*Mainichi Shinbun* morning edition, 4 Aug. 1973).

It was clear to Honda who was responsible for this "scoop." Fujisawa's face

came to his mind immediately but he chose not to contact his co-founder just yet.

It must be for my sake that Roppongi had the news leak during my absence. He's arranged things so that I'll be able to deal with it privately, alone, before I deal with the press. Twenty-five years of working our heads off has really paid off; "Honda" is a bustling, world-renowned maker of motorbikes. Maybe he and I ought to leave the four-wheel stuff to the boys. No, there's no question about it, our days are over. Though Honda's named after me, it's actually always been "Honda Tech and Fujisawa Trading Co." Without my partner, how'd I ever have remained myself, not bothering my poor head about money? If the deputy resigns while the boss stays on, people will suspect a fire where there isn't any and feel licensed to speculate wildly about some internal strife. It'd be nasty of me to let the action of my dear old comrade cause that sort of stuff. What's more, it would stain my own last days as the head of Honda. The more I think of it, the more I agree I ought to go too.

While Soichiro, released by the press, headed home on a highway studded with officers on the lookout for Kim and his kidnappers, Fujisawa was meditating in the specially built tea room of his Roppongi home. How the press conference went was not known to him yet, but he could guess.

Soichiro and I've been married, so to speak, for more than twenty years; there's no way he wouldn't have understood. True, since the founding, all of the business successes have been my doing. But without Nishiochiai's engineering genius, Honda Motor wouldn't have become this big. It was by working on his talent that I made the company what it is today. Yet neither of us is going to be around forever and that's exactly why we've taken pains to fashion a management system amenable to group leadership. Our efforts have paid off, everything's on track.

As a person, Nishiochiai is full of flaws. It's not once or twice that we had serious fights. What's funny about him though is that his flaws are part of his charm. People love him because he's flawed, and, for all his flaws, he really knows how to ingratiate himself. "A flawed man!" I was the one who recognized his charisma. I worked on the press so they'd dress him up as a sort of guru. Guru of the Cult of Honda. There he's truly irreplaceable. Attempts to manufacture new Soichiro Hondas would be futile. Now's the time to liberate Nishiochiai from trivial tasks so he can devote himself to missionary activity as the guru of Hondaism. Today, that's how he'd best serve the interests of Honda Motor.

Our retirement drama will no doubt draw a standing ovation as "refreshing news." Right now, the structural defects trial of our small-sized car N360 is going into full gear; the courts will take at least ten more years to be through with it. When we're pestered by negative press about "Honda of the defective N360," there's only so much we can achieve by promoting "Honda of the low-emission CVCC engine." If we two resign now, just as our environment-friendly car goes to market, it'll divert the attention of the public. With luck, it'll turn things around reputation-wise.

Nishiochiai just can't sit still. He'll need no prodding to play the guru. And while Soichiro Honda is up and about, Honda Motor has really nothing to fear. As for me, I'll spend the rest of my days listening to Wagner and reading every-

thing Soseki and Tanizaki ever wrote. Maybe it won't disturb my peace too much if I begin a modest venture with my good-for-nothing sons.

The public rewarded Fujisawa with more kudos than he himself expected. Everywhere the media praised "The Honda Founders' Genial Exeunt" and denounced the gerontocracy of the rest of the Japanese corporate universe. Fujisawa's drama was sold indeed as a "refreshing breeze."

On September 24, just a week before the first oil shock hit the world, thirty thousand Honda employees and their families gathered at the Suzuka racing circuit for the company's twenty-fifth anniversary. There, the two men, endowed with such disparate gifts and personalities, alike in that they felt both reverence and enmity for the other, gave their farewell speeches. At the stockowners' meeting a month later on the thirtieth of October, Soichiro Honda, sixty-six years old, and Takeo Fujisawa, sixty-two, were appointed directors and supreme advisors and thereby retired from active duty as corporate leaders.

Their golden days began.

Soichiro decided that he "wanted to thank each and every employee who had worked hard for Honda Motor." Early in the following year, while the oil crisis still raged, he set off on "A National Tour of Thanksgiving" that took him all over Japan to factories, business offices, and dealerships, even to tiny repairing stations with merely a pair of workers. Once finished with that, he began hopping around the globe; in between trips, he kept himself busy serving the economic community and the public, sitting, for instance, on the Council for Administrative Reform. The activities of the Honda Foundation that he set up privately with his younger brother Benjiro brought him into contact with various national leaders. The foundation's mission was to spread the good news of "Hondaism." Soichiro's fame grew with every passing year.

Meanwhile, Fujisawa renovated his Roppongi home and turned it into a fancy shop. The signboard read:

Kokaido—General Store for the Modern Arts

The name "Kokaido" was specially coined by China scholar Tetsuji Morohashi, recipient of the emperor's Cultural Medal and father of Shinroku Morohashi, president, then chairman, of Mitsubishi Trading Co. Taken together, the three characters that comprise "Kokaido," which is not a word in Japanese, mean "a meeting-place for aesthetes." In other words, Fujisawa turned his hobby into his new line of work. As with his final years at Honda, however, he did not tamper with day-to-day operations, which he left to his wife Yoshiko and his two sons. Fujisawa embarked upon a life of magisterial leisure, surrounded by paintings, books, and music. He never appeared at any of Honda Motor's formal occasions.

In the fall of 1988, fifteen years after the Honda founders' "refreshing" abdication, there was melancholy in the air despite a roaring economy. Emperor Hirohito was declining. And it was on December 30 of that same year, late in the afternoon, amidst the flurry of the approaching New Year's Eve, that Fujisawa suddenly collapsed from heart failure. He had shown no serious signs of illness.

A professor of cardiac surgery from the Tokyo Medical University for

Women happened to be present. Yasuharu Imai, husband to Fujisawa's eldest daughter, had come by to say his end-of-the-year greetings. He applied CPR immediately, but Fujisawa's heart never beat again. Surrounded by family members, the man rested in peace. He was seventy-eight years old.

A regret tinged Fujisawa's last days.

Soichiro, you've played the role of "guru of Hondaism" to perfection. We put that icon on display for outsiders, but now some fools in the company are beginning to worship it as the real Soichiro. That's always alarming in an organization. When that false image gains a life of its own, it'll corrupt management at Honda. My last task—to help you down the seat of guru, to trim you down to your good old true self—it's become simply impossible, now that your false self's ballooned out like that. It's at bursting point already and the faintest needle prick spells chaos, unnecessary chaos. The real problem, though, is after you die. I worry, Soichiro: Is Honda Motor, too, subject to the law of flux, of transience, that all things that come... must go?

The company-sponsored funeral and farewell bidding for Fujisawa was a tranquil affair at Zojo Temple in Shiba park. Tadashi Kume, Honda Motor's third president, served as the event's chairman. It was January 27 of the first year of the Heisei reign; a couple of weeks earlier, Akihito had assumed the throne following his father's death. While eulogists praised Fujisawa's achievements, Soichiro was interrogating the flower-framed photo of the dead man.

Hey, Vice, Roppongi, what'd'ya think you're doing? You're four years younger than me, aren't you? You're cutting in, now get back in line! I've always done everything you told me to do. What's gonna become of my little company now? Hey, Roppongi, tell me! I'm begging you!

Soichiro and Fujisawa first met in the summer of 1949 through a common acquaintance, Hiroshi Takeshima, and struck up a partnership with eventual "separation" as a premise. They'd be a team all right, but when the time came, they'd split the spoils—and split. Indeed, after retiring, they left each other perfectly alone, a sign, perhaps, that each was satisfied with his share. The number of times they met since retirement could have been counted on either's hands.

In October 1990, the second year of the Heisei reign, Soichiro Honda was inducted into Detroit's Automotive Hall of Fame (it commemorates persons who have devoted their lives to the automobile and contributed to its development). To join the pantheon is to receive a Nobel Prize in car making and selling, and to have one's name inscribed alongside luminous ones like Henry Ford, Alfred Sloan, Walter Chrysler, Gottlieb Daimler, Karl Benz, and Ferdinand Porsche. Soichiro Honda, need it be said, was the first Japanese to be permitted into this elite institution.

Arriving back in Narita from Detroit, Honda headed straight to Roppongi, rather than to his own home in Nishiochiai. He leaned the medal, fresh from the receiving, against the mortuary tablet that commemorated Takeo Fujisawa.

I didn't win this medal alone. Roppongi, it was given to the two of us.

There was a gaping emptiness in him. It was about then that Soichiro's health started to decline visibly. Some of his spirit was gone too, as though his soul had already left him. In fact, hale though he had seemed, he had fought one

illness after another ever since retirement. Liver malfunction, diabetes, cerebral thrombosis—he grappled with these and other maladies without showing the world anything but the vigorous and invigorating guru of Hondatism.

At long last, Soichiro Honda was running out of fuel. On July 22 the next year, shortly before the end of the rain season, he complained of stomach pains and took a room at the Juntendo University Hospital in Ochanomizu, Tokyo. Just two weeks later, on August 5—it was almost noon on the midsummer day—Soichiro Honda, eighty-four, gave up his hectic life. Only a month and six days prior to his death, he had attended a stockowners' meeting, despite his illness, to watch the fourth president Nobuhiko Kawamoto do a smooth, crisp job of moderating. The publicized cause of death was "hepatic insufficiency." The truth was that Honda had died of cancer of the liver.

Takeo Fujisawa was the stalk that supported the gay flower Soichiro. The stalk withered first, in the winter when wintry winds blew. The petals scattered in the summer, as the summer rains subsided.

It was left to "the kids" at Honda Motor to confront the beast, the myth of Honda, that their forefathers had begat.