

News Release

June 13, 2024

Honda Motor Co., Ltd.
Mitsubishi Corporation**Honda and MC to Establish New Company, ALTNA Co., Ltd.**

TOKYO, Japan, June 13, 2024 – Honda Motor Co., Ltd. (Honda) and Mitsubishi Corporation (MC) today announced plans to establish a new 50/50 joint venture (JV) company, ALTNA Co., Ltd. (ALTNA), in July 2024. The new JV is based on the memorandum of understanding (MoU) the two companies signed in October 2023 to begin discussions toward the creation of new businesses in light of anticipated growth in the electric vehicle (EV) market toward a decarbonized future society.

The two companies decided to establish a joint venture company and work together to address challenges toward the societal implementation of EVs and the realization of decarbonized society such as the following:

- 1) Optimization of the EV usage cost;
- 2) Enhancement of the lifetime value of batteries, which contain various limited resources, and improvement of resource circulation within Japan; and
- 3) Accommodation of the increasing demand for adjustment capacities through grid storage batteries toward an increase in the proportion of renewable energy in the energy mix in Japan.

By combining Honda control and connected technologies for EVs and batteries and MC power-generation know-how, which extends to the administration of storage-battery systems and smart-charging operations, ALTNA will strive to offer new mobility services that reduce the total cost of ownership for EV users and create new power-supply operations that enable long-term utilization of EV batteries.

■ Businesses to be conducted by the new company**1. Battery Leasing Business**

In collaboration with affiliated leasing companies of Honda and MC, ALTNA will begin sales of lease plans, starting with the Honda N-VAN e:, new commercial-use mini-EVs Honda is planning to launch in October 2024. When a vehicle is leased to a customer, ALTNA will retain ownership of the battery and monitor battery usage during the lease period. Continuous monitoring of the battery conditions, including predictions of future battery deterioration, will enhance the reliability of the battery measured by various parameters, including the battery state of health (SOH)^{*1}. Based on such high reliability of batteries, ALTNA will conduct business that utilizes batteries for a long period of time, or for their entire life cycle, from the time of new vehicle sales through the ownership by second and subsequent owners.

After the end of automotive use, batteries will be recovered and utilized for ALTNA's grid storage battery business (battery repurposing business). ALTNA will set leasing prices based on the assumption that batteries will be utilized for a long period of time, from on-vehicle to stationary applications, which will contribute to a reduction of the financial burden on EV users.

**<EV lease plans ALTNA will offer in collaboration
with the affiliated leasing companies of Honda and MC>**

1) N-VAN e: Value Plan

A closed-end^{*2} lease ALTNA will offer to Honda EV users in collaboration with Honda and Honda affiliate companies. By assuming that EV batteries will be used later for its repurposed storage battery business, ALTNA will offer this plan at prices lower than those of similar lease plans currently available in the market. This lease plan will be available exclusively through the Honda online new vehicle store, Honda ON (<https://on.honda.co.jp/>), from October 10, 2024, simultaneously with the market launch of the N-VAN e: in Japan.

The details of the N-VAN e: Value Plan are available at the following page on the Honda ON website.

URL : <https://on.honda.co.jp/nvan-e> (Japanese)



Honda's new commercial-use mini-EV, Honda N-VAN e:

2) N-VAN e: Circular Lease Plan

This is a highly economical, closed-end plan that is currently being discussed in collaboration with Mitsubishi Auto Leasing Corporation (MALC). By taking advantage of MALC's proprietary EV consultation program "EV4CHANGE," this plan will offer corporate users end-to-end customer support to address challenges associated with the introduction of EVs, from establishing fleet electrification plans to setting up charging infrastructure and optimizing vehicle use.

Please click the link below for more information on the EV4CHANGE program.

URL : <https://mobitips.jp/service/ev>

2. Battery Repurposing Business

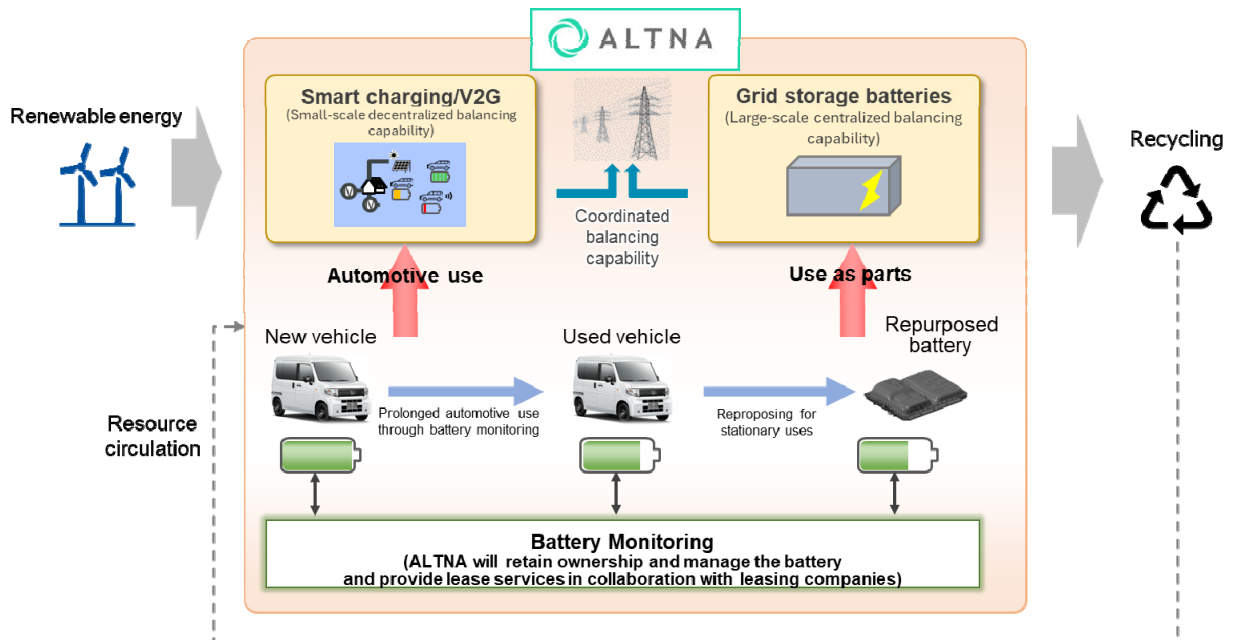
ALTNA will also conduct an electric power business to repurpose end-of-life EV batteries and manage as grid storage batteries. This will provide the supply-demand adjustment capacities to enable greater grid stability and also contribute to widespread utilization of renewable energy. Through its battery leasing business, ALTNA will continuously monitor the use conditions of EV batteries, and then recover end-of-life EV batteries based on data obtained through the long-term monitoring. By fully utilizing such batteries, ALTNA will achieve long-term and stable operation of its grid storage batteries.

Moreover, ALTNA will ensure appropriate recycling of its end-of-life grid storage batteries to realize resource circulation-oriented manufacturing.

3. Smart Charging*3 Business

ALTNA also will offer EV charging plans that optimize electricity costs for EV users by leveraging advanced energy-control technologies to avoid charging EVs during on-peak hours on the grid. Through the linkage between its energy control system and customers' EVs, charging will be automatically performed at the time of day when the procurement cost of electricity is lowest according to their vehicle usage schedule. This will eliminate the customer burden of identifying the optimal charging timing on their own and contribute to the reduction of their EV usage cost. In addition, ALTNA's charging plans will contribute to the increased use of green (renewable) energy by charging EVs during times when there is a surplus of renewable energy on the power grid.

Moreover, ALTNA will proceed with consideration toward offering V2G*4 services with an eye toward the opening up of the electricity market in the future.



Conceptual diagram of the services to be provided by ALTNA

*1 SOH (state of health): One of the parameters that indicate the state of battery deterioration.

*2 Closed-end lease: A type of lease contract in which the leasing company guarantees the residual value at the end of the lease term.

*3 Smart charging system automatically adjusts the timing of EV charging according to electricity supply and demand.

*4 V2G (Vehicle to Grid): Technology to charge EVs with electricity from the grid as well as to supply electricity stored in EVs to the grid.

■ **Comments by Toshihiro Mibe, Director,
President and Representative Executive Officer of Honda:**

“With an eye toward the future popularization of EVs, Honda is working toward the establishment of a vertically-integrated EV value chain that includes all aspects of EV business, from the procurement of raw materials to the production of finished EVs, as well as the repurposing and recycling of EV batteries. We are very pleased to establish a new company with MC, which has deep knowledge of electric power business and shares our aspiration to realize a decarbonized society. Starting with N-VAN e:, we will take a proactive approach to establish a sustainable business foundation not only for the sales of EVs as mobility products, but also to create an optimal EV business environment including full utilization of batteries, which we believe will be critical for the popularization of EVs.”

■ **Comments by Katsuya Nakanishi, Representative Director,
President and CEO of MC**

“We are pleased to be working with Honda, which boasts outstanding technological capabilities and is committed to the realization of resource circulation. With its business model to integrate mobility, energy, services and data, our new joint venture will take on challenges to introduce a new scheme that separates the ownership of the vehicle and battery of a single EV unit. Working toward the realization of a carbon-neutral society through societal implementation of EVs, we will leverage MC’s broad range of industrial contacts and business expertise and continue to work on the establishment of cross-industrial business models.”

■ **Comments by Seiichi Fukui, Representative Director,
President and CEO (to be) of ALTNA**

“ALTNA will be established with a mission to create solutions that maximize the lifetime value of limited resources and the efficiency of renewable energy utilization in order to enable people and the global environment to coexist for generations to come. Together with various partners, we will provide alternative options for a new future.”

<About the new company (tentative)>  **ALTNA**

ALTNA Co., Ltd.

Head office location:	Chiyoda City, Tokyo, Japan
Amount of capital and capital reserve:	2 billion yen
Capitalization ratio:	50% Honda Motor Co., Ltd. (Honda) 50% Mitsubishi Corporation (MC)
Representative:	Seiichi Fukui, Representative Director, President and CEO (MC)
Executives: Executive Vice President Directors (part-time)	Takao Nakazaki (Honda) Suzuki Satoshi (Honda) Noriyuki Takakura (Honda) Yusuke Takeuchi (MC) Shogo Takeda (MC)