

Summary of Briefing on Honda Motorcycle Business

TOKYO, Japan, January 28, 2025 – Honda Motor Co., Ltd. today held a press briefing on motorcycle business initiatives, presented by the following Honda executives:

Minoru Kato: Executive Officer, Chief Officer, Head of the Motorcycle and Power Products Operations, Motorcycle Business Unit

- **Daiki Mihara:** Operating Executive, Head of the Motorcycle and Power Products Electrification Business Unit, Electrification Business Development Operations

A summary of the briefing follows:

History and current business environment of Honda motorcycle business

Motorcycle business is the foundation of Honda and the starting point of Honda monozukuri (art of making things). Since the introduction of the Dream D-Type, the first production motorcycle model of Honda, in 1949, Honda has been developing and offering products tailored to accommodate the respective needs of customers in many countries and regions with the desire to “user technology to increase convenience in people’s daily lives.”

Today, Honda is conducting motorcycle business throughout the world and offering a broad range of products including commuter models for daily use, large-size models for recreational activities on the weekend, as well as electric models. Honda can currently **produce more than 20 million units of motorcycles annually at 37 production facilities in 23 countries and territories** and delivers them to customers through **more than 30,000 Honda motorcycle dealership locations** around the world, being on track to reach the 500-million-unit milestone for cumulative global motorcycle production.

For the current fiscal year ending March 31, 2025 (FY2025), Honda **global motorcycle unit sales are expected to reach 20.2 million units, which is approximately a 40% share of global motorcycle sales^{*1}**. The **Asian market**, including India, Indonesia, Thailand and Vietnam, **accounts for 85% of global unit sales** (17.17 million units), and Japan, Europe and the U.S. markets account for 6% (1.2 million units). **In calendar year 2024, Honda motorcycle sales set an all-time record in 37 countries and territories.**

The motorcycle platforms standardized globally by category and an optimal supply system are supporting Honda motorcycle production operations with the world’s largest volume, enabling Honda to offer a diverse range of attractive products unique to Honda and establish a highly efficient business structure.

Future vision for Honda motorcycle business

Honda is **envisioning further growth in global demand for motorcycles, mainly in the region referred to as the “Global South,”** which consists of: Southwest Asia, whose largest market is India, as well as Indonesia, the Philippines; and Brazil and other Central and South American countries.

With this expected trend, **the industry-wide global motorcycle sales, currently at a scale of 50 million units, is projected to grow to 60 million units by 2030, including electric vehicles.**

In order to respond to this market growth and increased demand with certainty, Honda will continue introducing more competitive products, pursue carbon neutrality through various measures including electrification and further solidify its motorcycle business, with a **long-term target to capture a 50% share of the global motorcycle market including electric motorcycles.**

■ **Strategy for expanding commuter model sales in Southwest Asia, ASEAN, Central & South America**

In India, the world’s largest motorcycle market, Honda has been **building and enhancing an attractive product lineup that accommodates the diverse needs of customers.** The lineup currently includes: the ACTIVA, the best-selling scooter model used for commuting and city riding; the Dio, a scooter targeting young people; the Shine, a light motorcycle model used for a wide range of purposes mainly in rural areas; and the SP, a high value-added light motorcycle model.

Additionally, by strengthening sales measures such as enhancement of the sales network and services, **Honda has steadily increased sales volume to the point where the largest market share in India is within reach.**

Moreover, to further expand sales, Honda will pursue various initiatives to strengthen its business in India, including the automation of production plants and active cultivation and utilization of local suppliers. In addition, **Honda will further expand its motorcycle business by implementing efficient product strategies globally,** such as exporting **high-value, highly-competitive products nurtured in India** to the South American market where customer needs are similar to that of India.

Honda is expecting to see a further increase of motorcycle demand also in ASEAN countries, Pakistan, Bangladesh and Brazil due to an increase in the working population that overlaps with the motorcycle user population. Seizing this opportunity, Honda will further solidify its motorcycle business by fully leveraging its strengths in products as well as sales, service, procurement and production operations on a global basis.

■ **Strategy for enhancing the lineup and product value of large-size FUN models in Europe**

In Europe, where the demand for large-size FUN models is high, Honda will continue increasing the attractiveness of each of the already popular models, such as CB, CBR, Africa Twin and Rebel series models. In addition, historically popular product brands in Europe, such as HORNET and TRANSALP were revived. Moreover, **Honda has been enhancing its product lineup and technologies to accommodate the preferences of riders who seek the “joy of riding.”** Such technologies include the Dual Clutch Transmission (DCT) and Honda E-Clutch, which further improve the quality of the riding experience. As a result of implementing these measures, **Honda captured the largest market share*¹ in each of five key motorcycle markets in Europe** (Italy, Germany, France, Spain and the U.K.).

Honda is producing these large-size models with low-volume, high-variety production; however, the **efficiency of development, procurement and production is being increased through adoption of common platforms.**

Furthermore, in order to offer attractive products that go beyond customer expectations, Honda developed the world's first motorcycle V3 engine equipped with an electric turbocharger. With a plan to adopt it to future FUN models, Honda is continuing development toward the mass production.

Through these initiatives, **earnings from Honda motorcycle business**, the majority of which were generated in Asia as of FY2019, **became more balanced globally**, including in Europe and other advanced countries as well as South America as of FY2024, **contributing significantly not only to an increase in earnings but also to an improvement in business structure.**

Various initiatives in pursuit of carbon neutrality of Honda motorcycle business

Striving to realize carbon neutrality for all of its motorcycle products during the 2040s, as the primary focus of environmental strategies for motorcycle business, Honda will accelerate electrification, while also continuing to advance ICE (internal combustion engines). In addition, Honda has been making progress in various initiatives toward decarbonization of motorcycle business, based on its “Triple Action to ZERO²” concept with which Honda strives to realize a recycling-based society with zero environmental impact.

■ **Initiatives toward the popularization of electric motorcycles**

1) **Enhancement of the product lineup**

Honda has been strategically proceeding with plans to introduce 30 electric models globally by 2030 to achieve the goal to increase its global annual sales of electric motorcycle models to 4 million units by 2030.

To this end, Honda positioned 2024 as the first year of electric globalization and made full-fledged entry into the market. In October 2024, Honda announced two global

electric motorcycle models in Indonesia: the CUV e: powered by two units of Honda Mobile Power Pack e: swappable batteries; and the ICON e: powered by a fixed battery. The CUV e: is scheduled to go on sale in 20 countries including European countries and Japan.

In November, Honda announced two electric motorcycle models designed exclusively for India: ACTIVA e: powered by two units of Honda Mobile Power Pack e:, and the QC1 powered by a fixed battery. **Of the 30 models targeted for introduction by 2030, Honda has already introduced 13 models, making steady progress with the plan.**

At EICMA 2024, Honda unveiled two electric motorcycle concept models: the EV Fun Concept, the first Honda electric sports model; and the EV Urban Concept that embodies the Honda vision of urban mobility in the near future.

By offering a wide variety of electric models that accommodate the increasingly diverse customer needs, Honda will strive to become the leading company also in the electric motorcycle market.

2) Establishment and enhancement of charging and usage environment

For the popularization of electric motorcycles, Honda has not only been enhancing its product lineup but also implementing initiatives to improve the environment for the usage.

In addition to Japan, Indonesia and Thailand, Honda began offering a battery sharing service in India through its local subsidiary, Honda Power Pack Energy India Pvt. Ltd. (HEID), for the further popularization of electric motorcycle models powered by swappable batteries. Coinciding with the market launch of the ACTIVA e:, HEID will begin offering the Honda e:Swap, battery sharing service that enables battery swapping in three major Indian cities, namely Bengaluru, the National Capital Territory of Delhi, and Mumbai, which will eliminate the users' anxiety of running out of battery power and need to wait for recharging and offer mobility experience with greater peace of mind.

Moreover, Honda will strengthen after-sales services and maintenance **by leveraging the industry's largest sales network^{*1} consisting of 6,000 dealership locations throughout India.** In addition, with the plan to continue introducing more electric models powered by a fixed battery, Honda will **leverage its broad sales network to enhance the battery charging network,** which will eliminate customer anxiety of running out of battery power.

Through these initiatives, **Honda will also strive to capture the largest market share in the electric motorcycle market in India.**

3) Reduction of the cost of ownership of electric motorcycles

Honda is also working to reduce the Total Cost of Ownership (TCO), which will be one of the challenges associated with the introduction of electric motorcycles.

Honda is striving to sell its electric motorcycle models in the price range where

the TOC for the three years of ownership will be equivalent to that of ICE models. To achieve this target, **Honda will begin operating a dedicated electric motorcycle production plant in India in 2028.** A wide variety of electric models will be produced by combining modules that are commonized for multiple models. Additionally, for batteries, the core component of electric models, Honda has been working with battery manufacturers to establish specifications suited to the characteristics of motorcycles and ensure stable procurement.

4) Reutilization and recirculation of batteries

Working toward the realization of carbon neutrality, Honda is conducting various **initiatives from the perspective of resource circulation, including secondary use and recycling of batteries.**

In India, in collaboration with OMC Power, which operates a distributed power supply and grid business, Honda has begun an initiative to utilize used Honda Mobile Power Pack e: as power feeders which will help people in areas with unstable power supply and off-grid areas in India, supplying power to local stores and schools.

Ultimately, Honda will work to build a recycling-oriented/circular value chain, which includes the recycling of precious metals and other materials.

■ **Initiatives to reduce environmental impact of products**

In order to realize carbon neutrality while accommodating a wide range of customer needs and usage environments unique to motorcycles, Honda is continuously working to reduce the environmental impact of its products. In addition to reducing CO₂ emissions by improving fuel efficiency, Honda is **expanding the areas where its flexible fuel models are available**, leveraging its experience in Brazil of introducing flex fuel models compatible with a blend of fuels such as gasoline and ethanol.

In India, with the introduction of the CB300F, Honda became the first motorcycle manufacturer to introduce a flex fuel model. **Honda will offer products suitable for the energy situations of each region.**

■ **Initiatives to reduce environmental impact of Honda corporate activities**

- Kumamoto Factory in Japan is equipped with solar power generation systems and lithium-ion storage batteries with power generation capacity of 9.3 MW and a storage capacity of 20 MWh as of the current fiscal year (FY2025) ending March 31, 2025.
- Manaus Factory in Brazil preserves a 1,000-hectare forest conservation area, contributing to carbon neutrality through the CO₂ absorption effect of the forest.
- Honda is increasing the use of sustainable resources with low environmental impact through various measures including the expansion of applications of DURABIO™*3 bio-engineered plastic and the use of recycled materials from automobile bumpers to motorcycles.

*1 Honda internal research

*2 Honda initiative that interlinks three key environmental elements: “Carbon Neutrality,” “Clean Energy” and “Resource Circulation.”

*3 DURABIO™ is a registered trade mark of Mitsubishi Chemical Corporation.

■ Honda global motorcycle production milestones

1948	Establishment of Honda Motor Co., Ltd.
1949	Market introduction of the Dream D-Type, Honda’s first full-fledged motorcycle model
1958	Market introduction of the Super Cub C100, the first Super Cub Series model
1963	Motorcycle production began in Belgium (Honda’s first motorcycle production operation outside Japan)
1968	Cumulative global motorcycle production reached 10 million units
1984	Cumulative global motorcycle production reached 50 million units
1997	Motorcycle production began in Vietnam Cumulative global motorcycle production reached 100 million units (in 48 years since the start)
2004	Annual global motorcycle production exceeded 10 million units for the first time
2008	Cumulative global motorcycle production reached 200 million units (in 11 years after reaching the 100-million-unit milestone)
2014	Cumulative global motorcycle production reached 300 million units (in 6 years after reaching the 200-million-unit milestone)
2018	Annual global motorcycle production exceeded 20 million units for the first time
2019	Cumulative global motorcycle production reached 400 million units (in 5 years after reaching the 300-million-unit milestone)
2025	Cumulative global motorcycle production is expected to reach 500 million units