

## Consolidated Financial Summary for the Fiscal 1st Quarter Ended June 30, 2020 and Forecasts for the Fiscal Year Ending March 31, 2021

- During the fiscal first quarter, business stagnated and demand declined significantly on a global basis due to the COVID-19. Production and sales activities of all Honda operations were impacted, as a result, sales and profit for the fiscal first quarter experienced a year-on-year decrease.
- Concerning the current fiscal year forecast, although the future outlook remains uncertain due to the impact of the COVID-19. Honda plans to achieve operating profit of 200.0 billion yen and profit before income taxes of 365.0 billion yen by further strengthening its company-wide initiatives to improve earnings.
- Quarterly dividend for the fiscal first quarter will be 11 yen per share (a year-on-year decrease of 17 yen per share); total dividends paid for the fiscal year planned to be 44 yen per share.

### I. Consolidated Financial Summary and by category of business results for the Fiscal 1st Quarter ended June 30, 2020

- **Sales revenue:** 2,123.7 billion yen (a year-on-year decrease by 46.9%) due primarily to a decrease in sales revenue from all businesses.
- **Operating loss:** 113.6 billion yen (operating profit experienced a year-on-year decrease by 366.1 billion yen) due primarily to a decrease in profit related to changes in sales volume and model mix. This was despite a decrease in selling, general and administrative (SG&A) expenses.
- **Loss before income taxes:** 73.4 billion yen  
The impact of the COVID-19 is estimated to be approximately 440.0 billion yen.
- **Loss for the period attributable to owners of the parent:** 80.8 billion yen (profit experienced a year-on-year decrease by 253.1 billion yen).

#### (1) Motorcycle business

**Sales revenue:** 274.2 billion yen (a year-on-year decrease by 258.7 billion yen) due primarily to a decrease in unit sales mainly in Asia caused by the impact of the COVID-19.

**Operating profit:** 11.2 billion yen (a year-on-year decrease by 58.6 billion yen). Despite a decrease in unit sales, profit was secured due primarily to a decrease in R&D and SG&A expenses.

#### (2) Automobile business

**Sales revenue:** 1,255.7 billion yen (a year-on-year decrease by 1,494.4 billion yen) due to a decrease in sales especially in the U.S., Japan and India caused by the impact of the COVID-19.

**Operating loss:** 195.8 billion yen (operating profit experienced a year-on-year decrease by 316.2 billion yen) due primarily to a decrease in unit sales. This was despite a decrease in SG&A expenses. Honda has been making progress in improving its business structure through cost and expense reductions even during this challenging time.

**(3) Financial services business:**

**Operating profit:** 71.5 billion yen (a year-on-year increase by 5.7 billion yen) due primarily to a difference in recorded amounts of provisions for credit losses.

**(4) Life Creation (power products) and other businesses**

**Operating loss:** 0.5 billion yen (a year-on-year improvement by 2.9 billion yen) due primarily to a decrease in R&D and SG&A expenses.

Aircraft and aircraft engine business, which is included in the other businesses, accounted for operating loss of 7.1 billion yen.

**II. Forecasts for the for the Fiscal Year Ending March 31, 2021 (FY21)**

- Although the future outlook remains uncertain due to the impact of the COVID-19, Honda plans to achieve operating profit of 200.0 billion yen and profit before income taxes of 365.0 billion yen by further strengthening its initiatives to improve earnings.
- Honda is expecting to recover from the unfavorable impact of the COVID-19 toward the end of the fiscal year; however, the current fiscal year forecast for profit before income tax includes an approximately 665.0 billion yen impact of the COVID-19.
- Honda will strive to further enhance its earnings structure by making steady progress in ongoing initiatives to improve its business structure.

**Consolidated Financial Results for the Fiscal 1st Quarter Ended June 30, 2020**

		1st quarter ended June 30, 2019 (3 months period)	1st quarter ended June 30, 2020 (3 months period)	Difference
Honda Group Unit Sales*1 (million units)	Motorcycles	4.921	1.855	- 3.066
	Automobiles*3	1.321	0.792	- 0.529
	Life Creation	1.280	1.083	- 0.197
Consolidated Unit Sales*2 (million units)	Motorcycles	3.264	1.221	- 2.043
	Automobiles*3	0.905	0.337	- 0.568
	Life Creation	1.280	1.083	- 0.197
Financial Results (billion yen)	Sales revenue	3,996.2	2,123.7	- 1,872.4
	Operating profit	252.4	-113.6	-366.1
	Share of profit of investments accounted for using the equity method	44.2	39.9	-4.2
	Profit before income taxes	289.8	-73.4	- 363.2
	Profit for the period attributable to owners of the parent	172.3	-80.8	- 253.1
Quarterly dividend per share (yen)		28	11	-17
Honda's Average Rate (yen)	USD=	110	108	JPY appreciated against the USD by 2 yen/dollar

**Forecasts for the Fiscal Year Ending March 31, 2021(FY21)**

		FY20 results	FY21 forecasts (2020/8/5)	Difference
Honda Group Unit Sales*1 (million units)	Motorcycles	19.340	14.800	- 4.540
	Automobiles*3	4.790	4.500	- 0.290
	Life Creation	5.701	5.310	- 0.391
Consolidated Unit Sales*2 (million units)	Motorcycles	12.426	9.715	- 2.711
	Automobiles*3	3.318	2.685	- 0.633
	Life Creation	5.701	5.310	- 0.391
Financial	Sales revenue	14,931.0	12,800.0	- 2,131.0

Results/ Forecasts (billion yen)	Operating profit	633.6	200.0	- 433.6
	Share of profit of investments accounted for using the equity method	164.2	165.0	+0.7
	Profit before income taxes	789.9	365.0	- 424.9
	Profit for the period attributable to owners of the parent	455.7	165.0	- 290.7
Annual dividend per share (yen)		112	44	- 68
Honda's Average Rate (yen)	USD=	109	106	JPY to appreciate against the USD by 3 yen/dollar

\*1 Honda Group Unit Sales is the total unit sales of the completed products (motorcycles, ATVs, Side-by-Sides, automobiles, power products) of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method.

\*2 Consolidated Unit Sales is the total unit sales of the completed products (motorcycles, ATVs, Side-by-Sides, automobiles, power products) corresponding to consolidated sales revenue, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

\*3 Certain sales of automobiles that are financed with residual value type auto loans by our Japanese finance subsidiaries and sold through our consolidated subsidiaries are accounted for as operating leases in conformity with IFRS and are not included in consolidated sales revenue to the external customers in our automobile business. Accordingly, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our automobile business.

For more details, please check the Investor Relations section of Honda website:

<https://www.honda.co.jp/investors/library/financialresult.html> (Japanese)

<https://global.honda/investors/library/financialresult.html> (English)