

Consolidated Financial Summary for the Fiscal 2nd Quarter Ended September 30, 2020

- Despite a decrease in demand due to the impact of the COVID-19 pandemic, consolidated operating profit for the fiscal first half amounted to 169.2 billion yen, back in the black, due primarily to control of selling, general and administrative (SG&A) expenses resulting from a fundamental review of business activities in all areas.
- Consolidated operating profit for the fiscal second quarter amounted to 282.9 billion yen, an increase of 28.5% compared to the same period last year, due primarily to control of SG&A expenses and cost reduction efforts. This was despite a decrease in profit related to changes in sales revenue and model mix.
- Concerning the current fiscal year forecast, although the future outlook remains uncertain due to the impact of COVID-19, the forecast for consolidated operating profit was revised upward to 420 billion yen reflecting the business constitution built during the fiscal first half.
- Quarterly dividend for the fiscal second quarter will be 19 yen per share, an increase of 8 yen per share compared to the previously announced forecast; total dividends paid for the fiscal year are planned to be 68 yen per share.

I. Consolidated financial summary for the fiscal first half (6 months) ended September 30, 2020

- **Sales revenue: 5,775.1 billion yen** (a year-on-year decrease of 25.2%)
The decrease was due primarily to a decrease in sales revenue from all businesses as a result of the impact of the COVID-19 pandemic.
- **Operating profit: 169.2 billion yen** (a year-on-year decrease of 64.2%)
The improvement was made due primarily to control of SG&A expenses and cost reduction efforts. This was despite a decrease in profit related to changes in sales revenue and model mix.
- **Profit before income taxes: 272.2 billion yen**
- **Profit for the period attributable to owners of the parent: 160.0 billion yen**
(a year-on-year decrease by 56.6%)

II. Consolidated financial summary and business-by-business results for the fiscal second quarter (3 months) ended September 30, 2020

- **Sales revenue: 3,651.3 billion yen** (a year-on-year decrease of 2.1%)
The decrease was due primarily to a decrease in sales revenue from automobile businesses and unfavorable foreign currency translation effects.
- **Operating profit: 282.9 billion yen** (a year-on-year increase of 28.5%)
The increase was due primarily to control of SG&A expenses and cost reduction efforts. This was despite a decrease in profit related to changes in sales revenue and model mix.

(1) Motorcycle business

- **Sales revenue: 493.0 billion yen** (a year-on-year decrease of 29.4 billion yen)
Although sales are recovering in many countries, sales revenue experienced a year-on-year decrease due primarily to unfavorable currency effects.

Operating profit: 68.4 billion yen (a year-on-year decrease of 9.3 billion yen).

The improvement was made due primarily to control of SG&A expenses and cost reduction efforts. This was despite a decrease in profit related to changes in sales revenue and model mix.

(2) Automobile business

Sales revenue: 2,467.0 billion yen (a year-on-year decrease of 63.7 billion yen)

Although sales are gradually recovering in many countries as restrictions on economic activities are being lifted, sales revenue experienced a year-on-year decrease due to a decrease in sales mainly in North America and Asia.

Operating profit: 125.3 billion yen (a year-on-year increase of 50.4 billion yen)

The increase was made due primarily to control of SG&A expenses and cost reduction efforts. This was despite a decrease in profit related to changes in sales revenue and model mix. The operating profit margin also improved.

(3) Financial Services business

Operating profit: 93.2 billion yen (a year-on-year increase of 26.9 billion yen)

The increase was due primarily to a decrease in credit losses related to automobile sales.

(4) Life Creation (power products) and Other businesses

Operating loss: 4.1 billion yen

(operating profit experienced a year-on-year decrease by 5.2 billion yen)

The decrease was due primarily to a decrease in profit related to changes in sales revenue and model mix. Aircraft and aircraft engine business, which is included in other businesses, accounted for operating loss of 8.1 billion yen.

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

- The **forecast for consolidated operating profit for FY21** was revised upward from the previously announced 200 billion yen to **420 billion yen** reflecting an increase in unit sales and the business constitution built during the fiscal first half.
- Honda will continue making steady progress in improving its business structure.

Consolidated Financial Results for the Fiscal 2nd Quarter

		2nd quarter ended Sep. 30, 2019 (3 months period)	2nd quarter ended Sep. 30, 2020 (3 months period)	Difference
Honda Group Unit Sales*1 (million units)	Motorcycles	5.098	4.467	- 0.631
	Automobiles*3	1.241	1.253	+0.012
	Life Creation	1.155	1.370	+0.215
Consolidated Unit Sales*2 (million units)	Motorcycles	3.278	3.023	- 0.255
	Automobiles*3	0.828	0.753	- 0.075
	Life Creation	1.155	1.370	+0.215
Financial Results (billion yen)	Sales revenue	3,729.1	3,651.3	- 77.7
	Operating profit	220.1	282.9	+62.8
	Share of profit of investments accounted for using the equity method	63.9	62.3	-1.6
	Profit before income taxes	289.6	345.7	+56.1
	Profit for the period attributable to owners of the parent	196.5	240.9	+44.4
Quarterly dividend per share (yen)		28	19	-9
Honda's Average Rate (yen)	USD=	107	106	JPY appreciated against the USD by 1 yen/dollar

Consolidated Financial Results for the Fiscal First Half

		Fiscal first half ended Sep. 30, 2019 (6 months period)	Fiscal first half ended Sep. 30, 2020 (6 months period)	Difference
Honda Group Unit Sales*1 (million units)	Motorcycles	10.019	6.322	- 3.697
	Automobiles*3	2.562	2.045	- 0.517
	Life Creation	2.435	2.453	+0.018
Consolidated Unit Sales*2 (million units)	Motorcycles	6.542	4.244	- 2.298
	Automobiles*3	1.733	1.090	- 0.643
	Life Creation	2.435	2.453	+0.018
Financial Results (billion yen)	Sales revenue	7,725.3	5,775.1	- 1,950.2
	Operating profit	472.6	169.2	-303.3
	Share of profit of investments accounted for using the equity method	108.1	102.2	-5.8
	Profit before income taxes	579.4	272.2	- 307.1
	Profit for the period attributable to owners of the parent	368.8	160.0	- 208.8
Dividend per share (yen)		56	30	-26
Honda's Average Rate (yen)	USD=	109	107	JPY appreciated against the USD by 2 yen/dollar

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

		FY20 results	Previous FY21 forecasts (2020/8/5)	Revised FY21 forecasts (2020/11/6)	Difference compared to FY20 results	Difference compared to previous forecasts
Honda Group Unit Sales*1 (million units)	Motorcycles	19.340	14.800	14.800	-4.540	-
	Automobiles*3	4.790	4.500	4.600	-0.190	+0.100
	Life Creation	5.701	5.310	5.500	-0.201	+0.190
Consolidated Unit Sales*2 (million units)	Motorcycles	12.426	9.715	10.145	-2.281	+0.430
	Automobiles*3	3.318	2.685	2.715	-0.603	+0.030
	Life Creation	5.701	5.310	5.500	-0.201	+0.190
Financial Results/ Forecasts (billion yen)	Sales revenue	14,931.0	12,800.0	13,050.0	-1,881.0	+250.0
	Operating profit	633.6	200.0	420.0	-213.6	+220.0
	Share of profit of investments accounted for using the equity method	164.2	165.0	225.0	60.7	+60.0
	Profit before income taxes	789.9	365.0	660.0	-129.9	+295.0
	Profit for the period attributable to owners of the parent	455.7	165.0	390.0	-65.7	+225.0
Annual dividend per share (yen)		112	44	68	-44	+24
Honda's Average Rate (yen)	USD=	109	106	106	JPY to appreciate against the USD by 3 yen/dollar	-

*1 Honda Group Unit Sales is the total unit sales of 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 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)