

## 4. Electrification Business Strategy

### 4-1 : Strengthening Competitiveness in Electrification Technologies at Honda

We are vigorously promoting electrification in all areas of motorcycle, automobile and power products. In pursuit of the early independence of our electrification business, we have established a specialized organization for swift decision-making in 2023. With this organizational structure at its core, we will further enhance Honda's unique appeal, cultivated through the pursuit of advanced and innovative technologies in the "Five Key Factors." By providing competitive products and services that realize "transcend various constraints associated with mobility and the augment people's possibilities," we aim to further enrich the lives of our customers.

#### Honda will Continue to Promote Electrification through Unique Products and Services

We have always embodied the "joy of driving" in all categories of automobiles, from family cars to sports cars. We've refined our technology by serving as a "driving laboratory" and by participating in various races, including F1. As a result, we have honed our technologies and fostered a corporate culture that prioritizes uncompromised driving and meets challenges head-on. Electrification is not a loss of the identity of "Honda, the engine specialist," but rather a "steppingstone" that elevates the joy of controlling at will, a pleasure we have built up thus far, to a higher level. To deliver the joy that comes from transcending constraints of movement and the augmenting people's possibilities that beyond electrification, Honda will never stop challenging ourselves.

### 4-2 : Electrification Business Strategy in Motorcycle

Honda strives to meet diverse customer needs as the world's top manufacturer of motorcycles in a carbon-neutral society that emphasizes electrification. Our mission is to deliver the joy of mobility to global customers who require versatility, from daily commuting to long-range touring and beyond. We aim to address their needs with innovative ideas and technologies. As we navigate the era of electrification, Honda is actively addressing technological challenges, ensuring that batteries and charging methods will cater to all user profiles.

#### Direction of Electrification Business Strategy

Honda motorcycles address the global "mobility needs" of a diverse clientele and enjoy widespread use. Leveraging our competitive manufacturing technologies and the expertise amassed through the development of internal combustion engine (ICE) vehicle platforms, we will embark on crafting an array of electric motorcycle platforms catering to the demands of customers across different nations. Through streamlined manufacturing processes, we are committed to leading the worldwide electric motorcycle electrification movement, ensuring that electric vehicles provide the same exhilarating "joy of mobility" as their ICE counterparts, all at a more accessible cost.

To cater to the myriad needs across the globe, we are not only focusing on electric products intended for business use within somewhat restricted contexts but are also actively designing solutions for personal use across a multitude of scenarios. For personal-use models, the ability to select the most suitable battery type in accordance with usage environments and convenience holds paramount importance. To empower customers to opt for their preferred battery type, we are poised to offer two options, including swappable and plug-in battery, catering to a diverse range of demands.

#### Advancing Electrified Product Development

We entered the market with business models, for which demand is increasing from the perspective of SDGs (Sustainable Development Goals) and ESG (Environmental, Social, and Governance) management, and in addition launched models for personal use in Japan.

Our plans include expanding its presence into Europe and Indonesia, along with unveiling a new model in India. Our focus remains on accelerating the development and launch of electric motorcycles tailored for individuals, particularly in the burgeoning Asian region where demand for electric motorcycles is on the rise.



### 4-3 : Electrification Business Strategy in Automobile

The advancement of electric mobility is an initiative that stands as the cornerstone of our mission to achieve a society where "all individuals can feel the joy and freedom of mobility." As we amplify our endeavors to realize "zero environmental impact and zero traffic collision fatalities", addressing mobility-related challenges, our commitment to the "Joy of Driving" – a principle Honda has cherished since its founding – remains unwavering. Moreover, we aim to offer every customer "Surprise, Excitement and Trust" by introducing fresh mobility experiences. It is sustained by the "Joy of Using" and the "Joy of Connection," facilitated by connectivity and intelligence that align with the ever-evolving.

#### Medium- to Long-term Targets

By 2030, our goal is to set up a global BEV production system that produces over 2 million units annually. By 2040, we aim for a sales ratio where 100% of our global sales comprise EVs and FCVs.

#### The Direction of the Product Lineup and Future Product Development Strategy

We view the shifts in business structure, value propositions and production processes in the BEV era as an opportunity to deliver a new value through UX in tune with diversifying customer values. As we pioneer new value propositions for electrified vehicles, our products will reflect the "spirit of sporty car-making" inherent in Honda's DNA. Furthermore, by globalizing our product lineup, we aim to drive product development with a compelling brand message.

In the lineup, we will introduce BEVs in succession, that is, tailored to each regional characteristics beginning in 2024. We will efficiently and vigorously promote electrification on a global scale, launching a global model founded on our original platform beyond 2025. We will continue to diversify our offerings, introducing flagship and sports models and producing highly competitive BEVs from our "state-of-the-art BEV manufacturing facility." Moreover, our vision extends beyond the traditional hardware-centric value of automobiles. We aim to introduce new and unique value through digital services, energy solutions and enhanced car interiors, leveraging advanced software technology.



### 4-4 : Electrification Business Strategy in Power Products

We've consistently delivered products that enhance the work and lives of individuals globally, echoing our founder's vision of deriving joy from aiding others. As we look to the future, we will our commitment remains steadfast: to provide a diverse range of products that drive people while embracing the electrification challenge in domains like small-scale construction equipment, gardening and marine equipment, all in pursuit of a carbon-neutral society. Additionally, we are exploring new value avenues within Honda's electrification business strategy, including the automation technology for work equipment.

#### Direction of Electrification Business Strategy

The electrification business strategy underscores the power products business' resolve to address societal challenges by introducing Honda's innovative value through product electrification. This commitment is poised to enhance both people's "work quality" and "life quality." Within the realm of electric product development, our focal point resides in the electrification of small-scale construction equipment and gardening domain. Additionally, we are set to extend the reach of the "Honda Mobile Power Pack e.," a portable and interchangeable battery introduced in the motorcycle business, to the sphere of power products. In the small-scale construction equipment domain, our strategy revolves around leveraging our established B2B customer base from the core business to promote electrification. We will support the electrification of finished equipment manufacturers through the sale and installation assistance of the electric power unit "eGX." Beyond existing clientele, our efforts encompass the expansion of product integration to regions anticipated to adopt electrification in the future.

