

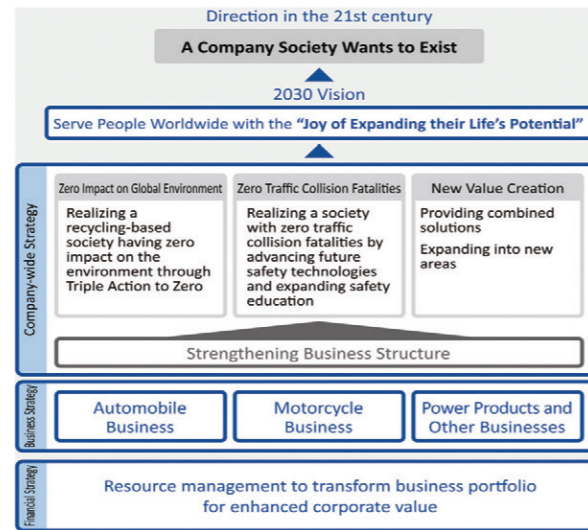
1. Management

1-1 :Business Conditions

(1) Management Policies and Strategies

Honda has two fundamental beliefs: “Respect for the Individual” and “The Three Joys” (the Joy of Buying, the Joy of Selling, and the Joy of Creating). “Respect for the Individual” calls on Honda to nurture and promote these characteristics in Honda by respecting individual differences and trusting each other as equal partners. “The Three Joys” is based on “Respect for the Individual,” and is the philosophy of creating joy with everyone involved in Honda’s activities, with the joy of our customers as the driving force. Based on these fundamental beliefs, Honda strives to improve its corporate value by sharing joy with all people, and with our shareholders in particular, by practicing its mission statement: “Maintaining a global viewpoint, we are dedicated to supplying products of the highest quality, yet at a reasonable price for worldwide customer satisfaction”.

To remain “a company society wants to exist”, Honda is undertaking corporate activities to “serve people worldwide with the ‘joy of expanding their life’s potential’”, as stated in its 2030 Vision. As the world’s largest power unit manufacturer with annual sales of approximately 30 million units, Honda has been fully focusing on the environment and safety, and for the creation of new value, making company-wide efforts to expand its combined solutions business while taking on challenges in new areas. We will also strengthen our business structure further to generate the investment resources needed for the transformation of our business portfolio.



(2) Management Challenges

The business environment surrounding Honda has come to a major turning point. Values are diversifying, the population is aging, urbanization is accelerating, climate change is worsening, and the industrial structure is changing due to progress in technologies such as the use of electric-powered motors, autonomous driving and IoT, all on a global basis. Daily living environment and customs have changed dramatically due to the impact of COVID-19, while global fragmentation has accelerated and geopolitical risks have also become apparent. Furthermore, Honda needs to build positive relationships with all stakeholders involved in our corporate activities to solve long-term social issues. Working to improve the quality of the value we provide is essential to achieve future growth. In the Automobile business, Honda has entered a transformation period that occurs only once in a century through technological innovations in connectivity, automation, shared & services and electrification. Even automobiles are required to offer integrated services and new, customized experiences in addition to their universal value, namely, the freedom of mobility with a sense of security. With increasingly tighter environmental regulations being adopted across the world, an expansion of the EV (electric vehicle) business in the automobile industry is expected to intensify competition for resources. Under such an uncertain environment, we will take more concerted efforts to strengthen our business structure in order to steadily promote electrification and initiatives for safety. With more stringent environmental regulations being enforced across the world, some emerging countries have followed the move in developed countries and announced their respective governmental targets of electrification, and accordingly, the Motorcycle business is beginning to show signs of change. Facing such changes in the business environment and regional characteristics, Honda needs to take a multifaceted and multidimensional approach aiming to achieve carbon neutrality in the area of motorcycles. In addition, for safety, Honda will increase the application of safety technologies to motorcycles themselves, while at the same time connecting more motorcycles to social infrastructure and further reinforcing our activities to spread safe riding practices.

The Power products and other businesses need to evolve work equipment to become safer and more userfriendly due to a decline in the working population and an increase in older workers. As an effort to simultaneously evolve equipment and advance sensor and AI technologies, Honda will gather the know-how of experts and skilled workers, aggregate the collected know-how into data and improve the quality of work. Additionally, Honda will look into a variety of possible approaches for decarbonization while considering what is best for customers, going beyond merely replacing engines with batteries for electrification.

(3) Challenges to be Addressed Preferentially

Considering the business environment, Honda will work on the following issues to provide value unique to Honda with a view to contributing to the solving of various social issues including climate change, while continuing to achieve sustainable growth.

“Initiatives for Value Creation”

1. Zero impact on the global environment

Honda will strive for zero impact on the global environment of not only its products but the entire product life cycle, including its corporate activities, by 2050. Honda will focus on the three-pillars of “carbon neutrality”, “clean energy” and “resource circulation” (Triple Action to ZERO).

Carbon neutrality

In order to realize a carbon-free society, the Automobile business aims to increase the ratio of electric vehicles (EVs) and fuel cell vehicles (FCVs) in overall unit sales in developed countries combined to be 40% by 2030, 80% by 2035 and then 100% globally by 2040. Tailoring product lineup to market changes and stable procurement of the amount of batteries are important issues to realize the carbon-free society. During the stage of increasing the use of EVs, from the present to the second half of the 2020s, Honda will release products matched to the respective characteristics of major markets such as North America, China and Japan.

| Region | EVs to be released |
|---------------|---|
| North America | Plan to introduce two models jointly developed with General Motors Company(GM) in 2024 (Honda brand: Prologue, and Acura brand: ZDX) Plan to launch a mid- to large-size EV based on Honda’s proprietary EV platform in 2025 |
| China | Plan to introduce ten new EV models by 2027 |
| Japan | Plan to introduce a commercial-use mini-EV model based on N-VAN in early 2024 Plan to launch an EV model based on N-ONE in 2025, and two small-size EV models in 2026 |

From the second half of the 2020s onward, when EVs are expected to enter a stage of more widespread popularity, we will evolve our strategy from introducing the “best EVs matched to each region” to releasing the “best EVs from a global perspective”. By 2030, Honda is planning to launch a full lineup from commercial-use mini-EVs to flagship-class models, and achieve annual production volume of more than 2 million units. Honda aims to secure a stable procurement volume of liquid lithium-ion batteries by strengthening external partnerships from now to the second half of 2020s.

| Region | Procurement policy |
|---------------|---|
| North America | Procure Ultium batteries from GM Procure batteries from a joint venture company for EV battery production with LG Energy Solution Ltd. |
| China | Further strengthen collaboration with Contemporary Ampere Technology Co., Ltd. (CATL) |
| Japan | Procure batteries for mini-EVs from Envision AESC Japan Ltd. |

In the late 2020s, Honda will take on the challenge of independently developing next-generation battery technology in line with the EV expansion phase. In the cooperative relationship with GS Yuasa International Ltd., as the next stage of our ten years collaboration on the hybrid batteries, we will start development of highcapacity, high-output lithium-ion batteries for EVs. Honda is promoting the joint development of semi-solid-state batteries through our investment in SES AI Corporation, and also proceeding with research toward proprietary development of solid-state batteries, build a demonstration line in 2024 and further accelerate its efforts. In addition to these procurement and development areas, Honda works to create a new value chain, including securing resources and resource circulation, from a long-term perspective. Honda has partnerships with HANWA Co., Ltd. and POSCO Holdings Inc. in securing critical minerals, and Ascend Elements Inc. and Cirba Solutions in terms of recycling. In battery-related areas, Honda forms strategic partnerships in each area, seeking to “build a strong value chain with Honda as its hub,” and build a sustainable business foundation and strengthen our competitiveness by achieving co-existence and co-prosperity with each partner.

To achieve carbon neutrality by 2050, the Motorcycle business has defined phased targets for the ratio of electrified products in global unit sales and will seek to accelerate initiatives accordingly. Specifically, Honda aims for unit sales of 1 million electrified products by 2026 and 3.5 million by 2030, which accounts for 15% of all unit sales. Ultimately, we will strive to make 100% of our products carbon free during the 2040s through the advancement of internal combustion engines (ICEs) and electrification. Emerging countries constitute the primary market for motorcycles and have the complex mix of social needs of each country and region, such as energy supply and demand, employment and convenience of life. As such, it is an issue to strike a fine balance between the convenience of motorcycles and carbon neutrality. In addition to the development of electrified vehicles, Honda will take a multifaceted and multidimensional approach toward carbon neutrality, such as applying technology for significantly improving the fuel efficiency of ICE vehicles. For electric vehicles, Honda will develop electric products by category according to the characteristics of each market.

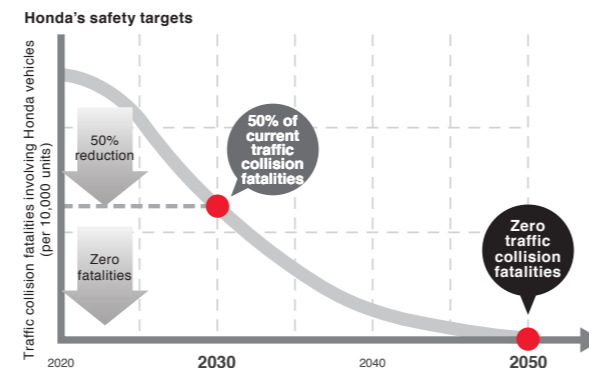
| Product | Initiatives |
|---------------------|---|
| Commuter EVs | Two personal-use smart EVs adopting connectivity and battery-as-a-service (BaaS) technologies scheduled to become commercially available in Asia, Europe and Japan between 2024 and 2025 |
| Commuter EMs / EBs* | Plan to release more compact, reasonably priced electrified vehicles in China, Asia, Europe and Japan, which will be adapted to the respective market characteristics and respond to the need to use such motorcycles more affordably A total of five EM/EB models to be released by 2024 |
| FUN EVs | Develop a platform for large FUN EV models Plan to release three models in Japan, the United States and Europe between 2024 and 2025 |

* EM: Electric Moped with a maximum speed ranging from 25 km/h to 50 km/h
EB: Electric Bicycle with a maximum speed of 25 km/h or slower Excluding battery-assisted bicycles

Honda plans to introduce a total of more than ten new commuter and FUN electric vehicles by 2025. For ICE vehicles, Honda has been developing technologies to improve the fuel efficiency of the engine on a standalone basis, including technologies to improve thermal efficiency and reduce friction, as well as technologies to achieve even higher fuel efficiency for the entire vehicle. Furthermore, taking into consideration the local characteristics of each region, Honda will work to develop a technology to use carbon-neutral fuels, which are gasoline mixed with ethanol and other substances. In the Power products business, Honda aims to establish a presence by launching electric products targeting developed countries. Honda promotes the electrification of assembled products, such as engine-powered lawnmowers with a strong presence and offers strengths equivalent to those of engine-powered products. To corporate customers in the construction industry, who account for a large share of our engine sales, we will sell electrified power units and provide support for mounting the unit in machinery. By doing so, we will assist small construction machinery manufacturers in electrifying their products. As for the promotion of electrified products, we will go a step beyond conventional sales and after-sales services and seek to contribute to the business operation of corporate customers by promoting an improvement in their operational efficiency and helping them to reduce required investment.

2. Zero traffic collision fatalities

Honda will strive for zero traffic collision fatalities involving Honda motorcycles and automobiles globally by 2050. In achieving this goal, Honda has also set a milestone of reducing global traffic collision fatalities involving Honda motorcycles and automobiles by half globally by 2030 compared to calendar year 2020. To achieve zero traffic collision fatalities, Honda considers traffic safety education activities, developing required infrastructure and engaging the local government to be a challenge, in addition to implementing future safety technologies and strengthening development. We will lead the way in realizing an accident-free society in terms of both hardware and software by promoting the Honda SENSING 360, omni-directional safety and driver-assistance system, and by engaging in activities to provide safety education opportunities for all people.



3. Creating new value

•Providing combined solutions

Honda aims to offer greater value not only with each of its products, but also by linking various products to realize connectivity beyond product domains. For that purpose, Honda considers it an issue to establish technologies and a framework to regard electrified and other products as “user terminals” and seek to connect energy and information stored in each product with the users and society. Honda will work on the establishment of a cross-domain connected platform and creating value. In the areas of electrification technologies, including batteries, as well as software and connectivity technologies, we aim to accelerate development in the future and will make efforts to enhance our development capabilities, which will include strengthening recruitment from outside Honda.

•Expanding into new areas

Honda R&D Co., Ltd., Honda’s research and development subsidiary, is making progress with research on technologies in the skies, the ocean, outer space, and the area of robotics to expand mobility into the 3rd and 4th dimensions, in addition to its advanced technologies aimed at realizing a zero environmental impact society and a collision-free society. We are tackling three specific research themes: eVTOL, Avatar Robot, and taking on a challenge in the space domain. Utilizing our group’s core technologies, such as combustion, electrification, control, and robotics technology, we will take on the challenge of realizing the joy of expanding the possibilities of people’s lives in new areas.

4. Financial strategy

Honda accelerates transformation of our business portfolio through appropriate resource allocation to achieve enhanced corporate value. Honda views the following three themes as issues to realize what we endeavor to do: strengthening business structure, resource investments to accelerate new value creation, and higher capital efficiency.

•Strengthening business structure

To realize the transformation of its business portfolio, Honda as a whole has worked as one team to strengthen our business structure. The Automobile business has adopted the Honda Architecture, which is designed to integrate platform layouts and share parts, endeavored to optimize our production capacity, and reduced the total number of variations for our global models.

The Motorcycle business strives to standardize specifications and parts beyond categories, displacements and motorcycle classes. These efforts have led to a

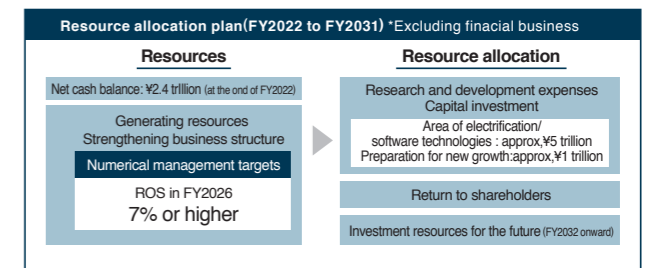
steady improvement in the earnings structure. The future outlook in the business environment still remains uncertain, with the impact of COVID-19 infections and escalation of geopolitical risks. Nonetheless, by further reinforcing the earnings structure built to date, we aim to achieve return on sales (ROS) (operating margin) of 7.0% or higher in FY2026.

•Resource investments to accelerate new value creation

Honda plans to allocate roughly ¥8 trillion for research and development expenses over the next 10 years from the fiscal year ended March 31, 2022 as a resource investment for the transformation of its business portfolio. This mainly includes about ¥3.5 trillion in the area of electrification and software technologies and about ¥1 trillion for preparation for new growth. In the area of electrification and software technologies, we currently have a plan to invest about ¥1.5 trillion over the next decade from the fiscal year ended March 31, 2022 for the construction of dedicated EV plants, establishment of a battery production joint venture for stable procurement of the amount of batteries, and for other purposes. We expect that the total amount of resource investment in this area, combined with the research and development expenses, will amount to ¥5 trillion.

•Higher capital efficiency

In order to ensure appropriate resource management to support the business portfolio transformation, we will utilize the return on invested capital (ROIC) figures to strengthen our management with a focus on capital cost. In each business, we will utilize optimum management indicators matching the corresponding business structure and work to continuously generate returns exceeding the capital cost. In our business domains other than financing, such as motorcycles, automobiles and power products, we will utilize ROIC to lead the generation of resources for the transformation from the viewpoint of financial management. We aim to maximize profit, which is the numerator of ROIC, while optimizing capital invested, which is its denominator, by thoroughly utilizing assets we own and carefully identifying necessary investments. Through these efforts, we aim to increase the capital efficiency and generate a maximum amount of resources to support our transformation. In distributing profit, we regard returning profit to shareholders as one of the most important management tasks and will make related decisions from a long-term perspective, while taking into consideration internal reserves for future growth and consolidated business results. We will work to pay dividends stably and continuously at the consolidated dividend payout ratio of about 30% and buy back our own shares as appropriate with the goal of improving our capital efficiency and implementing a flexible capital policy.



Initiatives to Support Value Creation

1. Intellectual Capital

Honda aligns development efforts, businesses and activities concerning intellectual properties and standardization and makes strategic resource investments related to intellectual capital in the value creation story. In our intellectual capital utilization process, we invest intellectual capital based on our perception and analysis of the external environment and our own strategies and work to enhance our patent portfolio in new areas. Leveraging our present portfolio, we plan and execute various intellectual property strategies and aim to improve the quality of the value we provide and that of initiatives we undertake.

2. Initiatives Related to Quality

Honda aims for realizing products that offer a new level of outstanding quality. The industry is heading toward an unprecedented turning point concerning response to the environment, safety and intelligence. Honda will accelerate powertrain electrification as well as the introduction of driver assistance technologies for the realization of a collision-free mobile society. We are now working to create new value through open innovation. Moving ahead, Honda aims to reduce problems at all points of customer contact in step with an evolution in mobility and living. Through the pursuit of quality in each domain, we have been advancing our initiatives to realize a new level of outstanding quality.





3. Supply Chain Management

Honda will actively promote sustainable initiatives in cooperation with all its business partners around the world. By doing so, we are seeking to realize a supply chain where Honda co-exists and co-prospers with local communities as “a company society wants to exist”. We have implemented initiatives with consideration for the environment, safety, human rights, compliance and social responsibility, among others, in partnership with our suppliers worldwide. Based on the Honda Philosophy, we engage in business that is fair and equitable with transparency. In addition, we have formulated the Environmental Purchasing Grand Design, which shows the steps toward our priority of attaining a low-carbon society.






Source: 99th period Annual Securities Report Part1 Item 4- Information on the Company

1-2 : Successive Presidents, Vice Presidents, and Chairmen

| Successive Presidents | | | | | | |
|--|---|--|---|--|---|--|
|  1st President Soichiro Honda September 1948-October 1973 |  2nd President Kiyoshi Kawashima October 1973-October 1983 |  3rd President Tadashi Kume October 1983-June 1990 |  4th President Nobuhiko Kawamoto June 1990-June 1998 | | | |
| Successive Vice Presidents | | | | | | |
|  1st Vice Presidents Takeo Fujisawa April 1964-October 1973 |  Kihachiro Kawashima 1974-1979 |  Michihiro Nishida 1976-1980 |  Shigeru Shinomiya 1979-1984 |  Noboru Okamura 1980-1985 |  Shoichiro Irimajiri 1990-1992 |  Yoshihide Munekuni 1990-1997 |
| |  Hideo Sugiura 1979-1982 |  Shigeru Shinomiya 1979-1984 |  Koichiro Yoshizawa 1983-1990 |  Satoshi Okubo 1986-1987 |  Hiroyuki Yoshino 1992-1998 |  Koichi Amemiya 1997-2005 |
| |  Noboru Okamura 1980-1985 |  Masami Suzuki 1982-1983 |  Fujio Ishikawa 1986-1988 |  Hirobumi Nakamura 1989-1990 | | |
| | |  Kazuo Nakagawa 1989-1990 | | | | |

| Successive Chairmen | | | |
|---|--|--|--|
|  Hideo Sugiura 1982-1985 |  Noboru Okamura 1985-1987 |  Satoshi Okubo 1987-1990 |  Koichiro Yoshizawa 1990-1993 |

| Successive Presidents | | | | |
|--|---|--|---|--|
|  5th President Hiroyuki Yoshino June 1998-June 2003 |  6th President Takeo Fukui June 2003-June 2009 |  7th President Takanobu Ito June 2009-June 2015 |  8th President Takahiro Hachigo June 2015-March 2021 |  9th President Toshihiro Mibe April 2021- |
| Successive Vice Presidents | | | | |
|  Koichi Amemiya 1997-2005 |  Koichi Amemiya 1997-2005 |  Koichi Kondo 2007-2011 |  Tetsuo Iwamura 2012-2016 |  Seiji Kuraishi 2016-2022 |
| |  Satoshi Aoki 2005-2007 |  Akio Hamada 2011-2012 |  Seiji Kuraishi 2016-2022 |  Kohei Takeuchi 2022-2023 |
| |  Koichi Kondo 2007-2011 |  Tetsuo Iwamura 2012-2016 | |  Shinji Aoyama 2023- |

| Successive Chairmen | | | | | |
|--|--|--|--|--|--|
|  Yoshihide Munekuni 1997-2004 |  Satoshi Aoki 2007-2010 |  Koichi Kondo 2011-2012 |  Fumihiko Ike 2013-2016 |  Toshiaki Mikoshiba 2019-2022 |  Seiji Kuraishi 2022- |