

Honda Corporate Update

2023 Fall

HONDA
The Power of Dreams

How we move you.
CREATE ▶ TRANSCEND, AUGMENT

Agenda

- About Honda
- Corporate Strategies
- Details of Initiatives
- Financial Strategies
- ESG Initiatives
- Financial Results Highlights
- Appendix

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Financial Capital

A strong financial base that allows us to invest resources for transformation

Net cash (excluding financial services)
2.7 tn YEN
 (End of FY2023)

Total capital
11.5 tn YEN
 (End of FY2023)

Interest-bearing debt (excluding financial services*1)
0.8 tn YEN
 (End of FY2023)

*1 Including US\$2.75 billion Green Bond issue

Human Capital

Support for individual and organizational growth that leads to value creation

Number of associates
 Consolidated
197,039 associates

Non-consolidated
33,065 associates
 (Number of associates as of the end of FY2023)

Training hours per person per year
18 hours
 (FY2023 in Japan)

Manufacturing Capital

Evolution of production system to achieve high product attractiveness

Number of product assembly sites
74 sites
 (As of the end of FY2023)

Capital investment*2
493.9 bn YEN
 (FY2023)

*2 Capital investment for the introduction of new models, expansion, rationalization, renewal of production facilities, and expansion of sales and R&D facilities, etc.

Intellectual Capital

Enhancing the technological innovation capability to create compelling products and services

R&D expenses
Approx. 8 tn YEN
 (FY2022 - FY2031)

R&D investments
 Electrification / Software area
Approx. 5 tn YEN

Preparation for new growth
Approx. 1 tn YEN
 (FY2022 - FY2031)

Number of domestic and overseas patents
More than 42,000 patents
 (End of FY2023)

Natural Capital

Reduction of environmental impact for coexistence and co-prosperity with nature

Energy Input
 Direct
19,300 TJ

Indirect
24,000 TJ
 (FY2023)

Resource Input
 Water withdrawal
33,200 k m³
 (FY2023)

Social and Relationship Capital

Deepen and expand relationships of trust and cooperation with stakeholders

Number of group companies
382 companies
 (including 313 consolidated subsidiaries and 69 affiliates accounted for under the equity method)
 (End of FY2023)

Brand value*3
22,837 m USD
 (2022)

Best Global Brands 2022
 Automotive*3
5th in the world
 (2022)
 *3 According to Interbrand research

Global Sales Figures for FY2023

28,089,000 units

Motorcycles
18,757,000 units

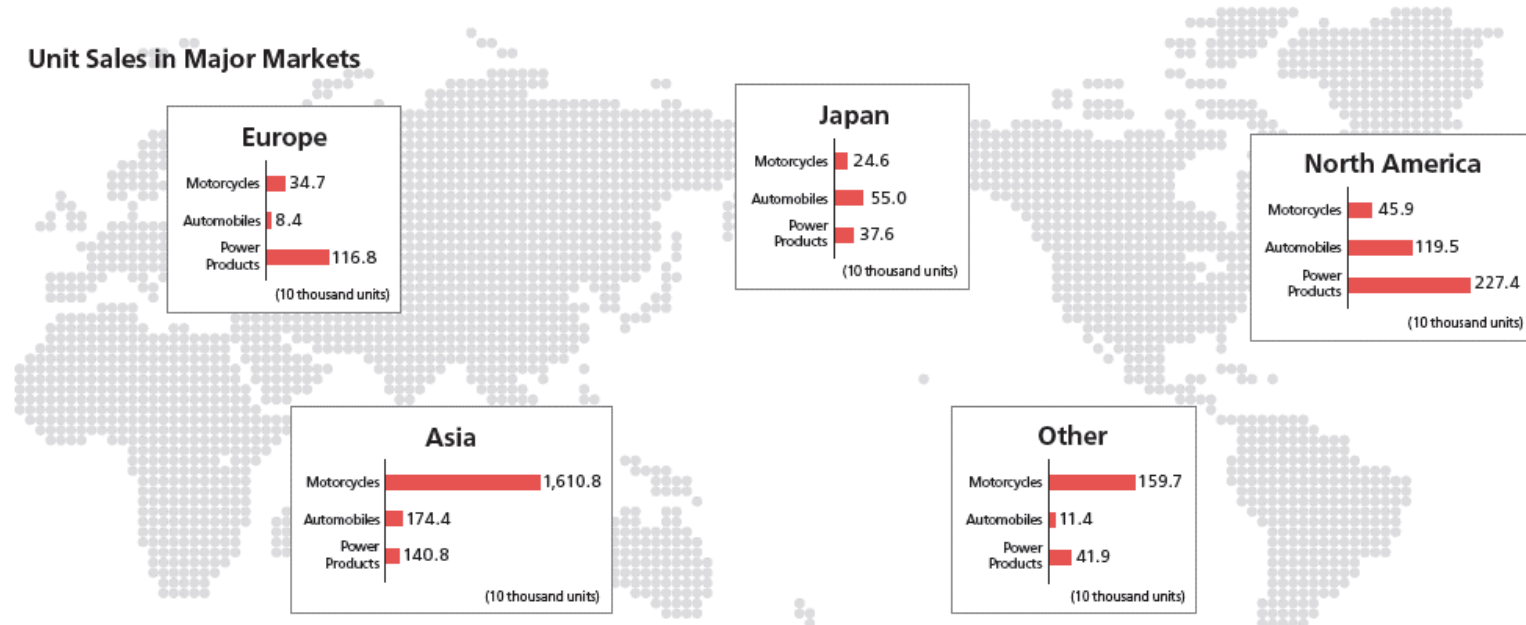
+

Automobiles
3,687,000 units

+

Power Products
5,645,000 units

Unit Sales in Major Markets

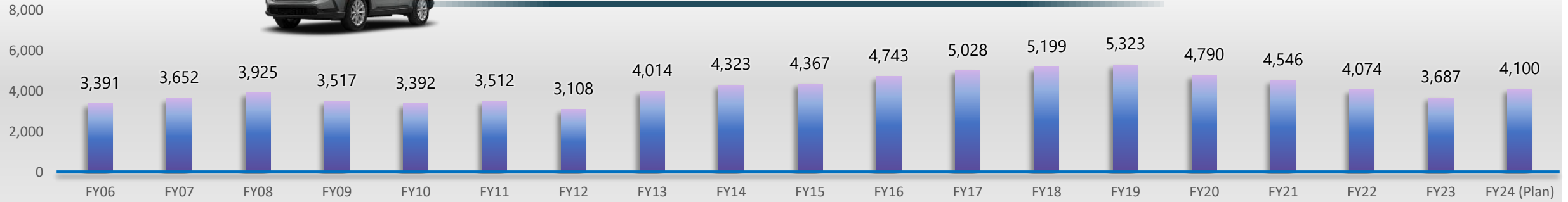


Automobile

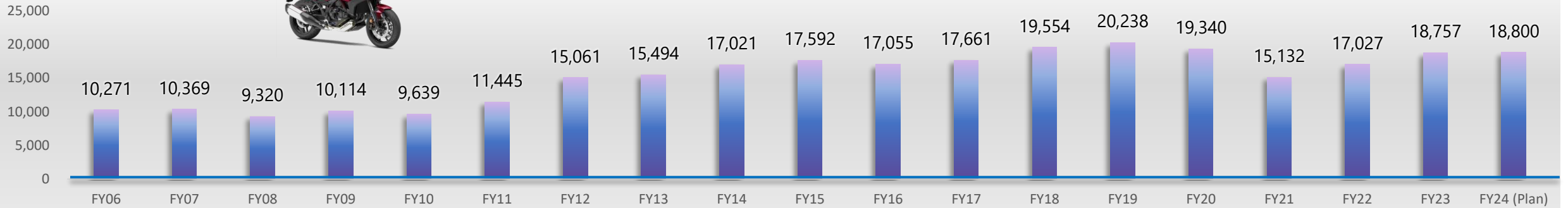


Unit Sales by Business Segment

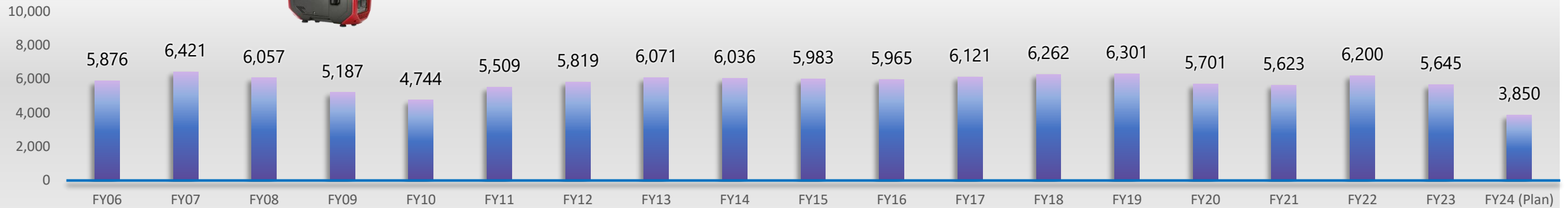
Group Unit Sales (Thousand)



Motorcycle



Power Products



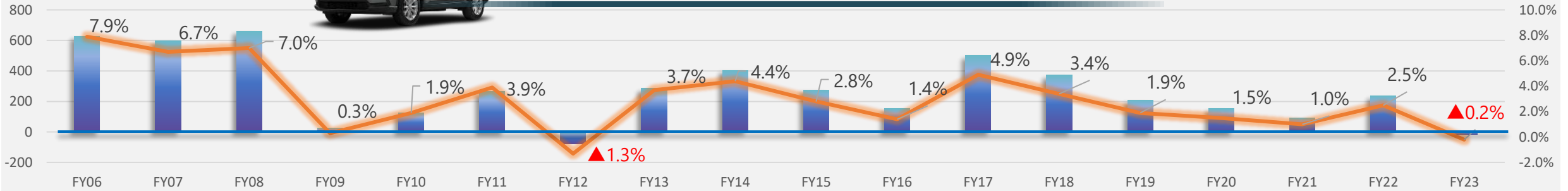
Automobile



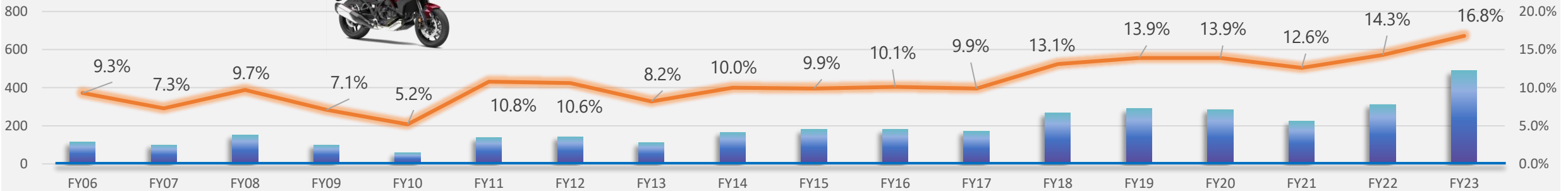
Profit by Business Segment

Operating Profit
(Billion yen)

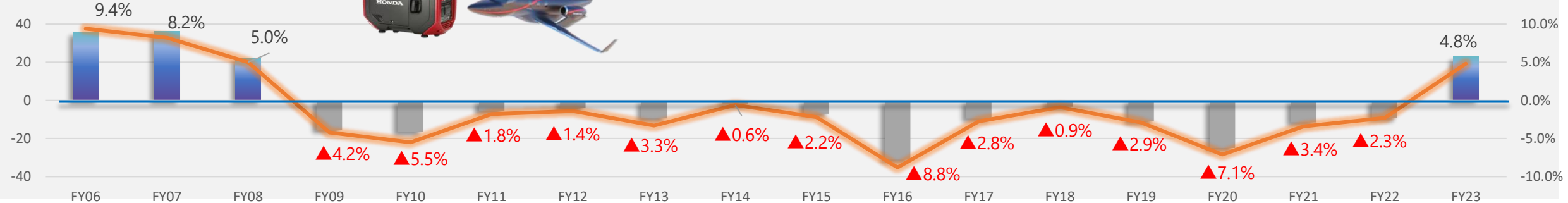
Operating Margin



Motorcycle



Power Products and Other



US GAAP

IFRS GAAP

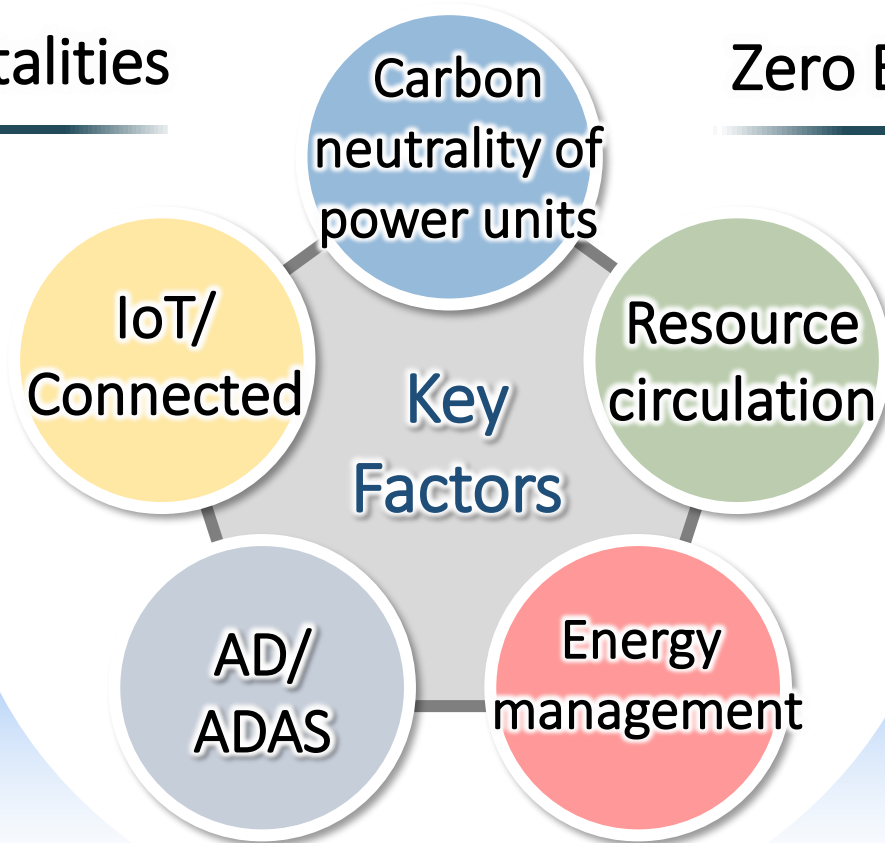
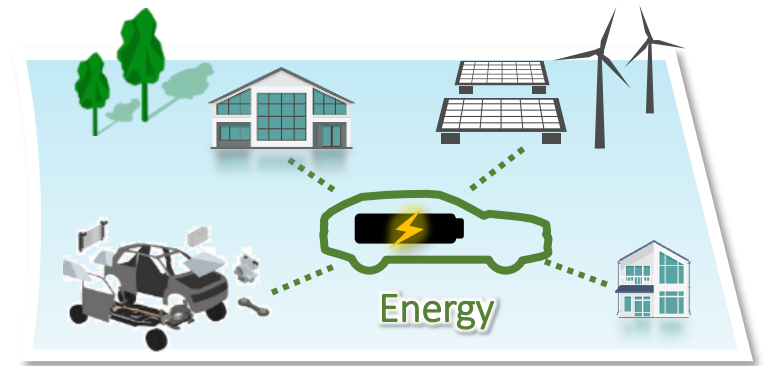
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Zero Traffic Collision Fatalities

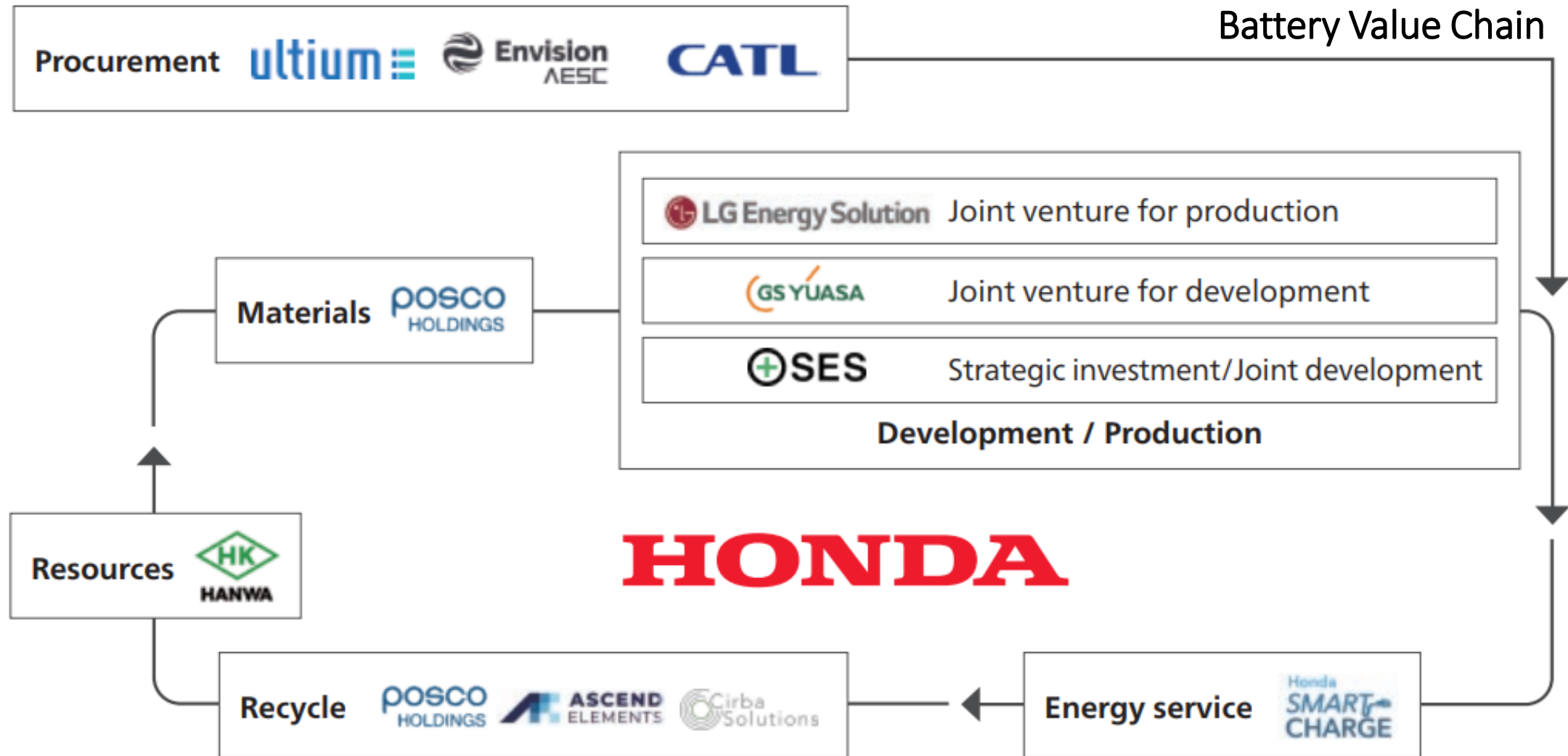


Zero Environmental Impact



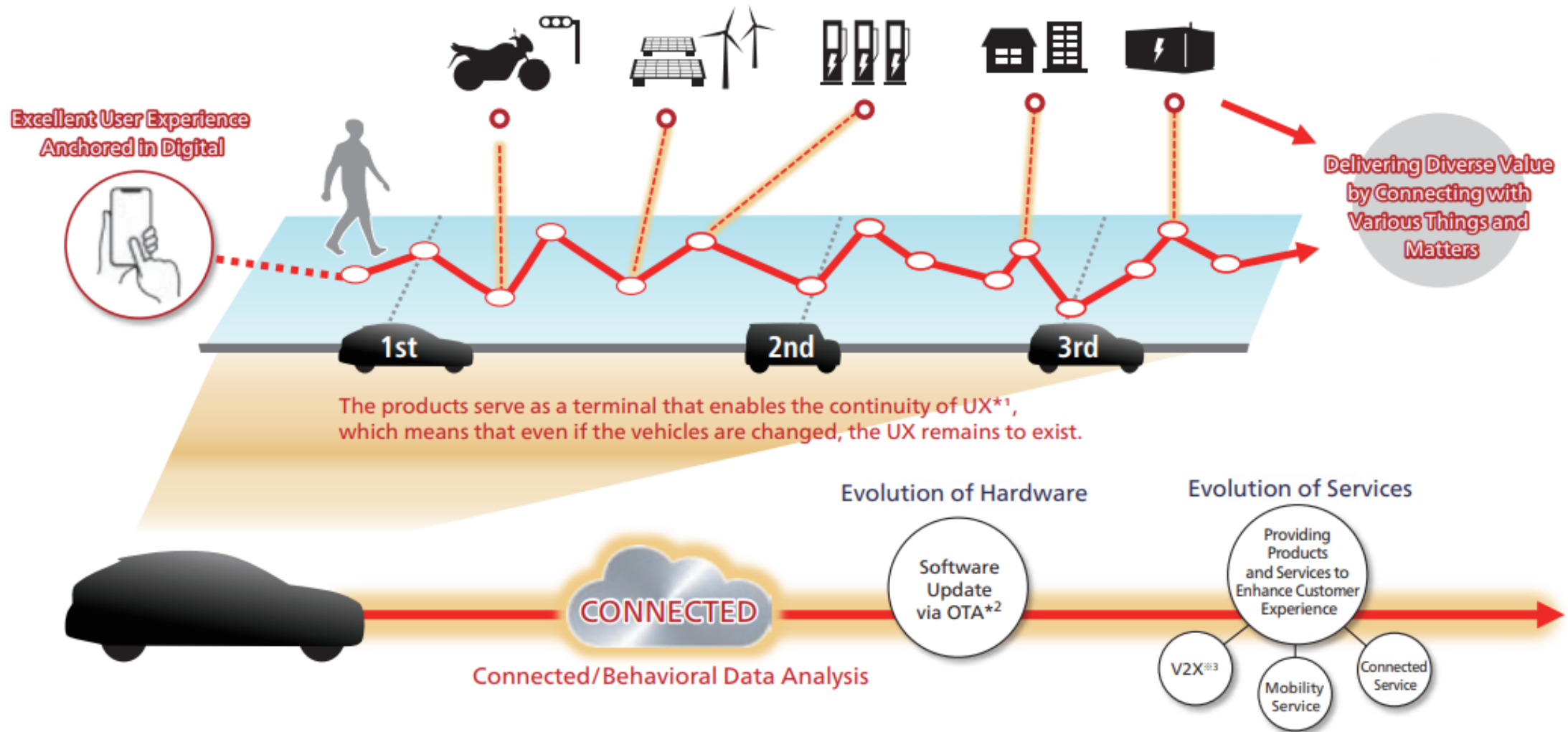
Honda will continuously provide value to our customers by carefully considering the unique mobility needs of each customer. Honda to focus on five key factors in preparation for the evolution of mobility.

Battery Value Chain



Actively developing strategic partnerships, not limited to the battery field, to establish a robust value chain with Honda as the hub.

Evolution with a Focus on the OMO (Online Merges with Offline) World

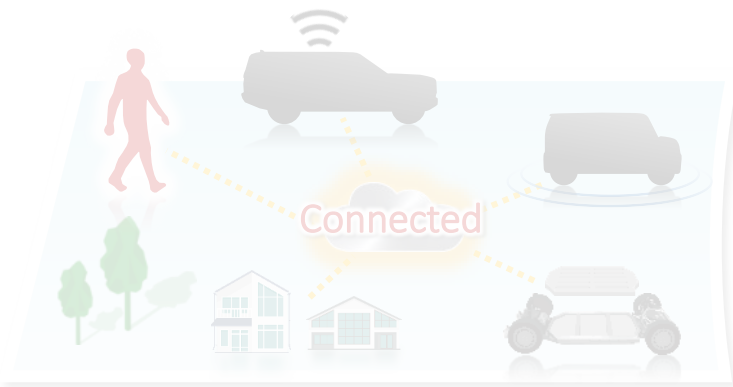


Through the integration of hardware and software, provide value to customers over an extended life cycle with the aim of enhancing lifetime value.

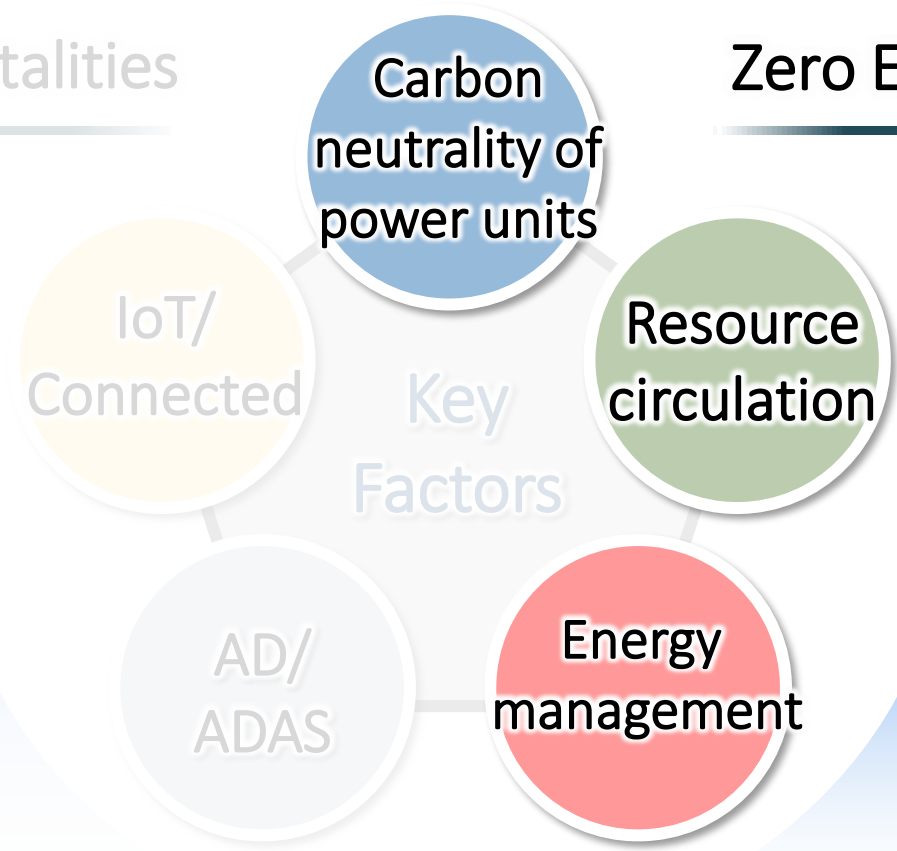
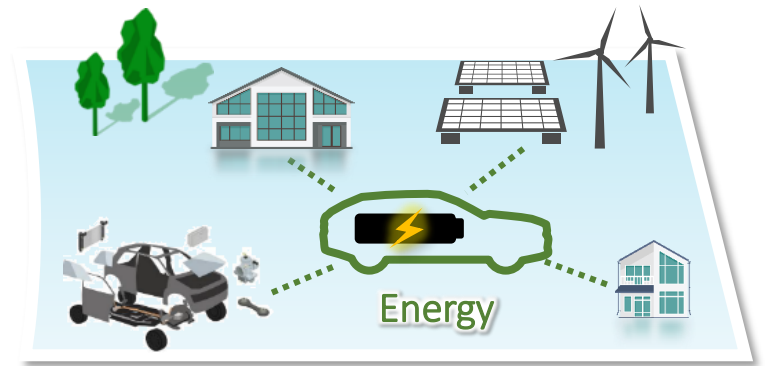
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Zero traffic collision fatalities



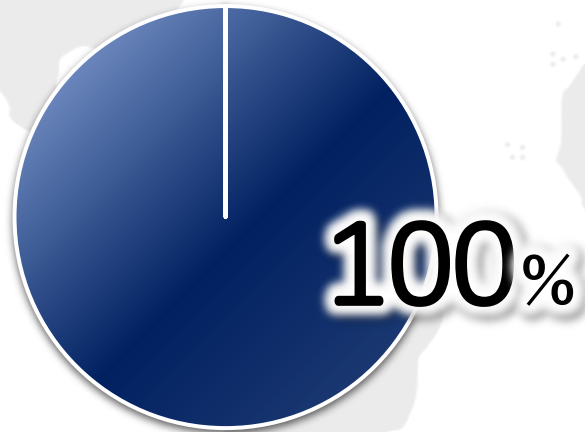
Zero Environmental Impact



Details of initiatives to achieve “Zero Environmental Impact”

Targets for Automobile Electrification

2040



EV/FCEV Sales Ratio

Global

~2030

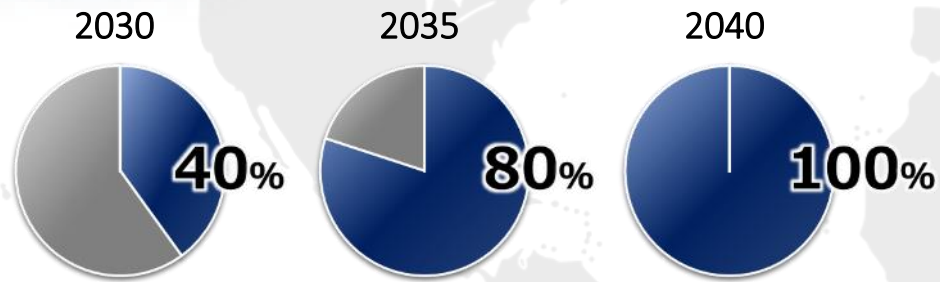


More than 2 million units annually

EV/FCEV Production Plan

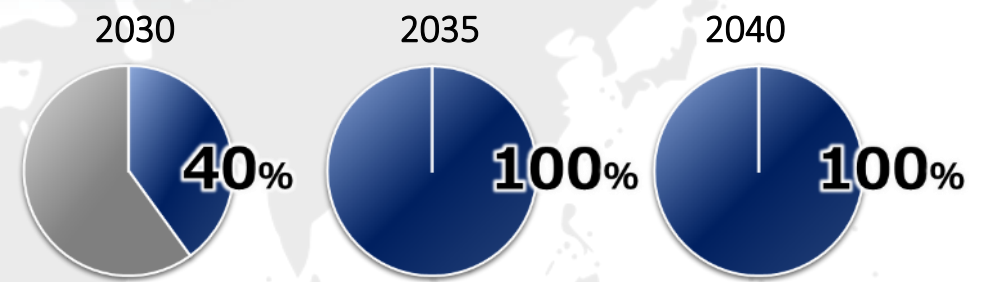
Targets for Automobile Electrification by Region

North America

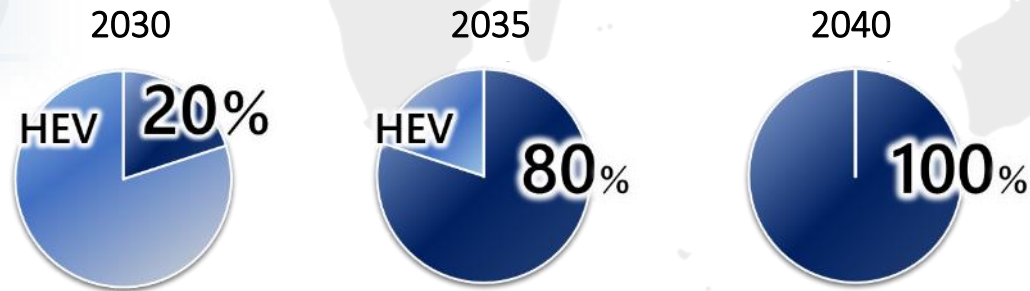


China

100% electrification target moved forward to 2035



Japan



Electrification of 100% of unit sales in Japan, including hybrid-electric vehicles, by 2030

Global EV Lineup

Europe



e:Ny1

China



e:NS1



e:NP1

Japan



EV based on "N-ONE"



N-VAN e:

North America



Acura ZDX Type S



PROLOGUE



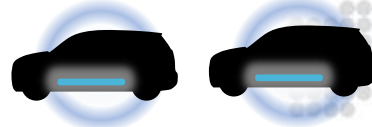
Dedicated Platform
Medium to large EV

Honda e



e:N SUV 序 / e:NS2 Prototype / e:NP2 Prototype / e:N GT Concept

Asia



2 small EV models including
SUV

North America

2024



Honda
PROLOGUE

Models co-developed with GM



Acura
ZDX

2025~

Equipped with new
E&E architecture



Introduction of a mid- to
large-size EV model

Model developed independently by Honda

Expand lineup of models that adopt a dedicated EV platform

China

Third in e:N series

In 2024

Second in e:N series

Fourth in e:N series



e:N SUV

e:NS2

e:NP2

e:N GT Concept

Introduce 10 Honda-brand EV models by 2027

Accelerate schedule to make EVs represent 100% of our automobile sales in China by 2035

Japan

In 2024



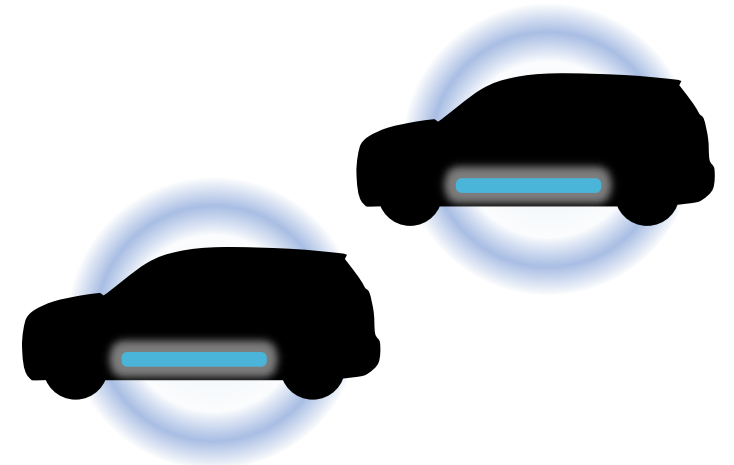
N-VAN e:

In 2025



N-ONE-based EV model

In 2026

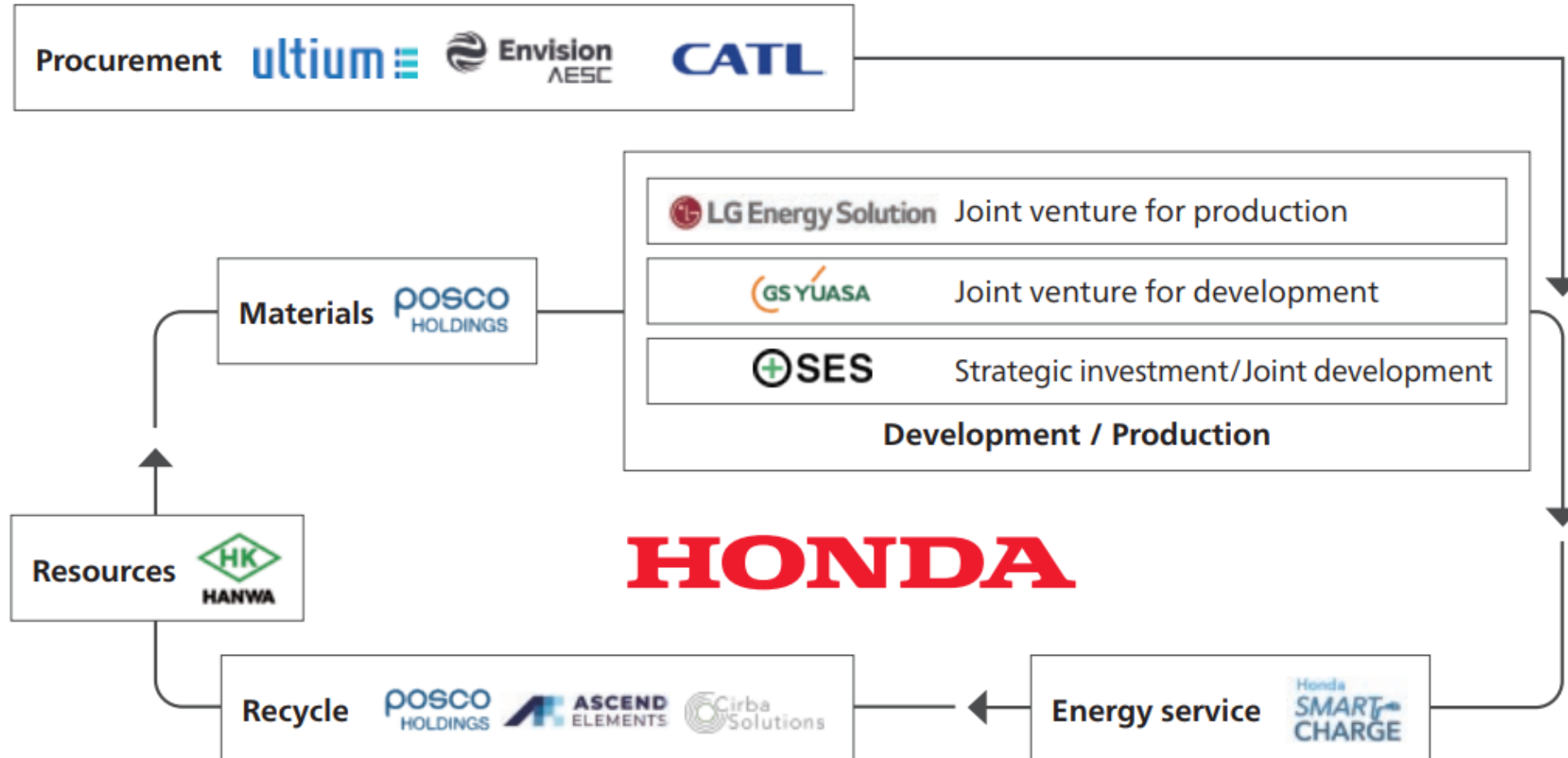


Introduction of two compact-size EV models

Introduce 4 new EV models by 2026

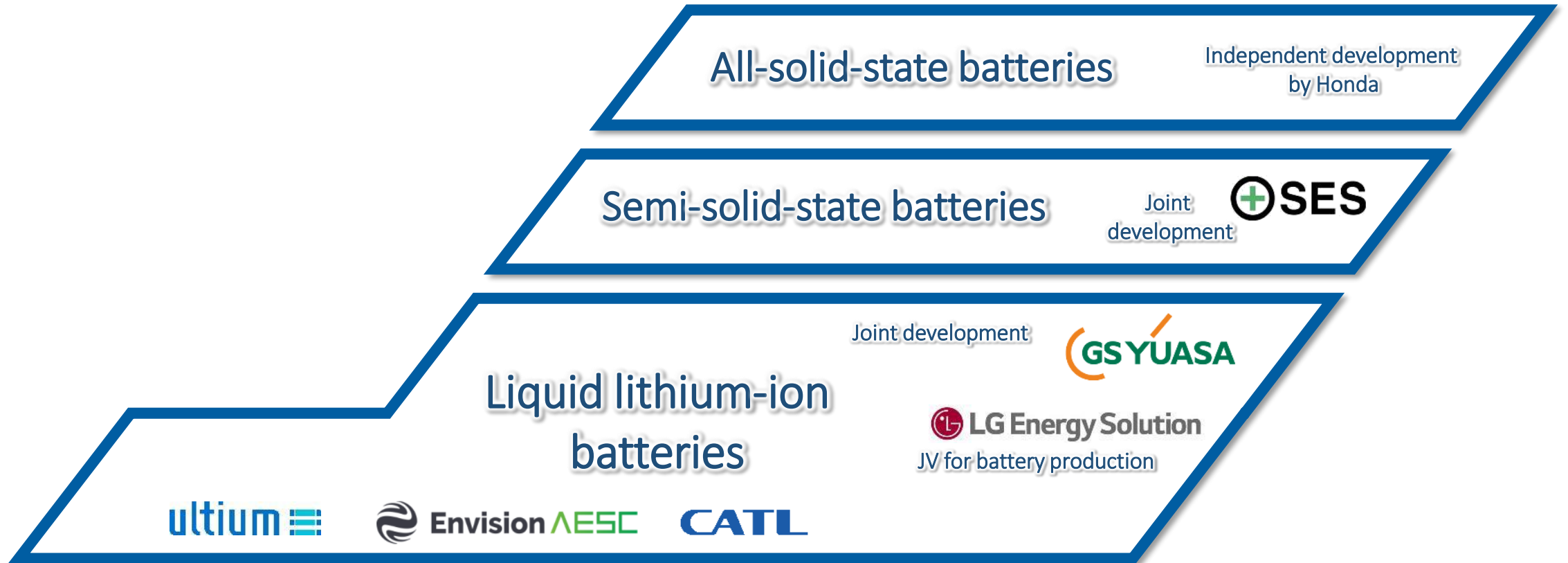
Accelerate electrification in Japan

Strong Battery Value Chain with Honda as the Hub



Aim to build a sustainable business foundation and strengthen competitiveness through strategic partnerships.

Initiatives in Battery-related Areas



Accelerate R&D with development partners and build multi-layered measures to address diverse scenarios.

Development of Next-generation Batteries

Semi solid-state batteries

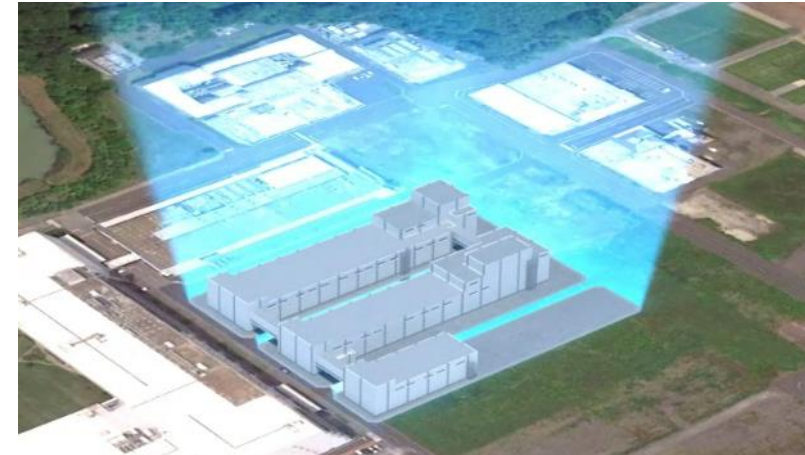
(Joint development)



Investment in SES AI Corporation

All-solid-state batteries

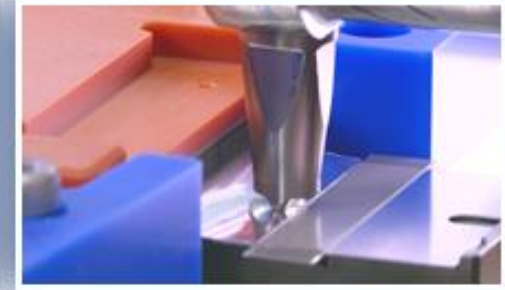
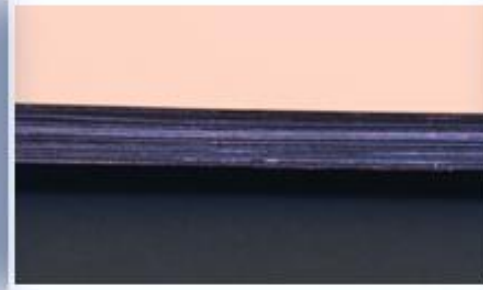
(Independent development by Honda)



Begin operation of a demonstration line in Sakura City, Tochigi, Japan in 2024.

Aiming for market introduction in the second half of the 2020s, Honda will continue taking on challenges toward the advancement of next-generation battery technologies.

All-Solid-state batteries



EV Motorcycle



EV Auto



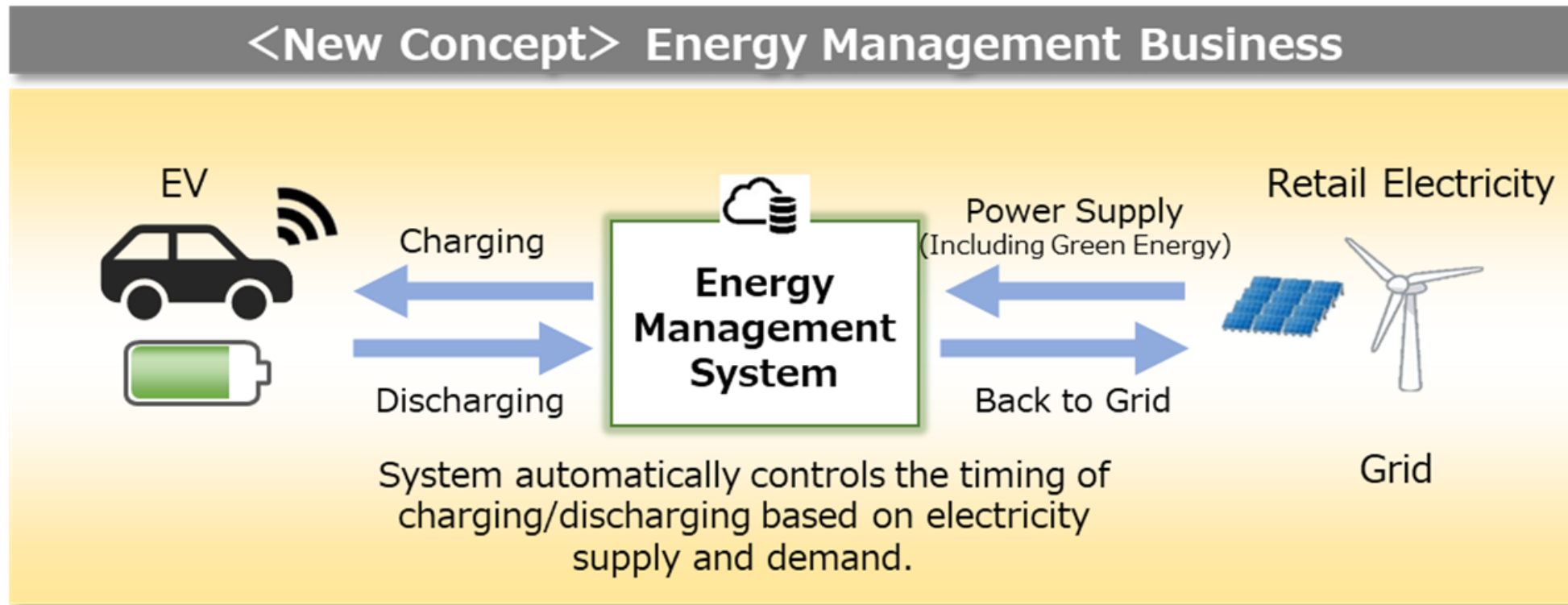
EV Autos and EV Motorcycles are to use same all-solid-state batteries which are being developed in-house

Charging and Infrastructure Strategy



Seven Companies, including Honda, will form a joint venture to establish a high-capacity EV charging network across the U.S. and Canada.

Energy Management Strategy



By connecting EVs to the power grid, we aim to stabilize the power grid and reduce charging costs for our customers. Established new company with BMW and Ford in North America and will partner with Mitsubishi Corporation in Japan.

Strengthening of EV Production System and Capability

Honda production operations in Ohio, U.S.A.



Marysville Auto Plant



East Liberty Auto Plant



Anna Engine Plant

Establish highly-efficient and highly-flexible production system at these plants to serve as the Honda EV Hub for production in North America.

Strengthening of EV Production System and Capability

Honda production operations in China



Wuhan : capacity 120k / year

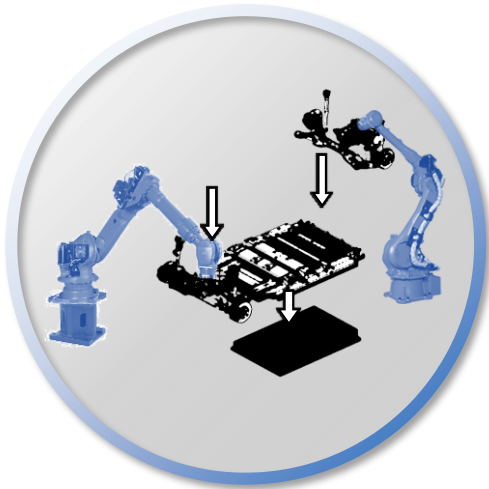


Guangzhou : capacity 120k / year

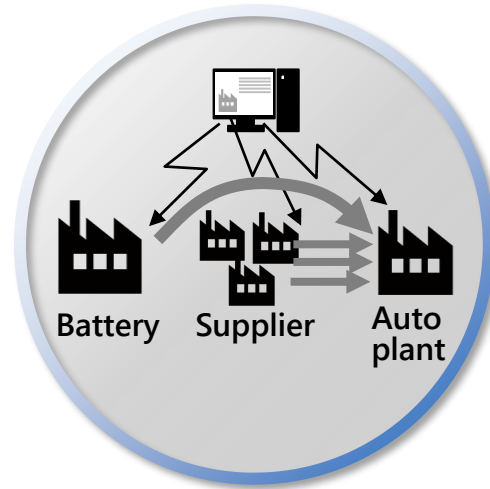
Both EV dedicated production plants in Wuhan and Guangzhou will start production in 2024.

Efforts toward a Plant Dedicated to EVs

Three reforms that will enable Honda to accommodate rapid expansion of our EV lineup in the future while continuing to be environmentally responsible



Production lines that pursue automation and application of intelligent technology



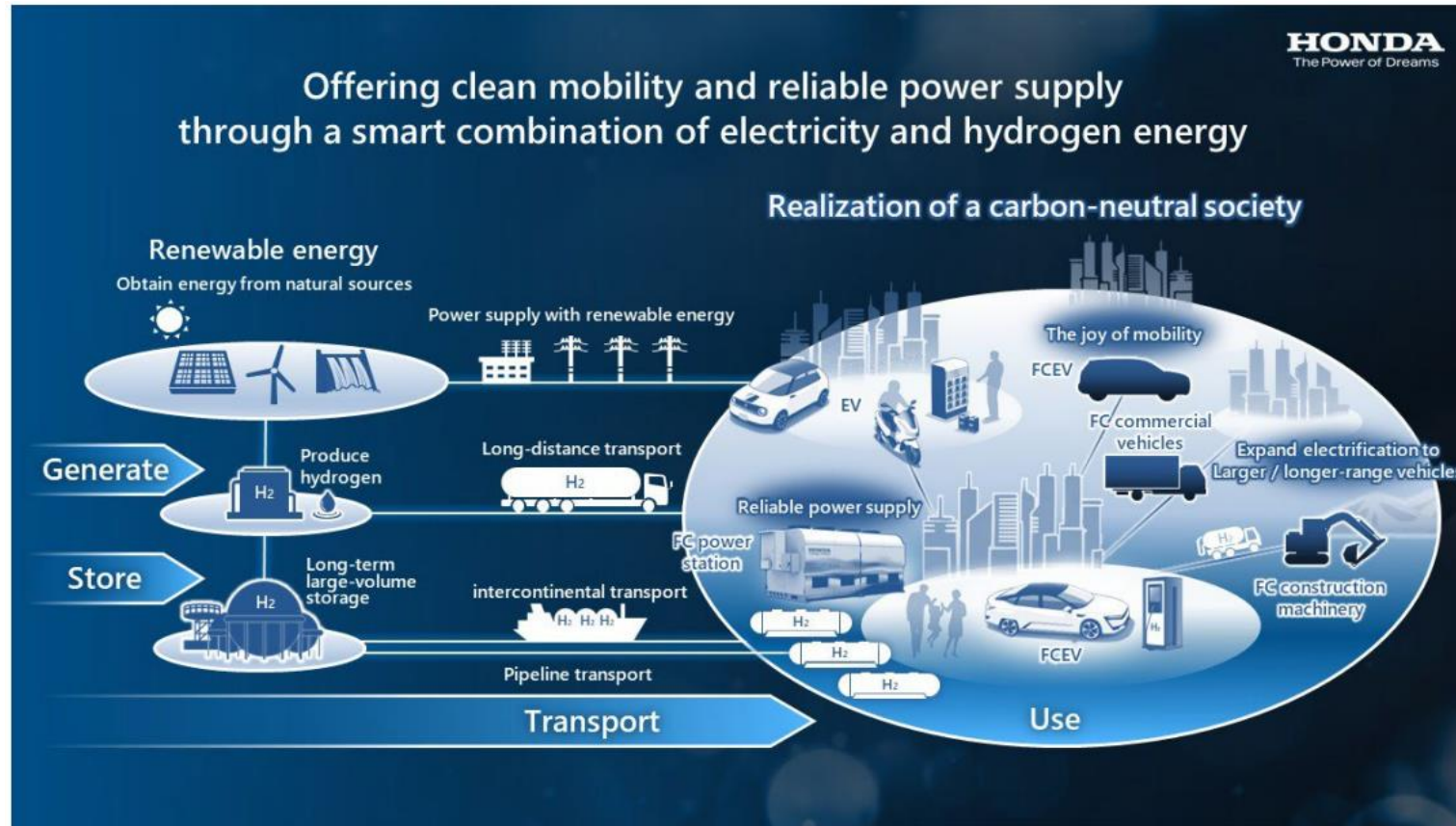
Establishment of highly efficient factories and supply chains



Shift to production processes that assume the resource circulation approach

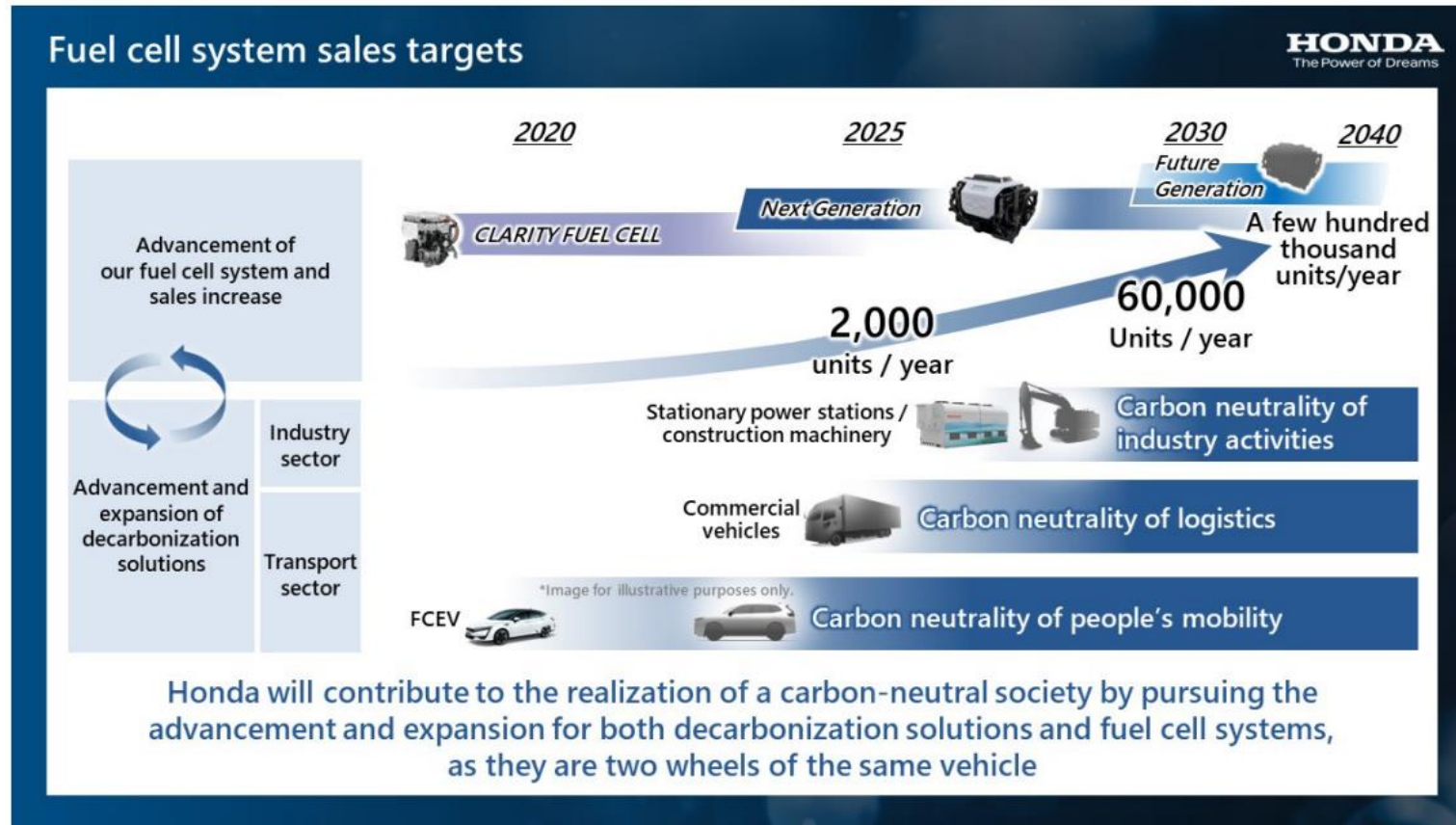
Undertake production system reform with an eye toward the production of EV models scheduled to go on sale in the second half of the 2020s.

Hydrogen Initiatives



Leveraging the characteristics of hydrogen, the main target application areas of fuel cell systems will be FCVs, commercial vehicles, stationary power sources and construction machinery. Aim to reduce costs and expand applications while expanding external sales.

Hydrogen Initiatives



Cost of next-generation fuel cell system to be reduced to 1/3 of current level. Aim to further reduce cost by half by around 2030, when fuel cells are expected to become broadly adopted.

Zero Traffic Collision Fatalities



IoT/
Connected

Carbon
neutrality of
power units

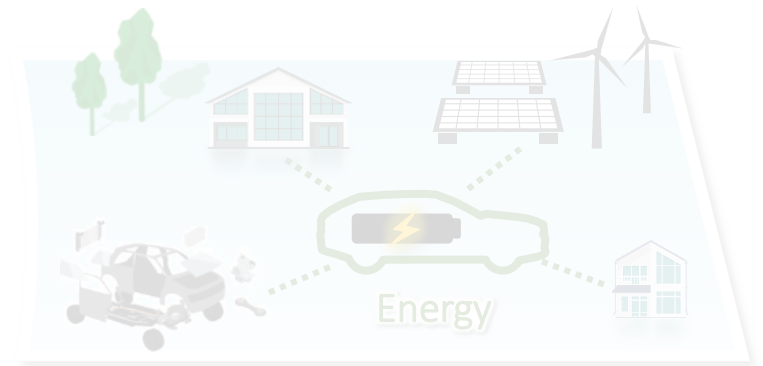
Key
Factors

Resource
circulation

AD/
ADAS

Energy
management

Zero environmental impact

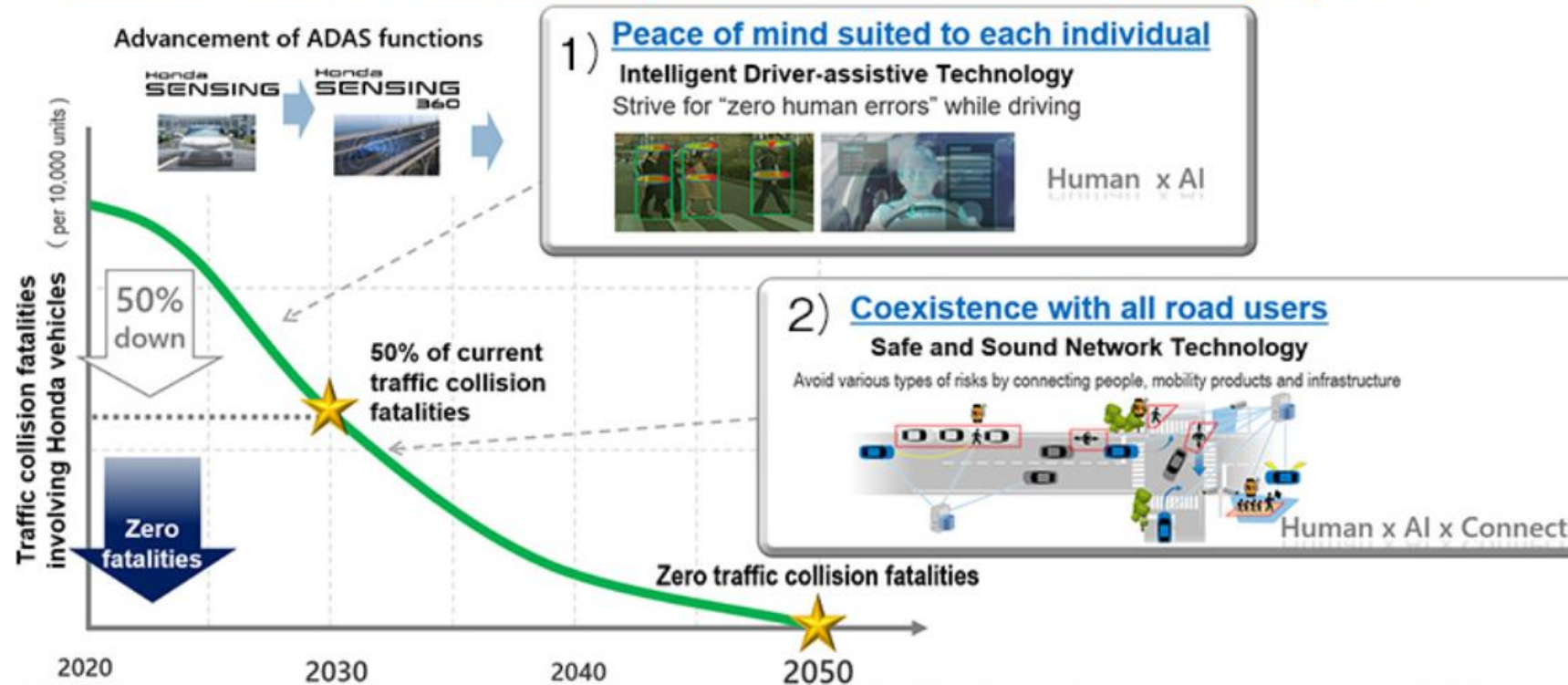


Details of initiatives aimed at achieving “Zero Traffic Collision Fatalities”

Safety Initiatives

Scenario Toward the Realization of “Zero Traffic Collision Fatalities”

Strive for zero traffic collision fatalities involving (customer-owned) Honda motorcycles and automobiles globally by 2050



Functional evolution and expansion of Advanced Driver-Assistance System (ADAS). Develop “safe and secure network technology” that links people and mobility through connected technology.

Safety Initiatives

Parking in and driving out of a home garage

Call forth at remembered location
Call forth from remote location



Driver assistance on non-expressway roads



Level 3

Driver assistance for all expressway driving solutions

Level 3 for all driving situations Technology to be established by late 2020s
+Level 3 in traffic jams



Call forth while away from home and drop off

We aim to establish the technology, Level 4 in a limited area in the automated valet parking certified areas by the latter half of the 2020s.

Aim to achieve zero human error while driving through advances in “Honda SENSING Elite”. AI technology to enable safe/secure/seamless travel to destination, including on local streets.

Driverless Ride Service

HONDA

cruise

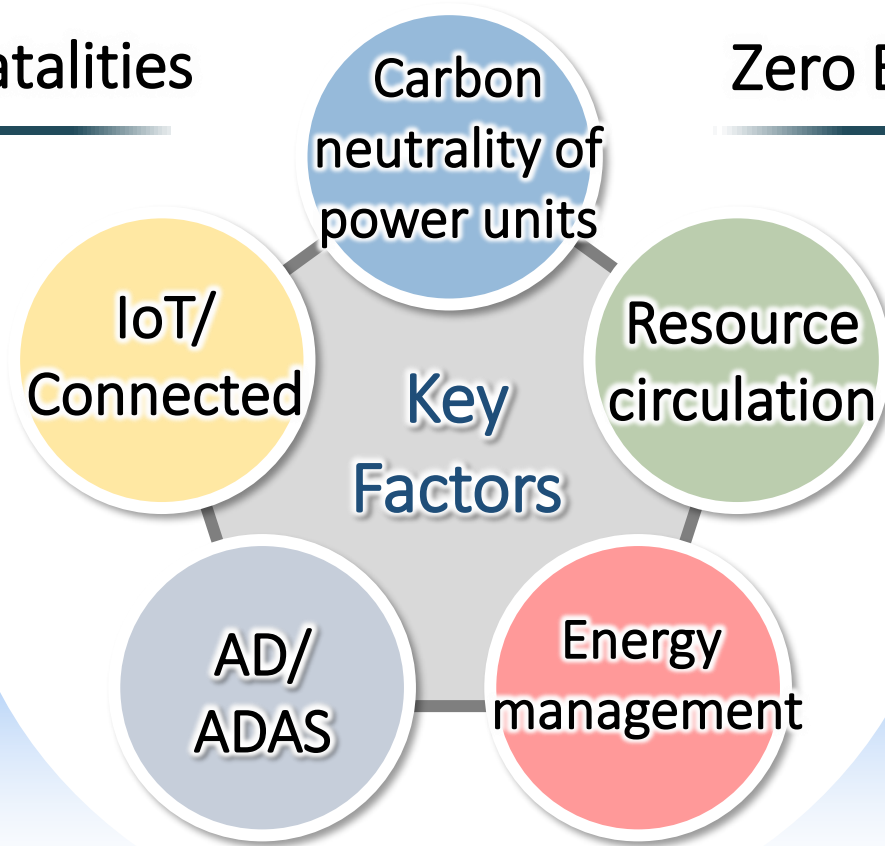
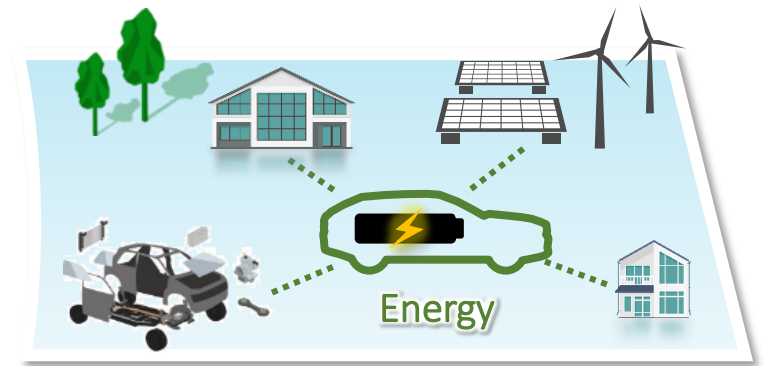


From pick-up at a specified location through transport to desired destination, “Cruise Origin” to provide driverless ridehail service. After launch of 500 units in central Tokyo, expand the scale to provide service to areas outside of central Tokyo.

Zero Traffic Collision Fatalities



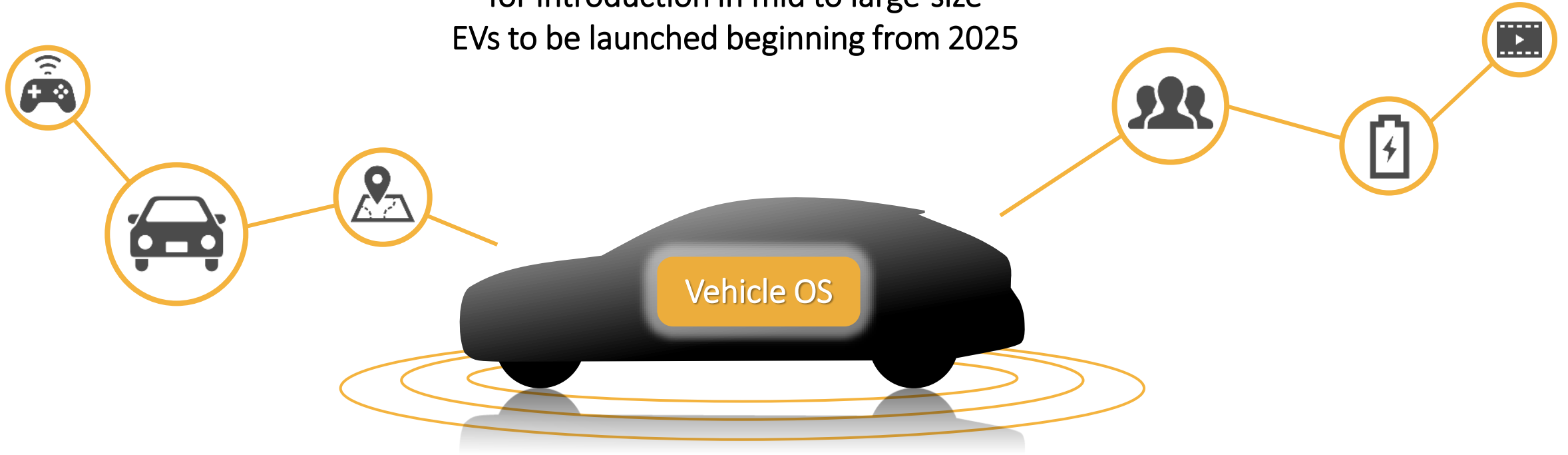
Zero Environmental Impact



Details of software that are crucial to both “Zero Environmental Impact” and “Zero Traffic Collision Fatalities” initiatives

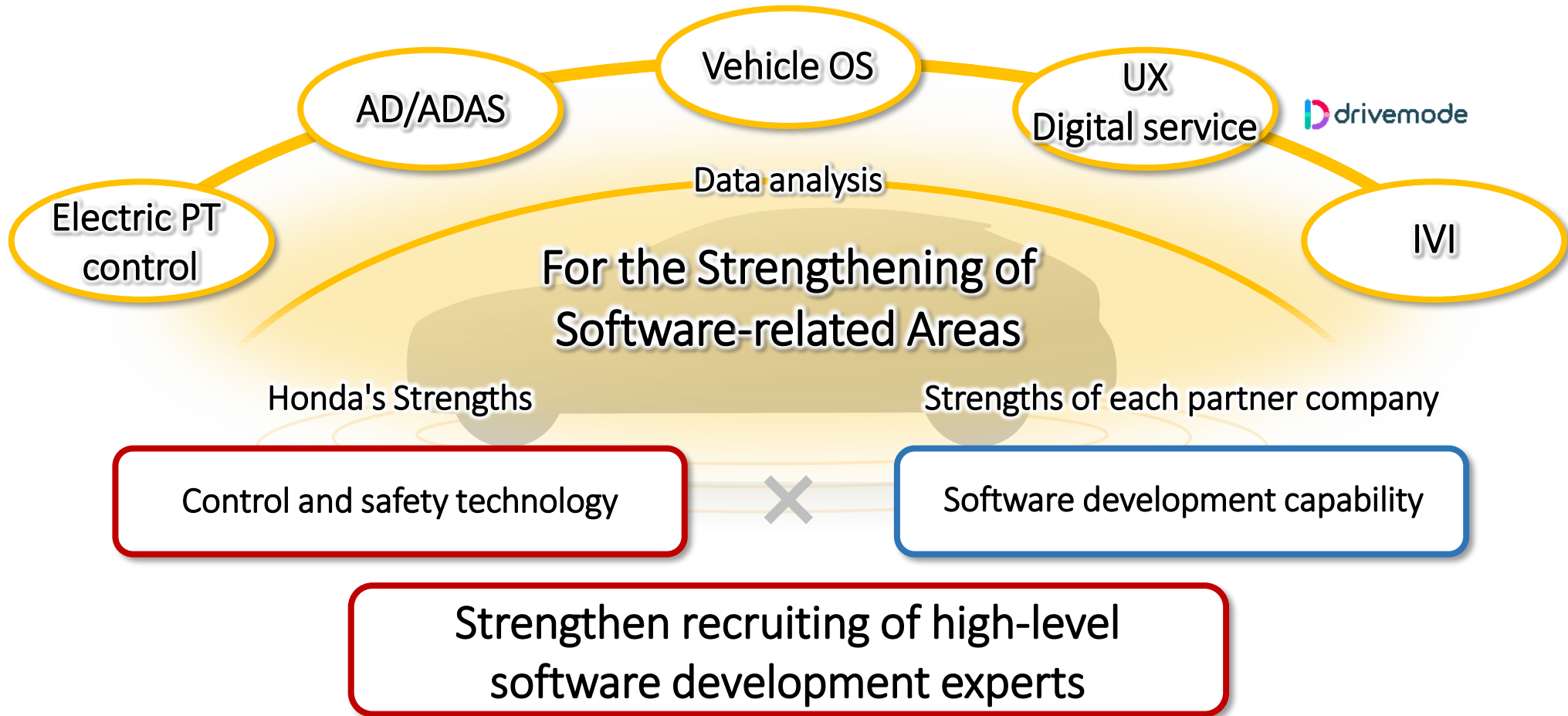
Advancement in Software-related Areas

Development of Honda's original vehicle OS
for introduction in mid to large-size
EVs to be launched beginning from 2025



Offer continuously updated autonomous driving / advanced driver-assist functions,
spatial value and digital services to our customers

For the Strengthening of Software-related Areas



Strive to realize new value that can be created through software as early as possible

Strengthening of UX and digital services

Leverage startups Shift to an agile development system and capability



Honda acquired Drivemode, a Silicon Valley-based UX software startup, in 2019.

Digital UX decision
making authority



Drivemode CEO named Honda's
Global UX Officer

Development environment on par
with top IT companies



Take proactive approach in recruiting
digital experts Strengthen the
development of UX and digital services

Strengthen software development
starting from North America



Expand high-level software
development globally

For the Strengthening of Electrification and Software-related Areas

HITACHI
Inspire the Next

Astemo

Further strengthen the relationship with Hitachi Astemo to enhance initiatives in the areas of advanced technologies such as electrification and advanced driver assistance systems.

Towards the Strengthening of Software-related Areas

The logo for SCSK, consisting of the letters 'SCSK' in a bold, blue, sans-serif font.

Collaboration with both companies in software development in the following areas:

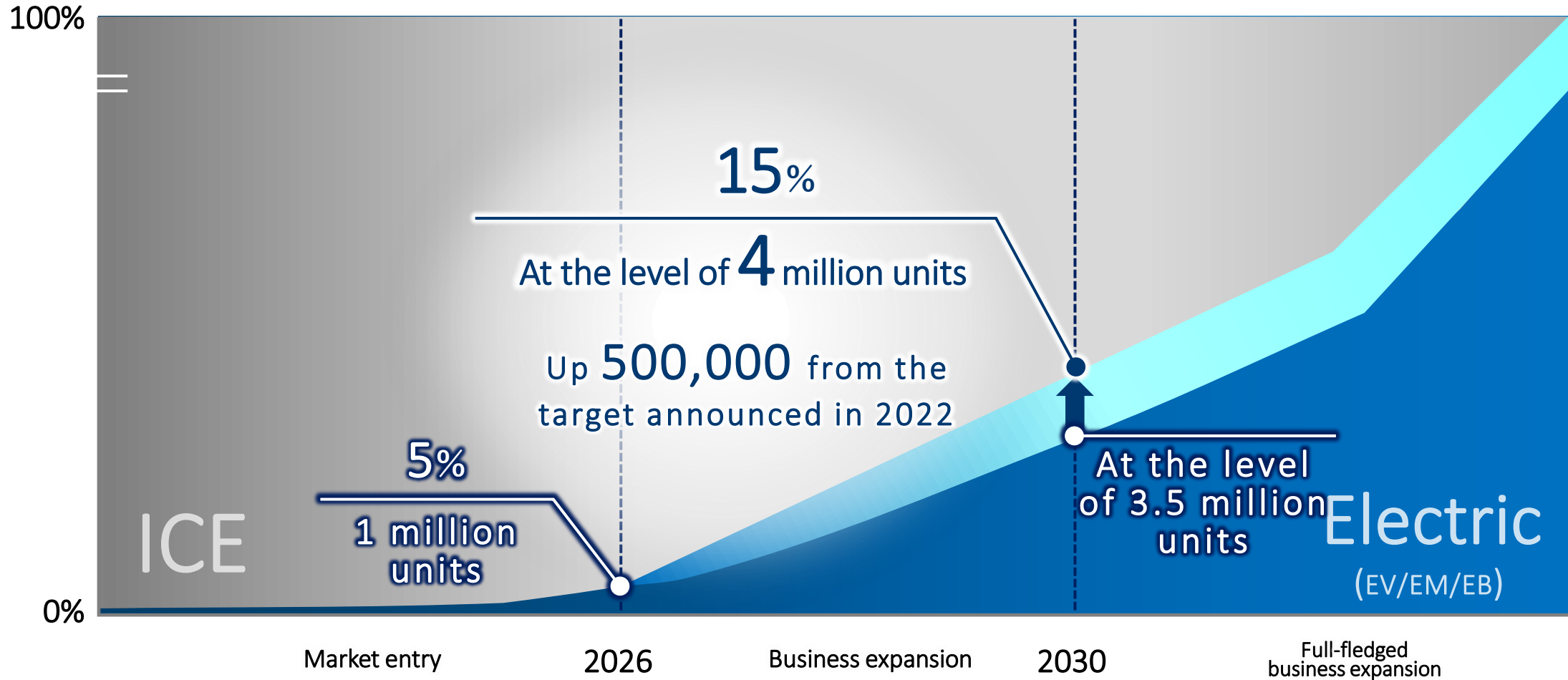
- Operating Systems for the next generation electrical/electronics (E&E) architecture
- Electrified powertrains
- Advanced safety and autonomous driving
- IVI (In-Vehicle Infotainment) and connected technologies

Summary of Electrification Business Initiatives

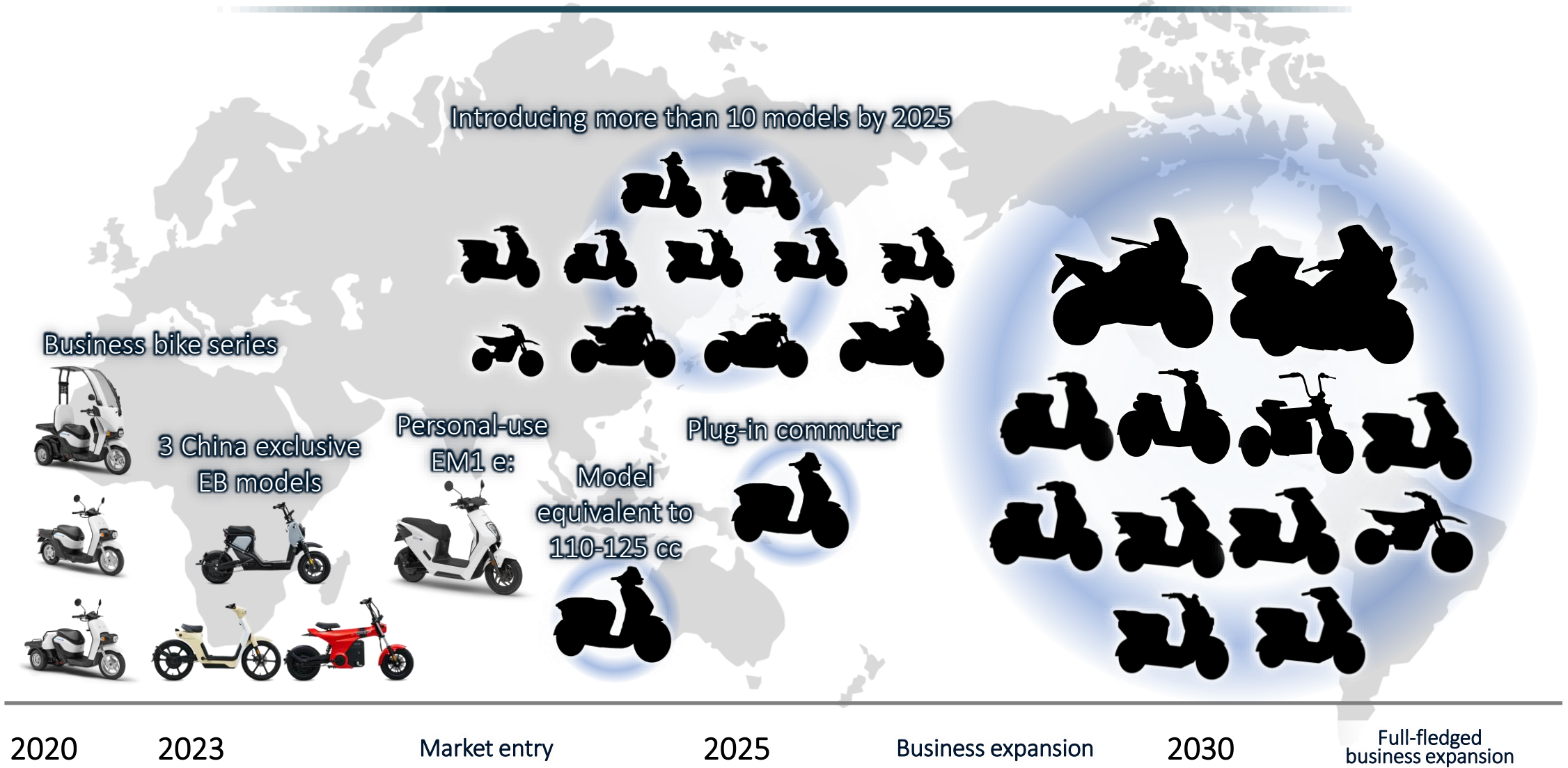
| Item | |
|--------------------------------|---|
| Battery | <div style="display: flex; justify-content: space-around; align-items: flex-start; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> • Realize cost-competitive batteries through collaboration with global manufacturers. • Quickly establishing mass production technology for all-solid-state batteries developed in-house to mass produce cost-competitive and safe batteries. • Through collaboration with partners, establish an extensive ecosystem that includes everything from material procurement to recycling to ensure stable procurement of resources and further enhance cost competitiveness. |
| Charging Infrastructure | <ul style="list-style-type: none"> • Seven companies, including Honda, are constructing a charging network in the U.S./Canada. • Connect EVs to power grid to reduce charging costs. <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">  </div> |
| Software | <div style="display: flex; justify-content: space-around; align-items: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> • Leverage development capabilities of SCSK/ KPIT Technologies Ltd. to build a highly competitive SDV platform. • Accelerate UX and digital services by leveraging the startup company, drivemode, and collaborate with Astemo in several software-related areas. |
| Production | <ul style="list-style-type: none"> • Build EV production system in the U.S. and China. • Reduce production costs by promoting automated and intelligent technologies as well as introducing highly efficient and resource circulation-based production system. |

Image of Global Sales of Honda Electric Motorcycles

Sales ratios of electric and ICE models



Building a Full Lineup of Electric Models



Advancement of Honda Motorcycles with Electrification

Strengths of Honda

- Know-how in areas of development, production and procurement amassed through ICE motorcycle business
- Fundamental functionality, such as accelerating/cruising, turning and stopping

Enhanced comfort through connectivity



Products that continue to advance through post-purchase software updates

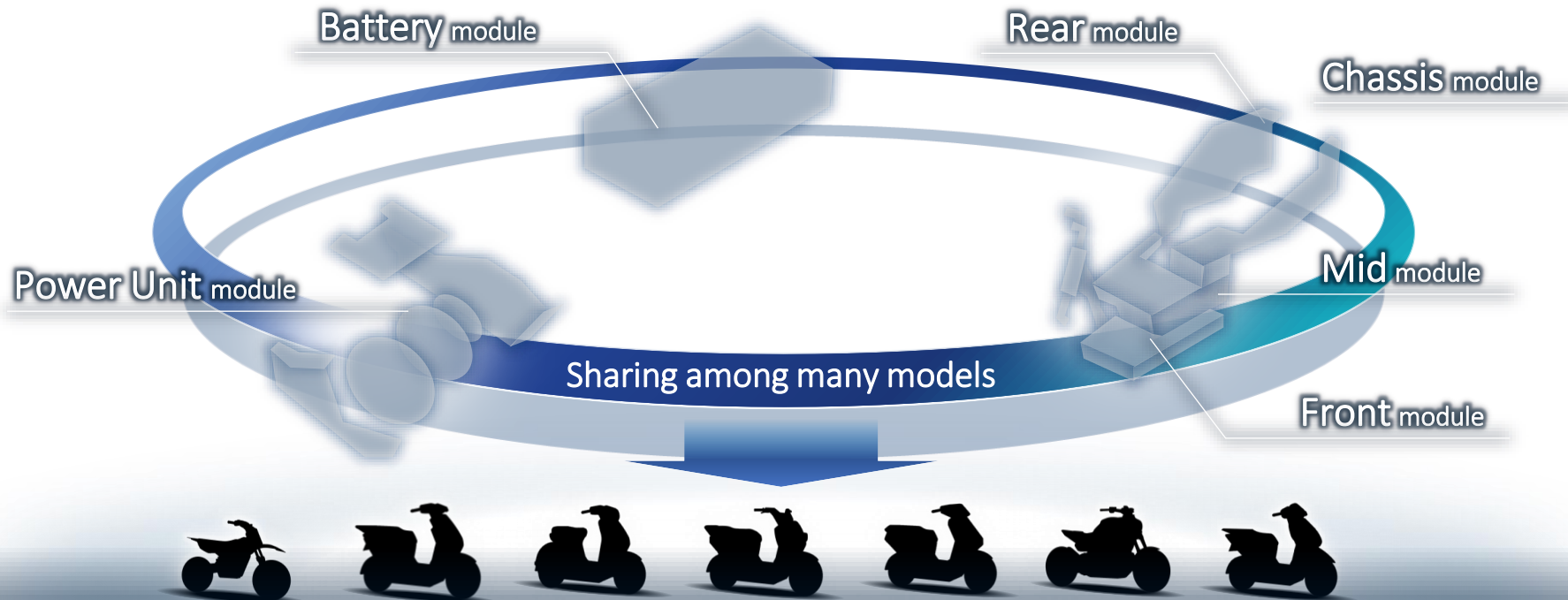
Target

Early adopters

(Throughout market entry and business expansion period)

Utilization of Modular Platforms

Leveraging know-how of platform sharing amassed through ICE motorcycle business, the battery, power unit and chassis of electric motorcycles are modularized respectively



Utilization of modular platforms will enable efficient introduction of models that accommodate the diverse needs of customers around the world

Advancement of Connectivity

Collect customer data from both ICE and electric models and advance software to offer functions and performance customized for each individual customer

Increased amount of data collected

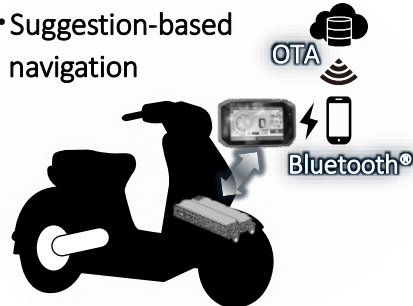


- Smartphone-linkage



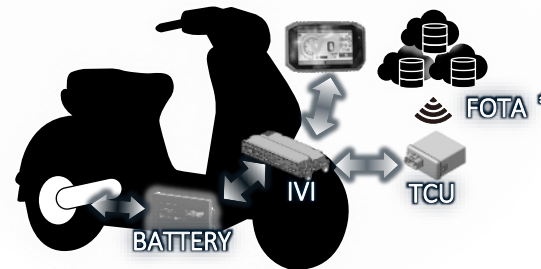
Honda RoadSync

- Suggestion-based navigation



In-Vehicle Infotainment

- Personalized navigation
- Personalized BMS



Next-generation IVI

- Understands the customer and proactively offers new experiences appropriate for the customer



Further advancement of next-generation IVI

Battery Application Strategy

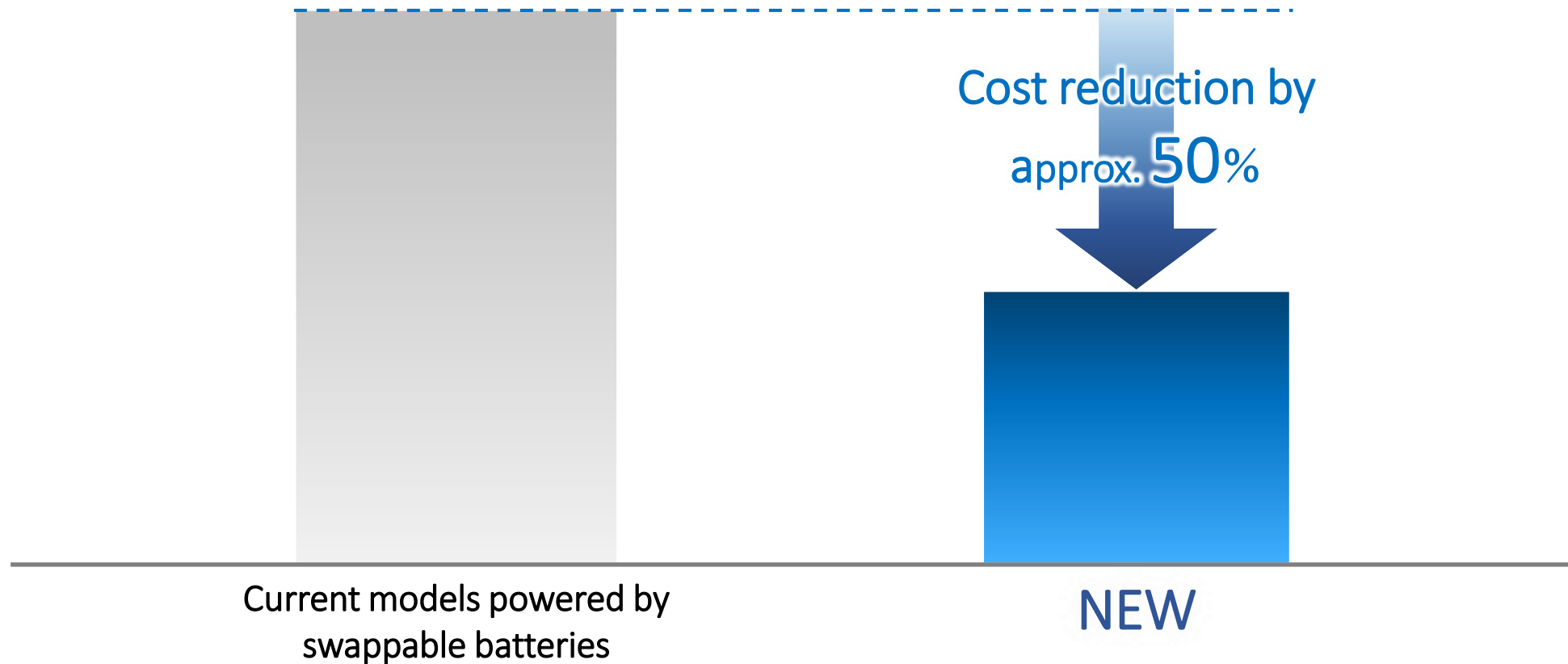
- Lithium-ion batteries (NCM/LFP)
Offer most suitable batteries in accordance with how and in what kind of environment our electric motorcycles will be used by customers around the world
- All-solid-state batteries
Explore adoption in the mid- to long-term

All-solid-state
batteries

lithium ferro-phosphate batteries
(LFP)

Ternary lithium-ion batteries
(NCM: nickel-cobalt-manganate)

Reducing the Cost of Finished Electric Motorcycles



Reduce the current cost of finished electric motorcycles by 50% through the optimization of batteries, adoption of modular platforms, and optimization in the areas of production and procurement.

Production and Procurement System and Capability for Electric Motorcycles

Production

From now to 2027
Fully utilize the existing infrastructure for ICE models

Toward 2030 sales target of 4 million units

2027

Begin production at the first dedicated electric motorcycle plant

Length of production line Including the application of modularization technology
Approx. 40% shorter (vs. ICE lines)

Production capacity Increased automation and efficiency
1 million units/year (per plant)

Investment amount Approx. 50 billion yen (per plant)

Flexibly leverage existing infrastructure for ICE motorcycles, while building dedicated electric motorcycle plants to accommodate the growing production volume

Procurement

Current

Procuring finished components of electric motorcycles

To optimize the cost of electric models

Future

Adopt optimal procurement structure for electrification components

Procurement of materials

Machining process

Assembly process

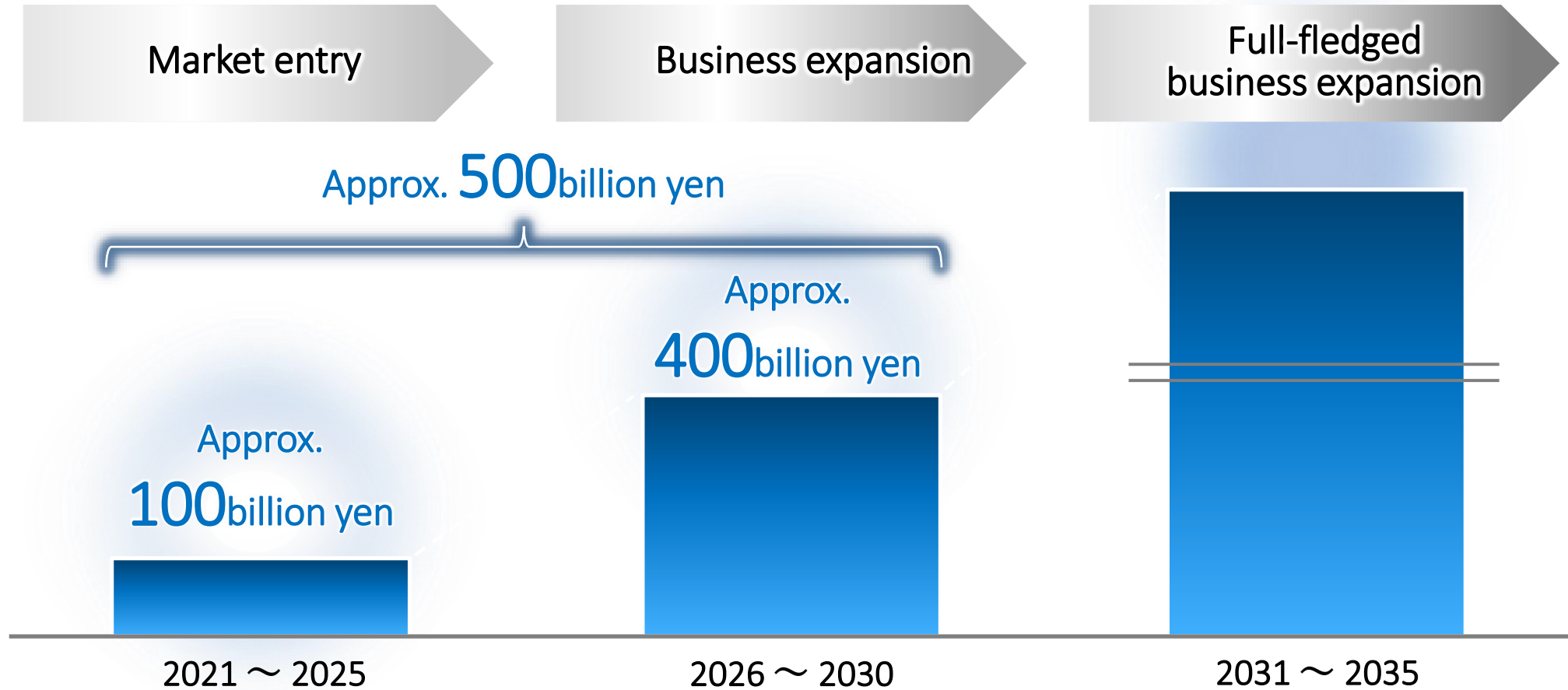
Total optimization of
SCM and ECM *

*ECM = Engineering Chain Management

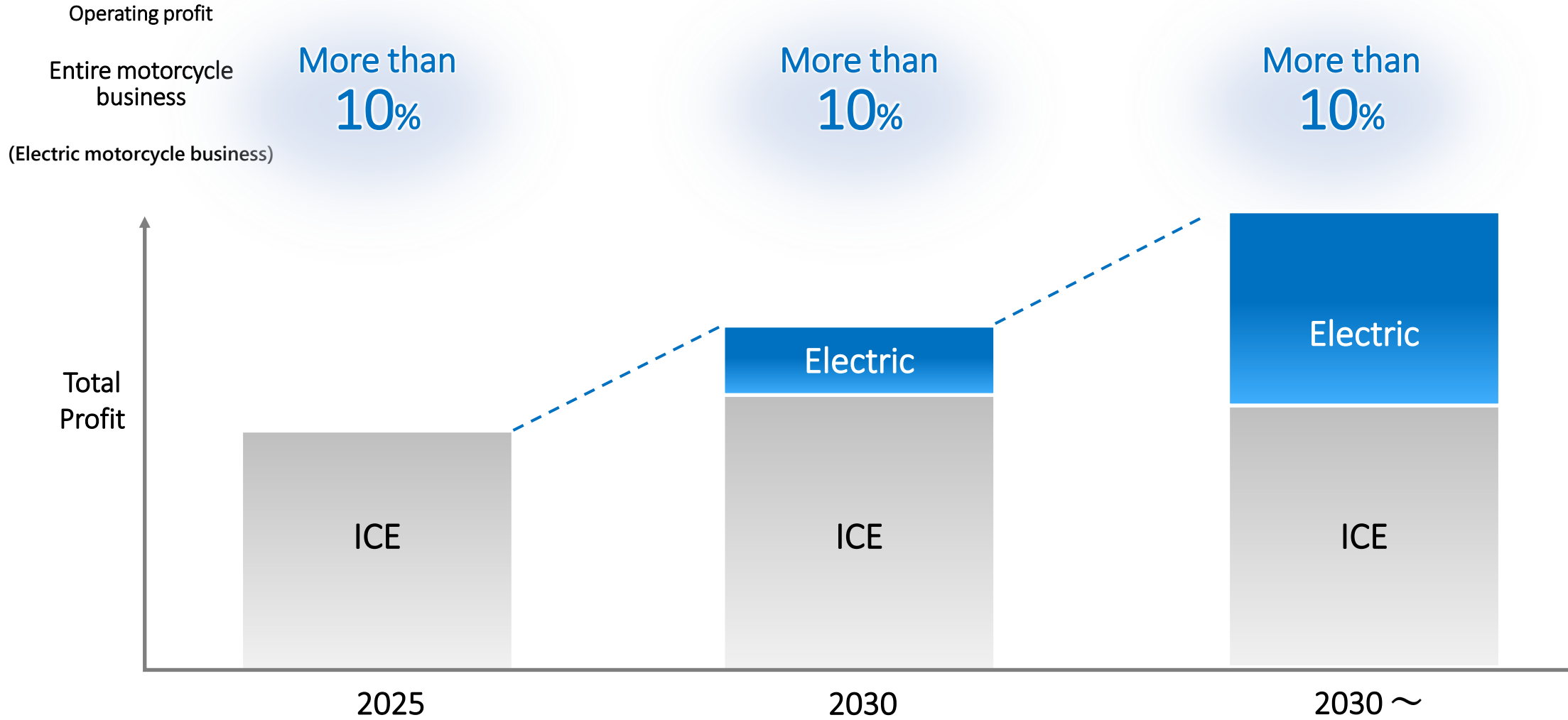
Pursue the establishment of optimal procurement structure by dismantling and reorganizing the current procurement structure

Amount of Investment in Electric Motorcycle Business

(including dedicated electric motorcycle plants, battery plants and development expenses)



Profit Target for Motorcycle Business



Electrification of Power Products



Honda Mobile Power Pack e:



Komatsu Electric Micro Excavator PC01E-1 equipped with eGX electric power unit and Honda Mobile Power Pack e:



Electrified power unit eGX



Compactor Rammer Compressor
Equip in small construction
machinery

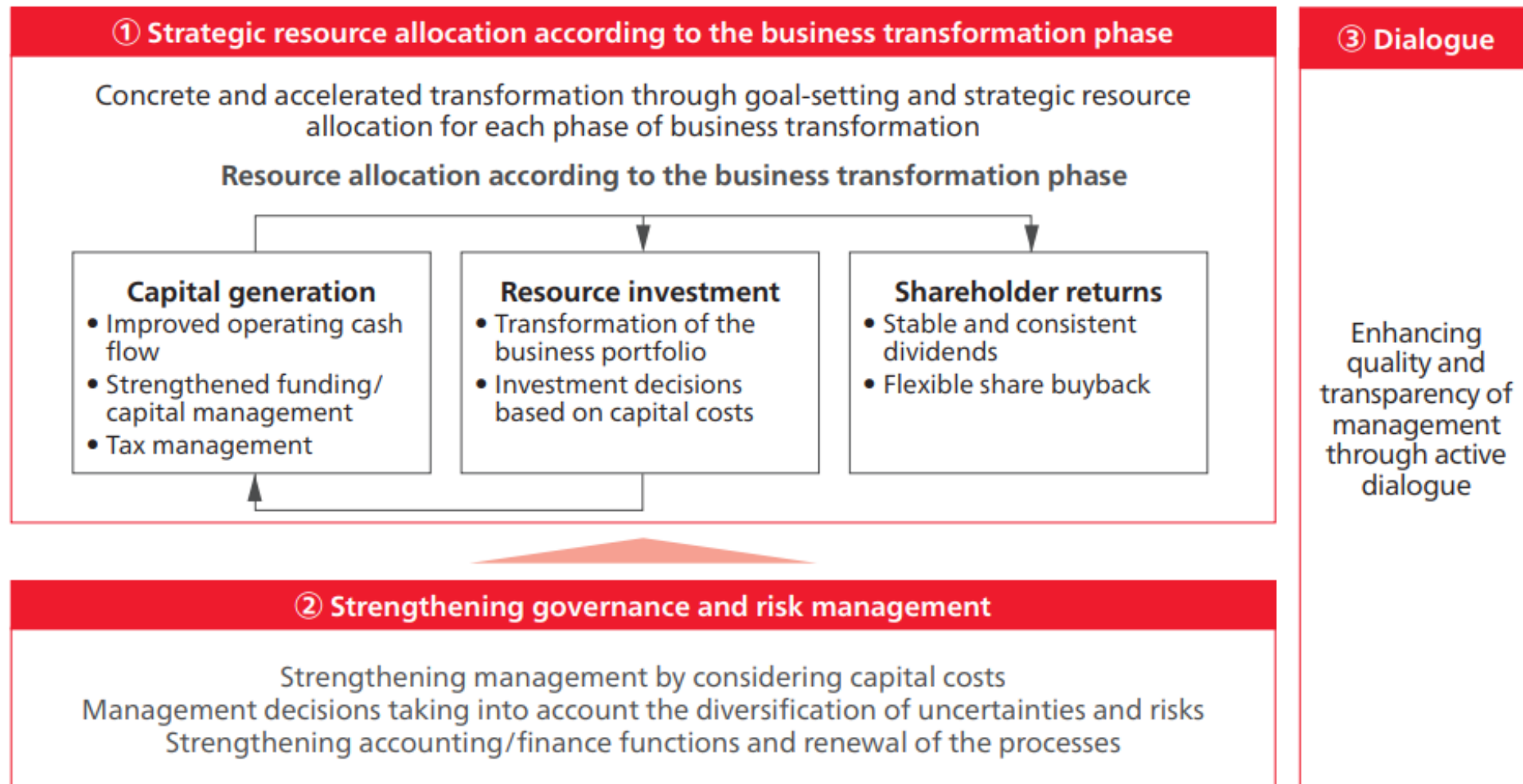


Electric propulsion for small boats (prototype)

Agenda

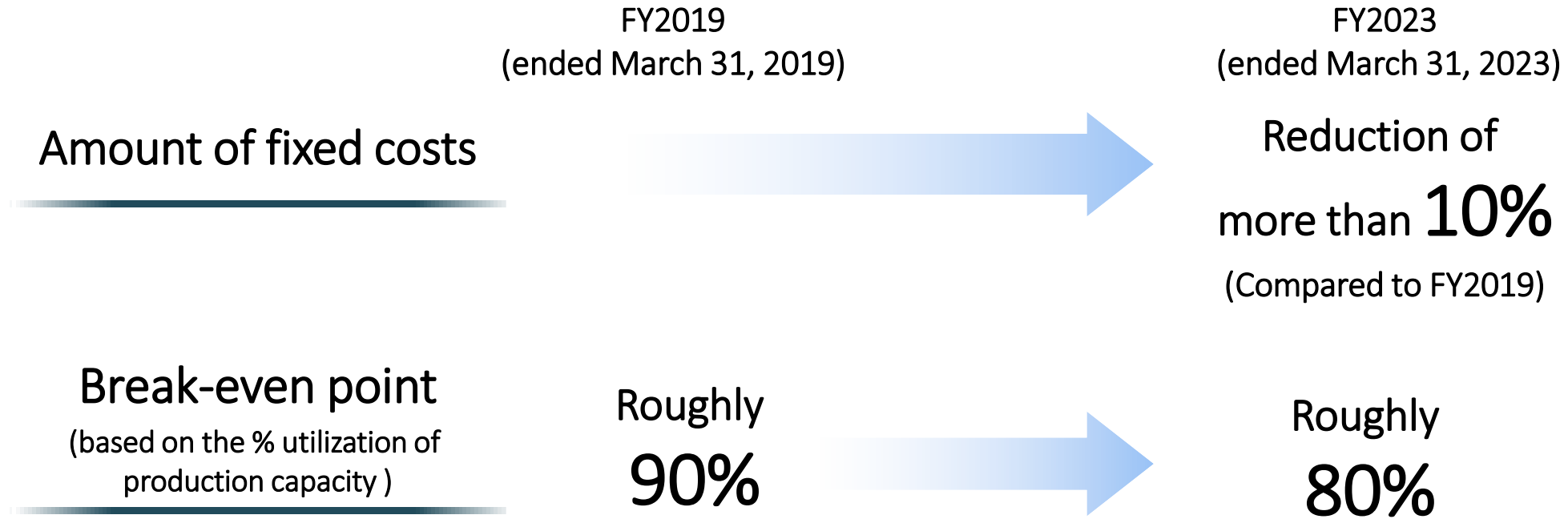
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Increasing Corporate Value



Aim to increase corporate value through sustainable growth of cash flows, enhancement of capital efficiency and active engagement with stakeholders.

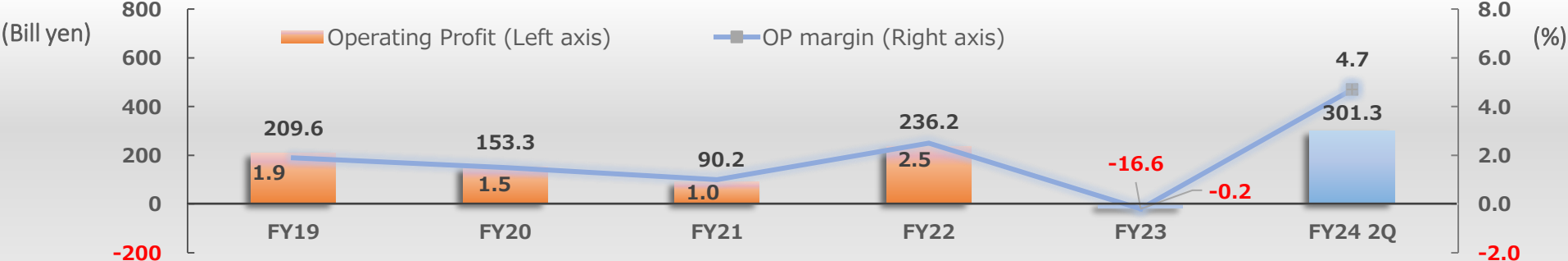
Status of Business Structure Indicators



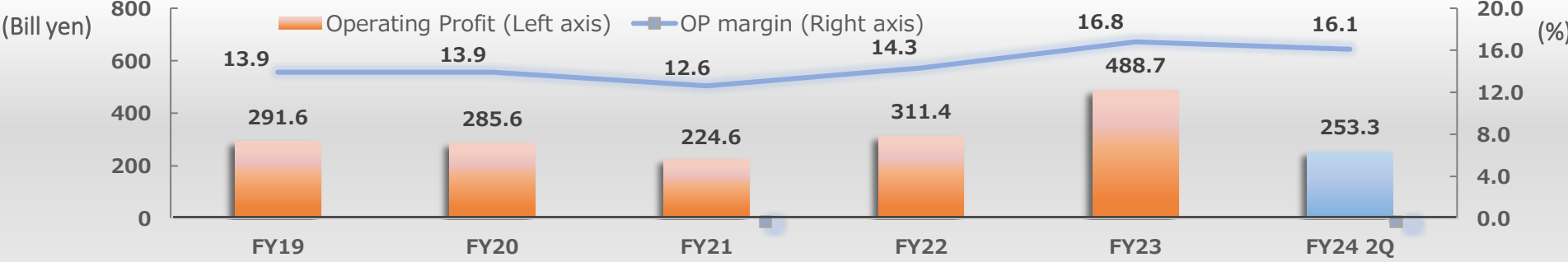
Significant progress was made in the initiative to strengthen our business structure to achieve Honda's FY2026 target (ROS of 7%).

Profit / Free Cash Flow Trend

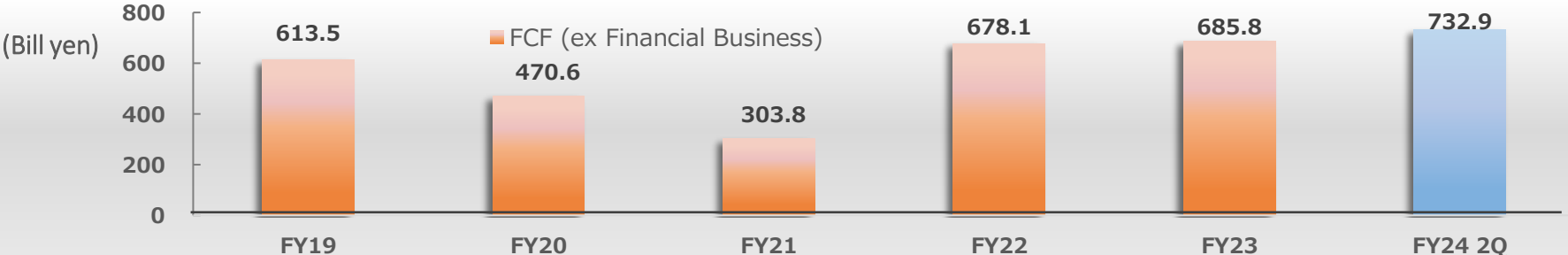
Automobile Profit



Motorcycle Profit

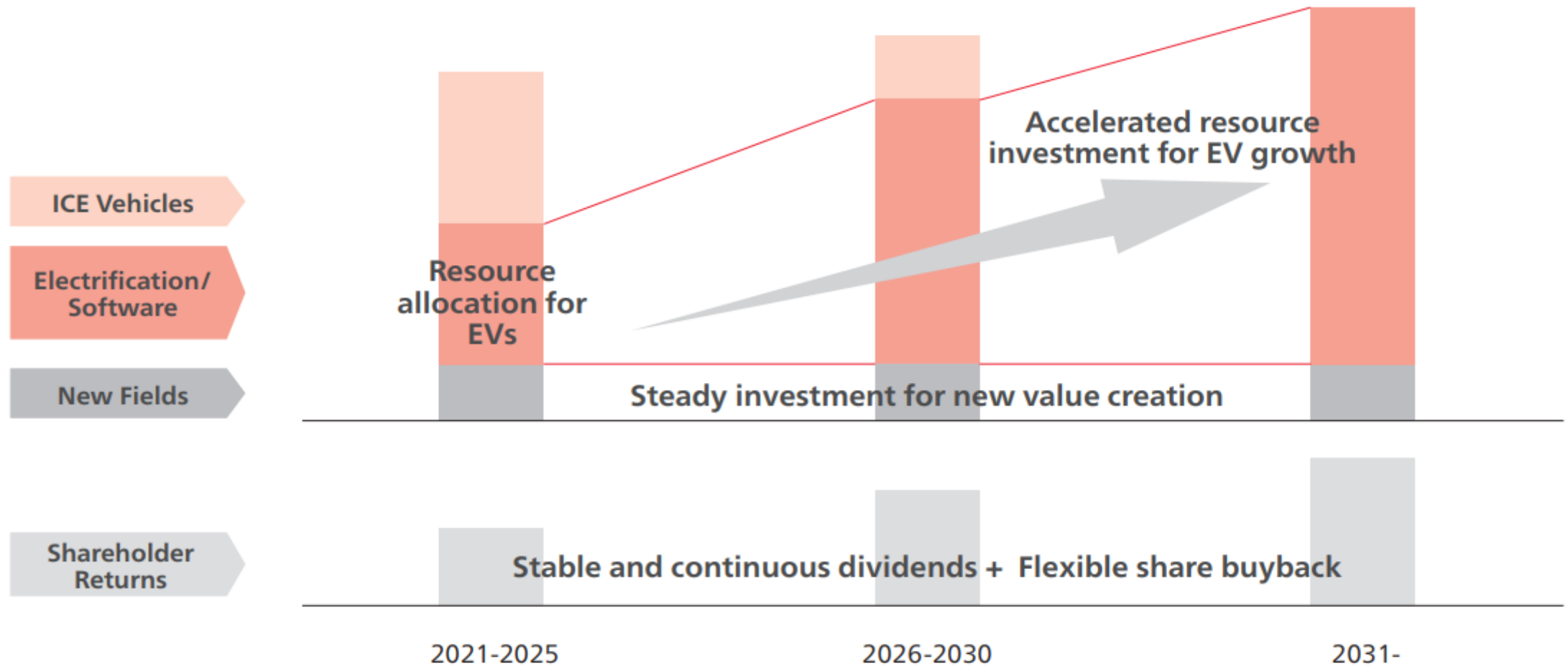


Corporate FCF



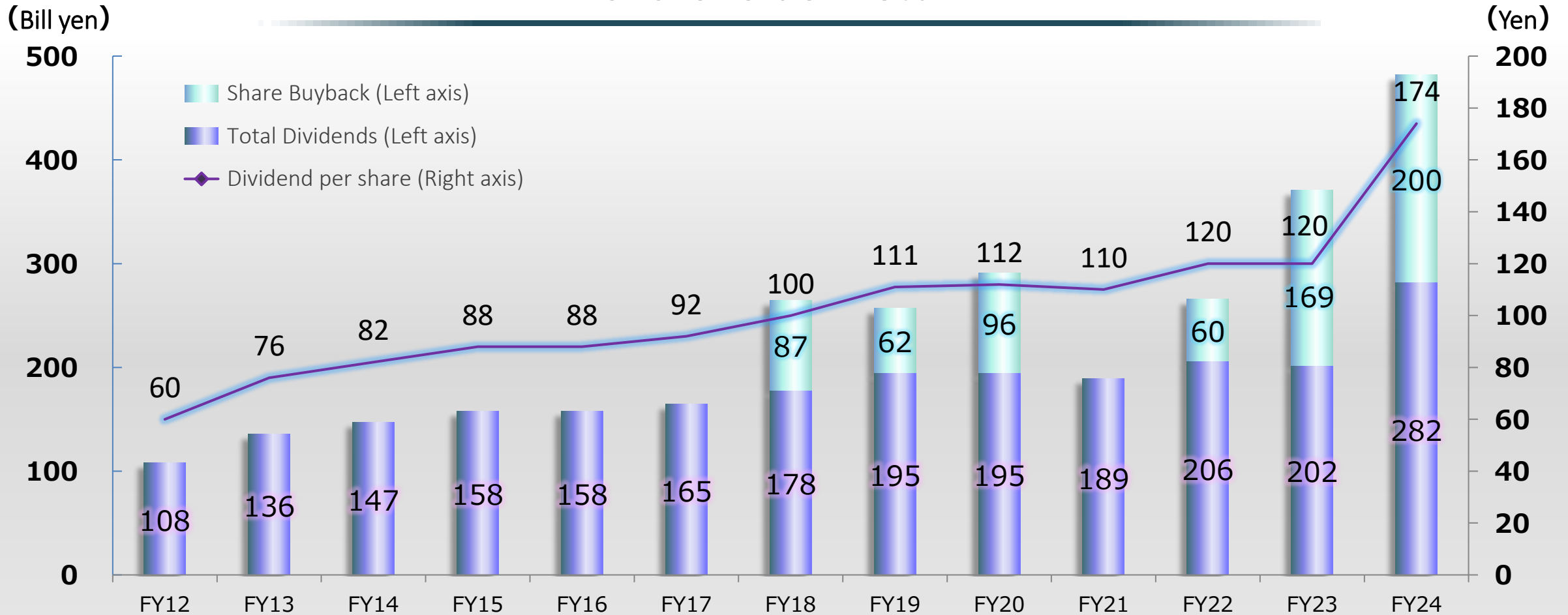
Operating income of automobile business has improved significantly due to improved fixed cost structure and increased unit sales. Combined with strong motorcycle business performance, the ability to generate free cash flow, which will be the source of funds for business transformation, has increased significantly.

Strategic Resource Allocation



Realize business transition to EVs and new value creation in EV business through phase-specific strategic resource allocation.

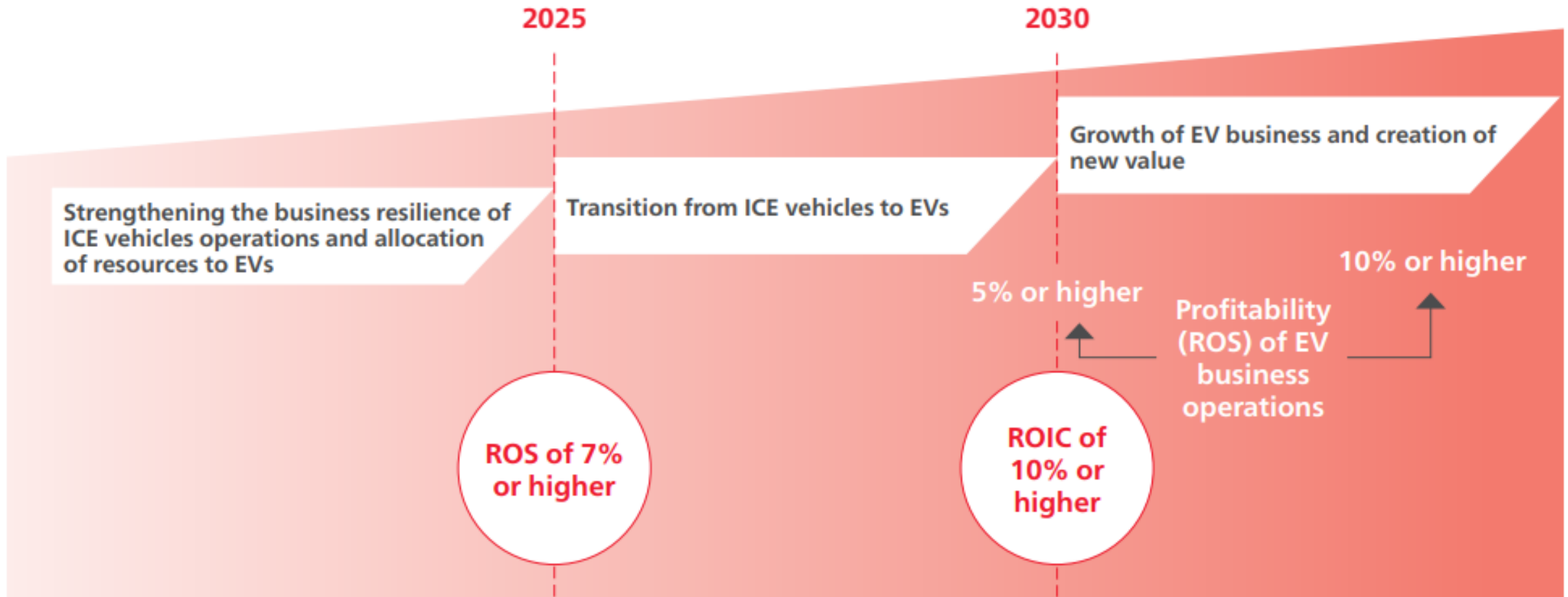
Shareholder Return



※ based on the shares before the stock split as of Oct in 2023

In addition to a consolidated dividend payout ratio of 30%, acquire its own shares for the purpose of implementing flexible capital policy.

Goals for Each Phase of Business Transition

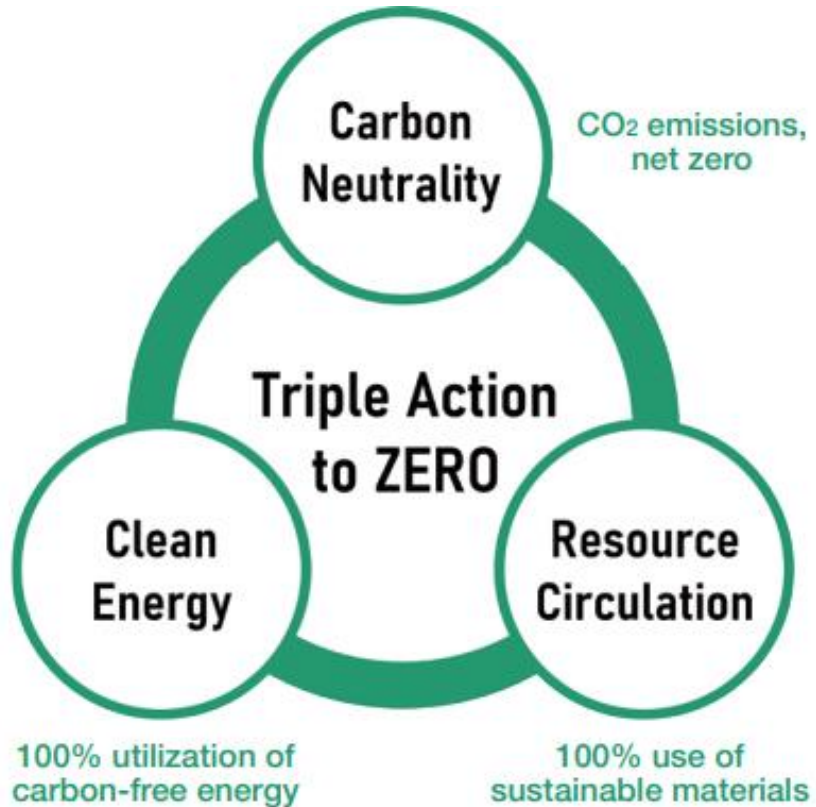


While proceeding with business transition to EVs, aim to achieve target values shown above while continuously maintaining ROIC that exceeds capital cost and aiming for PBR of over 1x.

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Initiatives to Achieve Zero Environmental Impact



CO₂ emissions, net zero by 2050

To address climate change issues, work toward a target of limiting the global average temperature rise to 1.5°C above pre-industrial levels by reducing carbon emissions from corporate activities and throughout the product life cycle.

100% utilization of carbon-free energy by 2050

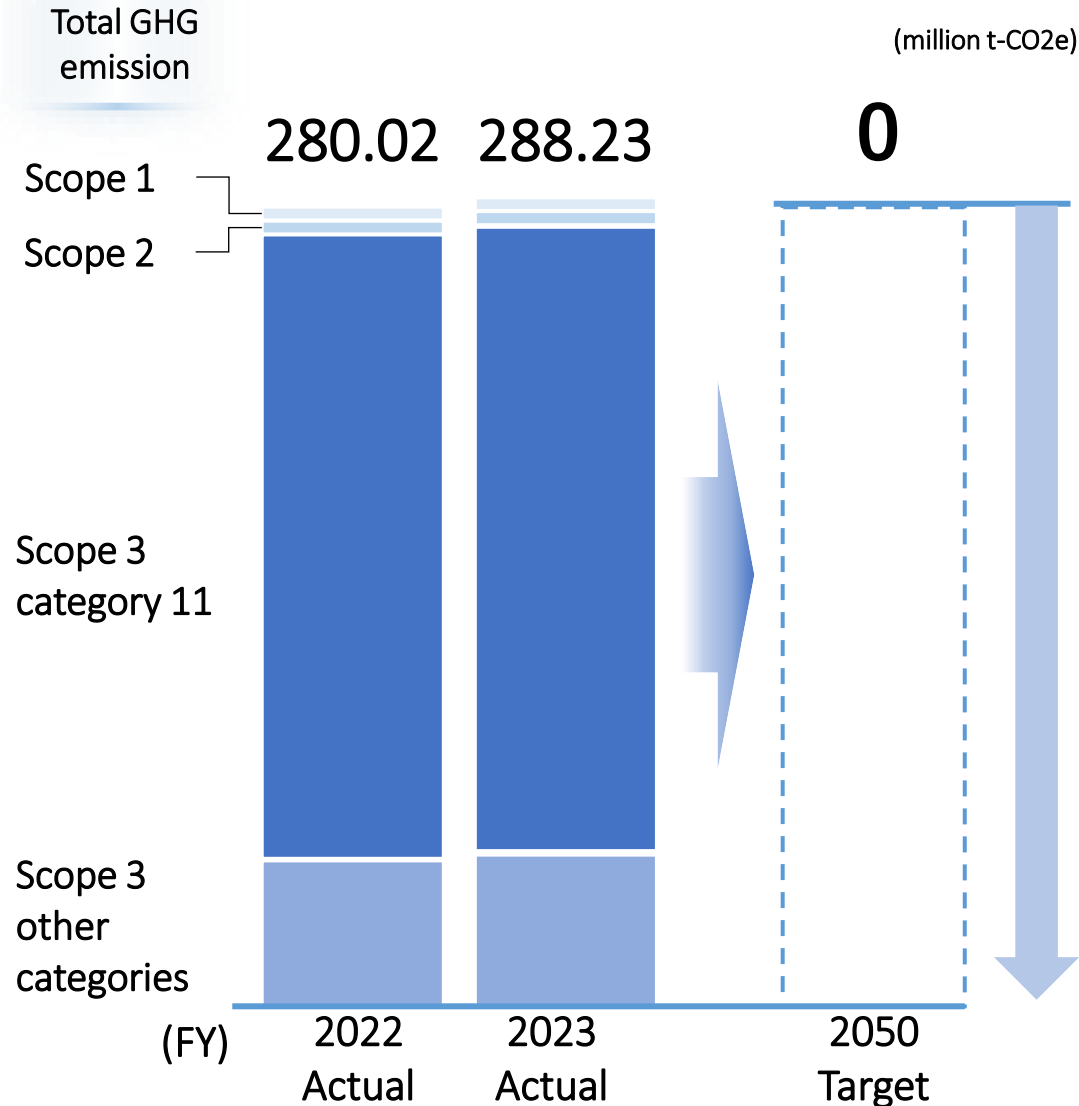
To address energy issues, go a step beyond conventional initiative of reducing energy risks and aim to use clean energy both during product use and in corporate activities.

100% use of sustainable materials by 2050

To address the effective utilization of resources, go beyond previous initiative aimed at reducing the risks related to resources and waste disposal by taking on the additional challenge of developing products and creating systems that use sustainable materials and have zero environmental impact.

In the area of corporate activities, aim to achieve “zero” industrial water intake and industrial waste at Honda plants by 2050.

Carbon Neutrality and Clean Energy Initiatives



Scope 1, 2



Kumamoto Factory (5.35 MW)






Saitama Factory's assembly plant (2.0 MW)



Bolling Springs Wind Farm (120 MW)

Promoting the reduction of carbon emissions by increasing production efficiency, encouraging energy-saving initiatives, shifting to low-carbon energy sources and utilizing renewable energy, plans to realize CN in FY2026 at the Saitama Factory's assembly plant

Scope 3

| | Motorcycles | Automobiles | Power products |
|---|---|---|---|
| Target for 2030 |  |  |  |
| Targeted sales ratio of electrified products*1 | 15% | 30% | 36% |
| Targeted reduction rate of the CO ₂ emissions intensity of product use | 34.0% | 27.2% | 28.2% |

Electrification, diversify energy sources and implement total energy management initiatives

Resource Circulation Initiatives

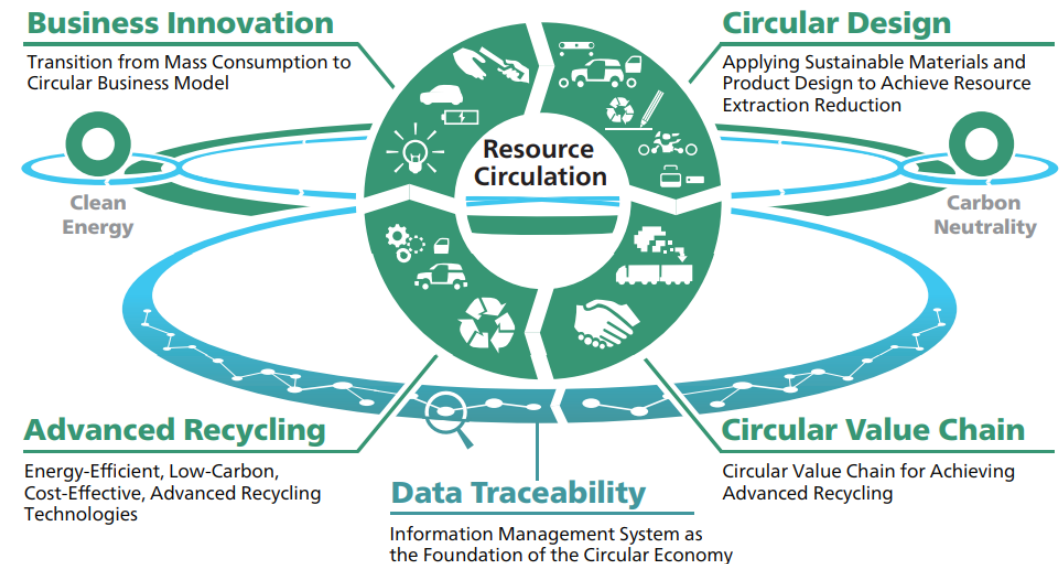
To ensure harmonious coexistence on Earth, strive to reduce consumption of limited resources, including mining and disposal, and strive to shift to a recycling-based value chain

Effective Utilization of Resources through Corporate Activities

- **Wastes**
Making 3R efforts, which include resource reduction initiatives, such as the reduction of by-products
- **Water Resources**
To minimize water intake, implementing initiatives such as the utilization of recycled water and water conservation.

Effective Utilization of Resources in Product Areas

- **Developing stage**
Design focusing on reduction, recuse, recycling
- **Resource Procurement and Manufacturing Stage**
Establish a circular value chain that promotes advanced recycling practices including forming a consortium for dismantling and optimizing the logistics of products and resources for high efficiency



Resource Circulation Initiatives

Effective Utilization of Resources in Product Areas



SUSTAINA-C Concept

(Japan Mobility Show exhibition concept model)

Establishing horizontal recycling technology by converting acrylic materials recovered from used products into recycled materials with the same performance and quality as virgin materials using advanced recycling technology.

In addition, by developing a new acrylic resin material that has both impact resistance and moldability, recycled acrylic resin can be applied without painting to body panels, where it has been difficult to apply acrylic in the past.

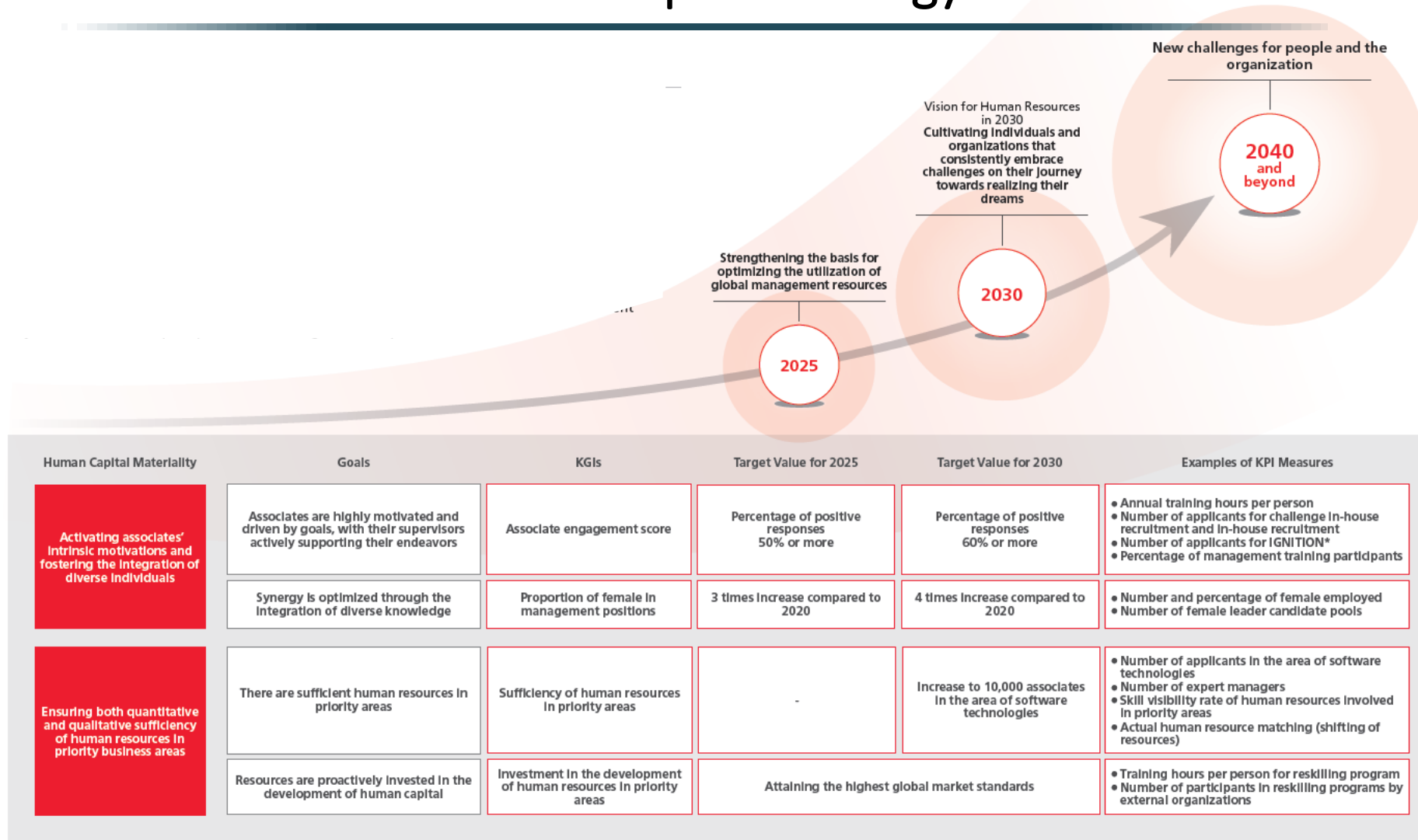
Target to Achieve Zero Environmental Impact

List of Target

| | TCFD Metrics and Targets Recommendation a | | | TCFD Metrics and Targets Recommendation c | |
|--|---|-----------------------------|--------------------------------|---|---|
| | Target for 2030 | | | Target for 2050 | |
| Reduction rate of total CO ₂ emissions from corporate activities (compared to FY2020) | 46% | | | → | |
| Sales ratio of electrified products | Motorcycles 15% | Automobiles 30% | Power products 36% | → | Net zero CO₂ emissions |
| Reduction rate of CO ₂ emissions intensity of product use (compared to FY2020) | Motorcycles 34.0% | Automobiles 27.2% | Power products 28.2% | → | |
| Reduction rate of total waste generation in corporate activities (compared to BAU) | 14.5% | | | → | Zero industrial waste |
| Reduction rate of total water intake in corporate activities (compared to BAU) | 14.5% | | | → | Zero industrial water intake |
| Product resource circulation | Set internal milestones | | | → | Use of sustainable materials 100% |

*BAU: Business As Usual based on production plans

Human Capital Strategy



Establish two Human Capital Materiality standards and KPIs to execute human resources strategies.

Specific Initiatives for Each Human Capital Materiality Area

Human Capital Materiality

Activating associates' intrinsic motivations and fostering the integration of diverse individuals

Associates are highly motivated and driven by goals, with their supervisors actively supporting their endeavors

Synergy is optimized through the integration of diverse knowledge

Ensuring both quantitative and qualitative sufficiency of human resources in priority business areas

There are sufficient human resources in priority areas

Resources are proactively invested in the development of human capital

Provision of opportunities and structures to promote professional human resource development and practice:

- Expand opportunities for autonomous learning and development
- Create a climate and structure encouraging challenge
- Foster the next generation of leaders

Promotion of diversity in careers and work styles:

- Diversify careers and work styles
- Accelerate autonomous careers
- Expand working period by improving health and wellness

Creating people and organizations that take on the challenge of realizing "dreams":

- Initiatives to revitalize the organization
- Increase the number of Honda fans
- Maximize human resources through HRDX

Acquiring and shifting human resources to priority areas

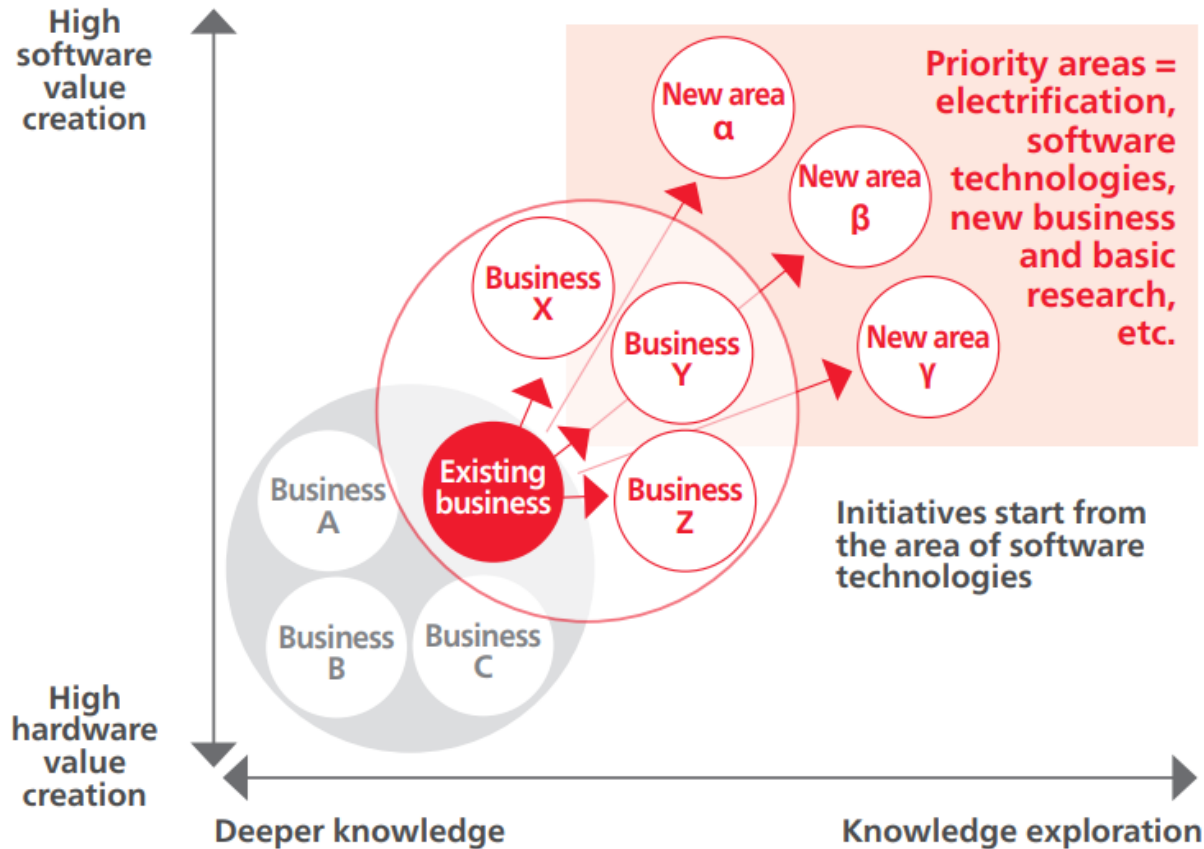
- Develop human resource portfolio
- Establish new scheme to secure resources
- Accelerate shifting of resources

Proactively investing in human resources in priority areas

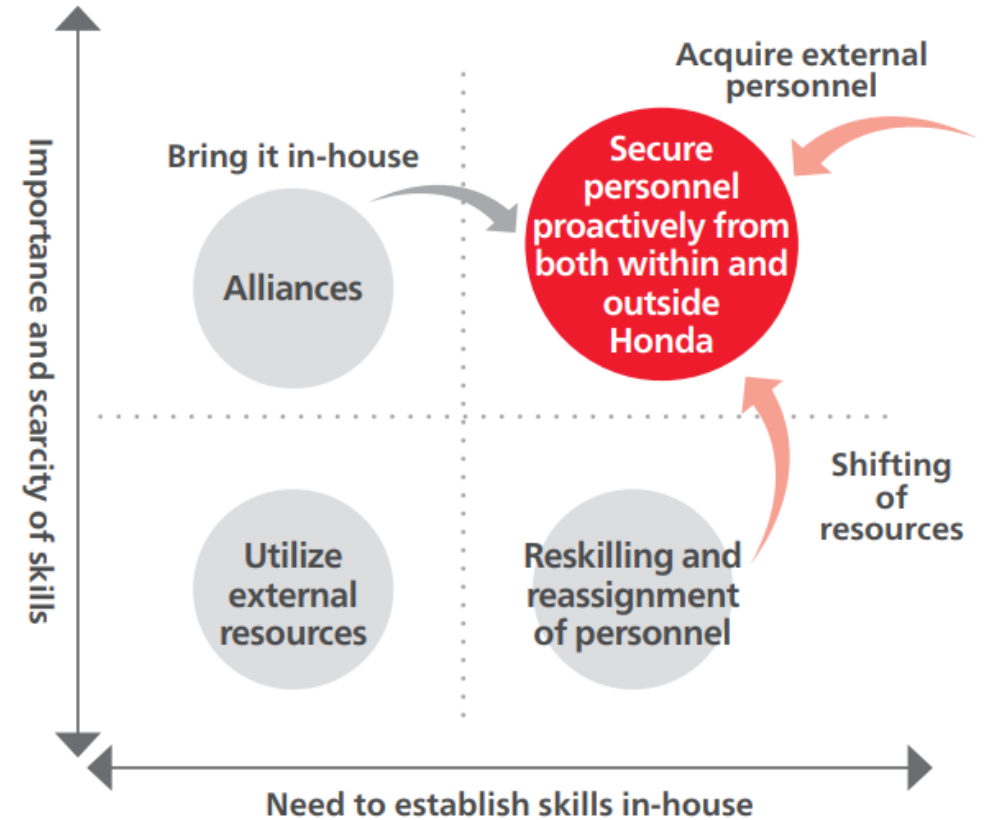
- Improve basic skills of all associates in priority areas
- Expand reskilling through specialized programs
- Programs to develop top management to strengthen competitive areas

Initiatives for Securing Personnel in Priority Areas

Human Resource Management for Business Strategy

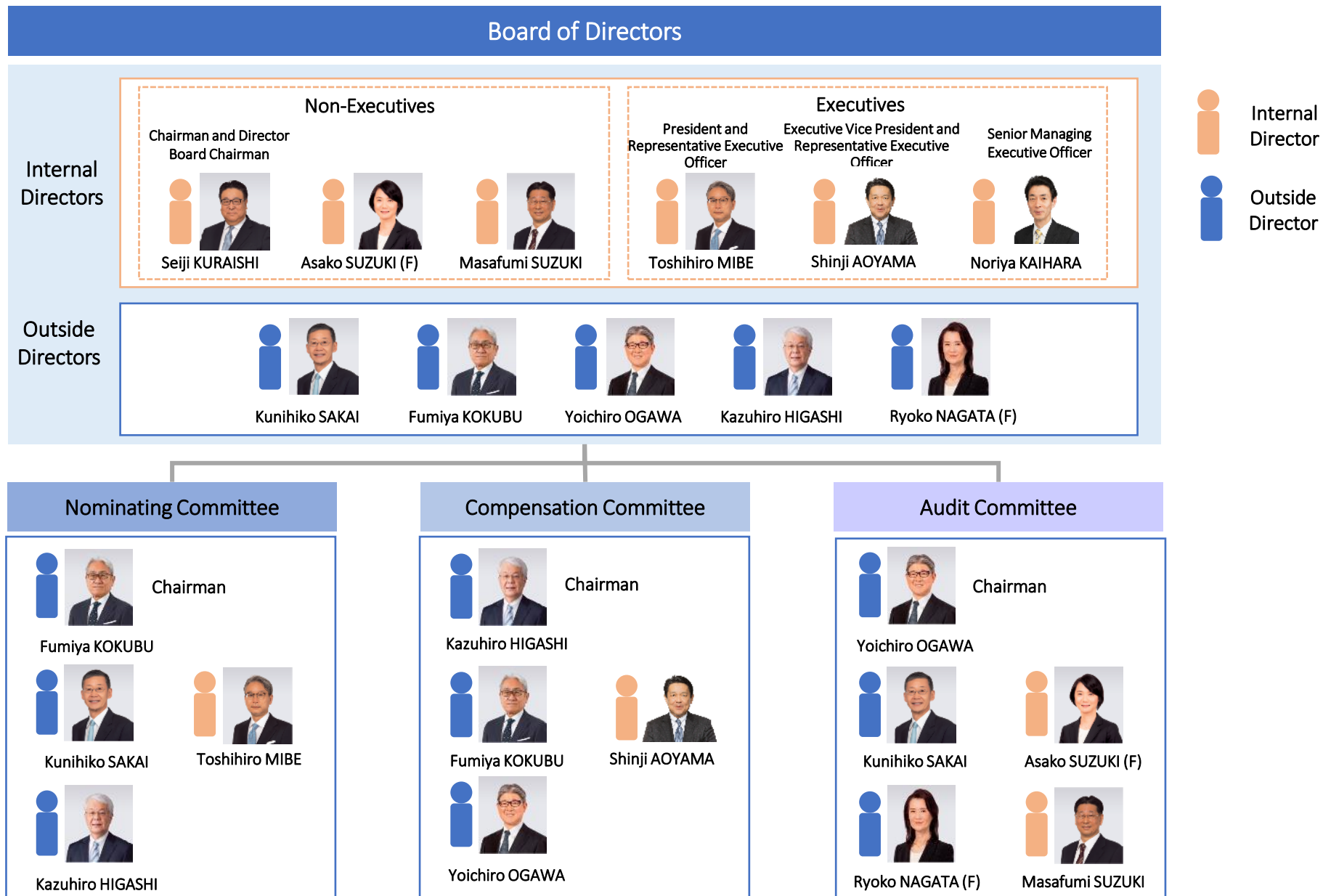


Human Resource Portfolio in Priority Areas



Create a human resources portfolio for each priority area and aim to achieve it through acquisition/utilization of external human resources and reskilling programs.

Composition of the Board and Committees (After the ASM in June 2023)



Board Skills Concept

2030
Vision

Serve people worldwide with the “joy of expanding their life’s potential”

—Lead the advancement of mobility and enable people everywhere in the world to improve their daily lives—

What we need to achieve the 2030 vision

- Demonstrate strong leadership to prevail in the once-in-a-century era of transformation.

Lead Honda by accurately understanding the rapidly changing environment and **actively making decisions** from **global perspectives**.

Required skills

Corporate
management

Internationality

- Reinforce our existing businesses and strengthen new business areas by creating value.

Help evolve our existing businesses continuously, develop business strategies for new **business categories** that create new value, and make decisions on their execution.

Industrial
experience

New business
strategies

- Strengthen the corporate structure and control the resources for the future.

Manage **Honda’s human and capital resources** to high standards and **build a foundation for a strong business structure**.

HR

Accounting &
finance

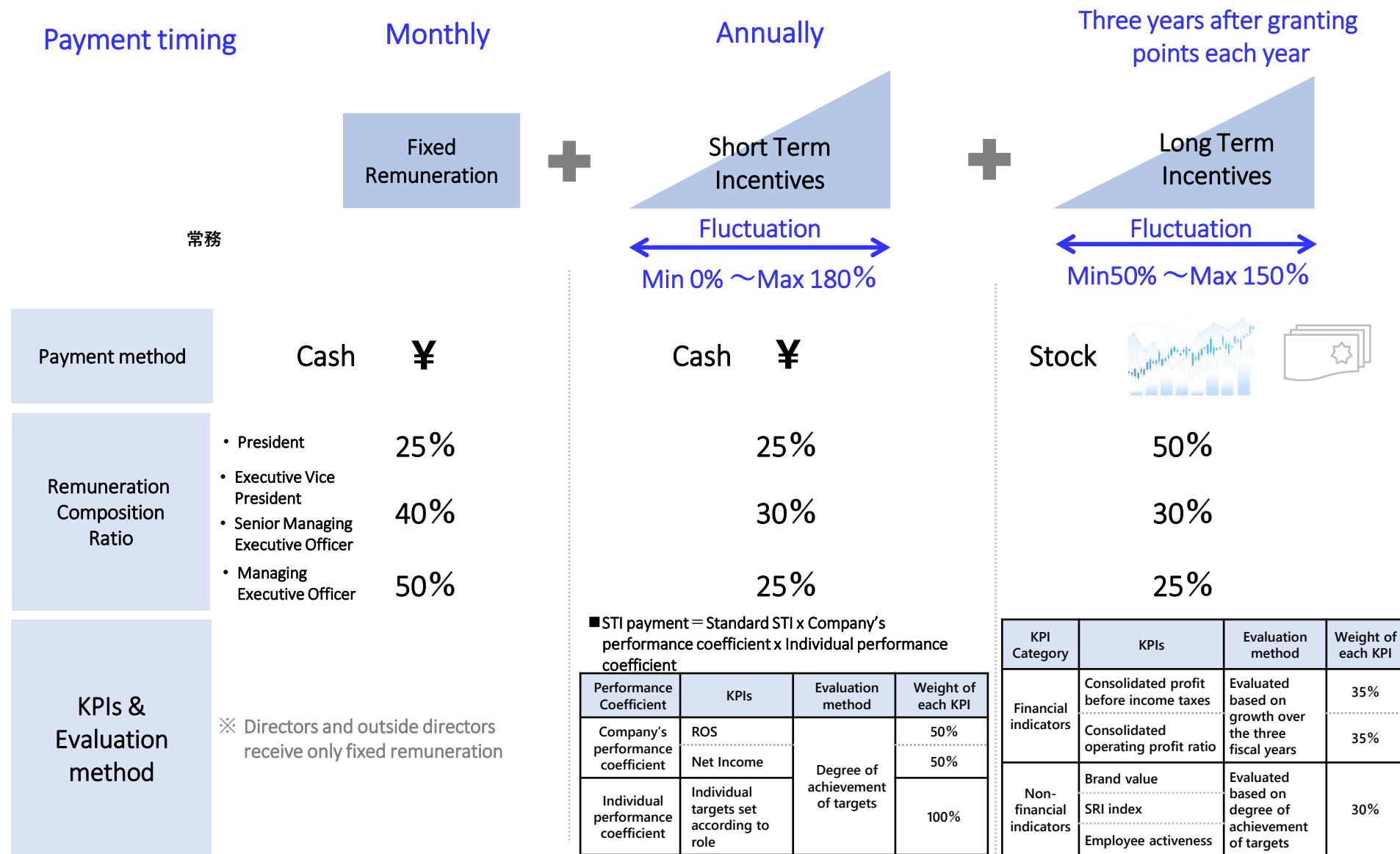
- Prepare for risks and achieve sustainable corporate operations.

Properly **address the various risks** arising from business activities and oversee our business operations to ensure healthy operational practices and thereby drive **permanent development of society and Honda**.

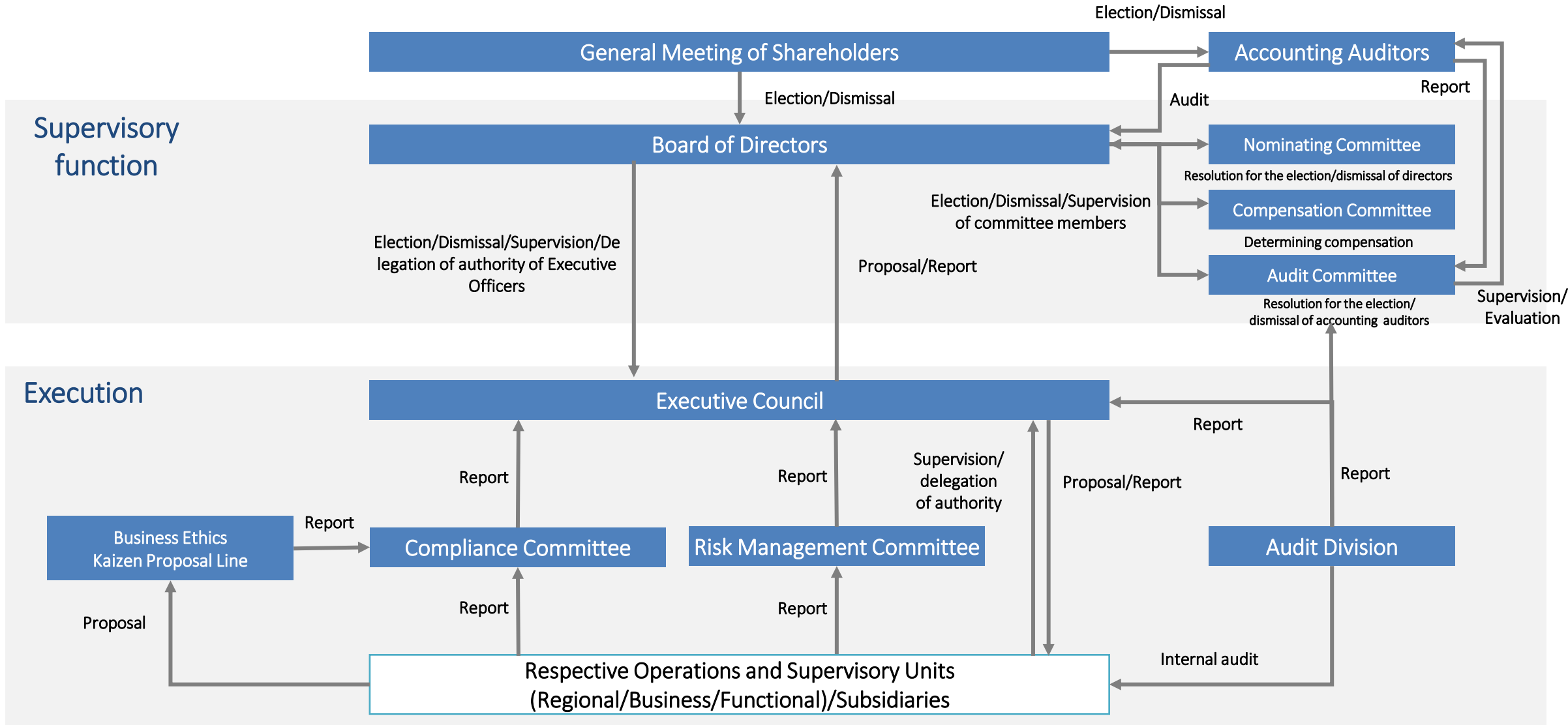
Legal &
risk management

ESG &
sustainability

Remuneration structure for Directors and Executive Officers



Corporate Governance Structure (as of June 21, 2023)



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Summary of FY24 2nd Qtr. Results (Six Months)

Operating profit :

Despite a negative impact from warranty expenses, operating profit increased by 243.1 billion yen to **696.5 billion yen**.

This was primarily due to an increase in unit sales and pricing that reflects increased products value, as well as other factors.

Profit for ^{*1}
the period :

Increased by 277.7 billion yen to **616.3 billion yen**.

| Honda Group Unit Sales (Consolidated Unit Sales) (Unit thousand) | YTD (Six Months) | | |
|--|------------------|-----------------|-----------|
| | FY23 Results | FY24 Results | Change |
| Motorcycles | 9,202 | 9,266 | + 0.7% |
| | (6,343) | (6,006) | (- 5.3%) |
| Automobiles | 1,785 | 1,934 | + 8.3% |
| | (1,093) | (1,332) | (+ 21.9%) |
| Power Products | 2,935 | 1,826 | - 37.8% |
| | (2,935) | (1,826) | (- 37.8%) |

| Income Statement Yen (billion) | YTD (Six Months) | | | |
|--|------------------|-----------------|-----------|----------|
| | FY23 Results | FY24 Results | Amount | Change |
| Sales revenue | 8,085.3 | 9,609.3 | + 1,524.0 | + 18.9% |
| Operating profit | 453.4 | 696.5 | + 243.1 | + 53.6% |
| Operating margin | 5.6% | 7.2% | | + 1.6 pt |
| Share of profit of investments accounted for using the equity method | 82.9 | 66.7 | - 16.2 | - 19.6% |
| Profit before income taxes | 515.8 | 879.2 | + 363.4 | + 70.5% |
| Profit for the period attributable to owners of the parent | 338.5 | 616.3 | + 277.7 | + 82.1% |
| Earnings per share attributable ^{*2} to owners of the parent (Yen) | 66.03 | 124.63 | | + 58.60 |
| Market average rates (Yen) ^{*3} U.S. Dollar | 134 | 141 | | + 7 |

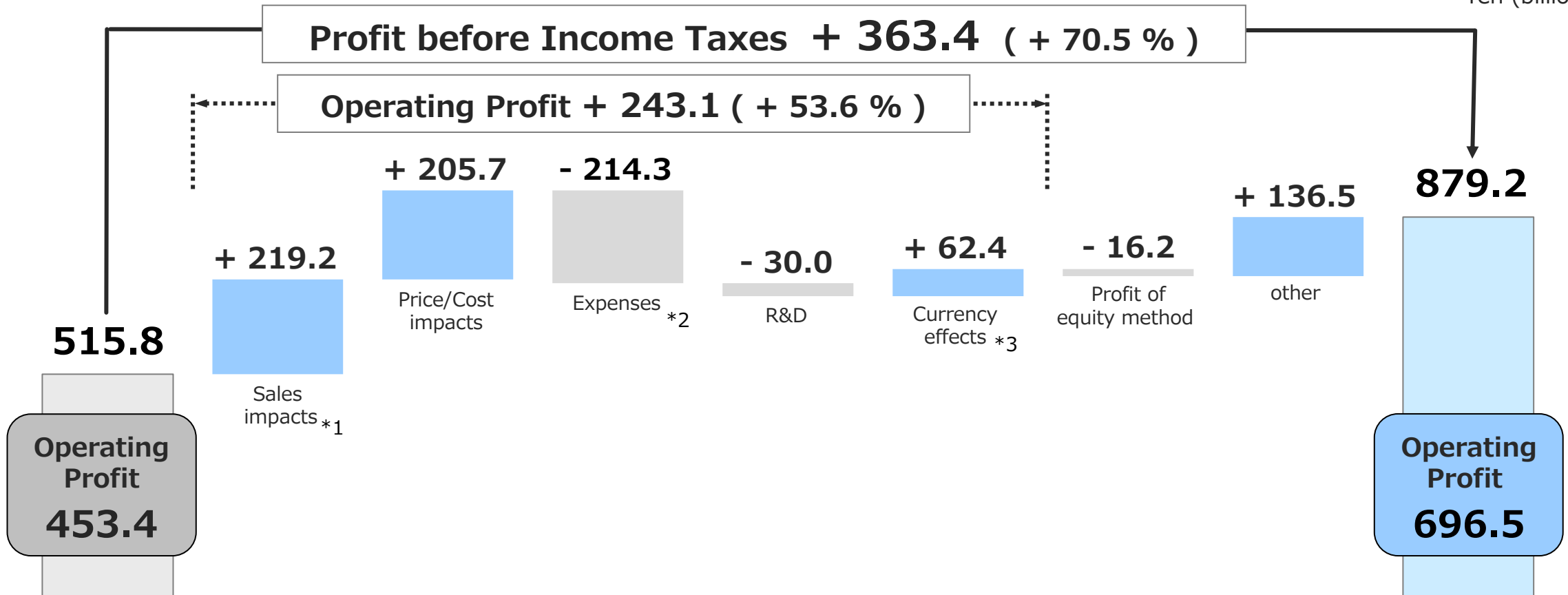
*1 Profit for the period attributable to owners of the parent.

*2 Each share of common stock was split into 3 shares per share on the record date of September 30, 2023, with an effective date of October 1, 2023. Earnings per share were calculated that the stock split was carried out at the beginning of the previous fiscal year. Please refer to the footnotes on the last page for weighted average number of shares outstanding.

*3 +: weak yen / -: strong yen

FY24 2nd Qtr. Results: Change in Profit before Income Taxes

Yen (billion)



**FY23
Six Months**

| *1 Sales impacts | | *2 Expenses | | *3 Currency effects | |
|--------------------|---------|-------------|---------|---|--------|
| Revenue, model mix | + 255.4 | Warranty | - 118.7 | JPY/USD | + 52.0 |
| Finance | + 2.3 | Finance | - 13.9 | USD / Others (BRL, CAD, MXN) | + 7.0 |
| Other | - 38.5 | Other | - 81.7 | JPY / Asian currencies (INR, THB, VND, CNY, IDR) | + 10.0 |
| | | | | Other | - 6.6 |

**FY24
Six Months**

FY24 2nd Qtr. Results: Sales Revenue/Operating Profit (Margin) by Business Segment (Six Months)

| upper : FY24 | Motorcyle Business | Automobile Business | Financial Services Business | Power Products and Other Businesses |
|---------------------------|--------------------|---------------------|-----------------------------|-------------------------------------|
| lower : FY23 | | | | |
| Unit (thousand) | 9,266 | 1,934 | - | 1,826 |
| Honda Group Unit Sales | (6,006) | (1,332) | - | (1,826) |
| (Consolidated Unit Sales) | 9,202 | 1,785 | - | 2,935 |
| | (6,343) | (1,093) | - | (2,935) |
| Yen (billion) | 1,572.5 | 6,347.1 | 1,577.8 | 214.3 |
| Sales Revenue | 1,412.6 | 5,003.9 | 1,529.0 | 236.0 |
| Operating Profit | 253.3 | 301.3 | 137.0 | 4.8 |
| | 224.7 | 63.5 | 153.0 | 12.0 |
| Operating Margin | 16.1% | 4.7% | 8.7% | 2.2% |
| | 15.9% | 1.3% | 10.0% | 5.1% |

In the financial services business, Honda provides retail lending and leasing to customers and wholesale financing to dealers to support the sale of its products.

Operating profit from aircraft and aircraft engines included in above Yen (billion)

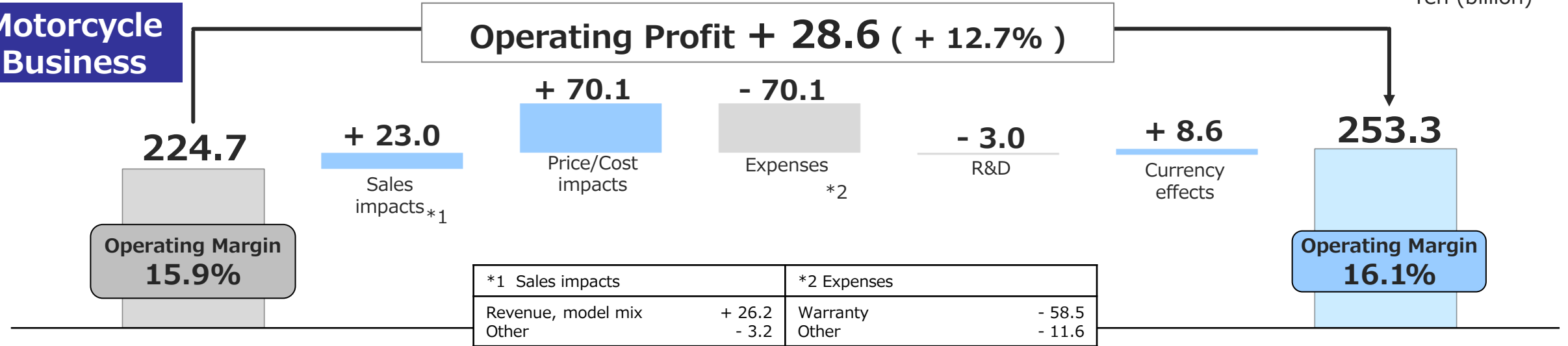
- 14.5

FY23 YTD : - 12.0

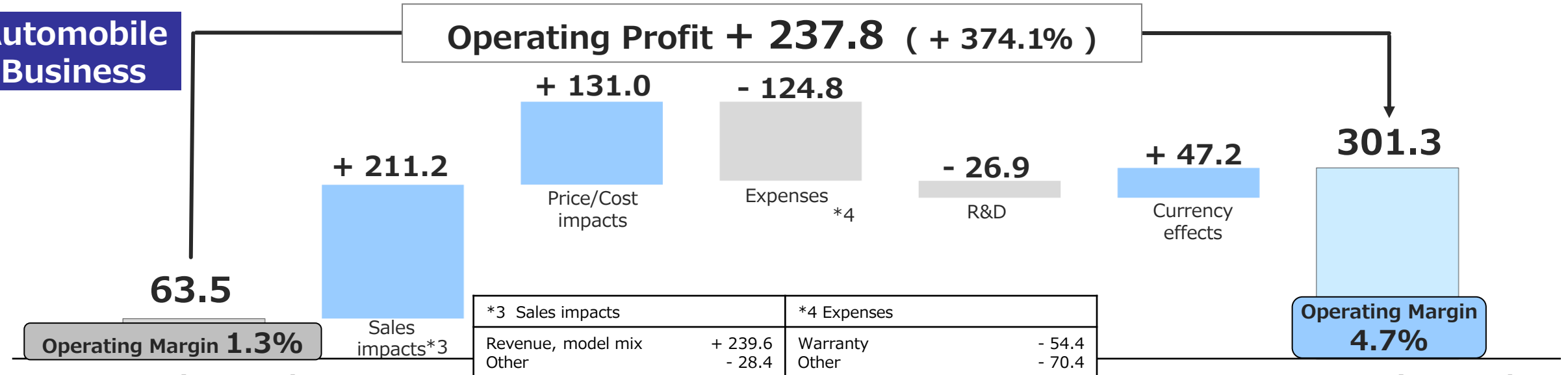
FY24 2nd Qtr. Results: Changes in Operating Profit in Motorcycle Business/Automobile Business (Six Months)

Yen (billion)

Motorcycle Business



Automobile Business



FY23 2Q Six Months

FY24 2Q Six Months

Cash Flows of Non-financial Services Businesses

Yen (billion)

| Six Months | FY23 | FY24 |
|---|----------------|----------------|
| Cash flows from operating activities | + 555.0 | + 995.8 |
| Cash flows from investing activities | - 401.6 | - 262.8 |
| Free cash flow | + 153.3 | + 732.9 |
| Cash flows from financing activities | - 205.2 | - 327.6 |
| Effects of exchange rate changes | + 240.8 | + 278.5 |
| Net change of cash and cash equivalents | + 188.9 | + 683.8 |
| Cash & cash equivalents at end of period | 3,507.0 | 4,237.4 |
| Net cash at end of period | 2,560.9 | 3,356.6 |

FY24 Financial Forecast

vs Previous Forecast:

Operating profit : Despite challenging environment mainly in China and Asia as well as an increase in warranty expenses in the first half, reflects further strengthening of earnings structure and the positive impacts from currency effects,

operating profit is revised upward by 200.0 billion yen to **1,200.0 billion yen.**

Profit for ^{*1}
the year :

Upward revision by 130.0 billion yen to **930.0 billion yen.**

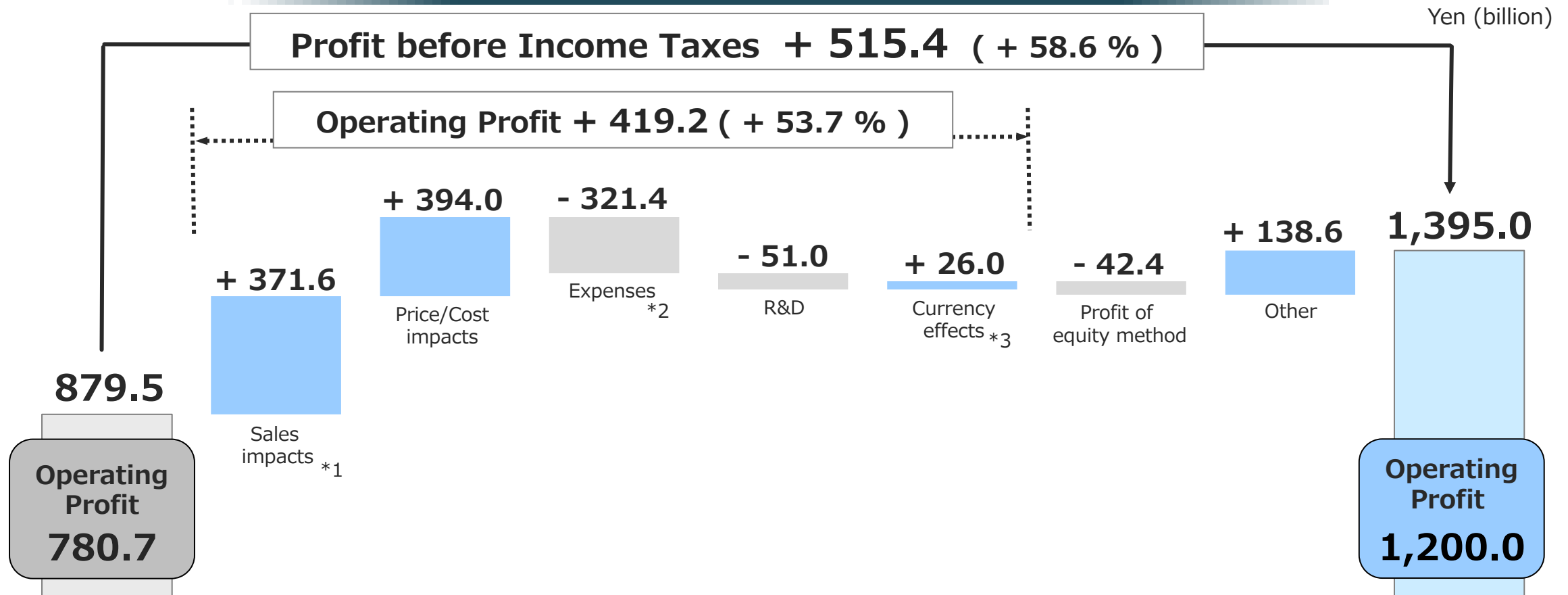
| Honda Group Unit Sales (Consolidated Unit Sales) (Unit thousand) | FY23 Results | FY24 Forecast | Change | Change from previous forecast | Income Statement Yen (billion) | FY23 Results | FY24 Forecast | Amount | Change | Change from previous forecast |
|---|--------------|-----------------|-----------|-------------------------------|---|--------------|-----------------|-----------|---------|-------------------------------|
| Motorcycles | 18,757 | 18,800 | + 0.2% | - 380 | Sales revenue | 16,907.7 | 20,000.0 | + 3,092.2 | + 18.3% | + 1,800.0 |
| | (12,161) | (12,270) | (+ 0.9%) | (- 365) | Operating profit | 780.7 | 1,200.0 | + 419.2 | + 53.7% | + 200.0 |
| Automobiles | 3,687 | 4,100 | + 11.2% | - 250 | Operating margin | 4.6% | 6.0% | | + 1.4pt | + 0.5pt |
| | (2,382) | (2,920) | (+ 22.6%) | (+ 40) | Share of profit of investments accounted for using the equity method | 117.4 | 75.0 | - 42.4 | - 36.1% | - 110.0 |
| Power Products | 5,645 | 3,850 | - 31.8% | - 900 | Profit before income taxes | 879.5 | 1,395.0 | + 515.4 | + 58.6% | + 210.0 |
| | (5,645) | (3,850) | (- 31.8%) | (- 900) | Profit for the year attributable to owners of the parent | 651.4 | 930.0 | + 278.5 | + 42.8% | + 130.0 |
| | | | | | Earnings per share attributable ^{*2} to owners of the parent (Yen) | 128.01 | 189.64 | | + 61.63 | + 26.50 |
| | | | | | Market average rate (Yen) ^{*3} | | | | | |
| | | | | | U.S. Dollar | 136 | 140 | | + 5 | + 15 |

*1 Profit for the year attributable to owners of the parent.

*2 As of the effective date of October 1, 2023, Honda implemented a three- for-one stock split of its common stock to shareholders as of the record date of September 30, 2023. Basic earnings per share are based on the number of shares after the stock split. Prior to the stock split basis: FY23 results: 384.02 yen, FY24 forecasts: 568.92 yen

*3 FY24 Market average rate against U.S. Dollar :
1H (actual): 141 yen, 2H (assumption): 140 yen

FY24 Forecast: Change in Profit before Income Taxes



**FY23
Results**

| *1 Sales impacts | | *2 Expenses | | *3 Currency effects | |
|--------------------|---------|-------------|---------|---|--------|
| Revenue, model mix | + 554.5 | Warranty | - 80.9 | JPY / USD | + 79.0 |
| Finance | + 0.5 | Finance | - 32.5 | USD / Others (BRL, CAD, MXN) | + 2.0 |
| Other | - 183.4 | Other | - 208.0 | JPY / Asian currencies (INR, THB, VND, CNY, IDR) | + 4.0 |
| | | | | Other | - 59.0 |

FY24 Forecast: Capital Expenditures/Depreciation/R&D

| Yen (billion) | FY23 Results | FY24 Forecast | Change | Change from previous forecast |
|---|--------------|---------------|---------|-------------------------------|
| Capital expenditures ^{*1} | 493.9 | 440.0 | - 53.9 | + 40.0 |
| Depreciation and amortization ^{*1} | 439.3 | 480.0 | + 40.6 | + 35.0 |
| Research and development expenditures ^{*2} | 852.0 | 990.0 | + 137.9 | + 10.0 |

*1 Capital expenditures as well as Depreciation in Results and Forecast shown above exclude investment in operating leases, right-of-use assets, and intangible assets.

*2 Research and development expenditures are research and development activity related costs incurred during the reporting period. In accordance with IFRS, a portion of research and development expenditures is recognized as an intangible asset and amortized over its estimated useful life. As such, this amount is not in conformity with "Research and development" on Consolidated Statements of Income.

Dividends

| Dividend per Share (Yen) (pre-stock split) | FY24 Previous | FY24 Forecast | Change from previous |
|---|------------------|--------------------------|-------------------------|
| Interim Dividend | 75 | 87 ^{*1} | + 12 |
| Year-end Dividend | 25 (75) | 29 (87) | + 4 (+ 12) |
| Fiscal Year | - (150) | - ^{*2} (174) | - (+ 24) |

*1 The company implemented the stock split into 3 shares per share with the effective date of October 1, 2023. The interim dividend for the fiscal year ending March 31, 2024, which has a dividend record date of September 30, 2023, is paid based on the shares before the stock split.

*2 Forecast for the full-year dividend per share is not presented because simple comparisons are not possible due to the implementation of the stock split. However, the forecast for the full-year dividend per share based on the pre-stock split is ¥24 increase per share.

Agenda

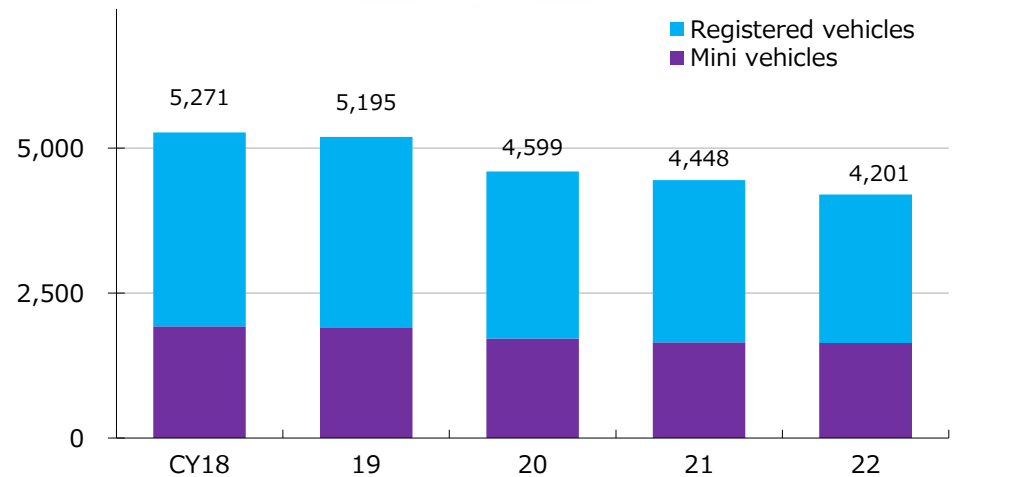
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Automobile Sales by Region

Unit
(thousands)

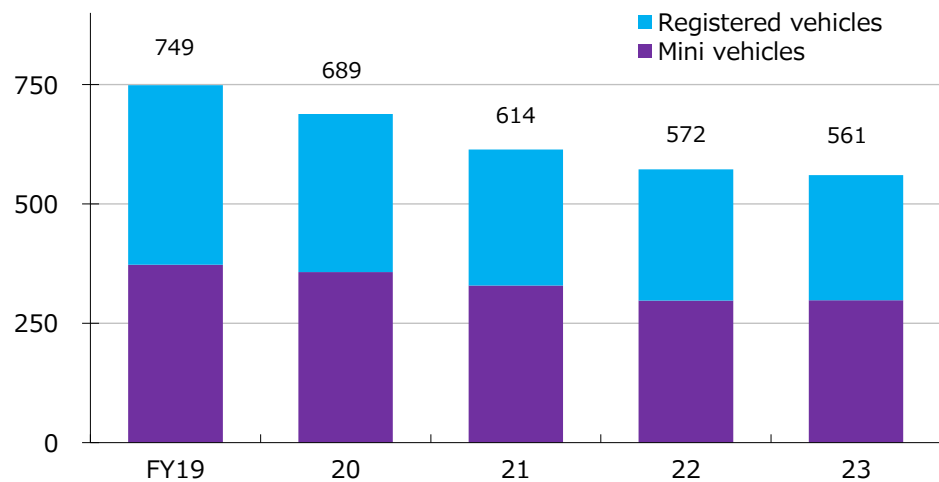
Japan

<Industry>



Source: JAMA

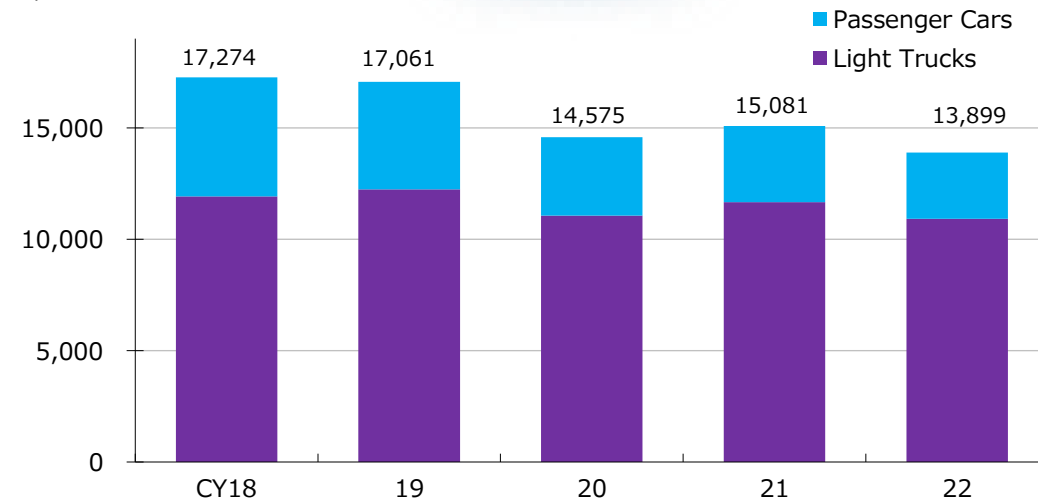
<Honda>



Source: Honda

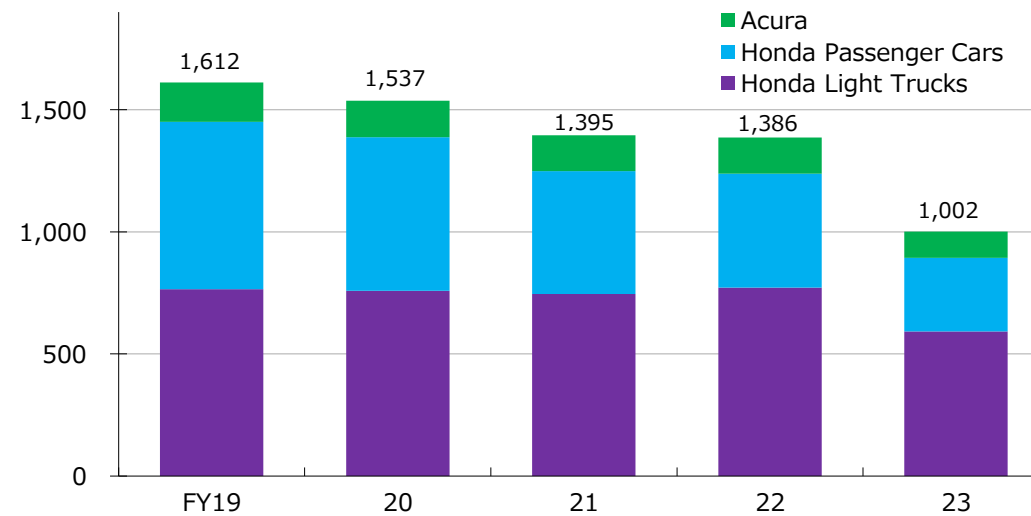
The United States

<Industry>



Source: Autodata

<Honda>



Source: Honda

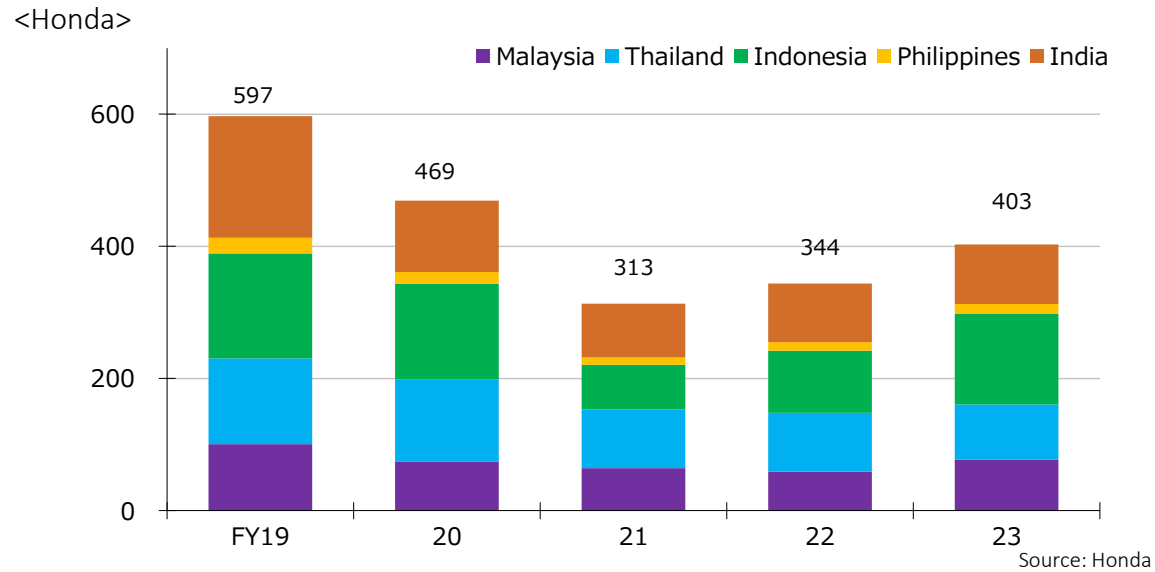
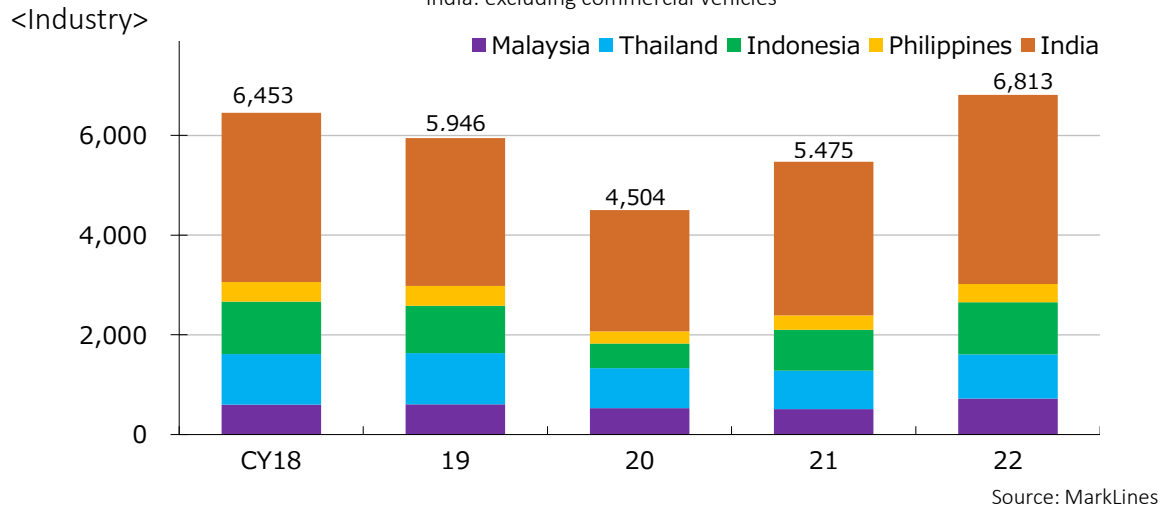
Automobile Sales by Region

Unit
(thousands)

Asia

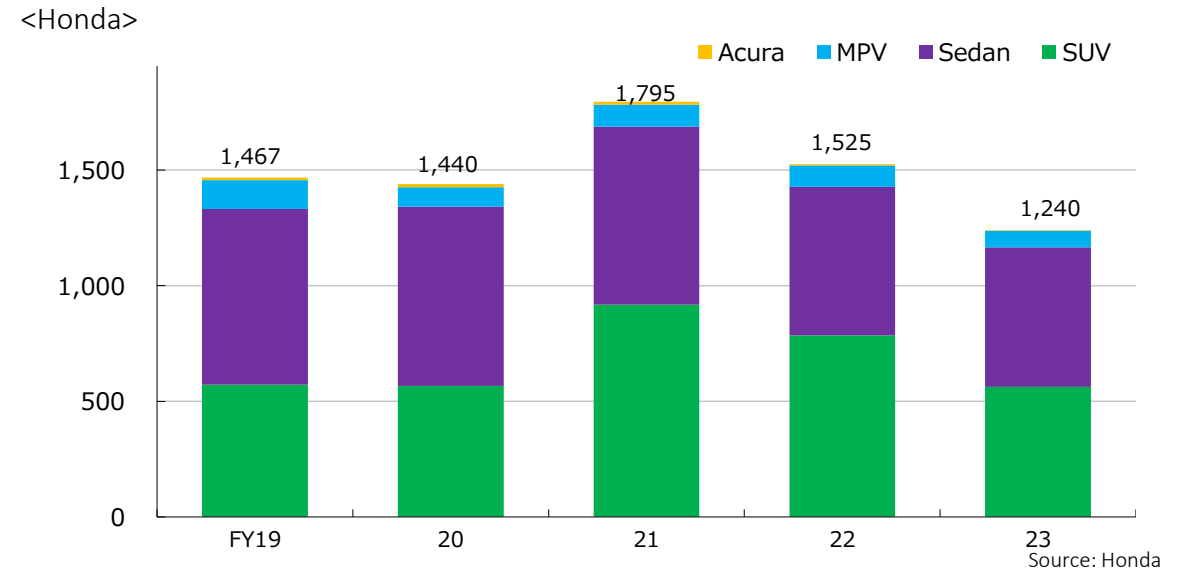
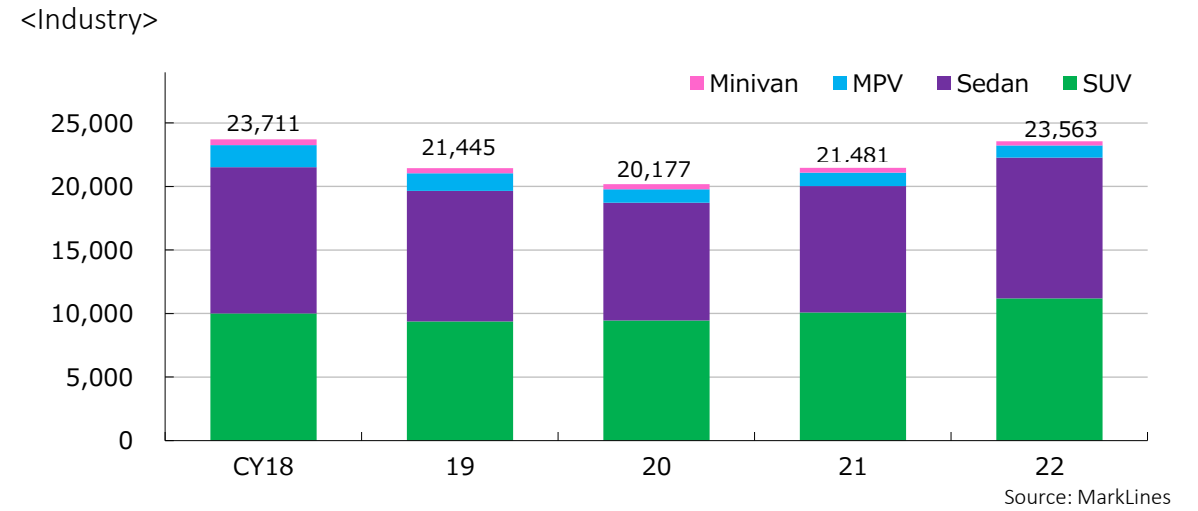
(Five major markets in Asia)

* India: excluding commercial vehicles



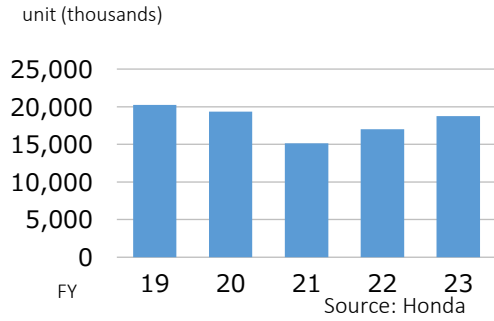
China

(excluding commercial vehicles)

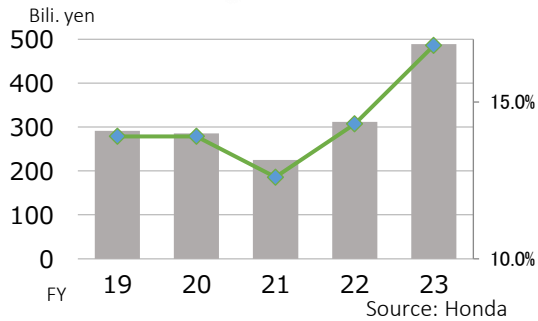


Motorcycle Business Overview

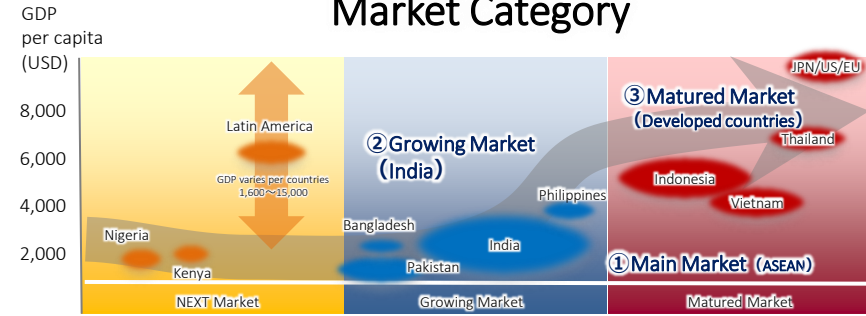
Unit Sales



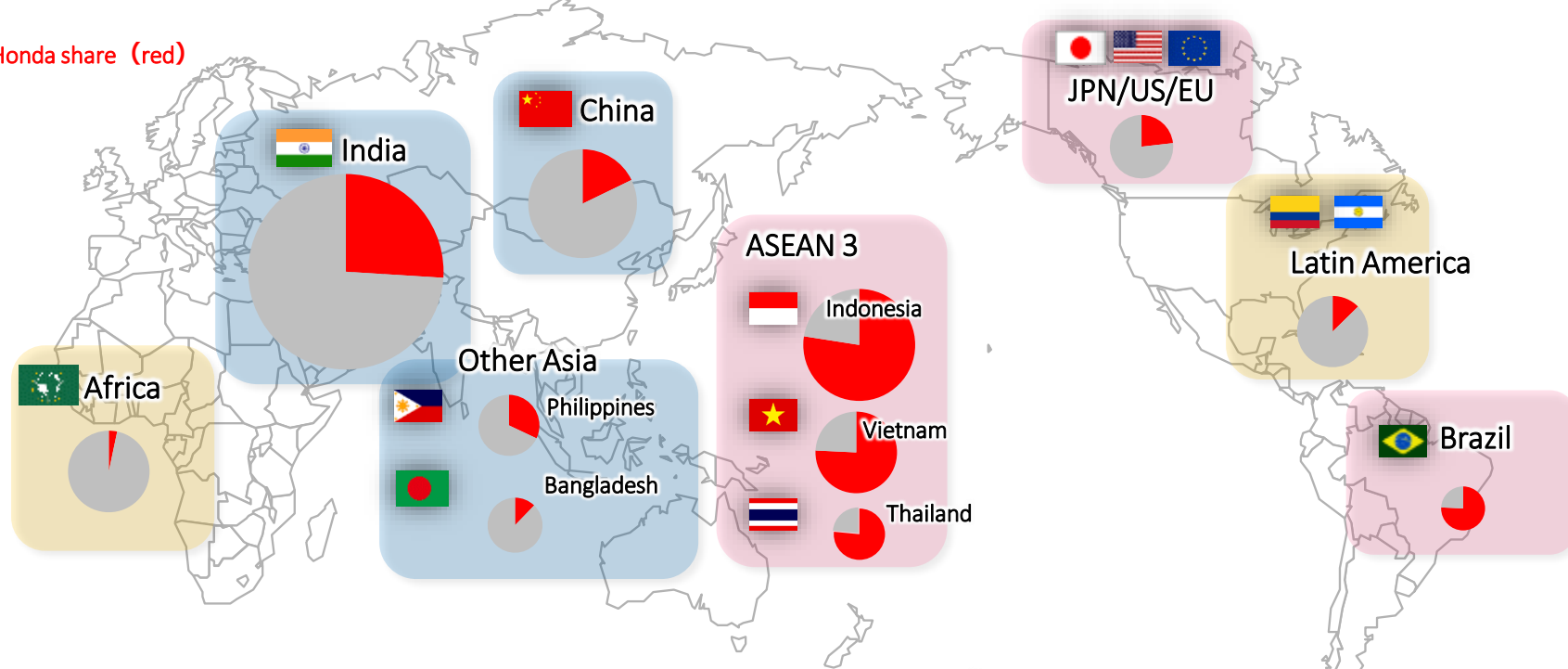
OP/ROS



Market Category



Honda share (red)



Pursue business operations which suit the characteristics/circumstances of each market/ segment

Caution with Respect to Forward-Looking Statements:

This presentation contains forward-looking statements about the performance of Honda, which are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda's principal markets and fluctuation of foreign exchange rates, as well as other factors detailed from time to time.

Accounting standards:

Our consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Notice on the Factors for Increases and Decreases in Income:

With respect to the discussion in this presentation of the changes, identified factors and used what it believes to be a reasonable method to analyze the respective changes in such factors. Analyzed changes in these factors at the levels of the Company and its material consolidated subsidiaries.

(1) "Foreign currency effects" consist of "translation adjustments", which come from the translation of the currency of foreign subsidiaries' financial statements into Japanese yen, and "foreign currency adjustments", which result from foreign-currency-denominated transaction. With respect to "foreign currency adjustments", analyzed foreign currency adjustments primarily related to the following currencies: U.S. dollar, Japanese yen and others at the level of the Company and its material consolidated subsidiaries.

(2) With respect to "Price and Cost impacts", analyzed effects of changes in sales price, cost reductions, effects of raw material cost fluctuations and others, excluding foreign currency effects.

(3) With respect to "Sales impacts", analyzed changes in sales volume and in the mix of product models sold that resulted in increases/decreases in profit, changes in sales revenue of Financial services business that resulted in increases/decreases in profit, as well as certain other reasons for increases/decreases in sales revenue and cost of sales, excluding foreign currency effects.

(4) With respect to "Expenses", analyzed reasons for an increase/decrease in selling, general and administrative expenses from the previous fiscal year excluding foreign currency translation effects.

(5) With respect to "Research and Development expenses", analyzed reasons for an increase/decrease in research and development expenses from the previous fiscal year excluding foreign currency translation effects.

Unit sales:

Motorcycle Business

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

Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

Automobile Business

Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. Certain sales of automobiles that are financed with residual value type auto loans and other by our Japanese finance subsidiaries and provided 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.

Power Products Business

Honda Group Unit Sales is the total unit sales of completed power products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed power products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed power products of Honda and its consolidated subsidiaries. In Power Products business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales since no affiliate and joint venture accounted for using the equity method was involved in the sale of Honda power products.

* Earnings per share attributable to owners of the parent is calculated based on weighted average number of shares outstanding ^{*1} as shown below:

| | | | | |
|---------------|--------|---------------------------|-----------------|-------------------------|
| - 2nd Quarter | FY23 : | 5,123,176,000 (approx.) , | FY24 : | 4,918,544,000 (approx.) |
| - Six Months | FY23 : | 5,126,872,000 (approx.) , | FY24 : | 4,944,996,000 (approx.) |
| - Fiscal year | FY23 : | 5,088,921,000 (approx.) , | FY24 Forecast : | 4,904,027,000 (approx.) |

*1 Each share of common stock was split into 3 shares per share on the record date of September 30, 2023, with an effective date of October 1, 2023.

Weighted average number of shares outstanding is calculated that the stock split was carried out at the beginning of the previous fiscal year.