

# Consolidated Financial Results for the Fiscal Third Quarter Ended December 31, 2025 (IFRS)

February 10, 2026

Company name	: Honda Motor Co., Ltd.									
Listing	: Tokyo Stock Exchange									
Securities code	: 7267									
URL	: <a href="https://global.honda/en/investors/">https://global.honda/en/investors/</a>									
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Scheduled date to commence dividend payments	: —									
Supplemental materials prepared for consolidated financial results	: Yes									
Holdings of financial results meeting	: Yes									

(Amounts are rounded to the nearest million yen)

## 1. Consolidated Financial Results for the Nine Months Ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (for the nine months ended December 31) (% of change from the same period of the previous fiscal year)

	Sales revenue		Operating profit		Profit before income taxes		Profit for the period		Profit for the period attributable to owners of the parent		Comprehensive income for the period	
Nine months ended	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%
December 31, 2025	15,975,664	-2.2	591,505	-48.1	771,787	-37.0	519,207	-39.7	465,437	-42.2	1,166,796	8.2
December 31, 2024	16,328,725	8.9	1,139,920	5.9	1,225,559	-3.1	860,427	-6.9	805,263	-7.4	1,078,630	-21.1

	Earnings per share attributable to owners of the parent - Basic	Earnings per share attributable to owners of the parent - Diluted
Nine months ended	Yen	Yen
December 31, 2025	115.53	115.53
December 31, 2024	169.69	169.69

Explanatory note:

Basic and diluted earnings per share are calculated based on the profit for the period attributable to owners of the parent.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
As of	Yen (millions)	Yen (millions)	Yen (millions)	%
December 31, 2025	32,849,551	12,778,460	12,465,664	37.9
March 31, 2025	30,775,867	12,627,822	12,326,529	40.1

## 2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2025	—	34.00	—	34.00	68.00
Fiscal year ending	—	35.00	—		
March 31, 2026					
Fiscal year ending					
March 31, 2026				35.00	70.00
(forecast)					

Explanatory note:

Revisions to the forecast of dividends most recently announced: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(% of change from the previous fiscal year)

	Sales revenue		Operating profit		Profit before income taxes		Profit for the year		Profit for the year attributable to owners of the parent		Earnings per share attributable to owners of the parent	
	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen	
Full-year	21,100,000	-2.7	550,000	-54.7	620,000	-52.9	360,000	-60.1	300,000	-64.1	75.05	

Explanatory note:

Revisions to the forecast of consolidated financial results most recently announced: Yes

**\*Explanatory notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (Company name: -)

Excluded: - companies (Company name: -)

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reason : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (common shares)

(i) Number of issued shares at the end of the period (including treasury stock)

As of December 31, 2025	5,280,000,000 shares
As of March 31, 2025	5,280,000,000 shares

(ii) Number of treasury stock at the end of the period

As of December 31, 2025	1,387,448,451 shares
As of March 31, 2025	933,490,429 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2025	4,028,691,639 shares
Nine months ended December 31, 2024	4,745,432,767 shares

**\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None****\* Proper use of earning forecasts, and other special matters**

This announcement contains “forward-looking statements” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management’s assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that the actual results of the Company could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in the principal markets of the Company, its consolidated subsidiaries and its affiliates accounted for by the equity-method, and fluctuation of foreign exchange rates, as well as other factors detailed from time to time.

Honda’s American Depository Shares are listed and traded on the New York Stock Exchange. One American Depository Share represents three common shares.

This document, Form 6-K (to be submitted to the U.S. Securities and Exchange Commission), is submitted to Tokyo Stock Exchange as English translation of the Japanese original. Therefore, there are some discrepancies between this translated document and the Japanese original.

For supplemental materials prepared for consolidated financial results and other information, please refer to Honda’s Investor Relations website (URL <https://global.honda/en/investors/>).

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## **1. Overview of Consolidated Financial Results**

### **Consolidated Operating Results**

Honda's consolidated sales revenue for the nine months ended December 31, 2025 decreased by 2.2%, to JPY 15,975.6 billion from the same period last year, due mainly to negative foreign currency translation effects, which was partially offset by increased sales revenue in Motorcycle business. Operating profit decreased by 48.1%, to JPY 591.5 billion from the same period last year, due mainly to impact of changes in the electric vehicle (EV) market environment as well as tariff impacts, which was partially offset by increased profit attributable to price and cost impacts. Profit before income taxes decreased by 37.0%, to JPY 771.7 billion from the same period last year. Profit for the period attributable to owners of the parent decreased by 42.2%, to JPY 465.4 billion from the same period last year.

### **Consolidated Statements of Financial Position**

Total assets as of December 31, 2025 increased by JPY 2,073.6 billion, to JPY 32,849.5 billion from March 31, 2025 due mainly to increased equipment on operating leases as well as positive foreign currency translation effects. Total liabilities increased by JPY 1,923.0 billion, to JPY 20,071.0 billion from March 31, 2025 due mainly to increased financing liabilities as well as positive foreign currency translation effects, which was partially offset by decreased trade payables. Total equity increased by JPY 150.6 billion, to JPY 12,778.4 billion from March 31, 2025 due mainly to increased retained earnings attributable to profit for the period as well as positive foreign currency translation effects, which was partially offset by a decrease attributable to acquisition of the Company's own shares.

## 2. Condensed Consolidated Interim Financial Statements and Notes to Condensed Consolidated Interim Financial Statements

### [1] Condensed Consolidated Statements of Financial Position

March 31, 2025 and December 31, 2025

	Yen (millions)	
	Mar. 31, 2025	Dec. 31, 2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	4,528,795	<b>4,846,521</b>
Trade receivables	1,160,847	<b>1,153,983</b>
Receivables from financial services	2,755,800	<b>2,928,514</b>
Other financial assets	208,478	<b>188,032</b>
Inventories	2,470,590	<b>2,425,337</b>
Other current assets	563,252	<b>834,495</b>
Total current assets	<u>11,687,762</u>	<b><u>12,376,882</u></b>
Non-current assets:		
Investments accounted for using the equity method	1,242,614	<b>1,298,743</b>
Receivables from financial services	6,172,817	<b>6,698,497</b>
Other financial assets	873,459	<b>1,145,400</b>
Equipment on operating leases	5,748,187	<b>6,301,343</b>
Property, plant and equipment	3,209,921	<b>3,288,109</b>
Intangible assets	1,126,019	<b>1,034,050</b>
Deferred tax assets	143,499	<b>183,558</b>
Other non-current assets	571,589	<b>522,969</b>
Total non-current assets	<u>19,088,105</u>	<b><u>20,472,669</u></b>
Total assets	<u>30,775,867</u>	<b><u>32,849,551</u></b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Trade payables	1,663,487	<b>1,576,540</b>
Financing liabilities	4,497,747	<b>4,943,485</b>
Accrued expenses	728,935	<b>682,498</b>
Other financial liabilities	276,861	<b>287,016</b>
Income taxes payable	108,562	<b>195,641</b>
Provisions	388,441	<b>461,054</b>
Other current liabilities	951,124	<b>947,816</b>
Total current liabilities	<u>8,615,157</u>	<b><u>9,094,050</u></b>
Non-current liabilities:		
Financing liabilities	6,953,520	<b>8,292,269</b>
Other financial liabilities	301,439	<b>311,056</b>
Retirement benefit liabilities	288,472	<b>298,860</b>
Provisions	667,274	<b>614,917</b>
Deferred tax liabilities	718,084	<b>839,929</b>
Other non-current liabilities	604,099	<b>620,010</b>
Total non-current liabilities	<u>9,532,888</u>	<b><u>10,977,041</u></b>
Total liabilities	<u>18,148,045</u>	<b><u>20,071,091</u></b>
Equity:		
Common stock	86,067	<b>86,067</b>
Capital surplus	205,299	<b>205,304</b>
Treasury stock	(1,272,845)	<b>(1,943,023)</b>
Retained earnings	11,122,187	<b>11,293,380</b>
Other components of equity	2,185,821	<b>2,823,936</b>
Equity attributable to owners of the parent	12,326,529	<b>12,465,664</b>
Non-controlling interests	301,293	<b>312,796</b>
Total equity	<u>12,627,822</u>	<b><u>12,778,460</u></b>
Total liabilities and equity	<u>30,775,867</u>	<b><u>32,849,551</u></b>

**[2] Condensed Consolidated Statements of Income and Condensed Consolidated Statements of Comprehensive Income**

**Condensed Consolidated Statements of Income**

For the nine months ended December 31, 2024 and 2025

	Yen (millions)	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Sales revenue		16,328,725	<b>15,975,664</b>
Operating costs and expenses:			
Cost of sales	(12,802,734)	<b>(12,744,567)</b>	
Selling, general and administrative	(1,639,854)	<b>(1,733,830)</b>	
Research and development	(746,217)	<b>(905,762)</b>	
Total operating costs and expenses	<u>(15,188,805)</u>	<b>(15,384,159)</b>	
Operating profit		1,139,920	<b>591,505</b>
Share of profit (loss) of investments accounted for using the equity method		(27,265)	<b>24,041</b>
Finance income and finance costs:			
Interest income	150,800	<b>129,242</b>	
Interest expense	(38,042)	<b>(43,161)</b>	
Other, net	146	<b>70,160</b>	
Total finance income and finance costs	<u>112,904</u>	<b>156,241</b>	
Profit before income taxes		1,225,559	<b>771,787</b>
Income tax expense	<u>(365,132)</u>	<b>(252,580)</b>	
Profit for the period	<u>860,427</u>	<b>519,207</b>	
Profit for the period attributable to:			
Owners of the parent	805,263	<b>465,437</b>	
Non-controlling interests	55,164	<b>53,770</b>	
		Yen	
Earnings per share attributable to owners of the parent		169.69	<b>115.53</b>
Basic and diluted			

## Condensed Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2024 and 2025

	Yen (millions)	
	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Profit for the period	860,427	<b>519,207</b>
 Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	1	<b>(16,640)</b>
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	(5,581)	<b>99,653</b>
Share of other comprehensive income of investments accounted for using the equity method	(4,782)	<b>2,486</b>
Items that may be reclassified subsequently to profit or loss		
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	76	<b>138</b>
Exchange differences on translating foreign operations	203,219	<b>529,090</b>
Cash flow hedges	—	<b>11,899</b>
Share of other comprehensive income of investments accounted for using the equity method	25,270	<b>20,963</b>
Total other comprehensive income, net of tax	<u>218,203</u>	<u><b>647,589</b></u>
Comprehensive income for the period	<u>1,078,630</u>	<u><b>1,166,796</b></u>
 Comprehensive income for the period attributable to:		
Owners of the parent	1,010,220	<b>1,092,974</b>
Non-controlling interests	68,410	<b>73,822</b>

### [3] Condensed Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2024

	Yen (millions)							
	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
Balance as of April 1, 2024	86,067	205,073	(550,808)	10,644,213	2,312,450	12,696,995	308,877	13,005,872
Comprehensive income for the period								
Profit for the period				805,263		805,263	55,164	860,427
Other comprehensive income, net of tax					204,957	204,957	13,246	218,203
Total comprehensive income for the period				805,263	204,957	1,010,220	68,410	1,078,630
Reclassification to retained earnings				(42,999)	42,999	—	—	—
Transactions with owners and other								
Dividends paid				(347,805)		(347,805)	(77,890)	(425,695)
Purchases of treasury stock				(292,247)		(292,247)		(292,247)
Disposal of treasury stock				324		324		324
Share-based payment transactions				251		251		251
Equity transactions and others							3,982	3,982
Total transactions with owners and other				251	(291,923)	(347,805)	(639,477)	(713,385)
Balance as of December 31, 2024	86,067	205,324	(842,731)	11,058,672	2,560,406	13,067,738	303,379	13,371,117

For the nine months ended December 31, 2025

	Yen (millions)							
	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
Balance as of April 1, 2025	86,067	205,299	(1,272,845)	11,122,187	2,185,821	12,326,529	301,293	12,627,822
Comprehensive income for the period								
Profit for the period				465,437		465,437	53,770	519,207
Other comprehensive income, net of tax					627,537	627,537	20,052	647,589
Total comprehensive income for the period				465,437	627,537	1,092,974	73,822	1,166,796
Reclassification to retained earnings				(10,578)	10,578	—	—	—
Transactions with owners and other								
Dividends paid				(284,390)		(284,390)	(62,319)	(346,709)
Purchases of treasury stock				(670,932)		(670,932)		(670,932)
Disposal of treasury stock				754		754		754
Share-based payment transactions				5		5		5
Total transactions with owners and other				5	(670,178)	(284,390)	(954,563)	(62,319)
Other changes						724	724	724
Balance as of December 31, 2025	86,067	205,304	(1,943,023)	11,293,380	2,823,936	12,465,664	312,796	12,778,460

#### [4] Condensed Consolidated Statements of Cash Flows

For the nine months ended December 31, 2024 and 2025

	Yen (millions)	
	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
<b>Cash flows from operating activities:</b>		
Profit before income taxes	1,225,559	<b>771,787</b>
Depreciation, amortization and impairment losses excluding equipment on operating leases	547,970	<b>655,710</b>
Loss (gain) on disposal of property, plant and equipment and intangible assets	16,808	<b>96,385</b>
Share of (profit) loss of investments accounted for using the equity method	27,265	<b>(24,041)</b>
Finance income and finance costs, net	(150,508)	<b>(9,729)</b>
Interest income and interest costs from financial services, net	(129,857)	<b>(140,106)</b>
Changes in assets and liabilities		
Trade receivables	231,008	<b>45,798</b>
Inventories	(31,135)	<b>147,295</b>
Trade payables	(148,419)	<b>(147,896)</b>
Accrued expenses	(66,460)	<b>(99,013)</b>
Provisions and retirement benefit liabilities	18,388	<b>(42,884)</b>
Receivables from financial services	(786,260)	<b>(179,113)</b>
Equipment on operating leases	(484,806)	<b>(338,508)</b>
Other assets and liabilities	(58,905)	<b>(84,929)</b>
Other, net	9,238	<b>(574)</b>
Dividends received	114,687	<b>85,437</b>
Interest received	552,972	<b>578,914</b>
Interest paid	(312,413)	<b>(335,602)</b>
Income taxes paid, net of refunds	(421,808)	<b>(301,193)</b>
Net cash provided by operating activities	153,324	<b>677,738</b>
<b>Cash flows from investing activities:</b>		
Payments for additions to property, plant and equipment	(327,265)	<b>(384,641)</b>
Payments for additions to and internally developed intangible assets	(231,025)	<b>(194,198)</b>
Proceeds from sales of property, plant and equipment and intangible assets	2,394	<b>17,507</b>
Payments for acquisitions of investments accounted for using the equity method	(89,974)	<b>(71,118)</b>
Proceeds from sales of investments accounted for using the equity method	12,113	<b>22,393</b>
Payments for acquisitions of other financial assets	(365,639)	<b>(155,276)</b>
Proceeds from sales and redemptions of other financial assets	362,622	<b>229,652</b>
Net cash used in investing activities	(636,774)	<b>(535,681)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term financing liabilities	6,544,635	<b>5,960,945</b>
Repayments of short-term financing liabilities	(6,194,170)	<b>(6,392,167)</b>
Proceeds from long-term financing liabilities	2,560,487	<b>3,484,257</b>
Repayments of long-term financing liabilities	(1,769,582)	<b>(2,009,362)</b>
Dividends paid to owners of the parent	(347,805)	<b>(284,390)</b>
Dividends paid to non-controlling interests	(50,622)	<b>(56,448)</b>
Purchases and sales of treasury stock, net	(291,923)	<b>(670,178)</b>
Repayments of lease liabilities	(56,247)	<b>(60,090)</b>
Other, net	4,043	—
Net cash provided by (used in) financing activities	398,816	<b>(27,433)</b>
Effect of exchange rate changes on cash and cash equivalents	91,094	<b>248,575</b>
Net change in cash and cash equivalents	6,460	<b>363,199</b>
Cash and cash equivalents at beginning of year	4,954,565	<b>4,528,795</b>
Cash and cash equivalents at end of period	4,961,025	<b>4,891,994</b>

## **[5] Assumptions for Going Concern**

None

## **[6] Notes to Condensed Consolidated Interim Financial Statements**

### **[A] Changes in Presentation**

#### **Condensed consolidated statements of cash flows**

For the nine months ended December 31, 2024, loss (gain) on disposal of property, plant and equipment and intangible assets was included in “Other, net” within cash flows from operating activities. Considering the increase in quantitative materiality of this item, this has been presented as a separate line item from the nine months ended December 31, 2025. To reflect this change in presentation, the condensed consolidated statements of cash flows for the nine months ended December 31, 2024 has been reclassified accordingly. As a result of this reclassification, JPY 26,046 million previously presented as “Other, net” within cash flows from operating activities for the nine months ended December 31, 2024 has been presented separately into JPY 16,808 million of “Loss (gain) on disposal of property, plant and equipment and intangible assets” and JPY 9,238 million of “Other, net” within cash flows from operating activities.

## [B] Segment Information

Based on Honda's organizational structure and characteristics of products and services, Honda discloses segment information in four categories: Reportable segments of Motorcycle business, Automobile business and Financial services business, and other segments that are not reportable. The other segments are combined and disclosed in Power products and other businesses. Segment information is based on the components of Honda for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The accounting policies used for segment information are consistent with the accounting policies used in the Company's condensed consolidated interim financial statements.

Principal products and services, and functions of each segment are as follows:

Segment	Principal products and services	Functions
Motorcycle Business	Motorcycles, all-terrain vehicles (ATVs), side-by-sides (SxS) and relevant parts	Research and development Manufacturing Sales and related services
Automobile Business	Automobiles and relevant parts	Research and development Manufacturing Sales and related services
Financial Services Business	Financial services	Retail loan and lease related to Honda products Others
Power Products and Other Businesses	Power products and relevant parts, and others	Research and development Manufacturing Sales and related services Others

### Segment information based on products and services

As of and for the nine months ended December 31, 2024

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Products and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	2,706,994	10,684,534	2,659,673	277,524	16,328,725	—	16,328,725
Intersegment	—	214,088	3,509	23,789	241,386	(241,386)	—
Total	2,706,994	10,898,622	2,663,182	301,313	16,570,111	(241,386)	16,328,725
Segment profit (loss)	501,683	402,617	244,996	(9,376)	1,139,920	—	1,139,920
Segment assets	2,160,559	12,138,809	15,683,077	586,235	30,568,680	805,470	31,374,150
Depreciation and amortization	54,190	475,975	651,615	12,218	1,193,998	—	1,193,998
Capital expenditures	52,503	502,082	2,358,941	8,796	2,922,322	—	2,922,322

As of and for the nine months ended December 31, 2025

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Products and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	2,933,678	10,219,750	2,555,325	266,911	15,975,664	—	15,975,664
Intersegment	—	215,096	2,572	23,771	241,439	(241,439)	—
Total	2,933,678	10,434,846	2,557,897	290,682	16,217,103	(241,439)	15,975,664
Segment profit (loss)	546,576	(166,481)	218,006	(6,596)	591,505	—	591,505
Segment assets	2,525,745	12,308,888	16,960,722	572,743	32,368,098	481,453	32,849,551
Depreciation and amortization	53,224	461,997	693,941	11,706	1,220,868	—	1,220,868
Capital expenditures	73,016	480,983	2,034,533	14,038	2,602,570	—	2,602,570

Explanatory notes:

1. Intersegment sales revenues are generally made at values that approximate arm's-length prices.
2. Reconciling items include elimination of intersegment transactions and balances as well as unallocated corporate assets. Unallocated corporate assets, included in reconciling items as of December 31, 2024 and 2025 amounted to JPY 1,095,540 million and JPY 784,212 million, respectively, which consist primarily of the Company's cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

### **Impact of changes in EV market environment**

Due to the slowdown in the expansion of the electric vehicle (EV) market in regions such as North America and Europe, Honda has been experiencing impacts including lower EV sales units and higher sales incentives per unit than initially expected. Furthermore, following the United States government policy shifts, including the abolition of tax incentives for EV purchases and the easing of emissions regulations, as well as the imposition of import tariffs, the growth of the EV market in the United States is expected to slow down even further. On the other hand, in Asia, while the EV market continues to grow, competition is intensifying due to the rise of local OEMs. Due to the recent changes in EV market environment, the Honda global EV sales ratio in 2030 is now expected to be 20%, lower than the previously announced target of 30%.

As part of the revision to the product launch plan to address the changes in the market condition, Honda decided to cancel development of certain EV models, and discontinue and reduce manufacturing of EV models jointly developed under a certain alliance agreement.

As a result, for the nine months ended December 31, 2025, the Company and its certain subsidiaries recognized losses and expenses of JPY 142,416 million in cost of sales, JPY 8,935 million in selling, general and administrative expenses, and JPY 128,013 million in research and development expenses in the condensed consolidated statements of income. These losses and expenses are included in Automobile business. The breakdown of these losses and expenses is as follows.

- Additional provisions of JPY 103,077 million related to the onerous contract under the alliance agreement, primarily due to a shift in the United States government policy, including the imposition of tariffs, the abolition of tax incentives for EV purchases, and the easing of emissions regulations, as well as a reduction in production volume, which resulted in decreased economic benefits and increased costs.
- Impairment losses of JPY 80,741 million recognized for the entire carrying amount of property, plant and equipment, intangible assets and other non-current assets related to the discontinued EV model such as product specific equipment and capitalized development costs.
- Losses of JPY 95,546 million from the disposal of the intangible assets due to the cancellation of development for specific EV models.

For the contingent liability related to the alliance agreement described above, see [E] Other.

### **[C] Cash and Cash Equivalents**

The reconciliation of the amount of cash and cash equivalents between condensed consolidated statements of financial position and condensed consolidated statements of cash flows is as follows.

	Yen (millions) As of December 31, 2025
Cash and cash equivalents in the condensed consolidated statements of financial position	4,846,521
Cash and cash equivalents included in assets held for sale	45,473
Cash and cash equivalents in the condensed consolidated statements of cash flows	<u>4,891,994</u>

Assets held for sale as of December 31, 2025 are presented in other current assets in the condensed consolidated statements of financial position.

## **[D] Subsequent Event**

### **Cancellation of the Company's own shares**

The Board of Directors of the Company, at its meeting held on February 10, 2026, resolved that the Company will cancel its own shares pursuant to Article 178 of the Company Law.

#### 1. Reason for cancellation of own shares

The Company will cancel its own shares for the purpose of improving efficiency of its capital structure.

#### 2. Details of the cancellation

##### (1) Class of shares to be cancelled:

Shares of common stock

##### (2) Total number of shares to be cancelled:

747,000,000 shares (14.1% of total number of issued shares)

##### (3) Scheduled date of the cancellation:

February 27, 2026

##### (4) Total number of shares issued after the cancellation:

4,533,000,000 shares

## **[E] Other**

### **Loss related to airbag inflators**

Honda has been conducting market-based measures in relation to airbag inflators. Honda recognizes a provision for specific warranty costs when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. There is a possibility that Honda will need to recognize additional provisions when new evidence related to the product recalls arise, however, it is not possible for Honda to reasonably estimate the amount and timing of potential future losses as of the date of this report.

### **Contingent liabilities related to certain alliance agreements**

As part of Honda's automobile electrification strategies, Honda has entered into alliance agreements with third parties involving joint development, parts procurement, and products purchases. These alliances may result in additional losses or expenses where unforeseen factors arise, such as lower than expected sales volumes or rising costs. In estimating the likelihood and the amount of potential losses or expenses, it is necessary to consider the progress of negotiation, as certain provisions in the relevant agreements were unclear. However, due to high levels of uncertainty regarding the amount and timing of certain contingent liabilities, Honda is currently unable to estimate the potential exposure with sufficient reliability.