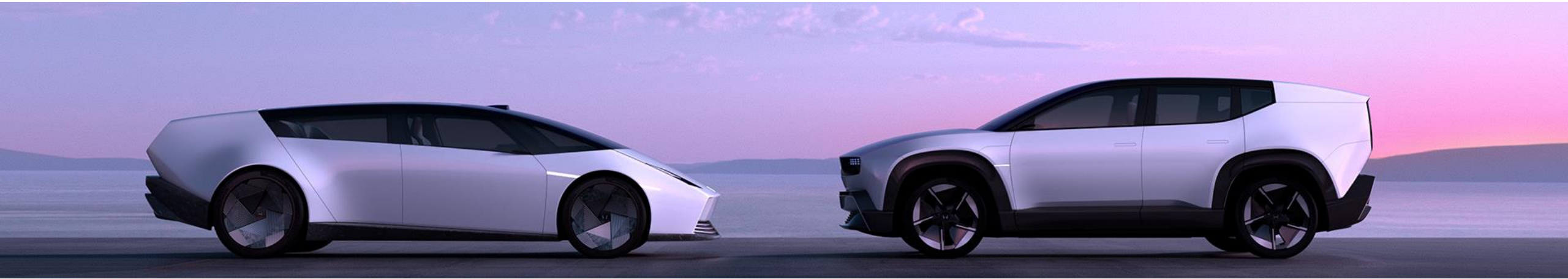


2025 Business Briefing



HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

本田技研工業株式会社
取締役 代表執行役社長

三部 敏宏

Toshihiro Mibe

Director, President and Representative Executive Officer
Honda Motor Co., Ltd.



Offering the joy and freedom of mobility
to people worldwide
in a sustainable manner





Environment

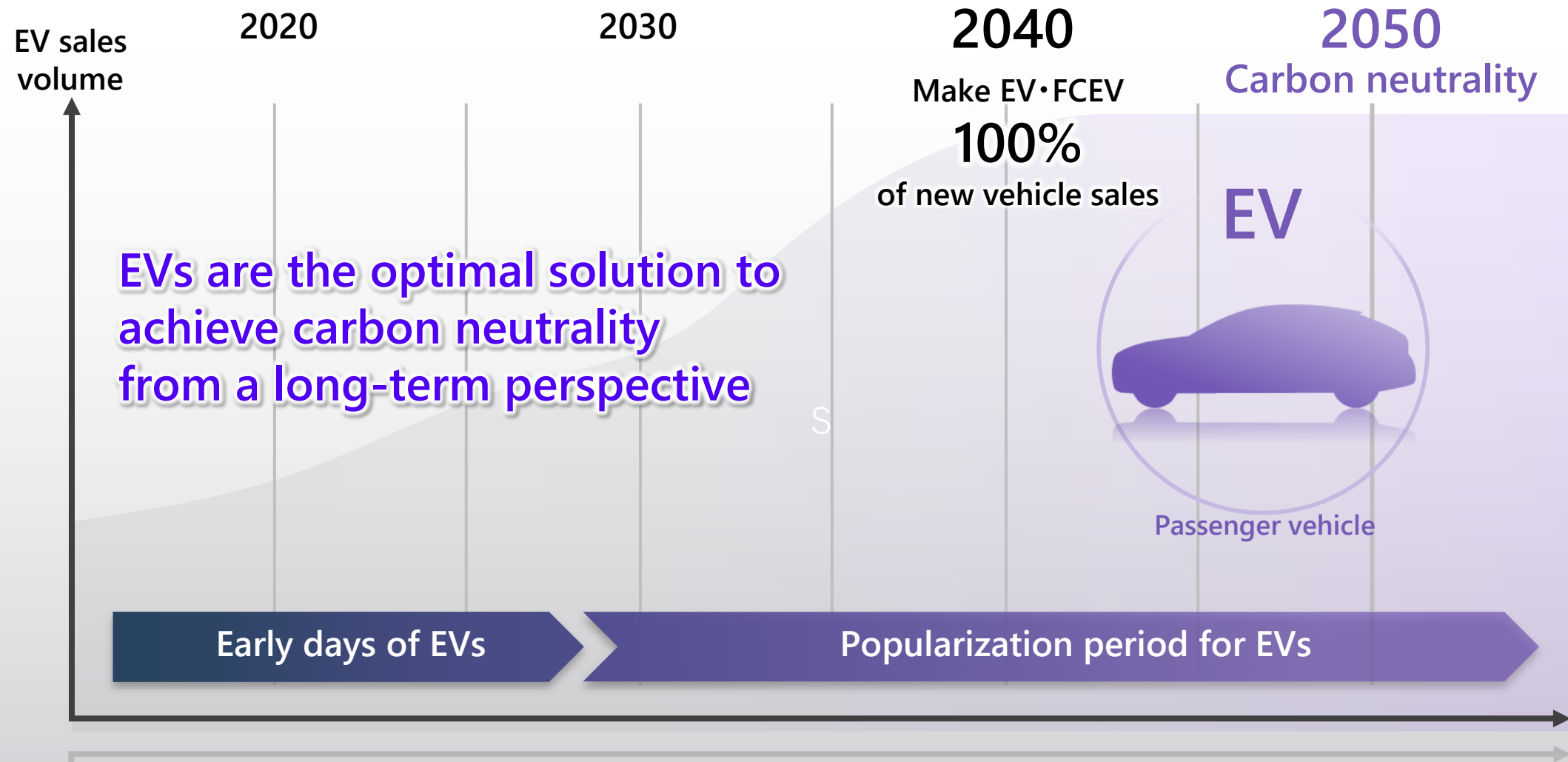
2050

**Carbon neutrality for all Honda products
and corporate activities**



Safety

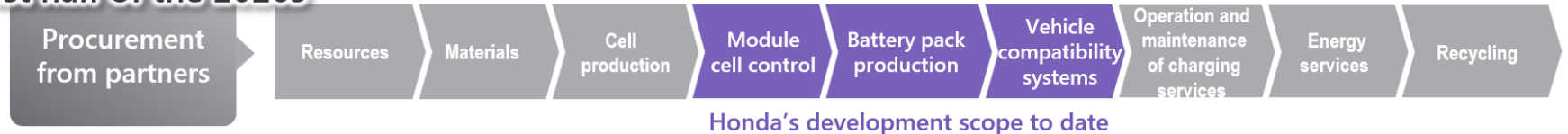
**Zero traffic collision fatalities involving
Honda motorcycles and automobiles**



Plans to build a comprehensive EV value chain in Canada with a central focus on batteries



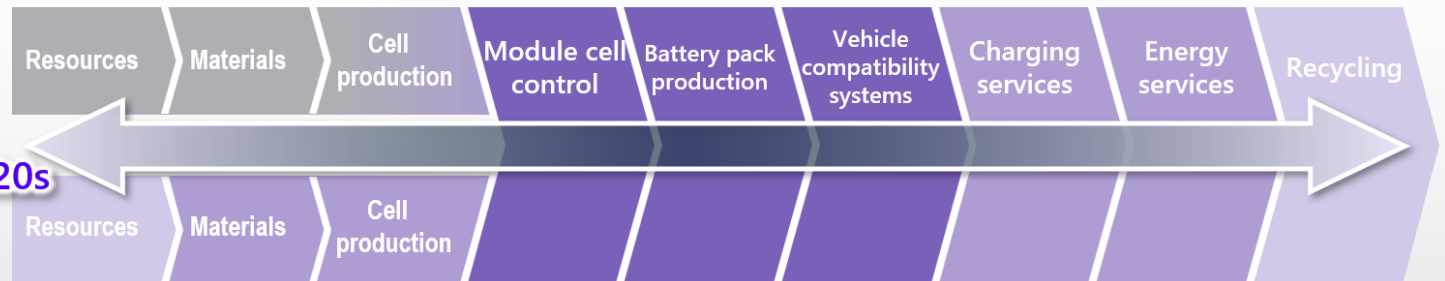
1st half of the 2020s



From 2025

JV with battery manufacturer

LG Energy Solution **HONDA**

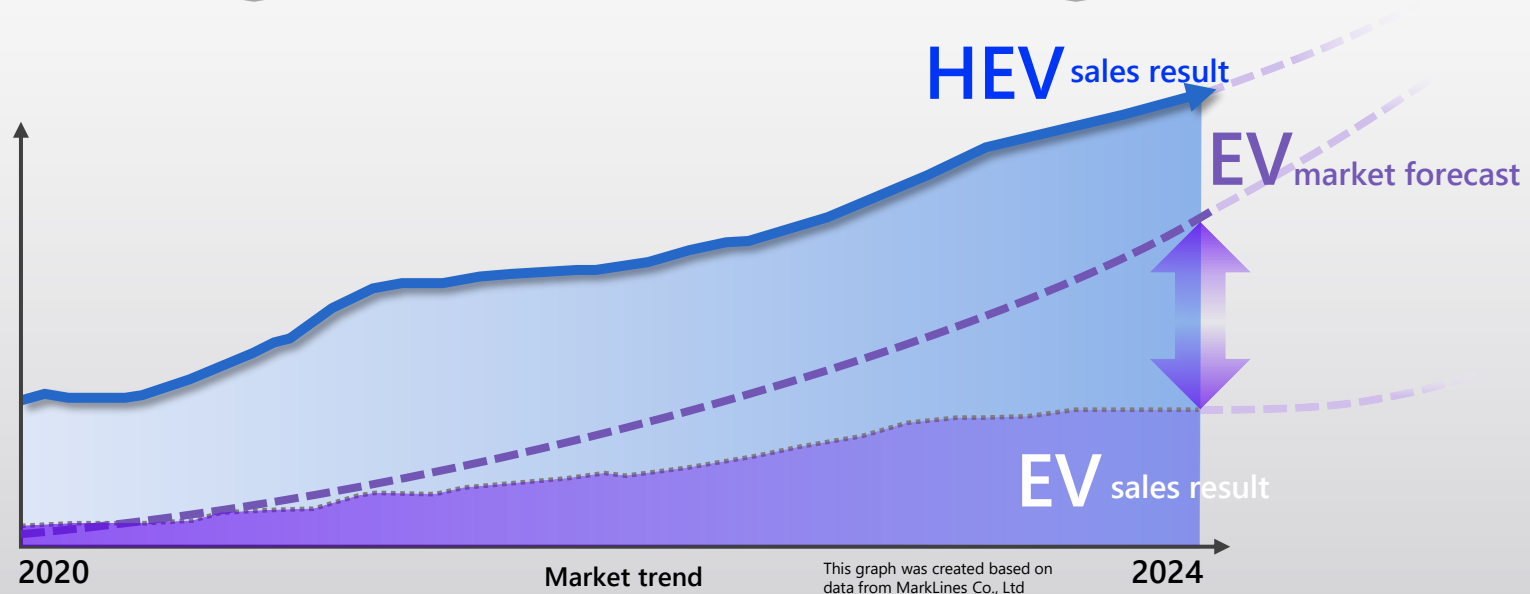


2nd half of the 2020s

Vertically-integrated EV value chain

POSCO FUTURE M AsahiKASEI GSYUASA **HONDA**

Secure sufficient production volume and competitive advantages by combining external procurement and in-house production
(Procurement of enough batteries for 2M EV production in 2030/Reduce procurement cost by 20%)



Demand for hybrid vehicles will continue to grow toward 2030, as they contribute to the reduction of CO2 emissions without the issue of needing charging infrastructure

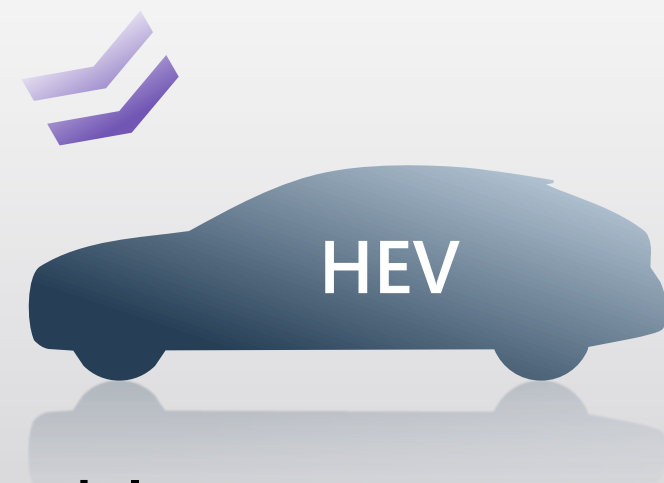
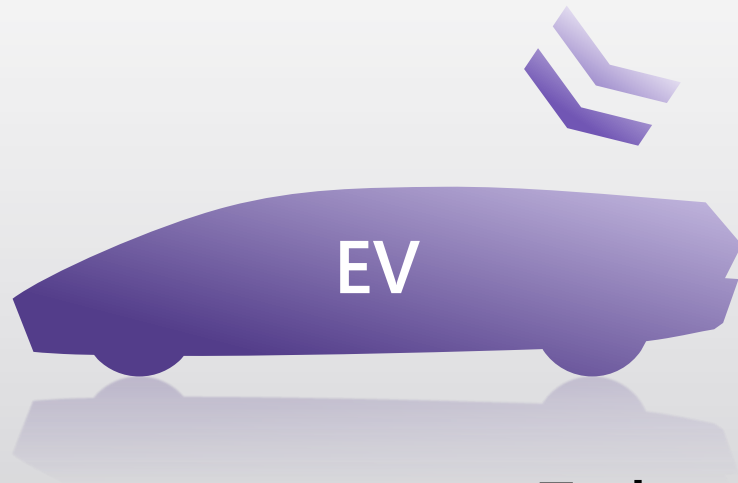
Key two key directions for the realignment of Honda automobile electrification strategy

To enhance the
competitiveness of our
EVs and HEVs with
intelligent technologies

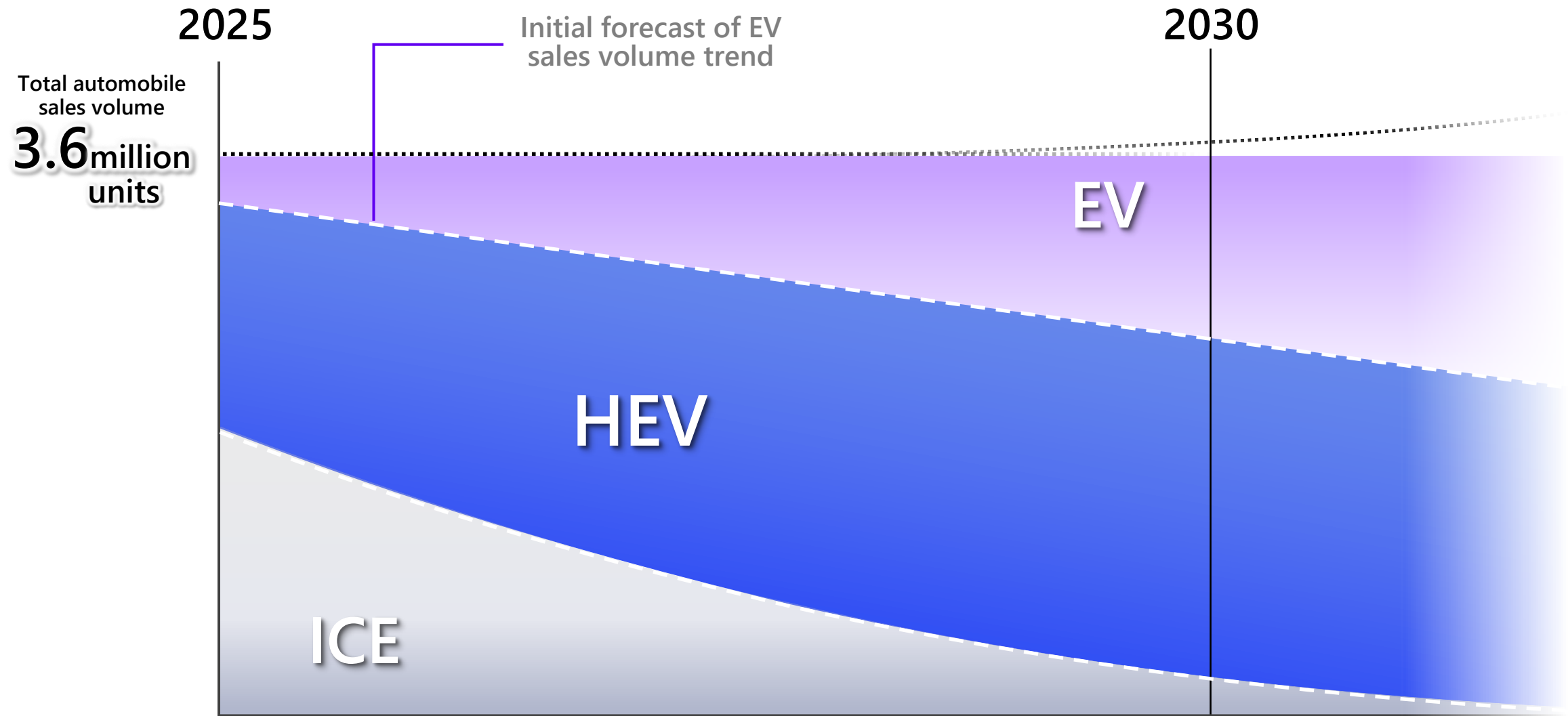
Reassessment
of our powertrain
portfolio

Next generation ADAS

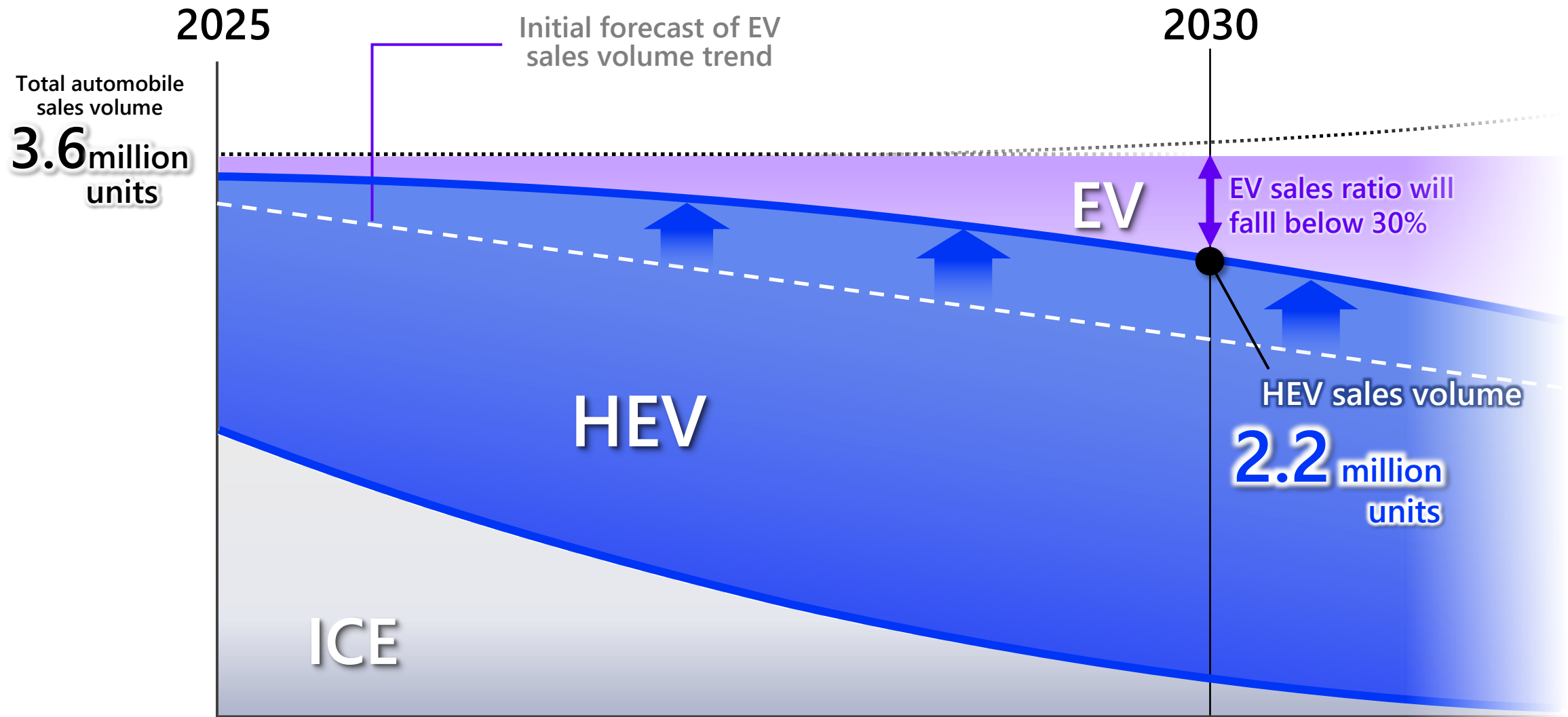
Assists the driver with acceleration and steering operations **throughout the entire route to the destination**, whether on expressways or surface roads



To be applied to main models
in North America, Japan and China in around 2027



In light of changes in market environment, Honda realigns its automobile electrification strategy and strengthens its business foundation through reassessment of EV/HEV powertrain portfolio with a focus on application of intelligent technologies.



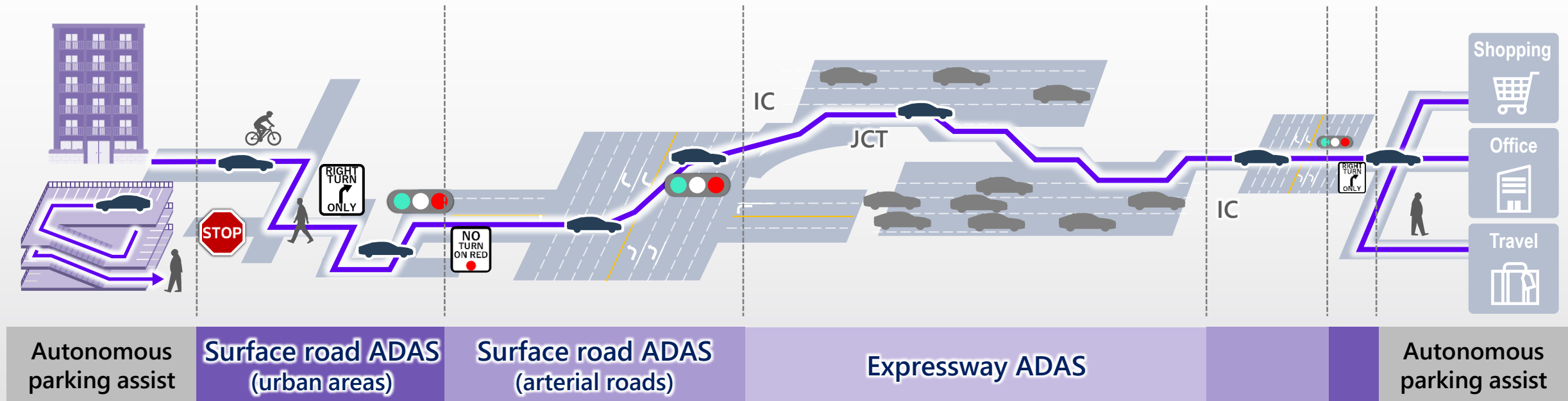
In light of changes in market environment, Honda realigns its automobile electrification strategy and strengthens its business foundation through reassessment of EV/HEV powertrain portfolio with a focus on application of intelligent technologies.

To enhance the competitiveness of
our EVs and HEVs with intelligent technologies

The development of next-generation ADAS

Next-generation ADAS

Assists the driver with acceleration and steering operations **throughout the entire route to the destination**, whether on expressways or surface roads

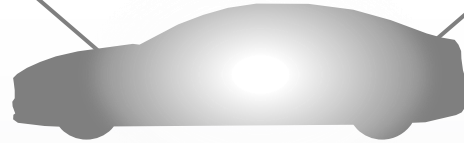


Honda will apply next-generation ADAS technologies to a broader range of models faster than other OEMs by leveraging its recognition and behavior planning technologies amassed through the development of automated driving technology

Requirements for the operation of next-generation ADAS

Secure a certain level of power supply

Highly sophisticated SoC cooling technology



Other OEMs install it to high-end EV and PHEV models

Next-generation



Energy management by the highly-efficient HEV system

Maintain high environmental performance



Drive force control mainly by motor

Good compatibility with control demands

Has a significant advantage from the perspective of installing next-generation ADAS

Honda M/M-Concept

Man - Maximum



Machine - Minimum

Addressing the difficulty of installing next-generation ADAS in small-size vehicles by minimizing the impact of ADAS-related devices on cabin space and vehicle design

From around 2027 -



Small-size
vehicles

Realize next-generation ADAS with low cost and high competitiveness and begin offering it for the lineup of key models in North America and Japan



Large-size
vehicles



With Momenta, Honda will co-develop next-generation ADAS optimized for road conditions in China and install it to all future models Honda will launch in China

Reassessment of our powertrain portfolio

Strengthening of HEV strategy

Sales volume

Cost of hybrid system (indicator)

1999

2013

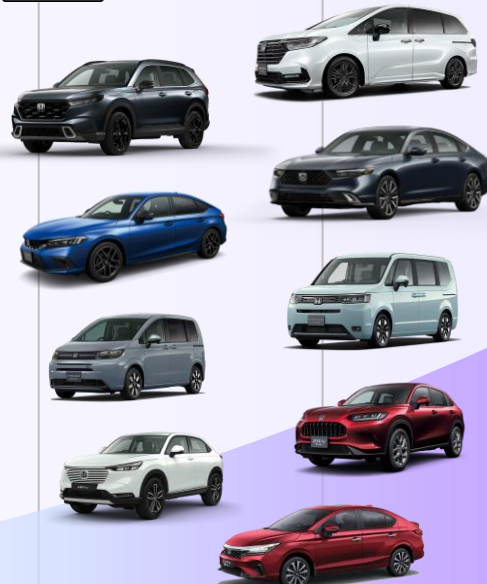
2018

2023

2027 -

Next-generation HEV

e:HEV



Next-generation platforms

Electric AWD+
World's most efficient powertrain

Mid-size
series



Small-size
series



Driving stability, occupant comfort and
passive safety performance

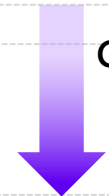


Fuel economy
Improvement by more than

10%



High-quality and exhilarating driving
experience that resonates with
all of the driver's senses



Cost reduction
by more than

50%

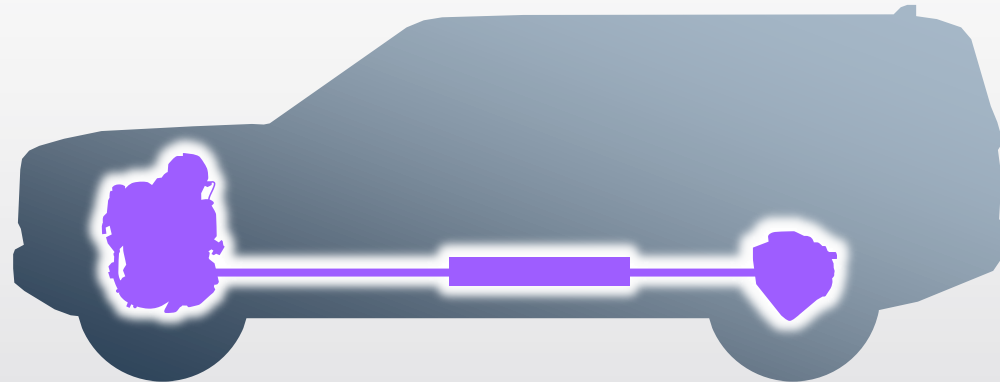


Accord
Current version of
North American Accord Hybrid

Powerful driving and
high towing capability



Scheduled to be launched
in the 2nd half of the 2020s



High environmental
performance



Develop a HEV system for large-size models

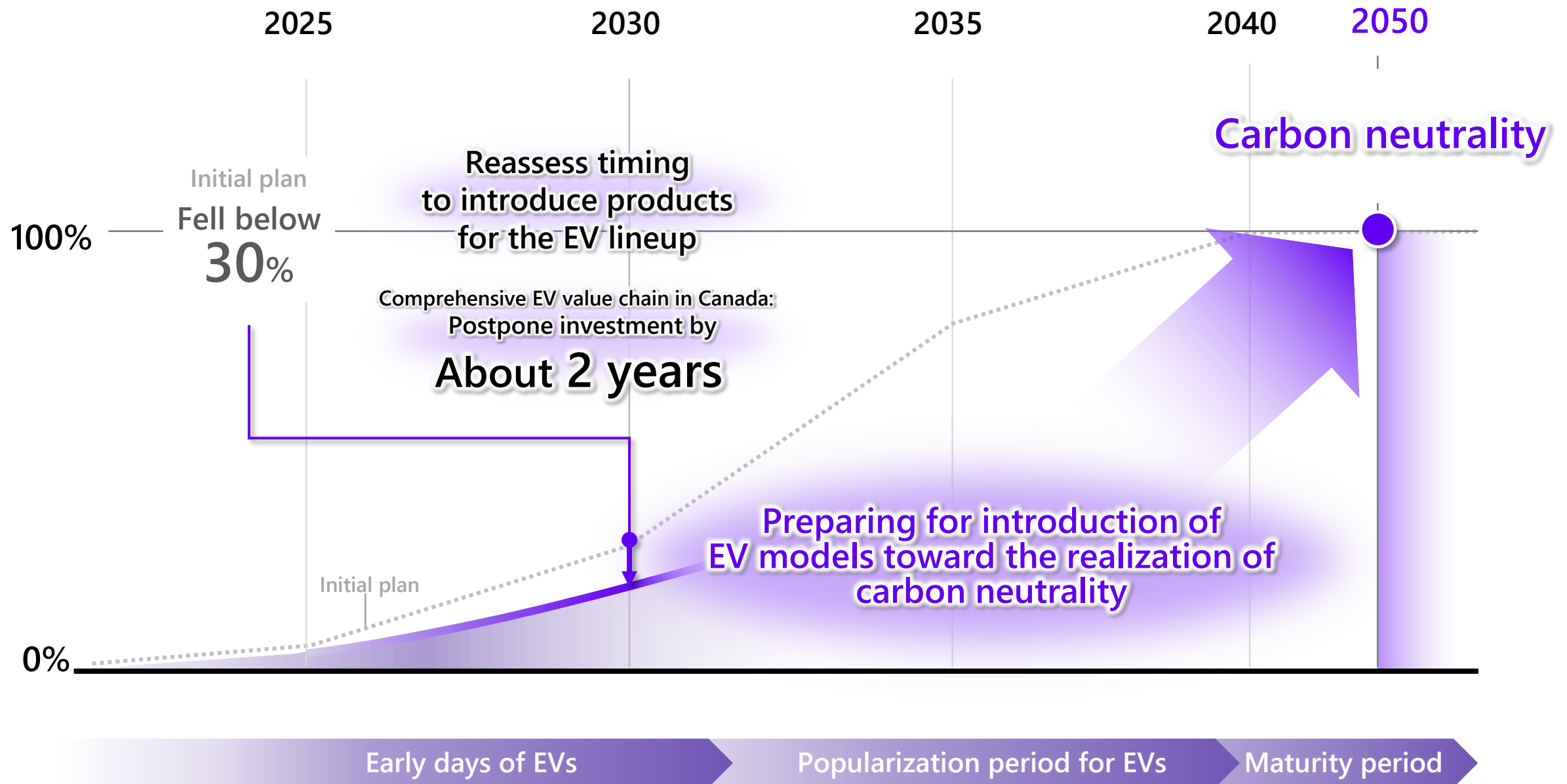
to offer a broad HEV lineup ranging from entry-level models to large-size models

Over a four-year span starting in 2027

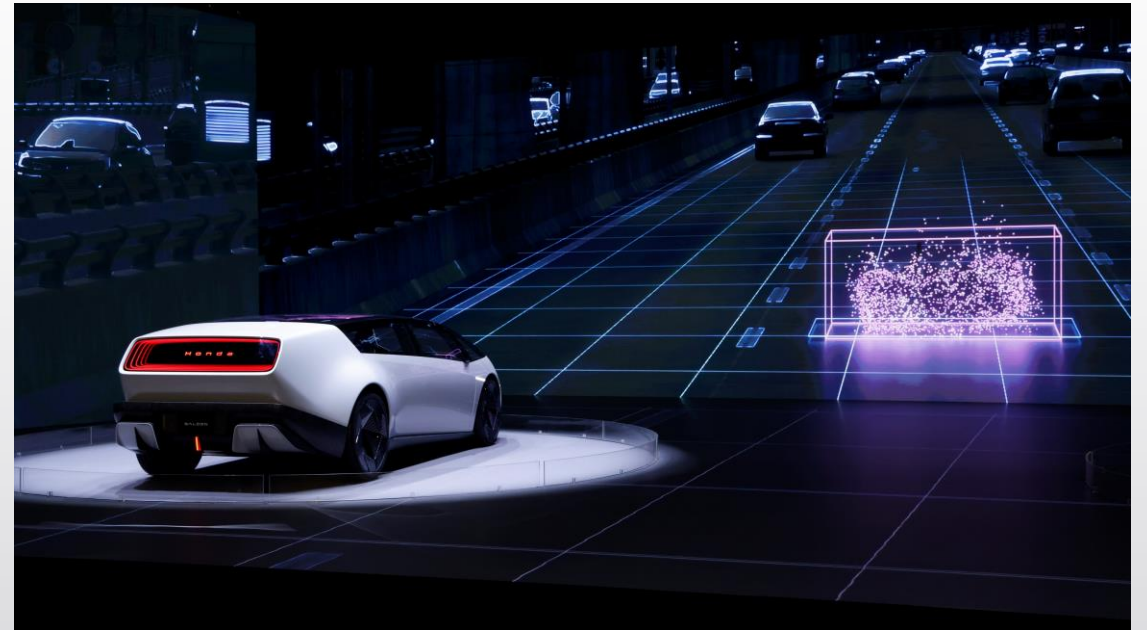
Launch **13** next-generation HEV models globally
that feature the next-generation HEV system and the value of Next-generation ADAS

Reassessment of our powertrain portfolio

EV strategy

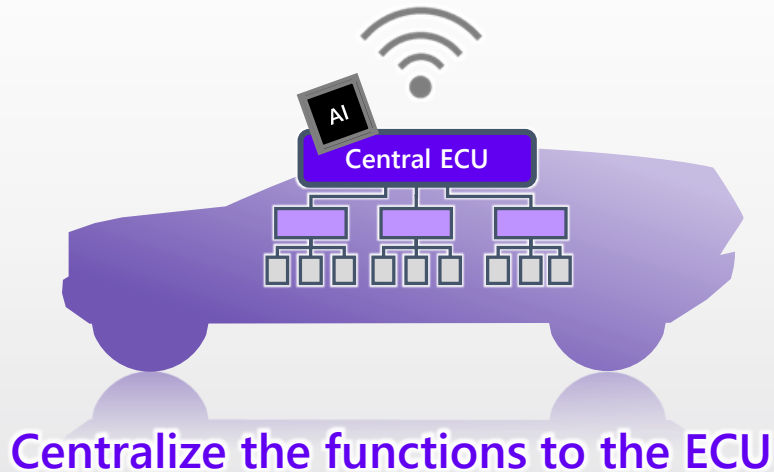


From 2026
Introduction of first-generation Honda 0 Series models



Offer the value of SDVs tailored to each and every user
through “ultra-personal optimization”

Centralized
E&E Architecture



Customized SoC



High-level AD/ADAS functions
available in broader range of
driving situations



Develop a high-performance SoC which will efficiently achieve
among the top class AI performance in the industry

Reassessment of our powertrain portfolio

EV/HEV



Next-generation HEV models will also adopt the new H mark
as a symbol of the transformation of Honda automobile business

A purple circle with a thin purple outline, containing the text "EV" in purple.

EV

A blue circle with a thin blue outline, containing the text "HEV" in blue.

HEV

2026

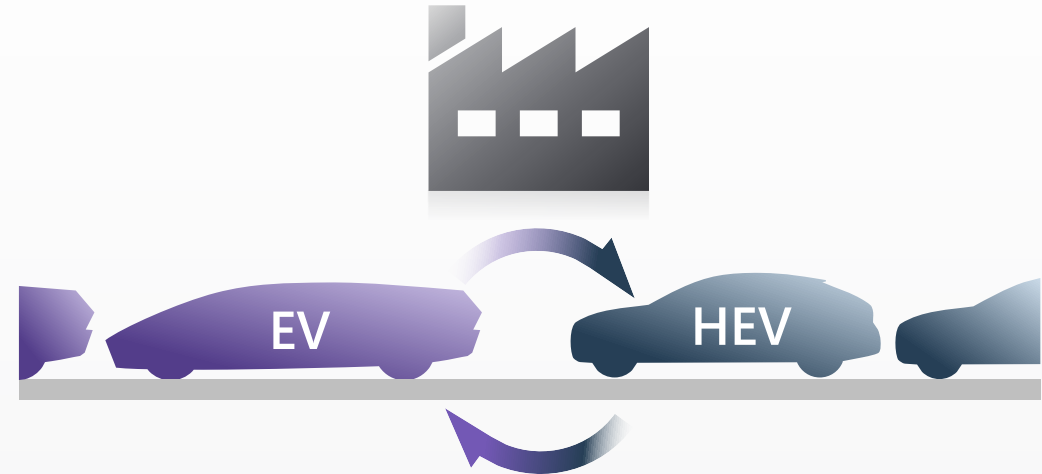
2030

Dedicated EV production plants:
Establish highly efficient production structure

EV/HEV mixed-model production line:
Optimize supply capacity and allocation, including the effective use of existing assets



Marysville Auto Plant



EV/HEV mixed-model production line

Resilient supply chain strategy that is not affected by demand fluctuations and/or government policy changes in each country

Establishment of supply chains based on the principle of “local production for local consumption”

CY2024

Percentage of U.S.-made vehicles
among Honda vehicles sold in the U.S.

60%

Percentage of Canada-made vehicles
sold in the U.S.

25%

Percentage of Mexico-made vehicles
sold in the U.S.

15%

CY2024

USMCA Compliant Vehicles sold in the US

100%

**Flexible production system that enables swift transfer
of production models between facilities**

Motorcycle Business



Global market share
(FYE March 31, 2025)

Approx. **40 %**

Motorcycle unit sales
(FYE March 31, 2025)

20.57 million units

Honda set all-time record for fiscal year sales
in 37 countries and territories

Industry-wide sales

Approx.
50 million units



Approx.
60 million units
Around 2030



- Offer attractive products tailored to the diverse needs of customers
- Rollout products efficiently and optimize product supply system

2025

2028



Activa e:

QC1

Sales began in February 2025

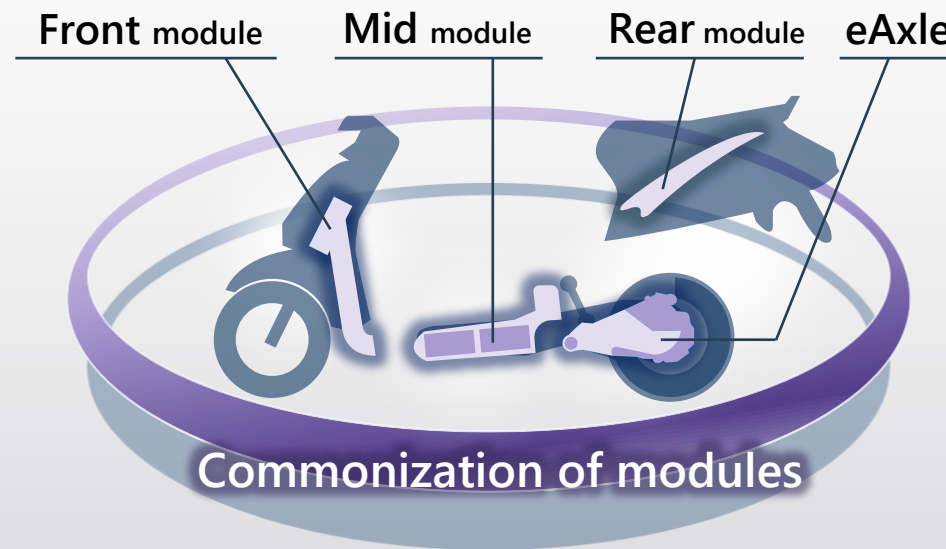


CUV e:

ICON e:

Scheduled to go
on sale in Europe
and Japan

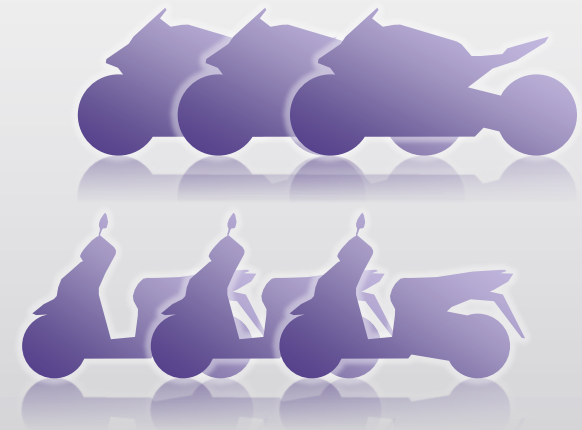
Dedicated electric motorcycle production plant
will become operational in India



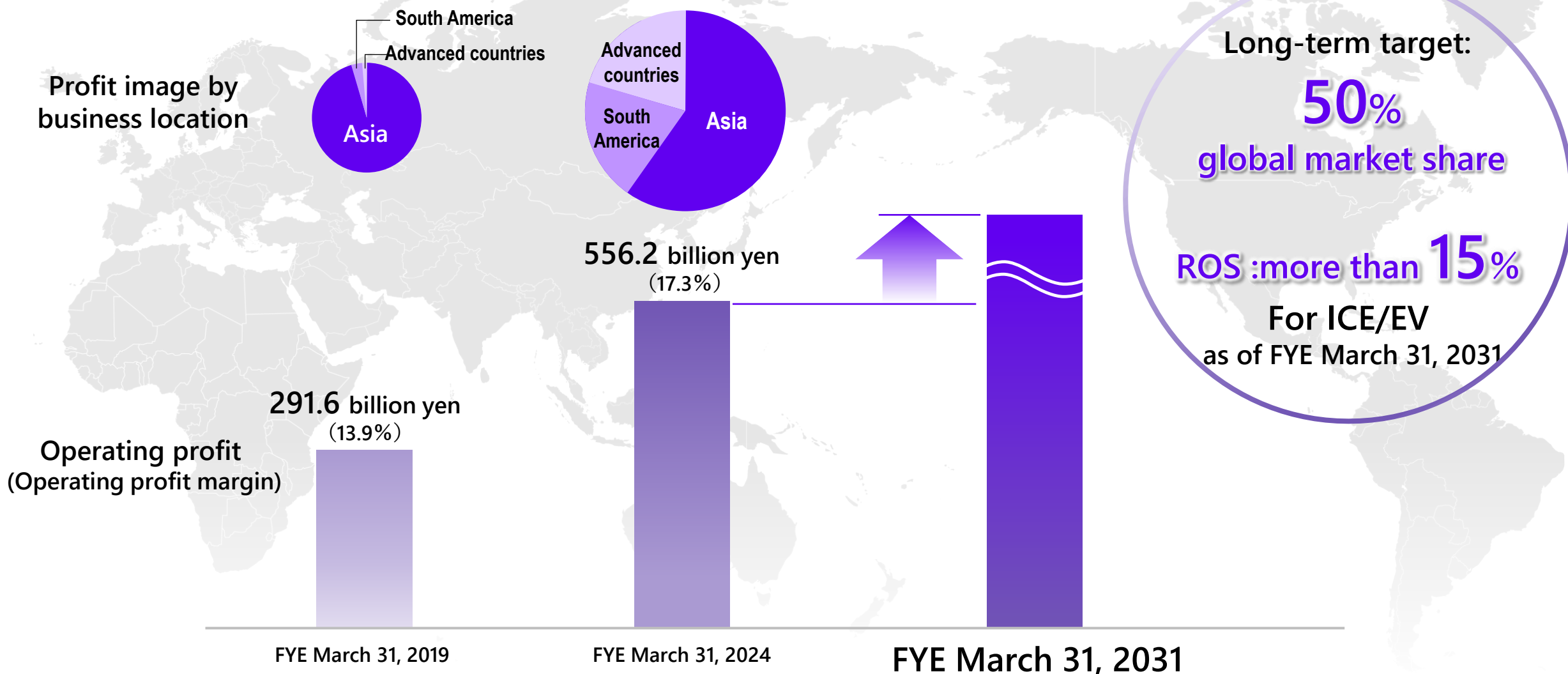
Cost reduction through the production
at highly-efficient dedicated plant

Electric motorcycle
market goal:

**No.1
market share**

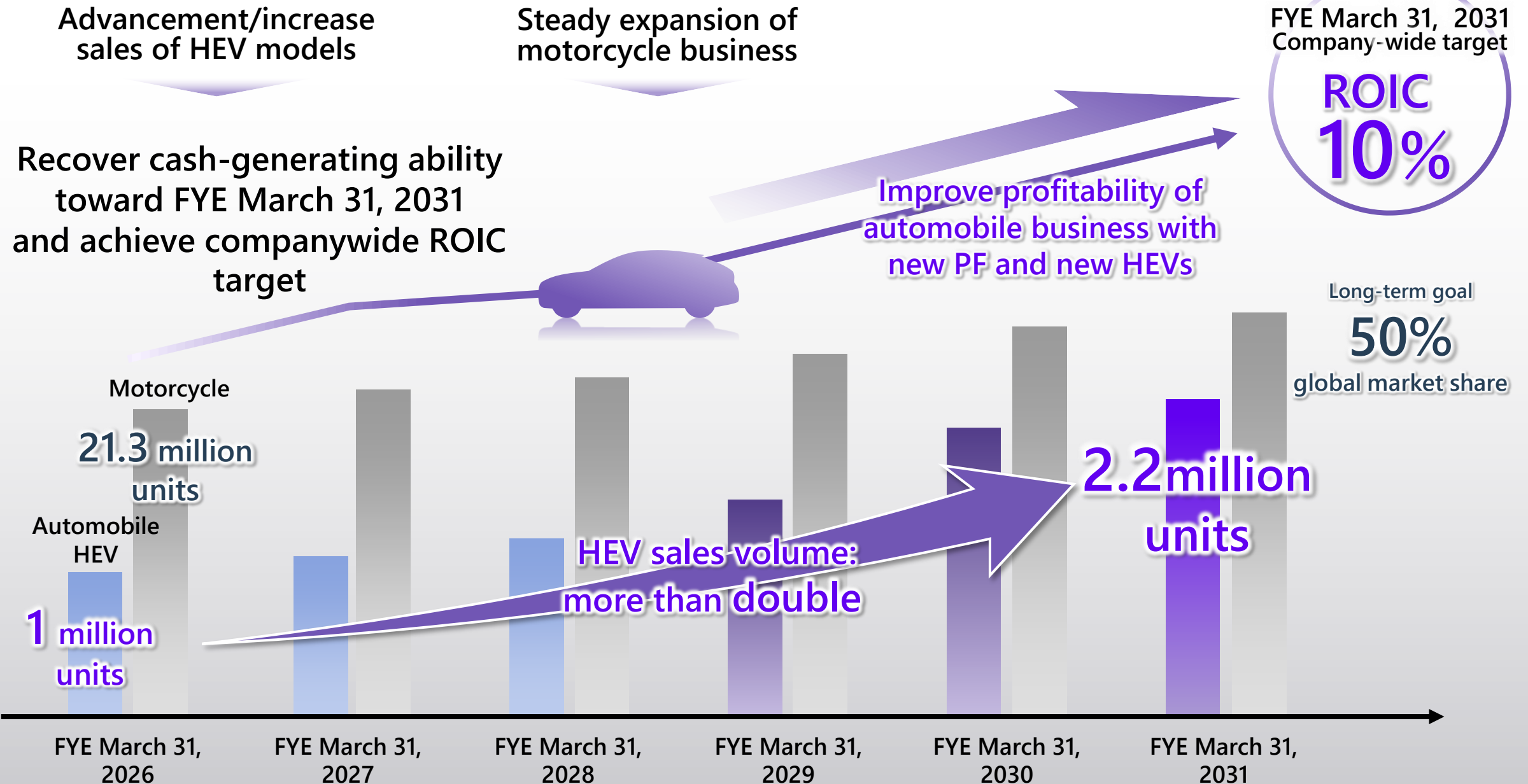


Effectively capture growing demand for motorcycles with both ICE and EV models



Financial Strategy





Previous plan (as of May 2024)

Current plan (as of May 2025)

R&D expenditure toward
the realization of software-
defined mobility

Approx. **2 trillion yen**

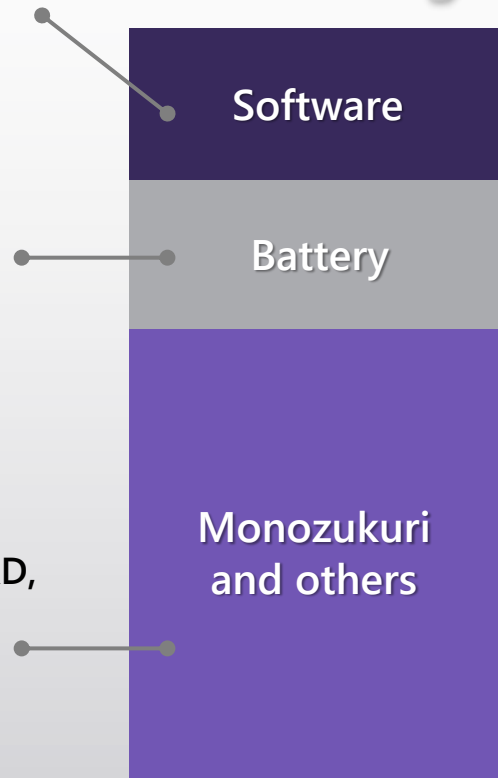
Realization of vertically-
integrated value chain

Approx. **2 trillion yen**

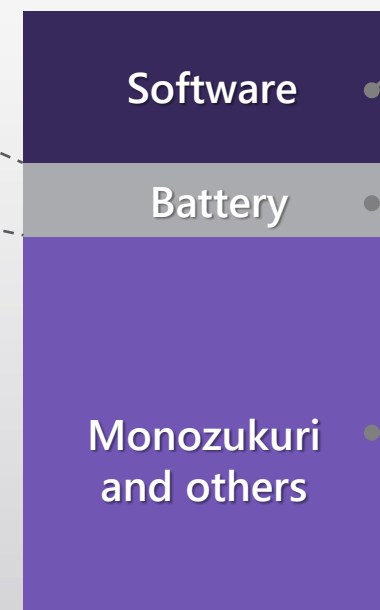
- Production area that includes
next-generation plants,
- Investments for electric
motorcycles, new models, R&D,
etc.

Approx. **6 trillion yen**

10 trillion yen



7 trillion yen



With assumption to apply
software on HEVs

Maintain
Approx. **2 trillion yen**

Due to postponement of
Canada VC project

- 1 trillion yen

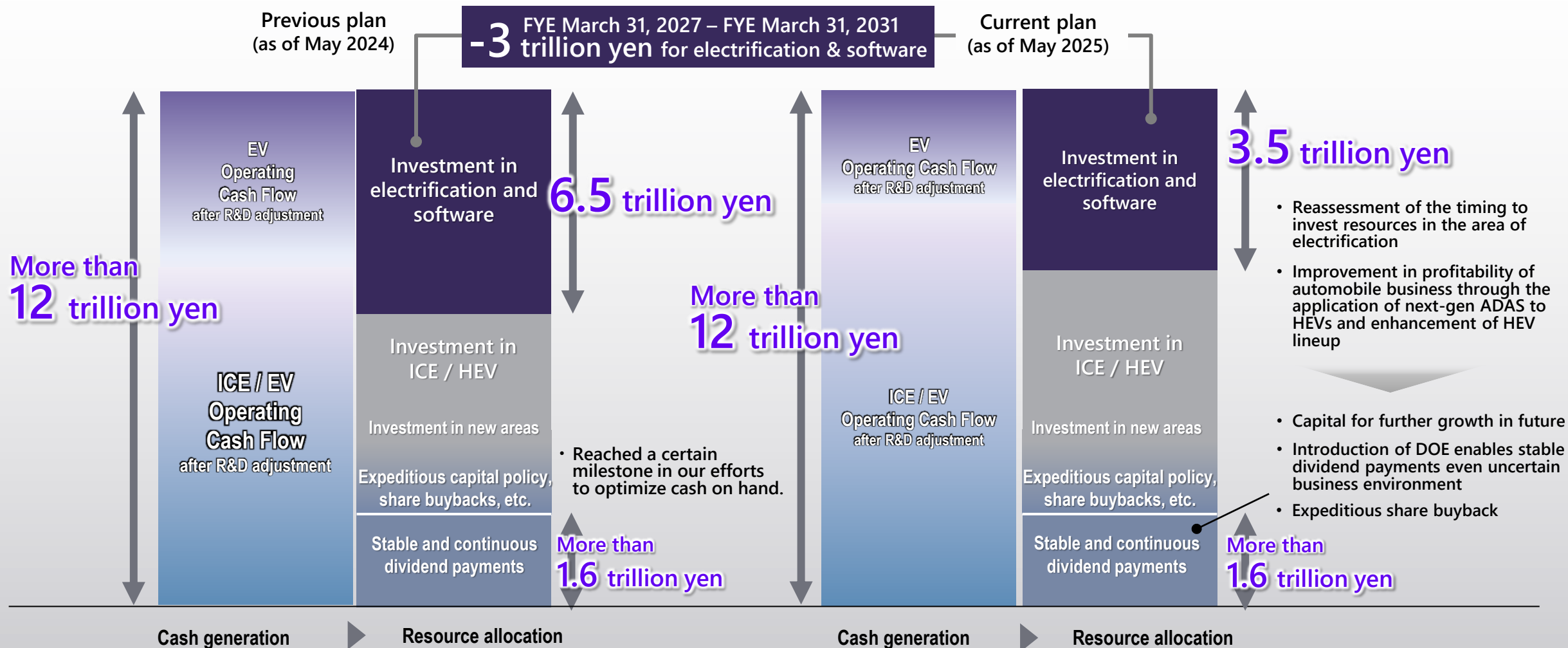
Due to delay in investing
in next-gen factories and
optimization of lineup

- 2 trillion yen

FYE March 31, 2027 – FYE March 31, 2031

By revising our resource allocation in accordance with market changes, we will establish automobile business that can prepare for the future while also improving profitability.

With the strong earnings power of our motorcycle business on top, we will pursue further growth and stable shareholder return.



*Operating cash flow after deduction of R&D expenses (Operating cash flow of Honda companies conducting businesses, except financial services business + R&D expenditures - Amount transferred to development assets)

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