2024 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.

Previous Communications by Global CEO

April 2021

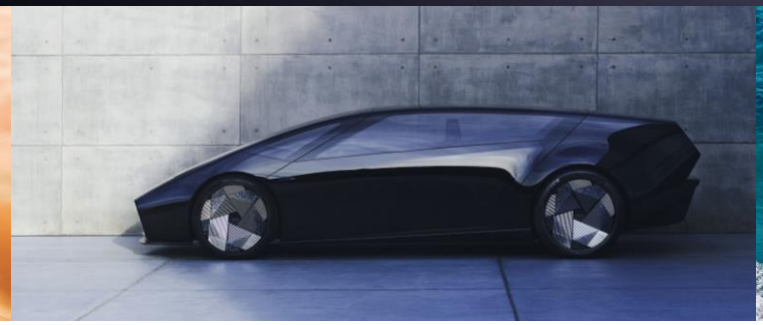
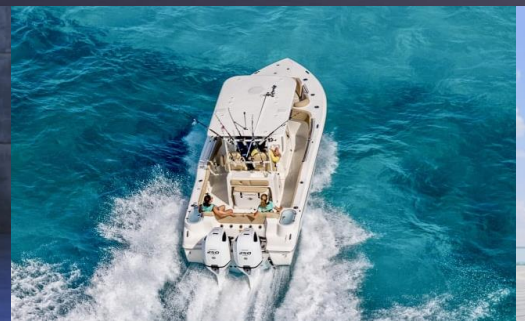
Global CEO Inaugural Press Conference

April 2022

Briefing on Automobile Electrification Business

April 2023

2023 Business Briefing

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The Power of Dreams

How we move you.

CREATE ▸ TRANSCEND, AUGMENT





The goal of our activities

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Continue to offer people the joy and freedom of mobility

CREATE

Freedom of mobility ＝ Universal / essential value to people

TRANSCEND

Enabling people to transcend the constraints of time and place

AUGMENT

Augment various possibilities of people

Goals for environment and safety

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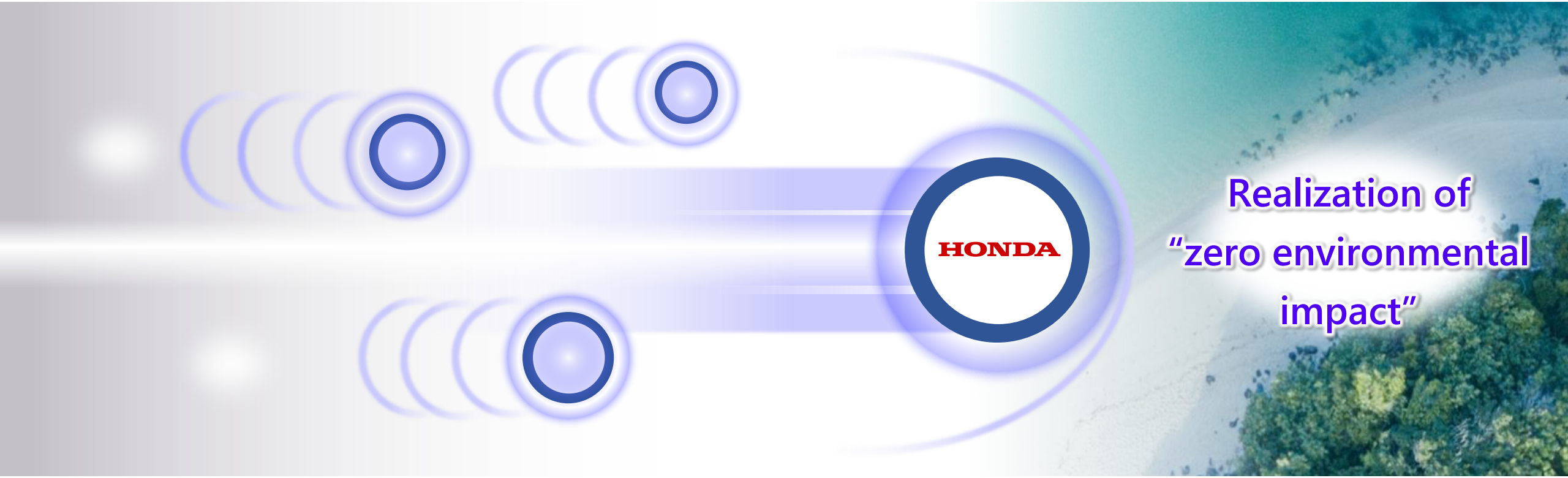
2050

Carbon neutrality for all of Honda products and corporate activities

Zero traffic collision fatalities involving Honda motorcycles and automobiles

Expand our initiatives to the entire product life cycle



Honda to be at the forefront of this challenge and strive to realize our goals

Focusing on various technological research and initiatives in the field of environmental technologies, particularly around electrification and intelligence technologies

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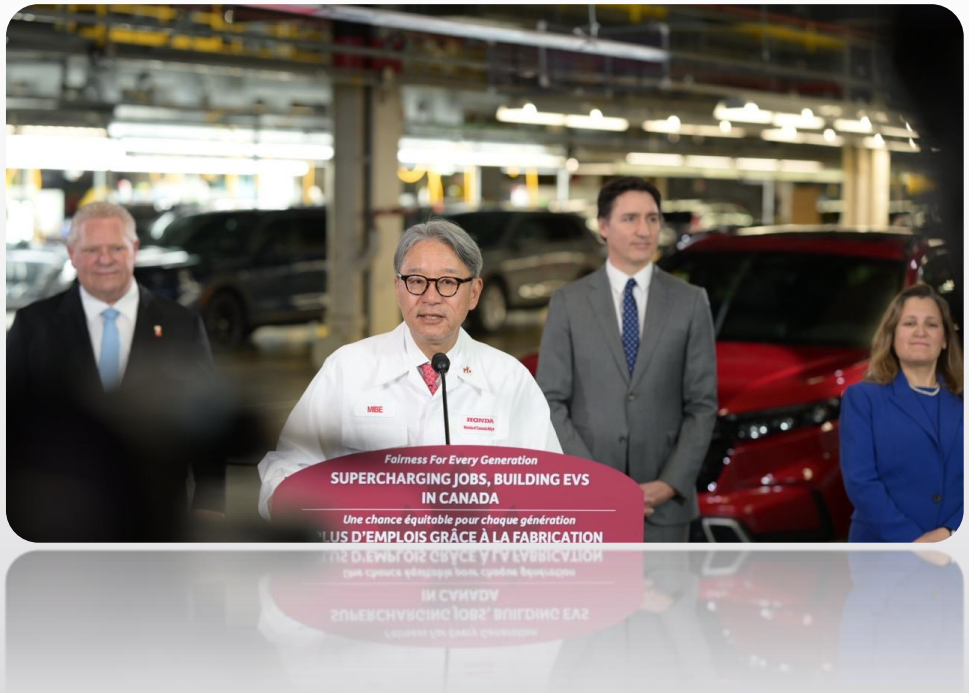
Plans to establish comprehensive EV value chain in Canada



Start feasibility study of strategic partnership with Nissan

Overall look at initiatives Honda is taking on as a comprehensive mobility company

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Enhancing value in line with achieving carbon neutrality of mobility

Broader application of the technology and expansion of field/concept of mobility

Dream-inspiring mobility

Charging network/HEMS

Battery reuse/ESS

FCEV

Energy management system

Honda Mobile Power Pack e:

Expansion of Hydrogen Value chain

Creating original value proposition through **electrification** and applications of **intelligence technologies**

Invest

Effective BEV shift through **Consolidation of global platforms and establishment of vertically-integrated value chains**

(ICE & HEV automobiles ICE motorcycles)

Through the creation of a wide variety of mobility products and services

"Transcend and Augment"

How we move you.

Continue to be the "power" that moves people and society forward with the power of dreams.

Micro-mobility

Mobility services

In-house battery and software technologies

5 KEY FACTORS

Rocket (space transportation)

eVTOL

Versatile transportation mobility

Robots that cooperate with people

Zero environmental impact and zero traffic collision fatalities

Alliances/partnerships, and CVC ▶ Broader range of tactics

Technological foundation to enable a wide variety of applications (R&D) ▶ AI Material technology Carbon neutrality technology Human study/safety

Overall look at initiatives Honda is taking on as a comprehensive mobility company

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Dream-inspiring mobility

In-house battery and software technologies

5 KEY FACTORS

EV/FCEV ratio to overall sales	2030	2035	2040
	Global 40%	Global 80%	Global 100%
	EV 2M units		

Creating original value proposition through electrification and applications of intelligence technologies

Invest

(ICE & HEV automobiles ICE motorcycles)

Effective BEV shift through Consolidation of global platforms and establishment of vertically-integrated value chains

Through the creation of a wide variety of mobility products and services

"Transcend and Augment"

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Continue to be the "power" that moves people and society forward with the power of dreams.

Zero environmental impact and zero traffic collision fatalities

Automobile Electrification Strategy

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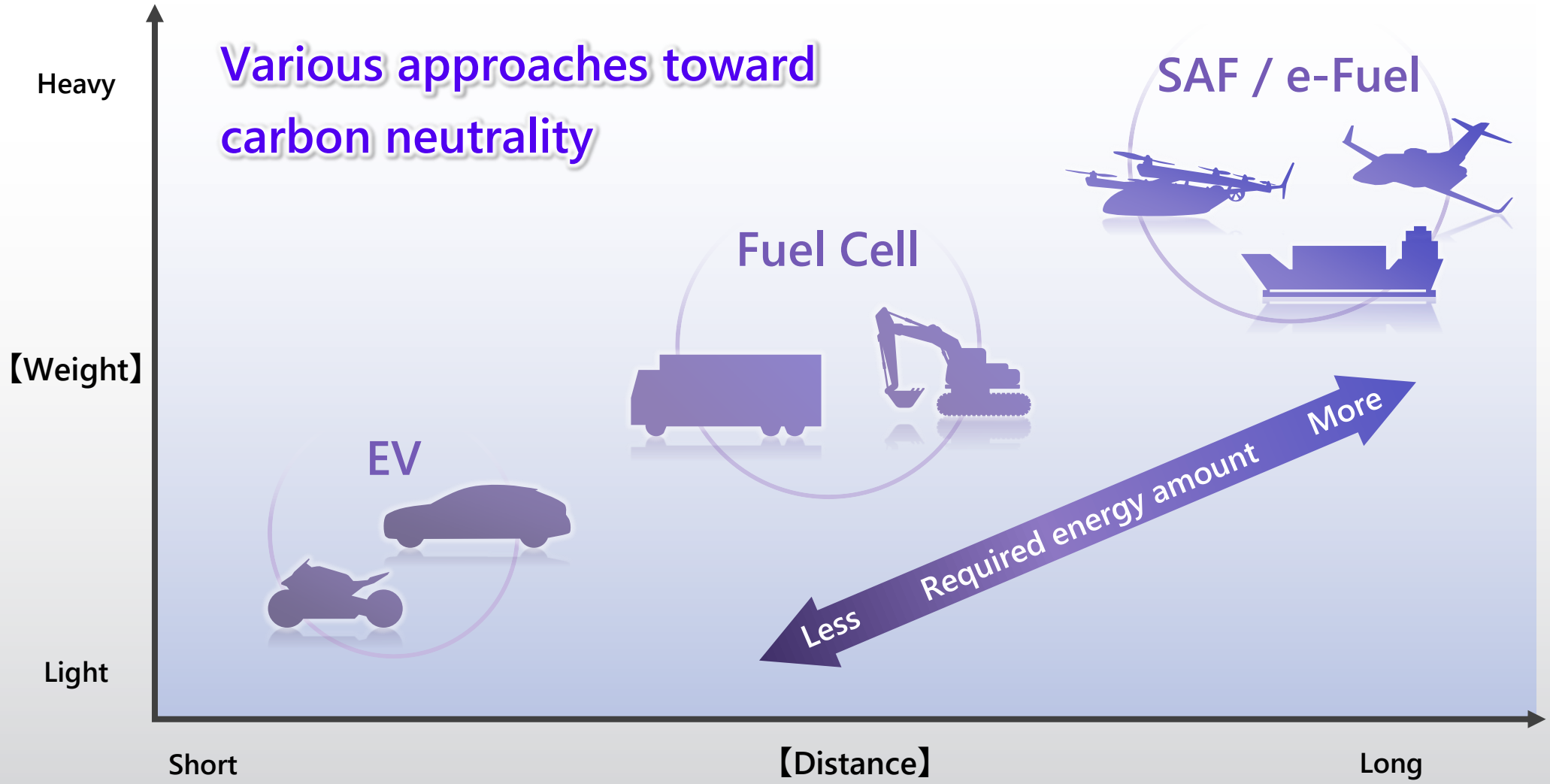
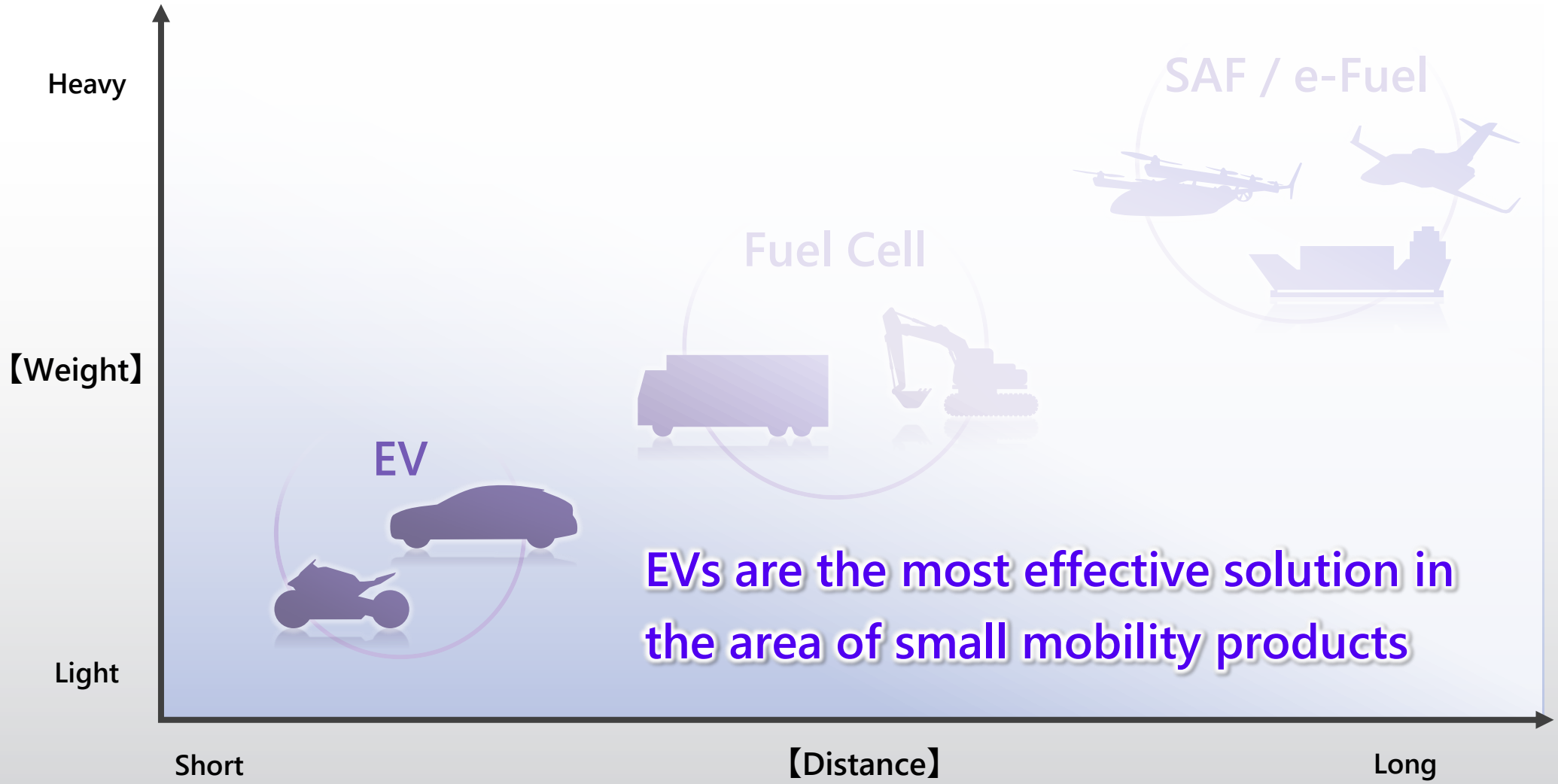

Various approaches toward carbon neutrality
SAF / e-Fuel
Fuel Cell
EV
Heavy
【Weight】
Light
Less
Required energy amount
More
Short
【Distance】
Long

Understanding of external environment



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EV unit sales

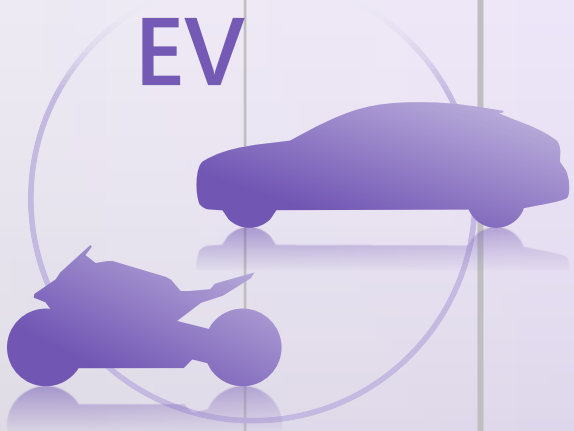
2020

2030

2040

2050
Carbon Neutrality

In the medium to long term, small mobility products will shift to EVs



Establishment of strong EV brand and a strong business

Early days of EVs

Popularization period for EVs

Direction of the electrification of Honda automobile business

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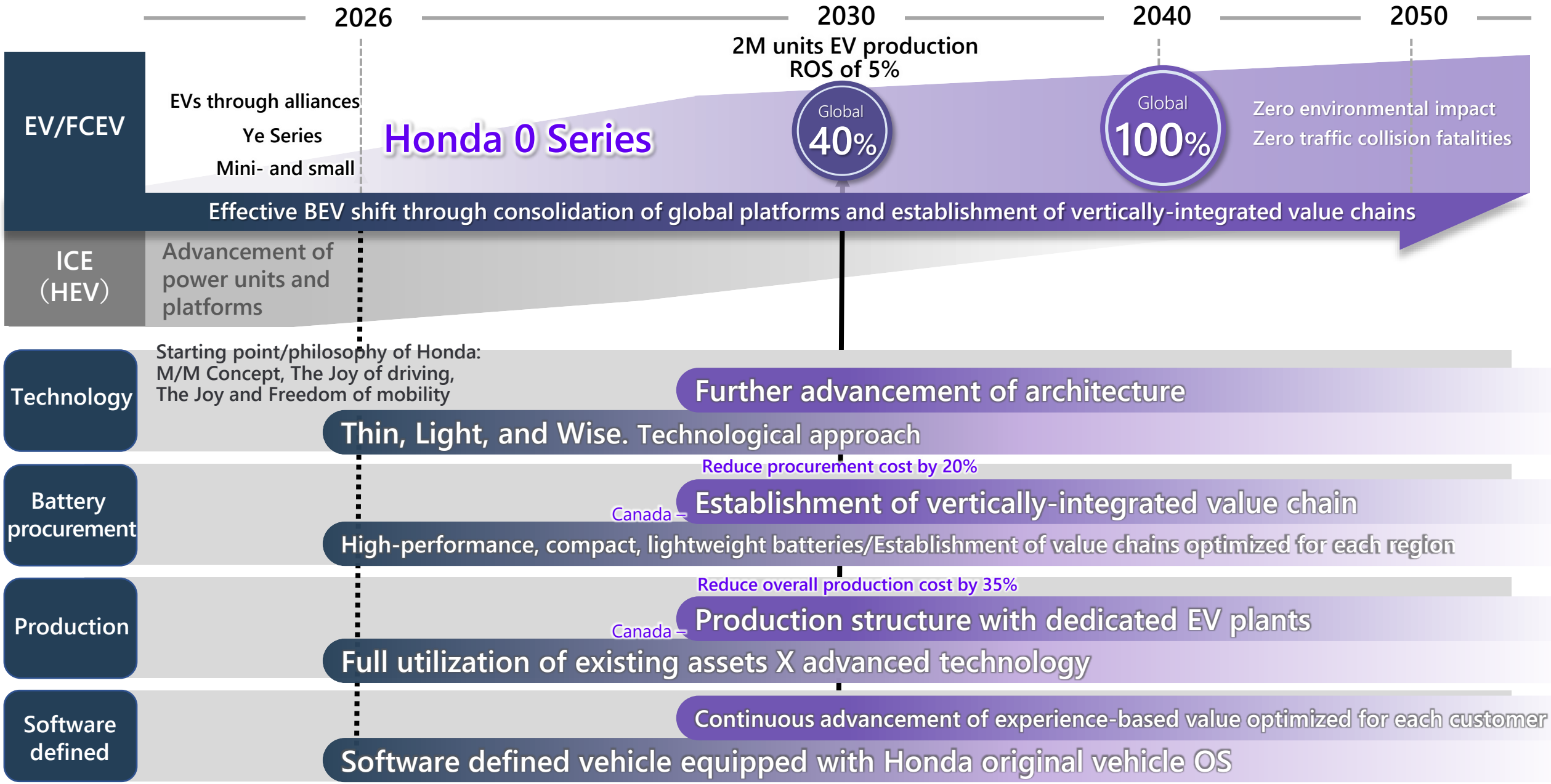

Direction of the electrification of Honda automobile business

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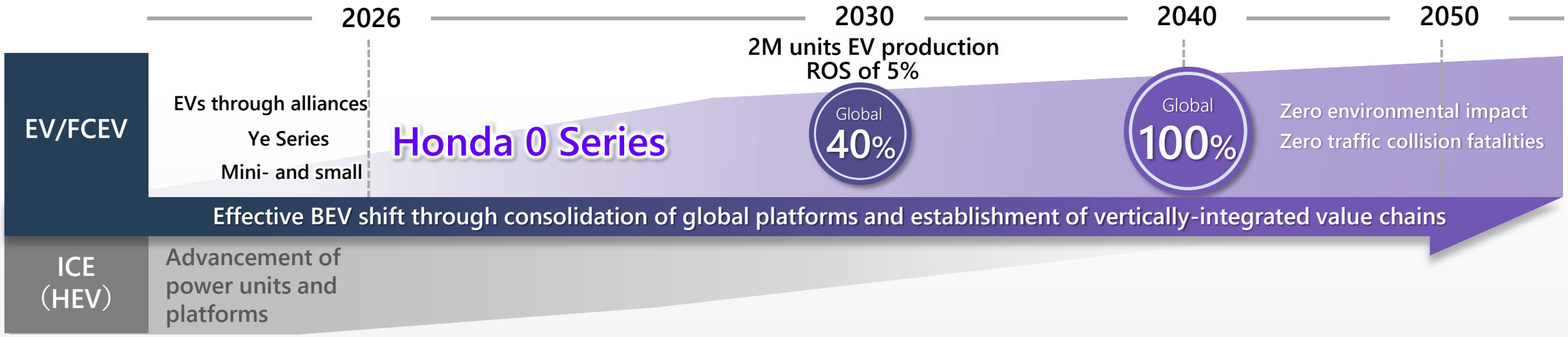
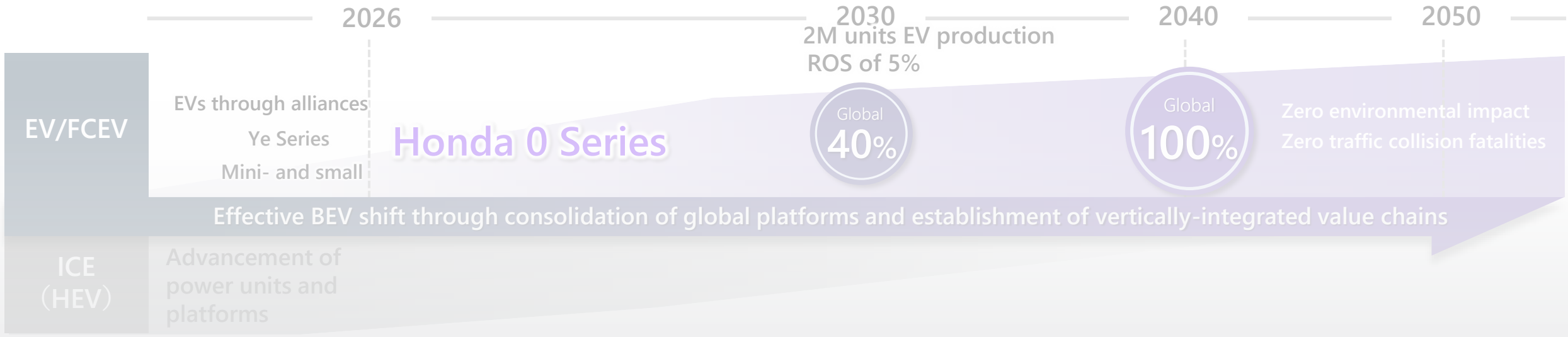


1. Introduction of attractive EVs only Honda can offer
2. Establishment of a comprehensive EV value chain with a central focus on batteries
3. Advancement of EV production technologies and facilities

Direction of the electrification of Honda automobile business



1 **Introduction of attractive EVs only Honda can offer**

2 Establishment of a comprehensive EV value chain with a central focus on batteries

3 Advancement of EV production technologies and facilities

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Honda 0 Series

The EV development approach Honda arrived at
by going back to the starting point of Honda

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Philosophy and starting point of Honda

Joy and freedom of mobility
M/M concept / Joy of driving

Perceived quality

"My daily life has changed
due to new mobility experience"

AD/ADAS

That ensures peace of mind and
safety for everyone

Value of the vehicle as a "space

realized by IoT and
connected technologies

Affective ("Kansei") value

"The Joy of having new things"

Relatable and artistic
Design

Dynamics

that unifies driver and the vehicle

The world's top-class
Electricity efficiency performance

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January 2024 CES@Las Vegas

The Saloon and Space-Hub concept models unveiled

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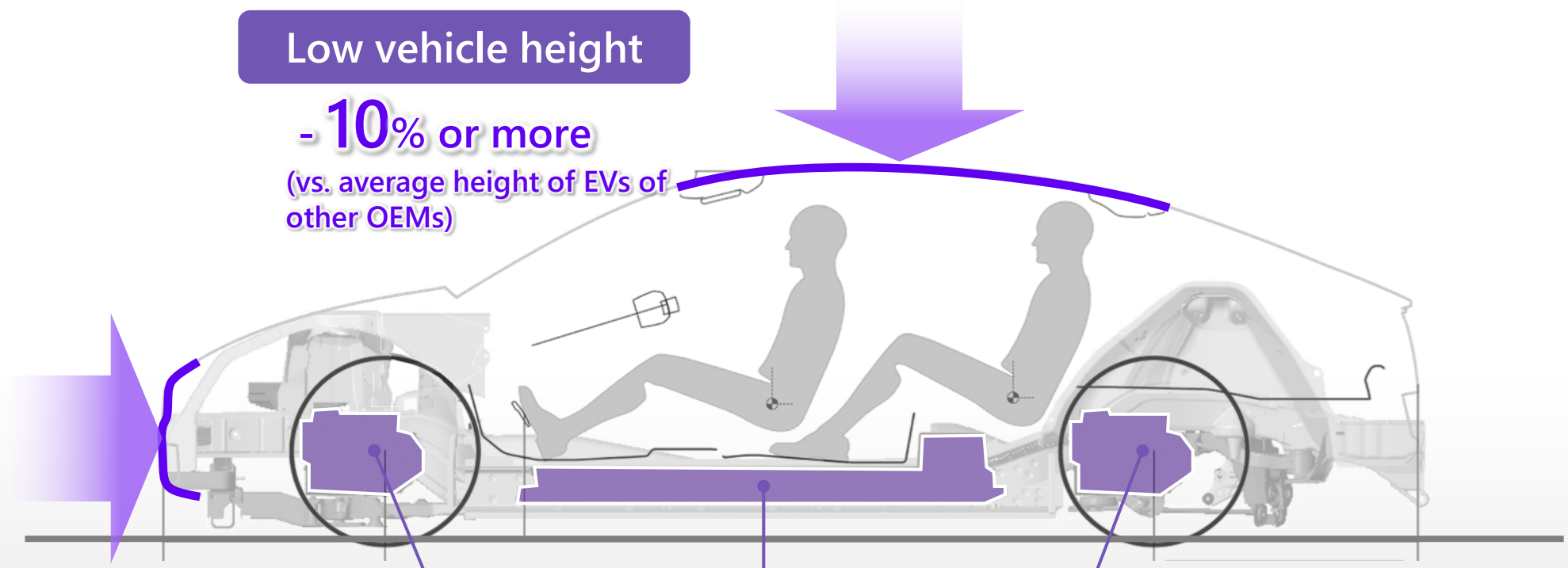
Embodying the M/M (Man Maximum, Machine Minimum) concept in the EV era by creating a package with a low vehicle height and short overhang, to realize the vehicle's value as a "space" that provides outstanding driving experience and occupant comfort

Low vehicle height

-10% or more

(vs. average height of EVs of other OEMs)



Short overhang

-10% (vs. EVs of other OEMs)

Ultra-thin battery pack
(one of the thinnest in the world)

Newly-developed compact e-Axle

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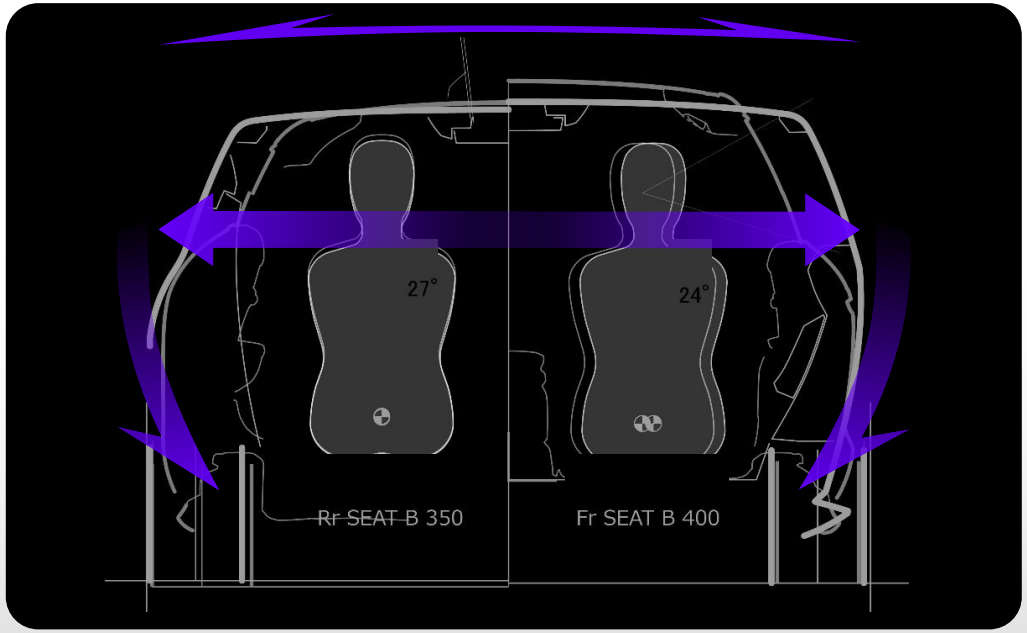
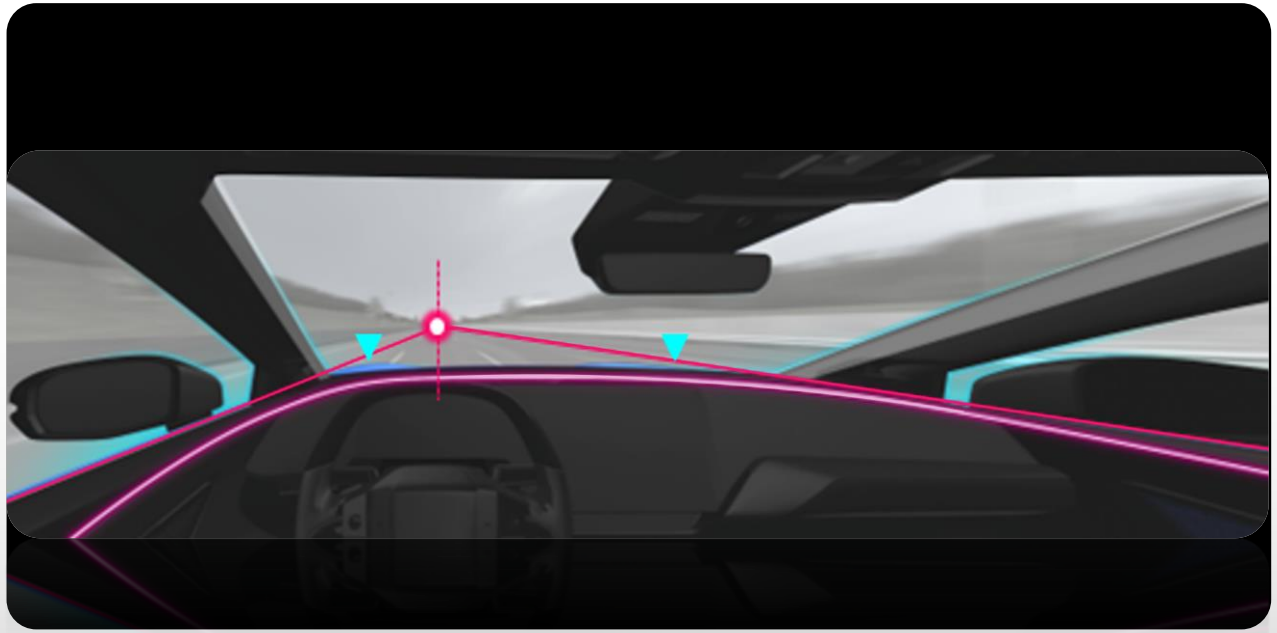
Frame design and exhilarating visibility that create spacious cabin despite low vehicle height

Body frame for head area featuring functional beauty



Cabin with exhilarating visibility



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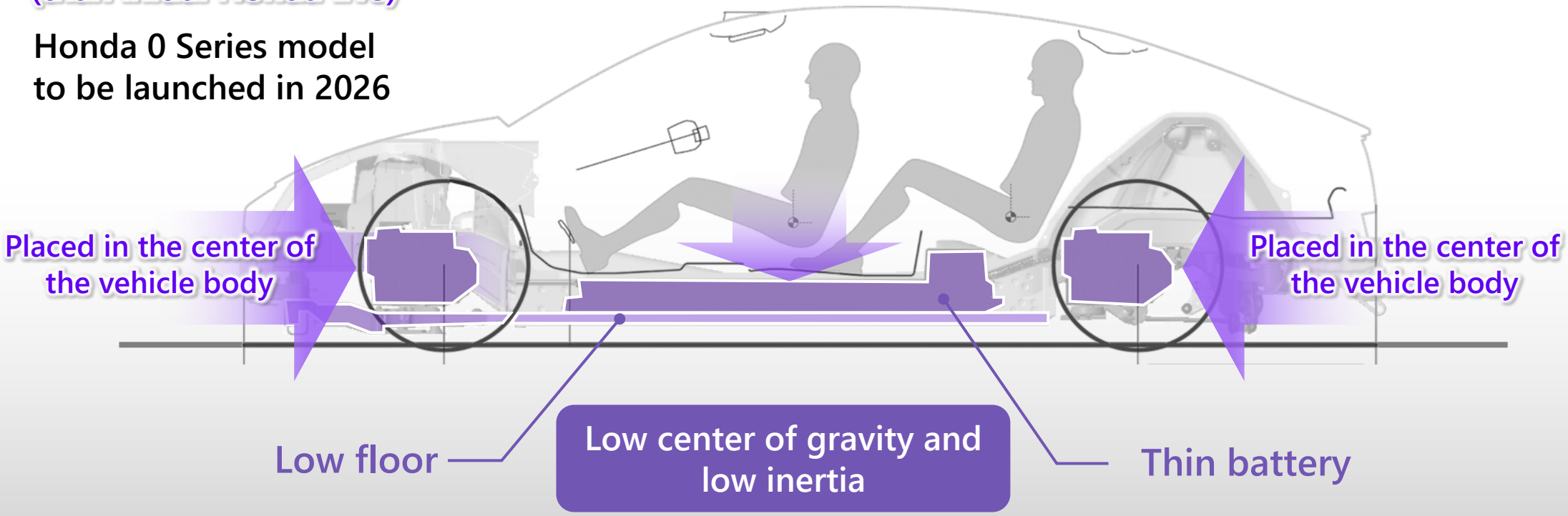
Realizing sporty driving experience with weight reduction by approx. 100kg (220 lbs.) and by achieving low center of gravity and low inertia

Weight reduction

100kg (220 lbs.) lighter
(than initial Honda EVs)

Honda 0 Series model
to be launched in 2026

- Lightweight and thin all-new power unit
- Collision control, etc.



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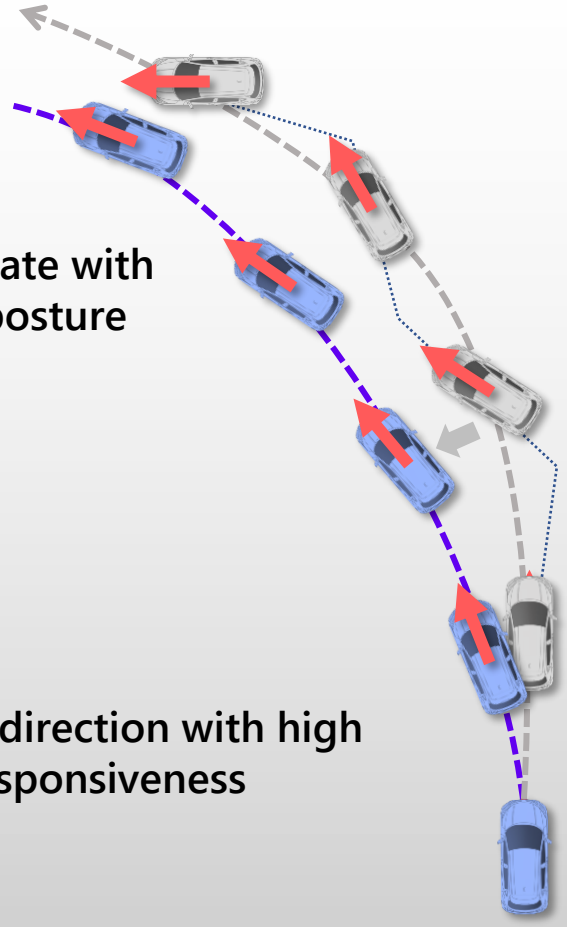
Realizing a sporty driving experience with vehicle control at the will of the driver made possible by the motion management system that utilizes robotics technology

Existing models

Honda 0 Series

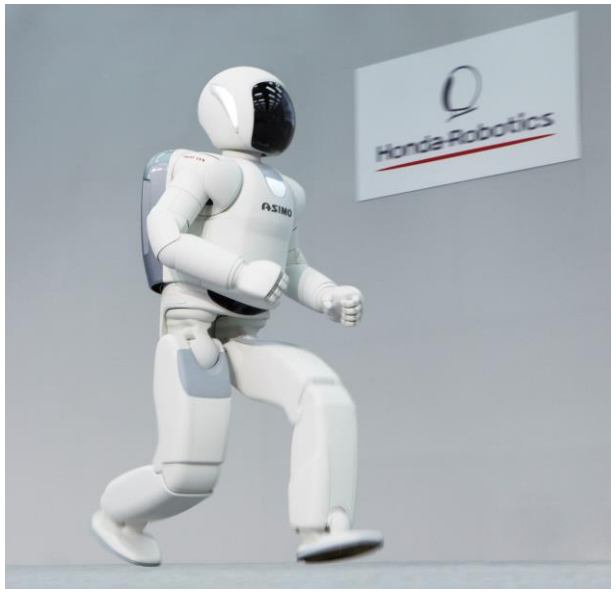


Turn and accelerate with stable vehicle posture

Change direction with high responsiveness

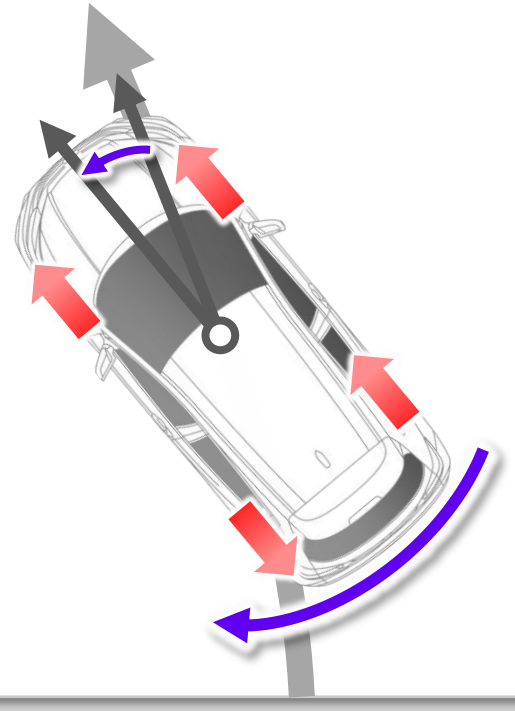
Honda's original attitude angle estimation logic

High precision estimation based on robotics technology enables tight turns



3D motion integrated control

Optimal load distribution to all four wheels based on precise control



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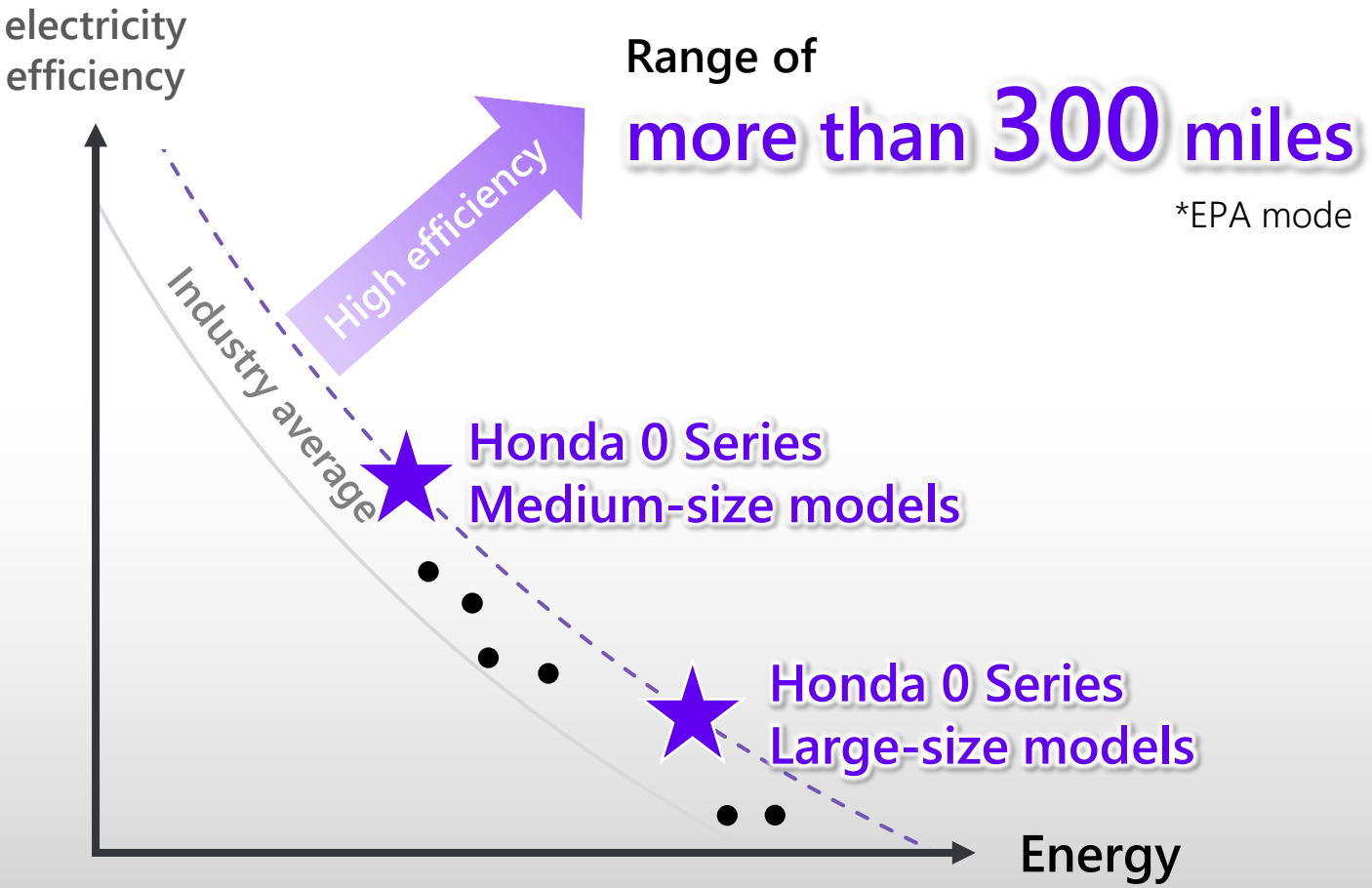
Realizing the world's top class electricity efficiency performance with the highly efficient power unit and excellent aerodynamic technology Honda has amassed through motorsports activities.

Highly efficient power unit

Aerodynamic technology



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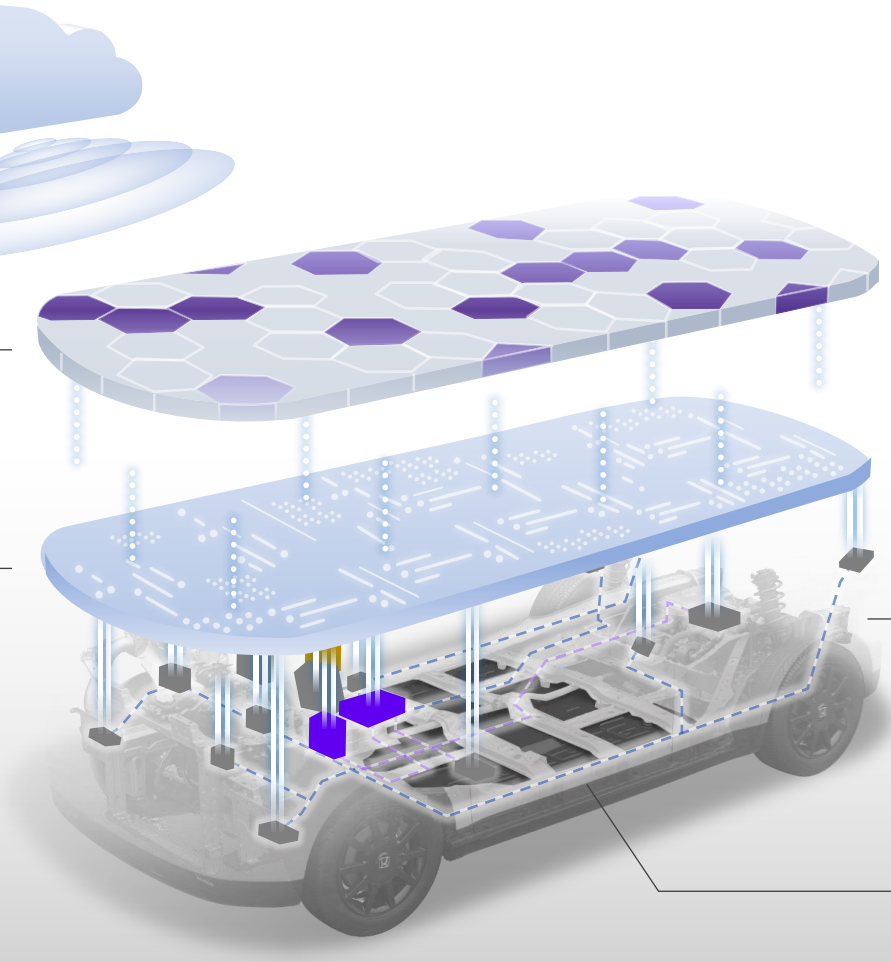
To offer a digital UX optimized for each individual customer,
Honda will equip its EVs with original vehicle OS and independently developed underlying architecture.

Cloud server

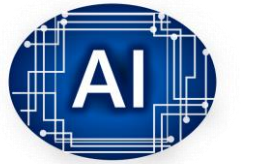
Application layer

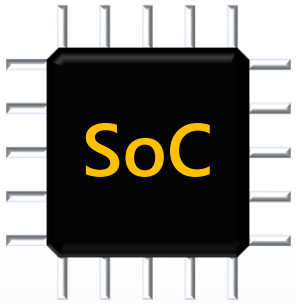
Software platform
(Vehicle OS)

E&E architecture



EV platform





Customized semiconductor
(AI-equipped/power saving)

From the second half of 2020s

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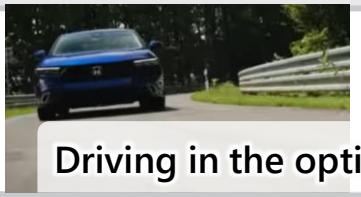
Offering new mobility experiences made possible by the application of intelligence technology to make the vehicle more attentive to the preferences and needs of each individual customer

	2026	Second half of the 2020s
	Quick offering of digital services	Quick offering of new and inspiring experience
	Contiguous advancement made possible by featuring Honda original vehicle OS and by OTA (over-the-air) updates	Advancement enabling the vehicle to have intelligence <Centralized architecture> All vehicle brains (software) will be consolidated to a core ECU
AD / ADAS	Free people from the task of driving	  Hands-off /driver-assistance on regular roads
Value as a space Digital UX	Comfortable cabin	  Enabling fun mobility experiences
Body/chassis	Control at the will of the driver	  Driving in the optimal drive mode
Charging/energy	hassle-free charging	  Optimized to the individual customer/eliminating driving anxiety

New experience made possible by aligning all functions of the entire vehicle

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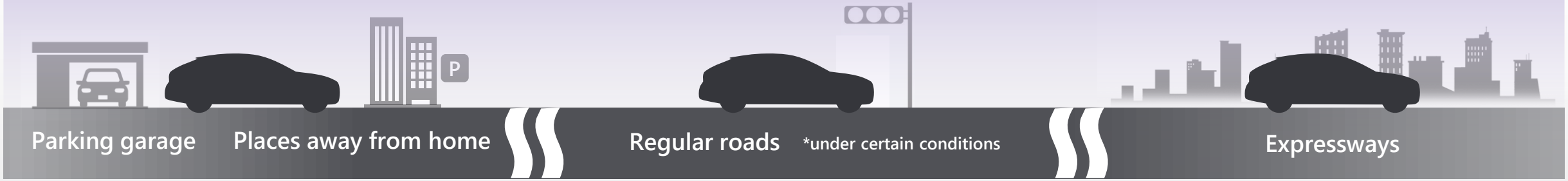
Realizing AD/ADAS more in tune with human sensibilities for the customer's entire mobility experience

Continuous advancement through OTA updates

Advancement of Intelligence

AI, sensing, recognition/judgment, driver monitoring

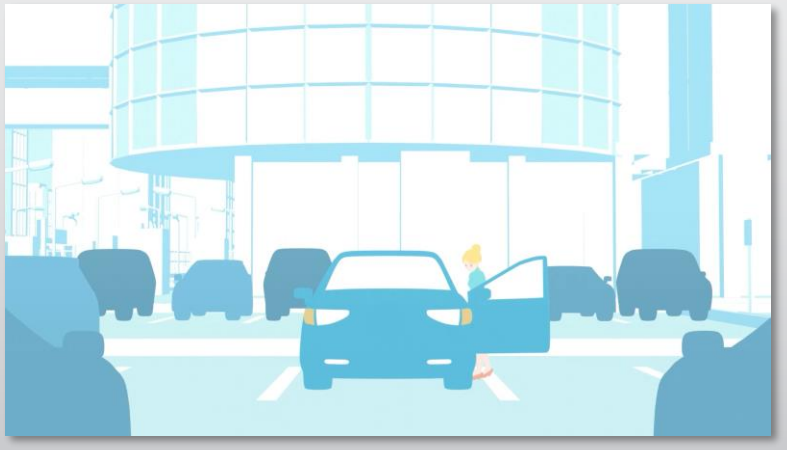


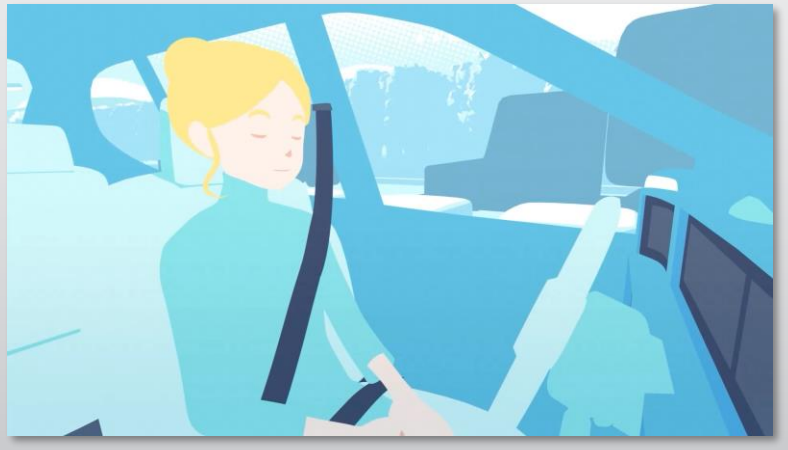
Beckon the vehicle (at memorized/remote locations)

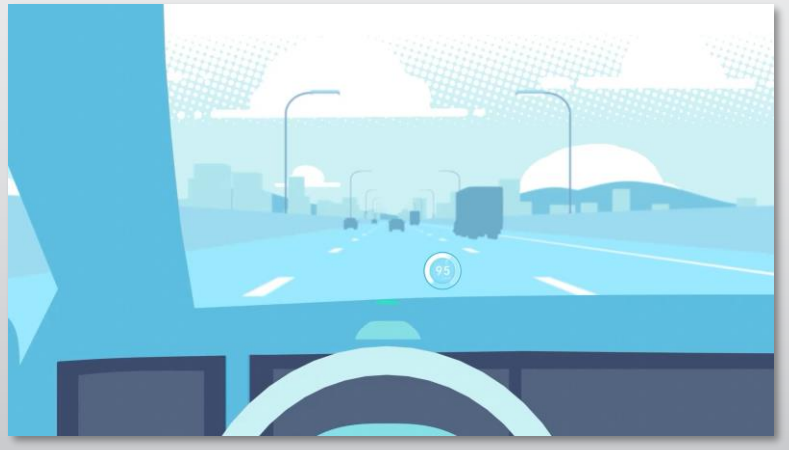
Make pickup and vehicle drop off arrangement

Expand the scope of driving situations where AD/ADAS will be available

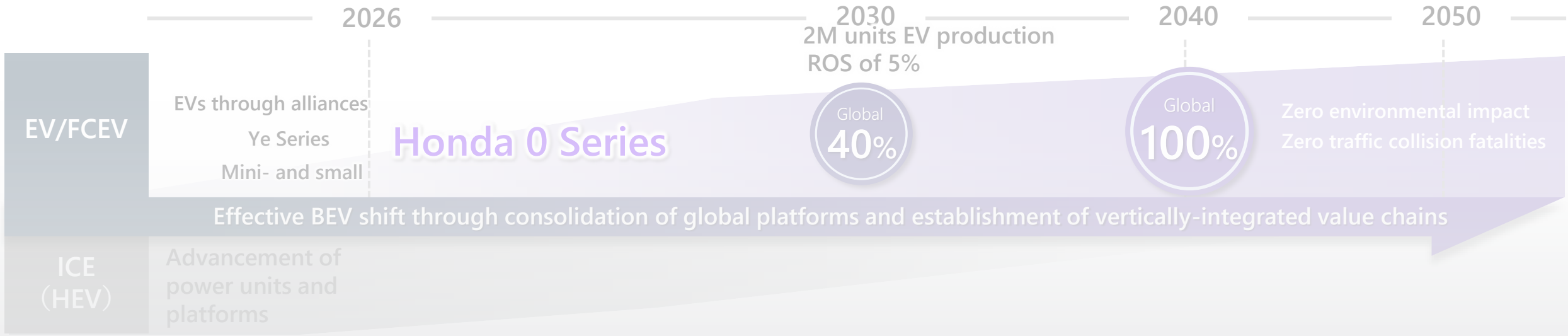
Expand applications of Level 3 automated driving technology







Direction of the electrification of Honda automobile business



1 Introduction of attractive EVs only Honda can offer

2 Establishment of a comprehensive EV value chain with a central focus on batteries

3 Advancement of EV production technologies and facilities

Establishment of a comprehensive EV value chain with a central focus on batteries

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1st half of the 2020s

Procurement from partners

Resources | Materials | Cell production | Module cell control | Battery pack production | Vehicle compatibility systems | Operation and maintenance of charging services | Energy services | Recycling

Honda's development scope to date

From 2025

JV with battery manufacturer

LG Energy Solution HONDA

Resources | Materials | Cell production | Module cell control | Battery pack production | Vehicle compatibility systems | Charging services | Energy services | Recycling

From 2028

Vertically-integrated EV value chain

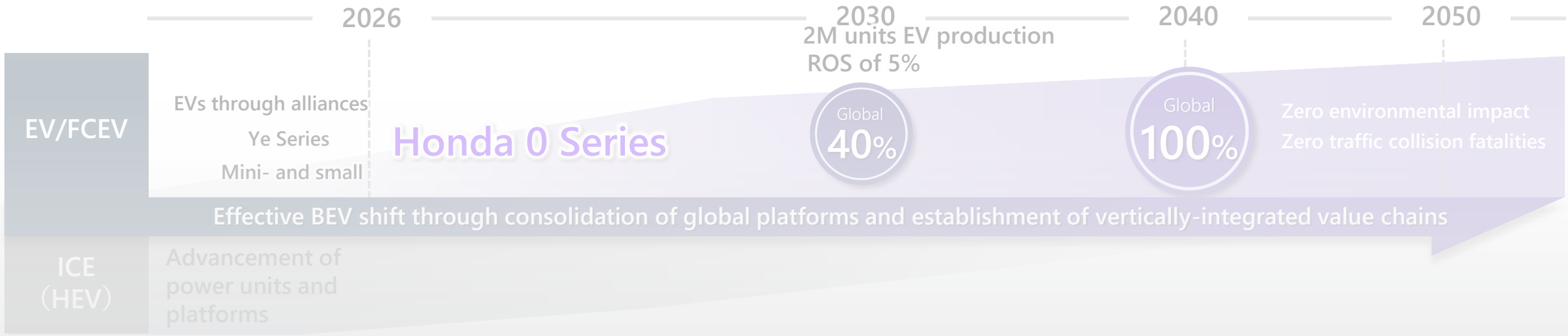
Resources | Materials | Cell production

POSCO FUTURE M AsahiKASEI GS YUASA 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%)

Direction of the electrification of Honda automobile business



1 Introduction of attractive EVs only Honda can offer

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Advancement of production technologies and facilities to realize “Thin, Light, and Wise”

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2026 → 2030

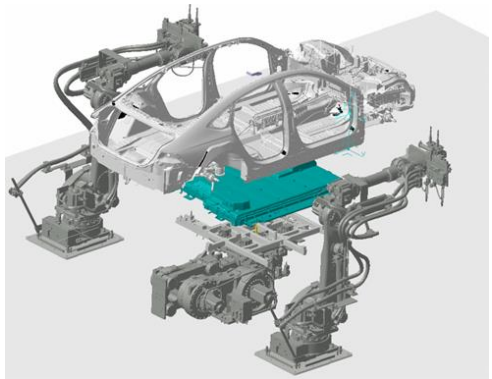
Start in Canada

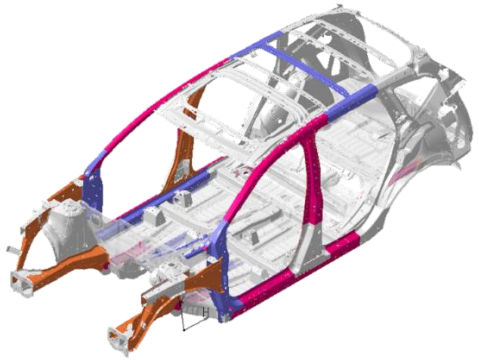
Dedicated EV plant:
Establish highly efficient production system

ICE/EV mixed production line: Full utilization of existing assets and advancement of production technologies

Continuous advancement and expansion of applications

Body: Advancement of assembly/welding lines



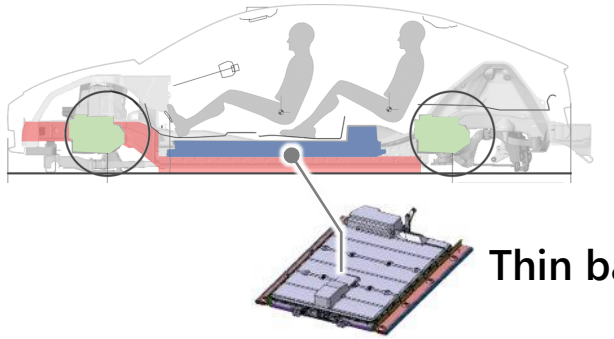


Automated assembly on ICE/EV mixed-flow line

- Forming/welding of lightweight body frames
- Application of the world’s first CDC joining technology*

* Technology for welding multiple materials of different thicknesses

Battery: Production of thin battery pack



Thin battery pack

1) Mega casting x 3D friction stir welding (FSW)

2) Flex Cell Production System

3) Optimization of production capacity by Digital Twin

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1) Mega casting x 3D friction stir welding (FSW)

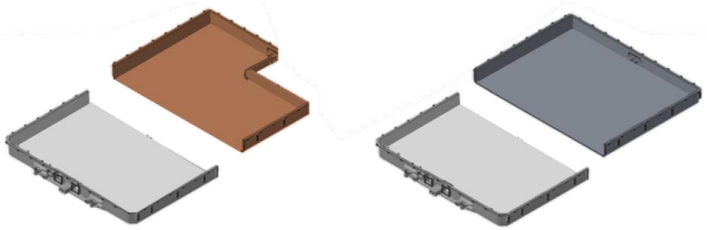
Increasing production efficiency and reducing investment by combining mega casting and welding technologies

Lightweight thin battery case production method

Mega casting (high-pressure, high-precision casting)

Battery case (for mid-size EVs)

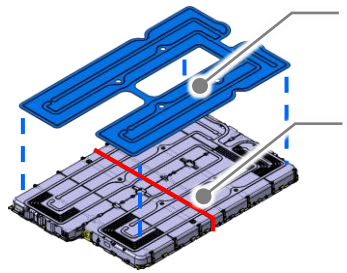
Battery case (for large-size EVs)



High precision casting of thin battery cases, which is a large aluminum part

×

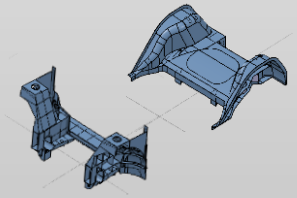
3D friction stir welding (FSW)



3D shape-following feedback control

From 2028
From the new EV plant in Canada

Expand the application to the production of large cast aluminum body frame parts



2) Flex Cell Production System 3) Optimization of production capacity by Digital Twin

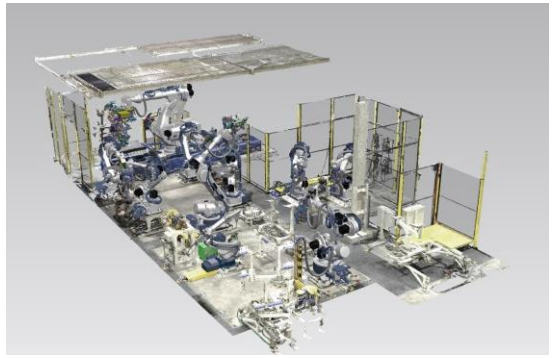
Optimizing production efficiency to supply products in a timely manner in accordance with market needs

Highly efficient battery pack assembly

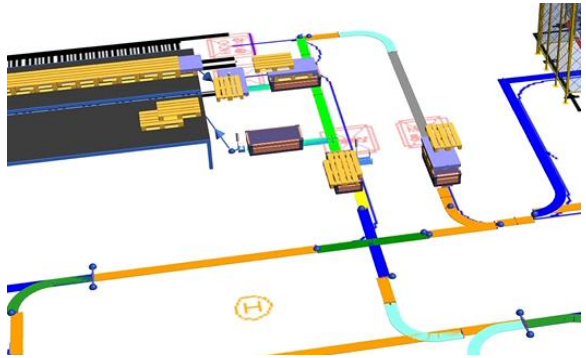
Flex Cell Production System

Flexibly address advancement of multiple models/products

Optimization of production capacity by Digital Twin



Digital line data (CAD + on-site data)



Assembly line simulator

Reproduces real-life production line conditions in cyberspace in real time to optimize production capacity

From 2028
From the new EV plant in Canada

Apply to all lines

Advancement of production technologies and facilities to realize “Thin, Light, and Wise”

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2026 — 2030 →

Start in Canada

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Establish highly efficient production system

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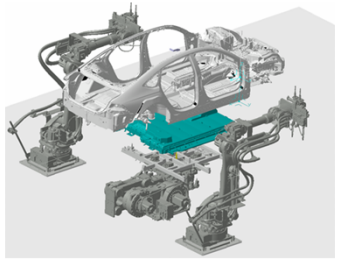
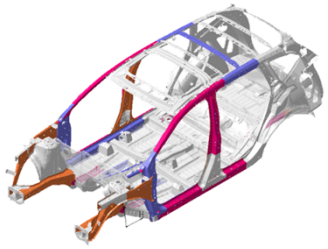
Body: Advancement of assembly/welding lines



Automated assembly on ICE/EV mixed-flow line



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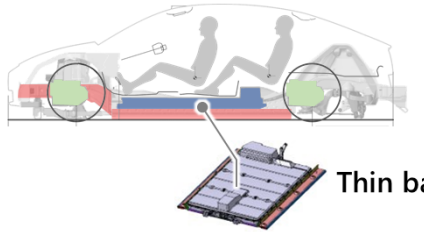
* Technology for welding multiple materials of different thicknesses

Battery: Production of thin battery pack



Thin battery pack

1) Mega casting x 3D friction stir welding (FSW)
2) Flex Cell Production System
3) Optimization of production capacity by Digital Twin

Production cost

–35%

Achieving the world’s top-level production efficiency

Realization of high-level optimization of customer experience for each individual customer

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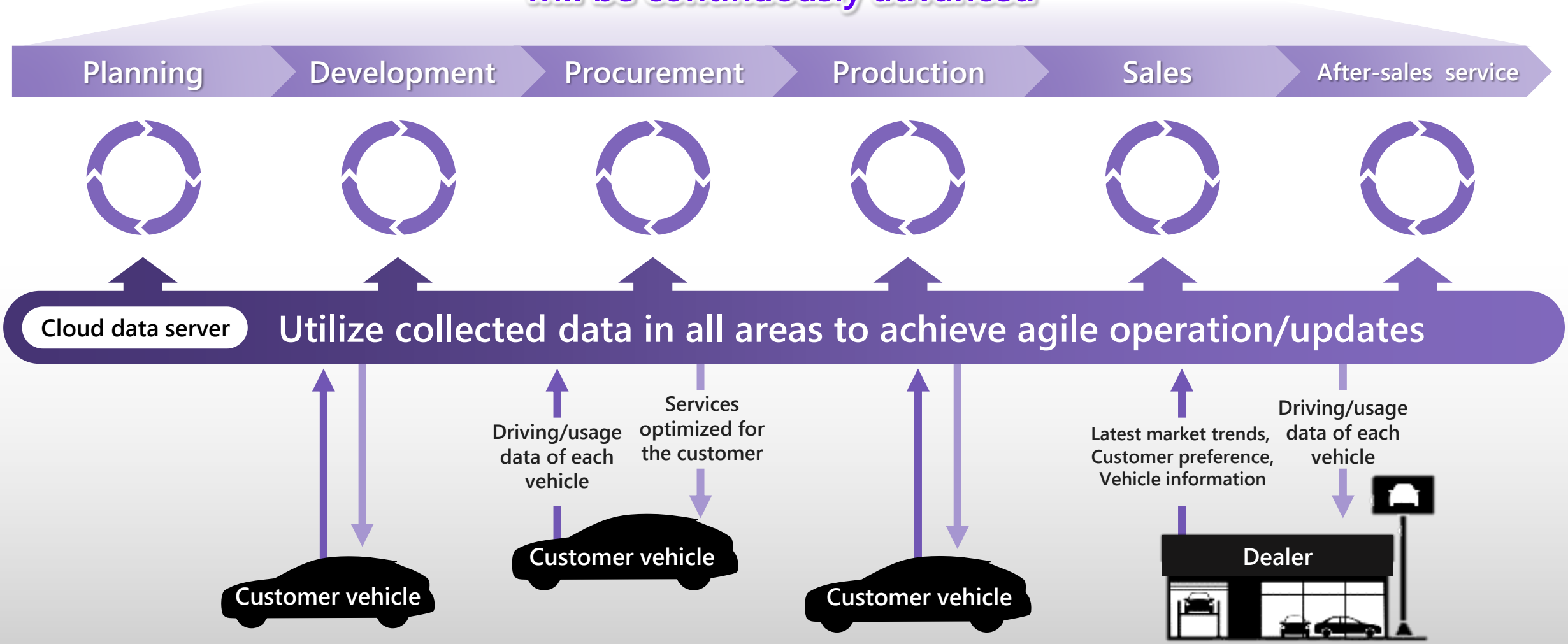
By applying the concept of "software-defined" to the entire value chain and utilizing real-time data, the experience-based value optimized for each customer will be continuously advanced



Direction of the electrification of Honda automobile business

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2026 2030 2040 2050

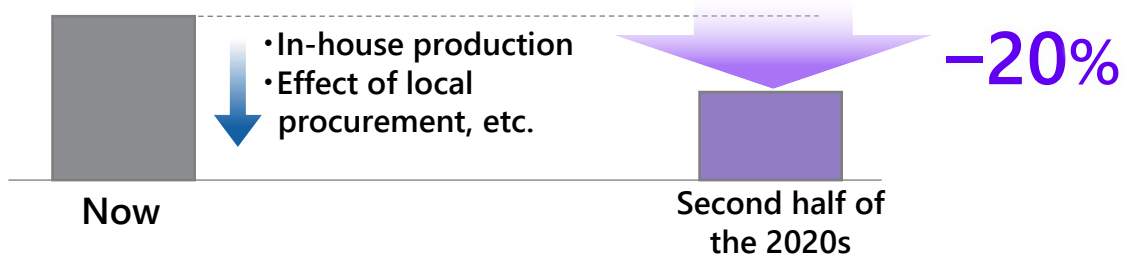
EV/FCEV

ROS 5%

High product attractiveness

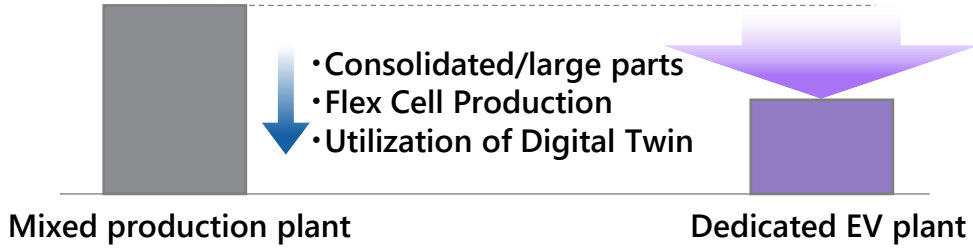
Lineup of Honda Electrified Vehicles

Battery cost



−20%

Production cost



−35%

Evolvement of Honda EV lineup

Honda 0 Series model lineup

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SALOON

3-row large-size SUV

Mid-size SUV

Entry-level SUV

Starting from the introduction in North America in 2026,

7 Honda 0 Series models will be introduced globally by 2030.

Compact SUV

Small-size SUV

Compact sedan

2026 2027 2028 2029 2030

EV lineup in China

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Ye GT-based model

Ye S7

Ye P7

+3 models

e:NS1

e:NS2

e:NP1

e:NP2

Introducing a total of 10 EV models by 2027 and making EVs represent 100% of our automobile sales in China by 2035

～2023 | 2024 | 2025 | 2026 | 2027

Personal-use mini-EV

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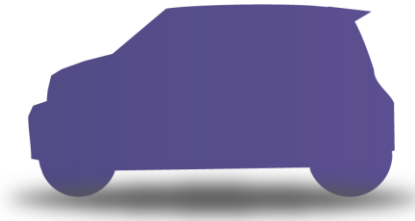
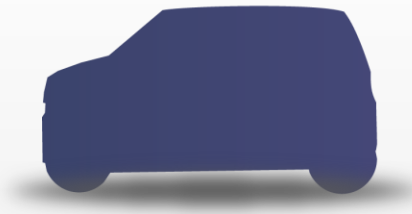
Starting from the introduction of a commercial-use EV, more “fun-to-drive” EV models will be introduced



Small-size EV

Commercial-use mini-EV :
N-VAN e:



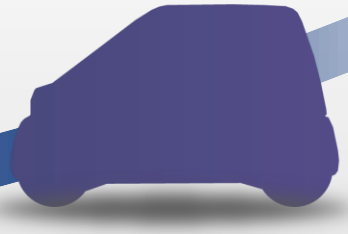
Personal-use mini-EV

MPP VAN

MPP-powered motorcycle
(powered by two MPPs)

Honda Mobile Power Pack e:
(swappable battery)

Expand applications



MPP Micro Mobility
(powered by two MPPs)

Development of MPP application

2024 — 2025～

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Renewal of power unit/platform

Achieve both further improved fuel economy and high-quality and exhilarating driving experience

Renewed e:HEV system, Honda's original two-motor hybrid system, will be lighter and more efficient.

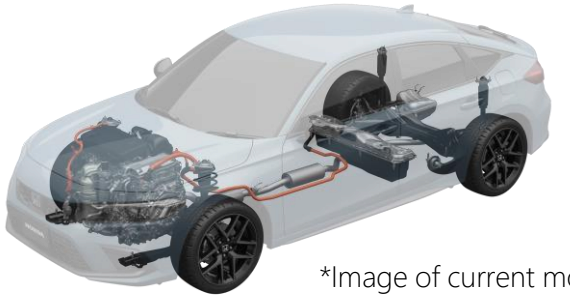


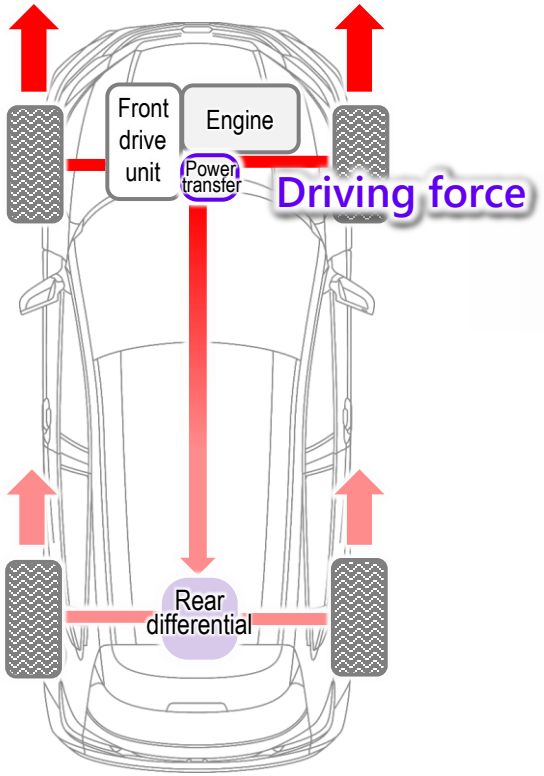
*Image of current model

Renewed platforms will be more efficient and shared by more models.

E-AWD (electric all-wheel drive)

To offer greater peace of mind and more fun of driving

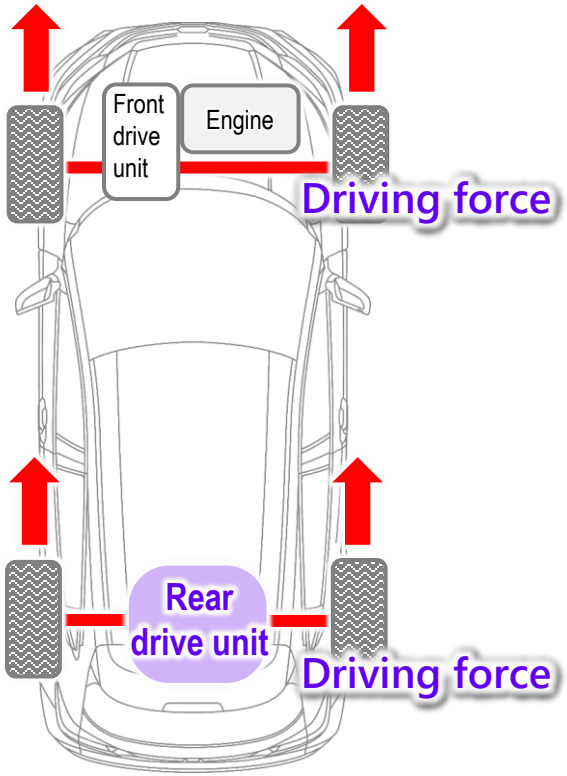
Source of driving power : Front Drive Unit



E-AWD

- Increase maximum driving force output
- More responsive and precise control

Source of driving power : Front + Rear Drive Units



Financial strategy

Investment of resources

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For the embodiment of Honda 0 Series, resources will be invested in the areas of software, battery and Monozukuri (manufacturing)

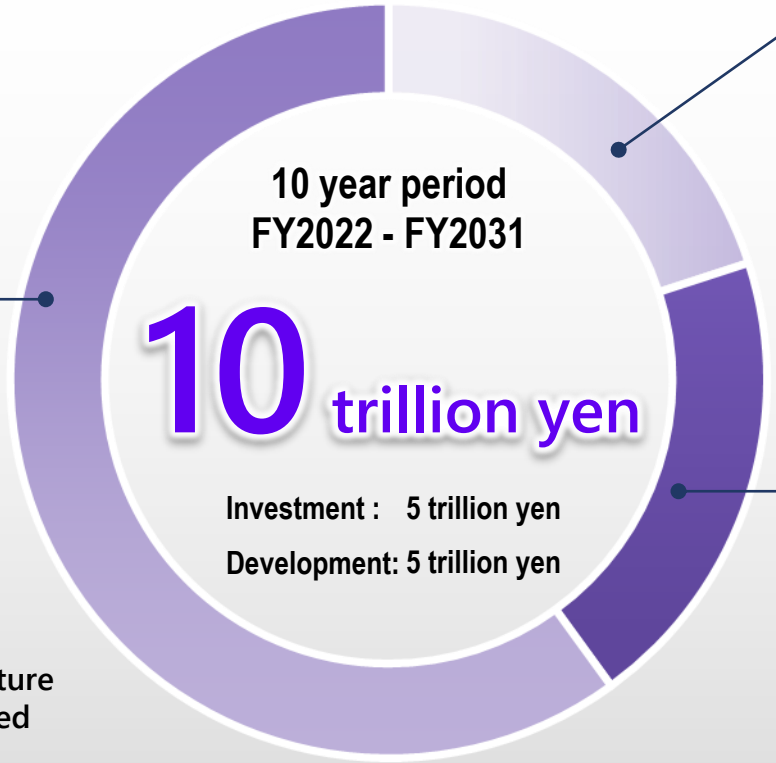
FY2022 -FY2031 resource investment in the areas of electrification and software

Monozukuri-related:

Approx. 6 trillion yen

- Production area that includes next-generation plants,
- Investments for new EV motorcycle/automobile models, etc.

※Direct investment, capital investment and R&D expenditure for electrification and software in FY2022-FY2031 associated with the establishment of a 2M EV production structure



Software:

Approx. 2 trillion yen

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

Battery:

Approx. 2 trillion yen

Establishment of vertically-integrated value chains

Investing 10 trillion yen in the areas of electrification and software

(Make necessary revisions in line with the level of EV popularization in the market)

Capital Allocation (Honda companies conducting business, except financial services business)

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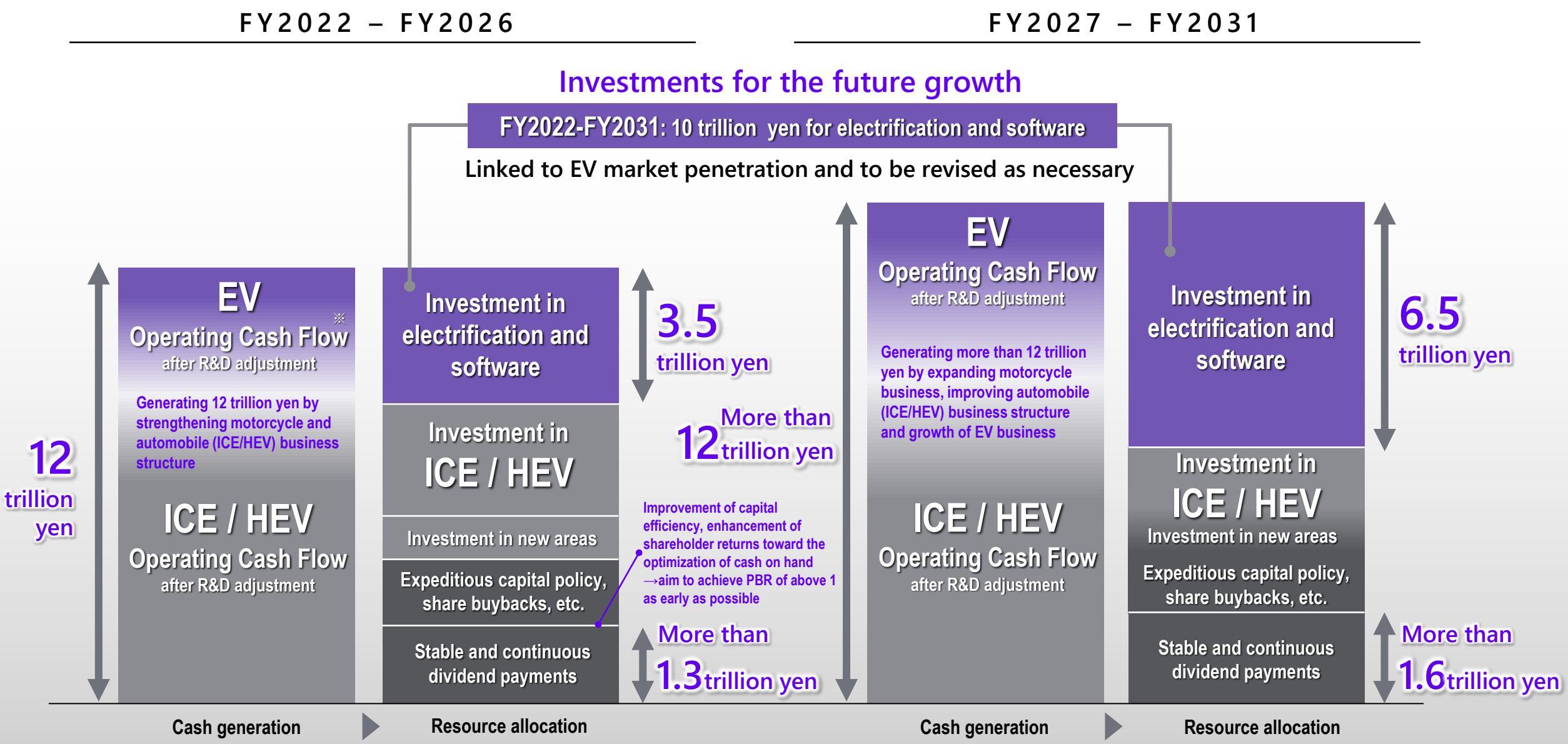

*Operating cash flow after deduction of R&D expenses (Operating cash flow of Honda companies conducting businesses, except financial services business + R&D expenditures - Amount transferred to development assets)

Overall look at initiatives Honda is taking on as a comprehensive mobility company

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Enhancing value in line with achieving carbon neutrality of mobility

Broader application of the technology and expansion of field/concept of mobility

Dream-inspiring mobility

Charging network/HEMS

Battery reuse/ESS

FCEV

Energy management system

Honda Mobile Power Pack e:

Expansion of Hydrogen Value chain

Creating original value proposition through **electrification** and applications of **intelligence technologies**

Invest

Effective BEV shift through **Consolidation of global platforms and establishment of vertically-integrated value chains**

(ICE & HEV automobiles ICE motorcycles)

Through the creation of a wide variety of mobility products and services

"Transcend and Augment"

How we move you.

Continue to be the "power" that moves people and society forward with the power of dreams.

Micro-mobility

Mobility services

In-house battery and software technologies

5 KEY FACTORS

Rocket (space transportation)

eVTOL

Versatile transportation mobility

Robots that cooperate with people

Zero environmental impact and zero traffic collision fatalities

Alliances/partnerships, and CVC ▶ Broader range of tactics

Technological foundation to enable a wide variety of applications (R&D) ▶ AI Material technology Carbon neutrality technology Human study/safety

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HONDA

The Power of Dreams

How we move you.

CREATE ▸ TRANSCEND, AUGMENT