

# CEO Message



**Believing in our “power of dreams,” we will create the joy and freedom of mobility by taking on the challenge of advancing mobility with our original technologies and ideas.**

Director,  
President and Representative Executive Officer  
Chief Executive Officer

**Toshihiro Mibe**

## Unwavering Passion Since Our Founding

Since its founding, Honda has always been a company that is driven by its own dreams and continues to grow by taking on challenges that others deemed impossible, while cherishing its unwavering passion, original technologies and ideas.

Shortly after World War II, when bicycles were the primary means of transportation for people in Japan, our founder, Soichiro Honda, commercialized auxiliary engines to power bicycles, with the desire to use technology to help people. Initially, he used generator engines that had been designed to power wireless radios for the army, but he soon began pursuing originality and took on the challenge of developing his own engine. This led to the launch of Honda's first product, the Honda A-type auxiliary bicycle engine, which achieved remarkable success.

Amid fierce competition against other motorcycle OEMs with greater capital and scale, Honda embraced an ambitious dream from the very beginning—to become the world's number one motorcycle OEM. Just five years after its founding, Honda declared

its entry in the Isle of Man TT Races, which was the world's most prestigious motorcycle race at the time. Despite the initial shock of realizing how far behind its racing technology was compared to the rest of the world, Honda never gave up and continued to take on challenges. Then, in third year, Honda finally won the race outright and took the top five spots in both the 125 cc and 250 cc classes and proved to be number one in the world.

What we have learned from this story from the founding period is the importance of having dreams and working relentlessly to make them a reality. In other words, if we believe in our dreams and keep working hard, nothing is impossible. Today, our motorcycle business has grown into the most chosen brand by customers around the world. I believe this success was the result of relentless research, efforts and challenges taken on by many passionate associates who joined Honda while being resonated with the founder's dream.

As this history tells us, Honda is a group of individuals who truly believe in the power we gain from our dreams. At Honda, we believe that “The Power of Dreams” is more important than

anything else for us to continue to be a company society wants to exist into the future.

## Future Honda Vision

Driven by our dreams, Honda is striving to further advance mobility products and services with our original technologies and ideas. By doing so, Honda aspires to be a comprehensive mobility company which will play a leading role in society which will only be better in the future.

Since people have expanded their living areas through mobility, and the desire to “go to places farther, faster and more freely” is a fundamental desire of all people, we believe mobility is an essential element of our society. That is why we are striving to be a company that continues to advance mobility products and services with our own technologies and ideas.

In 2023, we redefined our Global Brand Slogan—The Power of Dreams. While embracing our own dreams as the starting point, Honda will create the essential value of mobility: enabling people to “transcend” constraints and “augment” possibilities. Then, such mobility products and services Honda creates will become the driving force for people who are taking steps toward their own dreams. Furthermore, the power of dreams of such people who took steps forward will spread and create new connections, resulting in an expanse of dreams throughout society. As a result of such a ripple effect, we want to make society a better place. That is our desire represented by our brand slogan.

## Honda Commitment to Creating Original Technologies

Various companies and stakeholders have told me: “Honda is a company that takes pride in its original technology.” Indeed, since its founding, Honda has a strong commitment to creating value for our customers through our original technologies and ideas. Needless to say, in order to come up with solutions to complex challenges, it is important to co-create new value with many partners who have expertise Honda does not possess, and we are currently strengthening our collaborative initiatives. Nevertheless, we believe that such collaboration is unlikely to succeed unless we have a solid base with our own original technologies and ideas.

From this perspective, having a corporate culture that continuously nurtures original technologies and ideas is essential.



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Honda has a diverse range of talented associates who share the same strong desire to further advance mobility products and services to make society a better place. Such associates are passionately taking on continuous challenges to create new value for our customers while embodying a unique Honda culture, represented by Waigaya (Y-gaya), to delve deeper into the very essence of things. This involves engaging in ongoing exchanges of opinions based on their respective competencies and unique individual qualities. This corporate culture we have inherited since the founding will continue to be a precious asset for Honda, and we are committed to cherishing it forever.



### Mission of Honda as a Comprehensive Mobility Company

In order to offer the “joy and freedom of mobility” to people around the world in a sustainable manner, we believe it is important to pursue the creation of mobility products and services that have no negative impact on people and society. Based on this belief, Honda has been sincerely facing and striving to address the two major societal challenges—environment and safety—as a responsibility of mobility companies.

For example, regarding environmental responsibility, Honda not only developed the CVCC engine—the world’s first engine to comply with standards set forth in the 1970 U.S. Clean Air Act (the Muskie Act), which were considered the most stringent emissions regulations of the time—but also offered our CVCC technology to other automakers, making a significant contribution to reducing air pollution caused by motorization.

Regarding responsibility for safety, even before the public

became widely concerned with automobile safety, Honda persistently pursued research on airbags. This included developing the first driver-side SRS airbag system installed in any Japan-built automobile product and the first upward-deploying front passenger airbag and openly shared the technology. This significantly contributed to the subsequent widespread adoption of airbags.

Our sincere commitment to addressing environmental and safety issues will remain steadfast. Honda is currently working toward two 2050 targets: 1) to realize carbon neutrality for all products and corporate activities Honda is involved in and 2) to achieve zero fatalities worldwide from traffic collisions involving Honda motorcycles and automobiles. We are aware that we have set very ambitious targets and we will face a number of difficult challenges to achieve them. However, as long as Honda aspires to contribute to society as a mobility company, we absolutely must address these societal issues.

Honda has long been at the forefront of the times in striving to establish environmental and safety technologies and in promoting safe driving/riding around the world. Moving forward, we believe it is important to elevate these initiatives from independent efforts of Honda to the collective efforts of society as a whole. Unless someone sets forth a vision and takes action toward the future, nothing will begin and nothing will change. Honda will strive to offer the “joy and freedom of mobility” in a sustainable manner by working together with many companies and organizations, transcending the boundaries of individual companies and industries.

### Growth Strategy in Light of Current Business Environment

Turning to the current situation, the future outlook for the automobile business is becoming increasingly uncertain due to factors such as a slowdown in the momentum of the electric vehicle (EV) market caused mainly by changes in environmental regulations and changes in trade policy trends.

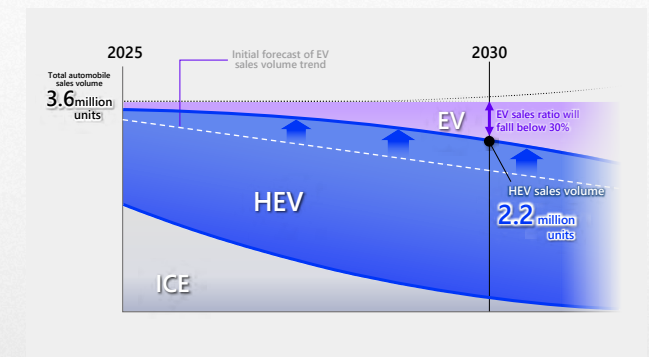
Given the present circumstances, as announced at the 2025 Honda Business Briefing held in May 2025, we decided to realign our automobile electrification strategy.

In light of the prediction that the full-scale popularization of EVs will take time, we will position our highly competitive HEVs at

the core of our strategy. Specifically, we will work to 1) further enhance the competitiveness of our EV and HEV models with the core focus on application of intelligent technologies and 2) strengthen our business foundation through a reassessment of the powertrain portfolio.

Intelligent technologies will enable a dramatic expansion of the potential of mobility products and services. In this increasingly competitive business environment, creation of new value for the customer through the enhanced application of intelligent technologies will become a crucial factor in differentiating ourselves from our competitors. Based on this belief, we will put primary focus on adopting our independently developed next-generation Advanced Driver Assistance System (ADAS) not only to EVs but also to increasingly popular HEVs, starting around 2027. By doing so, we will leverage the scale of sales to achieve both high competitiveness and low cost, and strive to offer a high value-added “joy of mobility” for our customers.

Along with this strategy realignment, we have reassessed our resource investments, including the postponement of the project to establish a comprehensive EV value chain in Canada. The Honda global EV sales ratio in 2030 is now expected to be 20%, lower than the previously announced target of 30%. Nevertheless, Honda will remain fully committed to its initiatives to offer the “joy and freedom of mobility” in a sustainable manner without changing the goal to achieve carbon neutrality and zero traffic collision fatalities by 2050.



We are capable of rearranging multiple solutions and realigning our strategy quickly and flexibly because we had taken a forward-looking approach to fundamental research and



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technology development and developed core technologies in-house for ICE, HEV, BEV and FCEV models.

By staying ahead of changes and placing importance on our fundamental research and technological development, we have built a resilient business structure which will enable Honda to address changes happening in our business environment and make timely management decisions. That is one of the strengths of Honda.

### Toward the Realization of Our Dreams

With our mobility products and services, Honda will strive to offer the “joy and freedom of mobility” to all people in a sustainable manner, and we will play a leading role in making our society a better place by further advancing mobility products and services. We believe this is our “reason to exist” as a comprehensive mobility company.

Honda is currently delivering various products and services to 28 million customers a year, and we envision that our products and services that create and offer the joy and freedom of mobility to people will continue to advance beyond our current motorcycles, automobiles, power products and aircraft, as people’s desire to go places and the range of activities expand in the future. Honda wants to lead such advancement of mobility not only for mobility on land, but in the ocean, in the skies, and even in outer space. My dream is to realize a world where all types of

mobility products wearing the Honda brand go across all areas of mobility and all people enjoy the freedom of mobility. In June of this year, we announced the successful completion of a launch and landing test of a Honda rocket. It is still in the fundamental research phase, but we will continue working on it while believing in “The Power of Dreams” in order to expand the lineup of our future mobility products.

As mentioned earlier, driven by the power we have gained from a wide range of dreams, Honda has continuously taken on challenges and overcome seemingly impossible obstacles. This Honda DNA, inherited from our company founder, continues to be passed down vibrantly to each and every one of us at Honda, even today. While addressing the two major societal challenges of the environment and safety, as a comprehensive mobility company, Honda wants to offer a broad range of mobility products and services that offer the value of enabling people to “transcend various constraints such as time and space,” and “augment their abilities and possibilities.” We may face a number of difficulties in the process of pursuing our desire. However, Honda will continue taking on challenges while keeping strong faith in the power of our dreams, maintaining our unwavering passion, working together with those who are inspired by our dreams and fully demonstrating our original ideas and technologies.

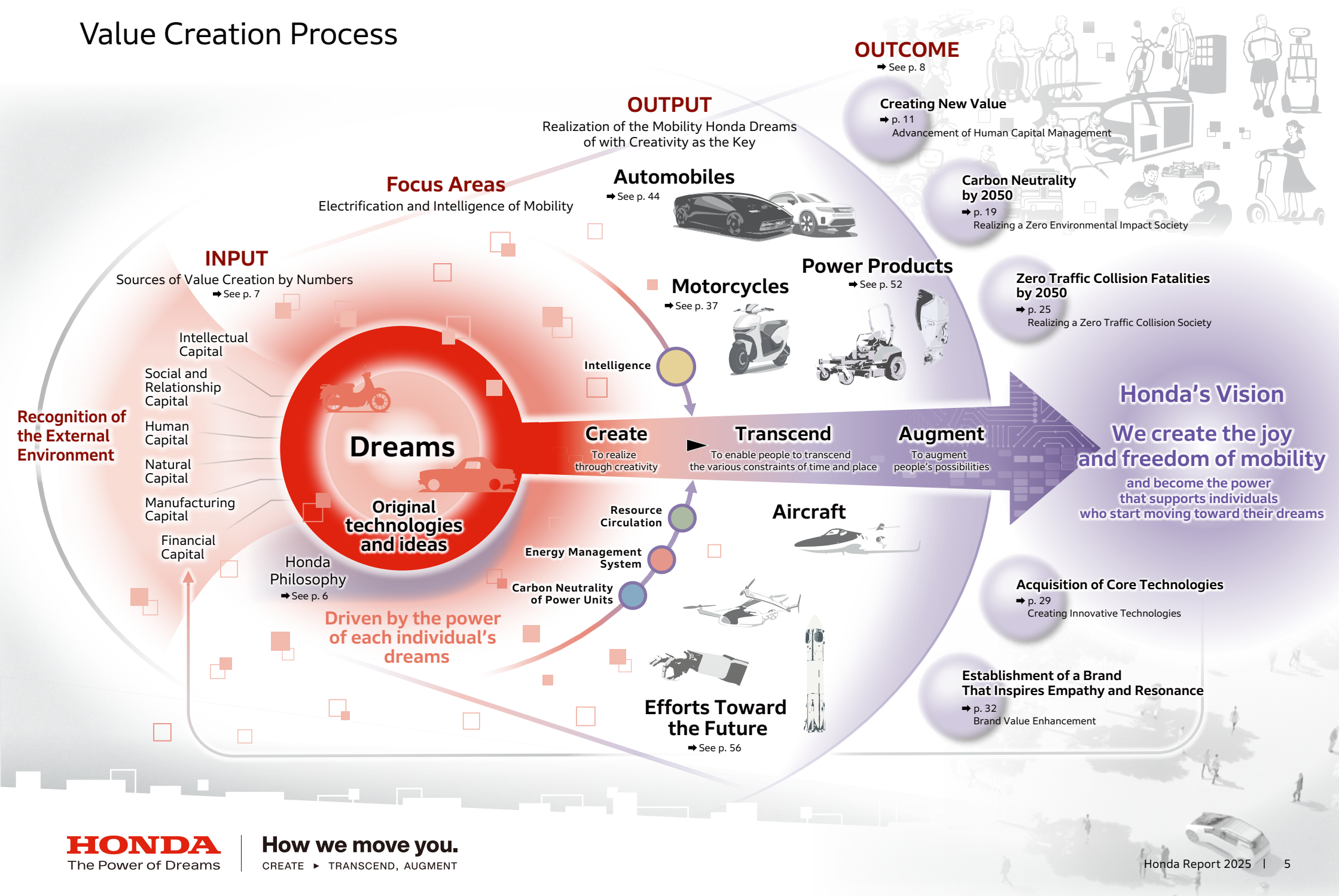
Starting next year, another activity driven by the power of our dreams will begin once again. As our founder Soichiro Honda took

on the challenge to compete in the world’s most prestigious motorcycle race at the time to prove out the true technological strength of Honda, we will make our return to the FIA Formula One (F1) World Championship. Even in this era of electrification, we hold fast to our desire for Honda power units to be number one in the world. With this passion in our hearts, we will push the limits of technology toward carbon neutrality and, through victories, share inspirational experiences with many Honda and motorsports fans around the world. Please keep your expectations high for the challenges Honda takes on in the coming years.



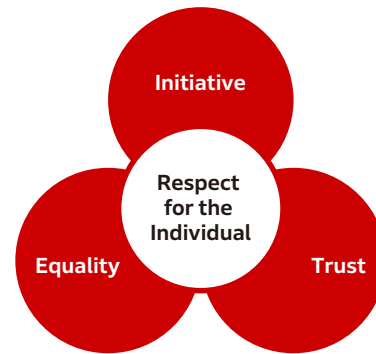


# Value Creation Process



# Honda Philosophy

## Respect for the Individual



## Fundamental Beliefs

- Initiative** : Initiative means not to be bound by preconceived ideas, but to think creatively and act on your own initiative and judgment, while understanding that you must take responsibility for the results of those actions.
- Equality** : Equality means to recognize and respect individual differences in one another and treat each other fairly. Our company is committed to this principle and to creating equal opportunities for each individual. An individual's race, sex, age, religion, national origin, educational background, and social or economic status have no bearing on the individual's opportunities.
- Trust** : The relationship among associates at Honda should be based on mutual trust. Trust is created by recognizing each other as individuals, helping out where others are deficient, accepting help where we are deficient, sharing our knowledge, and making a sincere effort to fulfill our responsibilities.

## The Three Joys



- The Joy of Buying** : The joy of buying is achieved through providing products and services that exceed the needs and expectations of each customer.
- The Joy of Selling** : The joy of selling occurs when those who are engaged in selling and servicing Honda products develop relationships with a customer based on mutual trust. Through this relationship, Honda associates, dealers and distributors experience pride and joy in satisfying the customer and in representing Honda to the customer.
- The Joy of Creating** : The joy of creating occurs when Honda associates and suppliers involved in the design, development, engineering and manufacturing of Honda products recognize a sense of joy in our customers and dealers. The joy of creating occurs when quality products exceed expectations and we experience pride in a job well done.

## Company Principle

Maintaining a global viewpoint, we are dedicated to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction.

## Management Policies

- Proceed always with ambition and youthfulness.
- Respect sound theory, develop fresh ideas and make the most effective use of time.

- Enjoy your work and encourage open communications.
- Strive constantly for a harmonious flow of work.
- Be ever mindful of the value of research and endeavor.

# Sources of Value Creation by Numbers

## Financial Capital

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

Net cash (excluding financial services)

**3.2tn YEN**

(At end of FYE Mar. 31, 2025)

Total capital

**12.6tn YEN**

(At end of FYE Mar. 31, 2025)

Interest-bearing debt  
(excluding financial services\*1)

**0.6tn YEN**

(At end of FYE Mar. 31, 2025)

\*1 Including 1.75 billion USD Green Bond issue

## Human Capital

Support for individual and organizational growth that leads to value creation

Number of associates

Consolidated

**194,173 associates**

Non-consolidated

**32,088 associates**

(Number of associates at end of FYE Mar. 31, 2025)

## Manufacturing Capital

Evolution of production system to achieve high product appeal

Number of product assembly sites

**75 sites**

(At end of FYE Mar. 31, 2025)

Capital investment\*2

**537.4bn YEN**

(At end of FYE Mar. 31, 2025)

\*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

**1,210.6bn YEN**

(FYE Mar. 31, 2025 results)

Number of domestic and overseas patents\*3

**More than 37,000 patents**

(At end of FYE Mar. 31, 2025)

\*3 Number of registered patents both domestically and internationally (excluding pending applications)

## Natural Capital

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

Energy input

Direct

**18,300TJ**

Indirect

**22,100TJ**

(FYE Mar. 31, 2025)

Resource input

Water withdrawal

**30,200km<sup>3</sup>**

(FYE Mar. 31, 2025)

## Social and Relationship Capital

Deepen and expand relationships of trust and cooperation with stakeholders

Number of group companies

**357 companies**

(including 284 consolidated subsidiaries and 73 affiliates accounted for under the equity method)

(At end of FYE Mar. 31, 2025)

Brand value\*4

**26,705m USD**

(2024)

Best Global Brands 2024  
Automotive\*4

**5th in the world**

(2024)

\*4 According to Interbrand research

## Global Sales Figures for

FYE Mar. 31, 2025 (10 thousand units)

**2,798.8**

Motorcycles

**2,057.2**

+

Automobiles

**371.6**

+

Power Products

**370.0**

## Unit Sales in Major Markets (10 thousand units)

