

4

Overview of Honda

| | |
|--|----|
| Business Domains | 11 |
| Value Creation History | 13 |
| Unit Sales and Principal Operation Bases | 14 |
| Matrix Management System | 15 |
| Financial Highlights | 16 |



Overview of Honda

Business Domains

Principal Businesses Segments

Motorcycles

Motorcycles represent the origin of both Honda's "*mono-zukuri* (the art of manufacturing)" and business. Under the philosophy of "building products close to the customer," Honda has practiced *mono-zukuri* rooted in each country and region and has delivered a cumulative total of more than 400 million motorcycles to customers. In 2020, annual sales amounted to approximately 15 million units across the world in spite of the impact of COVID-19.

Since fall 2020, Honda has been selling the Rebel 1100 large cruiser model that offers the joy of mobility and a fun riding experience in the United States, Europe, Japan and Asia.

As a way to respond to the growing global concerns about environmental issues, Honda has also expanded its lineup of Honda e: business-use motorcycles and now sells, in addition to the existing Benly e: series of electric motorized scooters, the Gyro e: series and Gyro Canopy e: series. In this way, Honda remains committed to meeting the expectations of customers worldwide and opening up new frontiers for the motorcycle market, thus becoming a driving force in the global motorcycle industry.



Rebel 1100 DCT



Gyro Canopy e:, Gyro e: and Benly e:

Automobiles

"Let's change the landscape of the automobile industry." Honda's automobile business began under this slogan in 1963 and has now grown to sales of about 5 million vehicles globally each year. To enrich the lives of its customers, Honda seeks to provide automobiles and services that are secure, stress-free and uniquely Honda and that support the freedom of mobility for all.

Honda has been working to realize carbon neutrality by 2050 and has already released the Honda e electric vehicle, designed for a society that is connected via energy. Recent initiatives include the commencement on a global scale of the sales of the electric versions of the City and HR-V (Vezel in Japan) models equipped with a two-motor hybrid system.

Additionally, Honda has been actively engaged in research and developing automated driving technologies to improve the performance of its Honda Sensing, a safety and driver-assistance system, as part of its ongoing efforts to promote the evolution of safety technologies. Under these efforts, Honda has released the Legend equipped with a Level 3 automated driving system.



Honda e electric vehicle



New Legend model

Overview of Honda

Business Domains

Life Creation

As part of its Power Products Business, Honda has provided a diverse range of items, including general-purpose engines, tillers, generators, snow throwers, lawnmowers, pumps and outboard engines. Cumulative global production of power products reached 150 million units in September 2019, and to date customers in more than 50 countries have selected Honda's products.

Recently, Honda launched mass production of a professional-use, electrified power unit offering the same levels of reliability and installation compatibility as the GX series of engines, which are regarded as the world standard power source for various types of commercial-grade work equipment. For general customers, Honda now offers a cordless lawnmower and has been rapidly expanding its lineup of electrified products that are easier to use, quiet to operate and environmentally friendly.

In April 2019, Honda changed the name of the Power Products Business to the Life Creation Business, to expand its domain to include portable batteries and other new businesses for the future.

Consumer use



HRG416 cordless lawnmower

Professional use



GX160 general-purpose engine

Engines

Electrified products



HRG416 XB cordless lawnmower



eGX electrified power unit

Aircraft and Aircraft Engines

The development of aircraft and aircraft engines has been an important R&D theme since the establishment in 1986 of the Wako Center, which engages in research on basic technologies, and a dream since the founding of Honda itself. In 2003, a proof-of-concept version of the HondaJet, fitted with the HF118, a high-efficiency turbofan engine originally and wholly designed by Honda, successfully made its first flight. Subsequently, in 2004 Honda established GE Honda Aero Engines LLC to jointly develop and commercialize engines with General Electric (GE) as well as Honda Aero, Inc. to manufacture engines. The Company also established Honda Aircraft Company in 2006 to develop, manufacture and sell the HondaJet.

The HondaJet is noteworthy for its main wing airfoil and fuselage nose shape, which features Honda's original Natural Laminar Flow (NLF) to reduce aerodynamic drag, as well as its revolutionary Over-The-Wing Engine Mount (OTWEM) design. The HondaJet fitted with a production version of the HF120 engine reached the market in 2015, followed by the release of the HondaJet Elite with upgraded performance in 2018.

The HondaJet is a fusion of its beautiful and unique fuselage design, innovative aerodynamic and structural technologies and highly efficient engine. The fusion has led to excellent fuel efficiency, high flight performance, a more spacious cabin (about 30% larger than that of other companies' equivalent models) and less noise. These and other features earned high marks, and as a result, the HondaJet became the most delivered aircraft* in the very light business jet category for the fourth consecutive year since 2017.

*Survey by the General Aviation Manufacturers Association (GAMA)



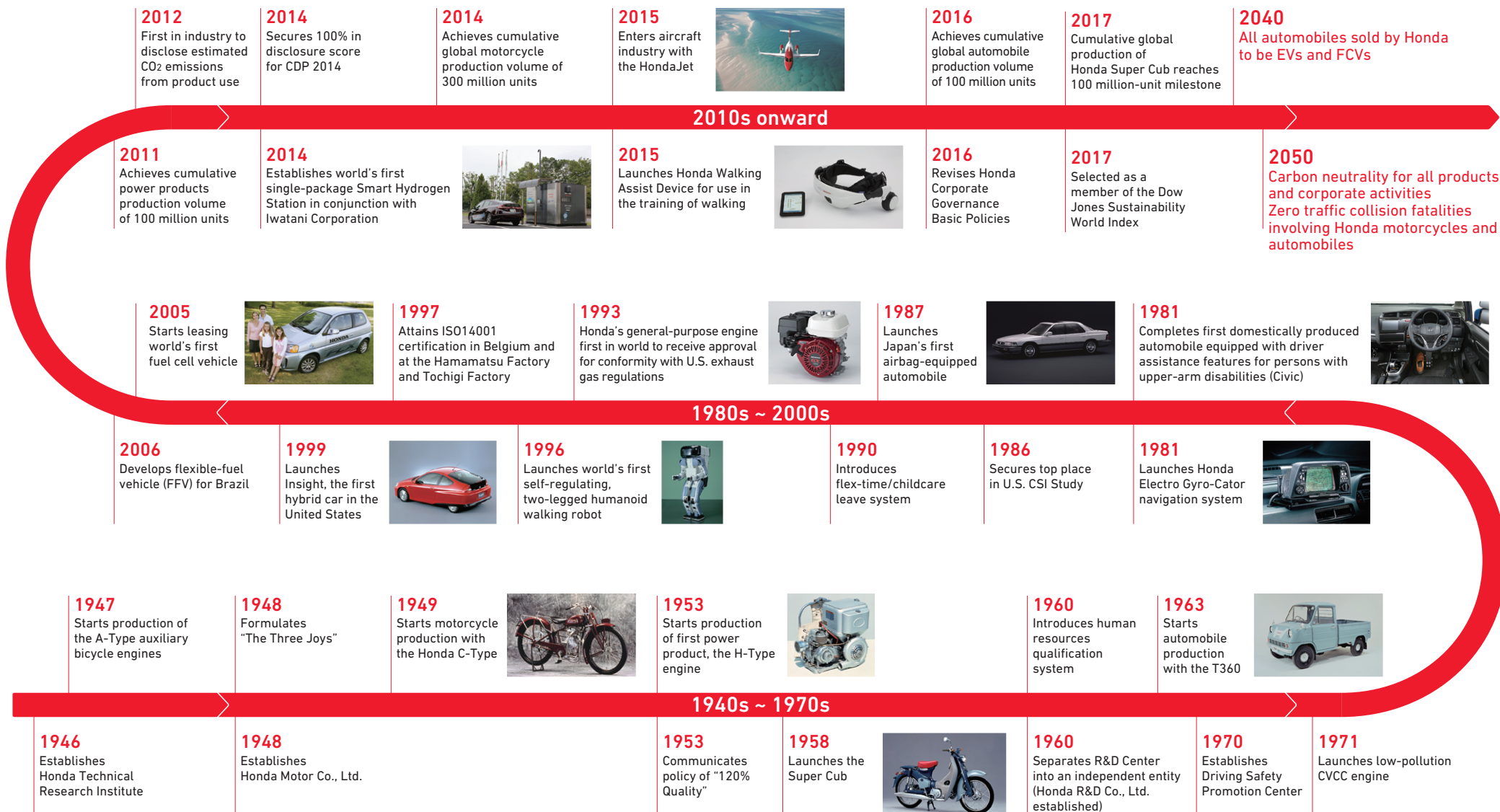
HondaJet Elite



HF120 turbofan engine

Overview of Honda

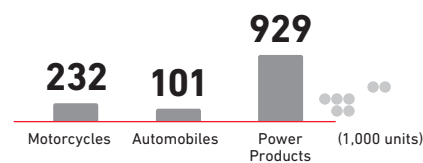
Value Creation History



Overview of Honda

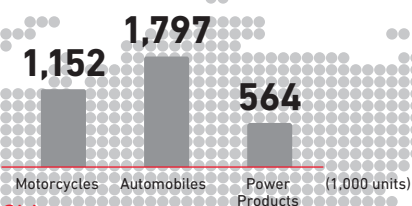
Unit Sales and Principal Operation Bases

Joy of mobility to **25.4 million** people
transcending national borders



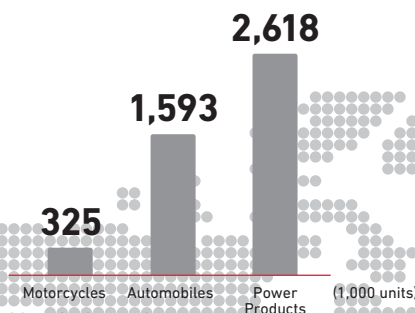
Europe

Regional headquarters:
Honda Motor Europe Ltd. (U.K.)



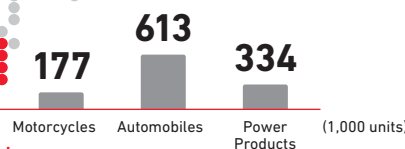
China

Regional headquarters:
Honda Motor (China) Investment Co., Ltd. (Beijing)



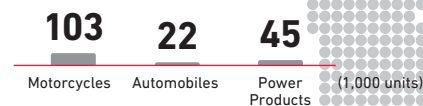
North America

Regional headquarters: Honda North America, Inc. (U.S.A.)

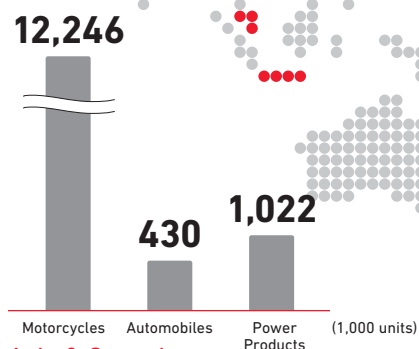


Japan

Regional headquarters:
Honda Motor Co., Ltd. (Tokyo)

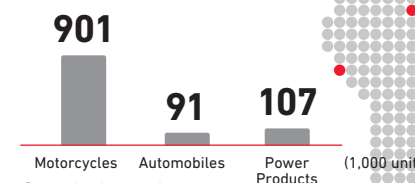


Africa & Middle East



Asia & Oceania

Regional headquarters: Asian Honda Motor Co., Ltd. (Thailand)



South America

Regional headquarters:
Honda South America Ltda. (Brazil)

Company name: Honda Motor Co., Ltd.

Established: September 1948

Director, President and Representative Executive Officer Toshihiro Mibe

Capital: 86,067 million yen (as of March 31, 2021)

•The graphs show unit sales (retail) of motorcycles, automobiles and power products (in units of 1,000) for FY2021. (April 2020 to March 2021).

The symbol ● represents the approximate locations of Honda Group companies.

Overview of Honda

Matrix Management System

Organizational Operating System

Honda employs a matrix management system. In this matrix, the vertical axis represents the organizations for each region, while the horizontal axis denotes individual businesses.

On the vertical axis are organizations in Japan and six overseas regions (North America, South America, Europe, Asia & Oceania, China and Africa/Middle East). Based on Honda's Fundamental Beliefs, these organizations engage in business grounded in each region from a long-term perspective.

On the horizontal axis are the business domains of the Automobile Business and Motorcycle Business, as well as the Life Creation Business, which includes power products. Each organization develops medium-to-long-term plans for its respective products and works closely with regions to optimize and facilitate global business operations.

Also on the horizontal axis are the Company's Functional Operations — Brand and Communication, Business Management, Human Resources and Corporate Governance, IT, Production, Purchasing and Customer First. Each of these functional operations supports and coordinates efforts to increase the effectiveness and efficiency of the Honda Group as a whole.

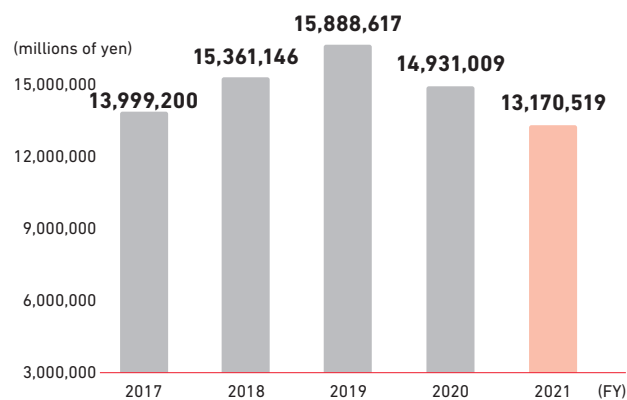
In addition, R&D activities targeting products and technologies with new value, as well as products in the Life Creation Business, are conducted mainly by Honda R&D Co., Ltd., which is an independent subsidiary of the Company, and its subsidiaries. Honda aims to use cutting-edge technology to create new value that is distinctive and internationally competitive.

| | | Regions | | | | | | |
|--|---------------|---------|---------------|---------------|--------|----------------|-------|--------------------|
| | | Japan | North America | South America | Europe | Asia & Oceania | China | Africa/Middle East |
| Businesses | Motorcycles | | | | | | | |
| | Automobiles | | | | | | | |
| | Life Creation | | | | | | | |
| Functions | | | | | | | | |
| Brand and Communication | | | | | | | | |
| Business Management | | | | | | | | |
| Human Resources and Corporate Governance | | | | | | | | |
| IT | | | | | | | | |
| Production | | | | | | | | |
| Purchasing | | | | | | | | |
| Customer First | | | | | | | | |

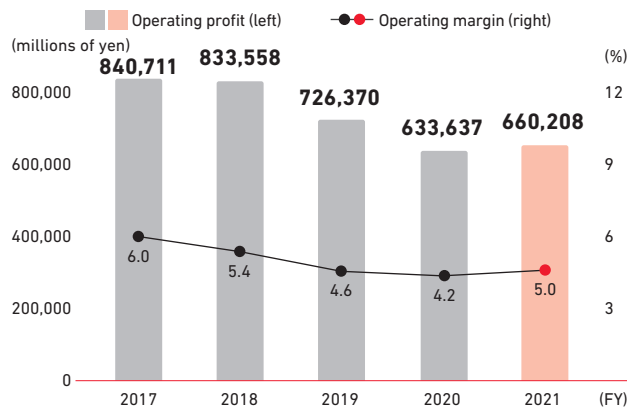
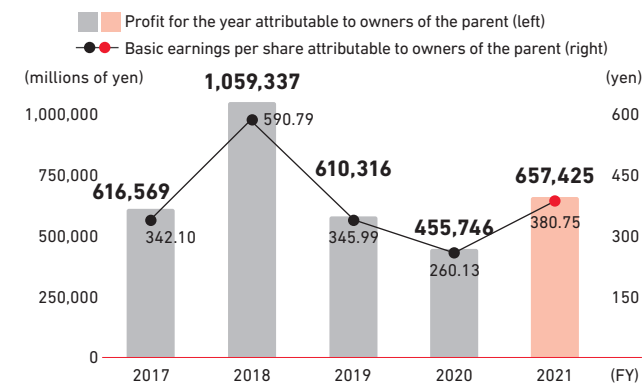
Overview of Honda

Financial Highlights

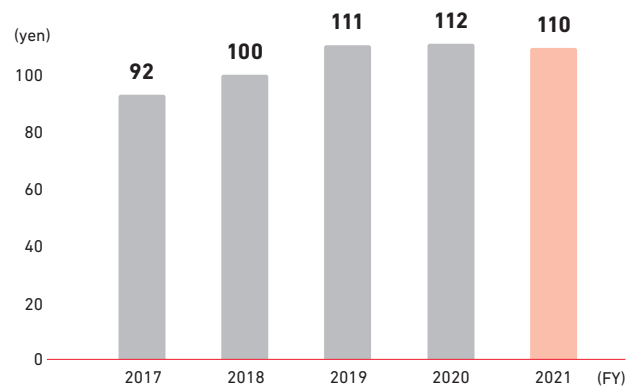
Sales revenue



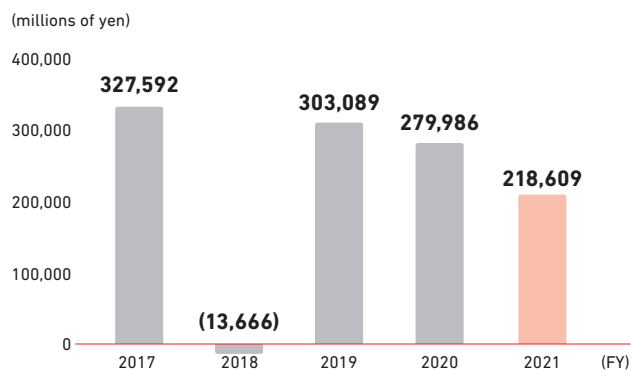
Operating profit/Operating margin

Profit for the year attributable to owners of the parent/
Basic earnings per share attributable to owners of the parent

Dividend per share



Income tax expense



Additions to property, plant and equipment/Depreciation

