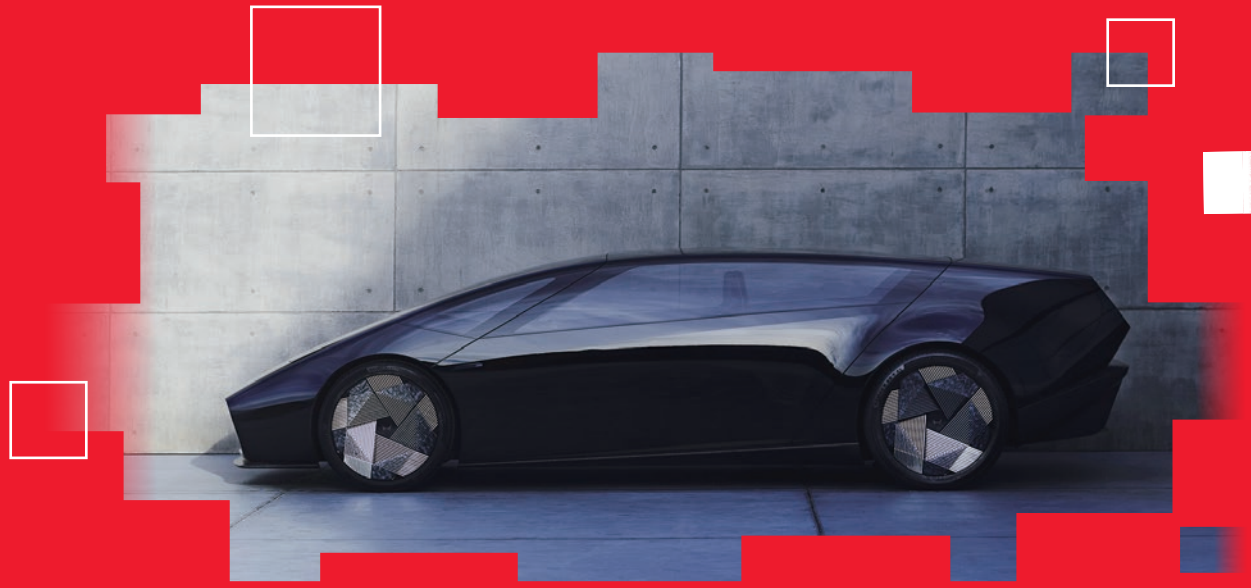
Honda Report 2024



HONDA


What drives your dreams?
HONDA
The Power of Dreams
How we move you.
CREATE ▸ TRANSCEND, AUGMENT

Contents

Editorial Policy

Honda believes that promoting constructive dialogue with shareholders and investors is essential for achieving its sustained growth and increasing corporate value over the medium- to long term.

Honda strives to expand opportunities for dialogue and information disclosure with stakeholders such as institutional investors and analysts. We then appropriately feedback their opinions and requests to management in a timely manner for use in discussions to further raise corporate value.

Reference Framework

In producing this report, we used as reference such sources as the International Integrated Reporting Framework of the Value Reporting Foundation, which was consolidated into the IFRS Foundation on August 1, 2022, and Integrated Reporting for Corporate Value Creation of the Ministry of Economy, Trade and Industry.

Organizations Covered

This report covers the entire Honda Group, which consists of Honda Motor Co., Ltd. and its 360 domestic and overseas companies (289 consolidated subsidiaries and 71 affiliates accounted for under the equity method). Sections that do not cover the entire Honda Group are indicated as such with a reference to the specific scope.

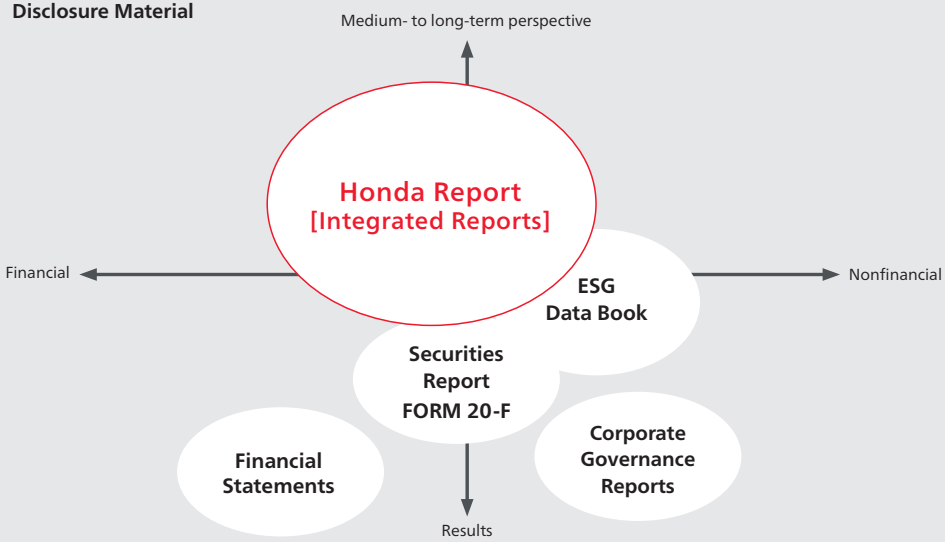
Reporting Period

This report focuses primarily on the activities undertaken from April 1, 2023, to March 31, 2024, and also includes past background information and activities conducted up to the time of publication, as well as other matters including future outlook and plans.

Disclaimer

This report contains past and current factual data of Honda Motor Co., Ltd. as well as plans and outlook and future projections based on its management policies and management strategies as of the date of publication. These future projections are assumptions or decisions derived from the information available at the time this report was produced. Please note that the results of future business activities and events may vary depending on changes in conditions and circumstances. This report may also contain corrections, restatement or significant changes to information provided in previous reports.

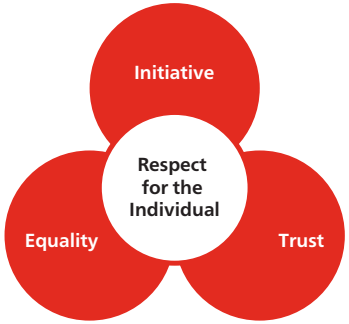
Disclosure Material



Honda Philosophy

Fundamental Beliefs

Respect for the Individual

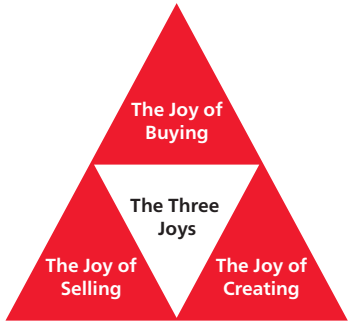


Initiative : Initiative means not to be bound by preconceived ideas, but to think creatively and act on your own initiative and judgment, while understanding that you must take responsibility for the results of those actions.

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 | Six Capitals

Financial Capital

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

Net cash (excluding financial services)
3.8 tn YEN
(As of Mar. 31, 2024)

Total capital
13.0 tn YEN
(As of Mar. 31, 2024)

Interest-bearing debt (excluding financial services*1)
0.9 tn YEN
(As of Mar. 31, 2024)
*1 Including 2.75 bn USD Green Bond issue

Human Capital

Support for individual and organizational growth that leads to value creation

Number of associates
Consolidated
194,993 associates
Non-consolidated
32,443 associates
(Number of associates as of the end of FY2024)

Manufacturing Capital

Evolution of production system to achieve high product attractiveness

Number of product assembly sites
75 sites
(As of Mar. 31, 2024)

Capital investment*2
387.9 bn YEN
(As of Mar. 31, 2024)
*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
R&D expenses in the fields of electrification and software
Approx. 5 tn YEN
(FYE Mar. 31, 2022 to the Fiscal Year Ending March 31, 2031)

Preparation for new growth
Approx. 1 tn YEN
(FYE Mar. 31, 2022 to the Fiscal Year Ending March 31, 2031)

R&D expenses
976.3 bn YEN
(FYE Mar. 31, 2024 results)

Number of domestic and overseas patents*3
More than 39,000 patents (As of Mar. 31, 2024)
*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
19,600 TJ
Indirect
23,600 TJ
(FYE Mar. 31, 2024)

Resource input
Water withdrawal
31,700 km³
(FYE Mar. 31, 2024)

Social and Relationship Capital

Deepen and expand relationships of trust and cooperation with stakeholders

Number of group companies
360 companies
(including 289 consolidated subsidiaries and 71 affiliates accounted for under the equity method)
(As of March 31, 2024)

Brand value*4
24,412 m USD
(2023)

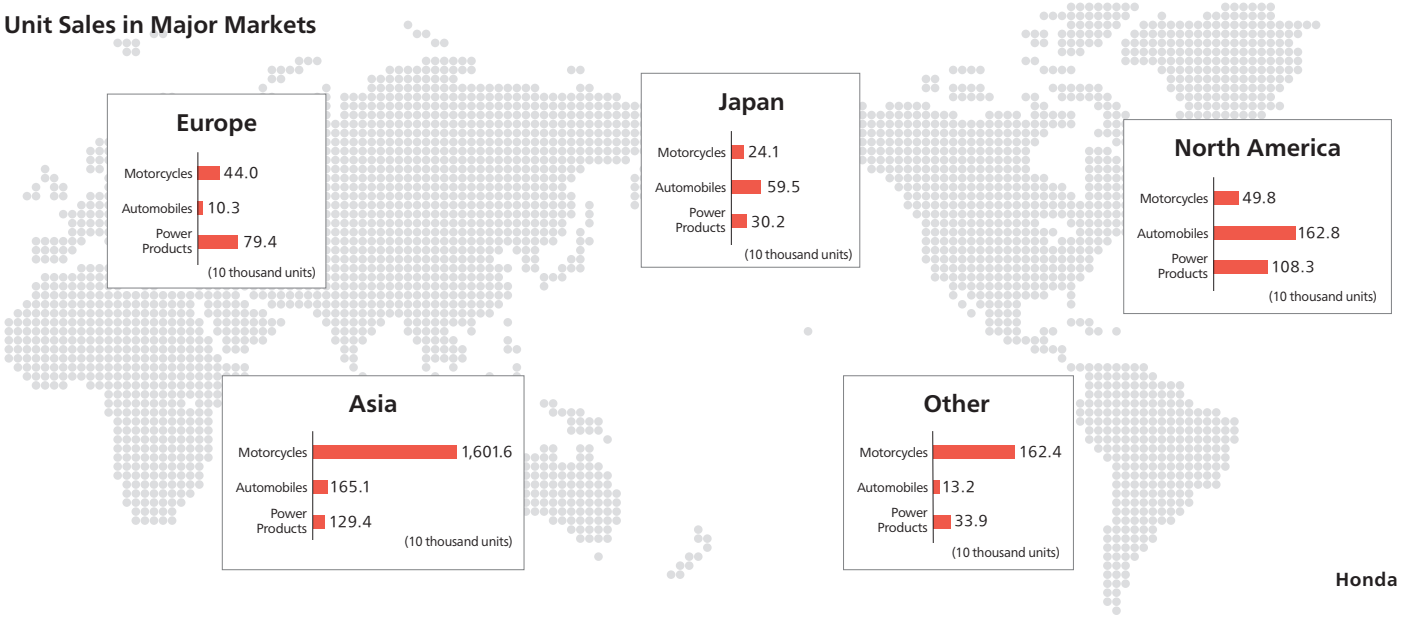
Best Global Brands 2023 Automotive*4
5th in the world
(2023)
*4 According to Interbrand research

Global Sales Figures for FYE Mar. 31, 2024 (10 thousand units)

2,674.0

Motorcycles
1,881.9
+
Automobiles
410.9
+
Power Products
381.2

Unit Sales in Major Markets



The dreams of each and every one of us working together have always been the driving force of Honda.

We have different kinds of dreams, but by applying our original technologies, ideas and design we take on challenges continuously to realize mobility that enables our customers to enjoy life with more freedom, more convenience and more fun.

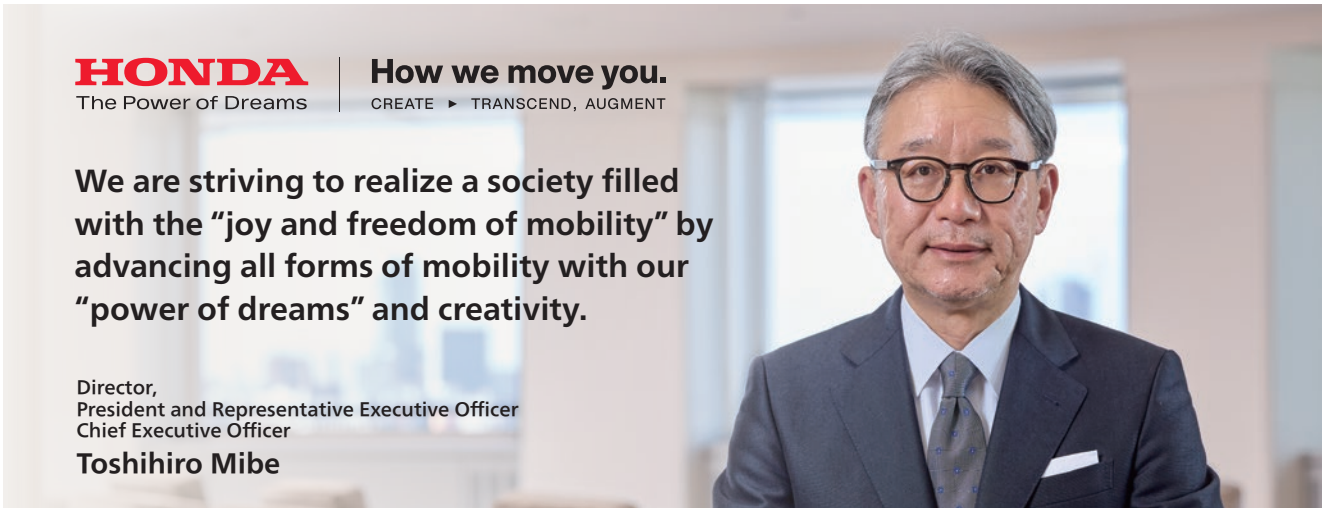
The future mobility Honda dreams of will create a joy and freedom of mobility that enables people to transcend the constraints of time and place, and augment their every possibility.

Such mobility will become the “power” for people who are trying to advance toward their own dreams.
Dreams that will move even more people, until there is an endless expanse of new dreams.

The Power of Dreams

Through the creation of mobility we dream of, Honda will become “The Power of Dreams” of more and more people.
That is how we will move people and society forward.

CEO Message



Believing in the limitless power of dreams, Honda continues to be the "power" that supports the realization of people's dreams.

The starting point of Honda was the founder's strong desire to help people with our own technology. Today, as a comprehensive mobility company, we offer a wide range of mobility products and services to customers around the world.

In 2023, we redefined the existing Honda Global Brand Slogan, "The Power of Dreams" to re-clarify the "value proposition" Honda aims to offer and the driving force behind our pursuit of dreams. In this process, we thoroughly discussed the essential value of all the mobility products and services we have offered thus far.

After extensive consideration, we concluded that mobility products and services are not merely tools for people to get to places, but have the wonderful value of enabling people to transcend various constraints such as time and space, and augment their abilities and possibilities. Including the sensation of cutting through the wind when we learned how to ride a bicycle for the first time in our childhood, the scenery and smells of new places we went to by car with family, and the view from the window of our first airplane ride, we have experienced a lot of joys through the value of mobility: enabling us to "transcend" constraints and "augment" possibilities.

The wish to "go to places farther, faster, and more freely" is a fundamental desire of all people, and the mobility products and services that fulfill this wish hold infinite possibilities.

All of us who work at Honda are passionate about further advancing mobility products and services that offer the universal and essential value that accommodates such fundamental desire and spread "the joy and freedom of mobility" throughout the world. Each and every one of us who work at Honda have our own dreams of "what we want to do and be," and we believe that the "creation" that generates great value for our customers is realized when our strong passion and individuality collide and diverse knowledge and dreams interact with each other. Driven by dreams, we are continuing to take on challenges to realize mobility products and services which offer "more freedom, more convenience, and more fun."

Through their value of enabling people to transcend constraints of time and space and to augment their abilities and possibilities, Honda mobility products and services derived from our dreams and creativity will "move" people physically and also "move" people's hearts all around the world, becoming the power that enables people to take a step toward their dreams.

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. Believing in the limitless power of dreams spanning around the world, Honda wants to be the "power" that supports its realization.

To Sustainably Offer the Joy and Freedom of Mobility

To continuously offer the "joy and freedom of mobility" to people around the world, we believe it is crucial to ensure that our mobility products and services do not have any negative impact on people and society.

At Honda, we believe it is a responsibility of mobility companies to address environmental and safety issues related to mobility. With such a belief, Honda has always been tackling those two major societal issues seriously and sincerely. For example, Honda not only developed the CVCC engine, the world's first engine to comply with the standards set forth in the 1970 U.S. Clean Air Act (the Muskie Act), which was deemed "impossible to meet" at the time, but also disclosed CVCC technology to other automakers, making a significant contribution to reducing air pollution caused by motorization. Another example is the development of airbags. Even before global interest in automotive safety technology grew, Honda persistently pursued research on airbags and became the first automaker to introduce a driver-side SRS airbag system in an automobile manufactured in Japan. This significantly contributed to the subsequent widespread adoption of airbags.

Such corporate attitude of Honda has not changed in the slightest even today. Honda remains deeply committed to addressing the major societal issues concerning the environment and safety with sincerity and taking proactive steps toward their resolution to create a better future. By joining forces and moving forward hand in hand with those who resonate with Honda's approach, we would like to tackle ambitious goals that cannot be achieved alone.

Completely eliminating the environmental impact of mobility products and services is an extremely challenging task; however, we are strengthening collaboration among relevant companies to evolve our comprehensive efforts to address environmental issues over the entire lifecycle of our products beyond the scope of our own corporate activities. Similarly, in the area of safety, we will continue to advance our multifaceted initiatives toward our goal to realize zero fatalities from traffic collisions involving Honda motorcycles and automobiles, where everyone can enjoy mobility freely with peace of mind.

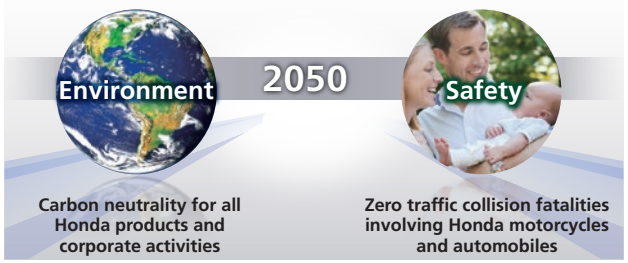
The Five Key Themes toward the Future Honda Envisions

In 2023, we clarified key areas of focus by systematically identifying societal issues from the perspective of sustainability and aligning them with the direction of Honda. Specifically, we have identified five themes in non-financial areas: "people" and "technology," which are the driving force behind the growth of Honda; "brand," which represents the sum of all our corporate activities; and "environment" and "safety," which have been key management priorities of Honda.

The sources of the company's growth are the "people" who continue to take on bold challenges with an intrinsic and strong will and the "technology" that is created from relentless research and tireless effort. We believe that the accumulation of individual corporate activities, including the offering of high-quality products and services created from our "people" and "technology," shapes an attractive "brand" that is relatable to our stakeholders.

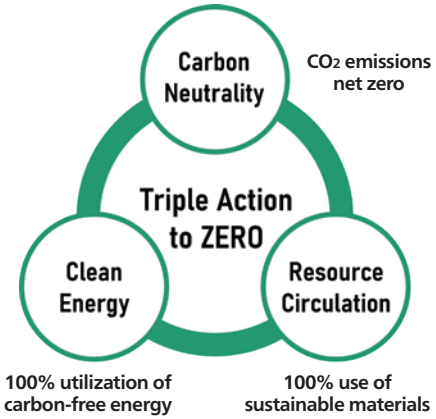
Furthermore, we view "environment" and "safety" as the most critical societal issues that Honda must address with the utmost sincerity, being a comprehensive mobility company. Under the theme of "realizing a society with zero environmental impact and zero fatalities from traffic collisions," we are committed to developing and implementing effective measures with speed.

Rather than waiting for others to take initiative, Honda will take a step forward as a frontrunner, striving to achieve a sustainable society where everyone can continually enjoy the "joy and freedom of mobility."



Achieving Carbon Neutrality throughout the Entire Product Lifecycle

Working toward the realization of a society with zero environmental impact, in 2021, we established the "Triple Action to ZERO" approach and defined a specific direction of actions and target timelines for achieving our goals. Among the three actions, achieving "net zero CO_2 emissions" is especially important; therefore, Honda is striving to achieve carbon neutrality for all products and corporate activities by 2050. To this end, Honda is working globally with numerous partners on measures to reduce CO_2 from the entire product lifecycle – from material and component procurement to product design, development, production, logistics, sales, customer use, and to the end of vehicle life. While recognizing it is an extremely difficult goal to attain, Honda will continue taking on bold challenges to sustainably offer the "joy and freedom of mobility" to people all around the world.



To achieve our carbon neutrality goal, we need to significantly reduce "CO_2 emissions during product use," which constitutes the majority of Honda overall CO_2 emissions. For small-size mobility products such as motorcycles and automobiles, battery electric vehicles (BEVs) will be the most effective long-term solution. Therefore, it is crucial to procure batteries, the core components of BEVs, through a value chain with minimal environmental impact.

As the first step, we decided to position our existing auto plants in Ohio as the Honda EV Hub. Including the retooling of our existing plants and the construction of a new joint venture battery facility in the vicinity with LG Energy Solution, we are making progress in building the foundation of our EV production in North America.

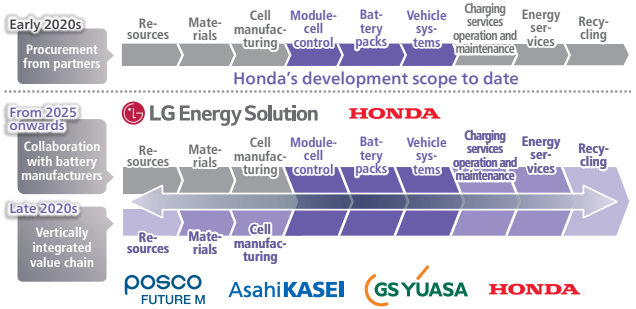
As the second step, in Canada, we will strive to build a comprehensive EV value chain that includes all aspects of EV production, from the procurement of raw materials mainly for batteries, to the production of finished EVs. We will leverage the EV production know-how to be amassed at the Ohio EV Hub, combined with the abundant resources and clean energy available in Canada.

We also announced separate collaborations with POSCO Future M Co., Ltd. and Asahi Kasei Corporation for production of cathode materials and separators, respectively, for automotive batteries in Canada. We will proceed with discussions toward the establishment of separate joint venture companies which will produce these components for batteries for BEVs Honda will produce mainly for the North American market. By leveraging the strengths of each of these collaborating partners combined with our strengths, such as material technologies and electrification technologies, we will significantly enhance the performance of key battery components, which will enable Honda to deliver high-performance BEVs that offer greater value to our customers.

By ensuring a stable supply system for EV batteries, we aim not only to enhance the cost competitiveness of our BEVs as a whole but also to maximize the value of batteries throughout their lifecycle, including secondary use and recycling. Through these efforts, we will strive to establish a foundation for highly profitable EV business and contribute to the realization of a carbon-neutral society.

To achieve a society with zero environmental impact, Honda will continue to work with partners to advance our efforts toward achieving carbon neutrality throughout the entire lifecycle of our products.

For more details about our efforts, please refer to ➡p. 44



Multifaceted Initiatives to Realize Carbon Neutrality

To achieve carbon neutrality for the entire society, Honda is not only electrifying our products but also taking on challenges through a multifaceted approach.

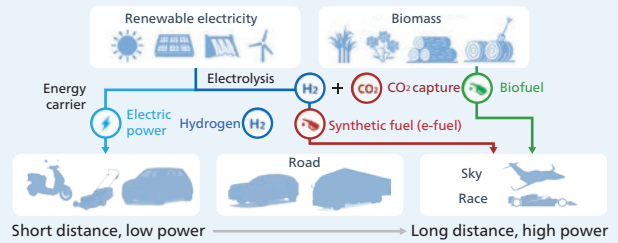
For example, as for power supply systems for medium- and large-sized vehicles and large infrastructure, which are difficult to electrify completely with batteries due to their high operation rates, we are striving to achieve carbon neutrality through the widespread adoption of hydrogen fuel cell systems.

As for aircraft, since full electrification of aircraft, which requires long-distance and high-speed travel, will take more time, we believe that sustainable aviation fuels (SAF) will be an effective solution for achieving carbon neutrality. To promote and expand the use of SAF, we are making progress in our foundational research and collaboration with industry organizations through three approaches: making rules, and creating and using SAF.

Furthermore, according to the IEA's "Net Zero by 2050" report, it is predicted that CO_2 emissions from the industry, transport, and buildings sectors will not reach zero by 2050. To achieve net-zero emissions, negative emissions technologies for capturing and removing carbon dioxide from the atmosphere are required. At Honda, we have already started research on Direct Air Capture (DAC) technology and are pursuing collaboration with partners to demonstrate and eventually commercialize our DAC technology in the future.

We are also taking various approaches to carbon neutrality such as developing energy management systems that support stable power supply and the expansion of the utilization of renewable energy through Vehicle-to-Home (V2H) and Vehicle-to-Grid (V2G) power output, as well as further utilization of the Honda Mobile Power Pack e: portable and swappable batteries.

For more details on these initiatives, please refer to ➡ p. 42, p. 61.

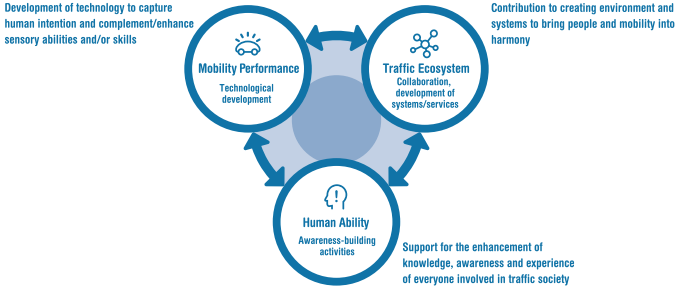


Striving to Realize a Society with Zero Fatalities from Traffic Collisions

Honda is striving for a society with zero fatalities from traffic collisions, where everyone can enjoy mobility more freely and based on their curiosity, while feeling complete peace of mind. We aim to realize zero fatalities from traffic collisions for the safety of not only those using automobiles and motorcycles but also everyone sharing the road.

The high number of traffic collision fatalities remains a serious issue worldwide. As the world's leading manufacturer of motorcycles, Honda is committed to taking proactive leadership in initiatives to enhance safety for everyone sharing the road. Our goal is to achieve "zero" fatalities from traffic collisions involving Honda motorcycles and automobiles worldwide by 2050.

To achieve this goal, we are advancing efforts in the following areas: "mobility performance (technology development)," "human capabilities (awareness and education activities)," and "traffic ecosystem (collaboration with others and development of systems and services)."



Mobility Performance (Technology Development)

To further enhance the safety of mobility, we need integrated performance that complements or augments human capabilities, including technologies that protect the human body, minimize collision risks, and understand and communicate the intentions of people on the road to vehicles and other people.

For automobiles, in addition to the enhancement of collision safety performance and the expansion of Advanced Driver Assistance Systems (ADAS) applications, we are making progress in the development of next-generation technologies to eliminate traffic collisions caused by human error during driving. For motorcycles, we are expanding the application of advanced braking systems such as "ABS" and "CBS," as well as high-visibility and highly recognizable lighting systems.

Human Ability (Awareness Activities)

The foundation of traffic safety is "people." Therefore, it is crucial to enhance not only driving skills and cognitive and judgment abilities but also the overall human ability including the mental aspect, such as having compassion toward others. Based on this belief, we are proactively offering training programs for current and future instructors and conducting workshops at our traffic education centers. Additionally, we are making progress in our efforts to contribute to the enhancement of traffic regulations and rules, including driver's license systems, in various countries to further promote safe driving practices.

Training Instructors for the Development of Traffic Education.

Taking into account the local traffic environment and culture, we are offering training programs focused not only on riding/driving skills but also on classroom-based instruction to increase risk recognition ability.

Traffic Ecosystem (Collaboration with Others and System/Service Development)

To achieve zero fatalities from traffic collisions, it is important not to automatically create technology-based safety without incorporating human intentions. Instead, we should use technology to bring out the inherent sense of mutual respect among everyone sharing the road and enable them to cooperate more easily based on their own intentions.

To this end, what we needed is technology that supports people on the road in sensing each other's intentions and emotions, and giving consideration to each other's situations. Therefore, we are developing "Safe and Sound Network Technology" to help everyone sharing the road anticipate collision risks and prepare for potential collisions. Through demonstration testing and the establishment of public-private collaboration platforms, we are striving to facilitate smooth real-world implementation of such technology.

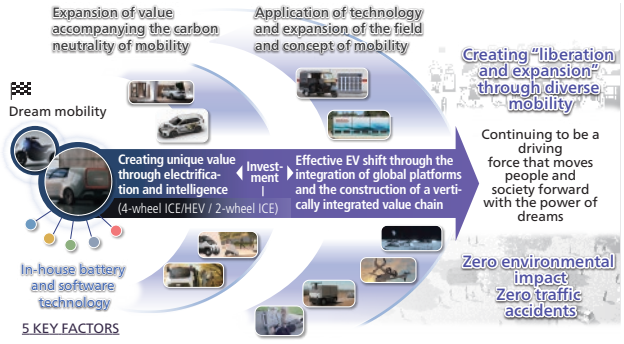
By realizing a warm and supportive mobility society, where everyone works together, Honda strives to create a future where people are inspired to do more things based on their own initiative.

For more details on these initiatives, please refer to ➡p. 64.

Advancing as a Comprehensive Mobility Company

To sustainably offer the joy and freedom of mobility, Honda will continue pursuing electrification and enhanced application of intelligence technology for our various businesses and products. In addition to ensuring the stable production and supply of batteries, essential for electrification, we are swiftly and flexibly addressing diverse challenges which go beyond the scope of our traditional business. Such challenges include securing critical minerals for our products, reducing costs, developing next-generation battery technologies and expanding customer convenience through IoT.

In addition to the advancement of our mobility products and services themselves, we are proactively enhancing our involvement in new businesses emerging with the electrification of mobility, such as businesses involving charging networks, battery reuse and energy management systems. We are also taking on challenges to create new value in new technology areas such as electric vertical take-off and landing aircraft (eVTOL) and rockets, which will significantly expand the conventional field of mobility.



As a comprehensive mobility company, we will continue pursuing the creation of exciting products and services without being constrained by existing boundaries. We will strive to achieve "zero environmental impact" and "zero fatalities from traffic collisions" with our dream-inspiring mobility solutions and diverse services created with the creativity of each and every one of us at Honda. At the same time, by offering the value proposition of Honda – enabling people worldwide to transcend constraints and augment their possibilities – we will strive to become the "power" that moves people and society forward.

Expanding Partnerships to Realize the Value Proposition of Honda

As In order to realize the value proposition of Honda, we will have to overcome numerous, unprecedented and difficult challenges. Addressing these challenges necessitates not only our own efforts at Honda, but also collaboration with other companies and stakeholders to complement our capabilities in key areas such as batteries and software. To this end, we are expanding partnerships with companies that have strengths in these areas, in addition to strengthening our internal initiatives like talent development and recruitment.

Moreover, to accommodate the advancement of mobility products and services, we must urgently install new infrastructure to our society such as charging networks and technologies for the "Safe and Sound Network." Honda will work together with partners who share the same passion and goals to realize a society filled with the "joy and freedom of mobility."

Recently, Honda and Nissan Motor Co., Ltd. agreed on and started joint research in fundamental technologies in the area of platforms for next-generation software-defined vehicles (SDVs). This is the result of a series of discussions based on the memorandum of understanding (MOU) we signed on March 15 regarding a strategic partnership.

We have also signed a new MOU to deepen our partnership in areas such as the commonization of core EV components such as batteries and e-Axles*, mutual complementary vehicle supply, and energy services in Japan.

Furthermore, another MOU was signed among Honda, Nissan, and Mitsubishi Motors, formalizing Mitsubishi Motors' participation in the framework which has been discussed between Honda and Nissan.

By combining each company's strengths and achieving synergistic effects, we believe we can create a new value of automobiles. We will proceed with our discussions with an aim to accelerate our development speed and lead the world in the fields of applications of intelligence and electrification technologies.

Battery area

POSCO FUTURE M
LG Energy Solution
AsahiKASEI
GS YUASA

Software area

IBM
SCSK
Astemo
KPIT

Energy management / resource circulation area

Mitsubishi Corporation

Diverse technological areas with a focus on electrification and application of intelligence technology

NISSAN MOTOR CORPORATION
MITSUBISHI MOTORS

To realize our future vision, Honda will continue to boldly pursue new challenges. Please keep your expectations high for the dream-inspiring mobility products and services Honda will create for the joy and freedom of mobility.

* e-Axles: a system responsible for converting energy from electricity to mechanical power through a motor, inverter, and gearbox

Value Creation Process

INPUT

<Six Capitals>
➡See p. 3

- Intellectual Capital
- Social and Relationship Capital
- Human Capital
- Natural Capital
- Manufacturing Capital
- Financial Capital

Key Themes

<Five Key Themes>
➡See p. 44

- Creation of Innovative Technologies
- Brand Value Enhancement
- The Evolution of Human Capital Management
- To Realize a Zero Environmental Impact Society
- To Realize a Zero Traffic Collision Society
- Honda Philosophy

Focus Areas

<Five Key Factors of Our Initial Focus>
Electrification and Intelligence of Mobility
➡See p. 88

- Carbon Neutrality of Power Units
- Resource Circulation
- Energy Management System
- Automated Driving (AD)/ Advanced Driver-Assistance System (ADAS)
- Internet of Things (IoT)/Connected

Dreams

Create ► Transcend Augment

To realize through creativity

- To enable people to transcend the various constraints of time and place
- To augment people's possibilities

OUTPUT

To realize the mobility Honda dreams of with the creativity as the key

Automobile

➡p. 24
Please refer to Automobile Business Strategy

Motorcycle

➡p. 34
Please refer to Motorcycle Business Strategy

PP

➡p. 38
Please refer to Power Products Business Strategy

New Business Areas

Aviation

OUTCOME

- Acquisition of core technologies in focus areas
- Establishment of a brand that inspires empathy and resonance
- Expansion of human resources that is capable of creating new value
- Carbon Neutrality by 2050
- Zero Traffic Collision Fatalities by 2050

Honda's Vision

We create the joy and freedom of mobility and become the power that supports individuals who start moving toward their dreams

Recognition of the External Environment

Acceleration and Intensification of Environmental Change

Driven by the power of each individual's dreams

HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

Business Strategy

Toward Business Transformation Centered on Electrification

Electrification Approach in Small Mobility

Achieving carbon neutrality by 2050 involves various approaches beyond battery electrification. For instance, in large mobility such as aircraft and ships, sustainable aviation fuels (SAF) and e-fuels are considered promising due to their ability to address range limitations. It is essential to adapt to diverse solutions based on the characteristics of different types of mobility. Honda is advancing fundamental research and exploring business opportunities through multifaceted approaches, including fuel cells, SAF, and direct air capture (DAC), to contribute to the achievement of carbon neutrality.

On the other hand, for small mobility sectors such as motorcycles and automobiles, which are at the core of Honda’s business, we believe that battery electric vehicles (EVs) will be the most effective long-term solution. While the environment surrounding electrification is rapidly changing, and there are indications of a slowdown in EV adoption, particularly in regions like North America and Europe, where it is said that “EV adoption has reached a plateau,” we are confident that the shift towards EVs will continue steadily from a long-term perspective.

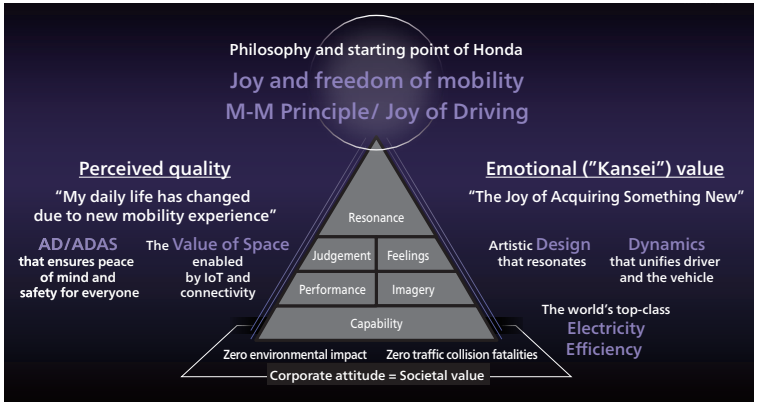
In what can be described as the “EV transition phase,” we consider it natural that the pace of EV adoption will fluctuate. While it is crucial to establish a system that can flexibly respond to changes in the market environment, it is equally important not to become overly focused on these short-term fluctuations. Instead, we must firmly prepare for the period of widespread EV adoption expected in the late 2020s and beyond. This involves steadily building a strong EV brand and a robust business structure with a medium- to long-term perspective. Rather than merely reacting to market changes, we are committed to addressing societal challenges earnestly and boldly pursuing the creation of new value. Our goal is to pave the way for a future where everyone can experience the “joy and freedom of mobility.”

Electrification and Intelligence Strategy in Automobile Business

The Essence of Car Manufacturing and the Value We Want to Offer with Next-Generation EVs

Honda has long cherished the principles of “M/M Principle*” and the “Joy of Driving” in its approach to car manufacturing. With next-generation EVs, we aim to elevate these principles to new heights while also adding new value derived from electrification and intelligent technologies. Our goal is to offer a new mobility experience by delivering EVs that uniquely embody Honda’s commitment to seamlessly integrating hardware and software at an advanced level, thus bringing the “joy and freedom of mobility” to life.

* M/M Principle: The “Man-Maximum, Machine-Minimum” concept, which means “maximizing space for people while minimizing space for mechanisms”



Electrification Shift in Anticipation of EV Adoption Era

During the current EV transition phase, we are actively leveraging alliances to gain new insights while strategically introducing EVs tailored to regional characteristics. This approach ensures a solid foundation for the future shift to EVs. As we look towards the full-scale EV adoption era in the late 2020s, we plan to launch our new global EV, the “Honda 0 Series”, starting in 2026, with North America as the initial market, followed by a global rollout.

By Fiscal Year Ending March 31, 2031, we aim to achieve a global sales ratio of over 30% for EVs and Fuel Cell Electric Vehicles (FCEVs). To realize this goal, we will enhance added value through Honda’s unique technological approach, which ensures high product competitiveness, and by evolving the value we provide across the entire value chain. On the cost side, we plan to reduce battery costs—currently accounting for about 40% of EV costs—by 20% through the establishment of a comprehensive EV value chain centered around core components like batteries. Additionally, we aim to reduce production costs at our vehicle assembly plants by 35%, thereby building a competitive business foundation.

By accelerating the independence of our EV business through attractive products and a lean business structure, we aim to achieve an Return on Sales (ROS) of over 5% for the EV business alone by Fiscal Year Ending March 31, 2031.

EV Product Lineup Strategy

(1) Early 2020s (Transition Period): Flexibly Introduce EVs Tailored to Regional Characteristics

As mentioned earlier, during the early 2020s, a transitional period for EVs, we will introduce appealing EVs that reflect Honda's unique strengths, tailored to regional characteristics. This approach will allow us to steadily prepare for the widespread adoption of EVs in the future.

Specifically, in North America, we will launch the "Prologue," a model co-developed with GM, starting in 2024. In China, where EV adoption is progressing rapidly, we introduced the "烨 (Ye)" series as the next EV lineup following the e:N series. In this fast-evolving market, we will continue to pursue innovation and accelerate the expansion of our EV lineup. In the small EV segment, we will launch the small commercial EV "N-VAN e:" in Japan this fall, followed by a small passenger EV in 2025 and a compact EV emphasizing driving enjoyment in 2026. These models will be introduced sequentially in regions where there is demand for compact EVs.

(2) Late 2020s (Widespread Adoption Phase): Global Rollout of the Honda 0 Series

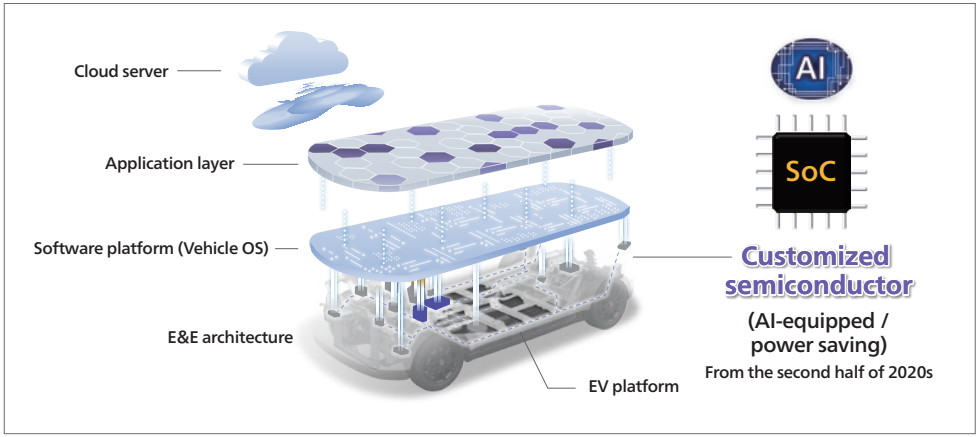
As we approach the full-scale EV adoption phase in the late 2020s, we will globally launch the all-new EV "Honda 0 Series" starting in 2026. This series will be created with a new development approach, "Thin, Light, and Wise." We plan to introduce various models, including the flagship "SALOON," which was unveiled at CES 2024, held in Las Vegas, Nevada, USA in January 2024.

Achieving a New Mobility Experience through Intelligence

From the "Wise" perspective, one of the key development approaches of the "Honda 0 Series," we will equip the vehicles with Honda's proprietary vehicle OS. Coupled with advancements in connected technology, this will deliver a highly optimized digital user experience tailored to each customer. We are independently developing the foundational electrical and electronic (E&E)* architecture, the software platform on top of it, and the applications that run on the system. Furthermore, we will enhance the product value by customizing the onboard system on chip (SoC) semiconductors with AI integration and low power consumption. This unique approach will enable us to offer a new mobility experience through the automation and intelligence of mobility.

* E&E (Electrical and Electronic): design and structure of systems that connect devices such as ECUs and sensors installed in vehicles

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



In the models to be introduced in the late 2020s, we aim to achieve a level of evolution where the car embodies intelligence by using a "central architecture" that consolidates all the brain functions in a core ECU. This approach will enable seamless integration of the vehicle's entire functionality, allowing us to respond to each customer's preferences and needs with high precision and provide new and unprecedented experiences.

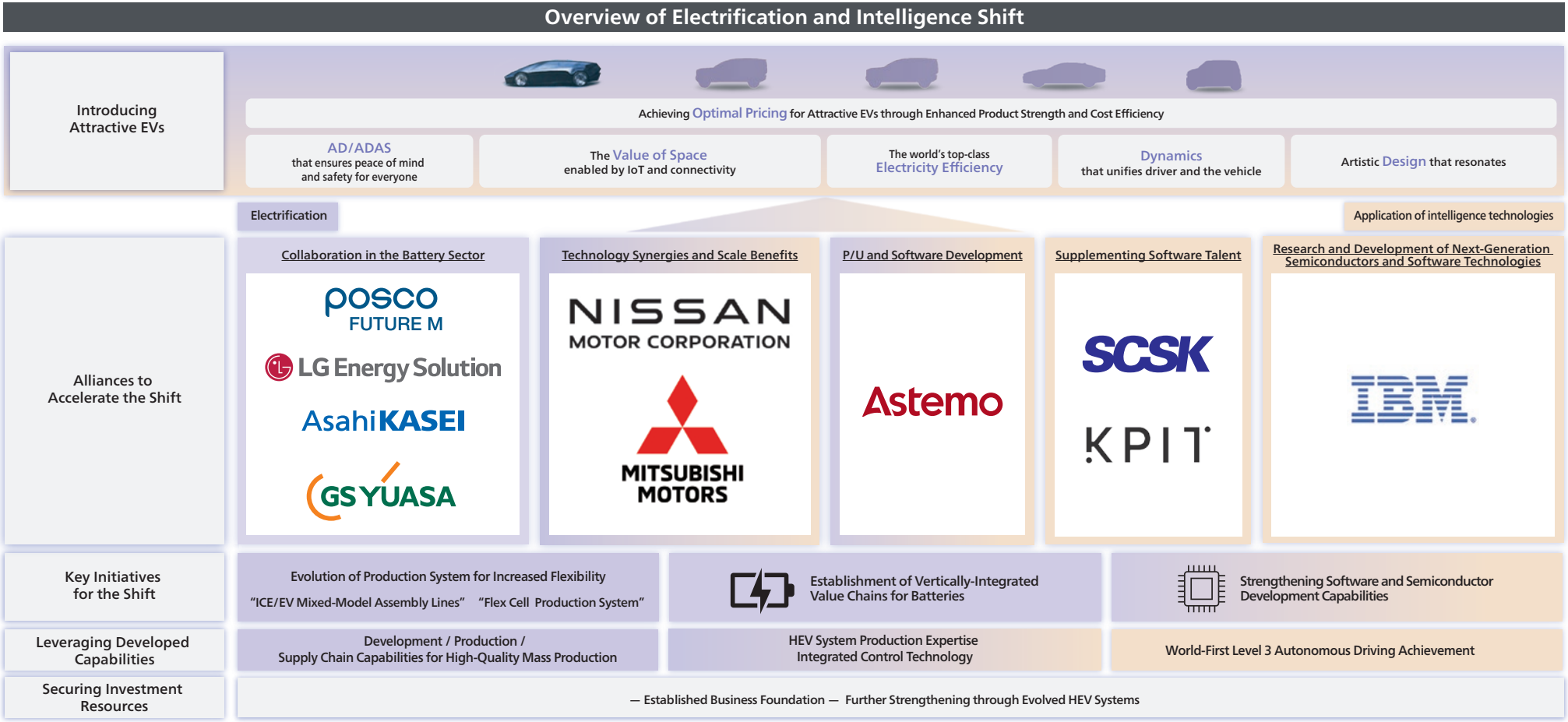
To realize these goals, we need advanced software development capabilities based on the concept of "software-defined mobility," where software defines the value of hardware and services. Additionally, accelerating intelligence through AI technology requires advanced semiconductor design capabilities that balance high processing power with excellent energy efficiency. Therefore, Honda is actively pursuing not only the utilization and reskilling of internal human resources but also the expansion of partnerships to complement our capabilities. We are building a partnership with SCSK for software development and have signed a memorandum of understanding (MoU) with IBM for long-term joint research and development of next-generation semiconductor and software technologies. Through these comprehensive efforts, we aim to provide new and exciting experiences to our customers through the advancement of intelligent mobility.

Building a Flexible Response System to External Environmental Changes

During the transition period from ICE/HEV (Internal Combustion Engine/Hybrid) to EV, we will secure resources for electrification through further evolution of HEV models and build a production system capable of flexible responses to accelerating or decelerating EV demand and other environmental changes. For HEV models, significant cost reduction and weight reduction will be achieved through the proprietary 2-motor HEV system "e:HEV" and updates to the vehicle platform. By continuing to deliver these globally, we aim to strengthen the overall ICE business, including HEV, and steadily secure revenue.

Meanwhile, in terms of production technology, we will prepare for demand fluctuations by balancing existing ICE/EV mixed assembly lines with dedicated EV factories. Additionally, we will introduce a unique "Flex Cell Production System" combining modularization of battery components and cell production methods, allowing for flexible adjustments of production models and volumes in response to changes in EV demand and surrounding conditions.

Overview of Electrification and Intelligence Shift

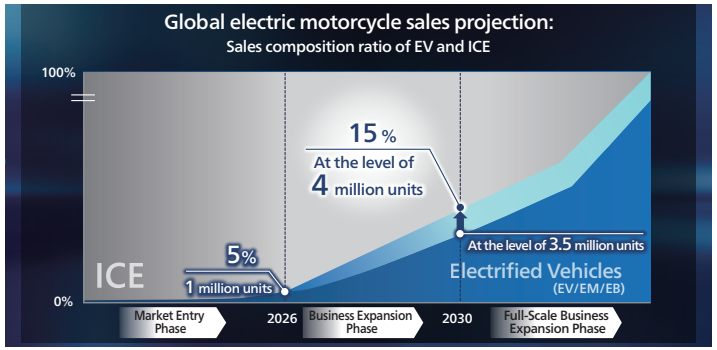


Electrification Strategy in the Motorcycle and Power Products Business

Motorcycle Business

In the motorcycle business, we aim to achieve carbon neutrality across all products by the 2040s. To reach this target, we are positioning 2024 as the starting year for the global expansion of electric motorcycles. We will intensify our entry into the electric motorcycle market, focusing on India and ASEAN countries, and work to expand our product lineup globally. In addition, in the world's largest motorcycle market, India, we have established a new research and development center in Bengaluru, known as the "Silicon Valley of India," in 2024. We are committed to creating attractive electric products to accelerate electrification and leveraging our strategic location to collaborate with innovative companies, aiming to create new services and businesses.

For global electric motorcycle sales in 2030, we have set a target of 4 million units. To achieve this sales volume, we plan to introduce approximately 30 global electric models to the market. At the same time, to reduce the cost of finished vehicles, we will optimize specifications, procurement, and production, as well as the modularization of parts. Our goal is to cut costs by around 50% compared to current levels by 2030. We will invest approximately 500 billion yen in the electric business by Fiscal Year Ending March 31, 2031, aiming for a ROS of 5% for the electric motorcycle business alone, and over 10% in the 2030s.



Power Products Business

The power products business aims to address social issues such as labor shortages by providing unique value from Honda, including automation technologies for machinery in addition to electrification. Our goal is to contribute to improving both the "quality of work" and the "quality of life" for people.

We will position the power unit and garden sectors as the main domains for electrification and strengthen our efforts to enhance product capabilities, leading the industry in electrification. Additionally, by leveraging Honda's strength in diverse mobility and sharing core components necessary for electrification with our motorcycle business, we will reduce costs and enhance development and cost competitiveness through inter-business synergies.

Jennifer Thomas

Senior Vice President
Corporate Affairs
American Honda Motor Co., Inc.
Joined American Honda Motor Co., Inc. after working in automotive policy in the United States for over 20 years. She oversees government and industry relations, corporate and product communications in North America, CSR, and I&D. Also serving as an Operating Executive at Honda Motor Co., Ltd from April 2024.
Favorite motto
"Change is inevitable. Growth is optional."
Honda-ism which she has empathy
"Success is 99% failure."

Bringing Honda's Value and Power to Change Society to People around the World

Five years ago, I started my career at American Honda Motor Co., Inc. as Vice President of Government and Industry Relations. Currently, I serve as Senior Vice President of Corporate Affairs, handling public relations, brand communications, and government relations.

What surprised me the most when I joined Honda was Honda's significant presence in the United States. Honda's localization strategy generated employment and tax revenue, greatly benefiting the U.S. and regional economies, which built trust and brand strength beyond my expectations. My current mission is to carry forward the trust and brand that Honda has built over the years and to gain understanding of Honda's vision and strategy from all stakeholders, including the U.S. government, to further strengthen the Honda brand.

Honda aims to achieve carbon neutrality by 2050, with electrification as a key pillar. However, in the United States, there are mixed opinions about electrification and its potential impact on auto jobs. This is especially true when there is a lack of information about electrification. Therefore, we are actively and timely sharing information about our electrification strategy and efforts to reskill our existing workforce with government officials and associates to promote understanding. We still have work to do, but through sincere dialogue, I feel that the momentum to overcome this challenge as one team is growing.

Another example of Honda's leadership that left a strong personal impression on me was during the COVID-19 pandemic. Honda faced the unprecedented situation of halting its production lines. Despite this, Honda wanted to utilize its resources and technology to somehow help people, and we began considering the production of ventilators. With the cooperation of the U.S. government, we found a small medical equipment supplier that manufactured parts for ventilators but could not meet the unprecedented demand. Within just a few weeks, we partnered with this supplier and began manufacturing these vital components at one of our facilities in Ohio. I am still proud of the leadership and contribution to society we demonstrated during such a critical time.

The common thread in these two examples is Honda's unwavering commitment to "doing the right thing for the environment and our customers." Moving forward, I hope to play a role in the period of the "second founding" of Honda and help build Honda's future.

Functional Strategy

The Evolution of "Human Capital Management" and "Digital" to Accelerate Transformation

In this phase of business transformation, which can be described as the "period of the 'second founding' of Honda." we believe it is essential to further evolve our initiatives in "human resources," which form the backbone of the Company, and "digital" areas, which support business operations. By doing so, we aim to build a strong and flexible business foundation and accelerate the transformation process.

To advance our core business transformations in "electrification" and "intelligence," we will globally visualize and secure the human capital required. We will focus on rapidly fulfilling the need for talent in key areas such as software, batteries, and digital technologies. Additionally, based on the direction indicated by our Global Brand Slogan, we will create an environment where each individual working at Honda can fully leverage their abilities toward realizing their "dreams."

In the rapidly evolving digital domain, we will steadily advance the development of advanced digital platforms to support our extensive business operations as a comprehensive mobility company. By leveraging exceptional digital technologies across various products and services, we aim to create new value that delivers a range of surprises and excitement.

Human Capital Strategy Supporting Evolution as a "Comprehensive Mobility Company"

As the transformation driven by "electrification" and "intelligence" accelerates, it is essential for Honda's people and organization to evolve in alignment with this business transformation. It is crucial to develop a talent portfolio that aligns with Honda's future vision and the corresponding management and business strategies. We will also strengthen our efforts to ensure we have the right talent in place at the optimal time.

From this perspective, Honda has identified two major directions for human capital management that need to be addressed in both the short to medium term and the medium to long term. The first is the "ensuring both quantity and quality of human resource in focus areas," and the second is the "activating associates' intrinsic motivations and fostering the collaboration of diverse individuals" We will define the desired state for each materiality, set quantitative goals linked to these objectives as management indicators, and implement effective measures swiftly through regular monitoring by the management team.

In Honda's human capital management, we aim to further enhance corporate value by implementing multifaceted initiatives from various perspectives (➡ p.72 The Evolution of Human Capital Management). Based on our shared values of the Honda Philosophy, we will continue to challenge ourselves to be a company where passionate individuals come together, and diverse people can shine, driven by their "dreams."

Ensuring Both Quantity and Quality of Human Resource in Focus Areas

Global Management of Human Capital to Establish Competitive Advantage

To enhance competitiveness in new focus areas such as software, batteries, and digital technologies, it is essential to gather diverse expertise from both existing and new domains globally and integrate it at a high level to drive new value creation. To adapt flexibly to future changes in the business environment, we will work on visualizing human capital from both "quantity" and "quality" perspectives across the global organization and building a foundation to align business and talent portfolios.

In focus areas, we will invest unprecedented levels of resources and expand specialized training programs, including collaboration with academia and government, to develop highly skilled professionals. We will also continue to focus on nurturing and securing talent that can thrive globally.

Activating Associates' Intrinsic Motivations and Fostering the collaboration of Diverse Individuals

Strengthening and Reforming an Organizational Culture to Drive Transformation

To accelerate various initiatives for business transformation, it is essential to create an environment where every associate at Honda can fully realize their potential. We are refining all elements that make up our corporate culture to ensure that each individual finds meaning in their work, is passionate about it, has clear personal goals and dreams, and is fully committed to achieving them. Additionally, we are assessing whether the support provided for these challenges is adequate.

Honda has embraced ambitious goals with each individual's "power of dreams" and "speed," achieving even greater dreams through the interaction of diverse knowledge and aspirations. We are committed to creating a corporate culture that embodies "The Power of Dreams," where every associate can fully realize their potential, and we are dedicated to this effort with all our strength.

Evolution of Digital Platforms Supporting Business Operations

Recognizing Challenges in the Digital Domain

In advancing the electrification and intelligence of products and services, it is essential to evolve operations across all areas of product development, production, and sales, and to create new value. We recognize that it is urgent to renew core IT systems that support business operations and to establish a digital platform that maximizes the value of data.

We have set forth our DX vision as "Enhancing business transformation speed and operational efficiency through the reform of business processes using digital technology to establish a competitive advantage," and we are advancing various initiatives to achieve this.

Overall Strategy for Developing Digital Platforms

In the business model centered around electric products, we define the values we aim to achieve as "customer value," "product value," and "societal value." By maximizing and optimizing the use of business systems and data, we strive to create sustainable business value.

To achieve these three values, Honda's direction for evolving digital systems is as follows:

Customer Value

Digital services have become widespread in society and are transforming the purchasing experience across many industries. In the mobility sector, this experience is also evolving. To provide new value that meets various customer needs, we will refresh and introduce new systems that span the entire customer journey with digital services.

By extensively and seamlessly connecting the digital technologies that create in-vehicle experiences with those that enhance out-of-vehicle experiences through applications and digital infrastructure, we can more effectively utilize data and provide services tailored to each customer's usage scenarios. Additionally, we will expand the foundation for updating vehicle software based on usage data, starting with a launch in North America in 2025, to continuously improve the functionality and quality of our services.

Product Value

The design, development, mass production, and sales processes for traditional gasoline engine vehicles and HEVs (Hybrid) differ significantly from those for EVs, which have distinct concepts and business models. Therefore, a comprehensive overhaul of the business systems across these areas, including addressing obsolescence, is necessary. By optimizing and connecting the processes in each area of EV business operations, we aim to enhance our competitive edge and strengthen our internal capabilities.

The core systems for EV business operations will not only support manufacturing operations but will also aggregate and visualize cross-functional operational data in real-time. This will enable timely, data-driven management decisions and planning, and will be developed as a new, globally unified digital platform.

This digital platform is based on the concept of "Fit to Standard," aiming to achieve consistent and highly efficient business operations by connecting business processes, IT systems, and data end-to-end. We are progressively updating the core systems in line with the EV lineup plan.

Social Value

We will update and implement new corporate environmental systems to address the European Battery Regulation and other initiatives, focusing on the collection and analysis of environmental impact data from products and corporate activities, and effectively utilizing this data across various businesses, regions, and functions.

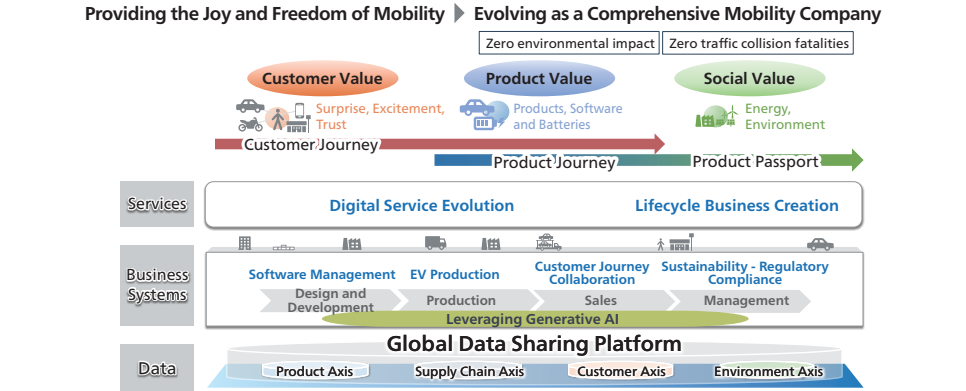
Especially for environmental data related to mobility company, which must be collected and utilized in collaboration with various stakeholders across regions and countries, we will build an organization-wide system. This includes improving and updating internal systems, establishing company-wide aggregation standards, and connecting with industry-standard data platforms, all while aiming to achieve "Triple Action to ZERO."

As a specific example of our initiatives, we are advancing systemization and prototype verification for the collection and repurposing of batteries installed in EVs. Additionally, we are planning to visualize CO_2 emissions across global automobile production, starting with the Yorii Plant, with the aim of expanding this initiative to next-generation and existing factories.

Through these efforts, we are standardizing data from business systems based on business and regional processes and bundling it for various service and business applications. This will support the development of various business models by advancing the construction of a service and data platform.

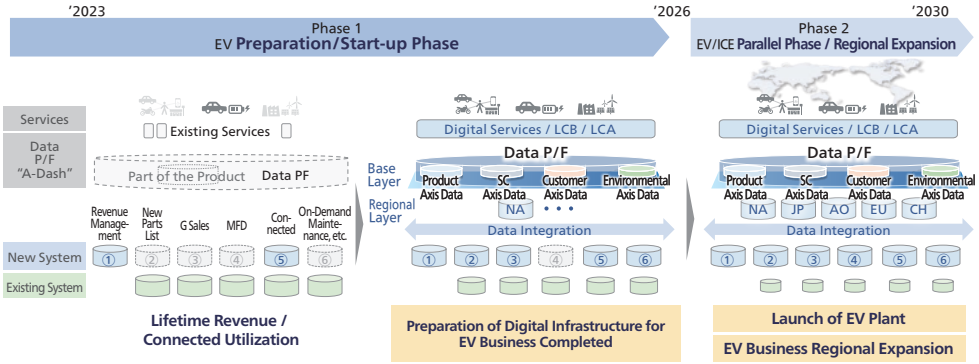
The digital transformation of business operations is essential for Honda's second founding. To advance this, we are forming and promoting a digital infrastructure task force directly connected to management, while appropriately securing the necessary resources for the medium- to long-term.

Digital Infrastructure Overview



Functional Strategy

Digital Infrastructure Utilization Schedule



Establishment of an Environment for Efficient Business Operations Utilizing Digital Tools

In addition to building digital platforms to support business operations, we are also working on establishing environments that enhance efficiency in day-to-day tasks by utilizing digital tools such as generative AI and office software.

Evolution in Practical Areas – Leveraging Generative AI

To enhance operational efficiency and create new value, we actively use generative AI, exemplified by chat-based applications.

Building and Operating Generative AI Platform for the Accumulation and Utilization of In-House Expertise

The documents accumulated within the Company over time contain a wealth of important information, but efficiently utilizing this information has been challenging, especially with the loss of know-how due to personnel changes and retirements. To address this issue, we have built a company-wide generative AI platform aimed at accumulating and utilizing valuable information as know-how. The foundation of this platform was completed in March 2024, and we are progressively accumulating know-how starting from the areas of product design and development.

Utilizing Generative AI Tools for Administrative Tasks

Email, online meeting systems, and various office tools used for document creation and daily tasks have become indispensable in our everyday operations. To utilize these tools more efficiently than ever, we have introduced "Microsoft 365 Copilot" a generative AI tool that leverages AI assistants to boost productivity. This environment has been set up for approximately 20,000 associates. By making the use of generative AI a standard practice in daily operations, we aim to achieve significant operational efficiency and create new value.

Extensive Utilization of Generative AI in Business Activities

We believe that generative AI is a tool that can be utilized not only in daily operations but also more broadly and deeply across all business activities. For example, in the early conceptual stages of innovation, we use image generation AI, and in the phases focused on improving product quality, we collect a wide range of data, including design, production, and user information, from both internal and external sources. We are actively advancing initiatives to integrate generative AI into various aspects of our business activities.

We are advancing the development of our internal digital environment through two major approaches: the evolution of digital platforms that support business operations and the creation of an environment that streamlines work through digital tools. As the digital world continues to evolve daily, we will continue to accelerate these initiatives moving forward.

Developing Talent to Leverage the Strengths of Digital Technology

To keep pace with the rapidly evolving digital technologies, it is essential not only to actively recognize, nurture, and support the expertise of highly skilled experts within the Company but also to ensure that every individual at Honda, including the management team, acquires a certain level of digital skills. We are advancing initiatives to enhance digital literacy among all associates, enabling them to effectively utilize digital tools and both internal and external data.

1. Company-Wide Software Training

In the software domain, which is one of the key areas for business transformation, we have established five learning areas—Business Architect, Data Scientist, Cybersecurity, Software Engineer, and Designer—ensuring that all Honda employees, regardless of business unit or job function, can acquire fundamental knowledge. We have developed an e-Learning program based on these areas and rolled it out across the Company, accompanied by messages from the management team. We selected the mandatory participants from all associates, and approximately 30,000 people took the program.

2. Training Department Leaders for Efficiency in Daily Operations (Top Guns)

Efficiency measures using digital tools and data are no longer the sole responsibility of the IT and digital divisions. It is now essential for all associates to master the use of digital tools and data, and to broadly implement IT and digital strategies. This approach is necessary to drive the evolution of everyday work across the organization.

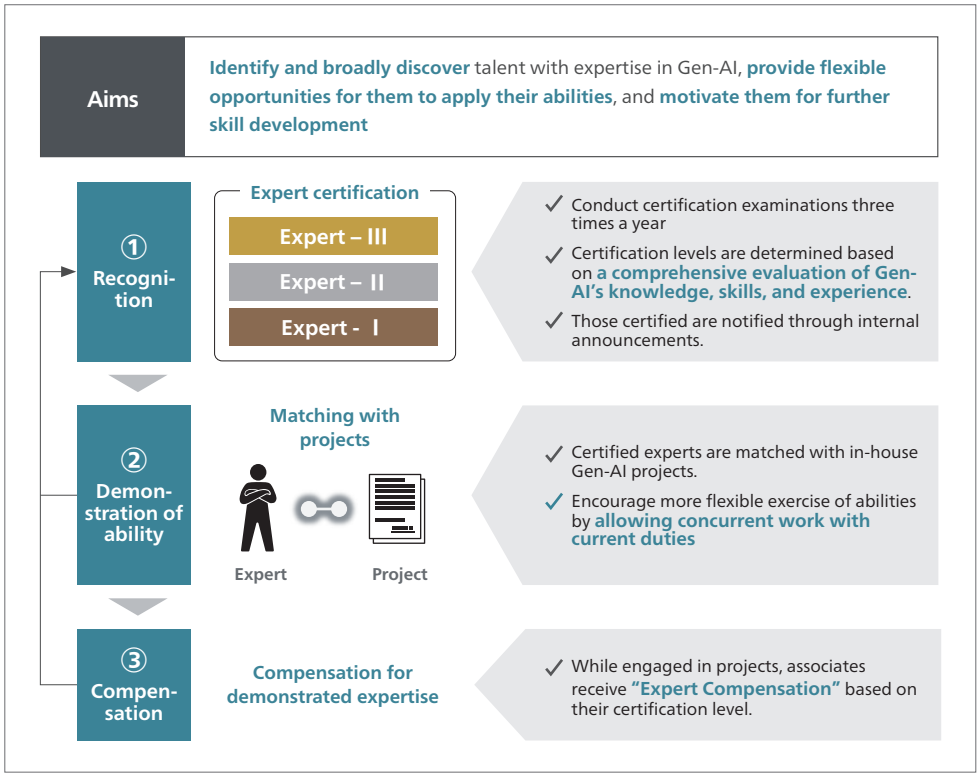
With this mindset, we have selected "Top Guns" in each department to lead efficiency initiatives that leverage IT and digital tools. These individuals receive training to independently implement these strategies. As of now, we have completed the development of Top Guns in approximately 400 departments, primarily in management areas. The execution of efficiency initiatives by these Top Guns in their respective departments has resulted in a reduction of approximately 2.42 million labor hours as of FYE Mar. 31, 2024.

3. Recognizing and Utilizing Experts with Advanced AI Technology (Gen-AI Experts)

Honda has been early to recognize the potential of generative AI, which is attracting global attention, and has been advancing efforts to leverage this technology. By appropriately utilizing generative AI, we believe that we can not only dramatically enhance operational efficiency but also create new value.

Based on this approach, we introduced the "Gen-AI Expert Program" in June 2024 to identify associates with rare and valuable expertise in generative AI and to promote the application of their expertise. This program is designed to enable associates with high levels of specialization, particularly in generative AI, to participate flexibly in cross-organizational projects. This initiative aims to accelerate company-wide efforts to leverage AI.

Aims and Overview of the Gen-AI Expert Program



4. Managing In-House DX Community and Hosting Events Involving All Associates

We are developing an online community centered around associates who promote digital utilization, such as Top Guns and Gen-AI experts, can exchange information and enhance their skills through events and interactions. Notably, the internal community "Borders," which focuses on programming and generative AI, has grown to approximately 2,000 members. This community actively shares the latest digital-related information, engages in discussions, and supports study sessions on the use of AI tools, fostering vibrant knowledge exchange.

Additionally, we hold an annual internal online event called the "Honda DX Expo," which provides opportunities for associates to engage with digital tools and data utilization. The event includes sharing of practical examples, hands-on sessions and study groups for various tools, and lectures by external experts. In its third year in the Fiscal Year Ending March 31, 2025, the expo attracts over 10,000 participants and significantly contributes to fostering a culture that strongly promotes digital transformation across the Company.

From the Dream-Chasing "Borders" Community to Company-Wide Generative AI Activities

Honda is home to many talented associates. Even when I was involved in engine development, I tackled challenging issues alongside my colleagues every day. Since I had a passion for new things, I was fortunate to participate in projects that required collaboration across various departments, such as sales, development, production, and purchasing. I became convinced that "if we integrate individual skills, we can become the best in the world." Driven by this belief, I established the bottom-up learning community "Borders." To attract vibrant members, I deliberately expanded the community through word-of-mouth only. Through this free-flowing network of information, the community has extended the joy of learning throughout Honda.

The advent of generative AI marked a significant turning point for Borders, offering a new field for "learning." The study session we held attracted far more attendees than we had anticipated. Additionally, when the management asked us to plan the use of generative AI within Honda, I was thrilled to see the value of such informal Communities recognized. At the same time, I realized that daring to challenge with a dream can further expand one's world. Currently, I am entrusted with leading a team of AI talent from across the company and working on systems to further recognize and develop experts. I am deeply involved in these efforts while closely collaborating with the members of Borders.

I believe in building a strong Honda through both "vertical" organizational structures and "horizontal" communities, and I will continue to run with all my strength towards this goal.

Founder and Leader, Borders
Digital Unit
Manager,
Advanced AI Strategy Planning Department
Yuki Sano

Financial Strategy

We aim to realize enhanced corporate value by implementing flexible resource allocation based on the cash generation capabilities built through strengthening our business structure.

Director, Managing Executive Officer
Chief Financial Officer
Chief Officer,
Corporate Administration Operations
Eiji Fujimura

Progress in Efforts to Enhance Corporate Value

To enhance corporate value, we recognize the need to utilize both financial and non-financial capital to achieve sustainable cash flow growth and improve capital efficiency. To realize this, it is crucial to focus on: (1) strategic resource allocation aligned with the business transformation phase, (2) strengthening management with an awareness of capital costs and responding to environmental changes, and (3) improving management quality and transparency through proactive dialogue. I will explain the progress of these initiatives in the short-term and the financial strategy for the medium to long-term.

Enhance Corporate Value

Sustainable growth of cash flows and improved capital efficiency through the utilization of financial and non-financial capital

(1) Strategic resource allocation according to the phase of business transformation

Accelerating transformation through goal setting for each phase of business transformation and implementing flexible strategic resource allocation
Resource allocation according to the phase of business transformation

Capital generation	Resource investment	Shareholder returns
• Improvement of cash flows from operating activities (CFO) after R&D adjustment • Strengthened funding/capital management • Tax management	• Transformation of the business portfolio • Investment decisions based on capital costs	• Stable and consistent dividends • Flexible share buybacks

(2) Strengthening management with an awareness of capital costs and responsiveness to environmental changes

• Strengthening management by considering capital costs—investment decisions based on capital costs / reduction of policy-held shares
• Management decisions taking into account the diversification of uncertainties and risks— financial resilience in a period of transformation

(3) Dialogue

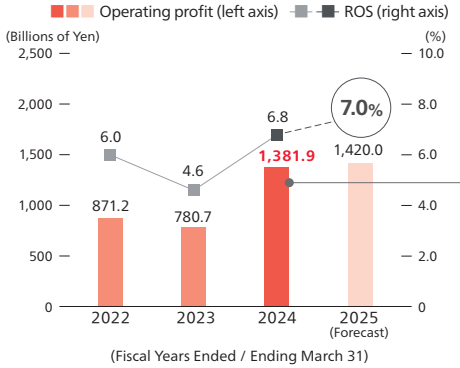
Enhancing quality and transparency of management through active dialogue

Short-Term Progress

For FYE Mar. 31, 2024, we achieved record profits and created 3 trillion yen in Cash Flows from operating activities (CFO) after R&D adjustment

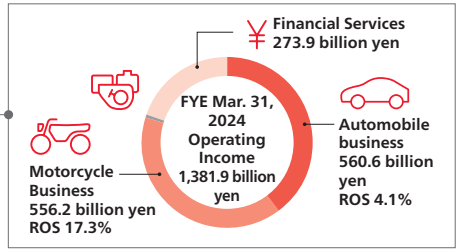
For FYE Mar. 31, 2024, Honda achieved record high profits with operating income of 1,381.9 billion yen and net income of 1,107.1 billion yen. This performance reflects a significant increase, with operating income up 601.2 billion yen and net income up 455.7 billion yen from FYE Mar. 31, 2023. The increase in sales volume, driven by robust demand for hybrid (HEV) models in North America and motorcycles in India and Brazil, contributed to this growth. The cash flows from operating activities (CFO) after R&D adjustment, representing funds for future investments, reached 3 trillion yen, marking an increase of approximately 1 trillion yen from FYE Mar. 31, 2023. This demonstrates that Honda has successfully secured balanced profits across various business operations and established a foundation for future growth.

Performance Trend



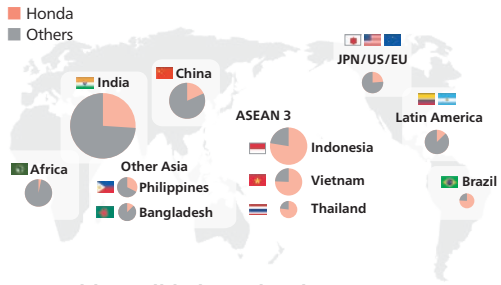
(Fiscal Years Ended / Ending March 31)

Business Portfolio



Motorcycle Business Operations

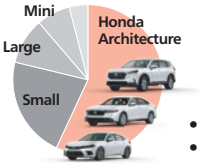
Honda market share (FYE Mar. 31, 2024)



Build a well-balanced cash generation capability on a global basis

Automobile Business Operations

Platform consolidation*



Hybrid system evolution

- Increased power density
- System cost reduction of 25%

Improvement of profitability and product appeal

* Unit volume by platform

Forecast for the Fiscal Year Ending March 31, 2025: Achieving a Company-Wide ROS Target of 7% One Year ahead of Schedule

For the Fiscal Year Ending March 31, 2025, Honda plans to achieve an operating income of 1,420.0 billion yen, aiming to meet the revenue target of 7% ROS one year ahead of schedule. Consequently, investments in capital expenditures and R&D expenses to fund future growth will be significantly increased compared to FYE Mar. 31, 2023 to accelerate transformation efforts. Regarding shareholder returns, Honda will raise the dividend for FYE Mar. 31, 2024 to 68 yen, the same level as FYE Mar. 31, 2023, and has resolved to undertake the largest-ever share repurchase of 300 billion yen. Honda will leverage its unique cash generation capabilities from its diverse businesses and mobility portfolio to execute strategic resource allocation.

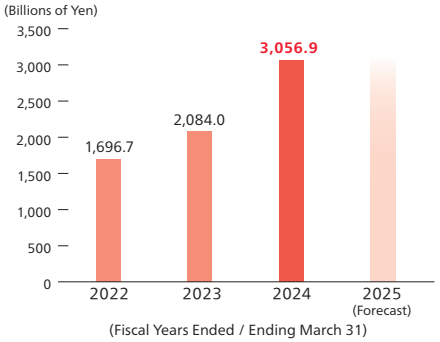
On the other hand, regarding the stock market's evaluation of Honda for FYE Mar. 31, 2024, although the stock price has increased by approximately 60% over the past year, showing a certain level of recovery, it remains below a PBR of 1. Management takes this stock market evaluation seriously. We attribute the factors behind Honda's PBR remaining below 1 to "a decline in capital efficiency due to the accumulation of capital over time," "the profitability of the Automobile business," and "the inability to dispel concerns about the uncertain future of electrification." While demonstrating improvements with results in the short-term, we aim for the early achievement of a PBR above 1 by further strengthening our efforts toward the three key missions explained earlier, both in the medium and long-term.

Topic: Cash Flows from Operating Activities (CFO) after R&D Adjustment

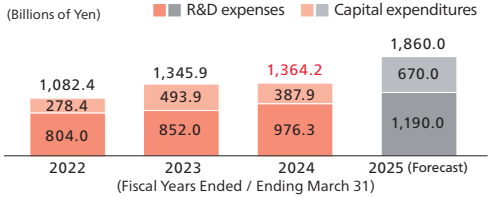
While managing the balance between resource allocation for future growth and shareholder returns, we recognize the importance of generating sustainable cash flow even during periods of business transformation. To this end, we have begun disclosing the "Cash flows from operating activities (CFO) after R&D adjustment," *1 which serves as an indicator of this objective.

*1 Cash flows from operating activities (CFO) after R&D adjustment: CFO excluding R&D expenses (CFO of non-financial services businesses + R&D expenditures – amount transferred to development assets)

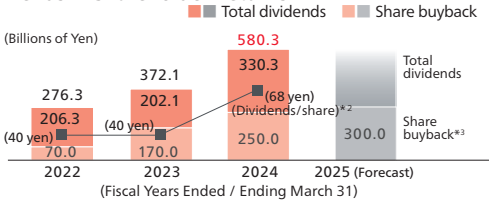
Trends in Cash Flows from Operating Activities (CFO) after R&D Adjustment



Trends in R&D Expenses and Capital Expenditures



Trends in Shareholder Returns



*2 The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2023. Past dividends have been recalculated on a post-split basis.
*3 Based on the announced maximum acquisition amount for each fiscal year.

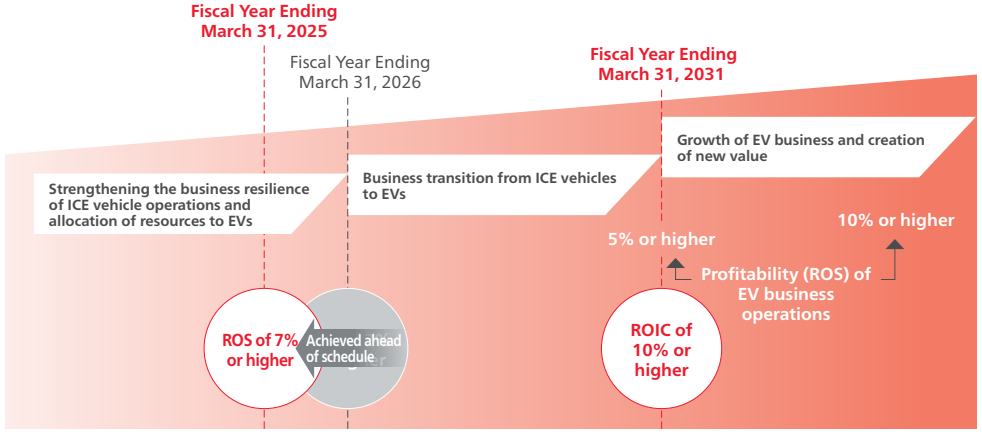
Medium and Long-Term Initiatives

Financial Targets

Honda has segmented its management plan into phases of transformation, setting specific financial targets for each. For the Fiscal Year Ending March 31, 2026, the goal is to strengthen the business structure towards transformation, aiming for an ROS of 7% or higher. By the Fiscal Year Ending March 31, 2031, in anticipation of the business transition from ICE products to EVs, the company has set targets of achieving a company-wide ROIC*1 of 10% or higher and a EV ROS of 5% or higher. The company-wide ROIC specifically consists of the ROIC from business domains related to the manufacturing and sale of motorcycles, automobiles, and power products, as well as the ROE from the financial services business, with a target of 10% or higher for each.

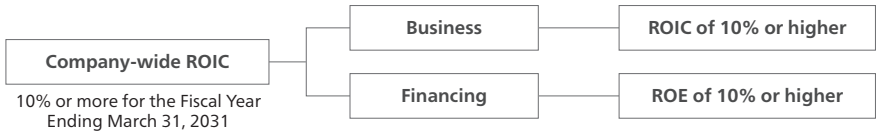
*1 ROIC: (Profit for the year attributable to owners of the parent + Interest expenses [excluding financial businesses]) / Deployed capital*2
*2 Deployed capital: Equity attributable to owners of the parent + Interest-bearing liabilities (excluding those from the financial business sector). Deployed capital is calculated using the average of the beginning and end of the period.

Goals for Each Phase of Business Transformation



Topic | KPI for Financial Services Business: ROE

As its business structure is based on financial assets and funding, financial services operations utilizes Return on Equity (ROE), which takes into account financial leverage, as a measure of capital efficiency.



Capital Allocation for Future Growth

I will explain the capital allocation for future growth (excluding the financial services business) in phases aligned with our business transformation. This will be discussed over two five-year periods: from FYE Mar. 31, 2022 to the Fiscal Year Ending March 31, 2026, and from the Fiscal Year Ending March 31, 2027 to the Fiscal Year Ending March 31, 2031.

Cash Generation

FYE Mar. 31, 2022 to the Fiscal Year Ending March 31, 2026

Over the period up to the Fiscal Year Ending March 31, 2026, we anticipate generating 12 trillion yen in cash flows from operating activities (CFO) after R&D adjustment, as previously mentioned, our annual cash generation capability has improved to a scale of 3 trillion yen. I believe we are generally on track to achieve our cash generation targets by the Fiscal Year Ending March 31, 2026. Going forward, I will continue to focus on capital efficiency and revise our resource allocation plans to drive further improvements.

The Fiscal Year Ending March 31, 2027 to the Fiscal Year Ending March 31, 2031

In the five years from the Fiscal Year Ending March 31, 2027, Honda aims to generate more cash than in the previous five years, driven by continuous earnings from Internal Combustion Engine (ICE) areas and growth in EV. For the ICE area, the expansion of the motorcycle business and further improvement of automobile Hybrid Electric Vehicle (HEV) models will be key drivers. HEV models will see enhancements in competitiveness and profitability through platform updates and further performance improvements of HEV systems. Regarding EVs, Honda will increase cash generation by reducing costs through the establishment of comprehensive value chain centered on core components like batteries, and by lowering production costs through the develoment of highly-efficient production systems at dedicated EV factories.

While strengthening initiatives across these business areas, we will also maintain a flexible approach in response to changes in the business environment. This will enable us to steadily secure the necessary resources for future growth, even during the transition period from ICE to EV.

Investments for Future Growth

To realize our electrification strategy, a key measure to achieving carbon neutrality by 2050, Honda deems it essential to strategically allocate resources at the appropriate timing. Over the ten years leading up to the Fiscal Year Ending March 31, 2031, Honda plans to invest 10 trillion yen in electrification and software areas.

Over the five years up to the Fiscal Year Ending March 31, 2026, Honda plans to invest 3.5 trillion yen out of the total 10 trillion yen. This investment will increase the proportion of R&D expenditures and accelerate preparations for competitive next-generation EVs.

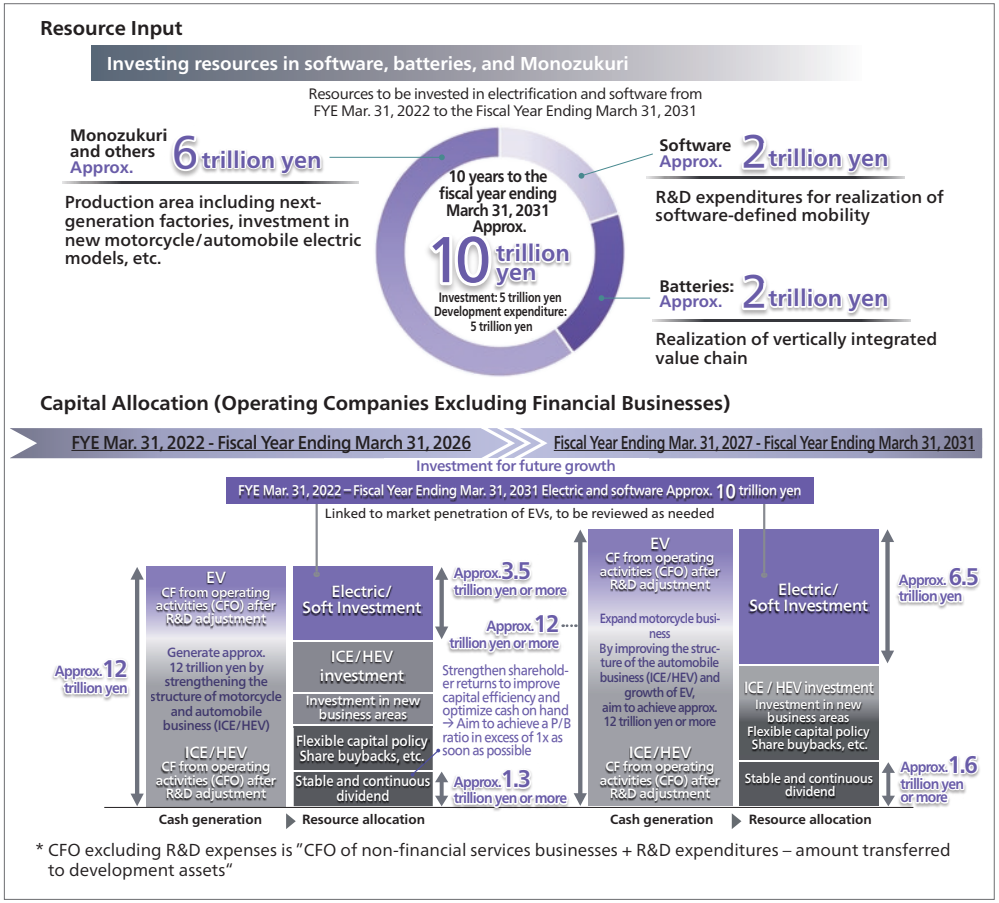
In the five years from the Fiscal Year Ending March 31, 2027 onwards, Honda will expand its investment in electrification and software areas to 6.5 trillion yen. Currently, R&D expenditures are high due to parallel development of ICE and EV, however, these expenditures are expected to gradually decrease as the shift to EV progresses. Meanwhile, Honda will increase investments and funding to build a vertically integrated value chain, including EV-exclusive factories. Decisions on resource allocation will be made by assessing the pace/degree of EV market penetration and by determining appropriate investment timing while maintaining flexibility, as explained earlier.

Shareholder Returns

Returning benefits to shareholders is positioned as one of the most important management priorities.

Honda plans to distribute over 1.3 trillion yen in dividends from FYE Mar. 31, 2022 to the Fiscal Year Ending March 31, 2026 and over 1.6 trillion yen from the Fiscal Year Ending March 31, 2027 to the Fiscal Year Ending March 31, 2031. This demonstrates management's commitment to maintaining at least the current dividend levels while investing in transformation and ensuring stable and continuous returns.

Regarding share repurchases, including the 300.0 billion yen announced on May 10, 2024, Honda has resolved to repurchase a total of 790.0 billion yen in shares since FYE Mar. 31, 2022. Moving forward, share repurchases will be conducted as needed to improve capital efficiency and implement flexible capital policies.



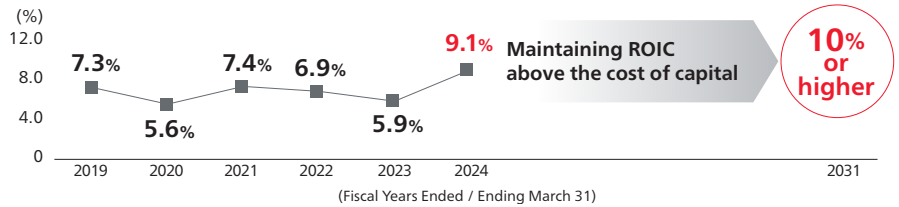
* CFO excluding R&D expenses is "CFO of non-financial services businesses + R&D expenditures – amount transferred to development assets"

Heightening Management Consciousness of Capital Costs and Financial Resilience during Periods of Transformation

To enhance corporate value by flexibly and appropriately responding to environmental changes, we aim to infuse management with a heightened sensitivity of capital costs, maintain multiple options based on timeframes, and manage risks through flexible resource allocation.

For FYE March 31, 2024, the Return on Invested Capital (ROIC) improved to 9.1%, an increase of 3.2% from FYE March 31, 2023, due to efforts in enhancing business constitution and strengthening shareholder returns. During the upcoming transformation period, investments for the future will proceed, but investment decisions will be made based on capital costs using Net Present Value (NPV). As a crucial management goal, we aim to maintain a company-wide ROIC that exceeds the cost of capital.

Company-wide ROIC Trends



Reduction of Policy Shareholdings

Honda is committed to reducing policy-held shares promptly from the perspective of enhancing corporate governance. In July 2024, in a first-of-its-kind move for a Japanese company, Honda executed a plan to simultaneously eliminate all company shares held under such policies by insurers and banks through a public offering, aimed at broadening and diversifying the shareholder base to further enhance discipline in corporate management. Going forward, Honda will continue to lead the way in moving away from the mutual holding of policy-held shares, collaborating with a wide range of investors who can support our business activities in the medium to long-term, to build a strong brand and business foundation, and achieve further enhancement of corporate value.

Financial Resilience during Transformation

During the full-scale transition to EVs, it is necessary to implement large-scale resource investment aimed at transformation. While the long-term perspective remains unchanged with the steady progression of the EV shift—having already announced investments for building a vertically integrated EV value chain in Canada—the business environment continues to be highly uncertain due to economic trends, changes in environmental regulations, and technological innovations. In order to address the unique challenges Honda will face, we believe it is crucial to minimize financial losses through flexible responses to risks.

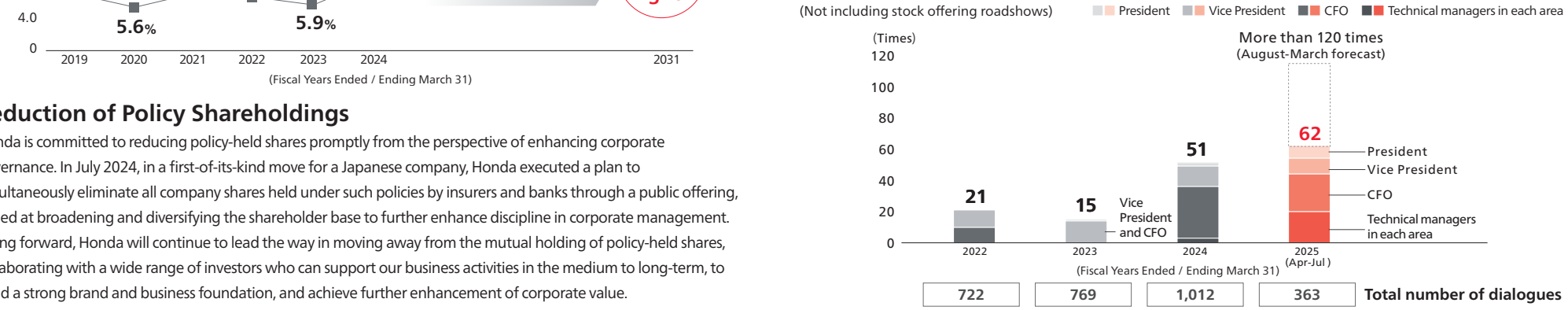
Honda's technological prowess has spawned multiple businesses and various products and built a business constitution capable of making flexible and speedy choices even under uncertain business conditions. By accurately assessing changes in the business environment, such as in scenarios where EV demand slows, Honda will enhance cash generation through HEV models, control investment timing in the electrification sector and leverage scale benefits through alliances. By maintaining multiple options and implementing flexible resource allocation, Honda aims to effectively manage risks.

Proactive Dialogue with Stakeholders

To ensure that our management direction is correctly understood and appreciated by stakeholders, including shareholders and investors, our management team will proactively pursue and engage in increased dialogue through events and individual interviews.

During FYE March 31, 2024, we conducted seven IR tours across Japan, U.S., Europe, and Asia, holding over 1,000 individual meetings. In addition to increased participation from our President, Vice President, and CFO, from FYE March 31, 2024, our technical managers team also joined the dialogues to more clearly communicate what differentiates Honda in the electrification era. Through these dialogues, our management and technical leaders directly conveyed our growth strategy. Coupled with an enhanced understanding of what the capital markets expect from Honda, we aim to leverage this insight in our management and business strategies. By doing so, we strive to achieve a PBR of more than 1 at an early stage and continuously enhance our corporate value, ensuring that Honda remains a company that stakeholders continue to value and expect great things from.

Track Record of Dialogue with Securities Analysts and Institutional Investors (President, Vice President, CFO, and Technical Managers in Each Area)



(Other events)

Dialogues	FYE Mar. 31, 2022 (Apr-Mar)	FYE Mar. 31, 2023 (Apr-Mar)	FYE Mar. 31, 2024 (Apr-Mar)	Fiscal Year Ending March 31, 2025 (Apr-Jul)
Financial results briefing for securities analysts and institutional investors	4	4	4	1
IR tours (Japan, U.S., Europe, Asia)	(Online)	2	7	3
Conferences hosted by securities firms	7	6	14	6
Regional and office visits	4	5	10	3
Briefings for individual investors (Japanese only)	-	1	4	1
ESG dialogue	25	64	40	30
(Reference) Stock offering roadshow*	-	-	-	101

* IR dialogue with domestic and foreign institutional investors related to stock offering

Priority Issues and Materiality

Toward the Realization of Our "Desired State" and "Providing Value"

Identifying Priority Issues and Materiality / Setting Company-Wide Indicators and Goals Associated with Them

To sustainably provide the "joy and freedom of mobility" that we aspire to, it is essential to clearly define the issues and goals that the entire Company should focus on. Each person working at Honda must use these as a guiding principle to move forward in the same direction with full effort. From this perspective, we will organize the "Priority Issues" and "materiality" that we will particularly focus on in the future, based on our clearly defined "desired state" and "value proposition" through the redefinition of our Global Brand Slogan, as well as the rapid changes in the environment surrounding Honda. This will enhance the effectiveness and speed of our initiatives.

The "Priority Issues" are selected by comprehensively extracting social issues from the perspective of sustainability and prioritizing them against Honda's direction. Specifically, in addition to "environment" and "safety," which have traditionally been important themes in management, we will select five non-financial areas: "people" and "technology," which are the driving forces behind Honda's growth, and "brand," which can be considered the sum of all corporate activities. By linking these with our financial strategy, we aim to create social and economic value. Furthermore, by defining the materiality we should address in each issues, we clarify the areas to focus on toward our "desired state."

To achieve these materialities, we need to establish strategies and allocate resources from a medium-to-long-term perspective, without being overly swayed by the rapidly changing and uncertain environment. From this viewpoint, we will replace the medium-term goals that we have set every three years with achievement targets over five- and ten-year spans, clearly defining the milestones to be achieved in each phase of the Fiscal Year Ending March 31, 2026 and the Fiscal Year Ending March 31, 2031 as KGI and KPI. By regularly monitoring the progress of these management indicators and goals linked to the "priority issues" and "materiality" on an annual basis, we will strengthen our management governance. Additionally, we will regularly review these priority issues and materialities in light of changes in the external environment and business conditions.

Honda will continue to swiftly implement effective measures toward achieving materiality, realizing our "desired state" and"value proposition."

Materiality Identification Process

STEP 1	**Comprehensively extract social issues from the perspective of sustainability** Social issues are comprehensively extracted based on SDG goals, GRI standards, SASB disclosure criteria, and questions from external evaluations such as the Dow Jones Sustainability Indices (DJSI).
STEP 2	**Select the "priority issues" based on Honda's strategic direction** Identify priority areas for addressing the social issues extracted in STEP 1 in line with Honda's direction of "creating joy and freedom of mobility" and determine the "priority issues"
STEP 3	**Set "materiality" and "management indicators and goals" for each priority issue** Define the particularly focused issues for each priority issue as "materiality" and set "indicators and target values" to measure the level of achievement
STEP 4	**Establish initiatives and measures to achieve materiality** Develop concrete measures and initiatives aimed at achieving the target values set for each materiality

Priority Issues and Materiality

	Important Themes	Materiality	Management Indicators (KGI*1)		Target: Fiscal Year Ending March 31, 2026	Target: Fiscal Year Ending March 31, 2031	Approach and Direction of Efforts	
Financial Indicator	Economic Value Enhancement	• Improvement of capital efficiency • Sustainable growth of cash flows	ROIC	Consolidated	-	10% or higher	We have established ROIC target for the Fiscal Year Ending March 31, 2031, complementing the previously disclosed ROS target for the Fiscal Year Ending March 31, 2026. By fortifying our business structure, we intend to boost cash generation capabilities. Our objective is to uphold an optimal equilibrium between strategic resource allocation for transformation and shareholder returns, with the aim of achieving sustainable growth and enhanced capital efficiency.	➡p. 18 Financial Strategy
			ROS		7% or higher	-		
Non-Financial Indicator	Brand Value Enhancement	• Enhancement of consistent brand management	Brand value*2 (Interbrand research)	Consolidated	(Unpublished)		By embodying Honda's brand value through high-quality products and services, and through consistent brand management in all corporate activities, we aim to enhance brand value.	➡p. 92 Brand Value Enhancement | Enhancement of Brand Management
	Realization of Zero Environmental Impact Society	• Challenging climate change issues • Challenging energy-related issues • Efficient utilization of resources • Biodiversity conservation	Reduction rate of CO_2 emissions from corporate activities	Consolidated	-	46%	To continue to be a company that global society wants to exist, we will thoroughly engage in the conservation of the Earth's environment. To achieve a zero environmental impact society, we have established three pillars: "Carbon Neutrality," "Clean Energy," and "Resource Circulation." Through initiatives such as product electrification, we aim to achieve "Carbon Neutrality by 2050" throughout the entire product lifecycle.	➡p. 44 To Realize a Zero Environmental Impact Society | Environmental Strategy
			Total CO_2 emissions from products	Consolidated /Business	(Unpublished)			
			Waste reduction rate	Consolidated (compared to BAU*3)	-	14.5%		
			Water intake reduction rate		-	14.5%		
	Realization of Zero Traffic Collision Society	• Development of technology to capture and complement human intention • Safety education and awareness activities • Building a transportation ecosystem	Traffic fatalities involving automobiles in Japan and the United States	Consolidated	(Unpublished)		With the philosophy of pursuing the safety of all people in a mobility society, we aim to achieve zero traffic collision fatalities involving Honda's motorcycles and automobiles worldwide by 2050 through the evolution of advanced safety technology and expanded safety education.	➡p. 64 To Realize a Zero Traffic Collision Society | Safety Strategy
	Evolution of Human Capital Management	• Activating associates' intrinsic motivations and fostering the collaboration of diverse individuals • Ensuring both quantity and quality of human resource in focus areas	Associate engagement score	Consolidated	50% or higher (Percentage of positive responses)	60% or higher	Under the belief that the integration of diverse individuals who take on challenges driven by their "dreams" leads to the creation of the value Honda aims to provide, we promote various initiatives. Additionally, we strive to ensure that human rights are not violated in any of our corporate activities.	➡p. 72 The Evolution of Human Capital Management | Human Capital Strategy
	Creation of Innovative Technologies	• Establishing competitive advantage in focus areas	Ability to create intellectual property	Consolidated	(Unpublished)		We define five key factors to focus on at present for the evolution of mobility and promote technological development.	➡p. 88 Creation of Innovative Technologies

*1 KGI: Supervisory indicators managed by the Board of Directors. For KPI, which are the executive indicators managed in Executive Council, please refer to each strategy page.
*2 Brand value: The monetary value of a brand as published by Interbrand
*3 BAU: Business As Usual based on production plans

Automobile Business Strategy

Business Overview/ Revenue Highlights

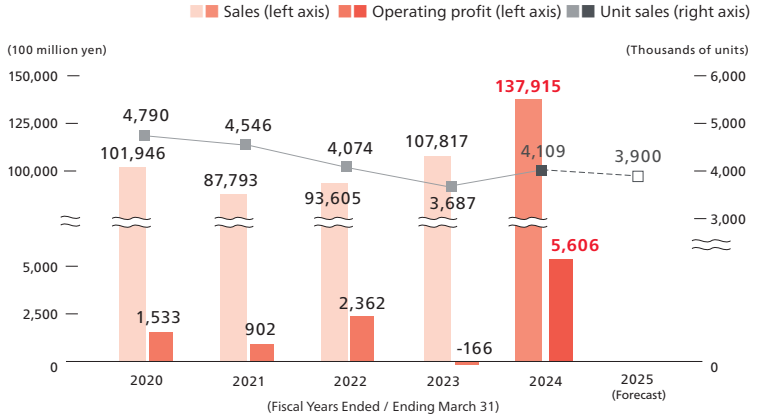
Vision and Challenges for Zero Environmental Impact in the Automobile Business

Honda is aiming to achieve zero environmental impact and has set a goal to have 100% of its global sales consist of Battery Electric Vehicles (EVs) and Fuel Cell Electric Vehicles (FCEVs) by 2040. While there is a perception that EV adoption has temporarily stalled in North America and Europe, Honda considers that, in the medium to long term, small mobility vehicles, including automobiles, will steadily shift to EVs. As a front-runner in electrification, we are committed to advancing our efforts towards electrification without any slack.

On the other hand, emerging EV manufacturers, primarily from China, are expanding globally, intensifying competition. To achieve its electrification goals amidst this turbulent environment, Honda considers it crucial not just to promote electric vehicles but also to address the entire lifecycle. This includes focusing on building a comprehensive value chain centered around core components like batteries, introducing EV models with Honda's distinctive appeal, advancing production technologies, and expanding charging infrastructure.

For the EV shift, Honda plans rapid product launches by 2026 and aims to establish a strong EV brand and business structure by 2030. Strengthening its internal combustion engine (ICE) business is essential to fund future electrification investments. Honda is making thorough preparations with a midium- to long-term perspective, anticipating the widespread adoption of EVs after the late 2020s.

Revenue Highlights (Sales/Operating profit/Units)

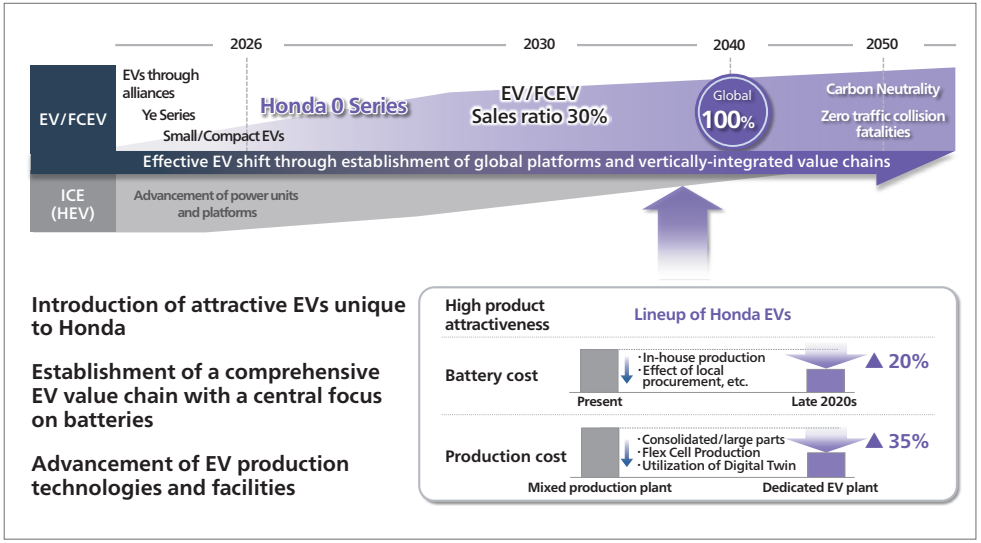


Electrification Roadmap

A Global Strategy for the Future EV Market

Given the current significant regional differences in the progress of electrification, we will actively introduce EVs tailored to regional characteristics and steadily build the foundation for future EV products and production systems by leveraging insights gained through alliances. Looking ahead to the global EV proliferation period starting in the late 2020s, we plan to launch a new global EV series, the "Honda 0 Series," starting in 2026 and roll it out worldwide. By the Fiscal Year Ending March 31, 2031, we aim to achieve a global EV/FCEV sales ratio of 30% or higher. To realize these goals, we will focus on: 1) introducing attractive EVs unique to Honda, 2) building a comprehensive EV value chain centered around batteries, and 3) advancing production technology and factory evolution.

Direction of the Electrification of Honda Automobile Business



Offering Attractive EVs

The Vision for Honda 0 Series

The Honda 0 Series is a completely new EV series created from scratch based on the new EV development approach of "Thin, Light, and Wise." This series aims to further enhance the joys of "driving pleasure" and "joy and freedom of mobility," principles guided by Honda's "M/M principle," which has been fundamental to our approach to vehicle manufacturing. Additionally, the Honda 0 Series will continuously update the customer experience by adopting an optimal architecture designed with the evolution of software in mind.

Development Approach: "Thin, Light, and Wise."

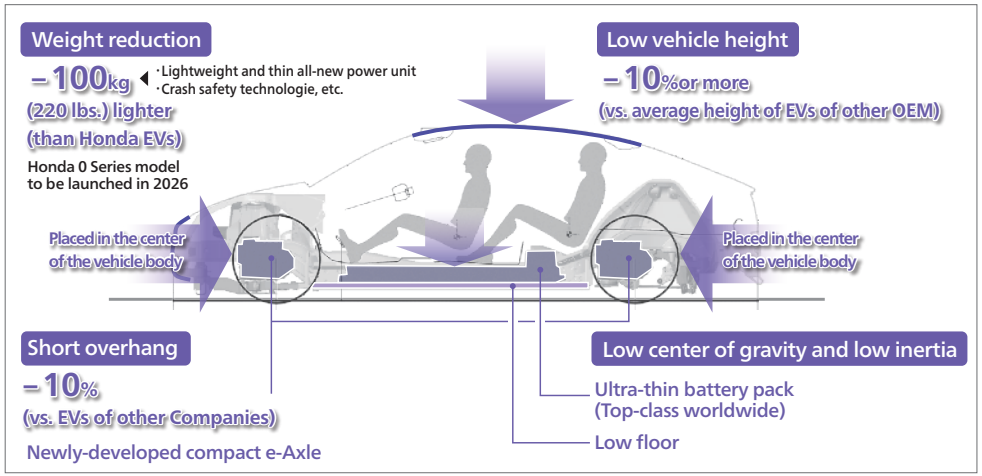
Thin: M/M Space for the EV Era

By integrating a newly adopted medium-to-large EV-specific platform with an evolved power unit, this EV model achieves an unprecedentedly low overall height and a short overhang design, setting it apart from other EVs. The motor room and floor utilize a newly developed compact "e-Axle" and a top-class ultra-thin battery pack to achieve extreme thinness. At the same time, through optimized component layout, reduced component count, and Honda's unique collision control technology, it achieves over a 10% reduction in overall height compared to previous models while maximizing interior space.

* e-Axle: A system which converses energy from power to motion, consisting of a motor, inverter, and gearbox.

Light: Agile Performance

In addition to weight reduction of the body structure, Honda will achieve approximately 100 kg of weight reduction compared to conventional models by adopting a new, lightweight, and slim power unit that leverages the technology developed through its F1 and hybrid system development. Furthermore, by positioning heavy components such as the battery and power unit low and centrally within the vehicle, Honda aims to lower the center of gravity, stabilize vehicle behavior, and achieve agile performance.



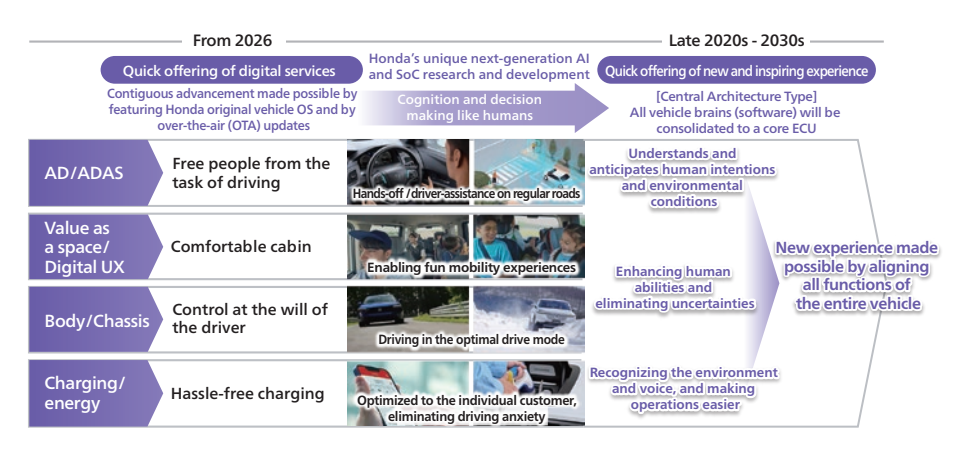
Wise: New Mobility Experience

By integrating our proprietary vehicle OS with advanced connected technologies, we provide a digital UX optimized for each individual customer. We develop the foundational E&E architecture, the vehicle OS layer above it, and all the applications on top of it independently.

The functions based on Honda's unique vehicle OS work together to deliver new and exciting experiences that were previously impossible. The vehicle will understand the driver's intentions and the environment's condition, autonomously anticipating and suggesting actions, thus providing a uniquely Honda experience. Additionally, by complementing the driver's abilities, we eliminate driving anxiety and make operation easier by recognizing environmental factors and voice commands.

Honda, based on its development approach called Wise, aims to enhance vehicle autonomy and intelligence to protect and support occupants while providing safety and peace of mind.

By tailoring to each customer's preferences and needs with advanced intelligence, we aim to provide a new and exhilarating experience.



To achieve this, we will consolidate the roles traditionally managed by numerous Electronic Control Units (ECUs) into a core ECU, adopting a central architecture where the entire vehicle operates as a single brain. This core ECU will incorporate System on Chip (SoC) semiconductors equipped with essential AI for automation and intelligence evolution, while also being customized by Honda to optimize power consumption. This approach will enable mobility that perceives and judges like a human.

Value Proposition of the Honda 0 Series

The Honda 0 Series, developed under the "Thin, Light, and Wise." approach, offers five core values:

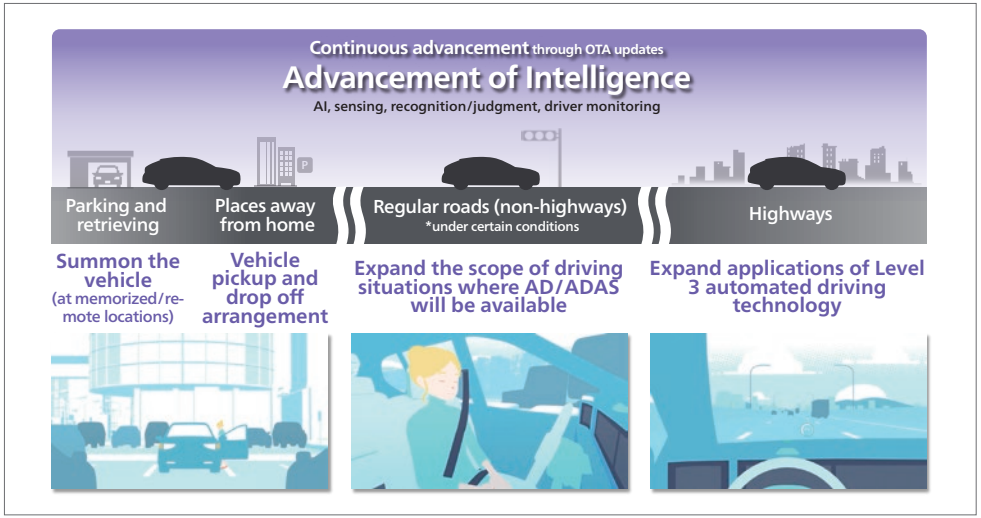
1. Safety and Confidence through AD/ADAS

In 2021, we launched the Honda SENSING Elite-equipped LEGEND (for the Japanese market), which features advanced technology compliant with Level 3 automated driving: conditional automated driving in limited areas, marking the practical implementation of Level 3 automated driving. To deliver this technology to customers worldwide, the Honda 0 Series will be equipped with the latest ADAS technology. Furthermore, by the late 2020s, it is expected to feature even more advanced next-generation autonomous driving technology.

This autonomous driving technology is based on Honda's safety philosophy of "human-centered," further advancing intelligent technologies such as AI, sensing, recognition, judgment, and driver monitoring. This will offer a seamless mobility experience from the moment you get in the car to the moment you get out, providing a safe and secure autonomous driving space with AD/ADAS that closely aligns with human sensibilities.

We will also expand the areas where the hands-off feature can be used. Currently, it is available only on highways, but we are developing it to be safely used on regular roads as well. These features will be continuously updated via Over-The-Air (OTA) updates, which will enhance and evolve them into even more appealing products with Honda's unique touch.

Realizing AD/ADAS that is closely aligned with human sensibilities from the moment of getting on the vehicle until getting out



Automobile Business Strategy

2. New Spatial Value Brought by IoT and Connected Technology

Honda provides value through connected technology with the aim of making driving enjoyable, usage fun, and connectivity engaging. By leveraging AI and big data, the car learns the user's preferences and driving habits, offering personalized suggestions. As the car and user become more familiar over time, the vehicle evolves to support personal growth, satisfy curiosity, and transform everyday life with "connected fun." The goal is to achieve a seamless user experience with zero stress, where users can immediately do what they want through an intuitive UX and UI.

UI/UX Evolution

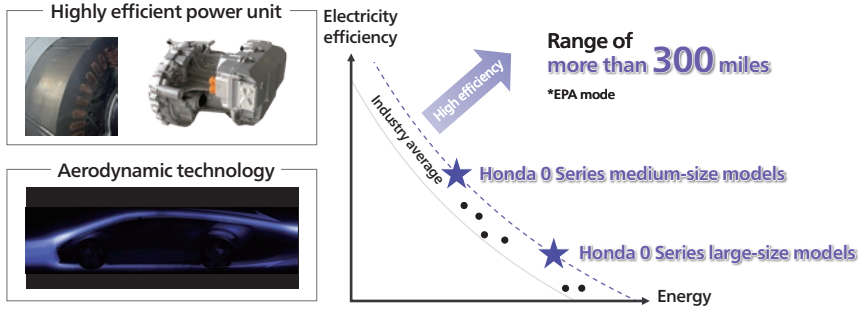
In addition to adopting digital cockpits, we aim for a "zero-stress, maximum fun UX" where you can seamlessly do what you want immediately, with the help of facial recognition and interactive AI.

3. High Energy Efficiency

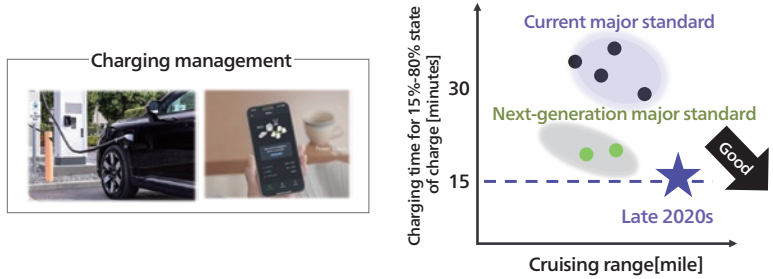
Honda has provided electric vehicles (include HEV) to over 5 million customers worldwide. Building on this extensive experience and technology, the new Honda 0 Series will achieve even higher energy efficiency. We will use high-efficiency e-Axles and high-density battery packs. Additionally, improvements in aerodynamics will reduce battery volume while achieving a sufficient range of over 300 miles for each model.

To address concerns about charging times and battery degradation for EVs, the Honda 0 Series models, to be released in the late 2020s, will aim to reduce rapid charging times from 15% to 80% to around 15 minutes. At the same time, we will implement battery system control technologies to minimize degradation, targeting a degradation rate of 10% or less after 10 years of normal use.

Realizing the world's top class electricity performance with the "high-efficiency power units" and "aerodynamic technology" honed in motorsports



In the Honda 0 Series, set to be introduced in the late 2020s, we aim for rapid charging times of 15 minutes or less.

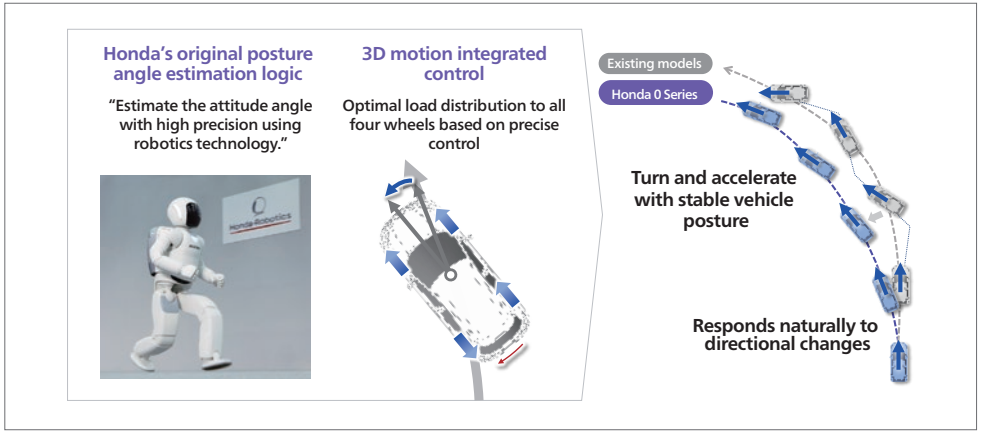


Automobile Business Strategy

4. The Joy of Driving in Perfect Harmony with the Vehicle

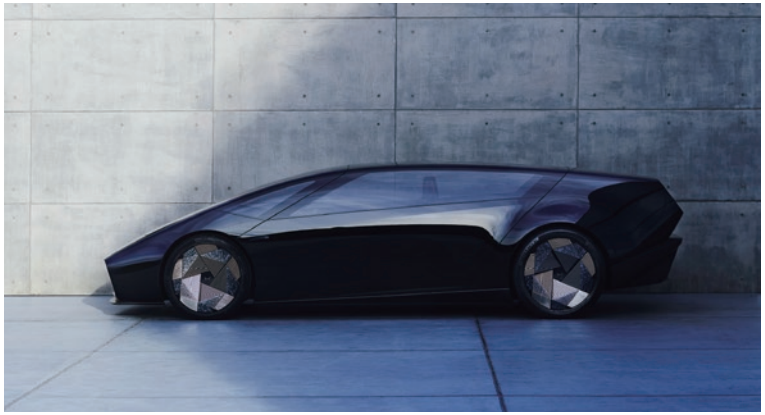
"The Joy of Driving" is Honda's timeless philosophy that remains unchanged through the ages. By leveraging Honda's unique electric and dynamics technologies within a EV-specific architecture defined as "Thin, Light, and Wise." we aim to deliver a next-generation driving experience that is both exhilarating and integrative, uniting the driver and the car physically and emotionally.

The flagship concept model "SALOON" of the Honda 0 Series embodies "Thin, Light, and Wise." In addition to adopting steer-by-wire technology, it further advances Honda's proprietary motion management systems, such as posture control developed through its robotics technology, to achieve precise control for the driver across various driving scenarios. Additionally, the Honda 0 Series' low overall height style incorporates aerodynamics technology developed in motorsports, seamlessly blending dynamics performance, aerodynamic efficiency, and design at a high level.



5. Artistic Design That Evokes Resonance

The design of the Honda 0 Series embodies "The Art of Resonance," a concept that resonates with individual sensibilities and fosters creativity. The bold and pure shape of the vehicle, which stands out distinctively at first glance, awaken new perspectives in the viewer. With exhilarating visibility and intuitive controls, the Honda 0 Series creates a driving experience that resonates with the driver's senses, elevating the car from merely a mode of transportation to a companion that aligns with individual sensibilities.



Establishment of a Value Chain

Establishment of a Comprehensive Value Chain

Since the early 2020s, Honda has been sourcing batteries from the most suitable partners in regions such as North America, China, and Japan, ensuring reliable procurement while minimizing costs.

By the mid-2020s, we will begin battery production through joint ventures with partner companies. In the U.S., a battery plant in joint venture with LG Energy Solution is scheduled to start operations in 2025, producing 40 GWh of batteries annually. This will help establish the largest value chain in North America and achieve competitive battery costs. Additionally, we will enhance product's appeal by equipping the Honda 0 Series with lightweight, compact battery packs produced using high-density packaging technology.

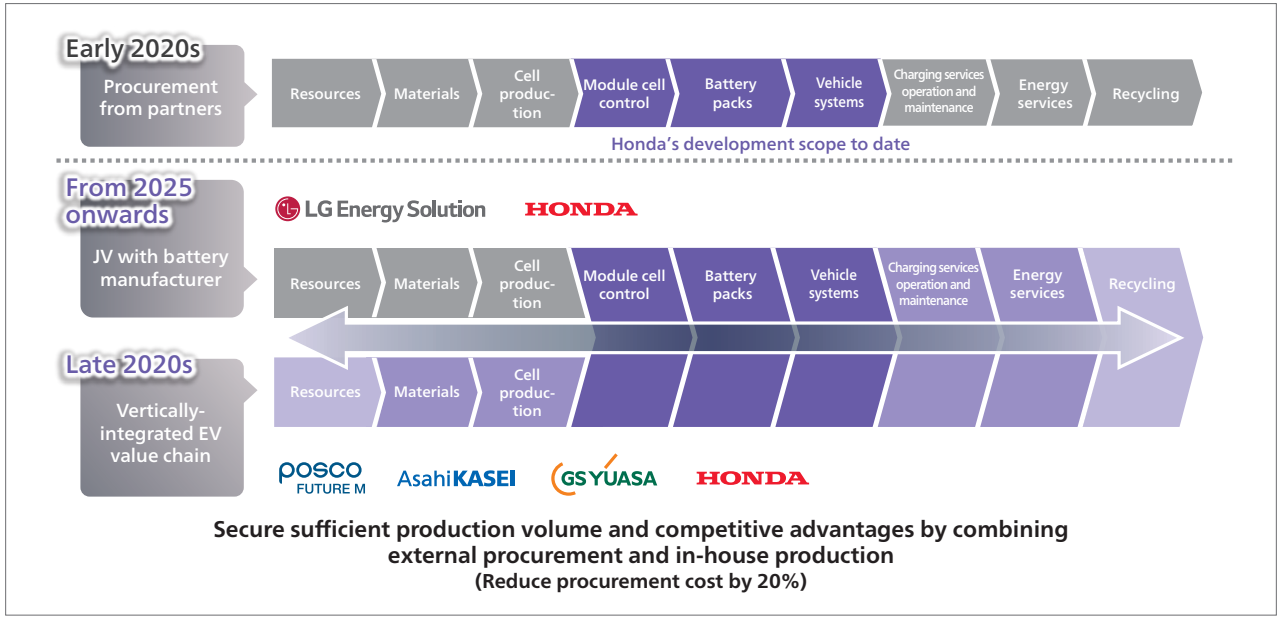
Through the establishment of the new company ALTNA Co. Ltd* and other initiatives, we will expand into lifecycle business beyond vehicle production, covering charging services, energy services, and reuse/recycling to establish a stable business foundation.

In the late 2020s, we aim to further expand our scope by building a comprehensive, vertically integrated EV value chain, encompassing raw material procurement centered around batteries to vehicle production, battery reuse, and recycling. In Canada, we will commence in-house production of batteries co-developed with GS Yuasa Corporation. For major components, we will produce cathode materials for automotive batteries in a joint venture with POSCO Future M Co., Ltd., and separators for automotive batteries in a joint venture with Asahi Kasei Corporation, advancing our in-house production capabilities.

Regarding solid-state batteries, Honda plans to establish a pilot production line in the fall of 2024, aiming for integration into models released in late 2020s. Honda's goal is to optimize battery costs and secure stable procurement, ensuring competitive advantage across the entire value chain, from upstream to downstream, and achieving more than a 20% reduction compared to current levels in battery costs in North America by 2030.

* ALTNA Co. Ltd: A new company established by Honda and Mitsubishi Corporation in July 2024. It focuses on battery leasing and smart charging businesses, among other activities.

Establishment of a Comprehensive EV Value Chain with a Central Focus on Batteries

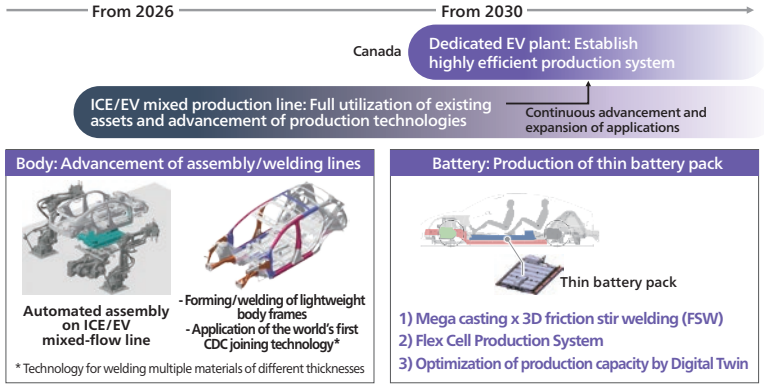


Advancement of Production Technologies and Facilities to Realize "Thin, Light, and Wise."

Optimal Production Technology Deployment According to EV Adoption Speed

During the transition period from ICE to EV, we will make full use of existing production facilities while proactively introducing and evolving advanced technologies required for EV production, such as mega-casting.

Advancement in Production Technology and Facilities



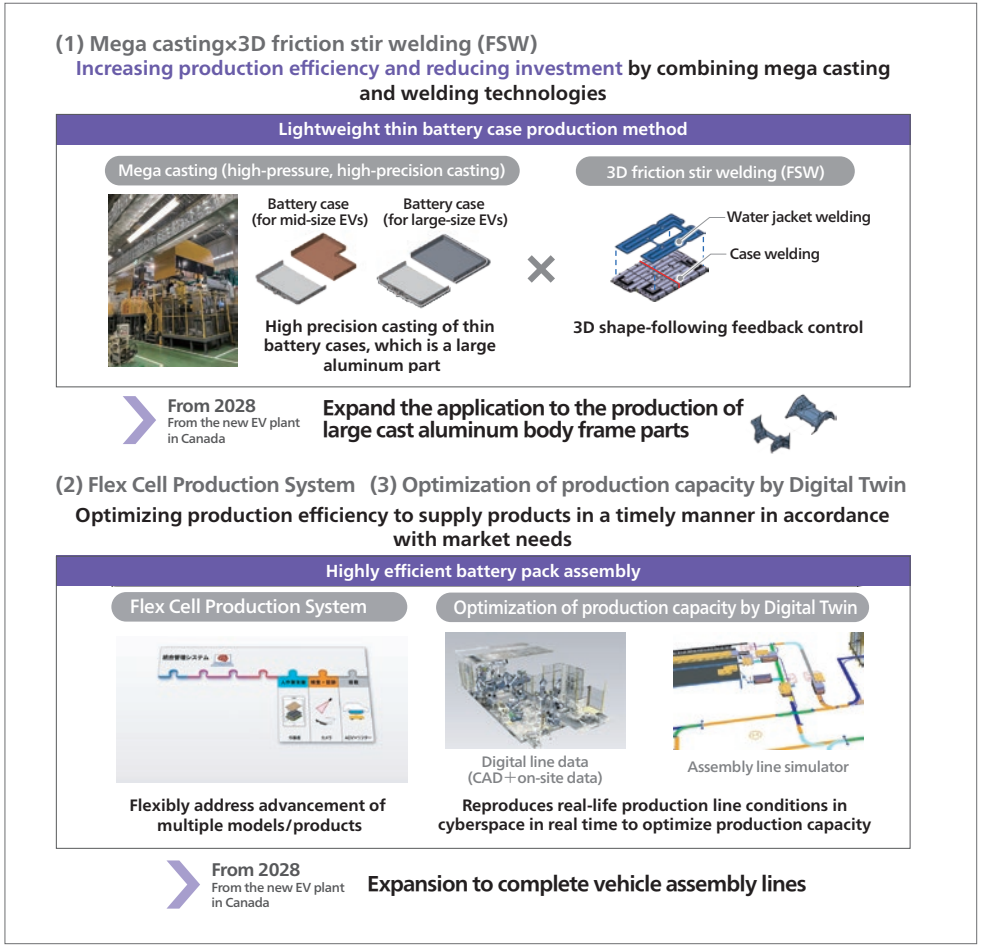
Mid-2020s

In the production of thin battery packs, which is crucial for EV manufacturing, we will accelerate the evolution of some advanced technologies by integrating them into existing equipment. The technologies developed and refined here will be later applied to EV-specific factories to build even more efficient production systems.

At the new battery case production line being set up at the Anna plant in Ohio, we will introduce a 6,000 metric ton class high-pressure die-casting machine known as a mega-cast. This will significantly reduce the number of components in battery cases and related parts from over 60 to just five. Additionally, by combining this with Friction Stir Welding (FSW) technology, we aim to balance investment reduction with increased production efficiency. We are also testing the production feasibility of Japan's first 6,000 metric ton class mega-cast machine at our Tochigi-based production technology R&D facility. This technology will continue to evolve and expand its application to large aluminum cast body structural components in the future.

In the battery pack assembly line, Honda will advance its unique "Flex Cell Production System," which combines modular part configurations and cell production methods according to vehicle characteristics. This system will allow for flexible responses to changes in production models and volume fluctuations.

Moreover, we will utilize Digital Twin technology to replicate real production line conditions in cyber space in real-time, optimizing parts supply, production volume, and speed. This will enable timely product supply in response to market demands.



Late 2020s

These initiatives are planned to be expanded to the production of whole vehicle at Canada's dedicated EV factories by the late 2020s, reaching their final form. This will achieve world-class production efficiency, including significant improvements in operational rates and reductions in fixed costs, aiming for a roughly 35% reduction in production costs compared to conventional mixed production lines.

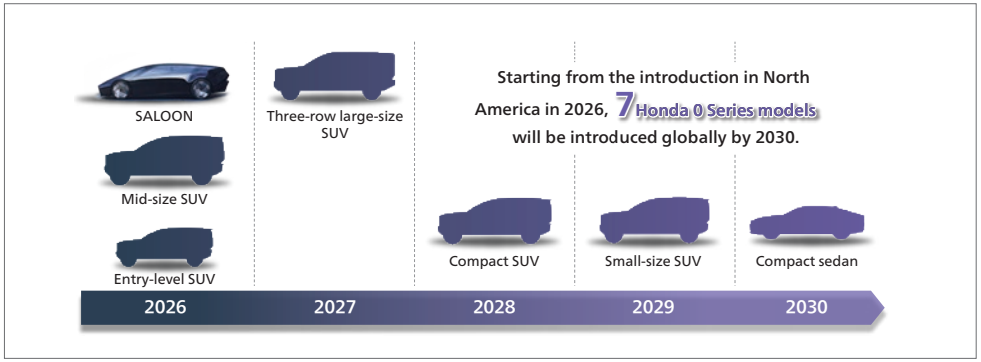
Automobile Business Strategy

EV Lineup Expansion

Introduction of Optimal Lineups for Each Series

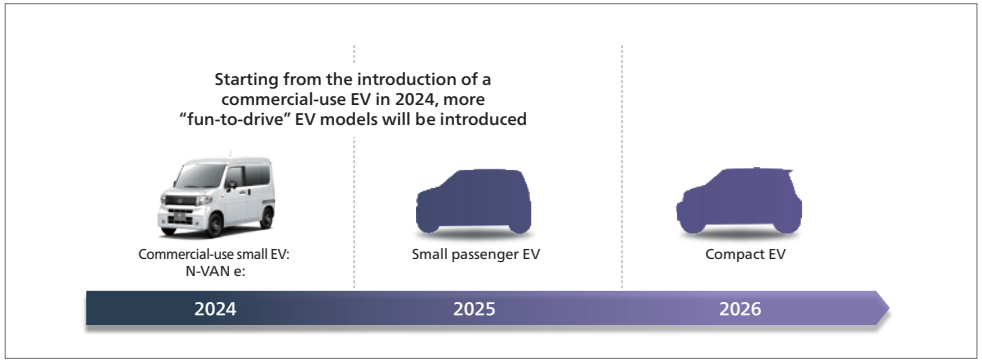
Honda 0 Series

Starting with the launch of the Honda 0 Series in North America in 2026, the Honda 0 Series lineup will be globally expanded. By 2030, it is planned to introduce seven models ranging from small to mid-sized vehicles.



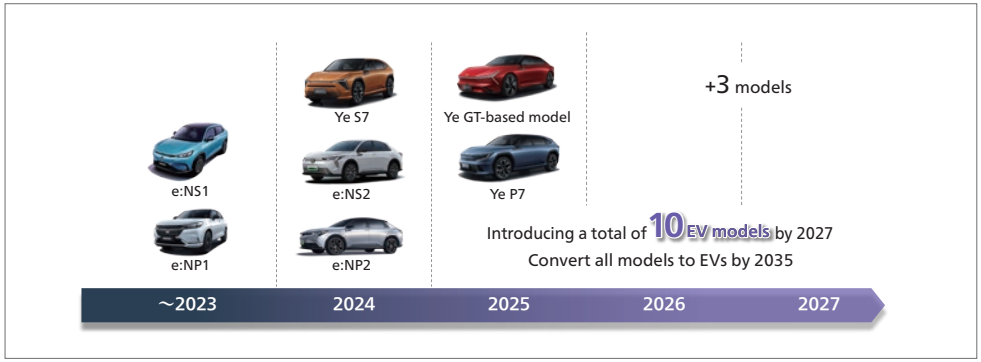
Small EV Series

Starting with the release of the small commercial EV "N-VAN e:" in Japan, we will sequentially introduce small EVs in regions with high demand. By 2025, a small passenger EV model will be introduced, followed by compact EVs designed for driving enjoyment in 2026.



"e:N" "Ye" Series

In China, where EV adoption is advancing, we plan to introduce 10 EV models globally from 2022 to 2027, and to transition all automobiles to EVs by 2035. Following the current"e:N" series in China, a new EV series named "Ye" will be launched. This will accelerate the expansion of the EV lineup, challenging and evolving in the rapidly changing Chinese market. Specifically, the "Ye P7" and "Ye S7" are scheduled for release at the end of 2024 or later. Additionally, a mass-production model based on the "Ye GT CONCEPT" is planned for release within 2025 as the second phase of the Ye series.



Automobile Business Strategy

Enhancing the Foundation of Business Structure

Strengthening Our Ability to Adapt Flexibly to Environmental Changes

To achieve a high level of both fuel efficiency and a refined, enjoyable driving experience, Honda will advance its unique two-motor hybrid system "e:HEV" and update its platform. The e:HEV system will enable weight reduction and high efficiency, significantly lowering implementation costs. Additionally, we will advance plans for improving efficiency and standardizing the platform, aiming to achieve a substantial weight reduction of 100 kg.

To provide "safety" and "driving enjoyment," we will adapt EV development technologies for use in hybrids and employ electric four-wheel drive systems powered by EV motors. This approach allows for improved maximum driving force and more responsive, precise control of driving force distribution compared to traditional mechanical four-wheel drives. Additionally, by coordinating with the motion management system, we can enhance driving performance while stabilizing vehicle behavior.

Honda aims to strengthen its ICE (Internal Combustion Engine) business by offering advanced hybrid models to a global customer. We will also ensure stable revenue by flexibly responding to changes in demand and the environment through mixed production of EVs. The capital generated will be invested in new businesses, including EV businesses as well as other areas, with the goal of further growth.

Advancement of Hybrid-Electric Models: Starting Introduction in 2026

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.

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

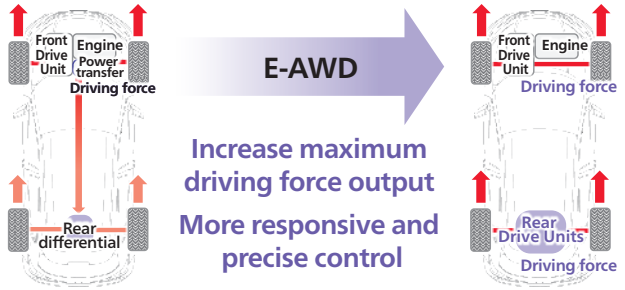
*Image of current model

Electric all-wheel drive (E-AWD)

To offer greater **peace of mind** and **more fun of driving**

Source of driving power : Front Drive Unit

Source of driving power : Front + Rear Drive Units



Increase maximum driving force output

More responsive and precise control

Automobile Business Strategy

Keisuke Umehara
Connected Solution Development Division
Software Defined Mobility Development Unit
After working as an IT engineer at an IT company, he joined Honda Motor Co., Ltd. in 2018. He was involved in the development and launch of the "Honda CONNECT" service and is currently leading the development of the next-generation connected platform.
Favorite motto
"Carry your own torch."
Honda-ism which he has empathy
"Eliminate no play, no error."

Interview

Creating the Future of Honda Vehicles at the Forefront of Innovation

I joined Honda with a desire to be directly involved in the automotive industry's once-in-a-century period of transformation and to take on challenging work. I was also drawn to the Company's culture that values innovation and taking on challenges.

Currently, my mission is to realize a safe and stress-free life with a car by designing and operating platforms and networks that support communication with vehicles worldwide, as well as developing mobile applications. Our connected technology, which links millions of vehicles, not only provides safe and convenient services like "Honda CONNECT" but also contributes to solving societal issues. For example, during the Great East Japan Earthquake and the Noto Peninsula Earthquake, driving data from Honda vehicles was used in disaster maps to display accessible roads in affected areas.

Our next goal is to realize Software Defined Mobility (SDM)*. Once SDM is achieved, it will significantly change how cars are used and perceived. For instance, vehicle functionality updates will become easier, enabling customization tailored to individual needs and enhancing entertainment options, potentially offering entirely new experiences.

To achieve this, we must shift from traditional hardware-centered development to software-centered development, incorporating agile methodologies. Currently, our team is united in the challenge of building a software development environment that operates independently of hardware by utilizing virtual spaces. While this unprecedented challenge comes with its difficulties, the open atmosphere at Honda, the culture that encourages bold initiatives, and the team members full of creative ideas constantly provide me with the motivation to keep moving forward.

I am proud to be a part of Honda, a company that strives for innovation and contributes to society and its customers. I am committed to leading Honda's digital transformation and enriching the lives of more people.

* Software Defined Mobility (SDM): mobility whose functions can be controlled and updated through software

Motorcycle Business Strategy

Business Overview / Revenue Highlights

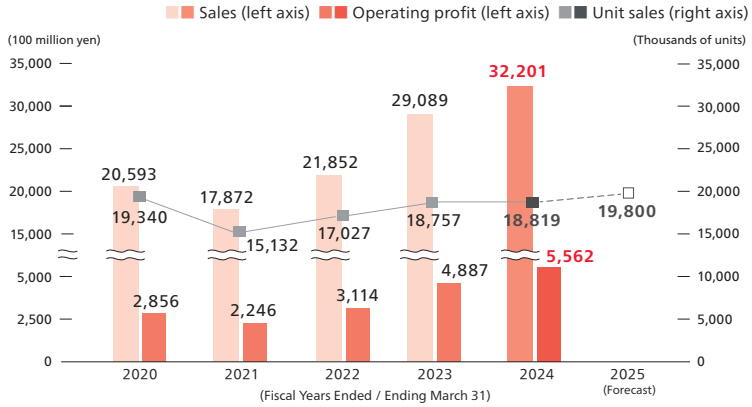
Delivering Unique and Appealing Honda Motorcycles to Customers Worldwide

Honda's motorcycle business, which is the origin of its manufacturing and a core part of its heritage, has developed a wide range of products over its 75-year history, meeting diverse needs and applications across the globe. Today, with approximately 30,000 dealers worldwide and an annual global sales volume of around 20 million units, Honda has grown into a top manufacturer in the motorcycle industry.

The world's largest production volume is supported by globally unified platforms and optimal supply systems for each category, maintaining Honda's unique appeal and high-efficiency operations.

Honda remains committed to providing customers around the world with rich experiences through motorcycles. Beyond practicality, Honda aims to enhance the joy of motorcycle life, including the thrill of riding and community building, while meeting customer expectations for safety and reliability. Honda will continue to explore new possibilities in the motorcycle market and lead the world as a pioneering company.

Revenue Highlights of the Motorcycle Business



Recognition of the External Environment / Key Challenges

Growing Demand for Electric Motorcycles and Regional Disparities

The motorcycle market is expected to continue expanding, particularly in countries with a high proportion of young people.

In India, the world's largest motorcycle market, there is a rapid increase in demand for electric motorcycles, supported by favorable policies. Other countries face varying challenges related to infrastructure, such as stable power supply and charging networks, and differences in government sales support and industry development measures. However, the long-term trend toward the expansion of electric motorcycles is anticipated to continue. Honda, taking this situation into account, will strategically allocate resources based on the pace of expansion for internal combustion engine (ICE) motorcycles and electric motorcycles in each market, leveraging its strengths to compete with emerging electric manufacturers.

In addition to developed countries, demand for FUN motorcycles is also expanding in China and other emerging Asian countries. To enrich the motorcycle experience and offer both the enjoyment of manual transmission (MT) and the comfortable touring characteristics of automatic transmission (AT) models, Honda has introduced the world's first motorcycle with an electronic-controlled clutch, "Honda E-Clutch." This new value technology has been highly praised, and we plan to expand its application to more models in the future.

Business Targets (The Direction of Our Initiative)

Leading Environmental and Safety Innovations: "More Convenience, More Freedom"

Motorcycles play a vital role in supporting people's lives, especially in emerging countries like those in Asia, serving as a central element of social infrastructure.

To realize a safe and secure mobility society, Honda will expand models equipped with advanced safety technologies such as advanced brakes and LED lighting to enhance rider visibility and recognition, while also continuing global safety driving education.

In addressing environmental challenges, Honda will accelerate efforts beyond electrification of power units to achieve carbon neutrality. These efforts include improving fuel efficiency in the ICE sector, developing technologies for bioethanol fuel as an alternative to gasoline, expanding the use of biomass resin materials, and achieving carbon-neutral factories tailored to regional characteristics. By pursuing these initiatives, Honda aims to become a frontrunner in environmental sustainability.

Electrification Business Strategy

Direction of Electrification Business Strategy

Honda positions 2024 as the inaugural year for the global expansion of its electric motorcycles, marking the beginning of a full-scale entry into the electric motorcycle market. The period up to 2026 is defined as the market entry phase, 2026 to 2030 as the business expansion phase, and post-2030 as the full-scale business growth phase. Honda will strategically promote the introduction of electric motorcycles into the market throughout these phases.

In the near term, Honda will introduce battery-swapping models with "Honda Mobile Power Pack e: (MPP).", targeting the rapidly growing electric motorcycle markets in India and ASEAN countries, aiming to enter and expand sales in these markets. By 2025, Honda plans to launch models with fixed batteries, broadening the product lineup.

Regarding electric products, Honda will combine its strengths in ICE vehicles with the appeal of electric vehicles to create attractive electric motorcycles unique to the brand.

In production, procurement, and development, Honda will leverage existing ICE motorcycle assets while making proactive investments. With a global sales network of 30,000 stores and enhanced online sales, Honda aims to maintain its position as the top seller in the electric vehicle era.

Medium- to Long-Term Targets

For global electric motorcycle sales, Honda aims to increase its target from 3.5 million units announced in 2023 to 4 million units by 2030. To achieve this, Honda plans to launch approximately 30 electric models in global markets by 2030, including those already announced.

Simultaneously, Honda will accelerate cost reduction efforts by utilizing scale advantages from ICE motorcycle production. The goal is to reduce the cost of completed motorcycles by approximately 50% by 2030 through battery standardization, procurement, modularization of body parts, and optimization of production and procurement.

To achieve these goals, Honda will invest approximately 500 billion yen by the Fiscal Year Ending March 31, 2031 and aims to achieve Rate of Sales (ROS) of 5% or higher for electric motorcycles by 2030, with a target of 10% or higher in the 2030s.

Five Strategies for Electrification

1. Product Strategy

In 2024, Honda will introduce a model equivalent to a 110 cc ICE motorcycle, equipped with two MPPs. This includes an India-specific model that maintains the practicality of mass-market models and a global model featuring advanced equipment such as In-Vehicle Infotainment (IVI). The global model will launch in Indonesia first, followed by sequential releases in Japan and Europe.

From 2025 onwards, Honda will be expanding the variety of electric motorcycles, including FUN models and plug-in rechargeable commuter models.

This will aim to increase our market share globally and establish ourselves as a leading company in electric motorcycles.

SC e: Concept

2. Electric Platform Strategy

In the short term, Honda will leverage existing ICE parts for rapid electric motorcycle development.

In the long term, to address diverse global needs, Honda will proactively apply knowledge gained from ICE motorcycle development to quickly and efficiently market a variety of electric motorcycles. We will modularize the battery, power unit, and body, and by sharing these modules, we will create cost advantages and offer a diverse range of variations.

3. Connectivity Strategy

One of the major advancements in electrification is connectivity. Building on Honda's strengths developed with ICE vehicles, we will enhance comfort and convenience through connectivity. Additionally, we will offer electric motorcycles that continue to evolve after purchase through Over-the-Air (OTA) software updates, leveraging advanced software technology.

The 2024 battery-swapping model will feature "a proposal-type navigation function" for easy access to charging station information. Future models will use data from both ICE and electric vehicles to offer personalized features and experiences, advancing Honda's unique connectivity.

4. Battery Strategy

Batteries are the cornerstone of electric motorcycles. Honda will strategically develop cell procurement and pack production allocation, primarily in Asia, to support both motorcycles and power products.

In addition to the Nickel Cobalt Manganese (NCM) used in the current models, we are accelerating the development of a battery system equipped with Lithium Iron Phosphate (LFP) cells, aiming for application in models released from 2025 onwards. By having a variety of batteries, each with different strengths and costs, we will be able to offer products that meet a wide range of needs.

We will also introduce models equipped with more advanced next-generation batteries around 2030. This will ensure stable supply, enhance product appeal and cost competitiveness, and promote further adoption and expansion of electric motorcycles.

5. Procurement and Production Strategy

For electric motorcycles production, Honda will maximize the use of existing ICE business assets to ensure cost competitiveness during the market entry phase (up to 2026). After 2026, in the business expansion phase, we will commence global production of electric motorcycles in dedicated factories optimized for electric vehicle production, aiming to achieve the sales target of 4 million units by 2030. These specialized factories will incorporate modular platform technologies and other innovations, reducing assembly line length by approximately 40% compared to existing factories, thereby enhancing efficiency and automation.

For procurement, to build a more competitive system, Honda will consider shifting from procuring finished parts to in-house processing, assembly, and logistics. The reevaluation of each step in the process will improve the cost competitiveness per finished vehicle.

Enhancing the Foundation of Business Structure

Enhancing Adaptability to Environmental Shifts

In response to rising raw material and energy prices and increasing societal demands for environmental and safety standards, Honda is enhancing its resilience to adapt to these changes.

As the world's No. 1 motorcycle manufacturer by market share, Honda is leveraging its scale while shifting its focus to growing markets such as India, Indonesia, and Brazil. This shift serves as an opportunity to restructure production bases and procurement frameworks, reduce costs and shorten development timelines through mass production, and develop catalysts that do not rely on high-cost materials. These efforts aim to enhance our ability to respond to market changes.

Looking ahead, Honda aims to streamline and integrate parts and improve development efficiency across the entire value chain to further strengthen its business structure.

Additionally, this includes ongoing efforts to reduce costs for both ICE and electric motorcycle components through unified parts planning in terms of standardization, procurement, and production technology.

Through these initiatives, Honda will maintain a highly efficient business structure and build a solid foundation to become a leading company in the area of electrification.

Kaori Goto
Electrification Development Division
Motorcycle and Power Products
Electrification Business Unit
After many years of working on the body design for ICE-equipped motorcycles, she engaged in the development of electric motorcycles. Served as the development project leader for the "EM1 e: ."
Favorite motto
"Banri Ikkuu"
Honda-ism which she has empathy
"Carry your own torch."

Interview

Crafting the Standard for Honda's Electric Motorcycles with a Commitment to Engineering Excellence

My motivation for joining Honda stemmed from my experiences traveling in Thailand and Vietnam during my student years. I was deeply impressed by the abundance of motorcycles in the streets and their essential role in people's daily lives. This inspired me to develop motorcycles that enrich people's lives, which led me to pursue a career at Honda.

In recent years, our team at Honda focused on developing the "EM1 e:," the first electric motorcycle tailored for personal use in Japan. The development of electric vehicles still lacks sufficient knowledge, and each issue is being addressed through trial and error. For example, the absence of an engine made the vehicle's vibrations and sound more noticeable. The entire development team gathered around the prototype, painstakingly analyzing its mechanisms and tirelessly exploring improvement measures, repeatedly and diligently. Honda believes that our strength lies in the team's unity, focusing collectively on how to make this single vehicle better. Our relentless dedication to craftsmanship and attention to detail, setting aside the boundaries of individual responsibilities, embodies what we consider the essence of Honda's manufacturing prowess.

We are currently in the dawn of electric motorcycle development. The technologies and expertise we have generated are accumulating, shaping Honda's standards for electric motorcycles. Being involved in this crucial phase fills me with great joy as a developer. Of course, there are challenges along the way. However, when I envision the joy of seeing the mobility products I've been involved in making their way into the world, being chosen and ridden by customers, any present difficulties seem insignificant.

My dream is to offer society an appealing product that captures the unique charm of electric motorcycles, and to further enhance the joy of moving with mobility. If electric vehicles become more widespread, noise and exhaust emissions will decrease, potentially altering urban scenery. In quieter streets without engine noise, the way people communicate with each other may also change.

I look forward to the challenge of pursuing the mission, to provide experiences that enrich the lives and commuting experiences of all, alongside dedicated colleagues around the world who are committed to sincere manufacturing.

Power Products Business Strategy

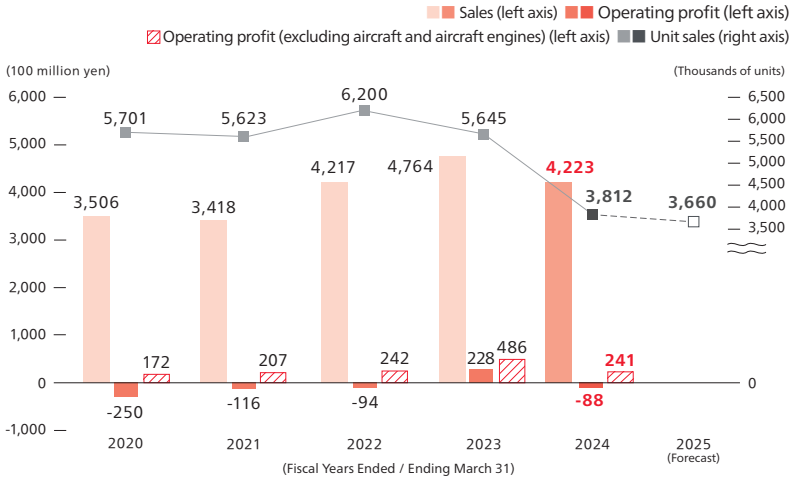
Business Overview / Revenue Highlights

Providing Products for Work and Daily Life

The power products business, which celebrated its 70th anniversary in 2023, has been driven by the desire to "make people's lives a little easier and richer, and contribute to their daily lives through technology." This mission has led to the supply of general-purpose engines, which serve as power sources for various types of machinery, to numerous equipment manufacturers. Additionally, Honda has developed, manufactured, and sold its own products, including generators, snow blowers, lawn mowers, tillers, and outboard motors.

To bring joy to people's lives and work through useful products, Honda is expanding its business potential by not only continuing to offer traditional ICE products but also by increasing its presence in the electric business sector. This includes the development of electric products and portable batteries, aiming to "provide new value in mobility and daily life."

Revenue Highlights: Power Products and Other Businesses



Operating Profit of Aircraft and Aircraft Engines Business Included in Total Operating Profit (100 million yen)

FYE March. 31				
2020	2021	2022	2023	2024
-422	-323	-337	-257	-329

Recognition of the External Environment / Key Challenges

Toward Realizing a Work That Is "Kinder to Both People and the Planet"

In the construction machinery and industrial machinery sectors, the movement towards carbon neutrality, driven by both public and private sectors, is accelerating, and the demand for environmentally friendly products is increasing. Honda is playing a key role in accelerating the transition to a carbon-neutral society by expanding its lineup of electric products for corporate customers in these sectors, including construction and industrial machinery manufacturers.

In the garden sector, the electrification of small, short-duration products, such as residential lawn mowers, is accelerating. Additionally, with increasing environmental regulations, there is growing demand for electrification of larger products such as riding lawn mowers used by landscaping professionals. There is an expectation for electric products that meet the performance and operating time requirements of professional workers.

Business Targets (The Direction of Our Initiative)

Enriching Lives through Technology, Sustaining Prosperity and Delight

The power products business has developed a range of products that blend into people's lives and support daily living. Going forward, we will continue to offer products and services with excellent quality and reliability, leveraging Honda's strengths while considering regional characteristics and changing market needs.

In the core power unit business, we will pursue improvements in environmental performance and ongoing evolution of ICE products. In the construction machinery industry, where Honda has a significant market share in ICE sales, we will provide the electric power unit "eGX" and provide support services for their installation into finished machines for corporate customers. By strengthening the sales and service infrastructure, we will lead the global electrification of small construction machinery. In the garden sector, we will provide high-quality equipment and services to landscaping professionals in the United States, contributing to solving labor shortages and addressing challenges in the field.

In the marine business, to meet the high-power demands of the outboard motor market, we have launched a new outboard motor with a maximum output of 350 horsepower, the highest for Honda, in 2024. This motor achieves both high power and quiet operation while realizing top-class fuel efficiency and reducing environmental impact. As boats become larger and more multifunctional, there is a growing demand for improved maneuverability. Honda is also evolving in the area of intelligent features such as steering assistance. Additionally, Honda is building a system to continuously strengthen its product lineup and enhance co-creation with boat builders. Through these efforts, we aim to enhance the competitiveness of large outboard motors and steering assistance technologies, achieve high profitability, and accelerate research and development towards future electrification and intelligent technologies.

Honda"BF350"

Electrification Business Strategy

Direction of Electrification Business Strategy

The power products business will contribute to solving social issues such as labor shortages by providing new value unique to Honda, including not only electrification but also automation of machinery, thereby improving both the "quality of work" and "quality of life."

We will position the power unit and garden sectors as key domains for electrification and strengthen our efforts to enhance product capabilities, thereby leading the industry in this transformation. Additionally, leveraging Honda's strength in diverse mobility, we will enhance development and cost competitiveness by sharing core parts necessary for electrification with the motorcycle business, thus reducing costs and maximizing synergies across business areas.

Power Unit Sector

In addition to our existing B2B customers developed through our core business of general-purpose engines, Honda will actively expand the deployment of eGX in areas expected to electrify. To support this, we will strengthen collaboration with power unit suppliers, focusing on Japan and Europe.

In Japan, particularly, our sales and development departments collaborate closely to support installation of the eGX with our customers. By horizontally expanding these activities to other regions, we aim to further increase the adoption of the eGX. To meet our customers' diverse needs more precisely, we will prepare a wide range of variations within the eGX series.

Electric Power Unit "eGX Concept"

Honda Mobile Power Pack e:

"eGX" and "Honda Mobile Power Pack e:" equipped SAKAI HEAVY INDUSTRIES, LTD. Electric Walk-Behind Roller "HV620 evo"

Garden Sector

In the U.S. market, Honda will offer a full lineup of electric products for landscaping professionals, aiming to expand the adoption of electric equipment among professional customers. To achieve this, we have moved to the mass production preparation phase for large models such as electric riding lawn mowers and robotic lawn mowers, which were showcased as prototypes at North American trade shows.

Since 2012, we have been selling robotic lawn mowers primarily in the European market. These mowers are positioned as one of the solutions to social issues such as aging populations and labor shortages. We will continue to implement ongoing technological advancements and sales strategies to address these challenges.

Furthermore, for small electric products such as push lawn mowers and brush cutters, we will leverage external partnerships to accelerate electrification through efficient development and production schemes. We will also expand the framework of these collaborations to target additional customer acquisition.

Electric Automatic Lawn Mower Prototype

Electric Robot Lawn Mower "Miimo" "HRM2500 Live"

Marine Sector

Starting with the introduction of environmentally friendly outboard motors based on the belief of Honda's founder, Soichiro Honda, "watercraft should not pollute the water," the marine business continues to challenge electrification. In 2023, we conducted a demonstration experiment with a small 4 kW electric motor, which has proven performance in electric motorcycles, and a "Honda Mobile Power Pack e:" on the Matsue Castle "Horikawa Sightseeing Boat" in Matsue City. This experiment will help us explore the expansion of our marine business and promote verification of marine product electrification in domestic and international markets.

Matsue Horikawa Sightseeing Boat

Small Electric Propulsion"BE4P" Prototype

Enhancing the Foundation of Business Structure

Enhancing Adaptability to Environmental Shifts

To flexibly address the diverse needs across countries and regions, we will produce and supplement our main products, the general-purpose engines, in Thailand, China, and India, while ensuring a balanced supply to demand areas. We will also assess the optimal timing for market introduction of our products. Additionally, by leveraging synergies with our motorcycle business, we will advance cost reduction through parts sharing and optimization of production and procurement systems, while effectively utilizing external resources to secure development resources and enhance procurement and production capabilities, thus pursuing efficient operations in development and production.

Power Products Business Strategy

Tadaaki Shimamoto
Marine Business Division
Power Products Business Unit
After working as a marine engineer for a shipping company, he joined Honda in 2020. As the sales project leader for the outboard motor "BF350," he is engaged in product planning and sales strategy.
Favorite motto
"It's never too late to learn."
"No pain, no gain."
Honda-ism which he has empathy
"Eliminate no play, no error."

Interview

Carrying Honda's "A Company Society Wants to Exist" to the Next Generation

From a young age, I have always loved mobility, and became a marine engineer because I wanted to live and work on a boat. However, as time went on, I developed a strong desire to be involved in manufacturing, where work leaves a lasting impact. This led me to join Honda in 2020.

A significant challenge for me was leading the development project of the outboard motor "BF350," Honda's first flagship model in 12 years and equipped with the Company's very first mass-produced V8 engine. The BF350 is a new engine structure with no existing knowledge within the Company. Starting from research and theoretical development, it required extensive trial and error to complete. Although I was anxious about whether I could lead as a newcomer with less than two years at the Company, a senior's advice, "At Honda, you might get in trouble for doing too little, but never for doing too much," became a breakthrough. Driven by the desire to create a better product that would bring joy to customers, I worked tirelessly both inside and outside the Company. There were times when passionate beliefs clashed with stakeholders. It's a product I was deeply invested in, as we aimed for excellence without compromise. When customers saw the final product and praised it by saying, "You really made it great," it was incredibly rewarding.

The BF350 incorporates low environmental impact engine technology applied from Honda's automobiles. Honda has carried forward the founding philosophy of Soichiro Honda, who believed "watercraft should not pollute the water." We have continuously developed fuel-efficient and durable products, earning high praise within the marine industry. Honda is unique on a global scale, as it brings the joy and freedom of mobility across land, sea, and air. I believe that the accumulation of challenges and efforts by predecessors has built the current Honda. Now it is our turn. I want to expand the marine business and ensure that Honda remains a "company society wants to exist" for future generations.

Initiatives to Accelerate Further Electrification

Honda Mobile Power Pack

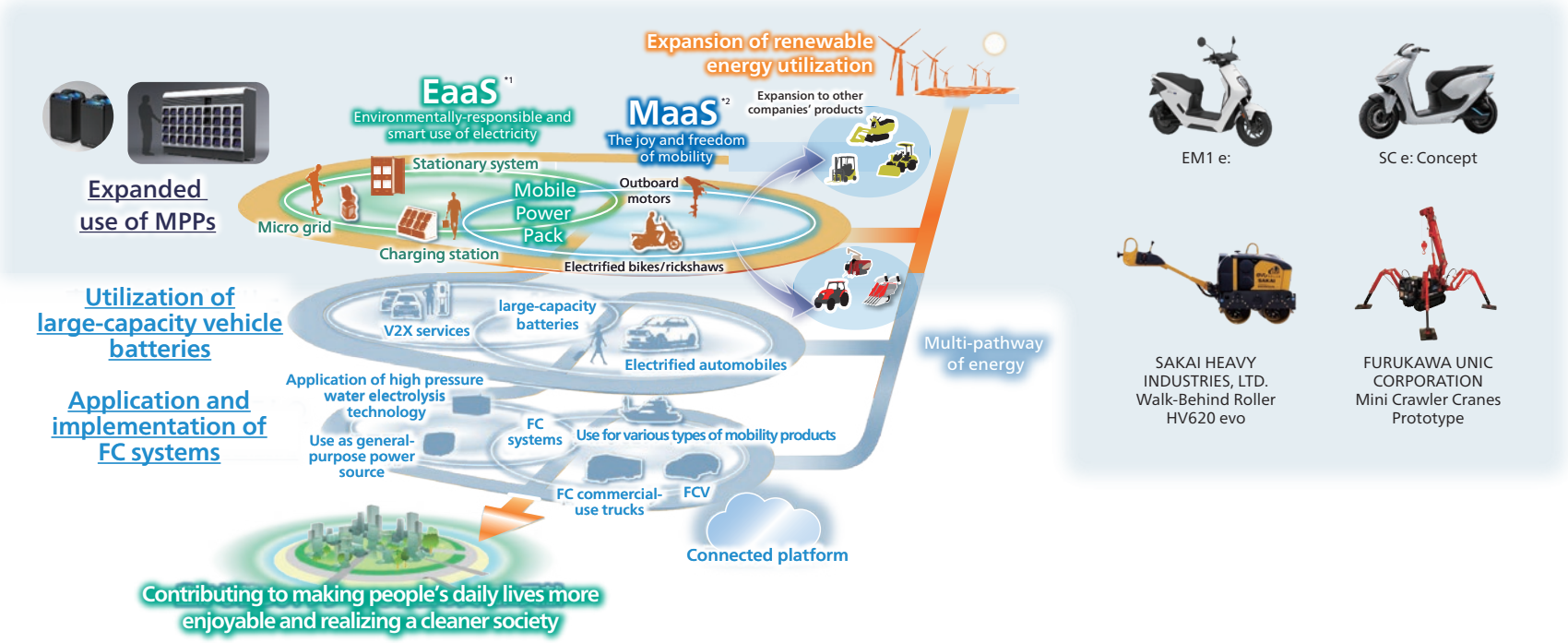
To achieve carbon neutrality, there are challenges in accelerating electrification across various products, including mobility. Key issues include “charging time,” “range/operating time,” and “battery cost.” As one approach to address these challenges and support the widespread adoption of electric products, we have developed portable and swappable batteries “Mobile Power Pack e: (MPP).” We are actively promoting its application not only for our own products but also for those of other companies.

By easily swapping in a fully charged battery, users are freed from waiting for charging and do not need to equip products with large batteries to ensure range or operating time. Additionally, by sharing MPPs across different products or through battery exchange stations, customers can reduce their battery cost burden. Moreover, effective use of batteries and increased operational rates can lead to a reduction in the overall battery production needed for society.

To achieve carbon neutrality, promoting the use of renewable energy is However, much of renewable energy generation depends on natural conditions and faces issues with adjusting power supply. By utilizing battery exchange stations as power storage, surplus electricity can be stored and shared efficiently. This approach allows for the effective use of clean electricity at all times, thereby facilitating the promotion of renewable energy use.

Honda is committed to the “Honda eMaaS” (Electric Mobility as a Service) concept, which aims to contribute to “freedom of mobility” and the “expansion of renewable energy use.” One of the key initiatives within this concept is the “expansion of MPP utilization.” Honda is not only developing battery packs and applicable products but also leading the standardization of portable and swappable batteries and building a shared system network. The goal is to enable wide use of these solutions, not just in Honda products but across products from other companies, thereby also serving as a part of the energy infrastructure.

Overall Vision of Honda eMaaS and Examples of MPP Applications



*1 EaaS (Energy as a Service): Next-Generation Power Supply and Energy Optimization Services
*2 MaaS (Mobility as a Service): Next-Generation Mobility Services

Energy Service

Honda believes that accelerating the adoption of EVs requires more than just offering appealing products; it also involves creating an environment where customers can use EVs with confidence and enjoyment through comprehensive energy services. To achieve this, Honda is focusing on four key areas in its business development: eliminating concerns about running out of power and the inconvenience of charging, providing the convenience of home charging, helping customers save on electricity costs and utilize energy in emergencies, and promoting an eco-friendly lifestyle with zero CO_2 emissions.

In addition, it is crucial to replace the energy source for EVs with clean, renewable energy as their adoption increases. To accelerate the integration of renewable energy across society, it is necessary to stabilize the power grid through demand-supply balance adjustments, given the instability of renewable energy generation. Honda has been addressing this challenge by researching Vehicle Grid Integration (VGI), where EVs contribute to stabilizing the power grid. Leveraging this expertise, Honda has developed energy services such as e:PROGRESS in Europe and Smart Charge in the United States.

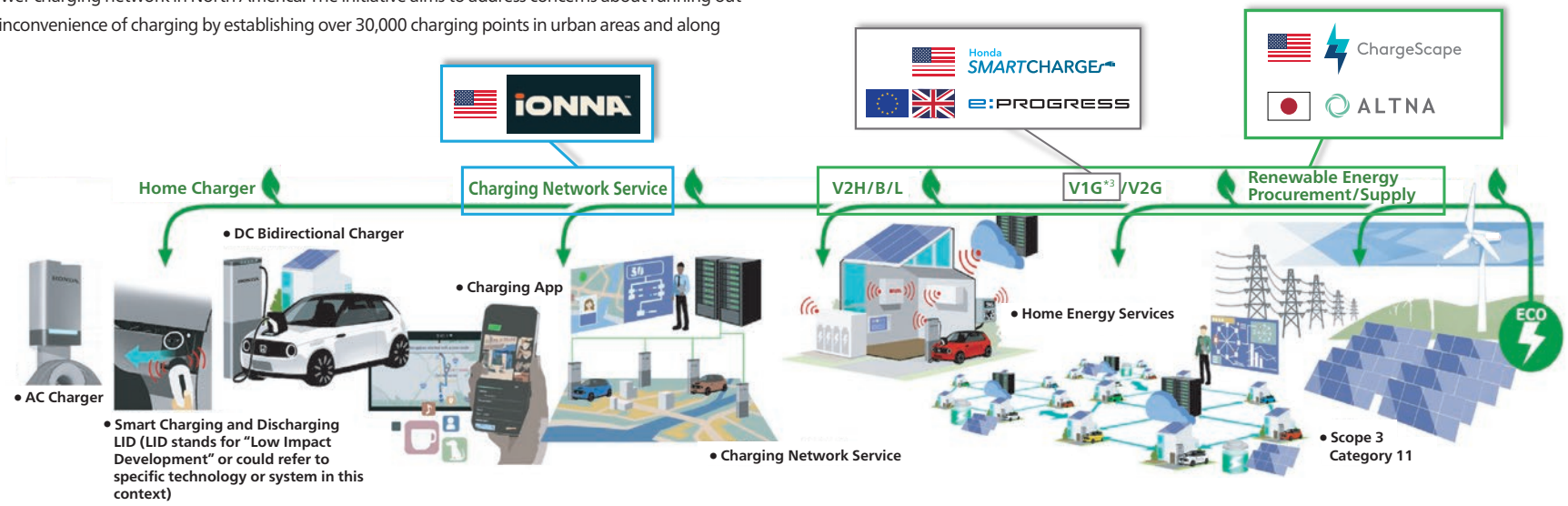
Currently, in addition to providing charging services for homes and on-the-go, Honda is advancing a range of services including Vehicle-to-Home (V2H)*1, which integrates EVs with the entire household, and Vehicle-to-Grid (V2G)*2, which connects EVs to the power grid. These initiatives also involve efforts to deliver renewable energy to these systems. To achieve these goals, Honda is actively collaborating with like-minded partners.

The establishment of "IONNA," announced in 2023, represents a collaborative effort among eight automakers to develop a high-power charging network in North America. The initiative aims to address concerns about running out of power and the inconvenience of charging by establishing over 30,000 charging points in urban areas and along highways. The goal is to provide an exceptional customer experience, with installation expected to begin within 2024.

Similarly, to contribute to stabilizing the power grid using EVs, Honda has established "ChargeScape" in collaboration with the BMW Group and Ford Motor Company. This initiative aims to provide an information platform that connects automakers with numerous utilities across the U.S. and Canada. By leveraging the extensive power adjustment capabilities of a large number of vehicles, ChargeScape seeks to stabilize the power grid. Additionally, the platform aims to maximize the use of renewable energy, reduce charging costs for customers, and lower expenses for utility companies.

In Japan, Honda has established "ALTNA Co., Ltd." in a joint venture with Mitsubishi Corporation to develop new mobility services that reduce the total cost of EV ownership and to build a new energy business utilizing EV batteries over the long term. ALTNA will offer V1G (Vehicle-One-Grid) Smart Charge, an energy service that reduces charging costs for customers, while also aiming provide V2G services in the future, enabling energy exchange between EV batteries and the power grid. Additionally, ALTNA plans to repurpose batteries that have reached the end of their automotive life as storage batteries for the power grid, supplying grid stabilization power. This will contribute to the domestic circulation of scarce resources and further expand the use of renewable energy.

Honda views EVs not just as a mode of mobility but as products that can drive the evolution of energy systems for both customers and society. Therefore, Honda will continue to advance the development of energy management services.



*1 V2H (Vehicle-to-Home): technology for supplying power from EVs to homes
*2 V2G (Vehicle-to-Grid): technology for not only charging EVs from the power grid but also supplying power stored in EVs back to the grid
*3 V1G (Vehicle-One-Grid): unidirectional charging control, charging from the power grid to EVs

To Realize a Zero Environmental Impact Society | Environmental Strategy

Towards the "Joy and Freedom of Mobility" and a "Sustainable Society Where People Can Enjoy Life"

Honda Environmental and Safety Vision / Honda Environment Statement

Ever since the 1960s, Honda has actively addressed environmental issues. In the 1970s, we developed the low-emission "CVCC*1 engine," which reduced emissions of carbon monoxide, hydrocarbons, and NOx*2 and became the first in the world to meet the U.S. Muskie Act, which was considered the most stringent automobile emission regulation in the world at the time. In 1992, Honda established the "Honda Environment Statement," which serves as the guiding framework for all our environmental initiatives. This statement organized and clarify our fundamental stance on reducing environmental impact throughout the entire product lifecycle, including material procurement, design, development, production, transportation, sales, usage, and disposal.

To further advance our environmental initiatives and remain a "company society wants to exist," Honda established the "Honda Environmental and Safety Vision" in 2011. This vision aims to achieve the "joy and freedom of mobility" and a "sustainable society where people can enjoy life." Across our global operations, Honda is committed to reducing all forms of environmental impact. Our efforts include reducing Greenhouse Gas (GHG) emissions, which are considered one of the causes of climate change, as well as lowering energy consumption, improving resource efficiency for water and minerals, proper waste management and reduction, and preserving biodiversity as part of our commitment to protecting the global environment.

Honda will share this Environment Statement not only within the company and its group companies but also with suppliers, dealerships, and all other stakeholders associated with Honda. By doing so, we aim to achieve our vision through collaborative efforts with all involved parties.

BLUE SKIES FOR OUR CHILDREN

Global Environmental Slogan
— BLUE SKIES FOR OUR CHILDREN —
"We want to pass on the joy and freedom of mobility to the next generation (for our children), and that's why we are committed to realizing a sustainable society where people can enjoy life (blue skies)." This slogan symbolizes Honda's unwavering commitment to environmental efforts, reflecting both our past and future aspirations.

Global Environmental Symbol
The design features a round globe motif that represents the natural blessings essential for achieving a "sustainable society where people can enjoy life." It includes the sun and blue skies (clean air), clean water, and lush green land. The central white line symbolizes the pathways for free mobility, while the heart represents Honda's commitment and passion for environmental efforts.

*1 CVCC: Compound Vortex Controlled Combustion
*2 NOx: Nitrogen Oxides

Honda Environmental and Safety Vision

Realizing the joy and freedom of mobility and a sustainable society where people can enjoy life.

Established in 2011

Honda Environment Statement

As a responsible member of society whose task lies in the preservation of the global environment, the Company will make every effort to contribute to human health and the preservation of the global environment in each phase of its corporate activity. Only in this way will we be able to count on a successful future not only for our company, but for the world.

We should pursue our daily business under the following principles:

1. We will make efforts to recycle materials and conserve resources and energy at every stage of our products' life cycle—from research, design, production and sales to service and disposal.
2. We will make every effort to minimize and find appropriate methods to dispose of waste and contaminants that are produced through the use of our products, and in every stage of the lifecycle of these products.
3. As both a member of the company and of society, each associate will focus on the importance of making efforts to preserve human health and the global environment and will do his or her part to ensure that the company as a whole acts responsibly.
4. We will consider the influence that our corporate activities have on the regional environment and society, and endeavor to improve the social standing of the company.

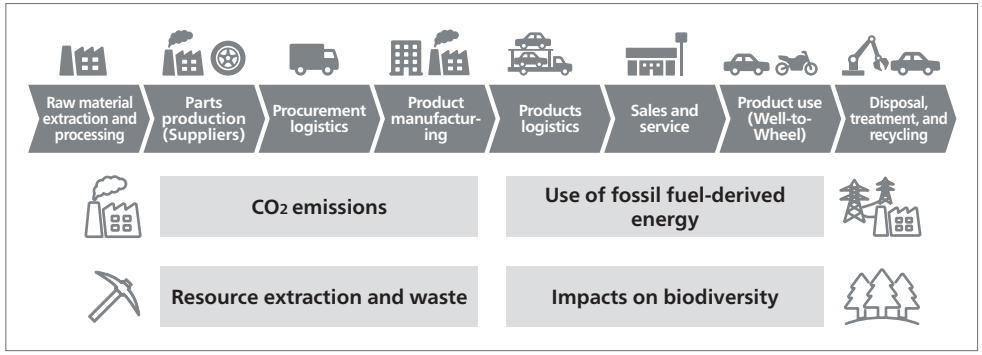
Established and announced in June 1992

Actions to Take Towards Achieving a Zero Environmental Impact Society

Environmental Impacts Recognized by Honda

Honda recognizes that all business activities have environmental impacts. To address these challenges, it is important to consider the environmental impacts of each stage of the product lifecycle. Honda identifies the main environmental impacts as: CO_2 emissions, use of fossil fuel-derived energy, extensive resource extraction and waste, and impacts on biodiversity.

Main Environmental Impacts in the Product Lifecycle



Honda, aiming for sustainable business practices, has set achieving a "Zero Environmental Impact Society" as one of its company-wide priority issues. To address environmental impacts comprehensively, Honda has established four materialities to guide its efforts.

Priority Issues
- **Zero Environmental Impact Society**

Materiality
- **Addressing Climate Change**
- **Addressing Energy Issues**
- **Efficient Utilization of Resources**
- **Biodiversity Conservation**

Triple Action to ZERO

The activities aimed at achieving a "Zero Environmental Impact Society" are centered around "Triple Action to ZERO," a concept that consolidates three key initiatives: "Carbon Neutrality," "Clean Energy," and "Resource Circulation."

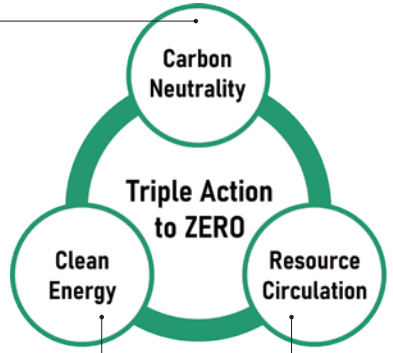
The three initiatives of "Triple Action to ZERO" are closely related and we aim to maximize synergistic benefits by considering their linkages.

The "Triple Action to ZERO" initiative is also linked to the international demand for preserving biodiversity and fostering harmony with nature. In advancing this initiative, we will consider "nature-based solutions*" as well.

* Nature-based Solutions (NbS) involve advancing societal challenges while conserving and restoring natural ecosystems.

Net zero CO_2 emissions

In "addressing climate change," we aim to achieve net-zero CO_2 emissions from both our corporate activities and the product lifecycle, with the goal of limiting the global average temperature rise to 1.5ºC compared to pre-industrial levels.



100% utilization of carbon-free energy

In "addressing energy issues," we aims to use clean energy during product use and corporate activities.

100% use of sustainable materials

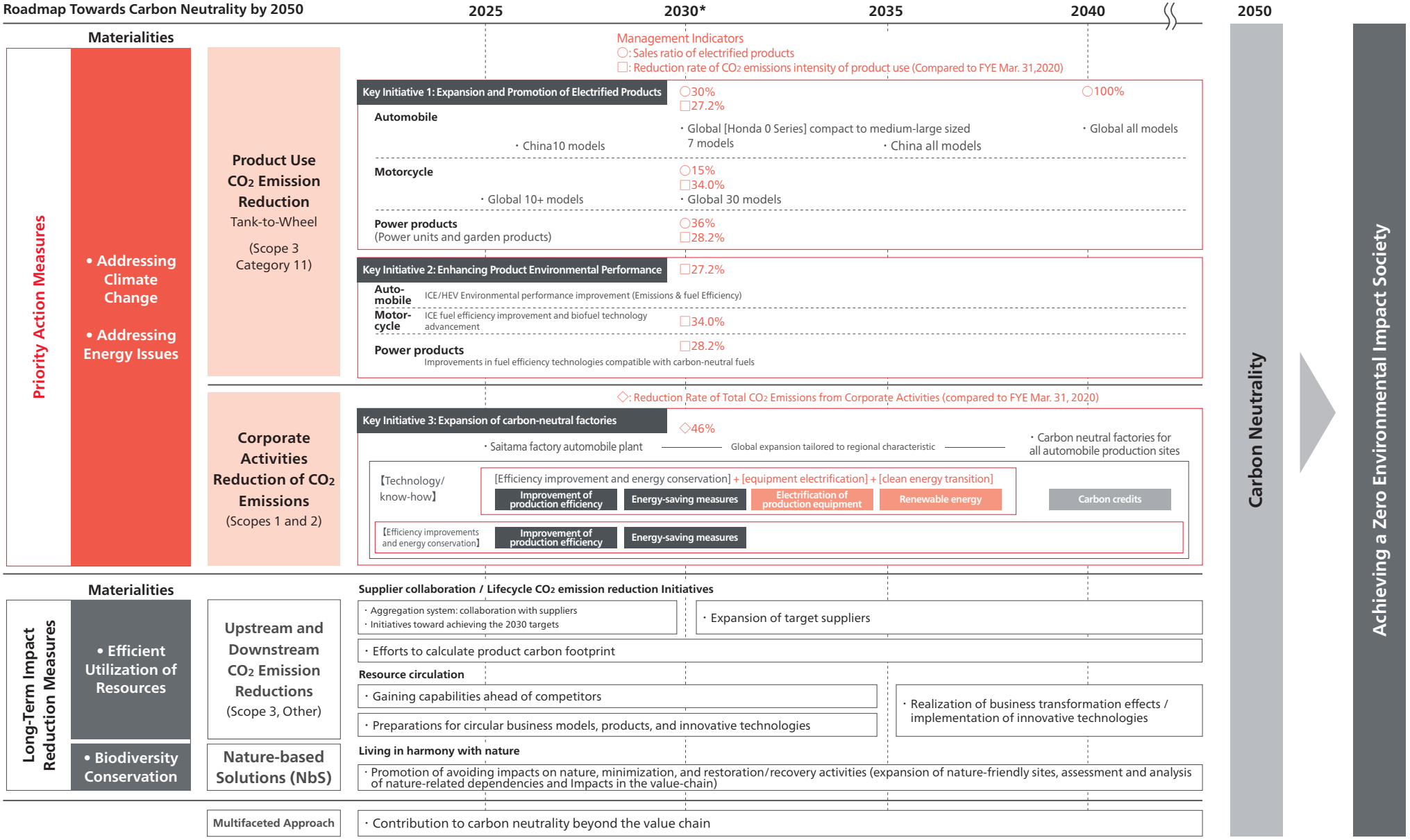
In addressing the "efficient utilization of resources," we will strive to develop products and establish systems that use sustainable materials with no environmental impact. In corporate activities, we aim to achieve zero industrial water intake and zero industrial waste at Honda plants by 2050.

Efforts Towards Achieving Carbon Neutrality by 2050

Honda has set the Fiscal Year Ending March 31, 2031 goals related to the materialities of "addressing climate change" and "addressing energy issues" and is prioritizing efforts to achieve these CO_2 reduction targets as part of its commitment to achieving "carbon neutrality by 2050" across the entire product lifecycle.

Initiatives related to the materiality of "efficient utilization of resources" are in the early stages of development, aiming to reduce CO_2 emissions in future upstream and downstream processes. We recognize the importance of considering natural impacts, such as the materiality of "biodiversity conservation," while advancing these efforts. Honda is committed not only to achieving "carbon neutrality by 2050" but also to pursuing long-term actions to realize a zero environmental impact society.

Roadmap Towards Carbon Neutrality by 2050



* ○, □, ◇ for 2030 is the target value for the Fiscal Year Ending March 2031

Efforts to Achieve Carbon Neutrality by 2050

Key Initiatives and Milestones for Achieving Materiality

Honda is focusing on achieving the four materialities through key initiatives. As priority actions, the Company is working on reducing CO_2 emissions from product use and corporate activities. For long-term impact reduction measures, Honda is addressing upstream and downstream CO_2 emissions and implementing nature-based solutions.

Priority initiatives are classified into specific measures and further broken down into more specific initiatives. Targets for the Fiscal Year Ending March 2031 have been set, and progress is being monitored. Specifically, CO_2 emissions are tracked for various product groups within each business segment, as well as for individual product factories and manufacturing equipment. This approach helps in quantifying CO_2 reduction amounts for each product and factory.

Long-term initiatives for reducing environmental impact include measures that require business transformation to achieve carbon neutrality. Honda is currently in the phase of preparing and implementing various strategies to reach this goal by 2050.

To achieve carbon neutrality, multifaceted initiatives are also being promoted in addition to the electrification of mobility.

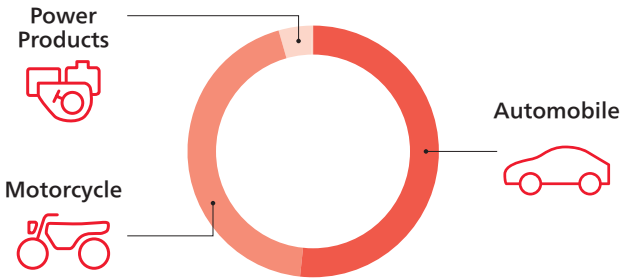
Plan for Reducing Total CO_2 Emissions from Products

Honda has established a plan for reducing the total CO_2 emissions across all business segments as part of its priority initiatives. The plan involves calculating the total CO_2 emissions reductions expected from implementing specific measures within each segment. These reductions are aggregated to form the overall CO_2 emissions reduction plan for the entire company. The CO_2 reduction strategy is closely tied to the initiatives outlined in the milestones and will be achieved through efforts across all business domains.

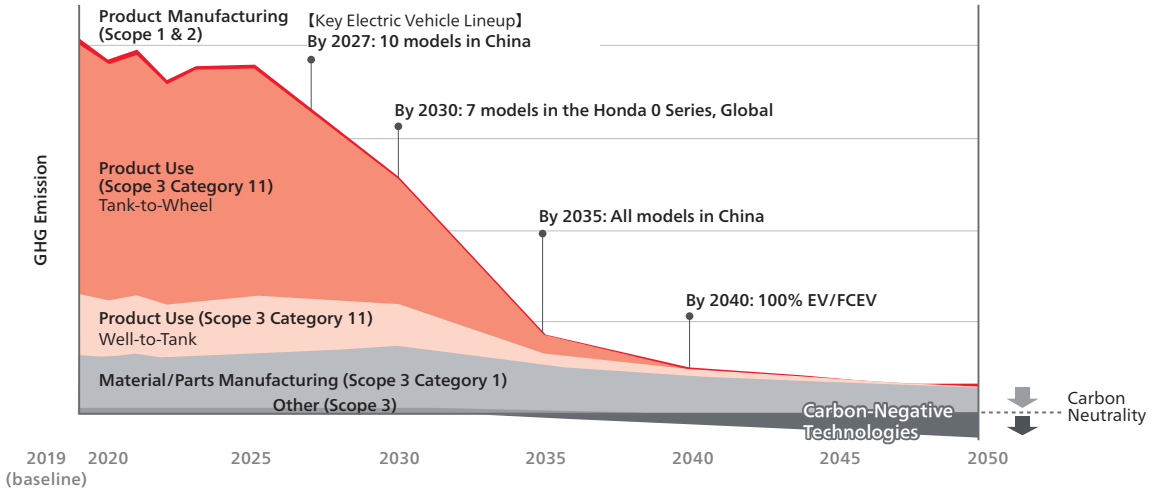
In the automotive business, Honda aims to achieve a 100% sales ratio of electric vehicles by 2040. Consequently, we expect that CO_2 emissions from product use (Tank-to-Wheel) will reach zero by that year.

To reduce CO_2 beyond 2040, it will be necessary for Honda to undertake significant business transformations to achieve carbon neutrality by 2050. Therefore, as part of our long-term efforts to reduce environmental impact, we are also focusing on developing innovative technologies and preparing for business expansion to facilitate these changes.

CO_2 Emissions from Product Use (by Product Type)



CO_2 Emissions Reduction Plan for Automobiles



Initiatives for Carbon Neutrality and Clean Energy

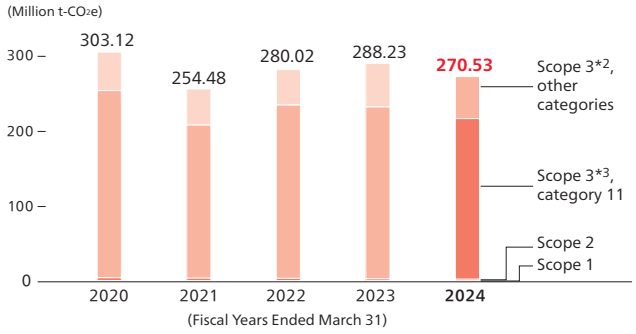
Honda, as a comprehensive mobility company, believes it is essential to actively promote GHG emissions reduction efforts by calculating and disclosing GHG emissions from its global business activities. To achieve this, Honda follows "GHG Protocol,"*1 which is the most commonly used standard for GHG accounting worldwide. Since 2012, Honda has been calculating GHG emissions across its entire supply chain and converting these emissions into CO_2 equivalents for disclosure.

In FYE Mar. 31, 2024, Honda's total GHG emissions worldwide exceeded 270 million t-CO_2e. Scope 3 Category 11, which pertains to CO_2 emissions from product use, accounts for approximately 80% of this total. The remaining 20% is comprised of three categories: "Scope 1" emissions from direct corporate activities, "Scope 2" emissions from indirect energy use, and "Scope 3, Other Categories" emissions from upstream processes such as resource extraction and downstream processes related to resource disposal.

Honda aims to achieve carbon neutrality by 2050 with the goal of reaching net-zero CO_2 emissions by that year. To achieve this, the Company is prioritizing reductions in CO_2 emissions from product use (Scope 3 Category 11) and from its own business activities (Scope 1 and 2), setting these as key milestones for its efforts.

*1 GHG Protocol: The Greenhouse Gas Protocol was developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

Total GHG Emissions (Scope 1, 2 & 3)



*2 The calculation for Scope 3, Other Categories (Category 1) was revised in FYE Mar. 31, 2023.
*3 For Scope 3, Category 11, the IEA SMP Model was used for calculations until FYE Mar. 31, 2021, while the IEA Mobility Model (MoMo) has been used since FYE Mar. 31, 2022. Additionally, some calculations have been revised starting from FYE Mar. 31, 2023.

Reduction of CO_2 Emissions from Product Use (Scope 3 Category 11)

CO_2 emissions from product use (Scope 3 Category 11) primarily result from the combustion of fossil fuels in ICE and HEVs. Honda considers the expansion and proliferation of electric products as an effective measure to reduce CO_2 emissions from product use. By increasing the sales ratio of electric products, Honda aims to achieve reductions in CO_2 emissions for Scope 3 Category 11.

In the short to medium term, Honda plans to continue selling ICE products. We will also maintain our efforts to improve the environmental performance of our motorcycles, automobiles, and power products, actively working to reduce current CO_2 emissions.

While the electrification of products will contribute to reducing CO_2 emissions, some emissions may remain depending on the availability and adoption of renewable energy in different countries and regions. Therefore, Honda is committed not only to utilizing renewable energy within its own operations but also to engaging in advocacy efforts to promote and accelerate the transition to clean energy.

Honda will work towards contributing to the promotion and expansion of clean energy across society, while also exploring direct involvement in supplying clean energy to customers, with the aim of reducing CO_2 emissions from the use of electric products.

Reduction of CO_2 Emissions from Corporate Activities (Scope 1 and 2)

CO_2 emissions from corporate activities (Scope 1 and 2) primarily result from direct CO_2 emissions during product manufacturing at production sites and indirect CO_2 emissions from the use of fossil fuel-based energy in the manufacturing and processing phases. We aims to reduce these emissions by improving production efficiency, electrifying equipment, and substituting energy sources with renewable energy.

Reduction of CO_2 Emissions from Product Use (Scope 3 Category 11)

Key Initiative 1: Expansion and Promotion of Electric Products

Expanding the Range of Attractive Electric Products

As part of its approach to becoming carbon neutral by 2050, Honda considers electrification to be the most effective solution for small mobility, including motorcycles and automobiles. To monitor progress in the expansion of electric products, Honda has set a target for the sales ratio of electric vehicles by the Fiscal Year Ending March 31, 2031. To meet this target, Honda is focusing on expanding its lineup of electric products while simultaneously developing and producing attractive electric products that offer value and are designed to appeal to customers.

For automobiles, Honda will focus on the core Honda 0 series. Starting with the North American market launch in 2026, Honda plans to offer seven models globally, ranging from small to midium-large sized vehicles, by 2030. In the Chinese market, Honda aims to offer ten models by 2027 and to achieve full electrification of all models by 2035. Additionally, in the Japanese market, Honda will expand its lineup with the launch of the small commercial N-VAN e: in October 2024, and will continue to enhance the sales ratio of electric products.

The "Honda 0 Series," which spearheads Honda's EV strategy, is an entirely new EV series created from scratch using a fresh development approach called "Thin, Light, and Wise."

Providing Value of Honda 0 Series

The "Thin, Light, and Wise." development approach provides the following five core values:

- **Advanced Driver Assistance Systems (ADAS) for enhanced safety and security**
- **New spatial value created through IoT and connected technology**
- **High energy efficiency for improved electric vehicle performance**
- **The joy of driving with a harmonious integration between driver and vehicle**
- **Artistic design that resonates and captivates**

For its motorcycles, Honda plans to offer over 10 models by 2025 and aims to introduce 30 models by 2030. In 2023, Honda launched the "EM1 e:" in Japan and Europe, and the "Honda Cub e:" in China among other models. This demonstrates Honda's steady progress in expanding its lineup of electric motorcycles.

In the power products business, Honda is positioning the power unit and garden sectors as key domains for electric products and will accelerate its efforts towards electrification.

The electrification of motorcycles, automobiles, and power products is seen as a way to create synergies through parts sharing among different business segments. Honda will continue to actively advance its electrification efforts.

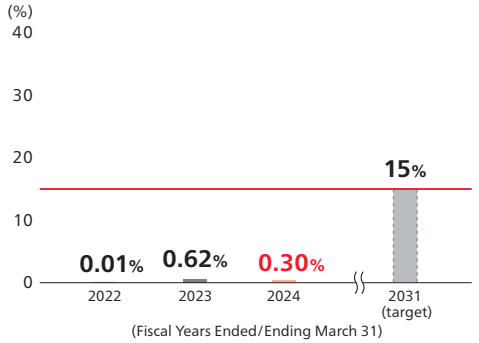
Honda monitors progress in the expansion of electric products by setting the "Sales ratio of electrified products" as a key performance indicator (KPI) and advancing efforts towards the targets.

Metrics and Targets / Achievements

Management Indicators (KPI)	Targets		
	Fiscal Year Ending March 31, 2031		
Sales ratio of electrified products	Motorcycles **15%**	Automobiles **30%**	Power products **36%**

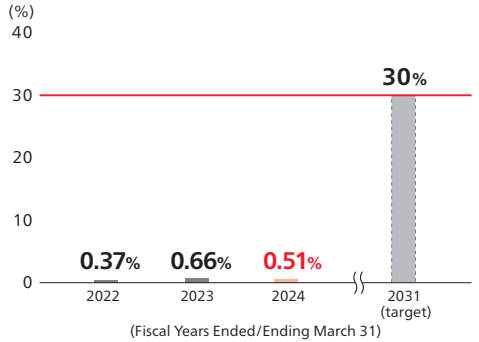
Sales Ratio of Electrified Products

Motorcycles



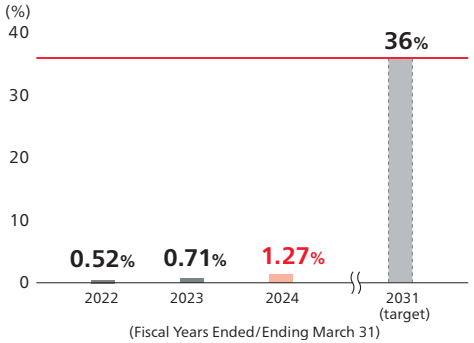
(Fiscal Years Ended/Ending March 31)

Automobiles



(Fiscal Years Ended/Ending March 31)

Power Products



(Fiscal Years Ended/Ending March 31)

Reduction of CO_2 Emissions from Product Use (Scope 3 Category 11)

Key Initiative 2: Enhancing of Product Environmental Performance

Reduction of CO_2 Emissions through Improved Environmental Performance

Honda is advancing product electrification while also reducing CO_2 emissions during use by enhancing the environmental performance of various products, including ICE, HEV, and EV. To guide its efforts in improving environmental performance, Honda utilizes its proprietary "Honda Environmental Performance Standards (HEPS)".

Honda Environmental Performance Standards (HEPS)

- **Improving the efficiency of internal combustion engines**
- **Applying environmental innovation technologies and adapting to diversifying energy sources**
- **Utilizing renewable energy and total energy management systems**

HEPS High Efficiency Products — Efficiency improvement technologies for internal combustion engines

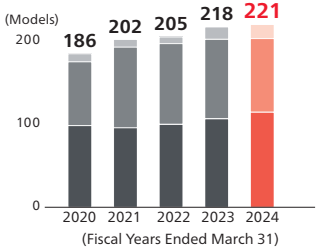
HEPS Innovative Products — Environmental innovation and energy-diversification technologies

HEPS Revolutionary Products — Renewable energy technologies

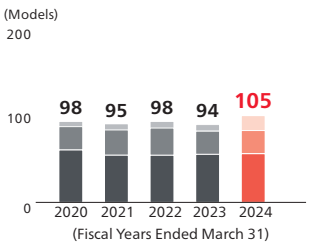
To track the progress of electric product adoption and environmental performance improvements, we established the "product CO_2 emission intensity reduction rate (compared to FYE Mar. 31, 2020)" as a key performance indicator (KPI). We have set target values and are actively working to achieve them.

Global Number of HEPS-Compliant Models

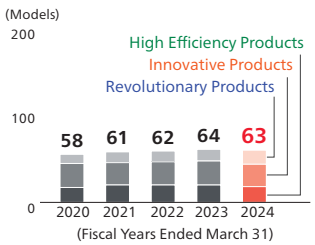
Motorcycles



Automobiles



Power Products



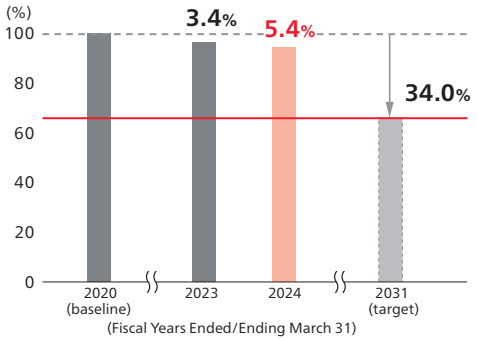
In 2011, Honda established the "Honda Environmental Performance Standards (HEPS)" and set operational guidelines to ensure continuous efforts in this area. The number of HEPS-compliant models across various business sectors has been increasing as of the FYE March 2024. Additionally, the FYE Mar. 31, 2024 performance for product CO_2 emission intensity reduction rate (compared to FYE Mar. 31, 2020) has generally shown a decrease compared to the previous fiscal year, indicating steady progress in improving the efficiency of internal combustion engine products, among other advancements.

Metrics and Targets/Achievements

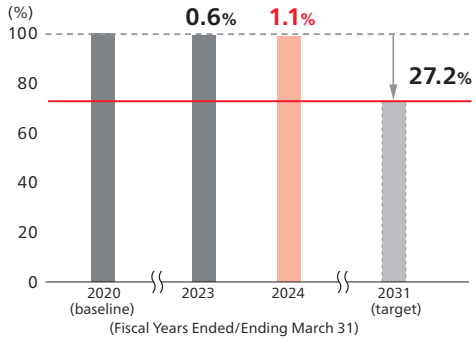
Management Indicators (KPI)	Targets		
	Fiscal Year Ending March 31, 2031		
Reduction rate of CO_2 emissions intensity of product use (compared to FYE Mar. 31, 2020)	Motorcycles **34.0%**	Automobiles **27.2%**	Power products **28.2%**

Reduction rate of CO_2 emissions intensity of product use (Compared to FYE Mar. 31, 2020)

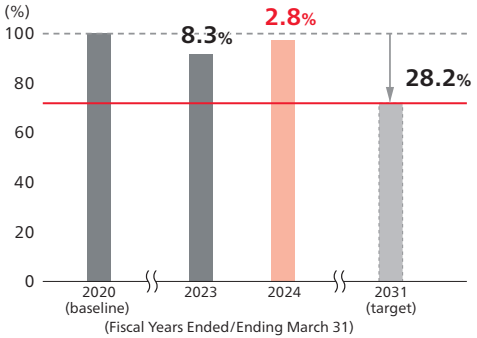
Motorcycles



Automobiles



Power Products



Reduction of CO_2 Emissions from Corporate Activities (Scopes 1 and 2)

Key Initiative 3: Expansion of Carbon-Neutral Factories

The starting point for reducing CO_2 emissions lies in improving production efficiency and implementing energy-saving measures.

Honda is actively working to reduce direct emissions (Scope 1) and indirect emissions from energy use (Scope 2) in corporate activities.

CO_2 Emissions Reduction through Three Key Technologies/Eexperience and Expertise:

1) Improving production efficiency and implementing energy-saving measures
2) Electrification of production equipment
3) Procurement and utilization of renewable energy

In the production process, Honda prioritizes improving production efficiency through process enhancements and implementing energy-saving measures. Additionally, the electrification of factory equipment is actively pursued during equipment upgrades or automation.

Furthermore, to address CO_2 emissions from the use of fossil fuel-based electricity, we are working on reductions through the procurement and utilization of renewable energy, including the installation of solar panels on factory premises. As a result, the FYE Mar. 31, 2024 performance has reached 37.7% vs. the 46% reduction target for 2030 (compared to FYE Mar. 31, 2020), with CO_2 emissions amounting to 3.14 million t-CO_2e.

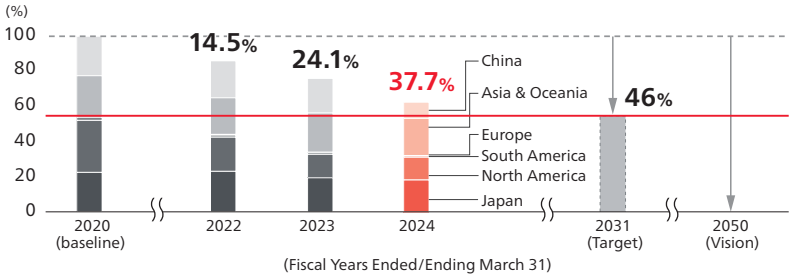
Honda sets a key management indicator (KGI) for the reduction of Scope 1 and 2 emissions, namely the "reduction of total CO_2 emissions from corporate activities (compared to FYE Mar. 31, 2020)," and establishes target values to continuously monitor and advance its efforts toward achieving these goals.

Metrics and Targets/Achievements

(Million t-CO_2e)

Management Indicator (KGI)		Target Values		Achievements			
		FY Ending Mar. 31, 2026	FY Ending Mar. 31, 2031	FYE Mar. 31, 2021	FYE Mar. 31, 2022	FYE Mar. 31, 2023	FYE Mar. 31, 2024
Reduction rate of total CO_2 emissions from corporate activities (compared to FYE Mar. 31, 2020)	Company-wide	—	46%	4.50	4.30	3.82	3.14

Reduction rate of total CO_2 emissions from corporate activities (compared to FYE Mar. 31, 2020)



Achieving Carbon Neutral at Saitama Factory Automobile Plant by the Fiscal Year Ending March 31, 2026

Honda is implementing CO_2 emissions reductions from its corporate activities using three main technologies/know-how and defines production sites that have effectively achieved zero CO_2 emissions as "carbon neutral factories."

Honda is designating its Saitama Factory's automobile plant, which is a key production site for automobiles, as a leading facility for carbon neutrality. The plant is applying three main technologies/know-how in this effort. By advancing these initiatives, the goal is to achieve Honda's first carbon-neutral factory by Fiscal Year Ending Mar. 31, 2026. Through these efforts, the accumulated technologies/know-how will be shared across other sites and expanded to achieve carbon neutrality tailored to regional characteristics. Honda will work towards realizing carbon-neutral factories at all its automobile production sites worldwide by the late 2030s.

Saitama Factory Automobile Plant

"Canada EV-Only Factory" Aiming for Both Minimal Environmental Impact and World-Class Production Efficiency

The Canada EV-only factory, scheduled to begin operations in 2028, will utilize the carbon-neutral factory technologies and know-how developed at the Saitama Factory. It aims to achieve both minimal environmental impact and world-class production efficiency. As part of our efforts, the plan is to utilize renewable energy sources, such as hydroelectric power, which are becoming more prevalent in Canada, to advance the use of clean energy.

We will also progressively implement measures at other production sites, tailored to the renewable energy characteristics of each region.

Reduction of CO_2 Emissions from Corporate Activities (Scopes 1 and 2)

Key Initiative 3: Expansion of Carbon-Neutral Factories

Technologies/Experience and Expertise 1: Improving Production Efficiency and Implementing Energy-Saving Measures

Honda believes that the key actions for reducing CO_2 emissions from its corporate activities are improving production efficiency and implementing energy-saving measures. To enhance production efficiency, we are reviewing production processes and reducing the number of steps and procedures involved in production.

For energy-saving measures, we are implementing practices such as the utilization of surplus heat, among other strategies, to reduce energy consumption and lower CO_2 emissions.

For example, we are advancing efforts to recover and reuse waste heat generated in the painting process in other equipment. These efforts are not limited to the painting process and are continuously applied across various processes.

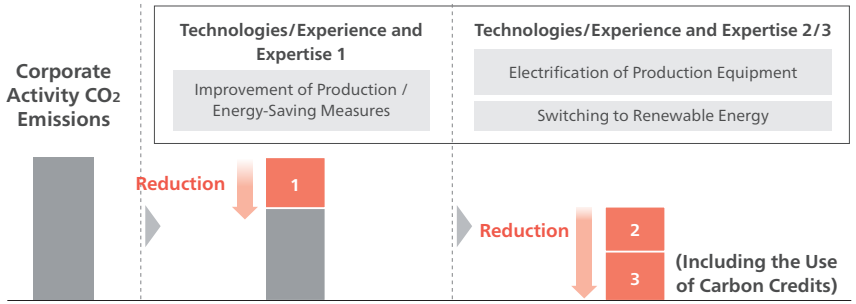
Technologies/Experience and Expertise 2: Electrification of Production Equipment

Electrifying equipment is an effective measure to reduce CO_2 emissions from production processes. For example, we have electrified gas-burning equipment used for drying, which has helped reduce CO_2 emissions from the process.

Additionally, by substituting the electricity used for electrified equipment with renewable energy sources instead of fossil fuels, we are achieving further reductions in CO_2 emissions.

Going forward, we will continue to focus on electrifying equipment tailored to the characteristics of our production processes.

Conceptual Diagram of CO_2 Emission Reduction from Corporate Activities



Technology/Experience and Expertise 3: Switching to Renewable Energy

Honda is actively installing solar panels on buildings and parking lots within its premises. To make the most of the renewable energy generated by these installations, we are also implementing stationary battery storage systems. This approach aims to minimize the Company's own CO_2 emissions from its operations and enhance its reduction efforts.

Additionally, in regions such as Japan and North America, Honda is also advancing the procurement of renewable energy sourced from external suppliers.

As a case example in Japan, Honda has signed a virtual Power Purchase Agreement (PPA) with Rusutsu Wind LLC in September 2024, with plans to start utilizing it from 2025.

Rusutsu Wind Power Plant (Rusutsu Wind LLC)

Utilization of Carbon Credits

Honda is implementing various strategies and innovations to reduce and mitigate CO_2 emissions. However, even with these efforts, we anticipate that achieving complete zero CO_2 emissions may still be challenging. Therefore, we consider the use of carbon credits, among other options, as part of our strategy to achieve net-zero emissions.

Shinichi Miyaguchi
Saitama Factory Automobile Plant
Production Unit
Involved in the establishment of the Yorii Factory and the promotion of material introduction, currently serving as the leader of the painting sector for the Yorii Carbon Neutral Factory Realization Project.
Favorite motto
"Learn from yesterday, live for today, hope for tomorrow."
Honda-ism which he has empathy
"Work for yourself first."

Interview

From Yorii to the World: Driving Honda's Carbon Neutrality Forward

Saitama Factory Automobile Plant (Yorii Factory) represents the forefront of Honda's carbon neutral technology in the automobile production sector. Here, we are continuously pursuing our mission to achieve a carbon neutral factory by the Fiscal Year Ending March 31, 2026, through efforts such as optimizing manufacturing energy efficiency and utilizing clean energy.

When the Yorii Factory began operations in 2013, the Chemical Module team I belong to embarked on an initial effort to reduce volatile organic compounds (VOCs) and CO_2 emissions. This included transitioning from solvent-based to water-based paints and eliminating the "intermediate coating" process, a first for Honda. However, we faced new challenges, such as pinholes in the paint film caused by water vapor in water-based paints. To overcome these issues and achieve high-quality painting, my team and I brainstormed and went through a process of trial and error to address each problem.

Currently, we are striving to achieve zero direct CO_2 emissions from the factory by electrifying our painting equipment as part of our efforts to further reduce environmental impact. The Yorii Factory plays a crucial role as a mother factory, establishing mass production technologies for horizontal deployment to other production sites. If our efforts succeed, they will significantly advance Honda's overall carbon neutrality. Initially, I felt pressure and anxiety about the important mission, which greatly contributes to Honda's future strategy. However, the goal is clear. It's now a matter of "how to overcome the obstacles that stand in our way." I've come to realize that if there are things I lack, I should learn openly from those around me and focus on "working together with my team to reach the goal."

Working in the painting domain is a continuous process of trial and error. We learn from yesterday's failures and successes, apply that knowledge today, and hope for better results tomorrow. I believe that continuous effort and learning is the path to growth both as a technician and as a person. My current dream is to become an expert in the environmental field within the painting domain and to contribute to global environmental conservation.

Efforts to Reduce Lifecycle CO_2 Emissions

Advancement in Aggregating Corporate GHG Emissions

While the expansion and adoption of electric products are advancing the reduction of CO_2 emissions from product use (Scope 3 Category 11), CO_2 emissions associated with the manufacturing of materials and components required for these electric products (Scope 3 Category 1) are expected to increase if current trends continue.

To identify the major sources of CO_2 emissions (hotspots), Honda has developed and implemented a method for calculating CO_2 emissions for each component by decomposing approximately 20,000 parts into about 50 types of constituent materials.

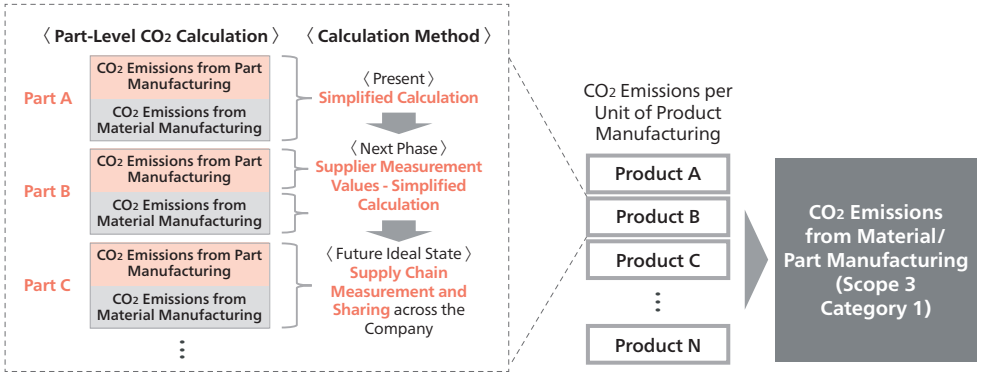
Currently, CO_2 emissions during the manufacturing of materials and components are calculated using simplified methods based on industry averages. However, moving forward, it will be possible to more accurately assess CO_2 emissions reduction efforts by measuring the actual energy consumption during the manufacturing process.

On the other hand, it is the suppliers who can accurately calculate CO_2 emissions during the production of materials and components, as they are directly involved in the manufacturing process. As an ideal approach for the future, we aim to share CO_2 emission data calculated by our suppliers along the supply chain. This will enable us to more accurately assess the CO_2 emissions of Honda products and, based on this assessment, collaborate with our suppliers on further reduction efforts and initiatives.

Based on the belief that accurate assessment of CO_2 emissions enables more effective measures, we are advancing the implementation of a system that can aggregate and analyze CO_2 emissions data across the entire Honda value chain, including not only our own corporate CO_2 emissions (Scope 1 and 2) but also Scope 3 emissions.

Based on the analysis results obtained, we will utilize them to enhance strategies and measures for further CO_2 emission reductions, aiming to achieve carbon neutrality.

Scope 3 Category 1 Aggregation: Concept Diagram



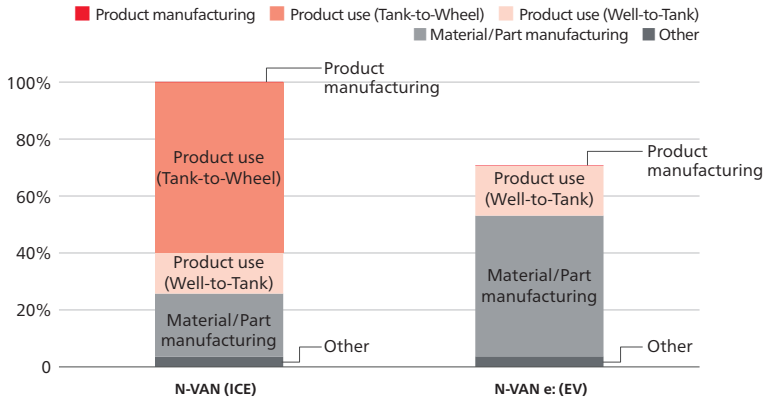
Efforts to Calculate Product Carbon Footprint

To achieve carbon neutrality by 2050, we are focusing on effective CO_2 emission reductions through product electrification and striving for more sustainable, environmentally friendly manufacturing.

To this end, we are quantifying the product carbon footprint across the entire lifecycle and examining areas such as material and component manufacturing, which may result in higher CO_2 emissions compared to traditional products. We are also developing technologies and improving product specifications to enable CO_2 emission reductions associated with product electrification.

Moving forward, we will incorporate the findings from our carbon footprint assessments into the early stages of product design and development processes, continuously promoting our activities for a lower-carbon future.

Carbon Footprint Comparison of N-VAN (ICE) and N-VAN e: (EV)



Efforts to Achieve the Fiscal Year Ending March 31, 2031 Goals

In March 2024, to accelerate efforts toward achieving carbon neutrality by 2050, Honda communicated the Fiscal Year Ending March 31, 2031 interim target (a 46% reduction compared to FYE Mar. 31, 2020) to its suppliers. Honda is working together with its suppliers, engaging in communication and collaboration to achieve carbon neutrality.

Efforts in Resource Circulation

Environmental Impact of Mining Scarce Resources Associated with Product Electrification

Our lives involve production, consumption, and disposal, relying on various resources. Driven by global population growth and economic development, the demand for resources continues to rise, and extensive resource extraction has become a societal issue. This is because, in addition to consuming limited resources in large quantities, resource extraction entails energy consumption, CO_2 emissions, and land alteration, resulting in environmental impacts that depend on and affect natural capital.

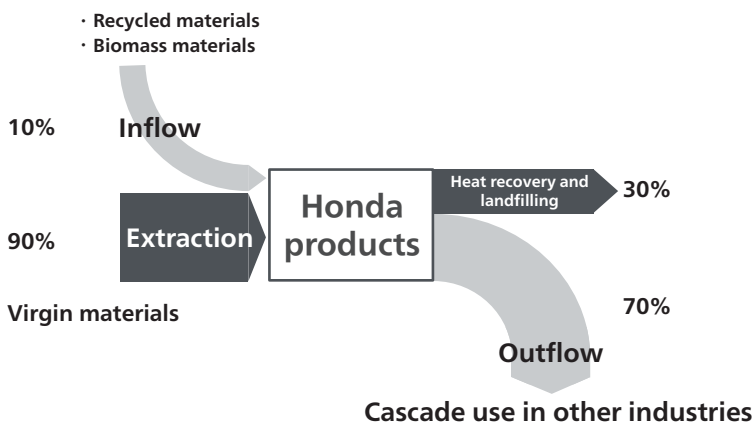
Electrification of products is an effective means of reducing CO_2 emissions during product use. However, compared to traditional internal combustion engine vehicles, electric vehicles use larger amounts of scarce resources such as copper, nickel, cobalt, lithium, and rare earth elements.

The extraction of scarce resources involves substantial energy consumption and significant CO_2 emissions. Therefore, it is crucial to focus on efficient resource use (referred to as resource circulation) that enables low-energy and sustainable recycling.

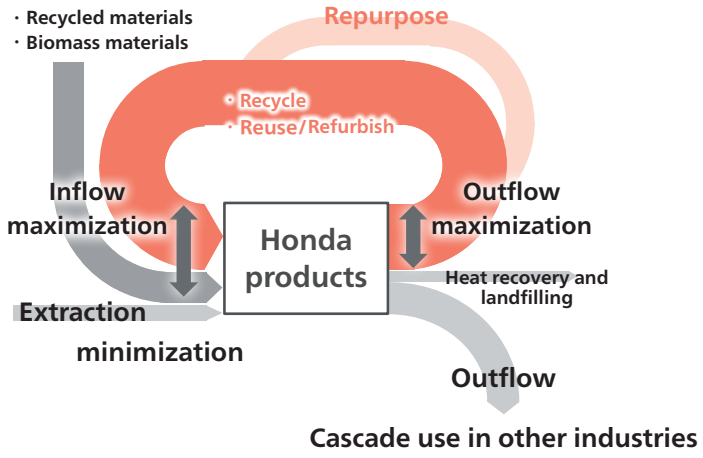
Currently, approximately 90% of the resources used in new car manufacturing rely on newly mined materials. Although about 70% of the resources from dismantled vehicles are recycled and reused, they are often cascaded to other industries, with the remaining 30% either incinerated for heat recovery or landfilled. The high-quality requirements for automotive materials make the use of recycled materials costly. Moreover, advancing the electrification of products increases the demand for scarce resources, leading to potential risks of rising resource prices and supply shortages, which could affect the availability of products and services. Therefore, it is essential to implement resource circulation with economic feasibility to make recycled materials more viable.

In a traditional "take-make-dispose" business model, the recycling process is not included in the supply chain. We are working to go beyond the conventional business model and achieve resource circulation by collaborating with relevant industries. Alongside our efforts towards carbon neutrality, we are addressing societal challenges related to resource utilization, striving to continuously provide the "joy and freedom of mobility" through our mobility solutions.

Traditional Material Flow



Ideal Circular Material Flow



Efforts in Resource Circulation

Achieving Horizontal Recycling by Maximizing the Use of End-of-Life Products

Honda aims to achieve resource circulation through horizontal recycling, which maximizes the use of end-of-life vehicles (ELVs). This approach requires the development of a new “circular value chain.” To build this value chain, Honda is working to acquire capabilities beyond its current corporate activities. The insights and technologies gained from this effort are expected to support new businesses and products designed with a circular economy in mind, as well as the innovative technologies to achieve them. Consequently, we focus on transforming our business from a mass consumption model to a circular one.

Creating Economic Viability in Resource Circulation

Fully utilizing the value of products and parts during their lifecycle and highly efficient recycling of used products while ensuring economic viability throughout a product are both vitally important for resource circulation.

To fully utilize the value of products and components, we will focus on reusing and repurposing them.

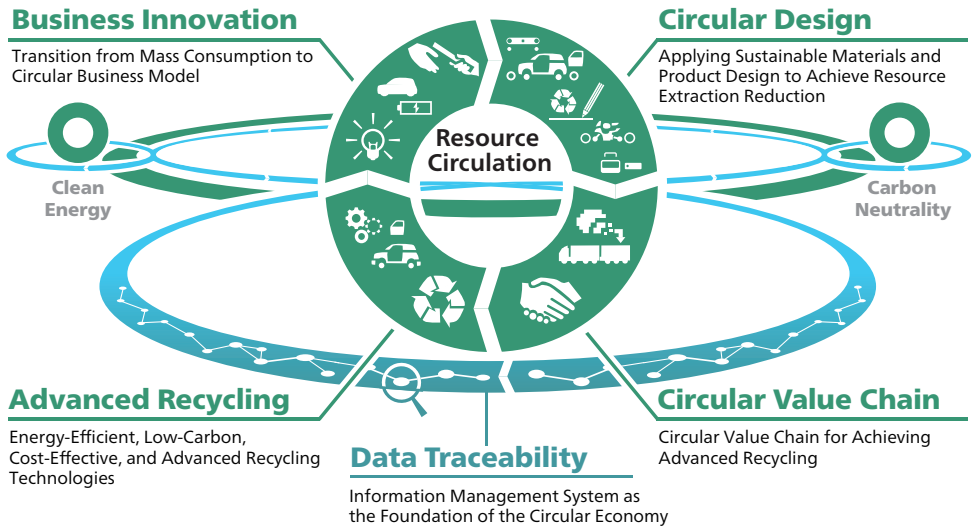
We will also utilize data to "visualize value" throughout the product lifecycle, facilitating regulatory compliance, proper transactions of products and components, and promoting their effective use.

To efficiently recycle used products, it is crucial to incorporate "circular-oriented materials and design" into the products. For the products currently under development, we are advancing the replacement of materials with those designed for circularity, integrating material types, and adapting material specifications and manufacturing methods to accommodate the use of recycled materials. Additionally, we are working on designs that facilitate easy disassembly of end-of-life vehicles (ELVs) and transforming components made of multiple materials into structures that allow for easy separation into single materials, avoiding the inclusion of contaminants during the recycling process.

In addition to incorporating these strategies into product design, we will also focus on expanding future horizontal recycling efforts. To achieve both environmental sustainability and economic viability, we are working with our partners to develop advanced recycling technologies, including those for dismantling, shredding, sorting, and reprocessing materials.

Five Key Principles of Resource Circulation

Resource Circulation Concept Diagram



Business Innovation
Honda is committed to shifting to a recycling-oriented business that uses up products and parts throughout their entire life cycle and recycles them with high efficiency.

Advanced Recycling
Honda is committed to the research and development of advanced technologies that enable energy-saving, low-carbon, and low-cost recycling.

Data Traceability
Honda will work on visualization of social values such as lifecycle CO_2 emissions and recycling rate to prove compliance with laws and regulations and to promote appropriate trade and use of recycled materials. The Company is committed to proving maintenance history and improving resource recovery rates through the extensive use of digital technologies.

Circular Design
Honda is committed to creating a system premised on recycling, which includes the selection of materials suitable for recycling, easy disassembly and separation design that enables the removal of high-quality scrap, and stable procurement of recycled materials.

Circular Value Chain
Honda will work on optimizing specifications across the entire supply chain involved in resource circulation, including material manufacturers and dismantling and shredding industries, to build a circular value chain that maximizes economic efficiency.

Efforts in Resource Circulation

Path to Business Transformation Considering the Product Lifecycle

Honda has set "efficient utilization of resources" as a materiality and aims to achieve "100% sustainable material usage" by 2050.

Product resource circulation	Target for Fiscal Year Ending March 31, 2031	Target for 2050
	Set internal milestones →	Use of sustainable materials 100%

Generally, automobiles, after being manufactured and sold, reach customers and undergo around a decade of use before reaching the end of their lifecycle. Therefore, efforts related to resource circulation require time to realize their benefits. To achieve "100% sustainable material usage" by 2050, it is essential to implement initiatives with the entire product lifecycle in mind.

Honda is addressing the realization of product resource circulation by dividing the period up to 2050 into two major phases. Specifically, until the early 2030s we are focused on "acquisition of pioneering capabilities" and "preparation of circular business models, products, and innovative technologies." The latter half from late 2030s is anticipated to be the period when the effects of these preparations begin to manifest, focusing on "business transformation effects and the implementation of innovative technologies." Recognizing that achieving the envisioned 2050 goals requires more than just in-house business areas and technology development, Honda is collaborating with partners in fields outside its current business scope. This approach aims to acquire capabilities to expand business areas ahead of competitors. Additionally, Honda is engaging in technology development with various manufacturers of materials, components, and parts, focusing on circular business models and innovative technologies. The goal is for these preparations to result in business transformation effects in the latter half of the 2030s and to enable further implementation of innovative technologies.

Acquisition of Pioneering Capabilities and Preparation of Circular Business Models, Products, and Innovative Technologies

Looking ahead to the period when the effects of upcoming business transformations will manifest in over a decade, we are considering collaborations with various partners to construct a circular value chain.

Acquisition of Pioneering Capabilities

To build a circular value chain, we have established a joint venture, ALTNA Co., Ltd., with Mitsubishi Corporation.

ALTNA will not only engage in smart charging and repurposed energy storage businesses but also start offering leasing products using Honda's EV vehicles. During the lease period, we will monitor the battery's usage, and collect batteries that are no longer in use. By continuously monitoring the battery's condition from vehicle use, we will leverage the data obtained to maximize the utility of collected batteries, contributing to long-term and stable operations. The leasing prices are set with the premise of long-term utilization of batteries from vehicle to stationary use, which helps reduce the economic burden for EV owners.

Additionally, batteries that have completed their use in vehicles and stationary applications will be recycled as part of our efforts to achieve a circular value chain.

Preparation of Circular Business Models, Products, and Innovative Technologies

As part of our efforts to establish circular business models, products, and innovative technologies, we are collaborating with various manufacturers handling different materials, components, and parts. Achieving horizontal recycling in the resin sector is particularly challenging due to economic feasibility issues. Therefore, we have initiated demonstration experiments on horizontal recycling with Mitsubishi Chemical Corporation and the Hokkaido Auto Dismantler Corporation for acrylic resins, and with Idemitsu Kosan Co., Ltd. for plastics.

In partnership with Toray Industries, Inc., we have successfully developed a technology to return nylon resin to its monomer state. This technology uses subcritical water as a solvent, eliminating the need for traditional acid catalyst waste treatment and allowing for the conversion of recycled materials into products with performance and quality equivalent to virgin materials with high yield in a short time. The reduction in reaction time has enabled continuous processing equipment, which helps lower capital investment costs. This is expected to reduce the cost of providing recycled materials.

Honda is committed to developing advanced recycling technologies that balance low energy consumption with economic feasibility.

Mitsubishi Chemical Corporation (Acrylic resins)

Toray Industries, Inc. (Nylon resins)

Idemitsu Kosan Co., Ltd. (Plastics)

Efforts in Resource Circulation

Efficient Use of Resources in Corporate Activities that Are Part of the Product Life Cycle

Honda focuses on waste reduction and water conservation in its corporate activities.

Waste

Honda is committed to reducing waste*1 and other environmental impacts in its corporate activities, with a focus on effective resource utilization and environmental load reduction. We are working on resource reduction, including minimizing scrap in production processes, and engaging in the 3Rs (Reduce, Reuse, Recycle). Our goal is to achieve a 14.5% reduction in the total amount of waste generated by all Honda activities by the Fiscal Year Ending March 31, 2031 compared to the Business As Usual (BAU)*2 scenario.

Water Resources

Honda recognizes the potential impact on local communities and downstream water resources in areas where we draw water and is committed to water conservation. We select regions that harmonize with surrounding water resources and conduct our corporate activities in accordance with environmental assessment regulations in each country.

We are also working to minimize water use, such as utilizing recycled water. With a focus on mitigating supply risks and addressing depletion risks that could affect local communities, we aim to achieve a 14.5% reduction in the total amount of water withdrawn across all Honda activities by the Fiscal Year Ending March 31, 2031 compared to the BAU scenario.

*1 The total amount of waste and recoverable resources based on GRI standards
*2 Estimated value assuming no measures or actions are taken towards reduction based on the 2030 production plan (Business As Usual)

Management Indicators (KPI)		Targets		Target for 2050
		Fiscal Years Ending March 31		
		2026	2031	
Reduction rate of total waste generation in corporate activities	Consolidated (compared to BAU)	–	14.5%	Zero industrial waste
Reduction rate of total water intake in corporate activities		–	14.5%	Zero industrial water withdrawal

Biodiversity Conservation Initiatives

Approach to Initiatives

In advancing our efforts towards nature positive and promoting harmony with nature, Honda has identified "biodiversity conservation" as a materiality.

Honda's operations benefit from natural and mineral resources. We recognize our dependence and impact on numerous natural capitals throughout the entire value chain, from raw material procurement to research and development, manufacturing, usage, and post-use disposal. Our fundamental approach is to strive for harmony with corporate activities and promote efforts accordingly.

In 2011, we established the "Honda Biodiversity Guidelines." Following these guidelines, we work not only to avoid and minimize impacts on the environment, including air, water, and biodiversity but also to engage in restoration and regeneration efforts.

Priority Analysis for Biodiversity Conservation

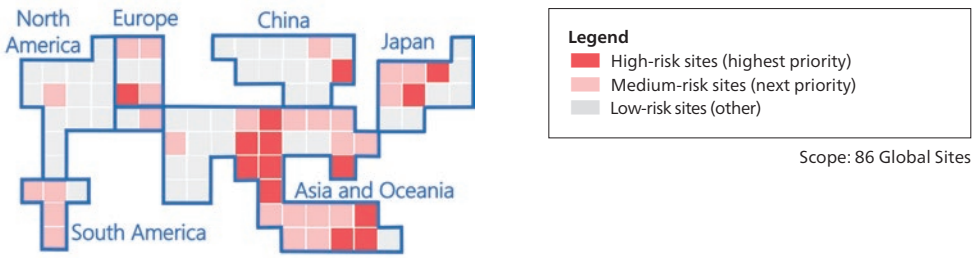
Honda conducts analyses to identify potential impacts of its business activities on biodiversity and prioritize areas of focus.

For these analyses and evaluations, we utilize methods recommended by the Taskforce on Nature-related Financial Disclosures (TNFD).

Priority Site Assessment

In concretizing biodiversity initiatives at our production sites, we use indicators from the Integrated Biodiversity Assessment Tool (IBAT) to perform a comprehensive evaluation of biodiversity risks at these sites. Based on the results, we identify priority sites and consider specific measures for biodiversity conservation.

Assessment of Biodiversity Priorities at the Company's Production Sites



Scope: 86 Global Sites

Endangered Species Assessment

We investigate areas within a 50 km radius of our production sites and evaluate the proximity to areas where IUCN* Red List endangered species are known to inhabit. In order to concretize our biodiversity initiatives, we use indicators from IBAT, including Key Biodiversity Areas (KBAs), the World Database on Protected Areas (WDPA), IUCN Red List endangered species, and Species Threat Abatement and Restoration (STAR) to perform a comprehensive assessment of biodiversity risks at our production sites.

The assessment and identification of endangered species and priority sites are conducted with the support of BirdLife International Tokyo, a specialized organization in biodiversity evaluation. (2023 assessment)

* IUCN: International Union for Conservation of Nature and Natural Resources

Endangered Species Assessment around the Company's Production Sites

Region	Endangered Species Category		
	CR (Critically Endangered)	EN (Endangered)	VU (Vulnerable)
Japan	60	292	607
North America	75	187	294
Europe	62	136	305
Asia & Oceania	647	1,547	4,538
China	189	404	755
South America	29	97	212
Africa & the Middle East	36	64	90
Total	1,098	2,727	6,801

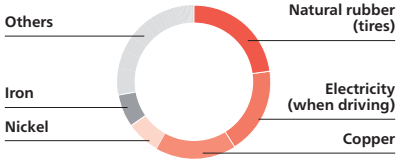
Number of species (total)
Scope: 86 sites (global)

Product Evaluation

Products incorporate a variety of materials, some of which may potentially impact biodiversity.

Therefore, Honda is undertaking initiatives to conduct a preliminary assessment of the potential impacts of materials used in our products on biodiversity. Based on the evaluation results, we will conduct more detailed analyses for materials that have a potential for significant impact. We will also consider measures to reduce the effects of our products on biodiversity.

Results of the Primary Assessment of Biodiversity Impacts of Products



Calculation Conditions
- Vehicles evaluated: compact electric vehicle
- Energy consumption during production: in Japan in 2020
- Lifetime mileage: 200,000 km
- Inventory data: IDEA v2.3
- EINES assessment (biodiversity impact): LIME2

Biodiversity Conservation Initiatives

Biodiversity Conservation Activities

In April 2022, Honda joined the "30by30 Alliance for Biodiversity," led by the Ministry of the Environment in Japan, and is working towards obtaining certification for areas recognized as "Nature Symbiosis Sites," where biodiversity conservation is achieved.

Mobility Resort Motegi, located in the nature-rich town of Motegi in Tochigi Prefecture, has long engaged in environmental conservation activities and next-generation development efforts aimed at harmonizing people and nature.

Due to the achievements of these efforts, 415.1 hectares of forest at Mobility Resort Motegi have been certified as a Nature Symbiosis Site.

Moving forward, Honda aims to obtain Nature Symbiosis Site certification at other priority domestic sites based on biodiversity assessments, and to promote biodiversity restoration and regeneration activities.

In the future, we plan to establish internal standards equivalent to the Nature Symbiosis Site certification and expand these efforts to our overseas facilities.

30by30 Alliance Logo

Mobility Resort Motegi's Certificate of Nature Symbiosis Site

Terraced rice paddies inhabited by a wide variety of organisms (Mobility Resort Motegi)

The terraced rice fields within Mobility Resort Motegi use traditional farming methods that avoid pesticides, supporting a diverse range of species.

The site also offers cultural services, as one of the venues for visitor programs aimed at observing flora and fauna and fostering interest in environmental conservation.

Multifaceted Approaches toward Carbon Neutrality

Honda is committed to achieving carbon neutrality across society through a multifaceted approach, which includes not only the electrification of mobility but also various other strategies.

Efforts to Promote Sustainable Aviation Fuel (SAF)

Honda anticipates that achieving carbon neutrality for aircraft, which require long-distance and high-speed travel, will take more time with battery replacement alone. Therefore, we believe that Sustainable Aviation Fuel (SAF) is an effective solution. SAF is a next-generation fuel that significantly reduces CO_2 emissions by blending with or replacing existing jet fuel, and it is positioned as a crucial technology for achieving carbon neutrality in aviation.

Honda aims to become a frontrunner in the promotion and expansion of SAF by advancing activities from three perspectives: "Regulate," "Use," and "Create."

- Regulate: In Japan, Honda participates in ACT FOR SKY, an organization dedicated to promoting SAF. In the United States, we are a member of the FAA/OEM Review Panel, composed of the Federal Aviation Administration (FAA) and aircraft and engine manufacturers, working with industry groups to build SAF supply network and value chains. Additionally, from our position as a developer and manufacturer of aircraft and aircraft engines, we evaluate the safety of newly developed SAF through test data reviews with other participating companies and support SAF standardization.
- Use: From the perspective of usage, Honda, in collaboration with General Electric Company (GE), has successfully completed the compatibility evaluation of the HF120 engine with 100% SAF.
- Create: In the realm of fuel production, we are advancing research on SAF's third generation, known as PtL (Power-to-Liquid), which synthesizes fuel directly from CO_2 and hydrogen, rather than using traditional bioresources or waste. This involves research into catalysts and catalytic reaction processes for this innovative SAF.

There are very little examples worldwide of direct synthesis from CO_2. However, leveraging our expertise in exhaust gas purification catalysts developed through ICE technology, we are committed to contributing towards the stable supply of SAF.

Initiatives in DAC Technology Research and Development

According to the "Net Zero by 2050" report published by the International Energy Agency (IEA), CO_2 emissions from industries, transportation, and buildings are not expected to reach zero, indicating that achieving net zero will require time. Given this context, there is a growing need for negative emission technologies that capture and remove CO_2 from the atmosphere. Therefore, Honda has commenced research into Direct Air Capture (DAC) technology.

DAC is a technology that directly captures CO_2 from the air, enabling the reduction of net CO_2 emissions across corporate activities and the achievement of negative emissions. Compared to CO_2 absorption through reforestation, DAC offers clear CO_2 removal benefits and facilitates easier Life Cycle Assessment (LCA) validation, making it a key tool for meeting the goals of the Paris Agreement.

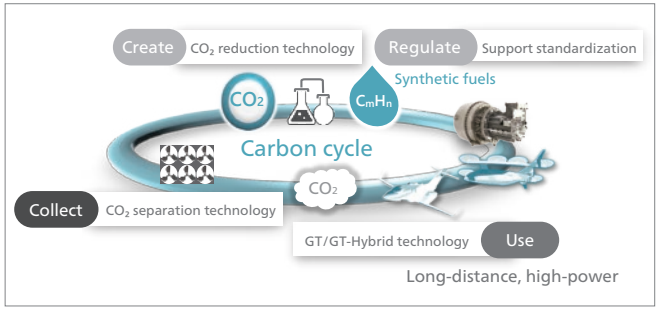
Honda is leveraging its expertise in aerodynamics, fluid dynamics, thermal management, materials technology, and mass production techniques—gained from various product developments and technological research—to pursue DAC with high energy efficiency and low cost.

Since FYE Mar. 31, 2024, we have been operating research and development facilities with the goal of commercialization by the 2030s. In parallel, we are conducting proof-of-concept studies, identifying technical challenges, and fostering collaboration with partners for technology demonstration.

Our goal with DAC technology is not only to achieve carbon neutrality for our corporate activities by 2050 but also to contribute to the broader societal goal of carbon neutrality.

Honda's Approach to SAF

Efforts in the Carbon Cycle



DAC Test Module

Achieving high CO_2 concentration by selectively adsorbing and desorbing CO_2

Multifaceted Approach toward Carbon Neutrality

Expansion of Hydrogen Utilization

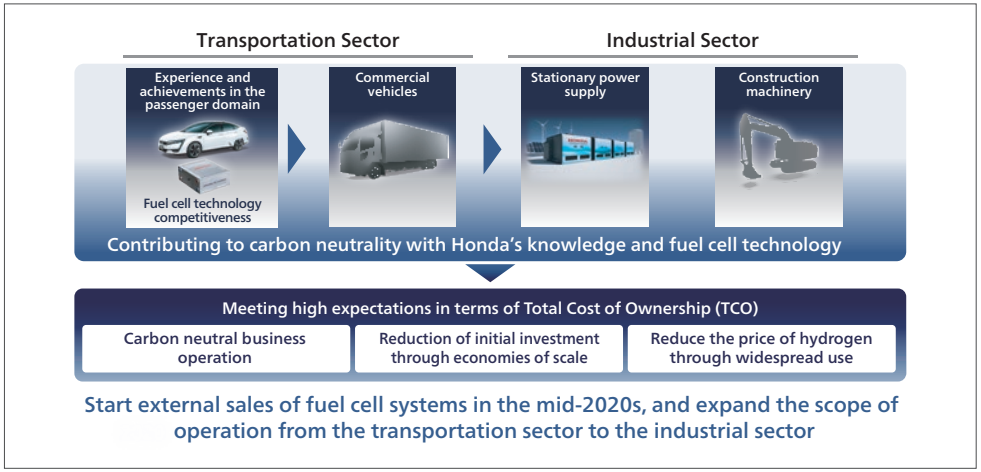
For the power sources used in medium and large commercial mobility, construction machinery, and large infrastructure power systems—where high efficiency, long-range operation, continuous running, high output, and quick refueling are required—complete battery replacement is challenging. Honda views fuel cell (FC) systems using hydrogen as an energy carrier as a valuable solution for achieving carbon neutrality in these areas and is accelerating its efforts to expand hydrogen utilization.

Recently, Honda has joined a demonstration project for stationary fuel cells for data centers with Tokuyama Corporation and Mitsubishi Corporation (NEDO*-approved, June 2023). Additionally, Honda has begun a public road demonstration of heavy-duty fuel cell trucks in collaboration with Isuzu Motors Limited (December 2023). We have also started mass production of a new FC system in a joint venture with General Motors Company (January 2024). This new system significantly reduces costs by one-third, improves durability twofold, and greatly enhances low-temperature resistance compared to the "CLARITY FUEL CELL" system (2019 model). The new system is incorporated into the new CR-V e:FCEV (launched in the U.S. and Japan in July 2024) and is planned for external sales for B2B applications.

Honda has long recognized the potential of hydrogen and has been engaged in research and development of hydrogen technology and fuel cells for over 30 years. Currently, we are expanding the application of our core FC technology beyond our own Fuel Cell Vehicles (FCEVs) to the transportation sector and industrial applications. As a front-runner in FC adoption, we actively collaborate with other companies to broaden the "Use" of hydrogen, contributing to the overall goal of carbon neutrality.

* NEDO: New Energy and Industrial Technology Development Organization

Core Domains and Value Offerings



Expansion of Renewable Energy Utilization

Global electricity demand is expected to increase in the future. As Honda advances the electrification of mobility, our electricity demand will also rise. Thus, it is crucial to replace the electricity used by various electric products, including mobility, with clean renewable energy. However, renewable energy sources like wind and solar power are affected by weather and seasonal variations, and is challenging to control according to power supply/demand and grid capacity. Therefore, to increase the share of renewable energy in the power mix while ensuring stable electricity supply, it is essential to have buffering capabilities, or "regulation power," to cover the variability in generation.

Honda is working on providing regulation power to the power grid through the use of large-capacity batteries installed in EVs, stationary batteries derived from second-life vehicle batteries, and energy management technologies.

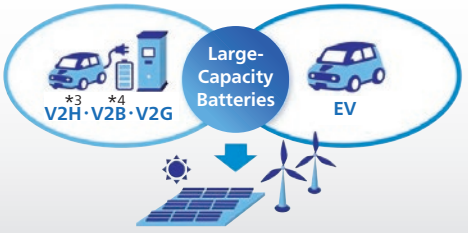
In North America, Honda, along with BMW Group and Ford Motor Company, has agreed to establish "ChargeScape." This information platform connects automakers with numerous utility companies in the U.S. and Canada, aiming to stabilize the power grid through extensive power regulation capabilities provided by a large number of vehicles. This stabilization effort is designed to maximize the use of renewable energy, while also helping to reduce charging costs for EV owners and operational costs for utilities.

In Japan, Honda has established a joint venture "ALTNA Co., Ltd." with Mitsubishi Corporation. This company aims to lower the total cost of EV ownership through new mobility services and to develop a new power business by extending the use of EV batteries. ALTNA offers V1G*1 smart charging services to reduce customer charging costs, and at the same time, aims to provide V2G*2 services in the future, allowing EV batteries to exchange and store power with the grid. Additionally, ALTNA will repurpose used vehicle batteries as grid storage batteries to supply regulation power, contributing to the domestic recycling of rare resources and the further expansion of renewable energy.

*1 V1G (Vehicle-One-Grid): unidirectional charging control, charging from the power grid to EVs
*2 V2G (Vehicle-to-Grid): technology for not only charging EVs from the power grid but also supplying power stored in EVs back to the grid
*3 V2H (Vehicle-to-Home): technology for supplying power from EVs to homes
*4 V2B (Vehicle to Building): technology for supplying power from EVs to business premises and factories

Connecting Mobility and Energy

Utilization of Large-Capacity Onboard Batteries



Expansion of Renewable Energy Utilization

Climate-Related Financial Disclosures Based on TCFD

Honda regards addressing climate change and energy issues as one of the most critical environmental challenges. In April 2021, we declared our commitment to achieving carbon neutrality across all products and corporate activities by 2050. Our group supports the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), and we adhere to the information disclosure framework recommended by TCFD.

To Realize a Zero Traffic Collision Society | Safety Strategy

A Society Where Everyone Can Move Freely and Safely

For many, mobility is not just a convenience but a cornerstone of a better quality of life. Motorcycles and automobiles are vital, serving as tools for work and essential social infrastructure.

While advancements in online services make a life without physical movement increasingly feasible, Honda believes the desire for mobility remains unchanged. This is because the joy of expanding one's range of activities, guided by curiosity and experiencing the real world with all five senses, is a natural part of life from childhood.

A secure society is essential for this joy to flourish, making "Safety" a crucial element.

Honda's slogan, "Safety for Everyone," reflects their commitment to individualized safety measures that enhance societal well-being.

Historically, Honda has pioneered new technologies, setting higher targets beyond regulatory requirements and creating what did not exist.

While restricting mobility could enhance safety, Honda envisions a society where free movement is a joy for everyone. As part of its social responsibility, Honda will continue to actively pursue safety measures.

Honda Environmental and Safety Vision

Realizing the joy and freedom of mobility and a sustainable society where people can enjoy life.

Global Safety Slogan

Safety for Everyone

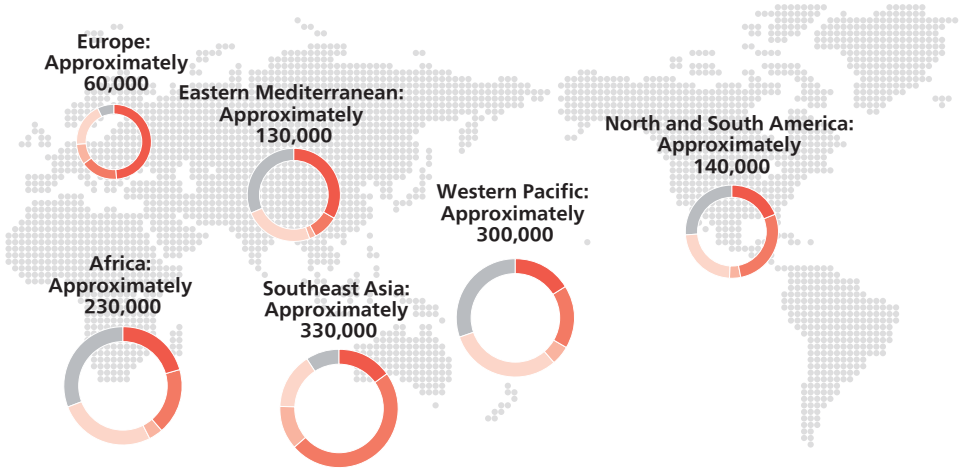
Honda wants to build a collision-free society where not only drivers and riders but everyone sharing the road can safely and confidently enjoy the freedom of mobility

Environmental Awareness

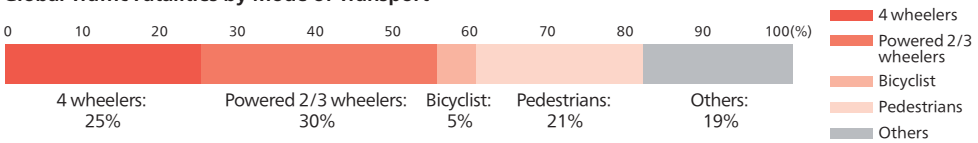
Global road traffic fatality remains a serious issue, with approximately 1.19 million annually. Breaking down the fatalities by mode of transport, automobiles account for 25%, pedestrians 23%, motorcycles 30%, and bicycle users 5%. Regionally, Southeast Asia accounts for 28% and Africa about 19%, highlighting the crucial need to address the safety of vulnerable road users such as motorcyclists and pedestrians in emerging countries*.

Eliminating traffic fatalities is a societal responsibility for mobility manufacturers. Honda, as the leading company in the motorcycle industry, is particularly committed to spearheading safety initiatives for all road users, including motorcyclists.

Global Traffic Accident Statistics (WHO)



Global Traffic Fatalities by Mode of Transport



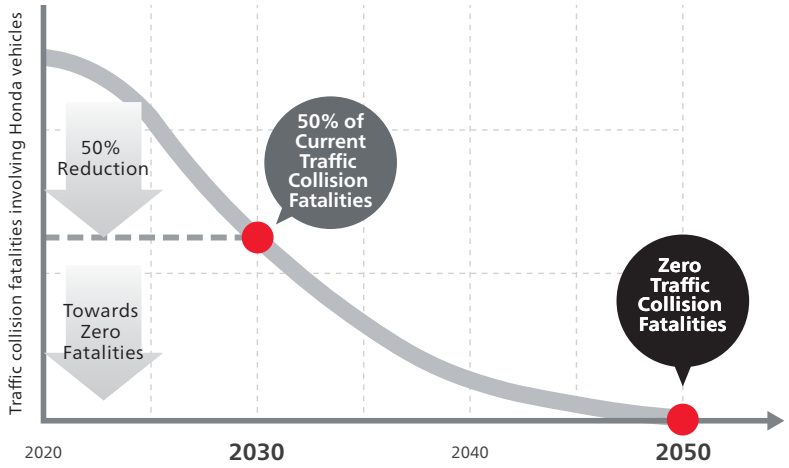
* Source: "WHO Global Status Report on Road Safety 2023"

Honda's Vision

Honda aims for zero traffic collision* fatalities involving Honda motorcycles and automobiles globally by 2050. As a milestone, Honda targets reducing world-wide traffic fatalities involving its vehicles by half by 2030 compared to 2020 levels. This includes not only new vehicles but all existing motorcycles and automobiles on the market.

* Traffic collision involving Honda motorcycles and automobiles: Traffic collision involving Honda motorcycles and automobiles, as well as pedestrians and bicyclists (excluding those involving intentional malicious rule violations or individuals lacking responsibility)

Honda Safety Goals Scenario for Zero Traffic Collision Fatalities by 2050



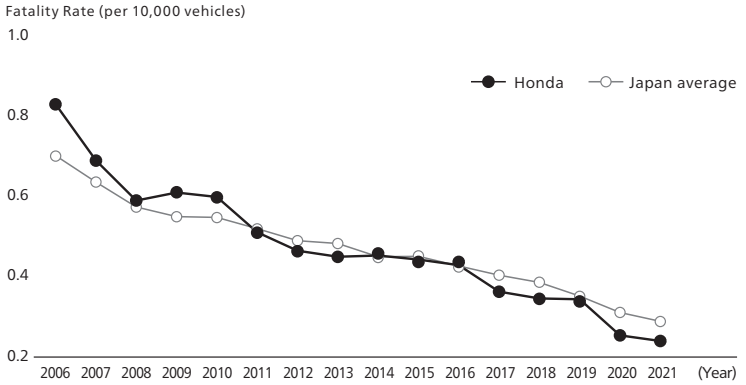
Honda has set achieving a "society with zero traffic accidents" as one of its important non-financial issues. As a key goal indicator (KGI) for tracking progress, we have adopted "traffic fatalities involving Honda automobiles in Japan and the U.S." and are advancing efforts towards achieving the quantitative target (currently confidential).

The focus is on these two countries due to the limited availability of OEM-specific traffic accident data in other countries. The reason for limiting the scope to automobiles is the lack of traffic accident data for certain types of motorcycles. However, Honda's safety efforts are not limited to these regions nor to vehicle types. Within Honda, we estimate traffic accident fatalities involving its motorcycles, in addition to automobiles, in various countries and develop countermeasures accordingly. On the other hand, accurate data, including traffic accident fatalities, is essential for planning countermeasures. Since acquiring these data is a significant challenge, we emphasize its importance to international organizations, national agencies, and industry stakeholders, and advocate for their cooperation in addressing it.

Indicators, Goals, and Achievements

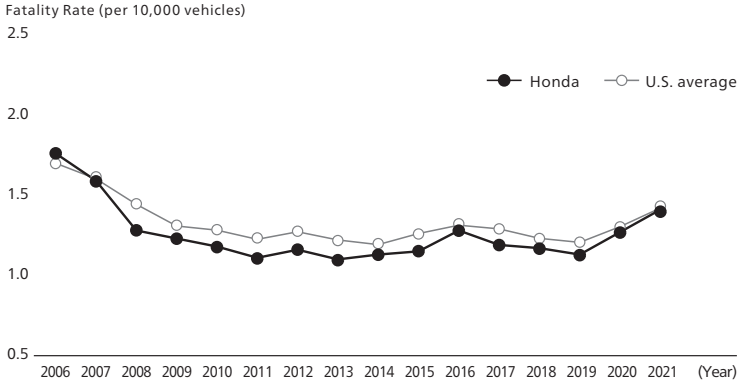
Key Goal Indicators (KGI)		Target Values	
		Fiscal Years Ending March 31	
		2026	2031
Traffic Collision Fatalities Involving Automobiles in Japan and the U.S.	Corporate-wide	(Not disclosed)	

Trends in Fatality Rates Involving Automobiles per 10,000 Registered Vehicles in Japan



Source:
Honda's analysis based on the Institute for Traffic Accident Research and Data Analysis (ITARDA). The national average for Japan is based on annual traffic statistics for automobiles and motorized bicycles.

Trends in Fatality Rates Involving Automobiles per 10,000 Registered Vehicles in the U.S.

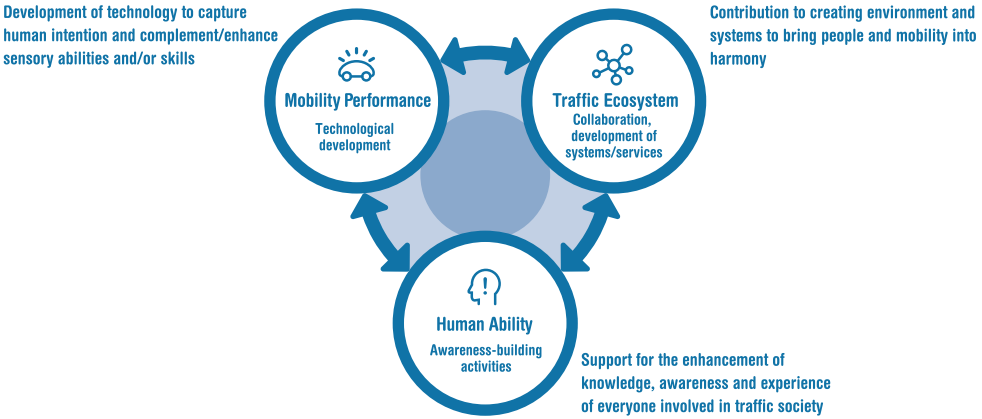


Source:
Honda's analysis based on NHTSA Fatality Analysis Reporting System (FARS) data. The U.S. totals are based on the TSF Fatality Rate per Registered Vehicles.

Approach Towards the Vision

Honda is addressing various factors leading to accidents by evolving and combining "Human Ability (awareness-building activities)," "Mobility Performance (technological development)," and "Traffic Ecosystem (collaboration with others and system/service development) "—collectively referred to as the three elements of safety. These measures align with the "Safe System Approach" recommended by the United Nations to various countries. Additionally, these three elements of safety are established as materiality issues that Honda must address.

Honda's Three Elements of Safety



Towards 2030

Honda recognizes the need to reduce fatal accidents involving motorcycles in emerging countries as a major challenge towards 2030. To address this issue, Honda is advancing efforts primarily in "Human Ability (awareness-building activities)" and "Mobility Performance (technological development)."

Honda will actively develop instructor training programs, corporate training at traffic education centers, and schools for individuals in "Human Ability (awareness-building activities)." In "Mobility Performance (technological development)," for motorcycles, Honda will expand the application of advanced braking systems such as "ABS" and "CBS (Combind Brake System)," as well as lights with high visibility for both riders and other road users. For automobiles, Honda will actively promote the functional evolution and widespread use of advanced driver-assistance systems (ADAS), such as "Honda SENSING" with motorcycle detection functionality in emerging countries and "Honda SENSING 360" in advanced countries, tailored to the accident realities of each region.

Towards 2050

Honda acknowledges the critical challenge of reducing traffic collision fatalities among pedestrians, bicyclists, and motorcycle riders, those considered as vulnerable road users worldwide by 2050. To address this challenge, Honda will focus primarily on advancing the evolution of the "Traffic Ecosystem (collaboration with others and system/service development)."

Specifically, Honda is advancing the research and development of "Safe and Sound Network Technology" and promoting the standardization of these technologies for social implementation. "Safe and Sound Network Technology" evaluates the risk status of drivers in real-time, such as decreased concentration, and detect early signs of accidents. It then instantly transmits this information to surrounding traffic participants, helping them prepare and respond before risks materialize. This technology allows all traffic participants, including vulnerable road users, to not only prevent accidents proactively, but also take suitable responses and actions in a coordinated manner, by paying attention to each other's movements.

Process for Implementing Initiatives

Honda develops effective measures based on the three elements of safety for each region, constructs traffic accident reduction scenarios, manages the progress of these measures, and monitors the number of fatalities. This process includes early analysis of potential accidents due to changes in road environments and the introduction of new mobility options. When identifying issues that may occur in multiple regions, Honda addresses them as global common challenges and promptly considers countermeasures to further advance the three elements of safety.

Information sharing and discussions between regions are conducted at the "Global Safety Representative Meeting," which consists of safety practitioners from each region. The PDCA (plan-do-check-act) cycle of measures, including management indicators (KGI, KPI), is conducted at the "Safety Strategy Committee" (a cross-departmental task force), where safety strategies are developed and aligned with each business division. Important matters raised are reported to the Executive Council, where discussions are held by management members.

Traffic accident reduction scenarios are regularly updated through these initiatives.

Human Ability: Awareness-Building Activities

The cornerstone of traffic safety is "people." Therefore, Honda believes that human abilities are important not only in terms of driving skills and cognitive judgment but also in aspects such as empathy and consideration for others. For example, Honda's programs are based on the principles of "safety handed from person to person" and "practical experience-based learning." As of March 2023, Honda is actively developing instructor training programs, corporate training at traffic education centers, and schools for individuals in 43 countries and regions worldwide, including Japan. Additionally, Honda collaborates with local businesses, schools, and Honda dealerships to provide programs tailored to all age groups, from children to the elderly. Moving forward, we will strive to expand opportunities to support all participants in the traffic community through higher-quality programs.

Countries and Regions Where We Conduct Traffic Safety and Driving Education

Providing Learning Opportunities to More People through ICT Tools

Honda is strengthening its traffic safety awareness activities through instructor training, traffic education centers, and dealers, as well as advancing initiatives utilizing ICT tools such as smartphones. This allows everyone to deepen their learning regardless of time and place. In June 2023, Honda released a mobile app called "Honda Driver Coaching" in the U.S., which supports young drivers learn safe driving through driving diagnostics and real-time voice advice.

Honda Driver Coaching App (U.S.)

To enhance the ability of traffic participants to anticipate hazards and improve their awareness of traffic safety, in April 2023, Thai Honda signed a memorandum of understanding with the Department of Land Transport (DLT), the Ministry of Transport (MOT) of Thailand for the development of a "Hazard Recognition Program" aimed at preventing traffic accidents. With this initiative, Thai Honda will provide knowledge on traffic accident prevention, accumulated over more than 30 years, to driver's license applicants and young population to raise awareness and educate.

MOU Signing Ceremony for "Hazard Recognition Program" (Thailand)

Conducting Safe Driving Training in Collaboration with Other Companies to Prevent Accidents

Honda is strengthening collaboration with other companies. Since most of motorcycle accidents involve automobiles, Honda is promoting initiatives to deepen the understanding of motorcycles among automobile drivers. As part of this effort, in April 2024, Honda collaborated with Toyota Motor Corporation to conduct safe driving training for the public. Instructors from both companies worked together to teach drivers how to prevent accidents between motorcycles and automobiles.

Honda will continue to contribute to the improvement of legal regulations and traffic rules, including the licensing system. To this end, Honda will actively collaborate with international organizations, government agencies, and other companies.

Safe Driving Training Conducted in Collaboration with Toyota Motor Corporation (Japan)

Mobility Performance: Technology Development

To further elevate the safety of mobility, Honda believes that integrated performance that complements or expands human capabilities is necessary. Such capabilities include protecting the human body, avoiding collisions, and detecting and sharing driver intentions among vehicles and others.

Moving forward, Honda will particularly focus on enhancing collision safety performance and expanding the evolution and application of advanced driver-assistance systems (ADAS) for automobiles. For motorcycles, Honda will expand the application of advanced braking systems such as ABS and CBS, as well as lights with high visibility for both riders and other road users.

To track the progress of these initiatives, Honda has defined key performance indicators (KPIs) for advanced safety equipment application rates such as of Honda SENSING 360 for automobiles in advanced countries*1, Honda SENSING for four-wheel vehicles in emerging countries*2, and advanced braking systems (ABS/CBS) for motorcycles in emerging countries*3 so as to set target to ensure steady progress.

Metrics and Targets・Achievements

Management Indicators (KPI)	Targets		
	Fiscal Year Ending March 31, 2031		
Advanced Safety Equipment Application Rate	Automobiles in developed countries*1 Honda SENSING 360 **100%**	Automobiles in emerging countries*2 Honda SENSING **100%**	Motorcycles in emerging countries*3 Advanced Brakes (ABS/CBS) **100%**

*1 Japan, the U.S., China, Europe
*2 India, Indonesia, Malaysia, Thailand, Brazil
*3 India, Indonesia, Vietnam, Thailand, Brazil

Honda SENSING Series Deployment

Honda's advanced driver assistance systems include Honda SENSING, which has been available since 2014, and the new Honda SENSING 360 designed to handle accident scenarios from all directions. Additionally, Honda is developing the next-generation "Honda SENSING Elite," aimed at achieving zero accidents caused by human error during driving.

Honda SENSING

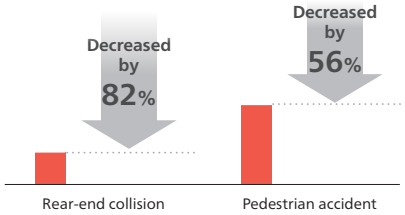
Honda SENSING 360

Honda SENSING Elite

Honda SENSING Expanding to Emerging Markets for Further Adoption

Honda SENSING is a system that primarily senses the front of the vehicle, detecting pedestrians and other objects to support safe and comfortable driving and accident avoidance. In Japan, the mini-vehicle "N-BOX" equipped with Honda SENSING has shown 82% reduction in rear-end collisions and 56% reduction in pedestrian accidents*4, showcasing the substantial effectiveness of this innovative technology in accident prevention.

Accident Reduction Effect of Vehicles Equipped with Honda SENSING (N-BOX)



As of 2022, the sales ratio of new automobiles that are equipped with Honda SENSING has reached 99% in Japan and the U. S. and 86% globally, with a cumulative total exceeding 14 million units. To reduce the number of motorcycle traffic collision fatalities, Honda is gradually rolling out Honda SENSING with a motorcycle detection capability. The vehicles to be fitted with this technology were rolled out in 2021, aiming to expand this to all automobile models worldwide by the Fiscal Year Ending March 31, 2031. In addition, Honda aims to expand the application of advanced brakes such as ABS and CBS and lights with high visibility for both riders and other road users to more motorcycle models.

*4 Difference in traffic collision fatalities and injuries per registered vehicle between N-BOX models with and without AEB (Honda SENSING). Based on data from the Institute for Traffic Accident Research and Data Analysis, analyzed by Honda

Honda SENSING 360: Aiming to Deploy All Automobile Models in Developed Countries by the Fiscal Year Ending March 31, 2031

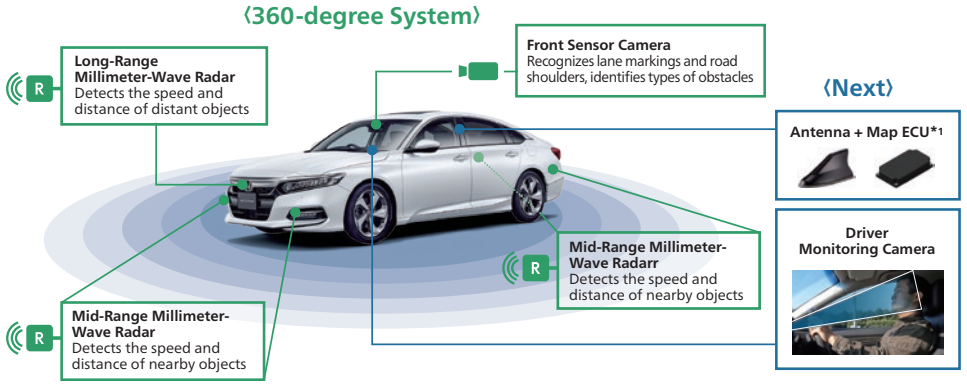
The Honda SENSING 360 all-around safety driving support system expands the response scenarios for accident avoidance to all directions, further enhancing the capability to avoid imminent accidents or mitigate damage. It achieves 360-degree sensing with a total of five millimeter-wave radars equipped at the front and each corner of the vehicle.

The main features of Honda SENSING 360 include collision mitigation braking for cross traffic at intersections and pedestrians crossing while turning, forward cross traffic warning, Cornering Speed Assist, Lane Change Collision Mitigation, and Lane Change Assist. It was first introduced in the "CR-V," which was released in China in 2022, and has also been equipped in the "Accord," which was released in Japan in 2023.

Honda aims to expand this technology to all automobile models in developed countries by the Fiscal Year Ending March 31, 2031 and is further developing new technologies to enhance Honda SENSING 360.

Honda is currently developing various new technologies such as: "Advanced Lane Change Assist" and "Advanced In Lane Driving" to reduce the burden of driving, "Driver Emergency Support System" which assists in deceleration and stopping within the same lane if the driver does not respond to system requests, "Exit Warning" which detects vehicles approaching from behind when parked or stopped, assisting with awareness and avoidance support technology which detects driver condition and forward risks, providing support to avoid hazards. These technologies will be rolled out sequentially from 2024 onwards, tailored to the needs of each region. These technologies aim to enhance safety by reducing the driver's burden and increasing overall safety.

Honda SENSING 360 System Configuration



*1 ECU: Electronic Control Unit

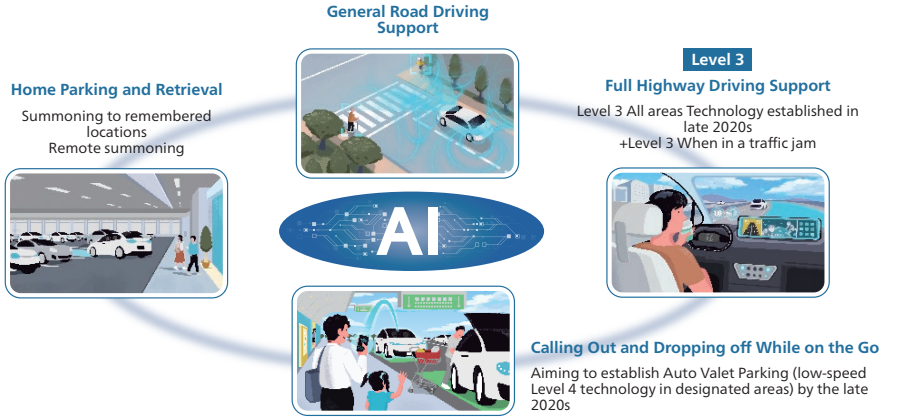
Honda SENSING Elite - Aiming for Zero Human Error When Driving

Honda SENSING Elite was first introduced in 2021 as a system that incorporates advanced technology called "Traffic Jam Pilot (traffic jam driving function), "which conforms to Level 3 automated driving*2 as defined by the Ministry of Land, Infrastructure, Transport and Tourism of Japan. This system enables the vehicle to take over driving operations under certain conditions, such as during highway traffic jams.

Further development of new technologies for the next evolution of Honda SENSING Elite is underway. These technologies use Honda's proprietary AI, which grows through experience, just like humans. It recognizes complex scenes and adapts to intricate environments such as general roads. This will enable functions such as hands-off driving during highway traffic jams and support for merging and branching scenes at highway junctions, providing safe and seamless travel from home to destination, including general roads. These technologies are expected to begin deployment in the mid-2020s.

*2 Definition of automated driving as defined by the Japanese government (compliant with SAE). The system monitors the surrounding traffic conditions and takes over driving under certain conditions.

Next Generation Honda SENSING Elite



By incorporating AI technology into recognition and understanding in complex general road environments, we aim to further reduce accidents in all scenarios.

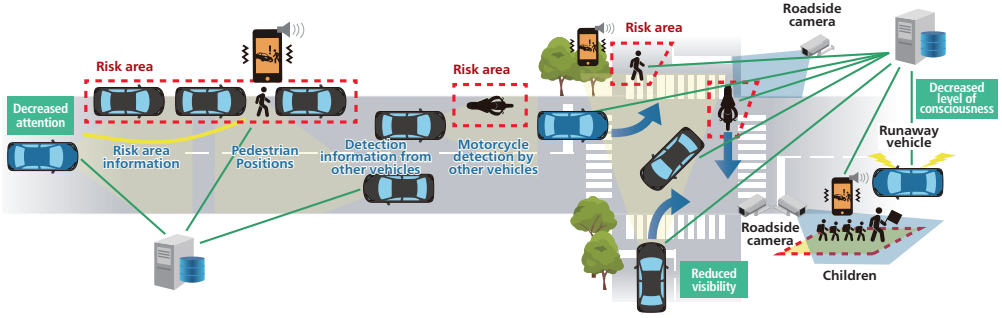
Traffic Ecosystem

The traffic ecosystem is a dynamic concept where people and mobility interact to create a seamless flow of traffic. Traffic conditions are ever-changing due to factors like weather, tourist season congestion, and rush hour jams. Honda believes that to prevent accidents in these varying conditions, it is crucial to develop technologies and programs that enable smooth interactions among traffic participants, considering their movements and circumstances. These efforts not only safeguard individuals' physical safety but also enhance the overall quality of society.

Honda envisions a society where people can move freely, driven by both safety and a sense of warmth and humanity that inspires movement. Rather than relying solely on autonomous technology, Honda aims to foster safety by enhancing the inherent mutual respect among traffic participants. By harnessing people's intentions and encouraging cooperation, Honda aspires to create a safer society. The traffic ecosystem Honda envisions includes all traffic participants—motorcycles, automobiles, bicycles, urban mobility, and people of all ages—working together to make traffic smoother and safer.

In the future, ensuring the safety of all traffic participants, including vulnerable road users like pedestrians, cyclists, and motorcyclists, will become increasingly important. Honda will continue to enhance its connected technologies and focus on Safe and Sound Network Technology to address these needs. This technology assesses drivers' risks, such as decreased concentration, and detects early signs of accidents. The detected risks are then communicated to surrounding traffic participants, helping them prepare and respond before risks materialize. This approach allows all traffic participants to pay attention to each other's movements, take coordinated actions, and prevent accidents before they occur.

Safe and Sound Network Technology (Conceptual Diagram)



The Safe and Sound Network Technology consists of three core elements: "Understanding Human Characteristics," "Prediction and Anticipation," and "Collaborative Communication." Currently, research and development are progressing in each of these areas.

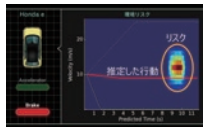
Understanding Human Characteristics	By using technologies such as vital sensing to monitor the driver's condition in real-time, the impact on driving behavior is statistically analyzed, and specific risk factors are systematically identified.
Prediction and Anticipation	Utilizing Digital Twin technology and comprehensive risk assessment algorithms, predictions and forecasts of traffic accidents are made.
Collaborative Communication	This technology promotes the understanding of latent risks so that traffic participants can prepare before accidents occur.

Participation in Demonstration Experiments through Industry-Government-Academia Collaboration for Smooth Social Implementation

Various verifications are being conducted to ensure the smooth implementation of the Safe and Secure Network Technology into our society. In October 2023, we participated in the "Strategic Innovation Creation Program (SIP) Phase 3 / Construction of the Smart Mobility Platform / Research and Development for Supporting Prevention of Traffic Accidents through Pre-Notification of Risks." This initiative includes planning use-case verification needed to prevent traffic accidents and ensure the safety of vulnerable road users. In the same month, we joined efforts in a local government initiative aimed at creating a smart city by utilizing Information and Communication Technology (ICT) in various fields to address regional issues and enhance the convenience of citizens' lives, while also planning to verify social acceptance. Furthermore, in June 2024, we started a collaboration with SoftBank Corporation and participate in the Road-Vehicle Coordination Demonstration Experiment for the Autonomous Driving Era on the Shin-Tomei Expressway, conducted by Central Nippon Expressway Company Limited, to carry out use-case verification. The goal for Safe and Secure Network Technology is to standardize it by the late 2020s and globally deploy it starting from 2030.

Safe and Sound Network Technology Actual Operation: Real-Time Verification of Actual Equipment (at the Honda test course)


Digital Twin


Risk Judgment Algorithm


Pedestrian Device

Shinsuke Odai
Safety Planning Division
Corporate Planning Unit
With experience in airbag design and collision safety research, he is currently responsible for planning and formulating safety strategies and promoting initiatives.
Favorite motto
"Why not do your best?"
Honda-ism which he has empathy
"A00*"
* "What kind of world are we working to create?" This is the guiding principle and concept first discussed at Honda.

Interview

Towards a Society Where Children Can Safely Explore Outside

Having studied biological engineering at university and having an interest in extending and supporting physical functions through technology, I was drawn to Honda's founder, Soichiro Honda's belief that "Honda Technical Research Institute is a place that studies people," and joined Honda. I am currently leading the planning and promotion of strategies to achieve a zero-traffic-accident society.

In pursuing this grand goal, I feel the weight of the founder's belief that our purpose is to benefit people, and technology is a means to that end. For example, achieving "zero accidents" could be approached with fully autonomous driving and remote control by operators, where users simply ride in the vehicle like a train. However, this is not the world Honda aims for. We aspire to create a world where people can freely venture out on their own will, experiencing a sense of empowerment, excitement, and joy from fully engaging with mobility. Honda's goal is to create a world where people can confidently and safely venture out and support their aspirations and dreams. Therefore, Honda is committed to working with countries, regions, companies, and all traffic participants to change society as a whole.

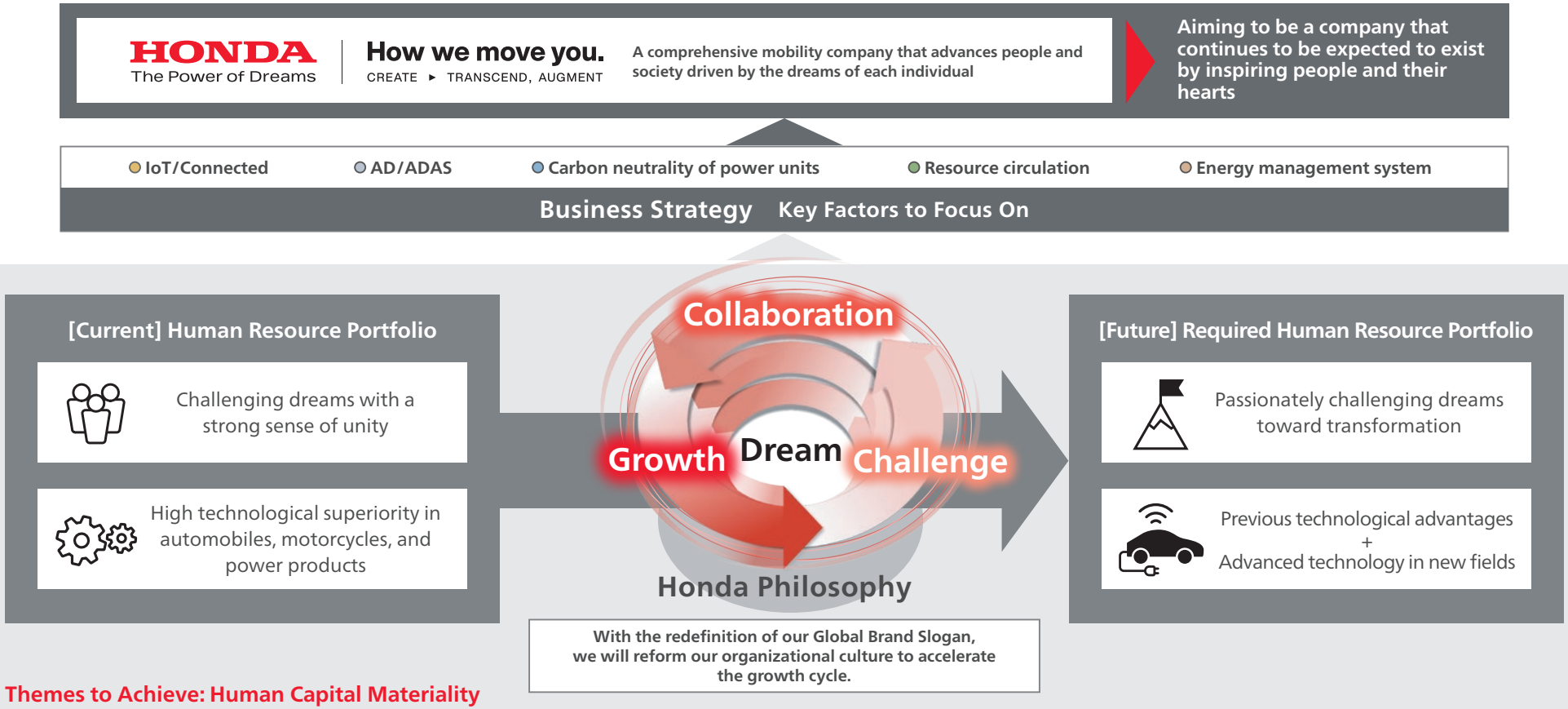
Aiming for zero traffic accident fatalities by 2050 is a highly challenging goal. There have been many times when I felt like giving up, but I was supported by my supervisor's words, "It's not about whether it's possible or impossible. Honda aims for zero with all its might. There is value in what emerges from that." I am now confident that we are making steady progress toward achieving this goal.

As a parent, the desire for a safe society has grown even stronger. I will continue to do my best with my colleagues to create a safe and sound mobility society where I can send our children off to freely go out without worry.

The Evolution of Human Capital Management | Human Capital Strategy

Honda's Human Capital Management

Honda's human capital management involves forming a talent portfolio by backcasting from the desired future state, with the goal of becoming a "comprehensive mobility company that advances people and society driven by the dreams of each individual," as outlined in the company-wide policies. With the power of dreams and speed as competitive advantages, Honda drives transformation in people and organizations through a cycle of challenges, collaboration, and growth, all rooted in the Honda Philosophy. To achieve this, we have identified two key Human capital materiality to focus on: from a midium- to long-term perspective, the themes are activating associates' intrinsic motivations and fostering the collaboration of diverse individuals; and from a short- to midium-term perspective, the focus is on ensuring both the quantity and quality sufficiency of human resources in focus business areas.



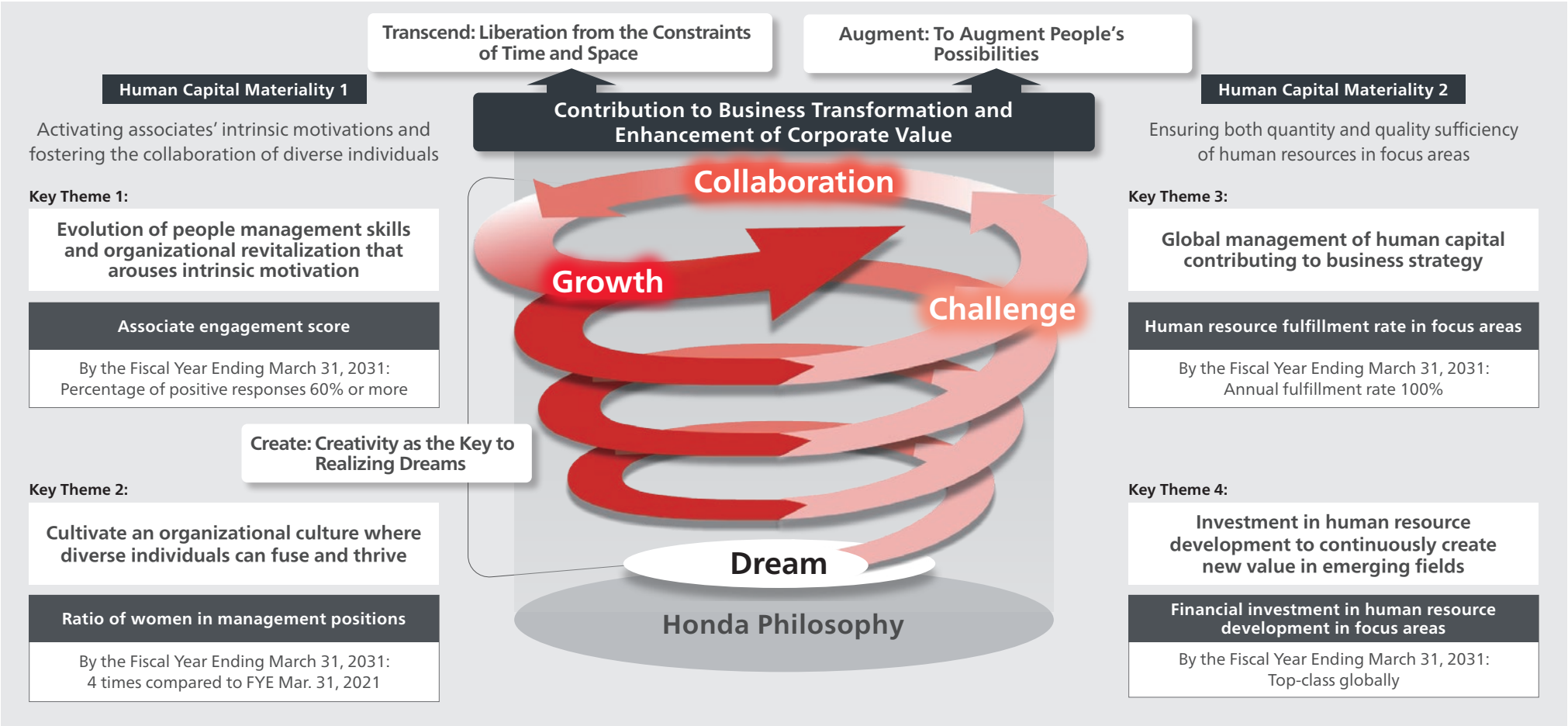
Themes to Achieve: Human Capital Materiality

Activating associates' intrinsic motivations and fostering the collaboration of diverse individuals ×
Ensuring both the quantity and quality sufficiency of human resources in focus areas

Build an Organization Where Diverse Individuals, Driven by Thein Dreams and Full of Passion, Challenge, Fuse, and Grow towards Creating New Value

During this transformative period in mobility, which can be considered the period of the second founding of Honda, Honda believes it is essential to create value starting from each individual's dreams to remain a company that society wants to exist. By cherishing the Honda Philosophy and swiftly executing the cycle of challenge, collaboration, and growth, Honda aims to maximize each individual's creativity, contributing to business transformation and enhancing corporate value.

In Japan, we have already defined four key themes related to human capital materiality, established key goal indicators (KGIs) for each, and set goals to be achieved by the Fiscal Year Ending March 31, 2031. Additionally, we have established measures and KPIs to focus on these key themes and are executing them to achieve our goals. From April 2025 onward, we plan to establish management indicators globally as well, further enhancing a sense of unity in promoting these initiatives worldwide.



Human Capital Materiality 1

Activating associates' intrinsic motivations and fostering the collaboration of diverse individuals

Key Theme 1:

Evolution of people management skills and organizational revitalization that arouses intrinsic motivation

Associate engagement score
By the Fiscal Year Ending March 31, 2031: Percentage of positive responses 60% or more

Key Theme 2:

Cultivate an organizational culture where diverse individuals can fuse and thrive

Ratio of women in management positions
By the Fiscal Year Ending March 31, 2031: 4 times compared to FYE Mar. 31, 2021

Human Capital Materiality 2

Ensuring both quantity and quality sufficiency of human resources in focus areas

Key Theme 3:

Global management of human capital contributing to business strategy

Human resource fulfillment rate in focus areas
By the Fiscal Year Ending March 31, 2031: Annual fulfillment rate 100%

Key Theme 4:

Investment in human resource development to continuously create new value in emerging fields

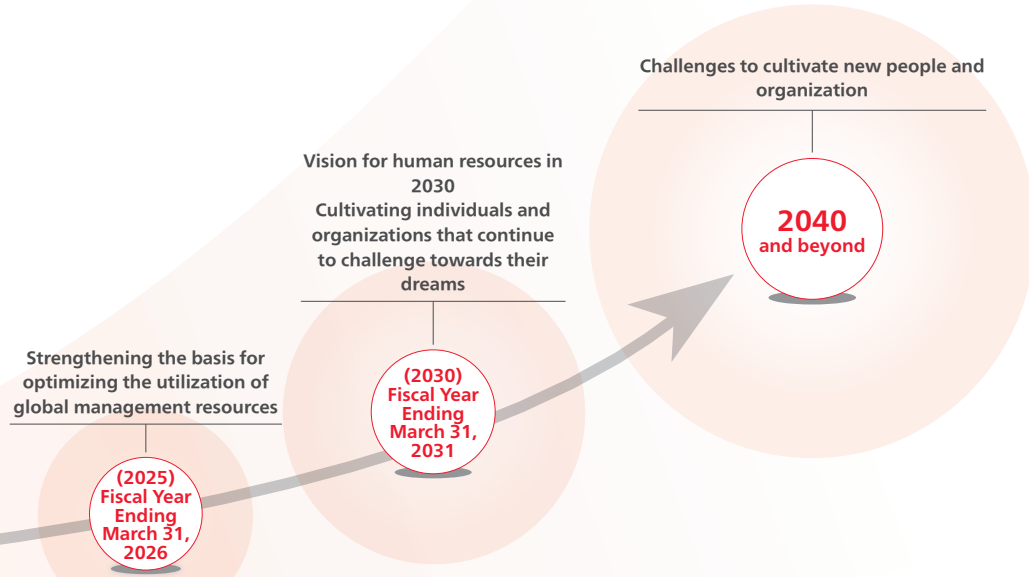
Financial investment in human resource development in focus areas
By the Fiscal Year Ending March 31, 2031: Top-class globally

Key Goal Indicators (KGIs) for Achieving Human Capital Materiality Domestically and Key Performance Indicators (KPIs) Aligned with the Strategy

From a medium- to long-term perspective, Human capital materiality is defined as "Activating associates' intrinsic motivations and fostering the collaboration of diverse individuals," while from a short- to medium-term perspective, it is defined as "Ensuring both the quantity and quality of human resources in focus areas." We have set target values for the immediate goals of the Fiscal Year Ending March 31, 2026 and the Fiscal Year Ending March 31, 2031. For each target value, we are developing plans to achieve them and designing KPIs that contribute to these goals.

Additionally, we have established a system to monitor the progress of each indicator at the management level on a quarterly basis and make timely decisions based on quantitative evidence. Moving forward, we will expand the scope of KGIs to include international regions and enhance global collaboration in human capital management.

* The global geographic breakdown, excluding Japan, is divided into five categories. Names of each region and the countries where the headquarters are located are as follows:
North America Region: USA / South America Region: Brazil / Europe, Africa, and Middle East Region: UK/Asia-Pacific Region: Thailand / China Region: China



Talent Materiality	Goals	KGIs	Achievements for FYE Mar. 31, 2024	Target Value for the Fiscal Year Ending March 31, 2025	Target Value for the Fiscal Year Ending March 31, 2026	Target Value for the Fiscal Year Ending March 31, 2031	Main Key Performance Indicators (KPIs) for Achieving Goals
Activating associates' intrinsic motivations and fostering the collaboration of diverse individuals	Associates are highly motivated and driven by goals, with their supervisors actively supporting their endeavors	Associate engagement score	Percentage of positive responses 40%	Percentage of positive responses 45%	Percentage of positive responses 50% or more	Percentage of positive responses 60% or more	• Positive response rate for "Empathy with the Global Brand Slogan" • Implementation rate of improvement actions in each division based on engagement results
	Synergy is optimized through the collaboration of diverse knowledge	Ratio of women in management positions	1.4 times compared to FYE Mar. 31, 2021	1.7 times compared to FYE Mar. 31, 2021	3 times compared to FYE Mar. 31, 2021	4 times compared to FYE Mar. 31, 2021	• Rate of male associates taking five or more days of paternity leave • Positive response rate for managerial support in job assignments and career development • Positive response rate among women aiming for higher qualifications
Ensuring both quantity and quality sufficiency of human resources in focus areas	There are sufficient human resources in focus areas	Human resource fulfillment rate in focus areas (Software domain)	–	Annual fulfillment rate: 100%	Annual fulfillment rate: 100%	Annual fulfillment rate: 100% (To a scale of 10,000 associates)	• Progress rate of PDCA implementation using the Human Capital Balance Sheet • Role and level setting rate in focus areas • Recruitment fulfillment rate in focus areas
	Resources are proactively invested in the development of Human Resources	Financial investment in human resource development in focus areas	–	–	Top-class globally	Top-class globally	Investment amounts in talent development by area

Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

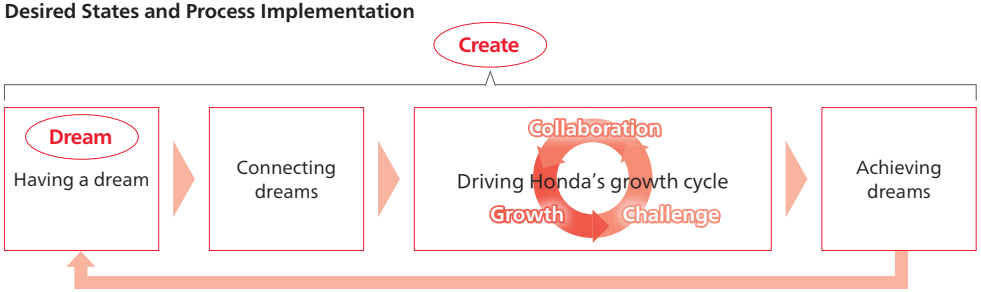
Key Theme 1: Evolution of People Management Skills and Organizational Revitalization That Arouses Intrinsic Motivation

Global
Domestic

To deliver value to our customers, motivated by the dreams of each and every Honda associate, we are committed to deeply recognizing, understanding, and implementing the Global Brand Slogan (GBS) as a common guideline.

We are fostering intrinsic motivation and encouraging challenges to transform individuals and organizations into embodiments of "The Power of Dreams," making dream power and speed our winning strategies. Additionally, we are enhancing support from the organization, including supervisors, to achieve this with a sense of urgency. To measure the results of these initiatives, we have added new questions to our associate engagement surveys and are conducting them globally.

Desired States and Process Implementation



Initiatives in Overseas Regions for Embodying GBS

Efforts to embody GBS are being carried out in each region. Although specific actions vary depending on regional characteristics, we continue to evolve to ensure that all associates globally can align towards the same direction based on GBS.

* The figures are based on the 2023 associate engagement survey results (regional-specific questions), converted into a 5-point scale for consistency.
* Employees are referred to as 'associates' in international locations.

North America

3.5 Points (5-point scale)

Leadership Communication and Dialogue, Mission Statement Development in Alignment with GBS

In the United States, the Leadership Engagement Forum convenes annually. Through strategic dialogues between senior executives and management, we set clear expectations of our leadership team and encourage accountability for execution. Additionally, Business Unit Leaders host town hall and round table meetings to align our associates with the organization's objectives and strategic direction, ensuring a cohesive pursuit of our goals. By practicing our philosophy of challenging conventional thinking, innovating without the fear of failure, and welcoming diverse perspectives will not only drive associate engagement but also catalyzes the transformation of our organization, shaping it into the entity we aspire to become.

At HDMA*, established in 2021 through the integration of Honda's North American four-wheel production and development functions, we aimed to align the goals and strategic direction of the organization with our associates by formulating and sharing a mission statement after the company's establishment. Discussions were held between leaders and members in each Business Unit of HDMA to relate the mission statement to their roles and work, encouraging each associate to reflect on and deepen their understanding of the mission statement. By doing so, each associate becomes more aware of the connection between their role and the organization's goals, improving engagement and driving us towards the vision we aim to achieve.

* HDMA: Honda Development & Manufacturing of America, LLC

HDMA's new mission statement

Europe, Africa and the Middle East

Europe: 3.7 Points (5-point scale)
Africa and the Middle East: 3.7 Points (5-point scale)

Under the Slogan "Honda in Europe 2.0," We Are Implementing Organizational Culture Reform through Both Soft and Hard Approaches

In Europe, we are enhancing communication with associates to deepen their understanding and strengthen collaboration regarding the "Honda in Europe 2.0" direction. For instance, we hold monthly team meetings led by senior leadership to share associate performance and conduct town hall meetings where senior leaders visit various branches and offices for direct dialogues. Additionally, we have launched the "Internal Culture Project" to reflect associates' feedback in the organizational culture.

On the operational side, we are streamlining and simplifying decision-making by changing from country-specific reporting lines to functional reporting lines. This adjustment allows associates to work without location constraints within Europe, creating a work environment where more talent can thrive.

Asia and Oceania | 3.8 Points (5-point scale)

Returning to Honda's Core Principle: "Human Potential" Implementation of Cultural Development and Transformation Measures

At HMSI (Honda Motorcycle and Scooter India PVT. LTD.), we have returned to Honda's core principle of believing in "human potential." Since 2020, we have been implementing the "Rupantan*" project throughout the company for approximately three and a half years. This project aims to create an environment where diverse associates can reach their full potential and foster a culture that emphasizes cross-divisional discussions. Through this project, we have advanced various initiatives aimed at enhancing associate vitality, including improvements to workplace environments such as manufacturing sites, offices, and cafeterias, as well as revisiting work styles, expanding female recruitment, fostering internal dialogue opportunities, and promoting digital transformation (DX).

Additionally, to strengthen the foundation of "trust" that supports our business, we have actively engaged in traffic safety education programs for local elementary schools, hosted Family Days, and fostered active dialogue and interaction with a variety of stakeholders, including customers, business partners, local communities, and associates' families. These efforts have contributed to building trust and, as a result, have created a positive cycle that enhances associate vitality. Moving forward, we will continue our efforts to create an environment where diverse associates can collaborate with high motivation and close communication.

Workplace Environment (Cafeteria)

* Rupantan: Means "transformation" in Hindi

China | 4.1 Points (5-point scale)

Strengthening Relationships between Local Associates and Expatriates through Cross-Cultural Understanding

At the China headquarters, over 400 expatriates are actively contributing to business development in collaboration with local associates. To deepen mutual trust in this work environment, we have conducted communication enhancement training considering cultural and social differences between China and Japan. This training, which has involved approximately 1,000 participants, has significantly improved the workplace environment.

Cross-Cultural Training Session

South America | 4.6 Points (5-point scale)

Communications to Promote the Penetration and Unified Understanding of GBS and Honda Branding

In South America, the brand division of Honda South America Ltda. (HSA) is leading initiatives to promote the new GBS. For instance, they are redefining how to align all activities with GBS and enhance the Honda brand. To drive this, they have organized 14 brand events with over 600 leaders participating. Additionally, to ensure consistency across all communications, they are also sharing standards for visual identity.

Brand Event Scene

Grace Loi

Human Resources Division
Human Capital Unit
After joining Honda R&D and then American Honda Motor in the United States, Grace Loi worked in various positions within the Human Resources Department. She is currently assigned as an expatriate at Honda's headquarters working on global HR intiatives.

Favorite motto
"Leave things in a better place than you found it."

Honda-ism which she has empathy
"Watching, listening, and trying things out; trying things out is the most important."

Interview

Providing Global Opportunities to Many Talents

At Honda, our associates are at the center of everything we do. My goal is to recognize the talents of our associates, provide opportunities to realize their dreams, and match the best fit for each role on a global scale. I have had a long career in human resources, but I have never felt as passionate about my work as I do now. This is because of our unique culture of providing every associate with a place and opportunity to take on new challenges and realize their dreams. I have been fortunate to benefit from this culture. As Warren Buffett has said, "Someone's sitting in the shade today because someone planted a tree a long time ago." My dream is to do the same and extend opportunities to as many associates as possible, and then pass the torch to the next generation.

I am grateful to Honda for providing me an opportunity to work in Japan. The opportunity to move from the USA to Japan and work in an environment that is vastly different in culture, workstyles, perspectives has been challenging, but equally rewarding. The support among Honda associates is engrained in our culture and a legacy we can proudly pass down through generations. With that support from fellow Honda associates in Japan and abroad, I have been able to effect positive change.

At Honda your dreams are only limited by your imagination. Honda is a place where you are encouraged to dream big. HR's mission is simple, how can we best support our talented associates and provide opportunities for them to thrive and accomplish their dreams.

I am humbled to be in a position at Honda where I can leverage my unique perspective in my daily work. I hope to expand on this as we work towards the build out of global HR that empowers a diverse, equitable and inclusive global work environment where every associate can realize the power of dreams.

Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

Key Theme 1: Evolution of People Management Skills and Organizational Revitalization That Arouses Intrinsic Motivatio Roadmap and Initiatives for Achieving the Associates Engagement Score

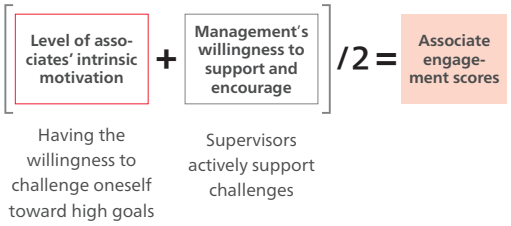
Global
Domestic

Concept of Key Goal Indicators (KGIs)

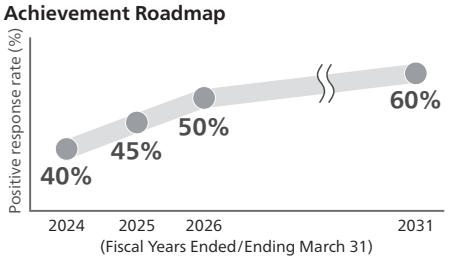
We believe that embodying Global Brand Slogan (GBS) requires stimulating associates' intrinsic motivation and receiving proactive support and encouragement from management. We define a high level of these factors as having a "high associate engagement score," and we set our indicators accordingly.

Calculation Formula

The average positive response rate (answers rated 4 or 5 on a 5-point scale) for the two questions: [Level of associates' intrinsic motivation] and [Management's willingness to support and encourage].



Achievement Roadmap



Initiatives for Achieving KGI Goals

To improve the components of the associate engagement score, namely the level of associates' intrinsic motivation and management's willingness to support, we have developed and are promoting various initiatives under three themes: "Promoting awareness and understanding of GBS," "Stimulating intrinsic motivation," and "Support for challenges from the organization and management."

Strengthening communication between management and associates for corporate transformation and the creation of new value — Promoting awareness and understanding of GBS

- TOP INSIGHT (Bi-weekly distribution of CEO messages to associates)
- Honda CAMPFIRE ("Waigaya" for direct opinion exchange with the CEO)

Initiatives to Activate individuals' intrinsic motivation — Stimulating intrinsic motivation

- Visualization of personal "Will" to achieve goals at Honda and providing opportunities for challenges
- Career discussions and coaching support to encourage autonomous career development
- Programs to explore new value through fieldwork
- Promotion of setting high goals

Initiatives to drive behavioral transformation in management to lead change — Support for challenges from the organization and management

- Personnel system reforms aimed at accelerating the cycle of challenge, collaboration, and growth
- Reforming individuals and organizations to embody "The Power of Dreams"
- Enhancing role understanding through management training

Strengthening Communication between Management and Associates for Corporate Transformation and the Creation of New Value

TOP INSIGHT

Bi-weekly Distribution of CEO Messages to Associates

We distribute "TOP INSIGHT" to directly convey the CEO's thoughts and perspectives on recent management decisions and societal trends, aiming to enhance associates' understanding.

Starting in 2024, the total accumulated archive view count has approached 30,000. Going forward, we will continue to share information related to the business environment on a bi-weekly basis to deepen mutual understanding for corporate transformation.

Honda CAMPFIRE

"Waigaya" for Direct Opinion Exchange with the CEO

We hold "Honda CAMPFIRE" sessions to directly explain the background and context behind company-wide announcements related to management policies in the CEO's own words, aiming to enhance associates' understanding, empathy, and personal connection to the changes.

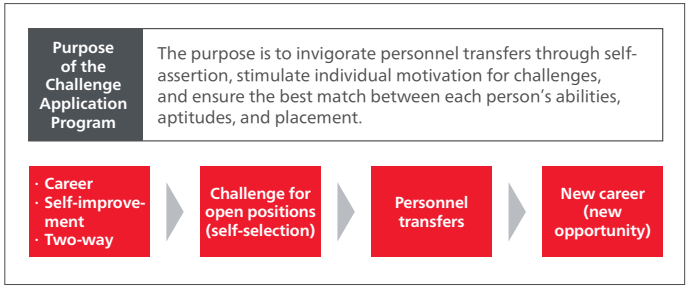
Launched in 2022, "Honda CAMPFIRE" has seen over 5,100 applicants and accumulated more than 52,000 views in the archive. Moving forward, we will continue to deepen two-way communication with associates to enhance understanding of our desired state and promote actions toward their realization.

Additionally, in conjunction with the corporate advertisement campaign "DREAMS," where race drivers and internal sports team athletes declare their dreams under the slogan "How we move you," we are running a campaign for associates to declare their own dreams using the same slogan through internal media. This initiative aims to foster a culture of challenge throughout the Company. To accelerate these initiatives globally, we have established a new committee composed of headquarters and regional representatives to develop implementation plans for each region, ensuring consistent initiatives worldwide.

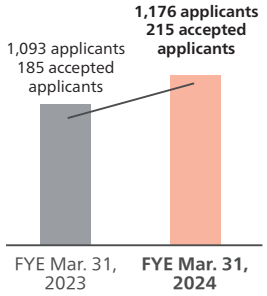
Initiatives to Activate Individuals' Intrinsic Motivation

Visualization of Personal "Will" to Achieve Goals at Honda and Providing Opportunities for Challenges

To activate each individual's intrinsic motivation, we encourage regular two-way meetings with supervisors to clarify what each person wants to achieve at Honda (Will). Additionally, through the Challenge Application Program, we provide opportunities for associates who wish to take on new challenges to demonstrate their abilities. This program has seen a positive trend, with both the number of applications and successful implementations increasing compared to FYE Mar. 31, 2023 thanks to active utilization by various divisions.



Overview Diagram of the Challenge Application Program



Trends in Challenge Application Achievements

Career Discussions and Coaching Support to Encourage Autonomous Career Development

We have established a system where all associates can receive career counseling from career consultants who hold national qualifications. Additionally, we offer up to four months of online coaching by external coaches* to help clarify initiatives toward achieving desired goals and to habituate daily actions.

* Holds the Professional Certified Coach qualification, a credential awarded by the International Coaching Federation to coaches with proven experience

FYE Mar. 31, 2024 achievement

Number of career counseling sessions conducted

1,600

Number of coaching participants (general audience)

897

Programs to Explore New Value through Fieldwork

Starting from the Fiscal Year Ending March 31, 2025, we have launched the new program "MINERVA" to explore Honda's new providing values. This program provides participants with experiences in unknown fields that challenge and expand their values.

Participants will engage in lively discussions (Waigaya) with their peers, challenging each other's ideas and knowledge that emerge through encountering new values. The goal of the program is to transform the "dreams" (i.e., intrinsic motivations) that arise within individuals into new ideas for providing values.

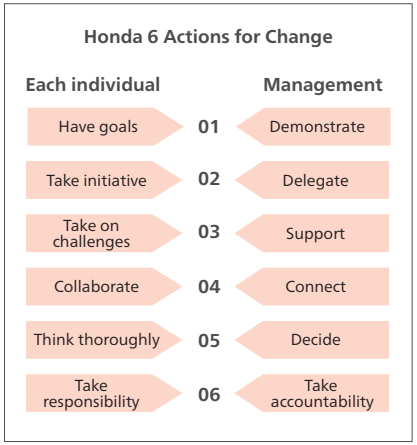
Initiatives to Drive Behavioral Transformation in Management to Lead Change

Personnel System Reforms Aimed at Accelerating the Cycle of Challenge, Collaboration, and Growth

Starting from the Fiscal Year Ending March 31, 2025, we have revised the personnel system for managerial positions, shifting to a system that "rewards those who lead change," regardless of age or years of experience. This change is designed to enable managers to fully utilize their capabilities. Additionally, as part of management, we are introducing a system that not only emphasizes the importance of leaders embodying challenge, collaboration, and growth, but also places greater value on their actions in driving transformation through supporting their team members.

Reforming Individuals and Organizations to Embody "The Power of Dreams"

To overcome business transformation, we are undertaking trials to reform our corporate culture, aiming to create individuals and organizations that embody Honda's unique strengths—"the power of dreams" and "speed." Specifically, we are promoting initiatives that support high goal-setting and execution by individuals through enhanced communication with supervisors and organizational collaboration. Additionally, we have established the behavioral requirements for the transformation period, known as "Honda 6 Actions for Change" to clarify the "ideal state" and encourage behavioral change.



Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

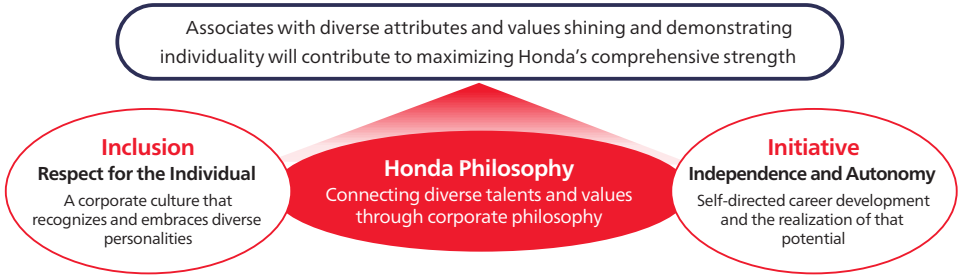
Key Theme 2: Cultivate an Organizational Culture Where Diverse Individuals Can Fuse and Thrive

Global
Domestic

At Honda, based on the pillar of our philosophy, "the Individual," we aim to maximize our collective strength as a company by fully embracing and respecting diverse individualities and attributes, regardless of race, nationality, culture, age, gender, gender identity, sexual orientation, gender expression, background, education, or disability status. By engaging in open communication that embraces individual differences, we foster true trust and generate new ideas, leading to innovation.

Therefore, Honda views its diversity initiatives not as support solely for minority groups but as efforts that involve and benefit all associates.

Desired State of Diversity & Inclusion



Key Initiatives by Region

North America | Key KPIs Ratio of female associates to management positions | Diversity ratio among ethnic groups

In the U.S., we have put into practice the pillar of our philosophy, "Respect for the Individual," by strengthening our diversity, equity, and inclusion activities. One of the most emblematic initiatives is the Business Resource Groups (BRGs). These groups, which are voluntarily run by associates, aim to foster an inclusive environment and promote positive change within the company and society. They focus on four key areas: improving business, contributing to the community, raising cultural awareness, and supporting career development.

Additionally, BRGs welcome and encourage participation from all associates, temporary associates, and contract associates. To foster and promote a culture of inclusion, we actively encourage individuals to participate in groups with identities different from their own.

To support and further develop BRGs, we have been hosting the HONDA BRG SUMMIT since 2018. In this summit, the leadership team demonstrates its commitment to BRGs, while BRG leaders build networks by sharing excellent ideas and strategies with one another.

The diversity of our associates, supported by these activities, serves as the driving force that enables us to remain an innovation-driven company.

Four Areas

HONDA BRG SUMMIT

Europe, Africa and the Middle East | Key KPIs Ratio of female managers | Percentage of foreign nationals (excluding those from the UK, the host country)

In Europe, Honda is working on various initiatives to achieve more diverse work environments.

In human resource management, we constantly monitor and report the percentage of women in management and the percentage of foreign nationals in management within the headquarters.

In recruiting, Honda ensures that its activities are unbiased and carries an Inclusion and Diversity Statement. It publicizes its respect for diversity in all job advertisements and is also used in communications with associates.

Diversity and inclusion have been included in training for managers throughout Europe and are scheduled to be included also in training for all associates in the Fiscal Year Ending March 31, 2025.

In human resource allocation, the handling of transfers and recruitment methods have been revised to allow for flexible transfers. This allows associates to be transferred throughout the European region according to their individual circumstances.

Additionally, Honda has implemented a number of other local initiatives, including an outreach program to increase understanding of people with disabilities.

Asia and Oceania | Key KPIs

Ratio of female associates to management positions | Localization rate of management positions

In Asia and Oceania, there are 41 Honda locations in 13 countries, employing more than 110,000 associates of different nationalities, races, cultures, and languages. Since 2018, Honda has been working to promote the exchange of human resources within the region to maximize the power of its diverse workforce and help them find the right place in the right job for them. Honda aims to increase the mobility of human resources by creating a common HR platform. First, Honda has defined common competencies based on the Honda Philosophy, adding regional characteristics, and has instilled a common set of values for the region. Then, based on these common competencies, the Company is reviewing its personnel system, salary structure, and other systems. Through these efforts, Honda has gradually reduced barriers to cross-border personnel exchanges. As a result, the number of non-Japanese associates stationed in other country locations, which was small until a few years ago, increased to 41 in FYE Mar. 31, 2024. Honda aims to accelerate personnel exchanges among all locations.

Stationed Associates in the Region

China | Key KPIs

Ratio of Female Managers

In China, Honda is committed to providing workplaces free of any gender and ethnic discrimination, based on the social principles of gender and ethnic equality in hiring, promotion, granting opportunities, and compensation. Female associates are active in all areas of Honda and actively contribute to the Company's development. China has 55 ethnic minorities in addition to the Han Chinese, but Honda employs and utilizes excellent human resources regardless of ethnicity. Honda's China headquarters employs workers from many ethnic minorities, including Manchu, Tujia, and Hui.

Dancing in Ethnic Costumes

South America | Key KPIs

Ratio of Female Managers

In Brazil, South America, Honda is providing Diversity/Inclusion and Unconscious Bias training to the leaders of its Brazilian companies with the aim of strengthening their understanding and deepening their knowledge of diversity. This training started in 2022 and is based on the Honda Philosophy. It focuses on ensuring that participants correctly acquire and implement knowledge, including actions that can be taken in the workplace to deepen understanding of diversity and minority groups, and strengthen respect for the individual. In 2023, the training was conducted at all management levels, with a total of 524 participants.


Training in Sao Paulo

Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

Key Theme 2: Cultivate an Organizational Culture Where Diverse Individuals Can Fuse and Thrive

Global
Domestic

Roadmap and Initiatives for Achieving the Ratio of Female Managers

Concept of Key Goal Indicators (KGIs)

In line with the Action Plan for Promoting Women's Participation and Advancement in the Workplace, we will set targets to expand opportunities for women.

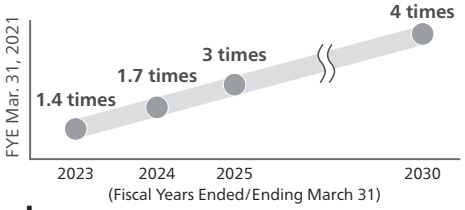
Calculation Formula

The targets for the Fiscal Year Ending March 31, 2026 and the Fiscal Year Ending March 31, 2031 are set as multiples of the number of female managers FYE Mar. 31, 2021.

Number of women in management positions ÷ as of 2020 Number of women in management positions = Ratio of women in management positions

* At this point, achieving the Fiscal Year Ending March 31, 2026 target of "three times compared to FYE Mar. 31, 2021" appears challenging. However, we will strengthen our efforts to improve the figures moving forward.

Achievement Roadmap *Ratio based on 2020 as 1



Initiatives for Achieving KGI Goals

We aim to create a workplace where women can thrive and actively shape their careers.

To expand opportunities for women, we engage in activities to increase interest in Honda as a workplace from the student stage. After joining the Company, we provide phased support to help women advance to management positions.

Population formation	Improved retention rate	Increased career awareness	Increase in the number of certifications
Activities to foster interest in STEM careers from the student stage	Creating a workplace where women can thrive	Support for the career development of female associates	Support for stepping up to management positions
・Industry-wide initiatives for increasing female STEM professionals	・Conducting workplace and organizational diagnostics through internal and external surveys ・Expanding and promoting the utilization of various system	・Career consultations with career consultants ・Seminar for balancing work and childcare	・Career path design ・Intensive training for those aspiring to management positions

Activities to Foster Interest in STEM Careers from the Student Stage

Industry-Wide Initiatives for Increasing Female STEM Professionals

Since 2014, we have been conducting outreach programs for high school students, both before and after their choice of humanities or STEM fields, as part of initiatives hosted by the Japan Automobile Manufacturers Association (JAMA). In FYE Mar. 31, 2024, female engineers visited seven high schools near Honda facilities, providing lessons on job roles and careers to 439 students (including 205 females). In addition, starting in July 2024, we have been participating in the "Girls Meet STEM Career" program hosted by the Yamada Shintaro D&I Foundation. This initiative involves collaboration across industries with other companies, and includes multiple activities such as workplace tours of research institutes and networking events with female engineers. These efforts aim to enhance understanding of STEM careers, promote their appeal, and create a positive image of working as an engineer.

Creating a Workplace Where Women Can Thrive

Conducting Workplace and Organizational Diagnostics through Internal and External Surveys

To enhance our initiatives for expanding opportunities for women, we conducted a "Quantitative Survey on Careers, Values, and Working Styles" involving approximately 3,000 general associates from Honda and the manufacturing industry. By comparing Honda with other companies, we identified both strengths and challenges, which are now being incorporated into our future plans.

Expanding and Promoting the Utilization of Various Systems

To create a supportive environment for women, we address specific health issues by organizing events and establishing systems in collaboration with external specialized organizations to provide access to medical facilities. In addition to enhancing systems for male participation in household and childcare responsibilities, we promote awareness and share best practices to encourage the use of parental leave. On business days that are public holidays, we offer temporary childcare services at all locations to support work-life balance. Moreover, to accelerate the cultivation of an inclusive culture, we hold company-wide diversity promotion meetings to tailor support and initiatives according to the characteristics of each business unit and region.

Scenes from Temporary Childcare

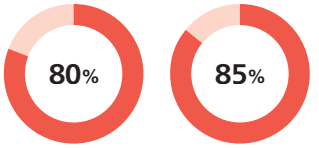
Support for the Career Development of Female Associates

Career Consultations with Career Consultants

To empower all associates to proactively and autonomously navigate diverse career paths at Honda, we conduct individual career consultations. The consultants hold national certifications in career counseling and provide comprehensive support tailored to each associate's needs. This includes assistance with balancing work with childcare or caregiving responsibilities, improving workplace communication, and exploring flexible working arrangements.

Total achievements for FYE Mar. 31, 2024 (female) **372**

The percentage of respondents who noted insights from the career counseling survey and the percentage of those who expressed satisfaction



Seminar for Balancing Work and Childcare

To help associates actively pursue their career goals and foster growth during parenting years, we host work-life balance seminars. These seminars are open to both associates and their spouses, encouraging discussions about career development and collaborative parenting strategies. Additionally, the seminars include lectures by external experts and panel discussions with senior associates, providing opportunities to plan and take actionable steps towards long-term career development.

Ensuring both Quantity and Quality of Human Resources in Focus Areas

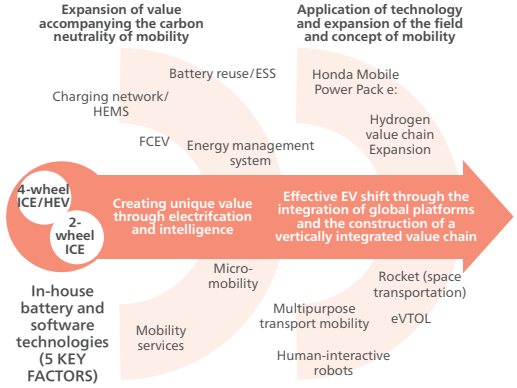
Key Theme 3: Global Management of Human Capital Contributing to Business Strategy

Global
Domestic

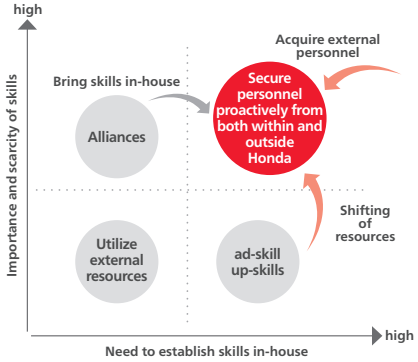
To contribute to the success of the business, we are creating a talent portfolio for focus areas aligned with the business strategy, while also advancing quantitative and qualitative staffing through defining resource management processes, formulating staffing strategies, and undertaking activities to secure talent.

Vision

Honda's Overall Approach as a Comprehensive Mobility Company



Human Resource Portfolio in Focus Areas

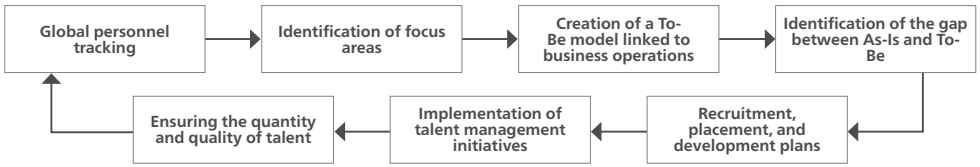


The Process for Achieving Resource Management Aligned with Business

We have defined a resource management process to ensure the necessary talent for achieving our business plans. By integrating each step, we will achieve resource management aligned with our management policies and business plans.

Currently, we are developing a global talent portfolio (To-Be) that is aligned with our business objectives and represents our desired state, while working to identify gaps between this desired state and our current situation (As-Is). We are also defining the skills required for focus areas and visualizing associate skills to identify gaps from both quantitative and qualitative perspectives.

Going forward, we will build a system that organically integrates with talent management measures such as recruitment, placement, and development, creating a process to fulfill talent needs in alignment with business transformations.

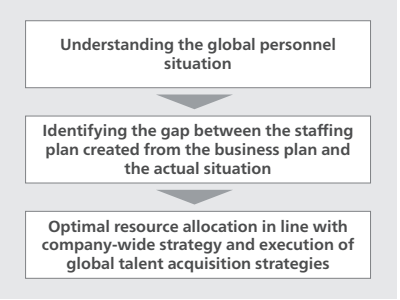


Formulating a Staffing Strategy for Optimal Global Resource Allocation

To develop a staffing plan aligned with business strategy, we are creating a global talent balance sheet (B/S) and establishing a scheme that allows us to consider business plans and budgets together.

By understanding future staffing plans for approximately 40,000 associates in domestic labor agreement-applicable companies and around 100,000 associates in overseas group companies with a shareholding ratio of 51% or more, we enable the examination of medium- to long-term business strategies.

Additionally, by reviewing staffing strategies at a global level in alignment with business strategies, we aim to achieve timely staffing in response to active business investments and monitor associated risks effectively.



Initiatives to Acquire Highly Specialized Global Talent

To attract engineers with advanced expertise in AI and software, we have been continuously conducting global recruitment activities, including initiatives at the Indian Institute of Technology (IIT). Moving forward, we will expand our scope beyond just new graduate recruitment to include career hiring, strengthening our initiatives to acquire more highly specialized engineers globally.

In addition, given the highly competitive landscape for software talent in China, we are addressing this challenge by opening a new office in Shanghai, a hub for software professionals, to enhance our initiatives in acquiring engineers with advanced expertise.

Partner Collaboration for Building a Software Development Framework

In addition to recruiting talent internally, we are building our automotive software development framework through partnerships with domestic and international partners. Since 2023, we have established partnerships with KPIT Technologies Limited in India and SCSK Corporation in Japan. We will continue to build such collaborative frameworks as needed, aiming to further enhance the quality and speed of our development.

Ensuring both Quantity and Quality of Human Resources in Focus Areas

Key Theme 3: Global Management of Human Capital Contributing to Business Strategy

Global Domestic

Roadmap and Initiatives for Achieving the Human Resource Fulfillment Rate in Focus Areas

Concept of Key Goal Indicators (KGIs)

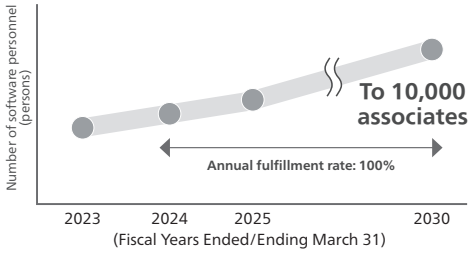
The focus is on monitoring the fulfillment status of necessary human resources in focus areas by using the required number of personnel as the target values. Currently, we are proactively setting and working towards target values for the number of software professionals within these focus areas.

Calculation Formula

We identify the target organizations within the focus areas and calculate the fulfillment rate by dividing the number of individuals engaged in those organizations by the total number of required personnel.

Number of associates engaged in target organizations ÷ Total number of required personnel in the target organizations = Human resources fulfillment rate

Achievement Roadmap



Initiatives for Achieving KGI Goals

To improve the fulfillment rate in focus areas, we are currently focusing intensively on two main initiatives: increasing the number of hires and improving retention rates. Concurrently, we are establishing a PDCA (plan-do-check-act) framework to ensure that our talent portfolio aligns with and supports our business strategy.

Initiatives for Strengthening Human Resources Acquisition in Focus Areas → Improvement in the number of recruits in focus areas

Creating a System for Retaining Highly Specialized Talent → Improvement of retention rate in focus areas

- Improving Honda's recognition and branding
- Expanding specialist human resources recruitment through nationwide development centers
- Implement measures and strengthen systems for career recruitment in focus areas

- Providing competitive compensation levels
- Creating opportunities and compensation systems for highly specialized talent
- Introduction of continuous employment system for highly specialized talent

PDCA Operation for Human Resource Sufficiency → Establishment of PDCA mechanism

- Establishment of a personnel / personnel cost management system (P/F)
- Creation of human resources balance sheet
- Developing the desired state and designing measures to address the gaps between this desired state and the current situation, etc.

Initiatives for Strengthening Talent Acquisition in Focus Areas

Improving Honda's Recognition and Branding

To boost recognition and branding among engineers in key areas such as software and semiconductors, Honda is actively hosting events specific to these fields. Additionally, we are promoting our brand through media articles and leveraging social media to further enhance our visibility and appeal.

Since FYE Mar. 31, 2024,, the "TECH PLAY" event series has featured development leaders and engineers involved in cutting-edge work, who present their achievements and future directions in focus areas. By facilitating interactive exchanges with participants, these events also communicate the appeal of working at Honda and our commitment to innovation.

Expanding Specialist Human Resources Recruitment through Nationwide Development Centers

Previously, our development centers were concentrated in the Kanto region, which often made it difficult for potential candidates from other areas to consider Honda as a new workplace due to geographical constraints. To address this issue, we are expanding our development centers to major cities across the country. We have already established centers in Osaka, Nagoya, and Fukuoka and have begun local recruitment. We will continue to open new centers as needed to secure talent in focus areas.

Creating a System for Retaining Highly Specialized Talent

Providing Competitive Compensation Levels

In our new management personnel system, we are designing a framework that not only ensures the retention of essential talent but also aligns with market compensation standards to attract external candidates effectively.

Creating Opportunities and Compensation Systems for Highly Specialized Talent

In a rapidly changing business environment, Honda continues to create new value by identifying and providing opportunities for talent with critical technologies for our business strategy.
As a leading example, we have positioned generative AI as a key technology and introduced the "Gen-AI Expert System." This system recognizes internal experts in generative AI and provides competitive compensation to ensure they can fully leverage their abilities.

Details of the Initiative ➡ p.17

Introduction of Continuous Employment System for Highly Specialized Talent

At Honda, we are already a pioneer in the industry with our implementation of a flexible retirement system extending the retirement age to 65. As an additional measure, we will introduce a system that allows for the continuation of employment without age limits for individuals with critical expertise and exceptional performance necessary for our business.

Ensuring both Quantity and Quality of Human Resources in Focus Areas

Key Theme 4: Investment in Human Resource Development to Continuously Create New Value in Emerging Fields

Global
Domestic

Roadmap and Initiatives for Achieving Investment in Human Resource Development in Focus Areas

Concept of Key Goal Indicators (KGIs)

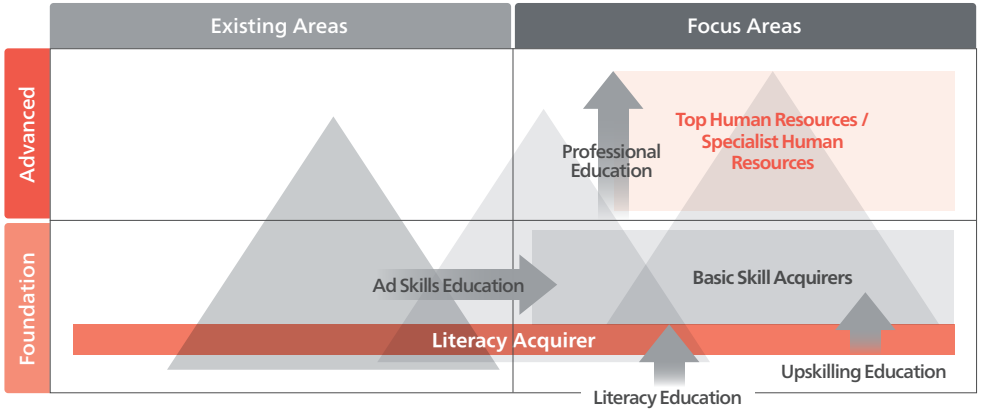
To achieve human resources fulfillment in key areas and secure top-tier technological advantage in new fields, we will implement unprecedented-scale investments in human resources development. Currently, we are building a talent development system for focus areas and deploying education programs tailored to different levels of expertise. Moving forward, we will actively expand investments in specialized education to cultivate top talent and specialists.

Calculation Formula

The amount of investment in human resources development is calculated by summing the investments made in individual capability enhancement and in improving organizational performance within focus areas.

Investment in individual performance development + Investment in organizational performance improvement = Investment in human resource development in focus areas

Human Resource Development System for Focus Areas (Image)



Expanding Literacy Education to Enhance Organizational Awareness for Business Transformation

To support our challenges in focus areas such as software and electrification, we are providing e-learning programs that equip all associates with essential foundational knowledge, regardless of their role or business unit. In the software literacy education program conducted in FYE Mar. 31, 2024 we defined five types of talent necessary for driving business transformation based on digital skill standards and set learning categories for each type. The goal of this program is to enable associates to understand and articulate new concepts in the software domain in their own words.

For Fiscal Year Ending Mar. 31, 2025, we are expanding literacy education to include the electrification domain, aiming to improve awareness of carbon neutrality and electrification, and are working towards having all employees participate in this initiative.

FYE Mar. 31, 2024 achievement
Company-wide software literacy education

Number of participants
Approx. 30,000 associates

Training hours per person
Approx. 16 hours

Steps for Implementing Literacy Education

Step 1 Participation in skill assessment tests for each category
Step 2 Participation in e-learning
Step 3 Participation in confirmation tests

Five types of talent

- Business Architect
- Designer
- Data Scientist
- Software Engineer
- Cybersecurity

Upskilling Education to Develop Talent for Focus Areas

We will roll out upskilling training programs aimed at acquiring the foundational knowledge and skills necessary for performing tasks in new domains. To ensure that all associates can access the required training at the appropriate time, we will make these programs available through the company-wide e-learning system. Additionally, we will offer face-to-face training sessions alongside the e-learning modules to enhance learning efficiency.

In the future, we will expand common content globally to establish a system that allows for efficient talent investment across different regions.

Scenes of Upskilling Education

Supporting Challenges in New Domains with Ad-skill Education

We provide ad-skill education for associates expected to excel in new areas.

With business transformation leading to anticipated changes in specialization and internal transfers, we have designed and implemented a series of ad-skill training programs tailored to the characteristics of focus areas such as software and electrification.

Associates undergoing these transfers can access technical foundational training to acquire necessary expertise, as well as programs focused on developing a mindset to adapt to environmental changes brought about by the move.

After the assignment, in addition to on-the-job training (OJT) supports such as mentor assistance and opportunities for connecting with peers of the same generation, we also conduct training for managers in the receiving division to deepen their understanding of their role as supervisors. This creates an environment where transferees can quickly adapt to their new positions.

〈 Selection of personnel subject to transfer 〉
Setting up ad-skill training for each transferred individual and notifying/guiding them accordingly

〈 Period immediately following the transfer until the end of the training 〉
Conduct training focused on mindset and basic learning with the aim of alleviating concerns about the transfer

〈 After the training ends and before starting practical work 〉
Providing OJT and mentor support to the individual, and promoting understanding among the receiving division's managers

Key Theme 4: Investment in Developing Talent to Continuously Create New Value in Emerging Fields

Global
Domestic

North America

Partnership with Ohio State University
Development of Training on EV and Battery Technologies

In 2023, we developed and deployed company-wide e-learning to up-skill associates across the organization in EV and battery technology. This training was developed in partnership with Ohio State University and released as a 2-part series (Basic & Advanced). The Advanced curriculum includes interactions with professors/experts in related electrification fields. In the near future, we will deploy similar programs focused on the safe handling of electrified components.

China

Various Reskilling Activities for Electrification and Intelligentization

In China, to develop human resources for electrification and intelligentization, some locations are conducting reskilling activities. Specifically, initiatives include establishing a reskilling committee, implementing training on databases and open innovation, and holding DX skill contests to reskill existing personnel. Additionally, to broaden associates' perspectives and deepen their insights, the company is also engaging in exchanges with advanced IT firms from outside the organization.

Europe, Africa and the Middle East

Provision of Training Programs to Develop IT Specialists and Skill Development for Digital Commerce and Direct Sales

In Europe, we provide e-learning on cybersecurity to associates. Additionally, we offer training in the software field to those associates who need it based on their role requirements. In the UK, we have established a team to build the skills necessary for expanding digital commerce and direct sales to customers.

South America

Training Program Provision for IT Specialists

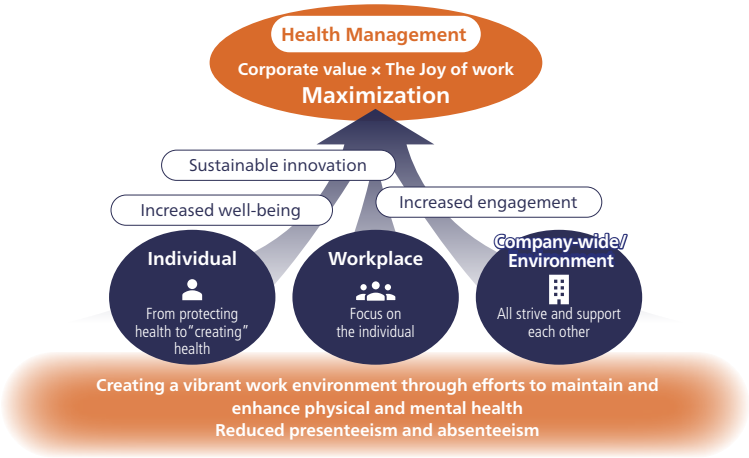
In Brazil, to develop and strengthen the skills essential for the future of business, we have partnered with Udemy to offer 13 learning courses for IT specialists. These courses cover fundamental knowledge in IT and digital transformation, providing a total of 244 training programs and over 500 hours of learning content to help specialists continuously enhance their skills.

Realizing a Company Where Each Associate Can Work Healthily, Safely, and with Full Strength

Honda's Health Management

Grand Design for Achieving Health Management

Building on a vibrant and active working foundation, we are working to maximize corporate value and work satisfaction through three pillars: "individual," "workplace" and "company-wide/environment."

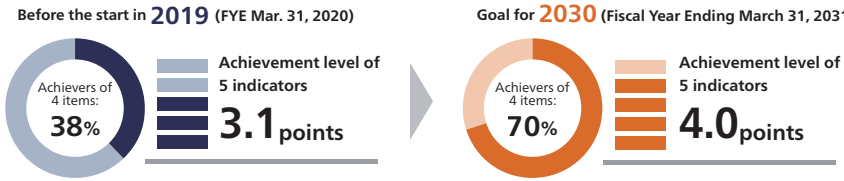


Initiatives for Lifetime Health (Five Management Items)

Staying healthy and working energetically is crucial not only for individuals but also for the continuous development of the workplace and the Company. To achieve lifetime health, we established five management items and started our health management activities in 2020.

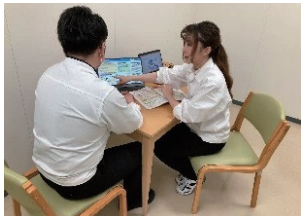
Items	(1) Rest	(2) Nutrition	(3) Exercise	(4) Smoking cessation	(5) Alcohol consumption*
Management items	Enough good quality sleep	Nutritionally well-balanced meals	Habit of regular physical exercise	No smoking	Moderate drinking
Targets	Get at least 6 hours of sleep	Eat breakfast (first meal after waking up) every day	Have an exercise routine at least twice a week for at least 30 minutes each time	Do not smoke (including electronic cigarettes)	Drink in moderation (no more than 1 unit)

* Not intended to encourage those who do not have a drinking habit to drink



Shifting from Protecting Health to Creating Health

Honda's vision of health is "to maintain a balance between mind and body (a good state) and to be in a condition where one is fully committed to positively maximizing their potential." To support individuals in achieving this, we have introduced a 24-hour online consultation and medical service. Additionally, within the Company, we have evolved the post-health checkup "health guidance" into a health consultation (Wellcom*) aimed at prevention and designing future health. This support has started in 2024.



The Scene of an Health Consultation

* Wellcom: Rather than focusing solely on illness or discomfort, Wellcom aims to support associates with a vision of lifelong health (wellness and well-being). It involves communication between associates and occupational health staff to discuss and consider actions that can help associates achieve their envisioned future state of health.

Initiatives Focused on Individual Needs

We do not simply think "Maintaining health is a personal responsibility," but rather view it as a workplace issue. In two-way communication sessions where organizational policies, individual roles, action goals, and career development are aligned between members and supervisors, we support safety considerations and autonomy regarding health. We place great importance on fostering mutual understanding through these communications.

The Scene of the "Everyone's Morning Meal Project" PR Activities

We also organize walking events based on ideas from workplaces, engage in social contribution activities, support women's health issues, and offer various seminars. Additionally, in the "Everyone's Morning Meal" project, which targets younger associates who have a high rate of skipping breakfast, we promote behavior change by providing opportunities to experience and feel the benefits of eating breakfast. We actively communicate these efforts to all associates through our internal TV broadcasts.

Supporting Lively and Energetic Work through the Improvement of the Internal Environment

We have set practicing health management (well-being) as a fundamental principle of our safety and health policy and are working together as a company towards "eliminating mental health issues." In our associates' cafeteria, we offer affordable and balanced meals daily. Additionally, we regularly provide special "Good Menu" options based on health concepts and "Veggie Active Menu" with plenty of vegetables, contributing to healthy eating.

Health-Focused Menu

Creating a Comfortable Work Environment

Initiatives for Harassment Prevention

At Honda, we hold "Respect for the Individual" as a fundamental principle. This principle is based on mutual respect for individual uniqueness, equality in relationships, trust, and the dedication of our full efforts to share joy together. Based on this principle, our "Labor Policy" explicitly states that we do not tolerate any form of harassment in the workplace. We are committed to creating a work environment and corporate operations where harassment does not occur.

Additionally, to prevent all forms of harassment in the workplace and to ensure prompt and appropriate resolution, we have established a consultation desk available to all associates. We coordinate with the HR and general affairs divisions at each business location to manage and respond to inquiries.

Mental Health Measures

To develop mental health activities, we have established a specialized "Company-wide Mental Health Promotion Team" to plan and manage these initiatives. At each workplace, we have set up a "Workplace Mental Health Promotion Team."

We are also advancing our activities in coordination with the "Company-wide Safety and Health Committee." Major initiatives include "preventive education," "workplace environment improvement," "stress checks," "enhancing consultation support systems," and "support for returning to work after a leave of absence." We are committed to promoting associates' mental health. Additionally, we distribute leaflets and brochures to associates to promote understanding of mental health care.

Creation of Innovative Technologies

Advancing Innovation Management

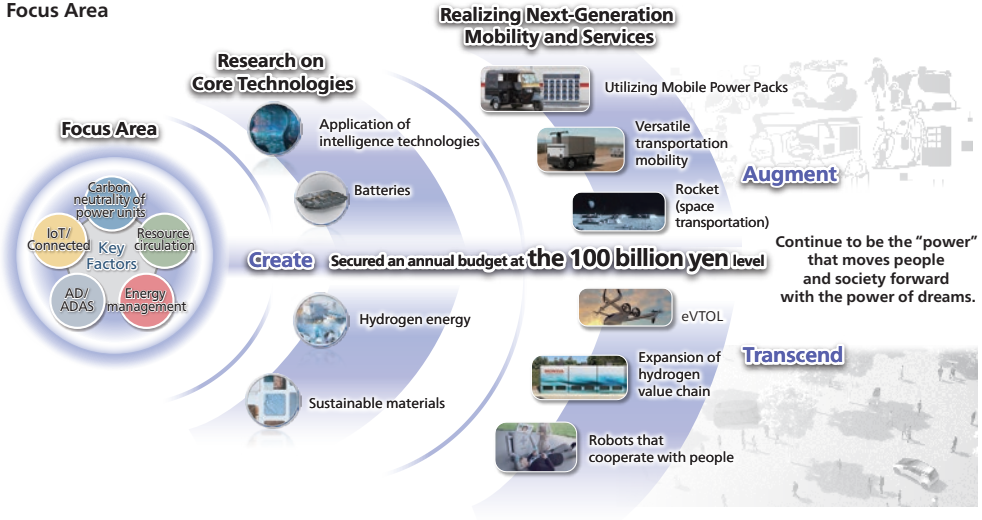
Allocation of Resources to Fundamental Research

In pursuit of achieving the providing value of "Transcend" and "Augment" Honda is committed to strengthening innovation management, grounded in the belief that "creating core technologies is the source of a sustainable business foundation and competitive edge for the future."

Honda's research and development subsidiary, Honda R&D Co., Ltd., transferred its product development functions to Honda Motor Co., Ltd., between 2019 and 2020, reorganizing itself to focus on technology development for creating new value and conducting fundamental research with a long-term perspective. The company is committed to achieving a society with zero environmental impact and zero traffic collision fatalities in the future, as well as expanding the concept of mobility fields. Having defined key focus areas, resources are strategically allocated, and experts in each field lead technology development to realize these goals. Honda R&D has also established the Honda Research Institute as its subsidiary, with locations in Japan, the United States, and Europe. This institute specializes in cutting-edge areas such as computer science and collaborates with various research institutions worldwide to explore and integrate global knowledge.

The development of new technologies requires repeated trials and extensive resources before they can be commercialized. Guided by the belief that the "pursuit of new technologies" is the driving force behind Honda's future, the Company has invested in a workforce of approximately 5,000 people and secured an annual research budget of around 100 billion yen. This represents a major company-wide investment. By making bold resource investments, we aim to sustain strong competitiveness and pursue sustainable business development.

Focus Area



Evolution of Corporate Development Functions

To achieve the values Honda aspires to, extensive technological capabilities and human resources are essential, especially as we enter an era of rapid technological change. With this in mind, Honda established a department responsible for corporate development in 2021, and has continued to strengthen its functions to enhance corporate competitiveness by consolidating internal and external knowledge, experience, and expertise.

In 2023, we established a new structure as a Supervisory Unit. In 2024, in addition to increasing personnel, we are continuously evolving our framework by incorporating some intellectual property and legal functions.

The corporate development function is responsible for systematically building and deepening relationships with partner companies, investment targets, and M&A candidates, optimizing the Company's business and technology portfolio. By promoting the integration of internal and external knowledge, this function accelerates the realization of technology and business development strategies, leading Honda's corporate transformation.

Honda has also secured an annual budget of around 10 billion yen for exploring and investing in startups, actively promoting the "Honda Xcelerator Ventures" program.

In 2023, Honda established Honda Innovations Co., Ltd., a 100% subsidiary in Japan, as the global headquarters for this initiative. This subsidiary collaborates with Honda Innovations Silicon Valley, Inc. in the U.S. to globally expand its exploration activities.

Creating New Businesses Starting from Individual Dreams

Honda is actively promoting the creation of new businesses through a bottom-up approach, leveraging the unique ideas and technologies of its associates. In 2017, Honda R&D launched the internal venture program "IGNITION," which initially targeted a limited group but was later expanded to include all Honda associates. By 2023, the program began accepting external applications, encouraging the creation of new value.

Honda aims to become the power that supports all people around the world who are determined to take action, in line with Honda's vision of "becoming the power that supports people worldwide who are determined to take action." By increasing the number of like-minded individuals and maximizing the potential of countless ideas that start from dreams, Honda seeks to create unique and innovative value that could be the world's first or best.

The company is strategically and diversely committed to generating innovative technologies, continuously evolving its organizational structure to enhance feasibility and impact.

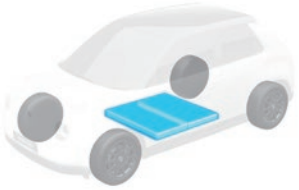
Creation of Unique Core Technologies

Since its establishment in 1960, Honda R&D Co., Ltd. has consistently engaged in forward-thinking research to anticipate changes in the times. Honda focuses on key areas and leading the world with its initiatives within them. As part of its next big vision, we are advancing research to extend mobility into three-dimensional and four-dimensional spaces.

For example, Honda is developing its proprietary all-solid-state batteries, a core component for achieving carbon neutrality in small mobility, including motorcycles and automobiles. This development goes beyond just establishing the technology; it aims to implement it in mass-produced products. Honda is setting goals for size, cost, and performance that will deliver value to customers, considering the production processes. The pilot production line will start operating in 2024, with the aim of incorporating these batteries into models from the late 2020s.

Additionally, to achieve "zero traffic collision fatalities" and "stress-free" movement of people and goods, Honda is developing micro-mobility technologies equipped with its unique AI, Cooperative Intelligence (Honda CI). In February 2024, Honda began a public technology demonstration in Joso City, Ibaraki Prefecture, Japan featuring the autonomous "CiKoMa" for last-mile transportation and the "WaPOCHI" for assisting with comfortable walking while carrying goods. These efforts aim to enhance usability and promote social acceptance, with a goal of practical implementation by around 2030.

* Honda CI: An artificial intelligence that communicates through behavior and language, supporting users while coordinating with them and those around them.



Research Aimed at the Mass Production of All-Solid-State Batteries

Honda CI Micro-Mobility
(Left:CiKoMa Right: WaPOCHI)

Open Innovation to Pave the Way for the Future

"Honda Xcelerator Ventures" is an open innovation program that globally explores innovative startups in areas linked to Honda's current business transformation or in areas with the potential to create disruptive innovations in the future. Through investment and collaboration, the program aims to co-create new value.

As a result, we have already built a track record of investing in various startups. Examples of these investments include Helm.ai (USA), which specializes in AI image recognition technologies; SES AI (USA), which researches high-energy-density lithium metal batteries; Princeton NuEnergy (USA), which develops battery recycling technology using plasma; INERATEC (Germany), which works on carbon-neutral fuels derived from CO_2 in the atmosphere; nT-Tao (Israel), which aims to realize small-scale nuclear fusion reactors using a unique plasma heating method; Emulsion Flow Technologies (Japan), which focuses on efficient rare metal extraction technologies; SiLC Technologies (USA), which develops high-performance LiDAR systems; and Seurat Technologies (USA), which develops high-speed 3D printers. We also collaborate with startups in over a hundred projects annually.

Additionally, Drivemode, a company developing and providing smartphone applications for drivers, was acquired in 2019 after successful collaboration in the connected services domain. Post-acquisition, Drivemode developed and released the "Honda RoadSync" mobile app for motorcycle riders, with Honda motorcycles equipped with this app exceeding 300,000 units shipped globally, offering many customers a new connected riding experience.

Currently, Drivemode plays a central role not only in motorcycle-related projects but also in automobile UX (user experience) planning, At the same time, it has become a driving force in Honda's corporate transformation (CX), leveraging the speed and creativity typical of startups.

Moving forward, Honda will actively drive corporate transformation through open innovation and seek to create new value and business opportunities in collaboration with startup companies.

Mobility

drivemode
helm.ai
SiLC

Sustainability

INERATEC
SES
PRINCETON NUENERGY
EMULSION FLOW TECHNOLOGIES
nT-tao Compact Fusion Power

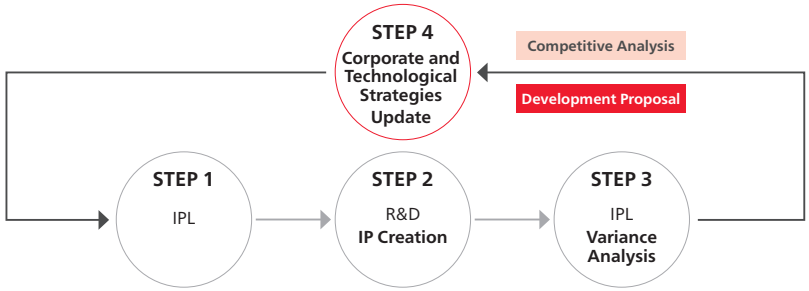
Manufacturing

SEURAT

The Evolution of the Strategic Update Process: New IPL Function

Intellectual property significantly contribute to increasing corporate value and are particularly important as they lead to future value over the next 5 to 10 years. Honda utilizes these intellectual property as a more strategic tool, setting KPIs to gain a competitive edge in its focus technologies. Honda also implements a strategic update process incorporating analysis using intellectual property information, such as IP intelligence "IP* Landscape (IPL)". It is crucial to roll through the following STEP 1–4 agilely and update business and technology strategies effectively.

* IP: Intellectual Property



To further evolve this strategic update process and build competitive intellectual property, we previously conducted the STEP 1–3 processes starting from the IP landscape within the intellectual property department. However, we have reorganized by moving these functions (personnel) into the department responsible for formulating business strategies. This reorganization not only provides opportunities for the growth of intellectual property talent but also allows for quicker utilization of IPL analysis in strategic discussions. This enhances updates in STEP 4 and strengthens the alignment between business/technology strategies and intellectual property strategies.

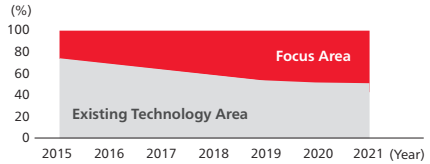
In recent years, the consideration of alliances with a diverse range of companies to create new value has increased, and IPL analysis has become an increasingly effective tool for identifying potential alliance partners. For example, in advancing electrification, proposals for potential alliance partners in key areas such as energy management systems are made to the department responsible for formulating business strategies using IPL analysis.

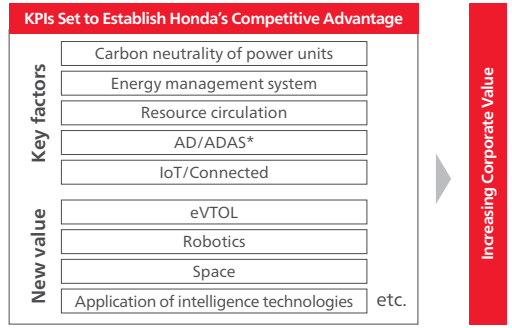
Intellectual Property Creation: Shifting to Electrification and New Value Creation

To support Honda's transformation into a company that enables new growth and value creation, referred to as the period of the "second founding" of Honda, in addition to the "five key factors," Honda is also focusing on "new value technologies" such as eVTOL (electrical Vertical Take Off and Landing), robotics, space, and intelligence technologies. Honda conducts IPL analysis on these technologies to set KPIs for establishing competitive advantages and to execute patent applications towards achieving these goals.

Furthermore, competition analysis using IPL for each technology is conducted to update business and technology strategies.

Ratio of Patent Applications in Focus Areas to Those in Existing Technology Areas

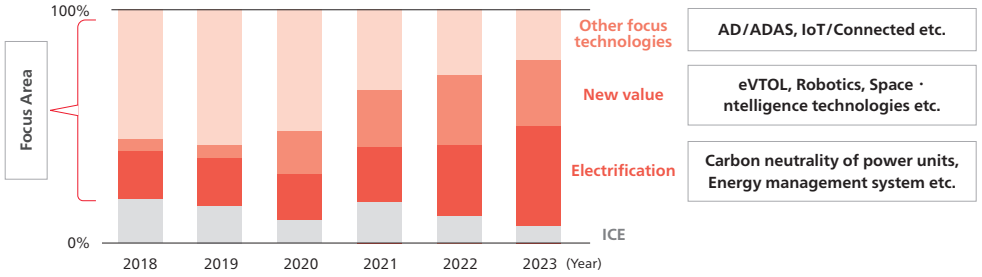




As a result of these efforts, the proportion of patent applications in focus areas has increased. Specifically, as illustrated in the graph below, the proportion of applications related to electrification technologies and new value technologies that are expected to contribute to future commercialization by Honda has been growing year by year. Conversely, applications related to engine technologies have been decreasing, and recently represent a significantly smaller proportion.

Honda's intellectual property have already shifted towards electrification and new value creation.

Proportion of Patent Applications in Focus Areas Compared to ICE Technologies (Number of Patent Applications)



* AD/ADAS: Automated Driving/Advanced Driver Assistance Systems

Expansion of Incentives for Intellectual Property Creation and Utilization

Honda operates a system that provides monetary rewards to inventors for their inventions. To further strengthen patent applications in key factors and enhance competitiveness, the reward system has been revised to offer several times the previous amount, thus boosting incentives. Similarly, the "Business Achievement Award System" now includes the contribution to patent applications as a new evaluation criterion to motivate invention.

Moreover, intellectual property are not solely built on patent applications; with the recent advancements in IoT technology, the value of software, such as control programs, has also been increasing. As the need to build a portfolio of intellectual property that includes such software grows, Honda has begun considering not only incentives for inventions but also the evaluation, management, and payment of rewards for software as well.

Furthermore, in order to strategically leverage the built intellectual property and contribute to business, it is necessary to obtain international standards, such as ISO and IEC, that align with these intellectual property. Honda is also strengthening on standardization activities for such technologies, and to enhance motivation, the Company has introduced an award system for standardization efforts, especially for employees with significant contributions to these activities. In FYE Mar. 31, 2024, when the system was introduced, nine employees were recognized for their achievements.

Standardization Activities Awards: First Ceremony – February 2024

Shiori Watanabe

Strategic Plannning Division
Intellectual Property & Legal Unit
As the intellectual property manager for the Robotics Research and Development Team, she handles portfolio management of company patents and conducts IP landscape analysis.
Favorite motto
"Never give up. If you're feeling down, keep pushing through."
Honda-ism which she has empathy
"An able hawk should show its talons."

Interview

Shaping the Future with Technology through Intellectual Property Strategy

"Why are you trying so hard?" During my student days, I was often teased for giving my all. So for me, Honda is a place where I can be my true self. When I was job hunting, I came across a document from Honda that said, "Honda is a group of people who simply cannot cut corners and become deeply engrossed in their work." It made me realize that there is a place where people are not reprimanded for working hard. The idea of working with colleagues who are earnest about their work was one of the reasons I decided to join Honda.

The mission of the Intellectual Property & Legal Unit is to enhance Honda's competitiveness through intellectual property strategy. Primarily through comprehensive analysis known as "IP landscape," we assess which technologies to develop and patent to secure Honda's competitive advantage. We then provide recommendations for development and business strategies based on this analysis. Our strength lies in offering perspectives on competitiveness that engineers may overlook, through objective analysis.

I cannot develop new technologies myself as I am not directly involved in research and development, but I can provide engineers with ideas and suggest directions for development. I hope that this will lead to the creation of new technologies that can change the future, and ultimately reaching customers, making their lives more convenient and enjoyable. That is my dream.

At Honda, there are remarkable engineers who make you think, "This person will change the world," and a multitude of technologies created by them. Being in such a Honda-like environment at Honda makes me feel like I can't afford to fall behind. I want to develop and implement an intellectual property strategy that meets such remarkable engineers, enhancing Honda's societal value.

Brand Value Enhancement | Enhancement of Brand Management

See p.4 Global Brand Slogan

Starting Point: "Redefining the Honda Global Brand Slogan"

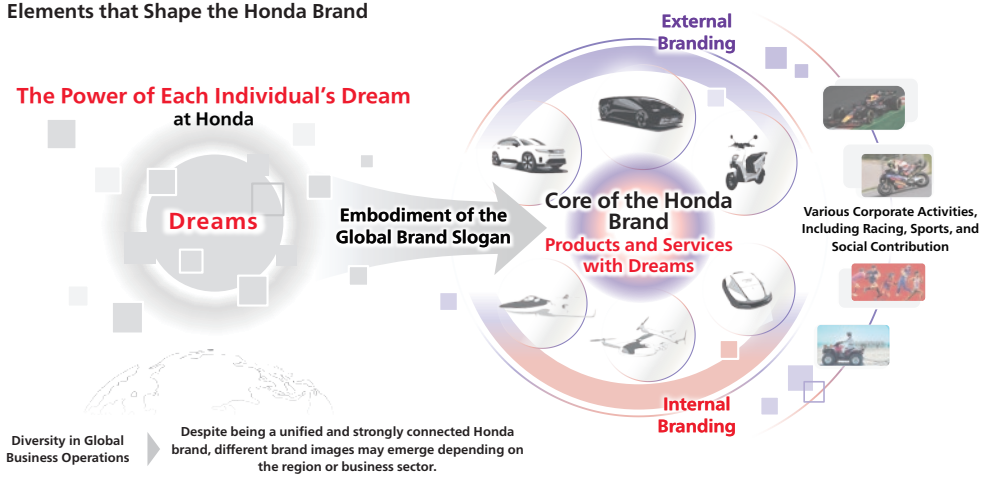
Honda's brand has been shaped by a continuous accumulation of corporate activities alongside our customers, from its founding to the present day. Enhancing the Honda brand, which has been woven over 75 years, and increasing its value for the future is recognized as one of the most important challenges for Honda.

In the midst of a transformative period said to occur once in a century, we redefined the Global Brand Slogan "The Power of Dreams," established in 2001, in 2023, and positioned it once again as the "starting point for Honda's brand management." Through various corporate activities, including products and services that embody dreams, we aim to further highlight the uniqueness of Honda and continue to be a company that meets expectations.

To Remain "Honda-like" in the Era of Electrification

As a comprehensive mobility company and the world's leading power unit manufacturer, Honda delivers a diverse range of products and services to customers worldwide. Each product and service is a crystallization of the intrinsic motivations of every Honda employee, embodying the "Power of Dreams" and forming the core of our brand. Over time, as we have provided products and services globally, the Honda brand has become strongly recognized as a unified entity. At the same time, the diversity of our global business has led to the formation of brand images particular to each region and sector. This distinctive brand personality, cultivated through our history, is considered a valuable asset for the future, even in the era of electrification.

Elements that Shape the Honda Brand



Moreover, Honda's brand has been enhanced not only through its products and services but also through its symbolic activities such as racing and sports, which embody Honda's passion and challenging spirit, as well as its social contribution activities aimed at enriching people's lives worldwide. We believe that the realization of diverse dreams through these corporate activities have also been key elements in enhancing the shine of the Honda brand.

Based on the brand's individuality and diversity, we will strive to maximize overall brand value through products and services that symbolically embody our Global Brand Slogan (GBS), and manage our unique brand effectively.

Initiatives that Embody the Global Brand Slogan

Products, Services, etc.

Honda Mobility Service

Automotive mobility services

Honda ON / Honda Monthly Owner

EveryGo

Motorcycle mobility services

HondaGO BIKE RENTAL

Bicycle mobility services

SmaChari / EveryGo e-Bike

HondaJet mobility services

HondaJet Sharing Service

* The services listed are only available within Japan.

Sports Activities

Messages from F1 and corporate sports athletes➡p.125

Social Contribution Activities

子どもアイディアコンテスト

Further Enhancing Brand Value

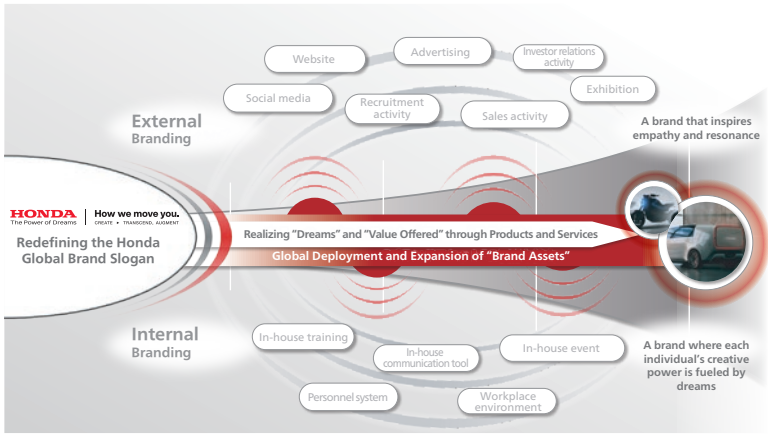
In brand management, we believe it is crucial to create synergies between "consistency in brand communication as a company" and "the diversity and uniqueness of products and services."

As part of this, we have focused on developing and expanding "brand assets" that serve as guidelines for various communications and branding practices to ensure valuable consistency on a global scale. These brand assets are composed of elements from the Global Brand Slogan (GBS) redefinition and will serve as the foundation for consistent branding.

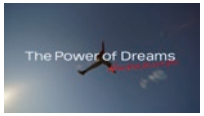
Specifically, we have launched "brand movies" to deepen the understanding of the value Honda provides and a new series of corporate advertisements to widely promote the personality of the Honda brand and generate interest. Additionally, to enhance consistency and creativity in daily work, we have expanded the functionality of the existing Visual Identity (VI) guidelines and implemented the "Brand PlayBook," which is based on the GBS redefinition. This "Brand PlayBook" includes a framework for generating optimal expression directions in various projects and productions, and has been put into operation from 2024 as a tool to assist individual creativity.

We will further expand these brand assets and evolve the content, aiming to increase global utilization. This will support the creativity driven by the "dreams" of all associates and strive to establish an attractive brand that resonates with our stakeholders.

Conceptual Diagram of Efforts to Enhance Brand Value



Brand Movie



Corporate Advertising

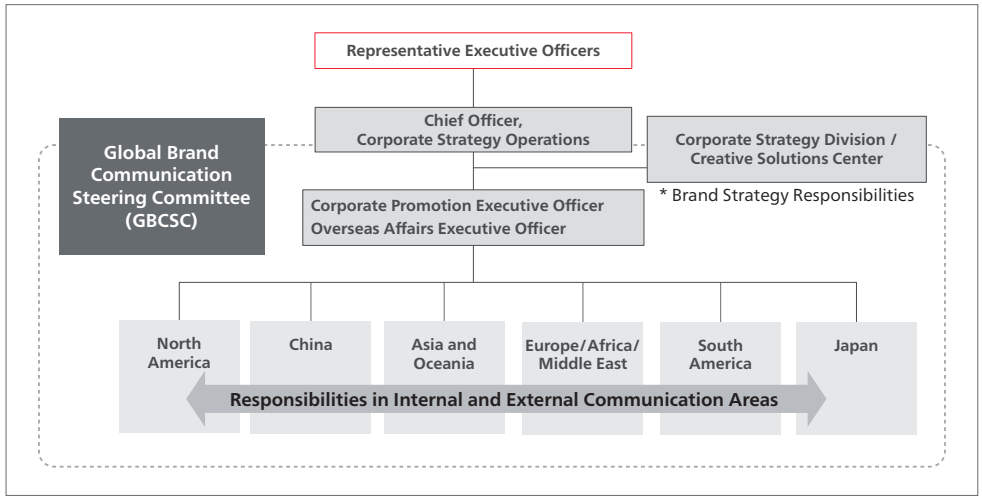
Logo Guidelines ～Brand Playbook

Evolution of the Branding Implementation Structure

To enhance global brand value, we have strengthened our system based on the idea that the evolution of brand strategy and the management of its expansion are crucial. This involves rapidly advancing both strategy discussions and implementations.

At the Headquarters, we develop company-wide communication and branding strategies. To support this, we have established new forums for frequent discussions with executive members, enabling swift decision-making on strategic directions. For the implementation of these strategies, we have created the "Global Brand Communication Steering Committee," aimed at ensuring that all global associates understand the intended direction and that each region can independently develop its initiatives. By closely coordinating with each region, we will advance initiatives tailored to their unique characteristics and needs.

By establishing a seamless system from strategic direction to implementation in each region, we aim to ensure steady progress and make all corporate activities, including dream-inspired products and services, more distinctively Honda.



The effectiveness of these efforts will be monitored using "brand value" as a management indicator, as published by Interbrand. This monitoring will help to assess the situation and contribute to the further evolution of our activities.

Ryusaku Senda

General Manager
Creative Solution Center
Corporate Strategy Division
Corporate Planning Unit
Previously engaged in designing automobiles and developing product concepts, with recent responsibilities in strategic planning and brand communication.
Honda-ism which he has empathy
"Before technology, we are all equal. The substance of ideas is the real challenge."

Interview

Aiming for a Honda Brand that Exceeds Expectations

When I was a student in the 1990s, I strongly resonated with the creative approach of Honda's Creative Mover* series and felt that Honda was a company where original ideas could be genuinely realized. This was the moment I wanted to become part of Honda. After joining the Company, I spent many years involved in product development through automobile design and other projects. About five years ago, I took on the role of integrating "creativity" into the business planning function, leading to my current position.

As my work shifted towards "strategy," I became even more aware that the driving force behind Honda, which has produced numerous epoch-making products over the years, lies in each associate's motivation of "doing it because they love it" and "doing it because they want to." Among these, the "dream" that Honda associates have for mobility has become something I am more deeply conscious of.

I have come to recognize that in recent years, due to rapid environmental changes, Honda has been compelled to undergo transformations across various areas. As the "content of the strategy" for these changes becomes more concrete, I have increasingly felt that simply explaining the correctness of the strategy is not enough to move people. In a situation where we cannot always draw a clear path to absolute success, I realize every day that a strategy that inspires people to take action must not only be understood logically (with the left brain) but also resonate emotionally (with the right brain).

Amid these circumstances, my primary responsibilities lie in "communications and brand strategy, corporate branding," and "creative support for new businesses," although my work extends to a broad range of areas. Through my efforts so far, I am deeply convinced of the effectiveness and potential of driving transformation by connecting and fully leveraging internal and external creative resources at the strategic level. While much remains a work in progress, I am committed to accelerating Honda's transformation and embodying the essence of Honda by continuing to create and expand a consistent brand connection that adds value across execution areas and through to our products and services.

* Creative Mover: A unique Honda concept of "Life-Creating Vehicles," exemplified by models such as the Odyssey, CR-V, and Step WGN.

Governance | Corporate Governance

Basic Approach

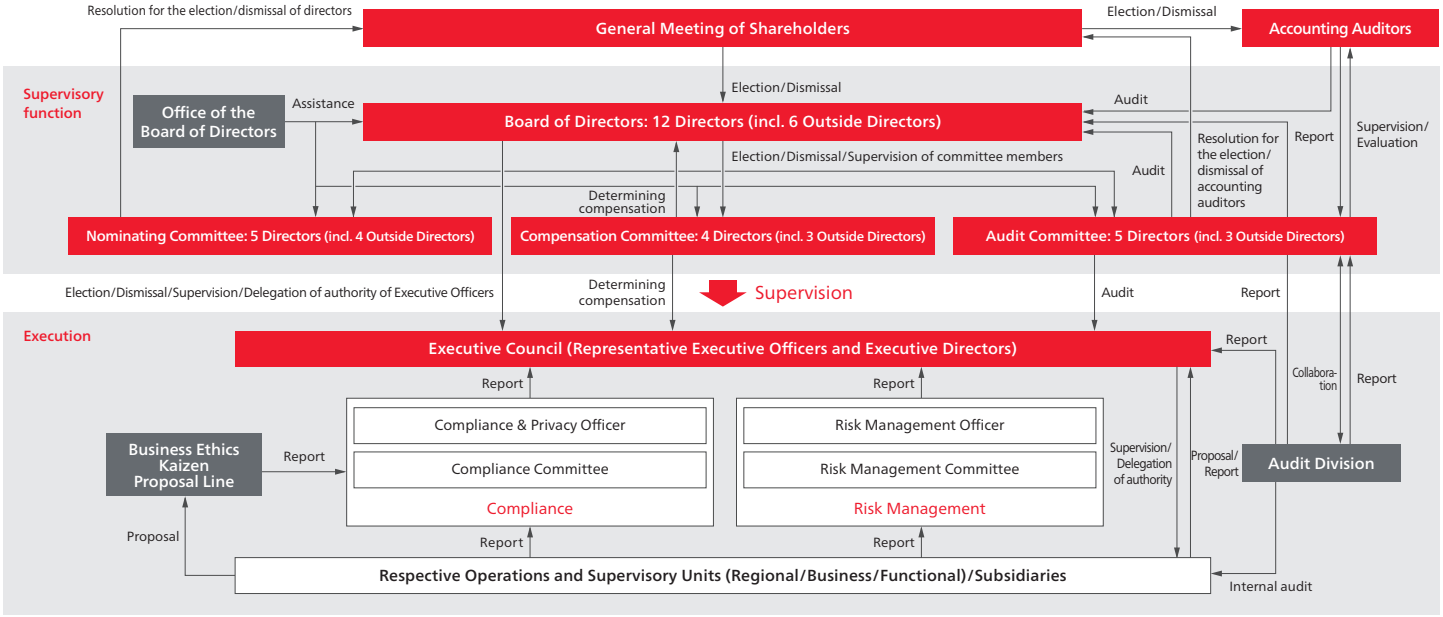
Enhancing Corporate Governance to Become "A Company People and Society Want to Exist"

Based on its basic principles, Honda strives to enhance the trust of shareholders, investors, customers, and society, while encouraging prompt, decisive, and risk-conscious decision-making, thereby achieving sustainable growth and enhancing corporate value over the medium- to long-term. Through these efforts, We are is working to enhance corporate governance as one of its key management priorities to become "a company society wants to exist."

To clearly segregate the supervisory and execution functions of management, strengthen the supervisory function, and enable prompt and flexible decisions, Honda has created a Nominating Committee, Audit Committee, and Compensation Committee, each of which is composed of over 50% Outside Directors. We also have adopted a "company with three committees" structure, which allows the broad delegation of the business execution authority from the Board of Directors to the Executive Officers.

To further enhance trust and empathy from our shareholders, investors, customers, and society, we are committed to the timely and accurate disclosure of corporate information, including quarterly financial results and management policies. Thus we will continue to ensure transparency.

Corporate governance structure (as of June 19, 2024)



Basic Approach

Evolution of the Corporate Governance Structure

	Fiscal Years Ended/Ending March 31										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*1
Total number of directors	13	13	13	14	14	13	13	11	11	11	12
Number of Outside Directors	2	2	2	5	5	5	5	5	5	5	6
Number of Independent Directors	1	1	1	5	5	5	5	5	5	5	6
Number of female directors	1	1	1	2	2	2	2	2	2	2	3
Organizational structure and system	Company with Board of Auditors			Company with Audit and Supervisory Committee				Company with Three Committees			
				・Enhancing the Board's oversight function to further expedite decision-making ・Expanding the delegation of executive authority from the Board to Directors ・Promoting the separation of oversight and executive functions				・Further strengthening of management "agility" and "supervision" ・Significantly delegating executive authority from the Board to legally accountable Executive Officers ・Selecting committee chairs from among the Independent Outside Directors			
	–			–				Nominating Committee			
	Board of Auditors			Audit and Supervisory Committee				Audit Committee			
	–			–				Compensation Committee			
Key initiatives for improving governance evolution of support systems (Supervisory Side)	■ Subsidiary Monitoring with Issues										
	■ Pre-Board Meeting Briefings										
	■ Board Effectiveness Evaluation										
								■ Establishment of Standards and Regulations for the Three Committees			
								■ Disclosure of Board Effectiveness Evaluation			
								■ Introduction of Effectiveness Evaluation for the Three Committees			
									■ Expansion of Disclosure on Compensation Systems		
										■ Establishment of Clawback Policy	
										■ Revision of Long-Term Incentive (LTI) Program	
								■ Disclosure of the Skill Matrix			
	～ Auditors' Office			■ Establishment of the Audit and Supervisory Committee Division				■ Establishment of the Board of Directors Office			
Key initiatives for improving governance evolution of support systems (Executive Side)	Compliance Committee										
	～ Compliance Officer										■ CPO*2
	Enterprise Risk Management Committee			Global Emergency Headquarters						Risk Management Committee	
	～ Risk Management Officer										
	Internal Audit Office			Audit Division							

*1 as of June 19, 2024
*2 CPO: Compliance & Privacy Officer

Decision-Making for Executing Business Matters

Strengthening supervisory functions and implementing swift and agile decision-making

Honda has adopted a "company with three committees" system to delegate the decision-making authority of the Board of Directors to execute important business matters to the Executive Officers in accordance with the provisions of the Company's Articles of Incorporation and resolutions approved by the Board. This system enables quick decision-making and prompt business execution while clearly separating the functions of management supervision and business execution so that the Board is focused on overseeing business execution.

The Board of Directors has established criteria for deliberation and has delegated some of its authority to the Executive Council, which, in turn, delegates some of its authority to the Business Operating Board.

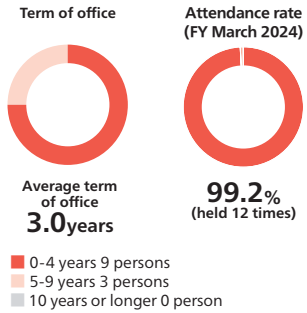
The Executive Council conducts preliminary deliberations on matters to be resolved by the Board of Directors and deliberates on important management matters within the scope of authority delegated by the Board of Directors. The Business Operating Board deliberates important management matters in each area within the scope of authority delegated by the Executive Council.

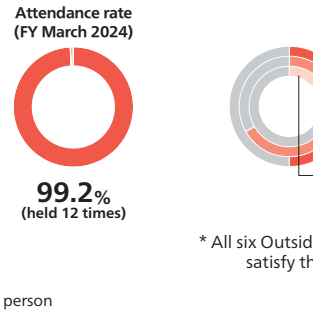
Board of Directors

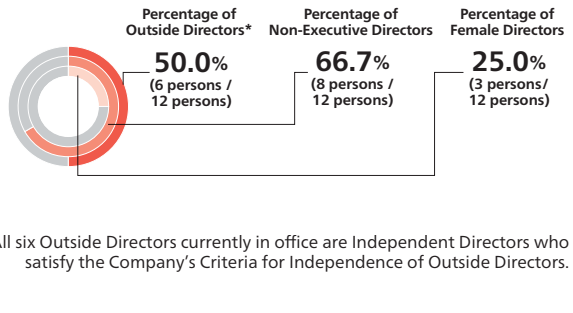
The Board of Directors is comprised of twelve Directors including six Outside Directors.

To respond to the mandate of the shareholders to achieve sustainable growth and enhance the corporate value of the Company over the medium to long term, the duties of the Board of Directors include making decisions concerning key Company matters such as its basic management policies and the monitoring of operations by Directors and Executive Officers. Additionally, the Board of Directors discusses and makes decisions concerning matters specified in the regulations of the Board of Directors, as well as matters set forth in the Articles of Incorporation and applicable laws. All other matters are delegated to the Representative Executive Officers or the Executive Officers.

To fulfill the above roles, the candidates for Director, regardless of gender, nationality, or other personal attributes, shall be persons of superior character and insight who are experts in company management, laws, politics, accounting, education, or the Company's business. The Nominating Committee shall consider the balance of gender, nationality, knowledge, and related experience among the candidates.







* All six Outside Directors currently in office are Independent Directors who satisfy the Company's Criteria for Independence of Outside Directors.

Nominating Committee

The Nominating Committee decides on the content of proposals to be submitted to the General Meeting of Shareholders concerning the election and dismissal of Directors and performs other duties as stipulated by law or the Articles of Incorporation. The Nominating Committee is composed of five directors, including four outside directors. The chairperson of the committee is selected from among the independent outside directors.

Nominating Committee Members (as of June 19, 2024)
Fumiya Kokubu (Chairperson) (Outside Director)
Toshihiro Mibe
Kunihiko Sakai (Outside Director)
Kazuhiro Higashi (Outside Director)
Mika Agatsuma (Outside Director)

Specific discussion topics at the Nominating Committee in FY March 2024
■ Basic policy/annual activity plan
■ Succession plan for Directors
■ Prospective Director candidates, etc.

Ratio of Outside Directors

80% (4 persons/ 5 persons)

Attendance rate (FY March 2024)

100% (held 9 times)

Audit Committee

To respond to the mandate of the shareholders, the Audit Committee conducts audits of the execution of duties by the Directors and Executive Officers and performs other duties as prescribed by laws and regulations and the Articles of Incorporation to ensure the sound and sustainable growth of the Honda Group. The Audit Committee is composed of five Directors, including three Outside Directors. The chairperson of the committee is selected from among the independent outside directors. To ensure the effectiveness of the audit, full-time members of the Audit Committee are elected by resolutions of the Board of Directors.

Audit Committee Members (as of June 19, 2024)
Yoichiro Ogawa (Chairperson) (Outside Director)
Asako Suzuki (Full-time Audit Committee Member)
Jiro Morisawa (Full-time Audit Committee Member)
Kunihiko Sakai (Outside Director)
Ryoko Nagata (Outside Director)

Specific discussion topics at the Audit Committee in FY March 2024
■ Basic policy/annual activity plan
■ Quarterly audit implementation status
■ Quarterly review of consolidated financial statements by the Accounting Auditor
■ Implementation status of internal audits, etc.

Ratio of Outside Directors

60% (3 persons/ 5 persons)

Attendance rate (FY March 2024)

100% (held 10 times)

Compensation Committee

The Compensation Committee makes determinations regarding the details of compensation for each Director and Executive Officer and carries out other duties as prescribed by laws and regulations and the Articles of incorporation. The Compensation Committee is composed of four Directors, including three Outside Directors. The chairperson of the committee is selected from among the independent outside directors.

Compensation Committee Members (as of June 19, 2024)
Kazuhiro Higashi (Chairperson) (Outside Director)
Eiji Fujimura
Fumiya Kokubu (Outside Director)
Yoichiro Ogawa (Outside Director)

Specific discussion topics at the Compensation Committee in FY March 2024
■ Basic policy/annual activity plan
■ Executive performance evaluation
■ Long-term incentive (LTI) and stock delivery regulations
■ Clawback policy, etc.

Ratio of Outside Directors

75% (3 persons/ 4 persons)

Attendance rate (FY March 2024)

100% (held 9 times)

Board and Committee Members

Name	Term of office	Position	Responsibilities	Attendance in FY March 2024 (Attendance/Number of times held)				Skills							
				Board of Directors	Nominating Committee	Audit Committee	Compensation Committee	Corporate management	Internationality	Industrial experience	New business strategies	HR	Accounting & finance	Legal & risk management	ESG & sustainability
 Toshihiro Mibe	4 years	· Director · President and Representative Executive Officer	· Member of the Nominating Committee · Chairman of the Board of Directors · Chief Executive Officer	12/12 100%	9/9 100%	–	–	●	●	●	●	●	●	●	●
 Shinji Aoyama	6 years (total)	· Director, Executive Vice President and Representative Executive Officer	· Risk Management Officer	12/12 100%	–	–	9/9 100%	●	●	●	●	●		●	●
 Noriya Kaihara	5 years (total)	· Director · Executive Vice President and Representative Executive Officer	· Compliance and Privacy Officer	9/9 100%	–	–	–	●	●	●		●		●	●
 Eiji Fujimura	–	· Director · Managing Executive Officer	· Member of the Compensation Committee · Chief Financial Officer · Chief Officer for Corporate Management Operations	–	–	–	–	●	●	●		●	●	●	
 Asako Suzuki	3 years	· Director	· Member of the Audit Committee (Full-time)	12/12 100%	–	10/10 100%	–		●	●		●	●	●	
 Jiro Morisawa	–	· Director	· Member of the Audit Committee (Full-time)	–	–	–	–		●	●			●		
 Kunihiko Sakai	5 years	· Director	· Member of the Nominating Committee · Member of the Audit Committee	12/12 100%	9/9 100%	10/10 100%	–		●					●	
 Fumiya Kokubu	4 years	· Director	· Member of the Nominating Committee (Chairperson) · Member of the Compensation Committee	12/12 100%	9/9 100%	–	9/9 100%	●	●		●	●			
 Yoichiro Ogawa	3 years	· Director	· Member of the Audit Committee (Chairperson) · Member of the Compensation Committee	12/12 100%	–	10/10 100%	9/9 100%	●	●			●	●		
 Kazuhiro Higashi	3 years	· Director	· Member of the Nominating Committee · Member of the Compensation Committee (Chairperson)	12/12 100%	9/9 100%	–	9/9 100%	●			●	●	●	●	
 Ryoko Nagata	3 years	· Director	· Member of the Audit Committee	12/12 100%	–	10/10 100%	–				●	●			●
 Mika Agatsuma	–	· Director	· Member of the Nominating Committee	–	–	–	–		●		●			●	

Reasons for Selecting the Skills

We have identified the following skills required for the Board of Directors to fulfill its role of making decisions with respect to the basic management policies of the Company Group and other equivalent matters and overseeing the performance by the Directors and Executive Officers of their duties.

	Required skills
• **Demonstrate strong leadership to prevail in the once-in-a-century era of transformation.** Lead Honda by accurately understanding the rapidly changing environment and actively making decisions from global perspectives.	Corporate management Internationality
• **Reinforce our existing businesses and strengthen new business areas by creating value.** Help our existing businesses evolve continuously, and develop business strategies for new business categories which will be pioneered by new value creation, and make decisions on their execution.	Industrial experience New business strategies
• **Strengthen the corporate structure and control the resources for the future.** Manage Honda's human and capital resources to high standards and build a foundation for a strong business structure.	HR Accounting & finance
• **Prepare for risks and achieve sustainable corporate operations.** Properly address the various risks arising from business activities and oversee our business operations to ensure healthy operational practices and thereby drive permanent development of society and Honda.	Legal & risk management ESG & sustainability

Reason for Appointment of Outside Directors

Six Outside Directors Having Abundant Experience and Deep Insight

Honda appoints Outside Directors who have abundant experience and deep insight and who are capable of overseeing the business management of the Company from an objective, highly sophisticated, and broad viewpoint thanks to their independent position outside the Company. The Company has at least two Outside Directors, and at least one-third of the members of the Board of Directors are Independent Outside Directors who fulfill the Company's Criteria for the Independence of Outside Directors. All six Outside Directors currently in office satisfy the Criteria for Independence of Outside Directors and their interests are not in conflict with those of the Company or the shareholders. The six Outside Directors are specified as Independent Directors as prescribed by a provision of the Tokyo Stock Exchange (TSE). The names of these Directors have been submitted to the TSE.

Please see "Honda Corporate Governance Basic Policies" for Honda's Criteria for Independence of Outside Directors. If any Outside Director also serves as an officer at another listed company, such Director shall only serve at four companies other than the Company so that they can secure sufficient time to perform their duties for the Company.

Kunihiko Sakai	Mr. Kunihiko Sakai has high expertise and abundant experience as a legal affairs specialist having served as Public Prosecutor and a lawyer, including posts of Superintending Prosecutor at High Public Prosecutors' Offices from July 2014 to March 2017. He has properly fulfilled his duties as Outside Director who is an Audit and Supervisory Committee Member since June 2019, and as Outside Director and a Member of the Nominating Committee and the Audit Committee since June 2021, by auditing and overseeing the entire business management of the Company from an independent standpoint.
Fumiya Kokubu	Mr. Fumiya Kokubu held positions of President and CEO, and then Chairman of the Board of Marubeni Corporation from April 2013 and has abundant experience and deep insight regarding corporate management. He has properly fulfilled his duties as Outside Director since June 2020, and as the Chairperson of the Nominating Committee and a Member of the Compensation Committee since June 2021 by overseeing the entire business management of the Company from an independent standpoint.
Yoichiro Ogawa	Mr. Yoichiro Ogawa has high expertise and abundant experience as an accounting specialist having served as a Certified Public Accountant for many years, including posts of CEO of Deloitte Tohmatsu Group from July 2015 to May 2018. He has properly fulfilled his duties as Outside Director, the Chairperson of the Audit Committee and a Member of the Compensation Committee since June 2021 by auditing and overseeing the entire business management of the Company from an independent standpoint.
Kazuhiro Higashi	Mr. Kazuhiro Higashi held positions of President and then Chairman of Resona Holdings, Inc. from April 2013 to June 2022, and has abundant experience and deep insight regarding corporate management. He has properly fulfilled his duties as Outside Director, the Chairperson of the Compensation Committee and a Member of the Nominating Committee since June 2021 by overseeing the entire business management of the Company from an independent standpoint.
Ryoko Nagata	Ms. Ryoko Nagata held positions of Executive Officer and then Audit & Supervisory Board Member of Japan Tobacco Inc. from June 2008 to March 2023, and has abundant experience and deep insight regarding corporate management and audit. She has properly fulfilled her duties as Outside Director and a Member of the Audit Committee since June 2021 by auditing and overseeing the entire business management of the Company from an independent standpoint.
Mika Agatsuma	Ms. Mika Agatsuma has extensive experience and deep expertise in the IT field, including serving as an Executive Officer at IBM Japan from October 2022 to March 2024.

Support Systems for Outside Directors

Board of Directors Office Providing Necessary Support as Appropriate

Honda's Board of Directors Office plays a central role in providing the following support to Outside Directors to ensure they can maximize their functions as Outside Directors.

1. Orientation at the time of taking office
Honda provides training in industry trends, as well as the Company's history, business, finances, organizations, internal control system, and other matters to newly appointed Outside Directors.

2. Preliminary briefing and information-sharing
Preliminary briefing sessions are held for Outside Directors in advance of each Board of Directors' meeting for the following purposes: to ensure that they fully understand the details and background of each agenda item to be submitted to the Board of Directors, its position in the medium- to long-term management plan, and other relevant information, and to ensure that the Board of Directors holds substantial deliberations. Honda also provides opportunities for information sharing and discussion among Directors on important matters such as the status of company-wide risk management and medium- to long-term strategies by business segment, as appropriate.

3. Opinion exchange meetings on matters of management concern
Honda holds opinion exchange meetings for Directors regarding matters of concern to management. These meetings aim to share with Outside Directors an awareness of the Honda Group's long-term challenges and directions to be pursued and to deepen their understanding of management initiatives. Such meetings are also intended to utilize the knowledge of Outside Directors in discussing future management policies.

4. Dialogue with Executive Officers/dialogue among Outside Directors
To facilitate forthright communication among Directors, Honda provides opportunities for dialogue between Outside Directors and Executive Officers or Inside Directors, as well as dialogue among Outside Directors as needed.

5. Inspection visits to business sites
Honda arranges inspection visits to its plants and other business sites as necessary to promote Outside Directors' understanding of the Company's business.

Visit to Honda Development & Manufacturing of America, LLC (East Liberty Auto Plant,ELP)

Evaluation of the Effectiveness of the Board of Directors

Conducting Questionnaire and Interviews in Each Fiscal Year to Increase Effectiveness

Each fiscal year, the Company evaluates the overall effectiveness of the Board of Directors to confirm the current status of the Board's functions and with the aim of further improving its effectiveness and promoting understanding among shareholders and stakeholders.

Evaluation process

Survey of all Directors (self-assessment) → External lawyers conduct hearings and collect the results. → Under the Chairperson's supervision, the Board of Directors discusses the evaluation results submitted by the Secretariat and issues a resolution.

Summary of evaluation results

The results of the effectiveness evaluation confirmed that the effectiveness of the Board of Directors has been adequately ensured through the following initiatives: setting appropriate items for deliberation and frequency of meetings, providing information to Outside Directors and enhancing opportunities for exchange of opinions, including business site visits, as well as the appropriate operation of the three committees.

Going forward, the Company will further enhance the effectiveness of the monitoring-type Board of Directors by stimulating discussion both within and outside the Board of Directors and by further strengthening cooperation between the Board of Directors and the three committees.

Evaluation Results

	Tasks for FY March 2023	Main initiatives for FY March 2024	Evaluation for FY March 2024	Tasks and initiatives for the future
Composition	Further deepen the discussion on the expertise and diversity of future Directors	Exchanged views among all directors on the future composition of the BOD	The current composition of the BOD is appropriate.	Further deepen the discussion on the expertise and diversity of future Directors (Continued)
Shared information	Provide information and inspection opportunities with a greater focus	· Added information sharing items for outside directors · Improved opportunities for outside directors to inspect business sites and events	· Information is adequately provided. · Outside directors have good opportunities to inspect business sites and events. · It was meaningful for them to have a deeper understanding of the business and to experience the corporate culture.	Provide information and inspection opportunities with a greater focus (Continued)
Agenda items for deliberation, etc.	Enhance board discussions through effective setup of information sharing/exchange opportunities	· Conducted information sharing/discussions on the direction of the next management plan · Held meetings to exchange opinions on important management issues	· Discussion items are narrowed down to important matters. · Opportunities for information sharing/exchange of opinions are effectively set up and efficient.	· Enhance discussion on business environment awareness · Further enhance feedback from outside directors on their opinions
Deliberation at meetings	Further revitalize discussions in the BOD (Continued)	Updated proposals and explanations on the day of the event as appropriate, based on questions raised at the pre-briefing	· Discussions are active. · Directors provide thought-provoking comments and questions.	Further revitalize discussions in the BOD (Continued)
Committee	Maintain and enhance coordination between committees and the BOD (Continued)	Conducted a director-wide discussion based on the committee's deliberations	The deliberation status of each committee is being properly reported to the BOD.	Maintain and enhance coordination between committees and the BOD (Continued)

Remuneration Structure for Directors and Executive Officers

Remuneration Structure Linked to Medium- to Long-Term Business Performance

Honda views executive remuneration, the cornerstone of corporate governance, as an important driving force for the realization of Our Fundamental Beliefs, management policy, and vision. The Compensation Committee has established the following decision-making policy to encourage appropriate risk-taking to promote speedy change toward the achievement of the Company's vision amid a drastically changing environment and to ensure that the content of the system accurately reflects management responsibility.

The Company's executive remuneration system is designed to motivate executives to contribute not only in the short-term but also in the medium- to long-term to improve the Company's business performance so that it can continuously increase its corporate value. The system consists of monthly remuneration, which is a fixed amount paid monthly in compensation for the execution of duties, STI (Short Term Incentive), which is linked to the performance of the relevant fiscal year, and LTI (Long Term Incentive), which is linked to the performance of the medium- to long-term.

Monthly remuneration is a fixed monthly amount based on the remuneration criteria resolved by the Compensation Committee.

STI is determined and paid by resolution of the Compensation Committee, taking into consideration the performance of each fiscal year.

LTI grants its own shares and cash linked to medium-and long-term performance in accordance with the criteria and procedures approved by the Compensation Committee to serve as a sound incentive for sustainable growth.

The compensation of Executive Officers and Directors who also serve as Executive Officers is composed of monthly compensation, STI and LTI, the composition of which is determined in accordance with the compensation criteria approved by the Compensation Committee. The composition ratio of variable compensation is increased in proportion to the severity of management responsibility for each position.

Compensation for Outside Directors and other Directors who do not concurrently serve as Executive Officers consists solely of monthly compensation.

Directors and Executive Officers who are not subject to LTI also contribute a certain amount of their remuneration to the Directors' Shareholding Association to acquire their own shares to realize shareholder-oriented management and promote the company's sustainable growth and medium- to long-term enhancement of corporate value through the holding of their own shares.

Directors and Executive Officers are required to continue to hold the company's shares acquired as LTI and through the Directors' Shareholding Association for one year after leaving office, in addition to their term of office.

Total Amount of Remuneration by Category

Category of Directors	Total amount of remuneration (millions of yen)	Total amount by type of remunerations (millions of yen)			Number of eligible Directors (Number of persons)
		Basic remuneration	Performance-linked remuneration		
			STI (Short Term Incentive)	LTI (Long Term Incentive)	
Directors (excluding Outside Directors)	300	287	0	12	4
Outside Directors	90	90	0	0	5
Executive Officers	1,395	470	483	406	10
Total	1,751	849	483	419	19

- 'Directors' in the table above does not include the three Directors who concurrently serve as Executive Officers.
- These amounts indicate remuneration paid to Directors during the fiscal year. The above includes the amount paid to one Director who retired at the closing of the 99th Ordinary General Meeting of Shareholders held on June 21, 2023.
- The amount of STI for Executive Officers was determined by the Compensation Committee held on May 7, 2024.
- The total amount of LTI is the expenses recorded for stock delivery points granted during the fiscal year in relation to the Board Incentive Plan (BIP) trust and falls under non-monetary remuneration.

An Evaluation System That Supports the Creation of Social and Economic Value

In FYE Mar. 31, 2024 we have redefined and organized the priority issues and materiality that we will particularly focus on, aiming to create the "joy and freedom of mobility" across the entire company. The priority issues are selected based on a comprehensive extraction of social issues from a sustainability perspective and are prioritized according to the direction we aim to pursue. Specifically, we have identified five non-financial areas as priority issues: "environment" and "safety," which have long been key themes for management, "people" and "technology," which are the driving forces behind our growth, and "brand," which represents the sum of all corporate activities. By aligning these with our financial strategy, we aim to achieve the creation of both social and economic value.

For the Long-Term Incentive (LTI) programs from the Fiscal Year Ending March 31, 2025 onward, we have revised the performance evaluation methods with the aim of accelerating initiatives on key themes from the perspective of stakeholders, including shareholders, and further promoting the creation of social and economic value. For each Key Performance Indicator (KPI), financial indicators are chosen as important metrics to achieve the Return on Invested Capital (ROIC) targets set for the Fiscal Year Ending March 31, 2031, non-financial indicators are directly linked to five priority issues, and stock price indicators reflect market evaluation of the creation of social and economic value. Each indicator is selected to be objectively evaluable on an annual basis.

	KPIs	Evaluation method
Financial indicators	Consolidated operating profit margin	Evaluation based on target achievement for the assessed year
	Profit attributable to owners of the parent company	
Non-financial indicators	Brand value	
	Total CO_2 emissions	
	Employee engagement	
Stock price indicators	Total shareholder return	Evaluation based on comparison with the dividend-inclusive TOPIX growth rate for the assessed year

Note: For non-financial indicators, the evaluation will be based on the following metrics:
- Brand value: Brand value assessment conducted by a third-party research company
- Total CO_2 emissions: CO_2 emissions from corporate activities and products, calculated using standardized methods applicable in Japan (and globally)
- Employee engagement: Employee engagement survey conducted by a third-party research company

Remuneration of Accounting Auditors

Determining Remuneration with Prior Approval to Uphold Independence

The Company has had its financial statements audited in accordance with the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, the Securities Exchange Act of 1934 (United States) and the Exchange Act of 1933 (United States) by KPMG AZSA LLC.

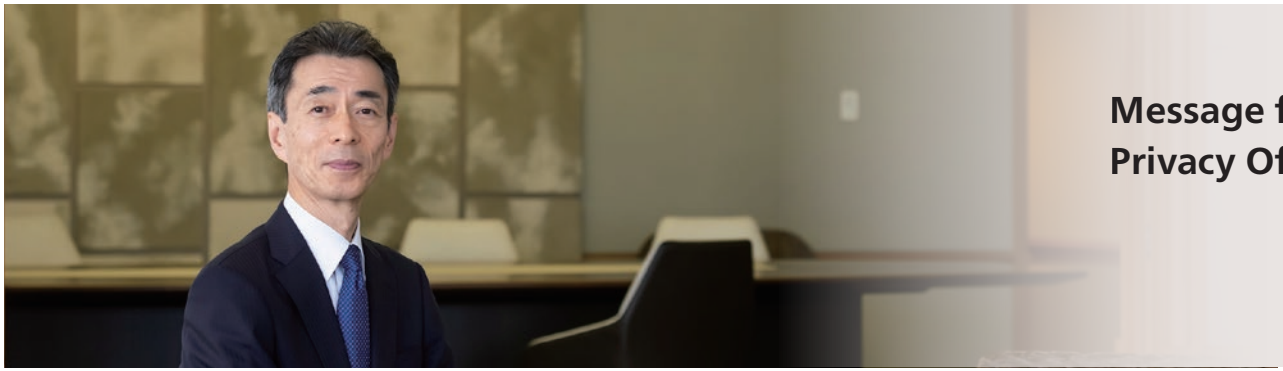
The duration of continuous auditing by KPMG AZSA LLC is 19 years.

This period refers to the period during which KPMG AZSA LLC, the current auditor, has continuously audited the consolidated financial statements and financial statements included in the Company's Securities Report. In addition, KPMG, to which KPMG AZSA LLC belongs as a member firm, has been conducting audits of the Company for U.S. SEC registration purposes since 1962.

Within KPMG AZSA LLC, a total of 115 staff members conducted external audits of the Company's financial statements. These accounting firm staff members are composed of 3 certified public accountants (Isao Kamizuka, Takeshi Kamada and Ryosuke Kikuchi), who are in overall charge of the Outside Audits, and 112 professional staff members (including 27 certified public accountants and 85 other staff members).

In deciding the amount of remuneration for services rendered by the Accounting Auditor, various factors are taken into consideration in discussions with the accounting firm, including the Company's size/characteristics, the time schedule for the audit and other matters. In addition, to preserve the independence of the Accounting Auditor, remuneration to be paid is required to obtain the prior approval of the Audit Committee.

Governance | Compliance



Message from the Compliance and Privacy Officer

Director
Executive Vice President and Representative Executive Officer
Noriya Kaihara

To Remain a Company People and Society Want to Exist

In 1962, the founder, Soichiro Honda, gave a speech to associates stating, “Before making a profit, there is one important condition: whether something is “right” or not.”

At Honda, “compliance” means not only adhering to laws and regulations but also being sincere and ethical towards customers and society. This concept is connected to the words of the founder and remains the unchanging foundation from the Company’s inception to the present, guiding Honda in conducting transparent and trustworthy business operations.

As a concrete compliance initiative, in 2016, Honda established the “Honda Code of Conduct,” which outlines the sincere actions that associates should practice. Currently, global efforts are ongoing to raise awareness of this code. Additionally, an internal reporting system called the “Business Ethics Kaizen Proposal Line (Corporate Ethics Improvement Proposal Hotline)” has been established to accept reports of legal violations, fraud, and other issues.

To manage and oversee the progress of these initiatives, Honda has appointed the Executive Vice President and Representative Executive Officer as the Compliance & Privacy Officer, who is responsible for compliance across the Honda Group. The Compliance & Privacy Officer also serves as the Chair of the “Compliance Committee,” which deliberates on important compliance matters within the group.

In the “Inappropriate type designation found in applications of automobiles*,” which was disclosed in June 2024, we caused significant concern to many of our stakeholders. Along with implementing specific measures to prevent this issue from recurring, we will reassess Honda’s compliance system and awareness. Moving forward, we will strengthen and improve our ongoing efforts to restore the trust of our stakeholders.

In recent years, with the advancement of digital transformation and the increasing collection and utilization of various types of data, the global importance of personal information management and privacy protection, through compliance with related laws, has grown significantly. In this environment, to fulfill its corporate responsibilities, We changed the title of the former Compliance Officer to “Compliance & Privacy Officer” as of April 1, 2024, clarifying the role responsible for data governance.

Honda is driving significant transformations for further growth as it works toward realizing its “desired state.” Moving forward, we aim to maintain a transparent and trustworthy corporate operation while fostering a foundation for the unique challenges Honda undertakes. By ensuring that every member of management and each associate acts with integrity and ethics toward customers and society, we strive to continue being a “company society wants to exist.”

* Reference: News Release dated June 3, 2024, disclosure of an inappropriate incident in the application for type approval of automobiles (in Japanese)

Honda Code of Conduct

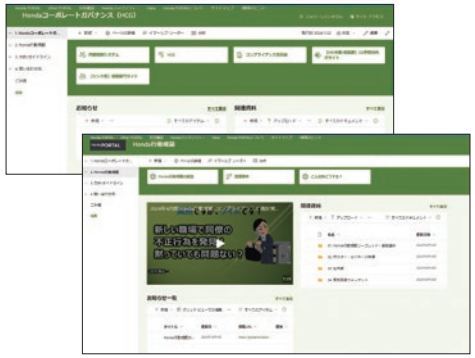
Formulation and Dissemination of Integrity Guidelines to be Observed by Honda Associates around the World

To earn the trust of customers and society and achieve sustainable growth, we must not only comply with laws and regulations but also practice sincere and ethical conduct.

Recognizing this, Honda has formulated the Honda Code of Conduct, which summarizes the integrity of conduct to be practiced by all Honda associates around the world, and shares it throughout the Group, including subsidiaries in Japan and overseas.

The Company works to instill the Honda Code of Conduct in each and every associate through awareness-raising activities such as distribution of leaflets and posters, distributing educational videos, and introducing case studies and other information on the intranet, as well as conducting training sessions. The status of these activities is regularly reported to the Compliance Committee after confirmation by each division and subsidiary of the Company.

Honda Code of Conduct



Intranet

Compliance Committee

Establishment and Operation of Committees to Improve the Group's Compliance

To improve compliance in the Honda Group, Honda has established a Compliance Committee, headed by a Compliance & Privacy Officer designated by the Board of Directors. This Committee is composed of the Compliance & Privacy Officer as well as Executive Officers and other Executives who are appointed by the Executive Council. The Committee determines important measures for the internal control system, including the formulation and revision of compliance policies, checks the status of the development and operation of the internal control system, supervises the proper operation of the Business Ethics Kaizen Proposal Line, and decides measures to prevent recurrences of serious compliance-related matters when they arise. When a particularly important compliance-related matter arises, it will be deliberated or reported at a meeting of the Executive Council or the Board of Directors, depending on the nature of the matter.

The Compliance Committee met four times (regular meetings) in FY March 2024 to report on the status of development and operation of internal control systems as well as the operation status of the Business Ethics Kaizen Proposal Line, among other things. There were no major violations of laws or regulations in FY March 2024.

Business Ethics Kaizen Proposal Line

Establishment and Operation of a Consultation Desk that Provides Consultation from a Fair and Neutral Standpoint

Honda established the Business Ethics Kaizen Proposal Line as a structure for improving corporate ethics issues. This hotline accepts proposals and provides consultation from a fair and neutral standpoint, for any violations of laws/regulations or internal rules in the workplace, and issues that are difficult for associates to remedy or resolve in the workplace for some reason, such as difficulties in consulting with their superiors.

Furthermore, in addition to cases of a clear violation of laws/regulations or internal rules, this hotline provides consultation and responds to inquiries about the details of internal rules when questionable cases have occurred and engages in fact checking related to such cases. Proposals are accepted by email, letter, telephone or fax from all subsidiaries and suppliers in Japan and overseas, as well as from Honda. This hotline ensures protection of the Kaizen proposers and accepts also anonymous proposals.

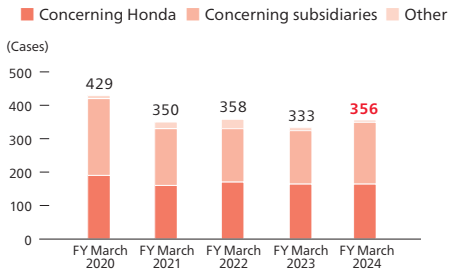
Moreover, the Company established a point of contact within an external law office to facilitate associates to submit proposals. As for overseas, local points of contact have been established in all Regional Operations, while some subsidiaries set up their own points of contact.

In FY March 2024, 356 proposals and consultations were handled by the Business Ethics Kaizen Proposal Line (including points of contact outside the Company). Among these, 164 concerned Honda, 185 concerned subsidiaries and 7 concerned other matters.

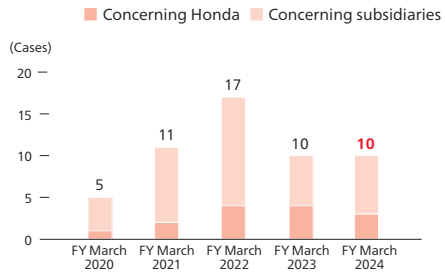
Following investigations of the proposals and consultations submitted, disciplinary action was taken in three cases in Honda and seven cases in subsidiaries. There was one case involving the Company that resulted in punitive dismissal. None of the cases involved violations of the Honda Policy on the Prevention of Bribery and Corruption.

In order to raise internal awareness of the points of contact, Honda provides notice on its intranet, distributes information cards to all associates, including fixed term employees and temporary workers, and displays information posters in each workplace. These tools clearly state that the Kaizen proposers are protected. In addition, Honda observes how well the point of contact is recognized through an annual associate vitality survey for all associates. For departments found in these surveys to have low recognition of the point of contact, the Company makes additional efforts to increase their awareness.

Proposals and Consultations with the Business Ethics Kaizen Proposal Line (including External Contacts)



Number of Disciplinary Actions Taken as a Result of Investigating Cases Proposed to the Office



Initiatives to Prevent Bribery and Corruption

Developing and Disseminating Anti-Bribery Policies to Ensure the Soundness of Corporate Activities

Honda prohibits bribery and corruption.

The Honda Code of Conduct requires that the Company complies with laws and regulations, and states that "as an independent corporate entity, Honda maintains appropriate relationships with political entities (political organizations and politicians) and administrative entities (governmental agencies and government officials)" and "will interact with political and administrative entities in an appropriate manner in compliance with laws, regulations and company policies and will not offer politicians or government officials entertainment or gifts (both monetary and nonmonetary) that are prohibited by laws, regulations and company policies." Moreover, the Code stipulates that the associates "will not receive from or provide to business partners benefits in the form of goods (both monetary and non-monetary) or entertainment beyond what is generally considered appropriate by society."

In addition to the above, the Company also established the Honda Policy on the Prevention of Bribery and Corruption, which stipulates basic policy about bribery and corruption, and the Honda Guideline for the Prevention of Bribery and Corruption, which stipulates specific compliance items and prohibited items. These are posted on the intranet for Honda associates along with related educational content.

Honda strives to further reduce the risk of bribery and corruption by educating all associates on the bribery and corruption prevention through awareness-raising activities in accordance with the Honda Code of Conduct, and by providing training to personnel stationed overseas and newly appointed managers based on their positions and roles. Regarding its subsidiaries, Honda has launched training programs, matched to conditions in each company, aimed at raising awareness.

Governance | Risk Management

Risk Management Committee

Responding Flexibly to the Complexity and Uncertainty of Risks

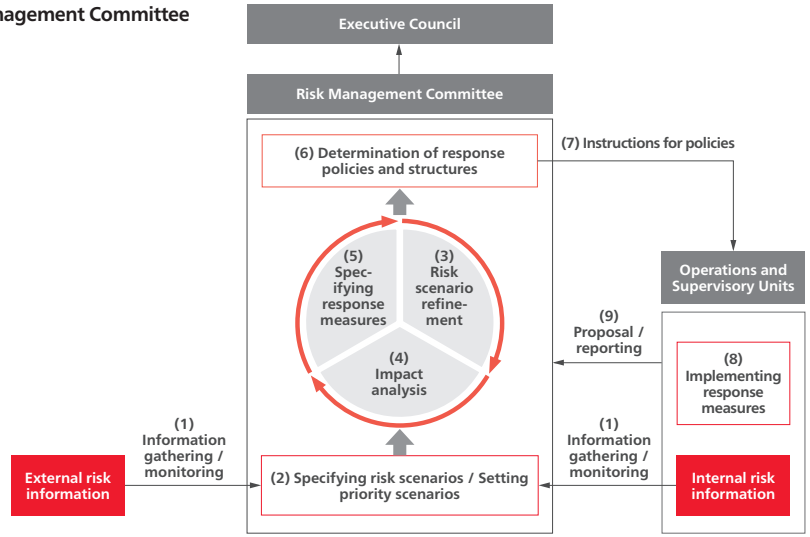
The business environment has undergone drastic changes in recent years in all business categories. Accordingly, the complexity and uncertainty of risks are rising, which requires effective risk management activities. Honda set up the Risk Management Committee chaired by a company-wide Risk Management Officer (RMO), to identify, discuss, and monitor important risks from a holistic perspective. In FY March 2024, the Risk Management Committee held a total of 12 meetings.

The Risk Management Committee not only identifies internal risks but also gathers and monitors information on external risk trends associated with changes in the external environment. The Committee uses internal and external information to ascertain specific risk scenarios and conduct impact analyses in relation to Honda's business strategies. Based on this objective risk analysis, management members engage in discussions to determine the response policies and structures for the company-wide risks that Honda should address that are consistent with its management strategies.

Of these, risks that are particularly important in terms of business strategy are designated as company-wide priority risks, and the status of response to these risks is regularly checked and discussed.

The discussions and monitoring activities of the Risk Management Committee are reported to the Executive Council in a timely and appropriate manner.

Risk Management Committee



Company-Wide Priority Risks

Identifying Company-Wide Priority Risks and Addressing them in the Lead Department

For various risks identified through analysis of external risk trends and risk assessment activities, Honda evaluates their risk levels in terms of the amount of their impact on Honda's business operations, their frequency of occurrence, etc. Risks judged to be high-level risks are discussed by the Risk Management Committee, and risks judged to have a particularly large impact on Honda's business operations are identified as company-wide priority risks in each fiscal year. The identified company-wide priority risks are addressed mainly by the responsible departments, and their progress is confirmed and discussed at the Risk Management Committee meetings.

Company-wide priority risks

Company-wide priority risk items	Risk perspectives
Geopolitical risk	Stoppages or delays of business activities due to the strengthening of economic security policies and human rights laws and regulations, or the conflicts between nations or regional conflicts
Purchasing and procurement risk	Stoppages or delays of production activities due to difficulties in receiving parts supplies from suppliers or increases in the prices of raw materials and parts, etc.; or quality defects caused by suppliers
Information security risk	Suspension of important operations/services due to cyber attacks and other incidents; and leakage of confidential or personal information
Business alliances and joint ventures risk	Conflicts of interest between parties in business alliances, etc., leakage of profits or technology, delays in decision-making, poor business performance of business partners, etc., or changes to or dissolution of alliances
Environmental risk	Costs incurred in response to policy and regulatory changes related to climate change and fuel consumption and emissions, etc.
Intellectual property risk	Reduction in competitiveness due to infringement of Honda's intellectual property rights; or injunctions against manufacture and sale, expensive compensation, or payment of license fees as a result of patent infringement lawsuits
Natural disaster risk	Stoppages or delays of business activities due to natural disasters (earthquakes, floods, etc.) or spread of infectious diseases
Financial and economic risk	Business impact from economic trends, economic fluctuations, or currency fluctuations
Risk related to brand image	Business impact associated with damage to brand image

Risk Assessment Activities

Foreseeing the Potential Risks to Honda's Business and Responding Pre-Emptively

Honda globally carries out risk assessment activities.

The purpose of these activities is to foresee the potential risks to Honda's business and respond pre-emptively to minimize these risks.

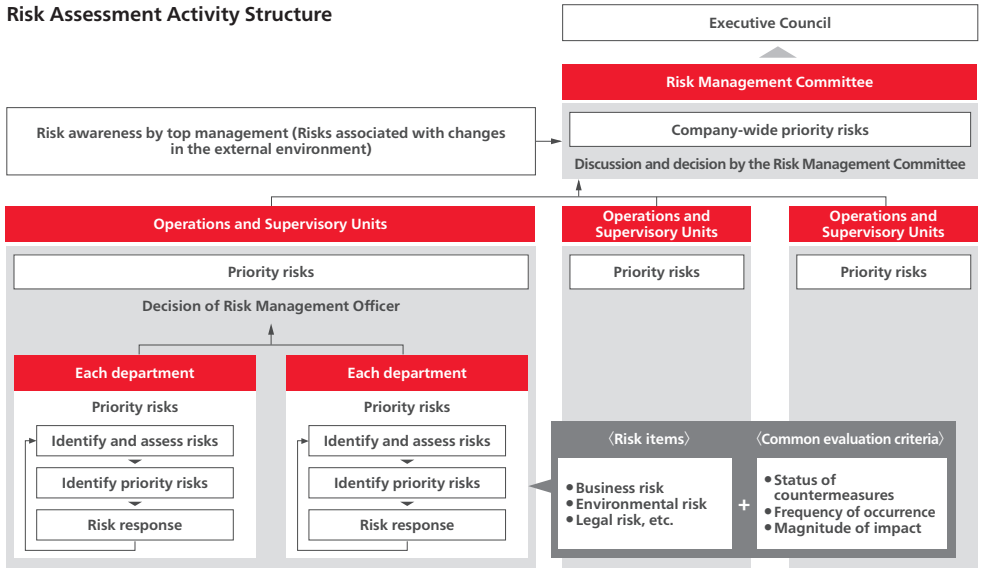
Each department performs an annual risk evaluation using the Group's common risk items and evaluation criteria to identify the divisional priority risks.

Each of the Operations and Supervisory Units carries out repeated discussions based on the results of the risk assessments of each department. They then identify and respond to priority risks of the Operations and Supervisory Units based on the judgment of Risk Management Officer of the Operations and Supervisory Units.

Additionally, the status of priority risks of the Operations and Supervisory Units based on the risk awareness of the Operations and Supervisory Units is reported to the Risk Management Committee. Internal and external risk trends are then considered in order to identify and respond to company-wide priority risks.

Through these efforts, Honda aims to firmly establish risk management activities within each Operations and Supervisory Unit, reduce the risk faced by the entire Group, and raise the risk awareness of every associate.

Risk Assessment Activity Structure



Crisis Response

Monitoring, Reporting and Quickly Responding to Signs of Crisis

Honda carries out risk-sensing activities to monitor and report on signs of a crisis. While collecting a wide range of crisis information that may have an impact on Honda, the Company has also established an information coordination system in case a crisis becomes apparent.

When a crisis occurs, the Company establishes a Global Emergency Headquarters proportionate to the anticipated magnitude of the crisis's impact to manage the crisis response. In this way, Honda creates a structure to prevent the crisis from spreading and to quickly bring the situation under control.

Based on its initiatives to deal with crisis events and other situations experienced in the past, Honda's Global Emergency Headquarters is working to strengthen its functions to better cope with future events.

Honda regularly coordinates information with each response team and reconfirms basic actions in crisis response (confirming the coordination among the teams).

Also, concerning disaster drills, besides ensuring the safety of human life and procedures to account for its associates, Honda continuously holds training on procedures from a business continuity planning (BCP) viewpoint to share information and identify the impact of a crisis on business at an earlier stage.

As a recent example of its crisis response, to cope with the Noto Peninsula earthquake, Honda launched a Global Emergency Headquarters to promote company-wide responses. Although Honda's suppliers were affected by the disaster and its production of automobiles was reduced at some domestic production bases, the Company took measures to minimize the impact on its business and performance, including the use of inventory and alternative development in cooperation with its suppliers.

Global Emergency Headquarters Structure

Information Management

Protection of Information Assets, Including Confidential and Personal Information, throughout the Group

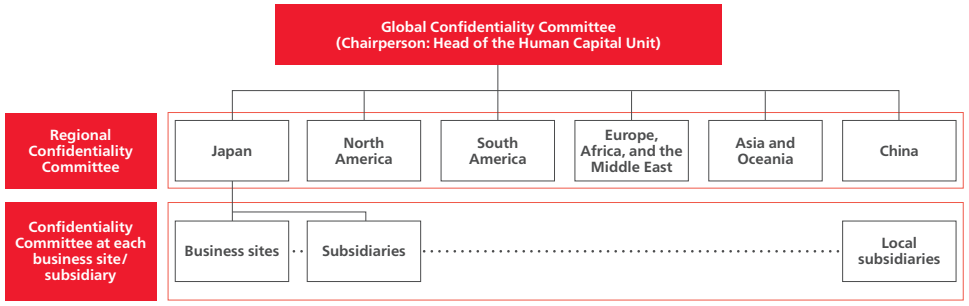
To protect information assets, including confidential information and personal information, Honda has formulated the Global Confidentiality Policy and the Global IT Security Policy, the scope of which extends to Group subsidiaries. These policies stipulate the adoption of a systematic response structure, the use of Honda Group's common compliance items when handling confidential information and personal information, and the implementation of security standards for information systems and networks. They also specify the line of reporting in the event of an information leak.

As part of its efforts to effectively implement these policies, Honda has set up the Global Confidentiality Committee chaired by the Head of the Human Capital Unit to ensure timely responses to changes in information flows and other issues.

The Global Confidentiality Committee determines globally common medium-term policies and an annual activity plan. Based on this plan, each Regional Confidentiality Committee takes the lead in promoting activities to safely handle information obtained through Honda's business activities, including personal information and confidential information.

Besides continuously strengthening its activities to ensure information security against cyberattacks, which are becoming increasingly sophisticated and complex, the Company performs daily monitoring while establishing systems capable of immediately responding to events that must be addressed.

Global Emergency Headquarters Structure



Governance | Directors and Executive Officers

Directors (as of June 19, 2024)

Director
President and Representative Executive Officer
Toshihiro Mibe
- Member of the Nominating Committee
- Chief Executive Officer
- Chairman of the Board of Directors

Apr. 1987	Joined Honda Motor Co., Ltd.
Apr. 2014	Operating Officer
Apr. 2014	Executive in Charge of Powertrain Business for Automobile Operations
Apr. 2014	Head of Powertrain Production Supervisory Unit of Automobile Production for Automobile Operations
Apr. 2015	Executive in Charge of Powertrain Business and Drivetrain Business for Automobile Operations
Apr. 2015	Head of Drivetrain Business Unit in Automobile Production for Automobile Operations
Apr. 2016	Senior Managing Officer and Director of Honda R&D Co., Ltd.
Apr. 2018	Managing Officer of the Company
Apr. 2018	Executive Vice President and Director of Honda R&D Co., Ltd.
Apr. 2019	President and Representative Director of Honda R&D Co., Ltd.
Apr. 2019	In Charge of Intellectual Property and Standardization of the Company
Apr. 2020	Senior Managing Officer
Apr. 2020	In Charge of Mono-zukuri (Research & Development, Production, Purchasing, Quality, Parts, Service, Intellectual Property, Standardization and IT)
Apr. 2020	Risk Management Officer
Jun. 2020	Senior Managing Director
Jun. 2020	Director in Charge of Mono-zukuri (Research & Development, Production, Purchasing, Quality, Parts, Service, Intellectual Property, Standardization and IT)
Apr. 2021	President and Representative Director
Apr. 2021	Chief Executive Officer (present)
Jun. 2021	Director, President and Representative Executive Officer (present)
Jun. 2021	Member of the Nominating Committee (present)
Apr. 2024	Chairman of the Board of Directors (present)

Director, Executive Vice President and Representative Executive Officer
Shinji Aoyama
- Risk Management Officer

Apr. 1986	Joined Honda Motor Co., Ltd.
Apr. 2012	Operating Officer
Apr. 2013	Chief Officer for Motorcycle Operations
Jun. 2013	Operating Officer and Director
Apr. 2017	Chief Officer for Regional Operations (Asia & Oceania)
Apr. 2017	President, Chief Executive Officer and Director of Asian Honda Motor Co., Ltd.
Jun. 2017	Operating Officer of the Company (resigned from position as Director)
Apr. 2018	Managing Officer
Apr. 2018	Vice Chief Officer for Regional Operations (North America)
Apr. 2018	Senior Executive Vice President, Chief Operating Officer and Director of Honda North America, Inc.
Apr. 2018	Senior Executive Vice President, Chief Operating Officer and Director of American Honda Motor Co., Inc.
Nov. 2018	President, Chief Operating Officer and Director of Honda North America, Inc.
Nov. 2018	President, Chief Operating Officer and Director of American Honda Motor Co., Inc.
Apr. 2019	Chief Officer for Regional Operations (North America) of the Company
Apr. 2019	President, Chief Executive Officer and Director of Honda North America, Inc.
Apr. 2019	President, Chief Executive Officer and Director of American Honda Motor Co., Inc.
Jul. 2021	Managing Officer in Charge of Electrification of the Company
Oct. 2021	Managing Executive Officer
Apr. 2022	Senior Managing Executive Officer
Apr. 2022	Chief Officer for Business Development Operations
Apr. 2022	Corporate Brand Officer
Jun. 2022	Chief Officer for Automobile Operations
Jun. 2022	Director and Senior Managing Executive Officer
Apr. 2023	Director, Executive Vice President and Representative Executive Officer (present)
Apr. 2023	Chief Operating Officer
Apr. 2023	Member of the Compensation Committee
Apr. 2023	Risk Management Officer (present)
Apr. 2023	In Charge of Government and Industry Relations

Director, Executive Vice President and Representative Executive Officer
Noriya Kaihara
- Compliance and Privacy Officer

Apr. 1984	Joined Honda Motor Co., Ltd.
Apr. 2012	General Manager of Automobile Quality Assurance Division
Apr. 2013	Operating Officer
Apr. 2013	Chief Quality Officer
Jun. 2013	Operating Officer and Director
Apr. 2014	Chief Officer for Customer Service Operations
Apr. 2014	Head of Service Supervisory Unit for Automobile Operations
Apr. 2016	Chief Officer for Customer First Operations
Jun. 2017	Operating Officer (resigned from position as Director)
Apr. 2018	Managing Officer
Apr. 2018	Chief Officer for Purchasing Operations
Apr. 2020	Head of Business Supervisory Unit for Automobile Operations
Apr. 2021	Chief Officer for Customer First Operations
Apr. 2021	Risk Management Officer
Jun. 2021	Managing Executive Officer
Oct. 2021	Managing Officer
Oct. 2021	Chief Officer for Regional Operations (North America)
Oct. 2021	President, Chief Executive Officer and Director of American Honda Motor Co., Inc.
Apr. 2023	Senior Managing Executive Officer of the Company
Jun. 2023	Director, Senior Managing Executive Officer
Apr. 2024	Director, Executive Vice President and Representative Executive Officer (present)
Apr. 2024	Compliance and Privacy Officer (present)

Director, Managing Executive Officer
Eiji Fujimura
- Member of the Compensation Committee
- Chief Financial Officer
- Chief Officer for Corporate Management Operations

Apr. 1993	Joined Honda Motor Co., Ltd.
Apr. 2017	General Manager of Finance Division for Business Management Operations
Apr. 2019	General Manager of Regional Operation Planning Division for Regional Operations (North America)
Apr. 2021	Operating Executive
Apr. 2021	Chief Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations
Apr. 2022	Head of Accounting and Finance Supervisory Unit
Apr. 2023	Executive Officer
Apr. 2023	Chief Financial Officer (present)
Apr. 2023	Chief Officer for Corporate Management Operations (present)
Apr. 2024	Managing Executive Officer
Jun. 2024	Director, Managing Executive Officer (present)
Jun. 2024	Member of the Compensation Committee (present)

Director
Asako Suzuki
- Member of the Audit Committee (Full-time)

Apr. 1987	Joined Honda Motor Co., Ltd.
Apr. 2014	President of Dongfeng Honda Automobile Co., Ltd.
Apr. 2016	Operating Officer of the Company
Apr. 2018	Vice Chief Officer for Regional Operations (Japan)
Apr. 2019	Chief Officer for Human Resources and Corporate Governance Operations
Apr. 2020	Operating Executive
Jun. 2021	Director (present)
Jun. 2021	Member of the Audit Committee (Full-time) (present)

Director
Jiro Morisawa
- Member of the Audit Committee (Full-time)

Apr. 1989	Joined Honda Motor Co., Ltd.
Apr. 2016	General Manager of Regional Operation Planning Office for Regional Operations (Japan)
Apr. 2017	General Manager of Accounting Division for Business Management Operations
Apr. 2018	Vice Chief Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations
Apr. 2019	Operating Officer
Apr. 2019	Chief Officer for Business Management Operations
Apr. 2020	Operating Executive
Apr. 2020	Chief Officer for Business Management Operations
Apr. 2021	President and Director of American Honda Finance Corporation
Jun. 2024	Director (present)
Jun. 2024	Member of the Audit Committee (Full-time) (present)

Director
Kunihiko Sakai
- Member of the Nominating Committee
- Member of the Audit Committee

Apr. 1979	Public Prosecutor of Tokyo District Public Prosecutors' Office
Jul. 2014	Superintending Prosecutor of Takamatsu High Public Prosecutors' Office
Sep. 2016	Superintending Prosecutor of Hiroshima High Public Prosecutors' Office (resigned in March 2017)
Apr. 2017	Registered with the Dai-Ichi Tokyo Bar Association
Apr. 2017	Advisor Attorney to TMI Associates (present)
Jun. 2018	Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. (present)
Jun. 2019	Outside Director (Audit and Supervisory Committee Member) of the Company
Jun. 2021	Outside Director (present)
Jun. 2021	Member of the Nominating Committee (present)
Jun. 2021	Member of the Audit Committee (present)

Director
Fumiya Kokubu
- Member of the Nominating Committee (Chairperson)
- Member of the Compensation Committee

Apr. 1975	Joined Marubeni Corporation
Apr. 2013	President and CEO, Member of the Board of Marubeni Corporation
Apr. 2019	Chairman of the Board of Marubeni Corporation (present)
Jun. 2019	Outside Director of Taisei Corporation (present)
Jun. 2020	Outside Director of the Company (present)
Jun. 2021	Member of the Nominating Committee (Chairperson) (present)
Jun. 2021	Member of the Compensation Committee (present)
May 2022	Chairperson of Japan Machinery Center for Trade and Investment (present)
May 2022	Chairman of Japan Foreign Trade Council, Inc. (present)

Director
Yoichiro Ogawa
- Member of the Audit Committee (Chairperson)
- Member of the Compensation Committee

Oct. 1980	Joined Tohmatsu & Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
Mar. 1984	Registered as Japanese Certified Public Accountant
Oct. 2013	Deputy CEO of Deloitte Touche Tohmatsu LLC
Oct. 2013	Deputy CEO of Tohmatsu Group (currently Deloitte Tohmatsu Group)
Jun. 2015	Global Managing Director for Asia Pacific of Deloitte Touche Tohmatsu Limited (United Kingdom) (resigned in May 2018)
Jul. 2015	CEO of Deloitte Tohmatsu Group
Jun. 2018	Senior Advisor of Deloitte Tohmatsu Group (resigned in October 2018)
Nov. 2018	Founder of Yoichiro Ogawa CPA Office (present)
Jun. 2020	Independent Audit and Supervisory Board Member of Recruit Holdings Co., Ltd. (present)
Jun. 2021	Outside Director of the Company (present)
Jun. 2021	Member of the Audit Committee (Chairperson) (present)
Jun. 2021	Member of the Compensation Committee (present)

Director
Kazuhiro Higashi
- Member of the Nominating Committee
- Member of the Compensation Committee (Chairperson)

Apr. 1982	Joined Resona Group
Apr. 2013	Director of Resona Holdings, Inc.
Apr. 2013	President and Representative, Executive Officer of Resona Holdings, Inc.
Apr. 2013	Representative Director, President of Resona Bank, Limited
Apr. 2013	Executive Officer of Resona Bank, Limited
Jun. 2013	Chairman of Osaka Bankers Association (resigned in June 2014)
Apr. 2017	Chairman of the Board, President and Representative Director of Resona Bank, Limited
Jun. 2017	Chairman of Osaka Bankers Association (resigned in June 2018)
Apr. 2018	Chairman of the Board, President, Representative Director and Executive Officer of Resona Bank, Limited
Apr. 2020	Chairman and Director of Resona Holdings, Inc. (resigned in June 2022)
Apr. 2020	Chairman and Director of Resona Bank, Limited (resigned in June 2022)
Jun. 2020	Outside Director of Sompo Holdings, Inc. (present)
Jun. 2021	Outside Director of the Company (present)
Jun. 2021	Member of the Nominating Committee (present)
Jun. 2021	Member of the Compensation Committee (Chairperson) (present)
Jun. 2022	Senior Advisor of Resona Holdings, Inc. (present)
Jun. 2022	Senior Advisor of Resona Bank, Limited (present)

Director
Ryoko Nagata
- Member of the Audit Committee

Apr. 1987	Joined Japan Tobacco Inc.
Jun. 2008	Executive Officer of Japan Tobacco Inc.
Mar. 2018	Standing Audit & Supervisory Board Member of Japan Tobacco Inc. (resigned in March 2023)
Jun. 2021	Outside Director of the Company (present)
Jun. 2021	Member of the Audit Committee (present)
Mar. 2023	External Corporate Auditor of Medley, Inc. (present)
Jun. 2023	Outside Director of UACJ Corporation (present)

Director
Mika Agatsuma
- Member of the Nominating Committee

Apr. 1987	Joined IBM Japan, Ltd.
Aug. 2017	Vice President of IBM Japan, Ltd.
Aug. 2017	In Charge of Cloud Application Innovation for Global Business Services of IBM Japan, Ltd.
Oct. 2022	Managing Partner of IBM Japan, Ltd. (resigned in March 2024)
Oct. 2022	In Charge of Hybrid Cloud Services for IBM Consulting of IBM Japan, Ltd.
Jun. 2023	In Charge of Hybrid Cloud Platform for IBM Consulting of IBM Japan, Ltd.
Jun. 2024	Outside Director of the Company (present)
Jun. 2024	Member of the Nominating Committee (present)

Governance | Fundamental Approach to ESG (Environmental, Social, and Governance)

The "Honda Philosophy" is composed of the Fundamental Beliefs, which include "Respect for the Individual" and "The Three Joys," as well as the Company Principle and Management Policies. These elements are shared as values among all Honda Group companies and their associates and serve as the basis for corporate management, business activities, and the behavior and decisions of associates. Honda recognizes the global challenges of environmental destruction, resource and energy depletion, and food issues. The Company is committed to advancing and evolving its current business while also addressing these global challenges. In carrying out these initiatives, rather than adopting a trade-off approach that sacrifices economic value, Honda operates under the trade-on philosophy of "expanding economic value through the pursuit of social value, thereby creating a new growth trajectory for the company."

To Realize a Zero Environmental Impact Society ➡p. 44, To Realize a Zero Traffic Collision Society ➡p. 64, Governance ➡p. 95

Quality

The founder's principle of "striving for 120% quality to ensure that 1% of defective products are not tolerated" forms the foundation of Honda's goal to be a "company society wants to exist." This philosophy is central to Honda's identity, reflecting its commitment to always exceed customer expectations in product development. Based on this principle, Honda is dedicated to enhancing product reliability with a focus on "safety" and achieving exceptionally high product quality. To accomplish this, Honda has established the "Honda Quality Cycle," which involves continuous improvement and enhancement of quality at every stage—from planning and development to production, sales, and service. Moreover, to realize its Fundamental Beliefs of "Respect for the Individual" and "The Three Joys (the joy of buying, selling, and creating)," Honda has set the achievement of "customer satisfaction No.1 at all points of contact" as a key focus. Honda works closely with its sales companies to improve customer satisfaction throughout every stage, from purchase to after-sales service, ensuring ongoing high levels of customer satisfaction.

Human Rights

Honda upholds "Respect for the Individual" as part of its philosophy and, within its Code of Conduct, demonstrates its commitment to being an honest and fair company that respects human rights. It clearly requires associates to "respect other associates and interact with them with integrity and fairness, and to refrain from any form of harassment or unjust discrimination in the workplace."
In line with this commitment, Honda has established the Honda Human Rights Policy under the Fundamental Beliefs of "Respect for the Individual." This policy applies to all executives and associates of the Honda Group (Honda Motor Co., Ltd. and its subsidiaries). Additionally, Honda seeks the understanding of all business partners, including suppliers and dealers, regarding this policy, and collaborates with them to address and resolve related issues.

The Evolution of Human Capital Management➡ p. 72

Supply Chain

Building and optimizing a supply chain with partners around the world, while considering environmental and human rights issues, is essential for providing better products and services to customers quickly and reliably. The automotive industry, supported by a broad network of suppliers, must pursue environmental impact reduction across the entire supply chain, not just within the Company itself. With growing global awareness of compliance and human rights issues, it is crucial for companies to appropriately assess the labor conditions and legal compliance of their suppliers and take corrective actions when necessary. Honda has developed the "Honda Supplier Sustainability Guidelines" to share its sustainability philosophy with suppliers worldwide and to promote joint efforts in sustainable practices. Based on these guidelines, Honda works with its partners to actively advance sustainable initiatives at each development and manufacturing site. The goal is to build a supply chain that is rooted in and appreciated by local communities, and to achieve a harmonious coexistence with society as a company that is wanted to exist.

Social Contribution Activities

Since its founding, Honda has provided various forms of joy to society and customers through its products and technologies. Based on the principle that "a company must be rooted in and integrated with the local community," Honda began its social contribution activities in the 1960s, during its early years, by focusing on building connections with the community. Today, Honda continues to pursue its goal of "sharing joy with people around the world and being a company society wants to exist" through various social contribution activities across seven regions worldwide. The company also supports initiatives tailored to the specific needs of each region. Honda will continue to expand its social contribution efforts while engaging with customers and local communities.

Governance | Messages from Outside Directors

We interviewed the chairs of each committee about Honda's mission, current challenges, Honda's distinctive value, and the initiatives of each committee.

Nominating Committee Chairperson
Outside Director
Fumiya Kokubu

Audit Committee Chairperson
Outside Director
Yoichiro Ogawa

Compensation Committee Chairperson
Outside Director
Kazuhiro Higashi

Pioneering Honda's Future through the Fusion of Diverse Knowledge

Exceeding Customer Expectations

Honda is a company that faces a higher bar than others, as it is expected to do "something interesting" by society. Meeting this high expectation involves providing "surprises that no one has imagined" and "exciting products and services with dreams." I believe that fulfilling these expectations is Honda's mission.

Combining Power Across Segments

Honda possesses a wide range of assets not only in the motorcycle and automobile segments but also in power products, marine, aviation, and various other fields. If we focus solely on inward-looking work within each business segment, we cannot fully leverage these strengths. By adopting a more open-minded approach and embracing a "multiplication" mindset rather than mere addition, we believe that by synergizing the knowledge and technologies each segment possesses, we can create unique value that is distinctly Honda. I believe that when the power of each individual's "dream" collides and fuses with diverse knowledge, it will elevate into new value, opening up infinite possibilities.

Qualities Required of Leaders in Uncertain Times

The current business environment is like driving full throttle on a foggy mountain road. In such conditions, leaders who are responsible for guiding the way to the target destination need more than just the basic qualities of a manager. They must also possess sharpened senses, keen dynamic vision, a healthy sense of skepticism, and the courage to acknowledge failure.

It is important for leaders to have the strength to push forward on the path they believe in. At the same time, it is equally crucial that they objectively perceive changes in both internal and external environments and maintain a skeptical perspective on the current situation. Especially in such uncertain times, leaders need the qualities to make balanced judgments, combining both rigidity and flexibility, so that they can adjust their course appropriately according to the circumstances.

The primary mission of the Nomination Committee is to select leaders who are aligned with the times. Considering the lasting impact a leader can have on the organization, a mismatch is unacceptable.

We will enhance succession planning for next-generation leaders and ensure continuous engagement by increasing opportunities for direct dialogue with future management candidates. By doing so, we aim to evolve our efforts and select the most suitable leaders for the organization.

Supporting Innovation and Growth with Robust Governance

"Environment" and "Safety" Are Honda's Unwavering Mission

At Honda, we focus not only on short-term gains but also on realizing our "dreams" with a long-term perspective. A reaffirmation of this approach came with the redefinition of our Global Brand Slogan in 2023. Through this process, while closely observing the ever-changing business environment, we reiterated our commitment to achieving "zero environmental impact" and "zero traffic collisions" by 2050. We remain dedicated to delivering the joy of mobility while upholding our unwavering mission. This, I believe, is what defines Honda's uniqueness and strength.

Accelerating Forward-Looking Investments and Collaboration

As we navigate a period of unprecedented transformation, often described as a once-in-a-century shift, it is essential for Honda to meet societal expectations and achieve sustainable growth. To do so, we must generate financial capacity through our existing businesses while accelerating forward-looking investments in technology development and talent acquisition. In particular, securing highly specialized talent in digital and software domains will require a significant reevaluation of traditional employment values, including our human resource systems and compensation structures.

Furthermore, it will be necessary to not only adhere to internal solutions alone, but to incorporate new insights in a timely manner through collaboration with external partners.

Strong Governance Is the Basis for Strong Management

In the current global situation, where geopolitical risks and economic security challenges intersect, the EV business strategy is accompanied by significant uncertainty. What is crucial here is engaging in open and transparent discussions based on a strong governance framework. While keeping the unwavering "ideal state" in mind, it is necessary to anticipate risk scenarios and decision triggers from all angles and make swift and accurate management decisions in response to changes in the business environment.

The role of the Audit Committee is to monitor management and execution from an independent standpoint and establish a high-quality corporate governance system by visiting the actual place. By thoroughly assessing whether the fundamental principle of "doing the right thing in the right way" is effectively integrated into every corner of the organization, the committee will continue to fulfill its important role in governance as one of the crucial component in enhancing corporate value.

Challenges and Creativity in the Era of Change: Embracing the Founder's Words "Become a Person Who Tries"

Determination to Overcome an Era of Turmoil through Experimentation and Innovation

We live in an era where it is challenging to foresee clear answers due to climate change, deepening international and political turmoil, increasing geopolitical risks, and changes in social structures driven by AI. It is precisely in times like these that we need to remember the founder's words, "Be a person who tries." Honda has continuously created attractive technologies and products like the CVCC engine*, ASIMO, and the HondaJet by persevering through trial and error, never giving up on our "Dream." I feel that we are now being tested to see if we have the resolve to continue meeting societal expectations with the belief that "Honda will deliver something remarkable."

Strength in Harmonizing Dreams and Reality

Honda's mission is to protect the Earth's environment while providing safe and enjoyable mobility for people around the world. To offer new value to society and fulfill this mission, we believe that an unrelenting pursuit of "dreams" is the most crucial factor.

On the other hand, to bring appealing products that have materialized from our "dreams" into widespread use, we must also uphold a stable supply responsibility. This means navigating between two contrasting processes: "challenging dreams that do not yet exist in the world" and "addressing real-world constraints and risks." The ability to balance and excel in both of these high-level processes is, I believe, Honda's strength.

A Remuneration System That Promotes Innovation

We have recently revised the executive remuneration system to better align with long-term management vision. Specifically, we have introduced non-financial KPIs such as "brand value," "total CO_2 emissions," and "employee engagement" into the Long-Term Incentive (LTI) performance-based renumeration metrics, which are provided in the form of company stock.

These three KPIs each represent indicators of "trust from customers," "trust from society," and "trust in the Honda organization as a whole." We believe that incorporating these into the executive remuneration system reflects our commitment to fully meeting the trust of our stakeholders.

We have also introduced a new indicator: relative Total Shareholder Return (TSR) compared to TOPIX. This aims to further motivate the management team to enhance corporate value through transformation and to strengthen our alignment with shareholders.

Going forward, we aim to support challenges and innovations suitable for the era of transformation by continually reviewing and refining our remuneration system and other related aspects.

* CVCC Engine: Honda's low-emission engine that was the first in the world to meet the U.S. "Muskie Act" (Clean Air Act) regulations.

Trajectory of Challenges

Over its 75-year history, Honda has always looked ahead of the times and kept on evolving. "Trajectory of Challenges" provides a factual account of the management, policies, products, and technologies that set the path for Honda on its extraordinary journey, taking on challenges amidst drastically changing environments and societies.

The 1950s

Honda Takes on Brave Challenges with Dreams and Passion

With 34 employees and 1 million yen in capital, Honda started out as a small town factory in Hamamatsu. The company ran with passion toward its dream. After the launch of the Cub F-Type, business grew rapidly with its unique sales network and excellent motorcycle products. Honda gained a firm position in the motorcycle industry after the Super Cub C100 became a hit in Japan and the U.S., and the company participated in the Isle of Man TT races.

Japan in the 1950s

In 1951, the San Francisco Peace Treaty was signed, ending Japan's state of war internationally. At the same time, the Japan-U.S. Security Treaty was concluded. Combined with the government's tax incentives for key industries, capital investment in the mining, manufacturing, and energy sectors was vigorous, laying the foundation for Japan's economic development in the years to come.

Honda Topics

Unique Product that Proved "Good Products Know No National Boundaries"

The Super Cub C100 (1958)

Following the words of Soichiro Honda, "Make something that can fit in the hand," the company pursued a motorcycle size and functional design that would be easy for anyone to handle. The new model was epoch-making, and many new innovations were incorporated without hesitation, including a 4-stroke engine, which was considered difficult to mass-produce in the 50 cc category, and an automatic centrifugal clutch that eliminated the need for clutch lever operation. The design concept remains consistent to this day, and the Super Cub continues to be loved around the world.

Honda's First Full-fledged Motorcycle

Dream D-Type (1949)

The Dream D-Type was developed to be a faster, more comfortable, and more authentic motorcycle. At a time when tubular steel frames were the mainstream for Japan domestic motorcycles, the use of a channel frame made of easy to mass-produce pressed steel plate and the beautiful maroon painted body were eye-catching. Honda also developed a two-speed transmission that could be shifted by foot pedal alone, eliminating the need to operate the clutch. This was a challenge to create a motorcycle that could be easily handled by anyone.

Soichiro Honda, the Maker, Meets Takeo Fujisawa, the Seller (1949)

Honda and Fujisawa first met in August 1949. They liked each other immediately. Although they had completely different personalities and specialties in different fields of work, the two liked each other because they saw something in the other that they did not have. Soichiro Honda, the maker. Takeo Fujisawa, the seller. A partnership was born, in which serious talking and sharing of unfathomable dreams was possible.

Bicycle Auxiliary Engine that Became a Hit Through Direct Mail Marketing

Cub F-Type (1952)

With postwar reconstruction, bicycles with auxiliary engines became an important means of transportation, and amid countless competing products, the innovative design of the "white fuel tank and red engine" took Japan by storm. Honda's sales network rapidly expanded from 400 to 13,000 outlets.

Youth Versus the World: Entering the Isle of Man TT Races (1959)

In 1954, Honda declared its intention to participate in the Isle of Man TT Races, considered the world's most prestigious racing event. Kiyoshi Kawashima and a group of young associates in their twenties were entrusted with this major project, which was to be the company's most ambitious yet. Although keenly aware of the gap between their strengths and that of the rest of the world, they kept moving forward, and in their first entry in the Isle of Man TT Races in 1959, they won the manufacturers' prize. The team's momentum continued, and in 1961 Honda finally achieved its long-cherished goal of winning the race.

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Japan and World Events	·GHQ announces three principles of corporate rationalization ·Japan Automobile Manufacturers Association established. ·Economic Stability Headquarters announces five-year plan for economic reconstruction.	·Dodge Line Declaration. ·Exchange rate fixed at 360 yen to the dollar. ·Japanese Industrial Standards (JIS) established. ·North Atlantic Treaty Organization (NATO) signed.	·Public office election law announced. ·Outbreak of Korean War. ·Census of Japan's total population: 83.19 million.	·WHO (World Health Organization) approves Japan's membership. ·Japan-U.S. Security Treaty signed. ·Japan's automobile registration ordinance is announced.	·Japan becomes an official member of the IMF. ·Road Traffic Control Ordinance enacted. ·Japan enacts the K-cars license Law.	·NHK Tokyo television station begins broadcasting. ·Japan Friendship Commerce And Navigation Treaty with U.S. signed. ·Korean War armistice agreement signed at Panmunjom.	·First All Japan Auto Show held. ·Rational Sequence Measures to eliminate cycle distinctions for motorcycles implemented. ·First five-year road improvement Plan adopted. ·Jinmu economic boom begins.	·MITI announces the National Car Concept. ·Japan formally joins GATT. ·First transistor radio launched. (Sony Corporation)	·Economic White Paper: "Growth and Modernization of the Japanese Economy" released. ·Japan joins the United Nations. ·Japan Highway Public Corporation established.	·Antarctic regional reserve observation team names observation base "Showa Station". ·Cabinet approves the use of domestically produced cars. ·The European Economic Community (EEC) Treaty is signed.	·Tokyo Tower construction completed. ·Kanmon National Highway Tunnel opens. ·Iwato economic boom begins. ·Instant ramen noodles go on sale (Nissin Foods).	·Traffic fatalities exceed 10,000 for the first time. ·Trade with the U.S. shows a surplus for the first time in the postwar period. ·Dollar exchange rate liberalized. ·Ise Bay Typhoon.
Related Topics in Main Volume	Honda Motor Co., Ltd. established.  Founder: Soichiro Honda Honda's first original product, the A-Type, launched in 1947.	 **Takeo Fujisawa joins the company as Managing Director.** C-Type launched. C-Type wins championship in the Japan-U.S. auto races.  **First full-fledged motorcycle Dream D-Type launched.**	Tokyo Sales Office established in Maki-cho, Chuo-ku, Tokyo. Tokyo Plant established in Kamijujo, Kita-ku, Tokyo. Begins exporting products (300 A-Type units to Chinese Taipei)*1	Published "Three Joys" in Honda's Monthly Report. Successful test of Dream E-Type crossing the Hakone pass.  First 4-stroke engine Dream E-Type launched. First instruction manual for Dream E.	Closed Tokyo Plant and established Shirako Plant (Saitama Factory) Head office moved from Hamamatsu to Tokyo (3-chome, Maki-cho, Chuo-ku). Decided to purchase imported machine tools worth 450 million yen*2 Establishes Nagoya, Shikoku, Osaka, and Kyushu branches.  **Cub F-Type released.** Exported Cub F-Type to Chinese Taipei and other countries (Honda's overseas business started). Established sales system centered on bicycle stores in conjunction with the launch of the Cub F-Type.	Ranked first in Japan in motorcycle production.  Head office and sales office moved to 2-chome, Maki-cho, Chuo-ku, Tokyo. Honda labor union formed. Shirako and Yamato plants combined to form Saitama Factory. Yamashita and Noguchi plants combined to form Hamamatsu Factory.  First pressed backbone frame Benly J-Type released. Honda HES (Honda Engineering Standard) established. Honda develops the first dedicated on-board tool kit. H-Type general-purpose engine launched. Exported approximately 5,000 units of the general-purpose H-Type engine to Brazil.	Declared participation in the Isle of Man TT races. Completed construction and commenced operation of Hamamatsu Factory's Aoi Plant. Participated in and finished the Sao Paulo International Auto Race with R125.  Honda's first scooter, the Juno K-Type, launched. The T-Type 4-stroke general-purpose engine launched.	Started 1-year motorcycle warranty program. Launched the Dream SA-Type (250cc) and Dream SB-Type (350cc) equipped with Honda's first OHC engine.	 Company Principle established*3 General-purpose engine VN-Type launched. Implemented 1-year motorcycle warranty service program.	R&D center established in the Saiitama Factory's Shirako Plant. Honda dominates the Asama Volcano Race, taking first through fifth places in the junior class.  Dream C70 equipped with Honda's first two-cylinder engine launched. Honda listed on the Tokyo Stock Exchange.	 Arakawa high-speed test course established.  **Super Cub C100 launched.** General-purpose engines VNC-Type and VND-Type launched.	First overseas subsidiary, American Honda Motor (AH), established in Los Angeles, U.S.A.*4 **Participates in the Isle of Man TT Race for the first time with RC142, wins the manufacturers' team award in the 125cc class.**  Benly CB92 Super Sport launched.  F150 tiller launched. Super Cub C100 exports to the U.S. begin.

The 1960s

Entering the Automobile Market Motorcycles Go Global

Against the backdrop of a strong economy, interest in, and expectations for, motorization were on the rise in Japan. Honda was building a framework to enter the automobile market, and in 1963 it launched its first k-truck, the T360. This marked Honda's start as an auto manufacturer. Meanwhile, Honda took on the challenge to take its' motorcycle business global in search of a larger market.

Japan in the 1960s

Economic expansion continued over a long period, with real economic growth remaining high at around 10% per year. Domestic demand expanded, exports increased, the population grew and the labor force moved from rural to urban areas, and the level of education improved significantly. In addition, road networks were developed and motorization accelerated. While the car boom and other improvements in lifestyle brought affluence, new social problems such as traffic accidents and pollution also emerged.

Honda Topics

The "Enu-koro" ignites the "my car" boom

N360 (1967)

The N360 (nicknamed "Enu-koro" (Little Puppy N)) had a roomy interior that could easily seat four adults, a maximum output of 31 PS (more than its rivals), and an astonishingly low price of 313,000 yen. Its cute appearance earned it the nickname "Enu-koro". Top priority in designing the N360 was placed on interior spaciousness, based on the concept of making the mechanisms small and the cabin space large. The M/M (Man Maximum, Machine Minimum) principle remains the basis of Honda's automobile development to this day.

Contributing to the Development of Japanese Motorsports

Suzuka Circuit (1962)

In 1960, Japan did not have highways yet. Honda began a project to build a full-scale, completely paved racing track. After only one year and a month of construction, the Suzuka Circuit was completed in 1962. The track is 6,004 m long, with a capacity of 200,000 spectators (10,000 in the grandstands). The circuit attracted worldwide attention for its accommodations, restaurants, and an automobile amusement park.

Car Racing the Next Frontier for the Motorcycle World Champion:

Declaration of participation in Formula 1 (1964)

Honda had just released production cars, as the last Japanese manufacturer to enter the automobile market, but soon took on the challenge of Formula 1 racing, the pinnacle of car racing. No other Japanese car manufacturer had even considered such a challenge. Despite Honda's efforts, its first race, the German GP, was a disastrous failure. Nonetheless, Honda continued on this difficult path, and in its second year, achieved its first victory in the final race of the season, the Mexican GP.

Revolutionary Portable Generator That Could Be Held in One Hand

E300 Portable Generator (1965)

Following tillers and outboard engines, Honda launched the E300 hand-held generator in a market where few leisure-use products were available. The switches were designed with round knobs and screw heads were kept out of view as much as possible, in accordance with Soichiro Honda's insistence that, "Generators should not show any mechanical elements and should give the user a sense of security." The result was a novel cubic design reminiscent of a fully encased household electrical appliance, which went on to be used in a variety of settings around the world.

The Motorcycle that Sparked the Worldwide "Nana-han" Boom

Dream CB750 FOUR (1969)

The CB750 FOUR was the culmination of new challenges: the world's first mass-produced motorcycle with a parallel four-cylinder SOHC engine, hydraulic disc brakes, double cradle frame, and four mufflers. With a maximum output of 67 PS and a top speed of 200 km/h, it outperformed other manufacturers' flagship models, and even spawned the popular term "Nana-han" (7-and-a-half) to symbolize the large motorcycle that completely changed the European-dominated motorcycle market.

Japan and World Events

1960

- Japan-U.S. Security Treaty signed.
- Cabinet approves the National Income Doubling Plan.
- The Organization of Petroleum Exporting Countries (OPEC) is formed.

1961

- MITI plans to create three groups of passenger car manufacturers.
- John F. Kennedy becomes president of the United States.
- The Soviet Union successfully launches and recovers a human satellite ship.

1962

- MITI announces liberalization of trade in 230 items (liberalization rate of 88%).
- Japan and the U.S. sign GATT tariff agreement.

1963

- President Kennedy assassinated in Dallas.
- Japan announces its intent to become a GATT Article 11 country (prohibiting trade restrictions on balance of payments grounds).
- Meishin Expressway opens.

1964

- Tokyo Olympics held.
- Tokaido Shinkansen begins service (between Tokyo and Shin-Osaka).
- Japan joins the OECD (Organization for Economic Cooperation and Development).

1965

- Liberalization of imports of complete passenger cars implemented.
- Izanagi economic boom begins.
- Automobile driver's license holders exceeds 20 million.

1966

- Japan's population exceeds 100 million.
- Automobile emission regulations are implemented, including CO concentration of 3% or less.
- Japan Automobile Appraisal Association established.

1967

- The Kennedy Round concluded among major countries.
- Basic Law on Pollution Control Measures promulgated.
- Japan overtakes West Germany to become the world's second largest producer of automobiles.
- European Community (EC) established.

1968

- Basic Law on Consumer Protection announced.
- Air Pollution Control Law and Noise Regulation Law enacted.
- Organization of Arab Petroleum Exporting Countries (OAPEC) formed.
- Automobile acquisition tax established (3%).

1969

- Tomei Expressway opens.
- The Ministry of Transportation institutionalizes the recall system.
- First manned moon landing by the U.S. Apollo 11.

Related Topics in Main Volume

1960

New Head Office building completed in Yaesu, Chuo-ku, Tokyo.

Suzuka Factory begins operations.

Honda R&D Co., Ltd. established.*5

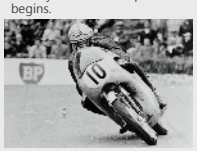
Dream CB72 Super Sports launched.

Production of Super Cub C100 transferred from Saitama Factory to Suzuka Factory.

1961

Motorcycle sales company European Honda Motor (EH) established in Germany.

Export of knockdown motorcycles from Suzuka Factory to Chinese Taipei begins.



Sweeps first through fifth places in 125cc and 250cc classes of the Isle of Man TT Races.

Wins World GP 125cc and 250cc manufacturers' titles.

Motor Sports Land Co., Ltd. established and Tama Tech begins operations.

Super Cub production reaches 1 million units.

F190

F60 and F190 tillers launched.

1962

Honda's first overseas production subsidiary, Honda Motor, a motorcycle production and sales company, established in Belgium.

Production of motorcycles begins through a technical collaboration with San Yang Industry (SY) of Chinese Taipei.

Die&Machinery factory established in the Shirako Factory.

Wins 125cc and 250cc classes of the Isle of Man TT races.

Wins manufacturers' titles in the 125cc, 250cc, and 350cc classes of the World GP.

Suzuka Circuit completed in Suzuka City, Mie Prefecture.

SPORTS 360, SPORTS 500 and T360 introduced at the 9th All Japan Auto Show.

Gas Turbine (GT) R&D established*6

Juno M85 (horizontally opposed two-cylinder with Badalini transmission) launched*7

1963

15th anniversary of the company's founding

Wins the 250cc and 350cc classes of the Isle of Man TT Races.

Wins the 50cc, 250cc, and 350cc classes in the first World GP road race in Japan.

Wins manufacturers' titles in the 250cc and 350cc classes of the World GP.

Launches the T360 k-truck (Honda's first automobile product)

Launches the S500 compact sports car.

Launches the G20 and G30 general-purpose engines.

1964

Takeo Fujisawa appointed vice president.

"You Meet the Nicest People On a Honda" campaign wins a U.S. magazine advertising award.

Honda France (FH), a sales company, is established in France.

Production of motorcycles begins at Atlas Autos (AHL) in Pakistan through a technical collaboration.

Asian Honda Motor (ASH) established in Thailand.

Sayama Factory established; automobile plant and industrial machinery plant begin operations.

All Honda Service Factory (SF) established.

Wins the 125cc, 250cc, and 350cc classes of the Isle of Man TT races.

Declares participation in Formula 1. Makes first appearance in F1 at Round 6, German GP, with RA271.

S600 launched.

Honda's first outboard engine, GB30 (4-stroke) launched.

1965

Honda U.K. (HUK) established in the U.K.

Thai Honda Manufacturing (TH) established.

Wins Isle of Man TT races in 50cc, 250cc, and 350cc classes.

RA272 wins F1 Mexican GP.

Dream CB450 (with Honda's first DOHC engine for mass-produced motorcycles) launched*8

Honda's first portable generator E300 launched.

1966

Honda Sales Research (HSR) established.

Second generation Super Cub with OHC engine C50, C65, C70, and C90*9 launched.

S800 launched.

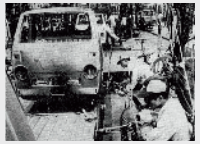
Wins Isle of Man TT races in 50cc, 250cc, and 500cc classes.

Achieves first ever complete domination of all five World GP classes.

Participates in F1 Italy GP with newly developed 3000 cc engine (RA273).

F90, the first diesel-powered tiller, launched.

1967



Automobile plant at Suzuka Factory begins operations.

Production of motorcycles begins at Thai Honda (TH).

Wins the Isle of Man TT Races 250cc, 350cc, and 500cc classes.

Announces withdrawal from World GP racing.

RA300 wins F1 Italian GP.

Cumulative production of Super Cub reaches 5 million units.

N360 introduced.

GB40 4-stroke outboard engine introduced.

1968

Enters F1 French GP with new air-cooled engine (RA302), but retires, finishes 2nd with the water-cooled engine (RA301).

Hunter Cub CT50 launched.

N series K-car tops the domestic sales report.

Begins N360 exports to Italy, Southeast Asia, and other markets.

Cumulative production of motorcycles reaches 10 million units.

Ends F1 racing activities after the 1968 season.

1969

Canadian Honda (CH) established in Canada.

Begins production of motorcycles at Boon Siew Sdn. Bhd. (BSW) through a technical collaboration in Malaysia.

Honda Australia (AUH), an automobile sales company, established in Australia.

Begins production of automobiles for the first time overseas,through a technical tie-up with San Yang Industry (SY) of Chinese Taipei.

Begins production of automobiles through a technical collaboration with Malaysia's Kah Motor (HKL).

Dream CB750 FOUR launched in Japan and exported to the U.S. and Canada.

Honda's first compact passenger car, the 1300, launched.

The 1970s

Inheriting the Passion and Principles from the Founding Era to Take on New Challenges in the New Era

At a time when emission regulations and oil shocks created the need for clean and fuel-efficient vehicles, Honda succeeded in developing the CVCC, a revolutionary low-emission engine. The Civic equipped with CVCC became a huge hit in Japan and the United States.
In 1973, both Soichiro Honda and Takeo Fujisawa retired from their posts, triggering the company to move on from its founding phase, to its expansion phase.

Japan in the 1970s

The Fourth Middle East War of 1973 drove up the price of crude oil. In 1974, Japan's economic growth rate, which depended almost entirely on imports, plunged into negative growth for the first time in the postwar period. However, the oil crisis triggered the promotion of energy and resource conservation. While industrial pollution problems decreased, air pollution became more serious as urbanization progressed, and automobile emission regulations began to take effect in earnest.

Honda Topics

Aiming to Become the "People's Car" Worldwide

Civic (1972)

At a time when most domestic small cars were RWD sedans, the Civic was an FWD 2-box without a trunk, with tires as close the chassis' corners as possible.
Honda's original trapezoidal hatchback design achieved an unprecedented level of comfort. In 1973, a model equipped with a low-pollution CVCC engine was introduced.

Cultivating a New Market of Female Users

Road Pal (1976)

Italian actress Sophia Loren appeared in a Honda ad, calling out "Rattatta!" while lightly stepping on the Road Pal' s kick starting pedal. Its popular price point and the ease of use attracted many women who came to dealers to buy the Road Pal, asking for the "Rattatta!" Honda went on to develop several derivative models and became a pioneer in the family bike segment.

3-door Hatchback Aimed at the Global Market

Accord CVCC (1976)

The Accord CVCC was introduced as a high-grade hatchback sedan that offered a higher level of comfort and was designed as an upgrade path for Civic owners. Upon its launch, it was highly acclaimed both in Japan and abroad, and won the Car of the Year awards in Japan and the United States. It featured a stylish design and spacious interior, as well as power steering, air conditioning, and power windows. It was a small car ahead of its time, and gained tremendous popularity.

Develop to Sell a Million Units

ME (Million Seller) Engine Series (1977)

The development concept that led to the seemingly foolhardy goal of 1 million units was "durable, long-lasting, and at one-half the cost." Five years later, in 1982, the ME engine achieved annual sales of 1 million units, a memorable product for general-purpose engines that was the culmination of Honda's comprehensive capabilities.

A Production Base in the Kingdom of Cars

Honda of America Manufacturing (1978)

Established in Columbus, Ohio, USA. Local employees were called "associates," not "workers," to achieve a common goal, and were supported by Japanese expatriates who aimed to ensure that quality was as good as Japan, and to develop human resources for the future. After gaining experience and knowledge through the production of motorcycles, Honda became the first Japanese manufacturer to produce locally in the Kingdom of Cars, the U.S.

Japan and World Events

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
・World Expo held in Osaka ・Photochemical smog become a social problem. ・The U.S. Clean Air Act of 1970 (commonly known as the Muskie Act) is enacted.	・U.S. President Richard Nixon issues a statement defending the dollar (dollar shock). ・The fixed exchange rate system for the dollar and yen is ended. ・Capital liberalization of the automobile industry and reduction of import tariffs begin.	・Okinawa returned to mainland Japan. ・Diplomatic relations between Japan and China are established. ・Road Law revised; beginner's mark mandatory. ・Helmet use for motorcycles becomes mandatory.	・Oil Crisis (First Oil Crisis) ・International currency crisis; yen soars as Japan moves to a floating exchange rate system ・Fourth Middle East War begins.	・Negative growth for the first time in the postwar period. ・The Ministry of Transport revises safety standards (e.g., mandating three-point seat belts for front seats). ・The automobile acquisition tax and weight tax are sharply raised.	・Gasoline becomes unleaded. ・End of the Vietnam War. ・First summit of industrialized nations held in France.	・Former Prime Minister Kakuei Tanaka arrested in the Lockheed Incident. ・10-mode fuel economy announcement system begins.	・Japan establishes an exclusive economic zone of 200 nautical miles. ・Japan's first geostationary meteorological satellite Himawari is launched. ・U.S. motorcycle emission regulations begin.	・New Tokyo International Airport (Narita Airport) opens. ・Reform and open-door policy adopted in China (transition to a market economy). ・1978 exhaust gas regulations (Japanese version of the Muskie Law) applied to new models.	・The second oil crisis occurs. ・Sony launches the Walkman (portable audio player). ・Tokyo Summit is held by the leaders of Japan, the U.S., and Europe. ・Diplomatic relations between the U.S. and China are established.

Related Topics in Main Volume

1970

- N360 defect dispute.
- Saitama Factory's Moka Plant opens and begins operation in Moka, Tochigi Prefecture.
- Safe Driving Promotion Operations established.
- Four senior managing directors system begins.
- Establishment of Honda Machinery Co., Ltd.
- Pollution control headquarters established.
- American Honda Motor (AH) begins donation of 10,000 mini--trailers and other equipment to the YMCA as part of its youth support activities.

1971

- Honda Motor do Brasil (HDB) established in Brazil.
- PT Federal Motor (HFJ) established in Indonesia.
- Dream CB500 FOUR launched.
- Yusei (mail delivery) Super Cub MD90, exclusively for postal services, launched.
- Super Cub C50DX, C70DX and C90DX launched.
- Outboard engines 45 TWIN (horizontally opposed two-cylinder engine) and 75 TWIN (in-line two-cylinder engine) launched.

- Life, a k-car equipped with a water-cooled engine, launched.

1972

- Dream CB350 FOUR launched.
- Chaly, Honda's first family motorcycle, launched.
- **Civic (2-door and 3-door) launched.**
- Full details of the low-pollution CVCC engine are officially announced.

- CVCC engine complies with U.S. Muskie Act 1975 regulations.

1973

- Soichiro Honda and Takeo Fujisawa retire and Kiyoshi Kawashima becomes Honda's second president.
- Honda R&D spins off its motorcycle development division and establishes the Asaka R&D Center.

- Civic CVCC 4-door launched.
- Yusei (mail delivery) Cub MD50 and MD70 launched*10
- EM5000 generator (utilizing the LIFE 360cc water-cooled engine) launched.
- Motor Recreation Promotion Headquarters established.
- Racing Service Center (RSC) established.

1974

- Head office moved from Yaesu, Chuo-ku to Harajuku, Tokyo.
- SED development system introduced, in which sales (S), production (E), and development (D) each perform their functions to the fullest extent.
- Honda Machinery Co., Ltd. renamed Honda Engineering Co., Ltd.
- Honda Carburetor R&D Co.,Ltd. established.
- Suspension of k-car production announced.

- Dream CB400 FOUR and CB550 FOUR launched.

- Civic RS launched.
- Conducts motorcycle service activities in wartime South Vietnam (Saigon).

1975

- Moto Honda da Amazonia (HDA), a motorcycle production joint venture, established in Brazil.
- Comprehensive patent on the principle of the CVCC system approved and published in the U.S.
- Production of Civic through technical collaboration with Prospect Motor begins in Indonesia
- Dream CB750 FOUR-II and CB550 FOUR-II launched.

- Gold Wing GL1000 launched in the U.S.
- Safety Sports Shop (SSS) motorcycle store system established (282 stores).

1976

- Kumamoto Factory begins operations.
- Honda Parts & Accessories R&D Co.,Ltd. established.
- Production of motorcycles begins in Brazil (HDA) (CG125)
- Production of motorcycles begins at IAP Industriare (IAP, Italy).
- **Family motorcycle Road Pal launched.**
- Cumulative production of the Civic series reaches 1 million units in the four years since launch.
- **Accord CVCC launched.**
- RCB1000 wins debut race in the European Endurance Championship.
- Furusato no Mori (Hometown Forestation Project) Executive Committee established.

- Roller Through GoGo launched*11

1977

- Imola Honda (IH), a joint venture for the production of motorcycles and parts for power products, established in Indonesia.
- Consolidated financial results announced for the first time.
- Resumed participation in the World GP TT-F1 race, winning in the F1 class.
- Eara (with Hondamatic transmission) launched.
- **General-purpose ME engines G200 and G150 launched.**

- Outboard engines 75 and 100 launched.
- Held the 1st NH Circle company-wide convention.

1978

- **Honda of America Manufacturing (HAM), a motorcycle production company, established in the United States.**
- Honda Motor de Argentina S.A. (HAR) established in Argentina.

- Prelude (first generation) launched.
- Verno dealer network established.
- Promotes Hometown Forestation Project at all business sites.
- Hawk CB400T (equipped with Hondamatic) launched.
- Honda's first lawnmower HR21 launched.

- World's first stainless steel vacuum bottle, the ACT stainless steel pot*12 launched.
- Opened newly renovated Suzuka Circuit Traffic Education Center.

1979

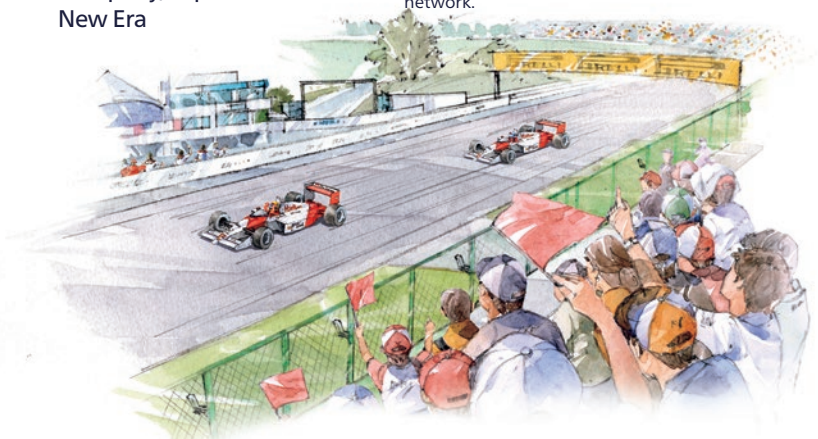
- Completed the Tochigi Proving Ground (PG-T), a comprehensive test course.
- Asaka East R&D Center for power products established.
- Honda Manufacturing Nigeria (HMN) established in Nigeria to sell motorcycles and power products.
- Motorcycle Wing dealer network introduced.

- NR500 makes its debut in the World GP.
- CBX (1000cc), CB750F, and CB900F introduced.
- Civic is revamped for the first time in seven years.
- Portable generator Denta EX400 launched.
- Agreement with British Leyland (BL) signed for licensed production technology for Triumph Acclaim (Ballard).

The 1980s

Growth into a Global Company, Expansion in the New Era

The City, among other major Honda models, had become best-sellers. Honda's overseas manufacturing was accelerating. With motorcycles, fierce competition for market share in the family bike market continued. In this period, Honda was also preparing to make the leap toward becoming a global company, and it proceeded to build a system that complemented its characteristics by connecting countries around the world through its network.



Japan in the 1980s

Amidst the continuing recession caused by the oil crises, competitiveness of Japan's export industries increased dramatically. In the automotive industry, the excess of exports from Japan became an issue as a result of Japan-U.S. trade friction. After the Plaza Accord in the G5 meeting in 1985, the yen's appreciation accelerated sharply. The Bank of Japan's ultra-low interest rate policy caused assets to flow into the stock market, leading to the so-called "bubble economy," with the Nikkei Stock Average reaching an all-time high in 1989.

Honda Topics

An Unprecedented Bubble Economy in Japan (1983)

Honda's Second Phase of F1 Participation Sparks Social Phenomenon in

McLaren-Honda MP4/4

"Racing is part of Honda's corporate culture. It does not matter if we win or lose. We want to show our best technology to the users of Honda cars in the form of entertaining spectacles," Kiyoshi Kawashima, then president of Honda said. The dominance of the McLaren-Honda team sparked a Formula 1 boom in Japan. The team set a new record with 15 wins in 16 races in 1988 and a double-title in the four consecutive seasons to 1991.

The Benchmark for the Rest of the Industry

Tact (1980)

The Tact was launched amid intensifying competition for market share. This coincided with a period in which women were rapidly entering the workforce, and the Tact's popularity exploded as a family bike, especially among women. In response to the mandatory wearing of helmets on motorized bicycles in 1986, the Tact Fullmark was launched in 1987 with a built-in helmet storage space under the seat. This revolutionized the scooter's structure, making it a must-have for all scooters, regardless of manufacturer.

Creating New Markets in Europe and Japan

Mini-Tiller Comame F200 (1980)

The F200 was developed based on the concept of an entry-level model for amateur and hobby gardeners, at a time when the agricultural industry was shrinking and the need for home vegetable gardens was beginning to grow. The Comame's cute, compact appearance and high performance that contrasted with large tillers were well received, and at its peak, 50,000 units were sold annually in Japan alone, making it a best-selling product.

Taking Japan by Storm with Unique Styling and TV Commercials

City (1981)

The catchphrase, "City is full of news," was used in a TV commercial featuring the British band Madness performing a bizarre centipede dance, which was widely covered by the media. The City was a big hit thanks to its innovative features, such as a tall-boy design realizing a large cabin space, and the simultaneous launch of Motocompo, a motorcycle that could be carried in the trunk.

Dream Engine that Challenged the 100 Horsepower Per Liter Barrier

VTEC (1988)

Honda tackled its own challenge of what the next generation engine technology should be. In 1989, the first VTEC engine was equipped in the fully revamped Integra, delivering the world's first "100 horsepower per liter" performance in a mass production automobile engine. VTEC attracted worldwide attention because it was the world's first production automobile engine to achieve this feat.

Japan and World Events

1980

- Daiei becomes the first retailer in Japan to achieve sales of 1 trillion yen.
- U.S.-Japan Olympic Committee decides not to participate in the Moscow Olympics.
- Elimination in principle of tariffs on auto parts imports.

1981

- Voluntary regulations begin to limit exports of passenger cars to the U.S. to 1.68 million units per year.
- Japan's automobile production volume ranked first in the world for the second consecutive year, and motorcycle production reached an all-time high of 7.41 million units.

1982

- Tohoku-Joetsu Shinkansen begins service.
- The Chuo Expressway opens to traffic.
- Philips begins production of the world's first CD (jointly developed with Sony).

1983

- Tokyo Disneyland® opens.
- Nintendo introduces the Family Computer (Famicom).
- Unleaded high-octane gasoline introduced.

1984

- Glico-Morinaga Incident
- Excise tax, automobile tax, and K-car tax raised.
- Automobile driver's license holders exceeds 50 million.

1985

- The G5 Finance Ministers and Central Bank Governors' Meeting agrees on coordinated market intervention to correct the strong dollar (Plaza Accord).
- Privatized Nippon Telegraph and Telephone Corporation (NTT) and Japan Tobacco Inc. established.
- Number of light vehicles K-car owned exceeds 10 million.

1986

- The Equal Employment Opportunity Law is enacted.
- Helmets become compulsory for all motorized bicycles.
- Number of automobiles owned exceeds 50 million.

1987

- Japanese National Railways is split up and privatized.
- NTT launches its first cell phone service.
- Black Monday in the U.S. New York stock market.

1988

- Tokyo Dome, Japan's first indoor baseball stadium, is completed.
- Integrated Services Digital Network (ISDN) service is launched.
- Freon Control Law is enacted.

1989

- Emperor Showa passes away, Crown Prince Akihito takes to the throne, and the new year begins as "Heisei" (the Heisei era).
- Consumption tax introduced for the first time at 3% (excise tax is abolished).
- The Berlin Wall falls.

Related Topics in Main Volume

1980

- Sales (non-consolidated) reach 1,069.44 billion yen, joining the ranks of 1 trillion yen companies.
- Shipment sales rivalry with Yamaha begins.
- **Scooter Tact launched.**
- Gold Wing GL1100 launched.
- RS1000 wins inaugural Road Racing Endurance World Championship.

- Civic 4-door sedan launched.
- **Comame F200 mini tiller launched.**
- Snowla HS35 compact home-use snow thrower launched.

1981

- Honda Sun Co., Ltd. established as a special subsidiary based on the Law for Employment Promotion of the Disabled. (Approved as special subsidiary in 1982.)
- Mass production of alcohol-fueled motorcycles begins at HDA in Brazil.
- BL launches Triumph Acclaim (Ballard) in the UK.
- Production of motorcycles begins in Nigeria (HMN).
- **City and Motocompo (stored in City's trunk) simultaneously launched*13.**
- Kengo Kiyama wins the NR500 All-Japan Championship Suzuka 200km race.
- New Super Cub 50, which achieves 105 km per liter, launched*14.
- Civic becomes first gasoline vehicle to achieve 40-miles per gallon.

- Honda Electro Gyrocator (world's first map-based car navigation system) introduced.

1982

- First mass-produced Accord 4-door sedan rolls off line at HAM's automobile plant in the U.S.
- Production of motorcycles being through a technical collaboration with China's Jialing Industry Co., Ltd.
- Honda Sun recognized as a special subsidiary of Honda Motor Co., Ltd.

- V3 NS500 debuts in WGP500, winning three races.
- Honda Racing Corporation (HRC) established by integrating the motorcycle racing divisions.

VF750 Sabre

- VF750 Sabre and VF750 Magna with V4 engine launched.
- New Super Cub 50 SDX, achieving 150 km per liter, launched.

1983

- Kiyoshi Kawashima retires and Tadashi Kume becomes Honda's third president.
- Shipment sales rivalry with Yamaha ends.
- Honda Power Equipment Manufacturing (HPE), a power products manufacturing company, established in the U.S.
- Joint development agreement signed with BL (Rover 800/Legend).
- Honda Cars Thailand (HCT), an automobile sales joint venture, established in Thailand.
- WGP500 NS500 (Freddie Spencer) wins WGP500 series and manufacturers' titles.
- **Honda enters F1 World Championship again.**
- XLV750R launched.
- Super Cub 50 Super Custom launched, achieving 180 km per liter.

- General-purpose engines (ZE engine series) GX110 and GX140 launched.
- 3rd generation Civic and 2nd generation Ballade series launched.
- Ballade Sports CR-X launched.
- Gold Wing GL1200 launched.

1984

- Honda stores are reorganized as Clio and Primo stores (Primo store opened in 1985).
- New motorcycle specialty dealership system Select Dealers, New Wing Dealers, and New SSS Dealers introduced.
- Honda R&D Americas, Inc. (HRA) established in Los Angeles, U.S.A. *15
- Hero Honda Motors Limited (HHML), a motorcycle production joint venture, established in India.
- Kinetic Honda Motor (KHM), a motorcycle (scooter) production and sales joint venture, established in India.
- Commissioned production of automobiles begins at Bangchan General Assembly (BGAC) in Thailand.
- Honda of Canada Manufacturing (HCM) established.
- NSR500 (V4) debuts with three wins (early model).
- F1 Williams-Honda takes its first win in Round 9 (Dallas Grand Prix).
- Newly designed DOHC 16-valve engine model added to Civic Ballade series.
- Spacy 250 Freeway light scooter launched.

1985

- Head office relocated to Aoyama, Minato-ku, Tokyo after building completed.
- Domestic automobile sales system is reorganized into three PCV (Primo, Clio, and Verno) categories.
- Honda of the UK Manufacturing (HUM) established in the U.K.
- Honda France Industrielle (HFI), a power products production company, established in France.
- Shriram Honda Power Equipment (SHPL), a general-purpose production joint venture, established in India.
- Honda de Mexico (HDM), an automobile production subsidiary, established in Mexico.
- Freddie Spencer wins 500cc and 250cc titles (first time in WGP history).

- Mighty 11 compact Riding Power Tiller launched.

1986

- H-A-R-T (Honda Active Riders Terminal) established.
- Fundamental Technology Research Center established*16
- ACURA channel development begins in the United States.
- A.P. Honda (APH), a motorcycle sales joint venture, established in Thailand.

- NXR750 wins Paris-Dakar Rally on its debut (4 consecutive wins until 1989).
- F1 Williams Honda wins constructors' title.
- VFR750F equipped with newly designed water-cooled, 4-stroke, V-4 engine launched.
- The Fusion, a new light 250cc scooter, launched.
- Research on small jet engines and jet aircraft begins.
- Research and development of humanoid robots begins.

1987

- Honda North America (HNA), a North American business management company, established.
- Signed joint production and engine supply agreement with Austin Rover.
- New NSR500 launched in WGP500. Wayne Gardner wins riders' and manufacturers' titles.
- Nelson Piquet of Williams Honda takes series' and constructors' titles in F1.
- F1 Japan GP is held at Suzuka Circuit for the first time.

- VFR750R and RC30 launched.
- Tact Fullmark (with built-in helmet storage) launched.

- 4th generation Civic and 2nd generation CR-X launched.
- Legend equipped with Japan's first SRS airbags launched.
- EX300, the world's smallest and lightest portable generator, launched.

1988

- HRE, Honda R&D's representative office in Germany, becomes a locally incorporated company (HRE-G).
- Kumamoto Factory's Hometown Forestation Project receives the Prime Minister's Award.
- F1 McLaren-Honda's Ayrton Senna wins drivers' and constructors' titles.
- New Gold Wing GL1500 equipped with horizontally opposed 6-cylinder engine is launched.
- Africa Twin (650cc) *17 launched.
- Cub 100EX (from TH in Thailand) imports and sales begin.
- **Variable valve timing lift mechanism (VTEC) introduced.**
- Development project for the MH02 experimental small Jet engine commenced.

1989

- Primo / Clio / Verno (PCV) exclusive sales channels begin.
- Accord selected as the best-selling car in the U.S. (passenger car sales by model).
- Honda Motor Europe (HME), Honda's European headquarters, established in the U.K.
- KD imports of Nigeria (HMN) CG125NR from Brazil as first assembled product.
- WGP500 Eddie Lawson wins series title.
- F1 McLaren-Honda driver Alain Prost wins drivers' title.

- Civic 3-door with VTEC engine, CR-X and Integra launched.

The 1990s

Overcoming Crisis Through Reforms and Market Challenges

The bubble economy had burst. Faced with an unprecedented business crisis due to its inability to grasp changing market needs, Honda introduced company-wide TQM (Total Quality Management) and implemented the "800,000 unit domestic automobile sales structure," aiming to sell 800,000 automobiles in Japan. The Creative Mover (lifestyle creation) series, turned around the sluggish sales, becoming a major turning point that supported Honda's subsequent automobile business.

Japan in the 1990s

The bubble economy had collapsed. Land prices and stock prices plummeted due to an increase in the official land price index and the enforcement of the Land Price Tax Law in 1991. A prolonged recession led to a financial crisis in which even banks and securities firms went bankrupt. Meanwhile, a new change was emerging: Internet-related investment heated up, leading to an IT bubble. On the environmental front, the Kyoto Protocol was adopted in 1997, committing Japan to reduce greenhouse gas emissions by 6% from the 1990 level.

Honda Topics

The first Creative Mover aimed at creating a car with new ideas

In the 1990s, Honda sought to create new value. To enrich people's lives, Honda began with looking at how cars should be made. The Odyssey, the first model in the Creative Mover series, was a hit as a minivan to replace sedans. The series continued to expand, based on the concept that "the car is a tool for people to create and direct their own lives as they wish, and the main character is always the person."

Odyssey (1994)

A New Generation of Sports Cars Filled with Dreams and Technology

NSX (1990)

While many sports cars require advanced driving skills, the NSX was launched as a new-generation sports car with a human-centric concept, easy for anyone to drive and with high performance. In order to perfect its driving, turning, and stopping, the same drive system as F1 cars was employed, with a mid-engine and rear-wheel drive. It was also the first mass-produced car in the world to adopt an all-aluminum body. The new car offered both dynamic performance and ease of driving.

Road Sports Suitable for a New Era

CB1000 Super Four (1992)

The CB1000 Super Four was came out of the BIG-1 project, which aimed to determine "what Honda's naked road sport models should be like for the new era." The CB1000 Super Four, which pursued performance that captivated the hearts of its riders, was a huge hit despite large motorcycle licenses (or "Limited license") were difficult to attain at the time. Since then, the CB1000 Super Four was steadily matured and evolved, and in 2022, the 30th anniversary model was introduced.

New Honda Outboard Engines with Flair in Design and Color

BF35A and BF45A Outboard Engines(1992)

For 20 years, Honda had been focusing on 4-stroke outboard engines based on the belief that "watercraft should not pollute the water," Finally, society began to question the use of two-strokes as an environmental problem. At that time, Honda developed a new outboard engines. Unlike the straight and square outboard engines that had been the norm, the beautifully designed silver BF45A and BF35A made the Honda brand stand out.

Mobility World to Nurture the Future of People and Nature

Twin Ring Motegi (1997)

Twing Ring Motegi was opened in August 1997, with the aim of contributing to improving life culture by providing a venue and opportunity to experience the joy of recreation and motorsports in nature, learn safe driving, and acquire scientific knowledge and skills. In 2022, on its 25th anniversary, it was renamed to Mobility Resort Motegi, in hopes of further coexistence between people, nature, and mobility.

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Japan and World Events	・Bank of Japan raises the official discount rate by 6%. ・Revised standards for K-cars (overall length and displacement increased by 660 cc) come into effect. ・Unification of East and West Germany; birth of Federal Republic of Germany.	・Bubble economy bursts. ・Liberalization of beef and orange imports begins. ・The Recycling Law came into effect. ・The automatic-only driver's license system is established.	・Official land prices fall for the first time in 17 years. ・The EC agrees to a quota of 1.26 million automobiles for export to the U.S.	・Fuel efficiency standards for gasoline passenger vehicles reviewed (target for FY2000). ・European Union (EU) inaugurated. ・Basic Environment Law enacted.	・Japan-U.S. Comprehensive Talks reach agreement on three areas excluding automobiles and parts. ・MITI announces elimination of voluntary restrictions on passenger car exports to the U.S. ・The United States becomes the world's largest automobile producer for the first time in 14 years.	・The Great Hanshin-Awaji Earthquake occurs. ・The Product Liability Law (PL Law) goes into effect. ・Number of automobiles owned exceeds 70 million.	・General elections based on a parallel primary election and proportional representation system are held for the first time. ・Newly established large motorcycle and standard motorcycle licenses. ・Vehicle Information and Communication System (VICS) begins operation.	・Consumption tax raised to 5%. ・Environmental Impact Assessment Law enacted. ・Kyoto Conference on Global Warming Prevention held. ・Ministry of Transportation announces motorcycle emission regulations.	・Law Concerning the Promotion of Measures to Cope with Global Warming enacted. ・Preferred numbering system for license plates begins.	・The euro, the EU's common currency, is established. ・Nissan and Renault agree to a capital tie-up.
Related Topics in Main Volume	・Tadashi Kume retires, Nobuhiko Kawamoto becomes Honda's fourth president ・AH headquarters relocates from Gardener, Los Angeles to Torrance. ・Capital alliance agreement signed with Rover Group. ・Honda Cars Philippines, Inc. (HCPI), an automobile production joint venture, established in the Philippines. **・NSX launched.** ・McLaren-Honda' Ayrton Senna wins F1 drivers' title. ・Africa Twin 750 launched. ・Digital map and navigation system (second-generation Legend) introduced.  ・Japan's first Honda SRS airbag system for the passenger seat is equipped with the Legend.	・Soichiro Honda, Honda's Supreme Advisor passes away. ・Motorcycle Business Division and Power Products Business Division established.  ・McLaren Honda takes the constructors' title at the F1 Japanese GP, Ayrton Senna wins the drivers' title. ・HFT-equipped RC250MA motocrosser wins the All Japan Motocross Championship series title.  ・Civic Ferio launched. ・VTEC-E engine introduced.	・Automobile plant starts operation at HUM in the U.K. Production of the Accord begins. ・Honda Cars Manufacturing (Thailand) Co., Ltd. established. ・Wuyang-Honda Motorcycle (Guangzhou) Co., Ltd. and Tianjin Honda Motorcycle Co., Ltd. established in China. ・Honda Atlas Cars Pakistan Limited (HACPL), an automobile production and sales joint venture, established in Pakistan. ・Won WGP Japan GP in all classes (125cc, 250cc, and 500cc). ・Announced suspension of F1 racing activities after 1992 season. **・CB400 Super Four and CB1000 Super Four launched.** ・CBR900RR Fireblade (SC28) launched. ・NR equipped with the world's first oval piston engine for a production motorcycle, launched. ・Cumulative production of the Super Cub reaches 20 million units (world record for motorcycles) **・BF35A and BF45A outboard engines with a new sleek, silver-colored design, launched.**	・Concluded a basic agreement with Isuzu Motors for mutual complementation of products*18 ・Jialing-Honda Motor Co., Ltd. established in China. ・Honda Motor China (HMC) established in Hong Kong. ・Hamamatsu Factory's power products factory obtains ISO 9001 certification (Honda's first domestic factory). ・Honda Collection Hall opens at Suzuka Circuit. ・GX120 General-purpose engine becomes world's first engine to be certified as emission-compliant by the State of California, U.S.A. ・Successful first flight of MH02 all-composite experimental light jet*19  CBR900RR Fireblade (SC28) launched. ・Middle East office (HAMER) established in the United Arab Emirates (UAE).	・Japan regional operations established (4 regional independent headquarters system), aiming for self-reliance in each region. ・Power Products Division consolidated into HGH (SD integration). **・Honda's first minivan, the Odyssey, launched.** ・Honda's CG125 motorcycle is featured on a commemorative postage stamp in Brazil. ・Agreed to dissolve capital alliance with Rover Group. ・Established Fujian Mindong-Honda Generator Co., Ltd. as a joint venture to produce and sell small generators in China ・Dongfeng Honda Auto Parts Co., Ltd. established. ・Honda CUV ES, an electric scooter, launched on a limited lease basis for public offices. ・WGP500 Mick Doohan wins series title and manufacturer's title  ・Supersport motorcycles RVF / RC45 (750cc) launched.	・Domestic automobile sales plan to reach 800,000 units.  ・CR-V launched. ・New Civic made in the U.S. is certified as the first LEV (Low Emission Vehicle) for mass-produced gasoline vehicles. ・Honda Siel Cars India (HSCI), automobile production and sales joint venture, established in India. ・Wins WGP manufacturers' titles in the 500cc and 125cc classes. ・Cumulative global production of Civic reaches 10 million units. ・Operational test-flight of Honda's first turbofan engine HFX-01. ・3-stage VTEC engine and Honda Multimatic (CVT) developed and equipped on Civic. ・Developed the world's first new brake system for motorcycles, M.A.C. ABS for small motorcycles and T.R.-C. ABS for large motorcycles.	 ・Life Creation Vehicle series Step Wagon S-MX launched. ・Honda Automoveis do Brasil (HAB), an automobile production and sales company, established in Brazil. ・Honda Europe Motorcycle (HEM), a new company for motorcycle operations in Europe, established in Rome, Italy. ・HRE-R, a research and development base, established in Rome, Italy. ・Honda Vietnam (HVN), a motorcycle production and sales joint venture, established in Vietnam. ・Production of City begins at Ayutthaya Plant in Thailand. ・Thailand strengthens regional functions by adding ASEAN regional headquarters function to Asian Honda Motor (ASH). ・Domestic motorcycle PRO'S dealership system introduced*20. ・Wins WGP500 manufacturers' title. ・Unveiled P2, a prototype of an autonomous walking humanoid robot. 	・Cumulative global motorcycle production reaches 100 million units. ・Begins leasing and sales of Honda EV Plus electric vehicle in Japan and the U.S. ・Honda R&D Southeast Asia (HRS) established in Thailand. ・WGP500 NSR500 wins all 15 races. **・Twin Ring Motegi opens.** ・Compact Little Cub with small-diameter wheels adopted from the Super Cub launched.  ・World's first 360° freely tilting ultra-compact and lightweight 4-stroke general-purpose engines, the GX22 and GX31, launched. ・Hybrid system Honda Integrated Motor Assist (IMA) introduced.	・Nobuhiko Kawamoto retires, Hiroyuki Yoshino becomes Honda's fifth president. ・Honda R&D India (HRID), a motorcycle and power products R&D office, established in India. ・Guangzhou Honda Automobile Co., Ltd. (GHAC) and Dongfeng Honda Engine Co., Ltd. (DHEC) established in China. ・WGP500 Honda wins 22 consecutive races.  ・Japan's first CART IndyCar race held at Twin Ring Motegi. ・Honda Collection Hall opens at Twin Ring Motegi. ・CB1300 Super Four launched. ・VFR (800cc) launched. ・C100 BIZ, a model exclusively for local production in Brazil (the first Cub-type model to adopt under-seat helmet storage) launched.  ・Compact, lightweight new-generation generator EU9i with sine-wave inverter launched.	 ・Honda's first hybrid car, the Insight, is simultaneously launched in Japan and the U.S. ・New-generation S2000, a real open-sports model, launched. ・Honda Motorcycle & Scooter India Pvt. Ltd (HMSI), a motorcycle production and sales base, established in India. ・Accord production begins at Guangzhou Honda Automobile Co., Ltd. (GHAC). ・WGP500 Àlex Crivillé debuts, and wins riders' and manufacturers' titles. ・CB400 Super Four Hyper VTEC launched. ・New generation 4-stroke scooter Honda Giorno Crea launched*21.

The 2000s

Maintaining Independence and Self-reliance in the Face of Fierce Headwinds

"The Power of Dreams" was established as Honda's global brand slogan to guide all its activities in the 21st century. The slogan clearly states the company's will to live independently and self-reliantly in an era of mergers and acquisitions. During this period, Honda launched advanced creations worthy of its brand in the new century, such as the Fit with a center tank layout and FCX Clarity fuel cell vehicle.

Japan in the 2000s

The economy bottomed out and corporate performance began to recover. However, real economic growth was still less than 1%, a "recovery without the satisfaction," and consumer spending was sluggish. This gradual economic expansion continued for 73 months, the longest period in the postwar period, but the financial crisis in 2008 dragged Japan's economy back into a major recession. As the economies of developed countries cooled, China's GDP became the world's third largest after the U.S. and Japan.

Honda Topics

Pursuing Environmental Performance, And Enjoyment and Pleasure that FCVs Can Provide

FCX Clarity (2008)

Honda has been evolving fuel cell vehicles since the FCX was introduced in 2002, and the FCX Clarity was a further breakthrough. Honda built a revolutionary platform by downsizing the power plant, including the fuel cell system, drive motor, and hydrogen tank. In addition to its environmental performance, the FCX Clarity proposed to the world the concept that "a car should always be a dream come true and fun to drive."

Seeking and Realizing Dreams Together with People

The Power of Dreams (2000)

In 2000, Honda created a new global brand slogan, "The Power of Dreams," as its benchmark for all of its corporate activities in the 21st century, based on its founding philosophy of "seeking and realizing dreams together with people." The design of product logos, such as the wing mark for motorcycles and the H mark for automobiles, was also renewed for the new century.

Envisioning a Future to Make People HappyThrough Technology

ASIMO (2000)

ASIMO was created to be with people, to be useful, to improve their quality of life, and to expand their possibilities. In addition to being able to move freely on stairs and slopes, ASIMO was also able to provide specialized movements and audio guidance tailored to the user's needs.

Innovations in Small Cars with Unique M/M Principle

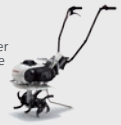
Fit (2001)

The Fit was designed to be the new benchmark for the world, by rethinking what kind of small car Honda should create. The small car's global platform was developed to achieve innovative spaciousness in a small size, aiming to be light weight, simple, and rational. The M/M (Man Maximum, Machine Minimum) Principle was pursued to create the ideal small car.

Challenges Etched in the History of Motorcycle Racing

500th WGP Victory (2001)

Honda's history of WGP victories began with its win in the opening round of the 1961 Spanish GP. 1966 saw Honda win all five classes of the WGP, but the company suspended its participation after the 1967 season. 1979 saw Honda return to the WGP, but it would be three years before it won again. In 2001, Honda achieved its 500th WGP victory. This was an outstanding achievement, by a company that has continued to race for 40 years, and will not accept defeat.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Japan and World Events	・Containers and Packaging Recycling Law enforced. ・Child restraints are mandated under the revised Road Traffic Law.	・9/11 terrorist attacks in the U.S. ・Bank of Japan decides on its first quantitative easing policy. ・Universal Studios Japan®, Tokyo Disney Sea® open.	・Keidanren and Nikkeiren merge to form Nippon Keidanren (Japan Business Federation). ・Euro, the EU's unified currency, begins circulating. ・Revised Vehicle Law was enacted, tightening regulations on recalls.	・Japan Post established. ・The number of ETC on-board units exceeds 1 million units.	・Revised Worker Dispatch Law lifts ban on dispatching workers to manufacturing operations. ・Revision of the Road Traffic Law, including revision of the two-seat limit for motorcycles on expressways, is announced.	・Kyoto Protocol takes effect. ・Personal Information Protection Law enacted. ・Automobile Recycling Law enacted.	・Economic expansion exceeds the Izanagi economic boom and becomes the longest in the postwar period. ・Digital terrestrial broadcasting and one-segment terrestrial broadcasting begin. ・Japan Post Holdings Co., Ltd. established.	・Japan Post privatization begins. ・"2007 problem" - significant number of baby boomers leave the workforce. ・U.S. subprime loan problem surfaces.	・Medical care system for the elderly begins in the latter half of the year ・Lehman Brothers, a major investment bank in the U.S., collapses.	・The yen hits 84 yen against the dollar, the strongest in 14 years. ・Tax breaks for eco-friendly cars begin.
Related Topics in Main Volume	P.T. Astra Honda Motor (AHJ) established in Indonesia to consolidate motorcycle production and sales. Honda South America Limitada (HSA) established in Brazil Production of CR-V at Honda of the UK Manufacturing (HUM) begins. Honda Automobile (Thailand) (HATC) established in Thailand. Enters F1 as joint project with British American Racing. CBR929RR Fireblade (SC44) launched. ATV FourTrax Foreman Rubicon with new Hondamatic (HFT) transmission introduced. **ASIMO, a humanoid robot, launched.**  New generation engine DOHC i-VTEC introduced and equipped in the Stream. Fully revamped Civic and Civic Ferio (Civic's 7th generation) launched.	Honda Motorcycle Japan (HMJ) established*22 Production of outboard motors begins at Hamamatsu Factory's Hosoe Plant. Honda Manufacturing of Alabama (HMA) starts operations and begins production of Odyssey. India Honda Motorcycle and Scooter India (HMSI) launched its first scooter model, the ACTIVA. Sundiro Honda Motorcycle Co., Ltd. established in China. **WGP500 Valentino Rossi wins 11 races to secure riders' and manufacturers' titles. Honda achieves 500th WGP victory at Japan GP.** Gold Wing, with a horizontally opposed 6-cylinder 1800cc engine, launched. BF225 and BF200, the world's largest class 4-stroke outboard engines, launched. Civic Hybrid launched. **The revolutionary small Fit launched.**	"Dream" motorcycle dealers network system introduced in Japan*23 Honda Wave α, a high-quality, low-priced Cub-type motorcycle, launched in Vietnam. Honda Motorcycle R&D China Co., Ltd. (HRCh) in Shanghai, China Exports to Japan of the Today scooter manufactured by Sundiro Honda Motorcycle Co., Ltd. begin. Production of general-purpose engines at Jialing-Honda Motor Co., Ltd. begins. Quality Innovation Center opened in Tochigi. WGP500 renamed to MotoGP, RC211V MotoGP debuts. Valentino Rossi wins riders' and manufacturers' titles  FCX, the world's first fuel cell vehicle, receives U.S. government certification. World's lightest 4-stroke engine, the GX25, with a 360° free-tilt, ultra-compact design, launched. ASIMO rings the bell at the New York Stock Exchange to begin trading.	Hiroyuki Yoshino retires, and Takeo Fukui becomes Honda's sixth president. Regional Operations, China is established, creating a six-region headquarters structure. Dongfeng Honda Automobile (WDHAC) and Honda Automobile (China)(CHAC) established. Voluntary beach cleaner development and beach cleanup activities are recognized as official company initiatives. MotoGP RC211V rider Valentino Rossi wins manufacturers' title.  CB1300 Super Four launched CB400 Super Four equipped with VTEC SPEC III engine launched. 2nd generation BF150 and BF135 outboard engines equipped with DOHC VTEC launched. Successful first flight of HondaJet concept (equipped with HF118 engine). Inspire with newly-developed V6 3.0L i-VTEC engine with variable cylinder system launched in Japan.	GE Honda Aero Engines, a joint venture for small business jet engines, established. CR-V production begins at Dongfeng Honda Automobile (Wuhan) Co., Ltd. (WDHAC). Fit production begins at Guangzhou Honda Automobile Co., Ltd. (GHAC). Capital investment in Honda F1 team B-A-R.  CBR1000RR Fireblade (SC57) launched. Honda's first in-house inverter generator rolls off the line at Honda Engineering (EG-T). EM/EB series, the world's first sine-wave inverter-equipped generators capable of simultaneous 100V and 200V output, launched. Accord Hybrid (cylinder deactivation + IMA) launched in the U.S.	World's first FCX fuel cell vehicle capable of starting in sub-zero temperatures is leased to private customers. Production of diesel engines begins at HUM in the U.K. Honda Motor (China) Co., Ltd. (CHAC) begins to ship the Jazz (Japanese name: Fit) to Europe. Jialing-Honda Motors Co., Ltd. discontinues production of motorcycles and focuses on the power products business. Acquires all shares of F1 B-A-R Honda Ltd. Cumulative global production of the Super Cub series reaches 50 million units. iGX440, the world's first next-generation general-purpose engine with electronic control technology, introduced. HondaJet exhibited at the Oshkosh Air Show in the U.S. Develops the 1.8L i-VTEC engine that achieves both powerful running and low fuel consumption by controlling valve timing.	Establishes Honda Cars dealer system*24 Flex-fuel vehicles in Brazil. Civic FFV and Fit FFV launched. Production of Civic begins at Dongfeng Honda Automobile (Wuhan) Co., Ltd. (WDHAC). MotoGP RC211V Nicky Hayden wins riders', rookies' and manufacturers' titles.  Jenson Button wins the 13th round of the F1 World Championship in Hungary Suzuka Circuit Land and Twin Ring Motegi merge to form Mobilityland Corporation. Thai Honda (TH) and Vietnam Honda (HVN) produce and launch their first AT scooter, the Click. Honda Aircraft Company (HACI) established to develop, manufacture, and market HondaJet aircraft. Honda Motorcycle Riding Trainer for safe motorcycle riding education launched in Japan.HondaJet aircraft.  Beach Cleanup Project launched.	Three-wheeled motorcycle taxi manufacturing and sales begin at Honda Selva Del Peru S.A.(HSP) in Itoquiz, Peru. Guangzhou Honda Automobile Research & Development Co., Ltd. (GHRD), an automobile research company, established by Guangzhou Honda.  New MotoGP RC212V (800cc, V4) debuts. Air Blade, Honda Vietnam's second automatic transmission scooter, is developed and launched. Indonesia's first Cub-type model, the REVO debuts.  Gold Wing (airbag), equipped with the world's first motorcycle airbag system, launched. Completely revamped Fit launched.	Super Cub series celebrates the 50th anniversary and cumulative production of 60 million units. **New fuel cell vehicle, FCX Clarity, launched for lease in Japan and the U.S.** New City produced at Honda Automobile (Thailand) Co., Ltd. (HATC) Ayutthaya Plant launched. Fully revamped CBR1000RR Fireblade (SC59 early model) launched.  DN-01 equipped with the innovative automatic mechanism HFT*25 launched. Develops the world's first electronically controlled combined ABS, a new brake system for supersports models. Develops Combined ABS, a new electronically controlled brake system for supersports models. Announces withdrawal from F1 racing activities.	Takeo Fukui retires, and new Takanobu Ito becomes Honda's seventh president.  New hybrid car, Insight, launched. CG150 TITAN MIX, an FFM motorcycle with flexible fuel selection, and City, an FFV four-wheeler, launched in Brazil. New 125cc scooter PCX, produced and launched by Honda Thailand (TH) for global market. Saitama Factory's Ogawa engine plant begins operations. Tama Tech closes. Super Cub 110 (new engine and frame) launched. World's first braking system, electronically controlled combined ABS for supersport models, equipped on CBR1000RR Fireblade launched. Civic Type R Euro introduced.  Pianta FV200 gas-powered tiller that uses cassette gas fuel, launched.

The 2010s

Taking on the Challenge of a Completely Different Dimension Weaving New Dreams with Society

Amid the ongoing global recession, Honda established its six-region global operation structure to promote self-reliant management in each region of the world. The goal was to create products that meet the needs of each region. This strategy evolved toward the realization of the 2030 Vision and led to bold reforms of the business management structure to achieve further growth, such as the establishment of the Monozukuri Center.

Japan in the 2010s

On March 11, 2011, the Great East Japan Earthquake occurred, causing unprecedented damage in many areas. The Japanese economy plunged into a period of low growth with no clear future. Amid a sense of stagnation, the government adopted a strategy to revive Japan and implemented economic recovery measures through monetary policy, fiscal policy, and private investment, but these measures failed to raise domestic demand. Meanwhile, environmental measures accelerated around the world. The Paris Agreement confirmed environmental conservation on a global scale, including developing countries.

Honda Topics

Innovative Ideas to Change Japan's Vehicles

N-BOX (2011)

The N-BOX took maximum advantage of the k-car standard to achieve unprecedented utility. Honda managed to create an innovative platform through its M/M (Man Maximum, Machine Minimum) principle. Honda's goal was to create a new "vehicle" that could be used by all kinds of people living in Japan, from daily life to hobbies and even nursing care.

Pursuing Scooter Value as a Global Standard

PCX (2010)

Each region of the world has its own road conditions, and its riders' tastes differ. However, Honda believed that by thoroughly pursuing the essence of a scooter, it could create a scooter that will please everyone. The PCX was developed with this in mind. With its luxurious design, relaxed riding position, and large 14-inch tires for riding stability, the goal was "a design that can be ridden in various cities around the world."

A Lawnmower with "Gentleness and Affinity" that Blends In with the Customer's Lifestyle

Miimo HRM520 (2013)

With the growing demand for robotic lawnmowers, especially in Europe, Honda developed a robotic lawnmower based on three concepts: reliable, easy to use, and trustworthy. It can mow the lawn automatically by setting the day, time, and area, and its design is typically Honda, "gentle and friendly" to blend in with the daily lives of customers.

Thinking Out of the Box, Into the Sky

HondaJet (2015)

Honda's aircraft research since 1986 led to the successful type certification from the U.S. Federal Aviation Administration and in 2015, nearly 30 years later, paving the way for deliveries in the U.S. It featured a novel layout with engines located on top of the main wings. This unconventional idea, which achieves comfort, quietness, cruising performance, and fuel economy, takes Honda's ethos of allowing others to imitate, but not imitating themselves, into the sky.

Celebrating the 60th Anniversary of Being Loved by Everyone,

The Super Cub Series Reaches a Cumulative Global Production of 100 Million Units (2017)

The Super Cub series, an amazingly long-selling model that has continued from the 20th to the 21st century, reached a cumulative global production volume of 100 million units. 59 years after the first model in 1958, this astonishing record is the world's highest production volume for a single series of motorized mobility. In conjunction with its 60th anniversary in 2018, a 100 Million Unit, 60th Anniversary model was also produced in a glamorous gold color.

Japan and World Events

2010

- Japan Airlines files for protection under the Corporate Reorganization Law.
- All lines of the Tohoku Shinkansen begin service.
- An 8.8 magnitude earthquake strikes Chile in South America.

2011

- Great East Japan Earthquake of magnitude 9.0 occurs.
- Flooding damage spread in Thailand due to heavy rainfall.
- New "eco-car subsidy" starts.

2012

- Renewable energy feed-in tariffs begin.
- Completion and opening of Tokyo Sky Tree®.

2013

- Bank of Japan's "Extraordinary Monetary Easing" aimed at overcoming deflation.
- World's first clinical study of iPS cells (induced pluripotent stem cells) begins.
- First PM2.5 alert forecast for Fukuoka City.

2014

- First consumption tax hike in 17 years, from 5% to 8%.
- Hearing Held in U.S. Senate Over Takata Airbag Recall.

2015

- Revised Electricity Business Act passed, deregulation of all electricity sales.
- Takata agrees to a consent order from the National Highway Traffic Safety Administration (NHTSA) to pay fines for the airbag issue.
- The Paris Agreement, an international framework for global warming countermeasures, is adopted.

2016

- The Kumamoto earthquake of magnitude 7.3 occurs.
- Revised Public Office Election Law goes into effect, lowering the minimum voting age to 18.
- Bank of Japan decides to introduce negative interest rates for the first time.

2017

- Ministry of Land, Infrastructure, Transport and Tourism announces revised safety standards, expanding the scope of seat belt alerts to all seats (new models required to install seat belt alerts starting in September 2020).
- British government officially announces its intention to leave the European Union.

2018

- Torrential rains in western Japan cause widespread river flooding and landslides.
- Ministry of Land, Infrastructure, Transport and Tourism introduces a certification system for the development of automatic driving systems.
- Trans-Pacific Partnership Agreement (TPP) begins.

2019

- Emperor Naruhito accedes to the throne and changes the era name to "Reiwa".
- Consumption tax is raised from 8% to 10%.
- Ministry of Land, Infrastructure, Transport and Tourism certifies 67 models of collision damage reduction brakes for the first time.

Related Topics in Main Volume

2010

- EV-neo electric scooter lease sales commenced.
- Dissolution of Hero/Honda joint venture in India and signing of future technology licensing agreement.
- Motorcycle R&D Center Kumamoto branch office (HGA-K) established in the Kumamoto Factory.
- CB1100 series equipped with a newly developed air-cooled engine launched.
- VFR1200F equipped with the world's first dual clutch transmission (DCT) for motorcycles introduced.
- **The 125cc moped scooter PCX launched in Japan.**
- Cub-type Wave110i AT equipped with the new CVmatic automatic transmission introduced in Thailand.

- Enepo EU9iGB gas-powered generator that uses cassette gas fuel launched.
- First HondaJet mass-production test model takes first flight.
- Fit Hybrid launched.

2011

- Thailand's Ayutthaya Automobile Plant (HATC) damaged by massive flood.
- Low-priced strategic small motorcycle, Ace CB125, launched in Nigeria.
- MotoGP RC212V Casey Stoner wins triple crown of riders', constructors', and teams' titles.
- INDY® JAPAN THE FINAL held at Twin Ring Motegi, ending IndyCar Japan round.

- New 4-stroke outboard engine BF250 is unveiled at the Genoa International Boat Show.
- **N-BOX k-car launched.**

2012

- Kumamoto Factory strengthens mid and large FUN model and DEB collaboration structure in line with evolution of motorcycle development processes.
- Super Cub 50 and 110, with a new frame structure for the first time since its launch in 1958, launched (produced by Sundiro Honda Motorcycle Co., Ltd. in China)
- Change the name of the General-Purpose operations to the General-Purpose power products operations
- Flood-damaged HATC resumes production four months after recovery begins.
- MotoGP RC213V (1000cc, V4) debuts, winning teams' and manufacturers' titles.
- Full-scale operation of new motorcycle plant for global models begins in Thailand with CB500 series production.

- New mid-concept series NC700X, NC700S, and Integra launched, first to feature second-generation dual-clutch transmission.
- PCX150 launched.
- SH-AWD, i-DCD, and i-MMD sports hybrid systems for automobiles introduced*26
- N-ONE k-car launched.

2013

- Saitama Factory's Yorii Plant for complete automobiles begins operations.
- Honda Energy do Brasil Ltda. (HEN), a wind power generation company, established in Brazil.
- Honda Motorcycle Kenya (HMK), a motorcycle business company, established in Kenya.
- Honda Automobile Western Africa (HAWA), an automobile subsidiary, established in Nigeria.
- Marc Marquez wins MotoGP title as youngest rider in history (wins triple crown of riders', teams', and constructors' titles)
- **Miimo automatic lawnmower launched in Europe.**
- Third generation Fit and Fit Hybrid (i-DCD) launched.

- Vezel launched.
- Accord Hybrid and Accord Plug-in Hybrid launched.

- N-WGN k-car launched.

2014

- Reginal Operations, Japan established.
- Cumulative global motorcycle production reaches 300 million units.
- Fit and Vezel i-DCD recall due to DCT unit control.
- Civic Tourer, developed exclusively for Europe, launched.
- MotoGP Marc Marquez wins triple crown (riders', teams', and constructors' titles) for second consecutive year.
- Honda Sun Hiji Plant's data business building completed.
- NC series motorcycles launched with displacement increased to 750 cc.
- Fully revamped PCX and PCX150 scooters launched.
- Super Cub design approved for registration as a three-dimensional trademark in Japan, a first for a vehicle*27
- **The first mass-produced HondaJet aircraft successfully completes first flight.**

2015

- Takanobu Ito retires, and Takahiro Hachigo becomes Honda's eighth president.
- Honda enters Formula 1 World Championship as McLaren Honda.

- RC213V-S, a road-going version of Honda's MotoGP racing bike, went on sale in Europe, U.S., Australia, and Japan; applications for order were opened.

- Civic Type R launched.
- HondaJet received type certification from the U.S. Federal Aviation Administration and began deliveries in the U.S.

2016

- Prachinburi automobile plant in Thailand*28 begins operations.
- New fuel cell vehicle Clarity FUEL CELL launched.
- Marc Marquez wins MotoGP riders' and constructors' titles.

- CRF1000L Africa Twin launched.
- Odyssey Hybrid launched.

- NSX launched.
- Comame F220 compact tiller, is redesigned for the first time in 15 years and launched.

2017

- Honda Power Products Japan (HPJ) established.
- GM and Honda establish the industry's first joint venture to produce fuel cell systems.
- Ace110, a new compact motorcycle suitable for business use in Nigeria, launched.
- MotoGP Marc Marquez wins his second consecutive title, and constructors' and teams' titles for another triple crown.
- Ends partnership with McLaren F1 and decides to supply F1 power units to Scuderia Toro Rosso starting with the 2018 season.
- CBR1000RR Fireblade (SC77) fully revamped and released.
- **Honda celebrates 60th anniversary of the Super Cub series and 100 million units produced worldwide; launches fully remodeled Super Cub series**

- LiB-AID E500 portable energy storage device launched.
- HondaJet achieves the most deliveries in its category in the first half of 2017.
- Civic and second generation N-BOX launched.

2018

- Honda Dream and Honda Commuter*29 motorcycle sales channels launched.
- Clarity PHEV plug-in hybrid model launched.
- MotoGP Marc Marquez wins fifth title in three consecutive years and third consecutive Triple Crown.
- HondaJet Elite announced.
- Agreement reached to supply F1 power units to Red Bull Racing starting in the 2019 season.

- Large premium tourer Gold Wing, revamped for the first time in 17 years, launched.
- PCX HYBRID launched, and leasing of PCX ELECTRIC begins.
- Super Cub C125 launched.
- HondaJet achieves the highest number of deliveries in its category for the full year of 2017.
- N-VAN launched.

2019

- Motorcycle Operations and Motorcycle R&D Center combined into Monozukuri Center.
- Announced that Honda of the UK Manufacturing (HUM) will cease complete vehicle manufacturing in 2021.
- World's first BS6-compliant Activa 125 motorcycle with tumble flow enhancement technology launched in India.
- MotoGP Marc Marquez wins sixth title in four consecutive years.

- F1 Red Bull Racing Max Verstappen takes first win at the Austrian Grand Prix since returning in 2015.
- CRF1100L Africa Twin fully revamped with displacement increased to 1100cc.
- Benly e: series of electric motorcycles for business use announced.
- HondaGO, a project to revitalize the motorcycle market, implemented.
- HondaJet achieves the highest number of deliveries in its category for the second consecutive year.

The 2020s

Serving People Worldwide with the "Joy of Expanding Their Life's Potential"

Japan in the early 2020s

In 2020, a state of emergency was declared throughout the country due to the coronavirus pandemic, causing a drop in socioeconomic activity. The social environment also underwent a major transition, with significant changes in daily living conditions and customs.
Diversification of values, an aging population, accelerating urbanization, worsening climate, as well as changes in industrial structure due to technological advances such as electrification and IoT, are progressing on a global scale.

Honda declared it would "lead the advancement of mobility and enable people everywhere in the world to improve their daily lives," toward the realization of its 2030 Vision, which aims to provide the joy of expanding life's potential for all. With the three pillars of "Creating Joys," "Expanding Joys," and "Ensuring the Joys for the Next Generation" as its guide, Honda will continue to "pursue growth through the pursuit of quality."

Honda Topics

A New Generation of Urban Commuter

Honda e: (2020)

Honda's goal in developing the new EV was to create mobility that would evolve to the next stage. The Honda e was created to be a unique entity that is connected to a variety of things, universal, comfortable, witty, and brings smiles to users' faces. It aims to realize a prosperous future by pursuing a completely new kind of appeal, based on flexible ideas.

Classic Roadster from the Indian Market

GB350 (2021)

The H'ness CB350, aiming to increase Honda's market share in India, the world's largest motorcycle market, was also introduced in Japan. Named as the GB350, it gained popularity as a traditional roadster. The relaxed riding position, upright single-cylinder engine, and steel front and rear fenders all contribute to the bike's tasteful appearance.

	2020	2021	2022	2023
Japan and World Events	·Spread of novel coronavirus. ·United Kingdom leaves the European Union. ·Ban on Level 3 automated vehicles is lifted, and related laws and regulations such as the Road Traffic Law and the Road Trucking Vehicle Law are revised.	·Tokyo Olympics and Paralympics are held. ·Revised Law Concerning the Promotion of the Measures to Cope with Global Warming enacted. ·Four motorcycle manufacturers agree to standardize swappable batteries for EV motorcycles.	·Government announces the launch of a consortium to strengthen the semiconductor industry. ·Ministry of Land, Infrastructure, Transport and Tourism mandates installation of EDR (Event Data Recorder) in new vehicles. ·Ministry of Land, Infrastructure, Transport and Tourism lifts ban on Level 3 self-driving trucks and buses.	·Ministry of Land, Infrastructure, Transport and Tourism (MLIT) digitizes automobile inspection certificates. ·The European Union (EU) reverses its policy of banning the sale of engine-powered vehicles by 2035 and decides to allow sales on a conditional basis. ·Mandatory effort to wear a helmet when riding a bicycle enacted.
Related Topics in Main Volume	Integrates automobile development function and EG automobile operations into the Monozukuri Center Automobile Operations. **Honda e: electric vehicle launched.** Signs comprehensive strategic alliance agreement with Contemporary Amperex Technology (CATL, China) on batteries for Honda's new energy vehicles. Isuzu and Honda sign a joint research agreement on fuel cell (FC) heavy-duty trucks. GM and Honda agree to jointly develop next-generation EV for Honda that uses GM Altium batteries*30 Honda agrees to introduce Benly e: for mail delivery. Scuderia Alphatauri Honda's Pierre Gasly wins his first F1 race. CBR1000RR-R Fireblade (SC82) launched.  CT125 and Hunter Cub launched. HondaJet achieves category-leading deliveries for the third consecutive year.	Takahiro Hachigo retires, and Toshihiro Mibe becomes Honda's ninth president. Automobile production at Honda of the UK Manufacturing (HUM) and Honda Turkey (HTR) ends. Production of complete vehicles at Sayama Plant ends on December 27, 2021. Automobile business transitions to a new headquarters structure integrating SEDB. Honda Sun and Honda R&D Sun merge. GYRO e: and GYRO CANOPY e:, electric three-wheeled scooters for business use, launched. F1 Red Bull Honda's Max Verstappen wins F1 drivers' title. New car online store Honda ON opens. 11th generation Civic launched. eGX electric power units for commercial work launched. HondaJet Elite S introduced. HondaJet 2600 Concept, a small business jet concept aircraft, is exhibited as a reference model at NBAA 2021.	Signs joint venture agreement with Sony to establish Sony Honda Mobility Inc.*31 Sales of the Honda Power Pack Exchanger e: battery exchange station begin. GM and Honda agree to jointly develop a series of volume-priced global EVs. Dongfeng Honda Automobile's new EV e:NS1 and Guangqi Honda Automobile's new EV e:NP1 launched. F1 Red Bull Honda wins constructors' title. Max Verstappen wins drivers' title for second consecutive year.  Civic Type R and Civic e:HEV launched. Daks 125, a new moped-type leisure bike launched.  HondaJet Elite II launched. 30th anniversary of the Type R.	Establishes a joint venture with LG Energy Solution to produce lithium-ion batteries for EVs. Signs a basic agreement with GS Yuasa to collaborate on high-capacity, high-power lithium-ion batteries. Cub e:, Dax e:, and ZOOMER e: electric motorcycles for China announced. Conducts driving demonstration test of a commercial truck equipped with Honda's fuel cell system in collaboration with Dongfeng Motor Group.  Announces aim to commercialize new small business jet based on the HondaJet 2600 Concept by 2028.  Civic Type R sets fastest lap time for a FWD model at Nürburgring.

Trajectory of Challenges

*1 Honda's first overseas export began with the A-Type to Chinese Taipei through a buyer connected by a dealership in Osaka.
*2 Honda decided to install state-of-the-art machine tools imported at a total cost of 450 million yen. This decision to invest in the future was made Honda's capital was only 6 million yen. One of the machines installed, the Harvard Ship HYDR-6A (nicknamed "sip"), is still in use at Production Technology Operations after 63 years, partly due to daily maintenance, but also because "some products could not be made without the sip." Soichiro Honda would be very pleased to see the sip roaring in action.
*3 Soichiro Honda's first company motto, which appeared in the Honda Newsletter No. 23 (January 1956), was "Maintaining an international viewpoint, we are dedicated to supplying products of the highest efficiency, yet at reasonable prices, for worldwide customer satisfaction."
*4 In 1959, Honda established its first overseas sales subsidiary, American Honda Motor Company, and began building its own sales network. Today, Honda's North American operations have established independent operations that combine sales, production, and R&D functions, and serve as a model for Honda's overseas regional operations. In the mid-2000s, Honda's cumulative investment in its North American operations exceeded approximately $8 billion US dollars, and the company employed more than 30,000 people directly in North America.
*5 Honda R&D Center was spun off from Honda to form Honda R&D Co., Ltd. Soichiro Honda's reason for this decision was to create an environment in which research and development could be separated from business reasons, and to create an environment in which future-oriented research could be conducted freely without being influenced by the ups and downs of the immediate business, and to produce and nurture novel and original technologies. Since then, Honda R&D has developed and brought to market innovative technologies that have supported the backbone of Honda for the past 60 years, and with the change to an integrated management structure for motorcycles in February 2019 and automobiles in April 2020, the divisions responsible for motorcycle and automobile development will be merged with Honda. The Honda R&D Center will now specialize and focus on the functions of advanced research and development, pioneering uncharted new worlds for future value creation. "Mass production must succeed more than 100% of the time. On the other hand, advanced technology that will be the core of the future must be tackled with a strong will, even if it is likely to fail 99% of the time." Honda concluded that the two areas should be separated, leading to the reorganization.
*6 The development team who worked on gas turbine engine research, originally for automobiles, played an important role in developing the engine that would later lead to the HF120.
*7 Honda's first automatic-transmission motorcycle equipped with HRD, the prototype of HFT.
*8 The CB450's engine was based on the N360 engine.
*9 The first generation engine's OHV (overhead valve) was replaced by OHC (overhead camshaft), which continued to be produced for several decades while undergoing minor improvements.
*10 In 1965, a hundred C100s were delivered to the Ministry of Posts and Telecommunications, and in 1971, Honda developed the Honda Delivery MD 90 (Mail Delivery) in postal red paint, known as the "Postal Service Cub," and delivered 2,625 units. In 1972, the prototype of the current model with 14-inch tires was completed and delivered, and in 1973, production of the MD50/70 also began, contributing to the smooth communication of people.
*11 The idea contest entry was commercialized and became a big hit. Production was initially outsourced to a subcontractor, but could not keep up with demand, and the Hamamatsu Factory rapidly entered production as well. This was the only Honda vehicle without an engine. (It was produced at the Hamamatsu Factory for eight months.)
*12 The world's first stainless steel vacuum flask with a double-layer structure and without glass was jointly developed by Nippon Sanso and Honda, and released by Act-L. Currently, various products are being sold under the THERMOS brand by Thermos K.K., which was spun off from Nippon Sanso.
*13 With the launch of the City and Motocompo, the Honda promoted a new outdoor lifestyle by loading motorcycles into automobiles, multiplying the fun through using different types of mobility together rather than separately. Honda moved forward with something no other company had attempted, to fully leverage its strengths in both motorcycles and automobiles.
14 The Super Cub, which achieved fuel economy of 105 km per liter, was followed in 1982 by a model that achieved 150 km per liter*, and then in 1983 by an ultra-low fuel consumption model that achieved 180 km per liter*.
* All figures are based on a 30 km/h flat road test with 50 cc model.
*15 Honda had been promoting local production based on its fundamental principle of building products close to the customer, but in the U.S., the world's largest automobile market, considered it necessary to strengthen its system by localizing all SED functions. Honda established Honda Research of America, a development division, in 1984 (renamed to Honda R&D North America (HRA) in 1986).
*16 Conducts a diverse range of future-oriented research, including fuel cells, robotics, aircraft, and aircraft engines, aimed at practical application. Some have already been commercialized. Aircraft research and development transitioned from basic research to mass production development, and was commercialized as HondaJet at the end of 2015.
*17 In 1986, Honda introduced the NXR750 factory racer in the Paris-Dakar Rally, which won the rally for four consecutive years until 1989. The Africa Twin (XRV650) was launched in 1988 as an adventure sports model inheriting the technology of the NXR750. It embodied the equipment and image of the NXR, with the same liquid-cooled 52° V-twin 583cc, SOHC 3-valve 2-plug engine as the Transalp 600V. In 1989 and 1990, Honda France organized the Objet Dakar rally in which riders selected from the general public entered the Paris-Dakar rally on the XRV650, and the XRV650 won the class of unmodified production models for two consecutive years, expanding its popularity in Europe and other areas.
*18 The contract was concluded with Isuzu, to extend Honda's lineup which was short on RV models.
*19 An ultra-compact jet that used composite materials for its entire fuselage structure. Although it was an experimental aircraft, it was later positioned as the world's first all-composite business jet.
*20 "PRO'S" was named after the professional dealers who could respond to a wide range of customer needs.
*21 Equipped with the world's first liquid-cooled, 4-stroke 50cc engine for a mass-produced motorcycle, the Giorno Crea achieved 1/2 the emissions of Japan's new emission regulations and approximately 30% better fuel economy compared to conventional 2-stroke engines (compared to a Honda scooter of the same displacement, based on 30km/h flat road test values). The chassis was made of a die-cast aluminum frame, a first for a scooter in Japan, and a modular structure was adopted to improve production efficiency to serve as the basic framework for future Honda scooters.
*22 A comprehensive sales company consolidating motorcycle sales functions in Japan to meet diversifying customer expectations in the motorcycle business and to develop efficient sales activities with a high degree of satisfaction. HMJ engages in a variety of activities to improve customer satisfaction, including product planning, marketing, motor sports, and advertising activities.
*23 Dream Dealers are "prestige dealers" created to meet the increasing demands of customers.
While the goal has always been to satisfy a large number of customers, the Dream Dealers aim to satisfy all customers everyone who ride Honda motorcycles. Dream Dealers were introduced as a venue that not only sells the latest models, but also offers all the "fun" of motorcycling, including various events and safe riding lessons, and that directly communicate Honda's passion to its customers.
*24 Going back to the customer-first perspective, Honda integrated its sales channels into Honda Cars in March 2006. The purpose was to strengthen its sales network by rebuilding an optimal sales network suitable for a one-channel system, increasing the size of dealerships in major cities, and opening dealerships that incorporate the new Honda Cars concept.
*25 DN-01 was developed based on the concept of a comfortable sports cruiser, aiming to create new value and propose a new motorcycle lifestyle. A new transmission was adopted: the HFT (Human Fitting Transmission), a hydraulic-mechanical continuously variable transmission, and in addition to two types of fully automatic modes, it was equipped with a 6-speed manual mode that allows gear shifting at the touch of a button. The HFT also featured the world's first lock-up mechanism as a hydraulic continuously variable transmission, which enables smooth riding without shift shock, making riding easier and more comfortable than on previous sports models. HFT continued to evolve from the Juno M85's HRD in 1962, and was equipped on a large two-wheeled sports model for the first time.
*26 Honda introduced three hybrid systems: the one-motor SPORT HYBRID Intelligent Dual Clutch Drive, the two-motor SPORT HYBRID Intelligent Multi Mode Drive/Plug-in, and the three-motor SPORT HYBRID SH-AWD (SPORT HYBRID Super Handling-All Wheel Drive).
*27 As a result of maintaining a consistent design concept for more than 50 years since 1958, while making functional improvements, customers have come to recognize the Super Cub as a Honda product just by looking at the design, leading to the recognition by the Japan Patent Office and resulting in registration as a three-dimensional trademark.
*28 Based on the concept of "optimizing human work and advanced technology to deliver quality products to the market," the Prachinburi plant employed the latest, highly efficient production technology available at Honda at the time. These new technologies include the Assembly Revolution Cell (ARC) line, a fluidized cell production system line integrated into the main assembly line for complete vehicles, a world first for the mass production of complete automobiles.
*29 At the time, Honda had five motorcycle sales channels, reorganized into two; Honda Dream and Honda Commuter. Honda Dream dealers handle the full lineup of Honda motorcycles, mainly sports models, offering lifestyle suggestions and high-grade services.
Honda Commuter dealers focus on commuter models under 250cc, offering convenient products and reliable service closely related to daily life. Through the reorganization of its motorcycle sales channels, Honda aims to build a sales network that can precisely meet the needs of customers for both sports and commuter models.
*30 GM and Honda agreed to jointly develop two new electric vehicle (EV) models for Honda based on GM's global EV platform equipped with Altium batteries. The relationship between GM and Honda began more than 20 years ago, with the collaboration spanning fuel cells, batteries, and the Cruise Origin, a vehicle for the self-driving mobility service business.
*31 The collaboration combines Honda's cutting-edge environmental and safety technologies and other mobility development capabilities, vehicle manufacturing technologies, and after-sales service operation experience, with Sony's experience in the development and operation of imaging sensing, communication, network, and various entertainment technologies. Sony Honda Mobility aims to realize a new era of mobility and mobility-oriented services that continue to evolve in step with the user and the environment.

Motorsports

Max Verstappen

Unchanging Spirit since Our Founding —— 60th Anniversary of Competing in Formula 1

On August 2, 1964, at the sixth round of the FIA* Formula One World Championship (referred to as F1), the German Grand Prix held at Nürburgring, Honda's F1 machine, the RA271, featuring an ivory-white body adorned with the rising sun, made its debut.

Just one year after launching its automobiles, the T360 and S500, Honda ventured into the pinnacle of automobile racing. The RA271, which was developed entirely in-house with both its engine and chassis, finished 13th in Germany but retired in the following two races. In 1965, Honda introduced the RA272, which featured significant weight reductions. The RA272 secured Honda's first F1 victory at the final race of the season, the Mexican Grand Prix. This achievement, alongside the victory in the Isle of Man TT in 1961, marked Honda's triumph at the highest level of both motorcycle and automobile racing.

HONDA since1964

The spirit of boldly taking on challenges that seem impossible to everyone has been honed through racing since our founding.

2024 marks the 60th anniversary of our first F1 participation, and to symbolize the enduring spirit of challenge, we have established the logo on the left.

Honing people and technology at the pinnacle of global racing—this has been Honda's racing spirit since its founding.

Dream Again —— A New Challenge

On May 24, 2023, Honda announced that it will re-enter Formula 1 from the 2026 season in partnership with Aston Martin Aramco Formula One® Team.

Formula 1 is working towards achieving carbon neutrality, and the new regulations to be introduced in 2026 include:

1. The adoption of 100% carbon-neutral fuels
2. Increasing the proportion of electrical energy in the total power output to approximately 50%, which is about three times the current level of electrical output

These significant changes in regulations align with Honda's goal of achieving carbon neutrality and hold great importance for the development of future technologies aimed at this goal. Therefore, we have decided to participate in the F1 championship.

Honda Racing Corporation (HRC) is strengthening its global operations by renaming its U.S. automobile racing development subsidiary to "Honda Racing Corporation USA (HRC US)" and enhancing collaboration. Additionally, HRC UK has been established in Europe, further solidifying the global framework.

* Fédération Internationale de l'Automobile

Motorsports

Passing Dreams to the Next Generation

As of 2024, Yuki Tsunoda, currently competing in Formula 1 with the VISA Cash App RB Formula One® Team, is an alumnus of Honda Racing School Suzuka (HRS Suzuka). Having started karting at the age of five, Tsunoda has expressed that nothing makes him happier than fulfilling his desire to be the fastest. Since 2019, he has been racing around the world, primarily in Europe, in FIA F3. In 2020, he stepped up to F2, where he was awarded FIA Rookie of the Year, making steady progress towards his dreams. He entered Formula 1 in 2021, achieving seven top finishes and a highest position of fourth that year.

"What I pursue is driving fast. It is what I find most enjoyable. When other drivers are faster than me in various situations and conditions, I feel frustrated. At the same time, when I surpass them and become the best, I truly feel happy. My dream is to become the Formula 1 World Champion. An even bigger dream is to break all the records set by the great drivers," said Tsunoda. His challenge goes beyond just winning the championship.

Having grown into a leading racing driver representing Japan, Yuki Tsunoda will enter his fifth season in Formula 1 in 2025.

"Nothing Is Impossible"

On April 5, 2024, in the spring of the 60th anniversary of Honda's participation in Formula 1, the "Honda RACING Gallery" opened at the Suzuka Circuit.

Takuma Sato, a two-time Indy 500 winner who attended the opening, shared his thoughts: "I have experienced that even things thought to be impossible can ultimately be achieved by approaching them from various angles. I believe nothing is impossible. My current dream is to become an Indy 500 champion once again, but at the same time, supporting young drivers in their challenges abroad is my next challenge."

Takuma Sato

Adhering to the policy of "No Attack, No Chance," Takuma Sato, who is an alumnus of Honda Racing School Suzuka (HRS Suzuka, formerly SRS), has served as the principal of the school since 2019.

Yuki Tsunoda

Sports Activities

Honda Sports Challenge

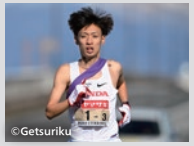
Honda began its corporate sports activities with the establishment of the Saitama Factory's baseball team in 1960 and has been engaged in corporate sports for over 60 years. In this era of once-in-a-century transformation, the "spirit of challenge," which serves as the source of progress, is increasingly needed. The importance of sports, which embody this spirit and resonate with many people, is growing. To maximize this potential, Honda is working to strengthen its corporate sports initiatives.

Under the vision of "increasing the number of people who take on challenges and enriching everyone's lives through Honda's sports activities," Honda has adopted the slogan "Honda Sports Challenge" for its initiatives. The focus is on three key directions centered around challenge: Joy, Growth, and Connection.

We continue to take on challenges across a wide range of areas, including participating in various sports, sponsoring tournaments, and supporting athletes.

Official Sports Clubs (Japan)

In pursuit of their dreams, five sports—track and field, rugby, baseball, soccer, and softball—are represented by seven clubs that continue to take on challenges.



Honda Track and Field Team


MIE Honda HEAT (Rugby)


Honda Baseball Club / Suzuka Baseball Club / Kumamoto Baseball Club


Honda FC (Soccer)


Honda Reverta (Softball)

Sponsored Athletes

We support athletes both domestically and internationally in achieving their dreams.

Ambassadors


Shingo Kunieda


Ai Miyazato

Sponsored Athletes



Akie Iwai・Chisato Iwai (Golf)

Supported Athletes

Golf

Yuka Saso

Wheelchair Track & Field

Catherine Debrunner
Susannah Scaroni
Hiroki Nishida
Manuela Schär

Tournament Sponsorship

To promote sports, we support various tournaments.

Hot Air Balloon Honda Grand Prix


Oita International Wheelchair Marathon

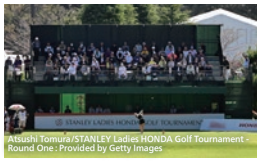

Atsushi Tomura/STANLEY Ladies HONDA Golf Tournament - Round One - Provided by Getty Images
Stanley Ladies Honda Golf Tournament

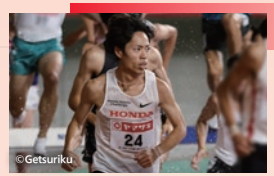

Photo: Events Management Queensland
Honda Track and Field Team
Naoki Koyama

"I want to compete with the world's top marathon runners and set a new Japanese record."

Koyama's name became widely known with his victory at the Marathon Grand Championship in October 2023. Having fulfilled his childhood dream of running in long-distance relay races with Honda, he quickly made a remarkable achievement by transitioning to marathon running. "I genuinely love track and field and find joy in running. Right now, my dream is to set a new Japanese record and make a name for myself. I also want to challenge myself in international races and compete with the world's top runners." With a deep passion for running, Koyama continues his quest for global challenges.

"I want to prove I can compete on the world stage."

In the 2023 World Athletics Championships, Aoki advanced to the finals in the 3000m steeplechase, becoming the first Japanese athlete to do so in 20 years. "As I continued to chase the world's top athletes, a desire to beat them grew within me, and I wanted to see how far I could go," says Aoki, who is committed to competing against the best and achieving results. "I've been stepping up one step at a time, but this is not the finish line. I won't be satisfied until I become the best in the world." As he pursues his dream, there is no time to stand still. The challenge to reach even greater heights continues.



Honda Track and Field Team
Ryoma Aoki


MIE Honda HEAT
Takuro Hojo

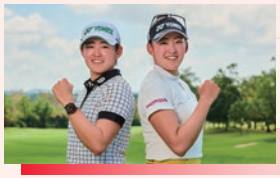
"My dream is to win as part of the Japan national team on the world stage."

In the spring of 2024, rookie Hojo made a spectacular debut at Chichibunomiya Rugby Stadium, making a strong impression with his game-changing plays. "I can stay focused and play without getting nervous on the big stage. I want to be more proactive in getting involved with the ball, using the hunger and drive I developed during the frustrating times when I couldn't play in my student days as my weapon." His dream is to win against the world's top teams in the Rugby World Cup as a representative of Japan. "I want to be intensely focused on winning, no matter what." With his eyes set on the world, this rookie's pursuit of his dream has just begun. Carrying a strong passion for rugby, his challenge is only beginning.

"I want to demonstrate my ability to perform under pressure at my first world championship."

"I would love to play baseball for the rest of my life if I could. For me, baseball is life," says Koguchi with a sincere gaze. No matter how tough the training or how disappointing the experiences, his love for baseball remains undiminished. Known for his ability to perform under pressure, Koguchi quickly became a key player on the team by contributing RBIs on a national stage during his first year. "The goal is to showcase my inherent strength in high-pressure situations at the world championship. I also want to pave the way to a professional career and repay the support of my family." Fueled by these aspirations, Koguchi continues to chase his dreams.


Honda Baseball Club
Jintaro Koguchi


Honda Women's Golf
Akie Iwai and Chisato Iwai

"Dreams fulfilled by two sisters. The goal is to win on the world stage."

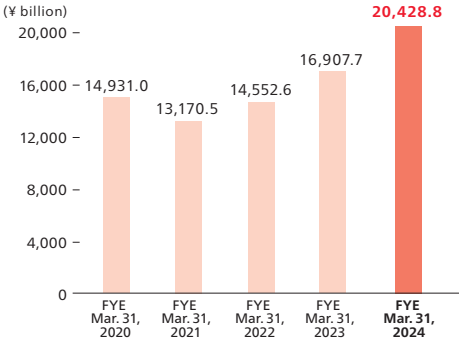
Sisters Akie Iwai and Chisato Iwai, who continuously improve by challenging each other, have both achieved multiple victories and are growing into top professionals. Guided by their parents' teachings of "playing with integrity" and "being kind to others," they show great sportsmanship by always considering their opponents and responding with smiles to fans' cheers. Their personalities stand out strongly among tour participants.

Their goal is to compete and win on the world stage. Honda supports these sisters as they challenge themselves towards their dreams.

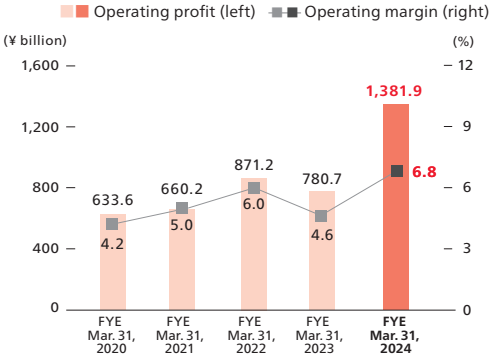
10-Year Summary

Financial Information

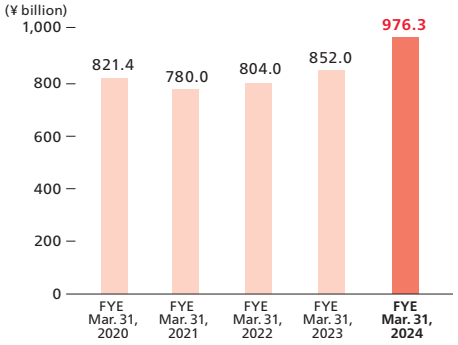
Sales Revenue



Operating Profit / Operating Margin



R&D Expenses



IFRS: (Unit: million yen)

	Fiscal Years Ended March 31										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sales, profits and dividends											
Sales revenue	¥12,506,091	¥13,328,099	¥14,601,151	¥13,999,200	¥15,361,146	¥15,888,617	¥14,931,009	¥13,170,519	¥14,552,696	¥16,907,725	¥20,428,802
Operating profit	823,864	670,603	503,376	840,711	833,558	726,370	633,637	660,208	871,232	780,769	1,381,977
Operating margin	6.6%	5.0%	3.4%	6.0%	5.4%	4.6%	4.2%	5.0%	6.0%	4.6%	6.8%
Share of profit of investments accounted for using the equity method	130,916	96,097	126,001	164,793	247,643	228,827	164,203	272,734	202,512	117,445	110,817
Profit before income taxes	933,903	806,237	635,450	1,006,986	1,114,973	979,375	789,918	914,053	1,070,190	879,565	1,642,384
Income tax expense	(267,992)	(245,139)	(229,092)	(327,592)	13,666	(303,089)	(279,986)	(218,609)	(309,489)	(162,256)	(459,794)
Profit for the year	665,911	561,098	406,358	679,394	1,128,639	676,286	509,932	695,444	760,701	717,309	1,182,590
Profit for the year attributable to owners of the parent	624,703	509,435	344,531	616,569	1,059,337	610,316	455,746	657,425	707,067	651,416	1,107,174
Cash dividends paid during the period	142,381	158,601	158,601	162,205	174,221	194,271	196,795	145,090	188,402	213,475	241,865
Research and development expenses	625,698	670,331	719,810	659,918	730,734	820,037	821,478	780,065	804,025	852,067	976,366
Interest expense	12,803	18,194	18,146	12,471	12,970	13,217	24,689	13,877	16,867	36,112	59,631
Assets, liabilities and equity											
Total assets	¥16,048,438	¥18,425,837	¥18,229,294	¥18,958,123	¥19,349,164	¥20,419,122	¥20,461,465	¥21,921,030	¥23,973,153	¥24,670,067	¥29,774,150
Financing liabilities (Non-current liabilities)	3,224,512	3,926,276	3,736,628	4,022,190	3,881,749	4,142,338	4,221,229	4,715,361	4,984,252	4,373,973	6,057,967
Equity attributable to owners of the parent	6,335,534	7,108,627	6,761,433	7,295,296	7,933,538	8,267,720	8,012,259	9,082,306	10,472,824	11,184,250	12,696,995
Additions to property, plant and equipment	803,231	703,920	687,306	588,360	484,778	466,657	455,169	390,081	366,829	578,063	482,472
Depreciation	419,022	451,052	486,410	484,133	513,455	499,036	470,320	428,063	438,269	512,501	563,954
Net cash provided by operating activities	449,108	1,020,404	1,390,995	885,073	987,671	775,988	979,415	1,072,379	1,679,622	2,129,022	747,278
Net cash used in investing activities	(921,023)	(840,496)	(875,077)	(650,618)	(615,113)	(577,555)	(619,481)	(796,881)	(376,056)	(678,060)	(867,267)
Net cash used in financing activities	355,458	12,488	(95,299)	115,423	(174,334)	22,924	(87,411)	(283,980)	(615,718)	(1,468,359)	918,646
											(Unit: yen)
Per common share*1											
Profit for the year attributable to owners of the parent											
Basic	¥115.54	¥94.22	¥63.72	¥114.03	¥196.93	¥115.33	¥86.71	¥126.92	¥137.03	¥128.01	¥225.88
Diluted	115.54	94.22	63.72	114.03	196.93	115.33	86.71	126.92	137.03	128.01	225.88
Dividends	82	88	88	92	100	111	112	110	120	120	126
Shareholders' equity attributable to owners of the parent	1171.76	1314.74	1250.53	1349.27	1487.12	1566.25	1546.82	1753.35	2040.77	2239.98	2,629.37
											(Unit: million yen)
Sales											
Sales revenue*2											
Japan	¥1,920,114	¥1,800,439	¥1,754,167	¥1,799,772	¥1,919,130	¥2,042,891	¥1,985,945	¥1,849,268	¥1,943,649	¥2,013,095	¥2,242,213
	15%	14%	12%	13%	12%	13%	13%	14%	13%	12%	11%
Overseas	10,585,977	11,527,660	12,846,984	12,199,428	13,442,016	13,845,726	12,945,064	11,321,251	12,609,047	14,894,630	18,186,589
	85%	86%	88%	87%	88%	87%	87%	86%	87%	88%	89%
Total	¥12,506,091	¥13,328,099	¥14,601,151	¥13,999,200	¥15,361,146	¥15,888,617	¥14,931,009	¥13,170,519	¥14,552,696	¥16,907,725	¥20,428,802
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
											(Unit: thousand units)
Unit sales											
Motorcycle Business	17,008	17,592	17,055	17,661	19,554	20,238	19,340	15,132	17,027	18,757	18,819
Automobile Business	4,340	4,367	4,743	5,028	5,199	5,323	4,790	4,546	4,074	3,687	4,109
Power Products Business	6,018	5,983	5,965	6,121	6,262	6,301	5,701	5,623	6,200	5,645	3,812
Number of associates (Unit: persons)	199,368	204,730	208,399	211,915	215,638	219,722	218,674	211,374	204,035	197,039	194,993
Exchange rate (yen amounts per U.S. dollar)											
Average rates for the period	100	110	120	108	111	111	109	106	112	136	145

*1 As of September 30, 2023, our company has conducted a stock split at a ratio of 3 shares for every 1 share of common stock, with October 1, 2023, as the effective date. The basic profit for the year per common share (attributable to owners of the parent), diluted profit for the year per commonshare (attributable to owners of the parent), and shareholders' equity attributable to owners of the parcommonent per share have been calculated as if the stock split had been conducted at the beginning of FYE Mar. 31, 2014.
*2 The geographic breakdown of sales amounts is based on the location of customers.

Company Overview

Company Overview (As of March 31, 2024)

Company Name	Honda Motor Co., Ltd.
Head Office	2-1-1 Minami-Aoyama, Minato-ku, Tokyo
Established	September 1948
Capital	86 billion yen

Number of Associates
Consolidated 194,993 /Non-consolidated 32,443
Consolidated Subsidiaries 289 companies
Affiliates Accounted for under the Equity Method
71 companies

Stock Information

Stock Exchange Listings
Domestic: Tokyo Stock Exchange
Overseas: New York Stock Exchange
Securities Code Number 7267
Number of Shares per Trading Unit 100
Transfer Agent for Common Stock
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Breakdown of Shareholders by Type (As of March 31, 2024)

Number of Shares Authorized 7,086,000,000
Total Number of Shares Issued 5,280,000,000

Major Shareholders (As of March 31, 2024)

Individual or Organization	Number of Shares Held (thousands)	Percentage against Total Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	773,445	16.0
Custody Bank of Japan, Ltd. (Trust Account)	305,126	6.3
Moxley & Co. LLC	259,782	5.4
Meiji Yasuda Life Insurance Company	138,237	2.9
SSBTC CLIENT OMNIBUS ACCOUNT	96,815	2.0
STATE STREET BANK WEST CLIENT – TREATY 505234	95,450	2.0
Nippon Life Insurance Company	85,999	1.8
JPMorgan Securities Japan Co., Ltd.	85,931	1.8
Tokio Marine & Nichido Fire Insurance Co., Ltd.	85,108	1.8
JPMorgan Chase Bank 385781	68,494	1.4

Notes:
1. The number of shares described above rounds off figures of less than 1,000 shares.
2. Ownership percentages are calculated using the total number of shares issued minus treasury stock (448,749 thousand shares).
3. Moxley & Co. LLC is an official holder of stock of JPMorgan Chase Bank, which is a depositary institution for American Depositary Receipts (ADRs).

Production Structure

The Corporate Strategy Division plays the lead role in planning and formulating the overall composition of the integrated report. With the cooperation of each division, we published the integrated report after holding repeated discussions regarding the value creation diagrams, concepts, composition, content and designs and obtaining the approval of management.

This report has been structured to communicate to all stakeholders in and outside Honda its initiatives for further improving its corporate value and how it will continue bringing joy to society.

Editorial Committee

Corporate Strategy Operations	Managing Executive Officer	Manabu Ozawa(Chairperson)
Corporate Planning Unit	Vice President	Tadashi Teraoka (Head of Secretariat)
Corporate Strategy Division	General Manager	Koji Ito
Corporate Strategy Planning Department	Manager	Atsushi Tsukigata Sergey Savchenko
Technology Strategy Department		So Sato Eiichi Kishimoto
Creative Solutions Center	General Manager	Ryusaku Senda Saburo Nishihata Yurika Takuma
Reporting and Promotion Planning Department Environment Planning Division		Shunsuke Morioka


The power of dreams, how we move you.
HONDA
The Power of Dreams
How we move you.
CREATE ▸ TRANSCEND, AUGMENT

HONDA
The Power of Dreams

How we move you.

CREATE ► TRANSCEND, AUGMENT