

Consolidated Financial Summary for the Fiscal 2nd Quarter Ended September 30, 2021 and Forecasts for the Fiscal Year Ending March 31, 2022

- Despite some unfavorable factors such as the supply shortage of certain parts including semiconductors and an increase in raw material costs, consolidated operating profit for the fiscal first half (6 months) ended September 30, 2021 amounted to 442.1 billion yen, a year-on-year increase by 272.9 billion yen compared to the same period last year which was heavily impacted by the COVID-19 pandemic. This was due primarily to the positive effect of increased unit sales, cost reduction efforts and favorable currency effects.
- Consolidated profit for the first half (6 months) attributable to owners of the parent amounted to 389.2 billion yen, a year-on-year increase by 229.1 billion yen, due mainly to an increase in the share of profit of investments accounted for using the equity method.
- Honda is expecting that the external business environment will remain challenging during this fiscal year due primarily to the resurgence of COVID-19, the supply shortage of certain parts including semiconductors and an increase in raw material prices. Based on this assumption, Honda plans to achieve fiscal year operating profit of 660 billion yen, which is equivalent to that of the previous fiscal year, through continuous efforts to improve profitability including the control of selling, general and administrative (SG&A) expenses and reduction of costs.
- The plan for profit for the year attributable to owners of the parent was revised to 555.0 billion yen.
- The interim dividend was 55 yen per share, and the forecast for total dividends to be paid for the fiscal year ending March 31, 2022 (FY22) is 110 yen per share.

I. Consolidated financial summary for the first half (6 months) ended September 30, 2021

- **Sales revenue: 6,988.2 billion yen** (a year-on-year increase of 21.0%)
Increase due to higher sales revenue from all businesses.
- **Operating profit: 442.1 billion yen** (a year-on-year increase of 161.2%)
Increase due primarily to higher profit related to changes in sales volume and model mix.
- **Profit for the period attributable to owners of the parent: 389.2 billion yen**
(a year-on-year increase of 143.2%)

II. Consolidated financial summary and business-by-business results for the fiscal second quarter (3 months) ended September 30, 2021

- **Sales revenue: 3,404.3 billion yen** (a year-on-year decrease of 6.8%)
Decrease due primarily to a decrease in sales revenue from automobile businesses.
- **Operating profit: 198.9 billion yen** (a year-on-year decrease of 29.7%)
Decrease due primarily to a decrease in profit related to changes in sales volume and model mix.
- **Profit for the period attributable to owners of the parent: 166.6 billion yen**
(a year-on-year decrease of 30.8%)

1) Motorcycle business

- **Sales revenue: 505.5 billion yen** (a year-on-year increase of 12.4 billion yen)
Although sales decreased in Asia, sales revenue experienced a year-on-year increase due primarily to favorable currency effects.

Operating profit: 67.4 billion yen (a year-on-year decrease of 1.0 billion yen).

Decrease due primarily to a decrease in profit related to changes in sales revenue and model mix.

2) Automobile business

Sales revenue: 2,182.4 billion yen (a year-on-year decrease of 284.6 billion yen)

Decrease due primarily to a decrease in sales mainly in North America.

Operating profit: 46.4 billion yen (a year-on-year decrease of 78.9 billion yen)

Decrease due primarily to a decrease in unit sales as a result of the supply shortage of certain parts, including semiconductors.

Combined with operating profit from financial services business related to automobile sales, the estimated operating profit for automobile business is 127.7 billion yen.

3) Financial Services business

Operating profit: 84.5 billion yen (a year-on-year decrease of 8.7 billion yen)

Decrease due primarily to a year-on-year difference in the amount of the provision for credit losses recorded.

4) Life Creation (power products) and Other businesses

Operating profit: 0.5 billion yen (a year-on-year increase of 4.7 billion yen)

Aircraft/aircraft engine business, which is included in "Other businesses," accounted for an operating loss of 7.2 billion yen.

III. Forecasts for the Fiscal Year Ending March 31, 2022 (FY22)

- Honda is expecting that the external business environment will remain challenging during this fiscal year due primarily to the resurgence of COVID-19, the supply shortage of certain parts including semiconductors and an increase in raw material costs. Based on this assumption, Honda plans to achieve fiscal year operating profit of 660 billion yen, which is equivalent to that of the previous fiscal year, through continuous efforts to improve profitability including the control of selling, general and administrative (SG&A) expenses and reduction of costs.
- The plan for profit for the fiscal year attributable to owners of the parent was revised to 555.0 billion yen.

Consolidated Financial Results for the Fiscal 2nd Quarter Ended September 30, 2021

		2nd quarter ended Sep. 30, 2020 (3 months period)	2nd quarter ended Sep. 30, 2021 (3 months period)	Difference
Honda Group Unit Sales*1 (million units)	Motorcycles	4.467	4.294	-0.173
	Automobiles*3	1.253	0.917	-0.336
	Life Creation	1.370	1.522	+0.152
Consolidated Unit Sales*2 (million units)	Motorcycles	3.023	2.695	-0.328
	Automobiles*3	0.753	0.574	-0.179
	Life Creation	1.370	1.522	+0.152
Financial Results (billion yen)	Sales revenue	3,651.3	3,404.3	-247.0
	Operating profit	282.9	198.9	-83.9
	Share of profit of investments accounted for using the equity method	62.3	51.3	-10.9
	Profit before income taxes	345.7	249.0	-96.6
	Profit for the period attributable to owners of the parent	240.9	166.6	-74.2
Honda's Average Rate (yen)	USD=	106	110	JPY depreciated against the USD by 4 yen/dollar

Consolidated Financial Results for the Fiscal First Half Ended September 30, 2021

		Fiscal first half ended Sep. 30, 2020 (6 months period)	Fiscal first half ended Sep. 30, 2021 (6 months period)	Difference
Honda Group Unit Sales* ¹ (million units)	Motorcycles	6.322	8.173	+1.851
	Automobiles* ³	2.045	1.915	-0.130
	Life Creation	2.453	3.230	+0.777
Consolidated Unit Sales* ² (million units)	Motorcycles	4.244	5.087	+0.843
	Automobiles* ³	1.090	1.182	+0.092
	Life Creation	2.453	3.230	+0.777
Financial Results (billion yen)	Sales revenue	5,775.1	6,988.2	+1,213.0
	Operating profit	169.2	442.1	+272.9
	Share of profit of investments accounted for using the equity method	102.2	107.2	+4.9
	Profit before income taxes	272.2	560.3	+288.1
	Profit for the period attributable to owners of the parent	160.0	389.2	+229.1
Interim dividend per share (yen)		30* ⁴	55	+25
Honda's Average Rate (yen)	USD=	107	110	JPY depreciated against the USD by 3 yen/dollar

Forecasts for the Fiscal Year Ending March 31, 2022 (FY22)

		FY21 results	Previous FY22 forecasts (2021/8/4)	Revised FY22 forecasts (2021/11/5)	Difference compared to FY21 results	Difference compared to previous forecasts
Honda Group Unit Sales* ¹ (million units)	Motorcycles	15.132	17.400	17.500	+2.368	+0.100
	Automobiles* ³	4.546	4.850	4.200	-0.346	-0.650
	Life Creation	5.623	6.300	6.100	+0.477	-0.200
Consolidated Unit Sales* ² (million units)	Motorcycles	10.264	11.130	11.040	+0.776	-0.090
	Automobiles* ³	2.617	2.940	2.525	-0.092	-0.415
	Life Creation	5.623	6.300	6.100	+0.477	-0.200
Financial Results (billion yen)	Sales revenue	13,170.5	15,450.0	14,600.0	+1,429.4	-850.0
	Operating profit	660.2	780.0	660.0	-0.2	-120.0
	Share of profit of investments accounted for using the equity method	272.7	220.0	200.0	-72.7	-20.0
	Profit before income taxes	914.0	1,000.0	860.0	-54.0	-140.0
	Profit for the year attributable to owners of the parent	657.4	6,70.0	555.0	-102.4	-115.0
Annual dividend per share (yen)		110	110	110	—	—
Honda's Average Rate (yen)	USD=	106	106	110	JPY to depreciate against the USD by 4 yen/dollar	JPY to depreciate against the USD by 4 yen/dollar

*1 Honda Group Unit Sales is the total unit sales of completed products (motorcycles, ATVs, Side-by-Sides, automobiles, power products) of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method.

*2 Consolidated Unit Sales is the total unit sales of completed products (motorcycles, ATVs, Side-by-Sides, automobiles, power products) corresponding to consolidated sales revenue, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

*3 Certain sales of automobiles that are financed with residual value type auto loans and others by our Japanese finance subsidiaries and provided through our consolidated subsidiaries are accounted for as operating leases in conformity with IFRS and are not included in consolidated sales revenue to the external customers in our automobile business. Accordingly, they are not included in Consolidated Unit Sales, but are included in Honda Group Unit Sales of our automobile business.

*4 Until the end of the previous fiscal year ended March 31, 2021 (FY21), Honda was paying dividends on a quarterly basis, therefore, the amount shown in the chart is a sum of dividends paid for the fiscal first and second quarters of the FY21.

For more details, please check the Investor Relations section of Honda website:

<https://www.honda.co.jp/investors/library/financialresult.html> (Japanese)

<https://global.honda/investors/library/financialresult.html> (English)