



Data

Assurance (Environment/Social)	154
GRI Content Index	155
Financial Data	161

Assurance (Environment/Social)

To disclose environment- and social-related data to our diverse stakeholders in a more transparent and reliable manner, Honda obtained the independent practitioner's assurance of the environment- and social-related data indicated with for the year ended March 31, 2023 in the Japanese version of this report by Deloitte Tohmatsu Sustainability Co., Ltd., a subsidiary of Deloitte Touche Tohmatsu LLC, which is a member firm of Deloitte Touche Tohmatsu Limited.

Scope of Assurance

Environment-related data assured:

- Direct emissions from business activities (Scope 1), Indirect emissions from energy use (Scope 2), Emissions from Honda business activities (Total Scope 1 and 2) and Emissions from customer use of sold products (Scope 3, category 11) out of Honda's total GHG emissions
- GHG emissions (Direct emissions (Scope 1), Indirect emissions (Scope 2), Total emissions (Scopes 1 and 2))
- Energy consumption (Direct energy consumption, Indirect energy consumption and Total energy consumption)
- Water intake/Wastewater volume
- Atmospheric pollutants (SOx emissions, NOx emissions)
- Waste generated

Social-related data assured:

- Lost time injury frequency rate (LTIFR) in Japan
- The number of work accident fatality in Japan

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

June 19, 2023

Mr. Toshihiro Mibe,
Director, President and Representative Executive Officer,
Chief Executive Officer
Honda Motor Co., Ltd.

Tomoharu Hase
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the environment- and social-related data indicated with for the year ended March 31, 2023 (the "Sustainability Information") included in the "Honda ESG Data Book 2023" (the "Report") of Honda Motor Co., Ltd. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Sustainability Information in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited



GRI Content Index

Universal Standards

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part omitted	Omission Reason	Explanation
GRI 2: General Disclosures 2021	1. The organization and its reporting practices				
	2-1	Organizational details	2		
	2-2	Entities included in the organization's sustainability reporting	2		
	2-3	Reporting period, frequency and contact point	2		
	2-4	Restatements of information	2		
	2-5	External assurance	2, 153		
	2. Activities and workers				
	2-6	Activities, value chain and other business relationships	88, 90, 91, 93		
	2-7	Employees	143		
	2-8	Workers who are not employees	Form 20-F 99 https://global.honda/investors/library/form20_f.html		
	3. Governance				
	2-9	Governance structure and composition	111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123		
	2-10	Nomination and selection of the highest governance body	113, 114, 119, 120, 121, 122, 123		
	2-11	Chair of the highest governance body	119		
	2-12	Role of the highest governance body in overseeing the management of impacts	4, 5, 6, 7, 8, 9		
	2-13	Delegation of responsibility for managing impacts	113		
	2-14	Role of the highest governance body in sustainability reporting	5		
	2-15	Conflicts of interest	111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123		
	2-16	Communication of critical concerns	6, 111, 112		
	2-17	Collective knowledge of the highest governance body	111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123		
	2-18	Evaluation of the performance of the highest governance body	115		
2-19	Remuneration policies	115			
2-20	Process to determine remuneration	115			
2-21	Annual total compensation ratio	151			



GRI Content Index

Universal Standards

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission			
			Part omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	4. Strategy, policies and practices					
	2-22	Statement on sustainable development strategy	Integrated Report (Honda Report 2022) p.19~22 https://global.honda/sustainability/integratedreport/pdf/Honda_Report_2022-en-all-m.pdf#page=11			
	2-23	Policy commitments	67, 147, 148			
	2-24	Embedding policy commitments	67			
	2-25	Processes to remediate negative impacts	67, 125			
	2-26	Mechanisms for seeking advice and raising concerns	125			
	2-27	Compliance with laws and regulations	15, 19, 124, 125			
	2-28	Membership associations	9, 102			
	5. Stakeholder engagement					
	2-29	Approach to stakeholder engagement	6, 7, 8, 9			
	2-30	Collective bargaining agreements	Form 20-F 99 https://global.honda/investors/library/form20_f.html			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	6			
	3-2	List of material topics	6			
	3-3	Management of material topics	6			

Topic Standards

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission			
			Part omitted	Reason	Explanation	
Economy						
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	172, 173			
	201-2	Financial implications and other risks and opportunities due to climate change	16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 77, 133, 142			
	201-3	Defined benefit plan obligations and other retirement plans	Form 20-F F-23, F-52, F-53, F-54, F-55, F-56 https://global.honda/investors/library/form20_f.html			
	201-4	Financial assistance received from government	–	Financial assistance received from government	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2024 ESG Data Book (to be published in June 2024).



GRI Content Index

Topic Standards

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission			
			Part omitted	Reason	Explanation	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level employee wage by gender compared to local minimum wage	146			
	202-2	Proportion of senior management hired from the local community	143			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	9, 35			
	203-2	Significant indirect economic impacts	91, 149			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	91			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	125			
	205-2	Communication and training on anti-corruption policies and procedures	125			
	205-3	Confirmed incidents of corruption and actions taken	125			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	124			
GRI 207: Tax 2019	207-1	Approach to tax	117, 152			
	207-2	Tax governance, control, and risk management	117, 152			
	207-3	Stakeholder engagement and management of concerns related to tax	117, 152			
	207-4	Country-by-country reporting	-	Country-by-country reporting	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2024 ESG Data Book (to be published in June 2024).
Environment						
GRI 301: Materials 2016	301-1	Materials used by weight or volume	-	Materials used by weight or volume	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2024 ESG Data Book (to be published in June 2024).
	301-2	Recycled input materials used	-	Recycled input materials used	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2024 ESG Data Book (to be published in June 2024).
	301-3	Reclaimed products and their packaging materials	23			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	140			
	302-2	Energy consumption outside of the organization	140			
	302-3	Energy intensity	-	Energy intensity	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2024 ESG Data Book (to be published in June 2024).



GRI Content Index

Topic Standards

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
GRI 302: Energy 2016	302-4 Reduction of energy consumption	140			
	302-5 Reductions in energy requirements of products and services	18, 19, 20, 21, 140			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	26			
	303-2 Management of water discharge-related impacts	26			
	303-3 Water withdrawal	22, 26, 135			
	303-4 Water discharge	22, 26, 135			
	303-5 Water consumption	22, 26, 135			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	27, 28, 29, 30			
	304-2 Significant impacts of activities, products, and services on biodiversity	27, 28, 29, 30			
	304-3 Habitats protected or restored	27, 28, 29, 30			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	27, 28, 29, 30			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	134, 136, 137, 138			
	305-2 Energy indirect (Scope 2) GHG emissions	134, 136, 137, 138			
	305-3 Other indirect (Scope 3) GHG emissions	134, 136, 137			
	305-4 GHG emissions intensity	18, 20, 134			
	305-5 Reduction of GHG emissions	134, 136, 137, 138			
	305-6 Emissions of ozone-depleting substances (ODS)	24			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	139			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	23, 24, 25, 135			
	306-2 Management of significant waste-related impacts	23, 24, 25, 135			
	306-3 Waste generated	23, 24, 25, 135			
	306-4 Waste diverted from disposal	23, 24, 25, 135			
	306-5 Waste directed to disposal	23, 24, 25, 135			
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	15			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	90			
	308-2 Negative environmental impacts in the supply chain and actions taken	89, 92, 93, 94, 95, 96			



GRI Content Index

Topic Standards

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
Social					
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	142		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	78		
	401-3	Parental leave	76, 143		
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	80		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	82		
	403-2	Hazard identification, risk assessment, and incident investigation	82, 83		
	403-3	Occupational health services	84, 85		
	403-4	Worker participation, consultation, and communication on occupational health and safety	82		
	403-5	Worker training on occupational health and safety	83		
	403-6	Promotion of worker health	84, 85, 86		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81, 82		
	403-8	Workers covered by an occupational health and safety management system	82		
	403-9	Work-related injuries	145		
	403-10	Work-related ill health	145		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	69, 142		
	404-2	Programs for upgrading employee skills and transition assistance programs	65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 145		
	404-3	Percentage of employees receiving regular performance and career development reviews	79, 146		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	67, 71, 72, 73, 74, 75, 76, 77, 111, 112, 142, 145, 150		
	405-2	Ratio of basic salary and remuneration of women to men	144		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	124, 125, 126		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	64, 90, 94, 95, 96		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	90, 126		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	90, 126		



GRI Content Index

Topic Standards

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part omitted	Reason	Explanation
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	68, 143			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	89, 90, 91, 94, 95, 96			
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	67, 70, 90, 94, 95			
	412-2 Employee training on human rights policies or procedures	67, 70, 90, 94, 95, 96			
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	90, 94, 95			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	7, 8, 14, 104, 105, 106, 107, 108, 109			
	413-2 Operations with significant actual and potential negative impacts on local communities	7, 8, 14, 104, 105, 106, 107, 108, 109			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	90			
	414-2 Negative social impacts in the supply chain and actions taken	90, 94, 95, 96			
GRI 415: Public Policy 2016	415-1 Political contributions	9			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	46			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	61			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	19			
	417-2 Incidents of non-compliance concerning product and service information and labeling	19			
	417-3 Incidents of non-compliance concerning marketing communications	124, 125, 126			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	130			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	125			

Financial Data

Operating and Financial Review

Sales Revenue

Honda's consolidated sales revenue for the fiscal year ended March 31, 2023, increased by ¥2,355.0 billion, or 16.2%, to ¥16,907.7 billion from the fiscal year ended March 31, 2022, due mainly to increased sales revenue in Motorcycle business operations as well as positive foreign currency translation effects. Honda estimates that by applying Japanese yen exchange rates of the previous fiscal year to the current fiscal year, sales revenue for the year would have increased by approximately ¥253.2 billion, or 1.7%, compared to the increase as reported of ¥2,355.0 billion, which includes positive foreign currency translation effects.

Operating Costs and Expenses

Operating costs and expenses increased by ¥2,445.4 billion, or 17.9%, to ¥16,126.9 billion from the previous fiscal year. Cost of sales increased by ¥2,008.2 billion, or 17.4%, to ¥13,576.1 billion from the previous fiscal year, due mainly to an increase in costs attributable to increased consolidated sales revenue in Motorcycle business operations as well as foreign currency effects. Selling, general and administrative expenses increased by ¥343.4 billion, or 25.9%, to ¥1,669.9 billion from the previous fiscal year, due mainly to an increase in expenses including product warranty expenses as well as foreign currency effects. Research and development expenses increased by ¥93.8 billion, or 11.9%, to ¥880.9 billion from the previous fiscal year.

Operating Profit

Operating profit decreased by ¥90.4 billion, or 10.4%, to ¥780.7 billion from the previous fiscal year, due mainly to decreased profit attributable to sales impacts and increased expenses including product warranty expenses, which was partially offset by positive foreign currency effects. Honda estimates that by excluding positive foreign currency effects of approximately ¥295.9 billion, operating profit would have decreased by approximately ¥386.3 billion.

With respect to the discussion above of the changes, management identified factors and used what it believes to be a reasonable method to analyze the respective changes in such factors. Management analyzed changes in these factors at the levels of the Company and its material consolidated subsidiaries.

- (1) "Foreign currency effects" consist of "translation adjustments", which come from the translation of the currency of foreign subsidiaries' financial statements into Japanese yen, and "foreign currency adjustments", which result from foreign-currency-denominated transaction. With respect to "foreign currency adjustments", management analyzed foreign currency adjustments primarily related to the following currencies: U.S. dollar, Japanese yen and others at the level of the Company and its material consolidated subsidiaries.
- (2) With respect to "price and cost impacts", management analyzed effects of changes in sales price, cost reductions, effects of raw material cost fluctuations and others, excluding foreign currency effects.
- (3) With respect to "sales impacts", management analyzed changes in sales volume and mix of product models sold that resulted in increases/decreases in profit, changes in sales revenue of Financial services business that resulted in increases/decreases in profit as well as certain other reasons for increases/decreases in sales revenue and cost of sales, excluding foreign currency effects.

- (4) With respect to "expenses", management analyzed reasons for an increase/decrease in selling, general and administrative expenses from the previous fiscal year excluding foreign currency translation effects.
- (5) With respect to "Research and Development expenses", management analyzed reasons for an increase/decrease in research and development expenses from the previous fiscal year excluding foreign currency translation effects.

The estimates excluding the foreign currency effects are not on the same basis as Honda's consolidated financial statements, and do not conform to IFRS. Furthermore, Honda does not believe that these measures are substitute for the disclosure required by IFRS. However, Honda believes that such estimates excluding the foreign currency effects provide financial statements users with additional useful information for understanding Honda's results.

Profit before Income Taxes

Profit before income taxes decreased by ¥190.6 billion, or 17.8%, to ¥879.5 billion from the previous fiscal year. The main factors behind this decrease, except factors relating to operating profit, are as follows:

Share of profit of investments accounted for using the equity method had a negative impact of ¥85.0 billion, due mainly to recognition of impairment losses on certain investments accounted for using the equity method.

Finance income and finance costs had a negative impact of ¥15.0 billion, due mainly to effect from gains or losses on derivatives as well as effect from gains or losses on foreign exchange, which was partially offset by increased interest income. For further details, see note "(22) Finance Income and Finance Costs" to the accompanying consolidated financial statements.

Financial Data

Income Tax Expense

Income tax expense decreased by ¥147.2 billion, or 47.6%, to ¥162.2 billion from the previous fiscal year. The average effective tax rate decreased by 10.5 percentage points to 18.4% from the previous fiscal year. The benefits of deferred taxes in Japan for the fiscal year ended March 31, 2023, include tax benefits of ¥96.1 billion resulting from the recognition of deferred tax assets previously unrecognized on tax losses, tax credits and deductible temporary differences in the consolidated group under the Japanese Group Relief System, which consists of the Company and its certain consolidated subsidiaries in Japan. We consider it probable that future taxable profit in the consolidated group would be available considering its taxable profits for the past two consecutive years and the expected increase of the Company's profits in response to the increase in Honda's consolidated unit sales of automobiles in Japan and foreign countries for the future years. For further details, see "(a) Income Tax Expense" of note "(23) Income Taxes" to the accompanying consolidated financial statements.

Profit for the Year

Profit for the year decreased by ¥43.3 billion, or 5.7%, to ¥717.3 billion from the previous fiscal year.

Profit for the Year Attributable to Owners of the Parent

Profit for the year attributable to owners of the parent decreased by ¥55.6 billion, or 7.9%, to ¥651.4 billion from the previous fiscal year.

Profit for the Year Attributable to Non-controlling Interests

Profit for the year attributable to non-controlling interests increased by ¥12.2 billion, or 22.9%, to ¥65.8 billion from the previous fiscal year.

Operating segments and geographic segments in financial data

Segment	Principal products and services	Functions
Motorcycle Business	Motorcycles, all-terrain vehicles (ATVs), Side-by-Side (SxS) and relevant parts	Research and development, Manufacturing, Sales and related services
Automobile Business	Automobiles and relevant parts	Research and development, Manufacturing, Sales and related services
Financial Services Business	Financial services	Retail loan and lease related to Honda products, Others
Power Products and Other Businesses	Power products and relevant parts, and others	Research and development, Manufacturing, Sales and related services, Others

- Operating segments are defined as the components of Honda for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The accounting policies used for these reportable segments are consistent with the accounting policies used in the Company's consolidated financial statements.
- Life creation business has been renamed Power products business as a result of organizational changes effective April 1, 2022.

Area	Major countries
North America	United States, Canada, Mexico
Europe	United Kingdom, Germany, Belgium, Italy, France
Asia	Thailand, China, India, Vietnam, Malaysia
Other Regions	Brazil, Australia

- Segmentation by country and region is based on geographical proximity.

Financial Data

Motorcycle Business

Honda Group Unit Sales*

	FY2022	FY2023	Change	%
Total	17,027	18,757	1,730	10.2
Japan	244	246	2	0.8
North America	437	459	22	5.0
Europe	317	347	30	9.5
Asia	14,589	16,108	1,519	10.4
Other Regions	1,440	1,597	157	10.9

Consolidated Unit Sales*

	FY2022	FY2023	Change	%
Total	10,721	12,161	1,440	13.4
Japan	244	246	2	0.8
North America	437	459	22	5.0
Europe	317	347	30	9.5
Asia	8,283	9,512	1,229	14.8
Other Regions	1,440	1,597	157	10.9

* Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries.

Total demand for motorcycles in India, the largest market within Asia, increased by around 6% from the previous year to approximately 15,360 thousand units in calendar year 2022. Total demand for motorcycles in other countries in Asia*¹ remained basically unchanged from the previous year at approximately 19,890 thousand units in calendar year 2022, mainly due to an increase in sales units in Vietnam, which offset a decrease in sales units in China. Honda's consolidated unit sales in Asia were 9,512 thousand units in fiscal year 2023, an increase by 14.8% from the previous fiscal year, mainly due to the increases in sales units of the Activa model series in India and the Wave model series in Vietnam. Honda's consolidated unit sales do not include sales by P.T. Astra Honda Motor in Indonesia, which is accounted for using the equity method. P.T. Astra Honda Motor's unit sales increased by around 15% from the previous fiscal year to approximately 4,480 thousand units in fiscal year 2023, mainly due to the increases in sales units of the BeAT and Vario model series.

Total demand for motorcycles in Brazil*², the principal market within Other Regions, increased by around 19% from the previous year to approximately 1,350 thousand units in calendar year 2022. In Other Regions (including South America, the Middle East, Africa, Oceania, and other areas), Honda's consolidated unit sales increased by 10.9% from the previous fiscal year to 1,597 thousand units in fiscal year 2023, mainly due to the increases in sales units of the CG160 and Biz model series in Brazil.

*¹ Based on Honda research. Only includes the following seven countries: Thailand, Indonesia, Malaysia, the Philippines, Vietnam, Pakistan, and China.

*² Source: ABRACICLO (the Brazilian Association of Motorcycle, Moped, and Bicycle Manufacturers)



Financial Data

Automobile Business

Honda Group Unit Sales*

	FY2022	FY2023	Change	%
Total	4,074	3,687	(387)	(9.5)
Japan	547	550	3	0.5
North America	1,283	1,195	(88)	(6.9)
Europe	100	84	(16)	(16.0)
Asia	2,022	1,744	(278)	(13.7)
Other Regions	122	114	(8)	(6.6)

Consolidated Unit Sales*

	FY2022	FY2023	Change	%
Total	2,424	2,382	(42)	(1.7)
Japan	476	484	8	1.7
North America	1,283	1,195	(88)	(6.9)
Europe	100	84	(16)	(16.0)
Asia	443	505	62	14.0
Other Regions	122	114	(8)	(6.6)

* Honda Group Unit Sales is the total unit sales of completed products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed products of Honda and its consolidated subsidiaries. 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.

Total demand for automobiles in Japan*¹ increased by around 4% from the previous fiscal year to approximately 4,380 thousand units in fiscal year 2023. Honda's consolidated unit sales in Japan*² increased by 1.7% from the previous fiscal year to 484 thousand units in fiscal year 2023, mainly due to an increase in sales units of the N-BOX model, despite the impacts of the semiconductor supply shortage. Honda's unit production of automobiles in Japan increased by 1.4% from the previous fiscal year to 643 thousand units in fiscal year 2023.

Total demand for automobiles in the United States*³, the principal market within North America, decreased by around 8% from the previous year to approximately 13,890 thousand units in calendar year 2022. Honda's consolidated unit sales in North America decreased by 6.9% from the previous fiscal year to 1,195 thousand units in fiscal year 2023, mainly due to the decreases in sales units of the HR-V and CIVIC models, attributable to the impacts of the semiconductor supply shortage. Honda's unit production of automobiles in North America decreased by 1.7% from the previous fiscal year to 1,249 thousand units in fiscal year 2023.

Total demand for automobiles in Asia*⁴ increased by around 18% from the previous year to approximately 8,340 thousand units in calendar year 2022. This was mainly due to the increases in demand in India and Malaysia. Total demand for automobiles in China*⁵ increased by around 2% from the previous year to approximately 26,860 thousand units in calendar year 2022.

Honda's consolidated unit sales in Asia increased by 14.0% from the previous fiscal year to 505 thousand units in fiscal year 2023, mainly due to the increases in sales units of the BR-V and BRIO models in Indonesia. Honda's consolidated unit sales do not include unit sales of Dongfeng Honda Automobile Co., Ltd. and GAC Honda Automobile Co., Ltd., both of which are joint ventures accounted for using the equity method in China. Unit sales in China substantially decreased by 21.5% from the previous fiscal year to 1,240 thousand units in fiscal year 2023, mainly due to the decreases in sales units of the XR-V and VEZEL models, attributable to the impacts of the semiconductor supply shortage. Honda's unit production by consolidated subsidiaries in Asia*⁶ increased by 14.1% from the previous fiscal year to 556 thousand units in fiscal year 2023. Meanwhile, unit production by Chinese joint ventures Dongfeng Honda Automobile Co., Ltd. and GAC Honda Automobile Co., Ltd. decreased by 19.4% from the previous fiscal year to 1,306 thousand units in fiscal year 2023.

*1 Source: JAMA (Japan Automobile Manufacturers Association), as measured by the number of regular vehicle registrations (661cc or higher) and mini vehicles (660cc or lower)

*2 Certain sales of automobiles that are financed with residual value type auto loans and others by our Japanese finance subsidiaries and sold through our consolidated subsidiaries are accounted for as operating leases in conformity with IFRS and are not included in consolidated sales revenue to external customers in the Automobile business. Accordingly, they are not included in consolidated unit sales.

*3 Source: Autodata

*4 The total is based on Honda research and includes the following eight countries: Thailand, Indonesia, Malaysia, the Philippines, Vietnam, Taiwan, India and Pakistan.

*5 Source: CAAM (China Association of Automobile Manufacturers)

*6 The total includes the following seven countries: Thailand, Indonesia, Malaysia, Vietnam, Taiwan, India and Pakistan.

Financial Data

Power Products and Other Businesses

Honda Group Unit Sales/Consolidated Unit Sales* (thousands)

	FY2022	FY2023	Change	%
Total	6,200	5,645	(555)	(9.0)
Japan	353	376	23	6.5
North America	2,738	2,274	(464)	(16.9)
Europe	1,189	1,168	(21)	(1.8)
Asia	1,487	1,408	(79)	(5.3)
Other Regions	433	419	(14)	(3.2)

* Honda Group Unit Sales is the total unit sales of completed power products of Honda, its consolidated subsidiaries and its affiliates and joint ventures accounted for using the equity method. Consolidated Unit Sales is the total unit sales of completed power products corresponding to consolidated sales revenue to external customers, which consists of unit sales of completed power products of Honda and its consolidated subsidiaries. In Power products Business, there is no discrepancy between Honda Group Unit Sales and Consolidated Unit Sales since no affiliate and joint venture accounted for using the equity method was involved in the sale of Honda power products.

Honda's consolidated unit sales in North America decreased by 16.9% from the previous fiscal year to 2,274 thousand units in fiscal year 2023, mainly due to a decrease in sales units of OEM engines*.

Honda's consolidated unit sales in Europe decreased by 1.8% from the previous fiscal year to 1,168 thousand units in fiscal year 2023, mainly due to a decrease in sales units of OEM engines, which offset an increase in the sales units of generators.

Honda's consolidated unit sales in Asia decreased by 5.3% from the previous fiscal year to 1,408 thousand units in fiscal year 2023, mainly due to a decrease in sales units of OEM engines.

* OEM (Original Equipment Manufacturer) engines: refers to engines installed on products sold under a third-party brand.

Financial Data

Consolidated Statements of Financial Position

March 31, 2022 and 2023

Assets	Yen (millions)	
	2022	2023
Current assets:		
Cash and cash equivalents	¥3,674,931	¥3,803,014
Trade receivables	896,768	1,060,271
Receivables from financial services	1,694,113	1,899,493
Other financial assets	217,743	263,892
Inventories	1,918,548	2,167,184
Other current assets	439,322	384,494
Total current assets	8,841,425	9,578,348
Non-current assets:		
Investments accounted for using the equity method	967,404	915,946
Receivables from financial services	3,740,383	3,995,259
Other financial assets	819,654	855,070
Equipment on operating leases	5,159,129	4,726,292
Property, plant and equipment	3,079,407	3,168,109
Intangible assets	849,507	870,900
Deferred tax assets	91,592	105,792
Other non-current assets	424,652	454,351
Total non-current assets	15,131,728	15,091,719
Total assets	¥23,973,153	¥24,670,067

Liabilities and Equity	Yen (millions)	
	2022	2023
Current liabilities:		
Trade payables	¥1,236,233	¥1,426,333
Financing liabilities	3,118,304	3,291,195
Accrued expenses	375,601	419,570
Other financial liabilities	236,900	324,110
Income taxes payable	96,116	86,252
Provisions	268,388	362,701
Other current liabilities	672,857	741,963
Total current liabilities	6,004,399	6,652,124
Non-current liabilities:		
Financing liabilities	4,984,252	4,373,973
Other financial liabilities	282,083	288,736
Retirement benefit liabilities	282,054	255,852
Provisions	253,625	270,169
Deferred tax liabilities	990,754	877,300
Other non-current liabilities	403,440	449,622
Total non-current liabilities	7,196,208	6,515,652
Total liabilities	13,200,607	13,167,776
Equity:		
Common stock	86,067	86,067
Capital surplus	185,495	185,589
Treasury stock	(328,309)	(484,931)
Retained earnings	9,539,133	9,980,128
Other components of equity	990,438	1,417,397
Equity attributable to owners of the parent	10,472,824	11,184,250
Non-controlling interests	299,722	318,041
Total equity	10,772,546	11,502,291
Total liabilities and equity	¥23,973,153	¥24,670,067



Financial Data

Consolidated Statements of Income

Years ended March 31, 2022 and 2023

	Yen (millions)	
	2022	2023
Sales revenue	¥14,552,696	¥16,907,725
Operating costs and expenses:		
Cost of sales	(11,567,923)	(13,576,133)
Selling, general and administrative	(1,326,485)	(1,669,908)
Research and development	(787,056)	(880,915)
Total operating costs and expenses	(13,681,464)	(16,126,956)
Operating profit	871,232	780,769
Share of profit of investments accounted for using the equity method	202,512	117,445
Finance income and finance costs:		
Interest income	25,627	73,071
Interest expense	(16,867)	(36,112)
Other, net	(12,314)	(55,608)
Total finance income and finance costs	(3,554)	(18,649)
Profit before income taxes	1,070,190	879,565
Income tax expense	(309,489)	(162,256)
Profit for the year	¥760,701	¥717,309
Profit for the year attributable to:		
Owners of the parent	¥707,067	¥651,416
Non-controlling interests	53,634	65,893
Earnings per share attributable to owners of the parent(Yen)		
Basic and diluted	411.09	384.02

Consolidated Statements of Cash Flows

Years ended March 31, 2022 and 2023

	Yen (millions)	
	2022	2023
Cash flows from operating activities:		
Profit before income taxes	¥1,070,190	¥879,565
Depreciation, amortization and impairment losses excluding equipment on operating leases	611,063	721,630
Share of profit of investments accounted for using the equity method	(202,512)	(117,445)
Finance income and finance costs, net	(56,352)	(71,661)
Interest income and interest costs from financial services, net	(155,872)	(146,461)
Changes in assets and liabilities		
Trade receivables	(24,037)	(155,924)
Inventories	(208,895)	(171,467)
Trade payables	50,122	105,272
Accrued expenses	(68,811)	42,122
Provisions and retirement benefit liabilities	(156,079)	90,880
Receivables from financial services	509,741	(41,480)
Equipment on operating leases	171,600	768,070
Other assets and liabilities	28,981	218,369
Other, net	(19,782)	(1,222)
Dividends received	193,555	244,902
Interest received	237,724	324,234
Interest paid	(97,884)	(159,020)
Income taxes paid, net of refund	(203,130)	(401,342)
Net cash provided by operating activities	1,679,622	2,129,022

	Yen (millions)	
	2022	2023
Cash flows from investing activities:		
Payments for additions to property, plant and equipment	¥(268,143)	¥(475,048)
Payments for additions to and internally developed intangible assets	(181,083)	(157,440)
Proceeds from sales of property, plant and equipment and intangible assets	27,108	16,206
Payments for acquisitions of subsidiaries, net of cash and cash equivalents acquired	-	740
Payments for acquisitions of investments accounted for using the equity method	-	(23,826)
Payments for acquisitions of other financial assets	(488,631)	(527,334)
Proceeds from sales and redemptions of other financial assets	534,693	488,642
Net cash used in investing activities	(376,056)	(678,060)
Cash flows from financing activities:		
Proceeds from short-term financing liabilities	7,487,724	9,127,333
Repayments of short-term financing liabilities	(7,960,144)	(8,684,799)
Proceeds from long-term financing liabilities	2,002,823	971,067
Repayments of long-term financing liabilities	(1,761,561)	(2,382,190)
Dividends paid to owners of the parent	(188,402)	(213,475)
Dividends paid to non-controlling interests	(53,813)	(51,376)
Purchases and sales of treasury stock, net	(62,180)	(156,622)
Repayments of lease liabilities	(80,165)	(78,297)
Net cash provided by (used in) financing activities	(615,718)	(1,468,359)
Effect of exchange rate changes on cash and cash equivalents	229,063	145,480
Net change in cash and cash equivalents	916,911	128,083
Cash and cash equivalents at beginning of year	2,758,020	3,674,931
Cash and cash equivalents at end of year	¥3,674,931	¥3,803,014



Financial Data

Segment Information

Segment information as of and for the years ended March 31, 2022 and 2023 is as follows:

As of and for the year ended March 31, 2022

Yen (millions)

	Motorcycle Business	Automobile Business	Financial Services Business	Power Products and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	¥2,185,253	¥9,147,498	¥2,820,667	¥399,278	¥14,552,696	-	¥14,552,696
Intersegment	-	213,095	2,656	22,480	238,231	(238,231)	-
Total	2,185,253	9,360,593	2,823,323	421,758	14,790,927	(238,231)	14,552,696
Segment profit (loss)	311,492	236,207	333,032	(9,499)	871,232	-	871,232
Segment assets	1,448,926	9,563,553	11,318,756	475,124	22,806,359	1,166,794	23,973,153
Depreciation and amortization	65,423	510,755	883,712	17,018	1,476,908	-	1,476,908
Capital expenditures	49,203	410,169	2,028,700	15,748	2,503,820	-	2,503,820

As of and for the year ended March 31, 2023

Yen (millions)

	Motorcycle Business	Automobile Business	Financial Services Business	Power Products and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	¥2,908,983	¥10,593,519	¥2,954,098	¥451,125	¥16,907,725	-	¥16,907,725
Intersegment	-	188,198	2,046	25,307	215,551	(215,551)	-
Total	2,908,983	10,781,717	2,956,144	476,432	17,123,276	(215,551)	16,907,725
Segment profit (loss)	488,709	(16,629)	285,857	22,832	780,769	-	780,769
Segment assets	1,580,521	10,082,519	11,197,017	480,166	23,340,223	1,329,844	24,670,067
Depreciation and amortization	65,746	600,617	908,942	21,571	1,596,876	-	1,596,876
Capital expenditures	59,101	613,351	1,546,683	14,386	2,233,521	-	2,233,521

Explanatory notes:

- Intersegment sales revenues are generally made at values that approximate arm's-length prices.
- Reconciling items include elimination of intersegment transactions and balances as well as unallocated corporate assets. Unallocated corporate assets included in reconciling items as of March 31, 2022 and 2023 amounted to ¥1,319,995 million and ¥1,462,656 million, respectively, which consist primarily of the Company's cash and cash equivalents and financial assets measured at fair value through other comprehensive income.



Financial Data

Financial Summary

Years ended March 31

	U.S. GAAP Yen (millions)				IFRS Yen (millions)									
	2012	2013	2014	2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Sales, income and dividends					Sales, income and dividends									
Net sales and other operating revenue	¥7,948,095	¥9,877,947	¥11,842,451	¥12,646,747	Sales revenue	¥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
Operating income	231,364	544,810	750,281	606,878	Operating profit	670,603	503,376	840,711	833,558	726,370	633,637	660,208	871,232	780,769
Operating margin	2.9%	5.5%	6.3%	4.8%	Operating margin	5.0%	3.4%	6.0%	5.4%	4.6%	4.2%	5.0%	6.0%	4.6%
Income before income taxes and equity in income of affiliates	257,403	488,891	728,940	644,809	Share of profit of investments accounted for using the equity method	96,097	126,001	164,793	247,643	228,827	164,203	272,734	202,512	117,445
Income taxes	135,735	178,976	252,662	235,204	Profit before income taxes	806,237	635,450	1,006,986	1,114,973	979,375	789,918	914,053	1,070,190	879,565
Equity in income of affiliates	100,406	82,723	132,471	126,570	Income tax expense	245,139	229,092	327,592	(13,666)	303,089	279,986	218,609	309,489	162,256
Net income attributable to non-controlling interests	(10,592)	(25,489)	(34,642)	(43,168)	Profit for the year	561,098	406,358	679,394	1,128,639	676,286	509,932	695,444	760,701	717,309
Net income attributable to Honda Motor Co., Ltd.	211,482	367,149	574,107	493,007	Profit for the year attributable to owners of the parent	509,435	344,531	616,569	1,059,337	610,316	455,746	657,425	707,067	651,416
Cash dividends paid during the period	108,138	129,765	142,381	158,601	Dividends paid to owners of the parent	158,601	158,601	162,205	174,221	194,271	196,795	145,090	188,402	213,475
Research and development	519,818	560,270	634,130	662,610	R&D expenditures	670,331	719,810	659,918	730,734	820,037	821,478	780,065	804,025	852,067
Interest expense	10,378	12,157	12,703	16,598	Interest expense	18,194	18,146	12,471	12,970	13,217	24,689	13,877	16,867	36,112
Assets, long-term debt and shareholders' equity					Assets, liabilities and equity									
Total assets	¥11,787,599	¥13,635,357	¥15,622,031	¥18,088,839	Total assets	¥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
Long-term debt	2,235,001	2,710,845	3,234,066	3,933,860	Financing liabilities (Non-current liabilities)	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
Total Honda Motor Co., Ltd. shareholders' equity	4,398,249	5,043,500	5,918,979	6,696,693	Equity attributable to owners of the parent	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
Capital expenditures (excluding purchase of operating lease assets)	424,413	630,408	782,027	714,502	Additions to property, plant and equipment	703,920	687,306	588,360	484,778	466,657	455,169	390,081	366,829	578,063
Depreciation (excluding property on operating leases)	345,105	335,536	442,318	490,375	Depreciation	451,052	486,410	484,133	513,455	499,036	470,320	428,063	438,269	512,501



Financial Data

Financial Summary (continued)

Years ended March 31

	U.S. GAAP Yen				IFRS Yen									
	2012	2013	2014	2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Per common share					Per share									
Net income attributable to Honda Motor Co., Ltd.:					Profit for the year attributable to owners of the parent									
Basic	¥117.34	¥203.71	¥318.54	¥273.54	¥282.66	¥191.16	¥342.10	¥590.79	¥345.99	¥260.13	¥380.75	¥411.09	¥384.02	
Diluted	117.34	203.71	318.54	273.54	282.66	191.16	342.10	590.79	345.99	260.13	380.75	411.09	384.02	
Dividends	60	76	82	88	88	88	92	100	111	112	110	120	120	
Honda Motor Co., Ltd. shareholders' equity	2,440.35	2,798.37	3,284.14	3,715.66	3,944.23	3,751.59	4,047.81	4,461.36	4,698.74	4,640.46	5,260.06	6,122.31	6,719.93	
	Yen (millions)				Yen (millions)									
Sales					Sales									
Sales amounts:*					Sales revenue:*									
Japan	¥1,517,927	¥1,652,995	¥1,912,504	¥1,810,283	¥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	
	19%	17%	16%	14%	14%	12%	13%	12%	13%	13%	14%	13%	12%	
Overseas	6,430,168	8,224,952	9,929,947	10,836,464	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	
	81%	83%	84%	86%	86%	88%	87%	88%	87%	87%	86%	87%	88%	
Total	¥7,948,095	¥9,877,947	¥11,842,451	¥12,646,747	¥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	
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Thousands				Thousands									
Unit sales:					Unit sales:									
Motorcycle Business	15,061	15,494	17,021	17,765	17,592	17,055	17,661	19,554	20,238	19,340	15,132	17,027	18,757	
Automobile Business	3,108	4,014	4,323	4,364	4,367	4,743	5,028	5,199	5,323	4,790	4,546	4,074	3,687	
Power Products Business	5,819	6,071	6,036	6,001	5,983	5,965	6,121	6,262	6,301	5,701	5,623	6,200	5,645	
Number of employees	187,094	190,338	198,561	203,902	204,730	208,399	211,915	215,638	219,722	218,674	211,374	204,035	197,039	
Exchange rate (yen amounts per U.S. dollar)					Exchange rate (yen amounts per U.S. dollar)									
Rates for the period-end	¥82	¥94	¥103	¥120	¥120	¥113	¥112	¥106	¥111	¥109	¥111	¥122	¥134	
Average rates for the period	79	83	100	110	110	120	108	111	111	109	106	112	136	

* The geographic breakdown of sales amounts is based on the location of customers.

HONDA
The Power of Dreams

How we move you.

CREATE ▶ TRANSCEND, AUGMENT

Honda Motor Co., Ltd.

2-1-1 Minami-Aoyama, Minato-ku,
Tokyo 107-8556, Japan

Published in June 2023