

Honda Corporate Update – FY22 Autumn



HONDA
The Power of Dreams

Honda Corporate Update

➤ **Executive Summary**

➤ **Automobile Business Strategy**

➤ **Motorcycle Business Strategy**

➤ **Financial Highlights**

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➤ **Motorcycle Business Strategy**

➤ **Financial Highlights**

環境・安全の新目標

New environmental and safety targets

全製品,企業活動を通じた
カーボンニュートラル

Carbon neutrality for
all products and corporate activities

2050年

Hondaの二輪・四輪が関与する
交通事故死者ゼロ

Zero traffic collision fatalities involving Honda
motorcycles and automobiles

Mobility



Power unit



Energy



Robotics



「環境負荷ゼロ」の循環型社会を目指す

Strive for a circular/resource-recycling society that aims for “zero environmental impact”

2050年



カーボンニュートラル

Carbon Neutrality

二酸化炭素排出量、実質ゼロ

CO2 emissions, net zero



クリーンエネルギー

Clean Energy

カーボンフリーエネルギー活用率100%

100% utilization of carbon-free energy



リソースサーキュレーション

Resource Circulation

サステナブルマテリアル使用率100%

100% use of sustainable materials

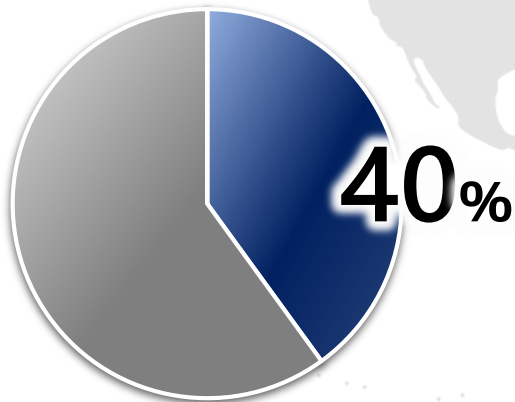
四輪車電動化

Electrification of automobiles

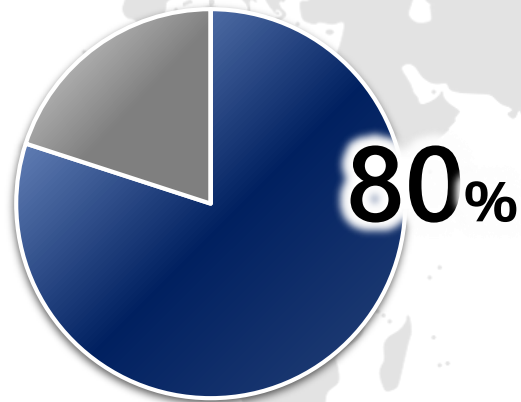
先進国トータル

All advanced nations combined

2030年



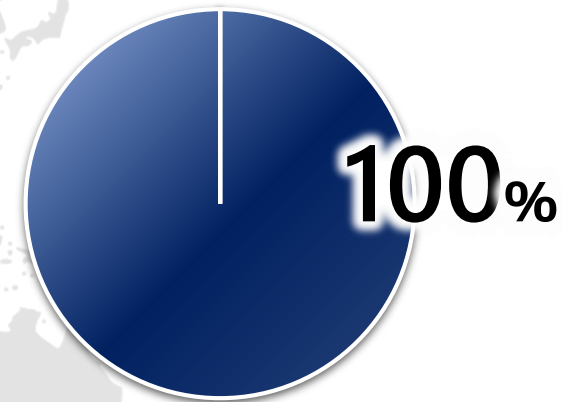
2035年



グローバル

Global

2040年



EV/FCVの販売比率

EV/FCV unit sales ratio

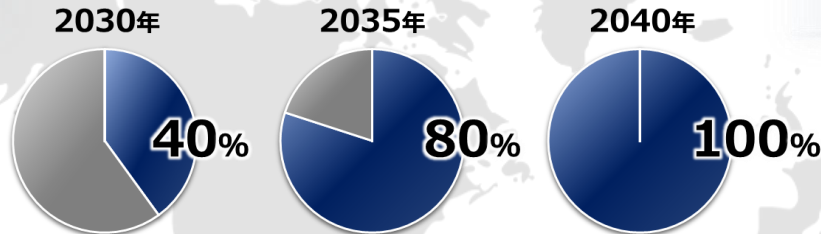
四輪車電動化

Electrification of automobiles

EV/FCVの販売比率 EV/FCV unit sales ratio

北米

North America



HONDA

GMとの戦略的アライアンス
Strategic alliance with GM

車体プラットフォーム
Vehicle platforms

パワートレイン
Powertrains

共同購買
Joint purchasing

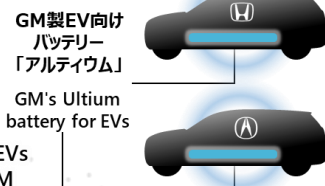
生産効率等
Production efficiency

2024年

**GMとの共同開発
大型EVを投入**

PROLOGUE

Introduction of large-size EVs
jointly developed with GM



2020年代後半～

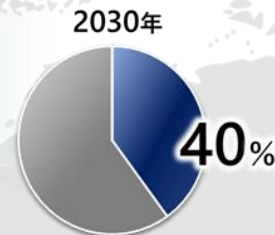
Second half of the 2020s～

e: アーキテクチャー
e: Architecture



中国

China

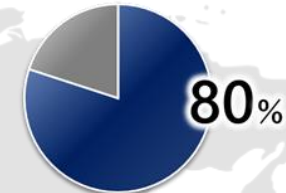


HONDA

HondaブランドEV :
5年以内に10機種投入

Introduce 10 Honda-brand
EV models within 5 years

2035年



電動化を加速



2040年



CATL

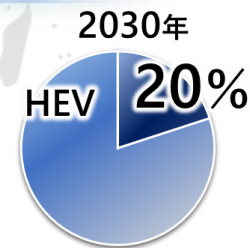
バッテリー供給 :
CATLとの連携強化
Further strengthen collaboration
with CATL for the supply of batteries

e:NS (BEV)

e:NP(BEV)

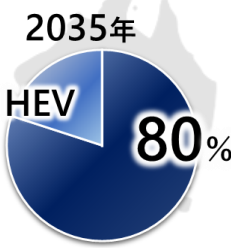
日本

Japan



**2030年 ハイブリッドを含めて
100%電動化**

Electrification 100% of our automobile
unit sales in Japan by 2030 including
hybrid-electric vehicles



2040年



**ハイブリッド/EVによる
軽自動車の電動化**
Electrification of our mini-vehicles with
both hybrid and EV models

2024年 軽EV投入

Introduction of EV model
in the K-car segment in 2024

四輪車電動化

Electrification of automobiles

North America

Announced in June, 2021



- New Honda Prologue EV to go on sale in North America in MY2024 as highly competitive SUV with functionality expected by Honda customers.
- Introduce an all-electric Acura SUV in CY 2024.
- Honda also plans to launch a new series of EV models in the second half of the decade based on a new e:Architecture, with development led by Honda.

China

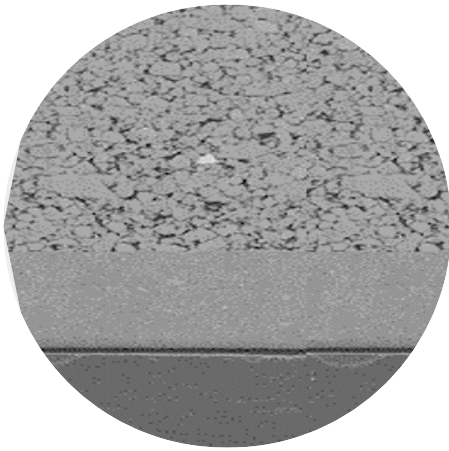
Announced in October, 2021



- All new models Honda will introduce in China after 2030 will be electrified, such as hybrid (HEVs) and EVs.
- Honda will introduce the first 10 Honda-brand EV models in China, namely the “e:N Series,” in the next five years. Honda envisions exporting these models from China.
- The first set of e:N Series models, e:NS1 and e:NP1, will go on sale in spring 2022 from Dongfeng Honda and GAC Honda, respectively. Three concept models are being developed with the goal to start sales within 5 years.
- New dedicated EV production plants will be constructed at both GAC Honda and Dongfeng Honda, with the aim of starting production in 2024.

革新電動技術×商品（2020年代後半～）

Innovative electrification technologies x products (in the second half of the 2020s)



全固体電池の研究

今期より実証ラインでの生産技術検証に着手

Research on all-solid-state batteries

The verification of production technology using a demonstration line starts this fiscal year



Hondaならではの空間価値

独創的なアイデア/デザイン/デジタル技術を融合

Unique value only Honda can offer

Combining digital technologies with unique creativity and original designs

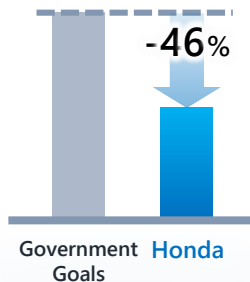
二輪車電動化

Electrification of motorcycles

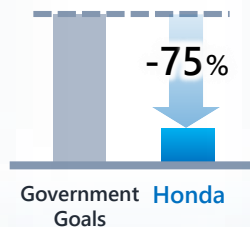
政府目標を、大きく上回る削減目標率を設定

Honda sets targets that far exceed the targets set by the governments of emerging countries

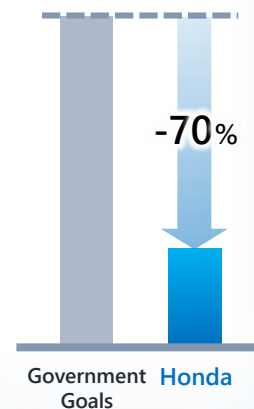
インド
India



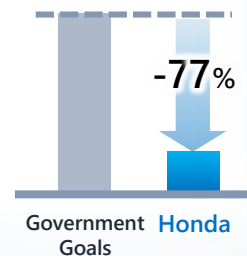
中国
China



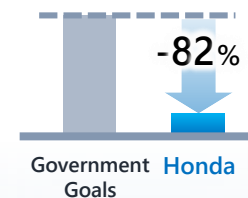
インドネシア
Indonesia



ベトナム
Vietnam



タイ
Thailand



電動化
Electrification

燃費改善
Fuel economy improvement

バイオ燃料の活用
Use of biofuels

「パリ協定の各国CO2削減目標を二輪の排出総量に置き換えた場合のシミュレーション」

"Simulation of replacing the Paris Agreement CO2 reduction targets for each country with total motorcycle emissions"

電動化：モバイルパワーパック活用の拡がり

Expanding the use of Honda
MPP(Mobile Power Pack)

Honda
Mobile Power Pack



パワープロダクツ製品や
マイクロモビリティ等
への拡大を検討

Power products
& micro-mobility products



「リキシャ」を活用した
実証実験スタート

Started demonstration
testing using "rickshaw"
tricycle taxis

電動車ラインナップの拡充

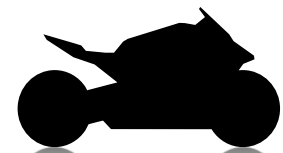
Enhanced lineup of EV models



GYRO e:



BENLY e:



FUN領域での
EV商品の投入も計画

Plan to introduce EV models
in the "FUN" area



GYRO CANOPY e:



～2024年
パーソナル領域
原一、原二クラス等
3機種の新型EVを投入
Introduce 3 new EV models
in area of personal use

FC

Hydrogen Fuel cell

幅広い用途への拡大

Long-standing commitment to research, development, and commercialization of FC technology



FCV(パーソナルユース)

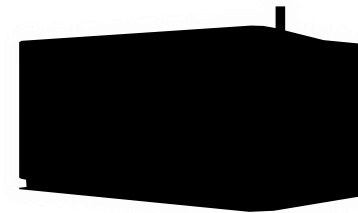
GMとの共同開発

FCV (personal use)
Joint development with GM



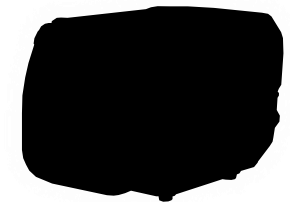
商用トラック

Commercial-use trucks



定置電源

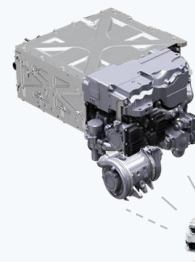
Stationary
power sources



可搬型電源

Movable
power sources

HONDA ISUZU



燃料電池を
パワートレインに採用
Adopting fuel cells
for power train



- **2020年 いすゞ自動車との共同研究開始**
2020 Start of joint development with Isuzu
- **2022 年度中に公道での実証試験を開始することを目指す**
2022 Aiming to start demonstration experiments on public roads within the fiscal year

安全への取り組み

Safety Initiatives

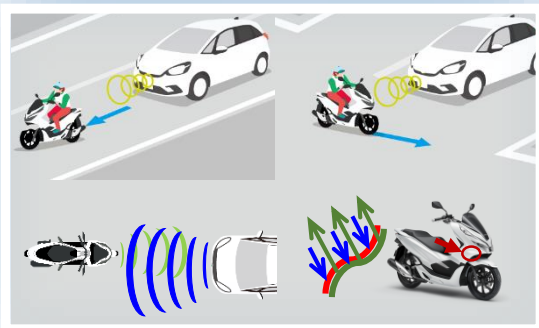
2050年に達成を目指す新目標

New 2050 goal



Hondaの二輪、四輪が関与する 交通事故死者ゼロ

Zero traffic collision fatalities involving
Honda motorcycles and automobiles



二輪・四輪共存安全技術の研究強化

Safety technologies which enable safe
coexistence of motorcycles and
automobiles, which only Honda can create



Honda
SENSING
360

全方位安全運転支援型ADASを2030年までに 先進国での全機種展開をはかる

Strive to apply omnidirectional ADAS to all new automobile
models introduced in advanced nations by 2030



教育・啓発活動や法規制の働きかけ

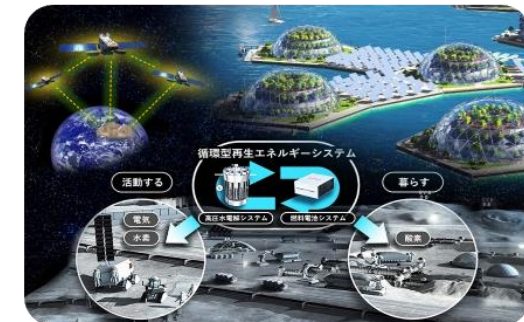
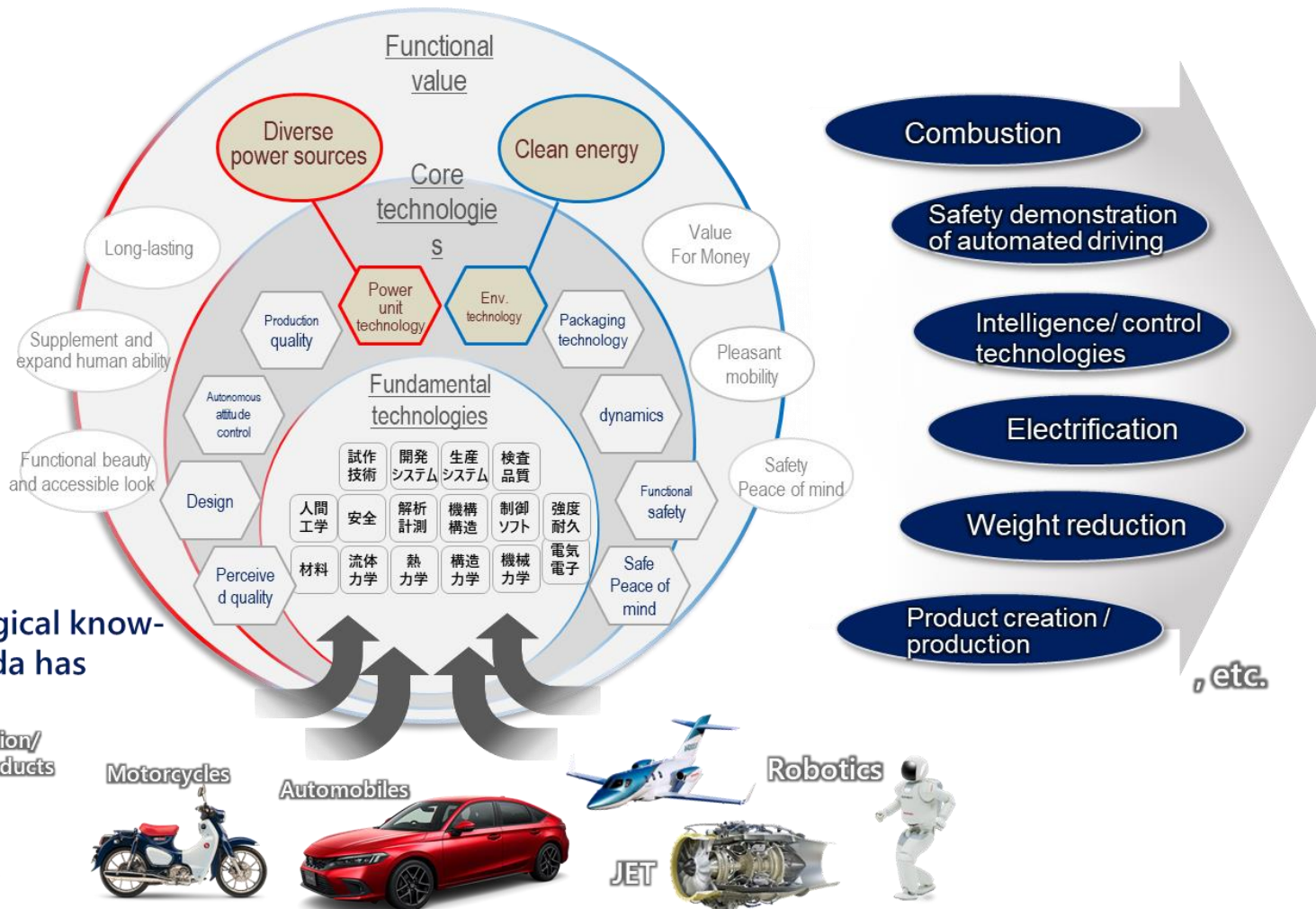
Educational and awareness-building activities
and approaching safety from legislative aspects

新領域への取り組み

Initiatives in New Area

Announced the technology development direction in new areas while leveraging its core technologies. This direction leads to serving people worldwide with the “joy of expanding their life’s potential.”

Apply and evolve our technological strengths in various areas



Honda Corporate Update

➤ Executive Summary

➤ **Automobile Business Strategy**

➤ Motorcycle Business Strategy

➤ Financial Highlights

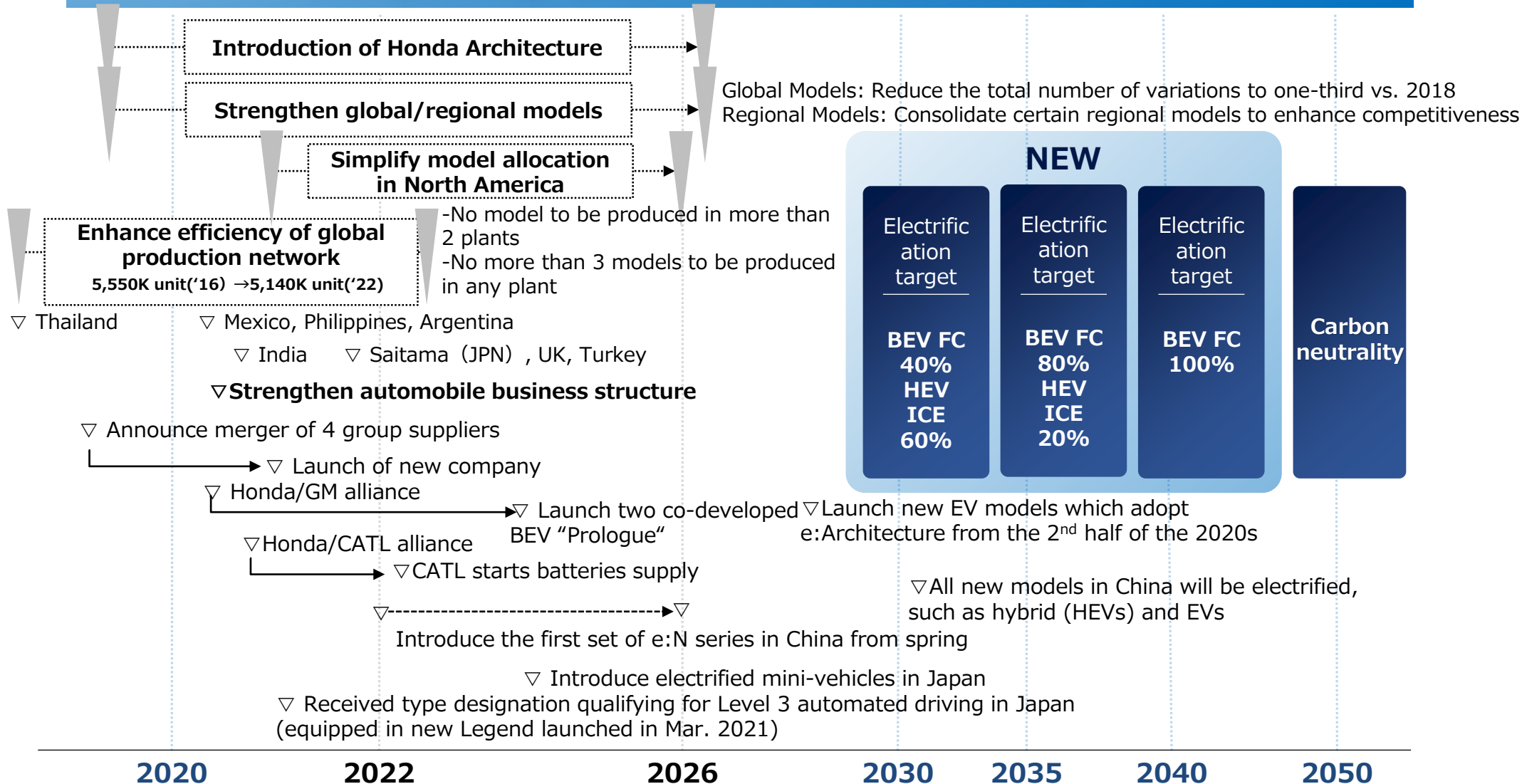
Honda's Initiatives

Strengthening the foundation of existing business

By 2025

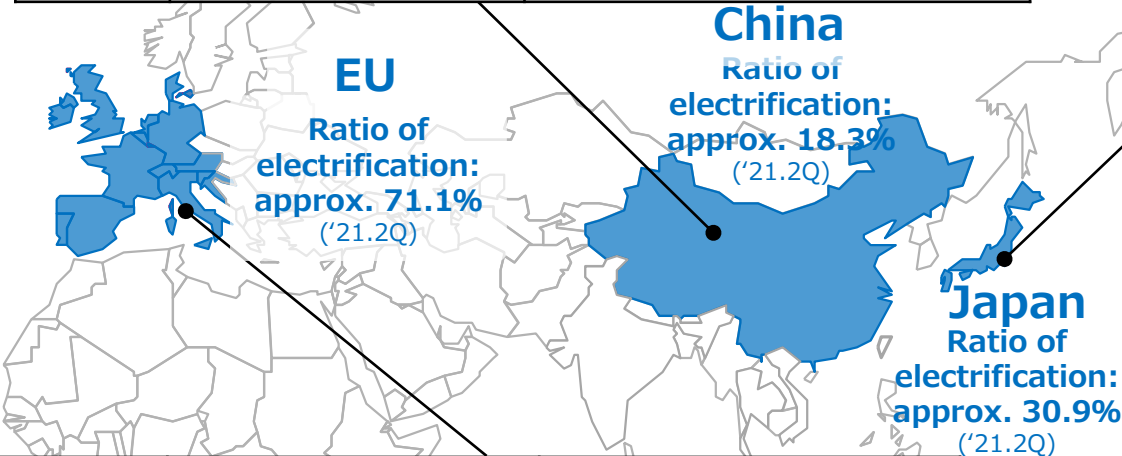
- Reduce R&D man-hours by 30% and transfer the resources into development of advanced next-generation technologies
- Reduce global production cost by 10% (vs 2018)

Making through preparations toward future growth



Response to CO2 Emissions/ Fuel Economy/Electrification Regulations in Major Countries

Country/region	CAFE & ZEV/ICE regulations	Honda's response
China	<ul style="list-style-type: none"> ●2020: 5.0 L/100 km ●By 2025: 4.6 L/100 km ●By 2030: 3.2 L/100 km 	<ul style="list-style-type: none"> ●Scheduled to achieve both the CAFE and NEV regulations by 2025, including the introduction of more than 20 electrified models. ●All new models introduced in China after 2030 will be electrified, such as hybrid (HEVs) and EVs.
	<ul style="list-style-type: none"> ●2020: NEV credit 12% ●2023: NEV credit 18% ●2035: Full electrification of vehicles— NEVs 50%, HEVs 50% 	<ul style="list-style-type: none"> ●Introduce five Honda-brand EV models within the next five years → FY2021: M-NV, CR-V PHEV ●New EV production plants will be constructed at both GHAC and WDHAC, start production in 2024.



As of October 2021

Already introduced

X-NV (BEV) VE-1 +(BEV) VE-1S +(BEV)

FY22

e:NS (BEV) e:NP(BEV)

Country/region	CAFE & ZEV/ICE regulations	Honda's response
Japan	<ul style="list-style-type: none"> ●By 2029: 20.3 km/L ●From 2030: 25.4 km/L 	<ul style="list-style-type: none"> ●Advance electrification with HEV and EV including the introduction of an EV model in the mini-vehicle segment in 2024. ●Achieve 100% electrification (including HEV) by 2030. → FY20: Honda e
	<ul style="list-style-type: none"> ●All new cars to be electrified by 2035 	

US
Ratio of electrification: approx. 7.3% ('21.2Q)

Already introduced

FIT (HEV) Honda e (BEV) FY21

VEZEL HEV FY2021

- HEV : 11 models
- PHEV : 1 model
- FCV : 1 model

Country/region	CAFE & ZEV/ICE regulations	Honda's response
US	<ul style="list-style-type: none"> ●By 2025: 54.5 mpg ⇔ 23.2 km/L ⇔ 40.4 mpg ⇔ 17.2 km/L (Changed under the Trump administration) 	<ul style="list-style-type: none"> ●Achieved the current U.S. CAFE. CA regulations have not yet been achieved. ●Furthermore, two EV models for Honda will be jointly developed with GM for sale in the U.S. and Canada from the 2024 model year.
	<ul style="list-style-type: none"> ●ICE: Sales prohibited in 2035 / → ZEV (BEV, FCEV) 100% ●ZEV regulations: By 2025 Gold credit (BEV, FCEV) 16%, Silver credit (PHEV) 6% 	<ul style="list-style-type: none"> ●Launch a series of new EV models which adopt e:Architecture, a completely new EV platform led by Honda starting from late 2020s (to expand to other regions later) ●Considering jointly developing models based on e: Architecture with GM including battery technologies

Already introduced

INSIGHT HEV CR-V HEV ACCORD HEV CLARITY PHEV CLARITY FCV

BEV/2 models:
Joint development with GM by 2024

PROLOGUE

Country/ region	CAFE & ZEV/ICE regulations	Honda's response	
Europe (EU)	<ul style="list-style-type: none">●2020: 95 g/km✓ 1 g/km = 95€ fine●To become gradually stricter in 2025/2030	<ul style="list-style-type: none">●Participated in the FCA/Tesla Open Pool for the 2020 CAFE regulations; achieved as the overall pool.●Scheduled to achieve by the electrification of major automobiles sold in Europe by 2022. <p>→ FY2020: Honda e, Jazz HEV</p>	
	UK		<ul style="list-style-type: none">●ICE: Sales prohibited in 2030●HEV: Sales prohibited in 2035
	FR		<ul style="list-style-type: none">●ICE: Sales prohibited in 2040

Already introduced

CR-V HEV

FY21

Honda e (BEV) JAZZ HEV

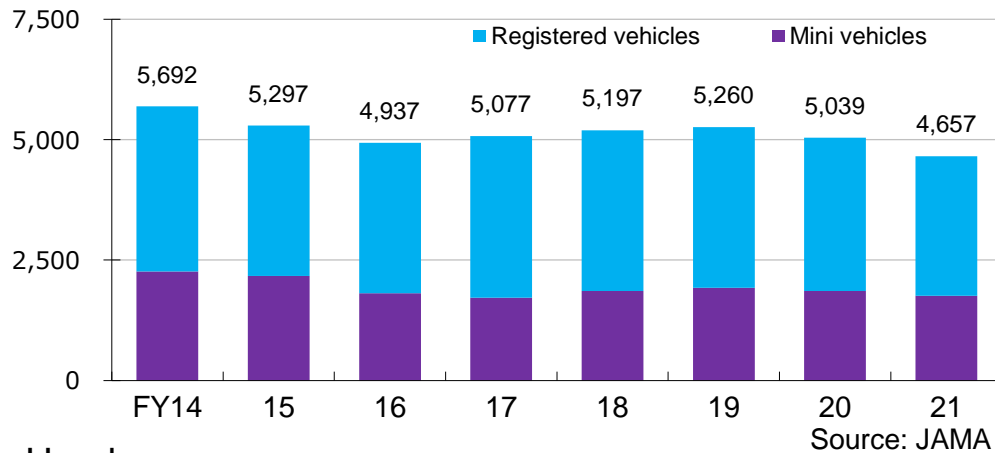
By 2022

HR-V HEV

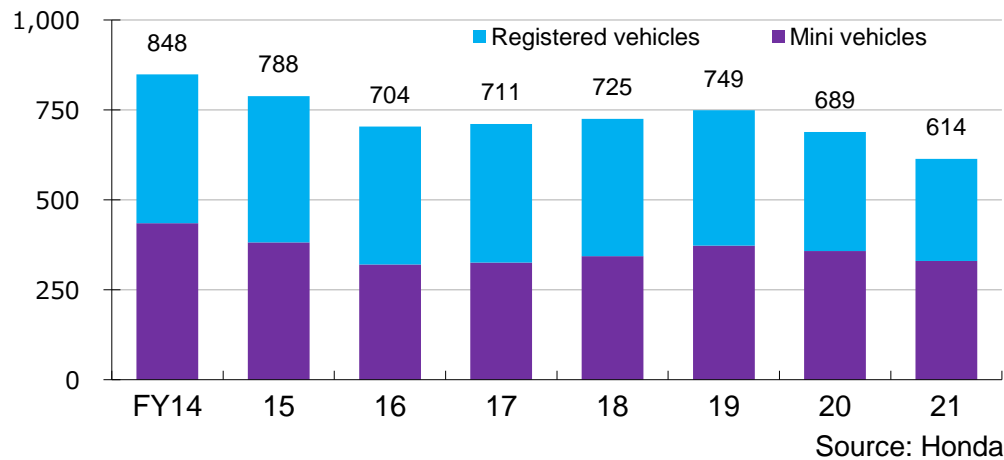
Automobile Sales by Region

Japan

<Industry>



<Honda>

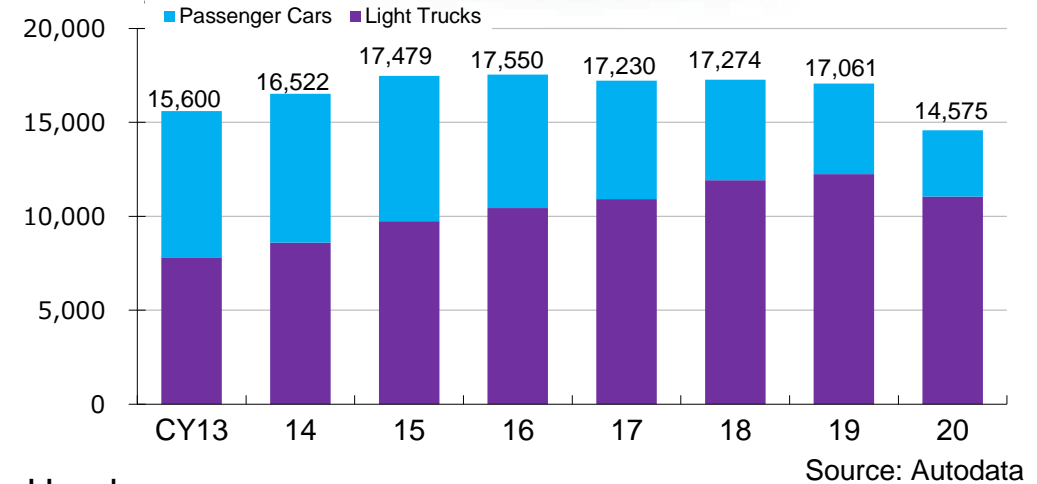


Steady sales.
Focus on profitability improvement.

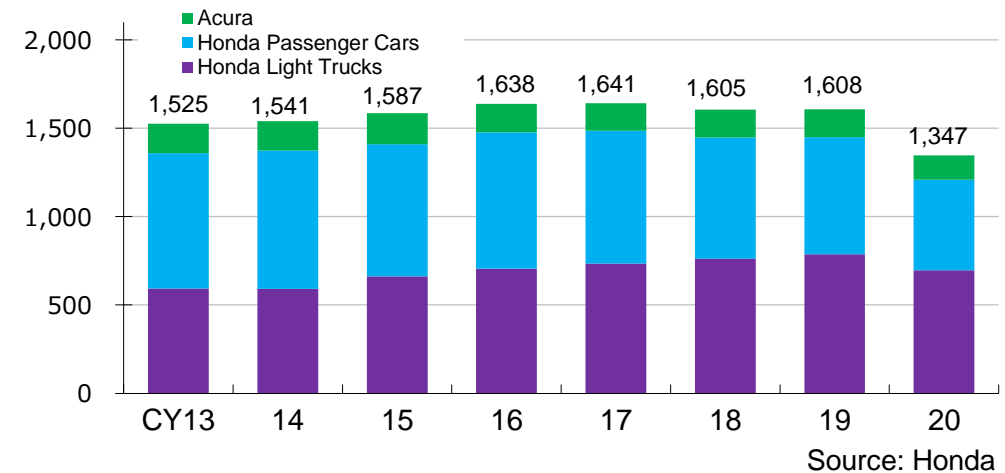
United States

Unit
(thousands)

<Industry>



<Honda>



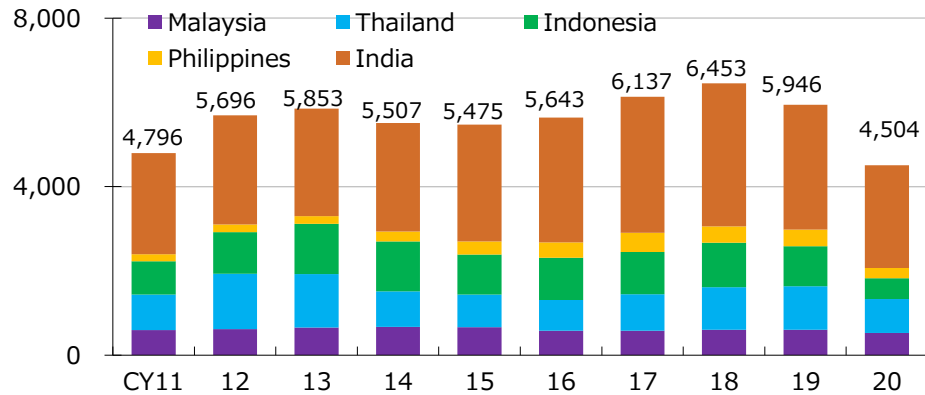
Focus on light truck segment growth
and stronger emission criteria, while
improving profitability

Automobile Sales by Region

Asia

<Industry>

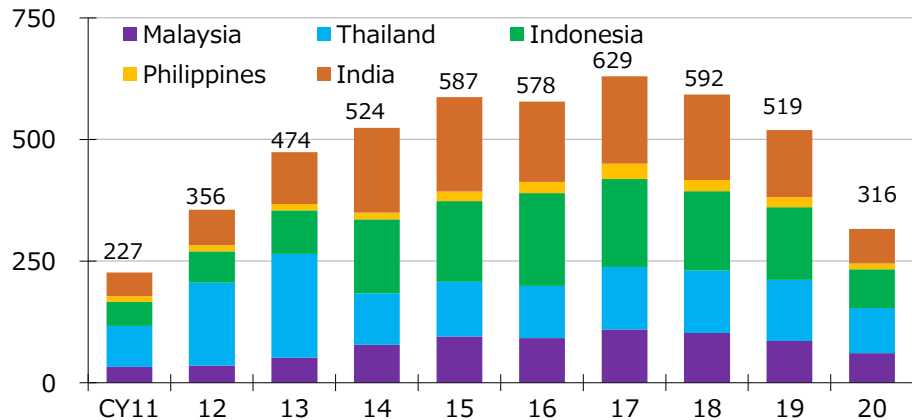
(Five main markets in Asia)



* India: excluding commercial vehicles and pickups

Source: Honda

<Honda>



Source: Honda

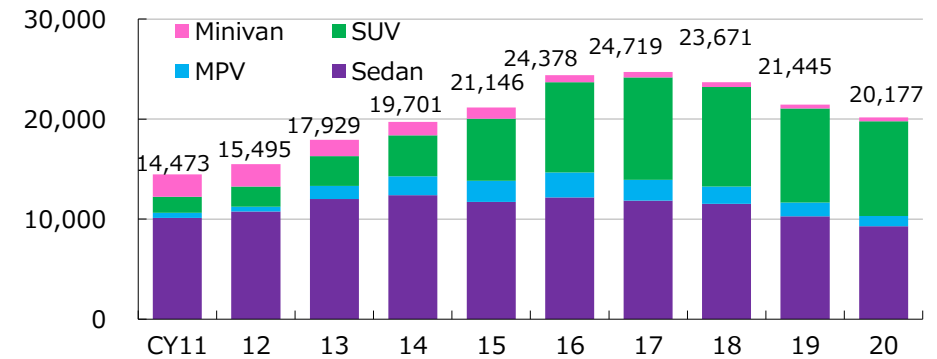
**Focus on new model launch
to expand share**

China

<Industry>

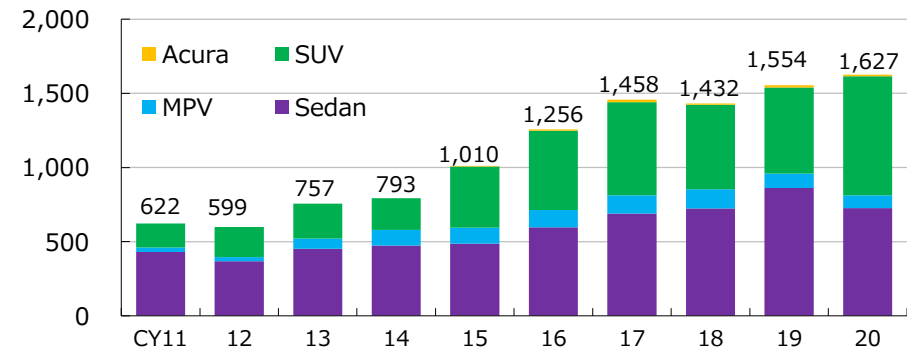
Unit
(thousands)

(excluding commercial vehicles)



Source: Honda

<Honda>



※2011-2014 Wholesale / 2015-2020 Retail

Source: Honda

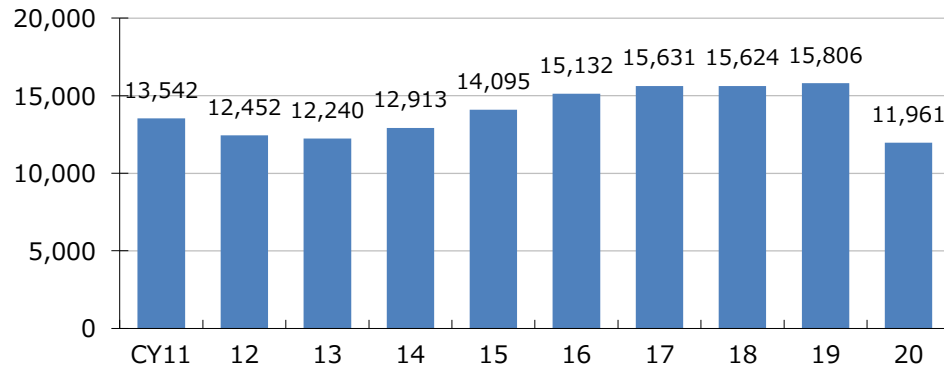
**Focus on new model launch, while
attending stronger emission and
electrification criteria**

Automobile Sales by Region

Europe (EU+EFTA)

<Industry>

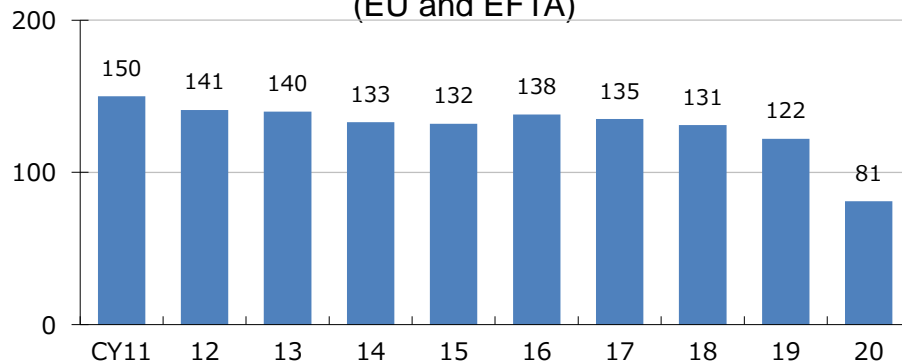
(excluding commercial vehicles)



Source: ACEA / Honda

<Honda>

(EU and EFTA)



Source: ACEA / Honda

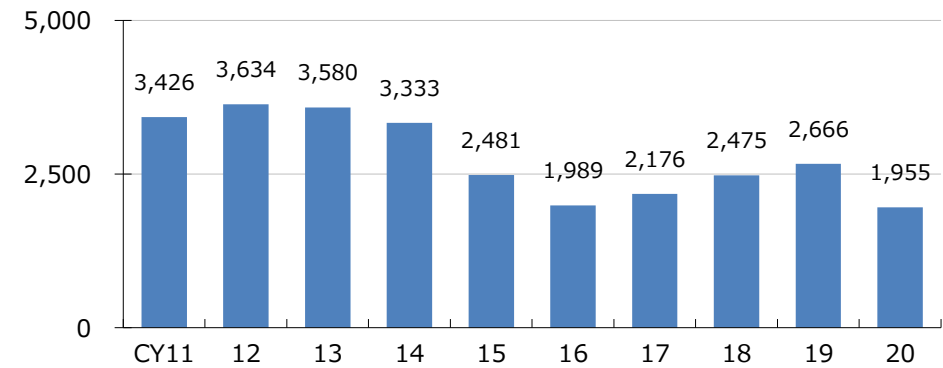
Focus on improving profitability, while attending stronger emission and electrification criteria

Brazil

<Industry>

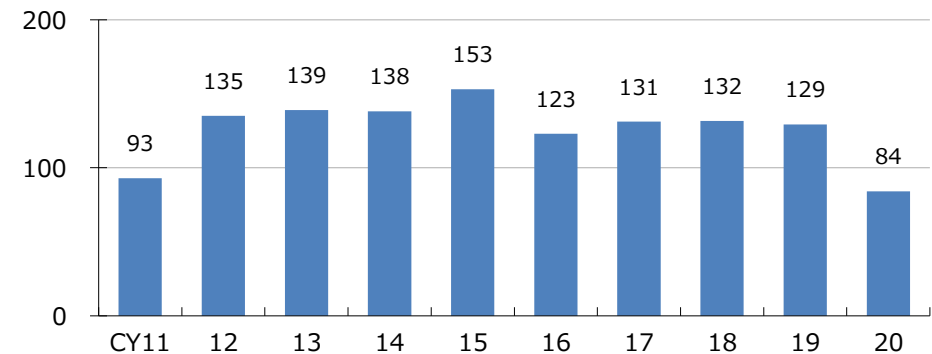
(Main market in Other Region)

Unit
(thousands)
* excluding trucks



Source: ANFAVEA

<Honda>



Source: ANFAVEA

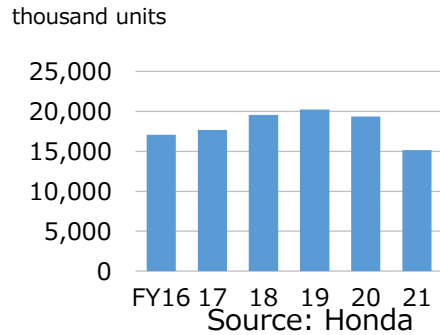
Focus on improving profitability and new model launch

Honda Corporate Update

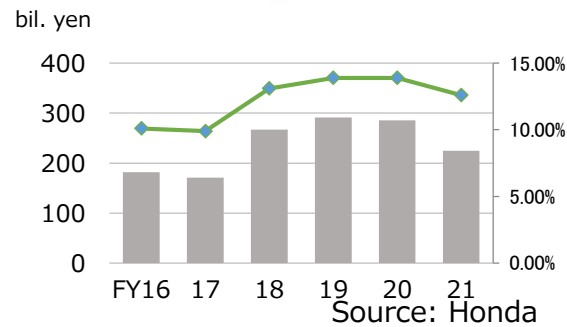
- Executive Summary
- Automobile Business Strategy
- **Motorcycle Business Strategy**
- Financial Highlights

Motorcycle Business Overview

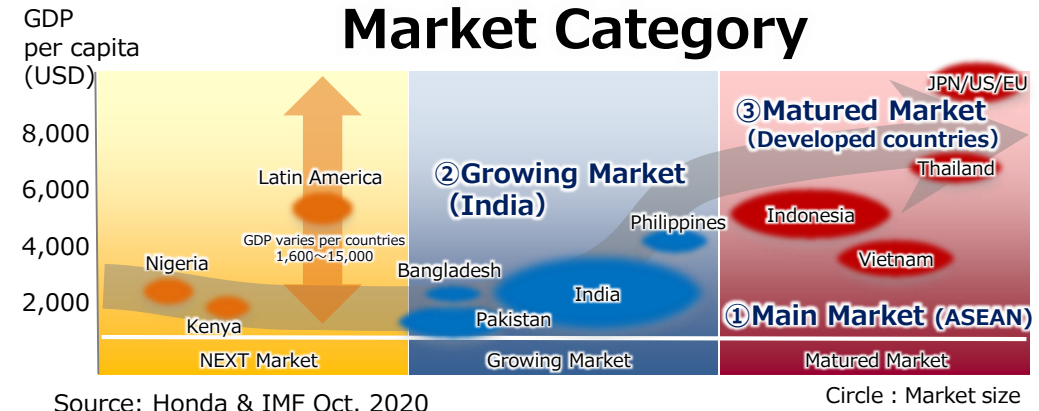
Unit Sales



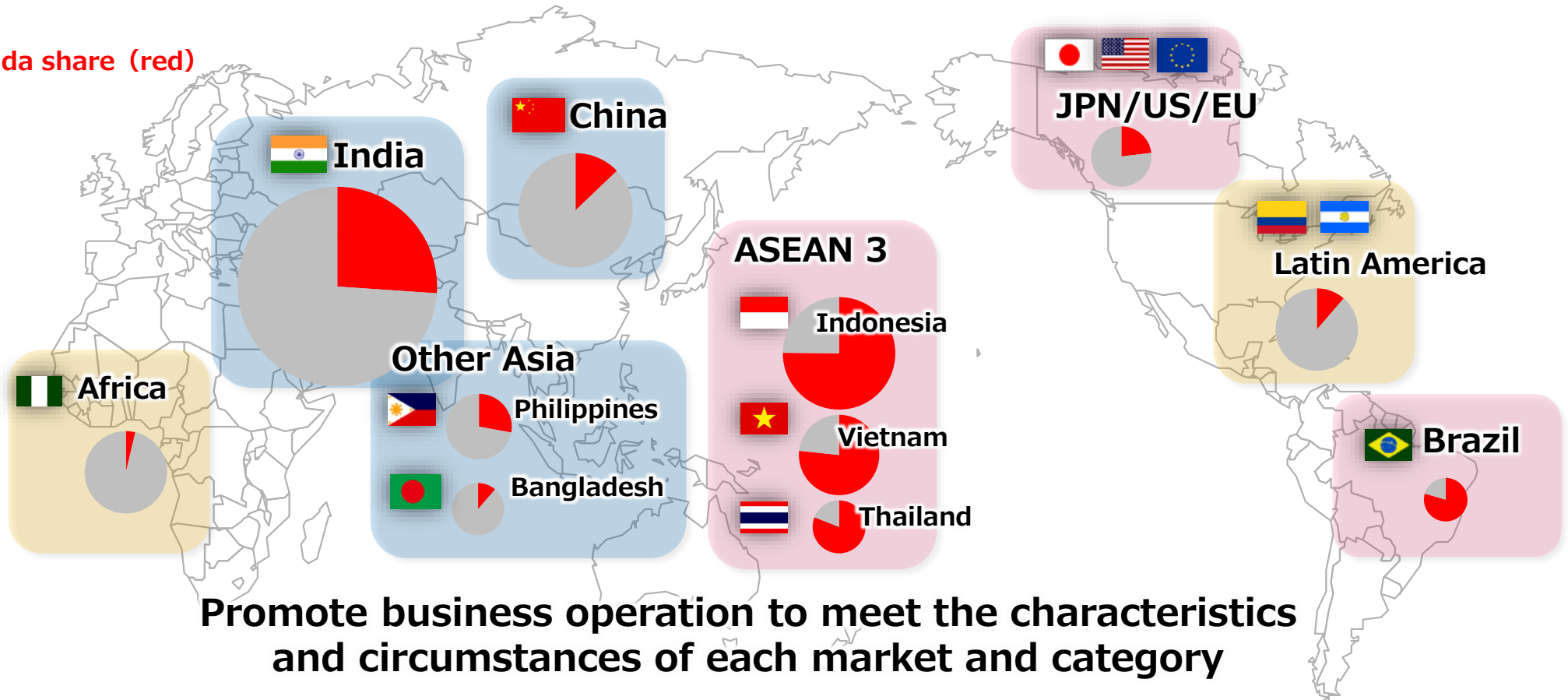
OP/ROS



Market Category



Honda share (red)



① Business Development in Main Market (ASEAN)

Introduce new frame for Scooters

ESAF



High quality,
low cost

Genio



Aim to install on
approx. 5 million
units, mainly in
ASEAN

BeAT



Sh mode



Scoopy



Introduce new generation engines for Scooters



110.125cc

Environmentally
friendly commuter
engine



Announced in 2012

- Launch mainly in ASEAN
- Highly evaluated for the fuel efficiencies and output



125.160cc

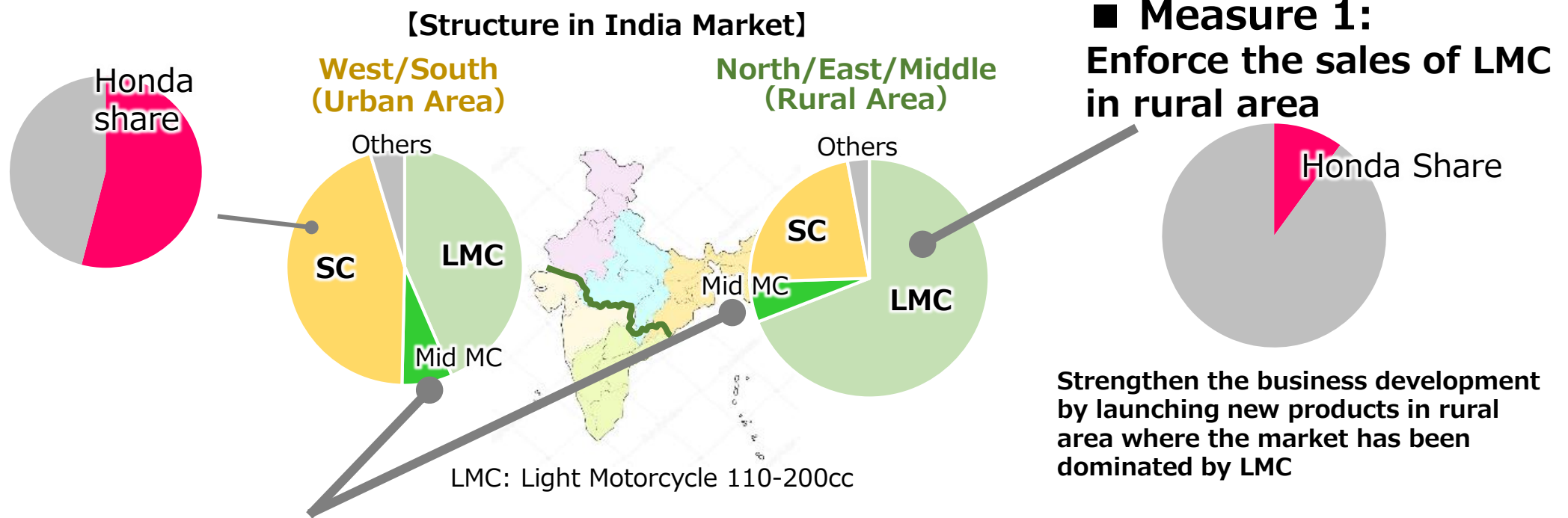
eSP+ achieved higher output and more
environmentally friendly performance



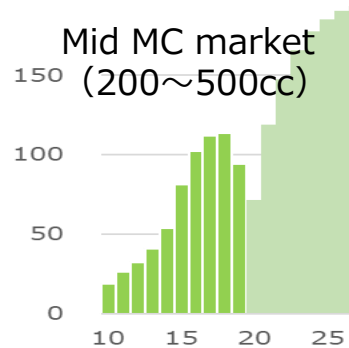
Starting with Sh150i, expand to
FORZA from 2021.

**Achieve high quality/high output/cost-effective environmental technologies
for scooters, the main product in matured market**

② Business Development in Growing Market (India)



■ Measure 2: Respond to the growing Mid MC market (medium size motorcycle)



Further business growth in expanding mid-size market



Launched H'ness CB350
First locally produced
model over 300cc



Exclusive store
for mid/large MC
Expand Honda
Big Wing

On top of scooters, strengthen LMC and Mid MC throughout India

③ Business Development in Matured Market (developed countries)

Meet different needs of customers in each country



By using the same engine,
achieved to realize different taste with high added value and low cost

④ Prepare for Connected Business Development (Japan)

① BtoB Connected service

Honda FLEET
MANAGEMENT

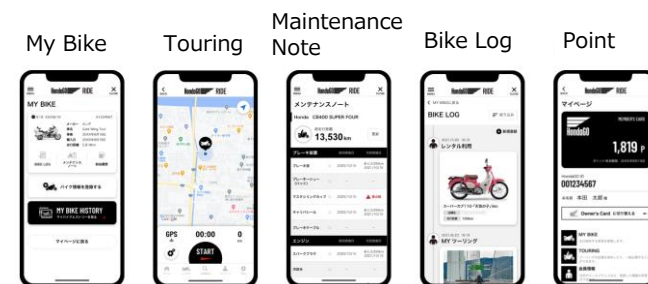
For work efficiency and safe driving



② BtoC Connected service

HondaGO RIDE

Bike-Life App for all riders



Introducing high value-added products and
next-generation technologies and services

Honda Corporate Update

➤ Executive Summary

➤ Automobile Business Strategy

➤ Motorcycle Business Strategy

➤ Financial Highlights

FY22 2nd Quarter Financial Results (Consolidated)

Unit (thousand)

Honda Group Unit Sales (Consolidated Unit Sales)	QTD		
	FY21 Results	FY22 Results	Change
Motorcycles	4,467 (3,023)	4,294 (2,695)	- 3.9% (- 10.9%)
Automobiles	1,253 (753)	917 (574)	- 26.8% (- 23.8%)
Life Creation	1,370 (1,370)	1,522 (1,522)	+ 11.1% (+ 11.1%)

Income Statements Yen (billion)	QTD		
	FY21 Results	FY22 Results	Change
Sales revenue	3,651.3	3,404.3	- 6.8%
Operating profit	282.9	198.9	- 29.7%
Operating margin	7.7%	5.8%	- 1.9pt
Share of profit of investments accounted for using the equity method	62.3	51.3	- 17.6%
Profit before income taxes	345.7	249.0	- 28.0%
Profit for the period attributable to owners of the parent	240.9	166.6	- 30.8%
Earnings per share attributable to owners of the parent (Yen)	139.53	96.56	- 42.97
Market average rates (Yen)			
U.S. Dollar	106	110	+ 4

<Honda Group Unit Sales>

Motorcycles

Decreased from the same period last year due mainly to a decrease in unit sales in Vietnam and Thailand.

Automobiles

Decreased from the same period last year due mainly to a decrease in unit sales in China and the United States.

LC

Increased from the same period last year due mainly to an increase in unit sales in the United States.

Sales revenue

Decreased by 6.8% to 3,404.3 billion yen from the same period last year due mainly to decreased sales in the automobile business.

Operating profit

Decreased by 29.7% to 198.9 billion yen from the same period last year due mainly to a decrease in profit attributable to decreased sales revenue and model mix.

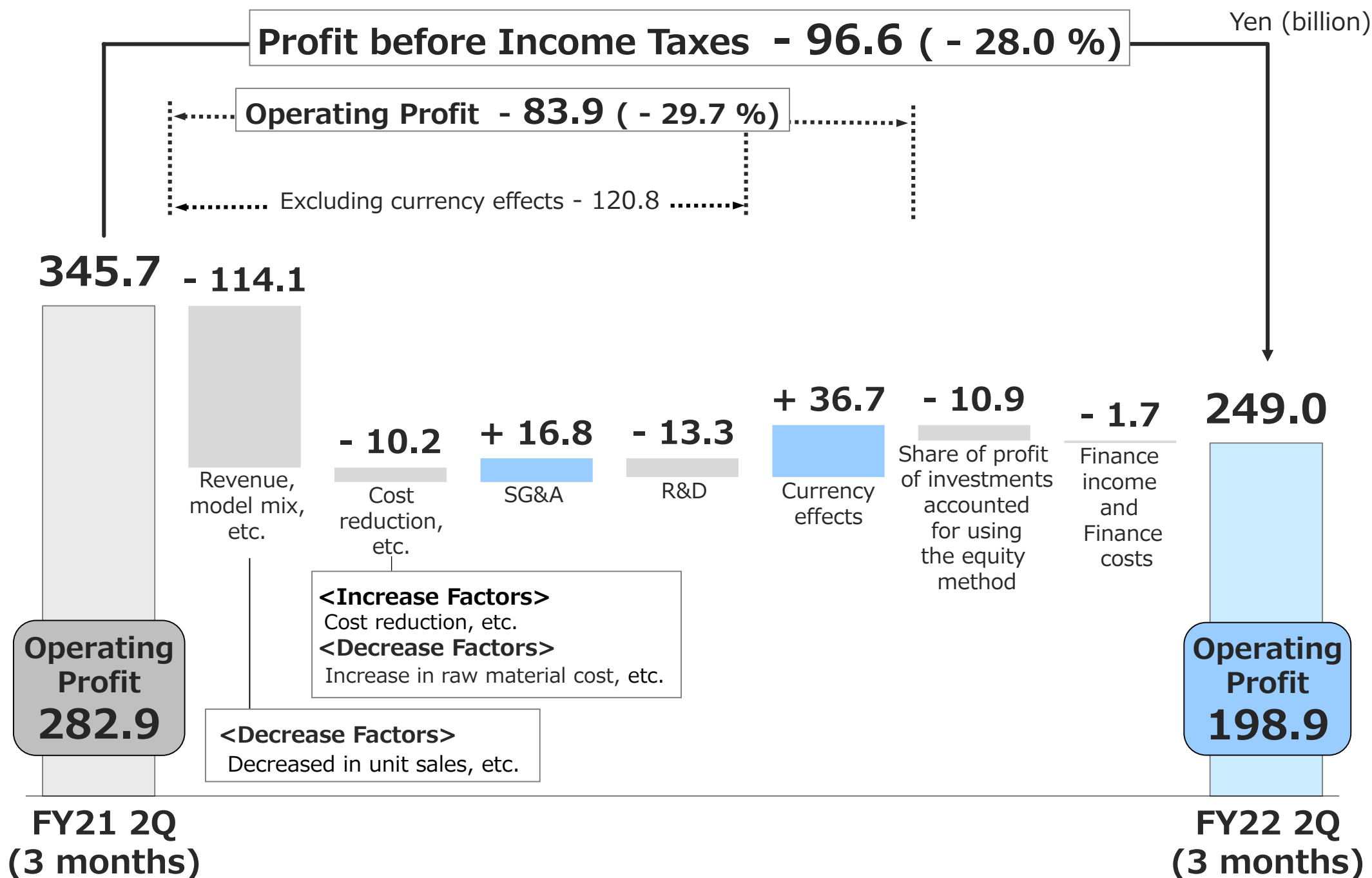
Share of profit of investments accounted for using the equity method

Decreased by 17.6% to 51.3 billion yen from the same period last year due mainly to a decrease of profit in China.

Profit for the period

Decreased by 30.8% to 166.6 billion yen from the same period last year, due mainly to a decreased in profit before income taxes.

Change in Profit before Income Taxes <FY22 2nd Qtr>



Sales Revenue/Operating Profit (Margin) by Business Segment <FY22 2nd Qtr>

upper : FY22	Motorcycle Business	Automobile Business	Financial Services Business	Life Creation and Other Businesses
lower : FY21				
Unit (thousand)				
Honda Group	4,294	917	-	1,522
Unit Sales	(2,695)	(574)	-	(1,522)
(Consolidated Unit Sales)	4,467	1,253	-	1,370
	(3,023)	(753)	-	(1,370)
Yen (billion)				
Sales	505.5	2,182.4	676.3	98.4
Revenue	493.0	2,467.0	666.5	86.7
Operating	67.4	46.4	84.5	0.5
Profit	68.4	125.3	93.2	- 4.1
Operating	13.3%	2.1%	12.5%	0.5%
Margin	13.9%	5.1%	14.0%	- 4.8%
Increase/Decrease Factors	Decreased by 1.0 billion yen due mainly to a decrease in profit attributable to decreased sales revenue and model mix.	Decreased by 78.9 billion yen due mainly to a decrease in profit attributable to decreased sales revenue and model mix.	Decreased by 8.7 billion yen due mainly to difference in the amount of the provision for credit losses.	Increased by 4.7 billion yen due mainly to an increase in profit attributable to increased sales revenue and model mix.

* Combined operating profit of Automobile Business and Financial Services Business for automobiles

In the financial services business, Honda provides services such as loan and lease, mainly related to sales of automobiles, for customers buying products.

Operating profit relating to automobiles in financial services business is allocated in accordance with total assets ratio, etc.

<Reference> Combined operating profit * 127.7 / 4.6%	Operating profit from aircraft and aircraft engines included in above - 7.2
FY21 2Q : 214.6 / 7.0%	FY21 2Q : - 8.1

Cash Flows of Non-financial Services Businesses

Yen (billion)

Six Months	FY21	FY22
Cash flows from operating activities	+ 346.7	+ 211.1
Cash flows from investing activities	- 288.9	- 229.9
Free cash flow	+ 57.8	- 18.7
Cash flows from financing activities	+ 128.5	- 197.2
Effects of exchange rate changes	- 22.4	- 1.6
Net change of cash and cash equivalents	+ 163.9	- 217.6
Cash & cash equivalents at end of period	2,626.5	2,310.6
Net cash at end of period	1,843.9	1,835.4

FY22 Financial Forecast (Consolidated)

vs Previous Forecast:

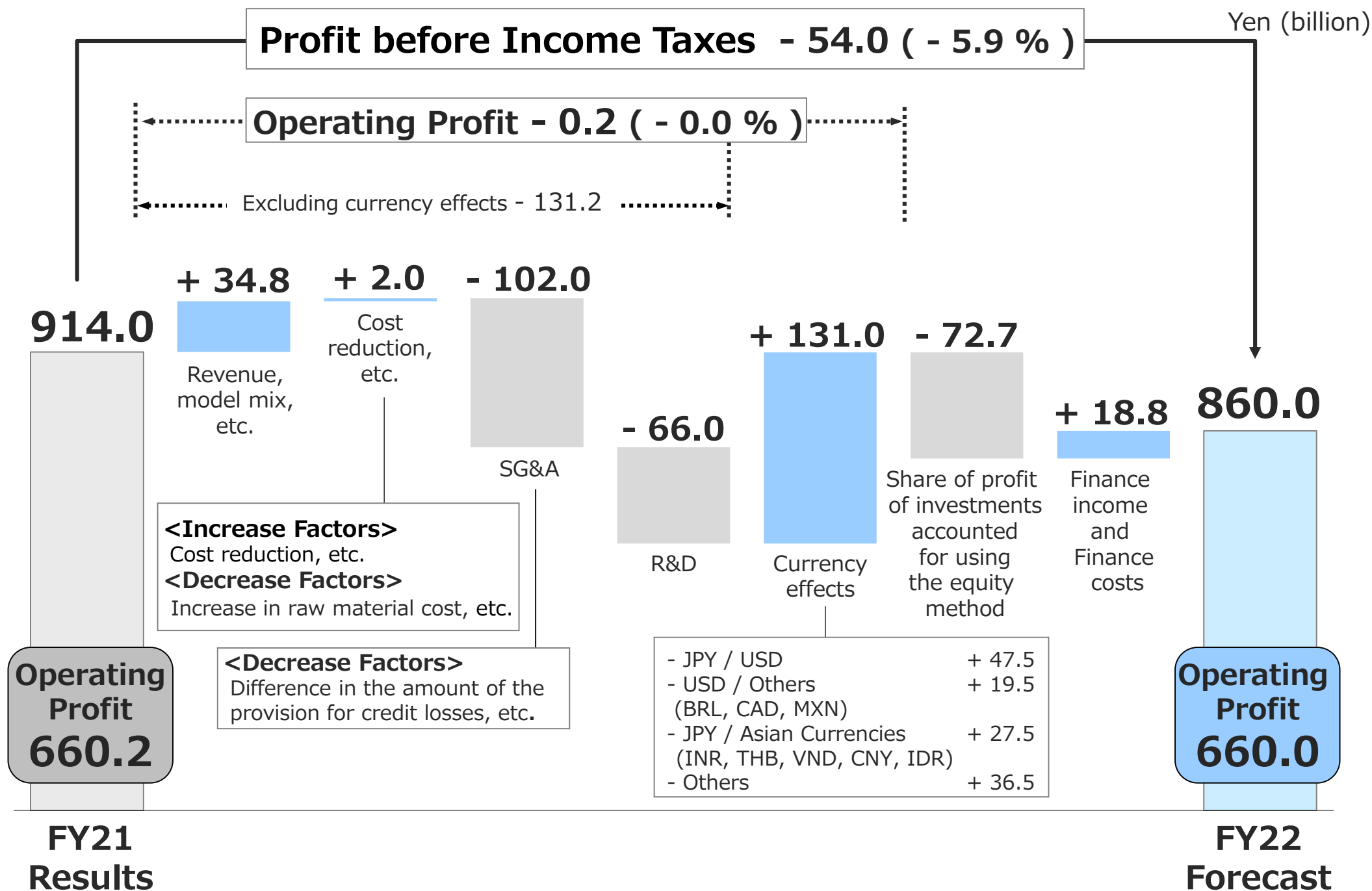
Operating profit : Expecting the challenging environment to continue, such as resurgence of COVID-19, the supply shortage of certain parts including semiconductors, and the increase in raw material costs. With continuing efforts to improve SG&A efficiency and cost reduction, operating profit is **planned to be 660.0 billion yen**, equivalent to last year.

Profit before income taxes : Reflect the decrease in share of profit of investments accounted for using the equity method.

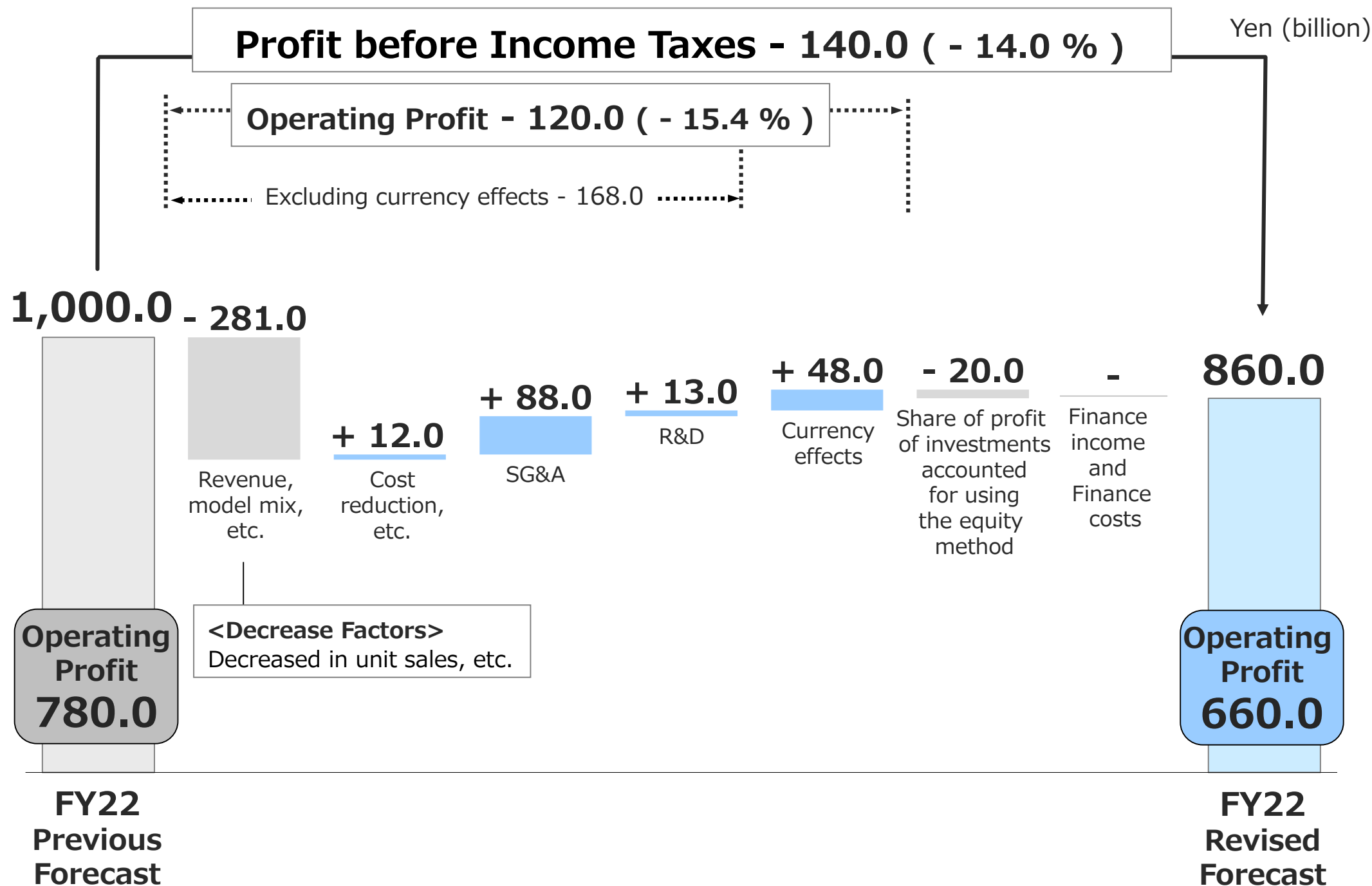
Unit (thousand)

Honda Group Unit Sales (Consolidated Unit Sales)	YTD			Change from previous forecast	Income Statements Yen (billion)	FY21 Results	FY22 Forecast	Change		Change from previous forecast
	FY21 Results	FY22 Forecast	Change					amount	%	
Motorcycles	15,132 (10,264)	17,500 (11,040)	+ 15.6% (+ 7.6%)	+ 100 (- 90)	Sales revenue	13,170.5	14,600.0	+ 1,429.4	+ 10.9%	- 850.0
Automobiles	4,546 (2,617)	4,200 (2,525)	- 7.6% (- 3.5%)	- 650 (- 415)	Operating profit	660.2	660.0	- 0.2	- 0.0%	- 120.0
Life Creation	5,623 (5,623)	6,100 (6,100)	+ 8.5% (+ 8.5%)	- 200 (- 200)	Operating margin	5.0%	4.5%		- 0.5pt	- 0.5pt
					Share of profit of investments accounted for using the equity method	272.7	200.0	- 72.7	- 26.7%	- 20.0
					Profit before income taxes	914.0	860.0	- 54.0	- 5.9%	- 140.0
					Profit for the year attributable to owners of the parent	657.4	555.0	- 102.4	- 15.6%	- 115.0
					Earnings per share attributable to owners of the parent (Yen)	380.75	322.69		- 58.06	- 67.58
Market average rates (Yen)										
U.S. Dollar						106	110		+ 4	+ 4

FY22 Forecast: Change in Profit before Income Taxes



FY22 Forecast: Change in Profit before Income Taxes



FY22 Forecast: Capital Expenditures, Depreciation and R&D

No changes have been made from the previous forecasts

Yen (billion)	FY21 Results	FY22 Forecast	Change	Change from previous forecast
Capital expenditures ^{*1}	321.2	320.0	- 1.2	-
Depreciation and amortization ^{*1}	365.8	370.0	+ 4.1	-
Research and development expenditures ^{*2}	780.0	840.0	+ 59.9	-

*1 Capital expenditures as well as Depreciation in results and forecast aforementioned exclude investment in operating leases, right-of-use assets, and intangible assets.

*2 Research and development expenditures are research and development activity related costs incurred during the reporting period. In accordance with IFRS, a portion of research and development expenditures is recognized as an intangible asset and amortized over its estimated useful life. As such, this amount is not in conformity with "Research and development" on Consolidated Statements of Income.

Dividends

Dividend per Share (Yen)	FY22 Previous	FY22 Expectation	Change from previous expectation
Interim Dividend	(55)*	55	-
Year-end Dividend	(55)	(55)	-
Fiscal Year	(110)	(110)	-

* () : Expected value

Caution with Respect to Forward-Looking Statements:

This slide contains forward-looking statements about the performance of Honda, which are based on management’s assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Honda’s actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Honda’s principal markets and fluctuation of foreign exchange rates, as well as other factors detailed from time to time

Accounting standards:

Our consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB)

Notice on the Factors for Increases and Decreases in Income:

With respect to the discussion above of the change in Operating profit, management has identified the factors set forth below and used what it believes to be a reasonable method to analyze the respective changes in such factors. Each of these factors is explained below. Management has analyzed changes in these factors at the levels of the Company and its material consolidated subsidiaries.

- (1)“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 sales, which, at the levels of the Company and those consolidated subsidiaries which have been analyzed, primarily relate to the following currencies: U.S. dollar, Canada dollar, Euro, GBP, BRL and Japanese Yen.*
- (2) With respect to “Cost reduction, etc.”, management has analyzed cost reduction and effects of raw material cost fluctuations at the levels of the Company and its material foreign manufacturing subsidiaries in North America, Europe, Asia and other regions.*
- (3) With respect to “Revenue, model mix, etc.”, management has analyzed changes in sales volume and in the mix of product models sold in major markets which have resulted in increases/decreases in profit, as well as certain other reasons for increases/decreases in sales revenue and cost of sales.*
- (4) With respect to “Selling, General and Administrative expenses”, management has analyzed reasons for an increase/decrease in selling, general and administrative expenses from the previous fiscal year net of currency translation effects.*
- (5) With respect to “Research and Development expenses”, management has analyzed reasons for an increase/decrease in research and development expenses from the previous fiscal year net of currency translation effects.*

Unit sales:

Motorcycle Business

Honda Group Unit Sales is the total unit sales of completed products, including motorcycles, ATVs, and Side-by-Sides 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.

Automobile Business

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.

Life Creation Business

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 Life Creation 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.

* Earnings per share attributable to owners of the parent is calculated based on weighted average number of shares outstanding as shown below :

- 2nd Quarter	FY21:	1,726,646,000 (approx) ,	FY22:	1,726,411,000 (approx)
- Six Months	FY21:	1,726,631,000 (approx) ,	FY22:	1,726,516,000 (approx)
- Fiscal year	FY21:	1,726,638,000 (approx) ,	FY22 forecast:	1,719,920,000 (approx)

