

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (IFRS)

May 13, 2025

Company name : Honda Motor Co., Ltd.
 Listing : Tokyo Stock Exchange
 Securities code : 7267
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 Scheduled date of annual general meeting of shareholders : To be determined
 Scheduled date to commence dividend payments : June 5, 2025
 Scheduled date to file annual securities report : To be determined
 Supplemental materials prepared for consolidated financial results : Yes
 Holdings of financial results meeting : Yes

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(% of change from the previous fiscal year)

	Sales revenue		Operating profit		Profit before income taxes		Profit for the year		Profit for the year attributable to owners of the parent		Comprehensive income for the year	
	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%
Fiscal year ended March 31, 2025	21,688,767	6.2	1,213,486	-12.2	1,317,640	-19.8	903,034	-23.6	835,837	-24.5	766,276	-63.1
March 31, 2024	20,428,802	20.8	1,381,977	77.0	1,642,384	86.7	1,182,590	64.9	1,107,174	70.0	2,075,949	79.7

	Earnings per share attributable to owners of the parent - Basic		Earnings per share attributable to owners of the parent - Diluted		Return on equity attributable to owners of the parent		Ratio of profit before income taxes to total assets		Ratio of operating profit to sales revenue	
	Yen	%	Yen	%	Yen	%		%		%
Fiscal year ended March 31, 2025	178.93		178.93		6.7		4.4		5.6	
March 31, 2024	225.88		225.88		9.3		6.0		6.8	

Reference: Share of profit (loss) of investments accounted for using the equity method

Fiscal year ended March 31, 2025: JPY 982 million

Fiscal year ended March 31, 2024: JPY 110,817 million

Explanatory notes:

- Basic and diluted earnings per share are calculated based on the profit for the year attributable to owners of the parent.
- As of the effective date of October 1, 2023, the Company implemented a three-for-one stock split of its common stock to shareholders as of the record date of September 30, 2023. Basic and diluted earnings per share attributable to owners of the parent are calculated based on the assumption that the stock split had been implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
	Yen (millions)	Yen (millions)	Yen (millions)	%	Yen
As of March 31, 2025	30,775,867	12,627,822	12,326,529	40.1	2,835.96
March 31, 2024	29,774,150	13,005,872	12,696,995	42.6	2,629.37

Explanatory notes:

As of the effective date of October 1, 2023, the Company implemented a three-for-one stock split of its common stock to shareholders as of the record date of September 30, 2023.

Equity per share attributable to owners of the parent is calculated based on the assumption that the stock split had been implemented at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Yen (millions)	Yen (millions)	Yen (millions)	Yen (millions)
Fiscal year ended March 31, 2025	292,152	-941,966	280,477	4,528,795
March 31, 2024	747,278	-867,267	918,646	4,954,565

2. Dividends

	Annual dividends per share					Total amount of dividends	Payout ratio (Consolidated)	Ratio of dividends on equity attributable to owners of the parent
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Yen (millions)	%	%
Fiscal year ended March 31, 2024	—	87.00	—	39.00	—	330,368	30.1	2.8
Fiscal year ended March 31, 2025	—	34.00	—	34.00	68.00	307,347	38.0	2.5
Fiscal year ending March 31, 2026 (forecast)	—	35.00	—	35.00	70.00		111.4	

Explanatory notes:

As of the effective date of October 1, 2023, the Company implemented a three-for-one stock split of its common stock to shareholders as of the record date of September 30, 2023.

The year-end dividend per share for the fiscal year ended March 31, 2024 is based on the number of shares after the stock split and the total annual dividend is disclosed as

“ — ”. Based on the number of shares after the stock split, the total annual dividend for the fiscal year ended March 31, 2024 is expected to be JPY 68.00 per share.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(% of change from the previous fiscal year)

	Sales revenue		Operating profit		Profit before income taxes		Profit for the year		Profit for the year attributable to owners of the parent		Earnings per share attributable to owners of the parent
	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen
Full-year	20,300,000	-6.4	500,000	-58.8	490,000	-62.8	325,000	-64.0	250,000	-70.1	62.84

***Explanatory notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (Company name: -)

Excluded: - companies (Company name: -)

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reason : None

(iii) Changes in accounting estimates : Yes

For the details, please refer to page 11 [6] Notes to Consolidated Financial Statements.

(3) Number of issued shares (common shares)

(i) Number of issued shares at the end of the period (including treasury stock)

As of March 31, 2025	5,280,000,000 shares
As of March 31, 2024	5,280,000,000 shares

(ii) Number of treasury stock at the end of the period

As of March 31, 2025	933,490,429 shares
As of March 31, 2024	451,092,624 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	4,671,383,489 shares
Fiscal year ended March 31, 2024	4,901,560,332 shares

As of the effective date of October 1, 2023, the Company implemented a three-for-one stock split of its common stock to shareholders as of the record date of September 30, 2023. Number of issued shares at the end of the period (including treasury stock), number of treasury stock at the end of the period and average number of shares outstanding during the period are calculated based on the assumption that the stock split had been implemented at the beginning of the previous fiscal year.

[Reference] Overview of non-consolidated financial results**1. Non-consolidated operating results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)**

(1) Non-consolidated operating results

(% of change from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit for the year	
	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%	Yen (millions)	%
Fiscal year ended March 31, 2025	4,596,209	1.1	-12,992	—	1,025,746	19.4	930,050	34.3
March 31, 2024	4,544,669	26.7	161,615	—	859,011	32.7	692,695	9.8
	Basic earnings per share		Diluted earnings per share					
	Yen		Yen					
Fiscal year ended March 31, 2025	199.10		—					
March 31, 2024	141.32		—					

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Yen (millions)	Yen (millions)	%	Yen
As of March 31, 2025	4,501,503	3,033,806	67.4	697.99
March 31, 2024	5,026,367	3,241,490	64.5	671.27

Reference: Equity

As of March 31, 2025: JPY 3,033,806 million

As of March 31, 2024: JPY 3,241,490 million

Explanatory notes:

- For non-consolidated operating results, amounts in the millions of yen are rounded down to the nearest million yen.
- As of the effective date of October 1, 2023, the Company implemented a three-for-one stock split of its common stock to shareholders as of the record date of September 30, 2023. Basic earnings per share and net assets per share are calculated based on the assumption that the stock split had been implemented at the beginning of the previous fiscal year.

*** Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.**

*** Proper use of earning forecasts, and other special matters**

This announcement contains “forward-looking statements” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management’s assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that the actual results of the Company could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in the principal markets of the Company, its consolidated subsidiaries and its affiliates accounted for by the equity-method, and fluctuation of foreign exchange rates, as well as other factors detailed from time to time.

For the assumptions of forecasts, please refer to page 3 [2] Forecasts for the Fiscal Year Ending March 31, 2026.

Honda’s American Depositary Shares are listed and traded on the New York Stock Exchange. One American Depositary Share represents three common shares.

This document, Form 6-K (to be submitted to the U.S. Securities and Exchange Commission), is submitted to Tokyo Stock Exchange as English translation of the Japanese original. Therefore, there are some discrepancies between this translated document and the Japanese original.

For supplemental materials prepared for consolidated financial results and other information, please refer to Honda’s Investor Relations website (URL <https://global.honda/en/investors/>).

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1. Overview of Consolidated Financial Results

[1] Overview of Consolidated Operating Results and Consolidated Financial Position

Consolidated Operating Results

Honda's consolidated sales revenue for the fiscal year ended March 31, 2025 increased by 6.2%, to JPY 21,688.7 billion from the fiscal year ended March 31, 2024, due mainly to increased sales revenue in Motorcycle business as well as positive foreign currency translation effects. Operating profit decreased by 12.2%, to JPY 1,213.4 billion from the previous fiscal year, due mainly to decreased profit attributable to sales impacts, increased research and development expenses as well as the change in the estimation model for automobile product warranties, which was partially offset by increased profit attributable to price and cost impacts. In addition, the change in the estimation model for automobile product warranties had a negative impact of JPY 127.6 billion. Profit before income taxes decreased by 19.8%, to JPY 1,317.6 billion from the previous fiscal year, due mainly to decreased share of profit (loss) of investments accounted for using the equity method in Asia. Profit for the year attributable to owners of the parent decreased by 24.5%, to JPY 835.8 billion from the previous fiscal year.

Consolidated Financial Position

Total assets as of March 31, 2025 increased by JPY 1,001.7 billion, to JPY 30,775.8 billion from March 31, 2024 due mainly to an increase in receivables from financial services as well as equipment on operating leases, which was partially offset by negative foreign currency translation effects. Total liabilities increased by JPY 1,379.7 billion, to JPY 18,148.0 billion from March 31, 2024 due mainly to increased financing liabilities. Total equity decreased by JPY 378.0 billion, to JPY 12,627.8 billion from March 31, 2024 due mainly to a decrease attributable to purchases of treasury stock as well as dividends paid, which was partially offset by an increase attributable to profit for the year.

Consolidated Cash Flows

Consolidated cash and cash equivalents on March 31, 2025 decreased by JPY 425.7 billion from March 31, 2024, to JPY 4,528.7 billion. The reasons for the increases or decreases for each cash flow activity, when compared with the previous fiscal year, are as follows:

Net cash provided by operating activities amounted to JPY 292.1 billion of cash inflows. Cash inflows from operating activities decreased by JPY 455.1 billion compared with the previous fiscal year, due mainly to an increase in payments for parts and raw materials as well as in payments for purchase of equipment on operating leases, which was partially offset by increased cash received from customers.

Net cash used in investing activities amounted to JPY 941.9 billion of cash outflows. Cash outflows from investing activities increased by JPY 74.6 billion compared with the previous fiscal year, due mainly to an increase in payments for additions to property, plant and equipment as well as in payments for acquisitions of other financial assets, which was partially offset by increased proceeds from sales and redemptions of other financial assets.

Net cash provided by financing activities amounted to JPY 280.4 billion of cash inflows. Cash inflows from financing activities decreased by JPY 638.1 billion compared with the previous fiscal year, due mainly to an increase in purchases of treasury stock as well as in dividends paid.

[2] Forecasts for the Fiscal Year Ending March 31, 2026

In regard to the forecasts of the financial results for the fiscal year ending March 31, 2026, Honda projects consolidated results to be as shown below:

Fiscal year ending March 31, 2026	<u>Yen (billions)</u>	<u>Changes from FYE Mar. 31, 2025</u>
Sales revenue	20,300.0	-6.4%
Operating profit	500.0	-58.8%
Profit before income taxes	490.0	-62.8%
Profit for the year	325.0	-64.0%
Profit for the year attributable to owners of the parent	250.0	-70.1%

Note: The forecasts are based on the assumption that the average exchange rates for the Japanese yen to the U.S. dollar will be JPY135 for the full year ending March 31, 2026.

The reasons for the increases or decreases in the forecasts of the operating profit for the fiscal year ending March 31, 2026 from the previous year are as follows.

	<u>Yen (billions)</u>
Sales impacts	+ 156.1
Price and cost impacts	+ 250.0
Expenses	- 219.1
R&D expenses	- 126.0
Currency effect	- 452.0
Tariff impact and recovery efforts for tariff impact	- 450.0
Impact of change in the estimation model for automobile product warranties	+ 127.6
<u>Operating profit compared with the fiscal year ended March 31, 2025</u>	<u>- 713.4</u>

This announcement contains “forward-looking statements” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management’s assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that the actual results of the Company could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in the principal markets of the Company, its consolidated subsidiaries and its affiliates accounted for by the equity-method, and fluctuation of foreign exchange rates, as well as other factors detailed from time to time. The various factors for increases and decreases in profit have been classified in accordance with a method that Honda considers reasonable.

2. Basic Rationale for Selection of Accounting Standards

The Company adopted IFRS for the Company's consolidated financial statements from the fiscal year ended March 31, 2015 which have been included in the annual securities report (to be submitted to the Financial Services Agency of Japan) and Form 20-F (to be submitted to the U.S. Securities and Exchange Commission), aiming at improving comparability of financial information across international capital markets as well as standardization of financial information and enhancing efficiency of financial reporting of the Company and its consolidated subsidiaries.

3. Consolidated Financial Statements and Notes to Consolidated Financial Statements

[1] Consolidated Statements of Financial Position

March 31, 2024 and 2025

		Yen (millions)	
		Mar. 31, 2024	Mar. 31, 2025
Assets			
Current assets:			
Cash and cash equivalents		4,954,565	4,528,795
Trade receivables		1,240,090	1,160,847
Receivables from financial services		2,558,594	2,755,800
Other financial assets		229,583	208,478
Inventories		2,442,969	2,470,590
Other current assets		446,763	563,252
Total current assets		11,872,564	11,687,762
Non-current assets:			
Investments accounted for using the equity method		1,206,968	1,242,614
Receivables from financial services		5,616,676	6,172,817
Other financial assets		968,142	873,459
Equipment on operating leases		5,202,768	5,748,187
Property, plant and equipment		3,234,413	3,209,921
Intangible assets		999,689	1,126,019
Deferred tax assets		170,856	143,499
Other non-current assets		502,074	571,589
Total non-current assets		17,901,586	19,088,105
Total assets		29,774,150	30,775,867
Liabilities and Equity			
Current liabilities:			
Trade payables		1,609,836	1,663,487
Financing liabilities		4,105,590	4,497,747
Accrued expenses		638,319	728,935
Other financial liabilities		340,858	276,861
Income taxes payable		157,410	108,562
Provisions		566,722	388,441
Other current liabilities		904,757	951,124
Total current liabilities		8,323,492	8,615,157
Non-current liabilities:			
Financing liabilities		6,057,967	6,953,520
Other financial liabilities		316,919	301,439
Retirement benefit liabilities		284,844	288,472
Provisions		385,001	667,274
Deferred tax liabilities		855,067	718,084
Other non-current liabilities		544,988	604,099
Total non-current liabilities		8,444,786	9,532,888
Total liabilities		16,768,278	18,148,045
Equity:			
Common stock		86,067	86,067
Capital surplus		205,073	205,299
Treasury stock		(550,808)	(1,272,845)
Retained earnings		10,644,213	11,122,187
Other components of equity		2,312,450	2,185,821
Equity attributable to owners of the parent		12,696,995	12,326,529
Non-controlling interests		308,877	301,293
Total equity		13,005,872	12,627,822
Total liabilities and equity		29,774,150	30,775,867

[2] Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

For the years ended March 31, 2024 and 2025

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Sales revenue	20,428,802	21,688,767
Operating costs and expenses:		
Cost of sales	(16,016,659)	(17,024,788)
Selling, general and administrative	(2,106,539)	(2,351,011)
Research and development	(923,627)	(1,099,482)
Total operating costs and expenses	(19,046,825)	(20,475,281)
Operating profit	1,381,977	1,213,486
Share of profit (loss) of investments accounted for using the equity method	110,817	982
Finance income and finance costs:		
Interest income	173,695	191,131
Interest expense	(59,631)	(54,907)
Other, net	35,526	(33,052)
Total finance income and finance costs	149,590	103,172
Profit before income taxes	1,642,384	1,317,640
Income tax expense	(459,794)	(414,606)
Profit for the year	1,182,590	903,034
Profit for the year attributable to:		
Owners of the parent	1,107,174	835,837
Non-controlling interests	75,416	67,197
	Yen	
Earnings per share attributable to owners of the parent		
Basic and diluted	225.88	178.93

Consolidated Statements of Comprehensive Income

For the years ended March 31, 2024 and 2025

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Profit for the year	1,182,590	903,034
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(18,931)	26,727
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	(25,469)	(13,477)
Share of other comprehensive income of investments accounted for using the equity method	8,300	(6,499)
Items that may be reclassified subsequently to profit or loss		
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	56	415
Exchange differences on translating foreign operations	875,050	(162,325)
Share of other comprehensive income of investments accounted for using the equity method	54,353	18,401
Total other comprehensive income, net of tax	893,359	(136,758)
Comprehensive income for the year	2,075,949	766,276
Comprehensive income for the year attributable to:		
Owners of the parent	1,981,448	699,150
Non-controlling interests	94,501	67,126

[3] Consolidated Statements of Changes in Equity

For the years ended March 31, 2024 and 2025

	Yen (millions)							
	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2023	86,067	185,589	(484,931)	9,980,128	1,417,397	11,184,250	318,041	11,502,291
Comprehensive income for the year								
Profit for the year				1,107,174		1,107,174	75,416	1,182,590
Other comprehensive income, net of tax					874,274	874,274	19,085	893,359
Total comprehensive income for the year				1,107,174	874,274	1,981,448	94,501	2,075,949
Reclassification to retained earnings				(17,715)	17,715	—		—
Transactions with owners and other								
Dividends paid				(241,865)		(241,865)	(63,895)	(305,760)
Purchases of treasury stock			(250,513)			(250,513)		(250,513)
Disposal of treasury stock			504			504		504
Cancellation of treasury stock		(623)	184,132	(183,509)		—		—
Share-based payment transactions		3				3		3
Equity transactions and others		20,104			3,064	23,168	(39,770)	(16,602)
Total transactions with owners and other		19,484	(65,877)	(425,374)	3,064	(468,703)	(103,665)	(572,368)
Balance as of March 31, 2024	86,067	205,073	(550,808)	10,644,213	2,312,450	12,696,995	308,877	13,005,872
Comprehensive income for the year								
Profit for the year				835,837		835,837	67,197	903,034
Other comprehensive income, net of tax					(136,687)	(136,687)	(71)	(136,758)
Total comprehensive income for the year				835,837	(136,687)	699,150	67,126	766,276
Reclassification to retained earnings				(10,058)	10,058	—		—
Transactions with owners and other								
Dividends paid				(347,805)		(347,805)	(78,692)	(426,497)
Purchases of treasury stock			(722,365)			(722,365)		(722,365)
Disposal of treasury stock			328			328		328
Share-based payment transactions		226				226		226
Equity transactions and others							3,982	3,982
Total transactions with owners and other		226	(722,037)	(347,805)		(1,069,616)	(74,710)	(1,144,326)
Balance as of March 31, 2025	86,067	205,299	(1,272,845)	11,122,187	2,185,821	12,326,529	301,293	12,627,822

[4] Consolidated Statements of Cash Flows

For the years ended March 31, 2024 and 2025

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Cash flows from operating activities:		
Profit before income taxes	1,642,384	1,317,640
Depreciation, amortization and impairment losses excluding equipment on operating leases	794,366	742,863
Share of (profit) loss of investments accounted for using the equity method	(110,817)	(982)
Finance income and finance costs, net	(141,250)	(169,976)
Interest income and interest costs from financial services, net	(152,041)	(171,854)
Changes in assets and liabilities		
Trade receivables	(138,323)	69,199
Inventories	(67,833)	(79,464)
Trade payables	36,516	112,635
Accrued expenses	157,582	72,803
Provisions and retirement benefit liabilities	263,593	128,447
Receivables from financial services	(1,454,357)	(904,344)
Equipment on operating leases	12,661	(690,110)
Other assets and liabilities	58,325	(58,502)
Other, net	(48,219)	22,065
Dividends received	158,092	126,343
Interest received	560,709	737,648
Interest paid	(283,447)	(439,081)
Income taxes paid, net of refunds	(540,663)	(523,178)
Net cash provided by operating activities	747,278	292,152
Cash flows from investing activities:		
Payments for additions to property, plant and equipment	(348,680)	(510,803)
Payments for additions to and internally developed intangible assets	(259,985)	(336,632)
Proceeds from sales of property, plant and equipment and intangible assets	14,418	12,258
Proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of	(18,544)	—
Payments for acquisitions of investments accounted for using the equity method	(173,767)	(157,013)
Proceeds from sales of investments accounted for using the equity method	—	21,486
Payments for acquisitions of other financial assets	(282,076)	(419,222)
Proceeds from sales and redemptions of other financial assets	201,367	447,960
Net cash used in investing activities	(867,267)	(941,966)
Cash flows from financing activities:		
Proceeds from short-term financing liabilities	10,020,736	8,988,964
Repayments of short-term financing liabilities	(10,045,118)	(8,648,271)
Proceeds from long-term financing liabilities	3,654,964	3,809,432
Repayments of long-term financing liabilities	(2,056,083)	(2,658,526)
Dividends paid to owners of the parent	(241,865)	(347,805)
Dividends paid to non-controlling interests	(66,855)	(67,186)
Purchases and sales of treasury stock, net	(250,009)	(722,037)
Repayments of lease liabilities	(80,513)	(78,137)
Other, net	(16,611)	4,043
Net cash provided by financing activities	918,646	280,477
Effect of exchange rate changes on cash and cash equivalents	352,894	(56,433)
Net change in cash and cash equivalents	1,151,551	(425,770)
Cash and cash equivalents at beginning of year	3,803,014	4,954,565
Cash and cash equivalents at end of year	4,954,565	4,528,795

[5] Assumptions for Going Concern

None

[6] Notes to Consolidated Financial Statements

[A] Changes in accounting estimates

Honda recognizes provisions for product warranties to cover future product warranty expenses. Honda recognizes costs for general warranties on products Honda sells and for specific warranty programs, including product recalls. For the year ended March 31, 2025, Honda changed the estimation model of provisions for specific warranty programs of automobile products manufactured at major production bases, from estimating the provisions individually for each specific warranty program to estimating the provisions comprehensively at the time of vehicle sales. The estimated specific warranty costs are measured by number of units sold over the past fiscal years and specific warranty cost per unit expected to be incurred (specific warranty cost per unit) after vehicle sales over its product life based on our historical experience. In addition to the provisions comprehensively accrued, estimates of certain warranty program cost are individually made when it is deemed appropriate by considering its nature and magnitude of each program. Honda recognizes those provisions when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The provisions are estimated based on the expected level of future warranty costs, including the expected number of units to be affected and the estimated repair cost per unit for warranty claims. During the year ended March 31, 2025, it was made possible for Honda to make reliable estimates of product warranty costs at the time products are sold to customers, since the number of automobile product units subject to specific warranty program have increased in the recent fiscal years, historical data to support the use of its estimate on specific warranty program costs have sufficiently accumulated, and “Quality Innovation Operations” has been established to monitor progress of specific warranty programs and related costs across Honda. The change in the estimation model resulted in the increase of provisions for product warranties by JPY 127,554 million for the year ended March 31, 2025, which is included in selling, general and administrative in the consolidated statements of income and included in Automobile business.

[B] Segment Information

Based on Honda's organizational structure and characteristics of products and services, Honda discloses segment information in four categories: Reportable segments of Motorcycle business, Automobile business and Financial services business, and other segments that are not reportable. The other segments are combined and disclosed in Power products and other businesses. Segment information is based on 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 segment information are consistent with the accounting policies used in the Company's consolidated financial statements.

Principal products and services, and functions of each segment are as follows:

Segment	Principal products and services	Functions
Motorcycle Business	Motorcycles, all-terrain vehicles (ATVs), side-by-sides (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

Segment information based on products and services

As of and for the year ended March 31, 2024

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Products and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	3,220,168	13,567,565	3,248,808	392,261	20,428,802	—	20,428,802
Intersegment	—	223,950	2,976	30,068	256,994	(256,994)	—
Total	3,220,168	13,791,515	3,251,784	422,329	20,685,796	(256,994)	20,428,802
Segment profit (loss)	556,232	560,649	273,978	(8,882)	1,381,977	—	1,381,977
Segment assets	2,047,270	11,690,446	14,118,371	585,301	28,441,388	1,332,762	29,774,150
Depreciation and amortization	72,590	655,250	834,246	17,400	1,579,486	—	1,579,486
Capital expenditures	74,006	598,475	2,451,930	16,768	3,141,179	—	3,141,179

As of and for the year ended March 31, 2025

	Yen (millions)						
	Motorcycle Business	Automobile Business	Financial Services Business	Power Products and Other Businesses	Segment Total	Reconciling Items	Consolidated
Sales revenue:							
External customers	3,626,603	14,169,240	3,507,766	385,158	21,688,767	—	21,688,767
Intersegment	—	298,616	4,457	29,452	332,525	(332,525)	—
Total	3,626,603	14,467,856	3,512,223	414,610	22,021,292	(332,525)	21,688,767
Segment profit (loss)	663,443	243,853	315,634	(9,444)	1,213,486	—	1,213,486
Segment assets	2,248,809	11,874,764	15,713,348	576,347	30,413,268	362,599	30,775,867
Depreciation and amortization	72,443	642,506	881,500	16,356	1,612,805	—	1,612,805
Capital expenditures	94,688	797,831	3,125,821	18,468	4,036,808	—	4,036,808

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, 2024 and 2025 amounted to JPY 1,573,834 million and JPY 979,954 million, respectively, which consist primarily of the Company's cash and cash equivalents and financial assets measured at fair value through other comprehensive income.

[C] Information about per common share

Equity per share attributable to owners of the parent as of March 31, 2024 and 2025 are calculated based on the following information.

	2024	2025
Equity attributable to owners of the parent (millions of yen)	12,696,995	12,326,529
The number of shares outstanding at the end of the year (excluding treasury stock) (shares)	4,828,907,376	4,346,509,571
Equity per share attributable to owners of the parent (yen)	2,629.37	2,835.96

Explanatory note:

* As of the effective date of October 1, 2023, the Company implemented a three-for-one stock split of its common stock to shareholders as of the record date of September 30, 2023. Equity per share attributable to owners of the parent is calculated based on the assumption that the stock split had been implemented at the beginning of the year ended March 31, 2024.

Earnings per share attributable to owners of the parent for the years ended March 31, 2024 and 2025 are calculated based on the following information. There were no significant potentially dilutive common shares outstanding for the years ended March 31, 2024 and 2025.

	2024	2025
Profit for the year attributable to owners of the parent (millions of yen)	1,107,174	835,837
Weighted average number of common shares outstanding, basic (shares)	4,901,560,332	4,671,383,489
Basic earnings per share attributable to owners of the parent (yen)	225.88	178.93

Explanatory note:

* As of the effective date of October 1, 2023, the Company implemented a three-for-one stock split of its common stock to shareholders as of the record date of September 30, 2023. Basic earnings per share attributable to owners of the parent are calculated based on the assumption that the stock split had been implemented at the beginning of the year ended March 31, 2024.

[D] Subsequent Event

None

[E] Other**Loss related to airbag inflators**

Honda has been conducting market-based measures in relation to airbag inflators. Honda recognizes a provision for specific warranty costs when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. There is a possibility that Honda will need to recognize additional provisions when new evidence related to the product recalls arise, however, it is not possible for Honda to reasonably estimate the amount and timing of potential future losses as of the date of this report.