



**American Honda Motor Co., Inc.**  
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Phone (310) 783-2000

April 23, 2024

Michael Regan  
Senior Vice President  
Industry Affairs  
National Automobile Dealers Association

Dear Michael:

I am reaching out to you in response to the several coordinated letters that state and local dealer associations have directed to our former president, Noriya Kaihara, regarding the manner in which Afeela brand vehicles may be sold in the United States. While American Honda Motor Co., Inc. has not recently received a letter directly from NADA on this subject, given NADA's position as the industry-wide representative of automobile dealers and facilitator of the dealer-manufacturer relationship, past communications between American Honda and NADA related to Sony Honda Mobility (SHM), and the potential for dozens more letters from dealer associations, we felt that a letter to NADA would be the most effective, and efficient, course of action. Thank you for your understanding of our approach.

As explained in correspondence with NADA in 2022 (and related communications with our Acura and Honda dealers), American Honda and SHM are separate, independent entities. SHM (and/or its subsidiaries) has made, and will continue to make, its own business decisions about the sale, marketing and distribution of its future, separately branded products. We have been clear and transparent with our dealer networks that American Honda and our Honda and Acura brands have not and will not be involved in SHM's business decision-making or the sale or distribution of Afeela brand vehicles. We also have made it unequivocally clear that we consider Honda and Acura dealers to be our essential business partners, and we have no plan to change the dealer franchise business model.

Thus, while I can't represent the viewpoints or business plans of an independent company, I can speak to the strong commitment of American Honda to the dealer franchise model and the continued success of our Honda and Acura dealers.

We believe that by working in a spirit of collaboration with our dealer networks we will achieve our mutual success. As we have shared directly with our dealers – most recently in our joint meeting with Honda and Acura dealers earlier this month – we view our dealer network as essential to serving our customers and to our future success.

More than that, we believe our dealers represent a competitive advantage for our business as we transition to the electrified and digital future, even touting this advantage in recent

Prologue advertisements, and we are supporting that belief with significant investments in our future together.

When you include our investment in the development of new EV products and technologies, manufacturing, and charging infrastructure, we have committed billions of dollars to the future of our shared business. This includes the following investments here in America to create the Honda EV Hub in Ohio where we will begin building EVs next year:

- A joint venture EV battery plant that will produce batteries to power the EVs we produce.
- The retooling of three plants where we will start EV production.
- A wind tunnel we built that will be key for EV development.
- Expansion of our safety research facility for crash testing of EVs and enhancing advanced driver-assistive systems.

You will see this continue over the next decade as we make investments to supply our dealers with EVs that will meet future demand and fulfill our vision of making 100% of our sales electrified by 2040. This includes the leading role American Honda has played in advancing North American charging infrastructure, which will support the growth of EV sales in America.

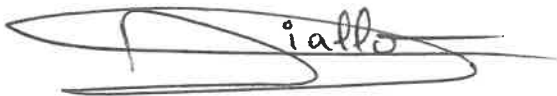
At the same time, we aren't just investing in "tomorrow." We are continuing to develop new ICE and hybrid models that support the business of our dealers today. This reflects the smart and thoughtful strategy we continue to pursue with a mix of ICE, hybrid, and all-electric vehicles that gives us flexibility to meet customer needs even as we aim for 100% EV sales in the future.

So, our focus is not on SHM or any other competitor, because we remain very confident in our own strategy. We are making the investments necessary to ensure our brands will lead the mobility industry in this new era by creating unprecedented new value for our customers as well as for our dealers, our key business partners.

As I personally explained to our dealers, we make this commitment not because we have to, but because we want to. Our relationship with our Honda and Acura dealers has stood the test of time. We will continue to communicate with transparency and work together with our dealers in a spirit of collaboration to ensure our mutual success.

Please let me know if you have any questions or need additional information that will help you serve your members.

Sincerely,

A handwritten signature in black ink, appearing to read "Mamadou Diallo", with a large, sweeping underline that extends across the width of the signature.

Mamadou Diallo  
Senior Vice President, Automobile Sales  
American Honda Motor Co., Inc.

For Ref: States Association Letters.