

Honda and General Motors Sign MoU Toward Establishing a Strategic Alliance in North America

- General Motors and Honda to explore sharing vehicle platforms and propulsion systems for a variety of core segments
- Combined efforts would enable both companies to accelerate innovation and more effectively deploy resources in advanced and next-generation technologies
- Alliance builds on successful collaboration in electrified vehicles and technologies

SEPTEMBER 3, 2020 – General Motors and Honda today announced they have signed a non-binding memorandum of understanding following extensive preliminary discussions toward establishing a North American automotive alliance. The scope of the proposed alliance includes a range of vehicles to be sold under each company's distinct brands, as well as cooperation in purchasing, research and development, and connected services.

Under the proposed alliance, Honda and GM would collaborate on a variety of segments in North America, intending to share common vehicle platforms, including both electrified and internal combustion propulsion systems that align with the vehicle platforms. Co-development planning discussions will begin immediately, with engineering work beginning in early 2021.

The announcement builds on the agreement signed between the companies in April to jointly develop two all-new electric vehicles for Honda based on GM's highly flexible global EV platform powered by Ultium batteries. The GM-Honda relationship, which began more than two decades ago, includes recent collaboration between the companies on fuel cells, batteries and the Cruise Origin shared autonomous vehicle.

"This alliance will help both companies accelerate investment in future mobility innovation by freeing up additional resources. Given our strong track record of collaboration, the companies would realize significant synergies in the development of today's vehicle portfolio," said Mark Reuss, president of General Motors.

"Through this new alliance with GM, we can achieve substantial cost efficiencies in North America that will enable us to invest in future mobility technology, while maintaining our own distinct and competitive product offerings. Combining the strengths of each company, and by carefully determining what we will do on our own and what we will do in collaboration, we will strive to build a win-win relationship to create new value for our customers. In this way, Honda will continue making steady progress in solidifying our existing business by realizing strong products, strong manufacturing capability and a strong business structure," said Seiji Kuraishi, executive vice president of Honda Motor Co., Ltd.

Alliance to drive scale and improve performance through platform sharing

An alliance in North America between Honda and GM would leverage the best technologies and generate substantial cost efficiencies from shared vehicle platforms and propulsion systems, joint purchasing, potential manufacturing efficiencies and other collaboration efforts. This would enable both GM and Honda to make greater investments in advanced and next-generation technologies.

GM and Honda also plan to share R&D and engineering costs for select future co-developed vehicle and propulsion platforms. This would create substantial efficiencies and free up capital, enabling both companies to meet the increasing requirements to invest in various future mobility trends and additional growth opportunities for each company's distinct brands.

Collaboration in purchasing to drive scale and efficiency

Honda and GM plan to collaborate in joint purchasing activities to create further cost efficiencies by leveraging both companies' respective scale, insight and best

practices. Purchasing collaboration would be focused on joint sourcing of materials, logistics and localization strategies.

R&D and connected services cooperation to exceed consumer expectations

Introducing advanced technology is imperative, given shifting consumer and regulatory requirements. To address this challenge efficiently, the alliance would explore combining the R&D efforts between the two companies related to advanced technology areas, including electrical architecture, advanced driver assist systems, infotainment, connectivity and vehicle-to-everything communication.

In April, the companies announced that Honda will incorporate GM's OnStar safety, security and connected services into the two all-new electric vehicles for Honda based on GM's global EV platform, seamlessly integrating them with HondaLink. Based on that collaboration, GM and Honda will explore further co-development opportunities for future connected services, including GM's OnStar and infotainment.

All facets of the alliance will be governed by a joint committee, comprising senior executives from both companies.

General Motors (NYSE:GM) is a global company committed to delivering safer, better and more sustainable ways for people to get around. General Motors, its subsidiaries and its joint venture entities sell vehicles under the [Chevrolet](#), [Buick](#), [GMC](#), [Cadillac](#), [Holden](#), [Baojun](#) and [Wuling](#) brands. More information on the company and its subsidiaries, including [OnStar](#), a global leader in vehicle safety and security services, can be found at <http://www.gm.com>.

Honda Motor Co. (NYSE: HMC), Honda designs, manufactures and markets automobiles, motorcycles, power products and aviation products worldwide. A global leader in powertrain and electromotive technologies, Honda produces nearly 28 million engines annually for its three product lines. Honda and its partners build products in more than 60 manufacturing plants in 27 countries, employing more than 208,000 associates globally.

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