

BANGLADESH HONDA PRIVATE LIMITED

STEPPING INTO THE EXPORT BUSINESS

September 03, 2024: Bangladesh Honda Private Limited (BHL), a subsidiary of Honda Motor Co., Ltd., proudly announces the commencement of its export business operations, marking a significant milestone in its mission to contribute to both domestic and global markets. This strategic initiative underscores BHL's commitment to supporting Bangladesh's economic growth by increasing local procurement, generating foreign currency, and enhancing employment opportunities through its motorcycle business. Additionally, it reflects BHL's commitment to elevating and showcasing Bangladesh's standing in global advanced two-wheeler markets by delivering high-quality motorcycles to some of the world's most advanced regions.

In alignment with Honda's global policy of contributing to the development of the countries where it operates, BHL has taken proactive steps to address the challenges posed by Bangladesh's current economic environment, particularly the dropping of foreign currency reserves. BHL requires substantial foreign currency to import raw materials and Knocked Down (KD) parts necessary for production and satisfy our beloved customers. However, the company faces constraints in meeting the growing customer demand due to the limitations on importing these essential components.

Shigeru Matsuzaki, Managing Director and Chief Executive Officer, "The solution to this challenge lies in our two-pronged approach: increasing local procurement and initiating exports to earn foreign currency. By strengthening our local supply chain and entering the export market, we aim to support Bangladesh's economic resilience while fulfilling our commitment to enriching people's lives through our motorcycle business.

Despite BHL's relatively low production volume and cost competitiveness compared to other countries, Honda Motor Co., Ltd. has endorsed BHL's export initiative in recognition of the foreign currency challenges faced by Bangladesh. In a pioneering move, BHL successfully shipped the X-Blade model to Guatemala by air in January 2024 as a test shipment. The current export shipment to Guatemala, sent by sea, represents a continuation of this effort, with future exports planned for South America, Central America, and Africa.

To ensure the success and expansion of its export business, BHL recognizes the importance of enhancing its cost competitiveness. The company is actively seeking support in the form

of tax exemptions for importing raw materials and export incentives to bolster its position in the global market.

We would like to express our gratitude and request the continued understanding and cooperation of all stakeholders, including the National Board of Revenue (NBR), Duty Exemption and Drawback Office (DEDO), and our banking partners, in supporting Bangladesh's development through these initiatives.”

Hiroyuki Yasunaga, Chief Production Officer, “Our team's relentless focus on quality and innovation has been instrumental in achieving this milestone. We are proud to showcase Bangladesh's manufacturing excellence on a global scale and are committed to continuing our efforts to produce world-class motorcycles that meet the rigorous standards of international and domestic markets.”

Shah Muhammad Ashequr Rahman, FCA, Chief Marketing Officer, “Our expansion into international markets not only enhances our brand's global reputation but also reinforces our strategic objectives locally. By leveraging our global expertise and deep understanding of the local market, we are well-positioned to meet the evolving demands of customers worldwide while driving growth and innovation within Bangladesh. By integrating the strengths of both global reach and local expertise, we are confident in our ability to meet the diverse needs of customers worldwide while continuing to serve and grow our domestic market. Today marks a significant milestone for both BHL and Bangladesh as we export our X-Blade model to **Guatemala** by sea. This achievement underscores our continued growth and global reach.”

About Bangladesh Honda Private Limited: Bangladesh Honda Private Limited (BHL) is a joint venture between Honda Motor Co., Ltd. and Bangladesh Steel and Engineering Corporation (BSEC). Established in 2012, BHL has become a leading manufacturer of Honda motorcycles in Bangladesh, offering a wide range of products that cater to the needs of customers across the country. BHL is committed to providing high-quality, reliable, and environmentally friendly vehicles, contributing to the development of Bangladesh's motorcycle industry.

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