

Honda Motor, the second largest car manufacturer in Japan, said that its operating profit for the first quarter of 2025 decreased by 50% due to strengthening the Japanese yen and new tariffs introduced by US President Donald Trump. Despite this, the company improved its forecast for the whole year.

From April to June, the quarterly profit of Honda amounted to 244.2 billion yen (\$ 1.66 billion), which was 20% less than analysts expected.

High tariffs for imports in the United States, including a new rate of 27.5%, reduced the company's profit by 125 billion yen. However, the influence of these tariffs on the annual income was less than expected. Now the company predicts losses of 450 billion yen instead of 650 billion.

Honda also increased its annual profit forecast from 500 to 700 billion yen. The company expects yen an average of 140 yen per dollar, which is 5 yen less than previously planned.

However, the dependence of the Honda on the US market is growing: in the first half of the year, the company sold 41% of all its cars in the country, which is more than in 2022 (26%) and less than in 2023 (37%).