

To: Shareholders of Honda Motor Co., Ltd.
From: Honda Motor Co., Ltd.
1-1, Minami-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8556
Takahiro Hachigo
President and Representative Director

Notice Concerning Change of the Company's Profit Redistribution Policy

The Board of Directors of Honda Motor Co., Ltd. (the "Company"), at its meeting held on November 1, 2017, resolved that the Company will change its Profit Redistribution Policy as follows.

Particulars

1. Reason for Change of the Company's Profit Redistribution Policy

The Company considers the redistribution of profits to its shareholders to be one of the most important management issues. For the purpose of further improving the Company's capital strategy, the Company has changed the profit redistribution policy from "the present goal is to maintain a shareholders' return ratio (i.e. the ratio of the total of the dividend payment and the repurchase of the Company's own shares to consolidated profit for the year attributable to owners of the parent) of approximately 30%" to "with respect to dividends, the present goal is to realize a return ratio (i.e. the ratio of the total of the dividend payment to consolidated profit for the year attributable to owners of the parent) alone of approximately 30%".

2. Details of Change of the Company's Profit Redistribution Policy (substantial changes are underlined.)

(1) Before Change

With respect to the redistribution of profits to its shareholders, which we consider to be one of the most important management issues, the Company's basic policy for dividends is to make distributions after taking into account its long-term consolidated earnings performance. The Company may also acquire its own shares at a timing that it deems optimal, with the goal of improving efficiency of the Company's capital structure and implementing a flexible capital structure policy.

The present goal is to maintain a shareholders' return ratio (i.e. the ratio of the total of the dividend payment and the repurchase of the Company's own shares to consolidated profit for the year attributable to owners of the parent) of approximately 30%.

(2) After Change

With respect to the redistribution of profits to its shareholders, which we consider to be one of the most important management issues, the Company's basic policy is to determine such distributions after taking into account, among others, its retained earnings for future growth and consolidated earnings performance based on a long-term perspective.

With respect to dividends, the present goal is to realize a return ratio (i.e. the ratio of the total of the dividend payment to consolidated profit for the year attributable to owners of the parent) of approximately 30%.

The Company may also acquire its own shares at a timing that it deems optimal, with the goal of improving efficiency of the Company's capital structure and implementing a flexible capital strategy.