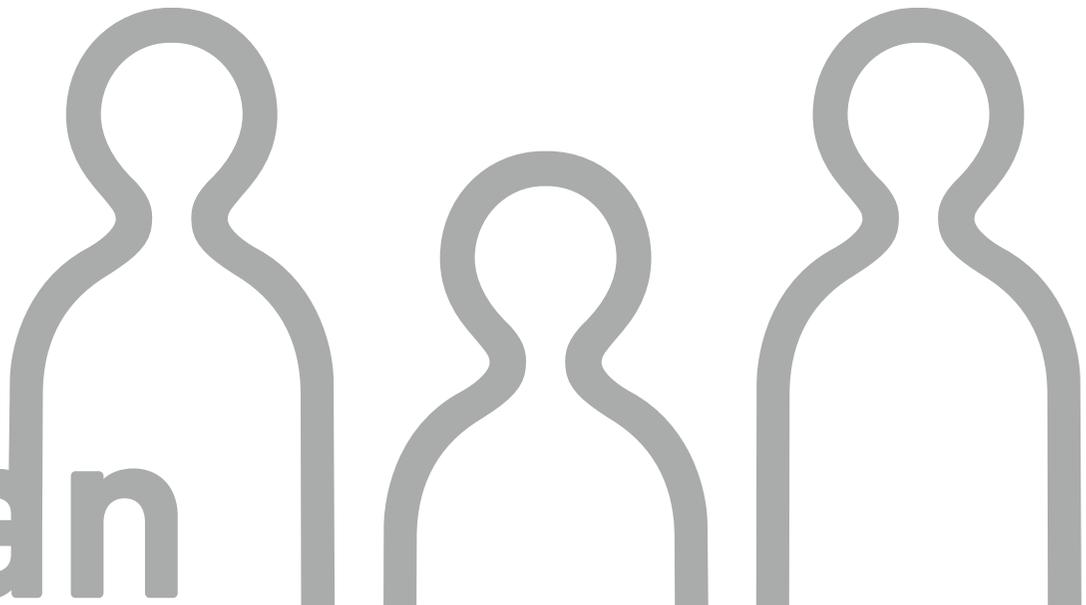


Human Resources

3 times (2020) 9 times (2025)

Target number of women in management (compared with year 2014, Japan)



human resources

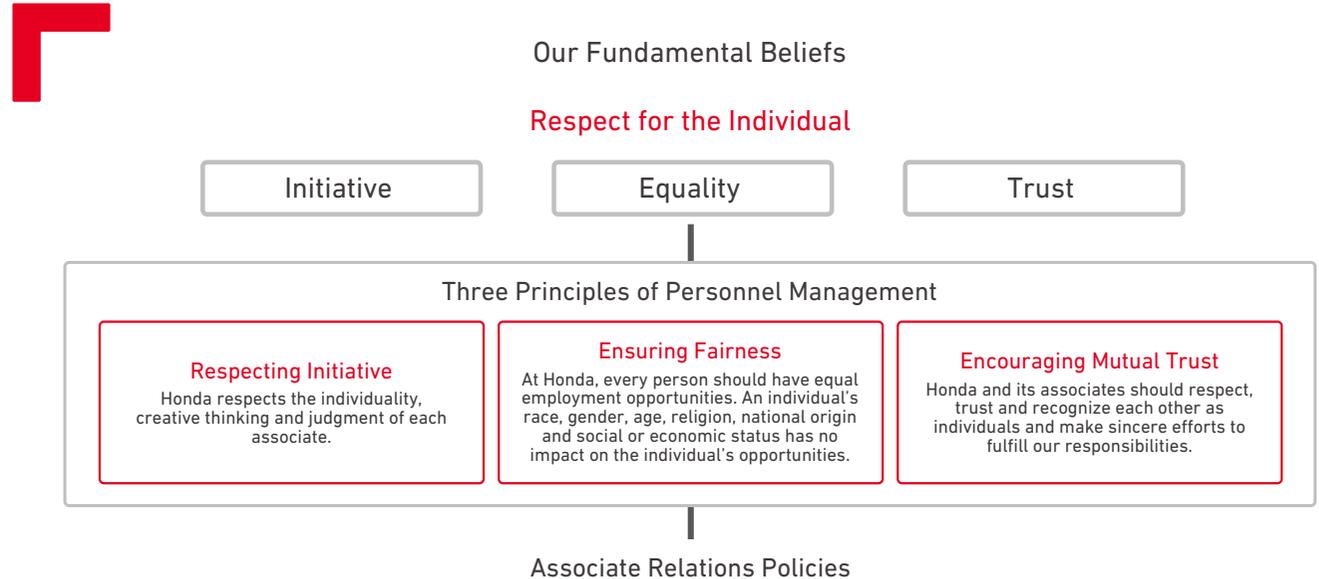
Basic Approach

Basic Policy for Personnel Management

Honda believes that human beings are born as free and unique individuals with the capacity to think, reason and create – and the ability to dream. The Company's wish is to nurture and promote these characteristics in Honda by respecting individual differences and trusting each other as equal partners.

From this standpoint, Honda adopts Respect for the Individual, consisting of the three elements of initiative, equality and trust, as one of the Company's Fundamental Beliefs. Honda believes this spirit should permeate all its relationships, not only with those in the Honda Group but with everyone in all companies with which Honda does business. The Company follows the Three Principles of Personnel Management, specifically Respecting Initiative, Ensuring Fairness and Encouraging Mutual Trust, when managing its human resources in areas such as recruitment, training, assignment and utilization, evaluation and treatment. Honda seeks to create an environment in which each associate's ambitions and abilities can be developed, as well as a workplace where an individual's potential can be actively exercised.

As Honda's business activities expand into various parts of the world, based on the Universal Declaration of Human Rights and other international standards, it established Associate Relations Policies in March 2012 that are applied to Honda's daily corporate actions, putting the Three Principles of Personnel Management into practice. Honda works to understand current conditions by conducting an assessment as to whether management operates in line with the Associate Relations Policies at each Group company and to respond appropriately in case any concerns are raised. Starting from FY2017, the assessment now covers joint ventures. In FY2017, there were no incidents identified.



To put these Three Principles into practice, Honda has established the following Associate Relations Policies:

1. Respecting individual human rights
 - We accept the individual characteristics and differences of our associates and respect their willingness and initiative.
 - We will always respect each individual's basic human rights and will not allow forced labor or child labor.
2. No discrimination
 - Based on the principle that all human beings should have equal employment opportunities, we will strive to create opportunities for free and fair competition.
 - We will not tolerate discrimination or harassment of any form in the workplace on the basis of an individual's race, ethnicity, national origin, religion, gender or age, among other characteristics.
3. Complying with laws and ordinances
 - We will respect the social norms, customs and culture of each country.
 - We will comply with the laws, regulations and ordinances enacted in each country and region.
4. Creating an environment of free, open-minded dialogue
 - The associates and the Company will respect each other's views and endeavor to promote mutual understanding. Maintaining a relationship of mutual trust, the associates and the Company will make every effort to engage in sincere discussions about any issues that might arise or exist.
 - Respecting freedom of association, or not to associate, and collective bargaining, the Company will attempt to resolve any and all issues in line with the laws, conventions and usages of each respective country and region.
5. Maintaining a working environment where each associate can work with a sense of security
 - The Company will provide a safe and healthy workplace where all associates can concentrate on work with a sense of security.



Global Management

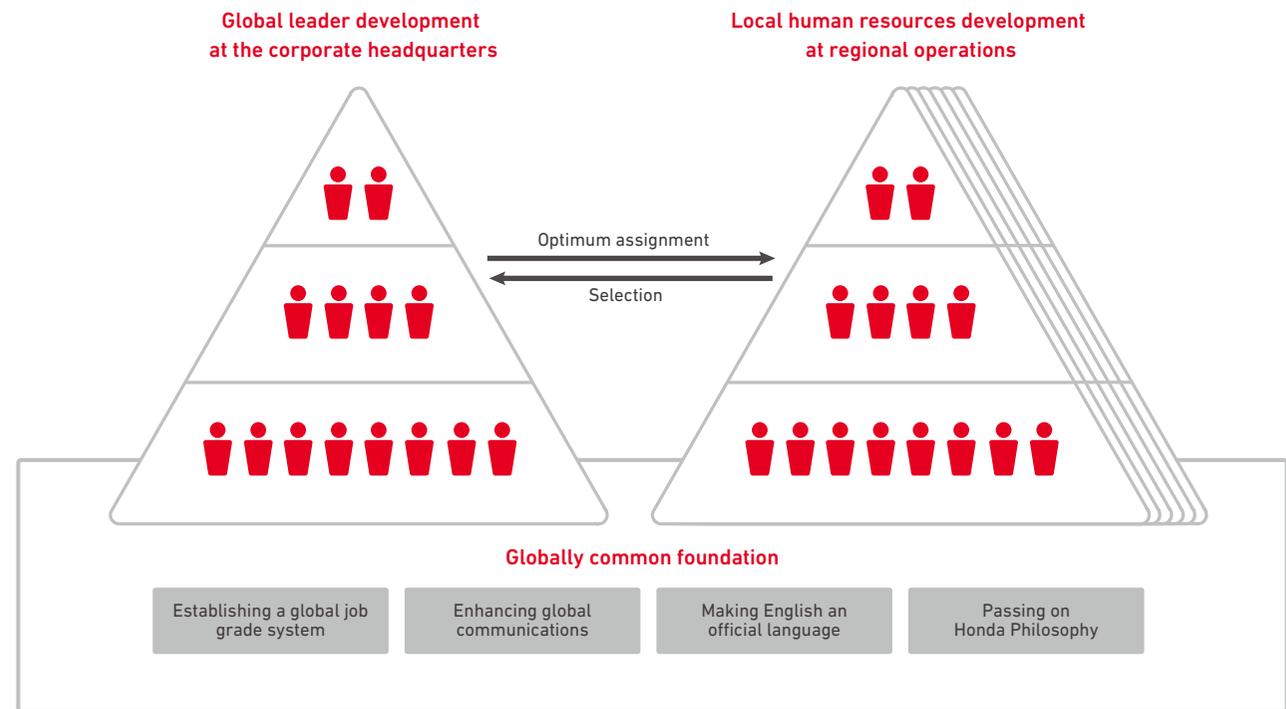
Human Resources Vision and Strategies

In accordance with its Company Principle, “maintaining a global viewpoint, we are dedicated to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction,” Honda has been proactively developing business with a view to entering the global markets since its foundation. In regard to its expansion overseas, Honda’s business model has evolved from exporting to local production and then to local development. In recent years, the Company’s production and development functions are being strengthened not only in developed countries but also in emerging countries, where demand for motorization is growing. Honda is striving for autonomy of its Regional Operations in six regions around the world.

In order to achieve this goal, Honda is pushing ahead with Global Human Resources Management Approaches that facilitate developing and assigning global personnel who plan, design and develop products that reflect market demand and who deliver quality products in a stable manner.

To be more precise, regional operation bases used to be managed mainly by Japanese expatriates; however, this style of management is being replaced by an approach where management is run by local associates, who are most familiar with the region. By assigning associates with experience in working for local and global operations to global functions, Honda tries to diversify and localize its workforce with multinational people in order to address market changes promptly and flexibly. Honda aims for the establishment of an organization in which it can demonstrate Honda’s total strength by coordinating its operations globally.

Global Human Resources Management Approaches



Global Management

Honda's Approaches

Honda takes two approaches to supporting autonomous operations in six global regions and developing and assigning human resources to enhance Honda's total strength.

The Company's approach is to develop and reinforce local human resources. Starting with the Honda Philosophy, Honda core values and competency, Honda aims to share values with Honda Group associates and vitalize communication by creating a communication environment and making English the Company's official language for interregional business operations. Honda provides training programs tailored for each region based on its

needs and conditions, while offering at the global level shared training programs to develop global leaders.

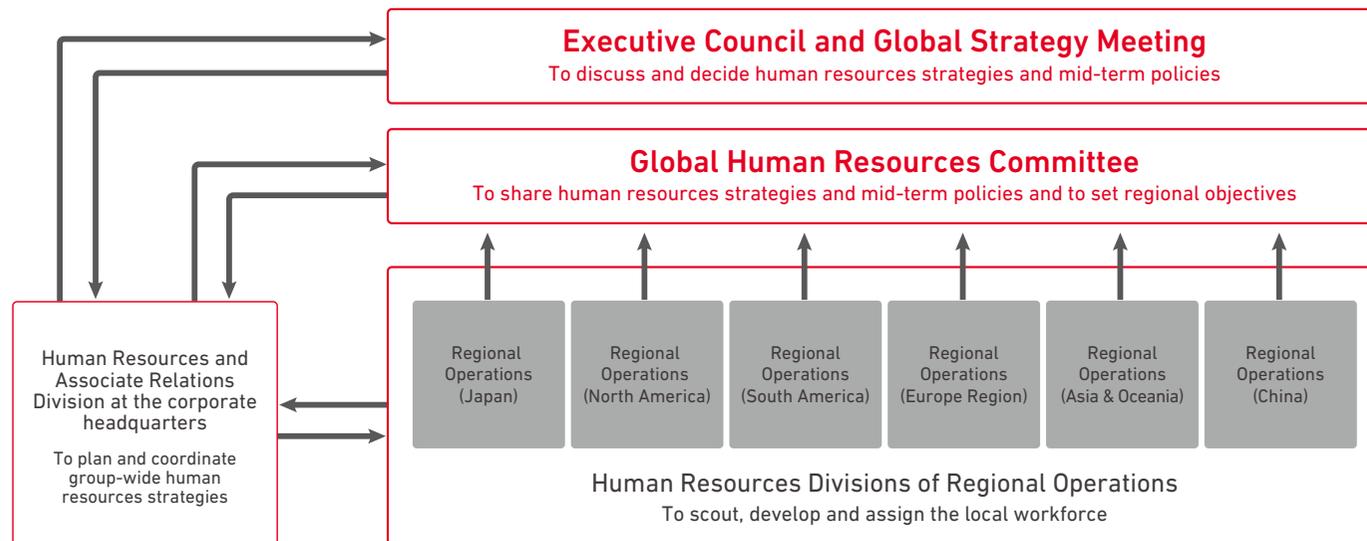
Furthermore, in order for these global human resources to be able to play active roles worldwide, Honda has adopted a Global Job Grade System (⇒ p. 65) in which managerial positions varying from one operation base to another are defined by common grades across the group. The Company aims to realize ideal management-level assignments with competent local personnel actively demonstrating their abilities in response to the needs of global operation bases.

Human Resources Management Structure

At Honda, the Human Resources and Associate Relations Division at the corporate headquarters in Tokyo draws up global human resources strategies from the mid- to long-term perspective in coordination with operations in each region. Strategies proposed by the division are discussed annually by the management members in the Global Strategy Committee.

The directions for personnel strategies deliberated in this meeting are broken down by theme for further discussion in the Global Human Resources Committee, in which associates responsible for human resources from six regions meet once a year. Once company-wide and regional plans and targets become concrete, activities are launched throughout the Company.

Global human resources management



Human Resources Initiatives

An Approach Based on On-the-Job Training

Honda's approach to personnel education is built around on-the-job training (OJT), specifically, building specialized skills and professional capabilities through direct experience. In order to facilitate effective OJT, Honda has established for every job description and area of expertise training programs with systemized contents and levels for the knowledge and skills required. These programs provide an opportunity to understand each associate's level of expertise and management capabilities, while serving as indicators to know if further development is needed. To supplement these OJT programs, Honda also offers off-the-job training (Off-JT) designed to provide associates with an opportunity to enhance their careers by developing new specialized skills or management capabilities. These training programs are level-specific and include specialized training for each job description, entry level training, basic training based on the Honda Philosophy, management training provided for acquisition of new qualifications, quality training and other training.

Principal Off-JT programs

1. Self-improvement training (career development)
2. Work performance training (skill development)
3. Management leadership training (management training)

Training hours and cost per associate

	Annual training time (hours)	Annual training cost (yen)
Japan	25.0	52,800
North America	11.9	22,300
South America	16.0	19,400
Asia & Oceania	7.1	4,700
China	24.1	21,300

*Information on Europe is to be confirmed.

Global Leader Development

As part of efforts to develop global leaders, Honda provides training to associates chosen from operation bases all around the world, including Japan, who will undertake global management in the future.

The Honda Executive Advanced Development School (HEADS) program, a combination of the executive leadership training (Off-JT) and an activity to draw up plans to resolve management issues in a cross-functional team, was launched in 2012 in addition to the Leadership Development Training (LDT) program.



Establishing the Global Job Grade System

Besides providing training to develop global leaders who undertake global management functions, Honda introduced the Global Job Grade System in 2011 for assigning its associates to the most suitable positions.

In this system, individual positions existing in each operation base of Honda such as development, production and sales facilities are evaluated and weighed based on roles and responsibilities and defined by common grades to be used group-wide in order to facilitate the transfer of associates to posts and locations in which they can demonstrate their abilities better beyond the limits of regions and operations. Honda has adopted this system for the positions of department and division managers of the corporate headquarters and higher in order to proactively promote local associates. The Company will strive to assign the most appropriate human resources actively to operation bases in the world and utilize them in line with its growth strategies through the Global Talent Board and Regional Talent Board that manages key posts and key talent around the world.

Human Resources Initiatives

Passing on the Honda Philosophy

It is important for progress of management localization to share business judgment and codes of practice, that is to say, to globally share a set of values such as the Honda Philosophy, Honda core values and competency with local associates.

With this awareness in mind, Honda provides a training program to pass on the Honda Philosophy as a part of level-specific training that takes place worldwide. To make the programs as practical as possible, company executives and regional management pick business examples and introduce ones that demonstrate decision-making or managerial judgment that puts into practice the concept of “what to think and do based on the Honda Philosophy.”

Promoting Use of English as an Official Language between Regions

In order for the Honda Group to exercise its total strength while operation bases in regions operate autonomously, it is essential to create an environment where its associates in the six regions can communicate closely.

In an effort to achieve this, Honda is working to make English an official language by 2020. With the adoption of this initiative, whenever interregional communication takes place, any information to be sent out will be sent in English. Documents to be used in meetings that involve regional operation bases along with any communication for information sharing will also be in English.

As a part of this initiative, Honda strives to reinforce training programs to improve the level of English among associates in Japan. English proficiency will be required for associates to be promoted to managerial positions in the future.

T O P I C S

Strengthening the Sharing and Passing on of the Honda Philosophy to Management

Honda promotes the localization of production and development in each region in line with its corporate philosophy of “building products close to the customer,” which has been in place since the Company’s earliest days.

In each region Honda is accelerating the shift from a management system centered on Japanese associates to one run by local associates who know the area best in order to meet changing customer needs on a local basis while also encouraging diversification and internationalization of associates. By doing so, the Company is aiming to establish a framework that enables it to further exploit the collective capabilities of Honda.

A specific initiative for passing on the Honda Philosophy to help achieve this concerned the opening of the website “Leadership Resources” on the in-house intranet worldwide in 2015. This site relays the stories of local associates regarding decision-making and management judgment based on the Honda Philosophy.

In 2016, Honda issued the booklet “Global Leader Talks,” which includes discussions with executive officers and top management from each region on their personal thoughts and beliefs based on the Honda Philosophy and Honda’s values. The booklet was distributed to management in all regions.

Through these activities, Honda aims to reinforce the sharing and permeation of the Honda Philosophy to accelerate the localization of management.



Human Resources Initiatives

Human Rights

Human Rights Training for Associates

The Three Principles of Personnel Management, Honda Code of Conduct and their basis, the Honda Philosophy, mention Honda's policy concerning human rights. Honda provides training on the Honda Philosophy all around the world to new associates, with the aim of promoting awareness of the Honda Philosophy concept. All 762 associates newly hired in FY2016 in Japan have gone through this training (22.9 hours of training in total).

Promoting Diversity

Fundamental Approach to Diversified Workforce

For Honda, diversification of the workforce means to enhance its total strength by providing equal opportunities to people regardless of their personal attributes and encouraging them to respect each other's individual differences and talents while exerting their own abilities to the fullest, based on Honda's fundamental belief of Respect for the Individual.

The Company regards these individual differences that are demonstrated by its workforce as one of its strengths in flexibly responding to the ever-changing business environment. Honda pursues workforce diversification believing that these individualities evolve into innovation.

Honda promotes diversity in accordance with the conditions of each of its six core regions as part of respective business operations. Efforts are being made to increase the proportion of women and minority groups (in terms of race and nationality, etc.) in management in each region and to create a framework to foster local personnel and diversity.

Initiatives at Honda in Japan

Meaning of Expanding Women's Participation at Honda in Japan

In Japan, Honda has been working to expand women's roles since 2008 and offering greater opportunities by building awareness, introducing systems to help women achieve a work-life balance and providing career support programs. As a result, the proportion of female associates in the workforce has increased from 5.0% to 7.2% within the past 10 years.

Honda carries out business operations globally, but the percentage of women in management positions in Japan still remains low at 0.7%. As part of the Company's efforts to expand women's roles, it has selected the number of women holding management positions as one management indicator and plans

to triple the number by 2020 and realize at least nine times the number by 2025, both compared with FY2015.

These targets, however, are not the Company's ultimate goal. What Honda intends to realize is a world where people can develop their careers regardless of gender, with more women taking an active role.

Honda's Action Plan

1. Period of plan

April 1, 2016 to March 31, 2018

2. Issues at Honda

- ① Low percentage of women in management
- ② Although the rate of competition for employment is equal among men and women, there are fewer female associates

3. Targets

- ① At least triple the number of women holding management positions by 2020 and realize at least nine times the number by 2025 compared with FY2015
- ② Increase the ratio of new recruits who are women to at least 20% by 2020

4. Details of initiatives and period of implementation

- <Initiative 1> Foster awareness of the need to embrace diversity
 - Continuously disseminate information from top management regarding initiatives aimed at expanding participation of women (January 2015-)
 - Conduct rank-based training concerning expansion of participation of women in management positions (September 2015-)
- <Initiative 2> Nurture female associates and accelerate their utilization
 - Formulate a career (development) plan (April 2015-)
 - Conduct interviews regarding career path through career advisors (October 2015-)
 - Conduct training on career/leader development for female associates (October 2016-)
 - Implement program supporting career reinstatement following maternity leave (July 2016-)
- <Initiative 3> Create an environment enabling women to build a career
 - Introduce a system of working at home for people engaged in child care and nursing care (October 2016-)
 - Extend the period of short working hours until the fourth year at elementary school (October 2015-)
 - Establish company nurseries (April 2017-)
- <Initiative 4> Strengthen the employment of women
 - Conduct focused publicity for female science and engineering students (March 2015-)
 - Participate in events promoting selection in science and engineering for high school students (March 2015-)
 - Increase the number of points of contact with female associates and hold tours of business sites (March 2016-)



Human Resources Initiatives

Initiatives for Expanding Women's Participation

In 2015, Honda again recognized that the diversification of its workforce is an important management challenge and has been making renewed efforts. In January 2015, the Company established the Diversity Promotion Office, an organization specialized in diversifying Honda's workforce. In Japan, Honda is promoting its first set of initiatives that focus on expansion of women's participation under three pillars: "Build awareness and foster an appropriate work climate," "Support career building" and "Create an appropriate environment and systems."

Honda's first effort to "Build awareness and foster an appropriate work climate" was to hold an annual lecture for members of company management. This was followed by a lecture for general, office and factory managers (held eight times with about 230 participants), a seminar for associates in management positions (34 times with about 3,200 participants) and a seminar for female associates (31 times with about 2,200 participants). Through these opportunities, the Company successfully cultivated a better understanding both among management-level associates and female associates. Honda is making steady progress in building awareness to foster an appropriate work climate.

To "Support career building" and accelerate the nurturing of female associates with a focus on the individual, the Company initiated a program in which supervisors create long-term, specific career development plans for aspiring female associates. Career advisors then hold individual interviews with these applicants to support their career building. In the past two years, such interviews were held with a total of 1,200 female associates.

Honda is also working to "Create an appropriate environment and systems" to respond to diversifying needs of associates and enable them to balance work and their desired lifestyles, not just helping associates continue working while balancing work, parenting and nursing care. In October 2016, the Company introduced a half-day paid leave system, system of working at home and system to provide financial support for child care in order to enhance our systems of short working hours and temporary nursery services. As another effort, we opened a company nursery in the Tochigi district in April 2017. We also support the provisions of the

Women's Empowerment Principles (WEPs), a set of principles for companies voluntarily promoting women's empowerment, and have signed the CEO Statement of Support for the WEPs.

Continuous Initiatives and Reforming Corporate Culture and Work Style

Honda seeks to reform its corporate culture and work style to allow people to work with enthusiasm and find their jobs rewarding. The aim is to shift to a more "time-conscious" work style, use the resulting time allowance to increase communication, encourage self-development and ultimately improve the quality of work and productivity.

Honda will continue to expand participation of women and step up its efforts to reform the Company's work style.

At the same time, Honda will promote the diversification of its workforce from various viewpoints, such as age, nationality and presence or non-presence of disabilities.

Percentage of women in the Honda workplace: FY2017

	Ratio of women in the entire workforce	Ratio of women in management positions
Japan	7.2	0.7
North America	23.0	18.5
South America	11.9	8.0
Europe	23.0	18.3
Asia & Oceania	10.6	15.8
China	13.1	16.2
Total	14.4	10.4

Base salary and ratio of total compensation for males and females in Japan

	Base salary (Female : Male)	Total compensation (Female : Male)
Management positions	1:1.08	1:1.08
General associates	1:1.20	1:1.35

*The same pay scale is applied to male and female associates. Gaps are due to differences in factors such as age distribution and the ratio of males and females in pay grades.



Global Employment

As a part of efforts to diversify our human resources, Honda has started a Global Employment Program where some of the new graduates who join the Company are hired directly from overseas labor markets. The Company especially puts emphasis on hiring from labor markets in emerging countries where Honda plans to further develop business.

Honda strives to raise the total strength of its global workforce by developing these associates to be a core of Honda's human resources who will drive its global business in the future.

Number of global hires

	FY2016	FY2017	FY2018 (Forecast)
Number of people hired	18	15	20

Employment of People with Disabilities

Honda actively provides jobs to people with disabilities at its facilities in compliance with laws in each country where it does business. The Company strives to create an environment that allows associates with and without disabilities to work alongside one another in addition to making adaptations to ensure that workplaces and opportunities are fully accessible.

Honda also offers employment at its affiliates in Japan, specifically Honda Sun Co., Ltd., Honda R&D Sun Co., Ltd. and Kibounosato Honda Co., Ltd. Employment of individuals with disabilities at Honda Group companies in Japan in FY2017 stands at 2.32%, or 1,073 individuals, which is above the legally mandated level of 2.0%.

Number of associates with disabilities and percentage of employment of individuals with disabilities in Japan

	FY2013	FY2014	FY2015	FY2016	FY2017
Number of associates*	1,066	1,084	1,089	1,094	1,073
Percentage of employment*	2.31	2.27	2.28	2.30	2.32

*Laws governing the employment of people with disabilities stipulate that employment of one individual with a serious disability is equivalent to employing two less severely disabled individuals for purposes of calculating the number of associates with disabilities and percentage of employment. Data depicted in the graph are current as of June 1 of each year.

Human Resources Initiatives

Employment of Retirees Aged 60 Years and Over

With its rapidly declining birthrate, Japan is becoming a super aging society in which people aged 65 years or older will account for about one-third of its population in 2030. Against this background, Honda faces challenges of ensuring the stable employment of senior citizens and how to pass on their skills and expertise.

Prior to the 2004 amendments of the Act on Stabilization of Employment of Elderly Persons, Honda introduced a system in April 2003 to create opportunities for those associates who reach the retirement age of 60. In FY2017, the Company re-employed 74.3% of all associates retired at the mandatory age of 60.

In April 2017, Honda extended the retirement age from 60 to 65 and introduced a flexible retirement system to allow associates to choose when to retire according to their plan in order to provide a more suitable working environment for people aged 60 and over.

As a result of these efforts, re-employed retirees are actively participating in various workplaces while drawing on their extensive experience and specialized knowledge.

Number of re-employed retirees in Japan

	FY2013	FY2014	FY2015	FY2016	FY2017
Number of re-employed retirees	434	567	622	711	729

Building Healthy Working Environments

Helping Associates Balance the Demands of Work, Parenting and Nursing Care

In Japan's increasingly aging society with a declining birthrate, establishing an environment where people can balance work, parenting and nursing care is a social issue. Under such circumstances, Honda works actively to provide programs that help associates balance the demands of work, parenting and nursing care, and to gain an understanding of these programs by sending information by means of guidebooks and the corporate intranet.

In April 2014, we introduced a Selection-based Welfare Program

(Cafeteria Plan) giving associates the options of support for nursing care, as well as life events such as childbirth and child care, including babysitter agent services and child-care items rental.

As a result of these initiatives, Honda has been certified as a company that supports child-rearing by the Japanese Minister of Health, Labour and Welfare.

Honda will continue to establish systems and an environment to accelerate promoting diversity (⇒ p. 67) and enable both varied lifestyles and careers desired by individual associates.

Number of associates who utilize child/nursing care support in Japan

	FY2013	FY2014	FY2015	FY2016	FY2017
Short working hours to facilitate child care	171	153	172	182	219
	Male	2	2	0	5
Female	169	151	172	177	213
Administrative leave to facilitate child care	314	305	392	397	452
	Male	7	11	17	21
Female	307	294	375	376	420
Nursing care leave for children	959	894	971	1,116	1,356
	Male	624	554	593	718
Female	335	340	378	398	464
Work at home during child raising	-	-	-	-	145
	Male	-	-	-	-
Female	-	-	-	-	107
Childcare cost subsidy	-	-	-	-	74
	Male	-	-	-	-
Female	-	-	-	-	73
Short working hours to facilitate nursing care	0	1	3	3	8
	Male	0	0	2	1
Female	0	1	1	2	3
Administrative leave to facilitate nursing care	11	15	9	11	22
	Male	4	13	9	8
Female	7	2	0	3	8
Nursing care leave	19	22	13	22	11
	Male	16	19	11	17
Female	3	3	2	5	1
Work at home during nursing care	-	-	-	-	22
	Male	-	-	-	-
Female	-	-	-	-	10

Reinstatement rate (%) in Japan after taking child care leave

	FY2013	FY2014	FY2015	FY2016	FY2017
Reinstatement rate	99.7	99.7	99.2	98.3	96.1
Male	-	-	-	-	100.0
Female	-	-	-	-	95.5

Optimizing Work Hours

While cases of workers working long hours and taking few paid days off are raised as social issues in Japan, Honda has always been an industry leader in introducing shorter workweeks. The Company instituted a five-day workweek on alternating weeks in 1970, followed by a true five-day workweek in 1972. Other initiatives enjoyed by associates for more than 40 years include the banning of overtime on Wednesdays and Fridays and the introduction of a policy encouraging all associates – both labor and management – to use their allotted vacation time in full.*

Furthermore, to encourage its associates to take regular annual paid vacations and use their vacation time effectively to refresh themselves and increase motivation, Honda has recently introduced a system whereby associates are accorded blocks of three to five consecutive paid holidays depending on their years of continuous service.

As a result, total working hours averaged 1,954 per associate in FY2017, and associates averaged 19.0 paid vacation days, putting Honda at the top level of the automobile industry in terms of reducing actual working hours.

Going forward, Honda will work to further reform work styles primarily through awareness-raising and a review of operating processes.

*An initiative to prevent vacation days from being lost when the number of annual paid vacation days that can be carried over to the next year is exceeded.

Total working hours per associate and average vacation days taken in Japan

	FY2013	FY2014	FY2015	FY2016	FY2017
Total working hours per associate	1,950	1,900	1,890	1,964	1,954
Average vacation days taken	18.7	19.2	19.4	18.4	19.0



Human Resources Initiatives

Counseling Hotlines for Associates

Honda supports associates by operating a variety of counseling hotlines as a way to build a healthier work environment.

Examples of counseling hotlines in Japan

Hotlines	Description
Counseling hotlines dedicated to balancing work, parenting and family life responsibilities	Honda created a counseling hotline at each worksite's human resources and general affairs department to accommodate counseling requests from associates striving to balance work and family responsibilities, and to promote awareness and utilization of the company's support programs. Each hotline is staffed by a pair of male and female counselors, who field counseling requests from associates themselves and from their supervisors.
Harassment counseling hotline	Honda operates a harassment counseling hotline for all associates in order to prevent any harassment in the workplace and to facilitate the rapid and appropriate resolution of incidents.
Life planning seminar hotline	Honda offers life planning seminars to give associates an opportunity to start thinking about their life purpose, health and economic planning so that they will be able to lead a rich and fulfilling life. Seminars are also open to associates' spouses. In-house seminar instructors and a secretariat offer one-on-one counseling for associates who have participated in the seminar.

Evaluation and Treatment

Personnel Evaluation System

In accordance with Respecting Initiative and Ensuring Fairness based on the Three Principles of Personnel Management, Honda has introduced to Regional Operations in the six regions human resources evaluation programs adapted to the needs and conditions of each region.

For example, in Japan, Honda places emphasis on two-way communication with supervisors in associate development and evaluation, and all associates have at least three interviews with their supervisors each year. During the first interview in April, associates come out with a clear vision for the future and their direction going forward through their supervisor's advice. They then work out their individual role based on the organization's business goals for the fiscal year in question. During interviews in June and December, supervisors evaluate associate performance during the preceding six months and share an assessment of each associate's strengths and weaknesses. By facilitating a discussion of subjects such as future objectives and career directions, the interviews pave the way for associates' skill development.

Percentage of associates going through the evaluation programs

Region	Percentage of associates to be targeted for the evaluation programs
North America	99.1
South America	100.0
Europe	100.0
Asia & Oceania	99.6
China	99.9

Compensation and Incentives

Based on the Three Principles of Personnel Management, Honda gives its associates equal opportunities to make the most of their individual potential and recognizes and respects their abilities and accomplishments equally at worksites regardless of personal factors. Honda's compensation and evaluation system is built in line with this basic approach in consideration of the needs and conditions of each region.

Performance of general associates at Honda in Japan is evaluated in two stages under this system: development of abilities and demonstration of abilities. In the former stage, Honda places emphasis more on how associates' abilities evolve, whereas associates' demonstration of abilities and achievement are focused on in the latter stage. An annual salary system is applied to compensation for associates in management positions or higher. The higher their positions are, the more their accomplishments and company performance are taken into consideration.

Percentage of performance-based remuneration in Japan

Level	Proportion of performance-based remuneration in entire compensation
Director, Operating Officer positions	28.0*
Management positions	37.3

*A certain level of stock options is included in remuneration for Director and Operating Officer positions.

Starting salary in Japan

	Monthly salary (yen)	Compared to minimum wage (%)
High school	172,100	114
Technical college and junior college	192,700	127
Undergraduate	215,900	143
Graduate school (Master's degree)	242,100	160

*Minimum wage is calculated using 20.3 eight hour days as one month based on the minimum wage for the Tokyo metropolitan area (932 yen/hour). This is a graded salary system and there is no difference in salary for males and females with the same qualification level. Figures are as of June 1, 2017.



Human Resources Initiatives

Establishing a Good Relationship with Associates

Creating an Environment of Free and Open Dialogue

In accordance with Encouraging Mutual Trust based on the Three Principles of Personnel Management, Honda declares in the Associate Relations Policies that associates and the Company will respect each other's views and endeavor to promote mutual understanding. Maintaining a relationship of mutual trust, associates and the company will make every effort to engage in sincere discussions about any issues that might arise or exist. In line with the policies, Honda strives to maintain a good relationship and resolve issues that arise through dialogues with its associates. In addition, an appropriate notification period is set in advance in case of the implementation of important corporate measures that have a marked impact on associates.

Associate Survey

Honda conducts an associate survey in all regions to solicit worker feedback for building a healthier work environment.

Taking place once every three years in Japan to coincide with the Company's mid-term plan, the surveys include a variety of questions designed to gauge associate views on organizational culture, the Company's personnel system and management. Survey results are fed back to associates through in-house publications and are also incorporated into HR-related initiatives, such as management training and changes to the personnel system.

Results of associate surveys in Japan
(Level of satisfaction working at Honda) (%)

	FY2014	FY2017
All associates	80.0	74.5
Male	80.2	74.1
Female	77.9	72.5
Percentage of respondents for all associates	94.3	94.8

Initiatives for Occupational Health and Safety Management

Occupational Health and Safety

Honda strives to create a safe and healthy workplace in order to maintain a working environment in which people can work with a sense of security. As a company that holds "Respect for the Individual" as one of its Fundamental Beliefs, "no safety no production" has been Honda's fundamental safety principle shared throughout the Honda Group since its founding. Based on this principle, Honda Group companies in all parts of the world have established basic policies for occupational health and safety based on respective regional needs and conditions and promote activities aimed at preventing industrial accidents and any recurrence thereof.

With the Company's global mid-term occupational health and safety policy of realizing a comfortable work environment through the reinforcement of its health and safety management structure, Honda is pursuing the following key measures.

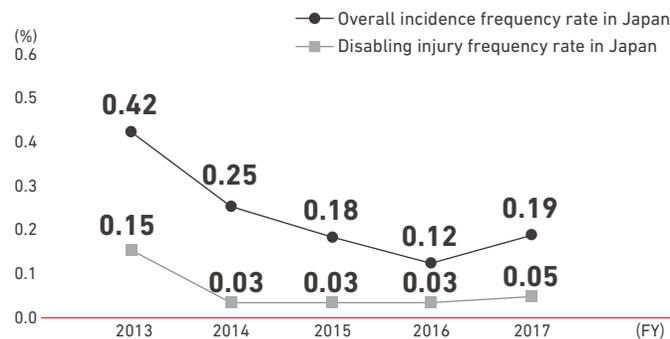
1. Conducting initiatives to totally eliminate industrial accidents specifically designed to meet the characteristics of individual operational areas, including development, purchasing, production, sales and management
2. Building up safety support systems for global operations
3. Standardizing explosion and fire prevention management systems
4. Totally eliminating traffic accidents by strengthening safe driving management and implementing awareness-raising activities (Japan)

In FY2017, Honda conducted self-assessment activities globally focused on explosion and fire prevention as part of the Company's efforts to create a global safety support system and reinforce its framework to reduce serious accident risks. Honda will continue to set specific action themes to prevent industrial accidents, explosions and fires and implement relevant activities worldwide.

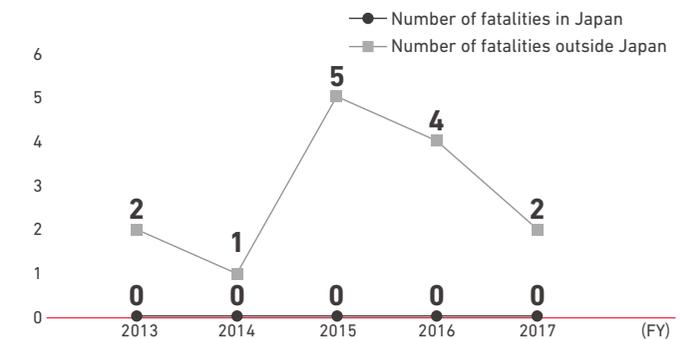
In Japan, Honda will continue to implement health and safety related activities to reduce the risk of serious accidents in cooperation with companies and labor unions based on a unified understanding.



Incidence of industrial accidents in Japan



Number of fatalities due to industrial accidents (in and outside Japan)



Human Resources Initiatives

Global Administration for Safety

Head offices in each region are taking the lead in implementing global controls for safety. For production activities, in particular, local offices are leading activities strongly focusing on implementation of an occupational health and safety management system, diffusion and execution of risk assessment and the establishment of explosion and fire prevention measures. Honda conducts occupational health and safety audits and reviews as needed to share recognition of health and safety management, while striving to improve the management system, as well as develop human resources for safety control in each country and region.



Further Supporting Associates' Good Health from the Perspective of Health Management

The Honda Group hopes that all of its associates around the world remain healthy in the same way we strive for safety on a global basis. The Company believes in continuously seeking to maintain and improve the health of its associates.

In addition to complying with laws and regulations, Honda examines and promotes ideas for activities aimed at enabling the joy of being healthy into the future.

Health management efforts in Japan

Medical checkups	Beginning with new hire medical checkups, regular health checkups and specific examinations necessary for certain lines of work, and including checkups for business trips abroad or long-term assignments overseas, Honda has implemented a program of as-needed medical examinations for associates. Targeted checkups are offered to associates aged 35 or older instead of the statutory age of 40 or older with the aim of early detection and early response to illness.
Health guidance	In light of results of checkups, provides health guidance, nutrition guidance and exercise instruction to improve lifestyle habits in order to prevent adult-onset diseases and severe illness.
Activities to maintain and promote health	Honda carries out activities for associates to get and stay healthy through initiatives including health-promoting events such as a walking event or measuring physical fitness to spur associates to develop good exercise habits. Honda has also introduced a selection-based welfare program so that associates can voluntarily seek to promote their own health.
Preventing danger from secondhand smoke	Honda is working to ensure that its workplaces are free from the danger of second-hand smoke inhalation. While setting clear environment criteria for smoking areas and ensuring these areas observe these criteria by performing environment measurements, the Company conducts activities tailored to the needs and conditions of its business sites in order to minimize the effects of secondhand smoke. Honda's activities include prohibiting smoking inside buildings, setting non-smoking hours, holding events to coincide with World No Tobacco Day and allocating a given day each month as a no-smoking challenge day. Honda also carries out educational activities for smokers and extends support to associates who smoke but wish to quit.
Mental health care	Honda is working to promote its associates' mental well-being. To this end, the Company has put together mental health promotion teams in each of its facilities. Honda's mental health initiatives are underpinned by the key policies as follows: "preventative education," "improving working environments," "checking stress levels," "enhancing counseling programs" and "support for those returning to the workplace after taking time off." The Company also distributes leaflets and pamphlets to associates aimed at facilitating an understanding of mental health care.

Statistics on Human Resources



Employment Situation

Consolidated number of associates

	FY2015	FY2016	FY2017
Japan	65,788	64,975	64,696
North America	48,024	50,624	53,243
South America	16,635	16,297	14,716
Europe	8,597	8,111	8,211
Asia & Oceania	50,649	52,364	54,380
China	15,037	16,028	16,669
Total	204,730	208,399	211,915

Number of associates by gender

		FY2015	FY2016	FY2017
Japan	Male	47,689	46,715	46,929
	Female	3,326	3,041	3,420

*With the exception of the item "Consolidated number of Associates," HR data for Japan is tabulated from numbers for the following companies: Honda Motor Co., Ltd., Honda R&D Co., Ltd., Honda Engineering Co., Ltd., Honda Racing Corporation, Honda Technical College and Honda Access Corporation.

Number of new permanent associates

		FY2015	FY2016	FY2017
Japan	Male	636	660	875
	Female	83	102	134
		4,778	4,051	4,789
North America	Male	-	3,008	3,410
	Female	-	1,043	1,379
		814	767	412
South America	Male	649	679	335
	Female	165	88	77
		-	340	357
Europe	Male	-	258	268
	Female	-	82	89
		4,720	3,174	5,415
Asia & Oceania	Male	4,252	2,795	4,867
	Female	468	379	548
		2,190	1,721	3,485
China	Male	1,962	1,541	3,199
	Female	228	180	286

Attrition rate (%) (including compulsory retirees)

		FY2015	FY2016	FY2017
Japan	Male	1.8	1.9	2.0
	Female	2.5	2.1	3.0
		6.0	7.8	9.6
North America		6.0	7.8	9.6
South America		10.9	12.0	15.8
Europe		-	8.2	7.2
Asia & Oceania		6.6	4.0	3.9
China		2.4	4.4	5.1

Percentage of associates from local communities taking upper management positions

Percentage of associates from local communities in entire upper management positions	
North America	60%
South America	39%
Europe	48%
Asia & Oceania	39%

Number of associates by employment contract and type

		FY2015	FY2016	FY2017
By contract	Permanent	42,342	41,622	41,001
	Non-permanent	5,347	5,093	5,928
By type	Full-time	47,549	46,608	46,834
	Part-time	140	107	95