

To: Shareholders of Honda Motor Co., Ltd.

From: Honda Motor Co., Ltd.
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Minato-ku, Tokyo, 107-8556
Toshihiro Mibe
President and Representative Director

Notice Concerning Partial Amendment to the Articles of Incorporation

Honda Motor Co., Ltd. (the “Company”) hereby announces that its Board of Directors today resolved to propose partial amendments to the articles of incorporation of the Company (the “Articles of Incorporation”) at its 97th Ordinary General Meeting of Shareholders scheduled to be held on June 23, 2021, as described below.

Particulars

1. Reason for Amendments

(1) Transition to a company with three committees

The Company has been striving to enhance corporate governance as one of the most important tasks for its management, based on the Company’s Fundamental Beliefs, in order to strengthen the trust of our shareholders/investors, customers and society and to seek sustainable growth and the enhancement of corporate value over the mid- to long-term, thereby becoming “a company that society wants to exist.”

In order to further strengthen the supervisory functions of management by realizing a clear separation between supervisory functions and executive functions, the Company has decided to transition to a company with three committees, in which a majority of the members of each committee are outside directors, and which allows for the transfer of broad authority for business execution from the board of directors to executive officers, who assume clear legal responsibility.

Accordingly, the Company intends to make amendments to the Articles of Incorporation, including the establishment of new provisions concerning the Nominating Committee, Audit Committee, Compensation Committee, and Executive Officers, the deletion of provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and other necessary amendments.

(2) Introduction of measures for providing reference materials, etc. for the general meeting of shareholders in electronic format

The 2019 amendment of the Companies Act allows for measures for providing reference materials, etc. for the general meeting of shareholders in an electronic format, and from the enforcement date of the amended Companies Act concerning electronic provision measures, companies issuing book-entry transfer shares (listed companies) are obligated to stipulate in their articles of incorporation that they will take electronic provision measures for information that constitutes the content of reference materials for the general meeting of shareholders. Accordingly, the Company intends to make necessary amendments to the Articles of Incorporation.

(3) Change in frequency of distributions of dividends

Article 34 of the Company's current Articles of Incorporation stipulates that the record date for the distribution of dividends shall be four times a year (on June 30, September 30, December 31, and March 31), but going forward the Company intends to change the frequency of the distribution of dividends to twice a year (an interim and a year-end dividend) in order to strive for a more stable and continuous return of profit to its shareholders even amid the changing business environment, aiming at a consolidated dividend payout ratio of 30%. Accordingly, the Company intends to make necessary amendments to the Articles of Incorporation.

(4) Other general amendments

The Company intends to reorganize the article numbering to accommodate the newly established and deleted articles, as well as make other necessary amendments.

2. Details of Amendments

The details of the amendments are as attached.

3. Schedule for Amendments

The scheduled date of the Ordinary General Meeting of Shareholders to amend the Articles of Incorporation: June 23, 2021

The scheduled date from which the amendments to the Articles of Incorporation will become effective: June 23, 2021

Articles of Incorporation Comparative Table

(Portions to be amended are underlined.)

Current Articles of Incorporation (as of June 15, 2017)

Proposed Amendments

Article 1 through 3

[Omitted]

Article 1 through 3

[Unchanged]

Article 4. (Governance components)

The Company shall have the following governance components as well as General Meetings of Shareholders and Directors, respectively.

1. Board of Directors
2. Audit and Supervisory Committee
3. Accounting Auditors

Article 4. (Governance components)

The Company shall have the following governance components as well as General Meetings of Shareholders and Directors, respectively.

1. Board of Directors
2. Nominating Committee, Audit Committee, and Compensation Committee ("Nominating Committee, Etc.")
3. Executive Officers
4. Accounting Auditors

Article 5 through 12

[Omitted]

Article 5 through 12

[Unchanged]

Article 13. (Persons to convene meeting)

Except as otherwise provided by laws or ordinances, a general meeting of shareholders shall be convened by the President and Director, based upon the resolution of the Board of Directors. If the President and Director is prevented from so doing, one of the other Directors in the order fixed in advance by the Board of Directors shall convene the meeting.

Article 13. (Persons to convene meeting)

Except as otherwise provided by laws and regulations, a general meeting of shareholders shall be convened by the Director who also serves as President and Executive Officer, based upon the resolution of the Board of Directors. If such position is vacant or such Director is prevented from so doing, one of the other Directors in the order fixed in advance by the Board of Directors shall convene the meeting.

Article 14. (Chairman)

Chairmanship of a general meeting of shareholders shall be assumed by the Chairman of the Board of Directors or the President and Director pursuant to a resolution made in advance by the Board of Directors. If both the Chairman of the Board of Directors and the President and Director are prevented from so doing, one of the other Directors shall do so in the order fixed in advance by the Board of Directors.

Article 15. (Disclosure via Internet and Deemed Delivery of Reference Documents, etc. for General Meetings of Shareholders)

Upon convening a general meeting of shareholders, the Company may deem that the information required to be described or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements shall have been provided to the shareholders when such information is disclosed, pursuant to laws or regulations, through a method that uses the Internet.

[Newly established]

Article 14. (Chairperson)

Chairpersonship of a general meeting of shareholders shall be assumed by the Chairperson of the Board of Directors or the President and Executive Officer pursuant to a resolution made in advance by the Board of Directors. If both the Chairman of the Board of Directors and the President and Executive Officer are prevented from so doing, one of the other Directors or Executive Officers shall do so in the order fixed in advance by the Board of Directors.

[Deleted]

Article 15. (Provision of documents for general meeting of shareholders in electronic format)

Upon convening a general meeting of shareholders, the Company shall take the electronic provision measure provided for in Article 325-2 of the Company Law.

Among matters for which the electronic provision measure will be taken, the Company is not required to state all matters prescribed by the Ministry of Justice Order in the document that will be issued to shareholders who requested the issuance of the document stated in Article 325-5 of the Company Law by the record date.

Article 16 through 18

[Omitted]

Article 19. (Number of Directors)

Directors of the Company shall be not more than twenty in number, of which the Directors who are Audit and Supervisory Committee Members shall be not more than seven in number.

Article 20. (Election of Directors)

Directors shall be elected by the resolution of a general meeting of shareholders. Resolution of such elections shall be adopted by a majority of the votes of the shareholders present, who must hold one-third or more of the votes of all shareholders who are entitled to exercise their voting rights. A resolution for the election of Directors shall not be made by cumulative voting.

The election of Directors pursuant to the provisions of the preceding Paragraph shall be implemented, while making a distinction between Directors who are Audit and Supervisory Committee Members and other Directors.

Article 16 through 18

[Unchanged]

Article 19. (Number of Directors)

Directors of the Company shall be not more than fifteen in number.

Article 20 (Appointment of Directors)

Directors shall be appointed by the resolution of a general meeting of shareholders. Resolution of such appointments shall be adopted by a majority of the votes of the shareholders present, who must hold one-third or more of the votes of all shareholders who are entitled to exercise their voting rights. A resolution for the appointment of Directors shall not be made by cumulative voting.

[Deleted]

Article 21. (Term of Office)

The term of office of Directors who are not Audit and Supervisory Committee Members shall expire at the close of the ordinary general meeting of shareholders relating to the business year ending within one year after their election to office.

The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the ordinary general meeting of shareholders relating to the business year ending within two years after their election to office.

The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill the vacancy caused by the resignation of a Director who is an Audit and Supervisory Committee Member prior to the expiry of such Director's term of office shall expire at the time of expiration of the term of office of his or her predecessor.

Article 22. (Directors with executive powers)

The Board of Directors shall appoint, pursuant to its resolutions, from among the Directors (excluding Directors who are Audit and Supervisory Committee Members) one President and Director and may appoint one Chairman of the Board of Directors, several Executive Vice Presidents and Directors, Senior Managing Directors and Managing Directors.

Article 21. (Term of Office)

The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders relating to the business year ending within one year after their appointment to office.

[Deleted]

[Deleted]

Article 22. (Directors with titles)

The Board of Directors may elect, pursuant to its resolutions, from among the Directors one Chairperson of the Board of Directors.

Article 23. (Representative Directors)

[Deleted]

The President and Director shall represent the Company.

In addition to the preceding paragraph, the Board of Directors shall appoint, pursuant to its resolutions, from among the Directors (excluding Directors who are Audit and Supervisory Committee Members) Directors who shall each represent the Company.

Article 24 through 26

[Omitted]

Article 23 through 25

[Unchanged]

Article 27. (Remuneration of Directors, etc.)

Remuneration, bonus and other proprietary benefits provided by the Company as compensation for the duties of Directors shall be determined by resolution of a general meeting of shareholders, while making a distinction between Directors who are Audit and Supervisory Committee Members and other Directors.

Article 26. (Remuneration of Directors, etc.)

Remuneration, bonus and other proprietary benefits provided by the Company as compensation for the duties of Directors shall be determined by resolution of the Compensation Committee.

Article 28. (Delegation of decisions on execution of important operations)

[Deleted]

The Board of Directors of the Company may delegate to a Director all or part of decisions on execution of important operations (excluding matters stipulated in the items of Article 399-13, Paragraph 5 of the Company Law) by its resolution.

Article 29.

[Omitted]

Article 27.

[Unchanged]

Chapter V. Audit and Supervisory Committee

[Deleted]

Article 30. (Audit and Supervisory Committee)

[Deleted]

Except as provided by laws or ordinances or by the Articles of Incorporation, matters relating to the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.

Article 31. (Notice of meetings of Audit and Supervisory Committee)

[Deleted]

Notice of convocation of a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member three days prior to the date of the meeting, provided, however, that such period may be shortened in case of urgent necessity.

If the consent of all Audit and Supervisory Committee Member is obtained in advance, a meeting may be held without following the procedures for convening a meeting.

[Newly established]

Chapter V. Nominating Committee, Etc.

[Newly established]

Article 28. (Nominating Committee, Etc.)

Members of Nominating Committee, Etc. shall be elected from among the Directors by a resolution of the Board of Directors.

Except as provided by laws and regulations or by the Articles of Incorporation, matters relating to the Nominating Committee, Etc. shall be governed by the Regulations of the Nominating Committee, Regulations of the Audit Committee, and Regulations of the Compensation Committee established by the resolution of the Board of Directors.

[Newly established]

Chapter VI. Executive Officers

[Newly established]

Article 29. (Appointment of Executive Officers)

Executive Officers shall be appointed by the resolution of the Board of Directors.

[Newly established]

Article 30. (Term of Office)

The term of office of Executive Officers shall expire at the close of the first meeting of the Board of Directors called after the close of the ordinary general meeting of shareholders relating to the business year ending within one year after their appointment to office.

[Newly established]

Article 31. (Executive Officers with titles)

The Board of Directors shall elect, pursuant to its resolutions, from among the Executive Officers, one President and Executive Officer and may elect several Vice Presidents and Executive Officers, Senior Managing Executive Officers and Managing Executive Officers.

[Newly established]

Article 32. (Representative Executive Officers)

The President and Executive Officer shall represent the Company.

In addition to the preceding paragraph, the Board of Directors may elect, pursuant to its resolutions, from among the Executive Officers, Executive Officers who shall each represent the Company.

[Newly established]

Article 33. (Remuneration of Executive Officers)

Remuneration, bonus and other proprietary benefits provided by the Company as compensation for the duties of Executive Officers shall be determined by resolution of the Compensation Committee.

[Newly established]

Article 34. (Exemption of Executive Officers' Liabilities)

Pursuant to the provisions of Article 426, Paragraph 1 of the Company Law, the Company may, by a resolution of the Board of Directors, exempt Executive Officers (including former Executive Officers) that are set forth in Article 423, Paragraph 1 of the Company Law, from liability for damages to the extent permitted by laws and regulations.

Chapter VI. Accounts

Article 32 through 33

[Omitted]

Article 34. (Record date for dividend from surplus)

The record date for the dividends shall be June 30, September 30, December 31 and March 31 of each year.

In addition to the above, the Company may distribute dividends from surplus by determining any record date.

Article 35. (Limitation period for dividend)

[Omitted]

Supplementary Provisions

Article 1.

[Omitted]

Chapter VII. Accounts

Article 35 through 36

[Unchanged]

Article 37. (Record date for dividend from surplus)

The record date for the dividends shall be September 30 and March 31 of each year.

In addition to the above, the Company may distribute dividends from surplus by determining any record date.

Article 38. (Limitation period for dividend)

[Unchanged]

Supplementary Provisions

Article 1.

[Unchanged]

[Newly established]

Article 2. (Transitional measures regarding provision of documents for general meeting of shareholders in electronic format)

The deletion of Article 15 of the current Articles of Incorporation and the establishment of Article 15 in the amended Articles of Incorporation shall be effective from the date of enforcement provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Company Law (Act No. 70 of 2019) (the “Date of Enforcement”).

Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.

This Article shall be automatically deleted on the date when six months has passed from the Date of Enforcement or three months has passed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.