

# Corporate Governance

## Basic Approach

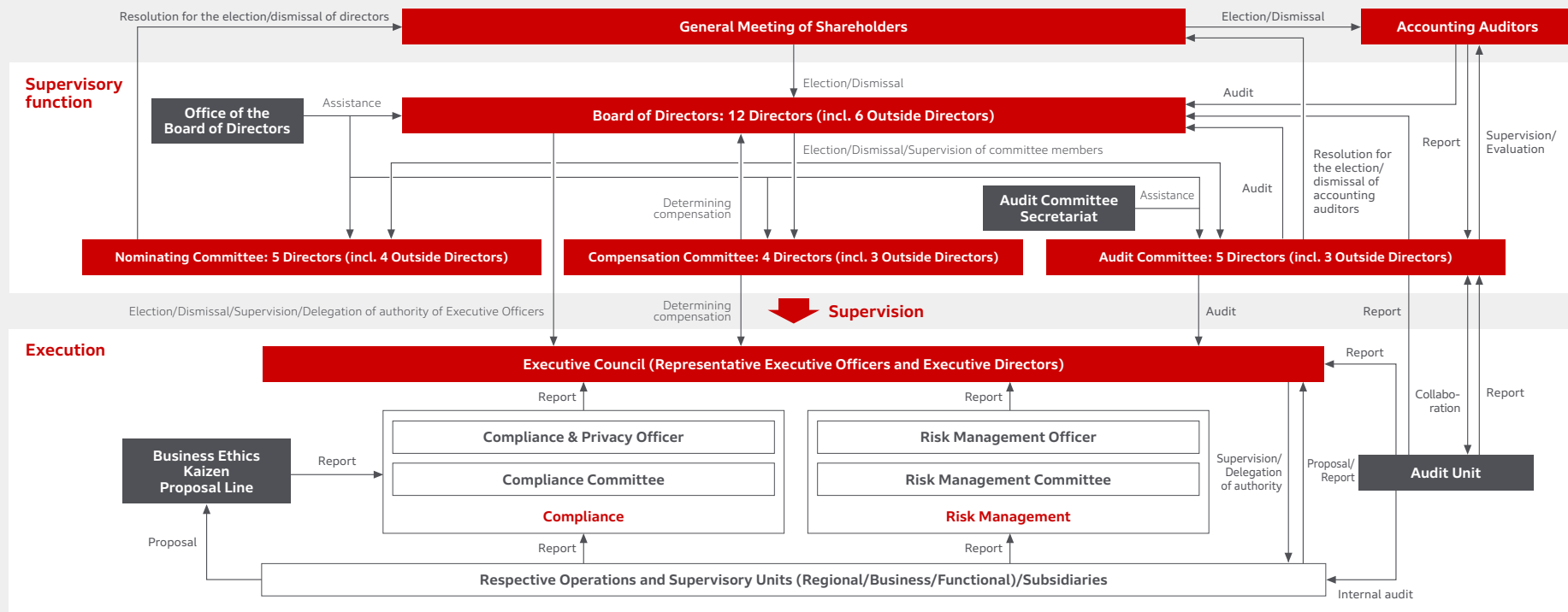
### Enhancing Corporate Governance to Become “A Company People and Society Want to Exist”

Based on its basic principles, Honda strives to enhance the trust of shareholders, investors, customers, and society, while encouraging prompt, decisive, and risk-conscious decision-making, thereby achieving sustainable growth and enhancing corporate value over the medium- to long-term. Through these efforts, we are working to enhance corporate governance as one of its key management priorities to become “a company society wants to exist.”

To clearly segregate the supervisory and execution functions of management, strengthen the supervisory function, and enable prompt and flexible decisions, Honda has created a Nominating Committee, Audit Committee, and Compensation Committee, each of which consists of over 50% Outside Directors. We also have adopted a “company with three committees” structure, which allows the broad delegation of the business execution authority from the Board of Directors to the Executive Officers.

To further enhance trust and empathy from our shareholders, investors, customers, and society, we are committed to the timely and accurate disclosure of corporate information, including quarterly financial results and management policies. Thus, we will continue to ensure transparency.

#### Corporate Governance Structure (as of June 19, 2025)



## Corporate Governance

## Evolution of the Corporate Governance Structure

Fiscal Years Ended March 31												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*1
Total number of Directors	13	13	13	14	14	13	13	11	11	11	12	12
Number of Outside Directors	2	2	2	5	5	5	5	5	5	5	6	6
Number of Independent Directors	1	1	1	5	5	5	5	5	5	5	6	6
Number of female Directors	1	1	1	2	2	2	2	2	2	2	3	3
Organizational structure and system	Company with Board of Auditors			Company with Audit and Supervisory Committee				Company with Three Committees				
				● Enhancing the Board's oversight function to further expedite decision-making ● Expanding the delegation of executive authority from the Board to Directors ● Promoting the separation of oversight and executive functions				● Further strengthening of management “agility” and “supervision” ● Significantly delegating executive authority from the Board to legally accountable Executive Officers ● Selecting committee chairs from among the Independent Outside Directors				
	—			—				Nominating Committee				
	Board of Auditors			Audit and Supervisory Committee				Audit Committee				
	—			—				Compensation Committee				
Key initiatives for improving governance  Evolution of support system	Supervisory Side	● Introduction of Monitoring Subsidiaries with Issues										
		● Introduction of Pre-board Briefings										
		● Introduction of Board Effectiveness Evaluation										
		● Establishment of Standards and Regulations for the Three Committees										
		● Disclosure of Board Effectiveness Evaluation										
		● Introduction of Effectiveness Evaluation for the Three Committees										
		● Expansion of Disclosure on Compensation Systems										
		● Establishment of Clawback Policy ● Revision of Long-Term Incentive (LTI) Program										
		● Disclosure of the Skill Matrix										
		● Establishment of the Audit and Supervisory Committee Division										
	● Establishment of the Board of Directors Office											
	Executive Side	Compliance Committee										
~ Compliance Officer										● CPO*2		
Enterprise Risk Management Committee			Global Emergency Headquarters					Risk Management Committee				
~ Risk Management Officer												
	Internal Audit Office			Audit Division					Audit Unit			

\*1 as of June 19, 2025

\*2 CPO: Compliance &amp; Privacy Officer

## Corporate Governance

### Decision-Making for Executing Business Matters

#### Strengthening Supervisory Functions and Implementing Swift and Agile Decision-Making

Honda has adopted a “company with three committees” system to delegate the decision-making authority of the Board of Directors to execute important business matters to the Executive Officers in accordance with the provisions of the Company’s Articles of Incorporation and resolutions approved by the Board. This system enables quick decision-making and prompt business execution while clearly separating the functions of management supervision and business execution so that the Board is focused on overseeing business execution.

The Board of Directors has established criteria for deliberation and has delegated some of its authority to the Executive Council, which, in turn, delegates some of its authority to the Business Operating Board.

The Executive Council conducts preliminary deliberations on matters to be resolved by the Board of Directors and deliberates on important management matters within the scope of authority delegated by the Board of Directors. The Business Operating Board deliberates important management matters in each area within the scope of authority delegated by the Executive Council.

### Board of Directors

The Board of Directors is comprised of twelve Directors including six Outside Directors.

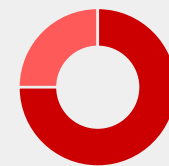
To respond to the mandate of the shareholders to achieve sustainable growth and enhance the corporate value of the Company over the medium- to long- term, the duties of the Board of Directors include making decisions concerning key Company matters such as its basic management policies and the monitoring of operations by Directors and Executive Officers. Additionally, the Board of Directors discusses and makes decisions concerning matters specified in the regulations of the Board of Directors, as well as matters set forth in the Articles of Incorporation and applicable laws. All other matters are delegated to the Representative Executive Officers or the Executive Officers.

### Specific Discussion Topics at the Board of Directors in FYE Mar. 31, 2025

- Business strategy and capital policy
- Quarterly consolidated financial statements and business outlook
- Quarterly business execution status
- Duty execution statuses of committees
- Maintenance and operation of the internal control system
- Internal audit results, etc.

To fulfill the above roles, the candidates for Director, regardless of gender, nationality, or other personal attributes, shall be persons of superior character and insight who are experts in company management, laws, politics, accounting, education, or the Company’s business. The Nominating Committee shall consider the balance of gender, nationality, knowledge, and related experience among the candidates.

#### Term of Office



#### Average term of office

**3.42 years**

- 0-4 years 9 persons
- 5-9 years 3 persons
- 10 years or longer 0 person

#### Attendance Rate (FYE Mar. 31, 2025)



**100 %**  
(held 11 times)

#### Composition of Members



#### Percentage of Outside Directors\*

**50.0 %**  
(6 persons / 12 persons)

#### Percentage of Non-Executive Directors

**66.7 %**  
(8 persons / 12 persons)

#### Percentage of Female Directors

**25.0 %**  
(3 persons / 12 persons)

\* All six Outside Directors currently in office are Independent Directors who satisfy the Company’s Criteria for Independence of Outside Directors.

## Corporate Governance

### Nominating Committee

The Nominating Committee decides on the content of proposals to be submitted to the General Meeting of Shareholders concerning the election and dismissal of Directors and performs other duties as stipulated by law or the Articles of Incorporation. The Nominating Committee is composed of five Directors, including four Outside Directors. The chairperson of the committee is selected from among the Independent Outside Directors.

#### Nominating Committee Members (as of June 19, 2025)

Fumiya Kokubu (Chairperson) (Outside Director)

Toshihiro Mibe

Kunihiko Sakai (Outside Director)

Kazuhiro Higashi (Outside Director)

Mika Agatsuma (Outside Director)

#### Specific Discussion Topics at the Nominating Committee in FYE Mar. 31, 2025

- Basic policy / annual activity plan
- Succession plan for Directors
- Prospective Director candidates, etc.

#### Ratio of Outside Directors



#### Attendance Rate (FYE Mar. 31, 2025)



### Audit Committee

To respond to the mandate of the shareholders, the Audit Committee conducts audits of the execution of duties by the Directors and Executive Officers and performs other duties as prescribed by laws and regulations and the Articles of Incorporation to ensure the sound and sustainable growth of the Honda Group. The Audit Committee is composed of five Directors, including three Outside Directors. The chairperson of the committee is selected from among the Independent Outside Directors. To ensure the effectiveness of the audit, full-time members of the Audit Committee are elected by resolutions of the Board of Directors.

#### Audit Committee Members (as of June 19, 2025)

Yoichiro Ogawa (Chairperson) (Outside Director)

Asako Suzuki (Full-time Audit Committee Member)

Jiro Morisawa (Full-time Audit Committee Member)

Kunihiko Sakai (Outside Director)

Ryoko Nagata (Outside Director)

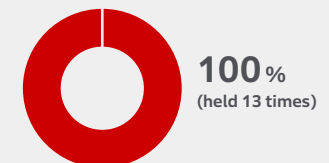
#### Specific Discussion Topics at the Audit Committee in FYE Mar. 31, 2025

- Basic policy / annual activity plan
- Quarterly audit implementation status
- Summary report on the status of annual audit and the results of consolidated financial statement review by the Accounting Auditor
- Implementation status of internal audits, etc.

#### Ratio of Outside Directors



#### Attendance Rate (FYE Mar. 31, 2025)



## Corporate Governance

### Compensation Committee

The Compensation Committee makes determinations regarding the details of compensation for each Director and Executive Officer and carries out other duties as prescribed by laws and regulations and the Articles of Incorporation. The Compensation Committee is composed of four Directors, including three Outside Directors. The chairperson of the committee is selected from among the Independent Outside Directors.

#### Compensation Committee Members (as of June 19, 2025)

Kazuhiro Higashi (Chairperson) (Outside Director)

Eiji Fujimura

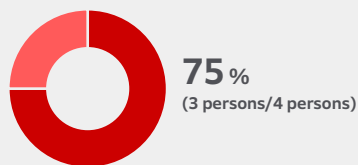
Fumiya Kokubu (Outside Director)

Yoichiro Ogawa (Outside Director)

#### Specific discussion topics at the Compensation Committee in FYE Mar. 31, 2025

- Basic Policy / annual activity plan
- Executive performance evaluation
- LTI and stock delivery regulations
- Compensation standards, etc.

#### Ratio of Outside Directors



#### Attendance Rate (FYE Mar. 31, 2025)



### Reasons for Selecting the Skills

We have identified the following skills required for the Board of Directors to fulfill its role of making decisions with respect to the basic management policies of the Company Group and other equivalent matters and overseeing the performance by the Directors and Executive Officers of their duties.

#### Required skills

##### • Demonstrate strong leadership to prevail in the once-in-a-century era of transformation.

Lead Honda by accurately understanding the rapidly changing environment and actively making decisions from global perspectives.

Corporate  
management

Internationality

##### • Reinforce our existing businesses and strengthen new business areas by creating value.

Help our existing businesses evolve continuously, and develop business strategies for new business categories which will be pioneered by new value creation, and make decisions on their execution.

Industrial experience

New business  
strategies

##### • Strengthen the corporate structure and control the resources for the future.

Manage Honda's human and capital resources to high standards and build a foundation for a strong business structure.

HR

Accounting & finance

##### • Prepare for risks and achieve sustainable corporate operations.













Properly address the various risks arising from business activities and oversee our business operations to ensure healthy operational practices and thereby drive permanent development of society and Honda.

Legal & risk  
management

ESG & sustainability

## Corporate Governance

## Board and Committee Members

Name	Term of office	Position	Responsibilities	Attendance in FYE Mar. 31, 2025 (Attendance / Number of times held)				Skills							
				Board of Directors	Nominating Committee	Audit Committee	Compensation Committee	Corporate management	Internationality	Industrial experience	New business strategies	HR	Accounting & finance	Legal & risk management	ESG & sustainability*
 <b>Toshihiro Mibe</b>	5 years	● Director ● President and Representative Executive Officer	● Member of the Nominating Committee ● Chairman of the Board of Directors ● Chief Executive Officer	11/11 100%	8/8 100%	-	-	●	●	●	●	●	●	●	●
 <b>Noriya Kaihara</b>	6 years (total)	● Director ● Executive Vice President and Representative Executive Officer	● Compliance and Privacy Officer ● Culture Transformation Officer	11/11 100%	-	-	-	●	●	●		●		●	●
 <b>Katsushi Inoue</b>	-	● Director ● Senior Managing Executive Officer	● Chief Officer for Automobile Operations ● Risk Management Officer	-	-	-	-		●	●	●			●	●
 <b>Eiji Fujimura</b>	1 year	● Director ● Managing Executive Officer	● Member of the Compensation Committee ● Chief Financial Officer ● Chief Officer for Corporate Administration Operations	9/9 100%	-	-	5/5 100%	●	●	●		●	●	●	
 <b>Asako Suzuki</b>	4 years	● Director	● Member of the Audit Committee (Full-time)	11/11 100%	-	13/13 100%	-		●	●		●	●	●	
 <b>Jiro Morisawa</b>	1 year	● Director	● Member of the Audit Committee (Full-time)	9/9 100%	-	9/9 100%	-		●	●			●		
 <b>Kunihiko Sakai</b>	6 years	● Director	● Member of the Nominating Committee ● Member of the Audit Committee	11/11 100%	8/8 100%	13/13 100%	-		●					●	●
 <b>Fumiya Kokubu</b>	5 years	● Director	● Member of the Nominating Committee (Chairperson) ● Member of the Compensation Committee	11/11 100%	8/8 100%	-	7/7 100%	●	●		●	●			
 <b>Yoichiro Ogawa</b>	4 years	● Director	● Member of the Audit Committee (Chairperson) ● Member of the Compensation Committee	11/11 100%	-	13/13 100%	7/7 100%	●	●			●	●		
 <b>Kazuhiro Higashi</b>	4 years	● Director	● Member of the Nominating Committee ● Member of the Compensation Committee (Chairperson)	11/11 100%	8/8 100%	-	7/7 100%	●			●	●	●	●	
 <b>Ryoko Nagata</b>	4 years	● Director	● Member of the Audit Committee	11/11 100%	-	13/13 100%	-				●	●			●
 <b>Mika Agatsuma</b>	1 year	● Director	● Member of the Nominating Committee	9/9 100%	7/7 100%	-	-		●		●			●	

\* ESG & sustainability include areas such as the environment, including climate change issues, safety, and human rights.

## Corporate Governance

## Reason for Appointment of Outside Directors

**Six Outside Directors Having Abundant Experience and Deep Insight**

Honda appoints Outside Directors who have abundant experience and deep insight and who are capable of overseeing the business management of the Company from an objective, highly sophisticated, and broad viewpoint thanks to their independent position outside the Company.

The Company has at least two Outside Directors, and at least one-third of the members of the Board of Directors are Independent Outside Directors who fulfill the Company's Criteria for the Independence of Outside Directors. All six Outside Directors currently in office satisfy the Criteria for Independence of Outside Directors and their interests are not in conflict with those of the Company or the shareholders.

The six Outside Directors are specified as Independent Directors as prescribed by a provision of the Tokyo Stock Exchange (TSE). The names of these Directors have been submitted to the TSE.

Please see "Honda Corporate Governance Basic Policies" for Honda's Criteria for Independence of Outside Directors. (Please use the link below.) If any Outside Director also serves as an officer at another listed company, such Director shall only serve at four companies other than the Company so that they can secure sufficient time to perform their duties for the Company.

**"Honda Corporate Governance Basic Policies"**

<https://global.honda/en/investors/policy/governance.html>

**Kunihiko Sakai**

Mr. Kunihiko Sakai has high expertise and abundant experience as a legal affairs specialist having served as Public Prosecutor and a lawyer, including posts of Superintending Prosecutor at High Public Prosecutors' Offices from July 2014 to March 2017. He has properly fulfilled his duties as Outside Director who is an Audit and Supervisory Committee Member since June 2019, and as Outside Director and a Member of the Nominating Committee and the Audit Committee since June 2021, by auditing and overseeing the entire business management of the Company from an independent standpoint.

**Fumiya Kokubu**

Mr. Fumiya Kokubu held positions of President and CEO, and then Chairman of the Board of Marubeni Corporation from April 2013 to March 2025, and has abundant experience and deep insight regarding corporate management. He has properly fulfilled his duties as Outside Director since June 2020, and as the Chairperson of the Nominating Committee and a Member of the Compensation Committee since June 2021 by overseeing the entire business management of the Company from an independent standpoint.

**Yoichiro Ogawa**

Mr. Yoichiro Ogawa has high expertise and abundant experience as an accounting specialist having served as a Certified Public Accountant for many years, including posts of CEO of Deloitte Tohmatsu Group from July 2015 to May 2018. He has properly fulfilled his duties as Outside Director, the Chairperson of the Audit Committee and a Member of the Compensation Committee since June 2021 by auditing and overseeing the entire business management of the Company from an independent standpoint.

**Kazuhiro Higashi**

Mr. Kazuhiro Higashi held positions of President and then Chairman of Resona Holdings, Inc. from April 2013 to June 2022, and has abundant experience and deep insight regarding corporate management. He has properly fulfilled his duties as Outside Director, the Chairperson of the Compensation Committee and a Member of the Nominating Committee since June 2021 by overseeing the entire business management of the Company from an independent standpoint.

**Ryoko Nagata**

Ms. Ryoko Nagata held positions of Executive Officer and then Audit & Supervisory Board Member of Japan Tobacco Inc. from June 2008 to March 2023, and has abundant experience and deep insight regarding new business strategies and audit. She has properly fulfilled her duties as Outside Director and a Member of the Audit Committee since June 2021 by auditing and overseeing the entire business management of the Company from an independent standpoint.

**Mika Agatsuma**

Ms. Mika Agatsuma held a position of Managing Partner of IBM Japan, Ltd. from October 2022 until March 2024 and has abundant experience and deep insight regarding the area of IT. She has properly fulfilled her duties as Outside Director and a Member of the Nominating Committee since June 2024 by overseeing the entire business management of the Company from an independent standpoint.

## Corporate Governance

### Support Systems for Outside Directors

#### Board of Directors Office Providing Necessary Support as Appropriate

Honda's Board of Directors Office plays a central role in providing the following support to Outside Directors to ensure they can maximize their functions as Outside Directors.

##### 1. Orientation at the time of taking office

Honda provides training in industry trends, as well as the Company's history, business, finances, organizations, internal control system, and other matters to newly appointed Outside Directors.

##### 2. Preliminary briefing and information-sharing

Preliminary briefing sessions are held for Outside Directors in advance of each Board of Directors' meeting for the following purposes: to ensure that they fully understand the details and background of each agenda item to be submitted to the Board of Directors, its position in the medium- to long-term management plan, and other relevant information, and to ensure that the Board of Directors holds substantial deliberations. Honda also provides opportunities for information sharing and discussion among Directors on important matters such as the status of company-wide risk management and medium- to long-term strategies by business segment, as appropriate.

##### 3. Opinion exchange meetings on matters of management concern

Honda holds opinion exchange meetings for Directors regarding matters of concern to management. These meetings aim to share with Outside Directors an awareness of the Honda Group's long-term challenges and directions to be pursued and to deepen their understanding of management initiatives. Such meetings are also intended to utilize the knowledge of Outside Directors in discussing future management policies.

##### 4. Dialogue with Executive Officers / Dialogue among Outside Directors

To facilitate forthright communication among Directors, Honda provides opportunities for dialogue between Outside Directors and Executive Officers or Inside Directors, as well as dialogue among Outside Directors as needed.

##### 5. Inspection visits to business sites

Honda has conducted inspection visits to its production, sales, development, and other business sites to promote Outside Directors' understanding of the Company's business.



Visit to Mobile Power Pack e: Charging Station in India

## Corporate Governance

## Evaluation of the Effectiveness of the Board of Directors

## Conducting Questionnaire and Interviews in Each Fiscal Year to Increase Effectiveness

Each fiscal year, the Company evaluates the overall effectiveness of the Board of Directors to confirm the current status of the Board's functions and with the aim of further improving its effectiveness and promoting understanding among shareholders and stakeholders.

## Evaluation Process



### (Summary of Evaluation Results)

The results of the effectiveness evaluation confirmed that the effectiveness of the Board of Directors has been adequately ensured through the following initiatives: setting appropriate items for deliberation and frequency of meetings, providing information to Outside Directors and enhancing opportunities for exchange of opinions, including business site visits, as well as the appropriate operation of the three committees.

Going forward, the Company will further enhance the effectiveness of the monitoring-type Board of Directors by stimulating discussion within the Board of Directors and by further strengthening cooperation between the Board of Directors and the three committees.

## Evaluation Results

	P Initiative policy for FYE Mar. 31, 2025	D Main initiatives for FYE Mar. 31, 2025	C Evaluation/tasks for FYE Mar. 31, 2025	A Initiative policy for the future
Composition	Further deepen the discussion on the expertise and diversity of future Directors (continued)	Exchanged views among all Directors on the future composition of the BOD	The current composition of the BOD is appropriate.	Further deepen the discussion on the expertise and diversity of future Directors (continued)
Shared information	Provide information and inspection opportunities with a greater focus (continued)	<ul style="list-style-type: none"> <li>Added information sharing items for Outside Directors</li> <li>Improved opportunities for Outside Directors to inspect business sites and events</li> </ul>	<ul style="list-style-type: none"> <li>Information is adequately provided.</li> <li>Outside Directors have good opportunities to inspect business sites and events.</li> <li>It was meaningful for them to have a deeper understanding of the business and to experience the corporate culture.</li> </ul>	Provide information and inspection opportunities with a greater focus (continued)
Agenda items for deliberation, etc.	<ul style="list-style-type: none"> <li>Conduct discussions on business environment recognition</li> <li>Further enhance feedback on opinions of Outside Directors</li> </ul>	<ul style="list-style-type: none"> <li>Shared information and exchanged opinions on the business environment and business strategies</li> <li>Conducted questionnaire on the deliberation items for the BOD</li> </ul>	<ul style="list-style-type: none"> <li>Deliberation items are narrowed down to important matters.</li> <li>Opportunities for information sharing / exchange of opinions are effectively set up and functioning.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct discussions with a greater focus on the deliberation items listed for the BOD</li> <li>Provide feedback on opinions of Outside Directors (continued)</li> </ul>
Deliberation at the BOD	Further activate discussions at the BOD (continued)	Updated proposals and explanations at the BOD meetings as appropriate, based on questions raised at the pre-briefings	<ul style="list-style-type: none"> <li>Deliberations at the BOD meetings should be further activated based on the pre-briefings.</li> <li>Directors provide thought-provoking comments and questions.</li> </ul>	Further activate discussions at the BOD based on the pre-briefings
Committees	Maintain and enhance coordination between the committees and the BOD (continued)	Conducted deliberations among all Directors based on discussions at the committees	The deliberations at each committee are being properly reported to the BOD.	<ul style="list-style-type: none"> <li>Set up opportunities for information sharing among Outside Directors only</li> <li>Maintain and enhance coordination between the committees and the BOD (continued)</li> </ul>

## Corporate Governance

## Remuneration Structure for Directors and Executive Officers

## Remuneration Structure Linked to Medium- to Long- Term Business Performance

Honda views executive remuneration, the cornerstone of corporate governance, as an important driving force for the realization of Our Fundamental Beliefs, management policy, and vision. The Compensation Committee has established the following decision-making policy to encourage appropriate risk-taking to promote speedy change toward the achievement of the Company's vision amid a drastically changing environment and to ensure that the content of the system accurately reflects management responsibility.

The Company's executive remuneration system is designed to motivate executives to contribute not only in the short-term but also in the medium- to long- term to improve the Company's business performance so that it can continuously increase its corporate value. The system consists of monthly remuneration, which is a fixed amount paid monthly in compensation for the execution of duties, STI (Short Term Incentive), which is linked to the performance of the relevant fiscal year, and LTI (Long Term Incentive), which is linked to the performance of the medium- to long- term.

Monthly remuneration is a fixed monthly amount based on the remuneration criteria resolved by the Compensation Committee.

## Total Amount of Remuneration by Category

Category of Directors	Total amount of remuneration (millions of yen)	Total amount by type of remunerations (millions of yen)			Number of eligible Directors (Number of persons)
		Fixed remuneration	Performance-linked remuneration		
			STI (Short Term Incentive)	LTI (Long Term Incentive)	
Directors (excluding Outside Directors)	151	151	-	-	4
Outside Directors	103	103	-	-	6
Executive Officers	1,378	589	408	380	14
Total	1,633	844	408	380	24

- "Directors" in the table above does not include the four Directors who concurrently serve as Executive Officers.
- These amounts indicate remuneration paid to Directors during the fiscal year. The above includes the amount paid to two Directors who retired at the closing of the 100th Ordinary General Meeting of Shareholders held on June 19, 2024, as well as the amount paid to one Executive Officer who retired on April 1, 2024. It also includes the amount paid to one Director concurrently serving as Executive Officer who resigned as of April 7, 2025. However, for the Director concurrently serving as Executive Officer, the Compensation Committee resolved not to pay STI and LTI for the FYE March 31, 2025, in accordance with the Company's clawback policy, at its meeting held on April 24, 2025. LTIs for which the performance evaluation period had not expired at the time of resignation were forfeited in accordance with the stock delivery regulations.
- The amount of STI for Executive Officers was determined by the Compensation Committee held on May 8, 2025.
- The total amount of LTI is the expenses recorded for stock delivery points granted during the fiscal year in relation to the Board Incentive Plan (BIP) trust and falls under non-monetary remuneration.

STI is determined and paid by resolution of the Compensation Committee, taking into consideration the performance of each fiscal year.

LTI grants its own shares and cash linked to medium- to long- term performance in accordance with the criteria and procedures approved by the Compensation Committee to serve as a sound incentive for sustainable growth.

The compensation of Executive Officers and Directors who also serve as Executive Officers is composed of monthly compensation, STI and LTI, the composition of which is determined in accordance with the compensation criteria approved by the Compensation Committee. The composition ratio of variable compensation is increased in proportion to the severity of management responsibility for each position.

Compensation for Outside Directors and other Directors who do not concurrently serve as Executive Officers consists solely of monthly compensation.

Directors and Executive Officers who are not subject to LTI also contribute a certain amount of their remuneration to the Directors' Shareholding Association to acquire their own shares to realize shareholder-oriented management and promote the company's sustainable growth and medium- to long- term enhancement of corporate value through the holding of their own shares.

Directors and Executive Officers are required to continue to hold the company's shares acquired as LTI and through the Directors' Shareholding Association for one year after leaving office, in addition to their term of office.

Please refer to Article 13 of the "Honda Corporate Governance Basic Policies" (link below) for the Company's policy for determining executive compensation.

**WEB** "Honda Corporate Governance Basic Policies"  
<https://global.honda/en/investors/policy/governance.html>

## An Evaluation System That Supports the Creation of Social and Economic Value

LTI is a non-monetary, performance-linked incentive that delivers shares through a trust structure, based on financial and non-financial performance. It is designed to enhance awareness of contributions to sustainably increasing corporate value over the medium- to long- term and to promote the sharing of benefits with shareholders.

Performance evaluations are intended to accelerate initiatives on key themes and further support the creation of social and economic value. They are conducted using key indicators that measure the degree of contribution to enhancing corporate value over the medium- to long- term.

Financial indicators use consolidated operating profit margin and profit for the year attributable to owners of the parent as KPIs, both of which are important indicators for achieving the ROIC target set for the Fiscal Years Ending March 31, 2031. Non-financial indicators use brand value, total CO<sub>2</sub> emissions, and associate engagement, which are directly linked to key themes, as KPIs. Stock price indicators use Total Shareholder Return as a KPI, reflecting market evaluations of the creation of social and economic value. Depending on the results for the evaluation year, each indicator fluctuates between 40% and 240%.

**WEB** "Form 20-F"  
[https://global.honda/en/investors/library/form20\\_f.html](https://global.honda/en/investors/library/form20_f.html)

## Corporate Governance

KPIs		Evaluation method	Weights	Range of fluctuation
Financial indicators	Consolidated operating profit margin	Evaluation based on target achievement for the assessed year	60%	40-240%
	Profit for the year attributable to owners of the parent			
Non-financial indicators	Brand value		20%	
	Total CO2 emissions			
	Associate engagement			
Stock price indicators	Total shareholder return	Evaluation based on comparison with the dividend-inclusive TOPIX growth rate for the assessed year	20%	

Note: For non-financial indicators, the evaluation will be based on the following metrics.

- Brand value: Brand value assessment conducted by a third-party research company
- Total CO<sub>2</sub> emissions: CO<sub>2</sub> emissions from corporate activities and products, calculated using standardized methods applicable in Japan (and globally)
- Associate engagement: Associate engagement survey conducted by a third-party research company

### Remuneration of Accounting Auditors

## Determining Remuneration with Prior Approval to Uphold Independence

The Company has had its financial statements audited in accordance with the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, the Securities Exchange Act of 1934 (United States) and the Securities Act of 1933 (United States) by KPMG AZSA LLC.

The duration of continuous auditing by KPMG AZSA LLC is 20 years.

This period refers to the period during which KPMG AZSA LLC, the current auditor, has continuously audited the consolidated financial statements and financial statements included in the Company's Form 20-F. In addition, KPMG, to which KPMG AZSA LLC belongs as a member firm, has been conducting audits of the Company for U.S. SEC registration purposes since 1962.

Within KPMG AZSA LLC, a total of 110 staff members conducted external audits of the Company's financial statements. These accounting firm staff members are composed of 3 certified public accountants (Isao Kamizuka, Takeshi Kamada and Ryosuke Kikuchi), who are in overall charge of the outside audits, and 107 professional staff members (including 26 certified public accountants and 81 other staff members).

In deciding the amount of remuneration for services rendered by the Accounting Auditor, various factors are taken into consideration in discussions with the accounting firm, including the Company's size/characteristics, the time schedule for the audit and other matters. In addition, to preserve the independence of the Accounting Auditor, remuneration to be paid is required to obtain the prior approval of the Audit Committee.

# CPO Message



## To Remain a “Company That the World Values and Looks to with Expectations”

Director, Executive Vice President and  
Representative Executive Officer  
Compliance & Privacy Officer  
**Noriya Kaihara**

In 1962, the founder, Soichiro Honda, gave a speech to associates stating, “Before making a profit, there is one important condition: whether something is ‘right’ or not.”

At Honda, compliance means not only adhering to laws and regulations but also being sincere and ethical toward customers and society. This concept is connected to the words of the founder and remains the unchanging foundation from the Company’s inception to the present, guiding Honda in conducting transparent and trustworthy business operations.

As a concrete compliance initiative, in 2016, Honda established the “Honda Code of Conduct,” which outlines the sincere actions that associates should practice. Currently, global efforts are ongoing to raise awareness of this code. Additionally, an internal reporting system called the “Business Ethics Kaizen Proposal Line (Corporate Ethics Improvement Proposal Hotline)” has been established for Honda group and business partners to accept reports of legal violations, fraud, and other issues.

Through training for new associates, newly certified

executives, newly appointed executives, and other rank-specific and division-specific training opportunities, we conduct awareness-raising and education activities related to compliance, including the contents of the Code of Conduct and various laws and regulations (anti-bribery, insider trading regulations, competition law, personal information protection law, subcontract law, etc.). Through these efforts, the Company is continuously fostering and improving awareness of compliance.

To manage and oversee the progress of these initiatives, Honda has appointed the Executive Vice President and Representative Executive Officer as the Compliance & Privacy Officer, who is responsible for compliance across the Honda Group. The Compliance & Privacy Officer also serves as the Chair of the “Compliance Committee,” which deliberates on important compliance matters within the Group.

In recent years, with the advancement of digital transformation and the increasing collection and utilization of various types of data, the global importance of personal

information management and privacy protection, through compliance with related laws, has grown significantly. In this environment, to fulfill its corporate responsibilities, we changed the title of the former Compliance Officer to “Compliance & Privacy Officer” as of April 1, 2024, clarifying the role responsible for data governance.

Honda is driving significant transformations for further growth as it works toward realizing its “vision.” Moving forward, we aim to maintain a transparent and trustworthy corporate operation while fostering a foundation for the unique challenges Honda undertakes. By ensuring that every member of management and each associate acts with integrity and ethics toward customers and society, we strive to continue being a “company that the world values and looks to with expectations.”



WEB

“Honda Code of Conduct”

<https://global.honda/en/about/codeofconduct.html>

# Compliance

## Honda Code of Conduct

### Formulation and Dissemination of Integrity Guidelines to be Observed by Honda Associates Around the World

To earn the trust of customers and society and achieve sustainable growth, we must not only comply with laws and regulations but also practice sincere and ethical conduct.

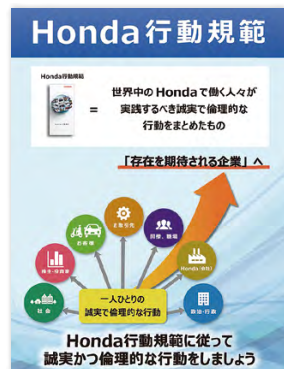
Recognizing this, Honda has formulated the Honda Code of Conduct, which summarizes the integrity of conduct to be practiced by all Honda associates around the world, and shares it throughout the Group, including subsidiaries in Japan and overseas.

The Company works to instill the Honda Code of Conduct in every executive and associate through awareness-raising activities, such as distribution of applications to smartphones and leaflets, display on posters, distributing educational videos, and introducing case studies and other information on the intranet, as well as conducting training sessions. The status of these activities is regularly reported to the Compliance Committee after confirmation by each division and subsidiary of the Company.

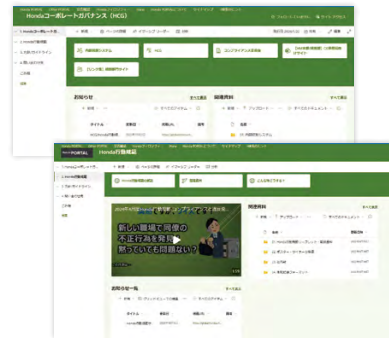
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#### "Honda Code of Conduct"

<https://global.honda/en/about/codeofconduct.html>



Honda Code of Conduct



Intranet

## Compliance Committee

### Establishment and Operation of Committees to Improve the Group's Compliance

To enhance compliance across the Group, Honda has established a Compliance Committee, headed by a Compliance & Privacy Officer designated by the Board of Directors. This Committee is composed of the Compliance & Privacy Officer as well as Executive Officers and other business execution managers who are appointed by the Executive Council. The Committee determines important measures for the internal control system, including the formulation and revision of compliance policies, checks the status of the development and operation of the internal control system, supervises the proper operation of the Business Ethics Kaizen Proposal Line, and decides measures to prevent recurrences of serious compliance-related matters when they arise. When a particularly important compliance-related matter arises, it will be deliberated or reported at a meeting of the Executive Council or the Board of Directors, depending on the nature of the matter.

The Compliance Committee met six times (four regular meetings, two extraordinary meetings) in the Fiscal Years Ended March 31, 2025, to report on the status of development and operation of internal control systems as well as the operation status of the Business Ethics Kaizen Proposal Line, among other things. In the same fiscal year, the Executive Council approved the details of the recurrence prevention measures regarding the Finding of Improper Incident in Model Application for Automobiles dated June 3, 2024, and the Compliance Committee confirmed the progress of the measures.

## Business Ethics Kaizen Proposal Line

### Establishment and Operation of a Consultation Desk that Provides Consultation from a Fair and Neutral Standpoint

Honda established the Business Ethics Kaizen Proposal Line as a structure for improving corporate ethics issues. This hotline accepts proposals and provides consultation from a fair and neutral standpoint, for any violations of laws/regulations or internal rules in the workplace, and issues that are difficult for associates to remedy or resolve in the workplace for some reason, such as difficulties in consulting with their superiors.

Furthermore, in addition to cases of a clear violation of laws/regulations or internal rules, this hotline provides consultation and responds to inquiries about the details of internal rules when questionable cases have occurred and engages in fact checking related to such cases. Proposals are accepted by email, letter, telephone or fax from all subsidiaries and suppliers in Japan and overseas, as well as from Honda. This hotline ensures protection of the Kaizen proposers and accepts also anonymous proposals.

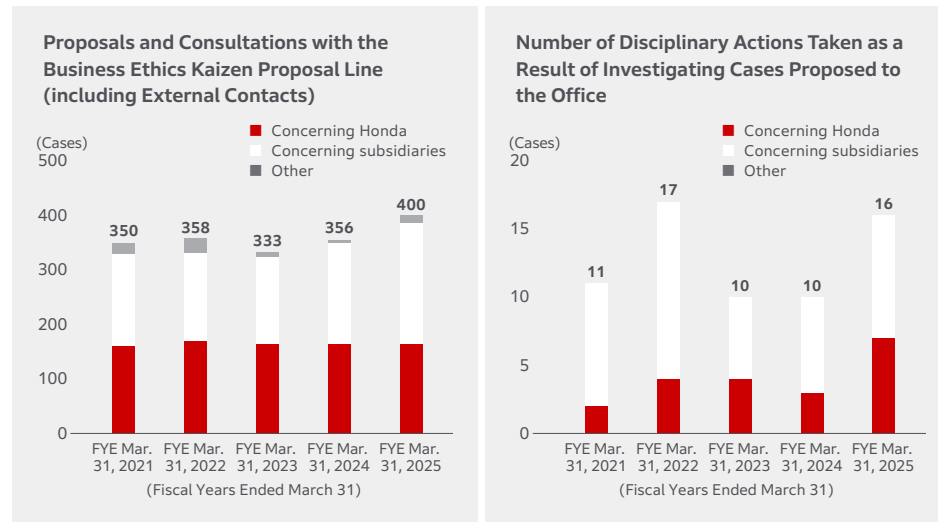
## Compliance

Proposals received are investigated to confirm the facts, and if an issue is identified, appropriate action is taken in cooperation with the relevant departments.

Moreover, the Company established a point of contact within an external law office to facilitate associates to submit proposals. As for overseas, local points of contact have been established in all Regional Operations, while some subsidiaries set up their own points of contact.

In the Fiscal Year Ended March 31, 2025, 400 proposals and consultations were received by the Business Ethics Kaizen Proposal Line (including points of contact outside the Company). Among these, 165 concerned Honda, 222 concerned subsidiaries, and 13 concerned other matters. As a result of investigations into the cases submitted through the Line, disciplinary actions were taken in 7 cases concerning Honda and 9 cases concerning subsidiaries during the Fiscal Year Ended March 31, 2025, including 1 case of dismissal concerning Honda. There were no proposals alleging violations of the Group's Anti-Bribery Policy.

In order to raise internal awareness of the points of contact, Honda provides notice on its intranet, distributes information cards to all associates, including fixed term Associates and temporary workers, and displays information posters in each workplace. These tools clearly state that the Kaizen proposers are protected. In addition, Honda observes how well the point of contact is recognized through an annual associate vitality survey for all associates. For departments found in these surveys to have low recognition of the point of contact, the Company makes additional efforts to increase their awareness.



### Initiatives to Prevent Bribery and Corruption

#### Developing and Disseminating Anti-Bribery Policies to Ensure the Soundness of Corporate Activities

Honda prohibits bribery and corruption.

The Honda Code of Conduct requires that the Company complies with laws and regulations, and states that “as an independent corporate entity, Honda maintains appropriate relationships with political entities (political organizations and politicians) and administrative entities (governmental agencies and government officials)” and “will interact with political and administrative entities in an appropriate manner in compliance with laws, regulations and company policies and will not offer politicians or government officials entertainment or gifts (both monetary and non-monetary) that are prohibited by laws, regulations and company policies.” Moreover, the Code stipulates that the associates “will not receive from or provide to business partners benefits in the form of goods (both monetary and non-monetary) or entertainment beyond what is generally considered appropriate by society.”

In addition to the above, the Company also established the Honda Policy on the Prevention of Bribery and Corruption, which stipulates basic policy about bribery and corruption, and the Honda Guideline for the Prevention of Bribery and Corruption, which stipulates specific compliance items and prohibited items. These are posted on the intranet for Honda associates along with related educational content.

Honda strives to further reduce the risk of bribery and corruption by educating all associates on the bribery and corruption prevention through awareness-raising activities in accordance with the Honda Code of Conduct, and by providing training to personnel stationed overseas and newly appointed managers based on their positions and roles. Regarding its subsidiaries, Honda has launched training programs, matched to conditions in each company, aimed at raising awareness.

# Risk Management

## Risk Management Structure

### Establishing a Framework to Cover All Risks with Business Impact Globally

Honda formulated the Honda Global Risk Management Policy with Group subsidiaries included in its scope of application.

The Policy aims to drive the Company's sustainable growth and stabilize management based on the Honda Philosophy, targeting all risks with the potential to impact operations on a global scale.

In implementing risk management activities, a company-wide Risk Management Officer, who is elected by the Board of Directors, plays a central role in creating a relevant framework and taking follow-up measures to ensure that the activities take root. Honda has established the Risk Management Committee to deliberate important matters related to risk management. Each of the Operations and Supervisory Units has appointed its Risk Management Officer of the Operation/Supervisory Unit and set up a Risk Management Secretariat under the supervision of the Officer in accordance with the basic rules of the Policy. Thus, by establishing an independent risk management system, they are promoting risk management activities under their own responsibility.

As a key initiative, they conduct risk assessment activities to identify, evaluate, and address risks in the business operations of the Operations and Supervisory Units by using company-wide common methods. Honda has also established a system to ensure a high level of global risk management systems in Operations and Supervisory Units by providing training for all associates, disclosing policies and manuals on the Company's intranet, and conducting seminars for managers and the Risk Management Secretariats of overseas subsidiaries. Additionally, when a crisis occurs, the Company establishes a Global Emergency Headquarters proportionate to the anticipated magnitude of the crisis's impact to manage the crisis response. Such risk management efforts by the Company as a whole, as well as by the Operations and Supervisory Units, are reported at the Audit Committee meetings. Also, in the Fiscal Years Ended March 31, 2025, an internal audit was conducted by an independent internal audit department under the direct control of the President.

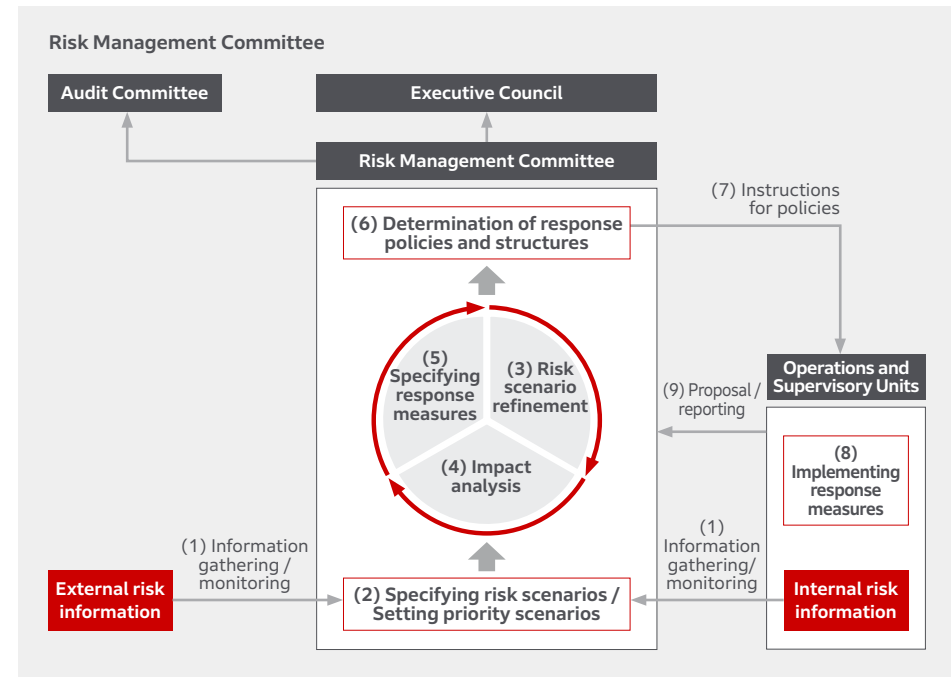
The business environment has undergone drastic changes in recent years in all business categories. Accordingly, the complexity and uncertainty of risks are rising, which requires effective risk management activities. Honda set up the Risk Management Committee chaired by a company-wide Risk Management Officer (RMO), to identify, address, and monitor important risks from a holistic perspective. In the Fiscal Years Ended March 31, 2025, the Risk Management Committee held a total of seven meetings.

The Risk Management Committee not only identifies internal risks but also gathers and monitors information on external risk trends associated with changes in the external environment. The Committee uses internal and external information to ascertain specific risk scenarios and conduct impact analyses in relation to Honda's business strategies. Based on this objective risk analysis, management members engage in discussions to determine the response policies and structures for the company-wide risks linked to management strategies, which Honda should address.

Of these, risks that are particularly important in terms of business strategy are designated as

company-wide priority risks, and the status of response to these risks is regularly checked and discussed.

The discussions and monitoring activities of the Risk Management Committee are reported to the Executive Council in a timely and appropriate manner. After each meeting of the Risk Management Committee, the details are reported to the Audit Committee, and any matters pointed out by the Audit Committee are addressed in coordination with the reporting division.



## Company-Wide Priority Risks

### Identifying Company-Wide Priority Risks and Addressing Them in the Lead Department

For various risks identified through analysis of external risk trends and risk assessment activities, Honda evaluates their risk levels in terms of the amount of their impact on Honda's business operations, their frequency of occurrence, etc. Risks judged to be high-level risks are discussed by the Risk Management Committee, and risks judged to have a particularly large impact on Honda's business operations are identified as company-wide priority risks in each fiscal year. The identified company-wide priority risks are addressed mainly by the responsible departments, and their progress is confirmed and discussed at the Risk Management Committee meetings.

## Risk Management

### Company-Wide Priority Risks

Company-wide priority risk items	Risk perspectives
<b>Geopolitical risk</b>	Stoppages or delays of business activities due to the strengthening of economic security policies and human rights laws and regulations, or the conflicts between nations or regional conflicts
<b>Purchasing and procurement risk</b>	Stoppages or delays of production activities due to difficulties in receiving parts supplies from suppliers or increases in the prices of raw materials and parts, etc., or quality defects caused by suppliers
<b>Natural disaster risk</b>	Stoppages or delays of business activities due to natural disasters (earthquakes, floods, etc.) or spread of infectious diseases
<b>Information security risk</b>	Suspension of important operations/services due to cyberattacks and other incidents, and leakage of confidential or personal information
<b>Risk related to brand image</b>	Business impact associated with damage to brand image
<b>Market environmental change risk</b>	Inability to keep pace with rapid changes in market environment and demand, such as the rise of emerging powers, changes in environmental policies, and expansion of trade wars
<b>Business alliances and joint ventures risk</b>	Conflicts of interest between parties in business alliances, etc., leakage of profits or technology, delays in decision-making, poor business performance of business partners, etc., or changes to or dissolution of alliances
<b>Financial and economic risk</b>	Business impact from economic trends, economic fluctuations, or currency fluctuations

### Risk Assessment Activities

#### Foreseeing the Potential Risks to Honda's Business and Responding Pre-Emptively

Honda globally carries out risk assessment activities. The purpose of these activities is to foresee the potential risks to Honda's business and respond pre-emptively to minimize these risks.

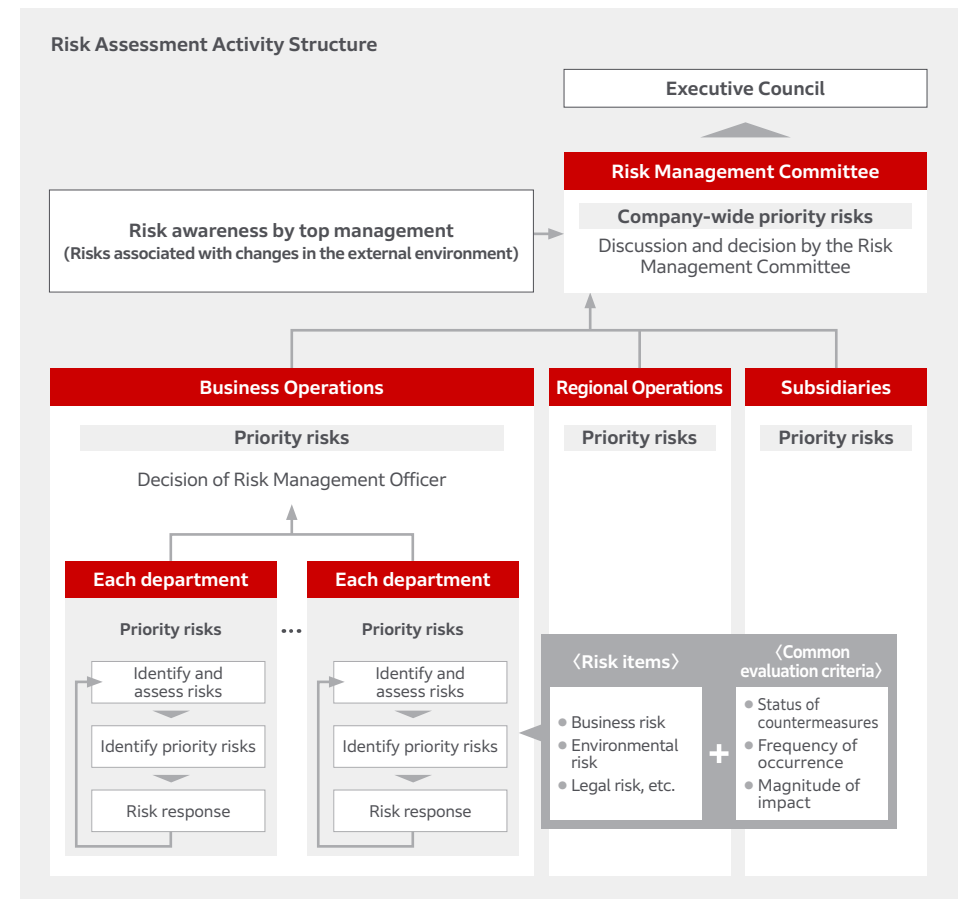
Each department performs an annual risk evaluation using the Group's common risk items and evaluation criteria to identify the divisional priority risks.

Each of the Operations and Supervisory Units carries out repeated discussions based on the results of the risk assessments of each department.

They then identify and respond to priority risks of the Operations and Supervisory Units based on the judgment of Risk Management Officer of the Operations and Supervisory Units.

Additionally, the status of priority risks of the Operations and Supervisory Units based on the risk awareness of the Operations and Supervisory Units is reported to the Risk Management Committee. Internal and external risk trends are then considered in order to identify and respond to company-wide priority risks.

Through these efforts, Honda aims to firmly establish risk management activities within each Operations and Supervisory Unit, reduce the risk faced by the entire Group, and raise the risk awareness of every associate.



## Risk Management

### Crisis Response

#### Monitoring, Reporting and Quickly Responding to Signs of Crisis

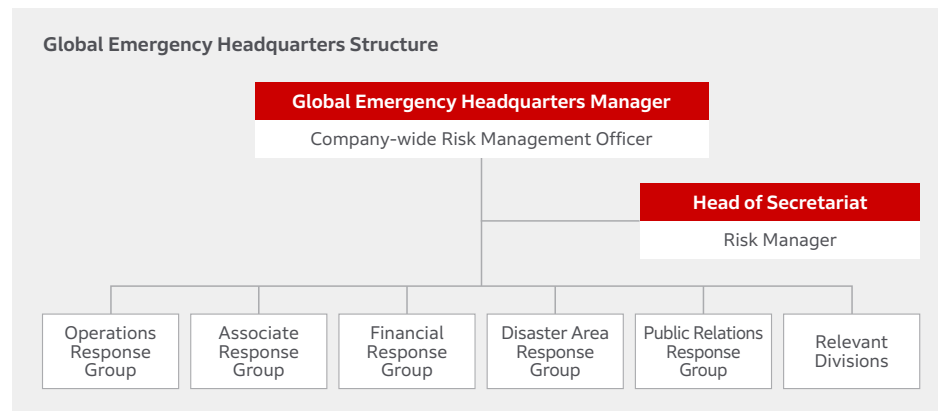
Honda carries out risk-sensing activities to monitor and report on signs of a crisis. While collecting a wide range of crisis information that may have an impact on Honda, the Company has established an information coordination system in case a crisis becomes apparent.

When a crisis occurs, the Company establishes a Global Emergency Headquarters proportionate to the anticipated magnitude of the crisis's impact to manage the crisis response. In this way, Honda creates a structure to prevent the crisis from spreading and to quickly bring the situation under control.

Honda's Global Emergency Headquarters is working to strengthen its functions based on its initiatives to deal with crisis events and other situations experienced in the past.

Honda regularly coordinates information with each response group and reconfirms basic actions in crisis response (confirming the coordination among the teams).

Also, for disaster drills, besides ensuring the safety of human life and confirming associates' safety, the Company continuously conducts information coordination drills to quickly ascertain the crisis impact on business from a business continuity planning (BCP) viewpoint.



### Information Management

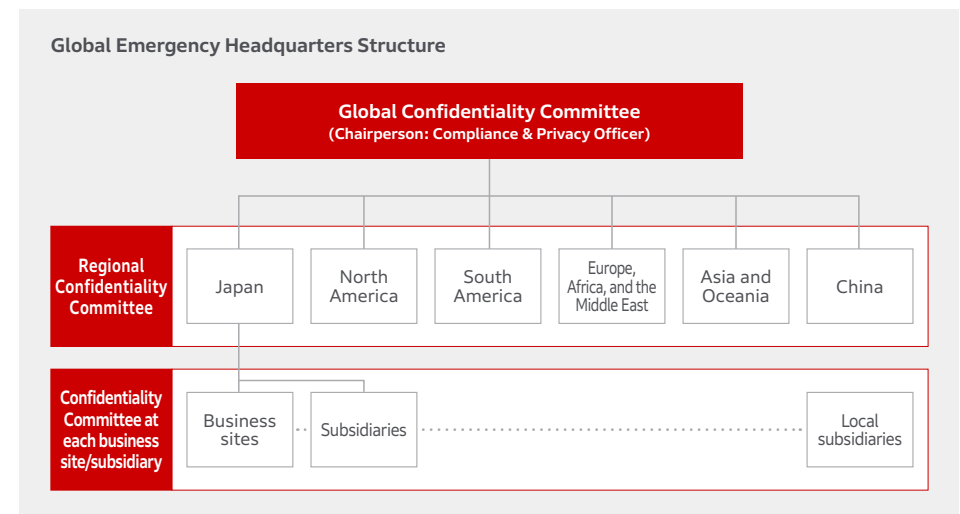
#### Protection of Information Assets, Including Confidential and Personal Information, Throughout the Group

To protect information assets, including confidential information and personal information, Honda has formulated the Global Confidentiality Policy and the Global IT Security Policy, the scope of which extends to Group subsidiaries. These policies stipulate the adoption of a systematic response structure, the use of Honda Group's common compliance items when handling confidential information and personal information, and the implementation of security standards for information systems and networks. They also specify the line of reporting in the event of an information leak.

In addition to its efforts to effectively implement these policies, Honda has set up the Global Confidentiality Committee chaired by the Compliance & Privacy Officer to ensure timely responses to changes in information flows and other issues.

The Global Confidentiality Committee determines globally common medium term policies and an annual activity plan. Based on this plan, each Regional Confidentiality Committee takes the lead in promoting activities to safely handle information obtained through Honda's business activities, including personal information and confidential information.


Besides continuously strengthening its activities to ensure information security against cyberattacks, which are becoming increasingly sophisticated and complex, the Company performs daily monitoring while establishing systems capable of immediately responding to events that must be addressed.



# Directors and Executive Officers

## Director (as of June 19, 2025)

 <b>Director President and Representative Executive Officer</b> <b>Toshihiro Mibe</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Chief Executive Officer</li> <li>Chairman of the Board of Directors</li> </ul>	Apr. 1987	Joined Honda Motor Co., Ltd.	Apr. 2020	Senior Managing Officer
	Apr. 2014	Operating Officer	Apr. 2020	In Charge of Mono-zukuri (Research & Development, Production, Purchasing, Quality, Parts, Service, Intellectual Property, Standardization and IT)
	Apr. 2014	Executive in Charge of Powertrain Business for Automobile Operations		
	Apr. 2014	Head of Powertrain Production Supervisory Unit of Automobile Production for Automobile Operations	Apr. 2020	Risk Management Officer
	Apr. 2015	Executive in Charge of Powertrain Business and Drivetrain Business for Automobile Operations	Jun. 2020	Senior Managing Director
 <b>Director Executive Vice President and Representative Executive Officer</b> <b>Noriya Kaihara</b> <ul style="list-style-type: none"> <li>Compliance and Privacy Officer</li> <li>Culture Transformation Officer</li> </ul>	Apr. 2015	Executive in Charge of Powertrain Business and Drivetrain Business Unit in Automobile Production for Automobile Operations	Apr. 2021	President and Representative Director
	Apr. 2015	Head of Drivetrain Business Unit in Automobile Production for Automobile Operations	Apr. 2021	Chief Executive Officer (present)
	Apr. 2016	Senior Managing Officer and Director of Honda R&D Co., Ltd.	Jun. 2021	Director, President and Representative Executive Officer (present)
	Apr. 2018	Managing Officer of the Company	Jun. 2021	Member of the Nominating Committee (present)
	Apr. 2018	Executive Vice President and Director of Honda R&D Co., Ltd.	Apr. 2024	Chairman of the Board of Directors (present)
 <b>Director Senior Managing Executive Officer</b> <b>Katsushi Inoue</b> <ul style="list-style-type: none"> <li>Chief Officer for Automobile Operations</li> <li>Risk Management Officer</li> </ul>	Apr. 2019	President and Representative Director of Honda R&D Co., Ltd.		
	Apr. 2019	In Charge of Intellectual Property and Standardization of the Company		
	Apr. 1984	Joined Honda Motor Co., Ltd.	Apr. 2021	Chief Officer for Customer First Operations
	Apr. 2012	General Manager of Automobile Quality Assurance Division	Apr. 2021	Risk Management Officer
	Apr. 2013	Operating Officer	Jun. 2021	Managing Executive Officer
 <b>Director Managing Executive Officer</b> <b>Eiji Fujimura</b> <ul style="list-style-type: none"> <li>Member of the Compensation Committee</li> <li>Chief Financial Officer</li> <li>Chief Officer for Corporate Administration Operations</li> </ul>	Apr. 2013	Chief Quality Officer	Oct. 2021	Managing Officer
	Jun. 2013	Operating Officer and Director	Oct. 2021	Chief Officer for Regional Operations (North America)
	Apr. 2014	Chief Officer for Customer Service Operations	Oct. 2021	President, Chief Executive Officer and Director of American Honda Motor Co., Inc.
	Apr. 2014	Head of Service Supervisory Unit for Automobile Operations	Apr. 2023	Senior Managing Executive Officer of the Company
	Apr. 2016	Chief Officer for Customer First Operations	Jun. 2023	Director, Senior Managing Executive Officer
 <b>Director</b> <b>Asako Suzuki</b> <ul style="list-style-type: none"> <li>Member of the Audit Committee (Full-time)</li> </ul>	Jun. 2017	Operating Officer (resigned from position as Director)	Apr. 2024	Director, Executive Vice President and Representative Executive Officer (present)
	Apr. 2018	Managing Officer	Apr. 2024	Compliance and Privacy Officer (present)
	Apr. 2018	Chief Officer for Purchasing Operations	Apr. 2025	Culture Transformation Officer (present)
	Apr. 2020	Head of Business Supervisory Unit for Automobile Operations		
	Apr. 1986	Joined Honda Motor Co., Ltd.	Apr. 2016	President and Director of Honda Motor Europe Ltd.
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Apr. 2010	President of Honda Poland Ltd.	Apr. 2020	Managing Officer of the Company
	Apr. 2012	President of Honda Deutschland GmbH	Apr. 2020	Chief Officer for Regional Operations (China)
	Apr. 2012	President of Honda Belgium N.V.	Apr. 2020	President of Honda Motor (China) Investment Co., Ltd.
	Apr. 2012	President of Honda Nederland B.V.	Apr. 2020	President of Honda Motor (China) Technology Co., Ltd.
	Feb. 2013	Branch President of Honda Motor Europe Ltd.'s branches in Germany, the Netherlands and Belgium	Apr. 2020	Senior Managing Executive Officer of the Company (present)
 <b>Director</b> <b>Ryoko Nagata</b> <ul style="list-style-type: none"> <li>Member of the Audit Committee</li> </ul>	Apr. 2014	General Manager, Marketing Planning Office, Business Planning Supervisory Unit, Automobile Operations of the Company	Apr. 2023	Chief Officer for Electrification Business Development Operations
	Apr. 2015	President and Chief Executive Officer of Honda Cars India Ltd.	Apr. 2023	Chief Officer for Electrification Business Development Operations
	Apr. 2016	Operating Officer of the Company	Apr. 2025	Risk Management Officer (present)
	Apr. 2016	Chief Officer for Regional Operations (Europe)	Jun. 2025	Chief Officer for Automobile Operations (present)
	Apr. 2016	Chief Officer for Regional Operations (Europe)		
 <b>Director</b> <b>Mika Agatsuma</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> </ul>	Apr. 2023	Managing Executive Officer	Apr. 2024	Managing Executive Officer (present)
	Apr. 2017	Director, Managing Executive Officer (present)	Jun. 2024	Member of the Compensation Committee (present)
	Apr. 2019	Member of the Compensation Committee		
	Apr. 1993	Joined Honda Motor Co., Ltd.		
	Apr. 2017	General Manager of Finance Division for Business Management Operations		
 <b>Director</b> <b>Jiro Morisawa</b> <ul style="list-style-type: none"> <li>Member of the Audit Committee (Full-time)</li> </ul>	Apr. 2019	General Manager of Regional Operation Planning Office for Regional Operations (Japan)		
	Apr. 2017	General Manager of Accounting Division for Business Management Operations		
	Apr. 2018	Vice Chief Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations		
	Apr. 1987	Joined Honda Motor Co., Ltd.		
	Apr. 2016	General Manager of Regional Operation Planning Office for Regional Operations (Japan)		
 <b>Director</b> <b>Yoichiro Ogawa</b> <ul style="list-style-type: none"> <li>Member of the Audit Committee (Chairperson)</li> <li>Member of the Compensation Committee</li> </ul>	Apr. 2020	Operating Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations		
	Apr. 2020	Chief Officer for Business Management Operations		
	Apr. 2022	Head of Accounting and Finance Supervisory Unit		
	Apr. 2023	Executive Officer		
	Apr. 2023	Chief Financial Officer (present)		
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Apr. 2023	Chief Officer for Corporate Administration Operations		
	Apr. 2023	Chief Officer for Corporate Administration Operations		
	Apr. 2023	Chief Officer for Corporate Administration Operations		
	Apr. 2023	Chief Officer for Corporate Administration Operations		
	Apr. 2023	Chief Officer for Corporate Administration Operations		
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Apr. 1982	Joined Resona Group		
	Apr. 2013	Director of Resona Holdings, Inc.		
	Apr. 2013	President and Representative, Executive Officer of Resona Holdings, Inc.		
	Apr. 2013	Representative Director, President and Executive Officer of Resona Bank, Limited		
	Jun. 2013	Chairman of Osaka Bankers Association (resigned in June 2014)		
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Apr. 2017	Chairman of the Board, President and Representative Director of Resona Bank, Limited		
	Jun. 2017	Chairman of Osaka Bankers Association (resigned in June 2018)		
	Apr. 2018	Chairman of the Board, President, Representative Director and Executive Officer of Resona Bank, Limited		
	Apr. 1987	Joined Japan Tobacco Inc.		
	Jun. 2008	Executive Officer of Japan Tobacco Inc.		
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Mar. 2018	Standing Audit & Supervisory Board Member of Japan Tobacco Inc. (resigned in March 2023)		
	Jun. 2021	Outside Director of the Company (present)		
	Jun. 2021	Member of the Audit Committee (present)		
	Mar. 2023	External Corporate Auditor of Medley, Inc. (present)		
	Jun. 2023	Outside Director of UACI Corporation (present)		
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Apr. 2020	Chairman and Director of Resona Holdings, Inc. (resigned in June 2022)		
	Apr. 2020	Chairman and Director of Resona Bank, Limited (resigned in June 2022)		
	Jun. 2020	Outside Director of Sompō Holdings, Inc. (present)		
	Jun. 2021	Outside Director of the Company (present)		
	Jun. 2021	Member of the Nominating Committee (present)		
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Jun. 2021	Member of the Compensation Committee (Chairperson) (present)		
	Jun. 2022	Senior Advisor of Resona Holdings, Inc. (present)		
	Jun. 2022	Senior Advisor of Resona Bank, Limited (present)		
	Jun. 2023	In Charge of Hybrid Cloud Platform for IBM Consulting of IBM Japan, Ltd.		
	Jun. 2024	Outside Director of the Company (present)		
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Jun. 2024	Member of the Nominating Committee (present)		
	Jun. 2024	Outside Director of SQUARE ENIX HOLDINGS CO., LTD. (present)		
	Oct. 2024	Executive Corporate Officer of ID Holdings Corporation (present)		
	Oct. 2022	In Charge of Hybrid Cloud Services for IBM Consulting of IBM Japan, Ltd.		
	Oct. 2022	In Charge of Hybrid Cloud Services for IBM Consulting of IBM Japan, Ltd.		

 <b>Director</b> <b>Jiro Morisawa</b> <ul style="list-style-type: none"> <li>Member of the Audit Committee (Full-time)</li> </ul>	Apr. 1989	Joined Honda Motor Co., Ltd.	Apr. 2019	Operating Officer
	Apr. 2016	General Manager of Regional Operation Planning Office for Regional Operations (Japan)	Apr. 2019	Chief Officer for Business Management Operations
	Apr. 2017	General Manager of Accounting Division for Business Management Operations	Apr. 2020	Operating Executive
	Apr. 2018	Vice Chief Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations	Apr. 2020	Chief Officer for Business Management Operations
	Apr. 2018	Vice Chief Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations	Apr. 2021	President and Director of American Honda Finance Corporation
 <b>Director</b> <b>Kunihiro Sakai</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Audit Committee</li> </ul>	Jun. 2024	Director of the Company (present)	Jun. 2024	Member of the Audit Committee (Full-time) (present)
	Apr. 1979	Public Prosecutor of Tokyo District Public Prosecutors' Office	Jun. 2018	Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. (present)
	Jul. 2014	Superintending Prosecutor of Takamatsu High Public Prosecutors' Office	Jun. 2019	Outside Director (Audit and Supervisory Committee Member) of the Company
	Sep. 2016	Superintending Prosecutor of Hiroshima High Public Prosecutors' Office (resigned in March 2017)	Jun. 2021	Outside Director (present)
	Apr. 2017	Registered with the Dai-Ichi Tokyo Bar Association	Jun. 2021	Member of the Nominating Committee (present)
 <b>Director</b> <b>Fumiya Kokubu</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee (Chairperson)</li> <li>Member of the Compensation Committee</li> </ul>	Apr. 2017	Advisor Attorney to TMI Associates (present)	Jun. 2021	Member of the Audit Committee (present)
	Apr. 1975	Joined Marubeni Corporation	May. 2022	Chairman of Japan Foreign Trade Council, Inc. (resigned in May 2024)
	Apr. 2013	President and CEO, Member of the Board of Marubeni Corporation	Apr. 2025	Director, Member of the Board, Executive Corporate Advisor of Marubeni Corporation (present)
	Apr. 2019	Chairman of the Board of Marubeni Corporation	Jun. 2025	Chairman, International University of Japan (Present)
	Jun. 2019	Outside Director of Taisei Corporation (present)		
 <b>Director</b> <b>Yoichiro Ogawa</b> <ul style="list-style-type: none"> <li>Member of the Audit Committee (Chairperson)</li> <li>Member of the Compensation Committee</li> </ul>	Jun. 2020	Outside Director of the Company (present)		
	Jun. 2021	Member of the Nominating Committee (Chairperson) (present)		
	Jun. 2021	Member of the Compensation Committee (present)		
	May 2022	Chairperson of Japan Machinery Center for Trade and Investment (present)		
	Oct. 1980	Joined Tohmatsu & Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)	Jul. 2015	CEO of Deloitte Tohmatsu Group
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Mar. 1984	Registered as Japanese Certified Public Accountant	Jun. 2018	Senior Advisor of Deloitte Tohmatsu Group (resigned in October 2018)
	Oct. 2013	Deputy CEO of Deloitte Touche Tohmatsu LLC	Nov. 2018	Founder of Yoichiro Ogawa CPA Office (present)
	Oct. 2013	Deputy CEO of Tohmatsu Group (currently Deloitte Tohmatsu Group)	Jun. 2020	Independent Audit and Supervisory Board Member of Recruit Holdings Co., Ltd. (present)
	Jun. 2015	Global Managing Director for Asia Pacific of Deloitte Touche Tohmatsu Limited (United Kingdom) (resigned in May 2018)	Jun. 2021	Outside Director of the Company (present)
	Jun. 2015	Global Managing Director for Asia Pacific of Deloitte Touche Tohmatsu Limited (United Kingdom) (resigned in May 2018)	Jun. 2021	Member of the Audit Committee (Chairperson) (present)
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Jun. 2021	Member of the Compensation Committee (present)	Jun. 2021	Member of the Compensation Committee (present)
	Apr. 1982	Joined Resona Group	Apr. 2020	Chairman and Director of Resona Holdings, Inc. (resigned in June 2022)
	Apr. 2013	Director of Resona Holdings, Inc.	Apr. 2020	Chairman and Director of Resona Bank, Limited (resigned in June 2022)
	Apr. 2013	President and Representative, Executive Officer of Resona Holdings, Inc.	Jun. 2020	Outside Director of Sompō Holdings, Inc. (present)
	Jun. 2013	Representative Director, President and Executive Officer of Resona Bank, Limited	Jun. 2021	Outside Director of the Company (present)
 <b>Director</b> <b>Kazuhiro Higashi</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> <li>Member of the Compensation Committee (Chairperson)</li> </ul>	Apr. 2017	Chairman of Osaka Bankers Association (resigned in June 2014)	Jun. 2021	Member of the Nominating Committee (present)
	Apr. 2017	Chairman of the Board, President and Representative Director of Resona Bank, Limited	Jun. 2021	Member of the Compensation Committee (Chairperson) (present)
	Jun. 2017	Chairman of Osaka Bankers Association (resigned in June 2018)	Jun. 2022	Senior Advisor of Resona Holdings, Inc. (present)
	Apr. 2018	Chairman of the Board, President, Representative Director and Executive Officer of Resona Bank, Limited	Jun. 2022	Senior Advisor of Resona Bank, Limited (present)
	Apr. 1987	Joined Japan Tobacco Inc.		
 <b>Director</b> <b>Ryoko Nagata</b> <ul style="list-style-type: none"> <li>Member of the Audit Committee</li> </ul>	Jun. 2008	Executive Officer of Japan Tobacco Inc.	Mar. 2023	External Corporate Auditor of Medley, Inc. (present)
	Mar. 2018	Standing Audit & Supervisory Board Member of Japan Tobacco Inc. (resigned in March 2023)	Jun. 2023	Outside Director of UACI Corporation (present)
	Jun. 2021	Outside Director of the Company (present)		
	Jun. 2021	Member of the Audit Committee (present)		
	Apr. 1987	Joined IBM Japan, Ltd.		
 <b>Director</b> <b>Mika Agatsuma</b> <ul style="list-style-type: none"> <li>Member of the Nominating Committee</li> </ul>	Aug. 2017	Vice President of IBM Japan, Ltd.	Jun. 2023	In Charge of Hybrid Cloud Platform for IBM Consulting of IBM Japan, Ltd.
	Aug. 2017	In Charge of Cloud Application Innovation for Global Business Services of IBM Japan, Ltd.	Jun. 2024	Outside Director of the Company (present)
	Oct. 2022	Managing Partner of IBM Japan, Ltd. (resigned in March 2024)	Jun. 2024	Member of the Nominating Committee (present)
	Oct. 2022	In Charge of Hybrid Cloud Services for IBM Consulting of IBM Japan, Ltd.	Jun. 2024	Outside Director of SQUARE ENIX HOLDINGS CO., LTD. (present)
	Oct. 2022	In Charge of Hybrid Cloud Services for IBM Consulting of IBM Japan, Ltd.	Oct. 2024	Executive Corporate Officer of ID Holdings Corporation (present)

## Executive Officers (as of Aug 1, 2025)

For the detailed information on Executive Officers, please click here. (<https://global.honda/en/about/management.html>).

# Outside Directors Roundtable Honda's Business Strategy and Governance



## How do you view the changes in the EV strategy announced in May?

**Kokubu:** The revision was ultimately triggered by California's new environmental regulations, but shifts in Europe's stance on environmental and four-wheel EV policies had already emerged. I see it as an agile management decision. With more time and financial flexibility now available, the key will be to articulate our growth strategy and effectively communicate this to stakeholders.

**Higashi:** Observing our policy change surrounding a possible integration with Nissan in mind, some stakeholders may interpret the recent revision of the EV strategy as another step backwards. However, in times when external conditions change so quickly, flexible adjustments are essential. In the auto industry, where each decision entails massive investment, management will inevitably face moments of last-minute change. What matters is accountability, explaining that this

strategic flexibility itself is one of Honda's strengths.

**Ogawa:** It is never easy to revisit a strategy and targets once they have been set, but I think it was the right call to adjust our investment plans in response to changes in the external environment, rather than persisting with making cars the market does not demand. From a broader perspective, I also see Honda's firm commitment to sustainability in maintaining the 2050 goal of carbon neutrality while altering only the path to get there.

## What is required to achieve both environmental goals and business strategy?

**Higashi:** Rather than simply continuing to produce conventional hybrid models, Honda should leverage its full technological capabilities and expertise to develop next-generation hybrid models that meet higher environmental standards.

**Ogawa:** Even if demand for EVs grows, they will not become widespread unless the surrounding environment, such as charging infrastructure, is adequately developed. Looking ahead,

I believe the real point for Honda will be not only producing EVs but also advancing the broader environment that supports them. To do so, Honda must leverage the investment capacity gained from the strategy revision to deliver vehicles that meet expectations, generate profits, and solidify its business foundation.

**Kokubu:** What matters most is maintaining an unwavering stance in exploring and executing diverse pathways toward the goal of achieving carbon neutrality by 2050. This stance is consistent with Honda's philosophy, and I believe Honda's true value lies in being an organization where it is shared by all.

## Where should Honda direct its surplus investment capacity?

**Higashi:** Besides the new hybrid vehicle I mentioned, I think we could also consider investing in other areas, for example in providing power supply.



**Ogawa:** Software investment is also critical. AI has advanced rapidly over the past two years. In the near term, AI capable of outperforming humans could power features such as advanced driver-assistance systems (ADAS). Now that we have room to invest, I think it's a good chance to build up knowledge in semiconductors and other areas, and I believe we can both expand into new fields and grow our existing businesses at the same time.

**Kokubu:** It's hard to pin them down precisely, but I think they can broadly be divided into two growth areas: one is solving social issues like safety and the environment, and the other is new fields that spark people's dreams. For example, in the global business landscape, one well-known example is a company that goes beyond EV production and sales to build fast-charging

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networks and home energy storage systems worldwide, while another has successfully monetized the rocket business. Honda should broaden its vision to address social issues while also exploring new and aspirational domains.

**Higashi:** Until recently, as China pursued an all-out EV strategy, there was strong momentum for EVs to dominate globally. Under this trend, Japan's hybrid technology was unable to secure a position as the global standard. Now, however, with shifts in the international landscape, hybrid technology is once again drawing worldwide attention. This presents a significant opportunity for Japan.

**Kokubu:** I believe capital allocation should change significantly, depending on external conditions. Management must take into account the balance among diverse perspectives and elements, such as shareholder returns, growth investment, retained earnings, and associate relations, and set priorities accordingly. In times of geopolitical and economic instability, retaining higher cash reserves may also be a prudent option. Executives should avoid decisions driven by media appeal, assess reality carefully, and make decisions true to ourselves.



**Higashi:** I agree. With escalating protectionist tariffs coming from the U.S., the risk of a global recession is rising. Considering these conditions, it may be necessary to consider rebuilding supply chains that do not rely on free trade, to ensure resilience against all scenarios.

**How do you view the challenges in market valuation and the measures to address them?**

**Ogawa:** The board frequently discusses issues related to price-to-book ratio (PBR) and share price. Raising PBR generally

requires efficient capital use, strengthening the earnings base, and presenting the market with a clear outlook for future profit growth. Management understands this well. Honda is working to improve capital efficiency through measures such as share buybacks, but a major challenge is how to achieve high return on sales (ROS) in the automobile business. While the motorcycle business is already delivering high ROS, we need to show investors and the market how we can secure the same level of profitability for hybrid and EV models as well.

In addition, Honda has not yet fully demonstrated to the market how "The Power of Dreams" will translate into future earnings. The recent success of our reusable rocket test highlighted Honda's vision and technical strength, drawing broad public attention. Yet Honda has not shown how this contributes to corporate value. To enhance Honda's value, we must appeal both to a vision that fosters expectations for future earnings and to tangible improvements in current profitability.

**Higashi:** In today's volatile global environment, improving PBR means demonstrating how "The Power of Dreams" translates into financial value. Many seeds exist between non-financial and financial value, but these dreams remain largely conceptual. For instance, even reusable rockets must be brought to the stage where they can be presented in terms of cash flow. Amid global economic turmoil, hybrid vehicles may gain renewed recognition. But they must evolve into more environmentally adaptive technologies rather than remain conventional products.

**Kokubu:** Low valuations are an industry-wide issue in the mobility sector. Globally, very few companies trade at a PBR above one, and the market questions whether the automobile industry can be considered a growth sector at all. Honda's uniqueness lies in its diversified portfolio, such as motorcycles, automobiles, and jets, but these businesses are not sufficiently connected as an ecosystem, limiting value creation. If we can show clearer linkages and synergies among them, the market's view may change.

**Ogawa:** While a wide range of technological developments are underway, it remains an industry-wide challenge to realistically anticipate their financial returns. High profit margins are not guaranteed with EVs or ADAS, and if we can't continue to deliver value that exceeds the market price, we'll ultimately have no choice but to rely on cost reductions. In the end, the real

question is whether we can create a structure where we provide genuine value to customers and have them willing to pay for it.

**Kokubu:** Honda tends to have a strong product-out approach—believing that if we make good products, people will evaluate them—but it seems to fall a bit short on the market-in perspective.

**Ogawa:** Honda's strong commitment to craftsmanship, the desire to build products it can truly take pride in, is part of its DNA and a core asset. At the same time, I believe Honda needs to incorporate more external perspectives in order to align the value it creates more closely with how the market evaluates it.



**Higashi:** For KPIs and performance evaluation of non-financial value, we need to consider not just financial metrics but also qualitative factors, and that's not an easy process. On the technical side as well, there is a great deal of confidential information that cannot yet be disclosed to investors. With these constraints in mind, we must carefully consider how to frame non-financial value and communicate it effectively to investors.

**What efforts and challenges do you see in enhancing the effectiveness of the board of directors?**

**Higashi:** Even within the limited time available at Board meetings, each business unit provides very thorough explanations, covering not only financial results but also quarterly developments. Overseas divisions also participate despite time differences. We often devote half a day or more to detailed reporting and ample discussion.

**Ogawa:** As outside directors, it's really important for us to understand Honda well. Each year, we're invited to new research presentations to get the latest on technology, and there are

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opportunities for us outside directors to visit India and see the situation firsthand. In board meetings, discussions are expected to start from this shared understanding, which really shows Honda's commitment to making the board more effective.

**Kokubu:** In six years on the Board, my impression has changed significantly since my appointment. Today, the board is truly a forum for dialogue, which I believe reflects a major shift in management's mindset. A turning point was when President Mibe, upon assuming office, expressed a strong determination to change the way the Board should function. In the past, emphasis was placed on meeting formal requirements such as the number of female directors or the overall size of the Board. Now, however, the Board has moved beyond such formalism and created an environment where outside directors can speak openly and share their expertise. I believe these changes have been made possible by the combination of management's determination and a well-balanced set of skills. Going forward, it will remain essential to further enhance the effectiveness of the Board on a continuous basis.

**Ogawa:** When Honda became a company with three committees (nominating, audit and compensation), there were concerns that "just setting up committees in name only won't improve governance." In practice, however, the three outside directors each serve as chairs of a committee and dedicate significant time to their work. Each committee has clear authority and repeatedly evaluates and improves its activities. While further enhancements in effectiveness will be necessary in the future, I feel that they are already functioning well today.

**Higashi:** I believe that the small structure, which makes discussions easier and enables the swift sharing of information on issues, is a distinctive feature and strength of the company with three committees.

**Kokubu:** At off-site board meetings, we have plenty of time to freely discuss the industry and global market trends, so everyone is well-informed about changes in the environment. These updates take sufficient time, meaning decisions aren't made right after a briefing; instead, we spend time deepening our understanding before deciding. It really feels like the company and the board can discuss things on the same level.

**Ogawa:** Management doesn't just come to us with finished plans—they share information openly and encourage discussion

and exchange of ideas. Because of this, it rarely feels like things are moving forward without our awareness. Even on matters like quality issues or business integration, we get enough information and can share our opinions, which I feel has helped build a strong, collaborative relationship.

**Higashi:** We spend a considerable amount of time in discussions and hold numerous committee meetings. I recognize that the level of activity goes far beyond what is visible to the public.

**What challenges and actions do you see ahead for the board of directors?**

**Kokubu:** Board members' knowledge and experience need to be constantly updated to stay in line with the times. I think management and the committees should also make sure to discuss the insights needed, considering the current environment.

**Ogawa:** I believe that the responsibility of outside directors is to speak and make recommendations from the perspective of stakeholders. To do so, it is essential to have a solid understanding of stakeholders' views and opinions. Since the company operates with capital provided by shareholders, it is especially important to listen carefully to their opinions. At the Audit Committee, we frequently visit sites and conduct inspections at dozens of domestic and overseas locations each year, and the ability to hear opinions directly from the field is a major strength. For this reason, I recognize the need to make greater use of the feedback, sentiments, and issues sensed on-site, and to share these insights as much as possible with other members.

**Higashi:** I also believe it is essential to respond appropriately to global changes and to show the resolve to overcome them.

