

6 Governance

Corporate Governance

— Corporate Governance 25

Compliance 33

Risk Management 36

Governance Data 39

Basic Approach

Honda strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principle, in order to strengthen the trust of its shareholders/investors, customers and society; encourage timely, decisive and risk-considered decision-making; seek sustainable growth and the enhancement of corporate value over the mid- to long-term; and become "a company that society wants to exist."

Honda has adopted a company with an Audit and Supervisory Committee system with the aim of reinforcing the supervisory function of the Board of Directors and ensuring prompt decision-making. Under the system, the Company operates "the Audit and Supervisory Committee", which consists of Directors, to delegate the authority to Directors from the Board of Directors and accelerate the separation of the supervisory function and business execution function.

Honda is making efforts to appropriately disclose corporate information

including the release and disclosure of quarterly financial results and management policies in a timely and accurate manner to bolster trust and appreciation from shareholders/investors and society. Going forward, Honda will continue to strive to ensure the transparency of its management.

Please refer to "Honda Corporate Governance Basic Policies" and Corporate Governance Report for Honda's basic policy, structure and composition of members related to corporate governance, policy on the appointment of Directors, an outline of self-assessment findings made by the Board of Directors and philosophy on remuneration for Executive Officers. (Please refer to the link below.)

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"Honda Corporate Governance Basic Policies"
"Corporate Governance Report"

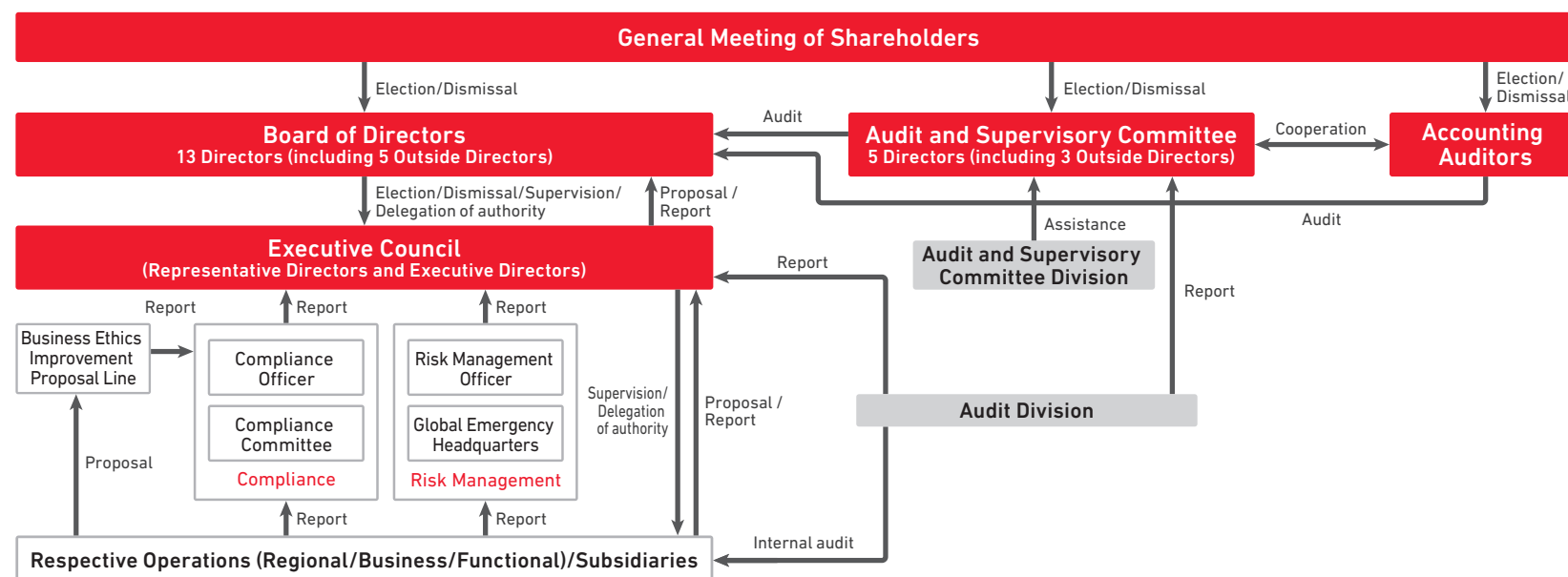
> <https://global.honda/investors/policy/governance.html>

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Overview of corporate governance

> p.39

Corporate governance structure (as of June 19, 2019)



6 Governance

— Corporate Governance 25

Compliance 33

Risk Management 36

Governance Data 39

Corporate Governance

Corporate Governance

Executive Decision-Making Process

Honda has adopted a company with Audit and Supervisory Committee system in order to further delegate the decision-making authority of executing important business matters from the Board of Directors to the Directors in accordance with the provisions of the Company's Articles of Incorporation and resolutions approved by the Board. The system enables quick decision-making and prompt business execution while advancing to separate management supervision and business execution so that the Board's function is further concentrated to the overseeing of business execution.

The board has established criteria for deliberation and delegated some of its authority to the Executive Council, which in turn delegates some of its authority to the Regional Operating Boards.

The Executive Council conducts preliminary deliberation on items such as that will be decided by the Board of Directors, and, within the limits of authority delegated to it by the Board of Directors, deliberates on important management matters. Regional Operating Boards deliberate on important management matters within their respective regions, within the limits of authority delegated to them by the Executive Council.

Board of Directors

The Board of Directors is comprised of eight inside directors and five outside directors.

In order 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 monitoring of operations by Directors. In addition, 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 Directors or the Executive Directors.

In order to fulfill the above roles, the Company focuses on considering the

balance in the diverse knowledge and experience of the Board of Directors as a whole. Accordingly, the Company appoints as its Directors persons of superior character and insight who have high expertise and abundant experience. Gender, nationality and other attributes are of no consequence.

Evaluation of Effectiveness of the Board of Directors

For each fiscal year, the Company's Board of Directors carries out an evaluation of the Board as a whole for the purpose of checking the current state of its operational capabilities, subsequently, to enhance effectiveness.

As same as the previous fiscal year, a self-evaluation was conducted by the Company for 2018. Based on the results of a questionnaire and interviews conducted with the Directors, the self-evaluation was deliberated and resolved at the Board of Directors.

The self-evaluation questionnaire was prepared under the supervision of outside attorneys. The interviews and the compilation of the results were carried out by outside attorneys as well.

The Board of Directors shared the view that "effectiveness of the Board is ensured appropriately," through considering measures which had been taken. Such matters include revision of the deliberation standard and enhancing provision of useful information to Outside Directors. Further, they also shared the understanding of the needs to have more through discussions over the entire management policy of the Company to further enhance monitoring capabilities of the Board of Directors.

The Company will further enhance monitoring capabilities of the Board of Directors to raise effectiveness, by taking measures such as engaging further discussions over the management policy and the business challenges as well as enhancing provision of sufficient information to Directors for the sake of such discussions.

DATA

Status of the meetings of the Board of Directors

> p.39

6 Governance

— Corporate Governance 25

Compliance 33

Risk Management 36

Governance Data 39

Corporate Governance

Outside Directors

Honda appoints Outside Directors who have abundant experience and deep insight, and who are capable of overseeing the entire business management of the Company from an objective, highly sophisticated and broader viewpoint based on the standpoint independent from the Company. In selecting Outside Directors, the Company seeks to identify persons who have a high degree of independence. The five Outside Directors currently in office satisfy Criteria for Independence of Outside Directors and their interests are not in conflict with those of the Company nor the shareholders. The five Outside Directors are specified as Independent Directors as prescribed in a provision of the Tokyo Stock Exchange (TSE); the names of those persons have been submitted to the TSE.

Please refer to “Honda Corporate Governance Basic Policies” for Honda’s Independence Criteria for Outside Directors. (Please refer to the link below.)

WEB

“Honda Corporate Governance
Basic Policies”

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

Support Systems for Outside Directors

Honda provides necessary support to Outside Directors through the Secretarial Division or the Audit and Supervisory Committee’s Division in a timely manner.

Materials on the Board of Directors’ agenda are distributed and explained in advance for the Outside Directors, and the information helpful for them to supervise the Company’s business is continuously provided, including when they assume their respective positions.

Business Execution Management (Organizational Management)

In order to facilitate quick and appropriate management decisions at the regional and working levels, Honda appoints Operating Officers who have been delegated the business execution authority from the Representative Director or the Executive Director to play the roles in their respective fields of Regional, Business and Functional Operations, R&D subsidiaries and other major organizational units.

6 Governance

— Corporate Governance 25

Compliance 33

Risk Management 36

Governance Data 39

Corporate Governance

Audit Organization

The Audit and Supervisory Committee comprises five members who are also Directors of the Company (including three Outside Directors). In order to respond to the entrustment of the shareholders, the Audit and Supervisory Committee shall conduct audits of the Directors and execute the duties of the committee prescribed by laws and regulations with the aim of ensuring sound and sustainable growth of the Company. Each Director serving as an Audit and Supervisory Committee Member audits the execution of duties by Directors in accordance with the auditing and supervisory criteria for the Audit and Supervisory Committee, auditing policies and division of duties, etc., as determined by the Audit and Supervisory Committee. The audit is carried out through attendance at important meetings, examination of status of management/company assets and other activities.

To provide timely and accurate reports to the Audit and Supervisory Committee, Standards for Audit and Supervisory Committee Reports are being established. Based on these standards, reports are made periodically to the Audit and Supervisory Committee on the status of the business operations of the Company and its subsidiaries, the status of implementation and operation of internal control systems, and other matters. Also, reporting is required whenever there is an item that has a major impact on the Company. Candidates of Directors for Audit and Supervisory Committee Members are selected by a resolution of the Board of Directors with the approval of the Audit and Supervisory Committee.

In addition to the above, the Audit Division, which was organized to directly report to the President and CEO, conducts internal audits of each department of the Company. It also provides supervision and guidance to internal audit departments in major subsidiaries, as well as directly auditing subsidiaries when necessary.

DATA

Status of meetings of the Audit and Supervisory Committee

> p.39

Status of Activities to Strengthen the Functions of the Audit and Supervisory Committee

The Company has formed the Audit and Supervisory Committee’s Division as a staff organization directly under the Audit and Supervisory Committee to provide support to the Committee.

In order to ensure the effectiveness of the audit, the Audit and Supervisory Committee appoints two full-time members for the Committee.

Mr. Masafumi Suzuki, a director who is also a member of the Audit and Supervisory Committee, has had sufficient operating experience in the finance and accounting departments of the Company and its subsidiaries, and Mr. Hideo Takaura, also a director and a member of the Audit and Supervisory Committee, has abundant experience and considerable knowledge as a certified public accountant. Both of them qualify as “persons with considerable knowledge related to finance and accounting,” as specified under Article 121-9 of Regulation for Enforcement of the Companies Act of Japan. In addition, the Company’s Audit and Supervisory Committee has recognized Messrs. Masafumi Suzuki and Hideo Takaura as “specialists in finance in the Audit and Supervisory Committee” as specified in the regulations of the U.S. Securities and Exchange Commission, based on Article 407 of the U.S. Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes-Oxley Act of 2002). All five members of the Audit and Supervisory Committee remain independent as specified by the regulations of the U.S. Securities and Exchange Commission.

Training for Officers

When a new officer takes a position, Honda provides him/her with a training program including outside training that focuses on corporate governance as the central theme, and including code of conduct, prevention of bribery and prevention of anti-competitive behavior. The training program stresses the importance of receiving an explanation in the reports on operations written by associates on the impact in terms of not just financial performance but also environmental and social aspects.

From now on, Honda is planning to implement a more systematic training program including training for outside executives.

6 Governance

— Corporate Governance 25

Compliance 33

Risk Management 36

Governance Data 39

Corporate Governance

Tax Policy

The Honda Tax Policy prescribes the basic stance and thinking regarding taxes for Honda Motor Co., Ltd. and its consolidated subsidiaries. The policy aims to contribute to society as well as maintain and increase corporate value by complying with the tax laws and regulations of each country and region where Honda undertakes business activities and by making proper tax payments.

Tax systems of each country and region and international taxation rules are frequently changed. In this environment, to ensure the proper execution of its business in a stable manner Honda carries out accurate and high-quality tax affairs and responds to tax risks associated with its businesses in accordance with the Tax Policy.

For details, please refer to the Honda Tax Policy. (Please refer to the link below.)

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Honda Tax Policy

> p.40

Remuneration of Directors

Remuneration of Directors (excluding those serving as Audit and Supervisory Committee Members) is paid from a maximum allocation for this purpose approved by the General Meeting of Shareholders, based on the remuneration criteria approved by the Board of Directors. Bonuses of the Directors (excluding Outside Directors and the Directors who are Audit and Supervisory Committee Members) are paid within the maximum limit approved by the General Meeting of Shareholders and decided by the Board of Directors, based on the Company's performance during the applicable fiscal year, dividends paid to shareholders, criteria for associates' bonuses and other considerations.

Additionally, Honda introduced a stock-based remuneration system for Directors who are residents of Japan (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members). The purposes of this system are to further enhance the motivation of Directors for contributing to the sustainable growth of corporate value over the medium to long term and to promote the sharing of interests between the Directors and shareholders. Under the system, the level of remuneration paid and the delivery of shares shall be within the maximum limit decided at the Ordinary

General Meeting of Shareholders and determined based on the progress of financial indicators such as the consolidated operating margin during three consecutive fiscal years as well as the progress of non-financial indicators such as brand value and environmental, social and governance (ESG) factors.

Please refer to Article 13 of the "Honda Corporate Governance Basic Policies" concerning the policy for determining remuneration for Directors. (Please refer to the link below.)

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"Honda Corporate Governance Basic Policies"

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

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Annual total remuneration and bonuses of highest-paid individuals (President and Representative Director, Chief Executive Officer) (Japan)
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> p.39

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Total amount of remuneration for Directors and Corporate Auditors

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Rate of increase in annual total remuneration and bonuses of highest-paid individuals (President and Representative Director, Chief Executive Officer) (Japan)
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> p.39

Remuneration of Accounting Auditors

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 Exchange Act of 1933 (United States) by KPMG AZSA LLC. Within KPMG AZSA LLC, a total of 76 staff members conducted external audits of the Company's financial statements. These accounting firm staff members are composed of 3 certified public accountants (Hiroshi Miura, Tomoo Nishigori and Hiroyuki Yamada), who are in overall charge of the Outside Audits, and 73 professional staff members (including 23 certified public accountants, 3 accountants with U.S. public accountant certification and 47 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 and Supervisory Committee.

6 Governance

— Corporate Governance 25

Compliance 33

Risk Management 36

Governance Data 39

Corporate Governance

Directors



Chairman and Director
Toshiaki Mikoshiba

[Reason for Appointment]

He has broad experience primarily in the area of sales and marketing, as well as abundant international experience, and is familiar with the Honda Group's business including overseas operations. In FY2019, he has demonstrated strong leadership in efforts aimed at enhancing the joy of our customers as Officer in Charge of Sales and Marketing and Chief Officer for Regional Operations (North America), and has achieved satisfactory results in overseeing business execution in the area of sales and marketing from a global perspective.



Executive Vice President and Representative Director
Chief Operating Officer
Seiji Kuraishi

[Reason for Appointment]

He has broad experience primarily in the areas of supply chain management and sales and marketing, as well as abundant international experience, and is familiar with the Honda Group's business including overseas operations. In FY2019, he has demonstrated strong leadership in efforts aimed at enhancing the joy of our customers on a global basis and has achieved satisfactory results as Executive Vice President and Representative Director, Chief Operating Officer in charge of Strategy, Business Operations and Regional Operations.



Senior Managing Director
Chief Financial Officer
Kohei Takeuchi

[Reason for Appointment]

He has broad experience primarily in the area of accounting and finance, as well as abundant international experience, and is familiar with the Honda Group's business including overseas operations. In FY2019, he has demonstrated high expertise and strong leadership as Chief Officer for Business Management Operations, and has achieved satisfactory results in overseeing business execution in the area of management from a global perspective as Chief Financial Officer.



Director
Hiroko Koide

[Reason for Appointment]

She has over 30 years of experience working for foreign companies, including over 15 years which she served as an executive, and has a global perspective as well as abundant experience and deep insight regarding corporate management.



President and Representative Director
Chief Executive Officer
Takahiro Hachigo

[Reason for Appointment]

He has broad experience primarily in the areas of research and development, production and purchasing, as well as abundant international experience, and is familiar with the Honda Group's business including overseas operations. Since June 2015, as President and Representative Director, he has been responsible for the execution of all operations and has been in charge of the management of the entire the Honda Group by demonstrating strong leadership.



Senior Managing Director
Yoshi Yamane

[Reason for Appointment]

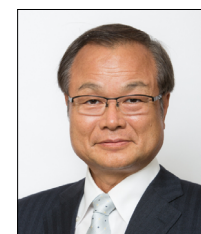
He has broad experience primarily in the area of production, and is familiar with the Honda Group's business including overseas operations. In FY2019, he has demonstrated high expertise and strong leadership mainly in the area of production as Officer in Charge of Production, and has achieved satisfactory results in overseeing business execution in broad areas, which include purchasing, quality, parts and services, from a global perspective.



Director
Motoki Ozaki

[Reason for Appointment]

He held positions of President and Chairman of Kao Corporation, and has abundant experience and deep insight regarding corporate management. He has properly fulfilled his duties as Outside Director since June 2016 by overseeing the entire business management of the Company from the standpoint independent from the Honda Group.



Director and Advisor
Takanobu Ito

[Reason for Appointment]

He served as President and Representative Director of the Company. He has abundant experience and deep insight as a corporate manager and is familiar with the Honda Group's business including overseas operations. He has properly fulfilled his duties as Director and Advisor since June 2015 by expressing opinions and providing suggestions regarding management, as well as undertaking the role of the Company's point of contact with economic organizations, etc.

**6 Governance****— Corporate Governance 25**

Compliance 33

Risk Management 36

Governance Data 39

Corporate Governance**Directors (Audit and Supervisory Committee Members)****Director (Audit and Supervisory
Committee Member)(full-time)**
Masahiro Yoshida**【Reason for Appointment】**

He held positions of Managing Officer and Director and Chief Officer for Business Support Operations of the Company. He has high expertise and abundant experience in the area of administration such as human resources and corporate governance and is familiar with the Honda Group's business including overseas operations. He has properly fulfilled his duties as Director who is an Audit and Supervisory Committee Member since June 2017 by auditing and overseeing the execution of duties by Directors.

**Director (Audit and Supervisory
Committee Member)(full-time)**
Masafumi Suzuki**【Reason for Appointment】**

He held the position of General Manager of Accounting Division for Business Management Operations of the Company. He has high expertise and abundant experience in the area of accounting and finance and is familiar with the Honda Group's business including overseas operations. He has properly fulfilled his duties as Director who is an Audit and Supervisory Committee Member since June 2017 by auditing and overseeing the execution of duties by Directors.

**Director (Audit and Supervisory
Committee Member)**
Hideo Takaura**【Reason for Appointment】**

He has high expertise and abundant experience as a Japanese certified public accountant and has properly fulfilled his duties as Outside Director who is an Audit and Supervisory Committee Member by auditing and overseeing the execution of duties by Directors from the standpoint independent from the Honda Group.

**Director (Audit and Supervisory
Committee Member)**
Mayumi Tamura**【Reason for Appointment】**

She has abundant experience and deep insight regarding corporate management and has properly fulfilled her duties as Outside Director who is an Audit and Supervisory Committee Member by auditing and overseeing the execution of duties by Directors from the standpoint independent from the Honda Group.

**Director (Audit and Supervisory
Committee Member)**
Kunihiko Sakai**【Reason for Appointment】**

He has high expertise and abundant experience as a legal affairs specialist having served as Public Prosecutor for many years, including posts of Superintending Prosecutor at High Public Prosecutors' Offices from July 2014 to March 2017.

6 Governance

— Corporate Governance

..... 25

Compliance

..... 33

Risk Management

..... 36

Governance Data

..... 39

Corporate Governance

Operating Officers

Managing Officers

<div>Takashi Sekiguchi</div> <div>● Executive in Charge of Corporate Planning</div>	<div>Michimasa Fujino</div> <div>● President and Director, Honda Aircraft Company, LLC</div>	<div>Shinji Aoyama</div> <div>● Chief Officer, Regional Operations (North America)</div> <div>● President, Chief Executive Officer and Director, Honda North America, Inc.</div> <div>● President, Chief Executive Officer and Director, American Honda Motor Co., Inc.</div>	<div>Noriya Kaihara</div> <div>● Chief Officer, Purchasing Operations</div>
<div>Toshihiro Mibe</div> <div>● President and Representative Director, Honda R&D Co., Ltd.</div> <div>● Executive in Charge of Intellectual Property and Standardization</div>	<div>Mitsugu Matsukawa</div> <div>● President and Director, Honda of America Mfg., Inc.</div>	<div>Noriaki Abe</div> <div>● Chief Officer, Motorcycle Operations</div>	<div>Yasuhide Mizuno</div> <div>● Chief Officer, Regional Operations (China)</div> <div>● President, Honda Motor (China) Investment Co., Ltd.</div> <div>● President, Honda Motor (China) Technology Co., Ltd.</div>

Operating Officers

<div>Issao Mizoguchi</div> <div>● Chief Officer, Regional Operations (South America)</div> <div>● President and Director, Honda South America Ltda.</div> <div>● President and Director, Honda Automoveis do Brasil Ltda.</div> <div>● President and Director, Moto Honda da Amazonia Ltda.</div>	<div>Yusuke Hori</div> <div>● Chief Officer, Customer First Operations</div> <div>● Chief Officer, IT Operations</div>	<div>Tomomi Kosaka</div> <div>● President and Representative Director, Honda Engineering Co., Ltd.</div>	<div>Toshiyuki Shimabara</div> <div>● Representative of Production, Regional Operation (China)</div> <div>● Executive Vice President, Honda Motor (China) Investment Co., Ltd.</div> <div>● Executive Vice President, Honda Motor (China) Technology Co., Ltd.</div>
<div>Kazuhiro Odaka</div> <div>● Executive in Charge of Government and Industry Relations</div>	<div>Masayuki Igarashi</div> <div>● Chief Officer, Regional Operations (Asia & Oceania)</div> <div>● President and Director, Asian Honda Motor Co., Ltd.</div>	<div>Hiroyuki Kachi</div> <div>● Chief Officer, Production Operations</div> <div>● Executive in Charge of Corporate Project</div>	<div>Soichi Yamamoto</div> <div>● General Manager, Saitama Factory, Production Operations</div>
<div>Katsushi Inoue</div> <div>● Chief Officer, Regional Operations (Europe)</div> <div>● President and Director, Honda Motor Europe Ltd.</div>	<div>Kimiyoshi Teratani</div> <div>● Chief Officer, Regional Operations (Japan)</div>	<div>Asako Suzuki</div> <div>● Chief Officer, Human Resources and Corporate Governance Operations</div>	<div>Katsuhisa Okuda</div> <div>● Chief Officer, Life Creation Operations</div>
<div>Katsuhide Moriyama</div> <div>● Chief Officer, Brand and Communication Operations</div>	<div>Keiji Ohtsu</div> <div>● Chief Quality Officer</div>	<div>Yoshishige Nomura</div> <div>● General Manager, Monozukuri Center, Motorcycle Operations</div> <div>● Senior Managing Director, Honda R&D Co., Ltd.</div> <div>● President and Representative Director, Honda Racing Corporation</div>	<div>Yoshikado Nakao</div> <div>● Executive in Charge of Purchasing, Purchasing Operations</div>
<div>Hiroshi Tokutake</div> <div>● General Manager, Kumamoto Factory, Motorcycle Operations</div> <div>● Executive in Charge of Life Creation Production, Life Creation Operations</div>	<div>Taro Kobayashi</div> <div>● Executive in Charge of Automobile Sales, Automobile Operations</div>	<div>Jiro Morisawa</div> <div>● Chief Officer, Business Management Operations</div>	