

# REPORT OF INDEPENDENT DIRECTORS

## 1. Basic Information

Company Name	Honda Motor Co., Ltd.			Securities Code Number	7267
Submission Date	2019/5/24	Date of Change of Position (scheduled date)	2019/6/19		
Reason for Submission of Report of Independent Directors/Corporate Auditors	To discuss the relevant agenda of electing outside directors at an Ordinary General Meeting of Shareholders.				
<input checked="" type="checkbox"/> The Company has selected all persons who are qualified to become independent					

## 2. Matters related to Independence of Independent Directors/Corporate Auditors and Outside Directors/Outside Corporate Auditors

No.	Name	Outside Director/ Outside Corporate Auditor	Independent Director/ Corporate Auditor	Attributes of Independent Directors/Corporate Auditors and Outside Directors/Outside Corporate Auditors (*2, *3)												Details of Change of Position	Consent of the Said Person
				a	b	c	d	e	f	g	h	i	j	k	l	Not Applicable	
1	Motoki Ozaki	Outside Director	Yes													Yes	Yes
2	Hiroko Koide	Outside Director	Yes													Yes	new appointment Yes
3	Hideo Takaura	Outside Director	Yes													Yes	Yes
4	Mayumi Tamura	Outside Director	Yes													Yes	Yes
5	Kunihiko Sakai	Outside Director	Yes													Yes	new appointment Yes

## 3. Explanation of the Attributes of the Independent Directors/Corporate Auditors and the Reasons for the Appointment

No.	Explanation of the Applicability of Attributes (*4)	Reasons for the Appointment of the Independent Director/Auditor (*5)
1		Motoki Ozaki has abundant experience and deep insight regarding corporate management. The Company expects him to oversee the entire business management of the Company from an objective, highly sophisticated and broader viewpoint. In addition, he is specified as an independent director, because there are not any personal relationship, business relationship and etc. which applies to the matters described in the Criteria for Independence of Outside Directors, and there are no special conflicts of interest between the Company and Motoki Ozaki.
2		Hiroko Koide has a global perspective as well as abundant experience and deep insight regarding corporate management. The Company expects her to oversee the entire business management of the Company from an objective, highly sophisticated and broader viewpoint. In addition, she is specified as an independent director, because there are not any personal relationship, business relationship and etc. which applies to the matters described in the Criteria for Independence of Outside Directors, and there are no special conflicts of interest between the Company and Hiroko Koide.
3		Hideo Takaura has a high expertise and abundant experience as a certified public accountant. The Company expects him to audit and oversee the entire business management of the Company from an objective, highly sophisticated and broader viewpoint. In addition, he is specified as an independent director, because there are not any personal relationship, business relationship and etc. which applies to the matters described in the Criteria for Independence of Outside Directors, and there are no special conflicts of interest between the Company and Hideo Takaura.
4		Mayumi Tamura has abundant experience and deep insight regarding corporate management. The Company expects her to audit and oversee the entire business management of the Company from an objective, highly sophisticated and broader viewpoint. In addition, she is specified as an independent director, because there are not any personal relationship, business relationship and etc. which applies to the matters described in the Criteria for Independence of Outside Directors, and there are no special conflicts of interest between the Company and Mayumi Tamura.
5		Kunihiko Sakai has a high expertise and abundant experience as a legal affairs specialist. The Company expects him to audit and oversee the entire business management of the Company from an objective, highly sophisticated and broader viewpoint. In addition, he is specified as an independent director, because there are not any personal relationship, business relationship and etc. which applies to the matters described in the Criteria for Independence of Outside Directors, and there are no special conflicts of interest between the Company and Kunihiko Sakai.

#### 4. Supplemental Explanation

The Company has established its "Criteria for Independence of Outside Directors" as follows.

<Honda Motor Co., Ltd. Criteria for Independence of Outside Directors>

The Company's board of directors will determine that an outside director is sufficiently independent from the Company if it determines that the said outside director satisfies the requirements set forth below:

1. He/she is not, and has never been, a person who executes the business of the Company group or a person from the Company group. Also, no family member, close relative, etc. (\*1) of him/her has ever been a person who executes the business of the Company group during the last 5 years.
2. He/she is not, and has never been, any of the following during the last 5 years:
  - 1) a person who executes the business of a large shareholder (\*2) of the Company;
  - 2) a person who executes the business of (i) a major customer (\*3) of the Company, or (ii) a company of which the Company is a major customer;
  - 3) a person who executes the business of a major lender of the Company group (\*4);
  - 4) a person who belongs to an audit organization that conducts statutory audits for the Company;
  - 5) a person who receives a large amount (\*5) of money, etc. from the Company, other than remuneration paid to directors of the Company;
  - 6) a person who executes the business of an entity whose outside director is also a person who executes the business of the Company; or
  - 7) a person who executes the business of an organization which is receiving a large amount of donation or grant from the Company (\*6).
3. No family member, close relative, etc. of the outside director currently falls under any of items 1) through 7) in paragraph 2 above.
4. The total number of years of office of the outside director/outside corporate auditor does not exceed 8 years.

##### Notes

- \*1 A "family member, close relative, etc." means a spouse of an outside director, a first or second degree relative, or any other relative who lives in the same place as the outside director.
- \*2 A "large shareholder" means a person who is one of the top 10 shareholders in terms of shareholding as of the end of a fiscal year.
- \*3 A "major customer" means a customer/supplier of the Company where the annual amount of transactions between the customer/supplier and the Company exceeds 2% of the consolidated sales revenue of the Company or the said customer/supplier.
- \*4 A "major lender" means a financial institution from which the Company group borrows, where the aggregate amount of such borrowings exceeds 2% of the amount of consolidated total assets of the Company or the financial institution as at the end of a fiscal year.
- \*5 A person receives a "large amount" if he/she receives consideration from the Company in excess of 10 million yen per year.
- \*6 An "organization which is receiving a large amount of donation or grant from the Company" means an organization which receives a donation or grant from the Company in excess of 10 million yen per year.

[End]

Established on May 15, 2015

Revised on June 15, 2017

- 1 If, among the outside directors/outside corporate auditors, all of them who satisfy the qualifications which are required to become an independent director/corporate auditor are notified as independent
- 2 Matters to check regarding Attributes of the Independent Directors/Corporate Auditors and Outside Directors/Outside Corporate Auditors:
- a. person who executes business of the listed company or its subsidiary;
  - b. directors who are not executive personnel or accounting advisors of the listed company or its subsidiary (where outside corporate auditors are appointed as independent corporate auditors);
  - c. directors who are executive personnel or non-executive personnel of a parent company of the listed company;
  - d. corporate auditors of a parent company of the listed company (where outside corporate auditors are appointed as independent corporate auditors);
  - e. person who executes business of a fellow subsidiary of the listed company;
  - f. party for which the listed company is a major customer or a person who executes its business;
  - g. listed company's major customer or a person who executes its business;
  - h. consultant, accounting professional, or legal professional who receives a large amount of money or other financial asset other than remuneration for directorship/corporate auditorship from the
  - i. listed company's major shareholder (where the said major shareholder is a company, a person who executes its business);
  - j. person who executes the business of a customer of the listed company (where any of items f, g, and h do not apply to such customer) (this item only applies to the independent directors/corporate auditors himself/herself)
  - k. person who executes the business of an entity whose outside director/outside corporate auditor is also a person who executes the business of the listed company (this item only applies to the independent directors/corporate auditors himself/herself)
  - l. person who executes the business of an entity to whom the listed company makes donations (this item only applies to the independent directors/corporate auditors himself/herself)
- Please note that expressions used in each of items a to l above are abbreviations of words used in items which are stipulated in the rules of the stock exchange.
- 3 If any of the items above apply to the independent directors/corporate auditors himself/herself "now or recently," please mark with a "○" and, if any of the items above applied to the independent directors/corporate auditors himself/herself in the "past," please mark with a "△."
- If any of the items above apply to a family member or a close relative "now or recently," please mark with a "●" and, if any of the items above applied to any of them in the "past," please mark with a "
- 4 If any of the items a to l above apply, please provide an explanation (summary).
- 5 Please write down the reasons for appointing the independent director/corporate auditor.