

[Translation]  
May 13, 2025

To: Shareholders of Honda Motor Co., Ltd.  
From: Honda Motor Co., Ltd.  
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Director, President and Representative Executive Officer  
(Securities Code: 7267 Prime Market, TSE)  
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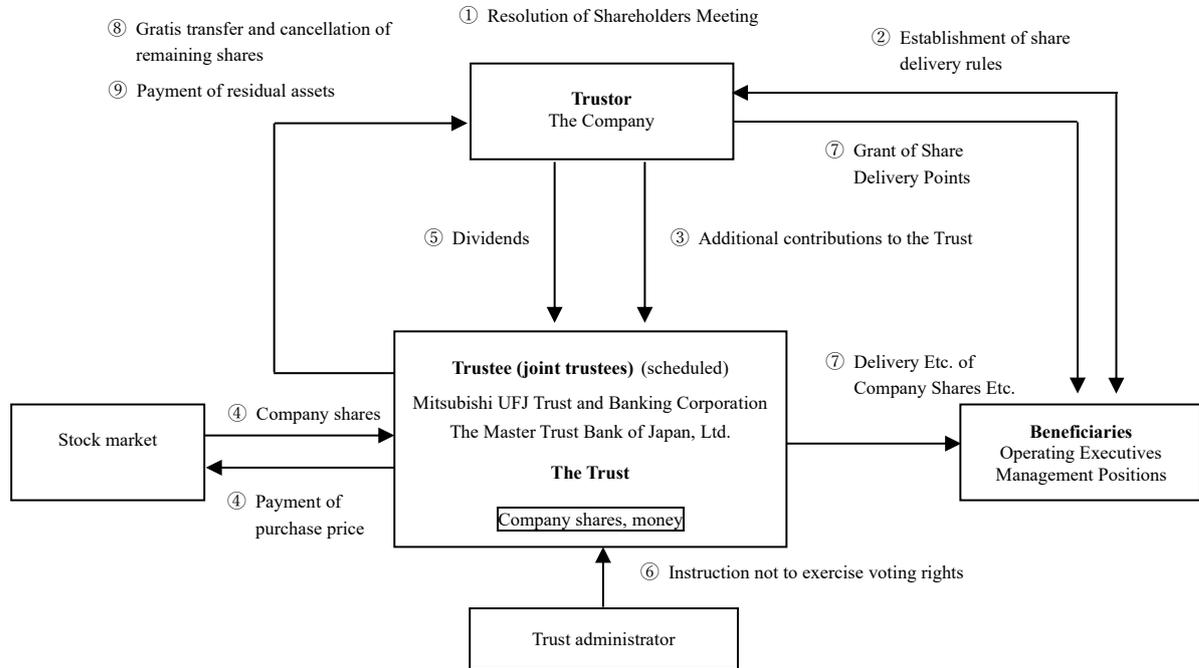
### **Notice Regarding Stock Compensation Scheme Revision**

Honda Motor Co., Ltd. (the “**Company**”) introduced the stock compensation scheme utilizing the Employee Stock Ownership Plan (ESOP) Trust for Operating Executive positions, who are employees of the Company, in the fiscal year ended March 31, 2025 (hereinafter referred to as the "System"). The Company passed a resolution approving the System revision, after expanding expanding eligible employees, in line with the revision of the evaluation and compensation system for Operating Executives and Management positions.

#### Particulars

1. Purpose, etc. of the System revision
  - (1) To advance as a comprehensive mobility company, the Company will revise the evaluation and compensation system for Operating Executives and Management positions in June 2025, as part of its human resources measures based on Honda Philosophy’s ‘Respect for the Individual’, to respect initiatives and ensure the merit-based system. The Company passed a resolution to expand certain number of Management positions eligible to the System to accelerate these measures and to further create mid- to long-term social and economic value through cooperation between Executive Officers, Operating Executives and Management positions.
  - (2) The System uses the ESOP Trust scheme. Upon the System revision, the Company will contribute additional funds to the ESOP Trust as funds for the acquisition of Company shares by the ESOP Trust.

## 2. Structure of ESOP Trust



- ① The Company will revise the Scheme on the condition that a resolution approving the amount and details of the compensation for Operating Executives and Management positions pertaining to the Scheme is passed at the Executive Council.
- ② The Company will revise the Stock Grant Regulations as an internal regulation concerning this program.
- ③ The Company will contribute additional funds to the ESOP Trust whose beneficiaries are Operating Executives and Management positions who satisfy the beneficiary requirements.
- ④ In accordance with the instructions of the trust administrator, the Trust will acquire Company shares from the stock market using the money entrusted in ③ above as the source of funds.
- ⑤ Dividends on Company shares held by the Trust shall be paid in the same manner as for other Company shares.
- ⑥ For the duration of the trust period, voting rights may not be exercised in respect of the Company shares held by the Trust.
- ⑦ During the trust period, the beneficiaries in accordance with the Stock Grant Regulations of the Company, be granted a certain number of points and, in principle one year after such granting of points, receive delivery of Company shares. Also, any dividends paid in respect of the Company shares held by the Trust shall be paid to the beneficiaries in proportion to the number of Company shares (including shares that will be subject to conversion) that were delivered by the Trust.
- ⑧ If the Trust will continue to be used for the Scheme or for a stock compensation scheme similar to the Scheme, any remaining shares at the time of expiration of the trust period will

be delivered to Operating Executive and Management positions by amending the trust agreement and entrusting additional amounts to the Trust. If the Trust will be terminated due to expiration of the trust period, as a measure of returning value to shareholders, the Trust will transfer such remaining shares to the Company for no consideration and the Company will cancel such shares by a resolution of the Board of Directors.

- ⑨ If the Trust will continue to be used after the expiration of the trust period, any remaining amounts of dividends pertaining to the Company shares held by the Trust at the time of such expiration shall be utilized as funds for acquiring Company shares, and if the Trust will be terminated due to expiration of the trust period, any portion of such remaining amounts of dividends that exceeds the trust expenses reserve (meaning the reserve for the trust fees and trust expenses, etc., which is the amount obtained after deducting the share acquisition funds from the trust money; the same applies hereinafter) is planned to be donated to organizations in which the Company do not have any interests.

Note: During the trust period, in the event of a shortage of company shares held within this trust or a shortfall of funds in the trust property for payment of trust fees or expenses, there is a possibility of additional funds being entrusted to this trust.

#### Content of trust agreement

(1)	Type of trust	An individually-operated specified trust of money other than cash trust (third party beneficiary trust)
(2)	Purpose of trust	To further enhance the attitude of Operating Executive and Management positions of contributing toward the sustained improvement of corporate value of the Company in the medium to long term
(3)	Trustor	The Company
(4)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
(5)	Beneficiaries	Employees who satisfy the beneficiary requirements
(6)	Trust administrator	A third party which has no interests in the Company (a certified public accountant)
(7)	Date of trust agreement	By July 25, 2024
(8)	Period of trust	From the date of trust agreement to August 31, 2027
(9)	Exercise of voting rights of Company shares	None
(10)	Class of shares acquired	Common shares of the Company
(11)	Amount of additional trust money	1,048 million yen (including trust fees and trust expenses)
(12)	Timing of acquisition of shares	From May 26, 2025 to May 30, 2025 (excluding the period from the fifth business day before the last day of each accounting period (including fiscal quarters) to the last day of such accounting period)
(13)	Method of acquisition of shares	Acquisition from stock market
(14)	Holder of vested rights	The Company
(15)	Residual assets	The residual assets that the Company can obtain as a holder of vested rights shall be included in the trust expenses reserve

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