

16 February 2021

Senator Louise Pratt
Senator for Western Australia
PO Box 531
Belmont, WA, 6984

Honda Australia Restructure Update

Dear Senator

We're writing to update you on the restructure of Honda Australia's automotive business and dealer network.

New Business Model

Honda Australia's customer experience is already great, but we want to make it even better. Under the new model, customers will be offered certainty of price for their new vehicle and a consistent, exceptional experience, no matter which dealer they visit.

With less than five months to go until the 1 July launch of Honda Australia's new business model, we are pleased to share that we have concluded agreements with our future Dealer Network.

During 2020, we undertook an extensive consultation process with the National Honda Dealer Council to form the basis of these agreements and actively participated in a joint bargaining process, which we strongly believe yielded positive outcomes for our future Dealers, our Customers and Honda Australia.

We can confirm that we plan to have approximately between 90-95 sites to form part of the new Australian network for Honda, almost all of which will be owned and operated by existing members of our Dealer Network. This also means that:

- Physical representation of the Honda brand in Australia will remain similar to what we have today, including across key Metro, Provincial and Rural areas and;
- Honda customers will be able to have their vehicles serviced, warranty repairs completed while experiencing a similar level of convenience they enjoy today.

We expect that the majority of these sites will be open and operational from 1 July 2021, however some sites are likely to continue to transition throughout 2021.

As we have said before, Honda Australia remains committed to the Australian market, and we strongly believe that this restructure is optimising our business for long term success.

Dealer Changes

We undertook a thorough, objective and considered process to determine which dealers would not form part of the new business model. We have been engaging with these dealers over the past year, and we remain confident the new model is the right strategic approach.

We can confirm that most negotiations with exiting dealers have now been resolved. We remain committed and confident that we can resolve the small amount of outstanding dealer exits as



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smoothly as possible. Throughout the process, Honda Australia has been firmly focused on facilitating the best possible transition for dealers affected by the restructure.

Following the consultation process with the National Honda Dealer Council, a small number of dealers have recently chosen not to continue their journey with Honda, and we are currently working with these dealers to finalise their exits. We have been engaging with these dealers continuously and remain confident that we can reach sound commercial outcomes for all parties.

We are incredibly proud of our 51-year rich history in Australia, and we look forward to writing our next chapter and engage with our customers in a new way in 2021 and beyond, for a stronger Honda for years to come.

Please let us know if you would like to discuss any further details of our restructure.

Yours faithfully

Hiroyuki Shimizu
CEO & Managing Director
Honda Australia

Stephen Collins
Director
Honda Australia

Carolyn McMahon
Director
Honda Australia



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