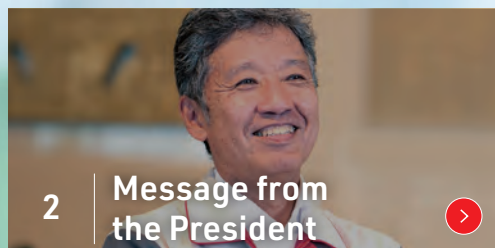


DAIHATSU Sustainability Report 2025



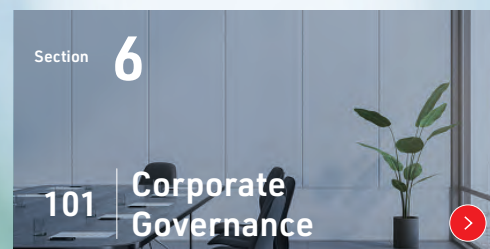
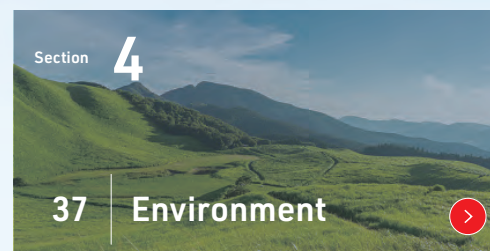
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Daihatsu's Future as Rooted in "One Team" and "Keep the Factory Running"

One Team and Keep the Factory Running: My Origins and Management Approach

I assumed my current role as Daihatsu's president in 2024. In my roughly 38 years as a working adult, I have worked in a wide range of fields covering manufacturing, sales, and product planning. In addition to Japan, I have also been on the front lines in Canada, Brazil, Argentina, and other work sites around the globe. Throughout this time, two phrases have captured my core management principles: "One Team" and "Keep the Factory Running."

"One Team" refers to something I felt keenly when I was responsible for our Brazil and Argentina businesses. Because we are a Japanese company, work sites came into conflict with the South American business due to differences in language, culture, and values, with energy being wasted internally rather than focusing on the company's competitors. I served as a neutral mediator between the two parties, and with thorough persistent negotiations, I worked to build a relationship that would draw on the strengths of each side. Eventually, trust blossomed, and both sides were able to function as a team. This

experience is engraved deeply in my heart.

"One Team" is not just a slogan. It is an approach in which parties with different viewpoints and values share a common goal and cooperate to achieve it. Achieving this requires us to build trust on the front lines and engage in ongoing dialogue. For Daihatsu, which has many sites and partners in Japan and overseas, this culture is an essential part of our sustainable growth in the future ahead.

The other principle, "Keep the Factory Running," is a phrase that my superior on the sales team at Toyota Canada would always use to instruct me. No matter how wonderful a product is, it only demonstrates its value when a customer chooses it and makes a purchase. Manufacturing, logistics, and services can only keep running if customers choose our products. I believe our purpose as a manufacturer is to continue providing products to customers.

Confronting Decarbonizing Head-on and Choosing Optimal Solutions

The automobile industry is currently at a once-in-a-century turning point. The global industry is undergoing electrification

Masahiro Inoue
President



at an accelerating pace to meet carbon neutrality goals, but I have consistently held the perspective that we need to target “carbon” itself without insisting on a particular method of doing so. Although there is a focus on BEVs (battery electric vehicles), the reality is that much of the power for those vehicles comes from thermal power plants. Taking that into consideration, BEVs do not necessarily lead directly to decarbonization.

The Toyota Group uses a Multi-pathway Strategy in which strategies that are most optimal for each country and region can be selected, drawing on a diverse array of technologies including HEVs (hybrids), PHEVs (plug-in hybrids), BEVs, internal combustion engines with good fuel efficiency, and biofuels and ethanol. For example, Brazil uses sugarcane ethanol as fuel for vehicles, and is working toward carbon neutrality by a path other than electrification.

At Daihatsu, we also work toward carbon-neutral production. We are

developing ways to utilize fuels derived from nature, including biogas made from cow manure. We will continue steadily progressing toward full decarbonization by combining front lines ingenuity and wisdom.

Supporting “Just Right”: Co-creation and Personnel Development at Work Sites

The chief source of Daihatsu’s competitive strength is our ability to achieve “high quality but affordable products.” Through close collaboration with around 600 suppliers, we conduct cost planning that balances cost and quality beginning in the initial product development stage. As base costs increase in the future due to the implementation of hybrid and electrification technology, it will be key to provide products to customers at an attainable price while maintaining as much added value as possible. By deepening the relationships with our suppliers, we will continue providing consumers from all

walks of life with vehicles that are “just right.”

We must also keep sight of the need to pursue human resources development. Encouraging personnel to gain experience on the front lines while they are still young in a wide range of workplaces around the world will help cultivate reliable judgment over long careers. Also, one of my favorite sayings is the

traditional Japanese adage that translates to “God knows everything” (so always do the right thing). Internal infrastructure that ensures hard work is recognized and properly rewarded promotes trust in the organization as a whole. We will build an environment in which everyone has the opportunity to demonstrate their abilities, regardless of gender or other personal attributes.

Daihatsu Manufacturing Supporting People’s Lives Around the World

The Japanese domestic market is expected to continue shrinking in the years ahead. We currently sell 900,000 units per year*, and this is a basic foundation that must be maintained. Our global market has just cleared 1.1 million units* and is the core of our growth. Especially in ASEAN countries, Daihatsu-developed vehicles are widespread and popular under the Toyota and Perodua brands.

Rather than focusing on the Daihatsu brand, I believe it is important that we bring “Daihatsu manufacturing” to the world at large. As competition intensifies, our brand strategy will need to be more flexible, but Daihatsu will never compromise on our core design, manufacturing, and quality. This is our crucial role within the global Toyota Group as a whole.

Mobility will not change overnight. But over periods of 20 or 30 years, society does undergo steady change. In the future,

Daihatsu will continue to stay closely in touch with the needs of customers from all walks of life, never miss signs of change, and keep a persistent eye on the realities of every region in which we operate in order to continue making the vehicles that are most needed.

* Includes Daihatsu-developed vehicles manufactured by OEMs and contractors

To Our Stakeholders

Daihatsu is not merely an automobile manufacturer. We are also a supporter of lives in local communities as well. I have witnessed first-hand the impact of temporary plant closures on local economies. That is why I feel we have a responsibility to “Keep the factory running” and continue contributing to employment and the economy over the long term.

We have had fewer opportunities for external communication in recent years, and I feel that the real Daihatsu has not been adequately conveyed. That is why I want to use this Sustainability Report and our new open internal newsletter *Daihatsu ONE!* to show our stakeholders the real Daihatsu, as we really are, in honest, easy-to-understand, relatable language.

Daihatsu will continue to work to develop a sustainable future by building One Team with our local communities, suppliers, personnel, and customers in our role as the “world’s leading automobile manufacturer rooted in everyday life.”

Pursuing Sustainability Will Bring About Daihatsu’s Ideal World



What Is Daihatsu?

Throughout our history, Daihatsu has stayed in touch with our customers to create the products they truly need.

Our "low-priced, low-burden manufacturing" is thoroughly focused on ease of use while also being environmentally friendly and economical, and that focus has been passed down throughout the years to the present day.

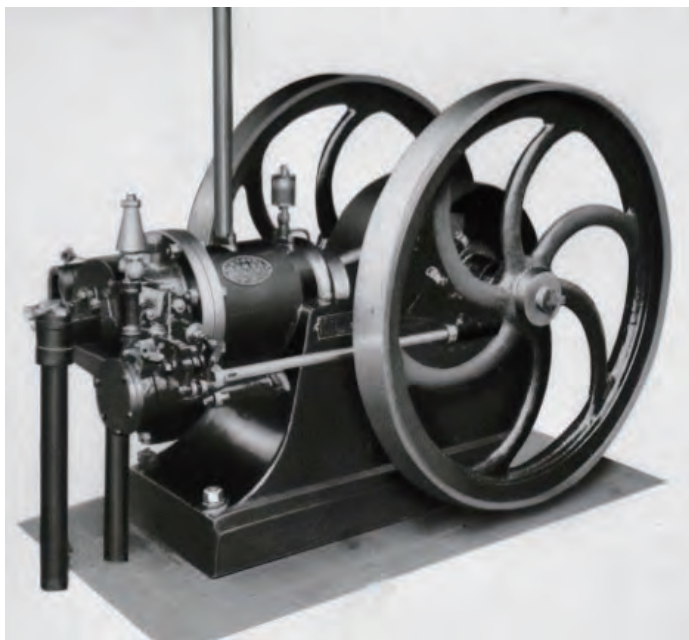
This is rooted in our concept of "lowering barriers and broadening the base."

We develop and manufacture mini-vehicles and compact cars to ensure that as many different customers as possible are happy and can find peace of mind with their vehicles, including local customers, women, senior citizens, first-time users, and citizens of emerging countries.

In this way, we help support our customers' varied lives and contribute to industry in domestic and emerging countries.

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Section





Corporate Philosophy

MISSION

Staying close to our customers and enriching their lives

This is the unchanging philosophy that Daihatsu has held dear since its founding in 1907.

Our small cars are environmentally considerate, affordable and easy to use, and have supported people's lives ever since.

Daihatsu will continue to sincerely engage with communities and the life of each and every customer, providing products and services that enable people to live freely and true to themselves.

VALUE

Think about how to improve our customers' lives

Bring more smiles to people's faces through our actions

Move forward together with kindness toward each other

Carry out work properly through genchi genbutsu

Continue to evolve with wisdom and ingenuity



Daihatsu's History

Major Vehicle Models

1957



Mini Three-wheeled Vehicle "MIDGET"

Core concept: "Good at tight turns, convenient and economical."
Leader of the post-war three-wheeled vehicle industry.

1966



Mini Passenger Vehicle "FELLOW"

"Compact ride for a lightweight drive": Home sedan. Originator of the growth of the mini-vehicles market.

1969



Compact Passenger Vehicle "CONSORTE"

Core concept: "High-performance, economical passenger vehicle."
First collaborative model with the Toyota Motor Corporation.

1995



Mini Passenger Vehicle "MOVE"

Core concept: "Spacious, fun multi-use wagon."
Alternative to the "Mini Tall Wagon" style of microvan.

2002



Mini Sports Vehicle "COPEN"

"Authentic open sports car that anyone can relax and enjoy."

2004



Compact Passenger Vehicle "XENIA"

Jointly developed with Toyota Motor Corporation in order to create a new segment in Indonesia.

2011



Mini Passenger Vehicle "Mira e:S"

Third "eco-car" - the peak of fuel-efficiency, affordability, and resource-saving.

2016



Compact Passenger Vehicle "THOR"

"Spacious interior but looks like a compact" - Compact construction based on a mini-vehicle design.

2019



First "DNGA" Model New "Tanto"

High basic performance based on DNGA (Daihatsu New Global Architecture) and Smart Assist, delivering all-around safety and peace of mind to customers.

2021



Compact SUV "Rocky" with e-SMART HYBRID

Hybrid system ideal for small-size cars.

Starting in 1900s

Founding to three-wheeled vehicle era

Began with the first engine ever manufactured in Japan

Company origins forged by three-wheeled vehicles under our founding principles

Starting in 1960s

Development of mini- and compact vehicles and overseas businesses

Half a century of mini-vehicle history

Globally expanding possibilities of mobility

Starting in 2010s

Becomes a wholly owned subsidiary of Toyota Motor Corporation

Growth as the Toyota Group into the next stage

Strengthening corporate structure and creating value through group synergy

Starting in 2020s

A once-in-a-century period of change in the automobile industry

Daihatsu's History

1907

Founded as Hatsudoki Seizo Co., Ltd.

Founded under the aim of "developing Japan-made internal combustion engines." Began selling the first Japan-made engine.



1967

Business alliance with Toyota

Within the Toyota Group, became responsible for the small car sector with a focus on mini-vehicles.

1980

Daihatsu (Malaysia) Sdn. Bhd. established

Daihatsu (Malaysia) Sdn. Bhd. established to strengthen sales.

1978

PT Daihatsu Indonesia established

PT Daihatsu Indonesia (DI) established to promote local production. Manufactured the Hijet Caddie, etc.

1993

Perodua established

A new company, Perodua, was established on the road to realizing the Malaysia government's Second National Car Project.

1992

ADM established

PT Astra Daihatsu Motor (ADM) established. Contributes to the Indonesia government's policy of making automobile manufacturing domestic.

2016

Becomes a wholly owned subsidiary of Toyota Motor Corporation

Aimed for "better automobile manufacturing" under the Group-based cooperative structure, growing together with the Toyota Group by being responsible for the small car segment.



Domestic mini-vehicle market share FY2025



Indonesia production volume share 2024



No. 1 for 14 consecutive years

Malaysia sales volume share 2024



No. 1 for 19 consecutive years

History of the Automobile Industry

• Japan's Industrial Revolution Period

• Post-war recovery and the dawn of domestic motorization

• The high-growth period and motorization acceleration - a shift to the era of "one car per household"

• The era of soaring oil prices due to emissions regulations and the oil crisis - the decline of mini-vehicles

• The rise in demand for mini-vehicles as second cars, against a backdrop of women's increasing participation in society

• Changes to mini-vehicle standards
Emergence of various types of mini-vehicles, including spacious vehicles and extra-spacious

• Growing global environmental awareness
Low-fuel consumption mini-vehicles attract attention as "eco-cars"

• Acceleration of CASE¹, MaaS² and Carbon Neutrality

1. CASE: An abbreviation for Connected, Autonomous, Shared/Service, Electric
2. MaaS (Mobility as a Service): A concept that treats mobility as a single service.

01

Corporate stance: **Manufacturing** vehicles to support **people's lives** by adopting an approach that **stays closely in touch with customers' needs**

We develop and provide the "safe and secure small cars" that are truly in demand locally and in daily life, with a close ear to market feedback, precisely identifying customer needs via thorough market research while prioritizing ease of use and familiarity.

02

Environmentally friendly manufacturing that provides customers with just the right products at low prices

We thoroughly investigate actual usage scenarios in order to achieve good products that will be chosen by large numbers of customers. We thoroughly streamline through a combination of wisdom and ingenuity to achieve prices that lower barriers to purchase. Through this sort of manufacturing, we will continue to be a company that supports and broadens the foundations of society.



■ Appeal & Strengths

Technology honed to instill small-size cars with tremendous value

Within the strict constraints of “small cars,” Daihatsu has employed wisdom and ingenuity to cultivate unique development and manufacturing technology while cherishing our basic philosophy of SSC (simple, slim, and compact) and “providing advanced technologies to everyone.”



Small cars that contribute to livelihoods and growth in Japan, Southeast Asia, and emerging countries

Drawing on Toyota's management resources as a member of the Toyota Group, Daihatsu takes the lead in the small car sector under the Toyota-Daihatsu shared strategy to bring competitive products to both domestic and international markets. In Japan, Indonesia, Malaysia, and emerging country markets, we are steadily building competitive strength.



Supporting ambition and creating workplaces built on mutual help and good communication

Our company culture values young people's ideas and a spirit of taking on challenges. Moreover, individuals have wide areas of responsibility so that they can collect a diverse range of experience. Quick decision-making is possible due to minimal barriers between departments, and we work as a single team through a system of cross-departmental cooperation and active communication.

05

At a Glance: DAIHATSU by the Numbers



Date of establishment

1907

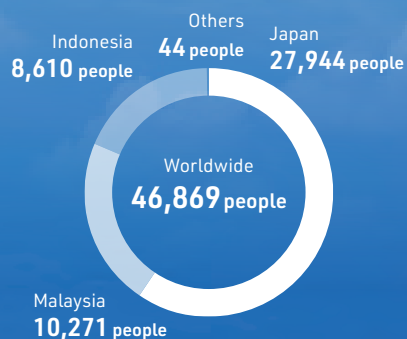
Capital

284
billion yen



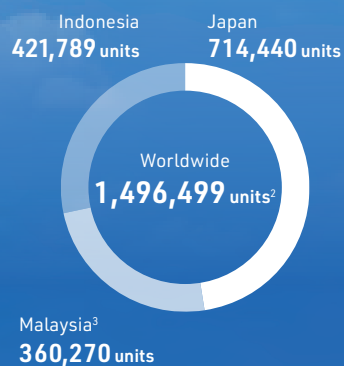
Number of employees

(As of March 2025)



Production volume¹

FY2025

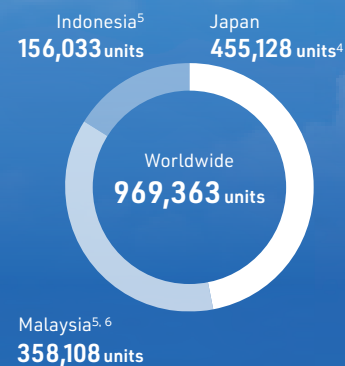


1. Approximately two million Daihatsu-developed vehicles manufactured globally
2. Includes the number of OEM and consigned production vehicles
3. Includes Perodua production vehicles



Sales volume

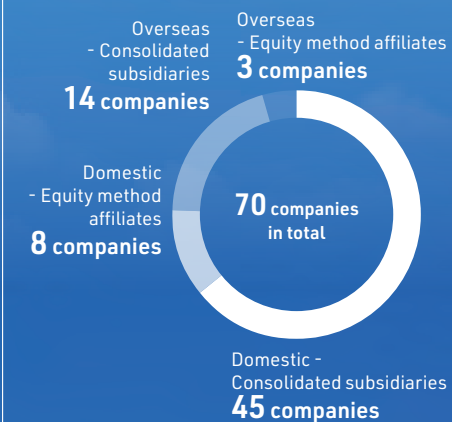
FY2025



4. Based on the numbers of vehicles registered or notified
5. Based on retail sales
6. Includes Perodua sales vehicles



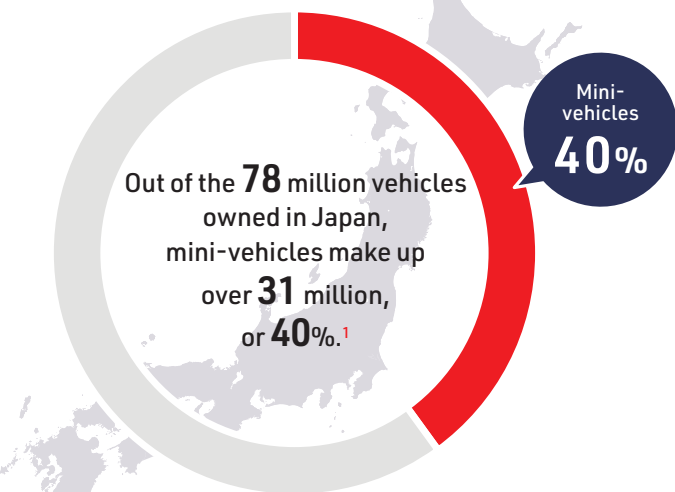
Number of affiliated companies



Domestic Business

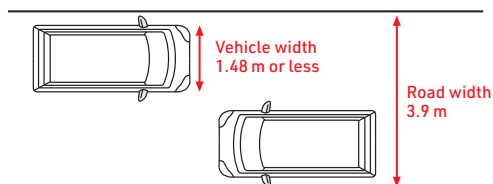
Commitment to mini-vehicles as a “lifeline,” with compact construction based on a mini-vehicle design

Domestic Business Environment



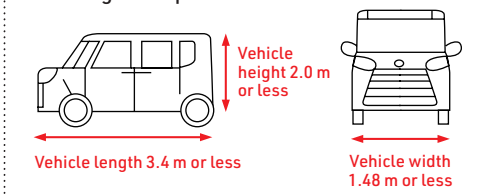
1. Automobile Inspection & Registration Information Association, as of the end of June 2024

Point 85%² of Japan's local roads have an average width of 3.9 m



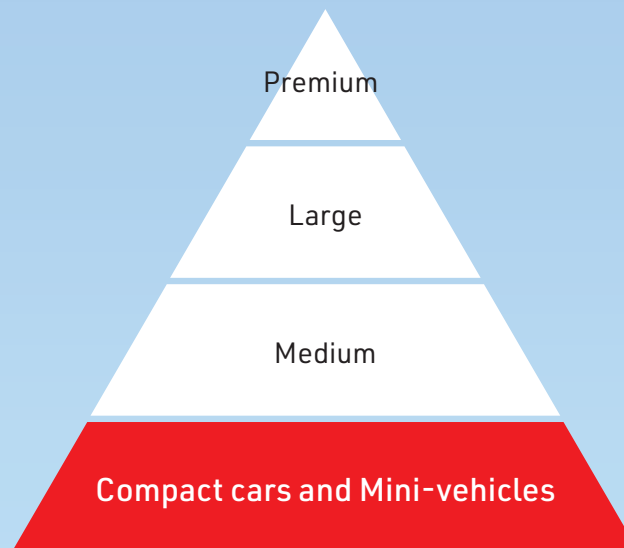
Mini-vehicle standards

Engine displacement: 660 cc or less



2. Ministry of Land, Infrastructure, Transport and Tourism, Road Statistics Annual Report 2023 as of the end of March 2022

Developing Business in the Small Car Sector



Mini-vehicles



Mira e:S

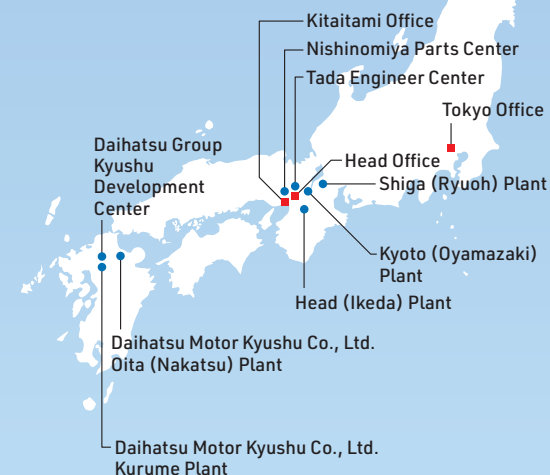
Compact vehicles



Rocky

Domestic Business Sites

- Domestic business sites (3)
- Plants, parts center, and R&D center (8)



Since their introduction, mini-vehicles have evolved alongside Japan's growth. In rural areas where public transportation is limited, the spread of mini-vehicles has exceeded “one per household” in some areas, making them a deeply rooted and essential part of daily life. With their compact body size that's easy to maneuver on Japan's narrow roads and excellent fuel efficiency and economic strengths, mini-vehicles function as a “lifeline,” supporting daily activities and work.

Moreover, the technology and expertise in mini-vehicle manufacturing that we have accumulated over time are employed in small car development to create products that serve a wider range of customer needs.

Overseas Business

Daihatsu supports people's daily lives worldwide with high quality but affordable cars refined in Japan.

GRI > 2-1, 2-6

Middle East

Asia

Oceania

Central and South America

(1) Promoting car use in emerging countries

We are applying the small car manufacturing technology and expertise we have cultivated in Japan to emerging countries and are providing cars that are affordable and appreciated by customers in those countries. We are expanding our customer base by providing cars to many people, including the younger generation who are buying a car for the first time.

(2) Contributing to the development of local automobile industries

We work with local partner companies to set up full-scale production plants while actively promoting local development and parts procurement. This contributes to job creation and industrial growth. Additionally, we focus on developing local talent in design and development, aiming to create cars that cater to the needs of customers in each country.

Expanding Daihatsu's Approach to MONODUKURI Overseas

As part of the Toyota Group, Daihatsu handles compact car businesses targeting emerging markets. Daihatsu has established local production and development bases in countries such as Indonesia and Malaysia, promoting business expansion.

Cars developed by Daihatsu are produced not only by PT Astra Daihatsu Motor (ADM) in Indonesia and Perodua in Malaysia but also at Toyota Group sites in countries such as Thailand, Indonesia, Malaysia, Vietnam, and Taiwan, and they are made available in approximately 80 countries and regions, mainly in Southeast Asia.



Indonesia

Population: approx. 280 million (4th in the world)



Indonesia production bases

- PT Astra Daihatsu Motor (ADM)³
- PT Daihatsu Drivetrain Manufacturing Indonesia (DDMI)⁴

Total production:
9 million
units achieved

(As of August 2025)

No. 1

production
volume¹

(2024 results)

No. 2

market share for
16 consecutive
years



Malaysia

Population: approx. 35 million (47th in the world)



Malaysia production bases

- Perodua Manufacturing Sdn. Bhd. (PMSB)³
- Perodua Global Manufacturing Sdn. Bhd. (PGMSB)³
- Perodua Engine Manufacturing Sdn. Bhd. (PEMSB)⁴
- Daihatsu Perodua Engine Manufacturing Sdn. Bhd. (DPEM)⁴

No. 1

sales volume²
share for 19
consecutive
years

(2006 to 2024)

1. Includes the number of OEM vehicles 2. Based on retail sales; includes Perodua sales vehicles 3. Manufacture of automobiles
4. Manufacture of vehicles parts

Daihatsu's Story

Pursuing, protecting, and advancing Daihatsu's unique qualities. Tackling immediate problems head-on. Providing high-quality products directly, in an attainable form. While returning to first principles, Daihatsu will reaffirm our belief in our unique qualities as we push forward.

The history of that endeavor begins at the various work sites in the Daihatsu organization. At the core of all Daihatsu's initiatives is the drive of every single each and every employee to build a better future with their own hands. In the following pages, we will draw on the words of top management and frontline personnel to show where Daihatsu's unique qualities can be found in the present day.

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Section

2



Daihatsu's Present and Future



Masanori Kuwata
Executive Vice President

Masahiro Inoue
President

Hiromasa Hoshika
Executive Vice President

One Year Since 3MASA Leadership Team Was Launched Helping One Another from Different Domains as a Single Unified Management Team

Inoue I assumed this role at Daihatsu in March of 2024 together with Mr. Kuwata. I think that many in the company saw me as a sudden arrival here. The first decision we made as three directors together was to "avoid a wide-ranging consensus-building process." If top management is giving mixed messages, frontline personnel will lose time checking to clarify what they should be doing.

Instead, we three directors decided to have a thorough discussion and deliver a single message we would stick to. These were initially called the "Three Leader Meetings," but someone noted that this sounded a bit self-important, so frontline feedback suggested we go with "The Three Masas," as each of our names had "Masa." (Laughs.) I thought this was a joke at first, but once we started using it, it immediately caught on throughout the company, and I felt it was a good name.

Hoshika From my perspective, the most important theme this year was, first and foremost, to put recurrence

prevention on the right track. Once that foundation was in place, I felt that we had entered a phase of polishing up Daihatsu's unique competitive strengths again. When all is said and done, Daihatsu's strength is in the manufacturing (MONODUKURI) of high quality but affordable products. It is important for each and every employee to diligently work step-by-step to give shape and form to their own ideas and ambitions. Now, we can see that a company culture in which employees naturally work together across departmental barriers to support one another has begun to take root. Although there is some variance across sectors, we hope that everyone will cooperate to

build an organization in which we understand and provide support for each other's work in different fields.

Kuwata My priority since I came to Daihatsu has been to listen closely to what our employees think, first and foremost. After the certification scandal, many employees felt strongly that the company must make a strong comeback and could not fade away like this. Those feelings translated into a strong force pushing the company forward.

Slowly but surely, I feel that people are starting to look forward to the future again. They have been thinking about and working on recurrence prevention as individual employees, and I think it is important for us to figure out how to best advance those efforts. We will also prioritize close communication with frontline personnel as we progress.

Reaffirming Daihatsu's Strengths High-quality Affordability and a Culture of Frankness

Hoshika Personally, I believe we need to make changes to the company culture itself first. The most important steps are to create a culture in which everyone is free to take on challenges for themselves, and an atmosphere in which supervisors are forgiving of failure. People volunteer ideas about how to make things better in the course of their daily work, and those ideas are tried out. I believe those efforts will accumulate in ways that gradually drive the company in a better direction. There was previously a lot of pressure and an atmosphere that tended to discourage failure, and that is exactly why it is important to build an environment where free exchange of opinions is permitted. To that end, we—3MASA—will aim to strike a

balance in which personnel can set realistically challenging targets and job responsibilities while engaging in open conversations at each job level.

Kuwata I feel that Daihatsu has a deeply rooted culture of speaking frankly. This is particularly true of people in the western Kansai region of Japan, where honest communication is valued and they have a desire to speak their minds to one another, almost to the point of bluntness sometimes. I believe this is the basic foundation of this company. Another strong characteristic is the mindset of doing things ourselves. The approach of wanting to properly make quality products at low cost through ingenuity and improvement is really the genesis of Daihatsu's high quality but affordable products. This is an expression of Daihatsu's unique qualities.

While cherishing that company culture, we must not forget that the real stars are, of course, the people working on the frontlines. We must become a company that listens to the feedback of those personnel and changes the aspects that get in the way of their work. We are gradually taking steps to reduce the number of ranks in the company, improve communication, and create an atmosphere conducive to frank and open dialogue, and we will continue to do so even if it takes some time to achieve.

Carbon Neutrality and Electrification Unique Daihatsu Initiatives

Hoshika We deal in small vehicles like mini-vehicles and A-/B-segment cars, and I believe that small cars are extremely advantageous from an environmental perspective. Even in terms of recycling and effective use of resources, making vehicles lighter and smaller actually has an outsized impact. I think we need to look at all the



different technologies out in the world and work to lower our environmental impact in a way that utilizes this advantage.

Put in more concrete terms, even in the world of mini-vehicles, we need to pursue electrification. In terms of CO₂ reduction, there is a cost disadvantage, but a key point moving forward will be to proceed with cheap electrification, or Daihatsu-style electrification. I believe it is important for us to proceed with development and manufacturing that leverage those positive aspects of mini-vehicles.

Kuwata As Mr. Hoshika says, the Daihatsu approach is about SSC (simple, slim, and compact). Small and simple designs are advantageous in terms of environmental impact and make for easy maintenance, making them

well-suited to the era that lies ahead. In addition to making products, environmental solutions that achieve harmony with local communities are also important. Underlying this strategy is the accumulated awareness and mindfulness of individual Daihatsu employees. One example of this is the mini commercial van BEVs. With its limited battery capacity and travel distance, this vehicle has great potential in its role as being responsible for the "last mile" of logistics. Our first step is to deliver this product to the world, then to improve further as we see how customers use it and receive feedback.

Inoue In aiming for carbon neutrality, we need to bring down the CO₂ emissions both from the cars themselves as well as the manufacturing processes. Our target is the year 2035, but Daihatsu cannot possibly do this alone. There is no point unless carbon-free energy is available throughout the industry as a whole, requiring collaboration with the Toyota Group, the Japan Automobile Manufacturers Association, and the Japanese government.

There are also not enough mechanisms in the modern automobile industry for recycling and the rest of the 3Rs.* Some progress has been made with respect to aluminum and iron, but there are still difficulties with recycling plastics and rare metals due to the low quantities used. In the future, mechanisms will be needed that trace where owned vehicles go and how they are reused, creating a cyclical process wherein those recycled materials are cheaper than using new resources. This is another major challenge that I hope Daihatsu can tackle in collaboration with the Japanese government and other industries.

* 3Rs: Reduce, Reuse, Recycle

Human Resources Development A Company Focused on Doers

Kuwata I believe an important approach is to focus on "doers" as the main drivers. However, I have been in this position for a year and noticed some challenges that are still present in the company's personnel systems and mechanisms. I hope to address these over the following years. The most important point is that forward-looking individuals who wish to grow can find the jobs and environment needed to make that growth a reality. Job roles need to be viewed in flexible terms to broaden opportunities for personal endeavors and growth. Looking carefully at one's career and ambitions, we need to empower people to properly recognize and evaluate the results of their efforts and thoroughly follow-up on points in need of improvement. It is important to clarify the practice of basic ideas like this. While it takes resources to make this happen, we have also seen an increase in the number of employees wanting to hire new workers, and one pleasant change has been that some people have expressed an interest in internships.

Hoshika I'd like to add something onto what Mr. Kuwata said. From the perspective of having "all personnel take a central role at Daihatsu," I think the most important point is to have relationships of frank and honest communication. There have been gradual improvements in this area, but if deeper dialogue were possible, I think we would see even more new ideas and endeavors arising naturally.

In particular, leaders need the management skill to look carefully at individuals' strengths and think about what positions would best suit them and how work should be delegated to them. Rather than focusing on weaknesses, we should bring out strengths. That will empower the team as a whole, giving rise to mutual assistance and

teamwork that will ultimately improve the entire company. I hope we can create that sort of company culture.

Inoue Looking back, sales used to focus primarily on the Japanese market. Today, more units sell overseas than in Japan, and of course the organizational structure and personnel assignments have changed as well. Due to Daihatsu's failure to be more flexible in the face of changes in the past, we—3MASA—need to sketch out a clear vision of the 10-year future of Daihatsu, and to systematically rearrange the necessary personnel and systems in order to work towards that vision. We need to employ flexible staff re-assignments and opportunities for young people to grow in a variety of fields, both in Japan and abroad, creating synergies whereby personal goals align well with the company's overall direction. I intend to work diligently until that is achieved.



Mobility of the Future Daihatsu Remains Close to Customers' Lives

Kuwata A strong underlying concept of Daihatsu's vehicles is "staying close to our customers," which I believe is both important and interesting. When I visited the Osaka Expo with my family recently, my elderly father used an e-SNEAKER personal mobility device to get around, underscoring for me the importance of means of transport in our lives. One of Daihatsu's biggest and most important missions is to provide "easy transportation" that supports people's lives. There are challenges to be overcome such as electrification, cost, and convenience, but I think it will be increasingly important in the future for manufacturers to consider the customer's perspective and create the vehicles best suited to each community and country.



Hoshika At the heart of Daihatsu is a desire to stay close to our customers and enrich their lives. We need to enhance and advance the way that we maintain this closeness. It is because our mini-vehicles and commercial vehicles are a part of life in their local communities that it is so important for us to know how customers really feel and apply that to car manufacturing. We need to draw on lessons learned in real life and feedback from frontline personnel, and apply these in our manufacturing. As with the e-SNEAKER, mobility development for the future needs to focus on products that satisfy customers' real feedback for "fashionable" vehicles.

Inoue As a member of the Toyota Group, Daihatsu's role is not to build high-end vehicles that incorporate the latest technology, but rather to build solid "simple vehicles" like the Hijet or Mira e:S. If we take our high quality but affordable product technology, cultivated through mini-vehicle development, and apply it as appropriate to the conditions of each country, I believe we have tremendous potential for growth in Malaysia, Indonesia, and other emerging economies. Drawing on the Toyota network, we need to determine our own direction and take responsibility for personnel and organizational development as we push the company forward.

To Our Stakeholders Striving to Be a Trusted Company Selected as a Partner

Hoshika I hope that Daihatsu can be a company at which every employee vigorously and proactively continues to seek out challenges. That environment will be the driving force that allows individuals to maximize their own potential and find an interest in and motivation towards their work.

Kuwata Building a work environment in which individuals can vigorously nurture their desire for personal growth will lead to better car manufacturing. I hope that Daihatsu can be a company that supports each individual's endeavors without forgetting our genchi genbutsu approach and commitment to staying close to our customers. All of us should come together to create a company we are proud of, where we can say working at Daihatsu helped our own personal growth.

Inoue Through "mobility that's close to your daily life," Daihatsu has helped support the daily lives of many people. As a leading Japanese automobile brand, Daihatsu is expanding our responsibilities and potential throughout Japan and overseas. Moving forward, we will continue to steadily progress together with our diverse stakeholders, step by step, towards becoming a company that is continuously trusted and chosen as a partner.

Building Workplaces Where People Are Happy to Work —Cultural Reform via Three-pillar Unified Strategy

T.M.

General Manager,
Human Resources Division

Systems and Rules Infrastructure Themselves Are Not Enough

I returned to the Human Resources Division in January 2023, this time as the General Manager. Since joining the company in the R&D Administration Division, I have gone on to work in a variety of positions including as a full-time union official as well as in recruiting, management planning, and secretarial positions. The certification test fraud scandal broke immediately after I assumed the position of General Manager of the Human Resources Division, so I was responsible for making sure it could not reoccur. The painful lesson of that experience was that simply creating systems and rules infrastructure is not sufficient to cultivate and develop a cycle of growth for human resources. If the intent behind them is not communicated and embraced, it doesn't matter how wonderful our systems and rules are. We are currently working to fully review our systems with the goal of changing behavior via the systems themselves.

Ten-year-old HR Systems Are Out of Touch

Daihatsu did make major changes to our HR systems once in 2013. This included merging personnel classifications, streamlining job function ranks, and other systems relevant to that era, but after a decade, there are many aspects that are dated and out of touch. For example, we may need flexible compensation for personnel in highly specialized areas, and a system that helps people undertake new challenges. The reality is that our current systems have not kept up with the changing times. Line

employees also face limited opportunities for promotion due to the broadening of job ranks. That is why we are now revising these systems from the bottom up.

Consistency Is Key Throughout the Process: Hiring, Development & Training, Evaluations, and Compensation

The role of HR is to create an interconnected personnel development cycle. Ideally, everything from hiring to development and training, placement, evaluation, and compensation should connect in one cyclical process. Changing the evaluation system, strengthening training, or making other partial improvements will not lead to fundamental change. Unless all of these parts are interlinked, individual personnel may be left unsatisfied and training will not always produce real results. We currently have several measures underway to address this, including adding “personal qualities^{*}” to the promotion criteria alongside traditional personnel evaluation standards, and reducing the number of organizational ranks through organizational reforms. I have also launched a program within the division called “Chat with the General Managers,” one-on-one discussion sessions between myself and individual personnel that give me more opportunities to pick up real feedback from the front lines. Although these changes are still a work in progress, I have been able to feel the beginning of changes in our organization atmosphere.

^{*} The ability to work hard for others, including customers and peers, and the ability to learn from others with humility while continuing to change oneself.



Cultural Change Through Philosophy × Systems × Communication

Although we often say that “cultural reform is needed,” I do not believe anything will actually change by simply talking about it again and again. Culture is not something that can be suddenly changed by adjusting some set policies and rules. Instead, it arises from the various short verbal exchanges made in the course of daily work, everyday language use, and everyday behaviors that gradually spread through the entire organization and ultimately become the company culture.

My priority is to design mechanisms that “change behaviors.” Encouraging behaviors requires systemic changes—almost like an inoculation that prompts change. We need to establish a set of rules and frameworks for the organization that can act as a compelling force that pushes things forward. At the same time, knowledge and skills are needed to take action, and education must be our weapon of choice. In order to have a coherent organization, all of these things need to be in place, and all employees need to be speaking the same common language, with all communication based on an embrace of the corporate philosophy. Only by using the same words to mean the same things can we clearly indicate what we are aiming for.



Something did leave a strong impression on me when I sat in on a certain company’s training session. The participants had a very natural way of saying “Let’s do X now” and “I’ll do X myself,” and that was not something they were forced to say but rather something rooted in the company culture. As I watched that, I realized this attitude was just baked into their behaviors.

We need to apply that sort of common language and code of behavior to our own workplaces at Daihatsu. Rather than simply posting a corporate philosophy, we need to think about how frontline personnel use that philosophy and how they feel about it. I believe that designing a three-pillar unified strategy of systems, training, and philosophy will lead to real cultural reform. We are only partway there now, so we are focusing on this point in particular.

Boosting Company Appeal

My ultimate target is for Daihatsu to be a company where people are happy to work. Being a people-friendly company does not mean spoiling personnel. Rather, it means cultivating them and protecting them. Only by becoming that sort of company will our people and organization develop and improve. Moving forward, the Japanese workforce will steadily shrink. That is another reason why we need to be a good company that job seekers will be happy to choose. To that end, we need people and the company to grow, so that compensation can grow as well—we need to create a positive cycle like this. My current mission is to ensure that the system reforms and personnel training initiatives underway right now serve as a solid foundation for that growth cycle.

Company-wide General Manager Waigaya Meetings

Cross-division Discussions Starting to Shift Management Challenges

As part of Daihatsu’s initiatives to reinforce our business foundations, we hold monthly Company-wide General Manager Waigaya Meetings in which all of the company’s division/department General Managers participate. General Managers connect management with the frontlines, and this “Waigaya” initiative was started to give them an environment in which they can freely exchange opinions about the challenges facing management and their own divisions. New, future-oriented ideas and challenges are generated by drawing on divisions’ respective strengths for deep discussions from the perspective of what is optimal for the company as a whole.

This year, we held workshops aimed at promoting the corporate philosophy and sharing the competitive strength cultivated by Daihatsu’s business structure and divisions.

General Managers who previously had little interaction at work are able to meet directly, share time together, and speak frankly, which has resulted in words of advice, cooperation, and co-creation across divisions.

Company-wide General Manager Waigaya Meetings continue to serve as a venue for discussions about communicating and resolving management challenges from a frontlines perspective, forging a path for Daihatsu’s future.



Staying Close to People and Serving the Planet —Daihatsu's Unique Approach to Electrification

Y.T.

General Manager,
Electric System Development Department,
Electric Powertrain Development Division

Working for the Environment— Daihatsu's Electrification Contributing to the Earth Defense Corps

My division is responsible for the design and development of all electrical systems related to batteries, motors, and vehicle drive control. The Electric System Development Department also handles electrical systems for the e-SMART HYBRID and the e-SNEAKER personal mobility device provided at the Osaka Expo.

We believe in working for the environment, and we playfully call ourselves the "Earth Defense Corps." How can we use technology to tackle global-scale problems? That is the question we pose to ourselves as we engage in development every day.

Searching for a Unique Daihatsu Hybrid

Full-scale development of the e-SMART HYBRID began around 2017. I have been involved since the beginning of development, and initially, there were just a few members who were searching for some foothold to get started. We began with a question: What is the right way to make a Daihatsu-style hybrid?

We aimed to create a hybrid system that is ideal for compact and mini-vehicles. After considering a few different methods, we arrived at the series structure. This extremely simple structure uses an engine to generate electricity to drive a motor. The construction is also simple, with the engine and wheels not being directly connected,

and can be built for a reasonable cost. Daihatsu has a long history in developing specialized technology for high-efficiency engines used in mini-vehicles. Fully drawing on this strength, we are working to enhance compatibility with the series structure as we pursue optimization of our dedicated engine for power generation. As we turn our eye to future expansions of our electric vehicle lineup and creating the mobility society that meets our customers' diverse needs, this system is also very flexible and expandable, making it ideal for Daihatsu as a company that specializes in small cars.

Another major theme was how to strike a balance between fuel efficiency performance and price. We decided to choose a somewhat challenging direction that is distinctly Daihatsu: reducing battery capacity while boosting performance with efficient control technology. Rather than emphasizing the electric aspect, we focus on striking a balance between total efficiency and cost.

We also went through several rounds of fine-tuning with respect to comfort-related aspects of the system, such as sound and vibration while operating. For example, we are tuning the type of sound the engine makes when started up and the way the motor moves so that it does not cause any discomfort during driving. During development, we aimed to achieve a final level of comfort that allows people to ride as naturally as possible, without necessarily seeking out an electric vehicle per se.



Passion for Manufacturing That Arises from Face-to-face Development

Passion for Manufacturing That Arises from Face-to-face Development In the development process, we at Daihatsu prioritize face-to-face relationships. Personnel involved in design, prototyping, control, assessment, and other phases of the development process work closely together, constantly sharing information on the current situation. Instead of strict division of the process such as evaluators only working on drive tests or designers only working on design, everyone works together as a single team to make the workplace function. That atmosphere is our strength. In general, we also conduct driving tests ourselves. For example, in the course of developing the Rocky, the General Manager at the time and I started the year off by running endless laps on the test course as a duo. If there was something that seemed off to us, we would stop right there and set to work trying to improve it. That sort of diligence is at the heart of our work style.

All of us are genuinely invested in making cars that will make customers happy. When the e-SMART HYBRID launched, we really felt our hard work had been rewarded when we received all the feedback saying it had good fuel efficiency and was quiet and smooth to drive. We also received some real feedback that people wanted more of a sense that they were driving an electric-powered vehicle.



We cherish this feedback and work to put it to good use in our next round of product development.

Creating World-class Technology

e-SMART HYBRID was deployed in Malaysia on a limited basis with the intent of introduction in Indonesia in the future. Street conditions, electricity, and usage environments differ from country to country, so I believe it is most important to prepare choices appropriate to each country. In other words, rather than providing a single minimal solution, we take a multi-pathway approach that embraces multiple solutions. Whether BEV, hybrid, hydrogen, or biofuel is the best choice depends on the region and purpose of use, so it is currently not possible to simplify down to a single solution.

In Japan, charging infrastructure is still developing, and there are some unique circumstances facing daily users. That is why I believe that there is a BEV that fits the specific needs of Japan best. We need to think thoroughly about this question and propose BEVs that are suited to their region of use. For example, e-SNEAKER is very focused on safety features for its intended senior citizen users, so it has been thoroughly tested in a variety of situations. I believe that e-SNEAKER does a wonderful job of capturing Daihatsu's unique form of mobility that stays close to people.

Into the Future with a Diverse Team

My current team has people from a wide range of backgrounds, starting of course with young people and including women, foreign nationals, and senior-citizen veteran employees. Each draws on their own unique qualities in the development process.

I always strive to properly grasp each individual member's thoughts and strengths, regardless of their position or age. To that end, I place a lot of weight on everyday casual conversation and one-on-one dialogue opportunities. I pick up on off-hand comments about what type of work people would like to do and what their strengths are, and think together with the team about how we can all grow together. I try to develop our relationships in that way.

We aspire to bring our customers high cost-performance vehicles with guaranteed safety and quality. To make this a reality, we work to stay close to our customers' lifestyles and contribute to the environment. That is the sort of vehicle manufacturing to which we aspire.

Of course, there is still so much more that we want to do. That is why our approach will continue to be a forward-looking feeling of "Let's give it a try" as we take on the challenges ahead. In a uniquely Daihatsu way, and in a uniquely Earth Defense Corps way, we hope to keep progressing forward one step at a time.

Embracing the Unique Daihatsu Way to Achieve Carbon Neutrality in Production

Y.R. (Photo, left)

Manager,
Production & Logistics Carbon Neutral
Promotion Department,
Monodukuri Development Division

U.K. (Photo, right)

General Manager,
Production & Logistics Carbon Neutral
Promotion Department,
Monodukuri Development Division

The Daihatsu Group's Leader in Carbon Neutrality

U.K. The Production & Logistics Carbon Neutral Promotion Department was launched in January 2022 as a Daihatsu Group-wide organization focused on achieving carbon neutrality (CN) by 2035. I then became General Manager of this department and began to oversee and lead initiatives for the entire Group, rather than just Daihatsu Motor itself.

Y.R. I'm a member of the team, and am responsible for planning out our targets and path to achieving CN, as well as thinking about how to turn that into a viable business. We not only need to improve the environment, but also need to be profitable enough for our employees to enjoy comfortable lives. We will work with individual plants on action plans while aiming to strike a balance between these two aspects.

Daihatsu's Unique Carbon Neutrality Based on SSC and the Multi-pathway Approach

U.K. Our goal is not carbon neutrality in the sense of "purchasing credits from others," but rather an approach focused on Daihatsu's unique qualities. This is based on our dogged pursuit of SSC (simple, slim, and compact), which is our manufacturing philosophy rooted in a business model focused on mini-vehicles. Rather than haphazard investment, we work to maximize our

strengths, progressing simply and steadily forward. That is Daihatsu's unique approach. We also incorporate Toyota's "multi-pathway" approach, avoiding overreliance on external suppliers and striking a balance with in-house technology as we constantly search for optimal solutions.

Y.R. I believe Daihatsu's unique approach is "simple, steady improvement" and diligent effort towards energy-saving activities. Rather than meeting targets through external purchases, we will change work sites ourselves. The effort itself is meaningful and is what makes the SSC mentality come alive. Our style is to experiment through trial-and-error in the field and take action ourselves.

Three Pillars of Initiatives

U.K. Our carbon neutrality measures are supported by three core pillars. First is our dogged pursuit of SSC (simple, slim, and compact) and energy-saving, which is an approach at Daihatsu's very core. Second is the development and deployment of innovative technology. For example, the dry booths introduced at the Kyoto (Oyamazaki) Plant employ a new, highly energy-efficient painting technology. This technology is also used on the 2nd line of the PT Astra Daihatsu Motor (ADM) Karawang Vehicle Plant in Indonesia. Third is the implementation of renewable energy, primarily solar energy, which is being deployed at Daihatsu and other Group companies as well. This is a small-scale endeavor on our part, but compounding the benefits of step-by-step efforts is the path most

characteristic of Daihatsu.

Y.R. Since autumn 2024, the Daihatsu Group has begun holding regular meetings for presidents of Group companies in Japan and around the world. We hope to establish a venue for companies to share information about their current status and discuss problems they have been having in the work environment frankly and candidly. This is not working perfectly yet, but we are gradually cultivating a culture in which everyone can share their expertise and come together to move forward as a unified whole. It is the accumulation of these efforts that will strengthen the Group as a whole.

Team Culture That Doesn't Flinch at Failure

U.K. In team operations, we at Daihatsu prioritize face-to-face relationships. We currently have just 16 members on our team, so we can generally tell who is having issues just by looking around. This means that we can reach out directly and ask how they are doing through day-to-day conversation to discover if they are stuck somewhere or having problems. I believe this is a unique strength of a team of this size. We are creating an environment in which everybody on the team feels they can be themselves at work.



Y.R. I became a leader in January of this year, but there is still so much that I don't know. However, U.K. often thanks me, and I am always so happy to hear that. This has inspired me to show my gratitude to my own team members more openly. Carbon neutrality is a major theme that is under a microscope, so we tend to be on guard on this issue. However, I would like to create an atmosphere in which everyone can enjoy the challenge without stiff formality. Even when something fails, it can serve as a useful experience for the future as long as it is treated seriously. I feel like this culture is gradually taking root in this team.

Working to Pass the Baton to the Next Generation in 2035

U.K. We are only ten years away until 2035. We don't have much time left, so we can't afford to stand still. However, we also shouldn't just run ahead heedlessly. I think it is important for us to fully perceive the changes around us and skillfully incorporate those developments in a distinctively Daihatsu way. The world around us is changing at an incredible pace, and both nations and companies are zipping ahead, in Japan and around the world. We will grapple with these changes and apply them to our own unique style, in our own way. It is our responsibility and our mission to pass the baton forward to the next generation in this way, one reliable step at a time. We are always moving, but we take time to stop and look around. That is the determination that we take to our daily work.

Y.R. When it comes to carbon neutrality initiatives, there is no one thing that simply needs to be done in order to be the "correct answer." There is no simple approach, so you



have to ask questions that you go on to answer yourself. That is both the difficulty and the source of satisfaction. Due to our small team, our decision-making process is fast, and we can jump into action as soon as we decide to do so. We want to draw on Daihatsu's adaptability as a company to flexibly respond to the changing era and circumstances, in addition to being straightforward and honest. We will continue to build up our track record of overcoming challenges in ways that the next generation can support and carry forward.

Cultivating Technology from the Customer Perspective and Providing Advanced Technologies for Everyone

T.S. (Photo, left)

Manager,
Autonomous Driving Planning
Department,
Electronics Engineering Division

K.Y. (Photo, right)

Assistant Manager,
ASV Development Department,
Electronics Engineering Division

The Forefront of Smart Assist and Autonomous Driving

K.Y. I currently belong to the ASV Development Department of the Software Development Division, where I primarily work on the development of Smart Assist, and specifically collision-avoidance support braking. From design to testing and model-specific deployment, I help ensure brakes continue to function properly in the dangerous situations where they are needed most.

T.S. I was originally in the ASV Development Department that K.Y. is in, but now I work in the Autonomous Driving Planning Department on the advanced development of the next generation of Smart Assist and autonomous driving technology. In our work, we are always thinking about what features and functions customers need in their daily lives.

Technology Based on How Customers Use Our Products

K.Y. Collision-avoidance support brakes help to minimize damage in the event that a customer finds themselves in emergency circumstances. There is more to this than merely applying the brakes. We need to consider under what circumstances the customer might apply the brakes, from that customer's perspective. The development process takes a variety of driving scenarios into account, obviously including different times of day and night,

weather, and road conditions, as well as roads in both Japan and overseas. For example, the typical distance between cars is quite small in Indonesia compared to Japan, and driving there requires frequent, quick turns and quick braking. As a result, adding the same features as are typical in Japan can seem meddlesome and overbearing to Indonesian customers. That is why we actually go to each market to properly tune our products to the local culture and driving habits. These adjustments are what lead to functions and features that are truly useful.

T.S. The Autonomous Driving Planning Department is also highly mindful of "Daihatsu's unique ease of use." Rather than drivers who spend most of their time zooming down the highway, we focus on mini-vehicle users who drive down local roads on a daily basis and what features and functions they truly need. Even then, we do not just add advanced technologies, but instead aim to have our users think, "This would be convenient to have" or "This is just right." To find the right inspiration, we head to various exhibitions and listen to research presentations on the driving habits of senior citizens. We also check on competitor trends and legal developments in other countries, continuously imagining what features and functions our customers might need in the future.



Lots of Value in a Small Sensor

K.Y. In order to achieve my vision of the Daihatsu New Global Architecture (DNGA) philosophy—"compact, low cost, high performance," multiple Smart Assist functions are controlled with a single stereo camera. The camera is connected to the front glass of the vehicle, and that one camera is designed to recognize pedestrians, control the brakes, and maintain lane position, among other functions. Daihatsu's real expertise comes into play with respect to the question of how to most efficiently pack the necessary features into limited vehicle space. That requires a structure in which multiple components work together across categories, including the camera, brakes, and engine control unit (ECU).



T.S. Developing mechanisms like Smart Assist that control multiple features and functions with a single component truly requires collaboration across multiple organizations. Although different people are assigned to different features and functions, there is always someone whose job is to see the bigger picture and make adjustments, working closely with all of the teams during the development process. We regularly share information across departments, so teams can act with an understanding of what other departments are doing.

Although we are few in number, we are highly mobile. It is very important for us to stay in close contact for day-to-day communication and to be adaptable, and I think that capability is one of our strengths.

Results and Endeavors Rooted in the Customer Perspective

K.Y. One development project that left an impression on me was the sudden acceleration suppression system. This project was launched with the aim of decreasing the number of accidents caused by elderly drivers accidentally pressing the gas pedal instead of the brake. In designing this feature, it was extremely difficult to distinguish between times when the driver really wants to accelerate and times when they accidentally pressed the wrong pedal. For example, if the light turns green and the driver decides to accelerate, we want to enable that, and if they accidentally slam the gas pedal in a parking lot, then we want to suppress that. We attempted to devise ingenious ways to make those determinations, looking at all of the driver's operations as a whole including how the gas pedal was pressed, how the gearshift was used, and how the brakes were used. Whenever a customer driving a Smart Assist-enabled vehicle tells us that it helped prevent an accident, I am really overjoyed. These moments make me sincerely glad to do this job, because I feel that my work was truly useful to someone.

T.S. During development of the preceding vehicle departure reporting function, I once enabled notification timing to be adjusted to three different levels. Initially, some feedback was that the function was too slow to respond, so I made improvements to suit the customers' intuition. Later, I was also involved in the development of the accidental reverse start suppression system, which



was a big new experience to me because it was my first time using sonar-based controls and working on assembly in the plant. I really knew almost nothing about sonar at that point, so I had to start from scratch and figure out how to use it to achieve precise control, as well as how assembly should be done at the plant through several rounds of discussion with frontline personnel. Of course, no matter how carefully we design a feature, customers will sometimes use the product in an unexpected way that makes us realize we had never considered that possibility. We properly process that feedback and those failures, putting them to use in future product development. That process is an important part of our work.

Safe, Secure Products Customers Are Glad They Bought

K.Y. Moving forward, I hope to continue safety-focused feature development that allows customers to ride in peace of mind. We will continue delivering value from the frontlines, never forgetting the customer perspective.

T.S. I want to deliver to customers, in a timely manner, a product with features and functions they are happy to have and glad they bought.

Challenges and Contributions to Emerging Countries—Forging ADM's Future

K.N. (Photo, left)

Executive Officer,
Production Engineering
Division

H.Y. (Photo, center)

Division Head,
Production Engineering
Division

M.H. (Photo, right)

Division Head,
KAP Paint & Assy Division



Current Roles and Missions at ADM

H.Y. I oversee production engineering at PT Astra Daihatsu Motor (ADM), our Indonesian subsidiary. I was appointed in 2022, and over the last few years, I have taken primary responsibility for the launch of the second production line at the Karawang Vehicle Plant. In particular, I led the project with a focus on "Safety, Quality, Delivery, and Cost (SQDC)," ensuring that both local personnel and Japanese expatriates could come together as a unified team.

M.H. As the head of the Production Division, I was in charge of preparatory set-up for the body, assembly, and painting sections during the Karawang Plant launch process. Under the new organizational structure, I am now watching over a broader range of production lines. The core theme here is how to best use the latest equipment to turn it into a competitive edge for frontline operations.

K.N. My role as the head of production engineering is to provide support for both new and old plants. I was assigned here from Thailand in 2023, and I am currently prioritizing collaboration with local personnel with the aim to instill an approach of "locally driven manufacturing."

ADM's Strengths Amidst Cultural Differences

M.H. In terms of work style, ADM personnel are very flexible and there is a wonderful atmosphere that encourages experimentation and trying new things. When there is a problem, they naturally turn toward figuring out how to overcome it as a team, rather than worrying about whose

responsibility it is. Compared to my experiences in Japan, this approach was quite fresh and novel. Although it initially caught me by surprise, I now view it as one of ADM's strengths. They also have a positive attitude toward new initiatives, and they welcome proposals from my end with an attitude of "let's try it and see." That is why it seems easier for ADM to tackle even challenging initiatives as a single unified team.

K.N. What the local population wants is a "practical car" rooted in their lifestyle. A car that can transport many people, doesn't break down frequently, and is affordable as well. I believe our mission at ADM is to tackle these consumer needs head-on. Japanese personnel assigned here to work in production engineering generally communicate with local staff in the Indonesian language. They prioritize tackling manufacturing together with them and from the same perspective, including both language and culture.

H.Y. ADM is one of the Daihatsu Group's largest overseas production hubs as well as one of Indonesia's leading automobile manufacturers. This is my first assignment to a position in Indonesia, and I was deeply impressed with how earnestly the local personnel tackled the work. They pay close attention to deadlines and costs, and I was often reminded of the enthusiasm and zeal that I used to see on the floor at Daihatsu plants in Japan. Naturally, there are differences in work style and lifestyle rhythms with so many different people hailing from different cultures, but properly understanding and respecting those differences in each other will establish a better foundation for frontline workplaces.

The New Karawang Plant Represents Locally-driven Operations

H.Y. The construction of the new Karawang vehicle plant, which began operations in December 2024, was not simply a plant renovation or upgrade. It was a major turning point that drastically boosted the competitive strength of ADM as a whole. The aim in launching the plant was to transform it into an entirely new manufacturing system capable of more efficient, higher quality production by incorporating feedback from locals and actively integrating new technologies and construction methods from Japan (upgrades to the Kyoto (Oyamazaki) Plant). In addition to future growth in the Indonesian market, we were aiming to build a plant that supported the goal of “being chosen for product quality with competitive costs,” with a watchful eye on competitors entering the market from China, South Korea, and Southeast Asia. We considered sustainability when building the plant while also incorporating other factors such as productivity and flexibility.



M.H. Once again, I was stunned by the growth I saw in local personnel during the launch of the new plant. They uncovered issues in various operational aspects of the plant and took the initiative to make improvements. They have grown impressively into that level of independence and autonomy. This did not happen overnight. It's thanks

to many years of efforts on the part of Japanese personnel assigned to Indonesia, and the fact that local personnel were welcomed to Japan to learn through actual projects how the work is done in Japan.

K.N. I was assigned to another post at ADM over a decade ago, and the company has improved tremendously since that era. At the time, we needed to explain everything step by step, but that is no longer the case. These days, before we can even ask for a status update on something, the staff often tell us they have already taken care of it. They have developed the ability to take action that anticipates the future, and I believe that this growth among local personnel represents growth for ADM as a company.



From Indonesia's ADM to the World

H.Y. Although the new plant began operating according to plan, it is still not at full capacity due to worsening market conditions. We certainly cannot be optimistic about the current market environment. As such, we are considering a plan of consolidating all ADM passenger vehicle production at the Karawang Plant to fully utilize the new factory. More than just consolidating production sites, this represents a shift toward a more sustainable production system, and to that end, I hope to encourage local personnel to be even more independent in the future. We also plan to continue our ICT* personnel dispatching initiatives to Daihatsu and

broaden their scope of dispatched sites to include the entire Toyota Group with the aim of further bolstering human resource development.

M.H. There is still demand for gasoline-powered vehicles in Indonesia, especially in the rural areas. There is especially high demand for “small, reasonably priced, durable cars for the whole family.” Continuing to provide these customers with reasonably priced, durable, long-lived Daihatsu cars will help to enrich life in Indonesia. On the front lines, local personnel continue to become more independent and show great drive toward taking on new challenges. Moving forward, we will continue to strive to leverage Indonesia's unique strengths, and I personally will work to support these endeavors while ensuring we can generate new value at our overseas subsidiary.



K.N. For production equipment, this plant emphasized collaboration with local manufacturers, instead of relying on procurement from Japan. This helped us to lower costs while also having tremendous ripple effects in the local economy. I hope we can create a future in which the engineers here at ADM will, in turn, help out with launching plants in other emerging countries as well.

* Resident status granted to foreign nationals transferred from an overseas subsidiary of a Japanese company (investment ratio: 20% or more) to a Japanese company for the purpose of technical or international work

Systematically Resolving Transport Problems—Daihatsu’s KOTODUKURI That Connects Communities and Social Welfare

O. J.

Project Manager,
New Business Promotion Department

Daihatsu’s Trailblazing Frontline-rooted New Businesses

New Business Promotion Department initiatives look for value in mobility’s joy and challenges rather than just how to sell cars. I am responsible for the social welfare and nursing care group under that umbrella.

The department consists of around 40 people with four central pillars: social welfare/nursing care, agriculture, community revitalization, and other. Of these, around 20 people work in social welfare/nursing care, so this field accounts for around half of the department’s personnel. Every day, we enter workplaces and think about customers’ problems together with them, employing ingenuity while challenging ourselves to achieve substantial change.

Perspectives Shaped by the Frontlines: Entering the Nursing Care Business

I first got involved in this field in 2014. As part of an in-house project to which I belonged to bolster sales in eastern Japan, I was asked, “How do you feel about Kanagawa?” And that was the beginning of my challenging life in Kanagawa. Working in General Affairs as a mid-career at the company, I did not have any experience selling cars, so I was initially flustered when they told me to create a scalable model for selling welfare mini-vehicles. However, I visited many facilities that provide social welfare and nursing care services, discussing various topics with the relevant personnel, and I learned what these customers really need. Rather than demands for the cars themselves, what many of these people told me was that “drop-off/

pick-up service is tough to do.” From route planning to time allotment and driver assignment, it is complex and labor-intensive. I also learned that they were spending around 30% of their time on drop-off/pick-up service amid tight labor shortages. When I learned this, I realized that this was not an issue of selling a product; but an indication that the system needed to change. As a car manufacturer, we are focused on mobility. In general, when attempting to increase the productivity of nursing care workers, ideas tend to pertain to making elderly care more efficient or how to conduct in-facility support. We do not have deep expertise in that specific area. That is why I felt the greatest contribution we could make is to figure out how to efficiently transport people to their nursing care facilities. That is also when I saw clearly that we have a genuinely meaningful role to play in this area.

Putting Feedback into Action—Two Services and How the Daihatsu Style Is Made

Two services emerged out of this feedback from the frontlines: RAKUPITA SOUGEI and Goissho.

RAKUPITA SOUGEI is a tool that empowers everyone to create digital pick-up and drop-off plans, which were previously handwritten by staff based on their experience and intuition. This business involves a lot of complex, highly-detailed elements, including user status, pick-up and drop-off routes, and time coordination, so the work was highly reliant on the specific intuition and soft skills of certain experienced nursing care personnel. Facilities that have actually implemented RAKUPITA SOUGEI have told us



that it successfully reduced reliance on particular individuals who were the only ones that could create pick-up/drop-off time tables.

Goissho is a system that outsources nursing care facilities' pick-up/drop-off services to an outside party that provides organized transport for multiple facility users per trip, and the time freed up by this system can be used for other tasks at each facility. In addition, the time used for facility pick-up and drop-off can be utilized for secondary purposes. Nursing care professionals should be focused on providing nursing care services to users, but morning and evening transportation (pick-up/drop-off) takes up a lot of their time and effort. It became so burdensome that it gave rise to this service based on the idea of community-supported transport.

One of our priorities in creating new businesses is an "accelerated loop between hypothesis and experimentation." This means we form a theory or hypothesis based on feedback from the frontlines, immediately create a prototype, and then return to the frontlines again. This allows us to iterate quickly. There is no division between conceptualizers and workers. Instead, everyone on the team heads out to the frontlines to see things for themselves. I believe that is the most fitting way for Daihatsu to do it, and honestly, it is the most interesting as well.



Expanding Value Through Technology and Community Collaboration

We use AI to optimize drop-off and pick-up plans. The conditions can be very complex, including multiple facilities in different locations and desired arrival times, different pick-up times for multiple users, and narrow roads that require mini-vehicles to navigate. Our system allows users to create efficient routes even under these conditions.

The essential requirements for the system are created through close collaboration between the on-the-ground team that is deeply involved on site and the systems team. Three members of the social welfare and nursing care group are the core drivers of this. We have revised this system again and again, insisting on something that is truly useful in the field, not merely functional. We have also worked on page composition and operational flow to ensure the service is easy to use for nursing personnel who may not have a high level of IT literacy.

We also prioritize making adjustments to suit the specific circumstances of each community and region. Although there are communities for which taxi companies clearly pledge to cover transport needs, there are others where we are asked to take on everything pertaining to nursing-related transport due to lack of drivers. There is really a lot of variation. That is why our service does not insist on a single one-size-fits-all approach. We provide a flexible model, and the question of who will fulfill what role is something that is decided through discussion with the community. That stance is consistent and important to us, and I think our flexibility is ultimately the reason for our success.

Future Outlook and Addressing Social Issues

There are three themes that we hope to tackle in the future.

The first is how nursing care facility vehicles can best make use of their free time during the day. There are said

to be roughly 200,000 to 400,000 nursing care facility pick-up/drop-off vehicles throughout Japan, but they see only limited use during the middle of the day. We are looking at ways to make use of this as a community mobility resource.

The second is the minimization of accidents during transport. Nursing care staff take care of transport in the mornings and evenings, but day is mostly taken up by tiring care work, so the risk of driving while tired is high. So optimizing transport management can also directly increase safety.

The third is regional optimization using pick-up/drop-off data. We hope to use information such as who is frequenting what facility and when to maintain and improve social welfare infrastructure for the community as a whole, in collaboration with local governments.

These efforts may not be in a flashy business, but we are committed to tackling people's problems, no matter how small, and taking them seriously so that we can resolve them systematically. I believe that simply working diligently on this is important in itself. More than anything, we know that these services are absolutely essential in Japanese society, where every year there are more senior citizens and fewer workers.

I hope that young people also see this and take interest in Daihatsu's activities. Working at Daihatsu gives you the chance to turn your ideas into reality, while knowing that you are playing a useful role in society.

Daihatsu Motor's Approach to Sustainability

As the automobile industry undergoes what is said to be a once-in-a-century transformation and companies strongly need to contribute to solving social issues including respect for human rights and environmental conservation, Daihatsu has established a structure for promoting sustainability so that we can steadily implement sustainability initiatives in response to those demands.

- 30 Instilling Our Corporate Philosophy
- 31 Promotion of Sustainability
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Section

3



Efforts to Instill Our Corporate Philosophy

At Daihatsu, we try to create an environment where all of our employees work to share and deepen their understanding of how the company contributes to society as well as what actions and values are to be pursued to achieve those ends, then put those into practice while taking personal ownership. Specifically, we are working to instill the DAIHATSU corporate philosophy through dialogue with management, workshops based on the corporate philosophy, and various personnel training.

Dialogue with Management

The DAIHATSU corporate philosophy, newly reorganized in September 2024, was shared at the "Fureai-Hiroba" town hall meeting, a discussion event for management and employees.

The event was kicked off by the company president, who explained the intent behind the language used and expressed his commitment to pushing forward based on this corporate philosophy. The respective chief officers shared messages about how they approach the corporate philosophy in their own actions. Executive offices provided guidance on activities to improve culture, with a focus on



Discussions streamed to the whole company in real time

instilling the corporate philosophy. In Q&A, employees asked about culture-related issues and other points of concern, and through discussion with management, both sides deepened their understanding of the corporate philosophy's meaning and approach.

Workshops Based on Corporate Philosophy

We hold discussion-based Corporate Philosophy Workshops. Through group work focused on comparing one's own ideas to the corporate philosophy and discovering similarities, workshop participants learn about the ideas and vision behind the language used and develop a deeper familiarity with the corporate philosophy.

We encourage employees to think of the newly reorganized corporate philosophy as something that connects with their own personal values.

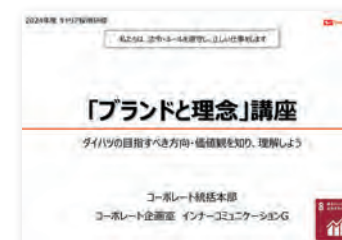


At these workshops, we discover connections between our own thoughts and the corporate philosophy

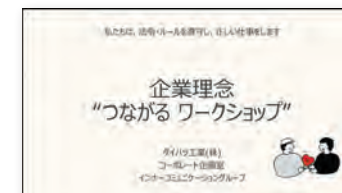
Personnel Training

We hold a Corporate brand and philosophy seminar as part of introductory training for new graduates and career hires. Through this training, they deepen their understanding of the ideas behind the DAIHATSU corporate philosophy and we provide an opportunity to think about Daihatsu's corporate identity. In this way, from the time they join Daihatsu, we are raising awareness of the importance of each and every employee's action in order to increase Daihatsu's brand value and corporate power.

We also provide the aforementioned Corporate Philosophy Workshops as part of the training for employees receiving promotions, offering an opportunity at this turning point in their careers to identify common ground between employees' own values and the corporate philosophy.



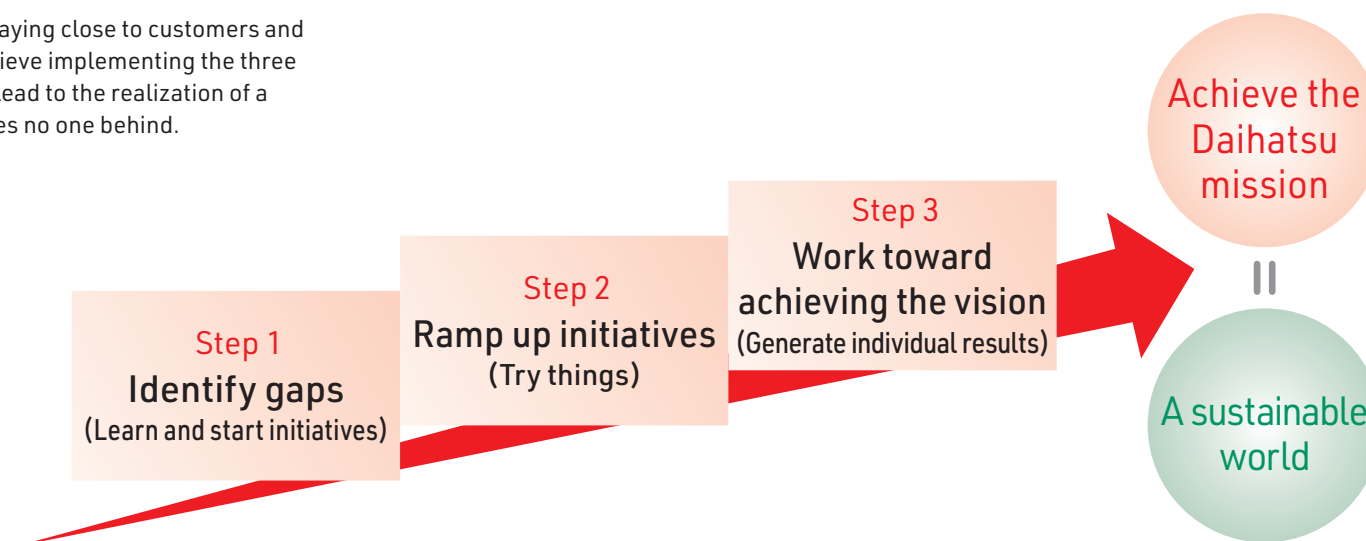
New employees start their work by correctly knowing Daihatsu's brand value



At promotion, a turning point in their careers, they look back on their ideas and identify common ground with the corporate philosophy

Sustainability Initiative Implementation Methods

To achieve our mission of staying close to customers and enriching their lives, we believe implementing the three steps described below will lead to the realization of a sustainable world that leaves no one behind.



Category / Fundamental Policy	Details of Initiatives		
	Step 1	Step 2	Step 3
Human Rights See p. 80	- Evaluate human rights risks - Set priority action topics - Start initiatives to avoid human rights risks (internal)	- Evaluate the effectiveness of initiatives - Based on the above results: - Formulate a medium-term plan (including KPIs) - Refine the details of initiatives and implement groupwide	Firmly establish initiatives and take action to achieve fundamental policies
Social Contribution See p. 91	- Ascertain current conditions (including Group companies) - Select priority initiatives - Formulate new initiative plans	- Formulate a medium-term plan - Start new initiatives on a full scale - Improve the details of initiatives and deploy to Group companies	Firmly establish initiatives
Environment See p. 37	Seventh Daihatsu Environmental Action Plan See p. 41-43		

Sustainability Promotion Structure

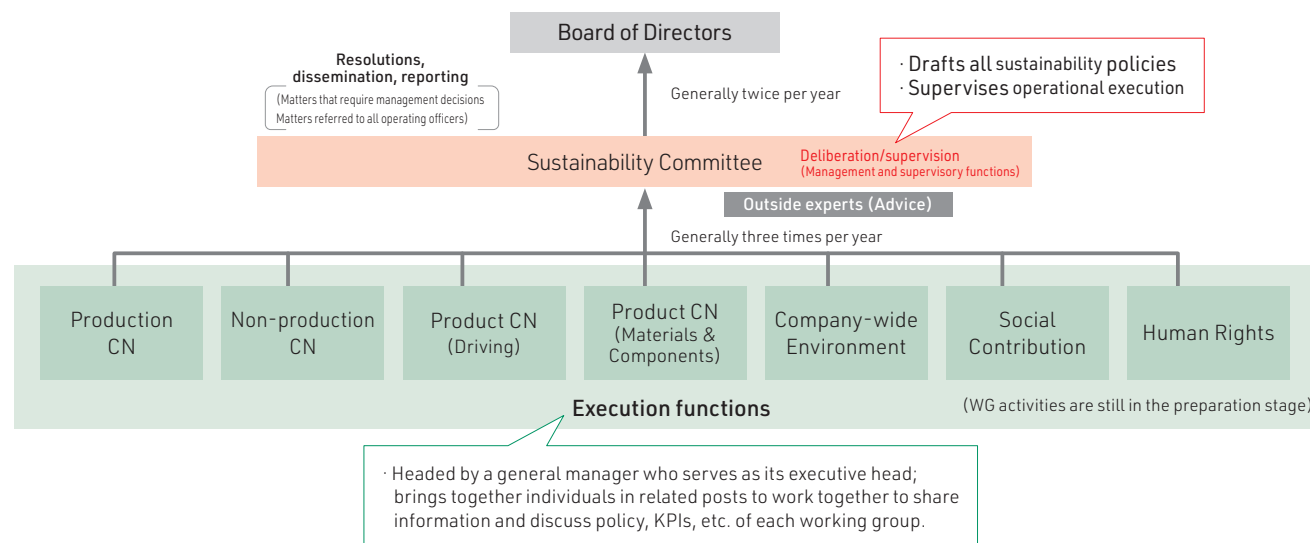
As the automobile industry undergoes what is said to be a once-in-a-century transformation and companies strongly need to contribute to solving social issues including respect for human rights and environmental conservation, Daihatsu has set up a Sustainability Committee and working groups (WG) with operational execution functions to enable the steady implementation of sustainability initiatives in response to those demands.

The Sustainability Committee is responsible for proposing policies related to Daihatsu's sustainability initiatives, their deployment to Daihatsu and its affiliated companies, and supervising and providing advice on the progress of initiatives in response to those policies. The executive vice president chairs the committee and its members are all chief officers, personnel responsible for sustainability at main overseas production sites, and the full-time Audit & Supervisory Board members. The committee also works to expand and enhance Daihatsu's sustainability initiatives in accordance with the "Toyota Supplier Sustainability Guidelines" as members of the Toyota Group.

Headed by a general manager who serves as its executive head, each working group brings together individuals in related posts to work together to share information and discuss policy, KPIs, and other topics. The four Carbon Neutrality (CN) Working Groups examine and promote CO₂ emission reduction from a variety of angles. We have also established a Company-wide Environment WG and a Social Contribution WG. We also take part in human rights activities.

Our sustainability activities are the subject of periodic reports on the status of progress to the Board of Directors, where we receive feedback that we use to improve those activities. Under this structure, we are staying close to customers and other stakeholders while promoting sustainability initiatives through activities unique to Daihatsu.

Establishing Committees to Supervise and Provide Advice on Individual Executive WGs and Operational Execution Status



Tasks of Each Working Group

Production CN WG	- Reducing CO₂ emitted during vehicle production at factories - Promoting energy-saving activities and studying the introduction of innovative technology and renewable energy	Product CN (Materials & Components) WG	- Reducing CO₂ emitted during component material production and processing - Studying ways to visualize emissions, produce emissions-reducing items, and achieve carbon neutral materials
Non-production CN WG	- Reducing CO₂ emitted by offices, etc. - Studying ways to reduce energy consumption of lighting and air conditioning, and transitioning to renewable energy, etc. for offices and other facilities	Company-wide Environment WG	Promoting environmental strategy, initiative planning, recycling-based society, existing in harmony with nature, and environmental management (excluding CN activities)
Product CN (Driving) WG	- Reducing CO₂ emitted during driving - Studying ways to improve gasoline engine fuel efficiency, and to expand electric vehicles and carbon-neutral fuel vehicles	Social Contribution WG	Collaboration between business sites on social contribution activities and implementation

Daihatsu Sustainability Basic Policy

[Foreword]

We, at Daihatsu, comply with laws, regulations, and rules. We also uphold Corporate Philosophy of “Staying close to our customers and enriching their lives” as our mission. All of our employees contribute to the sustainable development of society through Daihatsu’s unique MONODUKURI and KOTODUKURI.

In addition, we are aware of our role as a corporate citizen, recognize the impact we have on society and the environment, and work with all stakeholders in good faith to deepen mutual understanding and foster long-term relationships of trust.

1. With our customers

- ◆ We, as a mobility company centered around compact cars that values the idea of staying close to our customers, provide safe, secure, high-quality products and services at affordable prices and enrich our customers’ lives.
- ◆ We strive to thoroughly protect the personal information of our customers, and of all people we encounter in our business activities.

2. With local communities

- ◆ We seek to become a company that has roots in the communities in which it operates. To this end, we respect local traditions, cultures, and customs and, through dialogue and cooperation with local parties, we contribute both to the resolution of societal issues and to the harmonious growth of local communities.

3. The global environment

- ◆ We believe that preserving the irreplaceable global environment for future generations is a responsibility shared by all humanity. We seek to minimize the

environmental load of our business processes in every stage of our product lifecycles; at the same time, through the use of outstanding environmental technologies, we seek to realize a mobility society that places a lighter burden on the natural environment.

4. With our business partners

- ◆ We endeavor to coexist and co-prosper with our business partners through open and fair trade. We also collaborate with our business partners and with industry groups to fulfill our societal responsibilities in every stage of our supply chain.

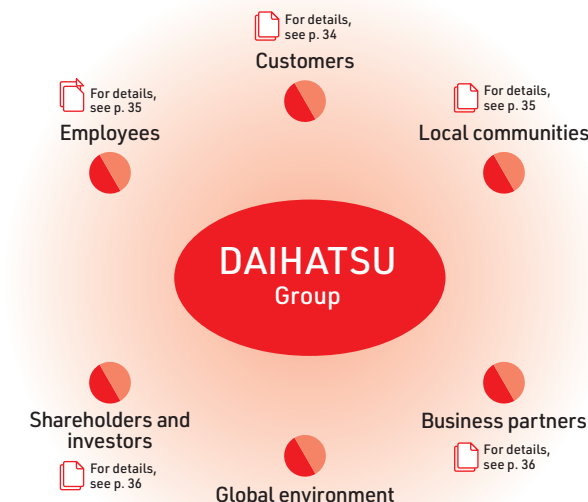
5. With our shareholders and investors

- ◆ We are committed to safeguarding the soundness and transparency of our management; at the same time, through proper and fair information disclosure and dialogue, we aim to improve our corporate value from a long-term perspective with our shareholders.

6. With our employees

- ◆ We respect the human rights of all the people we encounter in our business activities; at the same time, we seek to create environments in which all Group employees can work safely, healthily, and with energy and enthusiasm.
- ◆ We strive to create workplaces where employees get fairly evaluated; at the same time, we develop systems that enable employees to experience job satisfaction and achieve personal growth, and thereby foster an open company culture.

Stakeholders of the Daihatsu Group



Customers

Daihatsu strives to stay close to customers and provide better products and services that reflect the opinions of customers through MONODUKURI and KOTODUKURI.

Communication with Customers

Daihatsu works to enhance means of communication, such as call centers and websites, with customers including individuals, businesses, and governmental agencies that are currently using Daihatsu vehicles as well as those who are considering purchasing a Daihatsu vehicle and also to provide accurate information in response to inquiries. We provide feedback on the opinions, requests, and indications received from customers to the relevant divisions and use this information as a tool for improving the quality of products and services and undertaking new initiatives.

Engagement with Customers through MONODUKURI

Daihatsu reflects knowledge gained through dialogue with customers in product planning and development. We conduct quantitative research, exemplified by questionnaire surveys, to identify the scale and distribution of market needs, and also engage as necessary in qualitative research, such as individual interviews of customers and observation of product use conditions. For example, we interview customers who are raising young children regarding issues that they have when using a vehicle with their children, leading to the adoption of new mechanisms to solve those problems. Also, specifically for commercial vehicles, our employees ride with customers in agricultural, forestry, and fisheries businesses to experience actual work with those customers, and incorporate product improvements based on real-world use environments.

To plan and develop vehicles optimized for customer needs not just in Japan, but in foreign markets as well, we are actively conducting wide-ranging market research.



By visiting customers and listening to their stories directly, employees are able to gain an understanding of improvement and enhancement

Engagement with Customers and Local Residents through KOTODUKURI

Daihatsu is expanding its contacts with customers and local residents and promoting KOTODUKURI that provides high experiential value. For example, we are responding to issues that Japan is confronting, such as a low birth rate, an aging population, and the necessity of regional revitalization, by taking measures with close ties to various regions including locally based projects that leverage Daihatsu's strengths to provide customers with access to unrestricted mobility and independent lives no matter how old they become. Specific measures include regularly holding "health and safe driving courses" in various regions through collaboration among industry, government, academia, and local communities to reduce traffic accidents and support independent living by seniors as well as measures to reinforce engagement with customers and local residents through grassroots programs such as the "Daihatsu ABC Badminton National Primary School Tournament" and support for women's soccer.



Health and safe driving courses

Employees, Local Communities, and Shareholders (Investors)

Communication with Employees

Daihatsu created labor-management council bodies to accurately reflect worksite opinions in management and advance in the same direction based on a shared understanding of management issues between labor and management. Specific activities include monthly meetings held at each worksite to discuss work-related issues. We hold Labor-Management Council meetings four times each year, which share and discuss key issues from each worksite. At the meetings, the management team takes ownership of worksite issues, examines them, and works to create solutions. Through this process, labor and management strive to engage in two-way communication that fosters a sense of unity for the development of Daihatsu based on the principle of building relationships of mutual trust and responsibility between labor and management.

We also periodically issue internal newsletters to share information on Daihatsu's initiatives and employees who work on those efforts with the aims of raising employee motivation and promoting communication.



Labor-Management Council meeting

"Fureai-Hiroba" town hall meetin

The "Fureai-Hiroba" town hall meeting was established in July 2024 to provide opportunities for upper management and employees to engage in direct dialogue with one another. The objectives of the "Fureai-Hiroba" town hall meeting are to deepen employees' understanding of the company's management situation so that everyone is on the same page and can work as a team, to enable managers to receive direct feedback from the frontlines so they can rapidly implement management practices, and to improve employee motivation and job satisfaction. The in-person meetings are also made available online so that all officers and all employees can view them again at a later date. The forum venue rotates through the different business sites and was held four times in fiscal 2025.



Daihatsu endeavors to create environments in which all employees can work with energy and enthusiasm while maintaining close ties with local communities and engaging in various activities with the aim of becoming a company firmly rooted in the local community.

Communication with Local Communities: National and Local Governmental Agencies

Daihatsu proactively works in collaboration with governmental agencies to solve the problems faced by local communities. For example, in Ikeda City, the location of the Daihatsu Head Office, and Ryuoh-cho, the location of the Shiga (Ryuoh) Plant, we operate the Angel Vehicle Loan Program (Ikeda City, Osaka) and the Daihatsu Tatsunoko Family Car Provision Scheme (Ryuoh-cho, Shiga Prefecture), respectively, which loan vehicles free of charge for three years to families that have a certain number of children.

We are also involved in the crop-livestock farmers collaboration promoted by Ryuoh Town as an industrial partner. This team is promoting a project to develop and implement methane fermentation technology that utilizes the dung from Omi cattle, a local specialty. This initiative was selected for NEDO's "Commercialization Evidential Research and Development" program in fiscal 2021. Ryuoh Town's Biomass Industrial City Concept, which is based around this project, was also selected in fiscal 2022 and is ongoing. Daihatsu was involved in the Biogas Project—the core of the concept—and built an evidential plant at the Shiga (Ryuoh) Plant 1st, utilizing unique automotive technology.

* NEDO: New Energy and Industrial Technology Development Organization

Communication with Local Communities: Nonprofit Organizations, etc.

Daihatsu works closely with nonprofit organizations (NPOs), which focus on social contribution activities, as we strive to deepen our engagement with local communities. For example, we provide support for the Himawarinokai NPO which works to benefit new and expectant mothers through activities such as ensuring there are priority parking spaces for such mothers at expressway service areas and other parking areas. We also provide support for the Ikeda Area Platform, working to revitalize the area around our local train station in our city of Ikeda, Osaka, by engaging with local shopping districts and students in community-based activities.



Maternity sticker for cars



Priority parking spaces for expressway service areas and parking areas

Shareholders (Investors)

Daihatsu is a wholly owned subsidiary of Toyota, and therefore, Toyota is Daihatsu's sole shareholder. We see shareholders who have invested in Toyota as our own stakeholders and strive to enhance corporate value as a member of the Toyota Group by taking actions based on the Group Vision.

Suppliers and Memberships

In order to supply to customers high-quality but affordable vehicles equipped with advanced technology, Daihatsu builds relationships based on trust and structures that enable stable procurement of parts, materials, and equipment while developing mutually beneficial relationships with business partners.

Daihatsu Supplier CSR Guidelines

Daihatsu established the Daihatsu Sustainability Basic Policy as an expression of the Group's fundamental stance on the activities of all Group employees. We recognize the importance of sustainability initiatives not only within the Daihatsu Group, but also at our suppliers. Accordingly, in consideration of changes in the domestic and overseas business circumstances, we have revised and issued the "Daihatsu Supplier CSR Guidelines" in January 2020 as a request for more specific initiatives.

 PDF: Daihatsu Supplier CSR Guidelines

relationships by responding promptly to changes in the business environment.

At the Suppliers Appreciation Meeting held at the same time, we commend suppliers that made significant contributions to enhanced safety, quality, product appeal and cost competitiveness and express our gratitude, deepening engagement with suppliers. We also conduct study sessions for suppliers on measures for achieving carbon neutrality to establish a shared recognition and urge them to take specific action to reduce CO₂ emissions. We provide information to suppliers on the Toyota Supplier Sustainability Guidelines, which we observe, and take action to ensure rigorous compliance.

Communication with Suppliers

Daihatsu provides information on our activities and priority initiatives to suppliers as appropriate through yearly policy briefings, monthly briefings, and other opportunities. On a daily basis, Daihatsu buyers and relevant departments visit the manufacturing site of each supplier to confirm the actual products firsthand, tirelessly engaging in dialogue on issues such as quality and cost improvement. Daihatsu also established the Daihatsu Suppliers Club (DSC) (approximately 620 companies) with the aims of promoting interaction among suppliers and creating opportunities for suppliers and Daihatsu to learn from each other. The DSC holds an annual meeting, and there are opportunities for managing companies to exchange ideas and opinions four times annually. At the annual meeting, Daihatsu also actively provides information, and participating companies form a consensus on the pursuit of mutually beneficial

Memberships

Daihatsu is a member of the Japan Automobile Manufacturers Association, Inc., Society of Automotive Engineers of Japan, Inc., Keidanren (Japan Business Federation), and various other trade organizations. We take a position of responsibility in each organization while gathering information through participation in committees and so on and participating in organizational decision-making.

Environment

The Daihatsu Group shares the "Toyota Earth Charter" as a member of the Toyota Group and has also established the "Daihatsu Motor Co., Ltd. Environmental Policy" in order to promote various initiatives aimed at achieving a sustainable society.

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- 44 Environmental Management
- 52 Building a Low-carbon Society
- 58 Building a Recycling Society
- 65 Building a Society in Harmony with Nature

Section

4



Basic Philosophy

Aiming to achieve a sustainable society, we in the Daihatsu Group actively strive to reduce environmental load and to improve environmental issues in all stages of the car creating business from planning to final disposal.

In addition, we share the details of our activities with our global stakeholders and work cooperatively on social contribution.

* These activities are taken by sharing and promoting the "Toyota Earth Charter" as a member of the Toyota Group.

Basic Policy

1 Contribution toward a prosperous 21st century society

In order to contribute toward a prosperous 21st century, we aim to grow in harmony with the environment and challenge zero emissions in all areas of our business activities.

2 Pursuit of environmental technologies

Pursue all possible environmental technologies by developing and establishing new technologies that realize both environment and economy.

3 Voluntary actions

Develop a voluntary improvement plan based on thorough preventive measures and compliance with laws that addresses environmental issues on the global, national and regional scales, and undertake continuous implementation.

4 Working in cooperation with society

Build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental conservation, including governments and local municipalities, in addition to affiliated companies and related industries.

Fundamental Approach

At Daihatsu, we want to enrich customers' lives by providing small cars that place minimum load on the environment, while also fulfilling our corporate responsibility to protect the global environment for the next generation.

We seek to minimize the environmental load of our business processes in every stage of our product lifecycles; at the same time, through the use of outstanding environmental technologies, we seek to realize a mobility society that places a lighter burden on the natural environment.

To realize that our responsibility is harmonious coexistence with the earth and society, we formulated the "Daihatsu Group Environmental Action Plan 2030." In line with this plan, we take on the challenges of activities aimed at realizing a society focused on low carbon, recycling society, and harmony with nature.

Each employee in the Daihatsu Group will maintain a high awareness of environmental conservation as they carry out this action plan.

* Daihatsu Group: Subsidiaries, companies subject to the equity method

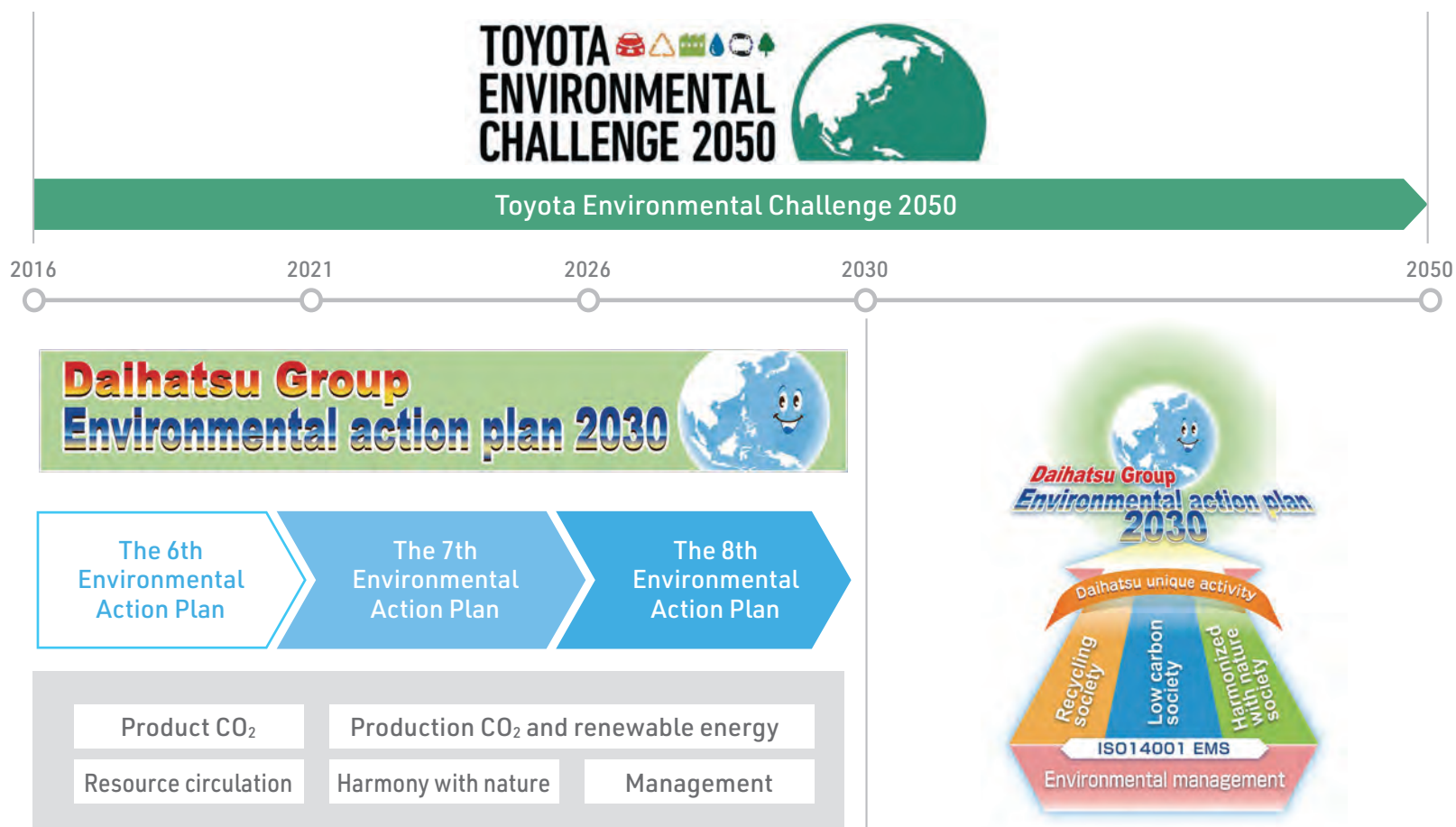
Daihatsu Motor Co., Ltd. Environmental Policy

- 1 Strive to preserve an abundant environment by considering the impact on the environment throughout the development, production, sales, and disposal of automobiles and units.
- 2 Establish environmental targets and goals, seek to prevent environmental pollution, and contribute to the realization of a low-carbon society, recycling society, and society in harmony with nature.
- 3 Comply with environmental laws and regulations, as well as with its own environmental management regulations.
- 4 Make continuous improvements to its environmental management systems and develop human resources capable of pursuing Daihatsu's unique qualities through contributions to the environment.
- 5 Illuminate each individual customer, value dialogue with local communities and with other related parties both in Japan and overseas, and engage in environmental conservation activities as an upstanding member of society.

Overall Image of Initiatives

[Web: Daihatsu Group Environmental Action Plan 2030](#)

As a member of the Toyota Group, Daihatsu is working toward achieving the “Toyota Environmental Challenge 2050,” a statement of long-term objectives for 2050. The “Daihatsu Group Environmental Action Plan 2030” is a medium-term initiative unique to Daihatsu for the period up to 2030. In accordance with this plan, we are taking action to achieve a low-carbon society, recycling society, and society in harmony with nature.



Daihatsu Group Environmental Action Plan 2030

[Web: Daihatsu Group Environmental Action Plan 2030](#)



Based on our environmental management, the Daihatsu Group Environmental Action Plan 2030 is composed of activities aiming for a low-carbon society, recycling society, and society in harmony with nature and creates a roadmap for each field. For the long-term, we are working toward achieving the Toyota Environmental Challenge 2050 while advancing activities unique to Daihatsu.

Action Plan for Each Field and Relevant SDG Targets



Low Carbon Society

Daihatsu will respect the targets of the Paris Agreement and take action to reduce greenhouse gas (GHG) emissions. In the product field, we will respond to the CO₂ emission reduction targets of each country by introducing technology to improve fuel efficiency and electrification technology. To “provide access to safe, affordable, accessible and sustainable transport systems for all,” one of the SDG targets, we will provide mobility services unique to Daihatsu in the minimum units. In the production field, we will pursue energy saving production through comprehensive adoption based on SSC (simple, slim, and compact) technology. Additionally, we will also introduce non-fossil fuel energy while working to reduce CO₂ emissions by 35% in comparison with 2013 levels by 2030 and achieve carbon neutrality in production by 2035.



Recycling Society

Daihatsu will continue to rapidly evolve our efforts to create designs that facilitate recycling in order to achieve car-to-car reuse and recycling* by 2050. We also seek to create recycling schemes that can respond to vehicle advances such as electrification, and to build local schemes that can anticipate end-of-life vehicle recycling trends in countries where we conduct business.

* Reuse and recycling of materials from end-of-life vehicles



Society in Harmony with Nature

Working together with local communities, Daihatsu Group companies will contribute to the conservation of biodiversity and take measures to leave a rich natural environment for the future with the aim of a net-zero environmental load from our business. We promote the creation of plants globally that enable people and nature to coexist in harmony and seek to become a company needed by people around the world.



Environmental Management

The foundations of the Daihatsu Group's environmental initiatives are achieving zero environmental accidents and complaints and strict compliance. To this end, we are establishing action frameworks based on the ISO 14001 standards and taking action while engaging with Group companies. We also request the cooperation of business partners in Japan and overseas through the green purchasing guidelines issued by overseas business sites and work to enhance initiatives throughout the supply chain.



2024 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets)

Daihatsu has formulated the Environmental Action Plan 2030 (medium-term goals) and is proactively addressing environmental issues. We are implementing a total of 15 action items under the Seventh Daihatsu Environmental Action Plan 2021–2025. A review of 2024 is as follows.

Category	Action Items	Specific Actions and Targets	Progress Results in 2024
 Low Carbon Society	Products	Improve fuel efficiency to reduce global CO ₂ emissions from new vehicles Reduce global CO ₂ emissions from new vehicles by 30% compared with 2010 levels (Japan) • Promote continuous improvement of fuel efficiency to achieve the 2030 fuel economy standards • Develop technologies to achieve with top level fuel efficiency performance (Overseas) • Deploy Daihatsu's fuel efficiency technology in a way that suits local infrastructure and social conditions	2023 and 2024: 26% reduction compared with 2010 levels
		Develop mobility powered by diverse energy sources • Promote technological development and market introduction of electric vehicles • Develop the mobility of low-carbon and multi-purpose, using diverse sources of energy, to respond to changes in social structure and the way vehicles are used	Implemented the HEV Rocky Currently developing a BEV system to be installed in mini commercial van BEVs in collaboration with Suzuki Motor and Toyota Motor
		Reduce exhaust gas emissions to contribute to improving urban atmospheric conditions in each country and region Develop low-concentration exhaust gas technology and steadily introduce low exhaust emission vehicles into markets for contributing to improving urban atmospheric condition in each country and region	Japan: Completed exhaust gas adaptation in WLTC mode Overseas: Compliant with Euro 5 and 6 emission regulation in Ayla and Axia
		Promote environmental management at the development stage Develop and manage progress of environmental targets using eco-vehicle environmental assessment system (Eco-VAS*) at the new vehicle development planning stage * Eco-Vehicle Assessment System (environmental assessment system for vehicle development). Comprehensive environmental evaluation system used to set environmental targets based on the life cycle assessment (LCA) concept of production, customer use, and disposal at the planning stage and ensuring their steady achievement	Confirmed life cycle CO ₂ emission reduction for the Move series compared to the previous model
	Production / Renewable Energy	Reduce CO ₂ emissions from production by 30% compared with fiscal 2014 levels (Scope: Daihatsu and its production subsidiaries) • Refine production lines on a large scale • Replace and update production equipment with high-efficiency equipment • Raise the level of daily improvement and operations management • Introduce renewable energy Promote technological innovations for CO ₂ emissions reduction • Set goals for development of new technologies for CO ₂ emissions reduction • Discover and set goals for innovative technologies	Reduced CO ₂ emissions from plants by 28% compared with 2013 levels through activities described on the left

2024 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets)

Category	Action Items	Specific Actions and Targets	Progress Results in 2024
 Recycling Society	Promote easy to dismantle 3R design	Contribute to promoting recycling of resources by expansion and modeling of the easy to dismantle 3R* design * 3Rs: Reduce, Reuse, Recycle	Launched company-wide initiatives to tackle the Japan Automobile Manufacturers Association voluntary targets announced in September 2024. Currently promoting the use of recycled material in vehicles produced in the future. Also began preparing to distribute information on components recommended for recycling as a way of addressing the Automobile Recycling Incentive Program launching in 2026.
	Contribute worldwide through end-of-life vehicle treatment and recycling technology developed in Japan	Respond appropriately without delay to local recycling-related laws and regulations in each country	Compliance with overseas laws and regulations when necessary
	Develop 3R technologies and systems for rare resources and end-of-life vehicles/parts	- Continue operation of existing systems - Develop 3R technologies and systems for rare resources, products, and end-of-life vehicles/parts	- Automobile recycling system is in continuous operation - For the development targets set in the vehicle environmental assessment system (Eco-vas) at the new vehicle development proposals, achieved the targets for all new vehicles
 Society in Harmony with Nature	Promote the All Daihatsu Green Wave Project, nature-focused activities to pass on communities with rich natural diversity to future generations	Promote forest conservation activities Promote sites that coexist in harmony with nature Promote conservation of biodiversity by restoring and protecting diverse local ecosystems	- Promotion of "Hagukumi no Mori" (forest conservation) activities - Facilities coexisting in harmony with nature - Determined indicator species according to experts and the region and activities (two types of plants and five types of animals) - Maintained and improved habitat for living creatures - Grasped the effects of efforts through surveys of indicator species - Promotion of biodiversity conservation at all domestic facilities
	Promote KOTODUKURI and HITODUKURI through harmony-with-nature activities	Expand various community contribution activities related to harmony with nature to all Daihatsu Group companies and local communities - Foster an eco-friendly mindset in employees and develop eco-friendly human resources through harmony-with-nature activities on a global basis - Expand activities undertaken by business sites to local communities - Promote community-oriented activities in collaboration and cooperation with local residents - Contribute to environmental education for children by providing hands-on learning programs using the ecosystem of company-owned forests and business sites	Disseminated and collaboratively participated in harmony-with-nature activities with Daihatsu Group - Awareness activities for employees through fostering of an environmental mindset "Walks" in the Hagukumi no Mori, "surveys of living creatures" in the biotope, environmental education programs welcoming in local junior high schools, "nature observation" at the sites, and "environmental study" in cooperation with the Lake Biwa Museum, and hands-on forest development as new employee orientation training

2024 Review of the Seventh Daihatsu Environmental Action Plan (2025 Targets)

Category	Action Items	Specific Actions and Targets	Progress Results in 2024
 Environmental Management	Eliminate environmental accidents, complaints, and compliance violations	Achieve zero accidents, complaints, and compliance violations - Thoroughly comply with environmental laws and regulations in each country and region and strengthen proactive prevention measures for environmental risks - Improve chemical substance management in response to increasingly stringent regulations worldwide	- Achieved zero accidents, complaints, and compliance violations within the Daihatsu Group - Posted information on environmental near-misses on the Near-misses, abnormalities, complaints portal site and shared it throughout the Daihatsu Group for horizontal deployment
	Promote and strengthen environmental management by cooperating with business partners globally	Implement activities to maintain and improve the environmental performance of all Group companies (waste/water usage, water quality, VOC* emissions) * VOC: Volatile Organic Compounds. Common VOCs include toluene, xylene, and substances found in paints.	Achieved and currently maintaining waste/water usage, water quality, and VOC emissions amounts below 2018 results
		Maintain and develop EMS and promote the independence and autonomy of each company	Disseminated information about legal revisions at Daihatsu Group-wide environmental meetings and responded to problems at each company
		Disseminate the latest Green Purchasing Guidelines to business partners (every time the Guidelines are revised)	Ensured dissemination of the latest Green Purchasing Guidelines (2016 version)
		Promote and strengthen environmental activities through the environmental certification system for Daihatsu sales companies	Conducted audits based on the environmental certification audit plans for sales companies in fiscal 2025
	Enhance active disclosure of environmental information and communication in each country and region	Establish a relationship of trust with local communities through proactive disclosure of environmental information in each country and region	Communicated and shared environmental action plans at meetings such as Daihatsu Group-wide environmental meetings. Each company is currently working to maintain and improve environmental performance. Results are being compiled using DESNEN*. Follow-up results are shared at meetings such as Group-wide liaison meetings * DESNEN: Daihatsu Environmental data System of New Network
		Share environmental information and knowledge/know-how among Group companies in Japan and overseas and improve the level of activities through mutual learning	
	Further strengthen education and awareness-raising activities for employees, including those at affiliated companies in Japan and overseas	Continue environmental education for employees, including those of affiliated companies in each country and region and foster an eco-friendly mindset through constant provision of information	Development of experts is currently being implemented through ISO 14001 standards training sessions (February) and internal auditor training sessions (March)
		Encourage employees to recognize the necessity of environmentally conscious business management and to consider environmental issues as their own problems and act voluntarily to protect the environment	- Disseminated a Daihatsu President's Message to all affiliated companies in Japan and overseas during Environment Month (June) - Summarized the Group-wide results of Environment Month events (July)

Fundamental Approach

The Daihatsu Group carries out environmental conservation activities with the goal of eliminating environmental accidents and complaints as well as compliance violations. To achieve this goal, we have adopted the ISO 14001 international standards for environmental management systems. All affiliated companies in Japan and overseas act in accordance with the structures of these ISO 14001 compliant environmental management systems and seek to earn the trust of the local communities in which they operate.

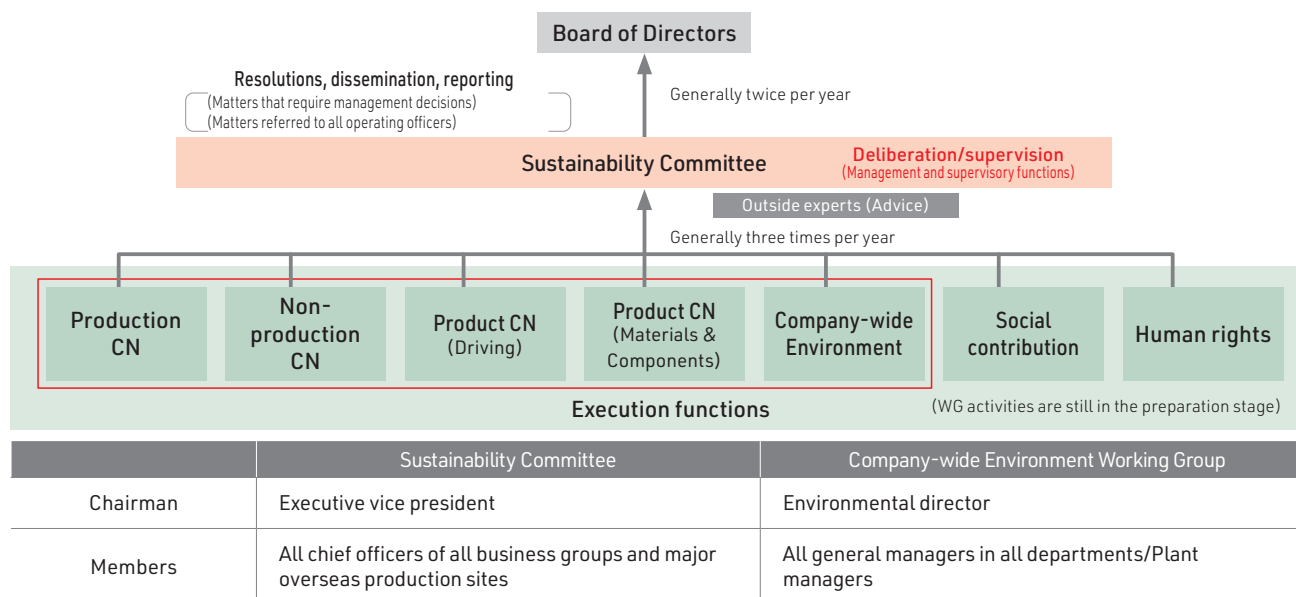
Environmental Management Structure

Daihatsu is reinforcing company-wide environmental management under the leadership of the Sustainability Committee, which is chaired by the executive vice president and whose membership includes chief officers and Audit & Supervisory Board members. Working in close collaboration with the Company-wide Environment Working Group, which carries out environmental conservation activities, the committee focuses on the environmental management initiatives specified in the Seventh Daihatsu Environmental Action Plan.

Environmental Management Process

Daihatsu established the Sustainability Committee to disseminate policies for Daihatsu and consolidated affiliated companies and carry out sustainability initiatives throughout the Daihatsu Group. The committee also plays an important role in promoting action by supervising the status of implementation of Daihatsu's sustainability initiatives within the Group. In principle, the committee meets three times annually. Described below are the details of the committee's specific actions.

Environmental Management Promotion Structure

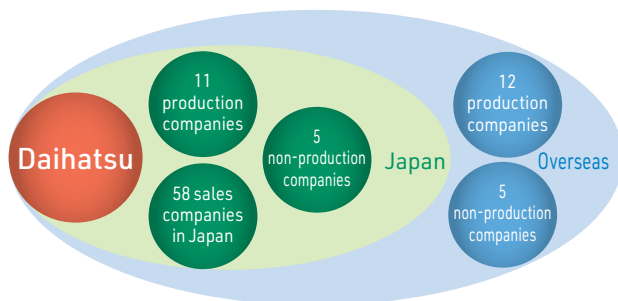


- Propose sustainability policies for the Daihatsu Group and disseminate them to Daihatsu and affiliated companies. Also, supervise the status of implementation of initiatives in conjunction with policy reviews.
- In cases where the sustainability policies and initiatives of Daihatsu and affiliated companies are contrary to or deviate from global conditions and social trends, request reexamination of those policies and initiatives. When necessary, receive advice and so on from outside expert organizations and otherwise monitor global conditions and social trends at all times.
- Following deliberation on matters referred to the committee, the chairperson makes a determination whether improvement is needed, and if so, the committee can issue instructions for improvement.
- Regularly report on matters related to sustainability activities to the Board of Directors, in principle, twice annually.

Daihatsu Group Initiatives

Support for Establishing Environmental Management Systems

The Daihatsu Group strives to prevent environmental accidents and complaints and to ensure legal compliance in accordance with our environmental management systems, which are compliant with ISO 14001. Daihatsu recommends the introduction of environmental management systems not only by production companies subject to environmental consolidation, but also by companies with which we have capital relationships and priority production companies and supports their activities to acquire certification if requested. As of fiscal 2025, all production companies subject to environmental consolidation in Japan have acquired ISO 14001 certification and continue to renew and maintain it. Daihatsu also provides support for the introduction of ISO 14001 by overseas production subsidiaries.



Scope of Environmental Management

The environmental loads generated by Daihatsu's business activities includes those from subsidiaries and business partners; for this reason, the entire Daihatsu Group must implement environmental conservation activities. We categorize affiliated companies based on their capital relationship and business type, and promote environmental management for the entire Group accordingly. As a specific measure, Daihatsu hosts Group-wide environmental liaison meetings twice a year in principle to encourage Group companies to share various forms of environmental information and to facilitate Group companies learning from one another. Going forward, we will shift from Japan-centric meetings to global environmental meetings.

Green Procurement Guidelines

In line with the Daihatsu Environmental Action Plan, the Daihatsu Green Procurement Guidelines address a wide variety of environmental issues that should be of importance to companies, and Daihatsu is greatly expanding and enhancing the details.

To ensure that our business activities are even more in harmony with the global environment in the future, the cooperation of business partners is crucial, and we will request that business partners take action in accordance with the Guidelines.

Environmental Activities by Sales Companies in Japan*

"Daihatsu Clean Management Dealer" Certification System

Dealers that have satisfied the requirements of the comprehensive inspection (self-assessment) can apply to become Daihatsu Clean Management Dealers. Under this system, Daihatsu auditors carry out on-site assessments of the applicants' environmental management structures and environmental conservation activities and certify those that satisfy the requirements of the assessments as Daihatsu Clean Management Dealers. The certification is valid for three years; during this period, dealers reinforce their environmental activities through PDCA cycles—such as by carrying out annual self-assessments and implementing improvements as necessary. Going forward, we will endeavor to improve and enhance the environmental performance of our dealers.

* All domestic sales companies regardless of investment ratio

 For details, see "Environmental Activities by Sales Companies in Japan" on p. 56.

Management of Environmental Load Substances in Production Activities

Prevention of Air Pollution

Daihatsu properly manages and reduces environmental load substances in our production activities in accordance with the Environmental Action Plan and all relevant laws and regulations.

The Air Pollution Control Act sets out regulatory exhaust gas values for every type of facility. In order to prevent exhaust gases from our plants from causing air pollution, Daihatsu regularly measures and monitors exhaust gases generated by boilers and heaters, and ensures that both SOx and NOx concentrations remain significantly below regulatory values.

With regard to atmospheric emissions of VOCs*, which are a cause of air pollution, we have carried out a variety of activities in accordance with the Environmental Action Plan aimed at reducing emissions volumes in the painting process, which accounts for the majority of VOC emissions. These include automating painting processes to improve coating efficiency, robotization, the use of electrostatic processes, and the recovery of thinners used to clean equipment. To drastically reduce VOC emissions, we are switching middle and top paint coats to water soluble paint at the Kyoto (Oyamazaki) Plant and the Daihatsu Motor Kyushu Co., Ltd. Oita (Nakatsu) Plant. We are also addressing chemical substances in production activities by complying with all relevant laws and regulations to ensure that we do not use banned substances.

* VOC: Volatile Organic Compounds. Common VOCs include toluene, xylene, and other substances found in paints.

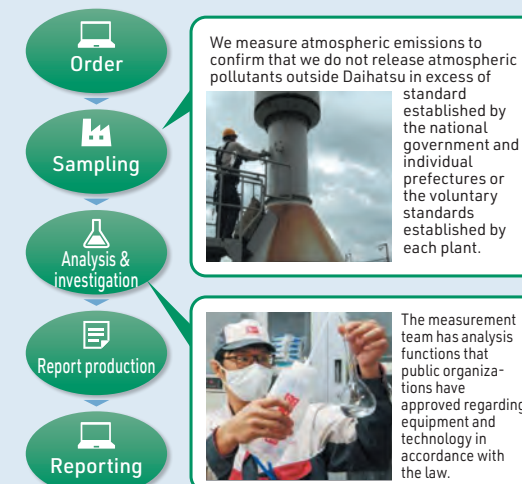
Regulation and Standards

Head (Ikeda) Plant	• Air Pollution Control Act • Osaka Prefecture Ordinance
Kyoto (Oyamazaki) Plant	• Air Pollution Control Act • Kyoto Prefecture Ordinance
Shiga (Ryuoh) Plant	• Air Pollution Control Act • Shiga Prefecture Pollution Prevention Ordinance
Daihatsu Motor Kyushu Co., Ltd. Oita (Nakatsu) Plant	• Air Pollution Control Act • Oita Prefecture Ordinance

Environmental Measurement Certification Site (Registered with Osaka Prefecture)

Osaka Prefecture registers Daihatsu as an environmental measurement certification site, which can accurately measure concentration of pollutants in water, air, and soil and publicly verify the results. This role is performed by the internal department responsible for environment measurements. They conduct sampling and chemical analysis and work in collaboration with each business site to prevent environmental abnormalities so that the various gases emitted and harmful substances in waste water generated during Daihatsu's business activities* do not exceed statutory standards. In addition, qualified personnel take measurements in work environments to protect the health of employees.

Business Flow



* Main business sites: Ikeda (Osaka Prefecture), Shiga, Kyoto, Tada (Hyogo Prefecture), Daihatsu Kyushu Co., Ltd. Oita (Nakatsu) Plant

Management of Water Resources

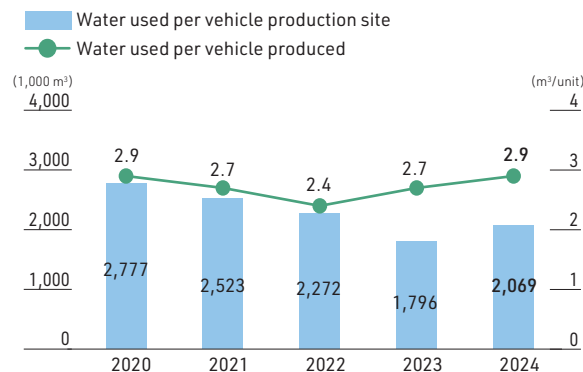
Dealing with water resources has become an extremely important issue for companies as a result of tight supplies of water due to the rising global population and climate change as well as stricter regulation in conjunction with the deterioration of water quality in rivers and other water sources. To minimize the effect on the water environment from our business activities, the Daihatsu Group is taking various measures to reduce water usage and recirculate and reuse water by purifying waste water.

Water Usage Reduction Initiatives

Water use is essential for automobile manufacturing in the painting and other processes. The Daihatsu Group is implementing water usage reduction measures at our vehicle production sites with a focus on painting processes. In the pretreatment and electrodeposition cleaning processes, we strive to ensure that water used in the cleaning process is effectively reused, thereby reducing water usage. In addition, we have developed and introduced an innovative cardboard filter-type dry booth for the painting process, and are working to reduce the amount of water used by replacing the conventional paint collection method that uses a water shower (gas-liquid mixture) with a dry filter*. As a result of these efforts, the amount of water used per vehicle, which was 6 m³ in 1995, has now been reduced to less than half. Going forward, we will pursue SSC (simple, slim, and compact) vehicle manufacturing even more and work to minimize water usage, thereby contributing to the conservation of water resources.

* This technology won the Machine Promotion Award in December 2022.

Water Used Per Vehicle Production Site / Water Used Per Vehicle Produced in Japan



Organizational boundary: Daihatsu (Head) (Ikeda) Plant, Kyoto (Oyamazaki) Plant, Shiga (Ryuoh) Plant, Daihatsu Kyushu Co., Ltd. (Oita (Nakatsu) Plant, and Kurume Plant)

Purification and Reuse of Waste Water

At the Shiga (Ryuoh) Plant, Daihatsu has built the Aqua Center—a large-scale plant waste water purification facility—to guarantee the quality of water discharged into Lake Biwa. The Aqua Center purifies plant waste water to an almost drinkable level before discharging it into the lake. The Shiga (Ryuoh) Plant reuses water purified at the plant's waste water processing facilities for its wet dust collectors. Our production bases in Indonesia and Malaysia take the greatest care to ensure that their plant waste water has no impact on downstream drinking water collection sites.



Shiga (Ryuoh) Plant Aqua Center No. 3



Waste water after purified at the Aqua Center

Standards for Waste Water

Standards for plant waste water vary according to where we discharge the waste water, such as public rivers or sewers, and the local governments of the prefectures in which Daihatsu plants operate. At all plants, the Daihatsu Group sets voluntary standards that exceed those set by the national and local governments and discharges waste water only after it is purified to a sufficiently clean level.

Regulation and Standards

Head (Ikeda) Plant	- Water Pollution Prevention Act - Ikeda City Agreement
Kyoto (Oyamazaki) Plant	- Sewerage Act Enforcement Order - Oyamazaki-cho Public Sewerage Ordinance
Shiga (Ryuoh) Plant	- Water Pollution Prevention Act - Shiga Prefecture Ordinance - Ryuoh-cho Pollution Prevention Agreement

Chemical Substances and Risk Management

Chemical Substances

Daihatsu actively manages the chemical substances in the materials that we use in automobiles and other products as well as facilities. We manage chemical substances in purchased parts and materials used in production processes and facilities, create a chemical substance database, and perform entry management to ensure compliance with the many applicable laws and regulations.

Management of the chemical substances contained in products is conducted using IMDS¹, the global automobile industry standard, and is compliant with global regulations on chemical substances. The chemical substances used at facilities are monitored using a system called PRTR-WORLD, which quantitatively tracks chemical substance emissions and movements, in addition to properly reporting this information to the authorities.

In order to ensure that our parts and materials suppliers also understand the importance of chemical substance management, we use self-diagnostic sheets created by an auto industry organization to monitor management levels at suppliers and pursue improvements thereof.

We also work with the affiliated companies that produce Daihatsu products in Japan and around the world to regularly share information on chemical substance management and provide support when necessary to enable them to perform chemical substance management at the same level as Daihatsu itself.

1. IMDS: International Material Data System, a material data system for the automobile industry

Applicable Laws PRTR Law²

- No violations
(We confirm that each business site submits filings to the national government by the deadlines)
- Internal environmental standards managed pursuant to DEM³ (2)-5 and DEM (6)-31

Applicable Laws Chemical Substances Control Law⁴

- No violations
(Transition to parts and materials that do not contain any class I specified chemical substances under the Chemical Substances Control Law completed before enforcement)
- Internal environmental standards managed pursuant to DEM (6)-26

2. PRTR Law: Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement

3. DEM: Daihatsu Environmental Manual

4. Chemical Substances Control Law: Act on the Regulation of Manufacture and Evaluation of Chemical Substances

Risk Management Relating to Environmental Laws and Regulations

Daihatsu has established and operates environmental management systems in accordance with ISO 14001 in all internal organizations to ensure compliance with the enactment and revision of all environmental laws, regulations, ordinances, and so on, particularly those relating to production activities. For example, we have incorporated into work systems prior investigation of environmental conservation and energy reduction when we introduce equipment (in the planning stage), confirming inspections at the time of introduction (before operation), and regular internal audits (during operation), and we also conduct PDCA of environmental management systems. We began operating ISO 14001 at the Kyoto (Oyamazaki) Plant in 1998 and have acquired and maintained certification for all internal organizations as discussed above since 2017.

As a result of these efforts, we had no environmental accidents, abnormalities, complaints, or legal violations in fiscal 2025. We commit ourselves to continuing and enhancing these measures in the future.

The Daihatsu Group has obtained ISO 14001 certification at all business sites and strives to prevent all environmental abnormalities, complaints, and legal violations through day-to-day management in accordance with environmental management systems.

Environment Month Events

The Daihatsu Group has declared June to be Environment Month and conducts a variety of activities every year for the purpose of raising environmental awareness among each and every employee. One element of the activities is the company president's environmental message, which is distributed throughout the entire Group to get everyone on the same page.

While prioritizing the prevention of recurrence of problems, we have positioned fiscal 2025 as the beginning of a new journey toward our rebirth as a "mobility company focused on small vehicles." Based on this, we have begun accelerating technological initiatives including electrification of vehicles, cutting CO₂ emissions at factories and offices, and the utilization of renewable energy.

We also work to cherish the small discoveries in our daily work and daily lives as we consistently engage in environmentally conscious activity over time that gradually builds on itself.

Daihatsu's president combines a "defense" approach of compliance with laws and rules with an "offense" approach of achieving carbon neutrality, strongly declaring the Daihatsu Group's commitment to coming together to tackle environmental issues.

The president's message released within the Group on June 1, 2024



Environmental Education

Daihatsu's environmental education aims to nurture people with high environmental awareness, who deepen their knowledge and understanding of environmental conservation activities, and who act on their own initiative. We carry out this education systematically in line with the content of each employee's work. In the new recruit education and general education programs—targeted at new recruits and general

employees respectively—educators at Daihatsu's business sites provide instruction on job and environmental responsibilities, and employees put this instruction to good use in their everyday work. Employees responsible for promoting Daihatsu's environmental initiatives undergo specialized programs of environmental management education and legal compliance training using materials created in partnership with third-party training institutions.



Internal auditor training sessions

Environmental Education Structure Chart

Category		Self-awareness training							Skills training											
Implementing organization		Environmental Affairs Department		Environmental conservation offices at each business site					Environmental Affairs Department											
Subjects		All personnel	Applicable personnel						Environmental conservation office personnel					Auditors						
									Managers in their first and second years											
									Practitioners											
Management	Executives	Environmental educational activities: Environment month, harmony with nature, etc.	Rank-specific training ¹	New recruit education	General education	Leader education	Provision of information to contractors and others ²	Education for workers engaged in significant environmental work and equipment and its operation	Emergency responders	Waste-related training sessions	Government notification training sessions	Energy saving and chemical substance training sessions	ISO 14001 standards introductory training sessions	Internal auditor training sessions	Auditor training sessions (external, five days)					
	Middle management															M2				
																M1				
General staff	C2																			
	C1																			
	A3																			
	A2																			
General staff	A1																			
	A1																			
								Personnel safety and environmental education ³												
								Legal related					Environmental management system related							
								Practice related												

- Rank-specific training
 - M1:** Develop well-balanced management who can incorporate E into SQCD—understanding and execution of environmental action plans
 - C2:** Develop personnel who understand environmental conservation activities and comply with laws—overview of environmental laws and regulations and internal rules
 - Newly appointed assistant foreman level:** Develop personnel who understand environmental conservation activities and comply with laws—environmental laws and prevention of near-miss environmental abnormalities and accidents
 - New employees:** Foster understanding of corporate environmental conservation activities—fundamentals of global environmental issues, environmental performance of automobiles, etc.
- Provision of information to on-site workers and contractors, delivery personnel, and primary contractors who perform construction work
- Overview of environmental laws and regulations and prior investigation of environmental conservation, energy, and chemical substances

Daihatsu Environmental Communication System

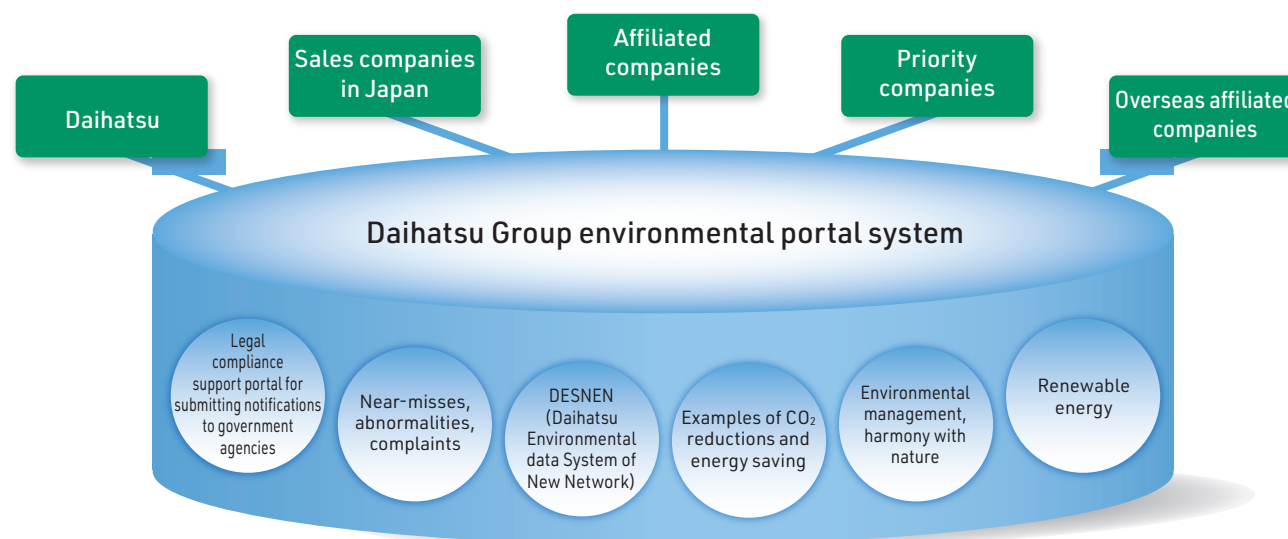
Building Infrastructure for Sharing Environmental Information with Affiliated Companies

Daihatsu is reinforcing communication with affiliated companies¹, which are among our stakeholders, and is building infrastructure that enables sharing of all environment-related information so that we can undertake further measures for carrying out the Environmental Action Plan. This infrastructure has a mechanism for Daihatsu and affiliated companies in Japan to disseminate and share information relating to DESNEN (Daihatsu Environmental data System of New Network) to share the environmental performance data of affiliated companies; a legal compliance support portal for submitting notifications to government agencies; environmental near-misses, abnormality complaints, and examples of CO₂ reduction and energy saving; environmental management and harmony with nature; and renewable energy. We thereby create an environment that enables easy acquisition of necessary knowledge. By operating the systems, we have been able to increase the efficiency of environmental performance data collection, which previously relied on manual labor, and create a library that includes various types of information, leading to improvements in the quality of environmental measures. We plan to expand these systems to overseas affiliated companies in the future.

1. Subsidiaries, companies subject to the equity method, priority companies (no capital relationship with Daihatsu), and sales companies in Japan
2. DESNEN: Daihatsu Environmental data System of New Network



One of the features of the Daihatsu Group environmental portal system is that anyone can easily operate it.



Legal compliance support portal for submitting notifications to government agencies

Includes lists and the details of laws and ordinances relating to safety, firefighting, high-pressure gas, electricity, construction, power, and energy with respect to government notifications as well as explanatory and educational materials

Near-misses, abnormalities, complaints

Presents and shares information on near-misses (events that occur on the premises of a business site that may lead to serious disaster) and abnormality complaints (accidents that affect outside the premises of a business site)

Environmental management, harmony with nature

Disseminates and shares information on environmental management and initiatives to achieve harmony with nature

Examples of CO₂ reductions and energy saving

Shares examples of CO₂ reductions and energy saving at Daihatsu plants and production subsidiaries intended to achieve carbon neutrality in production by 2035

DESNEN (Daihatsu Environmental data System of New Network)

Periodically collects environmental performance data, such as energy usage, waste volume, water usage, and VOC emissions, from affiliated companies for shares and output

Renewable energy

Disseminates and shares information on use of solar power and other renewable energy

Environmental Communication with Local Communities

In order to become a company trusted by all our stakeholders, Daihatsu discloses information regarding both our environmental initiatives and the impact our business activities have on the environment, and actively promotes communications. As a corporate citizen, we are also working to improve how we interact with local residents and communities in the vicinity of our plants.

Community Briefings

Since the Shiga (Ryuoh) Plant commenced operations in 1974, employees at the plant have carried out environmental patrols together with representatives from the local community and local government. In addition to exchanging opinions in meeting rooms, members of these environmental patrols carry out first-hand checks of water processing and other facilities. The patrols are an opportunity for local community and governmental representatives to learn more about Daihatsu's activities, while we receive a variety of feedback, which we can then incorporate into our activities. The Head (Ikeda) Plant hosts community briefings in the Ikeda area, while the Kyoto (Oyamazaki) Plant hosts community briefings in the Oyamazaki area, with the goal of improving communications. Production bases in Indonesia and Malaysia also carry out community briefings, improving communications with local residents and communities.



Environmental patrol at the Shiga (Ryuoh) Plant



Community briefing at Astra Daihatsu Motor

Public Events at Daihatsu Plants

All plants hold events at the prime time of their greening and planting activities in which plant interiors are opened up to the public. The Shiga (Ryuoh) Plant holds the Ryuoh Festival every year* during the azalea blossoming season, which attracts many people.

* Canceled from 2020–2024 due to the spread of COVID-19 and other factors, the event was begun again in 2025.



Ryuoh Festival at the Shiga (Ryuoh) Plant

Community Cleanup Activities

Daihatsu takes part in cleanup activities together with members of local communities. Employees at all Daihatsu offices and plants carry out cleanup activities once a month in the local vicinity, and also participate in local river cleaning activities. Employees of the Daihatsu Group and affiliated companies and their families participate in the Ina River Cleanup Project along the Ina River in Hyogo and Osaka prefectures, collecting large amounts of litter and working to conserve the local natural environment.



Ina River cleanup activities

Bamboo Shoot Harvesting with Local Residents

In the bamboo thickets around our facility in Shiga, we organize bamboo shoot harvesting together with local residents, employees, and their families. The goals are to promote bamboo thicket conservation through early harvesting and, by eating bamboo shoots harvested by one's own hand, to encourage appreciation for nature's gifts. Bamboo grows quickly, reaching 5 meters in a month and sometimes over 20 meters in a year. Fiscal 2025 yielded a bumper crop of bamboo shoots, with a harvest of over 1,000 shoots.



Bamboo shoot harvesting

Children's Eco Club National Festival 2025

We exhibited at the Children's Eco Club National Festival held in Osaka Prefecture in March 2025, highlighting for children attending the event our environmentally friendly factories, vehicle recycling, and initiatives to achieve harmony with nature. Children who came to the exhibit said they were impressed by the ingenuity of the cardboard filters and our community-collaborative biogas initiatives, and they found our initiatives to live in harmony with nature interesting.



Daihatsu exhibit

Building a Low-carbon Society

Fundamental Approach and Targets

Achieving Carbon Neutrality by 2050

The Daihatsu Group sees environmental initiatives as a management strategy essential for maintaining corporate continuity. Accordingly, we are working toward achieving carbon neutrality by 2050 launched by Japanese government, a global target, with a focus on measures for reducing CO₂ emissions in all areas including products, production, and logistics and on building a low-carbon society.

To achieve product carbon neutrality, Daihatsu will electrify vehicles sold in Japan at the best time to do so and make additional efforts to reduce CO₂ associated with materials and parts, as well as CO₂ emitted during fuel manufacturing. With the goal of achieving carbon neutrality by 2050, we will also promote research and development of technologies to reduce CO₂ emissions when manufacturing materials, parts, and fuel.

With regard to production, we have set a target of achieving carbon neutrality in production by 2035 and are working to reduce CO₂ emissions with a focus on three areas: extensive energy saving by pursuing SSC (simple, slim, and compact), development and incorporation of innovative technologies, and utilization of renewable energy. We will also take action in non-production and logistics areas with a target of reducing CO₂ emissions in production, non-production, and logistics by 68% compared to 2019 levels by 2035.

Daihatsu's Electrification Initiatives

Based on the basic concepts of "high quality but affordable products," "mastering the smallest details," and "providing advanced technologies to everyone," Daihatsu has been working to create cars tailored to the lifestyles of its customers. Over many years, we have pursued higher fuel efficiency and lighter vehicles to achieve the highest levels of environmental performance even in vehicles with conventional engines. In today's world, as we pursue even further reductions in CO₂ to reach carbon neutrality, we will achieve the ultimate in eco-performance based on the

technology and expertise that we have developed through the creation of small-size cars while pursuing electrification by staying close to customers' lives in order to provide high-quality, but affordable products accessible to all. In addition, we have developed e-SMART HYBRID, a hybrid system ideal for small-size cars with excellent environmental performance that was first used in the HEV Rocky launched in 2021. We will expand the use of e-SMART HYBRID for mini-vehicles in the future.



The e-SMART HYBRID system, used on the HEV Rocky, adopts a series structure in which an engine generates electricity to drive a motor.

Initiatives for Products

Reducing CO₂ Emissions During Driving

At the appropriate timing in the future, Daihatsu will transition new vehicles sold in Japan to electric vehicles including hybrid electric vehicles (HEVs) and battery electric vehicles (BEVs). As preparation for that, we are working hard to develop technology and build a sales and service system for widespread use. In addition to continuing to electrification of vehicles, we are also considering zero-emission vehicles (ZEVs; vehicles that do not produce any CO₂ or other emissions during operation) and carbon-neutral fuel vehicles.

Through these initiatives, we are pursuing our vision of achieving carbon neutrality by 2050.

Reducing CO₂ Relating to Materials and Parts

As the first step, the Daihatsu Group works to visualize CO₂ emissions from main parts, improves the accuracy of emissions calculations, creates items that will lead to CO₂ emissions reductions, and promotes systematization of management methods. After that, as the second step, we will deploy the knowledge and systems established for all vehicles, and in 2050, as the third step, we will achieve carbon neutrality in the vehicle life cycle. This is what we consider our vision.

CO₂ Emission Reductions in Conjunction with the Creation of New Mobility Services

Daihatsu is developing new mobility services that will lead to solutions to social problems that local communities are facing including low birth rates, aging populations, and economic revitalization. Within these efforts, we are focusing on the social welfare and nursing care fields and currently providing services such as RAKUPITA SOUGEI¹, a mobility as a service (MaaS) program that provides support to adult daycare facilities by raising the efficiency of pick-up and drop-off operations, and Goissho², which integrates the pick-up and drop-off operations of multiple

nursing care facilities in a region. Additionally, we have operated the on-demand shared mobility service "Choisoko³," which provides transport services to areas with poor public transport, since 2021. Considering the possibility that these types of mobility services can improve transportation efficiency and reduce vehicle ownership, leading to reduced environment load, our policy is to achieve the visualization of CO₂ emissions and use it in future business development.

Achieving Both Solutions to Local Social Problems and CO₂ Reductions at the Same Time

Support for pick-up and drop-off operations of daycare sites



1. For details of the RAKUPITA SOUGEI service, see p. 92

Integration of pick-up and drop-off operations of daycare sites throughout the region



2. For details of the Goissho service, see p. 93

A ride-sharing service to help people get out



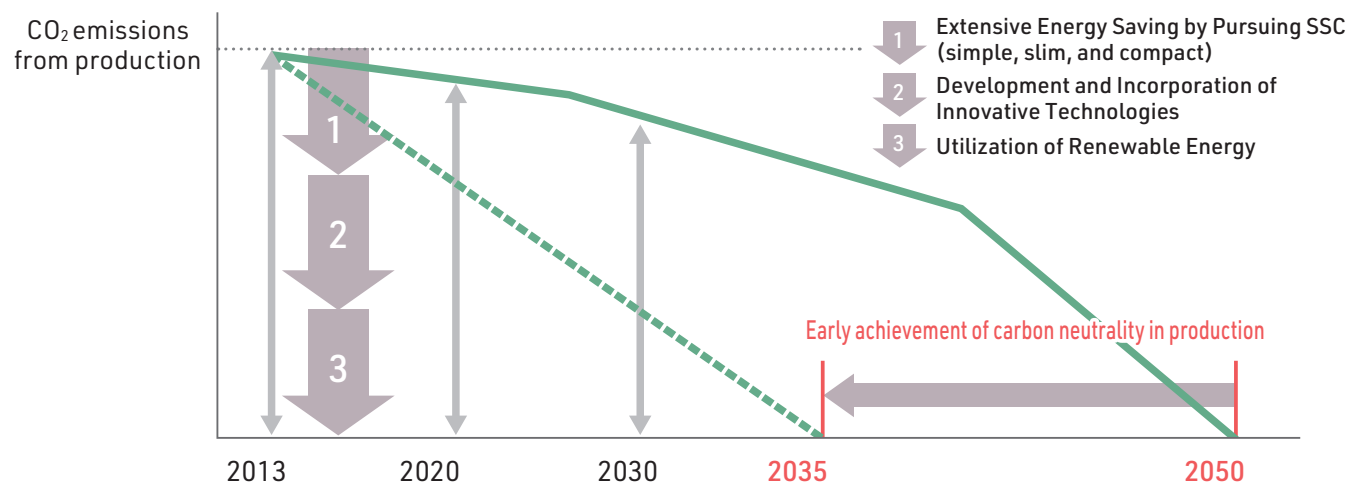
Initiatives for Production

Pursuing Carbon Neutrality in Production by 2035

As a member of the Toyota Group, to make further contributions to the development of a low-carbon society, which is a global issue, the Daihatsu Group greatly moved up the 2050 target for achieving carbon neutrality in production, setting a new target of 2035. We now seek to achieve carbon neutrality in production by 2035 by reducing CO₂ emissions in the production processes* of Daihatsu Motor and our subsidiaries. To achieve this lofty target, we established the Production & Logistics Carbon Neutral Promotion Department as a specialized

organization in January 2022 and began taking action in three areas: extensive energy saving by pursuing SSC (simple, slim, and compact), development and incorporation of innovative technologies, and utilization of renewable energy. The Kyoto (Oyamazaki) Plant was upgraded in October 2022 and designated as a model plant. We then drew on this accumulated technology and expertise in 2024 when we set up the second production line at the Karawang Vehicle Plant in Karawang, Indonesia. We will continue rolling out this technology and expertise in Japan and overseas as we promote measures for achieving carbon neutrality in production throughout the Daihatsu Group.

* Daihatsu Motor's production sites and production subsidiaries with over 50% stake



Opportunity to reform MONODUKURI from the ground up

Refinement at the Kyoto (Oyamazaki) Plant with an Eye toward Carbon Neutrality

The Kyoto (Oyamazaki) Plant has been producing mainly compact cars including Toyota vehicles, the Charade, and the Terios for approximately 50 years since operations began in April 1973. Daihatsu refined the plant in September 2018 and upgraded it in October 2022 to maintain and enhance competitiveness in environmental performance, quality, and production. Today, the plant is pursuing production based on SSC (simple, slim, and compact), Daihatsu's MONODUKURI concept, and implementing extensive energy saving with an eye toward achieving carbon neutrality. When consolidating buildings for the painting, assembly, and inspection processes, we concentrated heat sources on the upper floor to support energy management by minimizing heat input to the lower floor (the work area), and created a compact plant by reducing the number of processes by approximately 15% compared to the previous plant through traverse movement of vehicles, shortened painting booth lengths, and other measures. In addition, the plant adopted air conditioning recycling in dry booths of the painting process, a new technology, and installed solar power (renewable energy) generation facilities, slashing CO₂ emissions by 42% (compared to 2013) by the time the plant is in full operation in 2022. The second production line at the Karawang Vehicle Plant, which started operation in 2024, reduced CO₂ emissions by 30% compared to Indonesia's Sunter Vehicle Plant.



A panoramic view of the Kyoto (Oyamazaki) Plant. Daihatsu upgraded the plant to serve as a model next-generation plant for the Group

Initiatives for Production

Specific Initiatives for Achieving Carbon Neutrality in Production

Extensive Energy Saving by Pursuing SSC (simple, slim, and compact)

In accordance with Daihatsu's fundamental SSC (simple, slim, and compact) concept we are taking action to eliminate waste and steadily save energy at all production sites. We have made electricity consumption at plants visible in real time, and all employees are working to eliminate waste and make improvements in energy usage.

Development and Incorporation of Innovative Technologies

Daihatsu is also actively adopting innovative energy-saving technologies that will lead to reductions in CO₂. One such example is the introduction of air conditioning recycling in dry booths of the painting process at the Kyoto (Oyamazaki) Plant. The new technologies established at production sites have been expanded to the Daihatsu Group's plants both domestically and internationally, and we also have a policy of collaborating with the Toyota Group and developing new technologies unique to Daihatsu.



Deploying innovative technologies—
Dry booths for painting processes

Utilization of Renewable Energy

Daihatsu has already installed solar power generation facilities at multiple plants and business sites and is promoting the use of renewable energy, and we will continue to expand the use of solar power generation throughout the Daihatsu Group in the future. We are also bolstering biogas-related initiatives.



ADM solar power (5.6 megawatts)

 For details on biogas initiatives, see p.94.

Carbon Neutrality Activities in Non-Production Areas

Reducing CO₂ Emissions in Non-Production Areas by 14% by 2035 Compared with 2019

Daihatsu is working to lower energy usage even in non-production activities. Specifically, we have initiatives that lower energy usage by structures like offices, R&D and testing facilities, and welfare facilities, as well as initiatives that lower fuel usage by company-owned vehicles and tests.

Our goal is to lower CO₂ emissions by non-production areas, including at consolidated subsidiaries, by 14% relative to 2019 levels before 2035. To achieve this goal, we began setting up specialized subcommittees in 2023 to bolster initiatives focused on reducing energy required by lighting and air conditioning as well as shifting over to renewable energy.

Initiatives to Reduce CO₂ Emissions

Use of Groundwater as a Coolant

Focusing on locally abundant underground water resources long used in the area for water conservation purposes, the Daihatsu Group Kyushu Development Center (KDC) works on initiatives to prevent heatstroke using the low-temperature underground water as well as on CO₂ emissions reduction by cutting the environmental impact of test air conditioning.

Development of Energy Grids Using Automotive Technologies

Daihatsu is taking on the challenge of reducing CO₂ emissions from small and medium-sized stores including car dealerships. To achieve this goal, we are developing microgrids and highly efficient power conditioning systems, which enable us to make the best of renewable energy such as solar power. Our products can reduce energy loss by approximately 10% compared to other companies' products. We will offer high-quality but

affordable products using our automotive technology and components. We are currently conducting proof-of-concept experiments for these new technologies in KDC (Daihatsu group Kyushu Development Center). We will soon realize off-grid systems for districts and local communities.

Environmental Activities by Sales Companies in Japan

Sales companies in Japan have created individual roadmaps for each company by which they aim to achieve CO₂ reduction targets by 2035, and they have already begun full-scale efforts to achieve carbon neutrality based on their stores' circumstances.

Direction of Initiatives

1. Bolstering of energy-saving operation such as power saving: All stores
2. Renovations aimed at CO₂ reductions: Existing stores
3. ZEB transition (energy-saving structures + in-house energy generation): Newly built stores

Concept: Energy Grid (conceptual image)



Initiatives for Logistics

Reducing CO₂ Emissions of Consolidated Logistics Companies by 10% by 2035

In 2022, the Daihatsu Group established a specialized organization to promote significant reductions in CO₂ emissions across our logistics operations, and we are committed to taking even greater action than before. Our aim is to reduce the CO₂ emissions of our consolidated logistics subsidiaries by 10% by 2035 through the implementation of various effective measures.

Reducing CO₂ Emissions in Logistics

In order to reduce the carbon footprint of our logistics subsidiaries, we are replacing fossil-fueled forklifts with electric-powered ones and replacing large trucks with hybrid electric vehicles for parts transportation in stages. As for completed vehicle transportations, we are also working to improve the loading efficiency of car carriers and replace the tractor heads with the latest fuel-efficient vehicles. In addition, we are dedicated to implementing various measures to increase logistics efficiency, such as modal shifts and co-creation of shared transportation systems with other companies, to further reduce our CO₂ emissions in the future.



The subsidiary responsible for parts transportation is introducing large hybrid electric trucks and electric forklifts in stages

Modal Shift to Railroad Transportation Using the Unique Characteristics of Small Cars

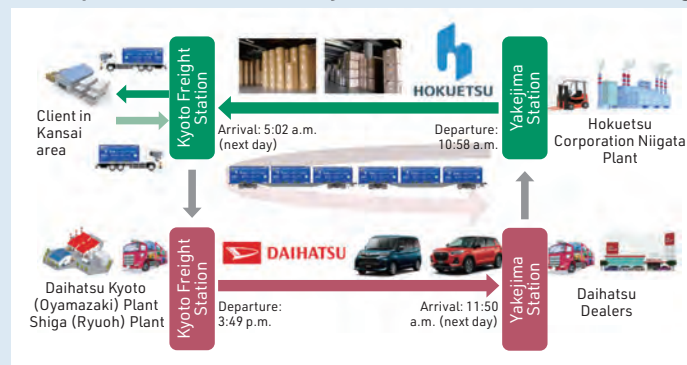
Daihatsu's core products are mini-vehicles measuring 3.4 meters or less in length that fit into a railroad container. Taking advantage of this unique characteristic, since 1996 Daihatsu has been transporting them between Kyoto Freight Station (Umekoji) and Niigata Freight Terminal Station by rail, which emits less CO₂ compared to track transportations. In 2016, in order to further expand our routes, we started developing loading methods using their self-propelling ability and specialized fixtures for transporting in containers, then putting them into operation since 2018.

Additionally, in February 2025, through collaboration with the Hokuetsu Corporation, Nippon Express Co., Ltd., and the Japan Freight Railway Company, Daihatsu launched cross-industry backhaul matching rail transport (called

"round matching" in Japan) for compact vehicles, aimed at achieving stable logistics capacity while also reducing environmental burden. Backhaul matching is a logistics method wherein a container is reused after delivery of freight to its destination by filling the container with additional freight to carry back to its point of origin, rather than sending it back empty. This increases container utilization rates, reduces environmental impact, and helps cut costs as well. Daihatsu uses this method in parts of its logistics network in which it transports small vehicles produced at the Kyoto (Oyamazaki) Plant and Shiga (Ryuoh) Plant to a sales company in the Niigata area.

Going forward, we plan to continue developing new routes.

Example of cross-industry backhaul (round) matching transportation



At the Hokuetsu Corporation Niigata Plant

Railroad Transportation Routes

Eight routes

- Kyoto Freight Station to Niigata Freight Terminal Station
- Kitakyushu Freight Terminal Station to Toyama Freight Station
- Kitakyushu Freight Terminal Station to Minami-matsumoto Freight Station
- Fukuoka Freight Terminal Station to Niigata Freight Terminal Station
- Fukuoka Freight Terminal Station to Kita-nagano Station
- Kitakyushu Freight Terminal Station to Kanazawa Station
- Kitakyushu Freight Terminal Station to Niigata Freight Terminal Station
- Kyoto Freight Station to Niigata Yakejima Station

Fundamental Approach

The manufacture of automobiles entails the use of a variety of different resources, including metals such as iron and aluminum, resin, glass, and rubber. Daihatsu seeks to create small-size cars that use minimal resources.

At the same time, we will continue and evolve vehicle manufacturing that uses minimal resources by developing vehicles that facilitate the 3Rs starting from the existing development and design stages so that we can achieve car-to-car recycling in which we reuse resources recovered from end-of-life vehicles as materials in the manufacture of new vehicles by 2050.

Existing Initiatives

Daihatsu has continuously taken action to recover resources and undertaken new initiatives as a part of its efforts to build a recycling society pursuant to the Sixth Daihatsu Environmental Action Plan.

CO₂ reduction

- Developing technologies aimed at using 100% bio-resins and recycled automobile shredder residue (ASR) materials

Promoting eco-design cars (cars with designs for easy resource recovery and easy dismantling)

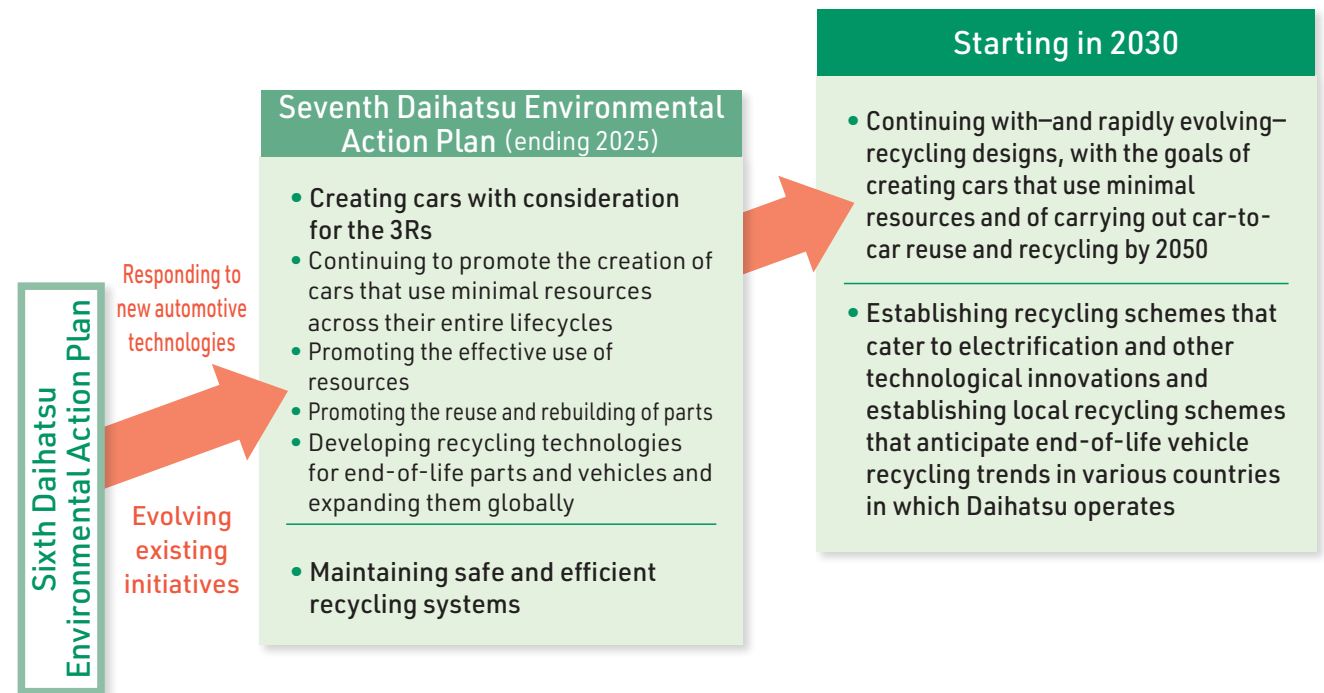
- Formulating recycling design guidelines*
- Reducing attachment points
- Improving drainage of fuel and liquids
- Using material indicators
- Publishing disassembly manuals

* Based on the recycling design guidelines set out by the Japan Automobile Manufacturers Association, Inc., of which Daihatsu is a member

Goals for 2025

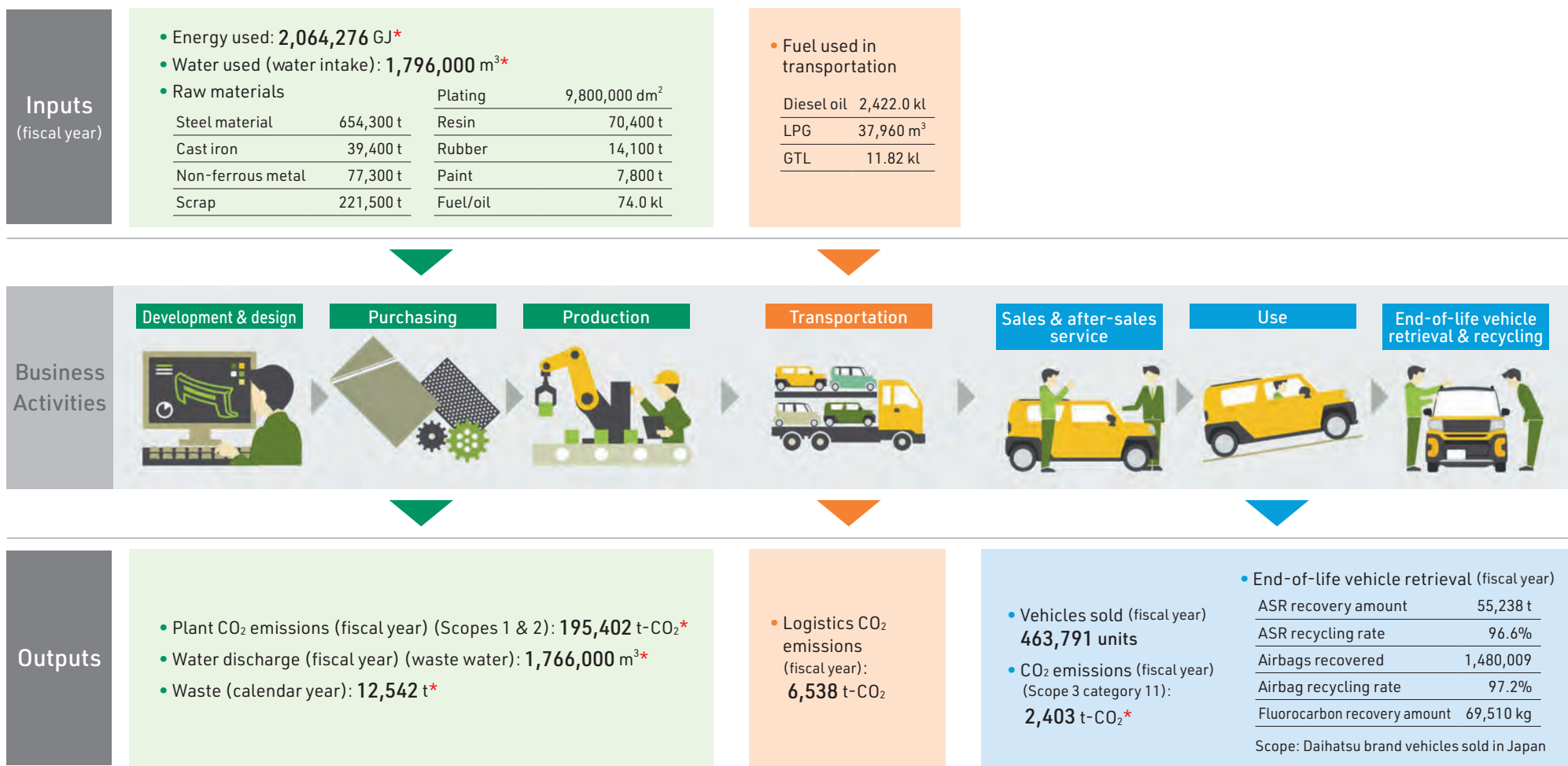
In the Seventh Daihatsu Environmental Action Plan, Daihatsu outlined its goals for 2025. These goals include refining its existing initiatives of creating cars that use minimal resources and of reusing and rebuilding. We will also accelerate activities aimed at expanding car-to-car recycling in which we reuse resources recovered from vehicles that reach the end of their lives around 2050 in the manufacture of new vehicles.

To this end, in the design and development stages of cars that will be launched between 2030 and 2035, we intend to develop and incorporate items with high recyclability so that they can be disposed of more easily.



Flow of Materials

Japan, 2024 results (Calendar year or fiscal year)



* Daihatsu production sites and Daihatsu Motor Kyushu Co., Ltd.

Vehicle Recycling Initiatives in the Product Design Stage

Examples of Initiatives

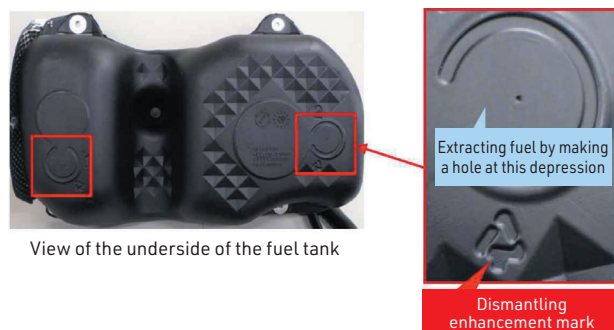
Innovation to facilitate door trim removal in order to increase the efficiency of door wire harness recovery work

- Placing dismantling enhancement marks near the removal points



Innovation to easily identify the location for fuel removal so that fuel can be extracted efficiently during dismantling

- Placing dismantling enhancement marks at the fuel extraction positions



Appropriate processing of bumpers and other parts / development and design that take into consideration resource recycling

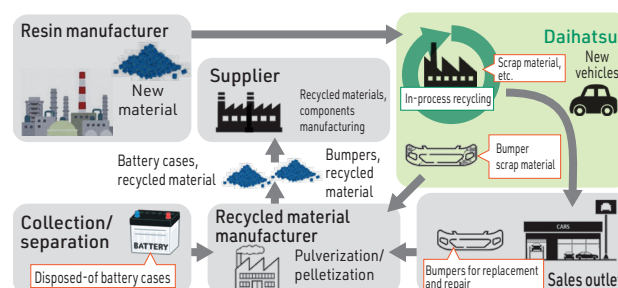
- Indicating materials in a highly visible manner



- Avoiding combinations of different materials
In principle, the same materials are used in the bumpers, instrument meter panel, and other parts.

Developing Materials Suited to Recycling

Daihatsu is working to reduce the number of different materials used, both by promoting the development of thermoplastic resins, which are well suited to recycling, and by unifying the materials necessary for the manufacture of automobiles.



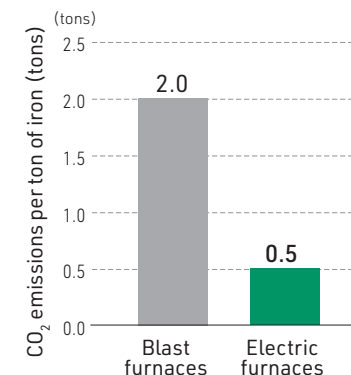
Actively Introducing Recyclable Vehicle Design

In Japan, as much as 99% of vehicles are recycled in close collaboration across users, government agencies, dismantlers, waste disposal companies, and automobile manufacturers guided by the Act on Recycling of End-of-Life Automobiles. As part of the collaboration, the automobile manufacturers develop designs of vehicle structures that make it easier to dismantle and separate parts (recyclable designs) to help resource recycling.

Establishing Technologies for Using Biodegradable Plastics

Biodegradable plastics can be completely decomposed after their disposal through the actions of microbes. In addition, by using plant-based resources instead of fossil fuels, which may face resource constraints in the future, biodegradable plastics have the potential to be CO₂ emissions-free materials. Daihatsu established a technology to introduce biodegradable plastics into the resin parts materials.

Differences in CO₂ emissions by iron production process



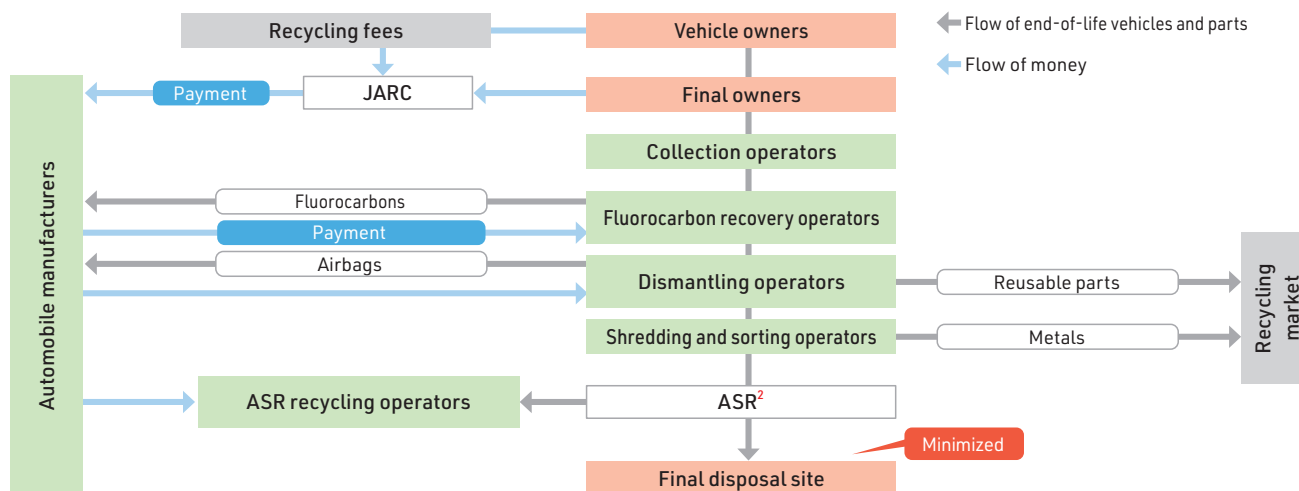
End-of-life Vehicle Recycling Initiatives

Compliance with the Act on Recycling of End-of-Life Automobiles

The Act on Recycling of End-of-Life Automobiles came into force in January 2005. Since then, automobile manufacturers have been responsible for recovering and recycling shredder dust, airbags, and fluorocarbons¹ generated by end-of-life vehicles. Daihatsu plays an active role in building systems that facilitate the implementation of the Act and works together with affiliated businesses both to make recycling more commonplace and improve the rate of recycling. In addition, we engage in the development of vehicles that can be recycled with minimal load on the environment.

1. Fluorocarbons are destroyed

Overview of the Act on Recycling of End-of-life Automobiles



2. ASR: Automobile shredder residue

Implementing Recovery and Recycling of Three Items³

Daihatsu recovers and recycles airbags and fluorocarbons (fluorocarbons are destroyed) in an efficient manner through the Japan Auto Recycling Partnership—an organization established together with other automobile manufacturers to recover and recycle such items. We also recover and recycle shredder dust through Toyota Recycle Corporation's ASR Recycling Business Department, which was jointly established by Daihatsu, Toyota Motor Corporation, Honda Motor Co., Ltd., and Hino Motors, Ltd.

3. Airbags, fluorocarbons, and shredder dust

Examples of Initiatives

Airbag Initiatives

Daihatsu equips all of its vehicles with airbag collective activation connectors, which enable all airbags in a vehicle to be simply activated without having to be removed. We also provide registered vehicle dismantling companies with instructions on how to dismantle and activate airbags in a simple and safe manner via our online Proper Airbag Processing Manual.

Fluorocarbon Initiatives

With regard to fluorocarbons used as refrigerants in air conditioners, Daihatsu completely eliminated the use of specified chlorofluorocarbons (CFCs) and switched to the use of alternative hydrofluorocarbons (HFCs) in 1994. In addition, we adopted HFO-1234yf, an alternative fluorocarbon, for all passenger vehicles.

Shredder Dust Initiatives

Daihatsu prioritizes the use of easy-to-recycle thermoplastic resins such as polypropylene and polyethylene and pursues designs that make dismantling and disassembling of vehicles easier. We also use dismantling enhancement marks to clearly indicate how larger components can be easily dismantled. In order to promote the recycling of whole dismantled vehicles—whereby dismantled vehicles have their copper parts removed and are then directly recycled in electric furnaces—we provide instructions on how to remove copper parts (such as wiring harnesses and motors) to consortiums that carry out the recycling of whole dismantled vehicles.

End-of-life Vehicle Recycling Initiatives

Initiatives for the Future

Going forward, Daihatsu will continue to promote the stable processing of end-of-life vehicles in compliance with the Law for the Recycling of End-of-Life Vehicles. We also work together with other automobile manufacturers and affiliated businesses to further develop recycling technologies, and to establish schemes to cater to the future spread of electrified vehicles.

Key Initiatives

1. Expanding the scope of materials that can be recycled through developments in ASR sorting technologies
2. Promoting activities aimed at the proper processing of batteries from hybrid and other electrified vehicles, and promoting the microgrid concept
3. Steadily switching to the use of fluorocarbons (conform the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Act on Rational Use and Proper Management of Fluorocarbons)

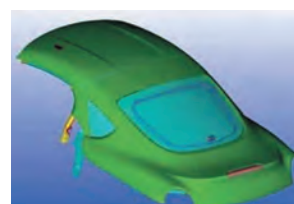
Examples of Concrete Initiatives

Initiatives for Difficult-to-process Parts

Some resin outer panel parts contain glass fiber or carbon fiber for lighter weight, and this makes them difficult to recycle and process. Daihatsu collects these difficult-to-process parts from its sales companies, before independently processing them.



Resin outer panel parts
(rear doors, etc.)



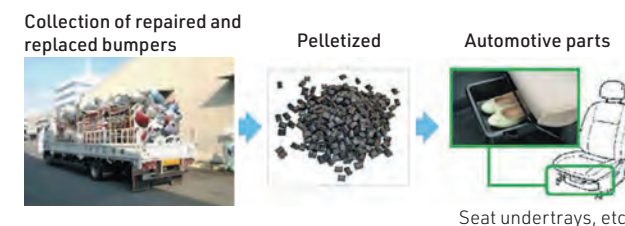
Limited-edition Copen with
CFRP roof

Use of Recycled Plastic

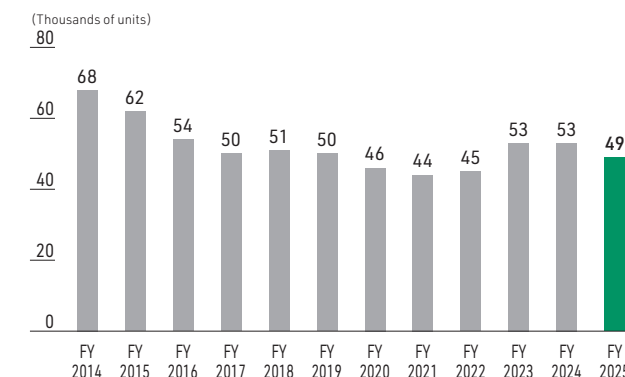
In September 2024, the Japan Automobile Manufacturers Association, Inc. (of which Daihatsu is a member) formulated and released its "2050 Long-term Vision and Medium- to Long-term Roadmap (including self-imposed target values)" that aims to promote the supply and use of recycled materials. Daihatsu plans to expand usage of a wider range of recycled plastics for the purpose of steadily achieving the specific targets indicated for 2030, 2035, and 2040 on the road to 2050.

Recycling Repaired and Replaced Bumpers

Daihatsu collects repaired and replaced bumpers from dealers, then crushes, melts, and pelletizes them. These pellets are then reused to make parts for our vehicles, such as seat undertrays and engine undercovers.



Number of repaired and replaced bumpers collected



Reducing Waste at Plants and Other Facilities

Daihatsu has made efforts to recycle scrap metal, waste plastic, and other waste materials generated during production, and as a result, now recycles 97.1% of waste material released from plants. In order to reuse such waste material as resources, however, recovery, transportation, and recycling require further energy usage. To address this issue, we have focused on “reduce” in order to decrease the amount of waste generated, promoting the effective use of resources. When punching out parts from steel plates using a press, for example, it is possible to curtail the generation of metal scrap and achieve efficient production using less material and less energy by adjusting the positioning of the molds and the sizes of the steel plates. By adopting such innovations, we will shift the focus of our initiatives for reducing waste to developing technology for manufacturing cars with less material.

Types of waste material and recycling methods¹

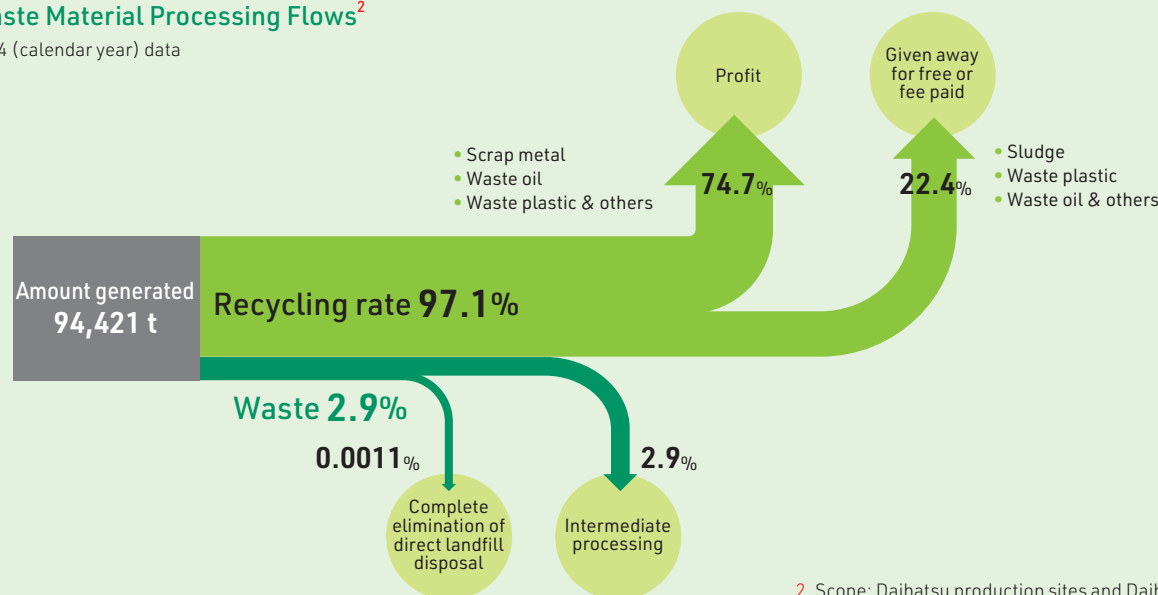
2024 (calendar year) data

Category (Main Content)	Percentage of Total Waste	Processing Method
Scrap metal	74.45%	Payable for recycle, profit
Sludge	12.90%	Payable for recycle, intermediate processing
Waste plastic	4.64%	Payable for recycle, profit
Waste oil	4.06%	Payable for recycle, profit
General materials	1.54%	Payable for recycle, profit
Waste acids	0.43%	Payable for recycle, profit
Waste alkalis	1.40%	Payable for recycle
Others	0.58%	—

1. Scope: Daihatsu production sites and Daihatsu Motor Kyushu

Waste Material Processing Flows²

2024 (calendar year) data



2. Scope: Daihatsu production sites and Daihatsu Motor Kyushu

Production, Logistics, and Other Initiatives

Fundamental Approach

The manufacture of automobiles entails the use of a variety of different resources, including metals such as iron and aluminum, resin, glass, and rubber. By focusing on details in processes including development, manufacture, and logistics, Daihatsu is pursuing the creation of small-size cars using minimal resources.

In addition to vehicle manufacturing that uses minimal resources, based on various automotive recycling laws and regulations in Japan and overseas, we aim from the design and development stages to develop cars that facilitate the implementation of the 3Rs to promote the proper processing of end-of-life vehicles. We will also encourage the expansion of car-to-car recycling in which we reuse resources recovered from end-of-life vehicles in the manufacture of new vehicles.

Examples of Initiatives

Paper Usage Reduction: Vehicle Instruction Manuals

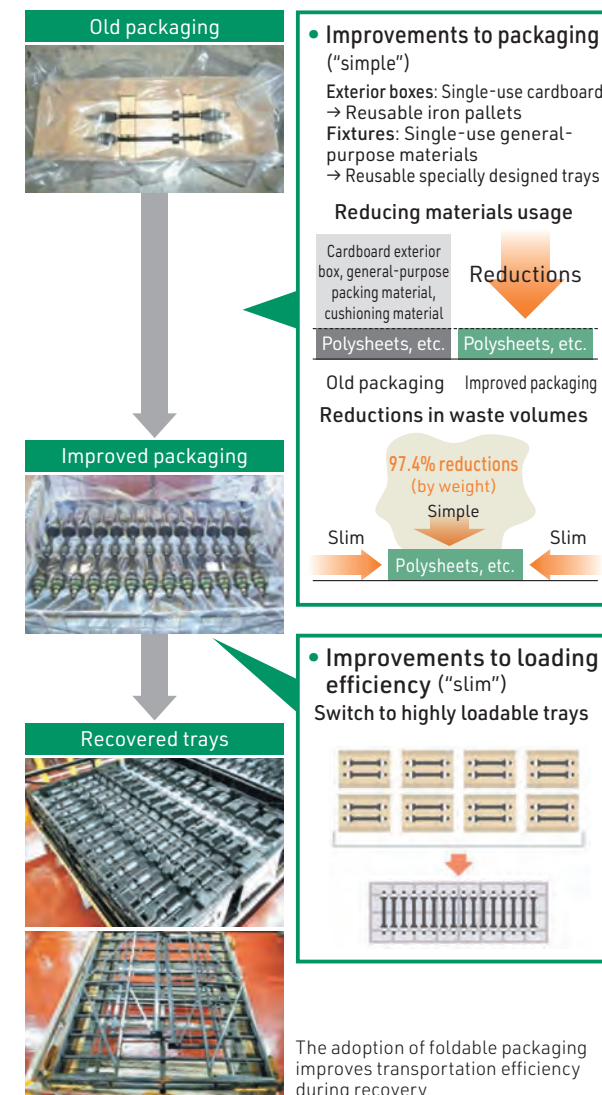
Daihatsu is gradually reducing the size of our vehicle instruction manuals, thereby reducing the use of paper resources.

●: Started lightweight (FY)

Models	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Hijet Caddie	●	●	●	●	●	●	End of sales			
Mira e:S		●	●	●	●	●	●	●	●	●
Mira Tocot			●	●	●	●	●	End of sales		
Tanto, Rocky			●	●	●	●	●	End of sales		
Taft Gran Max				●	●	●	●	●	●	●
Hijet Atrai Hijet Truck Hijet Cargo					●	●	●	●	●	●
Move Canbus							●	●	●	●
Move										●

Reducing Waste by Improving Drive Shaft Packaging (Adopting Returnable Containers and Increasing Loading Efficiency)

Daihatsu developed special trays for transporting drive shafts that are highly loadable, reusable, and lightweight. As a result, we have succeeded in reducing the weight of our drive shaft packaging waste by 97.4%.



Conservation of Biodiversity

Fundamental Approach

In addition to creating environmentally friendly cars, Daihatsu also works to conserve biodiversity through connecting with, working together with, and communicating information to local communities.

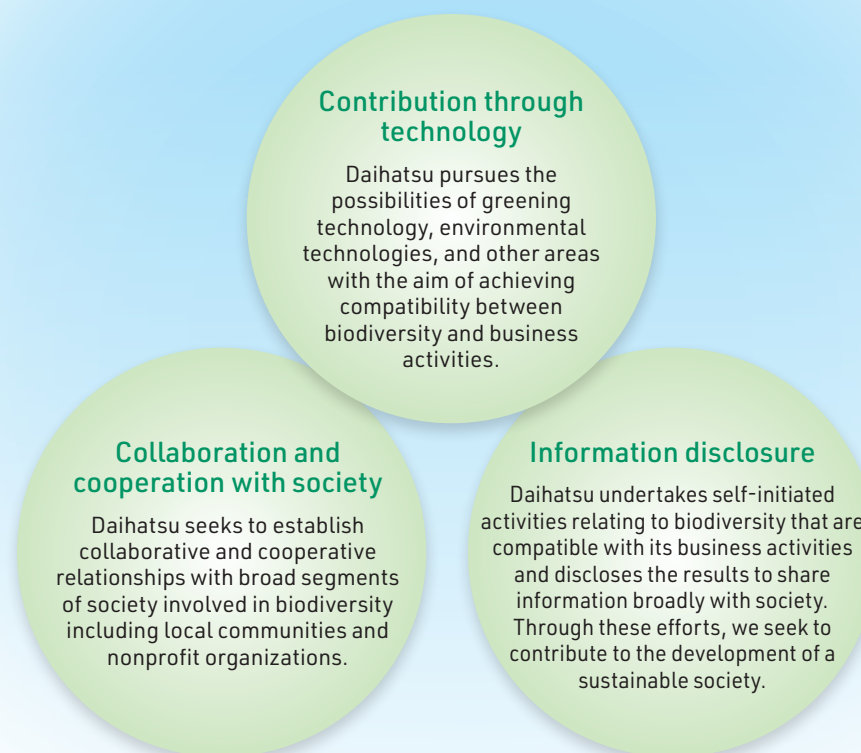
We promote the creation of plants globally that enable people and nature to coexist in harmony and seek to become a company needed by people around the world.

Daihatsu "Biodiversity Guidelines"

Daihatsu undertakes environmental initiatives in accordance with the "Daihatsu Sustainability Basic Policy" with the aim of developing a sustainable earth and society. As one aspect of these efforts, we formulated the "Daihatsu Biodiversity Guidelines" (a self-initiated policy) in January 2016. The Guidelines comprise our fundamental approach concerning measures relating to biodiversity and three action areas: contribution through technology, collaboration and cooperation with society, and information disclosure. We take concrete action in accordance with the Guidelines.

Fundamental Approach Concerning Initiatives

Based on an awareness of the importance of biodiversity, Daihatsu takes action to address biodiversity in accordance with the Daihatsu Sustainability Basic Policy in areas such as the automotive and related businesses and contribute to solutions to social issues with the aim of creating a livable earth and prosperous society and achieving their sustainable development.



Conservation of Biodiversity Initiatives

The Daihatsu Group promotes biodiversity conservation measures with deep roots in local communities and seeks to achieve harmony with nature. We also collaborate with local governments and residents to address biodiversity issues in their communities and work toward achieving solutions. To expand the scope of these activities by instilling an environmental mindset, we also conduct educational activities on biodiversity for employees and local communities.

Conservation Activities in the “Hagukumi no Mori Ryuoh” Company-owned Forest

Daihatsu is developing forests by making use of the regional characteristics at its company-owned forests in the Shiga area. We began development in 2019 with the objectives of conserving biodiversity and providing environmental education and hands-on experiences, and adopted the name “Hagukumi no Mori Ryuoh” in 2020 through an in-company suggestion program. We perform green space management including tree thinning and planting in satoyama forests so that these areas can become habitats for more diverse wildlife. We also monitor indicator species (organisms that can be used to gain an understanding of environmental conditions in areas such as forests, grasslands, and wetlands) with the aim of achieving harmony with nature.



Tree-planting party



Surveys of indicator species

Ina River Cleanup Project

Daihatsu participates in the “Ina River Cleanup Project,” in which residents, companies, and government agencies that live or conduct business in the Ina River basin, which straddles Hyogo and Osaka Prefectures, clean up various areas in the basin. This initiative seeks to make the Ina River a clean waterway where diverse wildlife can live through the collaborative efforts of the public and private sectors. Two hundred and nine Daihatsu and affiliated company employees and family members participated in the “22nd Ina River Cleanup Project” conducted in February 2025 and worked alongside local residents to collect trash from the river banks. Participants emphasized the importance of continuing the activities over time, stating that they wanted to participate again in the future and that this sort of diligent honest effort is the most important kind.



Participants in the Ikeda area



Participants in the Tada area

Preservation of Rare Species

Daihatsu has been conducting wildlife surveys at its business sites and adjacent areas in Japan since 2015. We learned that these areas serve as habitats for a wide range of wildlife including numerous endangered and rare species that are on red lists compiled by the Ministry of the Environment and local governments of the prefectures in which our business sites operate. To protect these important organisms and establish habitats for even more diverse wildlife, we are undertaking preservation measures suitable for our business sites based on advice from experts.

The Hagukumi no Mori Biotope Area in Shiga includes habitats for the Japanese rice fish (*medaka*, *Oryzias latipes*; Ministry of the

Environment: Near Threatened Species Category II), dragonfly (brachytron anisopterum, Ministry of the Environment: Near Threatened), and the hyacinth orchid (*bletilla striata*; Ministry of the Environment: Near Threatened). Since 2023, initiatives have been underway to exterminate conditionally designated invasive alien species for the purpose of conserving these rare species and their habitats.



Exterminating conditionally designated invasive alien species (Red swamp crayfish; *Procambarus clarkii*)

Environmental Study at Shiga Prefectural Lake Biwa Museum

With cooperation from the Shiga Prefectural Lake Biwa Museum, Daihatsu conducts environmental programs for employees and family members each year. The purposes of these programs are to raise environmental awareness and develop human resources to support the creation of a society in harmony with nature and to contribute to the environmental education of the children who will become the leaders of the future. Through its philanthropic activities, Daihatsu is cooperating with the conservation of Lake Biwa's thriving ecosystems. The Lake Biwa Museum offered support for these initiatives, and we are implementing various programs in collaboration with the museum.

Daihatsu also cooperated with donation activities in support of rehabilitation of aquatic species exhibits such as those conducted by the Lake Biwa Museum, including tunnel tank rehabilitation and the installation of a new tank for giant Lake Biwa catfish.



Thank-you letter for donations in support of rehabilitation of aquatic species exhibits

Conservation of Biodiversity Initiatives

Daihatsu collaborates and cooperates with local governments and civic groups to undertake a wide range of activities at its main business sites including the Head (Ikeda) Plant and Kyoto (Oyamazaki) Plant to preserve and restore biodiversity.

Ebara River Cleanup Project (Head (Ikeda) Plant)

The Head (Ikeda) Plant works in collaboration with Ikeda City to implement the "Ebara River Cleanup Project activities" for the Ebara River, which flows through the plant grounds as a city-designated river*. Fresh-water sprats, loaches, Japanese mitten crabs, and other wildlife are known to inhabit the Ebara River, and there is a natural environment with abundant wildlife within the plant premises. This project intends to clean up trash that flows from upstream and protect the wildlife living in the river. Daihatsu will continue its efforts to protect regional ecosystems through these types of initiatives.

* This refers to a legally designated type of river (*junyo-kasen*) managed by the city



Cleanup work of the Ebara River, which flows through the plant grounds

"Tree-planting Party" Conservation Activity (Head (Ikeda) Plant)

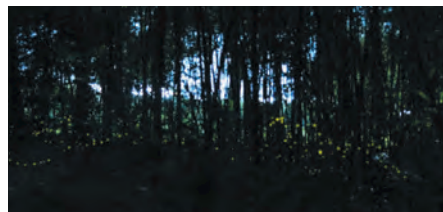
Employees at business sites engaged in forest conservation activities in the Ikeda area around the Head Plant, "collecting seeds from inside the business site in 2020, cultivating them, and then planting trees in 2025." Based on these efforts, we held a "Tree-planting Party" on May 22, 2025, World Biodiversity Day. This served as an opportunity to foster an environmental mindset among employees while also contributing to rejuvenating local habitats.



Hagukumi no Mori
Ikeda Tree-planting Party

Luciola Parvula Firefly Conservation Activity (Kyoto (Oyamazaki) Plant)

Wild fireflies (*Luciola parvula*, Red Book in 17 prefectures) inhabit Yodogawa Riverside Park and the Katsura River basin located near the Kyoto (Oyamazaki) Plant. Daihatsu works to protect *Luciola parvula* fireflies by cutting down overgrown bamboo forests in Yodogawa Riverside Park, chipping the bamboo, and spreading it across the forest floor. In the Katsura River basin, we participated in clean-up activities together with local residents to maintain the rich natural environment for *Luciola parvula* fireflies to inhabit.



Luciola parvula
fireflies flying
through the forest

Conserving Edo Higan Cherry Tree Saplings (Tada Engineer Center)

In the Tada area, Daihatsu germinates seeds and grows Edo Higan wild cherry tree saplings. The seeds are from the Suimeidai Edo Higan community, a natural monument of the city. The Tree-planting Party was held because these saplings grew. The Edo Higan community is a natural monument of Kawanishi City and has been designated as rank B in the Hyogo Prefecture Red Data Book. We also contribute to other natural conservation activities such as participating in the "Committee to Protect the Cherry Blossoms of the Valley," a natural conservation group dedicated to protecting Edo Higan cherry trees in Kawanishi City, in addition to participating in environmental classes held at local Kawanishi City elementary schools to teach children about the importance of nature.



Exterminating the Invasive Canada Goldenrod (Nishinomiya Parts Center)

The Nishinomiya Parts Center is working to exterminate the specified invasive species Canadian goldenrod (*Solidago canadensis*) from the center's grounds. The spread of invasive species degrades biodiversity (destroys the habitats of existing species), so Daihatsu contributes to local habitat conservation efforts by exterminating invasive species. In fiscal 2025, we eliminated approximately 3,000 plants.



"WEB Environment Fair 2024," Environment Booth Exhibit (Kyushu Development Center)

The Kyushu Development Center exhibited at the WEB Environment Fair 2024, which is held by Kurume City, Fukuoka Prefecture in collaboration with local companies and environmental organizations to encourage private citizens to start living in a more environmentally-conscious way. At the Daihatsu exhibit corner, we showcased Daihatsu's environmental initiatives and presented environmental quizzes, attracting a total of 253 visitors over two days.



Daihatsu exhibit booth

Conservation of Biodiversity Initiatives

Daihatsu collaborates with a variety of parties including local governments, companies, and action groups to implement activities for achieving a society in harmony with nature. The contributions of Daihatsu's activities to conserving biodiversity and raising public awareness have been recognized and praised in various quarters.

"Biodiversity Biwako Network" Dragonfly Conservation Activities

The "Biodiversity Biwako Network (BBN)," established by five* companies (including Daihatsu) based in Shiga Prefecture, conducts biodiversity conservation activities in Shiga on a continuous basis while enhancing effectiveness through collaboration.

In 2016, BBN launched a project called "100 Species Dragonflies Initiative—Save Dragonflies in Shiga!" This biodiversity conservation activity uses the 100 species of dragonflies confirmed to be present in the prefecture as indicator for the conservation health of the area. The three missions of the project are "Look for 100 species of dragonflies in Shiga!," "Protect dragonflies in Shiga!," and "Let everyone know!" The BBN conducts management and periodic monitoring of green spaces, wetlands, and ponds owned by member companies, determines the state of nature in surrounding areas, maintains biotopes, eliminates invasive species, holds nature observation tours, publicly announces their activities through exhibitions and presentations, and takes various other activities. In fiscal 2025, an additional new species of dragonfly was found (total of 89 species), and 108 actions were taken to protect the dragonflies. We also conducted PR activities that reached a total of 50,950 people through

dragonfly study groups, watching clubs, academic conference presentations, and museum exhibits.

At the Shiga (Ryuoh) Plant's "Hagukumi no Mori Biotope Area and Satoyama Woodland Area" in Ryuoh-cho, Shiga Prefecture, one of Shiga's leading dragonfly habitats, we received a request for a tour of the site by the Japanese Society for Odonatology as a conservation technology training site. On the day of the tour, the Japanese Society for Odonatology personnel joined Biodiversity Biwako Network members for wide-ranging discussions and instruction, deepening interpersonal connections.

Daihatsu will continue to play a central role in the BBN and work to conserve biodiversity and achieve a sustainable society by implementing regional social contribution activities.

* Asahi Kasei Corporation, Asahi Kasei Homes Corporation, Sekisui Jushi Corporation, Daifuku Co., Ltd., and Daihatsu Motor Co., Ltd.



Scarlet dwarf dragonfly habitat/conservation candidate site search team with additional experts at Shiga Prefectural Kibougauka Cultural Park

History of Awards, Certifications, and Other Accreditations

March 2019	Shiga Biodiversity Initiatives Certification in 2018 (certification renewed in 2021) The Shiga (Ryuoh) Plant was awarded three stars, the highest rank, by Shiga Prefecture under the "FY2019 Shiga Biodiversity Initiatives Certification" system. The Shiga (Ryuoh) Plant was recognized by Shiga Prefecture as a company that engages in biodiversity initiatives. The plant's activities include thinning, tree-planting, proper mowing, and other green space management in satoyama forests, as well as a range of ongoing biodiversity conservation activities.
November 2019	Jury Prize of the Biodiversity Action Award Japan 2019 Since 2018, the Shiga (Ryuoh) Plant has been participating in the "Biodiversity Biwako Network (BBN)" and taken part in activities that contribute to conserving biodiversity in Shiga Prefecture. The BBN comprises seven companies (at the time the prize was awarded) located in the prefecture and contributes to regional biodiversity conservation while expanding collaboration, such as through the "100 Species Dragonflies Initiative—Save Dragonflies in Shiga!," a project that engages in the three missions regarding the 100 species of dragonflies found in the prefecture.
December 2019	Osaka Environment Award Grand Prize Daihatsu was recognized for the clear direction and framework of its environmental initiatives, collaboration with a broad range of local parties, and conservation and educational programs rooted in local communities.
March 2021	2021 Japan Nature Conservation Grand Prize The "Biodiversity Biwako Network (BBN)," established by seven companies (at the time the prize was awarded) based in Shiga Prefecture, conducts biodiversity conservation activities using 100 species of dragonflies as indicator species. As a result of these efforts, the BBN was awarded the "2021 Japan Nature Conservation Grand Prize" in the education category by The Nature Conservation Society of Japan.

Social

The Daihatsu Group manufactures mainly mini-vehicles. As a part of these activities, the company engages in a wide variety of initiatives to improve society. These include initiatives aimed at product quality, performance, safety and security; initiatives involving people such as human rights, diversity and inclusion; and various social contribution activities.

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Section

5



Fundamental Approach

Quality at Daihatsu is made up of three pillars that include not only the quality of products and services but also the quality of processes that give birth to products and services as well as the quality of the capability development system for employees that implement these processes. Daihatsu's quality assurance is positioned as an initiative that always places customer satisfaction and trust as the top priority and sustainably improves these three pillars of quality.

At the MONODUKURI worksites of manufacturing departments, each employee involved in the work takes responsibility for fully completing their own processes and thoroughly implements "own process completion" to ensure quality within their processes. At the beginning and end of meetings in which employees participate, we recite quality rules along with safety rules to raise awareness of quality on a regular basis. Back-office departments also take action to ensure quality in their own work based on the concept of own process completion.

**Taking the initiative
to act safely!**



**Let's all work
together to build a
safe workplace!**
[Safety]

**Manufacturing
approached from the
customer's perspective
- everything to benefit
the customer!**



Quality-related Structure

Brief quality meetings are held at the start of work every day at each plant, and managers and supervisors confirm the status of quality on a daily basis in an effort to maintain and control quality. In addition, plant quality meetings are held monthly to address improvement of manufacturing quality. The plant quality meetings, chaired by personnel responsible for quality control divisions, work with plant managers to check the details and status of measures taken to address quality issues that arise within processes or after shipment, defects in parts and materials supplied by business partners, and other issues to steadily improve quality. Quality assurance departments play a central role in analyzing post-shipment fault information received from markets, and major incidents are investigated by a body chaired by the general manager of the Quality Assurance Division and reviewed by an upper-level body chaired by the chief officer responsible for quality to determine whether a recall is needed.

Additionally, Daihatsu focuses on developing quality-related human resources and established Quality Dojos at each plant as training forums to develop skills for enhancing quality. We are also training human resources who can support the future evolution of automobiles exemplified by CASE* and are making further advances to our quality assurance structures.

* CASE: An abbreviation for Connected, Autonomous, Shared/Service, Electric

Internal Audits

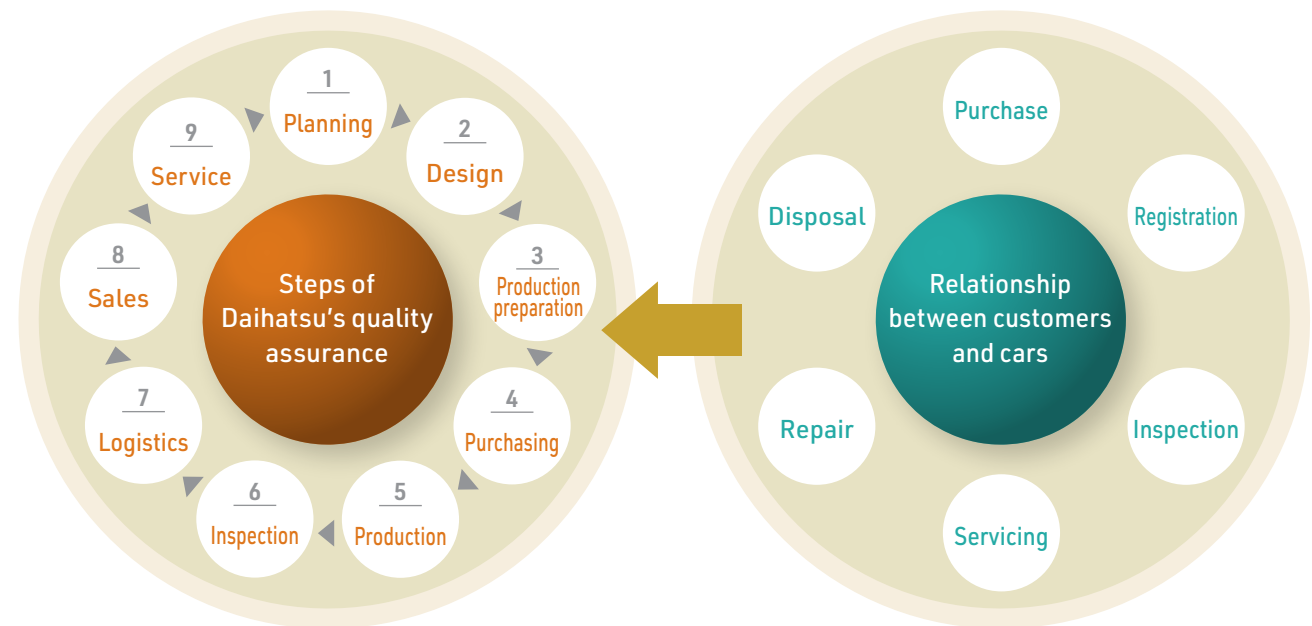
Daihatsu conducts internal audits at least once annually to reinforce quality assurance measures. Internal audits are conducted by identifying audit points and taking into consideration changes in internal and external environments and needs based on the concepts of international standards relating to quality management systems with the objective of improving the quality assurance measures of each department. PT Astra Daihatsu Motor (ADM), which is located in Indonesia and produces products for the Japanese market, also conducts audits equivalent to those performed in Japan.

Pursuing Quality in All Processes for the Benefit of Customers

To guarantee that the quality of products and services can satisfy and be trusted by customers as well as allow prolonged use, all processes—from planning and design to purchasing, production, inspection, logistics, and sales to service—must come from the customers' perspective. The relationship between customers and cars starts from the time of purchase. It is an intimate part of customers' lives, including daily commutes, work, shopping, driving on off days, and leisure regardless of the time of the day, season, weather, and place. During this time, Daihatsu has many points of contact with customers to allow cars to be used for long periods of time, including vehicle inspection, servicing, and repair.

Daihatsu collects information from all such scenarios involving customers and cars. Within each process, every employee thinks about customer expectations and joy and reflects their thinking in quality, and we treat this process with importance.

Processes Behind Products and Services



Planning and Design Initiatives

Daihatsu established the Quality Control Center (QCT) within the Mobility Development Group as a specialized organization to carry out improvement measures with a focus on quality in planning and design processes. Engineers assigned to the QCT examine all Field Technical Reports¹ submitted on a daily basis and visit dealers and customers to personally confirm problems. They also investigate the causes and take countermeasures using their own analysis equipment and reflect the results in planning and design in a timely manner. Through these QCT initiatives, we are reinforcing early detection and early resolution (EDER²), comprehensively preventing the reoccurrence of problems, and disseminating knowledge obtained from the problems throughout the company to prevent other problems from occurring.

1. Reports on problems submitted by the maintenance divisions of dealers to the manufacturer
2. Early Detection and Early Resolution: Detecting and resolving quality-related issues at an early stage and promptly providing feedback on the results of improvements to customers



An engineer visiting a customer to confirm a problem

Purchasing Initiatives

When purchasing parts, equipment, and other goods, Daihatsu appropriately assesses and manages suppliers and works to maintain and enhance quality in accordance with the internal Parts Supplier Assessment and Management Guidelines as well as the Management and Assessment Guidelines for Suppliers of Equipment, Main and Sub Materials.

Purchasing personnel investigate the management status, technical capabilities, and quality control structures of supplier candidates and, when necessary, confirming on-site to determine whether transactions are successful. In the case of existing suppliers, we annually conduct continuing evaluations of all suppliers with which we did business during the fiscal year to assess quality, safety, and other factors, and an internal review board decides whether transactions should be continued. In addition, the Quality Assurance Division and plant quality sections of the Vehicle Quality Control Division examine the manufacturing processes of suppliers on a regular basis, plan and implement quality improvements in cooperation with suppliers.

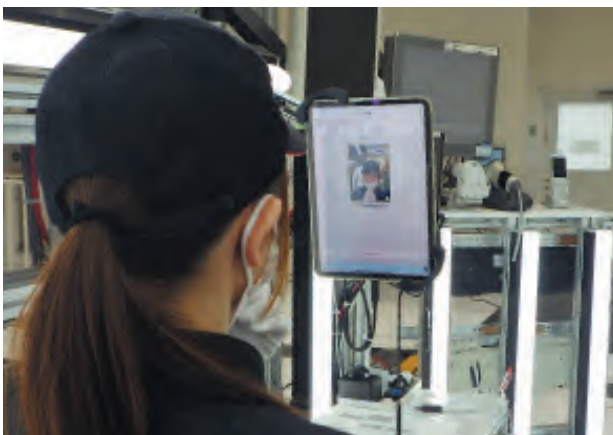
Production Initiatives (Including Production Preparation)

To maintain, control, and guarantee quality in manufacturing processes, Daihatsu employs Internet of Things (IoT³) and AI technologies to monitor equipment condition through trend management, and using cameras to make automatic determinations about specifications and workmanship, thereby helping to ensure stable quality. We also continuously monitor changes in the number of defects from the previous day and work to identify problems as early as possible and make improvements. Design, purchasing, and quality control divisions confirm that parts procured from business partners satisfy our quality standards and decide whether mass production can commence. We also obtain data from business partners on a daily basis to confirm the workmanship of parts and request improvements as necessary to maintain and enhance quality. By using traceability measures to link supplied parts with individual vehicles, we have created mechanisms and structures to provide prompt feedback to plants regarding manufacturing-related quality issues identified from market information. These quality-related initiatives implemented by Daihatsu have been highly evaluated within the Toyota Group, and we have received the Quality Control Excellence Award and other Toyota Quality Improvement Initiative Awards.

3. Internet of Things: A mechanism for the exchange of information over the Internet by devices, equipment, and so on that in the past were not connected to the Internet

Inspection Initiatives

Daihatsu strives to enhance the quality of completed vehicle inspections performed at production plants in accordance with our duties as an automaker under the Road Transport Vehicle Act. One initiative unique to Daihatsu is the introduction of a system at all plants that uses facial recognition technology to prevent any personnel other than qualified inspectors from performing inspections. Specifically, the facial information of qualified inspectors who are registered at the start of work is compared with a facial image of the worker who actually performs the inspection, preventing workers without qualifications from performing completed vehicle inspections. In addition, after the completed vehicle inspection data is input into the system, there is a function that locks the data so that it cannot be modified, preventing fraud such as data falsification.



We guarantee rigorous inspections by maintaining individual inspection results for each vehicle as well as the work histories of inspectors, who are registered using 3D facial data

Logistics Initiatives

In order to guarantee the safety and quality of every Daihatsu-vehicle delivery from our plants to dealers, we at Daihatsu have implemented our own standard operating procedures for logistics. Additionally, we have put in place comprehensive manuals that provide instructions on how to respond to disasters or accidents, as well as detailed regulations for handling vehicles within logistics yards. By ensuring that all workers involved in completed vehicle logistics adhere to these procedures, we maintain and manage the quality of our vehicles.

Sales and Service Initiatives

We make particular efforts at the Daihatsu Sales Training Center to develop human resources who can provide high-quality product information and after-sales service to customers. We also periodically conduct the “Daihatsu Service Skill Contest” for mechanics working at Daihatsu sales companies nationwide to train excellent mechanics by refining their skills regarding fault diagnosis, maintenance, sheet metal work, painting, and producing estimates in an effort to enhance customer service.



The Daihatsu Service Skill Contest

Employee Training on Quality

To develop human resources, revitalize workplaces, and enhance work quality for the practice of customer first, Daihatsu conducts quality control (QC) activities including rank-specific training on quality in collaboration with Group companies, sales companies, and business partners. As part of these activities, we organize the All-Daihatsu QC Circle Convention and All-Daihatsu TQM Convention each year. At the All-Daihatsu QC Circle Convention, the results of quality improvement activities are presented even as the conference is expanding in scale into a global event including the participation of circles from production bases in Malaysia and Indonesia. In addition, circles that achieved excellent results further improve their abilities by actively participating and competing at the QC conferences organized by the Union of Japanese Scientists and Engineers. At the All-Daihatsu TQM Convention, we seek to improve management quality and revitalize workplace culture by sharing information on management issues during a "time of once-in-a-century transformation" through presentations conducted by executives and managers.



All-Daihatsu TQM Convention

For Customers

Customer Feedback Mechanism

Daihatsu conducts surveys of customers who purchased Daihatsu vehicles in an effort to ascertain various information concerning vehicles, sales personnel, dealers, and more. We collect customer opinions using online communications tools. We also continuously collect opinions from dealers who handle Daihatsu vehicles and use that information to improve our vehicles.

Customer Assistance Center

We receive inquiries from customers at the Daihatsu Customer Call Center and respond based on the details of each inquiry by providing information, answering questions, and so on. The Daihatsu Customer Call Center has systems in place to respond to inquiries by telephone, email, chatbot, or sign language interpretation service. Information concerning requests received from customers is forwarded to the relevant departments and reflected in product and service improvements.

Responses to Quality Defects (Recalls, etc.)

Giving top priority to the safe and reliable use of cars, when a defect occurs in vehicles and a recall is determined to be necessary, Daihatsu issues notifications in accordance with the laws and regulations of the respective countries, and at the same time, promptly contacts customers of the affected vehicles to notify them to obtain free repairs. We also post recall information to the website as soon as it is available, and we report to the authorities regarding the progress of recalls and other information as necessary.

FY2025 Recall Status

Cases	6
Target vehicles	2,079,352

Fundamental Approach

Development of a Sustainable Society

The first thing needed in order to reduce CO₂ emissions is to decrease the energy required while driving. Daihatsu's car creating provides cars that require extremely small amounts of energy during driving due to their lightweight and compact bodies and highly efficient powertrains to markets at affordable prices.

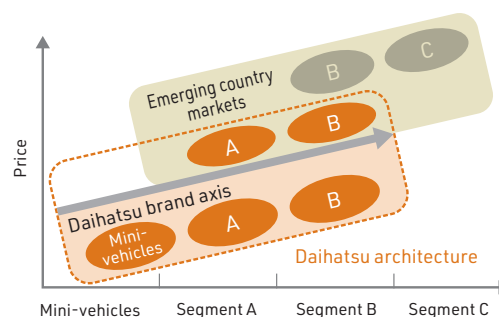
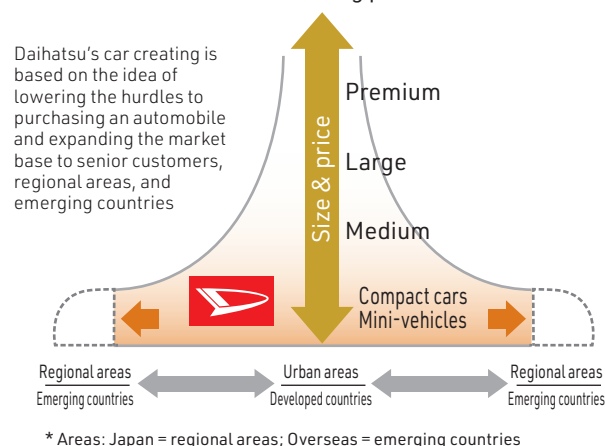
By enabling large numbers of customers to use cars that reduce CO₂ emissions, we will contribute to lower overall CO₂ emissions. In addition, we will continue to tackle the challenges of achieving carbon neutrality at an early time by efficiently expanding the introduction of electrified vehicles.

DNGA (Daihatsu New Global Architecture)

Based on the core concepts of high-quality products at affordable prices, mastering the smallest details, and providing advanced technologies to everyone, Daihatsu engages in car creating that is close to customers' lives. We have lowered the threshold for purchasing an automobile, thereby broadening the market base.

The Daihatsu New Global Architecture (DNGA) is a new method of creating cars intended to achieve these concepts. With the opinions of customers as our starting point, DNGA incorporates the business structures for carrying out Daihatsu's unique car creating and the strategies for achieving this in all processes of car creating

including planning, development, purchasing, and production. In the case of advanced technologies, such as electrification, automated driving, and connectivity, we will create sustainable compact mobility by developing automobiles based on common design concepts from segment A to segment B in markets in emerging countries, with mini-vehicles as the starting point.



Daihatsu conducts business in segments that are close to customers and is developing automobiles based on common design concepts from segment A to segment B in emerging countries with mini-vehicles as the starting point

Evolutionary Body

The new DNGA platform adopts a new design for suspension geometry¹ in the pursuit of stability and driving comfort that are superior to those of other vehicles in the same class. By incorporating methods for electrification and by streamlining structures, Daihatsu is unique in that we create lightweight and highly rigid platforms while further advancing performance.

1. The placement of the suspension, which has a substantial impact on vehicle performance

Evolutionary Powertrain

The powertrains used with DNGA are optimized for each model, and strong environmental and drive performance are achieved by means with good cost performance. By adopting multi-spark ignition for the first time in Japan² and a unique fuel injection method, Daihatsu is creating new engines with higher fuel efficiency. We also launched a new continuously variable transmission (CVT) that uses the world's first² split-gear drive as well as compact and simple series-type strong HEVs, and we will continue evolving vehicles in the future.

2. In both cases, information valid as of June 6, 2019. According to Daihatsu research.

Safety Technology

Fundamental Approach

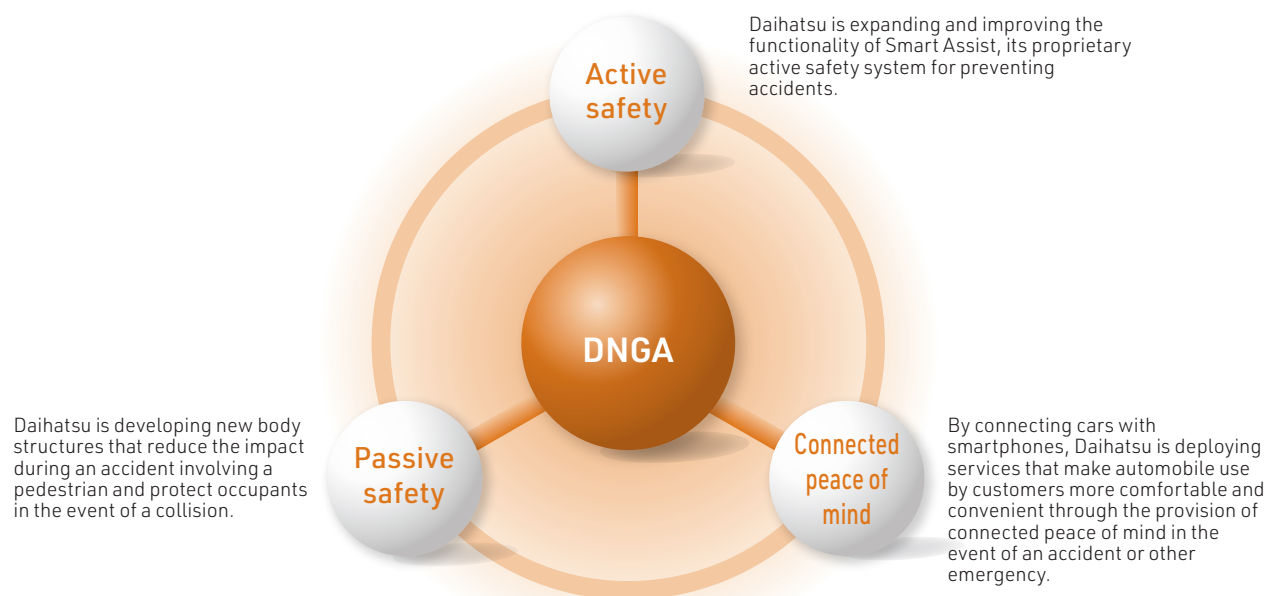
Since Daihatsu's foundation, we have delved deep into the customer-oriented MONODUKURI of high-quality but affordable products so that we can provide small cars that enrich the lives of people around the world. This attitude runs through our development of safety technology. Safety technology is essential for customers to use Daihatsu vehicles with peace of mind and is the most important foundation of our business. Many of the customers who use Daihatsu's mini-vehicles are women and seniors, and for this reason, the creation of cars that can be driven safely and with peace of mind is even more necessary. The entire Daihatsu Group will continue its unique way of working together to provide the advanced technologies that support the safe and secure mobility of all customers at affordable prices.

Providing Advanced Technologies to Everyone

Daihatsu sees "providing advanced technologies to everyone" as a core concept of car creating. We take active measures to introduce advanced safety technologies and are positioned at the leading edge of the small car market, exemplified by the adoption in 2012 of collision-avoidance support braking as a grade standard,

a first for mini-vehicles. Today, as the automobile industry evolves toward CASE* technologies, we are pursuing even more-advanced safety technologies from three approaches—active safety, passive safety, and connected peace of mind—in line with the concepts of the new DNGA car creating platform.

* CASE: An abbreviation for Connected, Autonomous, Shared/Service, Electric



Safety Technology

Active Safety

Eliminating all injuries and fatalities caused by traffic accidents is an ultimate objective for society. Daihatsu is evolving "Smart Assist," its proprietary active safety system, even further to prevent accidents from occurring. "Smart Assist" features various functions including support to avoid collisions with vehicles in front and pedestrians, lane departure control, driver awareness support, and driver burden reduction. We are pursuing active safety from all directions.

Smart Assist

"Smart Assist" is a general designation for Daihatsu's active safety system. Stereo cameras installed on a vehicle can detect conditions around the vehicle to provide vehicle control or driver decision-making support with the aim of mitigating damage from accidents and driving burdens. Smart Assist is equipped on many models that are currently being sold.



Collision Avoidance Support Functions

Collision warning function and collision-avoidance support braking that notify the driver of the risk of a collision using a buzzer and a display within the instrument panel and automatically apply the brakes if the danger is imminent / Brake control preventing false starts stemming from accidental pedal pressing, which suppresses engine output and warns the driver with a buzzer and a display within the instrument panel, in addition to activating the brakes if there is risk of collision / Lane departure warning and lane departure prevention functions, which issue a warning if the vehicle is about to stray from its lane and assist steering operation to bring the vehicle back into its lane.



Awareness Support Functions

Functions that support safe driving include the preceding vehicle departure reporting function, which uses a buzzer and a display within the instrument panel to inform the driver if the vehicle ahead starts moving when waiting at a traffic light or the like; the sign recognition function that detects signs such as "no entry" signs and warns the driver with a display within the instrument panel; automatic high beams, which detect the lights of approaching vehicles as well as other objects and automatically switch from high beams to low beams; side view lamps, which use auxiliary lights to illuminate the area in the direction toward which the steering wheel is turned to assist turning at night; and adaptive driving beams, which help ensure visibility during nighttime driving.



Driving Burden Reduction Function

Functions such as "full-speed range adaptive cruise control (ACC)," which controls the vehicle speed to maintain a constant distance to a vehicle in front, and "lane keeping control (LKC)," which assists steering operation to keep the vehicle in the center of the lane, are intended to reduce the burdens of driving on the driver and to create an environment in which safe and comfortable driving is possible.



Parking Support Functions

The top-down-like view uses cameras installed on the vehicle front, rear, left, and right sides to support confirmation of conditions in areas which are difficult to see from the driver's seat, and in addition to voice and on-screen guides, Smart Panorama Parking Assist detects the white lines when parking and helps control the steering, while the Corner Sensor assists parallel parking and maneuverability in parking lots and garages by changing the alarm sound based on distance with obstacles. Daihatsu is enhancing these and other functions that support operation during parking, when accidents are likely to occur.



Safety Technology

Passive Safety

In anticipation of an accident occurring, Daihatsu equips vehicles with safety technology such as "Total Advanced Function (TAF)," a body structure that absorbs collision energy, and SRS airbags that protect occupants with the aim of minimizing damage.

Protecting the Occupant Space from the Force of Collision

TAF bodies, which were developed by Daihatsu, achieve a strong and light cabin with improved collision force absorption. Key features include front side-members with high-efficiency energy-absorbing structures and a body structure that disperses impact forces. Not only do TAF bodies satisfy collision safety standards in Japan and Europe, but they also ensure an adequate survival space even in collision tests that incorporate rigorous testing methods.



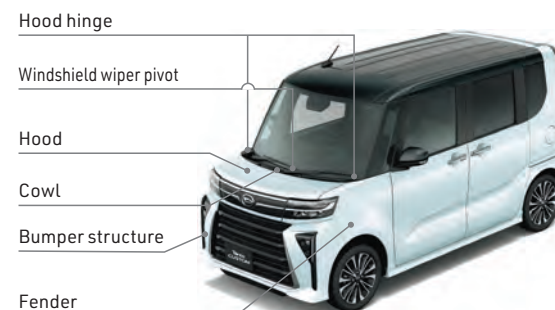
Mira e:S: TAF collision safety body

Absorbing Impact on Occupants

All Daihatsu models feature dual SRS airbags that instantly deploy and deflate in the event of a strong frontal collision to minimize serious injury to the heads and torsos of occupants. Vehicles are also equipped with SRS side airbags (driver's and passenger seats) to reduce the impact of side collisions and with SRS curtain shield airbags (front and rear seats) to protect the heads of occupants.

Minimizing Impact on Pedestrians

All Daihatsu vehicles feature impact alleviation devices and absorption spaces in the bumper structure, hood, fenders, windshield wiper pivots, and other areas to mitigate harm in the event of an accident involving a pedestrian.



Daihatsu and Aioi Nissay Dowa Insurance collaborate to apply a discount to vehicle insurance for the Move Canbus

Daihatsu is working to reduce customer vehicle maintenance expenses by enhancing collision safety performance. One result of these efforts is a reduction in vehicle insurance premiums through joint measures with Aioi Nissay Dowa Insurance Co., Ltd. To reduce repair costs, we incorporated into the Tanto and Taft, the first and second vehicles developed based on DNGA, improvements including placement of high-priced parts in areas where they will not be damaged, provision of simple and inexpensive repair methods, and supply of parts, to greatly enhance damageability and reparability (D&R) performance. For the Move Canbus, which was completely redesigned in 2022, we have taken these initiatives to the next level and applied our improved expertise in D&R performance beginning with the product planning stage.

As a result, the Move Canbus was certified as eligible for the damage resistance and reparability discount offered by Aioi Nissay Dowa Insurance, and a 5% discount on vehicle insurance premium applies. Improvements to D&R performance also conserve resources by reducing replacement of parts and curtailing emissions of substances of environmental load during repair processes.



The Move Canbus was certified as eligible for a 5% discount on vehicle insurance premiums by Aioi Nissay Dowa Insurance

Safety Technology

Providing Connected Peace of Mind and Comfort and Convenience to Customers through Connectivity

To respond to the evolution of automobiles exemplified by CASE, Daihatsu focuses on developing connected services using digital technology. We seek to create a safe, secure, comfortable, and convenient automobile society by connecting customers with their cars and with Daihatsu via smartphones.

Daihatsu Connect

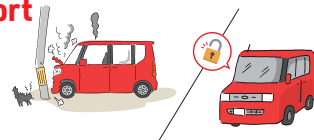
"Daihatsu Connect" is a service that connects customers with their cars and with Daihatsu via connections between compatible in-vehicle devices and smartphones. The Daihatsu Connect system has been simplified to enable

customers to make use of it for long periods, and as such we managed to eliminate the basic monthly fee, making it zero yen per month. By using "Daihatsu Connect," if an accident or breakdown is detected, "Connected Support" sends the location, vehicle and other information to the Accident and Breakdown Center. The "Visible Drive" service, by which Daihatsu Connect confirms the status of the vehicle and driver, notifies a person monitoring the vehicle of the status. The "My Car Visualization" service enables the driver to check where the vehicle was parked and vehicle information at any time using a smartphone. The "Connected Care" service notifies the customer regarding mandatory and other inspections and recall information by displaying information on the compatible in-vehicle devices and sending emails. These and other services enhance customer safety and convenience.



Connected Support

Support for customers in accidents, breakdowns, and other emergencies. Also sends smartphone notifications to cover for mistakes like forgetting to lock the door.



My Car Visualization

Records car location, status, travel times, destinations, etc.



Visible Drive

Displays and notifies the location and status of a remotely located car as well as driver driving status.



Connected Care

Sends information on mandatory and other inspections and maintenance as well as recall information.



Third-party Safety Evaluations

Our primary vehicle models produced and sold both in Japan and internationally have been highly rated for vehicle safety functionality by third-party evaluations in their respective regions.

					Vehicle safety performance evaluation
	Delivery	Third-party evaluations	Model name	FY of inspection	Evaluation
Daihatsu	Japan	Japan JNCAP	Taft	2021	★★★★☆ 4
			Hijet Cargo	2023	★★★★☆ 4
			Move Canbus	2023	★★★★☆ 4
			Tanto	2024	★★★★☆ 4
PERODUA	Overseas	ASEAN NCAP	XENIA	2024	★★★☆☆ 3
			ATIVA	2021	★★★★★ 5
			ALZA	2023	★★★★★ 5
			AXIA	2024	★★★★☆ 4

Fundamental Approach

As a member of the Toyota Group, Daihatsu takes measures to respect human rights in accordance with "Toyota's Human Rights Policy." We understand that our business activities may potentially or actually have an impact on human rights, and we give the utmost consideration to avoid infringing the rights of others and take action with a sense of ownership to address the negative impacts of our business activities on human rights.

The automobile industry is supported by an extremely large number of people, not limited to customers, but also including local residents, suppliers, dealers, and other business partners. We will continue to protect and improve the human rights of all people involved in our business activities, including employees, so that we can prosper along with all stakeholders to achieve our vision.

 PDF: Toyota's Human Rights Policy

Employee Human Rights

Freedom of Association

Daihatsu respects the fundamental rights of all employees including employees of Group companies and in the entire supply chain. We strive to create safe and healthy work environments where the diverse individual values of all employees are accepted so that they can demonstrate their abilities, and we engage in ongoing dialogue with employees to develop a shared understanding of and solve management issues. In addition, we respect employees' right to freedom of association and right to be free from being compelled to belong to an association under the Universal Declaration of Human Rights in compliance with the laws and regulations of the countries where we conduct business. We have long worked to build healthy labor-management relationships by respecting the will of the workers union and repeatedly engaging in good-faith discussions and consultations. We will continue to respect the freedom of association and build relationships that enable both labor and management to benefit.

With respect to suppliers, we use the Supplier CSR Guidelines to encourage sincere meetings and dialogue with employees or employee representatives to encourage mutual understanding, while also respecting employees' right to freely organize or not organize in accordance with local national or regional laws, just as is the case for Daihatsu employees.

- Labor-Management Council meetings (four times annually): Conduct labor-management discussions on worksite issues (such as working hours, human resource development, and workplace culture)
- Workplace roundtable meetings (monthly): Solve issues closely related to the workplace such as working hours and work styles

Education Related to Human Rights

Daihatsu implements training for all employees regarding human rights issues, non-discrimination, and open and honest dialogue. In 2022, we held company-wide training with the theme of “Business and Human Rights” in conjunction with the national Human Rights Week. This training covered the importance of respect for human rights, the responsibility required of companies, and points for all Daihatsu employees to keep in mind. Through this training, we ensured that all employees are thoroughly aware of the importance of respecting the human rights of all people involved in Daihatsu’s business, including business partners and customers, and that employees conduct business with consideration for the human rights violations that they could be indirectly involved in or contributing to. Furthermore, we conduct necessary human rights education when training new employees and managers in accordance with their positions and responsibilities.

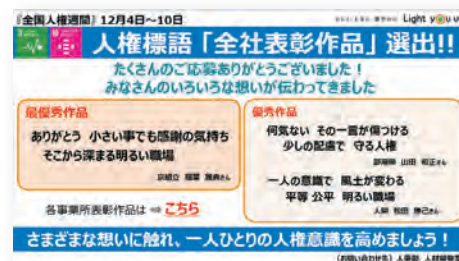
Additionally, we have also joined outside organizations promoting human rights awareness to enhance this training, collecting information and updating our knowledge base.



Conducted training with the theme of “Business and Human Rights”

Activities for Raising Human Rights Awareness

Daihatsu has been inviting all employees at its sites in Japan to submit human rights slogans every year since the late 1970s and presenting awards during Human Rights Week in December in order to make human rights feel more personal.



Human rights slogan works introduced in in-house pop-up displays

Human Rights Training for New Employees

Daihatsu implements training with the theme of human rights as part of its training for new employees. We also encourage employees to learn about human rights issues such as discrimination and harassment, and to promote both the correct understanding of human rights and behavior based on mutual respect.

Compliance Training

Daihatsu implements compliance training for all employees being promoted above the assistant manager level, and gives lectures on management that respects human rights. Through this training, we ensure awareness of internal controls that prevent human rights violations.

Audit & Supervisory Board Members also provide lectures during new employee orientation training.

Diversity Training for Promoted Employees

Daihatsu provides training for newly appointed managers to help them understand human rights that should be respected in day-to-day management. In doing so, we strive to create a positive work environment that values diversity.

Corrective Action Process

We have established and operate a Harassment Consultation Desk where employees can file a report or consult with staff in the event that they discover any kind of harassment or other behavior that violates human rights in the course of business activities.

We established a department at each domestic office that is assigned responsibility for the Harassment Consultation Desk, where several personnel at that department serve as harassment consultants. When someone comes for consultation or to file a report, harassment consultants collect information and report to the General Manager of the Human Resources Division, who is the top authority responsible for harassment cases for the whole company. After that, the harassment consultants, HR Department, and Safety and Health Care Department will work together toward resolution of the issue.

Similar types of consultation are also accepted by Labor Union General Consultation Desks, which are set up by various branches of labor unions, and the Employees’ Voice Helpline website that is run by Daihatsu’s Audit Division.

Fundamental Approach

Daihatsu purchases parts, materials, and equipment from various fields through the cooperation of many suppliers. We comply with relevant laws and regulations as well as the Guidelines for Appropriate Transactions in the Automobile Industry (formulated by the Ministry of Economy, Trade and Industry), and strive to respect human rights together with our suppliers. We have also clearly stated our respect for human rights in the Supplier CSR Guidelines, which were formulated internally. We have disseminated the Guidelines to all suppliers, and request that they conduct activities in accordance with the intent of the Guidelines. By further strengthening these initiatives, we aim to eradicate human rights issues throughout our supply chain.

Supply Chain

Supplier CSR Guidelines

The Supplier CSR Guidelines establish “Human Rights and Labor” as an item that all suppliers are expected to comply with. The Guidelines call for suppliers to conduct their business activities under principles such as non-discrimination, prohibition of both child labor and forced labor, provision of appropriate wages and working hours, and creation of safe and healthy working environments. Daihatsu also asks its suppliers to promote the implementation of the Guidelines with their suppliers. In doing so, we strive to promote and spread our human rights initiatives to all corners of our supply chain.

 PDF: Daihatsu Supplier CSR Guidelines

Initiatives to Combat the Use of Conflict Minerals

In 2010, the Dodd–Frank Wall Street Reform and Consumer Protection Act was enacted in the U.S. It requires that companies listed on U.S. stock exchanges disclose information regarding conflict minerals (tantalum, tin, tungsten, and gold) used in their products. The act seeks to prevent armed groups in the Democratic Republic of the Congo and neighboring countries from generating funds through mining carried out by child labor, forced labor, or other inhumane means. As a member of Toyota Group of companies, Daihatsu seeks to realize responsible procurement of minerals and, to this end, is working together with its suppliers.

Fundamental Approach

Daihatsu's priority for sustainability initiatives is "developing a safe and secure society in which everyone respects human rights and diversity." We believe that we can achieve further growth of Daihatsu by respecting diverse values with no tolerance of any form of discrimination at the workplace such as discrimination based on gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital status, or the presence of children, as well as by creating an environment in which each employee can maximize their abilities. We aim to both promote understanding of diversity and inclusion and to become a company which leaves no one behind and enables employees to experience job satisfaction.

Empowerment of Women in the Workplace

Daihatsu has been using the empowerment of women in the workplace, balancing work and child-raising, and other issues as opportunities to promote work-life balance for all employees as a top management commitment. Since the core users of Daihatsu vehicles are women and families with small children, it is particularly important for us that women can play an active role in the company. Accordingly, we have set ambitious goals aimed at improving women's empowerment in the workplace, and are promoting them in a systemic manner.

Daihatsu's Goals in Line with the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children

Goal: March 31, 2030

1. To double the number of women in managerial positions (100) (compared to fiscal 2026)
2. 20% reduction in overtime worked outside the prescribed working hours by management personnel (compared to fiscal 2026)
3. To ensure childcare leave is taken by 100% of eligible male and female employees

Key Initiatives to Achieve Daihatsu's Goals

Support for Early Return to Work

Daihatsu has established a nursery for Group employees, which accepts infants from the age of 57 days old.

The nursery is also open on holidays if necessary, and it provides snacks and dinners in the event that extra time at the nursery is needed.

The nursery also provides futons for naps and offers in-house laundry service for clothing, striving to lower the burden on nursery users as much as possible and to support parents in balancing work and childcare.

Shortened Work Hour System

Employees can make use of a shortened work hour system until their children finish their third year of junior high. Work hours can be set with fine precision, whether a 4-, 5-, 6-, or 7-hour day, whichever suits the circumstances of each household.

Daihatsu no Mori Hoikuen Nursery

Daihatsu opened and has operated the Daihatsu no Mori Hoikuen Nursery in Ikeda City, Osaka Prefecture for Daihatsu Group employees since 2019. It was planned by a working group focused on women under the keyword of "creating together." It is a facility that is designed to accommodate employees who are trying to balance work and childcare.



Inside Daihatsu no Mori Hoikuen Nursery

Empowerment of People with Disabilities in the Workplace

When hiring people with disabilities, Daihatsu aims to create an environment in which all divisions in the company accept personnel and grow together with them. Though we have already met the legally mandated employment ratio (2.5%) as of June 1, 2025, we continue to promote hiring people with experience who can thrive at each workplace to further expand our ranks. We work to prevent mismatches in hiring through measures such as pre-interviews and workplace tours. We also assign a central person at each workplace to promote the retention of employees with disabilities and support them in their duties. In addition, we are working with occupational health professionals to strengthen retention efforts by establishing a consultation desk with the cooperation of specialists from external public institutions.

At Daihatsu workshops, we have set up systems to enable administrative work, light work, and small component packing work, in addition to adding infrastructure such as accessible toilets, break rooms, and relaxation rooms.

When hiring at workshops, we also accept new graduates from special needs schools, and we work hard to hire such individuals to part-time positions.



Barrier-free toilet



Operations at the Itami Workshop

Work-life Balance Support Measures

We have introduced systems to help support employees in balancing their work and private lives. As a way of encouraging parents to take parental leave, we offer incentives of up to two payments of 25,000 yen per child for employees taking five or more days off for parental leave. We also have systems in place that enable employees to choose to take special leave, both short- and long-term, for infertility treatments and similar to help employees balance them with their work responsibilities.

In addition, we have an alumni reemployment system that is freely available to employees to help adapt to various life events, including marriage, childbirth, childcare, caregiving, spouse relocation, injury treatment, and educational advancement.

Daihatsu's Work-life Balance Support System (Excerpt)

Childcare / nursing care		- Off-hours work restrictions - Night work restrictions - Overtime work exemptions - Shortened work hours
	Childcare	- Childcare leave - Leave to care for a child under medical treatment, etc. - Nursery for Daihatsu Group employees - Incentive for taking childcare leave
	Nursing care	- Nursing care leave (long-term) - Nursing care leave - Flexible work hours
Medical treatment Infertility treatment	Medical treatment	- Special leave provision - Shortened work hours
	Infertility treatment	Medical leave
Others (Spouse transfer or nursing care, etc.)		Alumni reemployment system (provision of reemployment opportunities)

Empowerment of Senior Employees in the Workplace

Daihatsu revised its reemployment system for union members and expanded it in 2018 as a senior expert system in order to enable employees to fully display the skills and know-how they have developed within the company even after reaching retirement age. Additionally, we conduct Age 50 Training to give employees the opportunity to think about post-retirement life, working styles, and career plans, and we systematically discuss and assign duties in a way that aligns with their desired workstyles. We also promote the creation of workplaces, production lines, and processes that are easy for senior employees to work in.

Active Acceptance of Foreign Technical Interns and Employees

Daihatsu operates production sites in Indonesia and Malaysia. For this reason, we have been accepting foreign technical interns since 2015; the twin goals of these internships are to promote cultural exchanges between young people in Southeast Asia and Japan, and to contribute to the development of automotive industries in Southeast Asia. An annual average of 380 interns have been accepted thus far from Indonesia to work at our Kyoto (Oyamazaki) Plant and Shiga (Ryuoh) Plant, where they are involved in automobile manufacturing and receive skill acquisition support. Based on the basic policies of the government's intern training systems, we provide our interns with the same salary and other benefits and leave as full-time employees in similar positions. We create a living environment appropriate to interns who believe in Islam, taking into consideration their religion, cultures, and customs. Initiatives include having prayer rooms, private showers, and specialized kitchens in dormitories for Muslim interns, as well as offering Halal food¹. After their internships, many go on to serve in Daihatsu Group companies in their home countries or as specialist technicians (auto technicians) at Daihatsu distributors in Japan.

In addition, we accept new graduates fairly and equitably regardless of their nationalities, and foreign employees are active in a variety of divisions.

1. Halal food refers to food and dishes that have been prepared in accordance with Muslim dietary requirements

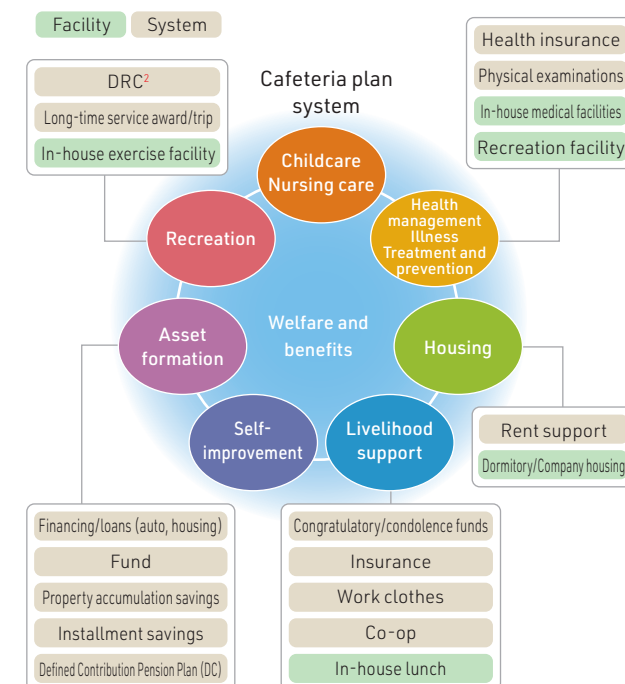


Technical training

Welfare and Benefits

In order to become a "company where employees are happy and the No. 1 place where people want to work," we strive to ensure that Daihatsu has the facilities and equipment needed for people to work with peace of mind, lifestyle support policies that all ages of employees are happy to have, and to expand the choices available based on individuals' diversifying preferences. We are also focused on improving employees' welfare and benefits literacy, making systems design and availability as easy-to-understand as possible so that they can make appropriate use of those systems.

Overview of Welfare and Benefits



2. DRC: Daihatsu Recreation Club

Fundamental Approach

At present, the automotive industry is faced with a difficult business environment for a number of reasons. These reasons include increased international competition on the back of the maturation of markets in developed countries, including Japan, and the expansion of markets in emerging countries; strengthened environmental regulations; and trans-national partnerships and reorganizations. Under these circumstances, Daihatsu has introduced personnel systems founded on the basic philosophy of equal opportunities and the merit system in order to create products and services that are unique to Daihatsu and become a company that is needed by society. We seek to develop human resources capable of thinking and acting for themselves based on a personnel system with equal opportunities that enable all people with talent and desire to undertake challenges at all times in a fair manner, and the merit system that rewards people based on their results, regardless of job category, academic history, or age. We also promote workplace creation activities to "create workplaces and culture in which employees can work safely and happily," one of the most important themes of our corporate policies.

Workplace Creation Activities

All operating officers and management are given psychological safety training and OC (sensitivity and communication) training. The aim is for all employees in management who take the course to gain knowledge and skills in coaching and one-on-one meetings* in order to create a psychologically safe workplace that forms the foundation to "create workplaces and culture in which employees can work safely and happily" and to implement specific activities.

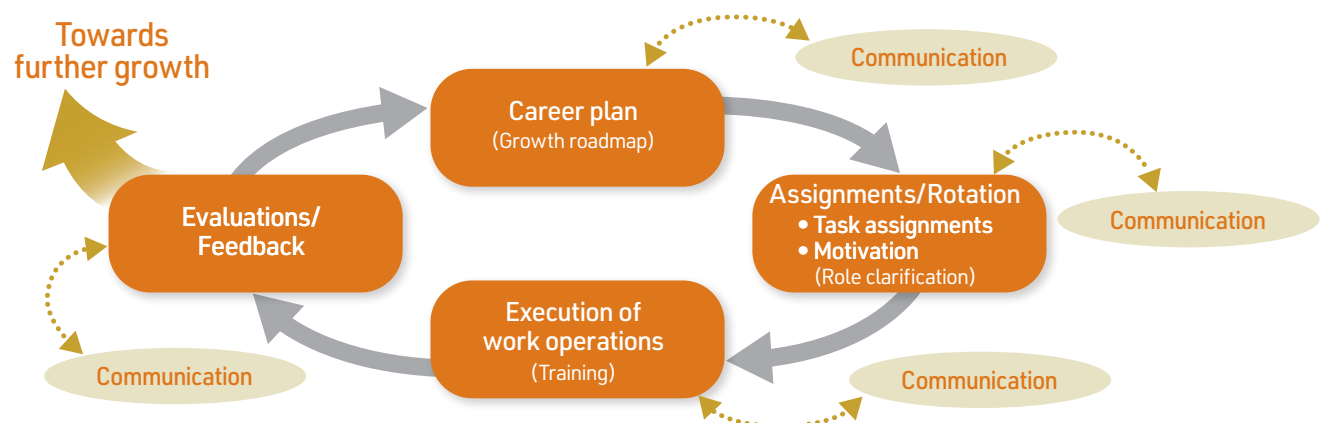
* Regular, short one-on-one dialogue that supports the growth of members

Employee Evaluation and Feedback

The roles and themes of the operations of Daihatsu employees are passed on to division/department policies from corporate policies and are set as individual goals based on these policies. Daihatsu aims to support each and every employee in continuing to challenge themselves and grow with peace of mind by building a personnel development cycle (formulating growth roadmap > clarifying roles > training through work > reflection) based on supervisor-subordinate communication.

More specifically, at the beginning of each fiscal year, supervisors set expected roles and other requirements after thorough discussions with subordinates in which they get on the same page and adjust. At the end of the fiscal year, subordinates work with supervisors to review how well they have fulfilled their expected roles, preparing for the next period by considering what steps they should take and where they should improve. Through this process of communication, Daihatsu promotes the growth of individuals.

Personnel Development Cycle that Promotes Growth through Communication



Education and Career Development

Promoting Company-wide Education

In order to secure the talent needed to support work operations in the future, Daihatsu in 2024 updated its guidelines for employees that contain the mission and five core values as the corporate philosophy that reinforces the Toyota Group Vision based on the recognition that the organization must have high engagement and be capable of utilizing its employees' range of approaches and experiences.

Aiming to be a people-focused company where employees are happy, Daihatsu will gradually and continuously work to revise its systems and improve its educational and training policies.

Goals and Steps Towards Implementation

[STEP 1] All management and other members are able to express themselves (Company culture that accepts individuality)

[STEP 2] Everyone has a role, responsibilities, and is able to perform to their full potential

Training

Daihatsu has established a training system for employees, from new to middle management to management, to acquire the specialized knowledge, problem-solving skills, and management skills that are required at each level of employment. Individual employees are supported in moving their careers forward through level-based training (ongoing training in which all employees learn universal values, mental attitudes, and basic skills on the road to becoming the type of employee they should aim to become), role-based training (Daihatsu management learn the frame of mind, knowledge, and skills needed to fulfill their roles), and optional training (individual employees learn the necessary skills at the necessary time to achieve their own career plans and succeed in problem-solving in their own work). There are also systems in place for external trainings in business skills, language skills, and other topics for self-development purposes.

Additionally, we have established selection-type curricula, including overseas trainee systems, to develop human resources capable of leading overseas businesses in the future.

Number of Participants and Hours in Level-based Training (FY2025 Results)

Target (level)	Number of Participants (persons)	Total Man-hours (days/person)	Training Content
New employees	135	20	Introductory training
New middle management level	223	3	Role recognition, encouragement of members Compliance, values/communication, problem-solving
New foreman level	173	3	Role recognition, development of human resources Manager training, compliance Values/communication
New section manager level	116	2	Role recognition, manager training Organizational management, compliance Values/communication
New deputy general manager level	40	1.2	Organizational management Values/communication

<Organizational Boundary> Daihatsu Motor

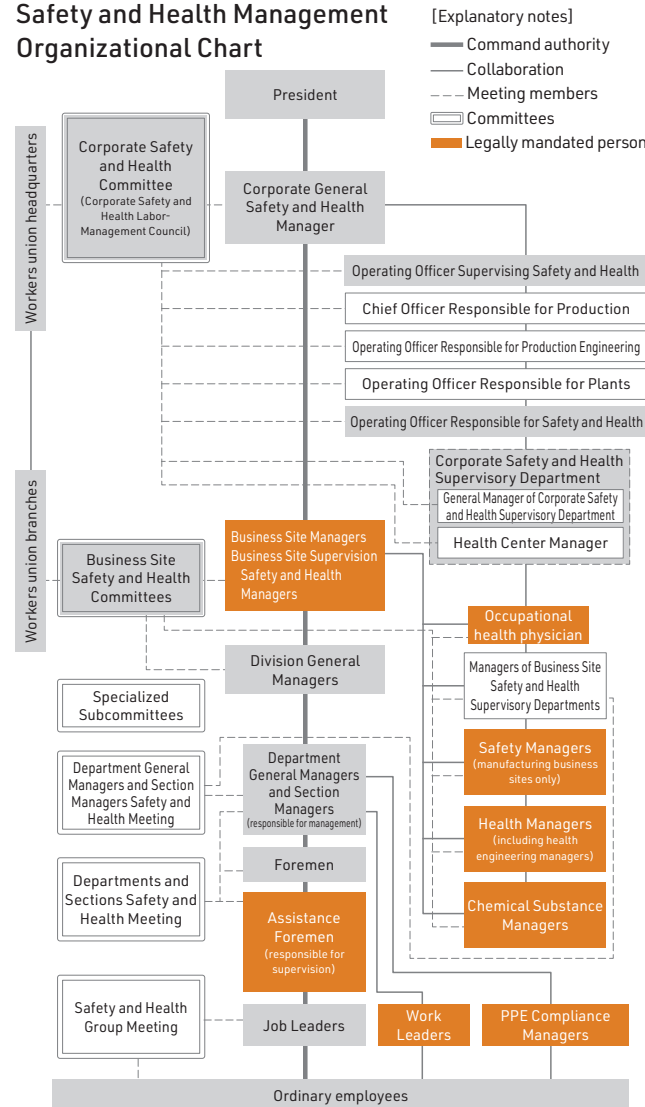
Fundamental Approach

Daihatsu believes that securing the safety and health of its employees is of the utmost importance among management issues, and this forms the foundation for its corporate activities. We seek to ensure that none of the three elements that comprise safety and health—namely, people, things, and management—is lacking; to this end, we promote “developing human resources with high safety consciousness and knowledge,” “safety measures for facilities and materials,” and “careful safety management,” with the goal of zero accidents at our work sites. We also believe that the physical and mental health of our employees is extremely important to enable them to work with energy and enthusiasm. Consequently, we carry out a range of support initiatives, including physical examinations, health guidance, health consultations, mental health care training, and return-to-work programs. Through such initiatives, we encourage all our employees to work on managing their own health.

Promotion Structure

To implement additional measures for ensuring employee safety and health, Daihatsu holds Corporate Safety and Health Labor-Management Council meetings with both labor and management participating twice annually. At these meetings, labor and management consult on how to address safety and health issues and make decisions on various measures.

Safety and Health Management Organizational Chart



Certified Health & Productivity Management Outstanding Organization

Daihatsu’s health and productivity management, which views employee health management from a managerial perspective and implements strategically, was highly evaluated, and Daihatsu was recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program* of the Ministry of Economy, Trade and Industry. We will continue our efforts to create environments where employees can work in good physical and mental health, which will lead to higher corporate value.



* A program that recognizes corporations including large enterprises and small and medium enterprises that practice particularly outstanding health and productivity management based on initiatives to address regional health issues and measures for promoting health advocated by the Nippon Kenko Kaigi.

We are committed to putting safety and health first as we strive to be a company where employees are happy and where people want to work.

Masahiro Inoue
Daihatsu Motor Co., Ltd.
President



Safety and Health Management

Organization for Safety and Health Management and Management Systems

Daihatsu has established an organization for safety and health management according to internal rules, and carries out proper safety management and administration by managers. With reference to the Ministry of Health, Labour and Welfare's "Guidelines on Occupational Safety and Health Management Systems," we have also established an occupational safety and health management system with the goal of continually improving the level of our safety and health management. Under this management system, we ensure compliance with laws and regulations as well as internal rules, and seek to improve work safety through regular internal audits and risk assessments of dangerous work.

Our risk assessments fall into two categories: assessments of new equipment and processes; and assessments of equipment and work methods for existing processes. In both these categories, we investigate danger and hazard and seek to reduce risks.

Safety and Health Education

Daihatsu has established and appropriately implements internal rules regarding the safety and health education of new employees, newly appointed managers and supervisors, and employees engaged in operations judged to be dangerous and hazardous. We also independently identify some work processes as Malfunction Correction Requiring Special Permission, even if they are not defined as high-risk operations under the Industrial Safety and Health Act. For such work processes, we have established a Designated Work System that only allows certified employees who have completed the relevant training to carry out such work.



Appropriately implementing training on safety and health

Securing the Safety of Employees at Partner Companies

Daihatsu not only works to prevent industrial accidents involving Daihatsu Group employees, it also seeks to prevent accidents involving the employees of partner companies. This includes workers constructing buildings or carrying out repairs on our grounds as well as workers conducting cleaning and maintenance on our equipment. We have drawn up special safety regulations for

construction work that takes place in our grounds, in which workers are particularly at risk of accidents liable to cause serious injuries, such as fires or falls from high places. In these cases, we demand that partner companies incorporate safety measures based on risk assessments from the planning stage of any construction work. In addition, we are working to prevent construction accidents and disasters through measures such as organizing a Safety and Health Partner Company through partner companies. This company shares information on safety activities and other efforts as well as organizes safety patrol teams in cooperation with our construction planning departments which undertake inspection patrols to ensure that work is not being performed in a dangerous manner.

Work Accidents and Illnesses

Daihatsu continuously strives to eliminate industrial accidents and illnesses. In 2024, there were nine industrial accidents, zero industrial fatal accidents, a 0.36 total accident rate¹, and a 0.08 lost time incident rate² at business sites in Japan. Meanwhile, there were six industrial accidents and zero industrial fatal accidents at overseas business sites.

$$1. \text{ Accident rate} = \frac{\text{Number of deaths and injuries due to industrial accidents}}{\text{Total number of hours worked}} \times 1 \text{ million}$$

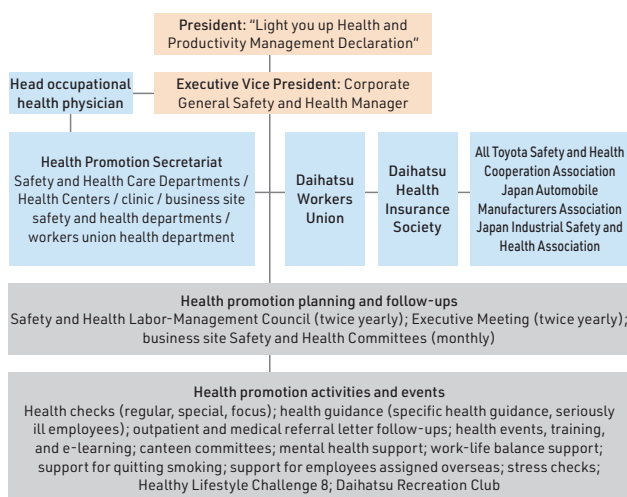
$$2. \text{ Lost time incident rate} = \frac{\text{Number of lost time accidents}}{\text{Total number of hours worked}} \times 1 \text{ million}$$

 **WEB:** Actual data for Health and Productivity Management Initiatives

Health

Health and Productivity Management Initiatives and Implementation Framework

Daihatsu promotes health and productivity management that encourages each of its employees to shine through the combined efforts of management and the workers union.



Health and Productivity Management Indices

To carry out health and productivity management, Daihatsu formulated a strategy map, set health and productivity management indices for physical examinations, health promotion, passive smoking countermeasures, dietary education, health education, work-life balance support, mental health measures, and infectious disease measures, and we take action to make improvements in these areas.

 **WEB:** Actual data for Health and Productivity Management Initiatives

Physical Examinations and Health Promotion

At Daihatsu, physical examinations and health guidance are performed internally, and we established a system for collaborating with outside medical facilities to promote early detection and treatment of health-related conditions. Regular health check-ups are conducted to cover the items specified under the Industrial Safety and Health Act in addition to thorough screenings for cancer and other diseases. We also conduct a program known as “Healthy Lifestyle Challenge 8,” which seeks to improve health-related habits, in an effort to raise the health awareness of employees. We conduct surveys twice annually on eight health-related habits, such as sleep, breakfast, and snacking, and implement the PDCA cycle to support voluntary health improvement by employees.

Measures for Mental Health

Industrial health personnel including occupational health physicians, psychologists, and occupational health nurses provide specialized support for the development of healthier work environments and the early detection and prevention of recurrence of mental health issues. Employees determined to be experiencing high levels of stress through annual stress checks undergo individual interviews with an occupational health physician, and feedback on the results of organizational analysis is provided to worksites. Daihatsu also plans and conducts mental health care training intended to enhance self-care and care provided by managers and supervisors. In addition, we created a mental health consultation desk so that employees can work with peace of mind and without bottling up their worries and we provide support for employees returning to work after taking leave to address mental health issues.

Examples of Health Initiatives

Daihatsu conducts various training to promote health and productivity management such as the health seminars held at each workplace. We take measures against passive smoking and have implemented measures since fiscal 2025 to ban smoking entirely from worksites with the aim of creating healthy work environments. In addition, at the employee cafeterias of each business site, food service providers, human resources divisions, and departments responsible for promoting safety and health work together to implement dietary education by providing healthy balanced menus that satisfy certification standards (compliant with the “Smart Meal” program promoted by the Ministry of Health, Labour and Welfare). We also participate in the FUN+WALK PROJECT, a public-private partnership program of the Japan Sports Agency, to improve the health of employees.

Infectious Disease Measures

Daihatsu established internal standards for preventing infection and the spread of infections and is taking measures while updating those standards. Occupational health physicians, nurses, and others collaborate with worksites to provide support with the aim of creating workplaces where all employees can work with peace of mind. In particular, we engage in the ongoing efforts to address COVID-19 by raising awareness on basic preventive measures such as handwashing and mask use, and we encourage avoiding the Three Cs (closed spaces, crowded places, close-contact settings) and ensuring effective ventilation through means including pop-ups, posters, and internal broadcasts. For employees who test positive for COVID-19, we collaborate with worksites, occupational health physicians, nurses, and others to provide support so that they focus on their recovery and then return to work.

Fundamental Approach

Looking around the world today, issues that need to be solved in order to achieve a sustainable society, including climate change and geopolitical risks, are becoming increasingly serious. Japan is also facing major issues including a declining birth rate, an aging population, and the decline of local economies in conjunction with decreasing populations.

Amidst these circumstances, Daihatsu's social contribution initiatives are intended to contribute to solutions to these social issues and to the sustainable development of local communities through dialogue and co-creation with stakeholders. At Daihatsu, each employee takes the initiative to engage in social contribution measures with the aim of Daihatsu being a brand with close ties to members of the community.



Contribution to Local Communities

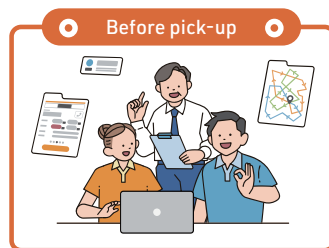
RAKUPITA SOUGEI Operation Management System for Social Welfare and Nursing Care Facilities

Daihatsu is committed to providing solutions that are tailored to the needs of customers and local communities. One of our activities is the RAKUPITA SOUGEI pick-up and drop-off nursing care operational support system for adult nursing care and welfare facilities. Pick-up and drop-off accounts for around 30% of a facility's operations and causes a psychological burden for around 60% of caregivers. RAKUPITA SOUGEI is a service that helps improve the productivity of nursing care facilities. The system achieves this by using a cloud system and smartphone app to change the traditional method of manual pick-up and drop-off operations and by solving problems that occur before pick-up, during transportation,

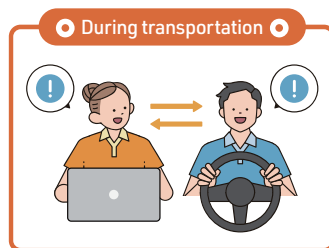
and after drop-off. This service is already in use at many facilities throughout Japan and helps to satisfy pick-up and drop-off planners, drivers, administrators, users, and their families.

The service has also been publicly recognized, receiving the MaaS & Innovative Business Model Award 2020¹ Grand Prix and the New Business Model Award at the ASPIC IoT/AI/Cloud Awards 2021².

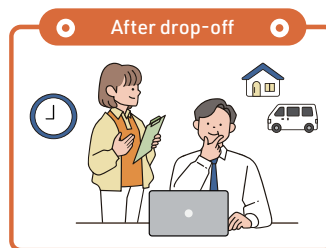
1. An award for innovative products, services, and businesses in the MaaS and other mobility technology fields; revolutionary initiatives and partnerships that have societal significance; and novel attempts to overturn existing transportation and lifestyles
2. An award presented by the ASP-SaaS-AI-IoT Cloud Industry Association (ASPIC) to recognize excellent and socially beneficial cloud services in Japan



More efficient planning and daily coordination



Smoother coordination with drivers through at-a-glance pick-up and drop-off status checking



Improved operations through pick-up and drop-off visualization

Voice from Customers Using RAKUPITA SOUGEI

Lowering the burden on nursing staff and standardizing their work, creating more time for them to spend on care

It is very time-consuming to create pick-up and drop-off plans. Moreover, with regular job rotations and other factors, there was a tendency for the work to be overly dependent on specific workers. With the introduction of RAKUPITA SOUGEI, it has become easy to look up user addresses on the computer map and plan out optimal routes. Now anyone can quickly create plans, making the work standardized and more efficient. There are also fewer losses due to lack of communication as drop-off and pick-up data is regularly updated and shared with drivers instantly.

During pick up and drop off, it is possible to use the smartphone app to look up and confirm information, dramatically reducing worries about personal data leaks stemming from documents being physically removed from storage. Cutting down on the workload burden of pick-ups and drop-offs generated leeway and time that has been allocated to better serving nursing facility users, inevitably producing a better nursing environment. As users receive more thorough and attentive care, it benefits the reputation of the nursing services in the community and contributes positively to the workplace environment, benefiting hiring and worker retention.



Kota Doi
YAMAUCHI Co., Ltd.
Joy Rehabilitation
Plus Daishimae (at
time of interview)
Manager

Contribution to Local Communities

Goissho Shared Pick-up and Drop-off Service for Social Welfare and Nursing Care Facilities

Daihatsu has focused on reducing the burden of pick-up and drop-off operations at nursing care facilities through RAKUPITA SOUGEI, a pick-up and drop-off nursing care operational support system that has been offered since 2018. We have examined business models in which pick-up and drop-off operations conducted at each adult daycare site are shared by entire communities as a solution to the shortage of nursing care personnel, which is becoming more serious due to increased demand caused by an aging population. As a result, we developed a system that enables the creation of pick-up and drop-off plans across multiple facilities as well as complex information integration and operation management. This system, the Goissho shared pick-up and drop-off service for social welfare and nursing care facilities, was

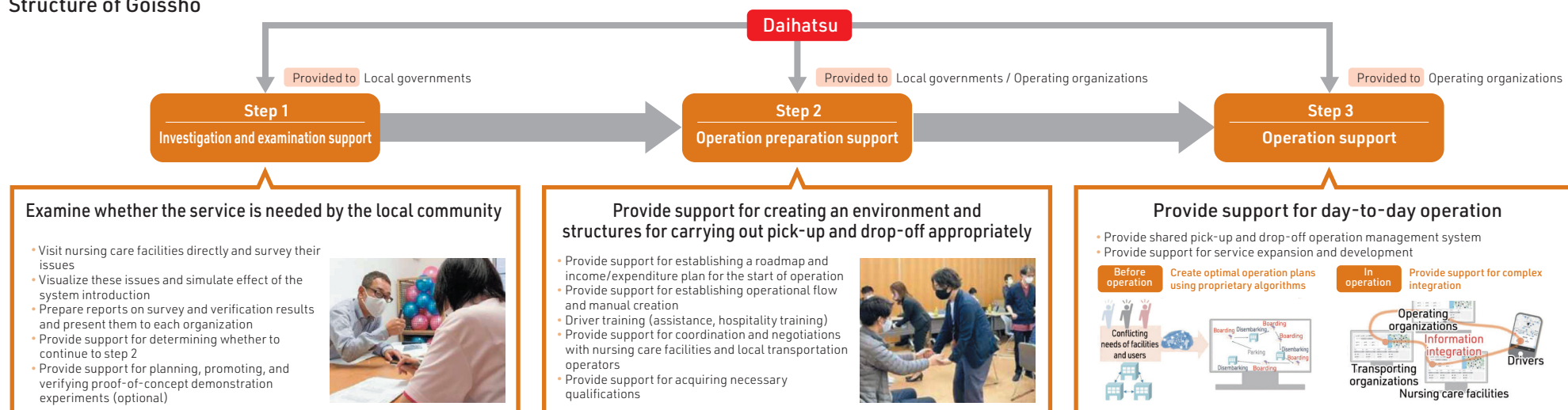
launched in 2022. Since most pick-up and drop-off operations at adult daycare facilities are in the morning and evening, this service allows free time and vehicles to be used for daily mobility services such as shopping and hospital visits. Goissho has already been implemented in Mitoyo City, Kagawa Prefecture and Yasu City, Shiga Prefecture, and there are demonstration experiments underway in multiple other areas. The service has received high marks across the board, having received a Best Four pick at the Japanese government's FY2023 Digi-den Koshien¹ event, a Good Focus Award (Design of Community Development) at the GOOD DESIGN AWARD 2023², and it received a gold medal at the KANSAI DX AWARD 2024³.

Through Goissho, we will continue to work toward solving the shortage of nursing care personnel and mobility issues in local communities.



1. Established to strongly promote Japan's "Digital Garden City Nation" Concept all over the country and generate momentum toward achieving its implementation, the Digi-den Koshien event invites the submission of initiatives from a wide range of private companies and organizations, awarding the best initiatives with the Prime Minister's Award.
2. Initiative focused on improving life and society through good design. Defining design as something created by people to fulfill some ideal or purpose, this award commends and recognizes designs of all types found throughout our lives, including products, architecture, software, systems, and services.
3. Award given to companies in the Kansai region which have taken the initiative in tackling DX.

Structure of Goissho



Contribution to Local Communities

Creating a Regional Circular and Ecological Sphere in Ryuoh Town, Shiga Prefecture Through Collaboration Among Crop Farmers, Livestock Farmers, and Industry¹

Under its Environmental Action Plan 2030, Daihatsu is taking action with consideration for local production and consumption, and for contribution to local communities with the aim of decarbonizing the energy used at its plants. We are participating in the new collaboration among crop farmers, livestock farmers, and industry promoted by Ryuoh Town², where the Shiga (Ryuoh) Plant is located. Our contribution is to work on methane fermentation technology development using dung from Omi cattle in an effort to create a regional circular and

ecological sphere. Generating energy (biogas) from the dung produced when raising Omi cattle, which is an important local industry, and using it for plant operations will support decarbonization. The residue can be returned to farmland as organic fertilizer, thereby creating a regional circular and ecological sphere.

The purpose of biogas is to use it as a carbon neutral fuel in aluminum melting furnaces and power generators.

Evidential experiments have begun with rice, wheat, and cabbage crops, using compost and liquid fertilizer made from fermentation residues with the aim of eventually using it with many of Ryuoh's agricultural products. Experiments conducted since 2023 have shown that these composts and liquid fertilizers are just as effective as traditional composts, and future evidential

experiments will further expand cultivated land area and methods applied.

In addition, securing power generating functions will contribute to power system resilience for local communities (the ability to withstand disasters). Through these efforts aimed at developing a recycling-oriented, ecosystem-based local community, we will continue our efforts to create a sustainable local community.

1. Collaborative initiative among crop farmers, livestock farmers, and industry that aims to achieve sustainable development through the utilization of local organic resources.
2. Collaboration between the cultivation and livestock sides such as by livestock farmers supplying compost to crop farmers that grow rice and vegetables and crop farmers producing feed crops through crop rotation and so on and supplying it to livestock farmers for their livestock.



Biogas evidential plant



Biogas power generator

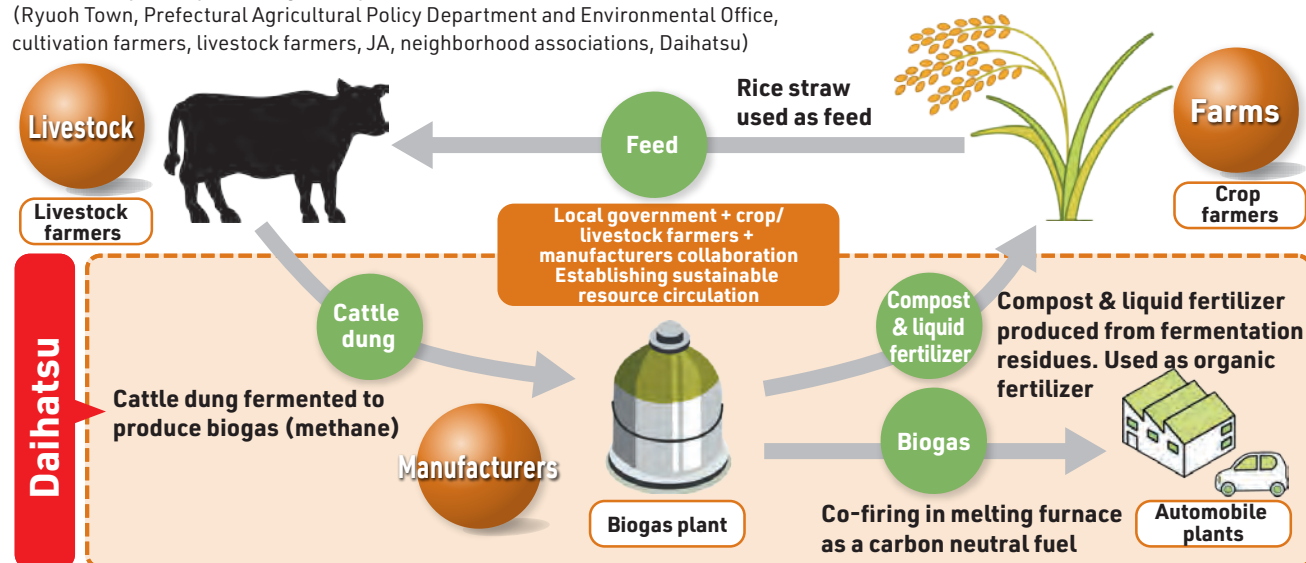


Liquid fertilizer application

Outline of the Biogas Project (Local Resource Circulation): Intra-regional Resource Circulation

Promoted by the Ryuoh Biogas Project Committee

(Ryuoh Town, Prefectural Agricultural Policy Department and Environmental Office, cultivation farmers, livestock farmers, JA, neighborhood associations, Daihatsu)



Contribution to Local Communities

Reconstruction Assistance for Disaster-affected Areas

Collaborating with the Toyota Group, Daihatsu provides reconstruction assistance to disaster-affected areas as a way to connect more closely with local communities. We began providing company-wide training for disaster volunteer coordinators in November 2024 to prepare for unpredictable disasters that could happen at any time and to quickly and continuously support disaster-affected areas. We will bolster both our “hard” support, like vehicles, and “soft” support as we work to improve our in-house structure to effectively support disaster-affected populations in getting back to their former lives as soon as possible.

<July 2023: Heavy rains in northern Kyushu>

Material support: Loaned vehicles

Personnel support: Dispatched disaster volunteer coordinators

Other: Disaster relief donation funds

<January 2024: Noto Peninsula Earthquake Disaster>

Material support:

Loaned and donated vehicles, provided day-to-day necessities (e.g. drinking water, blankets, emergency toilets, waterproof blue tarps)

Personnel support:

Dispatched disaster volunteer coordinators, provided local community recovery aid (support with investigating disaster-affected homes in cooperation with local municipal governments)

Other: Disaster relief donation funds, employee fundraising



Vehicle loaned for disaster relief



Support for Disaster Volunteer Center operations (Dispatched disaster volunteer coordinators)



Support with investigating disaster-affected homes for the purpose of issuing disaster victim certificates



In-house training courses for disaster volunteer coordinators

Contribution to Local Communities

Providing Disaster Shelter

The Daihatsu Group Kyushu Development Center provides a facility that can be used as a shelter in the event of a disaster. Public aid, self-aid, and mutual aid are considered important in times of disaster, and Daihatsu aims to fulfill its duty of mutual aid in regional disaster prevention. Typhoon Nanmadol caused extensive damage to Kurume City, Fukuoka Prefecture in September 2022*. During this time, the center provided a facility to be used as a shelter for the local school district, and it was used by 76 neighborhood residents. The facility environment ensured space and privacy for each person as well as air conditioning, and also provided support to those who were anxious in an unfamiliar place.

* Number of times the facility was provided: Six in total



Tents for evacuees to ensure privacy

Donations of Discarded Small Appliances

Since May 2024, Daihatsu Kyushu Co., Ltd. has been donating small appliances discarded by business sites to nearby social welfare facilities, where they are stripped for rare metals for reuse. In addition to contributing to resource recycling, this initiative also helps support the employment of disabled individuals working at social welfare facilities.

Donated appliances have totaled 1,075 kg through January 2025, including computers, monitors, printers, and other electronic devices, as well as telephones, clocks, and chargers.



Group Blood Drives

Daihatsu has continuously participated in blood donation activities conducted by the Japanese Red Cross Society at each of its business sites over the past 40 years. A total of 24,066 donations were collected from 1980 to November 2024 in the Ikeda area. The area received a letter of appreciation from the Japanese Red Cross Society in 2022 in recognition of contributions from the group blood donation.



Letter of appreciation from the Japanese Red Cross Society

Dementia Supporter Training Seminar

At Daihatsu, under our mission of “staying close to our customers and enriching their lives,” we have established “dementia supporter training seminars” to cultivate personnel who are capable of tackling local community issues.

This is a face-to-face program, including group work, that aims to give participants a deeper, more accurate understanding of dementia. Participants who take the course will become “supporters” who will rid themselves of prejudice and look with warm understanding on people with dementia and their families, and they are expected to be able to provide support to those they encounter in their own lives. For example, one of the jobs of a dementia supporter is to show deeper understanding in the event that something happens in their own community in the course of daily life, or to provide a helping hand if someone needs it. The course is primarily intended for employees, and to date 22% of all company employees have taken it. Through this initiative, Daihatsu aims to create barrier-free communities and towns for all kinds of people, and to expand the circle of mutual help.

Contribution to Local Communities

Facility Tours

Daihatsu introduces its car creating approach and initiatives to many local residents and other stakeholders through facility tours. Humobility World¹ is a museum for Daihatsu's historical materials that is located within the Head (Ikeda) Plant. It is a facility where you can enjoy learning, experience, and discover, and features hands-on exhibitions with the theme of "Thinking about Life, Thinking about Mini-vehicles." The facility is open to fifth-grade elementary school students on social studies field trips as part of their classes, and also opens to the public on Saturdays. We also conduct social studies tours at our main plants, allowing visitors to observe automobile assembly and inspection line operations. Through these efforts, the public is gaining a broad understanding of the social significance of the automobile industry as well as a deeper understanding of Daihatsu.

¹. Humobility: A term combining "human" and "mobility"



Humobility World

Humobility World is a museum of Daihatsu's historical materials. Since it opened, it has been introducing the nostalgic vehicles of Daihatsu, a company that has continued creating cars that stay close to people's daily lives, together with scenes of daily life from each decade. It also features hands-on exhibits where visitors can learn about matters such as the basic principles of automobiles, technologies for safety and security, and environmentally friendly technologies in a manner that is easy to understand. (Tours for the public are held every Saturday.)

Tours Offered (Humobility World)

FY	Elementary School Students	General Public	Business	Total
2021	923	2,087	419	3,429 ²
2022	1,835	1,189	436	3,460 ²
2023	4,615	5,452	837	10,904 ²
2024	5,143	6,427	896	12,466
2025	3,234	8,907	1,882	14,023
Total				44,282

². Tours were halted during the COVID-19 pandemic to help stop spread of the disease.



Plant Tours

Tours are offered at the COPEN Factory within the Head (Ikeda) Plant, the Kyoto (Oyamazaki) Plant, and the Shiga (Ryuoh) Plant. Fifth-grade elementary school students are invited to take social studies field trips as part of their classes at the Kyoto (Oyamazaki) Plant, which was upgraded in October 2022.

In addition, Daihatsu Motor Kyushu Co., Ltd., a Group company, also offers social studies plant tours at its Oita (Nakatsu) Plant and Kurume Plant.

Tours Offered (Head (Ikeda) Plant, Kyoto (Oyamazaki) Plant, Shiga (Ryuoh) Plant)

FY	Elementary School Students	General Public	Business	Total
2021	0	0	0	0 ³
2022	0	0	245	245 ³
2023	0	0	361	361 ³
2024	8,684	948	613	10,245
2025	5,813	550	2,628	8,991
Total				19,842

³. Tours were halted during the COVID-19 pandemic to help stop spread of the disease.

Contribution to Local Communities

Promoting Sports Daihatsu Track and Field Team

The Daihatsu Track and Field Team was founded in 1988. It aims to inspire and encourage people through the accessible sport of track and field and to contribute to the spread and promotion of sports. The team has produced a number of prominent athletes, including marathon runners selected as representatives at the Olympic Games and the World Athletics Championships. It has achieved excellent results at major competitions in Japan and overseas.

In addition, based on the desire to make the joy of sports accessible to everyone, we set up track and field classes at schools such as elementary schools in Ikeda City, where the Daihatsu head offices are located, and neighboring Kawanishi City, and team members and staff participate and conduct classes as well. The team conveys both the joy of running and Daihatsu's corporate stance of staying close to customers to children and many other people.



Track and field classes to communicate the joy and importance of sports



Daihatsu Track and Field Team's advisor gives a lecture based on her own experience

Supporting and Nurturing Children Daihatsu's MONODUKURI Experience Classes

Daihatsu employees have visited elementary schools near business sites to hold classes for fifth-grade students on the importance and joy of MONODUKURI since 2015. The classes are hands-on experiences where students can see, touch, and use actual parts and tools in order to experience the principles of the manufacturing process that are difficult to convey using textbooks. We have held classes at over 250 elementary schools per year, with the participation of a cumulative annual total of over 20,000 students.

In addition to elementary schools, we also host hands-on classes for children in local communities around our business sites.



Hands-on activity using a mold and machining steel plates using a press



Experiencing tightening nuts on a tire using power tools

Initiatives at Overseas Business Sites

Contributing to Society in Indonesia

Carbon Neutral Forest Conservation

ADM recognizes the impact of its operation on the planet and is committed to sustainable practices that ensure a greener future for generations to come. As part of the "Green with Daihatsu" program alongside the turtle conservation activity "Penyu Untuk Indonesia," ADM's vision is to further reduce its environmental footprint and increase biodiversity in line with sustainable development goals and initiatives. In 2023, the company committed itself to forest conservation in collaboration with West Java Environmental Agency, adopting the Taman Kehati forest in Kiarapayung, West Java.

Through the Green with Daihatsu initiative, ADM has conducted activities such as tree planting to help counteract deforestation, promotion of sustainable forestry, and carbon deposit research. They also collaborate with universities and local small-medium enterprises (SME) to further promote the importance of biodiversity and sustainability.



Tree planting and biodiversity workshop conducted in collaboration with Parahyangan University and West Java Gov. Environmental Agency at Taman Kehati forest conservation



Nutritious Meal Cooking Competition

In celebration of Mother's Day, ADM hosted an exciting competition featuring nutritious food across three ADM-supported villages. As a final gift, ADM donated televisions, refrigerators, and laptops to the participants.

This event was not just a showcase of culinary talent but also about raising awareness of the importance of nutrition in everyday meals. Held at the Kampung Berseri Astra (KBA) Guyub Rukun local health center at Sukaluyu Village, Karawang, West Java, the competition brought together local mothers, local health services, and nutritionists, all eager to highlight how traditional recipes could be made healthier without compromising taste. Beyond the friendly rivalry, the event sparked important conversations about the use of local and sustainable ingredients, affordability, accessibility, taste, presentation, and of course nutritional value.



Cooking competition in celebration of Mother's Day in Sukaluyu Village, West Java

Donation of Facilities to the Surrounding Community

Community welfare is essential not only to society, but to the growth of ADM itself. One of the most impactful ways businesses can contribute to community development is by donating essential facilities that improve quality of life for local residents.

In October 2024, as part of ADM's initiatives, the company provided various equipment to support community welfare, including:

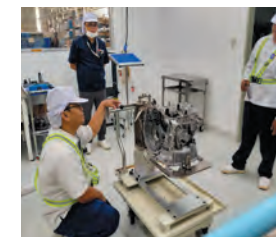
- Operational cars for community needs
- 5 laptops for educational purposes
- 52 tablets for educational purposes



Donation ceremony to Astra Foundations at AMDI Building, Sunter

Providing CVT Classes at Technical High Schools

Daihatsu Drivetrain Manufacturing Indonesia (DDMI) provides classes on CVT (Continuously Variable Transmission) structure and function at local technical high schools in the interest of rejuvenating local communities and training young engineers of the future. Schools tell us that "the curriculum covers even fundamental topics in the stage prior to manufacturing, which is extremely important. It also helps to improve the teaching skills of teachers." This initiative was so highly-evaluated that DDMI was invited to the Indonesian government's working group on Improving Technical High School Class Curriculums for discussion and opinion exchange.



Initiatives at Overseas Business Sites

Contributing to Society in Malaysia

Mangrove Tree-Planting Program

Perodua embarked on a sustainability journey by organizing a Mangrove Tree Planting Programme to contribute towards carbon neutrality while at the same time preserving the environment. The Perodua Mangrove Tree Planting Programme began in 2023, and the Malaysian compact car company has planted 10,000 tree saplings throughout the country including at Kuala Selangor Nature Park in Selangor, Sungai Cherating (Pahang), Pantai Remis (Perak) and Pantai Cermin in Negeri Sembilan. Perodua chose mangrove trees because they both help absorb carbon dioxide better from the atmosphere and prevent soil erosion at local beaches.

This Mangrove Tree Planting Programme is carried out by both Perodua management and volunteers as the company aims to educate its people on the importance of environmental conservation.



Participants planting trees

Strengthening Community Ties Through Cleaning and Tree-Planting Initiatives

On November 16, 2024, Daihatsu Perodua Engine Manufacturing Sdn.Bhd. (DPEM) launched a new collaboration with the Seremban City Council through the Parks and Landscaping Department and the Forestry Department of Negeri Sembilan to successfully carry out this Corporate Social Responsibility (CSR) program. The objective of the "Gotong Royong Sambil Tanam Pokok (Collaborative Cleaning and Tree Planting)" program is to foster a spirit of love for the greenery of the earth among the local residents of Sendayan, in particular.

The slogan "Mari Hijaukan Sendayan Kita (Let's Green Our Sendayan)" was chosen due to our aspiration to unite the DPEM members, MBS, and the Sendayan community through increased understanding and strengthened unity.

The program began with a gotong-royong activity, where participants collectively picked up litter around the Sendayan Green Park area. This activity indirectly helped strengthen the relationship and bond between the Seremban City Council, the Forestry Department of Negeri Sembilan, DPEM, and the local residents. In addition to the gotong-royong activity for this CSR program, DPEM has responded to the Malaysian Government's call to support the 100 Million Trees Planting Campaign nationwide program under the 12th Malaysia Plan (RMK 12). This plan was announced by the former Prime Minister of Malaysia, Datuk Seri Ismail Sabri Yaakob, and ran from 2021 until 2025.

DPEM also would like to express our heartfelt thanks to the Forestry Department of Negeri Sembilan for the donation of 106 trees of various species, including Tanjung flowers, Merawan Sipu Jantan, Merawan Kancing, and others. This close collaboration symbolizes the spirit of

togetherness in our efforts to preserve the environment and promote sustainability, ultimately making Sendayan a city that embodies sustainable development and environmental stewardship.



Faizal EO (Former; right) receiving a certificate from the State Secretary of Negeri Sembilan



DPEM staff and families joined the tree planting activity

Corporate Governance

Daihatsu is actively conducting its business activities to realize its mission of “Staying close to our customers and enriching their lives.” We have also established a system that enables transparent, fair, timely, and appropriate decision-making regarding the promotion of our business.

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103 Risk Management

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Section

6



Fundamental Approach

Daihatsu is actively conducting its business activities to realize its mission of “Staying close to our customers and enriching their lives.” We have also established a system that enables transparent, fair, timely, and appropriate decision-making regarding the promotion of our business.

Operational Execution and Supervision

Internal Controls

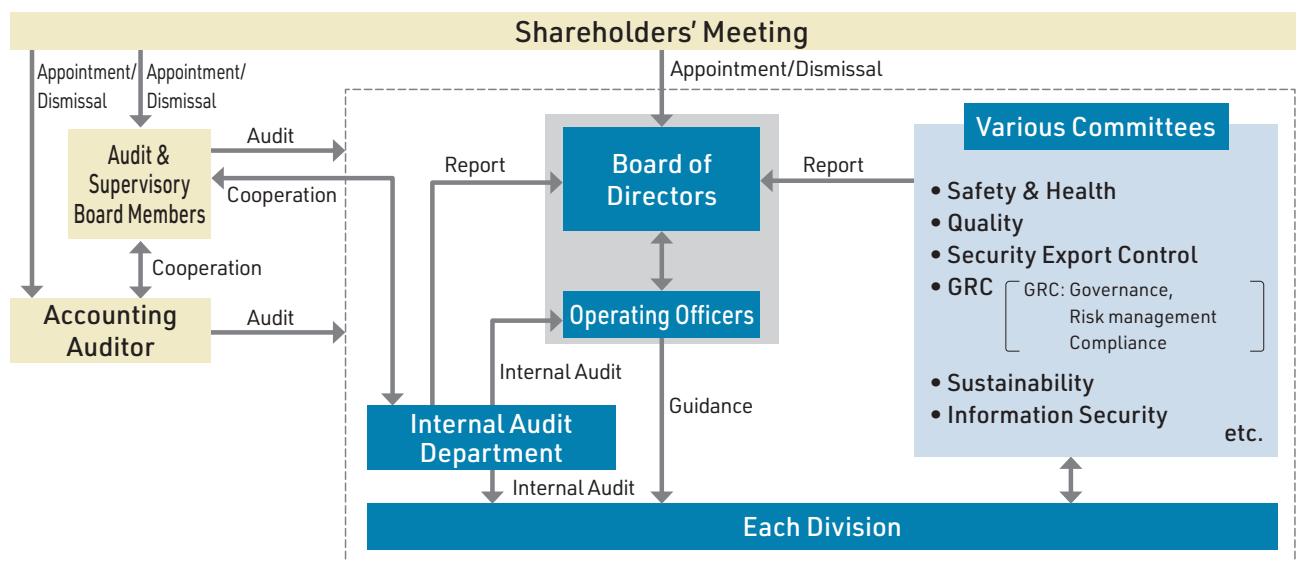
Based on “the Daihatsu Basic Policies on Establishing Internal Controls”, we have established a system to ensure the appropriateness of business operations as a business group and are operating this system appropriately. Within this system, we have established the GRC Committee, which is chaired by a director appointed by the president. The GRC Committee aims to establish an internal control system for the business group, ensure strict compliance with laws and regulations, risk management, and the reliability of financial reporting, and improve corporate value.

 [Web](#): The Daihatsu Basic Policies on Establishing Internal Controls

Board of Directors / Structure

Daihatsu’s Board of Directors is chaired by the president and consists of seven members in total, including the executive vice president, non-resident directors, full-time Audit & Supervisory Board members, and non-resident Audit & Supervisory Board members. The Board of Directors meets once a month in principle to make decisions on corporate management and to reflect advice received from a third-party perspective, including the non-resident director and non-resident Audit & Supervisory Board members, in management.

Corporate Governance System



Conflicts of Interest

When Daihatsu conducts a transaction with an operating officer, it complies with the procedures stipulated in the Companies Act and also approves and reports the transaction at Board of Directors meetings in accordance with the Board of Directors and other rules. Transactions with the parent company are determined through negotiations with due consideration of market prices and other factors, in the same ways as general transaction terms. In addition, highly important transactions shall be approved at Board of Directors meetings in accordance with the Board of Directors and other rules.

Fundamental Approach

Daihatsu's PDCA cycle involves prioritizing risks to the entire organization based on their importance to corporate management (likelihood of occurrence, degree of impact, status of measures) and taking measures against them. We aim to establish and keep improving activities that continuously implement this cycle.

Risk Management Process

Regular Risk Management Process

Daihatsu identifies risks in each division, analyzes them across the company, and prioritizes them. We then identify risks that should be managed as a priority and consider and promote measures against them. In addition, the GRC Committee periodically follows up on and monitors the progress of the identified risks.



Emergency Risk Management System

In the event of a major management crisis or emergency situation such as a disaster, Daihatsu establishes an emergency response task force to take appropriate measures to deal with the situation.



Business Continuity Management

Daihatsu has formulated business continuity plans (BCPs) to minimize the impact of risks in corporate management and ensure early recovery and business continuity. In doing so, we are working to avoid and reduce risks.

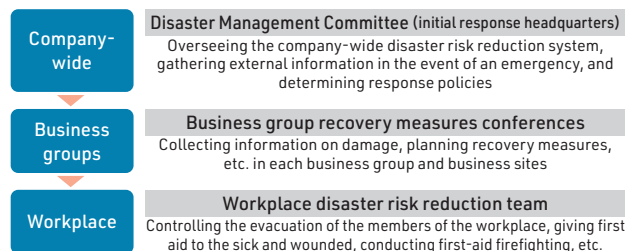
In particular, as part of our initial response in the event of a disaster, we have established a company-wide Disaster Management Committee that involves all divisions within the company. We also register information on the safety of employees from the website, telephone, mobile app, and other sources into the system. In doing so, we have created a safety confirmation system that allows the company and workplace supervisors to quickly confirm the safety of employees. We have also created a disaster prevention manual that outlines the standards for employee behavior in the event of a major disaster, as well as initial response and recovery procedures. By clarifying the process from the occurrence of a disaster to recovery and working to instill these procedures through training, we are working to build a corporate structure that is resilient to disasters.

Business Continuity Management

Disaster Management System

To properly manage crises during emergencies such as disasters, Daihatsu established an initial response system with roles specified on three levels: the company-wide level, the business group level, and the workplace level. In addition, we are working to improve the accuracy and effectiveness of initial responses by conducting company-wide initial response training and safety confirmation training using the safety confirmation system in collaboration with Group companies.

Promotion structure



Initiatives to Mitigate the Impact of Disasters on Buildings and Equipment

Daihatsu works to mitigate the impact of disasters on buildings and equipment in order to reduce any human injury and property damage in the event of a disaster and resume production immediately after shifting to the business restoration phase. Our new buildings sufficiently meet the latest earthquake-resistance standards. Furthermore, each of our buildings built according to former earthquake-resistance standards has received earthquake-resistance testing and been retrofitted as

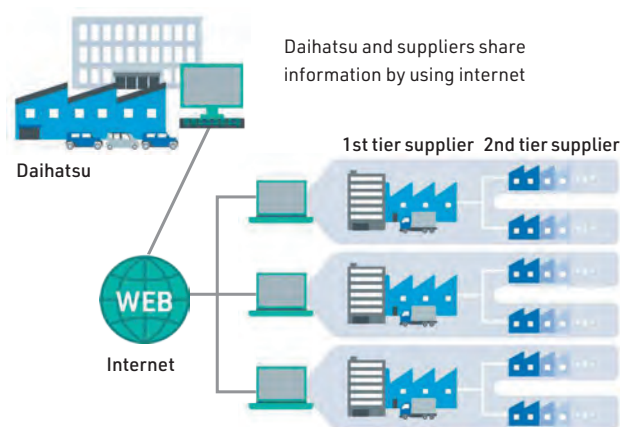
needed. With respect to production equipment, we identify hazards, such as collapse, fire, and power loss in the event of a disaster, as well as risks that may affect manufacturing quality and incorporate reasonable countermeasures into equipment specifications and operational methods.

Building a Disaster-resilient Supply Chain

To implement recovery support at an early stage and accelerate support in the event of a disaster, Daihatsu is working with its suppliers to develop a supply chain that is highly resilient against disasters. By establishing the SCRK* system during normal times, we are making supply chain information visible and preparing for a disaster. Specifically, we created a database based on information provided by suppliers and use this database to identify damage in a disaster and confirm whether support is needed.

* SCRK: Supply Chain Resiliency Keeper

Image of SCRK system operation



Information Management

Information Security

Based on the recognition that information security is an important foundation for business continuity, we thoroughly disseminate the management rules for confidential information, products, and facilities. In order to ensure the rules, we provide information security education to employees, including training at the time they join the company. In addition, we have established an information security enhancement month to share the latest information in order to raise employee awareness of information security and prevent leaks of confidential information.

Protection of Personal Information

We have established a privacy policy and its management method in order to protect important personal information received from stakeholders. The privacy policy is regularly updated in response to amendments to the Act on the Protection of Personal Information. As part of our personal information protection activities, we conduct audits, select appropriate third parties, and sign memorandums of understanding on personal information protection.

Initiatives to Respect for Privacy

In order to proceed and respond to privacy protection that is close to our customers, Daihatsu has built a company-wide governance system and shares issues in the Information Security Committee. We are working to ensure safety and protect privacy in a way unique to Daihatsu by utilizing diverse information.

 Web: Privacy Policy

Fundamental Approach

A Corporate Group Trusted by Stakeholders

Daihatsu promotes compliance activities with the aim of becoming a corporate group that is trusted by customers and society as a whole. The GRC Committee deliberates, formulates, and implements compliance activity plans on an annual basis. We also request Daihatsu Group companies to use a self check sheet to check their compliance status and report to Daihatsu. Basically it is up to each company to take the initiative in compliance, we are working to raise awareness of compliance of the Group as a whole by supporting Group companies to make improvements based on their circumstances and needs.

Note that no major legal or regulatory violations occurred in fiscal 2025.

Compliance Promotion Structure

The GRC Committee is responsible for promoting company-wide activities. In order to study specialized issues in each legal field, the committee has formed committees such as the Security Trade Control Committee and Corporate Safety and Health Committee (the Corporate Safety and Health Labor-Management Council), and each meeting is held regularly by each functional department. The Affiliated Companies Compliance Meeting is one of the means by which Daihatsu Group companies share information on legal trends and other companies' actual cases of compliance violation as well as exchange opinions with internal control managers at Daihatsu Group companies for mutual improvement.

Compliance Activities

Daihatsu designates priority areas in which each Daihatsu Group company must comply with relevant laws and regulations. Each functional department responsible for an area takes the lead in engaging in activities to prevent compliance problems across Group companies.

Anti-corruption Initiatives

As an anti-corruption measure, Daihatsu has specified in its work rules that employees must not abuse their occupational authorities and clarified the penalties for violators to ensure that all employees engage in anti-corruption activities. Business partners are requested to engage in anti-corruption activities under the Supplier CSR Guidelines.

Anti-bribery Initiatives

Daihatsu has established the Anti-corruption Guidelines and deployed them throughout the company and to Daihatsu Group companies in Japan and overseas. The Guidelines have also been posted on the company intranet to ensure employee awareness.

The Guidelines prohibit bribery of both public and non-public officials as well as provide for cooperation in investigations by relevant authorities. The Guidelines also conform to the Toyota Global Anti-Bribery and Anti-Corruption Policy.

As a result of these initiatives, no cases involving fines or dismissal due to bribery occurred in fiscal 2025.

Whistle-blowing System and Harassment Consultation Desk

Whistle-blowing System

Building the Whistle-blowing System

Daihatsu operates the Employees' Voice Helpline as the whistle-blowing system to allow anyone working in the company to make use of it. By maintaining and enhancing compliance awareness, we discover risks of impropriety early on and prevent them from manifesting, with the aim of mitigating the risks faced by the company and contributing to creating a better company and better workplaces. In addition, the following improvements are being made to lower the barriers to whistle-blowing in 2024 and beyond.

We have introduced whistle-blowing systems at subsidiaries in Japan, as well as the Daihatsu Group Helpline (primarily for production subsidiaries) which enables their employees to report directly to our Employees' Voice Helpline, and the Daihatsu Sales

Company Helpline (primarily for sales companies), with lawyers as the points of contact. The All-Toyota Speak Up Line has also been introduced at all subsidiaries to give whistle-blowers multiple options. For suppliers that do business with Daihatsu, we have established the Daihatsu Supplier Helpline, and we draw on law offices for support with receiving whistle-blower reports as we work to build an environment in which whistle-blowers are comfortable reaching out.

For overseas subsidiaries, we have introduced the Toyota Group Global Speak Up Line in our efforts to collect feedback from Japan in response to feedback from overseas.

Thanks to these efforts and better compliance awareness among employees, the total number of whistle-blower reports in 2024 reached 400, roughly triple the total in 2022.

We will continue the whistle-blowing system in the future to foster a corporate culture that values a higher sense of ethics and thorough compliance.

Compliance Education

Daihatsu is working to provide comprehensive training for all operating officers and employees.

We also incorporate a variety of methods, such as training when joining the company and after getting promoted, and e-learning for the whole company. As part of our awareness-spreading activities, we have implemented a Daily Compliance Quiz that is displayed when PCs are started up each day. Furthermore, we have added training using materials shared with Toyota.

The fiscal 2025 training for personnel receiving promotions was taken by 240 people.

(Overview of Initiatives)

Raising awareness of the whistle-blowing system:

We regularly report on the status of whistle-blowing activity to all employees (e.g. the number of whistle-blower reports, overview and breakdown of types, examples of good improvements made due to whistle-blowing). We also bolstered awareness-raising efforts to ensure that employees feel more comfortable with the whistle-blowing system, such as distributing cards to employees that contain the whistle-blowing system contact information.

Achieving a fair incident investigation system:

Although incident investigations were previously left up to the departments at which the incidents occurred, such investigations are now led by the Audit Division in order to ensure objectivity and improve trust in the whistle-blowing system. To that end, we have secured the necessary resources and set up a system that can properly respond to whistle-blower reports.

Ensuring confidentiality and protection against unfair treatment:

We have restructured our regulations to be consistent with the Whistleblower Protection Act. In company-wide regulations, we clearly mandate the protection of whistle-blowers (keeping their identity confidential, etc.), thorough management of information, avoidance of conflicts of interest within the investigation process, and disclosure of results to employees to ensure transparency and prevent unfair treatment against whistle-blowers.

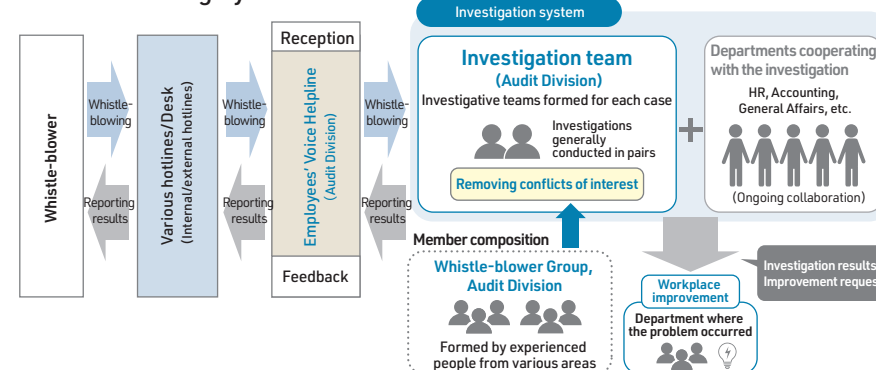
Accepting anonymous whistle-blower reports:

Previously, we did not provide feedback to anonymous reports. With these systemic reforms, however, we now do provide such feedback, assuming there is some means of communication with the anonymous party.

Utilization of external whistle-blowing system:

In order to create an environment in which it is easier for whistle-blowers to make reports due to having more choices, we have added a law office as a potential option for the Employees' Voice Helpline, whistle-blower point of contact, in addition to the Consolidated Toyota Group Helpline and the All-Toyota Speak Up Line.

Whistle-blowing System



Tax Affairs

Daihatsu's Tax Policies

Approach to Taxes

In accordance with the "Daihatsu Sustainability Basic Policy," Daihatsu complies with the laws and regulations of each country where we conduct business as well as standards announced by international organizations. We see tax payment as an obligation, and also as the foundation of our social contribution, and we strive to pay appropriate taxes by keeping stable profits through cost reduction by SSC (simple, slim, and compact).

Tax Policies

● Compliance with Laws and Regulations

Daihatsu complies with the laws and regulations of the countries where we conduct business and international standards, such as the OECD Transfer Pricing Guidelines and the Action Plan on Base Erosion and Profit Shifting. We do not avoid taxes by using tax havens and so on and will pay appropriate taxes through the normal activity of business.

● Governance

Daihatsu responds appropriately to tax problems in cooperation with affiliated companies as necessary. We also educate employees through training and e-learning about tax. We ensure transparency relating to taxes by reinforcing tax governance and making fair and timely disclosures of our financial status.

● Relationships with Tax Authorities

Daihatsu makes effort to make and maintain good relationships with tax authorities by being open, constructive, and cooperative. In the case of difference of opinions with the tax authorities on a particular tax-related issue arising from the complexity of interpretation of the tax system, we cooperate with the authorities in order to reach a timely resolution. We recognize that such differences of opinion and dispute resolution are necessary to deepen mutual understanding with the tax authorities in the future.

● Inter-company Transactions at Appropriate Prices (Transfer Prices)

Regarding transactions with other Group companies, Daihatsu sets appropriate prices (arm's length prices) and does not arbitrarily set inappropriate prices.

Data

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Section

7



Environmental Data

GRI > 302-2, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

Greenhouse Gases (GHG)

CO₂ Emissions Scope 1 (Direct Emissions)¹

(t-CO₂)

By Country	FY2023	FY2024	FY2025
Japan	130,010	101,695	110,323
Indonesia	25,291	24,417	22,846
Malaysia	2,990	3,003	2,949
Other	0	0	0
Total	158,291	129,115	136,118

CO₂ Emissions Scope 2 (Energy-related Indirect Emissions)¹

(t-CO₂)

By Country	FY2023	FY2024	FY2025
Japan	300,419	244,353	248,580
Indonesia	162,034	159,580	143,142
Malaysia	18,409	19,137	18,788
Other	27	29	29
Total	480,889	423,099	410,539

CO₂ Emissions Intensity

Scope 1 (Direct Emissions) and Scope 2 (Energy-related Indirect Emissions)¹

(t-CO₂)

	FY2023	FY2024	FY2025
Per vehicle produced	0.43	0.48	0.49

1. <Source of Emissions Factors Used>

Electricity: FY2023, "IEA Emissions Factors 2022"

FY2024, "IEA Emissions Factors 2023"

FY2025, "IEA Emissions Factors 2024"

Other than electricity: CO₂ emissions factors, 2023 values (Ministry of Economy, Trade and Industry/Act on Promotion of Global Warming Countermeasures)

<Organizational Boundary>

Daihatsu Motor and consolidated subsidiaries (excluding sales companies)

CO₂ Emissions Scope 3 (Other Indirect Emissions)²

(ten thousand t-CO₂)

	FY2023	FY2024	FY2025
1 Purchased goods and services ³	840.6	680.5	684.7
4 Upstream transportation and distribution ⁴	4.0	3.3	13.7
9 Downstream transportation and distribution ⁴	—	—	4.1
11 Use of sold products ⁵	3,121.3	2,403.4	2,321.3
12 End-of-life treatment of sold products	29.0	40.9	39.8
14 Franchises	11.6	8.1	XX
Total	4,006.5	3,136.2	3,063.6 ⁶

2. <Organizational Boundary>

Daihatsu Motor, Daihatsu Motor Kyushu, and ADM

<Emissions Factors>

Category 1: "Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain" by the Ministry of the Environment of Japan; LCI Databases; IDEA Ver. 3.2, etc.

Category 11: Automobile fuel efficiency list by the Ministry of Land, Infrastructure, Transport and Tourism of Japan; LCI Databases; IDEA Ver. 3.2, etc.

3. • CO₂ emissions from the manufacture of purchased goods are calculated from CO₂ emissions from the manufacture of materials and parts of individual vehicles obtained using LCA methods and the number of vehicles produced

• CO₂ emissions from maintenance are calculated from the CO₂ emissions from maintenance of individual vehicles obtained using LCA methods and the number of vehicles sold

• CO₂ emissions from the production of secondary materials used in production activities are calculated from the costs of secondary materials purchased and CO₂ emissions intensity

• CO₂ emissions from the manufacture of prototype vehicles are calculated from the CO₂ emissions of individual vehicles obtained using LCA methods and the number of prototype vehicles

4. Figures up to fiscal 2024 calculated from CO₂ emissions from the upstream transportation of individual vehicles obtained using LCA methods and the number of vehicles sold; Fiscal 2025 calculated according to TMC methods

5. CO₂ emissions from product use calculated based on SBTi guidance, with individual vehicle fuel efficiency values calculated using WLTP (Japan) or NEDC standardized to WLTP (Indonesia) -10% (considering actual fuel consumption) and WtW (Well to Wheel)

• Annual mileage is based on SBTi, and lifetime usage is based on TMC

6. CO₂ emissions of "14 Franchises" not included in total due to incomplete calculations

CO₂ Emissions

Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions) and Scope 3 (Other Indirect Emissions)

(ten thousand t-CO₂)

	FY2023	FY2024	FY2025
Total of Scope 1 + 2 + 3	4,070.4	3,191.4	3,118.3 ⁶

Logistics CO₂ Emissions

(t-CO₂)

	FY2023	FY2024	FY2025
Japan	7,368	6,538	6,721

<Organizational Boundary> Japan

Average CO₂ Emissions from New Vehicles: Global

(g/km)

By Country	FY2023	FY2024	FY2025
Japan ⁷	120.7	119.9	120.3
Indonesia ⁷	150.9	145.6	147.9

<Organizational Boundary> Daihatsu Motor and Daihatsu Motor Kyushu and ADM

7. TiW (Tank to Wheel) -value in fuel efficiency/CO₂/GHG regulation test mode in each country/region

Japan: WLTC mode (2021, 2022)

Indonesia: NEDC mode

Number of Electrified Vehicles Sold: Global

(thousand vehicles)

	FY2023	FY2024	FY2025
HEVs	13.5	2.3	6.7

Energy

Energy Consumption

(GJ)

By Country	FY2023	FY2024	FY2025
Japan	4,321,980	3,491,826	3,717,998
Indonesia	1,240,540	1,205,801	1,108,184
Malaysia	158,054	168,076	163,499
Other	190	198	197
Total	5,720,764	4,865,901	4,989,876

<Organizational Boundary> Daihatsu Motor and consolidated subsidiaries (excluding sales companies)
 <Source of Conversion Factors Used>
 Electricity: 3.6 GJ/MWh
 Other than electricity: "Explanation of the Standard Calorific Value by Energy Source and Carbon Emissions Factors" (FY2024 revision), by the Ministry of Economy, Trade and Industry of Japan

(GJ)

By Type	FY2023	FY2024	FY2025
Electricity	3,130,641	2,750,031	2,710,288
Heavy oil A	91,520	63,812	70,901
LPG	643,870	486,672	581,988
City gas	871,725	662,477	747,272
Kerosene (including special kerosene)	13,418	11,446	8,441
Natural gas	530,954	515,466	486,833
Diesel oil	121,078	109,033	110,815
Gasoline	53,190	46,981	57,249
Coke	253,948	211,696	212,586
LNG	10,458	8,314	3,531
Total	5,720,801	4,865,928	4,989,904

(GJ/unit)

Intensity	FY2023	FY2024	FY2025
Per vehicle produced	3.87	4.25	4.51

Water

Water Withdrawal*

(thousand cubic meters)

By Country	FY2023	FY2024	FY2025
Japan	2,584	2,069	1,707
Indonesia	1,520	1,382	1,073
Malaysia	84	70	70
Total	4,188	3,521	2,850

(thousand cubic meters)

By Water Source	FY2023	FY2024	FY2025
Surface water	0	0	0
Groundwater	1,551	1,244	830
Seawater	0	0	0
Produced water	0	0	0
Third-party water	2,637	2,277	2,021
Total	4,188	3,521	2,850

Water Discharge*

(thousand cubic meters)

By Country	FY2023	FY2024	FY2025
Japan	2,260	1,886	1,594
Indonesia	1,071	1,002	787
Malaysia	72	56	57
Total	3,403	2,944	2,438

(thousand cubic meters)

By Water Discharge Destination	FY2023	FY2024	FY2025
Surface water	2,372	1,993	1,617
Groundwater	0	0	0
Seawater	0	0	0
Third-party water	1,031	950	821
Total	3,403	2,944	2,438

Water Consumption*

(thousand cubic meters)

	FY2023	FY2024	FY2025
Water consumption	785	577	413

<Calculation Method>

Calculated using the formula below in accordance with GRI 303

Water consumption = Total water withdrawal – Total water discharge

* Scope: All production sites of Daihatsu Motor and of consolidated production subsidiaries

Recycling

Amount of Raw Materials Used

	Unit	FY2022	FY2023	FY2024
Steel material	Thousand tons	844	869	654
Cast iron	Thousand tons	46	51	39
Non-ferrous metal	Thousand tons	99	99	77
Scrap	Thousand tons	285	290	222
Plating	Million square decimeters	3.5	10.7	9.8
Resin	Thousand tons	83	90	70
Rubber	Thousand tons	16	19	14
Paint	Thousand tons	11	10	8
Fuel/oil	Thousand kiloliters	80	87	74

<Organizational Boundary> Daihatsu Motor and Daihatsu Motor Kyushu

Number of Appropriate End-of-life Vehicle Treatment and Recycling Processed

(unit)

	FY2023	FY2024	FY2025
Number of appropriate end-of-life vehicle treatment and recycling processed	393,149	408,334	377,733

<Organizational Boundary> Daihatsu brand vehicles sold in Japan

Recycling Rate

(%)

By Country	FY2023	FY2024	FY2025
Vehicle recovery rate (converted into a per-unit value)	99.4	99.4	99.4
ASR recycling rate	96.4	96.6	96.4

<Definition of Vehicle Recovery Rate>

Calculated by combining the percentage recycled through the dismantling and shredding processes, approximately 83% (quoted from the report by the council of the End-of-Life Vehicle Recycling Law), with the remaining ASR rate of 17% and the ASR recycling rate of 96.1%

<ASR>

ASR is the residue left behind after removing airbags, fluorocarbons, engines, harnesses, and other parts from end-of-life vehicles and shredding them to recover valuable metals

<Definition of ASR Recycling Rate>

ASR recycling rate = Recycling volume ÷ Amount collected

<Organizational Boundary>

Daihatsu brand vehicles sold in Japan

ASR Processing Volume

(tons)

	FY2023	FY2024	FY2025
ASR processing volume	52,766	55,238	51,446

<Organizational Boundary> Daihatsu brand vehicles sold in Japan

Amount of Parts Recycled

(thousand units)

	FY2023	FY2024	FY2025
Bumper	53	54	55

<Organizational Boundary> Japan

Waste

Amount of Waste¹

(tons)

By Country	FY2023	FY2024	FY2025
Japan	40,191	34,783	31,351
Indonesia	9,901	9,680	9,542
Malaysia	1,971	2,175	2,244
Total	52,063	46,639	43,138

(tons)

By Type	FY2023	FY2024	FY2025
Non-hazardous waste	51,494	46,189	42,671
Hazardous waste	568	450	467
Total	52,063	46,639	43,138

(tons)

By Disposal Operations	FY2023	FY2024	FY2025
Payable for recycle	43,641	39,677	36,217
Incineration	3,136	1,972	2,080
Landfilling	5,285	4,989	4,840
Total	52,063	46,639	43,138

<Definition of "Payable for recycle"> Waste recycled for a fee

(kg/unit)

Intensity	FY2023	FY2024	FY2025
Per vehicle produced	35.26	40.77	38.97

1. <Organizational Boundary> All production sites of Daihatsu Motor and of consolidated production subsidiaries

VOC, NOx, SOx

VOC Emissions²

(thousand tons)

	FY2023	FY2024	FY2025
VOC	5.07	3.93	3.50

2. <Organizational Boundary> Daihatsu Motor and consolidated subsidiaries (excluding sales companies)

NOx and SOx Emissions³

(thousand tons)

	FY2023	FY2024	FY2025
NOx	113	106	89
SOx	10	10	11

3. <Organizational Boundary> Daihatsu Motor and Daihatsu Motor Kyushu
<Calculation Method> Fuel consumption × Emissions factor per fuel

<Definitions> VOC: Volatile organic compounds
NOx: Nitrogen oxides
SOx: Sulfur oxides

Water and Air Quality

Head (Ikeda) Plant 1st District

(mg/L)

Water Discharge (2024)				
Item	Standard Value	Maximum	Minimum	Average
pH	5.7-8.7	7.9	6.4	7.2
COD	—	5	Less than 2	3.5
BOD	300	Less than 2	Less than 2	Less than 2
SS	300	2	Less than 1	Less than 1
Oil (mineral oil)	5	Less than 1	Less than 1	Less than 1
Zinc	2	—	—	—
Total nitrogen	240	3	Less than 1	Less than 2
Total phosphorus	32	0.4	Less than 0.1	0.2

Air (2024)			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Boiler	150	37
Soot and dust (g/Nm ³)	Boiler	0.1	Less than 0.001

Head (Ikeda) Plant 2nd District

(mg/L)

Water Discharge (2024)				
Item	Standard Value	Maximum	Minimum	Average
pH	5.7-8.7	7.6	6.7	7.2
COD	—	30	Less than 2	16
BOD	300	63	Less than 2	33
SS	300	7	Less than 1	4
Oil (mineral oil)	5	Less than 1	Less than 1	Less than 1
Zinc	2	Less than 0.1	Less than 0.1	Less than 0.1
Total nitrogen	240	5	Less than 1	3
Total phosphorus	32	Less than 0.1	Less than 0.1	Less than 0.1

Air (2024)			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Boiler	150	59
	Drying furnace	230	34
Soot and dust (g/Nm ³)	Boiler	0.1	0.004
	Drying furnace	0.2	0.003

Kyoto (Oyamazaki) Plant

(mg/L)

Water Discharge (2024)				
Item	Standard Value	Maximum	Minimum	Average
pH	5.0-9.0	7.4	6.9	7.2
BOD	600	170	4	87
SS	600	310	2	156
Oil (mineral oil)	5	3	Less than 1	2
Soluble manganese	10	1.7	Less than 0.1	0.9
Lead and lead compounds	0.1	Less than 0.01	Less than 0.01	Less than 0.01
Total nitrogen	240	9	3	6.5
Total phosphorus	32	1.9	0.2	1.1

Air (2024)			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Boiler	150	67
	Drying furnace	230	42
Soot and dust (g/Nm ³)	Boiler	0.1	0.002
	Drying furnace	0.3	—

Water and Air Quality

Shiga (Ryuoh) Plant 1st District

(mg/L)

Water Discharge (2024)				
Item	Standard Value	Maximum	Minimum	Average
pH	6.0-8.0	7.4	6.8	7.1
COD	20	9	Less than 2	5.5
BOD	20	5	Less than 2	3.5
SS	20	2	Less than 1	1.5
Oil (mineral oil)	3	Less than 1	Less than 1	Less than 1
Copper	0.1	Less than 0.01	Less than 0.01	Less than 0.01
Fluorine	3	0.4	Less than 0.1	0.25
Zinc	0.5	Less than 0.1	Less than 0.1	Less than 0.1
Soluble iron	4	Less than 0.1	Less than 0.1	Less than 0.1
Total nitrogen	8	2	Less than 0.1	1.5
Total phosphorus	0.8	0.2	Less than 0.1	0.15

Air (2024)			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Aluminum melting furnaces	180	40
Soot and dust (g/Nm ³)	Aluminum melting furnaces	0.2	0.002

Shiga (Ryuoh) Plant 2nd District

(mg/L)

Water Discharge (2024)				
Item	Standard Value	Maximum	Minimum	Average
pH	6.0-8.0	7.7	7.0	7.4
COD	20	11	Less than 2	6.5
BOD	20	6	Less than 2	4
SS	20	4	Less than 1	2.5
Oil (mineral oil)	3	Less than 1	Less than 1	Less than 1
Copper	0.1	Less than 0.01	Less than 0.01	Less than 0.01
Fluorine	3	0.2	Less than 0.1	0.15
Zinc	0.5	0.3	Less than 0.1	0.2
Soluble iron	4	0.2	Less than 0.1	0.15
Total nitrogen	8	4	1	2.5
Total phosphorus	0.8	Less than 0.1	Less than 0.1	Less than 0.1

Air (2024)			
Substance	Equipment	Standard Value	Actual
NOx (cm ³ /Nm ³)	Drying furnace	230	13
	Gas turbines	70	20
Soot and dust (g/Nm ³)	Drying furnace	0.2	0.003
	Gas turbines	0.05	0.002

Employees

	Unit	2022	2023	2024
Employees (Global)		46,152	46,191	46,815
Employees (Daihatsu Motor)	Total	12,426	12,508	12,470
	Male	11,450	11,522	11,458
	Female	976	986	1,012
Employees (By contract) (Daihatsu Motor)	Regular	11,407	11,133	10,977
	Non-regular	1,019	1,375	1,493
Non-employee workers (Daihatsu Motor)		1,843	1,661	1,803
Newly hired employees (Daihatsu Motor)	Total	302	283	464
	Male	263	237	385
	Female	39	46	79
Average age (Daihatsu Motor)	Total	41.0	41.2	41.6
	Male	41.2	41.4	41.8
	Female	38.8	39.0	39.3
Average period of employment (Daihatsu Motor)	Total	19.0	18.9	19.2
	Male	19.2	19.2	19.4
	Female	16.2	16.1	16.2
Turnover rate (Daihatsu Motor) ¹	%	1.7	2.4	2.8
Reemployed retirees (Daihatsu Motor)		233	225	189
Number of managers (Daihatsu Motor)		1,391	1,397	1,431
Percentage of women	Board of Directors	0.0	0.0	14.3
	Management (Daihatsu Motor)	3.0	2.9	3.1
Number of female assistant managers (Daihatsu Motor)		72	77	84
Number of female managers (Daihatsu Motor)		39	41	45
Percentage of female new recruits (Daihatsu Motor)	Staff employees (administrative/engineering employees)	14.9	19.9	18.8
	Line employees	8.9	5.3	10.8
Turnover rate of female employees (Daihatsu Motor)	Administrative/engineering employees	1.4	2.2	2.9
	Shop floor employees	6.9	7.6	5.3

	Unit	2022	2023	2024
Number of employees using the childcare and nursing care leave program (Daihatsu Motor) ¹	Total	235	291	225
	Male	157	216	190
	Female	78	75	35
Return rate after taking childcare leave (Daihatsu Motor) ¹	Total	100.0	100.0	100.0
	Male	100.0	100.0	100.0
	Female	100.0	100.0	100.0
Rate of male employees taking childcare leave (Daihatsu Motor) ²		49.1	70.0	64.2
Employment rate of people with disabilities (Daihatsu, including special-purpose subsidiaries)		2.32	2.46	2.58
Number of people with disabilities employed (Daihatsu, including special-purpose subsidiaries) ³		218	231	240
Number of employees using the flexible working hours system (Daihatsu Motor) ⁴		127	145	168
Percentage of annual paid leave taken (Daihatsu Motor) ⁵	%	93.8	96.2	94.6
Average monthly overtime per employee (Daihatsu Motor) ⁶	Hours/month	25.7	23.2	15.3
Stress check (Daihatsu Motor) ⁶	Collection rate	98.1	95.6	95.8
	Proportion of highly stressed employees ⁷	102.8	117.7	107.8
Ratio of non-regular employees ⁸		26.3	26.4	26.2
Ratio of employees covered by collective bargaining agreements ⁹		69.1	69.6	69.8
Number of work stoppages and total days idle ¹⁰	Cases (persons-days)	95	267	58
Starting salary (Daihatsu Motor)	Staff employees	212,000	212,000	235,000
	Line employees	174,500	174,500	187,800
Wage gap between men and women (Daihatsu Motor)	Regular employees	76.5	77.5	78.7
	Non-regular employees	84.6	86.8	88.8

1. Calculated per fiscal year (April to March)

2. Only applies to full-time employees. Estimated as a fraction of the number of maternity gift payments

3. Includes part-time employees

4. Short-time employees hired directly (as of April 1)

5. Calculated for union members, limited to those granted annual paid leave on May 1

6. Implemented in May every year

7. Calculated with 2016 as 100

8. Ratio of those other than full-time employees and apprentices at Daihatsu Motor (as of April 1)

9. Ratio of full-time employees (foremen or below) and senior employees at Daihatsu Motor (as of April 1)

10. Number of (direct) work stoppages at vehicle plants (Ikeda, Kyoto, Shiga Districts)

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		 Inquiry (Only in Japanese) https://www.daihatsu.co.jp/faq/index.htm	
2-4	Restatements of information	Update History	P. 124
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Editorial Policy

The *Daihatsu Sustainability Report* is a publication that explains to stakeholders our approach to ESG and the initiatives of Daihatsu Motor Co., Ltd. and Daihatsu Group companies, which are members of the Toyota Group. "CSR and Environmental Initiatives" on Daihatsu's official website contains fundamentally the same information as that contained in this report.

Period Covered

This report focuses on the results of initiatives implemented in the previous fiscal year. When information is corrected, added, or otherwise revised, this report will be updated as necessary.

Scope

Daihatsu Motor Co., Ltd. and Daihatsu Group companies

Publication Times

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Referenced Guidelines

GRI (Global Reporting Initiatives) Standards 2021

- GRI Standards item numbers are indicated in the corresponding page titles
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Disclaimer

This report includes not only past and current facts pertaining to Daihatsu Motor Co., Ltd. and other companies within the scope of coverage of the report, but also plans and projections at the time of its publication as well as forecasts based on management policies and strategies.

These forecasts are assumptions or determinations based on information available at the time they are stated, and the actual results of future business activities and events may differ from the forecasts due to changes in various conditions. In cases where information is corrected or restated and in cases where material changes occur, the details thereof will be indicated in this report. The stakeholders' understanding about this point would be appreciated.

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