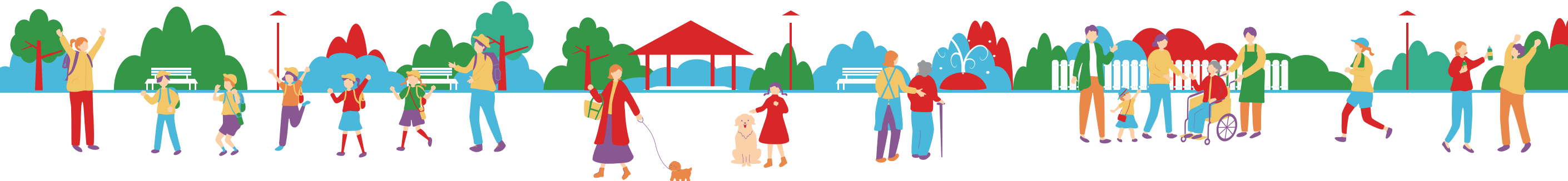
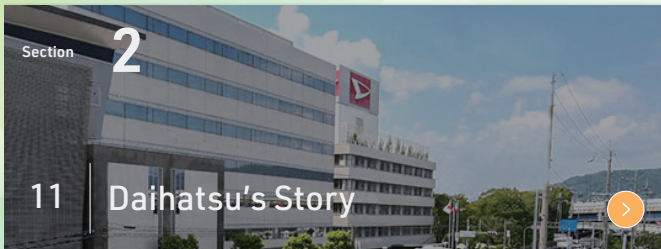




DAIHATSU Sustainability Report 2026



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Masahiro Inoue
President



Staying the course for a better quality of life. Reexamining Daihatsu's Role in a Time of Change

Two Years Focused on Recovery and Renewal

It's a little over two years since our new management team was launched in March 2024. Looking back, we spent this period not pursuing a bold new vision but rather confronting the challenges and problems right in front of us, one by one, and doing everything possible to get things moving again.

At the time, Daihatsu's plants had stopped operating. We could neither produce vehicles nor deliver them to our customers. It's no exaggeration to say that our very reason for existing as a manufacturer had been lost. That is why my highest priority was to restore normal operations as quickly as possible. Over these same two years, we simultaneously reviewed the way the organization itself was structured, including revising the chief officer framework, optimizing spans of control, and simplifying the organizational hierarchy. Our goal was not merely to reorganize for its own sake, but to decide how to change what Daihatsu is on the inside. It was also a period in which we laid a strong foundation for that transformation.

A Plant in Motion, a Life in Motion

When I took office, most of our four plants in Japan were not operating. We resumed production one model at a time and it took more than six months before we returned to normal operations. There were periods when some plants and production units were operating at only about half capacity. Seeing people and materials gradually begin moving again and hearing the sounds of car production return to our plants was a significant moment for me.

A plant operating again is not something that affects only Daihatsu. It means the lives of many people begin moving again, including our 58 sales companies, our suppliers, and the communities that surround them. During the shutdown, some people faced the very real fear that they might have to close their businesses. Getting our MONOZUKURI, our manufacturing, back on track also means supporting employment, supporting local economies, and restoring the foundations of everyday life. It reminded me once again just how deeply our business is connected to society.

The Strength of People and Organizations Revealed Through Crisis

One thing that stood out to me over these two years was how people changed. People who had lowered their eyes when our plants stopped gradually began looking up again and taking action. Along the way, I saw more and more examples of people naturally stepping up to help colleagues in other departments, plants, and teams. When support was needed, we dispatched personnel, with some traveling to distant locations. This spirit of helping one another has gradually taken root through our experience of the crisis.

In the end, people are the lifeblood of a company. People operate equipment, people improve processes, and people pass knowledge on to the next generation. We must carry forward the knowledge and skills of experienced employees while nurturing the passion and drive of younger workers. That continuous effort is what builds Daihatsu's competitiveness. And because we live in a time of significant change, there are tremendous opportunities for growth. Supporting every employee so

Message from the President

they can reach their full potential and fostering the next generation is the very foundation of a sustainable company.

Daihatsu's Role Is to Stay Close to People's Lives Through High-Quality but Affordable Products

What will guide Daihatsu going forward? To be honest, there are areas where we are still finding our way. However, the fundamentals that must never change are clear. Our mission is to stay close to our customers and contribute to better lives through high-quality but affordable products.

I see that direction as becoming a mobility company centered on mini vehicles. By keeping mini vehicles at the core of our business, we can expand the value we provide in supporting local transportation, work, and everyday life.

Vehicles developed by the Daihatsu Group, including collaborative models with Toyota Motor Corporation (hereinafter "Toyota"), reach approximately one million customers in Japan and another one million overseas every year, for a total of around two million vehicles worldwide. Roughly one million are sold under the Daihatsu brand and one million under the Toyota brand. Daihatsu's work extends far beyond vehicles sold under the Daihatsu name. Many vehicles that Daihatsu helps develop reach customers in Japan and around the world under the Toyota brand. That is why it is important for every employee to understand where their work leads and to create value in their own role. This is what gives meaning to our employees' work and also defines the value of partnering with Daihatsu for our suppliers and business partners.

Daihatsu's cars only have value when people use them. They help people do business, support daily life, and make each day just a little better. Contributing to a

better quality of life is our highest priority and our starting point. This is a social role in which we support local mobility and work while helping sustain the foundations of daily life.

Putting Customers First in Both Environmental Initiatives and Electrification

Environmental initiatives are another key management priority for Daihatsu. However, we do not believe electrification is the only answer. Small, lightweight vehicles inherently have the advantage of reducing environmental impact across their entire lifecycle, from manufacturing and use to disposal and recycling. I believe that the value offered by small vehicles themselves is an important environmental solution in its own right. At the same time, we need to consider how efficiently we use energy in manufacturing, how we can further enhance the value of small and lightweight vehicles, and which technologies are most appropriate for different regions and energy environments. We need to find a realistic path forward through the right combination of these approaches. The purpose of our environmental initiatives is not technology for its own sake. The real question is what value we can deliver to our customers' lives, their work, and society through our business. We will move forward while keeping that perspective firmly in mind.

In February of this year, we launched Daihatsu's first mass-produced battery electric vehicles (BEVs), the e-Hijet Cargo and e-Atrai. There are still many challenges to wider electric vehicle adoption, including vehicle pricing, charging infrastructure, and energy supply. Against that backdrop, I believe there is real value in taking the first step from the commercial vehicle segment, where Daihatsu has particular strengths, and carefully addressing challenges as they arise in actual use.

From a commercial vehicle perspective, electric vehicles offer excellent low-speed torque control, quiet operation, and the ability to provide 100 V power output. They also provide benefits that conventional vehicles cannot, such as quieter early-morning and late-night deliveries in residential areas, on-site equipment charging, and serving as a mobile power source during disasters. Rather than making environmental action an end in itself, we want to expand the available options based on what genuinely benefits our customers' work and daily lives. It is important to move forward in a practical, realistic way that balances environmental impact reduction with ease of use in everyday life and the workplace.

Communicate Simply and Act Quickly

In a time of rapid change, people are ultimately what determine a company's competitiveness. For people to perform at their best, they need communication that is simple and easy to understand. Where the company is headed, what we need to do now, and what is changing.

We need to communicate these things as clearly as possible and then take action. Rather than waiting for the perfect answer, we should act even if imperfect, learn from experience, make adjustments, and keep moving forward. That mindset is essential in today's world.

Society does not change in a uniform way. Challenges differ from one country and region to another, and so do mobility needs. That is why Daihatsu will not commit itself to a single path. Instead, we will stay close to our customers and continue delivering the vehicles they need, when they need them. Not by chasing appearances, but by working diligently, sincerely, and with our feet planted firmly on the ground. Building better vehicles for a better quality of life. Staying true to that fundamental principle is what will drive Daihatsu's sustainable growth in the years ahead.

To achieve that, we will continue in dialogue with our employees, suppliers, sales companies, local communities, and all of our stakeholders as we work together to create the value society truly needs.

While continuing to refine the unique value offered by small, lightweight cars, we remain dedicated to pursuing environmental initiatives that truly benefit our customers.

