

May 15, 2023
Daihatsu Motor Co., Ltd.

Notice Regarding the Establishment of an Independent Third-Party Committee

Daihatsu Motor Co., Ltd. (Daihatsu) announced on April 28 that it was found to have committed procedural irregularities when applying for side collision test certification for vehicles it has developed for overseas markets.

To its customers and all other stakeholders, Daihatsu would like to express its sincerest regret for the inconvenience its actions have caused. Shipments and sales have resumed at destinations where safety has been confirmed under the guidance of government certification and inspection agencies in each country where the products are destined to be sold. Daihatsu would like to express its gratitude to all parties concerned.

Daihatsu believes that these procedural irregularities in the area of vehicle safety are socially unacceptable. In this case, the frontline spoke up in the form of a whistle-blowing report. Daihatsu believes that these irregularities occurred as a result of management's inability to attend to the frontline, compromising compliance and the fostering of a sound corporate culture. Consequently, the company lost sight of proper car manufacturing, causing such irregularities by creating an environment in which the frontline had no choice. Daihatsu will work with determination to change the company to ensure that the same mistakes will never be made again. The company will start by stopping and thoroughly investigating the background, environment, and true causes that led to these irregularities being committed. It will then work to make improvements, prevent recurrence, and clean up the company. In doing so, Daihatsu will ensure that these irregularities are not merely a single business act, but rather a reform that is linked to the philosophy and action guidelines of the entire corporate group. Management will immediately focus on communicating with the frontline and creating a workplace where people can talk frankly and honestly.

Today, Daihatsu announced that it has established an Independent Third-Party Committee consisting of external experts in legal and technical matters.

The outline of the Independent Third-Party Committee, which is independent and will rigorously investigate the true cause of the irregularities, is as follows. Daihatsu intends to cooperate fully with the Independent Third-Party Committee's investigations.

1. Reasons for establishing the Independent Third-Party Committee

In its news release entitled "Regarding Procedural Irregularity by Daihatsu Motor Co., Ltd. in Approval Application for Side Collision Tests," issued on April 28, 2023, Daihatsu disclosed that it had improperly modified the inside lining of the front seat doors of four models of cars it had developed for overseas markets, which were subject to side collision test certification. The company has confirmed that there were contraventions in side collision tests stipulated

by law.

In view of the severity of the irregularities, Daihatsu has today established an Independent Third-Party Committee consisting of experts in legal and technical matters who have no stake in the company. Daihatsu intends to fully clarify the nature of the irregularities, identify their root cause, and implement measures to prevent recurrence.

2. The composition of the Independent Third-Party Committee

Committee Chair: Makoto Kaiami, lawyer at Otemachi Law Office (Former President, Tokyo District Court and Presiding Judge, Tokyo High Court)

Committee member: Hidetaka Nishina, partner, lawyer at NAKAMURA, TSUNODA & MATSUMOTO

Committee member: Kanji Nakayama, director at the Automobile Information Network Association (Former Director-General, Engineering and Safety Department, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism)

3. Scope of the Independent Third-Party Committee's investigations

Daihatsu has asked the Independent Third-Party Committee to fully clarify the nature of the irregularities and identify their root cause; it has also asked the Committee to recommend measures to prevent the recurrence of similar irregularities by examining the company's organization and development processes.

4. Investigation timeline

Daihatsu has asked the Independent Third-Party Committee to carry out all necessary investigations, to report the results of the investigations, and to recommend measures to prevent the recurrence of similar irregularities. Upon receiving the reports, the company will swiftly disclose them and carry out all other appropriate actions.

Reference: Biographies of the Committee members

Name	Biography
Makoto Kaiami	April 1978: appointed judge April 2000: Division-head Judge, Tokyo District Court July 2007: Associate Vice-Minister of Justice in charge of Litigation Affairs, Minister's Secretariat, Ministry of Justice July 2009: Judge, Tokyo High Court December 2009: President, Wakayama District/Family Court January 2011: President, Nagano District/Family Court November 2012: Presiding Judge, Tokyo High Court July 2014: President, Tokyo Family Court June 2015: President, Tokyo District Court

	<p>February 2017: registered as an attorney</p> <p>January 2021: Chairman, Public Security Examination Commission (to present)</p>
Hidetaka Nishina	<p>October 2002: registered as an attorney; appointed lawyer at Anderson Mori (present-day Anderson Mori & Tomotsune)</p> <p>April 2003: Operations Department, Bank of Japan</p> <p>May 2006: Counselor's Office, Civil Affairs Bureau, Ministry of Justice</p> <p>February 2010: appointed lawyer at NAKAMURA, TSUNODA & MATSUMOTO</p> <p>January 2011: appointed partner at NAKAMURA, TSUNODA & MATSUMOTO (to present)</p> <p>September 2017: registered as a Certified Fraud Examiner</p> <p>November 2021: bar examiner, examiner for the preliminary bar examination (to present)</p>
Kanji Nakayama	<p>April 1973: joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>June 2002: Director, Engineering and Safety Department, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>August 2004: Director, National Agency for Automotive Safety and Victims' Aid</p> <p>July 2006: Executive Director, Japan Automobile Manufacturers Association, Inc.</p> <p>April 2011: President, Light Motor Vehicle Inspection Organization</p> <p>April 2017: Vice-president, Automobile Inspection & Registration Information Association</p> <p>June 2019: Director, Automobile Information Network Association (to present)</p>