

Daihatsu Selected for the FY2024 Supplementary Budget Subsidy Program for Global South Future-Oriented Co-Creation Project (Large-Scale Demonstration in ASEAN Member States)

~Conducting a Local Production and Sales Demonstration Project of Hybrid Vehicles for Malaysia~

Daihatsu Motor Co., Ltd. (hereinafter “Daihatsu”) applied for the FY2024 Supplementary Budget Subsidy Program for the Global South Future-Oriented Co-Creation Project (Large-Scale Demonstration in ASEAN Member States), implemented by the AEM-METI Economic and Industrial Cooperation Committee (AMEICC) with funding from the Ministry of Economy, Trade and Industry of Japan (METI), and its Local Production and Sales Demonstration Project of Hybrid Vehicles for Malaysia has been selected.

The subsidy program is implemented by the Ministry of Economy, Trade and Industry to support demonstration projects carried out by Japanese companies, with aim of revitalizing markets in the Global South and strengthening economic ties with Japan. Through this demonstration project, with support from the program, Daihatsu will utilize its proprietary hybrid technology and expertise in production and quality control to collaborate with Perodua—its local joint venture partner in Malaysia—to locally manufacture and sell hybrid vehicles, advancing the demonstration through actual operation.

In this demonstration project, hybrid vehicles will be locally manufactured in Malaysia to demonstrate their effectiveness as a low-carbon and highly practical form of mobility. Specifically, the demonstration will be conducted from the following perspectives:

- Establishing quality assurance methods for local production and accumulating on-site operational experience
- Evaluating customer acceptance of hybrid vehicles in terms of pricing and related factors, compared with internal combustion engine (conventional) vehicles
- Understanding and validating customer expectations and usage characteristics of electrified vehicles

Based on these findings, measures toward future commercialization will be examined.

This demonstration project represents the first local production of a hybrid vehicle developed by Daihatsu. Advancing the project will require significant investment, including the establishment of a local assembly line, the introduction of necessary equipment, and the development of quality control systems. While there are challenges to conducting local demonstration activities at a time when electrified vehicles have not yet become mainstream in the market, support from the Japanese government through this subsidy program will make it possible to steadily advance comprehensive demonstrations. These will encompass hybrid vehicle-specific production processes, quality assurance systems, human resource development, and the incorporation of feedback from the market.

Furthermore, through this demonstration project and the collaboration with Perodua, Daihatsu expects to foster the development of human resources in Malaysia, contribute to carbon neutrality, and strengthen its local competitiveness. At the same time, Daihatsu anticipates that supplying its hybrid technology and

related parts will have a positive ripple effect on employment and industrial competitiveness in Japan.

Based on its multi-pathway approach, Daihatsu will continue to contribute to the realization of a carbon-neutral society, the widespread adoption of automobiles, and industrial development by delivering high-quality, affordable, and eco-friendly vehicles that stay close to countries, regions, and the lives of customers.