

- Address at the Press Conference for the Inauguration of the President at the Annual Meeting on May 23, 2024 –

I am Takashi Kayamoto, and I have been appointed Chairman of the Japan Auto Parts Industries Association (JAPIA). It is a great challenge for me to continue the path of my predecessors who have supported the Japanese automobile industry for more than 80 years.

I would like to express my sincere gratitude to former President, Mr. Arima for his strong leadership. He has made great efforts to expand the circle of “cooperation and empathy” at the level of “mobility industry,” which includes not only the automobile industry but also related industries. Once again, I would like to express my sincere appreciation and respect.

The automotive parts industry has a total shipment value of 35 trillion yen, which accounts for 60% of the entire automotive industry, and the number of employees is 670,000 compared to 180,000 for car manufacturers, with over 6,500 companies closely involved and supporting each other. At present, we JAPIA have 440 member companies, including leaders in both field and region of the Tier 1 and Tier 2 automotive components industry. JAPIA and its member companies are expected to serve as a nexus between automobile manufacturers and suppliers, and the many small and medium-sized companies connected to them. I would like to reaffirm the mission that JAPIA should fulfill and, while engaging in dialogue with our member companies, I will act with “cooperation” and “collaboration” as JAPIA. Specifically, we would like to promote activities from the following three perspectives in response to the priority themes explained in this year's activity plan.

The first is to contribute firmly to the construction and development of the mobility society of the future while aiming to build a sustainable society through activities that meet the demands of society, including CN and CE.

The second is to work to maintain and strengthen a healthy supply chain, including small and medium-sized enterprises. Today, all workers in Japan, not just those in the automotive industry, are expected to receive adequate compensation. The key to this is to buy at the right price, make good products at the right price, and sell at the right

price, truly achieving fair trade. Receiving fair compensation is also necessary for the various issues that JAPIA must address. The virtuous cycle created by investing appropriate compensation in human resources and new technologies will help solve social problems and further strengthen the competitiveness of the entire supply chain.

Recently, companies in the automotive industry have been accused of violating the Subcontracting Law, and JAPIA takes this situation very seriously and calls on our member companies to once again “straighten up” their act. Specifically, we will ask our member companies to re-enforce compliance with the Subcontract Act and strive to prevent violations, and in cooperation with JAMA, we will strive to appropriately pass on higher raw material and energy costs to product prices and labor costs to purchase prices through discussions with our suppliers. JAPIA will continue to work with JAMA to “straighten up” and promote and disseminate appropriate transactions throughout the supply chain based on legal compliance.

The third is to strengthen cooperation with the government and related organizations. In addition to the initiatives for appropriate trade that I just mentioned, JAPIA will work together the Ministry of Economy, Trade and Industry and other relevant ministries, the Japan Automobile Manufacturers Association, the five automobile organizations, the materials associations, the Federation of Automobile Manufacturers Associations to further strengthen cooperation to achieve common goals and resolve issues.

The environment surrounding JAPIA continues to change dramatically. We believe that the pace of change will continue to increase and become more diverse and complex. The key themes we are pursuing are at a level that cannot be overcome by individual companies acting alone or competing each other. It is very important to create a “cooperative” area that transcends the boundaries of companies and industries, and to work toward solutions.

We will continue to work flexibly, honestly, and sincerely so that our member companies will be glad that JAPIA exists or that they have joined JAPIA. I look forward to your continued support.

Thank you very much for your valuable time today.