

Toyota and Daihatsu to Strengthen Small Car Operations through Unified Global Strategy

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Toyota Motor Corporation (Toyota) and its subsidiary Daihatsu Motor Co., Ltd. (Daihatsu) have reached an agreement whereby Daihatsu will become a wholly-owned subsidiary of Toyota by way of a share exchange (expected to be completed in August 2016).

The purpose of the agreement is to develop ever-better cars by adopting a unified strategy for the small car segment, under which both companies will be free to focus on their core competencies. Ultimately, this will help Daihatsu and Toyota to attain their joint goal of achieving sustainable growth.

Additionally, the aim of the share exchange is to enhance the value of both brands. Although Toyota and Daihatsu will engage in friendly competition and maintain separate management styles that capitalize on their respective capabilities, bringing the two together under a shared strategy will enable them to jointly overcome otherwise prohibitive obstacles in the future, including resource-intensive undertakings such as the development of next-generation technologies and entry into business areas with growth potential.

Explaining the decision, Toyota President Akio Toyoda said, "This is an opportunity for us both to stop feeling that we need to go it alone, and trust each other to take full advantage of our respective strengths. In other words, we can now focus on our core competencies. That, I believe, is the key to achieving and sustaining global competitiveness."

For full details, go to: <http://newsroom.toyota.co.jp/en/detail/11038357/>