

「JAIA Imported-brand xEV Promotion Event in Kobe」 JAIA Chairman Speech Manuscript

Hello everyone. I am Kintaro Ueno, Chairman of the Japan Automobile Importers Association.

Thank you very much for taking time out of your busy schedules to attend the opening ceremony of the "JAIA Imported-brand xEV Promotion Event in Kobe" today.

Also, I would like to express our sincere gratitude to the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of the Environment, the Hyogo Prefecture, the venue of this event, Kobe City, the Former Settlement Liaison Council, and the media including Kobe Shimbun, Sun Television, Radio Kansai for the extensive support.

In addition, officials of the consul generals of various countries are present today.

At the same time, I would like to express our gratitude to the local companies and the Ikuta Police Station for their cooperation in holding this event.

In order to promote the spread of imported electric vehicles, JAIA has been holding events to raise awareness of electric vehicles since 2021; in Tokyo in 2021, in Osaka last year, and this year in Kobe.

In the Kansai area, including Kobe, four prefectures – Hyogo, Osaka, Nara and Kyoto – are ranked among the top six prefectures with a high share of imported brands in the registered passenger car category, and in Hyogo Prefecture, the share of imported cars exceeds 20% in the areas of Ashiya City Nishinomiya City and Nada Ward, Higashi-nada Ward, and Chuo Ward in Kobe City, suggesting its significance for imported cars.

For the first attempt as an electric vehicle event of JAIA, this event is held in an open manner so that not only government officials and media reps, but also users can experience the attractiveness of the latest imported-brand xEV models of JAIA members.

In addition to electric four-wheelers, you can see a wide range of lineups such as fuel cell vehicles and electric motorcycles. As you can see in the materials at hand, 28 four-wheelers of 10 companies are exhibited along with 3 motorcycles of 1 company.

This event is held in collaboration with Hyogo Prefecture, Kobe City and the people of local community, with the support of the Mitsui Sumitomo Bank Kobe Branch, electric motorcycles of Kawasaki Motors Japan are also on display in front of the bank.

The number of imported xEV models in the lineup of the JAIA member importers, including those participating in this event, increased from 20 models of 10 brands as of October 2020 to 95 models of 16 brands as of June 2023, increasing by about five times in such a short span of time, which shows active and aggressive model launches in Japan by our member importers.

As a result, sales of imported EVs and plug-in hybrids expanded rapidly. Imported EVs in particular exceeded 10,000 units for the first time in 2022 at 14,341 units, which was about 1.6 times the figure of previous year. In the first half of this year to June, sales continued to be strong with 9,239 units, approximately 1.8 times the previous year's 5,192 units. We could see the 20,000 unit mark for the year.

The share of EVs to the overall foreign-brand vehicles also; it was 0.5% in 2019, and it increased to 5.9% in 2022, a 10-fold increase in four years. In addition, the installation of quick chargers at dealers is progressing, and the charging conditions for users are rapidly improving. We are confident that the share of imported EVs in Japan will continue to grow.

In addition to JAIA member companies expanding their lineups to meet customer needs, it is also thanks to the expansion of subsidies for the purchase of electric vehicles and charging infrastructure by the government, which responded to JAIA's request. Hyogo Prefecture and Kobe City are also subsidizing the introduction of electric vehicles together with the cities and towns. Local governments are also in a position to use cars. So, for local companies and local governments, we would like you to use imported xEVs as your company vehicles and official vehicles, including the ones on display today. In that way, I think it would be a good idea to work together with everyone to realize a carbon-neutral and sustainable society.

In addition to subsidies for electric vehicles, the Tokyo metropolitan government has started a project to promote the spread of charging facilities in apartment houses and the installation of chargers on public roads. We hope that such infrastructure development will progress nationwide in the future.

We would like to express our sincere gratitude to the Ministry of Economy, Trade and Industry and other ministries, Hyogo Prefecture and Kobe City, and we hope that they will continue to

support us in the future.

This is an event that not only raises awareness of imported electric vehicles, but also is conscious of issues related to electrification, such as charging infrastructure and recycling. As you can see in the materials at hand, 8 charging-related companies and 2 recycling-related companies are exhibiting.

With regard to charging infrastructure, in particular in Japan, there are a number of issues that remain to be addressed to realize the further spread of electrified vehicles, such as a lack of charging infrastructure in apartment houses in central Tokyo, shorter charging times, and improved charging performance.

I think that the Ministry of Economy, Trade and Industry will introduce it later, but in June, a study group on public-private partnership was launched to promote the development of charging infrastructure by the government. JAIA has launched a joint body of task forces on taxation & subsidies, and EV technology. JAIA has launched a joint body of task forces on taxation and subsidies, and EV technology. While grasping user needs, we will consider it in cooperation with related organizations. As a result of these public-private partnership efforts, we expect that the development of charging infrastructure will be further promoted.

Furthermore, in the field of electric vehicle recycling, JAIA supports member importers so that they can appropriately handle the recovery of onboard batteries. For the first time in a JAIA exhibition event, two companies from the recycling field take part as exhibitors.

In addition, we consider the shortage of mechanic human resources as an urgent issue. It is essential to develop human resources for automobile maintenance who can handle new technologies accompanying the spread of electric vehicles.

This event is attended by many people, including officials of automobile mechanic training schools in the Kansai region.

Finally, once again, I would like to thank everyone who attended this event. The JAIA members will continue to handle a wide range of car models from around the world, and by providing Japanese customers with a broad range of choices, they will contribute to the spread of electric vehicles in Japan, a matured market, in order to achieve carbon neutrality.

By all means, we hope that everyone will be able to fully experience the lineup, attractiveness and value of imported-brand electric vehicles at this event, and that widely disseminate to customers in the Kansai region as well as Japan.

I would like to conclude my remarks by asking for your continued support and cooperation for JAIA and JAIA member importers. Thank you for your attention.

Greetings from Mr. Tanabe, Director of Automobile Strategy Planning Office, Automobile Division, METI

Good morning everyone. As you have just introduced, I am Tanabe, Director of the Automobile Strategy Planning Office, Automobile Division, Ministry of Economy, Trade and Industry. First of all, I would like to congratulate you on holding the “JAIA Imported-brand xEV Promotion Event in Kobe”. I would also like to thank you for inviting me here today.

I would like to take this opportunity to once again thank JAIA, including Chairman Ueno, and its member companies for their continued understanding and cooperation. From the government today, in addition to me, Director Mayanagi, of the METI Battery Office, as well as Director Tada the Ministry of Land, Infrastructure, Transport and Tourism, and Director Nakamura of the Ministry of the Environment, are present. As a representative, I would like to say a few words.

First of all, the automobile industry is in a period of great change. It is at a once-in-a-century turning point, where digitalization, electrification, and environmental friendliness, known as CASE, are progressing in a complex way. Under these circumstances, in order to achieve carbon neutrality in the automotive field, we must not only spread xEVs, but also decarbonize fuels, and combine various technologies such as the development of related infrastructure, as well as various options. We believe it is a very difficult task. The G7 chaired by Japan was recently held in the country, and discussions were made in Sapporo and Hiroshima. We believe that we have gained a great common understanding of the achievement of carbon neutrality using diverse paths.

The Japanese government, in addition to the Green Innovation Fund, has a clean energy vehicle subsidy for the spread of xEVs, an infrastructure development subsidy for charging infrastructure and the development of hydrogen stations. We have taken budgetary measures and are working together with related companies to review various systems. We believe that xEVs will play a very important role as one of the options for carbon neutrality. For their spread, the promotion of vehicles and the development of charging infrastructure for them are the two wheels of a vehicle. I think that there are still some major issues to be addressed in order to establish this full-fledged xEVs society.

The first point is the expansion of the xEVs model lineup. After all, it is important to increase the lineup from which consumers can choose. As Chairman Ueno said earlier, importers as well as domestic OEMs are expected of gradually increasing the lineup and lowering prices in conjunction with the expansion of battery procurement and production. As more xEVs lineup and becoming more affordable, we believe it is very important that consumers have more choices.

The second point is to raise consumer awareness. Most people are familiar with gasoline and hybrid vehicles. But I don't think there are many people who have seen or heard of the electric cars. Furthermore, In addition, I think that there are still some aspects of their characteristics and/or usage that have not yet been recognized. In that regard, I hear that today's event is the first time that the general public can see xEVs. I was worried about the weather today, but it seems that it is not going to rain. By all means, we would like many general people to see the lineup and feel familiar with xEVs. And we hope that it will trigger an

increase in sales.

Also, mentioned earlier, Kobe is a place of information transmission and a highly sensitive area. With the cooperation of local governments, we have high hopes that information will be disseminated from Kobe.

The third point is the development of charging infrastructure. The government has set a goal of developing charging infrastructure for 150,000 charging points, including 30,000 public fast chargers, by 2030. At the same time, we are subsidizing the development of charging infrastructure, including offices and apartment houses. Last year's subsidy amounted to 6.5 billion yen, but this fiscal year we have roughly tripled it to 17.5 billion yen. The first round of applications has already closed, and there is a very strong investment demand.

Today, we hear that many people from companies related to charging infrastructure are participating in addition to importers. While utilizing the government systems and seeking understanding of many people about how to use the charging infrastructure and how to maintain it, including maintenance costs, we intend to promote the development of charging infrastructure.

Although there are various issues facing the spread of xEVs, we would like to take today's event as a trigger to further collaborate and cooperate with everyone to work on the spread of xEVs.

Last but not least, I would like to conclude my remarks by wishing for the success of today's event and the growth and good health of everyone who is participating. Congratulations to you all.

JAIA Imported-brand xEV Promotion Event in Kobe; Speech summary

Date: July 14, 2020 (Friday) 10:00 am to 10:30 am

Place: Oriental Hotel Kobe 5F THE ROYALBALL ROOM

(25 Kyomachi, Chuo-ku, Kobe City)

- I am Suga, Director of the Hyogo Prefectural Environment Department. I would like to extend my congratulations on the opening of the "JAIA Imported-brand xEV Promotion Event in Kobe".
- Following the event in Osaka last year, this year, it is held in Kobe, Hyogo Prefecture. This is the first time that the JAIA holds an event to promote electrified vehicles in the city street, so I feel that it will be an event that attracts a lot of attention.
- We in Hyogo Prefecture have been working to improve the air quality by restricting the use of large diesel vehicles as a countermeasure against automobile pollution. Recently, as one of our efforts to achieve a carbon-neutral society, we have been working on the spread of next-generation vehicles, including electric vehicles.
- The Hyogo Prefecture Global Warming Countermeasures Promotion Plan, which was revised in March last year, aims to achieve net zero carbon emissions by 2050. First, in fiscal 2030, we plan to reduce greenhouse gas emissions by 48% from fiscal 2013.
- In addition, we are paying attention to "hydrogen" as a new energy that will simultaneously achieve carbon neutrality in 2050, a stable supply of energy, and economic growth. The entire prefecture is promoting measures to lead the hydrogen society. We are also focusing on the development of hydrogen stations, which will serve as bases where people can feel familiar with the hydrogen society, and the spread of fuel cell vehicles, which are electric vehicles that use hydrogen as fuel.
- Recently, the lineup of electric vehicles sold has been gradually increasing, and electric vehicles are becoming more common in the city as well. In order for environmentally friendly next-generation vehicles to spread, it is important to increase available options.
- At this event, not only electric vehicles but also many types of vehicles such as PHEVs and fuel cell vehicles can be seen by the citizens of Kobe who visit the site, providing a great opportunity for the spread of electric vehicles.

- Electric vehicles, which do not emit exhaust gas while running, will play a major role not only in improving the local environment, but also in realizing a carbon-neutral society. I would like to conclude my congratulatory remarks by wishing for the success of this event and hoping that many citizens of the prefecture will be able to feel the attractiveness of electric vehicles, and that the momentum for the spread of electric vehicles will increase.

"JAIA Imported-brand xEV Promotion Event in Kobe" Opening Ceremony; Director's speech

As just introduced, I am Kashiwagi, Director of the Kobe City Environment Bureau.

I would like to express my heartfelt congratulations that the "JAIA Imported-brand xEV Promotion Event in Kobe" is held on such a grand scale today and tomorrow. Thank you to everyone. I would also like to express my sincere gratitude to all of you present for your continued understanding and cooperation with the Kobe City Government.

○ Now, in Kobe City, we will show the image of the city that Kobe aims for in 2025. The "KOBE 2025 Vision" summarizes the measures to realize it based on a theme of "a city that makes global contributions nurtured by the sea and mountains". As an image of the city, we make use of Kobe's strengths such as a rich natural environment, internationality and diversity, and art and culture. Also as a city that experienced and overcame the earthquake, we aim to create a city where each and every citizen can feel safe and secure, and happy.

○ In aiming for this city image, efforts to realize carbon neutrality are one of the important elements. We intend to protect, nurture, and utilize Kobe's rich natural environment, make Kobe's unique way of life sustainable, and realize urban development that can be handed down to the next generation.

○ In order to realize it, we are carrying out various initiatives such as promoting energy conservation and renewable energy. Among them, "promoting the spread of electric vehicles" is one of the indispensable measures.

○ Electric vehicles are not only environmentally friendly as they emit less carbon dioxide than gasoline vehicles. Depending on the model, they have an external power supply function using a

drive battery, so they are also suitable for use in times of disaster.

○ Up to now, Kobe City has been working on disaster cooperation agreements with businesses regarding vehicle dispatch, and construction of a disaster power supply cycle by charging vehicles at garbage disposal facilities that operate and generate power even during power outages. In addition, all municipal elementary and junior high schools that have been designated as evacuation shelters are gradually improving facilities necessary for realizing the "external power supply; Kobe model", working to spread the awareness through the use of electric vehicles during disasters, which is unique to Kobe that experienced the Great East Japan Earthquake.

○ Last but not least, I sincerely hope that the this event will lead to the promotion of the spread of electric vehicles, and that the JAIA and everyone present today will continue to be successful.

Now, I would like to conclude my greetings. Congratulations on your event.