

Japan's Toyota adds 'kei' makers to technology partnership

July 21 2021, by Yuri Kageyama



This Aug. 15, 2019, file photo shows the Toyota logo on a dealership in Manchester, N.H. In a deal announced Wednesday, July 21, 2021, Japan's top automaker Toyota is adding makers specializing in tiny "kei" cars, Daihatsu and Suzuki, to a partnership in commercial vehicles set up with Hino and Isuzu earlier this year. Credit: AP Photo/Charles Krupa, File

Japan's top automaker Toyota is adding two companies specializing in tiny "kei" cars, Daihatsu and Suzuki, to a partnership in commercial vehicles it set up with Hino and Isuzu earlier this year.

In announcing the deal Wednesday, Toyota Motor Corp. Chief Executive Akio Toyoda said it will speed up efforts to become more ecological and sustainable because kei cars make up about 40% of the Japanese auto market.

Fuel-efficient kei cars, defined by their [small size](#) and maximum 0.66 liter engine size, are popular with farmers, deliveries and retailers. Their tiny size is a plus for maneuvering through Japan's tiny roads and fitting into small parking spaces.

"We want to deliver better lives for people," Toyoda said in an online news conference. "Kei cars make for a practical and sustainable lifeline for Japan."

Under the tie-up, Commercial Japan Partnership, that was announced in March, Toyota, Isuzu Motors and Hino Motors are working together in electric, hydrogen, connected and autonomous technologies.

Those three automakers combined control 80% of Japan's truck market.

The addition of Daihatsu and Suzuki strengthens the [partnership](#), and the manufacturers may work together in developing electric models together, the companies said.

Under the latest deal, Suzuki and Daihatsu will each acquire a 10% stake in the Commercial Japan Partnership Technologies Corp. joint venture.

Capitalized at 10 million yen (\$91,000), it will be 60% owned by Toyota, and 10% each by Isuzu, Hino, Suzuki and Daihatsu, by the end of July.

Toyota acknowledged that the companies are rivals, but need to collaborate to benefit customers.

Working together can help automakers cut costs and boost efficiency. Kei models also hold potential for other parts of Asia, such as India, where Suzuki is a major player.

Toyota and Suzuki have had a partnership in [small cars](#) since 2016, and they entered a capital tie-up in 2019.

Suzuki President Toshihiro Suzuki said he saw kei as "works of art" crucial to Japanese society.

"I was so happy to learn President Toyoda had the same vision as me," Suzuki said.

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