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Almost all of firm’s vehicles affected by scandal

Daihatsu raided over fudging of safety test data

NICHOLAS TAKAHASHI
BLOOMBERG

Daihatsu’s offices have been raided by the Japanese government after a safety scandal forced the Toyota subsidiary to suspend all car shipments indefinitely.

The transport ministry’s on-site inspection of Daihatsu’s Osaka headquarters Thursday morning followed revelations that the car-maker and supplier had manipulated the results of various collision-safety tests dating as far back as 1989.

Daihatsu supplies cars and parts to a number of major brands, including Toyota, Mazda and Subaru, and this could cause the scandal to ripple through the rest of Japan’s automotive industry. For Toyota, rebuilding trust in its oversight will be a challenge, as this is the second time one of its major affiliates has been caught red-handed. Hino Motor admitted to falsifying data last year.

“As voluntary in-house inspections detected only one case where vehicle performance did not meet the legal requirements, we think the risk of an extensive recall is

low,” analysts at Citi Research wrote in a note. “However, if production is suspended for a lengthy period, Toyota could suffer an operating profit hit of hundreds of billions of yen.”

Toyota shares slumped as much as 5.6% in early Tokyo trading Thursday.

Toyota said in a statement on Wednesday that around 174 irregularities had been identified across 64 models, including in some cars sold under the Toyota brand. The move to suspend Daihatsu’s shipments will affect vehicles produced in Japan and overseas, and not only at Toyota factories but possibly also at companies like Mazda and Subaru.

Previously, only about half a dozen models were thought to be affected by the manipulated test results, but Toyota now says almost every car in Daihatsu’s lineup could be impacted.

The investigation centers around the cars’ airbag control units, and found that the ones used during crash tests were different from the ones used in cars actually sold to the public. While those other test units were later found to meet industry standards, side-



Officials from the transport ministry enter Daihatsu’s headquarters in Ikeda, Osaka Prefecture, on Thursday for inspection after a scandal over safety data manipulation emerged at the firm. KYODO

collision test results of the Daihatsu Cast and Toyota Pixis models “may not comply with the law,” Toyota said.

The company said it’s not aware of any accidents or incidents related to the issue.

“This will be an extremely significant task that cannot be accomplished overnight,” Toyota said in its statement, regarding its response to the issue. “It will require not only a review of management and business operations but also a review of the organization and structure as well as a change in human resource development and awareness of each and every employee.”



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Colorado poll case adds fuel to Trump’s campaign

JAMES OLIPHANT AND NANDITA BOSE
WASHINGTON
REUTERS

The latest legal challenge to Donald Trump’s campaign for a second term as U.S. president seems likely to hand the 2024 Republican front-runner even more firepower in his quest to win his party’s nomination.

The Colorado Supreme Court ruled on Tuesday that the former president was barred from its state ballot for engaging in “insurrection” due to a rarely used constitutional provision, an unprecedented decision that the conservative-led U.S. Supreme Court could overturn.

Donors and political analysts from both major parties said the ruling would inflame Trump’s political base, fuel his argument that he is the victim of a partisan legal process, and fill his campaign coffers, as happened earlier this year when he was indicted on a bevy of felony charges for attempting to overturn the 2020 election among other alleged crimes. Those charges did not include insurrection.

“Trump is celebrating,” said John Morgan, a Florida attorney and key fundraiser for U.S. President Joe Biden, a Democrat. He forecast a “fundraising bonanza” for the Republican.

Trump vowed to appeal to the U.S. Supreme Court the Colorado ruling that the 14th Amendment to the U.S. Constitution bars him from seeking office. The top court’s 6-3 conservative majority includes three Trump appointees.

His campaign urged supporters to donate to fight back against what it called a “tyrannical” decision.

Trump, 77, has a slight lead over Biden nationally in a head-to-head match-up ahead of the Nov. 5, 2024, election, according to a recent Reuters/Ipsos poll.

The Colorado ruling could help Democrats appeal to crucial independent voters who believe Trump engaged in insurrection.

In a Reuters/Ipsos poll conducted from Dec. 5 to 11, 57% of independent voters said it was believable that Trump “tried to incite a mob to attack the U.S. Capitol on Jan. 6, 2021.” Only 30% said it was unbelievable.

By contrast, some 70% of Republican respondents considered that allegation “not believable,” while 23% of Republicans said it

Kishida makes more LDP leadership changes in bid to restore trust

ERIC JOHNSTON
STAFF WRITER

Prime Minister Fumio Kishida tapped two veteran lawmakers Thursday to replace key Liberal Democratic Party executives whose faction is caught up in a political slush fund scandal, in an attempt to clean house and restore public trust.

Former education minister Kisaburo Tokai will replace LDP policy chief Koichi Hagiuda, and former Defense Minister Yasukazu Hamada will replace the party’s Diet affairs chair Tsuyoshi Takagi.

Neither Tokai nor Hamada belong to any party faction, in line with Kishida’s attempt to appoint lawmakers not involved in the scandal. The two are expected to be formally appointed Friday when the Cabinet approves the 2024 budget proposal, which needs coordination with the ruling parties beforehand.

“I’m not elated, but I’ve been entrusted by the prime minister (with the position) and plan to do what I can,” Tokai told reporters on Thursday morning.

In the wake of the political funds scandal, Hagiuda, Takagi and Hiroshige Seko, another party executive, announced last week that

they would resign. Seko’s post as the LDP’s Upper House secretary-general will remain vacant, with his duties handled by other party lawmakers.

They all belong to the 99-member faction that was led by former Prime Minister Shinzo Abe, which is suspected of underreporting about ¥500 million in sales of tickets from fundraising events. Hagiuda, Takagi and Seko face allegations of failing to report kickbacks from those sales.

Tokyo prosecutors have focused their investigation on the Abe faction over allegations it provided ¥500 million in off-the-books kick-

backs from the sale of party tickets to faction members who sold more tickets than their allotted quota over a five-year period to 2022. Fundraising tickets and kickbacks are legal, but failing to report them properly violates the political funds law.

Prosecutors suspect that Hagiuda and Takagi may have accepted ¥10 million each in unreported income from the ticket sales.

The changes to the LDP’s top leadership come a week after the prime minister dismissed four key members of his Cabinet who were also senior Abe faction members suspected of receiving unreported funds. The

four included Hirokazu Matsuno, who was replaced as chief cabinet secretary by Yoshimasa Hayashi.

Tokyo prosecutors are stepping up their investigation by the day, and have asked Matsuno and other faction executives for voluntary interviews over Matsuno’s alleged role in receiving over ¥10 million in kickbacks. As a faction executive, he was in charge of its business affairs from 2019 to 2021.

In addition to the Abe faction, prosecutors are looking at allegations that members of former LDP Secretary-General Toshihiro Nikai’s

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For some, the end of an era
WWII survivors’ houses in Sendai remembered as last one torn down | INSIGHTS, PAGE 4

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S. Korea court upholds wartime labor ruling

SEOUL
KYODO

South Korea’s Supreme Court on Thursday upheld decisions by lower courts ordering two Japanese firms, Nippon Steel and Mitsubishi Heavy Industries, to pay damages to South Koreans for wartime labor.

The rulings came as South Korea-Japan relations have been improving since Seoul announced in March its plan for solving the wartime labor issue.

They were the first such rulings by the top court since late 2018 when it upheld orders in separate judgments for Nippon Steel, then named Nippon Steel & Sumitomo Metal, and Mitsubishi Heavy Industries to pay damages for forced labor during Japan’s colonial rule.

In a bid to improve bilateral ties that had deteriorated after the 2018 rulings, Seoul said in March that plaintiffs who had won lawsuits over forced labor during Japan’s 1910-45 colonial rule would receive compensation from a South Korean government-backed foundation rather than the sued firms.

Some of the plaintiffs, however, are refusing to accept compensation from the foun-



Families of deceased plaintiffs in lawsuits over wartime labor during Japan’s colonial rule outside South Korea’s Supreme Court in Seoul on Thursday
KYODO

dation and are demanding apologies and compensation from the Japanese firms.

Japan has said all issues stemming from its colonization of the Korean Peninsula were settled “completely and finally” under a 1965 bilateral agreement.

Responding to the Thursday rulings, Japan’s top government spokesman, Chief Cabinet Secretary Yoshimasa Hayashi, said they are “extremely regrettable and totally

unacceptable,” and that Tokyo has lodged a protest with Seoul.

Hayashi said during a regular news conference that he expects the matter to be addressed by the South Korean government-backed foundation.

The South Korean government said in March that plaintiffs in ongoing cases would also be qualified to receive compensation from the foundation if they won damages.

The Thursday rulings upheld a decision by the Seoul High Court in June 2019 and one by the Gwangju High Court in December 2018 that ordered Nippon Steel and Mitsubishi Heavy Industries respectively to pay between 100 million won (\$76,700) and 150 million won each to former workers.

The seven plaintiffs in the Nippon Steel case have died since the lawsuit was first filed, as have three of the four plaintiffs in the Mitsubishi Heavy Industries case, with a family member of a deceased worker the only survivor.

At South Korea’s Supreme Court, seven other similar lawsuits are ongoing, of which rulings on three cases are scheduled for Dec. 28.



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