

May 9, 2002
Fiscal 2002, ended March 2002

Consolidated Financial Results

Daihatsu Motor Co., Ltd.

Listed company name:	Daihatsu Motor Co., Ltd.
Security code:	7262 (used in Japanese securities industry)
Head office:	1-1, Daihatsu-cho, Ikeda City, Osaka Pref., Japan
Meeting of the board of directors for fiscal year closing held on:	May 9, 2002
Parent company:	Toyota Motor Corp. (Code No. 7203)
Percentage of share ownership by the parent company:	51.2%
Stock listings:	First section of Osaka Securities Exchange, Tokyo Stock Exchange, Nagoya Stock Exchange, Fukuoka Stock Exchange, and Sapporo Stock Exchange
Adoption of US GAAP:	No

1. Financial Results for Fiscal 2002 (From April 1, 2001 to March 31, 2002)

(Amounts less than ¥1 million, except per share amounts, have been omitted in the following tables.)

	FY2002		FY2001	
(1) Consolidated operating results	(Millions of yen)			
Net sales	943,938	[(5.5%)]	998,785	[1.5%]
Operating income	18,599	[(44.4%)]	33,423	[16.3%]
Recurring income	16,132	[(49.9%)]	32,209	[18.8%]
Net income in the period	9,310	[(40.5%)]	15,650	[28.7%]
Net income per share in the period (Yen)	21.80		36.64	
Post-dilution net income per share (Yen)	20.49		34.37	
Ratio of net income to shareholders' equity		4.9%		9.0%
Ratio of recurring income to total assets		2.1%		4.4%
Ratio of recurring income to net sales		1.7%		3.2%

- Notes: 1. Equity in loss of unconsolidated subsidiaries and affiliates
 FY2002 (ended March 2002): 1,571 million yen
 FY2001 (ended March 2001): 1,790 million yen
2. Average number of shares in the period (consolidated)
 FY2002 (ended March 2002): 427,032,477
 FY2001 (ended March 2001): 427,024,877
3. Changes in the accounting method: [] Yes, [x] No
4. Percentage (%) shown for Net sales, Operating income, Recurring income, and Net income in the period represents a yearly change from previous year, respectively.

	FY2002		FY2001	
(2) Consolidated financial position	(Millions of yen)			
Total assets	759,501		766,917	
Shareholders' equity	184,265		192,422	
Shareholders' equity ratio		24.3%		25.1%
Increment Shareholders' equity per share (Yen)	431.47		450.60	

- Note: Number of outstanding shares as of the end of the fiscal year (Consolidated):
 FY2002 (ended March 2002): 427,060,275
 FY2001 (ended March 2001): 427,029,341

	FY2002		FY2001	
(3) Consolidated cash flow position	(Millions of yen)			
Cash flow in business activities	36,889		63,906	
Cash flow in investment activities	(46,622)		(45,292)	
Cash flow in financial activities	(18,561)		444	
Ending balance of cash and equivalents	42,825		70,948	

(4) Scope of consolidation and companies accounted for by the equity method

Number of consolidated subsidiaries: 64

Number of non-consolidated subsidiaries accounted for by the equity method: –

Number of affiliated companies accounted for by the equity method: 24

(5) Changes in scope of consolidation and companies accounted for by the equity method

Newly consolidated companies: 3

Newly unconsolidated companies: 1

Companies newly accounted for by the equity method: –

Companies no longer accounted for by the equity method: –

2. Projected Consolidated Operating Results for Fiscal 2003 (From April 1, 2002 to March 31, 2003)

(Millions of yen)

	Interim	Full year
Net sales	460,000	970,000
Recurring income	4,000	19,000
Net income	1,500	8,000

Ref.: Estimated net income per share for the year: ¥18.73

Note: It is possible that the company's actual operating results for the year ending March 2003 will be different from the above projected figures due to supply and demand trends in our primary markets, uncertainty in foreign exchange rates, and other factors. Please refer to page 6 for information related to the above projected operating results.

Attached Data

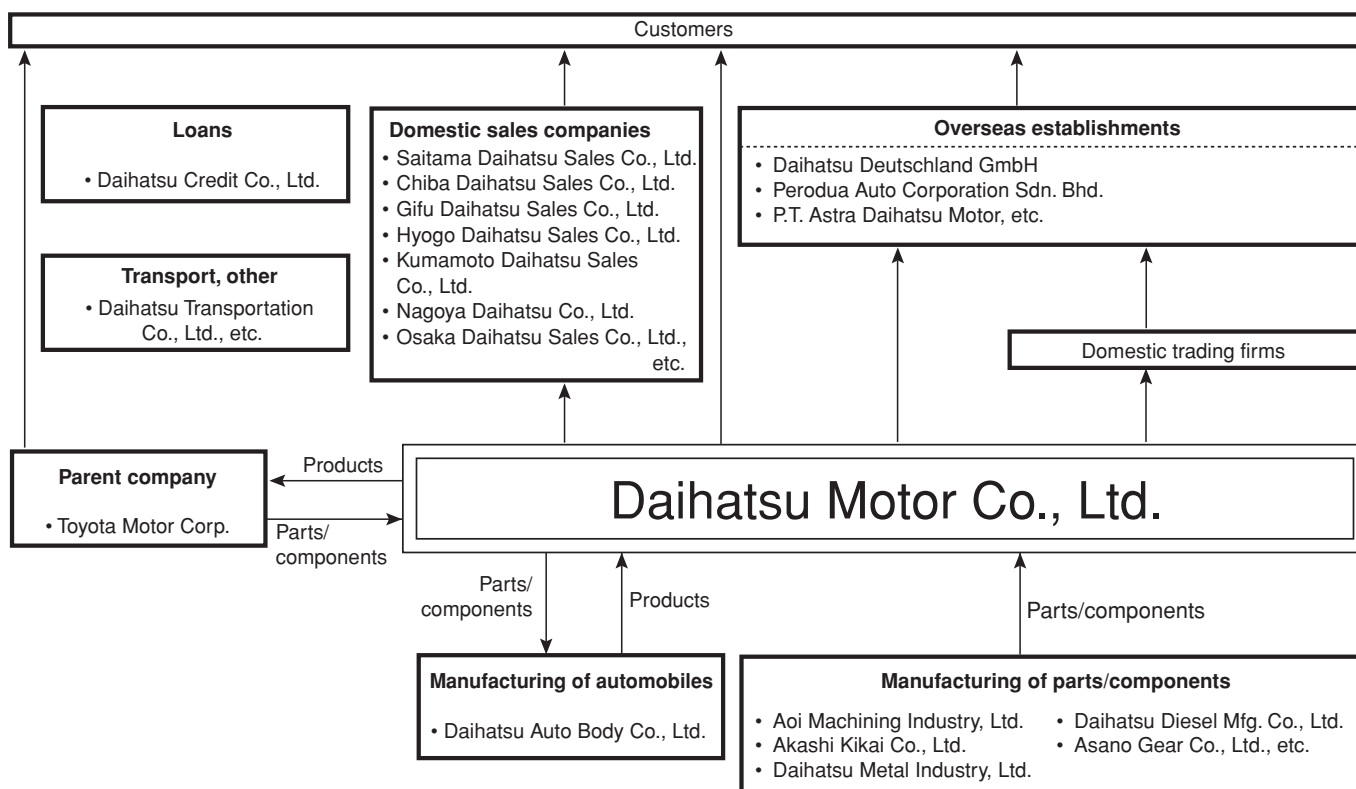
Position of the Corporate Group

The Daihatsu group, comprising the company, 64 subsidiaries and 30 affiliates, manufactures and sells automobiles as its main line of business. Automobiles are manufactured by the company and Daihatsu Auto Body Co., Ltd., while auto parts manufactured by affiliates are delivered to the company. Domestic sales and distribution are handled by 66 Daihatsu sales companies throughout the country, including Hyogo Daihatsu Sales Co., Ltd., selling cars directly to customers. To some large-lot customers, however, sales are conducted directly by the company. Transport of automobiles to the domestic sales companies is handled exclusively by Daihatsu Transportation Co., Ltd. Sales loans for automobiles are taken care of by Daihatsu Credit Co., Ltd.

As for overseas markets, sales of automobiles are handled by Daihatsu Deutschland GmbH and other sales companies. In Indonesia, Malaysia, and other countries, the company supplies parts and components in knock-down kits, for automobiles to be assembled.

The company also assembles cars and other automobiles on commission by the company's parent company, Toyota Motor Corp., including delivery of OEM (original equipment manufacturing) cars.

The major business transactions are summarized in the following flow chart:



Management Policy

1. Basic management policy

We, Daihatsu Group, stand firmly by our fundamental belief of growing as a Group by contributing to society. Our objective is to seek and create new values required by the times, and to maintain our Group as an “attractive and conscientious entity” worthy of public sympathy, love and respect. Our basic management policy goes by the motto, “GOOD SERVICE TO CUSTOMERS IS EVERYTHING”; we are persistently striving to be a valuable asset to our community, customers, shareholders, suppliers and employees as well.

2. Basic dividend policy

Our basic policy in regard to dividends is to maintain a stable level of dividends for the long-term, and to distribute profits in consideration of business results, payout ratio and other factors.

Internal reserves will be allocated to investments that strengthen and enrich corporate structures for further group development.

3. Approach to the reduction of investment units

We are aware that improving the liquidity of the stock is an effective method for increasing the number of individual investors and revitalizing market trading of our stock.

Therefore, we will observe the stock price and market trends as we consider the necessity for reducing the level of our investment units.

4. Mid-term management strategies

Amidst growing concern for the global environment worldwide and changing values, we are convinced that the demand for compact cars will definitely grow in the future. In this kind of social environment, we are striving to be a leading company that can satisfy this demand, while staying true to our three basic objectives of “Developing Creative yet Attractive Products”, “Reinforcing and Expanding Business Foundations” and “Reforming Our Revenue Structure”. For this purpose, we are converging our management resources on the development of the small car business with particular focus on the manufacture of light motor vehicles.

5. Tasks to be tackled

Our most important task is to overcome the increasingly harsh operating environment and cultivate new business opportunities for future development while maintaining our current revenue and earnings.

To this end, all member companies of our group are working to strengthen our management foundation through such efforts as providing competitive new products in a timely manner, reinforcing our domestic sales system, actively developing our overseas business, and promoting thorough cost reductions.

In addition, we are stepping up our efforts to achieve a resource-recycling society as part of our contribution to environmental preservation.

6. Relation with the parties concerned (such as parent company)

As a member of the Toyota Group, we will build closer ties with Toyota Motor Corp., and strive to expand the small car business, which is our group’s specialty, so as to contribute to the further development of the group.

Corporate Business and Financial Summary

1. General condition for the current fiscal year

During the term under review, economic conditions in Japan continued to deteriorate. As consumer spending remained sluggish, corporate earnings fell and employment conditions grew increasingly harsh.

In the automobile industry, new car sales in the domestic market fell below year-before figures due to the chill in consumer spending, despite the release of new models by all companies. The industry's performance in the export market also did not reach the level of the previous fiscal year, despite the recovery in exports for the U.S.

Under these circumstances, our corporate group offered new products to meet market trends and made the utmost effort to survive the fierce competition. Despite these efforts, there were across-the-board declines in domestic sales. The sharp drop in small car sales resulted in a 5.2% drop in total domestic sales, or a decline of 27,594 units from the year-before period to 498,226 units. Overseas sales plunged 11.0% from the year-before period, falling by 8,896 units to 71,907 units. Consigned car sales fell 34.0% from the year before, a drop of 48,121 units to 93,603 units. Vehicles manufactured on an OEM basis for Toyota Motor Corp. fell 18.3% from the year before by 7,576 units to 33,756 units. The number of cars sold in total fell 11.7% from the year before by 92,187 units to 697,492 units.

Turning our attention to components for overseas production, there was a 4.4% year-on-year increase in the number of sets produced, rising by 5,770 sets to 136,850 sets. We also manufactured 272,525 engine units on consignment, a 25.5% year-on-year decline of 93,429 units. In conjunction with the decline in the number of cars sold, the number of cars produced fell to 731,689 units, a 10.5% decline of 85,413 units. (We do not have a made-to-order system, so the amount of orders received cannot be expressed either in monetary or volume terms.)

As a result, net sales fell 5.5% from the year before to ¥943.9 billion, a decline of ¥54.8 billion. Recurring income plummeted 49.9% from the year before to ¥16.1 billion, a fall of ¥16.0 billion, and net income in the period dropped 40.5% from the year before to ¥9.3 billion, a ¥6.3 billion decline.

Meanwhile, our total assets declined ¥7.4 billion from the balance at the end of the previous year to ¥759.5 billion, in spite of a ¥48.7 billion contribution from the new consolidated subsidiaries. The cause of this decline includes the following factors. As described below, cash and cash equivalents fell ¥28.1 billion from the end of the previous year to ¥42.8 billion. Also, the decline in the revaluation of securities for investment resulted in a decline of ¥27.5 billion from the end of the previous year to ¥58.1 billion.

Shareholders' equity stood at ¥184.2 billion, a decline of ¥8.1 billion from the balance at the end of the previous year. This resulted from the ¥15.6 billion decline in the revaluation of marketable securities from the end of the previous year to ¥12.5 billion, despite posting ¥9.3 billion in net income in the period.

In the cash flow category, cash flow from business activities totaled ¥36.8 billion due to posting ¥17.5 billion in net income before income taxes in the period, and to the ¥40.5 billion in depreciation expenses. Thus, cash flow from business activities fell ¥27.0 billion from the year-before period.

Cash flow from investment activities fell ¥1.3 billion from the previous year to -¥46.6 billion after the ¥50.1 billion expenditure for the acquisition of tangible fixed assets.

Cash flow from financial activities fell ¥19.0 billion from the previous year to -¥18.5 billion, resulting from the ¥15.5 billion decline in debts and the payment of ¥2.9 billion in dividends.

As a result, cash and cash equivalents as of the end of the year under review stood at ¥42.8 billion, a decline of ¥28.1 billion from the previous year-end balance.

2. Outlook for the following fiscal year

Despite signs of a recovery in the US economy and the bottoming-out of the decline for large, export-driven companies, uncertainties over employment will remain, and a full-scale recovery in consumer spending is unlikely in the short term. Therefore, as private-sector capital investment is expected to remain sluggish, economic conditions do not allow optimism.

In the automobile industry, conditions in the domestic market are expected to remain at year-before levels due to the prolonged economic stagnation, despite the expectations stemming from the introduction of new car models. We also expect conditions to remain sluggish for exports, despite the global trend toward recovery centered in the U.S.

Our forecasts for the coming year call for a 17.8% year-on-year rise in recurring income to ¥19 billion and a 14.1% drop in net income in the period to ¥8.0 billion on a 2.8% year-on-year increase in net sales to ¥970.0 billion.

Please be advised that our actual performance may differ from our forecast due to uncertain factors in our major markets, including supply and demand trends as well as exchange rates.

Highlights of Consolidated Financial Results

1. Consolidated results

(Millions of yen)

	Consolidated FY2002	Consolidated FY2001	Increment (Decrement)	
			Amount	Ratio
Net sales	943,938	998,785	(54,846)	(5.5%)
Operating income	18,599	33,423	(14,824)	(44.4%)
Recurring income	16,132	32,209	(16,076)	(49.9%)
Net income in the period	9,310	15,650	(6,339)	(40.5%)
Post-dilution net income per share (Yen)	21.80	36.64	(14.84)	(40.5%)

2. Consolidated number of automobiles sold

(Units)

	Consolidated FY2002	Consolidated FY2001	Increment (Decrement)	
			Amount	Ratio
Mini cars				
Domestic	477,334	490,867	(13,533)	(2.8%)
Export	16,611	18,069	(1,458)	(8.1%)
Subtotal	493,945	508,936	(14,991)	(2.9%)
Small cars				
Domestic	20,892	34,953	(14,061)	(40.2%)
Export	55,296	62,734	(7,438)	(11.9%)
Subtotal	76,188	97,687	(21,499)	(22.0%)
Daihatsu cars				
Domestic	498,226	525,820	(27,594)	(5.2%)
Export	71,907	80,803	(8,896)	(11.0%)
Subtotal	570,133	606,623	(36,490)	(6.0%)
Consigned cars	93,603	141,724	(48,121)	(34.0%)
OEM cars	33,756	41,332	(7,576)	(18.3%)
Grand total	697,492	789,679	(92,187)	(11.7%)
Parts for overseas production (Sets)	136,850	131,080	5,770	4.4%
Consigned engines	272,525	365,954	(93,429)	(25.5%)

3. Consolidated sales

(Millions of yen)

	Consolidated FY2002	Consolidated FY2001	Increment (Decrement)	
			Amount	Ratio
Daihatsu				
Domestic	632,863	661,172	(28,309)	(4.3%)
Export	110,034	113,378	(3,343)	(2.9%)
Subtotal	742,897	774,551	(31,653)	(4.1%)
Consigned/OEM	201,041	224,233	(23,192)	(10.3%)
Total	943,938	998,785	(54,846)	(5.5%)

4. Positions of consolidated cash flow

(Millions of yen)

Category	Consolidated FY2002	Consolidated FY2001	Increment (Decrement)	
			Amount	Ratio
Cash flow from sales and marketing activities	36,889	63,906	(27,017)	(42.3%)
Cash flow from investment activities	(46,622)	(45,292)	(1,330)	(2.9%)
Cash flow from financial activities	(18,561)	444	(19,005)	--
Conversion variance for cash and cash equivalents	172	87	84	96.2%
Increase in cash and cash equivalents	(28,122)	19,145	(47,268)	--
Initial balance of cash and cash equivalents	70,948	51,802	19,145	
Year-end balance of cash and cash equivalents	42,825	70,948	(28,122)	

Note: Amounts less than ¥1 million have been omitted in this table.

Ref.: Comparison with non-consolidated statement

(Millions of yen)

Category	Consolidated account	Non-consolidated account	Difference	Ratio of consolidated/ non-consolidated accounts
Net sales	943,938	818,719	125,219	1.15
Operating income	18,599	12,877	5,721	1.44
Recurring income	16,132	14,428	1,704	1.12
Net income in the period	9,310	9,162	148	1.02
Post-dilution net income per share (Yen)	21.80	21.45	0.35	1.02

Note: Amounts less than ¥1 million have been omitted in this table.

Consolidated Statements of Profit and Loss (Years ended March 31, 2002 and 2001)

(Millions of yen)

	Consolidated FY2002		Consolidated FY2001		Increment (Decrement)	
Net sales	943,938	100.0%	998,785	100.0%	(54,846)	(5.5%)
Cost of sales	729,672	77.3%	768,832	77.0%	(39,160)	(5.1%)
Total gross profit before adjustment of sales profits deferred	214,266	22.7%	229,952	23.0%	(15,686)	(6.8%)
Adjustments of sales profits deferred	(569)		(2,376)		1,806	
Gross profit	213,696	22.6%	227,576	22.8%	(13,879)	(6.1%)
Selling, general and administrative expenses	195,097	20.6%	194,152	19.5%	944	0.5%
Operating income	18,599	2.0%	33,423	3.3%	(14,824)	(44.4%)
Non-operating profits:						
Interest and dividend income	725		1,281		(555)	
Return on investment, based on the equity method	1,571		1,790		(218)	
Miscellaneous profits	2,327		2,393		(66)	
Total non-operating profits	4,624		5,464		(840)	(15.4%)
Non-operating expenses:						
Interest expense	1,096		2,445		(1,348)	
Miscellaneous losses	5,994		4,233		1,760	
Total non-operating expenses	7,090		6,678		412	6.2%
Recurring income	16,132	1.7%	32,209	3.2%	(16,076)	(49.9%)
Extraordinary profits:						
Gain on sale of fixed assets	4,317		--		4,317	
Subsidy for promoting corporate location	501		--		501	
Profit from creating retirement allowance trust	--		23,410		(23,410)	
Profit from sale of investment securities	--		2,489		(2,489)	
Subsidy for equipment and facilities	--		90		(90)	
Gain on insurance adjustment	--		48		(48)	
Total extraordinary profits	4,819		26,039		(21,219)	
Extraordinary losses:						
Loss from advanced depreciation of fixed assets	3,385		138		3,247	
Retirement allowance expenditures	--		27,491		(27,491)	
Loss from revaluation of investment securities	--		294		(294)	
Total extraordinary losses	3,385		27,924		(24,539)	
Income before income taxes in the period	17,566	1.9%	30,324	3.0%	(12,757)	(42.1%)
Corporate and inhabitants' taxes and enterprise tax	14,471		20,386		(5,915)	
Corporate tax, other adjustments	(6,268)		(5,912)		(355)	
Minority shareholders' income	(-) 52		(-) 199		147	
Net income in the period	9,310	1.0%	15,650	1.6%	(6,339)	(40.5%)

Note: Amounts less than ¥1 million have been omitted in this table.

Consolidated Balance Sheets (Years ended March 31, 2002 and 2001)

	(Millions of yen)		
	Consolidated FY2001	Consolidated FY2001	Increment (Decrement)
Assets:			
Current assets:			
Cash and time deposits	31,936	72,056	(40,120)
Notes and accounts receivable	182,543	203,532	(20,988)
Marketable securities	140	418	(278)
Inventories	63,241	49,390	13,851
Deferred tax assets	15,438	10,871	4,567
Deposits	11,500	--	11,500
Other current assets	42,688	39,983	2,705
Allowance for doubtful receivables	(1,750)	(2,060)	310
Total current assets	345,737	374,190	(28,453)
Fixed assets:			
Tangible fixed assets:			
Buildings and structures	93,345	85,335	8,009
Machinery and transport equipment	115,165	99,050	16,114
Land	88,573	86,401	2,172
Construction in progress	12,096	4,598	7,498
Other fixed assets	24,360	16,974	7,385
Total tangible fixed assets	333,541	292,360	41,181
Intangible fixed assets	1,429	1,382	47
Investments and other assets:			
Investments in securities	58,123	85,629	(27,506)
Long-term loans receivable	5,126	5,462	(336)
Deferred tax assets	14,889	6,707	8,181
Other investments and assets	3,097	3,336	(238)
Allowance for doubtful receivables	(2,443)	(2,152)	(291)
Total investments and other assets	78,792	98,984	(20,191)
Total fixed assets	413,763	392,727	21,036
Total assets	759,501	766,917	(7,416)

Note: Amounts less than ¥1 million have been omitted in this table.

	(Millions of yen)		
	Consolidated FY2002	Consolidated FY2001	Increment (Decrement)
Liabilities:			
Current liabilities:			
Notes and accounts payable	200,829	206,188	(5,358)
Short-term debt	112,962	115,810	(2,847)
Accrued corporation tax	7,076	13,247	(6,171)
Deferred tax liabilities	319	--	319
Accrued expenses	53,918	48,741	5,177
Allowance for product warranty	7,881	5,360	2,521
Other current liabilities	63,176	63,644	(467)
Total current liabilities	446,164	452,992	(6,828)
Long-term liabilities:			
Convertible bonds	19,993	19,993	--
Long-term debt	22,335	35,061	(12,726)
Deferred tax liabilities	1,705	6,290	(4,584)
Reserve for employee retirement benefits	56,745	53,988	2,756
Reserve for directors' retirement allowance	1,302	1,286	16
Other long-term liabilities	3,340	3,630	(290)
Total long-term liabilities	105,422	120,250	(14,827)
Total liabilities	551,586	573,242	(21,655)
Minority interests	23,649	1,252	22,396
Shareholders' equity:			
Capital stock	28,404	28,404	--
Additional paid-in capital	10,827	10,827	--
Consolidated retained earnings	135,720	129,565	6,154
Other securities revaluation differences	12,516	28,179	(15,662)
Account of exchange adjustment	(3,191)	(4,539)	1,347
Less treasury common stocks	(11)	(15)	3
Total shareholders' equity	184,265	192,422	(8,156)
Total liabilities and shareholders' equity	759,501	766,917	(7,416)

Note: Amounts less than ¥1 million have been omitted in this table.

Consolidated Statement of Retained Earnings (Years ended March 31, 2002 and 2001)

(Millions of yen)

	Consolidated FY2001	Consolidated FY2001	Increment (Decrement)
Balance at the beginning of the year	129,565	117,053	12,511
Cash dividends	2,989	2,989	0
Bonuses for directors	166	148	17
Decrease	3,156	3,138	17
Net income	9,310	15,650	(6,339)
Balance at the end of the year	135,720	129,565	6,154

Note: Amounts less than ¥1 million have been omitted in this table.

Consolidated Cash Flow Statement (Years ended March 31, 2002 and 2001)

(Millions of yen)

	Consolidated FY2002	Consolidated FY2001	Increment (Decrement)
I Cash Flow in Business Activities:			
Net profit before tax and other adjustments	17,566	30,324	(12,757)
Depreciation expenses	40,507	42,148	(1,641)
Increase/decrease in reserve for retirement allowance	--	(49,833)	49,833
Increase/decrease in reserve for employee retirement benefits	2,679	54,057	(51,378)
Increase/decrease in reserve for directors' retirement allowance and bonus	16	1,286	(1,269)
Increase/decrease in reserve for doubtful accounts	(18)	(206)	187
Interest earned and dividends received	(725)	(1,281)	555
Interest expenses	1,096	2,445	(1,348)
Exchange gain or loss	(824)	(155)	(669)
Return on invested capital under equity method	(1,571)	(1,790)	218
Gains from sale of fixed assets	(4,649)	(305)	(4,344)
Loss from retirement of fixed assets	5,542	2,220	3,322
Gains from sale of securities	(14)	(2,489)	2,475
Loss from revaluation of securities	589	294	294
Increase/decrease in trade receivables	21,028	(16,004)	37,033
Increase/decrease in inventories	(5,791)	(3,803)	(1,987)
Increase/decrease in trade debt	(15,703)	18,219	(33,922)
Increase/decrease in unpaid consumption tax and others	(1,018)	(634)	(384)
Bonus paid to directors	(170)	(149)	(21)
Others	(2,259)	7,377	(9,637)
Subtotal	56,278	81,719	(25,440)
Interest and dividends received	3,081	1,927	1,153
Interest paid	(1,090)	(2,431)	1,340
Corporate tax and other taxes paid	(21,380)	(17,308)	(4,071)
Cash flow in business activities	36,889	63,906	(27,017)
II Cash Flow in Investment Activities:			
Expenditure for making time deposits	(96)	(607)	510
Income from refund of time deposits	453	541	(87)
Income from sale of securities	418	70	347
Expenditure for acquisition of fixed assets	(50,117)	(46,393)	(3,723)
Income from sale of fixed assets	2,788	1,433	1,354
Expenditure for acquisition of investment securities	(24)	(805)	781
Income from sale of investment securities	1	2,490	2,488
Expenditure for acquisition of subsidiaries' stocks resulting in the change in the scope of consolidation	(443)	--	(443)
Expenditure for short-term loans	(3,246)	(6,794)	3,548
Income from collection of short-term loans	3,306	4,606	(1,299)
Expenditure for long-term loans	(1,254)	(1,710)	456
Income from collection of long-term loans	1,590	1,876	(285)
Cash flow in investment activities	(46,622)	(45,292)	(1,330)
III Cash Flow in Financial Activities:			
Increase/decrease in short-term borrowings	(8,248)	12,673	(20,922)
Income from long-term loans	13,312	15,184	(1,872)
Expenditure for repayment of long-term loans	(20,637)	(24,473)	3,836
Income from sale of treasury stocks	25	80	(54)
Expenditure for acquisition of treasury stocks	(8)	(25)	17
Income from minority shareholders' payments	75	--	75
Dividends paid	(2,989)	(2,989)	(0)
Dividends paid to minor shareholders	(90)	(4)	(85)
Cash flow in financial activities	(18,561)	444	(19,005)
IV Difference from Conversion to Cash and Equivalents	172	87	84
V Increase in Cash and Equivalents	(28,122)	19,145	(47,268)
VI Initial Balance of Cash and Equivalents	70,948	51,802	19,145
VII Year-end Balance of Cash and Equivalents	42,825	70,948	(28,122)

Note: Amounts less than ¥1 million have been omitted in this table.

Basic Matters to be Taken into Consideration for the Preparation of Consolidated Financial Results

1. Scope of consolidation

Consolidated subsidiaries : 64

Major subsidiaries : Daihatsu Auto Body Co., Ltd., Daihatsu Credit Co., Ltd., Kumamoto Daihatsu Sales Co., Ltd., Hyogo Daihatsu Sales Co., Ltd., Daihatsu Deutschland GmbH

(New): Perodua Auto Corporation Sdn. Bhd., Perodua Manufacturing Sdn. Bhd., Perodua Engine Manufacturing Sdn. Bhd.

The above new subsidiaries have been included in the consolidated accounts.

(Diminishment): Fukuyama Daihatsu Sales Co., Ltd.

The above company has merged with our subsidiary Hiroshima Daihatsu Sales Co., Ltd.

The name of Hiroshima Daihatsu Sales Co., Ltd. was changed to Daihatsu Hiroshima Sales Co., Ltd.

2. Application of the equity method

Affiliated companies to which the equity method was applied: 24

Major affiliates: Daihatsu Diesel Mfg. Co., Ltd., Osaka Daihatsu Sales Co., Ltd.

3. Settlement date for consolidated subsidiaries

The settlement date for the four consolidated subsidiaries Perodua Auto Corporation Sdn. Bhd., Perodua Manufacturing Sdn. Bhd., Perodua Engine Manufacturing Sdn. Bhd., and DMCA Inc. is December 31. We have used their financial statements as of that date to compile this consolidated financial statement. We have made necessary adjustments to reflect important transactions that have occurred between that date and the consolidated settlement date.

Also, there has been a change in the settlement period for Daihatsu Deutschland GmbH and five other consolidated subsidiaries. Therefore, the number of months in the fiscal year of those consolidated subsidiaries differs from those in the consolidated fiscal year.

4. Basis and method of accounting

(1) Basis and method of valuation of securities:

Other securities

* Securities with market value are stated as determined by the market value method based on the market value, etc. on the last day of the period. (All valuation differences are handled by the direct injection of capital method.)

* Securities without market value are stated at cost as determined by the moving average cost method.

(2) Basis and method of valuation of inventories:

* Products (produced cars), products (supply parts), and work in progress are in general stated at lower cost as determined by the general average cost method.

* Products (purchased cars) are in general stated at lower cost as determined by the separated method.

* Raw materials are in general stated at lower cost as determined by the last-in first-out method.

(3) Depreciation methods of important fixed assets:

Tangible fixed assets

Tangible fixed assets are depreciated on the basis of the declining balance method. However, the straight-line method is adopted for buildings (excluding attached facilities) acquired after April 1, 1998.

(4) Basis of accounting for important reserves:

Allowance for doubtful debts

We have made provisions for possible losses from accounts receivable or other loans. The estimate for irretrievable losses was allocated for general credits and specific credits such as doubtful debts by considering the loan loss ratio and the probability for recovery of each credit, respectively.

Allowance for product warranty

To provide for disbursements for post-sale service of products based on a written warranty, an estimated amount for service expenses during the warranty period is set aside.

Reserve for retirement allowance

To provide employees' retirement allowances, calculations are made based on estimated retirement allowance liability and pension assets as of the end of the current consolidated fiscal year.

Liabilities for past work service are treated as expenses when they arise based on the straight-line method using the employees' remaining years of service upon accrual.

Differences from actuarial calculation are treated as costs from the year following the accrual by the straight-line method for the employees' average remaining years of service upon accrual.

Reserve for directors' retirement benefits

To provide directors' retirement benefits for special services, an amount required for year-end payment is set aside in accordance with internal regulations regarding the payment of such benefits.

(5) Accounting for important lease transactions:

Finance lease transactions, other than those where the ownership of the leased property is regarded as transferable to the lessee, are accounted for and treated by the accounting method applicable to normal rental transactions.

(6) Important hedge accounting method:

Forward exchange contracts are all appropriated to money claims in foreign currencies. Forward exchange contracts are employed to avoid fluctuation risk of future exchange rates within the balance of money claims in foreign currencies, in accordance with internal management rules; transaction results are reported to the board meeting every three months.

For interest rate swaps, all transactions are treated as exceptions. Interest rate swaps are employed for borrowings to avoid fluctuation risk in the borrowing interest rate in the future, subject to managerial approval. Details of all transactions are reported to the directors concerned on a regular basis.

(7) Method of treating consumption tax:

The tax-excluded method was adopted to treat consumption tax.

5. Issues relating to evaluations of assets and liabilities of consolidated subsidiaries

Evaluation of consolidated subsidiaries' assets and liabilities is fully conducted on the current cost method.

6. Issues relating to depreciation and amortization of consolidated adjustment account

Depreciation and amortization of the consolidated adjustment account is treated as profit or loss upon accrual as the amount is small.

7. Issues relating to treatment of distribution of profit, etc.

Consolidated earned surplus statements are made based on the defined profit distribution of the consolidated companies during the consolidated fiscal year.

8. Scope of funds for consolidated cash flow statements

Funds (cash and cash equivalents) on the consolidated cash flow statements include cash on hand, unrestricted cash, as well as easily realizable short-term investments due within three months from acquisition with minor value fluctuation risk.

Notes

Consolidated Statements of Profit and Loss

(Millions of yen)

	Consolidated FY2002	Consolidated FY2001
Research and development cost	35,023	33,439

Consolidated Balance Sheets

(Millions of yen)

	Consolidated FY2002	Consolidated FY2001
(1) Accumulated depreciation of tangible fixed assets	545,773	518,575
(2) Pledged assets and secured liabilities		
Pledged assets:		
Cash and cash deposits	22	4
Notes receivable	372	314
Buildings and structures	7,484	7,675
Machine, equipment and vehicles	739	903
Land	15,917	16,857
Other (Tangible fixed assets)	0	1
Total	24,536	25,756
Secured liabilities:		
Short-term loans	20,025	25,128
Long-term loans	4,718	5,317
Total	24,743	30,445
(3) Guaranteed obligation	600	842

Consolidated Cash Flow Statement

Relationship between the balance of cash and cash equivalent at the end of the period and the amount shown on the consolidated balance sheet

(Millions of yen)

	Consolidated FY2002	Consolidated FY2001
Cash and cash deposits	31,936	72,056
Term deposit for three months or more	(750)	(1,107)
Short-term investments for which the maturity date arrives within three months after the date of acquisition (Securities)	140	--
Deposits	11,500	--
Cash and cash equivalents	42,825	70,948

Segment Information

1. Information by Industry Segment

The Daihatsu group is working in the business related to the manufacturing and sales of automobiles as its main business line. As the percentages in the total amount of net sales, operating income, and total assets of all segments occupied by the said segment are more than 90%, we omitted the description of the group's information by industry segment.

2. Information by Business Location

As the percentage of the figures occupied by Japan in the total amount of net sales and total assets of all business locations is more than 90%, we omitted the description of the group's information by geographical segment.

3. Overseas Sales

Consolidated FY2002				(Millions of yen)
	Asia	Europe	Other regions	Total
Overseas sales	58,233	28,183	23,617	110,034
Consolidated sales				943,938
Overseas sales as a percentage of consolidated net sales	6.2%	3.0%	2.5%	11.7%

Consolidated FY2001				(Millions of yen)
	Asia	Europe	Other regions	Total
Overseas sales	60,967	33,237	19,173	113,378
Consolidated sales				998,785
Overseas sales as a percentage of consolidated net sales	6.1%	3.4%	1.9%	11.4%

- Notes:
1. Classification of countries or regions is based on geographical proximity.
 2. Principal countries and regions belonging to each class are as follows:
 - (1) Asia: Indonesia, Malaysia
 - (2) Europe: Germany, U.K.
 - (3) Other regions: Australia, Venezuela
 3. Overseas sales represent the sales amount of Daihatsu and its consolidated subsidiaries in the regions outside Japan.

Lease Transactions

1. Financial and lease transactions other than those for which the transfer of ownership rights to the lessee is recognized.

(1) Borrowings	(Millions of yen)	
	Consolidated FY2002	Consolidated FY2001
Amount equivalent to acquisition price	6,714	9,124
Amount equivalent to cumulative depreciation amount	2,906	4,582
Amount equivalent to balance at the end of the period (Amount equivalent to year-end balance of unexpired lease fees)	3,808	4,541
[Of these, amount within one year]	[983]	[1,353]
Lease fees paid (Amount equivalent to depreciation costs)	1,327	1,624

The calculation method for the amount equivalent to depreciation costs is to assume the lease period as the useful life and to use the straight-line method with the residual value as zero.

The amount equivalent to the acquisition price and the amount equivalent to the year-end balance of unexpired lease fees are calculated using the method incorporating the interest paid, because the year-end balance of unexpired lease fees accounts for a small percentage of the year-end balance of fixed tangible assets.

(2) Lendings	(Millions of yen)	
	Consolidated FY2002	Consolidated FY2001
Acquisition price	872	913
Cumulative depreciation amount	613	543
Year-end balance	259	370
Amount equivalent to year-end balance of unexpired lease fees	367	495
[Of these, amount within one year]	[163]	[185]
Lease fees received	183	192
Depreciation expenses	154	138

The amount equivalent to the year-end balance of unexpired lease fees is calculated using the method incorporating the interest received, because the total of the year-end balance of unexpired lease fees and the balance of estimated remaining value accounts for a small percentage of the total year-end balance of operating credits.

2. Operating lease transactions (borrowings)		(Millions of yen)	
		Consolidated FY2002	Consolidated FY2001
Unexpired lease fees	Within one year	59	68
	Over one year	14	74
	Total	74	142

Transactions with the Parties Concerned

Current consolidated fiscal year (April 1, 2001 to March 31, 2002)

Parent Company

Attribute	Parent company
Company name	Toyota Motor Corp.
Address	Toyota, Aichi Prefecture
Capital	397,049 million yen
Line of business or occupation	Manufacturing of automobiles
Proportion of voting rights owned	Directly 51.2%
Corporate relation:	
Concurrent post held by directors	7 directors transferred, 1 director holds post at both companies
Business relation	Delivery of consigned cars and OEM cars
Amount of transactions:	
Sale of consigned cars and other transactions	201,041 million yen
Purchase of auto parts/components	104,621 million yen
Year-end balance:	
Account receivables/Accrued income/Deposits	27,687 million yen
Account payable/Temporary receipt	6,193 million yen

Note: The amount of transactions do not include consumption tax, etc.

Tax-effect Accounting

	(Millions of yen)	
	Consolidated	Consolidated
	FY2002	FY2001
Deferred tax assets	42,592	36,151
Deferred tax liabilities	(14,290)	(24,861)
Net amount of deferred tax assets	28,302	11,289

Securities

1. Securities with current market value

Current consolidated fiscal year (as of March 31, 2002) (Millions of yen)

Categories	Acquisition cost	Amount on the consolidated balance sheet	Difference
Items with amount on the consolidated balance sheet exceeding the acquisition cost:			
Stocks	13,036	34,615	21,579
Bonds:			
Corporate bonds	65	88	23
Subtotal	13,101	34,703	21,602
Items with amount on the consolidated balance sheet not exceeding the acquisition cost:			
Stocks	390	333	(57)
Bonds:			
Corporate bonds	--	--	--
Subtotal	390	333	(57)
Total	13,492	35,037	21,544

Previous consolidated fiscal year (as of March 31, 2001) (Millions of yen)

Categories	Acquisition cost	Amount on the consolidated balance sheet	Difference
Items with amount on the consolidated balance sheet exceeding the acquisition cost:			
Stocks	13,145	61,687	48,541
Bonds:			
Corporate bonds	65	92	27
Subtotal	13,211	61,779	48,568
Items with amount on the consolidated balance sheet not exceeding the acquisition cost:			
Stocks	1,346	1,288	(57)
Bonds:			
Corporate bonds	--	--	--
Subtotal	1,346	1,288	(57)
Total	14,557	63,068	48,511

Notes: The market value of listed securities is calculated principally based on the closing price on the Tokyo Stock Exchange.

2. Other securities sold

(Millions of yen)

	Consolidated FY2002	Consolidated FY2001
Amount sold	419	2,560
Total profit on sale	14	2,489

3. Of the other securities, the expected repayment amount in the future for those at maturity and debt instruments to be held to maturity:

(Millions of yen)

Categories	Consolidated FY2002		Consolidated FY2001
	Within one year	Over 1 year and within 5 years	Over 1 year and within 5 years
Bonds:			
Corporate bonds	21	66	87
Total	21	66	87

Derivative Transactions

Current consolidated fiscal year (ended March 31, 2002) and previous consolidated fiscal year (ended March 31, 2001)

Hedge accounting applies to all the derivative transactions of the company group and there are no items to be noted.

Retirement Allowance Accounting

1. Summary of retirement allowance plans adopted

The company as well as its consolidated subsidiaries provide fixed benefit type systems including an employees' pension fund, an aggregated employees' pension fund, an approved retirement annuity and retirement lump sum grants.

2. Issues relating to retirement allowance liabilities

	(Millions of yen)	
	Consolidated FY2002	Consolidated FY2001
A. Retirement allowance liabilities	(222,054)	(204,392)
B. Pension assets	112,588	122,356
C. Reserve for retirement allowance	56,745	53,988
D. Prepaid pension expense	(163)	(85)
E. Variance (A+B+C+D)	(52,884)	(28,133)
(Breakdown of variance)		
F. Variance from unrealized actuarial calculations	(59,813)	(28,133)
G. Unrealized past service obligations (Reduction in obligation)	6,929	--
H. Variance (F+G)	(52,884)	(28,133)

Notes:

1. Includes substitutions for the employees pension fund.
2. Some subsidiaries use a simplified method for calculation of retirement allowance liabilities.
3. Amount of pension assets under a multi-proprietors system, of which reasonable calculation of contributory pension assets is not available, is ¥20,627 million (¥18,286 million in consolidated FY2001).
4. In conjunction with the March 2000 amendment of the Welfare Pension Insurance Law, the past service liabilities (reduction in liabilities) arises with the amendment of the rules for raising the age at which payment begins for the subrogated portion of the welfare pension fund for the submitting company and some consolidated subsidiaries during the current consolidated year.

3. Issues relating to retirement allowance expenses

	(Millions of yen)	
	Consolidated FY2002	Consolidated FY2001
A. Service cost	7,536	7,381
B. Interest expense	5,565	5,387
C. Expected investment profit	(3,067)	(3,526)
D. Amount disposed upon changes in the accounting standard	--	3,925
E. Amount disposed by payment of difference of actuarial calculations	1,664	--
F. Amount disposed by payment of past service liabilities	(68)	--
G. Retirement allowance expenses (A+B+C+D+E+F)	11,629	13,167

Notes:

1. Employees contributions to the employees' pension fund are deducted.
2. As a result of a retirement allowance trust created in the interim period for the previous consolidated fiscal year, which is the first year in which accounting for retirement allowance has been introduced, ¥23,565 million from disposal of initial retirement allowance liabilities in a block equivalent to the market price of assets in trust upon contribution is deducted.
3. Retirement allowance expenses of consolidated subsidiaries employing the simplified method are appropriated to "A. Service cost".

4. Amount of pension contributions under a multi-proprietors system, of which reasonable calculation of contributory pension assets is not available, is ¥1,295 million (¥1,377 million in consolidated FY2001).
5. “F. Amount disposed by payment of past service liabilities” is the amount disposed for consolidated FY2002 in relation to past service liabilities as noted in Note. 4 above for “Issues relating to retirement allowance liabilities”.

4. Issues relating to calculation basis of retirement allowances liabilities, etc.

- a. Allocation method of period for estimated retirement allowance:
Fixed amount for the period basis
- b. Discount rate: 2.5% (3.0% in consolidated FY2001)
- c. Expected return on investment: 2.5% (3.0% in consolidated FY2001)
- d. Number of years to dispose of past service liabilities:
Liabilities for past service are treated as expenses when they arise based on the straight-line method using the employees’ average remaining years of service upon accrual.
- e. Number of years to depreciate variance for the purpose of actuarial calculation:
To be recognized and depreciated starting from the following fiscal year as expenses based on the fixed amount method using the employees’ average remaining years of service upon accrual.
- f. Number of years to depreciate variance as of changes in accounting standard:
1 year