

October 25, 2002  
Fiscal 2003, ending March 2003

## **Non-Consolidated Financial Results (Interim Period)**

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**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 interim closing held on:	October 25, 2002
Date on which interim dividends will begin paid:	December 10, 2002
Stock listings:	First section of Osaka Securities Exchange, Tokyo Stock Exchange, Nagoya Stock Exchange, Fukuoka Stock Exchange, and Sapporo Stock Exchange
Interim dividend payment system:	Yes
Stock unit system:	Yes (1 unit = 1,000 shares)

## 1. Financial Results for Fiscal 2003 Interim Period (From April 1, 2002 to September 30, 2002)

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

### (1) Operating results

(Millions of yen)

	FY2003 Interim Period		FY2002 Interim Period		FY2002 (ended March 2002)	
Net sales	355,291	[(14.4%)]	415,187	[0.2%]	818,719	[(5.8%)]
Operating income	1,168	[(86.2%)]	8,463	[(1.0%)]	12,877	[(44.1%)]
Recurring income	1,858	[(78.7%)]	8,723	[0.1%]	14,428	[(39.4%)]
Net income in the current interim period	1,108	[(77.8%)]	4,983	[0.6%]	9,162	[(26.8%)]
Net income per share in the current interim period (Yen)	2.59		11.66		21.45	

Notes: 1. Average number of shares in the period:

FY2003 Interim Period (ended September 2002): 427,112,431

FY2002 Interim Period (ended September 2001): 427,121,354

FY2002 (ended March 2002): 427,120,094

2. Changes in accounting methods: [ ] Yes, [x] No

3. Percentage (%) shown for Net sales, Operating income, Recurring income, and Net income in the current interim period represents a yearly change from the previous interim period.

### (2) Cash dividends

	FY2003 Interim Period	FY2002 Interim Period	FY2002 (ended March 2002)
Cash dividends per share in the interim period (Yen)	2.50	3.00	—
Cash dividends per share for the fiscal year (Yen)	—	—	7.00

### (3) Financial position

(Millions of yen)

	FY2003 Interim Period		FY2002 Interim Period		FY2002 (ended March 2002)
Total assets	498,995		537,185		547,454
Shareholders' equity	194,594		200,738		194,603
Shareholders' equity ratio		39.0%		37.4%	35.5%
Shareholders' equity per share (Yen)	455.61		469.97		455.62

Notes: 1. Number of outstanding shares as of the end of the period:

FY2003 Interim Period (ended September 2002): 427,105,480

FY2002 Interim Period (ended September 2001): 427,122,788

FY2002 (ended March 2002): 427,116,275

2. Number of treasury stock:

FY2003 Interim Period (ended September 2002): 17,486

FY2002 Interim Period (ended September 2001): 178

FY2002 (ended March 2002): 6,691

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

(Millions of yen)

	Full year
Net sales	750,000
Recurring income	8,500
Net income	5,000

Ref.: Estimated net income per share for the year: ¥11.70

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 of the Consolidated Financial Results for information related to the above projected operating results.

## Sales Volume and Amounts

### 1. Number of automobiles sold

					(Units)
	FY2003 Interim Period (From April 1, 2002 to September 30, 2002)	FY2002 Interim Period (From April 1, 2001 to September 30, 2001)	Increment (Decrement)		FY2002 (From April 1, 2001 to March 31, 2002)
<b>Mini cars</b>					
Mini passenger cars:					
Domestic	153,354	173,377	(20,023)	(11.5%)	369,283
Export	6,580	6,552	28	(0.4%)	13,992
Total	159,934	179,929	(19,995)	(11.1%)	383,275
Mini commercial cars:					
Domestic	67,204	71,392	(4,188)	(5.9%)	145,495
Export	250	310	(60)	(19.4%)	605
Total	67,454	71,702	(4,248)	(5.9%)	146,100
Domestic	220,558	244,769	(24,211)	(9.9%)	514,778
Export	6,830	6,862	(32)	(0.5%)	14,597
Total of mini cars	<b>227,388</b>	<b>251,631</b>	<b>(24,243)</b>	<b>(9.6%)</b>	<b>529,375</b>
<b>Small cars</b>					
Small passenger cars:					
Domestic	6,493	11,043	(4,550)	(41.2%)	19,743
Export	25,529	21,655	3,874	17.9%	40,635
Total	32,022	32,698	(676)	(2.1%)	60,378
Small commercial cars:					
Domestic	559	456	103	22.6%	986
Export	8,095	5,315	2,780	52.3%	10,237
Total	8,654	5,771	2,883	50.0%	11,223
Domestic	7,052	11,499	(4,447)	(38.7%)	20,729
Export	33,624	26,970	6,654	24.7%	50,872
Total of small cars	<b>40,676</b>	<b>38,469</b>	<b>2,207</b>	<b>5.7%</b>	<b>71,601</b>
<b>Daihatsu cars</b>					
Domestic	227,610 [72.8%]	256,268 [69.7%]	(28,658)	(11.2%)	535,507 [73.5%]
Export	40,454 [13.0%]	33,832 [9.2%]	6,622	19.6%	65,469 [9.0%]
Total of Daihatsu cars	<b>268,064 [85.8%]</b>	<b>290,100 [78.9%]</b>	<b>(22,036)</b>	<b>(7.6%)</b>	<b>600,976 [82.5%]</b>
<b>Toyota cars</b>					
Consigned cars	32,888 [10.5%]	63,085 [17.1%]	(30,197)	(47.9%)	93,603 [12.9%]
OEM cars	11,407 [3.7%]	14,717 [4.0%]	(3,310)	(22.5%)	33,756 [4.6%]
Total of Toyota cars	<b>44,295 [14.2%]</b>	<b>77,802 [21.1%]</b>	<b>(33,507)</b>	<b>(43.1%)</b>	<b>127,359 [17.5%]</b>
<b>Grand total</b>	<b>312,359 [100%]</b>	<b>367,902 [100%]</b>	<b>(55,543)</b>	<b>(15.1%)</b>	<b>728,335 [100%]</b>
Parts for overseas production (Sets)	80,660	69,180	11,480	16.6%	136,850
Consigned engines	96,589	148,442	(51,853)	(34.9%)	272,525

### 2. Sales amounts

					(Millions of yen)
	FY2003 Interim Period (From April 1, 2002 to September 30, 2002)	FY2002 Interim Period (From April 1, 2001 to September 30, 2001)	Increment (Decrement)		FY2002 (From April 1, 2001 to March 31, 2002)
<b>Daihatsu cars</b>					
Domestic	219,296 [61.7%]	248,731 [59.9%]	(29,435)	(11.8%)	521,100 [63.7%]
Export	60,333 [17.0%]	48,334 [11.6%]	11,998	24.8%	96,578 [11.8%]
Subtotal	<b>279,629 [78.7%]</b>	<b>297,066 [71.5%]</b>	<b>(17,436)</b>	<b>(5.9%)</b>	<b>617,678 [75.5%]</b>
<b>Consigned and OEM cars</b>	75,661 [21.3%]	118,121 [28.5%]	(42,460)	(35.9%)	201,041 [24.5%]
<b>Grand total</b>	<b>355,291 [100%]</b>	<b>415,187 [100%]</b>	<b>(59,896)</b>	<b>(14.4%)</b>	<b>818,719 [100%]</b>

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

2. Figures in [ ] are composition ratios.

## Non-Consolidated Statements of Profit and Loss for the Interim Period

(Millions of yen)

	FY2003 Interim Period (From April 1, 2002 to September 30, 2002)		FY2002 Interim Period (From April 1, 2001 to September 30, 2001)		Increment (Decrement)	FY2002 (From April 1, 2001 to March 31, 2002)	
Net sales	355,291	100%	415,187	100%	(59,896)	818,719	100%
Cost of sales	305,720	86.1%	357,603	86.1%	(51,883)	698,377	85.3%
<b>Gross profit</b>	<b>49,570</b>	<b>13.9%</b>	<b>57,584</b>	<b>13.9%</b>	<b>(8,013)</b>	<b>120,341</b>	<b>14.7%</b>
Selling, general and administrative expenses	48,401	13.6%	49,120	11.9%	(718)	107,464	13.1%
<b>Operating income</b>	<b>1,168</b>	<b>0.3%</b>	<b>8,463</b>	<b>2.0%</b>	<b>(7,294)</b>	<b>12,877</b>	<b>1.6%</b>
<b>Non-operating profits:</b>							
Interest and dividend income	1,074		1,044		29	3,464	
Miscellaneous profit	259		311		(51)	1,333	
Total non-operating profits	<b>1,334</b>		<b>1,356</b>		<b>(22)</b>	<b>4,798</b>	
<b>Non-operating expenses:</b>							
Interest paid	28		29		(0)	58	
Miscellaneous losses	615		1,067		(451)	3,189	
Total non-operating expenses	<b>644</b>		<b>1,096</b>		<b>(451)</b>	<b>3,247</b>	
<b>Recurring income</b>	<b>1,858</b>	<b>0.5%</b>	<b>8,723</b>	<b>2.1%</b>	<b>(6,864)</b>	<b>14,428</b>	<b>1.8%</b>
<b>Extraordinary profits:</b>							
Gain on sale of fixed assets	310		—		310	4,317	
Subsidy for promoting corporate location	—		—		—	501	
Total extraordinary profits	<b>310</b>		<b>—</b>		<b>310</b>	<b>4,819</b>	
<b>Extraordinary losses:</b>							
Loss from advanced depreciation of fixed assets	310		—		310	3,385	
Total extraordinary losses	<b>310</b>		<b>—</b>		<b>310</b>	<b>3,385</b>	
<b>Net income before tax adjustment</b>	<b>1,858</b>	<b>0.5%</b>	<b>8,723</b>	<b>2.1%</b>	<b>(6,864)</b>	<b>15,862</b>	<b>1.9%</b>
Corporate and inhabitants' taxes and enterprise tax	2,700		6,520		(3,820)	11,500	
Corporate tax, other adjustments	(1,950)		(2,780)		830	(4,800)	
<b>Net income</b>	<b>1,108</b>	<b>0.3%</b>	<b>4,983</b>	<b>1.2%</b>	<b>(3,874)</b>	<b>9,162</b>	<b>1.1%</b>
Unappropriated retained earnings brought forward from the preceding period	4,419		4,549		(129)	4,549	
Interim dividends	—		—		—	1,281	
<b>Unappropriated retained earnings</b>	<b>5,528</b>		<b>9,532</b>		<b>(4,004)</b>	<b>12,429</b>	

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

## Non-Consolidated Balance Sheets for the Interim Period

(Millions of yen)

	FY2003 Interim Period (Ended September 30, 2002)	FY2002 (Ended March 31, 2002)	Increment (Decrement)	FY2002 Interim Period (Ended September 30, 2001)
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and time deposits	1,469	6,788	(5,318)	47,634
Notes receivable	2,223	1,720	503	1,894
Accounts receivable	90,274	134,190	(43,916)	107,768
Inventory assets	18,563	19,285	(722)	17,388
Deferred tax assets	18,130	17,734	396	16,735
Short-term loans receivable	43,410	38,454	4,955	30,997
Other current assets	22,392	32,849	(10,456)	18,813
Allowance for doubtful receivables	(10,319)	(8,159)	(2,160)	(8,100)
<b>Total current assets</b>	<b>186,144</b>	<b>242,862</b>	<b>(56,718)</b>	<b>233,132</b>
<b>Fixed assets:</b>				
<b>Tangible fixed assets:</b>				
Buildings	48,815	50,135	(1,319)	50,424
Machinery and equipment	69,216	67,411	1,804	67,889
Land	52,907	52,932	(25)	53,531
Other tangible fixed assets	34,272	32,691	1,580	29,841
<b>Total tangible fixed assets</b>	<b>205,211</b>	<b>203,170</b>	<b>2,040</b>	<b>201,687</b>
<b>Intangible fixed assets:</b>	<b>500</b>	<b>508</b>	<b>(7)</b>	<b>515</b>
<b>Investments and other assets:</b>				
Investments in securities	87,367	80,603	6,763	89,913
Long-term loans receivable	8,687	12,366	(3,678)	11,497
Deferred tax assets	9,778	8,724	1,053	1,191
Other investments and assets	1,880	1,886	(6)	1,755
Allowance for doubtful receivables	(574)	(2,667)	2,093	(2,508)
<b>Total investments and other assets</b>	<b>107,138</b>	<b>100,913</b>	<b>6,225</b>	<b>101,850</b>
<b>Total fixed assets</b>	<b>312,851</b>	<b>304,591</b>	<b>8,259</b>	<b>304,053</b>
<b>Total assets</b>	<b>498,995</b>	<b>547,454</b>	<b>(48,458)</b>	<b>537,185</b>

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

(Millions of yen)

	FY2003 Interim Period (Ended September 30, 2002)	FY2002 Period (Ended March 31, 2002)	Increment (Decrement)	FY2002 Interim Period (Ended September 30, 2001)
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Notes payable	—	7,968	(7,968)	8,738
Accounts payable	156,982	187,003	(30,021)	178,509
Short-term debt	5	6	(0)	7
Convertible bonds scheduled for maturity within one year	19,993	—	19,993	—
Accrued accounts payable	15,468	18,869	(3,400)	14,842
Accrued corporation tax	2,728	4,071	(1,342)	6,671
Accrued expenses	41,705	47,733	(6,027)	45,070
Allowance for product warranty	7,600	6,900	700	6,030
Other current liabilities	15,254	18,088	(2,833)	15,449
<b>Total current liabilities</b>	<b>259,738</b>	<b>290,640</b>	<b>(30,902)</b>	<b>275,319</b>
<b>Long-term liabilities:</b>				
Convertible bonds	—	19,993	(19,993)	19,993
Long-term debt	17	22	(4)	26
Reserve for employee retirement benefits	41,327	38,848	2,478	37,836
Reserve for directors' retirement allowance	800	803	(3)	727
Other long-term liabilities	2,517	2,542	(24)	2,542
<b>Total long-term liabilities</b>	<b>44,663</b>	<b>62,209</b>	<b>(17,546)</b>	<b>61,126</b>
<b>Total liabilities</b>	<b>304,401</b>	<b>352,850</b>	<b>(48,449)</b>	<b>336,446</b>
<b>Shareholders' equity:</b>				
<b>Capital stock</b>	<b>28,404</b>	<b>28,404</b>	<b>—</b>	<b>28,404</b>
<b>Capital surplus:</b>				
Additional paid-in capital	10,827	10,827	—	10,827
<b>Total capital surplus</b>	<b>10,827</b>	<b>10,827</b>	<b>—</b>	<b>10,827</b>
<b>Retained earnings:</b>				
Legal reserve	7,101	7,101	—	7,101
Voluntary reserve	129,580	123,377	6,203	123,377
Unappropriated retained earnings	5,528	12,429	(6,901)	9,532
<b>Total retained earnings</b>	<b>142,210</b>	<b>142,908</b>	<b>(698)</b>	<b>140,011</b>
<b>Other securities revaluation differences</b>	<b>13,160</b>	<b>12,466</b>	<b>693</b>	<b>21,495</b>
<b>Treasury stock</b>	<b>(8)</b>	<b>(3)</b>	<b>(4)</b>	<b>(0)</b>
<b>Total shareholders' equity</b>	<b>194,594</b>	<b>194,603</b>	<b>(9)</b>	<b>200,738</b>
<b>Total liabilities and shareholders' equity</b>	<b>498,995</b>	<b>547,454</b>	<b>(48,458)</b>	<b>537,185</b>

## Basic Matters to be Taken into Consideration for the Preparation of Non-Consolidated Financial Results for the Interim Period

### 1. Basis and method of valuation of assets

#### (1) Marketable securities

Subsidiary stocks and affiliated company stocks: Valuation at cost using the moving average method

#### Other marketable securities

Securities at current prices: Market value method based on the market value, etc., on the last day of the interim period. (The valuation differential is accounted for by placing the valuation gains and losses directly in the shareholders' equity portion of the balance sheet, and sale costs are calculated using the moving average method.)

Securities not at current prices: Valuation at cost using the moving average method

#### (2) Inventory assets

- a. Products (produced cars), products (supply parts), and work in process are stated at lower cost as determined by the periodic average method.
- b. Products (purchased cars) are stated at lower cost as determined by the individual price method.
- c. Raw materials are stated at lower cost as determined by the last-in first-out method.

### 2. Depreciation methods of fixed assets

#### (1) Tangible fixed assets

Depreciation 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.

#### (2) Intangible fixed assets

Depreciation on the basis of the straight line method.

### 3. Basis of accounting for reserves

#### (1) Allowance for doubtful receivables

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.

#### (2) 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 was set aside.

#### (3) Reserve for employees' retirement benefits

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

#### (4) Reserve for directors' retirement allowance

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.

### 4. Accounting for 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.

## **5. 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.

## **6. Accounting method for consumption tax, etc.**

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

## **Additional Information**

### **Reversal of treasury stock and legal reserves**

Starting with the current interim period, the “Accounting standards related to the reversal of treasury stock and legal reserves” (Item 1 of the Corporate Accounting Standards) were applied. The application of the standards had a minimal impact on profit and loss during the current interim period.

Further, the shareholders’ equity in the balance sheets for the interim period was prepared using the regulations for the interim financial statements after their amendment. These categories for both the previous fiscal year and the previous interim period are also shown in the classifications created after the above amendment.

## Notes

### Statements of Profit and Loss

	(Millions of yen)		
	FY2003 Interim Period (Ended September 30, 2002)	FY2002 Interim Period (Ended September 30, 2001)	FY2002 (Ended March 31, 2002)
Amount of depreciation			
Tangible fixed assets	14,288	12,985	27,965
Intangible fixed assets	7	7	15

### Balance Sheets

	(Millions of yen)		
	FY2003 Interim Period (Ended September 30, 2002)	FY2002 Interim Period (Ended September 30, 2001)	FY2002 (Ended March 31, 2002)
1. Amount of cumulative depreciation of fixed tangible assets	442,461	435,116	434,646
2. Liabilities for warranties	581	989	621

### Lease Transactions

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

	(Millions of yen)		
	FY2003 Interim Period (Ended September 30, 2002)	FY2002 Interim Period (Ended September 30, 2001)	FY2002 (Ended March 31, 2002)
(Borrowing side)			
Tangible fixed assets			
Others			
Amount equivalent to acquisition price	1,371	3,516	1,545
Amount equivalent to cumulative depreciation amount	810	2,618	801
Amount equivalent to balance at the end of the period	560	898	743
(Amount equivalent to the balance at the end of the period of unexpired lease fees)			
[Of these, amount within one year]	[292]	[347]	[312]
Lease fees paid (Amount equivalent to depreciation costs)	152	382	434

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 balance at the end of the period of unexpired lease fees are calculated using the method incorporating the interest paid, because the balance at the end of the period of unexpired lease fees accounts for a small percentage of the balance at the end of the period of fixed tangible assets.

#### (2) Operating lease transactions

	(Millions of yen)		
	FY2003 Interim Period (Ended September 30, 2002)	FY2002 Interim Period (Ended September 30, 2001)	FY2002 (Ended March 31, 2002)
(Borrowing side)			
Unexpired lease fees:			
Within one year	44	63	59
Over one year	—	44	14
Total	44	108	74

### Securities

	(Millions of yen)		
	FY2003 Interim Period (Ended September 30, 2002)	FY2002 Interim Period (Ended September 30, 2001)	FY2002 (Ended March 31, 2002)
Affiliated company stock with current market value:			
Amount recorded on balance sheet	826	826	826
Market value at the end of the period	1,062	1,341	1,174
Difference	236	515	347