

**April 23, 2003**  
**Fiscal 2003, ended March 2003**

## **Non-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:	April 23, 2003
Annual general meeting of shareholders:	June 27, 2003
Stock listings:	First section of Osaka Securities Exchange and Tokyo Stock Exchange
Interim dividend payment system:	Yes
Stock unit system:	Yes (1 unit = 1,000 shares)

## 1. Financial Results for Fiscal 2003 (From April 1, 2002 to March 31, 2003)

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

### (1) Operating results

(Millions of yen)

	FY2003		FY2002	
Net sales	760,156	[(7.2%)]	818,719	[(5.8%)]
Operating income	10,005	[(22.3%)]	12,877	[(44.1%)]
Recurring income	9,727	[(32.6%)]	14,428	[(39.4%)]
Net income in the period	5,248	[(42.7%)]	9,162	[(26.8%)]
Net income per share in the period (Yen)	12.07		21.45	
Post-dilution net income per share (Yen)	11.40		20.16	
Ratio of net income to shareholders' equity		2.7%		4.6%
Ratio of recurring income to total assets		1.9%		2.6%
Ratio of recurring income to net sales		1.3%		1.8%

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

FY2003 (ended March 2003): 427,096,296

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 period represents a yearly change from previous year, respectively.

### (2) Cash dividends

	FY2003		FY2002	
Cash dividends per share (Yen):	6.00		7.00	
Interim	2.50		3.00	
Year-end	3.50		4.00	
Total cash dividends paid (Millions of yen)	2,562		2,989	
Payout ratio		48.8%		32.6%
Ratio of cash dividends to shareholders' equity		1.3%		1.5%

### (3) Financial position

(Millions of yen)

	FY2003		FY2002	
Total assets	504,004		547,454	
Shareholders' equity	190,276		194,603	
Shareholders' equity ratio		37.8%		35.5%
Shareholders' equity per share (Yen)	445.33		455.62	

Notes: 1. Number of outstanding shares as of the end of the fiscal year:

FY2003 (ended March 2003): 427,070,247

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

2. Number of outstanding treasury stock as of the end of the fiscal year:

FY2003 (ended March 2003): 52,719

FY2002 (ended March 2002): 6,691

**2. Projected Operating Results (Fiscal year ending March 31, 2004)**

	(Millions of yen)	
	Interim	Full year
Net sales	370,000	770,000
Recurring income	6,000	15,000
Net income	3,500	9,000

Ref.: Estimated net income per share for the full year: ¥21.07

Note: It is possible that the company's actual operating results for the year ending March 2004 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.

## Sales Volume and Amounts

### 1. Number of automobiles sold

(Units)

	FY2003		FY2002		Increment (Decrement)	
<b>Mini cars</b>						
Mini passenger cars:						
Domestic	355,207		369,283		(14,076)	(3.8%)
Export	14,921		13,992		929	6.6%
Total	370,128		383,275		(13,147)	(3.4%)
Mini commercial cars:						
Domestic	140,044		145,495		(5,451)	(3.7%)
Export	567		605		(38)	(6.3%)
Total	140,611		146,100		(5,489)	(3.8%)
Domestic	495,251		514,778		(19,527)	(3.8%)
Export	15,488		14,597		891	6.1%
Total of mini cars	<b>510,739</b>		<b>529,375</b>		<b>(18,636)</b>	<b>(3.5%)</b>
<b>Small cars</b>						
Small passenger cars:						
Domestic	11,218		19,743		(8,525)	(43.2%)
Export	46,596		40,635		5,961	14.7%
Total	57,814		60,378		(2,564)	(4.2%)
Small commercial cars:						
Domestic	994		986		8	0.8%
Export	13,582		10,237		3,345	32.7%
Total	14,576		11,223		3,353	29.9%
Domestic	12,212		20,729		(8,517)	(41.1%)
Export	60,178		50,872		9,306	18.3%
Total of small cars	<b>72,390</b>		<b>71,601</b>		<b>789</b>	<b>1.1%</b>
<b>Daihatsu cars</b>						
Domestic	507,463	[74.4%]	535,507	[73.5%]	(28,044)	(5.2%)
Export	75,666	[11.1%]	65,469	[9.0%]	10,197	15.6%
Total of Daihatsu cars	<b>583,129</b>	<b>[85.5%]</b>	<b>600,976</b>	<b>[82.5%]</b>	<b>(17,847)</b>	<b>(3.0%)</b>
<b>Toyota cars</b>						
<b>Consigned cars</b>	78,986	[11.6%]	93,603	[12.9%]	(14,617)	(15.6%)
<b>OEM cars</b>	19,875	[2.9%]	33,756	[4.6%]	(13,881)	(41.1%)
Total of Toyota cars	<b>98,861</b>	<b>[14.5%]</b>	<b>127,359</b>	<b>[17.5%]</b>	<b>(28,498)</b>	<b>(22.4%)</b>
<b>Grand total</b>	<b>681,990</b>	<b>[100%]</b>	<b>728,335</b>	<b>[100%]</b>	<b>(46,345)</b>	<b>(6.4%)</b>
Parts for overseas production (sets)	154,130		136,850		17,280	12.6%
Consigned engines	197,244		272,525		(75,281)	(27.6%)

### 2. Sales amounts

(Millions of yen)

	FY2003		FY2002		Increment (Decrement)	
<b>Daihatsu</b>						
Domestic	486,758	[64.1%]	521,100	[63.7%]	(34,341)	(6.6%)
Export	111,940	[14.7%]	96,578	[11.8%]	15,362	15.9%
Total	<b>598,699</b>	<b>[78.8%]</b>	<b>617,678</b>	<b>[75.5%]</b>	<b>(18,979)</b>	<b>(3.1%)</b>
Consigned/OEM	161,457	[21.2%]	201,041	[24.5%]	(39,583)	(19.7%)
<b>Grand total</b>	<b>760,156</b>	<b>[100%]</b>	<b>818,719</b>	<b>[100%]</b>	<b>(58,563)</b>	<b>(7.2%)</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 (Years ended March 31, 2003 and 2002)

(Millions of yen)

	FY2003		FY2002		Increment (Decrement)	
Net sales	760,156	100%	818,719	100%	(58,563)	(7.2%)
Cost of sales	648,771	85.3%	698,377	85.3%	(49,606)	(7.1%)
<b>Gross profit</b>	<b>111,384</b>	<b>14.7%</b>	<b>120,341</b>	<b>14.7%</b>	<b>(8,956)</b>	<b>(7.4%)</b>
Selling, general and administrative expenses	101,379	13.4%	107,464	13.1%	(6,084)	(5.7%)
<b>Operating income</b>	<b>10,005</b>	<b>1.3%</b>	<b>12,877</b>	<b>1.6%</b>	<b>(2,872)</b>	<b>(22.3%)</b>
<b>Non-operating profits:</b>						
Interest and dividend income	2,353		3,464		(1,111)	
Miscellaneous profits	986		1,333		(347)	
Total non-operating profits	<b>3,339</b>		<b>4,798</b>		<b>(1,458)</b>	<b>(30.4%)</b>
<b>Non-operating expenses:</b>						
Interest paid	54		58		(3)	
Miscellaneous losses	3,562		3,189		372	
Total non-operating expenses	<b>3,616</b>		<b>3,247</b>		<b>369</b>	<b>11.4%</b>
<b>Recurring income</b>	<b>9,727</b>	<b>1.3%</b>	<b>14,428</b>	<b>1.8%</b>	<b>(4,700)</b>	<b>(32.6%)</b>
<b>Extraordinary profits:</b>						
Profit from the return of the substitute portion of the employee pension fund	13,210		--		13,210	
Gain on sale of fixed assets	311		4,317		(4,006)	
Subsidy for promoting corporate location	--		501		(501)	
Total extraordinary profits	<b>13,522</b>		<b>4,819</b>		<b>8,702</b>	
<b>Extraordinary losses:</b>						
Loss from revaluation of subsidiary stocks	13,092		--		13,092	
Loss from advanced depreciation of fixed assets	310		3,385		(3,075)	
Total extraordinary losses	<b>13,402</b>		<b>3,385</b>		<b>10,016</b>	
<b>Income before income taxes in the period</b>	<b>9,848</b>		<b>15,862</b>		<b>(6,014)</b>	<b>(37.9%)</b>
Corporate and inhabitants' taxes and enterprise tax	6,650		11,500		(4,850)	
Corporate tax, other adjustments	(2,050)	<b>1.3%</b>	(4,800)	<b>1.9%</b>	2,750	
<b>Net income in the period</b>	<b>5,248</b>		<b>9,162</b>		<b>(3,914)</b>	<b>(42.7%)</b>
Unappropriated retained earnings brought forward from the preceding period	4,419	<b>0.7%</b>	4,549	<b>1.1%</b>	(129)	
Interim dividends	1,067		1,281		(213)	
<b>Unappropriated retained earnings in the period</b>	<b>8,600</b>		<b>12,429</b>		<b>(3,829)</b>	

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

**Non-Consolidated Balance Sheets (Years ended March 31, 2003 and 2002)**

(Millions of yen)

	FY2003	FY2002	Increment (Decrement)
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and time deposits	1,494	6,788	(5,293)
Notes receivable	1,833	1,720	113
Accounts receivable	118,101	134,190	(16,088)
Finished products	5,178	6,700	(1,521)
Raw materials and supplies	2,093	1,985	107
Work in process	11,223	10,599	624
Deferred tax assets	19,030	17,734	1,296
Short-term loans receivable	39,516	38,454	1,061
Outstanding receivables	21,931	21,257	673
Deposits	16,217	11,500	4,717
Other current assets	65	91	(25)
Allowance for doubtful receivables	(10,446)	(8,159)	(2,287)
<b>Total current assets</b>	<b>226,240</b>	<b>242,862</b>	<b>(16,622)</b>
<b>Fixed assets:</b>			
<b>Tangible fixed assets:</b>			
Buildings	47,045	50,135	(3,089)
Structures	7,502	8,177	(674)
Machinery and equipment	62,824	67,411	(4,586)
Vehicles and transport equipment	827	942	(114)
Tools, furniture and fixtures	15,200	17,576	(2,375)
Land	57,846	52,932	4,913
Construction in progress	4,159	5,995	(1,836)
<b>Total tangible fixed assets</b>	<b>195,407</b>	<b>203,170</b>	<b>(7,763)</b>
<b>Intangible fixed assets:</b>			
Leasehold	345	345	--
Utility rights, etc.	147	162	(15)
<b>Total intangible fixed assets</b>	<b>492</b>	<b>508</b>	<b>(15)</b>
<b>Investments and other assets:</b>			
Investments in securities	22,723	35,650	(12,926)
Investments in subsidiaries and affiliates	37,305	46,178	(8,873)
Long-term loans receivable	7,114	12,366	(5,252)
Deferred tax assets	14,483	8,724	5,758
Other investments and assets	646	661	(14)
Allowance for doubtful receivables	(409)	(2,667)	2,258
<b>Total investments and other assets</b>	<b>81,863</b>	<b>100,913</b>	<b>(19,049)</b>
<b>Total fixed assets</b>	<b>277,764</b>	<b>304,591</b>	<b>(26,827)</b>
<b>Total assets</b>	<b>504,004</b>	<b>547,454</b>	<b>(43,450)</b>

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

	(Millions of yen)		
	FY2003	FY2002	Increment (Decrement)
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Notes payable	--	7,968	(7,968)
Accounts payable	174,889	187,003	(12,113)
Long-term debt due within one year	4	6	(1)
Convertible bonds scheduled for redemption within one year	19,993	--	19,993
Accrued accounts payable	8,121	18,869	(10,747)
Accrued expenses	46,500	47,733	(1,233)
Accrued corporation tax	3,736	4,071	(334)
Accrued consumption tax	1,365	1,225	140
Advances received	1,911	1,970	(58)
Deposits received	9,934	5,935	3,998
Allowance for product warranty	7,300	6,900	400
Reserves for participating in Expo 2005 Aichi	14	--	14
Deposits from employees	7,730	8,034	(304)
Other current liabilities	21	922	(900)
<b>Total current liabilities</b>	<b>281,524</b>	<b>290,640</b>	<b>(9,116)</b>
<b>Long-term liabilities:</b>			
Convertible bonds	--	19,993	(19,993)
Long-term debt	14	22	(8)
Reserve for employee retirement benefits	29,800	38,848	(9,048)
Reserve for directors' retirement allowance	947	803	143
Deposits received as guarantee	1,442	2,542	(1,099)
<b>Total long-term liabilities</b>	<b>32,204</b>	<b>62,209</b>	<b>(30,005)</b>
<b>Total liabilities</b>	<b>313,728</b>	<b>352,850</b>	<b>(39,122)</b>
<b>Shareholders' equity:</b>			
<b>Capital stock</b>	<b>28,404</b>	<b>28,404</b>	<b>--</b>
<b>Capital surplus</b>	<b>10,827</b>	<b>10,827</b>	<b>--</b>
Additional paid-in capital	10,827	10,827	--
<b>Earned surplus</b>			
Legal reserve	7,101	7,101	--
Voluntary reserve	129,580	123,377	6,203
Special reserve	123,800	117,800	6,000
Fund for research	1,313	1,313	--
Reserve for special depreciation	562	609	(47)
Reserve for advanced depreciation of fixed assets	3,904	3,654	250
Unappropriated retained earnings	8,600	12,429	(3,829)
<b>Total earned surplus</b>	<b>145,281</b>	<b>142,908</b>	<b>2,373</b>
<b>Other securities revaluation differences</b>	<b>5,783</b>	<b>12,466</b>	<b>(6,683)</b>
<b>Treasury stock</b>	<b>(21)</b>	<b>(3)</b>	<b>(17)</b>
<b>Total shareholders' equity</b>	<b>190,276</b>	<b>194,603</b>	<b>(4,327)</b>
<b>Total liabilities and shareholders' equity</b>	<b>504,004</b>	<b>547,454</b>	<b>(43,450)</b>

## Proposal for Appropriation of Retained Earnings

	(Millions of yen)		
	FY2003	FY2002	Increment (Decrement)
Unappropriated retained earnings at end of the period	8,600	12,429	(3,829)
Breaking down of reserve for special depreciation	162	121	40
Breaking down of reserve for advanced depreciation of fixed assets	19	20	(1)
<b>Total retained earnings</b>	<b>8,782</b>	<b>12,572</b>	<b>(3,789)</b>

### This has been allocated as follows:

Ordinary dividends	1,494	1,708	(213)
[Cash dividends per share in yen]	[3.50]	[4]	[(0.50)]
Bonuses for directors	76	83	(7)
Bonuses for auditors	12	14	(2)
Reserve for special depreciation	6	74	(67)
Reserve for advanced depreciation of fixed assets	74	271	(197)
Special reserve fund	2,500	6,000	(3,500)
Retained earnings carried forward	4,617	4,419	197

- Notes: 1. Amounts less than ¥1 million have been omitted in this table.  
 2. On December 10, 2002, dividends amounting to ¥1,067 million (¥2.50 per share) were paid.

## Significant Accounting Policies

### 1. Basis and method of valuation of securities listed at stock exchanges

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

Other marketable securities

Securities with market value: Market value method based on the market value, etc., on the last day of the period. (All valuation differences are handled by the direct insertion of capital method, and sales costs are calculated using the moving-average method.)

Securities without market value: Valuation at cost using the moving average method

### 2. Basis and method of valuation of inventories

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

### 3. Depreciation methods of fixed assets

- (1) 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.

- (2) Intangible fixed assets

Intangible fixed assets are depreciated on the basis of the straight line method.

### 4. Basis of accounting for reserves

- (1) 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.

- (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 is set aside.

- (3) 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 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 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 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. 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.

## 7. Method of treating consumption tax

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

## Additional Information

### **The return of the substitute portion of the employee pension fund**

The Minister of Health, Labor, and Welfare has authorized the exemption of Daihatsu from future payments for the substitute portion of the employee pension fund, into which the company contributes, in conjunction with the enactment of the Defined Contribution Pension Plans. This authorization is effective as of January 30, 2003.

Daihatsu applied interim measures as provided for in Clause 47-2 of the Business Indicator Retirement Benefit Costs (Interim Report), published in the Japanese Institute of Certified Public Accountants' Accounting System Committee Report No. 13. The company recognized the termination of the obligation for the retirement allowance related to the substitute portion as of the date of the authorization.

As a result, a ¥13,210 million gain on the return of the substitute portion of the employee pension fund was recorded as Extraordinary profits during the current fiscal year.

The amount to be returned at the end of the current fiscal year is ¥53,108 million.

### **Accounting of the reversal of treasury stock and legal reserves**

Starting from the current fiscal year, "Accounting standards related to the reversal of treasury stock and legal reserves" (Item 1 of the Corporate Accounting Standard) were applied. This had a minimal impact on the profit and loss during the current fiscal year.

With the revision of the regulations for financial statements, the shareholders' equity of the balance sheet has been compiled based on the regulations for financial statements after their amendment.

**Notes****Statements of Profit and Loss**

(Millions of yen)

	FY2003	FY2002
(1) Transactions with affiliated companies:		
Sales	558,948	615,046
Procurements	211,182	238,107
Interest received	329	264
Dividends received	1,704	2,789
(2) Research and development expenses	32,359	34,782

**Balance Sheets**

(Millions of yen)

	FY2003	FY2002
(1) Monetary credits and debts with affiliated companies:		
Short-term monetary credits	159,402	162,969
Short-term monetary debts	39,359	43,193
Long-term monetary credits	5,728	10,725
Long-term monetary debts	699	1,739
(2) Amount of cumulative depreciation of fixed tangible assets	448,322	434,646
(3) Liabilities for warranties	356	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	FY2002
Borrowing side		
Tangible fixed assets		
Tools, furniture, and fixtures		
Amount equivalent to acquisition price	1,371	1,545
Amount equivalent to cumulative depreciation amount	957	801
Amount equivalent to balance at the end of the period (Amount equivalent to year-end balance of unexpired lease fees)	414	743
[Of these, amount within one year]	[223]	[312]
Lease fees paid (Amount equivalent to depreciation costs)	298	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 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) Operating lease transactions**

(Millions of yen)

	FY2003	FY2002
Borrowing side		
Unexpired lease fees:		
Within one year	14	59
Over one year	--	14
Total	14	74

<b>Securities</b>	(Millions of yen)	
	FY2003	FY2002
Affiliated company stock with current market value:		
Amount recorded on balance sheet	826	826
Market value at year-end	883	1,174
Difference	57	347

<b>Tax-effect Accounting</b>	(Millions of yen)	
	FY2003	FY2002
Deferred tax assets	40,511	38,670
Deferred tax liabilities	(6,997)	(12,211)
Net amount of deferred tax assets	33,513	26,458

## Changes in Directorates

### Persons to be appointed new directors

<i>Name</i>	<i>Current status</i>
Yukio Koshida	Project Manager, Product Planning Division (Equivalent to General Manager)
Hiroshige Nagoya	Project Manager, Biotechnology & Afforestation Business Division, Toyota Motor Corp. (Equivalent to General Manager)
Hiroaki Iwabe	Deputy General Manager, Overseas Project Division
Hideki Nomura	Deputy General Manager, Shiga (Ryuo) Plant and General Manager, Administration Division
Kenji Baba	Deputy General Manager, Domestic Sales Division and General Manager, Distributor Support Department

### Directors scheduled to retire

Yoshiaki Fukamori	Executive Vice President (Representative Director) (To be appointed Corporate Advisor to the Board)
Masaharu Abe	Director (To be appointed Corporate Advisor)
Sadao Onoyama	Director (To be appointed Corporate Advisor)
Tadayuki Kotani	Director (To be appointed Corporate Advisor)
Hirokata Seki	Director (To be appointed Corporate Advisor)

### Scheduled change in status of executive directors

Kentaro Shimizu Senior Managing Director (Representative Director)	Managing Director
Katsuyuki Kamio Senior Managing Director	Managing Director
Miehiro Morita Senior Managing Director	Managing Director
Kiyokazu Seo Senior Managing Director	Managing Director
Yoshimitsu Sato Senior Managing Director	Managing Director
Nobuo Fujieda Managing Director	Director
Kenzo Miyawaki Managing Director	Director
Katsuhiko Okumura Managing Director	Director
Tetsuya Honda Director (Equivalent to Managing Director)	Director