

October 27, 2005
Fiscal 2006, ending March 2006

Non-Consolidated Financial Results (Interim Period)

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 27, 2005
Date on which interim dividends will be paid:	November 30, 2005
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 2006 Interim Period (From April 1, 2005 to September 30, 2005)

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

(1) Operating results

	(Millions of yen)					
	FY2006 Interim Period		FY2005 Interim Period		FY2005 (ended March 2005)	
Net sales	470,910	[8.2%]	435,077	[15.7%]	929,854	
Operating income	12,704	[0.8%]	12,598	[99.9%]	28,708	
Recurring income	13,970	[2.4%]	13,644	[83.4%]	29,232	
Net income in the current interim period	9,570	[1.3%]	9,444	[112.7%]	20,032	
Net income per share in the current interim period (Yen)	22.41		22.11		46.56	

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

FY2006 Interim Period (ended September 2005): 427,017,252

FY2005 Interim Period (ended September 2004): 427,053,098

FY2005 (ended March 2005): 427,041,272

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 previous interim period, respectively.

(2) Cash dividends

	FY2006 Interim Period	FY2005 Interim Period	FY2005 (ended March 2005)
Cash dividends per share in the interim period (Yen)	5.00	3.00	—
Cash dividends per share for the fiscal year (Yen)	—	—	9.00

(3) Financial position

	(Millions of yen)		
	FY2006 Interim Period	FY2005 Interim Period	FY2005 (ended March 2005)
Total assets	631,043	571,751	612,181
Shareholders' equity	255,381	225,006	238,351
Shareholders' equity ratio	40.5%	39.4%	38.9%
Shareholders' equity per share (Yen)	598.6	526.89	557.82

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

FY2006 Interim Period (ended September 2005): 427,014,871

FY2005 Interim Period (ended September 2004): 427,045,270

FY2005 (ended March 2005): 427,022,502

2. Number of treasury stock as of the end of the period:

FY2006 Interim Period (ended September 2005): 108,095

FY2005 Interim Period (ended September 2004): 77,696

FY2005 (ended March 2005): 100,464

2. Projected Operating Results for Fiscal 2006 (From April 1, 2005 to March 31, 2006)

	(Millions of yen)
	Full year
Net sales	1,000,000
Recurring income	29,000
Net income	20,000

Ref.: Estimated net income per share for the full year: ¥46.83

Note: It is possible that the company's actual operating results for the year ending March 2006 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

	FY2006 Interim Period (From April 1, 2005 to September 30, 2005)		FY2005 Interim Period (From April 1, 2004 to September 30, 2004)		Increment (Decrement)		FY2005 (From April 1, 2004 to March 31, 2005)	
(Units)								
Mini cars								
Mini passenger cars:								
Domestic	204,161		199,159		5,002	2.5%	431,674	
Export	7,825		14,798		(6,973)	(47.1)%	26,165	
Total	211,986		213,957		(1,971)	(0.9)%	457,839	
Mini commercial cars:								
Domestic	75,958		63,800		12,158	19.1%	136,683	
Export	270		550		(280)	(50.9)%	775	
Total	76,228		64,350		11,878	18.5%	137,458	
Domestic	280,119		262,959		17,160	6.5%	568,357	
Export	8,095		15,348		(7,253)	(47.3)%	26,940	
Total of mini cars	288,214		278,307		9,907	3.6%	595,297	
Small cars								
Small passenger cars:								
Domestic	5,846		10,234		(4,388)	(42.9)%	18,644	
Export	35,630		26,079		9,551	36.6%	57,852	
Total	41,476		36,313		5,163	14.2%	76,496	
Small commercial cars:								
Domestic	—		527		(527)	(100.0)%	669	
Export	11,033		7,275		3,758	51.7%	16,915	
Total	11,033		7,802		3,231	41.4%	17,584	
Domestic	5,846		10,761		(4,915)	(45.7)%	19,313	
Export	46,663		33,354		13,309	39.9%	74,767	
Total of small cars	52,509		44,115		8,394	19.0%	94,080	
Daihatsu cars								
Domestic	285,965	[67.8%]	273,720	[67.2%]	12,245	4.5%	587,670	[67.6%]
Export	54,758	[13.0%]	48,702	[12.0%]	6,056	12.4%	101,707	[11.7%]
Total of Daihatsu cars	340,723	[80.8%]	322,422	[79.2%]	18,301	5.7%	689,377	[79.3%]
Toyota cars								
Consigned cars	80,265	[19.1%]	82,828	[20.4%]	(2,563)	(3.1)%	177,635	[20.4%]
OEM cars	610	[0.1%]	1,694	[0.4%]	(1,084)	(64.0)%	2,474	[0.3%]
Total of Toyota cars	80,875	[19.2%]	84,522	[20.8%]	(3,647)	(4.3)%	180,109	[20.7%]
Grand total	421,598	[100%]	406,944	[100%]	14,654	3.6%	869,486	[100%]
Parts for overseas production (sets)	149,950		121,070		28,880	23.9%	258,420	
Consigned engines	161,851		107,236		54,615	50.9%	256,631	

2. Sales amounts

	FY2006 Interim Period (From April 1, 2005 to September 30, 2005)		FY2005 Interim Period (From April 1, 2004 to September 30, 2004)		Increment (Decrement)		FY2005 (From April 1, 2004 to March 31, 2005)	
(Millions of yen)								
Daihatsu								
Domestic	278,651	[59.2%]	262,701	[60.4%]	15,950	6.1%	562,201	[60.5%]
Export	81,609	[17.3%]	67,207	[15.4%]	14,401	21.4%	141,929	[15.2%]
Subtotal	360,260	[76.5%]	329,908	[75.8%]	30,352	9.2%	704,130	[75.7%]
Toyota	110,649	[23.5%]	105,168	[24.2%]	5,480	5.2%	225,723	[24.3%]
Grand total	470,910	[100%]	435,077	[100%]	35,832	8.2%	929,854	[100%]

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)

	FY2006 Interim Period (From April 1, 2005 to September 30, 2005)		FY2005 Interim Period (From April 1, 2004 to September 30, 2004)		Increment (Decrement)	FY2005 (From April 1, 2004 to March 31, 2005)	
Net sales	470,910	100.0%	435,077	100%	35,832	929,854	100.0%
Cost of sales	403,285	85.6%	365,592	84.0%	37,692	784,895	84.4%
Gross profit	67,624	14.4%	69,484	16.0%	(1,859)	144,958	15.6%
Selling, general and administrative expenses	54,920	11.7%	56,886	13.1%	(1,965)	116,250	12.5%
Operating income	12,704	2.7%	12,598	2.9%	106	28,708	3.1%
Non-operating profits:							
Interest and dividend income	1,706		1,268		437	1,956	
Miscellaneous profits	793		1,441		(647)	2,154	
Total non-operating profits	2,499		2,709		(210)	4,110	
Non-operating expenses:							
Interest paid	24		25		(0)	50	
Miscellaneous losses	1,208		1,638		(429)	3,536	
Total non-operating expenses	1,233		1,663		(430)	3,587	
Recurring income	13,970	3.0%	13,644	3.1%	326	29,232	3.1%
Net income before tax adjustment	13,970	3.0%	13,644	3.1%	326	29,232	3.1%
Corporate and inhabitants' taxes and enterprise tax	5,400		7,000		(1,600)	12,700	
Corporate tax, other adjustments	(1,000)		(2,800)		1,800	(3,500)	
Net income	9,570	2.0%	9,444	2.2%	126	20,032	2.2%
Unappropriated retained earnings brought forward from the preceding period	4,963		4,843		120	4,843	
Interim dividends	—		—		—	1,281	
Unappropriated retained earnings	14,534		14,287		246	23,593	

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

Non-Consolidated Balance Sheets for the Interim Period

(Millions of yen)

	FY2006 Interim Period (ended September 30, 2005)	FY2005 (ended March 31, 2005)	Increment (Decrement)	FY2005 Interim Period (ended September 30, 2004)
Assets:				
Current assets:				
Cash on hand and in banks	1,735	1,338	396	1,586
Deposits	54,288	52,507	1,780	45,012
Notes receivable	1,150	1,179	(28)	1,198
Accounts receivable	110,457	141,195	(30,738)	108,112
Inventory assets	22,076	19,050	3,026	24,556
Deferred tax assets	25,172	24,906	266	24,856
Short-term loans receivable	45,095	35,932	9,162	39,571
Other current assets	24,182	21,976	2,205	19,576
Allowance for doubtful receivables	(10,180)	(10,230)	50	(9,780)
Total current assets	273,977	287,857	(13,879)	254,690
Fixed assets:				
Tangible fixed assets:				
Buildings	45,261	45,159	101	44,619
Machinery and equipment	85,199	71,459	13,740	71,962
Land	58,757	57,774	982	57,740
Other tangible fixed assets	29,774	25,753	4,020	26,853
Total tangible fixed assets	218,992	200,146	18,845	201,175
Intangible fixed assets	455	463	(7)	470
Investments and other assets:				
Investments in securities	113,596	96,493	17,102	89,706
Long-term loans receivable	23,218	22,645	572	18,932
Deferred tax assets	—	3,631	(3,631)	5,742
Other investments and assets	2,106	2,098	8	2,130
Allowance for doubtful receivables	(1,304)	(1,155)	(149)	(1,097)
Total investments and other assets	137,617	123,714	13,902	115,414
Total fixed assets	357,065	324,324	32,741	317,060
Total assets	631,043	612,181	18,861	571,751

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

	(Millions of yen)			
	FY2006 (ended Interim Period September 30, 2005)	FY2005 (ended March 31, 2005)	Increment (Decrement)	FY2005 Interim Period (ended September 30, 2004)
Liabilities:				
Current liabilities:				
Accounts payable	212,760	219,367	(6,606)	193,452
Short-term debt	2	2	(0)	3
Accrued accounts payable	35,328	19,000	16,328	26,508
Accrued corporation tax	5,043	7,174	(2,130)	7,699
Accrued expenses	57,096	61,267	(4,171)	57,623
Allowance for product warranty	7,600	7,900	(300)	7,500
Reserves for participating in Expo 2005 Aichi	—	26	(26)	71
Other current liabilities	17,858	22,189	(4,330)	18,044
Total current liabilities	335,690	336,928	(1,237)	310,901
Long-term liabilities:				
Long-term debt	4	6	(1)	7
Deferred tax liabilities	2,560	—	2,560	—
Reserve for employee retirement benefits	34,896	34,066	829	33,351
Reserve for directors' retirement allowance	1,074	1,389	(315)	1,046
Other long-term liabilities	1,435	1,440	(4)	1,437
Total long-term liabilities	39,971	36,902	3,069	35,842
Total liabilities	375,662	373,830	1,831	346,744
Shareholders' equity:				
Capital stock	28,404	28,404	—	28,404
Capital surplus				
Additional paid-in capital	10,827	10,827	—	10,827
Total capital surplus	10,827	10,827	—	10,827
Retained Earnings:				
Legal reserve	7,101	7,101	—	7,101
Voluntary reserve	157,865	141,945	15,920	141,945
Unappropriated retained earnings	14,534	23,593	(9,059)	14,287
Total retained earnings	179,500	172,640	6,860	163,333
Other securities revaluation differences	36,710	26,534	10,176	22,477
Treasury stock	(62)	(55)	(6)	(37)
Total shareholders' equity	255,381	238,351	17,030	225,006
Total liabilities and shareholders' equity	631,043	612,181	18,861	571,751

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 with market value: Market value method based on the market value, etc., on the last day of the interim 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) Inventory assets

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

* Products (purchased cars) are stated at lower cost as determined by the individual price method.

* 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

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.

3. 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 was set aside.

(3) Reserve for employee retirement benefits

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

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 interim period 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.

Notes**Statements of Profit and Loss**

(Millions of yen)

	FY2006 Interim Period (ended September 30, 2005)	FY2005 Interim Period (ended September 30, 2004)	FY2005 (ended March 31, 2005)
Amount of depreciation			
Tangible fixed assets	13,971	12,709	28,333
Intangible fixed assets	7	7	14

Balance Sheets

(Millions of yen)

	FY2006 Interim Period (ended September 30, 2005)	FY2005 Interim Period (ended September 30, 2004)	FY2005 (ended March 31, 2005)
1. Amount of cumulative depreciation of fixed tangible assets	459,911	459,480	456,272
2. Liabilities for warranties	207	261	235

Lease Transactions

The description has been omitted because the contents are disclosed by EDINET.

Securities

(Millions of yen)

	FY2006 Interim Period (ended September 30, 2005)	FY2005 Interim Period (ended September 30, 2004)	FY2005 (ended March 31, 2005)
Affiliated company stock with current market value:			
Amount recorded on balance sheet	826	826	826
Market value at the end of the period	5,646	2,258	3,477
Difference	4,820	1,432	2,651