

First Half of FY2009  
(April 1, 2008 through September 30, 2008)  
Financial Results Presentation



November 4, 2008  
DAIHATSU MOTOR CO., LTD



○ Please bear in mind ...

- The financial forecasts detailed in this presentation for Daihatsu, its subsidiaries and affiliates are based on the available information that is then interpreted by Daihatsu. Actual results may differ significantly from the forecasts due to the emergence of various risks and uncertainties, such as changes in economic trends, market demand, exchange rates, taxation systems and other related factors.
- We ask that investors make their final decisions regarding investment after taking into consideration the above point. Please do not make investment decisions based solely on the information presented herein.

## ○ Highlights of the Consolidated Financial Statement for the First Half of FY2009 (April 2008 through September 2008)

1. Increases in both revenue and income for the sixth consecutive term
  - ➡ Net sales increase by 7.6% and operating income by 11.3% for record high figures
2. Daihatsu mini vehicle market share continues to increase in the first half of FY2009
  - ➡ Favorable sales in Japan of the Tanto for a further increase in overall market share
3. Overseas operations show steady growth
  - ➡ Decrease in income compared to the previous year, despite favorable sales in Indonesia
    - Slight decrease in income compared to the previous year, despite favorable sales in Malaysia
4. Downward revision of fiscal year projections
  - ➡ In anticipation of further exchange rate depreciation, sluggish markets both in Japan and overseas, and increased costs

# Overview

## ① Consolidated Unit Sales (Semi-annual Period Cumulative)

(Unit: 1,000 units)

	First half of FY2009 (Apr. 1 - Sep. 30, 2008)	First half of FY2008 (Apr. 1 - Sep. 30, 2007)	Increase/Decrease (%)
Japan	286	268	+6.9
(mini vehicles)	(283)	(263)	(+7.5)
Overseas	196	180	+9.1
Total Daihatsu vehicles	482	447	+7.7
Production outsourced to Daihatsu (Japan)	120	120	+0.2
Production outsourced to Daihatsu (overseas)	67	55	+20.7
OEM Vehicles	29	15	+85.2
Total outsourced and OEM vehicles	215	191	+13.1
Total	697	638	+9.3
Engine production outsourced to Daihatsu	206	185	+11.7

# Overview

## 2 Consolidated Net Sales and Income (Semi-annual Period Cumulative)

(Unit: billion yen)

	First half of FY2009 (Apr. 1 - Sep. 30, 2008)	First half of FY2008 (Apr. 1 - Sep. 30, 2007)	Increase/Decrease (%)
Net sales	880.8	818.6	+7.6
Operating income	27.9	25.0	+11.3
Income before extraordinary items, income taxes and minority interests	31.1	26.2	+18.8
Net income	17.1	12.6	+35.6

Cash dividends per share at the end of the semi-annual period	7 yen	7 yen
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# Overview

## 3 Factors Contributing to Changes in Consolidated Operating Income (Semi-annual Period Cumulative)

(Unit: billion yen)

Factors		Increase/decrease in the first half of FY2009 (Apr. 1 - Sep. 30, 2008)
Factors contributing to an increase	Changes in sales volumes and in the model mix	+23.2
	Cost reduction efforts	+5.2
	Subtotal	+28.4
Factors contributing to a decrease	Effects of changes in exchange rates	-0.5
	Increases in miscellaneous expenses, etc.	-25.1
	Subtotal	-25.6
Total		+2.8

# Overview

## 4 Forecast of Consolidated Financial Results for FY2009

(Billion yen; ( ) year-on-year difference)

	Revised FY2009 forecast	FY2008 results	Increase/decrease compared to FY2008 results (%)	Initial forecast (July 2008)
Net sales	(+77.3) 1780.0	1702.6	+4.5	1750.0
Operating income	(-9.2) 56.0	65.2	-14.1	61.0
Income before extraordinary items, income taxes and minority interests	(-7.5) 59.0	66.5	-11.4	61.0
Net income	(-2.9) 32.0	34.9	-8.4	32.0

# Overview

## 5 Forecast for Factors Contributing to Changes in Consolidated Operating Income in FY2009 (Compared to FY2008 Results)

(Unit: billion yen)

Factors		FY2009
Factors contributing to an increase	Changes in sales volumes and in the model mix	+30.0
	Cost reduction efforts	+12.5
	Subtotal	+42.5
Factors contributing to a decrease	Effects of changes in exchange rates	-5.0
	Increases in miscellaneous expenses, etc.	-46.7
	Subtotal	-51.7
Total		-9.2

# Current Status and Initiatives

## ① Sales in Japan

Overall mini vehicle market and Daihatsu market share	Daihatsu sales in the first half of FY2009	Product launch
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## ② Overseas operations

Indonesia	Malaysia	CBU
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## ③ Technology development / Production

Kurume Plant	CVT production volume increase
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## ④ Joint operations with Toyota

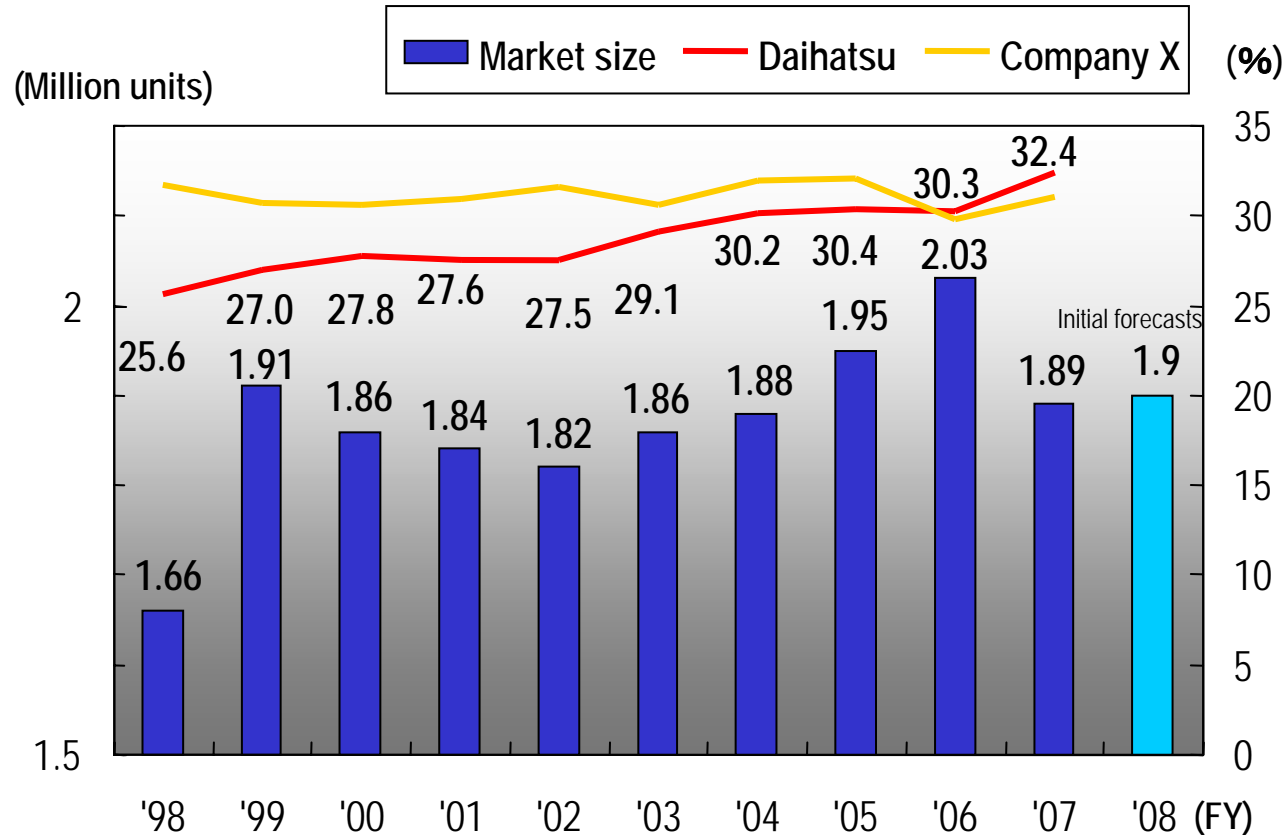
Consolidated vehicle sales
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## ⑤ Management

Awareness of environmental issues and initiatives to be taken
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# 1. Sales in Japan

## ① Overall Mini Vehicle Market and Daihatsu Market Share



The launch of new vehicles by all automakers in the second half of the year is uncertain due to the effects of the slowdown in the economy.

# 1. Sales in Japan

## ② Daihatsu Sales in the First Half of FY2009

Sales of Daihatsu mini vehicles between Apr. and Sep. 2008
300,146 units (An increase of 4.5% compared to FY2008)

Daihatsu share
34.3% (An increase of 2.3 percentage points compared to FY2008)

Overall mini vehicle market
874,745 units (A decrease of 2.4% compared to FY2008)

Best sellers between Apr. and Sep. 2008 by vehicle name (no. of units sold)

Ranking	Vehicle name	No. of units sold	Increase/decrease (%) (compared to FY2008)
1	Wagon R	96,075	-10.1
2	Fit	85,430	+85.5
3	Move	82,778	-14
4	Tanto	81,496	+69.7
5	Corolla	69,201	+9.6
6	Vitz	57,513	+8.9
7	Crown	42,602	+69.6
8	Mira	40,535	-3.0
9	Life	39,296	-3.6
10	Palette	37,206	--

Source: Japan Automobile Dealers Association & Japan Mini Vehicles Association

Sales of Daihatsu mini vehicles, such as the Tanto, surpassed that of the previous year.

# 1. Sales in Japan

## 3 Product Launch

Move Conte (launched in August 2008)

Price range: Approx. 1.04 – 1.67 million yen

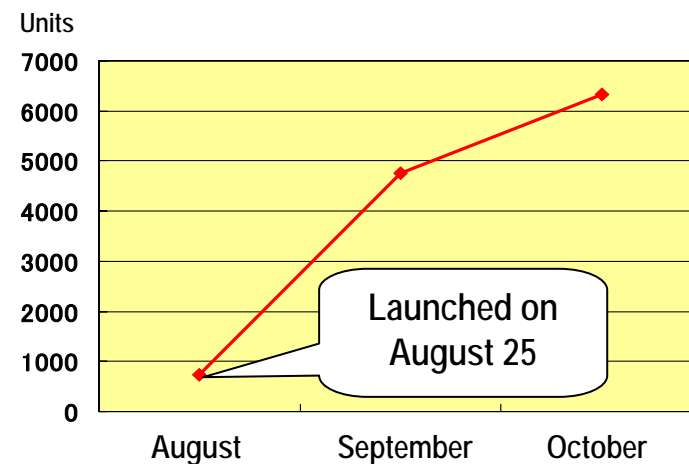
Sales target: 4,000 units/month

Production plant: Oita (Nakatsu) Plant No. 2



The Move Conte maintains the basic performance of the MOVE, while adding to the refined square-shaped styling a number of functions and furnishings that enhance the level of comfort and relaxation.

Actual sales: Approx. 12,000 units  
(in the first 2 months since its launch)



(Daihatsu data)

The introduction of the square-shaped Move Conte has added value to the Move vehicle series.

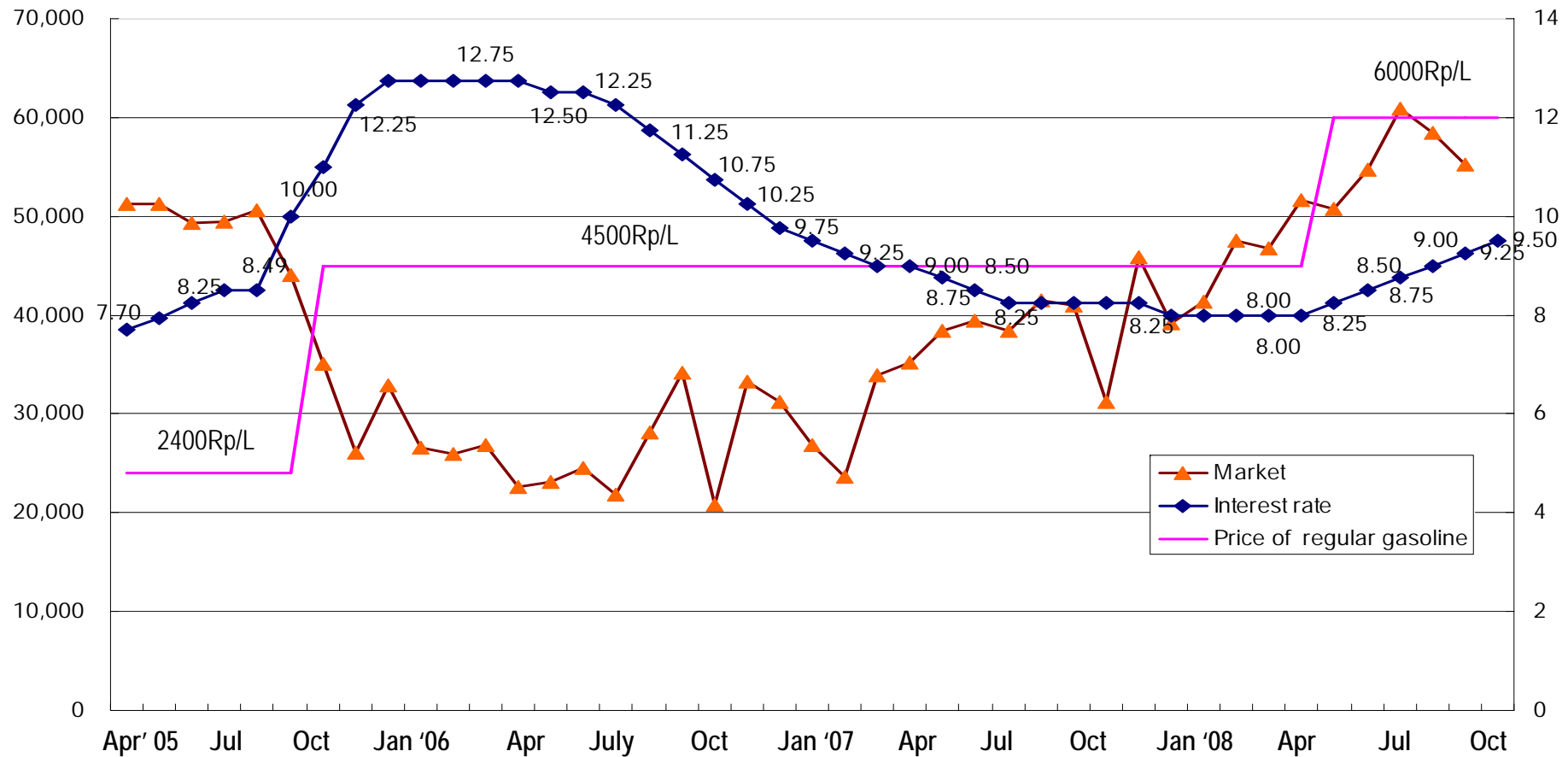
# 2. Overseas Operations

## 1 Indonesia

Overall market  
(units/month)

Trends in the overall market, interest rates and gasoline price

Interest rate  
(%)

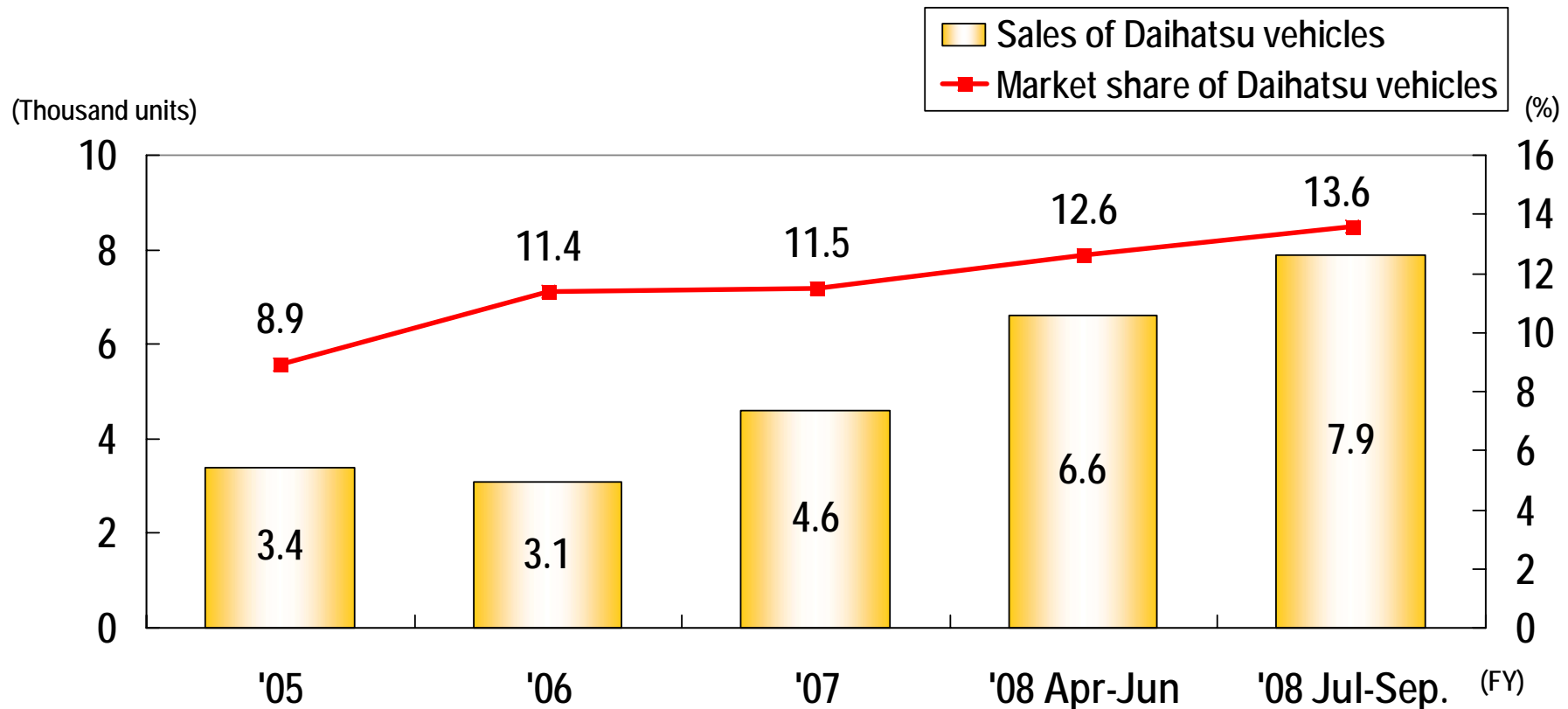


There are concerns regarding the effects on sales of factors such as interest rates and the gasoline price.

## 2. Overseas Operations

### ② Indonesia

Average monthly sales and market share of Daihatsu vehicles



\*Market share calculated according to Association of Indonesian Automotive Industries (Gaikindo) data; figures for September are preliminary.

(Daihatsu data)

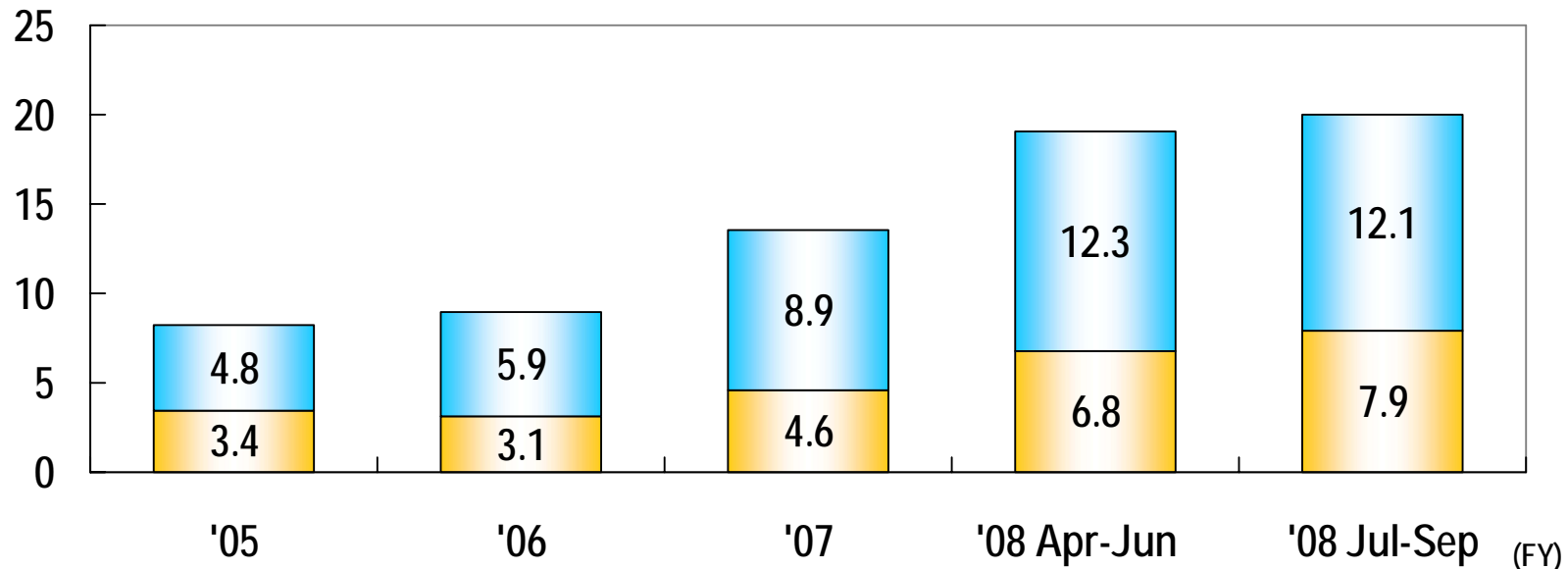
**Overall mini vehicle market remains strong; sales of Daihatsu vehicles in the first half of the fiscal year rose by 57% compared to the same period of last year.**

## 2. Overseas Operations

### 3 Indonesia

#### Average monthly production at ADM

(Thousand units)



(Daihatsu data; figures for September are preliminary)

In the first half of FY2009, production at ADM rose by 49% compared to the previous year, and measures were implemented to enhance quality.

## 2. Overseas Operations

### 4 Indonesia (Conditions in the First Half and Forecast for the Second)

#### Status in the first half of FY2009

- Favorable market conditions despite increases in interest rates and the gasoline price
- Increased depreciation expenses due to reorganization of the production structure
- Decline in profits due to rising raw material costs and other factors



#### Forecast for the second half

- Concern regarding rising interest rates and worsening of actual economy
  - ⇒ Tightening of credit for vehicle loans
  - ⇒ Anticipated reduction in sales volumes
- Impact of rising raw material costs
- Disadvantages of a weak Rupiah will continue

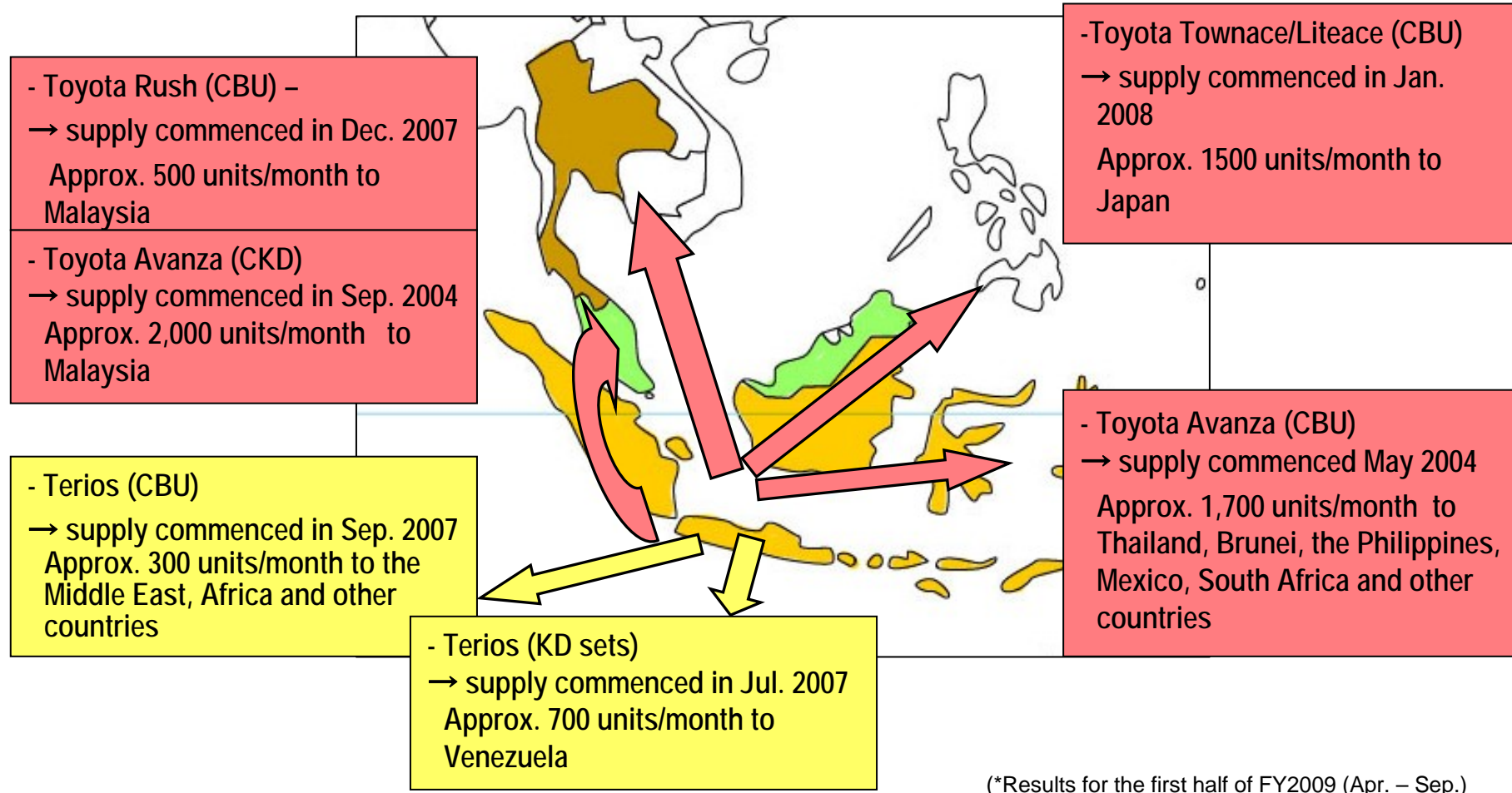
#### Future initiatives

- Redesign of the Xenia
  - Increase production volume of the Xenia from October 2008
- Increase vehicle prices ⇒ Investigate while monitoring market trends
- Preferential tariff treatment with EPA coming into effect (July 2008)

Pay close attention to market movements, identify risks and enhance corporate strength

## 2. Overseas Operations

### 5 Supply from ADM

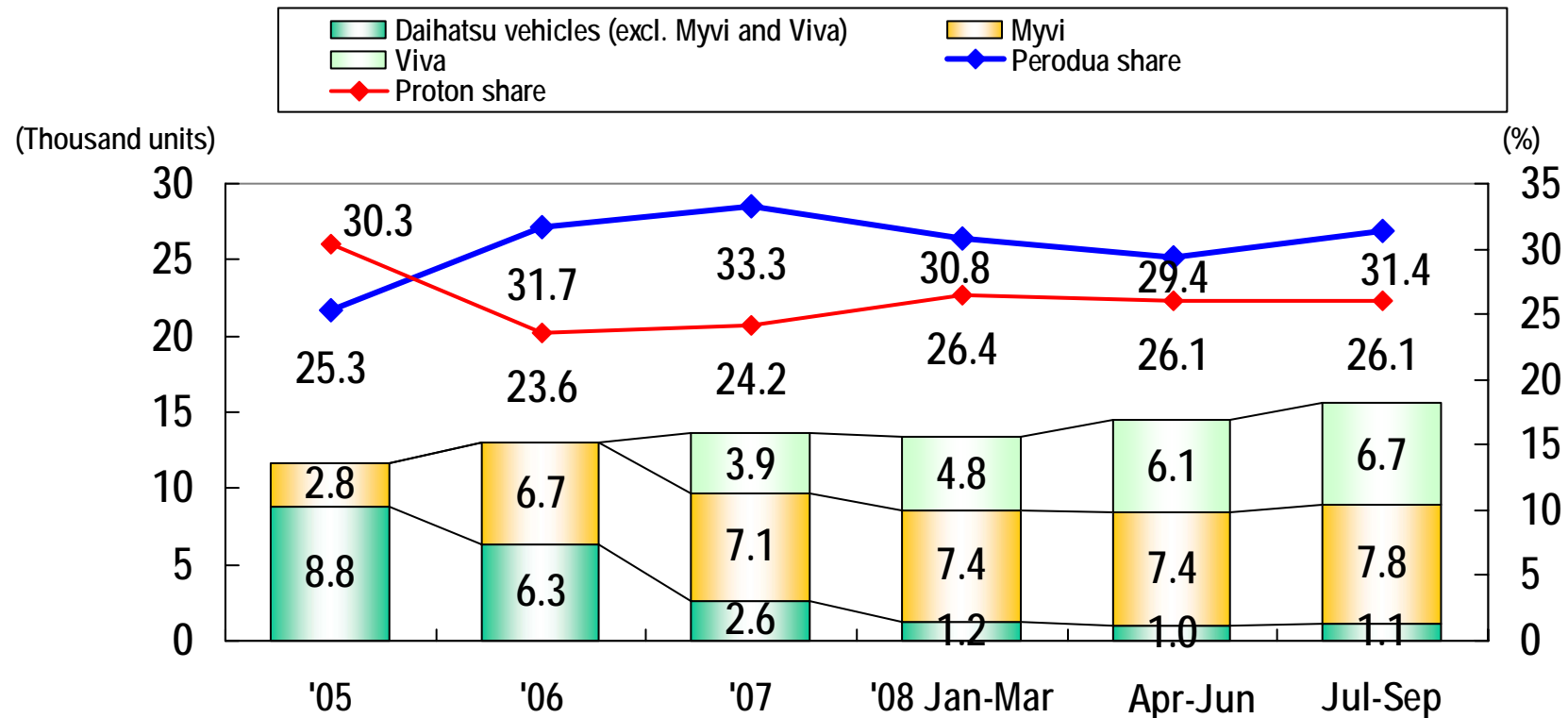


Exports from ADM as a percentage of total vehicle sales crossed 20% for the first time.

## 2. Overseas Operations

### 6 Malaysia

#### Perodua average monthly sales and market share



Figures for September are preliminary (Daihatsu data)

In addition to the Myvi, sales of the fuel-efficient Viva are also favorable. Continuing from last term, Perodua vehicles maintained the leading market share.

## 2. Overseas Operations

### 7 Malaysia (Conditions in the First Half and Forecast for the Second)

#### Status in the first half of FY2009

- Increase in raw material and gasoline costs
- Favorable exchange rates (appreciation of the Ringgit)
- Market exceeds the previous year, Perodua vehicles maintain leading market share
- Favorable sales of both the Myvi and the Viva



#### Forecast for the second half

- Impact of rising raw material costs
- Shrinking of the market
- Offset the benefits of a strong Ringgit

#### Future initiatives

- Strengthen product appeal focusing on the principal vehicle series—the Myvi and the Viva
- Implement measures to further reduce production costs
- Enhance local procurement (enjoy tax benefits, among other pluses)

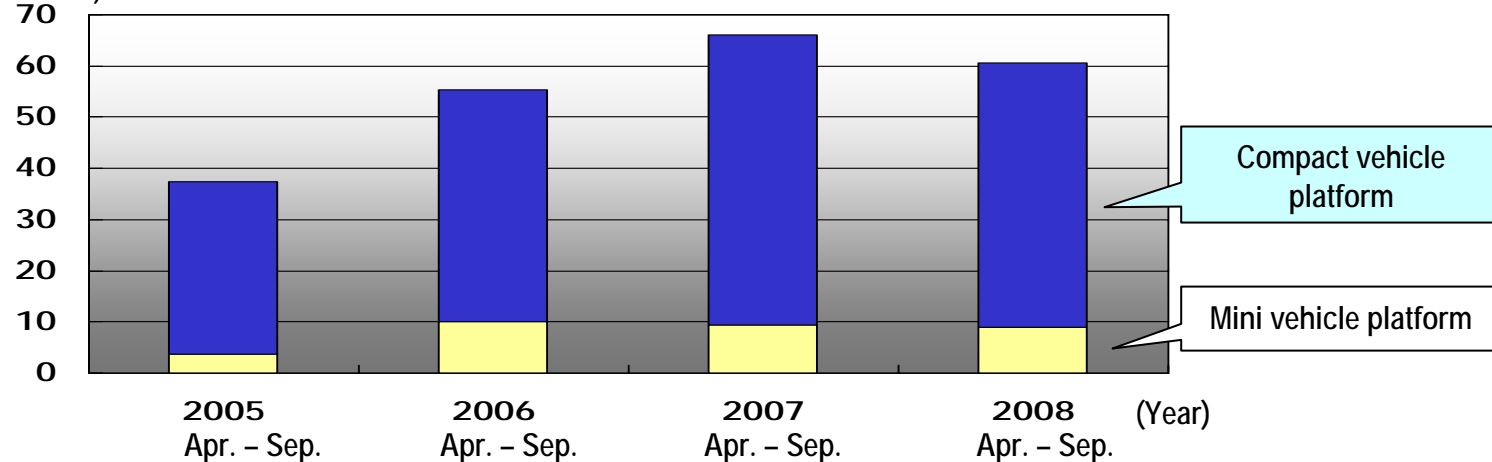
Strengthen product appeal and income structures to maintain the leading market share.

## 2. Overseas Operations

### 8 CBU (Shipments by region and vehicle series)

(Thousand units)

Shipments of vehicles with compact and mini vehicle platforms



Shipments by region (Apr. - Sep.)

	Terios	Sirion	Cuore	Other	Total	YOY
Europe	8,487	10,219	7,094	3,249	29,049	-9.7%
Latin America	4,809	558	—	2,718	8,085	-7.8%
Middle East	3,511	5,449	—	2,861	11,821	-4.1%
Africa	3,248	2,580	—	2,797	8,625	+1.1%
Total (incl. other regions)	20,917	19,695	7,094	12,916	60,622	-6.5%
YOY	-7.4%	-11.5%	-5.7%	+3.4%	-6.5%	--

CBU shipments to Europe and other regions have decreased due to the downturn in the economy.

# 3. Technology Development and Production

## ① Operations Commence at Daihatsu Motor Kyushu Kurume Plant

Overview of the plant

Built-up area: approx. 13,000m<sup>2</sup>

Plant and equipment investment: approx. 10 billion yen

Annual production capacity: approx. 216,000 units (two-shift operation; regular working hours)

Products: Type KF engine (for mini vehicles)  
CVT aluminum parts

Number of employees: approx. 200



Annual engine production capacity (two-shift operation; regular working hours)

Shiga Plant	1,300,000
Kurume*	216,000
Daihatsu overall	1,500,000

(\*Two-shift operation commenced on September 29)

Comparison with the dedicated type KF engine production line at Shiga Plant No. 1

		Reduction (%)
Overall	Plant and equipment investment*	Approx. 40
	Volume of the building	60
Machining & installation	Production line length	50
	No. of processes	20

\* Excluding the building construction costs

### Engine supply efficiency

➔ Transportation lead time: 3 days → 2.5 hours  
Transportation costs: approx. 75% reduction

### Risk diversification with 2 production bases

➔ Mitigate effects of natural disasters, etc. on production  
Respond to business environment changes (employment, etc.)

A simple, slim, and compact (SSC) plant suited to the production of engines for mini vehicles

# 3. Technology Development and Production

## ② Increased production at CVT production subsidiary New plant of Akashi-Kikai Industry Co., Ltd

Production plans

Plant location: Asakura City, Fukuoka Prefecture, Kyushu

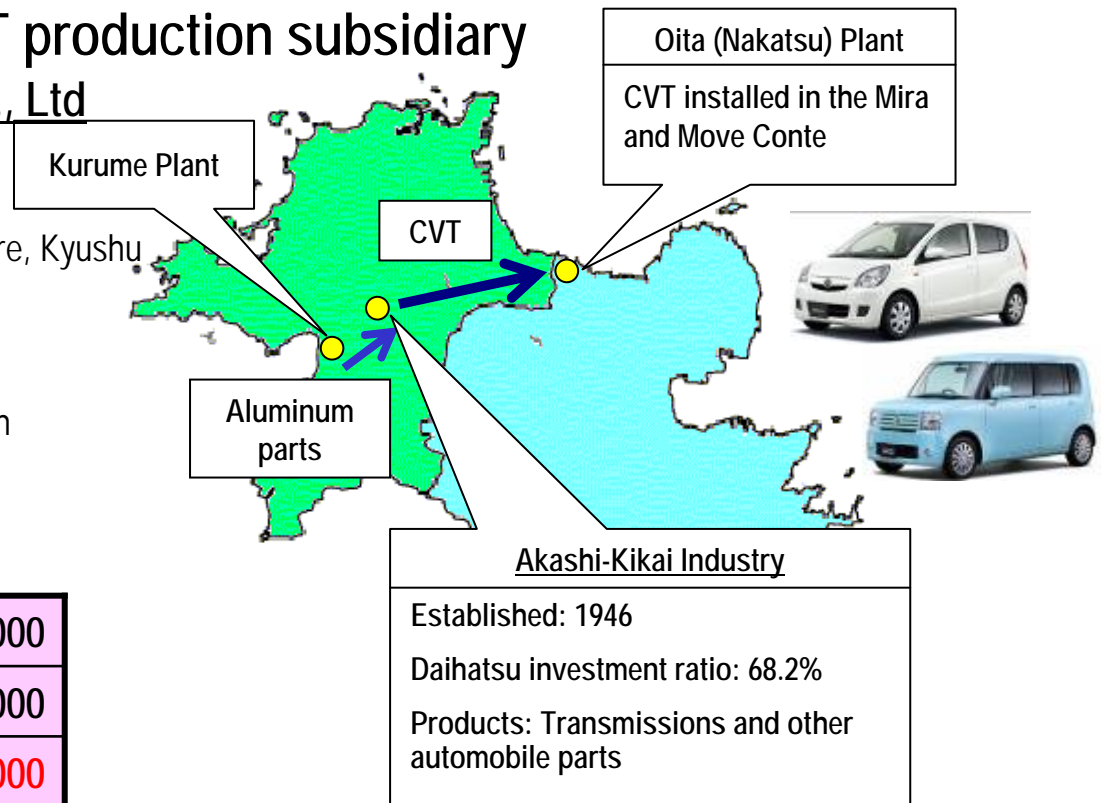
Start of production: July 2009

Product: CVT (developed in-house)

Production capacity: approx. 18,000 units/month

CVT production capacity (units/month; (two-shift operation; regular working hours)

Shiga Plant	18,000
Akashi-Kikai Industry	18,000
<b>Daihatsu overall</b>	<b>36,000</b>

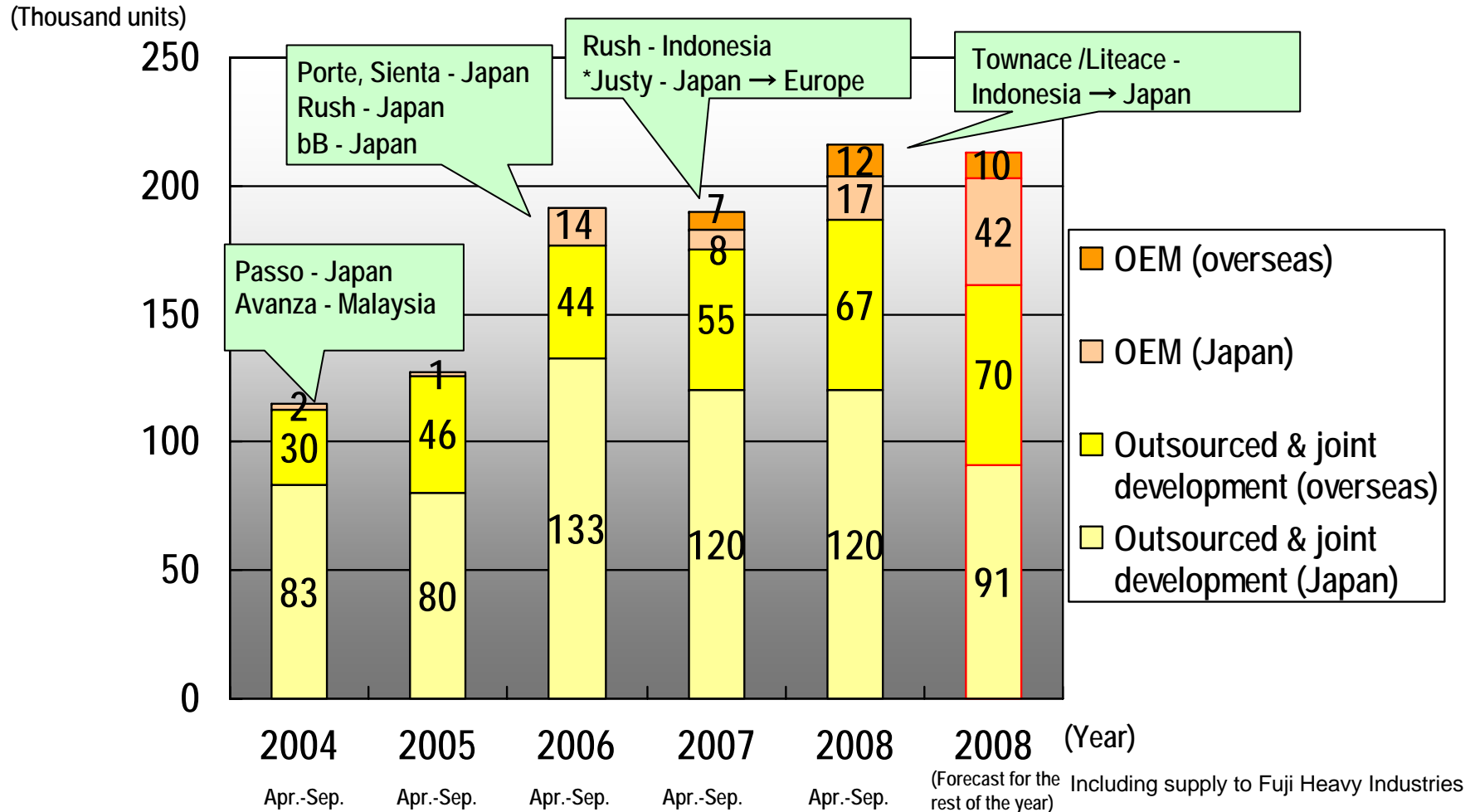


- Increased installation rate centered on principal vehicle series due to increased consumer interest in fuel efficiency  
(Installed in approximately 48% of mini vehicles produced between April and September 2009)
- The first automaker to engage in local procurement of CVTs in Kyushu for supply to the Oita (Nakatsu) Plant.

Promote concept of "Made in Kyushu" through Group collaboration

# 4. Joint Operations with Toyota

○ Consolidated vehicle sales (OEM, joint development and production outsourced to Daihatsu)



For the rest of 2008, OEM production in Japan is expected to increase, as is also the proportion of compact vehicle engine production outsourced to Daihatsu.

## 5. Management

### ○ Awareness of Environmental Issues and Initiatives to be Taken in the Second Half of FY2009

#### ■ The business environment in the second half of FY2009

Worldwide slowdown

Worsening exchange rates, soaring raw material costs

Fiercer competition in Japanese mini vehicle market



#### ■ SSC

Improvements made in production divisions



Shared with the development, procurement, and sales divisions

#### Priority issues

Fuel efficiency

Aim for top position through improved fuel efficiency and environmental performance of gasoline vehicles

Cost-efficiency

Improve resistance to external factors, enhance internal structure to facilitate globalization

Quality assurance

Enhance systems to improve customer satisfaction

Establish internal structure to achieve "Large Profits from Mini Vehicles" with an eye to the future.



# Innovation for Tomorrow

