

# ANNUAL DAIHATSU MOTOR CO., LTD. REPORT 2002



People are increasingly turning to small cars when they buy a vehicle. Offering energy efficiency, a reduced environmental impact and ease of use for elderly drivers, small cars address the needs of car owners in many parts of the world. Friendly to both the environment and society, small cars have low levels of exhaust emissions and are very efficient to operate. Their compact profiles enable them to negotiate narrow roads and fit in small parking spaces. Small cars are now making rapid inroads with many users as their improved safety characteristics, road performance and all-round quality are increasingly recognized.

Established in 1907, Daihatsu Motor Co., Ltd. has continued to push the bounds of imagination and innovation in small cars.

Under the corporate slogan of “**We make it COMPACT.**”, Daihatsu will continue to roll out safe, comfortable small cars that take into account environmental considerations—transportation well suited to the 21st century.

## CONTENTS

Financial Highlights	1
Message From Top Management	2
The Small Car is Good for Society	6
Management	10
Consolidated Six-Year Summary	11
Review of Operations and Financial Analysis	12
Consolidated Balance Sheets	18
Consolidated Statements of Income and Retained Earnings	20
Consolidated Statements of Shareholders' Equity	21
Consolidated Statements of Cash Flows	22
Notes to Consolidated Financial Statements	24
Report of Independent Certified Public Accountants	29
Investor Information	30

### Forward-Looking Statements

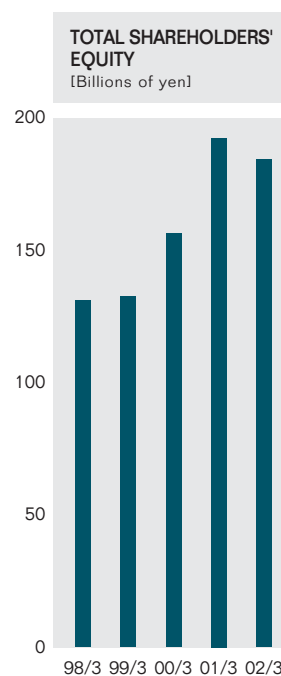
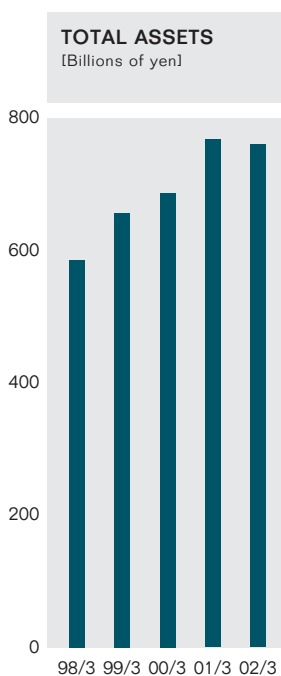
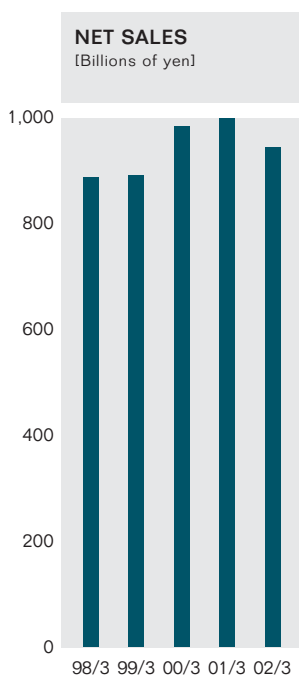
This annual report contains forecasts and projections concerning the plans, strategies and performance of Daihatsu and its consolidated subsidiaries. These forecasts and projections constitute forward-looking statements that are not historical facts, but are based on assumptions and beliefs in accordance with data currently available to management. These forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, intense competition in the automobile industry, demand, foreign exchange rates, tax systems, and laws and regulations. As such, Daihatsu wishes to caution readers that actual results may differ materially from those projected.

# FINANCIAL HIGHLIGHTS

Daihatsu Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen		Change (%)	Thousands of U.S. dollars
	2002	2001	2002/2001	2002
<b>For the year:</b>				
Net sales	<b>¥943,938</b>	¥998,785	(5.5)%	<b>\$7,086,628</b>
Operating income	<b>18,599</b>	33,423	(44.4)%	<b>139,633</b>
Net income	<b>9,310</b>	15,650	(40.5)%	<b>69,899</b>
<b>At year-end:</b>				
Total assets	<b>¥759,501</b>	¥766,917	(1.0)%	<b>\$5,701,963</b>
Total shareholders' equity	<b>184,265</b>	192,422	(4.2)%	<b>1,383,376</b>
<b>Per share data (in yen and U.S. dollars):</b>				
Net income (primary)	<b>¥ 21.80</b>	¥ 36.64	(40.5)%	<b>\$ 0.16</b>
Net income (fully diluted)	<b>20.49</b>	34.37	(40.4)%	<b>0.15</b>
Cash dividends applicable to the year	<b>7.00</b>	7.00	—	<b>0.05</b>
<b>Cash flows:</b>				
Cash flows from operating activities	<b>¥ 36,889</b>	¥ 63,906	(42.3)%	<b>\$ 276,945</b>
Cash flows from investing activities	<b>(46,622)</b>	(45,292)	(2.9)%	<b>(350,022)</b>
Cash flows from financing activities	<b>(18,561)</b>	444	—	<b>(139,348)</b>

Note: U.S. dollar amounts are translated from yen at the rate of ¥133.20=U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 29, 2002.



# MESSAGE FROM TOP MANAGEMENT

## Fiscal 2002 Operating Results

During fiscal 2002, ended March 31, 2002, Daihatsu sold 498,226 units in Japan, a decrease of 27,594 units, or 5.2%, compared with the prior fiscal year. Overseas, sales declined 8,896 units, or 11.0%, to 71,907 units. Consolidated net sales were down ¥54,847 million, or 5.5%, to ¥943,938 million. With regard to earnings, operating income fell ¥14,824 million, or 44.4%, to ¥18,599 million, and net income was down ¥6,340 million, or 40.5%, to ¥9,310 million. The main causes of the lower sales and earnings were much lower sales of small cars and the transfer of the assembly of a vehicle consigned by Toyota Motor Corporation ("Toyota") from us to another company.

## Industry Trends and Market Outlook

The image of the mini-car, the Daihatsu Group's mainstay, was fundamentally altered following the October 1998 revision of standards to improve safety. Prior to the new standards, mini-cars were generally viewed just as a means of transportation that offered the advantages of small size and economic operation, especially regarding fuel consumption. After the revisions, mini-cars further came to be regarded as attractive, fun-to-drive vehicles offering the same safety and quality as standard compact cars. Mini-car unit sales in Japan surged from 1.66 million in fiscal 1999 to 1.91 million the following fiscal year, about one-third of total new car sales in Japan. Sales were still strong in fiscal 2002 at 1.85 million, only 0.9% below the previous year.

Reacting swiftly to supply vehicles that matched these changes in the market, we posted solid growth, mainly in higher-priced models. Our share of the mini-car market rose from 25.6% in fiscal 1999 to 27.8% in fiscal 2001 as a result.

However, amid a shift toward small, inexpensive models, price competition is intensifying in the mini-car and 1000cc car markets. Combined with the fact that the boom in sales of products based on the new standards, which had driven growth in our market share, has subsided, the number of Daihatsu mini-car units sold in fiscal 2002 fell slightly and our market share declined to 27.6%.

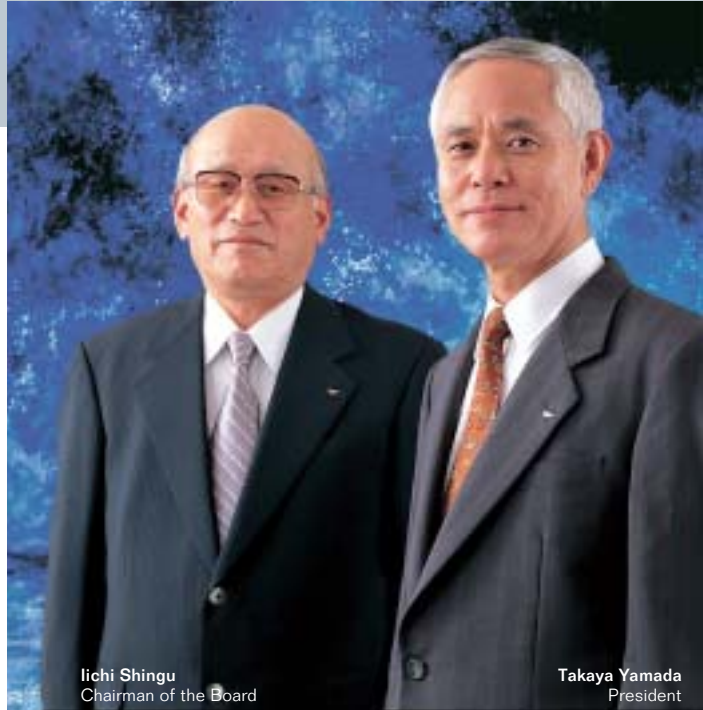
## Our Medium-Term Strategy

We plan to benefit by taking full advantage of our advanced technology and expertise acquired over many years in the manufacture of small cars. Our fundamental strategy is to continue concentrating our resources on our core business, namely mini-cars and other small vehicles that use mini-car skills. The outlook is favorable for smaller cars around the world due to rising concerns about the environment and to increasing car ownership in emerging countries.

We will accomplish increased sales of smaller cars through the following three-point strategy.

1. Reinforce our small-car operating base in Japan.
2. Grow overseas through the tightly focused deployment of resources to strategic manufacturing activities outside Japan, especially in Asia.
3. Achieve a high level of profitability through rigorous cost-cutting programs.

Our objective is to establish a solid base of operations in Japan, which accounts for about 90% of our sales, while establishing new manufacturing bases in other countries.



## Domestic Business Strategy

After peaking in 1990, new car sales in Japan have been slowly shrinking year after year. Bucking this trend, sales of mini-cars and small cars including 1000cc models have been increasing since 1998. Intensifying competition has

accompanied the rising vitality of the small-car market. Major Japanese and foreign automakers began selling their own mini-cars while existing suppliers introduced a steady stream of low-priced, highly appealing mini-cars and 1000cc models.

As small cars represent the core business of the Daihatsu Group, we are currently extending our activities from mini-cars to include the 1000cc category as well. Our goals are to develop highly competitive models while bolstering our sales network and raising profitability.

### **1. Develop highly competitive models**

Car buyers' likes and dislikes are constantly shifting. Mini-cars designed to meet the new October 1998 standard were an immediate hit, sparking growth across the entire mini-car market. Buyers' preferences changed, too. Instead of two-box designs like the Mira (Cuore), buyers turned their attention to mini-cars like the Move that have more spacious interiors. Cars like the Move have risen to account for about 60% of the entire mini-car market. Buying patterns are also increasingly reflecting customers' growing concerns about safety and the environment. All this means that Daihatsu must create new sources of demand by accurately anticipating upcoming market undercurrents.

Daihatsu will be refining the mini-car format while retaining all the traditional benefits of these popular vehicles, whose convenient size and outstanding economy make them essential for so many transportation needs. We want to make cars that have better driving performance and comfort. We want people to have complete confidence about the fuel economy, value and safety of our vehicles. All Daihatsu cars must give their owners a feeling of happiness and even excitement. These are the kinds of vehicles we will target as we conduct an aggressive development program that mirrors the needs of drivers.

# MESSAGE FROM TOP MANAGEMENT

Illustrating this strategy was the June 2002 introduction of the Copen, a groundbreaking convertible sports car-type mini-car that draws on all our expertise in small-car design and engineering. Defining this vehicle are the concepts of "pride of ownership" and the "joy of driving." The Copen combines the pleasure of driving with all the advantages of the mini-car format. Overall, we believe this model will forever redefine how people perceive small cars.

Gazing farther into the future, we plan to begin test drives on public highways of a fuel cell vehicle before the end of the current fiscal year. Hybrid cars are also in our future. We plan to begin evaluating these vehicles by March 2003 under actual, day-to-day driving conditions.

## **2. Bolstering our sales network and profit margins**

To become more profitable, the Daihatsu Group has embarked on a review and restructuring of its sales infrastructure based on the outlook for the mini-car market.

We have already taken many actions. By the end of 2001, we had completed mergers and integrations of sales companies to eliminate redundant functions in one prefecture in Japan. The number of domestic sales companies has fallen from 72 in 1998 to 65 as of April 2002. We are now examining ways to raise sales efficiency over wider areas by raising cooperation among these companies. At our sub-dealers, a key small-car sales network that accounts for about half of our mini-car sales in Japan, we will be taking various steps to increase sales per location.

In sum, our goal in Japan is to build a highly profitable sales network as we expand the value chain. This is to be accomplished by raising new car sales while at the same time working harder to generate earnings from used car sales, repair and maintenance services, and sales of parts and accessories.

## **Overseas Business Strategy**

The centerpiece of our overseas strategy is continued emphasis on expanding overseas manufacturing, chiefly in Malaysia and Indonesia.

### **1. Malaysia and Indonesia**

In our two primary overseas manufacturing locations, we must become more competitive to prepare for unrestricted competition following the enactment of the AFTA (ASEAN Free Trade Area) agreement. Daihatsu will take the lead, working with local manufacturing partners in these two countries to upgrade production activities and quality. Our near-term target is for both plants to be counted among the best-performing small-car manufacturing facilities in the ASEAN region.

As part of this drive, a holding company has been working to supervise all Malaysian manufacturing partners in the region since January 2002. The new organization is already off to a good start. We will work closely with these companies to help them develop highly appealing models that will raise sales.

In Indonesia as well, we are increasing our financial and management support to local partners. Plans include selling more variations of cars and, with local partners, establishing more prominent sales bases in every major city in Indonesia.

### **2. Concentrate on developing new markets**

Our establishment of operations in Pakistan through an overseas alliance with Toyota was followed in 2001 with the start of Terios production in Venezuela. We plan to begin full-scale

marketing of this vehicle in 2002. The rave reviews the Terios has received in Venezuela indicate that we may very well exceed our annual sales target of 6,000 units. We will continue to actively open up new markets. In particular, we intend to increase sales in China and India, two markets which we anticipate will become very large in the medium and long term.

### **3. Export completely built up (CBU) vehicles**

Regarding the export of CBU vehicles, we will continue to cater to the unique needs of each market as we integrate local operations and make our sales activities more efficient.

#### **Raising Cost Competitiveness and Profitability**

To a small-car manufacturer like Daihatsu, finding ways to manufacture low-cost cars is the most critical factor affecting our ability to compete successfully and raise earnings. We plan to increase outsourcing and procure

more parts and materials from the most competitive suppliers in the world. IT will also be used to boost productivity. In short, unprecedented cost savings are impossible without taking even more decisive actions than in the past.

We have formed a Cost Planning Promotion Committee and charged it with targeting costs across the entire organization. Nothing is sacred. With this committee, we are working as one with our vendors to eliminate unnecessary expenses wherever possible.

Moreover, we are systematically working to reduce costs at our production facilities on a plant-by-plant basis. Efforts include reducing labor and materials costs, lowering distribution costs and championing VA (Value Analysis).

Our administrative functions are also targeted for cost reductions. We will be integrating functions and streamlining our organization to squeeze out waste in our fixed cost structure. All group members will take measures to reduce interest expenses, too. We are determined to transform ourselves into a lean, profit-driven organization.

#### **In Conclusion**

We expect markets to remain extremely challenging. Survival in the automobile industry of the 21st century demands that we embrace a strong will to succeed, deep pride in our company and high aspirations for the future.

We believe that Daihatsu has all the elements required to become the preeminent name in the small-car industry.

July 2002

新宮 威一

Ichi Shingu  
Chairman of the Board

山田 隆哉

Takaya Yamada  
President

# THE SMALL CAR IS GOOD FOR SOCIETY

## [ SAFE AND ENVIRONMENTALLY FRIENDLY ]

In the 21st century, cars will need to be cleaner, in terms of emissions, use less fuel, be safer, more comfortable to drive and more economical. Recently, small cars have been attracting attention not just in Japan but throughout the world due to their low levels of exhaust emissions and efficiency. On these grounds alone, small cars are good for society and friendly to the global environment. Another trend we are seeing is growing interest among customers in safety and environmental issues.

Daihatsu strives constantly to make its small cars even better. We utilize a full range of test equipment, test drive environments and computer simulations to improve safety, comfort and economy. Our Technical Center, where new technologies are researched and developed, features the latest indoor research facilities as well as a test course. In these and other ways, we ensure that our cars perform the basics—driving, cornering and braking—at a high level. Not content to stop there, we are particularly uncompromising regarding safety and the environment, which are longstanding R&D themes at Daihatsu.

Small cars shall have the high level safety features and be more friendly to the environment—we are developing the technologies precisely.

### THE SAFETY OF SMALL CARS

#### Collision safety

When we manufacture a small car, we must make sure that no safety features are inferior to those found in a large car. Daihatsu has developed a new body structure designed to protect occupants with superior shock absorption characteristics and a reinforced cabin. We then developed and equipped our vehicles with advanced driver/passenger protective devices, principally airbags and seatbelts with pre-tensioner and force limiter.

As a result, a fiscal 2002 car assessment\*<sup>1</sup> awarded 5 stars to the Move, our mainstay mini-car, based on all test items. This test confirmed that the Move is as safe as a large car. Other Daihatsu car models obtained similar safety ratings.

The Sirion (domestic name: Storia) was awarded 3 stars in a comprehensive evaluation at a collision test performed in 2000 by Euro-NCAP using actual cars\*<sup>2</sup>. Furthermore, the same organization awarded the car 3 stars for pedestrian safety, the first 3-star rating in this category since Euro-NCAP started. These scores testify that Daihatsu leads the industry in safety.

Daihatsu will persistently seek even higher levels of safety. We are pushing ahead with state-of-the-art technology to protect pedestrians and limit damage in collisions between cars. At the same time, we will constantly strive to develop optimal body structures, car bodies and other features that afford maximum protection in the event of a multiple-car accident, not only to the occupants, but to people in other cars and pedestrians.

\*<sup>1</sup> JNCAP (car assessment test): Comprehensive evaluation from 3 types of collisions—55 km/h front and side collisions, and 64 km/h offset collision.

\*<sup>2</sup> Euro-NCAP: Comprehensive evaluation from 2 types of collisions—64 km/h offset collision and 50 km/h side collision. Also, comprehensive evaluation of pedestrian safety (lower leg, upper leg and heads).



50km/h  
car-to-car  
head-on collision

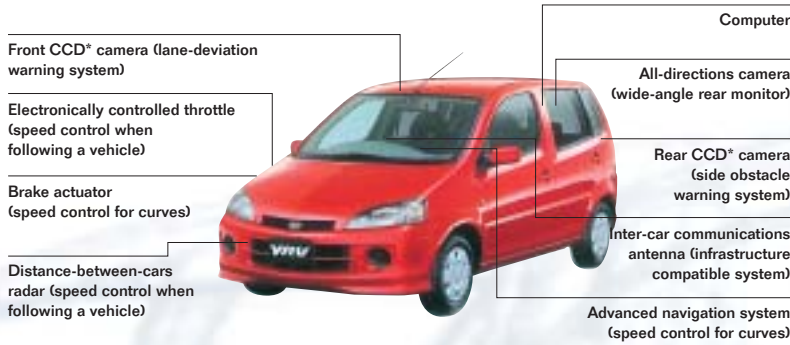




### Accident prevention technology

Daihatsu is focusing on developing collision technology that minimizes the amount of bodily injury. At the same time, we are vigorously developing technology that helps prevent accidents.

We are continuing to develop our intelligent ASV (Advanced Safety Vehicle) system, which enhances safety by employing electronics and other new technology to prevent accidents. This system can compensate for errors of recognition or judgment made by the driver. The ASV system was officially approved by Japan's Minister of Land, Infrastructure and Transport in February 2002. The system is currently being tested on ordinary highways under various driving conditions.



\*CCD: Charge Coupled Device



**[ASV driving simulator]**  
This simulator which makes us perform the dangerous experiments (to test safety) safely and precisely plays a vital role in Daihatsu's development process.

## TECHNOLOGY FOR THE ENVIRONMENT

Finding the best ways to tackle global environmental problems is a big concern for car manufacturers. One issue is cutting fuel consumption to reduce carbon dioxide emissions, a greenhouse gas, thereby helping to prevent global warming. Another is minimizing nitrogen oxide emissions to prevent atmospheric pollution and acid rain. That's why Daihatsu pursues the goal of creating cars that are No. 1 in terms of economy and ecology. As well as engineering small cars with low fuel consumption and emissions, we will employ innovative technology to continuously make incremental improvements that help protect the environment.

### Fuel efficiency

Put very simply, a small car has a light body and so, compared to a large car, has lower fuel consumption and a lower environmental profile. Daihatsu is striving to make cars that burn even less fuel to help prevent global warming and satisfy our environmentally conscious customers.

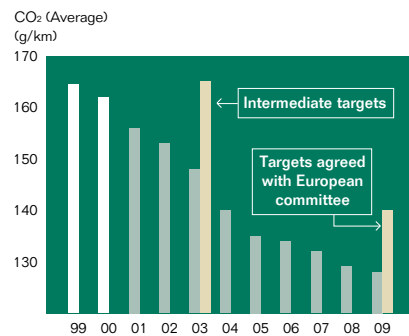
We are working on every element needed to lower fuel consumption: a highly efficient power train, a lightweight body, and reduced resistance from air and the tires while driving. We aim to meet Japanese FY2010 Fuel Efficiency Standards as early as possible. By March 2003, we plan to make over 85% of our cars satisfy these standards.

Daihatsu is developing an ultra-low-consumption gasoline-powered car employing various fuel-saving technologies that will squeeze more than 30 kilometers for one liter (in the 10–15 Japanese test cycle), the current maximum for a mass produced gasoline-powered car.

With regard to exported vehicles, in 1998 we succeeded in making the Cuore (2WD, 5MT) the first "5-liter car"—requiring only 5 liters to travel 100 kilometers with carbon dioxide emissions of 120g/km. In the European market, where there is a requirement for the weighted-average carbon dioxide emissions for all Daihatsu cars, we succeeded in clearing our 2003 intermediate target of 165g/km in 1999. Furthermore, we expect to meet our 2009 target of 140g/km in 2005\*3.

\*3 The targets are voluntary and based on an agreement between JAMA (Japan Automobile Manufacturers Association, Inc.), the European Committee.

### European fuel consumption regulations



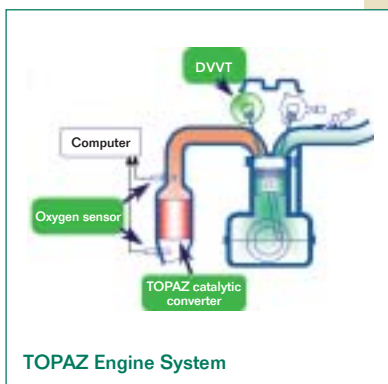
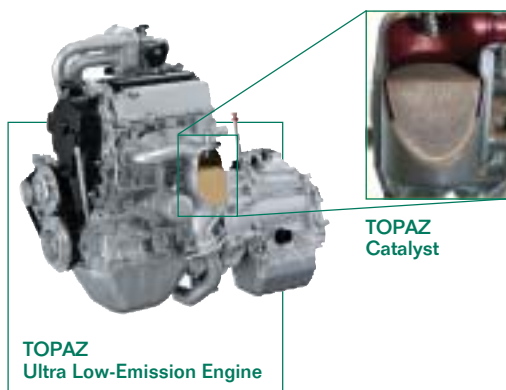
This graph shows the weighted-average CO<sub>2</sub> emissions for all Daihatsu cars in the European market.

# THE SMALL CAR IS GOOD FOR SOCIETY

## Exhaust gas emissions

One of Daihatsu's imperatives as a carmaker is to preserve the environment by reducing pollutant emissions such as NOx, HC and CO. Reducing exhaust emissions is a major issue, especially in urban areas.

Japan's Ministry of Land, Infrastructure and Transport in April 2000 began using a certification system, the Low Emissions Certifications Standard, which ranks vehicles in terms of three levels based on the cleanliness of their exhaust emissions<sup>\*4</sup>. The system aims to promote the spread of cars emitting low levels of exhaust gases.



Daihatsu has developed "TOPAZ"<sup>5</sup>, a high-performance, compact, extremely durable catalyst. Using this catalyst, Daihatsu has succeeded in producing the first gasoline-engine small car to be certified as a U-LEV<sup>4</sup> (Ultra Low-Emission Vehicle) in Japan.

Achieving the U-LEV emission level previously would have required a complicated and expensive system, such as multiple catalytic converters placed close to the engine and cabin floor, to achieve quick activation and long durability. Not only did Daihatsu meet the standard with just one catalyst, but it also dramatically cut the use of precious metals—platinum, rhodium and palladium.

We have applied this technology to our export models. By the end of 2001, the YRV model conformed to Step 4 (2005 regulations<sup>\*6</sup>) of the European exhaust emissions regulations.

Currently, about 40% of Daihatsu cars sold in Japan (10 types, 13 models as of June 2002) are U-LEV certified. We plan to retain our industry-leading position in making "clean" cars, raising the ratio of U-LEVs to 50% by March 2003 and 80% by the end of 2004.

<sup>\*4</sup> 2000 standard for exhaust emissions

Exhaust emissions must be as follows: carbon monoxide  $\leq 0.67\text{g/km}$ , hydrocarbons  $\leq 0.08\text{g/km}$  and nitrogen oxide  $\leq 0.08\text{g/km}$  (for a gasoline car in the 10-15 Japanese test cycle)

Good Low-Emission Level: 25% reduction based on 2000 standard.

Excellent Low-Emission Level: 50% reduction based on 2000 standard.

Ultra Low-Emission Level: 75% reduction based on 2000 standard.

<sup>\*5</sup> TOPAZ: An abbreviation of "Top from A to Z." It signifies Daihatsu's power train and peripheral technologies, which aim to be the best in every aspect from A to Z, including power, ecology and reliability.

<sup>\*6</sup> European exhaust emissions regulations: Step 4 (2005 regulations)

Exhaust emissions must be as follows: carbon monoxide  $\leq 1.0\text{g/km}$ , hydrocarbons  $\leq 0.10\text{g/km}$  and nitrogen oxide  $\leq 0.08\text{g/km}$  (for a gasoline passenger car in the EU test cycle)

## Development of next-generation clean energy vehicle

Daihatsu is eagerly developing environmentally friendly vehicles—hybrid and fuel cell vehicles.



ATRAI HYBRID-IV \*7



Motor Battery Power Control Unit

### [Hybrid vehicle]

Daihatsu has been developing a wide variety of hybrid vehicles since 1970. We exhibited the UFE, "Ultra Fuel Economy," as a prototype at the 2001 Tokyo Motor Show. The UFE is a hybrid vehicle with two electric motors, that attains an ultra-high fuel economy of 55 km/liter. We also exhibited the ATRAI HYBRID-IV, whose hybrid system is simpler with only one electric motor.

Daihatsu plans to put them on the market by March 2003 for monitoring and assessment. We are endeavoring to make hybrid vehicles commercially available in the near future.



UFE \*7

### [Fuel cell vehicle]

Japan's first fuel cell vehicle was developed by Daihatsu and the Osaka National Research Institute in 1972.

Since 1996, we have been researching proton-exchange membrane fuel cells, and we joined Toyota's fuel cell vehicle development organization in 1999. Our principal objective at the moment is to make the technology sufficiently compact to be used in mini-cars. At the previous Tokyo Motor Show, we showcased our Move FCV-K-II, the world's first four-seat fuel cell mini-car with a high-pressure hydrogen storage tank. The next step is to carry out driving tests on public roads to acquire more technological expertise.



MOVE FCV-K-II \*7

\*7 Showcased at the 35th Tokyo Motor Show

## Chairman of the Board

Ichi Shingu

## President

Takaya Yamada

## Executive Vice Presidents

Yoshiaki Fukamori

Kozo Sugihara

Takashi Higashi

## Senior Managing Director

Kentaro Shimizu

## Managing Directors

Katsuyuki Kamio

Miehiro Morita

Kiyokazu Seo

Yoshimitsu Sato

## Directors

Masaharu Abe

Nobuo Fujieda

Kenzo Miyawaki

Tetsuya Honda

Katsuhiko Okumura

Sadao Onoyama

Tadayuki Kotani

Koichi Fujikawa

Yoshihiro Uehara

Hirokata Seki

Tamio Nakakubo

Hiroshi Ogawara

Kazuki Uoi

Jitsuro Ito

Katsuyuki Morishita

Shin Kimura

## Statutory Corporate Auditors

Kenzo Otsue

Hirohiko Tomizawa

## Corporate Auditors

Ryuji Araki

Yosuke Uchida

(As of June 27, 2002)

## CONSOLIDATED SIX-YEAR SUMMARY

Daihatsu Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31, 2002, 2001, 2000, 1999, 1998 and 1997

	Millions of yen						Thousands of U.S. dollars
	2002	2001	2000	1999	1998	1997	2002
<b>For the year:</b>							
Net sales	<b>¥943,938</b>	¥998,785	¥983,635	¥891,403	¥886,992	¥909,564	<b>\$7,086,628</b>
Operating income	<b>18,599</b>	33,423	28,748	16,485	18,666	36,555	<b>139,633</b>
Net income	<b>9,310</b>	15,650	12,161	3,006	8,451	19,727	<b>69,899</b>
Capital investment	<b>69,087</b>	57,271	60,505	75,898	63,516	41,255	<b>518,671</b>
Depreciation	<b>40,507</b>	42,148	42,099	41,133	35,393	32,796	<b>304,108</b>
<b>Amounts per share (in yen and U.S. dollars):</b>							
Net income							
Primary	<b>¥ 21.80</b>	¥ 36.64	¥ 28.47	¥ 7.03	¥ 19.78	¥ 46.18	<b>\$ 0.16</b>
Fully diluted	<b>20.49</b>	34.37	26.73	6.68	18.59	43.27	<b>0.15</b>
Cash dividends applicable to the year	<b>7.00</b>	7.00	7.00	5.00	5.00	4.50	<b>0.05</b>
<b>At year-end:</b>							
Total assets	<b>¥759,501</b>	¥766,917	¥686,271	¥656,252	¥585,327	¥587,141	<b>\$5,701,963</b>
Total shareholders' equity	<b>184,265</b>	192,422	156,254	132,529	131,003	126,824	<b>1,383,376</b>
Common stock	<b>28,404</b>	28,404	28,401	28,401	28,401	28,401	<b>213,245</b>
Number of employees	<b>25,804</b>	22,265	22,200	21,454	21,304	21,392	

Notes: 1. U.S. dollar amounts are translated from yen at the rate of ¥133.20=U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 29, 2002.

2. Effective from the fiscal year ended March 31, 1999, enterprise tax has been included in income taxes. Figures for 1998 and prior years have been restated to conform with this classification and for the purpose of comparison.

## REVIEW OF OPERATIONS AND FINANCIAL ANALYSIS

### The Japanese Automobile Industry

In fiscal 2002, ended March 31, 2002, the Japanese automobile industry saw domestic mini-car sales amount to 1,845,000 units, maintaining the high levels recorded each year since the new mini-car regulations were introduced in 1998. This was due to the launch of many new models by all mini-car manufacturers since the fall of 2001. On the other hand, small car sales, excluding mini-cars, declined 0.8% to 3,981,000 units due to a sudden decline in sales following September 2001.

Overall domestic unit sales of automobiles amounted to 5,826,000 units, representing a year-on-year decrease of 3.4%. Exports to the U.S. rose but exports to Asia and Europe fell. Overall, exports fell 2.9% to 4,248,000 units.

Against this backdrop, the Daihatsu Group pushed ahead with various initiatives both at home and overseas, guided by the corporate slogan, "We make it COMPACT."



Hijet Gran Cargo  
(Export name: Extol)  
1300cc



Max  
(Domestic only) 660cc



Terios Lukia  
(Domestic only) 660cc



Copen  
(Domestic only) 660cc

### Japanese Market

#### Daihatsu Vehicles

In July 2001, Daihatsu launched the Hijet Gran Cargo, a 1300cc commercial-use small car using a 660cc mini-car platform, to broaden the company's small car lineup. This model is an easy-to-use small car that has a very small turning radius. In November 2001, we launched the Max, a mini-car based on the idea of providing "comfortable, new space." With its stylish design, smooth driving performance, and top-notch safety and environmental features, this model offers unprecedented value for a mini-car. In January 2002, we launched the Terios Lukia, a mini-car derived from the popular Terios Kid.

Daihatsu also carried out a series of model changes on existing cars, aggressively marketing appealing new models. These included a minor change in the small passenger car Stòria in December 2001, and improvements in the mini-cars Naked, Terios Kid and Atrai Wagon, the small car Terios and the small cargo trucks Hijet Cargo and Hijet Truck in January 2002.

However, Daihatsu's domestic unit sales for the fiscal year ended March 31, 2002 amounted to 532,000 units, representing a domestic market share of 9.1%, down by 0.2 of a percentage point year on year.

In June 2002, Daihatsu introduced the Copen, a sports car-type mini-car that drew on all our expertise in small-car design and engineering. The Copen embodies how Daihatsu is offering users an exciting and pleasant driving experience along with all the advantages of a mini-car.

#### Production of Move Tops 1-Million Mark

In May 2001, cumulative production of the Move, Daihatsu's mainstay mini-car, topped the 1-million mark. Launched in 1995, the Move has always been popular. It took only 6 years after the initial launch of this model for production to reach 1 million units.

#### Network to Buy Used Cars

In June 2001, Daihatsu established a network to purchase used cars as part of the company's ongoing strategy to enhance earnings throughout the value chain.

The used-car business is extremely important for stabilizing the operations of our sales companies and increasing sales of new vehicles and our market share. Consequently, we have been

increasing the number of retail outlets, bolstering personnel and organizations, and strengthening procurement channels. As of April 2002, Daihatsu operated over 100 used-car retail outlets.

### Merger of Sales Companies

In April 2002, Chiba Daihatsu merged with Daihatsu Nishi Chiba to form the Daihatsu Chiba sales company. This reduced the number of sales subsidiaries in Japan to 65. We have been realigning our sales companies since 1998, particularly to integrate management and administrative functions to boost efficiency, to attain our target of further increasing market share and earnings. In June 2000, Nagasaki Daihatsu merged with Sasebo Daihatsu and then a year later, in June 2001, Hiroshima Daihatsu merged with Fukuyama Daihatsu. We are now examining ways to rebuild our operating base to improve sales capabilities.

### Overseas Markets

#### Malaysia

Production and sales of the Kerisa started at local joint venture Perusahaan Otomobil Kedua Sdn. Bhd. (Perodua) in August 2001. Designed in Malaysia as Perodua's fifth "Malaysian national car," the Kerisa is powered by a 1000cc engine. This vehicle was based on a Daihatsu mini-car, the Mira, and designed to suit local tastes.

In October 2001, sales started in Indonesia of the Malaysian-manufactured Kancil, a model based on the previous Mira model. This move further deepened ties between Daihatsu's operations in these two countries.

In December 2001, Daihatsu, together with local joint venture Perodua and Mitsui & Co., Ltd., established the holding company Perodua Auto Corporation Snd. Bhd. (PCSB) in Malaysia. Malaysia is one of the key countries for our overseas production. Perodua is preparing for the free market competition that will result from the expected establishment of AFTA (the ASEAN Free Trade Area). Aimed at boosting productivity, reducing production costs and improving the quality of Perodua vehicles, the new holding company gives Daihatsu a greater role in all operations in Malaysia. PCSB began operating in January 2002, providing a platform for Daihatsu and local companies to jointly carry out a variety of business-improvement strategies.

\* Perodua was established in 1993 as a holding company by Daihatsu and five other companies to consolidate the production and sales of Malaysian national cars. The company presently manufactures and markets five national cars: the Kancil (based on the former Mira), Rusa (based on the Hijet), Kembara (based on the Terios), Kenari (based on the Move), and Kelisa (based on the new standard of mini-car, Mira). Perodua vehicles hold about a 30% share of the Malaysian market.

#### Indonesia

Indonesia is another one of the key countries for our overseas production. Competition is intensifying in Indonesia due to changes in local taxes and the launch of new models by other companies. Daihatsu's recovery in Indonesia is behind schedule, but we will provide support in terms of production, cost cutting and quality to sharpen our competitive edge.



Move  
(Export name: Move)  
660cc



Kerisa  
(Malaysia only) 1000cc



Zebra 1.5ZX EFI  
(Indonesia only) 1500cc



TARUNA FGX  
(Indonesia only) 1500cc



Terios  
(Venezuela only)  
1300cc



MOVE FCV-K-II\*  
660cc



UFE\*  
660cc



U4B\*  
660cc

\* The MOVE FCV-K-II, UFE and U4B were showcased at the 35th Tokyo Motor Show.

In October 2001, we launched the Churia, a Malaysian-manufactured Kancil, in this promising market. In January 2002, we expanded our product lineup by introducing the Zebra 1.5L and other models. At the same time, we expanded our sales network through local sales companies to major urban areas and elsewhere.

### Venezuela

In November 2001, production started in Venezuela of the Daihatsu 1300cc passenger car the Terios at Toyota De Venezuela (TDV), a Toyota subsidiary, as part of the second stage of our joint overseas project with Toyota. In December, we started sales of the model through the TDV sales network.

The Terios has been officially recognized as a "Venezuelan national car," and is Venezuela's first SUV (Sports Utility Vehicle) national car. It has become highly regarded in Venezuela for its excellent driving characteristics and safety all at a low price.

### More Efficient Overseas Sales Routes

Daihatsu is rationalizing overseas sales routes to make them more efficient. Since May 2002 we have been selling Daihatsu cars in New Zealand through Toyota New Zealand (TNZ), a local subsidiary of Toyota. Daihatsu vehicles are now sold through Toyota sales routes in 19 countries.

### Tokyo Motor Show

The 35th Tokyo Motor Show was held from October 27 through November 7, 2001. Daihatsu shared a booth with Toyota to jointly showcase its full lineup of passenger vehicles. Daihatsu displayed 27 vehicles, including concept cars, production models and specially equipped vehicles.

Daihatsu and Toyota teamed up to create an exhibit with the theme of "New Dream-Filled Mobility." The display highlighted the companies' innovative automotive technologies, including environmental technologies, in vehicles ranging from mini-cars to large passenger cars, while emphasizing the essential mobility and excitement that cars bring to our lives.

In Daihatsu's role of considering the global environment when creating cars, Daihatsu exhibited the UFE (which stands for "Ultra Fuel Economy"), a four-seat hybrid minivan with fuel consumption of 55 km/liter (in the 10-15 Japanese test cycle) and features an Advanced Safety Vehicle (ASV) system. We also exhibited the MOVE FCV-K-II, the world's first four-seat fuel-cell minivan that has a pressurized hydrogen storage tank, and the ATRAI HYBRID-IV, a four-seat hybrid minivan that achieves high fuel efficiency and a significant reduction in toxic emissions. Daihatsu also displayed the 660cc 2-cycle DOHC diesel engine, an advanced diesel technology that has cleaner emissions, and various other sophisticated technologies, such as an ultra-small 3-cylinder direct-injection engine. Through these exhibits, we convincingly demonstrated our leadership in environmentally friendly small car technology.

Daihatsu also exhibited new-concept cars that include on-board IT devices and provide personal zones for communication and relaxation. The FF Ultra Space, MUSE and U4B models create a new modern-yet-casual sensibility in cars. Visitors left the motor show deeply impressed at the many possible uses for small cars in the future.



## Environmental Considerations

### Zero Landfill Waste

Daihatsu strives to decrease the quality of industrial waste at its production plants. The company has achieved its objective of zero landfill waste\* for industrial waste generated by all four production plants in Japan: Ikeda, Kyoto, Shiga and Tada. Daihatsu published its first voluntary environmental action plan, "Initiatives for the Global Environment," in 1993. Since then, Daihatsu has been vigorously promoting environmental protection activities on the basis of a revised version of this plan.

\* Daihatsu defines zero landfill waste as less than 1% of waste generated sent directly to landfill in fiscal 1991.

Daihatsu published its Environmental Action Plan 2000 in March 2000, in which the company defined its goals for reducing landfill waste. The entire company worked toward the plan's target of zero landfill waste by the end of fiscal 2003. As a result, the volume of landfill waste at all production plants by the end of August 2001 was less than 0.1% of the volume in 1990. The company had achieved its target of zero landfill waste 2.5 years ahead of schedule. Aiming to reduce industrial waste further, we have set a target of reducing the volume of incineration waste by the end of fiscal 2005 to less than 1/3 of the volume in fiscal 1991.

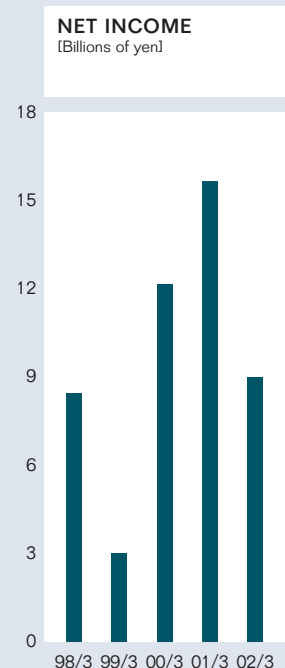
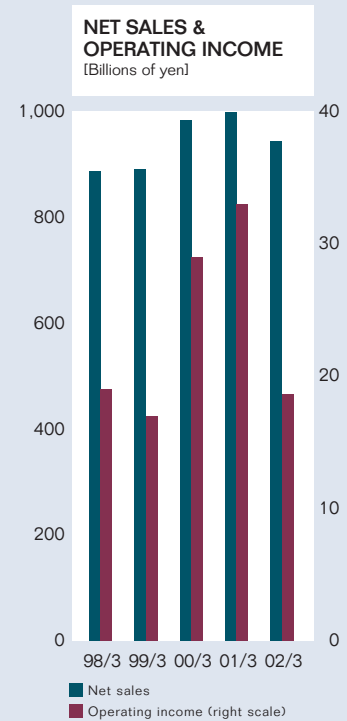
### Operating Results

Consolidated net sales in the past fiscal year decreased ¥54,846 million, or 5.5%, to ¥943,938 million (\$7.1 billion), mainly due to two factors. The main factor was a 92,187 unit, or 11.7%, drop in combined export and domestic unit sales, including Original Equipment Manufacturer (OEM) cars.

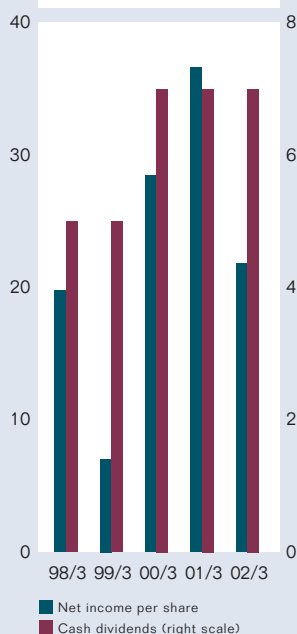
Operating income declined ¥14,824 million, or 44.4%, to ¥18,599 million due mainly to expenses of ¥4.1 billion for improving vehicle performance as regards safety and environmental impact. This also reflected an ¥18.1 billion negative effect from lower sales and changing the product mix. This result came despite an ¥11.9 billion decline in the cost of sales.

Other expenses increased ¥1,252 million to ¥2,466 million, compared with the previous fiscal year, due to factors such as lower dividends received and losses on the devaluation of shares.

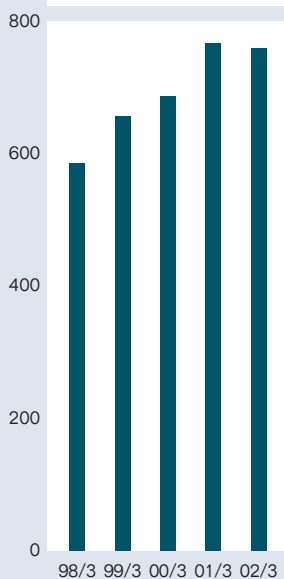
Among special items, the major components were a gain on sales of property, plant and equipment of ¥4,317 million and a loss of ¥3,385 million was booked for the reduction of the cost of property, plant and equipment. Special items were thus ¥1,433 million, a turnaround of ¥3,319 million from the previous fiscal year. As a result, income before income taxes and minority interests decreased ¥12,757 million, or 42.1%, to ¥17,566 million (\$131.9 million). Net income declined ¥6,339 million, or 40.5%, to ¥9,310 million (\$69.9 million) and net income per share worsened from ¥36.64 to ¥21.80.



**NET INCOME PER SHARE  
& CASH DIVIDENDS  
PER SHARE [Yen]**



**TOTAL ASSETS  
[Billions of yen]**



**Domestic Unit Sales and Sales by Region**

In the domestic market, the launch of new models by each company sparked intense competition. Daihatsu launched the MAX, a new mini-car, in November 2001, but Daihatsu's domestic unit sales decreased 27,594 units, or 5.2%, to 498,226 units. Shipments of consigned cars declined 48,121 units, or 34.0%, to 93,603 units. OEM cars produced exclusively for Toyota fell 7,576 units, or 18.3%, to 33,756 units. Exports, meanwhile, decreased 8,896 units, or 11.0%, to 71,907 units due to economic malaise in Europe and other factors. In aggregate, unit sales were 697,492 units, a 92,187 unit, or 11.7% decrease.

Looking ahead, Daihatsu will expand its sales network through such measures as increasing the number of sales outlets. Overseas, the company will aggressively advance into new markets to increase unit sales.

**Consolidated Unit Sales**

Years ended March 31		Units		Change (%)
		2002	2001	2002/2001
Mini-cars:	Japanese domestic	<b>477,334</b>	490,867	(2.8) %
	Exports	<b>16,611</b>	18,069	(8.1) %
Small cars:	Japanese domestic	<b>20,892</b>	34,953	(40.2) %
	Exports	<b>55,296</b>	62,734	(11.9) %
Total Daihatsu cars:	Japanese domestic	<b>498,226</b>	525,820	(5.2) %
	Exports	<b>71,907</b>	80,803	(11.0) %
Total		<b>570,133</b>	606,623	(6.0) %
Consigned cars		<b>93,603</b>	141,724	(34.0) %
OEM cars		<b>33,756</b>	41,332	(18.3) %
Grand total		<b>697,492</b>	789,679	(11.7) %
Parts for overseas production (Sets)		<b>136,850</b>	131,080	4.4 %
Consigned engines		<b>272,525</b>	365,954	(25.5) %

By region, sales in Asia outside Japan dropped ¥2,733 million, or 4.5%, to ¥58,233 million. Sales in Europe decreased ¥5,054 million, or 15.2%, to ¥28,183 million. Sales in other regions increased ¥4,444 million, or 23.2%, to ¥23,617 million, mainly due to brisk sales of the Terios, which went on sale in Venezuela in December 2001.

To capitalize on opportunities stemming from the AFTA (ASEAN Free Trade Area) agreement, Daihatsu intends to make its operations more competitive in Malaysia and Indonesia to turn both markets into sustainable sources of earnings.

### Consolidated Net Sales by Region

Years ended March 31	¥ millions		US\$ thousands
	2002	2001	2002
Japan	¥833,904	¥885,406	\$6,260,543
Asia	58,233	60,967	437,190
Europe	28,183	33,237	211,584
Other	23,617	19,173	177,309
Overseas total	110,034	113,378	826,085
Grand total	¥943,938	¥998,785	\$7,086,628

Note: U.S. dollar amounts are translated from yen at the rate of ¥133.20=U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 29, 2002.

### Financial Position

Total assets as of March 31, 2002 stood at ¥759,501 million (\$5.7 billion), down ¥7,416 million, or 0.9%. This mainly reflected the drop of ¥40,120 million in cash and time deposits and the ¥27,506 million decline in the value of investments in securities. These declines outweighed the ¥48,700 million increase from the addition of three new consolidated subsidiaries – a new holding company, a vehicle manufacturing company and an engine-manufacturing company in Malaysia.

Current assets decreased ¥28,453 million, or 7.6%, to ¥345,737 million (\$2.6 billion). The main changes were a ¥13,851 million increase in inventories and the ¥40,120 million decrease in cash and time deposits resulting from capital expenditures and other factors. Investments and other assets were ¥80,222 million (\$602 million), ¥20,144 million, or 20.1%, lower than a year ago. The main reason was a ¥27,506 million decrease in investments in securities due to appraisal losses. Net property, plant and equipment increased ¥41,181 million, or 14.1%, to ¥333,541 million due mainly to the consolidation of the new company in Malaysia.

Current liabilities decreased ¥6,828 million, or 1.5%, to ¥446,164 million (\$3.3 billion). Long-term liabilities fell ¥14,827 million, or 12.3%, to ¥105,422 million (\$791.4 million) owing mainly to a decrease in long-term debt. Interest-bearing debt fell ¥15,573 million to ¥155,291 million (\$1.2 billion).

Shareholders' equity decreased ¥8,156 million to ¥184,265 million (\$1.4 billion). The equity ratio worsened from 25.1% to 24.3%.

### Cash Flows

Operating activities provided net cash of ¥36,889 million (\$276.9 million), down ¥27,017 million, from the previous fiscal year. This principally represented income before income taxes and minority interests of ¥17,566 million and depreciation expenses of ¥40,507 million.

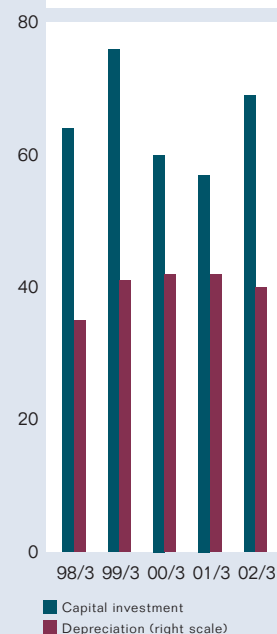
Investing activities used net cash of ¥46,622 million (\$350.0 million), ¥1,330 million more than the previous year. This mainly represented payments for the acquisition of fixed assets of ¥50,117 million.

Net cash used in financing activities amounted to ¥18,561 million (\$139.3 million). Repayments of long-term loans used cash of ¥20,637 million and ¥2,989 million was used for dividends.

As a result of the above, cash and cash equivalents at the end of the year decreased ¥28,122 million to ¥42,825 million (\$321.5 million).

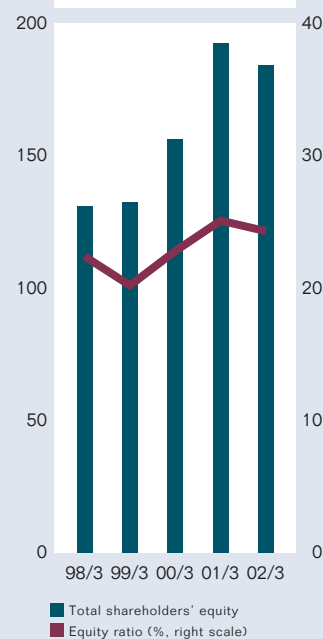
### CAPITAL INVESTMENT & DEPRECIATION

[Billions of yen]



### TOTAL SHAREHOLDERS' EQUITY & EQUITY RATIO

[Billions of yen, %]



## CONSOLIDATED BALANCE SHEETS

Daihatsu Motor Co., Ltd. and Consolidated Subsidiaries  
As of March 31, 2002 and 2001

ASSETS	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
<b>Current assets:</b>			
Cash and time deposits (Note 7)	¥ 31,936	¥ 72,056	\$ 239,762
Marketable securities	140	418	1,051
Notes and accounts receivable	182,543	203,532	1,370,444
Inventories	63,241	49,390	474,787
Deferred tax assets (Note 4)	15,438	10,871	115,904
Other current assets	54,188	39,983	406,820
Less allowance for doubtful accounts	(1,750)	(2,060)	(13,142)
Total current assets	345,737	374,190	2,595,628
<b>Investments and other assets:</b>			
Investments in securities	58,123	85,629	436,360
Long-term loans receivable	5,126	5,462	38,486
Other assets	19,416	11,426	145,769
Less allowance for doubtful accounts	(2,443)	(2,152)	(18,346)
Total investments and other assets	80,222	100,366	602,270
<b>Property, plant and equipment:</b>			
Land	88,654	86,401	665,571
Buildings and structures	205,813	191,707	1,545,147
Machinery and equipment	572,750	528,228	4,299,931
Construction in progress	12,096	4,598	90,812
Total property, plant and equipment	879,314	810,935	6,601,462
Less accumulated depreciation	(545,773)	(518,575)	(4,097,397)
Net property, plant and equipment	333,541	292,360	2,504,065
Translation adjustments			
Total assets	¥759,501	¥766,917	\$5,701,963

See Notes to Consolidated Financial Statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
<b>Current liabilities:</b>			
Short-term bank loans (Note 6)	¥112,962	¥115,810	\$ 848,068
Notes and accounts payable	200,829	206,188	1,507,730
Accrued income and other taxes	9,495	16,686	71,288
Other accounts payable	71,930	73,637	540,020
Other current liabilities	50,945	40,669	382,472
Total current liabilities	446,164	452,992	3,349,580
<b>Long-term liabilities:</b>			
Convertible bonds (Note 6)	19,993	19,993	150,097
Long-term debt (Note 6)	22,335	35,061	167,682
Retirement benefits (Note 5)	56,745	53,988	426,016
Other long-term liabilities	6,348	11,206	47,661
Total long-term liabilities	105,422	120,250	791,458
Total liabilities	551,586	573,242	4,141,039
<b>Minority interests in consolidated subsidiaries</b>	23,649	1,252	177,547
<b>Shareholders' equity:</b>			
Common stock:			
Authorized 1,600,000,000 shares	28,404	28,404	213,245
Issued and outstanding, 427,122,966 shares (2002) and 427,122,966 shares (2001)			
Additional paid-in capital	10,827	10,827	81,289
Consolidated surplus	135,720	129,565	1,018,919
Unrealized gains on securities	12,516	28,179	93,970
Less treasury common stock	(11)	(15)	(87)
Foreign currency translation adjustments	(3,191)	(4,539)	(23,961)
Total shareholders' equity	184,265	192,422	1,383,376
Total liabilities, minority interests and shareholders' equity	¥759,501	¥766,917	\$5,701,963

## CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

Daihatsu Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen			Thousands of U.S. dollars
	2002	2001	2000	2002
Net sales	¥943,938	¥998,785	¥983,635	\$7,086,628
Cost of sales	729,672	768,832	767,278	5,478,023
Total gross profit before adjustment of installment sales profit	214,266	229,952	216,357	1,608,604
Installment sales profit, deferred	(569)	(2,376)	(3,057)	(4,277)
Gross profit	213,696	227,576	213,299	1,604,326
Selling, general and administrative expenses	195,097	194,152	184,551	1,464,693
Operating income	18,599	33,423	28,748	139,633
Other income (expenses):				
Interest and dividend income	725	1,281	1,267	5,448
Interest expenses	(1,096)	(2,445)	(2,231)	(8,234)
Equity in earnings of affiliates	1,571	1,790	1,544	11,795
Other, net	(3,666)	(1,839)	(2,219)	(27,528)
Income before special items	16,132	32,209	27,109	121,115
Special items:				
Gain on sales of property, plant and equipment	4,317	-	119	32,416
Firm relocation promotion subsidy	501	-	-	3,767
Loss on reduction of cost of property, plant and equipment	(3,385)	(138)	(110)	(25,418)
Gain on establishment of trust for retirement benefits	-	23,410	-	-
Gain on sales of investment securities	-	2,489	-	-
Facility subsidy	-	90	-	-
Gain on insurance difference	-	48	-	-
Retirement benefit expenses (Note 5)	-	(27,491)	-	-
Loss on write-down of investment securities	-	(294)	-	-
Gain on sales of parent company's stock	-	-	2,038	-
Transferred amount of retirement allowances for the past financial years	-	-	(7,578)	-
Income before income taxes and minority interests	17,566	30,324	21,578	131,880
Income taxes:				
Current	14,471	20,386	14,982	108,643
Deferred	(6,268)	(5,912)	(5,441)	(47,057)
Minority interests in income of consolidated subsidiaries	(52)	(199)	123	(394)
Net income	9,310	15,650	12,161	69,899
Consolidated surplus:				
Balance at beginning of year	129,565	117,053	106,861	972,715
Increase in surplus due to addition of consolidated subsidiaries and affiliates	-	-	500	-
Cash dividends	(2,989)	(2,989)	(2,349)	(22,446)
Bonuses to directors and corporate auditors	(166)	(148)	(120)	(1,249)
Balance at end of year	¥135,720	¥129,565	¥117,053	\$1,018,919

	Yen			U.S. dollars
	2002	2001	2000	2002
Amounts per share:				
Net income:				
Primary	¥21.80	¥36.64	¥28.47	\$0.16
Fully diluted	20.49	34.37	26.73	0.15
Cash dividends applicable to the year	7.00	7.00	7.00	0.05

See Notes to Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Daihatsu Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen					
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock at cost	Total
Balance at March 31, 2000	¥28,401	¥10,824	¥117,053	¥ –	¥(25)	¥156,254
Net income	–	–	15,650	–	–	15,650
Cash dividends paid	–	–	(2,989)	–	–	(2,989)
Bonuses to directors and corporate auditors	–	–	(148)	–	–	(148)
Revaluation difference on marketable securities	–	–	–	28,179	–	28,179
Foreign currency translation adjustments	–	–	–	(4,539)	–	(4,539)
Conversion of convertible bonds	2	2	–	–	–	5
Treasury stock	–	–	–	–	10	10
Balance at March 31, 2001	¥28,404	¥10,827	¥129,565	¥23,639	¥(15)	¥192,422
Net income	–	–	9,310	–	–	9,310
Cash dividends paid	–	–	(2,989)	–	–	(2,989)
Bonuses to directors and corporate auditors	–	–	(166)	–	–	(166)
Revaluation difference on marketable securities	–	–	–	(15,662)	–	(15,662)
Foreign currency translation adjustments	–	–	–	1,347	–	1,347
Treasury stock	–	–	–	–	3	3
Balance at March 31, 2002	<b>¥28,404</b>	<b>¥10,827</b>	<b>¥135,720</b>	<b>¥ 9,325</b>	<b>¥(11)</b>	<b>¥184,265</b>
	Thousands of U.S. dollars					
Balance at March 31, 2001	\$213,245	\$81,289	\$ 972,715	\$177,475	\$(113)	\$1,444,613
Net income	–	–	69,899	–	–	69,899
Cash dividends paid	–	–	(22,446)	–	–	(22,446)
Bonuses to directors and corporate auditors	–	–	(1,249)	–	–	(1,249)
Revaluation difference on marketable securities	–	–	–	(117,584)	–	(117,584)
Foreign currency translation adjustments	–	–	–	10,118	–	10,118
Treasury stock	–	–	–	–	25	25
Balance at March 31, 2002	<b>\$213,245</b>	<b>\$81,289</b>	<b>\$1,018,919</b>	<b>\$ 70,009</b>	<b>\$ (87)</b>	<b>\$1,383,376</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Daihatsu Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
<b>Cash Flows from Operating Activities</b>			
Income before income taxes and minority interests	<b>¥17,566</b>	¥30,324	<b>\$131,880</b>
Depreciation expenses	<b>40,507</b>	42,148	<b>304,108</b>
Increase (decrease) in retirement benefits	–	(49,833)	–
Increase (decrease) in retirement allowances	<b>2,679</b>	54,057	<b>20,113</b>
Increase (decrease) in retirement allowances for directors	<b>16</b>	1,286	<b>126</b>
Provision for (reversal of) allowance reserve for doubtful accounts	<b>(18)</b>	(206)	<b>(140)</b>
Interest and dividend income	<b>(725)</b>	(1,281)	<b>(5,448)</b>
Interest expenses	<b>1,096</b>	2,445	<b>8,234</b>
Exchange profit (loss)	<b>(824)</b>	(155)	<b>(6,191)</b>
Equity in earnings (loss) of affiliates	<b>(1,571)</b>	(1,790)	<b>(11,795)</b>
Gains from sale of fixed assets	<b>(4,649)</b>	(305)	<b>(34,908)</b>
Loss from disposal of fixed assets	<b>5,542</b>	2,220	<b>41,613</b>
Gains from sale of securities	<b>(14)</b>	(2,489)	<b>(107)</b>
Loss from revaluation of securities	<b>589</b>	294	<b>4,425</b>
(Increase) decrease in notes and accounts receivable	<b>21,028</b>	(16,004)	<b>157,873</b>
(Increase) decrease in inventories	<b>(5,791)</b>	(3,803)	<b>(43,477)</b>
Increase (decrease) in notes and accounts payable	<b>(15,703)</b>	18,219	<b>(117,894)</b>
Increase (decrease) in taxes payable	<b>(1,018)</b>	(634)	<b>(7,648)</b>
Bonuses paid to directors	<b>(170)</b>	(149)	<b>(1,281)</b>
Others	<b>(2,259)</b>	7,377	<b>(16,966)</b>
Sub total	<b>56,278</b>	81,719	<b>422,513</b>
Interest and dividends received	<b>3,081</b>	1,927	<b>23,132</b>
Interest paid	<b>(1,090)</b>	(2,431)	<b>(8,189)</b>
Corporate tax and other taxes paid	<b>(21,380)</b>	(17,308)	<b>(160,510)</b>
Net cash provided by operating activities	<b>36,889</b>	63,906	<b>276,945</b>



	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
<b>Cash Flows from Investment Activities</b>			
Investments in time deposits	(96)	(607)	(725)
Income from refund of time deposits	453	541	3,405
Proceeds from sales of securities	418	70	3,138
Payments for acquisition of fixed assets	(50,117)	(46,393)	(376,259)
Proceeds from sales of fixed assets	2,788	1,433	20,931
Payments for acquisition of investment securities	(24)	(805)	(180)
Proceeds from sales of investment securities	1	2,490	14
Payments for acquisition of subsidiaries' stock resulting in a change in the scope of consolidation	(443)	–	(3,327)
Payments for short-term loans	(3,246)	(6,794)	(24,371)
Proceeds from collection of short-term loans	3,306	4,606	24,825
Payments for long-term loans	(1,254)	(1,710)	(9,416)
Proceeds from collection of long-term loans	1,590	1,876	11,942
Net cash used in investing activities	(46,622)	(45,292)	(350,022)
<b>Cash Flows from Financing Activities</b>			
Increase (decrease) in short-term bank loans	(8,248)	12,673	(61,926)
Proceeds from long-term debt	13,312	15,184	99,942
Payments for repayment of long-term debt	(20,637)	(24,473)	(154,934)
Proceeds from sale of treasury stock	25	80	195
Payments for acquisition of treasury stock	(8)	(25)	(61)
Proceeds from minority shareholders	75	–	563
Dividends paid	(2,989)	(2,989)	(22,446)
Dividends paid to minority shareholders	(90)	(4)	(681)
Net cash provided by (used in) financing activities	(18,561)	444	(139,348)
<b>Effect of exchange rate changes</b>	<b>172</b>	<b>87</b>	<b>1,292</b>
<b>Increase in cash and equivalents</b>	<b>(28,122)</b>	<b>19,145</b>	<b>(211,132)</b>
<b>Initial balance of cash and equivalents</b>	<b>70,948</b>	<b>51,802</b>	<b>532,648</b>
<b>Increase in cash and equivalents arising from consolidation of subsidiaries</b>			
<b>Year-end balance of cash and cash equivalents</b>	<b>¥42,825</b>	<b>¥70,948</b>	<b>\$321,515</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Daihatsu Motor Co., Ltd. and Consolidated Subsidiaries

## 1. Basis of Presentation of Financial Statements

The accompanying consolidated financial statements have been prepared from accounts and records maintained by Daihatsu Motor Co., Ltd. (the Company) and its domestic subsidiaries in accordance with generally accepted accounting principles in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The financial statements are expressed in yen, and solely for the convenience of the reader have been translated into U.S. dollars at the rate of ¥133.20=US\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 29, 2002. These translations should not be construed as representations that the yen amounts have been or could be converted into U.S. dollars.

The amounts reported are in millions of yen and in thousands of U.S. dollars, and figures have been rounded down.

## 2. Significant Accounting Policies

### *(a) Scope of consolidation and application of the equity method*

For the fiscal year ended March 31, 2002, the consolidated financial statements include the accounts of the Company and its consolidated subsidiaries (36 domestic sales subsidiaries, 9 overseas sales subsidiaries, 16 other domestic subsidiaries and 3 other overseas subsidiaries).

Significant intercompany transactions and accounts have been eliminated in consolidation.

Investments in significant affiliates are accounted for by the equity method. The components are as follows: 10 domestic sales affiliated companies, 7 overseas companies (4 manufacturers and 3 sales companies), and 7 other domestic companies (6 parts manufacturers and 1 other company).

### *(b) Marketable securities*

Securities with market quotations are stated at the market price on March 29, 2002 (with any unrealized valuation difference recorded under shareholders' equity, and cost computed using the moving-average method), while non-marketable securities are stated at cost, cost being determined by the moving-average method.

### *(c) Inventories*

Inventories are stated at the lower of cost or market price. Cost is principally determined by the average method for finished products (manufactured vehicles or parts/components) and work in process, by the identified cost method for finished products (purchased vehicles), and by the last-in first-out method for raw materials.

### *(d) Property, plant and equipment*

Property, plant and equipment are stated at cost. Depreciation is principally computed by the declining balance method at rates based on the estimated useful lives of the assets as determined by the Corporation Tax Law of Japan. Depreciation of buildings (excluding attached facilities) acquired on or after April 1, 1998 is computed by the straight-line method.

### *(e) Allowance for doubtful accounts*

Provisions against losses caused by doubtful receivables and other bad debts are stated based on historical credit loss ratios. With specific claims where there is an acknowledged credit risk, provisions are stated at the estimated uncollectible amounts based on assessment of the likely recoverable monies on a case-by-case basis.

### *(f) Retirement benefits and pension plans*

To provide for the payment of retirement and severance benefits to employees, retirement benefits are provided for based on the total amount of projected retirement benefits obligation reduced by the fair value of pension plan assets as of the fiscal year-end.

Unrecognized prior service obligations are expensed on a straight-line basis over the average estimated length of remaining service of employees (15–17 years) at the time such liability arose. Actuarial differences are expensed on a straight-line basis over the average remaining service of employees (14–17 years) from the year after the gain or loss occurs.

### *(g) Leases*

Financial leases, other than those that transfer ownership of the leased assets to the lessee, are treated in the same way as ordinary operating leases for accounting purposes.

**(h) Cash and equivalents**

In the Consolidated Statements of Cash Flows, cash and equivalents are defined as cash on hand, deposits that are readily withdrawable or convertible, or short-term investments with an original maturity of three months or less whose attendant price risk is considered low.

**3. Leases**

The value of financial leases, other than those that transfer ownership of the leased assets to the lessee, as of March 31, 2001 and 2002 were as follows:

(1) As a lessee

Acquisition cost of leased assets, accumulated depreciation, and net book value:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Machinery, equipment and vehicles	¥3,983	¥4,587	\$29,905
Other (fixed assets)	2,730	4,536	20,502
Subtotal	6,714	9,124	50,408
Accumulated depreciation	(2,906)	(4,582)	(21,818)
Net book value	¥3,808	¥4,541	\$28,589
Future minimum lease payments			
Due within one year	¥ 983	¥1,353	\$ 7,380
Due after one year	2,825	3,188	21,208
Total	¥3,808	¥4,541	\$28,589
Lease payments	¥1,327	¥1,624	\$ 9,966
Depreciation	1,327	1,624	9,966

(2) As a lessor

Acquisition cost of leased assets, accumulated depreciation, and net book value:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Machinery, equipment and vehicles	¥ 50	¥ 50	\$ 377
Other (fixed assets)	822	863	6,174
Subtotal	872	913	6,551
Accumulated depreciation	(613)	(543)	(4,606)
Net book value	¥259	¥370	\$1,945
Future minimum lease payments			
Due within one year	¥163	¥185	\$1,225
Due after one year	203	309	1,531
Total	¥367	¥495	\$2,757
Lease revenues	¥183	¥192	\$1,376
Depreciation	154	138	1,159

The value of operating leases as of March 31, 2001 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
As a lessee			
Future minimum lease payments			
Due within one year	¥59	¥ 68	\$445
Due after one year	14	74	111
Total	¥74	¥142	\$557

#### 4. Income Taxes

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Deferred tax assets	¥42,592	¥36,151	\$319,765
Deferred tax liabilities	(14,290)	(24,861)	(107,282)
Net deferred tax assets	¥28,302	¥11,289	\$212,482

#### 5. Retirement Benefits

The components of retirement benefit obligations were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
a. Retirement benefit obligations	¥(222,054)	¥(204,392)	\$(1,667,076)
b. Pension plan assets	112,588	122,356	845,255
c. Reserve for retirement benefits	56,745	53,988	426,016
d. Pre-paid pension plan expenses	(163)	(85)	(1,227)
e. Balance (a+b+c+d)	(52,884)	(28,133)	(397,031)
Details of balance			
f. Unrecognized actuarial differences	(59,813)	(28,133)	(449,052)
g. Unrecognized prior service obligations (decrease of obligations)	6,929	–	52,020
h. Balance (f+g)	¥ (52,884)	¥ (28,133)	\$ (397,031)

Notes: 1. Figures include amounts paid into the employee pension fund by the Company on behalf of employees.

2. A March 2001 amendment to the Welfare Pension Insurance Law raised the age of eligibility in relation to the substitute portion of the welfare pension fund managed by the Company and certain consolidated subsidiaries. This had the effect of decreasing unrecognized prior service obligations.

The components of retirement benefit-related expenses were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
a. Service cost	¥ 7,536	¥ 7,381	\$56,582
b. Interest cost	5,565	5,387	41,780
c. Expected return on pension plan assets	(3,067)	(3,526)	(23,030)
d. Transitional costs	–	3,925	–
e. Amortization of unrecognized prior service obligations	(68)	–	(517)
f. Amortization of actuarial differences	1,664	–	12,493
g. Total retirement benefits-related costs (a+b+c+d+e+f)	¥11,629	¥13,167	\$87,307

Notes: 1. Figures exclude employee contributions into the welfare pension fund.

2. In connection with the change in accounting standards related to retirement benefits, a retirement benefit investment trust was established during the interim period of the year ended March 31, 2001. The total excludes an amount of ¥23,565 million in this regard, which was recorded as a retirement benefit obligation at the beginning of the fiscal year and equals the current value of the amount contributed to the retirement benefit investment trust.

3. "e. Amortization of unrecognized prior service obligations" is the amount expensed in the year ended March 31, 2002 relating to unrecognized prior service obligations discussed in Note. 2 above under "The components of retirement benefits obligations."

## 6. Short-Term Bank Loans and Long-Term Liabilities

The components of short-term bank loans as of March 31, 2001 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Short-term borrowings			
Secured loans	¥ 20,025	¥ 25,128	\$ 150,340
Unsecured loans	64,894	68,040	487,198
Current portion of long-term debt	28,042	22,641	210,529
Total	¥112,962	¥115,810	\$848,068

The components of long-term liabilities as of March 31, 2001 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Long-term debt			
Secured loans	¥ 4,718	¥ 5,317	\$ 35,421
Unsecured loans	45,659	52,385	342,791
Less current installments	(28,042)	(22,641)	(210,529)
Subtotal	22,335	35,061	167,682
0.45 percent convertible bonds due 2003	19,993	19,993	150,097
Total	¥42,328	¥55,054	\$317,780

The aggregate annual maturities of long-term debt in the five-year period beginning with the fiscal year ending March 31, 2003 are estimated as follows (except current portion of long-term debt):

	Millions of yen	Thousands of U.S. dollars
2003.4.1 – 2004.3.31	¥13,150	\$98,725
2004.4.1 – 2005.3.31	7,200	54,054
2005.4.1 – 2006.3.31	497	3,737
2006.4.1 – 2007.3.31	405	3,046

As of March 31, 2001 and 2002, the following tangible fixed assets were pledged as collateral against short-term bank loans and long-term debt.

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Cash and deposits	¥ 22	¥ 4	\$ 165
Notes receivable	372	314	2,793
Buildings and structures	7,484	7,675	56,192
Machinery, equipment and vehicles	739	903	5,550
Land	15,917	16,857	119,499
Other (fixed assets)	0	1	6
Total	¥24,536	¥25,756	\$184,208

## 7. Cash and Equivalents

The components of cash and cash equivalents as of March 31, 2001 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Cash and deposits	¥31,936	¥72,056	\$239,762
Time deposits not due within three months	(750)	(1,107)	(5,636)
Short term investments (securities) redeemable within three month	140	–	1,051
Deposits to parent company	11,500	–	86,337
Total	¥42,825	¥70,948	\$321,515

## 8. Contingent Liabilities

Contingent liabilities as of March 31, 2001 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Guarantees of bank loans	¥600	¥842	\$4,510
Trade notes receivable, discounted	0	13	1

## 9. Segment Information

### 1. Information by industry segment

Since the manufacture and sale of automobiles accounts for in excess of 90 percent of the Company's entire consolidated net sales, operating income and assets, no presentation of information by industry segment is required.

### 2. Information by geographic area

Since Japan accounts for in excess of 90 percent of the Company's entire consolidated net sales and assets, no segmentation by geographic area is presented.

### 3. Overseas sales

For the fiscal year ended March 31, 2002

	Millions of yen			
	Asia	Europe	Other	Total
Overseas net sales	¥58,233	¥28,183	¥23,617	¥110,034
Consolidated net sales				943,938
Percent of consolidated net sales	6.2%	3.0%	2.5%	11.7%

For the fiscal year ended March 31, 2001

	Millions of yen			
	Asia	Europe	Other	Total
Overseas net sales	¥60,967	¥33,237	¥19,173	¥113,378
Consolidated net sales				998,785
Percent of consolidated net sales	6.1%	3.4%	1.9%	11.4%

For the fiscal year ended March 31, 2002

	Thousands of U.S. dollars			
	Asia	Europe	Other	Total
Overseas net sales	\$437,190	\$211,584	\$177,309	\$ 826,085
Consolidated net sales				7,086,628
Percent of consolidated net sales	6.2%	3.0%	2.5%	11.7%

Notes: 1. Country and regional classifications are made on the basis of geographical boundaries.

2. The principal countries and regions represented in the above categories are as follows:

(1) Asia: Malaysia, Indonesia

(2) Europe: Germany, the United Kingdom

(3) Other: Australia, Venezuela

3. Overseas sales includes all sales of the Company and its consolidated subsidiaries, including those in countries or regions outside of Japan.

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Daihatsu Motor Co., Ltd.

We have audited the accompanying consolidated balance sheets of Daihatsu Motor Co., Ltd. and its consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income and retained earnings, shareholders' equity and cash flows for the years then ended, all expressed in Japanese yen. Our audits were made in accordance with auditing standards generally accepted in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements expressed in Japanese yen present fairly the consolidated financial position of Daihatsu Motor Co., Ltd. and its consolidated subsidiaries as of March 31, 2002 and 2001, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan applied on a consistent basis during the period.

We have reviewed the translation of the accompanying 2002 consolidated financial statements into U.S. dollars and, in our opinion, the consolidated financial statements have been properly translated into U.S. dollars on the basis set forth in Note 1 of the notes to the consolidated financial statements.



Shin Nihon & Co.

Osaka, Japan  
June 27, 2002

See note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of Daihatsu Motor Co., Ltd. under Japanese accounting principles and practices.

## INVESTOR INFORMATION

### Company Name

DAIHATSU MOTOR CO., LTD.

### Offices

#### Head Office

1-1, Daihatsu-cho, Ikeda, Osaka 563-8651, Japan  
 Phone: +81-727-51-8811  
 Facsimile: +81-727-53-6880  
<http://www.daihatsu.co.jp/> (Japanese Homepage)  
<http://www.daihatsu.com/> (English Homepage)

#### Tokyo Office

2-2-10, Nihonbashi-honcho, Chuo-ku,  
 Tokyo 103-8408, Japan  
 Phone: +81-3-3279-0813  
 Facsimile: +81-3-3279-0038

### Principal Overseas Offices

#### Tianjin Office

Room 1403, Tianjin International Building, 75,  
 Nanjing Road, Tianjin, P.R. China  
 Phone: +86-22-2339-2660  
 Facsimile: +86-22-2339-2630

#### Beijing Office

No. 2, ZUO Jia Zhuang Street, Chaoyang District,  
 Beijing 100028 P. R. China  
 Phone: +86-10-8454-1379  
 Facsimile: +86-10-6465-6052

### Representative Office in Europe

Hermesstraat 8C, 1930, Zaventem, Belgium  
 Phone: +32-(0) 2-725-0973  
 Facsimile: +32-(0) 2-721-3174

### Sales and Service Network (As of June, 2002)

Domestic: 65 sales companies and approximately  
 42,000 sales and service outlets  
 Overseas: 110 distributors and approximately  
 2,300 sales and service outlets in  
 approximately 110 countries

### Founded

March 1, 1907

### Capital

¥28,404 million (As of March 31, 2002)

### Employees

10,705 (As of March 31, 2002)

### Common Stock (As of March 31, 2002)

Authorized: 1,600,000,000 shares

Issued: 427,122,966 shares

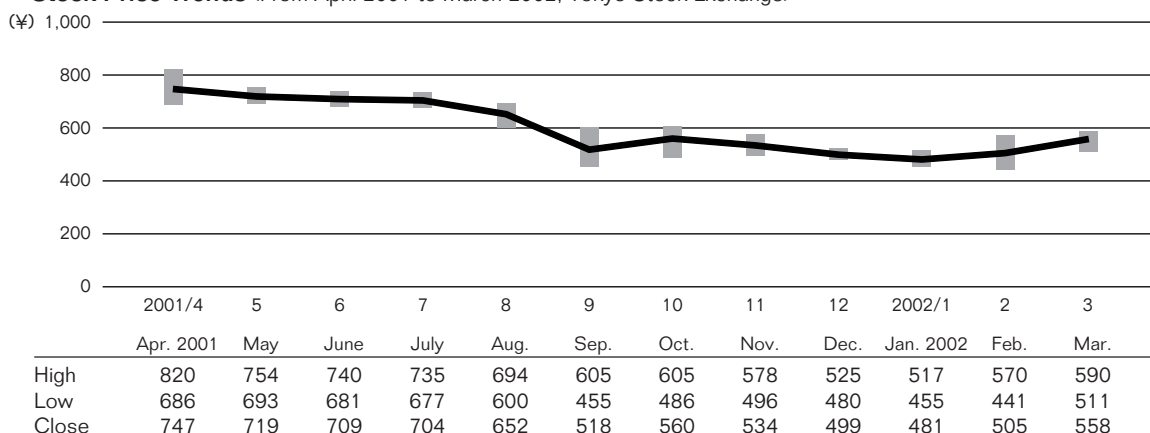
### Transfer Agent

Daiko Shoken Business Co., Ltd.  
 2-4-6, Kitahama, Chuo-ku, Osaka 541-8583, Japan

### Major Shareholders (As of March 31, 2002) %

TOYOTA MOTOR CORPORATION	51.2
Japan Trustee Services Bank, Ltd. (Trust account)	3.3
The Mitsubishi Trust and Banking Corporation (Trust account)	2.2
Mitsui Sumitomo Insurance Company, Limited	1.1
UFJ Bank Ltd.	1.1
DAIHATSU Employee stock ownership plan	1.0
Aioi Insurance Co., Ltd.	1.0
OHGI SHOKAI CO., LTD.	1.0
MITSUI MUTUAL LIFE INSURANCE, CO.	1.0
Sumitomo Mitsui Banking Corp.	0.9

### Stock Price Trends (From April 2001 to March 2002, Tokyo Stock Exchange)





**Main Domestic Business Locations**

(As of June 30, 2002)

Name	Location	No. of Employees	Established	Products
Head (Ikeda) Plant	Ikeda, Osaka	2,174	May 1939 (Plant No. 1)	Transmissions, press parts, machine processed parts
			June 1961 (Plant No. 2)	Mira (Cuore), Move, Opti, Copen, Atrai 7 (Extol), Delta
Shiga (Ryuo) Plant	Gamo, Shiga	3,160	April 1974 (Plant No. 1)	Engines, transmissions, light alloy castings
			January 1989 (Plant No. 2)	Move, Naked, Max, Stòria (Sirion), Pyzar (Gran Move)
Kyoto Plant	Otokuni, Kyoto	1,101	April 1973	Terios kid, Terios, YRV, consigned vehicles (Probox, Succeed)
Tada Plant	Kawanishi, Hyogo	365	March 1972	Molds for presses, unit and body equipment

**Main Domestic Group Members**

(As of June 30, 2002)

Company name	Capital (¥ millions)	Daihatsu's shareholding (%)	Business address	Main products and lines of business
Daihatsu Diesel Mfg. Co., Ltd.	1,420	39.4	Osaka, Osaka	Manufacture and sales of diesel engines, gas turbine engines, automobile equipment, construction machinery, door systems and aluminum wheels
Daihatsu Auto Body Co., Ltd.	450	100.0	Maebashi, Gunma	Manufacture of Hijet, Atrai and electric vehicles
Aoi Machine Industry Co., Ltd.	300	91.2	Higashi Osaka, Osaka	Manufacture of automobile parts and parts for agricultural equipment
Akashi Kikai Seisakusyo Co., Ltd.	200	77.0	Kako Gun, Hyogo	Manufacture of automobile parts, parts for agricultural equipment, pneumatic and diesel equipment
Asano Gear Co., Ltd.	324	40.0	Osaka Sayama, Osaka	Manufacture and sales of precision gears, axels for car chassis front and rear, gear boxes, transmissions and machine tools
Ogino Corporation	49	39.2	Kawanishi, Hyogo	Bolts, bolt joints, etc.
Kanbishi Corporation	261	49.5	Ono, Hyogo	Manufacture of automobile parts and parts for gas appliances
Shin Nihon Kikai Kogyo Co., Ltd.	310	36.7	Amagasaki, Hyogo	Automobile parts, parts for agricultural equipment, assembly-type steel pipes
Daihatsu Carnet Co., Ltd.	100	100.0	Itami, Hyogo	Buying & selling and brokerage of used cars
Daihatsu Metal Industry Co., Ltd.	160	80.0	Izumo, Shimane	Casting, heat treatment and machine processing of metal
Daihatsu Credit Co., Ltd.	300	100.0	Chuo, Tokyo	Consumer finance, debt guarantees and leasing
Daihatsu Techner Co., Ltd.	30	100.0	Itami, Hyogo	Development, design and manufacture of equipment and parts for transporting automobiles
Daihatsu Transportation Co., Ltd.	30	100.0	Ikeda, Osaka	Vehicle transport handler, cargo and transport, and vehicle transportation
Daihatsu Life Net Co., Ltd.	300	100.0	Ikeda, Osaka	Life and non-life insurance agency, real estate, travel, welfare and home nursing-related operations, sales of construction machinery
DBS Co., Ltd.	200	50.0	Gamo, Shiga	Manufacture of industrial engines

**We make it COMPACT.**

DAIHATSU MOTOR CO., LTD.

1-1, DAIHATSU-CHO, IKEDA, OSAKA 563-8651, JAPAN