DAIHATSU

We make it COMPACT

DAIHATSU MOTOR CO., LTD. Annual Report 2004

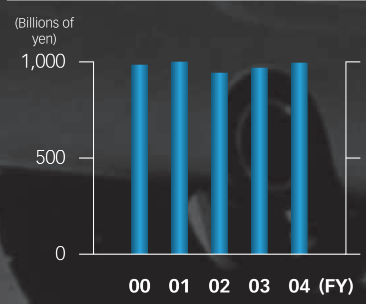
Consolidated Financial Highlights

Years ended March 31, 2004 and 2003

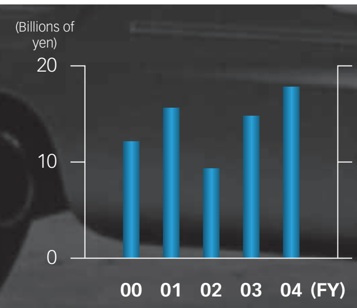
	Millions of yen		Increase (%)	Thousands of U.S. dollars
	2004	2003	2004/2003	2004
For the year:				
Net sales	**¥993,613**	¥969,574	2.5%	**$9,405,655**
Operating income	**28,358**	20,694	37.0%	**268,445**
Net income	**17,280**	14,776	16.9%	**163,578**
At year-end:				
Total assets	**¥795,273**	¥755,307	5.3%	**$7,528,145**
Shareholders' equity	**221,644**	187,483	18.2%	**2,098,107**
Per share data (in yen / U.S. dollars):				
Net income — Primary	**¥40.16**	¥34.40	16.7%	**$0.38**
Net income — Fully diluted	**38.87**	32.28	20.4%	**0.36**
Cash dividends	**7.00**	6.00	16.7%	**0.06**
Cash flows:				
Cash flows from operating activities	**¥76,639**	¥51,031		**$725,480**
Cash flows from investing activities	**(27,610)**	(40,667)		**(261,366)**
Cash flows from financing activities	**(34,183)**	(11,044)		**(323,584)**

Note: U.S. dollar amounts are translated from yen at the rate of ¥105.64=U.S.$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2004.

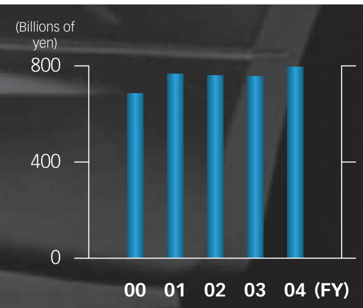
Net Sales



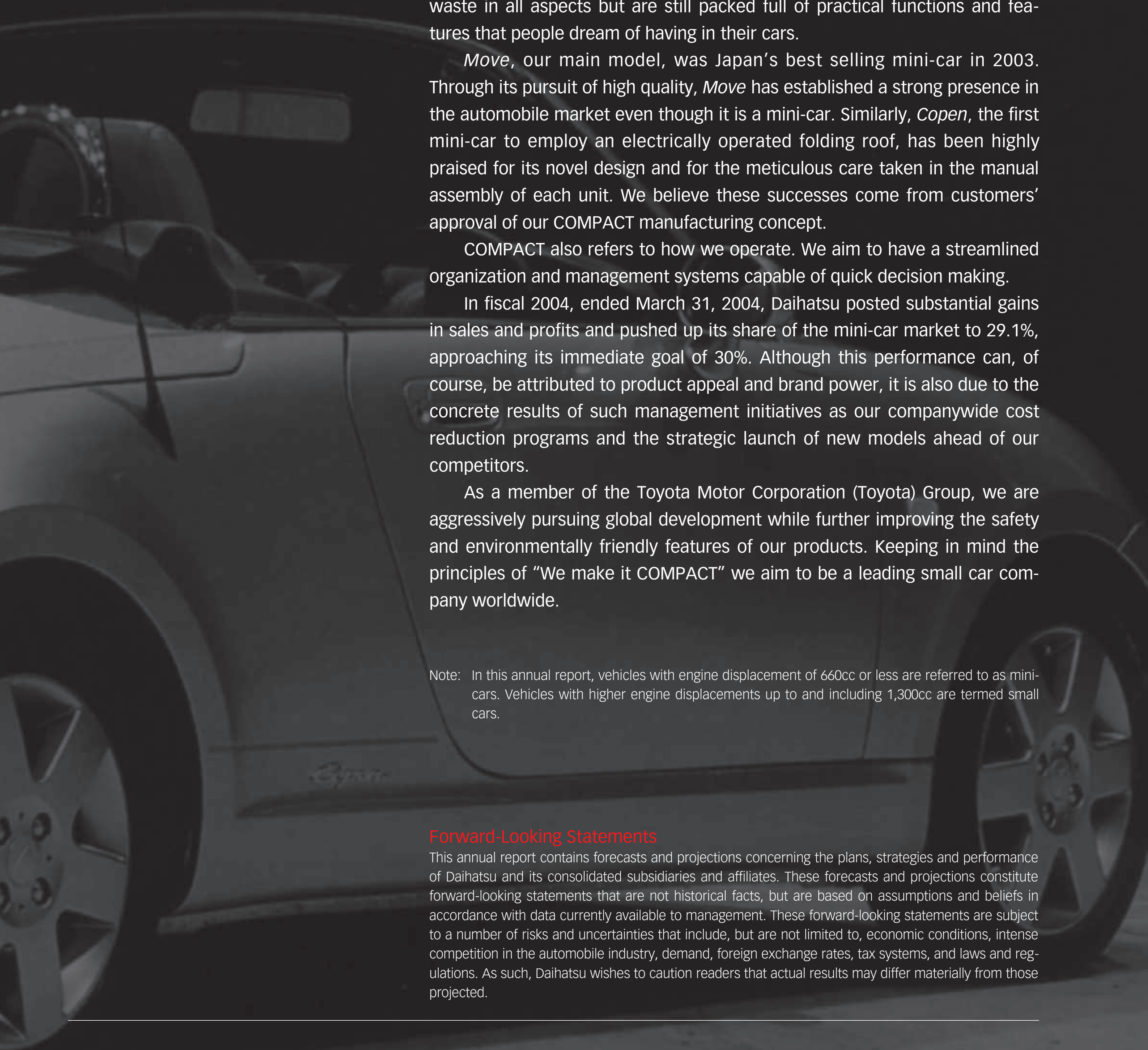
Net Income



Total Assets



We make it COMPACT



Our slogan “We make it COMPACT” basically means two things.

COMPACT means a way of making vehicles that are small and avoid waste in all aspects but are still packed full of practical functions and features that people dream of having in their cars.

Move, our main model, was Japan’s best selling mini-car in 2003. Through its pursuit of high quality, *Move* has established a strong presence in the automobile market even though it is a mini-car. Similarly, *Copen*, the first mini-car to employ an electrically operated folding roof, has been highly praised for its novel design and for the meticulous care taken in the manual assembly of each unit. We believe these successes come from customers’ approval of our COMPACT manufacturing concept.

COMPACT also refers to how we operate. We aim to have a streamlined organization and management systems capable of quick decision making.

In fiscal 2004, ended March 31, 2004, Daihatsu posted substantial gains in sales and profits and pushed up its share of the mini-car market to 29.1%, approaching its immediate goal of 30%. Although this performance can, of course, be attributed to product appeal and brand power, it is also due to the concrete results of such management initiatives as our companywide cost reduction programs and the strategic launch of new models ahead of our competitors.

As a member of the Toyota Motor Corporation (Toyota) Group, we are aggressively pursuing global development while further improving the safety and environmentally friendly features of our products. Keeping in mind the principles of “We make it COMPACT” we aim to be a leading small car company worldwide.

Note: In this annual report, vehicles with engine displacement of 660cc or less are referred to as mini-cars. Vehicles with higher engine displacements up to and including 1,300cc are termed small cars.

Forward-Looking Statements

This annual report contains forecasts and projections concerning the plans, strategies and performance of Daihatsu and its consolidated subsidiaries and affiliates. 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.

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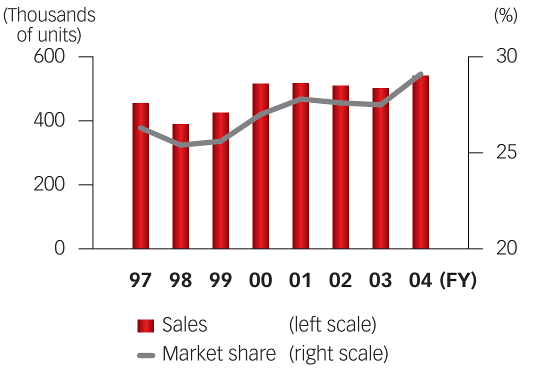
Takaya Yamada
President

In fiscal 2004, ended March 31, 2004, Daihatsu Motor Co., Ltd. sold 540,846 mini-cars in Japan, representing a 29.1% share of the market. Both figures were record highs. Market share rose above the previous high of 27.8% registered in fiscal 2001, supporting growth in sales and profits on a consolidated basis for the second consecutive fiscal year.

Among fiscal highlights, in January 2004, the Company commenced sales in Indonesia of its first joint development effort with Toyota. The Daihatsu brand version, *Xenia*, and the Toyota brand version, *Avanza*, are selling well. In June 2004, the two companies announced their first domestic joint-development car—Daihatsu's *Boon* and Toyota's *Passo*. These projects are indicative of the cooperative structure now in place with Toyota in the small car business field, domestically and internationally. Daihatsu is also reaping the benefits of efforts to build a powerful earnings base during the fiscal year through the introduction of low-cost but superior environmental technology and measures to reduce parts and materials costs.

Daihatsu Mini-Car Sales & Market Share in Japan



Move Custom

Mira

Boon, Daihatsu and Toyota's joint-development car for the Japanese market

Press event announcing the *Passo* and *Boon* dual models, a fusion of Toyota and Daihatsu skills and capabilities

Tanto

Robust Sales in Japan Support Sales and Profit Growth

In fiscal 2004, the Japanese economy recovered mildly from its prolonged recession on the strength of export expansion and a recovery in the stock market. Nevertheless, the employment environment remained severe, and the economy continued to struggle.

During the first half, sales of our mainstay *Move* and *Mira* models, which had undergone full model changes in 2002, were favorable. In the second half, although we had expected pressure from the new mini-car models being launched by our competitors, sales of our two principal models continued at high levels. In November 2003, we introduced the new model. The *Tanto*, which is slated to join the *Move* and *Mira* as our third major car model. The *Tanto* has received high marks from the market for its roomy interior, which goes well beyond conventional standards for mini-cars. As a result of these and other factors, fiscal 2004 net sales advanced. Domestic unit sales climbed 34,497 units, or 7.2%, to 512,939 units. Consolidated sales in Japan totaled ¥801.5 billion, rising ¥28.2 billion, or 3.7% year on year.

Overseas, unit sales growth in Europe helped boost total overseas sales to 230,893 units, up 16,135 units, or 7.5%. Exchange rate differences and other factors held overseas sales to ¥192.1 billion, a decrease of ¥4.2 billion, or 2.2%.

On a consolidated basis, operating income surged to ¥28.3 billion, up ¥7.7 billion, or 37.0%, compared with fiscal 2003.

The Company declared cash dividends of ¥7.00 per share, an increase of ¥1.00 per share from the prior fiscal year. Daihatsu remains committed to a stable dividend policy.

Progress of Medium-Term Management Plan and Strategies for the Future

Our efforts in the fiscal year under review were mainly focused on strengthening our domestic earnings base, reinforcing and expanding our overseas operations, proposing and realizing cooperative business to enable Toyota and Daihatsu to demonstrate their advantages to the maximum, and reducing fixed costs and strengthening our cost reduction-program and parts cost structure.

Framework of Medium-Term Management Plan

Daihatsu is pursuing the following seven themes aimed at a further strengthening of its corporate foundations in preparation for the celebration of its 100th anniversary in 2007.

1 Making products that sell themselves
2 Establishing a durable profit structure
3 Strengthening domestic sales capabilities
4 Nurturing and strengthening overseas operations
5 Reinforcing related businesses
6 Developing energetic people and organizations
7 Promoting environmental protection activities by the Daihatsu Group and establishing environmental management on a consolidated basis

Strengthening Domestic Sales Capabilities—

Timely Model Launches and Improved Distributor Earning Power

Vehicle sales in Japan account for 66% of Daihatsu's overall vehicle sales. Due to its large impact on performance, we view the Japanese market as important to our future and are working to strengthen our position. Our basic policy is to maintain the strong product appeal and brand power of Daihatsu vehicles through effective and regular sales promotion and advertising campaigns. Timely product launches are also important. There was a lull in our product launches during the first half of fiscal 2003 that caused our market share to temporarily drop. By keeping track of trends among our competitors, we began timely launches of new models that have resulted in our market share rising in the fiscal year under review. We plan to continue this strategy in the future.

We are also focusing efforts on improving the earning power of our distributors. We are fulfilling our responsibility to distributors as a manufacturer by taking steps to improve product appeal and brand power, expand sales promotions and advertising, and implement sales strategies. Among these measures, improving sales promotions and advertising is central to our strategy. By increasing our product appeal and

The Malaysian-produced *Kancil*

Xenia, developed jointly with Toyota for the Indonesian market

The *Terios* produced in China

brand power through sales promotions and advertising, we can reduce the burden of sales promotion activities for our distributors, which we believe will lead to greater distributor earning power. We are also building the necessary structure within the Company to promote the profitability of distributors.

Expanding Overseas Operations—

Part of Toyota's Global Strategy

As a member of the Toyota Group, we are keenly aware of our role in Toyota's global strategy. To that end, we are conducting a variety of initiatives overseas, especially in Malaysia, Indonesia, and China.

<Malaysia>

Our joint venture Perodua Auto Corporation Group is a manufacturer of "Malaysian National Cars." As such, Perodua focuses on introducing original models suited to Malaysian highly passenger-car-oriented market.

Perodua is getting ready for the start of the ASEAN Free Trade Area (AFTA), which will reduce trade barriers, such as retail excise taxes, among ASEAN countries. In preparation, Daihatsu is providing Perodua with guidance in upgrading its productivity, quality, product appeal and brand power, and cost competitiveness.

Sales competition is heating up in this market. In addition, Malaysian consumers are expected to hold back on car purchases until the new AFTA tax systems become clear. We plan to target further growth in this market by upgrading our market-oriented product development, improving our quality and that of our parts suppliers, and reducing costs.

<Indonesia>

Our subsidiary P.T. Astra Daihatsu Motor (ADM) has launched new models in step with a recovery in the Indonesian market and has improved the core models in its lineup. Believing that the pressing issues for assuring long-term growth are productivity and quality enhancement, we upgraded ADM from an affiliate to a subsidiary in August 2002. Along with this move, we have strengthened our support structure.

In January 2004, we began sales of a small car developed jointly with Toyota. The wagon-type model seats seven people and is a perfect fit to the Indonesian market. The model is selling as the *Xenia* under the Daihatsu brand and the *Avanza* under the Toyota brand. ADM is responsible for production, while P.T. Astra International Tbk and P.T. Toyota-Astra Motor are handling sales. Representing the concentration of our small car technology and production know-how and Toyota's car planning and marketing capabilities, the dual model car is positioned as a global strategic car of the Toyota Group. Sales are expanding in Indonesia, and Toyota has announced the start of exports of the *Avanza* to Thailand in May 2004.

<China>

In August 2002, Daihatsu agreed to participate in the small car area in a comprehensive agreement signed between Toyota and China FAW Group Corporation (FAW). Consequently, we formed a technical license agreement with FAW Huali (Tianjin) Motor Co., Ltd. (FAW Huali), an FAW subsidiary, under which production of our compact sports utility vehicle (SUV) *Terios* model (1,300cc) began in October 2003. The *Terios* is being sold through the Toyota sales network as the first model of the new *DARIO* brand created for Toyota Group vehicles in China.

Competition is intense in the Chinese car market due to its remarkable growth potential. To be sure of growth, we need a strong business base. To that end, we have made the development of our China operations a top priority and are exploring the possibility of a joint venture with FAW. We are committed to fulfilling our role in the Toyota Group's development of the Chinese market. We will do so by utilizing the know-how and experience accumulated over the years in the small car field, our area of greatest expertise.

Durable Profit Structure–

Cost Reduction and Cooperative Business with Toyota

Because our major products are mini-cars, which are in general less expensive than small cars, we have had to work hard to ensure profitability—refining our cost competitiveness while maintaining quality. To establish an even more durable profit structure, we are proactively cutting costs and developing cooperative business with Toyota.

One contributor to our cost cutting efforts is our world-leading Intelligent Catalyst technology. This technology greatly reduces the amount of costly precious metal—palladium—used as a catalyst to

The Oita (Nakatsu) Plant,
Daihatsu Auto Body's new plant,
will come onstream in December 2004.

degrade exhaust gas. In fiscal 2005, we are proceeding to equip even more of our principal domestic models with our Intelligent Catalyst, and plans call for extending its use to appropriate export models.

Our parts and materials cost reduction programs are also contributing to lower costs. Previously, our efforts were concentrated on cost planning carried out in unison with automobile development at the development and design stages. And these programs did produce favorable results. However, to achieve further cost reductions and adapt to shorter development cycles, we have strengthened these programs by adding cost reduction programs focused on automobile parts to the automobile-oriented cost reduction programs of the past. The cost benefits of these programs will be steadily reflected in the development of new models as we expand the scope of the programs to cover more parts. We expect to reap the full-scale benefits of these programs starting with models to be introduced in 2006.

When the Oita (Nakatsu) Plant, Daihatsu Auto Body's new plant, comes onstream in December 2004, we will be using more ocean shipping in our distribution routes. These cheaper distribution costs and other cost benefits provided by the new plant will significantly reduce costs compared with currently operating plants. Because of the higher depreciation expenses in ther next couple of years, however, these cost reductions are not expected to begin truly contributing to the bottom line until 2007.

We believe that cooperative business with Toyota will lead to a strengthening of our earnings base in a variety of ways. Presently, we are proceeding with joint development of small cars in Japan and overseas. In June 2004, we unveiled the *Boon* and the *Passo* (Toyota brand), the first joint-development car for the Japanese market. Manufactured at our Ikeda Plant, the *Boon* and the *Passo* differ from OEM (Original Equipment Manufacturing) cars by incorporating in detail the different needs of both manufacturers. As such, we expect that the cars will contribute positively to each company in various ways, such as unit sales growth and a substantial increase in product appeal and brand power.

Corporate Social Responsibility

Daihatsu recognizes corporate social responsibility (CSR) to be a major management issue and is addressing CSR from a variety of angles. Our corporate governance system fulfills statutory requirements regarding the shareholders' meeting, board of directors, audit committee, and independent certified public accountant. We have also established other proactive systems, such as an internal control council charged with increasing enterprise value and maintaining the credibility of our financial reporting and legal compliance.

To achieve an even higher degree of safety in the products we supply, we have made the consideration of pedestrian safety and car-to-car collisions a top priority in our product development programs. To meet society's environmental protection requirements, our research and development programs pursue improved environmental functions for cars. The Daihatsu Group also has active environmental programs. For details, please see our web site or the 2004 Environmental Report.

Targeting Further Growth and Development

In the fiscal year under review, we achieved substantial growth in sales and profits. We consider these results to be evidence of our steady progress under the medium-term management plan. With a view to our 100th anniversary in 2007, we will continue on that course, completing the plan and realizing further growth. In doing so, we look forward to the continued support of our shareholders and investors.

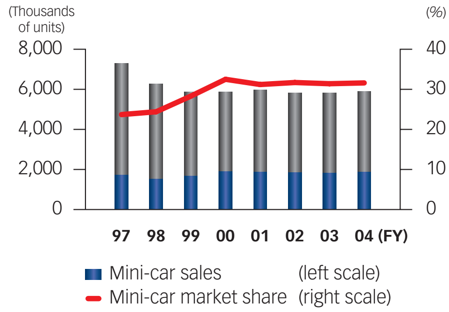
August 2004

山田隆哉

Takaya Yamada
President

The Compact Mini-Car and Its Social Significance

The Mini-Car's Share of the New Automobile Market in Japan



Sources: Japan Automobile Manufacturers Association, Inc.; Japan Mini-Vehicles Association

Further Boosting the Customer Acclaimed Safety of Our Mini-Cars

In October 1998, the Ministry of Land, Infrastructure and Transport—at that time the Ministry of Transport—introduced new standards for mini-cars. Aiming to improve collision safety, the Ministry elevated the collision safety standards for mini-cars to the same level as regular-sized and small cars. It also increased the allowable dimensions for mini-cars by 10cm in length and 8cm in width.

Utilizing this size change while maintaining the mini-car's advantages of space conservation and ease of driving, we expanded the crushable zone and employed a body designed to absorb the shock of and dampen the impact of collision to further raise the degree of safety and reliability of our cars.

Looking back on the Japanese economy from 1998 onward, it has been a time when consumer sentiment has remained weak despite occasional glimpses of a recovery due to progressive economic deflation and uncertainty about employment conditions.

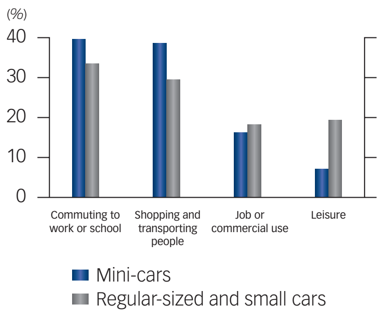
Against this backdrop, annual sales of new cars in Japan dropped from a peak of 7.0 million units in fiscal 1997 and have moved in a range from 5.8 million units to 5.9 million units since fiscal 1999.

In contrast, annual sales of mini-cars, which moved in a range from 1.5 million units to 1.7 million units previous to the introduction of the new standards, have increased. Following the new standards, mini-cars sales have consistently topped 1.8 million units annually. As a result, the mini-car's share of the overall new car market has expanded, reaching approximately 30% in fiscal 2004.

The Appeal of Mini-Cars

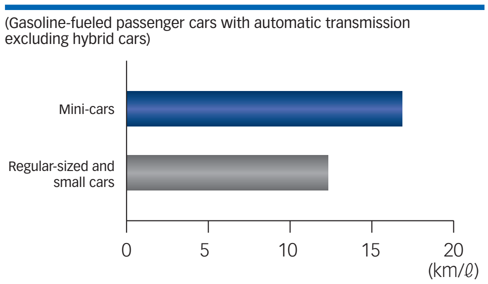
The appeal of mini-cars lies in their low environmental impact made possible by compact technology. In other words, consumers hold their superior conservation of natural resources, energy, and space in high regard. Since the introduction of the new mini-car standards, the higher degree of safety has also supported growth in unit sales.

Major Uses of Passenger Cars



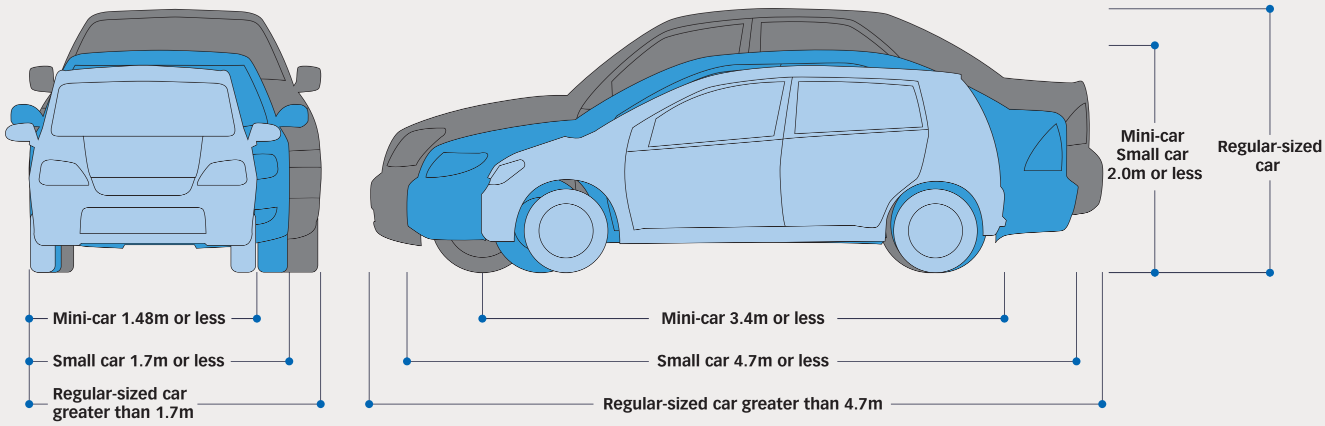
Source: Japan Automobile Manufacturers Association, Inc. (Fiscal 2002 Report on Passenger Car Market)

Average Fuel Consumption



Source: Ministry of Land, Infrastructure and Transport (Summary of Automobile Fuel Consumption as of March 2003)

Comparison of Car Dimensions



Source: Japan Mini-Vehicles Association

Main Standards for Mini-Cars

	Length	Width	Height	Engine Displacement	Comments
As of October 1998	3.3m or less ▼ **3.4m or less**	1.4m or less ▼ **1.48m or less**	2.0m or less	660cc or less	Along with raising the frontal collision standards for bonnet-type passenger cars (test speed increased to 50km/h from 40km/h) and the introducing of frontal-collision standards for mini-cars other than bonnet-type passenger cars and side-collision standards for all mini-cars, length and width have been increased to absorb the shock of collision and provide for modifications. Source: Ministry of Land, Infrastructure and Transport

Conservation of Natural Resources, Energy, and Space

In recent years, amid the cry for greater preservation of the environment, a variety of technologies have been employed in automobiles to reduce emissions of carbon dioxide, which is thought to be a major contributor to global warming. With its small engine displacement, the mini-car emits less carbon dioxide, minimizing its impact on the environment. By using less fuel than larger vehicles, the mini-car also contributes significantly to the conservation of the Earth's natural resources.

Furthermore, mini-cars are light, causing extremely minor deterioration of road surfaces, a quality very much in tune with social requirements.

Mini-Cars—An Integral Part of Life

Owners say that their principal uses for mini-cars are commuting to work and school, shopping, giving people rides and picking them up. This tells us that mini-cars are an integral part of people's lives and are used almost every day. This role is especially notable in regions where public transportation is less convenient.

Another attraction of mini-cars is that their compact size makes them easy to drive. This feature is popular with many drivers, especially women and the elderly.

Such features have resulted in an increase in the proportion of families having a mini-car and another car or more than one mini-car.

Mini-cars have a great deal of appeal for consumers. They boast excellent safety features and have extremely low environmental impact. In addition to their many practical features, they have exteriors and interiors that incorporate market needs. For these reasons, we have great expectations that mini-cars will broaden the scope of the daily life of customers, supporting more enjoyable lifestyle through a strong role in regional transportation and an indispensable role in our graying society.

Daihatsu's Highly Lauded Original Automobile Manufacturing Craft

Enjoyably Spacious!—*Move*

Daihatsu, the Small Car Specialist

True to its slogan "We make it COMPACT" Daihatsu is a manufacturer mainly of mini-cars. In fiscal 2004, our production, excluding consigned cars, totaled approximately 650 thousand units, of which 90% or approximately 570 thousand units were mini-cars. Thanks to our continued focus on mini-cars and small cars, we have accumulated a great deal of know-how during our close to one hundred years of history. Despite being continually told that "the smaller the car, the harder it is to make," our persistent research has yielded new technologies and our creative abilities have given birth to a new concept that goes beyond the boundaries of the mini-car.

As part of Toyota's global development efforts, we are constantly working on new technologies to enable our small car technology to contribute to the production of the basic car to be used in our global strategy.

Daihatsu Manufacturing Method—Dedication to High Quality

In fiscal 2004, Daihatsu sold 540,846 mini-cars in Japan, capturing a 29.1% share of the domestic mini-car market. Both unit sales and market share represented record highs. Despite new product launches by our competitors in the mini-car market during the fiscal year under review, our mainstay *Move* and *Mira* models, which underwent full model changes in October 2002 and December 2002, respectively, continued to demonstrate strong product appeal and brand power throughout fiscal 2004. In fact, the *Move* ranked as the top selling mini-car model in Japan in 2003.

When we were making the full model change for the *Move*, we redesigned its platform to achieve an amazing amount of interior space for a mini-car, giving it roomy cabin dimensions and even adequate space between seats.

Roomy Space & Smart Design—*Mira*

Enjoyably Relaxing—*Tanto*

Experts check each *Copen* model for quality.

Sports car makes driving fun—*Copen*

*Dynamic Variable Valve Timing (DVVT) Engine
A computer optimally controls the opening and closing of the values in this engine based on the driving conditions.

As a result of optimally designing the body structure of the *Move* using high tensile steel sheet that is strong yet thin compared with conventional steel sheet, the body efficiently absorbs collision energy while also being able to dampen the impact of the collision. This design realizes a strong combination of both greater collision safety and lighter weight. Equipped with our Intelligent Catalyst, the *Move*'s twin-cam DVVT* engine achieves low fuel consumption and clean emissions as well as demonstrating power. The *Move* is a well-balanced mini-car that incorporates all the necessary elements for improved environmental and safety performance.

In November 2003, we introduced the *Tanto*, a new model developed based on the theme of "Enjoyably Relaxing." In addition to the basic features of the *Move* and *Mira*, the *Tanto* has one of the largest cabin spaces of any mini-car. At 2,000mm, the *Tanto*'s cabin length is about the same level as the cabin of a 1,800cc to 2,000cc middle-class sedan. The *Tanto* has started a new genre in mini-cars, and its sales are exceeding original forecasts.

Among other innovative models, the *Copen*, which we introduced in June 2002, is the first mini-car to have an electrically operated folding roof—a feature previously exclusive to foreign cars or some luxury-class sports cars in Japan. The model is highly popular in Japan as a sports car that delivers true driving pleasure. Great care is taken in producing the *Copen*. Instead of a volume production line, we utilize a manual production process employing experts with many years of experience building cars. In September 2003, we began to export the *Copen* to Europe and Oceania, primarily the United Kingdom, Germany, and Australia.

Although we have a wide variety of vehicles in our product lineup, the one thing that can be said of all of our mini-cars is that they target the same level of quality as a small car. We are always working to ensure that customers are totally satisfied with Daihatsu cars.

Daihatsu's Technology Development Achieves Environmental Technology in Compact Form

*Daihatsu Stop And Go System

This system automatically stops the engine when idling is not necessary. When the vehicle comes to a temporary halt, the engine automatically stops. When the clutch is depressed, the engine starts up again.

**Exhaust Gases 75% Below 2005 Standards Certified Vehicle

A vehicle that achieves nitrogen oxide (NOx) and non-methane hydrocarbon (NMHC) exhaust emission levels 75% or more below the Japanese national standards required by 2005.

Key Research Themes: Improving Safety and Environmental Performance and Strengthening Profit Structure

It could be said that the basic goals of Daihatsu's manufacturing efforts are to improve the safety and environmental performance of our vehicles. In our R&D programs, we also are seeking to strengthen our profit structure by concentrating our business resources on critical areas. Furthermore, because human resources are the most important element of all, it is our policy to create workplaces where employees can strive for challenging goals while enjoying their work.

Innovative Technology Born of a Free and Open Working Environment

As advocated in our corporate slogan, we pursue the concept of "Compact" in all our technological development, avoiding waste and impracticality.

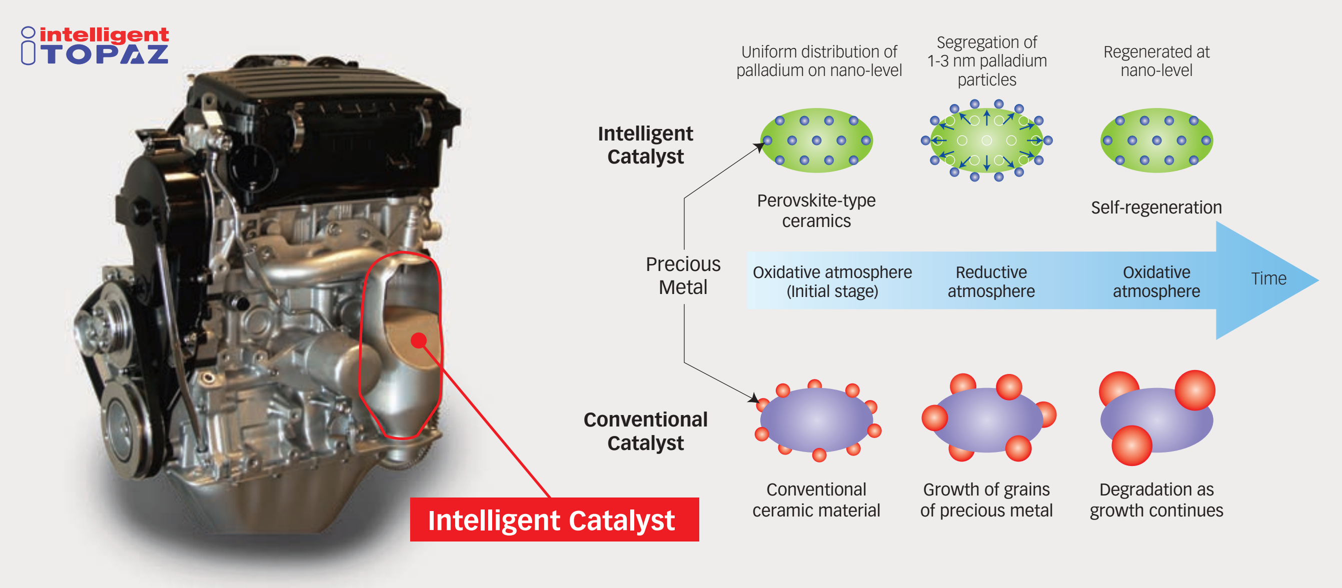
During our almost one hundred years of history, we have sought to develop the engine power needed to achieve a comfortable and smooth ride while also constantly seeking to develop environmentally friendly and clean-emission engines. In working to achieve both these qualities at an advanced level, we have solved many problems one by one over the years.

The *Mira V*, one of the models in the *Mira* series launched in December 2002, is equipped with the first direct-injection engine to be used in a mini-car. The 5-speed manual transmission *Mira V* boasts top-class maximum engine output for normal aspiration engines. Thanks to the Daihatsu Stop and Go System*, however, the *Mira V* has the highest fuel efficiency in the world for gasoline-fueled, non-hybrid vehicles, at 30.5km/ℓ (10·15 mode running pattern/ Ministry of Land, Infrastructure and Transport). In addition, the Ministry of Land, Infrastructure and Transport has approved the *Mira V* as an Exhaust Gases 75% Below 2005 Standards Certified Vehicle **.

One of Daihatsu's proprietary technologies that is contributing significantly to cleaner automobile exhaust emissions is our Intelligent

The *Mira V* is equipped with the first direct-injection engine to be used in a mini-car.

Intelligent Catalyst Mechanism



Catalyst. The catalyst renders harmful gases in exhaust emissions, such as hydrocarbons, carbon monoxide, and nitrogen oxide, harmless by facilitating oxidation, reduction, and other chemical reactions. These chemical reactions are promoted by microscopic grains of precious metals, such as palladium or platinum. By instilling a self-regenerative function for the precious metal, which usually is degraded by the high temperature of the exhaust gas, we have been able to reduce the amount of precious metal used, in this case palladium, by about 70%. This technology contributes to lower costs as well as conservation of natural resources. As the world's first practical application of this catalyst technology, our technology has been the recipient of many awards from scientific and other organizations in Japan and overseas.

These are but a few examples of the results coming out of our development programs. Our development people go beyond such organizational frameworks as design or product planning departments to plan projects together based on a dialogue centered on Daihatsu manufacturing craft. The resulting exchange of ideas has led to the development of exciting and original car concepts, such as the *Copen*. We intend to continue such freethinking research that is not bound by the conventional norms.

Basic Commitment to Safety with the Environment as Top Priority

At Daihatsu, improving automobile safety is our basic commitment. In addition, we have made the environment our top priority issue in light of the many environmental problems faced by the world today. As a manufacturer that looks to the future, we are dedicated to tackling those problems. We are working to improve the necessary "condensed technology" to make small cars not only more comfortable and safer but also cleaner running and more environmentally friendly.

Already working on next-generation vehicle mini-cars, we are proceeding with R&D targeting practical applications. Currently, our hybrid vehicle *Hijet Cargo HV* and the *Move FCV-K-II*, a fuel-cell-powered mini-car jointly developed with Toyota, have received ministry approval. We have loaned units to such organizations as the government of Osaka Prefecture on a test basis and are monitoring their performance.

We believe that hybrid vehicles will be an important category of next-generation vehicles and fuel-cell-powered vehicles will be an important category of further next-generation vehicles. We also believe that it is our mission to bring volume production of hybrid and fuel-cell-powered vehicles to the small car market as quickly as possible. To do so, we will establish even closer ties with Toyota to combine its proven success in volume production of hybrid cars with our strength in compact technology. Carrying on with our dedication to the "Compact" concept, we will continue to create cars packed full of functions and features that people dream of having in their cars.

Consolidated Six-Year Summary

Years ended March 31

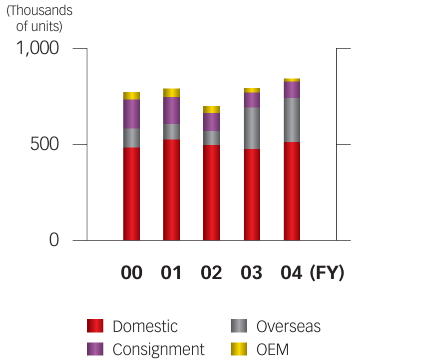
	Millions of yen						Thousands of U.S. dollars
	2004	2003	2002	2001	2000	1999	**2004**
For the year:							
Net sales	**¥993,613**	¥969,574	¥943,938	¥998,785	¥983,635	¥891,403	**$9,405,655**
Cost of sales	**759,644**	760,176	729,672	768,832	767,278	720,176	**7,190,881**
Selling, general and administrative expenses	**205,509**	188,992	195,097	194,152	184,551	150,824	**1,945,371**
Operating income	**28,358**	20,694	18,599	33,423	28,748	16,485	**268,445**
Net income	**17,280**	14,776	9,310	15,650	12,161	3,006	**163,578**
Capital investment	**73,350**	65,070	69,087	57,271	60,505	75,898	**694,339**
Depreciation	**46,237**	49,199	40,507	42,148	42,099	41,133	**437,686**
R&D expenses	**33,843**	33,259	35,023	33,439	32,504	—	**320,369**
Amounts per share (in yen and U.S. dollars):							
Net income — Primary	**¥40.16**	¥34.40	¥21.80	¥36.64	¥28.47	¥7.03	**$0.38**
Net income — Fully diluted	**38.87**	32.28	20.49	34.37	26.73	6.68	**0.36**
Cash dividends	**7.00**	6.00	7.00	7.00	7.00	5.00	**0.06**
At year-end:							
Total assets	**¥795,273**	¥755,307	¥759,501	¥766,917	¥686,271	¥656,252	**$7,528,145**
Total shareholders' equity	**221,644**	187,483	184,265	192,422	156,254	132,529	**2,098,107**
Common stock	**28,404**	28,404	28,404	28,404	28,401	28,401	**268,878**
Number of employees	**27,543**	27,566	25,804	22,265	22,200	21,454	
Ratios (%):							
Return on assets	**2.2**	2.0	1.2	2.2	1.8	0.5	
Return on equity	**8.4**	7.9	4.9	9.0	8.1	2.3	
Equity ratio	**27.9**	24.8	24.3	25.1	22.8	20.2	

Notes: 1. U.S. dollar amounts are translated from yen at the rate of ¥105.64=U.S.$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2004.
2. Daihatsu has disclosed the figures of R&D expenses from fiscal 2000.

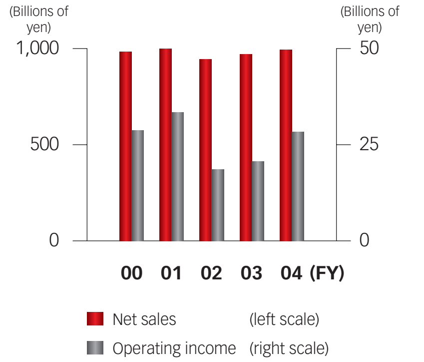
Consolidated Unit Sales

			Units					
			2004	2003	2002	2001	2000	1999
Daihatsu cars	Domestic							
	Mini-cars		**504,720**	466,336	477,334	490,867	472,816	428,446
	Small cars		**8,219**	12,106	20,892	34,953	12,604	33,168
	Subtotal		**512,939**	478,442	498,226	525,820	485,420	461,614
	Overseas							
	Mini-cars		**166,629**	145,613	16,611	18,069	27,215	22,183
	Small cars		**64,264**	69,145	55,296	62,734	71,042	88,392
	Subtotal		**230,893**	214,758	71,907	80,803	98,257	110,575
	Total		**743,832**	693,200	570,133	606,623	583,677	572,189
Toyota cars	Consigned cars	Domestic	**77,433**	78,986	93,603	141,724	151,035	161,379
		Overseas	**7,038**	—	—	—	—	—
	OEM cars		**13,380**	19,875	33,756	41,332	37,828	25,298
	Total		**97,851**	98,861	127,359	183,056	188,863	186,677
Total			**841,683**	792,061	697,492	789,679	772,540	758,866
Parts for overseas production (sets)			**9,580**	21,550	136,850	131,080	135,680	82,760
Consigned engines			**184,240**	197,244	272,525	365,954	429,002	203,298

Consolidated Unit Sales



Net Sales & Operating Income



Scope of Consolidation and Application of Equity Method

In fiscal 2004, covering the period from April 1, 2003 to March 31, 2004, Daihatsu Motor Co., Ltd., had a total of 63 consolidated subsidiaries, comprising 35 domestic sales subsidiaries, 6 domestic manufacturing subsidiaries, 11 other domestic subsidiaries, and 11 overseas subsidiaries. The Company accounted for 22 companies by the equity method, comprising 10 domestic sales companies, 7 other companies, and 5 overseas companies.

Overview of Consolidated Performance

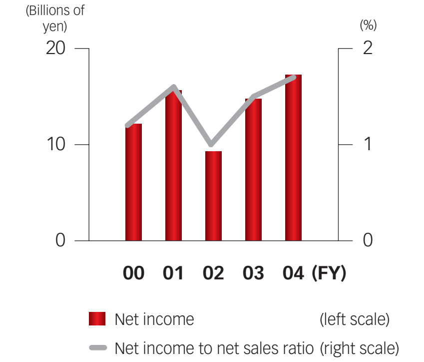
During the fiscal year under review, the economy of Japan showed some movement toward recovery, with Japanese companies achieving an export-driven improvement in performance. Employment conditions remained difficult, however, and the upward trend did not extend to a recovery in personal consumption.

In the automobile industry, new vehicle registrations in Japan for commercial vehicles rose substantially, mainly for large trucks, reflecting demand related to exhaust emissions regulations, but declined for passenger cars for the first time in two years. Mini-car new vehicle registrations rose for the first time in four years on the strength of new car sales stimulated by successive launches of new models since fall 2003. As a result, overall sales of new automobiles in Japan expanded for the second consecutive year. Automobile exports were approximately the same as in the previous fiscal year because increased exports to Asia and Europe were balanced by a decline in exports to the United States.

The Daihatsu Group's domestic mini-car sales climbed 34,497 units, or 7.2%, to 512,939 units. This growth was supported by robust sales of our mainstay *Move* and *Mira* models and the strong market reception for the *Tanto*, which we launched in November 2003. Overseas sales increased 16,135 units, or 7.5%, to 230,893 units, supported by unit sales growth in Europe. Shipments of consigned cars increased 5,485 units, or 6.9%, to 84,471 units, while OEM cars produced exclusively for Toyota fell 6,495 units, or 32.7%, to 13,380 units. Aggregate sales, therefore, increased 49,622 units, or 6.3%, to 841,683 units. Shipments of parts for overseas production amounted to 9,580 sets, down 11,970 sets, or 55.5%, from the prior fiscal year. Shipments of consigned engines decreased 13,004 units, or 6.6%, to 184,240 units. The total number of vehicles produced amounted to 875,129 units, increasing 56,714 units, or 6.9%, from a year earlier.

As a result, consolidated net sales increased ¥24.0 billion, or 2.5%, to ¥993.6 billion. Ordinary income advanced ¥8.4 billion, or 43.2%, to ¥27.9 billion, while net income totaled ¥17.2 billion, a gain of ¥2.5 billion, or 16.9%, year on year.

Net Income & Net Income to Net Sales Ratio



Regional Market Information

Japan

In the second half of the fiscal year ended March 2004, other mini-car manufacturers made new product launches. We anticipated sales growth difficulties because of intensified sales competition, but sales of the *Move* and *Mira*, which underwent full model changes in October 2002 and December 2002, respectively, continued to record favorable sales in fiscal 2004. In addition, sales of the *Tanto*, which was introduced in November 2003, exceeded original targets. Consequently, our consolidated unit sales for the fiscal year under review rose to 603,752 units.

In recent years, demand for mini-cars that can be used for welfare purposes has grown, with the market expanding to close to 10 thousand units. Of this amount, we sold 4,706 units, a 33.0% increase from the previous fiscal year. Daihatsu has designated this market as a priority market and has maintained a more than 40% share of the market since 1999.

Overseas Market

The overseas operations of the Daihatsu Group account for approximately 20% of consolidated net sales. In the fiscal year under review, consolidated unit sales amounted to 237,931 units, rising 23,173 units, or 10.8%, from the previous fiscal year. Despite the increase in unit sales, exchange rate differences reduced sales in yen terms, especially in our core Asian market, resulting in overseas sales declining ¥4.2 billion, or 2.2%, to ¥192.1 billion.

Europe

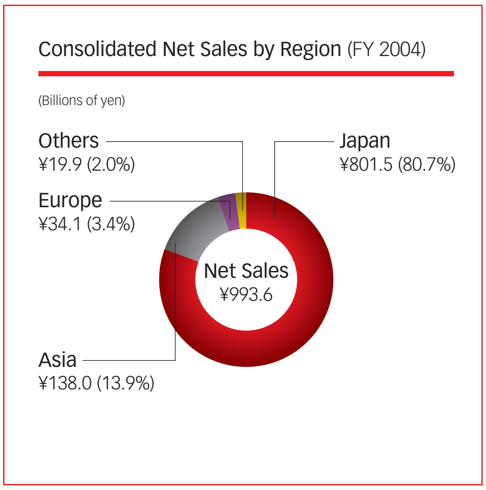
We export completely built up (CBU) units to this market, principally to Germany, the United Kingdom, the Netherlands, and Italy.

In fiscal 2004, the introduction of the new *Cuore* model—called the *Mira* in Japan—contributed significantly to unit sales growth in local markets. Reflecting this growth, sales in Europe soared ¥8.4 billion, or 33.1%, to ¥34.1 billion.

Asia

Our Asian operations mainly consist of manufacturing and selling vehicles locally in Malaysia and Indonesia. In particular, the *Xenia* (*Avanza* under the Toyota brand), jointly developed with Toyota for the Indonesian market, sold well during fiscal 2004. In China, under a technical license agreement with a local manufacturer, our compact SUV *Terios* is being manufactured locally and marketed through Toyota's local sales network.

Because of exchange rate differences, fiscal 2004 sales in Asia declined ¥8.8 billion, or 6.0%, to ¥138.0 billion.



Consolidated Net Sales by Region (FY 2004)

Major Overseas Manufacturing Bases

<Malaysia>

Malaysia stands out among Southeast Asian nations for having an automobile market that is approximately 80% passenger cars in a region where commercial vehicles usually dominate the market. The market is also expanding and is forecast to reach about 600 thousand units by 2008. In 2003, unit sales totaled approximately 420 thousand units, decreasing slightly from the highest record reached in 2002. Nevertheless, the market remains the second largest in Southeast Asia after Thailand.

Another unique feature of the Malaysian market is the existence of National Cars, which are produced by government-licensed manufacturers and account for more than 80% of the passenger car market. As a licensed national car manufacturer, our joint venture, Perodua Auto Corporation Group, has introduced the *Mira*-based *Kancil* and *Kelisa* models and the *Move*-based *Kenari* and other models to this market.

Although the economy has already recovered from the 1997 currency crisis, consumers are postponing purchases of national cars ahead of the impending enforcement of AFTA. Unit sales and market share remained flat in fiscal 2004 because of the intensified competition resulting from the contraction in the market.

<Indonesia>

The Indonesian automobile market is the third largest among ASEAN countries, after Thailand and Malaysia. In contrast to the high proportion of passenger cars in Malaysia and pickup trucks in Thailand, vehicles seating large numbers of people dominate the Indonesian market.

Following a marked contraction of the market in 1998 in the wake of the Asian currency crisis, the market has steadily recovered. Currently, annual sales amount to about 350 thousand units. Considering the large population of Indonesia, we expect substantial market growth in the future.

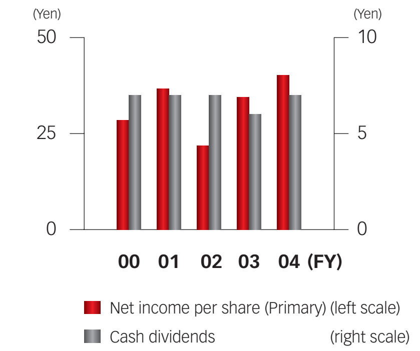
In fiscal 2004, we launched a car jointly developed with Toyota for this market. Selling as the *Xenia* under the Daihatsu brand and the *Avanza* under the Toyota brand, the model is being manufactured by our local subsidiary ADM. Reasonably priced seven-seaters, the *Xenia* and the *Avanza* have been well received because they closely match market needs. In March 2004, to meet increasing demand, we implemented a two-shift working system at ADM, which boasts high productivity levels, to increase production to full capacity.

<China>

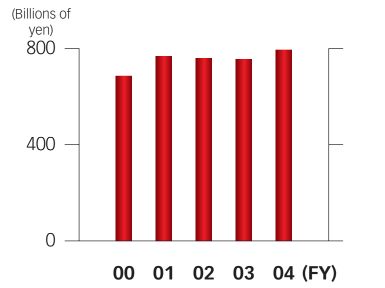
The Chinese automobile market has the greatest growth potential in the world. Following the upward curve in personal incomes, the number of vehicles owned by individuals broke through the 10 million mark in June 2003. Growth is so high that it is difficult to make forecasts about the market.

In January 2003, Daihatsu signed a technical license agreement with FAW Huali, an FAW subsidiary, in accordance with a comprehensive agreement between Toyota and FAW. FAW Huali is now manufacturing our compact SUV *Terios* (1,300cc), which has been distributed through Toyota's local sales network.

Net Income per Share (Primary) &
Cash Dividends per Share



Total Assets



Performance Analysis

As for the consolidated performance for the fiscal year ended March 31, 2004 compared with the previous fiscal year, net sales rose 2.5%, to ¥993.6 billion; operating income gained 37.0%, to ¥28.3 billion; ordinary income increased 43.2%, to ¥27.9 billion; and net income climbed 16.9%, to ¥17.2 billion.

Comparing operating income with the prior fiscal year, positive factors contributing to operating income totaled ¥25.6 billion. Of that amount, changes in sales and the structure of our vehicle lineup contributed ¥13.1 billion, while a reduction in cost of sales and decrease in depreciation expenses added ¥9.6 billion and ¥2.9 billion, respectively. Negative factors totaled ¥17.9 billion, comprising exchange rate losses of ¥1.8 billion and a ¥16.1 billion increase in various expenses. As a result, operating income increased to ¥7.7 billion year on year.

<Net Sales>

Despite the reduction in sales in yen terms in Asia and other regions caused by the appreciation of the yen, the robust sales of our mainstay *Move* and *Mira* models and the added boost of sales from the *Tanto*, a new model launched in November 2003, supported a ¥24.0 billion, or 2.5%, increase in net sales.

In the fiscal year under review, the Company posted record highs for the number of mini-cars sold and market share in Japan.

<Operating Expenses>

Cost of sales edged down ¥0.5 billion, or 0.1%, to ¥759.6 billion, curtailed by the benefits of cost reductions. The cost of sales to net sales ratio declined 1.9 percentage points year on year, to 76.5%.

Selling, general and administrative expenses expanded ¥16.5 billion, or 8.7%, to ¥205.5 billion.

Growth in sales promotion and advertising costs due to active sales promotion and advertising efforts and increased selling expenses in line with higher sales were mainly responsible for this increase.

<Other Income and Expenses>

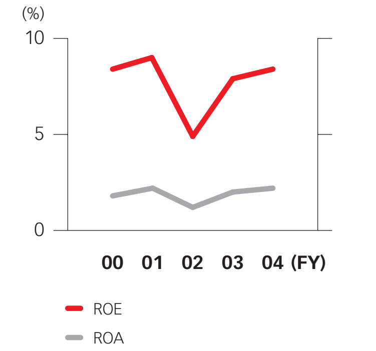
Net other expenses decreased ¥0.7 billion to ¥0.4 billion year on year. Despite a ¥0.7 billion, or 28.8%, decline in the equity in earnings of non-consolidated subsidiaries and affiliates due to decreasing income of Perusahaan Otomobil Kedua Sdn. Bhd., of Malaysia, a ¥1.6 billion, or 97.5%, decrease in loss on evaluation of investment securities due to a rebound in stock market prices supported overall net other income.

<Income Taxes>

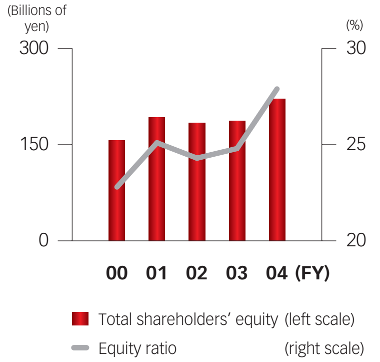
Although income before income taxes declined due to the non-taxable gain on the reversal of the substitutional portion of the Welfare Pension Fund recorded as a special item in the prior fiscal year, income taxes and inhabitant and enterprise taxes rose ¥4.9 billion, or 43.3%, to ¥16.3 billion, because taxable income increased in the fiscal year under review.

Because of an increase in taxation timing differences caused by the reversal of deferred tax assets related to the gain on the reversal of the substitutional portion of the Welfare Pension Fund recorded in the previous fiscal year and the increase in amounts in excess of allowable tax deductions for the fiscal year under review, after income tax adjustments

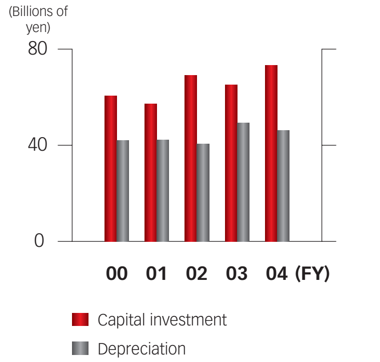
Return on Assets & Return on Equity



Total Shareholders' Equity & Equity Ratio



Capital Investment & Depreciation



dropped ¥11.9 billion, to minus ¥8.1 billion.

After application of tax effect accounting, the effective enterprise tax rate was 29.3%, reduced from the statutory rate of 43.5% because of the increase in tax deductions.

<Minority Interests>

Minority interests in income of consolidated subsidiaries decreased ¥2.4 billion, or 49.5%, to ¥2.4 billion. The decrease can be attributed to the decreasing net income of Perodua Auto Corporation Group, of Malaysia, and other companies, compared with the previous fiscal year.

Financial Position Analysis

As for the financial position of the Group at March 31, 2004 compared with a year earlier, total assets increased ¥39.9 billion to ¥795.2 billion; total liabilities increased ¥7.0 billion to ¥543.7 billion; and shareholder's equity increased ¥ 34.1 billion to ¥221.6 billion.

Analysis of the changes in major accounting items is as follows.

<Cash and Cash Equivalents>

Net cash provided by operating activities amounted to ¥76.6 billion mainly due to income before income taxes of ¥27.9 billion and depreciation expenses of ¥46.2 billion. Net cash used in investing activities amounted to ¥27.6 billion due to payments for acquisition of fixed assets of ¥32.1 billion and other factors. Net cash used in financing activities amounted to ¥34.1 billion chiefly due to payments for redemption of convertible bonds of ¥19.9 billion and repayment of short-term liabilities and long-term debt totaling ¥10.5 billion.

Consequently, cash and cash equivalents increased ¥14.3 billion, to ¥56.1 billion.

<Property, Plant and Equipment>

Capital investment for the fiscal year totaled ¥73.3 billion versus depreciation expenses of ¥46.2 billion and ¥21.3 billion in transfers to other accounts. Overall, net property, plant and equipment rose ¥1.1 billion to ¥348.7 billion year on year.

<Investments in Securities>

Along with the recovery in stock market prices at the end of the fiscal year under review, revaluation gains added ¥39.4 billion to the value of investments in securities, which increased ¥37.6 billion, to ¥77.0 billion.

<Long-Term Deferred Tax Assets>

Long-term deferred tax assets declined ¥12.9 billion, to ¥1.8 billion, caused by the ¥15.8 billion increase in deferred tax liabilities related to the rise in net unrealized holding gains on securities.

<Convertible Bonds and Long-Term Debt>

Due to the redemption of ¥19.9 billion of convertible bonds and the repayment of ¥11.7 billion in long-term debt, convertible bonds and long-term debt decreased ¥31.7 billion, to ¥143.2 billion.

<Shareholders' Equity>

In addition to ¥17.2 billion in net income posted to retained earnings, net unrealized holding gains on securities rose ¥23.6 billion, to ¥29.4 billion, resulting in a ¥34.1 billion increase in shareholders' equity, to ¥221.6 billion.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen 2004	Millions of yen 2003	Thousands of U.S. dollars 2004
Current liabilities:			
Notes and accounts payable	**¥192,304**	¥185,677	**$1,820,379**
Short-term bank loans and current portion of long-term debt (Note 6)	**121,876**	100,472	**1,153,696**
Convertible bonds due for redemption within one year (Note 6)	**—**	19,993	**—**
Accrued income and other taxes	**17,450**	11,127	**165,190**
Accrued expenses	**88,614**	65,537	**838,837**
Other current liabilities	**43,517**	43,041	**411,942**
Total current liabilities	**463,764**	425,850	**4,390,045**
Long-term liabilities:			
Long-term debt (Note 6)	**21,334**	54,511	**201,959**
Retirement benefits (Note 5)	**50,398**	47,821	**477,075**
Other long-term liabilities	**8,218**	8,449	**77,798**
Total long-term liabilities	**79,951**	110,782	**756,832**
Total liabilities	**543,716**	536,633	**5,146,878**
Minority interests in consolidated subsidiaries	**29,912**	31,190	**283,159**
Contingent Liabilities (Note 8):			
Shareholders' equity:	**28,404**	28,404	**268,878**
Common stock:			
Authorized — 1,600,000,000 shares			
Issued — 427,122,966 shares (2004) — 427,122,966 shares (2003)			
Additional paid-in capital	**10,837**	10,827	**102,589**
Retained earnings	**161,138**	146,758	**1,525,352**
Net unrealized holding gains on securities	**29,427**	5,825	**278,565**
Foreign currency translation adjustments	**(8,094)**	(4,256)	**(76,625)**
Treasury stock at cost	**(69)**	(75)	**(653)**
Total shareholders' equity	**221,644**	187,483	**2,098,107**
Total liabilities, minority interests and shareholders' equity	**¥795,273**	¥755,307	**$7,528,145**

Consolidated Statements of Income

Years ended March 31, 2004 and 2003

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Net sales	**¥993,613**	¥969,574	**$9,405,655**
Cost of sales	**759,644**	760,176	**7,190,881**
Total gross profit before adjustment of installment sales profit	**233,968**	209,398	**2,214,774**
Installment sales profit deferred	**(101)**	288	**(957)**
Gross profit	**233,867**	209,686	**2,213,816**
Selling, general and administrative expenses	**205,509**	188,992	**1,945,371**
Operating income	**28,358**	20,694	**268,445**
Other income (expenses):			
Interest and dividend income	**1,030**	738	**9,759**
Interest expenses	**(1,274)**	(1,081)	**(12,061)**
Equity in earnings of non-consolidated subsidiaries and affiliates	**1,839**	2,582	**17,408**
Other, net	**(2,011)**	(3,414)	**(19,037)**
Income before special items	**27,943**	19,518	**264,514**
Special items:			
Gain on reversal of substitutional portion of the Welfare Pension Fund (Note 5)	**—**	14,093	**—**
Gain on sales of land	**—**	2,104	**—**
Loss on disposal of property, plant and equipment	**—**	(585)	**—**
Loss on reduction of cost of land	**—**	(310)	**—**
Income before income taxes	**27,943**	34,820	**264,514**
Income taxes:			
Current	**16,365**	11,417	**154,915**
Deferred	**(8,168)**	3,744	**(77,323)**
Minority interests in income of consolidated subsidiaries	**(2,466)**	(4,883)	**(23,344)**
Net income	**¥ 17,280**	¥ 14,776	**$ 163,578**

	Yen		U.S. dollars
Amounts per share:			
Net income:			
Primary	**¥40.16**	¥34.40	**$0.38**
Fully diluted	**38.87**	32.28	**0.36**
Cash dividends applicable to the year	**7.00**	6.00	**0.06**

See Notes to Consolidated Financial Statements.

Consolidated Statements of Shareholders' Equity

Years ended March 31, 2004 and 2003

	Millions of yen						
	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock at cost	Total
Balance at March 31, 2002	¥ 28,404	¥ 10,827	¥ 135,720	¥ 12,516	¥ (3,191)	¥ (11)	¥ 184,265
Net income	—	—	14,776	—	—	—	14,776
Decrease in retained earnings from exclusion of consolidated subsidiaries and equity-method affiliates	—	—	(831)	—	—	—	(831)
Cash dividends paid	—	—	(2,776)	—	—	—	(2,776)
Bonuses to directors and corporate auditors	—	—	(129)	—	—	—	(129)
Revaluation difference on marketable securities	—	—	—	(6,691)	—	—	(6,691)
Foreign currency translation adjustments	—	—	—	—	(1,065)	—	(1,065)
Purchase of treasury stock	—	—	—	—	—	(63)	(63)
Balance at March 31, 2003	¥ 28,404	¥ 10,827	¥ 146,758	¥ 5,825	¥ (4,256)	¥ (75)	¥ 187,483
Net income	**—**	**—**	**17,280**	**—**	**—**	**—**	**17,280**
Cash dividends paid	**—**	**—**	**(2,775)**	**—**	**—**	**—**	**(2,775)**
Bonuses to directors and corporate auditors	**—**	**—**	**(124)**	**—**	**—**	**—**	**(124)**
Revaluation difference on marketable securities	**—**	**—**	**—**	**23,602**	**—**	**—**	**23,602**
Foreign currency translation adjustments	**—**	**—**	**—**	**—**	**(3,838)**	**—**	**(3,838)**
Gain on sale of treasury stock	**—**	**9**	**—**	**—**	**—**	**—**	**9**
Sales/purchase of treasury stock	**—**	**—**	**—**	**—**	**—**	**6**	**6**
Balance at March 31, 2004	**¥28,404**	**¥10,837**	**¥161,138**	**¥29,427**	**¥(8,094)**	**¥(69)**	**¥221,644**

	Thousands of U.S. dollars						
	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock at cost	Total
Balance at March 31, 2003	$ 268,878	$ 102,496	$ 1,389,233	$ 55,140	$ (40,294)	$ (713)	$ 1,774,742
Net income	**—**	**—**	**163,578**	**—**	**—**	**—**	**163,578**
Cash dividends paid	**—**	**—**	**(26,277)**	**—**	**—**	**—**	**(26,277)**
Bonuses to directors and corporate auditors	**—**	**—**	**(1,182)**	**—**	**—**	**—**	**(1,182)**
Revaluation difference on marketable securities	**—**	**—**	**—**	**223,425**	**—**	**—**	**223,425**
Foreign currency translation adjustments	**—**	**—**	**—**	**—**	**(36,331)**	**—**	**(36,331)**
Gain on sale of treasury stock	**—**	**92**	**—**	**—**	**—**	**—**	**92**
Sales/purchase of treasury stock	**—**	**—**	**—**	**—**	**—**	**59**	**59**
Balance at March 31, 2004	**$268,878**	**$102,589**	**$1,525,352**	**$278,565**	**$(76,625)**	**$(653)**	**$2,098,107**

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Years ended March 31, 2004 and 2003

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Cash flows from operating activities:			
Income before income taxes	**¥ 27,943**	¥ 34,820	**$ 264,514**
Depreciation expenses	**46,237**	49,199	**437,686**
Increase (decrease) in retirement allowances	**2,740**	(9,801)	**25,944**
Increase (decrease) in retirement allowances for directors	**384**	224	**3,636**
Provision for (reversal of) allowance for doubtful accounts	**513**	(2,642)	**4,865**
Interest and dividend income	**(1,030)**	(738)	**(9,759)**
Interest expenses	**1,274**	1,081	**12,061**
Exchange (profit) loss	**(429)**	435	**(4,066)**
Equity in earnings of affiliates	**(1,839)**	(2,582)	**(17,408)**
Gains of sale of fixed assets	**(1,096)**	(2,672)	**(10,375)**
Loss of disposal of fixed assets	**2,375**	2,571	**22,485**
Gains of sale of securities	**(8)**	(147)	**(83)**
Loss of revaluation of securities	**43**	1,729	**413**
(Increase) decrease in notes and accounts receivable	**(1,371)**	(1,788)	**(12,983)**
(Increase) decrease in inventories	**(1,099)**	14,015	**(10,407)**
Increase (decrease) in notes and accounts payable	**7,047**	(15,288)	**66,709**
Increase (decrease) in taxes payable	**(429)**	1,372	**(4,063)**
Bonuses paid to directors and corporate auditors	**(131)**	(134)	**(1,248)**
Others	**4,783**	(7,782)	**45,280**
Sub total	**85,906**	61,871	**813,201**
Interest and dividends received	**1,716**	1,981	**16,252**
Interest paid	**(1,335)**	(1,032)	**(12,641)**
Income taxes paid	**(9,648)**	(11,789)	**(91,331)**
Net cash provided by operating activities	**76,639**	51,031	**725,480**
Cash flows from investing activities:			
Investments in time deposits	**(11)**	(67)	**(106)**
Income from refund of time deposits	**109**	457	**1,032**
Proceeds from sales of securities	**—**	140	**—**
Payments for acquisition of fixed assets	**(32,105)**	(50,478)	**(303,916)**
Proceeds from sales of fixed assets	**3,287**	5,190	**31,116**
Payments for acquisition of investment securities	**(743)**	(515)	**(7,041)**
Proceeds from sales of investment securities	**1,175**	273	**11,125**
Payments (proceeds) for acquisition of subsidiaries' stock	**—**	1,431	**—**
Decrease in short-term loans	**161**	692	**1,532**
Payments for long-term loans	**(789)**	(1,617)	**(7,471)**
Proceeds from collection of long-term loans	**1,305**	3,826	**12,361**
Net cash used in investing activities	**(27,610)**	(40,667)	**(261,366)**
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans	**5,031**	(18,390)	**47,629**
Proceeds from long-term debt	**33,195**	55,602	**314,236**
Payments for repayment of long-term debt	**(48,794)**	(44,735)	**(461,897)**
Redemption of convertible bonds	**(19,993)**	—	**(189,255)**
Proceeds from sale of treasury stock	**33**	—	**319**
Payments for acquisition of treasury stock	**(4)**	(17)	**(44)**
Dividends paid	**(2,775)**	(2,776)	**(26,277)**
Dividends paid to minority shareholders	**(876)**	(727)	**(8,294)**
Net cash used in financing activities	**(34,183)**	(11,044)	**(323,584)**
Effect of exchange rate changes	**(460)**	(424)	**(4,361)**
Net increase (decrease) in cash and cash equivalents	**14,384**	(1,105)	**136,168**
Cash and cash equivalents at beginning of year	**41,720**	42,825	**394,933**
Cash and cash equivalents at end of year	**¥ 56,105**	¥ 41,720	**$ 531,101**

See Notes to Consolidated Financial Statements.

1. Basis of Presentation of Consolidated 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 are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

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 ¥105.64=US$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2004. These translations should not be construed as representations that the yen amounts have been or could be converted into U.S. dollars at this rate.

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
All 63 subsidiaries are consolidated. A total of 22 affiliates are accounted for by the equity method.

(b) Marketable securities
Securities with market quotations are stated at the market price on March 31, 2004 (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 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 cash equivalents
In the Consolidated Statements of Cash Flows, cash and cash 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, 2004 and 2003 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
	2004	2003	**2004**
Acquisition cost:			
Machinery, equipment and vehicles	**¥ 3,815**	¥ 4,037	**$ 36,118**
Other (fixed assets)	**2,216**	2,612	**20,981**
Subtotal	**6,032**	6,649	**57,100**
Accumulated depreciation	**(3,250)**	(3,482)	**(30,772)**
Net book value	**¥ 2,781**	¥ 3,167	**$ 26,327**
Future minimum lease payments:			
Due within one year	**¥ 852**	¥ 896	**$ 8,072**
Due after one year	**1,928**	2,271	**18,255**
Total	**¥ 2,781**	¥ 3,167	**$ 26,327**
Lease payments	**¥ 959**	¥ 1,032	**$ 9,079**
Equivalent depreciation	**959**	1,032	**9,079**

(2) As a lessor
Acquisition cost of leased assets, accumulated depreciation and net book value:

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Acquisition cost:			
Machinery, equipment and vehicles	**¥ 48**	¥ 48	**$ 458**
Other (fixed assets)	**479**	506	**4,536**
Subtotal	**527**	554	**4,995**
Accumulated depreciation	**(425)**	(414)	**(4,032)**
Net book value	**¥ 101**	¥ 140	**$ 963**
Future minimum lease payments:			
Due within one year	**¥ 50**	¥ 106	**$ 475**
Due after one year	**74**	103	**709**
Total	**¥ 125**	¥ 209	**$ 1,185**
Lease revenues	**¥ 105**	¥ 157	**$ 1,002**
Depreciation	**53**	83	**507**

The value of operating leases as of March 31, 2004 and 2003 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
(As a lessee)			
Future minimum lease payments:			
Due within one year	**¥—**	¥14	**$—**
Due after one year	**—**	—	**—**
Total	**¥—**	¥14	**$—**

	Millions of yen		Thousands of U.S. dollars
	2004	2003	2004
(As a lessor)			
Future minimum lease payments:			
Due within one year	¥ 76	¥ —	$ 728
Due after one year	1,398	—	13,240
Total	¥1,475	¥ —	$13,968

4. Income Taxes

	Millions of yen		Thousands of U.S. dollars
	2004	2003	2004
Deferred tax assets	¥ 47,996	¥ 40,474	$ 454,339
Deferred tax liabilities	(27,144)	(11,934)	(256,951)
Net deferred tax assets	¥ 20,852	¥ 28,540	$ 197,388

5. Retirement Benefits

The components of retirement benefit obligations were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2003	2004
a. Retirement benefit obligations	¥(129,641)	¥(130,542)	$(1,227,198)
b. Pension plan assets	46,362	37,636	438,877
c. Reserve for retirement benefits	50,398	47,821	477,075
d. Pre-paid pension plan expenses	(34)	(183)	(323)
e. Balance (a+b+c+d)	¥ (32,914)	¥ (45,267)	$ (311,569)
Details of balance			
f. Unrecognized actuarial differences	¥ (32,917)	¥ (45,271)	$ (311,601)
g. Unrecognized prior service obligations (decrease of obligations)	3	3	31
h. Balance (f+g)	¥ (32,914)	¥ (45,267)	$ (311,569)

Notes: 1. Figures exclude employee contributions into the Welfare Pension Fund.
2. On January 30, 2003 and February 17, 2003, the Company and one consolidated subsidiary, respectively, obtained approval from the Minister of Health, Labour and Welfare to be exempted from future benefit obligations related to the substitutional portion of the welfare pension fund plans, accompanying the enforcement of the Law Concerning Defined-Benefit Corporate Pension Plans. Applying the transitional measures prescribed in Section 47-2 of the Japanese Institute of Certified Public Accountants' Accounting Committee Report No. 13 "Practical Guidelines for Accounting for Retirement Benefits (Interim Report)," the Company and this consolidated subsidiary recognized as an extinguishment the retirement benefit obligations related to the substitutional portion on the day it received approval. This gave rise to a ¥14,093 million special gain on the transfer of the substitutional portion of the Welfare Pension Fund in the year ended March 31, 2003. The equivalent amount to be returned at March 31, 2003 was ¥54,751 million.

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

	Millions of yen		Thousands of U.S. dollars
	2004	2003	2004
a. Service cost	¥ 5,669	¥ 6,957	$53,664
b. Interest cost	2,212	4,654	20,943
c. Expected return on pension plan assets	(522)	(2,180)	(4,943)
d. Amortization of actuarial differences	2,824	3,314	26,738
e. Amortization of unrecognized prior service obligations	(0)	(346)	(2)
f. Total retirement benefits-related costs (a+b+c+d+e)	10,183	12,399	96,401
g. Gain on reversal of substitutional portion of Welfare Pension Fund (special gain)	—	(14,093)	—
Total	¥10,183	¥ (1,694)	$96,401

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

6. Short-Term Liabilities and Long-Term Debt

The components of short-term bank loans as of March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Short-term borrowings:			
Secured loans	**¥ 22,829**	¥ 24,141	**$ 216,102**
Unsecured loans	**99,047**	76,331	**937,539**
Subtotal	**121,876**	100,472	**1,153,696**
0.45 percent convertible bonds due 2003	**—**	19,993	**—**
Total	**¥121,876**	¥120,465	**$1,153,696**

The components of long-term debt as of March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Long-term debt:			
Secured loans	**¥ 8,401**	¥ 10,089	**$ 79,528**
Unsecured loans	**48,093**	62,517	**455,255**
Less current installments	**(35,159)**	(18,096)	**(332,825)**
Total	**¥ 21,334**	¥ 54,511	**$ 201,959**

The aggregate annual maturities of long-term debt in the five-year period beginning with the fiscal year ending March 31, 2005 are estimated as follows:

	Millions of yen	Thousands of U.S. dollars
2005.4.1—2006.3.31	¥17,659	$167,170
2006.4.1—2007.3.31	2,170	20,543
2007.4.1—2008.3.31	587	5,560
2008.4.1—2009.3.31	351	3,330

As of March 31, 2004 and 2003, the following assets were pledged as collateral against short-term bank loans and long-term debt.

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Cash and deposits	**¥ 20**	¥ 20	**$ 189**
Notes and accounts receivable	**271**	311	**2,568**
Inventories	**49**	54	**469**
Buildings and structures	**7,212**	7,182	**68,277**
Machinery, equipment and vehicles	**491**	493	**4,655**
Land	**14,067**	14,015	**133,160**
Other (fixed assets)	**0**	0	**8**
Investments in securities	**43**	28	**408**
Total	**¥22,156**	¥22,106	**$209,738**

7. Cash and Cash Equivalents

The components of cash and cash equivalents as of March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Cash and deposits	**¥20,861**	¥25,864	**$197,473**
Time deposits not due within three months	**(263)**	(360)	**(2,489)**
Deposits	**35,507**	16,217	**336,117**
Total	**¥56,105**	¥41,720	**$531,101**

8. Contingent Liabilities

Contingent liabilities as of March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2003	**2004**
Guarantees of financial institution loans	**¥321**	¥409	**$3,044**
Trade notes receivable, discounted	**56**	47	**533**

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 geographical area

	Millions of yen						
For the fiscal year ended March 31, 2004	Japan	Asia	Europe	Other	Total	Corporate or elimination	Consolidation
Sales:							
Sales to third parties	**¥864,323**	**¥116,181**	**¥13,095**	**¥ 12**	**¥ 993,613**	**¥ —**	**¥993,613**
Inter area sales and transfer	**54,262**	**789**	**—**	**—**	**55,052**	**(55,052)**	**—**
Total sales	**918,585**	**116,971**	**13,095**	**12**	**1,048,665**	**(55,052)**	**993,613**
Cost of revenue from operations	**893,691**	**113,531**	**12,991**	**91**	**1,020,307**	**(55,052)**	**965,254**
Operating income (loss)	**¥ 24,893**	**¥ 3,439**	**¥ 104**	**¥ (78)**	**¥ 28,358**	**¥ —**	**¥ 28,358**
Assets:	**¥726,052**	**¥ 69,039**	**¥ 8,092**	**¥367**	**¥ 803,552**	**¥ (8,279)**	**¥795,273**

	Millions of yen						
For the fiscal year ended March 31, 2003	Japan	Asia	Europe	Other	Total	Corporate or elimination	Consolidation
Sales:							
Sales to third parties	¥833,427	¥124,257	¥11,661	¥ 229	¥ 969,574	¥ —	¥969,574
Inter area sales and transfer	51,833	122	—	—	51,956	(51,956)	—
Total sales	885,260	124,380	11,661	229	1,021,531	(51,956)	969,574
Cost of revenue from operations	871,469	117,213	11,659	494	1,000,836	(51,956)	948,880
Operating income (loss)	¥ 13,790	¥ 7,166	¥ 1	¥ (265)	¥ 20,694	¥ —	¥ 20,694
Assets:	¥651,944	¥ 72,082	¥ 7,121	¥1,864	¥ 733,012	¥ 22,294	¥755,307

For the fiscal year ended March 31, 2004	Japan	Asia	Europe	Other	Total	Corporate or elimination	Consolidation
	Thousands of U.S. dollars						
Sales:							
Sales to third parties	**$8,181,779**	**$1,099,786**	**$123,967**	**$ 121**	**$9,405,655**	**$ —**	**$9,405,655**
Inter area sales and transfer	**513,656**	**7,473**	**—**	**—**	**521,130**	**(521,130)**	**—**
Total sales	**8,695,436**	**1,107,260**	**123,967**	**121**	**9,926,786**	**(521,130)**	**9,405,655**
Cost of revenue from operations	**8,459,787**	**1,074,703**	**122,981**	**869**	**9,658,341**	**(521,130)**	**9,137,210**
Operating income (loss)	**$ 235,649**	**$ 32,557**	**$ 986**	**$ (747)**	**$ 268,445**	**$ —**	**$ 268,445**
Assets:	**$6,872,894**	**$ 653,538**	**$ 76,601**	**$3,482**	**$7,606,516**	**$ (78,371)**	**$7,528,145**

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
3. Within assets, corporate assets of ¥27,564 million ($229,318 thousand) are included in "Corporate or elimination." The main components of this figure were surplus funds and some marketable securities. As a result of a re-examination of the classification of assets for the fiscal year ended March 31, 2003, no assets were required to be booked under "Corporate or elimination." A similar re-examination of the classification of assets for the previous term resulted in a net elimination of ¥5,269 million ($49,882 thousand) under "Corporate or elimination."

3. Overseas sales

For the fiscal year ended March 31, 2004	Asia	Europe	Other	Total
	Millions of yen			
Overseas net sales	**¥138,029**	**¥34,160**	**¥19,922**	**¥192,112**
Consolidated net sales				**993,613**
Percent of consolidated net sales	**13.9%**	**3.4%**	**2.0%**	**19.3%**

For the fiscal year ended March 31, 2003	Asia	Europe	Other	Total
	Millions of yen			
Overseas net sales	¥146,879	¥25,663	¥23,829	¥196,371
Consolidated net sales				969,574
Percent of consolidated net sales	15.2%	2.6%	2.5%	20.3%

For the fiscal year ended March 31, 2004	Asia	Europe	Other	Total
	Thousands of U.S. dollars			
Overseas net sales	**$1,306,604**	**$323,367**	**$188,589**	**$1,818,562**
Consolidated net sales				**9,405,655**
Percent of consolidated net sales	**13.9%**	**3.4%**	**2.0%**	**19.3%**

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, U.K.
(3) Other: Venezuela, Australia
3. Overseas sales include all sales of the Company and its consolidated subsidiaries, including those in countries or regions outside of Japan.

Consolidated Balance Sheets

March 31, 2004 and 2003

ASSETS	Millions of yen 2004	Millions of yen 2003	Thousands of U.S. dollars 2004
Current assets:			
Cash and time deposits (Notes 6 and 7)	**¥ 20,861**	¥ 25,864	**$ 197,473**
Deposits (Note 7)	**35,507**	16,217	**336,117**
Marketable securities	**65**	—	**620**
Notes and accounts receivable (Note 6)	**188,362**	187,811	**1,783,057**
Inventories (Note 6)	**53,165**	52,978	**503,270**
Deferred tax assets (Note 4)	**22,640**	17,874	**214,315**
Other current assets	**42,136**	46,697	**398,870**
Less allowance for doubtful accounts	**(2,028)**	(1,551)	**(19,202)**
Total current assets	**360,710**	345,890	**3,414,524**
Investments and other assets:			
Investments in securities (Note 6)	**77,061**	39,452	**729,474**
Long-term loans receivable	**2,485**	3,017	**23,527**
Other assets	**6,337**	19,430	**59,988**
Less allowance for doubtful accounts	**(100)**	(64)	**(948)**
Total investments and other assets	**85,784**	61,834	**812,041**
Property, plant and equipment:			
Buildings and structures (Note 6)	**214,945**	211,574	**2,034,701**
Machinery, equipment and vehicles (Note 6)	**467,112**	458,373	**4,421,737**
Land (Note 6)	**103,316**	104,339	**978,002**
Construction in progress	**14,728**	8,934	**139,420**
Other (Note 6)	**140,148**	139,397	**1,326,665**
Total property, plant and equipment	**940,251**	922,619	**8,900,526**
Less accumulated depreciation	**(591,472)**	(575,038)	**(5,598,947)**
Net property, plant and equipment	**348,778**	347,581	**3,301,578**
Total assets	**¥ 795,273**	¥ 755,307	**$ 7,528,145**

See Notes to Consolidated Financial Statements.

Report of Independent Auditors

The Board of Directors

Daihatsu Motor Co., Ltd.

We have audited the accompanying consolidated balance sheets of Daihatsu Motor Co., Ltd. and consolidated subsidiaries as of March 31, 2004 and 2003, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Daihatsu Motor Co., Ltd. and consolidated subsidiaries at March 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Shin Nihon & Co.

Shin Nihon & Co.

June 29, 2004

Investor Information

Board of Directors and Corporate Auditors (As of June 29, 2004)

President
Takaya Yamada

Executive Vice Presidents

Teruyuki Minoura	Assistant to the President
Takashi Higashi	Assistant to the President

Senior Managing Directors

Katsuyuki Kamio	Responsible for Domestic Sales Div.
Kiyokazu Seo	Responsible for Product and Technology Development Div.
Yoshimitsu Sato	Responsible for Corporate Planning/Public Affairs/Environment/General Administration & Personnel/Finance, Accounting & Cost Management and President of the Tokyo Office
Katsuhiko Okumura	Responsible for Overseas and Procurement

Managing Directors

Nobuo Fujieda	Responsible for Quality Assurance Div./Industrial Engine In charge of Domestic and Overseas Services
Kenzo Miyawaki	Responsible for Foundry & Machine Engineering Div./Body, Surface Treatment & Assembly Production Engineerring Div.

Directors

Koichi Fujikawa	General Administration & Personnel Div.
Yoshihiro Uehara	Responsible for Malaysian Operations
Tamio Nakakubo	Power Train Research & Development Div.
Hiroshi Ogawara	Body Design Div.
Kazuki Uoi	Plant Manager of Head (Ikeda), Kyoto, and Shiga Plants
Jitsuro Ito	Overseas Project Div.
Katsuyuki Morishita	Technical Administration Div.
Shin Kimura	Domestic Marketing Div.
Yukio Koshida	Product Planning Div.
Hiroshige Nagoya	China Div.
Hiroaki Iwabe	Overseas Planning Div.
Hideki Nomura	Responsible for Indonesian Operations
Kenji Baba	Domestic Sales Div.
Takanori Matsuo	Finance, Accounting & Cost Management Div.
Jun Nagata	Styling Div.
Masanori Mitsui	Body, Surface Treatment & Assembly Production Engineering Div. /Tada Plant(Plant Manager)
Kunihiko Morita	Corporate Planning Div./Administration Div. [For TOYOTA]

Statutory Corporate Auditors
Kenzo Otsue
Hirohiko Tomizawa

Corporate Auditors
Ryuji Araki
Yosuke Uchida

Corporate Data (As of March 31, 2004)

Company Name
DAIHATSU MOTOR CO., LTD.

Founded
March 1, 1907

Paid-in Capital
¥28,404 million

Number of Employees
10,725 (As of April 1, 2004)

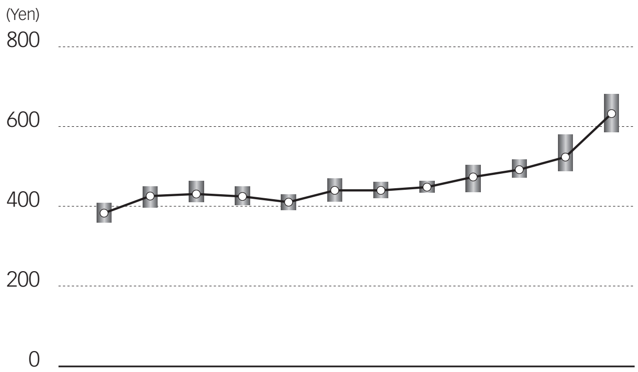
Shares of Common Stock
Authorized: 1,600,000,000 shares
Issued: 427,122,966 shares

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

Major Shareholders and Ownership

	(%)
TOYOTA MOTOR CORPORATION	51.2
Japan Trustee Services Bank, Ltd. (Trust account)	5.0
The Master Trust Bank of Japan, Ltd. (Trust account)	3.4
UFJ Bank Limited	1.1
DAIHATSU Employee Stock Ownership Plan	1.0
OHGI SHOKAI CO., LTD.	1.0
Aioi Insurance Co., Ltd.	1.0
MITSUI LIFE INSURANCE, CO., LTD.	1.0
Mitsui Sumitomo Insurance Co., Ltd.	1.0
Nissay Dowa General Ins.	0.9

Stock Price Trends
(From April 1, 2003 to March 31, 2004, Tokyo Stock Exchange)



	2003 April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	2004 Jan.	Feb.	Mar.
High	409	450	464	450	430	470	462	464	504	518	580	682
Low	360	398	412	405	392	413	421	435	437	473	489	586
Close	384	426	431	425	411	440	440	448	473	491	522	629

Main Domestic Offices and Plants

•Head Office
1-1, Daihatsu-cho, Ikeda,
Osaka 563-8651, Japan
Phone: +81-72-754-3047
Facsimile: +81-72-753-6880
http://www.daihatsu.co.jp (Japanese)
http://www.daihatsu.com (English)

•Tokyo Office
2-2-10, Nihonbashi-honcho, Chuo-ku,
Tokyo 103-8408, Japan
Phone: +81-3-3279-0815
Facsimile: +81-3-3279-0038

•Main Domestic Plants (As of July 2004)

Name	Location	Number of Employees*	Established	Products
Head (Ikeda) Plant	Ikeda, Osaka	2,048	May 1939 (Plant No. 1)	Transmissions, press parts, machine processed parts
			June 1961 (Plant No. 2)	Mira, Move, Copen, Boon, consigned car (Passo)
Shiga (Ryuo) Plant	Gamo, Shiga	3,138	April 1974 (Plant No. 1)	Engines, transmissions, light alloy castings
			January 1989 (Plant No. 2)	Move, Tanto, Max
Kyoto Plant	Otokuni, Kyoto	1,018	April 1973	Terios Kid, Terios, YRV, OEM cars, consigned cars (Probox, Succeed)
Tada Plant	Kawanishi, Hyogo	313	March 1972	Dies for presses, unit and body equipment

*As of April 1, 2004

Sales and Service Network

•Domestic Distributors
64 companies
•Overseas Distributors
Approx. 120 companies
•Overseas Dealers and Service Outlets
Approx. 2,100 companies
(Approx. 120 countries)
(As of April 2004)

Domestic Main Subsidiaries and Affiliated Companies (As of July 2004)

Company name	Paid-in capital (¥ million)	Daihatsu's shareholdings (%)	Location	Main products and lines of businesses
Daihatsu Diesel Mfg. Co., Ltd.	1,420	39.7	Osaka, Osaka	Manufacture and sales of marine engines, land engines, gas turbines, cogeneration systems and other related parts. Manufacture and sales of diesel engines, gas turbine engines, construction equipment, auto door devices 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, Hyogo	Manufacture of automobile parts and parts for agricultural equipment and hydraulic and diesel devices
Asano Gear Co., Ltd.	324	40.0	Osaka Sayama, Osaka	Manufacture and sales of precision gears, axles for car chassis front and rear, gear boxes, transmissions and machine tools
Ogino Corporation	49	39.2	Kawanishi, Hyogo	Manufacture of bolts and bolt joints
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	Manufacture of automobile parts, parts for agricultural equipment, powertrain components and 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	Sales of automobile accessory products and sales promotion gifts, construction, and insurance, real estate and travel agency
DBS Co., Ltd	200	50.0	Gamo, Shiga	Manufacture of industrial engines

* Scheduled to move to Nakatsu, Oita, in December 2004.
** Scheduled to move to Koga, Shiga, in September 2004.

Overseas Offices

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We make it COMPACT

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