

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal year 2004 (Year ended March 31, 2005)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

Nissan Motor Co., Ltd. (the "Company") and its domestic subsidiaries maintain their books of account in conformity with the financial accounting standards of Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

(b) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and any significant companies controlled directly or indirectly by the Company. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated in consolidation.

The financial statements of the Company's subsidiaries in certain foreign countries including Mexico have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in those countries in the accompanying consolidated financial statements have been charged or credited to operations and are directly reflected in retained earnings.

Investments in subsidiaries and affiliates which are not consolidated or accounted for by the equity method are carried at cost or less. Where there has been a permanent decline in the value of such investments, the Company has written down the investments.

Differences between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in companies which are accounted for by the equity method have been amortized by the straight-line method over periods not exceeding 20 years.

(c) Foreign currency translation

The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for the components of shareholders' equity which are translated at their historical exchange rates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Translation adjustments are presented as a component of shareholders' equity and minority interests in its consolidated financial statements.

(d) Cash equivalents

All highly liquid investments with maturity of three months or less when purchased are considered cash equivalents.

(e) Inventories

Inventories are stated principally at the lower of cost or market, cost being determined principally by the first-in, first-out method. See Note 2 (a).

(f) Short-term investments and investment securities

Securities other than equity securities issued by subsidiaries and affiliates are classified into three categories: trading, held-to-maturity or other securities. Trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(g) Property, plant and equipment and depreciation

Depreciation of property, plant and equipment of the Company and its consolidated subsidiaries is calculated principally by the straight-line method based on the estimated useful lives and the residual value determined by the Company. Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income.

(h) Leases

Noncancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases. All other lease transactions are accounted for as operating leases and relating payments are charged to income as incurred. See Note 2(c).

(i) Retirement benefits

Accrued retirement benefits for employees have been provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of balance sheet date, as adjusted for unrecognized net retirement benefit obligation at transition, unrecognized actuarial gain or loss, and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees. The net retirement benefit obligation at transition is being amortized principally over a period of 15 years by the straight-line method.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods (principally 8 years through 18 years) which are shorter than the average remaining years of service of the employees. Certain foreign consolidated subsidiaries have adopted the corridor approach for the amortization of actuarial gain and loss.

Prior service cost is being amortized as incurred by the straight-line method over periods (principally 9 years through 15 years) which are shorter than the average remaining years of service of the employees.

See Note 9 for the method of accounting for the separation of the substitutional portion of the benefit obligation from the corporate portion of the benefit obligation under Welfare Pension Fund Plan.

See Note 2(b) for adoption of a new accounting standard by a consolidated subsidiary in the United Kingdom.

(j) Income taxes

Deferred tax assets and liabilities have been recognized in the consolidated financial statements with respect to the differences between financial reporting and the tax bases of the assets and liabilities, and were measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(k) Research and development costs

Research and development costs are charged to income when incurred.

(l) Revenue recognition

Revenue is generally recognized on sales of products at the time of shipment.

(m) Derivative financial instruments

The Company and certain consolidated subsidiaries have entered into various derivative transactions in order to manage certain risks arising from adverse fluctuations in foreign currency exchange rates, interest rates, and stock and commodity prices. Derivative financial instruments are carried at fair value with changes in unrealized gain or loss charged or credited to operations, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as an asset or a liability. Receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding foreign exchange contract rates.

(n) Appropriation of retained earnings

Under the Commercial Code of Japan, the appropriation of retained earnings with respect to a given financial year is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial year. The accounts for that year do not, therefore, reflect such appropriations. See Note 22.

(o) New Accounting Standards

A new Japanese accounting standard "Impairment of Fixed Assets" was issued in August 2002 that is effective for fiscal years beginning on or after April 1, 2005. The new standard requires that tangible and intangible fixed assets be carried at cost less depreciation, and be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Companies would be required to recognize an impairment loss in their income statement if certain indicators of asset impairment exist and the book value of an asset exceeds the undiscounted sum of future cash flows of the asset. The Company is currently assessing the impact of this new accounting standard on its financial position and operating results.

2. ACCOUNTING CHANGES

(a) Until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of average cost or market, and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method. Effective April 1, 2003, the Company and certain consolidated subsidiaries began to value all inventories at the lower of cost or market, cost being determined by the first-in, first-out method. This change was made in order to establish a sound financial position by reflecting the changes in the purchase prices in the valuation of inventories considering the fact that there has been progress in achieving a reduction in purchasing costs and that this trend is anticipated to continue. This change is also intended to achieve a better matching of revenue and expenses and more appropriate cost management by applying an inventory valuation method which reflects the actual inventory movements. The effect of this change was immaterial for the year ended March 31, 2004.

(b) Effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to increase retirement benefit expenses by ¥2,178 million and to decrease operating income and income before income taxes and minority interests by ¥1,686 million and ¥2,178 million respectively, for the year ended March 31, 2004 as compared with the corresponding amounts which would have been recorded if the previous method had been followed. Retained earnings also decreased by ¥18,132 million since the net retirement benefit obligation at transition and actuarial loss was charged directly to retained earnings for the year ended March 31, 2004. The effect of this change on segment information is explained in Note 21.

(c) Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases were classified as operating or finance leases) except that lease agreements which stipulated the transfer of ownership of the leased assets to the lessee were accounted for as finance leases.

Effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for noncancelable lease transactions which transfer substantially all risks and rewards associated with the ownership of assets, from accounting for them as operating leases, to finance leases. This change was made in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of the Company's and its domestic consolidated subsidiaries' financial position by reflecting lease transactions more appropriately in its consolidated financial statements, considering the increasing materiality of these lease transactions as well as from an international point of view. The effect of this change in method of accounting was to decrease sales, cost of sales and selling, general and administrative expenses by ¥17,943 million, ¥38,910 million and ¥624 million, respectively, and to increase operating income and income before income taxes and minority interests by ¥21,591 million and ¥17,659 million respectively, for the year ended March 31, 2004 as compared with the corresponding amounts which would have been recorded if the previous method had been followed. In addition, trade and sales finance receivables, tangible fixed assets and lease obligation increased by ¥70,670 million, ¥66,514 million and ¥120,061 million respectively, at March 31, 2004 over the corresponding amounts which would have been recorded if the previous method had been followed. The effect of this change on segment information is explained in Note 21.

(d) Until the year ended March 31, 2004, freight and shipping costs of the Company and certain consolidated subsidiaries were included in selling, general and administrative expenses. Effective April 1, 2004, the Company and those consolidated subsidiaries began to account for the freight and shipping costs as cost of sales. This change was made in order to present gross profit more accurately by including the freight and shipping costs in cost of sales and matching them directly with sales as well as to unify the accounting policy among the Nissan group considering the fact that shipping costs for export parts to be used for manufacture in overseas countries have increased due to the expansion of manufacturing activities outside Japan.

(e) The effect of this change was to increase cost of sales by ¥112,074 million (\$1,047,421 thousand) and to decrease gross profit and selling, general and administrative expenses by the same amount for the year ended March 31, 2005. This change had no impact on operating income, income before income taxes and minori-

ty income and net income for the years ended March 31, 2005 as compared with the corresponding amounts which would have been recorded if the previous method had been followed. This change had no effect on segment information.

3. U.S. DOLLAR AMOUNTS

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥107 = US\$1.00, the approximate rate of exchange in effect on March 31, 2005, has been used. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

4. RECEIVABLES

Receivables at March 31, 2005 and 2004 consisted of the following:

As of	Millions of yen		Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2004 Mar. 31, 2005
Notes and accounts receivable.....	¥ 538,029	¥ 462,716	\$ 5,028,308
Finance receivables.....	3,026,788	2,203,174	28,287,738
Less allowance for doubtful receivables.....	(75,272)	(63,014)	(703,476)
	¥3,489,545	¥2,602,876	\$32,612,570

Finance receivables principally represent receivables from customers on loans made by financing subsidiaries in connection with sales of automobiles.

5. INVENTORIES

Inventories at March 31, 2005 and 2004 were as follows:

As of	Millions of yen		Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2004 Mar. 31, 2005
Finished products.....	¥502,032	¥386,874	\$4,691,888
Work in process and other.....	206,030	155,918	1,925,514
	¥708,062	¥542,792	\$6,617,402

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at March 31, 2005 and 2004 is summarized as follows:

As of	Millions of yen		Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2004 Mar. 31, 2005
Land.....	¥ 781,693	¥ 759,640	\$ 7,305,542
Buildings and structures.....	1,435,423	1,259,048	13,415,168
Machinery and equipment.....	4,995,081	4,158,336	46,683,000
Construction in progress.....	249,615	253,999	2,332,851
	¥7,461,812	¥6,431,023	\$69,736,561

The following table set forth the acquisition costs and related accumulated amortization of assets recorded under finance leases included in the balances above:

As of	Millions of yen		Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2004 Mar. 31, 2005
Buildings and structures.....	¥ 20,530	¥ 29,028	\$ 191,869
Machinery and equipment.....	295,345	317,040	2,760,234
	315,875	346,068	2,952,103
Accumulated amortization.....	(141,309)	(190,679)	(1,320,645)
	¥174,566	¥155,389	\$1,631,458

Depreciation of property, plant and equipment for each of the three years in the period ended March 31, 2005 was as follows:

For the years ended	Millions of yen			Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2002 Mar. 31, 2003	2004 Mar. 31, 2005
	¥514,261	¥449,254	¥355,372	\$4,806,178

7. NOTES AND ACCOUNTS PAYABLE

Notes and accounts payable at March 31, 2005 and 2004 consisted of the following:

As of	Millions of yen		Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2004 Mar. 31, 2005
Notes and accounts payable.....	¥ 939,786	¥ 768,201	\$ 8,783,047
Accrued expenses and other.....	444,377	358,076	4,153,056
	¥1,384,163	¥1,126,277	\$12,936,103

8. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

At March 31, 2005 and 2004, short-term borrowings and the current portion of long-term debt consisted of the following:

As of	Millions of yen		Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2004 Mar. 31, 2005
Loans, principally from banks.....	¥ 597,737	¥ 311,928	\$ 5,586,327
Commercial paper.....	491,336	38,000	4,591,925
Current portion of long-term debt.....	836,545	1,010,870	7,818,178
Current portion of lease obligation.....	58,332	50,464	545,159
	¥1,983,950	¥1,411,262	\$18,541,589

The annual weighted-average interest rates applicable to short-term borrowings except for lease obligation outstanding at March 31, 2005 and 2004 were 2.1% and 1.8%, respectively.

At March 31, 2005 and 2004, long-term debt consisted of the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<i>As of</i>	2004 <i>Mar. 31, 2005</i>	2003 <i>Mar. 31, 2004</i>
Debt with collateral:			
Loans from banks and other financial institutions due through 2009 with weighted-average interest rate of 2.9%	¥1,351,212	¥1,257,157	\$12,628,150
Debt without collateral:			
Loans from banks and other financial institutions due through 2022 with weighted-average interest rate of 1.5%	658,823	441,125	6,157,224
Bonds in yen due through 2010 at rates ranging from 0.4% to 3.6%	551,960	685,340	5,158,505
Straight Bonds in U.S. dollars due 2010 at 4.6%	80,543	—	752,738
Medium-term notes in U.S. dollars due through 2008 at rates ranging from 2.6% to 3.3%	43,327	51,237	404,925
Euro medium-term notes in U.S. dollars and Euro due through 2006 at rates ranging from 1.6% to 2.8%	13,574	13,825	126,860
Floating rate bonds with warrants in yen due 2004	—	172,800	—
Other	3,735	—	34,907
Lease obligation	154,876	134,643	1,447,439
	2,858,050	2,756,127	26,710,748
Less current portion	894,877	1,061,334	8,363,337
	¥1,963,173	¥1,694,793	\$18,347,411

The maturities of long-term debt except for lease obligation are summarized as follows:

<i>Year ending Mar. 31,</i>	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2006	¥ 836,545	\$ 7,818,178
2007	412,414	3,854,336
2008	600,105	5,608,458
2009 and thereafter	854,110	7,982,337
	¥2,703,174	\$25,263,309

The assets pledged as collateral for short-term borrowings of ¥449,020 million (\$4,196,449 thousand) and long-term debt of ¥1,351,212 million (\$12,628,150 thousand) at March 31, 2005 were as follows:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
Short-term investments	¥ 161	\$ 1,505
Receivables	1,318,927	12,326,420
Property, plant and equipment, at net book value	789,418	7,377,738
Other assets	699	6,533
	¥2,109,205	\$19,712,196

In addition to the above, at March 31, 2005, investments in consolidated subsidiaries of ¥1,036 million (\$9,682 thousand) were pledged as collateral for long-term debt of affiliates of ¥472 million (\$4,411 thousand), which has not been reflected in the accompanying consolidated balance sheet.

9. RETIREMENT BENEFIT PLANS

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans ("WFPF"), tax-qualified pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs. Certain foreign consolidated subsidiaries have defined benefit and contribution plans.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2005 and 2004 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars	
	As of	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2004 Mar. 31, 2005
Retirement benefit obligation.....		¥(1,217,260)	¥(1,041,483)	\$ (11,376,262)
Plan assets at fair value.....		500,815	377,169	4,680,514
Unfunded retirement benefit obligation.....		(716,445)	(664,314)	(6,695,748)
Unrecognized net retirement benefit obligation at transition		120,718	131,666	1,128,206
Unrecognized actuarial gain or loss.....		154,689	152,867	1,445,691
Unrecognized prior service cost.....		(66,720)	(61,833)	(623,551)
Net retirement benefit obligation.....		(507,758)	(441,614)	(4,745,402)
Prepaid pension cost.....		445	652	4,159
Accrued retirement benefits.....		¥ (508,203)	¥ (442,266)	\$ (4,749,561)

The substitutional portion of the benefits under the WFPF has been included in the amounts shown in the above table.

The Company received the approval from the Minister of Health, Labor and Welfare ("MHLW") in the year ended March 31, 2003 with respect to its application for exemption from the obligation for benefits related to future employee services under the substitutional portion of the WFPF. Certain domestic consolidated subsidiaries received the same approval from MHLW during the year ended March 31, 2004. In accordance with the transitional provision stipulated in "Practical Guidelines for Accounting for Retirement Benefits," the Company and the domestic consolidated subsidiaries accounted for the separation of the substitutional portion of the benefit obligation from the corporate portion of the benefit obligation under their WFPFs as of the dates of approval for their exemption assuming that the transfer to the Japanese government of the substitutional portion of the benefit obligation and related pension plan assets had been completed as of those dates. As a result, the Company recognized a loss of ¥30,945 million for the year ended March 31, 2003 and the domestic consolidated subsidiaries recognized an aggregate gain of ¥3,669 million and an aggregate loss of ¥1,587 million for the year ended March 31, 2004. The pension assets to be transferred were calculated at ¥35,770 million for the domestic consolidated subsidiaries at March 31, 2004 and ¥241,203 million for the Company at March 31, 2003.

The components of retirement benefit expenses for the years ended March 31, 2005, 2004 and 2003 are outlined as follows:

	Millions of yen			Thousands of U.S. dollars	
	For the years ended	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2002 Mar. 31, 2003	2004 Mar. 31, 2005
Service cost.....		¥47,802	¥48,418	¥ 51,543	\$446,748
Interest cost.....		33,288	33,012	45,269	311,103
Expected return on plan assets.....		(17,999)	(15,523)	(26,708)	(168,215)
Amortization of net retirement benefit obligation at transition.....		12,009	14,169	24,280	112,234
Amortization of actuarial gain or loss.....		12,298	18,689	11,464	114,934
Amortization of prior service cost.....		(5,431)	(7,049)	(7,762)	(50,757)
Other.....		179	57	5	1,673
Retirement benefit expenses.....		82,146	91,773	98,091	767,720
(Gain) loss on return of the substitutional portion of welfare pension fund plans.....		(1,107)	(5,594)	30,945	(10,346)
Total.....		¥81,039	¥86,179	¥129,036	\$757,374

The assumptions used in accounting for the above plans were as follows:

		2004	2003
		<i>For the years ended</i>	<i>Mar. 31, 2004</i>
		Mar. 31, 2005	<i>Mar. 31, 2004</i>
Discount rates	Domestic companies	2.3% - 2.5%	2.3% - 2.5%
	Foreign companies	2.5% - 9.5%	5.0% - 7.0%
Expected return on assets	Domestic companies	Mainly 3.0%	Mainly 3.0%
	Foreign companies	2.2% - 9.5%	7.0% - 9.0%

10. SHAREHOLDERS' EQUITY

In accordance with the Commercial Code of Japan (the "Code"), the Company has provided a legal reserve, which was included in retained earnings. The Code provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the additional paid-in capital account equals 25% of the common stock account. The legal reserve amounted to ¥53,838 million (\$503,159 thousand) as of both March 31, 2005 and 2004.

The Code provides that neither additional paid-in capital nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. The Code also provides that if the total amount of additional paid-in capital and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders.

11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs included in selling, general and administrative expenses and manufacturing costs for the years ended March 31, 2005, 2004 and 2003 amounted to ¥398,148 million (\$3,721,009 thousand), ¥354,321 million and ¥300,330 million, respectively.

12. OTHER INCOME (EXPENSES)

The components of "Other, net" in "Other income (expenses)" for each of the three years in the period ended March 31, 2005 were as follows:

	<i>Millions of yen</i>			<i>Thousands of</i>
	<i>For the years ended</i>			<i>U.S. dollars</i>
	2004	2003	2002	2004
	<i>Mar. 31, 2005</i>	<i>Mar. 31, 2004</i>	<i>Mar. 31, 2003</i>	<i>Mar. 31, 2005</i>
Dividend income	¥ 1,340	¥ 1,270	¥ 954	\$ 12,523
Net gain on sales of property, plant and equipment	24,038	4,163	58,796	224,654
Loss on disposal of fixed assets	(20,115)	(18,449)	(15,587)	(187,991)
Net gain (loss) on sales of investment securities	7,232	(7,113)	4,324	67,589
Foreign exchange gain	801	16,444	18,318	7,486
Amortization of net retirement benefit obligation at transition	(11,795)	(13,936)	(23,923)	(110,234)
Gain (loss) on return of the substitutional portion of welfare pension fund plans ^(Note 9)	1,107	5,594	(30,945)	10,346
Loss on restructuring of European operations	—	(26,164)	—	—
Loss on restructuring of consolidated subsidiaries' operations	(8,752)	—	—	(81,794)
Settlement loss on withdrawal from multi-employer retirement benefit plan	(6,337)	—	—	(59,224)
Other	(80,514)	(44,821)	(48,444)	(752,467)
	¥(92,995)	¥(83,012)	¥(36,507)	\$ (869,112)

13. INCOME TAXES

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' taxes and enterprise tax, which, in the aggregate, resulted in a statutory rate of approximately 41% for 2004 and 42% for 2003 and 2002. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2005, 2004 and 2003 differ from the statutory tax rates for the following reasons:

	<i>For the years ended</i>	2004	2003	2002
		<i>Mar. 31, 2005</i>	<i>Mar. 31, 2004</i>	<i>Mar. 31, 2003</i>
Statutory tax rates		40.6%	41.9%	41.9%
Effect of:				
Decrease in valuation allowance		(1.9)	(5.5)	(9.7)
Different tax rates applied to foreign subsidiaries		(2.7)	(4.3)	(3.8)
Tax credits		(1.5)	(2.0)	—
Equity in earnings of unconsolidated subsidiaries and affiliates		(1.9)	(0.6)	(0.7)
Adjustments in deferred tax assets and liabilities due to change in tax rate		—	—	0.8
Other		0.1	0.2	0.1
Effective tax rates		32.5%	29.7%	28.6%

The significant components of deferred tax assets and liabilities at March 31, 2005 and 2004 were as follows:

	<i>As of</i>	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
		2004	2003	2004
		<i>Mar. 31, 2005</i>	<i>Mar. 31, 2004</i>	<i>Mar. 31, 2005</i>
Deferred tax assets:				
Net operating loss carryforwards		¥ 24,660	¥ 40,150	\$ 230,467
Accrued retirement benefits		172,379	162,926	1,611,019
Accrued warranty costs		38,047	44,381	355,579
Other		379,543	299,344	3,547,131
Gross deferred tax assets		614,629	546,801	5,744,196
Valuation allowance		(36,369)	(36,689)	(339,897)
Total deferred tax assets		578,260	510,112	5,404,299
Deferred tax liabilities:				
Reserves under Special Taxation Measures Law, etc.		(379,924)	(306,316)	(3,550,692)
Difference between cost of investments and their underlying net equity at fair value		(88,840)	(72,508)	(830,280)
Unrealized holding gain on securities		(5,971)	(2,853)	(55,804)
Other		(128,577)	(91,028)	(1,201,654)
Total deferred tax liabilities		(603,312)	(472,705)	(5,638,430)
Net deferred tax (liabilities) assets		¥ (25,052)	¥ 37,407	\$ (234,131)

14. RETAINED EARNINGS

Other changes in retained earnings for each of the three years in the period ended March 31, 2005 were as follows:

	<i>Millions of yen</i>			<i>Thousands of U.S. dollars</i>	
	<i>For the years ended</i>	2004 <i>Mar. 31, 2005</i>	2003 <i>Mar. 31, 2004</i>	2002 <i>Mar. 31, 2003</i>	2004 <i>Mar. 31, 2005</i>
Adjustments for revaluation of the accounts of the consolidated subsidiaries based on general price-level accounting (Note 1(b)).....		¥12,942	¥ 9,460	¥14,464	\$120,953
Loss on disposal of treasury stock		(4,700)	(8,171)	(2,664)	(43,925)
Effect of adoption of a new accounting standard for retirement benefit by foreign subsidiaries (Note 2(b)).....		—	(18,132)	—	—
Decrease in unfunded retirement benefit obligation with respect to foreign subsidiaries		(369)	—	—	(3,449)
Adjustments to retained earnings at beginning of the year for inclusion in or exclusion from consolidation or the equity method of accounting for subsidiaries and affiliates, and certain other adjustments.....		1,104	(4,176)	(7,854)	10,318
Increase due to land revaluation of foreign subsidiaries.....		2,182	—	—	20,393
		¥11,159	¥(21,019)	¥ 3,946	\$104,290

15. SUPPLEMENTARY CASH FLOW INFORMATION

The following is a summary of the assets and liabilities of Calsonic Kansei Corporation and its 11 subsidiaries, which were newly consolidated subsidiaries, as a result of the acquisition of shares through the private placement for the year ended March 31, 2005.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<i>For the year ended</i>	2004 <i>Mar. 31, 2005</i>	2004 <i>Mar. 31, 2005</i>
Current assets.....		¥ 69,926	\$ 653,514
Fixed assets.....		126,242	1,179,832
Total assets.....		¥196,168	\$1,833,346
Current liabilities.....		¥ (21,146)	\$ (197,626)
Long-term liabilities.....		(55,714)	(520,692)
Total liabilities.....		¥ (76,860)	\$ (718,318)

The following is a summary of the assets and liabilities of Dongfeng Motor Co., Ltd., a newly consolidated subsidiary, as a result of transfer of all shares to the Company's consolidated subsidiary, Nissan China Investment Co., Ltd. for the year ended March 31, 2005.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<i>For the year ended</i>	2004 <i>Mar. 31, 2005</i>	2004 <i>Mar. 31, 2005</i>
Current assets.....		¥ 106,744	\$ 997,607
Fixed assets.....		44,094	412,093
Total assets.....		¥ 150,838	\$ 1,409,700
Current liabilities.....		¥(109,922)	\$(1,027,308)
Long-term liabilities.....		(22,218)	(207,645)
Total liabilities.....		¥(132,140)	\$(1,234,953)

The following is a summary of the transferred assets and liabilities, the relevant selling prices and the net cash inflows from sales of stock of Rhythm Corporation and two other companies in the year ended March 31, 2003.

	<i>For the year ended</i>	<i>Millions of yen</i>
		<u>2002</u> <u>Mar. 31, 2003</u>
Current assets.....		¥22,561
Fixed assets.....		7,493
Loss on sales of investment securities.....		(1,765)
Current liabilities.....		(11,991)
Long-term liabilities.....		(5,366)
Minority interests in consolidated subsidiaries.....		(1,962)
Proceeds from sales of stock.....		8,970
Cash and cash equivalents held by subsidiaries.....		(575)
Net proceeds.....		¥ 8,395

16. LEASE TRANSACTIONS

a) Lessees' accounting

Future minimum lease payments subsequent to March 31, 2005 on noncancelable operating leases are summarized as follows:

<i>Year ending Mar. 31,</i>	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2006.....	¥ 5,729	\$ 53,542
2007 and thereafter.....	24,004	224,336
Total.....	¥29,733	\$277,878

b) Lessors' accounting

Future minimum lease income subsequent to March 31, 2005 for noncancelable operating leases is summarized as follows:

<i>Year ending Mar. 31,</i>	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2006.....	¥228,770	\$2,138,037
2007 and thereafter.....	311,015	2,906,682
Total.....	¥539,785	\$5,044,719

See Note 2(c) for the change in the method of accounting for noncancelable lease transactions which transfer substantially all risks and rewards associated with the ownership of assets.

17. COMMITMENTS AND CONTINGENCIES

At March 31, 2005, the Company and its consolidated subsidiaries had the following contingent liabilities:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
As endorser of notes receivable discounted with banks.....	¥ 5,301	\$ 49,542
As guarantor of employees' housing loans from banks and others.....	243,384	2,274,617
	¥248,685	\$2,324,159

In addition to the above, at March 31, 2005, the Company was committed to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates in the aggregate amount of ¥2,712 million (\$25,346 thousand) at the request of the lending banks. The outstanding balance of installment receivables sold with recourse amounted to ¥20,687 million (\$193,336 thousand) at March 31, 2005.

Certain consolidated subsidiaries have entered into overdraft and loan commitment agreements amounting to ¥107,247 million (\$1,002,308 thousand) with their customers and others. The loans receivable outstanding and the unused balances under these credit facilities as of March 31, 2005 amounted to ¥12,094 million (\$113,028 thousand) and ¥95,153 million (\$889,280 thousand), respectively. Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount.

18. AMOUNTS PER SHARE

	Yen			U.S. dollars
	2004	2003	2002	2004
	For the years ended Mar. 31, 2005	Mar. 31, 2004	Mar. 31, 2003	Mar. 31, 2005
Net income:				
Basic	¥125.16	¥122.02	¥117.75	\$1.170
Diluted	124.01	120.74	116.88	1.159
Cash dividends applicable to the year	24.00	19.00	14.00	0.224

	Yen		U.S. dollars
	2004	2003	2004
	As of Mar. 31, 2005	Mar. 31, 2004	Mar. 31, 2005
Net assets	¥604.49	¥493.85	\$5.649

Basic net income per share was computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year, and diluted net income per share was computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the exercise of warrants and stock subscription rights.

Amounts per share of net assets are computed based on net assets available for distribution to the shareholders and the number of shares of common stock outstanding at the year end.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective years together with the interim cash dividends paid.

19. SECURITIES

a) Information regarding marketable securities classified as held-to-maturity debt securities and other securities as of March 31, 2005 and 2004 is as follows:

Marketable held-to-maturity debt securities

Fiscal year 2004 (As of Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)
Securities whose carrying value exceeds their fair value:						
Corporate bonds	¥201	¥201	¥0	\$1,879	\$1,879	\$0
Total	¥201	¥201	¥0	\$1,879	\$1,879	\$0

Fiscal year 2003 (As of Mar. 31, 2004)	Millions of yen		
	Carrying value	Estimated fair value	Unrealized gain (loss)
Securities whose carrying value exceeds their fair value:			
Corporate bonds	¥249	¥249	¥0
Total	¥249	¥249	¥0

Marketable other securities

Fiscal year 2004 (As of Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:						
Stock	¥3,781	¥15,833	¥12,052	\$35,336	\$147,972	\$112,636
Debt securities	19	20	1	178	187	9
Others	15	18	3	140	168	28
Subtotal	¥3,815	¥15,871	¥12,056	\$35,654	\$148,327	\$112,673
Securities whose acquisition cost exceeds their carrying value:						
Stock	¥ 679	¥ 428	¥ (251)	\$ 6,346	\$ 4,000	\$ (2,346)
Others	214	191	(23)	2,000	1,785	(215)
Subtotal	¥ 893	¥ 619	¥ (274)	\$ 8,346	\$ 5,785	\$ (2,561)
Total	¥4,708	¥16,490	¥11,782	\$44,000	\$154,112	\$110,112

Fiscal year 2003 (As of Mar. 31, 2004)	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
Stock	¥1,042	¥7,934	¥6,892
Debt securities	19	20	1
Subtotal	¥1,061	¥7,954	¥6,893
Securities whose acquisition cost exceeds their carrying value:			
Stock	¥2,486	¥1,939	¥ (547)
Subtotal	¥2,486	¥1,939	¥ (547)
Total	¥3,547	¥9,893	¥6,346

b) Sales of securities classified as other securities with aggregate gain and loss are summarized as follows:

For the years ended	Millions of yen			Thousands of U.S. dollars
	2004 Mar. 31, 2005	2003 Mar. 31, 2004	2002 Mar. 31, 2003	2004 Mar. 31, 2005
Sales proceeds	¥2,032	¥4,048	¥12,770	\$18,991
Aggregate gain	1,225	1,500	3,446	11,449
Aggregate loss	(13)	(32)	(3,167)	(121)

c) The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities as of March 31, 2005 is summarized as follows:

Fiscal year 2004 (As of Mar. 31, 2005)	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Government bonds	¥ 20	¥0	¥ 0	¥0
Corporate bonds	147	0	54	0
Others	0	4	0	0
Total	¥167	¥4	¥54	¥0

Fiscal year 2004 (As of Mar. 31, 2005)

	<i>Thousands of U.S. dollars</i>			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Government bonds.....	\$ 187	\$ 0	\$ 0	\$0
Corporate bonds.....	1,374	0	505	0
Others.....	0	37	0	0
Total.....	\$1,561	\$37	\$505	\$0

20. DERIVATIVE TRANSACTIONS

Hedging Policies

The Company and its consolidated subsidiaries (collectively, the "Group") utilize derivative transactions for the purpose of hedging their exposure to fluctuation in foreign exchange rates, interest rates and market prices. However, based on an internal management rule on financial market risk (the "Rule") approved by the Company's Board of Directors, they do not enter into transactions involving derivatives for speculative purposes. The Rule prescribes that (i) the Group's financial market risk is to be controlled by the Company in a centralized manner, and that (ii) no individual subsidiary can initiate a hedge position without the prior approval of, and regular reporting back to the Company.

Risk to be hedged by derivative transactions

(1) Market risk

The financial market risk to which the Group is generally exposed in its operations and the relevant derivative transactions primarily used for hedging are summarized as follows:

- Foreign exchange risk associated with assets and liabilities denominated in foreign currencies; forward foreign exchange contracts, foreign currency options, and currency swaps;
- Interest rate risk associated with sourcing funds and investing: interest-rate swaps;
- Risk of fluctuation in stock prices: options on stocks;
- Risk of fluctuation in commodity prices (mainly for precious metals): commodity futures contracts

(2) Credit risk

The Group is exposed to the risk that a counterparty to its financial transactions could default and jeopardize future profits. We believe that this risk is insignificant as the Group enters into derivative transactions only with financial institutions which have a sound credit profile. The Group enters into these transactions also with Renault Finance S.A. ("RF"), a specialized financial subsidiary of the Renault Group which, we believe, is not subject to any such material risk. This is because RF enters into derivative transactions to cover such derivative transactions with us only with financial institutions of the highest caliber carefully selected by RF based on its own rating system which takes into account each counterparty's long-term credit rating and shareholders' equity.

(3) Legal risk

The Group is exposed to the risk of entering into a financial agreement which may contain inappropriate terms and conditions as well as the risk that an existing contract may be affected by revisions to the relevant laws and regulations. The Company's Legal Department and Finance Department make every effort to minimize legal risk by reviewing any new agreements of significance and by reviewing the related documents in a centralized way.

Risk Management

All strategies to manage financial market risk and risk hedge operations of the Group are carried out pursuant to the Rule which stipulates the Group's basic policies for derivative transactions, management policies, management items, procedures, criteria for the selection of counterparties, and the reporting system, and so forth. The Rule prescribes that (i) the Group's financial market risk is to be controlled by the Company in a centralized manner, and that (ii) no individual subsidiary is permitted to initiate a hedging operation without the prior approval of, and regular reporting back to the Company.

The basic hedge policy is subject to the approval of the Monthly Hedge Policy Meeting attended by the corporate officer in charge of Treasury Department. Execution and management of all deals are to be conducted pursuant to the Rule. Derivative transactions are conducted by a special section of the Treasury Department and monitoring of contracts for such transactions and confirming the balance of all open positions are the responsibility of back office and risk management section. Commodity futures contracts are to be handled also by Treasury Department under guidelines which are to be drawn up by the MRMC (Materials Risk Management Committee). The MRMC is chaired by the corporate officer in charge of the Purchasing Department and the corporate officer in charge of Treasury Department and it will meet approximately once every six months.

The status of derivative transactions is reported on a daily basis to the chief officer in charge of Treasury Department and on an annual basis to the Board of Directors. Credit risk is monitored quantitatively with reference to Renault's rating system based principally on the counterparties' long-term credit ratings and on their shareholders' equity. The Finance Department sets a maximum upper limit on positions with each of the counterparties for the Group and monitors the balances of open positions every day.

Summarized below are the notional amounts and the estimated fair value of the derivative instruments outstanding at March 31, 2005 and 2004:

1) Currency-related transactions

Fiscal year 2004 (As of Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Notional amount	Fair value	Unrealized gain (loss)	Notional amount	Fair value	Unrealized gain (loss)
Forward foreign exchange contracts						
Sell:						
US\$.....	¥ 9,678	¥9,222	¥456	\$ 90,449	\$586,187	\$4,262
CAN\$.....	7,122	7,201	(79)	66,561	67,299	(738)
ZAR.....	777	729	48	7,262	6,813	449
GBP.....	3,100	3,075	25	28,972	28,738	234
Buy:						
CAN\$.....	—	—	—	—	—	—
US\$.....	7,238	7,026	(212)	67,645	65,664	(1,981)
Currency swaps:						
Euro.....	¥116,844	¥ (1)	¥ (1)	\$1,092,000	\$ (9)	\$ (9)
£ Stg.....	—	—	—	—	—	—
US\$.....	107,144	662	662	1,001,346	6,187	6,187
AU\$.....	26,216	41	41	245,009	383	383
HK\$.....	5,307	—	—	49,598	—	—
CAN\$.....	—	—	—	—	—	—
Total.....	—	—	¥940	—	—	\$8,787

Fiscal year 2003 (As of Mar. 31, 2004)	Millions of yen		
	Notional amount	Fair value	Unrealized gain (loss)
Forward foreign exchange contracts			
Sell:			
US\$.....	¥23,293	¥22,778	¥ 515
CAN\$.....	7,959	7,932	27
ZAR.....	685	702	(17)
Buy:			
CAN\$.....	29,456	29,899	443
£ Stg.....	—	—	—
US\$.....	20,714	20,362	(352)
Currency swaps:			
Euro.....	¥86,958	¥ 347	¥ 347
£ Stg.....	35,732	58	58
US\$.....	21,185	298	298
CAN\$.....	1,129	(97)	(97)
Total.....	—	—	¥1,222

Note: The notional amounts of the forward foreign exchange contracts and currency swaps presented above exclude those entered into to hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contracted rates in the accompanying consolidated balance sheets.

2) Interest-related transactions

Fiscal year 2004 (As of Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Notional amount	Fair value	Unrealized gain (loss)	Notional amount	Fair value	Unrealized gain (loss)
Interest rate swaps:						
Receive/floating and pay/fixed.....	¥185,695	¥2,774	¥2,774	\$1,735,467	\$25,925	\$25,925
Receive/fixed and pay/floating.....	192,885	3,287	3,287	1,802,664	30,720	30,720
Options:						
Caps sold.....	¥441,875			\$4,129,673		
(Premium).....	(—)	(7,289)	(7,289)	(—)	(68,121)	(68,121)
Caps purchased.....	¥441,875			\$4,129,673		
(Premium).....	(—)	7,289	7,289	(—)	68,121	68,121
Total.....	—	—	¥6,061	—	—	\$56,645

Fiscal year 2003 (As of Mar. 31, 2004)	Millions of yen		
	Notional amount	Fair value	Unrealized gain (loss)
Interest rate swaps:			
Receive/floating and pay/fixed.....	¥187,454	¥ (851)	¥ (851)
Receive/fixed and pay/floating.....	186,223	4,398	4,398
Options:			
Caps sold.....	¥445,376		
(Premium).....	(—)	(4,219)	(4,219)
Caps purchased.....	¥445,376		
(Premium).....	(—)	4,219	4,219
Total.....	—	—	¥3,547

Note: The notional amounts of the interest rate swaps and options presented above exclude those for which the deferral hedge accounting has been applied.

21. SEGMENT INFORMATION

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sales of products in the automobile segment and in providing various financial services to users of the Company's products in the sales financing segment. These products, which are sold in Japan and overseas, principally in North America and Europe, include passenger cars, buses and trucks as well as the related components. Financial services include primarily leases and credits principally in Japan and North America.

Business segments

The business segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2005, 2004 and 2003 is as follows:

	Fiscal year 2004 (For the year ended Mar. 31, 2005)				
	Automobile	Sales Financing	Total	Eliminations	Consolidated
<i>Millions of yen</i>					
I. Sales and operating income					
Sales to third parties.....	¥8,177,841	¥ 398,436	¥ 8,576,277	¥ —	¥8,576,277
Inter-segment sales and transfers.....	23,742	13,509	37,251	(37,251)	—
Total sales.....	8,201,583	411,945	8,613,528	(37,251)	8,576,277
Operating expenses.....	7,429,760	338,388	7,768,148	(53,031)	7,715,117
Operating income.....	¥ 771,823	¥ 73,557	¥ 845,380	¥ 15,780	¥ 861,160
II. Assets, depreciation and capital expenditures					
Total assets.....	¥6,646,594	¥4,596,322	¥11,242,916	¥(1,394,393)	¥9,848,523
Depreciation and amortization.....	¥ 349,163	¥ 176,763	¥ 525,926	¥ —	¥ 525,926
Capital expenditures.....	¥ 469,283	¥ 582,468	¥ 1,051,751	¥ —	¥1,051,751

	Fiscal year 2004 (For the year ended Mar. 31, 2005)				
	Automobile	Sales Financing	Total	Eliminations	Consolidated
<i>Thousands of U.S. dollars</i>					
I. Sales and operating income					
Sales to third parties.....	\$76,428,421	\$ 3,723,700	\$ 80,152,121	\$ —	\$80,152,121
Inter-segment sales and transfers.....	221,889	126,253	348,142	(348,142)	—
Total sales.....	76,650,310	3,849,953	80,500,263	(348,142)	80,152,121
Operating expenses.....	69,437,010	3,162,504	72,599,514	(495,617)	72,103,897
Operating income.....	\$ 7,213,300	\$ 687,449	\$ 7,900,749	\$ 147,475	\$ 8,048,224
II. Assets, depreciation and capital expenditures					
Total assets.....	\$62,117,701	\$42,956,281	\$105,073,982	\$(13,031,710)	\$92,042,272
Depreciation and amortization.....	\$ 3,263,206	\$ 1,651,990	\$ 4,915,196	\$ —	\$ 4,915,196
Capital expenditures.....	\$ 4,385,823	\$ 5,443,626	\$ 9,829,449	\$ —	\$ 9,829,449

	Fiscal year 2003 (For the year ended Mar. 31, 2004)				
	Automobile	Sales Financing	Total	Eliminations	Consolidated
<i>Millions of yen</i>					
I. Sales and operating income					
Sales to third parties.....	¥7,072,982	¥ 356,237	¥7,429,219	¥ —	¥7,429,219
Inter-segment sales and transfers.....	22,916	9,752	32,668	(32,668)	—
Total sales.....	7,095,898	365,989	7,461,887	(32,668)	7,429,219
Operating expenses.....	6,340,631	301,179	6,641,810	(37,446)	6,604,364
Operating income.....	¥ 755,267	¥ 64,810	¥ 820,077	¥ 4,778	¥ 824,855
II. Assets, depreciation and capital expenditures					
Total assets.....	¥5,847,139	¥3,479,171	¥9,326,310	¥(1,466,454)	¥7,859,856
Depreciation and amortization.....	¥ 313,289	¥ 147,748	¥ 461,037	¥ —	¥ 461,037
Capital expenditures.....	¥ 441,384	¥ 463,616	¥ 905,000	¥ —	¥ 905,000

a) As described in Note 2(b), effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption of a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to decrease operating income in the "Automobile" segment by ¥1,686 million for the year ended March 31, 2004 as compared with the corresponding amount which would have been recorded if the previous method had been followed.

b) As described in Note 2(c), effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for noncancelable lease transactions which transfer substantially all risks and rewards associated with the ownership of assets, from accounting for them as operating leases, to finance leases. The effect of this change was to decrease sales and operating expenses in the "Automobile" segment by ¥237 million and ¥21,805 million respectively, to increase operating income, total assets, depreciation expense and capital expenditures in the "Automobile" segment by ¥21,568 million ¥136,522 million, ¥46,986 million and ¥55,581 million, respectively, to decrease sales and operating expenses and capital expenditures in the "Sales Financing" segment by ¥33,351 million, ¥33,374 million and ¥29,716 million, respectively, to increase operating income, total assets and depreciation expense in the "Sales Financing" segment by ¥23 million, ¥662 million and ¥292 million, respectively, and to increase sales and operating expenses in "Eliminations" by ¥15,645 million for the year ended March 31, 2004 as compared with the corresponding amounts which would have been recorded if the previous method had been followed.

Fiscal year 2002 (For the year ended Mar. 31, 2003)

	Sales		Eliminations	Consolidated	
	Automobile	Financing		Total	
<i>Millions of yen</i>					
I. Sales and operating income					
Sales to third parties	¥6,444,460	¥ 384,128	¥6,828,588	¥ —	¥6,828,588
Inter-segment sales and transfers	42,775	11,740	54,515	(54,515)	—
Total sales	6,487,235	395,868	6,883,103	(54,515)	6,828,588
Operating expenses	5,818,023	335,986	6,154,009	(62,651)	6,091,358
Operating income	¥ 669,212	¥ 59,882	¥ 729,094	¥ 8,136	¥ 737,230
II. Assets, depreciation and capital expenditures					
Total assets	¥5,607,323	¥3,103,889	¥8,711,212	¥(1,362,029)	¥7,349,183
Depreciation and amortization	¥ 213,569	¥ 157,556	¥ 371,125	¥ —	¥ 371,125
Capital expenditures	¥ 410,003	¥ 451,630	¥ 861,633	¥ —	¥ 861,633

The following tables set forth the summarized financial statements by business segment for the years ended March 31, 2005, 2004 and 2003. Amounts for the sales financing segment represent the aggregate of the figures for the sales financing subsidiaries in Japan, the United States, Canada and Mexico. Amounts for the automobile and Eliminations segment represent the differences between the consolidated totals and those for the sales financing segment.

1) Summarized consolidated balance sheets by business segment

Fiscal year 2004 (As of Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Automobile and Eliminations	Sales Financing	Consolidated total	Automobile and Eliminations	Sales Financing	Consolidated total
Cash and cash equivalents.....	¥ 280,176	¥ 9,608	¥ 289,784	\$ 2,618,468	\$ 89,794	\$ 2,708,262
Short-term investments.....	20,431	3,485	23,916	190,944	32,570	223,514
Receivables, less allowance for doubtful receivables.....	296,364	3,193,181	3,489,545	2,769,757	29,842,813	32,612,570
Inventories.....	702,534	5,528	708,062	6,565,738	51,664	6,617,402
Other current assets.....	388,956	239,131	628,087	3,635,104	2,234,869	5,869,973
Total current assets.....	1,688,461	3,450,933	5,139,394	15,780,011	32,251,710	48,031,721
Property, plant and equipment, net.....	2,774,719	1,022,228	3,796,947	25,931,953	9,553,533	35,485,486
Investment securities.....	361,632	289	361,921	3,379,738	2,701	3,382,439
Other assets.....	427,389	122,872	550,261	3,994,290	1,148,336	5,142,626
Total assets.....	¥5,252,201	¥4,596,322	¥9,848,523	\$49,085,992	\$42,956,280	\$92,042,272
Short-term borrowings and current portion of long-term debt.....	¥ (552,052)	¥2,536,002	¥1,983,950	\$ (5,159,364)	\$23,700,953	\$18,541,589
Notes and accounts payable.....	1,343,000	41,163	1,384,163	12,551,402	384,701	12,936,103
Accrued income taxes.....	56,256	7,307	63,563	525,757	68,290	594,047
Other current liabilities.....	485,753	57,285	543,038	4,539,747	535,374	5,075,121
Total current liabilities.....	1,332,957	2,641,757	3,974,714	12,457,542	24,689,318	37,146,860
Long-term debt.....	626,437	1,336,736	1,963,173	5,854,551	12,492,860	18,347,411
Other long-term liabilities.....	914,039	274,146	1,188,185	8,542,421	2,562,112	11,104,533
Total long-term liabilities.....	1,540,476	1,610,882	3,151,358	14,396,972	15,054,972	29,451,944
Total liabilities.....	2,873,433	4,252,639	7,126,072	26,854,514	39,744,290	66,598,804
Minority interests.....	256,656	45	256,701	2,398,654	421	2,399,075
Common stock.....	517,260	88,554	605,814	4,834,206	827,607	5,661,813
Capital surplus.....	774,403	30,067	804,470	7,237,411	281,000	7,518,411
Retained earnings.....	1,487,577	227,522	1,715,099	13,902,589	2,126,374	16,028,963
Unrealized holding gain on securities.....	7,189	166	7,355	67,187	1,551	68,738
Translation adjustments.....	(397,428)	(2,671)	(400,099)	(3,714,280)	(24,963)	(3,739,243)
Treasury common stock.....	(266,889)	—	(266,889)	(2,494,289)	—	(2,494,289)
Total shareholders' equity.....	2,122,112	343,638	2,465,750	19,832,824	3,211,569	23,044,393
Total liabilities and shareholders' equity.....	¥5,252,201	¥4,596,322	¥9,848,523	\$49,085,992	\$42,956,280	\$92,042,272

Fiscal year 2003 (As of Mar. 31, 2004)	Millions of yen		
	Automobile and Eliminations	Sales Financing	Consolidated total
Cash and cash equivalents.....	¥ 190,135	¥ 4,029	¥ 194,164
Short-term investments.....	319	385	704
Receivables, less allowance for doubtful receivables.....	246,310	2,356,566	2,602,876
Inventories.....	536,172	6,620	542,792
Other current assets.....	284,614	141,813	426,427
Total current assets.....	1,257,550	2,509,413	3,766,963
Property, plant and equipment, net.....	2,425,940	777,312	3,203,252
Investment securities.....	356,925	3,419	360,344
Other assets.....	340,270	189,027	529,297
Total assets.....	¥4,380,685	¥3,479,171	¥7,859,856
Short-term borrowings and current portion of long-term debt.....	¥ (565,677)	¥1,976,939	¥1,411,262
Notes and accounts payable.....	1,086,094	40,183	1,126,277
Accrued income taxes.....	88,000	6,008	94,008
Other current liabilities.....	428,791	42,143	470,934
Total current liabilities.....	1,037,208	2,065,273	3,102,481
Long-term debt.....	769,515	925,278	1,694,793
Other long-term liabilities.....	743,539	191,264	934,803
Total long-term liabilities.....	1,513,054	1,116,542	2,629,596
Total liabilities.....	2,550,262	3,181,815	5,732,077
Minority interests.....	103,785	—	—
Common stock.....	520,692	85,122	605,814
Capital surplus.....	774,403	30,067	804,470
Retained earnings.....	1,096,203	190,096	1,286,299
Unrealized holding gain on securities.....	4,211	181	4,392
Translation adjustments.....	(423,634)	(8,110)	(431,744)
Treasury common stock.....	(245,237)	—	(245,237)
Total shareholders' equity.....	1,726,638	297,356	2,023,994
Total liabilities and shareholders' equity.....	¥4,380,685	¥3,479,171	¥7,859,856

(Interest-bearing debt)

Fiscal year 2004 (As of Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Automobile and Eliminations	Sales Financing	Consolidated total	Automobile and Eliminations	Sales Financing	Consolidated total
Short-term borrowings from third parties.....	¥ 363,701	¥1,561,917	¥1,925,618	\$ 3,399,075	\$14,597,355	\$17,996,430
Internal loans to sales financing companies.....	(973,169)	973,169	—	(9,095,037)	9,095,037	—
Short-term borrowings per the balance sheet....	(609,468)	2,535,086	1,925,618	(5,695,962)	23,692,393	17,996,430
Bonds and debentures.....	320,602	172,523	493,125	2,996,281	1,612,364	4,608,645
Long-term borrowings from third parties.....	209,291	1,164,213	1,373,504	1,955,991	10,880,495	12,836,486
Internal loans to sales financing companies.....	—	—	—	—	—	—
Long-term borrowings per the balance sheet....	209,291	1,164,213	1,373,504	1,955,991	10,880,495	12,836,486
Lease obligation.....	153,960	916	154,876	1,438,878	8,561	1,447,439
Total interest bearing debt.....	74,385	3,872,738	3,947,123	695,188	36,193,812	36,889,000
Cash and cash equivalents.....	280,176	9,608	289,784	2,618,468	89,794	2,708,262
Net interest bearing debt.....	(205,791)	3,863,130	3,657,339	(1,923,280)	36,104,018	34,180,738
Debt for Canton Plant included in the above.....	93,719	—	93,719	875,879	—	875,879
Lease obligation included in the above.....	153,960	916	154,876	1,438,878	8,561	1,447,439
Net interest bearing debt (excluding that related to Canton Plant and lease obligation).....	¥ (453,470)	¥3,862,214	¥3,408,744	\$(4,238,037)	\$36,095,457	\$31,857,420

Fiscal year 2003 (As of Mar. 31, 2004)	Millions of yen		
	Automobile and Eliminations	Sales Financing	Consolidated total
Short-term borrowings from third parties...	¥ 480,948	¥ 879,850	¥1,360,798
Internal loans to sales financing companies.....	(1,096,792)	1,096,792	—
Short-term borrowings per the balance sheet...	(615,844)	1,976,642	1,360,798
Bonds and debentures.....	508,864	33,960	542,824
Long-term borrowings from third parties....	177,054	890,736	1,067,790
Internal loans to sales financing companies.....	—	—	—
Long-term borrowings per the balance sheet.....	177,054	890,736	1,067,790
Lease obligation.....	133,664	979	134,643
Total interest bearing debt.....	203,738	2,902,317	3,106,055
Cash and cash equivalents.....	190,135	4,029	194,164
Net interest bearing debt.....	13,603	2,898,288	2,911,891
Debt for Canton Plant included in the above.....	95,800	—	95,800
Lease obligation included in the above.....	133,664	979	134,643
Net interest bearing debt (excluding that related to Canton Plant and lease obligation).....	¥ (215,861)	¥2,897,309	¥2,681,448

2) Summarized consolidated statements of income by business segment

Fiscal year 2004 (For the year ended Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Automobile and Eliminations	Sales Financing	Consolidated total	Automobile and Eliminations	Sales Financing	Consolidated total
Net sales	¥8,164,332	¥411,945	¥8,576,277	\$76,302,168	\$3,849,953	\$80,152,121
Cost of sales	6,094,196	257,073	6,351,269	56,955,103	2,402,551	59,357,654
Gross profit	2,070,136	154,872	2,225,008	19,347,065	1,447,402	20,794,467
Operating income	787,603	73,557	861,160	7,360,775	687,449	8,048,224
Operating income as a percentage of net sales	9.6%	17.9%	10.0%	9.6%	17.9%	10.0%
Net financial cost	(10,371)	(11)	(10,382)	(96,925)	(103)	(97,028)
Income before income taxes and minority interests	720,764	72,469	793,233	6,736,113	677,280	7,413,393
Net income	¥ 472,680	¥ 39,601	¥ 512,281	\$ 4,417,570	\$ 370,103	\$ 4,787,673
Total net financial cost	¥ (10,371)	¥ (11)	¥ (10,382)	\$ (96,925)	\$ (103)	\$ (97,028)
Interest on lease obligation	(4,097)	(20)	(4,117)	(38,290)	(187)	(38,477)
Intersegment elimination	(12,524)	—	(12,524)	(117,047)	—	(117,047)
Net financial cost for segment	6,250	9	6,259	58,411	84	58,495

Fiscal year 2003 (For the year ended Mar. 31, 2004)	Millions of yen		
	Automobile and Eliminations	Sales Financing	Consolidated total
Net sales	¥7,063,230	¥365,989	¥7,429,219
Cost of sales	5,098,056	212,116	5,310,172
Gross profit	1,965,174	153,873	2,119,047
Operating income	760,045	64,810	824,855
Operating income as a percentage of net sales	10.8%	17.7%	11.1%
Net financial cost	(15,669)	(30)	(15,699)
Income before income taxes and minority interests	671,513	64,984	736,497
Net income	¥ 465,329	¥ 38,338	¥ 503,667
Total net financial cost	¥ (15,669)	¥ (30)	¥ (15,699)
Interest on lease obligation	(4,603)	(20)	(4,623)
Intersegment elimination	(5,322)	—	(5,322)
Net financial cost for segment	(5,744)	(10)	(5,754)

Fiscal year 2002 (For the year ended Mar. 31, 2003)	Millions of yen		
	Automobile and Eliminations	Sales Financing	Consolidated total
Net sales	¥6,432,720	¥395,868	¥6,828,588
Cost of sales	4,617,368	254,956	4,872,324
Gross profit	1,815,352	140,912	1,956,264
Operating income	677,348	59,882	737,230
Operating income as a percentage of net sales	10.5%	15.1%	10.8%
Net financial cost	(16,543)	3	(16,540)
Income before income taxes and minority interests	634,818	59,806	694,624
Net income	¥ 458,611	¥ 36,554	¥ 495,165
Total net financial cost	¥ (16,543)	¥ 3	¥ (16,540)
Intersegment elimination	(5,677)	—	(5,677)
Net financial cost for segment	(10,866)	3	(10,863)
Net financial cost for segment	(5,744)	(10)	(5,754)

3) Summarized consolidated statements of cash flows by business segment

Fiscal year 2004 (For the year ended Mar. 31, 2005)	Millions of yen			Thousands of U.S. dollars		
	Automobile and Eliminations	Sales Financing	Consolidated total	Automobile and Eliminations	Sales Financing	Consolidated total
Operating activities						
Income before income taxes and minority interests.....	¥720,764	¥ 72,469	¥793,233	\$6,736,113	\$ 677,280	\$7,413,393
Depreciation and amortization	349,163	176,763	525,926	3,263,205	1,651,991	4,915,196
(Increase) decrease in sales						
finance receivables.....	17,131	(811,480)	(794,349)	160,103	(7,583,925)	(7,423,822)
Others	(207,813)	52,418	(155,395)	(1,942,178)	489,888	(1,452,290)
Net cash provided by (used in) operating activities.....	879,245	(509,830)	369,415	8,217,243	(4,764,766)	3,452,477
Investing activities						
Proceeds from sales of investment securities including shares of subsidiaries	10,285	510	10,795	96,122	4,766	100,888
Proceeds from sales of property, plant and equipment.....	71,256	—	71,256	665,944	—	665,944
Purchases of fixed assets	(453,357)	(7,789)	(461,146)	(4,236,982)	(72,794)	(4,309,776)
Purchases of leased vehicles.....	(15,926)	(574,679)	(590,605)	(148,841)	(5,370,832)	(5,519,673)
Proceeds from sales of leased vehicles	16,143	157,669	173,812	150,869	1,473,542	1,624,411
Others	(79,115)	9,968	(69,147)	(739,392)	93,159	(646,233)
Net cash used in investing activities.....	(450,714)	(414,321)	(865,035)	(4,212,280)	(3,872,159)	(8,084,439)
Financing activities						
Increase (decrease) in short-term borrowings.....	174,500	491,691	666,191	1,630,841	4,595,243	6,226,084
(Decrease) increase in long-term borrowings.....	(391,244)	296,551	(94,693)	(3,656,486)	2,771,505	(884,981)
Increase in bonds and debentures.....	—	140,663	140,663	—	1,314,607	1,314,607
Others	(191,998)	883	(191,115)	(1,794,373)	8,252	(1,786,121)
Net cash (used in) provided by financing activities.....	(408,742)	929,788	521,046	(3,820,018)	8,689,607	4,869,589
Effect of exchange rate changes on cash and cash equivalents	4,427	(58)	4,369	41,373	(542)	40,831
Increase in cash and cash equivalents	24,216	5,579	29,795	226,318	52,140	278,458
Cash and cash equivalents at beginning of the year.....	190,135	4,029	194,164	1,776,963	37,654	1,814,617
Increase due to inclusion in consolidation	65,825	—	65,825	615,187	—	615,187
Cash and cash equivalents at end of the year.....	¥280,176	¥ 9,608	¥289,784	\$2,618,468	\$ 89,794	\$2,708,262

Fiscal year 2003 (For the year ended Mar. 31, 2004)	Millions of yen		
	Automobile and Eliminations	Sales Financing	Consolidated total
Operating activities			
Income before income taxes and minority interests.....	¥ 671,513	¥ 64,984	¥736,497
Depreciation and amortization.....	313,146	147,891	461,037
Increase in finance receivables.....	(154)	(462,956)	(463,110)
Others	57,936	5,057	62,993
Net cash provided by (used in) operating activities	1,042,441	(245,024)	797,417
Investing activities			
Proceeds from sales of investment securities including shares of subsidiaries.....	40,488	34	40,522
Proceeds from sales of property, plant and equipment.....	53,827	105	53,932
Purchases of fixed assets.....	(422,326)	(6,061)	(428,387)
Purchases of leased vehicles.....	(19,295)	(457,318)	(476,613)
Proceeds from sales of leased vehicles.....	20,857	170,248	191,105
Others	(101,534)	(35,151)	(136,685)
Net cash used in investing activities.....	(427,983)	(328,143)	(756,126)
Financing activities			
(Decrease) increase in short-term borrowings	(306,969)	169,394	(137,575)
(Decrease) increase in long-term borrowings	(244,774)	371,473	126,699
Increase in bonds and debentures.....	120,000	30,000	150,000
Others	(253,031)	167	(252,864)
Net cash (used in) provided by financing activities.....	(684,774)	571,034	(113,740)
Effect of exchange rate changes on cash and cash equivalents.....	(2,095)	(509)	(2,604)
Decrease in cash and cash equivalents	(72,411)	(2,642)	(75,053)
Cash and cash equivalents at beginning of the year	263,146	6,671	269,817
Increase due to inclusion in consolidation.....	310	—	310
Decrease due to exclusion from consolidation.....	(910)	—	(910)
Cash and cash equivalents at end of the year	¥ 190,135	¥ 4,029	¥194,164

Fiscal year 2002 (For the year ended Mar. 31, 2003)	Millions of yen		
	Automobile and Eliminations	Sales Financing	Consolidated total
Operating activities			
Income before income taxes and minority interests.....	¥634,818	¥ 59,806	¥694,624
Depreciation and amortization.....	213,569	157,556	371,125
Decrease (increase) in finance receivables.....	64,057	(391,414)	(327,357)
Others.....	(115,097)	(47,917)	(163,014)
Net cash provided by (used in) operating activities.....	797,347	(221,969)	575,378
Investing activities			
Proceeds from sales of investment securities including shares of subsidiaries.....	39,816	13,842	53,658
Proceeds from sales of property, plant and equipment.....	94,828	3,871	98,699
Purchases of fixed assets.....	(376,429)	(1,500)	(377,929)
Purchases of leased vehicles.....	(33,522)	(450,182)	(483,704)
Proceeds from sales of leased vehicles.....	15,644	243,431	259,075
Others.....	(46,720)	(18,453)	(65,173)
Net cash used in investing activities.....	(306,383)	(208,991)	(515,374)
Financing activities			
(Decrease) increase in short-term borrowings.....	(369,506)	315,196	(54,310)
(Decrease) increase in long-term borrowings.....	(81,106)	91,044	9,938
Increase in bonds and debentures.....	85,000	—	85,000
Proceeds from sales of treasury stock.....	5,670	—	5,670
Others.....	(144,062)	25,000	(119,062)
Net cash (used in) provided by financing activities.....	(504,004)	431,240	(72,764)
Effect of exchange rate changes on cash and cash equivalents.....	1,174	(520)	654
(Decrease) increase in cash and cash equivalents.....	(11,866)	(240)	(12,106)
Cash and cash equivalents at beginning of the year.....	272,742	6,911	279,653
Increase due to inclusion in consolidation.....	2,297	—	2,297
Decrease due to exclusion from consolidation.....	(27)	—	(27)
Cash and cash equivalents at end of the year.....	¥263,146	¥ 6,671	¥269,817

Geographical areas

The geographical segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2005, 2004 and 2003 is as follows:

	Fiscal year 2004 (For the year ended Mar. 31, 2005)						
	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
	<i>Millions of yen</i>						
Sales to third parties	¥2,556,683	¥3,726,456	¥1,254,007	¥1,039,131	¥ 8,576,277	¥ —	¥8,576,277
Inter-area sales and transfers	1,981,104	81,794	51,109	7,622	2,121,629	¥(2,121,629)	—
Total sales	4,537,787	3,808,250	1,305,116	1,046,753	10,697,906	(2,121,629)	8,576,277
Operating expenses	4,196,667	3,392,676	1,249,110	996,529	9,834,982	(2,119,865)	7,715,117
Operating income	¥ 341,120	¥ 415,574	¥ 56,006	¥ 50,224	¥ 862,924	¥(1,764)	¥ 861,160
Total assets	¥5,590,397	¥4,714,272	¥ 799,778	¥ 637,065	¥11,741,512	¥(1,892,989)	¥9,848,523

	Thousands of U.S. dollars						
	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Sales to third parties	\$23,894,234	\$34,826,692	\$11,719,692	\$9,711,503	\$ 80,152,121	\$ —	\$80,152,121
Inter-area sales and transfers	18,514,991	764,430	477,654	71,234	19,828,309	(19,828,309)	—
Total sales	42,409,225	35,591,122	12,197,346	9,782,737	99,980,430	(19,828,309)	80,152,121
Operating expenses	39,221,187	31,707,252	11,673,925	9,313,355	91,915,719	(19,811,822)	72,103,897
Operating income	\$ 3,188,038	\$ 3,883,870	\$ 523,421	\$ 469,382	\$ 8,064,711	\$ (16,487)	\$ 8,048,224
Total assets	\$52,246,701	\$44,058,617	\$ 7,474,561	\$5,953,878	\$109,733,757	\$(17,691,485)	\$92,042,272

	Fiscal year 2003 (For the year ended Mar. 31, 2004)						
	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
	<i>Millions of yen</i>						
Sales to third parties	¥2,559,806	¥3,278,966	¥1,164,032	¥426,415	¥7,429,219	¥ —	¥7,429,219
Inter-area sales and transfers	1,725,491	35,384	31,690	4,663	1,797,228	(1,797,228)	—
Total sales	4,285,297	3,314,350	1,195,722	431,078	9,226,447	(1,797,228)	7,429,219
Operating expenses	3,932,835	2,914,529	1,146,549	412,938	8,406,851	(1,802,487)	6,604,364
Operating income	¥ 352,462	¥ 399,821	¥ 49,173	¥ 18,140	¥ 819,596	¥ 5,259	¥ 824,855
Total assets	¥4,805,718	¥3,664,382	¥ 607,926	¥219,109	¥9,297,135	¥(1,437,279)	¥7,859,856

a) As described in Note 2(b), effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption of a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to decrease operating income in the "Europe" segment by ¥1,686 million for the year ended March 31, 2004 as compared with the corresponding amount which would have been recorded if the previous method had been followed.

b) As described in Note 2(c), effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for noncancelable lease transactions which transfer substantially all risks and rewards associated with the ownership of assets, from accounting for them as operating leases, to finance leases. The effect of this change was to decrease sales and operating expenses in the "Japan" segment by ¥17,943 million and ¥39,534 million, respectively, and to increase operating income and total assets in the "Japan" segment by ¥21,591 million and ¥137,184 million, respectively, for the year ended March 31, 2004 as compared with the corresponding amounts which would have been recorded if the previous method had been followed.

Fiscal year 2002 (For the year ended Mar. 31, 2003)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
<i>Millions of yen</i>							
Sales to third parties.....	¥2,554,374	¥2,879,500	¥963,440	¥431,274	¥6,828,588	¥ —	¥6,828,588
Inter-area sales and transfers.....	1,766,102	32,763	26,765	4,174	1,829,804	(1,829,804)	—
Total sales.....	4,320,476	2,912,263	990,205	435,448	8,658,392	(1,829,804)	6,828,588
Operating expenses.....	3,929,920	2,607,699	968,253	418,682	7,924,554	(1,833,196)	6,091,358
Operating income.....	¥ 390,556	¥ 304,564	¥ 21,952	¥ 16,766	¥ 733,838	¥ 3,392	¥ 737,230
Total assets.....	¥4,881,842	¥3,463,261	¥502,028	¥140,849	¥8,987,980	¥(1,638,797)	¥7,349,183

Overseas sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the foreign consolidated subsidiaries, for the years ended March 31, 2005, 2004 and 2003 are summarized as follows:

Fiscal year 2004 (For the year ended Mar. 31, 2005)

	North America	Europe	Other foreign countries	Total
<i>Millions of yen</i>				
Overseas sales.....	¥3,662,436	¥1,269,204	¥1,401,592	¥6,333,232
Consolidated net sales.....				8,576,277

Thousands of U.S. dollars

Overseas sales.....	\$34,228,374	\$11,861,720	\$13,098,991	\$59,189,085
Consolidated net sales.....				80,152,122
Overseas sales as a percentage of consolidated net sales.....	42.7%	14.8%	16.3%	73.8%

Fiscal year 2003 (For the year ended Mar. 31, 2004)

	North America	Europe	Other foreign countries	Total
<i>Millions of yen</i>				
Overseas sales.....	¥3,222,497	¥1,201,035	¥773,248	¥5,196,780
Consolidated net sales.....				7,429,219
Overseas sales as a percentage of consolidated net sales.....	43.4%	16.2%	10.4%	70.0%

Fiscal year 2002 (For the year ended Mar. 31, 2003)

	North America	Europe	Other foreign countries	Total
<i>Millions of yen</i>				
Overseas sales.....	¥2,785,334	¥974,872	¥763,368	¥4,523,574
Consolidated net sales.....				6,828,588
Overseas sales as a percentage of consolidated net sales.....	40.8%	14.3%	11.1%	66.2%

22. SUBSEQUENT EVENTS

a) In accordance with Articles 280-20 and 280-21 of the Commercial Code of Japan and a resolution approved at the annual general meeting of the shareholders held on June 23, 2004, the Board of Directors of the Company resolved on April 15, 2005 to grant stock subscription rights free of charge to certain employees of the Company and certain directors and employees of the Company's subsidiaries effective April 25, 2005. The holders of these rights are entitled to subscribe for shares of common stock of the Company at a fixed price of ¥1,119 per share. The maximum aggregate number of units and shares granted for subscription are 133,950 units and 13,395,000 shares, respectively.

b) The following appropriations of retained earnings of the Company were approved at a shareholders' meeting held on June 21, 2005:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
Year-end cash dividends (¥12.00 = U.S.\$0.112 per share).....	¥52,553	\$491,150
Bonuses to directors	390	3,645

c) The Company issued the following bonds in yen without collateral to fund the unfunded retirement benefit obligation on June 2, 2005 and June 15, 2005:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
Bonds in yen due 2008 at 0.4%	¥50,000	\$467,290
Bonds in yen due 2010 at 0.71%.....	128,000	1,196,262
Bonds in yen due 2009 at 0.62%.....	50,000	467,290