

Nissan reported increases during fiscal 2007 in revenue, operating profit and net income. In a challenging year for the entire automotive industry, our employees performed at high levels, keeping the company on track despite facing powerful headwinds.

When comparing the results of fiscal 2007 with fiscal 2006, please note that we exclude an additional one-time “fifth quarter” used in the latter. This fifth quarter was added to harmonize the calendar-year results of overseas subsidiaries, such as Europe and Mexico, with fiscal-year results for Nissan Motor Co., Ltd. The impact of this fifth quarter in fiscal 2006 was ¥767.6 billion in revenues, ¥21.4 billion in operating profits and ¥11.6 billion in net income.

Net sales

For fiscal 2007, Nissan’s consolidated net sales came to ¥10,824.2 billion, up 11.6 percent from last year. This positive variance was mainly due to gains in sales volume. Favorable changes in foreign exchange rates for currencies such as the euro also contributed to this improvement.

Operating profit

Our consolidated operating profit increased 4.7 percent to ¥790.8 billion, compared to ¥755.5 billion in fiscal 2006. As a percentage of net revenue, operating profit margin came to 7.3 percent.

The variance in consolidated operating profit between the fiscal 2007 total of ¥790.8 billion and the unaudited figure of ¥755.2 billion during fiscal 2006—the latter adjusted for the same period as fiscal 2007 at each subsidiary to avoid the impact of fiscal year period differences—was the result of the following factors:

- Purchasing-cost reductions generated a positive contribution of ¥172.9 billion
- Price, volume and mix had a positive impact of ¥75.0 billion
- A decrease in warranty expenses resulted in a positive contribution of ¥7.6 billion
- Increased raw material and energy costs had a

negative impact of ¥84.7 billion

- Product enrichment, including regulatory costs, lowered profits by ¥52.2 billion
- Selling expenses had a ¥38.1 billion negative impact
- Higher general, administrative and other expenses had negative impact of ¥18.0 billion
- Foreign exchange rate movements had a negative effect of ¥16.2 billion. This was primarily the result of unfavorable movements by the U.S. dollar, which averaged ¥114.4 compared to ¥117.0 the previous year. The euro moved to ¥161.6 from ¥146.2.
- Increased manufacturing expenses had a negative effect of ¥9.2 billion
- Higher R&D expenses created a negative impact of ¥1.5 billion

Net income

Negative foreign exchange rates were primarily responsible for pushing our net non-operating expenses up from last year’s ¥12.9 billion to ¥24.4 billion.

Net extraordinary items contributed a positive ¥1.6 billion, representing a significant improvement over a negative ¥60.8 billion in fiscal 2006. This positive variance came from a combination of this year’s gain on sale of fixed assets—mainly in Japan—and last year’s one-time losses, which included headcount reduction programs.

Pre-tax income was ¥768.0 billion, and taxes totaled ¥262.7 billion, representing an effective consolidated tax rate of 34.2 percent.

Minority interests, which are profits from fully consolidated companies that Nissan does not own outright, such as Calsonic Kansei, Aichi Kikai and Nissan Shatai, amounted to ¥23.0 billion. Net income increased 7.4 percent to ¥482.3 billion, versus ¥449.2 billion in fiscal 2006.

FINANCIAL POSITION

Balance sheet

In fiscal 2007, Nissan's total consolidated assets decreased 3.7 percent to ¥11,939.5 billion. Current assets decreased 3.1 percent to ¥6,294.2 billion. The main reason was a ¥322.8 billion decrease in finance receivables, which was offset by a ¥112.3 billion increase in cash on hand and in banks. Fixed assets decreased to ¥5,645.3 billion, representing a 4.5 percent decline.

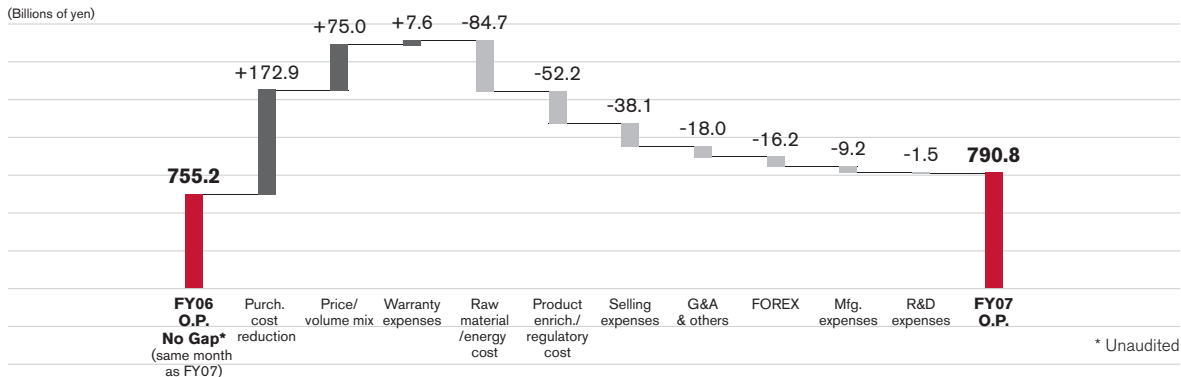
Current liabilities decreased 6.0 percent to ¥5,242.6 billion, the result of a ¥340.4 billion

decrease in short-term borrowing. Total long-term liabilities decreased 3.5 percent to ¥2,847.4 billion, mainly the result of a ¥116.9 billion decrease in long-term borrowing.

Net assets decreased 0.7 percent to ¥3,849.4 billion, compared to ¥3,877.0 billion in fiscal 2006. This was mainly due to changes of ¥332.6 billion in foreign currency translation adjustments and ¥151.7 billion in dividends paid, which were offset by the ¥482.3 billion of increased net income mentioned above.

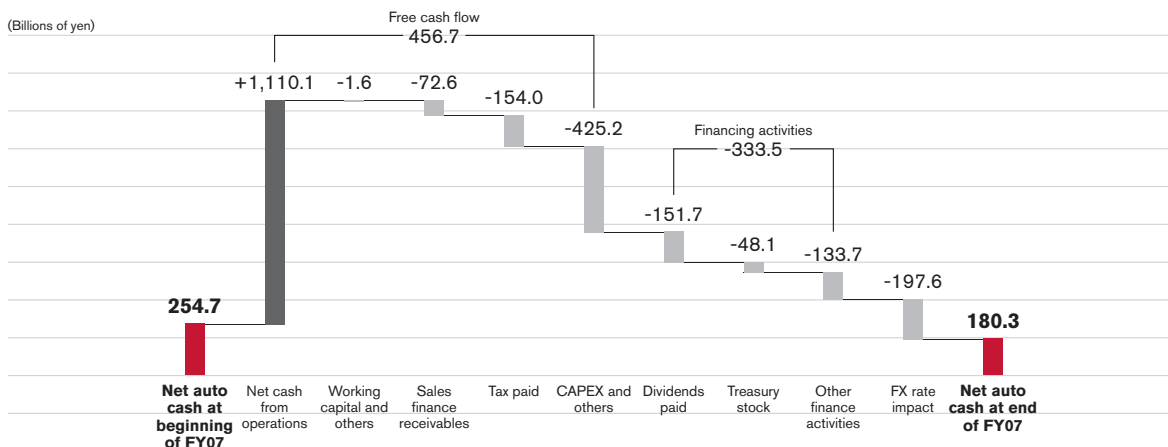
IMPACT ON OPERATING PROFIT

(Billions of yen)



NET CASH FLOW (AUTO)

(Billions of yen)



Automotive net cash change

Cash generated by automotive operations totaled ¥1,110.1 billion. Free cash flow equaled ¥456.7 billion, thanks primarily to improvement in working capital. Cash used for financing activities totaled ¥333.5 billion, including ¥151.7 billion for dividend payments.

Nissan had a net cash position of ¥180.3 billion at the end of fiscal 2007, representing a decrease of ¥74.4 billion compared to the beginning of the fiscal year. This was the combined result of an increase in cash used in financing activities and a decrease in the effect of exchange rate changes of ¥197.6 billion, which were offset by the increase in free cash flow.

Credit rating

Moody's upgraded Nissan's rating from Baa1 to A3 on September 5, 2007. As of May 16, 2006, R&I was listing Nissan's long-term credit rating as A, while S&P upgraded the company's rating from BBB to BBB+ on July 20, 2004.

Investment policy

Our capital expenditures totaled ¥428.9 billion, equal to 4.0 percent of net revenue, including funds used to launch eleven all-new models during the course of fiscal 2007. R&D expenditures were ¥457.5 billion. These funds were used to develop new technologies and products. Nissan launched ten new technologies in fiscal 2007. We will continue this trend with ten new technologies in fiscal 2008, and over fifteen new technologies in 2009 and the years beyond. Our strength is the extensive collaborative development structure Nissan enjoys with Renault's R&D team through the Alliance.

Payout policy

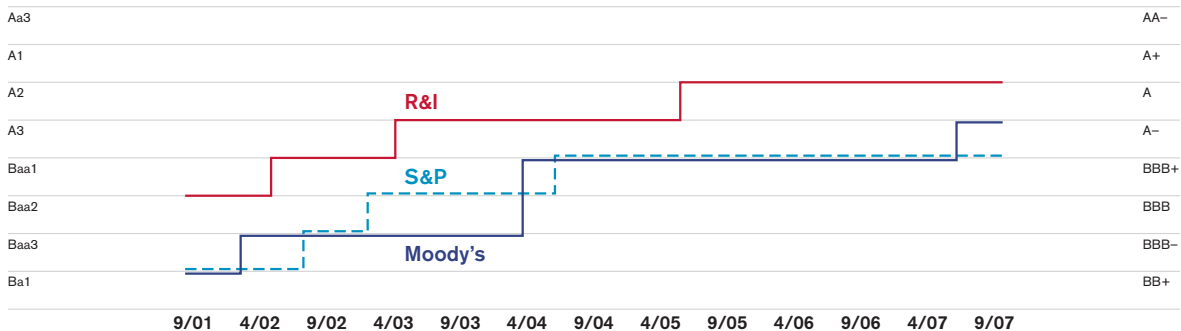
At the annual general shareholders meeting that followed on June 25, 2008, the company proposed an increase in its annual dividend from ¥34 per share in 2006 to ¥40 per share in fiscal 2007.

In addition to announcing the new NISSAN GT 2012 midterm plan, Nissan revealed a new dividend plan on May 13, 2008. Nissan will propose a dividend of ¥42 per share in fiscal 2008, ¥44 per share in fiscal 2009, and ¥46 per share in fiscal 2010. The company will propose dividend payouts for fiscal 2011 and 2012 during fiscal 2010.

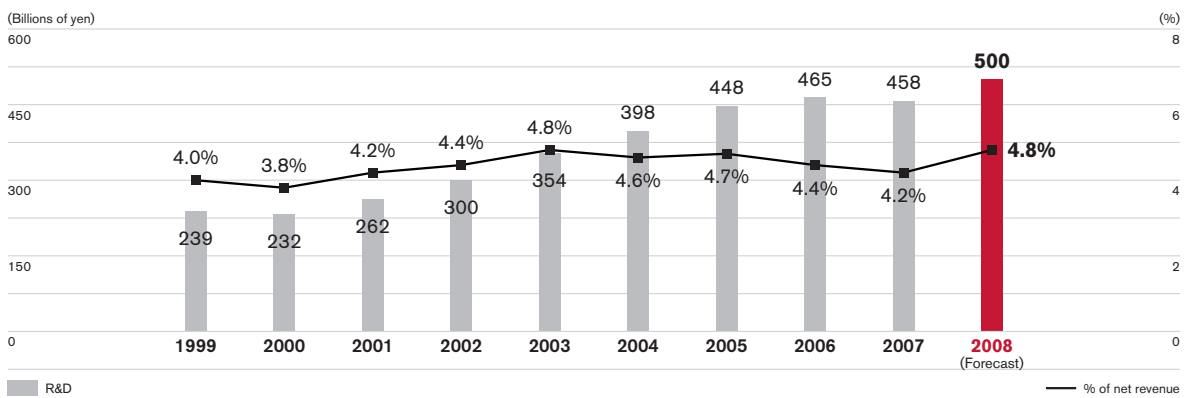
Change to free cash flow from return on invested capital

At the end of fiscal 2007, Nissan's return on invested capital (ROIC) was 16.0 percent. The ROIC average for the NISSAN Value-Up period (fiscal 2005 to 2007) was 17 percent. While that ranks us at the top level among global automakers, it was below our commitment of 20 percent. To optimize profit and investment during NISSAN GT 2012, Nissan has changed its internal objective from ROIC to maximizing free cash flow, since the latter covers a wider range of income statement and balance sheet items.

CORPORATE RATINGS



R&D EXPENDITURES



DIVIDEND

