

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(For consolidated balance sheets)

(Millions of yen)

Prior fiscal year (As of March 31, 2007)	Current fiscal year (As of March 31, 2008)																																		
<p>1. *1 Accumulated depreciation of property, plant and equipment ¥4,349,349</p> <p>The above amount includes accumulated depreciation of leased assets in the amount of ¥160,851 million.</p>	<p>1. *1 Accumulated depreciation of property, plant and equipment ¥4,355,940</p> <p>The above amount includes accumulated depreciation of leased assets in the amount of ¥197,954 million.</p>																																		
<p>2. *2 Machinery, equipment and vehicles included certain items in the amount of ¥1,796,072 million leased to others under lease agreements.</p>	<p>2. *2 Machinery, equipment and vehicles included certain items in the amount of ¥1,598,643 million leased to others under lease agreements.</p>																																		
<p>3. *3 These assets included the following assets pledged as collateral:</p> <p>(1) Assets pledged as collateral:</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;">Trade notes and accounts receivable</td> <td style="text-align: right;">¥ 741</td> </tr> <tr> <td style="padding-left: 20px;">Sales finance receivables</td> <td style="text-align: right;">1,378,045</td> </tr> <tr> <td style="padding-left: 20px;">Property, plant and equipment</td> <td style="text-align: right;">1,057,988</td> </tr> <tr> <td style="padding-left: 20px;">Intangible fixed assets</td> <td style="text-align: right;">445</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">¥2,437,219</td> </tr> </table> <p>(2) Liabilities secured by the above collateral:</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;">Short-term borrowings</td> <td style="text-align: right;">¥ 612,193</td> </tr> <tr> <td style="padding-left: 20px;">Long-term borrowings (including the current portion)</td> <td style="text-align: right;">1,422,841</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">¥2,035,034</td> </tr> </table> <p>In addition to the above, sales finance receivables totaling ¥55,066 million, which were eliminated in consolidation, were pledged as collateral for short-term borrowings of ¥54,957 million.</p>	Trade notes and accounts receivable	¥ 741	Sales finance receivables	1,378,045	Property, plant and equipment	1,057,988	Intangible fixed assets	445	Total	¥2,437,219	Short-term borrowings	¥ 612,193	Long-term borrowings (including the current portion)	1,422,841	Total	¥2,035,034	<p>3. *3 These assets included the following assets pledged as collateral:</p> <p>(1) Assets pledged as collateral:</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;">Cash on hand and in banks</td> <td style="text-align: right;">¥ 1,993</td> </tr> <tr> <td style="padding-left: 20px;">Trade notes and accounts receivable</td> <td style="text-align: right;">2,662</td> </tr> <tr> <td style="padding-left: 20px;">Sales finance receivables</td> <td style="text-align: right;">1,230,097</td> </tr> <tr> <td style="padding-left: 20px;">Property, plant and equipment</td> <td style="text-align: right;">851,998</td> </tr> <tr> <td style="padding-left: 20px;">Intangible fixed assets</td> <td style="text-align: right;">200</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">¥2,086,950</td> </tr> </table> <p>(2) Liabilities secured by the above collateral:</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;">Short-term borrowings</td> <td style="text-align: right;">¥ 602,105</td> </tr> <tr> <td style="padding-left: 20px;">Long-term borrowings (including the current portion)</td> <td style="text-align: right;">1,073,726</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">¥1,675,831</td> </tr> </table>	Cash on hand and in banks	¥ 1,993	Trade notes and accounts receivable	2,662	Sales finance receivables	1,230,097	Property, plant and equipment	851,998	Intangible fixed assets	200	Total	¥2,086,950	Short-term borrowings	¥ 602,105	Long-term borrowings (including the current portion)	1,073,726	Total	¥1,675,831
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<p>4. Notes receivable discounted with banks outstanding as of March 31, 2007 ¥5,229</p>	<p>4. Notes receivable discounted with banks outstanding as of March 31, 2008 ¥5,473</p>																																		
<p>5. Guarantees and others</p> <p>(1) Guarantees</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Guarantees</th> <th style="text-align: right;">Balance of liabilities guaranteed</th> <th style="text-align: left;">Description of liabilities guaranteed</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">Employees</td> <td style="text-align: right;">* ¥160,182</td> <td style="padding-left: 20px;">Guarantees for employees' housing loans and others</td> </tr> <tr> <td style="padding-left: 20px;">593 foreign dealers and 6 other companies</td> <td style="text-align: right;">5,403</td> <td style="padding-left: 20px;">Guarantees for loans</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">¥211,585</td> <td></td> </tr> </tbody> </table> <p>* Allowance for doubtful accounts is provided for these loans mainly based on past experience.</p>	Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed	Employees	* ¥160,182	Guarantees for employees' housing loans and others	593 foreign dealers and 6 other companies	5,403	Guarantees for loans	Total	¥211,585		<p>(1) Guarantees</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Guarantees</th> <th style="text-align: right;">Balance of liabilities guaranteed</th> <th style="text-align: left;">Description of liabilities guaranteed</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">Employees</td> <td style="text-align: right;">* ¥142,926</td> <td style="padding-left: 20px;">Guarantees for employees' housing loans and others</td> </tr> <tr> <td style="padding-left: 20px;">196 foreign dealers and 10 other companies</td> <td style="text-align: right;">36,948</td> <td style="padding-left: 20px;">Guarantees for loans and others</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">¥179,874</td> <td></td> </tr> </tbody> </table> <p>* Allowance for doubtful accounts is provided for these loans mainly based on past experience.</p>	Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed	Employees	* ¥142,926	Guarantees for employees' housing loans and others	196 foreign dealers and 10 other companies	36,948	Guarantees for loans and others	Total	¥179,874											
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<p>(3) Outstanding balance of installment receivables sold with recourse ¥6,076</p>	<p>(3) Outstanding balance of installment receivables sold with recourse ¥3,470</p>																																		

(Millions of yen)

Prior fiscal year (As of March 31, 2007)	Current fiscal year (As of March 31, 2008)
6. *4 ¥83,705 million of goodwill is included in "Intangible fixed assets."	6. *4 ¥83,466 million of goodwill is included in "Intangible fixed assets."
7. *5 Investments in unconsolidated subsidiaries and affiliates Investments in stock of unconsolidated subsidiaries and affiliates ¥362,407	7. *5 Investments in unconsolidated subsidiaries and affiliates Investments in stock of unconsolidated subsidiaries and affiliates ¥430,064 (Investments in stock of joint ventures included:) ¥784
8. *6 Notes maturing at the end of the Company's current fiscal year Notes maturing at the end of the Company's current fiscal year have been eliminated at the date of clearing. The end of the Company's current fiscal year was a holiday for financial institutions, so the following notes are included in the consolidated balance sheet. Notes receivable ¥2,534 Notes payable 163	_____
9. The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows: Total credit lines of overdrafts and loans ¥229,767 Loans receivable outstanding 63,039 Unused credit lines ¥166,728 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.	8. The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows: Total credit lines of overdrafts and loans ¥226,375 Loans receivable outstanding 70,756 Unused credit lines ¥155,619 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.

(For consolidated statements of income)

(Millions of yen)

Prior fiscal year [From April 1, 2006] [To March 31, 2007]		Current fiscal year [From April 1, 2007] [To March 31, 2008]																																						
1. *1	Total research and development costs Research and development costs included in manufacturing costs and selling, general and administrative expenses	¥464,839																																						
2. *2	Gain and loss on sales of property, plant and equipment primarily resulted from the sale of land and buildings in the amount of ¥30,536 million and ¥1,753 million, respectively.																																							
3. *3	The following loss on impairment of fixed assets was recorded for the current fiscal year.																																							
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	<p>The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales finance) and geographical segments. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.</p> <p>The Company and some of its domestic consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of due to a significant decline in their market value by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥22,673 million has been recorded as a special loss in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥9,298 million on idle assets (land - ¥6,907 million and building and structures - ¥2,305 million, and machinery and equipment - ¥86 million) and losses of ¥1,078 million on assets to be sold (land - ¥467 million and buildings and structures - ¥611 million), and losses of ¥12,297 million on assets to be disposed of (land - ¥7,476 million and buildings and structures - ¥4,821 million).</p> <p>The recoverable value of these assets was measured with their net sale value, which was estimated based on an appraisal value for the idle assets and those to be disposed of, or a sales contract for the assets to be sold.</p>																																							
1. *1	Total research and development costs Research and development costs included in manufacturing costs and selling, general and administrative expenses	¥457,482																																						
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(For consolidated statement of changes in net assets)

For the year ended March 31, 2007

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	Number of shares at the end of the prior fiscal year	Increase	Decrease	Number of shares at the end of the current fiscal year
Shares issued: Common stock	4,520,715	—	—	4,520,715
Treasury stock: Common stock	422,763	16,193	29,659	409,297

Notes: 1. Details of the increase are as follows: (Thousands of shares)

Increase in stocks held by affiliates accounted for by the equity method	8,337
Increase due to purchase of the stocks	7,810
Increase due to purchase of the stocks of less than standard unit	46

2. Details of the decrease are as follows:

Decrease due to exercising share subscription rights	29,657
Decrease in stocks held by affiliates accounted for by the equity method	2

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (in thousands)			Balance at the end of the current fiscal year (Millions of yen)
			At the end of the prior fiscal year	Increase	Decrease	
Parent company	Euro-yen bonds with warrants due 2007	Common stock	15,937	—	15,937	—
	Euro-yen bonds with warrants due 2008	Common stock	44,703	—	11,625	33,078
	Subscription rights as stock options			—		1,037
Total				—		2,711

Notes: 1. The decrease of Euro-yen bonds with warrants due 2007 reflects the exercise of the warrants.
2. The decrease of Euro-yen bonds with warrants due 2008 reflects the exercise of some of the warrants.

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 27, 2006	Common stock	61,329	15	March 31, 2006	June 28, 2006
Meeting of the Board of Directors on October 26, 2006	Common stock	69,735	17	September 30, 2006	November 28, 2006

Note: Total dividends have been adjusted by the portion of dividends paid to Renault.

(2) Dividends, which the cutoff date was in the year ended March 31, 2007, and the effective date of which will be in the year ending March 31, 2008

Resolution	Type of shares	Total dividends (Millions of yen)	Resources of dividends	Dividends per share (Yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 20, 2007	Common stock	69,894	Retained earnings	17	March 31, 2007	June 21, 2007

Note: Total dividends have been adjusted by the portion of dividends paid to Renault.

For the year ended March 31, 2008

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	Number of shares at the end of the prior fiscal year	Increase	Decrease	Number of shares at the end of the current fiscal year
Shares issued: Common stock	4,520,715	—	—	4,520,715
Treasury stock: Common stock	409,297	70,746	34,048	445,995

Notes: 1. Details of the increase are as follows: (Thousands of shares)
 Increase due to purchase of the stocks 70,692
 Increase due to purchase of the stocks of less than standard unit 51
 Increase in stocks held by affiliates accounted for by the equity method 3
 2. Details of the decrease are as follows:
 Decrease due to exercising share subscription rights 33,908
 Decrease in stocks held by affiliates accounted for by the equity method 140

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (in thousands)				Balance at the end of the current fiscal year (Millions of yen)
			At the end of the prior fiscal year	Increase	Decrease	At the end of the current fiscal year	
Parent company	Euro-yen bonds with warrants due 2008	Common stock	33,078	—	33,078	—	—
	Subscription rights as stock options			—			1,714
Total				—			1,714

Note: The decrease of Euro-yen bonds with warrants due 2008 reflects the exercise of the warrants and the forfeit of unexercised warrants.

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 20, 2007	Common stock	69,921	17	March 31, 2007	June 21, 2007
Meeting of the Board of Directors on October 26, 2007	Common stock	81,804	20	September 30, 2007	November 27, 2007

Note: Total dividends have been adjusted by the portion of dividends paid to Renault.

(2) Dividends, which the cutoff date was in the year ended March 31, 2008, and the effective date of which will be in the year ending March 31, 2009

Resolution	Type of shares	Total dividends (Millions of yen)	Resources of dividends	Dividends per share (Yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 25, 2008	Common stock	81,496	Retained earnings	20	March 31, 2008	June 26, 2008

Note: Total dividends have been adjusted by the portion of dividends paid to Renault.

(For consolidated statements of cash flows)

(Millions of yen)

Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]																																		
<p>*1 Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheet as follows:</p> <p>As of March 31, 2007:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash on hand and in banks</td> <td style="text-align: right;">¥457,925</td> </tr> <tr> <td>Time deposits with maturities of more than three months</td> <td style="text-align: right;">(14,356)</td> </tr> <tr> <td>Cash equivalents included in securities (*)</td> <td style="text-align: right;">25,819</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">¥469,388</td> </tr> </table> <p>* This represents short-term, highly liquid investments readily convertible into cash held by foreign subsidiaries.</p>	Cash on hand and in banks	¥457,925	Time deposits with maturities of more than three months	(14,356)	Cash equivalents included in securities (*)	25,819	Cash and cash equivalents	¥469,388	<p>1.*1 Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheet as follows:</p> <p>As of March 31, 2008:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash on hand and in banks</td> <td style="text-align: right;">¥570,225</td> </tr> <tr> <td>Time deposits with maturities of more than three months</td> <td style="text-align: right;">(10,394)</td> </tr> <tr> <td>Cash equivalents included in securities (*)</td> <td style="text-align: right;">24,271</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">¥584,102</td> </tr> </table> <p>* This represents short-term, highly liquid investments readily convertible into cash held by foreign subsidiaries.</p> <p>2.*2 Major components of the assets and liabilities of the companies that have been consolidated by acquiring their shares</p> <p>The following assets and liabilities have been consolidated as a result of consolidating Atlet AB and its 16 subsidiaries through the acquisition of their shares. The relation between the acquisition value of these shares and the net disbursement due to the acquisition is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current assets</td> <td style="text-align: right;">¥26,596</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">14,158</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;">5,063</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">(12,186)</td> </tr> <tr> <td>Long-term liabilities</td> <td style="text-align: right;">(17,634)</td> </tr> <tr> <td>Minority interests</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="border-top: 1px solid black;">Acquisition value of shares</td> <td style="text-align: right; border-top: 1px solid black;">15,997</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">(1,642)</td> </tr> <tr> <td style="border-top: 1px solid black;">Net disbursement due to the acquisition</td> <td style="text-align: right; border-top: 1px solid black;">¥14,355</td> </tr> </table>	Cash on hand and in banks	¥570,225	Time deposits with maturities of more than three months	(10,394)	Cash equivalents included in securities (*)	24,271	Cash and cash equivalents	¥584,102	Current assets	¥26,596	Fixed assets	14,158	Goodwill	5,063	Current liabilities	(12,186)	Long-term liabilities	(17,634)	Minority interests	0	Acquisition value of shares	15,997	Cash and cash equivalents	(1,642)	Net disbursement due to the acquisition	¥14,355
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(For lease transactions)

(Millions of yen)

Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]																								
<p>(Lessees' accounting)</p> <p>Operating lease transactions</p> <p>Future minimum lease payments subsequent to March 31, 2007 are summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due in one year or less</td> <td style="text-align: right;">¥ 7,098</td> </tr> <tr> <td>Due after one year</td> <td style="text-align: right;">25,470</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥32,568</td> </tr> </table> <p>(Lessors' accounting)</p> <p>Operating lease transactions</p> <p>Future minimum lease income subsequent to March 31, 2007 is summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due in one year or less</td> <td style="text-align: right;">¥382,028</td> </tr> <tr> <td>Due after one year</td> <td style="text-align: right;">418,280</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥800,308</td> </tr> </table>	Due in one year or less	¥ 7,098	Due after one year	25,470	Total	¥32,568	Due in one year or less	¥382,028	Due after one year	418,280	Total	¥800,308	<p>(Lessees' accounting)</p> <p>Operating lease transactions</p> <p>Future minimum lease payments subsequent to March 31, 2008 are summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due in one year or less</td> <td style="text-align: right;">¥ 7,109</td> </tr> <tr> <td>Due after one year</td> <td style="text-align: right;">19,985</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥27,094</td> </tr> </table> <p>(Lessors' accounting)</p> <p>Operating lease transactions</p> <p>Future minimum lease income subsequent to March 31, 2008 is summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due in one year or less</td> <td style="text-align: right;">¥343,764</td> </tr> <tr> <td>Due after one year</td> <td style="text-align: right;">349,479</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥693,243</td> </tr> </table>	Due in one year or less	¥ 7,109	Due after one year	19,985	Total	¥27,094	Due in one year or less	¥343,764	Due after one year	349,479	Total	¥693,243
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Total	¥693,243																								

(For securities)

(Millions of yen)

Prior fiscal year				Current fiscal year					
Securities				Securities					
1. Marketable held-to-maturity debt securities				1. Marketable held-to-maturity debt securities					
(As of March 31, 2007)				(As of March 31, 2008)					
Types of securities	Carrying value	Estimated fair value	Unrealized gain (loss)	Types of securities	Carrying value	Estimated fair value	Unrealized gain (loss)		
(Securities whose fair value does not exceed their carrying value)				(Securities whose fair value does not exceed their carrying value)					
Government bonds	¥294	¥294	—	Government bonds	¥77	¥77	—		
Corporate bonds	59	59	—	Corporate bonds	—	—	—		
Total	¥353	¥353	—	Total	¥77	¥77	—		
2. Marketable other securities				2. Marketable other securities					
(As of March 31, 2007)				(As of March 31, 2008)					
Types of securities	Acquisition cost	Carrying value	Unrealized gain (loss)	Types of securities	Acquisition cost	Carrying value	Unrealized gain (loss)		
(Securities whose carrying value exceed their acquisition cost)				(Securities whose carrying value exceed their acquisition cost)					
Stock	¥3,508	¥14,613	¥11,105	Stock	¥4,464	¥16,226	¥11,762		
Bonds:				Bonds:					
Government bonds	—	—	—	Government bonds	—	—	—		
Others	2,704	2,751	47	Others	—	—	—		
Subtotal	6,212	17,364	11,152	Subtotal	4,464	16,226	11,762		
(Securities whose carrying value does not exceed their acquisition cost)				(Securities whose carrying value does not exceed their acquisition cost)					
Stock	926	708	(218)	Stock	1,834	1,049	(785)		
Bonds:				Bonds:					
Government bonds	20	20	—	Government bonds	—	—	—		
Others	1,869	1,868	(1)	Others	4,902	4,846	(56)		
Subtotal	2,815	2,596	(219)	Subtotal	6,736	5,895	(841)		
Total	¥9,027	¥19,960	¥10,933	Total	¥11,200	¥22,121	¥10,921		
3. Other securities sold during the current fiscal year				3. Other securities sold during the current fiscal year					
(From April 1, 2006 to March 31, 2007)				(From April 1, 2007 to March 31, 2008)					
Sales proceeds	Total gain	Total loss		Sales proceeds	Total gain	Total loss			
25,700	11,996	—		4,823	801	(2)			
4. Carrying value of major securities whose fair value is not available is as follows:				4. Carrying value of major securities whose fair value is not available is as follows:					
(As of March 31, 2007)				(As of March 31, 2008)					
Other securities:				Other securities:					
Unlisted domestic stocks (excluding those traded on the over-the-counter market)				Unlisted domestic stocks (excluding those traded on the over-the-counter market)					
¥8,170				¥3,915					
Unlisted foreign stocks				Unlisted foreign stocks					
2,357				1,209					
Unlisted foreign investment trusts				Unlisted foreign investment trusts					
21,199				19,425					
5. The redemption schedule for securities with maturity dates which are classified as other securities and held-to-maturity debt securities				5. The redemption schedule for securities with maturity dates which are classified as other securities and held-to-maturity debt securities					
(As of March 31, 2007)				(As of March 31, 2008)					
Types of securities	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years	Types of securities	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Bonds:					Bonds:				
Government bonds	¥314	—	—	—	Government bonds	¥77	—	—	—
Corporate bonds	—	—	59	—	Corporate bonds	—	179	4	—
Total	¥314	—	¥59	—	Total	¥77	¥179	¥4	—

(For derivative transactions)

<p>Prior fiscal year [From April 1, 2006] [To March 31, 2007]</p>	<p>Current fiscal year [From April 1, 2007] [To March 31, 2008]</p>
<p>1. Derivative transactions</p> <p>(1) Policies The Company utilizes derivative financial instruments for the purpose of hedging its exposure to adverse fluctuations in foreign currency exchange rates on receivables and payables denominated in foreign currencies, interest rates on interest-bearing debt and market prices on commodity, but does not enter into such transactions for speculative or trading purposes. An internal management rule on financial market risk (the "Rule") prescribes that the Group's financial market risk is to be controlled by the Company in a centralized manner, and that no individual subsidiary can initiate a hedge position without the prior approval of, and regular reporting back to the Company.</p> <p>(2) Types and purpose of transactions:</p> <p>1) Forward foreign exchange contracts Forward foreign exchange contracts are utilized in order to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables arising from importing and exporting products and others.</p> <p>2) Currency option In the same manner as forward foreign exchange contracts, currency options are utilized in order to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables.</p> <p>3) Interest rate swaps Interest rate swaps are utilized primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.</p> <p>4) Currency swaps Currency swaps are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates and interest rates on foreign currency denominated receivables and payables.</p> <p>5) Interest rate options Interest rate options are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.</p> <p>6) Stock option Stock options are used primarily to hedge against the adverse impact of fluctuations in the share prices.</p> <p>7) Commodity futures contracts Commodity futures contracts are used primarily to hedge against the adverse impact of fluctuations in the market prices of precious metal (used as catalyst for emission gas purifier of automobiles).</p>	<p>1. Derivative transactions</p> <p>(1) Policies Same as the prior fiscal year.</p> <p>(2) Types and purpose of transactions:</p> <p>1) Forward foreign exchange contracts Same as the prior fiscal year.</p> <p>2) Currency option Same as the prior fiscal year.</p> <p>3) Interest rate swaps Same as the prior fiscal year.</p> <p>4) Currency swaps Same as the prior fiscal year.</p> <p>5) Interest rate options Same as the prior fiscal year.</p> <p>6) Stock option Same as the prior fiscal year.</p> <p>7) Commodity futures contracts Commodity futures contracts are used primarily to hedge against the adverse impact of fluctuations in the market prices of precious metal (used as catalyst for emission gas purifier of automobiles) and base metal (automobile material).</p>

(For derivative transactions)

Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]
<p>(3) Description of risks relating to derivative transactions</p> <p>1) Market risk Although derivative transactions are used for the purpose of hedging risks on assets and liabilities recorded in the consolidated balance sheet, there remain the risk of foreign currency exchange fluctuations on currency transactions, the risk of interest rate fluctuations on interest rate transactions and the risk of market price fluctuations on commodity transactions.</p> <p>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, the Company believes, is not subject to any such material risk. This is because RF enters into derivative transactions to cover such derivative transactions with the Group only with financial institutions of the highest caliber carefully selected by RF based on its own rating system.</p> <p>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 Group'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 which are retained on file in a central location.</p>	<p>(3) Description of risks relating to derivative transactions</p> <p>1) Market risk Same as the prior fiscal year.</p> <p>2) Credit risk Same as the prior fiscal year.</p> <p>3) Legal risk Same as the prior fiscal year.</p>

<p>Prior fiscal year [From April 1, 2006] [To March 31, 2007]</p>	<p>Current fiscal year [From April 1, 2007] [To March 31, 2008]</p>
<p>(4) Risk management for derivative transactions All 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 the Group's financial market risk is to be controlled by the Company in a centralized manner, and that no individual subsidiary is permitted to initiate a hedging operation without the prior approval of, and regular reporting back to the Company.</p> <p>The basic hedge policy is subject to the approval of the Monthly Hedge Policy Meeting attended by the corporate officer in charge of the 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 Finance Department and monitoring of the balance of all open positions and confirming balances are the responsibility of the Accounting Section and the Risk Management Section. Commodity futures contracts are to be handled by Finance 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 CFO and it will meet approximately once every six months.</p> <p>The status of derivative transactions is reported on a daily basis to the corporate officer in charge of Finance Department and on an annual basis to the Board of Directors.</p> <p>Credit risk is monitored quantitatively using RF'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.</p> <p>(5) Supplemental explanation on quantitative information</p> <p>1) The fair value and unrealized gain or loss on derivative transactions are estimates which are considered appropriate based on the market at the balance sheet date and, thus, fair value is not necessarily indicative of the actual amounts which may be realized or settled in the future.</p> <p>2) The notional amounts of the swaps are not a direct measure of the Company's risk exposure in connection with its swap transactions.</p>	<p>(4) Risk management for derivative transactions All 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 the Group's financial market risk is to be controlled by the Company in a centralized manner, and that no individual subsidiary is permitted to initiate a hedging operation without the prior approval of, and regular reporting back to the Company.</p> <p>The basic hedge policy is subject to the approval of the Monthly Hedge Policy Meeting attended by the corporate officer in charge of the 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 Finance Department and monitoring of the balance of all open positions and confirming balances are the responsibility of the Accounting Section and the Risk Management Section. Commodity futures contracts are to be handled by Finance Department under guidelines which are to be drawn up by the RMC (Raw Material Committee). The RMC is chaired by the corporate officer in charge of the Purchasing Department and the CFO and it will meet approximately once every six months.</p> <p>The status of derivative transactions is reported on a daily basis to the corporate officer in charge of Finance Department and on an annual basis to the Board of Directors.</p> <p>Credit risk is monitored quantitatively using RF'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.</p> <p>(5) Supplemental explanation on quantitative information</p> <p>1) Same as the prior fiscal year.</p> <p>2) Same as the prior fiscal year.</p>

2. Fair value of derivative transactions

Notional amounts, fair value and unrealized gain or loss

(1) Currency-related transactions

(Millions of yen)

Classification	Type	Prior fiscal year (As of March 31, 2007)				Current fiscal year (As of March 31, 2008)			
		Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)	Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:								
	Sell:								
	USD	¥ 12,849	—	¥ 12,928	¥ (79)	¥ 7,895	—	¥ 7,521	¥ 374
	EUR	1,064	—	1,080	(16)	1,100	—	1,104	(4)
	ZAR	695	—	694	1	—	—	—	—
	GBP	22	—	22	0	9	—	8	1
	THB	—	—	—	—	8,937	—	8,878	59
	Others	12	—	12	0	—	—	—	—
	Buy:								
	EUR	757	—	763	6	1,172	—	1,183	11
	USD	3,483	—	3,477	(6)	2,104	—	2,040	(64)
	Others	10	—	10	0	403	—	388	(15)
	Swaps:								
	EUR	¥ 59,657	—	¥ (269)	¥ (269)	¥ 66,854	—	¥ (39)	¥ (39)
	USD	20,816	10,064	424	424	9,000	8,541	1,491	1,491
AUD	1,291	—	(29)	(29)	—	—	—	—	
CAD	4,353	4,353	(42)	(42)	3,694	3,694	(380)	(380)	
ZAR	—	—	—	—	4,631	—	268	268	
THB	25,513	—	(81)	(81)	37,378	—	146	146	
Total		—	—	—	¥ (91)	—	—	—	¥ 1,848

Notes: 1. Calculation of fair value

Calculation of fair value is based on the discounted cash flows and others.

2. The notional amounts of the derivative transactions presented above exclude those for which hedge accounting has been adopted.

(2) Interest-related transactions

(Millions of yen)

Classification	Type	Prior fiscal year (As of March 31, 2007)				Current fiscal year (As of March 31, 2008)			
		Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)	Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)
Non-market transactions	Swaps:								
	Receive floating/ pay fixed	¥203,495	¥188,583	¥ 108	¥ 108	¥198,869	¥198,869	¥(2,787)	¥(2,787)
	Receive fixed/ pay floating	251,648	195,483	280	280	202,060	202,060	2,288	2,288
	Options								
	Caps sold (Premium)	¥460,851 (—)	¥286,928 (—)	¥(1,558)	¥(1,558)	¥546,622 (—)	¥183,007 (—)	¥(2,923)	¥(2,923)
	Caps purchased (Premium)	460,851 (—)	286,928 (—)	1,558	1,558	546,622 (—)	183,007 (—)	2,923	2,923
	Total	—	—	—	¥ 388	—	—	—	¥ (499)

Notes: 1. Calculation of fair value

Calculation of fair value is based on the discounted cash flows and others.

2. The notional amounts of the derivative transactions presented above exclude those for which hedge accounting has been adopted.

(3) Commodity-related transactions

(Millions of yen)

Classification	Type	Prior fiscal year (As of March 31, 2007)				Current fiscal year (As of March 31, 2008)			
		Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)	Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)
Non-market transactions	Forward contract								
	Buy: Aluminum	—	—	—	—	¥49,563	—	¥55,375	¥5,812
	Total	—	—	—	—	—	—	—	¥5,812

Notes: 1. Calculation of fair value

Calculation of fair value is based on the discounted cash flows and others.

2. The notional amounts of the derivative transactions presented above exclude those for which hedge accounting has been adopted.

(For retirement benefits)

1. Description of retirement benefit plans

The Nissan Group (consisting of the Company and its consolidated subsidiaries) has several defined-benefit and defined-contribution pension plans. The Company and certain consolidated subsidiaries have adopted both defined-benefit and defined-contribution pension plans, whereas certain other consolidated subsidiaries have either defined-benefit or defined-contribution pension plans. The defined-benefit pension plans adopted by the Company and certain domestic subsidiaries include lump-sum payment plans, defined-benefit corporate pension plans, welfare pension fund plans and tax-qualified plans. Certain employees may be entitled to additional special retirement benefits, depending on the conditions for the termination of their employment. Certain consolidated subsidiaries have transferred a part of their previous defined-benefit pension plans to defined-contribution ones during the current fiscal year.

2. The following table sets forth the funded status of retirement benefit plans:

(Millions of yen)

	Prior fiscal year (As of March 31, 2007)	Current fiscal year (As of March 31, 2008)
a. Retirement benefit obligation	¥(1,273,725)	¥(1,174,330)
b. Plan assets at fair value	1,008,771	905,475
c. Unfunded retirement benefit obligation (a+b)	(264,954)	(268,855)
d. Unrecognized net retirement benefit obligation at transition	89,822	78,297
e. Unrecognized actuarial gain or loss	81,493	106,478
f. Unrecognized prior service cost (a reduction of liability)	(54,049) ^(Note 2)	(47,523) ^(Note 2)
g. Net retirement benefit obligation recognized in the consolidated balance sheet (c+d+e+f)	(147,688)	(131,603)
h. Prepaid pension costs	46,806	45,882
i. Accrued retirement benefits (g-h)	¥ (194,494)	¥ (177,485)

Prior fiscal year
(As of March 31, 2007)

- Notes: 1. The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.
2. Effective April 1, 2001, the Company discontinued to provide certain benefits under the welfare pension fund plan for future services. As a result, prior service cost (a reduction of liability) was incurred.
3. Certain subsidiaries adopted a simplified method in the calculation of their retirement benefit obligation.
4. In addition to the accrued retirement benefits explained above, an accrual for additional retirement benefits is recognized and has been included in "Accrued expenses" in the accompanying consolidated balance sheet.
5. The effects of a partial transition from the tax-qualified and lump-sum payment plans to defined contribution plans are as follows.

	(Millions of yen)
Decrease in retirement benefit obligation	¥29,285
Decrease in plan assets at fair value	(4,493)
Unrecognized net retirement benefit obligation at transition	718
Unrecognized actuarial gain or loss	(6,202)
Unrecognized prior service cost	(526)
Decrease in accrued retirement benefits	18,782

The amount of plan assets transferred to defined contribution plans amounted to ¥4,493 million, which was fully transferred in the current fiscal year.

Current fiscal year
(As of March 31, 2008)

- Notes: 1. The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.
2. Effective April 1, 2001, the Company discontinued to provide certain benefits under the welfare pension fund plan for future services. As a result, prior service cost (a reduction of liability) was incurred.
3. Certain subsidiaries adopted a simplified method in the calculation of their retirement benefit obligation.
4. In addition to the accrued retirement benefits explained above, an accrual for additional retirement benefits is recognized and has been included in "Accrued expenses" in the accompanying consolidated balance sheet.
5. The effects of a partial transition from the tax-qualified, lump-sum payment and welfare pension fund plans to defined contribution plans are as follows.

	(Millions of yen)
Decrease in retirement benefit obligation	¥7,715
Decrease in plan assets at fair value	(7,352)
Unrecognized net retirement benefit obligation at transition	(32)
Unrecognized actuarial gain or loss	322
Unrecognized prior service cost	203
Decrease in accrued retirement benefits	856

The amount of plan assets transferred to defined contribution plans amounted to ¥7,352 million, which was fully transferred in the current fiscal year.

3. The components of retirement benefit expenses were as follows:

(Millions of yen)

	Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]
a. Service cost	¥ 51,696 (Note 2)	¥ 50,119 (Note 2)
b. Interest cost	41,209	41,855
c. Expected return on plan assets	(39,625)	(42,332)
d. Amortization of net retirement benefit obligation at transition	11,147	11,244
e. Amortization of actuarial gain or loss	9,031	9,006
f. Amortization of prior service cost	(6,925) (Note 3)	(7,377) (Note 3)
g. Other	3,732	6,511
h. Retirement benefit expenses (a+b+c+d+e+f+g)	¥ 70,265	¥ 69,026
i. Gain (Loss) on implementation of defined contribution plans	(18,782)	(856)
Total	¥ 51,483	¥ 68,170

Prior fiscal year
[From April 1, 2006]
[To March 31, 2007]

Current fiscal year
[From April 1, 2007]
[To March 31, 2008]

Notes: 1. In addition to the retirement benefit expenses referred to above, additional retirement benefit expenses of ¥34,297 million were accounted for as a special loss for the year ended March 31, 2007.

2. Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans.

3. Amortization of prior service cost represents the amount to be recognized for this fiscal year with respect to prior service cost explained in Note 2 to the table setting forth the fund status.

4. Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in a. "Service cost."

5. The pension assets in the multi-employer welfare pension fund plans allocated to the Company and the domestic consolidated subsidiaries based on their share of the contributions amounted to ¥39,703 million.

Notes: 1. In addition to the retirement benefit expenses referred to above, additional retirement benefit expenses of ¥17,575 million were accounted for as a special loss for the year ended March 31, 2008.

2. Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans.

3. Amortization of prior service cost represents the amount to be recognized for this fiscal year with respect to prior service cost explained in Note 2 to the table setting forth the fund status.

4. Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in a. "Service cost."

4. Assumptions used in accounting for the retirement benefit obligation

	Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]
a. Attribution of retirement benefit obligation	The straight-line method over the estimated years of service of the eligible employees	Same as the prior fiscal year.
b. Discount rates	Domestic companies: 2.1% – 2.3% Foreign companies: 2.8% – 6.2%	Same as the prior fiscal year.
c. Expected rate of return on plan assets	Domestic companies: mainly 3.0% Foreign companies: 2.8% – 9.0%	Same as the prior fiscal year.
d. Amortization period of prior service cost	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 eligible employees.	Same as the prior fiscal year.
e. Amortization period of actuarial gain or loss	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 9 years through 18 years) which are shorter than the average remaining years of service of the eligible employees. Certain foreign consolidated subsidiaries have adopted the corridor approach for the amortization of actuarial gain and loss.	Same as the prior fiscal year.
f. Amortization period of net retirement benefit obligation at transition	Mainly 15 years	Same as the prior fiscal year.

(For share-based payments)

For the year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

1. The account and the amount of stock options charged as expenses for the year:

Salaries and wages in Selling, general and administrative expenses ¥1,037 million

2. Description of stock options/Changes in the size of stock options

(1) Description of stock options

Company name	The Company	The Company	The Company	The Company
	2003 Stock Options	2004 Stock Options	2005 Stock Options	2006 Stock Options
Category and number of people to whom stock options are granted	The Company's employees: 548 Directors of the Company's subsidiaries: 101 Employees of the Company's subsidiaries: 5 Total: 654	The Company's employees: 590 Directors of the Company's subsidiaries: 96 Employees of the Company's subsidiaries: 4 Total: 690	The Company's employees: 620 Directors of the Company's subsidiaries: 88 Employees of the Company's subsidiaries: 4 Total: 712	The Company's employees: 456 Directors of the Company's subsidiaries: 72 Total: 528
Type and number of shares	Common stock 12,405,000 shares	Common stock 12,770,000 shares	Common stock 13,150,000 shares	Common stock 13,075,000 shares
Grant date	May 7, 2003	April 16, 2004	April 25, 2005	May 8, 2006
Vesting conditions	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.
Vesting period	From May 7, 2003 to May 7, 2005	From April 16, 2004 to April 16, 2006	From April 25, 2005 to April 25, 2007	From May 8, 2006 to May 8, 2008
Exercise period	From May 8, 2005 to May 8, 2010	From April 17, 2006 to June 19, 2013	From April 26, 2007 to June 23, 2014	From May 9, 2008 to June 20, 2015

Company name	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.
	2002 Stock Options	2003 Stock Options	2004 Stock Options
Category and number of people to whom stock options are granted	The company's directors: 9 The company's employees: 37 Directors of the company's affiliates: 24 Total: 70	The company's directors: 10 The company's employees: 35 Directors of the company's affiliates: 26 Person specially designated by the company: 1 Total: 72	The company's directors: 3 The company's employees: 53 Directors of the company's affiliates: 21 Person specially designated by the company: 1 Total: 78
Type and number of shares	Common stock 1,500,000 shares	Common stock 1,780,000 shares	Common stock 1,700,000 shares
Grant date	August 1, 2002	August 18, 2003	August 31, 2004
Vesting conditions	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The company must achieve its targeted results. (3) The holders must achieve their respective targets.
Vesting period	From August 1, 2002 to June 30, 2004	From August 18, 2003 to June 30, 2005	From August 31, 2004 to June 30, 2006
Exercise period	From July 1, 2004 to June 30, 2007	From July 1, 2005 to June 30, 2008	From July 1, 2006 to June 30, 2009

Company name	Calsonic Kansei Corporation	Calsonic Kansei Corporation	Calsonic Kansei Corporation
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Category and number of people to whom stock options are granted	The company's directors: 9 The company's employees: 103 Directors of the company's subsidiaries: 14 Total: 126	The company's directors: 9 The company's employees: 148 Directors of the company's subsidiaries: 15 Employee of the company's subsidiaries: 1 Total: 173	The company's directors: 9 The company's employees: 164 Directors of the company's subsidiaries: 15 Employee of the company's subsidiaries: 1 Total: 189
Type and number of shares	Common stock 1,304,000 shares	Common stock 1,954,000 shares	Common stock 1,985,000 shares
Grant date	August 6, 2003	October 6, 2004	December 5, 2005
Vesting conditions	Those who hold share subscription rights must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period.	Those who hold share subscription rights must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period.	Those who hold share subscription rights must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period.
Vesting period	From August 6, 2003 to June 30, 2005	From October 6, 2004 to June 30, 2006	From December 5, 2005 to June 30, 2007
Exercise period	From July 1, 2005 to June 30, 2010	From July 1, 2006 to June 30, 2011	From July 1, 2007 to June 30, 2012

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the year ended March 31, 2007. The number of stock options is translated into the number of shares.

1) Number of stock options

Company name	The Company	The Company	The Company	The Company
	2003 Stock Options	2004 Stock Options	2005 Stock Options	2006 Stock Options
Share subscription rights which are not yet vested (shares):				
As of March 31, 2006	—	10,078,000	13,150,000	—
Granted	—	—	—	13,075,000
Forfeited	—	—	4,728,000	75,000
Vested	—	10,078,000	—	—
Balance of options not vested	—	—	8,422,000	13,000,000
Share subscription rights which have already been vested (shares):				
As of March 31, 2006	8,655,500	—	—	—
Vested	—	10,078,000	—	—
Exercised	1,434,100	690,400	—	—
Forfeited	20,000	109,500	—	—
Balance of options not exercised	7,201,400	9,278,100	—	—

Company name	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.
	2002 Stock Options	2003 Stock Options	2004 Stock Options
Share subscription rights which are not yet vested (shares):			
As of March 31, 2006	—	—	1,336,000
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	1,336,000
Balance of options not vested	—	—	—
Share subscription rights which have already been vested (shares):			
As of March 31, 2006	10,000	184,000	—
Vested	—	—	1,336,000
Exercised	—	74,000	—
Forfeited	—	—	—
Balance of options not exercised	10,000	110,000	1,336,000

Company name	Calsonic Kansei Corporation	Calsonic Kansei Corporation	Calsonic Kansei Corporation
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Share subscription rights which are not yet vested (shares):			
As of March 31, 2006	—	1,940,000	1,977,000
Granted	—	—	—
Forfeited	—	—	30,000
Vested	—	1,940,000	—
Balance of options not vested	—	—	1,947,000
Share subscription rights which have already been vested (shares):			
As of March 31, 2006	1,254,000	—	—
Vested	—	1,940,000	—
Exercised	45,000	1,000	—
Forfeited	48,000	81,000	—
Balance of options not exercised	1,161,000	1,858,000	—

2) Per share prices

Company name	The Company	The Company	The Company	The Company
	2003 Stock Options	2004 Stock Options	2005 Stock Options	2006 Stock Options
Exercise price (Yen)	932	1,202	1,119	1,526
Average price per share upon exercise (Yen)	1,386	1,403	—	—
Fair value per share at grant date (Yen)	—	—	—	222.30

Company name	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.
	2002 Stock Options	2003 Stock Options	2004 Stock Options
Exercise price (Yen)	317	421	759
Average price per share upon exercise (Yen)	—	665	—
Fair value per share at grant date (Yen)	—	—	—

Company name	Calsonic Kansei Corporation	Calsonic Kansei Corporation	Calsonic Kansei Corporation
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Exercise price (Yen)	737	844	759
Average price per share upon exercise (Yen)	856	770	—
Fair value per share at grant date (Yen)	—	—	—

3. Method for estimating per share fair value of stock options

The per share fair value of the 2006 stock options granted during the fiscal year ended March 31, 2007 was estimated as follows.

1) Technique of estimation used: Binomial model

2) Basic factors taken into account for the estimation:

	2006 Stock Options
Expected volatility of the share price ^(Note 1)	21.00%
Expected life of the option ^(Note 2)	5 years and 6 months
Expected dividend ^(Note 3)	¥40
Risk-free interest rate ^(Note 4)	1.50%

Notes: 1. The volatility of the share price for the expected life of the option is estimated by taking into account the volatility of the entire stock market, the characteristics of the Company's stock and the fair value of the stock options, while drawing upon the actual share prices in the past.

2. Because there is not enough data to make a reasonable estimation, Expected life of the option is based on the assumption that the options are evenly exercised on every March 1, June 1, September 1 and December 1 during the exercise period.

3. According to the estimation for the year ending March 31, 2008 of the Nissan Value Up dividend policy.

4. Risk-free interest rate is the yield on government bonds for the period that corresponds to the remaining life of the option.

4. Estimation of the number of stock options vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, historical data is reflected for the options that have not yet been vested, and the number of options that have actually forfeited is reflected for the options that have already been vested.

For the year ended March 31, 2008 (from April 1, 2007 to March 31, 2008)

1. The account and the amount of stock options charged as expenses for the year:

Salaries and wages in Selling, general and administrative expenses

¥676 million

2. Description of stock options/Changes in the size of stock options

(1) Description of stock options

Company name	The Company	The Company	The Company
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Category and number of people to whom stock options are granted	The Company's employees: 548 Directors of the Company's subsidiaries: 101 Employees of the Company's subsidiaries: 5 Total: 654	The Company's employees: 590 Directors of the Company's subsidiaries: 96 Employees of the Company's subsidiaries: 4 Total: 690	The Company's employees: 620 Directors of the Company's subsidiaries: 88 Employees of the Company's subsidiaries: 4 Total: 712
Type and number of shares	Common stock 12,405,000 shares	Common stock 12,770,000 shares	Common stock 13,150,000 shares
Grant date	May 7, 2003	April 16, 2004	April 25, 2005
Vesting conditions	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.
Vesting period	From May 7, 2003 to May 7, 2005	From April 16, 2004 to April 16, 2006	From April 25, 2005 to April 25, 2007
Exercise period	From May 8, 2005 to May 8, 2010	From April 17, 2006 to June 19, 2013	From April 26, 2007 to June 23, 2014

Company name	The Company	The Company	The Company
	2006 Stock Options	2007 Stock Options [1st]	2007 Stock Options [2nd]
Category and number of people to whom stock options are granted	The Company's employees: 456 Directors of the Company's subsidiaries: 72 Total: 528	The Company's employees: 23	The Company's employees: 12
Type and number of shares	Common stock 13,075,000 shares	Common stock 680,000 shares	Common stock 360,000 shares
Grant date	May 8, 2006	May 8, 2007	December 21, 2007
Vesting conditions	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets.
Vesting period	From May 8, 2006 to May 8, 2008	From May 8, 2007 to May 8, 2009	From December 21, 2007 to March 31, 2010
Exercise period	From May 9, 2008 to June 20, 2015	From May 9, 2009 to June 26, 2016	From April 1, 2010 to June 19, 2017

Company name	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.
	2002 Stock Options	2003 Stock Options	2004 Stock Options
Category and number of people to whom stock options are granted	The company's directors: 9 The company's employees: 37 Directors of the company's affiliates: 24 Total: 70	The company's directors: 10 The company's employees: 35 Directors of the company's affiliates: 26 Person specially designated by the company: 1 Total: 72	The company's directors: 3 The company's employees: 53 Directors of the company's affiliates: 21 Person specially designated by the company: 1 Total: 78
Type and number of shares	Common stock 1,500,000 shares	Common stock 1,780,000 shares	Common stock 1,700,000 shares
Grant date	August 1, 2002	August 18, 2003	August 31, 2004
Vesting conditions	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The company must achieve its targeted results. (3) The holders must achieve their respective targets.	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The company must achieve its targeted results. (3) The holders must achieve their respective targets.
Vesting period	From August 1, 2002 to June 30, 2004	From August 18, 2003 to June 30, 2005	From August 31, 2004 to June 30, 2006
Exercise period	From July 1, 2004 to June 30, 2007	From July 1, 2005 to June 30, 2008	From July 1, 2006 to June 30, 2009

Company name	Calsonic Kansei Corporation	Calsonic Kansei Corporation	Calsonic Kansei Corporation
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Category and number of people to whom stock options are granted	The company's directors: 9 The company's employees: 103 Directors of the company's subsidiaries: 14 Total: 126	The company's directors: 9 The company's employees: 148 Directors of the company's subsidiaries: 15 Employee of the company's subsidiaries: 1 Total: 173	The company's directors: 9 The company's employees: 164 Directors of the company's subsidiaries: 15 Employee of the company's subsidiaries: 1 Total: 189
Type and number of shares	Common stock 1,304,000 shares	Common stock 1,954,000 shares	Common stock 1,985,000 shares
Grant date	August 6, 2003	October 6, 2004	December 5, 2005
Vesting conditions	Those who hold share subscription rights must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period.	Those who hold share subscription rights must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period.	Those who hold share subscription rights must remain employees or directors of the company, its subsidiaries, or affiliates until the beginning of the exercise period.
Vesting period	From August 6, 2003 to June 30, 2005	From October 6, 2004 to June 30, 2006	From December 5, 2005 to June 30, 2007
Exercise period	From July 1, 2005 to June 30, 2010	From July 1, 2006 to June 30, 2011	From July 1, 2007 to June 30, 2012

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the year ended March 31, 2008. The number of stock options is translated into the number of shares.

1) Number of stock options

Company name	The Company	The Company	The Company
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Share subscription rights which are not yet vested (shares):			
As of March 31, 2007	—	—	8,422,000
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	8,422,000
Balance of options not vested	—	—	—
Share subscription rights which have already been vested (shares):			
As of March 31, 2007	7,201,400	9,278,100	—
Vested	—	—	8,422,000
Exercised	646,300	38,200	273,500
Forfeited	36,000	51,000	60,000
Balance of options not exercised	6,519,100	9,188,900	8,088,500

Company name	The Company	The Company	The Company
	2006 Stock Options	2007 Stock Options [1st]	2007 Stock Options [2nd]
Share subscription rights which are not yet vested (shares):			
As of March 31, 2007	13,000,000	—	—
Granted	—	680,000	360,000
Forfeited	5,063,200	—	—
Vested	—	—	—
Balance of options not vested	7,936,800	680,000	360,000
Share subscription rights which have already been vested (shares):			
As of March 31, 2007	—	—	—
Vested	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Balance of options not exercised	—	—	—

Company name	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.
	2002 Stock Options	2003 Stock Options	2004 Stock Options
Share subscription rights which are not yet vested (shares):			
As of March 31, 2007	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	—
Balance of options not vested	—	—	—
Share subscription rights which have already been vested (shares):			
As of March 31, 2007	10,000	110,000	1,336,000
Vested	—	—	—
Exercised	10,000	91,000	869,000
Forfeited	—	—	—
Balance of options not exercised	—	19,000	467,000

Company name	Calsonic Kansei Corporation	Calsonic Kansei Corporation	Calsonic Kansei Corporation
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Share subscription rights which are not yet vested (shares):			
As of March 31, 2007	—	—	1,947,000
Granted	—	—	—
Forfeited	—	—	13,000
Vested	—	—	1,934,000
Balance of options not vested	—	—	—
Share subscription rights which have already been vested (shares):			
As of March 31, 2007	1,161,000	1,858,000	—
Vested	—	—	1,934,000
Exercised	—	—	—
Forfeited	60,000	136,000	140,000
Balance of options not exercised	1,101,000	1,722,000	1,794,000

2) Per share prices

Company name	The Company	The Company	The Company	The Company	The Company	The Company
	2003 Stock Options	2004 Stock Options	2005 Stock Options	2006 Stock Options	2007 Stock Options [1st]	2007 Stock Options [2nd]
Exercise price (Yen)	932	1,202	1,119	1,526	1,333	1,205
Average price per share upon exercise (Yen)	1,258	1,288	1,284	—	—	—
Fair value per share at grant date (Yen)	—	—	—	222.30	136.29	205.43

Company name	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.	Nissan Shatai Co., Ltd.
	2002 Stock Options	2003 Stock Options	2004 Stock Options
Exercise price (Yen)	317	421	759
Average price per share upon exercise (Yen)	615	786	887
Fair value per share at grant date (Yen)	—	—	—

Company name	Calsonic Kansei Corporation	Calsonic Kansei Corporation	Calsonic Kansei Corporation
	2003 Stock Options	2004 Stock Options	2005 Stock Options
Exercise price (Yen)	737	844	759
Average price per share upon exercise (Yen)	—	—	—
Fair value per share at grant date (Yen)	—	—	—

3. Method for estimating per share fair value of stock options

The per share fair value of the 2007 stock options granted during the fiscal year ended March 31, 2008 was estimated as follows.

- 1) Technique of estimation used: Binomial model
- 2) Basic factors taken into account for the estimation:

	2007 Stock Options [1st]	2007 Stock Options [2nd]
Expected volatility of the share price ^(Note 1)	22.80%	28.50%
Expected life of the option ^(Note 2)	5 years and 6 months	5 years and 10 months
Expected dividend ^(Note 3)	¥40	¥40
Risk-free interest rate ^(Note 4)	1.30%	1.14%

Notes: 1. The volatility of the share price for the expected life of the option is estimated by taking into account the volatility of the entire stock market, the characteristics of the Company's stock and the fair value of the stock options, while drawing upon the actual share prices in the past.

2. Because there is not enough data to make a reasonable estimation, Expected life of the option is based on the assumption that the options are evenly exercised on every March 1, June 1, September 1 and December 1 during the exercise period.

3. According to the Nissan Value Up dividend policy.

4. Risk-free interest rate is the yield on government bonds for the period that corresponds to the remaining life of the option.

4. Estimation of the number of stock options vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, historical data is reflected for the options that have not yet been vested, and the number of options that have actually forfeited is reflected for the options that have already been vested.

(For income taxes)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2007)	Current fiscal year (As of March 31, 2008)
Deferred tax assets:		
Net operating loss carry forwards	¥ 56,141	¥ 54,802
Accrued retirement benefits	128,515	102,744
Accrued warranty costs	70,364	62,511
Other	499,960	460,939
Total gross deferred tax assets	754,980	680,996
Valuation allowance	(72,601)	(83,519)
Total deferred tax assets	682,379	597,477
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(451,404)	(401,535)
Difference between cost of investments and their underlying net equity at fair value	(78,917)	(79,241)
Unrealized holding gain on securities	(4,166)	(4,562)
Other	(182,082)	(181,706)
Total deferred tax liabilities	(716,569)	(667,044)
Net deferred tax assets	¥ (34,190)	¥ (69,567)

Note: Net deferred tax assets as of March 31, 2007 and 2008 are reflected in the following accounts in the consolidated balance sheets:

	Prior fiscal year (As of March 31, 2007)	Current fiscal year (As of March 31, 2008)
	(Millions of yen)	
Current assets—deferred tax assets	¥ 324,979	¥ 299,306
Fixed assets—deferred tax assets	157,495	94,420
Current liabilities—deferred tax liabilities	9,064	1,501
Long-term liabilities—deferred tax liabilities	507,600	461,792

2. The reconciliation between the effective tax rates reflected in the consolidated financial statements and the statutory tax rate is summarized as follows:

	Prior fiscal year (As of March 31, 2007)	Current fiscal year (As of March 31, 2008)
Statutory tax rate of the Company	40.6%	40.6%
(Reconciliation)		
▪ Different tax rates applied to foreign subsidiaries	(5.4)%	(5.9)%
▪ Tax credits	(2.8)%	(1.6)%
▪ Change in valuation allowance	(0.0)%	1.6%
▪ Equity in earnings of affiliates	(1.2)%	(2.0)%
▪ Other	(0.8)%	1.5%
Effective tax rates after adoption of tax-effect accounting	30.4%	34.2%

(Segment Information)

Business segment information

Prior fiscal year (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Automobile	Sales financing	Total	Eliminations	Consolidated
I. Sales and operating income					
(1) Sales to third parties	9,790,484	678,099	10,468,583	—	10,468,583
(2) Inter-segment sales and transfers	28,767	16,613	45,380	(45,380)	—
Total sales	9,819,251	694,712	10,513,963	(45,380)	10,468,583
Operating expenses	9,171,272	618,959	9,790,231	(98,587)	9,691,644
Operating income	647,979	75,753	723,732	53,207	776,939
II. Assets, depreciation, impairment loss, and capital expenditures					
Total assets	7,910,116	5,910,380	13,820,496	(1,418,288)	12,402,208
Depreciation	447,924	323,299	771,223	—	771,223
Impairment loss	22,673	—	22,673	—	22,673
Capital Expenditure	578,363	925,841	1,504,204	—	1,504,204

Notes: 1. Businesses are segmented based on their proximity in terms of the type, nature and markets of their products.

2. Main products of each business segment

(1) Automobile..... passenger cars, trucks, buses, forklifts, manufacturing parts for oversea production, etc.

(2) Sales financing..... credit, lease, etc.

3. Changes in accounting policies

(1) Accounting standard for share-based payments

Effective April 1, 2006, the Company adopted the Accounting Standard for Share-Based Payment (ASBJ Statement No. 8 issued on December 27, 2005) and the Implementation Guidance on Accounting Standard for Share-Based Payment (ASBJ Guidance No. 11 issued on May 31, 2006).

The effect of this change was to decrease the operating income of the Automobile segment by ¥1,037 million.

(2) Change of closing dates of consolidated subsidiaries

As described in "Changes in Accounting Policies," effective this fiscal year, 22 subsidiaries have been consolidated by using their financial statements as of the parent's fiscal year end which were prepared solely for consolidation purposes. In addition, 33 consolidated subsidiaries have changed their fiscal year end to March 31.

The effect of this change was to increase net sales by ¥759,391 million for the Automobile segment, ¥9,586 million for the Sales financing segment and ¥1,371 million for Eliminations, compared to the results that would have been obtained under the former method of consolidation. This change also brought increases in operating income of ¥18,785 million for the Automobile segment, ¥1,796 million for the Sales financing segment, and ¥862 million for Eliminations.

4. Consolidated financial statements by business segment

- The sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), NR Finance Mexico (Mexico), NR Wholesale Mexico (Mexico), ESARA, S.A. De C.V. (Mexico), Nissan Leasing (Thailand) Co., Ltd. (Thailand) and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales Financing segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Prior fiscal year (As of March 31, 2007)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	450,916	7,009	457,925
Notes and accounts receivable	679,087	32	679,119
Sales finance receivables	(209,718)	3,766,941	3,557,223
Inventories	986,150	18,521	1,004,671
Other current assets	588,138	205,810	793,948
Total current assets	2,494,573	3,998,313	6,492,886
II. Fixed assets			
Property, plant and equipment, net	3,097,369	1,779,819	4,877,188
Investment securities	384,337	1,875	386,212
Other fixed assets	515,549	130,373	645,922
Total fixed assets	3,997,255	1,912,067	5,909,322
Total assets	6,491,828	5,910,380	12,402,208
Liabilities			
I. Current liabilities			
Notes and accounts payable	1,076,607	26,579	1,103,186
Short-term borrowings	(295,103)	3,392,514	3,097,411
Lease obligations	49,819	602	50,421
Other current liabilities	1,187,862	136,439	1,324,301
Total current liabilities	2,019,185	3,556,134	5,575,319
II. Long-term liabilities			
Bonds	349,689	380,018	729,707
Long-term borrowings	39,863	1,127,951	1,167,814
Lease obligations	59,140	—	59,140
Other long-term liabilities	612,435	380,799	993,234
Total long-term liabilities	1,061,127	1,888,768	2,949,895
Total liabilities	3,080,312	5,444,902	8,525,214
Net assets			
I. Shareholders' equity			
Common stock	513,167	92,647	605,814
Capital surplus	773,623	30,847	804,470
Retained earnings	2,092,036	310,690	2,402,726
Treasury stock	(226,394)	—	(226,394)
Total shareholders' equity	3,152,432	434,184	3,586,616
II. Valuation, translation adjustments and others			
Adjustments for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	68,887	36	68,923
Translation adjustments	(137,380)	28,166	(109,214)
Other	(1,486)	398	(1,088)
Total valuation, translation adjustments and others	(69,979)	28,600	(41,379)
III. Share subscription rights	2,711	—	2,711
IV. Minority interests	326,352	2,694	329,046
Total net assets	3,411,516	465,478	3,876,994
Total liabilities and net assets	6,491,828	5,910,380	12,402,208

Notes: 1. The sales finance receivables of Automobile & Eliminations represents the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,013,908 million.

(2) Summarized consolidated statements of income by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2006 to March 31, 2007)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	9,773,871	694,712	10,468,583
Cost of sales	7,498,350	528,836	8,027,186
Gross profit	2,275,521	165,876	2,441,397
Operating income as a percentage of net sales	7.2%	10.9%	7.4%
Operating income	701,186	75,753	776,939
Financial income/expenses—net	(5,664)	546	(5,118)
Other non-operating income/expenses—net	(11,520)	750	(10,770)
Ordinary income	684,002	77,049	761,051
Income before income taxes and minority interests	621,236	76,196	697,432
Net income	413,529	47,267	460,796

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2006 to March 31, 2007)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes and minority interests	621,236	76,196	697,432
Depreciation and amortization	447,924	323,299	771,223
Decrease (increase) in finance receivables	(22,914)	67,255	44,341
Others	(528,386)	58,217	(470,169)
Net cash provided by operating activities	517,860	524,967	1,042,827
II. Cash flows from investing activities			
Proceeds from sales of investment securities	37,794	—	37,794
Proceeds from sales of property, plant and equipment	72,308	0	72,308
Purchases of fixed assets	(537,129)	(9,719)	(546,848)
Purchases of leased vehicles	(41,234)	(916,122)	(957,356)
Proceeds from sales of leased vehicles	7,253	297,659	304,912
Others	(35,804)	10,407	(25,397)
Net cash used in investing activities	(496,812)	(617,775)	(1,114,587)
III. Cash flows from financing activities			
Net increase in short-term borrowings	418,824	73,714	492,538
Net change in long-term borrowings and redemption of bonds	(215,299)	(107,770)	(323,069)
Increase in bonds	—	123,730	123,730
Others	(186,460)	173	(186,287)
Net cash provided by financing activities	17,065	89,847	106,912
IV. Effect of exchange rate changes on cash and cash equivalents	16,775	(135)	16,640
V. Increase (decrease) in cash and cash equivalents	54,888	(3,096)	51,792
VI. Cash and cash equivalents at beginning of the year	392,505	11,707	404,212
VII. Increase due to inclusion in consolidation	12,571	813	13,384
VIII. Cash and cash equivalents at end of the year	459,964	9,424	469,388

Notes 1. The net increase in short-term borrowings of Automobile & Eliminations includes the amount of ¥16,522 million eliminated for increase in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥25,073 million eliminated for increase in internal loans receivable from the Sales financing segment.

Current fiscal year (from April 1, 2007 to March 31, 2008)

(Millions of yen)

	Automobile	Sales financing	Total	Eliminations	Consolidated
I. Sales and operating income					
(1) Sales to third parties	10,070,983	753,255	10,824,238	—	10,824,238
(2) Inter-segment sales and transfers	33,264	9,163	42,427	(42,427)	—
Total sales	10,104,247	762,418	10,866,665	(42,427)	10,824,238
Operating expenses	9,441,785	685,481	10,127,266	(93,858)	10,033,408
Operating income	662,462	76,937	739,399	51,431	790,830
II. Assets, depreciation, impairment loss, and capital expenditures					
Total assets	7,815,997	5,337,998	13,153,995	(1,214,513)	11,939,482
Depreciation	471,565	357,607	829,172	—	829,172
Impairment loss	8,878	—	8,878	—	8,878
Capital Expenditure	488,288	843,014	1,331,302	—	1,331,302

Notes: 1. Businesses are segmented based on their proximity in terms of the type, nature and markets of their products.

2. Main products of each business segment

(1) Automobile..... passenger cars, trucks, buses, forklifts, manufacturing parts for oversea production, etc.

(2) Sales financing..... credit, lease, etc.

3. Until the prior fiscal year, some of the Company's consolidated subsidiaries charged directors' retirement benefits to expense when so approved at the annual general meetings of shareholders. As stated in "Changes in accounting policies," however, they adopted the method of reporting an amount of directors' retirement benefits to be required at the year-end in accordance with the relevant internal regulations as accrued directors' retirement benefits, effective from the year ended March 31, 2008.

The effect of this change was to increase operating expenses by ¥441 million and to decrease operating income by ¥441 million for the Automobile segment, compared with the results that would have been obtained under the former method.

4. Consolidated financial statements by business segment

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), NR Finance Mexico (Mexico) and 5 other companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Current fiscal year (As of March 31, 2008)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	561,900	8,325	570,225
Notes and accounts receivable	688,104	196	688,300
Sales finance receivables	(136,871)	3,371,304	3,234,433
Inventories	978,472	26,693	1,005,165
Other current assets	582,973	213,128	796,101
Total current assets	2,674,578	3,619,646	6,294,224
II. Fixed assets			
Property, plant and equipment, net	3,028,503	1,598,049	4,626,552
Investment securities	450,776	1,393	452,169
Other fixed assets	447,627	118,910	566,537
Total fixed assets	3,926,906	1,718,352	5,645,258
Total assets	6,601,484	5,337,998	11,939,482
Liabilities			
I. Current liabilities			
Notes and accounts payable	1,083,524	35,906	1,119,430
Short-term borrowings	(170,345)	2,927,372	2,757,027
Lease obligations	74,827	727	75,554
Other current liabilities	1,174,600	116,005	1,290,605
Total current liabilities	2,162,606	3,080,010	5,242,616
II. Long-term liabilities			
Bonds	348,208	424,517	772,725
Long-term borrowings	54,903	995,986	1,050,889
Lease obligations	85,203	186	85,389
Other long-term liabilities	565,439	372,981	938,420
Total long-term liabilities	1,053,753	1,793,670	2,847,423
Total liabilities	3,216,359	4,873,680	8,090,039
Net assets			
I. Shareholders' equity			
Common stock	511,543	94,271	605,814
Capital surplus	773,623	30,847	804,470
Retained earnings	2,352,336	374,523	2,726,859
Treasury stock	(269,003)	—	(269,003)
Total shareholders' equity	3,368,499	499,641	3,868,140
II. Valuation, translation adjustments and others			
Adjustments for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	79,374	43	79,417
Translation adjustments	(412,364)	(29,456)	(441,820)
Other	8,550	(9,323)	(773)
Total valuation, translation adjustments and others	(324,440)	(38,736)	(363,176)
III. Share subscription rights	1,714	—	1,714
IV. Minority interests	339,352	3,413	342,765
Total net assets	3,385,125	464,318	3,849,443
Total liabilities and net assets	6,601,484	5,337,998	11,939,482

Notes: 1. The sales finance receivables of Automobile & Eliminations represents the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥900,614 million.

(2) Summarized consolidated statements of income by business segment

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2007 to March 31, 2008)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	10,061,820	762,418	10,824,238
Cost of sales	7,820,372	587,026	8,407,398
Gross profit	2,241,448	175,392	2,416,840
Operating income as a percentage of net sales	7.1%	10.1%	7.3%
Operating income	713,893	76,937	790,830
Financial income/expenses—net	(8,190)	277	(7,913)
Other non-operating income/expenses—net	(16,169)	(348)	(16,517)
Ordinary income	689,534	76,866	766,400
Income before income taxes and minority interests	691,996	75,962	767,958
Net income	418,524	63,737	482,261

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2007 to March 31, 2008)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes and minority interests	691,996	75,962	767,958
Depreciation and amortization	471,565	357,607	829,172
Increase in finance receivables	(72,550)	(6,301)	(78,851)
Others	(209,086)	33,091	(175,995)
Net cash provided by operating activities	881,925	460,359	1,342,284
II. Cash flows from investing activities			
Proceeds from sales of investment securities	8,936	—	8,936
Proceeds from sales of property, plant and equipment	131,169	14	131,183
Purchases of fixed assets	(456,876)	(12,360)	(469,236)
Purchases of leased vehicles	(31,412)	(830,654)	(862,066)
Proceeds from sales of leased vehicles	3,253	390,165	393,418
Others	(80,282)	10,424	(69,858)
Net cash used in investing activities	(425,212)	(442,411)	(867,623)
III. Cash flows from financing activities			
Net increase in short-term borrowings	20,489	4,908	25,397
Net change in long-term borrowings and redemption of bonds	(131,805)	(158,995)	(290,800)
Increase in bonds	99,759	137,116	236,875
Others	(278,663)	189	(278,474)
Net cash used in financing activities	(290,220)	(16,782)	(307,002)
IV. Effect of exchange rate changes on cash and cash equivalents	(51,527)	(1,451)	(52,978)
V. Increase (decrease) in cash and cash equivalents	114,966	(285)	114,681
VI. Cash and cash equivalents at beginning of the year	459,964	9,424	469,388
VII. Increase due to inclusion in consolidation	33	—	33
VIII. Cash and cash equivalents at end of the year	574,963	9,139	584,102

Notes 1. The net increase in short-term borrowings of Automobile & Eliminations includes the amount of ¥5,747 million eliminated for increase in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥34,113 million eliminated for increase in internal loans receivable from the Sales financing segment.

Geographical segment information

Prior fiscal year (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. Sales and operating income:							
Sales:							
1. Sales to third parties	2,478,549	4,550,498	2,038,026	1,401,510	10,468,583	—	10,468,583
2. Inter-segment sales and transfers	2,205,469	138,945	128,388	27,528	2,500,330	(2,500,330)	—
Total	4,684,018	4,689,443	2,166,414	1,429,038	12,968,913	(2,500,330)	10,468,583
Operating expenses	4,411,824	4,329,427	2,084,112	1,370,801	12,196,164	(2,504,520)	9,691,644
Operating income	272,194	360,016	82,302	58,237	772,749	4,190	776,939
II. Total assets	6,031,316	6,085,485	1,482,333	1,070,801	14,669,935	(2,267,727)	12,402,208

Notes: 1. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

2. Major countries and areas which belong to segments other than Japan are as follows:

(1) North America..... The United States, Canada, and Mexico

(2) Europe..... France, The United Kingdom, Spain and other European countries

(3) Other..... Asia, Oceania, the Middle East, Central and South America excluding Mexico, and South Africa

3. Changes in accounting policies

(1) Accounting standard for share-based payments

Beginning with the year ended March 31, 2007, the Company adopts the Accounting Standard for Share-Based Payment (ASBJ Statement No. 8 issued on December 27, 2005) and the Implementation Guidance on Accounting Standard for Share-Based Payment (ASBJ Guidance No. 11 issued on May 31, 2006).

The effect of this change was to decrease the operating income for Japan by ¥1,037 million.

(2) Change of closing dates of consolidated subsidiaries

As described in "Changes in Accounting Policies," effective the fiscal year ended March 31, 2007, 22 subsidiaries have been consolidated by using their financial statements as of the parent's fiscal year end which were prepared solely for consolidation purposes. In addition, 33 consolidated subsidiaries have changed their fiscal year end to March 31.

The effect of this change was to increase net sales by ¥62,479 million for Japan, ¥219,878 million for North America, ¥454,769 million for Europe, ¥87,087 million for other foreign countries and ¥56,607 million for Eliminations, compared to the results that would have been obtained under the former method of consolidation. This change also brought increases in operating income of ¥1,586 million for Japan, ¥21,403 million for North America, ¥2,744 million for Europe and ¥210 million for other foreign countries, and a decrease in operating income of ¥4,500 million for Eliminations.

Current fiscal year (from April 1, 2007 to March 31, 2008)

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. Sales and operating income:							
Sales:							
1. Sales to third parties	2,507,145	4,414,509	2,157,015	1,745,569	10,824,238	—	10,824,238
2. Inter-segment sales and transfers	2,491,594	235,760	223,142	64,777	3,015,273	(3,015,273)	—
Total	4,998,739	4,650,269	2,380,157	1,810,346	13,839,511	(3,015,273)	10,824,238
Operating expenses	4,722,036	4,332,404	2,259,486	1,729,236	13,043,162	(3,009,754)	10,033,408
Operating income	276,703	317,865	120,671	81,110	796,349	(5,519)	790,830
II. Total assets	6,171,415	5,345,010	1,553,029	1,201,330	14,270,784	(2,331,302)	11,939,482

Notes: 1. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

2. Major countries and areas which belong to segments other than Japan are as follows:

(1) North America..... The United States, Canada, and Mexico

(2) Europe..... France, The United Kingdom, Spain and other European countries

(3) Other..... Asia, Oceania, the Middle East, Central and South America excluding Mexico, and South Africa

3. Until the prior fiscal year, some of the Company's consolidated subsidiaries charged directors' retirement benefits to expense when so approved at the annual general meetings of shareholders. As stated in "Changes in accounting policies," however, they adopted the method of reporting an amount of directors' retirement benefits to be required at the year-end in accordance with the relevant internal regulations as accrued directors' retirement benefits, effective from the year ended March 31, 2008.

The effect of this change was to increase operating expenses by ¥441 million and to decrease operating income by ¥441 million for the Japan segment, compared with the results that would have been obtained under the former method.

Overseas sales

Prior fiscal year (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I. Overseas net sales	4,410,531	2,023,772	1,829,617	8,263,920
II. Consolidated net sales				10,468,583
III. Overseas net sales as a percentage of consolidated net sales	42.1%	19.3%	17.5%	78.9%

Notes: 1. Overseas net sales include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

2. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

(1) North America..... The United States, Canada, and Mexico

(2) Europe..... France, the United Kingdom, Spain and other European countries

(3) Other..... Asia, Oceania, the Middle East, Central and South America excluding Mexico, and South Africa

4. Change in accounting policies

Change of closing dates of consolidated subsidiaries

As described in "Changes in Accounting Policies," effective the year ended March 31, 2007, 22 subsidiaries have been consolidated by using their financial statements as of the parent's fiscal year end which were prepared solely for consolidation purposes. In addition, 33 consolidated subsidiaries have changed their fiscal year end to March 31.

This change brought increases in overseas net sales of ¥177,178 million for North America, ¥402,598 million for Europe and ¥138,990 million for Other foreign countries, compared to the results that would have been obtained under the former method of consolidation.

Current fiscal year (from April 1, 2007 to March 31, 2008)

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I. Overseas net sales	4,319,665	2,168,427	2,148,343	8,636,435
II. Consolidated net sales				10,824,238
III. Overseas net sales as a percentage of consolidated net sales	39.9%	20.0%	19.9%	79.8%

Notes: 1. Overseas net sales include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

2. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

(1) North America..... The United States, Canada, and Mexico

(2) Europe..... France, the United Kingdom, Spain and other European countries

(3) Other..... Asia, Oceania, the Middle East, Central and South America excluding Mexico, and South Africa

(Transactions with related parties)

Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]
There are no significant transactions to be disclosed.	Same as the prior fiscal year.

(Amounts per share)

(Yen)

Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]
Net assets per share	¥862.29
Basic net income per share	¥112.33
Diluted net income per share	¥111.71
Net assets per share	¥860.17
Basic net income per share	¥117.76
Diluted net income per share	¥117.56

Note: The bases for calculation are as follows:

1. Net assets per share

	Prior fiscal year (As of March 31, 2007)	Current fiscal year (As of March 31, 2008)
Total net assets (Millions of yen)	3,876,994	3,849,443
Amounts deducted from total net assets (Millions of yen)	331,757	344,479
(Share subscription rights)	2,711	1,714
(Minority interests)	329,046	342,765
Net assets attributable to shares of common stock at year end (Millions of yen)	3,545,237	3,504,964
The year-end number of common stock used for the calculation of net assets per share (Thousands)	4,111,418	4,074,721

2. Basic net income per share and diluted net income per share

	Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]
Basic net income per share: Net income (Millions of yen)	460,796	482,261
Net income attributable to shares of common stock (Millions of yen)	460,796	482,261
Average number of shares of common stock during the fiscal year (Thousands)	4,102,114	4,095,407
Diluted net income per share: Increase in shares of common stock (Thousands)	22,736	6,921
(Exercise of warrants) (Exercise of share subscription rights)	17,446 5,290	5,228 1,693
Securities excluded from the computation of diluted net income per share, because they do not have dilutive effects.	4th share subscription rights (the number of share subscription rights is 130,000 units) Refer to "Status of share subscription rights" for a summary.	2nd share subscription rights (the number of share subscription rights is 91,889 units) 4th share subscription rights (the number of share subscription rights is 79,368 units) 5th share subscription rights (the number of share subscription rights is 6,800 units) 6th share subscription rights (the number of share subscription rights is 3,600 units) Refer to "Status of share subscription rights" for a summary.

(Significant subsequent events)

Prior fiscal year [From April 1, 2006] [To March 31, 2007]	Current fiscal year [From April 1, 2007] [To March 31, 2008]																												
<p>On June 19, 2007, the Company issued unsecured bonds. The terms and conditions of these bonds are summarized as follows:</p> <p>1</p> <table><tr><td>Name</td><td>46th unsecured bonds</td></tr><tr><td>Principal</td><td>¥65,000 million</td></tr><tr><td>Interest rate</td><td>1.76% per annum</td></tr><tr><td>Issue price</td><td>¥99.99 for a par value of ¥100</td></tr><tr><td>Maturity date</td><td>June 20, 2012</td></tr><tr><td>Payment due date</td><td>June 19, 2007</td></tr><tr><td>Use of proceeds</td><td>Working capital</td></tr></table> <p>2</p> <table><tr><td>Name</td><td>47th unsecured bonds</td></tr><tr><td>Principal</td><td>¥35,000 million</td></tr><tr><td>Interest rate</td><td>1.95% per annum</td></tr><tr><td>Issue price</td><td>¥99.97 for a par value of ¥100</td></tr><tr><td>Maturity date</td><td>June 20, 2014</td></tr><tr><td>Payment due date</td><td>June 19, 2007</td></tr><tr><td>Use of proceeds</td><td>Working capital</td></tr></table>	Name	46th unsecured bonds	Principal	¥65,000 million	Interest rate	1.76% per annum	Issue price	¥99.99 for a par value of ¥100	Maturity date	June 20, 2012	Payment due date	June 19, 2007	Use of proceeds	Working capital	Name	47th unsecured bonds	Principal	¥35,000 million	Interest rate	1.95% per annum	Issue price	¥99.97 for a par value of ¥100	Maturity date	June 20, 2014	Payment due date	June 19, 2007	Use of proceeds	Working capital	<hr/>
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