Annual Report

Year Ended March 31, 2000

1999

Nissan Motor Co., Ltd. Annual Report 1999

Year Ended March 31, 2000

Please note that the year "1999," as used throughout this report, refers to the fiscal year starting April 1, 1999 and ending March 31, 2000 *except* for material related to Europe and Mexico, where "1999," is used to mean the calendar year from January 1, 1999 to December 31, 1999.

When Nissan Motor Co., Ltd. opened its doors in 1933, it was a small, domestic manufacturer building and selling Datsun cars and auto parts. Today it is one of the world's leading automobile manufacturers, one dedicated to creating the cars that truly meet the needs of customers worldwide—and which looks to tomorrow's needs.

Building on the Alliance formed with Renault in 1999, the Company now takes on the challenge of the Nissan Revival Plan, an ambitious program to capitalize on its international strengths and refocus on its key activities to build a stronger, more competitive, profitable company with a greater share of the global automobile market.

Come learn more about Nissan, and share this vision of the future with us.

Contents

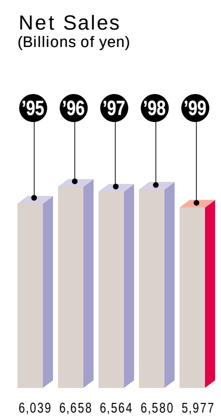
This Annual report contains forward-looking statements on Nissan's future plans and targets, and related operating investment, product planning and production targets. Please note that there can be no assurance that these targets and plans will actually be achieved. Achieving them will depend on many factors, including not only Nissan's activities and development, but on the dynamics of the automobile industry worldwide and the global economy.

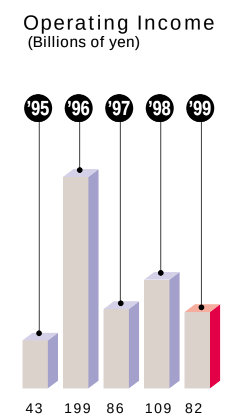
Financial Highlights

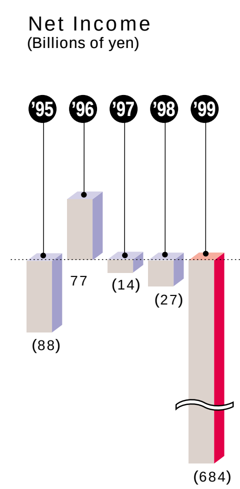
Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal Years 1999, 1998, 1997, 1996 and 1995

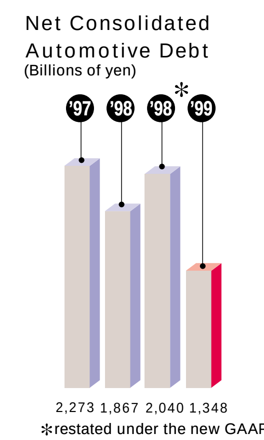
	Millions of yen (except per share amounts and number of employees)					*Millions of U.S.dollars*[2]
For the Years ended	**1999**[1] ***Mar 31, 2000***	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	1996 *Mar 31, 1997*	1995 *Mar 31, 1996*	**1999** ***Mar 31, 2000***
Net Sales	**¥5,977,075**	¥6,580,001	¥6,564,637	¥6,658,875	¥6,039,107	**$56,388**
Operating Income	**82,565**	109,722	86,883	199,380	43,235	**779**
Net Income (Loss)	**(684,363)**	(27,714)	(14,007)	77,743	(88,418)	**(6,456)**
Net Income (Loss) per Share[3]	**(179.98)**	(11.03)	(5.57)	30.94	(35.19)	**(1.70)**
Cash Dividends Paid[4]	**0**	17,591	25,130	17,589	17,588	**0**
Shareholders' Equity	**929,356**	1,254,595	1,282,485	1,356,090	1,356,678	**8,768**
Total Assets	**6,541,184**	6,917,561	7,883,786	7,473,778	7,091,594	**61,709**
Net Consolidated Automotive Debt	**1,348,700**	1,867,100	2,273,900	—	—	**12,724**
Number of Employees[5]	**141,526**	131,260	137,201	135,331	139,856	

Notes: 1. Figures of 1999 are calculated based on new accounting rules. Please refer to page 32 for changes in the accounting rules.
2. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at ¥106=$1, the approximate exchange rate on March 31, 2000.
3. Net income (loss) per share amounts are based on the weighted average number of shares of common stock outstanding during each year. Figures for net income (loss) per share are in exact yen and U.S. dollars.
Number of shares outstanding as of March 31, 2000: 3,977,293,751
4. Cash dividends during the full year by subsidiary companies to non-Nissan minority shareholders are not included.
5. This reflects the addition of new employees as a result of new GAAP and the reduction of employees during fiscal year 1999.









History will remember 1999 as a watershed year for Nissan. Amidst increasing consolidation in the automobile industry, Nissan entered into the Alliance with Renault with a clear agenda to increase competitiveness to the highest level in the industry.

To achieve top competitiveness and lasting profitable growth, we announced the Nissan Revival Plan (NRP) in October of 1999. Created by hundreds of Nissan employees worldwide in all fields of business, it is now being implemented throughout the company. It is our response to the challenge of establishing long-term competitiveness.

The NRP is a commitment to both performance and creativity. We intend to deliver on both, as a guarantee of lasting profitable growth in this new era of the global automotive industry.

Nissan's growth will come from two directions: product development and cost competitiveness.

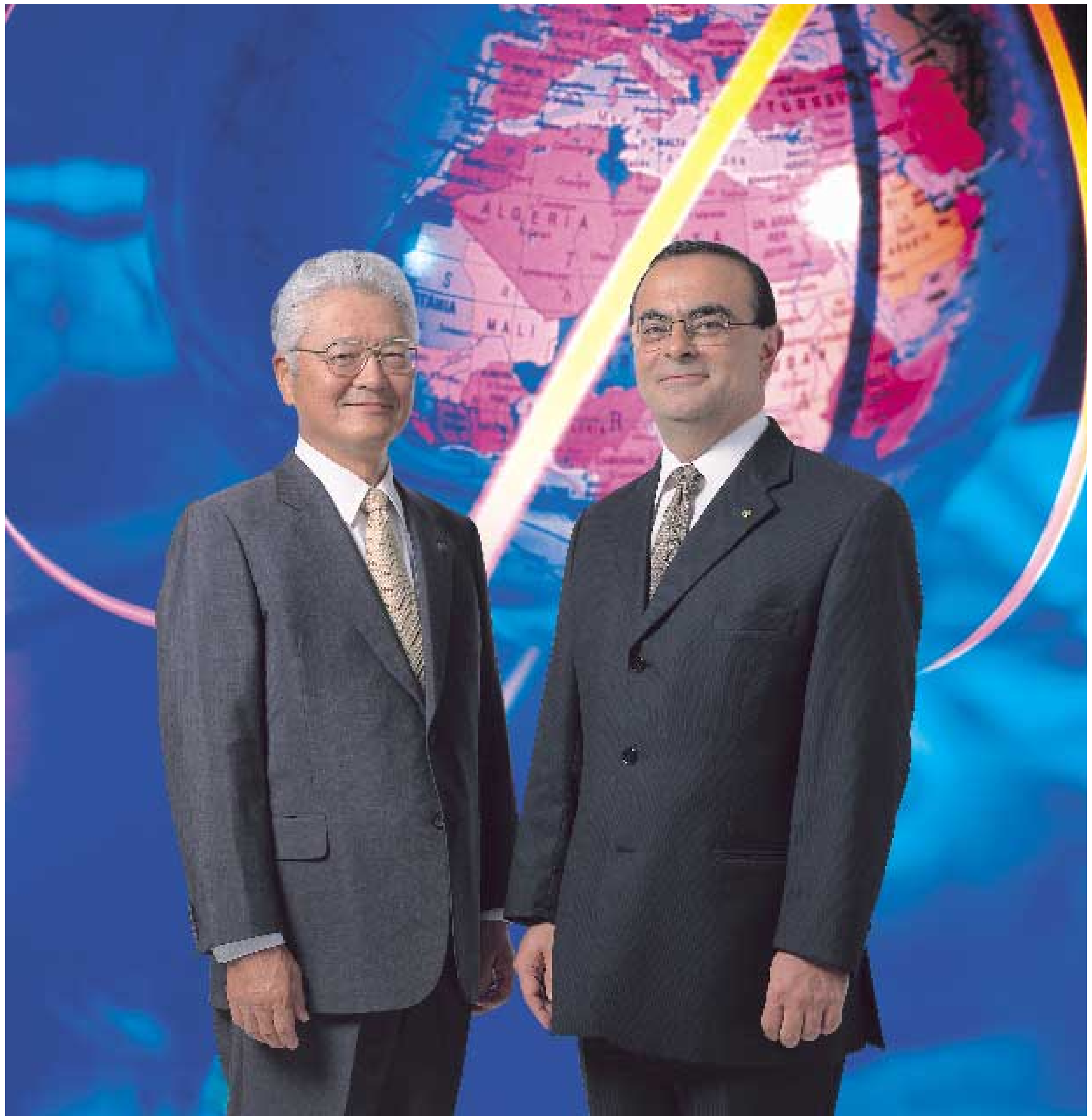
Our product roadmap for the next several years is set. Twenty-two all-new Nissan products will be released over the next three years, starting in Japan in the fall of 2000. These will be supported by the company's new brand identity, to be made public in early 2001 after an extensive training period involving thousands of employees and our dealers. The power a strong brand creates is key to fostering our presence in markets around the world.

Restoring Nissan's cost competitiveness is the other half of the equation—without it our world-leading plant productivity cannot be turned into profit. The new global purchasing plan is in place, and will achieve its first target of reducing procurement costs by eight percent this year. The reduction of our selling, general and administrative costs is well underway in our three key regions. Finally, the streamlining of our excess capacity in Japan has started.

We will also reap more benefits from the Alliance with Renault, which has already resulted in several initiatives this year in areas such as powertrain, platform commonalization, joint purchasing and regional development.

To support Nissan's new, global, "one company" organization, the management structure has been adapted to serve a dual purpose. The regions are empowered to focus on markets and profits, while the headquarters' global functions ensure the efficiency and the coherence of the company's strategy. This change will foster and encourage cross-functional work and considerably raise the quality and speed of our decision-making process.

With these changes in organization come greater accountability for performance, beginning with us and the entire Executive Committee. Throughout this annual report, you will read the details of our three commitments: returning Nissan to net profit in 2000, cutting our net automotive debt by 50 percent and returning a minimum operating margin of 4.5 percent of sales by 2002.



Yoshikazu Hanawa
Chairman
and Chief Executive Officer

Carlos Ghosn
President
and Chief Operating Officer

Rebuilding the Corporation

The Nissan Revival Plan – Creating Lasting, Profitable Growth

The Nissan Revival Plan is designed to rebuild Nissan from a multi-regional organization to a true global company. In announcing the Plan, company leaders made three firm commitments:

- **To return to profitability by 2000;**
- **To achieve consolidated operating profit of 4.5 percent by 2002;**
- **To reduce net automotive debt from ¥1.4 trillion to less than ¥700 billion by 2002.**

The Vision

"There is no problem at a car company that good products can't solve; product development will be at the heart of Nissan's revival."

Nissan's Chief Operating Officer, Carlos Ghosn laid out the Nissan Revival Plan on October 18, 1999. These words emphasized that the dramatic, far-reaching changes to reshape Nissan have product development and sales growth at their heart. While cost-cutting will be the most dramatic and visible part of the Plan, executives know the company cannot save its way to success.

By achieving its three commitments, Nissan will return to sustainable, profitable growth—the ultimate target of this comprehensive Plan. And, in a balanced Alliance with Renault, it will stand strong as a major global player in the world automobile industry.

The Need

Mr. Ghosn was straightforward in assessing the need for dramatic change. Nissan, he noted, is in tough shape. "The company has been losing market share since 1991," he said. "It has been struggling with profitability over the same period, and has been, and remains, a highly indebted company."

At the same time, he noted, core Nissan values back up the sweeping changes needed and addressed by the Plan:

- Nissan's international presence and global reach
- Nissan's world-leading manufacturing system
- Nissan's leading edge in selected technological fields
- Nissan's Alliance with Renault
- Nissan's people

These strengths are the foundation on which the Nissan Revival Plan has been built—the strengths that provide Nissan leaders with confidence about the outcome of this exciting phase in the company's history.

"There is no problem at a car company that good products can't solve."

Creating the Plan

To rebuild the company, Nissan management first had to develop a plan. Nine cross-functional, international teams were created, each under the leadership of two Executive Committee members and headed by a 'pilot.' They were given one goal: to make proposals to develop the business and reduce costs. One deadline: October 18, 1999. One rule: no sacred cows, no taboos, no constraints.

The CFTs' rule: No sacred cows, no taboos, no constraints.

The Cross-Functional Teams (CFTs) were created based with the strong belief that the solutions to Nissan's problems lay within the company. In all, 200 people were directly and continuously involved; hundreds of others contributed to their work. A total of 2,000 ideas were submitted and discussed with Executive Committee members.

Shifting Resources for Lasting, Profitable Growth

It was not top-down, it was not bottom-up—it was both.

The Plan was built on one fundamental concept, success will come by growing the company—developing new products and associated businesses. The three-year Plan calls for 22 new products to be introduced globally, and a 25-percent increase in capital expenditure.

Cutting costs is key to a healthy Nissan. Cost reductions will fuel new product development, contribute to reducing debt and free up resources for long-term growth.

Taking Action

Purchasing: Saving through Globalization

With purchasing costs accounting for 60 percent of Nissan's costs, reducing these is a major component of the Plan's success. Nissan's new global

The Plan's one concept: success comes by growing the company.

purchasing department has combined operations that formerly were executed regionally and by country, and are already making progress towards the planned cost reduction of 20 percent over the next three years.

Operating globally will create increased economies of scale and strategic development advantages and benefit Nissan's "partnership suppliers" while delivering substantial cost savings to the company.

THE NISSAN

Manufacturing: Top Productivity—Plus

Nissan's manufacturing plants around the world are among the most productive in the industry. But while manufacturing productivity is essential, it doesn't automatically lead to cost effectiveness and overall efficiency.

The problem: excess production capacity and high fixed costs; the remedy: to reduce capacity and simplify the company's production strategy, beginning by closing five plants. Plant closings are difficult, but this guarantees the future of the remaining plants by their greatly increased productivity and cost effectiveness.

SG&A: Global Efficiency

The Nissan Revival Plan is not limited to the industrial operations of the company. Sales, general and administrative costs will also be reduced 20 percent.

The company has instituted an organizational overhaul to reduce inefficiencies and create global synergies wherever possible. Efforts include a reworking overhaul of domestic sales operations, the streamlining of operations in North America and closer cooperation with Renault in Europe and emerging markets. The company is moving from being a multi-regional organization to a true global company.

As the Plan is implemented, Nissan will become a more focused company needing fewer employees. The reduction of 21,000 from the workforce will come primarily through natural attrition, an increase in part-time employment and the spin-off of non-core business.

The direction is clearly and firmly established.

Finance: Asset Sales and Focus on the Core

Freeing up capital resources to concentrate on the core automotive business is critical—while at the same time reducing debt. The aim is to grow the company, not shrink it.

Nissan holds interest in more than 1,300 companies, 27 of which are major industrial affiliates. Efforts are underway to divest holdings; in many cases this will result in the birth of new, vibrant, independent organizations competing in the global marketplace.

Over the next three years, Nissan will divest its holding in all non-core companies, as well as in real estate, marketable securities and other non-core financial assets. The company will also introduce an inventory-reduction program to decrease its inventory-to-sales level by 30 percent by 2002.

Building the New Nissan

A very important step was realized in creating the Nissan Revival Plan after three months of accelerated, intensive work. But establishing the Plan is five percent of the challenge; 95 percent lies in its execution.

The aim is to grow the company, not shrink it.

RENAULT NISSAN

The Nissan Revival Plan stresses the synergies with Renault found in all areas worldwide.

To make this giant leap from vision to implementation, teamwork—crossing the matrix of business functions, product lines and geography—is critical. The CFTs established to create the Nissan Revival Plan now follow the progress of the Plan, providing direction and advice in ten different areas.

Operations were reorganized globally, such as eliminating a layer of management in Europe and North America while instituting management committees. These committees are working within their areas, but also very closely with members of their worldwide groups in the new organization, giving them a greater voice globally in their areas—product development, production and purchasing, sales and finance, and administration.

Nissan's business associates and affiliates are likewise implementing the rethinking, rebuilding and reorganization which will ensure their future success.

This is not simply an organization sketched out on paper; the actions of the CFTs and globally reorganized operations have already initiated massive changes throughout the company.

The direction is clearly and firmly established. Nissan must be bold and thoughtful to be strong again.

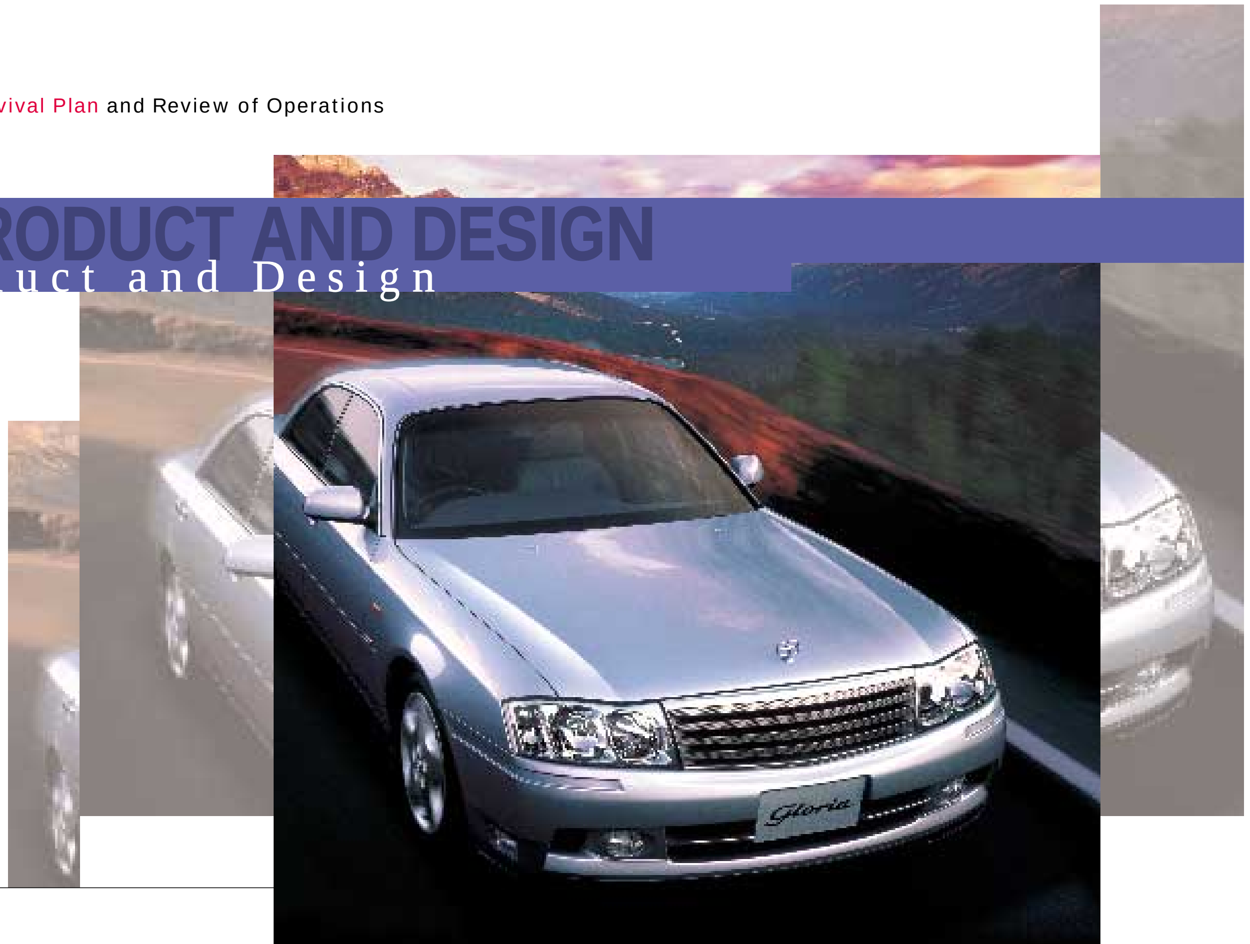
Today's Cross-Functional Teams are aligned along the following business areas:

- Business Development
- Purchasing
- Manufacturing & Logistics
- Research & Development
- Marketing & Sales
- General & Administrative Cost
- Finance Cost
- Product Phasing Out
- Organization
- Cost of Investment

REVIVAL PLAN

PRODUCT AND DESIGN

Product and Design



Growth is built on new products—and Nissan's products are the best reflection of the new directions taking hold at the company.

During the next three years, the company will devote extensive resources as it introduces 22 new products worldwide, with the organization and the financial strategy needed to implement this plan. The Nissan image will be defined through the products the company designs, builds and sells, as well as services.

At the 1999 Tokyo Motor Show, Nissan provided an initial glimpse into the product strategy bringing it into the new century. In the coming three years, Nissan will introduce concept and production designs clearly illustrating the future of the company.

New Product Strategies

Building for the future with the Nissan Revival Plan, new directions in product and business planning have been firmly established:

- Strengthen brand identity;
- Plan and develop distinctive products with a unique place in the market;
- Apply innovation to create attractive products;
- Expand market opportunity;
- Restructure the organization (see more on the following page);
- Increase capital expenditure for products.

Pointing to the Future

The essentials of new product planning can be seen in the current product lineup:

The Xterra—2000 North American Truck of the Year—and the Frontier Crew Cab demonstrate Nissan's constant search for the latest consumer demand.

The appeal of the Cedric/Gloria, awarded RJC (the Automotive Researchers and Journalists Conference of Japan) New Car of the Year in Japan, comes both from the innovative styling, and the car's advanced technology, with the first-ever application of the EXTROID CVT (Continuously Variable Transmission).

In the U.S., the new Maxima and Infiniti I30 feature an improved version of the highly-acclaimed VQ three-liter engine, named one of the Ward's 10 Best Engine Awards for six consecutive years (1995-2000).

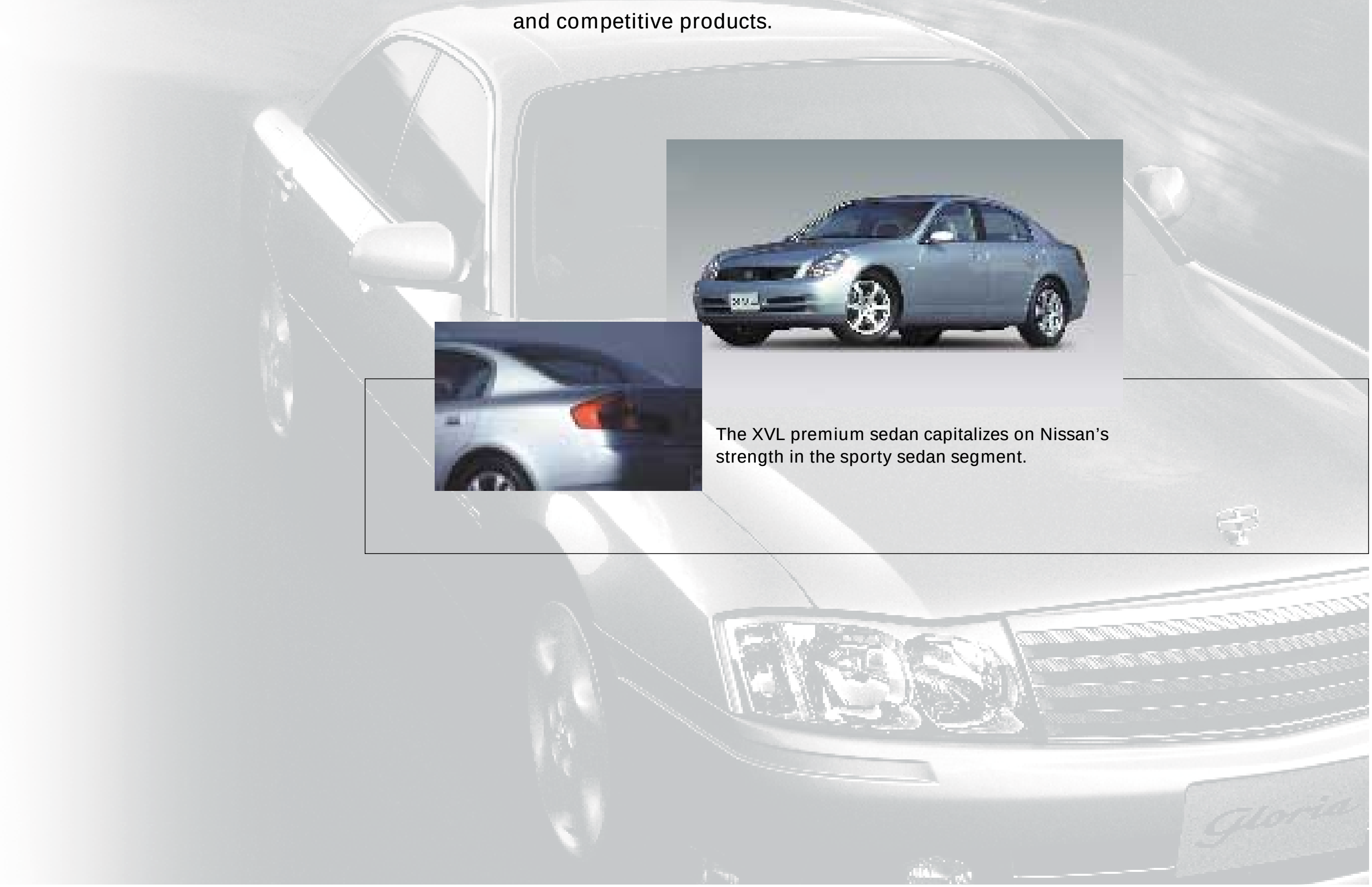
A Global Planning and Development Organization

The transformation from a multi-regional organization to a truly global one is reflected in a new organization for planning, development and design.

Six newly-assigned Program Directors are part of the new Program Management Office; each supervises one product group and is responsible for developing appealing products that will achieve targeted profit and sales levels. The Program Directors have total accountability for their projects, coordinating all activity between design, engineering, production and sales, from the first stage of concept through the entire product life.

Twelve Chief Product Specialists are assigned to develop product concepts appealing to consumers.

The creation of the Program Director and Chief Product Specialist functions is part of the strong, new organization built to develop attractive and competitive products.



The XVL premium sedan capitalizes on Nissan's strength in the sporty sedan segment.

PRODUCT AND DESIGN

Creating Distinctive Design

Product Chief Designers are directly responsible for design development, acting within the Product Design Departments.

Excellent design inspires, captures attention and sets the tone for an automobile company.

DESIGN

Shiro Nakamura—Design Director, Nissan Design Division

"When the opportunity for me to join Nissan Design came, I knew immediately that this was an opportunity unlike any that I could have dreamed of—I don't think there has been anything like this in Japan before! It is the opportunity to build on one of the greatest foundations of design anywhere, not simply in Japan.

At this very critical time in our history, we are working hard to define what Nissan is, and what it will be in the future. I believe that we need not look very far for direction. Nissan has been the source of some of the world's most innovative and successful designs, such as the Z-car. The current 300ZX was created more than ten years ago, but the design is still contemporary.

We are dedicated to creating a global design strategy, to create an innovative identity that says, 'That's Definitely Nissan!' Our first targets are the international auto shows for 2001, where we will unveil the first totally new products of the new Nissan."

"We are dedicated to creating a design that says, That's Definitely Nissan!"

PRODUCT AND DESIGN

TECHNOLOGY AND ENGINEERING

Technology and Engineering

Nissan's advanced technical and engineering skills create unsurpassed safety, economy and driving fun.

Advanced Technologies

A key Nissan theme in developing new powertrain technologies is "environmental friendliness combined with superior driving pleasure," a concept evident in developments like the EXTROID CVT, named Technology of the Year by RJC (the Automotive Researchers and Journalists Conference of Japan). The world's first CVT (Continuously Variable Transmission) on a rear-wheel-drive passenger car with a large-displacement engine—the Cedric/Gloria sedans—provides smooth driveability, powerful acceleration and low fuel consumption.

RENAULT NISSAN

The first shared platform with Renault is the B-platform which will be launched in 2002.

This single platform will be the base for the Micra, March and Cube for Nissan as well as the Clio and Twingo for Renault.

With projected global volume of more than 1 million units this will be one of the largest platforms in the world. By 2010, the Alliance target is to share a total of 10 platforms.

Engineering—the Nissan Advantage

Building on Nissan's engineering prowess, five Chief Vehicle Engineers and their teams are working closely with Product Planning. These groups have clear responsibility for achieving engineering and technical performance and quality goals. Nissan's engineering reach is global, with technical facilities in Japan, the U.S., Mexico and Europe.

Reducing the number of platforms not only enables the company to save costs, it also speeds up the development process for new vehicles without limiting the ability to offer customers fully differentiated and appealing models. For example, currently in Japan, the company has 24 independent platforms. By 2002, Nissan will reduce that to 14.

New CAD systems have also allowed Nissan engineers to speed up the development process, while computer modeling has enabled them to increase the speed of production.

Building in Safety

Nissan's efforts in automotive safety, including the unique Triple Safety concept (incorporating information safety, control safety and impact safety), have been rewarded with top marks in testing. In Japan, three Nissan models have received top AAA ratings for both driver and front passenger seat in frontal collision tests; in the U.S., the Nissan Pathfinder was awarded four- and five-star ratings for driver and passenger side and both frontal and side impact tests conducted by the National Highway Traffic Safety Administration (NHTSA) in 1999.

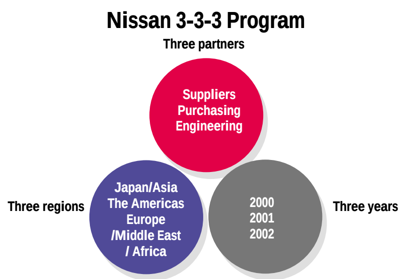
The experimental ASV-2 advanced safety vehicle points the way to technologies to be implemented in future models, including a variety of advanced driver safety support and pedestrian protection systems.

TECHNOLOGY AND ENGINEERING

PURCHASING

Purchasing

With purchasing accounting for 60 percent of the company's costs, reducing this major area of expenditure is a critical function of the Nissan Revival Plan.



Unifying Purchasing Worldwide

To leverage the global purchasing power of the company, regional operations from Japan, North America and Europe have been merged into a single organization. Reducing purchasing cost by 20 percent over a three-year period is an important component of the NRP. The effort is not simply one of requesting competitive prices from suppliers; it relies on the fact that suppliers who gain global contracts will benefit from their global business.

Nissan 3-3-3, three partners (suppliers, purchasing and engineering), working in the three regions of Japan/Asia, the Americas, and Europe/Middle East/Africa, over the three years from 2000 to 2002, is a new plan bringing purchasing and engineering into teamwork with suppliers. The program encourages suppliers to work with Nissan engineers to find new ways to reduce costs through improved engineering and the review of specifications and standards. The company has received more than 44,000 individual proposals. This partnership also allows our suppliers to share the best worldwide practices and cost level, performance in technology, quality and delivery.

Purchasing reform is not limited to parts, but also includes services in all areas. Already the company has initiated contracts including IBM for IT services in North America and Japan, and with Japan Telecom for global telecom infrastructure.

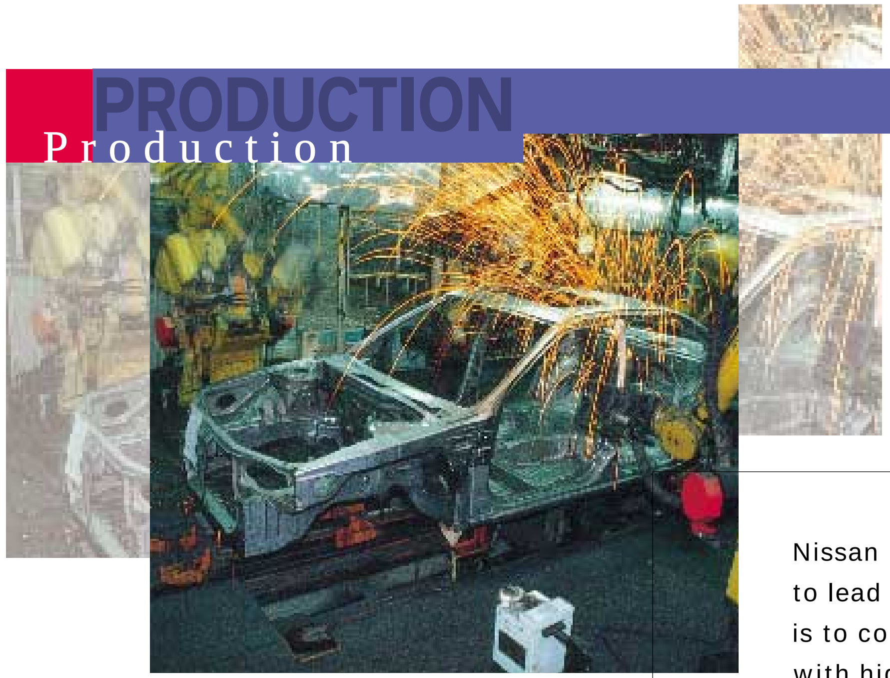
RENAULT NISSAN

Major B2B Move

The Alliance with Renault also brings benefits in purchasing, through the huge international scale of the two partners. Nissan and Renault will become an equity partner with top-tier international carmakers in a business-to-business (B2B) Internet exchange company that is the largest online exchange platform between automakers and equipment platforms. The agreement brings together companies representing purchasing power of US$300 billion to make use of these new technologies. The online exchange is not only for procurement, but will speed up exchanges and allow for joint work between manufacturers and suppliers. This will cut lead times and reduce costs.

PRODUCTION

Production



Nissan productivity continues to lead the world; the goal now is to complement this strength with higher efficiency and competitiveness.

The Flexible Manufacturing System (FMS) allows Nissan to react more swiftly to market demands. This system cuts lead times while reducing the cost of transfers from one assembly line to another by 50 percent, whether within one plant or between two.

Nissan's production facilities have consistently ranked among the most productive in the world, and the company has been able to replicate this as it has grown. The high productivity in Japan has been matched by the Sunderland Plant in the U.K., and the Smyrna Plant in the U.S., both of which have ranked at the top of productivity surveys in recent years (EIU, Harbour Report).

The NRP aims to improve this efficiency by creating a better global balance of production. The 1999 annual production of 1.33 million units in Japan represents a less than 60 percent capacity utilization; with the NRP, total domestic capacity will be reduced 30 percent, raising the utilization rate to 82 percent by 2002.

While reducing fixed costs is necessary, the company needs the productivity of its skilled workforce and has offered a transfer to all direct employees at these facilities to help the remaining plants increase production.

Looking Globally; Building Locally

This move will also help optimize our efforts in our production facilities worldwide. The strategy is to move production as close to the end consumer as possible.

The sole production site for the new Sentra across the entire North American market is at the Aguascalientes Plant in Mexico, bringing its output to the highest ever. Likewise, the new Almera for all of Europe increases the efficiency of the Sunderland Plant, while the Almera Tino will increase capacity utilization at the Nissan's Barcelona Plant. And strong truck sales in the U.S. have continued to lead the Smyrna Plant to high utilization levels.

SALES AND MARKETING

Sales and Marketing

A Global Approach

While Nissan moves to produce its cars as close as possible to the markets which buy them, the company's sales and marketing activities increasingly move across national and regional boundaries. The Global Marketing Division was created to implement worldwide standards.

The Executive Committee approved the new brand identity for the company; this includes a complete training program both internally and for Nissan dealers in advance of the announcement scheduled for early 2001.

Cementing Nissan's image requires consistent communication about the brand we intend to be. The brand will be communicated through new products and via all marketing communications. Nissan has selected a single advertising agency to develop a global advertising strategy and implement it on a local basis.

The global market has brought challenges and opportunities to Nissan in the past year. Facing a prolonged recession and slow market at home, sales in Japan fell. However, propelled by strong new entries into a booming North American market, Nissan registered double-digit sales growth, with dramatically improved profitability. The strong European market and the strength of the Alliance has created new opportunities to improve Nissan's performance. And Nissan continues to be committed to the new developing markets around the globe.

The new global structure is intended to help Nissan achieve and maintain strong financial performance as the global markets continue to play out their cycles.

e-commerce continues its sensational growth and Nissan has embraced the potential of this exciting area. In Japan, the company signed with CarPoint, the hugely successful consumer Internet service established by Softbank, Microsoft and other investors, in a new venture. In the U.S. the company has formed a partnership with Dealerkid.com, a leading provider of electronic customer marketing and relationship management software and services for the auto retail industry in the U.S., to implement a retail channel eCRM (e-Customer Relationship Management) solution.

Nissan is working with its retailers worldwide to ensure consistent, broad visibility in the online world.

Japan

Economic recession continues to affect the Japanese vehicle market, with the lowest sales level in 15 years.

The continuing slump in the Japanese economy was reflected in a 5.5 percent drop in total vehicle demand (excluding mini vehicles) to 3.982 million—the first time in 15 years that this figure has fallen below the four-million level.

In the face of this sluggish market, Nissan continued to launch new product in its home market, including new versions of the Cedric, Gloria and Serena. While market share for 1999 dropped to 19.1 percent, Nissan is reforming its domestic operations to aggressively defend its position and reverse long-term share erosion. To build a foundation for future growth, the company will launch four all-new products in the Japanese market in 2000.

Nissan converted its four different types of sales outlets in Japan to two distinct and easily-understandable sales outlets, with the introduction of the new "Nissan Blue Stage" and "Nissan Red Stage" consumer outlets.

The company will increase efficiency and competitiveness by streamlining its outlets and increasing the private ownership of dealerships.

Carest Zama, a new large-scale automotive service and supply retail mall, was opened by Nissan in December of 1999. Carest Zama integrates all areas of car ownership—new- and used-vehicle sales, service, parts and accessories—in one place.

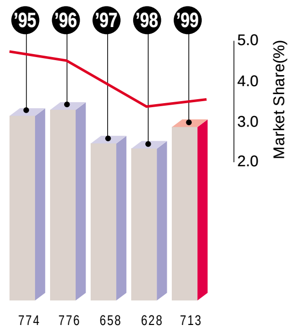
The goal for the domestic market is to defend market position, improve profitability and rebuild infrastructure.

SALES AND MARKETING

North America

An exciting year of change—Nissan North America, Inc. (NNA) saw the launch of a series of new products and increased sales with dramatically lowered incentives in 1999.

Unit Sales
(Thousands of Units, retail sales basis)



North American cars sales hit a record last year, with 17 million new vehicles sold reflecting a strong economy and better products than ever before. Trucks and sport utility vehicles (SUVs) now account for roughly half of all new vehicle sales in the U.S.; Nissan's successful launches of the hot new Xterra SUV and Frontier Crew Cab pickup have been a hit in the market. Total NNA retail sales for 1999, including the Nissan and Infiniti Divisions, were 713,124 units, a 13.6 percent increase over 1998, with 4.1 percent market share.

Nissan division introduced four new vehicles in 1999—the Xterra, the Frontier Crew Cab, the Maxima and the all-new Sentra—driving a 13 percent sales increase. Their strong market reception paves the way for the debut of the 2001 Pathfinder in the spring, and the redesigned Frontier pickup later in the year.

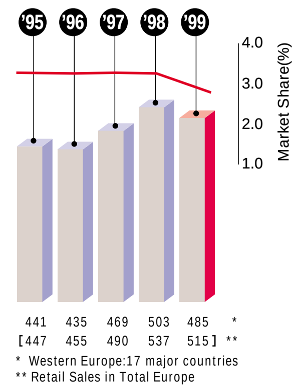
Nissan's Infiniti luxury division celebrated its tenth anniversary in November and ended the year with record retail sales of 75,456 units. In its first ten years, Infiniti has doubled its product offerings, tripled its retail network and seen continuous sales growth. Infiniti added a new I30 sedan and a more powerful QX4 SUV to its lineup this year, and look forward to the introduction of a new flagship Q45 in the coming year.

With ten new vehicles destined for the U.S. in the coming three years, the goal is to continue to build on Nissan's solid growth in the market.

Europe

A new relationship linking Nissan and Renault sales and marketing provides reinforced market strength in Europe.

Unit Sales
(Thousands of Units, registration basis)



The automobile market for 1999 was 16.9 million units; Nissan sold approximately 485 thousand vehicles in Western Europe*. The launch of the all-new Almera in March of 2000, and the addition of the Almera Tino in summer kicked off a three-year product schedule for Nissan in Europe.

In the spirit of the Alliance both companies will work together in Europe where both have a strong presence. Through the new relationship, Nissan benefits from Renault's strength as one of the top brands in Europe.

The newly re-organized sales network will support Nissan's aggressive product plan to totally replace the existing passenger car lineup and add attractive new products by 2002.

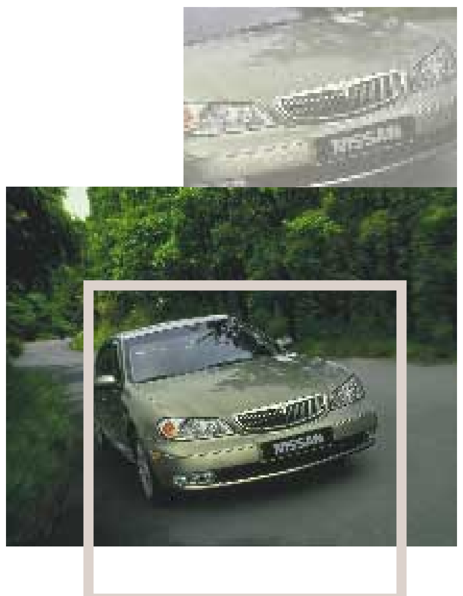
RENAULT NISSAN

Nissan and Renault will develop their European retail network organizations around the concept of common hubs controlling an expanded market area made up of the both companies' dealers in major countries. The concept aims at increasing sales and reducing costs through the sharing of back office functions. Nissan and Renault will pool all back office functions which are not directly related to brand identities or customers.

Nissan Europe intends to move its front office marketing services to Paris area by January 2001.

Markets for the New Millennium

Growth into the 21st century lies in the developing auto markets of the world. Nissan has established strong positions in many nations around the globe, and is looking for new areas of profitable growth.



Asia/Oceania

The recovery of Asia's economies from the currency crisis of 1997 was reflected in the increased demand for automobiles—as higher Nissan sales in the region show.

Total demand in the major ASEAN nations—Thailand, the Philippines, Malaysia and Indonesia—increased by 57.8 percent, to 717,208 units; Nissan sales increased by 56.0 percent. Market recovery is expected to continue throughout 2000, with demand returning to pre-recession levels.

The steady recovery of Thailand's market showed in expanded sales and production for Siam Nissan Automobile Co., Ltd. and Siam Motors & Nissan Co., Ltd.

Singapore market demand jumped 34.7 percent, to 53,300 units; Nissan surpassed the market increase with a 48.1 percent increase, making it the number-one make in Singapore. The increase was fueled by the popularity of the Sunny, Cefiro and Cabstar.

Taiwan, facing the challenges from the massive 1999 earthquake, saw demand fall by 8.0 percent. Nissan held a 17.2 percent market share; the Cefiro and Sentra both held their number one positions in their segments for the third straight year.

The Australian market fell from record 1998 sales to 779,149 units. Meanwhile, Nissan's sales grew slightly on the popularity of the Pulsar, Pathfinder and the new Patrol cab and chassis, to hold 6.0 percent of the Australian market.

Mexico

Buoyed by a brisk economy, the Mexican automobile market had its second-highest-ever results, with 675 thousand units sold. **For the third year running, the Nissan Tsuru was the best-selling car in Mexico,** fueling Nissan sales as it remained Mexico's number-two automaker, with 20 percent market share.

Latin America and the Caribbean

Total demand in the region dropped 23.3 percent from the previous year, due to declining demand in South America because of recession (including the fall of the Brazilian currency), and a drop from the middle of the year in Central America.

Nissan sales in Central and South America dropped by 19.4 percent from the previous year, less than the total market fall, which increased Nissan's share by two percent.

Sales volume in the Caribbean increased sharply, with strong results in Puerto Rico, the Dominican Republic and Panama, where Nissan increased its market share dramatically through the success of sales promotions.

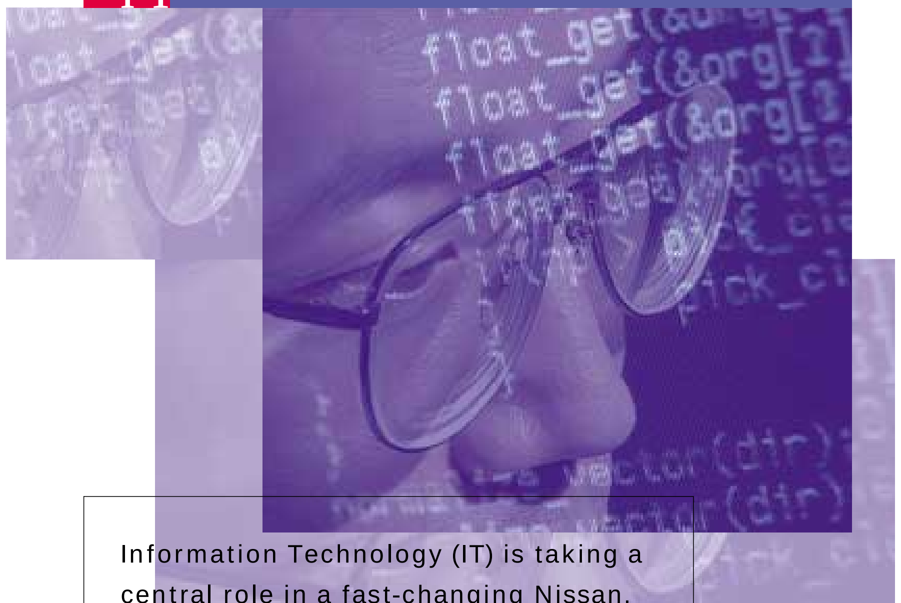
The Middle East/Mediterranean/Africa/Iran

A high yen depressed Middle East and Mediterranean sales, reducing sales of all makers in the region. Nissan's sales in the region dropped 27 percent from the previous year.

Nissan's largest markets in the region are the six countries of the Gulf Cooperation Council (GCC). Nissan, Nissan Middle East FZE, and the National Sales Companies have implemented the newly introduced mid-term strategy called "GCC 2005" to strengthen the product line-up and enhance CS and brand image for the sales reinvigoration.

Elsewhere, Nissan holds a top-three position in South Africa; it is the number-one Japanese make in Iran and number two in sub-Saharan Africa.

IT INFORMATION TECHNOLOGY



Information Technology (IT) is taking a central role in a fast-changing Nissan, to improve productivity and cut costs by improving communications between businesses and with the customer.

A New Information Chief

Highlighting the critical importance of IT, the company appointed Shozo Kurihara as VP and global Chief Information Officer (CIO) and established the IT Division reporting to the CFO. The IT group will provide ongoing support and strategic direction for all business and consumer computer projects.

To dramatically reduce ongoing IT costs, a strategy to unify, centralize and standardize application systems and infrastructure is being put into place. Nissan is also building global partnerships with IT companies such as Japan Telecom, which has been contracted to manage global telecom standards for the company.

Currently, there are more than 250 IT projects planned worldwide for the next three years as part of the Nissan Revival Plan.

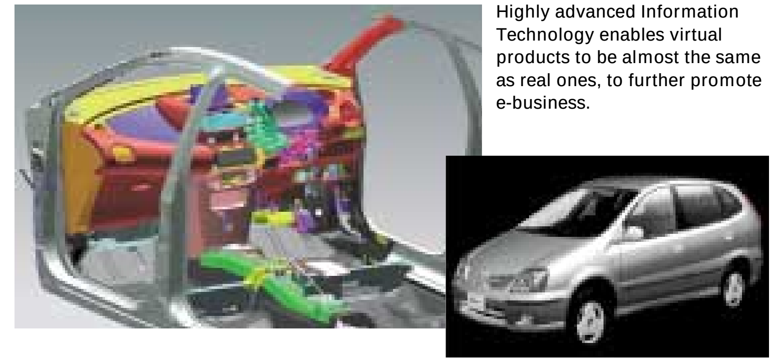
New Services

"Clicar," a web-based system that allows customers to set up an appointment with the nearest Nissan dealer, was established in July 1999. Visitors to the website simply input the model they are interested in, and the date they want to make an appointment, and they can review an estimate for the car including the dealers' price and other costs.

Another customer service launched during the year allows for maintenance service, such as regular checks and vehicle inspections, to be scheduled over the Internet.

Looking Ahead

Nissan has established an e-Commerce Development Department in April 2000 to communicate with customers globally over the Internet. e-businesses will also be developed to meet the specific needs of regional markets, including new-car sales and other related business, integrated into a unified strategy.



Highly advanced Information Technology enables virtual products to be almost the same as real ones, to further promote e-business.

Shozo Kurihara—Chief Information Officer

"One thing was clear to me as I stepped into my new role as CIO—the job certainly isn't carved in stone! With the amazingly rapid changes taking place in the IT world, the IT Division and I have a fascinating and challenging role in finding and implementing the potential that these sweeping changes bring.

For example, a global company needs to be able to communicate among physically very distant areas as smoothly as if the entire company were in downtown Tokyo. Our partnership with Japan Telecom, a company with its own alliances around the globe, makes that happen, using Internet standards to create a next-generation information and communication network. We also cut our communication costs substantially while opening up new potential for communications. This is a real win-win situation.

We see IT as a way not only to enhance communications within our company, but to create a stronger relationships with our customers, and with our business partners. The fact that Nissan created the CIO position and the IT Department clearly says that this is a company committed to making change happen."

"IT enhances communications within our company, and creates stronger relationships with customers and business partners."

INFORMATION TECHNOLOGY

FINANCE

Finance

Sound financial management is key to returning Nissan to profitability, with a new, consolidated global strategy.

Nissan's five financial commitments:

- Reduce financial costs;
- Reduce consolidated net automotive debt;
- Support product development in achieving profitability;
- Produce fast, reliable and accurate financial reporting;
- Monitor and achieve consolidated budget targets.

Moving to Centralized Finance

The centralization of the Finance Department began immediately after the announcement of the Nissan Revival Plan, with central financial operations replacing regional financial operations with a single global strategy.

Global financial management was established to ensure that Nissan receives the best returns on investments. The Company has restructured its global treasury operations, instituting a single cash management system. By creating closer links among finance operations worldwide, the Company is more efficient.

Finance works daily with departments worldwide to establish financial controls for all areas of operations; all financial functions, including insurance and real estate, have been consolidated into Finance on a global basis.

Financial cost management plays a key role during consulting with Program Directors, as Nissan works to determine the profitability and feasibility of new products. New product decisions are based not only on engineering and styling studies, but also on strict financial analysis.

Consolidating Consumer Financing

Consumer finance is not just a sales tool; it's a valuable product for Nissan customers in a competitive market. In Japan, the company will have completed the merger of separate finance companies into one by July of 2000. It will offer comprehensive and competitive financial support to domestic customers and dealers.

In the U.S., Nissan Motor Acceptance Corp. continues its strong operations; in Europe, the sale of Nissan Finance Europe to Renault Credit International (RCI) marked the first step in cooperative finance operations within the Alliance. Nissan and RCI will work in areas including Mexico and South America, offering competitive financial products.

FINANCE

HUMAN RESOURCES AND MANAGEMENT

Human Resources and Management

Globalization brings a change in management, and the Company recognizes the role of employees bring in a implementing change in the Company.

In creating a more global Nissan, the Company's appraisal and compensation system has been shifted from the traditional Japanese seniority-based system, to a performance-based system.

In the new system, the individual will be regularly evaluated based on their capabilities and work performance measures against set objectives. The new system aims to be age-neutral, recognizing the importance of experience, but not limiting career options for outstanding performers.

The Company also instituted its first-ever stock option program in 2000. Through a 15-billion-yen warrant bond offering, more than 500 employees will qualify for options this year. The options are designed to be incentives; the grants are based on employees meeting individual goals and the Company meeting its overall objectives for the NRP.

Nissan is keenly aware that its greatest strength lies in its talented people. "The vision of the Nissan Revival Plan will become a reality," Carlos Ghosn said, "as long as every single Nissan employee shares it with us."

Nissan Staff Speak Out

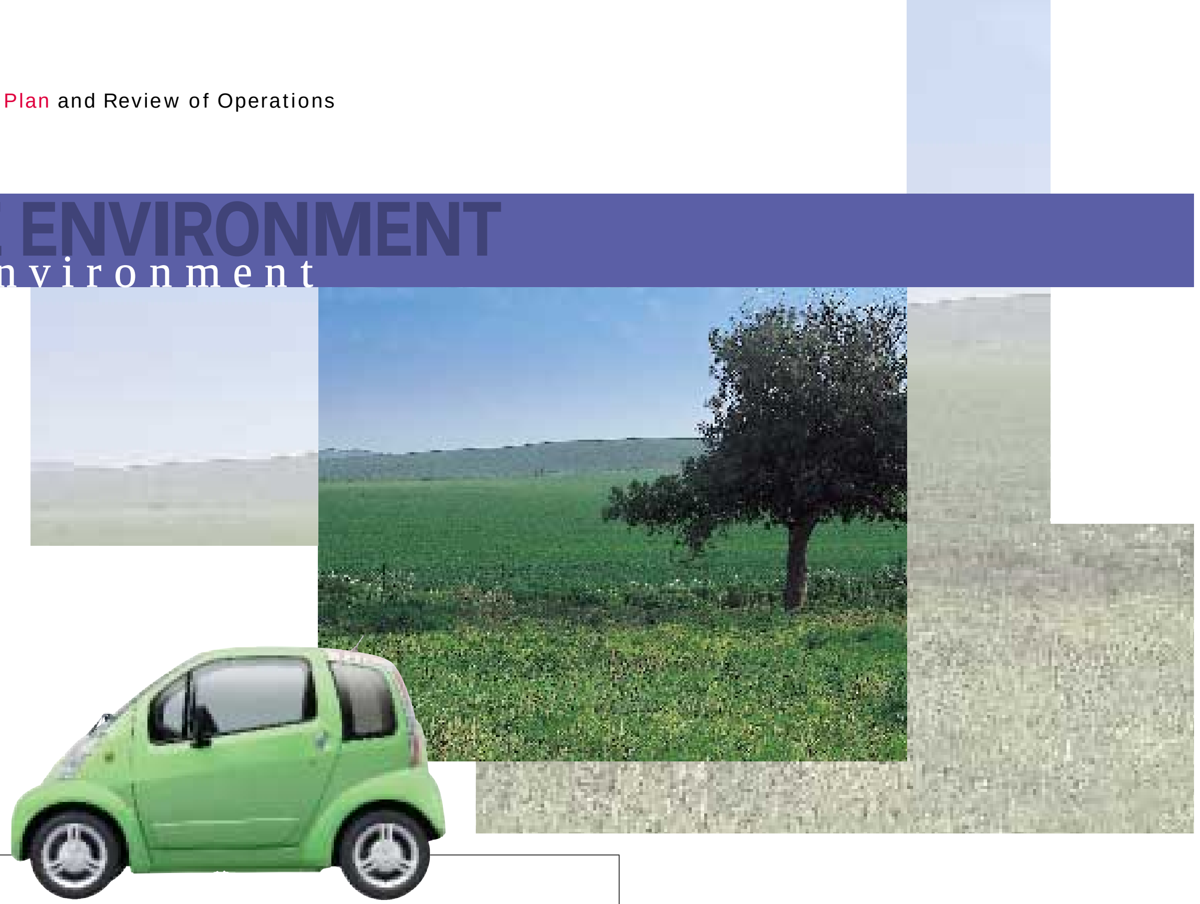
"Nissan employees know that we have major challenges ahead of us; we know that there will be many changes. There's a lot of excitement about the future, though—we want to see what kind of company we can make."

"The new compensation system, to be honest, is a big change for Japanese employees, and there is stress and uncertainty. But we're willing to accept the challenge because management has clearly shown its commitment to us and to the long-term future of Nissan."

HUMAN RESOURCES AND MANAGEMENT

THE ENVIRONMENT

The Environment



Comfort and convenience are not the only factors in creating cars. The protection of our environment is a critical concern for Nissan.

Illustrating this commitment is the company-wide effort to gain ISO14001 environmental certification. The Oppama Plant in Japan was the first to be accredited in 1997; today six major plants in Japan, Zama Operations Center, and Product Planning, Research & Development Process, as well as the four major overseas manufacturing operations—the U.S., Mexico, U.K. and Spain—have gained this standard of excellence.

Nissan has applied the know-how and standards of the ISO14001 certification to create its Nissan Green Shop authorization system. Nissan Green Shop provides a structure for environmental protection at all stages of the car lifecycle to Nissan dealers.

In 1999, Nissan implemented a zero-emission plan throughout the company, and is promoting new activities toward a zero waste goal. Nissan also has established a system for tracking the releases and transfers of chemical substances at all its plants.

Recycling and Reusing

In the recycling of end-of-life-vehicles (ELVs), Nissan is aiming at 90-percent-plus recyclable rate—already achieved with the Sunny in 1998. As early as 1997, the Company established a pilot ELV dismantling plant in Yokohama.

By working closely with parts manufacturers, Nissan achieved, for the first time ever, a technology for recycling recovered plastic parts into the same parts. Recycled bumpers, instrument panels, ducts and carpets are used in the Hypermini, introduced in February 2000.

Cleaner and Quieter

The February 2000 release of the Sentra CA (Clean Air) in the U.S., created the world's cleanest gasoline-fueled car.

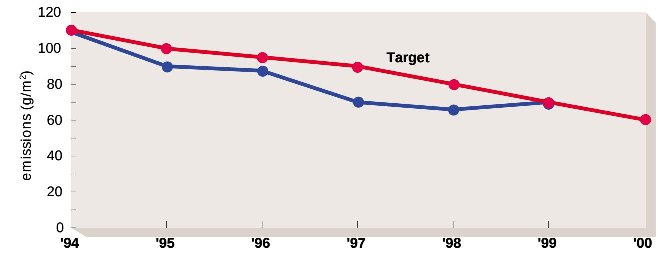
The Tino HYBRID, launched in March of 2000 in Japan, is fitted with high-performance lithium-ion batteries and the NEO HYBRID system using Nissan's HYPER CVT. These provide the Tino with excellent performance and extremely low fuel consumption. Extensive R&D efforts are now being applied to the development of fuel-cell vehicles (FCV). In May of 1999, testing also began of a new FCV fitted with a methanol reformer.

Concrete Goals

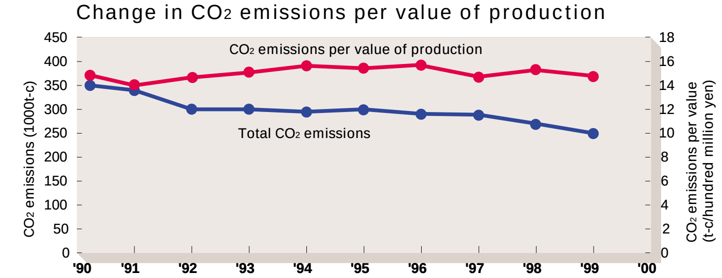
The Company has established a global environmental protection system with concrete targets for environmental protection:

- Hold CO_2 emissions for 2000 to the levels of 1990—already accomplished in 1999, with a level 30 percent lower than that of 1990.
- Cut energy consumption per value of production 10 percent below the 1990 level in 2000—already 9 percent below the target.
- Reduce sulfur oxides and nitrous oxides in production facilities.
- Eliminate the use of lead in vehicle manufacturing by the end of 2002.
- Reduce solid waste generation by production value to 75 percent below the 1990 level.
- Reduce volatile organic compound (VOC) emissions from painted surfaces in 2000 to 30 percent below the 1994 level. Nissan improvements include the recovery of used paint thinner, painting equipment which provides higher paint transfer efficiency and the use of high-solids paints. In fact, VOCs generated in 1999 were reduced to fully 38 percent lower than the 1994 level.

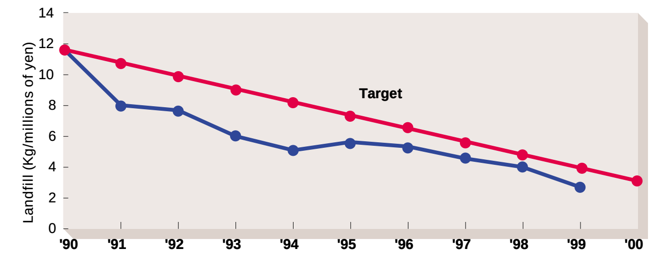
Reduction of VOC emissions per painted area



Change in CO_2 emissions per value of production



Change in landfill and waste volumes per value of production



Nissan's environmental efforts have gained many awards, including;

The Natural Resources and Energy Agency Director-General's Award of the **1999 New Energy Conservation Prize** for the Hypermini ultra-small electric car.

The U.S. Environmental Protection Agency's "Global Protection Award" for Nissan's efforts addressing global warming, for the reduction of hydrofluorocarbons (HFC), and for improvements in fuel economy.

The Nissan Environmental Report 1999, the award-winning publication available at http://global.nissan.co.jp/japan/SYMBIOSIS/

THE ENVIRONMENT

BUILDING ON THE ALLIANCE

Building on the Alliance

RENAULT NISSAN

Nissan and Renault's global Alliance, formed in March of 1999, is a bold and innovative linking. The Companies retain their own corporate and brand identities, and operate independently in many ways. But more important are the many ways in which the two Companies now draw on each other's resources and skills to further strengthen a partnership that is a major world automobile manufacturer.

Mexico

TARGET
Increase sales while maximizing plant capacity in the country a potential million-unit market.

ACTION
Renault vehicles produced in Nissan's Mexican production facilities, and Renault financing, combine to enhance dealer lineups and attract new customers.

Nissan Mexicana (NMEX) is the second-largest automaker in Mexico. Through the Alliance, Renault now returns to Mexico, with Renault cars to be imported or assembled by NMEX, beginning with the popular Scenic compact monocoupe. Renault dealerships will be set up in the major markets, chosen from current Nissan Mexican dealers.

The Alliance has allowed Renault to accelerate its plans for entering Mexico and to reduce its costs; Nissan gains optimized local operations, through a nearly complete utilization of its plants and the expanded range of products it can offer. Plans foresee some 1.2 million vehicles—400,000 for Renault and 800,000 for Nissan—being produced by the Alliance from 2000 to 2010.

Japan

TARGET
Strengthen Renault's presence in Japan and cultivate new customers for Nissan by selling a new product lineup.

ACTION
Using strong support from Nissan, Renault is creating Renault Japon Co.,Ltd., a wholly-owned subsidiary as its importer.

Committed to profitable growth around the globe, the Nissan-Renault Alliance has begun a new area of cooperation which will strengthen Renault's presence in Japan.

The new Renault Japon Co., Ltd. will rely on Nissan as the company develops its sales. Leveraging Nissan's infrastructure will allow Renault to speed its growth in Japan, minimizing the investment needed.

In 2000, some 50 Nissan outlets will market Renault vehicles, a network which will grow to more than 150 outlets in the longer term. Nissan will also provide sales outlet management and follow-up, conduct sales staff training, promote sales, run local advertising campaigns, etc.

The goal is to increase Renault sales in Japan to 15,000 vehicles in 2004, growing to 30,000 units annually over the long term. Nissan dealers will be able to cultivate new customers, different from traditional Nissan buyers, by selling a completely new product lineup.

Mercosur

TARGET
Expand Nissan's presence in Mercosur market with strong support from Renault

ACTION
Producing Nissan vehicles using Renault's production facilities in the market with cooperation in operations including purchasing, sales and administration.

Mercosur is one of the most promising markets in the world with total demand forecasted to reach 3 million units by 2010 from current 1.7 million.

Nissan's first project is the manufacturing of the new Frontier pickup model in Renault's Brazilian manufacturing facilities, starting 1st quarter of 2002. Building on its reputation for quality cars and trucks, Nissan will leverage the Alliance to build 5 products locally by 2005 and sell more than 150,000 units by 2010. Together, Nissan and Renault will bolster their long-term presence, aiming for 15 percent of the market by 2010.

ALLIANCE

Representative Board Members

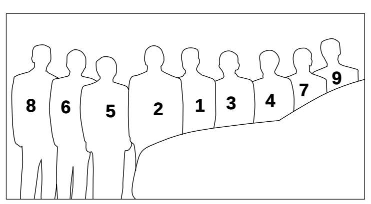
Yoshikazu Hanawa
Chairman

Carlos Ghosn
President

Board Members

Hiroshi Moriyama
Hisayoshi Kojima
Itaru Koeda
Nobuo Okubo
Norio Matsumura
Patrick Pélata
Thierry Moulonguet

(As of June 20, 2000)



1 Yoshikazu Hanawa
2 Carlos Ghosn
3 Hiroshi Moriyama
4 Hisayoshi Kojima
5 Itaru Koeda
6 Nobuo Okubo
7 Norio Matsumura
8 Patrick Pélata
9 Thierry Moulonguet

Chairman
Chief Executive Officer
Yoshikazu Hanawa

President
Chief Operating Officer
Carlos Ghosn

Executive Vice President

Hiroshi Moriyama
Domestic Marketing and Sales Group
Parts Division
Administration Department in
Domestic Marketing and Sales Group

Hisayoshi Kojima
Manufacturing and Engineering Group
Powertrain Operations Group
Industrial Machinery Division

Itaru Koeda
Purchasing Group

Nobuo Okubo
Technology and Engineering
Development Group
Vehicle 3-3-3 Promotion Office
Resources Management Division

Norio Matsumura
Overseas Operations Group
North America and European Operations

Patrick Pélata
Planning Group
Corporate Planning Department
Program Management Office
Product Strategy and Planning Division
Design Division

Thierry Moulonguet
Chief Financial Officer
Finance Department
Treasury Department
Cost and Profit Management Department
Group IT Division

Vice Chairman
Kanemitsu Anraku
External and Government
Affairs Department

Senior Vice President
Iwao Nakamura
Hajime Kawasaki
Shigeru Takagi
Masahiko Aoki
Tadao Takahashi
Ryoso Kodama
Eiichi Abe
Kuniaki Sasaki
Akihiro Kojima
Ian Gibson
Takashi Kitajima
Shuji Yamagata
Eiji Imai
Yukio Kitahora
Keisuke Takebe
Shiro Tomii
Toshiyuki Shiga
Bernard Rey
Jean-Jacques Le Goff

Auditors
Tadao Takei
Shozo Yoshimatsu
Haruhiko Takenaka
Hideo Nakamura

(As of July 1, 2000)

(As of March 31, 2000)

Nissan Motor Co., Ltd.
17-1, Ginza 6-chome,
Chuo-ku, Tokyo 104-8023,
Japan
Phone: (03)3543-5523

Date of Establishment
December 26, 1933

Paid-in Capital
¥496,605 million

Common Stock
Issued and outstanding:
3,977,293,751 shares

Number of Shareholders
122,693

Major Registered Shareholders	% of total
Renault S.A.	36.8
The Fuji Bank, Ltd.	2.7
State Street Bank & Trust Company	2.7
The Dai-ichi Mutual Life Insurance Company	2.6
Nippon Life Insurance Company	2.4
The Industrial Bank of Japan, Limited	2.2
Bankers Trust Company	1.9
The Asahi Bank, Ltd.	1.9
The Nissan Fire & Marine Insurance Co., Ltd.	1.3
The Tokio Marine and Fire Insurance Co., Ltd.	1.2

Securities Traded
- Tokyo Stock Exchange, Osaka Stock Exchange, Nagoya Stock Exchange, Kyoto Stock Exchange, Fukuoka Stock Exchange, Sapporo Stock Exchange, (7201 T)
- NASDAQ: (One American Depositary Receipt represents two shares underlying stock) (NSANY)
- Frankfurt Stock Exchange (NISA GR)

Transfer Agent and Registrar for Common Stock
The Chuo Mitsui Trust & Banking Co., Ltd.
7-1, Kyobashi 1-chome,
Chuo-ku, Tokyo 104-8345,
Japan

Depositary and Transfer Agent for American Depositary Receipts
Morgan Guaranty Trust Company of New York
60 Wall Street, New York,
NY 10260-0060, USA

Auditor
Century Ota Showa & Co.

Major Offices and Facilities
Corporate Headquarters (Tokyo, JP)
Nissan North America (Gardena, US)
Nissan Europe (Amsterdam, NL)

Nissan Technical Center (Atsugi, JP)
Nissan Technical Center North America (Farmington Hills, US)
Nissan Technical Centre Europe (Cranfield, UK)
Nissan Design International (San Diego, US)
Nissan Design Europe (Geretsried, GER)

Major Production Sites
Japan
Iwaki Plant
Tochigi Plant
Murayama Plant
Yokohama Plant
Oppama Plant
Kyushu Plant
North America
Nissan Motor Manufacturing Corp. USA
Nissan Mexicana S.A. de C.V.
Europe
Nissan Motor Manufacturing (UK) Ltd.
Nissan Motor Ibérica S.A. (Spain)

Consolidated Five-Year Summary

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
(Fiscal years 1999, 1998, 1997, 1996 and 1995)

	Millions of yen (except per share amounts and number of employees)					Millions of U.S. dollars(Note 2) (except per share amounts)
For the years ended	**1999**(Note1) *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	1996 *Mar 31, 1997*	1995 *Mar 31, 1996*	**1999** *Mar 31, 2000*
Net sales	**¥5,977,075**	¥6,580,001	¥6,564,637	¥6,658,875	¥6,039,107	**$56,388**
Operating income	**82,565**	109,722	86,883	199,380	43,235	**779**
Net income (loss)	**(684,363)**	(27,714)	(14,007)	77,743	(88,418)	**(6,456)**
Net income (loss) per share(Note 3)	**(179.98)**	(11.03)	(5.57)	30.94	(35.19)	**(1.70)**
Cash dividends paid(Note 4)	**0**	17,591	25,130	17,589	17,588	**0**
Shareholders' equity	**¥ 929,356**	¥1,254,595	¥1,282,485	¥1,356,090	¥1,356,678	**$ 8,768**
Total assets	**6,541,184**	6,917,561	7,883,786	7,473,778	7,091,594	**61,709**
Long-term debt	**1,655,610**	1,591,596	1,669,642	1,969,423	1,929,104	**15,619**
Depreciation and amortization	**434,553**	498,444	508,012	436,756	431,974	**4,100**
Number of employees(Note 5)	**141,526**	131,260	137,201	135,331	139,856	

Notes: 1. Figures of 1999 are calculated based on new accounting rules. Please refer to 2. ACCOUNTING CHANGES on page 42 for changes in the accounting rules.
2. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at ¥106=$1, the approximate exchange rate on March 31, 2000.
3. Net income (loss) per share amounts are based on the weighted average number of shares of common stock outstanding during each year. Figures for net income (loss) per share are in exact yen and U.S. dollars.
Number of shares outstanding as of March 31, 2000: 3,977,293,751.
4. Cash dividends during the full year by subsidiary companies to non-Nissan minority shareholders are not included.
5. This reflects the addition of new employees as a result of new GAAP and the reduction of employees during fiscal year 1999.

Sales and Production (units) *For the years ended*	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	1996 *Mar 31, 1997*	1995 *Mar 31, 1996*
Global vehicle production(Note 1)	**2,404,650**	2,465,863	2,754,598	2,742,640	2,731,644
Japan	**1,336,918**	1,528,461	1,671,510	1,662,776	1,676,947
United States	**348,214**	279,392	396,887	409,958	446,674
Mexico	**216,140**	169,339	184,699	146,614	99,810
Spain	**105,245**	96,000	99,885	107,790	112,940
United Kingdom	**286,865**	275,993	277,509	248,026	209,687
Others	**111,268**	116,678	124,108	167,476	185,586
Global unit sales (wholesale)	**2,415,433**	2,541,736	2,567,878	2,710,043	2,671,032
Japan	**758,603**	872,507	981,512	1,140,010	1,146,131
North America(Notes 2 and 3)	**874,160**	656,789	678,488	809,133	814,541
Europe(Note 3)	**500,836**	549,547	494,092	451,809	464,714
Others(Note 2)	**281,834**	462,893	413,786	309,091	245,646

Notes: 1. All the figures for global vehicle production are on a April to March basis.
2. The unit sales in Mexico for 1999 is included in "North America" according to new geographical segmentation applied at April 1999.Those for years before 1999 have still been included in "Others".
3. Sales for Europe and Mexico are on a January to December basis.

Financial Review

Fiscal Year 1999 was a year of transition and a year of clarification for Nissan. As we move forward in implementing deep changes within the framework of the NRP, the result will become all the more significant on our operating figures. In addition, changes in the new generally accepted accounting principles (GAAP) in Japan have had an impact on our accounts while we are at the same time making progress in moving closer to internationally accepted accounting standards.

CHANGES IN ACCOUNTING

Following is a summary of changes in the new Japanese GAAP that are reflected in our statements for fiscal year 1999.

Scope of consolidation

The scope of consolidation has been expanded and the criteria for determining consolidated "subsidiaries" and "affiliates" has changed. These changes have led to the inclusion of 45 new consolidated subsidiaries.

The rule for consolidating subsidiaries has changed from the "majority ownership criterion," that included only companies in which the parent held a simple majority of more than 50%, to the "control criterion." This rule applies when a parent company holds 40% to 50% interest in a subsidiary and has practical or effective control through actions such as a majority vote on the board of directors. Examples of newly consolidated companies include Nissan Shatai, Aichi Machine Industry, Automakers, Nissan Credit, Nissan Real Estate Development.

For "affiliates" the rule has changed from the simple "ownership criterion" for companies in which the parent holds 20% to 50%, to the "influence criterion." This rule applies when a parent company holds 15% to 20% or more and has significant influence over the financial and business policy of the affiliate.

In addition, other non-operating or previously un-consolidated companies were included in the scope of consolidation to satisfy, in particular, the "materiality threshold" test to determine the appropriate consolidation range. In total, the net impact of the above mentioned changes was the inclusion of 139 consolidated companies and the decrease of 28 equity method companies.

Tax effect accounting

Under the new tax accounting deferred tax assets and liabilities are now recognized. The accounting recognizes the temporary differences between the financial reporting and tax bases of tax assets and liabilities which must be measured based upon the tax rates and laws expected to be in effect when the differences will be reversed.

By applying this accounting, the company must recognize the estimated future tax effects as a result of temporary differences and carry-forwards raised in the current year in the financial statements for the current fiscal year. In Japan, the "assets and liabilities approach," which is widely accepted internationally, is applied.

Nissan Motor Co., Ltd. (NML) adopted tax effect accounting in fiscal year 1999 and as a result has recognized 30.6 billion yen ($288.6 million) in deferred tax benefits. The majority of the tax benefits have been deferred to future years.

Research and development costs

R&D costs are now charged to income as incurred on a consolidated basis, a change from past policy leaving two alternatives of charging all the R&D costs to income for the current fiscal year or amortizing the costs for the following fiscal years on each of the group companies financial statements. Additionally the cost of computer software developed or obtained is recognized as intangible assets under certain specific conditions.

The impact of this change on NML fiscal year 1999 accounts is minimal due to the fact that R&D costs had been charged to income when incurred in previous years' financial statements.

Impact of New GAAP on Fiscal Year 1999 Accounts*

Sales:	98	bn yen
Operating Income:	11.3	bn yen
Ordinary Income:	5.6	bn yen
Net Income:	(0.8)	bn yen
Net Automotive Debt*:	(173.8)	bn yen
Shareholders' Equity*:	(149.9)	bn yen

* versus figures reported 03/99

The impact of the extension of the scope of consolidation is marginally positive on the operating side and marginally negative from a balance sheet point of view

The following accounting changes were made as part of Nissan's move toward internationally accepted accounting standards and are reflected in the financial results for fiscal year 1999.

Accounting for prior service cost of pension

Until March 31, 1999, NML accounted for expenses related to pension by expensing them upon payment to the pension plan. Effective April 1, 1999, NML adopted the method of accounting recognizing prior service pension costs as expenses accrued as they are actually determined or payment becomes liable.

The impact of this change as of April 1, 1999 amounted to 275.9 billion yen that was charged as an extraordinary loss for the fiscal year ended March 31, 2000.

Accounting for accrued warranty costs

Until March 31, 1999, NML provided an accrual or reserve for warranty costs to cover service costs in the following fiscal year only to fulfill its liability. Effective April 1, 1999, NML changed its accounting method for warranty costs to provide an accrual or reserve to cover all service costs expected to be incurred during the entire warranty period (ranging from 3 to 5 years). The cumulative effect of this change as of April 1,1999 amounted to 48.5 billion yen which was charged to operations as an extraordinary loss for the fiscal year ended March 31, 2000.

NET SALES

The decrease of 10.5% in consolidated sales is mainly due to the impact of exchange rates. During fiscal year 1999, the average yen dollar exchange rate fell 12.5% from 128 yen per dollar in fiscal year 1998 to 112 yen per dollar in fiscal year 1999.

The other main contributing factor in explaining lower turnover is the 6.3% decrease in unit sales volume. The decline in Japan, Europe and the rest of the world was not fully offset by the 9.0% increase in North America.

OPERATING PROFIT

Nissan's operations generated an operating margin of 1.4% in fiscal year 1999 compared to 1.8% in fiscal year 1998 on a consistent basis. The 82.6 billion yen figure for fiscal year 1999 came close to the half-year forecast made on November 22, 1999, aided by an improved performance in the fourth quarter. Breaking our results down on a major regional basis:

- Japan is still showing low operating profitability as a result of lower overall volume, down 13.2%, and an insufficient profit contribution per unit in a sluggish overall market.
- The North American market experienced a very robust year resulting from successful new product launches including the new Xterra, Frontier Crew Cab, Maxima and Infiniti I30. The result has been higher market share and a higher percentage of truck sales in the mix. A 28% reduction in total incentive spending for fiscal year 1999 compared to fiscal year 1998 in the U.S. market accompanied the 9.0% increase in sales.
- Europe experienced a weak year with an aging product line-up (its average life of 4 years and 9 months) and too heavy fixed costs. The launch of the restyled Primera and the all-new Almera and the effects of restructuring European operations within the Alliance with Renault will start to be felt in fiscal year 2000.

ORDINARY INCOME

At the ordinary income we experienced a significant reduction of net financial costs that, on a comparable basis, went down from 90.3 billion yen in fiscal year 1998 to 60.6 billion yen in fiscal year 1999. This resulted from the reduction of debt and active financial management as the funding and treasury policies are being globalized.

NET INCOME

As expected, the net loss for fiscal year 1999 of 684 billion yen resulted from the impact of one-time exceptional charges. Nissan charged 711 billion yen in provisions, composed of 5 primary areas:

1) **Past pension liabilities:** Out of a total of 700 billion yen, we provisioned 276 billion yen for retirement benefits. The remaining portion will be expensed regularly over the coming 15 years as a non-operating item.
2) **Restructuring charges:** We provisioned 233 billion yen for the implementation of the NRP. This includes 70 billion yen for plant closures and the transfer of manufacturing lines, 60 billion yen for special retirement allowances, 28 billion yen for restructuring European operations, 27 billion yen for modernization of the domestic dealer network and 20 billion yen for potential investment losses in industrial affiliates. We have also added 15 billion yen to cover the loss from the sale of our aerospace division and 12 billion yen to complete the merger process of our finance companies in Japan.
3) **Accounting changes:** The total of 114 billion yen includes the 48.5 billion yen provision to cover the full life of product warranties, the 46.5 billion yen write-off of 5% residual values on capital expenditures as we move from a declining balance method to straight line depreciation in connection with Nissan's move to IAS accounting and the 19 billion yen impact of extending to the entire Nissan group the booking of R&D expenses directly to the income statement which were previously amortized on the balance sheet.
4) **Net valuation losses:** The 65 billion yen provision covers mainly the revaluation of real estate and investments held by the Company and its consolidated affiliates.
5) **Other items:** 23 billion yen includes the write-off of idle equipment.

The balance of income that brings us to the net figure of 684 billion yen comes from the combined negative and positive impact of taxes and minority interest.

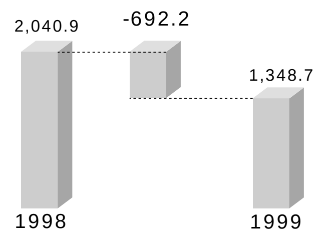
FINANCIAL POSITION

Assets

Total consolidated assets reached 6,541.2 billion yen ($61.71 billion) as compared to 6,917.6 billion yen at the end of fiscal year 1998. This variation can be explained mainly by the combined effect of the extension of the scope of consolidation on the one hand and by divestitures and foreign exchange translations on the other.

The inclusion of new companies in the scope of consolidation had a positive impact of 700.9 billion yen ($6.61 billion). The largest newly consolidated companies are Nissan Credit, a Japanese sales finance company, Nissan Real Estate, a domestic real estate holding company, Nissan Shatai and Aichi Machine Industry, two domestic manufacturing companies and Automakers, a South African manufacturing company.

Decrease in Indebtedness of Automotive Business



Other factors resulted in a reduction of total assets. They include a foreign exchange translation effect of 332.1 billion yen ($3.13 billion), a decrease in plant, property and equipment of 297.1 billion yen ($2.8 billion) and finally the sale of the European sales finance companies to Renault that reduced total assets by 315.1 billion yen ($2.97 billion).

The total impact of the positive and negative factors described above was a net reduction in assets of 376.4 billion yen ($3.55 billion) in fiscal year 1999 compared to fiscal year 1998.

Debt

Consolidated financial indebtedness totaled 2,972.2 billion yen ($28.04 billion). When deducting available cash-on-hand from interest bearing debt, consolidated net financial indebtedness totaled 2,481.5 billion yen ($23.41 billion) at the end of the fiscal year. This represents a decline of 428.5 billion yen as compared to fiscal year 1998 which has been restated to take into account the impact of the new scope of consolidation as described in the previous section "accounting changes."

Consolidated net financial indebtedness of the automotive business, the reduction of which is one of the three key commitments of the NRP, reached 1,348.7 billion yen ($12.72 billion), down from 2,040.9 billion yen ($19.25 billion) on a consistent basis from the end of fiscal year 1998. The decrease in the indebtedness of the automotive business in fiscal year 1999 compared to fiscal year 1998 is due primarily to the capital injection of Renault of 585.7 billion yen ($5.52 billion), while a foreign exchange translation of 82.3 billion yen ($776 million) and other operating factors further contributed to the drop.

The consolidated net financial indebtedness of the sales finance companies was 1,132.8 billion yen ($10.69 billion), down 355 billion yen from fiscal year 1998 on a consistent basis, mainly due to the sale of the European sales finance companies to Renault.

Shareholders' equity

Consolidated shareholders' equity at the end of March 2000 totaled 929.4 billion yen ($8.77 billion), a decrease of 175.3 billion yen ($1.65 billion) compared to 1,104.7 billion yen ($10.42 billion) at the end of 1998 on a consistent basis. The decline can be attributed mainly to this year's net loss and opening balance adjustments made for the application of tax effect accounting that were not fully offset by the capital increase from Renault.

CASH FLOW

Consolidated cash generated from operating activities reached 292.1 billion yen ($2.76 billion) coming mainly from depreciation and amortization, including the amortization of prior service costs of pensions that offset the year's loss before tax.

Due to the significant decrease in short term borrowings and repayment of long term debt, financing activities used a net cash amount of 318.1 billion yen ($3 billion).

In total, cash and cash equivalents decreased by 204.6 billion yen ($1.93 billion) from the beginning to the end of fiscal year 1999.

FINANCIAL STRATEGY

Since July 1999, Nissan has centralized the management of all financial matters in its headquarters in Tokyo. Three primary financial functions report to the Chief Financial Officer: Global Treasury, Global Financial Controls and Global Cost Management. The responsibility of each one of these functions is to manage the Company's financial risks, reporting, support and controls on a worldwide basis.

The mission of the global treasury function is threefold. The first aim is to secure the Company's global sources of funds by ensuring a regular access to the world's financial markets at the lowest cost. The second objective is to minimize the Company's financial risks that arise from its business activities. Finally, global treasury has a mandate to minimize the total financial costs incurred by Nissan in its refinancing and risk management activities.

Global financial controls are firstly responsible for ensuring a swift migration of Nissan's consolidated accounts to international accounting standards. The second responsibility is to develop a consolidated integrated accounting, budgeting and financial controls process to be applied to the group's consolidated companies. The third area concerns management reporting and financial analysis. The implementation of the NRP will thus be followed through monthly reporting which will cover all the relevant indicators of the Company's operations.

The cost management group's first mission is to provide economic support and financial forecasting for the Company's business related decisions, particularly as they relate to those of the Program Directors. This group has produced a profit guide that sets a profitability target for each new vehicle consistent with the consolidated operating profit target set for the Company. They also ensure timely and comprehensive product performance and cost per unit reporting. Finally, the cost management group controls and monitors the Company's investments and capital expenditures around the world.

By having globalized these three key financial functions, Nissan is better positioned today to benefit from opportunities in the world's financial markets while ensuring that the financial performance called for by the NRP is properly measured and achieved through the profitability generated by each program.

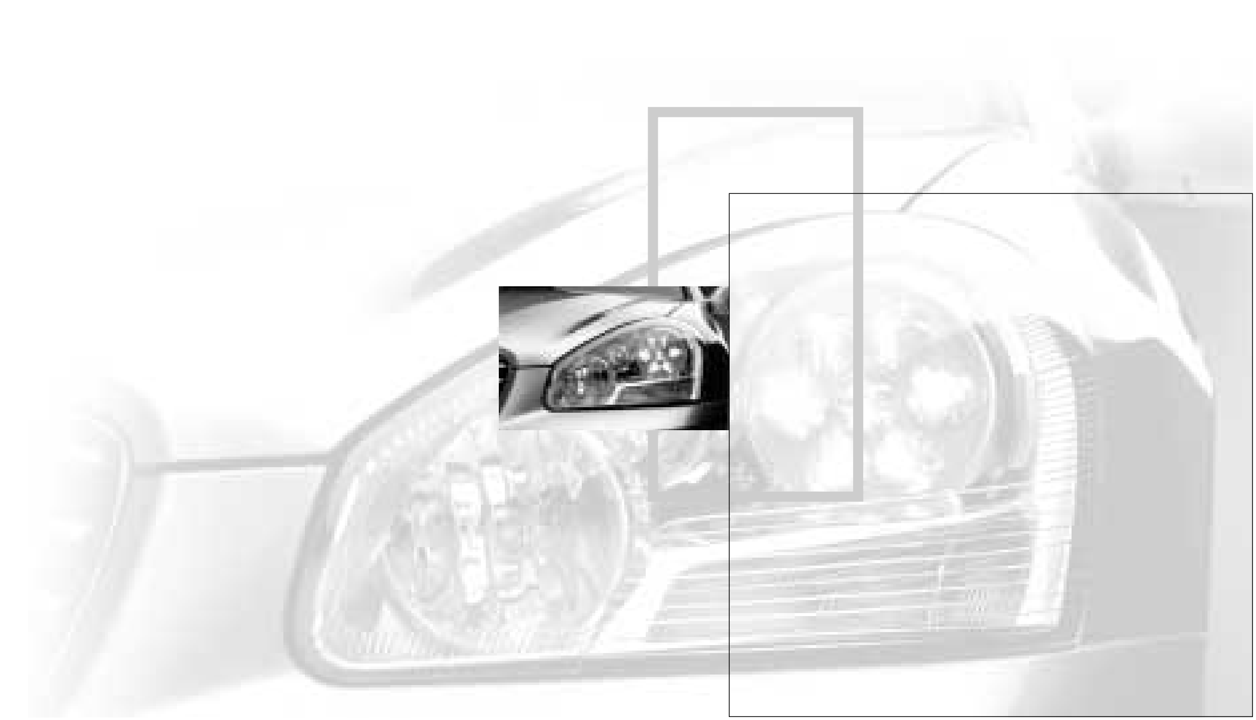
Consolidated Balance Sheets

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 1999 and 1998

ASSETS	Millions of yen 1999 (As of Mar 31, 2000)	Millions of yen 1998 (As of Mar 31, 1999)	Thousands of U.S. dollars (Note 3) 1999 (As of Mar 31, 2000)
Current assets:			
Cash and cash equivalents (Note 8)	**¥ 490,708**	¥ 695,265	**$ 4,629,320**
Short-term investments (Notes 8 and 19)	**253,017**	275,163	**2,386,953**
Receivables, less allowance for doubtful receivables (Notes 4 and 8)	**1,163,724**	979,695	**10,978,529**
Inventories (Note 5)	**547,351**	607,258	**5,163,689**
Other current assets	**369,763**	448,049	**3,488,330**
Total current assets	**2,824,563**	3,005,430	**26,646,821**
Property, plant and equipment, at cost (Notes 6 and 8)	**6,218,437**	6,269,500	**58,664,500**
Less accumulated depreciation	**(3,370,433)**	(3,240,127)	**(31,796,538)**
Property, plant and equipment, net	**2,848,004**	3,029,373	**26,867,962**
Investment and other assets (Notes 8 and 19):			
Investment securities:			
Unconsolidated subsidiaries and affiliates	**188,388**	309,599	**1,777,245**
Other	**30,426**	20,258	**287,038**
Other assets	**284,277**	241,671	**2,681,859**
Total investments and other assets	**503,091**	571,528	**4,746,142**
Translation adjustments	**365,526**	311,230	**3,448,358**
Total assets	**¥6,541,184**	¥6,917,561	**$61,709,283**

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 1999 (As of Mar 31, 2000)	Millions of yen 1998 (As of Mar 31, 1999)	Thousands of U.S. dollars (Note 3) 1999 (As of Mar 31, 2000)
Current liabilities:			
Short-term borrowings and current portion of long-term debt (Note 8)	**¥1,316,560**	¥2,025,262	**$12,420,377**
Notes and accounts payable (Note 7)	**995,785**	1,078,977	**9,394,198**
Accrued income taxes	**30,497**	10,479	**287,708**
Other current liabilities	**638,104**	704,225	**6,019,849**
Total current liabilities	**2,980,946**	3,818,943	**28,122,132**
Long-term liabilities:			
Long-term debt (Note 8)	**1,655,610**	1,591,596	**15,618,962**
Accrued retirement allowances (Note 2(b))	**127,325**	75,905	**1,201,179**
Long-term accrued pension cost (Notes 2(b) and 9)	**222,981**	0	**2,103,594**
Accrual for losses on business restructuring	**164,590**	0	**1,552,736**
Accrual for warranty costs (Note 2(c))	**152,342**	0	**1,437,189**
Other long-term liabilities	**248,044**	154,645	**2,340,038**
Total long-term liabilities	**2,570,892**	1,822,146	**24,253,698**
Minority interests in consolidated subsidiaries	**59,990**	21,877	**565,943**
Shareholders' equity (Notes 10 and 14):			
Common stock, ¥50 per value: Authorized—6,000,000,000 shares; Issued —3,977,293,751 shares in 1999 and 2,513,043,751 shares in 1998	**496,605**	203,755	**4,684,953**
Capital surplus	**690,262**	397,412	**6,511,906**
Retained earnings (deficit)	**(237,301)**	653,433	**(2,238,689)**
	949,566	1,254,600	**8,958,170**
Less treasury common stock, at cost; 51,206,345 shares in 1999 and 11,977 shares in 1998	**(20,210)**	(5)	**(190,660)**
Total shareholders' equity	**929,356**	1,254,595	**8,767,510**
Contingent liabilities (Note 17)			
Total liabilities and shareholders' equity	**¥6,541,184**	¥6,917,561	**$61,709,283**

See notes to consolidated financial statements.



Consolidated Statements of Operations

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 1999, 1998 and 1997

For the years ended	*Millions of yen* **1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	*Thousands of U.S. dollars (Note 3)* **1999** *Mar 31, 2000*
Net sales (Note 2(a))	**¥5,977,075**	¥6,580,001	¥6,564,637	**$56,387,500**
Cost of sales (Note 11)	**4,568,233**	4,921,422	4,876,689	**43,096,538**
Gross profit	**1,408,842**	1,658,579	1,687,948	**13,290,962**
Selling, general and administrative expenses (Note11)	**1,326,277**	1,548,857	1,601,065	**12,512,047**
Operating income	**82,565**	109,722	86,883	**778,915**
Other income (expenses):				
Interest income	**9,712**	13,282	14,777	**91,623**
Interest expense	**(73,979)**	(102,920)	(94,712)	**(697,915)**
Equity in (losses) earnings of unconsolidated subsidiaries and affiliates	**(19,033)**	(13,795)	5,034	**(179,557)**
Other, net (Note 12)	**(711,919)**	(6,819)	(28,869)	**(6,716,217)**
	(795,219)	(110,252)	(103,770)	**(7,502,066)**
Loss before income taxes and minority interests	**(712,654)**	(530)	(16,887)	**(6,723,151)**
Income taxes (Note 13):				
Current	**40,503**	14,329	8,911	**382,104**
Deferred	**(30,589)**	11,757	(12,946)	**(288,575)**
	9,914	26,086	(4,035)	**93,529**
Minority interests	**38,205**	(1,098)	(1,155)	**360,425**
Net loss (Note 18)	**¥ (684,363)**	¥ (27,714)	¥ (14,007)	**$ (6,456,255)**

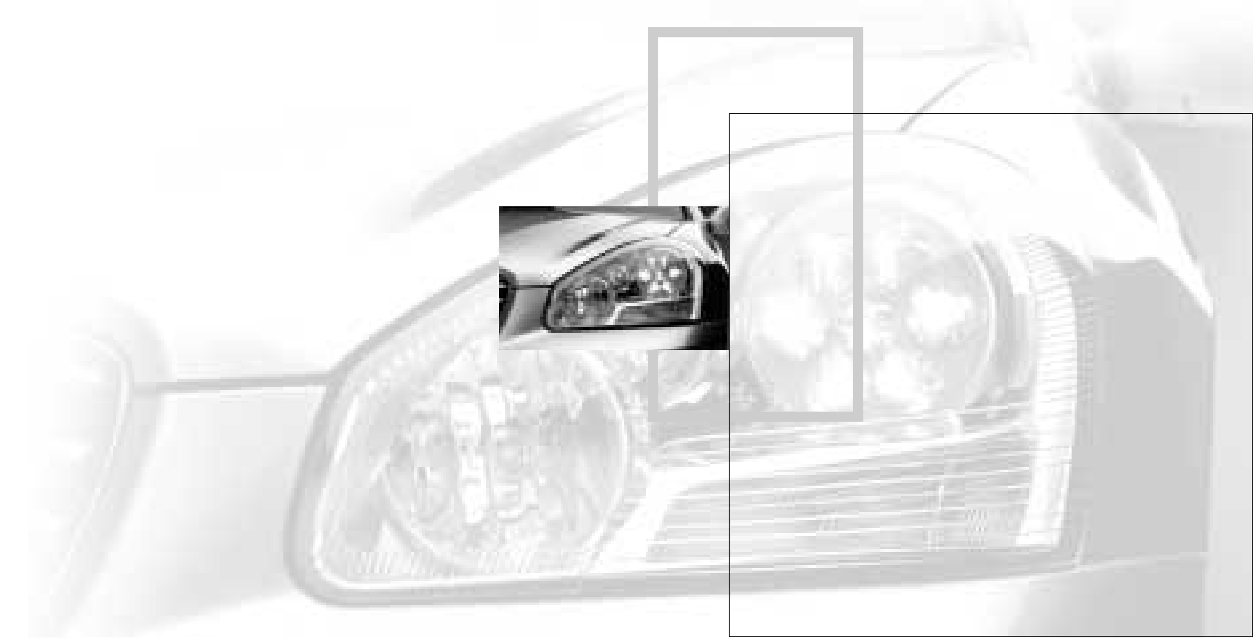
See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 1999, 1998 and 1997

For the years ended	*Millions of yen* **1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	*Thousands of U.S. dollars (Note 3)* **1999** *Mar 31, 2000*
Common stock:				
Balance at beginning of the year (1999—2,513,043,751 shares; 1998—2,513,043,751 shares; 1997—2,513,004,035 shares)	**¥ 203,755**	¥203,755	¥203,742	**$ 1,922,217**
Private placement (Note 10) (1999—1,464,250,000 shares)	**292,850**			**2,762,736**
Conversion of convertible bonds (1999— 0 shares; 1998— 0 shares; 1997—39,716 shares)	—	—	13	—
Balance at end of the year (1999—3,977,293,751 shares; 1998—2,513,043,751 shares; 1997—2,513,043,751 shares)	**¥ 496,605**	¥203,755	¥203,755	**$ 4,684,953**
Capital surplus:				
Balance at beginning of the year	**¥ 397,412**	¥397,412	¥397,398	**$ 3,749,170**
Private placement (Note 10)	**292,850**			**2,762,736**
Conversion of convertible bonds	—	—	14	—
Balance at end of the year	**¥ 690,262**	¥397,412	¥397,412	**$ 6,511,906**
Retained earnings (deficit):				
Balance at beginning of the year	**¥ 653,433**	¥681,320	¥754,952	**$ 6,164,462**
Net loss	**(684,363)**	(27,714)	(14,007)	**(6,456,255)**
Cash dividends paid	—	(17,591)	(25,130)	—
Bonuses to directors and statutory auditors	**(141)**	(253)	(279)	**(1,330)**
Other (Note 14)	**(206,230)**	17,671	(34,216)	**(1,945,566)**
Balance at end of the year	**¥(237,301)**	¥653,433	¥681,320	**$(2,238,689)**

See notes to consolidated financial statements.



Consolidated Statements of Cash Flows

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 1999, 1998 and 1997

	Millions of yen			Thousands of U.S. dollars (Note 3)
For the years ended	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	**1999** *Mar 31, 2000*
Operating activities				
Loss before income taxes	**¥(712,654)**	¥ (530)	¥ (16,887)	**$(6,723,151)**
Depreciation and amortization relating to:				
Leased assets	**175,962**	217,826	218,372	**1,660,019**
Other assets	**258,591**	280,618	289,640	**2,439,538**
Provision for doubtful receivables	**26,561**	18,949	30,412	**250,575**
Unrealized loss on securities	**29,827**	43,433	51,011	**281,387**
Unrealized loss on leased vehicles	**26,706**	11,650	58,108	**251,943**
Interest and dividend income	**(13,415)**	(19,328)	(23,469)	**(126,557)**
Interest expense	**119,176**	189,074	202,766	**1,124,302**
Loss (gain) on sales of property, plant and equipment	**831**	(11,598)	(1,354)	**7,840**
Loss on disposal of property, plant and equipment	**29,682**	9,882	9,972	**280,019**
Gain on sales of securities	**(42,053)**	(47,155)	(7,088)	**(396,726)**
Amortization of prior service cost	**222,981**	—	—	**2,103,594**
Provision for losses on business restructuring	**164,590**	—	—	**1,552,736**
Receivables	**41,536**	96,670	266,696	**391,849**
Inventories	**43,146**	179,195	(170,500)	**407,038**
Notes and accounts payable	**(40,814)**	(51,316)	(99,253)	**(385,038)**
Other	**100,751**	(113,325)	(19,161)	**950,481**
Subtotal	**431,404**	804,045	789,265	**4,069,849**
Interest and dividend received	**11,569**	24,942	23,469	**109,141**
Interest paid	**(121,607)**	(170,533)	(202,766)	**(1,147,236)**
Income taxes paid	**(29,275)**	(13,940)	(18,673)	**(276,179)**
Net cash provided by operating activities	**292,091**	644,514	591,295	**2,755,575**
Investing activities				
Decrease in short-term investments	**57,540**	17,081	64,290	**542,830**
Purchases of investment securities	**(25,682)**	(27,222)	(18,487)	**(242,283)**
Proceeds from sales of investment securities	**57,825**	53,582	18,267	**545,519**
Long-term loans made	**(7,439)**	(9,834)	(8,204)	**(70,179)**
Collections of long-term loans receivable	**5,269**	7,417	19,782	**49,707**
Purchases of property, plant and equipment	**(238,347)**	(245,794)	(280,715)	**(2,248,557)**
Proceeds from sales of property, plant and equipment	**85,859**	90,546	37,209	**809,991**
(Increase) decrease in leased assets	**(153,793)**	71,893	(315,359)	**(1,450,877)**
Proceeds from sales of subsidiaries' stock resulting in changes in consolidation (Note 15)	**40,779**	20,190	—	**384,708**
Additional acquisition of shares of consolidated subsidiaries	**(10,237)**	—	(255)	**(96,576)**
Other	**7,814**	(2,563)	(25,249)	**73,717**
Net cash used in investing activities	**(180,412)**	(24,704)	(508,721)	**(1,702,000)**
Financing activities				
(Decrease) increase in short-term borrowings	**(831,150)**	(356,716)	529,766	**(7,841,038)**
Increase in long-term borrowings	**213,909**	559,070	232,728	**2,018,009**
Increase in bonds and debentures	**295,313**	207,222	337,087	**2,785,972**
Repayment or redemption of long-term debt	**(563,055)**	(881,670)	(686,763)	**(5,311,840)**
Proceeds from issuance of new shares of common stock	**585,700**	—	—	**5,525,472**
Repayment of lease obligations	**(18,460)**	(21,228)	(22,528)	**(174,151)**
Cash dividends paid	**(340)**	(17,591)	(25,130)	**(3,208)**
Net cash (used in) provided by financing activities	**(318,083)**	(510,913)	365,160	**(3,000,784)**
Effect of exchange rate changes on cash and cash equivalents	**(30,567)**	(24,830)	14,301	**(288,368)**
(Decrease) increase in cash and cash equivalents	**(236,971)**	84,067	462,035	**(2,235,577)**
Cash and cash equivalents at beginning of the year	**695,265**	613,395	150,655	**6,559,104**
Increase due to inclusion in consolidation	**33,668**	121	4,662	**317,623**
Decrease due to exclusion from consolidation	**(1,254)**	(2,318)	(3,957)	**(11,830)**
Cash and cash equivalents at end of the year	**¥ 490,708**	¥695,265	¥613,395	**$ 4,629,320**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal year 1999 (Year ended March 31, 2000)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

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

The accompanying consolidated financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan and are compiled from the consolidated financial statements filed with the Minister of Finance as required by the Securities and Exchange Law of Japan. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Effective the year ended March 31, 2000, the Company was required to prepare a consolidated statement of cash flows as part of its consolidated financial statements for the first time under the Securities and Exchange Law of Japan. Accordingly, the Company prepared its 1999 consolidated statement of cash flows in accordance with "Accounting Standards for Consolidated Statements of Cash Flows" and restated the previously reported consolidated statements of cash flows for 1998 and 1997.

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

Until the year ended March 31, 1999, the consolidated financial statements included the accounts of the Company and its significant subsidiaries, and investments in certain unconsolidated subsidiaries and significant affiliates (owned 20% to 50%) were accounted for by the equity method.

In accordance with the revised accounting standards for consolidation, the accompanying consolidated financial statements for the year ended March 31, 2000 include the accounts of the Company and its significant companies controlled directly or indirectly by the Group, and companies over which the Group exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated in consolidation.

Due to this change in the regulations relating to the scope of consolidated financial statements, the number of consolidated companies increased by 139. At the same time, the number of companies included in the consolidated financial statements on an equity basis decreased by 23. The major companies which have been changed from being accounted for by the equity method to full consolidation pursuant to this change in accounting standards are Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., Nissan Credit Corporation, Nissan Real Estate Development Corporation and Automakers Limited. The decrease in the number of consolidated subsidiaries reflects the 9 companies sold (primarily finance companies in Europe) and the 9 companies merged with other subsidiaries. The total effect of the change in the scope of consolidation was to decrease retained earnings by ¥91,319 million ($861,500 thousand) at April 1, 1999.

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

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

Differences, not significant in amount, between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in companies which are accounted for by the equity method have been charged or credited to income in the year of acquisition and are included in selling, general and administrative expenses.

(c) Foreign currency translation

The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for the components of shareholders' equity which are translated at their historical exchange rates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year, except for those of the subsidiary in Mexico which are translated at the rate of exchange in effect at the balance sheet date.

Translation differences are presented as "translation adjustments" in the accompanying consolidated financial statements.

(d) Cash equivalents

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

(e) Inventories

Inventories are stated principally at the lower of cost or market. The cost of finished products, work in process and purchased parts is determined primarily by the average method, and the cost of raw materials and supplies is determined primarily by the last-in, first-out method.

(f) Short-term investments and investment securities

Marketable securities are valued principally at the lower of cost or market, cost being determined by the moving average method, and investment securities other than marketable securities are stated at cost determined by the moving average method.

(g) Property, plant and equipment and depreciation

Depreciation of property, plant and equipment is calculated principally by the declining-balance method, except for buildings acquired in Japan subsequent to March 31, 1998 on which depreciation is calculated by the straight-line method at rates based on the estimated useful lives of the respective assets. Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income.

(h) Leases
Noncancelable lease transactions are primarily accounted for as operating leases (whether such leases are classified as operating or finance leases) except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

(i) Retirement benefits
Employees of the Company are, under most circumstances, covered by the Company's retirement benefit plans. An employee who terminates employment with the Company at age 45 or more receives approximately 90% of such benefits in a lump-sum payment or by annuity payments from the pension plan with the remainder in a lump-sum payment from the unfunded retirement plan. Employees who terminate their employment under other conditions are entitled to lump-sum payments from the unfunded retirement plan. Such retirement benefits are based on their compensation at the time of termination, years of service and other factors.

Accrued retirement allowances are stated at the amount which would be required to be paid if all employees covered by the plan voluntarily terminated their employment at the balance sheet date, less the amounts expected to be covered by the pension plan.

Costs with respect to the pension plans are funded at an amount determined actuarially. Prior service cost is being funded over a period of 14 years. The Company charges such prior service cost to operations when actuarially determined or when payment becomes liable. See Note 2(b).

(j) Income taxes
In accordance with a new accounting standard for income taxes, deferred tax assets and liabilities were recognized in the consolidated financial statements for the year ended March 31, 2000 with respect to the differences between financial reporting and the tax bases of the assets and liabilities and were measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

Until the year ended March 31, 1999, deferred income taxes had been recognized by the Company only for timing differences between financial and tax reporting with respect to the elimination of unrealized intercompany profits and other adjustments for consolidation purposes, although tax-effect accounting had been adopted by the foreign consolidated subsidiaries. The effect of this change in method of accounting was to increase total assets by ¥14,736 million ($139,019 thousand), total liabilities by ¥63,343 million ($597,575 thousand) and retained-earnings deficit by ¥64,330 million ($606,887 thousand) at March 31, 2000, and to decrease net loss by ¥34,238 million ($323,000 thousand) for the year ended March 31, 2000.

(k) Research and development costs
Research and development costs are charged to income when incurred.

A new accounting standard for research and development costs become effective the fiscal year ended March 31, 2000. However, the adoption of this new standard had no effect on the consolidated statement of operations for the year ended March 31, 2000.

(l) Revenue recognition
Revenue is generally recognized on sales of products at the time of shipment.

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

2. ACCOUNTING CHANGES

(a) Effective April 1, 1998, the Company changed its method of accounting for royalty income and began including royalty income in net sales instead of in other income. This change was made to achieve a more accurate presentation of the operating results of the Company considering that royalty income represents the results of the Company's principal business activities and that the monetary materiality of royalty income has increased as a result of the expansion of its overseas technical support activities.

The effect of this change was to increase net sales and operating income by ¥6,893 million. This change, however, had no effect on loss before income taxes and minority interests for the year ended March 31, 1999.

(b) Effective April 1, 1999, the Company and certain consolidated subsidiaries changed their method of accounting for prior service cost regarding the tax qualified pension plans (TQP) and government sponsored welfare pension fund plans (WPF) from expensing upon payment, to recognizing such cost as expense when actuarially determined or when payment becomes liable. This change was made in order to establish a solid financial position, considering the fact that the materiality of the unfunded prior service cost of the TQP increased due to the low rate of return on the pension assets and as the level of WPF's funding did not reach the minimum level of funding required at March 31, 1999. In addition, certain consolidated subsidiaries changed their method of accounting for retirement allowances to provide an accrual at 100% of the amount which would be required to be paid if all employees voluntarily terminated their employment at the balance sheet date instead of providing an accrual at 40% of such amount in order to conform their accounting policies to that of the parent company. The cumulative effect of these changes amounted to ¥275,876 million ($2,602,604 thousand) at April 1, 1999 and was recorded as a special loss for the year ended March 31, 2000. The effect of these changes in method of accounting was to increase operating income by ¥14,230 million ($134,245 thousand) and loss before income taxes and minority interests by ¥261,646 million ($2,468,358 thousand), to decrease income tax expense by ¥14,057 million ($132,613 thousand) and to increase minority interests by ¥13,930 million ($131,415 thousand) and net loss by ¥233,659 million ($2,204,330 thousand) for the year ended March 31, 2000.

(c) Until the year ended March 31, 1999, the Company and its domestic consolidated subsidiaries provided an accrual for warranty costs to cover the cost of services for the following fiscal year in order to fulfill their liability under the terms of their warranty contracts and based on their historical experience. This method of provision was in accordance with the Corporation Tax Law of Japan. Effective April 1, 1999, the Company and its domestic consolidated subsidiaries changed their method of accounting for warranty costs to provide an accrual to cover the cost of all services anticipated to be incurred during the entire warranty period (ranging from 3 to 5 years) in order to achieve a better matching of revenue and expenses and to establish a solid financial position, considering the increasing difference between the requirements of the Corporation Tax Law and the existing conditions as well as from a more long-term and international point of view. The cumulative effect of this change amounted to ¥48,493 million ($457,481 thousand) as of April 1, 1999 and was recorded as a special loss for the year ended March 31, 2000. The effect of this change in method of accounting was to increase operating income by ¥14,446 million ($136,283 thousand) and to increase loss before income taxes and minority interests and net loss by ¥34,047 million ($321,198 thousand) for the year ended March 31, 2000. In this connection, accrued warranty costs, which had been presented as a current liability in prior years' financial statements, has been presented as a long-term liability in the consolidated balance sheet as of March 31, 2000.

3. U.S. DOLLAR AMOUNTS

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥106 = US$1.00, the approximate rate of exchange at March 31, 2000, has been used. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

4. RECEIVABLES

Receivables at March 31, 2000 and 1999 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
As of	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	**1999** *Mar 31, 2000*
Notes and accounts receivable	**¥ 492,380**	¥500,353	**$ 4,645,095**
Finance receivables	**695,531**	516,015	**6,561,613**
Less allowance for doubtful receivables	**(24,187)**	(36,673)	**(228,179)**
	¥1,163,724	¥979,695	**$10,978,529**

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

5. INVENTORIES

Inventories at March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	**1999** *Mar 31, 2000*
Finished products	**¥388,444**	¥463,383	**$3,664,566**
Work in process and other	**158,907**	143,875	**1,499,123**
	¥547,351	¥607,258	**$5,163,689**

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at March 31, 2000 and 1999 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
As of	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	**1999** *Mar 31, 2000*
Land	**¥ 866,318**	¥ 815,361	**$ 8,172,811**
Buildings and structures	**1,408,553**	1,297,158	**13,288,236**
Machinery and equipment	**3,867,543**	4,079,587	**36,486,255**
Construction in progress	**76,023**	77,394	**717,198**
	¥6,218,437	¥6,269,500	**$58,664,500**

Depreciation of property, plant and equipment for each of the three years in the period ended March 31, 2000 was as follows:

	Millions of yen			Thousands of U.S. dollars
For the years ended	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	**1999** *Mar 31, 2000*
	¥433,667	¥492,475	¥477,263	**$4,091,198**

7. NOTES AND ACCOUNTS PAYABLE

Notes and accounts payable at March 31, 2000 and 1999 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
As of	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	**1999** *Mar 31, 2000*
Notes and accounts payable	**¥610,444**	¥ 630,279	**$5,758,906**
Accrued expenses and other	**385,341**	448,698	**3,635,292**
	¥995,785	¥1,078,977	**$9,394,198**

8. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

At March 31, 2000 and 1999, short-term borrowings and the current portion of long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
As of	1999 Mar 31, 2000	1998 Mar 31, 1999	1999 Mar 31, 2000
Loans, principally from banks	**¥ 614,141**	¥1,050,879	**$ 5,793,783**
Import bills payable	**9,686**	59,505	**91,377**
Commercial paper	**220,000**	451,053	**2,075,472**
Current portion of long-term debt	**472,733**	463,825	**4,459,745**
	¥1,316,560	¥2,025,262	**$12,420,377**

The annual interest rates applicable to short-term borrowings outstanding at March 31, 2000 and 1999 ranged principally from 0.1% to 12.8% and from 0.5% to 10.6%, respectively.

At March 31, 2000 and 1999, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
As of	1999 Mar 31, 2000	1998 Mar 31, 1999	1999 Mar 31, 2000
Debt with collateral:			
Loans from banks and other financial institutions due through 2008 at rates ranging from 0.2% to 8.0%	**¥ 401,895**	¥ 113,848	**$ 3,791,462**
Debt without collateral:			
Loans from banks and other financial institutions due through 2008 at rates ranging from 0.1% to 10.8%	**619,246**	887,181	**5,841,943**
Bonds in yen due through 2007 at rates ranging from 1.7% to 7.1%	**583,000**	600,500	**5,500,000**
Notes in Australian dollars and Euro due through 2001 at rates ranging from 6.0% to 6.1%	**5,764**	8,389	**54,377**
Step-down coupon and zero coupon notes in yen and U.S. dollars due through 2001	**9,896**	9,738	**93,358**
Floating rate notes in yen and U.S. dollars due through 1999	**—**	10,000	**—**
Medium-term notes in U.S. dollars due through 2002 at rates ranging from 7.3% to 9.1%	**8,589**	31,560	**81,028**
Euro medium-term notes in yen, U.S. dollars, Deutsche mark and Australian dollars due through 2009 at rates ranging from 0.2% to 9.6%	**280,387**	389,140	**2,645,161**
1.6% convertible bonds in yen due 2003	**2,567**	2,567	**24,217**
Floating rate bonds with warrants in yen due 2004	**215,900**	—	**2,036,793**
Other	**1,099**	2,498	**10,368**
	2,128,343	2,055,421	**20,078,707**
Less current portion	**472,733**	463,825	**4,459,745**
	¥1,655,610	¥1,591,596	**$15,618,962**

The 1.6% convertible bonds due 2003, unless previously redeemed, are convertible at any time up to and including March 28, 2003 into shares of common stock of the Company at the conversion price of ¥685.30 per share as of March 31, 2000.

See Note10 with respect to information on the warrants issued with the floating rate bonds due 2004.

At March 31, 2000, if all outstanding convertible bonds of the Company had been converted at the then current conversion price and all warrants had been exercised at the then current exercise price, 543,496 thousand new shares would have been issuable.

The conversion price of the convertible bonds and the exercise price of the warrants are subject to adjustment in certain cases, which include stock splits. A sufficient number of shares of common stock is reserved for the conversion of all outstanding convertible bonds and the exercise of all warrants.

The maturities of long-term debt are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2001	¥ 527,660	$ 4,977,925
2002	308,134	2,906,925
2003	241,112	2,274,641
2004 and thereafter	578,704	5,459,471
	¥1,655,610	$15,618,962

The assets pledged as collateral for short-term borrowings of ¥342,777 million ($3,233,745 thousand) and long-term debt of ¥376,613 million ($3,552,953 thousand) at March 31, 2000 were as follows:

	Millions of yen	Thousands of U.S. dollars
Cash	¥ 53	$ 500
Receivables	323,351	3,050,481
Securities and investment securities	3,457	32,613
Property, plant and equipment, at net book value	384,702	3,629,264
Other	5,228	49,321
	¥716,791	$6,762,179

In addition to the above, trade loans receivable and receivables relating to leased assets totaling ¥29,174 million ($275,226 thousand), which have not been reflected in the accompanying consolidated balance sheets, were pledged as collateral at March 31, 2000 for long-term debt of ¥25,282 million ($238,509 thousand). At March 31, 2000, investment securities totaling ¥8,153 million ($76,915 thousand) were pledged as collateral for long-term debt of affiliates of ¥16,339 million ($154,142 thousand), which has not been reflected in the accompanying consolidated balance sheets.

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that collateral and guarantors for present and future indebtedness will be given at the request of the lending bank, with reasonable and probable cause, and that the bank shall have the right to offset cash deposits against any obligation that has become due or, in the event of default, against all obligations due to the bank. The Company has never been requested to provide additional collateral.

Certain of the agreements relating to long-term debt provide that the Company, if requested, be required to submit its proposal for the appropriation of retained earnings and to report other significant matters to the lenders for their review and approval prior to presentation to the shareholders. No such requests to the Company have ever been made.

9. PENSION FUNDS

The aggregate assets of the pension funds of the Company and its consolidated subsidiaries as of the most recent valuation dates (December 31, 1999 or March 31, 2000) amounted to ¥264,166 million ($2,492,132 thousand).

10. SHAREHOLDERS' EQUITY

On May 28, 1999, the Company issued 1,464,250 thousand new shares of common stock at ¥400 per share to Renault, a French corporation, for ¥585,700 million ($5,525,472 thousand) in the aggregate.

On the same date, the Company issued to Renault floating rate bonds due 2004 with warrants which amounted to ¥215,900 million ($2,036,792 thousand). The warrants, which may not be transferred to a third party, entitle Renault to subscribe for shares of common stock of the Company at an exercise price of ¥400 per share. The rights under the warrants are exercisable up to and including May 21, 2004; however, exercise of the warrants by Renault is limited to the extent that Renault's equity interest in the Company may not exceed 39.9% within a four-year period from the date of issuance of the bonds with warrants.

11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs included in selling, general and administrative expenses and manufacturing costs for the year ended March 31, 2000 amounted to ¥238,622 million ($2,251,151 thousand).

12. OTHER INCOME (EXPENSES)

The components of "Other, net" in "Other income (expenses)" for each of the three years in the period ended March 31, 2000 were as follows:

	Millions of yen			Thousands of U.S. dollars
For the years ended	1999 Mar 31, 2000	1998 Mar 31, 1999	1997 Mar 31,1998	1999 Mar 31, 2000
Dividend income	**¥ 3,703**	¥ 6,046	¥ 8,692	**$ 34,934**
Net realized gain on sales of securities	**14,338**	36,056	8,547	**135,264**
Unrealized loss on securities	**(29,827)**	(43,433)	(51,011)	**(281,387)**
(Loss) gain on sales of property, plant and equipment	**(831)**	11,598	1,354	**(7,840)**
Gain on sales of investment securities	**27,715**	11,099	—	**261,462**
Foreign exchange losses	**(8,611)**	(39,748)	(1,953)	**(81,236)**
Amortization of prior service costs(Note 2(b))	**(275,876)**	—	—	**(2,602,604)**
Provision for losses on business restructuring	**(232,692)**	—	—	**(2,195,208)**
Provision for warranty costs(Note 2(c))	**(48,493)**	—	—	**(457,481)**
Other	**(161,345)**	11,563	5,502	**(1,522,121)**
	¥(711,919)	¥ (6,819)	¥(28,869)	**$(6,716,217)**

13. INCOME TAXES

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' taxes and enterprise tax, which, in the aggregate, resulted in statutory rates of approximately 41.4% for 2000, 48% for 1999 and 51% for 1998. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation. The effective tax rates reflected in the accompanying consolidated statements of operations for the years ended March 31, 1999 and 1998 differ from the statutory rates primarily because of the effect of timing differences in the recognition of certain income and expenses for tax and financial reporting purposes and the effects of permanently nondeductible expenses and tax credits for research and development expenditures.

The effective tax rate reflected in the consolidated statement of operations for the year ended March 31, 2000 differs from the statutory tax rate for the following reasons:

Fiscal year 1999 *(For the year ended March 31, 2000)*	%
Statutory tax rate	41.4
Effect of:	
Recognition of valuation allowance	(40.5)
Other	(2.3)
Effective tax rate	(1.4)

The significant components of deferred tax assets and liablities as of March 31, 2000 were as follows:

Fiscal year 1999 *(As of March 31, 2000)*	*Millions of yen*	*Thousands of U. S. dollars*
Deferred tax assets:		
Net operating loss carryforwards	¥ 331,862	$3,130,774
Accrued retirement allowances and pension costs	129,491	1,221,613
Accrual for losses on business restructuring	75,398	711,302
Other	301,433	2,843,707
Total gross deferred tax assets	838,184	7,907,396
Valuation allowance	(522,834)	(4,932,396)
Total deferred tax assets	315,350	2,975,000
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(208,849)	(1,970,274)
Differences between the cost of investments and the underlying net equity at fair value	(85,785)	(809,292)
Other	(53,237)	(502,236)
Total deferred tax liabilities	(347,871)	(3,281,802)
Net deferred tax liabilities	¥ (32,521)	$ (306,802)

14. RETAINED EARNINGS (DEFICIT)

Other changes in retained earnings (deficit) for each of the three years in the period ended March 31, 2000 were as follows:

	Millions of yen			*Thousands of U.S. dollars*
For the years ended	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	**1999** *Mar 31, 2000*
Adjustments for revaluation of the accounts of the consolidated subsidiary in Mexico based on general price-level accounting (Note 1 (b))	**¥ (13,432)**	¥16,394	¥(32,694)	**$ (126,717)**
Cumulative effect of adoption of tax-effect accounting	**(98,568)**	—	—	**(929,887)**
Adjustments to retained earnings at beginning of the year for inclusion in or exclusion from consolidation or the equity method of accounting for subsidiaries and affiliates, and certain other adjustments	**(94,230)**	1,277	(1,522)	**(888,962)**
	¥(206,230)	¥17,671	¥(34,216)	**$(1,945,566)**

15. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Summary of assets and liabilities of companies which were excluded from consolidation due to the sale of their stock

The following is a summary of the transferred assets and liabilities, the relevant selling prices and the net cash inflows from sales of stock of Sendai Nissan Motor Co., Ltd. Ehime Nissan Motor Co., Ltd. and 5 European sales finance companies (in Germany, the United Kingdom, Spain, Italy and the Netherlands) ;

Fiscal year 1999 *(For the year ended March 31, 2000)*	*Millions of yen*	*Thousands of U. S. dollars*
Current assets	¥278,797	$2,630,160
Fixed assets	49,181	463,972
Gains on sales of subsidiaries' stock	9,459	89,236
Current liabilities	(195,676)	(1,846,000)
Long-term liabilities	(99,799)	(941,500)
Minority interests in consolidated subsidiaries	0	0
Proceeds from sales of stock	41,962	395,868
Cash and cash equivalents held by subsidiaries	(1,183)	(11,160)
Net proceeds	¥ 40,779	$ 384,708

(b) Significant non-cash transactions

The assets and liabilities recorded under finance leases for the year ended March 31, 2000 amounted to ¥4,613 million ($43,519 thousand).

16. LEASE TRANSACTIONS

(a) Lessees' accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets as of March 31, 2000 and 1999, which would have been reflected in the consolidated balance sheet if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen			*Thousands of U.S. dollars*		
Fiscal year 1999 *(As of March 31, 2000)*	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 75,338	¥ 39,200	¥ 36,138	$ 710,736	$ 369,811	$ 340,925
Other	175,213	82,722	92,491	1,652,953	780,396	872,557
Total	¥250,551	¥121,922	¥128,629	$2,363,689	$1,150,207	$1,213,482

	Millions of yen		
Fiscal year 1998 *(As of March 31, 1999)*	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 87,074	¥ 73,793	¥13,281
Other	142,358	65,272	77,086
Total	¥229,432	¥139,065	¥90,367

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥57,882 million ($546,057 thousand), ¥25,044 million and ¥27,805 million for the years ended March 31, 2000, 1999 and 1998, respectively. Depreciation of the leased assets computed by the straight-line method over the respective lease terms and the interest portion included in lease payments amounted to ¥53,532 million ($505,019 thousand) and ¥3,756 million ($35,434 thousand), respectively, for the year ended March 31, 2000, and ¥22,541 million and ¥1,407 million, respectively, for the year ended March 31, 1999.

Future minimum lease payments subsequent to March 31, 2000 on noncancelable operating leases and finance leases accounted for as operating leases are summarized as follows:

	Millions of yen		*Thousands of U. S. dollars*	
Year ending March 31,	Finance leases	Operating leases	Finance leases	Operating leases
2001	¥ 49,431	¥ 4,538	$ 466,330	$ 42,811
2002 and thereafter	81,709	19,174	770,840	180,887
Total	¥131,140	¥23,712	$1,237,170	$223,698

(b) Lessors' accounting

The following amounts represent the acquisition costs, accumulated depreciation and net book value of leased assets relating to finance leases accounted for as operating leases at March 31, 2000 and 1999:

	Millions of yen			*Thousands of U.S. dollars*		
Fiscal year1999 *(As of March 31, 2000)*	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥101,063	¥48,822	¥52,241	$953,425	$460,585	$492,840
Other	4,617	2,687	1,930	43,557	25,349	18,208
Total	¥105,680	¥51,509	¥54,171	$996,982	$485,934	$511,048

	Millions of yen		
Fiscal year 1998 *(As of March 31, 1999)*	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥99,876	¥46,620	¥53,256
Other	48	28	20
Total	¥99,924	¥46,648	¥53,276

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥38,332 million ($361,623 thousand), ¥54,760 million and ¥53,941 million for the years ended March 31, 2000, 1999 and 1998, respectively. Depreciation of the assets leased under finance leases accounted for as operating leases and the interest portion included in lease income amounted to ¥22,397 million ($211,292 thousand) and ¥1,962 million ($18,509 thousand), respectively, for the year ended March 31, 2000, and ¥39,087 million and ¥3,301 million, respectively, for the year ended March 31, 1999.

Future minimum lease income subsequent to March 31, 2000 for noncancelable operating leases and finance leases accounted for as operating leases are summarized as follows:

	Millions of yen		*Thousands of U. S. dollars*	
Year ending March 31,	Finance leases	Operating leases	Finance leases	Operating leases
2001	¥21,805	¥119,748	$205,708	$1,129,698
2002 and thereafter	35,599	104,124	335,840	982,302
Total	¥57,404	¥223,872	$541,548	$2,112,000

17. CONTINGENT LIABILITIES

At March 31, 2000, the Company and its consolidated subsidiaries had the following contingent liabilities:

	Millions of yen	*Thousands of U. S. dollars*
As endorser of documentary export bills and trade notes receivable discounted with banks	¥ 672	$ 6,340
As guarantor of employees' housing loans from banks and others	249,778	2,356,396
	¥250,450	$2,362,736

In addition to the above, at March 31, 2000, the Company was committed to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates in the aggregate amount of ¥2,498 million ($23,566 thousand) at the request of the lending banks. In addition, the Company provided letters of awareness to financial institutions regarding the indebtedness of certain affiliates which amounted to ¥14,763 million ($139,274 thousand) in the aggregate. The Company also provided letters of awareness to financial institutions to whom trade receivables of ¥66,348 million ($625,925 thousand) had been sold. The outstanding balance of installment receivables sold with recourse amounted to ¥205 million ($1,934 thousand) at March 31, 2000.

18. AMOUNTS PER SHARE

The computation of basic net loss per share is based on the weighted average number of shares of common stock outstanding during each year. Diluted net loss per share is computed based on the weighted average number of shares of common stock outstanding each year after giving effect to the dilutive potential of the shares of common stock to be issued upon the conversion of convertible bonds and the exercise of warrants.

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

Amounts per share of net assets are computed based on the number of shares of common stock outstanding at each balance sheet date.

	Yen			*U.S. dollars*
For the years ended	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	**1999** *Mar 31, 2000*
Net loss:				
Basic	**¥(179.98)**	¥(11.03)	¥(5.57)	**$(1.698)**
Diluted	**(179.98)**	(11.03)	(5.57)	**(1.698)**
Cash dividends applicable to the year	—	—	10.00	—

	Yen		*U.S. dollars*
As of	**1999** *Mar 31, 2000*	1998 *Mar 31, 1999*	**1999** *Mar 31, 2000*
Net assets	**¥236.71**	¥499.24	**$2.233**

19. FAIR VALUE OF MARKETABLE SECURITIES

The carrying and related fair values of current and noncurrent marketable securities at March 31, 2000 were as follows:

	Millions of yen			*Thousands of U.S. dollars*		
	Carrying value	Estimated fair value	Net unrealized gains (loss)	Carrying value	Estimated fair value	Net unrealized gains (loss)
(1) Current:						
Stock	¥207,077	¥283,925	¥ 76,848	$1,953,557	$2,678,538	$ 724,981
Bonds	761	860	99	7,179	8,113	934
Others	920	943	23	8,679	8,896	217
Subtotal	¥208,758	¥285,728	¥ 76,970	$1,969,415	$2,695,547	$ 726,132
(2) Noncurrent:						
Stock	¥141,041	¥ 92,366	¥(48,675)	$1,330,575	$ 871,377	$(459,198)
Bonds	631	636	5	5,953	6,000	47
Others	132	132	0	1,245	1,245	0
Subtotal	¥141,804	¥ 93,134	¥(48,670)	$1,337,773	$ 878,622	$(459,151)
Total	¥350,562	¥378,862	¥ 28,300	$3,307,188	$3,574,169	$ 266,981

20. DERIVATIVE TRANSACTIONS

The Company utilizes derivative financial instruments for the purpose of hedging its exposure to adverse fluctuations in foreign currency exchange rates and interest rates, but does not enter into such transactions for speculation or trading purposes.

The Company is exposed to credit loss in the event of nonperformance by the counterparties to the derivative financial instruments, but any such loss would not be material because the Company enters into transactions only with financial institutions with high credit ratings. The notional amounts of the derivative financial instruments do not necessarily represent the amounts exchanged by the parties and, therefore, are not a direct measure of the Company's risk exposure in connection with derivative financial instruments.

Summarized below are the notional amounts and the estimated fair value of the derivative transactions outstanding at March 31, 2000:

(1) Currency related transactions

Fiscal year 1999 *(As of Mar 31, 2000)*	*Millions of yen* Notional amount	Fair value	Unrealized gain (loss)	*Thousands of U.S. dollars* Notional amount	Fair value	Unrealized gain (loss)
Forward exchange contracts:						
Sell:						
EURO	¥ 59,442	¥54,622	¥ 4,820	$ 560,774	$515,302	$ 45,472
£ stg.	12,079	12,331	(252)	113,953	116,330	(2,377)
US$	10,399	10,349	50	98,104	97,632	472
Others	1,903	1,902	1	17,953	17,944	9
Buy:						
US$	71,795	73,109	1,314	677,311	689,707	12,396
Options						
Call options, sold:						
US$	¥ 13,056			$ 123,170		
(Premium)	(87)	(43)	44	(821)	(406)	415
EURO	8,600			81,132		
(Premium)	(60)	(27)	33	(566)	(255)	311
Put options, purchased:						
US$	12,550			118,396		
(Premium)	87	102	15	820	962	142
EURO	8,000			75,472		
(Premium)	60	88	28	566	830	264
Currency swaps:						
US$	¥340,610	¥36,975	¥36,975	$3,213,302	$348,821	$348,821
Others	21,010	2,927	2,927	198,208	27,613	27,613
Total	—	—	¥45,955	—	—	$433,538

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

(2) Interest related transactions

Fiscal year 1999 *(As of Mar 31, 2000)*	*Millions of yen* Notional amount	Fair value	Unrealized gain (loss)	*Thousands of U.S. dollars* Notional amount	Fair value	Unrealized gain (loss)
Interest rate swaps:						
Receive/floating and pay/fixed	¥444,109	¥(4,435)	¥(4,435)	$4,189,708	$(41,840)	$(41,840)
Receive/fixed and pay/floating	244,328	8,882	8,882	2,304,981	83,793	83,793
Receive/floating and pay/floating	20,670	1	1	195,000	9	9
Receive/fixed and pay/fixed	8,000	(13)	(13)	75,472	(123)	(123)
Options:						
Caps sold	¥ 49,938			$ 471,113		
(Premium)	(1)	(351)	(350)	(9)	(3,310)	(3,301)
Floors sold	3,000			28,302		
(Premium)	(8)	(15)	(7)	(75)	(142)	(66)
Caps purchased	125,982			1,188,509		
(Premium)	829	1,090	261	7,821	10,283	2,462
Collars	1,000			9,434		
(Premium)	—	5	5	—	47	47
Total	—	—	¥ 4,344	—	—	$ 40,981

21. SEGMENT INFORMATION

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sales of products in the automobile segment. These products, which are sold in Japan and overseas, principally North America and Europe, include passenger cars, buses and trucks as well as the related components. As net sales, operating income (loss) and total assets of the automobile segment constituted more than 90% of the consolidated totals for the years ended March 31, 2000, 1999 and 1998, the disclosure of business segment information has been omitted.

The geographical segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2000, 1999 and 1998 is as follows:

Fiscal year 1999 *(For the year ended Mar 31, 2000)*

	Japan	North America	Europe	Other foreign countries	Total	Eliminations and other	Consolidated
	Millions of yen						
Sales to third parties	¥2,626,866	¥2,217,775	¥876,931	¥255,503	¥5,977,075	¥ —	¥5,977,075
Inter-area sales and transfers	1,328,623	22,499	13,216	2,766	1,367,104	(1,367,104)	—
Total sales	3,955,489	2,240,274	890,147	258,269	7,344,179	(1,367,104)	5,977,075
Operating expenses	3,936,059	2,152,934	928,259	261,355	7,278,607	(1,384,097)	5,894,510
Operating income (loss)	¥ 19,430	¥ 87,340	¥ (38,112)	¥ (3,086)	¥ 65,572	¥ 16,993	¥ 82,565
Total assets	¥5,288,346	¥1,674,905	¥405,638	¥ 70,420	¥7,439,309	¥ (898,125)	¥6,541,184
	Thousands of U. S. dollars						
Sales to third parties	$24,781,755	$20,922,405	$8,272,934	$2,410,406	$56,387,500	$ —	$56,387,500
Inter-area sales and transfers	12,534,179	212,255	124,679	26,094	12,897,207	(12,897,207)	—
Total sales	37,315,934	21,134,660	8,397,613	2,436,500	69,284,707	(12,897,207)	56,387,500
Operating expenses	37,132,632	20,310,698	8,757,160	2,465,613	68,666,103	(13,057,518)	55,608,585
Operating income (loss)	$ 183,302	$ 823,962	$ (359,547)	$ (29,113)	$ 618,604	$ 160,311	$ 778,915
Total assets	$49,890,056	$15,800,990	$3,826,774	$ 664,340	$70,182,160	$ (8,472,877)	$61,709,283

(a) During the year ended March 31, 2000, the Company reorganized its North American operations to operate this entire region, including Mexico, as one market. In connection with this change, the Company has redefined its geographical segments to integrate the Mexican segment into the North American segment in order to achieve consistency between its geographical segmentation and its business strategy thus making the segment information more useful. Because of this change in geographical segmentation, total sales, operating income and total assets for "North America" increased by ¥176,433 million ($1,664,462 thousand), ¥9,764 million ($92,113 thousand) and ¥250,020 million ($2,358,679 thousand), respectively, and those for "Eliminations and other" decreased by ¥100,078 million ($944,132 thousand), ¥537 million ($5,066 thousand) and ¥6,717 million ($63,368 thousand), respectively, for the year ended March 31, 2000 as compared with the corresponding amounts for the previous year.

(b) As a result of the change in the method of accounting for prior service cost of the pension plans as explained in Note 2(b), operating expenses for "Japan" decreased by ¥14,230 million ($134,245 thousand) and operating income increased by the same amount for the year ended March 31, 2000 as compared with the corresponding amounts for the previous year. In addition, because of the change in the method of accounting for accrued warranty costs as explained in Note 2(c), operating expenses for "Japan" decreased by ¥14,446 million ($136,283 thousand) and operating income increased by the same amount for the year ended March 31, 2000 as compared with the corresponding amounts for the previous year.

	Fiscal year 1998 *(For the year ended Mar 31, 1999)*							
	Japan	North America	Mexico	Europe	Other foreign countries	Total	Eliminations and other	Consolidated
	Millions of yen							
Sales to third parties	¥2,863,603	¥2,087,195	¥232,249	¥1,122,876	¥274,078	¥6,580,001	¥ —	¥6,580,001
Inter-area sales and transfers	1,386,053	57,420	47,884	18,073	4,632	1,514,062	(1,514,062)	—
Total sales	4,249,656	2,144,615	280,133	1,140,949	278,710	8,094,063	(1,514,062)	6,580,001
Operating expenses	4,227,059	2,121,544	270,794	1,115,931	274,735	8,010,063	(1,539,784)	6,470,279
Operating income	¥ 22,597	¥ 23,071	¥ 9,339	¥ 25,018	¥ 3,975	¥ 84,000	¥ 25,722	¥ 109,722
Total assets	¥4,828,867	¥1,770,033	¥284,190	¥ 816,486	¥ 64,115	¥7,763,691	¥ (846,130)	¥6,917,561

As a result of the change in the method of accounting for royalty income as explained in Note 2(a), sales and operating income for "Japan" increased by ¥34,294 million and those for "Eliminations and other" decreased by ¥27,401 million for the year ended March 31, 1999 as compared with the corresponding amounts for the previous year.

	Fiscal year 1997 *(For the year ended Mar 31, 1998)*							
	Japan	North America	Mexico	Europe	Other foreign countries	Total	Eliminations and other	Consolidated
	Millions of yen							
Sales to third parties	¥3,070,185	¥2,075,049	¥229,570	¥913,524	¥276,309	¥6,564,637	¥ —	¥6,564,637
Inter-area sales and transfers	1,434,610	52,648	107,467	15,265	8,469	1,618,459	(1,618,459)	—
Total sales	4,504,795	2,127,697	337,037	928,789	284,778	8,183,096	(1,618,459)	6,564,637
Operating expenses	4,395,640	2,195,965	323,205	917,775	279,437	8,112,022	(1,634,268)	6,477,754
Operating income (loss)	¥ 109,155	¥ (68,268)	¥ 13,832	¥ 11,014	¥ 5,341	¥ 71,074	¥ 15,809	¥ 86,883
Total assets	¥5,102,499	¥2,307,298	¥310,526	¥731,226	¥156,211	¥8,607,760	¥ (723,974)	¥7,883,786

Corporate assets included under the column heading "Eliminations and other" amounted to ¥365,526 million ($3,448,358 thousand), ¥311,230 million and ¥275,695 million at March 31, 2000, 1999 and 1998, respectively, and represent translation adjustments.

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the foreign consolidated subsidiaries, for the years ended March 31, 2000, 1999 and 1998 are summarized as follows:

	Fiscal year 1999 *(For the year ended March 31, 2000)*			
	North America	Europe	Other foreign countries	Total
	Millions of yen			
Overseas sales	¥2,179,489	¥885,956	¥478,812	¥3,544,257
Consolidated net sales				5,977,075
	Thousands of U.S. dollars			
Overseas sales	$20,561,217	$8,358,075	$4,517,094	$33,436,386
Consolidated net sales				56,387,500
Overseas sales as a percentage of consolidated net sales	36.5%	14.8%	8.0%	59.3%

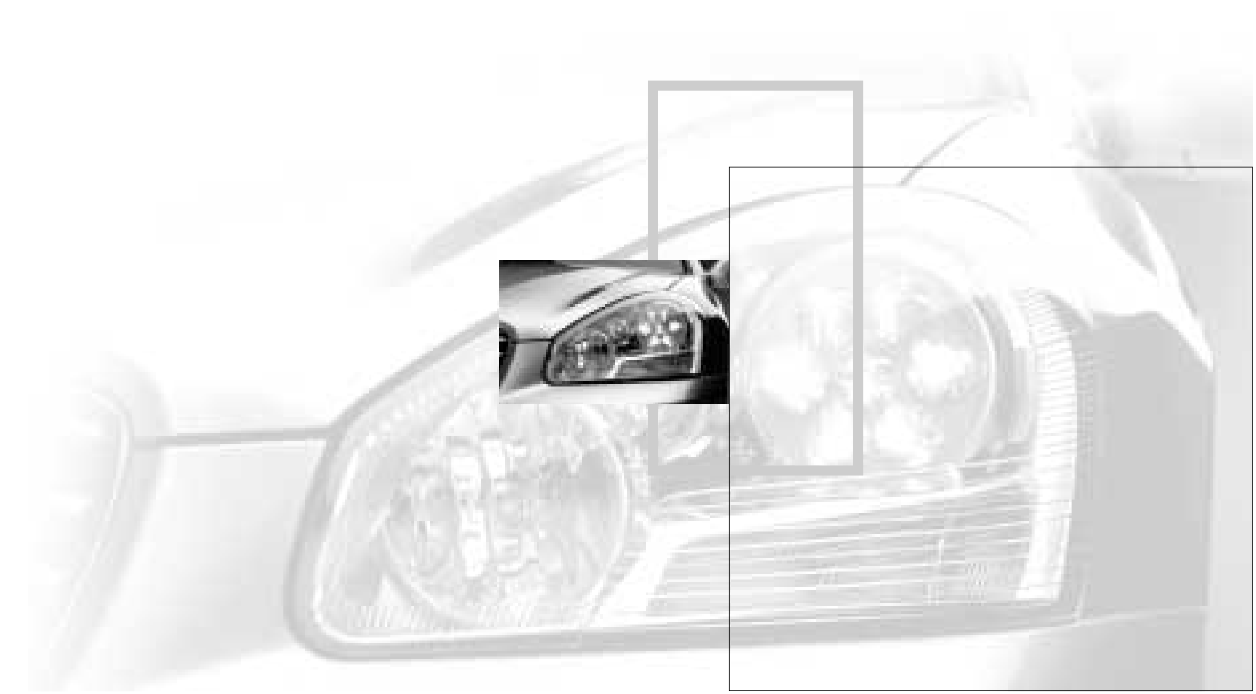
During the year ended March 31, 2000, the Company reorganized its North American operations to operate this entire region, including Mexico, as one market. In connection with this change, the Company has redefined its overseas segments to integrate "Mexico" into "North America" and "Central & South America other than Mexico" into "Other foreign countries" in order to achieve consistency between its geographical segmentation and its business strategy and thus to make the segment information more useful. Because of this change, overseas sales and overseas sales as a percentage of consolidated net sales for "North America" increased by ¥167,289 million ($1,578,198 thousand) and 2.8%, respectively, and those for "Other foreign countries" increased by ¥56,208 million ($530,264 thousand) and 0.9%, respectively, for the year ended March 31, 2000 over the results of the previous year.

	Fiscal year 1998 *(For the year ended Mar 31, 1999)*				
	North America	Central and South America	Europe	Other foreign countries	Total
	Millions of yen				
Overseas sales	¥2,104,252	¥245,161	¥1,135,819	¥504,792	¥3,990,024
Consolidated net sales					6,580,001
Overseas sales as a percentage of consolidated net sales	32.0%	3.7%	17.3%	7.7%	60.6%

	Fiscal year 1997 *(For the year ended Mar 31, 1998)*				
	North America	Central and South America	Europe	Other foreign countries	Total
	Millions of yen				
Overseas sales	¥2,088,972	¥220,593	¥922,790	¥575,257	¥3,807,612
Consolidated net sales					6,564,637
Overseas sales as a percentage of consolidated net sales	31.8%	3.4%	14.1%	8.8%	58.0%

22. SUBSEQUENT EVENTS

On April 14, 2000, the Company entered into an agreement with Ishikawajima-Harima Heavy Industries Co., Ltd. (IHI) concerning the sale effective July 1, 2000 of the Company's Aerospace Division (the "Division") with all the related assets, liabilities and contracts held by the Division at June 30, 2000 to IHI Aerospace Co., Ltd., a subsidiary of IHI, for ¥30.6 billion ($288,679 thousand). However, the Company is entitled to receive an additional ¥3.0 billion ($28,302 thousand) if IHI Aerospace Co., Ltd. records operating income of at least 2% of net sales for the fiscal year ending March 31, 2001.



Report of Certified Public Accountants

CENTURY OTA SHOWA & CO.
ERNST & YOUNG INTERNATIONAL

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The Board of Directors
Nissan Motor Co., Ltd.

We have examined the consolidated balance sheets of Nissan Motor Co., Ltd. and consolidated subsidiaries as of March 31, 2000 and 1999, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2000, all expressed in yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements, expressed in yen, present fairly the consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at March 31, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2000 in conformity with accounting principles and practices generally accepted in Japan consistently applied during the period except for the changes, with which we concur, in the methods of accounting for royalty income, prior service cost of the pension plans and warranty costs as described in Note 2 to the consolidated financial statements and in the method of geographical segmentation as described in Note 21 to the consolidated financial statements.

As described in Note 1 to the consolidated financial statements, Nissan Motor Co., Ltd. has adopted new accounting standards for consolidation, research and development costs and tax-effect accounting in the preparation of its consolidated financial statements for the year ended March 31, 2000.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2000 are presented solely for convenience. Our examination also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Century Ota Showa & Co.

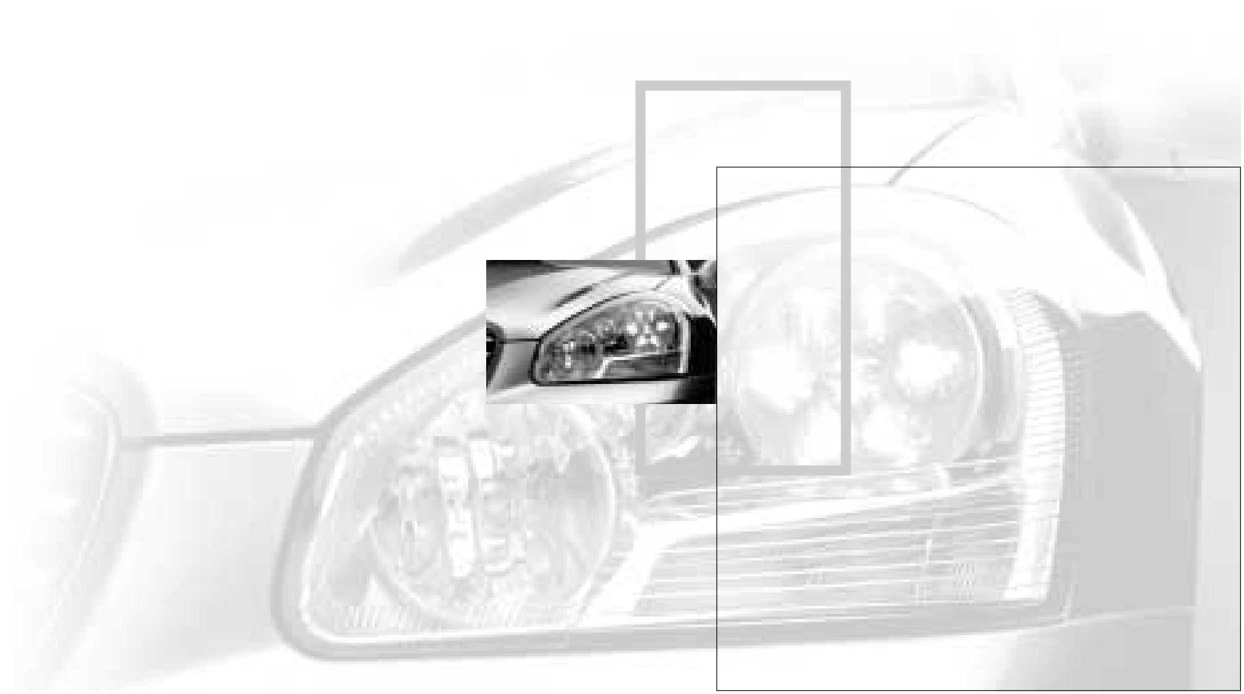
Tokyo, Japan
June 20, 2000

Non-consolidated Five-Year Summary

Nissan Motor Co., Ltd.
(Fiscal years 1999, 1998, 1997, 1996 and 1995)

	Millions of yen (except per share amounts and number of employees)					*Millions of U.S. dollars(Note 2) (except per share amounts)*
For the years ended	**1999(Note1)** *Mar 31, 2000*	1998 *Mar 31, 1999*	1997 *Mar 31, 1998*	1996 *Mar 31, 1997*	1995 *Mar 31, 1996*	**1999** *Mar 31, 2000*
Net sales	**¥2,997,020**	¥3,319,659	¥3,546,126	¥3,690,441	¥3,518,153	**$28,274**
Operating income	**(15,674)**	15,165	85,626	112,917	40,027	**(148)**
Net income (loss)	**(790,694)**	(34,809)	(16,548)	51,333	(3,625)	**(7,453)**
Net income (loss) per share(Note 3)	**(204.93)**	(13.85)	(6.59)	20.43	(1.44)	**(1.933)**
Cash dividends paid(Note 4)	**0.00**	0.00	10.00	7.00	7.00	**0.000**
Shareholders' equity	**¥1,263,075**	¥1,477,498	¥1,529,898	¥1,538,453	¥1,504,583	**$11,916**
Total assets	**3,563,853**	3,595,272	3,661,093	3,230,355	3,142,750	**33,621**
Long-term debt	**909,178**	750,028	622,515	605,871	583,458	**8,577**
Depreciation and amortization	**89,858**	105,229	98,803	103,677	120,187	**848**
Number of employees	**32,707**	39,467	39,969	41,266	44,782	

Notes: 1. Figures of 1999 are calculated based on new accounting rules. Please refer to 2. ACCOUNTING CHANGES on page 42 for changes in the accounting rules.
2. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at ¥106=$1, the approximate exchange rate on March 31, 2000.
3. Net income (loss) per share amounts are based on the weighted average number of shares of common stock outstanding during each year. Figures for net income (loss) per share are in exact yen and U.S. dollars.
Number of shares outstanding as of March 31, 2000: 3,977,293,751
4. Cash dividends paid represent the amounts proposed by the Board of Directors as applicable to the respective years, together with the interim cash dividends paid.



Main Subsidiaries and Affiliates

(As of March 31, 2000)

Japan

Aichi Machine Industry Co., Ltd. *
Head Office: Nagoya, Aichi
Manufacturer of commercial vehicles and automobile engines

Autech Japan, Inc. *
Head Office: Chigasaki, Kanagawa
Development, production and sales of limited production vehicles

Calsonic Corporation ** ◆
Head Office: Nakano-ku, Tokyo
Manufacturer of radiators, heaters, mufflers, air conditioners and catalytic converters

Ikeda Bussan Co., Ltd. **
Head Office: Ayase, Kanagawa
Manufacturer of seats and interior parts

JATCO TransTechnology Ltd. *
(Name changed from JATCO Corporation after merger with TransTechnology Ltd.)
Head Office: Fuji, Shizuoka
Manufacturer of automatic transmission

Kansei Corporation ** ◆
Head Office: Omiya, Saitama
Manufacturer of instruments for automobiles

Kinugawa Rubber Industrial Co., Ltd. **
Head Office: Chiba, Chiba
Manufacturer of rubber and plastic automotive parts

Nissan Diesel Motor Co., Ltd. **
Head Office: Ageo, Saitama
Manufacturer of heavy and medium-duty diesel trucks, buses and industrial and marine diesel engines

Nissan Finance Co., Ltd. *
Head Office: Chuo-ku, Tokyo
Financial services for group companies

Nissan Kohki Co., Ltd. *
Head Office: Koza-gun, Kanagawa
Manufacturer of vehicle engines, axles and marine engines

Nissan Motor Car Carrier Co., Ltd. *
Head Office: Chuo-ku, Tokyo
Operation of export car carriers (shipping)

Nissan Shatai Co., Ltd. *
Head Office: Hiratsuka, Kanagawa
Manufacturer of passenger and commercial vehicles

Tennex Corporation *
Head Office: Kawagoe, Saitama
Manufacturer of air cleaners, fuel filters and oil coolers

Unisia JECS Corporation **
Head Office: Atsugi, Kanagawa
Manufacturer of pistons, pumps, valve rockers, clutches, propeller shafts, power steering systems, electronic control units and anti-lock brake system

Vantec Corporation *
Head Office: Yokohama, Kanagawa
Trucking, customs clearance, harbor and marine transportation, export packing and air cargo forwarding

North America

Nissan Canada Finance Inc. *
5290 Orbitor Drive, Mississauga, Ontario, L4W 4Z5, Canada
Financing and leasing of Nissan products

Nissan Canada Inc. *
5290 Orbitor Drive, Mississauga, Ontario, L4W 4Z5, Canada
National Sales Company in Canada

Nissan Design International, Inc. *
9800 Campus Point Drive
San Diego, California 92121, U.S.A.
Automobile design institute

Nissan Mexicana, S.A. de C.V. *
Av. Insurgentes Sur No. 1958, Col. Florida, C.P. 01030 Mexico D.F. 03920, Mexico
Manufacturer in Mexico

Nissan Motor Acceptance Corporation *
990 West 190th Street, Torrance, California 90502, U.S.A.
Financing and leasing of Nissan Products

Nissan Motor Manufacturing Corporation U.S.A. *
983 Nissan Drive, Smyrna, Tennessee 37167, U.S.A.
Manufacturer in the United States

Nissan North America, Inc. *
18501 South Figueroa Street, Gardena, California, 90248, U.S.A.
Headquarters of North American operations

Nissan Technical Center North America, Inc.*
(Name changed from Nissan Research & Development, Inc.)
39001 Sunrise Drive, Farmington Hills, Michigan, 48331, U.S.A.
Automobile research and development

Europe

Nissan Europe N.V. *
Johan Huizingalaan 400, 1066 JS Amsterdam, The Netherlands
Headquarters of European operations

Nissan France S.A. *
13, Avenue Jean d'Alembert, B.P. 123, 78194 Trappes Cedex, France
National Sales Company in France

Nissan International Finance (Europe) PLC *
5 Arlington Street, London SW1A 1RD, U.K.
Financial services for group companies

Nissan Italia S.p.A. *
Via Tiberina KM 15.740, 00060 Capena, Rome, Italy
National Sales Company in Italy

Nissan Motor (GB) Ltd. *
The Rivers Office Park, Denham Way Maple Cross, Rickmansworth, Hertfordshire WD3 2YS, U.K.
National Sales Company in the United Kingdom

Nissan Motor (Schweiz) AG *
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National Sales Company in Switzerland

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National Sales Company in Germany

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National Sales Company in Spain

Nissan Motor Ibérica, S.A. *
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Manufacturer in Spain

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Washington Road, Sunderland
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Manufacturer in the United Kingdom

Nissan Motor Netherland B.V. *
Hornweg 32, 1044 AN Amsterdam, The Netherlands
National Sales Company in the Netherlands

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Moulsoe Road, Cranfield, Bedfordshire, MK430DB, U.K.
Automobile research and development

Oceania

Nissan Casting Australia Pty. Ltd. *
209-235 Frankston-Dandenong Road, Dandenong, Victoria 3175, Australia
Casting aluminum parts in Australia

Nissan Motor Co. (Australia)Pty. Ltd. *
260-284 Frankston-Dandenong Road, Dandenong, Victoria 3175, Australia
National Sales Company in Australia

Middle East

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P.O.Box 61111, Office No.7 G-1, Lease Office Building-7, Jebel Ali, Dubai, U.A.E.
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Asia

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Room Number 3302B, 33rd Floor, Hennesy Centre, East Wing, 500 Hennessy Road, Causeway Bay, Hong Kong
National Sales Company in China

Siam Nissan Automobile Co., Ltd. **
74 Moo 2 Bangna-Trad Road, KM 21 Srisajarakea-yai Bangsaetong Samutprakarn, 10540, Thailand
Manufacturer in Thailand

Yulon Motor Co., Ltd. **
39-1 Po Kung Keng, Shi Hu Tsuen, San Yi Miao Li Hsien, Taiwan, ROC
Manufacturer in Taiwan

Africa

Automakers Limited *
Ernest Oppenheimer Street, Rosslyn, Pretoria, South Africa
Manufacturer in South Africa.

* Consolidated subsidiary
** Unconsolidated subsidiary or affiliate company by the equity method

◆Calsonic Corporation and Kansei Corporation were merged and became Calsonic Kansei Corporation on April 1, 2000.

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