Annual Report

Year Ended March 31, 2002

2001

NISSAN

Contents

Vision

Nissan: Enriching people's lives

Mission

Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders* in alliance with Renault.

*Our stakeholders include customers, shareholders, employees, dealers, suppliers, as well as the communities where we work and operate.

Founded in 1933, Nissan Motor Co., Ltd. has become one of the world's best-known brands in the automotive industry. Employing 125,000 people worldwide, the company and associated brands design, produce and sell over 2.5 million passenger cars and commercial vehicles in more than 190 countries.

Nissan has entered an exciting phase of growth and development, as the Nissan Revival Plan has succeeded beyond expectations–meeting its commitments one year ahead of schedule. The company now moves ahead strongly with NISSAN 180, a bold new plan to increase the number of vehicles sold, improve profitability and eliminate debt. It heralds an exciting new age in which 28 new vehicles–featuring winning design and a range of cutting-edge technologies–will enter the Nissan lineup.

Join us in this Annual report, as we share our vision for the future of Nissan.

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 2001, 2000, 1999, 1998 and 1997

For the years ended	Millions of yen (except per share amounts and number of employees) 2001 Mar. 31, 2002	2000 Mar. 31, 2001	1999 Mar. 31, 2000	1998 Mar. 31, 1999	1997 Mar. 31, 1998	Millions of U.S. dollars(Note 1) 2001 Mar. 31, 2002
Net sales	**¥6,196,241**	¥6,089,620	¥5,977,075	¥6,580,001	¥6,564,637	**$46,588**
Operating income	**489,215**	290,314	82,565	109,722	86,883	**3,678**
Net income (loss)	**372,262**	331,075	(684,363)	(27,714)	(14,007)	**2,799**
Net income (loss) per share(Note 2)	**92.61**	83.53	(179.98)	(11.03)	(5.57)	**0.70**
Cash dividends paid(Note 3)	**27,841**	0	0	17,591	25,130	**209**
Shareholders' equity(Note 4)	**¥1,620,822**	¥ 957,939	¥ 563,830	¥ 943,365	¥1,006,790	**$12,187**
Total assets(Note 4)	**7,215,005**	6,451,243	6,175,658	6,606,331	7,608,091	**54,248**
Net consolidated automotive debt	**431,714**	952,657	1,348,696	1,867,100	2,273,900	**3,246**
Number of employees	**125,099**	133,833	141,526	131,260	137,201	

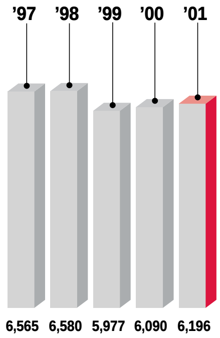
Notes: 1. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at ¥133=$1, the approximate exchange rate on March 31, 2002.

2. 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, 2002: 4,517,045,210.

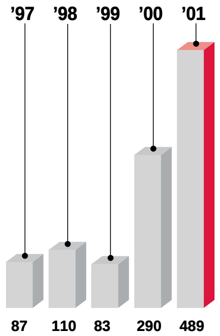
3. Cash dividends during the full year by subsidiary companies to non-Nissan minority shareholders are not included.

4. Shareholders' equity and Total assets for fiscal years 1997-1999 were restated in accordance with the changes in the regulations relating to the presentation of translation adjustments effective fiscal year 2000.

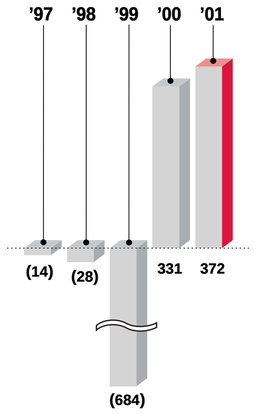
Net Sales
(Billions of yen)



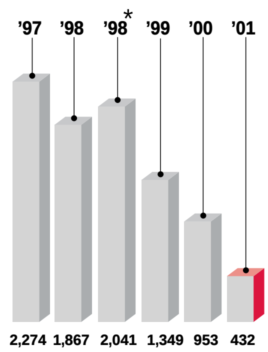
Operating Income
(Billions of yen)



Net Income (Loss)
(Billions of yen)



Net Consolidated Automotive Debt
(Billions of yen)



*restated under the new GAAP

Message From Management

The Nissan Revival Plan is over. Two years after the start of its implementation, all the official commitments we took have been overachieved one full year ahead of schedule.

The NRP has produced the best financial results in the company's history.

In fiscal year 2001, Nissan achieved an operating profit of ¥489.2 billion, 68.5% higher than precedent year, resulting in an operating margin of 7.9%. Net income reached ¥372.3 billion. The second half of the fiscal year was particularly strong as our operating performance improved significantly with the arrival of the new products decided under NRP.

This strong operating performance generated a high level of cash, allowing us to repay ¥521.0 billion in debt. Total net automotive debt stood at ¥431.7 billion at the end of fiscal year 2001, the lowest level for Nissan in the last 24 years.

Because of NRP and its achievements, Nissan is now ready to grow. The new fiscal year opened under the banner of NISSAN 180, a plan designed to take Nissan to a higher level of performance; a plan that opens a new perspective for our company, a perspective of lasting profitable growth.

The objectives of NISSAN 180 are contained in the name of this new three-year business plan: grow Nissan by one million additional units by the end of fiscal year 2004, achieve an 8% operating margin and reduce net automotive debt to zero.

This is the vision for the future of our company. We now have to earn it. You can expect the best from Nissan.

当社2002年3月期(2001年度)のアニュアルレポートをお届けするに当たり、一言ご挨拶申しあげます。

「日産リバイバル・プラン(NRP)」は終了いたしました。NRP開始から2年間で、NRPで公表いたしましたコミットメント(必達目標)につきましては、全て1年前倒しで公約以上の実績を達成することができました。

NRPの達成により、当社は、過去最高の連結決算を株主の皆様にご報告できることとなりました。

2001年度の連結営業利益は、前期比68.5%増の4,892億円、連結売上高営業利益率は7.9%、連結当期純利益は3,723億円となりました。特に下半期には、NRPのもとで計画された積極的な新商品の投入により、連結営業利益が大幅に向上いたしました。

この業績向上が生み出したキャッシュにより、5,210億円の有利子負債を削減し、2001年度末の自動車事業の連結実質有利子負債残高は4,317億円と、過去24年間で最低水準となりました。

NRPを実行し成果をあげたことで、現在、当社は、成長に向けた準備が整っております。2002年度は「日産180」とともにスタートいたしましたが、この計画はさらに高水準の業績を達成し、継続的な利益ある成長という当社にとりまして新たな局面を開くことを目的としております。

この新たな3カ年の事業計画である「日産180」の目標は、その名称の数字に表れております。すなわち、2004年度末にグローバルでの販売台数を100万台増やし、8%の連結売上高営業利益率を実現し、自動車事業の連結実質有利子負債をゼロにするというものであります。

これは将来の当社のあるべき姿であり、その実現に向け、当社の持てる実力を最大限発揮してまいる所存でありますので、今後とも、一層のご支援とご指導を賜りますようお願い申しあげます。

Yoshikazu Hanawa
Chairman

Carlos Ghosn
President
Chief Executive Officer

The Nissan Revival Plan

Success Ahead of Schedule

First announced in October of 1999, the Nissan Revival Plan (NRP) went into action in April, 2000. Today, as it comes to its end, the NRP legacy is nothing less than a new Nissan. One that is profitable; one that is more efficient; one offering widely enhanced products and services; one that has created a new sense of excitement for employees, customers and other stakeholders. One full year ahead of schedule, the NRP has produced the best financial results in the company's history.

When the NRP was first announced, Nissan's executive committee announced three bold commitments; if any of these were not met, the members promised to resign:

- A return to net profitability in fiscal year 2000
- A minimum operating income to sales margin of 4.5 percent by fiscal year 2002
- Consolidated net automotive debt reduced to less than ¥700 billion by fiscal year 2002

Every one of these core commitments has been met—a full year ahead of schedule.

Net profitability was achieved in the first year with net after-tax profits of ¥331.1 billion. This then grew in fiscal year 2001 to ¥372.3 billion—the highest yearly profit in the company's history.

The operating margin had already reached 4.75 percent by the end of the first year of the NRP; at the end of 2001 this had risen to a remarkable 7.9 percent—the highest in the company's history.

Consolidated automobile debt has been reduced to just ¥431.7 billion by the end of 2001—the lowest level in 24 years.

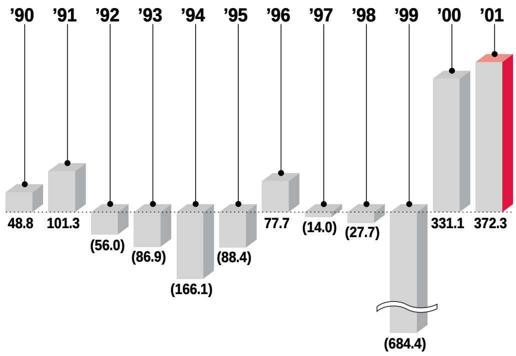
Every one of **these core commitments** has been **met–one full year ahead of schedule**

Fiscal year 2001 **Consolidated Net Income**

372.3

Billions of yen

Fiscal years 1990-2001
(Billions of yen)

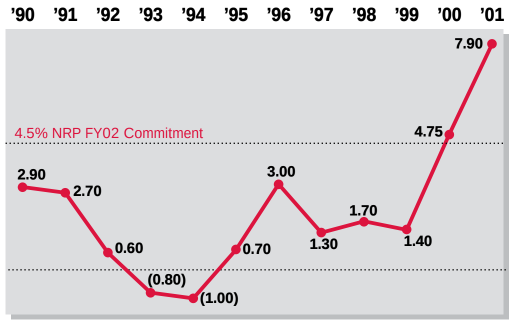


Fiscal year 2001 **Consolidated Operating Margin**

7.90

%

Fiscal years 1990–2001
(Percent)



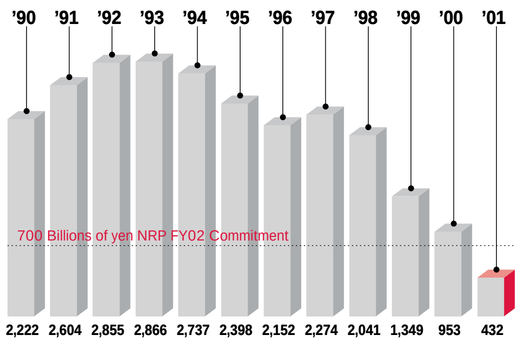
Figures prior to FY 1994 are adjusted by the current rate method

Fiscal year 2001 **Consolidated Net Automotive Debt**

431.7

Billions of yen

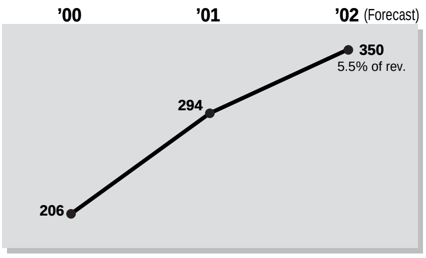
Fiscal years 1990-2001
(Billions of yen)



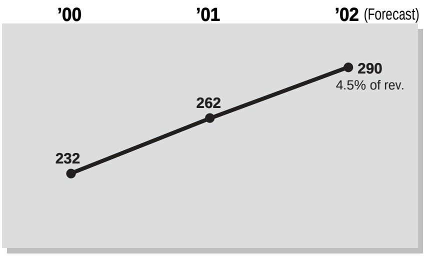
The Nissan Revival Plan **Success Ahead of Schedule**

Investment for Growth
Fiscal years 2000–2002

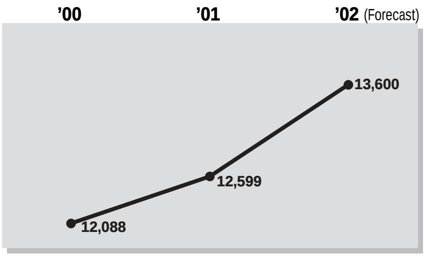
Capital Expenditure (Billions of yen)



Research & Development (Billions of yen)



Engineering Headcount



Attaining the NRP Goals

The NRP has recreated and repositioned the entire company—one year ahead of schedule. All of its major goals have been met:

- Purchasing costs have been reduced by 20 percent;
- Plant capacity utilization has risen from an average 51 percent to 75 percent;
- A revamping of the domestic sales system has reduced sales and administrative costs;
- Worldwide staffing has been brought in accordance with needs;
- Non-core assets have been sold;
- A rededication to R&D has been matched by a 25 percent increase in efficiency;

Even in this period of restructuring, the NRP included the investments needed to pave the way for the future, with an additional 1,000 engineers being added to Nissan's technical team, and massive investments in R&D (to 4.5 percent of revenues) and in capital expenditures (to 5.5 percent of revenues).

Profitability was another major concern successfully addressed by the NRP. When it began, only four Nissan models were profitable; today, a significantly increased number of all Nissan cars provide profit to the company.

"This performance was made possible because the execution of the NRP was swift, relentless and without compromise," said Nissan President and CEO Carlos Ghosn. "Completing the NRP in just two years is testimony to what we—the people of Nissan, our partners, suppliers, dealers, distributors and all those who embraced the spirit of the NRP—have accomplished."

Nissan is not just back—it's moving ahead in strength to long-term, profitable growth.

This **performance was made possible** because the execution of the NRP was **swift, relentless and without compromise**

NISSAN 180

Ready and Positioned for Growth

The momentum created by the NRP has not ended, although the plan itself is completed. Nissan's plan through the end of fiscal year 2004: NISSAN 180.

The objectives of NISSAN 180 are contained in its name:

Nissan will sell **one** million additional units worldwide by fiscal year 2004 (October 2004 to September 2005).

Nissan will realize an **eight** percent operating margin under constant accounting standards. This bold goal will position Nissan at the top level of profitability in the automobile industry worldwide.

Nissan will achieve **zero** net automotive debt by the end of fiscal year 2004. "Debt has been a financial burden for Nissan over the past 15 years," said Carlos Ghosn. "It has prevented us from effectively preparing for the future. Going to zero is the best way to regain the financial flexibility that allows us to make sound investment decisions."

Achieving these goals will rely on four pillars:

- Generating more revenue
- Reducing costs
- Increasing both quality and speed
- Maximizing the Alliance with Renault.

NISSAN 180 **Ready and Positioned for Growth**

Carlos Ghosn announces NISSAN 180

Making the 180 Turn

For an automobile maker, generating revenue means selling more cars. The NISSAN 180 goal: one million additional units will be sold by the end of fiscal year 2004*:

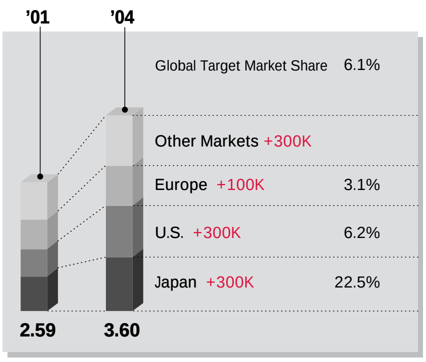
- Japan: 300,000 additional cars
- US: 300,000
- Europe: 100,000
- Other markets: 300,000

These will include Nissan and associated brand passenger cars and light commercial vehicles.

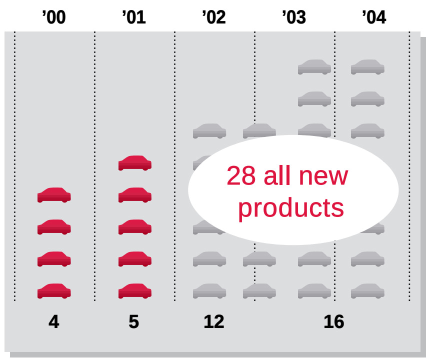
Creating compelling cars was a primary NRP goal, but in NISSAN 180 the number of new products will increase significantly. Nine new models were released during the NRP; in fiscal 2002 alone 12 all-new products will be launched worldwide; for the NISSAN 180 period, a minimum of 28 all-new vehicles will be launched—in all segments, all over the world.

Rebuilding Nissan's position in Japan is a cornerstone of NISSAN 180, as strength in the domestic market will sustain Nissan's presence elsewhere around the world. The decline in market share has come to a halt. The introduction of the March, Moco and Cube in the entry-level segment will lead the way into the 300,000 additional sales envision in NISSAN 180; company executives have now set the goal of placing at least three Nissan cars in Japan's top-ten monthly best-selling lists.

Global Retail Sales Volume Targets
(Million units)



Model Launch Schedule
Fiscal years 2000–2004



*by the end of fiscal year 2004 (October 2004 to September 2005)

Nissan Brand Symbol

Building the Brand–and Profits

Nissan knows that it must continue to build its brand power, to close a price gap with its competitors that grew during a period of low brand identity and focus. Launching Nissan's new brand identity, based on its traditions of technology, imagination and passion, was a signal of the change. The consistent, strong image begins with the new brand symbol and continues in all new Nissan products, with a refocused design direction to create cars that consumers truly want and will pay for.

Realizing the value of this stronger brand power is a focus on profitability, with a NISSAN 180 goal to consistently position Nissan at the top level of profitability in the global auto industry. A powerful Nissan brand is the basis for attracting new customers and creating loyal customers. A powerful brand will help Nissan achieve its business goal of sustainable, profitable growth. Nissan will be a brand that customers are proud to own, dealers are proud to sell and employees are proud to deliver.

Nissan on display at the 2002 North America International Auto Show in Detroit

The Feel of a New Nissan

Nissan emerged from the NRP with a clear vision of enriching people's lives. The first steps have already been realized, in employees with increased ambition and drive for the future, and customers responding with enthusiasm to Nissan products that provide a more satisfying, safe and intelligent driving experience.

The groundwork has been laid; now is the time for growth. Unique to Nissan: the Alliance with Renault and its expanding relationship, providing synergies and strengths to meet these challenges.

Alliance with Renault

Concrete Achievements

An Overview of the Alliance

1999 **March** Alliance agreement between Renault and Nissan
July Renault increases its stake in Nissan Diesel to 22.5 percent

2000 **May** Nissan begins marketing Renault cars in Japan
May Joint European sales and marketing strategy launched
October Nissan enhances operations in Morocco with Renault support
December Renault Scénic production begins at Nissan in Mexico

2001 **April** Renault Nissan Purchasing Organization (RNPO) established
May First Renault showroom opens in Australia with Nissan support
July Renault begins marketing in Taiwan with Nissan support
November Renault begins marketing in Indonesia with Nissan support
December Renault Clio production begins at Nissan in Mexico
December New Renault-Nissan common plant inaugurated in Brazil

2002 **March** Renault increases stake in Nissan to 44.4 percent
March Nissan Platina production begins at Nissan in Mexico
March Renault Vel Satis launched with Nissan V6 engine
March Renault-Nissan BV incorporated in the Netherlands
March Nissan acquires a 13.5 percent stake in Renault
April Nissan Frontier pickup production begins at Renault-Nissan common plant in Brazil
May Nissan increases stake in Renault to 15 percent

Nissan's Alliance with Renault has been integral to the company's return to profitable growth: success in the NRP would have been impossible without the Alliance, and success for the Alliance would have been impossible without the NRP.

The relationship continues to grow in NISSAN 180. In the coming years, the Alliance will move in three main directions:

- Marketing and sales will see a common approach in specific markets, such as Mexico, South America and North Africa;
- Greater efficiency will be derived by selective communization, such as 10 shared platforms, including the B compact and C mid-size platforms already in production, by 2010, eight engine families and seven transmission families;
- The extensive exchange of best practices will continue to streamline and strengthen both companies.

The Alliance Board, a team of managers from both Nissan and Renault which steers the Alliance's mid- to long-term strategy of profitable growth, and supervises joint activities: (left to right, back) Georges Douin, Nobuo Okubo, Tadao Takahashi, François Hinfray; (front) Pierre-Alan De Smedt, Norio Matsumura, Louis Schweitzer, Carlos Ghosn

New Renault-Nissan common plant in Brazil

Fiscal year 2001 represented the realization of Alliance activities in actual products, building cars in each other's plants and releasing cars based on the joint B compact platform—such as the March. The completion of the first common Renault-Nissan plant in Brazil in December was one of many other joint developments, such as the sharing of back-office operations and the creation of the Renault Nissan Purchasing Organization (RNPO) to leverage the purchasing strength of both manufacturers. The RNPO began by handling some 30 percent of the two companies' annual global purchasing turnover, a figure which is expected to grow to some 70 percent.

The bonds continue to grow stronger. Along with an announcement in October, 2001, that Renault would raise its equity in Nissan to 44.4 percent, Nissan in turn announced its intention to purchase 37.8 million shares of Renault stock, bringing its ownership of the company to 13.5 percent. As of May, 2002, the completed transaction, as agreed, brings Nissan's ownership to 15 percent. The Alliance also created Renault-Nissan BV, a jointly and equally-owned company with sole responsibility for decisions on mid- to long-term planning, on common products and powertrains, on financial planning, and which owns and manages the RNPO.

3.5-liter V6 engine

The Renault Vel Satis, equipped with the Nissan 3.5-liter V6 engine

New Products and Design

Growth for an automaker means selling more cars. In a competitive world market, a car's success relies on cutting-edge technical performance—and winning design. Nissan's traditional strengths in technology and design, honed by the NRP and NISSAN 180 and enhanced by the Alliance, are delivering an impressive and ongoing series of new vehicles.

Defining Nissan: Design and Technology

Carwings, the first total telematics system in Japan, on the new Elgrand

Design is more than simply the appearance of a car. "It is the visual expression of Nissan's promise to the customer," Carlos Ghosn explained. "It embodies the total concept of a vehicle, which we must ensure our customers understand at first sight. This is why distinctive designs that express our boldness and thoughtfulness are critically important."

Similarly, technology is more than the figures listed in a spec sheet. Consumers demand that technology provide a safer, more responsive, more enjoyable–and more individual–driving experience.

Intelligent New March

Technology and winning design are evident in every aspect of the new March, released in the Japanese market at the end of fiscal year 2001. The new March is the third generation of this very popular model, one that sets the standard for–and now reinforces Nissan's position in–the important compact car segment in Japan.

Nissan has chosen the new March and new Elgrand to introduce Carwings, Japan's first total telematics service. Carwings uses cellular phone and verbal interface to access updated information and maps, receive email messages, make hands-free phone

March

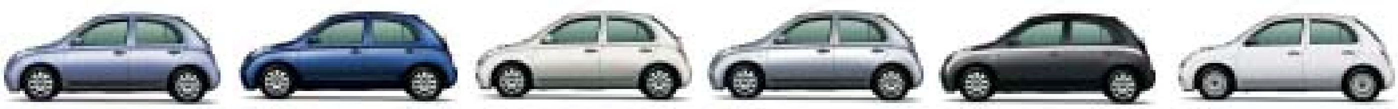
Top-level safety performance on the March, with six SRS airbag systems

calls, obtain roadside service and more. Carwings will continue to be introduced in upcoming new Nissan models.

The new March is built on a platform shared by Renault, one of the many benefits realized by the Alliance. The car has been restyled, with unique high-position headlamps, an arched roofline and a roof treatment at the rear which combines excellent design with aerodynamic performance. The 12 color choices, including five specially created for the March, add to the visual sense of fun and hints at the car's driving pleasure. The interior also features a functional, clean-cut design and appointments at a level not before seen in cars of this class.

Technical innovation can be found in every area of the March. The newly-developed DOHC 4-cylinder CR engine which provides improved power as well as reduced fuel consumption, exhaust emissions and noise. In fact, all March models have been certified as ultra-low emission vehicles (U-LEV) by the Japanese government. For safety, Nissan's advanced Zone Body construction, six SRS airbag system and many other technologies have all been applied.

The new March sets the standard for and reinforces Nissan's position in Japan's important compact car segment.



Altima

2002 North American Car of the Year award

Altima: Winning the North American Market

Nissan's increased focus on serving a carefully-target customer group has clearly paid off: the 2002 Altima was named "North American Car of the Year."

The new Altima is a total revision and rethinking of the midsize sedan, providing a level of design and performance that simply is not available elsewhere in the same class. It brings together an aggressive, bold new exterior design that provides more space in all dimensions, plus the range of conveniences and luxury features that make it stand out in the highly competitive sedan marketplace.

Altima's distinctiveness was not lost on the North American market, where sales took off dramatically after its introduction in the second half of 2001.

> The new Altima is a total revision and rethinking of the midsize sedan.

Building in the Fun

"The Nissan Altima demonstrates that when you study the American family and build a car just for them, it's bound to be a guaranteed hit," said John Davis, host and executive producer of PBS (US) television's MotorWeek television show. "A family car need not be boring," Mr. Davis said, "Nissan has proven that by combining modern sport sedan styling with class-leading performance."

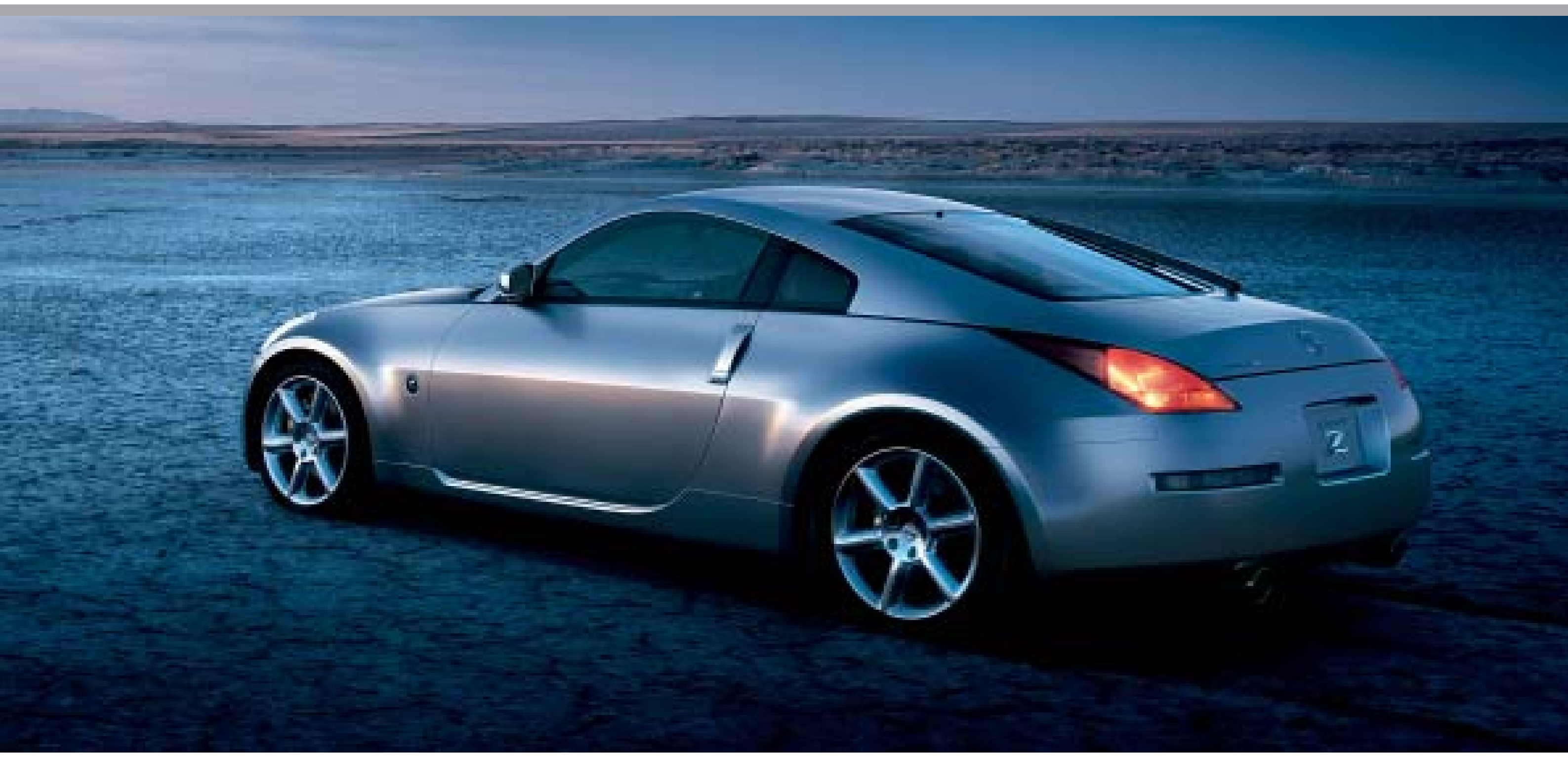
X-Trail

X-Trail: Sporty SUV Wins Worldwide

The new X-Trail, a sporty SUV at a young, outdoor-oriented market, has been a hit in every market where it has been introduced. The roomy interior and ample luggage space—one of the largest in its class with a length of 1,003 mm—make it ideal for outdoor sports and recreational activities, as well as an extremely versatile car for urban use. The X-Trail features the innovative ALL MODE 4 x 4, a 4WD system designed for a front-wheel-drive layout, which detects the road surface condition and instantly provides the optimum torque distribution from 2WD to 4WD, for traveling either on or off the road with complete peace of mind. The X-Trail also achieves one of the best fuel economy figures in its class, thanks to its lightweight, highly rigid body and good aerodynamic performance, and provides excellent maneuverability.

These attributes combined to make it the leader of its class in Japan, a country that has firmly embraced the SUV. It had a very strong launch in Europe during 2001 where it is also the class leader; it has also been a success in widely diverse markets around the world: Australia, South Africa, Central America, Mexico and the Middle East.

The new X-Trail has been a hit in every market where it has been introduced.



The Fairlady Z concept car (2001 Tokyo Motor Show)

The Z: Flagship for the New Nissan

As announced in NISSAN 180, at least 28 all-new Nissan cars will be released in the coming years. One of the most eagerly anticipated is the return—in an exciting new arrangement—of the Z car. The new Z captures what Carlos Ghosn calls "Z-ness"—that instantly understandable and unique sports-car heritage that makes the original 1970 Z car a classic, still fresh after more than 30 years. The new Z is no different—the embodiment of the new Nissan, bringing together high performance, cutting-edge technology and engineering, and stunning design.

The new Z captures "Z-ness"—that instantly understandable and unique sports-car heritage.

The new Z points the way for the entire range of new Nissan vehicles now being released, and which will continue to enter the market through NISSAN 180—filled with the features, technology and winning design that proclaim a bold new Nissan.

Stagea

Skyline

Skyline, Infiniti G35 and Stagea: The FM Package

The FM Package on the Infiniti G35

The fruits of Nissan's efforts in safety and the environment—and in enhancing driving enjoyment—can be seen in the new FM Package, used in the new Skyline, Infiniti G35 and Stagea.
The FM Package makes attributes complimentary that were previously thought to be contradictory: sporty driving performance with the supple riding comfort of a luxury sedan; a long wheelbase and agile maneuverability; aerodynamic styling and a spacious interior. At the same time, it provides world-class safety performance in all types of collisions. The engine has been designed to release and drop in a frontal impact rather than move backward toward the passenger compartment. The FM Package also adds to active safety by providing a smooth ride with little change in vehicle behavior when cornering or when the road surface changes. It also attains zero lift, eliminating the body lift normally caused by aerodynamic resistance during high-speed cruising.

The FM Package makes attributes complimentary that were previously thought to be contradictory.

NEW MODELS LAUNCHED IN FY2001

Japan: Caravan, Skyline, Stagea, March
Europe: X-Trail
North America: Altima, Infiniti G35

New Technologies

TECHNOLOGICAL EXCELLENCE IS LITERALLY A GIVEN AT NISSAN, WHICH HAS LONG LED THE INDUSTRY IN INNOVATIONS THAT ADD MORE ENJOYMENT, MORE SAFETY, MORE PERFORMANCE AND MORE ENVIRONMENTAL HARMONY TO DRIVING. TODAY THAT INNOVATION CONTINUES INTO NEW DRIVING IT, SAFETY AND ENVIRONMENTAL TECHNOLOGIES, AND MORE.

Expanding Automotive Horizons

Shifting Ahead in IT

The continued unfolding of the information age means that automobiles are no longer isolated objects. Information Technology (IT) developments place the car and its driver, in a new relationship of increased information flow with the world around it.

Carwings, the Japan's first total telematics system introduced in the new March, followed by the new Elgrand and coming in many new models, is part of Nissan's effort to provide safe, user-friendly technology that is affordable, convenient, and multi-purpose.

Supporting Nissan's technical strength is a US$38.8 million expansion at the Nissan Technical Center North America, Inc. (NTCNA). Over the next two years, NTCNA, located northwest of Detroit, will add some 260 new jobs—nearly all high-skill engineering and technical positions—a new three-story engineering building and renovation of the facility. The investments are aimed at expanding and enhancing vehicle engineering capabilities for Nissan vehicles sold in North America.

Leading the Way on the Environment

Nissan's commitment to the environment is based on a belief that, as for safety, a real impact can come only when technical solutions are affordable and readily available. This is clear in the wide range of technologies which made possible—and realistic—developments such as the world's cleanest gasoline engine, found in the Bluebird Sylphy and Sentra CA.

ideo, a concept car shown at the 2001 Tokyo Motor Show, utilizes interactive communications as part of the search for the ideal networked vehicle

Collision test

Nissan is aiming for the expanded adoption of ultra-low emission vehicle (U-LEV), which will account for 80 percent of all Nissan passenger vehicles sold in Japan by the end of March, 2003. With this volume, there will be a significant and immediate impact on air quality. It is estimated that the NOx and HC reduction will equal the sales of more than 400,000 zero-emission vehicles—something that will not be realized within the next few years.

In recyclability, Nissan is also advancing the recycling in new models to attain a recyclable ratio of 95 percent or higher. And in manufacturing, Nissan targets to have cut in half the 1999 volume of incinerated waste by 2005.

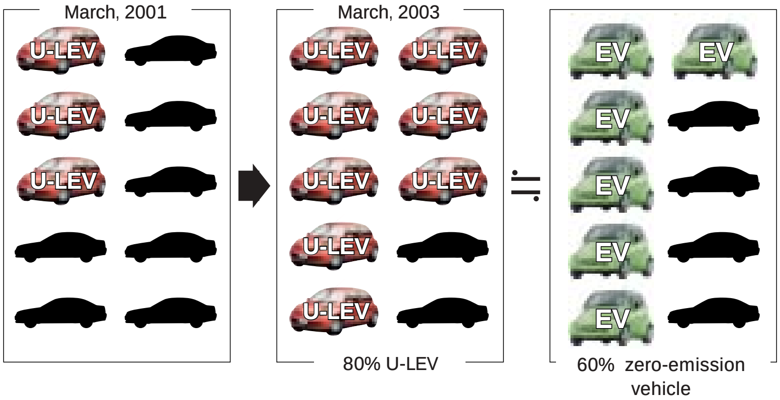
The Quest for Real World Safety

Safety research should not only be conducted through computer simulations or in research labs. Data from actual accidents helps Nissan to find solutions to reduce injuries and fatalities. Nissan combines lab work with real world studies.

The all-new FM package used on the Skyline, Infiniti G35 and Stagea provides world-class safety performance in all types of collisions, including full overlap and offset frontal impacts, side impacts and rear-end impacts.

Various new technologies are used to achieve a high level of crashworthiness in both full overlap and offset frontal collisions, including a mechanism that drops down the engine in a collision, a mechanism that prevents rearward brake pedal movement and a breakaway propeller shaft construction.

Environmental Improvement through Expanded Adoption of U-LEV



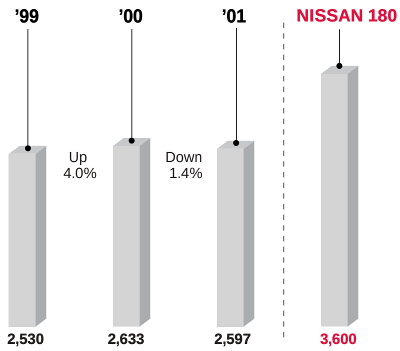
By reaching a level of 80 percent U-LEV vehicles, Nissan will have equaled the realization of 60 percent zero-emission vehicles—still many years to come

Japanese Prime Minister Junichiro Koizumi and Carlos Ghosn with Nissan's fuel cell vehicle (FCV)

FISCAL YEAR 2001 WAS ABOUT MUCH MORE THAN COST CUTTING, THE IMPROVEMENT OF EFFICIENCY AND THE SALE OF NON-CORE ASSETS. IT WAS VERY MUCH ABOUT PREPARING FOR THE PRODUCTS OF THE FUTURE—THE NISSAN AUTOMOBILES THAT WILL ENERGIZE THE ONGOING GROWTH, AND THE FUTURE STRENGTH OF THE COMPANY.

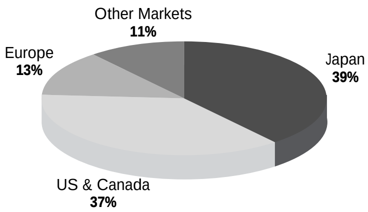
Global Sales Volume

Fiscal years 1999–2001
(Thousands of units)



Contribution of Key Regions to Net Sales

Fiscal year 2001



Foundations for Growth

In 1999, the NRP was all about building for growth–not about the growth itself. Even so, the company realized growth in the first year of the NRP.

In 2001, Nissan's focus was on stabilizing market share and in restoring profitability. Thus, while global sales were down a slight 1.4 percent, from 2.633 million units to 2.597 million, largely because of reduced sales in Japan and the US, operating profit has increased to ¥489 billion–68.5 percent better than 2000.

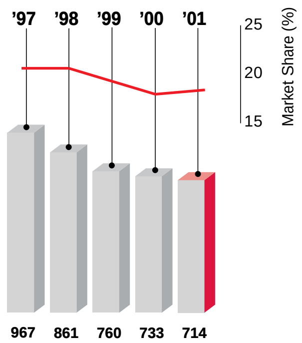
Most importantly, the preparations have been completed for the wave of exciting new Nissan vehicles set to arrive in world markets as the NRP yields to the growth on NISSAN 180. This has already begun, seen in the very strong launches in Japan of the March and Moco, and in the dramatic 9.4 percent increase in the second half for the US market which was fueled by new product introductions.

Moco

March

Japan

Unit Sales
(Thousands of units, retail sales basis)



Nissan stabilized its Japan market share in 2001, a major goal after years of market declines, with a slight gain of 0.1 percent. Total sales, however, were down by 2.6 percent—a total of 714,000 units, for a 17.9 percent market share.

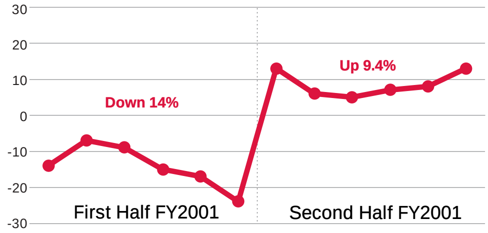
The launches of the March at the very end of fiscal year 2001 and the Moco in early fiscal year 2002 were very highly anticipated, as mini and entry-level cars are the heart of today's Japanese market. With an exceedingly strong start—and with a large percentage of new March buyers are first-time Nissan purchasers—the March is expected to make a significant contribution to performance in the home market. Also released to the market were the renewed Stagea, Skyline and Caravan, and the new Elgrand in May, 2002.

Supporting these efforts was the new "SHIFT_the future" tagline in Japan, as well as a complete relaunch of company web sites, redesigned sales tools and other new promotional activities.

Elgrand

Altima

US sales (change from previous year, %)

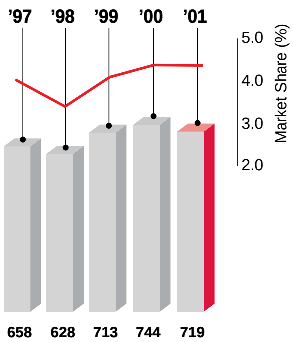


Infiniti G35

US

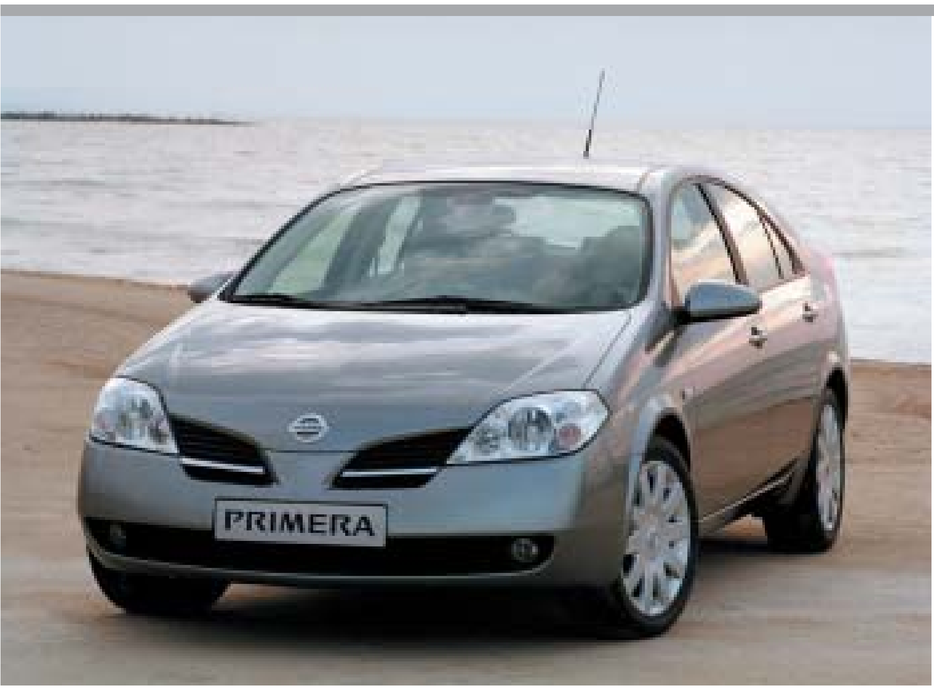
As the automobile industry overall slowed, Nissan declined by 14 percent in the first half of 2001. As the US economy slowed, total year sales were down by 3.4 percent. However, sales shot up by 9.4 percent in the second half with the launch of the Altima. The Altima has already been named as "North American Car of the Year" —the first ever for a Japanese passenger car. Stronger sales were matched with a reduction of incentives and price discounts.

Unit Sales
(Thousands of units, retail sales basis)



INFINITI

The new G35 launched in March marked the beginning of a total renewal for Infiniti. This resurgence for the Infiniti brand is also seen in enhanced marketing efforts, including a new design in all Infiniti showrooms.



Primera

X-Trail

Europe

By focusing on profit ahead of volume, Nissan Europe achieved its objective of returning to operating profitability in 2001, creating the foundation for future profitable growth. Nissan sales declined by 9.5 percent in Western Europe, due to a lack of new products. However, the introduction of the X-Trail in the fall and the new Primera in the spring marked a major step forward for new products in Europe.

Nissan's largest increase was in the UK market, where sales grew by 9.1 percent. The decrease was highest in Germany and Spain, although market share declined only slightly.

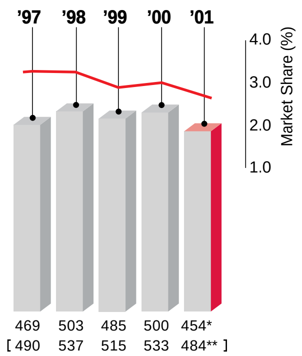
Total market share in western Europe was 2.7 percent, a decline of only 0.3 percent from the previous year.

Rejuvenating the European Lineup

The launch of the new Primera in spring 2002 marks a significant milestone in the renewal of Nissan's European product lineup. With the launch of the X-Trail as well, Nissan is bringing down the average model age and strengthening its brand image.

Unit Sales

(Thousands of units, retail sales basis)



* Western Europe:17 major countries

** Retail Sales in Total Europe

Asia/Oceania

The developing Chinese market saw a dramatic 87.3 percent increase in sales in 2001 to 42,000 units, despite shipments being suspended during the year because of import penalties. Strong sales of the new Cefiro and Frontier (Pickup Truck) increased sales in Thailand by 12.2 percent to 35,000 units. In Singapore, Nissan retained the number-one position in the market for the third year, despite a decrease of 13.8 percent. The launches of the X-Trail, Navara (Pickup Truck) and Patrol in Australia at the end of the year were successful, with sales down by just 2.7 percent.

Almera

South Africa

Nissan sold 27,000 vehicles in 2001, almost unchanged from the year before. The company produces the Hardbody (Pickup Truck), Almera and 1400 Bakkie (Sunny Truck) in South Africa; the Almera, in fact, was the only locally-produced automobile nominated for South African Car of the Year.

Gulf States

The Gulf region saw a very strong year for Nissan, with 73,000 units sold, representing a 14.7 percent increase. Nissan increased its market share through sales promotion activities in an environment of severe price competition, and by introducing four new models—the Infiniti QX4 and Q45, Patrol and X-Trail—which enhanced the Nissan brand presence in the region.

Patrol

Mexico

With over 20 percent of the Mexican market, Nissan remained very strong in 2001 with 10.1 percent growth. The Tsuru (Sunny) has been the best-selling car in the country for the past four years, while the Platina, launched in 2002 and based on a Renault platform, dominates the entry-level market.

Platina

Latin America and The Caribbean

In the key Mercosur countries of Brazil and Argentina, Nissan, working in close cooperation with Renault, realized significant growth of 143 percent, to 3,000 units, and the highest-ever sales in Brazil with 1,600 units. The first new common plant of the Alliance was inaugurated in December of 2001, while production on the first Nissan product manufactured in a Renault plant began in April, 2002–one full month ahead of schedule.

Frontier Pickup

NISSAN HAS LONG BEEN AN INDUSTRY LEADER IN EFFICIENCY, WITH PLANTS RECOGNIZED AS THE MOST EFFICIENT IN AUTO MAKING. BY STREAMLINING PRODUCTION CAPACITY, AS MAKING MASSIVE INVESTMENTS INTO THE PRODUCTION OF CARS WHERE THEY WILL BE SOLD, NISSAN IS PAVING THE WAY FOR THE GROWTH OF NISSAN 180.

Construction at Nissan's new Canton, Mississippi plant; production is scheduled to begin in 2003

The Quest for Better Building

Nissan is making a huge investment in manufacturing as part of NISSAN 180, with capital expenditures rising from 4.7 to 5.5 percent. After completing the streamlining of the NRP, Nissan is providing resources where demand is expected, for production as close to the market as possible. Over the past two years, capital expenditure for manufacturing has continued to be increased. Nissan is creating manufacturing that is ready for the future.

US

As part of a US$1 billion investment in maximizing vehicle production capacity at its Smyrna, Tennessee plant, production of the next-generation Maxima will begin in early 2003. This also involves tripling engine production at Nissan's plant in Decherd, Tennessee, which produces new V6 and V8 engines for the US.

For the eighth straight year, Nissan was named the most efficient manufacturer in North America by the

Xterra

Nissan again named the most efficient auto manufacturer in the ***Harbour Report***

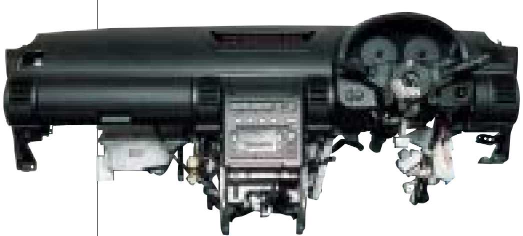
Quest Concept

Harbour Report North America 2002. Nissan led all manufacturers with an overall measurement of 17.92 assembly hours per vehicle made. The Frontier and Xterra lines ranked first and second, respectively, in truck assembly productivity, while the Altima line ranked second in car assembly productivity—despite production losses due to the launch of the 2002 Altima.

Another new investment adds an additional $500 million to the original $930 million for Nissan's new plant currently under construction in Canton, Mississippi and scheduled to open in the spring of 2003. The additional investment will add one million square feet of space to the 2.5-million square foot plant, increase annual production capacity from 250,000 to 400,000 vehicles, and add approximately 1,300 new jobs, increasing the workforce from 4,000 to 5,300. The extension of the facility will help to meet strong demand for Nissan products in North America, particularly the record-selling Altima. The Canton plant will begin with the production of the next-generation Quest minivan, following with the Altima and Nissan's entry into the lucrative full-size pickup and SUV market.

Increasing Efficiency

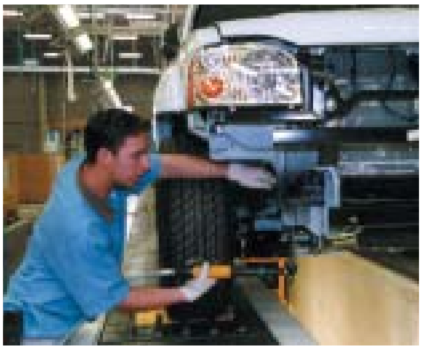
Nissan is increasing its efficiency and its ability to bring products to market more swiftly through the use of common platforms. The new Altima, Murano, and the next-generation Maxima will all be based on the same platform. At the same time, the seven plants in Japan producing 24 different platforms at the beginning of the NRP, have been reduced to four plants producing 15 platforms in 2001.



Modularization

One of the methods Nissan will increasingly use to increase efficiency, productivity and quality while reducing weight and costs is modularization. Being built in as a basic function of the new Canton, Mississippi plant and in use in other Nissan plants, modularization sees suppliers providing complete units, such as front end and cockpit modules. These are separately constructed and brought together at the point of assembly. This improves production efficiency, and makes use of common parts and parts integration–which in turn improves new product development efficiency while reducing cost.

RENAULT NISSAN



Production of the Frontier Pickup at Renault-Nissan common plant in Brazil

Alliance

As Nissan moves towards the one million new units to be sold under NISSAN 180, it has access to Renault production facilities worldwide—a huge advantage for the company.

On December 20, 2001, Nissan President and CEO Carlos Ghosn joined his Alliance counterpart Louis Schweitzer, Chairman and CEO of Renault, as they jointly opened the first common Alliance plant, built on Renault's industrial complex in Sao Jose dos Pinhais, Parana, Brazil. Scheduled to produce the Frontier Pickup from 2002 and the Xterra later on, the plant marks Nissan's arrival as a local Brazilian manufacturer. It also is part of Nissan's plans for the Mercosur region, targeting the eventual sales of 150,000 vehicles annually in the region.

Following Brazil, the Alliance will also realize manufacturing in Spain, where a compact van jointly developed by Renault and GM Europe will be produced. Nissan's Mexico plant is already producing the Renault Scénic, Clio and Platina models.

Purchasing

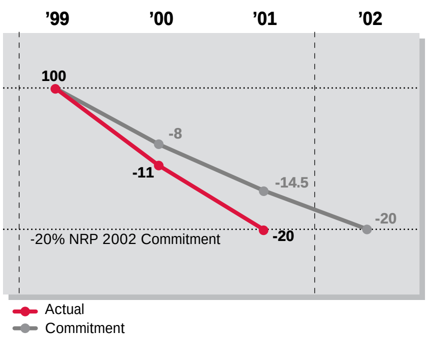
REDUCING PURCHASING COSTS WAS A KEY ELEMENT OF THE NRP—AND THE PLAN CLEARLY DELIVERED. A 20-PERCENT REDUCTION ON PURCHASING COSTS WAS REALIZED BY END-MARCH, 2002; A REDUCTION OF SUPPLIERS, INCREASING GLOBALIZATION WITH FEWER SUPPLIERS AND THE CREATION OF THE RENAULT-NISSAN PURCHASING ORGANIZATION HAVE ALL BOOSTED NISSAN COMPETITIVENESS.

RENAULT NISSAN

The Alliance with Renault provides opportunities for reducing purchasing costs and increasing purchasing power. The Renault-Nissan Purchasing Organization (RNPO), jointly owned by both companies, already accounts for some 30 percent of both companies' worldwide purchasing turnover, a figure which will continue to grow, based on performance, to 70 percent.

Reduced Purchasing Costs

(percent) Purchasing cost reduction (baseline FY1999)



Enhanced Purchasing Power

Purchasing accounted for 60 percent of all costs at Nissan at the start of the NRP—an area company executives clearly saw in need of change. While purchasing is still the greatest cost source of any area of Nissan operations, by March, 2002 the target of a 20 percent reduction in purchasing costs had been met, ahead of schedule.

The Nissan 3-3-3 concept, which continues in NISSAN 180, was crucial in achieving this performance. It applies engineering solutions to purchasing decisions. By making use of the more than 70,000 suggestions received through the program, costs have been reduced, efficiency has been increased and performance continuously improved, all without reducing quality. And while an approximate 30 percent reduction in costs was planned, 3-3-3 in fact resulted in a 40 percent reduction.

Under Nissan 180, Nissan 3-3-3 will play a greater role, providing more than 50 percent of the 15 percent cost reduction called for over the next three years. Models designed to cost under the NRP, and the one-million unit increase in volume will drive this goal.

NISSAN'S SALES FINANCING COMPANIES IN JAPAN, THE US AND CANADA SIGNIFICANTLY IMPROVED THEIR ACTIVITIES DURING FISCAL YEAR 2001. THEY ARE ON GOOD TRACK TO ACTIVELY SUPPORT AUTOMOTIVE SALES WITH SIGNIFICANT LEVELS OF PROFITABILITY AND RETURN OF ASSETS.

A Strong Financial Standing

Nissan's sales financing companies in Japan, the US and Canada significantly improved their activities during fiscal year 2001. Revenues increased by 19 percent to ¥367 billion. Assets rose by 37 percent. Activity was boosted by strong car sales in North America, especially during the second half, benefiting from the success of Altima. In Japan, business was strengthened by the new organization, which steadily improved in a stable market environment. Overall, the sales financing companies are on good track to actively support automotive sales with significant levels of profitability and return of assets (RoA). The operating profit was ¥38.1 billion, equal to a 10.4 percent operating margin in fiscal year 2001, and an RoA of 1.3 percent at the end of March, 2002. The aim is to reach the top level of the industry with 1.5 percent of return on asset by the end of NISSAN 180.

NFS organization chart

Strengthened Japan Organization

In July, 2000, Nissan re-organized its sales financing activities in Japan by merging the three existing companies into Nissan Financial Services (NFS). This integrates all Nissan products and services into one comprehensive approach to meet the needs of customers. With 1,410 employees at the end of March, 2002, NFS provides a wide range of automotive-related services that include credit loans, car leasing, credit cards, car rental, and insurance on an efficient and convenient basis. The company invested in a completely new customer call center that started its operations from May, 2001, creating a powerful and interactive way to communicate and handle customers' inquiries.

With an approximate 18.7 percent penetration level in Japan during the fiscal year 2001, NFS's asset portfolio was led by the traditional retail credit business. However, NFS launched the "Nissan My Lease Plan" in September, 2001, in an effort to attract younger customers to the brand through lower monthly lease payments. This initiative has met with positive feedback.

Increased US Penetration

Nissan Motor Acceptance Corporation (NMAC) experienced an excellent turnaround in its business in the US during fiscal year 2001. From a 46 percent level in fiscal year 2000, the penetration rate on new car sales reached the 52 percent level and has continued to improve. This is the result of the increase of credit penetration from 32.4 percent in fiscal year 2000 to 40 percent in fiscal year 2001, and a slight decrease of leasing assets to 11.7 percent from 12.2 percent. However, this expansion of activities was conducted with stringent risk management, as Nissan remained extremely vigilant about the quality of its asset portfolio. The loss ratio was maintained on average at the one-percent level. After the events of September 11, and as the economic conditions in the US have become more fragile, NMAC has adopted a very conservative approach and increased reserves as a prevention against future delinquencies. Strict measures in terms of credit acceptance have been implemented in order to maintain asset quality at the top level in the automotive industry.

Corporate Citizenship

NISSAN SEES ITSELF AS VERY MUCH PART OF THE GLOBAL COMMUNITY. THAT MEANS NOT SIMPLY PROVIDING SUPERIOR PRODUCTS, BUT PUSHING THE LIMITS IN AREAS SUCH AS SAFETY AND THE ENVIRONMENT—AND ADDING MORE TO THE SOCIETIES IN WHICH NISSAN EMPLOYEES LIVE AND WORK.

Helping Build a Better World

Social Responsibility

As a true member of the global society, Nissan is involved in a number of activities to contribute both in the local communities where it works, and around the world.

The Nissan Mississippi Scholarship Fund, established as Nissan began its major investment in the US state through the construction of its new assembly plant in Canton, Mississippi, is part of a partnership being formed with local communities, with the first four recipients announced in 2002.

The four 2002 recipients of the Nissan Mississippi Scholarship with Nissan North America Senior Vice President Emil Hassan (left) and Mississippi Governor Ronnie Musgrove (right).

The Fund highlights Nissan's interest in education and the enrichment of the lives of young people. Fiscal year 2002 marks the fifth term of the Nissan-NPO Learning Scholarship Program, a chance for Japanese university and

Nissan-NPO Learning Scholarship award ceremony

graduate students to work at one of 15 non-profit organizations (NPOs), largely related to the arts, education, international exchange and the environment.

Nissan has also established a chair in automotive innovation at Spain's Polytechnic University of Catalonia (UPC) to promote technological and management innovation in the automotive sector.

In the new German federal states of the former East Germany, Nissan is supporting an initiative to stem the exodus of young talent to the west. The program, which is being run at 157 dealerships, is offering around 200 young people between the ages of 16 and 20 the opportunity to undertake apprenticeship programs in mechanics, sales and administration.

Nissan was also named as one of the Top 50 Companies for Diversity by the online magazine diversityinc.com. The list is the result of research into America's largest corporations and their employment, management, supplier and community practices related to diversity.

Safety

The number of severe injury and fatal accidents involving Nissan vehicles is on a downward trend in Japan, down 10 percent from 1995.

Nissan aims to do better, from a society needs perspective, not only a regulatory one. Nissan's target is to reduce serious and fatal accidents involving Nissan vehicles by half from 1995 levels.

Nissan will continue to pursue ways to increase the safety of the drivers and passengers of its automobiles.

Environment

Nissan's approach to environmental responsibility as a corporate citizen is with the conviction that sound environmental policy is at the core of sound business practice.

Nissan announced the Nissan Green Program 2005, a mid-term environmental action plan for the Japanese market. This encompasses product and technology development, recycling strategy and many other initiatives.

For more details on Nissan's environmental activities, please see the company's Environmental and Social Report, published annually and available at the Nissan Global website, http://www.nissan-global.com.

NISSAN GREEN PROGRAM

Nissan Executives

From left: Patrick Pélata, Nobuo Okubo, Itaru Koeda, Tadao Takahashi, Norio Matsumura, Thierry Moulonguet, Yoshikazu Hanawa, Carlos Ghosn

BOARD OF DIRECTORS AND AUDITORS

Representative Board Members

Yoshikazu Hanawa
Chairman

Carlos Ghosn
President

Board Members

Itaru Koeda
Norio Matsumura
Thierry Moulonguet
Nobuo Okubo
Patrick Pélata
Tadao Takahashi
Shemaya Lévy

Auditors

Keishi Imamura
Hiroshi Moriyama
Hideo Nakamura
Haruhiko Takenaka

(As of June 20, 2002)

CORPORATE OFFICERS

President

Chief Executive Officer

Carlos Ghosn

Executive Vice Presidents

Itaru Koeda
Purchasing
European Operations

Norio Matsumura
Global Sales & Marketing
Global Aftersales Business
North American Operations
General Overseas Market Operations

Thierry Moulonguet
Chief Financial Officer
Finance & Treasury
Global IS

Nobuo Okubo
Technology and Engineering Development
Nissan Research Center

Patrick Pélata
Planning
Design

Tadao Takahashi
Manufacturing
Industrial Machinery
Marine

Vice Chairman

Takeshi Isayama
External and Government Affairs

Senior Vice Presidents

Eiichi Abe
Eiji Imai
Hidetoshi Imazu
Shigeo Ishida
Hiroyasu Kan
Hajime Kawasaki
Yukio Kitahora
Takashi Kitajima
Jean-Jacques Le Goff
Katsumi Nakamura
Shiro Nakamura
Bernard Rey
Kuniaki Sasaki
Toshiyuki Shiga
Shigeru Takagi
Kazuhiko Toida
Shiro Tomii
Kuniyuki Watanabe
Shuji Yamagata

(As of July 1, 2002)

Corporate Data

(As of March 31, 2002)

Nissan Motor Co., Ltd.

17-1, Ginza 6-chome
Chuo-ku, Tokyo 104-8023
Japan
Phone: +81(0)3-3543-5523

Date of Establishment

December 26, 1933

Paid-in Capital

¥604,556 million

Common Stock

Issued and outstanding:
4,517,045,210 shares

Number of Shareholders

114,032

Major Registered Shareholders

	% of total
Renault	44.4
The State Street Bank and Trust Company	3.3
The Mitsubishi Trust and Banking Corporation (Trust)	2.8
Japan Trustee Services Bank Ltd. (Trust)	2.3
The Dai-ichi Mutual Life Insurance Company	2.1
The Chase Manhattan Bank N.A. London	1.9
The Chase Manhattan Bank N.A. London S.L. Omnibus A/C	1.9
Nippon Life Insurance Company	1.8
Boston Safe Deposit BSDT Treaty Clients Omnibus	1.5
UFJ Trust Bank Limited (Trust A)	1.4

Securities Traded

- Tokyo Stock Exchange
  Osaka Stock Exchange
  Nagoya Stock Exchange
  Fukuoka Stock Exchange
  Sapporo Stock Exchange
  (7201 T)
- NASDAQ: (One American Depositary Receipt represents two shares underlying stock) (NSANY)

Transfer Agent and Registrar for Common Stock

The Chuo Mitsui Trust & Banking Co., Ltd.
33-1, Shiba 3-chome
Minato-ku, Tokyo 105-8574
Japan

Depositary and Transfer Agent for American Depositary Receipts

JPMorgan Chase Bank
270 Park Avenue,
New York, New York
10017-2070, USA

Auditor

Shin Nihon & Co.

Major Offices and Facilities

Corporate Headquarters (Tokyo, Japan)
Nissan North America (Gardena, US)
Nissan Europe
(Amsterdam, The Netherlands /Tráppes, France)

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

Major Production Sites

Japan
Oppama Plant
Tochigi Plant
Kyushu Plant
Yokohama Plant
Iwaki Plant

North America
Nissan North America (Smyrna, US)
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 2001, 2000, 1999, 1998 and 1997

	Millions of yen (except per share amounts and number of employees)					Millions of U.S. dollars(Note 1) (except per share amounts)
For the years ended	**2001** **Mar. 31, 2002**	2000 Mar. 31, 2001	1999 Mar. 31, 2000	1998 Mar. 31, 1999	1997 Mar. 31, 1998	**2001** **Mar. 31, 2002**
Net sales	**¥6,196,241**	¥6,089,620	¥5,977,075	¥6,580,001	¥6,564,637	**$46,588**
Operating income	**489,215**	290,314	82,565	109,722	86,883	**3,678**
Net income (loss)	**372,262**	331,075	(684,363)	(27,714)	(14,007)	**2,799**
Net income (loss) per share(Note 2)	**92.61**	83.53	(179.98)	(11.03)	(5.57)	**0.70**
Cash dividends paid(Note 3)	**27,841**	0	0	17,591	25,130	**209**
Shareholders' equity(Note 4)	**¥1,620,822**	¥ 957,939	¥ 563,830	¥ 943,365	¥1,006,790	**$12,187**
Total assets(Note 4)	**7,215,005**	6,451,243	6,175,658	6,606,331	7,608,091	**54,248**
Long-term debt	**1,604,955**	1,402,547	1,655,610	1,591,596	1,669,642	**12,067**
Depreciation and amortization	**374,827**	360,191	434,553	498,444	508,012	**2,818**
Number of employees	**125,099**	133,833	141,526	131,260	137,201	

Notes: 1. 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 ¥133=$1, the approximate exchange rate on March 31, 2002.
2. 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, 2002: 4,517,045,210.
3. Cash dividends during the full year by subsidiary companies to non-Nissan minority shareholders are not included.
4. Shareholders' equity and Total assets for fiscal years 1997-1999 were restated in accordance with the changes in the regulations relating to the presentation of translation adjustments effective fiscal year 2000.

Sales and Production (units) For the years ended	**2001** **Mar. 31, 2002**	2000 Mar. 31, 2001	1999 Mar. 31, 2000	1998 Mar. 31, 1999	1997 Mar. 31, 1998
Global vehicle production(Note 1)	**2,474,888**	2,613,948	2,402,264	2,465,796	2,754,598
Japan	**1,272,851**	1,313,527	1,336,918	1,528,461	1,671,510
United States	**363,366**	352,927	348,214	279,392	396,887
Mexico	**329,091**	334,061	216,140	169,339	184,699
Spain	**109,813**	153,807	105,245	96,000	99,885
United Kingdom	**290,046**	332,532	286,865	275,993	277,509
Others	**109,721**	127,094	108,882	116,611	124,108
Global unit sales (wholesale)	**2,460,484**	2,564,160	2,415,433	2,541,736	2,567,878
Japan	**702,657**	725,842	758,603	872,507	981,512
North America(Notes 2 and 3)	**968,030**	985,168	874,160	656,789	678,488
Europe(Note 3)	**453,697**	513,048	500,836	549,547	494,092
Others(Note 2)	**336,100**	340,102	281,834	462,893	413,786

Notes: 1. All the figures for global vehicle production are on an April to March basis.
2. Unit sales in Mexico for 2001, 2000 and 1999 are 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

THE SUCCESSES OF THE NRP ARE REFLECTED IN NISSAN'S FINANCIAL PERFORMANCE IN 2001—THE BEST IN THE COMPANY'S HISTORY. INCREASED INCOME AND A SHARP REDUCTION OF DEBT SET THE STAGE FOR THE GROWTH ENVISIONED IN NISSAN 180.

FISCAL YEAR 2001 BUSINESS PERFORMANCE

Overall, Nissan sold 2,597,000 vehicles worldwide in fiscal year 2001, down slightly by 1.4% from fiscal year 2000. Looking at our performance on a half-year basis, the second half was stronger than the first half. Sales volume was down 3.6% year on year in the first half, but up 0.8% in the second half. This is thanks to the acceleration of product launches planned under the NRP, such as the new Altima in the US market.

NET SALES

Consolidated net sales came to ¥6.196 trillion, up 1.8% from last year. However, with consistent accounting methods and scope of consolidation, sales would have increased by 5.4%. There were two changes. First, in a further move to bring our accounts in line with internationally accepted standards step by step, Contest and Incentive spending in the United States and Mexico (C&I) have been deducted directly from sales rather than being accounted as expense items. The impact was a drop of 98.9 billion yen or 1.6% in revenues. Second, the spin-off of 18 previously consolidated companies such as Vantec, Tennex, Nissan Transport and dealers also had a negative impact on revenues of ¥113.2 billion or 1.8%.

OPERATING INCOME

Nissan's consolidated operating profit improved by 68% from ¥290.3 billion in fiscal year 2000 to a record ¥489.2 billion in fiscal year 2001. As a percentage of net sales, the operating profit margin came to 7.9%, the highest in the company's history, and significantly higher than the NRP commitment of 4.5% for fiscal year 2002. The second half of the fiscal year was particularly strong, as Nissan consolidated operating margin exceeded 9.0%.

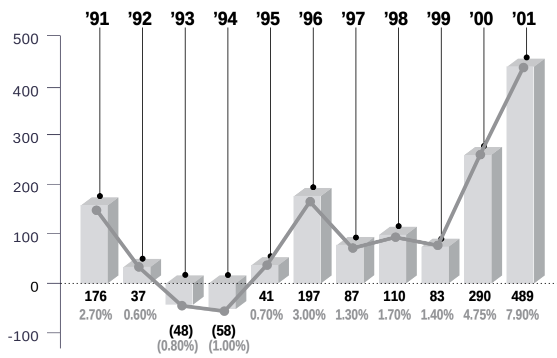
The positive variance of nearly ¥200 billion between last year's operating profit and this year's profit can be explained as follows:

The improvement in purchasing costs during fiscal year 2001 was again the single most important factor contributing to the improvement in profitability. The net accounting impact of this year's 9.0% out of the 20% reduction target came to ¥245 billion.

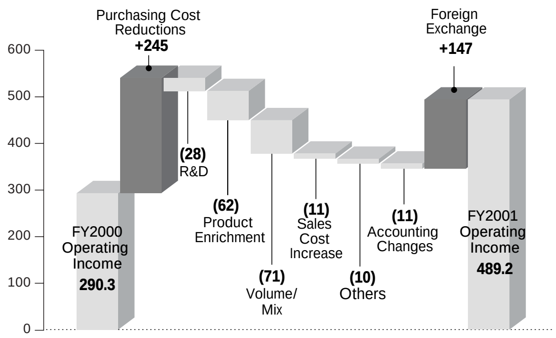
Total R&D expenditures amounted to ¥262 billion in fiscal year 2001, increasing by ¥28 billion, net of the impact of foreign exchange. This increase in spending is needed to support the renewal and expansion of our product line up as well as the development of new technology.

Product enrichment and the cost of regulations had a negative impact of ¥62 billion. Even though this year's impact is slightly lower than last year's, this is a permanent feature of our industry.

Operating Profit
Fiscal years 1991-2001 (Billions of yen)



Impacts on Operating Profit
Fiscal years 2001(Billions of yen)



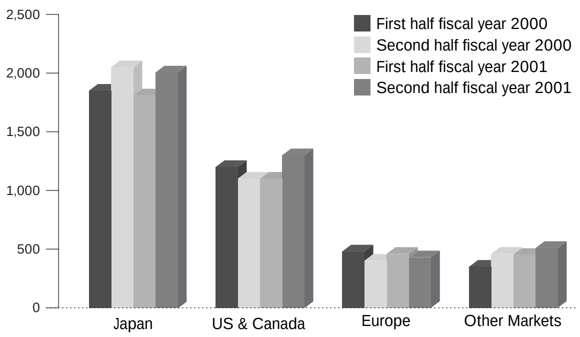
The drop in volumes and mix globally generated a negative impact of ¥71 billion for the full year. Compared to the negative impact we reported for the first half of 2001, the second half shows a clear improvement, especially in the US.

Selling expenses increased by ¥11 billion, mainly due to an increase in Japan in the second half as we phased out products like the former March. But in the US and Europe, these were largely unchanged.

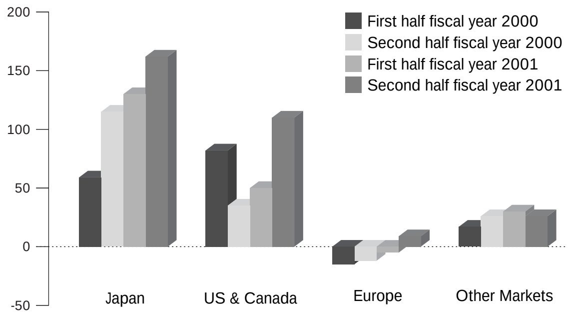
The accounting changes relating to income recognition in the US and Mexico as described earlier did not impact operating profits. However, the spin-off of 18 companies that were profitable in the aggregate produced a negative impact of ¥11 billion.

Finally, the weakening value of the yen, especially during the second half, produced a positive impact of ¥147 billion on consolidated operating profits for the full year. The average value of the dollar in fiscal year 2001 was 125.1 yen, compared to 110.6 yen in fiscal year 2000, producing an impact of ¥128 billion, while the euro moved from ¥99.6 in fiscal year 2000 to ¥108.8 in fiscal year 2001. The positive impact of the euro and other currencies was ¥19 billion.

Sales by Region
Fiscal years 2000-2001 (Billions of yen)



Operating Profit by Region
Fiscal years 2000-2001 (Billions of yen)



ORDINARY INCOME

Consolidated ordinary profit rose 47% to ¥414.7 billion for the full fiscal year 2001 compared to ¥282.3 billion in fiscal year 2000.

Non-operating items included ¥20.4 billion for Net Financial Costs, as interest-bearing debt declined swiftly and the company benefited from a more streamlined finance operation as well as lower borrowing costs. The company also charged ¥23.9 billion, as it continues to amortize the remainder of its past pension liabilities over 15 years.

Extraordinary items included a net gain of ¥16.9 billion on the disposal of fixed assets; however, this was largely offset by the loss of ¥26.8 billion from sales of marketable securities (including all banking securities to avoid further downside) and the loss of ¥26 billion on devaluation of investments.

NET INCOME

Current income taxes came to ¥87.4 billion; however, the overall impact was positive due to the recognition of ¥102.1 billion in deferred taxes. As a result, Nissan has recognized nearly all of its current deferred taxes. Minority interests in companies that we do not fully own represented a charge of ¥6.6 billion for fiscal year 2001 versus a charge of ¥21.1 billion yen last year.

Therefore, Nissan reported a consolidated net income of ¥372.3 billion or 6.0% net margin in fiscal year 2001, versus ¥331.1 billion in fiscal year 2000. This is the best net result in the company's history.

FINANCIAL POSITION

ASSETS

Total consolidated assets increased by 12% to ¥7.2 trillion in fiscal year 2001 compared to ¥6.4 trillion at the end of fiscal year 2000.

Current Assets increased by 15.7% during fiscal year 2001 to ¥3.5 trillion. This was mainly due to the strong development of sales financing in North America, notably during the second half of the yearsince Nissan Motor Acceptance Corporation (NMAC) sales improved sharply after the successful introduction of Altima. NMAC effectively increased its penetration rate to 52% at the end of fiscal year 2001, versus 46% at the end of fiscal year 2000, principally in retail credit. Otherwise, trade receivables and inventories overall have been following a decreasing trend, representing both 8.6% of consolidated revenues at the end of fiscal year 2001 compared to 9.4% and 9.2% in fiscal year 2000.

Investments and other assets also increased to ¥818 billion yen from ¥629.6 billion. Beside the disposal of the non-core assets and securities (including the entire portfolio of banking securities), Nissan acquired 13.5% of Renault's capital in March, 2002, through a reserved capital increase. This purchase followed the exercise of warrants held by Renault resulting in a rise of its stake of Nissan equity from 36.8% to 44.4%. In May, Nissan completed its transaction and purchased an additional 1.5% of Renault, reaching 15% of Renault capital. The cross-shareholding is now completed and is not to be changed in the foreseeable future.

SHAREHOLDERS' EQUITY

Total shareholders' equity increased sharply from ¥0.96 trillion in fiscal year 2000 to ¥1.62 trillion, thanks to much-improved profits and the increase in capital corresponding to the exercise of Renault's warrants. As a result, the number of Nissan shares outstanding at the end of fiscal year 2001 increased by 539,000 units for a total of 4.517 billion units.

Consolidated shareholders' equity strengthened during fiscal year 2001, representing 26% of total revenues and 22% of total assets, compared to 16% of total revenues and 15% of total assets in fiscal year 2000.

The company proposed an increase of the dividend by 14%, from seven yen per share to eight yen per share for fiscal year 2001 at the shareholder annual meeting on June 20, 2002. The company has also proposed to restore the payment of an interim dividend at mid year of four yen for the fiscal year 2002. Beyond these actions, management firmly intends to establish a stable and satisfactory dividend policy for its shareholders over the medium term.

DEBT

Net automotive debt decreased sharply, exceeding forecasts and the NRP commitment. Thanks to the continued sale of non-core assets, which totaled ¥192 billion in fiscal year 2001, but increasingly from the generation of profits from operations and improvement in working capital, net automotive debt stood at ¥432 billion at the end of fiscal year 2001, down ¥521 billion from the end of last fiscal year. As a percentage of shareholders' equity, this has significantly improved to 31% compared to 126% at the same period last year. Consequently, the company is now paying less financial expenses and has gained more flexibility in terms of financial policies.

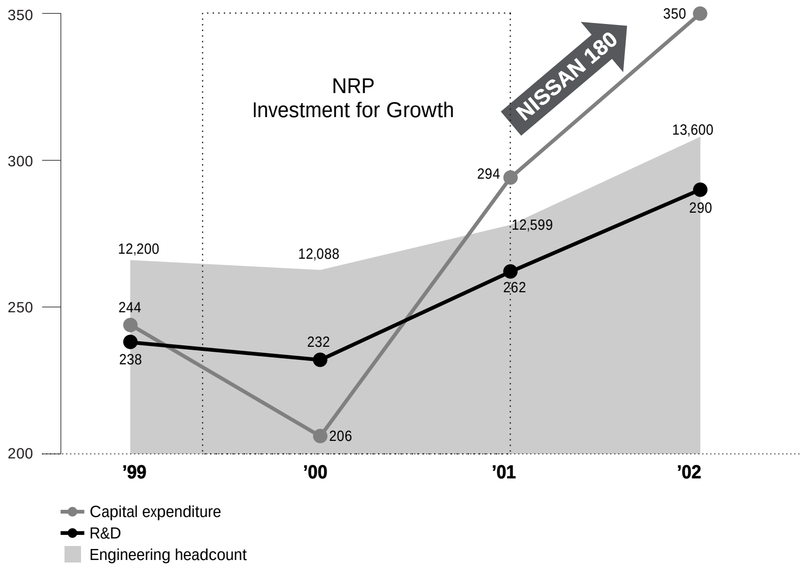
Nissan was upgraded by rating agencies and has returned to investment grade categories.

CASH FLOW

Consolidated cash generated from operating activities more than doubled during fiscal year 2001, to ¥222 billion from ¥73 billion a year before. As mentioned earlier, the higher profits from operations and improved working capital requirements were the main contributors to this sharp improvement. This cash was mainly used to pay back automotive debt and to renew the product range.

Investment for Growth

Fiscal years 1999-2002 (Billions of yen)



Consolidated Balance Sheets

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2001 and 2000

ASSETS	As of	Millions of yen 2001 Mar. 31, 2002	Millions of yen 2000 Mar. 31, 2001	Thousands of U.S. dollars(Note 4) 2001 Mar. 31, 2002
Current assets:				
Cash and cash equivalents(Note 9)		**¥ 279,653**	¥ 288,536	**$ 2,102,654**
Short-term investments(Notes 2(e) and 20)		**666**	4,392	**5,008**
Receivables, less allowance for doubtful receivables(Notes 5 and 9)		**2,179,854**	1,724,569	**16,389,879**
Inventories(Note 6)		**534,051**	559,088	**4,015,421**
Other current assets		**523,031**	463,358	**3,932,564**
Total current assets		**3,517,255**	3,039,943	**26,445,526**
Property, plant and equipment, at cost(Notes 7 and 9):		**6,211,552**	6,091,206	**46,703,398**
Less accumulated depreciation(Note 3(c))		**(3,332,394)**	(3,309,486)	**(25,055,593)**
Property, plant and equipment, net		**2,879,158**	2,781,720	**21,647,805**
Investments and other assets(Notes 2(e), 9 and 20):				
Investment securities:				
Unconsolidated subsidiaries and affiliates		**117,969**	138,048	**886,985**
Other		**281,144**	174,848	**2,113,865**
Other assets		**419,479**	316,684	**3,153,977**
Total investments and other assets		**818,592**	629,580	**6,154,827**
Total assets		**¥7,215,005**	¥6,451,243	**$54,248,158**

LIABILITIES AND SHAREHOLDERS' EQUITY As of	Millions of yen 2001 Mar. 31, 2002	Millions of yen 2000 Mar. 31, 2001	Thousands of U.S. dollars (Note 4) 2001 Mar. 31, 2002
Current liabilities:			
Short-term borrowings and current portion of long-term debt (Note 9)	**¥1,424,804**	¥1,429,516	**$10,712,812**
Notes and accounts payable (Note 8)	**990,273**	948,597	**7,445,661**
Accrued income taxes (Note 14)	**46,706**	54,884	**351,173**
Other current liabilities	**546,232**	677,809	**4,107,008**
Total current liabilities	**3,008,015**	3,110,806	**22,616,654**
Long-term liabilities:			
Long-term debt (Note 9)	**1,604,955**	1,402,547	**12,067,331**
Accrued retirement benefits (Notes 2(h), 3(a) and 10)	**400,342**	400,713	**3,010,090**
Accrual for losses on business restructuring	**49,591**	74,531	**372,865**
Accrual for warranty costs (Note 3(b))	**160,938**	154,557	**1,210,060**
Other long-term liabilities	**293,053**	270,973	**2,203,406**
Total long-term liabilities	**2,508,879**	2,303,321	**18,863,752**
Minority interests in consolidated subsidiaries	**77,289**	79,177	**581,120**
Shareholders' equity (Notes 11, 15 and 23):			
Common stock, without per value: Authorized–6,000,000,000 shares; Issued –4,517,045,210 shares in 2001 and 3,977,295,210 shares in 2000	**604,556**	496,606	**4,545,534**
Capital surplus	**803,212**	690,262	**6,039,188**
Retained earnings	**430,751**	87,626	**3,238,729**
Unrealized holding gains on securities (Note 2(e))	**4,406**	1,438	**33,128**
Translation adjustments (Note 2(b))	**(221,973)**	(316,481)	**(1,668,970)**
	1,620,952	959,451	**12,187,609**
Less treasury common stock, at cost; 173,987 shares in 2001 and 3,587,173 shares in 2000	**(130)**	(1,512)	**(977)**
Total shareholders' equity	**1,620,822**	957,939	**12,186,632**
Commitments and contingencies (Note 18)			
Total liabilities and shareholders' equity	**¥7,215,005**	¥6,451,243	**$54,248,158**

See notes to consolidated financial statements.

Consolidated Statements of Operations

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2001, 2000 and 1999

	Millions of yen			Thousands of U.S. dollars(Note 4)
For the years ended	**2001** ***Mar. 31, 2002***	2000 *Mar. 31, 2001*	1999 *Mar. 31, 2000*	**2001** ***Mar. 31, 2002***
Net sales	**¥6,196,241**	¥6,089,620	¥5,977,075	**$46,588,278**
Cost of sales(Notes 3(c), 7 and 12)	**4,546,526**	4,633,780	4,568,233	**34,184,406**
Gross profit	**1,649,715**	1,455,840	1,408,842	**12,403,872**
Selling, general and administrative expenses(Notes 3(c), 7 and 12)	**1,160,500**	1,165,526	1,326,277	**8,725,564**
Operating income	**489,215**	290,314	82,565	**3,678,308**
Other income (expenses):				
Interest income	**12,250**	7,692	9,712	**92,105**
Interest expense	**(34,267)**	(42,241)	(73,979)	**(257,647)**
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	**921**	9,239	(19,033)	**6,925**
Other, net(Note 13)	**(103,903)**	24,694	(711,919)	**(781,225)**
	(124,999)	(616)	(795,219)	**(939,842)**
Income (loss) before income taxes and minority interests	**364,216**	289,698	(712,654)	**2,738,466**
Income taxes(Note 14):				
Current	**87,446**	68,105	40,503	**657,489**
Deferred	**(102,148)**	(130,637)	(30,589)	**(768,030)**
	(14,702)	(62,532)	9,914	**(110,541)**
Minority interests	**(6,656)**	(21,155)	38,205	**(50,045)**
Net income (loss)(Note 19)	**¥ 372,262**	¥ 331,075	¥ (684,363)	**$ 2,798,962**

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2001, 2000 and 1999

	Millions of yen			Thousands of U.S. dollars (Note 4)
For the years ended	**2001** **Mar. 31, 2002**	2000 Mar. 31, 2001	1999 Mar. 31, 2000	**2001** **Mar. 31, 2002**
Common stock:				
Balance at beginning of the year				
(2001–3,977,295,210 shares;				
2000–3,977,293,751 shares;				
1999–2,513,043,751 shares)	**¥ 496,606**	¥ 496,605	¥ 203,755	**$ 3,733,880**
Private placement (Note 11)				
(2001– 539,750,000 shares;	**107,950**	–	292,850	**811,654**
1999–1,464,250,000 shares)				
Conversion of convertible bonds				
(2000– 1,459 shares)	**–**	1	–	**–**
Balance at end of the year				
(2001–4,517,045,210 shares;				
2000–3,977,295,210 shares;				
1999–3,977,293,751 shares)	**¥ 604,556**	¥ 496,606	¥ 496,605	**$ 4,545,534**
Capital surplus:				
Balance at beginning of the year	**¥ 690,262**	¥ 690,262	¥ 397,412	**$ 5,189,940**
Private placement (Note 11)	**112,950**	–	292,850	**849,248**
Conversion of convertible bonds	**–**	0	–	**–**
Balance at end of the year	**¥ 803,212**	¥ 690,262	¥ 690,262	**$ 6,039,188**
Retained earnings (deficit):				
Balance at beginning of the year	**¥ 87,626**	¥ (237,301)	¥ 653,433	**$ 658,842**
Net income (loss)	**372,262**	331,075	(684,363)	**2,798,962**
Cash dividends paid	**(27,841)**	–	–	**(209,323)**
Bonuses to directors and statutory auditors	**(286)**	(131)	(141)	**(2,158)**
Other (Note 15)	**(1,010)**	(6,017)	(206,230)	**(7,594)**
Balance at end of the year	**¥ 430,751**	¥87,626	¥(237,301)	**$ 3,238,729**
Unrealized holding gain on securities (Note 2(e)):				
Balance at beginning of the year	**¥ 1,438**	¥ –	¥ –	**$ 10,812**
Net change during the year	**2,968**	1,438	–	**22,316**
Balance at end of the year	**¥ 4,406**	¥ 1,438	¥ –	**$ 33,128**
Translation adjustments (Note 2(b)):				
Balance at beginning of the year	**¥(316,481)**	¥(365,526)	¥(311,230)	**$(2,379,556)**
Net change during the year	**94,508**	49,045	(54,296)	**710,586**
Balance at end of the year	**¥(221,973)**	¥(316,481)	¥(365,526)	**$(1,668,970)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2001, 2000 and 1999

	Millions of yen			*Thousands of U.S. dollars (Note 4)*
For the years ended	**2001** **Mar. 31, 2002**	2000 Mar. 31, 2001	1999 Mar. 31, 2000	**2001** **Mar. 31, 2002**
Operating activities				
Income (loss) before income taxes and minority interests	**¥ 364,216**	¥ 289,698	¥ (712,654)	**$ 2,738,466**
Depreciation and amortization relating to:				
Leased assets	**169,213**	133,145	175,962	**1,272,278**
Other assets	**205,614**	227,046	258,591	**1,545,970**
Provision for doubtful receivables	**39,273**	17,320	26,561	**295,286**
Unrealized loss on securities	**6,757**	14,152	29,827	**50,805**
Unrealized loss on leased vehicles	**6,069**	7,619	26,706	**45,632**
Interest and dividend income	**(13,837)**	(11,139)	(13,415)	**(104,038)**
Interest expense	**102,656**	108,188	119,176	**771,850**
Gain on sales of property, plant and equipment	**(28,229)**	(55,497)	(321)	**(212,248)**
Loss on disposal of property, plant and equipment	**11,285**	16,730	29,682	**84,850**
Loss (gain) on sales of securities	**26,823**	(65,043)	(42,053)	**201,677**
Amortization of net retirement benefits obligations at transition	**23,925**	24,729	–	**179,887**
Provision for accrued retirement benefits	**60,870**	62,075	–	**457,669**
Retirement benefits paid	**(81,326)**	(67,351)	–	**(611,474)**
Amortization of prior service cost	**–**	–	222,981	**–**
Provision for losses on business restructuring	**–**	–	164,590	**–**
Business restructuring costs paid	**(9,213)**	(28,035)	–	**(69,271)**
Receivables	**7,334**	(100,533)	41,536	**55,143**
Finance receivables	**(434,665)**	(389,555)	(8,400)	**(3,268,158)**
Inventories	**53,162**	16,633	43,146	**399,714**
Notes and accounts payable	**78,255**	24,476	(40,814)	**588,383**
Other	**(178,517)**	(6,837)	110,303	**(1,342,233)**
Subtotal	**409,665**	217,821	431,404	**3,080,188**
Interest and dividends received	**11,483**	8,024	11,569	**86,338**
Interest paid	**(104,958)**	(109,206)	(121,607)	**(789,158)**
Income taxes paid	**(93,976)**	(43,388)	(29,275)	**(706,586)**
Net cash provided by operating activities	**222,214**	73,251	292,091	**1,670,782**
Investing activities				
Decrease in short-term investments	**3,411**	3,690	57,540	**25,647**
Purchases of investment securities	**(230,397)**	(9,294)	(25,682)	**(1,732,308)**
Proceeds from sales of investment securities	**99,666**	177,731	57,825	**749,368**
Long-term loans made	**(8,730)**	(2,280)	(7,439)	**(65,639)**
Collection of long-term loans receivable	**6,978**	9,831	5,269	**52,466**
Purchases of fixed assets	**(293,800)**	(205,636)	(244,200)	**(2,209,023)**
Proceeds from sales of property, plant and equipment	**108,935**	98,692	85,859	**819,060**
Purchases of leased vehicles	**(396,213)**	(362,781)	(362,428)	**(2,979,045)**
Proceeds from sales of leased vehicles	**185,152**	192,635	208,635	**1,392,120**
Proceeds from sales of subsidiaries' stock resulting in changes in the scope of consolidation (Note 16)	**13,639**	10,331	40,779	**102,549**
Additional acquisition of shares of consolidated subsidiaries	**(2,634)**	(2,568)	(10,237)	**(19,805)**
Proceeds from sales of business (Note 16)	**–**	40,379	–	**–**
Other	**(10,396)**	33,685	13,667	**(78,165)**
Net cash used in investing activities	**(524,389)**	(15,585)	(180,412)	**(3,942,775)**
Financing activities				
Increase (decrease) in short-term borrowings	**308,869**	(16,403)	(831,150)	**2,322,323**
Increase in long-term borrowings	**631,451**	248,298	213,909	**4,747,752**
Increase in bonds and debentures	**246,822**	50,000	295,313	**1,855,805**
Repayment or redemption of long-term debt	**(1,092,066)**	(555,045)	(563,055)	**(8,211,023)**
Proceeds from issuance of new shares of common stock	**220,899**	–	585,700	**1,660,895**
Proceeds from sales of treasury stock	**2,324**	25,975	–	**17,474**
Repayment of lease obligations	**(9,543)**	(15,919)	(18,460)	**(71,752)**
Cash dividends paid	**(27,841)**	–	(340)	**(209,331)**
Net cash provided by (used in) financing activities	**280,915**	(263,094)	(318,083)	**2,112,143**
Effect of exchange rate changes on cash and cash equivalents	**10,371**	7,155	(30,567)	**77,977**
Decrease in cash and cash equivalents	**(10,889)**	(198,273)	(236,971)	**(81,873)**
Cash and cash equivalents at beginning of the year	**288,536**	490,708	695,265	**2,169,444**
Increase due to inclusion in consolidation	**2,006**	564	33,668	**15,083**
Decrease due to exclusion from consolidation	**–**	(4,463)	(1,254)	**–**
Cash and cash equivalents at end of the year	**¥ 279,653**	¥ 288,536	¥ 490,708	**$ 2,102,654**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal year 2001 (Year ended March 31, 2002)

1. BASIS OF PRESENTATION

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

The accompanying consolidated financial statements have been prepared in accordance with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan, and have been compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Due to this change in the accounting standard for consolidation, the number of consolidated companies increased by 139 in the year ended March 31, 2000. At the same time, the number of companies included in the consolidated financial statements on an equity basis decreased by 23. The major companies formerly accounted for by the equity method which were included in consolidation pursuant to this change in accounting standard are Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., Nissan Credit Corporation, Nissan Real Estate Development Corporation and Nissan Motor Company South Africa (Proprietary) Limited (former "Automakers (Pty) 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 these changes in the scope of consolidation was to decrease retained earnings by ¥91,319 million 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.

(b) 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. A revised accounting standard for foreign currency translation became effective April 1, 2000. The effect of the adoption of the revised standard on the consolidated financial statements was immaterial for the year ended March 31, 2001.

(c) Cash equivalents

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

(d) 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.

(e) Short-term investments and investment securities

Until the year ended March 31, 2000, marketable securities had been valued principally at the lower of cost or market, cost being determined by the moving average method, and investment securities other than marketable securities had been stated at cost determined by the moving average method.

A new accounting standard for financial instruments, which became effective April 1, 2000, requires that securities other than those of subsidiaries and affiliates be classified into three categories: trading, held-to-maturity or other securities. Under the new standard, trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

As of April 1, 2000, the Company and its consolidated subsidiaries assessed their intent to hold their investments in securities and classified their investments as "held-to-maturity securities" or "other securities" and have accounted for the securities at March 31, 2002 and 2001 in accordance with the new standard referred to above.

The effect of the adoption of this new standard for financial instruments was to increase income before income taxes and minority interests by ¥19,889 million for the year ended March 31, 2001.

(f) Property, plant and equipment and depreciation

Depreciation of property, plant and equipment of the Company and its consolidated subsidiaries is calculated principally by the straight-line method based on the estimated useful lives and the residual value determined by the Company. See Note 3(c). Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income.

(g) 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.

(h) Retirement benefits

Until the year ended March 31, 2000, accrued retirement benefits were stated at the amount which would be required to be paid if all employees covered by the retirement benefit plans voluntarily terminated their employment at the balance sheet date, less the amounts expected to be covered by the pension plans.

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 and certain consolidated subsidiaries charged such prior service cost to operations when actuarially determined or when payment became liable. See Note 3(a).

In accordance with a new accounting standard for retirement benefits which became effective April 1, 2000, accrued retirement benefits for employees at March 31, 2002 and 2001 have been provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of balance sheet dates, as adjusted for unrecognized net retirement benefit obligation at transition, unrecognized actuarial gain or loss, and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees. The net retirement benefit obligation at transition is being amortized principally over a period of 15 years by the straight-line method.

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

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

The effect of the adoption of the new standard for retirement benefits was to decrease income before income taxes and minority interests by ¥35,042 million for the year ended March 31, 2001.

(i) Income taxes

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

The effect of the adoption of the new standard for income taxes was to increase total assets by ¥14,736 million, total liabilities by ¥63,343 million and deficit by ¥64,330 million at March 31, 2000, and to decrease net loss by ¥34,238 million for the year ended March 31, 2000.

(j) Research and development costs

Research and development costs are charged to income when incurred.

A new accounting standard for research and development costs became effective the 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.

(k) Revenue recognition

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

(l) Accounting for sales incentive

In accordance with a new accounting standard for sales incentives which became effective the year ended March 31, 2002 in the United States, certain sales promotion expenses (i.e., incentives paid in cash based on sales volume) of subsidiaries in the United States and Mexico, which had previously been included in selling, general and administrative expenses, have been accounted for as deductions from sales. As a result of this change, sales and gross profit decreased by ¥98,920 million ($743,759 thousand) as compared with the corresponding amounts for the previous year. However, this change had no impact on operating income and income before income taxes and minority interests. See Note 22.

(m) Derivative financial instruments

The Company and certain consolidated subsidiaries have entered into various derivative transactions in order to manage certain risks arising from adverse fluctuations in foreign currency exchange rates, interest rates and stock prices. In accordance with a new accounting standard for financial instruments which became effective April 1, 2000, derivative financial instruments are carried at fair value with changes in unrealized gain or loss charged or credited to operations, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as an asset or a liability. Receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding foreign exchange contract rates.

(n) Appropriation of retained earnings

Under the Commercial Code of Japan, the appropriation of retained earnings with respect to a given financial year is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial year. The accounts for that year do not, therefore, reflect such appropriations. See Note 23.

3. ACCOUNTING CHANGES

(a) 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 the government-sponsored welfare pension fund plans (WPF) from expensing such cost upon payment, to recognizing this as expense when actuarially determined or when payment became 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 funding of the WPF 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 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 and loss before income taxes and minority interests by ¥261,646 million, to decrease income tax expense by ¥14,057 million and to increase minority interests by ¥13,930 million and net loss by ¥233,659 million for the year ended March 31, 2000.

(b) 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 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 and to increase loss before income taxes and minority interests and net loss by ¥34,047 million for the year ended March 31, 2000.

(c) Effective April 1, 2000, the Company changed its method of depreciation of property, plant and equipment to the straight-line method. Until the year ended March 31, 2000, depreciation of property, plant and equipment was calculated by the declining-balance method at the rates prescribed in the Corporate Tax Law of Japan. The Company also changed the useful lives and the residual value of property, plant and equipment to the estimated useful lives and estimated economic residual value determined by the Company.

The effect of these accounting changes was to decrease depreciation expense by ¥29,804 million and to increase operating income by ¥28,672 million and income before income taxes and minority interests by ¥29,052 million for the year ended March 31, 2001.

4. U.S. DOLLAR AMOUNTS

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥133=US$1.00, the approximate rate of exchange in effect on March 31, 2002, 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.

5. RECEIVABLES

Receivables at March 31, 2002 and 2001 consisted of the following:

As of	Millions of yen 2001 Mar. 31, 2002	2000 Mar. 31, 2001	Thousands of U.S. dollars 2001 Mar. 31, 2002
Notes and accounts receivable	**¥ 532,936**	¥ 570,896	**$ 4,007,038**
Finance receivables	**1,716,024**	1,185,568	**12,902,436**
Less allowance for doubtful receivables	**(69,106)**	(31,895)	**(519,594)**
	¥2,179,854	¥1,724,569	**$16,389,880**

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

6. INVENTORIES

Inventories at March 31, 2002 and 2001 were as follows:

As of	Millions of yen 2001 Mar. 31, 2002	2000 Mar. 31, 2001	Thousands of U.S. dollars 2001 Mar. 31, 2002
Finished products	**¥381,671**	¥416,222	**$2,869,707**
Work in process and other	**152,380**	142,866	**1,145,714**
	¥534,051	¥559,088	**$4,015,421**

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at March 31, 2002 and 2001 is summarized as follows:

As of	Millions of yen 2001 Mar. 31, 2002	2000 Mar. 31, 2001	Thousands of U.S. dollars 2001 Mar. 31, 2002
Land	**¥ 768,800**	¥ 798,767	**$ 5,780,451**
Buildings and structures	**1,288,439**	1,328,949	**9,687,511**
Machinery and equipment	**3,997,661**	3,893,514	**30,057,601**
Construction in progress	**156,652**	69,976	**1,177,835**
	¥6,211,552	¥6,091,206	**$46,703,398**

Depreciation of property, plant and equipment for each of the three years in the period ended March 31, 2002 was as follows:

For the years ended	Millions of yen 2001 Mar. 31, 2002	2000 Mar. 31, 2001	1999 Mar. 31, 2000	Thousands of U.S. dollars 2001 Mar. 31, 2002
	¥362,601	¥334,168	¥433,667	**$2,726,323**

8. NOTES AND ACCOUNTS PAYABLE

Notes and accounts payable at March 31, 2002 and 2001 consisted of the following:

As of	Millions of yen 2001 Mar. 31, 2002	2000 Mar. 31, 2001	Thousands of U.S. dollars 2001 Mar. 31, 2002
Notes and accounts payable	**¥611,311**	¥600,936	**$4,596,323**
Accrued expenses and other	**378,962**	347,661	**2,849,338**
	¥990,273	¥948,597	**$7,445,661**

9. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

At March 31, 2002 and 2001, 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	2001 Mar. 31, 2002	2000 Mar. 31, 2001	2001 Mar. 31, 2002
Loans, principally from banks	**¥ 610,872**	¥ 463,284	**$ 4,593,023**
Import bills payable	**2,390**	10,868	**17,970**
Commercial paper	**62,038**	229,447	**466,451**
Current portion of long-term debt	**749,504**	725,917	**5,635,368**
	¥1,424,804	¥1,429,516	**$10,712,812**

The annual interest rates applicable to short-term borrowings outstanding at March 31, 2002 and 2001 ranged principally from 0.2% to 11.7% and from 0.1% to 12.0%, respectively.

At March 31, 2002 and 2001, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
As of	2001 Mar. 31, 2002	2000 Mar. 31, 2001	2001 Mar. 31, 2002
Debt with collateral:			
Loans from banks and other financial institutions due through 2008 at rates ranging from 0.5% to 8.0%	**¥ 926,113**	¥ 641,157	**$ 6,963,255**
Debt without collateral:			
Loans from banks and other financial institutions due through 2011 at rates ranging from 0.1% to 10.2%	**520,496**	537,889	**3,913,504**
Bonds in yen due through 2007 at rates ranging from 1.0% to 3.6%	**626,100**	556,700	**4,707,519**
Notes in Australian dollars due through 2001 at 6.9%	**–**	2,123	**–**
Medium-term notes in U.S. dollars due through 2002 at 7.3%	**4,130**	10,032	**31,053**
Euro medium-term notes in yen, U.S. dollars and Deutsche mark due through 2008 at rates ranging from 1.8% to 9.6%	**102,254**	162,097	**768,827**
1.6% convertible bonds in yen due 2003	**2,566**	2,566	**19,293**
Floating rate bonds with warrants in yen due 2004	**172,800**	215,900	**1,299,248**
	2,354,459	2,128,464	**17,702,699**
Less current portion	**749,504**	725,917	**5,635,368**
	¥1,604,955	¥1,402,547	**$12,067,331**

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, 2002.

See Note 11 with respect to information on the warrants issued with the floating rate bonds due 2004.

At March 31, 2002, if all outstanding convertible bonds had been converted at the then current conversion price and all warrants had been exercised at the then current exercise price, 168,079 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 Mar. 31,	*Millions of yen*	*Thousands of U.S. dollars*
2003	¥ 749,504	$ 5,635,368
2004	375,407	2,822,609
2005	668,562	5,026,782
2006 and thereafter	560,986	4,217,940
	¥2,354,459	$17,702,699

The assets pledged as collateral for short-term borrowings of ¥450,550 million ($3,387,594 thousand) and long-term debt of ¥926,113 million ($6,963,256 thousand) at March 31, 2002 were as follows:

	Millions of yen	*Thousands of U.S. dollars*
Cash	¥ 12	$ 90
Receivables	1,005,255	7,558,308
Property, plant and equipment, at net book value	557,835	4,194,248
	¥1,563,102	$11,752,646

In addition to the above, at March 31, 2002, finance receivables relating to certain leased assets totaling ¥583 million ($4,383 thousand), which have not been reflected in the accompanying consolidated balance sheet, were pledged as collateral for short-term debt of ¥500 million ($3,759 thousand). At March 31, 2002, property, plant and equipment of ¥2,692 million ($20,241 thousand) and investments in consolidated subsidiaries of ¥44,366 million ($333,579 thousand) were pledged as collateral for the indebtedness of ¥19,088 million ($143,519 thousand), in the aggregate, of certain unconsolidated subsidiaries and affiliates. This debt of ¥19,088 million ($143,519 thousand) has not been reflected in the accompanying consolidated balance sheet.

10. RETIREMENT BENEFIT PLANS

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

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2002 and 2001 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		*Thousands of U.S. dollars*
As of	**2001** ***Mar. 31, 2002***	2000 *Mar. 31, 2001*	**2001** ***Mar. 31, 2002***
Retirement benefit obligation	**¥(1,428,222)**	¥(1,462,142)	**$(10,738,511)**
Plan assets at fair value	**674,642**	717,359	**5,072,496**
Unfunded retirement benefit obligation	**(753,580)**	(744,783)	**(5,666,015)**
Unrecognized net retirement benefit obligation at transition	**317,098**	350,121	**2,384,195**
Unrecognized actuarial gain or loss	**132,217**	66,431	**994,113**
Unrecognized prior service cost	**(96,056)**	(72,381)	**(722,226)**
Net retirement benefit obligation	**(400,321)**	(400,612)	**(3,009,933)**
Prepaid pension cost	**21**	101	**158**
Accrued retirement benefits	**¥ (400,342)**	¥ (400,713)	**$ (3,010,091)**

The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table. In the year ended March 31, 2001, the Company and certain consolidated subsidiaries made amendments to their welfare pension fund plans with respect to the age of eligibility for annuity payments for the government-sponsored portion of the benefits in accordance with the amendments to the Welfare Pension Insurance Law of Japan in March 2000, and also made amendments to their lump-sum payment plans and tax-qualified pension plans. In addition, effective April 1, 2001, the Company discontinued to provide certain benefits under the welfare pension fund plan for the future services. As a result, prior service cost (a reduction of liability) was incurred in the years ended March 31, 2002 and 2001.

The components of retirement benefit expenses for the years ended March 31, 2002 and 2001 are outlined as follows:

	Millions of yen		Thousands of U.S. dollars
For the years ended	**2001** *Mar. 31, 2002*	2000 *Mar. 31, 2001*	**2001** *Mar. 31, 2002*
Service cost	**¥50,147**	¥57,881	**$377,045**
Interest cost	**43,086**	45,390	**323,955**
Expected return on plan assets	**(27,791)**	(31,092)	**(208,955)**
Amortization of net retirement benefit obligation at transition	**24,369**	25,232	**183,226**
Amortization of actuarial gain or loss	**13,378**	(239)	**100,586**
Amortization of prior service cost	**(7,408)**	(10,848)	**(55,699)**
Other	**(190)**	480	**(1,429)**
Total	**¥95,591**	¥86,804	**$718,729**

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

	For the years ended	**2001** *Mar. 31, 2002*	2000 Mar. 31, 2001
Discount rates	Domestic companies	3.0%	3.0%
	Foreign companies	5.5% - 7.5%	4.9% - 7.5%
Expected return on assets	Domestic companies	Mainly 4.0%	Mainly 4.0%
	Foreign companies	7.0% - 9.0%	7.5% - 9.0%

11. SHAREHOLDERS' EQUITY

In accordance with the Commercial Code of Japan (the "Code"), the Company has provided a legal reserve, which was included in retained earnings. The Code provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the additional paid-in capital account equals 25% of the common stock account. The legal reserve amounted to ¥53,839 million ($402,549 thousand) and ¥50,938 million as of March 31, 2002 and 2001.

The Code provides that neither additional paid-in capital nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. On October 1, 2001, an amendment (the "Amendment") to the Code became effective. The Amendment provides that if the total amount of additional paid-in capital and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders. In addition, the Amendment eliminates the stated par value of the Company's outstanding shares, which resulted in all outstanding shares having no par value as of October 1, 2001. The Amendment also provides that all share issuances after September 30, 2001 will be of shares with no par value. Prior to the date on which the Amendment came into effect, the Company's shares had a par value of ¥50.

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 a total of ¥585,700 million.

On the same date, the Company issued to Renault floating rate bonds due 2004 with warrants which amounted to ¥215,900 million. The warrants, which may not be transferred to a third party, entitled Renault to subscribe for shares of common stock of the Company at an exercise price of ¥400 per share.

In March 2002, Renault exercised all the warrants and the Company issued 539,750 thousand new shares of common stock to Renault for ¥220,900 million ($1,660,902 thousand). As a result, Renault's equity interest in the Company increased to 44.37% as of March 31, 2002. In March 2002, the Company indirectly acquired shares of common stock of Renault representing a 13.5% interest in Renault for ¥217,451 million ($1,634,970 thousand).

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs included in selling, general and administrative expenses and manufacturing costs for the years ended March 31, 2002, 2001 and 2000 amounted to ¥262,121 million ($1,970,835 thousand), ¥231,672 million and ¥238,622 million, respectively.

13. OTHER INCOME (EXPENSES)

The components of "Other, net" in "Other income (expenses)" for each of the three years in the period ended March 31, 2002 were as follows:

	Millions of yen			Thousands of U.S. dollars
For the years ended	**2001** *Mar. 31, 2002*	2000 *Mar. 31, 2001*	1999 *Mar. 31, 2000*	**2001** *Mar. 31, 2002*
Dividend income	**¥ 1,587**	¥ 3,447	¥ 3,703	**$ 11,932**
Net realized gain on sales of securities	**–**	38,599	14,338	**–**
Unrealized loss on securities	**(6,757)**	(14,152)	(29,827)	**(50,804)**
Gain on sales of property, plant and equipment	**28,229**	55,497	321	**212,248**
Loss on disposal of property, plant and equipment	**(11,285)**	(16,730)	(26,256)	**(84,849)**
(Loss) gain on sales of investment securities	**(26,823)**	26,444	27,715	**(201,677)**
Foreign exchange loss	**(1,895)**	(2,797)	(8,611)	**(14,248)**
Amortization of net retirement benefit obligation at transition	**(23,925)**	(24,729)	–	**(179,887)**
Amortization of prior service cost(Note 3(a))	**–**	–	(275,876)	**–**
Provision for losses on business restructuring	**–**	–	(232,692)	**–**
Provision for warranty costs(Note 3(b))	**–**	–	(48,493)	**–**
Other	**(63,034)**	(40,885)	(136,241)	**(473,940)**
	¥(103,903)	¥ 24,694	¥(711,919)	**$(781,225)**

14. INCOME TAXES

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' taxes and enterprise tax, which, in the aggregate, resulted in a statutory rate of approximately 42% for 2001, 2000 and 1999. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The effective tax rates reflected in the consolidated statements of operations for the years ended March 31, 2002, 2001 and 2000 differ from the statutory tax rate for the following reasons:

For the years ended	**2001** *Mar. 31, 2002*	2000 Mar. 31, 2001	1999 Mar. 31, 2000
Statutory tax rate	**41.9%**	41.9%	(41.9)%
Effect of:			
(Decrease) increase in valuation allowance	**(42.9)**	(60.9)	40.5
Different tax rates applied to foreign subsidiaries	**(4.3)**	(2.9)	0.5
Other	**1.3**	0.3	2.3
Effective tax rate	**(4.0)%**	(21.6)%	1.4%

The significant components of deferred tax assets and liabilities as of March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of	**2001** *Mar. 31, 2002*	2000 *Mar. 31, 2001*	**2001** *Mar. 31, 2002*
Deferred tax assets:			
Net operating loss carryforwards	**¥165,554**	¥229,993	**$1,244,767**
Accrued retirement benefits	**147,614**	140,747	**1,109,880**
Accrual for losses on business restructuring	**26,659**	35,541	**200,444**
Other	**320,260**	230,721	**2,407,970**
Total gross deferred tax assets	**660,087**	637,002	**4,963,061**
Valuation allowance	**(169,634)**	(280,347)	**(1,275,444)**
Total deferred tax assets	**490,453**	356,655	**3,687,617**
Deferred tax liabilities:			
Reserves under Special Taxation Measures Law, etc.	**(197,806)**	(50,875)	**(1,487,263)**
Difference between the cost of investments and their underlying net equity at fair value	**(70,553)**	(82,269)	**(530,474)**
Unrealized holding gain on securities	**(2,146)**	(4,455)	**(16,135)**
Other	**(17,249)**	(116,671)	**(129,692)**
Total deferred tax liabilities	**(287,754)**	(254,270)	**(2,163,564)**
Net deferred tax assets	**¥202,699**	¥ 102,385	**$1,524,053**

15. RETAINED EARNINGS (DEFICIT)

Other changes in retained earnings (deficit) for each of the three years in the period ended March 31, 2002 were as follows:

	Millions of yen			Thousands of U.S. dollars
For the years ended	**2001** *Mar. 31, 2002*	2000 Mar. 31, 2001	1999 *Mar. 31, 2000*	**2001** *Mar. 31, 2002*
Adjustments for revaluation of the accounts of the consolidated subsidiary in Mexico based on general price-level accounting (Note 2(a))	**¥ 1,455**	¥ 4,346	¥ (13,432)	**$ 10,940**
Cumulative effect of adoption of tax-effect accounting	**–**	–	(98,568)	**–**
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	**(2,465)**	(10,363)	(94,230)	**(18,534)**
	¥(1,010)	¥ (6,017)	¥(206,230)	**$ (7,594)**

16. SUPPLEMENTARY CASH FLOW INFORMATION

a) Summary of assets and liabilities of companies excluded from consolidation following 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 Nissan Altia Co., Ltd., and eight other companies in the year ended March 31, 2002, from sales of stock of Satio Yamagata Co., Ltd., and thirteen other companies in the year ended March 31, 2001 and from sales of stock of Sendai Nissan Motor Co., Ltd., Ehime Nissan Co., Ltd., and five European sales finance companies (in Germany, the United Kingdom, Spain, Italy, and the Netherlands) in the year ended March 31, 2000:

	Millions of yen			Thousands of U.S. dollars
For the years ended	**2001** *Mar. 31, 2002*	2000 Mar. 31, 2001	1999 *Mar. 31, 2000*	**2001** *Mar. 31, 2002*
Current assets	**¥ 46,516**	¥ 41,441	¥278,797	**$ 349,744**
Fixed assets	**51,729**	40,385	49,181	**388,940**
Gains on sales of investment securities	**2,048**	4,254	9,459	**15,398**
Current liabilities	**(53,027)**	(46,563)	(195,676)	**(398,699)**
Long-term liabilities	**(24,526)**	(12,596)	(99,799)	**(184,406)**
Minority interests in consolidated subsidiaries	**(6,612)**	(3,360)	0	**(49,714)**
Proceeds from sales of stock	**16,128**	23,561	41,962	**121,263**
Cash and cash equivalents held by subsidiaries	**(2,489)**	(13,230)	(1,183)	**(18,714)**
Net proceeds	**¥ 13,639**	¥ 10,331	¥ 40,779	**$ 102,549**

b) Summary of assets and liabilities excluded following the sales of business

Fiscal year 2000 *(For the year ended Mar. 31, 2001)*	*Millions of yen*
Current assets	¥26,325
Fixed assets	33,700
Gains on sales of tangible fixed assets	6,856
Current liabilities	(12,346)
Long-term liabilities	(3,625)
Accrual for losses on business restructuring	(10,522)
Proceeds from sales of stock	40,388
Cash and cash equivalents	(9)
Net proceeds	¥40,379

17. 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, 2002 and 2001, which would have been reflected in the consolidated balance sheets 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 2001 *(As of Mar. 31, 2002)*	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 64,835	¥ 22,940	¥41,895	$ 487,481	$172,481	$315,000
Other	132,844	77,903	54,941	998,827	585,737	413,090
Total	¥197,679	¥100,843	¥96,836	$1,486,308	$758,218	$728,090

	Millions of yen		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 49,533	¥15,191	¥ 34,342
Other	150,443	79,713	70,730
Total	¥199,976	¥94,904	¥105,072

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥47,317 million ($355,767 thousand), ¥52,053 million and ¥57,882 million for the years ended March 31, 2002, 2001 and 2000, 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 ¥44,282 million ($332,947 thousand) and ¥3,207 million ($24,113 thousand), respectively, for the year ended March 31, 2002, ¥49,136 million and ¥3,160 million, respectively, for the year ended March 31, 2001, and ¥53,532 million and ¥3,756 million, respectively, for the year ended March 31, 2000.

Future minimum lease payments subsequent to March 31, 2002 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 Mar. 31,	Finance leases	Operating leases	Finance leases	Operating leases
2003	¥37,437	¥ 4,335	$281,481	$ 32,594
2004 and thereafter	61,152	20,859	459,789	156,835
Total	¥98,589	¥25,194	$741,270	$189,429

b) Lessors' accounting

The following amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets relating to finance leases accounted for as operating leases at March 31, 2002 and 2001:

	Millions of yen			*Thousands of U.S. dollars*		
Fiscal year 2001 *(As of Mar. 31, 2002)*	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥91,035	¥43,055	¥47,980	$684,474	$323,722	$360,752
Other	5,018	3,163	1,855	37,729	23,782	13,947
Total	¥96,053	¥46,218	¥49,835	$722,203	$347,504	$374,699

	Millions of yen		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥103,398	¥49,204	¥54,194
Other	5,073	2,958	2,115
Total	¥108,471	¥52,162	¥56,309

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥21,850 million ($164,286 thousand), ¥37,591 million and ¥38,332 million for the years ended March 31, 2002, 2001, and 2000, respectively. Depreciation of the assets leased under finance leases accounted for as operating leases and the interest portion included in lease income amounted to ¥18,946 million ($142,451 thousand) and ¥3,452 million ($25,955 thousand), respectively, for the year ended March 31, 2002, ¥23,751 million and ¥2,125 million, respectively, for the year ended March 31, 2001, and ¥22,397 million and ¥1,962 million, respectively, for the year ended March 31, 2000.

Future minimum lease income subsequent to March 31, 2002 for noncancelable operating leases and finance leases accounted for as operating leases is summarized as follows:

	Millions of yen		*Thousands of U. S. dollars*	
Year ending Mar. 31,	Finance leases	Operating leases	Finance leases	Operating leases
2003	¥18,537	¥149,501	$139,376	$1,124,068
2004 and thereafter	33,385	154,890	251,015	1,164,586
Total	¥51,922	¥304,391	$390,391	$2,288,654

18. COMMITMENTS AND CONTINGENCIES

At March 31, 2002, the Company and its consolidated subsidiaries had the following contingent liabilities:

	Millions of yen	*Thousands of U. S. dollars*
As endorser of notes receivable discounted with banks	¥ 1,047	$ 7,872
As guarantor of employees' housing loans from banks and others	234,970	1,766,692
	¥236,017	$1,774,564

In addition to the above, at March 31, 2002, the Company was committed to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates in the aggregate amount of ¥3,849 million ($28,940 thousand) at the request of the lending banks. In addition, the Company provided letters of awareness to financial institutions regarding the indebtedness of an affiliate which amounted to ¥795 million ($5,977 thousand). The Company also provided letters of awareness to financial institutions to whom outstanding trade receivables of ¥58,742 million ($441,669 thousand) had been sold. The outstanding balance of installment receivables sold with recourse amounted to ¥264 million ($1,985 thousand) at March 31, 2002.

Certain consolidated subsidiaries have entered into overdraft and loan commitment agreements amounting to ¥15,749 million ($118,414 thousand) with their customers and others. The loans receivable outstanding and the unused balances under these credit facilities as of March 31, 2002 amounted to ¥2,615 million ($19,662 thousand) and ¥13,134 million ($98,752 thousand), respectively. Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount.

19. AMOUNTS PER SHARE

The computation of basic net income (loss) per share is based on the weighted average number of shares of common stock outstanding during each year. Diluted net income (loss) per share is computed based on the weighted average number of shares of common stock outstanding during 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.

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	**2001** *Mar. 31, 2002*	2000 *Mar. 31, 2001*	1999 *Mar. 31, 2000*	**2001** *Mar. 31, 2002*
Net income (loss):				
Basic	**¥92.61**	¥83.53	¥(179.98)	**$0.696**
Diluted	**92.13**	79.45	(179.98)	**0.693**
Cash dividends applicable to the year	**8.00**	7.00	–	**0.060**

(Cash dividends per share for those issued during the year ended March 31, 2002 are ¥4.00.)

	Yen		U.S. dollars
As of	**2001** *Mar. 31, 2002*	2000 *Mar. 31, 2001*	**2001** *Mar. 31, 2002*
Net assets	**¥358.84**	¥241.07	**$2.698**

20. SECURITIES

a) Information regarding marketable securities classified as held-to-maturity debt securities and other securities as of March 31, 2002 and 2001 is as follows:

Marketable held-to-maturity debt securities

	Millions of yen			Thousands of U.S. dollars		
Fiscal year 2001 *(As of Mar. 31, 2002)*	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)
Securities whose fair value exceeds their carrying value:						
Government bonds	¥ 67	¥ 70	¥ 3	$ 504	$ 526	$ 22
Corporate bonds	348	363	15	2,616	2,729	113
Subtotal	¥ 415	¥ 433	¥ 18	$ 3,120	$ 3,255	$ 135
Securities whose carrying value exceeds their fair value:						
Corporate bonds	¥1,400	¥1,263	¥(137)	$10,526	$ 9,496	$(1,030)
Subtotal	¥1,400	¥1,263	¥(137)	$10,526	$ 9,496	$(1,030)
Total	¥1,815	¥1,696	¥(119)	$13,646	$12,751	$ (895)

	Millions of yen		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Carrying value	Estimated fair value	Unrealized gain (loss)
Securities whose fair value exceeds their carrying value:			
Government bonds	¥ 62	¥ 64	¥ 2
Corporate bonds	361	366	5
Others	97	97	0
Subtotal	¥ 520	¥ 527	¥ 7
Securities whose carrying value exceeds their fair value:			
Corporate bonds	¥1,803	¥1,761	¥(42)
Subtotal	¥1,803	¥1,761	¥(42)
Total	¥2,323	¥2,288	¥(35)

Marketable other securities

Fiscal year 2001 *(As of Mar. 31, 2002)*	*Millions of yen* Acquisition cost	Carrying value	Unrealized gain (loss)	*Thousands of U.S. dollars* Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:						
Stock	¥ 1,040	¥ 5,886	¥ 4,846	$ 7,819	$ 44,255	$ 36,436
Debt securities	27	30	3	203	226	23
Subtotal	¥ 1,067	¥ 5,916	¥ 4,849	$ 8,022	$ 44,481	$ 36,459
Securities whose acquisition cost exceeds their carrying value:						
Stock	¥222,146	¥221,588	¥ (558)	$1,670,271	$1,666,075	$ (4,196)
Debt securities	2,000	1,916	(84)	15,037	14,406	(631)
Others	200	200	0	1,504	1,504	0
Subtotal	¥224,346	¥223,704	¥ (642)	$1,686,812	$1,681,985	$ (4,827)
Total	¥225,413	¥229,620	¥ 4,207	$1,694,834	$1,726,466	$31,632

Fiscal year 2000 *(As of Mar. 31, 2001)*	*Millions of yen* Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
Stock	¥ 17,536	¥ 33,438	¥ 15,902
Debt securities	32	35	3
Subtotal	¥ 17,568	¥ 33,473	¥ 15,905
Securities whose acquisition cost exceeds their carrying value:			
Stock	¥ 91,441	¥ 78,446	¥(12,995)
Debt securities	3,046	2,977	(69)
Subtotal	¥ 94,487	¥ 81,423	¥(13,064)
Total	¥112,055	¥114,896	¥ 2,841

b) Sales of securities classified as other securities amounted to ¥72,388 million ($544,271 thousand) with an aggregate gain of ¥12,818 million ($96,376 thousand) and an aggregate loss of ¥(43,720) million ($(328,722) thousand) for the year ended March 31, 2002. For the year ended March 31, 2001, sales of securities classified as other securities amounted to ¥145,621 million with an aggregate gain of ¥43,888 million.

c) The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities as of March 31, 2002 is summarized as follows:

Fiscal year 2001 *(As of Mar. 31, 2002)*	*Millions of yen* Due in one year or less	Due after one year through five years	Due after five years through ten years	*Thousands of U.S. dollars* Due in one year or less	Due after one year through five years	Due after five years through ten years
Government bonds	¥ 0	¥ 87	¥ 0	$ 0	$ 654	$ 0
Corporate bonds	1,110	6,581	67	8,346	49,481	504
Other debt securities	43	18	0	323	135	0
Total	¥1,153	¥6,686	¥ 67	$8,669	$50,270	$ 504

21. DERIVATIVE TRANSACTIONS

Summarized below are the notional amounts and the estimated fair value of the derivative instruments outstanding at March 31, 2002 and 2001:

1) Currency-related transactions

Fiscal year 2001 *(As of Mar. 31, 2002)*	*Millions of yen* Notional amount	Fair value	Unrealized gain (loss)	*Thousands of U.S. dollars* Notional amount	Fair fvalue	Unrealized gain (loss)
Forward foreign exchange contracts:						
Sell:						
US$	¥ 1,919	¥ 1,904	¥ 15	$ 14,429	$ 14,316	$ 113
AU$	705	706	(1)	5,301	5,308	(7)
Others	438	520	(82)	3,293	3,910	(617)
Buy:						
£ Stg.	15,064	14,786	(278)	113,263	111,173	(2,090)
US$	22,744	22,525	(219)	171,008	169,361	(1,647)
Euro	33,280	33,691	411	250,226	253,316	3,090
Others	1,301	1,223	(78)	9,782	9,196	(586)
Currency swaps:						
US$	¥ 4,927	¥ (45)	¥ (45)	$ 37,045	$ (338)	$ (338)
£ Stg.	4,755	677	677	35,752	5,090	5,090
CAN$	2,284	(114)	(114)	17,173	(857)	(857)
Euro	912	148	148	6,857	1,113	1,113
Total	–	–	¥434	–	–	$ 3,263

Fiscal year 2000 *(As of Mar. 31, 2001)*	*Millions of yen* Notional amount	Fair value	Unrealized gain (loss)
Options:			
Call options, sold:			
YEN	¥ 367		
(Premium)	(12)	¥ (38)	¥ (26)
Forward foreign exchange contracts:			
Sell:			
£ stg.	¥ 16,044	¥15,813	¥ 231
US$	9,418	10,036	(618)
Others	1,576	1,557	19
Buy:			
£ stg.	31,639	30,669	(970)
US$	23,640	23,602	(38)
Others	11,801	11,279	(522)
Currency swaps:			
US$	¥236,755	¥(15,857)	¥(15,857)
EURO	99,877	813	813
Others	19,128	1,667	1,667
Total	–	–	¥(15,301)

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

2) Interest-related transactions

Fiscal year 2001 *(As of Mar. 31, 2002)*	*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	¥260,996	¥(5,327)	¥(5,327)	$1,962,376	$(40,053)	$(40,053)
Receive/fixed and pay/floating	244,650	8,347	8,347	1,839,474	62,760	62,760
Receive/floating and pay/floating	2,500	(48)	(48)	18,797	(361)	(361)
Options:						
Caps sold	¥448,872			$3,374,977		
(Premium)	–	(5,092)	(5,092)	–	(38,286)	(38,286)
Caps purchased	¥448,872			$3,374,977		
(Premium)	–	5,092	5,092	–	38,286	38,286
Total	–	–	¥ 2,972	–	–	$ 22,346

Fiscal year 2000 *(As of Mar. 31, 2001)*	*Millions of yen* Notional amount	Fair value	Unrealized gain (loss)
Interest rate swaps:			
Receive/floating and pay/fixed	¥256,495	¥(4,424)	¥(4,424)
Receive/fixed and pay/floating	200,769	9,502	9,502
Receive/floating and pay/floating	6,727	0	0
Options:			
Caps sold	¥224,969		
(Premium)	–	(538)	(538)
Caps purchased	224,969		
(Premium)	123	538	415
Total	–	–	¥ 4,955

3) Stock-related transactions

Fiscal year 2000 *(As of Mar. 31, 2001)*	*Millions of yen* Notional amount	Fair value	Unrealized gain (loss)
Options:			
Call options, sold	¥42,510	¥(1,799)	¥(1,799)
Put options, purchased	25,100	1,356	1,356
Total	–	–	¥ (443)

22. SEGMENT INFORMATION

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sales of products in the automobile segment and in providing various financial services to users of the Company's products in the sales financing segment. These products, which are sold in Japan and overseas, principally in North America and Europe, include passenger cars, buses and trucks as well as the related components. Financial services include primarily leases and credits in Japan and North America. 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, 2001 and 2000, the disclosure of business segment information has been omitted.

Business segments

The business segment information for the Company and its consolidated subsidiaries for the year ended March 31, 2002 is as follows:

	Fiscal year 2001 *(For the year ended Mar. 31, 2002)*				
	Automobile	Sales Financing	Total	Eliminations	Consolidated
	Millions of yen				
I. Sales and operating income					
Sales to third parties	¥5,842,648	¥ 353,593	¥6,196,241	¥ –	¥6,196,241
Inter-area sales and transfers	49,755	13,059	62,814	(62,814)	–
Total sales	5,892,403	366,652	6,259,055	(62,814)	6,196,241
Operating expenses	5,435,656	328,536	5,764,192	(57,166)	5,707,026
Operating income	¥ 456,747	¥ 38,116	¥ 494,863	¥ (5,648)	¥ 489,215
II. Assets, depreciation and capital expenditures					
Total assets	¥5,418,619	¥2,862,560	¥8,281,179	¥(1,066,174)	¥7,215,005
Depreciation	¥ 209,174	¥ 165,653	¥ 374,827	¥ –	¥ 374,827
Capital Expenditure	¥ 346,994	¥ 343,019	¥ 690,013	¥ –	¥ 690,013

	Fiscal year 2001 *(For the year ended Mar. 31, 2002)*				
	Automobile	Sales Financing	Total	Eliminations	Consolidated
	Thousands of U.S. dollars				
I. Sales and operating income					
Sales to third parties	$43,929,684	$ 2,658,594	$46,588,278	$ –	$46,588,278
Inter-area sales and transfers	374,098	98,188	472,286	(472,286)	–
Total sales	44,303,782	2,756,782	47,060,564	(472,286)	46,588,278
Operating expenses	40,869,594	2,470,196	43,339,790	(429,820)	42,909,970
Operating income	$ 3,434,188	$ 286,586	$ 3,720,774	$ (42,466)	$ 3,678,308
II. Assets, depreciation and capital expenditures					
Total assets	$40,741,496	$21,523,008	$62,264,504	$(8,016,346)	$54,248,158
Depreciation	$ 1,572,737	$ 1,245,511	$ 2,818,248	$ –	$ 2,818,248
Capital Expenditure	$ 2,608,978	$ 2,579,090	$ 5,188,068	$ –	$ 5,188,068

In accordance with a new accounting standard for sales incentives which became effective the year ended March 31, 2002 in the United States, certain sales promotion expenses (i.e., incentives paid in cash based on sales volume) of subsidiaries in the United States and Mexico, which had previously been included in selling, general and administrative expenses, have been accounted for as deductions from sales. As a result of this change, sales and operating expenses in the automobile segment decreased by ¥98,920 million ($743,759 thousand) as compared with the corresponding amounts for the previous year.

The following tables set forth the summarized financial statements by business segment for the year ended March 31, 2002. Amounts for the sales financing segment represent the aggregate of the figures for the sales financing subsidiaries in Japan and North America. Amounts for the automobile segment represent the differences between the consolidated totals and those for the sales financing segment.

1) Summarized consolidated balance sheet by business segment

	Millions of yen			*Thousands of U.S. dollars*		
Fiscal year 2001 *(As of Mar. 31, 2002)*	Automobile	Sales Financing	Consolidated total	Automobile	Sales Financing	Consolidated total
Cash and cash equivalents	¥ 272,742	¥ 6,911	¥ 279,653	$ 2,050,692	$ 51,962	$2,102,654
Short-term investments	651	15	666	4,895	113	5,008
Receivables, less allowance for doubtful receivables	363,953	1,815,901	2,179,854	2,736,488	13,653,391	16,389,879
Inventories	521,577	12,474	534,051	3,921,632	93,789	4,015,421
Other current assets	364,171	158,860	523,031	2,738,127	1,194,437	3,932,564
Total current assets	1,523,094	1,994,161	3,517,255	11,451,834	14,993,692	26,445,526
Property, plant and equipment, net	2,103,261	775,897	2,879,158	15,813,993	5,833,812	21,647,805
Investment securities	373,379	25,734	399,113	2,807,361	193,489	3,000,850
Other assets	352,711	66,768	419,479	2,651,962	502,015	3,153,977
Total assets	¥4,352,445	¥2,862,560	¥7,215,005	$32,725,150	$21,523,008	$54,248,158
Short-term borrowings and current portion of long-term debt	(317,818)	1,742,622	1,424,804	(2,389,609)	13,102,421	10,712,812
Notes and accounts payable	957,597	32,676	990,273	7,199,977	245,684	7,445,661
Accrued income taxes	46,706	–	46,706	351,173	–	351,173
Other current liabilities	417,494	128,738	546,232	3,139,053	967,955	4,107,008
Total current liabilities	1,103,979	1,904,036	3,008,015	8,300,594	14,316,060	22,616,654
Long-term debt	1,022,274	582,681	1,604,955	7,686,271	4,381,060	12,067,331
Other long-term liabilities	769,883	134,041	903,924	5,788,594	1,007,827	6,796,421
Total long-term liabilities	1,792,157	716,722	2,508,879	13,474,865	5,388,887	18,863,752
Total liabilities	2,896,136	2,620,758	5,516,894	21,775,459	19,704,947	41,480,406
Minority interests	77,289	–	77,289	581,120	–	581,120
Common stock	534,949	69,607	604,556	4,022,173	523,361	4,545,534
Capital surplus	785,645	17,567	803,212	5,907,105	132,083	6,039,188
Retained earnings	319,023	111,728	430,751	2,398,669	840,060	3,238,729
Unrealized holding gain on securities	3,728	678	4,406	28,030	5,098	33,128
Translation adjustments	(264,195)	42,222	(221,973)	(1,986,429)	317,459	(1,668,970)
Treasury stock	(130)	–	(130)	(977)	–	(977)
Total Shareholders' equity	1,379,020	241,802	1,620,822	10,368,571	1,818,061	12,186,632
Total liabilities and shareholders' equity	¥4,352,445	¥2,862,560	¥7,215,005	$32,725,150	$21,523,008	$54,248,158

2) Summarized consolidated statement of income by business segment

Fiscal year 2001 *(For the year ended Mar. 31, 2002)*	*Millions of yen* Automobile	Sales Financing	Consolidated total	*Thousands of U.S. dollars* Automobile	Sales Financing	Consolidated total
Net sales	¥5,829,589	¥366,652	¥6,196,241	$43,831,496	$2,756,782	$46,588,278
Cost of sales	4,294,565	251,961	4,546,526	32,289,962	1,894,444	34,184,406
Gross profit	1,535,024	114,691	1,649,715	11,541,534	862,338	12,403,872
Operating profit	451,099	38,116	489,215	3,391,722	286,586	3,678,308
Operating profit as a percentage of net sales	7.7%	10.4%	7.9%	7.7%	10.4%	7.9%
Income before income taxes	327,197	37,019	364,216	2,460,128	278,338	2,738,466
Net income	¥ 349,890	¥ 22,372	¥ 372,262	$ 2,630,752	$ 168,210	$ 2,798,962

3) Summarized consolidated statement of cash flows by business segment

Fiscal year 2001 *(For the year ended Mar. 31, 2002)*	*Millions of yen* Automobile	Sales Financing	Consolidated total	*Thousands of U.S. dollars* Automobile	Sales Financing	Consolidated total
Operating activities						
Income before income taxes and minority interests	¥ 327,197	¥ 37,019	¥ 364,216	$ 2,460,128	$ 278,338	$ 2,738,466
Depreciation and amortization	209,174	165,653	374,827	1,572,737	1,245,511	2,818,248
Decrease (increase) in finance receivables	135,274	(569,939)	(434,665)	1,017,098	(4,285,256)	(3,268,158)
Others	(42,492)	(39,672)	(82,164)	(319,489)	(298,285)	(617,774)
Net cash provided by (used in) operating activities	629,153	(406,939)	222,214	4,730,474	(3,059,692)	1,670,782
Investing activities						
Proceeds from sales of investment securities including shares of subsidiaries	106,292	7,013	113,305	799,188	52,729	851,917
Proceeds from sales of property, plant and equipment	108,874	61	108,935	818,601	459	819,060
Purchases of fixed assets	(293,100)	(700)	(293,800)	(2,203,760)	(5,263)	(2,209,023)
Purchases of leased vehicles	(53,868)	(342,345)	(396,213)	(405,022)	(2,574,023)	(2,979,045)
Proceeds from sales of leases vehicles	38,213	146,939	185,152	287,315	1,104,805	1,392,120
Others	(233,522)	(8,246)	(241,768)	(1,755,804)	(62,000)	(1,817,804)
Net cash used in investing activities	(327,111)	(197,278)	(524,389)	(2,459,482)	(1,483,293)	(3,942,775)
Financing activities						
(Decrease) increase in short-term borrowings	(331,786)	640,655	308,869	(2,494,632)	4,816,955	2,322,323
(Decrease) increase in long-term borrowings	(415,935)	(44,680)	(460,615)	(3,127,331)	(335,940)	(3,463,271)
Increase in bonds and debentures	236,922	9,900	246,822	1,781,369	74,436	1,855,805
Proceeds from sales of treasury stock	2,324	–	2,324	17,474	–	17,474
Others	183,515	–	183,515	1,379,812	–	1,379,812
Net cash (used in) provided by financing activities	(324,960)	605,875	280,915	(2,443,308)	4,555,451	2,112,143
Effect of exchange rate changes on cash and cash equivalents	9,937	434	10,371	74,714	3,263	77,977
(Decrease) increase in cash and cash equivalents	(12,981)	2,092	(10,889)	(97,602)	15,729	(81,873)
Cash and cash equivalents at beginning of the year	283,717	4,819	288,536	2,133,211	36,233	2,169,444
Increase due to inclusion in consolidation	2,006	–	2,006	15,083	–	15,083
Cash and cash equivalents at end of the year	¥ 272,742	¥ 6,911	¥ 279,653	$ 2,050,692	$ 51,962	$ 2,102,654

Geographical areas

The geographical segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2002, 2001 and 2000 is as follows:

	Fiscal year 2001 *(For the year ended Mar. 31, 2002)*						
	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
	Millions of yen						
Sales to third parties	¥2,370,162	¥2,649,212	¥818,555	¥358,312	¥6,196,241	¥ –	¥6,196,241
Inter-area sales and transfers	1,458,965	15,475	32,912	4,709	1,512,061	(1,512,061)	–
Total sales	3,829,127	2,664,687	851,467	363,021	7,708,302	(1,512,061)	6,196,241
Operating expenses	3,539,431	2,455,062	848,239	356,794	7,199,526	(1,492,500)	5,707,026
Operating income	¥ 289,696	¥ 209,625	¥ 3,228	¥ 6,227	¥ 508,776	¥ (19,561)	¥ 489,215
Total assets	¥4,988,676	¥3,506,180	¥471,008	¥114,081	¥9,079,945	¥(1,864,940)	¥7,215,005

	Fiscal year 2001 *(For the year ended Mar. 31, 2002)*						
	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
	Thousands of U.S. dollars						
Sales to third parties	$17,820,767	$19,918,887	$6,154,549	$2,694,075	$46,588,278	$ –	$46,588,278
Inter-area sales and transfers	10,969,662	116,353	247,459	35,406	11,368,880	(11,368,880)	–
Total sales	28,790,429	20,035,240	6,402,008	2,729,481	57,957,158	(11,368,880)	46,588,278
Operating expenses	26,612,264	18,459,113	6,377,737	2,682,661	54,131,775	(11,221,805)	42,909,970
Operating income	$ 2,178,165	$ 1,576,127	$ 24,271	$ 46,820	$ 3,825,383	$ (147,075)	$ 3,678,308
Total assets	$37,508,841	$26,362,256	$3,541,414	$ 857,752	$68,270,263	$(14,022,105)	$54,248,158

In accordance with a new accounting standard for sales incentives which became effective the year ended March 31, 2002 in the United States, certain sales promotion expenses (i.e., incentives paid in cash based on sales volume) of subsidiaries in the United States and Mexico, which had previously been included in selling, general and administrative expenses, have been accounted for as deductions from sales. As a result of this change, sales and operating expenses for “North America” decreased by ¥98,920 million ($743,759 thousand) as compared with the corresponding amounts for the previous year.

	Fiscal year 2000 *(For the year ended Mar. 31, 2001)*						
	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
	Millions of yen						
Sales to third parties	¥2,536,750	¥2,469,918	¥822,756	¥260,196	¥6,089,620	¥ –	¥6,089,620
Inter-area sales and transfers	1,381,037	12,134	17,606	2,410	1,413,187	(1,413,187)	–
Total sales	3,917,787	2,482,052	840,362	262,606	7,502,807	(1,413,187)	6,089,620
Operating expenses	3,743,458	2,331,590	867,648	258,617	7,201,313	(1,402,007)	5,799,306
Operating income (loss)	¥ 174,329	¥ 150,462	¥ (27,286)	¥ 3,989	¥ 301,494	¥ (11,180)	¥ 290,314
Total assets	¥4,984,516	¥2,416,774	¥425,172	¥ 76,373	¥7,902,835	¥(1,451,592)	¥6,451,243

As a result of a change in the method of accounting for depreciation of property, plant and equipment as well as in the useful lives and residual value of the related assets as explained in Note 3(c), operating income for “Japan” increased by ¥28,672 million for the year ended March 31, 2001 over the corresponding amount for the previous year.

	Fiscal year 1999 *(For the year ended Mar. 31, 2000)*						
	Japan	North America	Europe	Other foreign countries	Total	Eliminations	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	¥(1,263,651)	¥6,175,658

As a result of a change in the method of accounting for prior service cost of the pension plans as explained in Note 3(a), operating expenses for "Japan" decreased by ¥14,230 million 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 a change in the method of accounting for accrued warranty costs as explained in Note 3(b), operating expenses for "Japan" decreased by ¥14,446 million 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.

Overseas sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the foreign consolidated subsidiaries, for the years ended March 31, 2002, 2001 and 2000 are summarized as follows:

	Fiscal year 2001 *(For the year ended Mar. 31, 2002)*			
	North America	Europe	Other foreign countries	Total
	Millions of yen			
Overseas sales	¥2,588,300	¥825,696	¥670,556	¥4,084,552
Consolidated net sales				6,196,241
	Thousands of U.S. dollars			
Overseas sales	$19,460,902	$6,208,241	$5,041,774	$30,710,917
Consolidated net sales				46,588,278
Overseas sales as a percentage of consolidated net sales	41.8%	13.3%	10.8%	65.9%

In accordance with a new accounting standard for sales incentives which became effective the year ended March 31, 2002 in the United States, certain sales promotion expenses (i.e., incentives paid in cash based on sales volume) of subsidiaries in the United States and Mexico, which had previously been included in selling, general and administrative expenses, have been accounted for as deductions from sales. As a result of this change, sales for "North America" decreased by ¥98,920 million ($743,759 thousand) as compared with the corresponding amounts for the previous year.

	Fiscal year 2000 *(For the year ended Mar. 31, 2001)*			
	North America	Europe	Other foreign countries	Total
	Millions of yen			
Overseas sales	¥2,429,722	¥794,251	¥554,221	¥3,778,194
Consolidated net sales				6,089,620
Overseas sales as a percentage of consolidated net sales	39.9%	13.0%	9.1%	62.0%

	Fiscal year 1999 *(For the year ended Mar. 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
Overseas sales as a percentage of consolidated net sales	36.5%	14.8%	8.0%	59.3%

23. SUBSEQUENT EVENTS

The following appropriations of retained earnings of the Company were approved at a shareholders' meeting held on June 20, 2002:

	Millions of yen	*Thousands of U. S. dollars*
Year-end cash dividends		
(¥8.00=U.S.$0.060 per share/¥4.00=U.S.$0.030 per share for those issued in FY2001)	¥ 33,976	$ 255,459
Bonuses to directors	390	2,932

Report of Certified Public Accountants

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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, 2002 and 2001, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2002, 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, 2002 and 2001, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2002 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 prior service cost of the pension plans, warranty costs and depreciation of property, plant and equipment as described in Note 3 to the consolidated financial statements.

As described in Note 2 to the consolidated financial statements, Nissan Motor Co., Ltd. and consolidated subsidiaries have adopted new accounting standards for consolidation, research and development costs and tax-effect accounting effective the year ended March 31, 2000 and for employees' retirement benefits, financial instruments and foreign currency translations effective the year ended March 31, 2001 in the preparation of their consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2002 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 4 to the consolidated financial statements.

Shin Nihon & Co.

Tokyo, Japan
June 20, 2002

See Note 1 to the consolidated financial statements which explains the basis of presentation of the consolidated financial statements of Nissan Motor Co., Ltd. and consolidated subsidiaries under Japanese accounting principles and practices.

Non-consolidated Five-Year Summary

Nissan Motor Co., Ltd.
Fiscal years 2001, 2000, 1999, 1998 and 1997

	Millions of yen (except per share amounts and number of employees)					Millions of U.S. dollars(Note 1) (except per share amounts)
For the years ended	**2001** **Mar. 31, 2002**	2000 Mar. 31, 2001	1999 Mar. 31, 2000	1998 Mar. 31, 1999	1997 Mar. 31, 1998	**2001** **Mar. 31, 2002**
Net sales	**¥3,019,860**	¥2,980,130	¥2,997,020	¥3,319,659	¥3,546,126	**$22,706**
Operating income	**242,279**	127,762	(15,674)	15,165	85,626	**1,822**
Net income (loss)	**183,449**	187,485	(790,694)	(34,809)	(16,548)	**1,379**
Net income (loss) per share(Note 2)	**45.61**	47.14	(204.93)	(13.85)	(6.59)	**0.343**
Cash dividends paid(Note 3-4)	**8.00**	7.00	0.00	0.00	10.00	**0.060**
Shareholders' equity	**¥1,829,052**	¥1,450,159	¥1,263,075	¥1,477,498	¥1,529,898	**$13,752**
Total assets	**3,915,031**	3,576,466	3,563,853	3,595,272	3,661,093	**29,436**
Long-term debt	**942,518**	798,009	909,178	750,028	622,515	**7,087**
Depreciation and amortization	**56,265**	49,074	89,858	105,229	98,803	**423**
Number of employees	**30,365**	30,747	32,707	39,467	39,969	

Notes: 1. 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 ¥133=$1, the approximate exchange rate on March 31, 2002.
2. 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, 2002: 4,517,045,210.
3. 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.
4. Cash dividends applicable to FY2001 is ¥8.00 per share/ ¥4.00 per issued share in FY2001.

Principal Group Companies

(As of March 31, 2002)

JATCO TransTechnology Ltd.
Manufacture/sale of auto parts

Nissan Diesel Motor Co., Ltd.
Manufacture/sale of vehicles and auto parts

Unisia JECS Corporation
Manufacture/sale of auto parts

Calsonic Kansei Corporation
Manufacture/sale of auto parts

Aichi Machine Industry Co., Ltd.
Manufacture/sale of auto parts

Nissan Shatai Co., Ltd.
Manufacture/sale of vehicles and auto parts

Nissan Financial Services Co., Ltd.
Leasing and financing of vehicles

Nissan Finance Co., Ltd.
Financial and accounting services for group companies

Nissan Kohki Co., Ltd.
Manufacture/sale of auto parts

Aichi Nissan Motor Corporation
Sale of vehicles and auto parts

Tokyo Nissan Motor Corporation
Sale of vehicles and auto parts

Nissan Prince Tokyo Motor Sales Co., Ltd.
Sale of vehicles and auto parts

Nissan Satio Osaka Co., Ltd.
Sale of vehicles and auto parts

Nissan North America, Inc.
Headquarters for North American operations
Manufacture/sale of vehicles and auto parts

Nissan Motor Acceptance Corporation
Retail and wholesale vehicle financing in the U.S

Nissan Forklift Corporation, North America
Manufacture/sale of industrial machinery, industrial engines and parts

Nissan Technical Center North America, Inc.
Vehicle R&D, evaluation, certification

Nissan Canada, Inc.
Sale of vehicles and auto parts

Nissan Mexicana, S.A. de C.V.
Manufacture/sale of vehicles and auto parts

Nissan Motor Manufacturing (UK) Ltd.
Manufacture/sale of vehicles and auto parts

Nissan Motor (GB) Ltd.
Sales of vehicles and auto parts

Nissan Technical Centre Europe Limited
Vehicle R&D, evaluation, certification

Nissan Europe N.V.
Headquarters for European sales and manufacturing operations

Nissan Motor Ibérica, S.A.
Manufacture/sale of vehicles and auto parts

Nissan Motor Co. (Australia) Pty. Ltd.
Sale of vehicles and auto parts

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