



# Business Report

Year Ended March 31, 2003



NISSAN MOTOR CO., LTD.

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## Letter from Management

The first year of NISSAN 180 is over, and the momentum of Nissan's revival continues to build.

Our company has produced record-setting financial results. In fiscal year 2002, Nissan achieved operating profits of 737 billion yen, a 50.7% increase over the prior year, resulting in a 10.8% operating margin that sets a new benchmark in the global automotive industry. Consolidated net income reached 495 billion yen. And for the first time in many years, we were able to report that Nissan's net automotive debt has been totally eliminated at constant accounting standards.

The revival of Nissan is a reality.

We are encouraged by the positive results produced during the first year of NISSAN 180, but we realize that our work is not finished. We are operating in an environment marked by a high level of volatility and uncertainty. Even though we have achieved two of our three NISSAN 180 commitments in the plan's first year, the commitment to sell an additional one million units will demand a keen focus and our best efforts in every region. The success of NISSAN 180 depends on its complete fulfillment.

As we begin fiscal year 2003, we do so with the confidence that Nissan's revival is providing real benefits to our customers, to our employees, to our business partners and to our shareholders. We have set a course for sustainable, profitable growth, and our vision for the future is clear. You can continue to expect the best from Nissan.



Yoshikazu Hanawa  
Chairman

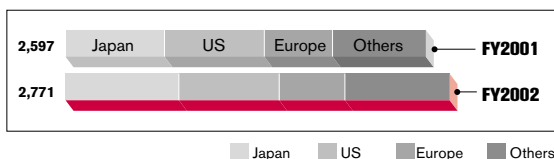


Carlos Ghosn  
President and CEO

## Facts and Figures

## Global retail sales volume

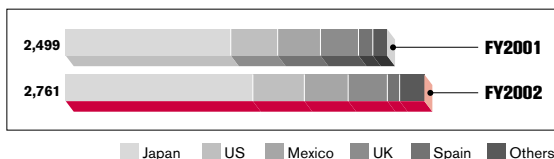
(Thousand units)



	FY2002	FY2001
<b>Global retail</b> (Note 1)		Thousand units
Japan	816	714
US	726	719
Europe <sup>(Note2)</sup>	474	493
Others <sup>(Note2)</sup>	755	671
<b>Total</b>	<b>2,771</b>	<b>2,597</b>

## Global vehicle production volume

(Thousand units)



	FY2002	FY2001
<b>Global production</b> (Note 3)		Thousand units
Japan	1,444	1,273
US	393	363
Mexico	338	329
UK	303	290
Spain	96	110
Others	187	134
<b>Total</b>	<b>2,761</b>	<b>2,499</b>

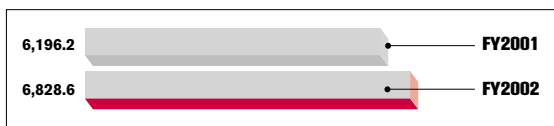
Notes: 1. Global retail sales includes sales of vehicles locally assembled with knock down parts.

2. Europe and part of others are results of January-December.

3. All production figures based on April- March period.

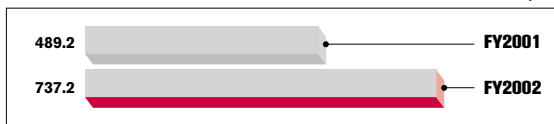
## Consolidated net sales

(Billions of yen)



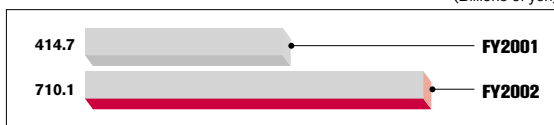
## Consolidated operating profit

(Billions of yen)



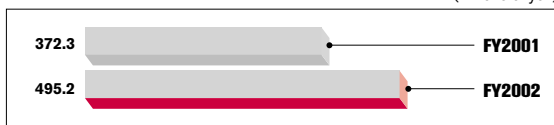
## Consolidated ordinary profit

(Billions of yen)



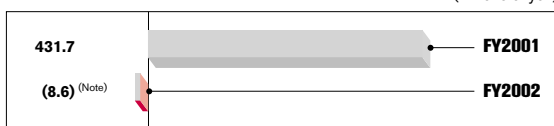
## Consolidated net income

(Billions of yen)



## Net consolidated automotive debt

(Billions of yen)



Note: On the same accounting base as FY2001

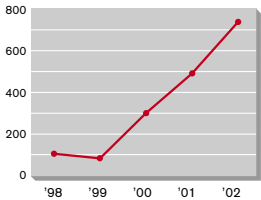
# Fiscal Year 2002 Business Review

Nissan is beginning the second year of NISSAN 180, the company's three-year plan aimed to establish sustainable, profitable growth. NISSAN 180 is building on the foundation laid by the Nissan Revival Plan, which began in April 2000.

The report on the first year of NISSAN 180 is one of rapid, positive momentum, particularly when compared to the status of Nissan at the start of the revival process.

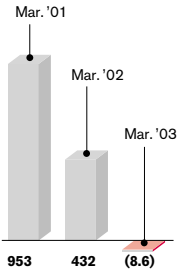
- Three years ago, in fiscal year 1999, revenues were 5.98 trillion yen. For fiscal year 2002, revenues are 6.83 trillion yen.
- Three years ago, operating profit was 83 billion yen. At the end of fiscal year 2002, operating profit stands at 737 billion yen.
- Three years ago, Nissan's operating margin was 1.4%. Nissan's operating margin is now an industry-leading 10.8%.
- At the beginning of fiscal year 1998, before the Alliance with Renault, Nissan's net automotive debt was 2.1 trillion yen. The debt has been eliminated, and Nissan is 8.6 billion yen cash positive.

**Consolidated Operating Profit**  
Fiscal Year 1998-2002  
(Billions of Yen)



Debt elimination is no longer a driver in the management of Nissan's business. Return on invested

**Net Consolidated Automotive Debt**  
(Billions of Yen)



capital (ROIC)—the ratio between operating profit and automotive fixed assets, net working capital and cash—will become a more prominent management tool. Nissan has reached an ROIC level of 19.8%, which is currently at the top level in the global automotive industry. In terms of operating margin and ROIC, Nissan's objective is to remain the most profitable global automaker.

In fiscal year 2002, Nissan was the best-performing stock in the global automotive industry. Nissan's share price has doubled since the start of the Nissan Revival Plan in April 2000, even as the Nikkei stock index has slid 50%. At the Annual General Meeting in June 2003, shareholders are being asked to approve a dividend of 14 yen per share for fiscal year 2002, as announced in October 2002. (The annual dividend per share is planned to increase to 19 yen for fiscal year 2003 and to 24 yen for fiscal year 2004.)

### **Business performance during fiscal year 2002**

In fiscal year 2002, Nissan sold 2,771,000 vehicles, up 174,000 units, an increase of 6.7% from fiscal year 2001 in a difficult environment. The full-year sales were 2.4% below the forecast made at the interim financial announcement last October and eight-tenths of a percent below the initial forecast made in May 2002. The sales deficit was mainly due to shortfalls in U.S. and European sales, particularly in the second half of the year.

Fiscal year 2002 marked the biggest product year in Nissan history, with 12 all-new models representing 21 regional product events. Sales and market share grew in each region except in Europe.

### **Japan**

For fiscal year 2002, Nissan's domestics sales increased 14.3%, to 816,000 units, in a tough market where the total industry volume increased just eight-tenths of a percent. Excluding minicars, sales were 768,000, up 7.7%. The sales increase was driven by the six new models introduced—namely, Moco, Elgrand, Fairlady Z, Cube, Skyline Coupe and Teana. Each model met or exceeded its sales target.



Teana

Nissan's strategy in the entry-level segments has proven successful. The March made the most significant volume contribution, setting record sales of 158,000 units – the highest annual volume of any Nissan model sold in Japan for the past 12 years. The March was among the Top 10 best-selling cars every month since its launch in March 2002. The new Cube joined the March on the best-seller list during the last six months of the fiscal year.

For the full year, Nissan's market share rose to 19%, which is 1.1 percentage points above fiscal year 2001. This marks the first time Nissan increased its annual market share by more than 1% in 31 years. The quality of the sales was improved as well since the sales were mostly made on the merits of the products, without being inflated by additional incentives.

**North America**

In the United States, where products are sold in the Nissan and Infiniti channels, sales were up 1.1%, to 726,000 units, in a market that was down 1.9%.

The Infiniti Division realized its highest sales year since the division began in 1989. With record sales of



G35 Coupe

95,000 units, up 35% over the prior year, Infiniti was the fastest-growing luxury brand in the United States.

Contributors included the FX45, the M45, and the new G35 Sedan and

Coupe, which were in the spotlight after being named Motor Trend's Car of the Year. Infiniti incentives were the lowest in the industry's luxury segment.

In the Nissan Division, sales were down 2.7%, to 631,000 units. The Altima and 350Z continue to sell at a strong pace. Altima sales were up 30% over the prior year, at 204,000 units. The Z became the best-selling sports car in America, selling 23,000 units in its first eight months on the market. The Murano and the Maxima were launched during the last quarter of the fiscal year, so their



sales will begin to make a significant contribution in fiscal year 2003. Stalled results were felt in the entry-level sedan and truck segments, where the Sentra, Frontier and Xterra compete. Those segments bore the brunt of record levels of industry incentives, so Nissan's volumes were lower than forecasted in those segments. Nissan's strategy continues to be based more on optimizing profitability than maximizing volumes.

## Europe

In fiscal year 2002, Nissan sales dropped 3.8% to 474,000 units in a market where the total industry volume



Micra

was down 2%. For the first three months of 2003, total Micra sales in Europe were up 42% compared to the same period in 2002. To meet the growing demand, Micra production capacity in the Sunderland Plant is being raised by 25% to 200,000 units.

## General Overseas Markets

Including Mexico and Canada, sales in General Overseas Markets increased by 12.3% to 755,000 units.

In Mexico, sales in calendar year 2002 increased 11.1%.

In Canada, sales were up 12.4% over the prior year.

Nissan's brand power was given a boost when the Z was recognized as Car of the Year and the Murano was named Truck of the Year. In the Infiniti Division, sales jumped 95%, and Infiniti outperformed all other luxury brands in Canada in year-over-year growth.



Murano

In China, sales were up 82.1% over fiscal year 2001.

In Brazil the Frontier became the first Nissan vehicle to be assembled locally at Renault's Curitiba plant. The April launch was a success, and the Frontier was named Brazil's Pickup of the Year.

## **Financial results**

Consolidated revenues reached 6.83 trillion yen in fiscal year 2002, up 10.2% from fiscal year 2001, mainly due to higher volume and mix.

Consolidated operating profits improved by 50.7% to a record 737 billion yen, compared to fiscal year 2001. The operating margin came to 10.8%, again exceeding the NISSAN 180 commitment to reach 8% over the three years of the plan. This strong performance puts Nissan at the top level of operating performance in the global automotive industry.

On a regional basis, each of the four regions reported improved performance.

In Japan, operating profits came to 390.6 billion yen, compared to 289.7 billion yen in fiscal year 2001.

In North America, which includes the United States and Canada, profitability came to 242 billion yen, compared to 158.9 billion yen in the prior year.

European performance continues to improve. Europe increased operating profits from 3.2 billion yen in fiscal year 2001 to 21.9 billion yen in fiscal year 2002.

In General Overseas Markets, Nissan made an operating profit of 77.6 billion yen, compared to 57.8 billion yen in the prior year.

Net income after tax came to 495 billion yen, representing an earnings-per-share of 117.75 yen.

In fiscal year 2002, Nissan was the best-performing stock in the global automotive industry.

## **Expansion in fiscal year 2003**

Fiscal year 2003 will mark the start of a dynamic period in the life of Nissan.

In the coming year, operations will start at the joint venture we are establishing with Dong Feng Corporation in China. Through that new company, Dongfeng Motor Company, Nissan plans to launch six models by 2006, all of which will be manufactured locally. The Sunny is the first model to be launched. Nissan's expansion in this rapidly developing market is a long-term investment with

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great potential. By the year 2006, Nissan is targeting sales of 550,000 vehicles in China. The Chinese market represents a significant growth and profit opportunity.

In the United States, the brand-new plant in Canton, Mississippi, is now in production. The first all-new Quest minivan will go on sale in July.

2003 will be the "Year of the United States." Five of the six new models Nissan will launch in the U.S. market will be built in Canton; the Z Roadster is the sixth. Each new model will be launched in high-volume, high-profit segments. Since Nissan has not participated in the full-size vehicle segments where the Titan King Cab, Titan Crew Cab, Pathfinder Armada and Infiniti full-size sport utility vehicle will compete, incremental sales and profits are expected to make a significant contribution to performance in fiscal year 2003.

## **Conclusion**

In 2003, Nissan's 70th anniversary year, the company's vision has never been clearer. Like NRP, NISSAN 180 is designed to build for the future. The company has removed the burden of debt and is now focusing on providing a top level of return on invested capital. A lean cost base and an ability to offer attractive products are essential for the company's competitiveness. Nissan will continue to fine-tune the same tools, the same management practices and the same level of commitment that have contributed to its revival. The company has significantly increased its capital expenditures, investing in assets that will generate tomorrow's sales and profits.

NISSAN 180 is setting a course for sustainable, profitable growth that will enrich people's lives.

## Consolidated Financial Statements

### Consolidated Balance Sheets

(As of March 31, 2003)

[in millions of Yen, ( ) indicates loss or minus]

	Amount
<b>ASSETS</b>	
<b>Current assets</b>	<b>3,700,057</b>
Cash on hand and in banks	268,433
Notes & accounts receivable	501,127
Finance receivables	1,896,953
Marketable securities	1,420
Inventories	543,608
Deferred tax assets	176,571
Other current assets	311,945
<b>Fixed assets</b>	<b>3,646,989</b>
Property, plant and equipment	2,989,334
Intangible assets	42,000
Investment securities	267,046
Long-term loans receivable	14,099
Deferred tax assets	191,262
Other fixed assets	143,248
<b>Deferred assets</b>	<b>2,137</b>
<b>Total assets</b>	<b>7,349,183</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	<b>2,921,818</b>
Notes & accounts payable	656,411
Short-term borrowings	1,315,222
Deferred tax liabilities	6
Other current liabilities	950,179
<b>Long-term liabilities</b>	<b>2,530,610</b>
Bonds and debentures	778,160
Long-term borrowings	825,086
Deferred tax liabilities	262,459
Accrued warranty costs	154,582
Accrued retirement benefits	433,266
Other long-term liabilities	77,057
<b>Total liabilities</b>	<b>5,452,428</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>88,451</b>
<b>SHAREHOLDERS' EQUITY</b>	
<b>Common stock</b>	<b>605,814</b>
<b>Capital surplus</b>	<b>804,470</b>
<b>Retained earnings</b>	<b>878,655</b>
<b>Unrealized holding gain on securities</b>	<b>1,831</b>
<b>Translation adjustments</b>	<b>(320,276)</b>
<b>Treasury stock</b>	<b>(162,190)</b>
<b>Total shareholders' equity</b>	<b>1,808,304</b>
<b>Total liabilities, minority interests &amp; shareholders' equity</b>	<b>7,349,183</b>

- Note. 1. The amount of short-term borrowings includes current maturities of long-term borrowings, bonds and debentures, and commercial paper.  
 2. The "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" has been applied effective April 1, 2002.

## Consolidated Statements of Income

(FY2002)

[in millions of Yen, ( ) indicates loss or minus]

	Amount
<b>Net sales</b>	<b>6,828,588</b>
<b>Cost of sales</b>	<b>4,872,324</b>
<b>Gross profit</b>	<b>1,956,264</b>
Selling, general and administrative expenses	1,219,034
<b>Operating income</b>	<b>737,230</b>
<b>Non-operating income</b>	<b>60,770</b>
Interest and dividends income	8,520
Equity in earnings of unconsolidated subsidiaries & affiliates	11,395
Other non-operating income	40,855
<b>Non-operating expenses</b>	<b>87,931</b>
Interest expense	25,060
Amortization of net retirement benefit obligation at transition	23,923
Other non-operating expenses	38,948
<b>Ordinary income</b>	<b>710,069</b>
<b>Extraordinary gains</b>	<b>89,243</b>
<b>Extraordinary losses</b>	<b>104,688</b>
<b>Income before income taxes and minority interests</b>	<b>694,624</b>
<b>Income taxes</b>	<b>113,185</b>
<b>Income taxes deferred</b>	<b>85,513</b>
<b>Minority interest</b>	<b>761</b>
<b>Net income</b>	<b>495,165</b>

## Consolidated Statements of Cash Flows

(FY2002)

[in millions of Yen, ( ) indicates out flows]

	Amount
<b>Operating activities</b>	
Income before income taxes and minority interests	694,624
Depreciation and amortization	371,125
Provision for doubtful receivables	(503)
Loss on devaluation of investments	769
Interest and dividend income	(8,520)
Interest expense	80,255
Gain on sales of property, plant and equipment	(58,796)
Loss on disposals of property, plant and equipment	15,587
Gain on sales of investment securities	(4,324)
Decrease in trade receivables	44,989
Increase in sales finance receivables	(327,357)
Increase in inventories	(28,404)
Increase in trade payables	36,877
Amortization of net retirement benefit obligation at transition	23,923
Retirement benefit expenses	100,629
Retirement benefits paid	(86,917)
Business restructuring costs paid	(4,644)
Others	(77,897)
<b>Sub-total</b>	<b>771,416</b>
Interest and dividends received	8,238
Interest paid	(80,902)
Income taxes paid	(123,374)
<b>Total</b>	<b>575,378</b>
<b>Investing activities</b>	
Decrease in short-term investments	789
Purchases of fixed assets	(377,929)
Proceeds from sales of property, plant and equipment	98,699
Purchases of leased vehicles	(483,704)
Proceeds from sales of leased vehicles	259,075
Collection of long-term loans receivable	13,097
Long-term loans made	(11,343)
Purchases of investment securities	(32,053)
Proceeds from sales of investment securities	45,263
Proceeds from sales of subsidiaries' stock resulting in changes in the scope of consolidation	8,395
Additional acquisition of shares of consolidated subsidiaries	(692)
Others	(34,971)
<b>Total</b>	<b>(515,374)</b>
<b>Financing activities</b>	
Decrease in short-term borrowings	(54,310)
Increase in long-term borrowings	534,053
Increase in bonds and debentures	85,000
Repayment or redemption of long-term debt	(524,115)
Purchases of treasury stock	(58,383)
Proceeds from sales of treasury stock	5,670
Repayment of lease obligations	(9,879)
Cash dividends paid	(50,800)
<b>Total</b>	<b>(72,764)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>654</b>
<b>Decrease in cash and cash equivalents</b>	<b>(12,106)</b>
<b>Cash and cash equivalent at beginning of the year</b>	<b>279,653</b>
<b>Increase due to inclusion in consolidation</b>	<b>2,297</b>
<b>Decrease due to exclusion from consolidation</b>	<b>(27)</b>
<b>Cash and cash equivalent at end of the year</b>	<b>269,817</b>

**2.**  
**Notice of convocation of**  
**the 104th ordinary general meeting of**  
**shareholders, an attached document**

(This is a translation of the original  
Japanese-language document distributed  
to shareholders in Japan.)

# 1. Eigyo-Houkokusho

## 1 Review of the Fiscal Year 2002

### (1) Operations and results

In fiscal year 2002 ended March 31 2003, total demand for automobiles in the Japan market (including mini cars) increased by 0.8% from the previous year, to 5,870,000 units.

Total automotive exports from Japan (including mini cars) increased by 12.3%, to 4,770,000 units.

Nissan's domestic sales volume (including mini cars) increased by 14.3% from the previous year to 816,000 units. Market share (including mini cars) came to 13.9%, up 1.7 point compared to fiscal year 2001.

The number of Nissan's export vehicles increased by 20.2%, to 694,000 units.

Nissan's global sales volume increased by 6.7%, to 2,771,000 units.

Nissan's global production volume was 2,761,000 units, increased by 10.5%, from the previous year. Nissan's domestic production volume was 1,444,000 units, an increase of 13.5% while overseas production volume increased by 7.4%, to 1,317,000 units.

Nissan's non-consolidated sales of the automobile divisions including overseas production parts, components and accessories and repair parts was 3,386.6 billion yen, an increase of 13.4 % from the previous year, mainly due to higher volume and mix.

Nissan's non-consolidated total sales including Industrial Machinery came to 3,419.0 billion yen, an increase of 13.2 % from the previous year.

As for Nissan's non-consolidated financial results for the fiscal year 2002 ended March 31, 2003, the company recorded the improvement from the previous year in operating profit of 316.0 billion yen as the NISSAN 180 was working well, and in ordinary profit of 293.0 billion yen. Net income before taxes came to



129.4 billion yen.

Net income after taxes resulted to 72.8 billion yen, down 110.5 billion yen from the previous year. Last fiscal year, net income after taxes included income taxes and income taxes deferred, amounting to profit of 110.4 billion yen. For this fiscal year, net income after taxes is calculated based on normal tax rate, without any other factors.

We propose to increase a year-end dividend by 2 yen per share from the previous year to 10 yen as we announced on October 23, 2002.

## (2) Sales by Division

	Value (¥ billion)	Percentage of sales (%)	Year-on- Year percentage (%)
<b>Automobile Division</b>			
Vehicles	2,645.5	77.4	115.7
Overseas production parts and components	306.5	9.0	99.1
Accessories and repair parts	279.8	8.2	100.0
Others	154.7	4.5	138.7
Automobile Division: total	3,386.6	99.1	113.4
<b>Other Divisions</b> (Industrial Machinery)			
Other Divisions: total	32.4	0.9	99.0
<b>Grand total</b>	<b>3,419.0</b>	<b>100.0</b>	<b>113.2</b>

Notes: 1. The stated value figures have been rounded down to the nearest 100 million yen.

2. The category 'Others' in Automobile Division consists of receivable royalties, equipment and tools for production.

## (3) Capital investment

Capital investment on a non-consolidated basis in the fiscal year 2002 ended March 31, 2003, totaled 99.8 billion yen, concentrated on development of new products, safety and environmental technology and on efficiency improvement of the production system.

## (4) Business Funding

Nissan issued 85.0 billion yen straight bond in the domestic capital market. Proceeds were used for investments, group loans, and bond redemption. Also we increased from USD1.15 billion to USD1.65 billion the global committed facility that we can draw down funds in multi-currency such as JPY, USD and Euro.

## (5) Financial Performance Highlights

( Billions of yen , except per share amounts)

	FY1999	FY2000	FY2001	FY2002
Net sales	2,997.0	2,980.1	3,019.8	3,419.0
Net income (loss)	(790.0)	187.4	183.4	72.8
Net income (loss) per share [yen]	(204.93)	47.14	45.61	16.09
Total assets	3,563.8	3,576.4	3,915.0	3,933.9
Shareholders' equity	1,263.0	1,450.1	1,829.0	1,798.7
Shareholders' equity per share [yen]	317.57	364.61	404.94	402.65

\* FY2002 covers the period from April 1, 2002 to March 31, 2003.

Notes: 1. Figures have been rounded down to the nearest 100 million yen.

2. ( ) indicates a loss

3. Net income (loss) per share amounts are based on the average number of shares outstanding during the fiscal year. Shareholders' equity per share have been calculated according to the numbers of shares outstanding as of the end of FY2001 and FY2002, which does not include that of treasury stock.

Net income per share and shareholders' equity per share have been calculated based on the net income shown in the statement of income and the total shareholders' equity in the balance sheets reduced by bonuses to directors and corporate auditors to be paid as appropriations of retained earnings.

4. For the fiscal year 2000, the main factor increasing net income was an effect of Nissan Revival Plan which was going faster than forecast and which was bringing a new momentum to the company worldwide.

5. For the fiscal year 2001, the main factors leading to the increase in shareholders' equity per share are the net income and exercise of the warrants by Renault. Net income is unchanged from previous year despite higher operating profit due to the re-evaluation of investment securities in subsidiaries.

6. For the fiscal year 2002, the main factor decreasing net income despite higher net income before tax was described in Section (1).

## **2 Issues and Outlook for the Fiscal Year Ahead**

In fiscal year 2003, Nissan plans to launch 10 all-new products, representing a total of 23 regional product events worldwide. In the second full year of NISSAN 180, global sales volume is expected to increase significantly as the company enters new market segments.

In Japan, economic conditions are expected to continue to be challenging, resulting in a flat market for the auto industry. Nissan plans to increase our sales through the launch of six new models in FY03, including two mini commercial vehicles that should broaden its presence in the mini-vehicle market. The company will also begin its renewal in the minivan segment with the launch of the all-new Presage.

In the United States, the startup of our new plant in Canton, Mississippi, will allow Nissan to enter high-volume, full-size vehicle segments where the company has had no presence in the past. Nissan will also reenter the minivan segment with the launch of the all-new Quest. Both the Nissan and Infiniti brands are expected to achieve significant volume gains, due to the six new products that will be launched in the U.S.

In Europe, the market is expected to continue to be uncertain. Restoring profitability will remain a priority. The new Micra is expected to be a solid contributor to this region's performance.

Growth is anticipated in the General Overseas Markets. Nissan's new joint venture with Dong Feng Corporation will boost the company's expansion into the Chinese market and provide opportunities for growth and profitability.

In FY03, the company will continue to implement the NISSAN 180 business plan, which sets forth three commitments:

- 1 million additional unit sales worldwide on an annualized basis by the end of FY04, measured between October 2004 and September 2005 compared to FY01 for Nissan and associated brands;
- an 8% consolidated operating margin in FY04 on constant accounting standards, positioning Nissan among the top rank of global automakers; and
- zero net consolidated automotive debt on constant accounting standards.

Two of the commitments have been achieved in FY02: Nissan has surpassed the 8% operating margin commitment, and net consolidated automotive debt has been totally eliminated.

Nissan has been able to achieve performance that is trending in a positive direction. The support and continuing involvement of shareholder is appreciated.

### 3 Corporate Data

(as of fiscal year-end, March 31, 2003).

#### (1) Principal Business Operations

The Company's business divisions and principal products are as follows:

Division		Principal products
Automobile Division	Passenger cars	Cima, Cedric, Gloria, Teana, Skyline, Crew, Bluebird Sylphy, Primera, Primera Wagon, Sunny, March, Stagea, Avenir, Wingroad, Elgrand, Serena, Presage, Bassara, Liberty, Tino, Cube, Safari, X-trail, Moco, Fairlady Z
	Commercial vehicles	Expert, AD Van, Caravan, Vanette, Atlas, Civilian
	Overseas production parts and components	Various production parts and components for overseas plants
	Accessory and repair parts	Various service parts for domestic and overseas use
Industrial Machinery		Gasoline, diesel and battery-powered forklifts

## (2) Principal Offices, Facilities and Factories in Japan

Registered Head Office: 2, Takara-cho, Kanagawa-ku,  
Yokohama, Kanagawa Prefecture

Office / Facility / Factory	Location
Corporate Headquarters	Tokyo
Yokohama Plant	Kanagawa Prefecture
Oppama Plant, Wharf and Central Engineering Laboratories	Kanagawa Prefecture
Tochigi Plant	Tochigi Prefecture
Kyushu Plant and Kanda Wharf	Fukuoka Prefecture
Iwaki Plant	Fukushima Prefecture
Zama Operations Office	Kanagawa Prefecture
Nissan Technical Center	Kanagawa Prefecture
Hokkaido Proving Grounds	Hokkaido
Sagamihara Parts Center	Kanagawa Prefecture
Honmoku Wharf	Kanagawa Prefecture
Nissan Education Center	Kanagawa Prefecture

## (3) Share Data

- ① Number of authorized shares .....6,000,000,000
- ② Number of shares issued .....4,520,715,112  
(including 3,669,902 new shares issued through conversion of  
convertible bonds).
- ③ Number of shareholders .....119,440  
(a increase of 5,408 compared with the previous fiscal year-end).

### ④ Principal Shareholders

	Number of shares (thousands)	% of voting rights held
1. Renault	2,004,000	44.9
2. The Master Trust Bank of Japan, Ltd.(Trust)	185,546	4.2
3. Japan Trustee Services Bank Ltd.(Trust)	146,687	3.3
4. The State Street Bank and Trust Company	130,047	2.9
5. The Dai-ichi Mutual Life Insurance Company	86,958	1.9
6. Nippon Life Insurance Company	78,475	1.8
7. Sompo Japan Insurance Inc.	63,528	1.4
8. The Chase Manhattan Bank N.A. London S.L. Omnibus A/C	62,707	1.4
9. Moxley & Co.	61,886	1.4
10. UFJ Trust Bank Limited (Trust A)	60,757	1.4

## Nissan's Investments in its Principal Shareholders

	Number of shares (thousands)	% of voting rights held
1. Renault	—	—
2. The Master Trust Bank of Japan, Ltd.(Trust)	—	—
3. Japan Trustee Services Bank Ltd.(Trust)	—	—
4. The State Street Bank and Trust Company	—	—
5. The Dai-ichi Mutual Life Insurance Company	—	—
6. Nippon Life Insurance Company	—	—
7. Sompo Japan Insurance Inc.	—	—
8. The Chase Manhattan Bank N.A. London S.L. Omnibus A/C	—	—
9. Moxley & Co.	—	—
10. UFJ Trust Bank Limited (Trust A)	—	—

Notes:1. The number of shares has been rounded down to the nearest thousand.  
2. Nissan Motor Co., Ltd. acquired 42,740 thousand shares of Renault through Nissan's wholly owned subsidiary, Nissan Finance Co., Ltd.

## (4) Acquisition, disposal etc, and holding of treasury stock

### ① Treasury stock acquired

Acquisition of Own Shares according to the resolution provided for in Paragraph 1 of Article 210 of the Commercial Code

Ordinary share .....64,258,700 shares

Total value of treasury stock acquired .....58,267 million yen

Acquisition by the purchase of fractional unit shares

Ordinary share .....314,839 shares

Total value of treasury stock acquired .....288 million yen

### ② Treasury stock disposed

Ordinary share .....10,234,650 shares

Total value of treasury stock disposed .....8,731 million yen

### ③ Treasury stock as of March 31, 2003

Ordinary share .....54,512,876 shares

## (5) Employee Information

Number of employees	Change from the previous year	Average age	Average years of service
31,128(423)* <sup>1</sup>	(763)* <sup>2</sup>	40.6	19.7

Notes: 1. Number of employees is a employees head count. ( )\*<sup>1</sup> indicates a part-time worker in the end of a term. (not included in number of employees)

2. ( )\*<sup>2</sup> indicates a increase.

## (6) Principal Group Companies

① List of name, capital, ratio of voting rights held, main business

Company name main business	Capital [¥ millions]	% ratio of voting rights held
JATCO Ltd. Manufacture/sale of auto parts	29,935	81.8
Nissan Financial Services Co., Ltd Leasing and financing of vehicles	16,387	100.0
Nissan Diesel Motor Co., Ltd. Manufacture/sale of vehicles and auto parts	13,603	(22.7)
Calsonic Kansei Corporation Manufacture/sale of auto parts	12,048	32.2
Aichi Machine Industry Co., Ltd. Manufacture/sale of auto parts	8,518	41.8
Nissan Shatai Co., Ltd. Manufacture/sale of vehicles and auto parts	7,904	43.4
Nissan Finance Co., Ltd. Financial and accounting service for group companies	2,491	100.0
Nissan Kohki Co., Ltd. Manufacture/sale of auto parts	2,020	(90.9)
Aichi Nissan Motor Corporation Sale of vehicles and auto parts	4,000	100.0
Tokyo Nissan Motor Corporation Sale of vehicles and auto parts	3,400	100.0
Nissan Prince Tokyo Motor Sales Co., Ltd. Sale of vehicles and auto parts	3,246	100.0
Nissan Satio Osaka Co., Ltd. Sale of vehicles and auto parts	2,000	(100.0)

Company name main business	Capital [millions]	% ratio of voting rights held
Nissan North America, Inc. Headquarters for North American operations Manufacture/sale of vehicles and auto parts	US\$ 1,791	100.0
Nissan Motor Acceptance Corporation Retail and wholesale vehicle financing in the U.S	US\$ 499	(100.0)
Nissan Forklift Corporation, North America Manufacture/sale of industrial machinery, industrial engines and parts	US\$ 34	(100.0)
Nissan Technical Center North America, Inc. Vehicle R&D, evaluation, certification	US\$ 16	(100.0)
Nissan Canada, Inc. Sale of vehicles and auto parts	C\$ 68	(100.0)
Nissan Mexicana, S.A. de C.V. Manufacture/sale of vehicles and auto parts	Peso 17,056	(100.0)
Nissan Motor Manufacturing (UK) Ltd. Manufacture/sale of vehicles and auto parts	£ 250	(100.0)
Nissan Motor (GB) Ltd. Sales of vehicles and auto parts	£ 136	(100.0)
Nissan Technical Centre Europe Limited Vehicle R&D, evaluation, certification	£ 15	(100.0)
Nissan Europe S.A.S. Headquarters for European sales and manufacturing operations	Euro 1,626	100.0
Nissan Motor Ibérica, S.A. Manufacture/sale of vehicles and auto parts	Euro 725	(99.7)
Nissan Motor Co. (Australia) Pty. Ltd. Sale of vehicles and auto parts	A\$ 290	100.0

Notes: 1. The figures for capital are rounded down to the nearest unit.

2. ( ) indicates that the figure includes indirect ownership.

3. JATCO TransTechnology Ltd. changed its name to JATCO Ltd. on April 1, 2002.

## ② Operations and Results

### (Consolidated Financial Summary)

Nissan Motor has 234 consolidated subsidiaries (297 in the previous fiscal year) and 40 subsidiaries and affiliates (49 in the previous fiscal year) accounted for by the equity method.

Consolidated net sales is 6,828.5 billion yen, an increase of 632.3 billion yen compared to the previous fiscal year.

Consolidated net income is 495.1 billion, an increase of 122.9 billion yen compared to the previous fiscal year.



### ③ Operations and Results

#### (Principal Developments within The Nissan Group)

Ratio of voting rights held of Nissan Motor Co., Ltd. in JATCO Ltd. decreased from 99.7% to 81.8% after exchange of shares between JATCO Ltd. and Diamondmatic Co., Ltd. on July 1, 2002, which made Mitsubishi Motors Corporation 18% shareholder of JATCO Ltd.

Diamondmatic Co., Ltd. was established by dividing AT/CVT operations from Mitsubishi Motors Corporation on April 1, 2002.

JATCO Ltd. merged with Diamondmatic Co., Ltd. on April 1, 2003, aiming at boosting JATCO's global competitiveness as an AT/CVT manufacturer by merging development and production operations of Diamondmatic Co., Ltd. with those of JATCO.

The capital of Nissan Financial Services Co., Ltd. was increased by an injection in order to enhance their financial position.

Nissan Motor Co., Ltd. established Nissan Europe S.A.S. on August 13, 2002 as a new European regional headquarters that own and manage the majority of Nissan's group companies in Europe. Nissan Europe N.V. was liquidated on March 19, 2003 due to the establishment of new company.

Nissan Motor Co., Ltd. exchanged all the shares held of Unisia JECs Corporation with the shares of Hitachi, Ltd. on October 1, 2002, allowing Hitachi, Ltd. to strengthen their automotive product business.

### ④ Principal Tie-up Relationship

Corporate name of partner	Scope of tie-up	Contract date
Renault	Broad automotive business alliance, including capital participation	March 1999

## (7) Major Lenders

	Amount of outstanding loan [¥ billions]	Number of shares of the Company held ['000s]	% of voting rights held
1. Development Bank of Japan	43.0	—	—
2. Mizuho Corporate Bank	42.2	—	—
3. The Dai-ichi Mutual Life Insurance Company	25.7	86,958	1.9
4. Nippon Life Insurance Company	15.0	78,475	1.8
5. Meiji Life Insurance Company	13.0	1,012	0.0
6. Sumitomo Life Insurance Company	10.0	1,126	0.0
7. The Yasuda Mutual Life Insurance Company	9.0	10,000	0.2
8. Mitsui Mutual Life Insurance Company	4.0	7	0.0
9. Asahi Mutual Life Insurance Company	3.0	—	—

Note: The figures for loan amounts and number of shares have been rounded down to the nearest unit.

## (8) Directors and Statutory Auditors

Officer	Responsibilities
<b>Chairman</b>	
Yoshikazu Hanawa*	
<b>President and CEO</b>	
Carlos Ghosn*	Japan Operations(MC-J), Human Resources, Alliance Coordination, Global Communications and IR Support, Organization and Administrative efficiency, Global Internal Audit, China Operations
<b>Directors</b>	
Itaru Koeda	Purchasing, Administration for Affiliated Companies (MC-AFL)
Nobuo Okubo	Customer Service, Research, Technology and Engineering Development (Vehicle & Powertrain), 3-3-3 Promotion(Vehicle & Powertrain),
Norio Matsumura	Global Sales and Marketing, North American Operations(MC-NA), GOM Operations (MC-GOM), Global Aftersales Business
Patrick Pelata	Planning and Design, European Operations (MC-E)
Thierry Moulonguet	CFO, Finance, Treasury, Global IS
Tadao Takahashi	Manufacturing (Vehicle & Powertrain), SCM (Supply Chain Management), Industrial Machinery, Marine
Shemaya Levy	
<b>Statutory Auditors</b>	
Hiroshi Moriyama	Full time
Haruhiko Takenaka	Full time
Keishi Imamura	Full time
Hideo Nakamura	

Notes: 1. \* indicates a representative director.

2. Shemaya Levy is outside director provided the 7-2 for in Paragraph 2 of Article 188 of the "the Commercial Code."
3. Haruhiko Takenaka, Keishi Imamura and Hideo Nakamura are outside statutory auditors provided for in Paragraph 1 of Article 18 of the "Act Providing an Exception to the Commercial Code for Auditing Stock Companies."
4. # indicates Directors newly elected at the 103rd Ordinary General Meeting of Shareholders, held on June 20, 2002.
5. During the fiscal year (FY2002) the following Directors retired from the Company:

Position at Time of Leaving	Name	Responsibilities at Time of Leaving	Date of Leaving
Director	Hisayoshi Kojima	Assistant to President	June 20, 2002 (resigned)

6. On April 1, 2003, certain responsibilities of the Directors were changed. The system of Directors after the change is as follows:

Officer	Responsibilities
<b>Chairman</b>	
Yoshikazu Hanawa*	
<b>President and CEO</b>	
Carlos Ghosn*	Japan Operations(MC-J), Product Strategy and Product Planning, Customer Service, Human Resources, Alliance Coordination, Global Communications and IR Support, Organization and Administrative efficiency, Global Internal Audit, China Operations
<b>Directors</b>	
Itaru Koeda	Purchasing, Administration for Affiliated Companies (MC-AFL)
Nobuo Okubo	Research, Technology and Engineering Development (Vehicle & Powertrain), Cost Engineering(3-3-3 Promotion)
Norio Matsumura	Global Sales and Marketing, North American Operations(MC-NA), Global Aftersales Business, MC-Dealer
Patrick Pelata	Planning and Design European Operations(MC-E)
Thierry Moulouquet	CFO, Treasury, Global IS
Tadao Takahashi	Manufacturing (Vehicle & Powertrain), SCM (Supply Chain Management), Industrial Machinery, Marine
Shemaya Levy	
<b>Statutory Auditors</b>	
Hiroshi Moriyama	Full time
Haruhiko Takenaka	Full time
Keishi Imamura	Full time
Hideo Nakamura	

Notes: 1. \* indicates a representative director.

2. Toshiyuki Shiga, a corporate officer, assumed the position of responsible for "GOM Operation", and Alain-Pierre Raynaud, a corporate officer, assumed the position of responsible for "Finance" as from April 1, 2003.

## (9) The amount of compensation paid to Directors and Statutory Auditors

Director	9 members	1,315 million yen
Statutory Auditors	4 members	73 million yen

Note: In addition to above, company paid 390 million yen as compensation by profit appropriation to directors (8 persons) and 148 million yen as retirement allowance to director who had resigned (1 person).

## 4 Important Events Subsequent to the Balance Sheet Date

### Issuance of Shin-kabu-Yoyaku-Ken

On April 23,2003, the Board of Directors of the Company has resolved to issue Shin-Kabu-Yoyaku-Ken on May 7,2003, to employees of the Company, as well as directors and employees of its subsidiaries as stock options without value in accordance with the Article 280-20 and 280-21 of the Commercial Code and the resolution of the 103rd Annual General Meeting of Shareholders dated June 20,2002. The outlines of Shin-kabu-Yoyaku-Ken are as follows:

#### <The Outlines of Shin-Kabu-Yoyaku-Ken>

- 1) Name of Shin-Kabu-Yoyaku-Ken:  
Nissan Motor Co., Ltd. 1st Shin-Kabu-Yoyaku-Ken
- 2) Kind and number of shares to be issued upon exercise of Shin-Kabu-Yoyaku-Ken:  
12,430,000 common shares of the Company
- 3) Aggregate number of units of Shin-Kabu-Yoyaku-Ken to be issued:  
124,300 units
- 4) Issue price of each Shin-Kabu-Yoyaku-Ken and Issue Date:  
Each Shin-Kabu-Yoyaku-Ken is to be issued for no value. The date of issuance of Shin-kabu-Yoyaku-Ken shall be May 7th, 2003.
- 5) Amount to be paid upon exercise of each Shin-Kabu-Yoyaku-Ken:  
93,200 Yen per Shin-Kabu-Yoyaku-Ken  
932 Yen per share
- 6) The number of persons and allotted number of Shin-Kabu-Yoyaku-Ken subject to this placement shall be as follows:

Targeted person classification	Number of persons	Number of allotted Shin-Kabu-Yoyaku-Ken
Employees of the Company	548	104,100
Directors of subsidiaries of the Company	101	19,400
Employees of subsidiaries of the Company	5	800
Total	654	124,300

## 2. Non-consolidated Balance Sheets

(As of March 31, 2003)

[in millions of Yen, ( ) indicates loss or minus]

	Amount
<b>ASSETS</b>	
<b>Current assets</b>	<b>1,850,622</b>
Cash on hand and in banks	155,950
Notes receivable	42
Accounts receivable	277,415
Finished products	50,100
Work in process	22,882
Raw materials & supplies	26,444
Deferred tax asset	21,708
Short-term loans receivable	1,238,223
Other accounts receivable	78,841
Other current assets	19,110
Allowance for doubtful accounts	(40,098)
<b>Fixed assets</b>	<b>2,078,727</b>
<b>Property, plant &amp; equipment</b>	<b>561,479</b>
Buildings	135,577
Structures	30,320
Machinery & equipment	169,420
Vehicles	8,723
Tools, furniture and fixtures	42,999
Land	147,701
Construction in progress	26,736
<b>Intangible assets</b>	<b>26,441</b>
Utility rights	146
Software	25,499
Other intangible assets	796
<b>Investments &amp; other assets</b>	<b>1,490,806</b>
Investments in securities	78,080
Investments in subsidiaries	1,234,547
Long-term loans receivable	21,117
Long-term prepaid expenses	18,478
Deferred tax asset	149,895
Other investments	11,324
Allowance for doubtful accounts	(22,637)
<b>Deferred assets</b>	<b>4,643</b>
Bond issue discount and expenses	4,643
<b>Total assets</b>	<b>3,933,993</b>

	Amount
<b>LIABILITIES</b>	
<b>Current liabilities</b>	<b>917,909</b>
Notes payable	1,100
Accounts payable	365,481
Current maturities of long-term borrowings	75,445
Commercial paper	132,000
Current maturities of bonds	80,000
Other accounts payable	30,089
Accrued expenses	159,688
Deposits received	3,709
Employees' savings deposits	60,530
Other current liabilities	9,864
<b>Long-term liabilities</b>	<b>1,217,367</b>
Bonds	812,400
Long-term borrowings	89,718
Long-term deposits received	1,914
Accrued warranty costs	63,124
Accrued retirement benefits	250,210
<b>Total liabilities</b>	<b>2,135,276</b>
<b>SHAREHOLDERS' EQUITY</b>	
<b>Common stock</b>	<b>605,813</b>
<b>Capital surplus</b>	<b>804,470</b>
Capital reserve	804,470
<b>Retained earnings</b>	<b>436,854</b>
Legal reserve	53,838
General reserve	63,383
Reserve for reduction of replacement cost of specified properties	56,955
Reserve for losses on overseas investments	5,593
Reserve for special depreciation	834
Unappropriated retained earnings	319,631
<Net income>	<72,869>
<b>Unrealized holding gains on securities</b>	<b>1,533</b>
<b>Treasury stock</b>	<b>(49,955)</b>
<b>Total shareholders' equity</b>	<b>1,798,716</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>3,933,993</b>

### 3. Non-consolidated Statements of Income

(FY2002)

[in millions of Yen, ( ) indicates loss or minus]

	Amount
ORDINARY INCOME/LOSS	
<b>Operating revenue/expenses</b>	
<b>Operating revenue</b>	<b>3,419,068</b>
Net sales	3,419,068
<b>Operating expenses</b>	<b>3,103,009</b>
Cost of sales	2,683,120
Selling, general and administrative expenses	419,888
<b>Operating income</b>	<b>316,059</b>
<b>Non-operating income/expenses</b>	
<b>Non-operating income</b>	<b>25,938</b>
Interest and dividend income	10,888
Other non-operating income	15,049
<b>Non-operating expenses</b>	<b>48,923</b>
Interest expense	15,428
Amortization of retirement benefit obligations at transition	18,218
Other non-operating expenses	15,276
<b>Ordinary income</b>	<b>293,073</b>
EXTRAORDINARY GAINS/LOSSES	
<b>Extraordinary gains</b>	<b>73,030</b>
Gains on sales of property, plant and equipment	58,216
Other extraordinary gains	14,814
<b>Extraordinary losses</b>	<b>236,690</b>
Devaluation loss on investments and receivables	183,183
Loss from returning the substitutional portion of Welfare Pension Fund plan	30,945
Other extraordinary losses	22,562
<b>Income before income taxes</b>	<b>129,413</b>
Income taxes	11,707
Income taxes deferred	44,837
<b>Net income</b>	<b>72,869</b>
Retained earnings brought forward	267,452
Losses on disposal of treasury stock	2,664
Interim cash dividend	18,026
<b>Unappropriated gain</b>	<b>319,631</b>



## Notes to non-consolidated financial statements

1. As for the amount, less than 1,000,000Yen is rounded down.
2. Monetary receivables from and payables to subsidiaries:
 

Short-term monetary receivables:	Yen	1,440,295 million
Long-term monetary receivables:	Yen	18,010 million
Short-term monetary payables:	Yen	59,487 million
Long-term monetary payables:	Yen	15 million
3. Accumulated depreciation of property, plant and equipment amounted to Yen 1,263,599 million.
4. In addition to the fixed assets recorded in the balance sheet, there are principal fixed assets held under lease contracts including computers, certain dies ,equipment used in automobile production and welfare facilities.
5. Principal assets denominated in foreign currencies:
 

Investments in subsidiaries: Yen 988,698 million		
Major foreign currency investments:		
	M.Pesos	17,056,379 thousand
	US\$	1,847,126 thousand
	EUR	1,693,809 thousand
Investments in securities: Yen 34,077 million		
Major foreign currency investments:		
	NT\$	3,949,282 thousand
	BAHT	2,318,027 thousand
6. Assets pledged as collateral:
 

Investments in securities:	Yen 10,968 million
----------------------------	--------------------
7. As endorser of documentary export bills discounted with banks: Yen 1,365 million
8. Guarantees and other items: ( ) refers to those relating to subsidiaries
  - Guarantees total yen 455,955 million ( yen 254,657 million), including yen 175,625 million in employee's residence mortgages which are insured in full and yen 25,500 million mortgages with pledge.
  - Commitment to provide guarantees total yen 1,539 million
  - Letter of awareness and others total yen 26,710 million ( yen 26,635 million)
  - Letter of awareness concerning ABS total yen 366,755 million ( yen 242,675 million)

The Company entered into Keepwell Agreements with certain overseas finance subsidiaries to support their credibility.  
Liabilities of such subsidiaries totaled yen 1,554,878 million
9. Balance and exercise price of warrant in accordance with bond with warrant attached (as of balance sheet date)
 

	Balance of warrant	Exercise price
Unsecured First bond with warrant attached		
Yen 130 million		554 yen
Euro Yen due 2006 bond with warrant attached		
Yen 15,000 million		429 yen
Euro Yen due 2007 bond with warrant attached		
Yen 45,000 million		764 yen
Euro Yen due 2008 bond with warrant attached		
Yen 52,800 million		880 yen
10. Certain investments in securities and derivative financial instruments are revalued and carried at fair value in the accompanying balance sheet. The increase in net assets resulting from such revaluation to be disclosed in accordance with Article 290-1(6) amounted to Yen 4,953 million as of March 31, 2003.
11. Net income per share: Yen 16.09  
(Net income per share has been calculated based on the net income shown in the statement of income reduced by bonuses to directors and corporate auditors to be paid as appropriations of retained earnings.)
12. Sales to subsidiaries: Yen 2,633,716 million  
Purchases from subsidiaries: Yen 668,588 million  
Transactions with subsidiaries other than operating transactions:  
Yen 6,406 million

## Significant Accounting Policies

1. Valuation of marketable securities

Marketable securities are valued by fair value method based on the market price at the balance sheet date.

Valuation differences are directly charged in shareholders' equity and cost of sold securities is determined by the moving average method.
2. Valuation of inventories

Finished products, work in process and purchased parts included in raw materials & supplies are stated at the lower of cost or market. The cost is determined by the average method.

Raw materials & supplies except purchased parts are stated at the lower of cost or market.

The cost is determined by the last-in, first-out method.
3. Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated by straight-line method based on the estimated useful lives and economic residual value determined by the Company.
4. Accounting for Reserves and Allowances
  - (1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on the past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibility of individual accounts for doubtful receivables.
  - (2) Accrued warranty costs

Accrued warranty costs is provided to cover all service costs expected to be incurred during the entire warranty period under provisions of warranty contracts at the amount calculated with reference to past experience.
  - (3) Accrued for losses on business restructuring

Accrual for losses on business restructuring is provided for costs expected to be incurred as a result of the business reform under the Nissan Revival Plan at the amount estimated to be reasonable.

This accrual is provided under Article 287-2 of the Commercial Law.
  - (4) Accrued retirement benefits

Accrued retirement benefits are provided for payment of employee's post retirement benefits at the amount to be accrued at the end of this fiscal year which are calculated based on projected retirement benefit obligation and the fair value of pension plan assets at the end of this fiscal year.

Net post retirement benefit obligation at transition is amortized over a period of 15 years on a straight-line method.

Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.
5. Consumption Tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.
6. Accounting Standard for Treasury Stock and Reduction of Legal Reserves

Effective April 1, 2002, the Company adopted "Accounting Standard for Treasury Stock and Reduction of Legal Reserves" (Accounting Standard No.1). The effect of the adoption of the new standard on operating results was immaterial for the current fiscal year. "Enforcement Regulations on Commercial Code" (Ministry of Justice Ordinance No. 22, March 29, 2002) became into effect and the Company changed the presentation of the shareholders' equity in the balance sheet in accordance with the new regulations.
7. Per Share Data

Effective April 1, 2002, the Company adopted "Accounting Standard for Earnings per Share" (Accounting Standard No.2) and "Implementation Guidance on Accounting Standards for Earnings per Share" (Accounting Implementation Guidance No.4). The effect of the adoption of these accounting standard and implementation guidance on operating results was immaterial for the current fiscal year.

#### 4. Proposal for Appropriation statement of Retained earnings

	Yen
Unappropriated retained earnings	319,631,791,256
Reversal of reserve for reduction of replacement cost of specified properties	3,260,439,228
Reversal of reserve for losses on overseas investments	1,115,634,124
Reversal of reserve for special depreciation	307,387,051
<b>Total</b>	<b>324,315,251,659</b>

The proposed appropriations are as follows:

Cash dividend < 10 yen per share >	44,662,022,360
Director's Bonus	390,000,000
Provision for reserve for reduction of replacement cost of specified properties	30,332,199,143
Provision for reserve for losses on overseas investments	131,057,368
Provision for reserve for special depreciation	29,759,857
<b>Retained earnings carried forward to next year</b>	<b>248,770,212,931</b>

Note: 1. We paid 18,026,167,940 yen (4yen per share) for Interim dividends on Dec.10, 2002.

2. The provisions for and reversals of the reserves for reduction of replacement cost of specified properties, losses on overseas investments, and special depreciation are made in accordance with the Special Taxation Measures Law.

## 5. Copy of Independent Auditors' Report

May 14, 2003

Nissan Motor Co., Ltd.  
The Board of Directors

*Shin Nihon & Co.*  
Representative Partner Kazuo Suzuki  
Representative Partner Kenji Ota  
Partner Yoji Murohashi

Pursuant to Article 2 of "The Law for Special Exceptions to the Commercial Code Concerning Audits, etc. of Joint Stock Corporations," we have examined the balance sheet, the income statement, the accounting matters to be stated in the business report, the proposal for appropriation of retained earnings and the accounting matters to be stated in the supporting schedules of Nissan Motor Co., Ltd. for the 104th fiscal term from April 1, 2002 to March 31, 2003. The accounting matters which we have examined in the business report and the supporting schedules are those derived from the accounting books and records of the Company. These financial statements and the supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the supporting schedules based on our audits.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements and the supporting schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the supporting schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and supporting schedule presentation. We believe that our audit provides a reasonable basis for our opinion. Our audit, in addition, includes necessary procedures on the Company's subsidiaries.

As a result of our examination, it is our opinion that:

- a) the balance sheet and the income statement present properly the Company's financial position and the results of its operations in accordance with the related regulations and the Articles of Incorporation.
- b) the accounting matters stated in the business report present properly the Company's affairs in accordance with the related regulations and the Articles of Incorporation.
- c) the proposal for appropriation of retained earnings is presented in accordance with the related regulations and the Articles of Incorporation.
- d) there is nothing to point out as to the accounting matters stated in the supporting schedules in accordance with the provisions of the Commercial Code.

The subsequent event described in the business report is of nature to have a significant impact on the Company's financial position and results of the coming years.

We have no interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Law.

—That's all.—

## 6. Statutory Auditors' Report

The Statutory Audit Committee, having received from each Statutory Auditor his report on the results of, and methods used in, the audit of the duties executed by the directors of the company in the course of the 104th fiscal year from April 1, 2002 through to March 31, 2003, after due consideration and deliberation, hereby submits its report as follows.

### 1. Outline of the auditing procedures

Members of the committee attended every meeting of the Board of Directors, as well as other important meetings, from time to time received reports from the directors and others concerning the business operations of the company, and reviewed important business documents. Furthermore, independent investigations of the Head Office and main business and branch office activities were conducted and subsidiaries of the company were required to submit reports on their business operations whenever necessary. Finally, the committee received from certified public accountants reports on their examinations, audits and inspections and scrutinized the relevant accounting documents.

In addition to the regular internal auditing procedures, the committee received reports from the directors and others as it deemed necessary relating to dealings and transactions effected between the company and its directors and subsidiaries that could have involved conflicts of interest, directors trading in competition with the Company, undue remuneration from the Company, trading in treasury stock or any other trading between the Company and its subsidiaries and directors outside the normal course of business. These reports too were scrutinized in great detail.

### 2. Results of the audit

- (1) The committee finds the auditing methods used in the examination of the financial statements of the company and the results arrived at by Shin Nihon & Co. to be fair and reasonable.
- (2) The committee acknowledges that the contents of the business report comply with the applicable laws and regulations and the provisions of the Articles of Incorporation of the company, and do fairly represent the company's position.
- (3) The committee finds nothing in the proposal for appropriation statement of retained earnings that does not fairly represent the status of the company's financial position.
- (4) The supporting schedules constitute a full and fair account of the financial position of the company.
- (5) As to the execution of duties by the directors, including their duties concerning the subsidiaries of the Company the committee has discovered no illegal acts, irregular dealings or transactions or suchlike, nor has it found any material facts to be in violation of the applicable laws and regulations or the Articles of Incorporation of the company. Moreover the committee has not found no breach of duties by directors with regard to any activities involving conflicts of interest, directors trading in competition with the Company, undue remuneration from the Company, trading in treasury stock or any other trading between the Company and its subsidiaries and directors outside the normal course of business.

May 19, 2003

Nissan Motor Co., Ltd.	Statutory Audit Committee
Statutory Auditor (full time)	Hiroshi Moriyama
Statutory Auditor (full time)	Haruhiko Takenaka
Statutory Auditor (full time)	Keishi Imamura
Statutory Auditor	Hideo Nakamura

Note: Haruhiko Takenaka, Keishi Imamura and Hideo Nakamura are special external company auditors, as laid down by the Commercial Code of Japan, Section 18, Article 1.

## Shareholder Memo

<b>Fiscal Year-End</b>	March 31
<b>Record Date</b>	March 31 (for interim dividends: September 30)
<b>General Shareholders' Meeting</b>	June
<b>Proxy Record Date</b>	March 31
<b>Transfer Agent and Register</b>	The Chuo Mitsui Trust & Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku Tokyo 105-8574 Japan
<b>Business Office of Transfer Agent</b>	The Chuo Mitsui Trust & Banking Co., Ltd. Stock Transfer Agency Department 8-4, Izumi 2-chome, Suginami-ku Tokyo 168-0063 Japan Tel: (03)3323-7111
<b>Other Offices of Transfer Agent</b>	<ul style="list-style-type: none"><li>▪ Any domestic branch of The Chuo Mitsui Trst &amp; Banking Co., Ltd.</li><li>▪ The head office and branches of Japan Securities Agent Co., Ltd.</li></ul>
<b>Stock Transaction Commissions</b>	There is no charge for the transfer of shares.  There is a ¥210 per-certificate charge (include consumption tax) for the issue of new shares.
<b>Public Notices</b>	The <i>Nihon Keizai Shimbun</i> , published in Tokyo

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**Company Name:** NISSAN MOTOR CO., LTD.

**Registered Head Office:** 2 Takara-cho, Kanagawa-ku,  
Yokohama-shi, Kanagawa  
220-8623 Japan

**Corporate Headquarters:** 17-1, Ginza 6-chome, Chuo-ku,  
Tokyo 104-8023 Japan  
Tel: (03)3543-5523

**Corporate Information Website**

<http://www.nissan-global.com/>

Investor Relations

**<http://ir.nissan-global.com/>**

**NISSAN**  
MOTOR COMPANY