Financial Information as of September 30, 2006

(The English translation of the “Hanki-Houkokusho”
for the six months ended September 30, 2006)

Table of Contents

【Cover】

【Document Submitted】	Half-year Report (“*Hanki-Houkokusho*”)
【Filed to】	Director, Kanto Local Finance Bureau
【Filing Date】	November 30, 2006
【Accounting Period】	First Half of 108th Fiscal Term (from April 1, 2006 to September 30, 2006)
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
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Part I Information on the Company

I. Overview of the Company

1. Trends in Key Financial Data

(1) Consolidated Financial Data

Fiscal year		First half 106th	First half 107th	First half 108th	Full year 106th	Full year 107th
Period		From Apr. 1, 2004 to Sept. 30, 2004	From Apr. 1, 2005 to Sept. 30, 2005	From Apr. 1, 2006 to Sept. 30, 2006	From Apr. 1, 2004 to Mar. 31, 2005	From Apr. 1, 2005 to Mar. 31, 2006
Net sales	(Millions of yen)	4,007,942	4,490,975	4,534,400	8,576,277	9,428,292
Ordinary income	(Millions of yen)	401,357	395,639	360,863	855,700	845,872
Net income	(Millions of yen)	238,808	230,702	274,177	512,281	518,050
Net assets	(Millions of yen)	2,256,742	2,712,887	3,621,969	2,465,750	3,087,983
Total assets	(Millions of yen)	9,115,540	10,600,075	11,729,935	9,848,523	11,481,426
Net assets per share	(Yen)	550.94	666.51	807.02	604.49	753.40
Basic net income per share	(Yen)	58.30	56.69	66.81	125.16	126.94
Diluted net income per share	(Yen)	57.73	56.25	66.41	124.01	125.96
Net assets excluding stock subscription rights and minority interests as a percentage of total assets	(%)	24.8	25.6	28.3	25.0	26.9
Cash flows from operating activities	(Millions of yen)	124,247	177,270	482,078	369,415	757,869
Cash flows from investing activities	(Millions of yen)	(428,297)	(591,217)	(563,972)	(865,035)	(1,112,755)
Cash flows from financing activities	(Millions of yen)	398,842	379,777	105,195	521,046	457,919
Cash and cash equivalents at end of the period	(Millions of yen)	350,294	255,151	443,120	289,784	404,212
Employees [ ] represents the number of part-time employees at the end of the period not included in the above number	(Number)	159,771 [13,129] 163,241 [13,645]	163,686 [21,173] 166,981 [21,620]	165,493 [19,624] 168,993 [20,157]	169,644 [13,963] 174,647 [14,802]	162,099 [21,257] 165,397 [21,564]

Notes: 1. Net sales are presented exclusive of consumption tax.

2. The numbers in the second row of the “Employees” line include the employees of unconsolidated subsidiaries accounted for by the equity method and are presented solely for information purposes.

3. Effective first half 108th fiscal term, the amount of net assets is calculated in accordance with the ASBJ Statement No. 5 “*Accounting Standard for Presentation of Net Assets in the Balance Sheet”* and its ASBJ Implementation Guidance No. 8 *“Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet*.”

(2) Non-Consolidated Financial Data

Fiscal year		First half 106th	First half 107th	First half 108th	Full year 106th	Full year 107th
Period		From Apr. 1, 2004 to Sept. 30, 2004	From Apr. 1, 2005 to Sept. 30, 2005	From Apr. 1, 2006 to Sept. 30, 2006	From Apr. 1, 2004 to Mar. 31, 2005	From Apr. 1, 2005 to Mar. 31, 2006
Net sales	(Millions of yen)	1,731,397	1,903,358	1,696,986	3,718,720	3,895,553
Ordinary income	(Millions of yen)	109,240	117,461	98,670	203,711	337,156
Net income	(Millions of yen)	73,964	64,705	62,182	102,415	240,593
Common stock	(Millions of yen)	605,813	605,813	605,813	605,813	605,813
Number of shares issued	(Thousands)	4,520,715	4,520,715	4,520,715	4,520,715	4,520,715
Net assets	(Millions of yen)	1,730,943	1,685,563	1,829,356	1,685,893	1,827,030
Total assets	(Millions of yen)	3,961,075	3,952,166	3,970,612	3,981,914	3,845,041
Net assets per share	(Yen)	393.66	385.63	413.92	384.86	415.28
Basic net income per share	(Yen)	16.82	14.81	14.12	23.24	54.88
Diluted net income per share	(Yen)	16.67	14.70	14.04	23.04	54.48
Cash dividend per share	(Yen)	12	14	17	24	29
Net assets excluding stock subscription rights as a percentage of total assets	(%)	43.7	42.6	46.0	42.3	47.5
Employees ( ) represents the number of part-time employees at the end of the period not included in the above number	(Number)	32,174 (520)	32,573 (1,028)	32,800 (291)	32,177 (578)	32,180 (845)

Notes: 1. Net sales are presented exclusive of consumption tax.

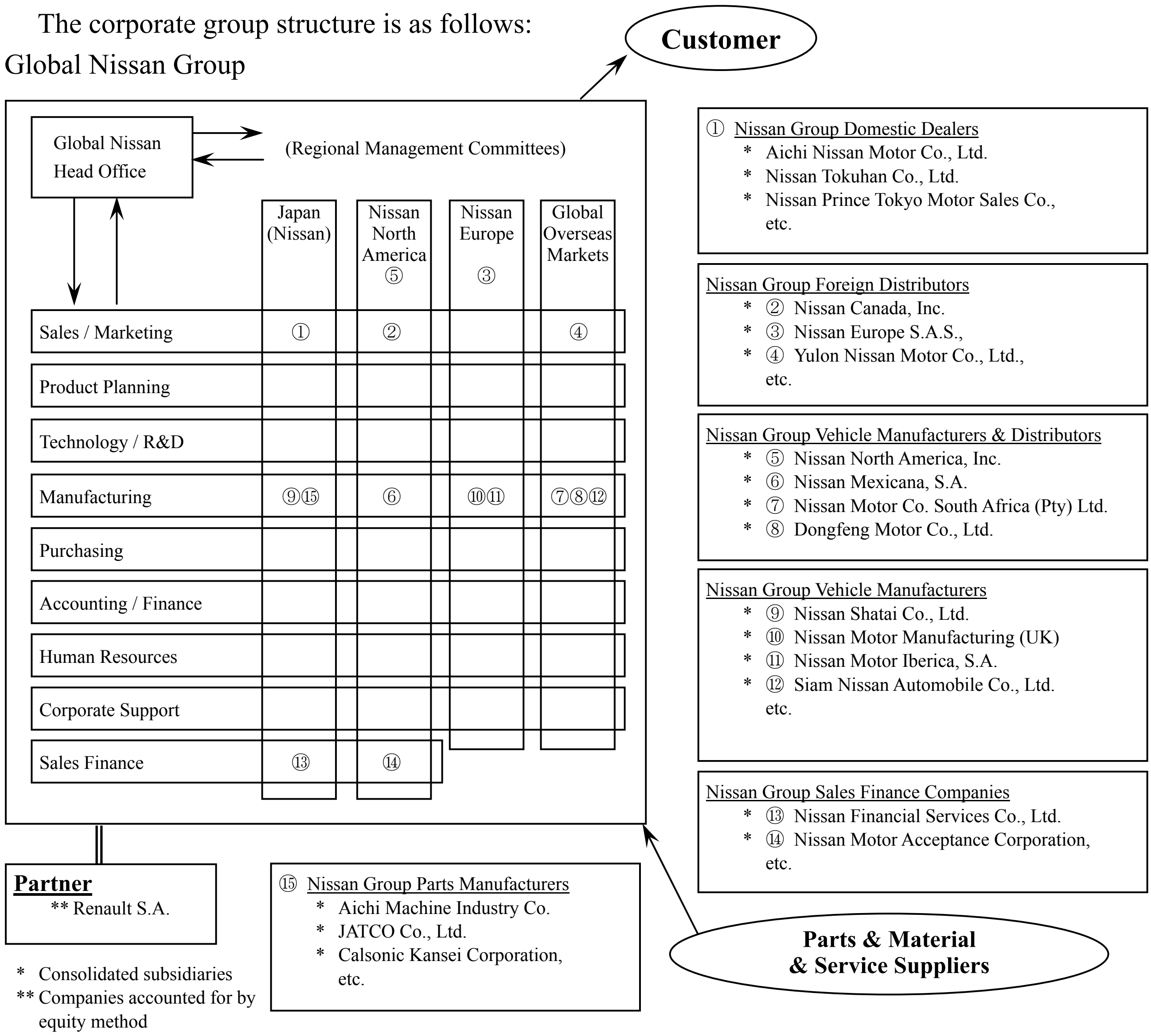
2. Effective the first half 108th fiscal term, the amount of net assets is calculated in accordance with the ASBJ Statement No. 5 "*Accounting Standard for Presentation of Net Assets in the Balance Sheet*" and its ASBJ Implementation Guidance No. 8 *"Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet*."

2. Description of Business

The Nissan Group (the “Group”) consists of Nissan Motor Co., Ltd. (the “Company”), subsidiaries, affiliates, and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine products and related parts. Also, the Nissan Group provides various services accompanying its main business, such as logistics and sales financing.

The Group established Global Nissan (GNX) as a global headquarters function which is to focus on utilizing regional activities by 4 Regional Management Committees and cross regional functions such as R&D, Purchasing, Manufacturing, etc. and Global Nissan Group is composed of this matrix.

The corporate group structure is as follows:



- There are other associated companies:
  *Nissan Trading Co., Ltd., *Nissan Network Holdings Co., Ltd.
- Subsidiaries listed on domestic stock exchanges are as follows:
  Nissan Shatai Co., Ltd. -- Tokyo;
  Aichi Machine Industry Co., Ltd. -- Tokyo, Nagoya;
  Calsonic Kansei Corporation -- Tokyo

3. Information on Subsidiaries and Affiliates

(1) Effective April 1, 2006, 52 consolidated sales subsidiaries were split into companies each for sales business and for asset management. Then, the 52 asset management companies were merged into Nissan Real Estate Development Co., Ltd. and liquidated effective July 1, 2006. In addition, Nissan Real Estate Development Co., Ltd. Changed its name to Nissan Network Holdings Co., Ltd.

(2) Kantus Corporation, which was mainly engaged in sales of automobile parts, was merged with Calsonic North America, Inc. effective April 1, 2006, and was dissolved.

4. Employees

(1) Consolidated Companies

(At September 30, 2006)

Geographical segment	Number of employees
Japan	87,054 (7,344)
North America	18,498 (109)
Mexico	10,611 (24)
Europe	12,214 (1,393)
Other foreign countries	37,116 (10,754)
Total	165,493 (19,624)

Notes: 1. The above figures represent full-time employees. The figures in parentheses represent part-time employees at September 30, 2006, not included in the number of full-time employees.

2. Of the above figures, 2,063 (1,543) personnel are employed by the sales financing segment.

(2) The Company

(At September 30, 2006)

Number of employees	32,800 (291)

Note: The above figure represents full-time employees. The figure in parentheses represents part-time employees at September 30, 2006, not included in the number of full-time employees.

(3) Labor Unions

There are no issues to be mentioned concerning the relationship between the Group and its labor unions.

II. Business Overview

1. Overview of Business Results

(1) Operating Results

Net sales for the six months ended September 30, 2006 increased by ¥43.4 billion, or 1.0%, to ¥4,534.4 billion over those of the same period of the prior year. Operating income for the six months ended September 30, 2006 amounted to ¥348.6 billion, a decrease of ¥62.9 billion, or 15.3%, from the corresponding amount for the same period of the prior year. Operating income as a percentage of net sales for the six months ended September 30, 2006 was 7.7%.

Net non-operating income for the six months ended September 30, 2006 amounted to ¥12.3 billion, an improvement of ¥28.1 billion over that recorded in the same period of the prior year. This is attributable primarily to the favorable effects of exchange gains. Nevertheless, ordinary income for the six months ended September 30, 2006 decreased by ¥34.8 billion, or 8.8%, to ¥360.9 billion over the corresponding amount for the same period of the prior year.

Net special loss for the six months ended September 30, 2006 amounted to ¥5.2 billion, an improvement of ¥23.0 billion from that of the prior year. This improvement reflects a reduction of impairment losses and a gain on implementation of defined contribution pension plans in association with the Chinese business.

Income before income taxes and minority interests for the six months ended September 30, 2006 decreased by ¥11.7 billion, or 3.2%, to ¥355.7 billion over the corresponding amount recorded for the same period of the prior year. Net income for the six months ended September 30, 2006 increased by ¥43.5 billion, or 18.8%, to ¥274.2 billion from the corresponding amount recorded for the same period of the prior year.

The operating results by business segment are summarized as follows:

a. Automobile

The number of vehicles sold (retail) globally by the Nissan Group for the six months ended September 30, 2006 decreased by 125 thousand units, or 6.9%, from the same period of the prior year, to 1,709 thousand units. The number of vehicles sold in Japan decreased by 16.9% to 350 thousand units, that in the United States decreased by 10.2% to 513 thousand units, that in Europe decreased by 4.4% to 275 thousand units, whereas, that in other foreign countries increased by 2.9% to 571 thousand units.

Net sales in the automobile segment (including intersegment sales) for the six months ended September 30, 2006 fell by ¥33.1 billion, or 0.8%, to ¥4,227.0 billion from those of the same period of the prior year. This decline is primarily attributable to sales-decreasing factors such as the decrease in the number of vehicles sold and the change in the vehicle model portfolio, despite sales-increasing factors such as the favorable effect of foreign exchange rates.

Operating income for the six months ended September 30, 2006 was ¥286.2 billion, a decrease of ¥78.6 billion, or 21.5%, compared to that of the same period of the prior year. This is primarily attributable to the income-decreasing factors such as the decrease in the number of vehicles sold, change in vehicle model portfolio, sharp rises of raw material prices, costs for improving merchantability and measures for complying with various regulations, despite income-decreasing factors such as the favorable effect of foreign exchange rates and a reduction in purchasing costs.

b. Sales Financing

Net sales in the sales financing segment (including intersegment sales) for the six months ended September 30, 2006 increased by ¥75.4 billion, or 29.9%, to ¥327.8 billion from the corresponding amount for the same period of the prior year. Operating income increased by ¥3.0 billion, or 8.7%, to ¥37.4 billion over the corresponding amount for the same period of the prior year.

Operating results by geographic segment are summarized as follows:

a) Japan

- Net sales (including intersegment sales) for the six months ended September 30, 2006 decreased by ¥178.6 billion, or 7.5%, to ¥2,193.8 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2006 decreased by ¥65.7 billion, or 33.0%, to ¥133.7 billion comparing to that of the same period of the prior year primarily due to the decrease in the number of vehicles sold and the change in the vehicle model portfolio.

b) North America

- Net sales (including intersegment sales) for the six months ended September 30, 2006 increased by ¥119.5 billion, or 6.3%, to ¥2,029.5 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2006 decreased by ¥17.8 billion, or 10.8%, to ¥147.6 billion over that of the same period of the prior year primarily due to the decrease in number of vehicles sold and the increase in selling, general and administrative expenses.

c) Europe

- Net sales (including intersegment sales) for the six months ended September 30, 2006 increased by ¥72.4 billion, or 10.0%, to ¥798.1 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2006 amounted to ¥26.8 billion, an increase of ¥8.7 billion, or 47.6%, over that for the same period of the prior year. This is attributable mainly to the favorable effect of foreign exchange rates and the changes in the scope of consolidation.

d) Other foreign countries

- Net sales (including intersegment sales) for the six months ended September 30, 2006 increased by ¥31.9 billion, or 5.1%, to ¥653.5 billion from those of the same period of the prior year.
- Operating income for the six months ended September 30, 2006 decreased by ¥1.3 billion, or 3.9%, to ¥32.0 billion from that for the same period of the prior year primarily due to an increase in selling expense.

(2) Cash Flows

Cash and cash equivalents at September 30, 2006 increased by ¥188.0 billion, or 73.7%, to ¥443.1 billion from the corresponding balance at September 30, 2005. This rise reflects an increase in cash flows provided by operating activities, which resulted mainly from a reduction of sales finance receivables and a decrease in cash flows used in investing activities, despite a decrease in cash flows provided by financing activities.

Cash Flows from Operating Activities

Cash flows provided by operating activities for the six months ended September 30, 2006 leaped by ¥304.8 billion, or 171.9%, to ¥482.1 billion compared with ¥177.3 billion for the same period of the prior year. This principally reflects the decrease in sales finance receivables of our sales finance subsidiaries.

Cash Flows from Investing Activities

Cash flows used in investing activities for the six months ended September 30, 2006 decreased by ¥27.2 billion, or 4.6%, to ¥564.0 billion compared with ¥591.2 billion for the same period of the prior year. This is primarily attributable to an increase in proceeds from sales of leased vehicles.

Cash Flows from Financing Activities

Cash flows provided by financing activities for the six months ended September 30, 2006 decreased considerably by ¥274.6 billion, or 72.3%, to ¥105.2 billion compared to ¥379.8 billion for the same period of the prior year. This resulted mainly from a decrease in long-term borrowings.

2. Production, Orders Received and Sales

(1) Actual Production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior first half year	Current first half year		
Japan	692,971	575,625	(117,346)	(16.9)
The United States	400,165	341,804	(58,361)	(14.6)
Mexico	177,081	198,310	21,229	12.0
The United Kingdom	165,928	159,759	(6,169)	(3.7)
Spain	97,380	106,185	8,805	9.0
South Africa	22,722	20,445	(2,277)	(10.0)
Indonesia	7,223	1,858	(5,365)	(74.3)
Thailand	21,189	18,624	(2,565)	(12.1)
China	102,694	116,141	13,447	13.1
Total vehicles	1,687,353	1,538,751	(148,602)	(8.8)

Notes: 1. The figures for the first half of the current year represent vehicles produced during the six months ended September 30, 2006 with respect to Japan and the United States. Those produced in the other seven countries represent production figures for the six months ended June 30, 2006.

2. The above numbers do not include forklift production data.

(2) Orders Received

Information on orders received has been omitted as the products which are manufactured after the related orders are received are immaterial to the Group.

(3) Actual Sales

Sales to	Number of vehicles sold on a consolidated basis (units)		Change (units)	Change (%)
	Prior first half year	Current first half year		
Japan	406,209	339,088	(67,121)	(16.5)
North America	645,920	612,933	(32,987)	(5.1)
Europe	302,997	295,514	(7,483)	(2.5)
Other overseas countries	383,982	357,536	(26,446)	(6.9)
Total	1,739,108	1,605,071	(134,037)	(7.7)

Notes: 1. The figures for the first half of the current year represent vehicles sold during the six months ended September 30, 2006 in Japan and North America (excluding Mexico). Those sold in Mexico, Europe and in the other overseas countries represent sales figures for the six months ended June 30, 2006.

2. The above numbers do not include forklift sales data.

3. Issues and Outlook for the Fiscal Year Ahead

There have been no significant changes in issues or in our outlook during the six months ended September 30, 2006.

4. Important Business Contracts

No important new business contracts were entered into during the six months ended September 30, 2006.

5. Research and Development Activities

The Nissan Group has been conducting research and development activities to provide vehicles which meet the expectation of our customers and to create leading technologies to protect the global environment and to improve the safety.

Research and development costs incurred by the Nissan Group amounted to ¥213.0 billion for the six months ended September 30, 2006.

The Nissan Group's research and development organization and the results of our activities are summarized as follows:

The Group's domestic research and development organization includes the Nissan Technical Center (Atsugi-shi, Kanagawa) which takes a leading role in planning, designing and developing new products, the Nissan Research Center (Yokosuka-shi, Kanagawa) which conducts fundamental and application research activities, and several proving grounds in Rikubetsu in Hokkaido, Tochigi and Oppama. At the proving ground at Rikubetsu in Hokkaido, the construction of a high-speed circuit for testing performance under various road surface conditions at high speed and super-speed and for researching driver's behavior when using the ITS and operational support systems was completed in September 2006. The Group has the state-of-the-art experimental facility Nissan Advanced Crash Laboratory (NACL) in Oppama area for the purpose of improving safety performance in vehicle-to-vehicle crashes and occupant protection performance in rollover accidents.

Additionally, the Group opened the Nissan Advanced Technology Center (NATC), which is expected to be a key base for the development of future products, at a vacant lot on Aoyama Gakuin University's Atsugi Campus, which the Company purchased in March 2003. The operations in the facility began partly in January 2004. The facility will start full-fledged operation in the spring of 2007 when the first-stage construction of the new building is scheduled to be completed.

Major domestic subsidiaries and affiliates also conduct research and development activities: Nissan Shatai Co., Ltd. and Nissan Light Truck Co., Ltd. are in charge of the development of certain models of passenger cars and commercial vehicles, and Aichi Machine Industry Co., Ltd., JATCO Co., Ltd. and NISSAN TECHNO CO., LTD. are in charge of the development of certain engines and transmission trains.

The Group companies have attempted to share parts and to decrease the number of parts used in order to reduce manufacturing costs. In addition, they have developed many new products and systems.

Overseas, the Nissan Group operates Nissan Technical Center North America, Inc., Nissan Design America, Inc., Nissan Technical Center Europe Ltd., which has its operations in the United Kingdom and Belgium, and Nissan Motor Iberica, S.A. in Spain, all of which plan and design certain models of vehicles. In Asia, Dongfeng Motor Co., Ltd., a joint venture in China with Dongfeng Automotive Industry Investment Co., Ltd., and Yulon Nissan Motor Co., Ltd., a joint venture in Taiwan with Yulon Motor Co., Ltd., are developing locally certain models.

During the first half period ended September 30, 2006, the Nissan Group conducted minor changes to the “Presage” in Japan, released the new “Versa Hatchback” in North America and made a full model change of the “Cabstar” in Europe.

In addition, Nissan and Renault, partners in the Business Alliance since 1999, are proceeding jointly to unify their platforms and power trains and to develop advanced technologies and research technologies so that both companies can dramatically improve their research and development potential.

The Nissan Group has continued to make a comprehensive effort to protect the global environment by launching clean-energy vehicles and by developing environmentally-friendly technologies to reduce carbon dioxide via improved fuel consumption, to clean the exhaust fumes emitted by vehicles and to recycle resources.

The Nissan Group has extended the employment of “XTRONIC CVT,” a belt CVT for lower fuel consumption and improved acceleration, and it is now mounted in the “Maxima,” “Versa,” and “Altima” in North America. The Nissan Group has achieved the goal of a “75% reduction from the level of the 2005 exhaust emission standards (SU-LEV)” for 80% of gasoline-powered passenger cars sold in the domestic market in May 2006, in an effort to clean exhaust fumes emitted by vehicles. The Nissan Group released the “Ultima Hybrid,” Nissan’s first mass-production hybrid model in the development of clean-energy vehicles, at the Orange County Auto Show. The “Ultima Hybrid” model has cleared the stringent exhaust gas standards prescribed by the California Air Resources Board (CARB), and is authenticated as an Advanced Technology-Partial Zero Emission Vehicle (AT-PZEV). The Nissan Group also exhibited fuel-cell-driven forklifts at the International Material Handling, Storage and Distribution Exhibition. In addition, the Group has actively held hands-on test run events and other events for the fuel cell vehicle X-TRAIL FCF for the enhanced commercialization of fuel-cell vehicles.

The Nissan Group has been active in manufacturing vehicles that emphasize the fun of driving. The basic concept is to regard vehicles not only as a means of transportation but also to meet diversifying customer expectations such as convenience and comfort. Based on this underlying concept, the Group developed the “3.5L VQ35HR Engine” and the “2.5L VQ25HR Engine,” both next-generation 6-cylinder units that demonstrate dynamic driving characteristics and excellent environmental performance. The VQ engine has been highly acclaimed by consumers as having been selected as one of the Word’s 10 Best Engines for 12 consecutive years in the United States. The Group also developed a new car navigation system, in which basic performance, such as ease-of-viewing, ease-of-use and precision route search functions are improved considerably. Consequently, the Group started a new Internet-based service via “CARWINGS,” Nissan’s car navigation information service.

Regarding safety issues, the Group pursues to produce safe automobiles in order to achieve the goal of reducing the number of death roll and serious injuries to half by 2015 by analyzing on actual accidents occurred in the real world. Starting from fiscal year 2004, with the perspective of reducing the number of traffic accidents, the Group has promoted “Safety Shields” with keywords of “Vehicles protect passengers,” more sophisticated and positive approach for the safety issues. This approach is to prevent to go further stage and continue to support drivers by functioning the most appropriate barriers for risk factors, which are classified in the analysis of the process of an accident from the condition without any risk of accident to the after-impact point.

The Company has started the “SKY PROJECT” in October 2006 with NTT DoCoMo, Inc. Matsushita Electric Industrial Co., Ltd, and Xanavi Informatics Corporation in Kanagawa. The project is designed to reduce encountering accidents at intersections and to alleviate traffic jams through the use of the Intelligent Transport System (ITS).

To reduce the number of pedestrian-related accidents, the Group conducted an experiment in Aoba-ku, Yokohama-shi. In the experiment, a dedicated device mounted in a vehicle issues a warning when a sensor detects schoolchildren carrying an IC tag in a residential area.

As a result of these proactive efforts in technological development, the Company has received the following awards:

56th Automobile Technology Awards for “Research on Higher-Load in the Operational Domain of Gasoline-Compression Self-Ignition Engines,” “Review on Analysis and Evaluation Methods of Inter-Vehicle Interactions for Car-to-Car Compatibility,” and “Effects of the Fuel Composition of HCCI Engines on Fuel;” The Japan Society of Mechanical Engineers Award for ”Factor Analysis on Hydrogen Brittleness Type Early-Stage Flaking;” The Japan Society of Mechanical Engineers Encouragement Award (Technology) for “Development of a Combustion Simulation Technology for Ignition-Type Internal Combustion;” Invention Award by Japan Institute of Invention and Innovation for “Cold HC Compliant Absorption Catalyst Technology;” and, Excellence Award at Net KADEN 2006 sponsored by METI (Ministry of Economy, Trade and Industry) for “CARWINGS.”

The Nissan Group will always be actively involved in research and development activities designed to launch new and highly competitive products on the market and to pioneer advanced technologies for the future.

III. Property, Plant and Equipment

1. Property, Plant and Equipment

   No changes were made to the significant items of property, plant and equipment of the Group during the six months ended September 30, 2006.

2. Plans for New Additions or Disposal

   During the six months ended September 30, 2006, no changes were made to the plans as of March 31, 2006 for new additions or disposal of major property, plant and equipment of the Group.

IV. Corporate Information

1. Information on the Company's Shares

(1) Number of Shares and Other

① Number of Shares

Type of stock	Number of authorized shares
Common stock	6,000,000,000

② Shares Issued

Type of stock	Number of shares issued		Stock exchange on which the Company is listed or other market	Description of shares
	As of September 30, 2006	As of November 30, 2006 (filing date of the securities report)		
Common stock	4,520,715,112	4,520,715,112	First Section of the Tokyo Stock Exchange and NASDAQ (U.S.A.)	–

Note: The number of shares of common stock issued as of the filing date does not include those issued upon the exercise of stock subscription rights (including the exercise of bonds with stock purchase warrants based on the former Commercial Code) for the period from November 1, 2006 through the filing date of this report.

(2) Status of Stock Subscription Rights

The Company has issued bonds with stock purchase warrants based on Article 341-8 of the former Commercial Code of Japan. The details of these stock purchase warrants are as follows:

Euro-Yen Bonds with Stock Purchase Warrants Due 2007 (Issued on March 8, 2001)

	As of the end of the first half (September 30, 2006)	As of the end of the most recent month before the filing of the securities report (October 31, 2006)
Balance of stock purchase warrants (Millions of yen)	4,935	4,748
Exercise price (Yen)	¥ 764	¥ 764
Amount per share to be credited to the common stock account (Yen)	¥ 382	¥ 382

Euro-Yen Bonds with Stock Purchase Warrants Due 2008 (Issued on March 14, 2002)

	As of the end of the first half (September 30, 2006)	As of the end of the most recent month before the filing of the securities report (October 31, 2006)
Balance of stock purchase warrants (Millions of yen)	35,996	35,996
Exercise price (Yen)	¥ 880	¥ 880
Amount per share to be credited to the common stock account (Yen)	¥ 440	¥ 440

In addition to the above stock purchase warrants, the Company has issued stock subscription rights based on Articles 280-20 and 280-21 of the former Commercial Code of Japan.

1st Stock Subscription Rights (Issued at May 7, 2003)

	As of the end of the first half (September 30, 2006)	As of the end of the most recent month before the filing of the securities report (October 31, 2006)
Number of stock subscription rights	81,351 units	81,351 units
Nature of shares	Shares of common stock	Shares of common stock
Number of shares	8,135,100 shares	8,135,100 shares
Exercise price	¥93,200 (¥932 per share)	¥93,200 (¥932 per share)
Exercise period	From May 8, 2005 to May 8, 2010	From May 8, 2005 to May 8, 2010
Issuance price of shares and amount to be credited to common stock account	Issuance price : ¥932 Amount to be credited to common stock account: ¥466	Issuance price : ¥932 Amount to be credited to common stock account: ¥466
Conditions of exercise	*	*
Transfer of stock subscription rights	Approval of the Company's Board of Directors is required.	Approval of the Company's Board of Directors is required.
Share settlement	–	–

* 1. Those to whom stock subscription rights are granted must remain employees or directors of the Company, subsidiaries or affiliates until the beginning of the exercise period.

2. The Company must achieve its targeted results.

3. Each individual must achieve his (or her) targets.

Full details concerning the three conditions above and certain other conditions are more fully defined in the "Stock Subscription Rights Allocation Agreement" concluded between the Company and each individual granted.

2nd Stock Subscription Rights (Issued at April 16, 2004)

	As of the end of the first half (September 30, 2006)	As of the end of the most recent month before the filing of the securities report (October 31, 2006)
Number of stock subscription rights	97,496 units	97,496 units
Nature of shares	Shares of common stock	Shares of common stock
Number of shares	9,749,600 shares	9,749,600 shares
Exercise price	¥120,200 (¥1,202 per share)	¥120,200 (¥1,202 per share)
Excrcise period	From April 17, 2006 to June 19, 2013	From April 17, 2006 to June 19, 2013
Issuance price of shares and amount to be credited to common stock account	Issuance price: ¥1,202 Amount to be credited to common stock account: ¥601	Issuance price: ¥1,202 Amount to be credited to common stock account: ¥601
Conditions of exercise	*	*
Transfer of stock subscription rights	Approval of the Company's Board of Directors is required.	Approval of the Company's Board of Directors is required.
Share settlement	–	–

* 1. Exercise of portion of each stock subscription right is not admitted.

2. Those to whom stock subscription rights are granted must remain employees or directors of the Company, subsidiaries or affiliates until the beginning of the exercise period.

3. The Company must achieve its targeted results.

4. Each individual must achieve his (or her) targets.

Full details concerning conditions 2 through 4 stated above and certain other conditions are more fully defined in the "Stock Subscription Rights Allocation Agreement" concluded between the Company and each individual granted.

3rd Stock Subscription Rights (Issued at April 25, 2005)

	As of the end of the first half (September 30, 2006)	As of the end of the most recent month before the filing of the securities report (October 31, 2006)
Number of stock subscription rights	84,540 units	84,540 units
Nature of shares	Shares of common stock	Shares of common stock
Number of shares	8,454,000 shares	8,454,000 shares
Exercise price	¥111,900 (¥1,119 per share)	¥111,900 (¥1,119 per share)
Exercise period	From April 26, 2007 to June 23, 2014	From April 26, 2007 to June 23, 2014
Issuance price of shares and amount to be credited to common stock account	Issuance price: ¥1,119 Amount to be credited to common stock account: ¥ 560	Issuance price: ¥1,119 Amount to be credited to common stock account: ¥ 560
Conditions of exercise	*	*
Transfer of stock subscription rights	Approval of the Company's Board of Directors is required.	Approval of the Company's Board of Directors is required.
Share settlement	–	–

* 1. Exercise of portion of each stock subscription right is not admitted.

2. Those to whom stock subscription rights are granted must remain employees or directors of the Company, subsidiaries or affiliates until the beginning of the exercise period.

3. The Company must achieve its targeted results.

4. Each individual must achieve his (or her) targets.

Full details concerning conditions 2 through 4 stated above and certain other conditions are more fully defined in the "Stock Subscription Rights Allocation Agreement" concluded between the Company and each individual granted.

4th Stock Subscription Rights (Issued at May 8, 2006)

	As of the end of the first half (September 30, 2006)	As of the end of the most recent month before the filing of the securities report (October 31, 2006)
Number of stock subscription rights	130,300 units	130,300 units
Nature of shares	Shares of common stock	Shares of common stock
Number of shares	13,030,000 shares	13,030,000 shares
Exercise price	¥152,600 (¥1,526 per share)	¥152,600 (¥1,526 per share)
Exercise period	From May 9, 2008 to June 20, 2015	From May 9, 2008 to June 20, 2015
Issuance price of shares and amount to be credited to common stock account	Issuance price: ¥1,526 Amount to be credited to common stock account: ¥ 763	Issuance price: ¥1,526 Amount to be credited to common stock account: ¥ 763
Conditions of exercise	*	*
Transfer of stock subscription rights	Approval of the Company's Board of Directors is required.	Approval of the Company's Board of Directors is required.
Share settlement	–	–

* 1. Exercise of portion of each stock subscription right is not admitted.

2. Those to whom stock subscription rights are granted must remain employees or directors of the Company, subsidiaries or affiliates until the beginning of the exercise period.

3. The Company must achieve its targeted results.

4. Each individual must achieve his (or her) targets.

Full details concerning conditions 2 through 4 stated above and certain other conditions are more fully defined in the "Stock Subscription Rights Allocation Agreement" concluded between the Company and each individual granted.

(3) Changes in Number of Shares Issued and Amount of Additional Paid-in Capital

Periods	Changes in the number of shares issued (Thousands)	Balance of shares issued (Thousands)	Changes in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Changes in additional paid-in capital (Millions of yen)	Balance of additional paid-in capital (Millions of yen)
From April 1, 2006 to September 30, 2006	–	4,520,715	–	¥605,813	–	¥804,470

(4) Principal Shareholders

(As of September 30, 2006)

Name of Shareholders	Addresses	Number of shares held (Thousands)	Number of shares held as a percentage of shares issued (%)
Renault (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	13-15 Quai Le Gorot, 92100 Boulogne Billancourt, Paris, France (2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	2,004,000	44.33
Japan Trustee Services Bank Ltd. (Trust account)	1-8-11 Harumi Chuo-ku, Tokyo	146,985	3.25
The Master Trust Bank of Japan Ltd. (Trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	120,181	2.66
Moxley & Co. (Standing agent: Sumitomo Mitsui Bank)	270 Park Avenue, New York, NY10017-2070 U.S.A. (1-3-2 Marunouchi, Chiyoda-ku, Tokyo)	100,995	2.23
Nippon Life Insurance Company	1-6-6 Marunouchi, Chiyoda-ku, Tokyo	93,000	2.06
The Dai-ichi Mutual Life Insurance Company (Standing agent: Trust & Custody Service Bank, Ltd.)	1-13-1 Yurakucho, Chiyoda-ku, Tokyo (Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo)	89,000	1.97
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	1-2-1 Marunouchi, Chiyoda-ku, Tokyo	70,076	1.55
Sompo Japan Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	63,528	1.41
State Street Bank and Trust Company 505103 (Standing agent: Mizuho Corporate Bank)	P.O. Box 351, Boston, MA 02101 U.S.A. (6-7 Nihonbashi-Kabutocho, Chuo-ku, Tokyo)	56,783	1.26
JPMCB USA Residents Pension Jasdic Lend 385051 (Standing agent: Mizuho Corporate Bank)	270 Park Avenue, New York, NY10017 U.S.A. (6-7 Nihonbashi-Kabutocho, Chuo-ku, Tokyo)	37,568	0.83
Total		2,782,118	61.54

Notes: 1. The number of shares shown above is in thousand. Fractional figures under 1000 have been omitted.

2. The Company holds 108,113 thousand shares of treasury stock other than those listed in the table above. There are 1,000 shares titled to the Company but are not substantially owned by the Company

(5) Status of Voting Rights

① Shares Issued

(As of September 30, 2006)

Classification	Number of shares (Even)	Number of voting rights (Even)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 108,113,400	–	–
	(Crossholding stock) Common stock 263,500	–	–
Shares with full voting rights (Other)	Common stock 4,411,430,900	44,114,309	–
Shares under one unit	Common stock 907,312	–	–
Total shares issued	4,520,715,112	–	–
Total voting rights	–	44,114,309	–

Notes: 1. Included in "Shares with full voting rights (Others)" are 33,600 shares (336 voting rights) held under the name of Japan Securities Depository Center, Inc. and 1,000 shares (10 voting rights) held under the name of the Company, but effectively held by others.

2. Shares under one unit include 93 shares of treasury stock held by the Company and 30 shares of crossholding stock.

Crossholding Stock under One Unit

(As of September 30, 2006)

Name of Shareholders	Number of shares
Kai Nissan Motor Co., Ltd.	30

② Treasury Stock, etc.

(As of September 30, 2006)

Name of Shareholders	Addresses	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
(Treasury stock)					
Nissan Motor Co., Ltd.	2 Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa	108,113,400	–	108,113,400	2.39
(Crossholding stock)					
Yokoki Manufacturing Co., Ltd.	555 Imai-cho, Hodogaya-ku, Yokohama-shi, Kanagawa	200	96,700	96,900	0.00
Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	28,600	55,900	84,500	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	37,800	26,300	64,100	0.00
Nissan Prince Kagawa Sales Co., Ltd.	1037 Ikuno-cho, Zentsuji-shi, Kagawa	–	13,000	13,000	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	–	4,800	0.00
Total		108,184,800	192,100	108,376,900	2.40

Notes: 1. The number of shares included in "Number of shares held under the names of others" represent those held by Nissan's crossholding share association (address: 6-17-1 Ginza, Chuo-ku, Tokyo). (Fractional figures under 100 have been omitted.)

2. The number of the Company's shares based on the shareholders' register includes 1,000 shares (10 voting rights), which are titled to the Company but are not substantially owned by the Company.

These shares are presented as "Shares with full voting rights (Other)" in the table entitled "Shares Issued."

2. Changes in the Market Prices of the Company's Shares

The highest and lowest prices for each month during the six months ended September 30, 2006 were as follows:

Month	April 2006	May	June	July	August	September
Highest (Yen)	¥1,536	¥1,556	¥1,392	¥1,275	¥1,342	¥1,358
Lowest (Yen)	¥1,378	¥1,330	¥1,167	¥1,133	¥1,188	¥1,284

Note: The prices presented above are those quoted on the First Section of the Tokyo Stock Exchange.

3. Members of the Board of Directors and Corporate Auditors

There have been no changes in the members of the Board of Directors or in the corporate auditors during the period from the filing date of the securities report for the prior fiscal year to the filing date of this report.

V. Financial Information

1. Basis of Preparation

(1) The accompanying semiannual consolidated financial statements of the Company have been prepared in accordance with the "Regulations Concerning the Terminology, Forms and Preparation Methods of Semiannual Consolidated Financial Statements" ("Regulations for Semiannual Consolidated Financial Statements") (Ministry of Finance Ordinance No. 24, 1999).

The semiannual consolidated financial statements for the prior period (from April 1, 2005 to September 30, 2005) have been prepared in accordance with "Regulations for Semiannual Consolidated Financial Statements" before amendment. The semiannual consolidated financial statements for the current period (from April 1, 2006 to September 30, 2006) have been prepared in accordance with "Regulations for Semiannual Consolidated Financial Statements" as amended.

(2) The accompanying semiannual non-consolidated financial statements of the Company have been prepared in accordance with the "Regulations Concerning the Terminology, Forms and Preparation Methods of Semiannual Non-Consolidated Financial Statements" ("Regulations for Semiannual Non-Consolidated Financial Statements") (Ministry of Finance Ordinance No. 38, 1977).

The semiannual non-consolidated financial statements for the prior period (from April 1, 2005 to September 30, 2005) have been prepared in accordance with "Regulations for Semiannual Non-Consolidated Financial Statements" before amendment. The semiannual non-consolidated financial statements for the current period (from April 1, 2006 to September 30, 2006) have been prepared in accordance with "Regulations for Semiannual Non-Consolidated Financial Statements" as amended.

2. Audit Reports

Pursuant to Article 193-2 of "The Securities and Exchange Law," the semiannual consolidated and non-consolidated financial statements for the prior period (from April 1, 2005 to September 30, 2005) and the semiannual consolidated and non-consolidated financial statements for the current period (from April 1, 2006 to September 30, 2006) have been audited by Ernst & Young ShinNihon.

1. Semiannual Consolidated Financial Statements

(1) Semiannual Consolidated Financial Statements

① Consolidated Balance Sheets

Accounts	Notes	As of September 30, 2005 Amounts (Millions of yen)		Ratio (%)	As of September 30, 2006 Amounts (Millions of yen)		Ratio (%)	As of March 31, 2006 Amounts (Millions of yen)		Ratio (%)
Assets										
I Current assets										
1. Cash on hand and in banks	*3		265,452			432,147			414,772	
2. Notes and accounts receivable	*3, *4		575,562			565,493			488,600	
3. Sales finance receivables	*3		3,211,048			3,417,347			3,589,127	
4. Marketable securities			22,081			31,276			11,589	
5. Inventories			853,567			951,542			856,499	
6. Deferred tax assets			302,667			357,345			314,859	
7. Other current assets			429,331			436,626			434,787	
8. Allowance for doubtful receivables			(87,030)			(92,236)			(87,979)	
Total current assets			5,572,678	52.6		6,099,540	52.0		6,022,254	52.5
II Fixed assets										
1. Property, plant and equipment	*1, *3									
(1) Buildings and structures		655,546			697,144			695,733		
(2) Machinery, equipment and vehicles	*2	2,106,609			2,568,585			2,320,825		
(3) Land		746,382			750,673			740,716		
(4) Other		582,716	4,091,253		660,580	4,676,982		681,534	4,438,808	
2. Intangible fixed assets	*3		174,016			187,731			186,949	
3. Investments and other assets										
(1) Investment securities		358,229			353,530			403,386		
(2) Long-term loans receivable		19,658			20,163			18,520		
(3) Deferred tax assets		153,547			161,456			163,550		
(4) Other assets	*3	233,480			233,211			250,272		
(5) Allowance for doubtful receivables		(3,565)	761,349		(2,678)	765,682		(2,821)	832,907	
Total fixed assets			5,026,618	47.4		5,630,395	48.0		5,458,664	47.5
III Deferred charges										
Discounts on bonds			779			—			508	
Total deferred charges			779	0.0		—	—		508	0.0
Total assets			10,600,075	100.0		11,729,935	100.0		11,481,426	100.0

Accounts	Notes	As of September 30, 2005		As of September 30, 2006		As of March 31, 2006	
		Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
Liabilities							
I Current liabilities							
1. Notes and accounts payable	*4	963,671		977,409		983,594	
2. Short-term borrowings	*3	1,394,685		1,943,197		1,526,741	
3. Current portion of long-term borrowings	*3	672,098		931,043		818,206	
4. Current portion of bonds and debentures		207,078		59,319		188,819	
5. Deferred tax liabilities		3,131		2,716		8,063	
6. Accrued warranty costs		71,329		94,784		81,112	
7. Lease obligations		61,160		48,843		58,523	
8. Other current liabilities		1,030,742		1,035,453		1,186,651	
Total current liabilities		4,403,894	41.5	5,092,764	43.4	4,851,709	42.2
II Long-term liabilities							
1. Bonds and debentures		612,434		723,757		708,207	
2. Long-term borrowings	*3	1,524,522		1,232,301		1,445,688	
3. Deferred tax liabilities		462,563		508,475		502,091	
4. Accrued warranty costs		123,582		126,413		132,107	
5. Accrued retirement benefits		282,249		220,892		267,695	
6. Lease obligations		78,134		64,722		71,708	
7. Other long-term liabilities		125,542		138,642		128,345	
Total long-term liabilities		3,209,026	30.3	3,015,202	25.7	3,255,841	28.4
Total liabilities		7,612,920	71.8	8,107,966	69.1	8,107,550	70.6
Minority interests							
Minority interests		274,268	2.6	–	–	285,893	2.5
Shareholders' equity							
I Common stock		605,814	5.7	–	–	605,814	5.3
II Capital surplus		804,470	7.6	–	–	804,470	7.0
III Retained earnings	*5	1,884,661	17.8	–	–	2,116,825	18.5
IV Unrealized holding gain on securities		9,255	0.1	–	–	14,340	0.1
V Translation adjustments		(315,843)	(3.0)	–	–	(204,313)	(1.8)
VI Treasury stock		(275,470)	(2.6)	–	–	(249,153)	(2.2)
Total shareholders' equity		2,712,887	25.6	–	–	3,087,983	26.9
Total liabilities, minority interests and shareholders' equity		10,600,075	100.0	–	–	11,481,426	100.0

Accounts	Notes	As of September 30, 2005 Amounts (Millions of yen)	Ratio (%)	As of September 30, 2006 Amounts (Millions of yen)	Ratio (%)	As of March 31, 2006 Amounts (Millions of yen)	Ratio (%)
Net assets							
I Shareholders' equity							
1. Common stock		–	–	605,814	5.2	–	–
2. Capital surplus		–	–	804,470	6.8	–	–
3. Retained earnings		–	–	2,287,665	19.5	–	–
4. Treasury stock		–	–	(233,371)	(2.0)	–	–
Total sharholders' equity		–	–	3,464,578	29.5	–	–
II Valuation, translation adjustments and others							
1. Unrealized holding gain on securities		–	–	7,264	0.1	–	–
2. Unrealized gain and loss from hedging instruments		–	–	2,773	0.0	–	–
3. Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		–	–	53,205	0.5	–	–
4. Land revaluation of subsidiaries		–	–	5,097	0.0	–	–
5. Unfunded retirement benefit obligation of foreign subsidiaries		–	–	(12,687)	(0.1)	–	–
6. Translation adjustments		–	–	(201,829)	(1.7)	–	–
Total valuation, translation adjustments and others		–	–	(146,177)	(1.2)	–	–
III Stock subscription rights		–	–	2,887	0.0	–	–
IV Minority interests		–	–	300,681	2.6	–	–
Total net assets		–	–	3,621,969	30.9	–	–
Total liabilities and net assets		–	–	11,729,935	100.0	–	–

② Consolidated Statements of Income

Accounts	Notes	For the six months ended September 30, 2005			For the six months ended September 30, 2006			For the year ended March 31, 2006		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
I Net sales			4,490,975	100.0		4,534,400	100.0		9,428,292	100.0
II Cost of sales			3,355,763	74.7		3,456,032	76.2		7,040,987	74.7
Gross profit			1,135,212	25.3		1,078,368	23.8		2,387,305	25.3
III Selling, general and administrative expenses										
1. Advertising expenses		120,290			117,514			242,682		
2. Provision for accrued warranty costs		45,925			61,247			99,183		
3. Other selling expenses		171,592			163,420			341,138		
4. Salaries and wages		178,213			182,505			380,626		
5. Retirement benefit expenses		12,600			17,217			26,600		
6. Provision for doubtful receivables		19,627			17,193			35,005		
7. Other		175,427	723,674	16.1	170,627	729,723	16.1	390,230	1,515,464	16.1
Operating income			411,538	9.2		348,645	7.7		871,841	9.2
IV Non-operating income										
1. Interest and dividend income		12,070			10,342			21,080		
2. Equity in earnings of unconsolidated subsidiaries and affiliates		16,667			14,732			37,049		
3. Foreign exchange gain		–			9,890			—		
4. Other non-operating income		8,166	36,903	0.8	7,540	42,504	1.0	16,670	74,799	0.8
V Non-operating expenses										
1. Interest expense		12,752			13,948			25,646		
2. Amortization of net retirement benefit obligation at transition		5,669			5,456			11,145		
3. Loss on the net monetary position due to restatement		1,644			1,944			6,485		
4. Foreign exchange loss		23,209			—			34,836		
5. Other non-operating expenses		9,528	52,802	1.2	8,938	30,286	0.7	22,656	100,768	1.0
Ordinary income			395,639	8.8		360,863	8.0		845,872	9.0
VI Special gains										
1. Gain on sales of fixed assets	*1	4,866			1,248			20,586		
2. Gain on sales of investment securities		14,333			11,728			45,112		
3. Gain on implementation of defined contribution pension plans		3,283			18,640			3,282		
4. Other		3,480	25,962	0.6	2,935	34,551	0.7	13,475	82,455	0.9

Accounts	Notes	For the six months ended September 30, 2005			For the six months ended September 30, 2006			For the year ended March 31, 2006		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
VII Special losses										
1. Loss on disposal of fixed assets		10,575			8,801			22,213		
2. Prior-period adjustments		589			2,603			672		
3. Loss on dilution resulting from restructuring of domestic dealers		–			5,914			–		
4. Impairment loss	*2	23,058			7,787			26,827		
5. Loss on implementation of defined contribution pension plans		6,852			–			6,852		
6. Loss on relocation of the headquarters of a subsidiary in North America		–			6,935			–		
7. Other		13,086	54,160	1.2	7,675	39,715	0.9	62,722	119,286	1.3
Income before income taxes and minority interests			367,441	8.2		355,699	7.8		809,041	8.6
Income taxes – current		145,762			102,095			274,463		
Income taxes – deferred		(28,596)	117,166	2.6	(33,693)	68,402	1.5	(20,055)	254,408	2.7
Minority interests			19,573	0.5		13,120	0.3		36,583	0.4
Net income			230,702	5.1		274,177	6.0		518,050	5.5

③ Consolidated Statements of Capital Surplus and Retained Earnings and Consolidated Statement of Changes in Net Assets

Consolidated Statements of Capital Surplus and Retained Earnings

Accounts	Notes	For the six months ended September 30, 2005 Amounts (Millions of yen)		For the year ended March 31, 2006 Amounts (Millions of yen)	
Capital surplus					
I Capital surplus at beginning of period			804,470		804,470
II Capital surplus at end of period			804,470		804,470
Retained earnings					
I Retained earnings at beginning of period			1,715,099		1,715,099
II Increase in retained earnings					
1. Net income		230,702		518,050	
2. Increase due to inclusion of subsidiaries in consolidation		–		202	
3. Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		2,620		9,331	
4. Increase due to land revaluation of subsidiaries		–	233,322	2,297	529,880
III Decrease in retained earnings					
1. Cash dividends paid		48,947		105,661	
2. Bonuses to directors and corporate auditors		441		573	
3. Loss on disposal of treasury stock		4,985		11,507	
4. Decrease due to exclusion of subsidiaries from consolidation		32		—	
5. Decrease due to exclusion of affiliates from the equity method		1,633		2,874	
6. Decrease due to increase in unfunded retirement benefit obligation of foreign subsidiaries		863		884	
7. Decrease due to land revaluation of subsidiaries		855		651	
8. Decrease due to an affiliate's transition to International Financing Reporting Standards		6,004	63,760	6,004	128,154
IV Retained earnings at end of period			1,884,661		2,116,825

Consolidated Statement of Changes in Net Assets (from April 1, 2006 to September 30, 2006)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006 (Millions of yen)	605,814	804,470	2,116,825	(249,153)	3,277,956
Changes in 1st half of FY 2006					
Cash dividends paid	–	–	(61,329)	–	(61,329)
Bonuses to directors and corporate auditors	–	–	(560)	–	(560)
Net income	–	–	274,177	–	274,177
Disposal of treasury stock	–	–	(1,293)	15,807	14,514
Purchases of treasury stock	–	–	–	(25)	(25)
Changes in the scope of consolidation	–	–	(3,728)	–	(3,728)
Changes in the scope of equity method	–	–	(763)	–	(763)
Net changes in items other than those in shareholders' equity (Note)	–	–	(35,664)	–	(35,664)
Total changes in 1st half of FY2006 (Millions of yen)	–	–	170,840	15,782	186,622
Balance as of September 30, 2006 (Millions of yen)	605,814	804,470	2,287,665	(233,371)	3,464,578

	Valuation, translation adjustments and others									
	Unrealized holding gain on securities	Unrealized gain and loss from hedging instruments	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Land revaluation of subsidiaries	Unfunded retirement benefit obligation of foreign subsidiaries	Translation adjustments	Total valuation, translation adjustments and others	Stock subscrip-tion rights	Minority interests	Total net assets
Balance as of March 31, 2006 (Millions of yen)	14,340	–	–	–	–	(204,313)	(189,973)	3,144	285,893	3,377,020
Changes in 1st half of FY 2006										
Cash dividends paid	–	–	–	–	–	–	–	–	–	(61,329)
Bonuses to directors and corporate auditors	–	–	–	–	–	–	–	–	–	(560)
Net income	–	–	–	–	–	–	–	–	–	274,177
Disposal of treasury stock	–	–	–	–	–	–	–	–	–	14,514
Purchases of treasury stock	–	–	–	–	–	–	–	–	–	(25)
Changes in the scope of consolidation	–	–	–	–	–	–	–	–	–	(3,728)
Changes in the scope of equity method	–	–	–	–	–	–	–	–	–	(763)
Net changes in items other than those in shareholders' equity (Note)	(7,076)	2,773	53,205	5,097	(12,687)	2,484	43,796	(257)	14,788	22,663
Total changes in 1st half of FY2006 (Millions of yen)	(7,076)	2,773	53,205	5,097	(12,687)	2,484	43,796	(257)	14,788	244,949
Balance as of September 30, 2006 (Millions of yen)	7,264	2,773	53,205	5,097	(12,687)	(201,829)	(146,177)	2,887	300,681	3,621,969

Note: As a result of the adoption of the Accounting Standard for Presentation of Net Assets in the Balance Sheet and the Accounting Standard for Statement of Changes in Net Assets, ¥35,664 million, which had been included in retained earnings until FY2005, has been reclassified to valuation, translation adjustments, and others.

	(Millions of yen)
Adjustment for revaluation of accounts of consolidated subsidiaries based on general price level accounting	49,915
Land revaluation of subsidiaries	5,134
Unfunded retirement benefit obligation of foreign subsidiaries	(19,385)
Total amount reclassified from retained earnings to valuation, translation adjustments and, others	35,664

④ Consolidated Statements of Cash Flows

Accounts	Notes	For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
		Amounts (Millions of yen)	Amounts (Millions of yen)	Amounts (Millions of yen)
I Cash flows from operating activities				
Income before income taxes and minority interests		367,441	355,699	809,041
Depreciation and amortization		310,464	355,321	655,402
Impairment loss		23,058	7,787	26,827
Provision for doubtful receivables		8,753	5,145	4,561
Unrealized loss on investments		–	374	212
Interest and dividend income		(12,070)	(10,343)	(21,080)
Interest expense		48,184	68,853	104,265
Gain on sales of property, plant and equipment		(2,766)	(630)	(16,742)
Loss on disposal of fixed assets		10,575	8,801	22,213
Gain on sales of investment securities		(9,885)	(5,545)	(40,223)
(Increase) Decrease in trade receivables		(24,381)	(70,000)	90,391
Decrease (Increase) in sales finance receivables		(47,333)	170,075	(311,685)
Increase in inventories		(137,731)	(83,139)	(117,120)
(Decrease) Increase in trade payables		(21,184)	(95,355)	88,129
Amortization of net retirement benefit obligation at transition		5,669	5,456	11,145
Retirement benefit expenses		30,195	29,806	63,564
Payments related to retirement benefits		(265,811)	(56,977)	(314,349)
Other		26,793	(30,713)	13,587
Sub-total		309,971	654,615	1,068,138
Interest and dividends received		11,876	10,036	21,034
Interest paid		(47,306)	(68,455)	(102,219)
Income taxes paid		(97,271)	(114,118)	(229,084)
Net cash provided by operating activities		177,270	482,078	757,869
II Cash flows from investing activities				
Net decrease (increase) in short-term investments		(5,198)	2,191	7,078
Purchases of fixed assets		(223,198)	(260,098)	(471,029)
Proceeds from sales of property, plant and equipment		25,794	16,869	55,790
Purchases of leased vehicles		(501,671)	(517,096)	(953,285)
Proceeds from sales of leased vehicles		120,290	167,584	264,124
Long-term loans made		(2,405)	(3,410)	(3,549)
Collection of long-term loans receivable		935	1,680	3,225
Purchases of investment securities		(10,454)	(9,221)	(23,930)
Proceeds from sales of investment securities		17,992	25,056	46,060
Purchase of subsidiaries' shares resulting in changes in the scope of consolidation		–	(802)	–
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation		3,784	–	4,705
Additional acquisition of shares of consolidated subsidiaries		–	–	(16,020)
Other		(17,086)	13,275	(25,924)
Net cash used in investing activities		(591,217)	(563,972)	(1,112,755)

Accounts	Notes	For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
		Amounts (Millions of yen)	Amounts (Millions of yen)	Amounts (Millions of yen)
III Cash flows from financing activities				
Net increase in short-term borrowings		286,610	412,007	376,048
Increase in long-term borrowings		464,392	389,979	883,548
Increase in bonds and debentures		277,386	53,385	390,706
Repayment or redemption of long-term debt		(545,515)	–	–
Repayment of long-term borrowings		–	(499,538)	(809,466)
Redemption of bonds and debentures		–	(164,833)	(200,840)
Proceeds from minority shareholders		1,250	–	1,321
Purchases of treasury stock		(22,176)	(24)	(22,208)
Proceeds from sales of treasury stock		7,818	14,049	26,423
Repayment of lease obligations		(39,711)	(36,827)	(76,071)
Cash dividends paid		(48,947)	(61,329)	(105,661)
Cash dividends paid to minority shareholders		(1,612)	(1,685)	(6,487)
Other		282	11	606
Net cash provided by financing activities		379,777	105,195	457,919
IV Effects of exchange rate changes on cash and cash equivalents		(466)	2,223	11,389
V Increase (Decrease) in cash and cash equivalents		(34,636)	25,524	114,422
VI Cash and cash equivalents at beginning of the period		289,784	404,212	289,784
VII Increase due to inclusion of subsidiaries in consolidation		3	13,384	6
VIII Cash and cash equivalents at end of the period	*	255,151	443,120	404,212

Significant Accounting Policies

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
1. Scope of Consolidation	1. Scope of Consolidation	1. Scope of Consolidation
(1) Number of consolidated subsidiaries 189	(1) Number of consolidated subsidiaries 196	(1) Number of consolidated subsidiaries 187
• Domestic companies 96	• Domestic companies 97	• Domestic companies 96
Domestic car dealers and parts distributors: Aichi Nissan Motor Co., Ltd., Tokyo Nissan Motor Co., Ltd., Nissan Prince Tokyo Motor Sales Co., Ltd., Nissan Chuo Parts Sales Co., Ltd., and 74 other companies	Domestic car dealers and parts distributors: Aichi Nissan Motor Co., Ltd., Nissan Tokuhan Co., Ltd., Nissan Prince Tokyo Sales Co., Ltd., Nissan Chuo Parts Sales Co., Ltd., and 74 other companies	Domestic car dealers and parts distributors: Aichi Nissan Motor Co., Ltd., Tokyo Nissan Motor Co., Ltd., Nissan Prince Tokyo Motor Sales Co., Ltd., Nissan Chuo Parts Sales Co., Ltd., and 74 other companies
Domestic vehicles and parts manufacturers: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., Calsonic Kansei Corp. and 4 other companies	Domestic vehicles and parts manufacturers: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., Calsonic Kansei Corp. and 4 other companies	Domestic vehicles and parts manufacturers: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., Calsonic Kansei Corp. and 4 other companies
Domestic logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autech Japan, Inc., and 7 other companies	Domestic logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autech Japan, Inc., and 8 other companies	Domestic logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autech Japan, Inc., and 7 other companies
• Foreign companies 93	• Foreign companies 99	• Foreign companies 91
Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 89 other companies	Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 95 other companies	Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 87 other companies
The newly established Nissan Motor Ukraine Ltd. and 5 other companies have been consolidated. Nissan Techno Co., Ltd., accounted for by the equity method in the prior year, has been consolidated since its importance has increased. In addition, Nissan Capital of America, Inc. and 10 other companies have been eliminated following their mergers and Nissan International Finance (Europe) Plc. has been liquidated. Nissan Prince Yamanashi Hanbai Co., Ltd. and 4 other companies have been excluded from consolidation following the sale of their shares. Nissan Buhin Chiba Hanbai Co., Ltd. has been excluded from consolidation since the Group's voting rights have decreased following the sale of its shares.	Renault Japon, which became a subsidiary through a stock acquisition, has been consolidated effective April 1, 2006. Nissan Nordic Europe and 8 other companies, which were unconsolidated subsidiaries in the prior year, have been consolidated effective April 1, 2006 because their importance has increased. In addition, Kantus Corporation has been dissolved following its merger. As a result of a reorganization of domestic dealers during the half-year period ended September 30, 2006, 52 consolidated subsidiaries have been split into companies each for sales businesses and for asset management. The 52 asset management companies have then been liquidated following their merger with Nissan Real Estate Development Co., Ltd., which is then renamed as Nissan Network Holdings Co., Ltd.	The newly established Nissan Motor Ukraine Company and 7 other companies have been consolidated. Nissan Techno Co., Ltd., and Nissan Technical Center Europe S. A. (Brussels), which were unconsolidated subsidiaries accounted for by the equity method in the prior year, have been consolidated since their importance has increased. In addition, Nissan Capital of America, Inc. and 13 other companies have been liquidated following their merger. Nissan International Finance (Europe) PLC. and Automakers Uk Ltd. were liquidated. Nissan Prince Yamanashi Co., Ltd. and 5 other companies have been excluded from consolidation following the sale of their shares. Nissan Parts Chiba Sales Co., Ltd. has been excluded from consolidation since the Group's voting rights decreased following the sale of its shares.
(2) Unconsolidated subsidiaries 189	(2) Unconsolidated subsidiaries 176	(2) Unconsolidated subsidiaries 184
• Domestic companies 127	• Domestic companies 118	• Domestic companies 124
Nissan Marine Co., Ltd., Nissan Human Resource Development Center Co., Ltd., and others	Nissan Marine Co., Ltd., Nissan Human Resource Development Center Co., Ltd., and others	Nissan Marine Co., Ltd., Nissan Human Resources Development Center Inc. and others
• Foreign companies 62	• Foreign companies 58	• Foreign companies 60
Nissan Technical Center Europe S.A. (Brussels) and others	Nissan Industrial Equipment Co. and others	Nissan Industrial Equipment Co. and others.
These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the semiannual consolidated financial statements. As a result, they have been excluded from consolidation.	These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the semiannual consolidated financial statements. As a result, they have been excluded from consolidation.	These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the consolidated financial statements. As a result, they have been excluded from consolidation.

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
2. Equity Method	2. Equity Method	2. Equity Method
(1) Companies accounted for by the equity method 50	(1) Companies accounted for by the equity method 50	(1) Companies accounted for by the equity method 47
• Unconsolidated subsidiaries 31 (23 domestic and 8 foreign companies) Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others Nissan Techno Co., Ltd., accounted for by the equity method in the prior year, has been consolidated since its importance has increased. In addition, Nissan Design Europe Limited and Compasslink Corp. have been eliminated following their liquidation.	• Unconsolidated subsidiaries 32 (20 domestic and 12 foreign companies) Nissan Marine Co., Ltd., Nissan Industrial Equipment Co. and others Alliance Inspection Management Holdings and 5 other companies, which were not accounted for by the equity method in the prior year, have been accounted for by the equity method effective April 1, 2006 because their importance has increased. Meanwhile, Nissan Hanshin Service Center Co., Ltd. and 2 other companies have been dissolved following their mergers.	• Unconsolidated subsidiaries 29 (23 domestic and 6 foreign companies) Nissan Marine Co., Ltd., Nissan Industrial Equipment Co. and others Nissan Techno Co., Ltd., and Nissan Technical Center Europe S. A. (Brussels), which were unconsolidated subsidiaries accounted for by the equity method in the prior year, have been consolidated since their importance has increased. On the other hand, Nissan Design Europe Ltd. and Nissan Motor Sports Europe Limited were liquidated, and Compasslink Corp. was dissolved.
• Affiliates 19 (16 domestic and 3 foreign companies) Nissan Diesel Motor Co., Ltd., and others Nissan Buhin Chiba Hanbai Co., Ltd., a previously consolidated subsidiary, has been excluded from consolidation since the Group's voting rights have decreased following the sale of its shares, and has now been accounted for by the equity method. Nissan Satio Yamanashi Co., Ltd. is no longer an affiliate since the Group's voting rights have decreased following the sale of its shares. It is thus no longer accounted for by the equity method. In addition, e-Graphics has been eliminated following its merger.	• Affiliates 18 (15 domestic and 3 foreign companies) Kinugawa Rubber Industrial Co., Ltd. and others	• Affiliates 18 (15 domestic and 3 foreign companies) Kinugawa Rubber Industrial Co., Ltd. and others Nissan Parts Chiba Sales Co., Ltd. is no longer a consolidated subsidiary since the Group's voting rights decreased following the sale of its shares and has become an affiliate accounted for by the equity method. Nissan Diesel Motor Co., Ltd. and Nissan Satio Yamanashi Co., Ltd. are no longer affiliates since the Group's voting rights decreased following the sale of their shares and they are excluded from the scope of the equity method. e-Graphics, which was an affiliate accounted for by the equity method in the prior year, has been liquidated due to a merger.
(2) Companies not accounted for by the equity method 199	(2) Companies not accounted for by the equity method 186	(2) Companies not accounted for by the equity method 200
• Unconsolidated subsidiaries 158 Nissan Human Resources Development Co., Inc. and others	• Unconsolidated subsidiaries 144 Nissan Human Resources Development Co., Inc. and others	• Unconsolidated subsidiaries 155 Nissan Human Resources Development Center Inc. and others
• Affiliates 41 Tonox Co., Ltd. and others These companies are not accounted for by the equity method as their impact is not significant on consolidated net income or loss for the period or on consolidated retained earnings and others.	• Affiliates 42 Tonox Co., Ltd. and others These companies are not accounted for by the equity method as their impact is not significant on consolidated net income or loss for the period or on consolidated retained earnings and others.	• Affiliates 45 Tonox Co., Ltd. and others These companies are not accounted for by the equity method, as their impact is not significant on the consolidated net income or loss, consolidated retained earnings and others.
(3) No adjustments are made to the financial statements of companies accounted for by the equity method even if their accounting period is different from that of the Company.	(3) No adjustments are made to the financial statements of companies accounted for by the equity method even if their accounting period is different from that of the Company.	(3) No adjustments are made to the financial statements of the companies accounted for by the equity method even if their accounting period is different from that of the Company.

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
3. Accounting Period of Consolidated Subsidiaries (1) The following consolidated subsidiaries close their books of account on: June 30: Nissan Mexicana, S.A. de C.A. NR Finance Mexico, S.A. De C.V. NR Wholesale Mexico, S.A. De C.V. ESARA, S.A. De C.V. Nissan Europe S.A.S. and its 18 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espana S.A. Nissan Forklift Co., North America Nissan Trading Co., Ltd. and its 2 subsidiaries Nissan Motor Company South Africa (Pty) Ltd. and its 9 subsidiaries Nissan do Brasil Automoveis Ltda. P.T. Nissan Motor Indonesia P.T. Nissan Motor Distributor Indonesia Siam Nissan Automobile Co., Ltd. and its 3 subsidiaries Nissan South East Asia Co., Ltd. Siam Motors And Nissan Co., Ltd. Yulon Nissan Motor Co., Ltd., NISSAN (CHINA) INVESTMENT CO., LTD. Dongfeng Motor Co., Ltd. Nissan Korea Co., Ltd. Nissan Light Truck Co., Ltd. Nissan Asia Pacific Pte., Ltd. Nissan International Finance Singapore Pte., Ltd. Nissan Assurance Holding Company Nissan Global Reinsurance, Ltd. Nissan Extended Services North America, GP Calsonic Kansei Mexicana, S.A. de R.L. de C.V. and its 2 subsidiaries (2) The necessary adjustments are made to the semiannual financial statements of these 61 companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.	3. Accounting Period of Consolidated Subsidiaries (1) The following consolidated subsidiaries close their books of account on: June 30: Nissan Mexicana, S.A. de C.A. NR Finance Mexico, S.A. De C.V. NR Wholesale Mexico, S.A. De C.V. ESARA, S.A. De C.V. Nissan Europe S.A.S. and its 20 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espana S.A. Nissan Forklift Co., North America Nissan Trading Co., Ltd. and its 2 subsidiaries Nissan Motor Company South Africa (Pty) Ltd. and its 8 subsidiaries Nissan do Brasil Automoveis Ltda. P.T. Nissan Motor Indonesia P.T. Nissan Motor Distributor Indonesia Siam Nissan Automobile Co., Ltd. and its 2 subsidiaries Nissan South East Asia Co., Ltd. Siam Motors And Nissan Co., Ltd. Yulon Nissan Motor Co., Ltd., NISSAN (CHINA) INVESTMENT CO., LTD. Dongfeng Motor Co., Ltd. Nissan Korea Co., Ltd. Nissan Light Truck Co., Ltd. Calsonic Kansei Mexicana, S.A. de R.L. de C.V. and its 2 subsidiaries Nissan Asia Pacific Pte., Ltd. Nissan International Finance Singapore Pte., Ltd. Nissan Assurance Holding Company and its 3 subsidiaries JATCO México, S. A. de C. V. Nissan Motor Egypt and its 2 subsidiaries Nissan Leasing (Thailand) Calsonic Kansei (Thailand) Co., Ltd. Calsonic Kansei (Shanghai) Corp. Renault Japon Calsonic Kansei (China) Holding Company (2) The necessary adjustments are made to the semiannual financial statements of these 71 companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.	3. Accounting Period of Consolidated Subsidiaries (1) The following consolidated subsidiaries close their books of account on: December 31: Nissan Mexicana, S.A. de C.A. NR Finance Mexico, S.A. De C.V. NR Wholesales Mexico, S.A. De C.V. ESARA, S.A. De C.V Nissan Europe S.A.S. and its 19 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espagna S.A. Nissan Forklift Co., North America Nissan Trading Co., Ltd. and its 2 subsidiaries Nissan Motor Company South Africa (Pty) Ltd. and its 8 subsidiaries Nissan do Brasil Automoveis Ltda. P.T. Nissan Motor Indonesia P.T. Nissan Motor Distributor Indonesia Siam Nissan Automobile Co., Ltd. and its 2 subsidiaries Nissan South East Asia Co., Ltd. Siam Motors And Nissan Co., Ltd. Yulon Nissan Motor Co., Ltd. NISSAN (CHINA) INVESTMENT CO., LTD. Dongfeng Motor Co., Ltd. Nissan Korea Co., Ltd. Nissan Light Truck Co., Ltd. Calsonic Kansei Mexicana, S.A. de R.L. de C.V. and its 2 subsidiaries Nissan Asia Pacific Pte., Ltd. Nissan International Finance Singapore Pte., Ltd. Nissan Assurance Holding Company and its 3 subsidiaries (2) The necessary adjustments are made to the financial statements of these 61 companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
4. Significant Accounting Policies	4. Significant Accounting Policies	4. Significant Accounting Policies
(1) Method of valuation of assets	(1) Method of valuation of assets	(1) Method of valuation of assets
① Securities	① Securities	① Securities
Held-to-maturity debt securities: Held-to-maturity debt securities are stated at amortized cost.	Held-to-maturity debt securities: Same as on the left	Held-to-maturity debt securities: Same as on the left
Other securities:	Other securities:	Other securities:
Marketable securities: Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity. Cost of securities sold is calculated by the moving average method.	Marketable securities: Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Cost of securities sold is calculated by the moving average method.	Marketable securities: Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity. Costs of securities sold are calculated by the moving average method.
Non-marketable securities: Non-marketable securities classified as other securities are carried at cost determined by the moving average method.	Non-marketable securities: Same as on the left	Non-marketable securities: Same as on the left
② Derivatives	② Derivatives	② Derivatives
Derivative financial instruments are stated at fair value.	Same as on the left	Same as on the left
③ Inventories	③ Inventories	③ Inventories
Inventories are stated principally at the lower of cost or market, cost being determined by the FIFO method.	Same as on the left	Same as on the left
(2) Depreciation of property, plant and equipment	(2) Depreciation of property, plant and equipment	(2) Depreciation of property, plant and equipment
Depreciation of property, plant and equipment is calculated principally by the straight-line method based on the estimated useful lives and economic residual value determined by the Company.	Same as on the left	Same as on the left
(3) Basis for significant reserves	(3) Basis for significant reserves	(3) Basis for significant reserves
① Allowance for doubtful receivables	① Allowance for doubtful receivables	① Allowance for doubtful receivables
Allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivable from companies in experiencing financial difficulties.	Same as on the left	Same as on the left
② Accrued warranty costs	② Accrued warranty costs	② Accrued warranty costs
Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the terms of the various warranty contracts based on historical experience.	Same as on the left	Same as on the left

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
③ Accrued retirement benefits Accrued retirement benefits are provided principally at an amount calculated based on the estimated retirement benefit obligation and the estimated fair value of the pension plan assets at the end of the current period. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over certain 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 primarily by the straight-line method over certain periods which are shorter than the average remaining years of service of the eligible employees.	③ Accrued retirement benefits Same as on the left	③ Accrued retirement benefits Accrued retirement benefits are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over certain 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 primarily by the straight-line method over certain periods which are shorter than the average remaining years of service of the eligible employees.
(4) Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the semiannual balance sheet date, and differences arising from the translation are charged or credited to income. The assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the semiannual balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the period. Translation adjustments are presented as a separate component of shareholders' equity and minority interests.	(4) Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the semiannual balance sheet date, and differences arising from the translation are charged or credited to income. The assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the semiannual balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the period. Differences arising from the translation are presented as translation adjustments and minority interests in net assets.	(4) Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are charged or credited to income. The assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Translation adjustments are presented as a separate component of shareholders' equity and minority interests.
(5) Lease transactions Non-cancelable lease transactions which substantially transfer all risks and rewards associated with the ownership of the assets are accounted for as finance leases.	(5) Lease transactions Same as on the left	(5) Lease transactions Same as on the left
(6) Hedge accounting ① Hedge accounting Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred.	(6) Hedge accounting ① Hedge accounting Same as on the left	(6) Hedge accounting ① Hedge accounting Same as on the left.

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
② Hedging instruments and hedged items • Hedging instruments Derivative transactions • Hedged items Hedged items are primarily forecasted sales denominated in foreign currencies.	② Hedging instruments and hedged items Same as on the left	② Hedging instruments and hedged items Same as on the left
③ Hedging policy It is the Company's policy that all transactions denominated in foreign currencies are to be hedged.	③ Hedging policy Same as on the left	③ Hedging policy Same as on the left
④ Assessment of hedge effectiveness Hedge effectiveness is not assessed if the substantial terms and conditions of the hedging instruments and the hedged forecasted transactions are the same.	④ Assessment of hedge effectiveness Same as on the left	④ Assessment of hedge effectiveness Same as on the left
⑤ Risk management policy with respect to hedge accounting The Company manages its derivative transactions in accordance with its internal "Policies and Procedures for Risk Management."	⑤ Risk management policy with respect to hedge accounting Same as on the left	⑤ Risk management policy with respect to hedge accounting Same as on the left
(7) Accounting for consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.	(7) Accounting for consumption taxes Same as on the left	(7) Accounting for consumption taxes Same as on the left
(8) Accounting policies adopted by foreign consolidated subsidiaries The semiannual financial statements of the Company's subsidiaries in Mexico and certain other countries have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in those countries in the accompanying semiannual consolidated financial statements have been charged or credited to operations and are reflected directly in retained earnings.	(8) Accounting policies adopted by foreign consolidated subsidiaries The semiannual financial statements of the Company's subsidiaries in Mexico and certain other countries have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in those countries in the accompanying semiannual consolidated financial statements have been charged or credited to operations and are reflected directly in valuation, translation adjustments and others.	(8) Accounting policies adopted by foreign consolidated subsidiaries The financial statements of the Company's subsidiaries in Mexico and certain other countries have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in those countries in the accompanying consolidated financial statements have been charged or credited to operations and are reflected directly in retained earnings.
5. Cash and Cash Equivalents in the Semiannual Consolidated Statement of Cash Flows Cash and cash equivalents in the semiannual consolidated statement of cash flows consist of cash on hand, cash in banks which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted into cash and are subject to little risk of change in value.	5. Cash and Cash Equivalents in the Semiannual Consolidated Statement of Cash Flows Same as on the left	5. Cash and Cash Equivalents in the Consolidated Statement of Cash Flows Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, cash in banks which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted into cash and are subject to little risk of change in value.

Changes in Accounting Policies

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
Forward Foreign Exchange Contracts Until the year ended March 31, 2005, the Company and its domestic consolidated subsidiaries adopted special treatment for forward foreign exchange contracts entered into to hedge forecasted sales denominated in foreign currencies which also qualified for hedge accounting as sales and accounts receivable were translated and reflected in the consolidated financial statements at their corresponding contracted rates. Effective April 1, 2005, the Company and its domestic consolidated subsidiaries changed their method of accounting for those sales, accounts receivable and forward foreign exchange contracts to the benchmark method. Under this method, sales denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at each transaction date and the related accounts receivable are translated into Japanese yen at the exchange rates in effect at the balance sheet dates, charging or crediting the exchange differences to income, while the forward foreign exchange contracts are carried at fair value. This change was made as a result of the implementation of a newly modified internal operating system with respect to forward foreign exchange contracts in order to achieve a better presentation of gain or loss related to derivatives positions. The effect of this change was immaterial.	Accounting Standard for Share-based Payment Effective April 1, 2006, the Company adopted the Accounting Standard for Share-based Payment (ASBJ Statement No. 8 issued on December 27, 2005) and the Implementation Guidance on Accounting Standard for Share-based Payment (ASBJ Guidance No. 11 issued on May 31, 2006). The effect of this change was to decrease operating income, ordinary income, and income before income taxes and minority interests by ¥460 million for the six months ended September 30, 2006 compared with the corresponding amounts which would have been recorded if the previous method had been adopted. The effect of this change on Segment Information is explained in the applicable notes.	Forward Foreign Exchange Contracts Until the year ended March 31, 2005, the Company and its domestic consolidated subsidiaries adopted special treatment for forward foreign exchange contracts entered into to hedge forecasted sales denominated in foreign currencies which also qualified for hedge accounting as sales and accounts receivable were translated and reflected in the consolidated financial statements at their corresponding contracted rates. Effective April 1, 2005, the Company and its domestic consolidated subsidiaries changed their method of accounting for those sales, accounts receivable and forward foreign exchange contracts to the benchmark method. Under this method, sales denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at each transaction date and the related accounts receivable are translated into Japanese yen at the exchange rates in effect at the balance sheet dates, charging or crediting the exchange differences to income, while the forward foreign exchange contracts are carried at fair value. This change was made as a result of the implementation of a newly modified internal operating system with respect to forward foreign exchange contracts in order to achieve a better presentation of gain or loss related to derivatives positions. The effect of this change was immaterial.
Accounting Standard for the Impairment of Fixed Assets Effective April 1, 2005, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidelines on the Accounting Standard for the Impairment of Fixed Assets" (Business Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003). The effect of this change was to decrease income before income taxes and minority interests by ¥23,058 million for the six months ended September 30, 2005. The cumulative impairment losses have been subtracted directly from the respective assets in accordance with the revised "Regulations for Semiannual Consolidated Financial Statements."	Accounting Standard for Presentation of Net Assets in the Balance Sheet Effective April 1, 2006, the Company adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5 issued on December 9, 2005) and the Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8 issued on December 9, 2005). Shareholders' equity under the previous presentation method amounted to ¥3,315,628 million as of September 30, 2006. Net assets in the consolidated balance sheet as of September 30, 2006 have been presented in accordance with the revised "Regulations for Semiannual Consolidated Financial Statements."	Accounting Standard for the Impairment of Fixed Assets Effective April 1, 2005, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidelines on the Accounting Standard for the Impairment of Fixed Assets" (Business Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003). The effect of this change was to decrease income before income taxes and minority interests by ¥26,827 million for the year ended March 31, 2006. The effect of this change on Segment Information is explained in the applicable notes. The cumulative impairment losses have been subtracted directly from the respective assets in accordance with the revised "Regulations for Consolidated Financial Statements."

Changes in Presentation

For the six months ended September 30, 2005	For the six months ended September 30, 2006
Semiannual Consolidated Balance Sheet Short-term loans payable Short-term borrowings and import bills payable were presented as a current liability in the prior fiscal year. Since there were no remaining import bills payable at September 30, 2005, this account has been presented as short-term borrowings.	————————
Semiannual Consolidated Statement of Cash Flows (1) In the presentation of “Cash flows from operating activities,” the Company has combined “Loss on disposal of property, plant and equipment” and “Loss on disposal of intangible assets” and has presented these as “Loss on disposal of fixed assets” for the six months ended September 30, 2005. “Loss on disposal of intangible assets” in the amount of ¥3,058 million has been included in “Loss on disposal of fixed assets” for the six months ended September 30, 2005. (2) In the presentation of “Cash flows from financing activities,” “Cash dividends paid to minority shareholders” has been presented separately from “Other” due to its increased materiality. “Cash dividends paid to minority shareholders” in the amount of ¥404 million has been included in “Other” for the six months ended September 30, 2004.	Semiannual Consolidated Statement of Cash Flows In the presentation of “Financing activities,” “Repayment or redemption of long-term debt” have been separated into “Repayment of long-term borrowings” and “Redemption of bonds and debentures” due to the increased materiality of the respective accounts. “Repayment or redemption of long-term debt” for the six months ended September 30, 2005 consisted of “Repayment of long-term borrowings” in the amount of ¥389,093 million and “Redemption of bonds and debentures” in the amount of ¥156,422 million.

Notes to Semiannual Consolidated Financial Statements

All amounts are in millions of yen unless otherwise indicated except for amounts per share.

For the Semiannual Consolidated Balance Sheets

At September 30, 2005	At September 30, 2006	At March 31, 2006
1. *1 Accumulated depreciation of property, plant and equipment ¥3,872,173 This balance includes the accumulated depreciation of leased assets (lessees) in the amount of ¥165,109 million.	1. *1 Accumulated depreciation of property, plant and equipment ¥4,221,834 This balance includes the accumulated depreciation of leased assets (lessees) in the amount of ¥196,327 million.	1. *1 Accumulated depreciation of property, plant and equipment ¥4,077,548 This balance includes the accumulated depreciation of leased assets (lessees) in the amount of ¥187,405million.
2. *2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥1,321,717 million.	2. *2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥1,710,600 million.	2. *2 Machinery, equipment and vehicles includes certain items in the amount of ¥1,524,741million leased to others under lease agreements.
3. *3 These assets include the following assets pledged as collateral:	3. *3 These assets include the following assets pledged as collateral:	3. *3 These assets include the following assets pledged as collateral:
(1) Assets pledged as collateral: Cash and cash equivalents ¥ 2,839 Notes and accounts receivable 5,003 Sales finance receivables 1,326,605 Property, plant and equipment 694,262 Other investments, other assets 614 Total ¥2,029,323	(1) Assets pledged as collateral: Notes and accounts receivable ¥778 Sales finance receivables 1,402,286 Property, plant and equipment 900,048 Intangible fixed assets 336 Total ¥2,303,448	(1) Assets pledged as collateral: Notes and accounts receivable ¥1,619 Sales finance receivable 1,537,873 Property, plant and equipment 930,487 Intangible fixed assets 1,344 Other investment, other assets 316 Total ¥2,471,639
(2) Liabilities secured by the above collateral: Short-term borrowings ¥ 311,208 Long-term borrowings (including the current portion) 1,506,522 Total ¥1,817,730	(2) Liabilities secured by the above collateral: Short-term borrowings ¥ 447,397 Long-term borrowings (including the current portion) 1,468,739 Total ¥1,916,136	(2) Liabilities secured by the above collateral: Short-term borrowings ¥548,342 Long-term borrowings (including the current portion) 1,583,358 Total ¥2,131,700
	In addition to the above, sales finance receivables totaling ¥44,138 million, which were eliminated in consolidation, were pledged as collateral for short-term borrowings of ¥44,056 million.	In addition to the above, sales finance receivables totaling ¥106,201 million, which were eliminated in consolidation, were pledged as collateral for short-term borrowings of ¥106,092 million.
4. Guarantees and others (1) Guarantees	4. Guarantees and others (1) Guarantees	4. Guarantees and others (1) Guarantees
Guarantees / Balance of liabilities guaranteed / Description of liabilities guaranteed Employees ¥186,050* Employees' housing loans and others AG Global Private Ltd. Co. and 382 other companies 39,296 Loans Total ¥225,346	Guarantees / Balance of liabilities guaranteed / Description of liabilities guaranteed Employees ¥167,167* Employees' housing loans and others AG Global Private Ltd. Co. and 176 other companies 39,513 Loans Total ¥206,680	Guarantees / Balance of liabilities guaranteed / Description of liabilities guaranteed Employees ¥177,422* Employees' housing loans and others AG Global Private Ltd. Co. and 343 other companies 44,356 Loans Total ¥221,778
* These loans were fully covered by insurance.	* Allowance for doubtful receivables is provided for these loans mainly based on past experience.	* Allowance for doubtful receivables is provided for these loans mainly based on past experience.

At September 30, 2005	At September 30, 2006	At March 31, 2006
(2) Commitments to provide guarantees Guarantees: MONC LIBERIA, INC and another company Balance of commitments to provide guarantees: ¥2,629 Description of commitments: Commitments to provide guarantees for loans	(2) Commitments to provide guarantees Guarantees: MONC LIBERIA, INC and another company Balance of commitments to provide guarantees: ¥2,363 Description of commitments: Commitments to provide guarantees for loans	(2) Commitments to provide guarantees Guarantees: MONC LIBERIA, INC and another company Balance of commitments to provide guarantees: ¥2,515 Description of commitments: Commitments to provide guarantees for loans
(3) Outstanding balance of installment receivables sold with recourse ¥16,069	(3) Outstanding balance of installment receivables sold with recourse ¥8,485	(3) Outstanding balance of installment receivables sold with recourse ¥12,252
5. Notes receivable discounted with banks ¥3,621	5. Notes receivable discounted with banks ¥198	5. Notes receivable discounted with banks ¥3,666
	6. *4 Notes maturing at end of the period Notes maturing at the end of this period have been eliminated at the date of clearing. The end of this period was a holiday for financial institutions, so the following notes are included in the balance of notes at the end of this period. Notes receivable ¥3,653 Notes payable ¥95	
6. *5 Retained earnings Revaluation adjustments resulting from adoption of general price-level accounting ¥42,993		6. *5 Retained earnings Revaluation adjustments resulting from adoption of general price-level accounting ¥49,915
7. The unused balances granted under overdraft and loan commitment agreements of certain consolidated subsidiaries are summarized as follows: Total lines of credit, overdrafts and loans ¥124,202 Loans receivable outstanding 13,333 Unused lines of credit ¥110,869	7. The unused balances granted under overdraft and loan commitment agreements of certain consolidated subsidiaries are summarized as follows: Total lines of credit, overdrafts and loans ¥229,692 Loans receivable outstanding 54,597 Unused lines of credit ¥175,095	7. The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows: Total lines of credit, overdrafts and loans ¥152,879 Loans receivable outstanding 15,627 Unused lines of credit ¥137,252
A significant portion of the above overdraft and loan commitment agreements frequently expires without being utilized and loans under such agreements are sometimes subject to a prior credit investigation of the borrowers. Accordingly, the unused balance may not necessarily be fully utilized.	A significant portion of the above overdraft and loan commitment agreements frequently expires without being utilized and loans under such agreements are sometimes subject to a prior credit investigation of the borrowers. Accordingly, the unused balance may not necessarily be fully utilized.	A significant portion of the above overdraft and loan commitment agreements frequently expires without being utilized and loans under such agreements are sometimes subject to a prior credit investigation of the borrowers. Accordingly, the unused balance may not necessarily be fully utilized.

For the Semiannual Consolidated Statements of Income

For the six months ended September 30, 2005

*1 Gain on sales of fixed assets primarily consisted of gain on sales of land and buildings of ¥2,905 million in the aggregate.

*2 The following loss on impairment of fixed assets was recorded for the six months ended September 30, 2005:

Usage	Description	Location	Amount (Millions)
Idle assets	Land and buildings	Izunokuni-city, Shizuoka Prefecture and 42 other locations	¥17,472
Assets to be sold	Land, buildings and structures	Hidaka-city, Saitama Prefecture	¥ 5,586

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales financing) and geographical segments. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its domestic consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of due to a significant decline in their market value by reducing their book value to the respective net realizable value of each asset. Such loss amounted to ¥23,058 million has been recorded as a special loss in the accompanying semiannual consolidated statements of income. This impairment loss consisted of losses on idle assets of ¥17,472 million (land - ¥16,541 million and building - ¥931 million) and losses on assets to be sold of ¥5,586 million (land - ¥2,827 million, buildings and structures - ¥1,210 million and others - ¥1,549 million).

The net realizable value of the idle assets was based on their appraisal value and that of the assets to be disposed of and sold was estimated based on their respective sales contracts.

For the six months ended September 30, 2006

*1 Gain on sales of fixed assets primarily consisted of gain on sales of land and buildings of ¥719 million in the aggregate.

*2 The following loss on impairment of fixed assets was recorded for the six months ended September 30, 2006:

Usage	Description	Location	Amount (Millions)
Idle assets	Land, buildings structures and Machinery	Osaka-city, Osaka Prefecture and 37 other locations	¥1,759
Assets to be sold	Land, buildings and structures	Ageo-city, Saitama Prefecture and 2 other locations	¥ 158
Assets to be disposed of	Land, buildings and structures	Kyoto-city, Kyoto Prefecture and 28 other locations	¥5,870

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales financing) and geographical segments. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its domestic consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of due to a significant decline in their market value by reducing their book value to the respective net realizable value of each asset. Such loss amounted to ¥7,787 million has been recorded as a special loss in the accompanying semiannual consolidated statements of income. This impairment loss consisted of losses on idle assets of ¥1,759 million (land - ¥627 million, buildings - ¥1,046 million, and machinery - ¥86 million), losses on assets to be sold of ¥158 million (land - ¥126 million and buildings and structures - ¥32 million) and losses of ¥5,870 million on assets to be disposed of (land - ¥4,475 million and buildings - ¥1,395 million).

The net realizable value of the idle assets and assets to be disposed of was based on their appraisal value and that of the assets to be sold was estimated based on their respective sales contracts.

For the year ended March 31, 2006

*1 Gain on sales of fixed assets primarily consisted of gain on sales of land and buildings of ¥19,219 million in the aggregate.

*2 The following loss on impairment of fixed assets was recorded for the year ended March 31, 2006:

Usage	Description	Location	Amount (Millions)
Idle assets	Land and buildings	Izunokuni-city, Shizuoka Prefecture and 66 other locations	¥19,190
Assets to be sold	Land, buildings and structures	Hidaka-city, Saitama Prefecture and 2 other locations	¥ 7,637

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales financing) and geographical segments. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its domestic consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of due to a significant decline in their market value by reducing their net book value to the respective net realizable value of each asset. Such loss amounted to ¥26,827 million has been recorded as a special loss in the accompanying consolidated statements of income. This impairment loss consisted of losses on idle assets of ¥19,190 million (land - ¥17,186 million buildings - ¥1,525 million and others - ¥479 million) and losses on assets to be sold of ¥7,637 million (land - ¥4,654 million, buildings and structures - ¥1,434 million and others - ¥1,549 million).

The net realizable value of the idle assets was based on their appraisal value and that of the assets to be disposed of and sold was estimated based on their respective sales contracts.

For the Consolidated Statement of Changes in Net Assets
For the six months ended September 30, 2006

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	Number of shares at the end of the prior fiscal year	Increase	Decrease	Number of shares at the end of this period
Shares issued: Common stock	4,520,715	–	–	4,520,715
Treasury stock: Common stock	422,763	20	14,009	408,774

Notes: 1. Details of the increase are as follows:
Increase due to purchase of the stocks of less than standard unit 19 thousand shares
Increase in stocks held by affiliates accounted for by the equity method 1 thousand shares
2. Details of the decrease are as follows:
Decrease due to exercising stock subscription rights 14,007 thousand shares
Decrease in stocks held by affiliates accounted for by the equity method 2 thousand shares

2. Stock subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (in thousands)				Balance at the end of this period (Millions of yen)
			Number of shares at the end of the prior fiscal year	Increase	Decrease	Number of shares at the end of this period	
Parent company	Euro-yen bonds with warrants due 2007	Common stock	15,937	–	9,477	6,460	357
	Euro-yen bonds with warrants due 2008	Common stock	44,703	–	3,797	40,906	2,070
	Subscription rights as stock options	–					460
Total		–					2,887

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

3. Dividends
(1) Dividends

Resolution	Type of shares	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 27, 2006	Common stock	61,329	15	March 31, 2006	June 28, 2006

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

(2) Dividends, of which cut off date was in the 1st half of FY2006, and effective date of which will be after October, 1, 2006

Resolution	Type of shares	Total dividends (Millions of yen)	Resources of dividends	Dividends per share (Yen)	Cut-off date	Effective date
Meeting of the Board of directors on October 26, 2006	Common stock	75,014	Retained earnings	17	September 30, 2006	November 28, 2006

For the Consolidated Statements of Cash Flows

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
* Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the semiannual consolidated balance sheet as follows: (As of September 30, 2005) Cash on hand and in banks ¥265,452 Time deposits with maturities of more than three months (30,708) Cash equivalents included in marketable securities (*) 20,407 Cash and cash equivalents ¥255,151 * This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries	* Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the semiannual consolidated balance sheet as follows: (As of September 30, 2006) Cash on hand and in banks ¥432,147 Time deposits with maturities of more than three months (18,870) Cash equivalents included in marketable securities (*) 29,843 Cash and cash equivalents ¥443,120 * This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries	* Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheet as follows: (As of March 31, 2006) Cash on hand and in banks ¥414,772 Time deposits with maturities of more than three months (20,120) Cash equivalents included in marketable securities (*) 9,560 Cash and cash equivalents ¥404,212 * This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries.

For Lease Transactions

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
Lessees' Accounting Operating lease transactions Future minimum lease payments subsequent to September 30, 2005 are summarized as follows: Due in one year or less ¥ 4,509 Due after one year 18,819 Total ¥23,328	Lessees' Accounting Operating lease transactions Future minimum lease payments subsequent to September 30, 2006 are summarized as follows: Due in one year or less ¥ 7,243 Due after one year 26,614 Total ¥33,857	Lessees' Accounting Operating lease transactions Future minimum lease payments subsequent to March 31, 2006 are summarized as follows: Due in one year or less ¥6,975 Due after one year 20,913 Total ¥27,888
Lessors' Accounting Operating lease transactions Future minimum lease income subsequent to September 30, 2005 is summarized as follows: Due in one year or less ¥188,181 Due after one year 483,129 Total ¥671,310	Lessors' Accounting Operating lease transactions Future minimum lease income subsequent to September 30, 2006 is summarized as follows: Due in one year or less ¥378,208 Due after one year 450,002 Total ¥828,210	Lessors' Accounting Operating lease transactions Future minimum lease income subsequent to March 31, 2006 is summarized as follows: Due in one year or less ¥329,177 Due after one year 422,419 Total ¥751,596

For Securities

At September 30, 2005

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥57	¥57	–
Total	¥57	¥57	–

2. Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥4,691	¥19,574	¥14,883
(2) Bonds			
National and local government bonds	19	20	1
Total	¥4,710	¥19,594	¥14,884

3. The carrying value and a description of major securities whose fair value was not determinable are as follows:

Other securities	
Unlisted domestic stocks (excluding those traded on the over-the-counter market)	¥ 9,179
Unlisted foreign stocks	753
Unlisted foreign investment trusts	16,339

At September 30, 2006

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥59	¥59	–
National and local government bonds	¥358	¥358	–
Total	¥417	¥417	–

2. Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥4,823	¥15,878	¥11,055
(2) Bonds			
National and local government bonds	19	20	1
(3) Others	8,091	8,097	6
Total	¥12,933	¥23,995	¥11,062

3. The carrying value and a description of major securities whose fair value was not determinable are as follows:

Other securities	
Unlisted domestic stocks (excluding those traded on the over-the-counter market)	¥ 8,446
Unlisted foreign stocks	807
Unlisted foreign investment trusts	21,747

At March 31, 2006

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥59	¥59	–
Total	¥59	¥59	–

2. Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥5,412	¥30,088	¥24,676
(2) Bonds			
National and local government bonds	19	20	1
Others			
Total	¥5,431	¥30,108	¥24,677

3. The carrying value and a description of major securities whose fair value was not determinable are as follows:

Other securities:	
Unlisted domestic stocks (excluding those traded on the over-the-counter market)	¥20,664
Unlisted foreign stocks	820
Unlisted foreign investment trusts	9,501

For Derivatives

Notional Amounts, Fair Value and Unrealized Gain or Loss of Derivatives

(Millions of yen)

Type of related items	Type of transactions	At September 30, 2005 Notional amounts	At September 30, 2005 Fair value	At September 30, 2005 Unrealized gain (loss)	At September 30, 2006 Notional amounts	At September 30, 2006 Fair value	At September 30, 2006 Unrealized gain (loss)	At March 31, 2006 Notional amounts	At March 31, 2006 Fair value	At March 31, 2006 Unrealized gain (loss)
Currency	Forward foreign exchange contracts:									
	Sell:									
	USD	¥104,678	¥107,469	¥ (2,791)	¥ 8,351	¥ 8,199	¥ 152	¥ 8,326	¥ 8,523	¥ (197)
	EUR	16,420	16,488	(68)	1,332	1,288	44	1,117	1,134	(17)
	CAD	11,056	11,768	(712)	–	–	–	–	–	–
	MXN	10,810	11,204	(394)	–	–	–	–	–	–
	AUD	8,871	9,199	(328)	882	880	2	–	–	–
	ZAR	2,399	2,481	(82)	508	561	(53)	668	717	(49)
	NZD	1,244	1,277	(33)	–	–	–	–	–	–
	THB	842	842	–	2,570	2,592	(22)	–	–	–
	GBP	62	63	(1)	14	14	–	9	9	–
	Other	–	–	–	–	–	–	33	32	1
	Buy:									
	USD	10,881	10,461	(420)	3,146	3,187	41	3,078	3,082	4
	EUR	457	460	3	406	408	2	876	828	(48)
	Other	64	64	–	6	6	–	174	168	(6)
	Swaps:									
	USD	¥150,495	¥ (223)	¥ (223)	¥ 30,067	¥ (157)	¥ (157)	¥ 37,049	¥ 422	¥ 422
	EUR	69,188	80	80	51,442	171	171	105,906	(253)	(253)
	AUD	42,324	(44)	(44)	1,231	(5)	(5)	39,199	(605)	(605)
	GBP	19,691	(23)	(23)	–	–	–	16,771	(16)	(16)
	CAD	13,497	(1,252)	(1,252)	54,849	(824)	(824)	4,106	(1,120)	(1,120)
	ZAR	6,723	(7)	(7)	–	–	–	2,450	(27)	(27)
	THB	–	–	–	17,791	(170)	(170)	–	–	–
	HKD	5,184	3	3	–	–	–	5,222	100	100
Interest rate	Swaps:									
	Receive floating/ pay fixed	¥149,910	¥ (224)	¥ (224)	¥ 86,411	¥ 140	¥ 140	¥127,717	¥ 640	¥ 640
	Receive fixed/ pay floating	209,594	2,482	2,482	126,001	612	612	239,000	757	757
	Options:									
	Caps sold	¥439,765			¥483,977			¥515,208		
	(Option premium)	(–)	¥ (4,661)	¥ (4,661)	(–)	¥ (2,827)	¥ (2,827)	(–)	¥ (5,823)	¥ (5,823)
	Caps purchased	439,765			483,977			515,208		
	(Option premium)	(–)	4,661	4,661	(–)	2,827	2,827	(–)	5,823	5,823
Total		¥ –	¥ –	¥ (4,034)	¥ –	¥ –	¥ (67)	¥ –	¥ –	¥ (414)

Notes: 1. Calculation of fair value
Fair value is primarily based on discounted present value.

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

For Share-based Payments

For the six months ended September 30, 2006

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

Salaries and wages in Selling, general, and administrative expenses ¥460 million

2. Description of stock options granted during the period

Company name	The Company
Date of resolution	June 21, 2005
Category and number of people to whom stock options are granted	The Company's employees: 456 Directors of the Company's subsidiaries: 72 Total: 528
Type and number of shares	13,075,000 shares of common stock
Grant date	May 8, 2006
Vesting conditions	(1) Those who hold stock subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) Stock subscription rights holders must achieve their respective targets.
Vesting period	From May 8, 2006 to May 8, 2008
Exercise period	From May 9, 2008 to June 20, 2015
Exercise price	¥1,526 per share
Fair value per share at grant date	¥222.30 per share

Segment Information

Business Segment Information

For the six months ended September 30, 2005

(Millions of yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales:					
(1) Sales to third parties	4,245,853	245,122	4,490,975	–	4,490,975
(2) Inter-group sales	14,270	7,258	21,528	(21,528)	–
Total	4,260,123	252,380	4,512,503	(21,528)	4,490,975
Operating expenses	3,895,371	217,957	4,113,328	(33,891)	4,079,437
Operating income	364,752	34,423	399,175	12,363	411,538

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

2. Major products and services included in each segment are;

(1) Automobiles: Passenger cars, trucks and buses, forklifts, parts for production in overseas countries, etc.

(2) Sales Financing: Credit, lease, etc.

3. Consolidated financial statements by business segment for the six months ended September 30, 2005

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

(1) Summarized Consolidated Balance Sheets by Business Segment

(Millions of yen)

	As of September 30, 2005		
	Automobile & eliminations	Sales Financing	Consolidated total
Assets			
I Current assets			
Cash on hand and in banks	260,426	5,026	265,452
Notes and accounts receivable	575,420	142	575,562
Sales finance receivables	(158,673)	3,369,721	3,211,048
Inventories	845,231	8,336	853,567
Other current assets	504,907	162,142	667,049
Total current assets	2,027,311	3,545,367	5,572,678
II Fixed assets			
Property, plant and equipment, net	2,781,967	1,309,286	4,091,253
Investment securities	357,936	293	358,229
Other fixed assets	449,067	128,069	577,136
Total fixed assets	3,588,970	1,437,648	5,026,618
III Deferred charges			
Discounts on bonds	779	－	779
Total deferred charges	779	－	779
Total assets	5,617,060	4,983,015	10,600,075
Liabilities			
I Current liabilities			
Notes and accounts payable	939,241	24,430	963,671
Short-term borrowings	(372,254)	2,646,115	2,273,861
Lease obligations	60,469	691	61,160
Other current liabilities	1,008,142	97,060	1,105,202
Total current liabilities	1,635,598	2,768,296	4,403,894
II Long-term liabilities			
Bonds and debentures	396,352	216,082	612,434
Long-term borrowings	210,225	1,314,297	1,524,522
Lease obligations	78,134	－	78,134
Other long-term liabilities	691,776	302,160	993,936
Total long-term liabilities	1,376,487	1,832,539	3,209,026
Total liabilities	3,012,085	4,600,835	7,612,920
Minority interests			
Minority interests	272,728	1,540	274,268
Shareholders' equity			
I Common stock	514,612	91,202	605,814
II Capital surplus	773,627	30,843	804,470
III Retained earnings and unrealized holding gain on securities	1,649,202	244,714	1,893,916
IV Translation adjustments	(329,724)	13,881	(315,843)
V Treasury stock	(275,470)	－	(275,470)
Total shareholders' equity	2,332,247	380,640	2,712,887
Total liabilities, minority interests and shareholders' equity	5,617,060	4,983,015	10,600,075

Notes:
1. Sales finance receivables of Automobile & eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales Financing segment.
2. Borrowings of Automobile & eliminations represent the amount after deducting internal loans receivable from the Sales Financing segment amounting to ¥897,946 million.

(2) Summarized statements of income by business segment

(Millions of yen)

	For the six months ended September 30, 2005		
	Automobile & eliminations	Sales Financing	Consolidated total
Net sales	4,238,595	252,380	4,490,975
Cost of sales	3,181,781	173,982	3,355,763
Gross profit	1,056,814	78,398	1,135,212
Operating income as a percentage of net sales	8.9%	13.6%	9.2%
Operating income	377,115	34,423	411,538
Net financial cost	(679)	(3)	(682)
Other non-operating income and expenses, net	(15,468)	251	(15,217)
Ordinary income	360,968	34,671	395,639
Income before income taxes and minority interests	332,853	34,588	367,441
Net income	208,345	22,357	230,702

(3) Summarized statements of cash flows by business segment

(Millions of yen)

	For the six months ended September 30, 2005		
	Automobile & eliminations	Sales Financing	Consolidated total
I Cash flows from operating activities			
Income before income taxes and minority interests	332,853	34,588	367,441
Depreciation and amortization	194,846	115,618	310,464
(Increase) Decrease in sales finance receivables	(51,820)	4,487	(47,333)
Others	(529,269)	75,967	(453,302)
Net cash provided by (used in) operating activities	(53,390)	230,660	177,270
II Cash flows from investing activities			
Proceeds from sales of investment securities	21,776	—	21,776
Proceeds from sales of property, plant and equipment	25,793	1	25,794
Purchases of fixed assets	(216,260)	(6,938)	(223,198)
Purchases of leased vehicles	(24,969)	(476,702)	(501,671)
Proceeds from sales of leased vehicles	11,849	108,441	120,290
Others	(35,742)	1,534	(34,208)
Net cash used in investing activities	(217,553)	(373,664)	(591,217)
III Cash flows from financing activities			
Net Increase (Decrease) in short-term borrowings	298,742	(12,132)	286,610
(Decrease) Increase in long-term borrowing, net of repayment and redemption of long-term debt	(180,573)	99,450	(81,123)
Increase in bonds and debentures	227,386	50,000	277,386
Others	(104,886)	1,790	(103,096)
Net cash provided by financing activities	240,669	139,108	379,777
IV Effect of exchange rate changes on cash and cash equivalents	(988)	522	(466)
V Decrease in cash and cash equivalents	(31,262)	(3,374)	(34,636)
VI Cash and cash equivalents at beginning of period	280,176	9,608	289,784
VII Increase due to inclusion of subsidiaries in consolidation	3	—	3
VIII Cash and cash equivalents at end of period	248,917	6,234	255,151

Note: Increase in short-term borrowings of Automobile & eliminations include the amount of -¥78,310 million eliminated for decrease in internal loans receivable from the Sales Financing segment.

For the six months ended September 30, 2006

(Millions of yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales:					
(1) Sales to third parties	¥4,214,036	¥320,364	¥4,534,400	–	¥4,534,400
(2) Inter-group sales	13,001	7,455	20,456	¥(20,456)	–
Total	4,227,037	327,819	4,554,856	(20,456)	4,534,400
Operating expenses	3,940,859	290,396	4,231,255	(45,500)	4,185,755
Operating income	¥ 286,178	¥ 37,423	¥ 323,601	¥ 25,044	¥ 348,645

Notes: 1. Businesses are segmented based on their proximity in terms of types, nature and market of their products.

2. Major products and services in each segment are;

(1) Automobile: Passenger cars, trucks and buses, forklifts, parts for production in overseas countries, etc.

(2) Sales Financing: Credit, lease, etc.

3. Accounting standard for share-based payment

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

The effect of this change was to decrease the operating income of the Automobile segment by ¥460 million.

4. Consolidated financial statements by business segment for the six months ended September 30, 2006

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

(1) Summarized Consolidated Balance Sheets by Business Segment

(Millions of yen)

	As of September 30, 2006		
	Automobile & eliminations	Sales Financing	Consolidated total
Assets			
I Current assets			
Cash on hand and in banks	¥ 425,746	¥ 6,401	¥ 432,147
Notes and accounts receivable	565,421	72	565,493
Sales finance receivables	(128,807)	3,546,154	3,417,347
Inventories	938,788	12,754	951,542
Other current assets	527,235	205,776	733,011
Total current assets	2,328,383	3,771,157	6,099,540
II Fixed assets			
Property, plant and equipment, net	2,960,551	1,716,431	4,676,982
Investment securities	351,690	1,840	353,530
Other fixed assets	463,697	136,186	599,883
Total fixed assets	3,775,938	1,854,457	5,630,395
III Deferred charges			
Discounts on bonds	–	–	–
Total deferred charges	–	–	–
Total assets	¥ 6,104,321	¥ 5,625,614	¥ 11,729,935
Liabilities			
I Current liabilities			
Notes and accounts payable	¥ 961,112	¥ 16,297	¥ 977,409
Short-term borrowings	(329,012)	3,262,571	2,933,559
Lease obligations	48,108	735	48,843
Other current liabilities	1,013,947	119,006	1,132,953
Total current liabilities	1,694,155	3,398,609	5,092,764
II Long-term liabilities			
Bonds and debentures	379,783	343,974	723,757
Long-term borrowings	167,507	1,064,794	1,232,301
Lease obligations	64,722	–	64,722
Other long-term liabilities	618,134	376,288	994,422
Total long-term liabilities	1,230,146	1,785,056	3,015,202
Total liabilities	2,924,301	5,183,665	8,107,966
Net assets			
I Shareholders' equity			
Common stock	¥ 513,628	¥ 92,186	¥ 605,814
Capital surplus	773,623	30,847	804,470
Retained earnings	2,001,368	286,297	2,287,665
Treasury stock	(233,371)	–	(233,371)
Total shareholders' equity	3,055,248	409,330	3,464,578
II Valuation, translation adjustments and others			
Adjustments for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	53,179	26	53,205
Translation adjustments	(230,783)	28,954	(201,829)
Other	698	1,749	2,447
Total valuation, translation adjustments and others	(176,906)	30,729	(146,177)
III Stock subscription rights	2,887	–	2,887
IV Minority interests	298,791	1,890	300,681
Total net assets	3,180,020	441,949	3,621,969
Total liabilities and net assets	¥ 6,104,321	¥ 5,625,614	¥ 11,729,935

Notes:
1. Sales finance receivables of Automobile & eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales Financing segment.
2. Borrowings of Automobile & eliminations represent the amount after deducting internal loans receivable from the Sales Financing segment amounting to ¥1,112,196 million.

(2) Summarized statements of income by business segment

(Millions of yen)

	For the six months ended September 30, 2006		
	Automobile & eliminations	Sales Financing	Consolidated total
Net sales	¥4,206,581	¥327,819	¥4,534,400
Cost of sales	3,207,621	248,411	3,456,032
Gross profit	998,960	79,408	1,078,368
Operating income as a percentage of net sales	7.4%	11.4%	7.7%
Operating income	311,222	37,423	348,645
Net financial cost	(3,614)	8	(3,606)
Other non-operating income and expenses, net	15,212	612	15,824
Ordinary income	322,820	38,043	360,863
Income before income taxes and minority interests	317,900	37,799	355,699
Net income	¥ 251,251	¥ 22,926	¥ 274,177

(3) Summarized statements of cash flows by business segment

(Millions of yen)

	For the six months ended September 30, 2006		
	Automobile and eliminations	Sales Financing	Consolidated
I Cash flows from operating activities			
Income before income taxes and minority interests	¥317,900	¥ 37,799	¥355,699
Depreciation and amortization	201,569	153,752	355,321
(Increase) Decrease in sales finance receivables	(103,770)	273,845	170,075
Others	(419,962)	20,945	(399,017)
Net cash provided by (used in) operating activities	(4,263)	486,341	482,078
II Cash flows from investing activities			
Proceeds from sales of investment securities	25,056	–	25,056
Proceeds from sales of property, plant and equipment	16,869	–	16,869
Purchases of fixed assets	(255,579)	(4,519)	(260,098)
Purchases of leased vehicles	(6,486)	(510,610)	(517,096)
Proceeds from sales of leased vehicles	11,764	155,820	167,584
Others	(11,041)	14,754	3,713
Net cash used in investing activities	(219,417)	(344,555)	(563,972)
III Cash flows from financing activities			
Increase (Decrease) in short-term borrowings	458,765	(46,758)	412,007
Changes in long-term borrowings and redemption of bonds and debentures	(130,443)	(143,949)	(274,392)
Increase in bonds and debentures	–	53,385	53,385
Others	(85,645)	(160)	(85,805)
Net cash provided by (used in) financing activities	242,677	(137,482)	105,195
IV Effect of exchange rate changes on cash and cash equivalents	2,958	(735)	2,223
V Increase in cash and cash equivalents	21,955	3,569	25,524
VI Cash and cash equivalents at beginning of period	392,505	11,707	404,212
VII Increase due to inclusion in consolidation	12,571	813	13,384
VIII Cash and cash equivalents at end of period	¥427,031	¥ 16,089	¥443,120

Note: Increase in short-term borrowings of Automobile & eliminations include the amount of ¥138,491 million eliminated for increase in internal loans receivable from the Sales Financing segment.

For the year ended March 31, 2006

(Millions of yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. Sales and operating income					
Net sales:					
(1) Sales to third parties	8,895,143	533,149	9,428,292	—	9,428,292
(2) Inter-area sales	28,563	14,794	43,357	(43,357)	—
Total net sales	8,923,706	547,943	9,471,649	(43,357)	9,428,292
Operating expenses	8,160,292	478,218	8,638,510	(82,059)	8,556,451
Operating income	763,414	69,725	833,139	38,702	871,841
II. Assets, depreciation, impairment loss and capital expenditures					
Total assets	7,152,144	5,710,239	12,862,383	(1,380,957)	11,481,426
Depreciation	400,787	254,615	655,402	—	655,402
Impairment loss	26,794	33	26,827	—	26,827
Capital expenditures	503,916	920,398	1,424,314	—	1,424,314

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

2. Major products and services included in each business segment are;

(1) Automobile: Passenger cars, trucks and buses, forklifts, parts for production in overseas countries, etc.

(2) Sales Financing: Credit, lease, etc.

3. Changes in accounting policies

Accounting standard for the impairment of fixed assets

Effective April 1, 2005, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidelines on the Accounting Standard for the Impairment of Fixed Assets" (Business Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003). The effect of this change was to decrease the assets of the Automobile segment by ¥26,794 million and the assets of the Sales Financing segment by ¥33 million for the year ended March 31, 2006.

4. Consolidated financial statements by business segment for the year ended March 31, 2006

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

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

	As of March 31, 2006		
	Automobile & eliminations	Sales Financing	Consolidated total
Assets			
I Current assets			
Cash on hand and in banks	402,968	11,804	414,772
Notes and accounts receivable	488,571	29	488,600
Sales finance receivables	(232,709)	3,821,836	3,589,127
Inventories	847,243	9,256	856,499
Other current assets	465,367	207,889	673,256
Total current assets	1,971,440	4,050,814	6,022,254
II Fixed assets			
Property, plant and equipment, net	2,926,753	1,512,055	4,438,808
Investment securities	401,520	1,866	403,386
Other fixed assets	470,966	145,504	616,470
Total fixed assets	3,799,239	1,659,425	5,458,664
III Deferred charges			
Discounts on bonds	508	—	508
Total deferred charges	508	—	508
Total assets	5,771,187	5,710,239	11,481,426
Liabilities			
I Current liabilities			
Notes and accounts payable	957,055	26,539	983,594
Short-term borrowings	(665,980)	3,199,746	2,533,766
Lease obligations	57,804	719	58,523
Other current liabilities	1,154,726	121,100	1,275,826
Total current liabilities	1,503,605	3,348,104	4,851,709
II Long-term liabilities			
Bonds and debentures	381,346	326,861	708,207
Long-term borrowings	174,734	1,270,954	1,445,688
Lease obligations	71,708	—	71,708
Other long-term liabilities	677,426	352,812	1,030,238
Total long-term liabilities	1,305,214	1,950,627	3,255,841
Total liabilities	2,808,819	5,298,731	8,107,550
Minority interests			
Minority interests	284,062	1,831	285,893
Shareholders' equity			
I Common stock	514,489	91,325	605,814
II Capital surplus	773,623	30,847	804,470
III Retained earnings and unrealized holding gain on securities	1,870,127	261,038	2,131,165
IV Translation adjustments	(230,780)	26,467	(204,313)
V Treasury stock	(249,153)	—	(249,153)
Total shareholders' equity	2,678,306	409,677	3,087,983
Total liabilities, minority interests and shareholders' equity	5,771,187	5,710,239	11,481,426

Notes: 1. Sales finance receivables of Automobile & eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales Financing segment.

2. Borrowings of Automobile & eliminations represent the amount after deducting internal loans receivable from the Sales Financing segment amounting to ¥968,451 million.

(2) Summarized consolidated statements of income by business segment

(Millions of yen)

	For the year ended March 31, 2006		
	Automobile & eliminations	Sales Financing	Consolidated total
Net sales	8,880,349	547,943	9,428,292
Cost of sales	6,649,937	391,050	7,040,987
Gross profit	2,230,412	156,893	2,387,305
Operating income as a percentage of net sales	9.0%	12.7%	9.2%
Operating income	802,116	69,725	871,841
Net financial cost	(4,555)	(11)	(4,566)
Other non-operating income and expenses, net	(21,315)	(88)	(21,403)
Ordinary income	776,246	69,626	845,872
Income before income taxes and minority interests	739,962	69,079	809,041
Net income	476,688	41,362	518,050

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

(Millions of yen)

	For the year ended March 31, 2006		
	Automobile & eliminations	Sales Financing	Consolidated total
I Cash flows from operating activities			
Income before income taxes and minority interests	739,962	69,079	809,041
Depreciation and amortization	400,787	254,615	655,402
Decrease (Increase) in sales finance receivables	19,341	(331,026)	(311,685)
Others	(468,999)	74,110	(394,889)
Net cash provided by operating activities	691,091	66,778	757,869
II Cash flows from investing activities			
Proceeds from sales of investment securities	50,765	—	50,765
Proceeds from sales of property, plant and equipment	55,789	1	55,790
Purchases of fixed assets	(456,550)	(14,479)	(471,029)
Purchases of leased vehicles	(47,366)	(905,919)	(953,285)
Proceeds from sales of leased vehicles	37,523	226,601	264,124
Others	(59,951)	831	(59,120)
Net cash used in investing activities	(419,790)	(692,965)	(1,112,755)
III Cash flows from financing activities			
Increase in short-term borrowings	16,565	359,483	376,048
(Decrease) Increase in long-term borrowing, net of repayment and redemption of long-term debt	(228,985)	102,227	(126,758)
Increase in bonds and debentures	227,386	163,320	390,706
Others	(183,960)	1,883	(182,077)
Net cash provided by (used in) financing activities	(168,994)	626,913	457,919
IV Effect of exchange rate changes on cash and cash equivalents	10,016	1,373	11,389
V Increase in cash and cash equivalents	112,323	2,099	114,422
VI Cash and cash equivalents at beginning of period	280,176	9,608	289,784
VII Increase due to inclusion of subsidiaries in consolidation	6	—	6
VIII Cash and cash equivalents at end of period	392,505	11,707	404,212

Note: Increase in short-term borrowings of Automobile & eliminations include the amount of ¥39,721 million eliminated for decrease in internal loans receivable from the Sales Financing segment.

Geographical Segment Information

For the six months ended September 30, 2005

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales:							
(1) Sales to third parties	1,327,895	1,855,923	691,071	616,086	4,490,975	–	4,490,975
(2) Inter-group sales	1,044,535	54,080	34,658	5,527	1,138,800	(1,138,800)	–
Total	2,372,430	1,910,003	725,729	621,613	5,629,775	(1,138,800)	4,490,975
Operating expenses	2,173,047	1,744,637	707,543	588,286	5,213,513	(1,134,076)	4,079,437
Operating income	199,383	165,366	18,186	33,327	416,262	(4,724)	411,538

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

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

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

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

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

For the six months ended September 30, 2006

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales:							
(1) Sales to third parties	¥1,170,119	¥1,964,032	¥755,622	¥644,627	¥4,534,400	–	¥4,534,400
(2) Inter-group sales	1,023,673	65,480	42,513	8,890	1,140,556	¥(1,140,556)	–
Total	2,193,792	2,029,512	798,135	653,517	5,674,956	(1,140,556)	4,534,400
Operating expenses	2,060,124	1,881,941	771,290	621,479	5,334,834	(1,149,079)	4,185,755
Operating income	¥ 133,668	¥ 147,571	¥ 26,845	¥ 32,038	¥ 340,122	¥ 8,523	¥ 348,645

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

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

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

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

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

3. Accounting standard for share-based payment

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

The effect of this change was to decrease the operating income of the Japan segment by ¥460.

For the year ended March 31, 2006

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. Sales and operating income Net sales: 1. Sales to third parties	2,674,549	4,100,662	1,414,674	1,238,407	9,428,292	—	9,428,292
2. Inter-group sales	2,194,405	138,585	82,632	13,928	2,429,550	(2,429,550)	—
Total Sales	4,868,954	4,239,247	1,497,306	1,252,335	11,857,842	(2,429,550)	9,428,292
Operating expenses	4,478,536	3,852,304	1,430,127	1,194,714	10,955,681	(2,399,230)	8,556,451
Operating income	390,418	386,943	67,179	57,621	902,161	(30,320)	871,841
II. Total assets	5,961,342	5,751,652	746,016	798,533	13,257,543	(1,776,117)	11,481,426

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

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

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

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

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

3. Changes in accounting policies

Accounting standard for the impairment of fixed assets

Effective April 1, 2005, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidelines on the Accounting Standard for the Impairment of Fixed Assets" (Business Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003). The effect of this change was to decrease the assets of the Japan area by ¥26,827 million for the year ended March 31, 2006.

Overseas Net Sales

For the six months ended September 30, 2005

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas net sales	¥1,811,634	¥698,255	¥816,630	¥3,326,519
II Consolidated net sales				4,490,975
III Overseas net sales as a percentage of consolidated net sales	40.3%	15.6%	18.2%	74.1%

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

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

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

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

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

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

For the six months ended September 30, 2006

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas net sales	¥1,913,868	¥765,549	¥817,266	¥3,496,683
II Consolidated net sales				4,534,400
III Overseas net sales as a percentage of consolidated net sales	42.2%	16.9%	18.0%	77.1%

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

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

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

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

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

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

For the year ended March 31, 2006

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas net sales	¥4,014,475	¥1,414,929	¥1,655,630	¥7,085,034
II Consolidated net sales				9,428,292
III Overseas net sales as a percentage of consolidated net sales	42.6%	15.0%	17.6%	75.2%

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

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

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

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

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

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

Amounts Per Share

For the six months ended September 30, 2005		For the six months ended September 30, 2006		For the year ended March 31, 2006	
Net assets per share	¥666.51	Net assets per share	¥807.02	Net assets per share	¥753.40
Basic net income per share	¥ 56.69	Basic net income per share	¥ 66.81	Basic net income per share	¥126.94
Diluted net income per share	¥ 56.25	Diluted net income per share	¥ 66.41	Diluted net income per share	¥125.96

Note: The basis of calculating the basic net income per share and diluted net income per share is as follows.

	For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
Basic net income per share: Net income (Millions of yen)	¥230,702	¥274,177	¥518,050
Amount not attributable to common shareholders (Millions of yen)	–	–	573
(Directors' bonuses as an appropriation of retained earnings)	–	–	573
Net income attributable to shares of common stock (Millions of yen)	¥230,702	¥274,177	¥517,477
Average number of shares during the period (Thousands)	4,069,364	4,103,869	4,076,552
Diluted net income per share: Increase in shares of common stock (Thousands)	31,868	24,530	31,611
(Exercise of warrants)	29,653	19,551	28,479
(Exercise of stock subscription rights)	2,215	4,979	3,132
Securities excluded from the computation of diluted net income per share because they do not have dilutive effect.	2nd Stock Subscription Rights (127,700 options) Refer to "Status of Stock Subscription Rights" for a summary.	4th Stock Subscription Rights (130,300 options) Refer to "Status of Stock Subscription Rights" for a summary.	2nd Stock Subscription Rights (100,780 options) Refer to "Status of Stock Subscription Rights" for a summary.

Significant Subsequent Events

<table>
<tr><th>For the six months ended September 30, 2005</th><th>For the six months ended September 30, 2006</th><th>For the year ended March 31, 2006</th></tr>
<tr><td>―</td><td>―</td><td>I On April 25 2006 the Board of Directors of the Company resolved to issue stock subscription rights to employees of the Company as well as to directors of its subsidiaries in accordance with Article 280-20 and 280-21 of the Commercial Code and a resolution approved at the 106th annual general meeting of the Company’s shareholders held on June 21 2005

A outline of these stock subscription rights is as follows:

1) Name of stock subscription rights:
Nissan Motor Co., Ltd. 4th stock subscription rights

2) Types and number of shares to be issued upon exercise of stock subscription rights:
13,220,000 shares of common stock of the Company
One unit of new stock subscription rights comprises 100 shares

3) Aggregate number of units of stock subscription rights to be issued:
132,200 units

If the total number of applications for stock subscription rights does not reach 132,200, the total number of stock subscription rights for which applications have been submitted shall be the total number of stock subscription rights to be issued.

4) Issue price of each stock subscription right and date of issuance:

Each stock subscription right is to be issued free of charge.

The date of issuance of the stock subscription rights shall be May 08, 2006.

5) Exercise price:
Per unit: ¥152,600
Per share: ¥ 1,526

6) The directors, employees and stock subscription rights are summarized as follows:

<table><tr><th>Category</th><th>Number of recipients</th><th>Number of rights issued</th></tr><tr><td>The Company’s employees</td><td>457</td><td>116,700</td></tr><tr><td>Directors of the Company’s subsidiaries</td><td>74</td><td>15,500</td></tr><tr><td>Total</td><td>531</td><td>132,200</td></tr></table></td></tr>
</table>

(2) Other

Not applicable.

2. Semiannual Non-Consolidated Financial Statements

(1) Semiannual Non-Consolidated Financial Statements

① Non-Consolidated Balance Sheets

Accounts	Notes	As of September 30, 2005			As of September 30, 2006			As of March 31, 2006		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
Assets										
I Current assets										
1. Cash on hand and in banks		73,062			24,023			148,532		
2. Trade notes receivable		390			321			577		
3. Trade accounts receivable		404,905			389,637			286,667		
4. Finished products		84,180			75,950			73,001		
5. Other inventories		70,892			81,907			68,843		
6. Short-term loans receivable from subsidiaries and affiliates		739,675			736,005			634,755		
7. Other		183,968			235,686			201,220		
8. Allowance for doubtful receivables		(28,506)			(2,423)			(28,020)		
Total current assets			1,528,569	38.6		1,541,108	38.8		1,385,576	36.0
II Fixed assets										
1. Property, plant and equipment	*									
(1) Buildings		165,820			181,668			177,335		
(2) Machinery and equipment		215,736			232,991			226,507		
(3) Land		133,927			139,680			132,844		
(4) Other		213,249			234,538			238,385		
Total property, plant and equipment		728,734			788,878			775,073		
2. Intangible assets		43,328			47,377			49,827		
3. Investments and other assets										
(1) Investment securities		19,043			17,095			43,986		
(2) Investments in stock of subsidiaries and affiliates		1,490,629			1,477,468			1,450,004		
(3) Long-term loans receivable		1,509			1,041			1,171		
(4) Other		138,425			99,243			139,579		
(5) Allowance for doubtful receivables		(144)			(1,602)			(1,720)		
Total investments and other assets		1,649,462			1,593,247			1,633,021		
Total fixed assets			2,421,525	61.3		2,429,503	61.2		2,457,922	63.9
III Deferred charges										
Discounts on bonds		2,071			–			1,543		
Total deferred charges			2,071	0.1		–	–		1,543	0.1
Total assets			3,952,166	100.0		3,970,612	100.0		3,845,041	100.0

Accounts	Notes	As of September 30, 2005 Amounts (Millions of yen)		Ratio (%)	As of September 30, 2006 Amounts (Millions of yen)		Ratio (%)	As of March 31, 2006 Amounts (Millions of yen)		Ratio (%)
Liabilities										
I Current liabilities										
1. Trade notes payable		580			341			225		
2. Trade accounts payable		439,174			408,204			465,828		
3. Short-term borrowings		261,320			205,000			147,096		
4. Commercial paper		316,000			490,000			88,000		
5. Current portion of bonds and debentures		145,000			59,763			160,000		
6. Accrued expenses		207,542			212,020			268,556		
7. Income taxes payable		41,382			3,709			53,421		
8. Stock subscription rights		4,284			–			3,143		
9. Accrued warranty costs		26,883			30,838			31,717		
10. Lease obligations		36,394			24,213			31,667		
11. Other		103,954			144,721			185,191		
Total current liabilities			1,582,518	40.1		1,578,811	39.7		1,434,848	37.3
II Long-term liabilities										
1. Bonds and debentures		393,000			377,959			378,000		
2. Bonds with stock subscription rights		97,800			52,064			52,800		
3. Long-term borrowings		86,028			44,902			50,790		
4. Accrued warranty costs		44,251			48,272			51,248		
5. Accrued retirement benefits		35,357			10,792			22,391		
6. Lease obligations		26,626			27,397			26,873		
7. Other		1,021			1,055			1,059		
Total long-term liabilities			684,084	17.3		562,444	14.2		583,162	15.2
Total liabilities			2,266,602	57.4		2,141,255	53.9		2,018,011	52.5
Shareholders' equity										
I Common stock			605,813	15.3		–	–		605,813	15.8
II Capital surplus										
Additional paid-in capital		804,470			–			804,470		
Total capital surplus			804,470	20.3		–	–		804,470	20.9
III Retained earnings										
1. Legal reserve		53,838			–			53,838		
2. General reserve		79,335			–			79,335		
3. Unappropriated retained earnings		298,779			–			402,990		
Total retained earnings			431,954	10.9		–	–		536,165	13.9
IV Unrealized holding gain on securities			6,875	0.2		–	–		13,932	0.4
V Treasury stock			(163,549)	(4.1)		–	–		(133,351)	(3.5)
Total shareholders' equity			1,685,563	42.6		–	–		1,827,030	47.5
Total liabilities and shareholders' equity			3,952,166	100.0		–	–		3,845,041	100.0

Accounts	Notes	As of September 30, 2005 Amounts (Millions of yen)		Ratio (%)	As of September 30, 2006 Amounts (Millions of yen)		Ratio (%)	As of March 31, 2006 Amounts (Millions of yen)		Ratio (%)
Net assets										
I Shareholders' equity										
1 Common stock			–	–		605,813	15.3		–	–
2 Capital surplus										
(1) Additional paid-in capital		–			804,470			–		
Total capital surplus			–	–		804,470	20.3		–	–
3 Retained earnings										
(1) Legal reserve		–			53,838			–		
(2) Voluntary reserve										
Reserve for reduction of replacement cost of specified properties		–			68,154			–		
Reserve for losses on overseas investments		–			725			–		
Reserve for special depreciation		–			749			–		
Unappropriated retained earnings		–			405,255			–		
Total retained earnings			–	–		528,724	13.3		–	–
4 Treasury stock			–	–		(118,079)	(3.0)		–	–
Total shareholders' equity			–	–		1,820,928	45.9		–	–
II Valuation, translation adjustments and others										
1 Unrealized holding gain on securities			–	–		5,969	0.1		–	–
2 Unrealized gain or loss on hedging instruments			–	–		(428)	(0.0)		–	–
Total valuation, translation adjustments and others			–	–		5,540	0.1		–	–
III Stock subscription rights			–	–		2,887	0.1		–	–
Total net assets			–	–		1,829,356	46.1		–	–
Total liabilities and net assets			–	–		3,970,612	100.0		–	–

② Non-Consolidated Statements of Income

Accounts	Notes	For the six months ended September 30, 2005			For the six months ended September 30, 2006			For the year ended March 31, 2006		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
I Net sales			1,903,358	100.0		1,696,986	100.0		3,895,553	100.0
II Cost of sales			1,555,788	81.7		1,422,764	83.8		3,189,629	81.9
Gross profit			347,569	18.3		274,222	16.2		705,924	18.1
III Selling, general and administrative expenses			204,157	10.8		172,101	10.2		451,765	11.6
Operating income			143,411	7.5		102,121	6.0		254,159	6.5
IV Non-operating income	*1		6,909	0.4		9,679	0.6		141,841	3.7
V Non-operating expenses	*2		32,859	1.7		13,130	0.8		58,845	1.5
Ordinary income			117,461	6.2		98,670	5.8		337,156	8.7
VI Special gains	*3		7,288	0.3		38,099	2.2		34,552	0.9
VII Special losses	*4, *5		36,968	1.9		61,527	3.6		92,097	2.4
Income before income taxes			87,782	4.6		75,242	4.4		279,610	7.2
Income taxes– current		43,743			30			80,130		
Income taxes – deferred		(20,666)	23,076	1.2	13,029	13,060	0.7	(41,112)	39,017	1.0
Net income			64,705	3.4		62,182	3.7		240,593	6.2
Retained earnings at beginning of period			239,059			–			239,059	
Loss on disposal of treasury stock			4,984			–			15,467	
Interim cash dividends			–			–			61,193	
Unappropriated retained earnings at end of period			298,779			–			402,990	

③ Non-Consolidated Statement of Changes in Net Assets

For the six months ended September 30, 2006

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Total capital surplus	Legal reserve	Voluntary reserve (Note)	Total retained earnings		
Balance as of March 31, 2006 (Millions of yen)	605,813	804,470	804,470	53,838	482,326	536,165	(133,351)	1,813,097
Changes in 1st half of FY2006								
Appropriations of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders								
Reserve provided	–	–	–	–	–	–	–	–
Reserve reversed	–	–	–	–	–	–	–	–
Cash dividends paid	–	–	–	–	(65,979)	(65,979)	–	(65,979)
Bonuses to directors	–	–	–	–	(390)	(390)	–	(390)
Reserve provided in accordance with the tax regulations	–	–	–	–	–	–	–	–
Net income	–	–	–	–	62,182	62,182	–	62,182
Purchases of treasury stock	–	–	–	–	–	–	(25)	(25)
Disposal of treasury stock	–	–	–	–	(3,254)	(3,254)	15,297	12,043
Net changes in items other than those in shareholders' equity	–	–	–	–	–	–	–	–
Total changes in 1st half of FY2006 (Millions of yen)	–	–	–	–	(7,441)	(7,441)	15,272	7,831
Balance as of September 30, 2006 (Millions of yen)	605,813	804,470	804,470	53,838	474,885	528,724	(118,079)	1,820,928

	Valuation, translation adjustments and others			Stock subscription rights	Total net assets
	Unrealized holding gain on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others		
Balance as of March 31, 2006 (Millions of yen)	13,932	–	13,932	3,143	1,830,173
Changes in 1st half of FY2006					
Appropriations of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders					
Reserve provided	–	–	–	–	–
Reserve reversed	–	–	–	–	–
Cash dividends paid	–	–	–	–	(65,979)
Bonuses to directors	–	–	–	–	(390)
Reserve provided in accordance with the tax regulations	–	–	–	–	–
Net income	–	–	–	–	62,182
Purchases of treasury stock	–	–	–	–	(25)
Disposal of treasury stock	–	–	–	–	12,043
Net changes in items other than those in shareholders' equity	(7,963)	(428)	(8,391)	(255)	(8,647)
Total changes in 1st half of FY2006 (Millions of yen)	(7,963)	(428)	(8,391)	(255)	(816)
Balance as of September 30, 2006 (Millions of yen)	5,969	(428)	5,540	2,887	1,829,356

Note: Details of voluntary reserve

	Reserve for reduction of replacement cost of specified properties	Reserve for losses on overseas investments	Reserve for special depreciation	Unappropriated retained earnings	Total voluntary reserve
Balance as of March 31, 2006 (Millions of yen)	77,175	1,471	687	402,990	482,326
Changes in 1st half of FY2006 Appropriations of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders					
Reserve provided	1,769	–	286	(2,055)	–
Reserve reversed	(7,176)	(499)	(139)	7,814	–
Cash dividends paid	–	–	–	(65,979)	(65,979)
Bonuses to directors	–	–	–	(390)	(390)
Reserve provided in accordance with the tax regulations	(3,614)	(246)	(86)	3,947	–
Net income	–	–	–	62,182	62,182
Purchases of treasury stock	–	–	–	–	–
Disposal of treasury stock	–	–	–	(3,254)	(3,254)
Total changes in 1st half of FY2006 (Millions of yen)	(9,020)	(746)	61	2,264	(7,441)
Balance as of September 30, 2006 (Millions of yen)	68,154	725	749	405,255	474,885

Significant Accounting Policies

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
1 Method of valuation of assets (1) Inventories Inventories are stated at the lower of cost or market, cost being determined by the FIFO method. (2) Securities Held-to-maturity securities: Held-to-maturity securities are stated at amortized cost (Straight-line method). Equity securities issued by subsidiaries and affiliates Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method. Other securities: Marketable securities: Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity. Cost of securities sold is calculated by the moving average method. Non-marketable securities: Non-marketable securities classified as other securities are carried at cost determined by the moving average method. (3) Derivatives Derivatives are carried at fair value.	1 Method of valuation of assets (1) Inventories Same as on the left (2) Securities Held-to-maturity securities: Same as on the left Equity securities issued by subsidiaries and affiliates Sam as on the left Other securities: Marketable securities: Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Cost of securities sold is calculated by the moving average method. Non-marketable securities: Same as on the left (3) Derivatives Same as on the left	1 Method of valuation of assets (1) Inventories Same as on the left (2) Securities Held-to-maturity securities: Same as on the left Equity securities issued by subsidiaries and affiliates Same as on the left Other securities: Marketable securities: Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity. Cost of securities sold is calculated by the moving average method. Non-marketable securities: Same as on the left (3) Derivatives Same as on the left
2 Depreciation and amortization of fixed assets (1) Property, plant and equipment Depreciation of property, plant and equipment is calculated by the straight-line method based on the estimated useful lives and the residual value determined by the Company. (Immaterial depreciable assets) Assets whose acquisition costs range from ¥100 thousand to ¥200 thousand are depreciated evenly for 3 years based on the Japanese Income Tax laws. (2) Intangible fixed assets Amortization of intangible fixed assets is calculated by the straight-line method. Amortization of software for internal use is calculated by the straight-line method over the estimated useful lives (5years).	2 Depreciation and amortization of fixed assets (1) Property, plant and equipment Same as on the left (Immaterial depreciable assets) Same as on the left (2) Intangible fixed assets Same as on the left	2 Depreciation and amortization of fixed assets (1) Property, plant and equipment Same as on the left (Immaterial depreciable assets) Same as on the left (2) Intangible fixed assets Same as on the left

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
3 Basis for reserves (1) Allowance for doubtful receivables Allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivable from companies in experiencing financial difficulties. (2) Accrued warranty costs Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the terms of the various warranty contracts based on historical experience. (3) Accrued retirement benefits Accrued retirement benefits are provided at an amount calculated based on the estimated retirement benefit obligation and the fair estimated value of the pension plan assets at the end of the current period The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over certain 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 certain periods which are shorter than the average remaining years of service of the eligible employees.	3 Basis for reserves (1) Allowance for doubtful receivables Same as on the left (2) Accrued warranty costs Same as on the left (3) Accrued retirement benefits Same as on the left	3 Basis for reserves (1) Allowance for doubtful receivables Same as on the left (2) Accrued warranty costs Same as on the left (3) Accrued retirement benefits Accrued retirement benefits are provided at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over certain 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 certain periods which are shorter than the average remaining years of service of the eligible employees.
4 Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the semiannual balance sheet date, and differences arising from the translation are charged or credited to income.	4 Foreign currency translation Same as on the left	4 Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are charged or credited to income.
5 Lease accounting Noncancelable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.	5 Lease accounting Same as on the left	5 Lease accounting Same as on the left

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
6 Hedge accounting (1) Hedge accounting Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred. (2) Hedging instruments and hedged items • Hedging instruments Derivative transactions • Hedged items Hedged items are primarily forecasted sales denominated in foreign currencies. (3) Hedging policy It is the Company's policy that all transactions denominated in foreign currencies are to be hedged. (4) Assessment of hedge effectiveness Hedge effectiveness is not assessed if the substantial terms and conditions of the hedging instruments and the hedged forecasted transactions are the same. (5) Risk management policy with respect to hedge accounting The Company manages its derivatives transactions in accordance with its internal "Policies and Procedures for Risk Management."	6 Hedge accounting (1) Hedge accounting Same as on the left (2) Hedging instruments and hedged items Same as on the left (3) Hedging policy Same as on the left (4) Assessment of hedge effectiveness Same as on the left (5) Risk management policy with respect to hedge accounting Same as on the left	6 Hedge accounting (1) Hedge accounting Same as on the left (2) Hedging instruments and hedged items Same as on the left (3) Hedging policy Same as on the left (4) Assessment of hedge effectiveness Same as on the left (5) Risk management policy with respect to hedge accounting Same as on the left
7 Other significant accounting policies Accounting for consumption taxes: Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.	7 Other significant accounting policies Accounting for consumption taxes: Same as on the left	7 Other significant accounting policies Accounting for consumption taxes: Same as on the left

Changes in Accounting Policies

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
Forward Foreign Exchange Contracts Until the year ended March 31, 2005, the Company adopted special treatment for forward foreign exchange contracts entered into to hedge forecasted sales denominated in foreign currencies which also qualified for hedge accounting as sales and accounts receivable were translated and reflected in the non-consolidated financial statements at their corresponding contracted rates. Effective April 1, 2005, the Company changed its method of accounting for its sales, accounts receivable and forward foreign exchange contracts to the benchmark method. Under this method, sales denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at each transaction date and the related accounts receivable are translated into Japanese yen at the exchange rates in effect at the balance sheet dates, charging or crediting the exchange differences to income, while the forward foreign exchange contracts are carried at fair value. This change was made as a result of the implementation of a newly modified internal operating system with respect to forward foreign exchange contracts in order to achieve a better presentation of gain or loss related to derivatives positions. The effect of this change was to increase sales and operating income by ¥16,478 million and to increase ordinary income and income before income taxes by ¥930 million for the six months ended September 30, 2005 compared with the corresponding amounts which would have been recorded if the previous method had been followed.	Accounting Standard for Share-based Payment Effective April 1, 2006, the Company adopted the Accounting Standard for Share-based Payment (ASBJ Statement No. 8 issued on December 27, 2005) and the Implementation Guidance on Accounting Standard for Share-based Payment (ASBJ Guidance No. 11 issued on May 31, 2006). The effect of this change was to decrease operating income, ordinary income, and income before income taxes by ¥460 million for the six months ended September 30, 2006 compared with the corresponding amounts which would have been recorded if the previous method had been followed.	Forward Foreign Exchange Contracts Until the year ended March 31, 2005, the Company adopted special treatment for forward foreign exchange contracts entered into to hedge forecasted sales denominated in foreign currencies which also qualified for hedge accounting as sales and accounts receivable were translated and reflected in the non-consolidated financial statements at their corresponding contracted rates. Effective April 1, 2005, the Company changed its method of accounting for its sales, accounts receivable and forward foreign exchange contracts to the benchmark method. Under this method, sales denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at each transaction date and the related accounts receivable are translated into Japanese yen at the exchange rates in effect at the balance sheet dates, charging or crediting the exchange differences to income, while the forward foreign exchange contracts are carried at fair value. This change was made as a result of the implementation of a newly modified internal operating system with respect to forward foreign exchange contracts in order to achieve a better presentation of gain or loss related to derivatives positions. The effect of this change was to increase net sales and operating income by ¥21,855 million and to increase non-operating expenses by the same amount for the current fiscal year. This change had no impact on ordinary income and income before income taxes for the current fiscal year compared with the corresponding amounts that would have been recorded if the previous method had been followed.
Accounting Standard for the Impairment of Fixed Assets Effective April 1, 2005, the Company adopted the accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidelines on the Accounting Standard for Impairment of Fixed Assets" (Business Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003). The effect of this change was to decrease income before income taxes by ¥10,047 million for the six months ended September 30, 2005. The cumulative impairment losses have been subtracted directly from the respective assets in accordance with the revised "Regulations for Semiannual Non-Consolidated Financial Statements."	Accounting Standard for Presentation of Net Assets in the Balance Sheet Effective April 1, 2006, the Company adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5 issued on December 9, 2005) and the Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8 issued on December 9, 2005). Shareholders' equity under the previous presentation method amounted to ¥1,826,897 million as of September 30, 2006. Net assets in the non-consolidated balance sheet as of September 30, 2006 have been presented in accordance with the revised "Regulations for Semiannual Non-Consolidated Financial Statements."	Accounting Standard for the Impairment of Fixed Assets Effective April 1, 2005, the Company adopted a new accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidelines on the Accounting Standard for Impairment of Fixed Assets" (Business Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003). The effect of this change was to decrease income before income taxes by ¥10,527 million for the year ended March 31, 2006. The cumulative impairment losses have been subtracted directly from the respective assets in accordance with the revised "Regulations for Non-Consolidated Financial Statements."

Changes in presentation

For the six months ended September 30, 2005	For the six months ended September 30, 2006
Semiannual Non-Consolidated Balance Sheet (1) Notes payable "Notes payable for tangible fixed assets" which was previously included in "Current liabilities – Other" at September 30, 2004 has been included in "Notes payable" at September 30, 2005 since the balance of "Notes payable for tangible fixed assets" was not material. "Notes payable for tangible fixed assets" in amounts of ¥77 million and ¥421 million were included in "Current liabilities – Other" at September 30, 2004 and in "Notes payable" at September 30, 2005, respectively. (2) Commercial paper Commercial paper which was included in "Current liabilities – Other" at September 30, 2004 has been presented separately at September 30, 2005 since the amount of commercial paper exceeded 5% of total assets. Commercial paper in the amount of ¥118,000 million was included in "Current liabilities – Other" at September 30, 2004.	―――――

Notes to Semiannual Non-Consolidated Financial Statements

All amounts are in millions of yen unless otherwise indicated except for amounts per share.

For the Semiannual Non-Consolidated Balance Sheets

At September 30, 2005

1. * Accumulated depreciation of property, plant and equipment ¥1,294,898

   This balance includes the accumulated depreciation of leased assets in the amount of ¥88,463 million.

2. Guarantees and others

   (1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥169,684*	Employees' housing loans
Nissan North America Inc.	88,854	Loans (Equipment funds)
Nissan Motor Acceptance Corp	32,825	Loans
AG Global Private Ltd. Co.	25,500	Loans (The right of pledge established)
Nissan Motor Manufacturing (UK) Ltd.	10,588	Loans (Equipment funds)
Nissan Mexicana, S.A. de CV,	5,305	Loans (Equipment funds)
Nissan International Finance BV	4,667	Loans
53 Domestic subsidiaries	10,535	Notes and account payable etc.
Nippon Amazon Aluminum Co. Ltd.	11	Loans
Total	¥347,973	

* These loans were fully covered by insurance.

   (2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees	Description of commitments
Hibikinada Development Co. Ltd.	¥1,330	Loans

At September 30, 2006

1. * Accumulated depreciation of property, plant and equipment ¥1,302,890

   This balance includes the accumulated depreciation of leased assets in the amount of ¥113,931 million.

2. Guarantees and others

   (1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥152,513*	Employees' housing loans
Nissan North America Inc.	88,787	Loans (Equipment funds)
Nissan Motor Acceptance Corp	27,117	Loans
AG Global Private Ltd. Co.	25,500	Loans (The right of pledge established)
Nissan Motor Manufacturing (UK) Ltd.	9,750	Loans (Equipment funds)
Nissan Mexicana, S.A. de CV,	3,315	Loans (Equipment funds)
Nissan International Finance BV	3,080	Loans
53 Domestic subsidiaries	7,894	Notes and account payable etc.
Total	¥317,959	

* Allowance for doubtful receivables is provided for these loans mainly based on past experience.

   (2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees	Description of commitments
Hibikinada Development Co. Ltd.	¥1,150	Loans

At March 31, 2006

1. * Accumulated depreciation of property, plant and equipment ¥1,295,993

   This balance includes the accumulated depreciation of leased assets in the amount of ¥103,821million

2. Guarantees and others

   (1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥162,121*	Employees' housing loans
Nissan North America Inc.	90,348	Loans (Equipment funds)
Nissan Motor Acceptance Corp	30,542	Loans
AG Global Private Ltd. Co.	25,500	Loans (The right of pledge established)
Nissan Motor Manufacturing (UK) Ltd.	8,350	Loans (Equipment funds)
Nissan Mexicana, S.A. de CV,	4,405	Loans (Equipment funds)
Nissan International Finance BV	3,916	Loans
55 Domestic subsidiaries	11,145	Notes and account payable etc.
Nippon Amazon Aluminum Co. Ltd.	6	Loans
Total	¥336,336	

* Allowance for doubtful receivables is provided for these loans mainly based on past experience.

   (2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees	Description of commitments
Hibikinada Development Co. Ltd.	¥1,237	Loans

At September 30, 2005	At September 30, 2006	At March 31, 2006
(3) Letters of awareness regarding loans from financial institutions of the following subsidiaries: Name of subsidiaries / Balance of liabilities Nissan Motor Manufacturing (UK) Ltd. ¥1,512	———————	(3) Letters of awareness regarding loans from financial institutions of the following subsidiaries: Name of subsidiaries / Balance of liabilities Nissan Motor Manufacturing (UK) Ltd. ¥841
(4) Keep-well Agreements In addition to the items as described above, the Company has entered into keep-well agreements for the purpose of enhancing credits of subsidiaries. Outstanding obligations of each financial subsidiary at the end of September, 2005 are as follows: Name of subsidiaries / Balance of liabilities Nissan Motor Acceptance Corp ¥2,100,042 Nissan Financial Service Co., Ltd 985,857 Nissan International Finance BV 19,445 Total ¥3,105,344	(3) Keep-well Agreements In addition to the items as described above, the Company has entered into keep-well agreements for the purpose of enhancing credits of subsidiaries. Outstanding obligations of each financial subsidiary at the end of September, 2006 are as follows: Name of subsidiaries / Balance of liabilities Nissan Motor Acceptance Corp ¥2,275,890 Nissan Financial Service Co., Ltd 988,109 Nissan International Finance BV 3,080 Total ¥3,267,080	(4) Keep-well Agreements In addition to the items as described above, the Company has entered into keep-well agreements for the purpose of enhancing credits of subsidiaries. Outstanding obligations of each financial subsidiary at the end of March, 2006 are as follows: Name of subsidiaries / Balance of liabilities Nissan Motor Acceptance Corp ¥2,332,302 Nissan Financial Service Co., Ltd 1,195,085 Nissan International Finance BV 19,254 Total ¥3,546,642
3. Documentary bills discounted with banks ¥3,621	3. Documentary bills discounted with banks ¥198	3. Documentary bills discounted with banks ¥3,666
4. Consumption tax Consumption taxes paid and received are netted and included in "Other current assets."	4. Consumption tax Same as on the left	———————

For the Semiannual Non-Consolidated Statements of Income

For the six months ended September 30, 2005

1. *1 The main components of non-operating income are as follows:

Interest received	¥ 844
Dividend income	4,514

2. *2 The main components of non-operating expenses are as follows:

Interest expense	¥5,215
Amortization of net retirement benefit obligation at transition	4,231

3. *3 The main components of special gains are as follows:

Gain on sales of land	¥ 816
Reversal of allowance for doubtful accounts	5,394

4. *4 The main components of special losses are as follows:

Loss on disposal of machinery and equipment	¥ 2,668
Impairment loss	10,047
Loss on sales of investment in subsidiaries and affiliates	6,851
Loss on devaluation of investments and receivables	5,679
Loss on implementation of defined contribution pension plans	6,852

5. Depreciation

Property, plant and equipment	¥49,979
Intangible fixed assets	7,510
Total	57,489

(The above figures include the amortization of ¥21,564 for leased assets.)

6. *5 The following loss on impairment of fixed assets was recorded for the six months ended September 30, 2005:

Usage	Description	Location	Amount (Millions)
Idle assets	Land	Izunokuni-shi, Shizuoka-ken	¥10,047

The Company determined that the Company, taken as whole, constituted a single group of assets because the Company's automobile business, mainly consisting of manufacturing and sales of vehicles, generates cash flows as a group. However, The Company determines whether an asset is impaired on an individual asset basis if the asset is either considered idle or is to be disposed of.

The Company has recognized an impairment loss on certain idle assets due to the significant decline in their market value by reducing their book value to the respective net realizable value of each asset. The resulting loss amounted to ¥10,047 million and has been recorded as a special loss in the accompanying semiannual non-consolidated statements of income. This special loss consisted entirely of an impairment loss on land.

The net realizable value of each idle asset was measured based on its appraisal value.

For the six months ended September 30, 2006

1. *1 The main components of non-operating income are as follows:

Interest received	¥ 1,340
Dividend income	4,827

2. *2 The main components of non-operating expenses are as follows:

Interest expense	¥4,835
Amortization of net retirement benefit obligation at transition	4,027

3. *3 The main components of special gains are as follows:

Reversal of allowance for doubtful accounts	¥ 25,789
Gain on sales of investment securities	11,215

4. *4 The main components of special losses are as follows:

Loss on disposal of machinery and equipment	¥ 4,277
Impairment loss	77
Loss on devaluation of investments and receivables	51,137

5. Depreciation

Property, plant and equipment	¥52,196
Intangible fixed assets	8,866
Total	61,063

(The above figures include the amortization of ¥20,985 for leased assets.)

6. *5 The following loss on impairment of fixed assets was recorded for the six months ended September 30, 2006:

Usage	Description	Location	Amount (Millions)
Idle assets	Machinery and equipment	Tochigi Plant (Kaminokawa-cho, Tochigi-ken)	¥77

The Company determined that the Company, taken as whole, constituted a single group of assets because the Company's automobile business, mainly consisting of manufacturing and sales of vehicles, generates cash flows as a group. However, The Company determines whether an asset is impaired on an individual asset basis if the asset is either considered idle or is to be disposed of.

The Company has recognized an impairment loss on certain idle assets by reducing their book value to the respective net realizable value of each asset. The resulting loss amounted to ¥77 million and has been recorded as a special loss in the accompanying non-consolidated statements of income. This special loss consisted entirely of an impairment loss on machinery and equip,ment.

The net realizable value of each idle asset was measured based on its appraisal value.

For the year ended March 31, 2006

1. *1 The main components of non-operating income are as follows:

Interest received	¥1,585
Dividend income	135,860

2. *2 The main components of non-operating expenses are as follows:

Interest expense	¥10,051
Amortization of net retirement benefit obligation at transition	8,258
Translation loss	26,459

3. *3 The main components of special gains are as follows:

Gain on sales of land and buildings	¥3,764
Gain on sales of investments in subsidiaries and affiliates	22,275
Reversal of allowance for doubtful accounts	5,394

4. *4 The main components of special losses are as follows:

Loss on disposal of machinery and equipment	¥ 6,648
Impairment loss	10,527
Loss on sales of investment in subsidiaries and affiliates	6,851
Loss on devaluation of investments and receivables	32,565
Loss on implementation of defined contribution pension plans	6,852
Extraordinary loss concerning the stock-price-linked incentive system	12,074

5. Depreciation

Property, plant and equipment	¥104,398
Intangible fixed assets	16,070
Total	120,469

(The above figures include amortization of ¥44,519 on leased assets.)

6. *5 The following loss on impairment of fixed assets was recorded for the year ended March 31, 2006:

Usage	Description	Location	Amount (Millions)
Idle assets	Land	Izunokuni-shi, Shizuoka-ken and 8 other locations	¥10,527

The Company determined that the Company, taken as whole, constituted a single group of assets because the Company's automobile business, mainly consisting of manufacturing and sales of vehicles, generates cash flows as a group. However, The Company determines whether an asset is impaired on an individual asset basis if the asset is either considered idle or is to be disposed of.

The Company has recognized an impairment loss on certain idle assets due to the significant decline in their market value by reducing their net book value to the respective net realizable value of each asset. The resulting loss amounted to ¥10,527 million and has been recorded as a special loss in the accompanying non-consolidated statements of income. This special loss consisted entirely of an impairment loss on land.

The net realizable value of each idle asset was measured based on its appraisal value.

For the Non-Consolidated Statement of Changes in Net Assets

For the six months ended September 30, 2006

Type and number of treasury shares

Type	As of March 31, 2006	Increase	Decrease	As of September 30, 2006
Common stock (thousand shares)	122,101	19	14,007	108,113

Description of the changes:

Major reasons for the changes are as follows:

Increase due to purchase of the stocks of less than standard unit: 19 thousand shares

Decrease due to exercising stock subscription rights: 14,007 thousand shares

For Lease Transactions

(Millions of yen)

For the six months ended September 30, 2005	For the six months ended September 30, 2006	For the year ended March 31, 2006
Lessees' Accounting Operating lease transactions Future minimum lease payments subsequent to September 30, 2005 are summarized as follows: Due in one year or less ¥210 Due after one year 548 Total ¥759	Lessees' Accounting Operating lease transactions Future minimum lease payments subsequent to September 30, 2006 are summarized as follows: ¥265Due in one year or less ¥237 610Due after one year 522 ¥876Total ¥759	Lessees' Accounting Operating lease transactions Future minimum lease payments subsequent to March 31, 2006 are summarized as follows: Due in one year or less ¥229 Due after one year 539 Total ¥769

For Securities

Investments in subsidiaries and affiliates whose fair value is determinable

(Millions of yen)

Type of securities	At September 30, 2005			At September 30, 2006			At March 31, 2006		
	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)
Subsidiaries' shares	¥91,267	¥201,620	¥110,353	¥91,267	¥182,936	¥91,669	¥91,267	¥220,995	¥129,728
Affiliates' shares	5,815	37,911	32,096	1,090	2,929	1,839	1,090	3,638	2,548
Total	¥97,082	¥239,531	¥142,449	¥92,357	¥185,866	¥93,508	¥92,357	¥224,634	¥132,276

Amounts Per Share

Amounts per share information is omitted because semiannual consolidated financial statements are prepared.

Significant Subsequent Events

<table>
<tr><th>For the six months ended September 30, 2005</th><th>For the six months ended September 30, 2006</th><th>For the year ended March 31, 2006</th></tr>
<tr>
<td>―</td>
<td>―</td>
<td>
On April 25, 2006, the Board of Directors of the Company resolved to issue stock subscription rights to employees of the Company as well as to directors of its subsidiaries in accordance with Article 280-20 and 280-21 of the Commercial Code and a resolution approved at the 106th annual general meeting of the Company's shareholders held on June 21, 2005.

An outline of these stock subscription rights is as follows:

1) Name of stock subscription rights:
Nissan Motor Co., Ltd. 4th stock subscription rights

2) Types and number of shares to be issued upon exercise of stock subscription rights:
13,220,000 shares of common stock of the Company.
One unit of new stock subscription rights comprises 100 shares.

3) Aggregate number of units of stock subscription rights to be issued:
132,200 units
If the total number of applications for stock subscription rights does not reach 132,200, the total number of stock subscription rights for which applications have been submitted shall be the total number of stock subscription rights to be issued.

4) Issue price of each stock subscription right and date of issuance:
Each stock subscription right is to be issued free of charge.
The date of issuance of the stock subscription rights shall be May 8, 2006.

5) Exercise price:
Per unit: ¥152,600
Per share: ¥1,526

6) The directors, employees and stock subscription rights are summarized as follows:

<table>
<tr><th>Category</th><th>Number of recipients</th><th>Number of rights issued</th></tr>
<tr><td>The Company's employees</td><td>457</td><td>116,700</td></tr>
<tr><td>Directors of the Company's subsidiaries</td><td>74</td><td>15,500</td></tr>
<tr><td>Total</td><td>531</td><td>132,200</td></tr>
</table>
</td>
</tr>
</table>

(2) Other

Interim cash dividends for the fiscal year ending March 31, 2007 were approved on October 26, 2006 by resolution of the Company's Board of Directors as follows:

According to its Articles of Incorporation, the Company plans to pay the following cash dividends to shareholders of record on September 30, 2006.

(1) Total interim cash dividends .... ¥75,014 million
(2) Amount per share ¥17
(3) Entitlement date and commencement date of the payment............... November 28, 2006

VI. Reference Information on the Company

The Company filed the following documents between the beginning of the fiscal year ending March 31, 2007 and the date when this Securities Report *(Hanki-Hokokusho)* was filed.

(1)	Securities Report and Accompanying Documents	Fiscal Year (the 107th)	From April 1, 2005 To March 31, 2006	Submitted to the director of the Kanto Local Finance Bureau on June 28, 2006.
(2)	Securities Registration Statement (Certificates of the 4th Stock Subscription Rights) and Accompanying Documents			Submitted to the director of the Kanto Local Finance Bureau on April 25, 2006.
(3)	Amendment to Securities Registration Statement (Certificates of the 4th Stock Subscription Rights)			Submitted to the director of the Kanto Local Finance Bureau on May 8, 2006.
(4)	Amended Shelf Registration Statements			Submitted to the director of the Kanto Local Finance Bureau on June 28, 2006.
(5)	Reports on Purchase of Treasury Stock			Submitted to the director of the Kanto Local Finance Bureau on April 14, 2006 May 15, 2006 June 15, 2006 July 14, 2006.

Part II Information on Guarantors for the Company

Not applicable.

Independent Auditors' Report

November 29, 2005

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon

Designated and Engagement Partner	Kazuo Suzuki
Designated and Engagement Partner	Yasunobu Furukawa
Designated and Engagement Partner	Yoji Murohashi
Designated and Engagement Partner	Takeshi Hori

Pursuant to Article 193-2 of the Securities and Exchange Law of Japan, we have performed semiannual audit procedures on the accompanying semiannual consolidated balance sheets of Nissan Motor Co., Ltd. and consolidated subsidiaries as of September 30, 2005 and 2004, and the related semiannual consolidated statements of income, capital surplus and retained earnings, and cash flows for the six-month periods then ended, all expressed in yen. These semiannual consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these semiannual consolidated financial statements based on our semiannual audit procedures.

We conducted our semiannual audit procedures in accordance with semiannual auditing standards generally accepted in Japan. Those standards require that we plan and perform the semiannual audit procedures to obtain reasonable assurance about whether the semiannual consolidated financial statements taken as a whole are free of material misstatement with respect to the presentation of useful accounting information which may result in misinterpretation by investors. Semiannual audit procedures consist primarily of analytical review procedures and additional audit procedures as deemed necessary. We believe that our semiannual audit procedures provide a reasonable basis for our opinion.

In our opinion, the semiannual financial statements referred to above present useful accounting information regarding the semiannual consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at September 30, 2005 and 2004, and the consolidated results of their operations and their cash flows for the six-month periods then ended in conformity with accounting principles and practices applicable to semiannual consolidated financial statements generally accepted in Japan.

Supplementary Information

（１） As described in "Changes in Accounting Policies," effective April 1, 2005, the Company and its domestic consolidated subsidiaries changed their method of accounting for forward exchange contracts relating to sales denominated in foreign currencies to the benchmark method from an allowed alternative method.

（２） As described in "Changes in Accounting Policies," effective April 1, 2005, a new accounting standard for impairment of fixed assets is adopted.

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

Independent Auditors' Report

November 29, 2006

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon

Designated and Engagement Partner	Yasunobu Furukawa
Designated and Engagement Partner	Kenji Ota
Designated and Engagement Partner	Yoji Murohashi
Designated and Engagement Partner	Takeshi Hori

Pursuant to Article 193-2 of the Securities and Exchange Law of Japan, we have performed semiannual audit procedures on the accompanying semiannual consolidated balance sheet of Nissan Motor Co., Ltd. and consolidated subsidiaries as of September 30, 2006, and the related semiannual consolidated statements of income, net assets, and cash flows for the six-month period then ended, all expressed in yen. These semiannual consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these semiannual consolidated financial statements based on our semiannual audit procedures.

We conducted our semiannual audit procedures in accordance with semiannual auditing standards generally accepted in Japan. Those standards require that we plan and perform the semiannual audit procedures to obtain reasonable assurance about whether the semiannual financial statements taken as a whole are free of material misstatement with respect to the presentation of useful accounting information which may result in misinterpretation by investors. Semiannual audit procedures consist primarily of analytical review procedures and additional audit procedures as deemed necessary. We believe that our semiannual audit procedures provide a reasonable basis for our opinion.

In our opinion, the semiannual financial statements referred to above present useful accounting information regarding the semiannual consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at September 30, 2006, and the consolidated results of their operations and their cash flows for the six-month period then ended in conformity with accounting principles and practices applicable to semiannual consolidated financial statements generally accepted in Japan.

Supplementary Information

As described in "Changes in Accounting Policies," effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet.

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

Independent Auditors' Report

November 29, 2005

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon

Designated and Engagement Partner	Kazuo Suzuki
Designated and Engagement Partner	Yasunobu Furukawa
Designated and Engagement Partner	Yoji Murohashi
Designated and Engagement Partner	Takeshi Hori

Pursuant to Article 193-2 of the Securities and Exchange Law of Japan, we have performed semiannual audit procedures on the accompanying semiannual non-consolidated balance sheets of Nissan Motor Co., Ltd. as of September 30, 2005 and 2004 and the related semiannual non-consolidated statements of income for the six-month periods then ended, all expressed in yen. These semiannual non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these semiannual non-consolidated financial statements based on our semiannual audit procedures.

We conducted our semiannual audit procedures in accordance with semiannual auditing standards generally accepted in Japan. Those standards require that we plan and perform the semiannual audit procedures to obtain reasonable assurance about whether the semiannual non-consolidated financial statements taken as a whole are free of material misstatement with respect to the presentation of useful accounting information which may result in misinterpretation by investors. Semiannual audit procedures consist primarily of analytical review procedures and additional audit procedures as deemed necessary. We believe that our semiannual audit procedures provide a reasonable basis for our opinion.

In our opinion, the semiannual financial statements referred to above present useful accounting information regarding the semiannual non-consolidated financial position of Nissan Motor Co., Ltd. at September 30, 2005 and 2004, and the non-consolidated results of its operations for the six-month periods then ended in conformity with accounting principles and practices applicable to semiannual non-consolidated financial statements generally accepted in Japan.

Supplementary Information

(1) As described in "Changes in Accounting Policies," effective April 1, 2005, the Company changed its method of accounting for forward exchange contracts relating to sales denominated in foreign currencies to the benchmark method from an allowed alternative method.

(2) As described in "Changes in Accounting Policies," effective April 1, 2005, a new accounting standard for impairment of fixed assets was adopted.

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

Independent Auditors' Report

November 29, 2006

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon

Designated and Engagement Partner	Yasunobu Furukawa
Designated and Engagement Partner	Kenji Ota
Designated and Engagement Partner	Yoji Murohashi
Designated and Engagement Partner	Takeshi Hori

Pursuant to Article 193-2 of the Securities and Exchange Law of Japan, we have performed semiannual audit procedures on the accompanying semiannual non-consolidated balance sheet of Nissan Motor Co., Ltd. as of September 30, 2006 and the related semiannual non-consolidated statements of income and net assets for the six-month period then ended, all expressed in yen. These semiannual non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these semiannual non-consolidated financial statements based on our semiannual audit procedures.

We conducted our semiannual audit procedures in accordance with semiannual auditing standards generally accepted in Japan. Those standards require that we plan and perform the semiannual audit procedures to obtain reasonable assurance about whether the semiannual financial statements taken as a whole are free of material misstatement with respect to the presentation of useful accounting information which may result in misinterpretation by investors. Semiannual audit procedures consist primarily of analytical review procedures and additional audit procedures as deemed necessary. We believe that our semiannual audit procedures provide a reasonable basis for our opinion.

In our opinion, the semiannual financial statements referred to above present useful accounting information regarding the semiannual non-consolidated financial position of Nissan Motor Co., Ltd. at September 30, 2006, and the non-consolidated results of its operations for the six-month period then ended in conformity with accounting principles and practices applicable to semiannual non-consolidated financial statements generally accepted in Japan.

Supplementary Information

As described in "Changes in Accounting Policies," effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet.

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