

**NISSAN**



**Business Report**  **2007**

Year Ended March 31, 2008

**NISSAN MOTOR CO., LTD.**

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Cover: GT-R

In fiscal year 2007, Nissan reported increases in revenue, operating profit and net income during a challenging, volatile year that demanded our best efforts. Nissan employees around the world rose to the challenge and worked effectively to face the headwinds and keep our company on track.

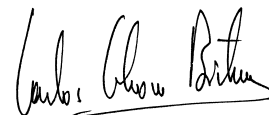
Fiscal 2007 marked the end of the Nissan Value-Up plan, which was designed to build upon the foundations laid during prior years. Nissan is no longer a company in revival; it is now a normal, healthy company. The numbers tell the story: Since fiscal year 2001, Nissan's total revenue grew from 6.2 trillion yen to 10.8 trillion yen, a 74% increase. Our sales volume increased from 2.6 million cars to 3.77 million units, a 45% increase.

We have restored Nissan's profitability and built a solid foundation from which growth can continue. And that is our intent. The pillars of our new business plan, NISSAN GT 2012, emphasize growth and trust.

Going forward, we recognize trends that are changing the global landscape. Because Nissan is a company firmly rooted in reality, our plan addresses the evolving landscape of emerging markets, the perceived demand for "greener" vehicles and the new opportunities to be realized through the expanding Renault-Nissan Alliance.

We have a clear vision for our future. Nissan has the strength of a complete, diversified lineup, and our innovative thinking is evident on many fronts—from the technologies we put into our cars to forward-thinking solutions to transportation itself. We know we have much more potential yet to realize, and we are motivated to deliver a strong performance.

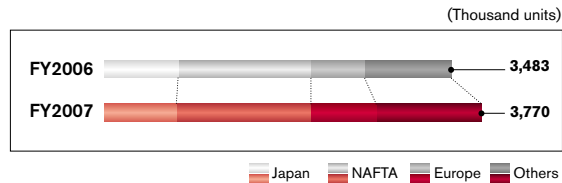
Everything we do is dedicated to enriching people's lives. We are building a company and a future we can be proud to claim.



Carlos Ghosn  
President and CEO

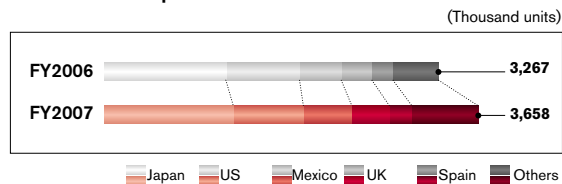
## Facts and Figures

### Global retail sales volume



	FY2007	FY2006
<b>Global retail</b> (Note 1, 2)		
	(Thousand units)	(Thousand units)
Japan	721	740
NAFTA	1,352	1,334
Europe	636	540
Others	1,061	869
<b>Total</b>	<b>3,770</b>	<b>3,483</b>

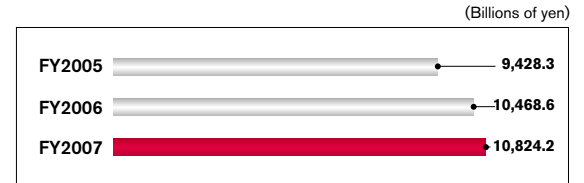
### Global vehicle production volume



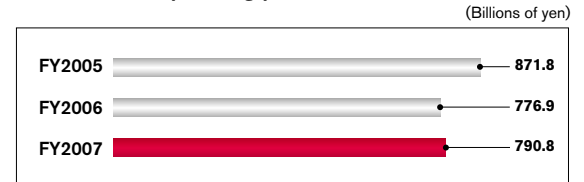
	FY2007	FY2006
<b>Global production</b> (Note 2)		
	(Thousand units)	(Thousand units)
Japan	1,263	1,192
US	687	716
Mexico	464	407
UK	374	301
Spain	220	206
Others (Note 3)	650	445
<b>Total</b>	<b>3,658</b>	<b>3,267</b>

- Notes: 1. Global retail sales includes sales of vehicles locally assembled with knock down parts.  
 2. Europe, Mexico and part of others are results of January-December.  
 3. Others include production in Taiwan, Thailand, Philippines, South Africa, Indonesia, China, Brazil and Malaysia.

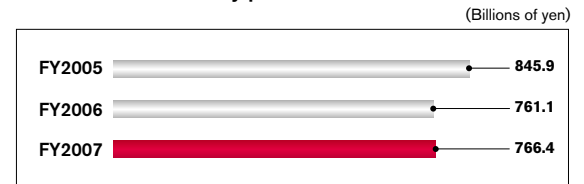
### Consolidated net sales



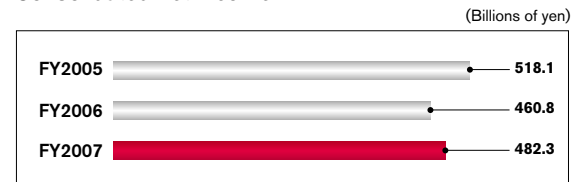
### Consolidated operating profit



### Consolidated ordinary profit



### Consolidated net income



## 1. Jigyo-Houkoku

### 1. Business Review of the Fiscal Year 2007

#### (1) Operations and results

##### Fiscal 2007 Business Review

Fiscal year 2007 was a challenging year marked by unfavorable external factors, especially in the second half. Nissan put in place corrective measures to address short-term issues while continuing to position the company for long-term growth.

##### FY2007 performance

In fiscal year 2007, Nissan released 11 all-new models globally and successfully. Outstanding models included the GT-R supercar, Rogue and Infiniti G37 Coupe.

Global sales came to 3.77 million units, up 8.2% over fiscal year 2006.

In Japan, sales reached 721,000 units, a 2.5% decrease in an industry that was down 5.3%. Nissan's market share increased, to 13.6%.

In North America, sales were 1,352,000 units, up 1.3%; United States sales were 1,059,000 units, up 3.0% in a market that was down 3.5%. Nissan's U.S. market share increased to 6.7%, the highest level to date.

In Europe, sales were up 17.9%, at 636,000 units. European market share rose to 2.9%.

In the General Overseas Markets, sales were up 22.1%, to 1,061,000 units.

In fiscal year 2007, Nissan launched 10 important technologies, including:

- the advanced Variable Valve Event & Lift engine technology, which reduces CO<sub>2</sub> emissions and improves torque output by 10%;
- Pop-up engine hood technology, which minimizes the impact to a pedestrian's head by lifting the engine hood in the event of a collision;
- Around View Monitor technology, offering the driver a bird's-eye view of the vehicle and its surroundings in real-time; and
- the Lane Departure Warning System, which helps the driver to stay inside the lane.

##### FY2007 financial performance

In fiscal year 2007, Nissan's consolidated net revenues were 10.8242 trillion yen, up 11.6% versus the prior year.

Consolidated operating profit was 790.8 billion yen, compared to 755.5 billion yen in fiscal 2006, up 4.7%. As a percentage of net revenue, the operating profit margin came to 7.3%.

Net income reached 482.3 billion yen, up 7.4%, compared to 449.2 billion yen in fiscal year 2006.

Nissan had a net cash position of 180.3 billion yen at the close of fiscal 2007 and generated free cash flow of 456.7 billion yen.

(Note: FY2006 excluding five quarters.)

At the annual shareholders' meeting, the company will propose a 20-yen-per-share year-end dividend for shareholders, giving a full-year dividend of 40 yen per share, as initially planned.

##### Nissan Value-Up summary

Fiscal year 2007 marked the end of the Nissan Value-Up business plan, which included three commitments.

The first commitment was to deliver a top-level operating profit margin, and Nissan continues to maintain a margin at the top level of the global automotive industry.

The second commitment was 4.2 million unit sales. That achievement will be moved to fiscal year 2009 as a milestone in the new business plan.

As a consequence, Nissan's return on invested capital averaged 17% over the plan's three years, which is at the top level among global automakers, but below Nissan Value-Up's committed 20% mark.

##### (2) Capital Investment

Capital investment on a consolidated basis in fiscal year 2007 ended March 31, 2008, totaled 428.9 billion yen, concentrated on development of new products, safety and environmental technology and on efficiency improvement of the production system.

### (3) Funding Activities

With regards to funding, Nissan automobile division covered its temporal working capital needs during the fiscal year through commercial paper and short-term loans. In addition, bond issuance and commitment line increase were executed to prepare for high funding requirements and contributed to Nissan's funding liquidity.

In the sales finance division, Nissan issued long-term and short-term debts, taking their balance into consideration. Long-term funding was mainly through straight bonds, bank loans, and asset-backed securities. Short-term funding was mainly through commercial paper, bank loans, and asset-backed securities.

### (4) Issues and Outlook for the Fiscal Year Ahead

Nissan's sales are forecast to reach 3.9 million units, a 3.5% increase over 2007. Growth will come from General Overseas Markets and Eastern Europe, including Russia.

In fiscal year 2008, the company will launch nine all-new models globally.

The new fiscal year will bring risks and opportunities. Risks include high commodity prices, the weak dollar and shrinking mature markets, especially the United States. Opportunities will come through a more balanced global profit footprint and the effective execution of Nissan's new five-year business plan.

### Introduction of NISSAN GT 2012

Nissan's new business plan, NISSAN GT 2012, emphasizes growth and trust. The plan will cover five years, fiscal years 2008 through 2012, and includes three corporate commitments.

The first commitment is quality leadership, which is essential for a world-class automaker and the integrity of its brands. Quality leadership applies to products, services, brand, management and to Nissan as a company.

The second commitment of NISSAN GT 2012 is for Nissan to become a global leader in zero-emission vehicles. Nissan will introduce an electric car in the United States and Japan in 2010 and will mass-market it globally in 2012. Through the Alliance, Nissan has also signed innovative agreements to mass-market electric vehicles in Israel and Denmark in 2011.

Nissan will offer a range of high-quality products that are safe, well engineered, attractive and fun to drive. Nissan's electric vehicle lineup will represent a breakthrough lineup in the global automotive industry. For Nissan, electric vehicles are a core element of the company's strategy deriving from the Alliance strategy.

The third commitment of NISSAN GT 2012 is to achieve 5% revenue growth on average over the five years of the plan. Revenue growth will be supported by the launch of 60 new models by fiscal year 2012.

Nissan's ability to compete will be supported by the Renault-Nissan Alliance. The Alliance is a unique source of permanent benchmarking for every function. By systematically comparing all processes, each partner can identify progress opportunities and rapidly transform them into concrete projects.

As the partnership has matured, Nissan and Renault have worked together to become more proactive and strategic. The evidence is seen:

- In India, where the Alliance ultra-low-cost car is being prepared and where a common plant in Chennai with an annual capacity of 400,000 units is being built;
- In Morocco, where a new common manufacturing complex will also have an operating capacity of 400,000 units;
- In Russia, where opportunities with AvtoVAZ are being explored; and
- In the zero emissions strategy, where first steps will be taken by mass-marketing electric vehicles in Israel and Denmark.

The Alliance is the strategic partnership that was a catalyst in Nissan's past and, it continues to be the framework for the sustainable development of Nissan's future.

On a global basis, Nissan will continue to deliver performance that produces sustainable, profitable growth and significant value for all its stakeholders.

Nissan plans to propose a dividend of 42 yen per share in fiscal year 2008, 44 yen per share in fiscal year 2009 and 46 yen per share in fiscal year 2010.

The support and continuing involvement of shareholders is welcome and appreciated.

## (5) Financial Performance Highlights

(Billions of yen, except per share amounts)

	FY2004	FY2005	FY2006	FY2007
Net sales	8,576.3	9,428.3	10,468.6	10,824.2
Net income	512.3	518.1	460.8	482.3
Net income per share [Yen]	125.16	126.94	112.33	117.76
Total assets	9,848.5	11,481.4	12,402.2	11,939.5
Net assets	2,465.8	3,088.0	3,877.0	3,849.4
Net assets per share [Yen]	604.49	753.40	862.29	860.17

Note: Net income per share has been calculated on the basis of the average number of shares outstanding during each term; net assets per share have been calculated based on the total number of shares outstanding at each business year-end. The total number of shares outstanding has been adjusted primarily by counting the shares held by Renault as treasury stock.

## (6) Principal Group Companies

Company name Main business	Location	Capital [millions]	% ratio of issued shares
Calsonic Kansei Corporation Manufacture/sale of auto parts	Tokyo	¥41,456	40.7
JATCO Ltd Manufacture/sale of auto parts	Shizuoka Prefecture	¥29,935	75.0
Nissan Financial Services Co., Ltd. Leasing and financing of vehicles	Chiba Prefecture	¥16,388	100.0
Aichi Machine Industry Co., Ltd. Manufacture/sale of auto parts	Aichi Prefecture	¥8,518	41.4
Nissan Shatai Co., Ltd. Manufacture/sale of vehicles and auto parts	Kanagawa Prefecture	¥7,905	42.6
Nissan Finance Co., Ltd. Financial service for group companies	Tokyo	¥2,491	100.0
Nissan Kohki Co., Ltd. Manufacture/sale of auto parts	Kanagawa Prefecture	¥2,020	97.7

Company name Main business	Location	Capital [millions]	% ratio of issued shares
Aichi Nissan Motor Co., Ltd. Sale of vehicles and auto parts	Aichi Prefecture	¥90	(100.0)
Nissan Prince Tokyo Motor Sales Co., Ltd. Sale of vehicles and auto parts	Tokyo	¥95	(100.0)
Nissan North America, Inc. Headquarters for North American operations Manufacture/sale of vehicles and auto parts	USA	US\$1,792	100.0
Nissan Motor Acceptance Corporation Retail and wholesale vehicle financing in the U.S.	USA	US\$ 500	(100.0)
Nissan Forklift Corporation, North America Manufacture/sale of industrial machinery, industrial engines and parts	USA	US\$ 34	(100.0)
Nissan Technical Center North America, Inc. Vehicle R&D, evaluation, certification	USA	US\$ 16	(100.0)
Nissan Canada, Inc. Sales of vehicles and auto parts	Canada	C\$ 68	(100.0)
Nissan Mexicana, S.A. de C.V. Manufacture/sale of vehicles and auto parts	Mexico	Peso 17,056	(100.0)
Nissan Motor Manufacturing (UK) Ltd. Manufacture/sale of vehicles and auto parts, vehicle R&D, evaluation, certification	UK	£ 250	(100.0)
Nissan Motor (GB) Ltd. Sales of vehicles and auto parts	UK	£ 136	(100.0)
Nissan Europe S.A.S. Holding company for European subsidiaries and pan-European operation support	France	Euro 1,626	100.0
Nissan International S.A. Management of European sales and manufacturing operations	Switzerland	Euro 0.062	(100.0)
Nissan Motor Ibérica, S.A. Manufacture/sale of vehicles and auto parts	Spain	Euro 726	(99.8)
Nissan Motor Co. (Australia) Pty. Ltd. Sale of vehicles and auto parts	Australia	A\$ 290	(100.0)

- Notes: 1. ( ) indicates that the figure includes indirect ownership.  
2. From January 2008, Nissan International S.A. manages European sales and manufacturing operations.  
3. Nissan Technical Centre Europe Limited transferred vehicle R&D, evaluation, certification business to Nissan Motor Manufacturing (UK) Ltd.  
As a consequence Nissan Technical Centre Europe Limited was excluded from Principal Group Companies for its less materiality.  
4. The company concludes a tie-up contract for broad automotive business alliance including capital participation with Renault.

## (7) Principal Business Operations

The Nissan group consists of Nissan Motor Co., Ltd, subsidiaries, affiliates and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine product and related parts. And also the Nissan group provides various services accompanying its main business, such as logistics and sales finance.

## (8) Principal Offices, Facilities and Factories

### 1) Nissan Motor Co., Ltd.

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

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

### 2) Nissan Group Companies

For an outline of the Group Companies, please refer to (6) Principal Group Companies, stated above.

## (9) Employee Information

Number of employees	Change from the end of the previous year
159,227 (21,308)*1	(6,502)*2

Notes: 1. Number of employees represents employee head count.  
( )\*1 indicates a part-time worker (not included in number of employees).  
2. ( )\*2 indicates a decrease.

## (10) Major Lenders

	Amount of outstanding loan [¥ billions]
Mizuho Corporate Bank, Ltd.	352.9
Sumitomo Mitsui Banking Corporation	111.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	101.0
The Sumitomo Trust & Banking Co., Ltd.	92.0
Shinsei Bank, Limited	80.0
The Bank of Yokohama, Ltd.	50.0
Mitsubishi UFJ Trust and Banking Corporation	50.0

## 2. Share Data

### (1) Total number of shares authorized to be issued

6,000,000,000

### (2) Total number of shares to be issued

4,520,715,112

### (3) Number of shareholders

252,032

(an increase of 53,692 compared with the previous fiscal year-end)

### (4) Principal Shareholders

	Number of shares [thousands]
Renault	2,004,000
Japan Trustee Services Bank Ltd. (Trust)	107,831
Moxley & Co.	107,351
The Master Trust Bank of Japan, Ltd. (Trust)	99,679
Nippon Life Insurance Company	93,000
The Dai-ichi Mutual Life Insurance Company	89,000
The State Street Bank and Trust Company	73,346
Tokyo Marine Nichido Fire Insurance Company	70,076
Sompo Japan Insurance Inc.	63,528
The State Street Bank and Trust Company 505103	42,693

Note: Nissan Motor Co., Ltd. has held the treasury stock of 137,134 thousand shares.

### 3. Shinkabu-Yoyakuken (Stock Options)

#### (1) Status of Shinkabu-Yoyakuken to be granted during FY2007

##### 1) Nissan Motor Co., Ltd. 5th Shinkabu-Yoyakuken

- Total number of Shinkabu-Yoyakuken  
6,800
- Type and number of shares to be issued upon exercise of Shinkabu-Yoyakuken  
680,000 shares of common stock of the Company  
(100 shares per Shinkabu-Yoyakuken)
- Issue price of Shinkabu-Yoyakuken  
Free
- Exercise price of Shinkabu-Yoyakuken  
133,300 yen per Shinkabu-Yoyakuken
- Exercise period of Shinkabu-Yoyakuken  
On and after May 9, 2009 (Japan Time) and up to June 26, 2016 (Japan Time)
- Conditions for exercise of Shinkabu-Yoyakuken
  - a) The holder of Shinkabu-Yoyakuken (hereinafter "Shinkabu-Yoyakuken Holder") has been employed continuously by the Company, subsidiaries or affiliates of the Company or continuously retained a proxy relationship until the day when Shinkabu-Yoyakuken is exercisable.
  - b) The performance of the Company satisfies a certain level.
  - c) Shinkabu-Yoyakuken Holder has achieved individually established business targets, etc. Additionally, details of the above-mentioned conditions and other conditions shall be as stipulated in Shinkabu-Yoyakuken Allotment Agreement that is to be made and entered into by and between the Company and Shinkabu-Yoyakuken Holder pursuant to a resolution of the Board of Directors Meeting of the Company.

- Classification of the number of Shinkabu-Yoyakuken granted to the employees of the Company and the officers of the subsidiaries of the Company

	Number of grantees of Shinkabu-Yoyakuken	Number of Shinkabu-Yoyakuken
Employees of the Company	23	6,800

##### 2) Nissan Motor Co., Ltd. 6th Shinkabu-Yoyakuken

- Total number of Shinkabu-Yoyakuken  
3,600
- Type and number of shares to be issued upon exercise of Shinkabu-Yoyakuken  
360,000 shares of common stock of the Company  
(100 shares per Shinkabu-Yoyakuken)
- Issue price of Shinkabu-Yoyakuken  
Free
- Exercise price of Shinkabu-Yoyakuken  
120,500 yen per Shinkabu-Yoyakuken
- Exercise period of Shinkabu-Yoyakuken  
On and after April 1, 2010 (Japan Time) and up to June 19, 2017 (Japan Time)
- Conditions for exercise of Shinkabu-Yoyakuken
  - a) The holder of Shinkabu-Yoyakuken (hereinafter "Shinkabu-Yoyakuken Holder") has been employed continuously by the Company, subsidiaries or affiliates of the Company or continuously retained a proxy relationship until the day when Shinkabu-Yoyakuken is exercisable.
  - b) The performance of the Company satisfies a certain level.
  - c) Shinkabu-Yoyakuken Holder has achieved individually established business targets, etc. Additionally, details of the above-mentioned conditions and other conditions shall be as stipulated in Shinkabu-Yoyakuken Allotment Agreement that is to be made and entered into by and between the Company and Shinkabu-Yoyakuken Holder pursuant to a resolution of the Board of Directors Meeting of the Company.



- Classification of the number of Shinkabu-Yoyakuken granted to the employees of the Company and the officers of the subsidiaries of the Company

	Number of grantees of Shinkabu-Yoyakuken	Number of Shinkabu-Yoyakuken
Employees of the Company	12	3,600

## (2) Other material information concerning Shinkabu-Yoyakuken

On April 24, 2008, the Board of Directors of the Company has resolved to issue Shinkabu-Yoyakuken to employees of the Company and the officers of the subsidiaries as stock options for free in accordance with Articles 236, 238 and 239 of the Company Law and the resolution of the 108th Ordinary General Meeting of Shareholders dated June 20, 2007.

- Name of Shinkabu-Yoyakuken  
Nissan Motor Co., Ltd. 7th Shinkabu-Yoyakuken
- Type and number of shares to be issued upon exercise of Shinkabu-Yoyakuken  
6,000,000 shares of common stock of the Company  
The number of shares to be issued upon exercise of Shinkabu-Yoyakuken shall be the aggregate number of units of Shinkabu-Yoyakuken multiplied by the number granted (100 shares)

- Aggregate number of units of Shinkabu-Yoyakuken to be issued  
60,000

However, if the total number of Shinkabu-Yoyakuken applications does not reach 60,000, the aggregate number of Shinkabu-Yoyakuken to be issued will be equivalent to the total number of applications received.

- Issue price of each Shinkabu-Yoyakuken and issue date  
Each Shinkabu-Yoyakuken is to be issued for free.  
The date of issuance of Shinkabu-Yoyakuken shall be May 16, 2008.
- Amount to be paid upon exercise of each Shinkabu-Yoyakuken  
97,500 yen per Shinkabu-Yoyakuken  
975 yen per share
- The number of persons and number of Shinkabu-Yoyakuken to be granted shall be as follows.

	Number of grantees of Shinkabu-Yoyakuken	Number of Shinkabu-Yoyakuken
Employees of the Company	210	60,000

## 4. Directors and Statutory Auditors

### (1) List of Directors and Statutory Auditors

Officer	Responsibilities and Representative Positions at Other Companies
<b>President and CEO</b>	
Carlos Ghosn*	Global Communications, CSR, Global Internal Audit  President and Chief Executive Officer of Renault Director of Alcoa, Inc. Chairman of Nissan North America Inc. Director of Nissan Europe S.A.S. President and Chairman of Renault-Nissan B.V.
<b>Directors</b>	
Itaru Koeda*	MC-Dealer, Domestic Network Management, Administration for AFLs (MC-AFL), External and Government Affairs, Intellectual Asset Management, Industrial Machinery, Marine  Director of Renault Chairman and Member of Board of Calsonic Kansei Corp. Chairman and Member of Board of JATCO Ltd
Toshiyuki Shiga*	Japan Operations (MC-J), Human Resources  Director of Renault-Nissan B.V. Director of Nissan North America Inc.
Hiroto Saikawa	American Operations (MC-Americas), Purchasing, Sourcing breakthrough (Vehicle and Powertrain Engineering, Manufacturing, Purchasing, SCM)  Director of Renault President and Director of Nissan North America Inc.
Mitsuhiko Yamashita	Research and Development, TCSX (Total Customer Satisfaction Function)  Chairman of Nissan Technical Center North America, Inc. Chairman of Nissan Technical Center Europe Director of Renault-Nissan B.V.
Carlos Tavares	Corporate Planning, Product Planning, Market Intelligence, Brand Management, Design, Program Management, LCV Business, Infiniti Business, Control  Chairman of Nissan Design America, Inc.
Hidetoshi Imazu#	European Operations (MC-E), Manufacturing, SCM  Director of Renault-Nissan B.V. Chairman of Nissan International S.A.
Tadao Takahashi	External and Government Affairs, Intellectual Asset Management  Chairman of Aichi Machine Industry Co., Ltd
Shemaya Levy	
Patrick Pelata	Vice President of Renault Director of Renault-Nissan B.V.

Officer	Responsibilities
<b>Statutory Auditors</b>	
Hisayoshi Kojima	Full time
Takeo Otsubo	Full time
Toshiyuki Nakamura	Full time
Haruo Murakami	
Notes: 1. * indicates a representative director. 2. Shemaya Levy is outside director. 3. Takeo Otsubo, Toshiyuki Nakamura and Haruo Murakami are outside statutory auditors. 4. # indicates Director newly elected at the 108th Ordinary General Meeting of Shareholders, held on June 20th, 2007. 5. On April 1, 2008, certain responsibilities of the Directors were changed. The system of Directors after the change is as follows:	
Officer	Responsibilities
<b>President and CEO</b>	
Carlos Ghosn*	Global Communications, CSR
<b>Directors</b>	
Itaru Koeda*	
Toshiyuki Shiga*	Japan Operations (MC-J), Domestic Network Management (MC-Dealer), Administration for AFLs (MC-AFL), Human Resources, External and Government Affairs, Intellectual Asset Management, Industrial Machinery, Marine Corporate Governance, Global Internal Audit
Hiroto Saikawa	North American Operations (MC-NA), Purchasing, Sourcing breakthrough
Mitsuhiko Yamashita	Research and Development, TCSX (Total Customer Satisfaction Function)
Carlos Tavares	Corporate Planning, Product Planning, Market Intelligence, Brand Management, Design, Program Management, LCV Business, Infiniti Business, Control
Hidetoshi Imazu	European Operations (MC-E), Manufacturing, SCM
Tadao Takahashi	External and Government Affairs, Intellectual Asset Management
Shemaya Levy	
Patrick Pelata	
<b>Statutory Auditors</b>	
Hisayoshi Kojima	Full time
Takeo Otsubo	Full time
Toshiyuki Nakamura	Full time
Haruo Murakami	
Notes: 1. * indicates a representative director. 2. Director, Itaru Koeda will resign from the office at the closing of the 109th Ordinary General Meeting of Shareholders.	

## (2) Amount of Compensation Paid to Directors and Statutory Auditors

Directors	10 members	2,231 million yen
Statutory Auditors	4 members	92 million yen

Notes: 1. The above amounts include remuneration etc. for outside officers (1 Director and 3 Statutory Auditors) in the amount of 67 million yen.  
 2. In addition to the above, the company will pay bonus for 9 Directors in the amount of 390 million yen, subject to the resolution of "Payment of bonus to Directors" at the 109th Ordinary General Meeting of Shareholders.  
 3. In addition to the above, the company granted 9 directors, based upon the resolution at the 104th Ordinary General Meeting of Shareholders on June 19, 2003, Share Appreciation Rights ("SAR") in two times, equivalent to 3,500,000 common share of the company and 2,500,000 common share of the company within 6,000,000 shares equivalent rights approved by the above-mentioned resolution. (Just for reference purpose, the fair value of SAR are calculated to be 136 yen per share and 205 yen per share using the closing share price at the respective time of grant.)  
 The number of exercisable SAR would vary within the limit of 6,000,000 shares equivalent rights and will be finally determined based upon performance achievement level of the grantees.

## (3) Information on Outside Officers

### 1) Concurrently service of Outside Officers of other companies

	Company name	Position
Shemaya Levy, Director	Renault España (Spain)	Supervisory
	Segula Technologies Group (France)	Board Member
	SAFRAN Group (France)	
	AEGON N.V. (Netherlands)	
	TNT N.V. (Netherlands)	
Haruo Murakami, Statutory Auditor	eBANK Corporation	Outside Statutory Auditor

### 2) Principal Activities

	Principal Activities
Shemaya Levy, Director	His attendance rate at Board of Directors' Meeting is 60% and has spoken at almost all of the meetings.
Takeo Otsubo, Statutory Auditor	He attended at all of Board of Directors' Meetings and all of Statutory Auditors' Meetings. At Board of Directors' Meetings, he has spoken as necessary.
Toshiyuki Nakamura, Statutory Auditor	He attended at all of Board of Directors' Meetings and all of Statutory Auditors' Meetings. At Board of Directors' Meetings, he has spoken as necessary.
Haruo Murakami, Statutory Auditor	He attended at all of Board of Directors' Meetings and almost all of Statutory Auditors' Meetings. At Board of Directors' Meetings, he has spoken as necessary.

The above four outside officers have entered into an agreement with the Company limiting their liability as prescribed in Article 423, Paragraph 1 of the Company Law and pursuant to said agreement the liability limit will be 5 million yen or the statutory minimum limit, whichever is higher.

## 5. Status of Independent Auditors

### (1) Name of independent auditors

Ernst & Young ShinNihon

### (2) Fees paid to the independent auditors regarding the current business year

- 1) Fees paid to the independent auditors regarding the current business year  
521 million yen
- 2) Of the amount shown in 1), fees for audits of the financial statements and other assurance services to be paid by the Company and subsidiaries to the independent auditors  
1,107 million yen

Notes: 1. Because the audit engagement contract between the Company and the independent auditors does not separately specify the fees for i) audits required by the Company Law and ii) audits required by the Financial Instruments and Exchange Law, the total fees for those audits have been disclosed.  
 2. The company paid the fees to the independent auditors for the advice on the internal controls over the financial reporting that are not the services defined in Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan.

- 3) All the overseas subsidiaries included in "(6) Principal Group Companies in 1. Business Review of the Fiscal Year 2007" are audited by audit firms other than Ernst & Young ShinNihon.

### (3) Policy concerning the decision to dismiss or to deny reappointment of independent auditor

The Board of Statutory Auditors, by unanimous agreement, will dismiss the independent auditors. when confirmed that the independent auditors falls under any item of paragraph 1, Article 340 of the Company Law.

Additionally, in the event of other cases where his/her retention as independent auditors is deemed to be detrimental to the Company, the Board of Directors will propose, with the agreement of the Board of Statutory Auditors, or as requested by the Board of Statutory Auditors, to dismiss or deny reappointment to the Ordinary General Meeting of Shareholders.

## 6. Business Management Systems, Processes and Internal Controls

### ● Systems to ensure compliance of directors' activities to laws and articles of associations, and other systems to ensure proper and legitimate business activities

The Board of Directors of Nissan determined Nissan's systems and policies to ensure appropriate management and execution of Nissan's business, which is outlined below.

#### (1) Systems to ensure efficient execution and management of business activities by the directors

- 1) Nissan has the Board of Directors, which decides material business activities of the company and checks on the activities of the individual directors. In addition, statutory auditors who comprise the board of auditors, audit the activities of the directors.
- 2) Nissan's Board of Directors is relatively small, so it is structured with a transparent and logical system of delegation is implemented, by which the authority to perform business activities are properly delegated to corporate officers and other employees.
- 3) Nissan uses a proven system of Executive Committee where key business issues are reviewed and discussed.
- 4) For review and discussion of the regional and specific business area operations, Nissan utilizes Management Committees.
- 5) In order to promote cross functional activities, cross functional teams—CFTs—are organized. CFTs detect problems and challenges and propose solutions to line organizations.
- 6) Nissan implements an objective and transparent Delegation of Authority procedure for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.
- 7) Nissan ensures an efficient and effective management of its business by determining and sharing management policy and business direction

through establishment of the mid-term management plan and the annual business plan.

#### (2) Systems to ensure compliance of employees' and directors' activities with laws and articles of associations

- 1) Nissan implements "Global Code of Conduct", which explains acceptable behaviors of all employees working at Nissan group companies worldwide and promotes understanding by them.
- 2) In order to ensure rigorous and strict compliance with the code of conduct, Nissan and its group companies offer education programs such as the e-learning system.
- 3) With regard to members of the Board of Directors as well as corporate officers of Nissan, Nissan establishes "Guidance for Directors and Corporate Officers regarding Compliance", which explains the acceptable behaviors of the members of the Board of Directors and the corporate officers.
- 4) Nissan stands firm and take appropriate actions against anti-social forces or groups. If any director, officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
- 5) If any director, officer or employee is, directly or indirectly, exposed or threatened to commit an illegal or criminal action such as fraud or blackmail during the course of business activities, the said individual shall act resolutely against it, and he/she shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
- 6) For the purpose of monitoring and ensuring compliance with the code of conduct, Nissan establishes the "Global Compliance Committee".
- 7) Nissan implements the "Easy Voice System" by which the employees are able to submit their opinions, questions and requests freely and directly to Nissan management.

- 8) Nissan is committed to continually implementing relevant company rules. Examples include “Global Rules for the Prevention of Insider Trading” and the “Rules for the Protection of Personal Information”. The company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.
- 9) Nissan is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Institution and Exchange Laws together with its related rules and standards.
- 10) Nissan establishes a department specialized in internal audit for the purpose of regularly monitoring Nissan and group companies’ business and their compliance with laws, articles of associations and corporate ethics.

**(3) Rules and systems for proper management of risk and loss**

- 1) Nissan minimizes the possibility of occurrence of risks and, if they occur, mitigate the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objective, Nissan and its group companies implement the Global Risk Management Policy.
- 2) Management of material company-wide risks are assigned mainly to each of the members of the Executive Committee, who are responsible to monitor, manage and implement necessary measures such as preparing relevant risk management manuals.
- 3) Concerning the management of other specific business risks beyond those supervised directly by the Executive Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.

**(4) Systems to ensure accurate records and the retention of information of directors’ execution of business**

- 1) Nissan prepares full and accurate minutes of meetings of the Board of Directors in accordance with laws and the board regulations and ensures they are retained and managed in a secure environment.
- 2) In performing business activities by various divisions and departments, matters to be decided pursuant to Delegation of Authority are decided by either electronic system or written documents, and are stored and retained either electronically or in writing.
- 3) While the departments in charge are responsible for proper and strict retention and management of such information, directors, statutory auditors and others have access to any records as required for the purpose of performing their business activities.
- 4) In line with the Information Security Policy, Nissan endeavors to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information.

**(5) Systems to ensure proper and legitimate business activities of the Group companies**

- 1) Nissan establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent group management.
- 2) In Management Committee meetings, Nissan provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.
- 3) The group companies implement an objective and transparent Delegation of Authority procedures.
- 4) Group companies implement each company’s code of conduct in line with the Global Code of Conduct and establish compliance committee of each company and ensure full compliance with all laws and our corporate code of conduct. The Global

Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, articles of association and corporate behavior. In addition, group companies implement the easy voice system which ensures that employees are able to directly communicate to the group company or to Nissan directly their opinions, questions, and requests.

- 5) The internal audit department of Nissan periodically carries out local audits on the business of group companies for the purpose of monitoring and confirming legal compliance, relevant articles of association as well as management of business risks. Major group companies establishes their own internal audit departments and perform internal audits under the supervision of Nissan's internal audit department.
- 6) Nissan's statutory auditors and group companies' statutory auditors have periodic meetings to share information and exchange opinions from the viewpoint of consolidated management for the purpose of ensuring effective auditing of group companies.

**(6) Organization of employee(s) supporting statutory auditors, and systems showing their independence from the directors**

- 1) Nissan has an auditors office to support the activities of the statutory auditors. Dedicated manager(s) is assigned and performs his/her duties under the supervision and responsibility of the statutory auditors.
- 2) The statutory auditors make appraisal of dedicated manager's performance, and his/her move to another department and his/her disciplinary action are subject to prior approval of the board of auditors.

**(7) Systems by which directors and employee report business issues to the statutory auditors**

- 1) The statutory auditors determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes

schedules of reports by various divisions. Directors and employees make reports in accordance with the annual audit plan.

- 2) When directors and employees detect any incidents which gives or could give a materially negative impact to Nissan, they are required to immediately report such incidents to the statutory auditors.
- 3) In addition, directors and employees are required to make an ad-hoc report to the statutory auditors regarding the situation of business activities when so requested.
- 4) The internal audit department periodically reports to the statutory auditors its internal audit plan and the results of the internal audits performed.

**(8) System to ensure effective and valid auditing by the statutory auditors**

- 1) At least 50% of the statutory auditors are external auditors to ensure effective and independent auditing. The statutory auditors hold periodical meetings in order to exchange and share information and their respective opinions. Ad-hoc meetings are also held whenever deemed necessary.
- 2) The statutory auditors have periodical meetings with representative directors (including the President) and exchange views and opinions.

## 2. Consolidated Balance Sheet

(As of March 31, 2008)

(in millions of yen, ( ) indicates loss or minus)

The following information has been prepared in accordance with accounting principles generally accepted in Japan.

Accounts	Amount
<b>[ASSETS]</b>	
<b>Current assets</b>	<b>6,294,224</b>
Cash on hand and in banks	570,225
Notes & accounts receivable	688,300
Sales finance receivables	3,234,433
Marketable securities	24,643
Inventories	1,005,165
Deferred tax assets	299,306
Other	552,061
Allowance for doubtful accounts	(79,909)
<b>Fixed assets</b>	<b>5,645,258</b>
<b>Property, plant and equipment</b>	<b>4,626,552</b>
Buildings and structures	709,149
Machinery, equipment and vehicles	2,517,838
Land	720,370
Construction in progress	153,909
Other	525,286
<b>Intangible assets</b>	<b>186,346</b>
<b>Investments &amp; other assets</b>	<b>832,360</b>
Investment securities	452,169
Deferred tax assets	94,420
Other	290,564
Allowance for doubtful accounts	(4,793)
<b>Total assets</b>	<b>11,939,482</b>
<b>[LIABILITIES]</b>	
<b>Current liabilities</b>	<b>5,242,616</b>
Notes & accounts payable	1,119,430
Short-term borrowings and current maturities of bonds and debentures	2,757,027
Lease obligations	75,554
Accrued expenses	563,672
Deferred tax liabilities	1,501
Accrued warranty costs	91,151
Other	634,281
<b>Long-term liabilities</b>	<b>2,847,423</b>
Bonds and debentures	772,725
Long-term borrowings	1,050,889
Lease obligations	85,389
Deferred tax liabilities	461,792
Accrued warranty costs	112,522
Accrued retirement benefits	177,485
Accrued retirement benefits for directors and statutory auditors	3,883
Other	182,738
<b>Total liabilities</b>	<b>8,090,039</b>
<b>[NET ASSETS]</b>	
<b>Shareholders' equity</b>	<b>3,868,140</b>
Common stock	605,814
Capital surplus	804,470
Retained earnings	2,726,859
Treasury stock	(269,003)
<b>Valuation, translation adjustments and others</b>	<b>(363,176)</b>
Unrealized holding gain on securities	5,750
Unrealized gain and loss from hedging instruments	(8,471)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	79,417
Land revaluation of foreign subsidiaries	6,238
Unfunded retirement benefit obligation of foreign subsidiaries	(4,290)
Translation adjustments	(441,820)
<b>Share subscription rights</b>	<b>1,714</b>
<b>Minority interests</b>	<b>342,765</b>
<b>Total net assets</b>	<b>3,849,443</b>
<b>Total liabilities and net assets</b>	<b>11,939,482</b>

Note: The amount of short-term borrowings and current portion of bonds and debentures includes current portion of long-term borrowings and commercial paper.

## 3. Consolidated Statements of Income

(For the year ended March 31, 2008)

(in millions of yen, ( ) indicates loss or minus)

Accounts	Amount	Amount
<b>Net sales</b>		<b>10,824,238</b>
<b>Cost of sales</b>		<b>8,407,398</b>
Gross profit		2,416,840
<b>Selling, general and administrative expenses</b>		<b>1,626,010</b>
<b>Operating income</b>		<b>790,830</b>
<b>Non-operating income</b>		
Interest and dividend income	28,205	
Equity in earnings of unconsolidated subsidiaries & affiliates	37,217	
Other	16,405	<b>81,827</b>
<b>Non-operating expenses</b>		
Interest expense	36,118	
Amortization of net retirement benefit obligation at transition	11,009	
Loss on the net monetary position due to restatement	6,902	
Foreign exchange loss	28,991	
Other	23,237	<b>106,257</b>
<b>Ordinary income</b>		<b>766,400</b>
<b>Special gains</b>		
Gain on sale of fixed assets	80,089	
Gain on sale of investment securities	3,715	
Gain on implementation of a defined contribution plan	1,076	
Other	3,258	<b>88,138</b>
<b>Special losses</b>		
Loss on disposal of fixed assets	21,754	
Impairment loss	8,878	
Loss on relocation of the headquarters of a subsidiary in North America	1,895	
Special retirement benefits	14,350	
Retirement benefits for directors and statutory auditors upon termination of the plan	6,533	
Other	33,170	<b>86,580</b>
<b>Income before income taxes and minority interests</b>		<b>767,958</b>
Income taxes—current	190,690	
Income taxes—deferred	72,018	262,708
<b>Minority interests</b>		<b>22,989</b>
<b>Net income</b>		<b>482,261</b>

## 4. Consolidated Statements of Changes in Net Assets

(For the year ended March 31, 2008)

(in millions of yen, ( ) indicates loss or minus)

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balances as of March 31, 2007</b>	605,814	804,470	2,402,726	(226,394)	3,586,616
<b>Changes in FY2007</b>					
Cash dividends paid	—	—	(151,725)	—	(151,725)
Net income	—	—	482,261	—	482,261
Disposal of treasury stock	—	—	(6,033)	38,732	32,699
Purchases of treasury stock	—	—	—	(81,341)	(81,341)
Changes due to merger	—	—	21	—	21
Changes in the scope of consolidation	—	—	(391)	—	(391)
Net changes in items other than those in shareholders' equity	—	—	—	—	—
<b>Total changes in FY2007</b>	—	—	324,133	(42,609)	281,524
<b>Balances as of March 31, 2008</b>	<b>605,814</b>	<b>804,470</b>	<b>2,726,859</b>	<b>(269,003)</b>	<b>3,868,140</b>

	VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS									
	Unrealized gain on securities	Unrealized loss on hedging instruments	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level of foreign subsidiaries	Land revaluation of foreign subsidiaries	Unfunded retirement obligation of foreign subsidiaries	Total valuation translation adjustments and others	SHARE SUBSCRIPTION RIGHTS	MINORITY INTERESTS	TOTAL NET ASSETS	
<b>Balances as of March 31, 2007</b>	5,826	1,817	68,923	5,095	(13,826)	(109,214)	(41,379)	2,711	329,046	3,387,694
<b>Changes in FY2007</b>										
Cash dividends paid	—	—	—	—	—	—	—	—	—	(151,725)
Net income	—	—	—	—	—	—	—	—	—	482,261
Disposal of treasury stock	—	—	—	—	—	—	—	—	—	32,699
Purchases of treasury stock	—	—	—	—	—	—	—	—	—	(81,341)
Changes due to merger	—	—	—	—	—	—	—	—	—	21
Changes in the scope of consolidation	—	—	—	—	—	—	—	—	—	(391)
Net changes in items other than those in shareholders' equity	(76)	(10,288)	10,494	1,143	9,536	(332,606)	(321,797)	(997)	13,719	(309,075)
<b>Total changes in FY2007</b>	(76)	(10,288)	10,494	1,143	9,536	(332,606)	(321,797)	(997)	13,719	(27,551)
<b>Balances as of March 31, 2008</b>	<b>5,750</b>	<b>(8,471)</b>	<b>79,417</b>	<b>6,238</b>	<b>(4,290)</b>	<b>(441,820)</b>	<b>(363,176)</b>	<b>1,714</b>	<b>342,765</b>	<b>3,849,443</b>

## 5. Notes to Consolidated Financial Statements

### Basis of Consolidated Financial Statements

#### 1. Number of Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(1) Consolidated subsidiaries; 194 companies (Domestic 80, Overseas 114)

Domestic Car Dealers, Parts Distributors

Aichi Nissan Motor Co., Ltd., Nissan Tokuhan Co., Ltd.

Nissan Prince Tokyo Sales Co., Ltd.

Nissan Chuo Parts Sales Co., Ltd.

and 57 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 & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd.,

Autech Japan, Inc. and 8 other companies

Overseas subsidiaries

Nissan North America, Inc., Nissan International S.A.

Nissan Motor Manufacturing (UK) Ltd.

Nissan Mexicana, S.A. de C.V. and 110 other companies

Unconsolidated Subsidiaries; 167 companies (Domestic 106, Overseas 61)

Domestic Nissan Marine Co., Ltd., Shinwa Kogyo Co., Ltd.

and 104 other companies

Overseas Nissan Industrial Equipment Co. and 60 other companies

These unconsolidated subsidiaries are immaterial in terms of their total

assets, sales, net income or loss, retained earnings and others, and do not

have a significant effect on the consolidated financial statements.

As a result, they have been excluded from consolidation.

(2) Companies Accounted for by the Equity Method; 47 companies

Unconsolidated subsidiaries; 31 companies (Domestic 19, Overseas 12)

Nissan Marine Co., Ltd., Nissan Industrial

Equipment Co. and 29 other companies

Affiliates;

16 companies (Domestic 15, Overseas 1)

Kinugawa Rubber Industrial Co., Tonichi Carlife

Group Corporation and 14 other companies

Companies not Accounted for by the Equity Method; 180 companies

Unconsolidated subsidiaries; 136 companies

Shinwa Kogyo Co., Ltd. and 135 other companies

Affiliates;

44 companies

Tonox Co., Ltd. and 43 other companies

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 or others.

(3) Change in the Scope of Consolidation and Equity Method of Accounting

The change in the scope of consolidation and equity method compared with

that during the year ended March 31, 2007 was summarized as follows:

Number of companies newly included in the scope of consolidation;

25 subsidiaries

(Tokai Nissan Motor Co., Ltd., Nissan International S.A., ATLET AB and

22 other companies)

Number of companies excluded from the scope of consolidation;

19 subsidiaries

(Sunny Osaka Service Co., Ltd., Bouchou Nissan Motor, NR Wholesale

Mexico, S.A. De C.V., and 16 other companies)

Number of companies newly accounted for by the equity method;

1 company

(Tonichi Carlife Group Corporation)

Number of companies ceased to be accounted for by the equity method of

accounting; 1 company

(Nissan Fukuoka Service Center Co., Ltd.)

The increase in the number of consolidated subsidiaries were primarily

attributable to those newly established, acquired, or became material to

the consolidated financial statements, and the decrease were mainly due

to merger.



## 2. Fiscal Period of Consolidated Subsidiaries

- (1) The fiscal year of the following consolidated subsidiaries is different from that of the Company (March 31)

December 31 year end Companies:

Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd., Nissan Mexicana, S.A. De C. V. and 35 other overseas subsidiaries

- (2) Nissan Mexicana, S.A. De C. V. and 12 other consolidated subsidiaries whose fiscal year end is December 31 close their books of account at March 31 for consolidation reporting purpose.

With respect to Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd. and 23 other companies, the necessary adjustments were made in consolidation to reflect any significant transactions from January 1 to March 31.

## 3. Significant Accounting Policies

- (1) Valuation methods for assets

### 1) Securities

#### • Held-to-maturity debt securities

Held-to-maturity debt securities are stated at amortized cost.

#### • Other securities

##### Marketable securities

Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets.

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.

### 2) Derivative financial instruments

Derivative financial instruments are stated at fair value.

### 3) Inventories

Inventories are carried mainly at the lower of cost or market, cost being determined by the first-in, first-out method.

- (2) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated principally by straight-line method based on the estimated useful lives and economic residual value determined by the Company.

- (3) Basis for reserves and allowances

#### Allowance for doubtful accounts

Allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibilities of individual doubtful receivables.

#### 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 warranty contracts and based on past experience.

#### Accrued retirement benefits

Accrued retirement benefits or prepaid pension costs are recorded principally at the 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 primarily 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 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 periods which are shorter than the average remaining years of service of the eligible employees.

#### Accrued retirement benefits for directors and statutory auditors

Accrued retirement benefits for directors and statutory auditors are recorded at the amount which would have been required to be paid in accordance with the Company's internal rules if those directors and statutory auditors had resigned their offices as of the balance sheet date.

- (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 balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for the components of net assets excluding minority interests which are translated at their historical exchange rates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and minority interests in its consolidated financial statements.

- (5) Lease transactions

Non-cancelable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.

- (6) Significant hedge accounting method

#### Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred.

#### Hedging instruments and hedged items

##### • Hedging instruments—Derivative transactions

• Hedged items—Mainly forecasted sales, receivables and payables denominated in foreign currencies, and other.

#### Hedging policy

It is the Company's policy that transactions denominated in foreign currencies are to be hedged.

#### Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of forecasted sales are substantially same as those of hedging instruments.

#### 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."

- (7) Consumption Tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

- (8) Filing of consolidated tax returns

Effective the year ended March 31, 2008, the Company and certain consolidated subsidiaries have been filing consolidated tax returns.

- (9) Accounting policies adopted by foreign consolidated subsidiaries

The financial statements of the Company's subsidiaries in Mexico have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in Mexico are charged or credited to operations and directly reflected in valuation, translation adjustments and others.

## 4. Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries acquired through business combinations are carried at fair value at the time of acquisition.

## 5. Amortization of goodwill and negative goodwill

Goodwill and negative goodwill in consolidated subsidiaries and in companies accounted for by the equity method have been amortized over periods not exceeding 20 years determined based on their expected life. However, immaterial differences are charged or credited to income in the year of acquisition.

## 6. Accounting changes

### Accounting change for Directors' retirement benefits

Until March 31, 2007, certain subsidiaries charged expense for retirement benefits for directors and statutory auditors to income when the general shareholders' meeting approved a resolution for those benefits. In April 2007, a new position paper was issued by the Japanese Institute of Certified Public Accountants to clarify the accounting for retirement benefits for directors and statutory auditors. In this connection, certain

subsidiaries began to record an accrual for the retirement benefits for the directors and statutory auditors at the amount which would have been required to be paid in accordance with their respective internal rules if those directors and statutory auditors had resigned their offices as of the balance sheet date in order to establish a sound financial position. The effect of this change was to increase selling, general and administrative expenses by 441 million yen, to decrease operating income and ordinary income by the same amount and to decrease income before income taxes and minority interests by 1,569 million yen for the year ended March 31, 2008 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

As a result of this change, effective April 1, 2007, the accrued retirement benefits for directors and statutory auditors, which had previously been recorded by certain subsidiaries and included in the accrued retirement benefits for employees until March 31, 2007, were separately disclosed in the consolidated financial statements.

## Notes to Consolidated Balance Sheet

### 1. Assets pledged as collateral:

	(Millions of yen)
1) Assets pledged as collateral	
Cash on hand and in banks	1,993
Notes & accounts receivable	2,662
Sales finance receivables	1,230,097
Property, plant and equipment	851,998
Intangible fixed assets	200
Total	2,086,950

### 2) Liabilities secured by the above collateral

Short-term borrowings	602,105
Long-term borrowings	1,073,726
(including the current maturities)	
Total	1,675,831

### 2. Accumulated depreciation of property, plant and equipment amounted to 4,355,940 million yen.

(The above amount includes depreciation of leased assets in the amount of 197,954 million yen.)

### 3. Contingent Liabilities

At March 31, 2008, the Company and its consolidated subsidiaries had the following contingent liabilities:

	(Millions of yen)
(1) As guarantor of employees' housing loans from banks and others	179,874
(142,926 for employees, 36,948 for others)	
(2) Commitments to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	847
(3) The outstanding balance of installment receivables sold with recourse	3,470
4. Discounted notes receivable	5,473

## Notes to Consolidated Statements of Changes in Net Assets

### 1. Shares issued and outstanding

Common stock 4,520,715 thousand shares

### 2. Dividends

#### 1) Dividends

Resolution	Type of shares	Cash dividends paid (millions of Yen)	Dividends per share (Yen)	Cut-off date	Effective date
General meeting of shareholders held on June 20, 2007	Common stock	69,921	17	March 31, 2007	June 21, 2007
Board of directors, meeting held on October 26, 2007	Common stock	81,804	20	September 30, 2007	November 27, 2007
Total		151,725			

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

#### 2) Dividends with a cut-off date in FY2007 and with an effective date after April 1, 2008

The following dividends would be resolved at the General meeting of shareholders to be held on June 25, 2008.

Type of shares	Common stock
Resources of dividends	Retained earnings
Total dividends	81,496 millions yen
	(Dividends per share: 20 yen)
Cut-off date	Mar 31, 2008
Effective date	June 26, 2008

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

### 3. Type and number of shares to be issued upon the exercise of share subscription rights

Common stock 23,797 thousand shares

## Notes to Amounts per share

Net assets excluding share subscription rights and minority interests per share	860.17 yen
Basic net income per share	117.76 yen

## Other

Not applicable

Amounts less than 1,000,000 yen are rounded off.

## 6. Non-Consolidated Balance Sheet

(As of March 31, 2008)

(in millions of yen, ( ) indicates loss or minus)

The following information has been prepared in accordance with accounting principles generally accepted in Japan.

Accounts	Amount
<b>[ASSETS]</b>	
<b>Current assets</b>	<b>1,350,930</b>
Cash on hand and in banks	21,841
Trade notes receivable	385
Trade accounts receivable	297,492
Finished products	77,937
Raw materials	57,608
Work in process	24,635
Supplies	21,924
Advances paid	29,818
Prepaid expenses	23,360
Deferred tax assets	68,511
Short-term loans receivable	599,832
Other accounts receivable	124,323
Other	7,699
Allowance for doubtful accounts	(4,440)
<b>Fixed assets</b>	<b>2,585,406</b>
<b>Property, plant &amp; equipment</b>	<b>947,341</b>
Buildings	219,304
Structures	40,671
Machinery & equipment	274,802
Vehicles	26,348
Tools, furniture and fixtures	191,898
Land	137,467
Construction in progress	56,847
<b>Intangible assets</b>	<b>44,303</b>
Software	43,154
Other	1,148
<b>Investments &amp; other assets</b>	<b>1,593,761</b>
Investment securities	16,747
Investments in subsidiaries and affiliates	1,501,566
Long-term loans receivable	741
Long-term prepaid expenses	28,712
Prepaid pension cost	27,104
Deferred tax assets	15,396
Other	5,218
Allowance for doubtful accounts	(1,726)
<b>Total assets</b>	<b>3,936,336</b>

Accounts	Amount
<b>[LIABILITIES]</b>	
<b>Current liabilities</b>	<b>1,675,003</b>
Trade notes payable	206
Trade accounts payable	528,308
Short-term borrowings	52,000
Current maturities of long-term borrowings	6,900
Commercial paper	500,000
Current maturities of bonds	100,000
Lease obligations	59,534
Other accounts payable	60,003
Accrued expenses	237,771
Income taxes payable	12,882
Deposits received	24,647
Employees' saving deposits	64,174
Accrued warranty costs	25,318
Other	3,254
<b>Long-term liabilities</b>	<b>479,720</b>
Bonds	347,961
Long-term borrowings	34,500
Lease obligation	49,470
Accrued warranty costs	40,364
Other	7,424
<b>Total liabilities</b>	<b>2,154,724</b>
<b>[NET ASSETS]</b>	
<b>Shareholders' equity</b>	<b>1,773,872</b>
<b>Common stock</b>	<b>605,813</b>
<b>Capital surplus</b>	<b>804,470</b>
Additional paid-in capital	804,470
<b>Retained earnings</b>	<b>517,613</b>
Legal reserve	53,838
Voluntary reserves	463,774
Reserve for reduction of replacement cost of specified properties	84,875
Reserve for special depreciation	892
Unappropriated retained earnings	378,006
<b>Treasury stock</b>	<b>(154,024)</b>
<b>Valuation, translation adjustments and others</b>	<b>6,026</b>
<b>Unrealized holding gain on securities</b>	<b>6,026</b>
<b>Share subscription rights</b>	<b>1,714</b>
<b>Total net assets</b>	<b>1,781,612</b>
<b>Total liabilities &amp; net assets</b>	<b>3,936,336</b>

## 7. Non-Consolidated Statements of Income

(For the year ended March 31, 2008)

(in millions of yen, ( ) indicates loss or minus)

Accounts	Amount	
<b>Net sales</b>		<b>3,923,280</b>
<b>Cost of sales</b>		<b>3,386,264</b>
Gross profit		537,016
<b>Selling, general and administrative expenses</b>		<b>388,592</b>
<b>Operating income</b>		<b>148,423</b>
<b>Non-operating income</b>		
Interest and dividend income	166,754	
Other	8,567	<b>175,321</b>
<b>Non-operating expenses</b>		
Interest expense	13,183	
Amortization of net retirement benefit obligation at transition	8,054	
Foreign exchange loss	14,878	
Other	10,806	<b>46,923</b>
<b>Ordinary income</b>		<b>276,821</b>
<b>Special gains</b>		
Gain on sale of fixed assets	46,218	
Reversal of allowance for doubtful accounts	3,035	
Other	1,608	<b>50,861</b>
<b>Special losses</b>		
Loss on disposal of fixed assets	12,300	
Retirement benefits for directors and statutory auditors upon termination of the plan	6,533	
Other	4,596	<b>23,429</b>
<b>Income before income taxes</b>		<b>304,253</b>
Income taxes—current	8,102	
Income taxes—deferred	76,295	<b>84,398</b>
<b>Net income</b>		<b>219,855</b>

## 8. Non-Consolidated Statements of Changes in Net Assets

(For the year ended March 31, 2008)

(in millions of yen, ( ) indicates loss or minus)

	Shareholders' equity							
	Common stock	Capital surplus	Retained earnings	Legal reserve	Voluntary reserves (Note)	Total retained earnings	Treasury stock	Total shareholders' equity
<b>Balances as of March 31, 2007</b>	605,813	804,470	804,470	53,838	414,039	467,878	(111,323)	1,766,839
<b>Changes in FY2007</b>								
Cash dividends paid	—	—	—	—	(163,099)	(163,099)	—	(163,099)
Reserve provided in accordance with the tax regulations	—	—	—	—	—	—	—	—
Reserve reversed in accordance with the tax regulations	—	—	—	—	—	—	—	—
Net income	—	—	—	—	219,855	219,855	—	219,855
Purchases of treasury stock	—	—	—	—	—	—	(81,340)	(81,340)
Disposal of treasury stock	—	—	—	—	(7,021)	(7,021)	38,639	31,618
Net changes in items other than those in shareholders' equity	—	—	—	—	—	—	—	—
<b>Total changes in FY2007</b>	—	—	—	—	49,734	49,734	(42,701)	7,033
<b>Balances as of March 31, 2008</b>	<b>605,813</b>	<b>804,470</b>	<b>804,470</b>	<b>53,838</b>	<b>463,774</b>	<b>517,613</b>	<b>(154,024)</b>	<b>1,773,872</b>

	Valuation, translation adjustments and others			
	Unrealized holding gain on securities	Total valuation, translation adjustments and others	Share subscription rights	Total net assets
<b>Balances as of March 31, 2007</b>	5,863	5,863	2,711	1,775,413
<b>Changes in FY2007</b>				
Cash dividends paid	—	—	—	(163,099)
Reserve provided in accordance with the tax regulations	—	—	—	—
Reserve reversed in accordance with the tax regulations	—	—	—	—
Net income	—	—	—	219,855
Purchases of treasury stock	—	—	—	(81,340)
Disposal of treasury stock	—	—	—	31,618
Net changes in items other than those in shareholders' equity	162	162	(996)	(833)
<b>Total changes in FY2007</b>	<b>162</b>	<b>162</b>	<b>(996)</b>	<b>6,199</b>
<b>Balances as of March 31, 2008</b>	<b>6,026</b>	<b>6,026</b>	<b>1,714</b>	<b>1,781,612</b>

(Note) Details of voluntary reserves

	Reserve for reduction of replacement cost of specified properties	Reserve for losses on overseas investments	Reserve for special depreciation	Unappropriated retained earnings	Total voluntary reserves
<b>Balances as of March 31, 2007</b>	69,206	479	884	343,469	414,039
<b>Changes in FY2007</b>					
Cash dividends paid	—	—	—	(163,099)	(163,099)
Reserve provided in accordance with the tax regulations	21,489	—	184	(21,674)	—
Reserve reversed in accordance with the tax regulations	(5,820)	(479)	(177)	6,476	—
Net income	—	—	—	219,855	219,855
Purchases of treasury stock	—	—	—	—	—
Disposal of treasury stock	—	—	—	(7,021)	(7,021)
<b>Total changes in FY2007</b>	<b>(15,669)</b>	<b>(479)</b>	<b>7</b>	<b>34,537</b>	<b>49,734</b>
<b>Balances as of March 31, 2008</b>	<b>84,875</b>	<b>—</b>	<b>892</b>	<b>378,006</b>	<b>463,774</b>

## 9. Notes to Non-Consolidated Financial Statements

### Significant Accounting Policies

#### 1. Valuation of Assets

##### (1) Securities

###### 1) Held-to-maturity debt securities

Held-to-maturity debt securities are stated at amortized cost (Straight-line method).

###### 2) Equity securities issued by subsidiaries and affiliates

Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.

###### 3) Other securities

###### a) 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. Costs of securities sold is calculated by the moving average method.

###### b) Non-marketable securities:

Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

##### (2) Derivative financial instruments

Derivative financial instruments are stated at fair value.

##### (3) Inventories

Inventories are carried at the lower of cost or market, cost being determined by the first-in, first-out method.

#### 2. Depreciation and amortization of fixed assets

##### (1) Property, plant and equipment

Depreciation of property, plant and equipment is calculated by straight-line method based on the estimated useful lives and economic residual value determined by the Company.

##### (2) Intangible assets

Amortization of intangible 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 (5 years).

#### 3. 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 the differences arising from the translation are charged or credited to income.

#### 4. Basis for reserves and allowances

##### (1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on the past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibilities of individual doubtful receivables.

##### (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 warranty contracts and based on past experience.

##### (3) Accrued retirement benefits

Accrued retirement benefits or prepaid pension costs are recorded for payment of retirement benefits at the amount calculated based on the retirement benefit obligation and the fair value of pension plan assets at the end of this fiscal year.

The net retirement benefit obligation at transition is being amortized over a period of 15 years on a straight-line method.

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

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

#### 5. Other significant accounting policies

##### (1) Lease transactions

Non-cancelable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.

##### (2) Significant hedge accounting method

###### 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—Mainly forecasted sales, receivables and payables denominated in foreign currencies, and other.

###### 3) Hedging policy

It is the Company's policy that transactions denominated in foreign currencies are to be hedged.

###### 4) Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of forecasted sales are substantially same as those of hedging instruments.

###### 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."

##### (3) Consumption Tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

#### 6. Accounting changes

Not applicable

### Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment amounted to 1,282,626 million yen.

(The above amount includes depreciation of leased assets in the amount of 106,513 million yen.)

## 2. Guarantees given and other items

### • Guarantees given

Employees	130,600 million yen
Nissan North America, Inc.	44,440 million yen
Nissan Motor Manufacturing (UK) Ltd.	9,225 million yen
Others	9,623 million yen
<b>Total</b>	<b>193,889 million yen</b>

### • Commitments to provide guarantees of indebtedness

Hibikinada Development Co., Ltd.	846 million yen
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### • Keepwell Agreements

Provided for the following companies

Nissan Motor Acceptance Corp.	2,080,115 million yen
Nissan Financial Services Co., Ltd.	1,066,133 million yen
<b>Total</b>	<b>3,146,248 million yen</b>

## 3. Monetary receivables from and payables to subsidiaries and affiliates:

Short-term monetary receivables:	897,150 million yen
Short-term monetary payables:	302,249 million yen
Long-term monetary payables:	6,763 million yen

## 4. As endorser of documentary export bills discounted with banks:

7,168 million yen

## Notes to Non-Consolidated Statements of Income

### Transactions with subsidiaries and affiliates

Sales to subsidiaries and affiliates:	3,337,888 million yen
Purchases from subsidiaries and affiliates:	1,473,921 million yen
Transactions with subsidiaries and affiliates other than operating transactions:	167,987 million yen

## Note to Non-Consolidated Statements of Changes in Net Assets

Treasury stock	Common stock	137,134 thousand shares
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## Note relating to deferred tax assets and liabilities

Deferred tax assets mainly consisted of those deriving from accrued retirement benefits, accrued warranty costs and others.

Deferred tax liabilities mainly consisted of those deriving from reserves under special Taxation Measures Law, unrealized holding gain on securities and others.

Valuation allowance provided against deferred tax assets amounted to 50,380 million yen.

## Note relating to related party transactions

### Subsidiaries, affiliates and others

							(in millions of yen)	
Attribute	Name	Percentage of voting right held by the company	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year	
Subsidiary	Nissan Motor Acceptance Corp.	Ownership Indirectly 100%	• Providing sales finance services for vehicles manufactured by the company	Guarantees given and other (Keepwell Agreements)	2,080,115	—	—	
Subsidiary	Nissan Financial Services Co., Ltd.	Ownership Directly 100%	• Lease of car	Guarantees given and other (Keepwell Agreements)	1,066,133	—	—	
Subsidiary	Nissan North America, Inc.	Ownership Directly 100%	• Purchasing products manufactured by NML • Concurrent positions held by directors	Sales Dividend income Guarantees given	1,071,328 97,038 44,440	Trade accounts receivable	76,732	
Subsidiary	Nissan Finance Co., Ltd.	Ownership Directly 100%	• Making loans to domestic subsidiaries	Making loans Dividend income	557,954 27,593	Short-term loans receivable	557,954	
Subsidiary	Nissan Shatai Co., Ltd.	Ownership Directly 42.92% Indirectly 0.03%	• Manufacturing certain products on behalf of NML	Purchases	385,449	Advances paid Trade accounts payable Accrued expenses	10,850 94,583 3,585	
Subsidiary	Calsonic Kansei Corp.	Ownership Directly 41.61%	• Manufacturing certain part on behalf of NML • Concurrent positions held by directors	Purchases	213,293	Advances paid Trade accounts payable	8,241 55,981	

### Terms and conditions of transactions and policies on deciding terms and conditions

- (1) Selling price for products and parts are decided considering market prices and total costs.
- (2) Purchasing price for products is decided after investigation and negotiation considering bidding prices, existing prices, and market price of our products. Parts provided to subcontractors are offset against the purchase costs, and after negotiation, at the amount which is decided based on the price calculated using the cost.

### Others

- (1) The Company provides guarantees to the borrows of its subsidiaries. In addition, the Company provides keepwell agreements, as a part of guarantee, in order to enhance the credits.
- (2) The Company finances the working capital of its group companies through Nissan Finance Co., Ltd. The interest rates are determined by reference to market rates.
- (3) Dividend from subsidiaries of which the Company has all voting rights are determined considering their financial condition.

## Notes to Amounts per share

Net assets excluding share subscription rights per share	406.04 yen
Basic net income per share	49.92 yen

## Other

Not applicable

Amounts less than one million yen have been omitted.

## 10. Copy of Consolidated Independent Auditors' Report

### Report of Independent Auditors

May 13, 2008

To the Board of Directors  
Nissan Motor Co., Ltd.

#### Ernst & Young ShinNihon

/s/ Yasunobu Furukawa (seal)  
Designated and Engagement Partner  
Certified Public Accountant

/s/ Kenji Ota (seal)  
Designated and Engagement Partner  
Certified Public Accountant

/s/ Yoji Murohashi (seal)  
Designated and Engagement Partner  
Certified Public Accountant

/s/ Takeshi Hori (seal)  
Designated and Engagement Partner  
Certified Public Accountant

Pursuant to Article 444, Section 4 of the Company Law, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2007 through March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Nissan Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2008 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

## 11. Copy of Independent Auditors' Report

### Report of Independent Auditors

May 13, 2008

To the Board of Directors  
Nissan Motor Co., Ltd.

#### Ernst & Young ShinNihon

/s/ Yasunobu Furukawa (seal)  
Designated and Engagement Partner  
Certified Public Accountant

/s/ Kenji Ota (seal)  
Designated and Engagement Partner  
Certified Public Accountant

/s/ Yoji Murohashi (seal)  
Designated and Engagement Partner  
Certified Public Accountant

/s/ Takeshi Hori (seal)  
Designated and Engagement Partner  
Certified Public Accountant

Pursuant to Article 436, Section 2, Paragraph 1 of the Company Law, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Nissan Motor Co., Ltd. (the "Company") applicable to the 109th fiscal year from April 1, 2007 through March 31, 2008. These financial statements and the related supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit.

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

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Nissan Motor Co., Ltd. applicable to the 109th fiscal year ended March 31, 2008 in conformity with accounting principles generally accepted in Japan.

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

## 12. Copy of Audit Report of Board of Statutory Auditors

### Audit Report

Regarding the performance of duties by directors for the 109th business year beginning April 1, 2007, and ending March 31, 2008, the Board of Statutory Auditors hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective statutory auditors, as follows:

#### 1. Methods and Contents of Audit by Statutory Auditors and the Board of Statutory Auditors

The Board of Statutory Auditors determined, among other things, the auditing policies; received reports regarding the status of execution of audit and its results from each statutory auditor; received reports from directors, other relevant employees and independent auditors concerning the performance of their duties; and, when necessary, requested them to provide explanations.

In accordance with the statutory auditors' auditing standards specified by the Board of Statutory Auditors and in conformity with auditing policies, each statutory auditor ensured to communicate effectively with directors, employees in the internal audit division and other relevant employees; made efforts to collect necessary information and improve auditing environment; attended the meetings of the Board of Directors and other important meetings; received reports from directors, employees and other relevant employees regarding the performance of their duties; requested them to provide explanations when necessary; examined important decision documents and associated information; and studied the operations and financial conditions at the head office as well as other principal offices and plants. Moreover, the statutory auditors monitored and verified the contents of resolutions of the Board of Directors regarding the implementation of systems required to be implemented to ensure the proper operations of corporations under Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Corporate Law including a system to ensure that the performance of duties by directors is in compliance with the laws, regulations and the Articles of Incorporation, and the status of the system (internal control system) implemented according to such resolutions. As for the subsidiaries, the statutory auditors ensured to communicate effectively with directors, statutory auditors and other personnel of subsidiaries and to exchange information therewith, and, when necessary, received reports from the subsidiaries regarding their business. Based on the above methods, the statutory auditors examined the business report and supplementary schedules for this business year.

In addition, the statutory auditors monitored and verified whether the independent auditors were maintaining their independence and properly performing audits; received reports from the independent auditors on the performance of their duties; and, when necessary, requested them to provide explanations. The statutory auditors also received from the independent auditors a notice confirming that "the system to ensure proper performance of duties" (matters stipulated in each paragraph of Article 159 of Corporate Calculation Regulations) was properly implemented according to the "Standards on Quality Control for Audit" (October 28, 2005, Business Accounting Deliberation Council) and other relevant standards, and, when necessary, requested them to provide explanations. Based on the aforementioned methods, the statutory auditors examined the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to non-consolidated financial statements) and supplementary schedules as well as consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements).

#### 2. Audit Results

(1) Audit results concerning business reports, etc.

1. In our opinion, the business reports and supplementary schedules fairly represent the Company's condition in accordance with the related laws and regulations, and the Articles of Incorporation.
2. With regard to the performance of duties by the directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of the Articles of Incorporation.
3. In our opinion, resolutions of the meetings of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, we have found no matters to remark regarding the performance of duties by directors in relation to the internal control system.

(2) Audit results concerning non-consolidated financial statements and supplementary schedules

In our opinion, the methods and results employed and rendered by the independent auditors, Ernst & Young ShinNihon, are fair and reasonable.

(3) Audit results concerning consolidated financial statements

In our opinion, the methods and results employed and rendered by the independent auditors, Ernst & Young ShinNihon, are fair and reasonable.

May 20, 2008

Nissan Motor Co., Ltd.  
Full-time Statutory Auditor  
Full-time Statutory Auditor (Outside Statutory Auditor)  
Full-time Statutory Auditor (Outside Statutory Auditor)  
Outside Statutory Auditor

Board of Statutory Auditors  
Hisayoshi Kojima  
Takeo Otsubo  
Toshiyuki Nakamura  
Haruo Murakami

## Shareholder Memo

<b>Fiscal Year-End</b>	March 31
<b>Record Date</b>	March 31 (for interim dividends: September 30)
<b>General Shareholders' Meeting</b>	June
<b>Proxy Record Date</b>	March 31
<b>Transfer Agent and Register</b>	The Chuo Mitsui Trust & Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku Tokyo 105-8574 Japan
<b>Business Office of Transfer Agent</b>	The Chuo Mitsui Trust & Banking Co., Ltd. Stock Transfer Agency Department 8-4, Izumi 2-chome, Suginami-ku Tokyo 168-0063 Japan Tel: 0120-78-2031
<b>Other Offices of Transfer Agent</b>	<ul style="list-style-type: none"> <li>• Any domestic branch of The Chuo Mitsui Trust &amp; Banking Co., Ltd.</li> <li>• The head office and branches of Japan Securities Agent Co., Ltd.</li> </ul>
<b>Stock Transaction Commissions</b>	There is no charge for the transfer of shares. There is a ¥210 per-certificate charge (include consumption tax) for the issue of new shares.

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

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

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

### Corporate Information Website

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

Investor Relations

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

—That's all—