

FINANCIAL RESULTS OF NISSAN MOTOR CO.,LTD

<FOR THE 1ST HALF FY2004>

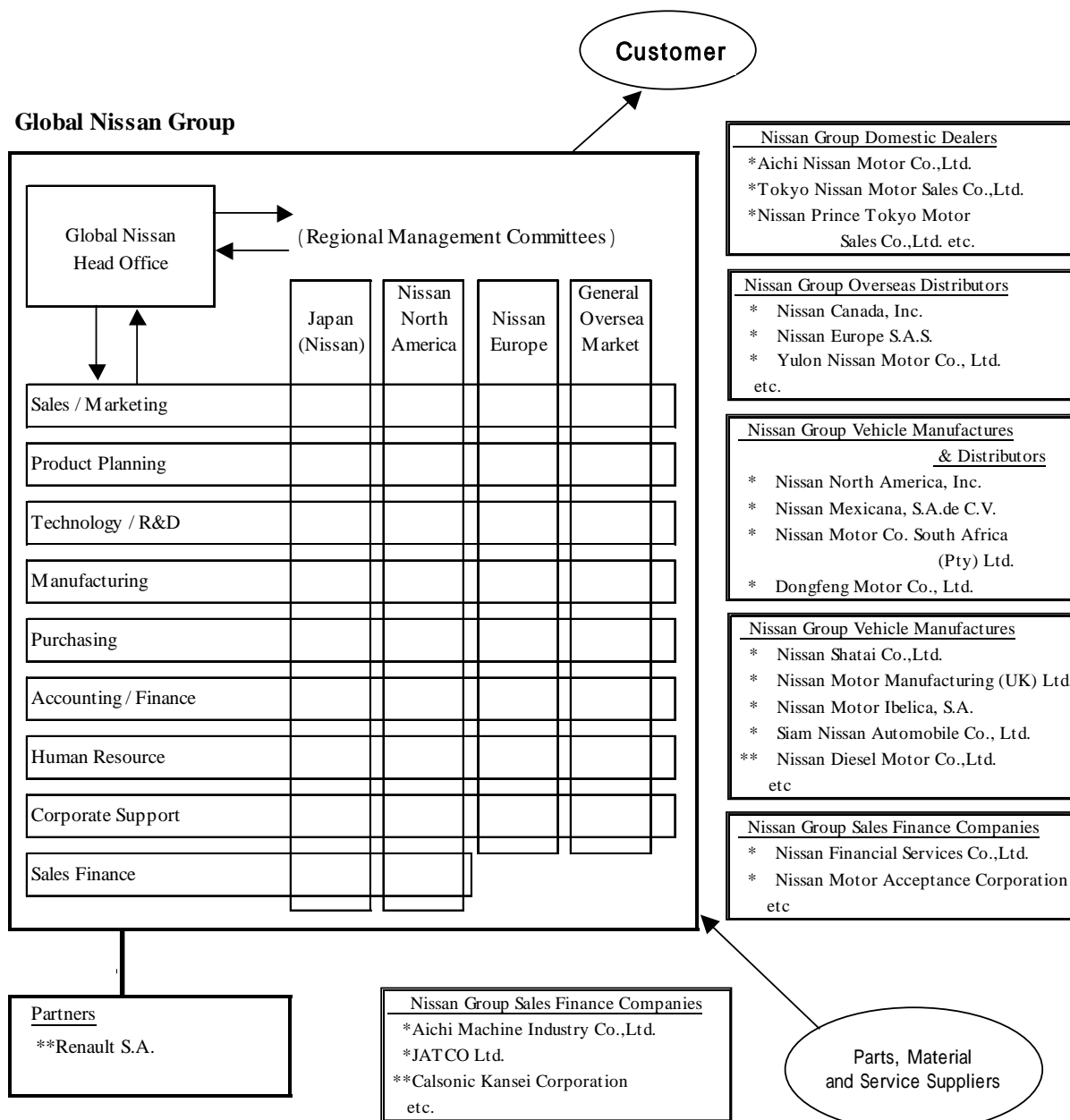
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1. Description of Nissan group

The Nissan 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. And also the Nissan group provides various services accompanying its main business, such as logistics and sales finance. The Company 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 like R&D, Purchasing, Manufacturing, etc., and Global Nissan Group is composed of this matrix.

The corporate group structure is as follows:



* Consolidated Subsidiaries
 ** Companies accounted for by equity method

· There are other associated companies; *Nissan Trading Co., Ltd., *Nissan Real Estate Development Co., Ltd..
 · Our subsidiaries listed on domestic stock exchange markets are follows.
 Nissan Shatai Co., Ltd.---Tokyo Aichi Machine Industry Co., Ltd.---Tokyo, Nagoya

2. NISSAN 180 UPDATE

Nissan continues to deliver steady performance despite unfavorable market conditions, such as higher incentives, rising commodity prices and higher interest rates. Nissan is consistently moving forward in the right direction.

During NISSAN 180, Nissan aims to grow sales by one million additional units by the end of September 2005 compared to fiscal year 2001, to achieve an 8% operating profit margin and to reduce net automotive debt to zero. In the final year of NISSAN 180, Nissan has already delivered two of the plan's commitments, achieving the 8% operating margin and zero debt on a constant accounting basis.

In the first half of fiscal year 2004:

- Revenue is up 12.7% from the same period of fiscal year 2003.
- Operating profit increased to 403.4 billion yen, giving an operating profit margin of 10.1%

3. FISCAL YEAR 2004 FIRST-HALF BUSINESS PERFORMANCE

For the first six months of fiscal year 2004, Nissan's sales in all regions totaled 1,596,000 units, an increase of 8.8% in a challenging environment.

In the first half of the fiscal year, total industry volumes were down in Japan, flat in the United States, and slightly up in Europe and in General Overseas Markets. Rising incentive levels continue to be a challenge in all markets.

Nissan launched one all-new model late in the first half – the Tiida – and eight more are being launched globally in the second half. Because of this launch schedule, sales are expected to accelerate in the second half.

Reviewing volumes by region, in Japan Nissan sold 368,000 units in the first half of fiscal year 2004, down 4.9%, as total industry volume declined by 1.6%. Our market share stands at 13.6%, including minicars, 0.5% lower than last year.

The March and Cube continue to be in the Top 10 monthly sales ranking, and Nissan's performance in the minicar segment has doubled. Our total sales volume in Japan is expected to rise in the second half, driven by the six new models that will be launched domestically this year.

In the United States, sales in the first half came to 489,000 units, up 16.6%. Our U.S. market share is now 5.5%, up 0.8%.

Gains were made in both the Nissan and Infiniti channels. Nissan Division sales were up 19.2% in the first half, largely due to the Titan, Armada, Quest and Altima. Infiniti Division sales also continued to grow, rising 2% over 1st half of fiscal year 2003's record level.

In Europe, Nissan sold 285,000 units from January to June, up 6.6% from the same period in 2003, even though no new models were launched. More than 90,000 Micras were sold, and our range of 4x4s, particularly the X-TRAIL and Pickup, were significant and steady contributors to sales growth.

In the General Overseas Markets, performance was good. In the first half, sales were up 15.2%, to 454,000 units. Markets such as China, Taiwan, Thailand and Mexico contributed to the increase.

Consolidated revenues reached 4.008 trillion yen in the first half of fiscal 2004, up 12.7% from the same period in fiscal year 2003. Changes in the scope of consolidation, such as the inclusion of Dongfeng Motor Company Limited, Yulon Nissan Motor and Siam Nissan Automobile, impacted revenues positively by 225.2 billion yen.

Nissan's consolidated operating profits were up 0.6% to 403.4 billion yen, compared to the first half of fiscal year 2003. The operating margin is 10.1%.

Analyzing the variance between last year's 401.1 billion yen operating profit and this year's 403.4 billion yen, several factors are considered:

- The effect of foreign exchange rate movements to first-half operating profits was a negative 56 billion yen, of which 51 billion yen was due to the dollar.
- The change in scope of consolidation contributed an additional 17 billion yen to first-half operating profits.
- Combined volumes and mix contributed 110 billion yen in additional operating profits.
- Selling expenses produced a negative impact of 59 billion yen, due to higher levels of incentives, particularly in the U.S. market.
- Purchasing continued to turn in a strong performance as lower purchasing costs

generated a positive contribution of 68 billion yen to operating profits, which includes the impact from higher prices of raw materials.

- Product enrichment and the cost of regulations produced a negative impact of 30 billion yen.
- Higher R&D expenses generated a negative impact of 21 billion yen as we continue to boost investments in technology and product development.
- Manufacturing expenses had a negative impact of 9 billion yen, including, from one side, the benefits from increased manufacturing efficiencies and, from the other side, a 15 billion yen additional expense primarily associated with the startup of Altima production at the Canton Plant.
- Warranty expenses increased by 13 billion yen as a result of growing sales.
- General, administrative and other expenses produced a negative impact of 4.7 billion yen.

Non-operating items totaled a negative 2.0 billion yen from 10.8 billion yen in 1st half of fiscal year 2003, giving an ordinary profit of 401.4 billion yen, compared to last year's level of 390.3 billion yen, mainly due to higher contributions from equity in unconsolidated companies, primarily Renault and Nissan Diesel.

Net extraordinary losses came to 30.9 billion yen, up from last year's 22.2 billion yen, mainly due to charges for discontinued operations, including our manufacturing reorganization in Europe as well as charges associated with a withdrawal from a domestic regional pension fund.

Taxes amounted to 120.7 billion yen, down from last year's 125.2 billion yen. Our consolidated effective tax rate came to 32.6%, slightly lower than the 34% assumption for the full year.

Minority interests, which are profits in fully consolidated companies that we do not own 100%, such as Aichi Machine and Nissan Shatai, came to 11.0 billion yen.

Net income after tax reached 238.8 billion yen, in line with last year's 237.7 level.

In the retail finance business segment, net sales increased 5.1% to 198.2 billion yen from first half fiscal year 2003. The increase was mainly due to higher sales volume in North America. Operating income came to 36.0 billion yen, down 1.1 billion yen from last year primarily due to the negative impact of foreign exchange. Net income was

decreased by 19.2% to 19.7 billion yen compared to the same period of last year.

Nissan is on track to reach our annual ROIC target of 20%.

On the balance sheet side, at the end of September, we had 100.2 billion yen in net automotive debt, including Canton and leasing obligations, which is better than our plan.

4. FISCAL YEAR 2004 FINANCIAL FORECAST

Considering the risks and opportunities for fiscal year 2004, the most significant risks continue to be higher levels of incentives, high commodity prices and high interest rates. Our major opportunity continues to be the swift implementation of NISSAN 180.

Taking into account the risks and opportunities, Nissan maintains its initial forecasts for the full year. Full-year consolidated net revenues are expected to reach 8.176 trillion yen. Operating profit is expected to be 860 billion yen, which would give a 10.5% operating margin. Ordinary profit is expected to be 846 billion yen. The company expects to achieve a net profit after tax of 510 billion yen.

5. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

1) Consolidated Statements of Income

(1st half FY2004, 1st half FY2003 and FY2003)

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

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

	FY2004 1st half	FY2003 1st half	Change		FY2003
			Amount	%	
NET SALES	100% 4,007,942	100% 3,556,249	451,693	12.7 %	100% 7,429,219
COST OF SALES	2,951,746	2,510,550	441,196		5,310,172
Gross profit	26.4% 1,056,196	29.4% 1,045,699	10,497	1.0 %	28.5% 2,119,047
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	652,759	644,567	8,192		1,294,192
Operating income	10.1% 403,437	11.3% 401,132	2,305	0.6 %	11.1% 824,855
NON-OPERATING INCOME	32,424	28,112	4,312		57,277
Interest and dividend income	7,294	6,230	1,064		11,591
Equity in earnings of unconsolidated subsidiaries & affiliates	15,161	8,284	6,877		11,623
Other non-operating income	9,969	13,598	(3,629)		34,063
NON-OPERATING EXPENSES	34,504	38,898	(4,394)		72,440
Interest expense	13,260	14,610	(1,350)		27,290
Amortization of net retirement benefit obligation at transition	5,888	7,299	(1,411)		13,936
Other non-operating expenses	15,356	16,989	(1,633)		31,214
Ordinary income	10.0% 401,357	11.0% 390,346	11,011	2.8 %	10.9% 809,692
EXTRAORDINARY GAINS	14,787	9,769	5,018		32,200
EXTRAORDINARY LOSSES	45,664	32,010	13,654		105,395
Income before income taxes and minority interests	9.2% 370,480	10.4% 368,105	2,375	0.6 %	9.9% 736,497
INCOME TAXES CURRENT	145,829	106,984	38,845		137,745
INCOME TAXES DEFERRED	(25,142)	18,258	(43,400)		81,295
MINORITY INTERESTS	10,985	5,183	5,802		13,790
NET INCOME	6.0% 238,808	6.7% 237,680	1,128	0.5 %	6.8% 503,667

2) Consolidated Balance Sheets

as of Sep 30, 2004, Mar 31, 2004 and Sep 30, 2003

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

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

	as of Sep 30, 2004	as of Mar 31, 2004	Change	as of Sep 30, 2003
[ASSETS]				
CURRENT ASSETS	4,737,694	3,766,963	970,731	3,775,213
Cash on hand and in banks	360,340	191,742	168,598	158,630
Notes & accounts receivable	466,593	462,716	3,877	512,326
Sales finance receivables	2,610,794	2,203,174	407,620	2,089,263
Marketable securities	17,481	3,126	14,355	2,409
Inventories	702,380	542,792	159,588	572,036
Deferred tax assets	262,306	169,759	92,547	217,793
Other current assets	317,800	193,654	124,146	222,756
FIXED ASSETS	4,376,524	4,091,299	285,225	3,975,794
Property, plant and equipment	3,500,453	3,203,252	297,201	3,154,020
Intangible assets	163,517	71,786	91,731	64,549
Investment securities	305,884	360,344	(54,460)	357,696
Long-term loans receivable	18,100	17,419	681	13,925
Deferred tax assets	173,835	162,184	11,651	138,041
Other fixed assets	214,735	276,314	(61,579)	247,563
DEFERRED ASSETS	1,322	1,594	(272)	1,865
TOTAL ASSETS	9,115,540	7,859,856	1,255,684	7,752,872
[LIABILITIES]				
CURRENT LIABILITIES	3,857,913	3,102,481	755,432	3,355,465
Notes & accounts payable	920,309	768,201	152,108	710,367
Short-term borrowings	1,950,073	1,360,798	589,275	1,626,425
Deferred tax liabilities	2,318	2,545	(227)	381
Accrued warranty costs	48,181	45,550	2,631	35,393
Leasing obligation	50,438	50,464	(26)	64,848
Other current liabilities	886,594	874,923	11,671	918,051
LONG-TERM LIABILITIES	2,836,820	2,629,596	207,224	2,401,557
Bonds and debentures	409,939	542,824	(132,885)	623,686
Long-term borrowings	1,238,334	1,067,790	170,544	747,142
Deferred tax liabilities	380,169	291,991	88,178	261,136
Accrued warranty costs	113,996	107,047	6,949	116,018
Accrued retirement benefits	460,350	442,266	18,084	472,371
Leasing obligation	91,735	84,179	7,556	88,317
Other long-term liabilities	142,297	93,499	48,798	92,887
TOTAL LIABILITIES	6,694,733	5,732,077	962,656	5,757,022
[MINORITY INTERESTS]				
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	164,065	103,785	60,280	96,757
[SHAREHOLDERS' EQUITY]				
COMMON STOCK	605,814	605,814	0	605,814
CAPITAL SURPLUS	804,470	804,470	0	804,470
RETAINED EARNINGS	1,485,196	1,286,299	198,897	1,035,913
UNREALIZED HOLDING GAIN ON SECURITIES	5,501	4,392	1,109	3,703
TRANSLATION ADJUSTMENTS	(396,615)	(431,744)	35,129	(330,171)
TREASURY STOCK	(247,624)	(245,237)	(2,387)	(220,636)
TOTAL SHAREHOLDERS' EQUITY	2,256,742	2,023,994	232,748	1,899,093
TOTAL LIABILITIES, MINORITY INTERESTS & SHAREHOLDERS' EQUITY	9,115,540	7,859,856	1,255,684	7,752,872

Note. The amount of short-term borrowings includes documentary export bills, current maturities of long-term borrowings, bonds and debentures, and commercial paper.

3) Consolidated Statements of Capital Surplus and Retained Earnings

(1st half FY2004, 1st half FY2003 and FY2003)

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

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

	FY2004 1st half	FY2003 1st half	Change	FY2003
(Capital surplus)				
Capital surplus at beginning of period	804,470	804,470	-	804,470
Capital surplus at end of period	804,470	804,470	-	804,470
(Retained earnings)				
Retained earnings at beginning of period	1,286,299	878,655	407,644	878,655
Increase	246,452	240,630	5,822	513,353
Net income	238,808	237,680	1,128	503,667
Increase due to inclusion in consolidation	1,104	226	878	226
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	3,592	2,724	868	9,460
Recognition of unfunded retirement benefit obligation of subsidiaries	2,948	-	2,948	-
Decrease	47,555	83,372	(35,817)	105,709
Cash dividends paid	45,078	41,656	3,422	74,594
Bonuses to directors and statutory auditors	404	410	(6)	410
Decrease due to exclusion from the equity method	-	4,402	(4,402)	4,402
Recognition of unfunded retirement benefit obligation of subsidiaries in UK	-	30,684	(30,684)	18,132
Loss on disposal of treasury stock	2,073	6,220	(4,147)	8,171
Retained earnings at end of period	1,485,196	1,035,913	449,283	1,286,299

4) Consolidated Statements of Cash Flows

(1st half FY2004, 1st half FY2003 and FY2003)

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

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

	1st half FY2004	1st half FY2003	FY2003
Operating activities			
Income before income taxes and minority interests	370,480	368,105	736,497
Depreciation and amortization (fixed assets excluding leased vehicles)	163,953	153,073	314,900
Amortization (long-term prepaid expenses)	5,686	4,509	11,783
Depreciation (leased vehicles)	77,717	66,137	134,354
Provision for doubtful receivables	(3,848)	3,394	3,732
Unrealized loss on investments	116	-	323
Interest and dividend income	(7,293)	(6,230)	(11,591)
Interest expense	33,450	40,272	63,423
Gain on sales of property, plant and equipment	(3,979)	(4,303)	(4,163)
Loss on disposal of property, plant and equipment	9,604	6,785	24,823
(Gain) Loss on sales of investment securities	(6,113)	(1,180)	7,113
Decrease (Increase) in trade receivables	57,134	(15,890)	24,539
Increase in sales finance receivables	(306,883)	(260,249)	(463,110)
Increase in inventories	(123,013)	(41,751)	(28,220)
Increase in trade payables	20,097	33,519	68,879
Amortization of net retirement benefit obligation at transition	5,888	7,299	13,936
Retirement benefit expenses	29,848	40,175	67,262
Retirement benefits paid	(40,637)	(35,535)	(80,650)
Other	6,023	(28,754)	45,934
Sub-total	288,230	329,376	929,764
Interest and dividends received	7,496	5,664	10,699
Interest paid	(33,256)	(41,749)	(65,231)
Income taxes paid	(138,223)	(40,526)	(77,815)
Total	124,247	252,765	797,417
Investing activities			
(Increase) decrease in short-term investments	(8,229)	1,241	(710)
Purchases of fixed assets	(214,773)	(168,750)	(428,387)
Proceeds from sales of property, plant and equipment	18,847	21,692	53,932
Purchases of leased vehicles	(274,535)	(272,289)	(476,613)
Proceeds from sales of leased vehicles	86,857	118,513	191,105
Collection of long-term loans receivable	2,175	2,942	4,766
Long-term loans made	(2,455)	(2,253)	(3,741)
Purchases of investment securities	(11,155)	(56,497)	(119,372)
Proceeds from sales of investment securities	1,674	3,752	40,330
Purchase of subsidiaries' shares resulting in changes in consolidation in the scope of consolidation	(1,292)	-	-
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	7,712	-	192
Additional acquisition of shares of consolidated subsidiaries	-	(330)	(2,531)
Other	(33,123)	(1,741)	(15,097)
Total	(428,297)	(353,720)	(756,126)
Financing activities			
Increase (decrease) in short-term borrowings	615,965	237,079	(137,575)
Increase in long-term borrowings	485,566	185,662	847,393
Increase in bonds and debentures	30,000	104,792	150,000
Repayment or redemption of long-term debt	(649,149)	(381,485)	(720,694)
Purchases of treasury stock	(7,873)	(72,981)	(101,957)
Proceeds from sales of treasury stock	3,245	7,568	9,744
Repayment of lease obligation	(33,816)	(47,159)	(84,742)
Cash dividends paid	(45,078)	(41,656)	(74,594)
Other	(18)	-	-
Total	398,842	(9,314)	(113,740)
Effect of exchange rate changes on cash and cash equivalents	1,761	1,466	(2,604)
Increase (decrease) in cash and cash equivalents	96,553	(108,803)	(75,053)
Cash and cash equivalent at beginning of the period	194,164	269,817	269,817
Increase due to inclusion in consolidation	59,577	310	310
Decrease due to exclusion from consolidation	-	(871)	(910)
Cash and cash equivalent at end of the period	350,294	160,453	194,164

5) Basis of Semi-Annual Consolidated Financial Statements

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

(1) Consolidated subsidiaries ; 195 companies (Domestic 99, Overseas 96)

Domestic Car Dealers, 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 80 other companies

Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co.,Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd.
and another company

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 Europe S.A.S.
Nissan Motor Manufacturing (UK) Ltd.
Nissan Mexicana, S.A. de C.V. and 92 other companies

Unconsolidated Subsidiaries ; 148 companies (Domestic 117, Overseas 31)

These 163 companies are excluded from consolidation because the effect of not consolidating them was immaterial to the Company's consolidated financial statements.

(2) Companies Accounted for by the Equity Method

Unconsolidated subsidiaries; 31 companies (Domestic 25, Overseas 6)

Affiliates; 21 companies (Domestic 18, Overseas 3)

Domestic Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation,
and 41 other companies

Overseas Renault S.A., Guangzhou NISSAN Trading Co., Ltd. and 7 other companies

The 117 unconsolidated subsidiaries and 30 affiliates other than the above 247 companies were not accounted for by the equity method because the effect of not adopting the equity method to them was immaterial to the Company's consolidated net income and retained earnings.

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

The change in the scope of consolidation compared with fiscal year 2003 was summarized as follows:

Newly included in the scope of consolidation; 15 subsidiaries (*Dongfeng Motor Co., Ltd.

Yulon Nissan Motor Co., Ltd., Siam Nissan Automobile Co., Ltd. and 12 other company)

Excluded from the scope of consolidation ; 6 subsidiaries (Nissan Canada Finance Inc.,

Shizuoka Nissan Motor Co., Ltd. and 4 other companies)

Number of companies newly accounted for by the equity method; 1 (Guangzhou NISSAN Trading Co.)

Number of companies ceased to be accounted for by the equity method of accounting; 10 (Dongfeng Motor Co., Ltd.

Yulon Nissan Motor Co., Ltd., Siam Nissan Automobile Co., Ltd. and 7 other companies)

The increase in the number of consolidated subsidiaries and companies accounted for by the equity method were primarily attributable to those newly established or became material to the consolidated financial statements, and the decrease were mainly due to sales or liquidations.

* During the six months ended September 30, 2004, investments in Dongfeng Motor Co., Ltd. held by the Company were transferred to Nissan China Investment Co., Ltd. (NCIC). As a result, effective six months ended September 30, 2004, Dongfeng Motor Co., Ltd., a joint venture, has been proportionately consolidated into NCIC in accordance with local accounting standards and was presented as a consolidated subsidiary.

2. Fiscal Period of Consolidated Subsidiaries

1) The end of 1st half of FY2004 for the following consolidated subsidiaries is different from that of the Company (September 30)

June 30 : Nissan Europe S.A.S. Nissan Mexicana, S.A. de C.V.,
Nissan Motor Company South Africa (Proprietary) Limited, and 60 other overseas subsidiaries

2) With respect to the above 63 companies, the necessary adjustments were made in consolidation to reflect any significant transactions from July 1 to September 30.

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 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.

2. Derivative transactions

Derivative financial instruments are stated at fair value except for forward foreign exchange contracts entered in order to hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contract rates in the consolidated balance sheet.

3. Inventories

Inventories are carried 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 collectibility of individual accounts for 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 are provided principally at an amount calculated based on the estimated amount incurred at the end of the period, which is, in turn, 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.

4) Lease transactions

Noncancelable lease transactions are classified as operating or finance leases and accounted for accordingly.

5) Hedge accounting

Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred. When forward foreign exchange contracts and other derivative transactions are entered into in order to hedge receivables and payables denominated in foreign currencies, such receivables and payables are recorded at the contract rates.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Hedged items are subject to the risk of loss as a result of market fluctuation and such changes are not reflected in their valuation.

Hedging policy

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

Assessment of hedge effectiveness

Hedge effectiveness is determined by comparing the cumulative changes in cash flows or fair values from the hedging instruments with those from the hedged items.

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."

6) Consumption Tax

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

7) Accounting policies adopted by foreign consolidated subsidiaries

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

4. Cash and cash equivalents

Cash and cash equivalents in consolidated statements of cash flows includes cash, deposits which can be withdrawn on demand and highly liquid short-term investments exposed to insignificant risk of changes in value with a maturity of three months or less when purchased.

5. Accounting Change

Classification of freight and shipping costs

Until the year ended March 31, 2004, freight and shipping costs of the Company and certain consolidated subsidiaries were included in selling, general and administrative expenses. Effective April 1, 2004, the Company and those consolidated subsidiaries began to account for the freight and shipping costs as cost of sales. This change was made in order to achieve a better matching of revenues and expenses and to present gross profit more accurately by including the freight and shipping costs in cost of sales considering the fact that shipping costs to export parts to be used for manufacture in overseas countries have increased due to the expansion of manufacturing activities outside Japan.

The effect of this change was to increase cost of sales by 55,939 million yen and to decrease gross profit and selling, general and administrative expenses by the same amount for the six months ended September 30, 2004. Consequently, this change had no impact on operating income, ordinary income, income before income taxes and minority income and net income for the six months ended September 30, 2004 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

There was no effect of this change on segment information.

6) Notes to Semi-Annual Consolidated Financial Statements

1. Contingent Liabilities

At September 30, 2004, 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 (202,570 for employees, 41,913 for others)	244,483
2) Commitments to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	2,841
3) Letters of awareness to financial institutions to whom trade receivables were sold	30,770
4) The outstanding balance of installment receivables sold with recourse	20,401

2. Research and Development costs included in cost of sales and general and administrative expenses

(Millions of yen)
183,810

3. Cash Flows

Cash and cash equivalents at the end of 1st half of fiscal year 2004 are reconciled to the accounts reported in the consolidated balance sheet as follows:

(as of Sept. 30 2004)	(Millions of yen)
Cash on hand and in banks	360,340
Time deposits with maturities of more than three months	(24,674)
Cash equivalents included in marketable securities (*)	14,628
<hr/>	
Cash and cash equivalents	350,294

* This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries.

4. Securities

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

1 Marketable held-to-maturity debt securities

millions of yen

	as of Sept 30, 2004			as of Sept 30, 2003			as of Mar 31, 2004		
	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)
(1) Corporate bonds	206	206	0	262	279	17	249	249	0
(2) Other bonds	—	—	—	2,943	2,943	0	—	—	—
Total	206	206	0	3,205	3,222	17	249	249	0

2 Marketable other securities

millions of yen

	as of Sept 30, 2004			as of Sept 30, 2003			as of Mar 31, 2004		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
(1) Stocks	3,514	10,650	7,136	3,557	9,932	6,375	3,528	9,873	6,345
(2) Bonds									
National & local government bonds	19	20	1	19	20	1	19	20	1
Total	3,533	10,670	7,137	3,576	9,952	6,376	3,547	9,893	6,346

3 Details and carrying value of securities whose fair value is not available

millions of yen

	as of Sept 30, 2004	as of Sept 30, 2003	as of Mar 31, 2004
	Carrying value	Carrying value	Carrying value
(1) Held-to-maturity debt securities			
Unlisted domestic bonds	—	5,000	—
(2) Other Securities			
Unlisted domestic stocks (excluding those traded on the over-the-counter market)	6,730	7,624	6,762
Unlisted foreign stocks	4,674	1,194	1,110

(5) SEGMENT INFORMATION

for the 1st half FY2004, 1st half FY2003 and FY2003
[in Millions of yen, () indicates minus]

1. BUSINESS SEGMENT INFORMATION

4/1/04 - 9/30/04	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. NET SALES					
(1) Sales to third parties	3,815,292	192,650	4,007,942	-	4,007,942
(2) Intergroup sales and transfers	11,678	5,589	17,267	(17,267)	0
TOTAL	3,826,970	198,239	4,025,209	(17,267)	4,007,942
OPERATING EXPENSES	3,464,207	162,235	3,626,442	(21,937)	3,604,505
OPERATING INCOME	362,763	36,004	398,767	4,670	403,437

4/1/03- 9/30/03	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. NET SALES					
(1) Sales to third parties	3,372,582	183,667	3,556,249	-	3,556,249
(2) Intergroup sales and transfers	9,688	4,823	14,511	(14,511)	0
TOTAL	3,382,270	188,490	3,570,760	(14,511)	3,556,249
OPERATING EXPENSES	3,017,491	151,350	3,168,841	(13,724)	3,155,117
OPERATING INCOME	364,779	37,140	401,919	(787)	401,132

4/1/03 - 3/31/04	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. NET SALES					
(1) Sales to third parties	7,072,982	356,237	7,429,219	-	7,429,219
(2) Intergroup sales and transfers	22,916	9,752	32,668	(32,668)	0
TOTAL	7,095,898	365,989	7,461,887	(32,668)	7,429,219
OPERATING EXPENSES	6,340,631	301,179	6,641,810	(37,446)	6,604,364
OPERATING INCOME	755,267	64,810	820,077	4,778	824,855

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

2. Major products and services included in each segment for the 1st half of fiscal year ended March 31, 2005 are;
- (1) Automobile..... Passenger cars, Light trucks and buses, Forklifts, Parts for production etc.
 - (2) Sales financing.....Credit, Lease etc.

2.Consolidated Financial Statements by Business Segment

* The sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), NR F Mexico, S.A. De C.V. (Mexico), NR Wholesale Mexico, S.A. De C.V. (Mexico), ESARA, S.A. de C.V. (Mexico) and sales financing division of Nissan Canada Inc.(Canada).

* The financial data on the automobile and eliminations segment represents the difference between the consolidated figures and those for the sales financing segment.

1). Balance sheets by business segment

		(millions of Yen)								
		Consolidated total								
		Automobile & eliminations			Sales Financing					
		as of 9/30/04	as of 3/31/04	Change	as of 9/30/04	as of 3/31/04	Change	as of 9/30/04	as of 3/31/04	Change
Current assets		1,825,564	1,257,550	568,014	2,912,129	2,509,413	402,716	4,737,693	3,766,963	970,730
Cash on hand and in banks		355,899	187,328	168,571	4,441	4,414	27	360,340	191,742	168,598
Notes & accounts receivable		466,541	462,612	3,929	52	104	(52)	466,593	462,716	3,877
Sales finance receivables		(145,364)	(199,177)	53,813	2,756,158	2,402,351	353,807	2,610,794	2,203,174	407,620
Marketable securities		17,481	3,126	14,355	-	-	-	17,481	3,126	14,355
Inventories		697,418	536,172	161,246	4,962	6,620	(1,658)	702,380	542,792	159,588
Other current assets		433,589	267,489	166,100	146,516	95,924	50,592	580,105	363,413	216,692
Fixed assets		3,349,395	3,121,541	227,854	1,027,130	969,758	57,372	4,376,525	4,091,299	285,226
Property, plant and equipment		2,593,397	2,425,940	167,457	907,056	777,312	129,744	3,500,453	3,203,252	297,201
Investment securities		305,061	356,925	(51,864)	823	3,419	(2,596)	305,884	360,344	(54,460)
Other fixed assets		450,937	338,676	112,261	119,251	189,027	(69,776)	570,188	527,703	42,485
Deferred assets		1,322	1,594	(272)	-	-	-	1,322	1,594	(272)
Total assets		5,176,281	4,380,685	795,596	3,939,259	3,479,171	460,088	9,115,540	7,859,856	1,255,684
Current liabilities		1,561,181	1,037,208	523,973	2,296,732	2,065,273	231,459	3,857,913	3,102,481	755,432
Notes & accounts payable		900,069	742,386	157,683	20,240	25,815	(5,575)	920,309	768,201	152,108
Short-term borrowings *1		(261,326)	(615,844)	354,518	2,211,399	1,976,642	234,757	1,950,073	1,360,798	589,275
Leasing obligation		50,009	50,067	(58)	429	397	32	50,438	50,464	(26)
Other current liabilities		872,429	860,599	11,830	64,664	62,419	2,245	937,093	923,018	14,075
Long-term liabilities		1,524,863	1,513,054	11,809	1,311,957	1,116,542	195,415	2,836,820	2,629,596	207,224
Bonds and debentures		346,969	508,864	(161,895)	62,970	33,960	29,010	409,939	542,824	(132,885)
Long-term borrowings		219,603	177,054	42,549	1,018,731	890,736	127,995	1,238,334	1,067,790	170,544
Leasing obligation		91,088	83,597	7,491	647	582	65	91,735	84,179	7,556
Other long-term liabilities		867,203	743,539	123,664	229,609	191,264	38,345	1,096,812	934,803	162,009
Total liabilities		3,086,044	2,550,262	535,782	3,608,689	3,181,815	426,874	6,694,733	5,732,077	962,656
Minority interests		164,065	103,785	60,280	-	-	-	164,065	103,785	60,280
Common stock		519,317	520,692	(1,375)	86,497	85,122	1,375	605,814	605,814	-
Capital surplus		774,403	774,403	-	30,067	30,067	-	804,470	804,470	-
Retained earnings and unrealized holding gain on securities		1,281,543	1,100,414	181,129	209,154	190,277	18,877	1,490,697	1,290,691	200,006
Translation adjustments		(401,467)	(423,634)	22,167	4,852	(8,110)	12,962	(396,615)	(431,744)	35,129
Treasury stock		(247,624)	(245,237)	(2,387)	-	-	-	(247,624)	(245,237)	(2,387)
Total shareholders' equity		1,926,172	1,726,638	199,534	330,570	297,356	33,214	2,256,742	2,023,994	232,748
Total liabilities, minority interests and shareholders' equity		5,176,281	4,380,685	795,596	3,939,259	3,479,171	460,088	9,115,540	7,859,856	1,255,684

Note: 1. Sales finance receivables of Automobile & eliminations represent the amount eliminated for intercompany transactions related to the transfer of wholesale finance to Sales Financing Business.

2. Borrowings of Automobile & eliminations represent the amount after deducting the amount of internal loan receivables from Sales Financing Business.

(04/3 1,096,792 million yen, 04/9 756,929 million yen)

(Interest bearing debt by business segment)

		(millions of Yen)								
		Consolidated total								
		Automobile & eliminations			Sales Financing					
		as of 9/30/04	as of 3/31/04	Change	as of 9/30/04	as of 3/31/04	Change	as of 9/30/04	as of 3/31/04	Change
Short-term borrowings from Third Parties		495,602	480,948	14,654	1,454,471	879,850	574,621	1,950,073	1,360,798	589,275
Internal Loans to Sales Financing		(756,928)	(1,096,792)	339,864	756,928	1,096,792	(339,864)	-	-	-
Short-term borrowings (Booked on B/S)		(261,326)	(615,844)	354,518	2,211,399	1,976,642	234,757	1,950,073	1,360,798	589,275
Bonds and debentures		346,969	508,864	(161,895)	62,970	33,960	29,010	409,939	542,824	(132,885)
Long-term borrowings from Third Parties		219,604	177,054	42,550	1,018,730	890,736	127,994	1,238,334	1,067,790	170,544
Internal Loans to Sales Financing		(1)	-	(1)	1	-	1	-	-	-
Long-term borrowings (Booked on B/S)		219,603	177,054	42,549	1,018,731	890,736	127,995	1,238,334	1,067,790	170,544
Lease obligation		141,097	133,664	7,433	1,076	979	97	142,173	134,643	7,530
Total interest bearing debt		446,343	203,738	242,605	3,294,176	2,902,317	391,859	3,740,519	3,106,055	634,464
Cash on hand		346,085	190,135	155,950	4,209	4,029	180	350,294	194,164	156,130
Net interest bearing debt		100,258	13,603	86,655	3,289,967	2,898,288	391,679	3,390,225	2,911,891	478,334
Debt for Canton Plant included		98,781	95,800	2,981	-	-	-	98,781	95,800	2,981
Debt for Lease obligation included		141,097	133,664	7,433	1,076	979	97	142,173	134,643	7,530
Net interest bearing debt (except for those related to Canton Plant)		(139,620)	(215,861)	76,241	3,288,891	2,897,309	391,582	3,149,271	2,681,448	467,823

2). Statements of income by business segment

(millions of Yen)

	Consolidated total								
	Automobile & eliminations			Sales Financing			Consolidated total		
	4/1/04 - 9/30/04	4/1/03 - 9/30/03	Change	4/1/04 - 9/30/04	4/1/03 - 9/30/03	Change	4/1/04 - 9/30/04	4/1/03 - 9/30/03	Change
Net sales	3,809,703	3,367,759	441,944	198,239	188,490	9,749	4,007,942	3,556,249	451,693
Cost of sales	2,832,811	2,402,754	430,057	118,935	107,796	11,139	2,951,746	2,510,550	441,196
Gross profit	976,892	965,005	11,887	79,304	80,694	(1,390)	1,056,196	1,045,699	10,497
Operating profit as a percentage of net sales	9.6%	10.8%	-1.2%	18.2%	19.7%	-1.5%	10.1%	11.3%	-1.2%
Operating profit	367,433	363,992	3,441	36,004	37,140	(1,136)	403,437	401,132	2,305
Net financial cost	(6,149)	(8,380)	2,231	183	-	183	(5,966)	(8,380)	2,414
Others	3,411	(2,662)	6,073	475	256	219	3,886	(2,406)	6,292
Ordinary profit	364,695	352,950	11,745	36,662	37,396	(734)	401,357	390,346	11,011
Income before income taxes and minority interests	333,819	329,195	4,624	36,661	38,910	(2,249)	370,480	368,105	2,375
Net income	219,115	213,299	5,816	19,693	24,381	(4,688)	238,808	237,680	1,128

Net financial cost

Total	(6,149)	(8,380)	2,231	183	-	183	(5,966)	(8,380)	2,414
Interest on Lease obligation	(1,863)	(1,979)	116	(11)	-	(11)	(1,874)	(1,979)	105
Elimination	(4,385)	(2,391)	(1,994)	-	-	-	(4,385)	(2,391)	(1,994)
Net financial cost by segment	99	(4,010)	4,109	194	-	194	293	(4,010)	4,303

3). Statements of cash flows by business segment

(millions of Yen)

	FY04 1st half			FY03 1st half		
	Consolidated total			Consolidated total		
	Automobile & eliminations	Sales Financing		Automobile & eliminations	Sales Financing	
Operating activities						
Income before income taxes and minority interests	333,819	36,661	370,480	329,195	38,910	368,105
Depreciation and amortization	162,530	84,826	247,356	152,442	71,277	223,719
(Increase) decrease in sales finance receivables	(54,199)	(252,684)	(306,883)	-35,506	(224,743)	(260,249)
Others	(230,563)	43,857	(186,706)	(98,953)	20,143	(78,810)
Total	211,587	(87,340)	124,247	347,178	(94,413)	252,765
Investing activities						
Proceeds from sales of investment securities	9,392	(6)	9,386	3,742	10	3,752
Proceeds from sales of property, plant and equipment	18,848	(1)	18,847	21,587	105	21,692
Purchases of fixed assets	(209,828)	(4,945)	(214,773)	(167,137)	(1,613)	(168,750)
Purchases of leased vehicles	(3,130)	(271,405)	(274,535)	(20,958)	(251,331)	(272,289)
Proceeds from sales of leased vehicles	4,550	82,307	86,857	14,256	104,257	118,513
Others	(61,011)	6,932	(54,079)	(52,911)	(3,727)	(56,638)
Total	(241,179)	(187,118)	(428,297)	(201,421)	(152,299)	(353,720)
Financing activities						
(Decrease) increase in short-term borrowings	455,233	160,732	615,965	(48,009)	285,088	237,079
(Decrease) increase in long-term borrowings	(246,662)	83,079	(163,583)	(125,249)	(70,574)	(195,823)
Increase in bonds and debentures	-	30,000	30,000	74,792	30,000	104,792
Proceeds from sales of treasury stock	3,245	-	3,245	7,568	-	7,568
Others	(87,436)	651	(86,785)	(162,794)	-136	(162,930)
Total	124,380	274,462	398,842	(253,692)	244,378	(9,314)
Effect of exchange rate changes on cash and cash equivalents	1,585	176	1,761	1,683	(217)	1,466
Increase (decrease) in cash and cash equivalents	96,373	180	96,553	(106,252)	(2,551)	(108,803)
Cash and cash equivalents at beginning of period	190,135	4,029	194,164	263,146	6,671	269,817
Increase due to inclusion in consolidation	59,577	-	59,577	310	-	310
Decrease due to exclusion from consolidation	-	-	-	(871)	-	(871)
Cash and cash equivalents at end of period	346,085	4,209	350,294	156,333	4,120	160,453

3. GEOGRAPHICAL SEGMENT INFORMATION

4/1/04 - 9/30/04	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. NET SALES							
(1) Sales to third parties	1,144,232	1,728,348	621,924	513,438	4,007,942	-	4,007,942
(2) Inter-area sales and transfers	985,697	31,182	20,612	1,704	1,039,195	(1,039,195)	0
TOTAL	2,129,929	1,759,530	642,536	515,142	5,047,137	(1,039,195)	4,007,942
OPERATING EXPENSES	1,967,486	1,566,360	623,192	486,058	4,643,096	(1,038,591)	3,604,505
OPERATING INCOME	162,443	193,170	19,344	29,084	404,041	(604)	403,437

4/1/03 - 9/30/03	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. NET SALES							
(1) Sales to third parties	1,218,388	1,562,260	567,291	208,310	3,556,249	-	3,556,249
(2) Inter-area sales and transfers	830,371	18,410	12,067	2,145	862,993	(862,993)	0
TOTAL	2,048,759	1,580,670	579,358	210,455	4,419,242	(862,993)	3,556,249
OPERATING EXPENSES	1,855,473	1,398,998	567,804	201,146	4,023,421	(868,304)	3,155,117
OPERATING INCOME	193,286	181,672	11,554	9,309	395,821	5,311	401,132

4/1/03 - 3/31/04	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. NET SALES							
(1) Sales to third parties	2,559,806	3,278,966	1,164,032	426,415	7,429,219	-	7,429,219
(2) Inter-area sales and transfers	1,725,491	35,384	31,690	4,663	1,797,228	(1,797,228)	0
TOTAL	4,285,297	3,314,350	1,195,722	431,078	9,226,447	(1,797,228)	7,429,219
OPERATING EXPENSES	3,932,835	2,914,529	1,146,549	412,938	8,406,851	(1,802,487)	6,604,364
OPERATING INCOME	352,462	399,821	49,173	18,140	819,596	5,259	824,855

Notes1. 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 : U.S.A., Canada, Mexico
- (2) Europe : France, U.K., Spain and other European countries
- (3) Others : Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

4. OVERSEAS NET SALES

Overseas net sales and the related percentages of the sales to the total consolidated net sales are summarized as follows:

4/1/04 - 9/30/04		North America	Europe	Other foreign countries	Total
(1) Overseas net sales	[Millions of yen]	1,697,970	607,682	685,597	2,991,249
(2) Consolidated net sales	[Millions of yen]				4,007,942
(3) Overseas net sales / Consolidated net sales		42.3%	15.2%	17.1%	74.6%

4/1/03 - 9/30/03		North America	Europe	Other foreign countries	Total
(1) Overseas net sales	[Millions of yen]	1,536,960	573,839	377,025	2,487,824
(2) Consolidated net sales	[Millions of yen]				3,556,249
(3) Overseas net sales / Consolidated net sales		43.3%	16.1%	10.6%	70.0%

4/1/03 - 3/31/04		North America	Europe	Other foreign countries	Total
(1) Overseas net sales	[Millions of yen]	3,222,497	1,201,035	773,248	5,196,780
(2) Consolidated net sales	[Millions of yen]				7,429,219
(3) Overseas net sales / Consolidated net sales		43.4%	16.2%	10.4%	70.0%

Note: 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. Areas which belong to segments other than Japan are as follows :

(1) North America : USA, Canada, Mexico

(2) Europe : France, U.K., Spain, and other European countries

(3) Other foreign countries : Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

6. Production and sales

1) Consolidated production volume

(Units)

	1st Half FY04	1st Half FY03	Change	
			Units	%
Japan	712,431	724,583	(12,152)	(1.7)
U.S.A.	361,277	268,418	92,859	34.6
Mexico	151,120	155,834	(4,714)	(3.0)
U.K.	172,185	168,476	3,709	2.2
Spain	68,861	59,772	9,089	15.2
South Africa	19,766	14,275	5,491	38.5
Indonesia	3,416	2,665	751	28.2
Thailand	18,152	-	18,152	-
China	57,703	-	57,703	-
Total	1,564,911	1,394,023	170,888	12.3

Note: Period of counting units

Japan, U.S.A April/2004-September/2004

Others January/2004-June/2004

2) Consolidated wholesale units by region

(Units)

	1st Half FY04	1st Half FY03	Change	
			Units	%
Japan	360,793	370,777	(9,984)	(2.7)
North America	634,775	548,532	86,243	15.7
Europe	284,012	260,369	23,643	9.1
Others	332,281	185,594	146,687	79.0
Total	1,611,861	1,365,272	246,589	18.1

Note: Period of counting units

Japan , North America (except for Mexico)
April/2004-September/2004

North America (Mexico only) , Europe
January/2004-June/2004

7. Footnotes to be disclosed

Following information is disclosed by EDINET.

Lease transactions

Fair value of derivative transactions

FY2004 Semi-Annual Non-Consolidated Financial Results
(Six months ended September 30, 2004)



October 29, 2004

Company name : Nissan Motor Co., Ltd
 Stock exchanges on which the shares are listed : Tokyo Stock Exchanges in Japan
 Code number : 7201
 Location of the head office : Tokyo
 URL : <http://www.nissan-global.com/JP/IR/>
 Representative person : Carlos Ghosn, President
 Contact person : Kohki Sone, General manager,
 Global Communications and Investor Relations Department,
 Communications Department
 Tel. (03) 3543 - 5523

Date of the meeting of the Board of Directors for FY2004 semi-annual financial results : October 29, 2004
 Provision for interim cash dividends : Provision exists.
 Date of starting actual payment of interim cash dividends : November 29, 2004
 Number of shares in unit share system : 100 shares

1. Results of FY2004 semi-annual period (April 1, 2004 through September 30, 2004)

<1> Results of non-consolidated operations (Amounts less than one million yen are omitted.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2004 1st half	1,731,397	4.6	125,327	(16.3)	109,240	(22.7)
FY2003 1st half	1,655,604	3.4	149,716	(1.6)	141,377	2.0
FY2003	3,480,290		245,836		228,098	

	Net income		Net income per share
	Millions of yen	%	Yen
FY2004 1st half	73,964	(1.8)	16.82
FY2003 1st half	75,348	257.8	16.96
FY2003	80,713		18.15

Note 1: Average number of shares issued and outstanding in each period

FY2004 1st half 4,396,920,708 shares
 FY2003 1st half 4,441,525,213 shares
 FY2003 4,425,325,758 shares

Note 2: Changes of accounting policies were made in FY03.

Note 3: Regarding net sales, operating income, ordinary income and net income, percent indications show percentage of changes from previous semi-annual period.

<2> Cash dividends

	Interim cash dividends per share	Annual cash dividends per share
	Yen	Yen
FY2004 1st half	12.00	—
FY2003 1st half	8.00	—
FY2003	—	19.00

<3> Non-consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity as a percentage of total assets	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2004 1st half	3,961,075	1,730,943	43.7	393.66
FY2003 1st half	4,020,625	1,766,330	43.9	399.81
FY2003	4,055,579	1,709,705	42.2	388.60

Note 1: Number of shares issued and outstanding at the end of each period

FY2004 1st half 4,397,096,831 shares
 FY2003 1st half 4,417,915,793 shares
 FY2003 4,398,598,686 shares

Note 2: Number of treasury stock at the end of each period

FY2004 1st half 123,618,281 shares
 FY2003 1st half 102,799,319 shares
 FY2003 122,116,426 shares

2. Non-consolidated forecast for FY2004 (April 1, 2004 through March 31, 2005)

	Net sales	Ordinary income	Net income	Cash dividends per share	
				final dividend	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
FY2004	-	-	-	12.00	24.00

Reference : Forecast of Net income per share (yen)

1. Products and Sales**VEHICLE PRODUCTION**

(FY2004 1st Half and FY2003 1st Half)

	FY2004 1st Half	FY2003 1st Half	Change (%)
(Units)			
Domestic	712,246	724,583	(1.7%)

NON-CONSOLIDATED SALES BY PRODUCT LINE

(FY2004 1st Half and FY2003 1st Half)

	FY2004 1st Half	FY2003 1st Half	Change (%)
Vehicle whole sales (Units)			
Total vehicle whole sales	746,835	733,973	1.8%
Domestic	375,551	390,853	(3.9%)
Export	371,284	343,120	8.2%
Passenger vehicles	621,554	612,500	1.5%
Domestic	321,893	330,617	(2.6%)
Export	299,661	281,883	6.3%
Commercial vehicles	125,281	121,473	3.1%
Domestic	53,658	60,236	(10.9%)
Export	71,623	61,237	17.0%
Net sales (millions of yen)			
Total net sales	1,731,397	1,655,604	4.6%
Domestic	661,984	706,876	(6.4%)
Export	1,069,412	948,728	12.7%
Vehicles	1,271,212	1,252,839	1.5%
Domestic	562,133	606,183	(7.3%)
Export	709,078	646,655	9.7%
Parts and components for overseas production	225,093	169,886	32.5%
Domestic	-	-	-
Export	225,093	169,886	32.5%
Automotive parts	133,328	137,370	(2.9%)
Domestic	90,640	93,092	(2.6%)
Export	42,688	44,277	(3.6%)
Other	81,160	78,842	2.9%
Domestic	415	272	52.6%
Export	80,744	78,570	2.8%
Sub total of automotive business	1,710,794	1,638,938	4.4%
Domestic	653,189	699,548	(6.6%)
Export	1,057,604	939,390	12.6%
Forklifts equipment	20,603	16,666	23.6%
Domestic	8,795	7,328	20.0%
Export	11,808	9,337	26.5%

Other automotive business consists of royalty income, and sales of equipment and tools for production.

2.Semi-Annual Non-Consolidated Financial Statements

1) Non-Consolidated Statements of Income

(1st half FY2004, 1st half FY2003 and FY2003)

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

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

	FY2004 1st Half	FY2003 1st Half	Change	FY2003
NET SALES	100% 1,731,397	100% 1,655,604	75,792	100% 3,480,290
COST OF SALES	1,421,388	1,285,447	135,941	2,749,983
Gross margin	17.9% 310,008	22.4% 370,157	(60,148)	21.0% 730,306
Selling, general and administrative expenses	184,681	220,440	(35,758)	484,470
OPERATING INCOME	7.2% 125,327	9.0% 149,716	(24,389)	7.1% 245,836
NON-OPERATING INCOME	4,813	12,116	(7,303)	19,937
Interest and dividend income	2,441	5,330	(2,888)	7,144
Other non-operating income	2,371	6,785	(4,414)	12,792
NON-OPERATING EXPENSES	20,900	20,455	444	37,675
Interest expense	6,561	7,476	(914)	14,495
Amortization of net retirement benefit obligation at transition	4,435	4,435	0	8,871
Other non-operating expenses	9,902	8,543	1,359	14,309
ORDINARY INCOME	6.3% 109,240	8.5% 141,377	(32,137)	6.6% 228,098
EXTRAORDINARY GAINS	17,870	6,918	10,951	22,186
Gains on sales of property, plant and equipment	1,068	3,902	(2,834)	3,957
Other extraordinary gains	16,802	3,016	13,785	18,229
EXTRAORDINARY LOSSES	36,246	35,563	683	57,403
Devaluation loss on investments and receivables	11,909	0	11,909	11,845
Other extraordinary losses	24,337	35,563	(11,226)	45,557
INCOME BEFORE INCOME TAXES	5.2% 90,864	6.8% 112,733	(21,869)	5.5% 192,881
INCOME TAXES-CURRENT	40,274	15,805	24,468	85,078
INCOME TAXES-DEFERRED	(23,374)	21,579	(44,953)	27,090
NET INCOME	4.3% 73,964	4.6% 75,348	(1,384)	2.3% 80,713
RETAINED EARNINGS BROUGHT FORWARD FROM PREVIOUS YEAR	250,845	248,770	2,075	248,770
LOSS ON DISPOSAL OF TREASURY STOCK	2,072	6,219	(4,147)	8,170
INTERIM CASH DIVIDENDS	-	-	-	35,343
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD	322,737	317,898	4,838	285,969

2) Non-Consolidated Balance Sheets

as of Sep 30, 2004, Mar 31, 2004 and Sep 30, 2003

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

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

	as of 9/30/04	as of 3/31/04	Change	as of 9/30/03
[ASSETS]				
CURRENT ASSETS	1,600,664	1,804,151	(203,486)	1,844,659
Cash on hand and in banks	91,799	60,594	31,205	39,392
Trade notes receivable	67	0	66	0
Trade accounts receivable	297,209	363,437	(66,228)	357,390
Finished products	78,071	45,892	32,178	75,582
Inventories	58,113	47,995	10,118	58,720
Affiliates short-term loans receivable	922,041	1,145,210	(223,168)	1,174,155
Other	177,278	172,961	4,317	178,770
Allowance for doubtful accounts	(23,917)	(31,940)	8,023	(39,352)
FIXED ASSETS	2,357,343	2,247,835	109,507	2,171,847
Property, plant & equipment	699,110	676,663	22,447	641,884
Buildings	152,302	151,541	760	145,265
Machinery & equipment	196,588	184,036	12,551	170,761
Land	148,259	145,836	2,423	145,554
Other	201,959	195,248	6,711	180,303
Intangible assets	40,483	43,796	(3,312)	36,875
Investments & other assets	1,617,749	1,527,376	90,373	1,493,087
Investment securities	14,356	18,074	(3,717)	14,512
Affiliates stock	1,443,380	1,370,599	72,781	1,350,471
Long-term loans receivable	2,007	2,761	(753)	19,177
Other	158,172	145,673	12,498	131,640
Allowance for doubtful accounts	(167)	(9,733)	9,565	(22,714)
DEFERRED ASSETS	3,067	3,592	(525)	4,117
Discounts on bonds	3,067	3,592	(525)	4,117
TOTAL ASSETS	3,961,075	4,055,579	(94,504)	4,020,625
[LIABILITIES]				
CURRENT LIABILITIES	1,413,425	1,407,838	5,587	1,222,431
Trade notes payable	159	113	46	337
Trade accounts payable	440,747	434,599	6,148	417,103
Short-term borrowings	188,005	93,845	94,159	10,000
Current portion of long-term borrowings	21,576	31,576	(10,000)	49,980
Commercial paper	118,000	38,000	80,000	110,000
Current maturities of bonds	281,800	363,800	(82,000)	292,800
Accrued expenses	165,913	191,830	(25,916)	178,341
Income taxes payable	30,304	73,117	(42,813)	10,189
Warrants	5,027	5,245	(217)	5,404
Accrued warranty costs	25,828	23,699	2,129	21,645
Lease obligation	27,715	30,134	(2,419)	40,102
Other	108,348	121,877	(13,529)	86,527
LONG-TERM LIABILITIES	816,705	938,035	(121,329)	1,031,863
Bonds	407,800	568,600	(160,800)	639,600
Long-term borrowings	95,854	58,142	37,712	65,430
Accrued warranty costs	40,397	37,472	2,924	37,671
Accrued retirement benefits	238,077	245,320	(7,243)	250,391
Lease obligation	32,748	26,650	6,097	36,897
Other	1,828	1,849	(21)	1,872
TOTAL LIABILITIES	2,230,131	2,345,874	(115,742)	2,254,294
[SHAREHOLDERS' EQUITY]				
COMMON STOCK	605,813	605,813	0	605,813
CAPITAL SURPLUS	804,470	804,470	0	804,470
Capital reserve	804,470	804,470	0	804,470
RETAINED EARNINGS	452,119	429,001	23,117	460,930
Legal reserve	53,838	53,838	0	53,838
General reserve	75,542	89,192	(13,650)	89,192
Unappropriated retained earnings	322,737	285,969	36,767	317,898
UNREALIZED HOLDING GAIN ON SECURITIES	4,165	3,707	458	3,712
TREASURY STOCK	(135,624)	(133,287)	(2,337)	(108,596)
TOTAL SHAREHOLDERS' EQUITY	1,730,943	1,709,705	21,238	1,766,330
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3,961,075	4,055,579	(94,504)	4,020,625

3) Basis of Semi-Annual Non-Consolidated Financial Statements

1. Valuation methods for assets

(1) Valuation of inventories

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

(2) Valuation of securities

1) Held-to-maturity debt securities are stated at amortized cost based on the straight-line method.

2) Investments in stock of subsidiaries and affiliates are stated at cost determined by the moving average method.

3) 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 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) Accounting for derivative financial instruments

Derivative financial instruments are stated at fair value except for forward foreign exchange contracts entered into in order to hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contract rates in the non-consolidated balance sheet.

2. Depreciation and amortization of fixed assets

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

(2) Amortization of intangible assets is calculated by the straight-line method.

3. 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 historical experience of bad debts for normal receivables plus an estimate of uncollectible amounts determined by reference to the collectibility of individual accounts for 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 are provided for the payment of retirement benefits at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at fiscal year end. 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 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.

4. Lease transactions

Noncancelable lease transactions are classified as operating or finance leases and accounted for accordingly.

5.Hedge accounting method

Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred. When forward foreign exchange contracts and other derivative transactions are entered into in order to hedge receivables and payables denominated in foreign currencies, such receivables and payables are recorded at the contract rates.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Hedged items are subject to the risk of loss as a result of market fluctuation and such changes are not reflected in their valuation.

Hedging policy

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

Assessment of hedge effectiveness

Hedge effectiveness is determined by comparing the cumulative changes in cash flows from or fair values of the hedging instruments with those from the hedged items.

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."

6.Consumption Tax

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

7.Change of accounting method

Classification of freight and shipping costs

Until the year ended March 31, 2004, freight and shipping costs of the Company were included in selling, general and administrative expenses. Effective April 1, 2004, the Company began to account for the freight and shipping costs as cost of sales. This change was made in order to achieve a better matching of revenues and expenses and to present gross profit more accurately by including the freight and shipping costs in cost of sales considering the fact that shipping costs to export parts to be used for manufacture in overseas countries have increased due to the expansion of manufacturing activities outside Japan.

The effect of this change was to increase cost of sales by 42,907 million yen and to decrease gross profit and selling, general and administrative expenses by the same amount for the six months ended September 30, 2004. Consequently, this change had no impact on operating income, ordinary income, income before income taxes and net income for the six months ended September 30, 2004 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

4) Notes to Semi-Annual Non-Consolidated Financial Statements

1. Accumulated depreciation of property, plant and equipment: Yen 1,294,083 million.

2. Assets pledged as collateral: Investment securities: Yen 10,968 million

3. As endorser of documentary export bills discounted with banks: Yen 2,530 million

4. Guarantees and other items: () refers to those relating to subsidiaries

Guarantees total yen 382,349 million (yen 171,313 million),

The above included employee's residence mortgages which is insured in full of yen 185,403 million and mortgages with pledge of yen 25,500 million .

Guarantees of yen 88,804 million related to the construction of Canton Plant are also included in those relating to subsidiaries.

Commitments to provide guarantees total yen 1,435 million.

Letters of awareness and others total yen 8,523 million (yen 8,523 million)

Letters of awareness concerning transfers of receivables total yen 50,000 million (yen 19,229 million)

The Company entered into Keepwell Agreements with certain subsidiaries to support their credibility.

Liabilities of such subsidiaries totaled yen 2,496,424 million

5. Depreciation

Property, plant, and equipment: Yen 42,826 million

Intangible assets: Yen 6,339 million

6. Fair value information on securities of subsidiaries and affiliates

(millions of yen)

	as of Sept 30, 2004			as of Sept 30, 2003			as of Mar 31, 2004		
	Carrying Value	fair value	differences	Carrying Value	fair value	differences	Carrying Value	fair value	differences
Subsidiaries	10,981	56,683	45,701	10,981	34,831	23,849	10,981	56,188	45,206
Affiliates	11,435	68,118	56,682	32,419	119,985	87,566	11,435	67,207	55,772
Total	22,417	124,801	102,384	43,401	154,816	111,415	22,417	123,396	100,978

7. Lease Transactions

Disclosed by EDINET.