

FINANCIAL RESULTS OF NISSAN MOTOR CO.,LTD

<FOR THE FISCAL YEAR ENDING MARCH 31, 2003>

TABLE OF CONTENTS

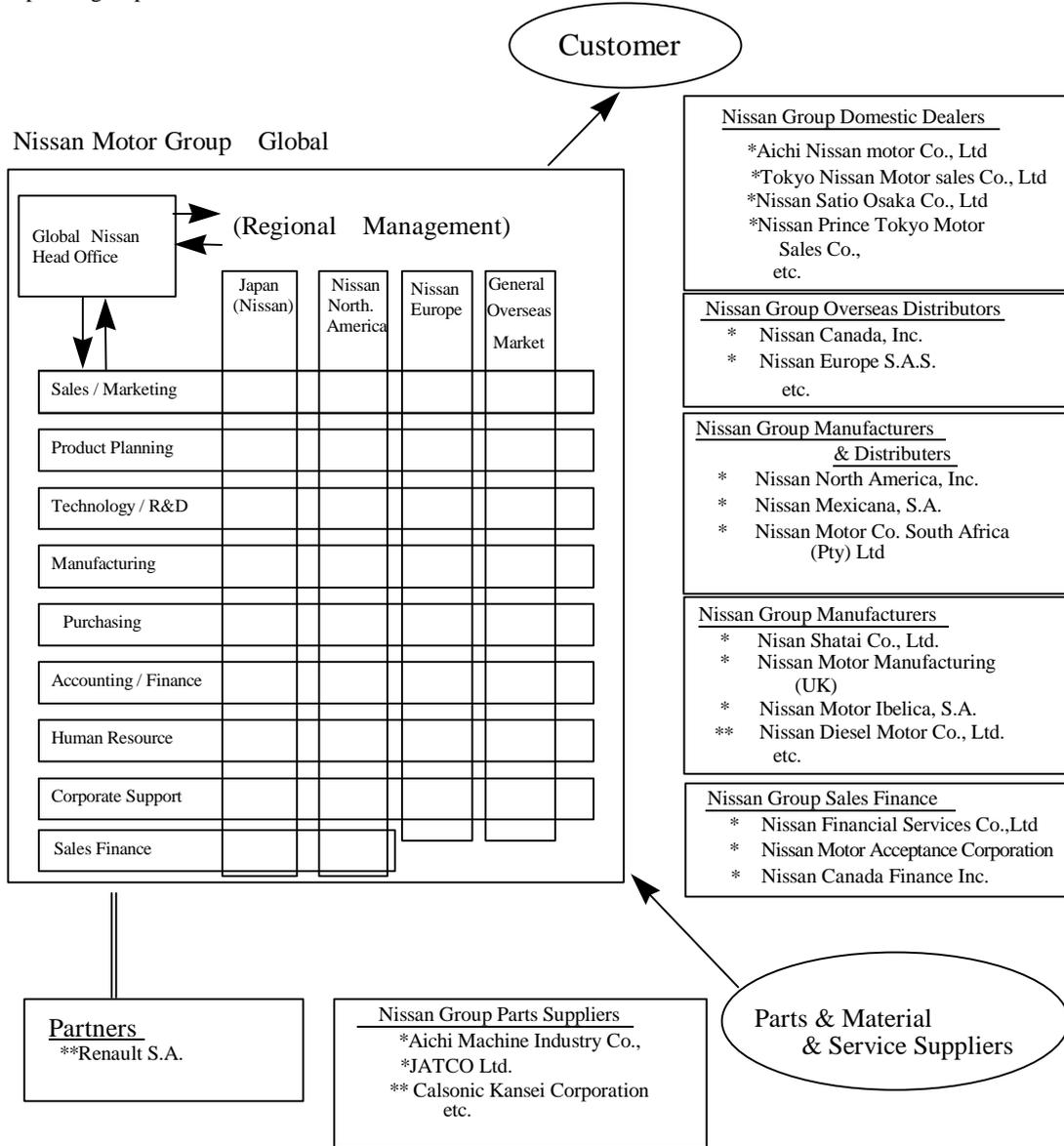
| CONSOLIDATED | Page |
|--|-------|
| 1.THE GENERAL SITUATION OF THE CORPORATE GROU | 1 |
| 2.CORPORATE GOVERNANCE | 2 |
| 3.NISSAN 180 | 3 |
| 4.FISCAL YEAR 2002 BUSINESS PERFORMANCE | 3 - 6 |
| 5.FISCAL YEAR 2003 FINANCIAL FORECAST | 6 |
| 6.CONSolidATED FINANCIAL STATEMENTS | |
| 6-1 Consolidated Statements of income | 7 |
| 6-2 Consolidated Balance Sheets | 8 |
| 6-3 Consolidated Statements of Retained Earnings | 9 |
| 6-4 Consolidated Statements of Cash Flows | 10 |
| 6-5 Basis of Consolidated Financial Statements | 11-13 |
| 6-6 Notes to consolidated Financial Statements | |
| 1 Contingent Liabilities | 14 |
| 2 Research and Development costs included in cost of sales and general an administrative expenses | 14 |
| 3 Cash flows | 14 |
| 4 Lease transactions | 15 |
| 5 Securities | 16-17 |
| 6 Fair value of Derivative transaction | 18 |
| 7 Outline of Retirement Benefit Plans | 19 |
| 8 Tax effect accounting | 20 |
| 9 Segment Information | 21-25 |
| 10 Transactions with related parties | 26 |
| 11 Production and sales | 26 |
| NON-CONSOLIDATED | |
| NON-CONSOLIDATED FINANCIAL RESULTS | 27 |
| 1.PRODUCTS AND SALES | 28 |
| 2.NON-CONSOLIDATED FINANCIAL STATEMENTS | |
| 2-1 Non-consolidated Statements of income | 29 |
| 2-2 Non-consolidated Balance Sheets | 30-31 |
| 2-3 Significant accounting policies | 32 |
| 2-4 Notes to non-consolidated Financial Statements | 33-36 |
| 2-5 Proposal for Appropriation of Retained Earnings | 36 |

Please note that the year "2002," as used throughout this report ,refers to the fiscal year starting April 1,2002 and ending March 31,2003

1. The general situation of the corporate 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 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. to support distribution and services.
- Our subsidiaries listed on domestic stock exchange markets are follows.
Nissan Shatai Co., Ltd.---Tokyo Aichi Machine Industry Co., Ltd.---Tokyo, Nagoya

2. Basic Policy regarding Corporate Governance and its Implementation Status

Corporate governance is an important responsibility of management.

The most important point regarding the corporate governance is to make clear the responsibility of management. At Nissan, clear management objectives and policy are published for all stakeholders within and outside the company, such as shareholders, customers/suppliers, local community and employees, and its achievement status and results are disclosed early and with as much transparency as possible. This will make clear the responsibility of management, and will contribute to the enhancement of corporate governance.

Nissan has also adopted various system reforms. To be specific, the number of members on the board of directors is being reduced from nine to seven after the shareholders' meeting in June 2003 to improve management efficiency.

The audit function has been strengthened by adopting outside corporate auditors as three of the four corporate auditors. Japan Internal Audit Office has been established to conduct internal audits of operations on a regular basis. In addition, the Chief Internal Audit Officer conducts global audits. Three-way auditing has been adopted through this combination of corporate auditors, auditing firms and internal audit functions.

Further, Nissan has established "Nissan Global Code of Conduct" and "Global Compliance Committee" to strengthen the function of compliance with laws and ethics and to avoid illegal and unethical conduct within the global Nissan group.

3.NISSAN 180 UPDATE

Nissan continues to build momentum, and the force behind our progress is called NISSAN 180, carried by the high motivation of all our employees.

NISSAN 180 aims to grow sales by one million additional units by the end of fiscal year 2004, to achieve an 8% operating margin and to reduce net automotive debt to zero. In fiscal year 2002, the first year of NISSAN 180:

- Nissan sold 2,771,000 units worldwide, an increase of 174,000, or 6.7%, over fiscal year 2001 sales.
- Operating profit is 737.2 billion yen, and the operating margin is 10.8%.
- The net automotive debt is gone. (At the beginning of 1999, before the Alliance with Renault, Nissan's net automotive debt was 2.1 trillion yen.)

4.FISCAL YEAR 2002 BUSINESS PERFORMANCE

Overall, Nissan sold 2,771,000 vehicles worldwide in a very difficult environment.

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

Reviewing volumes by region, in Japan we sold 102,000 additional cars in a tough market where the total industry volume increased eight-tenths of a percent. Nissan sales have increased 14.3%, to 816,000 units. Excluding minicars, sales were 768,000, up 7.7%. Our sales increase was driven by the six new models we introduced – namely, Moco, Elgrand, Fairlady Z, Cube, Skyline Coupe and Teana. Each model met or exceeded its sales target.

Our strategy in the entry-level segments has proven successful. The March made the most significant volume contribution, setting record sales of 158,000 units – the highest annual volume of any Nissan model sold in Japan for the past 12 years. The March has been among the Top 10 best-selling cars every month since its launch in March 2002. Our new Cube is also doing well.

For the full year, Nissan's market share rose to 19.0%, which is 1.1 percentage points above the prior year. This marks the first time we have increased our annual market share by more than 1% in 31 years. The quality of our sales was improved. Sales were mostly made on the merits of our products themselves and were not inflated by additional incentives.

Turning to the United States, our sales are up 1.0%, to 726,000 units, in a market that was down 1.9%. In this region, we sell our products in two channels, Nissan and Infiniti.

The Infiniti Division realized its highest sales year since the division began in 1989. With record sales of 95,000 units, up 35% over the prior year, Infiniti was the fastest-growing luxury brand in the United States. Contributors included the FX45, the M45 and, especially, the new G35 Sedan and Coupe, which was in the spotlight after being named *Motor Trend's* Car of the Year. Infiniti incentives were the lowest in the industry's luxury segment.

In the Nissan Division, sales were down 2.7%, to 631,000 units. The Altima and 350Z continue to sell at a strong pace. Altima sales were up 30% over the prior year, at 204,000 units, and the Z is now the best-selling sports car in America. The Murano and the Maxima were launched during the last quarter of the fiscal year, so their sales are just now beginning to make a significant contribution. Stalled results were felt in the entry-level sedan and truck segments, where our Sentra, Frontier and Xterra compete. Those segments bore the brunt of record levels of industry incentives, and we continued to resist them. As a consequence, our volumes were lower than forecasted. Our strategy continues to be based more on optimizing profitability than maximizing volumes.

In Europe, sales continue to be a challenge. The total industry volume was down 2% in fiscal year 2002. Nissan sales dropped 3.8% to 474,000 units, but the new Micra sales are not reflected in these figures since Europe's fiscal year ends in December. We have been encouraged by the brisk initial sales of our new Micra, which was launched in January, helping to offset the sluggish sales of Almera and Primera. For the first three months of 2003, total Micra sales in Europe were up 42% compared to the same period in 2002. To meet the growing demand, we have decided to raise Micra production capacity in our Sunderland Plant by 25% to 200,000 units.

Turning to General Overseas Markets, including Mexico and Canada, our sales increased by 12.3% to 755,000 units. We achieved significant volume increases in Mexico, China, Canada and Australia.

Consolidated revenues came to 6.828.6 billion yen, up 10.2% from last year, mainly due to higher volume and mix, including the expansion of the scope of consolidation, primarily as a result of the integration of Diamondmatic -- the former automatic transmission and CVT affiliate of Mitsubishi -- into JATCO. On a consistent basis, the increase was 9.5%. Foreign exchange rates produced a negative impact of 87 billion yen.

Nissan's consolidated operating profit improved by 50.7% from 489.2 billion yen in fiscal year 2001 to a record 737.2 billion yen in fiscal year 2002. As a percentage of net sales, the operating profit margin came to 10.8%, which is the top level in the global automotive industry and is by far the highest level in Nissan history.

Analyzing the variance between last year's 489.2 billion yen operating profit and this year's 737.2 billion yen, several factors are considered:

- The effect of foreign exchange rates produced a 35 billion yen negative impact to consolidated operating profits for the full year.
- The change in the scope of consolidation produced no impact to operating profits.
- Higher volumes and mix globally contributed 146 billion yen for the full year, coming from all regions.
- Selling expenses increased by 28 billion yen.
- The sales finance companies contributed an additional 22 billion yen.
- The improvement in purchasing costs was, again, a major contributor to the growth in profitability. The net accounting effect of this year's effort came to 227 billion yen. This year's performance reinforces the competitiveness of Nissan's supplier base.
- Product enrichment and the cost of regulations had a negative impact of 67 billion yen.
- As previously announced, we spent an additional 38 billion yen in R&D related to our growing product development program and necessary additional expenses for new technologies.
- Increased efficiencies in manufacturing and logistics contributed an additional 17 billion yen.
- General and administrative expenses and others factors increased profit by 4 billion yen.

Non-operating loss decreased from 74.5 billion yen in fiscal year 2001 to 27.1 billion yen in fiscal year 2002. Net financial cost decreased from 20.4 billion yen in fiscal year 2001 to 16.5 billion yen in fiscal year 2002 due to the eliminated automotive debt. As a result, consolidated ordinary profit rose 71.2% to 710.1 billion yen for the full year 2002 compared to 414.7 billion yen in fiscal year 2001.

Extraordinary items improved from the loss of 50.5 billion yen in fiscal year 2001 to the loss of 15.5 billion yen in fiscal year 2002. This improvements were mainly due to the gain on sales of investment securities improved by 31.1 billion yen and the gain on sales of property plant and equipments improved by 30.6 billion yen, offsetting the loss of 30.9 billion yen from return of substitution of pension.

Current taxes and deferred taxes came to 198.7 billion yen, which represents 29% of income before

income taxes. The evaluation loss of Nissan Europe NV in Amsterdam at the non-consolidated loss reduced our first-half consolidated taxes, which made our effective tax rate lower than the normal rate. Minority interests in companies that we do not fully own represented a charge of 0.7 billion yen for fiscal year 2002.

Nissan reported a consolidated net income of 495.2 billion yen increased by 33.0%, or 7.3% net margin, in fiscal year 2002, compared to 372.3 billion yen in fiscal year 2001. This is the best net result in the company's history.

In the retail finance business segment, net sales increased 8.0% to 395.9 billion yen from fiscal year 2001. The increase was mainly due to higher penetration of new car sales in North America. Operating income came to 59.9 billion yen, up 57.1% from last year, due to the sales increase and reduced funding rate. Net income was increased by 63.4% to 36.6 billion yen compared to the fiscal year 2001.

On the balance sheet side, our net automotive indebtedness resulted in an 8.6 billion yen cash positive position at the end of the year, down from 431.7 billion yen at the end of fiscal year 2001 at constant accounting standards. The debt has been totally wiped out. Improved cash from operations has driven the reduction.

5.FISCAL YEAR 2003 FINANCIAL FORECAST

Nissan operates in the context of a changing world, with risks and opportunities.

Risks for the year include weaker economic conditions in Japan and further decreases in the total industry volume and/or even higher-than-foreseen incentives in the United States and Europe. Opportunities lie in the accelerated implementation of all the action plans of NISSAN 180.

Based on this outlook, full-year consolidated net sales are expected to reach 7.45 trillion yen, an increase of 9.1% from fiscal year 2002. Operating profit is expected to be 820 billion yen, an increase of 11.2%. Ordinary profit is expected to be 781 billion yen, an increase of 10.0%. The company expects to achieve a net profit of 495 billion yen, with the expectation of a return to normal tax treatment in Japan. Net cash generated by operations is estimated at 100 billion yen, even after the 120 billion yen investment to buy the 50% stake in Dong Feng.

6. CONSOLIDATED FINANCIAL STATEMENTS

1) Consolidated Statements of Income

(FY2002 and FY2001)

[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.

| | FY2002 | FY2001 | Change | |
|--|------------------|------------------|----------------|---------------|
| | | | Amount | % |
| NET SALES | 6,828,588 | 6,196,241 | 632,347 | 10.2 % |
| COST OF SALES | 4,872,324 | 4,547,314 | 325,010 | |
| Gross profit before adjustment of income from installment sales | 1,956,264 | 1,648,927 | 307,337 | 18.6 % |
| ADJUSTMENT OF INCOME FROM INSTALLMENT SALES | - | 788 | (788) | |
| Gross profit | 1,956,264 | 1,649,715 | 306,549 | 18.6 % |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 1,219,034 | 1,160,500 | 58,534 | |
| | 10.8% | 7.9% | 2.9% | |
| Operating income | 737,230 | 489,215 | 248,015 | 50.7 % |
| NON-OPERATING INCOME | 60,770 | 27,267 | 33,503 | |
| Interest and dividend income | 8,520 | 13,837 | (5,317) | |
| Equity in earnings of unconsolidated subsidiaries & affiliates | 11,395 | 921 | 10,474 | |
| Other non-operating income | 40,855 | 12,509 | 28,346 | |
| NON-OPERATING EXPENSES | 87,931 | 101,738 | (13,807) | |
| Interest expense | 25,060 | 34,267 | (9,207) | |
| Amortization of net retirement benefit obligation at transition | 23,923 | 23,925 | (2) | |
| Other non-operating expenses | 38,948 | 43,546 | (4,598) | |
| | 10.4% | 6.7% | 3.7% | |
| Ordinary income | 710,069 | 414,744 | 295,325 | 71.2 % |
| EXTRAORDINARY GAINS | 89,243 | 67,100 | 22,143 | |
| EXTRAORDINARY LOSSES | 104,688 | 117,628 | (12,940) | |
| | 10.2% | 5.9% | 4.3% | |
| Income before income taxes and minority interests | 694,624 | 364,216 | 330,408 | 90.7 % |
| INCOME TAXES | 113,185 | 87,446 | 25,739 | |
| INCOME TAXES DEFERRED | 85,513 | (102,148) | 187,661 | |
| MINORITY INTERESTS | 761 | 6,656 | (5,895) | |
| | 7.3% | 6.0% | 1.3% | |
| NET INCOME | 495,165 | 372,262 | 122,903 | 33.0 % |

2) Consolidated Balance Sheets

as of Mar 31, 2003 and Mar 31, 2002

[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 Mar 31, 2003 | as of Mar 31, 2002 | Change |
|---|-----------------------|-----------------------|------------------|
| [ASSETS] | | | |
| CURRENT ASSETS | 3,700,057 | 3,517,255 | 182,802 |
| Cash on hand and in banks | 268,433 | 280,289 | (11,856) |
| Notes & accounts receivable | 501,127 | 532,936 | (31,809) |
| Sales Finance receivables | 1,896,953 | 1,716,024 | 180,929 |
| Marketable securities | 1,420 | 30 | 1,390 |
| Inventories | 543,608 | 534,051 | 9,557 |
| Deferred tax assets | 176,571 | 180,432 | (3,861) |
| Other current assets | 311,945 | 273,493 | 38,452 |
| FIXED ASSETS | 3,646,989 | 3,695,070 | (48,081) |
| Property, plant and equipment | 2,989,334 | 2,879,158 | 110,176 |
| Intangible assets | 42,000 | 38,934 | 3,066 |
| Investment securities | 267,046 | 399,113 | (132,067) |
| Long-term loans receivable | 14,099 | 15,591 | (1,492) |
| Deferred tax assets | 191,262 | 231,697 | (40,435) |
| Other fixed assets | 143,248 | 130,577 | 12,671 |
| DEFERRED ASSET | 2,137 | 2,680 | (543) |
| TOTAL ASSETS | 7,349,183 | 7,215,005 | 134,178 |
| [LIABILITIES] | | | |
| CURRENT LIABILITIES | 2,921,818 | 3,008,015 | (86,197) |
| Notes & accounts payable | 656,411 | 611,311 | 45,100 |
| Short-term borrowings | 1,315,222 | 1,424,804 | (109,582) |
| Deferred tax liabilities | 6 | 16 | (10) |
| Other current liabilities | 950,179 | 971,884 | (21,705) |
| LONG-TERM LIABILITIES | 2,530,610 | 2,508,879 | 21,731 |
| Bonds and debentures | 778,160 | 796,158 | (17,998) |
| Long-term borrowings | 825,086 | 808,797 | 16,289 |
| Deferred tax liabilities | 262,459 | 209,414 | 53,045 |
| Accrued warranty costs | 154,582 | 160,938 | (6,356) |
| Accrual for losses on business restructuring | 0 | 49,591 | (49,591) |
| Accrued retirement benefits | 433,266 | 400,342 | 32,924 |
| Other long-term liabilities | 77,057 | 83,639 | (6,582) |
| TOTAL LIABILITIES | 5,452,428 | 5,516,894 | (64,466) |
| MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES | 88,451 | 77,289 | 11,162 |
| [SHAREHOLDERS' EQUITY] | | | |
| COMMON STOCK | 605,814 | 604,556 | 1,258 |
| CAPITAL SURPLUS | 804,470 | 803,212 | 1,258 |
| RETAINED EARNINGS | 878,655 | 430,751 | 447,904 |
| UNREALIZED HOLDING GAIN ON SECURITIES | 1,831 | 4,406 | (2,575) |
| TRANSLATION ADJUSTMENTS | (320,276) | (221,973) | (98,303) |
| TREASURY STOCK | (162,190) | (130) | (162,060) |
| TOTAL SHAREHOLDERS' EQUITY | 1,808,304 | 1,620,822 | 187,482 |
| TOTAL LIABILITIES, MINORITY INTERESTS & SHAREHOLDERS' EQUITY | 7,349,183 | 7,215,005 | 134,178 |

Note. 1 The amount of short-term borrowings includes current maturities of long-term borrowings, bonds and debentures, and commercial paper.

Note. 2 Effective April 1, 2002, the Company adopted "Accounting Standard for Treasury Stock and Reduction of Legal Reserves."

In this connection, amounts for the prior fiscal year have been reclassified to confirm to the current year's presentation.

3) Consolidated Statements of Retained Earnings

(FY2002 and FY2001)

[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.

| | FY2002 | FY2001 | Change |
|---|----------------|----------------|------------------|
| (Capital surplus) | | | |
| Capital surplus at beginning of period | 803,212 | 690,262 | 112,950 |
| Increase | 1,258 | 112,950 | (111,692) |
| Increase due to exercise of warrants | - | 112,950 | (112,950) |
| Increase due to conversion of convertible bonds | 1,258 | - | 1,258 |
| Capital surplus at end of period | 804,470 | 803,212 | 1,258 |
| (Retained earnings) | | | |
| Retained earnings at beginning of period | 430,751 | 87,626 | 343,125 |
| Increase | 509,741 | 373,731 | 136,010 |
| Net income | 495,165 | 372,262 | 122,903 |
| Increase due to inclusion in consolidation | - | 14 | (14) |
| Increase due to the reduction in number of companies accounted for by the equity method | 112 | - | 112 |
| Revaluation reserve resulting from general price-level accounting recognized by a consolidated subsidiary | 14,464 | 1,455 | 13,009 |
| Decrease | 61,837 | 30,606 | 31,231 |
| Cash dividends paid | 50,800 | 27,841 | 22,959 |
| Bonuses to directors and statutory auditors | 407 | 286 | 121 |
| Decrease due to exclusion from consolidation | - | 2,432 | (2,432) |
| Decrease due to the reduction in number of companies accounted for by the equity method | 7,966 | 47 | 7,919 |
| Loss on disposal of treasury stock | 2,664 | - | 2,664 |
| Retained earnings at end of period | 878,655 | 430,751 | 447,904 |

Note. Effective April 1, 2002, the Company adopted "Accounting Standard for Treasury Stock and Reduction of Legal Reserves."

In this connection, amounts for the prior fiscal year have been reclassified to conform to the current year's presentation.

4) Consolidated Statements of Cash Flows

(FY2002 and FY2001)

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

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

| | FY2002 | FY2001 |
|--|-----------|-------------|
| Operating activities | | |
| Income before income taxes and minority interests | 694,624 | 364,216 |
| Depreciation and amortization (fix assets excluding leased vehicles) | 204,210 | 199,550 |
| Amortization (long-term prepaid expenses) | 8,545 | 6,064 |
| Depreciation and amortization (leased vehicles) | 158,370 | 169,213 |
| Provision for doubtful receivables | (503) | 39,273 |
| Loss on devaluation of investments | 769 | 6,757 |
| Interest and dividend income | (8,520) | (13,837) |
| Interest expense | 80,255 | 102,656 |
| Gain on sales of property, plant and equipment | (58,796) | (28,229) |
| Loss on disposals of property, plant and equipment | 15,587 | 11,285 |
| (Gain) loss on sales of investment securities | (4,324) | 26,823 |
| Decrease in trade receivables | 44,989 | 7,334 |
| Increase in sales finance receivables | (327,357) | (434,665) |
| (Increase) decrease in inventories | (28,404) | 53,162 |
| Increase in trade payables | 36,877 | 78,255 |
| Amortization of net retirement benefit obligation at transition | 23,923 | 23,925 |
| Retirement benefit expenses | 100,629 | 60,870 |
| Retirement benefits paid | (86,917) | (81,326) |
| Business restructuring costs paid | (4,644) | (9,213) |
| Other | (77,897) | (172,448) |
| Sub-total | 771,416 | 409,665 |
| Interest and dividends received | 8,238 | 11,483 |
| Interest paid | (80,902) | (104,958) |
| Income taxes paid | (123,374) | (93,976) |
| Total | 575,378 | 222,214 |
| Investing activities | | |
| Decrease in short-term investments | 789 | 3,411 |
| Purchases of fixed assets | (377,929) | (293,800) |
| Proceeds from sales of property, plant and equipment | 98,699 | 108,935 |
| Purchases of leased vehicles | (483,704) | (396,213) |
| Proceeds from sales of leased vehicles | 259,075 | 185,152 |
| Collection of long-term loans receivable | 13,097 | 6,978 |
| Long-term loans made | (11,343) | (8,730) |
| Purchases of investment securities | (32,053) | (230,397) |
| Proceeds from sales of investment securities | 45,263 | 99,666 |
| Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation | 8,395 | 13,639 |
| Additional acquisition of shares of consolidated subsidiaries | (692) | (2,634) |
| Other | (34,971) | (10,396) |
| Total | (515,374) | (524,389) |
| Financing activities | | |
| (Decrease) increase in short-term borrowings | (54,310) | 308,869 |
| Increase in long-term borrowings | 534,053 | 631,451 |
| Increase in bonds and debentures | 85,000 | 246,822 |
| Repayment or redemption of long-term debt | (524,115) | (1,092,066) |
| Proceeds from issuance of new shares of common stock | - | 220,899 |
| Purchases of treasury stock | (58,383) | - |
| Proceeds from sales of treasury stock | 5,670 | 2,324 |
| Repayment of lease obligations | (9,879) | (9,543) |
| Cash dividends paid | (50,800) | (27,841) |
| Total | (72,764) | 280,915 |
| Effect of exchange rate changes on cash and cash equivalents | 654 | 10,371 |
| Decrease in cash and cash equivalents | (12,106) | (10,889) |
| Cash and cash equivalent at beginning of the year | 279,653 | 288,536 |
| Increase due to inclusion in consolidation | 2,297 | 2,006 |
| Decrease due to exclusion from consolidation | -27 | - |
| Cash and cash equivalent at end of the year | 269,817 | 279,653 |

5) Basis of Consolidated Financial Statements

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

(1) Consolidated subsidiaries ; 234 companies (Domestic 146, Overseas 88)

Domestic Car Dealers, Parts Distributors

Aichi Nissan Motor Co., Ltd., Tokyo Nissan Motor Co., Ltd.
Nissan Satio Osaka Co., Ltd., Nissan Prince Tokyo Motor Sales Co., Ltd.
Nissan Chuo Parts Sales Co., Ltd.
and other 118 companies

Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co.,Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd.
and other 2 companies

Domestic Logistics & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd., Autech Japan, Inc.
and other 15 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 other 84 companies

Unconsolidated Subsidiaries ; 159 companies (Domestic 132, Overseas 27)

These 159 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; 11 companies (Domestic 5, Overseas 6)

Affiliates; 29 companies (Domestic 21, Overseas 8)

Domestic Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation,
and other 24 companies

Overseas Renault S.A., Yulon Motor Co., Ltd., Siam Nissan Automobile Co., Ltd.
& Siam group 4 companies and other 7 companies

The 148 unconsolidated subsidiaries and 33 affiliates other than the above 274 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 2001 was summarized as follows:

Newly included in the scope of consolidation; 7 subsidiaries (Nissan Europe S.A.S., Diamondmatic Co.,Ltd.
and other 5 companies)

Excluded from the scope of consolidation ; 70 subsidiaries (Nissan Europe N.V., Rhythm Corporation,
Mikawa Nissan Motor Co., Ltd., and other 67 companies)

Number of companies newly accounted for by the equity method; 4 (Renault S.A., and other 3 companies)

Number of companies excluded from the scope of the equity method of accounting; 13 (Unisia JECS Corporation,
(currently known as "Hitachi Unisia Automotive, Ltd."),
Unipres Corporation, Jidosha Denki Kogyo Co.,Ltd.,
Fuji Univance Corporation, and other 9 companies)

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

2. Fiscal Period of Consolidated Subsidiaries

1) End of FY2002 of the following consolidated subsidiaries is different from that of the Company (March 31

December 31 : Nissan Mexicana, S.A. de C.V., Nissan Motor Company South Africa (Proprietary) Limited
and other 46 overseas subsidiaries

January 31 : Yokohama Marinos Ltd.

2) With respect to the above 49 companies, the effect of the difference in fiscal period is properly adjusted in consolidation.

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

Derivatives are carried at fair value except for forward foreign exchange contracts entered in order to hedge receivables and payables denominated in foreign currencies

3. Finished products

Finished products are stated principally at lower of cost or market, cost being determined by the average method.

4. Other inventories

Work in process and purchased parts included in raw materials & supplies are stated primarily at the lower of cost, determined by the average method, or market.

Raw materials & supplies other than purchased parts are stated at the lower of cost, determined by the last-in, first-out method, or market.

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

Accrual 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

Accrual for losses on business restructuring

Accrual for losses on business restructuring is provided to cover the costs reasonably estimated to be incurred for business restructuring based on the Nissan Revival Plan

Accrued retirement benefits

Accrued retirement benefits are provided for the payment of retirement benefits principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year.

The net retirement benefit obligation at transition is 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 primarily accounted for as operating leases (whether such leases are classified as operating or finance leases) except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases

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

8) Accounting Standard for Treasury Stock and Reduction of Legal Reserves:

Effective April 1, 2002, the Company adopted "Accounting Standard for Treasury Stock and Reduction of Legal Reserves" (Accounting Standard No.1). The effect of the adoption of the new standard on operating results was immaterial for the current fiscal year.

Regulations for Consolidated Financial Statements became effective and the Company changed the presentation of the shareholders' equity in the consolidated balance sheet and the consolidated statement of retained earnings in accordance with the new regulations

9) Per Share Data

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

4.Cash and cash equivalents

Cash and cash equivalents in the 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

6) Notes to Consolidated Financial Statements

1. Contingent Liabilities

At March 31, 2003, 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 (193,389 for employees, 39,291 for others) | 232,680 |
| 2)Commitments to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks | 3,296 |
| 3)Letters of awareness to financial institutions regarding the indebtedness of certain affiliates | 75 |
| 4)Letters of awareness to financial institutions to whom trade receivables were sold | 121,007 |
| 5)The outstanding balance of installment receivables sold with recourse | 240 |

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

(Millions of yen)
300,330

3. Cash Flows

Cash and cash equivalents at the end of fiscal year 2002 are reconciled to the accounts reported in the consolidated balance sheet as follows:

| (as of Mar. 31 2003) | (Millions of yen) |
|--|-------------------|
| Cash on hand and in banks | 268,433 |
| Time deposits with maturities of more than three months | (35) |
| Cash equivalents included in the account of securities (*) | 1,419 |
| <hr/> | |
| Cash and cash equivalents | 269,817 |

* Short term highly liquid investment readily convertible into cash in overseas subsidiary

4. Lease transactions

[Lessees' Accounting]

(millions of yen)

(1) Finance leases except those under which the ownership of leased properties is transferred to lessee.

1. The pro forma amounts of the acquisition cost, accumulated depreciation and net book value of leased properties.

| | as of Mar 31 2003 | | | as of Mar 31 2002 | | |
|-----------------------------------|-------------------|--------------------------|----------------|-------------------|--------------------------|----------------|
| | Acquisition cost | Accumulated depreciation | Net book value | Acquisition cost | Accumulated depreciation | Net book value |
| Machinery, equipment and vehicles | 89,470 | 35,823 | 53,647 | 64,835 | 22,940 | 41,895 |
| Others | 155,704 | 60,472 | 95,232 | 132,844 | 77,903 | 54,941 |
| Total | 245,174 | 96,295 | 148,879 | 197,679 | 100,843 | 96,836 |

2. Future minimum lease payments.

| | as of Mar 31 2003 | | | as of Mar 31 2002 | | |
|--|-------------------|---------------|---------|-------------------|---------------|--------|
| | Within one year | Over one year | Total | Within one year | Over one year | Total |
| | 53,648 | 97,532 | 151,180 | 37,437 | 61,152 | 98,589 |

3. Lease payments, depreciation and interest expense.

| | FY2002 | | | FY2001 | | |
|--|----------------|--------------|------------------|----------------|--------------|------------------|
| | Lease payments | Depreciation | Interest expense | Lease payments | Depreciation | Interest expense |
| | 45,638 | 42,444 | 3,039 | 47,317 | 44,282 | 3,207 |

(2) Operating leases

Future minimum lease payments.

| | as of Mar 31 2003 | | | as of Mar 31 2002 | | |
|--|-------------------|---------------|--------|-------------------|---------------|--------|
| | Within one year | Over one year | Total | Within one year | Over one year | Total |
| | 4,731 | 20,638 | 25,369 | 4,335 | 20,859 | 25,194 |

[Lessors' Accounting]

(millions of yen)

(1) Finance leases except for those under which the ownership of leased properties is transferred to lessee.

1. Acquisition cost, accumulated depreciation and net book value of leased properties.

| | as of Mar 31 2003 | | | as of Mar 31 2002 | | |
|-----------------------------------|-------------------|--------------------------|----------------|-------------------|--------------------------|----------------|
| | Acquisition cost | Accumulated depreciation | Net book value | Acquisition cost | Accumulated depreciation | Net book value |
| Machinery, equipment and vehicles | 89,924 | 41,199 | 48,725 | 91,035 | 43,055 | 47,980 |
| Others | 7,483 | 3,768 | 3,715 | 5,018 | 3,163 | 1,855 |
| Total | 97,407 | 44,967 | 52,440 | 96,053 | 46,218 | 49,835 |

2. Future minimum lease income.

| | as of Mar 31 2003 | | | as of Mar 31 2002 | | |
|--|-------------------|---------------|--------|-------------------|---------------|--------|
| | Within one year | Over one year | Total | Within one year | Over one year | Total |
| | 17,490 | 36,666 | 54,156 | 18,537 | 33,385 | 51,922 |

3. Lease income, depreciation and interest portion.

| | FY2002 | | | FY2001 | | |
|--|--------------|--------------|----------------|--------------|--------------|----------------|
| | Lease income | Depreciation | Finance income | Lease income | Depreciation | Finance income |
| | 21,216 | 18,351 | 2,649 | 21,850 | 18,946 | 3,452 |

(2) Operating leases

Future minimum lease income.

| | as of Mar 31 2003 | | | as of Mar 31 2002 | | |
|--|-------------------|---------------|---------|-------------------|---------------|---------|
| | Within one year | Over one year | Total | Within one year | Over one year | Total |
| | 163,917 | 239,166 | 403,083 | 149,501 | 154,890 | 304,391 |

5. Securities

as of Mar 31, 2003

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

(1) Marketable held-to-maturity debt securities

millions of yen

| | Carrying value | Estimated fair value | Unrealized Gain (loss) |
|---|----------------|----------------------|-------------------------|
| Securities whose fair value exceeds their carrying value: | | | |
| (1) National & local government bonds | 60 | 61 | 1 |
| (2) Corporate bonds | 313 | 336 | 23 |
| Sub-total | 373 | 397 | 24 |
| Securities whose carrying value exceeds their fair value: | | | |
| (1) Other bonds | 3,068 | 3,068 | 0 |
| Sub-total | 3,068 | 3,068 | 0 |
| Grand-total | 3,441 | 3,465 | 24 |

(2) Marketable other securities

millions of yen

| | Acquisition cost | Carrying value | Unrealized Gain (loss) |
|---|------------------|----------------|-------------------------|
| Securities whose carrying value exceeds their acquisition cost: | | | |
| (1) Stocks | 1,243 | 4,492 | 3,249 |
| (2) Bonds | | | |
| National & local government bonds | 19 | 20 | 1 |
| Other bonds | 8,976 | 9,779 | 803 |
| Sub-total | 10,238 | 14,291 | 4,053 |
| Securities whose acquisition cost exceeds their carrying value: | | | |
| (1) Stocks | 3,544 | 2,883 | (661) |
| (2) Bonds | | | |
| Corporate bonds | 100 | 82 | (18) |
| Sub-total | 3,644 | 2,965 | (679) |
| Grand-total | 13,882 | 17,256 | 3,374 |

(3) Other securities which were sold during FY2002

millions of yen

| Proceeds | Gross gain | Gross loss |
|----------|------------|------------|
| 12,770 | 3,446 | (3,167) |

(4) Details and book value of securities whose fair value is not available

(1) Held-to-maturity debt securities

Unlisted domestic bonds 5,000 millions of yen

(2) Other Securities

Unlisted domestic stocks 7,441 millions of yen

(excluding those traded on the over-the-counter market)

Unlisted foreign stocks 2,311

(5) The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities

millions of yen

| | Within one year | 1 year to 5 year | 5 year to 10 year | Over 10 year |
|-----------------------------------|-----------------|------------------|-------------------|--------------|
| Bonds | | | | |
| National & local government bonds | 60 | 20 | 0 | 0 |
| Corporate bonds | 5,090 | 245 | 0 | 60 |
| Others | 3,068 | 0 | 0 | 105 |
| Total | 8,218 | 265 | 0 | 165 |

as of Mar 31, 2002

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

(1) Marketable held-to-maturity debt securities

millions of yen

| | Book value | Estimated fair value | Unrealized Gain (loss) |
|---|------------|----------------------|-------------------------|
| Securities whose fair value exceeds their carrying value: | | | |
| (1) National & local government bonds | 67 | 70 | 3 |
| (2) Corporate bonds | 348 | 363 | 15 |
| Sub-total | 415 | 433 | 18 |
| Securities whose carrying value exceeds their fair value: | | | |
| (1) Corporate bonds | 1,400 | 1,263 | (137) |
| Sub-total | 1,400 | 1,263 | (137) |
| Grand-total | 1,815 | 1,696 | (119) |

(2) Marketable other securities

millions of yen

| | Acquisition cost | Carrying value | Unrealized Gain (loss) |
|---|------------------|----------------|-------------------------|
| Securities whose carrying value exceeds their acquisition cost: | | | |
| (1) Stocks | 1,040 | 5,886 | 4,846 |
| (2) Bonds | | | |
| National & local government bonds | 19 | 20 | 1 |
| Corporate bonds | 8 | 10 | 2 |
| Sub-total | 1,067 | 5,916 | 4,849 |
| Securities whose acquisition cost exceeds their carrying value: | | | |
| (1) Stocks | 222,146 | 221,588 | (558) |
| (2) Bonds | | | |
| Corporate bonds | 2,000 | 1,916 | (84) |
| (3) Others | 200 | 200 | 0 |
| Sub-total | 224,346 | 223,704 | (642) |
| Grand-total | 225,413 | 229,620 | 4,207 |

(3) Other securities which were sold during FY2001

millions of yen

| Proceeds | Gross gain | Gross loss |
|----------|------------|------------|
| 72,388 | 12,818 | (43,720) |

(4) Details and book value of securities whose fair value is not available

(1) Held-to-maturity securities

 Unlisted domestic bonds 5,000 millions of yen

(2) Other Securities

 Unlisted domestic stocks 6,402 millions of yen

 (excluding those traded on the over-the-counter market)

 Unlisted foreign stocks 3,588

 Unlisted foreign bonds 39,550

(5) The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities

millions of yen

| | Within one year | 1year to 5year | 5year to 10year |
|-----------------------------------|-----------------|----------------|-----------------|
| Bonds | | | |
| National & local government bonds | 0 | 87 | 0 |
| Corporate bonds | 1,110 | 6,581 | 67 |
| Others | 43 | 18 | 0 |
| Total | 1,153 | 6,686 | 67 |

6. Fair Value of Derivative Transactions

Notional amount, Fair Value and Unrealized Gain (Loss) of Derivative Transactions

Millions of yen

| | | FY '02 Actual | | | | FY '01 Actual | | | |
|--------------------------|---------------------------|----------------------|----------------------|------------|-------------------------|----------------------|---------|------------|-------------------------|
| | | As of March 31, 2003 | | | | As of March 31, 2002 | | | |
| | | Notional amount | | Fair Value | Unrealized Gain or Loss | Notional amount | | Fair Value | Unrealized Gain or Loss |
| | Non current included | | Non current included | | | | | | |
| Currency | Forward exchange | | | | | | | | |
| | Sell position | | | | | | | | |
| | US \$ | 103,749 | — | 102,000 | 1,749 | 1,919 | — | 1,904 | 15 |
| | AU \$ | — | — | — | — | 705 | — | 706 | (1) |
| | Others | 1 | — | 1 | 0 | 438 | — | 520 | (82) |
| | Buy position | | | | | | | | |
| | CAN\$ | 10,542 | — | 10,663 | 121 | — | — | — | — |
| | GBP | 2,391 | — | 2,365 | (26) | 15,064 | — | 14,786 | (278) |
| | US \$ | — | — | — | — | 22,744 | — | 22,525 | (219) |
| | Euro | — | — | — | — | 33,280 | — | 33,691 | 411 |
| Others | 691 | — | 600 | (91) | 1,301 | — | 1,223 | (78) | |
| Currency Swap | US \$ | 8,645 | 8,645 | (320) | (320) | 4,927 | 4,927 | (45) | (45) |
| | GBP | 34,186 | — | 339 | 339 | 4,755 | — | 677 | 677 |
| | CAN\$ | 2,242 | — | (59) | (59) | 2,284 | 2,284 | (114) | (114) |
| | Euro | 34,840 | — | (1,032) | (1,032) | 912 | 912 | 148 | 148 |
| Interest | Interest rate swap | | | | | | | | |
| | Receive float / Pay fix | 187,187 | 62,540 | (2,095) | (2,095) | 260,996 | 173,998 | (5,327) | (5,327) |
| | Receive fix / Pay float | 262,154 | 155,091 | 7,247 | 7,247 | 244,650 | 243,996 | 8,347 | 8,347 |
| | Receive float / Pay float | 2,500 | 2,500 | (30) | (30) | 2,500 | 2,500 | (48) | (48) |
| | Option | | | | | | | | |
| | Cap, sold (Premium) | 461,860 | 461,860 | (4,605) | (4,605) | 448,872 | 324,645 | (5,092) | (5,092) |
| Cap, purchased (Premium) | 461,860 | 461,860 | 4,605 | 4,605 | 448,872 | 324,645 | 5,092 | 5,092 | |
| Total | | — | — | — | 5,803 | — | — | — | 3,406 |

Notes:

1. Calculation of fair value

(1) Fair value of forward foreign exchange contracts is based on the forward rates

(2) Fair value of options and swaps is based on the prices obtained from the financial institutions

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

3. In accordance with the revised accounting standard for foreign currency translation, the notional amounts of currency swaps presented above exclude those entered into hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contracted rates in the accompanying consolidated balance sheet.

4. In accordance with "Practical Guidelines for Accounting for Financial Instruments (Accounting Committee Report No. 14)" issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants on July 3, 2001, certain swaps which qualify for special treatment have been excluded from the notional amounts presented above.

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

7.Retirement Benefit

1. Description of retirement benefit plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans(WFPF), tax-qualified plans and lump-sum payment plans. In addition, certain employees may be entitled to additional special retirement benefits based on the conditions under which termination occurs.

Certain foreign subsidiaries have defined benefit plans. (The foreign subsidiaries' retirement benefit plans are primarily defined contribution plans.)

On March 1,2003,the Company received the permission from the Minister of Labor and Welfare with respect to the application for the return of the substitution portion of WFPF and was released from the obligation for future benefits.

2. The following table sets forth the funded status of the defined benefit plans of the Company and the consolidated subsidiaries:

| | (As of Mar 31 2003) | (Millions of yen) (As of Mar 31 2002) |
|---|---------------------|--|
| a. Retirement Benefit Obligation | △ 1,135,273 | △ 1,428,222 |
| b. Plan assets at fair value | 359,922 | 674,642 |
| c. Unfunded retirement benefit obligation (a+b) | △ 775,351 | △ 753,580 |
| d. Unrecognized net retirement benefit obligation at transition | 179,611 | 317,098 |
| e. Unrecognized actuarial gain or loss | 231,637 | 132,217 |
| f. Unrecognized prior service cost (a reduction of liability) (Note 2,3) | △ 69,134 | △ 96,056 |
| g. Net retirement benefit obligation recognized in the consolidated balance sheet (c+d+e+f) | △ 433,237 | △ 400,321 |
| h. Prepaid pension cost | 29 | 21 |
| i. Accrued retirement benefit (g-h) | △ 433,266 | △ 400,342 |

Note 1 The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.

Note 2 In the year ended March 31, 2001, the Company and certain consolidated subsidiaries made amendments to their welfare pension fund plans with respect to the age of eligibility for annuity payments for the government-sponsored portion of the benefits in accordance with the amendment in March 2000 to the Welfare Pension Insurance Law of Japan, and also made amendments to their lump-sum payment plans and tax-qualified pension plans. As a result, prior service cost (a reduction of liability) was incurred.

Note 3 Effective April 1, 2001, the Company amended its welfare pension fund plan such that the Company discontinued the additional benefits to the welfare pension fund plan (plus-alpha portion). As a result, prior service cost (a reduction of liability) was incurred.

Note 4 Certain subsidiaries adopted a simplified method in the calculation of their retirement benefit obligation.

Note 5 In accordance with the transition provision prescribed by Article 47-2 of "Practical Guidelines for Accounting for Retirement Benefits" (Accounting Committee Report No.13) issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants, the Company recognized a loss from the return of substitution portion of WFPF by reducing the retirement benefit obligation and the pension plan assets related to such substitution portion as of the date when the Company received the permission from the Minister of Labor and Welfare under which the Company was released from the obligation for future benefits relating to the substitution portion of WFPF. The pension plan assets calculated to be returned as of March 31,2003 amounted to ¥241,203 million.

3. The components of retirement benefit expenses were as follows:

| | (FY2002) | (FY2001) |
|--|------------|------------|
| a. Service cost (Note1) | 51,543 | 50,147 |
| b. Interest cost | 45,269 | 43,086 |
| c. Expected return on plan assets | △ 26,708 | △ 27,791 |
| d. Amortization of net retirement benefit obligation at transition | 24,280 | 24,369 |
| e. Amortization of actuarial gain or loss | 11,464 | 13,378 |
| f. Amortization of prior service cost (Note2) | △ 7,762 | △ 7,408 |
| g. Other | 5 | △ 190 |
| h. Retirement benefit expenses (a+b+c+d+e+f+g) | 98,091 | 95,591 |
| i. Loss on return of the substitution portion of WFPF | 30,945 | - |
| j. Total (h+i) | 129,036 | 95,591 |

Note 1 Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans.

Note 2 Amortization of prior service cost represents the amount to be recognized for this fiscal year with respect to prior service cost explained in Note 2,3 to the table setting forth the funded status.

Note 3 Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "a. Service cost."

4. Assumptions used in accounting for the retirement benefit obligation

| | (FY2002) | (FY2001) |
|---|---|-----------------|
| a. Attribution of retirement benefit obligation | The straight-line method over the years of service of employees | |
| b. Discount rates | Domestic companies 2.3% ~ 2.5% | 3.0% |
| | Overseas companies 5.4% ~ 7.3% | 5.5% ~ 7.5% |
| c. Expected rates of return on plan assets | Domestic companies Mainly 4.0% | Mainly 4.0% |
| | Overseas companies 6.5% ~ 9.0% | 7.0% ~ 9.0% |
| d. Amortization period of prior service cost | Prior service cost is being amortized as incurred by the straight-line method over periods (principally 9 years through 15 years) which are shorter than the average remaining years of service of the eligible employees. | |
| e. Amortization period of actuarial gain or loss | 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 (principally 8 years through 18 years) which are shorter than the average remaining years of service of the eligible employees. Certain foreign consolidated subsidiaries have adopted the corridor approach for the amortization of actuarial gain and loss. | |
| f. Amortization period of net retirement benefit obligation at transition | Mainly 15 years | Mainly 15 years |

8. Tax-effect accounting

(1) Significant components of deferred tax assets and liabilities

| | Current fiscal year (As of Mar.31,2003) | (Millions of yen) Prior fiscal year (As of Mar.31,2002) |
|--|--|--|
| Deferred tax assets: | | |
| Net operating loss carryforwards | 86,643 | 165,554 |
| Accrued retirement benefits | 159,828 | 147,614 |
| Accrued warranty costs | 47,359 | - |
| Accrual for losses on business restructuring | 0 | 26,659 |
| Other | 316,634 | 320,260 |
| Total gross deferred tax assets | 610,464 | 660,087 |
| Valuation allowance | (66,439) | (169,634) |
| Total deferred tax assets | 544,025 | 490,453 |
| Deferred tax liabilities: | | |
| Reserves under Special Taxation Measures Law, etc. | (266,326) | (197,806) |
| Difference between cost of investments and their underlying net equity at fair value | (68,517) | (70,553) |
| Unrealized holding gain on securities | (1,362) | (2,146) |
| Other | (102,452) | (17,249) |
| Total deferred tax liabilities | (438,657) | (287,754) |
| Net deferred tax assets | 105,368 | 202,699 |

Note 1 : Deferred tax asset arising from accrued warranty costs as of March 31, 2002 is included in "Other" by 47,718 million yen.

Note 2 : Net deferred tax assets as of March 31,2003 and 2002 are reflected in the following accounts in the consolidated balance sheets :

| | Current fiscal year (As of Mar.31,2003) | Prior fiscal year (As of Mar.31,2002) |
|--|--|--|
| Current assets - deferred tax assets | 176,571 | 180,432 |
| Fixed assets - deferred tax assets | 191,262 | 231,697 |
| Current liabilities - deferred tax liabilities | 6 | 16 |
| Long-term liabilities - deferred tax liabilities | 262,459 | 209,414 |

(2) The reconciliation between the resultant tax rates reflected in the consolidated financial statements and the effective tax rate is summarized as follows:

| | Current fiscal year (As of Mar.31,2003) | Prior fiscal year (As of Mar.31,2002) |
|---|--|--|
| Effective tax rates of the Company | 41.9 | 41.9 |
| (%) | | |
| (Reconciliation) | | |
| Different tax rates applied to foreign subsidiaries | (3.8) | (4.3) |
| Adjustment of deferred tax assets and liabilities due to tax rate change. | 0.8 | - |
| Decrease in valuation allowance resulting in the recognition of net deferred tax assets | (10.4) | (42.9) |
| Other | 0.1 | 1.3 |
| Resultant tax rates after adoption of tax-effect accounting | 28.6 | (4.0) |

(3) Adjustment of deferred tax assets and liabilities due to the change in tax rate.

Due to the change in local tax law during the year ended March 31, 2003, the effective tax rate used in the calculation of deferred tax assets and liabilities is reduced to 40.6% for the current fiscal year from 41.9% for the prior fiscal year. As a result, deferred tax assets, net of deferred tax liabilities, decreased by 5,467 million yen as of March 31, 2003 and income taxes-deferred increased by 5,501 million yen for the year ended March 31, 2003.

9. SEGMENT INFORMATION

for the fiscal years ended March 31, 2003 and 2002

[in millions of Yen, () indicates minus]

1. BUSINESS SEGMENT INFORMATION

(1) Fiscal year 2002

| 4/1/02 - 3/31/03 | Automobile | Sales Financing | Total | Eliminations | Consolidated |
|---|------------------|--------------------|------------------|--------------------|------------------|
| I. NET SALES | | | | | |
| (1) Sales to third parties | 6,444,460 | 384,128 | 6,828,588 | — | 6,828,588 |
| (2) Inter-group sales and transfers | 42,775 | 11,740 | 54,515 | (54,515) | 0 |
| TOTAL | 6,487,235 | 395,868 | 6,883,103 | (54,515) | 6,828,588 |
| OPERATING EXPENSES | 5,818,023 | 335,986 | 6,154,009 | (62,651) | 6,091,358 |
| OPERATING INCOME | 669,212 | 59,882 | 729,094 | 8,136 | 737,230 |
| II. TOTAL ASSETS, DEPRECIATION EXPENSE AND CAPITAL EXPENDITURE | | | | | |
| TOTAL ASSETS | 5,607,323 | 3,103,889 | 8,711,212 | (1,362,029) | 7,349,183 |
| DEPRECIATION EXPENSE | 213,569 | 157,556 | 371,125 | — | 371,125 |
| CAPITAL EXPENDITURE | 410,003 | 451,630 | 861,633 | — | 861,633 |

(2) Fiscal year 2001

| 4/1/01 - 3/31/02 | Automobile | Sales Financing | Total | Eliminations | Consolidated |
|---|------------------|--------------------|------------------|--------------------|------------------|
| I. NET SALES | | | | | |
| (1) Sales to third parties | 5,842,648 | 353,593 | 6,196,241 | — | 6,196,241 |
| (2) Intergroup sales and transfers | 49,755 | 13,059 | 62,814 | (62,814) | 0 |
| TOTAL | 5,892,403 | 366,652 | 6,259,055 | (62,814) | 6,196,241 |
| OPERATING EXPENSES | 5,435,656 | 328,536 | 5,764,192 | (57,166) | 5,707,026 |
| OPERATING INCOME | 456,747 | 38,116 | 494,863 | (5,648) | 489,215 |
| II. TOTAL ASSETS, DEPRECIATION EXPENSE AND CAPITAL EXPENDITURE | | | | | |
| TOTAL ASSETS | 5,418,619 | 2,862,560 | 8,281,179 | (1,066,174) | 7,215,005 |
| DEPRECIATION EXPENSE | 209,174 | 165,653 | 374,827 | — | 374,827 |
| CAPITAL EXPENDITURE | 346,994 | 343,019 | 690,013 | — | 690,013 |

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

2. Major products and services included in each segment for fiscal year ended March 31, 2003 are;

(1) Automobile : Passenger cars, Light trucks and buses, Forklift, Parts for production, etc.

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

2. Financial Statements by Business Segment

* The sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA) and Nissan Canada Finance 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 3/31/03 | as of 3/31/02 | Change | as of 3/31/03 | as of 3/31/02 | Change | as of 3/31/03 | as of 3/31/02 | Change |
| Current assets | 1,454,090 | 1,523,094 | (69,004) | 2,245,967 | 1,994,161 | 251,806 | 3,700,057 | 3,517,255 | 182,802 |
| Cash on hand and in banks | 261,747 | 273,363 | (11,616) | 6,686 | 6,926 | (240) | 268,433 | 280,289 | (11,856) |
| Notes & accounts receivable | 494,028 | 525,866 | (31,838) | 7,099 | 7,070 | 29 | 501,127 | 532,936 | (31,809) |
| Finance receivables | (199,331) | (135,274) | (64,057) | 2,096,284 | 1,851,298 | 244,986 | 1,896,953 | 1,716,024 | 180,929 |
| Marketable securities | 1,420 | 30 | 1,390 | - | - | - | 1,420 | 30 | 1,390 |
| Inventories | 526,062 | 521,577 | 4,485 | 17,546 | 12,474 | 5,072 | 543,608 | 534,051 | 9,557 |
| Other current assets | 370,164 | 337,532 | 32,632 | 118,352 | 116,393 | 1,959 | 488,516 | 453,925 | 34,591 |
| Fixed assets | 2,789,044 | 2,826,671 | (37,627) | 857,945 | 868,399 | (10,454) | 3,646,989 | 3,695,070 | (48,081) |
| Property, plant and equipment | 2,223,124 | 2,103,261 | 119,863 | 766,210 | 775,897 | (9,687) | 2,989,334 | 2,879,158 | 110,176 |
| Investment securities | 256,515 | 373,379 | (116,864) | 10,531 | 25,734 | (15,203) | 267,046 | 399,113 | (132,067) |
| Other fixed assets | 309,405 | 350,031 | (40,626) | 81,204 | 66,768 | 14,436 | 390,609 | 416,799 | (26,190) |
| Deferred assets | 2,137 | 2,680 | (543) | - | - | - | 2,137 | 2,680 | (543) |
| Total assets | 4,245,271 | 4,352,445 | (107,174) | 3,103,912 | 2,862,560 | 241,352 | 7,349,183 | 7,215,005 | 134,178 |
| Current liabilities | 831,915 | 1,103,979 | (272,064) | 2,089,903 | 1,904,036 | 185,867 | 2,921,818 | 3,008,015 | (86,197) |
| Notes & accounts payable | 646,306 | 602,967 | 43,339 | 10,105 | 8,344 | 1,761 | 656,411 | 611,311 | 45,100 |
| Short-term borrowings *1 | (653,588) | (317,818) | (335,770) | 1,968,810 | 1,742,622 | 226,188 | 1,315,222 | 1,424,804 | (109,582) |
| Other current liabilities | 839,197 | 818,830 | 20,367 | 110,988 | 153,070 | (42,082) | 950,185 | 971,900 | (21,715) |
| Long-term liabilities | 1,796,767 | 1,792,157 | 4,610 | 733,843 | 716,722 | 17,121 | 2,530,610 | 2,508,879 | 21,731 |
| Bonds and debentures | 772,220 | 786,258 | (14,038) | 5,940 | 9,900 | (3,960) | 778,160 | 796,158 | (17,998) |
| Long-term borrowings | 252,466 | 236,016 | 16,450 | 572,620 | 572,781 | (161) | 825,086 | 808,797 | 16,289 |
| Other long-term liabilities | 772,081 | 769,883 | 2,198 | 155,283 | 134,041 | 21,242 | 927,364 | 903,924 | 23,440 |
| Total liabilities | 2,628,682 | 2,896,136 | (267,454) | 2,823,746 | 2,620,758 | 202,988 | 5,452,428 | 5,516,894 | (64,466) |
| Minority interests | 88,451 | 77,289 | 11,162 | - | - | - | 88,451 | 77,289 | 11,162 |
| Common stock | 523,707 | 534,949 | (11,242) | 82,107 | 69,607 | 12,500 | 605,814 | 604,556 | 1,258 |
| Capital surplus | 774,403 | 785,645 | (11,242) | 30,067 | 17,567 | 12,500 | 804,470 | 803,212 | 1,258 |
| Retained earnings and unrealized holding gain on securities | 732,307 | 322,751 | 409,556 | 148,179 | 112,406 | 35,773 | 880,486 | 435,157 | 445,329 |
| Translation adjustments | (340,089) | (264,195) | (75,894) | 19,813 | 42,222 | (22,409) | (320,276) | (221,973) | (98,303) |
| Treasury stock | (162,190) | (130) | (162,060) | - | - | - | (162,190) | (130) | (162,060) |
| Total shareholders' equity | 1,528,138 | 1,379,020 | 149,118 | 280,166 | 241,802 | 38,364 | 1,808,304 | 1,620,822 | 187,482 |
| Total liabilities, Minority interests and shareholders' equity | 4,245,271 | 4,352,445 | (107,174) | 3,103,912 | 2,862,560 | 241,352 | 7,349,183 | 7,215,005 | 134,178 |

Note: 1. Finance receivable of Automobile & eliminations indicates the eliminated amount of intercompany transaction related to the transfer of wholesale finance to Sales Financing Business.

2. Borrowings of Automobile & eliminations indicates the amount after deducting the amount of internal loan receivables to Sales Financing.

(02/3 776,063 million yen, 03/3 1,073,935 million yen)

(Interest bearing debt by business segment)

(millions of Yen)

| | Consolidated total | | | | | | | | |
|--|---------------------------|---------------|-----------|-----------------|---------------|----------|---------------|---------------|-----------|
| | Automobile & eliminations | | | Sales Financing | | | | | |
| | as of 3/31/03 | as of 3/31/02 | Change | as of 3/31/03 | as of 3/31/02 | Change | as of 3/31/03 | as of 3/31/02 | Change |
| Short-term borrowings from Third Parties | 420,041 | 444,998 | (24,957) | 895,181 | 979,806 | (84,625) | 1,315,222 | 1,424,804 | (109,582) |
| Internal Loans to Sales Financing | (1,073,629) | (762,816) | (310,813) | 1,073,629 | 762,816 | 310,813 | 0 | 0 | 0 |
| Short-term borrowings (Booked on B/S) | (653,588) | (317,818) | (335,770) | 1,968,810 | 1,742,622 | 226,188 | 1,315,222 | 1,424,804 | (109,582) |
| Bonds and debentures | 772,220 | 786,258 | (14,038) | 5,940 | 9,900 | (3,960) | 778,160 | 796,158 | (17,998) |
| Long-term borrowings from Third Parties | 252,772 | 249,263 | 3,509 | 572,314 | 559,534 | 12,780 | 825,086 | 808,797 | 16,289 |
| Internal Loans to Sales Financing | (306) | (13,247) | 12,941 | 306 | 13,247 | (12,941) | 0 | 0 | 0 |
| Long-term borrowings (Booked on B/S) | 252,466 | 236,016 | 16,450 | 572,620 | 572,781 | (161) | 825,086 | 808,797 | 16,289 |
| Total interest bearing debt | 371,098 | 704,456 | (333,358) | 2,547,370 | 2,325,303 | 222,067 | 2,918,468 | 3,029,759 | (111,291) |
| Cash on hand | 263,146 | 272,742 | (9,596) | 6,671 | 6,911 | (240) | 269,817 | 279,653 | (9,836) |
| Net interest bearing debt | 107,952 | 431,714 | (323,762) | 2,540,699 | 2,318,392 | 222,307 | 2,648,651 | 2,750,106 | (101,455) |
| Debt for Canton Plant included | 116,554 | 0 | 116,554 | 0 | 0 | 0 | 116,554 | 0 | 116,554 |
| Net interest bearing debt (except Canton Plant) | (8,602) | 431,714 | (440,316) | 2,540,699 | 2,318,392 | 222,307 | 2,532,097 | 2,750,106 | (218,009) |

2). Statements of income by business segment

(millions of Yen)

| | Consolidated total | | | | | | | | |
|--|---------------------------|---------------------|---------|---------------------|---------------------|--------|---------------------|---------------------|---------|
| | Automobile & eliminations | | | Sales Financing | | | Consolidated total | | |
| | 4/1/02 - 3/31/03 | 4/1/01 - 3/31/02 | Change | 4/1/02 - 3/31/03 | 4/1/01 - 3/31/02 | Change | 4/1/02 - 3/31/03 | 4/1/01 - 3/31/02 | Change |
| Net sales | 6,432,720 | 5,829,589 | 603,131 | 395,868 | 366,652 | 29,216 | 6,828,588 | 6,196,241 | 632,347 |
| Cost of sales | 4,617,368 | 4,295,353 | 322,015 | 254,956 | 251,961 | 2,995 | 4,872,324 | 4,547,314 | 325,010 |
| Gross profit | 1,815,352 | 1,535,024 | 280,328 | 140,912 | 114,691 | 26,221 | 1,956,264 | 1,649,715 | 306,549 |
| Operating profit as a percentage at net sales | 10.5% | 7.7% | 2.8% | 15.1% | 10.4% | 4.7% | 10.8% | 7.9% | 2.9% |
| Operating profit | 677,348 | 451,099 | 226,249 | 59,882 | 38,116 | 21,766 | 737,230 | 489,215 | 248,015 |
| Net financial cost | (16,543) | (20,428) | 3,885 | 3 | (2) | 5 | (16,540) | (20,430) | 3,890 |
| Others | (10,460) | (54,166) | 43,706 | (161) | 125 | (286) | (10,621) | (54,041) | 43,420 |
| Ordinary profit | 650,345 | 376,505 | 273,840 | 59,724 | 38,239 | 21,485 | 710,069 | 414,744 | 295,325 |
| Income before income taxes and minority interests | 634,818 | 327,197 | 307,621 | 59,806 | 37,019 | 22,787 | 694,624 | 364,216 | 330,408 |
| Net income | 458,611 | 349,890 | 108,721 | 36,554 | 22,372 | 14,182 | 495,165 | 372,262 | 122,903 |

Net financial cost

| | | | | | | | | | |
|-------------------------------|----------|----------|-------|---|-----|---|----------|----------|-------|
| Total | (16,543) | (20,428) | 3,885 | 3 | (2) | 5 | (16,540) | (20,430) | 3,890 |
| Elimination | (5,677) | (5,469) | (208) | - | - | - | (5,677) | (5,469) | (208) |
| Net financial cost by segment | (10,866) | (14,959) | 4,093 | 3 | (2) | 5 | (10,863) | (14,961) | 4,098 |

3). Statements of Cash flows by business segment

(millions of Yen)

| | FY02 | | | FY01 | | |
|--|------------------------------|-----------------|-----------|------------------------------|-----------------|-----------|
| | Consolidated total | | | Consolidated total | | |
| | Automobile & eliminations | Sales Financing | | Automobile & eliminations | Sales Financing | |
| Operating activities | | | | | | |
| Income before income taxes and minority interests | 634,818 | 59,806 | 694,624 | 327,197 | 37,019 | 364,216 |
| Depreciation and amortization | 213,569 | 157,556 | 371,125 | 209,174 | 165,653 | 374,827 |
| (Increase) decrease in sales finance receivables | 64,057 | (391,414) | (327,357) | 135,274 | (569,939) | (434,665) |
| Others | (115,097) | (47,917) | (163,014) | (42,492) | (39,672) | (82,164) |
| Total | 797,347 | (221,969) | 575,378 | 629,153 | (406,939) | 222,214 |
| Investing activities | | | | | | |
| Proceeds from sales of investment securities | 39,816 | 13,842 | 53,658 | 106,292 | 7,013 | 113,305 |
| Proceeds from sales of property, plant and equipment | 94,828 | 3,871 | 98,699 | 108,874 | 61 | 108,935 |
| Purchases of fixed assets | (376,429) | (1,500) | (377,929) | (293,100) | (700) | (293,800) |
| Purchases of leased vehicles | (33,522) | (450,182) | (483,704) | (53,868) | (342,345) | (396,213) |
| Proceeds from sales of leased vehicles | 15,644 | 243,431 | 259,075 | 38,213 | 146,939 | 185,152 |
| Others | (46,720) | (18,453) | (65,173) | (233,522) | (8,246) | (241,768) |
| Total | (306,383) | (208,991) | (515,374) | (327,111) | (197,278) | (524,389) |
| Financing activities | | | | | | |
| (Decrease) increase in short-term borrowings | (369,506) | 315,196 | (54,310) | (331,786) | 640,655 | 308,869 |
| (Decrease) increase in long-term borrowings | (81,106) | 91,044 | 9,938 | (415,935) | (44,680) | (460,615) |
| Increase in bonds and debentures | 85,000 | - | 85,000 | 236,922 | 9,900 | 246,822 |
| Proceeds from sales of treasury stock | 5,670 | - | 5,670 | 2,324 | - | 2,324 |
| Others | (144,062) | 25,000 | (119,062) | 183,515 | - | 183,515 |
| Total | (504,004) | 431,240 | (72,764) | (324,960) | 605,875 | 280,915 |
| Effect of exchange rate changes on cash and cash equivalents | 1,174 | (520) | 654 | 9,937 | 434 | 10,371 |
| (Decrease) increase in cash and cash equivalents | (11,866) | (240) | (12,106) | (12,981) | 2,092 | (10,889) |
| Cash and cash equivalents at beginning of the year | 272,742 | 6,911 | 279,653 | 283,717 | 4,819 | 288,536 |
| Increase due to inclusion in consolidation | 2,297 | - | 2,297 | 2,006 | - | 2,006 |
| Decrease due to exclusion from consolidation | (27) | - | (27) | - | - | - |
| Cash and cash equivalents at end of the year | 263,146 | 6,671 | 269,817 | 272,742 | 6,911 | 279,653 |

3. GEOGRAPHICAL SEGMENT INFORMATION

for the fiscal years ended March 31, 2003 and 2002

[in millions of Yen, () indicates minus]

| 4/1/02 - 3/31/03 | Japan | North America | Europe | Other foreign countries | Total | Eliminations | Consolidated |
|------------------------------------|-----------|---------------|---------|-------------------------|-----------|--------------|--------------|
| I. NET SALES | | | | | | | |
| (1) Sales to third parties | 2,554,374 | 2,879,500 | 963,440 | 431,274 | 6,828,588 | — | 6,828,588 |
| (2) Inter-area sales and transfers | 1,766,102 | 32,763 | 26,765 | 4,174 | 1,829,804 | (1,829,804) | 0 |
| TOTAL | 4,320,476 | 2,912,263 | 990,205 | 435,448 | 8,658,392 | (1,829,804) | 6,828,588 |
| OPERATING EXPENSES | 3,929,920 | 2,607,699 | 968,253 | 418,682 | 7,924,554 | (1,833,196) | 6,091,358 |
| OPERATING INCOME | 390,556 | 304,564 | 21,952 | 16,766 | 733,838 | 3,392 | 737,230 |
| II. TOTAL ASSETS | 4,881,842 | 3,463,261 | 502,028 | 140,849 | 8,987,980 | (1,638,797) | 7,349,183 |

| 4/1/01- 3/31/02 | Japan | North America | Europe | Other foreign countries | Total | Eliminations | Consolidated |
|----------------------------|-----------|---------------|---------|-------------------------|-----------|--------------|--------------|
| I. NET SALES | | | | | | | |
| (1) Sales to third parties | 2,370,162 | 2,649,212 | 818,555 | 358,312 | 6,196,241 | — | 6,196,241 |
| (2) Internal transactions | 1,458,965 | 15,475 | 32,912 | 4,709 | 1,512,061 | (1,512,061) | 0 |
| TOTAL | 3,829,127 | 2,664,687 | 851,467 | 363,021 | 7,708,302 | (1,512,061) | 6,196,241 |
| OPERATING EXPENSES | 3,539,431 | 2,455,062 | 848,239 | 356,794 | 7,199,526 | (1,492,500) | 5,707,026 |
| OPERATING INCOME | 289,696 | 209,625 | 3,228 | 6,227 | 508,776 | (19,561) | 489,215 |
| II. TOTAL ASSETS | 4,988,676 | 3,506,180 | 471,008 | 114,081 | 9,079,945 | (1,864,940) | 7,215,005 |

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

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

- (1) North America : 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:

| 4/1/02 - 3/31/03 | North America | Europe | Other foreign countries | Total |
|--|---------------|---------|-------------------------|-----------|
| (1) Overseas net sales [Millions of Yen] | 2,785,334 | 974,872 | 763,368 | 4,523,574 |
| (2) Consolidated net sales [Millions of Yen] | | | | 6,828,588 |
| (3) Overseas net sales as a percentage of consolidated net sales [%] | 40.8 | 14.3 | 11.1 | 66.2 |

| 4/1/01 - 3/31/02 | North America | Europe | Other foreign countries | Total |
|--|---------------|---------|-------------------------|-----------|
| (1) Overseas net sales [Millions of Yen] | 2,588,300 | 825,696 | 670,556 | 4,084,552 |
| (2) Consolidated net sales [Millions of Yen] | | | | 6,196,241 |
| (3) Overseas net sales as a percentage of consolidated net sales [%] | 41.8 | 13.3 | 10.8 | 65.9 |

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 : U.K., Spain, France and other European countries

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

10. Transactions with related parties

There were no significant transactions with related party during the year to be disclosed

11. Production and sales

1) Consolidated production volume

(Units)

| | FY02 | FY01 | Change | |
|--------------|-----------|-----------|------------|----------|
| | | | Units | % |
| Japan | 1,444,314 | 1,272,851 | 171,463 | 13.5 |
| U.S.A. | 392,458 | 363,366 | 29,092 | 8.0 |
| Mexico | 340,658 | 328,946 | 11,712 | 3.6 |
| U.K. | 297,719 | 296,788 | 931 | 0.3 |
| Spain | 84,919 | 137,502 | (52,583) | (38.2) |
| South Africa | 25,629 | 28,826 | (3,197) | (11.1) |
| Indonesia | 905 | - | 905 | - |
| Total | 2,586,602 | 2,428,279 | 158,323 | 6.5 |

Note: Period of counting units

Japan, U.S.A April/2002-March/2003
Others January/2002-December/2002

2) Consolidated wholesale units by region

(Units)

| | FY02 | FY01 | Change | |
|---------------|-----------|-----------|---------|------|
| | | | Units | % |
| Japan | 792,767 | 702,657 | 90,110 | 12.8 |
| North America | 1,040,684 | 968,030 | 72,654 | 7.5 |
| Europe | 458,222 | 453,697 | 4,525 | 1.0 |
| Others | 344,013 | 336,100 | 7,913 | 2.4 |
| Total | 2,635,686 | 2,460,484 | 175,202 | 7.1 |

Note: Period of counting units

Japan , North America (except Mexico)
April/2002-March/2003
North America (Mexico only) , Europe
January/2002-December/2002

FY2002 Non-Consolidated Financial Results

(Year ended March 31, 2003)

May 21, 2003

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 : Sadayuki Hamaguchi, Deputy general manager,
 Global Communications and Investor Relations Department
 Tel. (03) 3543 - 5523

Approval date of FY2002 financial results : May 21, 2003
 by the Board of Directors

Provision for interim cash dividends : Provision exists.
 Number of shares in unit share system : 100 shares
 Date of the 104th ordinary general meeting : June 19, 2003
 of shareholders

1. Results of FY2002 (April 1, 2002 through March 31, 2003)

<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 | % |
| FY2002 | 3,419,068 | 13.2 | 316,059 | 30.5 | 293,073 | 48.1 |
| FY2001 | 3,019,860 | 1.3 | 242,279 | 89.6 | 197,932 | 45.9 |

| | Net income | | Net income per share - basic | Net income per share - diluted | Return on equity | Ordinary income as a percentage of total assets | Operating income as a percentage of net sales |
|--------|-----------------|--------|------------------------------|--------------------------------|------------------|---|---|
| | Millions of yen | % | Yen | Yen | % | % | % |
| FY2002 | 72,869 | (60.3) | 16.09 | 15.98 | 4.0 | 7.4 | 8.6 |
| FY2001 | 183,449 | (2.2) | 45.61 | 45.38 | 11.2 | 5.3 | 6.6 |

Note 1: Average number of shares issued and outstanding in each period
 FY02 4,504,435,664 shares
 FY01 4,022,231,018 shares

Note 2: No change in accounting policies was made.

Note 3: Regarding net sales, operating income, ordinary income and net income, percent indications show percentage of changes from corresponding figures for the previous period.

<2> Cash dividends

| | Annual cash dividends per share | | | Total amount of annual cash dividends | Dividends payout ratio | Dividends as a percentage of net income |
|--------|---------------------------------|----------------|-------|---------------------------------------|------------------------|---|
| | Interim dividend | Final dividend | | | | |
| | Yen | Yen | Yen | Millions of yen | % | % |
| FY2002 | 14.00 | 4.00 | 10.00 | 62,688 | 86.0 | 3.5 |
| FY2001 | 8.00 | 0.00 | 8.00 | 33,975 | 18.5 | 1.9 |

Note : Cash dividends per share for shares issued in March 2002 was 4 yen .

<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 |
| FY2002 | 3,933,993 | 1,798,716 | 45.7 | 402.65 |
| FY2001 | 3,915,031 | 1,829,052 | 46.7 | 404.94 |

Note 1: Number of shares issued and outstanding at the end of each period
 FY02 4,520,715,112 shares
 FY01 4,517,045,210 shares

Note 2: Number of treasury stock at the end of each period
 FY02 54,512,876 shares
 FY01 173,987 shares

2. Non-consolidated forecast for FY2003 (April 1, 2003 through March 31, 2004)

| | Net sales | Ordinary income | Net income | Cash dividends per share | | |
|-----------------|-----------------|-----------------|-----------------|--------------------------|----------------|-------|
| | | | | Interim dividend | Final dividend | |
| | Millions of yen | Millions of yen | Millions of yen | Yen | Yen | Yen |
| FY2003 1st half | — | — | — | — | — | — |
| FY2003 | — | — | — | — | — | 19.00 |

Reference : Forecast of Net income per share (yen) ———

1. Production and Sales

VEHICLE PRODUCTION

(FY2002 and FY2001)

| | FY2002 | FY2001 | Change (%) |
|----------|-----------|-----------|---------------|
| (Units) | | | |
| Domestic | 1,444,314 | 1,272,851 | 13.5% |

NON-CONSOLIDATED SALES BY PRODUCT LINE

(FY2002 and FY2001)

| | FY2002 | FY2001 | Change (%) |
|--|------------------|------------------|---------------|
| Vehicle whole sales (Units) | | | |
| Total vehicle whole sales | 1,517,543 | 1,294,895 | 17.2% |
| Domestic | 823,800 | 717,776 | 14.8% |
| Export | 693,743 | 577,119 | 20.2% |
| Passenger vehicles | 1,304,672 | 1,076,803 | 21.2% |
| Domestic | 727,717 | 607,298 | 19.8% |
| Export | 576,955 | 469,505 | 22.9% |
| Commercial vehicles | 212,871 | 218,092 | (2.4%) |
| Domestic | 96,083 | 110,478 | (13.0%) |
| Export | 116,788 | 107,614 | 8.5% |
| Net sales (millions of yen) | | | |
| Total net sales | 3,419,068 | 3,019,860 | 13.2% |
| Domestic | 1,496,152 | 1,389,217 | 7.7% |
| Export | 1,922,915 | 1,630,643 | 17.9% |
| Vehicles | 2,645,561 | 2,286,402 | 15.7% |
| Domestic | 1,284,931 | 1,181,633 | 8.7% |
| Export | 1,360,629 | 1,104,769 | 23.2% |
| Production parts and components for overseas production | 306,529 | 309,458 | (0.9%) |
| Domestic | - | - | - |
| Export | 306,529 | 309,458 | (0.9%) |
| Automotive parts | 279,828 | 279,689 | 0.0% |
| Domestic | 194,296 | 191,906 | 1.2% |
| Export | 85,532 | 87,782 | (2.6%) |
| Other automotive business | 154,700 | 111,522 | 38.7% |
| Domestic | 2,678 | 912 | 193.4% |
| Export | 152,021 | 110,609 | 37.4% |
| Sub total of automotive business | 3,386,620 | 2,987,072 | 13.4% |
| Domestic | 1,481,907 | 1,374,452 | 7.8% |
| Export | 1,904,713 | 1,612,620 | 18.1% |
| Forklifts equipment | 32,447 | 32,788 | (1.0%) |
| Domestic | 14,245 | 14,764 | (3.5%) |
| Export | 18,202 | 18,023 | 1.0% |

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

2.Non-Consolidated Financial Statements

2-1) Non-Consolidated Statements of Income

FY2002 and 2001

[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.

| | FY2002 | FY2001 | Change |
|---|----------------|----------------|-----------|
| [ORDINARY INCOME/LOSS] | | | |
| OPERATING REVENUE/EXPENSES | | | |
| OPERATING REVENUE | 100% 3,419,068 | 100% 3,019,860 | 399,207 |
| Net sales | 3,419,068 | 3,019,860 | 399,207 |
| OPERATING EXPENSES | 3,103,009 | 2,777,581 | 325,427 |
| Cost of sales | 2,683,120 | 2,362,435 | 320,685 |
| Selling, general and administrative expenses | 419,888 | 415,145 | 4,742 |
| OPERATING INCOME | 9.2% 316,059 | 8.0% 242,279 | 73,779 |
| NON-OPERATING INCOME/EXPENSES | | | |
| NON-OPERATING INCOME | 25,938 | 13,367 | 12,570 |
| Interest and dividend income | 10,888 | 8,353 | 2,535 |
| Other non-operating income | 15,049 | 5,014 | 10,035 |
| NON-OPERATING EXPENSES | 48,923 | 57,714 | (8,790) |
| Interest expense | 15,428 | 16,821 | (1,392) |
| Amortization of net retirement benefit obligation at transition | 18,218 | 18,218 | 0 |
| Other non-operating expenses | 15,276 | 22,675 | (7,398) |
| ORDINARY INCOME | 8.6% 293,073 | 6.6% 197,932 | 95,141 |
| [EXTRAORDINARY GAINS/LOSSES] | | | |
| EXTRAORDINARY GAINS | 73,030 | 63,328 | 9,702 |
| Gains on sales of fixed assets | 58,216 | 22,122 | 36,094 |
| Gains on sales of investment securities | 5,981 | 37,151 | (31,170) |
| Other extraordinary gains | 8,832 | 4,054 | 4,778 |
| EXTRAORDINARY LOSSES | 236,690 | 188,244 | 48,446 |
| Loss on devaluation of investments and receivables | 183,183 | 129,613 | 53,569 |
| Loss on sales of fixed assets | 5,930 | 4,099 | 1,831 |
| Loss on sales of investment securities | 1,678 | 43,707 | (42,029) |
| Loss on disposal of fixed assets | 9,895 | 7,233 | 2,662 |
| Loss on return of the substitutional portion of Welfare Pension Fund plan | 30,945 | — | 30,945 |
| Other extraordinary losses | 5,057 | 3,590 | 1,467 |
| INCOME BEFORE INCOME TAXES | 3.8% 129,413 | 2.4% 73,016 | 56,397 |
| INCOME TAXES-CURRENT | 11,707 | 7,941 | 3,766 |
| INCOME TAXES-DEFERRED | 44,837 | (118,373) | 163,211 |
| NET INCOME | 2.1% 72,869 | 6.1% 183,449 | (110,579) |
| RETAINED EARNINGS BROUGHT FORWARD | | | |
| FROM PREVIOUS YEAR | 267,452 | 120,295 | 147,157 |
| LOSSES ON DISPOSAL OF TREASURY STOCK | 2,664 | — | 2,664 |
| INTERIM CASH DIVIDENDS | 18,026 | — | 18,026 |
| UNAPPROPRIATED RETAINED EARNINGS | 319,631 | 303,745 | 15,886 |

2-2) Non-Consolidated Balance Sheets

As of March 31, 2003 and March 31, 2002

[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 Mar 31,2003 | as of Mar 31,2002 | Change |
|---------------------------------|----------------------|----------------------|---------------|
| [ASSETS] | | | |
| CURRENT ASSETS | 1,850,622 | 1,680,664 | 169,957 |
| Cash on hand and in banks | 155,950 | 142,663 | 13,286 |
| Trade notes receivable | 42 | 3 | 39 |
| Trade accounts receivable | 277,415 | 355,054 | (77,638) |
| Finished products | 50,100 | 52,052 | (1,952) |
| Work in process | 22,882 | 28,607 | (5,725) |
| Raw materials & supplies | 26,444 | 22,495 | 3,949 |
| Deferred tax assets | 21,708 | 28,974 | (7,266) |
| Short-term loans receivable | 1,238,223 | 1,040,414 | 197,808 |
| Other accounts receivable | 78,841 | 38,763 | 40,078 |
| Other current assets | 19,110 | 25,200 | (6,090) |
| Allowance for doubtful accounts | (40,098) | (53,566) | 13,468 |
| FIXED ASSETS | 2,078,727 | 2,228,675 | (149,947) |
| Property, plant & equipment | 561,479 | 545,922 | 15,556 |
| Buildings | 135,577 | 142,582 | (7,005) |
| Structures | 30,320 | 30,496 | (175) |
| Machinery & equipment | 169,420 | 156,421 | 12,999 |
| Vehicles | 8,723 | 6,756 | 1,966 |
| Tools, furniture and fixtures | 42,999 | 35,596 | 7,403 |
| Land | 147,701 | 148,565 | (864) |
| Construction in progress | 26,736 | 25,503 | 1,232 |
| Intangible assets | 26,441 | 22,431 | 4,009 |
| Utility rights | 146 | 162 | (16) |
| Software | 25,499 | 21,472 | 4,026 |
| Other intangible assets | 796 | 796 | 0 |
| Investments & other assets | 1,490,806 | 1,660,320 | (169,514) |
| Investment securities | 78,080 | 87,389 | (9,308) |
| Investments in subsidiaries | 1,234,547 | 1,362,000 | (127,452) |
| Long-term loans receivable | 21,117 | 37,705 | (16,588) |
| Long-term prepaid expenses | 18,478 | 7,138 | 11,340 |
| Deferred tax assets | 149,895 | 186,800 | (36,905) |
| Other investments | 11,324 | 15,083 | (3,758) |
| Allowance for doubtful accounts | (22,637) | (35,797) | 13,160 |
| DEFERRED ASSETS | 4,643 | 5,690 | (1,047) |
| Discounts on bonds | 4,643 | 5,690 | (1,047) |
| TOTAL ASSETS | 3,933,993 | 3,915,031 | 18,961 |

| | as of Mar 31,2003 | as of Mar 31,2002 | Change |
|---|----------------------|----------------------|-----------------|
| [LIABILITIES] | | | |
| CURRENT LIABILITIES | 917,909 | 841,164 | 76,744 |
| Trade notes payable | 1,100 | 4,041 | (2,941) |
| Trade accounts payable | 365,481 | 332,383 | 33,097 |
| Short-term borrowings | 0 | 80,000 | (80,000) |
| Current portion of long-term borrowings | 75,445 | 32,925 | 42,520 |
| Commercial paper | 132,000 | 56,000 | 76,000 |
| Current maturities of bonds | 80,000 | 82,566 | (2,566) |
| Other accounts payable | 30,089 | 21,647 | 8,442 |
| Accrued expenses | 159,688 | 141,625 | 18,063 |
| Deposits received | 3,709 | 5,049 | (1,339) |
| Employees' saving deposits | 60,530 | 58,698 | 1,831 |
| Other current liabilities | 9,864 | 26,228 | (16,364) |
| LONG-TERM LIABILITIES | 1,217,367 | 1,244,813 | (27,446) |
| Bonds | 812,400 | 807,400 | 5,000 |
| Long-term borrowings | 89,718 | 135,118 | (45,400) |
| Long-term deposits received | 1,914 | 2,294 | (379) |
| Accrued warranty costs | 63,124 | 68,385 | (5,261) |
| Accrual for losses on business restructuring | 0 | 15,910 | (15,910) |
| Accrued retirement benefits | 250,210 | 215,706 | 34,503 |
| TOTAL LIABILITIES | 2,135,276 | 2,085,978 | 49,297 |
| [SHAREHOLDERS' EQUITY] | | | |
| COMMON STOCK | 605,813 | 604,556 | 1,257 |
| CAPITAL SURPLUS | 804,470 | 803,212 | 1,257 |
| Additional paid-in capital | 804,470 | 803,212 | 1,257 |
| RETAINED EARNINGS | 436,854 | 419,041 | 17,812 |
| Legal reserve | 53,838 | 53,838 | 0 |
| Voluntary reserve | 63,383 | 61,457 | 1,926 |
| Unappropriated retained earnings | 319,631 | 303,745 | 15,886 |
| [Net income for the period] | [72,869] | [183,449] | [(110,579)] |
| UNREALIZED HOLDING GAIN ON SECURITIES | 1,533 | 2,371 | (838) |
| TREASURY STOCK | (49,955) | (129) | (49,825) |
| TOTAL SHAREHOLDERS' EQUITY | 1,798,716 | 1,829,052 | (30,335) |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | 3,933,993 | 3,915,031 | 18,961 |

2-3) Significant Accounting Policies

1. Valuation methods for assets

(1) Valuation of inventories

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

Raw materials & supplies other than purchased parts are stated at the lower of cost or market, cost being determined by the last-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 expect for forward foreign exchange contracts entered in order to hedge receivables and payables denominated in foreign currencies.

2. Depreciation of fixed assets

(1) 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) 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 past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibility of individual accounts for doubtful receivables.

(2) Accrued warranty costs

Accrued warranty costs 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) Accrual for losses on business restructuring

Accrual for losses on business restructuring is provided to cover the costs reasonably estimated to be incurred for business restructuring based on the Nissan Revival Plan.

(4) Accrued retirement benefits

Accrued retirement benefits are provided for the 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 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. 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. 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."

5. Consumption Tax

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

6. Accounting Standard for Treasury Stock and Reduction of Legal Reserves

Effective April 1, 2002, the Company adopted "Accounting Standard for Treasury Stock and Reduction of Legal Reserves" (Accounting Standard No.1). The effect of the adoption of the new standard on operating results was immaterial for the current fiscal year.

Regulations for Non-consolidated Financial Statements became effective and the Company changed the presentation of the shareholders' equity in the balance sheet in accordance with the new regulations.

7. Per Share Data

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

2-4) Notes to Non-Consolidated Financial Statements

1. Accumulated depreciation of property, plant and equipment amounted to yen 1,263,599 million.

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

3. As endorser of documentary export bills discounted with banks: Yen 1,365 million

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

Guarantees total yen 455,955 million (yen 254,657 million),

including a total of yen 175,625 million in employee's residence mortgages which is insured in full and yen 25,500 million mortgages with pledge.

And a total of yen 102,872 million in construction of Canton Plant is including.

Commitments to provide guarantees total yen 1,539 million .

Letters of awareness and others total yen 26,710 million (yen 26,635 million)

Letters of awareness concerning transfers of receivables total yen 366,755 million (yen 245,748 million)

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

Liabilities of such subsidiaries totaled yen 1,554,878 million

5. Fair value information on shares issued by subsidiaries and affiliates

million of yen

| | as of Mar. 31, 2003 | | | as of Mar. 31, 2002 | | |
|--------------|------------------------|------------|-------------|------------------------|------------|-------------|
| | Book value | fair value | differences | Book value | fair value | differences |
| Subsidiaries | 10,981 | 30,100 | 19,118 | 10,981 | 28,012 | 17,030 |
| Affiliates | 33,978 | 103,752 | 69,774 | 43,230 | 67,030 | 23,799 |
| Total | 44,960 | 133,853 | 88,893 | 54,212 | 95,042 | 40,830 |

6. Lease Transactions

(1) Finance leases (except for those under which the ownership of leased assets is transferred to lessee.)

1. The pro forma amounts for acquisition cost , accumulated depreciation and net book value of leased assets

(Millions of Yen)

| | as of Mar. 31,2003 | | | as of Mar. 31, 2002 | | |
|-----------------------------|-----------------------|-----------------------------|-------------------|------------------------|-----------------------------|-------------------|
| | Acquisition cost | Accumulated depreciation | Net book value | Acquisition cost | Accumulated depreciation | Net book value |
| Buildings | 9,496 | 422 | 9,073 | — | — | — |
| Machinery & equipment | 1,686 | 704 | 981 | 1,686 | 477 | 1,209 |
| Tools, furniture & fixtures | 116,113 | 47,034 | 69,079 | 109,655 | 63,952 | 45,702 |
| Others | 1,099 | 650 | 448 | 985 | 595 | 390 |
| Total | 128,395 | 48,812 | 79,582 | 112,327 | 65,025 | 47,301 |

2. Future minimum lease payments

(Millions of Yen)

| | as of Mar. 31,2003 | | | as of Mar. 31,2002 | | |
|--|-----------------------|---------------|--------|-----------------------|---------------|--------|
| | within one year | over one year | Total | within one year | over one year | Total |
| | 26,362 | 54,003 | 80,366 | 24,059 | 24,332 | 48,391 |

3. Lease payments, depreciation and interest expense

(Millions of Yen)

| | FY2002 | | | FY2001 | | |
|--|-------------------|--------------|---------------------|-------------------|--------------|---------------------|
| | Lease payments | Depreciation | Interest expense | Lease payments | Depreciation | Interest expense |
| | 29,264 | 26,682 | 2,292 | 32,471 | 30,350 | 2,060 |

(2) Operating leases

Future minimum lease payments

(Millions of Yen)

| | as of Mar. 31,2003 | | | as of Mar. 31,2002 | | |
|--|-----------------------|---------------|-------|-----------------------|---------------|-------|
| | within one year | over one year | Total | within one year | over one year | Total |
| | 107 | 159 | 267 | 112 | 179 | 291 |

7. Tax effect accounting

(1)The significant components of the deferred tax assets and liabilities

| | As of Mar. 31,2003 | (Millions of Yen) As of Mar. 31,2002 |
|--|-----------------------|---|
| (Deferred tax assets) | | |
| Net operating loss carryforwards | 32,990 | 11,755 |
| Accrued retirement benefits | 99,360 | 87,253 |
| Accrual for losses on business restructuring | 0 | 16,291 |
| Accrued warranty costs | 23,168 | 24,312 |
| Other | 151,230 | 196,637 |
| Total gross deferred tax assets | 306,748 | 336,248 |
| Valuation allowance | (72,931) | (72,812) |
| Total deferred tax assets | 233,817 | 263,436 |
| (Deferred tax liabilities) | | |
| Reserves under Special Taxation Measures Law, etc. | (60,918) | (45,790) |
| Unrealized holding gain on securities | (1,296) | (1,871) |
| Total deferred tax liabilities | (62,214) | (47,661) |
| Net deferred tax assets | 171,603 | 215,775 |

(2)Significant components of the difference between statutory tax rate and effective tax rate

| | As of Mar. 31,2003 | As of Mar. 31,2002 | (%) |
|---|-----------------------|-----------------------|-----|
| Statutory tax rate | 41.9 | 41.9 | |
| (Reconciliation) | | | |
| Adjustment of deferred tax assets and liabilities due to tax rate change. | 4.5 | — | |
| Decrease in valuation allowance resulting in the recognition of net deferred tax assets | (1.8) | (192.7) | |
| Other | (0.9) | (0.4) | |
| Effective tax rate | 43.7 | (151.2) | |

(3) Adjustment of deferred tax assets and liabilities due to the change in tax rate.

Due to the change in local tax law during the year ended March 31, 2003, the effective tax rate used in the calculation of deferred tax assets and liabilities is reduced to 40.6% for the current fiscal year from 41.9% for the prior fiscal year. As a result, deferred tax assets, net of deferred tax liabilities, decreased by 5,752 million yen as of March 31, 2003 and income taxes-deferred by 5,786 million yen for the year ended March 31, 2003.

8. Subsequent Events

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

The outlines of Shin-kabu-Yoyaku-Ken are as follows:

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

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

2-5) Proposal for Appropriation of Retained earnings

| | as of Mar. 31,2003 | as of Mar. 31,2002 |
|---|------------------------------|---|
| to this placement shall be as follows: | Millions of Yen | Millions of Yen |
| Unappropriated retained earnings | 319,631 | 303,745 |
| Reversal of reserve for reduction of replacement cost of specified properties | 3,260 | 5,934 |
| Reversal of reserve for losses on overseas investments | 1,115 | 1,462 |
| Reversal of reserve for special depreciation | 307 | 609 |
| Total | 324,315 | 311,751 |
| The proposed appropriations are as follows: | | |
| | Millions of Yen | Millions of Yen |
| Cash dividends | 44,662 (10 yen per share) | 33,975 (8 yen per share 4 yen per issued share in FY01) |
| Bonuses to directors and corporate auditors | 390 | 390 |
| Provision for reserve for reduction of replacement cost of specified properties | 30,332 | 9,865 |
| Provision for reserve for losses on overseas investments | 131 | — |
| Provision for reserve for special depreciation | 29 | 67 |
| Retained earnings carried forward to next year | 248,770 | 267,452 |

Note:

1. We paid 18,026,167,940 yen (4 yen per share) as interim dividends on December 10, 2002.
2. The provisions for and reversals of the reserves for reduction of replacement cost of specified properties, losses on overseas investments, and special depreciation are made in accordance with the Special Taxation Measures Law.