

FINANCIAL RESULTS OF NISSAN MOTOR CO.,LTD

<FOR THE 1ST HALF FY2003>

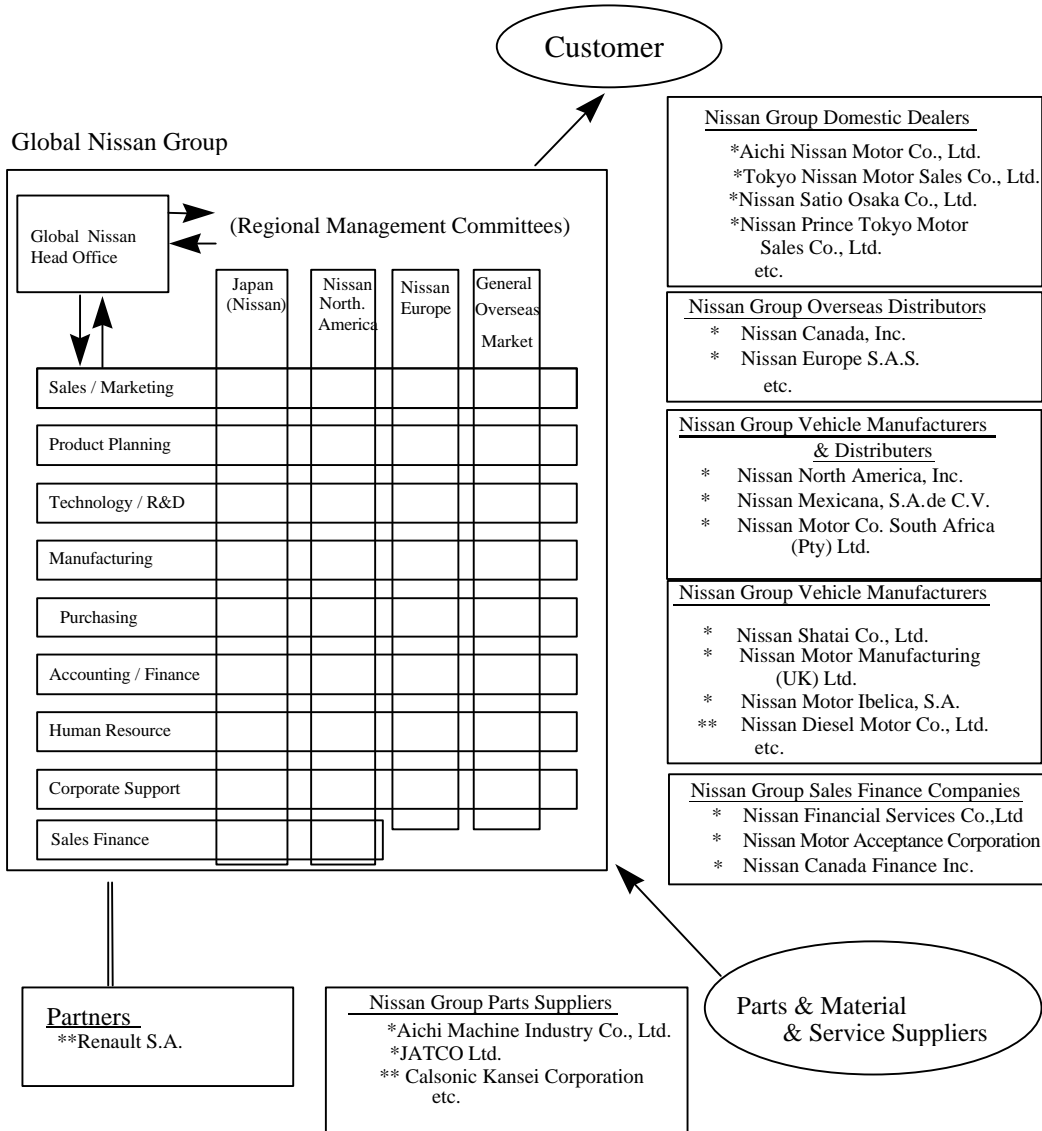
TABLE OF CONTENTS

CONSOLIDATED	Page
1. DESCRIPTION OF THE NISSAN GROUP	1
2. CORPORATE GOVERNANCE	2
3. NISSAN 180 UPDATE	3
4. FISCAL YEAR 2003 FIRST HALF BUSINESS PERFORMANCE	3 - 4
5. FISCAL YEAR 2003 FINANCIAL FORECAST	5
6. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS	
1) Consolidated Statements of Income	6
2) Consolidated Balance Sheets	7
3) Consolidated Statements of Capital Surplus and Retained Earnings	8
4) Consolidated Statements of Cash Flows	9
5) Basis of Semi-Annual Consolidated Financial Statements	10 - 13
6) Notes to Semi-Annual Consolidated Financial Statements	
(1) Contingent liabilities	14
(2) Research and development costs included in cost of sales and general and administrative expenses	14
(3) Cash flows	14
(4) Lease transactions	15
(5) Securities	16
(6) Derivative transactions	17
(7) Segment information	18 - 22
(8) Production and sales	23
 NON-CONSOLIDATED	
NON-CONSOLIDATED FINANCIAL RESULTS	24
1. PRODUCTS AND SALES	25
2. SEMI-ANNUAL NON-CONSOLIDATED FINANCIAL STATEMENTS	
1) Non-Consolidated Statements of Income	26
2) Non-Consolidated Balance Sheets	27 - 28
3) Basis of Semi-Annual Non-Consolidated Financial Statements	29 - 30
4) Notes to Semi-Annual Non-Consolidated Financial Statements	31 - 32

1. Description of The Nissan group

The Nissan group consists of Nissan Motor Co., Ltd. (the "Company"), subsidiaries, affiliates, and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine products and related parts. And also the Nissan group provides various services accompanying its main business, such as logistics and sales finance. The Company established Global Nissan (GNX) as a global headquarters function which is to focus on utilizing regional activities by 4 Regional Management Committees and cross regional functions like R&D, Purchasing, Manufacturing, etc., and Global Nissan Group is composed of this matrix.

The corporate group structure is as follows:



* Consolidated Subsidiaries
 ** Companies accounted for by equity method

There are other associated companies; *Nissan Trading Co., Ltd., *Nissan Real Estate Development Co., Ltd..

Our subsidiaries listed on domestic stock exchange markets are follows.

Nissan Shatai Co., Ltd.---Tokyo Aichi Machine Industry Co., Ltd.---Tokyo, Nagoya

2.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 was 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 deliver effective performance despite unfavorable market conditions, such as high incentives, fluctuating foreign exchange rates, and declining industry volumes. We are staying the course, implementing NISSAN 180 step-by-step and delivering our commitments as announced.

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. Halfway through NISSAN 180, in the first half of fiscal year 2003:

- Nissan's sales in all regions totaled 1,467,000 units, an increase of 5.9%.
- Our revenue is up 8.2% and our operating profit will reach 401.1 billion yen, giving an operating profit margin of 11.3%.
- Zero net automotive debt was reached at the end of fiscal year 2002 on constant accounting

4. FISCAL YEAR 2003 FIRST-HALF BUSINESS PERFORMANCE

For the first six months of fiscal year 2003, Nissan's sales in all regions totaled 1,467,000 units, an increase of 5.9% in a very challenging environment.

Total industry volumes dropped in all the major markets where we compete except China. Volumes were down in Japan, in the United States, in Europe and in Mexico. Simultaneously, incentives rose, reaching record levels in the United States, for example.

With such market conditions, the strength of our new products drove our sales growth. Of the 28 all-new products to be launched globally during the three years of NISSAN 180, 12 were launched during fiscal year 2002, and their sales are helping to drive our volume increases. In the current fiscal year, we are launching 10 new models, eight of which are now on sale in global markets.

Reviewing volumes by region, in Japan we sold 387,000 units in the first half of fiscal year 2003, up 0.9% from the same period last year in an industry where the total industry volume decreased 1.3%. Excluding mini-cars, sales were 369,000 units, up 3.7%.

The work we have done over the past three years to renew our product lineup and bridge any gaps is visible on the streets. We now have three models in the mini-vehicle segment, a stronger entry-level lineup, with the March and Cube series, with the Cube Cubic serving as a link between the compact lineup and our improved minivan lineup. In the first full month of sales of the Cube Cubic, Cube became the second leading selling car in Japan.

The launch of the Presage minivan in July re-established Nissan as a credible competitor in this segment. In the first three months, sales were 8.7 times greater than the previous model.

Our domestic market share of registered vehicles now stands at 19.4% and our target to sell an additional 300,000 units in Japan during NISSAN 180 is on track.

Turning to the United States, our sales in the first half of fiscal year 2003 came to 420,000 units, up 11% compared to the first half of fiscal year 2002. Our U.S. market share is now 4.7%, up half a point since last year.

We are making gains in both our Nissan and Infiniti channels. Nissan Division sales are up 6.3% in the first half, with robust sales of new models such as the Quest minivan and Murano crossover and continuing strong sales of the Altima and Maxima sedans and 350Z sports cars. Our Infiniti Division is enjoying record-setting performance with sales up 39.7% over fiscal year 2002 levels, due to the attraction of competitive new models such as the G35 sport sedan and coupe and FX45. All these new models demonstrate Nissan's dynamic repositioning ability, which the marketplace is affirming with higher sales that are not artificially propped up by significant incentives.

In Europe, Nissan sold 267,000 units from January to June, up 6.6% from the same period in 2002. Our market share increased to 2.7% from 2.5% in the first half of last year.

Our new Micra has greatly exceeded our expectations, achieving sales of 80,000 units since its launch in January through June, which is the fiscal year basis, and 126,000 through the end of September, 51% above the previous model. Customer demand for Micra led us to increase our production capacity by 25% to 200,000 units at our Sunderland Plant – which was named Europe's most productive plant for the seventh straight year.

Our range of SUVs and 4x4s in Europe is also doing well, with X-Trail up 46% and the Pick-up up 37% in the period from January to June 2003 compared to the same period last year.

Turning to the General Overseas Markets, including Mexico and Canada, our performance has been strong, with 393,000 unit sales in the first half of the fiscal year, up 5.3% from the same period last year. We achieved significant volume increases in China, Taiwan, and Australia, but Mexico volumes declined.

Consolidated revenues came to 3.56 trillion yen in the first half of fiscal 2003, up 8.2% from the same period in fiscal year 2002, driven primarily by our growth in volumes and a higher mix. Changes in the scope of consolidation impacted revenues marginally by 14.0 billion yen, including the deconsolidation of Nissan Koe. In addition, the negative impact of the previously announced change in lease accounting in Japan is 10.0 billion yen.

Nissan's consolidated operating profits are up 15.2% to 401.1 billion yen, compared to the first half of fiscal year 2002. As a percentage of net sales, the operating profit margin came to 11.3%, a record high in Nissan's history and also the top level in the global automotive industry.

Analyzing the variance between last year's 348.3 billion yen operating profit and this year's 401.1 billion yen, several factors are considered:

- The effect of foreign exchange rates to first-half operating profits was zero.
- Changes in accounting methods relating to the treatment of vendor tooling and other leases had a 11.0 billion yen positive effect on operating income. The change in scope of consolidation subtracted 1.0 billion yen from first-half operating profits.
- Combined higher volumes and mix contributed 61.0 billion yen in operating profits in the first half of fiscal year 2003 compared to fiscal year 2002. With the exception of Mexico, higher volumes contributed to an improvement in consolidated operating profits in every market. Mix improvement in the U.S. offset the drop in Japan and Europe.
- The activities of our sales finance companies brought an additional positive contribution of 8.4 billion yen.
- Selling expenses produced a negative impact of 37.5 billion yen.
- Manufacturing expenses had no impact as gains in productivity were offset by 9 billion yen in specific start-up costs in Canton.

- Purchasing continued to turn in a strong performance as lower purchasing costs generated a positive contribution of 92.3 billion yen to operating profits. We are continuing on the same trend as last year with costs coming down at an annual pace of 6%.
- Product enrichment and the cost of regulations had a negative impact of 37.5 billion yen.
- R&D expenses generated a negative impact of 30.0 billion yen as we continue to reinforce technology and product development under NISSAN 180.
- General, administrative and other expenses produced a negative impact of 13.9 billion yen.

Non-operating items came to a negative 10.8 billion yen, from 24.8 billion yen in the first half of fiscal year 2002. Consolidated equity affiliates increased 7.8 billion yen as Renault results were added from the second half of fiscal year 2002. The amortization of pension transition obligations decreased by 4.8 billion yen with the return of the substitution part of the pension liabilities. As a result, consolidated ordinary profit rose 20.7% to 390.3 billion yen, compared to last year's level of 323.5 billion yen.

Extraordinary losses resulted in 22.2 billion yen, much lower than 41.5 billion yen of extraordinary gain in the first half of fiscal year 2002. The difference was mainly due to the last year's one-time extraordinary profit of 56.4 billion yen from the sale of the former Murayama plant.

Nissan is returning to a normal taxpaying mode. The consolidated effective tax rate of the first half of fiscal year 2003 is to be 34% compared to a tax rate of 21.7% in the first half of last year, accounting for current taxes and deferred taxes of 125.2 billion yen. Minority interests – which are profits in fully consolidated companies that we do not own 100% – represented a charge of 5.2 billion yen compared to a positive 2.0 billion yen in the first half of last year.

Net income after tax resulted in 237.7 billion yen, lower than last year's 287.7 level.

In the retail finance business segment, net sales increased 5.0% to 188.5 billion yen from first half fiscal year 2002, excluding the negative impact of 17.1 billion yen by the accounting treatment change of the financing lease. The increase was mainly due to growth in sales accumulated over the years from Japan and the United States. Operating income came to 37.1 billion yen, up 8.4 billion yen from last year, including the positive impact of 1.8 billion by the accounting treatment change of the financing lease. Net income was increased by 44.2% to 24.4 billion yen compared to the same level as last year.

On the balance sheet side, as previously disclosed, net automotive debt, which was eliminated two years ahead of the NISSAN 180 commitment, is no longer used as a driver of our financial performance. Instead, we are using return on invested capital. At the half-year, we are on track to achieve our annual ROIC target of at least 20%.

5. FISCAL YEAR 2003 FINANCIAL FORECAST

As we consider the risks and opportunities before us, the most significant risk relates to volume and mix in the Japanese market. Our major opportunity continues to be the swift implementation of NISSAN 180.

Recognizing recent trends in foreign exchange markets, we are changing our assumption for the second half of the fiscal year to adjust the yen/dollar rate from 120 yen per dollar to 110 yen per dollar, and the yen/euro assumption remains at 125 yen per euro. Based on this outlook, full-year consolidated net sales are expected to reach 7.45 trillion yen. Operating profit is expected to be 820 billion yen, which would give an 11% operating margin. Ordinary profit is expected to be 781 billion yen. The company expects to achieve a net profit after tax of 495 billion yen.

6. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

1) Consolidated Statements of Income

(1st half FY2003, 1st half FY2002 and FY2002)

[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.

	FY2003 1st half	FY2002 1st half	Change		FY2002
			Amount	%	
NET SALES	3,556,249	3,285,463	270,786	8.2 %	6,828,588
COST OF SALES	2,510,550	2,350,751	159,799		4,872,324
Gross profit	1,045,699	934,712	110,987	11.9 %	1,956,264
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	644,567	586,413	58,154		1,219,034
Operating income	401,132	348,299	52,833	15.2 %	737,230
NON-OPERATING INCOME	28,112	18,177	9,935		60,770
Interest and dividend income	6,230	4,865	1,365		8,520
Equity in earnings of unconsolidated subsidiaries & affiliates	8,284	527	7,757		11,395
Other non-operating income	13,598	12,785	813		40,855
NON-OPERATING EXPENSES	38,898	42,976	(4,078)		87,931
Interest expense	14,610	12,827	1,783		25,060
Amortization of net retirement benefit obligation at transition	7,299	12,075	(4,776)		23,923
Other non-operating expenses	16,989	18,074	(1,085)		38,948
Ordinary income	390,346	323,500	66,846	20.7 %	710,069
EXTRAORDINARY GAINS	9,769	70,965	(61,196)		89,243
EXTRAORDINARY LOSSES	32,010	29,457	2,553		104,688
Income before income taxes and minority interests	368,105	365,008	3,097	0.8 %	694,624
INCOME TAXES CURRENT	106,984	46,599	60,385		113,185
INCOME TAXES DEFERRED	18,258	32,657	(14,399)		85,513
MINORITY INTERESTS	5,183	(1,953)	7,136		761
NET INCOME	237,680	287,705	(50,025)	(17.4) %	495,165

2) Consolidated Balance Sheets

as of Sep 30, 2003, Mar 31, 2003 and Sep 30, 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 Sep 30, 2003	as of Mar 31, 2003	Change	as of Sep 30, 2002
[ASSETS]				
CURRENT ASSETS	3,775,213	3,700,057	75,156	3,452,386
Cash on hand and in banks	158,630	268,433	(109,803)	249,766
Notes & accounts receivable	512,326	501,127	11,199	475,753
Sales finance receivables	2,089,263	1,896,953	192,310	1,738,354
Marketable securities	2,409	1,420	989	481
Inventories	572,036	543,608	28,428	564,114
Deferred tax assets	217,793	176,571	41,222	162,456
Other current assets	222,756	311,945	(89,189)	261,462
FIXED ASSETS	3,975,794	3,646,989	328,805	3,523,369
Property, plant and equipment	3,154,020	2,989,334	164,686	2,839,052
Intangible assets	64,549	42,000	22,549	36,369
Investment securities	357,696	267,046	90,650	288,267
Long-term loans receivable	13,925	14,099	(174)	14,249
Deferred tax assets	138,041	191,262	(53,221)	226,474
Other fixed assets	247,563	143,248	104,315	118,958
DEFERRED ASSETS	1,865	2,137	(272)	2,408
TOTAL ASSETS	7,752,872	7,349,183	403,689	6,978,163
[LIABILITIES]				
CURRENT LIABILITIES	3,355,465	2,921,818	433,647	2,771,287
Notes & accounts payable	710,367	656,411	53,956	617,958
Short-term borrowings	1,626,425	1,315,222	311,203	1,273,851
Deferred tax liabilities	381	6	375	4
Accrued warranty costs	35,393	-	35,393	-
Leasing obligation	64,848	-	64,848	-
Other current liabilities	918,051	950,179	(32,128)	879,474
LONG-TERM LIABILITIES	2,401,557	2,530,610	(129,053)	2,457,026
Bonds and debentures	623,686	778,160	(154,474)	834,233
Long-term borrowings	747,142	825,086	(77,944)	720,439
Deferred tax liabilities	261,136	262,459	(1,323)	230,561
Accrued warranty costs	116,018	154,582	(38,564)	151,526
Accrual for losses on business restructuring	-	0	0	41,498
Accrued retirement benefits	472,371	433,266	39,105	412,113
Leasing obligation	88,317	-	88,317	-
Other long-term liabilities	92,887	77,057	15,830	66,656
TOTAL LIABILITIES	5,757,022	5,452,428	304,594	5,228,313
[MINORITY INTERESTS]				
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	96,757	88,451	8,306	85,935
[SHAREHOLDERS' EQUITY]				
COMMON STOCK	605,814	605,814	0	604,559
CAPITAL SURPLUS	804,470	804,470	0	803,215
RETAINED EARNINGS	1,035,913	878,655	157,258	689,355
UNREALIZED HOLDING GAIN ON SECURITIES	3,703	1,831	1,872	2,072
TRANSLATION ADJUSTMENTS	(330,171)	(320,276)	(9,895)	(313,396)
TREASURY STOCK	(220,636)	(162,190)	(58,446)	(121,890)
TOTAL SHAREHOLDERS' EQUITY	1,899,093	1,808,304	90,789	1,663,915
TOTAL LIABILITIES, MINORITY INTERESTS & SHAREHOLDERS' EQUITY	7,752,872	7,349,183	403,689	6,978,163

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

3) Consolidated Statements of Capital Surplus and Retained Earnings

(1st half FY2003, 1st half FY2002 and FY2002)

[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.

	FY2003 1st half	FY2002 1st half	Change	FY2002
(Capital surplus)				
Capital surplus at beginning of period	804,470	803,212	1,258	803,212
Increase	0	3	(3)	1,258
Increase due to conversion of convertible bonds	-	3	(3)	1,258
Capital surplus at end of period	804,470	803,215	1,255	804,470
(Retained earnings)				
Retained earnings at beginning of period	878,655	430,751	447,904	430,751
Increase	240,630	296,251	(55,621)	509,741
Net income	237,680	287,705	(50,025)	495,165
Increase due to inclusion in consolidation	226	-	226	-
Increase due to exclusion from consolidation	-	309	(309)	-
Increase due to exclusion from the equity method	-	-	-	112
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	2,724	8,237	(5,513)	14,464
Decrease	83,372	37,647	45,725	61,837
Cash dividends paid	41,656	33,976	7,680	50,800
Bonuses to directors and statutory auditors	410	407	3	407
Decrease due to exclusion from the equity method	4,402	3,245	1,157	7,966
Recognition of unfunded retirement benefit obligation of subsidiaries in UK	30,684	-	30,684	-
Loss on disposal of treasury stock	6,220	19	6,201	2,664
Retained earnings at end of period	1,035,913	689,355	346,558	878,655

4) Consolidated Statements of Cash Flows

(1st half FY2003, 1st half FY2002 and FY2002)

[in Millions of yen, () indicates out flows]

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

	1st half FY2003	1st half FY2002	FY2002
Operating activities			
Income before income taxes and minority interests	368,105	365,008	694,624
Depreciation and amortization (fixed assets excluding leased vehicles)	153,073	109,628	204,210
Amortization (long-term prepaid expenses)	4,509	2,696	8,545
Depreciation (leased vehicles)	66,137	78,611	158,370
Provision for doubtful receivables	3,394	(1,606)	(503)
Unrealized loss on investments	-	343	769
Interest and dividend income	(6,230)	(4,865)	(8,520)
Interest expense	40,272	44,206	80,255
Gain on sales of property, plant and equipment	(4,303)	(60,744)	(58,796)
Loss on disposal of property, plant and equipment	6,785	5,639	15,587
Gain on sales of investment securities	(1,180)	(2,236)	(4,324)
(Increase) decrease in trade receivables	(15,890)	67,576	44,989
Increase in sales finance receivables	(260,249)	(139,014)	(327,357)
Increase in inventories	(41,751)	(51,332)	(28,404)
Increase (decrease) in trade payables	33,519	(35,744)	36,877
Amortization of net retirement benefit obligation at transition	7,299	12,075	23,923
Retirement benefit expenses	40,175	34,680	100,629
Retirement benefits paid	(35,535)	(34,040)	(86,917)
Business restructuring costs paid	-	(2,437)	(4,644)
Other	(28,754)	(24,644)	(77,897)
Sub-total	329,376	363,800	771,416
Interest and dividends received	5,664	4,702	8,238
Interest paid	(41,749)	(45,603)	(80,902)
Income taxes paid	(40,526)	(51,793)	(123,374)
Total	252,765	271,106	575,378
Investing activities			
Decrease in short-term investments	1,241	112	789
Purchases of fixed assets	(168,750)	(113,117)	(377,929)
Proceeds from sales of property, plant and equipment	21,692	65,098	98,699
Purchases of leased vehicles	(272,289)	(265,777)	(483,704)
Proceeds from sales of leased vehicles	118,513	142,971	259,075
Collection of long-term loans receivable	2,942	8,820	13,097
Long-term loans made	(2,253)	(543)	(11,343)
Purchases of investment securities	(56,497)	(29,478)	(32,053)
Proceeds from sales of investment securities	3,752	15,105	45,263
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	-	7,468	8,395
Additional acquisition of shares of consolidated subsidiaries	(330)	(692)	(692)
Other	(1,741)	(2,275)	(34,971)
Total	(353,720)	(172,308)	(515,374)
Financing activities			
Increase (decrease) in short-term borrowings	237,079	(99,862)	(54,310)
Increase in long-term borrowings	185,662	228,974	534,053
Increase in bonds and debentures	104,792	85,000	85,000
Repayment or redemption of long-term debt	(381,485)	(292,861)	(524,115)
Purchases of treasury stock	(72,981)	(8,889)	(58,383)
Proceeds from sales of treasury stock	7,568	40	5,670
Repayment of lease obligation	(47,159)	(5,745)	(9,879)

Cash dividends paid	(41,656)	(33,976)	(50,800)
Other	(1,134)	-	-
Total	(9,314)	(127,319)	(72,764)
Effect of exchange rate changes on cash and cash equivalents	1,466	(3,732)	654
Decrease in cash and cash equivalents	(108,803)	(32,253)	(12,106)
Cash and cash equivalent at beginning of the period	269,817	279,653	279,653
Increase due to inclusion in consolidation	310	2,297	2,297
Decrease due to exclusion from consolidation	(871)	(4)	(27)
Cash and cash equivalent at end of the period	160,453	249,693	269,817

5) Basis of Semi-Annual Consolidated Financial Statements

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

(1) Consolidated subsidiaries ; 204 companies (Domestic 114, Overseas 90)

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 97 other companies

Domestic Vehicles and Parts Manufacturers

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

Domestic Logistics & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd., Autech Japan, Inc.
and 5 other companies

Overseas subsidiaries

Nissan North America, Inc., Nissan Europe S.A.S.
Nissan Motor Manufacturing (UK) Ltd.
Nissan Mexicana, S.A. de C.V. and 86 other companies

Unconsolidated Subsidiaries ; 172 companies (Domestic 140, Overseas 32)

These 172 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; 32 companies (Domestic 27, Overseas 5)
Affiliates; 27 companies (Domestic 19, Overseas 8)

Domestic Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation,
and 44 other companies

Overseas Renault S.A., Yulon Motor Co., Ltd., Siam Nissan Automobile Co., Ltd.
& four other Siam group companies and 6 other companies

The 140 unconsolidated subsidiaries and 33 affiliates other than the above 263 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 2002 was summarized as follows:

Newly included in the scope of consolidation; 3 subsidiaries (Nissan Design Europe Limited.,
P.T. Nissan Motor Distributor Indonesia, and another company)

Excluded from the scope of consolidation ; 33 subsidiaries (Diamondmatic Co.,Ltd., Nissan Koe Co., Ltd.,
Hyogo Nissan Motor Co., Ltd., and 30 other companies)

Number of companies newly accounted for by the equity method; 23 (Nissan Koe Co., Ltd.,
Nissan Techno Co., Ltd., Nissan Security Service Co., Ltd.,
and 20 other companies)

Number of companies ceased to be accounted for by the equity method of accounting; 4 (Ohi Seisakusho Co., Ltd.,
Hashimoto Forming Industry Co., Ltd., and 2 other companies)

Effective April 1, 2003, Nissan Koe Co., Ltd., and 22 other companies were excluded from consolidation and were newly accounted for by the equity method to reflect the change in the Company's controls and decision making process over its domestic subsidiaries and affiliates because their impact on the consolidated financial statements was immaterial.

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

2. Fiscal Period of Consolidated Subsidiaries

1)End of the 1st half of FY2003 of the following consolidated subsidiaries is different from that of the Company (September 30)

June 30 : Nissan Trading Co., Ltd., Nissan Mexicana,S.A.de C.V.,
Nissan Motor Company South Africa (Proprietary) Limited, and 48 other overseas subsidiaries

2)With respect to the above 51 companies, the necessary adjustments were made in consolidation to reflect any significant transactions from July 1 to September 30.

3. Significant Accounting Policies

1) Valuation methods for assets

1. Securities

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

Other securities

Marketable securities Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity.
Cost of securities sold is calculated by the moving average method.

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

2. Derivative transactions

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

3. Inventories

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

2) Depreciation of property, plant and equipment

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

3) Basis for reserves and allowances

Allowance for doubtful accounts

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

Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

Accrued retirement benefits

Accrued retirement benefits are provided principally at an amount calculated based on the estimated amount incurred at the end of the period, which is, in turn, calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year.

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

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

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

4) Lease transactions

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

5) Hedge accounting

Hedge accounting

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

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

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

Hedging policy

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

Assessment of hedge effectiveness

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

Risk management policy with respect to hedge accounting

The Company manages its derivative transactions in accordance with its internal "Policies and Procedures for Risk Management."

6) Consumption Tax

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

7) Accounting policies adopted by foreign consolidated subsidiaries

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

4. Cash and cash equivalents

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

5. Accounting changes

1) Valuation method for inventories

Until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of cost or market, cost being determined by the average method and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method. Effective April 1, 2003, the Company and certain consolidated subsidiaries changed their method of accounting for all inventories to state them at the lower of cost or market, cost being determined by the first-in, first-out method. This change was made in order to establish a sound financial position by reflecting changes in purchase prices in the valuation of inventories considering the fact that the reduction of purchasing costs has made progress and that such trend is anticipated to continue as well as to achieve a better matching of revenue and expenses and an appropriate cost management by applying an inventory valuation method which reflects the actual inventory movements. The effect of this change was immaterial.

2) Accounting for accrued retirement benefits of Nissan Motor Manufacturing (UK) Ltd.

Effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, has early adopted a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to increase retirement benefit expenses by 1,014 million yen, and to decrease operating income by 765 million yen and ordinary income and income before income taxes and minority interests by 1,014 million yen for the six months ended September 30, 2003 as compared with the corresponding amounts under the previous method. Retained earnings also decreased by 30,684 million yen since the net retirement benefit obligation at transition and actuarial loss were directly charged to retained earnings for the six months ended September 30, 2003. The effect of this change on segment information is explained in the applicable notes to the segment information.

3) Lease transactions

Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were 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. Effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases to accounting for them as finance leases instead of operating leases. This change was made in order to achieve a better matching of revenue and expenses through calculating manufacturing costs more accurately and to establish a better presentation of its financial position by reflecting lease transactions more appropriately on its consolidated financial statements, considering the increasing materiality of lease transactions as well as from an international point of view. The effect of this change in method of accounting was to decrease sales, cost of sales and selling, general and administrative expenses by 9,456 million yen and 19,979 million yen and 334 million yen, respectively, and to increase operating income by 10,857 million yen and ordinary income and income before income taxes and minority interests by 8,878 million yen for the six months ended September 30, 2003 as compared with the corresponding amounts under the previous method. In addition, trade and sales finance receivables, tangible fixed assets and lease obligation increased by 70,984 million yen, 78,676 million yen and 145,448 million yen, respectively, as of September 30, 2003 as compared with the corresponding amounts under the previous method. The effect of this change on segment information is explained in the applicable notes to the segment information.

6) Notes to Semi-Annual Consolidated Financial Statements

(1) Contingent liabilities

At September 30, 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 (193,652 for employees, 50,451 for others)	244,103
2)Commitments to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	2,950
3)Letters of awareness to financial institutions to whom trade receivables were sold	65,835
4)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)
162,535

(3) Cash flows

Cash and cash equivalents at the end of 1st half of fiscal year 2003 are reconciled to the accounts reported in the consolidated balance sheet as follows:

(as of Sep. 30 2003)	(Millions of yen)
Cash on hand and in banks	158,630
Time deposits with maturities of more than three months	(586)
Cash equivalents included in marketable securities (*)	2,409
<hr/>	
Cash and cash equivalents	160,453

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

(4) Lease transactions

[Lessees' Accounting]

(Millions of yen)

(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

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	-	-	-	78,858	30,030	48,828	89,470	35,823	53,647
Other	-	-	-	120,424	67,980	52,444	155,704	60,472	95,232
Total	-	-	-	199,282	98,010	101,272	245,174	96,295	148,879

2. Future lease payments

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	Within one year	Over one year	Total	Within one year	Over one year	Total	Within one year	Over one year	Total
	-	-	-	36,480	66,988	103,468	53,648	97,532	151,180

3. Lease payments, depreciation and interest expense

	FY2003 1st half			FY2002 1st half			FY2002		
	Lease payments	Depreciation	Interest expense	Lease payments	Depreciation	Interest expense	Lease payments	Depreciation	Interest expense
	-	-	-	23,072	21,548	1,507	45,638	42,444	3,039

Method of calculation of depreciation

Depreciation of leased assets is calculated by the straight-line method over the respective lease terms with the residual value of zero.

Method of calculation of interest portion

The interest portion included in the lease payments is calculated as the difference between the aggregate lease payments during the lease term and the relevant pro forma acquisition costs. Interest expense is allocated to each period by the interest method over each respective lease term.

Finance leases except for those under which the ownership of leased assets is transferred to lessee has been excluded from the table presented above, because those finance leases are accounted for as such.

(2) Operating leases

Future lease payments

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	Within one year	Over one year	Total	Within one year	Over one year	Total	Within one year	Over one year	Total
	5,560	20,428	25,988	3,846	24,873	28,719	4,731	20,638	25,369

[Lessors' Accounting]

(Millions of yen)

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

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

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	-	-	-	90,834	42,369	48,465	89,924	41,199	48,725
Other	-	-	-	12,783	7,002	5,781	7,483	3,768	3,715
Total	-	-	-	103,617	49,371	54,246	97,407	44,967	52,440

2. Future lease income

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	Within one year	Over one year	Total	Within one year	Over one year	Total	Within one year	Over one year	Total
	-	-	-	18,131	38,077	56,208	17,490	36,666	54,156

3. Lease income, depreciation and interest portion equivalent

	FY2003 1st half			FY2002 1st half			FY2002		
	Lease income	Depreciation	Interest income	Lease income	Depreciation	Interest income	Lease income	Depreciation	Interest income
	-	-	-	11,700	9,580	1,406	21,216	18,351	2,649

Method of calculation of interest

The interest portion included in lease income is calculated as the difference between the aggregate lease income during the lease term plus the estimated residual value of the leased assets and the acquisition costs of respective leased assets. Interest income is allocated to each period by the interest method over each respective lease term.

Finance leases except for those under which the ownership of leased assets is transferred to lessee has been excluded from the table presented above, because those finance leases are accounted for as such.

(2) Operating leases

Future lease income

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	Within one year	Over one year	Total	Within one year	Over one year	Total	Within one year	Over one year	Total
	168,559	254,145	422,704	157,723	218,098	375,821	163,917	239,166	403,083

(5) Securities

[in Millions of yen, () indicates loss or minus]

1 Marketable held-to-maturity debt securities

Millions of yen

	as of Sept 30, 2003			as of Sept 30, 2002			as of Mar 31, 2003		
	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)
(1) National & local government bonds	—	—	—	61	64	3	60	61	1
(2) Corporate bonds	262	279	17	319	336	17	313	336	23
(3) Other bonds	2,943	2,943	0	1,956	1,956	0	3,068	3,068	0
Total	3,205	3,222	17	2,336	2,356	20	3,441	3,465	24

2 Marketable other securities

Millions of yen

	as of Sept 30, 2003			as of Sept 30, 2002			as of Mar 31, 2003		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
(1) Stocks	3,557	9,932	6,375	5,191	8,493	3,302	4,787	7,375	2,588
(2) Bonds									
National & local government bonds	19	20	1	19	20	1	19	20	1
Corporate bonds	—	—	—	2,601	2,475	(126)	100	82	(18)
Others	—	—	—	8,837	9,828	991	8,976	9,779	803
Total	3,576	9,952	6,376	16,648	20,816	4,168	13,882	17,256	3,374

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

Millions of yen

	as of Sept 30, 2003	as of Sept 30, 2002	as of Mar 31, 2003
	Carrying value	Carrying value	Carrying value
(1) Held-to-maturity debt securities			
Unlisted domestic bonds	5,000	5,000	5,000
(2) Other Securities			
Unlisted domestic stocks (excluding those traded on the over-the-counter market)	7,624	6,329	7,441
Unlisted foreign stocks	1,194	3,587	2,311
Unlisted foreign bonds	—	20,000	—

(6) Derivative transactions

Notional amount, fair value and unrealized gain (loss) of derivative transactions

Millions of yen

		As of September 30, 2003			As of September 30, 2002			As of March 31, 2003		
		Notional amount	Fair Value	Unrealized Gain or Loss	Notional amount	Fair Value	Unrealized Gain or Loss	Notional amount	Fair Value	Unrealized Gain or Loss
Currency	Forward foreign exchange contracts									
	Sell									
	GBP	-	-	-	8,242	8,186	56	-	-	-
	US \$	2,155	2,079	76	-	-	-	103,749	102,000	1,749
	Others	1,237	1,323	(86)	1,388	1,351	37	1	1	0
	Buy									
	GBP	-	-	-	26,856	26,298	(558)	2,391	2,365	(26)
	Euro	-	-	-	704	686	(18)	-	-	-
	CAN\$	-	-	-	-	-	-	10,542	10,663	121
	Others	-	-	-	787	773	(14)	691	600	(91)
	Currency Swaps									
	Euro	73,494	15	15	28,642	(1,155)	(1,155)	34,840	(1,032)	(1,032)
	GBP	37,423	(9)	(9)	32,900	185	185	34,186	339	339
US \$	22,300	(479)	(479)	4,534	27	27	8,645	(320)	(320)	
CAN\$	1,146	(112)	(112)	2,114	(25)	(25)	2,242	(59)	(59)	
Interest	Interest rate swaps									
	Receive float / Pay fix	120,754	(1,026)	(1,026)	257,428	(4,082)	(4,082)	187,187	(2,095)	(2,095)
	Receive fix / Pay float	223,148	4,470	4,470	249,742	8,130	8,130	262,154	7,247	7,247
	Receive float / Pay float	2,500	(30)	(30)	2,500	(38)	(38)	2,500	(30)	(30)
	Option									
	Cap, sold	602,888			457,368			461,860		
	(Premium)	(-)	(7,804)	(7,804)	(-)	(3,333)	(3,333)	(-)	(4,605)	(4,605)
Cap, purchased	602,888			457,368			461,860			
(Premium)	(-)	7,804	7,804	(-)	3,333	3,333	(-)	4,605	4,605	
Total		-	-	2,819	-	-	2,545	-	-	5,803

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 in order to 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 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 in order to 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 sheets.
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) SEGMENT INFORMATION

for the 1st half FY2003, 1st half FY2002 and FY2002

[in Millions of yen, () indicates minus]

1. BUSINESS SEGMENT INFORMATION

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

4/1/02- 9/30/02	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. NET SALES					
(1) Sales to third parties	3,096,294	189,169	3,285,463	-	3,285,463
(2) Intergroup sales and transfers	20,899	6,738	27,637	(27,637)	0
TOTAL	3,117,193	195,907	3,313,100	(27,637)	3,285,463
OPERATING EXPENSES	2,801,126	167,212	2,968,338	(31,174)	2,937,164
OPERATING INCOME	316,067	28,695	344,762	3,537	348,299

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) Intergroup 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

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

2 .Main products of each business segment are;

- (1) Automobile..... Passenger cars, Light trucks and buses, Forklifts, Parts for production etc.
- (2) Sales financing.....Credit, Lease etc.

3. Accounting changes

(1) Accounting for accrued retirement benefits of Nissan Motor Manufacturing (UK) Ltd.

As explained in "5. Accounting changes (2)," effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, has early adopted a new accounting standard for retirement benefits in the United Kingdom.

The effect of this change was to decrease operating income for "Automobile" by 765 million yen for the six months ended September 30, 2003 as compared with the corresponding amount under the previous method.

(2) Lease transactions

As explained in "5. Accounting changes (3)," until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were 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. Effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases to accounting for them as finance leases instead of operating leases.

This change was made in order to achieve a better matching of revenue and expenses through calculating manufacturing costs more accurately and to establish a better presentation of its financial position by reflecting lease transactions more appropriately on its consolidated financial statements, considering the increasing materiality of lease transactions as well as from an international point of view.

The effect of this change was to decrease sales and operating expenses for "Automobile" by 67 million yen and 10,923 million yen, respectively, to increase operating income for "Automobile" by 10,856 million yen, and to decrease sales and operating expenses for "Sales Financing" by 17,123 million yen and 17,124 million yen, respectively, and to increase operating income for "Sales Financing" by 1 million yen, and to increase Sales and operating expense for "Elimination" by 7,734 million yen for the six months ended September 30, 2003 as compared with the corresponding amounts under previous method.

2). Statements of income by business segment

(Millions of yen)

	Consolidated total								
	Automobile & eliminations			Sales Financing			Consolidated total		
	4/1/03 - 9/30/03	4/1/02 - 9/30/02	Change	4/1/03 - 9/30/03	4/1/02 - 9/30/02	Change	4/1/03 - 9/30/03	4/1/02 - 9/30/02	Change
Net sales	3,367,759	3,089,556	278,203	188,490	195,907	(7,417)	3,556,249	3,285,463	270,786
Cost of sales	2,402,754	2,223,906	178,848	107,796	126,845	(19,049)	2,510,550	2,350,751	159,799
Gross profit	965,005	865,650	99,355	80,694	69,062	11,632	1,045,699	934,712	110,987
Operating profit as a percentage of net sales	10.8%	10.3%	0.5%	19.7%	14.6%	5.1%	11.3%	10.6%	0.7%
Operating profit	363,992	319,604	44,388	37,140	28,695	8,445	401,132	348,299	52,833
Net financial cost	(8,380)	(7,964)	(416)	0	2	(2)	(8,380)	(7,962)	(418)
Others	(2,662)	(16,727)	14,065	256	(110)	366	(2,406)	(16,837)	14,431
Ordinary profit	352,950	294,913	58,037	37,396	28,587	8,809	390,346	323,500	66,846
Income before income taxes and minority interests									
	329,195	336,532	(7,337)	38,910	28,476	10,434	368,105	365,008	3,097
Net income	213,299	270,792	(57,493)	24,381	16,913	7,468	237,680	287,705	(50,025)

Net financial cost

Total	(8,380)	(7,964)	(416)	0	2	(2)	(8,380)	(7,962)	(418)
Interest on lease obligation	(1,979)	-	(1,979)	0	-	0	(1,979)	-	(1,979)
Elimination	(2,391)	(2,967)	576	-	-	-	(2,391)	(2,967)	576
Net financial cost by segment	(4,010)	(4,997)	987	0	2	(2)	(4,010)	(4,995)	985

3). Statements of cash flows by business segment

(Millions of yen)

	FY03 1st half			FY02 1st half		
	Consolidated total			Consolidated total		
	Automobile & eliminations	Sales Financing		Automobile & eliminations	Sales Financing	
Operating activities						
Income before income taxes and minority interests	329,195	38,910	368,105	336,532	28,476	365,008
Depreciation and amortization	152,442	71,277	223,719	112,835	78,100	190,935
(Increase) decrease in sales finance receivables	(35,506)	(224,743)	(260,249)	30,367	(169,381)	(139,014)
Others	(98,953)	20,143	(78,810)	(154,783)	8,960	(145,823)
Total	347,178	(94,413)	252,765	324,951	(53,845)	271,106
Investing activities						
Proceeds from sales of investment securities	3,742	10	3,752	13,738	8,835	22,573
Proceeds from sales of property, plant and equipment	21,587	105	21,692	65,098	-	65,098
Purchases of fixed assets	(167,137)	(1,613)	(168,750)	(113,017)	(100)	(113,117)
Purchases of leased vehicles	(20,958)	(251,331)	(272,289)	(26,451)	(239,326)	(265,777)
Proceeds from sales of leased vehicles	14,256	104,257	118,513	20,550	122,421	142,971
Others	(52,911)	(3,727)	(56,638)	(20,799)	(3,257)	(24,056)
Total	(201,421)	(152,299)	(353,720)	(60,881)	(111,427)	(172,308)
Financing activities						
Increase (decrease) in short-term borrowings	(48,009)	285,088	237,079	(224,887)	125,025	(99,862)
(Decrease) increase in long-term borrowings	(125,249)	(70,574)	(195,823)	(78,914)	15,027	(63,887)
Increase in bonds and debentures	74,792	30,000	104,792	85,000	-	85,000
Proceeds from sales of treasury stock	7,568	-	7,568	40	-	40
Others	(162,794)	(136)	(162,930)	(73,610)	25,000	(48,610)
Total	(253,692)	244,378	(9,314)	(292,371)	165,052	(127,319)
Effect of exchange rate changes on cash and cash equivalents	1,683	(217)	1,466	(3,224)	(508)	(3,732)
Decrease in cash and cash equivalents	(106,252)	(2,551)	(108,803)	(31,525)	(728)	(32,253)
Cash and cash equivalents at beginning of period	263,146	6,671	269,817	272,742	6,911	279,653
Increase due to inclusion in consolidation	310	-	310	2,297	-	2,297
Decrease due to exclusion from consolidation	(871)	-	(871)	(4)	-	(4)
Cash and cash equivalents at end of period	156,333	4,120	160,453	243,510	6,183	249,693

3. GEOGRAPHICAL SEGMENT INFORMATION

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

4/1/02 - 9/30/02	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. NET SALES							
(1) Sales to third parties	1,226,161	1,372,286	461,110	225,906	3,285,463	-	3,285,463
(2) Inter-area sales and transfers	821,793	12,016	13,446	2,235	849,490	(849,490)	0
TOTAL	2,047,954	1,384,302	474,556	228,141	4,134,953	(849,490)	3,285,463
OPERATING EXPENSES	1,873,775	1,235,494	467,587	216,860	3,793,716	(856,552)	2,937,164
OPERATING INCOME	174,179	148,808	6,969	11,281	341,237	7,062	348,299

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

Notes1. Segmentation of countries and regions are based on geographical degree of proximity and their mutual operational relationship.

2. Major countries and regions included in each segment are;

- (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

3. Accounting changes

(1) Accounting for accrued retirement benefits of Nissan Motor Manufacturing (UK) Ltd.

As explained in "5. Accounting changes (2)," effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, has early adopted a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to decrease operating income for "Europe" by 765 million yen for the six months ended September 30, 2003 as compared with the corresponding amount under the previous method.

(2) Lease transactions

As explained in "5. Accounting changes (3)," until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were 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. Effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases to accounting for them as finance leases instead of operating leases. This change was made in order to achieve a better matching of revenue and expenses through calculating manufacturing costs more accurately and to establish a better presentation of its financial position by reflecting lease transactions more appropriately on its consolidated financial statements, considering the increasing materiality of lease transactions as well as from an international point of view. The effect of this change was to decrease sales and operating expenses for "Japan" by 9,456 million yen and 20,313 million yen, respectively, and to increase operating income for "Japan" by 10,857 million yen for the six months ended September 30, 2003 as compared with the corresponding amount under the previous method.

4. OVERSEAS NET SALES

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

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

4/1/02 - 9/30/02	North America	Europe	Other foreign countries	Total
(1) Overseas net sales [Millions of yen]	1,328,476	467,483	382,884	2,178,843
(2) Consolidated net sales [Millions of yen]				3,285,463
(3) Overseas net sales / Consolidated net sales	40.4%	14.2%	11.7%	66.3%

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 / Consolidated net sales	40.8%	14.3%	11.1%	66.2%

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. Segmentation of countries and regions are based on geographical degree of proximity and their mutual operational relationship.

3. Main countries and regions included in each segment are;

(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 Me and South Africa

FY2003 Semi-Annual Non-Consolidated Financial Results

(Six months ended September 30, 2003)

November 6, 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

Date of the meeting of the Board of Directors for FY2003 semi-annual financial results : November 6, 2003
 Provision for interim cash dividends : Provision exists.
 Date of starting actual payment of interim cash dividends : December 9, 2003
 Number of shares in unit share system : 100 shares

1. Results of FY2003 semi-annual period (April 1, 2003 through September 30, 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	%
FY2003 1st half	1,655,604	3.4	149,716	(1.6)	141,377	2.0
FY2002 1st half	1,601,748	14.8	152,199	33.7	138,593	42.9
FY2002	3,419,068		316,059		293,073	

	Net income		Net income per share
	Millions of yen	%	Yen
FY2003 1st half	75,348	257.8	16.96
FY2002 1st half	21,057	(88.6)	4.67
FY2002	72,869		16.09

Note 1: Average number of shares issued and outstanding in each period
 FY03 1st half 4,441,525,213 shares
 FY02 1st half 4,513,355,667 shares
 FY02 4,504,435,664 shares

Note 2: Changes of accounting policies were made in FY03 1st half

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

<2> Cash dividends

	Interim cash dividends per share	Annual cash dividends per share
	Yen	Yen
FY2003 1st half	8.00	—
FY2002 1st half	4.00	—
FY2002	—	14.00

<3> Non-consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity as a percentage of total assets	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2003 1st half	4,020,625	1,766,330	43.9	399.81
FY2002 1st half	3,942,660	1,806,550	45.8	400.87
FY2002	3,933,993	1,798,716	45.7	402.65

Note 1: Number of shares issued and outstanding at the end of each period
 FY03 1st half 4,417,915,793 shares
 FY02 1st half 4,506,541,985 shares
 FY02 4,466,202,236 shares

Note 2: Number of treasury stock at the end of each period
 FY03 1st half 102,799,319 shares
 FY02 1st half 10,511,979 shares
 FY02 54,512,876 shares

2. Non-consolidated forecast for FY03 (April 1, 2003 through March 31, 2004)

	Net sales	Ordinary income	Net income	Cash dividends per share	
	Millions of yen	Millions of yen	Millions of yen	final dividend	Yen
FY03	-	-	-	11.00	19.00

Reference : Forecast of Net income per share (yen)

1. Products and Sales**VEHICLE PRODUCTION**

(FY2003 1st Half and FY2002 1st Half)

	FY2003 1st Half	FY2002 1st Half	Change (%)
(Units)			
Domestic	724,583	681,559	6.3%

NON-CONSOLIDATED SALES BY PRODUCT LINE

(FY2003 1st Half and FY2002 1st Half)

	FY2003 1st Half	FY2002 1st Half	Change (%)
Vehicle whole sales (Units)			
Total vehicle whole sales	733,973	717,969	2.2%
Domestic	390,853	388,315	0.7%
Export	343,120	329,654	4.1%
Passenger vehicles	612,500	616,383	(0.6%)
Domestic	330,617	337,310	(2.0%)
Export	281,883	279,073	1.0%
Commercial vehicles	121,473	101,586	19.6%
Domestic	60,236	51,005	18.1%
Export	61,237	50,581	21.1%
Net sales (Millions of yen)			
Total net sales	1,655,604	1,601,748	3.4%
Domestic	706,876	708,097	(0.2%)
Export	948,728	893,651	6.2%
Vehicles	1,252,839	1,216,617	3.0%
Domestic	606,183	605,142	0.2%
Export	646,655	611,474	5.8%
Parts and components for overseas production	169,886	151,114	12.4%
Domestic	-	-	-
Export	169,886	151,114	12.4%
Automotive parts	137,370	134,903	1.8%
Domestic	93,092	93,762	(0.7%)
Export	44,277	41,141	7.6%
Other	78,842	82,947	(4.9%)
Domestic	272	2,004	(86.4%)
Export	78,570	80,942	(2.9%)
Sub total of automotive business	1,638,938	1,585,582	3.4%
Domestic	699,548	700,910	(0.2%)
Export	939,390	884,672	6.2%
Forklifts equipment	16,666	16,166	3.1%
Domestic	7,328	7,187	2.0%
Export	9,337	8,979	4.0%

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

2.Semi-Annual Non-Consolidated Financial Statements

1) Non-Consolidated Statements of Income

(1st half FY2003, 1st half FY2002 and FY2002)

[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.

	FY2003 1st Half		FY2002 1st Half		Change	FY2002	
[ORDINARY INCOME/LOSS]							
OPERATING REVENUE/EXPENSES							
OPERATING REVENUE	100%	1,655,604	100%	1,601,748	53,856	100%	3,419,068
Net sales		1,655,604		1,601,748	53,856		3,419,068
OPERATING EXPENSES		1,505,887		1,449,548	56,339		3,103,009
Cost of sales		1,285,447		1,257,179	28,268		2,683,120
Selling, general and administrative expenses		220,440		192,369	28,071		419,888
OPERATING INCOME	9.0%	149,716	9.5%	152,199	(2,483)	9.2%	316,059
NON-OPERATING INCOME/EXPENSES							
NON-OPERATING INCOME		12,116		10,621	1,494		25,938
Interest and dividend income		5,330		7,590	(2,259)		10,888
Other non-operating income		6,785		3,031	3,754		15,049
NON-OPERATING EXPENSES		20,455		24,228	(3,772)		48,923
Interest expense		7,476		8,098	(622)		15,428
Amortization of net retirement benefit obligation at transition		4,435		9,109	(4,673)		18,218
Other non-operating expenses		8,543		7,020	1,523		15,276
ORDINARY INCOME	8.5%	141,377	8.7%	138,593	2,784	8.6%	293,073
[EXTRAORDINARY GAINS/LOSSES]							
EXTRAORDINARY GAINS		6,918		59,659	(52,740)		73,030
Gains on sales of property, plant and equipment		3,902		54,359	(50,456)		58,216
Other extraordinary gains		3,016		5,300	(2,284)		14,814
EXTRAORDINARY LOSSES		35,563		168,109	(132,545)		236,690
Devaluation loss on investments and receivables		0		160,767	(160,767)		183,183
Other extraordinary losses		35,563		7,342	28,221		53,507
INCOME BEFORE INCOME TAXES	6.8%	112,733	1.9%	30,143	82,589	3.8%	129,413
INCOME TAXES-CURRENT		15,805		5,360	10,445		11,707
INCOME TAXES-DEFERRED		21,579		3,726	17,852		44,837
NET INCOME	4.6%	75,348	1.3%	21,057	54,291	2.1%	72,869
RETAINED EARNINGS BROUGHT FORWARD FROM PREVIOUS YEAR		248,770		267,452	(18,682)		267,452
LOSS ON DISPOSAL OF TREASURY STOCK		(6,219)		(18)	(6,201)		2,664
INTERIM CASH DIVIDENDS		-		-	-		18,026
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD		317,898		288,491	29,407		319,631

2) Non-Consolidated Balance Sheets

as of Sep 30, 2003, Mar 31, 2003 and Sep 30, 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 9/30/03	as of 3/31/03	Change	as of 9/30/02
[ASSETS]				
CURRENT ASSETS	1,844,659	1,850,622	(5,962)	1,853,283
Cash on hand and in banks	39,392	155,950	(116,557)	148,820
Trade notes receivable	0	42	(42)	0
Trade accounts receivable	357,390	277,415	79,974	293,749
Finished products	75,582	50,100	25,482	57,237
Work in process	29,278	22,882	6,395	30,707
Raw materials & supplies	29,441	26,444	2,997	25,229
Deferred tax assets	53,422	21,708	31,713	28,408
Short-term loans receivable	1,174,155	1,238,223	(64,068)	1,236,913
Other accounts receivable	67,978	78,841	(10,862)	48,124
Other current assets	57,369	19,110	38,259	35,459
Allowance for doubtful accounts	(39,352)	(40,098)	746	(51,366)
FIXED ASSETS	2,171,847	2,078,727	93,119	2,084,211
Property, plant & equipment	641,884	561,479	80,404	543,360
Buildings	145,265	135,577	9,688	139,222
Structures	30,587	30,320	267	30,082
Machinery & equipment	170,761	169,420	1,340	159,018
Vehicles	11,081	8,723	2,358	7,399
Tools, furniture and fixtures	117,513	42,999	74,513	35,487
Land	145,554	147,701	(2,147)	142,388
Construction in progress	21,120	26,736	(5,616)	29,760
Intangible assets	36,875	26,441	10,434	20,476
Utility rights	140	146	(5)	156
Software	35,940	25,499	10,441	19,521
Other intangible assets	794	796	(1)	798
Investments & other assets	1,493,087	1,490,806	2,280	1,520,374
Investment securities	131,267	78,080	53,186	85,442
Investments in subsidiaries	1,238,716	1,234,547	4,169	1,232,793
Long-term loans receivable	19,177	21,117	(1,939)	28,355
Long-term prepaid expenses	21,655	18,478	3,176	6,518
Deferred tax assets	95,110	149,895	(54,784)	183,897
Other investments	9,874	11,324	(1,450)	12,385
Allowance for doubtful accounts	(22,714)	(22,637)	(77)	(29,017)
DEFERRED ASSETS	4,117	4,643	(525)	5,165
Discounts on bonds	4,117	4,643	(525)	5,165
TOTAL ASSETS	4,020,625	3,933,993	86,631	3,942,660

	as of 9/30/03	as of 3/31/03	Change	as of 9/30/02
[LIABILITIES]				
CURRENT LIABILITIES	1,222,431	917,909	304,521	859,351
Trade notes payable	604	1,100	(496)	2,016
Trade accounts payable	417,103	365,481	51,622	341,753
Short-term borrowings	10,000	0	10,000	49,040
Current portion of long-term borrowings	49,980	75,445	(25,465)	65,455
Commercial paper	110,000	132,000	(22,000)	109,000
Current maturities of bonds	292,800	80,000	212,800	72,560
Other accounts payable	14,688	30,089	(15,401)	12,415
Accrued expenses	178,341	159,688	18,652	125,211
Deposits received	7,945	3,709	4,235	10,421
Employees' saving deposits	60,651	60,530	120	59,714
Accrued warranty costs	21,645	-	21,645	-
Lease obligation	40,102	-	40,102	-
Other current liabilities	18,569	9,864	8,705	11,763
LONG-TERM LIABILITIES	1,031,863	1,217,367	(185,504)	1,276,759
Bonds	639,600	812,400	(172,800)	862,400
Long-term borrowings	65,430	89,718	(24,288)	115,410
Long-term deposits received	1,872	1,914	(42)	2,254
Accrued warranty costs	37,671	63,124	(25,452)	65,695
Accrual for losses on business restructuring	-	0	0	12,647
Accrued retirement benefits	250,391	250,210	181	218,351
Lease obligation	36,897	-	36,897	-
TOTAL LIABILITIES	2,254,294	2,135,276	119,017	2,136,110
[SHAREHOLDERS' EQUITY]				
COMMON STOCK	605,813	605,813	0	604,559
CAPITAL SURPLUS	804,470	804,470	0	803,215
Capital reserve	804,470	804,470	0	803,215
RETAINED EARNINGS	460,930	436,854	24,076	405,713
Legal reserve	53,838	53,838	0	53,838
General reserve	89,192	63,383	25,809	63,383
Unappropriated retained earnings	317,898	319,631	(1,732)	288,491
[Net income for the period]	[75,348]	[72,869]	[2,479]	[21,057]
UNREALIZED HOLDING GAIN ON SECURITIES	3,712	1,533	2,178	2,017
TREASURY STOCK	(108,596)	(49,955)	(58,641)	(8,956)
TOTAL SHAREHOLDERS' EQUITY	1,766,330	1,798,716	(32,385)	1,806,550
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	4,020,625	3,933,993	86,631	3,942,660

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

1. Valuation methods for assets

(1) Valuation of inventories

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

(2) Valuation of securities

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

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

3) Other securities

Marketable securities Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity.
Cost of securities sold is calculated by the moving average method.

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

(3) Accounting for derivative financial instruments

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

2. Depreciation and amortization of fixed assets

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

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

3. Basis for reserves and allowances

(1) Allowance for doubtful accounts

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

(2) Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

(3) Accrued retirement benefits

Accrued retirement benefits are provided for the payment of retirement benefits at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at fiscal year end. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight line method.

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

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

4. Translation of assets or liabilities denominated in foreign currencies into Japanese yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date and resulting translation gains and losses are charged or credited to income.

5. Lease transactions

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

6.Hedge accounting method

Hedge accounting

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

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

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

Hedging policy

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

Assessment of hedge effectiveness

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

Risk management policy with respect to hedge accounting

The Company manages its derivative transactions in accordance with its internal "Policies and Procedures for Risk Management."

7.Consumption Tax

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

8.Change of accounting method

(1) Valuation method for inventories

Until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of cost or market, cost being determined by the average method and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method. Effective April 1, 2003, the Company changed its method of accounting for all inventories to state them at the lower of cost or market, cost being determined by the first-in, first-out method. This change was made in order to establish a sound financial position by reflecting changes in purchase prices in the valuation of inventories considering the fact that the reduction of purchasing costs has made progress and that such trend is anticipated to continue as well as to achieve a better matching of revenue and expenses and an appropriate cost management by applying an inventory valuation method which reflects the actual inventory movements. The effect of this change was immaterial.

(2) Lease transactions

Until the year ended March 31, 2003, noncancelable lease transactions were 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. Effective April 1, 2003, the Company changed its method of accounting for finance leases accounted for as operating leases to accounting for them as finance leases instead of operating leases. This change was made in order to achieve a better matching of revenue and expenses through calculating manufacturing costs more accurately and to establish a better presentation of its financial position by reflecting lease transactions more appropriately on its non-consolidated financial statements, considering the increasing materiality of lease transactions as well as from an international point of view. The effect of this change in method of accounting was to decrease cost of sales and selling, general and administrative expenses by 8,602 million yen and 233 million yen, respectively, to increase operating income by 8,836 million yen, and to increase ordinary income and income before income taxes by 7,868 million yen for the six months ended September 30, 2003 as compared with the corresponding amounts under the previous method. In addition, tangible fixed assets and lease obligation increased by 84,568 million yen and 76,999 million yen, respectively, as of September 30, 2003 as compared with the corresponding amounts under the previous method.

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

(1) Accumulated depreciation of property, plant and equipment amounted to yen 1,295,457 million.

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

(3) As endorser of documentary export bills discounted with banks: Yen 2,106 million

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

Guarantees total yen 434,178 million (yen 232,368 million),

The above included employee's residence mortgages which is insured in full of yen 175,823 million and mortgages with pledge of yen 25,500 million .

Guarantees of yen 93,584 million related to the construction of Canton Plant are also included in those relating to subsidiaries.

Commitments to provide guarantees total yen 1,399 million.

Letters of awareness and others total yen 20,054 million (yen 20,054 million)

Letters of awareness concerning transfers of receivables total yen 90,000 million (yen 24,164 million)

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

Liabilities of such subsidiaries totaled yen 1,673,794 million

(5) Depreciation

Property, plant, and equipment: Yen 41,724 million

Intangible assets: Yen 5,172 million

(6) Fair value information on securities of subsidiaries and affiliates

(Millions of yen)

	as of Sept 30, 2003			as of Sept 30, 2002			as of Mar 31, 2003		
	Carrying Value	fair value	differences	Carrying Value	fair value	differences	Carrying Value	fair value	differences
Subsidiaries	10,981	34,831	23,849	10,981	39,442	28,461	10,981	30,100	19,118
Affiliates	32,419	119,985	87,566	36,488	87,316	50,827	33,978	103,752	69,774
Total	43,401	154,816	111,415	47,470	126,759	79,289	44,960	133,853	88,893

(7) Lease Transactions

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

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

(Millions of yen)

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Buildings	-	-	-	9,457	210	9,246	9,496	422	9,073
Machinery & equipment	-	-	-	1,686	591	1,095	1,686	704	981
Tools, furniture & fixtures	-	-	-	98,775	55,349	43,425	116,113	47,034	69,079
Others	-	-	-	1,033	597	436	1,099	650	448
Total	-	-	-	110,953	56,748	54,204	128,395	48,812	79,582

2. Future lease payments

(Millions of yen)

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	within one year	over one year	Total	within one year	over one year	Total	within one year	over one year	Total
	-	-	-	21,584	33,563	55,148	26,362	54,003	80,366

3. Lease payments, depreciation and interest expense

(Millions of yen)

	FY2003 1st Half			FY2002 1st Half			FY2002		
	Lease payments	Depreciation	Interest expense	Lease payments	Depreciation	Interest expense	Lease payments	Depreciation	Interest expense
	-	-	-	15,399	14,052	1,210	29,264	26,682	2,292

Note 1:Method of calculation of depreciation

Depreciation of leased assets is calculated by the straight-line method over the respective lease terms with the residual value of zero.

Note 2:Method of calculation of interest portion

The interest portion included in the lease payments is calculated as the difference between the aggregate lease payments during the lease term and the relevant pro forma acquisition costs. Interest expense is allocated to each period by the interest method over each respective lease term.

Note 3:Finance leases except for those under which the ownership of leased assets is transferred to lessee are excluded from the table presented above because those finance leases are accounted for as such.

(2) Operating leases

Future lease payments

(Millions of yen)

	as of Sep 30, 2003			as of Sep 30, 2002			as of Mar 31, 2003		
	within one year	over one year	Total	within one year	over one year	Total	within one year	over one year	Total
	195	492	687	124	231	355	107	159	267