Financial Information as of March 31, 2004

(The English translation of part of
the "Yukashoken-Houkokusho" for
the year ended March 31, 2004)

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Part I　Information on the Company

1. Overview of the Company

1. Key financial data and trends

(1) Consolidated financial data

Fiscal year		101st	102nd	103rd	104th	105th
Year ended		March 31, 2000	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004
Net sales	Millions of yen	5,977,075	6,089,620	6,196,241	6,828,588	7,429,219
Ordinary income (loss)	Millions of yen	△1,642	282,309	414,744	710,069	809,692
Net income (loss)	Millions of yen	△684,363	331,075	372,262	495,165	503,667
Net assets	Millions of yen	929,356	957,939	1,620,822	1,808,304	2,023,994
Total assets	Millions of yen	6,541,184	6,451,243	7,215,005	7,349,183	7,859,856
Net assets per share	Yen	236.71	241.07	358.84	434.11	493.85
Basic net income (loss) per share	Yen	△179.98	83.53	92.61	117.75	122.02
Diluted net income per share	Yen	—	79.45	92.13	116.88	120.74
Net assets as a percentage of total assets	%	14.2	14.8	22.5	24.6	25.8
Return on equity	%	—	35.08	28.87	28.88	26.29
Price earnings ratio	Times	—	9.46	10.13	6.71	9.55
Cash flows from operating activities	Millions of yen	292,091	73,251	222,214	575,378	797,417
Cash flows from investing activities	Millions of yen	△180,412	△15,585	△524,389	△515,374	△756,126
Cash flows from financing activities	Millions of yen	△318,083	△263,094	280,915	△72,764	△113,740
Cash and cash equivalents at end of year	Millions of yen	490,708	288,536	279,653	269,817	194,164
Employees ( ) represents the number of part-time employees not included in the above numbers as of the fiscal year end	Number	136,397 (5,129) 138,518 (5,129)	124,467 (9,366) 126,171 (9,366)	118,161 (6,938) 120,331 (6,938)	119,988 (7,637) 120,231 (7,637)	119,350 (4,398) 124,606 (6,295)

Notes:
1. Net sales are presented exclusive of consumption tax.
2. Diluted consolidated net income per share for the 101st fiscal year has not been presented because a consolidated net loss was recorded for the year.
3. From the 104th fiscal year, the Company adopted “Accounting Standard for Net Income Per Share” (Accounting Standard No. 2) and “Application Guideline for Accounting Standard for Net Income Per Share” (Application Guideline for Accounting Standard No. 4) in the caluculation of net assets per share, and basic and diluted net income per share. The impact of the adoption of the new standard and the application guideline has been disclosed in V, “Financial Information,” in the accompanying notes to the consolidated financial statements.
4. Staff numbers, which are presented as the lower numbers in the “Employees” line entry, include the staff of unconsolidated companies accounted for by the equity method.

(2) Non-consolidated financial data

Fiscal year		101st	102nd	103rd	104th	105th
Year ended		March 31, 2000	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004
Net sales	Millions of yen	2,997,020	2,980,130	3,019,860	3,419,068	3,480,290
Ordinary income (loss)	Millions of yen	△35,850	135,693	197,932	293,073	228,098
Net income (loss)	Millions of yen	△790,064	187,485	183,449	72,869	80,713
Common stock	Millions of yen	496,605	496,606	604,556	605,813	605,813
Number of shares in issue	Thousands	3,977,294	3,977,295	4,517,045	4,520,715	4,520,715
Net assets	Millions of yen	1,263,075	1,450,159	1,829,052	1,798,716	1,709,705
Total assets	Millions of yen	3,563,853	3,576,466	3,915,031	3,933,993	4,055,579
Net assets per share	Yen	317.57	364.61	404.94	402.65	388.60
Cash dividends per share (Interim cash dividends included herein)	Yen (Yen)	0 (0)	7 (0)	8 {4 for new shares} (0)	14 (4)	19 (8)
Basic net income (loss) per share	Yen	△204.93	47.14	45.61	16.09	18.15
Diluted net income per share	Yen	—	44.85	45.38	15.98	17.97
Net assets as a percentage of total assets	%	35.4	40.5	46.7	45.7	42.2
Return on equity	%	—	13.82	11.19	4.02	4.60
Price earnings ratio	Times	—	16.76	20.57	49.10	64.19
Cash dividends as a percentage of net income	%	—	14.8	18.5	86.0	103.7
Employees ( ) represents the number of part-time employees not included in the above numbers as of the fiscal year end	Number	32,707 (176)	30,747 (138)	30,365 (227)	31,128 (423)	31,389 (463)

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

2. Diluted non-consolidated net income per share for the 101st fiscal year has not been presented because a non-consolidated net loss was recorded for the year.

3. The number of employees represents full-time employees.

4. Effective the 103rd fiscal year, treasury stock has been presented as a component of shareholders' equity instead of as a component of assets in the non-consolidated financial statements. Non-consolidated amounts per share (excluding dividends per share) are calculated based on the number of shares in issue less the number of shares of treasury stock.

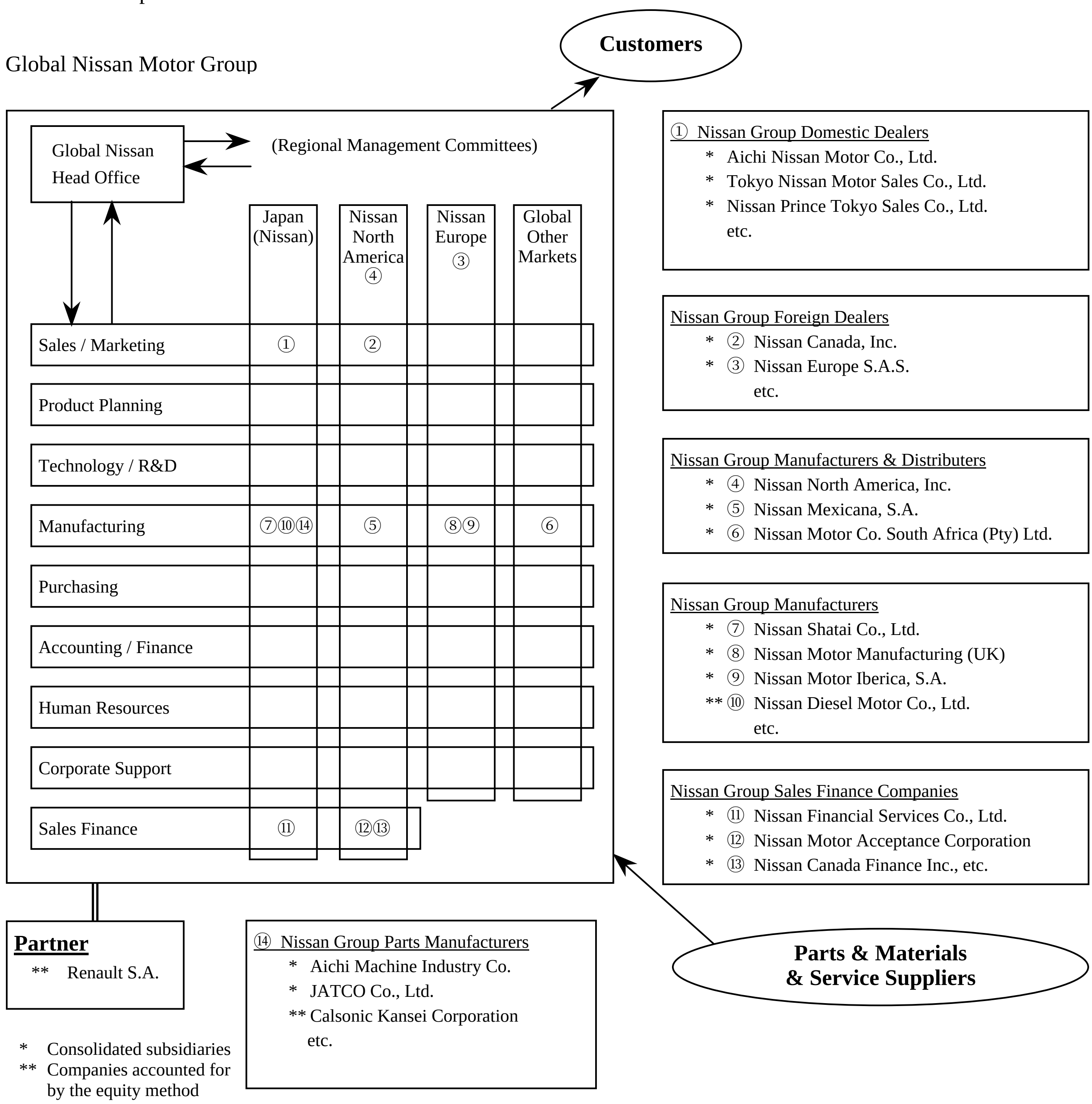
5. Effective the 104th fiscal year, the Company has adopted "Accounting Standard for Net Income Per Share" (Accounting Standard No. 2) and "Application Guideline for Accounting Standard for Net Income Per Share" (Application Guideline for Accounting Standard No. 4) in the calculation of net assets per share, and basic and diluted net income per share.

2. Description of business

The Nissan Group (the "Group" or "Nissan") consists of Nissan Motor Co., Ltd. (the "Company" or "NML"), subsidiaries, affiliates, and other associated companies. Its main businesses include manufacturing and sales of vehicles, forklifts, marine products and related parts. In addition, the Group provides various types of services related to the above businesses such as logistics and sales finance services.

The Group established the Global Nissan Head Office to function as its global headquarters and to monitor various operations through the Global Nissan Group which is a combination of four Regional Management Committees. The Global Nissan Group also handles cross-regional matters such as research & development, purchasing, manufacturing, and so forth.

The Group's structure is summarized as follows:



- In addition to the above companies, *Nissan Trading Co., Ltd., *Nissan Real Estate Development Co., Ltd. and others are included in the Group.
- Our consolidated subsidiaries listed on domestic stock exchanges are as follows:
  Nissan Shatai Co., Ltd. – Tokyo, Aichi Machine Industry Co., Ltd. – Tokyo, Nagoya

3. Information on subsidiaries and affiliates

(1) Consolidated subsidiaries

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
		Millions of yen		%	%	Number	Number	Number			
#☆※ Nissan Shatai Co., Ltd.	Hiratsuka-shi, Kanagawa	7,904	Manufacturing and selling automobiles and parts	42.59	(0.02)	8	—	—	None	Manufacturing certain products on behalf of NML	Leasing of certain land and buildings used in the normal course of business
#※ Aichi Machine Industry Co., Ltd.	Atsuta-ku, Nagoya-shi	8,518	Manufacturing and selling automotive parts	41.43	—	6	1	—	None	Selling certain automotive parts to NML	None
JATCO Co., Ltd.	Fuji-shi, Shizuoka	29,935	Manufacturing and selling automotive parts	81.76	—	7	2	—	None	Selling certain automotive parts to NML	Leasing of certain manufacturing facilities used in the normal course of business
Nissan Kohki Co., Ltd.	Samukawa-machi, Koza-gun, Kanagawa	2,020	Manufacturing and selling automotive parts	97.73	—	2	1	—	None	Selling certain automotive parts to NML	None
Nissan Motor Car Carrier Co., Ltd.	Chuo-ku, Tokyo	640	International transportation of automobiles	60.00	—	3	—	—	None	Marine transportation of automobiles exported	None
Nissan Trading Co., Ltd.	Nishi-ku, Yokohama-shi	320	Importing and exporting automobiles, parts and other	100.00	—	7	—	—	None	Importing automotive parts on behalf of NML	None
# Nissan Financial Services Co., Ltd.	Mihama-ku, Chiba-shi	16,387	Arranging installment sales and automobile leases	100.00	—	2	4	1	38,000	Automobile leases	Leasing of certain facilities used in the normal course of business
Autech Japan, Inc.	Chigasaki-shi, Kanagawa	480	Developing, manufacturing and selling limited edition automobiles	100.00	—	11	—	—	None	Purchasing limited edition automobiles from NML	Leasing of certain land and buildings used in the normal course of business
Nissan Real Estate Development Co., Ltd.	Chuo-ku, Tokyo	1,000	Selling, purchasing and leasing real estate	70.50	(18.00)	4	1	—	None	Selling, purchasing and leasing real estate	Leasing of certain land and buildings to NML for its employees
Nissan Finance Co., Ltd.	Minato-ku, Tokyo	2,491	Finance and accounting support	100.00	—	—	6	—	¥1,107,050 million as the source of loans made to Group companies	Making loans to domestic subsidiaries	Leasing of certain systems used in the normal course of business
Aichi Nissan Motor Co., Ltd.	Atsuta-ku, Nagoya-shi	4,000	Selling automobiles and parts	100.00	—	3	2	1	None	Purchasing products manufactured by NML	None
Tokyo Nissan Motor Sales Co., Ltd.	Ota-ku, Tokyo	3,400	Selling automobiles and parts	100.00	—	3	2	3	None	Purchasing products manufactured by NML	None
Nissan Prince Tokyo Motor Sales Co., Ltd.	Shinagawa-ku, Tokyo	3,246	Selling automobiles and parts	100.00	—	3	2	—	None	Purchasing products manufactured by NML	None
Nissan Satio Osaka Co., Ltd.	Osaka-shi, Osaka	10	Selling automobiles and parts	100.00	—	1	2	—	None	Purchasing products manufactured by NML	None
Nissan Parts Chuo Sales Co., Ltd.	Isogo-ku, Yokohama-shi	545	Selling parts for automobile repairs	80.61	(37.12)	8	2	—	None	Purchasing parts for repairs from NML	None
Other domestic consolidated subsidiaries		85 companies									
Total domestic consolidated subsidiaries		100 companies									

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number			
☆ Nissan Europe S.A.S.	Trappes, Cedex, France	Millions of Euro 1,626	Managing manufacturing and sales in Europe	100.00	—	—	3	4	None	Purchasing products manufactured by NML	None
Nissan International Finance (Netherlands) B.V.	Amsterdam, The Netherlands	Millions of Euro 13	Financing for group companies	100.00	(100.00)	—	1	2	None	Extending loans to NML's European subsidiaries	None
Nissan France S.A.	Trappes, Cedex, France	Millions of Euro 4	Selling automobiles and parts	94.77	(94.77)	—	1	3	None	Purchasing products manufactured by NML	None
Nissan Motor (GB) Ltd.	Rickmansworth, Hertfordshire, United Kingdom	Millions of £ stg. 136	Selling automobiles and parts	100.00	(100.00)	—	—	3	None	Purchasing products manufactured by NML	None
☆ Nissan Holding (UK) Ltd.	Washington Road, Tyne & Wear, United Kingdom	Millions of Euro 870	Holding company for English subsidiaries	100.00	(100.00)	—	—	—	None	None	None
Nissan Italia S.p.A.	Rome, Italy	Millions of Euro 5	Selling automobiles and parts	100.00	(100.00)	—	1	1	None	Purchasing products manufactured by NML	None
☆ Nissan Motor Manufacturing (UK) Ltd.	Washington Road, Tyne & Wear, United Kingdom	Millions of £ stg. 250	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	1	2	None	Purchasing products manufactured by NML	None
Nissan Technical Center Europe Ltd.	Granfield, United Kingdom	Millions of £ stg. 15	Conducting research and development activities, and testing and assessing various automobiles in Europe	100.00	(100.00)	—	—	—	None	Designing and developing automobiles on behalf of NML	None
Nissan Forklift Europe B.V.	Amsterdam, The Netherlands	Millions of Euro 6	Selling forklifts and parts	100.00	—	—	1	2	None	Purchasing products manufactured by NML	None
☆ Nissan Motor Iberica, S.A.	Barcelona, Spain	Millions of Euro 725	Manufacturing and selling automobiles and parts	99.76	(93.21)	—	4	—	None	Purchasing products manufactured by NML	None
Nissan Motor Espana, S.A.	Barcelona, Spain	Millions of Euro 12	Selling automobiles and parts	100.00	(100.00)	—	1	—	None	Purchasing products manufactured by NML	None
Nissan Forklift Espana, S.A.	Noain, Spain	Millions of Euro 9	Manufacturing and selling forklifts and parts	100.00	(100.00)	—	1	—	None	Purchasing products manufactured by NML	None
☆ ◎Nissan North America, Inc.	Gardena, California, USA	Millions of US$ 1,791	Managing subsidiaries in North America and manufacturing and selling automobiles and parts	100.00	—	—	2	—	None	Purchasing products manufactured by NML	None
Nissan Motor Acceptance Corporation	Torrance, California, USA	Millions of US$ 499	Financing wholesale and retail sales of automobiles in the United States	100.00	(100.00)	—	2	1	None	Financing sales of products manufactured by NML	None
Nissan Motor Corporation in Hawaii, Ltd.	Honolulu, Hawaii, USA	Millions of US$ 6	Selling automobiles and parts	100.00	(100.00)	—	2	—	None	Purchasing products manufactured by NML	None
Nissan Capital of America, Inc.	Torrance, California, USA	Millions of US$ 1	Financing for group companies	100.00	(100.00)	—	1	1	None	Extending loans to NML's subsidiaries in the United States	None
Nissan CR Corporation	Farmington Hills, Michigan, USA	Millions of US$ 28	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Selling products manufactured by NML to Nissan North America, Inc.	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number			
Nissan Technical Center North America, Inc.	Farmington Hills, Michigan, USA	Millions of US$ 16	Conducting research and development activities, and testing and assessing various automobiles in the United States	100.00	(100.00)	—	2	1	None	Designing and developing automobiles on behalf of NML	None
Nissan Motor Insurance Corporation	Honolulu, Hawaii, USA	Millions of US$ 10	Casualty insurance	100.00	(100.00)	—	—	3	None	None	None
Nissan Forklift Co., North America	Marengo, Illinois, USA	Millions of US$ 34	Manufacturing and selling forklifts and selling parts for forklifts	100.00	(73.91)	—	—	4	None	Purchasing products manufactured by NML	None
Nissan Canada, Inc.	Mississauga, Ontario, Canada	Millions of C$ 68	Selling automobiles and parts	100.00	(61.66)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Canada Finance Inc.	Mississauga, Ontario, Canada	Millions of C$ 170	Financing wholesale and retail sales of automobiles in Canada	100.00	(100.00)	—	1	—	None	Financing sales of products manufactured by NML	None
☆ Nissan Mexicana, S.A. de C.V.	Mexico D.F., Mexico	Millions of Peso 17,056	Manufacturing and selling automobiles and parts	100.00	(0.00)	—	2	2	None	Purchasing products manufactured by NML	None
Nissan Motor Co. (Australia) Pty. Ltd.	Dandenong, Victoria, Australia	Millions of A$ 290	Selling automobiles and parts	100.00	—	—	1	—	None	Purchasing products manufactured by NML	None
Nissan Motor Company South Africa (Pty) Ltd.	Rosslyn, South Africa	Millions of Rand 39	Managing subsidiaries in Africa and manufacturing and selling automobiles	99.40	—	—	2	1	None	Purchasing products manufactured by NML	None
Nissan New Zealand Ltd.	Auckland, New Zealand	Millions of NZ$ 51	Managing subsidiaries in New Zealand and selling automobiles	100.00	—	—	1	—	None	Purchasing products manufactured by NML	None
Nissan Middle East F.Z.E.	Dubai, UAE	Millions of Dh. 2	Selling automobiles	100.00	—	—	2	3	None	Purchasing products manufactured by NML	None
Nissan Motor (China) Ltd.	Hong Kong, China	Millions of HK$ 16	Selling automobiles	100.00	—	—	1	1	None	Purchasing products manufactured by NML	None
Other foreign consolidated subsidiaries		58 companies									
Total foreign consolidated subsidiaries		86 companies									
Total consolidated subsidiaries		186 companies									

(2) Affiliates accounted for by the equity method

Name of company	Location	Capital (Millions of yen)	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number			
# Calsonic Kansei Corporation	Nakano-ku, Tokyo	19,838	Manufacturing and selling parts for automobiles	27.74	—	7	1	—	None	Selling certain parts for automobiles to NML	None
# Nissan Diesel Motor Co., Ltd.	Ageo-shi, Saitama	65,835	Manufacturing and selling automobiles and parts for automobiles	24.57	(0.67)	1	1	—	None	Manufacturing certain products on behalf of NML and selling certain parts for automobiles to NML	None
# Kinugawa Rubber Industrial Co., Ltd.	Inage-ku, Chiba-shi, Chiba	5,654	Manufacturing and selling parts for automobiles	20.25	—	4	—	—	None	Selling certain parts for automobiles to NML	None
Dongfeng Motor Co., Ltd.	Hubei-checheng, Peoples' Republic of China	Millions of Rmb 7,204	Manufacturing and selling automobiles and parts for automobiles	50.00	—	—	3	4	None	Purchasing products manufactured by NML	None
Renault (Note 9)	Billancourt, France	Millions of Euro 1,086	Manufacturing and selling automobiles and parts for automobiles	15.00	(15.00)	—	2	—	None	Partnership organization, Renault-Nissan BV was established.	None
Other affiliates accounted for by the equity method	22 companies										
Total affiliates accounted for by the equity method	27 companies										

Notes:
1. Companies marked ☆ are specified subsidiaries.
2. Companies marked # have filed their securities registration statements or securities reports.
3. Net sales (excluding intercompany sales within the Group) of each company marked ◎ exceeded 10% of the consolidated net sales for the year ended March 31, 2004. However, the key financial data for these companies has been omitted because their net sales constituted more than 90% of the sales in their respective geographical segments.
4. Although the percentage of their voting rights held by NML is equal to, or less than, 50%, the companies marked ※ have been consolidated because they are substantially controlled by NML.
5. Effective April 1, 2003, Nissan Keihin Service Center Co., Ltd., which inspects new vehicles and provides maintenance services, and Nissan Used Car Center Co., Ltd. which sells used cars and parts, both of which were consolidated in prior fiscal years, have been accounted for by the equity method. This change was made in order to reflect changes in management and in the decision-making process with regard to domestic affiliates and because of their immaterial impact on the consolidated financial statements.
6. Hashimoto Forming Co., Ltd., which manufactures and sells parts for automobiles, has been excluded from the scope of the equity method since all shares held by the Company were transferred to MH Investment Ltd. effective September 18, 2003.
7. Ooi Seisakusho Co., Ltd., which manufactures and sells parts for automobiles, has been excluded from the scope of the equity method since all shares held by the Company were exchanged for shares of Mitsui Metal & Mining Co., Ltd. effective April 1, 2003.
8. Yulon Motor Co., Ltd., engaged in the manufacture and sales of automobiles, was excluded from the scope of the equity method since all shares held by the Company were transferred to Yulon Motor Co., Ltd. on October 30, 2003.
9. Although the exercise of voting rights of the shares in Renault indirectly held by the Company is restricted in accordance with the Commercial Code of France, the Company has accounted for its investment in Renault by the equity method as the Company exerts an important influence on Renault through its participation in a jointly and equally owned management company (Renault-Nissan BV) and through its Board members (comprising 50% of Renault-Nissan BV's Board of Directions). This joint venture company has the power to decide business issues of importance to both Renault and Nissan based on the Articles of Association of each company and on a mutual agreement.

4. Employees

(1) Consolidated companies

(At March 31, 2004)

Geographical segments	Number of employees	
Japan	78,340	(4,018)
North America	17,481	(177)
Mexico	7,954	(37)
Europe	12,412	(37)
Other overseas countries	3,163	(129)
Total	119,350	(4,398)

Note: The number of employees presented above represents full-time employees. The figures in parentheses represent part-time employees at March 31, 2004 who have not been included in the number of full-time employees.

(2) The Company

(At March 31, 2004)

Number of employees	Average age (years)	Average years of service (years)	Average annual salary (yen)
31,189 (463)	40.8	19.7	7,046,648

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent part-time employees at March 31, 2004 who have not been included in the number of full-time employees.

2. The average annual salary represents the average salary for employees who are not in material positions and includes bonuses and overtime pay.

2. Business Overview

1. Overview of business results

(1) Operating results

Net sales for the year ended March 31, 2004 totaled ¥7,429.2 billion, which represents an increase of ¥600.6 billion (8.8%) over net sales for the prior year. Operating income also rose to ¥824.9 billion, an increase of ¥87.6 billion (11.9%) over the corresponding amount recorded in the prior year, the highest on record for the Nissan Group. As a result, operating income as a percentage of net sales for the current year improved to 11.1% from 10.8%.

Net non-operating expenses for the year ended March 31, 2004 amounted to ¥15.2 billion, a decrease of ¥12.0 billion from those of the prior year. This improvement is primarily attributable to a reduction in interest-bearing debt related to the automobile business as well as to the decrease in amortization of the net retirement benefit obligation at transition resulting from the return of the substitutional portion of the welfare pension fund plan. As a result, ordinary income for the current year increased by ¥99.6 billion (14.0%) over the corresponding amount for the prior year to ¥809.7 billion. Net special loss for the year ended March 31, 2004 totaled ¥73.2 billion, a deterioration of ¥57.8 billion from that of the prior year. This is primarily attributable to a decrease in gain on the disposition of property and equipment. Finally, income before income taxes and minority interests and net income for the year ended March 31, 2004 increased by ¥41.9 billion (6.0%) and ¥8.5 billion (1.7%) to ¥736.5 billion and ¥503.7 billion, respectively, over the corresponding amounts of the prior year.

The operating results by business segment are summarized as follows:

a. Automobiles

The Group's worldwide automobile sales (on a retail basis) for the year ended March 31, 2004 increased by 287 thousand units (10.4%) to 3,057 thousand units from the figure recorded in the prior year. The number of vehicles sold in Japan increased by 2.6% to 837 thousand units. Vehicles sold in the United States increased by 17.9% to 856 thousand units, while those sold in Europe increased by 14.4% to 542 thousand units and vehicle sales in other overseas countries went up 9.0% to 822 thousand units.

Net sales in the automobile segment (including intersegment sales) for the current year rose by ¥608.7 billion (9.4%) over those of the prior year to ¥7,095.9 billion.

Operating income for the year ended March 31, 2004 increased by ¥86.1 billion (12.9%) to ¥755.3 billion. This is primarily attributable to various factors such as the increase in the number of vehicles sold, the favorable sales mix, reductions in purchase costs, and so forth, which, however, were partially offset by higher R&D costs, expenditures to enhance the Group's product lines and to comply with various local regulations on a worldwide basis, and the overall unfavorable impact of foreign exchange rate fluctuation.

b. Sales finance

Net sales (including intersegment sales) for the current year decreased by ¥29.9 billion (7.5%) to ¥366.0 billion. This decline primarily reflects recent unfavorable changes in foreign exchange rates and a change in the method of accounting for finance leases. Operating income for the current year rose by ¥4.9 billion (8.2%) over that of the prior year to ¥64.8 billion.

Operating results by geographic segment are summarized as follows:

a. Japan

- Net sales (including intersegment sales) for the current year fell by ¥35.2 billion (0.8%) from corresponding net sales recorded in the prior year to ¥4,285.3 billion.

- Operating income for the current year decreased by ¥38.1 billion (9.8 %) from that of the prior year to ¥352.5 billion, primarily due to an unfavorable sales mix and to increases in R&D costs.

b. North America

- Net sales (including intersegment sales) for the current year rose sharply by ¥402.1 billion (13.8%) coming in at ¥3,314.4 billion.

- Operating income for the current year posted a sharp increase of ¥95.3 billion (31.3%) over the prior year's results and reached ¥399.8 billion, primarily due to a rise in the number of vehicles sold, and to a favorable sales mix, among other factors.

c. Europe

- Net sales (including intersegment sales) for the current year posted a significant increase of ¥205.5 billion (20.8%) exceeding those of the prior fiscal year by ¥1,195.7 billion.

- Operating income for the current year soared ¥27.2 billion (124.0%) to reach ¥49.2 billion, primarily due to the increase in the number of vehicles sold and to the favorable trend of foreign currency exchange rates in Europe.

d. Other overseas countries

- Net sales (including intersegment sales) for the current year decreased slightly by ¥4.4 billion (1.0%) from those of the prior year to ¥431.1 billion.

- Operating income for the current year increased to ¥18.1 billion, ¥1.4 billion (8.2%) over that of the prior year, primarily due to favorable changes in foreign currency exchange rates.

(2) Cash flows

Cash and cash equivalents amounted to ¥194.2 billion at the end of this fiscal year for a decrease of ¥75.7 billion (28.1%) from the corresponding balance at the end of the prior fiscal year. This primarily represents the net result of an increase in cash flows from operating activities driven by income before income taxes and minority interests of ¥736.5 billion and the decrease in cash flows from investing activities and financing activities.

(Cash flows from operating activities)

Cash and cash equivalents provided by operating activities, which amounted to ¥797.4 billion for the current fiscal year, increased by ¥222.0 billion (38.6%) from the ¥575.4 billion recorded in the prior fiscal year. This primarily reflects the increase in income before income taxes and minority interests.

(Cash flows from investing activities)

Cash and cash equivalents used in investing activities, which amounted to ¥756.1 billion for the current fiscal year, rose by ¥240.7 billion (46.7%) from the ¥515.4 billion recorded in the prior fiscal year. This sharp increase is primarily attributable to higher expenditures for purchases of fixed assets and investment securities.

(Cash flows from financing activities)

Cash and cash equivalents used in financing activities, which amounted to ¥113.7 billion for the current fiscal year, increased significantly by ¥40.9 billion (56.3%) from the corresponding total of ¥72.8 billion in the prior fiscal year, reflecting the increase in cash outflows for the acquisition of treasury stock as well as for the payment of dividends.

2. Production, orders received and sales

(1) Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	1,444,314	1,475,063	30,749	2.1
The United States	392,458	619,665	227,207	57.9
Mexico	340,658	308,322	△32,336	△9.5
The United Kingdom	297,719	331,924	34,205	11.5
Spain	84,919	116,589	31,670	37.3
South Africa	25,629	28,925	3,296	12.9
Indonesia	905	2,921	2,016	222.8
Total	2,586,602	2,883,409	296,807	11.5

Notes: 1. The figures for the current fiscal year represent vehicles produced during the year ended March 31, 2004 in Japan and the United States. Those produced in the five other countries represent the production figures for the year ended December 31, 2003.

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

(2) Orders received

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

(3) Actual sales

Sales to	Number of vehicles sold (on a consolidated basis)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	792,767	799,206	6,439	0.8
North America	1,040,684	1,204,882	164,198	15.8
Europe	458,222	548,693	90,471	19.7
Other overseas countries	344,013	394,001	49,988	14.5
Total	2,635,686	2,946,782	311,096	11.8

Notes: 1. The figures for the current fiscal year represent vehicles sold during the year ended March 31, 2004 in Japan and North America (excluding Mexico). Those sold in Mexico, Europe and the other overseas countries represent the sales figures for the year ended December 31, 2003.

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

3. Issues and outlook for the fiscal year ahead

By following the Nissan 180 Plan, the Group has achieved its best operating results ever in the current fiscal year, and recorded the highest level of consolidated operating income margin in the global automobile industry, continuing from the prior year. Despite the fact that most of the initially predicted risks have become a reality, the Group has succeeded in taking full advantage of many anticipated opportunities by a steady and smooth implementation of the Nissan 180 Plan.

The next fiscal year will mark the final year for the Nissan 180 Plan and the Group is confident that the three key goals of the Nissan 180 Plan will be achieved:

1) By the end of the next fiscal year, calculated as one year from October 2004 to September 2005, to increase the Group’s global sales, including sales of related brands, by one million units over sales recorded in fiscal year 2001;
2) To achieve an 8% consolidated operating income margin under the same accounting policies and thus record the highest level of profit performance in the global automobile industry; and
3) To decrease net consolidated interest-bearing liabilities in the automobile business to zero under the same accounting policies.

The Group has been able to achieve two of the above goals, both met by the end of fiscal year 2002. The Group achieved its target of 8% consolidated operating income margin, and wiped out net consolidated interest-bearing liabilities in its automobile business at the same time. The one challenge remaining is to increase sales by one million units, a target which is fully expected to be met.

The Group plans to launch 9 new models during the next fiscal year and present globally a total of 20 new products. Most of these new products will be launched in the second half of the year and sales are anticipated to increase towards the end of the current fiscal year continuing through September 2005, thus contributing to the increase in sales of one million units as projected in the Nissan 180 Plan.

In Japan, the demand for automobiles is anticipated to remain at the same level as that of the prior year. The Group aims to boost sales by launching 6 models: a luxury sedan, 4 compact models and the Murano (a model which, for the first time, is being launched as a cross-over sports utility vehicle).

In the United States, sales of full size truck and mini-van models produced at the Canton plant have risen, and the brand image in a new segment in both the Nissan and Infinity channels is expected to be established. With the demand for automobiles remaining at the same level as that of the previous year, the number of vehicles sold through both the Nissan and Infinity channels is expected to rise following the introduction of 6 new models and the renewal of popular models sold in large quantities such as the Xterra, the Frontier, and the Pathfinder.

In Europe, the demand for automobiles is also anticipated to remain at the same level as that of the prior year. There are no plans for the Group to launch new models in the European market for the next fiscal year; however, it is expected that the Micra as well as four-wheel-drive vehicles will continue to contribute greatly to higher European sales.

In other overseas countries, the Group expects that its planned launch of 8 new models will result in a surge in sales. Sales of commercial vehicles by Dongfeng Motor Co., Ltd. will also be included in consolidated net sales effective the next fiscal year.

The Group is exposed to a constantly changing global environment which, needless to say, involves both risks and opportunities. Among the various risk factors, fluctuation in foreign exchange rates, changing markets and projected increases in interest rates pose significant challenges. On the other hand, the plus factor which offers the greatest possibility is the rapid and successful implementation of the Nissan 180 Plan as it heads into its final year.

4. Business and other risks

With regard to disclosure in the Business Overview, Financial Information and other parts of this Yukashoken-Houkokusho, the salient items which may affect the decisions of our investors can be grouped under the following risk factors.

Any future forecasts included in the following descriptions are based on the estimates or judgment of Nissan as of June 24, 2004.

(1) Economic Factors

The demand for products manufactured by the Group is affected by the economic conditions in each country or market in which they are offered for sale. The Group conducts its operations all over the world and, in particular, in the major markets of North America, Europe, and Asia, to say nothing of Japan. While the Group strives to develop a comprehensive and integrated projection of the global economic outlook, any greater-than-anticipated downturn in one of these markets may have a significant effect on the Group's financial position and results of operations.

(2) International Activities and Overseas Expansion

The Group's manufacturing and marketing activities outside Japan are conducted in the United States, in Europe, and in the developing and emerging markets of Asia. The Group forecasts and evaluates a wide variety of risks inherent in doing business in such overseas markets including the following factors, each of which entails a greater-than-anticipated level of risk:

- Unfavorable political or economic factors
- Legal or regulatory changes
- Potentially adverse tax consequences
- Labor disputes including strikes
- Difficulties in recruiting and retaining personnel
- Social, political or economic turmoil due to terrorism, war, or other destabilizing factors.

(3) Research and Development

The Group's technology must be "real world" — useful, pragmatic and easy to use. The Group anticipates the nature and scope of the market demand, and then prioritizes and invests in new technologies. Nonetheless, any sudden and greater-than-anticipated changes in its business environment or in customer preferences may impact negatively on customer satisfaction with these new technologies.

(4) Product Defects

The Group places a high priority on safety and does its best to enhance safety from the standpoint of research and development, manufacturing and sales. Although the Group takes out insurance policies to cover product liability, this does not necessarily mean that all potential defects and the related liabilities are fully covered. If the Group were to implement strict product recalls for its customers, the Group would incur significant additional expenses which could adversely affect its financial position and results of operations.

(5) Fluctuation in Foreign Currency Exchange Rates

The Group's Japanese operations export vehicles to various countries around the world. In general, the appreciation of the yen against other currencies adversely affects the Group's financial results of operations and, on the contrary, the depreciation of the yen against other currencies favorably affects the Group's financial results of operations. Any sharp appreciation of the currencies of those countries against the yen could lead to increases in both procurement and production costs which would adversely affect the Group's competitiveness.

(6) Derivatives

The Group utilizes derivatives transactions for the purpose of hedging its exposure to fluctuation in foreign exchange rates, interest rates and commodity prices. While the Group can hedge against these risks by using derivatives transactions, the Group, by so doing, may miss the potential gains which could result from seizing the market opportunities to profit from such fluctuation in exchange rates and interest rates.

In addition, the Group manages its exposure to credit risk by limiting its counterparties to financial institutions with high credit ratings. However, a default by any one of these counterparties could have an adverse effect on the Group's financial position and operating results.

(7) Lawsuits and Claims

With respect to various lawsuits and claims which the Group encounters, the possibility exists that the position defended by the Group will not be accepted and that the outcome may be significantly different from that anticipated. As a result, any such verdict or settlement could adversely affect the Group's financial position and operating results.

(8) Government Regulations

The automobile industry worldwide is influenced by a broad spectrum of regulations governing the emission levels of exhaust fumes, fuel economy guidelines, noise level limitations and safety standards, and the Group expects these regulations to become increasingly stringent. In order to ensure compliance, it may be necessary for the Group to make significant ongoing investments in these areas which would have an impact on its financial position and results of operations.

(9) Intellectual Property Rights

The Group owns a wide variety of proprietary technologies and has the expertise to differentiate the Group's products making them unique from those of its competitors. These assets have proven their value in the growth of the Group's business and will, no doubt, continue to be of value in the future. The Group strives to protect its intellectual property assets; however, in certain markets, the Group may encounter difficulty in fully protecting the proprietary rights to its own technologies. Cases may arise where the Group finds itself unable to prohibit others from infringing on its intellectual property rights.

(10) Natural Disasters

The Group's corporate headquarters and many of its manufacturing facilities are located in Japan, where the statistically proven probability of earthquakes is higher than in many other countries. The Group has developed risk management guidelines relating to earthquake damage and the CEO has organized a global task force to direct disaster prevention and recovery activities. In addition, the Gruop has begun to strengthen its manufacturing facilities with anti-seismic reinforcement. However, if a severe earthquake were to hit one of the Group's key facilities causing a halt in production, this would adversely affect the Group's financial position and results of operations.

(11) Sales Financing Business Risk

Sales financing is an integral part of the Group's core business, providing strong support to its automotive sales, while maintaining high profitability and a sound and stable financial condition through strict risk management policies. However, the sales financing companies have a high exposure to interest-rate risk, residual value risk, and credit risk, any one of which may adversely affect the Group's financial position and results of operations.

(12) Counterparty Credit Risk

The Group does business with a variety of counterparties and manages its counterparty credit risk by conducting a comprehensive annual assessment of its customers' financial condition based on their financial information. Nonetheless, any significant default by a counterparty would adversely affect the Group's financial position and results of operations.

(13) Employee Retirement Benefit Expenses and Obligations

The amount of retirement the Group's benefit obligation and related expenses are calculated using various actuarial assumptions including the discount rate applied, the projected rate of return on plan assets, and so forth. If the Group's actual results differ from those assumptions or if the assumptions are changed, the resulting effects will be accumulated and recognized systematically over future periods. The cumulative effect could adversely impact the recognition of expenses and liabilities recorded in future periods.

5. Important Business Contracts

Company which entered into agreement	Counterparty	Country	Agreement	Date on which agreement entered into
Nissan Motor Co., Ltd. (The filer of this Yukashoken-Hokokusho)	Renault	France	Overall alliance in the automobile business including capital injections	March 27, 1999

6. Research and development activities

The Group has been conducting research and development activities to offer vehicles which meet its customers' expectations and to create technologies which promote safety as well as global environmental protection.

The research and development costs of the Group amounted to ¥354.3 billion for this fiscal year.

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

The Group's domestic research and development organization includes the Nissan Technical Center (Atsugi-shi, Kanagawa) which takes a leading role in planning, designing and developing new products, the Nissan Research Center (Yokosuka-shi, Kanagawa) which conducts fundamental and application research activities, and several proving grounds in Hokkaido, Tochigi and Oppama. Additionally, the Company purchased a vacant lot on Aoyama Gakuin University's Atsugi Campus near the Technical Center in Atsugi-shi in March 2003 and is building the Nissan Advanced Technology Center (NATC) on this site, which will be the central core of its R&D.

Major subsidiaries and affiliates also conduct research and development activities: Nissan Shatai Co., Ltd., Nissan Diesel Motor Co., Ltd. and Nissan Light Truck Co., Ltd. (jointly established with Nissan Diesel Motor Co., Ltd. on October 1, 2003) are in charge of the development of certain models of passenger cars and commercial vehicles, and Nissan Diesel Motor Co., Ltd., Aichi Machine Industry Co., Ltd., Nissan Kohki Co., Ltd. and JATCO Co., Ltd. are in charge of the development of certain engines and transmission trains.

The research and development activities conducted in Japan during this fiscal year culminated in the introduction of the "Cube^3" ("Cube Cubic"), a light commercial vehicle called the "Clipper," and the "Fairlady Z Roadster," and also resulted in full model changes to the "Presage," the "President," and minor changes to the "Caravan," the "X-Trail," the "Primera Sedan/Wagon," the "Cima," and the "Moco."

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

The Nissan Group operates the Nissan Technical Center North America, Inc., which plans and designs vehicles, and Nissan Design America, Inc., which designs vehicles. They are jointly developing the "Altima," the "Sentra," the "Frontier" (called the "Datsun" in Japan), the "Xterra," the "Maxima," the "Titan," the "Pathfinder Armada," the "Infinity FX 45," the "Quest," and the "Infinity QX 56."

In Europe, the Nissan Technical Center Europe Ltd., which has its operations in the United Kingdom, Belgium and Spain, is developing the "Primera" made in Europe, the "Almera," the "Micra" (called the "March" in Japan) and the "Terrano II," a small four-wheel-drive vehicle made in Europe. Nissan Design Europe Ltd. in England was established for the purpose of planning and designing vehicles to strengthen the Group's design capabilities.

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

The Nissan Group has continued to make a comprehensive effort to protect the global environment by launching clean-energy vehicles and by developing environmentally-friendly technologies to reduce carbon dioxide, to clean the exhaust fumes emitted by vehicles and to recycle resources. More than 85% of the gasoline-powered vehicles sold domestically have already been qualified as "ultra low emission vehicles" ("U-LEVs")," and the "Bluebird Sylphy" has been qualified as a "SU-LEV" (exhaust emission has been reduced by 75% as prescribed by the 2005 exhaust emissions standard), which emits exhaust fumes at almost half of the emission level of a U-LEV, for the first time in Japan. In addition, the Company has expanded the scope of installation of the "XTRONIC CVT," a belt-type CVT which enables both smooth acceleration and high fuel efficiency, from 1L-class, to 3.5L FF vehicles, and has installed this CVT in the Cube Cubic and Presage models.

With respect to "clean energy vehicles," the Company has launched lease-sales of its "X-TRAIL FCV" (a Fuel Cell Vehicle) two years earlier than specified in the initial sales plan, and has also released a new model called "Caravan CNG Vehicle" (Compressed Natural Gas Vehicle). In particular, for the X-TRAIL FCV, the cruising distance and maximum output were improved drastically by using a compact lithium-ion battery with high power density and a self-produced high output motor. A carbon dioxide air conditioner, which has a much lower impact on the greenhouse effect compared to CFC substitutes, is also installed in this model.

As for the promotion of recycling, the Company has established a technology which utilizes shredder dust (automotive shredder residue) multi-fuel combustion in a recycling furnace at its Oppama Plant, and has commenced recycling. The Company has also agreed to form "ART" (Automotive Shredded Residue Recycling Promoting Team) with 8 other automakers in order to implement shredder dust recycling adequately, smoothly and efficiently.

To make our efforts to protect the global environment more transparent and fair, in 1998, the Company acquired an ISO 14001 certificate for our environment management system. Our ISO 14001 efforts covered not only product development processes but also operating activities, and in fiscal year 2002, an expanded ISO 14001 certificate was awarded to our Technical Center as a global base for product development. As a result, our ISO 14001 registration has been changed from "product development process" to "technical center." We will strive to develop world-class efficient environmental protection technologies and, as a responsible member of the global community, to reduce the impact of pollution on the environment.

In terms of safety, the Company has set a target to "Halve the number of fatalities and/or injuries in accidents involving Nissan vehicles." Under our basic policy to implement effective safety measures developed based on actual accidents, Nissan has taken the initiative in increasing the number of models which now incorporate a variety of safety-enhancing technologies. As part of this program, Nissan has implemented in the "Cima" and "President" models, the "intelligent brake assist" system and "brake-operated pre-crash front seat seatbelts," one of the most advanced precrash safety features which can warn the driver when the risk of a crash becomes high and can activate the relevant safety equipment when a crash is inevitable. The "Cima" and the "President" have also been equipped with the new "Active AFS" system which automatically adjusts the headlights based on the steering angle and the vehicle's ground speed. The Company has also developed an innovative new technology for passenger vehicles called "Lane Departure Warning System" available for the first time in the North American market, as well as "Automated Vehicle Distance Control System with Low Speed Path Tracking Function" which reduces the driver's workload in low-speed driving situations such as in congested traffic.

With respect to the IT area, a comprehensive system of telematics called "Car Wings" has been pioneered and Nissan is increasing the number of models in which "Car Wings" is installed. In addition, the functions of Car Wings are continuously being enhanced and "Car Wings" responsive to a vehicle's navigation system is now being offered as a dealer option. Nissan has also commenced sales of Car Wings and the related serices to Suzuki users.

The Group has also developed a new 5.6 liter V8 engine known as the "VK56DE" for a full size pickup truck named the "Titan," for a full-sized SUV named the "Pathfinder Almada," and for the "Infinity QX56."

Our initiatives in research and development have been highly recognized and these efforts have resulted in our being chosen as the recipient of various awards from the Society of Automotive Engineers of Japan in the following categories: "Study of Clean Emission Technology based on Engine Intake/Exhaust System Simulations," "An Investigation on Automatic Path Tracking Using the Extended Kalman Filter" and "Development of the motor-assist four-wheel-drive system e・4WD." In addition, our VQ engine was named for the tenth straight year by the editors of Ward's as one of the 10 best engines.

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

7. Analysis of financial position and operating results

The following analysis and discussions of the Group's financial position and operating results are, in principle, based on the consolidated financial statements.

Any future forecasts included in the following descriptions are based on the best estimates or judgment of Nissan as of June 24, 2004.

(1) Significant accounting policies and estimates

The Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan. The preparation of consolidated financial statements requires management to select and apply the accounting policies and to make certain estimates which affect the amounts of the assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. Although management believes that the estimates made reasonably reflect past experience as well as present circumstances, the actual results could differ substantially because of the uncertainty inherent in those estimates.

The significant accounting policies applied in the preparation of the consolidated financial statements are explained in Section V, “Financial Information,” in the consolidated financial statements. In management’s opinion, the following significant accounting policies could materially affect the estimates made in the consolidated financial statements:

i) Allowance for doubtful receivables

The allowance for doubtful receivables is provided to cover losses on bad debts based on an estimate of the collectibility of receivables. The Group may need to increase the allowance or incur losses on bad debts if the financial circumstances of its customers were to deteriorate and if their ability to pay their debts was thus impaired.

ii) Accrual for warranty costs

The accrual for warranty costs is 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 historical experience. The Group places a high priority on safety and does its best to enhance safety from the standpoint of research and development, manufacturing and sales. However, if the estimates of future warranty costs were significantly different from the actual costs incurred due to product defects and so forth, the Group could incur a loss on the provision of additional accrual for warranty costs.

iii) Retirement benefit expenses

Accrued retirement benefits and the related expenses are calculated based on various actuarial assumptions to cover the retirement benefits to be paid to eligible employees upon retirement. The assumptions include the discount rate applied, future levels of compensation, the projected rate of return on pension plan assets, retirement rates, and so forth. If the actual results were to differ from those assumptions or if the assumptions were changed, the resulting effects would be accumulated and recognized systematically over future periods. Accordingly, the cumulative effect could impact the recognition of expenses and liabilities recorded in future periods.

(2) Analysis of operating results

1. Update on the Nissan 180 (“Nissan One-Eighty”)

Under the Nissan 180, which is a three-year business plan aiming for sustainable growth with profit, the Nissan Group has established a position as one of most profitable automakers in the world.

The first target of the Nissan 180 is to increase the number of vehicles sold by one million units on a global basis by fiscal year 2005 over the corresponding number in fiscal year 2001. The number of vehicles sold is to be calculated for the year ending September 30, 2005. The second goal is to achieve an 8% target for consolidated operating income as a percentage of consolidated net sales. The third and final target is to reduce consolidated net interest-bearing debt related to the automobile business to zero under the same accounting policies as those in effect at the commencement of the Nissan 180. During fiscal year 2002, the Group achieved the 8% target relating to consolidated operating income as a percentage of consolidated net sales and also reduced consolidated net interest-bearing debt in its automobile business to zero. The only target which remains to be achieved is to increase the number of vehicles sold by one million units.

The financial results for the current fiscal year (the second year of the Nissan 180) are summarized as follows:

- The number of vehicles sold on a global basis totaled 3,057 thousand units, an increase of 287 thousand units (or 10.4%) over the corresponding figure for the prior fiscal year.
- Consolidated operating income amounted to ¥824.9 billion and consolidated operating income as a percentage of consolidated net sales reached 11.1%.
- The return on invested capital for the automobile business was 21.3%.

2. Operating results

Sales

The number of the Group’s vehicles sold on a global basis increased to 3,057 thousand units, exceeding three million units for the first time in the past 13 years.

The Group launched 10 new models on a global basis and organized 23 regional sales promotion events with the result that net sales increased in all regions during the current fiscal year.

The following is a summary of sales by region:

Japan

The number of vehicles sold in Japan rose by 2.6% over the corresponding figure in the prior fiscal year to 837 thousand units (including light passenger vehicles) despite the fact that the overall demand for vehicles remained unchanged. The March and the Cube contributed largely to this increase in sales and both models have been ranked every month among the top 10 best selling models for the month. In addition, the Group’s market share (including light passenger vehicles) reached 14.2%, recording a rise of 0.3% over the corresponding figure for the prior fiscal year.

The United States

The number of vehicles sold in the United States increased by 17.9% over sales in the prior year, rising to 856 thousand units although the demand remained almost stable (an increase of only 1%). The Group sells its vehicles through both the Nissan and the Infinity channels in the United States.

The number of vehicles sold through the Nissan channel increased by 16.1% and the model mix improved significantly. The Murano and new models manufactured at the Canton Plant, which are trucks with high profitability, contributed largely to the growth in sales. On the other hand, the number of passenger vehicles sold increased by 6.5% over the prior fiscal year primarily because of strong sales of the Altima and the new Maxima.

Vehicle sales through the Infinity channel hit a record high reaching 124 thousand units, which represents an increase of 29.4% over sales in the prior fiscal year. This remarkable growth was driven primarily by the G35 Sedan, the G35 Coupe, the FX35, and the FX45, sales of which continue to rise. The QX56, a full-sized SUV manufactured by the Group for the first time, was launched in February 2004 and has been very well received in the U.S. market.

In the current fiscal year, the Group’s market share rose to 5.1%, from 4.4% for the prior fiscal year. The market share of the Group for the fourth quarter of the current fiscal year reached 6.1%, from 4.7% for the corresponding quarter of the prior fiscal year, and this clearly proves that there is an accelerated expansion of the Group’s sales in the United States. In accordance with its original business strategy, the Group’s policy is to keep sales incentives at a relatively low level as it is not willing to pursue market share at the risk of sacrificing its brand image.

Europe

The number of vehicles sold in Europe increased by 14.4% over the prior fiscal year to 542 thousand units. The number of Micra models sold reached 175 thousand units since this model was sold throughout the entire fiscal year for the first time since its launch. Clearly, this model contributed significantly to the strong increase in net sales in Europe. In addition, sales of four-wheel-drive vehicles remained strong and the X-Trail and the pickup truck in particular emerged as key players in the overall increase in net sales.

Other overseas countries

Compared with the prior year’s results, the number of vehicles sold in other overseas countries including Mexico and Canada increased by a steady 9%, reaching 822 thousand units. This increase in sales may be attributed primarily to the strong performance of the X-Trail. The number of X-Trails sold in Australia increased sharply by 23.1% over unit sales for the prior fiscal year. The number of vehicles sold in the Peoples’ Republic of China increased dramatically, rising 30.4% to 101 thousand units and this year-on-year rise may be attributed to a great extent to strong sales of the Sunny, which is manufactured locally.

Operating results

1) Net sales

Consolidated net sales for the current fiscal year rose to ¥7,429.2 billion for an increase of 8.8% over those of the prior fiscal year, primarily reflecting the increase in the number of vehicles sold and the favorable sales mix. However, the consolidated net sales decreased by ¥111.6 billion, ¥17.9 billion and ¥23.0 billion due to the unfavorable changes in foreign exchange rates, to the change in accounting method for finance leases, and to the change in the scope of the consolidation, respectively, during the current fiscal year.

2) Operating income

Consolidated operating income for the current fiscal year increased by 11.9% to ¥824.9 billion, the highest results ever recorded by the Group. Consolidated operating income as a percentage of consolidated net sales was 11.1% for the current fiscal year, which was the highest operating margin ratio achieved worldwide in the automobile industry.

The various changes in consolidated operating income from the prior fiscal year to the current fiscal year are outlined as follows:

- Consolidated operating income decreased by ¥48.0 billion due to unfavorable trends in foreign exchange rates compared to the prior fiscal year. The average exchange rate of the yen to the U.S. dollar appreciated by ¥8.8 to ¥113.2 to the U.S. dollar in the current year. Consolidated operating income decreased by ¥101.0 billion due to the appreciation of the yen during the current fiscal year. On the contrary, the average exchange rate of the yen to the Euro fell by ¥13.0 to ¥131.2 to the Euro for the current year and consolidated operating income increased by ¥29.0 billion as a result of the depreciation of the yen to the Euro. Consolidated operating income also increased by ¥24.0 billion for the current fiscal year due to the favorable exchange rate changes of the yen against currencies other than the U.S. dollar and the Euro.
- The effects of the change in the method of accounting for finance leases and the change in the scope of consolidation were to increase consolidated operating income by ¥20.0 billion and to decrease consolidated operating income by ¥4.0 billion, respectively, for the current fiscal year.
- Consolidated operating income rose by ¥185.0 billion, reflecting both the increase in the number of vehicles sold and the favorable sales mix.
- Consolidated operating income decreased by ¥72.0 billion as a result of higher selling expenses.
- As a result of successful reductions in purchasing costs, consolidated operating income soared by ¥183.0 billion.
- Consolidated operating income decreased by ¥83.0 reflecting expenditures to enhance product lines and to comply with various local regulations.
- Research and development costs rose by ¥54.0 billion in line with a plan to enhance the Group's capability to develop new products and technology, which, in turn, decreased consolidated operating income by the same amount.
- Costs for manufacturing and logistics including start-up costs for the Canton Plant increased by ¥12.0 billion.
- General and administrative expenses and other costs increased by ¥27.3 billion.

3) Non-operating income and expenses

Net non-operating expenses for the current fiscal year amounted to ¥15.2 billion, an improvement of ¥12.0 billion from those of the prior fiscal year. This improvement is primarily attributable to the decrease in net financial costs from ¥16.5 billion for the prior fiscal year, to ¥15.7 billion for the current fiscal year resulting from the reduction in net interest-bearing debt in the automobile business and also from the decrease in the amortization of the net retirement benefit obligation at transition from ¥23.9 billion for the prior fiscal year, to ¥13.9 billion for the current fiscal year as a result of the return of the substitutional portion of the welfare pension fund plan. Consequently, consolidated ordinary income increased by ¥99.6 billion from ¥710.1 billion for the prior fiscal year to ¥809.7 billion for the current fiscal year.

4) Special gain and loss

Net special loss for the current fiscal year amounted to ¥73.2 billion, an increase of ¥57.8 billion from the loss of ¥15.4 billion recorded in the prior fiscal year. A substantial gain on the sale of fixed assets (land in Murayama) of ¥56.3 billion was recorded in the prior fiscal year.

5) Income taxes

Income taxes for the current fiscal year increased by ¥20.3 billion to ¥219.0 billion over the corresponding amount for the prior fiscal year. The effective tax rate (after applying tax-effect accounting for the current fiscal year) increased to 29.7%, an increase of 1.1% over the 28.6% rate in effect during the prior fiscal year. This increase was primarily the result of a change in the valuation allowance provided.

6) Income attributable to minority interests

Income attributable to minority interests for the current fiscal year increased to ¥13.8 billion. This significant increase of ¥13.0 billion over the corresponding figure for the prior fiscal year primarily reflects an improvement in the operating results of certain consolidated subsidiaries in which the Group does not hold a 100% interest.

7) Net interest-bearing debt in the automobile business

Net interest-bearing debt in the Group's automobile business amounted to ¥13.6 billion at the end of the current fiscal year, a decrease of ¥254.7 billion from the corresponding figure for the prior fiscal year assuming that the same accounting policies as those of the prior fiscal year had been followed.

(3) Analysis of sources of capital and liquidity

1. Cash flows

Cash and cash equivalents amounted to ¥194.2 billion at the end of this fiscal year, resulting in a decrease of ¥75.7 billion from the corresponding balance at the end of the prior fiscal year. This decline may be attributed to the offset of the increase in cash flows from operating activities by the increase in cash outflows from expanded investing activities and financing activities.

Cash and cash equivalents provided by operating activities, which amounted to ¥797.4 billion for the current fiscal year, increased by ¥222.0 billion from the corresponding ¥575.4 billion recorded in the prior fiscal year. This resulted primarily from the increase in income before income taxes and minority interests and the effect of certain changes in operating assets and liabilities.

Cash and cash equivalents used in investing activities totaled ¥756.1 billion for the current fiscal year, rising ¥240.8 billion from the ¥515.4 billion used in the prior fiscal year. This is primarily attributable to an increase in expenditures for purchases of fixed assets and to the investment in Dongfeng Motor Co., Ltd.

Cash and cash equivalents used in financing activities, which amounted to ¥113.7 billion for the current fiscal year, increased by ¥40.9 billion from ¥72.8 billion in the prior fiscal year, reflecting the increase in cash outflows from the acquisition of treasury stock of ¥92.3 billion as well as the repayment of lease obligations of ¥84.7 billion in the aggregate.

2. Financial strategies

Financial activities within the Nissan Group are managed centrally by the Treasury Department of the Company, which functions as the global treasurer. Several activities are underway within the Group to improve funding efficiency through the implementation of a global cash management system.

The Nissan Group has developed a basic financial strategy under which the Group raises funds from appropriate sources and maintains an appropriate level of liquidity and a sound financial position so that the Group can make investments in research and development activities, capital expenditures and its sales finance business on a timely basis.

In addition to the cash and cash equivalents held by the Group, the Group has entered into loan commitment agreements with major international banks and believes that a level of liquidity sufficient to meet the Group's funding requirements is being maintained.

Whether or not the Company and its finance subsidiaries can raise funds without collateral and the related costs depends upon the credit rating of the Company. Currently, the Company's credit rating is investment grade; however, this favorable rating is not presented herein with the intention of promoting the purchase or holding of the Company's debt securities.

3. Property, Plant and Equipment

1. Overview of capital expenditures

The Nissan Group (the Company and its consolidated subsidiaries) invested ¥427.3 billion in tangible fixed assets during this fiscal year, in particular, to accelerate the development of new products and new technologies and to rationalize and improve productivity and quality.

2. Significant property, plant and equipment

The Group's significant property, plant and equipment is summarized as follows:

Notes: 1. "Other" in net book value consists of tools, furniture and fixtures and construction in progress.
2. "Number of employees" indicates the number of full-time employees. The number of part-time employees as of March 31, 2004 is stated in parentheses.

(1) The Company

(At March 31, 2004)

Location	Address	Description	Net book value						Number of employees
			Land		Buildings & structures	Machinery & vehicles	Other	Total	
			Area	Amount					
			m^2	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Individuals
Yokohama Plant	Kanagawa-ku and Tsurumi-ku, Yokohama-shi	Vehicle production facilities	618,188	408	16,933	41,445	14,755	73,543	3,787 (31)
Oppama Plant (including Research Center)	Yokosuka-shi	Vehicle production facilities	1,852,370	29,203	23,159	40,827	13,520	106,709	4,659 (22)
Tochigi Plant	Kaminokawa-cho, Tochigi	Vehicle production facilities	2,928,426	4,125	22,591	48,055	13,743	88,515	5,888 (4)
Kyushu Plant	Kanda-machi, Fukuoka	Vehicle production facilities	2,357,128	29,888	36,012	42,011	9,067	116,979	4,660 (18)
Iwaki Plant	Iwaki-shi, Fukushima	Vehicle production facilities	207,493	3,862	8,782	11,321	1,826	25,792	609 (0)
Head Office and other	Atsugi-shi and Isehara-shi	R&D facilities	1,358,071	24,722	25,348	18,887	27,181	96,140	6,457 (40)
	Chuo-ku, Tokyo	Head office and other	0	0	5,240	460	9,478	15,180	2,071 (56)

Notes: 1. The above table has been prepared based on the location of the assets.
2. The figures for each plant include those for adjoining facilities for employees' social welfare, warehouses and laboratories and the related full-time employees.

(2) Domestic subsidiaries

(At March 31, 2004)

Company	Location	Address	Description	Net book value						Number of employees
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area	Amount					
				m^2	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Individuals
JATCO Co., Ltd.	Fuji office and other	Fuji-shi Shizuoka, etc.	Facilities for production of automobile parts	1,141,184	44,946	26,583	72,951	14,665	159,145	7,383 (0)
Nissan Shatai Co., Ltd.	Shonan plant and other	Hiratsuka-shi Kanagawa, etc.	Vehicle production facilities	890,322	13,997	18,762	19,162	20,945	72,866	4,586 (0)
Aichi Machine Industry Co., Ltd.	Atsuta plant and other	Nagoya-shi Aichi	Facilities for production of automobile parts	407,071	5,930	6,376	27,030	14,085	53,421	2,310 (2)
87 automobile and parts sales companies such as Nissan Prince Tokyo Motor Sales Co., Ltd.	—	—	Facilities for sales and maintenance of vehicles and parts	2,989,350	313,108	145,591	43,721	5,743	508,163	29,710 (2,280)

(3) Foreign subsidiaries

(At March 31, 2004)

Company	Location	Address	Description	Net book value						Number of employees
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area	Amount					
				m^2	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Individuals
Nissan North America, Inc.	Production plant for vehicles and parts and other facilities	Gardena, California, Smyrna, Tennessee, Decherd, Tennessee, USA	Production facilities for vehicles and parts	8,124,657	4,186	51,018	122,947	228,626	406,777	13,565 (12)
Nissan Mexicana, S.A. de C.V.	Production plant for vehicles and parts and other facilities	Morelos, Mexico, Aguascalientes, Mexico	Production facilities for vehicles and parts	3,104,900	5,126	30,406	25,055	26,323	86,910	7,954 (37)
Nissan Motor Iberica S.A.	Production plant for vehicles and parts and other facilities	Barcelona, Madrid and other, Spain	Production facilities for vehicles and parts	450,188	803	10,667	18,650	27,238	57,358	5,181 (11)
Nissan Motor Manufacturing (UK) Ltd.	Production plant for vehicles and parts and other facilities	Sunderland, Tyne & Wear, United Kingdom	Production facilities for vehicles and parts	2,956,821	3,775	20,157	26,160	52,194	102,286	4,485 (8)

Notes: 1. Net book value – other consists of tools, furniture and fixtures and construction in progress.

2. Number of employees indicates the number of full-time employees. The number of part-time employees as of March 31, 2004 is stated in parentheses.

3. In addition to the above, other major leased assets are presented as follows:

Major leased assets

Company	Location	Address	Lessor	Description	Area (m^2)	Lease Fees (Thousands of yen/month)
Nissan Motor Co., Ltd.	New building for Head office	Chuo-ku, Tokyo	Mori Trust Co., Ltd.	Building	23,614	80,037
Nissan Motor Co., Ltd.	Main building for Head office	Chuo-ku, Tokyo	Kobikikan Co., Ltd.	Land	5,157	17,009
Nissan Trading Co., Ltd.	Head office	Yokohama-shi, Kanagawa	Bilnet Co., Ltd.	Building	2,575	10,150
Nissan Motor Iberica S.A.	Part of the plant site	Barcelona, Spain	Zona Franca Association of Industrial Area	Land	517,687	14,558

Notes: 1. Assets held under lease agreements other than those presented above are outlined in Section 5, "Consolidated financial statements."

2. Lease fees are presented exclusive of consumption tax.

3. Employees working in or with the leased assets are included in Section 2, "Major property, plant and equipment."

Information by business segment

Business segment	Net book value						Number of employees
	Land		Buildings & structures	Machinery & vehicles	Other	Total	
	Area	Amount					
	m^2	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Individuals
Sales finance	47,424	1,268	1,606	831,665	1,453	835,992	1,991 (1,302)

Notes: 1. There were no significant idle assets.

2. "Number of employees" represents the number of full-time employees. The number of part-time employees as of March 31, 2004 is stated in parentheses.

3. Plans for new additions or disposal

(1) New additions and renovations

During the fiscal year ending March 31, 2004, the Group plans to invest ¥480 billion in fixed assets which will be financed out of its own funds.

(2) Disposal and sales

Except for disposal and sales in the course of the Group's routine renewal of its fixed assets, there have been no significant disposal or sales.

4. Corporate Information

1. Information on the Company's shares

(1) Number of shares and other

① Number of shares

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

② Number of shares in issue

Type	Number of shares in issue		Stock exchanges on which the Company is listed	Description of shares
	As of March 31, 2004	As of June 24, 2004 (filing date of the securities report)		
Common stock	4,520,715,112	4,520,715,112	First Section, Tokyo Stock Exchange	—

Note: The number of shares in issue as of the filing date of the securities report does not include those issued upon the conversion of convertible bonds and exercise of warrants during the period from June 1, 2004 through the filing date of this report.

(2) Status of convertible bonds and stock purchase warrants

The Group issued bonds with stock purchase warrants for the purchase of shares of common stock based on Article 341-8 of the former Commercial Code of Japan. The balance of bonds with stock purchase warrants, the exercise prices and the amounts per share to be transferred to the common stock account are summarized as follows:

First unsecured bonds with stock purchase warrants (issued on June 25, 1999)

	As of the fiscal year end (March 31, 2004)	As of the end of the month before the securities report is filed (May 31, 2004)
Balance of stock purchase warrants (Millions of yen)	38	38
Exercise price per share (Yen)	554	554
Amount per share to be credited to the common stock account (Yen)	277	277

Euro-yen bonds with stock purchase warrants due 2006 (issued on March 27, 2000)

	As of the fiscal year end (March 31, 2004)	As of the end of the month before the securities report is filed (May 31, 2004)
Balance of stock purchase warrants (Millions of yen)	9,742	9,656
Exercise price per share (Yen)	429	429
Amount per share to be credited to the common stock account (Yen)	214.50	214.50

Euro-yen bonds with stock purchase warrants due 2007 (issued on March 8, 2001)

	As of the fiscal year end (March 31, 2004)	As of the end of the month before the securities report is filed (May 31, 2004)
Balance of stock purchase warrants (Millions of yen)	20,606	20,557
Exercise price per share (Yen)	764	764
Amount per share to be credited to the common stock account (Yen)	382	382

Euro-yen bonds with stock purchase warrants due 2008 (issued on March 14, 2002)

	As of the fiscal year end (March 31, 2004)	As of the end of the month before the securities report is filed (May 31, 2004)
Balance of stock purchase warrants (Millions of yen)	52,800	52,686
Exercise price per share (Yen)	880	880
Amount per share to be credited to the common stock account (Yen)	440	440

The Company has initiated a stock option plan (the “Plan”) in accordance with Articles 280-20 and 280-21 of the Commercial Code of Japan.

1st stock purchase warrants (issued on May 7, 2003)

	March 31, 2004	May 31, 2004
Number of warrants	124,050	124,050
Type of shares to be issued upon exercise of stock purchase warrants	Common stock	Common stock
Number of shares	12,405,000 shares	12,405,000 shares
Amount to be paid upon exercise of stock purchase warrants (Yen)	¥93,200 (¥932 per share)	¥93,200 (¥932 per share)
Exercise period	From May 8, 2005 to May 8, 2010	From May 8, 2005 to May 8, 2010
Upon exercise of the stock purchase warrants, exercise price and amount per share to be credited to the common stock account (Yen)	Exercise price: ¥932 Amount per share to be credited to the common stock account: ¥466	Exercise price: ¥932 Amount per share to be credited to the common stock account: ¥466
Conditions for exercise of stock purchase warrants	*	*
Transfer of stock purchase warrants	Any and all transfers of stock purchase warrants must be approved by the Board of Directors of the Company.	Any and all transfers of stock purchase warrants must be approved by the Board of Directors of the Company.

* ① Directors or employees who were granted stock purchase warrants (the "Holders") must continue their services with the Company or its subsidiaries and affiliates until the stock purchase warrants become exercisable.

② The Company's operating results must meet certain predefined targets.

③ The Holders achieve their own predetermined targets.

The conditions outlined from ① to ③ above and certain other conditions are set forth in the "Stock Purchase Warrant Grant Agreement" entered into between the Company and the Holders in accordance with a resolution approved at the 103rd annual general meeting of the shareholders and at the Board of Directors meeting held on June 20, 2002.

2nd stock purchase warrants (issued on April 16, 2004)

	March 31, 2004	May 31, 2004
Number of warrants	–	128,500
Type of shares to be issued upon exercise of stock purchase warrants	–	Common stock
Number of shares	–	12,850,000 shares
Amount to be paid upon exercise of stock purchase warrants (Yen)	–	¥120,200 (¥1,202 per share)
Exercise period	–	From April 17, 2006 to June 19, 2013
Upon exercise of the stock purchase warrants, exercise price and amount per share to be credited to the common stock account (Yen)	–	Exercise price: ¥1,202 Amount per share to be credited to the common stock account: ¥601
Conditions for exercise of stock purchase warrants	–	*
Transfer of stock purchase warrants	–	Any and all transfers of stock purchase warrants must be approved by the Board of Directors of the Company.

* ① Partial exercise of a stock purchase warrant is not allowed.

② Directors or employees who possess stock purchase warrants (the "Holders") must continue their services with the Company or its subsidiaries and affiliates until the stock purchase warrants become exercisable.

③ The Company's operating results must meet certain predefined targets.

④ The Holders achieve their own predetermined targets.

The conditions outlined from ② to ④ above and certain other conditions are set forth in the "Stock Purchase Warrant Grant Agreement" entered into between the Company and the Holders in accordance with a resolution approved at the 104th annual general meeting of the shareholders and at the Board of Directors meeting held on June 19, 2003.

(3) Changes in number of shares in issue and amount of paid-in capital

Periods	Changes in the number of shares in issue (Thousands)	Balance of the number of shares in issue (Thousands)	Changes in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Changes in additional paid-in capital (Millions of yen)	Balance of additional paid-in capital (Millions of yen)
From April 1, 1999 to March 31, 2000 (Note 1)	1,464,250	3,977,294	292,850	496,605	292,850	690,262
From April 1, 2000 to March 31, 2001 (Note 2)	1	3,977,295	–	496,606	–	690,262
From April 1, 2001 to March 31, 2002 (Note 3)	539,750	4,517,045	107,950	604,556	112,950	803,212
From April 1, 2002 to March 31, 2003 (Note 2)	3,670	4,520,715	1,257	605,813	1,257	804,470

Notes: 1. Capital increase due to private placement to Renault on May 29, 1999. (Number of shares issued: 1,464,250 thousand; issue price: ¥400 per share; amount credited to common stock account: ¥292,850,000 thousand)

2. Increase due to conversion of convertible bonds.

3. Capital increase due to exercise of stock purchase warrants by Renault on March 1, 2002. (Number of shares issued: 539,750 thousand; issue price: ¥400 per share; amount credited to common stock account: ¥107,950,000 thousand)

(4) Details of shareholding

(At March 31, 2004)

Classification	Status of shares (1 unit = 100 shares)								Shares under 1 unit
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders	Foreign shareholders (individuals only)	Individuals and other	Total	
Number of shareholders (individuals)	1	227	99	1,291	853	73	139,637	142,108	—
Number of shares held (units)	50	10,943,337	595,795	1,207,701	28,719,417	189	3,731,131	45,197,485	966,612
Ratio (%)	0.00	24.21	1.32	2.67	63.53	0.00	8.27	100.00	—

Notes: 1. Treasury stock of 122,177,426 shares are included in "Individuals and other" at 1,221,174 units, and in "Shares under 1 unit" at 26 shares. The number 122,177,426 is based on the shareholders' register, and the effective number as of March 31, 2004 was 122,116,426 shares.

2. Included in "Other corporations" are 653 units held under the names of the custodians.

(5) Principal shareholders

(At March 31, 2004)

Name	Address	Number of shares held	Ratio
Renault (Standing agent: Bank of Tokyo-Mitsubishi)	13/15 Quai Le Gorot, 92100 Boulogne, Billancourt, France (2-7-1 Marunouchi Chiyoda-ku, Tokyo)	2,004,000	44.33
Japan Trustee Services Bank Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	249,240	5.51
The Master Trust Bank of Japan Ltd. (Trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	197,126	4.36
Nissan Motor Co., Ltd.	2, Takara-machi, Kanagawa-ku, Yokohama-shi	122,117	2.70
The Dai-ichi Mutual Life Insurance Company (Standing agent: Trust & Custody Service Bank, Ltd.)	1-13-1 Yurakucho, Chiyoda-ku, Tokyo (1-8-12 Harumi, Chuo-ku, Harumi Island Triton Square, Office Tower Z)	86,957	1.92
Nippon Life Insurance Company	1-2-2 Yurakucho, Chiyoda-ku, Tokyo	80,473	1.78
The State Street Bank & Trust Company (Standing agent: Mizuho Corporate Bank)	P.O. Box 351, Boston, Massachusetts, USA (6-7 Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo)	77,408	1.71
Sompo Japan Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	63,528	1.41
The Chase Manhattan Bank N.A. London (Standing agent: Mizuho Corporate Bank)	Woolgate House, Coleman Street, London, UK (6-7 Kabuto-cho, Nihonbashi Chuo-ku, Tokyo)	55,351	1.22
Morgan Grenfell & Co Ltd. 600 (Standing Deutsche Securities)	Winchester House 1 Great Winchester Street London UK (Sannou Park Tower 2-11-1 Nagata-cho Chiyoda-ku, Tokyo)	55,254	1.22
Total		2,991,456	66.17

Note: The number of shares held as stated above is based on the shareholders' register, and 1000 shares under the Company's name, but which are not essentially held by the Company, have been included.

(6) Status of voting rights

① Shares in issue

(At March 31, 2004)

Classification	Number of shares	Number of voting rights	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 122,116,400	—	—
	(Crossholding stock) Common stock 1,393,100	—	—
Shares with full voting rights (Others)	Common stock 4,396,239,000	43,962,390	—
Shares under one unit	Common stock 966,612	—	—
Total shares in issue	4,520,715,112	—	—
Total voting rights	—	44,962,390	—

Notes: 1. Included in "Shares with full voting rights (Others)" are 65.3 thousand (voting rights 653) shares held under the names of the custodians and 1 thousand shares held under the name of Nissan, but effectively held by others.

2. "Shares under one unit" include 26 shares of treasury stock and 151 crossholding shares.

Crossholding shares under one unit

Shareholders	Number of shares	Shareholders	Number of shares
Toyama Nissan Motor Co., Ltd. Kai Nissan Motor Co., Ltd.	99 30	Calsonic Kansei Corporation	22
		Total	151

② Treasury stock, etc.

(At March 31, 2004)

Shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
		Shares	Shares	Shares	%
Treasury stock:					
Nissan Motor Co., Ltd.	2 Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa	122,117,400	0	122,117,400	2.70
Crossholding stock:					
Calsonic Kansei Corporation	5-24-15 Minamidai, Nakano-ku, Tokyo	1,049,900	0	1,049,900	0.02
Utsunomiya Nissan Motor Co., Ltd.	575 Nishihara-cho, Utsunomiya-shi, Tochigi	103,400	0	103,400	0.00
Yokoki Manufacturing Co., Ltd.	555 Imai-cho, Hodogaya-ku, Yokohama-shi, Kanagawa	200	82,200	82,400	0.00
Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	28,600	49,500	78,100	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	37,800	23,900	61,700	0.00
Nissan Prince Kagawa Sales Co., Ltd.	1037 Ikuno-cho, Zentsuji-shi, Kagawa	0	7,500	7,500	0.00
Toyama Nissan Motor Co., Ltd.	105 Tanaka-cho, Toyama-shi, Toyama	5,100	0	5,100	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	0	4,800	0.00
Total		123,347,200	163,300	123,510,500	

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

2. "Number of shares held under own name" is based on the shareholders' register which includes 1,000 shares (voting rights 10) which the Company does not effectively own. These shares are included in "Shares with full voting rights (Others)" in the above table ① of "Shares in issue."

(7) Stock option plan

The Company has initiated a stock option plan (the "Plan") under which stock purchase warrants are granted to directors and employees of the Company and its subsidiaries and affiliates in accordance with Articles 280-20 and 280-21 of the Commercial Code of Japan. The details of the Plan which were approved at the annual general meetings of the shareholders are summarized as follows:

Resolution at 103rd annual general meeting of the shareholders

Date approved	June 20, 2002
Individuals covered by the Plan	Employees of the Company 548 Directors of the Company's subsidiaries 101 Employees of the Company's subsidiaries 5 Total 654
Number of warrants	124,050
Type of shares to be issued upon exercise of stock purchase warrants	Common stock
Number of shares	12,405,000 shares
Amount to be paid upon exercise of stock purchase warrants	¥93,200 (¥932 per share) *
Exercise period	From May 8, 2005 to May 8, 2010
Conditions for exercise of stock purchase warrants	① Directors or employees who were granted stock purchase warrants (the "Holders") continue their services with the Company or its subsidiaries and affiliates until the stock purchase warrants become exercisable. ② The Company's operating results meet certain predefined targets. ③ The Holders achieve their own predetermined targets. The above and certain other conditions are set forth in the "Stock Purchase Warrant Grant Agreement" entered into between the Company and the Holders in accordance with a resolution adopted at the 103rd annual general meeting of the shareholders and at the Board of Directors meeting held on June 20, 2002.
Transfer of stock purchase warrants	Any and all transfers of stock purchase warrants must be approved by the Board of Directors of the Company.

* If the Company issues shares of common stock or disposes of its treasury stock at prices less than the then-current market price or, in certain other predefined cases, in accordance with a resolution of the Board of Directors of the Company, the exercise price may be adjusted by applying the following formula:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already in issue} + \dfrac{\text{Number of shares to be issued} \times \text{exercise price}}{\text{Market price per share}}}{\text{Number of shares already in issue} + \text{number of shares to be issued}}$$

Resolution at 104th annual general meeting of the shareholders

Date approved	June 19, 2003
Individuals covered by the Plan	Employees of the Company 597 Directors of the Company's subsidiaries 94 Employees of the Company's subsidiaries 4 Total 695
Type of shares issued upon exercise of stock purchase warrants	Common stock
Number of warrants	128,500
Number of shares	12,850,000 shares
Amount to be paid upon exercise of stock purchase warrants	¥120,200 (¥1,202 per share) *
Exercise period	From April 17, 2006 to June 19, 2013
Conditions for exercise of stock purchase warrants	① Partial exercise of a stock purchase warrant is not allowed. ② Directors or employees who were granted stock purchase warrants (the "Holders") continue their services with the Company or its subsidiaries and affiliates until the stock purchase warrants become exercisable. ③ The Company's operating results meet certain predefined targets. ④ The Holders achieve their own predetermined targets. The conditions outlined from ② to ④ above and certain other conditions are set forth in the "Stock Purchase Warrant Grant Agreement" entered into between the Company and the Holders in accordance with the resolution adopted at the Board of Directors' meeting.
Transfer of stock purchase warrants	Any and all transfers of stock purchase warrants must be approved by the Board of Directors of the Company.

* If the Company issues shares of common stock or disposes of its treasury stock at prices less than the then-current market price or, in certain other predefined cases, in accordance with a resolution of the Board of Directors of the Company, the exercise price may be adjusted by applying the following formula:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already in issue} + \dfrac{\text{Number of shares to be issued} \times \text{exercise price}}{\text{Market price per share}}}{\text{Number of shares already in issue} + \text{number of shares to be issued}}$$

Resolution at 105th annual general meeting of the shareholders

Date approved	June 23, 2004
Individuals covered by the Plan	Certain employees of the Company and directors and certain employees of its subsidiaries and affiliates
Type of shares to be issued upon exercise of stock purchase warrants	Common stock
Number of shares	Up to a limit of 16,000, 000 shares
Amount to be paid upon exercise of stock purchase warrants	Refer to the formula presented in the note below
Exercise period	Approval of the Board of Directors within 10 years after the date on which the stock purchase warrants were granted
Conditions for exercise of stock purchase warrants	① Partial exercise of a stock purchase warrant is not allowed. ② The directors' committee is empowered to determine other conditions for exercise.
Transfer of stock purchase warrants	Any and all transfers of stock purchase warrants must be approved by the Board of Directors of the Company.

Note: The amount to be paid by the Holders upon exercise of the stock purchase warrants is calculated by multiplying the exercise price by the number of shares to be issued or transferred. The exercise price shall be set at an amount calculated by multiplying the average closing price of the Company's shares of common stock in the course of ordinary transactions on the Tokyo Stock Exchange during a predefined period before the grant date by a factor (no less than 1.025) determined in accordance with a resolution of the Board of Directors of the Company. If the Company issues shares of common stock or disposes of its treasury stock at prices less than the then-current market price or, in certain other predefined cases, in accordance with a resolution of the Board of Directors of the Company, the exercise price may be adjusted by applying the following formula:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already in issue} + \dfrac{\text{Number of shares to be issued} \times \text{exercise price}}{\text{Market price per share}}}{\text{Number of shares already in issue} + \text{number of shares to be issued}}$$

2. Acquisition of treasury stock

(1) The acquisition of treasury stock is to be conducted in accordance with a resolution approved at a shareholders' meeting or at a Board of Directors' meeting.

① Acquisition based on a resolution approved in the prior period

【Type of shares】Common stock

(A) The current status of treasury stock purchases based on a resolution approved at the annual general meeting of the shareholders

(At June 23, 2004)

Classification	Number of shares (Thousands)	Total amounts (Millions of yen)
Resolution regarding acquisition of treasury stock (June 19, 2003)	75,000	100,000
Treasury stock acquired during the period covered by a resolution approved at the prior shareholders' meeting	75,000	92,203
The remaining number of shares and amount of authorized treasury stock	0	—
Ratio of the remaining treasury stock	0	—

Notes: 1. The number of shares approved represents 1.7% of all issued shares.
2. The purpose is to avoid dilution following any future exercise of warrants.
3. The total amount is presented net of the handling charges related to the acquisition of the shares.

(B) Current status of treasury stock purchases from subsidiaries
Not applicable

(C) Current status of treasury stock purchases based on a resolution approved by the Board of Directors: Not applicable

(D) Current status of the disposition of purchased treasury stock: Not applicable

(E) Current status of treasury stockholdings

(At June 23, 2004)

Description	Number of shares (Thousands)
Treasury stock held	121,270

Note: The number of shares of common stock held in treasury does not include the shares disposed of as a result of the exercise of warrants during the period from June 1, 2004 to June 23, 2004.

② Resolution regarding the acquisition of treasury stock approved at the annual general meeting of the shareholders

(At June 23, 2004)

Classification	Type of shares	Number of shares (Thousands)	Total amount (Millions of yen)
Resolution regarding acquisition of treasury stock	Common stock	75,000	100,000

Note: 1. The above number of shares approved by the shareholders represents 1.7% of all shares of common stock in issue as of the date of the shareholders' meeting noted above.

2. The Company's Articles of Incorporation were amended at the annual general meeting of the shareholders held on June 23, 2004 to include, "The Company, in accordance with Article 211-3-1-2 of the Commercial Code of Japan, is permitted to acquire treasury stock pursuant to a resolution approved at a Board of Directors meeting."

3. Dividend policy

The Company considers returning profit to its shareholders to be one of its most important management policies. Along with strengthening the management base of the Group as a whole and enhancing corporate value through global business development, achieving a stable dividend policy through steady profit and growth is an important aim.

The Nissan 180, the three-year plan launched in fiscal year 2002, is the guide for this strategy. The Company has realized two of its three commitments (achieving an operating profit ratio in excess of 8% for consolidated sales and extinguishing interest-bearing debt in the automobile business) and has established its position as an automobile manufacturer with the highest ranking of profitability in the world.

As originally planned for the current fiscal year, in addition to the interim dividend of ¥8 per share, a year-end dividend of ¥11 yen per share was approved at the 105th annual general meeting of the shareholders. This annual dividend of ¥19 per share represents an increase of ¥5 over the ¥14 per share paid in the prior fiscal year.

For the coming fiscal year, the Company will make a concerted effort to realize the one remaining goal of the Nissan 180, an increase of 1 million in the number of vehicles sold throughout the world, and will strive to maintain its steady and profitable growth. The Company plans to declare dividends of ¥24 per share in its 106th fiscal year.

Note: The date of the Board of Directors' meeting at which the resolution declaring the interim dividend for the current fiscal year was approved: November 6, 2003

4. Changes in market price of the Company's shares

(1) Highest and lowest prices during the past five years

	The 101st fiscal year	The 102nd fiscal year	The 103rd fiscal year	The 104th fiscal year	The 105th fiscal year
Year end	March 2000	March 2001	March 2002	March 2003	March 2004
Highest	770	890	973	1,041	1,455
Lowest	351	404	405	763	776

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

(2) Highest and lowest prices during the past six months

Month	October 2003	November	December	January 2004	February	March
Highest	1,330	1,350	1,298	1,278	1,213	1,277
Lowest	1,180	1,164	1,171	1,117	1,050	1,130

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

5. Members of the Board of Directors and Corporate Auditors

Function	Name (Date of birth)	Career Profile			Number of shares owned (Thousands)
President	Carlos Ghosn	1978	September	Joined Michelin	3,041
Co-Chairman	(March 9, 1954)	1985	July	President of Michelin Brazil	
Representative Director		1989	April	President of Michelin North America	
Director		1996	October	Joined Renault	
		1996	December	Senior Vice President of Renault	
		1999	June	COO of the Company	
		2000	June	President and COO of the Company	
		2001	June	President and CEO of the Company	
		2003	June	Co-Chairman, President and CEO of the Company	
Co-Chairman	Itaru Koeda	1965	April	Joined the Company	70
Representative Director	(August 25, 1941)	1990	July	Vice President of Nissan Motor Manufacturing (UK)	
Director		1993	June	Director of the Company	
		1998	May	Managing Director of the Company	
		1999	May	Vice President of the Company	
		2003	June	Co-Chairman and Vice President of the Company	
Director	Nobuo Okubo	1964	April	Joined the Company	83
	(February 25, 1942)	1991	June	General Manager of the Design Division	
		1992	June	Director of the Company	
		1997	June	Managing Director of the Company	
		1999	May	Vice President of the Company	
Director	Norio Matsumura	1966	April	Joined the Company	40
	(January 5, 1944)	1989	January	General Manager of the Foreign Services Division	
		1996	June	Director of the Company	
		1999	May	Vice President of the Company	
Director	Patrick Pelata	1984	July	Joined Renault	18
	(August 24, 1955)	1996	July	Senior Manager of the Chassis Development Division	
		1999	January	Senior Vice President in charge of the Technical Development Division	
		1999	June	Vice President of the Company	
Director	Tadao Takahashi	1968	April	Joined the Company	42
	(January 10, 1945)	1996	May	General Manager of the First Technical Division	
		1998	June	Director of the Company	
		1999	May	Managing Director of the Company, member of the executive committee	
		1999	June	Managing Director of the Company, member of the executive committee	
		2002	April	Vice President of the Company, member of the executive committee	
		2002	June	Vice President and Director of the Company	
Director	Shemaya Levy	1972	January	Joined Renault	0
	(November 11, 1947)	1994	March	Chairman and CEO of Renault VI	
		1998	October	Senior Vice President of Renault, Chairman of Companie Financière Renault	
		2002	March	Senior Vice President of Renault S.A.S., Chairman of Companie Financière Renault	
		2002	June	Director of the Company	
Corporate auditor	Hiroshi Moriyama	1963	April	Joined the Company	108
(Standing)	(July 30, 1940)	1987	January	General Manager of Nissan Motor Manufacturing (UK)	
		1990	June	Director of the Company	
		1994	June	Managing Director of the Company	
		1998	May	Vice President and Director of the Company	
		1999	May	Vice President of the Company	
		2001	April	Assistant to the President	
		2001	June	Corporate Auditor of the Company	

Function	Name (Date of birth)	Career Profile		Number of shares owned (Thousands)
Corporate auditor (Standing)	Shinji Ichijima (August 31, 1946)	1969 April 1988 June 1997 June 1997 December 2001 December 2002 June 2004 June	Joined Industrial Bank of Japan Deputy General Manager of the Bank's NewYork Branch Director of the Bank and General Manager of the project finance Chief Financial Bureau of Asia Development Bank Managing Director of the Company, member of the executive committee Vice President of the Company, member of the executive committee Director and Vice President of the Company	0
Corporate auditor (Standing)	Keiji Imamura (September 20, 1943)	1967 April 1996 June 2000 June 2001 June	Joined the Asahi Bank Corporate Auditor of the Bank President of Asahi Bank Jimu Services Corporate Auditor of the Company	4
Corporate auditor (Standing)	Hiroyasu Kan (May 24, 1949)	1974 April 1998 July 2001 April 2002 April 2004 April 2004 June	Joined the Company Manager of Nissan North America, Inc. Vice President of the Company Managing director of the Company Chief Technology Adviser of the Company Corporate Auditor of the Company	4
Corporate auditor (Non standing)	Haruo Murakami (January 30, 1939)	1961 April 1986 February 1987 April 1988 May 1998 June 2001 December 2002 August 2003 June 2003 December 2004 June	Joined Japanese National Railways Superintendent, Morioka Railway Operation Division, Japanese National Railways Director of Railways Telecommunications Co., Ltd Director and Technical General Manager of the Japan Telecom Chief Executive Director of the Company Chairman Executive Director of the Company Chairman Executive Director of Japan Telecom Holdings, Chairman Director of Japan Telecom Senior Advisor and Director of Japan Telecom Holdings Chairman of Executive committee of Japan Telecom Chairman of Executive committee of Japan Telecom Corporate Auditor of the Company	5
Total				3,418

Notes:

1. Shemaya Levy fulfills the criteria to qualify as an external Director of the Company pursuant to Clause 2-7-2, Article 188 of the Commercial Code.
2. Shinji Ichijima, Keiji Imamura and Haruo Murokami are Corporate Auditors assigned from outside the Company pursuant to Clause 1, Article 18 of the "Law for Special Exceptions to the Commercial Code Concerning Audits, etc. of Joint Stock Corporations."
3. The Company set up an executive committee system in order to revitalize the Board of Directors by segregating decision-making and control functions from the executive functions and to enable capable individuals to be appointed based solely on their ability.

   The executive committee is composed of 22 individuals including the directors listed above (Carlos Ghosn, Itaru Koeda, Nobuo Okubo, Norio Matsumura, Patrick Pelata and Tadao Takahashi are also Directors). The other 16 members of the executive committee are as follows: Takeshi Isayama (Vice-Chairman), Shigeo Ishida, Eiji Imai, Hidetoshi Imazu, Hiroto Nishikawa, Toshiyuki Shiga, Sadao Sekiyama, Kazuhiko Toida, Kimiyasu Nakamura, Shiro Nakamura, Shuji Yamagata, Mitsuhiko Yamashita, Jean-Jacques Legoff, Bernard Ray, Alain-Pierre Raynaud and Kuniyuki Watanabe (Managing Directors).

6. Corporate Governance

Basic Corporate Governance Policy

Corporate governance is an important responsibility of management, and its most important role is to clarify the duties and responsibilities of the members of Nissan's management team. At Nissan, clear management objectives and policies are published for the benefit of the shareholders and investors, and achievements and results are announced early and with as much transparency as possible. The enhancement of corporate governance by full and fair disclosure is the responsibility of management.

(1) The Company's organization and systems for internal control

Nissan operates under the dual governance of a Board of Directors and a Board of Corporate Auditors, both based on the provisions of the Commercial Code of Japan. The Board of Directors is responsible for resolutions governing important business decisions while the Board of Corporate Auditors supervises and controls the execution of Nissan's most important business functions.

In order to enhance management efficiency, the number of directors was reduced from nine to seven following the shareholders' meeting held in June 2003. An external director serves as one of the seven members of the Board of Directors.

To strengthen the audit function, on June 23, 2004, the shareholders approved a resolution increasing the number of corporate auditors from four to five, three of whom are external corporate auditors.

Furthermore, a Japan Internal Audit Office has been established at Nissan to conduct internal audits of operations on a regular basis with the Chief Internal Audit Officer being responsible for conducting global audits. Thus, a three-way audit control system has been adopted through a combination of the Board of Corporate Auditors, Nissan's internal audit functions, and the audits conducted by the independent auditors.

Nissan has ratified its "Nissan Global Code of Conduct" and has established a "Global Compliance Committee" to reinforce the implementation of compliance with laws and ethics standards and to prevent any illegal or unethical conduct within the global Nissan Group.

(2) Compensation paid to directors and corporate auditors

Compensation paid to Nissan’s directors consists of a fixed amount of remuneration in cash and stock options as resolved at the 104th shareholders’ meeting held on June 19, 2003.

The cash remuneration is limited to a maximum of ¥2 billion per annum and the amount to be paid to each director is determined based on the business results and reflecting the firm’s global competitiveness.

On the other hand, the stock options are given as motivation to the directors to stimulate continuous business development and an increase in the profitability of the Group. This incentive is linked to Nissan’s medium- or long-term business results and is limited to the equivalent of 6 million shares of the Company’s common stock.

The remuneration paid to the corporate auditors is limited to a monthly amount of ¥10 million as resolved at the 83rd shareholders’ meeting held on June 29, 1982. This compensation is designed to promote stable and transparent auditing.

For the current fiscal year, the aggregate amount disbursed to the directors and corporate auditors was ¥1,642 million to nine directors and ¥77 million to four corporate auditors. In addition, ¥390 million was paid by an appropriation of retained earnings as compensation to six directors, and ¥693 million as retirement allowances to two directors. In addition, stock options equivalent to 4,400,000 shares were given to six directors.

(3) Remuneration to firm of independent auditors

Remuneration paid to the firm of independent auditors is summarized as follows:

- Remuneration for audit certification based on the audit contract for the current fiscal year: ¥202 million

- Remuneration for other services for the current fiscal year: ¥225 million

  Remuneration paid for services other than audit-related services included agreed-upon procedures relating to the financial information disclosed quarterly, support in the preparation of financial documentation reported to Renault, and the preparation of comfort letters, and so forth.

5. Financial Information

1. Basis of preparation of the consolidated financial statements

   The consolidated financial statements of the Company are prepared in accordance with the "Regulations Concerning the Terminology, Forms and Preparation Methods of the Consolidated Financial Statements ("Regulations for Consolidated Financial Statements") (Ministry of Finance Ordinance No. 28, 1976).

   The consolidated financial statements for the twelve months ended March 31, 2003 were prepared in accordance with "Regulations for Consolidated Financial Statements" before the amendment, and those for the twelve months ended March 31, 2004 have been prepared in accordance with "Regulations for Consolidated Financial Statements" after the amendment.

   The consolidated financial statements for the twelve months ended March 31, 2004 have been prepared in accordance with "Regulation for Consolidated Financial Statements" before the amendment, as permitted by a proviso in additional second clause of Cabinet Office Ordinance amending part of the Regulations for Consolidated Financial Statements" (Cabinet Office Ordinance No.5, January 30, 2004).

2. Audit reports

   Pursuant to Article 193-2 of "The Securities and Exchange Law," the consolidated financial statements for the prior fiscal year (from April 1, 2002 to March 31, 2003) and those for the current fiscal year (from April 1, 2003 to March 31, 2004) were audited by Shin Nihon & Co.

Report of Independent Auditors

June 23, 2004

The Board of Directors
Nissan Motor Co., Ltd.

Shin Nihon & Co.

Representative and Engagement Partner	Kazuo Suzuki
Representative and Engagement Partner	Kenji Ota
Engagement Partner	Yoji Murohashi

Pursuant to Article 193-2 of “Securities and Exchange Law,” we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of capital surplus and retained earnings, the consolidated statement of cash flows and the consolidated supplemental schedules of Nissan Motor Co., Ltd. included in “Financial Information” for the fiscal term from April 1, 2003 to March 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at March 31, 2004, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Supplementary Information

As described in “Accounting changes,” the Company and certain consolidated subsidiaries changed their methods of accounting for inventories and noncancelable lease transactions. In addition, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, changed its method of the accounting for accrued retirement benefits.

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

Report of Independent Auditors

June 19, 2003

The Board of Directors
Nissan Motor Co., Ltd.

Shin Nihon & Co.

Representative and Engagement Partner	Kazuo Suzuki
Representative and Engagement Partner	Kenji Ota
Engagement Partner	Yoji Murohashi

Pursuant to Article 193-2 of "Securities and Exchange Law," we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of capital surplus and retained earnings, the consolidated statement of cash flows and the consolidated supplemental schedules of Nissan Motor Co., Ltd. included in "Financial Information" for the fiscal term from April 1, 2002 to March 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at March 31, 2003, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

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

1. Consolidated financial statements

(1) Consolidated financial statements

① Consolidated balance sheets

Accounts	Notes	Prior Fiscal Year (As of March 31, 2003) Amounts (Millions of yen)		Ratio (%)	Current Fiscal Year (As of March 31, 2004) Amounts (Millions of yen)		Ratio (%)
Assets							
I. Current assets							
1. Cash on hand and in banks	※3		268,433			191,742	
2. Trade notes and accounts receivable			501,127			462,716	
3. Sales finance receivables	※3		1,896,953			2,203,174	
4. Securities			1,420			3,126	
5. Finished goods			394,936			386,874	
6. Other inventories			148,672			155,918	
7. Deferred tax assets			176,571			169,759	
8. Other current assets			381,642			256,668	
9. Allowance for doubtful receivables			△69,697			△63,014	
Total current assets			3,700,057	50.3		3,766,963	47.9
II. Fixed assets							
1. Property, plant and equipment	※1 ※3						
(1) Buildings and structures		522,835			545,190		
(2) Machinery, equipment and vehicles	※2	1,195,085			1,325,775		
(3) Land		782,009			759,640		
(4) Construction in progress		253,959			253,999		
(5) Other		235,446	2,989,334	40.7	318,648	3,203,252	40.8
2. Intangible fixed assets			42,000	0.5		71,786	0.9
3. Investments and other assets							
(1) Investment securities	※4	267,046			360,344		
(2) Long-term loans receivable		14,099			17,419		
(3) Deferred tax assets		191,262			162,184		
(4) Other assets	※3	145,467			282,956		
(5) Allowance for doubtful receivables		△2,219	615,655	8.4	△6,642	816,261	10.4
Total fixed assets			3,646,989	49.6		4,091,299	52.1
III. Deferred charges							
Discounts on bonds			2,137			1,594	
Total deferred charges			2,137	0.1		1,594	0.0
Total assets			7,349,183	100.0		7,859,856	100.0

Accounts	Notes	Prior Fiscal Year (As of March 31, 2003) Amounts (Millions of yen)	Ratio (%)	Current Fiscal Year (As of March 31, 2004) Amounts (Millions of yen)	Ratio (%)
Liabilities					
I. Current liabilities					
1. Trade notes and accounts payable		656,411		768,201	
2. Short-term borrowings and import bills payable	※3	568,931		349,928	
3. Current portion of long-term borrowings	※3	657,517		630,492	
4. Current portion of bonds		88,774		380,378	
5. Accrued expenses		390,953		358,076	
6. Deferred tax liabilities		6		2,545	
7. Accrual for warranty costs		—		45,550	
8. Lease obligations		—		50,464	
9. Other current liabilities		559,226		516,847	
Total current liabilities		2,921,818	39.8	3,102,481	39.5
II. Long-term liabilities					
1. Bonds and debentures		778,160		542,824	
2. Long-term borrowings	※3	825,086		1,067,790	
3. Deferred tax liabilities		262,459		291,991	
4. Accrual for warranty costs		154,582		107,047	
5. Accrued retirement benefits		433,266		442,266	
6. Lease obligations		—		84,179	
7. Other long-term liabilities		77,057		93,499	
Total long-term liabilities		2,530,610	34.4	2,629,596	33.4
Total liabilities		5,452,428	74.2	5,732,077	72.9
Minority interests					
Minority interests		88,451	1.2	103,785	1.3
Shareholders' equity					
I. Common stock	※6	605,814	8.2	605,814	7.7
II. Capital surplus		804,470	10.9	804,470	10.2
III. Retained earnings	※5	878,655	12.0	1,286,299	16.4
IV. Unrealized holding gain on securities		1,831	0.0	4,392	0.1
V. Translation adjustments		△320,276	△4.3	△431,744	△5.5
VI. Treasury stock	※7	△162,190	△2.2	△245,237	△3.1
Total shareholders' equity		1,808,304	24.6	2,023,994	25.8
Total liabilities, minority interests and shareholders' equity		7,349,183	100.0	7,859,856	100.0

② Consolidated statements of income

Accounts	Notes	Prior Fiscal Year (From April 1, 2002 To March 31, 2003) Amounts (Millions of yen)		Ratio (%)	Current Fiscal Year (From April 1, 2003 To March 31, 2004) Amounts (Millions of yen)		Ratio (%)
I. Net sales			6,828,588	100.0		7,429,219	100.0
II. Cost of sales	※1		4,872,324	71.4		5,310,172	71.5
Gross profit			1,956,264	28.6		2,119,047	28.5
III. Selling, general and administrative expenses	※1						
1. Freight and transportation		107,998			95,647		
2. Advertising expenses		180,619			212,227		
3. Service costs		17,442			17,169		
4. Provision for accrual for warranty costs		25,148			43,999		
5. Other selling expenses		227,564			289,992		
6. Salaries and wages		384,451			352,603		
7. Retirement benefit expenses		30,997			38,715		
8. Supplies		10,443			8,535		
9. Depreciation		50,411			62,359		
10. Provision for doubtful receivables		35,719			32,732		
11. Amortization of excess of cost over net assets acquired		409			60		
12. Other		147,833	1,219,034	17.8	140,154	1,294,192	17.4
Operating income			737,230	10.8		824,855	11.1
IV. Non-operating income							
1. Interest income		7,566			10,321		
2. Dividend income		954			1,270		
3. Equity in earnings of affiliates		11,395			11,623		
4. Exchange gain		18,318			16,444		
5. Miscellaneous income		22,537	60,770	0.9	17,619	57,277	0.8
V. Non-operating expenses							
1. Interest expense		25,060			27,290		
2. Amortization of net retirement benefit obligation at transition		23,923			13,936		
3. Loss on the net monetary position due to restatement		5,506			7,367		
4. Miscellaneous expenses		33,442	87,931	1.3	23,847	72,440	1.0
Ordinary income			710,069	10.4		809,692	10.9

Accounts	Notes	Prior Fiscal Year (From April 1, 2002 To March 31, 2003) Amounts (Millions of yen)		Ratio (%)	Current Fiscal Year (From April 1, 2003 To March 31, 2004) Amounts (Millions of yen)		Ratio (%)
VI. Special gains							
1. Gain on sales of fixed assets	※2	70,322			12,693		
2. Gain on sales of investment securities		9,199			1,807		
3. Prior period adjustments		5,684			4,697		
4. Gain from the return of substitutional portion of the welfare pension fund plan		—			7,181		
5. Other		4,038	89,243	1.3	5,822	32,200	0.4
VII. Special losses							
1. Loss on disposal of fixed assets		15,587			18,449		
2. Loss on sales of fixed assets	※2	11,526			8,530		
3. Loss on sales of investment securities		4,875			8,920		
4. Prior period adjustments	※3	1,415			16,399		
5. Write-down of investments and receivables		1,440			568		
6. Special claim		11,400			—		
7. Loss from the return of substitutional portion of the welfare pension fund plan		30,945			1,587		
8. Loss on restructuring of European operations		—			26,164		
9. Other		27,500	104,688	1.5	24,778	105,395	1.4
Income before income taxes and minority interests			694,624	10.2		736,497	9.9
Corporate, inhabitants' and enterprise taxes		113,185			137,745		
Income taxes deferred		85,513	198,698	2.9	81,295	219,040	2.9
Income attributable to minority interests			761	0.0		13,790	0.2
Net income			495,165	7.3		503,667	6.8

③ Consolidated statements of capital surplus and retained earnings

Accounts	Notes	Prior Fiscal Year (From April 1, 2002 To March 31, 2003) Amounts (Millions of yen)		Current Fiscal Year (From April 1, 2003 To March 31, 2004) Amounts (Millions of yen)	
(Capital surplus)					
I. Capital surplus at beginning of the period			803,212		804,470
II. Increase in capital surplus					
Increase due to conversion of convertible bonds of the Company		1,258	1,258	—	—
III. Capital surplus at end of the period			804,470		804,470
(Retained earnings)					
I. Retained earnings at beginning of the period			430,751		878,655
II. Increase in retained earnings					
1. Net income		495,165		503,667	
2. Increase due to inclusion in consolidation		—		226	
3. Increase due to decrease in affiliates accounted for by the equity method		112		—	
4. Revaluation reserve resulting from general price-level accounting recognized by consolidated subsidiaries		14,464	509,741	9,460	513,353
III. Decrease in retained earnings					
1. Dividends		50,800		74,594	
2. Bonus to directors and corporate auditors		407		410	
3. Decrease due to decrease in affiliates accounted for by the equity method		7,966		4,402	
4. Unrecognized retirement benefit liabilities of a subsidiary in the United Kingdom		—		18,132	
5. Loss on disposal of treasury stock		2,664	61,837	8,171	105,709
IV. Retained earnings at end of the period			878,655		1,286,299

④ Consolidated statements of cash flows

Accounts	Notes	Prior Fiscal Year (From April 1, 2002 To March 31, 2003) Amounts (Millions of yen)	Current Fiscal Year (From April 1, 2003 To March 31, 2004) Amounts (Millions of yen)
I. Cash flows from operating activities			
Income before income taxes and minority interests		694,624	736,497
Depreciation and amortization (for fixed assets excluding leased vehicles)		204,210	314,900
Depreciation and amortization (for other assets)		8,545	11,783
Depreciation and amortization (for leased vehicles)		158,370	134,354
Increase (decrease) in allowance for doubtful receivables		△503	3,732
Unrealized loss on investments		769	323
Interest and dividend income		△8,520	△11,591
Interest expense		80,255	63,423
Gain on sales of property, plant and equipment		△58,796	△4,163
Loss on disposal of property, plant and equipment		15,587	24,823
Loss (gain) on sales of investment securities		△4,324	7,113
Decrease in trade notes and accounts receivable		44,989	24,539
Increase in sales finance receivables		△327,357	△463,110
Increase in inventories		△28,404	△28,220
Increase in trade notes and account payable		36,877	68,879
Amortization of net retirement benefit obligation at transition		23,923	13,936
Retirement benefit expenses		100,629	67,262
Retirement benefit payments made against related accrual		△86,917	△80,650
Payments of business restructuring cost made against related accrual		△4,644	—
Other		△77,897	45,934
Subtotal		771,416	929,764
Interest and dividends received		8,238	10,699
Interest paid		△80,902	△65,231
Income taxes paid		△123,374	△77,815
Net cash provided by operating activities		575,378	797,417
II. Cash flows from investing activities			
Net decrease (increase) in short-term investments		789	△710
Purchases of fixed assets		△377,929	△428,387
Proceeds from sales of property, plant and equipment		98,699	53,932
Purchase of leased vehicles		△483,704	△476,613
Proceeds from sales of leased vehicles		259,075	191,105
Increase in long-term loans receivable		△11,343	△3,741
Decrease in long-term loans receivable		13,097	4,766
Purchase of investment securities		△32,053	△119,372
Proceeds from sales of investment securities		45,263	40,330
Proceeds from sales of subsidiaries' stock resulting in changes in the scope of consolidation	※2	8,395	192
Additional acquisition of shares of consolidated subsidiaries		△692	△2,531
Other		△34,971	△15,097
Net cash used in investing activities		△515,374	△756,126
III. Cash flows from financing activities			
Net decrease in short-term borrowings		△54,310	△137,575
Increase in long-term borrowings		534,053	847,393
Increase in bonds and debentures		85,000	150,000
Repayment or redemption of long-term debt		△524,115	△720,694
Purchase of treasury stock		△58,383	△101,957
Proceeds from sales of treasury stock		5,670	9,744
Repayment of lease obligations		△9,879	△84,742
Cash dividends paid		△50,800	△74,594
Other		—	△1,315
Net cash used in financing activities		△72,764	△113,740
IV. Effects of exchange rate changes on cash and cash equivalents		654	△2,604
V. Decrease in cash and cash equivalents		△12,106	△75,053
VI. Cash and cash equivalents at beginning of the year		279,653	269,817
VII. Increase due to inclusion in consolidation		2,297	310
VIII. Decrease due to exclusion from consolidation		△27	△910
IX. Cash and cash equivalents at end of the year	※1	269,817	194,164

Significant accounting policies

Prior fiscal year From April 1, 2002 To March 31, 2003	Current fiscal year From April 1, 2003 To March 31, 2004
1. Scope of consolidation	1. Scope of consolidation
(1) Number of consolidated companies 234	(1) Number of consolidated companies 186
• Domestic companies 146	• Domestic companies 100
Sales companies for vehicles and parts Aichi Nissan Motor, Tokyo Nissan Motor, Nissan Satio Osaka, Nissan Prince Tokyo Motor Sales, Nissan Parts Chuo Sales and 118 other sales companies	Sales companies for vehicles and parts Aichi Nissan Motor, Tokyo Nissan Motor, Nissan Prince Tokyo Motor Sales, Nissan Parts Chuo Sales and 84 other sales companies
Manufacturing companies for vehicles and parts Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., and 2 other companies	Manufacturing companies for vehicles and parts Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., and another company
Logistics and services companies Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autech Japan Co., Ltd., and 15 other companies	Logistics and services companies Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autech Japan Co., Ltd., and 5 other companies
• Foreign companies 88	• Foreign companies 86
Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 84 other companies	Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 82 other companies
Diamondmatic Co., Ltd which became a subsidiary by acquisition of its shares, and newly established subsidiaries including Nissan Europe S.A.S., and 2 other companies have been consolidated. P.T. Nissan Motor Indonesia and 2 other companies, which were accounted for by the equity method in the prior year have been consolidated because they have become material. Nissan Satio Fukuoka Co., Ltd. and 3 other companies merged with other subsidiaries. Sashin Tokyo Shoji Co., Ltd. and 60 other companies were liquidated. Rhythm Co., Ltd. and 2 other companies were sold and consequently have been excluded from consolidation. Nissan Business Center Gifu Co., Ltd. and another company have become unconsolidated subsidiaries not accounted for by the equity method, because their importance have decreased.	Esara, Ltd which became a subsidiary by acquisition of its shares, and newly established subsidiaries including N R Finance Mexico, and 2 other companies have been consolidated. P.T. Nissan Motor Indonesia, which was an unconsolidated subsidiary not accounted for by the equity method in the prior fiscal year, and Nissan Design Europe S.A., which was unconsolidated but accounted for by the equity method in the prior fiscal year, have been consolidated because they have become material. Nissan Koe Co., Ltd. and 22 other companies, which were consolidated in the prior fiscal year, have been accounted for by the equity method because of changes in management and in the decision-making process with regard to domestic affiliates and due to their insignificant impact on the consolidated financial statements. Diamondmatic Co., Ltd. and 9 other companies merged with other subsidiaries. Nissan Parts Sanin Sales Co., Ltd. and another company were sold and consequently have been excluded from consolidation. Sayama Service Co., Ltd. and 17 other companies were liquidated. Nissan Shelf No.2 has become an unconsolidated subsidiary not accounted for by the equity method, because its materiality has decreased.
(2) Unconsolidated subsidiaries 159	(2) Unconsolidated subsidiaries 174
• Domestic companies 132	• Domestic companies 138
Nissan Marine Co., Ltd., Nissan Human Resources Development Center Inc. and others	Nissan Marine Co., Ltd., Nissan Human Resources Development Center Inc. and others
• Foreign companies 27	• Foreign companies 36
Nissan Technical Center Europe S.A. (Brussels), and others	Nissan Technical Center Europe S.A. (Brussels), and others.
These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the consolidated financial statements. As a result, they have been excluded from consolidation.	These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the consolidated financial statements. As a result, they have been excluded from consolidation.
2. Equity method	2. Equity method
(1) Companies accounted for by the equity method 40	(1) Companies accounted for by the equity method 61
• Unconsolidated subsidiaries 11 (5 domestic and 6 foreign companies)	• Unconsolidated subsidiaries 34 (28 domestic and 6 foreign companies)
Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others	Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
Nissan Teildepot Mitte GmbH has become an unconsolidated subsidiary accounted for by the equity method following additional acquisition of shares. Nissan Design Europe Limited was newly established and has also become an unconsolidated subsidiary accounted for by the equity method. Siam Nissan Casting Co., Ltd. and 3 other companies, formerly accounted for by the equity method, have been excluded from the scope of consolidation following sale of shares. 3 affiliates such as P.T. Nissan Motor Indonesia, formerly accounted for by the equity method, have become fully consolidated subsidiaries as they have become material. Nissan Parts Yamanashi Sales Co., Ltd. merged with another company.	Nissan Light Truck Co., Ltd. and another company were newly established and have become unconsolidated subsidiaries accounted for the equity method. Nissan Koe Co., Ltd. and 22 other companies, which were consolidated in the prior fiscal year, have been accounted for by the equity method because of changes in management and in the decision-making process with regard to domestic affiliates and due to their insignificant impact on the consolidated financial statements. Manazuru Kaikan Co., Ltd., which was unconsolidated but accounted for by the equity method, was merged with another company. Nissan Design Europe S.A. has been consolidated because it has become material.
• Affiliates 29 (21 domestic and 8 foreign companies) Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation and others	• Affiliates 27 (19 domestic and 8 foreign companies) Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation and others
Renault has become an affiliate following additional acquisition of shares, and is now accounted for by the equity method. Nissan Vehicle Distributors Co., Ltd., an affiliate which was not formerly accounted for by the equity method, is now accounted for by the equity method. 5 companies including Unipres Corporation have been excluded from the scope of consolidation because their shares were sold and they were no longer affiliates. These companies were accounted for by the equity method until the prior fiscal year.	Dongfeng Motor Co., Ltd. was newly established and has been accounted for by the equity method. Three companies including Hashimoto Forming Co., Ltd. have been excluded from the scope of consolidation because their shares were sold and they were no longer affiliates. These companies were accounted for by the equity method until the prior fiscal year.
(2) Companies not accounted for by the equity method 181	(2) Companies not accounted for by the equity method 170
• Unconsolidated subsidiaries 148 Nissan Human Resources Development Center Inc. and others	• Unconsolidated subsidiaries 140 Nissan Human Resources Development Center Inc. and others
• Affiliates 33 Tonox Co., Ltd. and others	• Affiliates 30 Tonox Co., Ltd. and others
These companies are not accounted for by the equity method as their impact is not significant on the consolidated net income or loss, consolidated retained earnings and others.	These companies are not accounted for by the equity method as their impact is not significant on the consolidated net income or loss, consolidated retained earnings and others.
(3) No adjustments are made to the financial statements of the companies accounted for by the equity method even if their accounting period is different from that of the Company.	(3) Same as prior fiscal year.
3. Accounting period of consolidated subsidiaries	3. Accounting period of consolidated subsidiaries
(1) The following consolidated companies close their books of account at:	(1) The following consolidated companies close their books of account at:
December 31: Nissan Mexicana, S.A. de C.A. Nissan Europe S.A.S. and its 24 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espagna S.A. Nissan Forklift Co., North America Nissan Trading Europe Nissan Trading America Nissan Motor Company South Africa (Pty) Ltd. and its 14 subsidiaries Nissan do Brasil Automoveis Ltda. P.T. Nissan Motor Indonesia January 31: Yokohama Marinos Co., Ltd.	December 31: Nissan Mexicana, S.A. de C.A. Nissan Europe S.A.S. and its 25 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espagna S.A. Nissan Forklift Co., North America Nissan Trading Co., Ltd. and its 2 subsidiaries Nissan Motor Company South Africa (Pty) Ltd. and its 11 subsidiaries Nissan do Brasil Automoveis Ltda. P.T. Nissan Motor Indonesia P.T. Nissan Motor Distributor Indonesia NR Finance Mexico, S.A. De C.V. NR Wholesales Mexico, S.A. De C.V. ESARA, S.A. De C.V.
(2) The necessary adjustments are made to the financial statements of these companies to reflect any significant transactions	(2) The necessary adjustments are made to the financial statements of these companies to reflect any significant transactions
4. Significant accounting policies	4. Significant accounting policies
(1) Valuation methods for assets	(1) Valuation methods for assets
① Securities	① Securities

Prior fiscal year From April 1, 2002 To March 31, 2003	Current fiscal year From April 1, 2003 To March 31, 2004
Held-to-maturity securities: Held-to maturity securities are stated at amortized cost	Same as prior fiscal year.
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. Costs 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.	
②Derivatives Derivatives are carried at fair value except for forward foreign exchange contracts entered in order to hedge receivables and payables denominated in foreign currencies.	②Derivatives Same as prior fiscal year.
③Finished goods Finished goods are stated principally at the lower of cost or market, cost being determined by the average method.	
④Other inventories Work in process and purchased parts included in raw materials are principally stated at the lower of cost or market, cost being determined by the average method.	③Inventories Inventories are stated principally at lower of cost or market, cost being determined by the first-in, first-out method.
Raw materials except for purchased parts and supplies are principally stated at lower of cost or market, cost being determined by the last-in, first-out method.	―――
(2) Depreciation of property, plant and equipment Depreciation of property, plant and equipment is calculated principally by the straight-line method based on the estimated useful lives and the residual value determined by the Company.	(2) Depreciation of property, plant and equipment Same as prior fiscal year.
(3) Basis for significant reserves	(3) Basis for significant reserves
①Allowance for doubtful receivables Allowance for doubtful receivables is provided based on past experience for normal receivables and on an estimate of the collectibility of receivables from companies in financial difficulty.	①Allowance for doubtful receivables Same as prior fiscal year.
②Accrual for warranty costs Accrual for warranty is 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.	②Accrual for warranty costs Same as prior fiscal year.
③Accrual 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.	―――
④Accrued retirement benefits Accrued retirement benefits are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over 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.	③Accrued retirement benefits Same as prior fiscal year.

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
(Additional Information) In accordance with the revision of Welfare Pension Insurance Law of Japan, on March 1, 2003, the Company received approval from the Minister of Health, Labor and Welfare with respect to its application for exemption from the obligation for benefits related to future employee services under the substitutional portion of the welfare pension fund plan (WPFP). In accordance with the transition provision prescribed by Article 47-2 of "Practical Guidelines for Accounting for Retirement Benefits (Interim Report)" (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 substitutional portion of WPFP by reducing the retirement benefit obligation and the pension plan assets related to such substitutional portion as of the date when the Company received the permission. The effect of this treatment on operating results was described in the note for retirement benefits.	(Additional Information) In accordance with the revision of Welfare Pension Insurance Law of Japan, during the current fiscal year, certain consolidated subsidiaries received approval from the Minister of Health, Labor and Welfare with respect to their applications for exemption from the obligation for benefits related to future employee services under the substitutional portion of the Welfare Pension Fund Plans (WPFP). In accordance with the transition provision prescribed by Article 47-2 of "Practical Guidelines for Accounting for Retirement Benefits (Interim Report)" (Accounting Committee Report No.13) issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants, these subsidiaries recognized a gain or loss from the return of substitutional portion of WPFP by reducing the retirement benefit obligation and the pension plan assets related to such substitutional portion as of the date when these subsidiaries received the permission. The effect of this treatment on operating results was described in the note for retirement benefits.
(4) Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are included in the statement of operations. The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Translation adjustments are presented as a separate component of shareholders' equity.	(4) Foreign currency translation Same as prior fiscal year.
(5) Lease accounting Noncancelable lease transactions are primarily accounted for as operating 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) Lease accounting Noncancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.
(6) Hedge accounting ① Hedge accounting Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred. When forward foreign exchange contracts and other derivatives 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.	(6) Hedge accounting ① Hedge accounting Same as prior fiscal year.
② 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	② Hedging instruments and hedged items Same as prior fiscal year.
③ Hedging policy It is the Company's policy that all transactions denominated in foreign currencies are to be hedged.	③ Hedging policy Same as prior fiscal year.
④ Assessment of hedge effectiveness Hedge effectiveness is determined by comparing the cumulative changes in cash flows from the hedging instruments with those from the hedged items.	④ Assessment of hedge effectiveness Same as prior fiscal year.
⑤ Risk management policy with respect to hedge accounting The Company manages its derivative transactions in accordance with its internal "Policies and Procedures for Risk Management."	⑤ Risk management policy with respect to hedge accounting Same as prior fiscal year.
(7) Accounting for consumption tax Transactions subject to consumption tax, are recorded at amounts exclusive of consumption tax.	(7) Accounting for consumption tax Same as prior fiscal year.

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
(8) 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 those countries in the accompanying consolidated financial statements have been charged or credited to operations and are directly reflected in retained earnings.	(8) Accounting policies adopted by foreign consolidated subsidiaries Same as prior fiscal year.
5. Valuation of assets and liabilities of consolidated subsidiaries Assets and liabilities of consolidated subsidiaries acquired through business combinations are carried at fair value.	5. Valuation of assets and liabilities of consolidated subsidiaries Same as prior fiscal year.
6. Amortization of differences between cost and underlying net equity at fair value Differences between cost and underlying net equity at fair value of investments in consolidated subsidiaries and in companies accounted for by the equity method have been amortized over periods not exceeding 20 years determined based on their materiality. However, immaterial differences are charged or credited to income in the year of acquisition.	6. Amortization of differences between cost and underlying net equity at fair value Same as prior fiscal year.
7. Appropriation of retained earnings The appropriation of retained earnings is reflected in each fiscal year when such appropriation is made by resolution of the shareholders.	7. Appropriation of retained earnings Same as prior fiscal year.
8. Cash and cash equivalents in the consolidated statements of cash flows Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.	8. Cash and cash equivalents in the consolidated statements of cash flows Same as prior fiscal year.
9. 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. Following the revision for Regulations for Consolidated Financial Statements 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 revised regulation.	9. Accounting Standard for Treasury Stock and Reduction of Legal Reserves ―――――――
10. 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.	10. Per Share Data ―――――――

Accounting changes

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
	Method of Valuation of Inventories Until the prior fiscal year, finished goods, work in process and purchased parts included in raw materials were stated at the lower of average cost or market, 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 the current fiscal year, the Company and certain consolidated subsidiaries began to value all inventories 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 the changes in the purchase prices in the valuation of inventories considering the fact that there has been progress in achieving a reduction in purchasing costs and that this trend is anticipated to continue. This change is also intended to achieve a better matching of revenue and expenses and more appropriate cost management by applying an inventory valuation method which reflects the actual inventory movements. The effect of this change was immaterial for the current fiscal year. Accounting for retirement benefits adopted by Nissan Motor Manufacturing (UK) Ltd. Effective the current fiscal year, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to increase retirement benefit expenses by ¥2,178 million, and to decrease operating income, ordinary income and income before income taxes and minority interests by ¥1,686 million, ¥2,178 million and ¥2,178 million, respectively, for the current fiscal year as compared with the corresponding amounts which would have been recorded if the previous method had been followed. Retained earnings also decreased by ¥18,132 million since the net retirement benefit obligation at transition and actuarial loss was charged directly to retained earnings for the current fiscal year. The effect of this change on segment information is explained in the applicable notes. Accounting for noncancelable leases Until the prior fiscal year, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases were classified as operating or finance leases), except that lease agreements which stipulated the transfer of ownership of the leased assets to the lessee were accounted for as finance leases. This change was made in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of the Company's and its domestic consolidated subsidiaries' financial position by reflecting lease transactions more appropriately in its consolidated financial statements, considering the increasing materiality of these 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 ¥17,943 million, ¥38,910 million and ¥624 million, respectively, and to increase operating income, ordinary income and income before income taxes and minority interests by ¥21,591 million, ¥17,659 million and ¥17,659 million, respectively, for the current fiscal year as compared with the corresponding amounts which would have been recorded under the previous method. In addition, trade and sales finance receivables, tangible fixed assets and lease obligations increased by ¥70,670 million, ¥66,514 million and ¥120,061 million, respectively, at March 31, 2004 over the corresponding amounts which would have been recorded under the previous method. The effect of this change on segment information is explained herein in the applicable notes.

Changes in presentation

From April 1, 2002 To March 31, 2003	From April 1, 2003 To March 31, 2004
	Accrual For Warranty Costs The current portion of the accrual for warranty costs, which was included in long-term liabilities in the prior fiscal year, has been presented as a current liability because relevant data for the separation has become available.

Notes to consolidated financial statements

(For consolidated balance sheets)

(Millions of yen)

Prior fiscal year (As of March 31, 2003)	Current fiscal year (As of March 31, 2004)
1. ※1 Accumulated depreciation of property, plant and equipment ¥3,211,740	1. ※1 Accumulated depreciation of property, plant and equipment ¥3,227,771 The above amount includes accumulated depreciation of leased assets in the amount of ¥ 190,679 million.
2. ※2 Machinery, equipment and vehicles included certain items in the amount of ¥774,251 million leased to others under lease agreements.	2. ※2 Machinery, equipment and vehicles included certain items in the amount of ¥755,853 million leased to others under lease agreements.
3. ※3 These assets included the following assets pledged as collateral:	3. ※3 These assets included the following assets pledged as collateral:
(1) Assets pledged as collateral: Cash in banks ¥ 38 Sales financing receivables 1,076,738 Property, plant and equipment 554,341 Total ¥1,631,117	(1) Assets pledged as collateral: Sales financing receivables ¥ 287,588 Property, plant and equipment 1,315,797 Other investments, other assets 20,660 Total ¥1,624,045
(2) Liabilities secured by the above collateral: Short-term borrowings ¥ 375,758 Long-term borrowings (including the current portion) 1,039,807 Total ¥1,415,565	(2) Liabilities secured by the above collateral: Short-term borrowings ¥ 295,908 Long-term borrowings (including the current portion) 1,257,157 Total ¥1,553,065
In addition to the above, investments in subsidiaries totaling ¥42,423 million, which were eliminated in consolidation, were pledged as collateral for long-term borrowings of affiliates of ¥12,240 million, which were not reflected in the accompanying consolidated balance sheet.	In addition to the above, investments in subsidiaries totaling ¥51,106 million, which were eliminated in consolidation, were pledged as collateral for long-term borrowings of affiliates of ¥7,779 million, which were not reflected in the accompanying consolidated balance sheet.
4. Notes receivable discounted with banks outstanding as of March 31, 2003 ¥816	4. Notes receivable discounted with banks outstanding as of March 31, 2004 ¥2,782
5. Guarantees and others	5. Guarantees and others

(1) Guarantees

Prior fiscal year (As of March 31, 2003):

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	※ ¥193,389	Guarantees for employees' housing loans and others
AG Global Private Ltd. Co., and 688 other companies	39,291	Guarantees for loans
Total	¥232,680	

※ These loans were fully covered by insurance.

Current fiscal year (As of March 31, 2004):

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	※ ¥204,443	Guarantees for employees' housing loans and others
AG Global Private Ltd. Co., and 615 other companies	44,920	Guarantees for loans
Total	¥249,363	

※ These loans were fully covered by insurance.

(2) Commitments to provide guarantees

Prior fiscal year (As of March 31, 2003):

Guarantees	Balance of commitments to provide guarantees	Descriptions of liabilities guarantees
MONC LIBERIA, INC and 2 other companies	¥3,296	Commitments to provide guarantees for loans

Current fiscal year (As of March 31, 2004):

Guarantees	Balance of commitments to provide guarantees	Descriptions of liabilities guarantees
MONC LIBERIA, INC and 1 other company	¥2,962	Commitments to provide guarantees for loans

(Millions of yen)

Prior fiscal year (As of March 31, 2003)	Current fiscal year (As of March 31, 2004)
(3) Letters of awareness The Company provided letters of awareness to financial institutions regarding the indebtedness of the following company: Company covered — Liabilities covered P.T. Nissan Motor Distributor Indonesia ¥75	―――
(4) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥121,007	(3) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥42,862
(5) Outstanding balance of installment receivables sold with recourse ¥240	(4) Outstanding balance of installment receivables sold with recourse ¥27,714
6. ※4 Investments in unconsolidated subsidiaries and affiliates Investments in stock of unconsolidated subsidiaries and affiliates ¥231,404 Investments in bonds issued by affiliates 5,000	6. ※4 Investments in unconsolidated subsidiaries and affiliates Investments in stock of unconsolidated subsidiaries and affiliates ¥339,703
7. ※5 Retained earnings Revaluation adjustments resulting from general price-level accounting ¥17,971	7. ※5 Retained earnings Revaluation adjustments resulting from general price-level accounting ¥27,431
8. ※6 Number of shares issued Common stock 4,520,715 thousand shares	8. ※6 Number of shares issued Common stock 4,520,715 thousand shares
9. ※7 Number of treasury stock held Number of treasury stock held by consolidated subsidiaries, and unconsolidated subsidiaries and affiliates accounted for by the equity method amounted to 301,599 thousand shares of common stock.	9. ※7 Number of treasury stock held Number of treasury stock held by consolidated subsidiaries, and unconsolidated subsidiaries and affiliates accounted for by the equity method amounted to 301,010 thousand shares of common stock.
10. The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows: Total credit lines of overdrafts and loans ¥39,151 Loans receivable outstanding 3,361 Unused credit lines ¥35,790 Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount	10. The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows: Total credit lines of overdrafts and loans ¥84,100 Loans receivable outstanding 11,043 Unused credit lines ¥73,057 Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount.

(For consolidated statements of income)

(Millions of yen)

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
1. ※1 Total research and development costs Research and development costs included in manufacturing costs and selling, general and administrative expenses ¥300,330 2. ※2 Gain and loss on sales of property, plant and equipment primarily resulted from sale of land and buildings in the amount of ¥65,424 million and ¥6,164million, respectively. ――――――	1. ※1 Total research and development costs Research and development costs included in manufacturing costs and selling, general and administrative expenses ¥354,321 2. ※2 Gain and loss on sales of property, plant and equipment primarily resulted from sale of land and buildings in the amount of ¥9,247 million and ¥6,845million, respectively. 3. ※3 Major items included in prior period adjustments Social insurance premium on unpaid bonus for the prior year 7,267 Additional insurance expense resulting from increase in insurance premium related to product liability or the prior years 9,132

(For consolidated statements of cash flows)

(Millions of yen)

<table>
<tr><th>Prior fiscal year
(From April 1, 2002
To March 31, 2003)</th><th>Current fiscal year
(From April 1, 2003
To March 31, 2004)</th></tr>
<tr><td>1. ※1 Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheet as follows:

As of March 31, 2003:

Cash on hand and in banks ¥268,433
Time deposits with maturities of more than three months △35
Cash equivalents included in securities (*) 1,419
Cash and cash equivalents ¥269,817

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

2. ※2 Summary of assets and liabilities of companies excluded from consolidation following the sale of their stock

The following is a summary of the transferred assets and liabilities, the relevant selling prices and the net cash inflows from sales of stock of Rhythm Co., Ltd., and 2 other companies

Current assets ¥22,561
Fixed assets 7,493
Loss on sales of investment securities △1,765
Current liabilities △11,991
Long-term liabilities △5,366
Minority interests in consolidated subsidiaries △1,962
Proceeds from sales of stock 8,970
Cash and cash equivalents held by subsidiaries △575
Net proceeds ¥8,395</td><td>1. ※1 Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheet as follows:

As of March 31, 2004:

Cash on hand and in banks ¥191,742
Time deposits with maturities of more than three months △704
Cash equivalents included in securities (*) 3,126
Cash and cash equivalents ¥194,164

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

――――――</td></tr>
</table>

(For lease transactions)

(Millions of yen)

<table>
<tr><th>Prior fiscal year
From April 1, 2002
To March 31, 2003</th><th>Current fiscal year
From April 1, 2003
To March 31, 2004</th></tr>
<tr><td>(Lessees' accounting)

1. Finance lease transactions except for those lease agreements which stipulate the transfer of ownership of the leased assets to the lessee

(1) The pro forma amounts of the acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

| | Acquisition costs | Accumulated depreciation | Net book value |
Machinery, equipment and vehicles: ¥ 89,470 / ¥35,823 / ¥ 53,647
Others: 155,704 / 60,472 / 95,232
Total: ¥245,174 / ¥96,295 / ¥148,879

(millions of yen)

(2) Future minimum lease payments subsequent to March 31, 2003 are summarized as follows:

Due in one year or less ¥53,648
Due after one year 97,532
Total ¥151,180

(3) Lease payments, depreciation of leased assets and the interest portion included in the lease payments are shown below:

Lease payments ¥45,638
Depreciation 42,444
Interest 3,039

(4) 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.

(5) 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.

2. Operating lease transactions

Future minimum lease payments subsequent to March 31, 2003 are summarized as follows:

Due in one year or less ¥4,731
Due after one year 20,638
Total 25,369</td><td>(Lessees' accounting)

―――――

Operating lease transactions

Future minimum lease payments subsequent to March 31, 2004 are summarized as follows:

Due in one year or less ¥5,188
Due after one year 17,921
Total 23,109</td></tr>
</table>

(Millions of yen)

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
(Lessors' accounting)	(Lessors' accounting)

Prior fiscal year (From April 1, 2002 To March 31, 2003)

(Lessors' accounting)

1. Finance lease transactions except for those lease agreements which stipulate the transfer of ownership of the leased assets to the lessee

   (1) The acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥89,924	¥41,199	¥48,725
Others	7,483	3,768	3,715
Total	¥97,407	¥44,967	¥52,440

   (2) Future minimum lease income subsequent to March 31, 2003 are summarized as follows:

Due in one year or less	¥17,490
Due after one year	36,666
Total	¥54,156

   (3) Lease income, depreciation of the assets leased and the interest portion included in lease income are shown below:

Lease income	¥21,216
Depreciation	18,351
Interest	2,649

   (4) 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.

2. Operating lease transactions

   Future minimum lease income subsequent to March 31, 2003 is summarized as follows:

Due in one year or less	¥163,917
Due after one year	239,166
Total	¥403,083

Current fiscal year (From April 1, 2003 To March 31, 2004)

(Lessors' accounting)

———

Operating lease transactions

Future minimum lease income subsequent to March 31, 2004 is summarized as follows:

Due in one year or less	¥178,939
Due after one year	259,704
Total	¥438,643

(For securities)

(Millions of yen)

Prior fiscal year

Securities

1. Marketable held-to-maturity debt securities

(As of March 31, 2003)

Types of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
(Securities whose fair value exceeds their carrying value)			
Government bonds	¥ 60	¥ 61	¥ 1
Corporate bonds	313	336	23
Subtotal	373	397	24
(Securities whose carrying value exceeds their fair value)			
Corporate bonds	3,068	3,068	0
Subtotal	3,068	3,068	0
Total	¥3,441	¥3,465	¥24

2. Marketable other securities

(As of March 31, 2003)

Types of securities	Acquisition cost	Carrying value	Unrealized gain (loss)
(Securities whose carrying value exceeds their acquisition cost)			
Stock	¥ 1,243	¥ 4,492	¥3,249
Bonds:			
Government bonds	19	20	1
Others	8,976	9,779	803
Subtotal	10,238	14,291	4,053
(Securities whose acquisition cost exceeds their carrying value)			
Stock			
Bonds:	3,544	2,883	△661
Corporate bonds	100	82	△18
Subtotal	3,644	2,965	△679
Total	¥13,882	¥17,256	¥3,374

3. Other securities sold during the current fiscal year

(From April 1, 2002 to March 31, 2003)

Sales proceeds	Total gain	Total loss
¥12,770	¥3,446	¥△3,167

4. Carrying value of major securities whose fair value is not available is as follows:

(As of March 31, 2003)

(1) Held-to-maturity debt securities:
Unlisted domestic debt securities ¥5,000
(2) Other securities:
Unlisted domestic stocks (excluding those traded on the over-the-counter market) ¥7,441
Unlisted foreign stocks 2,311

5. The redemption schedule for securities with maturity dates which are classified as other securities and held-to-maturity debt securities

(As of March 31, 2003)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Bonds:				
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

Current fiscal year

Securities

1. Marketable held-to-maturity debt securities

(As of March 31, 2004)

Types of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
(Securities whose fair value exceeds their carrying value)			
Corporate bonds	249	249	0
Total	¥ 249	¥ 249	¥ 0

2. Marketable other securities

(As of March 31, 2004)

Types of securities	Acquisition cost	Carrying value	Unrealized gain (loss)
(Securities whose carrying value exceeds their acquisition cost)			
Stock	¥ 1,042	¥7,934	¥ 6,892
Bonds:			
Government bonds	19	20	1
Subtotal	1,061	7,954	6,893
(Securities whose acquisition cost exceeds their carrying value)			
Stock	2,486	1,939	△547
Subtotal	2,486	1,939	△547
Total	¥3,547	¥9,893	¥6,346

3. Other securities sold during the current fiscal year

(From April 1, 2003 to March 31, 2004)

Sales proceeds	Total gain	Total loss
4,048	1,500	△32

4. Carrying value of major securities whose fair value is not available is as follows:

(As of March 31, 2004)

(1) Other securities:
Unlisted domestic stocks (excluding those traded on the over-the-counter market) ¥6,762
Unlisted foreign stocks 1,110

5. The redemption schedule for securities with maturity dates which are classified as other securities and held-to-maturity debt securities

(As of March 31, 2004)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Bonds:				
Government bonds	¥ 20	¥0	¥0	¥0
Corporate bonds	106	90	53	0
Total	¥126	¥90	¥53	¥0

(For derivative transactions)

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
1. Derivative transactions	1. Derivative transactions
(1) Policies	(1) Policies
The Company utilizes derivative financial instruments for the purpose of hedging its exposure to adverse fluctuations in foreign currency exchange rates on receivables and payables denominated in foreign currencies, interest rates on interest-bearing debt and market prices on commodity, but does not enter into such transactions for speculative or trading purposes. An internal management rule on financial market risk (the "Rule") prescribes that the Group's financial market risk is to be controlled by the Company in a centralized manner, and that no individual subsidiary can initiate a hedge position without the prior approval of, and regular reporting back to the Company..	Same as prior fiscal year.
(2) Types and purpose of transactions:	(2) Types and purpose of transactions:
① Forward foreign exchange contracts	① Forward foreign exchange contracts
Forward foreign exchange contracts are utilized in order to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables arising from importing and exporting products and others.	Same as prior fiscal year.
② Currency option	② Currency option
In the same manner as forward foreign exchange contracts, currency options are utilized in order to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables.	Same as prior fiscal year.
③ Interest rate swaps	③ Interest rate swaps
Interest rate swaps are utilized primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.	Same as prior fiscal year.
④ Currency swaps	④ Currency swaps
Currency swaps are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates and interest rates on foreign currency denominated receivables and payables.	Same as prior fiscal year.
⑤ Interest rate options	⑤ Interest rate options
Interest rate options are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.	Same as prior fiscal year.

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
⑥ Stock option Stock options are used primarily to hedge against the adverse impact of fluctuations in the share prices. ⑦ Commodity futures contracts Commodity futures contracts are used primarily to hedge against the adverse impact of fluctuations in the market prices of precious metal (used as catalyst for emission gas purifier of automobiles). (3) Description of risks relating to derivative transactions ① Market risk Although derivative transactions are used for the purpose of hedging risks on assets and liabilities recorded in the consolidated balance sheet, there remain the risk of foreign currency exchange fluctuations on currency transactions, the risk of interest rate fluctuations on interest rate transactions and the risk of market price fluctuations on commodity transactions. ② Credit risk The Group is exposed to the risk that a counterparty to its financial transactions could default and jeopardize future profits. We believe that this risk is insignificant as the Group enters into derivative transactions only with financial institutions which have a sound credit profile. The Group enters into these transactions also with Renault Finance S.A. ("RF"), a specialized financial subsidiary of the Renault Group which, the Company believes, is not subject to any such material risk. This is because RF enters into derivative transactions to cover such derivative transactions with the Group only with financial institutions of the highest caliber carefully selected by RF based on its own rating system. ③ Legal risk The Group is exposed to the risk of entering into a financial agreement which may contain inappropriate terms and conditions as well as the risk that an existing contract may be affected by revisions to the relevant laws and regulations. The Group’s Legal Department and Finance Department make every effort to minimize legal risk by reviewing any new agreements of significance and by reviewing the related documents which are retained on file in a central location.	⑥ Stock option Same as prior fiscal year. ⑦ Commodity futures contracts Same as prior fiscal year. (3) Description of risks relating to derivative transactions ① Market risk Same as prior fiscal year. ② Credit risk Same as prior fiscal year. ③ Legal risk Same as prior fiscal year.

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
(4) Risk management for derivative transactions All risk hedge operations of the Group are carried out pursuant to the Rule which stipulates the Group's basic policies for derivative transactions, management policies, management items, procedures, criteria for the selection of counterparties, and the reporting system, and so forth. The Rule prescribes that the Group's financial market risk is to be controlled by the Company in a centralized manner, and that no individual subsidiary is permitted to initiate a hedging operation without the prior approval of, and regular reporting back to the Company. The basic hedge policy is subject to the approval of the Monthly Hedge Policy Meeting attended by Chief Financial Officer ("CFO"). Execution and management of all deals are to be conducted pursuant to the Rule. Derivative transactions are conducted by a special section of the Finance Department and monitoring of the balance of all open positions and confirming balances are the responsibility of the Accounting Section and the Risk Management Section. Commodity futures contracts are to be handled by Finance Department under guidelines which are to be drawn up by the MRMC (Materials Risk Management Committee). The MRMC is chaired by the corporate officer in charge of the Purchasing Department and the CFO and it will meet approximately once every six months. The status of derivative transactions is reported on a daily basis to the corporate officer in charge of Finance Department and on an annual basis to the Board of Directors. Credit risk is monitored quantitatively using RF's rating system based principally on the counterparties' long-term credit ratings and on their shareholders' equity. The Finance Department sets a maximum upper limit on positions with each of the counterparties for the Group and monitors the balances of open positions every day. (5) Supplemental explanation on quantitative information ① The fair value and unrealized gain or loss on derivative transactions are estimates which are considered appropriate based on the market at the balance sheet date and, thus, fair value is not necessarily indicative of the actual amounts which may be realized or settled in the future. ② The notional amounts of the swaps are not a direct measure of the Company's risk exposure in connection with its swap transactions.	(4) Risk management for derivative transactions All risk hedge operations of the Group are carried out pursuant to the Rule which stipulates the Group's basic policies for derivative transactions, management policies, management items, procedures, criteria for the selection of counterparties, and the reporting system, and so forth. The Rule prescribes that the Group's financial market risk is to be controlled by the Company in a centralized manner, and that no individual subsidiary is permitted to initiate a hedging operation without the prior approval of, and regular reporting back to the Company. The basic hedge policy is subject to the approval of the Monthly Hedge Policy Meeting attended by the corporate officer in charge of the Treasury Department. Execution and management of all deals are to be conducted pursuant to the Rule. Derivative transactions are conducted by a special section of the Finance Department and monitoring of the balance of all open positions and confirming balances are the responsibility of the Accounting Section and the Risk Management Section. Commodity futures contracts are to be handled by Finance Department under guidelines which are to be drawn up by the MRMC (Materials Risk Management Committee). The MRMC is chaired by the corporate officer in charge of the Purchasing Department and the CFO and it will meet approximately once every six months. The status of derivative transactions is reported on a daily basis to the corporate officer in charge of Finance Department and on an annual basis to the Board of Directors. Credit risk is monitored quantitatively using RF's rating system based principally on the counterparties' long-term credit ratings and on their shareholders' equity. The Finance Department sets a maximum upper limit on positions with each of the counterparties for the Group and monitors the balances of open positions every day. (5) Supplemental explanation on quantitative information ① Same as prior fiscal year. ② Same as prior fiscal year.

2. Fair value of derivative transactions

Notional amounts, fair value and unrealized gain or loss

(1) Currency-related transactions

(Millions of yen)

Classification	Type	Prior fiscal year (As of March 31, 2003)				Current fiscal year (As of March 31, 2004)			
		Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)	Notional amounts	Portion due after one year included herein	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:								
	Sell:								
	US$	¥ 103,749	–	¥ 102,000	¥ 1,749	¥ 23,293	–	¥ 22,778	¥ 515
	CAN$	–	–	–	–	7,959	–	7,932	27
	ZAR	–	–	–	–	685	–	702	△17
	Others	1	–	1	0	–	–	–	–
	Buy:								
	CAN$	10,542	–	10,663	121	29,456	–	29,899	443
	£ stg.	2,391	–	2,365	△26	–	–	–	–
	US$	–	–	–	–	20,714	–	20,362	△352
	Others	691	–	600	△91	–	–	–	–
	Swaps:								
	EURO	¥ 34,840	–	¥ △1,032	¥ △1,032	¥ 86,958	–	¥ 347	¥ 347
	£ stg.	34,186	–	339	339	35,732	–	58	58
	US$	8,645	8,645	△320	△320	21,185	20,558	298	298
	CAN$	2,242	–	△59	△59	1,129	–	△97	△97
Total		–	–	–	681	–	–	–	1,222

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

(2) Interest-related transactions

(Millions of yen)

Classification	Type	Prior fiscal year (As of March 31, 2003) Notional amounts	Prior: Portion due after one year included herein	Prior: Fair value	Prior: Unrealized gain (loss)	Current fiscal year (As of March 31, 2004) Notional amounts	Current: Portion due after one year included herein	Current: Fair value	Current: Unrealized gain (loss)
Non-market transactions	Swaps:								
	Receive floating/ pay fixed	¥ 187,187	¥ 62,540	¥ △2,095	¥ △2,095	¥ 187,454	¥ 125,121	¥ △851	¥ △851
	Receive fixed/pay floating	262,154	155,091	7,247	7,247	186,223	127,400	4,398	4,398
	Receive floating/ pay floating	2,500	2,500	△30	△30	–	–	–	—
	Options								
	Caps sold	¥ 461,860	¥ 461,860			¥ 445,376	¥ 389,060		
	(Premium)	(–)	(–)	¥ △4,605	¥ △4,605	(–)	(–)	¥ △ 4,219	¥ △4,219
	Caps purchased	461,860	461,860			445,376	389,060		
	(Premium)	(–)	(–)	4,605	4,605	(–)	(–)	4,219	4,219
Total		–	–	–	5,122	–	–	–	3,547

Notes: 1. Calculation of fair value
Fair value of swaps and options is based on the prices obtained from the financial institutions.

2. 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 interest swaps which qualify for special treatment have been excluded from the notional amounts presented above.

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

(Retirement benefits)

1. Description of retirement benefit plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans, 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, some consolidated companies received approval from the Minister of Health, Labor and Welfare with respect to its application for exemption from the obligation for benefits related to future employee services under the substitutional portion of the welfare pension fund plan.

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

(Millions of yen)

		Prior fiscal year (As of March 31, 2003)	Current fiscal year (As of March 31, 2004)
a.	Retirement benefit obligation	¥△1,135,273	¥△1,041,483
b.	Plan assets at fair value	359,922	377,169
c.	Unfunded retirement benefit obligation (a+b)	△775,351	△664,314
d.	Unrecognized net retirement benefit obligation at transition	179,611	131,666
e.	Unrecognized actuarial gain or loss	231,637	152,867
f.	Unrecognized prior service cost (a reduction of liability)	△69,134 (Note 2)	△61,833 (Note 2)
g.	Net retirement benefit obligation recognized in the consolidated balance sheet (c+d+e+f)	△433,237	△441,614
h.	Prepaid pension cost	29	652
i	Accrued retirement benefits (g–h)	¥ △433,266	¥ △442,266

Prior fiscal year (As of March 31, 2003)

Notes:
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.
2. Effective April 1, 2001, the Company discontinued to provide certain benefits under the welfare pension fund plan for future services. As a result, prior service cost (a reduction of liability) was incurred.
3. Certain subsidiaries adopted a simplified method in the calculation of their retirement benefit obligation.
4. In addition to the accrued retirement benefits explained above, an accrual for additional retirement benefits is recognized and have been included in "Other current liabilities" in the accompanying consolidated balance sheet.

Current fiscal year (As of March 31, 2004)

Notes:
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.
2. Effective April 1, 2001, the Company discontinued to provide certain benefits under the welfare pension fund plan for future services. As a result, prior service cost (a reduction of liability) was incurred.
3. Certain subsidiaries adopted a simplified method in the calculation of their retirement benefit obligation.
4. In addition to the accrued retirement benefits explained above, an accrual for additional retirement benefits is recognized and have been included in "Other current liabilities" in the accompanying consolidated balance sheet.

Prior fiscal year (As of March 31, 2003)	Current fiscal year (As of March 31, 2004)
Notes: 5. In accordance with the transition provision prescribed by Article 47-2 of "Practical Guidelines for Accounting for Retirement Benefits (Interim Report)" （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 substitutional portion of the welfare pension fund plan by reducing the retirement benefit obligation and the pension plan assets related to such substitutional portion as of the date when the Company received the permission. As a result, the Company recognized a special loss of ¥30,945 million for the year ended March 31, 2003. The pension plan assets calculated to be returned as of March 31, 2003 amounted to ¥241,203 million. 6. 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.	Notes: 5. In accordance with the transition provision prescribed by Article 47-2 of "Practical Guidelines for Accounting for Retirement Benefits (Interim Report)" （Accounting Committee Report No.13） issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants, certain consolidated companies recognized a loss or gain from the return of substitutional portion of the welfare pension fund plan by reducing the retirement benefit obligation and the pension plan assets related to such substitutional portion as of the date when these subsidiaries received the permission. As a result, they recognized a special gain of ¥3,669 million and a special loss of ¥1,587 million for the current fiscal year. The pension plan assets calculated to be returned as of March 31, 2004 amounted to ¥35,770 million.

3 The components of retirement benefit expenses were as follows:

(Millions of yen)

		Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
a.	Service cost	¥ 51,543 (Note 2)	¥ 48,418 (Note 2)
b.	Interest cost	45,269	33,012
c.	Expected return on plan assets	△26,708	△15,523
d.	Amortization of net retirement benefit obligation at transition	24,280	14,169
e.	Amortization of actuarial gain or loss	11,464	18,689
f.	Amortization of prior service cost	△7,762 (Note 3)	△7,049 (Note 3)
g.	Other	5	57
h.	Retirement benefit expenses (a+b+c+d+e+f+g)	¥ 98,091	¥ 91,773
i.	Loss on return of the substitution portion of WPFP	30,945	△5,594
	Total	¥ 129,036	¥ 86,179

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
Notes: 1. In addition to the retirement benefit expenses referred to above, additional retirement benefit expenses of ¥2,572 million were paid and accounted for as a special loss for the year ended March 31, 2003. 2. Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans. 3. 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 and 6 to the table setting forth the fund status. 4. Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in a. “Service cost.” 5. The pension assets in the multi-employer welfare pension fund plans allocated to the Company and the domestic consolidated subsidiaries based on their share of the contributions amounted to ¥48,148 million.	Notes: 1. In addition to the retirement benefit expenses referred to above, additional retirement benefit expenses of ¥3,186 million were paid and accounted for as a special loss for the year ended March 31, 2004. 2. Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans. 3. 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 to the table setting forth the fund status. 4. Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in a. “Service cost.” 5. The pension assets in the multi-employer welfare pension fund plans allocated to the Company and the domestic consolidated subsidiaries based on their share of the contributions amounted to ¥44,838 million.

4. Assumptions used in accounting for the retirement benefit obligation

	Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
a. Attribution of retirement benefit obligation	The straight-line method over the estimated years of service of the eligible employees	Same as left.
b. Discount dates	Domestic companies: 2.3% – 2.5% Foreign companies: 5.4% – 7.3%	Domestic companies: 2.3% – 2.5% Foreign companies: 5.0% – 7.0%
c. Expected rate of return on plan assets	Domestic companies: mainly 4.0% Foreign companies: 6.5% – 9.0%	Domestic companies: mainly 3.0% Foreign companies: 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.	Same as left.
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.	Same as left.
f. Amortization period of net retirement benefit obligation at transition	Mainly 15 years	Same as left.

(Tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2003)	Current fiscal year (As of March 31, 2004)
Deferred tax assets:		
Net operating loss carryforwards	¥ 86,643	¥ 40,150
Accrued retirement benefits	159,828	162,926
Accrued warranty costs	47,359	44,381
Other	316,634	299,344
Total gross deferred tax assets	610,464	546,801
Valuation allowance	△66,439	△36,689
Total deferred tax assets	544,025	510,112
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	△266,326	△306,316
Difference between cost of investments and their underlying net equity at fair value	△68,517	△72,508
Unrealized holding gain on securities	△1,362	△2,853
Other	△102,452	△91,028
Total deferred tax liabilities	△438,657	△472,705
Net deferred tax assets	¥ 105,368	¥ 37,407

Note: Net deferred tax assets as of March 31, 2003 and 2004 are reflected in the following accounts in the consolidated balance sheets:

	Prior fiscal year (As of March 31, 2003)	Current fiscal year (As of March 31, 2004)
	(Millions of yen)	
Current assets -deferred tax assets	¥176,571	¥169,759
Fixed assets-deferred tax assets	191,262	162,184
Current liabilities-deferred tax liabilities	6	2,545
Long-term liabilities-deferred tax liabilities	262,459	291,991

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

	Prior fiscal year (As of March 31, 2003)	Current fiscal year (As of March 31, 2004)
Statutory tax rate of the Company	41.9%	41.9%
(Reconciliation)		
・Different tax rates applied to foreign subsidiaries	△3.8	△4.3
・Tax deduction	–	△2.0
・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	△6.1
・Other	0.1	0.2
Effective tax rates after adoption of tax-effect accounting	28.6%	29.7%

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, 2004, 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, 2004 and income taxes-deferred increased by 5,501 million yen for the year ended March 31, 2004.

(Segment information)

Business segment information

Prior fiscal year (from April 1, 2002 to March 31, 2003)

The business segment information for the Company and its consolidated subsidiaries for the year ended Mach 31, 2003 is as follows:

Prior fiscal year (from April 1, 2002 to Mach. 31, 2003)

(Millions of yen)

	Automobile	Sales financing	Total	Eliminations	Consolidated
I. Sales and operating income					
(1) Sales to third parties	6,444,460	384,128	6,828,588	–	6,828,588
(2) Inter-area sales and transfers	42,775	11,740	54,515	△54,515	0
Total sales	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. Assets, depreciation and capital expenditures					
Total assets	5,607,323	3,103,889	8,711,212	△1,362,029	7,349,183
Depreciation	213,569	157,556	371,125	–	371,125
Capital Expenditure	410,003	451,630	861,633	–	861,633

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

(1) Automobile ....passenger cars, trucks, buses, forklifts, manufacturing parts etc.
(2) Sales financing ....credit, lease etc.

3. Consolidated financial statements by business segment for the year ended March 31, 2004

- Amounts for the sales financing segment represent the aggregate of the figures of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA) and Nissan Canada Finance Inc. (Canada).

- Amounts for the automobile segment represent the differences between the consolidated totals and those for the sales financing segment.

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(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

	Prior fiscal year (As of Mach. 31, 2003)		
	Automobile & elimination	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	¥ 261,747	¥ 6,686	¥ 268,433
Notes and accounts receivable	494,028	7,099	501,127
Finance receivables	△199,331	2,096,284	1,896,953
Inventories	526,062	17,546	543,608
Other current assets	371,584	118,352	489,936
Total current assets	1,454,090	2,245,967	3,700,057
II. Fixed assets			
Property, plant and equipment, net	2,223,124	766,210	2,989,334
Investment securities	256,515	10,531	267,046
Other fixed assets	309,405	81,204	390,609
Total fixed assets	2,789,044	857,945	3,646,989
III. Deferred charges			
Discounts on bonds	2,137	–	2,137
Total deferred charges	2,137	–	2,137
Total assets	¥4,245,271	¥3,103,912	¥7,349,183
Liabilities			
I. Current liabilities			
Notes and accounts payable	¥ 646,306	¥ 10,105	¥ 656,411
Short-term borrowings	△653,588	1,968,810	1,315,222
Other current liabilities	839,197	110,988	950,185
Total current liabilities	831,915	2,089,903	2,921,818
II. Long-term liabilities			
Bonds	772,220	5,940	778,160
Long-term borrowings	252,466	572,620	825,086
Other long-term liabilities	772,081	155,283	927,364
Total long-term liabilities	1,796,767	733,843	2,530,610
Total liabilities	2,628,682	2,823,746	5,452,428
Minority interests	88,451	–	88,451
Shareholders' equity			
I. Common stock	523,707	82,107	605,814
II. Additional paid-in capital	774,403	30,067	804,470
III. Retained earnings and unrealized holding gain on securities	732,307	148,179	880,486
IV. Translation adjustments	△340,089	19,813	△320,276
V. Treasury stock	△162,190	–	△162,190
Total shareholders' equity	1,528,138	280,166	1,808,304
Total liabilities, minority interests and shareholders' equity	¥4,245,271	¥3,103,912	¥7,349,183

Notes: 1. Finance receivable of the Automobile and Elimination segment represents elimination resulting from the transfer of customer loans to the Sales Financing segment.

2. Borrowings and debts of the Automobile and Elimination segment are presented after elimination of loans to the Sales Financing segment in the amount of ¥1,073,935 million.

(2) Summarized consolidated statements of income by business segment

(Millions of yen)

	Prior fiscal year (For the year ended March 31, 2003)		
	Automobile & Elimination	Sales financing	Consolidated total
Net sales	¥6,432,720	¥ 395,868	¥6,828,588
Cost of sales	4,617,368	254,956	4,872,324
Gross profit	1,815,352	140,912	1,956,264
Operating income	677,348	59,882	737,230
Operating income as a percentage of net sales	10.5%	15.1%	10.8%
Financial income/expenses - net	△16,543	3	△16,540
Other non-operating income/expenses - net	△10,460	△161	△10,621
Ordinary income	650,345	59,724	710,069
Income before income taxes and minority interests	634,818	59,806	694,624
Net income	¥ 458,611	¥ 36,554	¥ 495,165

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

(Millions of yen)

	Prior fiscal year (For the year ended March 31, 2003)		
	Automobile & elimination	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes and minority interests	¥ 634,818	¥ 59,806	¥ 694,624
Depreciation and amortization	213,569	157,556	371,125
Decrease (increase) in finance receivables	64,057	△391,414	△327,357
Others	△115,097	△47,917	△163,014
Net cash provided by (used in) operating activities	797,347	△221,969	575,378
II. Cash flows from investing activities			
Proceeds from sales of investment securities	39,816	13,842	53,658
Proceeds from sales of property, plant and equipment	94,828	3,871	98,699
Purchases of fixed assets	△376,429	△1,500	△377,929
Purchases of leased vehicles	△33,522	△450,182	△483,704
Proceeds from sales of leased vehicles	15,644	243,431	259,075
Others	△46,720	△18,453	△65,173
Net cash used in investing activities	△306,383	△208,991	△515,374
III. Cash flows from financing activities			
(Decrease) increase in short-term borrowings	△369,506	315,196	△54,310
(Decrease) increase in long-term borrowings	△81,106	91,044	9,938
Increase in debentures	85,000	–	85,000
Others	△138,392	25,000	△113,392
Net cash (used in) provided by financing activities	△504,004	431,240	△72,764
IV. Effect of exchange rate changes on cash and cash equivalents	1,174	△520	654
V. (Decrease) increase in cash and cash equivalents	△11,866	△240	△12,106
VI. Cash and cash equivalents at beginning of the year	272,742	6,911	279,653
VII. Increase due to inclusion in consolidation	2,297	–	2,297
VIII. Decrease due to exclusion from consolidation	△27	–	△27
IX. Cash and cash equivalents at end of the year	¥ 263,146	¥ 6,671	¥ 269,817

Current fiscal year (from April 1, 2003 to March 31, 2004)

The business segment information for the Company and its consolidated subsidiaries for the year ended Mach 31, 2004 is as follows:

Current fiscal year (from April 1, 2003 to Mach. 31, 2004)

(Millions of yen)

	Automobile	Sales financing	Total	Eliminations	Consolidated
I. Sales and operating income					
(1) Sales to third parties	7,072,982	356,237	7,429,219	—	7,429,219
(2) Inter-area sales and transfers	22,916	9,752	32,668	△32,668	0
Total sales	7,095,898	365,989	7,461,887	△32,668	7,429,219
Operating expenses	6,340,631	301,179	6,641,810	△37,446	6,604,364
Operating income	755,267	64,810	820,077	4,778	824,855
II. Assets, depreciation and capital expenditures					
Total assets	5,847,139	3,479,171	9,326,310	△1,466,454	7,859,856
Depreciation	313,289	147,748	461,037	—	461,037
Capital Expenditure	441,384	463,616	905,000	—	905,000

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

(1) Automobile ....passenger cars, trucks, buses, forklifts, manufacturing parts etc.
(2) Sales financing ....credit, lease etc.

3. Changes in methods of accounting

(1) Accounting for retirement benefits adopted by Nissan Motor Manufacturing (UK) Ltd.

Effective the current fiscal year, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to decrease operating income in the “Automobile” segment by ¥1,686 million as compared with the corresponding amount which would have been recorded if the previous method had been followed.

(2) Accounting for noncancelable leases

Until the prior fiscal year, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases were classified as operating or finance leases) except that lease agreements which stipulated the transfer of ownership of the leased assets to the lessee were accounted for as finance leases. Effective the current fiscal year, the Company and its domestic consolidated subsidiaries changed their method of accounting for noncancelable lease transactions which transfer substantially all risks and rewards associated with the ownership of assets, from accounting for them as operating leases, to finance leases. This change was made in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of the Company’s and its domestic consolidated subsidiaries’ financial position by reflecting lease transactions more appropriately in its consolidated financial statements, considering the increasing materiality of these lease transactions as well as from an international point of view.

The effect of this change was to decrease sales and operating expenses in the “Automobile” segment by ¥237 million and ¥21,805 million, respectively, to increase operating income, total assets, depreciation expense and capital expenditures in the “Automobile” segment by ¥21,568 million, ¥136,522 million, ¥46,986 million and ¥55,581 million, respectively, and to decrease sales and operating expenses and capital expenditures in the “Sales Financing” segment by ¥33,351 million, ¥33,374 million and ¥29,716 million, respectively, and to increase operating income, total assets and depreciation expense in the “Sales Financing” segment by ¥23 million, ¥662 million and ¥292 million, respectively, and to increase sales and operating expenses in “Eliminations” by ¥15,645 million for the current fiscal as compared with the corresponding amounts which would have been recorded if the previous method had been followed.

4. Consolidated financial statements by business segment for the year ended March 31, 2003

- Amounts for the sales financing segment represent the aggregate of the figures of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA) and Nissan Canada Finance Inc. (Canada), NRF Mexico (Mexico), NR Wholesale Mexico (Mexico) and Esara (Mexico).
- Amounts for the automobile segment represent the differences between the consolidated totals and those for the sales financing segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

	Current fiscal year (As of Mach. 31, 2004)		
	Automobile & Elimination	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	¥ 187,328	¥ 4,414	¥ 191,742
Notes and accounts receivable	462,612	104	462,716
Finance receivables	△199,177	2,402,351	2,203,174
Inventories	536,172	6,620	542,792
Other current assets	270,615	95,924	366,539
Total current assets	1,257,550	2,509,413	3,766,963
II. Fixed assets			
Property, plant and equipment, net	2,425,940	777,312	3,203,252
Investment securities	356,925	3,419	360,344
Other fixed assets	338,676	189,027	527,703
Total fixed assets	3,121,541	969,758	4,091,299
III. Deferred charges			
Discounts on bonds	1,594	–	1,594
Total deferred charges	1,594	–	1,594
Total assets	¥4,380,685	¥3,479,171	¥7,859,856
Liabilities			
I. Current liabilities			
Notes and accounts payable	¥ 742,386	¥ 25,815	¥ 768,201
Short-term borrowings	△615,844	1,976,642	1,360,798
Lease liabilities	50,067	397	50,464
Other current liabilities	860,599	62,419	923,018
Total current liabilities	1,037,208	2,065,273	3,102,481
II. Long-term liabilities			
Bonds	508,864	33,960	542,824
Long-term borrowings	177,054	890,736	1,067,790
Lease liabilities	83,597	582	84,179
Other long-term liabilities	743,539	191,264	934,803
Total long-term liabilities	1,513,054	1,116,542	2,629,596
Total liabilities	2,550,262	3,181,815	5,732,077
Minority interests	103,785	–	103,785
Shareholders' equity			
I. Common stock	520,692	85,122	605,814
II. Additional paid-in capital	774,403	30,067	804,470
III. Retained earnings and unrealized holding gain on securities	1,100,414	190,277	1,290,691
IV. Translation adjustments	△423,634	△8,110	△431,744
V. Treasury stock	△245,237	–	△245,237
Total shareholders' equity	1,726,638	297,356	2,023,994
Total liabilities, minority interests and shareholders' equity	¥4,380,685	¥3,479,171	¥7,859,856

Notes: 1. Finance receivable of the Automobile and Elimination segment represents elimination resulting from the transfer of customer loans to the Sales Financing segment.

2. Borrowings and debts of the Automobile and Elimination segment are presented after elimination of loans to the Sales Financing segment in the amount of ¥1,096,792 million.

(2) Summarized consolidated statements of income by business segment

(Millions of yen)

	Current fiscal year (For the year ended March 31, 2004)		
	Automobile & elimination	Sales financing	Consolidated total
Net sales	¥7,063,230	¥ 365,989	¥7,429,219
Cost of sales	5,098,056	212,116	5,310,172
Gross profit	1,965,174	153,873	2,119,047
Operating income	760,045	64,810	824,855
Operating income as a percentage of net sales	10.8%	17.7%	11.1%
Financial income/expenses - net	△15,669	△30	△15,699
Other non-operating income/expenses - net	2,089	△1,553	536
Ordinary income	746,465	63,227	809,692
Income before income taxes and minority interests	671,513	64,984	736,497
Net income	¥ 465,329	¥ 38,338	¥ 503,667

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

(Millions of yen)

	Current fiscal year (For the year ended March 31, 2004)		
	Automobile & elimination	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes and minority interests	¥ 671,513	¥ 64,984	¥ 736,497
Depreciation and amortization	313,146	147,891	461,037
Decrease (increase) in finance receivables	△154	△462,956	△463,110
Others	57,936	5,057	62,993
Net cash provided by (used in) operating activities	1,042,441	△245,024	797,417
II. Cash flows from investing activities			
Proceeds from sales of investment securities	40,488	34	40,522
Proceeds from sales of property, plant and equipment	53,827	105	53,932
Purchases of fixed assets	△422,326	△6,061	△428,387
Purchases of leased vehicles	△19,295	△457,318	△476,613
Proceeds from sales of leased vehicles	20,857	170,248	191,105
Others	△101,534	△35,151	△136,685
Net cash used in investing activities	△427,983	△328,143	△756,126
III. Cash flows from financing activities			
(Decrease) increase in short-term borrowings	△306,969	169,394	△137,575
Decrease in long-term borrowings	△244,774	371,473	126,699
Increase in bonds and debentures	120,000	30,000	150,000
Others	△253,031	167	△252,864
Net cash (used in) provided by financing activities	△684,774	571,034	△113,740
IV. Effect of exchange rate changes on cash and cash equivalents	△2,095	△509	△2,604
V. (Decrease) increase in cash and cash equivalents	△72,411	△2,642	△75,053
VI. Cash and cash equivalents at beginning of the year	263,146	6,671	269,817
VII. Increase due to inclusion in consolidation	310	–	310
VIII. Decrease due to exclusion from consolidation	△910	–	△910
IX. Cash and cash equivalents at end of the year	¥ 190,135	¥ 4,029	¥ 194,164

Geographical segment information

Prior fiscal year (from April 1, 2002 to March 31, 2003)

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. Sales and operating income:							
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

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

2. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America..................The United States, Canada, Mexico
(2) Europe...............................France, The United Kingdom, Spain and other European countries
(3) Other.................................Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

Current fiscal year (from April 1, 2003 to March 31, 2004)

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. Sales and operating income:							
Sales:							
1. Sales to third parties	2,559,806	3,278,966	1,164,032	426,415	7,429,219	—	7,429,219
2. Inter-area sales and transfers	1,725,491	35,384	31,690	4,663	1,797,228	△1,797,228	0
Total	4,285,297	3,314,350	1,195,722	431,078	9,226,447	△1,797,228	7,429,219
Operating expenses	3,932,835	2,914,529	1,146,549	412,938	8,406,851	△1,802,487	6,604,364
Operating income	352,462	399,821	49,173	18,140	819,596	5,259	824,855
II. Total assets	4,805,718	3,664,382	607,926	219,109	9,297,135	△1,437,279	7,859,856

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

2. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America..................The United States, Canada, Mexico
(2) Europe...............................France, The United Kingdom, Spain and other European countries
(3) Other.................................Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

3. Changes in methods of accounting

(1) Accounting for retirement benefits adopted by Nissan Motor Manufacturing (UK) Ltd.

Effective the current fiscal year, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption a new accounting standard for retirement benefits in the United Kingdom. The effect of this change was to decrease operating income in the “Europe” segment by ¥1,686 million as compared with the corresponding amount which would have been recorded if the previous method had been followed.

(2) Accounting for noncancelable leases

Until the prior fiscal year, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases were classified as operating or finance leases) except that lease agreements which stipulated the transfer of ownership of the leased assets to the lessee were accounted for as finance leases. Effective the current fiscal year, the Company and its domestic consolidated subsidiaries changed their method of accounting for noncancelable lease transactions which transfer substantially all risks and rewards associated with the ownership of assets, from accounting for them as operating leases, to finance leases. This change was made in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of the Company’s and its domestic consolidated subsidiaries’ financial position by reflecting lease transactions more appropriately in its consolidated financial statements, considering the increasing materiality of these lease transactions as well as from an international point of view.

The effect of this change was to decrease sales and operating expenses in the “Japan” segment by ¥17,943 million and ¥39,534 million, respectively, and to increase operating income and total assets in the “Japan” segment by ¥21,591 million and ¥137,184 million, respectively, for the current fiscal year as compared with the corresponding amounts which would have been recorded if the previous method had been followed.

Overseas sales

Prior fiscal year (from April 1, 2002 to March 31, 2003)

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I. Overseas sales	2,785,334	974,872	763,368	4,523,574
II. Consolidated net sales				6,828,588
III. Overseas sales as a percentage of consolidated net sales	40.8%	14.3%	11.1%	66.2%

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

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

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

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

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

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

Current fiscal year (from April 1, 2003 to March 31, 2004)

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I. Overseas sales	3,222,497	1,201,035	773,248	5,196,780
II. Consolidated net sales				7,429,219
III. Overseas sales as a percentage of consolidated net sales	43.4%	16.2%	10.4%	70.0%

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

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

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

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

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

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

(Transactions with related parties)

Prior fiscal year (From April 1, 2002 To March 31, 2003)	Current fiscal year (From April 1, 2003 To March 31, 2004)
There are no significant transactions to be disclosed.	Same as prior fiscal year.

(Amounts per share)

Prior fiscal year (From April 1, 2002 To March 31, 2003)		Current fiscal year (From April 1, 2003 To March 31, 2004)	
Net assets per share	¥434.11	Net assets per share	¥493.85
Basic net income per share	¥117.75	Basic net income per share	¥122.02
Diluted net income per share	¥116.88	Diluted net income per share	¥120.74
Effective the year ended March 31, 2003, the Company and its consolidated subsidiaries have adopted a new accounting standard for earnings per share (Accounting Standard No. 2 announced by the Accounting Standard Board of Japan; "ASBJ") and an accounting implementation guidance on a revised accounting standard for earnings per share (Accounting Standard Implementation Guidance No. 4 issued by the ASBJ). If the same standard had been adopted for the year ended March 31,2003, is as follows:			
Net assets per share	¥404.89		
Basic net income per share	¥109.93		
Diluted net income per share	¥109.17		

(Note) The bases for calculation of basic and diluted net income per share are as follows:

	Prior fiscal year (For the year ended March 31, 2003)	Current fiscal year (For the year ended March 31, 2004)
Basic net income per share Net income *(millions of yen)*	495,165	503,667
Amounts not attributable to common stock *(millions of yen)*	407	405
(Bonus to directors by appropriation of retained earnings included in the above *(millions of yen)*)	407	405
Net income attributable to common stock (millions of yen)	494,758	503,262
The average number of common stock outstanding during the year *(thousand shares)*	4,201,802	4,124,314
Diluted net income per share Increase in common stock *(thousand shares)*	31,348	43,931
(Exercise of warrants *(thousand shares)*)	31,348	41,601
(Exercise of stock options *(thousand shares)*)	–	2,330
Summary of potential stocks, which were not included in the bases for calculation of diluted net income per share, because they do not have rarity effects.	–	–

(Significant subsequent events)

<table>
<tr><th>Prior fiscal year (From April 1, 2002 To March 31, 2003)</th><th>Current fiscal year (From April 1, 2003 To March 31, 2004)</th></tr>
<tr><td>

1 In accordance with the Commercial Code of Japan and the approval of annual general meeting of the Company's shareholders held on June 20, 2002, stock options aggregated number of 124,300 was approved at the board of directors on April 23, 2003. They will be issued on May 7, 2003 and subscription rights to purchase up to 12,430,000 new shares of the Company's common stock are to be granted to the Company's employees and the directors and employees of its domestic subsidiaries under this plan. The subscription rights are exercisable at ¥93,200 per option and ¥932 per stock.

Number of directors, employees and options is as follows:

Section of people whom granted	Number of people	Number of options issued
The Company's employees	548	104,100
Directors of domestic subsidiaries	101	19,400
Employees of domestic subsidiaries	5	800
Total	654	124,300

2 The Company will incorporate a firm in comprehensive and strategic alliance with Dongfeng Motor Corporation (headquarters: Shiyan City, Hubei Province) in China. Commercial license will be authorized by The State Industrial and Commercial Administration Bureau on May 20, 2003 and the Company will commence its business on July 1, 2003. The new company's profile is as follows:

1) .Name of the corporation: Dongfeng Motor Co., Ltd

2) City of headquarters: City of Wuhan, Hubei Province

3) Description of business: Manufacture and sales of passenger and commercial vehicles, buses, trucks and others.

4) Registered capital: 16.7 billion Chinese yuan (approximately ¥240 billion)

50% of the capital stock will be invested in kind with assets by Dongfeng Automotive Industry Investment Co., Ltd. and the remaining 50% of it will be invested in capital by the Company.

5) Number of employees: Approximately 74,000 (including subsidiaries)

</td><td>

In accordance with the Commercial Code of Japan and the approval of annual general meeting of the Company's shareholders held on June 19, 2003, stock options aggregated number of 128,500 was approved at the board of directors on April 7, 2004. They will be issued on April 16, 2004 and subscription rights to purchase up to 12,850,000 new shares of the Company's common stock are to be granted to the Company's employees and the directors and employees of its domestic subsidiaries under this plan. The subscription rights are exercisable at ¥120,200 per option and ¥1,202 per stock.

Number of directors, employees and options is as follows:

Section of people whom granted	Number of people	Number of options issued
The Company's employees	597	109,600
Directors of domestic subsidiaries	94	18,300
Employees of domestic subsidiaries	4	600
Total	695	128,500

</td></tr>
</table>

⑤ Consolidated supplemental schedules

Schedule of bonds payable

(Millions of yen)

Company	Description	Date of Issuance	Balance at end of prior year	Balance at end of current year	Interest rate (%)	Collateral	Maturity
*1	19th unsecured bonds	February 23, 1996	30,000	30,000	3.35	None	February 23, 2006
*1	22nd unsecured bonds	August 1, 1996	20,000	20,000	3.55	"	August 1, 2006
*1	23rd unsecured bonds	August 1, 1996	30,000	0	3.30	"	August 1, 2003
*1	24th unsecured bonds	February 20, 1997	15,000	15,000	2.875	"	February 20, 2007
*1	26th unsecured bonds (Note 2)	July 30, 1997	20,000	(20,000) 20,000	2.50	"	July 30, 2004
*1	28th unsecured bonds	October 29, 1997	30,000	30,000	2.40	"	October 29, 2007
*1	29th unsecured bonds (Note 2)	October 29, 1997	15,000	(15,000) 15,000	2.025	"	October 29, 2004
*1	33rd unsecured bonds (Note 2)	March 18, 1998	20,000	(20,000) 20,000	2.575	"	March 18, 2005
*1	35th unsecured bonds	February 25, 2000	50,000	0	2.00	"	February 25, 2004
*1	36th unsecured bonds (Note 2)	August 25, 2000	50,000	(50,000) 50,000	1.80	"	August 25, 2004
*1	37th unsecured bonds	June 15, 2001	70,000	70,000	0.95	"	June 15, 2005
*1	38th unsecured bonds	July 17, 2001	80,000	80,000	1.03	"	July 17, 2006
*1	39th unsecured bonds (Note 2)	February 15, 2002	86,000	(86,000) 86,000	1.00	"	February 15, 2005
*1	40th unsecured bonds	July 19, 2002	85,000	85,000	0.59	"	July 19, 2005
*1	41st unsecured bonds	July 29, 2003	—	70,000	1.00	"	July 29, 2010
*1	42nd unsecured bonds	February 19, 2004	—	50,000	0.74	"	March 19, 2009
*1	Euro-yen bonds with warrants due 2004 (Note 2, 3)	May 28, 1999	172,800	(172,800) 172,800	Euro-yen TIBOR +0.28%	"	May 28, 2004
*1	1st unsecured bonds with warrants (Note 3)	June 25, 1999	5,800	5,800	Yen TIBOR +0.75%	"	June 24, 2005
*1	Euro-yen bonds with warrants due 2006 (Note 3)	March 27, 2000	15,000	15,000	1.50	"	March 27, 2006
*1	Euro-yen bonds with warrants due 2007 (Note 3)	March 8, 2001	45,000	45,000	0.75	"	March 8, 2007
*1	Euro-yen bonds with warrants due 2008 (Note 3)	March 14, 2002	52,800	52,800	1.27	"	March 14, 2008
*2	Bonds issued by subsidiaries (Note 2)	1998 - 2003	16,320	(10,380) 44,340	0.7 - 2.9	"	2004 - 2006
*3	Mid-term notes issued by subsidiaries	1993 - 2003	17,556 [EURO 140,362 thousand]	13,825 [EURO 103,373 thousand]	1.2 – 1.4	"	2006

(Millions of yen)

Company	Description	Date of Issuance	Balance at end of prior year	Balance at end of current year	Interest rate (%)	Collateral	Maturity
*3	Mid-term notes issued by subsidiaries (Note 2)	1995 - 1998	59,258 [$492,996 thousand]	(6,198) ($58,644 thousand) 51,237 [$484,789 thousand]	1.2 - 3.1	None	2004 - 2008
Subtotal (Note 2)		–	¥985,534	(380,378) 1,041,802	–		–
Elimination of intercompany transactions		–	△118,600	△118,600	–		–
Total (Note 2)		–	¥866,934	(380,378) 923,202	–		–

Notes: 1. *1 The Company *2 Domestic subsidiaries *3 Foreign subsidiaries

2. The amounts in parentheses presented under "Balance at end of current year" represent the amounts scheduled to be redeemed within one year.

3. The following table shows the details of bonds with warrants.

Description	Exercise period	Issuance price	The total amount of stock issuance	Stock issued	Ration of grant
Euro-yen bonds with warrants due 2004	From May 31, 1999 To May 21, 2004	400 yen	215,900 million yen	Common stock	100%
1st unsecured bonds with warrants	From July 1, 2002 To June 20, 2005	554	5,800	Common stock	100
Euro-yen bonds with warrants due 2006	From March 27, 2003 To March 20, 2006	429	15,000	Common stock	100
Euro-yen bonds with warrants due 2007	From March 8, 2003 To March 1, 2007	764	45,000	Common stock	100
Euro-yen bonds with warrants due 2008	From March 14, 2004 To March 7, 2008	880	52,800	Common stock	100

All warrants of Euro-yen bonds with warrants due 2004 were exercised on March 1, 2002.

4. The redemption schedule of bonds for 5 years subsequent to March 31, 2004 is summarized as follows:

(Millions of yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
¥380,378	¥200,582	¥180,432	¥41,810	¥50,000

Schedule of borrowings

(Millions of yen)

Item	Balance at end of prior year	Balance at end of current year	Average interest rate (%)	Maturity
Short-term borrowings	436,897	311,928	2.3	–
Current portion of long-term borrowings	657,517	630,492	2.2	–
Long-term borrowings (excluding current portion)	825,086	1,067,790	2.2	April 2005 - August 2015
Other interest-bearing debt:				
Commercial paper	132,034	38,000	0.0	–
Total	2,051,534	2,048,210	–	–

Notes: 1. The average interest rate represents the weighted-average rate applicable to the year-end balance.

2. The following table shows the aggregate annual maturities of long-term borrowings and other interest-bearing debt for 5 years subsequent to March 31, 2004 (excluding the current portion):

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	¥271,766	¥508,109	¥149,425	¥138,256

(2) Other

Not applicable

6. Information on Transfer and Repurchase of the Company's Stock

Year end	March 31
General shareholders' meeting	June
Close period for record of shareholders	—
Cut-off date for dividend	March 31
Available types of share certificates	Certificates for 1 share, 10 shares, 50 shares, 100 shares, 500 shares, 1,000 shares, 5,000 shares, 10,000 shares, 100,000 shares and certificates representing number of shares less than 100 are issuable. However, certificates for shares totaling less than one unit are not issued except under certain limited situations such as a replacement of lost shares.
Cut-off date for interim dividend	September 30
Number of shares per unit of the Company's stock	100 shares
Transfer of shares	
Address where transfers are processed	3-33-1, Shiba, Minato-ku, Tokyo The head office of The Chuo Mitsui Trust and Banking Co., Ltd.
Name of transfer agent	3-33-1, Shiba, Minato-ku, Tokyo The Chuo Mitsui Trust and Banking Co., Ltd.
Offices available for transfer	Each branch of The Chuo Mitsui Trust and Banking Co., Ltd. The head office and branch offices of Japan Securities Agent Co., Ltd.
Transfer charge	Free
Charge to issue new certificate	Equivalent of stamp duty applicable and related consumption tax
Repurchase of shares less than one unit	
Address where repurchases are processed	3-33-1, Shiba, Minato-ku, Tokyo The head office of The Chuo Mitsui Trust and Banking Co., Ltd.
Name of transfer agent	3-33-1, Shiba, Minato-ku, Tokyo The Chuo Mitsui Trust and Banking Co., Ltd.
Offices available for repurchase	Each branch of The Chuo Mitsui Trust and Banking Co., Ltd. The head office and branch offices of Japan Securities Agent Co., Ltd.
Charges for repurchase	Handling charges as set by the securities companies designated by the Company for the repurchase plus the related consumption tax
Name of the newspaper in which the Company publishes its public announcements	The Nihon Keizai Shimbun issued in Tokyo
Special benefits to shareholders	None

Part II　Information on Guarantors for the Company

Not applicable