Financial Information as of September 30, 2004

(The English translation of part of the
“Hanki-Houkokusho” for the year ended
September 30,2004)

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Part I Information on the Company

I. Overview of the Company

1. Trends in Key Financial Data

(1) Consolidated Financial Data

Fiscal year		First half 104th	First half 105th	First half 106th	Full year 104th	Full year 105th
Period		From Apr. 1, 2002 to Sept. 30, 2002	From Apr. 1, 2003 to Sept. 30, 2003	From Apr. 1, 2004 to Sept. 30, 2004	Year ended Mar. 31, 2003	Year ended Mar. 31, 2004
Net sales	(Millions of yen)	3,285,463	3,556,249	4,007,942	6,828,588	7,429,219
Ordinary income	(Millions of yen)	323,500	390,346	401,357	710,069	809,692
Net income	(Millions of yen)	287,705	237,680	238,808	495,165	503,667
Net assets	(Millions of yen)	1,663,915	1,899,093	2,256,742	1,808,304	2,023,994
Total assets	(Millions of yen)	6,978,163	7,752,872	9,115,540	7,349,183	7,859,856
Net assets per share	(Yen)	395.89	461.30	550.94	434.11	493.85
Basic net income per share	(Yen)	68.34	57.40	58.30	117.75	122.02
Diluted net income per share	(Yen)	67.78	56.83	57.73	116.88	120.74
Net assets as a percentage of total assets	(%)	23.8	24.5	24.8	24.6	25.8
Cash flows from operating activities	(Millions of yen)	271,106	252,765	124,247	575,378	797,417
Cash flows from investing activities	(Millions of yen)	△172,308	△353,720	△428,297	△515,374	△756,126
Cash flows from financing activities	(Millions of yen)	△127,319	△9,314	398,842	△72,764	△113,740
Cash and cash equivalents at end of the period	(Millions of yen)	249,693	160,453	350,294	269,817	194,164
Employees ( ) represents the number of part-time employees at the end of the period not included in the above number	(Number)	120,508 (7,320) 121,063 (7,320)	119,940 (4,464) 124,526 (6,199)	159,771 (13,129) 163,241 (13,645)	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. The numbers in the second row of the "Employees" line include the employees of unconsolidated subsidiaries accounted for by the equity method and are presented solely for information purposes.

(2) Non-Consolidated Financial Data

Fiscal year		First half 104th	First half 105th	First half 106th	Full year 104th	Full year 105th
Period		From Apr. 1, 2002 to Sept. 30, 2002	From Apr. 1, 2003 to Sept. 30, 2003	From Apr. 1, 2004 to Sept. 30, 2004	Year ended Mar. 31, 2003	Year ended Mar. 31, 2004
Net sales	(Millions of yen)	1,601,748	1,655,604	1,731,397	3,419,068	3,480,290
Ordinary income	(Millions of yen)	138,593	141,377	109,240	293,073	228,098
Net income	(Millions of yen)	21,057	75,348	73,964	72,869	80,713
Common stock	(Millions of yen)	604,559	605,813	605,813	605,813	605,813
Number of shares in issue	(Thousands)	4,517,054	4,520,715	4,520,715	4,520,715	4,520,715
Net assets	(Millions of yen)	1,806,550	1,766,330	1,730,943	1,798,716	1,709,705
Total assets	(Millions of yen)	3,942,660	4,020,625	3,961,075	3,933,993	4,055,579
Net assets per share	(Yen)	400.87	399.81	393.66	402.65	388.60
Basic net income per share	(Yen)	4.67	16.96	16.82	16.09	18.15
Diluted net income per share	(Yen)	4.63	16.80	16.67	15.98	17.97
Cash dividend per share	(Yen)	4	8	12	14	19
Net assets as a percentage of total assets	(%)	45.8	43.9	43.7	45.7	42.2
Employees ( ) represents the number of part-time employees at the end of the period not included in the above number	(Number)	31,005 (410)	31,870 (185)	32,174 (520)	31,128 (423)	31,389 (463)

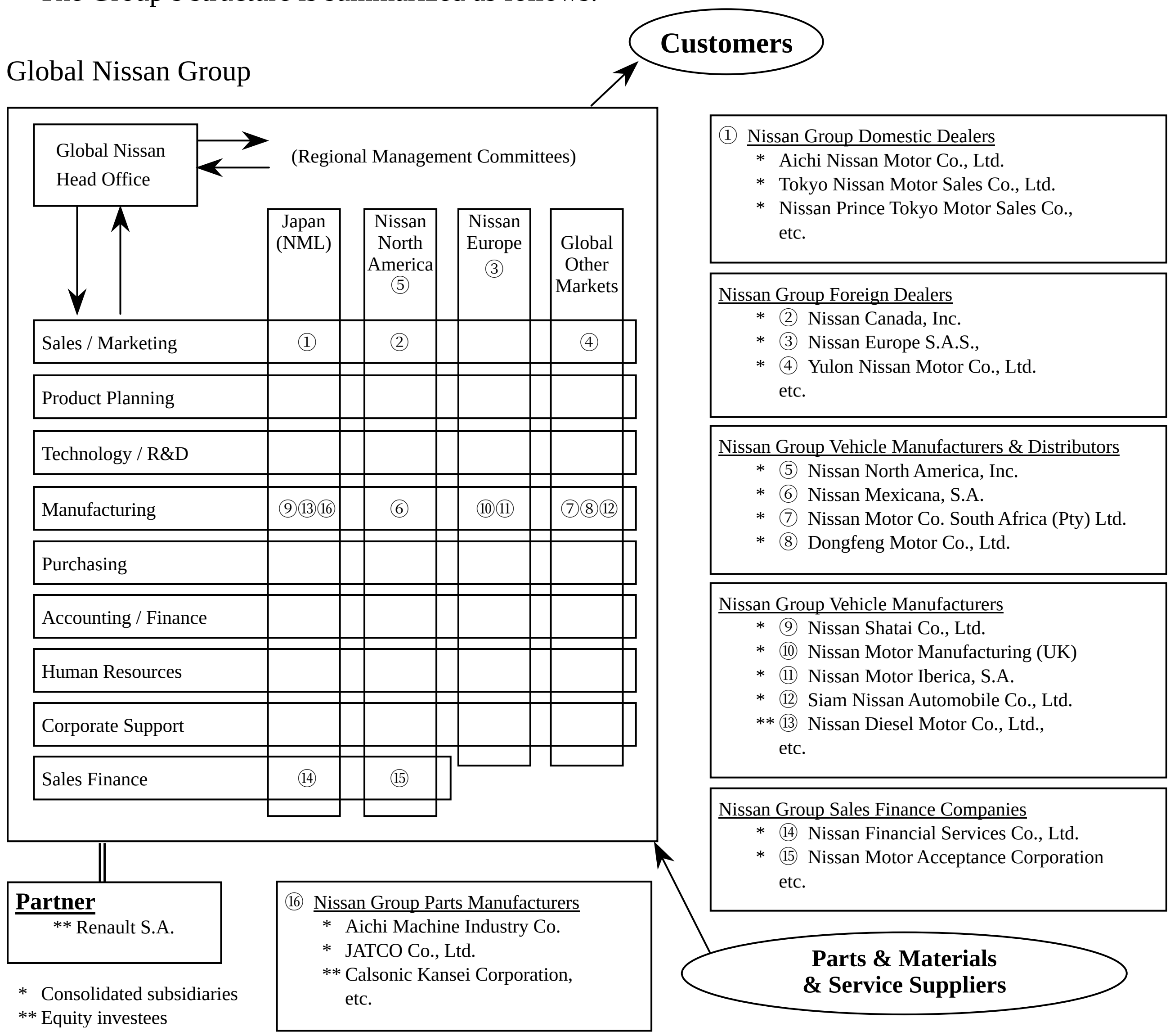
Note: Net sales are presented exclusive of consumption tax.

2. Description of Business

The Nissan Group (the “Group” or “Nissan”) consists of Nissan Motor Co., Ltd. (the “Company”), subsidiaries, affiliates, and other associated companies. Its main business includes manufacturing and sales of vehicles, forklifts, marine products and related parts. In addition, the Group provides various 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 throughout 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 and development, purchasing, manufacturing, and so forth.

The Group’s structure is summarized as follows:



- Other associated companies are:
  *Nissan Trading Co., Ltd. and *Nissan Real Estate Development Co., Ltd.
- Subsidiaries listed on stock exchanges are as follows:
  Nissan Shatai Co., Ltd. -- Tokyo;
  Aichi Machine Industry Co., Ltd. -- Tokyo, Nagoya

3. Information on Subsidiaries and Affiliates

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

(2) The following companies have been excluded from the scope of the consolidation for the six months ended September 30, 2004:

On April 1, 2004, Nissan Satio Osaka Co., Ltd., which is engaged primarily in the sales of vehicles and autoparts, was merged into Nissan Prince Osaka Motor Sales Co., Ltd.
On April 1, 2004, Nissan Canada Finance Inc., which is engaged principally in retail and wholesale finance activities, was merged into Nissan Canada Inc.

4. Employees

(1) Consolidated Companies

(At September 30, 2004)

Geographical segment	Number of employees
Japan	80,436 (5,758)
North America	18,547 (308)
Mexico	7,507 (0)
Europe	11,986 (280)
Other foreign countries	41,295 (6,783)
Total	159,771 (13,129)

Note: The above figures represent full-time employees. The figures in parentheses represent part-time employees at September 30, 2004 not included in the number of full-time employees. The substantial increase during the current period for other foreign countries reflects the consolidation of Dongfeng Motor Co., Ltd.

(2) The Company

(At September 30, 2004)

Number of employees	32,174 (520)

Note: The above figure represents full-time employees. The figure in parentheses represents part-time employees at September 30, 2004 not included in the number of full-time employees.

(3) Labor Unions

There are no issues to be mentioned concerning the relationship between the Group and its labor unions.

II. Business Overview

1. Overview of Business Results

(1) Operating Results

Net sales for the six months ended September 30, 2004 increased by ¥451.7 billion, or 12.7%, to ¥4,007.9 billion over those of same period of the prior year. The initial consolidation of Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd., and Siam Nissan Automobile Co., Ltd. and other newly consolidated subsidiaries contributed ¥225.2 billion to this increase.

Operating income for the six months ended September 30, 2004 amounted to ¥403.4 billion, an increase of ¥2.3 billion, or 0.6%, over the corresponding amount for the same period of the prior year, and operating profit as a percentage of net sales decreased to 10.1%.

Net non-operating expenses for the six months ended September 30, 2004 amounted to ¥2.1 billion, an improvement of ¥8.7 billion over those recorded in the same period of the prior year. This is attributable primarily to the increase in equity in earnings of unconsolidated subsidiaries and affiliates as well as to reduction of net finance cost. As a result, ordinary income for the six months ended September 30, 2004 rose by ¥11.0 billion, or 2.8%, to ¥401.4 billion over the corresponding amount for the same period of the prior year.

Net special loss for the six months ended September 30, 2004 amounted to ¥30.9 billion, compared with the net special loss of ¥22.2 billion recorded for the corresponding period of the prior year. This was primarily due to a realignment of the production business in Europe, the withdrawal from the pension fund by the domestic subsidiaries in Japan and to restructuring costs incurred by the discontinuation of certain businesses.

Income before income taxes and minority interests for the six months ended September 30, 2004 increased by ¥2.4 billion, or 0.6%, to ¥370.5 billion over the corresponding amount recorded for the same period of the prior year. Net income for the six months ended September 30, 2004 increased by ¥1.1 billion, or 0.5%, to ¥238.8 billion from the corresponding amount recorded for the same period of the prior year.

The operating results by business segment are summarized as follows:

a. Automobile

Net sales (including intersegment sales) in the automobile segment for the six months ended September 30, 2004 grew by ¥444.7 billion, or 13.1%, to ¥3,827.0 billion over those of the same period of the prior year. This resulted primarily from the initial consolidation of Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd., and Siam Nissan Automobile Co., Ltd. and other newly consolidated subsidiaries as well as the increase in the number of vehicles sold and the favorable sales mix.

Operating income for the six months ended September 30, 2004 was ¥362.8 billion, a decrease of ¥2.0 billion, or 0.6%, compared to that of the same period of the prior year. This was primarily attributable to the increase in the number of vehicles sold, the favorable sales mix, the reduction in purchasing costs, as well as to changes in the scope of consolidation, offset by an increase in sales expenses due to the increase in incentives in the United States, volatile foreign exchange rates, increased costs to enrich product lines and to comply with various regulations as well as by rising research and development costs.

b. Sales Finance

Net sales (including intersegment sales) in the sales finance segment for the six months ended September 30, 2004 increased by ¥9.7 billion, or 5.2%, to ¥198.2 billion from the corresponding amount for the same period of the prior year. This primarily reflects the positive impact of the overall increase in the number of vehicles sold in North America. Operating income rose by ¥1.1 billion, or 3.1%, to ¥36.0 billion over the corresponding amount for the same period of the prior year primarily because of the fluctuating foreign exchange rates.

Operating results by geographic segment are summarized as follows:

a) Japan

- Net sales (including intersegment sales) for the six months ended September 30, 2004 increased by ¥81.2 billion, or 4.0%, to ¥2,129.9 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2004 decreased by ¥30.8 billion, or 16.0%, to ¥162.4 billion comparing to that of the same period of the prior year primarily due to unfavorable sales mix and fluctuating foreign exchange rates.

b) North America

- Net sales (including intersegment sales) for the six months ended September 30, 2004 increased by ¥178.9 billion, or 11.3%, to ¥1,759.5 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2004 increased by ¥11.5 billion, or 6.3%, to ¥193.2 billion over that of the same period of the prior year primarily due to the rise in the number of vehicles sold coupled with a favorable sales mix.

c) Europe

- Net sales (including intersegment sales) for the six months ended September 30, 2004 increased by ¥63.2 billion, or 10.9%, to ¥642.5 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2004 amounted to ¥19.3 billion, an improvement of ¥7.8 billion, or 67.4%, over the results for the same period of the prior year. This is attributable mainly to the increase in the number of vehicles sold.

d) Other foreign countries

- Net sales (including intersegment sales) for the six months ended September 30, 2004 increased by ¥304.7 billion, or 144.8%, to ¥515.1 billion from those of the same period of the prior year.
- Operating income for the six months ended September 30, 2004 increased by ¥19.8 billion, or 212.4%, to ¥29.1 billion compared with that recorded for the corresponding period of the prior year primarily due to the initial consolidation of Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd., and Siam Nissan Automobile Co., Ltd. and others.

Nissan 180 Plan ("Nissan One-Eighty")

Nissan 180 stipulates three targets to be achieved by the end of fiscal year 2004: to increase the number of automobiles sold during the year ending September 30, 2005 by 1,000,000 units on a global basis compared with corresponding number for fiscal year 2001, to achieve an 8% operating margin, and to reduce interest-bearing debt related to the Group's automobile business to zero.

During the six months ended September 30, 2004, which is the final period of the Nissan 180 Plan ("Nissan One-Eighty"), the Group, guided by consistent management policies, continued its excellent performance despite such severe market factors as the increase in incentives, inflation in the raw materials market, and an increase in interest rates. The Group has already achieved 2 commitments, the 8% operating margin and to the reduction of interest-bearing debt related to its automobile business to zero, under accounting standards equal to those in effect at the initiation of the Nissan 180.

Consolidated net sales for the six months ended September 30, 2004 increased by 12.7% over the corresponding net sales for same period of the prior year, consolidated operating income grew to ¥403.4 billion, an increase or 0.6% over the corresponding results for the same period of the prior year and the Group's consolidated operating profit on sales reached 10.1%.

Sales

Despite the extremely severe market conditions noted above, the number of automobiles sold on a global basis rose to 1,596 thousand units, which represents a solid growth in unit sales which were up 8.8% over the same period of the prior year.

The scale of the automobile market has decreased in Japan and has leveled off in the United States, and Europe whereas other foreign markets experienced a marginal rise. In addition, the increase in the incentives is a consistent factor across all markets.

A new vehicle, the "Tiida" was launched at the end of the six-month period ended September 30, 2004 and 8 more vehicles are scheduled to be launched globally during the second half of the year ending March 31, 2005. Therefore, Group sales are anticipated to accelerate from the second half of the year ending March 31, 2005 through September 2005.

Sales by geographic segment are summarized as follows:

Japan

The number of Nissan automobiles (including light passenger vehicles) sold in Japan fell to 368 thousand units, a decrease of 4.9% comparing with that of the same period of the prior year while the automobile market in Japan decreased by 1.6%. Nissan's domestic market share for automobiles (including light vehicles) for the six months ended September 30, 2004 came in at 13.6%, posting a decrease of 0.5% from the same period of the prior year.

The “March” and the “Cube” are still in the top 10 of the monthly sales ranking by model, and sales of Nissan’s light vehicles doubled. The number of automobiles sold in Japan is expected to expand with the launch of 6 new vehicles during the second half of the year ending March 31, 2005.

The United States

The number of automobiles sold in the United States for the six months ended September 30, 2004 amounted to 489 thousand units, an increase of 16.6% over unit sales for the same period of the prior year. The Company’s market share grew to 5.5%, an improvement of 0.8%.

Net sales are expanding in both the Nissan and Infinity channels. The number of vehicles sold in the USA through the Nissan channel increased by 19.2% over the corresponding figure for the prior year largely due to the “Titan,” “Armada,” “Quest,” and “Altima.” The number of cars sold in the USA through the Infinity channel is continuing to grow, rising 2.0% from the corresponding figure for the prior year, which is the highest on record for this channel.

Europe

The number of automobiles sold in Europe for the six months ended June 30, 2004 totaled 285 thousand units, an increase of 6.6% over that of the same period of the prior year.

The number of “Micra” models sold in Europe reached 90 thousand units; in addition, European sales of four-wheel-drive vehicles, especially the “X-TRAIL” and the “Pickup Truck,” have increased steadily.

Other Foreign Countries

The number of automobiles sold in other foreign countries including Mexico and Canada, for the current period rose to 454 thousand units for an increase of 15.2% over unit sales for the same period of the prior year. In particular, the number of vehicles sold in the People’s Republic of China, Taiwan, Thailand and Mexico increased.

(2) Cash Flows

Cash and cash equivalents at September 30, 2004 increased by ¥156.1 billion, or 80.4%, to ¥350.3 billion from the corresponding balance at March 31, 2004. This increase is mainly attributable to an increase in cash flows provided by operating activities which resulted mainly from ¥370.5 billion income before income taxes and minority interests, and to an increase in cash flows provided by financing activities due to an increase in borrowings, offset by the increase in cash flows used in investing activities due to the expansion of capital investments.

Cash Flows from Operating Activities

Cash flows provided by operating activities for the six months ended September 30, 2004 decreased by ¥128.5 billion, or 50.8%, to ¥124.2 billion from ¥252.8 billion for the same period of the prior year. This principally reflects the increase in cash outflows from the sales finance receivables from our sales finance subsidiaries and the increase in income tax payments.

Cash Flows from Investing Activities

Cash flows used in investing activities for the six months ended September 30, 2004 increased by ¥74.6 billion, or 21.1%, to ¥428.3 billion compared with ¥353.7 billion for the same period of the prior year. This significant rise in investments is primarily attributable to the increase in cash outflows arising from the acquisition of tangible fixed assets and the decrease in cash inflows from sales of leased vehicles.

Cash Flows from Financing Activities

Cash flows provided by financing activities for the six months ended September 30, 2004 increased by ¥408.2 billion, to ¥398.8 billion compared to cash outflows of ¥9.3 billion in financing activities for the same period of the previous year. This resulted mainly from an increase in cash inflows from borrowings.

2. Production, Orders Received and Sales

(1) Actual Production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior first half year	Current first half year		
Japan	724,583	712,431	△12,152	△1.7
The United States	268,418	361,277	92,859	34.6
Mexico	155,834	151,120	△4,714	△3.0
The United Kingdom	168,476	172,185	3,709	2.2
Spain	59,772	68,861	9,089	15.2
South Africa	14,275	19,766	5,491	38.5
Indonesia	2,665	3,416	751	28.2
Thailand	–	18,152	18,152	–
People’s Republic of China	–	57,703	57,703	–
Total vehicles	1,394,023	1,564,911	170,888	12.3

Notes:
1. The figures for the first half of the current year represent vehicles produced during the six months ended September 30, 2004 with respect to Japan and the United States. Those produced in the other seven countries represent production figures for the six months ended June 30, 2004.
2. The above numbers do not include forklift production data.
3. The production figures for People’s Republic of China for the current half year include Dongfeng batch vehicles manufactured by Dongfend Motor Co., Ltd.

(2) Orders Received

Information on orders received has been omitted as the products which are 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 (units)		Change (units)	Change (%)
	Prior first half year	Current first half year		
Japan	370,777	360,793	△9,984	△2.7
North America	548,532	634,775	86,243	15.7
Europe	260,369	284,012	23,643	9.1
Other overseas countries	185,594	332,281	146,687	79.0
Total	1,365,272	1,611,861	246,589	18.1

Notes: 1. The figures for the first half of the current year represent vehicles sold during the six months ended September 30, 2004 in Japan and North America (excluding Mexico). Those sold in Mexico, Europe and in the other overseas countries represent sales figures for the six months ended June 30, 2004.

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

3. The sales figures for People's Republic of China during the current half year include Dongfeng batch vehicles sold by Dongfeng Motor Co., Ltd.

3. Issues and Outlook for the Fiscal Year Ahead

There have been no significant changes in issues or in our outlook during the six months ended September 30, 2004.

4. Important Business Contracts

No important new business contracts were entered into during the six months ended September 30, 2004.

5. Research and Development Activities

The Nissan Group has been conducting research and development activities to provide vehicles which meet the expectation of our customers and to create leading technologies which meet their environmental and safety concerns.

Research and development costs incurred by the Nissan Group amounted to ¥183.8 billion for the six months ended September 30, 2004.

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

The Nissan Group's domestic research and development organization includes the Nissan Technical Center in Atsugi-shi, Kanagawa Prefecture, the Nissan Research Center in Yokosuka-shi, Kanagawa Prefecture, and various proving grounds located in Hokkaido, Tochigi and Kanagawa Prefectures. The Nissan Technical Center plays a leading role in planning, designing and developing new products. The Nissan Research Center conducts fundamental and applied research activities. At the proving ground in Hokkaido, a high-speed circuit has been constructed for testing performance under various road surface conditions at high speed and superspeed and for researching drivers' behaviors when using the ITS and operational support systems. In March 2003, the Company acquired a parcel of land which is close to the Nissan Technical Center, formerly occupied by Atsugi Collage of Aoyama Gakuin University. The partial operation of the facility began in January 2004, and the Company has been continuing the construction of the Nissan Advanced Technology Center which is expected to be a key base for the development of future products.

Certain significant subsidiaries and affiliates also conduct research and development activities. Nissan Shatai Co., Ltd., Nissan Diesel Motor Co., Ltd. and Nissan Light Truck Co., Ltd. are in charge of the development of various passenger car models and commercial vehicles. 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 transmissions.

Research and development activities conducted in Japan during the six months ended September 30, 2004 resulted in the launch of the “Murano” and the “Tiida,” and in minor enhancements to the “March,” the “Atlas 20,” the “Safari,” the “Stagea,” the “Elgrand,” and the “Civilian.”

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

The Nissan Group operates Nissan Technical Center North America, Inc. which plans and designs vehicles, and Nissan Design America, Inc. which designs vehicles. These centers are jointly developing the “Altima,” the “Sentra,” the “Frontier” (known as the “Datsun” in Japan), the “Xterra,” the “Maxima,” the “Titan,” the “Pathfinder Almada,” the “Quest,” and the “Infinity FX45.”

In Europe, Nissan Technical Center Europe Ltd., which has operations in the United Kingdom, Belgium and Spain, is developing a variety of models for Europe such as the “Primera,” the “Almera,” “Almera Tino,”and the “Micra” (known as the “March” in Japan) and the “Terrano II,” a small four-wheel-drive vehicle, as well as other models. Nissan Design Europe Ltd. in the United Kingdom was established as a base for planning and designing vehicles to strengthen the Group’s design capabilities.

In Asia, the Group has invested RMB 330 million in Guangzhou City to set up an R&D facility to be launched at the end of 2005 which will be run jointly with Dongfeng Motor Co., Ltd. to develop models which better meet the needs of their Chinese customers. And in Taiwan, Yulon Nissan Motor Co., Ltd., a joint venture with Yulon Motor Co., Ltd, is developing the “Teana,” “Serena,” “X-Trail,” “Sentra,” and “March” locally.

In addition, Nissan and Renault, business alliance partners since fiscal year 1999, are proceeding jointly to unify their platforms and powertrains and to develop advanced technologies and research technologies. Both companies can thus benefit from a dramatic improvement in their research and development capabilities.

The Nissan Group has steadily made comprehensive efforts to protect the global environment by developing technologies to clean vehicle exhaust fumes and to reduce carbon dioxide by developing clean energy vehicles and recycling resources.

At the end of March 2004, sales of “ultra low emission vehicles (U-LEV)” accounted for more than 90% of the gasoline-powered vehicles sold in Japan. The “SU-LEV” features a 75% reduction from the level of the 2005 exhaust emission standards, which represents half the emission level of the U-LEV. The Group expects to improve this reduction rate from 75% to more than 80% during fiscal year 2005. During the six months ended September 30, 2004, the “Tiida” was certified as a SU-LEV along with the “Bluebird Sylphy.” Nissan and Renault also have jointly developed two new engines, the HR15DE and the MR20DE, both 4-cylinder units which demonstrate excellent fuel economy combined with improved acceleration. The “XTRONIC CVT,” a belt CVT, is now equipped with these new engines enabling further enhanced acceleration performance and better fuel consumption by revising the electronic controls and widening the gear ratio ranges. Regarding clean energy cars, the Group has delivered the “X-TRAIL FCV (fuel cell vehicle)” to Kanagawa Prefecture and Yokohama City. A leasing scheme for this vehicle was launched in 2003. The Company has also completed a prototype of the Altima Hybrid which enables the acceleration performance of V4 engines to equal that of V6 engines with a fuel efficiency equivalent to that of compact cars. This vehicle features the unique combination of new hybrid system components supplied by Toyota Motor Corporation and Nissan’s four-cylinder gasoline engines; however, the design details were developed by Nissan which has added to its attractiveness.

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 Nissan’s basic policy to implement effective safety measures which was 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 the “Intelligent Brake Assist,” the “Brake Operated Pre-Crash Seatbelt,” and the “Active AFS” system in the “ELGRAND” model. The “Intelligent Brake Assist” and the “Brake Operated Pre-Crash Seatbelt” represent the most advanced pre-crash safety systems which can detect the risk of a crash and activate the relevant safety equipment to minimize injury to the occupants when a crash becomes inevitable. The “Active AFS” automatically controls the vehicle’s headlights based on the steering angle and the vehicle ground speed to improve visibility during night driving. In addition, the “Side Blind Monitor” was implemented in the “ELGRAND,” “Murano” and “Tiida” models. This monitor dissolves the blind angle around left front area. Nissan has also developed “Intelligent Cruise Control (with low-speed following capability),” which reduces the driver’s stress when driving at low speeds, for example, in traffic jams.

With respect to the IT area, “researching the fastest route” based on real time VICS information from statistical traffic reports and the telematics services of “Car Wings” has been implemented. In addition, hand-free phone calls and Car Wings services became available through Bluetooth® and these functions without connecting the cellular phone to telecommunication cables. The Company has cooperated jointly with Toyota Motor Corporation to participate in JASPAR (Japan Automotive Software Platform and Architecture) for the purpose of standardization and shared-use of software and networks for electronic vehicle control systems.

Our initiatives for research and development have been highly recognized and these efforts resulted in our being chosen as the recipient of various awards from the Society of Automotive Engineers of Japan in the following three categories: “A Study of Gasoline-Fueled Compression Ignition Engines,” “Development of Brake Operated Ore-crash Seatbelt” and “Development of a New-Generation Belt CVT, “XTRONIC CVT,” With High Torque Capacity for Front-Wheel-Drive Cars.”

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.

III. Property, Plant and Equipment

1. Property, Plant and Equipment

No changes were made to the significant items of property, plant and equipment of the Group (the Company and its consolidated subsidiaries) during the six months ended September 30, 2004.

2. Plans for New Additions or Disposal

During the six months ended September 30, 2004, no changes were made to the plans as of March 31, 2004 for new additions or disposal of major property, plant and equipment of the Group (the Company and its consolidated subsidiaries).

IV. Corporate Information

1. Information on the Company's Shares

(1) Number of Shares and Other

① Number of Shares

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

② Number of Shares in Issue

Type of stock	Number of shares in issue		Stock exchanges on which the Company is listed	Description of shares
	As of September 30, 2004	As of December 17, 2004 (filing date of the securities report)		
Common stock	4,520,715,112	4,520,715,112	First section of the Tokyo Stock Exchange	–

Note: The number of shares of common stock in issue as of the filing date does not include those issued upon the exercise of stock subscription rights (including the exercise of warrants) for the period from December 1, 2004 through the filing date of this report.

(2) Status of Stock Subscription Rights

The Company has issued bonds with stock purchase warrants based on Article 341-8 of the Commercial Code of Japan before amendments. The details of these stock purchase warrants are as follows:

First Unsecured Bonds with Stock Purchase Warrants (Issued on June 25, 1999)

	As of the first half year end (September 30, 2004)	As of the end of the most recent month before the filing of the securities report (November 30, 2004)
Balance of stock purchase warrants (Millions of yen)	¥ 24	¥24
Exercise price (Yen)	¥554	Same as on the left
Amount per share to be credited to the common stock account (Yen)	¥277	Same as on the left

Euro-Yen Bonds with Stock Purchase Warrants Due 2006 (Issued on March 27, 2000)

	As of the first half year end (September 30, 2004)	As of the end of the most recent month before the filing of the securities report (November 30, 2004)
Balance of stock purchase warrants (Millions of yen)	¥ 8,756	¥8,467
Exercise price (Yen)	¥ 429	Same as on the left
Amount per share to be credited to the common stock account (Yen)	¥214.50	Same as on the left

Euro-Yen Bonds with Stock Purchase Warrants Due 2007 (Issued on March 8, 2001)

	As of the first half year end (September 30, 2004)	As of the end of the most recent month before the filing of the securities report (November 30, 2004)
Balance of stock purchase warrants (Millions of yen)	¥19,578	¥19,280
Exercise price (Yen)	¥ 764	Same as on the left
Amount per share to be credited to the common stock account (Yen)	¥ 382	Same as on the left

Euro-Yen Bonds with Stock Purchase Warrants Due 2008 (Issued on March 14, 2002)

	As of the first half year end (September 30, 2004)	As of the end of the most recent month before the filing of the securities report (November 30, 2004)
Balance of stock purchase warrants (Millions of yen)	¥51,582	¥51,248
Exercise price (Yen)	¥ 880	Same as on the left
Amount per share to be credited to the common stock account (Yen)	¥ 440	Same as on the left

In addition to the above stock purchase warrants, the Company has issued stock subscription rights based on Articles 280-20 and 280-21 of the Commercial Code of Japan.

1st Stock Subscription Rights (Issued at May 7, 2003)

	As of the first fiscal year end (September 30, 2004)	As of the end of the most recent month before the filing of the securities report (November 30, 2004)
Number of stock subscription rights	124,050 units	124,050 units
Nature of shares	Shares of common stock	Same as on the left
Number of shares	12,405,000 shares	12,405,000 shares
Exercise price	¥93,200 (¥932 per share)	Same as on the left
Period of exercise	From May 8, 2005 to May 8, 2010	Same as on the left
Issuance price of shares and amount to be credited to common stock account	Issuance price: ¥932 Amount to be credited to common stock account: ¥466	Same as on the left
Conditions of exercise	*	Same as on the left
Transfer of stock subscription rights	Approval of the Company's Board of Directors is required.	Same as on the left

* 1. Those to whom stock subscription rights are granted must remain employees or directors of the Company, subsidiaries or affiliates until the beginning of the exercise period.

2. The Company must achieve its targeted results.

3. Each individual must achieve his (or her) targets.

Full details concerning the three conditions above and certain other conditions are more fully defined in the "Stock Subscription Rights Allocation Agreement" concluded between the Company and each individual granted.

2nd Stock Subscription Rights (Issued at April 16, 2004)

	As of the first fiscal year end (September 30, 2004)	As of the end of the most recent month before the filing of the securities report (November 30, 2004)
Number of stock subscription rights	128,500 units	128,500 units
Nature of shares	Shares of common stock	Same as on the left
Number of shares	12,850,000 shares	12,850,000 shares
Exercise price	¥120,200 (¥1,202 per share)	Same as on the left
Period of exercise	From April 17, 2006 to June 19, 2013	Same as on the left
Issuance price of shares and amount to be credited to common stock account	Issuance price: ¥1,202 Amount to be credited to common stock account: ¥601	Same as on the left
Conditions of exercise	*	Same as on the left
Transfer of stock subscription rights	Approval of the Company's Board of Directors is required.	Same as on the left

* 1. Exercise of portion of each stock subscription right is not admitted.

2. Those to whom stock subscription rights are granted must remain employees or directors of the Company, subsidiaries or affiliates until the beginning of the exercise period.

3. The Company must achieve its targeted results.

4. Each individual must achieve his (or her) targets.

Full details concerning conditions 2 through 4 stated above and certain other conditions are more fully defined in the "Stock Subscription Rights Allocation Agreement" concluded between the Company and each individual granted.

(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 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, 2004 to September 30, 2004	–	4,520,715	–	¥605,813	–	¥804,470

(4) Principal Shareholders

(As of September 30, 2004)

Shareholders	Addresses	Number of shares held (Thousands)	%
Renault (Standing agent: Bank of Tokyo-Mitsubishi)	13-15 Quai Le Gorot, 92100 Boulogne Billancourt, Paris, 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	226,892	5.02
The Master Trust Bank of Japan Ltd. (Trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	175,843	3.89
Nissan Motor Co., Ltd. (Note 1)	2 Takaracho Kanagawa-ku, Yokohama-shi, Kanagawa	123,618	2.73
Nippon Life Insurance Company	1-6-6 Marunouchi, Chiyoda-ku, Tokyo	88,001	1.95
The Dai-ichi Mutual Life Insurance Company (Standing agent: Trust & Custody Service Bank, Ltd.)	1-13-1 Yurakucho, Chiyoda-ku, Tokyo (Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo)	86,957	1.92
Sompo Japan Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	63,528	1.41
State Street Bank and Trust Company 505103 (Standing agent: Mizuho Corporate Bank)	P.O. Box 351, Boston, MA 02101 U.S.A. (6-7 Nihonbashi-Kabutocho, Chuo-ku, Tokyo)	63,413	1.40
Moxley & Co. (Standing agent: Sumitomo Mitsui Bank)	23, Wall Street, New York, New York, 10015 USA (6-7 Nihonbashi-Kabutocho, Chuo-ku, Tokyo)	44,267	0.98
Tokio Marine & Fire Insurance Co., Ltd (Note 2)	1-2-1 Marunouchi, Chiyoda-ku, Tokyo	39,550	0.87
Total		2,916,072	64.50

Notes: 1. The number of shares of treasury stock mentioned above is the number on the shareholders' list and includes one thousand shares which are not actually owned by Nissan but are titled to Nissan.

2. Tokio Marine & Fire Insurance Co., Ltd. merged with Nichido Fire Insurance Co., Ltd. on October 1, 2004 and changed its name to Tokio Marine & Nichido Fire Insurance Co., Ltd. The number of shares of common stock held after the merger rose to 70,076 thousand shares (1.6%).

(5) Status of Voting Rights

① Shares in Issue

(As of September 30, 2004)

Classification	Number of shares (Even)	Number of voting rights (Even)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 123,618,200	–	–
	(Crossholding stock) Common stock 1,295,000	–	–
Shares with full voting rights (Other)	Common stock 4,394,848,200	43,948,482	–
Shares under one unit	Common stock 953,712	–	–
Total shares issued	4,520,715,112	–	–
Total voting rights	–	43,948,482	–

Notes: 1. Included in "Shares with full voting rights (Others)" are 57,300 shares (573 voting rights) held under the names of custodians and 1,000 shares (10 voting rights) held under the name of Nissan, but effectively held by others.

2. Shares under one unit include 81 shares of treasury stock and 151 shares of crossholding stock.

Crossholding Stock under One Unit

(As of September 30, 2004)

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

② Treasury Stock, etc.

(As of September 30, 2004)

Name of Shareholders	Addresses	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
(Treasury stock)					
Nissan Motor Co., Ltd.	2 Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa	123,618,200	0	123,618,200	2.73
(Crossholding stock)					
Calsonic Kansei Corporation	5-24-15 Minamidai, Nakano-ku, Tokyo	1,049,900	0	1,049,900	0.02
Yokoki Manufacturing Co., Ltd.	555 Imai-cho, Hodogaya-ku, Yokohama-shi, Kanagawa	200	84,900	85,100	0.00
Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	28,600	50,700	79,300	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	37,800	24,300	62,100	0.00
Nissan Prince Kagawa Sales Co., Ltd.	1037 Ikuno-cho, Zentsuji-shi, Kagawa	0	8,600	8,600	0.00
Toyama Nissan Motor Co., Ltd.	11-46 Nishi-Shinjo, 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		124,744,600	168,600	124,913,200	2.76

Notes:
1. The number of shares included in “Number of shares held under the names of others” represent those held by Nissan’s crossholding share association (address: 6-17-1 Ginza, Chuo-ku, Tokyo). (Fractional figures under 100 have been omitted.)
2. Included in the number of shares based on the shareholders’ register are 1,000 shares (10 voting rights) which the Company does not effectively own. These shares are presented as “Shares with full voting rights (Other)” in the table entitled “ Shares in Issue.”

2. Changes in the Market Prices of the Company’s Shares

The highest and lowest prices for each month during the six months ended September 30, 2004 were as follows:

Month	April 2004	May	June	July	August	September
Highest (Yen)	¥1,284	¥1,241	¥1,223	¥1,234	¥1,207	¥1,232
Lowest (Yen)	¥1,139	¥1,088	¥1,060	¥1,143	¥1,119	¥1,165

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

3. Members of the Board of Directors and Corporate Auditors

There have been no changes in the members of the Board of Directors or in the corporate auditors during the period from the filing date of the securities report for the prior fiscal year to the filing date of this report.

V. Financial Information

1. Basis of Preparation

The accompanying semiannual consolidated financial statements of the Company have been prepared in accordance with the “Regulations Concerning the Terminology, Forms and Preparation Methods of Semiannual Consolidated Financial Statements” (“Regulations for Semiannual Consolidated Financial Statements”) (Ministry of Finance Ordinance No. 24, 1999).

The semiannual consolidated financial statements for the six months ended September 30, 2003 have been prepared in accordance with “Regulations for Semiannual Consolidated Financial Statements” before the amendment, and those for the six months ended September 30, 2004 have been prepared in accordance with “Regulations for Semiannual Consolidated Financial Statements” after the amendment.

The semiannual consolidated financial statements for the six months ended September 30, 2004 have been prepared in accordance with “Regulation for Semiannual Consolidated Financial Statements” before the amendment, as permitted by a provision in the additional third clause of Cabinet Office Ordinance amending part of the “Regulations for Semiannual 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 semiannual consolidated financial statements for the prior period (from April 1, 2003 to September 30, 2003) and the semiannual consolidated financial statements for the current period (from April 1, 2004 to September 30, 2004) have been audited by Ernst & Young ShinNihon (formerly Shin Nihon & Co.).

Semiannual Consolidated Financial Statements

(1) Semiannual Consolidated Financial Statements

① Consolidated Balance Sheets

Accounts	Notes	As of September 30, 2003			As of September 30, 2004			As of March 31, 2004		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
Assets										
I Current assets										
1. Cash on hand and in banks	*3		158,630			360,340			191,742	
2. Trade notes and accounts receivable			512,326			466,593			462,716	
3. Sales finance receivables	*3		2,089,263			2,610,794			2,203,174	
4. Marketable securities			2,409			17,481			3,126	
5. Inventories			572,036			702,380			542,792	
6. Deferred tax assets			217,793			262,306			169,759	
7. Other current assets			291,308			388,902			256,668	
8. Allowance for doubtful receivables			△68,552			△71,102			△63,014	
Total current assets			3,775,213	48.7		4,737,694	52.0		3,776,963	47.9
II Fixed assets										
1. Property, plant and equipment	*1, *3									
(1) Buildings and structures		523,430			610,217			545,190		
(2) Machinery, equipment and vehicles	*2	1,231,369			1,592,040			1,325,775		
(3) Land		775,008			763,855			759,640		
(4) Other		624,213	3,154,020		534,341	3,500,453		572,647	3,203,252	
2. Intangible fixed assets			64,549			163,517			71,786	
3. Investments and other assets										
(1) Investment securities		357,696			305,884			360,344		
(2) Long-term loans receivable		13,925			18,100			17,419		
(3) Deferred tax assets		138,041			173,835			162,184		
(4) Other assets		251,199			230,917			282,956		
(5) Allowance for doubtful receivables		△3,636	757,225		△16,182	712,554		△6,642	816,261	
Total fixed assets			3,975,794	51.3		4,376,524	48.0		4,091,299	52.1
III Deferred charges										
Discounts on bonds			1,865			1,322			1,594	
Total deferred charges			1,865	0.0		1,322	0.0		1,594	0.0
Total assets			7,752,872	100.0		9,115,540	100.0		7,859,856	100.0

Accounts	Notes	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
		Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
Liabilities							
I Current liabilities							
1. Trade notes and accounts payable		710,367		920,309		768,201	
2. Short-term borrowings and import bills payable	*3	820,616		1,013,950		349,928	
3. Current portion of long-term borrowings	*3	504,829		644,799		630,492	
4. Current portion of bonds		300,980		291,324		380,378	
5. Deferred tax liabilities		381		2,318		2,545	
6. Accrual for warranty costs		35,393		48,181		45,550	
7. Lease obligations		64,848		50,438		50,464	
8. Other current liabilities		918,051		886,594		874,923	
Total current liabilities		3,355,465	43.3	3,857,913	42.3	3,102,481	39.5
II Long-term liabilities							
1. Bonds and debentures		623,686		409,939		542,824	
2. Long-term borrowings	*3	747,142		1,238,334		1,067,790	
3. Deferred tax liabilities		261,136		380,169		291,991	
4. Accrual for warranty costs		116,018		113,996		107,047	
5. Accrued retirement benefits		472,371		460,350		442,266	
6. Lease obligations		88,317		91,735		84,179	
7. Other long-term liabilities		92,887		142,297		93,499	
Total long-term liabilities		2,401,557	31.0	2,836,820	31.1	2,629,596	33.4
Total liabilities		5,757,022	74.3	6,694,733	73.4	5,732,077	72.9
Minority interests							
Minority interests		96,757	1.2	164,065	1.8	103,785	1.3
Shareholders' equity							
I Common stock		605,814	7.8	605,814	6.6	605,814	7.7
II Capital surplus		804,470	10.4	804,470	8.8	804,470	10.2
III Retained earnings	*4	1,035,913	13.4	1,485,196	16.3	1,286,299	16.4
IV Unrealized holding gain on securities		3,703	0.0	5,501	0.1	4,392	0.1
V Translation adjustments		△330,171	△4.3	△396,615	△4.3	△431,744	△5.5
VI Treasury stock		△220,636	△2.8	△247,624	△2.7	△245,237	△3.1
Total shareholders' equity		1,899,093	24.5	2,256,742	24.8	2,023,994	25.8
Total liabilities, minority interests and shareholders' equity		7,752,872	100.0	9,115,540	100.0	7,859,856	100.0

② Consolidated Statements of Income

Accounts	Notes	For the six months ended September 30, 2003			For the six months ended September 30, 2004			For the year ended March 31, 2004		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
I Net sales			3,556,249	100.0		4,007,942	100.0		7,429,219	100.0
II Cost of sales			2,510,550	70.6		2,951,746	73.6		5,310,172	71.5
Gross profit			1,045,699	29.4		1,056,196	26.4		2,119,047	28.5
III Selling, general and administrative expenses										
1. Advertising expenses		123,251			119,887			212,227		
2. Provision for accrual for warranty costs		16,832			38,329			43,999		
3. Other selling expenses		127,459			148,897			289,992		
4. Salaries and wages		171,027			175,567			352,603		
5. Retirement benefit expenses		20,728			19,457			38,715		
6. Provision for doubtful receivables		18,041			10,252			32,732		
7. Other		167,229	644,567	18.1	140,370	652,759	16.3	323,924	1,294,192	17.4
Operating income			401,132	11.3		403,437	10.1		824,855	11.1
IV Non-operating income										
1. Interest and dividend income		6,230			7,294			11,591		
2. Equity in earnings of affiliates		8,284			15,161			11,623		
3. Exchange gain		3,990			928			16,444		
4. Miscellaneous income		9,608	28,112	0.8	9,041	32,424	0.8	17,619	57,277	0.8
V Non-operating expenses										
1. Interest expense		14,610			13,260			27,290		
2. Amortization of net retirement benefit obligation at transition		7,299			5,888			13,936		
3. Revaluation loss resulting from adoption of general price-level accounting		1,322			3,065			7,367		
4. Miscellaneous expenses		15,667	38,898	1.1	12,291	34,504	0.9	23,847	72,440	1.0
Ordinary income			390,346	11.0		401,357	10.0		809,692	10.9
VI Special gains										
1. Gain on sales of property, plant and equipment	*1	5,180			4,712			12,693		
2. Gain on sales of investment securities		1,744			7,724			1,807		
3. Other		2,845	9,769	0.3	2,351	14,787	0.4	17,700	32,200	0.4

Accounts	Notes	For the six months ended September 30, 2003			For the six months ended September 30, 2004			For the year ended March 31, 2004		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
VII Special losses										
1. Loss on disposal of property, plant and equipment		6,785			8,465			18,449		
2. Prior-period adjustments	*2	16,399			13,150			16,399		
3. Loss on lump-sum payment due to withdrawal from the welfare pension fund		–			6,337			–		
4. Loss on business restructuring		–			5,542			–		
5. Other		8,826	32,010	0.9	12,170	45,664	1.1	70,547	105,395	1.4
Income before income taxes and minority interests			368,105	10.4		370,480	9.3		736,497	9.9
Corporate, inhabitants' and enterprise taxes		106,984			145,829			137,745		
Income taxes - deferred		18,258	125,242	3.5	△25,142	120,687	3.0	81,295	219,040	2.9
Income attributable to minority interests			5,183	0.2		10,985	0.3		13,790	0.2
Net income			237,680	6.7		238,808	6.0		503,667	6.8

③ Consolidated Statements of Capital Surplus and Retained Earnings

Accounts	Notes	For the six months ended September 30, 2003 Amounts (Millions of yen)		For the six months ended September 30, 2004 Amounts (Millions of yen)		For the year ended March 31, 2004 Amounts (Millions of yen)	
Capital surplus							
I Capital surplus at beginning of the period			804,470		804,470		804,470
II Capital surplus at end of the period			804,470		804,470		804,470
Retained earnings							
I Retained earnings at beginning of the period			878,655		1,286,299		878,655
II Increase in retained earnings							
1. Net income		237,680		238,808		503,667	
2. Increase due to inclusion in consolidation		226		1,104		226	
3. Revaluation reserve resulting from adoption of price-level accounting by consolidated subsidiaries		2,724		3,592		9,460	
4. Unrecognized liabilities relating to overseas subsidiaries' pension		–	240,630	2,948	246,452	–	513,353
III Decrease in retained earnings							
1. Dividends		41,656		45,078		74,594	
2. Bonuses to directors and corporate auditors		410		404		410	
3. Decrease due to decrease in number of affiliates accounted for by the equity method		4,402		–		4,402	
4. Recognition of unfunded retirement benefit obligation of UK subsidiaries		30,684		–		18,132	
5. Loss on disposal of treasury stock		6,220	83,372	2,073	47,555	8,171	105,709
IV Retained earnings at end of the period			1,035,913		1,485,196		1,286,299

④ Consolidated Statements of Cash Flows

Accounts	Notes	For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
		Amounts (Millions of yen)	Amounts (Millions of yen)	Amounts (Millions of yen)
I Cash flows from operating activities				
Income before income taxes and minority interests		368,105	370,480	736,497
Depreciation and amortization		223,719	247,356	461,037
(Decrease) increase in allowance for doubtful receivables		3,394	△3,848	3,732
Write-downs of investments		–	116	323
Interest and dividend income		△6,230	△7,293	△11,591
Interest expense		40,272	33,450	63,423
Gain on sales of property, plant and equipment		△4,303	△3,979	△4,163
Loss on disposal of property, plant and equipment		6,785	9,604	24,823
(Gain) loss on sales of investment securities		△1,180	△6,113	7,113
(Increase) decrease in trade notes and accounts receivable		△15,890	57,134	24,539
Increase in sales finance receivables		△260,249	△306,883	△463,110
Increase in inventories		△41,751	△123,013	△28,220
Increase in trade notes and accounts payable		33,519	20,097	68,879
Amortization of net retirement benefit obligation at transition		7,299	5,888	13,936
Retirement benefit expenses		40,175	29,848	67,262
Retirement benefit payments made against related accrual		△35,535	△40,637	△80,650
Other		△28,754	6,023	45,934
Subtotal		329,376	288,230	929,764
Interest and dividends received		5,664	7,496	10,699
Interest paid		△41,749	△33,256	△65,231
Income taxes paid		△40,526	△138,223	△77,815
Net cash provided by operating activities		252,765	124,247	797,417
II Cash flows from investing activities				
Net (increase) decrease in short-term investments		1,241	△8,229	△710
Purchases of fixed assets		△168,750	△214,773	△428,387
Proceeds from sales of property, plant and equipment		21,692	18,847	53,932
Acquisition of leased vehicles		△272,289	△274,535	△476,613
Proceeds from sales of leased vehicles		118,513	86,857	191,105
Increase in long-term loans receivable		△2,253	△2,455	△3,741
Decrease in long-term loans receivable		2,942	2,175	4,766
Purchases of investment securities		△56,497	△11,155	△119,372
Proceeds from sales of investment securities		3,752	1,674	40,330
Acquisition of subsidiaries’ stock resulting in change in scope of consolidation		–	△1,292	–
Proceeds from sales of subsidiaries’ stock resulting in changes in scope of consolidation		–	7,712	192
Additional acquisition of shares of consolidated subsidiaries		△330	–	△2,531
Other		△1,741	△33,123	△15,097
Net cash used in investing activities		△353,720	△428,297	△756,126

Accounts	Notes	For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
		Amounts (Millions of yen)	Amounts (Millions of yen)	Amounts (Millions of yen)
III Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		237,079	615,965	△137,575
Increase in long-term borrowings		185,662	485,566	847,393
Increase in bonds and debentures		104,792	30,000	150,000
Repayment or redemption of long-term debt		△381,485	△649,149	△720,694
Purchases of treasury stock		△72,981	△7,873	△101,957
Proceeds from sales of treasury stock		7,568	3,245	9,744
Repayment of lease obligations		△47,159	△33,816	△84,742
Cash dividends paid		△41,656	△45,078	△74,594
Other		△1,134	△18	△1,315
Net cash (used in) provided by financing activities		△9,314	398,842	△113,740
IV Effects of exchange rate changes on cash and cash equivalents		1,466	1,761	△2,604
V (Decrease) increase in cash and cash equivalents		△108,803	96,553	△75,053
VI Cash and cash equivalents at beginning of the period		269,817	194,164	269,817
VII Increase due to inclusion in consolidation		310	59,577	310
VIII Decrease due to exclusion from consolidation		△871	–	△910
IX Cash and cash equivalents at end of the period	*1	160,453	350,294	194,164

Significant Accounting Policies

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
1. Scope of Consolidation (1) Number of consolidated companies 204 • Domestic companies 114 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 97 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Co., Ltd., and 1 other company Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autec Japan Co., Ltd., and 5 other companies • Foreign companies 90 Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 86 other companies Nissan Wholesale Receivables Two Corp., a newly established subsidiary, has been consolidated. P.T. Nissan Motor Distributor Indonesia, which was formerly excluded from consolidation, and Nissan Design Europe GmbH, which was accounted for by the equity method in the prior year, have been consolidated because their importance has increased. Twenty-three companies such as Nissan Koe Co., Ltd., which were consolidated in the prior year, have been accounted for by the equity method because of changes in management and in the decision-making processes with regard to domestic affiliates and due to their insignificant impact on the consolidated financial statements. Four companies such as Diamondmatic Co., Ltd. were merged. Five companies such as Sayama Services Co., Ltd. have been liquidated and Nissan Shelf Number Two Co., Ltd. has been excluded from consolidation because its significance has decreased.	1. Scope of Consolidation (1) Number of consolidated companies 195 • Domestic companies 99 Sales companies for vehicles and parts: Aichi Nissan Motor, Tokyo Nissan Motor, Nissan Prince Tokyo Motor Sales, Nissan Parts Chuo Sales and 80 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Co., Ltd., and 1 other company Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autec Japan Co., Ltd., and 8 other companies • Foreign companies 96 Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 92 other companies Newly established NISSAN (CHINA) INVESTMENT CO., LTD. and 6 other companies have been consolidated. Nissan Light Truck Co., Ltd. and 2 other companies, which were subsidiaries accounted for by the equity method in the prior year, have been consolidated since their importance have increased. In addition, Siam Nissan Automobile Co., Ltd. and 3 other companies, which were affiliates accounted for by the equity method in the prior year, became consolidated subsidiaries due to the acquisition of their shares. Dongfeng Motor Co., Ltd., which was an affiliate accounted for by the equity method, has been included in consolidation effective this interim period because all shares of Dongfeng Motor Co., Ltd. were transferred to NISSAN (CHINA) INVESTMENT CO., LTD., a consolidated subsidiary. In accordance with local accounting standards, effective for the six months ended September 30, 2004, Dongfeng Motor Co., Ltd. has been proportionately consolidated into NISSAN (CHINA) INVESTMENT CO., LTD. In addition, Nissan Canada Finance Inc. and 3 other companies have been eliminated following their mergers and Infiniti Motor Sales Inc. was liquidated. Shizuoka Nissan Motor Co., Ltd. is excluded from consolidation following the sale of its shares.	1. Scope of Consolidation (1) Number of consolidated companies 186 • Domestic companies 100 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 1 other company Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autech Japan Co., Ltd., and 5 other companies • 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 82 other companies 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 Number Two Co., Ltd. has become an unconsolidated subsidiary not accounted for by the equity method because its materiality has decreased.

<table>
<tr><th>For the six months ended
September 30, 2003</th><th>For the six months ended
September 30, 2004</th><th>For the year ended
March 31, 2004</th></tr>
<tr><td>(2) Unconsolidated subsidiaries 172
• Domestic companies 140
Nissan Marine Co., Ltd., Nissan Human Resource Development Center Co., Ltd., and others
• Foreign companies 32
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 others, and do not have a significant effect on the semiannual consolidated financial statements. As a result, they have been excluded from consolidation.</td><td>(2) Unconsolidated subsidiaries 148
• Domestic companies 117
Nissan Marine Co., Ltd., Nissan Human Resource Development Center Co., Ltd., and others
• Foreign companies 31
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 others, and do not have a significant effect on the semiannual consolidated financial statements. As a result, they have been excluded from consolidation.</td><td>(2) Unconsolidated subsidiaries 174
• Domestic companies 138
Nissan Marine Co., Ltd., Nissan Human Resources Development Center Inc. and others
• Foreign companies 36
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.</td></tr>
<tr><td>2. Equity Method
(1) Companies accounted for by the equity method 59
• Unconsolidated subsidiaries 32
(27 domestic and 5 foreign companies)
Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others
Twenty-three companies, such as Nissan Koe Co., Ltd., which were consolidated in the prior year, have been accounted 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. Manazurukaikan Co., Ltd., which was accounted for by the equity method, was merged. Nissan Design Europe Co., Ltd. has been consolidated because its materiality has increased.
• Affiliates 27
(19 domestic and 8 foreign companies)
Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation and others
Two companies, one of which is Hashimoto Forming Industry Co., Ltd., have been excluded from the scope of consolidation because their shares were sold and they are no longer affiliates. These companies were accounted for by the equity method until the prior fiscal year.</td><td>2. Equity Method
(1) Companies accounted for by the equity method 52
• Unconsolidated subsidiaries 31
(25 domestic and 6 foreign companies)
Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others
The newly established subsidiary, Guangzhou NISSAN Trading Co., has become an unconsolidated subsidiary accounted for the equity method. Nissan Light Truck Co., Ltd. and 2 other companies, which were unconsolidated subsidiaries accounted for the equity method in the prior year, have been included in consolidation since their materiality has increased. On the other hand, Nissan Security Service Co., Ltd. has been eliminated from consolidation due to a merger.
• Affiliates 21
(18 domestic and 3 foreign companies)
Nissan Diesel Motor Co., Ltd., Calsonic KanseiCorporation and others
Dongfeng Motor Co., Ltd., which was an affiliate accounted for by the equity method, has been included in consolidation effective this interim period because all shares of Dongfeng Motor Co., Ltd. were transferred to NISSAN (CHINA) INVESTMENT CO., LTD., a consolidated subsidiary. In accordance with local accounting standards, effective for the six months ended September 30, 2004, Dongfeng Motor Co., Ltd. has been consolidated proportionately to NISSAN (CHINA) INVESTMENT CO., LTD. Siam Nissan Automobile Co., Ltd. and 3 other companies became consolidated subsidiaries due to the acquisition of their shares effective this consolidated interim fiscal period. Utsunomiya Nissan Motor is no longer an affiliate since of the Group’s voting rights decreased following the sale of its shares. Therefore, it has been excluded from being accounted for by the equity</td><td>2. Equity Method
(1) Companies accounted for by the equity method 61
• Unconsolidated subsidiaries 34
(28 domestic and 6 foreign companies)
Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others
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 27
(19 domestic and 8 foreign companies)
Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation and others
Dongfeng Motor Co., Ltd. was newly established and has been accounted for and 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.</td></tr>
</table>

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
	method.	
(2) Companies not accounted for by the equity method 173 • Unconsolidated subsidiaries 140 Nissan Human Resource Development Co., Ltd. and others • Affiliates 33 Tonox Co., Ltd. and others These companies are not accounted for by the equity method as their impact is not significant on consolidated net income or loss for the period or on consolidated retained earnings or other results. (3) No adjustments are made to the financial statements of companies accounted for by the equity method even if their accounting period is different from that of the Company.	(2) Companies not accounted for by the equity method 147 • Unconsolidated subsidiaries 117 Nissan Human Resource Development 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 consolidated net income or loss for the period or on consolidated retained earnings or other results. (3) No adjustments are made to the financial statements of companies accounted for by the equity method even if their accounting period is different from that of the Company.	(2) Companies not accounted for by the equity method 170 • Unconsolidated subsidiaries 140 Nissan Human Resources Development Center Inc. 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 consolidated net income or loss, consolidated retained earnings or other results. (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. Accounting Period of Consolidated Subsidiaries (1) The following consolidated companies close their books of account on: June 30: 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 14 subsidiaries Nissan do Brasil Automoveis Ltda P.T. Nissan Motor Indonesia P.T.Nissan Motor Distributor Indonesia (2) The necessary adjustments are made to the semiannual financial statements of these 51 companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.	3. Accounting Period of Consolidated Subsidiaries (1) The following consolidated companies close their books of account on: June 30: Nissan Mexicana, S.A. de C.A. NR Finance Mexico, S.A. De C.V. NR Wholesale Mexico, S.A. De C.V. ESARA, S.A. De C.V. Nissan Europe S.A.S. and its 26 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 Siam Nissan Automobile Co., Ltd. and its 3 subsidiaries Nissan South East Asia Co., Ltd. Siam Motors And Nissan Co., Ltd. Yulon Nissan Motor Co., Ltd., NISSAN (CHINA) INVESTMENT CO., LTD. Dongfeng Motor Co., Ltd. Nissan Korea Co., Ltd. Nissan Light Truck Co., Ltd. (2) The necessary adjustments are made to the semiannual financial statements of these 63 companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.	3. Accounting Period of Consolidated Subsidiaries (1) The following consolidated companies close their books of account on: December 31: Nissan Mexicana, S.A. de C.A. NR Finance Mexico, S.A. De C.V. NR Wholesale Mexico, S.A. De C.V. ESARA, S.A. De C.V. 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 (2) The necessary adjustments are made to the semiannual financial statements of these 51 companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
4. Significant Accounting Policies	4. Significant Accounting Policies	4. Significant Accounting Policies
(1) Method of valuation of assets	(1) Method of valuation of assets	(1) Method of valuation of assets
① Securities Held-to-maturity securities: … Held-to maturity securities are stated at amortized cost Other securities: Marketable securities: … Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity. Cost of securities sold is calculated by the moving average method. Non-marketable securities: … Non-marketable securities classified as other securities are carried at cost determined by the moving average method.	① Securities Same as on the left	① Securities Held-to-maturity securities: … Held-to maturity securities are stated at amortized cost Other securities: Marketable securities: … Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity. Cost of securities sold is calculated by the moving average method. Non-marketable securities: … Non-marketable securities classified as other securities are carried at cost determined by the moving average method.
② Derivatives Derivatives are carried at fair value except for forward foreign exchange contracts entered into in order to hedge receivables and payables denominated in foreign currencies.	② Derivatives Same as on the left	② Derivatives Same as on the left
③ Inventories Inventories are stated principally at the lower of cost or market, cost being determined by the FIFO method.	③ Inventories Same as on the left	③ Inventories Same as on the left
(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 of the respective assets. The residual value of the assets is determined by the Company.	(2) Depreciation of property, plant and equipment Same as on the left	(2) Depreciation of property, plant and equipment Same as on the left
(3) Accruals	(3) Accruals	(3) Accruals
① Allowance for doubtful accounts Allowance for doubtful accounts is provided based on historical experience for normal receivables and on an estimate of the collectibility of receivables from companies in experiencing financial difficulty.	① Allowance for doubtful accounts Same as on the left	① Allowance for doubtful accounts Same as on the left
② Accrual for warranty costs An 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 terms of the various warranty contracts and based on historical experience.	② Accrual for warranty costs Same as on the left	② Accrual for warranty costs Same as on the left

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
③ Accrued retirement benefits	③ Accrued retirement benefits	③ Accrued 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.	Same as on the left	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. (Additional Information) In accordance with the revision to the 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 on the return of the substitutional portion of the WPFP by reducing the retirement benefit obligation and the pension plan assets related to the substitutional portion as of the date on which these subsidiaries received their exemption. The effect of this treatment on operating results is described in the note relating to 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 semiannual balance sheet date, and differences arising from the translation are included in the semiannual statement of income. The assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the semiannual balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the period. Translation adjustments are presented as a separate component of shareholders’ equity and minority interests.	(4) Foreign currency translation Same as on the left	(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 income. The assets and liabilities 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 and minority interests.

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
(5) Leases Non cancelable lease transactions are primarily accounted for as finance leases except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.	(5) Leases Same as on the left	(5) Leases Same as on the left
(6) Hedge accounting ① Hedge accounting Deferral hedge accounting, under which unrealized gain or loss is deferred, is adopted for derivatives which qualify as hedges. When forward foreign exchange contracts and other derivatives transactions are entered into in order to hedge receivables and payables denominated in foreign currencies and they qualify as hedges, such receivables and payables are recorded at the contract rates.	(6) Hedge accounting ① Hedge accounting Same as on the left	(6) Hedge accounting ① Hedge accounting Same as on the left
② Hedging instruments and hedged items • Hedging instruments … Derivative transactions • Hedging 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 on the left	② Hedging instruments and hedged items Same as on the left
③ Hedging policy It is the Company's policy that transactions denominated in foreign currencies are to be hedged.	③ Hedging policy Same as on the left	③ Hedging policy Same as on the left
④ Assessment of hedge effectiveness Hedge effectiveness is determined by comparing the cumulative changes in cash flows from, or the fair value of the hedging instruments with, the corresponding amounts for the hedged items.	④ Assessment of hedge effectiveness Same as on the left	④ Assessment of hedge effectiveness Same as on the left
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 on the left	⑤ Risk management policy with respect to hedge accounting Same as on the left
(7) Accounting for consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.	(7) Accounting for consumption taxes Same as on the left	(7) Accounting for consumption taxes Same as on the left
(8) Accounting policies adopted by foreign consolidated subsidiaries The financial statements of the Company's subsidiaries in Mexico and certain 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 semiannual consolidated financial statements have been charged or credited to operations and are reflected directly in retained earnings.	(8) Accounting policies adopted by foreign consolidated subsidiaries Same as on the left	(8) Accounting policies adopted by foreign consolidated subsidiaries The financial statements of the Company's subsidiaries in Mexico and certain 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 reflected directly in retained earnings.

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
5. Cash and Cash Equivalents in the Semiannual Consolidated Statement of Cash Flows Cash and cash equivalents in the semiannual consolidated statement of cash flows consist of cash on hand, cash in banks which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted into cash and are subject to little risk of change in value.	5. Cash and Cash Equivalents in the Semiannual Consolidated Statement of Cash Flows Same as on the left	5. Cash and Cash Equivalents in the Consolidated Statement of Cash Flows Cash and cash equivalents in the consolidated statement of cash flows 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 into cash and are subject to little risk of change in value.

Changes in Accounting Policies

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
Method of Valuation of Inventories Until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of cost or market, cost being determined by the average method, and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method. Effective April 1, 2003, the Company and certain consolidated subsidiaries changed their method of accounting for all inventories to state them at the lower of cost or market, cost being determined by the first-in, first-out method. This change was made in order to establish a sound financial position by reflecting changes in purchase prices in the valuation of inventories, given the fact that progress has been made in the reduction of purchasing costs and that this trend is anticipated to continue. Another reason for this change was 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.	Classification of Freight and Shipping Costs Until the year ended March 31, 2004, freight and shipping costs of the Company and certain consolidated subsidiaries were included in selling, general and administrative expenses. Effective April 1, 2004, the Company and those consolidated subsidiaries began to account for the freight and shipping costs as cost of sales. This change was made in order to achieve a better matching of revenues and expenses and to present gross profit more accurately by including the freight and shipping costs in cost of sales as shipping costs to export parts to be used for manufacturing in overseas countries have increased due to the expansion of manufacturing activities outside Japan. The effect of this change was to increase cost of sales by ¥55,939 million and to decrease gross profit and selling, general and administrative expenses by the same amount for the six months ended September 30, 2004. This change had no impact on operating income, ordinary income, income before income taxes and minority interests or net income for the six months ended September 30, 2004 compared with the corresponding amounts which would have been recorded if the previous method had been followed. This change had no effect on segment information.	Method of Valuation of Inventories Until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of cost or market, cost being determined by the average method, and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method. Effective April 1, 2003, the Company and certain consolidated subsidiaries changed their method of accounting for all inventories to state them at the lower of cost or market, cost being determined by the first-in, first-out method. This change was made in order to establish a sound financial position by reflecting changes in purchase prices in the valuation of inventories, given the fact that progress has been made in the reduction of purchasing costs and that this trend is anticipated to continue. Another reason for this change was 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.
Retirement benefits at Nissan Motor Manufacturing (UK) Ltd. Effective April 1, 2003, Nissan Manufacturing (UK) Ltd., a consolidated subsidiary, implemented the early adoption of a revised UK accounting standard for retirement benefits. The effect of this change was to increase retirement benefit expenses by ¥1,014 million, and to decrease operating income, ordinary income and income before income taxes by ¥765 million, ¥1,014 million and ¥1,014 million, respectively, for the six months ended September 30, 2003 as compared with the corresponding amounts which would have been recorded if the previous method had been followed. Retained earnings decreased by ¥30,684 million since the net retirement benefit obligation at transition and actuarial gain or loss were charged directly to retained earnings at April 1, 2003. The effect of this change on segment information is explained herein in the applicable note.		Retirement benefits at Nissan Motor Manufacturing (UK) Ltd. Effective April 1, 2003, Nissan Manufacturing (UK) Ltd., a consolidated subsidiary, implemented the early adoption of a revised UK accounting standard for retirement benefits. 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 by ¥1,686 million, ¥2,178 million and ¥2,178 million, respectively, for the year ended March 31, 2004 as compared with the corresponding amounts which would have been recorded if the previous method had been followed. Retained earnings decreased by ¥18,132 million since the net retirement benefit obligation at transition and actuarial gain or loss were charged directly to retained earnings for the current fiscal year. The effect of this change on segment information is explained herein in the applicable note.

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
Accounting for Leases Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases 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 April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases and commenced accounting for them as finance leases rather than operating leases. This change was made, given the increasing materiality of lease transactions as well as from an international point of view, in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of their financial position by reflecting lease transactions more appropriately in their consolidated financial statements. The effect of this change in method of accounting was to decrease sales, cost of sales and selling, general and administrative expenses by ¥9,456 million, ¥19,979 million and ¥334 million, respectively, and to increase operating income, ordinary income and income before income taxes and minority interests by ¥10,857 million, ¥8,878 million and ¥8,878 million, respectively, for the six months ended September 30, 2003 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 ¥70,984 million, ¥78,676 million and ¥145,448 million, respectively, at September 30, 2003 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 note.		Accounting for Leases Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases 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 April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases and commenced accounting for them as finance leases rather than operating leases. This change was made, given the increasing materiality of lease transactions as well as from an international point of view, in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of their financial position by reflecting lease transactions more appropriately in their consolidated financial statements. 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 year ended March 31, 2004 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

For the six months ended September 30, 2003	For the six months ended September 30, 2004
Accrual For Warranty Costs The short-term portion of the accrual for warranty costs which was included in long-term liabilities in the previous period has been reclassified to current liabilities because it is now possible to make a reasonable calculation of the projected annual costs related to warranty claims.	―――――――

Notes to Semiannual Consolidated Financial Statements

All amounts are in millions of yen except for amounts per share.

For the Semiannual Consolidated Balance Sheets

At September 30, 2003

1. ※1 Accumulated depreciation of property, plant and equipment ¥3,235,590

This balance includes the accumulated depreciation of leased assets (lessees) in the amount of ¥214,162.

2. ※2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥717,638 million.

3. ※3 These assets include the following assets pledged as collateral:

(1) Assets pledged as collateral:

Cash in banks	¥ 11
Sales finance receivables	328,617
Property, plant and equipment	1,244,102
Total	¥1,572,730

(2) Liabilities secured by the above collateral:

Short-term borrowings	¥ 630,672
Long-term borrowings (including the current portion)	687,506
Total	¥1,318,178

In addition to the above, investments in subsidiaries totaling ¥46,136 million, which were eliminated in consolidation, were pledged as collateral for long-term borrowings of affiliates of ¥9,905 million, which were not reflected in the accompanying semiannual consolidated balance sheet.

4. Guarantees and others

(1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥193,652※	Guarantees for employees' housing loans and others
AG Global Private Ltd. Co. and 542 other companies	50,451	Guarantees for loans
Total	¥244,103	

※ These loans were fully covered by insurance.

At September 30, 2004

1. ※1 Accumulated depreciation of property, plant and equipment ¥3,393,264

This balance includes the accumulated depreciation of leased assets (lessees) in the amount of ¥133,480.

2. ※2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥888,717 million.

3. ※3 These assets include the following assets pledged as collateral:

(1) Assets pledged as collateral:

Sales finance receivables	¥ 571,956
Property, plant and equipment	1,584,099
Total	¥2,156,055

(2) Liabilities secured by the above collateral:

Short-term borrowings	¥ 497,505
Long-term borrowings (including the current portion)	1,328,250
Total	¥1,825,755

In addition to the above, investments in subsidiaries totaling ¥55,406 million, which were eliminated in consolidation, were pledged as collateral for long-term borrowings of affiliates of ¥5,940 million, which were not reflected in the accompanying semiannual consolidated balance sheet.

4. Guarantees and others

(1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥202,570※	Guarantees for employees' housing loans and others
AG Global Private Ltd. Co. and 543 other companies	41,913	Guarantees for loans
Total	¥244,483	

※ These loans were fully covered by insurance.

At March 31, 2004

1. ※1 Accumulated depreciation of property, plant and equipment ¥3,227,771

This balance includes the accumulated depreciation of leased assets (lessees) in the amount of ¥190,679.

2. ※2 Machinery, equipment and vehicles includes certain items in the amount of ¥755,853 million leased to others under lease agreements.

3. ※3 These assets include the following assets pledged as collateral:

(1) Assets pledged as collateral:

Sales finance 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	¥ 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 ¥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. Guarantees and others

(1) Guarantees

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.

At September 30, 2003	At September 30, 2004	At March 31, 2004
(2) Commitments to provide guarantees Guarantees / Balance of commitments to provide guarantees / Description of commitments MONC LIBERIA, INC and 2 other companies / ¥2,950 / Commitments to provide guarantees for loans	(2) Commitments to provide guarantees Guarantees / Balance of commitments to provide guarantees / Description of commitments MONC LIBERIA, INC and 1 other company / ¥2,841 / Commitments to provide guarantees for loans	(2) Commitments to provide guarantees Guarantees / Balance of commitments to provide guarantees / Description of commitments MONC LIBERIA, INC and 1 other company / ¥2,962 / Commitments to provide guarantees for loans
(3) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥65,835	(3) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥30,770	(3) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥42,862
(4) Outstanding balance of installment receivables sold with recourse ¥240	(4) Outstanding balance of installment receivables sold with recourse ¥20,401	(4) Outstanding balance of installment receivables sold with recourse ¥27,714
5. Notes receivable discounted with banks ¥2,106	5. Notes receivable discounted with banks ¥2,530	5. Notes receivable discounted with banks ¥2,782
6. ※4 Retained earnings Revaluation adjustments resulting from adoption of general price-level accounting ¥20,695	6. ※4 Retained earnings Revaluation adjustments resulting from adoption of general price-level accounting ¥31,023	6. ※4 Retained earnings Revaluation adjustments resulting from adoption of general price-level accounting ¥27,431
7. The unused balances granted under overdraft and loan commitment agreements of certain consolidated subsidiaries are summarized as follows: Maximum amount of overdrafts and total amount of loan commitments ¥66,521 Loans made 9,808 Unused lines of credit ¥56,713 A significant portion of the above overdraft and loan commitment agreements frequently expires without being utilized and loans under such agreements are sometimes subject to a prior credit investigation of the borrowers. Accordingly, the unused balance may not necessarily be fully utilized.	7. The unused balances granted under overdraft and loan commitment agreements of certain consolidated subsidiaries are summarized as follows: Maximum amount of overdrafts and total amount of loan commitments ¥94,202 Loans made 10,231 Unused lines of credit ¥83,971 A significant portion of the above overdraft and loan commitment agreements frequently expires without being utilized and loans under such agreements are sometimes subject to a prior credit investigation of the borrowers. Accordingly, the unused balance may not necessarily be fully utilized.	7. The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows: Total lines of credit, overdrafts and loans ¥84,100 Loans receivable outstanding 11,043 Unused lines of credit ¥73,057 A significant portion of the above overdraft and loan commitment agreements frequently expires without being utilized and loans under such agreements are sometimes subject to a prior credit investigation of the borrowers. Accordingly, the unused balance may not necessarily be fully utilized.

For the Semiannual Consolidated Statements of Income

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
※1 Gain on sales of fixed assets consisted of gain on sales of land and buildings and certain other assets of ¥4,237 million in the aggregate.	※1 Gain on sales of fixed assets consisted of gain on sales of land and buildings and certain other assets of ¥3,685 million in the aggregate.	※1 Gain and loss on sales of property, plant and equipment primarily resulted from sales of land and buildings in aggregate amounts of ¥9,247 million and ¥6,845 million, respectively.
※2 The components of prior-period adjustments were as follows: Accrued social security payments of ¥7,267 on the prior-period accrued bonuses. Additional insurance premiums of ¥9,132 from the prior period following an increase in product liability claims payable.	※2 The components of prior-period adjustments were as follows: Outsourcing fees of ¥13,150 from the prior period following reconsideration of research and development consignment contracts.	※2 The components of prior-period adjustments were as follows:. Accrued social security payments of ¥7,267 on the prior-period accrued bonuses. Additional insurance premiums of ¥9,132 from the prior period following an increase in product liability claims payable

For the Consolidated Statements of Cash Flows

For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
※1 Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the semiannual consolidated balance sheet as follows:	※1 Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the semiannual consolidated balance sheet as follows:	※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 September 30, 2003)	(As of September 30, 2004)	(As of March 31, 2004)
Cash on hand and in banks ¥158,630	Cash on hand and in banks ¥360,340	Cash on hand and in banks ¥191,742
Time deposits with maturities of more than three months △586	Time deposits with maturities of more than three months △24,674	Time deposits with maturities of more than three months △704
Cash equivalents included in securities (*) 2,409	Cash equivalents included in securities (*) 14,628	Cash equivalents included in securities (*) 3,126
Cash and cash equivalents ¥160,453	Cash and cash equivalents ¥350,294	Cash and cash equivalents ¥194,164
* This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries	* This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries	* This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries.

For Lease Transactions

For the six months ended September 30, 2003

Lessees' Accounting

Operating lease transactions

Future minimum lease payments subsequent to September 30, 2003 are summarized as follows:

Due in one year or less	¥ 5,560
Due after one year	20,428
Total	¥25,988

Lessors' Accounting

Operating lease transactions

Future minimum lease income subsequent to September 30, 2003 is summarized as follows:

Due in one year or less	¥168,559
Due after one year	254,145
Total	¥422,704

For the six months ended September 30, 2004

Lessees' Accounting

Operating lease transactions

Future minimum lease payments subsequent to September 30, 2004 are summarized as follows:

Due in one year or less	¥ 5,219
Due after one year	22,565
Total	¥27,784

Lessors' Accounting

Operating lease transactions

Future minimum lease income subsequent to September 30, 2004 is summarized as follows:

Due in one year or less	¥211,800
Due after one year	299,957
Total	¥511,757

For the year ended March 31, 2004

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

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

At September 30, 2003

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥ 262	¥ 279	¥17
Other	2,943	2,943	0
Total	¥3,205	¥3,222	¥17

2. Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥3,557	¥9,932	¥6,375
(2) Bonds National and local government bonds	19	20	1
Total	¥3,576	¥9,952	¥6,376

3. The carrying value and a description of major securities whose fair value was not determinable is as follows:

(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)	¥7,624
Unlisted foreign stocks	1,194

At September 30, 2004

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥206	¥206	¥0
Total	¥206	¥206	¥0

2. Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥3,514	¥10,650	¥7,136
(2) Bonds National and local government bonds	19	20	1
Total	¥3,533	¥10,670	¥7,137

3. The carrying value and a description of major securities whose fair value was not determinable is as follows:

Other securities

Unlisted domestic stocks (excluding those traded on the over-the-counter market)	¥6,730
Unlisted foreign stocks	4,674

At March 31, 2004

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥249	¥249	¥0
Total	¥249	¥249	¥0

2. Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥3,528	¥9,873	¥6,345
(2) Bonds National and local government bonds	19	20	1
Total	¥3,547	¥9,893	¥6,346

3. The carrying value and a description of major securities whose fair value was not determinable is as follows:

Other securities:

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

For Derivatives

National Amounts, Fair Value and Unrealized Gain or Loss of Derivatives

(Millions of yen)

Type of related items	Type of transactions	At September 30, 2003			At September 30, 2004			At March 31, 2004		
		Notional amounts	Fair value	Unrealized gain (loss)	Notional amounts	Fair value	Unrealized gain (loss)	Notional amounts	Fair value	Unrealized gain (loss)
Currency	Forward foreign exchange contracts:									
	Sell:									
	US$	¥ 2,155	¥ 2,079	¥ 76	¥ 9,905	¥ 9,539	¥ 366	¥ 23,293	¥ 22,778	¥ 515
	CAN$	–	–	–	7,845	8,224	△379	7,959	7,932	27
	Other	1,237	1,323	△86	765	716	49	685	702	△17
	Buy:									
	CAN$	–	–	–	–	–	–	29,456	29,899	443
	US$	–	–	–	23	22	△1	20,714	20,362	△352
	Swaps:									
	Euro	¥ 73,494	¥ 15	¥ 15	¥208,187	¥ 651	¥ 651	¥ 86,958	¥ 347	¥ 347
	£ Stg.	37,423	△9	△9	34,691	314	314	35,732	58	58
	US$	22,300	△479	△479	18,153	122	122	21,185	298	298
	CAN$	1,146	△112	△112	–	–	–	1,129	△97	△97
Interest rate	Swaps:									
	Receive floating/ pay fixed	¥120,754	¥△1,026	¥△1,026	¥165,678	¥ 1,193	¥ 1,193	¥187,454	¥ △851	¥ △851
	Receive fixed/ pay floating	223,148	4,470	4,470	167,885	3,727	3,727	186,223	4,398	4,398
	Receive floating/ pay floating	2,500	△30	△30	–	–	–	–	–	–
	Options:									
	Caps sold	¥602,888			¥481,558			¥445,376		
	(Option premium)	(–)	¥△7,804	¥△7,804	(–)	¥△1,778	¥△1,778	(–)	¥△4,219	¥△4,219
	Caps purchased	602,888			481,558			445,376		
	(Option premium)	(–)	7,804	7,804	(–)	1,778	1,778	(–)	4,219	4,219
Total		¥ –	¥ –	¥ 2,819	¥ –	¥ –	¥ 6,042	¥ –	¥ –	¥ 4,769

Notes: 1. Calculation of fair value
(1) Fair value of the forward foreign exchange contracts is based on the forward rates.
(2) Fair value of the options and swaps is based on the prices obtained from financial institutions.

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

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

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

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

Segment Information

Business Segment Information

For the six months ended September 30, 2003

(Millions of yen)

	Automobile	Sales finance	Total	Eliminations	Consolidated
Net sales:					
(1) Sales to third parties	¥3,372,582	¥183,667	¥3,556,249	–	¥3,556,249
(2) Inter-group sales	9,688	4,823	14,511	¥(14,511)	0
Total	3,382,270	188,490	3,570,760	(14,511)	3,556,249
Operating expenses	3,017,491	151,350	3,168,841	(13,724)	3,155,117
Operating income	¥ 364,779	¥ 37,140	¥ 401,919	¥ (787)	¥ 401,132

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

2. The major products in each segment are as follows:

(1) Automobiles............passenger cars, trucks, buses, forklifts, parts for knock down and other

(2) Sales finance ....credit, leases and other

3. Changes in method of accounting

(1) NMUK pension

Effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption of a new UK accounting standard for retirement benefits. The effect of this change was to decrease operating income in the automobile segment by ¥765 million.

(2) Leases

Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases 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 April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases and commenced accounting for them as finance leases instead of operating leases. This change was made, given the increasing materiality of the lease transactions as well as from an international point of view, in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of their financial position by reflecting these lease transactions more appropriately in the consolidated financial statements. The effect of this change in method of accounting was to decrease sales and operating expenses by ¥67 million and ¥10,923 million, respectively, and to increase operating income by ¥10,856 million in the automobile segment and to decrease sales and operating expenses by ¥17,123 million and ¥17,124 million, respectively, and to increase operating income by ¥1 million in the sales finance segment for the six months ended September 30, 2003 from the corresponding amounts which would have been recorded under the previous method. In addition, eliminations of sales and operating expenses increased by ¥7,734 million and ¥7,734 million, respectively, for the six months ended September 30, 2003 over the corresponding amounts which would have been recorded if the previous method of accounting had been followed.

4. Consolidated financial statements by business segment for the six months ended September 30, 2003

- Amounts in the sales finance 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 in the automobile segment represent the differences between the consolidated totals and those of the sales finance segment.

(1) Summarized Consolidated Balance Sheets by Business Segment

(Millions of yen)

	As of September 30, 2003		
	Automobile and eliminations	Sales finance	Consolidated
Assets			
I Current assets			
Cash on hand and in banks	¥ 154,511	¥ 4,119	¥ 158,630
Trade notes and accounts receivable	512,326	0	512,326
Sales finance receivables	△163,825	2,253,088	2,089,263
Inventories	563,251	8,785	572,036
Other current assets	365,389	77,569	442,958
Total current assets	1,431,652	2,343,561	3,775,213
II Fixed assets			
Property, plant and equipment, net	2,414,669	739,351	3,154,020
Investment securities	356,424	1,272	357,696
Other assets	297,021	167,057	464,078
Total fixed assets	3,068,114	907,680	3,975,794
III Deferred charges			
Discounts on bonds	1,865	–	1,865
Total deferred charges	1,865	–	1,865
Total assets	¥ 4,501,631	¥ 3,251,241	¥ 7,752,872
Liabilities			
I Current liabilities			
Trade notes and accounts payable	¥ 700,954	¥ 9,413	¥ 710,367
Short-term borrowings	△508,814	2,135,239	1,626,425
Lease obligations	64,848	0	64,848
Other current liabilities	854,360	99,465	953,825
Total current liabilities	1,111,348	2,244,117	3,355,465
II Long-term liabilities			
Bonds	588,736	34,950	623,686
Long-term borrowings	201,431	545,711	747,142
Lease obligations	88,317	0	88,317
Other long-term liabilities	802,420	139,992	942,412
Total long-term liabilities	1,680,904	720,653	2,401,557
Total liabilities	2,792,252	2,964,770	5,757,022
Minority interests			
Minority interests	96,757	–	96,757
Shareholders' equity			
I Common stock	523,707	82,107	605,814
II Capital surplus	774,403	30,067	804,470
III Retained earnings and unrealized holding gain on securities	868,891	170,725	1,039,616
IV Translation adjustments	△333,743	3,572	△330,171
V Treasury stock	△220,636	–	△220,636
Total shareholders' equity	1,612,622	286,471	1,899,093
Total liabilities, minority interests and shareholders' equity	¥ 4,501,631	¥ 3,251,241	¥ 7,752,872

Notes: 1. Sales finance receivables in the automobile segment represent eliminations resulting from the inter-group loans relating to inventory purchasing made by the sales finance segment.

2. Borrowings in the automobile segment are stated net of loans of ¥1,075,875 million in the aggregate made to the sales finance segment.

(2) Summarized statements of income by business segment

(Millions of yen)

	For the six months ended September 30, 2003		
	Automobile and eliminations	Sales finance	Consolidated
Net sales	¥3,367,759	¥188,490	¥3,556,249
Cost of sales	2,402,754	107,796	2,510,550
Gross profit	965,005	80,694	1,045,699
Operating income as a percentage of net sales	10.8%	19.7%	11.3%
Operating income	363,992	37,140	401,132
Financial income/expenses, net	△8,380	0	△8,380
Other non-operating income/expenses, net	△2,662	256	△2,406
Ordinary income	352,950	37,396	390,346
Income before income taxes and minority interests	329,195	38,910	368,105
Net income	¥ 213,299	¥ 24,381	¥ 237,680

(3) Summarized statements of cash flows by business segment

(Millions of yen)

	For the six months ended September 30, 2003		
	Automobile and eliminations	Sales finance	Consolidated
I Cash flows from operating activities			
Income before income taxes and minority interests	¥ 329,195	¥ 38,910	¥ 368,105
Depreciation and amortization	152,442	71,277	223,719
Changes in sales finance receivables	△35,506	△224,743	△260,249
Other	△98,953	20,143	△78,810
Cash flows provided by (used in) operating activities	347,178	△94,413	252,765
II Cash flows from investing activities			
Proceeds from sales of investment securities	3,742	10	3,752
Proceeds from sales of property, plant and equipment	21,587	105	21,692
Capital expenditures	△167,137	△1,613	△168,750
Purchases of leased vehicles	△20,958	△251,331	△272,289
Proceeds from sales of leased vehicles	14,256	104,257	118,513
Other	△52,911	△3,727	△56,638
Cash flows used in financing activities	△201,421	△152,299	△353,720
III Cash flows from financing activities			
Changes in short-term borrowings	△48,009	285,088	237,079
Changes in long-term borrowings	△125,249	△70,574	△195,823
Increase in bonds and debentures	74,792	30,000	104,792
Other	△155,226	△136	△155,362
Cash flows (used in) provided by financing activities	△253,692	244,378	△9,314
IV Effect of exchange rate changes on cash and cash equivalents	1,683	△217	1,466
V Decrease in cash and cash equivalents	△106,252	△2,551	△108,803
VI Cash and cash equivalents at beginning of the period	263,146	6,671	269,817
VII Increase due to inclusion in consolidation	310	–	310
VIII Decrease due to exclusion from consolidation	△871	–	△871
IX Cash and cash equivalents at end of the period	¥ 156,333	¥ 4,120	¥ 160,453

For the six months ended September 30, 2004

(Millions of yen)

	Automobile	Sales finance	Total	Eliminations	Consolidated
Net sales:					
(1) Sales to third parties	¥3,815,292	¥192,650	¥4,007,942	–	¥4,007,942
(2) Inter-group sales	11,678	5,589	17,267	¥(17,267)	0
Total	3,826,970	198,239	4,025,209	(17,267)	4,007,942
Operating expenses	3,464,207	162,235	3,626,442	(21,937)	3,604,505
Operating income	¥ 362,763	¥ 36,004	¥ 398,767	¥ 4,670	¥ 403,437

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

2. The major products in each segment are as follows:

(1) Automobiles.............passenger cars, trucks, buses, forklifts, parts for knock down and other

(2) Sales finance ....credit, leases and other

3. Consolidated financial statements by business segment for the six months ended September 30, 2004.

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

(1) Summarized Consolidated Balance Sheets by Business Segment

(Millions of yen)

	As of September 30, 2004		
	Automobile and eliminations	Sales finance	Consolidated
Assets			
I Current assets			
Cash on hand and in banks	¥ 355,899	¥ 4,441	¥ 360,340
Trade notes and accounts receivable	466,541	52	466,593
Sales finance receivables	△145,364	2,756,158	2,610,794
Inventories	697,418	4,962	702,380
Other current assets	451,071	146,516	597,587
Total current assets	1,825,565	2,912,129	4,737,694
II Fixed assets			
Property, plant and equipment, net	2,593,397	907,056	3,500,453
Investment securities	305,061	823	305,884
Other assets	450,936	119,251	570,187
Total fixed assets	3,349,394	1,027,130	4,376,524
III Deferred charges			
Discounts on bonds	1,322	–	1,322
Total deferred charges	1,322	–	1,322
Total assets	¥ 5,176,281	¥ 3,939,259	¥ 9,115,540

(Millions of yen)

	As of September 30, 2004		
	Automobile and eliminations	Sales finance	Consolidated
Liabilities			
I Current liabilities			
Trade notes and accounts payable	¥ 900,069	¥ 20,240	¥ 920,309
Short-term borrowings	△261,326	2,211,399	1,950,073
Lease obligations	50,009	429	50,438
Other current liabilities	872,429	64,664	937,093
Total current liabilities	1,561,181	2,296,732	3,857,913
II Long-term liabilities			
Bonds	346,969	62,970	409,939
Long-term borrowings	219,603	1,018,731	1,238,334
Lease obligations	91,088	647	91,735
Other long-term liabilities	867,203	229,609	1,096,812
Total long-term liabilities	1,524,863	1,311,957	2,836,820
Total liabilities	3,086,044	3,608,689	6,694,733
Minority interests			
Minority interests	164,065	–	164,065
Shareholders' equity			
I Common stock	519,317	86,497	605,814
II Capital surplus	774,403	30,067	804,470
III Retained earnings and unrealized holding gain on securities	1,281,543	209,154	1,490,697
IV Translation adjustments	△401,467	4,852	△396,615
V Treasury stock	△247,624	–	△247,624
Total shareholders' equity	1,926,172	330,570	2,256,742
Total liabilities, minority interests and shareholders' equity	¥ 5,176,281	¥ 3,939,259	¥ 9,115,540

Notes: 1. Sales finance receivables in the automobile segment represent eliminations resulting from the inter-group loans relating to inventory purchasing made by the sales finance segment.

2. Borrowings in the automobile segment are stated net of loans of ¥756,929 million in the aggregate made to the sales finance segment.

(2) Summarized statements of income by business segment

(Millions of yen)

	For the six months ended September 30, 2004		
	Automobile and eliminations	Sales finance	Consolidated
Net sales	¥3,809,703	¥198,239	¥4,007,942
Cost of sales	2,832,811	118,935	2,951,746
Gross profit	976,892	79,304	1,056,196
Operating income as a percentage of net sales	9.6%	18.2%	10.1%
Operating income	367,433	36,004	403,437
Financial income/expenses, net	△6,149	183	△5,966
Other non-operating income/expenses, net	3,411	475	3,886
Ordinary income	364,695	36,662	401,357
Income before income taxes and minority interests	333,819	36,661	370,480
Net income	¥ 219,115	¥ 19,693	¥ 238,808

(3) Summarized statements of cash flows by business segment

(Millions of yen)

	For the six months ended September 30, 2004		
	Automobile and eliminations	Sales finance	Consolidated
I Cash flows from operating activities			
Income before income taxes and minority interests	¥ 333,819	¥ 36,661	¥ 370,480
Depreciation and amortization	162,530	84,826	247,356
Changes in sales finance receivables	△54,199	△252,684	△306,883
Other	△230,563	43,857	△186,706
Cash flows provided by (used in) operating activities	211,587	△87,340	124,247
II Cash flows from investing activities			
Proceeds from sales of investment securities	9,392	△6	9,386
Proceeds from sales of property, plant and equipment	18,848	△1	18,847
Capital expenditures	△209,828	△4,945	△214,773
Purchases of leased vehicles	△3,130	△271,405	△274,535
Proceeds from sales of leased vehicles	4,550	82,307	86,857
Other	△61,011	6,932	△54,079
Cash flows used in financing activities	△241,179	△187,118	△428,297
III Cash flows from financing activities			
Changes in short-term borrowings	455,233	160,732	615,965
Changes in long-term borrowings	△246,662	83,079	△163,583
Increase in bonds and debentures	–	30,000	30,000
Other	△84,191	651	△83,540
Cash flows (used in) provided by financing activities	△124,380	274,462	398,842
IV Effect of exchange rate changes on cash and cash equivalents	1,585	176	1,761
V Increase in cash and cash equivalents	96,373	180	96,553
VI Cash and cash equivalents at beginning of the period	190,135	4,029	194,164
VII Increase due to inclusion in consolidation	59,577	–	59,577
VIII Cash and cash equivalents at end of the period	¥ 346,085	¥ 4,209	¥ 350,294

For the year ended March 31, 2004

(Millions of yen)

	Automobile	Sales finance	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 expenditures	¥ 441,384	¥ 463,616	¥ 905,000	–	¥ 905,000

Notes:

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

2. The major products in each business segment are as follows:

(1) Automobile ....passenger cars, trucks, buses, forklifts, manufacturing parts and other

(2) Sales finance ....credit, leases and other

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 of 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 from 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, 2004

- Amounts for the sales finance 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 finance segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

	Current fiscal year (as of March 31, 2004)		
	Automobile and eliminations	Sales finance	Consolidated
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
Sales 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

(Millions of yen)

	Current fiscal year (as of March 31, 2004)		
	Automobile and eliminations	Sales finance	Consolidated
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			
Minority interests	103,785	–	103,785
Shareholders' equity			
I Common stock	520,692	85,122	605,814
II Capital surplus	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. Sales finance receivables in the automobile segment represent eliminations resulting from the inter-group loans relating to inventory purchasing made by the sales finance segment.

2. Borrowings in the automobile segment are presented after the elimination of loans to the sales finance 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 and eliminations	Sales finance	Consolidated
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 as a percentage of net sales	10.8%	17.7%	11.1%
Operating income	760,045	64,810	824,855
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 and eliminations	Sales finance	Consolidated
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 in sales 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) increase 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 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

For the six months ended September 30, 2003

(Millions of yen)

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

Notes:

1. Countries and areas are segmented based on their geographical proximity and their mutual operational relationships.

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

(1) North America ....The United States, Canada, and 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 method of accounting

(1) NMUK pension

Effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption of a new UK accounting standard for retirement benefits. The effect of this change was to decrease operating income in Europe by ¥765 million.

(2) Leases

Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases 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 April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases and commenced accounting for them as finance leases instead of operating leases. This change was made, given the increasing materiality of the lease transactions as well as from an international point of view, in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of their financial position by reflecting these lease transactions more appropriately in the consolidated financial statements. The effect of this change in method of accounting was to decrease sales and operating expenses and to increase operating income in Japan by ¥9,456 million, ¥20,313 million and ¥10,857 million, respectively, for the six months ended September 30, 2003 from the corresponding amounts which would have been recorded if the previous method had been followed.

For the six months ended September 30, 2004

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales:							
(1) Sales to third parties	¥1,144,232	¥1,728,348	¥621,924	¥513,438	¥4,007,942	–	¥4,007,942
(2) Inter-area sales	985,697	31,182	20,612	1,704	1,039,195	¥(1,039,195)	0
Total	2,129,929	1,759,530	642,536	515,142	5,047,137	(1,039,195)	4,007,942
Operating expenses	1,967,486	1,566,360	623,192	486,058	4,643,096	(1,038,591)	3,604,505
Operating income	¥ 162,443	¥ 193,170	¥ 19,344	¥ 29,084	¥ 404,041	¥ (604)	¥ 403,437

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

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

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

For the year ended 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. The major countries and areas which belong to segments other than Japan are as follows:

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

For the six months ended September 30, 2003

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas sales	¥1,536,960	¥573,839	¥377,025	¥2,487,824
II Consolidated net sales				3,556,249
III Overseas sales as a percentage of consolidated net sales	43.3%	16.1%	10.6%	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 relationships.
3. The major countries and areas which belong to segments other than Japan are as follows:
   (1) North America...........The United States, Canada, and 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

For the six months ended September 30, 2004

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas sales	¥1,697,970	¥607,682	¥685,597	¥2,991,249
II Consolidated net sales				4,007,942
III Overseas sales as a percentage of consolidated net sales	42.3%	15.2%	17.1%	74.6%

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 relationships.

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

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

For the year ended 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 relationships.

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

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

Amounts Per Share

For the six months ended September 30, 2003		For the six months ended September 30, 2004		For the year ended March 31, 2004	
Net assets per share	¥461.30	Net assets per share	¥550.94	Net assets per share	¥493.85
Basic net income per share	¥ 57.40	Basic net income per share	¥ 58.30	Basic net income per share	¥122.02
Diluted net income per share	¥ 56.83	Diluted net income per share	¥ 57.73	Diluted net income per share	¥120.74

Note: Basic net income per share and diluted net income per share are calculated based on the following:

	For the six months ended September 30, 2003	For the six months ended September 30, 2004	For the year ended March 31, 2004
Basic net income per share Net income (Millions of yen)	¥ 237,680	¥ 238,808	¥ 503,667
Amount not attributable to common shareholders (Millions of yen) (Directors' bonuses as a distribution of profit)	–	–	405
Net income attributable to shares of common stock (Millions of yen)	237,680	238,808	503,262
Average number of shares during the period	4,140,479	4,095,975	4,124,314
Diluted net income per share Increase in shares of common stock	42,178	40,823	43,931
(Exercise of warrants)	40,435	38,275	41,601
(Exercise of stock options)	1,743	2,548	2,330
Securities excluded from the computation of diluted net income per share because they do not have dilutive effect.	–	2nd Stock Subscription Rights (128,500 options) Refer to "Status of Stock Subscription Rights" for a summary.	–

Significant Subsequent Events

<table>
<tr><th>For the six months ended September 30, 2003</th><th>For the six months ended September 30, 2004</th><th>For the year ended March 31, 2004</th></tr>
<tr>
<td>—</td>
<td>The Company decided, at a meeting of the directors held on November 30, 2004, to accept the entire new issue of stocks allotted to a third party by Calsonic Kansei Corporation. As a result of this subscription, the Company's ratio of shareholding will change from 27.6% to 41.7%. An overview of the subscription to the new issue of stocks is as follows:

1) Number of shares subscribed
52,000,000 shares of common stock

2) Subscription price
¥778 per one share

3) Subscription amount
¥ 40,456 million

4) Due date of payment
January 11, 2005</td>
<td>In accordance with Articles 280-20 and 280-21 of the Commercial Code of Japan and a resolution approved at the 104th annual general meeting of the shareholders held on June 19, 2003, the Company decided, at a meeting of the directors held on April 7, 2004, that a stock option plan for certain employees of the Company and for directors and certain employees of certain subsidiaries would be implemented as follows:

1) Stock options
Stock options (No. 2) to purchase shares of common stock of the Company

2) Nature and number of shares
12,850,000 shares of common stock

3) Number of stock options granted
128,500 units

4) Issuance price and date
The stock options will be issued on April 16, 2004 at no cost to the eligible participants in the plan.

5) Exercise price
¥120,200 per option, or ¥1,202 per share

6) The directors, employees and options are summarized as follows:

<table>
<tr><th></th><th>Number</th><th>Number of options issued</th></tr>
<tr><td>The Company's employees</td><td>597</td><td>109,600</td></tr>
<tr><td>Directors of subsidiaries</td><td>94</td><td>18,300</td></tr>
<tr><td>Employees of subsidiaries</td><td>4</td><td>600</td></tr>
<tr><td>Total</td><td>695</td><td>128,500</td></tr>
</table>
</td>
</tr>
</table>

(2) Other

Not applicable.

Independent Auditors' Report

December 17, 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 the Securities and Exchange Law of Japan, we have performed semiannual audit procedures on the accompanying semiannual consolidated balance sheets of Nissan Motor Co., Ltd. and consolidated subsidiaries as of September 30, 2003 and 2002, and the related semiannual consolidated statements of income, capital surplus and retained earnings and cash flows for the six-month periods then ended, all expressed in yen. These semiannual consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these semiannual consolidated financial statements based on our semiannual audit procedures.

We conducted our semiannual audit procedures in accordance with semiannual auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the semiannual audit procedures to obtain reasonable assurance about whether the semiannual consolidated financial statements taken as a whole are free of material misstatement with respect to the presentation of useful accounting information which may result in misinterpretation by investors. Semiannual audit procedures consist primarily of analytical review procedures and additional audit procedures as deemed necessary. We believe that our semiannual audit procedures provide a reasonable basis for our opinion.

In our opinion, the semiannual financial statements referred to above present useful accounting information regarding the semiannual consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at September 30, 2003 and 2002, and the consolidated results of their operations and their cash flows for the six-month periods then ended in conformity with accounting principles and practices applicable to semiannual consolidated financial statements generally accepted in Japan.

Supplementary Information:

As described in "Supplementary Information" to the accompanying semiannual consolidated financial statements, the Company and its consolidated subsidiaries have changed their method of valuation of inventories and their method of accounting for leases. In addition, a consolidated subsidiary, Nissan Motor Manufacturing (UK) Ltd., has revised its pension accounting in accordance with their early adoption of a revised UK standard.

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

Independent Auditors' Report

December 16, 2004

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon

Designated and Engagement Partner	Kazuo Suzuki
Designated and Engagement Partner	Yasunobu Furukawa
Designated and Engagement Partner	Yoji Murohashi
Designated and Engagement Partner	Takeshi Hori

Pursuant to Article 193-2 of the Securities and Exchange Law of Japan, we have performed semiannual audit procedures on the accompanying semiannual consolidated balance sheets of Nissan Motor Co., Ltd. and consolidated subsidiaries as of September 30, 2004 and 2003, and the related semiannual consolidated statements of income, capital surplus and retained earnings, and cash flows for the six-month periods then ended, all expressed in yen. These semiannual consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these semiannual consolidated financial statements based on our semiannual audit procedures.

We conducted our semiannual audit procedures in accordance with semiannual auditing standards generally accepted in Japan. Those standards require that we plan and perform the semiannual audit procedures to obtain reasonable assurance about whether the semiannual consolidated financial statements taken as a whole are free of material misstatement with respect to the presentation of useful accounting information which may result in misinterpretation by investors. Semiannual audit procedures consist primarily of analytical review procedures and additional audit procedures as deemed necessary. We believe that our semiannual audit procedures provide a reasonable basis for our opinion.

In our opinion, the semiannual financial statements referred to above present useful accounting information regarding the semiannual consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at September 30, 2004 and 2003, and the consolidated results of their operations and their cash flows for the six-month periods then ended in conformity with accounting principles and practices applicable to semiannual consolidated financial statements 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.