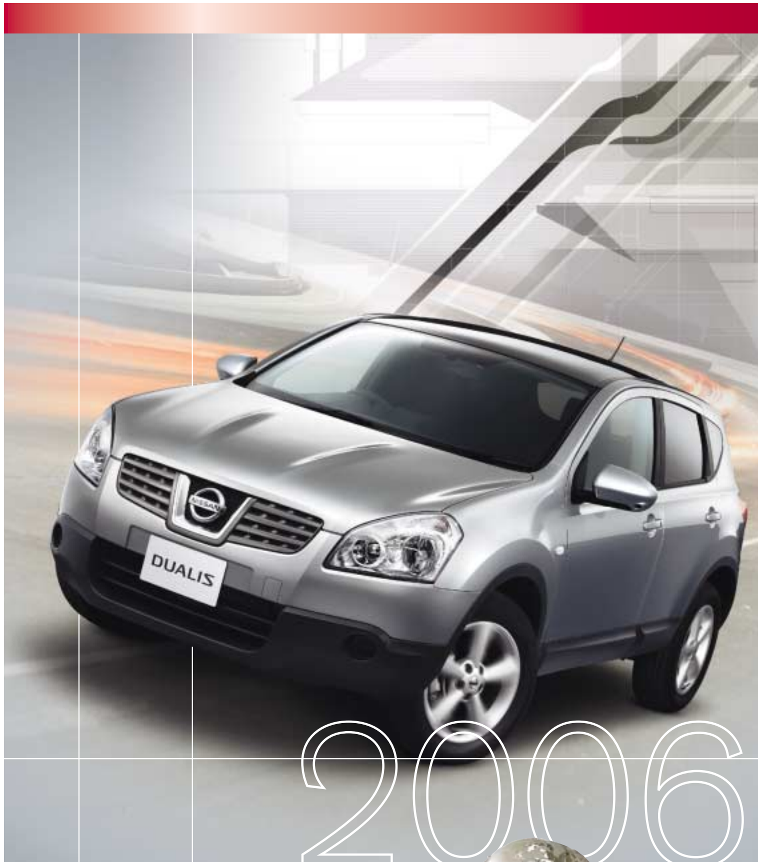
NISSAN
MOTOR COMPANY



Business Report 2006

Year Ended March 31, 2007

NISSAN MOTOR CO., LTD.

Contents

Cover: DUALIS

Letter from Management

Fiscal 2006 was a challenging year for Nissan. In the face of severe headwinds, for the first time in eight years we missed the performance objectives we set for ourselves.

There was almost no growth in mature markets. And with high levels of incentive spending, the industry had no ability to pass on higher energy and raw materials costs to the consumer. The result was a tough business climate for the auto industry at the lowest point in Nissan's product cycle; and at a time when the company is investing heavily for its future.

We knew the first half would be rough. But as our product offensive began in the second half, we forecast a recovery in both sales and profit. However, the full-year results were below our expectations and our actions did not match the challenge.

Fiscal 2006 was a signal. It warned us that we are behind the milestones we need to reach our long-term goals. But we have learned critical lessons from this experience, particularly the importance of launching new models in a level cadence. And from fiscal 2007 we will launch almost one new model every month over the next three years.

At Nissan, we have clear vision and strategies for the long-term. We know where we're going. We know how we're going to get there and we have the resources we need to fund our future:

- Our balance sheet is clean, our cash flow from operations is strong at more than 1 trillion yen, and our operating-profit margin remains well above the industry average.
- We have established a strong technology and product pipeline.
- We have significantly modernized our infrastructure.
- And our future is bolstered by the Nissan-Renault Alliance, which ranks fourth in the global industry in terms of sales volume and second in terms of total profitability.

Now it is our responsibility to show the higher potential we see by delivering stronger performance and regaining the momentum in our share price.

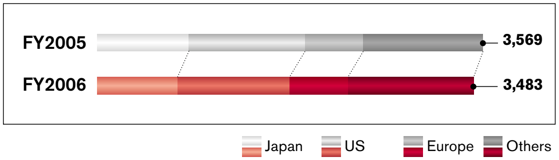
You can continue to expect the best from Nissan.

Carlos Ghosn
President and CEO

Facts and Figures

Global retail sales volume

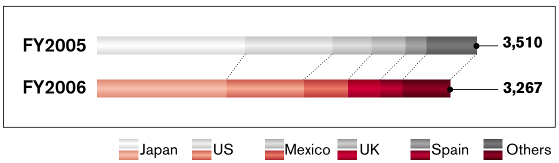
(Thousand units)



	FY2006	FY2005
Global retail (Note 1, 2)		(Thousand units)
Japan	740	842
US	1,035	1,075
Europe	540	541
Others	1,168	1,111
Total	3,483	3,569

Global vehicle production volume

(Thousand units)

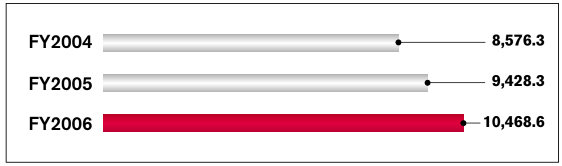


	FY2006	FY2005
Global production (Note 2)		(Thousand units)
Japan	1,192	1,365
US	716	809
Mexico	407	362
UK	301	315
Spain	206	194
Others (Note3)	445	465
Total	3,267	3,510

Notes: 1. Global retail sales includes sales of vehicles locally assembled with knock down parts.
2. Europe, Mexico and part of others are results of January-December.
3. Others include production in Taiwan, Thailand, Philippines, South Africa, Indonesia and China.

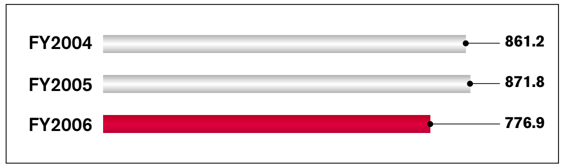
Consolidated net sales

(Billions of yen)



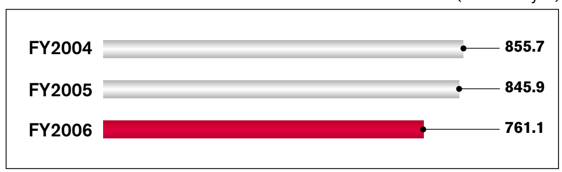
Consolidated operating profit

(Billions of yen)



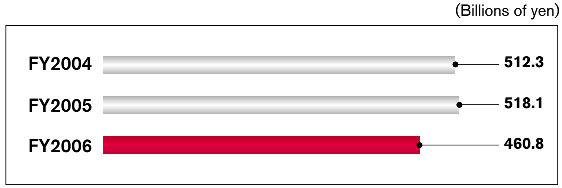
Consolidated ordinary profit

(Billions of yen)



Consolidated net income

(Billions of yen)



1. Jigyo-Houkoku

1. Business Review of the Fiscal Year 2006

(1) Operations and results

Fiscal 2006 Business Review

Fiscal 2006 was a challenging year for Nissan. A tough business climate for the auto industry coincided with the lowest point in the company's product cycle and a period when Nissan was investing heavily for the future.

Business performance

In fiscal 2006, Nissan's global sales totaled 3,483,000 units, a decrease of 2.4% from the previous year. Around the world, 10 all-new models were introduced—including an all-new version of the Altima, Nissan's volume leader in the U.S.; the new-generation G35, Infiniti's volume leader; and Livina Geniss, the first model in a new family of global cars that we are launching first in China.

But with only one new model introduced in the first half, these successful launches came late in the fiscal year and did not offset the declines experienced in our older product lines.

In Japan, total industry volume declined 4.1%, with minicars increasing 4.2 % and registered vehicles decreasing 8.3%.

Nissan's domestic sales decreased 12.1% to 740,000 units and our market share in Japan dropped 1.2 points to 13.2%.

In the U.S., as total industry volume decreased 3.4%, Nissan's sales decreased by 4.0% to 1,035,000 units. Our U.S. market share remained flat at 6.3%.

In Europe, where total industry volume was flat, Nissan's sales (on a calendar-year basis) were also flat at 540,000 units.

In the General Overseas Markets, including Mexico and Canada, sales increased 5.1% to 1,168,000 units. China led the way with a 22.2% increase to 363,000 units.

Financial results

In fiscal 2006, Nissan has changed its consolidation methods to be in line with auto industry standards. As previously stated, in order to increase transparency and consistency, Nissan is harmonizing calendar-year results for overseas subsidiaries such as Europe and Mexico with fiscal-year results for Nissan Motor Co., Ltd. The exception is China and Taiwan where this is precluded by regulations.

To align calendar with fiscal, Nissan included five quarters of results for subsidiaries previously consolidated on a calendar-year basis. This will have a 21.4 billion yen one time positive impact on our operating profit.

As a result, Nissan will officially report consolidated net revenues at 10 trillion 468.6 billion yen, with the inclusion of 767.6 billion yen of fifth-quarter results from calendar-year subsidiaries.

- Operating profit was 776.9 billion yen including 5th-quarter compared to 871.8 billion yen in fiscal 2005. The major drivers were lower price, lower volume, and lower mix on the revenue side and on the cost side, higher raw-material costs.
- Our operating-profit margin was 7.4%.
- Ordinary profit was 761.1 billion yen, compared to 845.9 billion yen in fiscal '05.
- Net income reached 460.8 billion yen versus 518.1 billion in fiscal '05.
- We had a net cash position of 254.7 billion yen at the close of fiscal 2006.

At its annual shareholders meeting, the company will propose a 17 yen per share year-end dividend, resulting in a full-year dividend of 34 yen per share for fiscal 2006. Nissan will maintain its proposed 40-yen-per-share dividend for fiscal 2007.

Nissan Value-Up Update

Fiscal 2006 results did not contribute to the achievement of the commitments of Nissan Value-Up, the company's mid-term business plan. However, management believes the commitments are still within the potential of the company and remains focused on delivering them completely. Accordingly, the company will extend the delivery period of all the Nissan Value-Up commitments—Top level operating profit margin among global automakers, 4.2 million sales in fiscal year 2008, 20% average return on invested capital over the plan—by one year.

Concurrently, Nissan is preparing its next business plan, which will be announced next year.

Nevertheless, during 2006 the company made tangible progress towards the four key "breakthroughs" that are central to Nissan Value-Up.

Establish Infiniti as globally recognized luxury brand

Infiniti has made significant progress toward establishing itself as a globally recognized luxury brand.

In fiscal 2006, Infiniti was successfully launched in the rapidly growing Russian market.

Geographic expansion will accelerate further in 2007 as Infiniti enters the Chinese and Ukrainian markets. And in 2008, Infiniti will be launched across Western Europe.

To serve these new markets, new products will be introduced.

The G35 sedan will be followed this year by the G37 coupe and the EX compact luxury crossover.

Building a global presence in Light Commercial Vehicles

In Light Commercial Vehicles (LCVs), global sales have grown 57% since the start of Nissan Value-Up to 490,000 units in fiscal 2006. Furthermore, the business unit overachieved its 8% operating margin milestone. With LCVs firmly established as a pillar of Nissan's global business, the LCV business unit is building on this momentum.

Develop new supply sources in Leading Competitive Countries

Progress has also been achieved in developing new sources for parts, machinery & equipment, vendor tooling and services in what the company calls "Leading Competitive Countries" (LCCs).

Sourcing bases are now established in China and ASEAN for Japan; Mexico for North America; and Eastern Europe for Western Europe. To accelerate this progress, the next step will be developing a new sourcing base in India.

In fiscal 2006, by value, 15% of the company's purchases for Japan, North America and Europe, were sourced from LCCs, versus 12% the previous year. In 2007, this will accelerate to meet the objective of 24% LCC sourcing.

Expand geographic presence in emerging markets

Nissan's geographic presence is expanding rapidly.

In Brazil, $150m of investment in local operations is aimed at boosting annual sales to 40,000 units by 2009.

In Russia, Nissan is investing $200m in a plant in St. Petersburg that will have a capacity of 50,000 units when it opens in 2009.

In India, Nissan is joining Renault in a partnership with Mahindra. The three companies are jointly building a plant in Chennai, which is scheduled to open in 2009, with a planned capacity of 400,000 units.

Since 2003, Nissan has invested $1.6 billion in its China partnership with Dongfeng, including recent investments in an engine plant and an R&D center.

(2) Capital Investment

Capital investment on a non-consolidated basis in fiscal year 2006 ended March 31, 2007, totaled 509.0 billion yen, concentrated on development of new products, safety and environmental technology and on efficiency improvement of the production system.

(3) Business Funding

With regards to borrowings, Nissan group temporarily covered its working capital needs during the fiscal year through commercial paper and short-term loans for the automobile division.

In the sales finance division, Nissan issued long-term and short-term debts, taking their balance into consideration, in order to cover an increase in financial assets related to sales finance business. Long-term funding was mainly through straight bonds, bank loans, and asset-backed securities. Short-term funding was mainly through commercial paper, bank loans, and asset-backed securities.

(4) Issues and Outlook for the Fiscal Year Ahead

A better year is ahead for Nissan in 2007. In February, Nissan acknowledged its performance was unsatisfactory and pledged to take immediate action.

Consequently, the company's Executive Committee has been expanded from seven to nine members to improve coverage of business priorities. Several initiatives have also been taken to improve profitability.

- In Japan, the dealer network is being restructured to focus more resources directly on the customer.
- In the first quarter, the Oppama and Tochigi plants in Japan will be reduced to single shift operations to be in line with actual demand in Japan.
- Nissan Shatai will close its #1 plant and shift production to its #2 plant and to the Kyushu plant, which will be expanded.
- Voluntary programs directed at headcount reduction have been initiated in Japan and in the U.S.
- In Europe, to provide closer support to the distribution network, national sales companies are being transformed into leaner regional business units.
- In South Africa, we have announced planned headcount reductions to boost productivity and competitiveness.

These are some of the measures already being implemented. But it is important to understand the difference between Nissan's situation today and the situation in 1999.

Rather than a sweeping restructuring, Nissan today is fine-tuning its operations to improve performance. But as it addresses short-term issues, Nissan remains focused on its long-term goals.

In forecasting performance in 2007, Nissan remains cautious given the uncertainty in markets worldwide.

Global sales are expected to increase by 6.2% to 3.7 million units.

In Japan, in expectation of further decline in total industry volume, the forecast is a cautious 700,000 units. In the U.S. sales are forecast at 1.1 million units. And in Europe 600,000 units. For the General Overseas Markets, including Mexico and Canada, sales of 1.3 million units are expected.

In fiscal 2007, Nissan will again face a challenging environment. The company anticipates rising raw-material costs, energy prices and interest rates. Foreign-exchange rates are likely to be volatile. Incentive levels will continue to be high. And management expects to see a growing number of distressed suppliers and competitors.

In the face of these challenges, Nissan will remain focused on delivering effectively and completely its commitments under the Nissan Value-Up business plan.

At the same time, Nissan remains focused on achieving sustainable growth over the long term. Management sees three priorities as critical for the future: technological innovation, brand building and global human resources.

In technology, we continue to invest for the long-term. Since 1999, annual R&D expenditures have doubled to nearly 500 billion yen in fiscal 2007. In 2007, Nissan will launch eight new original technologies including several world-firsts such as the innovative Around View Monitoring system. Starting in 2009, Nissan will deploy more than 15 new technologies in our products each year.

Addressing societal needs for cleaner transportation, Nissan now dedicates 40% of its advanced engineering budget towards the Nissan Green Program 2010, the company's five year environmental blueprint. Technologies such as clean diesel engines, fuel cells and electric vehicles will all benefit from this investment strategy.

At the core of our business are attractive and competitive products. Nissan's future performance will benefit from a strong product pipeline. In 2007, the company will launch 11 all-new products around the world. And in the three years from fiscal 2008 more than 33 new products will be introduced.

(5) Financial Performance Highlights

(Billions of yen , except per share amounts)

	FY2003	FY2004	FY2005	FY2006
Net sales	7,429.2	8,576.3	9,428.3	10,468.6
Net income	503.7	512.3	518.1	460.8
Net income per share [Yen]	122.02	125.16	126.94	112.33
Total assets	7,859.9	9,848.5	11,481.4	12,402.2
Net assets	2,024.0	2,465.8	3,088.0	3,877.0
Net assets per share [Yen]	493.85	604.49	753.4	862.29

Note: Net income per share has been calculated on the basis of the average number of shares outstanding during each term; net assets per share have been calculated based on the number of shares outstanding at each business year-end. The number of shares outstanding has been adjusted primarily by counting the shares held by Renault as treasury stock.

(6) Principal Group Companies

Company name main business	Location	Capital [millions]	% ratio of issued shares
Calsonic Kansei Corporation Manufacture/sale of auto parts	Tokyo	¥41,455	40.7
JATCO Ltd. Manufacture/sale of auto parts	Shizuoka Prefecture	¥29,935	75.0
Nissan Financial Services Co., Ltd. Leasing and financing of vehicles	Chiba Prefecture	¥16,388	100.0
Aichi Machine Industry Co., Ltd. Manufacture/sale of auto parts	Aichi Prefecture	¥8,518	41.4
Nissan Shatai Co., Ltd. Manufacture/sale of vehicles and auto parts	Kanagawa Prefecture	¥7,905	42.6
Nissan Finance Co., Ltd. Financial and accounting service for group companies	Tokyo	¥2,491	100.0
Nissan Kohki Co., Ltd. Manufacture/sale of auto parts	Kanagawa Prefecture	¥2,020	97.7
Aichi Nissan Motor Co., Ltd. Sale of vehicles and auto parts	Aichi Prefecture	¥90	(95.6)
Nissan Prince Tokyo Motor Sales Co., Ltd. Sale of vehicles and auto parts	Tokyo	¥95	(95.6)
Nissan North America, Inc. Headquarters for North American operations Manufacture/sale of vehicles and auto parts	USA	US$1,792	100.0
Nissan Motor Acceptance Corporation Retail and wholesale vehicle financing in the U.S.	USA	US$500	(100.0)
Nissan Forklift Corporation, North America Manufacture/sale of industrial machinery, industrial engines and parts	USA	US$34	(100.0)
Nissan Technical Center North America, Inc. Vehicle R&D, evaluation, certification	USA	US$16	(100.0)
Nissan Canada, Inc. Sales of vehicles and auto parts	Canada	C$68	(100.0)
Nissan Mexicana, S.A. de C.V. Manufacture/sale of vehicles and auto parts	Mexico	Peso17,056	(100.0)
Nissan Motor Manufacturing (UK) Ltd. Manufacture/sale of vehicles and auto parts	UK	£250	(100.0)
Nissan Motor (GB) Ltd. Sales of vehicles and auto parts	UK	£136	(100.0)
Nissan Technical Centre Europe Limited Vehicle R&D, evaluation, certification	UK	£16	(100.0)
Nissan Europe S.A.S. Headquarters for European sales and manufacturing operations	France	Euro 1,626	100.0
Nissan Motor Ibérica, S.A. Manufacture/sale of vehicles and auto parts	Spain	Euro 726	(99.8)
Nissan Motor Co. (Australia) Pty. Ltd. Sale of vehicles and auto parts	Australia	A$290	(100.0)

Notes: 1. ( ) indicates that the figure includes indirect ownership.

2. Ratio of capital contribution Nissan Motor Co., Ltd. held for Jatco Ltd. decreased because Nissan Motor Co., Ltd. sold partial share in Jatco Ltd.
3. Tokyo Nissan Motor Sales Co., Ltd. was merged and split up into Nissan Prince Tokyo Motor Sales Co., Ltd. and Nissan Prince Nishi Tokyo Motor Sales Co., Ltd. as a part of reorganization of the domestic dealers.
4. Although 52 domestic dealers including Aichi Nissan Motor Co., Ltd. and Nissan Prince Tokyo Motor Sales Co., Ltd. had been direct subsidiaries of Nissan Motor Co., Ltd., they became subsidiaries of each retail asset management company as new domestic dealers after the domestic dealers spun off retail asset management department of each dealer into a separate company. Goals of such spin-offs are to centralize the operation of marketing and sales and enhance activities to improve their expertise (greater customer satisfaction etc.). Then, Nissan Real Estate Co., Ltd. bought out each retail asset management company, and its company name became Nissan network holdings Corp. As a result, the new domestic dealers became subsidiaries of Nissan network holdings Corp., and capital amount of the domestic dealers changed as well as ratio of capital contribution provided by Nissan Motor Co., Ltd.
5. The company concludes a tie-up contract for broad automotive business alliance including capital participation with Renault.

(7) Principal Business Operations

The Nissan group consists of Nissan Motor Co., Ltd, subsidiaries, affiliates and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine product and related parts. And also the Nissan group provides various services accompanying its main business, such as logistics and sales finance.

(8) Principal Offices, Facilities and Factories

1) Nissan Motor Co., Ltd.

Registered Head Office: 2, Takara-cho, Kanagawa-ku, Yokohama, Kanagawa Prefecture

Office / Facility / Factory	Location
Corporate Headquarters	Tokyo
Yokohama Plant	Kanagawa Prefecture
Oppama Plant, Wharf and Central Engineering Laboratories	Kanagawa Prefecture
Tochigi Plant	Tochigi Prefecture
Kyushu Plant and Kanda Wharf	Fukuoka Prefecture
Iwaki Plant	Fukushima Prefecture
Zama Operation Center	Kanagawa Prefecture
Nissan Technical Center	Kanagawa Prefecture
Hokkaido Proving Ground	Hokkaido
Sagamihara Parts Center	Kanagawa Prefecture
Honmoku Wharf	Kanagawa Prefecture

2) Nissan Group Companies

For an outline of the Group Companies, please refer to (6) Principal Group Companies, stated above.

(9) Employee Information

Number of employees	Change from the end of the previous year
165,729 (20,607)*1	(3,630)*2

Notes: 1. Number of employees represents employee head count.
( )*1 indicates a part-time worker (not included in number of employees).
2. ( )*2 indicates a increase.

(10) Major Lenders

	Amount of outstanding loan [¥ billions]
1. Mizuho Corporate Bank, Ltd.	348.3
2. Mitsubishi UFJ Trust and Banking Corporation	100.3
3. Shinsei Bank Limited	94.1
4. Japan Bank For International Cooperation	74.7
5. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	71.6
6. Sumitomo Mitsui Banking Corporation	64.4

2. Share Data

(1) Total number of shares authorized to be issued

6,000,000,000

(2) Total number of shares issued

4,520,715,112

(3) Number of shareholders 198,340

(a decrease of 23,148 compared with the previous fiscal year-end).

(4) Principal Shareholders

	Number of shares (thousands)
1. Renault	2,004,000
2. Japan Trustee Services Bank Ltd. (Trust)	125,673
3. The Master Trust Bank of Japan, Ltd. (Trust)	113,861
4. Moxley & Co.	96,821
5. Nippon Life Insurance Company	93,000
6. The Dai-ichi Mutual Life Insurance Company	89,000
7. Tokio Marine Nichido Fire Insurance Company	70,076
8. Sompo Japan Insurance Inc.	63,528
9. The State Street Bank and Trust Company 505103	56,778
10. Nomura Securities Co., Ltd.	53,039

Note: Nissan Motor Co., Ltd. has held the treasury stock of 100,299 thousand shares.

3. Shinkabu-Yoyakuken (Stock Options)

(1) Status of Shinkabu-Yoyakuken to be granted during FY2006

- Total number of Shinkabu-Yoyakuken 130,750
- Type and number of shares to be issued upon exercise of Shinkabu-Yoyakuken
  13,075,000 shares of common stock of the Company (100 shares per Shinkabu-Yoyakuken)
- Issue price of Shinkabu-Yoyakuken Free
- Exercise price of Shinkabu-Yoyakuken
  152,600 yen per Shinkabu-Yoyakuken
- Exercise period of Shinkabu-Yoyakuken
  On and after May 9, 2008 (Japan Time) and up to June 20, 2015 (Japan Time)
- Conditions for exercise of Shinkabu-Yoyakuken
  1) The holder of Shinkabu-Yoyakuken (hereinafter "Shinkabu-Yoyakuken Holder") has been employed continuously by the Company, subsidiaries or affiliates of the Company or continuously retained a proxy relationship until the day when Shinkabu-Yoyakuken is exercisable.
  2) The performance of the Company satisfies a certain level.
  3) Shinkabu-Yoyakuken Holder has achieved individually established business targets, etc. Additionally, details of the above-mentioned conditions and other conditions shall be as stipulated in Shinkabu-Yoyakuken Allotment Agreement that is to be made and entered into by and between the Company and Shinkabu-Yoyakuken Holder pursuant to a resolution of the Board of Directors Meeting of the Company.
- Classification of the number of Shinkabu-Yoyakuken granted to the employees of the Company and the officers of the subsidiaries of the Company

	Number of grantees of Shinkabu-Yoyakuken	Number of Shinkabu-Yoyakuken
Employees of the Company	456	115,850
Officers of subsidiaries of the Company	72	14,900
Total	528	130,750

(2) Other material information concerning Shinkabu-Yoyakuken

On April 26, 2007, the Board of Directors of the Company has resolved to issue Shinkabu-Yoyakuken to employees of the Company and the officers of the subsidiaries as stock options for free in accordance with Articles 236, 238 and 239 of the Corporate Law and the resolution of the 107th Ordinary General Meeting of Shareholders dated June 27, 2006.

The outline of the issuance of Shinkabu-Yoyakuken is as follows:

- Name of Shinkabu-Yoyakuken
  Nissan Motor Co., Ltd. 5th Shinkabu-Yoyakuken
- Type and number of shares to be issued upon exercise of Shinkabu-Yoyakuken
  950,000 shares of common stock of the Company
  The number of shares to be issued upon exercise of Shinkabu-Yoyakuken shall be the aggregate number of units of Shinkabu-Yoyakuken multiplied by the number granted (100 shares).
- Aggregate number of units of Shinkabu-Yoyakuken to be issued
  9,500
  However, if the total number of Shinkabu-Yoyakuken applications does not reach 9,500, the aggregate of number of Shinkabu-Yoyakuken to be issued will be equivalent to the total number of applications received.
- Issue price of each Shinkabu-Yoyakuken and issue date
  Each Shinkabu-Yoyakuken is to be issued for free.
  The date of issuance of Shinkabu-Yoyakuken shall be May 8, 2007.
- Amount to be paid upon exercise of each Shinkabu-Yoyakuken
  133,300 yen per Shinkabu-Yoyakuken
  1,333 yen per share
- The number of persons and number of Shinkabu-Yoyakuken to be granted shall be as follows.

	Number of grantees of Shinkabu-Yoyakuken	Number of Shinkabu-Yoyakuken
Employees of the Company	30	9,500

4. Directors and Statutory Auditors

(1) List of Directors and Statutory Auditors

(As of March 31, 2007)

Officer	Responsibilities and Representative Positions at Other Companies
President and CEO	
Carlos Ghosn*	American Operations (MC-America and MC-US), Global Communications, CSR and IR, Global Internal Audit President and Chief Executive Officer of Renault Director of Alcoa, Inc. President and Chairman of Nissan North America Inc. Director of Nissan Europe S.A.S. President and Chairman of Renault-Nissan B.V.
Directors	
Itaru Koeda*	MC-Dealer, Domestic Network Management, Administration for AFLs (MC-AFL), External and Government Affairs, Intellectual Asset Management, Industrial Machinery, Marine Member of Board of Renault Chairman and Member of Board of Nissan Diesel Motor Co., Ltd. Chairman and Member of Board of Calsonic Kansei Corp. Chairman and Member of Board of JATCO Ltd.
Toshiyuki Shiga*	Japan Operations (MC-J), GOM Operations (MC-GOM), China Operations, Global Marketing and Sales, Global Aftersales and Conversion Business, TCSX (Total Customer Satisfaction Function) Human Resources, Treasury Chairman of Nissan China Investment Director of Renault-Nissan B.V.
Tadao Takahashi	Manufacturing, SCM (Supply Chain Management), Global IS Chairman of Aichi Machine Industry Co., Ltd. Director of Renault-Nissan B.V.
Hiroto Saikawa	European Operations (MC-E), Purchasing Director of Renault Director of Nissan Europe S.A.S.
Mitsuhiko Yamashita	Research and Development Chairman of Nissan Technical Center North America, Inc. Chairman of Nissan Technical Centre Europe, Ltd. Director of Renault-Nissan B.V.
Carlos Tavares	Corporate Planning, Program, Market Intelligence, Product Planning, Design, Brand Management, LCV Business Chairman of Nissan Design America, Inc.
Shemaya Levy	
Patrick Pelata	Vice President of Renault Director of Renault-Nissan B.V.

Officer	Responsibilities
Statutory Auditors	
Hisayoshi Kojima	Full time
Takeo Otsubo#	Full time
Toshiyuki Nakamura#	Full time
Haruo Murakami	

Notes: 1. * indicates a representative director.
2. Shemaya Levy is outside director.
3. Takeo Otsubo, Toshiyuki Nakamura and Haruo Murakami are outside statutory auditors.
4. # indicates Statutory Auditors newly elected at the 107th Ordinary General Meeting of Shareholders, held on June 27th, 2006.
5. During the fiscal year (FY2006) the following Statutory Auditors retired from the Company:

Position at Time of Leaving	Name	Responsibilities at Time of Leaving	Date of Leaving
Statutory Auditor	Shinji Ichishima	Full time	June 27, 2006 (resigned)
Statutory Auditor	Keishi Imamura	Full time	June 27, 2006 (resigned)

6. On April 1, 2007, certain responsibilities of the Directors were changed. The system of Directors after the change is as follows:

Officer	Responsibilities
President and CEO	
Carlos Ghosn*	Global Communications, CSR and IR, Global Internal Audit, Treasury
Directors	
Itaru Koeda*	MC-Dealer, Domestic Network Management, Administration for AFLs (MC-AFL), External and Government Affairs, Intellectual Asset Management, Industrial Machinery, Marine
Toshiyuki Shiga*	Japan Operations (MC-J), Human Resources
Tadao Takahashi	External and Government Affairs, Intellectual Asset Management
Hiroto Saikawa	American Operations (MC-Americas), Purchasing, Sourcing breakthrough (Vehicle and Powertrain Engineering, Manufacturing, Purchasing, SCM)
Mitsuhiko Yamashita	Research and Development, TCSX (Total Customer Satisfaction Function)
Carlos Tavares	Corporate Planning, Product Planning, Market Intelligence, Brand Management, Design, Program Management, LCV Business, Infiniti Business, Control
Shemaya Levy	
Patrick Pelata	
Statutory Auditors	
Hisayoshi Kojima	Full time
Takeo Otsubo	Full time
Toshiyuki Nakamura	Full time
Haruo Murakami	

Notes: * indicates a representative director.

(2) Amount of Compensation Paid to Directors and Statutory Auditors

Directors	9 members	2,518 million yen
Statutory Auditors	4 members	68 million yen

Notes: 1. The above amounts include remuneration etc. for outside officers (1 Director and 3 Statutory Auditors) in the amount of 45 million yen.
2. In addition to the above, the company granted 8 directors, based upon the resolution at the 104th Ordinary General Meeting of Shareholders on June 19, 2003, Share Appreciation Rights (“SAR”) equivalent to 5,100,000 common share of the company among 6,000,000 shares equivalent rights approved by the above-mentioned resolution. (Just for reference purpose, the fair value of SAR is calculated to be 222.3 yen per share using the closing share price at the time of grant.)
The number of exercisable SAR would vary within the limit of 5,100,000 shares equivalent rights and will be finally determined based upon performance achievement level of the grantees.

(3) Information on Outside Officers

1) Concurrently service of Outside Officers of other companies

	Company name	Position
Shemaya Levy, Director	Renault Spain Segula Technologies Group (France) SAFRAN Group (France) AEGON N.V. (Netherlands) TNT N.V .(Netherlands)	Supervisory Board Member

2) Principal Activities

	Principal Activities
Shemaya Levy, Director	His attendance rate at Board of Directors’ Meeting is 62% and has spoken at almost all of the meetings.
Takeo Otsubo, Statutory Auditor	He attended at all of Board of Directors’ Meetings and all of Statutory Auditors’ Meetings after having taken office as Statutory Auditor. At Board of Directors’ Meeting, he has spoken as necessary.
Toshiyuki Nakamura, Statutory Auditor	He attended at all of Board of Directors’ Meetings and all of Statutory Auditors’ Meetings after having taken office as Statutory Auditor. At Board of Directors’ Meeting, he has spoken as necessary.
Haruo Murakami, Statutory Auditor	He attended at all of Board of Directors’ Meetings and almost all of Statutory Auditors’ Meetings. At Board of Directors’ Meeting, he has spoken as necessary.

The above four outside officers have entered into an agreement with the Company limiting their liability as prescribed in Article 423, Paragraph 1 of the Corporate Law and pursuant to said agreement the liability limit will be 500 million yen or the statutory minimum limit, whichever is higher.

5. Status of Independent Auditors

(1) Name of independent auditors

Ernst & Young ShinNihon

(2) Fees paid to the independent auditors regarding the current business year

1) Fees paid to the independent auditors regarding the current business year 521 million yen
2) Of the amount shown in 1), fees for audits of the financial statements and other assurance services to be paid by the Company and subsidiaries to the independent auditors 998 million yen

Note: Because the audit engagement contract between the Company and the independent auditors do not separately specify the fees for i) audits required by the Corporate Law and ii) audits required by the Securities and Exchange Law, the total fees for those audits have been disclosed.

3) Of the principal subsidiaries of the Company, Nissan North America, Inc., Nissan Europe S.A.S. and 6 other companies has been audited by Deloitte Touche Tohmatsu, Nissan Motor Iberica, S.A. and another company has been Ernst & Young.

(3) Policy concerning the decision to dismiss or to deny reappointment of independent auditors

The Board of Statutory Auditors, by unanimous agreement, will dismiss the independent auditors, when confirmed that the independent auditors fall under any item of paragraph 1, Article 340 of the Company Law.

Additionally, in the event of other cases where his/her retention as independent auditors is deemed to be detrimental to the Company, the Board of Directors will propose, with the agreement of the Board of Statutory Auditors, or as requested by the Board of Statutory Auditors, to dismiss or deny reappointment to the Ordinary General Meeting of Shareholders.

6. Business Management Systems, Processes and Internal Controls

The Board of Directors of Nissan determined Nissan's systems and policies to ensure appropriate management and execution of Nissan's business ("Internal Control System"), which is outlined below.

<Internal Control System>

(1) Systems to ensure efficient execution and management of business activities by the directors

1) Nissan has the Board of Directors, which decides material business activities of the company and checks on the activities of the individual directors. In addition, statutory auditors who comprise the board of auditors, audit the activities of the directors.
2) Nissan's Board of Directors is relatively small in order to achieve efficient and flexible management. A transparent and logical system of delegation is implemented, by which the authority to perform business activities are properly delegated to corporate officers and other employees.
3) Nissan uses a proven system of Executive Committee where key business issues are reviewed and discussed.
4) For review and discussion of the regional and specific business area operations, Nissan utilizes Management Committees.
5) In order to promote cross functional activities, cross functional teams - CFTs - are organized. CFTs detect problems and challenges and propose solutions to line organizations.
6) Nissan implements an objective and transparent Delegation of Authority procedure for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.

(2) Systems to ensure compliance of employees' and directors' activities with laws and articles of associations

1) Nissan implements "Global Code of Conduct", which explains acceptable behaviors of all employees working at Nissan group companies worldwide and promotes understanding by them.
2) In order to ensure rigorous and strict compliance with the code of conduct, Nissan and its group companies offer education programs such as the e-learning system.
3) With regard to members of the Board of Directors as well as corporate officers of Nissan, Nissan establishes "Guidance for Directors and Corporate Officers regarding Compliance", which explains the acceptable behaviors of the members of the Board of Directors and the corporate officers.
4) For the purpose of monitoring and ensuring compliance with the code of conduct, Nissan establishes the "Global Compliance Committee".
5) Nissan implements the "Easy Voice System" by which the employees are able to submit their opinions, questions and requests freely and directly to Nissan management.
6) Nissan is committed to continually implementing relevant company rules. Examples include "Global Rules for the Prevention of Insider Trading" and the "Rules for the Protection of Personal Information". The company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.
7) Nissan is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports.
8) Nissan establishes a department specialized in internal audit for the purpose of regularly monitoring Nissan and group companies' business

and their compliance with laws, articles of associations and corporate ethics.

(3) Rules and systems for proper management of risk and loss

1) Nissan minimizes the possibility of occurrence of risks and, if they occur, mitigate the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures.
2) Nissan analyses business risks of Nissan and its group companies from various perspectives, and prioritizes each risk based upon frequency of occurrence of risks, level of negative effect of losses and effectiveness of risk management.
3) Management of material company-wide risks are assigned to each of the members of the Executive Committee, who are responsible to monitor, manage and implement necessary measures such as preparing relevant risk management manuals.
4) Concerning the management of other specific business risks beyond those supervised directly by the Executive Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.

(4) Systems to ensure accurate records and the retention of information of directors' execution of business

1) Nissan prepares full and accurate minutes of meetings of the Board of Directors in accordance with laws and the board regulations and ensures they are retained and managed in a secure environment.
2) In performing business activities by various divisions and departments, matters to be decided pursuant to Delegation of Authority are decided by either electronic system or written documents, and are stored and retained either electronically or in writing.
3) While the departments in charge are responsible for proper and strict retention and management of such information, directors, statutory auditors and others have access to any records as required for the purpose of performing their business activities.
4) Nissan is committed to the ongoing improvement of its policies on information security and document retention to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information.

(5) Systems to ensure proper and legitimate business activities of the Group companies

1) Nissan establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent group management.
2) In Management Committee meetings, Nissan provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.
3) The group companies implement an objective and transparent Delegation of Authority procedures.
4) Group companies implement each company's code of conduct in line with the Global Code of Conduct and establish compliance committee of each company and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, articles of association and corporate behavior. In addition, group companies implement the easy voice system which ensures that employees are able to directly communicate to the group company or to Nissan directly their opinions, questions, and requests.

5) The internal audit department of Nissan periodically carries out local audits on the business of group companies for the purpose of monitoring and confirming legal compliance, relevant articles of association as well as management of business risks. Major group companies establishes their own internal audit departments and perform internal audits under the supervision of Nissan's internal audit department.

6) Nissan's statutory auditors and group companies' statutory auditors have periodic meetings to share information and exchange opinions from the viewpoint of consolidated management for the purpose of ensuring effective auditing of group companies.

(6) Organization of employee(s) supporting statutory auditors, and systems showing their independence from the directors

1) Nissan has an auditors office to support the activities of the statutory auditors. Dedicated manager(s) is assigned and performs his/her duties under the supervision and responsibility of the statutory auditors.

2) The statutory auditors make appraisal of dedicated manager's performance, and his/her move to another department and his/her disciplinary action are subject to prior approval of the board of auditors.

(7) Systems by which directors and employees report business issues to the statutory auditors

1) The statutory auditors determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors and employees make reports in accordance with the annual audit plan.

2) When directors and employees detect any incidents which gives or could give a materially negative impact to Nissan, they are required to immediately report such incidents to the statutory auditors.

3) In addition, directors and employees are required to make an ad-hoc report to the statutory auditors regarding the situation of business activities when so requested.

4) The internal audit department periodically reports to the statutory auditors its internal audit plan and the results of the internal audits performed.

(8) System to ensure effective and valid auditing by the statutory auditors

1) At least 50% of the statutory auditors are external auditors to ensure effective and independent auditing. The statutory auditors hold periodical meetings in order to exchange and share information and their respective opinions. Ad-hoc meetings are also held whenever deemed necessary.

2) The statutory auditors have periodical meetings with representative directors (including the President) and exchange views and opinions.

2. Consolidated Balance Sheet

(As of March 31, 2007) (in millions of yen, ( ) indicates loss or minus)

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

Accounts	Amount
[ASSETS]	
Current assets	**6,492,886**
Cash on hand and in banks	457,925
Notes & accounts receivable	679,119
Finance receivables	3,557,223
Marketable securities	28,255
Inventories	1,004,671
Deferred tax assets	324,979
Other	536,797
Allowance for doubtful accounts	(96,083)
Fixed assets	**5,909,322**
Property, plant and equipment	**4,877,188**
Building and structure	713,159
Machinery, equipment and vehicles	2,726,338
Land	733,651
Construction in progress	152,829
Other	551,211
Intangible assets	**185,313**
Investments & other assets	**846,821**
Investment securities	386,212
Deferred tax assets	157,495
Other	307,526
Allowance for doubtful accounts	(4,412)
Total assets	**12,402,208**
[LIABILITIES]	
Current liabilities	**5,575,319**
Notes & accounts payable	1,103,186
Short-term borrowings and current maturities of bonds and debentures	3,097,411
Accrued expenses	589,337
Deferred tax liabilities	9,064
Accrued warranty costs	92,279
Lease obligation	50,421
Other	633,621
Long-term liabilities	**2,949,895**
Bonds and debentures	729,707
Long-term borrowings	1,167,814
Deferred tax liabilities	507,600
Accrued warranty costs	130,111
Accrued retirement benefits	194,494
Lease obligation	59,140
Other	161,029
Total liabilities	**8,525,214**
[NET ASSETS]	
Shareholders' equity	**3,586,616**
Common stock	605,814
Capital surplus	804,470
Retained earnings	2,402,726
Treasury stock	(226,394)
Valuation, translation adjustments and others	**(41,379)**
Unrealized holding gain on securities	5,826
Unrealized gain and loss from hedging instruments	1,817
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	68,923
Land revaluation of foreign subsidiaries	5,095
Unfunded retirement benefit obligation of foreign subsidiaries	(13,826)
Translation adjustments	(109,214)
Share subscription rights	**2,711**
Minority interests	**329,046**
Total net assets	**3,876,994**
Total liabilities and net assets	**12,402,208**

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

3. Consolidated Statement of Income

(For the year ended March 31, 2007)
(in millions of yen, ( ) indicates loss or minus)

Accounts	Amount	
Net sales		**10,468,583**
Cost of sales		**8,027,186**
Gross profit		2,441,397
Selling, general and administrative expenses		**1,664,458**
Operating income		**776,939**
Non-operating income		
Interest and dividend income	25,546	
Equity in earnings of unconsolidated subsidiaries & affiliates	20,187	
Foreign exchange gain	5,796	
Other	14,385	**65,914**
Non-operating expenses		
Interest expense	30,664	
Amortization of net retirement benefit obligation at transition	10,928	
Loss on the net monetary position due to restatement	12,211	
Other	27,999	**81,802**
Ordinary income		**761,051**
Special gains		
Gain on sale of fixed assets	31,973	
Gain on sale of investment securities	15,714	
Gain on implementation of a defined contribution plan	19,285	
Other	6,715	**73,687**
Special losses		
Loss on disposal of fixed assets	25,402	
Loss on impairment of fixed assets	22,673	
Loss on relocation of the headquarters of a subsidiary in North America	10,827	
Special severance benefits	31,933	
Other	46,471	**137,306**
Income before income taxes and minority interests		**697,432**
Income taxes—current	202,328	
Income taxes—deferred	9,834	212,162
Minority interests		**24,474**
Net income		**460,796**

4. Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2007)

(in millions of yen, ( ) indicates loss or minus)

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2006	605,814	804,470	2,116,825	(249,153)	3,277,956
Changes in FY2006					
Cash dividends paid	–	–	(131,064)	–	(131,064)
Bonuses to directors and statutory auditors	–	–	(560)	–	(560)
Net income	–	–	460,796	–	460,796
Disposal of treasury stock	–	–	(3,477)	33,134	29,657
Purchases of treasury stock	–	–	–	(10,375)	(10,375)
Changes due to merger	–	–	361	–	361
Changes in the scope of consolidation	–	–	(3,728)	–	(3,728)
Changes in the scope of equity method	–	–	(763)	–	(763)
Net changes in items other than those in shareholders' equity (note)	–	–	(35,664)	–	(35,664)
Total changes in FY2006	–	–	285,901	22,759	308,660
Balances as of March 31, 2007	**605,814**	**804,470**	**2,402,726**	**(226,394)**	**3,586,616**

	VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS									
	Unrealized holding gain on securities	Unrealized gain and loss from hedging instruments	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Land revaluation of foreign subsidiaries	Unfunded retirement benefit obligation of foreign subsidiaries	Translation adjustments	Total valuation, translation adjustments and others	SHARE SUBSCRIPTION RIGHTS	MINORITY INTERESTS	TOTAL NET ASSETS
Balances as of March 31, 2006	14,340	–	–	–	–	(204,313)	(189,973)	3,144	285,893	3,377,020
Changes in FY2006										
Cash dividends paid	–	–	–	–	–	–	–	–	–	(131,064)
Bonuses to directors and statutory auditors	–	–	–	–	–	–	–	–	–	(560)
Net income	–	–	–	–	–	–	–	–	–	460,796
Disposal of treasury stock	–	–	–	–	–	–	–	–	–	29,657
Purchases of treasury stock	–	–	–	–	–	–	–	–	–	(10,375)
Changes due to merger	–	–	–	–	–	–	–	–	–	361
Changes in the scope of consolidation	–	–	–	–	–	–	–	–	–	(3,728)
Changes in the scope of equity method	–	–	–	–	–	–	–	–	–	(763)
Net changes in items other than those in share holders' equity (note)	(8,514)	1,817	68,923	5,095	(13,826)	95,099	148,594	(433)	43,153	155,650
Total changes in FY2006	(8,514)	1,817	68,923	5,095	(13,826)	95,099	148,594	(433)	43,153	499,974
Balances as of March 31, 2007	**5,826**	**1,817**	**68,923**	**5,095**	**(13,826)**	**(109,214)**	**(41,379)**	**2,711**	**329,046**	**3,876,994**

(note) As a result of the adoption of a new accounting standard for consolidated statement of changes in net assets, 35,664 million Yen which had been included in retained earnings until FY2005 has been reclassified to valuation, translation adjustments and others.

	Millions of yen
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	49,915
Land revaluation of foreign subsidiaries	5,134
Unfunded retirement benefit obligation of foreign subsidiaries	(19,385)
Total amount reclassified from retained earnings to valuation, translation adjustments and others	35,664

5. Notes to Consolidated Financial Statements

Basis of Consolidated Financial Statements

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

(1) Consolidated subsidiaries ; 188 companies (Domestic 94, Overseas 94)

Domestic Car Dealers, Parts Distributors

Aichi Nissan Motor Co., Ltd., Nissan Tokuhan Co., Ltd.
Nissan Prince Tokyo Sales Co., Ltd.
Nissan Chuo Parts Sales Co., Ltd. and 71 other companies

Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., Calsonic Kansei Corp. and 4 other companies

Domestic Logistics & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd., Autech Japan, Inc. and 8 other companies

Overseas subsidiaries

Nissan North America, Inc., Nissan Europe S.A.S.
Nissan Motor Manufacturing (UK) Ltd.
Nissan Mexicana, S.A. de C.V. and 90 other companies

Unconsolidated Subsidiaries; 174 companies (Domestic 115, Overseas 59)

These 174 companies are excluded from consolidation because the effect of not consolidating them was immaterial to the Company's consolidated financial statements.

(2) Companies Accounted for by the Equity Method

Unconsolidated subsidiaries; 32 companies (Domestic 20, Overseas 12)
Affiliates; 15 companies (Domestic 14, Overseas 1)

Domestic Kinugawa Rubber Industrial Co., Ltd., and 33 other companies
Overseas Renault S.A., Guangzhou NISSAN Trading Co., Ltd. and 11 other companies

The 142 unconsolidated subsidiaries and 40 affiliates other than the above companies were not accounted for by the equity method because the effect of not adopting the equity method to them was immaterial to the Company's consolidated net income, retained earnings and others.

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

The change in the scope of consolidation compared with fiscal year 2005 was summarized as follows:

Number of companies newly included in the scope of consolidation; 64 subsidiaries

(Nissan Nordic Europe Oy, Nissan Motor Egypt S.A.E., Calsonic Kansei (Thailand) Co., Ltd., and 61 other companies)

Number of companies excluded from the scope of consolidation; 63 subsidiaries

(Nissan Tokyo Motor Co., Ltd., Kyoto Nissan Motor Co., Ltd., Nissan Satio Kagoshima Co., Ltd., Kantus Corporation and 59 other companies)

Number of companies newly accounted for by the equity method; 6 companies

(Autocomm, Inc. and 5 other companies)

Number of companies ceased to be accounted for by the equity method of accounting; 6 companies

(Nissan Hanshin Service Center Co., Ltd., Nissan Forklift Kanagawa Co., Ltd. and 4 other companies)

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

52 companies are accounted as both "Newly included in the scope of consolidation" and "Excluded from the scope of consolidation" for FY2006 due to the re-organization of domestic dealers.

2. Fiscal Period of Consolidated Subsidiaries

(1) The end of FY2006 for the following consolidated subsidiaries is different from that of the Company (March 31)

December 31 year end Companies:

Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd., Nissan Europe S.A.S., Nissan Mexicana, S.A. De C. V. and 27 other overseas subsidiaries

(2) Nissan Europe S.A.S., Nissan Mexicana, S.A. De C. V. and 20 other subsidiaries whose fiscal year end is December 31 have been consolidated by using their financial statements as of the parent fiscal year end which were prepared solely for consolidation purposes. With respect to Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd. and 7 other companies, they have been consolidated by using their financial statements as of their fiscal year end (December 31) and the necessary adjustments were made in consolidation to reflect any significant transactions from January 1 to March 31.

3. Significant Accounting Policies

(1) Valuation methods for assets

1) Securities

- Held-to-maturity debt securities

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

- Other securities

  Marketable securities

  Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets.

  Cost of securities sold is calculated by the moving average method.

  Non-marketable securities

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

2) Derivative financial instruments

Derivative financial instruments are stated at fair value.

3) Inventories

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

(2) Depreciation of property, plant and equipment

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

(3) Basis for reserves and allowances

Allowance for doubtful accounts

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

Accrued warranty costs

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

Accrued retirement benefits

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

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

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

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

(4) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are included in the statement of operations.

The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and minority interests in net assets.

(5) Lease transactions

Non-cancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.

(6) Significant hedge accounting method

Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred.

Hedging instruments and hedged items

- Hedging instruments—Derivative transactions
- Hedged items—Mainly forecasted sales denominated in foreign currencies.

Hedging policy

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

Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of forecasted sales are substantially same as those of hedging instruments.

Risk management policy with respect to hedge accounting

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

(7) Consumption Tax

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

(8) 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 Mexico and certain other countries are charged or credited to operations and directly reflected in valuation, translation adjustments and others.

4. Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries acquired through business combinations are carried at fair value at the time of acquisition.

5. Amortization of differences between cost and underlying net equity at fair value

Differences between cost and underlying net equity at fair value of investments in consolidated subsidiaries and in companies accounted for by the equity method have been amortized over periods not exceeding 20 years determined based on their materiality. However, immaterial differences are charged or credited to income in the year of acquisition.

6. Accounting changes

(1) Accounting Standard for Share-based Payment

Effective April 1, 2006, the Company adopted a new accounting standard for share-based payment and related implementation guidance.

The effect of this change was to decrease operating income, ordinary income and income before income taxes and minority interests by 1,037 million yen from the corresponding amounts which would have been recorded if the previous method had been followed.

(2) Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet and related implementation guidance.

Shareholders’ equity under the previous presentation method amounted to 3,543,420 million yen as of March 31, 2007.

(3) Changes in fiscal year end of subsidiaries

Until last year, since the difference between the fiscal year end of the parent company and those of 55 consolidated subsidiaries was within three months, the operating results of those subsidiaries were consolidated by using their financial statements as of the their respective fiscal year ends.

Effective this fiscal year, 22 consolidated subsidiaries have been consolidated by using their financial statements as of the parent fiscal year end which were prepared solely for consolidation purposes. This change was made, upon the completion of the internal reporting systems which allow those subsidiaries to

accelerate their financial statement closing process, in order to make the disclosures of the consolidated financial statements more meaningful by unifying the fiscal year. In addition, 33 consolidated subsidiaries have also changed their fiscal year end to March 31 for the same reason. Accordingly, the operating results for the 15-month period from January 1, 2006 to March 31, 2007 of the 55 consolidated subsidiaries have been included in the consolidated financial statements for the year ended March 31, 2007.
As a result, net sales, operating income, ordinary income, income before income taxes and minority interests, and net income increased by 767,606 million yen, 21,443 million yen, 18,483 million yen, 15,661 million yen and 11,589 million yen, respectively, over the corresponding amounts which would have been reported under the previous method.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral:

	(Millions of yen)
1) Assets pledged as collateral	
Trade notes and accounts receivable	741
Finance receivables	1,378,045
Property, plant and equipment	1,057,988
Intangible fixed assets	445
Total	2,437,219
2) Liabilities secured by the above collateral	
Short-term borrowings	612,193
Long-term borrowings (including the current portion)	1,422,841
Total	2,035,034

In addition to the above, finance receivables totaling 55,066 million yen, which were eliminated in consolidation, were pledged as collateral for short-term borrowings of 54,957 million yen.

2. Accumulated depreciation of property, plant and equipment amounted to 4,349,349 million yen.
(The above amount includes depreciation of leased assets: 160,851 million yen.)

3. Contingent Liabilities
At March 31, 2007, the Company and its consolidated subsidiaries had the following contingent liabilities:

	(Millions of yen)
(1) As guarantor of employees' housing loans from banks and others	211,585
	(160,182 for employees, 51,403 for others)
(2) Commitments to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	1,064
(3) The outstanding balance of installment receivables sold with recourse	6,076

Notes to Consolidated Statement of Changes in Net Assets

1. Shares issued and outstanding
Common stock 4,520,715 thousand shares

2. Dividends
1) Dividends

Resolution	Type of shares	Cash dividends paid (millions of Yen)	Dividends per share (Yen)	Entitlement date	Effective date
General meeting of shareholders held on June 27, 2006	Common stock	61,329	15	March 31, 2006	June 28, 2006
Board of directors, meeting on October 26, 2006	Common stock	69,735	17	September 30, 2006	November 28, 2006
Total		131,064			

(Note) Cash dividends paid have been adjusted by the portion of dividends paid to Renault.

2) Dividends, of which entitlement date was in FY2006, and whose effective date will be after April 1, 2007
The following dividends would be resolved at the General meeting of shareholders to be held on June 20, 2007.

Type of shares	Common stock
Resources of dividends	Retained earnings
Total dividends	69,894 millions yen (Dividends per share: 17 yen)
Entitlement date	Mar 31, 2007
Effective date	June 21, 2007

(Note) Total dividends have been adjusted by the portion of dividends paid to Renault.

3. Type and number of shares to be issued upon the exercise of share subscription rights
Common stock 33,078 thousand shares

Notes to Amounts per share

Net assets excluding share subscription rights and minority interests per share	862.29 yen
Basic net income per share	112.33 yen

Other

Not applicable

Amounts less than 1,000,000 yen are rounded off.

6. Non-Consolidated Balance Sheet

(As of March 31, 2007) (in millions of yen, ( ) indicates loss or minus)

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

Accounts	Amount
[ASSETS]	
Current assets	**1,301,528**
Cash on hand and in banks	39,949
Trade notes receivable	393
Trade accounts receivable	286,975
Finished products	71,682
Raw materials	39,846
Work in process	24,515
Supplies	20,718
Advances paid	23,693
Prepaid expenses	23,332
Deferred tax assets	108,148
Short-term loans receivable	548,590
Other accounts receivable	117,378
Other	2,137
Allowance for doubtful accounts	(5,832)
Fixed assets 2,502,841	
Property, plant & equipment	**846,222**
Buildings	192,856
Structures	39,216
Machinery & equipment	245,462
Vehicles	25,403
Tools, furniture and fixtures	132,256
Land	139,001
Construction in progress	72,026
Intangible assets	**48,821**
Software	47,630
Other	1,190
Investments & other assets	**1,607,797**
Investment securities	16,714
Investments in subsidiaries and affiliates	1,473,858
Long-term loans receivable	943
Long-term prepaid expenses	20,155
Prepaid pension cost	39,804
Deferred tax assets	52,167
Other	6,235
Allowance for doubtful accounts	(2,082)
Total assets	**3,804,369**

Accounts	Amount
[LIABILITIES]	
Current liabilities	**1,562,599**
Trade notes payable	457
Trade accounts payable	444,355
Short-term borrowings	77,000
Current maturities of long-term borrowings	9,390
Commercial paper	450,000
Current maturities of bonds	82,316
Other accounts payable	63,572
Accrued expenses	281,565
Income taxes payable	7,889
Deposits received	16,670
Employees' saving deposits	66,422
Accrued warranty costs	30,842
Lease obligation	26,741
Other	5,375
Long-term liabilities	**466,356**
Bonds	347,965
Long-term borrowings	41,400
Accrued warranty costs	48,213
Lease obligation	27,855
Long-term deposits received	922
Total liabilities	**2,028,955**
[NET ASSETS]	
Shareholders' equity	**1,766,839**
Common stock	**605,813**
Capital surplus	**804,470**
Additional paid-in capital	804,470
Retained earnings	**467,878**
Legal reserve	53,838
Voluntary reserves	414,039
Reserve for reduction of replacement cost of specified properties	69,206
Reserve for losses on overseas investments	479
Reserve for special depreciation	884
Unappropriated retained earnings	343,469
Treasury stock	**(111,323)**
Valuation, translation adjustments and others	**5,863**
Unrealized holding gain on securities	**5,863**
Share subscription rights	**2,711**
Total net assets	**1,775,413**
Total liabilities & net assets	**3,804,369**

7. Non-Consolidated Statement of Income

(For the year ended March 31, 2007)

(in millions of yen, ( ) indicates loss or minus)

Accounts	Amount	
Net sales		**3,608,934**
Cost of sales		**3,030,447**
Gross profit		578,487
Selling, general and administrative expenses		**392,926**
Operating income		**185,561**
Non-operating income		
Interest and dividend income	9,563	
Other	4,685	**14,249**
Non-operating expenses		
Interest expense	9,227	
Amortization of net retirement benefit obligation at transition	8,054	
Foreign exchange loss	23	
Other	12,547	**29,852**
Ordinary income		**169,958**
Special gains		
Gain on sale of fixed assets	8,511	
Gain on sale of investment securities	17,017	
Reversal of allowance for doubtful accounts	25,789	
Other	1,726	**53,043**
Special losses		
Loss on devaluation of investments and receivables	52,909	
Loss on disposal of fixed assets	17,464	
Loss on impairment of fixed assets	228	
Special severance benefits	22,600	
Other	15,910	**109,112**
Income before income taxes and minority interests		**113,889**
Income taxes—current	4,476	
Income taxes—deferred	29,931	34,408
Net income		**79,481**

8. Non-Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2007)

(in millions of yen, ( ) indicates loss or minus)

	Shareholders' equity							
		Capital surplus		Retained earnings				
	Common stock	Additional paid-in capital	Total capital surplus	Legal reserve	Voluntary reserves (Note)	Total retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2006	605,813	804,470	804,470	53,838	482,326	536,165	(133,351)	1,813,097
Changes in FY2006								
Appropriation of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders								
Reserve provided	–	–	–	–	–	–	–	–
Reserve reversed	–	–	–	–	–	–	–	–
Cash dividends paid	–	–	–	–	(65,979)	(65,979)	–	(65,979)
Bonuses to directors and statutory auditors	–	–	–	–	(390)	(390)	–	(390)
Reserve provided in accordance with the tax regulations	–	–	–	–	–	–	–	–
Reserve reversed in accordance with the tax regulations	–	–	–	–	–	–	–	–
Cash dividends paid	–	–	–	–	(75,014)	(75,014)	–	(75,014)
Net income	–	–	–	–	79,481	79,481	–	79,481
Purchases of treasury stock	–	–	–	–	–	–	(10,374)	(10,374)
Disposal of treasury stock	–	–	–	–	(6,384)	(6,384)	32,402	26,018
Net changes in items other than those in shareholders' equity	–	–	–	–	–	–	–	–
Total changes in FY2006	–	–	–	–	(68,286)	(68,286)	22,028	(46,258)
Balances as of March 31, 2007	**605,813**	**804,470**	**804,470**	**53,838**	**414,039**	**467,878**	**(111,323)**	**1,766,839**

	Valuation, translation adjustments and others			
	Unrealized holding gain on securities	Total valuation, translation adjustments and others	Share subscription rights	Total net assets
Balances as of March 31, 2006	13,932	13,932	3,143	1,830,173
Changes in FY2006				
Appropriation of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders				
Reserve provided	–	–	–	–
Reserve reversed	–	–	–	–
Cash dividends paid	–	–	–	(65,979)
Bonuses to directors and statutory auditors	–	–	–	(390)
Reserve provided in accordance with the tax regulations	–	–	–	–
Reserve reversed in accordance with the tax regulations	–	–	–	–
Cash dividends paid	–	–	–	(75,014)
Net income	–	–	–	79,481
Purchases of treasury stock	–	–	–	(10,374)
Disposal of treasury stock	–	–	–	26,018
Net changes in items other than those in shareholders' equity	(8,069)	(8,069)	(432)	(8,501)
Total changes in FY2006	(8,069)	(8,069)	(432)	(54,760)
Balances as of March 31, 2007	**5,863**	**5,863**	**2,711**	**1,775,413**

(Note) Detail of voluntary reserves

	Reserve for reduction of replacement cost of specified properties	Reserve for losses on overseas investments	Reserve for special depreciation	Unappropriated retained earnings	Total voluntary reserves
Balances as of March 31, 2006	77,175	1,471	687	402,990	482,326
Changes in FY2006					
Appropriation of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders					
Reserve provided	1,769	–	286	(2,055)	–
Reserve reversed	(7,176)	(499)	(139)	7,814	–
Cash dividends paid	–	–	–	(65,979)	(65,979)
Bonuses to directors and statutory auditors	–	–	–	(390)	(390)
Reserve provided in accordance with the tax regulations	4,094	–	224	(4,318)	–
Reserve reversed in accordance with the tax regulations	(6,657)	(493)	(175)	7,325	–
Cash dividends paid	–	–	–	(75,014)	(75,014)
Net income	–	–	–	79,481	79,481
Purchases of treasury stock	–	–	–	–	–
Disposal of treasury stock	–	–	–	(6,384)	(6,384)
Total changes in FY2006	(7,969)	(992)	197	(59,521)	(68,286)
Balances as of March 31, 2007	**69,206**	**479**	**884**	**343,469**	**414,039**

9. Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

1. Valuation of Assets

(1) Securities

1) Held-to-maturity debt securities

Held-to maturity debt securities are stated at amortized cost (Straight-line method).

2) Equity securities issued by subsidiaries and affiliates

Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.

3) Other securities

a) 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 net assets. Costs of securities sold is calculated by the moving average method.

b) Non-marketable securities:

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

(2) Inventories

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

(3) Derivative financial instruments

Derivative financial instruments are stated at fair value.

2. Depreciation and amortization of fixed assets

(1) Property, plant and equipment

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

(2) Intangible assets

Amortization of intangible assets is calculated by the straight-line method. Amortization of software for internal use is calculated by the straight-line method over the estimated useful lives (5 years).

3. 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 the differences arising from the translation are included in the statement of operations.

4. Basis for reserves and allowances

(1) Allowance for doubtful accounts

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

(2) Accrued warranty costs

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

(3) Accrued retirement benefits

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

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

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

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

5. Other significant accounting policies

(1) Lease transactions

Non-cancelable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.

(2) Significant hedge accounting method

1) Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred.

2) Hedging instruments and hedged items

- Hedging instruments—Derivative transactions
- Hedged items—Mainly forecasted sales denominated in foreign currencies.

3) Hedging policy

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

4) Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of forecasted sales are substantially same as those of hedging instruments.

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."

(3) Consumption Tax

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

6. Accounting changes

(1) Accounting Standard for Share-based Payment

Effective April 1, 2006, the Company adopted a new accounting standard for share-based payment and related implementation guidance.

The effect of this change was to decrease operating income, ordinary income and income before income taxes by 1,037 million yen from the corresponding amounts which would have been recorded if the previous method had been followed.

(2) Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet and related implementation guidance.

Shareholders' equity under the previous presentation method amounted to 1,772,702 million yen as of March 31, 2007.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment amounted to 1,264,472 million yen.
   (The above amount includes depreciation of leased assets: 91,651 million yen.)

2. Guarantees given and other items
   - Guarantees given

Employees	146,101 million yen
Nissan North America, Inc.	86,985 million yen
Nissan Motor Manufacturing (UK) Ltd.	10,682 million yen
Others	13,573 million yen
Total	257,342 million yen

   - Commitments to provide guarantees of indebtedness

Hibikinada Development Co., Ltd.	1,063 million yen

   - Keepwell Agreements
     provided for the following companies

Nissan Motor Acceptance Corp.	2,360,683 million yen
Nissan Financial Services Co., Ltd.	1,148,431 million yen
Nissan International Finance (Netherlands) B.V.	2,157 million yen
Total	3,511,272 million yen

3. Monetary receivables from and payables to subsidiaries and affiliates:

Short-term monetary receivables:	836,729 million yen
Short-term monetary payables:	280,231 million yen
Long-term monetary payables:	7,578 million yen

4. Balance and exercise price of warrants issued with bonds (as of the balance sheet date)

	Balance of warrants	Exercise price
Euro Yen due 2008 bonds with warrants	29,108 million yen	880 yen

Notes to Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates

Sales to subsidiaries and affiliates:	3,007,142 million yen
Purchases from subsidiaries and affiliates:	1,347,185 million yen
Transactions with subsidiaries and affiliates other than operating transactions:	18,542 million yen

Note to Non-Consolidated Statement of Changes in Net Assets

Treasury stock	Common stock	100,299 thousand shares

Note relating to deferred tax assets and liabilities

Deferred tax assets mainly consisted of those deriving from accrued retirement benefits, accrued warranty costs and others.
Deferred tax liabilities mainly consisted of those deriving from reserves under special Taxation Measures Law, unrealized holding gain on securities and others.

Valuation allowance provided against deferred tax assets amounted to 32,693 million yen.

Note relating to related party transaction

Subsidiaries, affiliates and others

(in millions of yen)

Attribute	Name	Percentage of voting right held by the company	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Subsidiary	Nissan Motor Acceptance Corp.	Ownership Directly100%	• Providing sales finance services for vehicles manufactured by the company	Guarantees given and other (Keepwell Agreement)	2,360,683	—	—
Subsidiary	Nissan Financial Services Co., Ltd.	Ownership Directly100%	• Lease of car	Guarantees given and other (Keepwell Agreement	1,148,431	—	—
Subsidiary	Nissan North America, Inc.	Ownership Directly100%	• Purchasing products manufactured by NML • Concurrent positions held by directors	Sales Guarantees given	997,704 86,985	Trade accounts receivable —	62,885 —
Subsidiary	Nissan Finance Co., Ltd.	Ownership Directly100%	• Making loans to domestic subsidiaries	Making loans	525,070	Short-term loans receivable	525,070
Subsidiary	Nissan Shatai Co., Ltd.	Ownership Directly43.09%	• Manufacturing certain products on behalf of NML	Purchases	351,342	Advanced paid Trade accounts payable Accrued expenses	9,224 83,533 2,688
Subsidiary	Autech Japan. Inc.	Ownership Directly100%	• Purchasing limited edition automobiles from NML	Sales	98,899	Trade accounts receivable	39,947

Terms and conditions of transactions and policies on deciding terms and conditions

(1) Sales of products and parts are decided considering market prices and total costs.

(2) Purchase of products is decided after investigation and negotiation considering bidding prices, existing prices, and market price of our products.
Product supplies of the contract production are offset by the purchase, and after negotiation, the amount is decided based on the price calculated using the cost.

Others

(1) The Company provides guarantees to its subsidiaries.
In addition, the company provides keepwell agreement, as a part of guarantee, in order to enhance the credits.

(2) The Company finances the working capital of its group companies through Nissan Finance Co., Ltd.
The interest rate is determined by reference to market rates.

Notes to Amounts per share

Net assets excluding share subscription rights per share	401.03 yen
Basic net income per share	18.01 yen

Other

Not applicable

Amounts less than one million yen have been omitted.

10. Copy of Consolidated Independent Auditors' Report

Report of Independent Auditors

May 11, 2007

To the Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon

/s/ Yasunobu Furukawa (seal)
Designated and Engagement Partner
Certified Public Accountant

/s/ Kenji Ota (seal)
Designated and Engagement Partner
Certified Public Accountant

/s/ Yoji Murohashi (seal)
Designated and Engagement Partner
Certified Public Accountant

/s/ Takeshi Hori (seal)
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 444, Section 4 of the Company Law, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2006 through March 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Nissan Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2007 in conformity with accounting principles generally accepted in Japan.

Supplementary Information:

(1) As described in Note 6 of Significant Accounting Policies, effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet.

(2) As described in Note 6 of Significant Accounting Policies, until last fiscal year, the operating results of 55 consolidated subsidiaries were consolidated by using their financial statements as of the their respective fiscal year ends. Effective this fiscal year, 22 consolidated subsidiaries have been consolidated by using their financial statements as of the parent fiscal year end which were prepared solely for consolidation purposes. In addition, 33 consolidated subsidiaries have also changed their fiscal year end to March 31.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

11. Copy of Independent Auditors' Report

Report of Independent Auditors

May 11, 2007

To the Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon

/s/ Yasunobu Furukawa (seal)
Designated and Engagement Partner
Certified Public Accountant

/s/ Kenji Ota (seal)
Designated and Engagement Partner
Certified Public Accountant

/s/ Yoji Murohashi (seal)
Designated and Engagement Partner
Certified Public Accountant

/s/ Takeshi Hori (seal)
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 436, Section 2, Paragraph 1 of the Company Law, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Nissan Motor Co., Ltd. (the "Company") applicable to the 108th fiscal year from April 1, 2006 through March 31, 2007. These financial statements and the related supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit.

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

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Nissan Motor Co., Ltd. applicable to the 108th fiscal year ended March 31, 2007 in conformity with accounting principles generally accepted in Japan.

Supplementary Information:

As described in Note 6 of Significant Accounting Policies, effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet.

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

12. Copy of Audit Report

Audit Report

Regarding the performance of duties by directors for the 108th business year beginning April 1, 2006, and ending March 31, 2007, the Board of Statutory Auditors hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective statutory auditors, as follows:

1. Methods and Contents of Audit by Statutory Auditors and the Board of Statutory Auditors

The Board of Statutory Auditors determined, among other things, the auditing policies; received reports regarding the status of execution of audit and its results from each statutory auditor; received reports from directors, other relevant personnel and independent auditors concerning the performance of their duties; and, when necessary, requested them to provide explanations.

In accordance with the statutory auditors' auditing standards specified by the Board of Statutory Auditors and in conformity with auditing policies, each statutory auditor ensured to communicate effectively with directors, employees in the internal audit division and other relevant personnel; made efforts to collect necessary information and improve auditing environment; attended the meetings of the Board of Directors and other important meetings; received reports from directors, employees and other relevant personnel regarding the performance of their duties; requested them to provide explanations when necessary; examined important authorized documents and associated information; and studied the operations and financial positions at the head office and principal offices. Moreover, the statutory auditors monitored and verified the contents of resolutions of the Board of Directors regarding the enhancement of systems required to be implemented to ensure the proper operations of corporations under Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Corporate Law including a system to ensure that the performance of duties by directors is in compliance with the laws, regulations and the Articles of Incorporation, and the status of the system (internal control system) implemented according to such resolutions. As for the subsidiaries, the statutory auditors ensured to communicate effectively with directors, statutory auditors and other personnel of subsidiaries and to exchange information therewith, and, when necessary, received reports from the subsidiaries regarding their business. Based on the above methods, the statutory auditors examined the business report and supplementary schedules for this business year.

In addition, the statutory auditors monitored and verified whether the independent auditors were maintaining their independence and properly performing audits; received reports from the independent auditors on the performance of their duties; and, when necessary, requested them to provide explanations. The statutory auditors also received from the independent auditors a notice confirming that "the system to ensure proper performance of duties" (matters stipulated in each paragraph of Article 159 of Corporate Calculation Regulations) was properly implemented according to the "Standards on Quality Control for Audit" (October 28, 2005, Business Accounting Deliberation Council) and other relevant standards, and, when necessary, requested them to provide explanations. Based on the aforementioned methods, the statutory auditors examined the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to non-consolidated financial statements) and supplementary schedules as well as consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements).

2. Audit Results

(1) Audit results concerning business reports, etc.

1. In our opinion, the business reports and supplementary schedules fairly represent the Company's condition in accordance with the related laws and regulations, and the Articles of Incorporation.
2. With regard to the performance of duties by the directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation.
3. In our opinion, resolutions of the meetings of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, we have found no matters to remark regarding the performance of duties by directors in relation to the internal control system.

(2) Audit results concerning non-consolidated financial statements and supplementary schedules

In our opinion, the methods and results employed and rendered by the independent auditors, Ernst & Young ShinNihon, are fair and reasonable.

(3) Audit results concerning consolidated financial statements

In our opinion, the methods and results employed and rendered by the independent auditors, Ernst & Young ShinNihon, are fair and reasonable.

May 15, 2007

Nissan Motor Co., Ltd.	Board of Statutory Auditors
Full-time Statutory Auditor	Hisayoshi Kojima
Full-time Statutory Auditor (Outside Statutory Auditor)	Takeo Otsubo
Full-time Statutory Auditor (Outside Statutory Auditor)	Toshiyuki Nakamura
Outside Statutory Auditor	Haruo Murakami

—That's all.—

Shareholder Memo

Fiscal Year-End	March 31
Record Date	March 31 (for interim dividends: September 30)
General Shareholders' Meeting	June
Proxy Record Date	March 31
Transfer Agent and Register	The Chuo Mitsui Trust & Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku Tokyo 105-8574 Japan
Business Office of Transfer Agent	The Chuo Mitsui Trust & Banking Co., Ltd. Stock Transfer Agency Department 8-4, Izumi 2-chome, Suginami-ku Tokyo 168-0063 Japan Tel: 0120-78-2031
Other Offices of Transfer Agent	▪ Any domestic branch of The Chuo Mitsui Trust & Banking Co., Ltd. ▪ The head office and branches of Japan Securities Agent Co., Ltd.
Stock Transaction Commissions	There is no charge for the transfer of shares. There is a ¥210 per-certificate charge (include consumption tax) for the issue of new shares.

Company Name:	NISSAN MOTOR CO., LTD.
Registered Head Office:	2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa 220-8623 Japan
Corporate Headquarters:	17-1, Ginza 6-chome, Chuo-ku, Tokyo 104-8023 Japan Tel: (03)3543-5523

Corporate Information Website

http://www.nissan-global.com/EN/HOME/

Investor Relations
http://www.nissan-global.com/EN/IR/