

## NISSAN MOTOR ACCEPTANCE CORPORATION

### Incorporation and Status

Nissan Motor Acceptance Corporation (“*NMAC*”) was incorporated on 6th November, 1981 in the State of California. *NMAC* is a wholly-owned subsidiary of Nissan North America, Inc. (“*NNA*”), a California corporation. *NMAC*’s ultimate parent is Nissan Motor Co., Ltd. (the “*Parent*” or “*Nissan*”), a Japanese corporation.

### Purpose and Operations

*NMAC* has been established as a captive finance company to support the vehicle sales activity of *NNA*. *NMAC* purchases retail installment obligations from dealers in connection with new and used vehicles for financing arrangement. *NMAC* also provides financing to dealers for the acquisition of vehicles for sale, working capital, and dealership mortgage. All holders of any indebtedness for borrowed money represented by investment securities issued by *NMAC* are third party beneficiaries of the Keepwell Agreement dated as of 1st June, 1990 between Nissan and *NMAC*.

The principal executive offices of *NMAC* are located at 990 W 190th St., Torrance, California 90502.

### Subsidiaries

Nissan-Infiniti LT, a Delaware statutory trust (“*NILT*”), *NILT* Trust, a Delaware statutory trust (“*NILT Trust*”), Nissan Auto Leasing Corporation, a Delaware corporation (“*NALC*”), Nissan Auto Receivables Corporation, a Delaware corporation (“*NARC*”), Nissan Auto Receivables Corporation II, a Delaware corporation (“*NARC II*”), Nissan Warehouse LLC, a Delaware limited liability company (“*NWL*”), Nissan Auto Leasing LLC II, a Delaware limited liability company (“*NALL II*”), Nissan Auto Receivables Finance Inc., a Delaware corporation (“*NARF*”) and Nissan Wholesale Receivables Corporation II, a Delaware corporation (“*NWRC II*”), are wholly owned direct or indirect subsidiaries of *NMAC*. *NARC*, *NARC II* and *NARF* were established in 1991, 2000 and 2002, respectively, for the purpose of facilitating the securitisation and financing of retail receivables. *NWRC II* was incorporated in 2003 for the purpose of facilitating the securitisation and financing of dealer floorplan receivables. *NILT*, *NALC* and *NALL II* were established in 1998, 1999 and 2001, respectively, for the purpose of facilitating the securitisation and financing of leases and leased vehicles. *NILT Trust* was established in 1998 for the sole purpose of acting as the undivided trust interest beneficiary of *NILT*. *NWL* was established in 2001 for the purpose of facilitating the securitisation and financing of retail installment contracts and leased vehicles.

*NMAC* also owns a 60% interest in each of *NR F. Mexico, S.A. DE C.V.* (“*NRFM*”) and *NR Wholesale Mexico, S.A. DE C.V.* (“*NRWM*”). *NRFM* was established in July, 2003 and provides consumer financing in support of Nissan vehicles sold in Mexico. *NRWM* was established in July, 2003 and provides commercial financing in support of Nissan vehicles sold in Mexico.

### Management

*NMAC*’s Board of Directors is constituted as follows:-

Norio Matsumura	Director
James C. Morton, Jr.	Director
Steve R. Lambert	Director
Akira Sato	Director

Mr. Matsumura and Mr. Sato are employed on a full-time basis by Nissan. Mr. Morton is employed by *NNA*.

The business address of Mr. Matsumura and Mr. Sato is 17-1, Ginza 6-chome, Chuo-ku, Tokyo, Japan. The business address of Mr. Morton is 18501 South Figueroa St., Gardena, California 90248. The business address of Mr. Lambert is 990 W 190th St., Torrance, California 90502.

## Capitalisation

The following table sets out the unaudited capitalisation of NMAC as at 30th September, 2003, which has been prepared in accordance with accounting principles generally accepted in the United States of America. Except as noted below, there has been no material change to the capitalisation of NMAC as of the date of this Offering Memorandum other than changes in the level of NMAC's debt outstanding, which in the normal course of business may vary significantly from time to time.

### NISSAN MOTOR ACCEPTANCE CORPORATION CONSOLIDATED CAPITALISATION Unaudited as at 30th September, 2003

	30th September, 2003 (Thousands of U.S. dollars)
<b>Debt:</b>	
Short Term obligation	10,141,544
Current portion of term loans & securitized debt	3,925,766
Long Term obligations & securitized debt	4,229,750
Total Debt	<u>18,297,060</u>
<b>Stockholder's equity:</b>	
Common Stock (\$100 par value) 8,000,000 share authorized; 4,998,163 shares issued and outstanding at 30th September, 2003	499,816
Additional Paid-in capital	164,000
Retained Earnings	1,286,744
Accumulated other comprehensive income	(2,357)
Total Equity	<u>1,948,203</u>
<b>Total Capitalisation</b>	<u>20,245,263</u>

Note: NMAC has no cum warrants or convertible notes outstanding.

## Summary financial information

The following summary financial information was extracted without material adjustment from the audited financial statements of NMAC, which were prepared in accordance with accounting principles generally accepted in the United States of America, for the years ended 31st March, 2003 and 2002.

### NISSAN MOTOR ACCEPTANCE CORPORATION CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Audited for years ended	
	31st March, 2003 U.S.\$'000	2002 U.S.\$'000
<b>REVENUES:</b>		
Finance revenues:		
Leasing	1,185,325	1,095,166
Retail	751,499	603,024
Wholesale	56,016	52,413
Loans to dealers	18,091	15,387
Total finance revenues	<u>2,010,931</u>	<u>1,765,990</u>
Other income—net	14,231	22,686
Total revenues	<u>2,025,162</u>	<u>1,788,676</u>
<b>EXPENSES:</b>		
Interest—net	456,249	537,979
General and administrative	137,239	134,358
Depreciation on leased vehicles	798,550	696,903
Provision for losses	251,893	198,862
Total expenses	<u>1,643,931</u>	<u>1,568,102</u>
<b>INCOME BEFORE INCOME TAXES</b>	<u>381,231</u>	<u>220,574</u>
<b>INCOME TAXES</b>	<u>147,535</u>	<u>87,831</u>
<b>NET INCOME</b>	<u>233,696</u>	<u>132,743</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Unrealised (loss)/gain on investment arising during the year, net of tax effect of \$177 thousand and \$(677 thousand) in 2003 and 2002, respectively	(295)	1,210
Reclassification of unrealised gains from repurchase of retained subordinated interest, net of tax effect of \$1,226 thousand and \$989 thousand in 2003 and 2002, respectively	<u>(2,063)</u>	<u>(1,769)</u>
Change in unrealised gain on investments	<u>(2,358)</u>	<u>(559)</u>
Unrealised loss on minimum pension liability included in deferred charges and other assets, net of tax effect of \$1,124 thousand	<u>(1,892)</u>	<u>0</u>
Total other comprehensive loss, net of tax	<u>(4,250)</u>	<u>(559)</u>
<b>COMPREHENSIVE INCOME</b>	<u>229,446</u>	<u>132,184</u>

**NISSAN MOTOR ACCEPTANCE CORPORATION  
CONSOLIDATED BALANCE SHEET**

	Audited as at 31st March,	
	2003	2002
	U.S.\$'000	U.S.\$'000
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	33,358	49,843
RESTRICTED CASH	820,960	731,223
INVESTMENTS	150,338	177,324
FINANCE RECEIVABLES—net:		
Retail receivables	2,741,216	2,171,224
Pledged retail receivables	8,768,996	7,034,454
Wholesale receivables	1,961,957	1,363,952
Loans to dealers	460,656	310,880
Accounts receivable—net	49,629	50,800
Total finance receivables	13,982,454	10,931,310
Allowance for credit losses	(305,932)	(277,120)
Total finance receivables	13,676,522	10,654,190
INVESTMENT IN LEASED VEHICLES—net:		
Leased vehicles	1,600,787	1,111,246
Pledged leased vehicles	3,274,477	3,593,788
Allowance for leased vehicle impairment, credit losses and residual value losses	(410,909)	(372,066)
Total investment in leased vehicles—net	4,464,355	4,332,968
RECEIVABLES FROM RELATED PARTIES	283,062	326,608
PROPERTY—net of accumulated depreciation and amortisation of \$28,644 thousand and \$27,220 thousand at March 31, 2003 and 2002, respectively	15,607	5,834
DEFERRED CHARGES AND OTHER ASSETS	270,444	209,764
<b>TOTAL ASSETS</b>	<u>19,714,646</u>	<u>16,487,754</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>LIABILITIES:</b>		
<b>BORROWINGS PAYABLE WITHIN ONE YEAR:</b>		
Short-term obligations	8,171,722	6,358,412
Current portion of term loans	60,000	401,867
Current portion of securitised debt	3,744,043	2,978,942
Total borrowings payable within one year	11,975,765	9,739,221
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	205,766	217,814
DEFERRED INCOME TAXES	769,896	552,239
PAYABLES TO RELATED PARTIES	12,197	11,325
<b>BORROWINGS PAYABLE AFTER ONE YEAR:</b>		
Term loans	1,019,665	1,133,034
Securitised debt	3,522,864	2,860,855
Total borrowings payable after one year	4,542,529	3,993,889
DEFERRED INCOME AND OTHER LIABILITIES	384,981	379,200
Total liabilities	<u>17,891,134</u>	<u>14,893,688</u>
<b>COMMITMENTS &amp; CONTINGENCIES</b>		
<b>STOCKHOLDER'S EQUITY:</b>		
Common stock, (\$100 par value; 8,000,000 shares authorised; 4,998,163 shares outstanding at March 31, 2003 and 2002)	499,816	499,816
Additional paid-in capital	164,000	164,000
Retained earnings	1,157,335	923,639
Accumulated other comprehensive income	2,361	6,611
Total stockholder's equity	<u>1,823,512</u>	<u>1,594,066</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<u>19,714,646</u>	<u>16,487,754</u>