

# FINANCIAL RESULTS OF NISSAN MOTOR CO., LTD.

< FOR THE FISCAL YEAR ENDING MARCH 31, 2000 >

## TABLE OF CONTENTS

### - CONSOLIDATED-

1.THE GENERAL SITUATION OF THE CORPORATE GROUP .....	1
2.MANAGEMENT STRATEGY AND DIRECTION .....	2
3.FINANCIAL RESULTS AND OUTLOOK .....	3
4.CONSOLIDATED FINANCIAL STATEMENTS .....	4 - 11
5.SEGMENT INFORMATION .....	12 - 13
6.PRODUCT AND SALES .....	14
7.MARKET VALUE INFORMATION FOR SECURITIES .....	15

### - NON-CONSOLIDATED -

8. VEHICLE PRODUCTION .....	16
9. NON-CONSOLIDATED SALES BY PRODUCT LINE .....	16
10. FINANCIAL STATEMENTS .....	17- 22
11.PROPOSAL FOR APPROPRIATION OF RETAINED LOSSES .....	23
12.DIVIDEND POLICY .....	23
13.STATUS OF DERIVATIVE TRANSACTIONS .....	24

# 1.The general situation of the corporate group

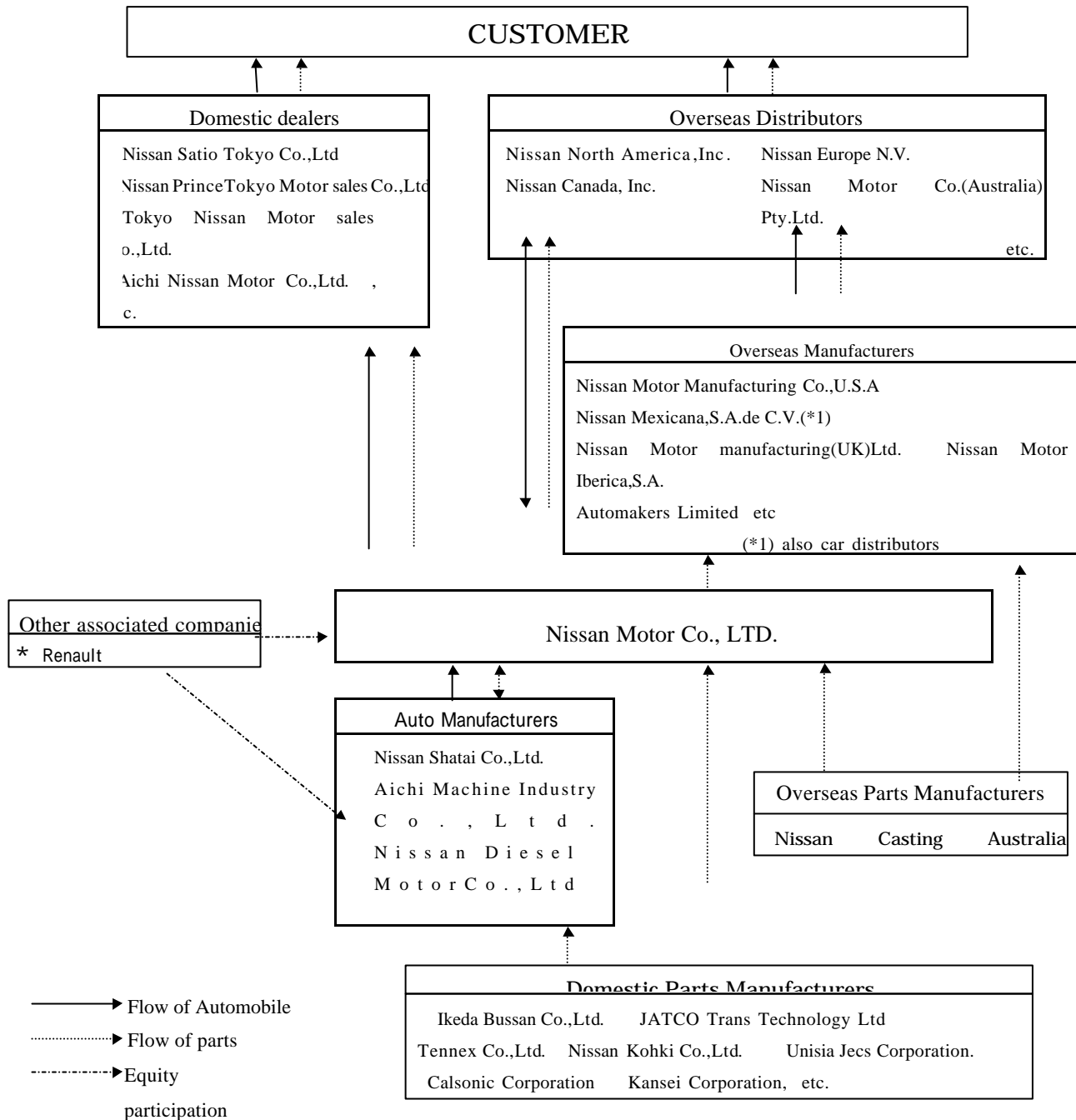
The Nissan group consists of Nissan Motor Co.,Ltd (the company), other associated companies, subsidiaries and affiliates.

Its main business are sales and production of vehicles and parts. As other divisions for products and services, the company has Aerospace division, Industrial machinery division and Marine division. And also the company develops the various service accompanying its main business, such as logistics, and sales finance.

In March 1999, the company and Renault signed a global alliance. This resulted in a capital injection of 585.7billion yen by Renault which holds 36.8% of Nissan's stock.

As part of the transaction, Nissan Europe, one of the company's consolidated subsidiaries, sold all of its five European sales finance subsidiaries to Renault Credit International which is a subsidiary of Renault.

< Network of automobile division >



\* Sales finance companies are included separately in " Domestic Dealers" and " Overseas Distributors" categories in the above chart.  
 \* There are other associated companies, which are Vantec Corporation, Nissan finance Co,Ltd., Nissan Trading Co., Ltd., Nissan Real Estate Development to support distribution and service. Some other associated companies are operating in the business of Forklift, Marine, and aerospace industry. means Affiliates \* means other associated company means subsidiaries of which the company's Group's shareholding does not exceed 50% Consolidated subsidiaries do not have marks

## 2. Management strategy and direction

In the current evolving world economy and tightening industry conditions, we are setting our target to return Nissan on the track of lasting the profitable growth. We have begun implementing the Nissan Revival Plan and during the next three years will utilize the new global alliance with Renault to achieve sustained profitable growth.

### 1) Nissan Revival Plan

On Oct. 18, 1999, Nissan announced a far reaching recovery plan that is designed to achieve lasting and profitable growth for Nissan worldwide. The Nissan Revival Plan combines initiatives to grow Nissan's business and market presence and reduce costs by 1 trillion Yen and net debt from 1.4 trillion Yen to 700 billion Yen by FY2002 with the following 3 major commitments.

(3 Commitments in NRP)

- Return to break-even in net profit at the end of March 2001.
- Reduce the interest bearing debt in automobile business by 50% to 700 billion Yen
- Achieve 4.5% operating profit to net sales at the end of March 2003.

The company will pursue a policy of profitable growth supported by the introduction of 22 new products over the next three years supported by the reorganized global structure. The 1 trillion Yen cost reduction will be achieved in three major areas: global purchasing; manufacturing; and sales, general and administrative expenses. The aim of these cuts is to shift resources from non-performing assets to sustain profitable growth.

### 2) Alliance with Renault to achieve profitable growth

On March 27, 1999, Renault and Nissan signed a global partnership agreement to strengthen Nissan's financial position and achieve profitable growth for both partners. A transnational organization defines the global strategy for a profitable growth of the new entity and promote all synergies between the two companies, while respecting the brand identities of both partners.

### 3. Financial results and outlook

#### 1. FY1999 results

The company reported a consolidated operating profit of 82.6 billion Yen (\$ 778.9 million, Euro 809.5 million), a decrease of 24.8%, with net sales of 5,977.1 billion Yen (\$ 56.39 million, Euro 58.60 million), a decrease of 9.2% compared to the previous year. This decline was mainly due to the negative impact of the appreciation of the Yen and to lower sales, in particular in the domestic market.

Consolidated net loss reached 684.4 billion Yen (\$ 6.46 billion, Euro 6.71 billion). This loss is the result of extraordinary non-recurring charges of 711.1 billion Yen (\$ 6.71 billion, Euro 6.97 billion) relating to the change in the accounting of pensions and retirement benefits reserve, provisions for plant closures and expenses related to the Nissan Revival Plan, the change in the calculation method of provisions relating to product warranties to bring the accounts in line with internationally accepted accounting practices.

#### 2). Outlook for FY2000

The outlook for fiscal year 2000 contains a number of economic and market risks. In Japan, while overall economic activity may have stabilized, total demand for passenger cars and light commercial vehicles remains weak. Furthermore, the Yen and Pound Sterling may continue their adverse rise compared to the Euro thereby exerting downward pressure on operating margins. Finally, interest rates, which are rising in Europe and the United States, may begin to follow the same pattern in Japan.

However, there are numerous opportunities for the new fiscal year. The Nissan Revival Plan which is now fully deployed in the company is having a faster and deeper impact than planned. Nissan will also further leverage the Alliance with Renault in the areas of purchasing platform co-development and international growth. Finally, the dollar's level versus the Yen has been above fiscal year 2000's business plan assumption.

Nissan's financial forecast for the year shows an operating profit of 110 billion Yen, an ordinary profit of 40 billion Yen and a net profit of 60 billion Yen..”

## 4. CONSOLIDATED FINANCIAL STATEMENTS

### 1) Consolidated Statements of Income and Retained Earnings

for the fiscal years ended March 31, 2000 and 1999

[in millions of Yen, ( ) indicates loss or minus]

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

	4/1/99 - 3/31/00	4/1/98 - 3/31/99	Change	
			Amount	%
NET SALES	5,977,075	6,580,001	(602,926)	( 9.2% )
COST OF SALES	4,570,243	4,921,619	(351,376)	
Gross profit before adjustment to installment sales	1,406,832	1,658,382	(251,550)	( 15.2% )
ADJUSTMENT TO INSTALLMENT SALES	2,010	197	1,813	
Gross profit	1,408,842	1,658,579	(249,737)	( 15.1% )
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,326,277	1,548,857	(222,580)	
Operating income	82,565	109,722	(27,157)	( 24.8% )
NON-OPERATING INCOME	61,907	116,302	(54,395)	
Interest and dividends income	13,415	19,328	(5,913)	
Other non-operating income	48,492	96,974	(48,482)	
NON-OPERATING EXPENSES	146,114	201,561	(55,447)	
Interest expense and discount charges	73,979	102,920	(28,941)	
Equity in losses of unconsolidated subsidiaries & affiliates	19,033	13,795	5,238	
Other non-operating expenses	53,102	84,846	(31,744)	
Ordinary income	(1,642)	24,463	(26,105)	-
EXTRAORDINARY GAINS	38,622	30,407	8,215	
EXTRAORDINARY LOSSES	749,634	55,400	694,234	
Amortization of prior service costs of pension	275,876	0	275,876	
Provision for losses on business restructuring	232,692	0	232,692	
Provision for warranty costs	48,493	0	48,493	
Other extraordinary losses	192,573	55,400	137,173	
(Loss) Income before income taxes	(712,654)	(530)	(712,124)	-
INCOME TAXES	40,503	14,329	26,174	
INCOME TAXES DEFERRED	(30,589)	11,757	(42,346)	
MINORITY INTEREST	(38,205)	1,098	(39,303)	
NET (LOSS) INCOME	(684,363)	(27,714)	(656,649)	-
PRIOR YEAR ADJUSTMENT FOR ADOPTION OF TAX-EFFECT	(98,568)	0	(98,568)	
RETAINED EARNINGS AT BEGINNING OF THE YEAR	653,433	681,320	(27,887)	
ADDITIONS OTHER THAN NET INCOME	0	17,671	(17,671)	
DEDUCTIONS	107,803	17,844	89,959	
RETAINED EARNINGS AT END OF THE YEAR	(237,301)	653,433	(890,734)	

## 2) Consolidated Balance Sheets

as of March 31, 2000 and March 31, 1999

[ in millions of Yen, ( ) indicates loss or minus]

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

	as of 3/31/00	as of 3/31/99	Change
[ASSETS]			
CURRENT ASSETS	2,824,563	3,005,430	(180,867)
Cash	483,473	571,959	(88,486)
Notes & accounts receivable	492,380	500,353	(7,973)
Finance receivables	695,531	516,015	179,516
Marketable securities	260,252	398,469	(138,217)
Inventories	547,351	607,258	(59,907)
Deferred income taxes (current)	106,286	118,997	(12,711)
Other current assets	239,290	292,379	(53,089)
FIXED ASSETS	3,351,095	3,600,901	(249,806)
Property, plant and equipment	2,848,004	3,029,373	(181,369)
Intangible assets	45,104	31,779	13,325
Investment securities	218,814	329,857	(111,043)
Deferred income taxes (non-current)	27,792	0	27,792
Other fixed assets	211,381	209,892	1,489
TRANSLATION ADJUSTMENTS	365,526	311,230	54,296
<b>TOTAL ASSETS</b>	<b>6,541,184</b>	<b>6,917,561</b>	<b>(376,377)</b>
[LIABILITIES]			
CURRENT LIABILITIES	2,980,946	3,818,943	(837,997)
Notes & accounts payable	610,444	630,279	(19,835)
Short-term borrowings	1,316,560	2,025,262	(708,702)
Other current liabilities	1,053,942	1,163,402	(109,460)
LONG-TERM LIABILITIES	2,570,892	1,822,146	748,746
Bonds and debentures	909,939	806,866	103,073
Long-term borrowings	745,671	784,730	(39,059)
Deferred income taxes (non-current)	166,345	83,133	83,212
Long-term accrued pension cost	222,981	0	222,981
Accrual for losses on restructuring	164,590	0	164,590
Reserve for warranty claims	152,342	0	152,342
Other long-term liabilities	209,024	147,417	61,607
<b>TOTAL LIABILITIES</b>	<b>5,551,838</b>	<b>5,641,089</b>	<b>(89,251)</b>
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	59,990	21,877	38,113
[SHAREHOLDERS' EQUITY]			
COMMON STOCK	496,605	203,755	292,850
CAPITAL SURPLUS	690,262	397,412	292,850
RETAINED EARNINGS	(237,301)	653,433	(890,734)
TREASURY STOCK	(4)	(5)	1
TREASURY STOCK OWNED BY SUBSIDIARIES	(20,206)	0	(20,206)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>929,356</b>	<b>1,254,595</b>	<b>(325,239)</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS &amp; SHAREHOLDERS' EQUITY</b>	<b>6,541,184</b>	<b>6,917,561</b>	<b>(376,377)</b>

Note.1 The amount of short-term borrowings includes that of current maturities of long-term borrowings, bonds, debentures and commercial paper.

Note. 2 The amount of reserve for warranty claims, which had been included "Other current liabilities" for fiscal year ended March 1999 was 118,210 million yen.

### 3) Consolidated Statements of Cash Flows

(yen in million)

	FY1999 (99/4-00/3)
Operating activities	
Income before income taxes	(712,654)
Depreciation and amortization	434,553
Unrealized loss on securities	29,827
Interest and dividend income	(13,415)
Interest expense	119,176
Loss on disposals of property, plant and equipment	29,682
Inventories	43,146
Amortization of prior service costs of pension	222,981
Provision for losses on business restructuring	164,590
Others	113,518
Sub-total	431,404
Interest and dividends income	11,569
Interest payment	(121,607)
Income tax expenses and others	(29,275)
Total	292,091
Investing activities	
Decrease in short-term investments	57,540
Purchases of investment securities	(25,682)
Proceeds from sales of investment securities	57,825
Decrease of long-term loans	5,269
Increase of long-term loans	(7,439)
Purchases of property, plant and equipment	(238,347)
Proceeds from sales of property, plant and equipment	85,859
Increase in leased assets	(153,793)
Stock sales accountable for changes of consolidation scope	40,779
Additional purchases of consolidated subsidiary's stocks	(10,237)
Others	7,814
Total	(180,412)
Financing activities	
Decrease in short-term borrowings	(831,150)
Increase in long-term borrowings	213,909
Increase in bond and debentures	295,313
Repayment or redemption of long-term debt	(563,055)
Proceeds from issue of new shares	585,700
Repayment for lease liabilities	(18,460)
Cash dividends paid	(340)
Total	(318,083)
Effect of exchange rate changes on cash and cash equivalent	(30,567)
Decrease in cash and cash equivalent	(236,971)
Cash and cash equivalent at beginning of the year	695,265
Increase by newly consolidated subsidiaries	33,668
Decrease by omitted subsidiaries	(1,254)
Cash and cash equivalent at end of the year	490,708

## **4) Basis of Consolidated Financial Statements**

### **1. Number of Consolidated Subsidiaries and Equity Method Applied Companies**

(1) Consolidated subsidiaries ; 342 companies ( Domestic 244, Overseas 98)

Domestic Car Dealers, Parts Distributors

Aichi Nissan Motor Co., Ltd, Yokohama Nissan Motor Co., Ltd  
Nissan Satio Tokyo Co., Ltd, Nissan Prince Tokyo Motor Sales Co., Ltd  
Nissan Tokyo Parts Sales Co., Ltd and other 199 companies

Domestic Parts Manufacturers

Nissan Shatai Co.,Ltd, Aichi Machine Industry Co., Ltd  
JATCO Trans Technology Ltd. and other 3 companies

Domestic Logistics & Services Companies

Nissan Trading Co., Ltd. Nissan Car Leasing Co., Ltd., Nissan Altia Co.,Ltd  
Vantec Corporation and other 30 companies

Overseas subsidiaries

Nissan North America Inc., Nissan Europe N.V.  
Nissan Motor Manufacturing (UK) Ltd.  
Nissan Mexicana, S.A. de C.V. and other 94 companies

Unconsolidated Subsidiaries ; 277 (Domestic 226, Overseas 51)

These 277 companies are excluded because the impacts of their financial data are immaterial on the company's consolidated financial statements.

(2) Equity Method Applied Companies

Unconsolidated subsidiaries; 28 (Domestic 14, Overseas 14)

Affiliates; 45 (Domestic 37, Overseas 8)

Domestic Nissan Diesel Motor Co., Ltd., Calsonic Corporation, Kansei Corporation,  
Unisia Jecs Corp. and other 47 companies

Overseas Yulon Motor Co., Ltd., Siam Nissan Automobile Co., Ltd. & Siam group 5  
companies, and other 15 companies

The 249 unconsolidated subsidiaries and 53 affiliates other than the above 415 companies are excluded from equity method applied companies because the impacts of their financial data are immaterial on NML consolidated net income and retained earnings.

(3) Status Changes of Companies in the Consolidation Scope

The status of the following companies in the company's consolidation were changed during the fiscal year ended March 31, 2000.

Included in consolidated subsidiaries; 157 (Nissan Shatai Co., Ltd. Aichi Machine Industry Co  
and other 155 companies)

Excluded from consolidated subsidiaries; 18 (Sendai Nissan Motor Co.,Ltd, 5 European Finance companies  
including Nissan Finance(GB)Ltd, and other 12 companies)

Included in equity method applied companies; 21 (Osaka Nissan co., Ltd, and other 20 companies)



Excluded from equity method; 49 (Nissan Shatai Co., Ltd. Aichi Machine Industry Co., Tokyo Nissan Motor Co., Ltd, TU-KA Cellular Tokyo INC and TU-KA group 8 companies and other 37 companies)

Nissan Shatai Co., and other companies have been newly consolidated as subsidiaries because these companies are regarded as controlled by Nissan group practically in spite of shareholding less than 50% judging from controlling power criteria effective in the new regulations. And other inclusion were raised by establishment of new companies and purchase of the companies' stocks. Exclusion were raised by sales of stocks and merger related to the companies.

## 2. Fiscal Year Period of Consolidated Subsidiaries

1) Fiscal year-end of the following consolidated subsidiaries is different from the date of consolidated financial Year-end (March 31).

December 31 : Nissan Mexicana, S.A. de C.V., Automakers Ltd. and other 61 overseas subsidiaries

January 31 : Yokohama Marinos Ltd.

2) As for above 64 consolidated subsidiaries, adjustments were made for significant differences attribute to transactions exercised during the different year-ends.

3) NISSAN FINANCE CO., Ltd., one of the consolidated subsidiaries, is consolidated with 13-months based financial data because this company changed year-end from February 28 to March 31 in FY1999.

## 3. Significant Accounting Policies

1) Valuation of assets

1. Securities

Marketable securities are stated principally at the lower of cost or market. The cost is determined by the moving average method.

Other securities are stated at cost.

2. Finished products

Finished products are determined principally by weighted average method.

3. Other inventories

Work in process and purchased parts included in raw materials & supplies are stated primarily at the lower of cost or market. The cost is determined by the weighted average method.

Raw materials & supplies other than purchased parts are stated at the lower of cost or market.

The cost is determined by the last-in, first-out method.

2) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment except building which had been acquired after April 1998 is computed by the declining-balance method. Depreciation of building which had been acquired after April 1998 is computed by the straight line method.

3) Accounting for Reserves and Allowances

### Accrued retirement allowances

Accrued retirement allowances are provided for employees' retirement payments at the amount which would be required to be paid if all employees covered by the Company's retirement benefit plans voluntarily terminated their employment at the balance sheet date, less the amounts expected to be covered by the qualified pension plan, plus the unamortized balance of the excess accrual which resulted from the introduction of the qualified pension plan.

The excess accrual has been reversed to income over a certain period.

### Reserve for Warranty Claims

Reserve for Warranty claims is provided to cover all service costs expected to be incurred during the entire warranty period under provisions of warranty contracts at the amount calculated referring to historical experience

#### Accrual for losses on business restructuring

Accrual for losses on business restructuring is provided for costs expected to be incurred associated with the business reform under the Nissan Revival Plan at the amount estimated in the reasonable way. This accrual is provided under the article 287-2 in the commercial law.

#### 4) Leases transactions

Noncancelable lease transactions are primarily accounted for as operating leases (whether such leases are classified as operating or finance leases) except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

#### 5) Consumption Tax.

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

#### 6) Accounting policies used by foreign consolidated subsidiaries

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

#### **4.Valuation of the assets and liabilities of a subsidiary**

In the elimination of investment and stock of subsidiaries, subsidiaries' net worth are fully evaluated by fair value including the portion owned by minority.

#### **5.Difference between cost and net equity of investments**

Differences, not significant in amount, between the cost and the underlying net equity of investments in consolidated subsidiaries and in unconsolidated subsidiaries and affiliates which are accounted for by the equity method are charged or credited to income in the year of acquisition and included in selling, general and administrative expenses.

#### **6.Appropriation of retained earnings**

Under the Commercial Code of Japan, the appropriation of retained earnings with respect to a given financial year is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial year. The accounts for that year do not, therefore, reflect such appropriation.

#### **7.Scope of cash and cash equivalents**

The scope of funds to be included in the consolidated statement of cash flows includes cash and cash equivalents. Cash represents cash on hand and liquid deposits. Cash equivalents include short-term investments mature within 3 months which are readily convertible into cash and exposed to insignificant risk of changes in value.

#### **8.Change of accounting method**

##### (1) Accounting for prior service cost of pension

Until March 31, 1999 the company accounted for expenses related to pension by expensing upon payment to pension plan.

Effective April 1, 1999, the company changed its method of accounting for prior service costs of pension to a method of recognizing it as expenses on an accrual basis when they are actually determined or payment becomes liable. The cumulative effect of this change as of April 1, 1999 amounted to 275,876 million yen and was charged to operations as an extraordinary loss for the fiscal year ended March 31, 2000.

The effect of this change was to increase operating income and ordinary income by 14,230 million yen and income before income taxes by 261,646 million yen and to decrease deferred taxes and minority interest by 14,057 million, 13,930 million. As a result, net income increased by 233,659 million yen.

(2) Accounting for accrued warranty costs

Until March 31, 1999, the company provided an accrual for warranty costs to cover service costs in the following fiscal year to fulfill its liability under provisions of warranty contracts referring to the historical experience. Effective April 1, 1999, the company changed its accounting method for warranty costs to provide an accrual to cover all service costs expected to be incurred during the entire warranty period (ranging from 3 to 5 years). The cumulative effect of this change as of April 1, 1999 amounted to 48,493 million yen and was charged to operations as an extraordinary loss for the fiscal year ended March 31, 2000.

The effect of this change was to increase operating income and ordinary income by 14,446 million yen and expanded loss before income taxes by 34,047 million yen and net loss by nearly the same amount. In this regard, accrued warranty costs, which had been included in current liabilities in the prior years' financial statements, is presented as a Long-term liability as of March 31, 2000.

(3) Impact on segment information

Due to the change above (1), operating expenses decreased by 14,230 million yen and operating income increased by nearly the same amount for "Japan" in the geographical segment information.

Due to the change above (2), operating expenses decreased by 14,446 million yen and operating income increased by nearly the same amount for "Japan" in the geographical segment information.

## **5) Note to Consolidated Financial Statements**

### **1.Contingent Liabilities**

At March 31, 2000, 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	249,778
2)Commitment to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	2,498
3)Letters of awareness to financial institutions regarding the indebtedness of certain affiliates	14,763
4)Letters of awareness to financial institutions to whom trade receivables were sold	66,348
5)The outstanding balance of installment receivables sold with recourse	205

### **2.Reserch and Development expense included in cost of good and overhead cost**

(Millions of yen)  
238,622

### **3.Cash Flows**

Reconciliation between cash and cash equivalents on consolidated statements of Cash Flows, and accounts on consolidated Balance sheet

(as of 3/31/2000)	(Millions of yen)
Cash	483,473
Fixed deposit (Mature in over 3 months) included in Cash	(19,806)
Cash equivalents in "Securities" account*	27,041
<hr/>	
Cash and cash equivalents	490,708

\*Commercial paper, Repos (repurchase agreements) and public and corporate bonds

#### 4. Lease transactions

[Lessee's Accounting] (unit:millions of yen)

(1) Finance lease (except those which are on balance sheets as their ownership is regarded as being transferred to lessee.)

1. Acquisition cost, accumulated depreciation and net book value of leased properties as of March 31, 2000.

	as of 3/31/00			as of 3/31/99		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery&Tools	75,338	39,200	36,138	87,074	73,793	13,281
Others	175,213	82,722	92,491	142,358	65,272	77,086
Total	250,551	121,922	128,629	229,432	139,065	90,367

2. Future lease payments subsequent to March 31,2000.

	as of 3/31/00			as of 3/31/99		
	Current	Non-current	Total	Current	Non-current	Total
	49,431	81,709	131,140	38,815	53,789	92,604

3. Lease payments, depreciation and interest expense during 4/1/99 - 3/31/00.

	4/1/99 - 3/31/00			4/1/98 - 3/31/99		
	Lease payments	Depreciation	Interest expenses	Lease payments	Depreciation	Interest expenses
	57,882	53,532	3,756	25,044	22,541	1,407

(2) Operating lease

Future lease payments subsequent to March 31,2000.

	as of 3/31/00			as of 3/31/99		
	Current	Non-current	Total	Current	Non-current	Total
	4,538	19,174	23,712	3,254	11,120	14,374

[Lessor's Accounting] (unit:millions of yen)

(1) Finance lease accounted for as operating lease.

1. Acquisition cost, accumulated depreciation and net book value of leased properties as of March 31, 2000.

	as of 3/31/00			as of 3/31/99		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery&Tools	101,063	48,822	52,241	99,876	46,620	53,256
Others	4,617	2,687	1,930	48	28	20
Total	105,680	51,509	54,171	99,924	46,648	53,276

2. Future lease income subsequent to March 31,2000.

	as of 3/31/00			as of 3/31/99		
	Current	Non-current	Total	Current	Non-current	Total
	21,805	35,599	57,404	22,004	35,808	57,812

3. Lease income, depreciation and interest portion equivalent during 4/1/99 - 3/31/00.

	4/1/99 - 3/31/00			4/1/98 - 3/31/99		
	Lease income	Depreciation	Finance income	Lease income	Depreciation	Finance income
	38,332	22,397	1,962	54,760	39,087	3,301

(2) Operating lease

Future lease income subsequent to March 31,2000.

	as of 3/31/00			as of 3/31/99		
	Current	Non-current	Total	Current	Non-current	Total
	119,748	104,124	223,872	208,495	137,973	346,468

## 5. SEGMENT INFORMATION

for the fiscal years ended March 31, 2000 and 1999

[in millions of Yen, ( ) indicates minus]

### 1. GEOGRAPHICAL SEGMENT INFORMATION

as of 3/31/00	Japan	North America	Europe	Other foreign countries	Total	Eliminations and other	Consolidated
<b>I. NET SALES</b>							
(1) Sales to third parties	2,626,866	2,217,775	876,931	255,503	5,977,075	—	5,977,075
(2) Internal transactions	1,328,623	22,499	13,216	2,766	1,367,104	(1,367,104)	0
<b>TOTAL</b>	<b>3,955,489</b>	<b>2,240,274</b>	<b>890,147</b>	<b>258,269</b>	<b>7,344,179</b>	<b>(1,367,104)</b>	<b>5,977,075</b>
<b>OPERATING EXPENSES</b>	<b>3,936,059</b>	<b>2,152,934</b>	<b>928,259</b>	<b>261,355</b>	<b>7,278,607</b>	<b>(1,384,097)</b>	<b>5,894,510</b>
<b>OPERATING INCOME</b>	<b>19,430</b>	<b>87,340</b>	<b>(38,112)</b>	<b>(3,086)</b>	<b>65,572</b>	<b>16,993</b>	<b>82,565</b>
<b>II. TOTAL ASSETS</b>	<b>5,288,346</b>	<b>1,674,905</b>	<b>405,638</b>	<b>70,420</b>	<b>7,439,309</b>	<b>(898,125)</b>	<b>6,541,184</b>

as of 3/31/99	Japan	North America	Mexico	Europe	Other foreign countries	Total	Eliminations and other	Consolidated
<b>I. NET SALES</b>								
(1) Sales to third parties	2,863,603	2,087,195	232,249	1,122,876	274,078	6,580,001	—	6,580,001
(2) Internal transactions	1,386,053	57,420	47,884	18,073	4,632	1,514,062	(1,514,062)	0
<b>TOTAL</b>	<b>4,249,656</b>	<b>2,144,615</b>	<b>280,133</b>	<b>1,140,949</b>	<b>278,710</b>	<b>8,094,063</b>	<b>(1,514,062)</b>	<b>6,580,001</b>
<b>OPERATING EXPENSES</b>	<b>4,227,059</b>	<b>2,121,544</b>	<b>270,794</b>	<b>1,115,931</b>	<b>274,735</b>	<b>8,010,063</b>	<b>(1,539,784)</b>	<b>6,470,279</b>
<b>OPERATING INCOME</b>	<b>22,597</b>	<b>23,071</b>	<b>9,339</b>	<b>25,018</b>	<b>3,975</b>	<b>84,000</b>	<b>25,722</b>	<b>109,722</b>
<b>II. TOTAL ASSETS</b>	<b>4,828,867</b>	<b>1,770,033</b>	<b>284,190</b>	<b>816,486</b>	<b>64,115</b>	<b>7,763,691</b>	<b>(846,130)</b>	<b>6,917,561</b>

Note: 1. Corporate assets included under the column heading "Eliminations and other" amount to 365,526 million yen at March 31, 2000, and 311,230 million yen at March 31, 1999 respectively, which represent translation adjustments.

2. Segmentation of countries and regions are based on geographical degree of proximity and relevancy of business activity.

3. Major countries and regions included in each segment for fiscal year ended March 31, 2000 are:

- (1) North America: U.S.A., Canada, Mexico
- (2) Europe: The Netherlands, Spain, U.K. and other European countries
- (3) Others: Asia, Oceania, Middle East

4. Change of Accounting method

(1) Impact on segment information

In FY99 "North America" segment includes Mexico which was independent segment by geographical degree of proximity until FY98.

During FY99, Nissan changed the organization to run the business of whole area of North America including Mexico as one market. Therefore the geographical segmentation was changed based on business relationship in addition to the degree of proximity to make the geographical segmentation consistent with our business strategy and make segment information more useful, and Mexico was shifted into "North America" segment from "Mexico" segment.

Due to the change of the geographical segmentation, sales, operating profit and total assets of "North America" have been increased by 176,433mil. yen, 9,764mil. yen and 250,020mil. yen respectively. Sales, operating expenses, operating profit and total assets for "Eliminations and other" changed by (100,078)mil. yen, (537)mil. yen and (6,717)mil. yen respectively.

(2) Accounting for prior service cost of pension

(3) Accounting for accrued warranty costs

As for (2) and (3), the contents are according to the follows respectively:

- 4) Basis of Consolidated Financial Statements
  - 8. Change of accounting method
    - (1) Accounting for prior service cost of pension
    - (2) Accounting for accrued warranty costs

## 2. BUSINESS SEGMENT INFORMATION

Nissan is not required to disclose business segment information for the following reasons:

- (1) Net sales from the automobile segment constituted more than 90% of the consolidated total.
- (2) Operating income (loss) from the automobile segment constituted more than 90% of the consolidated total.
- (3) Total assets of the automobile segment constituted more than 90% of the consolidated total.

## 3. OVERSEAS NET SALES

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

as of 3/31/00	North America	Europe	Other foreign countries	Total
(1) Overseas net sales [Millions of Yen]	2,179,489	885,956	478,812	3,544,257
(2) Consolidated net sales [Millions of Yen]				5,977,075
(3) Overseas net sales/Consolidated net sales (%)	36.5	14.8	8.0	59.3

as of 3/31/99	North America	Middle & South America	Europe	Other foreign countries	Total
(1) Overseas net sales [Millions of Yen]	2,104,252	245,161	1,135,819	504,792	3,990,024
(2) Consolidated net sales [Millions of Yen]					6,580,001
(3) Overseas net sales/Consolidated net sales (%)	32.0	3.7	17.3	7.7	58.0

Note: 1. Overseas net sales include export sales of the company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

2. Segmentation of countries and regions are based on geographical degree of proximity and relevancy of business activity.

3. Main countries and regions included in each segment for the year ended March 31,2000 are;

- (1) North America: USA, Canada, Mexico
- (2) Europe: Germany, U.K., Spain and other European countries
- (3) Other foreign countries : Asia, Oceania, Middle East, Puerto Rico, Chile and other Middle & South America countries

4. Change of Accounting method

In FY99 "North America" segment includes Mexico which was included in "Middle & South America" by geographical degree of proximity until FY98.

During FY99, Nissan changed the organization to run the business of whole area of North America including Mexico as one market. Therefore the geographical segmentation was changed based on business relationship in addition to the degree of proximity to make the geographical segmentation consistent with our business strategy and make segment information more useful, and Mexico was shifted into "North America" segment from "Middle & South America" segment and the rest of "Middle & South America" into "Other foreign countries".

Due to the change of the geographical segmentation, sales of "North America", and net sales ratio of "North America" to the total consolidated net sales have increased by 167,289mil. yen and 2.8% respectively. Sales of "Other foreign countries", and net sales ratio of "Other foreign countries" to the total consolidated net sales have increased by 56,208mil. yen and 0.9% respectively.

## 6.Products and sales

### 1)Global Vehicle Production

Thousands of units

	FY1999	FY1998	Change (%)
Japan	1,337	1,528	( 12.5% )
U.S.A.	348	279	24.7%
Mexico	186	190	( 2.1% )
U.K.	271	289	( 6.2% )
Spain	100	100	0.0%
South Africa	25	0	
Total	2,267	2,386	( 5.0% )

Note:1 Period for counting units                      Japan, U.S.A April/1999-March/2000  
Others                      January/1999-December/1999

Note:2 South Africa has been included in consolidation since FY1999.

### 2)Consolidated unit sales by region

Thousands of units

	FY1999	FY1998	Change (%)
Japan	758	873	( 13.2% )
North America	874	802	9.0%
Europe	501	550	( 8.9% )
Others	282	317	( 11.0% )
Total	2,415	2,542	( 5.0% )

Note:1 Period of counting units                      Japan , North America ( except Mexico )  
April/1999-March/2000  
North America ( Mexico only) , Europe  
January /1999- December /1999

Note:2 Because segmentation of countries and region was changed, as described in "5.SEGMENT INFORMATION", the figures for North America include unit sales in Mexico for both of FY1999 and FY1998.

## 7. Market value information for securities

as of March 31, 2000

[in millions of Yen, ( ) indicates loss or minus]

	As of 3/31/00		
	Net book value	Aggregate market value	Net unrealized gains(losses)
Included in current assets			
Stocks	207,077	283,925	76,848
Bonds	761	860	99
Others	920	943	23
Subtotal	208,758	285,728	76,970
Included in fixed assets			
Stocks	141,041	92,366	(48,675)
Bonds	631	636	5
Others	132	132	0
Subtotal	141,804	93,134	(48,670)
Total	350,562	378,862	28,300

Notes:

1. Base for calculation of market value

- (1) Listed securities: Closing prices on the Tokyo Stock Exchange
- (2) Over-the-counter securities: Prices announced by the Japan Securities Dealers Association
- (3) The market value or its equivalent of unlisted bonds is calculated based on the standard yield on over-the-counter bonds announced by the Japan Securities Dealers Association, the period to maturity of the bonds and certain other criteria.

2. Net book value of marketable securities not subject to market value disclosure [ in millions of Yen]

Securities included in current assets 51,494

Securities included in fixed assets 77,010



## 8. Vehicle production

(For the fiscal years ending/ended March 31, 2000 and 1999)

	Apr.-Mar. 2000	Apr.-Mar. 1999	Change (Units)	Change (%)
Worldwide production (Units)	2,404,650	2,465,863	-61,213	-2.5%
Domestic	1,336,918	1,528,461	-191,543	-12.5%
Overseas	1,067,732	937,402	130,330	13.9%

## 9. Non-consolidated sales by product line

(For the fiscal years ending/ended March 31, 2000 and 1999)

	Apr.-Mar. 2000	Apr.-Mar. 1999	Change	Change (%)
<b>Vehicle sales (Units)</b>				
Total vehicle sales	1,356,575	1,584,550	-227,975	-14.4%
Domestic	744,585	873,705	-129,120	-14.8%
Export	611,990	710,845	-98,855	-13.9%
Passenger cars	1,159,290	1,355,082	-195,792	-14.4%
Domestic	639,116	768,277	-129,161	-16.8%
Export	520,174	586,805	-66,631	-11.4%
Commercial vehicles	197,285	229,468	-32,183	-14.0%
Domestic	105,469	105,428	41	0.0%
Export	91,816	124,040	-32,224	-26.0%
<b>Net sales (million yen)</b>				
Total net sales	2,977,020	3,319,659	-322,639	-9.7%
Domestic	1,546,744	1,722,093	-175,349	-10.2%
Export	1,450,275	1,597,565	-147,290	-9.2%
Vehicles	2,309,154	2,616,537	-307,382	-11.7%
Domestic	1,272,519	1,418,404	-145,884	-10.3%
Export	1,036,634	1,198,132	-161,498	-13.5%
Production parts and components for overseas production	246,628	221,383	25,244	11.4%
Domestic	-	-	-	-
Export	246,628	221,383	25,244	11.4%
Automotive parts	301,382	330,169	-28,786	-8.7%
Domestic	210,889	232,494	-21,605	-9.3%
Export	90,493	97,674	-7,181	-7.4%
Other automotive business	54,191	56,354	-2,162	-3.8%
Domestic	2,240	3,130	-889	-28.4%
Export	51,950	53,223	-1,272	-2.4%
Sub total of automotive business	2,911,357	3,224,444	-313,087	-9.7%
Domestic	1,485,649	1,654,029	-168,379	-10.2%
Export	1,425,707	1,570,414	-144,707	-9.2%
Aerospace equipment	45,911	51,157	-5,245	-10.3%
Domestic	45,911	51,157	-5,245	-10.3%
Export	-	-	-	-
Forklifts and marine equipments	39,751	44,057	-4,306	-9.8%
Domestic	15,183	16,906	-1,723	-10.2%
Export	24,568	27,151	-2,583	-9.5%

Other automotive business consists of receivable royalty, equipments and tools for production and used cars.

## 10. FINANCIAL STATEMENTS

### 1) NON-CONSOLIDATED STATEMENTS OF INCOME

For the fiscal years ending/ended March 31, 1999 and 2000

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

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

	Fiscal Year ending Mar. 2000 4/1/99-3/31/00	Fiscal Year ending Mar. 1999 4/1/98-3/31/99	Change
[ORDINARY INCOME/LOSS]			
OPERATING REVENUE/EXPENSES			
OPERATING REVENUE	100% 2,997,020	100% 3,319,659	-322,639
Net sales	2,997,020	3,319,659	-322,639
OPERATING EXPENSES	3,012,694	3,304,494	-291,799
Cost of sales	2,607,243	2,776,694	-169,450
Selling, general and administrative expenses	405,451	527,799	-122,348
OPERATING INCOME	-0.5% -15,674	0.5 15,165	-30,839
NON-OPERATING INCOME/EXPENSES			
NON-OPERATING INCOME	37,493	67,538	-30,044
Interest and dividend income	15,850	20,140	-4,289
Gains on sales of securities	12,671	39,473	-26,801
Other non-operating income	8,971	7,924	1,046
NON-OPERATING EXPENSES	57,669	68,057	-10,387
Interest expense and discount charges	27,418	35,124	-7,706
Evaluation loss on marketable securities	0	14,699	-14,699
Other non-operating expenses	30,251	18,232	12,019
ORDINARY INCOME	-1.2% -35,850	0.4% 14,646	-50,496
[EXTRAORDINARY GAINS/LOSSES]			
EXTRAORDINARY GAINS	51,148	21,107	30,040
Gains on sales of investment securities	23,958	9,055	14,903
Gains on sales of property, plant and equipment	27,163	8,644	18,519
Other extraordinary gains	26	3,408	-3,382
EXTRAORDINARY LOSSES	800,947	70,481	730,465
Devaluation loss on investments and receivables	348,898	58,232	290,665
Loss on disposal of property, plant and equipment	19,494	9,193	10,301
Amortization of prior service costs of pension	192,973	-	192,973
Provision for warranty costs	66,795	-	66,795
Provision for losses on business restructuring	122,315	-	122,315
Other extraordinary losses	50,470	3,055	47,415
INCOME BEFORE INCOME TAXES	- -785,649	- -34,727	-750,922
INCOME TAXES	4,414	82	4,332
NET INCOME	-26.4% -790,064	- -34,809	-755,255
RETAINED EARNINGS BROUGHT FORWARD			
FROM PREVIOUS YEAR	303	29,297	-28,993
PRIOR YEAR ADJUSTMENT FOR ADOPTION OF TAX-EFFECT ACCOUNTING	-10,058	-	-10,058
REVERSAL OF RESERVE FOR REDUCTION OF REPLACEMENT COST OF SPECIFIED PROPERTIES FOR ADOPTION OF TAX-EFFECT ACCOUNTING	28,692	-	28,692
REVERSAL OF RESERVE FOR LOSSES ON OVERSEAS INVESTMENTS FOR ADOPTION OF TAX-EFFECT ACCOUNTING	7,247	-	7,247
REVERSAL OF RESERVE FOR SPECIAL DEPRECIATION FOR ADOPTION OF TAX-EFFECT ACCOUNTING	1,953	-	1,953
UNAPPROPRIATED RETAINED EARNINGS( LOSSES)	-761,926	-5,511	-756,414

## 2) NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2000 and March 31, 1999

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

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

	as of 3/31/00	as of 3/31/99	Change
[ASSETS]			
<b>CURRENT ASSETS</b>	1,479,977	1,350,018	129,959
Cash	275,878	357,258	-81,379
Notes receivable	1,220	440	780
Accounts receivable	418,945	450,712	-31,767
Marketable securities	201,188	237,595	-36,406
Finished products	65,143	56,935	8,207
Work in process	32,637	41,763	-9,125
Raw materials & supplies	29,501	35,166	-5,664
Short-term loans receivable	436,120	74,650	361,470
Accounts receivable miscellaneous	41,111	67,391	-26,279
Other current assets	12,049	31,726	-19,677
Allowance for doubtful accounts	-33,818	-3,620	-30,198
<b>FIXED ASSETS</b>	2,083,875	2,245,253	-161,377
Property, plant & equipment	591,833	733,903	-142,069
Buildings	181,684	203,015	-21,330
Structures	31,592	34,605	-3,013
Machinery & equipment	135,344	223,545	-88,201
Vehicles	5,801	7,267	-1,465
Tools, furniture and fixtures	22,538	41,448	-18,909
Land	179,798	186,129	-6,331
Construction in progress	35,073	37,891	-2,818
Intangible assets	15,706	1,520	14,185
Utility rights	200	230	-29
Software	14,213	0	14,213
Other intangible assets	1,293	1,290	2
Investments & other assets	1,476,335	1,509,829	-33,493
Investments in securities	99,119	157,427	-58,308
Investments in subsidiaries	1,326,595	1,261,959	64,635
Long-term loans receivable	53,062	65,713	-12,650
Long-term prepaid expenses	14,541	22,602	-8,060
Other investments	8,205	9,315	-1,110
Allowance for doubtful accounts	-25,189	-7,190	-17,999
<b>TOTAL ASSETS</b>	3,563,853	3,595,272	-31,418

	as of 3/31/00	as of 3/31/99	Change
<b>[LIABILITIES]</b>			
<b>CURRENT LIABILITIES</b>	992,633	1,323,603	-330,970
Notes payable	2,292	3,732	-1,440
Accounts payable	350,959	351,903	-944
Short-term borrowings	90,389	98,054	-7,665
Current portion of long-term borrowings	50,463	39,384	11,079
Commercial paper	187,000	450,500	-263,500
Current portion of bonds	75,000	100,000	-25,000
Other accounts payable	13,355	16,238	-2,883
Accrued expenses	135,809	167,593	-31,784
Deposits received	4,559	3,587	971
Employees' savings deposits	68,491	77,268	-8,777
Other current liabilities	14,313	15,338	-1,024
<b>LONG-TERM LIABILITIES</b>	1,308,145	794,170	513,974
Bonds	724,267	512,567	211,700
Long-term borrowings	184,911	237,461	-52,550
Long-term deposits received	2,454	3,031	-577
Long-term accrued pension cost	179,486	-	179,486
Accrued warranty costs	85,968	-	85,968
Accrual for losses on business restructuring	94,332	-	94,332
Accrued retirement allowances	36,725	41,110	-4,384
<b>TOTAL LIABILITIES</b>	<b>2,300,778</b>	<b>2,117,773</b>	<b>183,004</b>
<b>[SHAREHOLDERS' EQUITY]</b>			
<b>COMMON STOCK</b>	496,605	203,755	292,850
<b>LEGAL SURPLUS</b>	741,201	448,351	292,850
Capital surplus	690,262	397,412	292,850
Legal reserve	50,938	50,938	0
<b>RETAINED EARNINGS</b>	25,268	825,391	-800,122
Reserve for reduction of replacement cost of specified properties	39,717	71,090	-31,372
Reserve for losses on overseas investments	10,032	19,053	-9,021
Reserve for special depreciation	2,703	6,017	-3,314
General reserve	734,742	734,742	0
Unappropriated retained earnings ( losses)	-761,926	-5,511	-756,414
[Net Income( Losses)]	(-790,064)	(-34,809)	(-755,255)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,263,075</b>	<b>1,477,498</b>	<b>-214,422</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>3,563,853</b>	<b>3,595,272</b>	<b>-31,418</b>

### **3) NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**

1. Monetary receivables from and payables to subsidiaries:
  - Short-term monetary receivables: Yen 758,411 million
  - Long-term monetary receivables: Yen 47,913 million
  - Short-term monetary payables: Yen 65,841 million
  - Long-term monetary payables: Yen 1,719 million
2. Marketable securities include treasury stock of Yen 3 million.(9,000shares)
3. Accumulated depreciation of property, plant and equipment amounted to yen 1,671,709 million.
4. In addition to the fixed assets recorded in the balance sheet, there are principal fixed assets held under lease contracts including computers and certain dies and equipment used in automobile production.
5. Principal assets and liabilities denominated in foreign currencies:
  - Investments in subsidiaries: Yen 1,070,736 million
    - Major foreign currency investments:
      - D.Gl. 5,283,524 thousand    M.Pesos 17,036,600 thousand
      - Pts. 50,837,478 thousand    US\$ 1,904,957 thousand
  - Investments in securities: Yen 34,507 million
    - Major foreign currency investments:
      - NT\$ 3,949,282 thousand    BAHT 2,626,700 thousand
  - Long-term borrowings: Yen 24,117 million
    - Major foreign currency borrowings:
      - US\$ 227,200 thousand
6. Assets pledged as collateral:
  - Investment securities: Yen 19,443 million
7. As endorser of documentary export bills discounted with banks: Yen 931 million
8. Guarantees and other items: ( ) refers to those relating to subsidiaries
  - \* Guarantees total yen 275,701 million ( yen 61,062 million), including a total of yen 188,129 million in employee's residence mortgages which is insured in full. including a total of yen 25,500 million with pledge.
  - \* Letter of support total yen 18,508 million ( yen 18,386 million),
  - \* Letter of awareness and others total yen 125,040 million ( yen 111,060 million)
  - \* Letter of awareness concerning ABS total yen 260,000 million ( yen 193,651 million)
  - \* Nissan made Keepwell Agreements between certain overseas subsidiaries concerning maintenance of the relevant subsidiaries' liquidity and maintenance of their net worth. The liabilities of the relevant subsidiaries totaled yen 607,073 million.
9. Balance and exercise price of warrant in accordance with bond with warrant attached (as of balance sheet date)

	Balance of warrant	Exercise price
Euro Yen due 2004 bond with warrant attached	Yen 215,900 million	400 yen
Unsecured First bond with warrant attached	Yen 5,800 million	554 yen
Euro Yen due 2006 bond with warrant attached	Yen 15,000 million	429 yen
10. Sales to subsidiaries: Yen 2,238,390 million
  - Purchases from subsidiaries: Yen 577,566 million
  - Transactions with subsidiaries other than operating transactions: Yen 52,128 million
11. Devaluation loss on investments and receivables consists primarily of write down of investments in certain domestic sales subsidiaries due to the decline in their net equity value, caused mainly by the decline in their values.
12. Increase in the total number of shares outstanding during the current fiscal year: 1,464,250 thousand shares
  - Issuing new shares : 1,464,250 thousand shares , price : yen 400 per share
  - Increase in common stock: Yen 292,850 million
13. Adoption of Tax-effect accounting
  - Effective April 1, 1999 the company adopted Tax-effect accounting.

#### 14. Lease transactions

(1) Finance lease (except those which are on balance sheets as their ownership is regarded as being transferred to lessee.)

1. Acquisition cost equivalent of leased property, accumulated depreciation equivalent and ending book balance equivalent as of March 31, 2000.

	as of 3/31/00			as of 3/31/99		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery	34,988	29,887	5,100	79,021	68,616	10,404
Tools	119,704	53,697	66,007	127,995	59,797	68,198
Others	1,332	686	645	1,488	596	892
Total	156,025	84,271	78,565	208,505	129,009	79,495

2. Future lease payments subsequent to March 31, 2000.

	as of 3/31/00			as of 3/31/99		
	Current	Non-current	Total	Current	Non-current	Total
	32,794	40,750	73,545	35,462	46,560	82,022

3. Lease expenses, depreciation expense equivalent and interest expense equivalent during 4/1/99 - 3/31/00.

	4/1/99 - 3/31/00			4/1/98 - 3/31/99		
	Lease payments	Depreciation	Interest expenses	Lease payments	Depreciation	Interest expenses
	42,581	39,397	2,574	47,543	42,992	3,059

(2) Operating lease

Future lease payments subsequent to September 30, 1999.

	as of 3/31/00			as of 3/31/99		
	Current	Non-current	Total	Current	Non-current	Total
	137	159	296	166	248	415

#### 15. Subsequent Events

In the board meeting held on April 10, 2000, Nissan Motor Co., Ltd. decided to transfer its Aerospace Division to Ishikawajima-Harima Heavy Industries Co., Ltd.(IHI), and both companies concluded contract with transference of sales on April 14, 2000.

As the automotive and aerospace industries require an increasingly global focus, the deal will allow both companies to concentrate their technological and engineering resources on their core businesses.

#### **4) SIGNIFICANT ACCOUNTING POLICIES**

1. Marketable securities are stated at the lower of cost or market. The cost is determined by the moving average method.
2. Valuation of inventories  
Finished products, work in process and purchased parts included in raw materials & supplies are stated at the lower of cost or market. The cost is determined by the average method.  
Raw materials & supplies other than purchased parts are stated at the lower of cost or market. The cost is determined by the last-in, first-out method.
3. Depreciation of property, plant and equipment except building which were acquired after April 1998 is computed by the declining-balance method. Depreciation of building which were acquired after April 1998 is computed by the straight line method.

#### 4. Accounting for Reserves and Allowances

##### Allowance for Doubtful Accounts:

The allowance for doubtful accounts is provided for possible bad debts to the maximum amount allowable under the Corporation Tax Law, plus amounts determined by reference to the assets of and certain other factors related to individual customers.

##### Accrued warranty costs:

Accrued warranty costs is provided to cover all service costs expected to be incurred during the entire warranty period under provisions of warranty contracts at the amount calculated with reference to past experience

##### Accrual for losses on business restructuring:

Accrual for losses on business restructuring is provided for costs expected to be incurred as a result of the business reform under the Nissan Revival Plan at the amount estimated to be reasonable. This accrual is provided under the article 287-2 in the commercial law.

##### Accrued retirement allowances:

Accrued retirement allowances are provided for employees' retirement payments at the amount which would be required to be paid if all employees covered by the Company's retirement benefit plans voluntarily terminated their employment as of the balance sheet date, less the amounts expected to be covered by the qualified pension plan, plus the unamortized balance of the excess accrual which resulted from the introduction of the qualified pension plan.

The excess accrual has been reversed to income over a certain period.

#### 5. Consumption Tax.

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

#### 6. Change of accounting method

##### (Accounting for accrued warranty costs)

Until March 31, 1999 the company provided an accrual for warranty costs to cover service costs in the following fiscal year, to fulfill its liability under the provisions of warranty contracts with reference to its past experience. Effective April 1, 1999 the company changed its accounting method for warranty costs to provide an accrual to cover all service costs expected to be incurred during the entire warranty period (ranging from 3 to 5 years). The cumulative effect of this change as of April 1, 1999 amounted to 66,795 million yen and was charged to operations as an extraordinary loss for the six months ended September 30, 1999.

Due to the change in this accounting method, LOSS BEFORE INCOME TAXES increased by 51,827 million yen over the previous year.

In this connection, accrued warranty costs, which had been included in current liabilities in the prior year's financial statements, is presented as a Long-term liability as of September 30, 1999.

##### (Accounting for past service cost of pension)

Until March 31, 1999 the company recognized past service cost when it actually paid for it. Effective April 1, 1999 the company changed its method to recognize such cost when actually determined or when payment becomes liable.

The cumulative effect of this change as of April 1, 1999 amounted to 192,973 million yen and was charged to as an extraordinary loss for the 6 months ended September 30, 1999.

Due to the change of this accounting method, LOSS BEFORE INCOME TAXES increased by 179,486 million yen over the previous year.

## **11.Proposal for Appropriation of Retained losses**

	as of 3/31/00	as of 3/31/99
	Million Yen	Million Yen
Unappropriated losses	761,926	5,511
Reversal of reserve for reduction of replacement cost of specified properties	4,147	9,757
Reversal of reserve for losses on overseas investments	976	1,774
Reversal of reserve for special depreciation	838	1,441
<b>Total ( Losses )</b>	<b>755,963</b>	<b>7,461</b>
The proposed appropriations are as follows		
	Million Yen	Million Yen
Legal reserve	0	0
Stock dividend	0	0
	(per share: 0 yen)	(per share: 0 yen)
Provision for reserve for reduction of replacement cost of specified properties	10,634	7,077
Provision for reserve for losses on overseas investments	0	0
Provision for reserve for special depreciation	180	79
<b>Gains carried forward</b>	-	303
<b>Losses carried forward</b>	766,778	-

## **12.Dividend Policy**

We recorded the cost that will be incurred as the company implements the Nissan Revival Plan as extraordinary losses and post extraordinary loss of lump-sum amortization of the past service liability of pension and so on, as a move toward regaining financial soundness and adoption of accounting policies that are more in keeping with global standards.

As a result Net loss in FY1999 reached 7,900 oku yen(non consolidation). Taking these into consideration, we propose suspending payment of the year-end dividends.

We are strongly determined to resume the payment of dividend as soon as possible by improving profitability and strengthening our financial constitution through the cost reduction and the net-debt reduction on consolidation base,as is committed in our NRP.



### 13. STATUS OF DERIVATIVE TRANSACTIONS

#### 1. Currency related transactions

	as of 3/31/00				as of 3/31/99			
	AMOUNTS OF CONTRACTS		AGGREGATE MARKET VALUE	NET UNREALIZED GAINS OR LOSSES	AMOUNTS OF CONTRACTS		AGGREGATE MARKET VALUE	NET UNREALIZED GAINS OR LOSSES
	Millions of Yen	incl. LONG TERM Millions of Yen	Millions of Yen	Millions of Yen	Yen	incl. LONG TERM Yen	Millions of Yen	Millions of Yen
<b>Over-The-Counter Transactions</b>								
Forward exchange transactions								
Short positions of foreign currency:								
Sell								
US\$	9,918	0	113,021	52	79,119	0	79,153	-33
EUR	1,987	0	17,065	16	28,595	0	28,185	410
DM	-	-	-	-	1,252	0	1,244	8
AS	44	0	941	0	656	0	669	-12
CAN\$	596	0	5,113	-1	419	0	421	-1
NZ\$	202	0	56	3	236	0	237	-1
<b>Option transactions</b>								
US\$ call,								
Yen put held	13,056	0			0	0		
(Option premium)	(-86)	(0)	-42	44	(0)	(0)	0	0
EUR call,								
Yen put held	8,600	0			0	0		
(Option premium)	(-60)	(0)	-27	32	(0)	(0)	0	0
US\$ put,								
Yen call held	12,550	0			0	0		
(Option premium)	(86)	(0)	101	15	(0)	(0)	0	0
EUR put,								
Yen call held	8,000	0			0	0		
(Option premium)	(60)	(0)	88	28	(0)	(0)	0	0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369</b>

Notes:

- (1)Market value as of March 31, 2000, and March 31 1999 is calculated based on the applicable forward rates as of the same date.
- (2)Market value of Option transactions is the price quoted by financial institutions
- (3)Where derivative transactions have been entered into in order to hedge receivables and payables denominated in foreign currencies, and the related receivables and payables have been translated and reflected at the corresponding contracted rates in the balance sheet, such derivative transactions are not included in the above table.
- (4)Monetary swap transactions is included in receivables and payables denominated in foreign currencies based on Accounting Standards for Foreign Currency Transactions, such derivative transactions are not included in the above table.

#### 2. Interest rate related transactions

	as of 3/31/00				as of 3/31/99			
	AMOUNTS OF CONTRACTS		AGGREGATE MARKET VALUE	NET UNREALIZED GAINS OR LOSSES	AMOUNTS OF CONTRACTS		AGGREGATE MARKET VALUE	NET UNREALIZED GAINS OR LOSSES
	Millions of Yen	incl. LONG TERM Millions of Yen	Millions of Yen	Millions of Yen	Yen	incl. LONG TERM Yen	Millions of Yen	Millions of Yen
<b>Over-The-Counter Transactions</b>								
Receive floating/Pay fixed	80,500	80,500	-3,258	-3,258	80,500	80,500	-4,487	-4,487
Receive fixed/Pay floating	162,430	161,630	7,156	7,156	117,490	112,490	8,894	8,894
Receive and Pay floating	0	0	0	0	0	0	0	0
Receive and Pay fixed	0	0	0	0	0	0	0	0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,898</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,407</b>

Note:

- (1)Market value of Swap transactions is the price quoted by financial institutions