X-TRAIL

Performance and Corporate Governance

Aiming for Sustainable and Profitable Growth

Performance and Corporate Governance

Nissan Value-Up Update and Fiscal 2006 Financial Review

Continued Dedication to Delivering on Commitments

Our Midterm Business Plan: Nissan Value-Up Update

Nissan Value-Up, our midterm business plan, features three commitments:

- To maintain the top level of operating profit margin among global automakers for each of the three years of the plan;
- To achieve global sales of 4.2 million units in fiscal 2008; and
- To achieve a 20% return on invested capital on average over the course of the plan, excluding cash on hand.

Fiscal 2006 did not boost results toward achieving the objectives of Nissan Value-Up. However, the commitments are still within the potential of the company and Nissan remains focused on delivering them completely. As such, the company will extend the delivery period of the Nissan Value-Up commitments by one year.

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

1. Establish Infiniti as a globally recognized luxury brand.

The Infiniti luxury brand continues to expand globally with its introduction to Russia in 2006, into China and Ukraine in 2007 and across Western Europe during 2008.

2. Build a global presence in light commercial vehicles.

Light commercial vehicle (LCV) sales globally have grown by 57% to 490,000 units compared to the start of Nissan Value-Up. The LCV business now generates a consolidated operating profit margin of over 8%.

3. Develop new supply sources in Leading Competitive Countries for parts, machinery & equipment, vendor tooling and services.

Nissan continues to enhance its overall cost competitiveness: 15% of global sourcing is made in leading competitive countries (LCCs), such as China, ASEAN, Mexico and Eastern Europe, versus 12% last year.

4. Expand geographic presence in emerging markets.
Finally, our geographic expansion has been accelerated by additional investments in Brazil and China, a new plant being established in Russia, and a new partnership with Renault and Mahindra to build a manufacturing facility in India.

Consolidated Operating Profit Margin

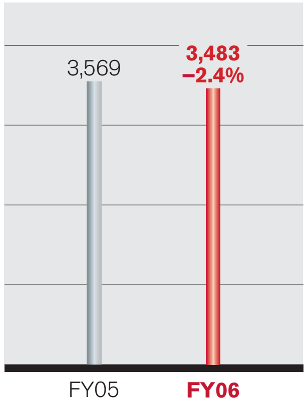
FY05	9.2%
FY06	7.4%

Return on Invested Capital (Auto)

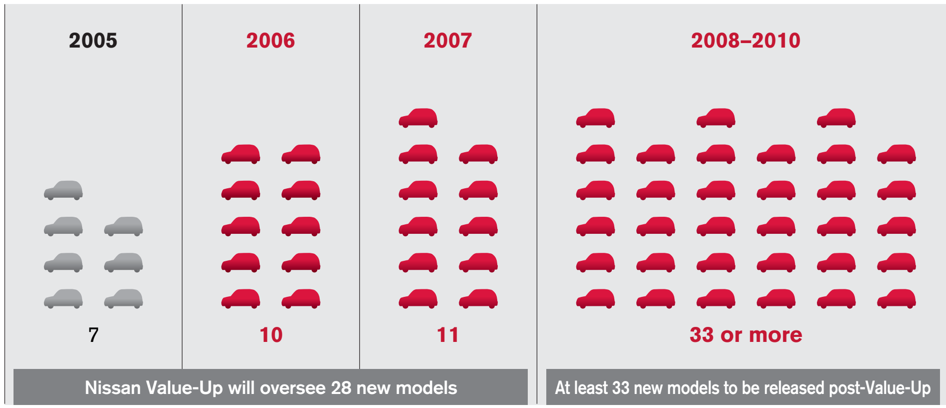
FY05	19.4%
FY06	15.3%

$$\text{ROIC (auto)} = \frac{\text{COP}}{[\text{Fixed assets} + \text{net working capital}]}$$

Global Sales Volume (thousand units)



Model Launch Schedule, Fiscal 2005–2010



Fiscal 2006 Financial Review

In fiscal 2006, the company's global sales totaled 3,483,000 units, a decrease of 2.4% from the previous year. Around the world, the company introduced 10 all-new models, including only one in the first half. These new models included an all-new version of the Altima, Nissan's volume leader in the United States, the new-generation G35, Infiniti's volume leader, and the Livina Geniss, which was the first model from a new family of global cars launched first in China. However, these successful launches came late in the fiscal year and did not lead to overall annual volume growth.

To increase transparency and consistency on a global basis, Nissan's subsidiaries in regions like Europe and Mexico shifted their accounting period from the calendar year to the fiscal year used by Nissan Motor Co., Ltd.

For these affected subsidiaries, an additional quarter, from January to March 2007, was included in the fiscal 2006 results. Adding this fifth quarter resulted in a one-time positive impact of ¥767.6 billion in revenues, ¥21.4 billion in operating profits and ¥11.6 billion in net income.

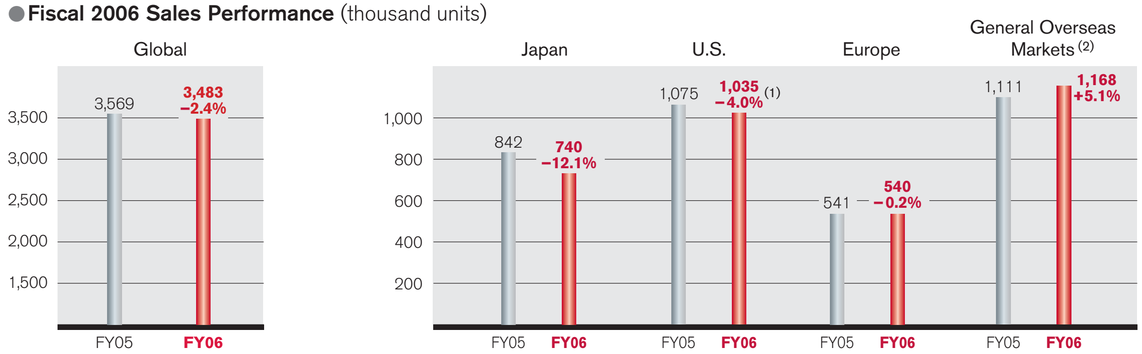
As a result of this change, the company reported consolidated net revenues of ¥10,468.6 billion. Operating profit was ¥776.9 billion, with an operating profit margin of 7.4%.

Fiscal 2006 Financial Performance

(billion yen, unless otherwise indicated)	FY05	FY06	Change
Consolidated net revenue	9,428.3	10,468.6	+11.0%
Consolidated operating profit	871.8	776.9	–10.9%
Operating margin	9.2%	7.4%	–1.8 points
Non-operating loss	–25.9	–15.8	+10.1
Ordinary profit	845.9	761.1	–10.0%
Net extraordinary loss	–369	–63.7	–26.8
Income before taxes	809.0	697.4	–13.8%
Taxes	–254.4	–212.1	+42.3
Effective tax rates	31.4%	30.4%	–1.0 points
Minority interest	–36.5	–24.5	+12.0
Net income	518.1	460.8	–11.1%
CAPEX	475.0	509.0	–
R&D	447.6	464.8	–
Depreciation	307.1	356.1	–
Net cash (auto business)	372.9	254.7	–

FOREX for FY06 ¥117.0/$
¥148.2/€

Fiscal 2006 Sales Performance (thousand units)



Notes:
(1) Adjustment for business days
(2) Including Mexico and Canada