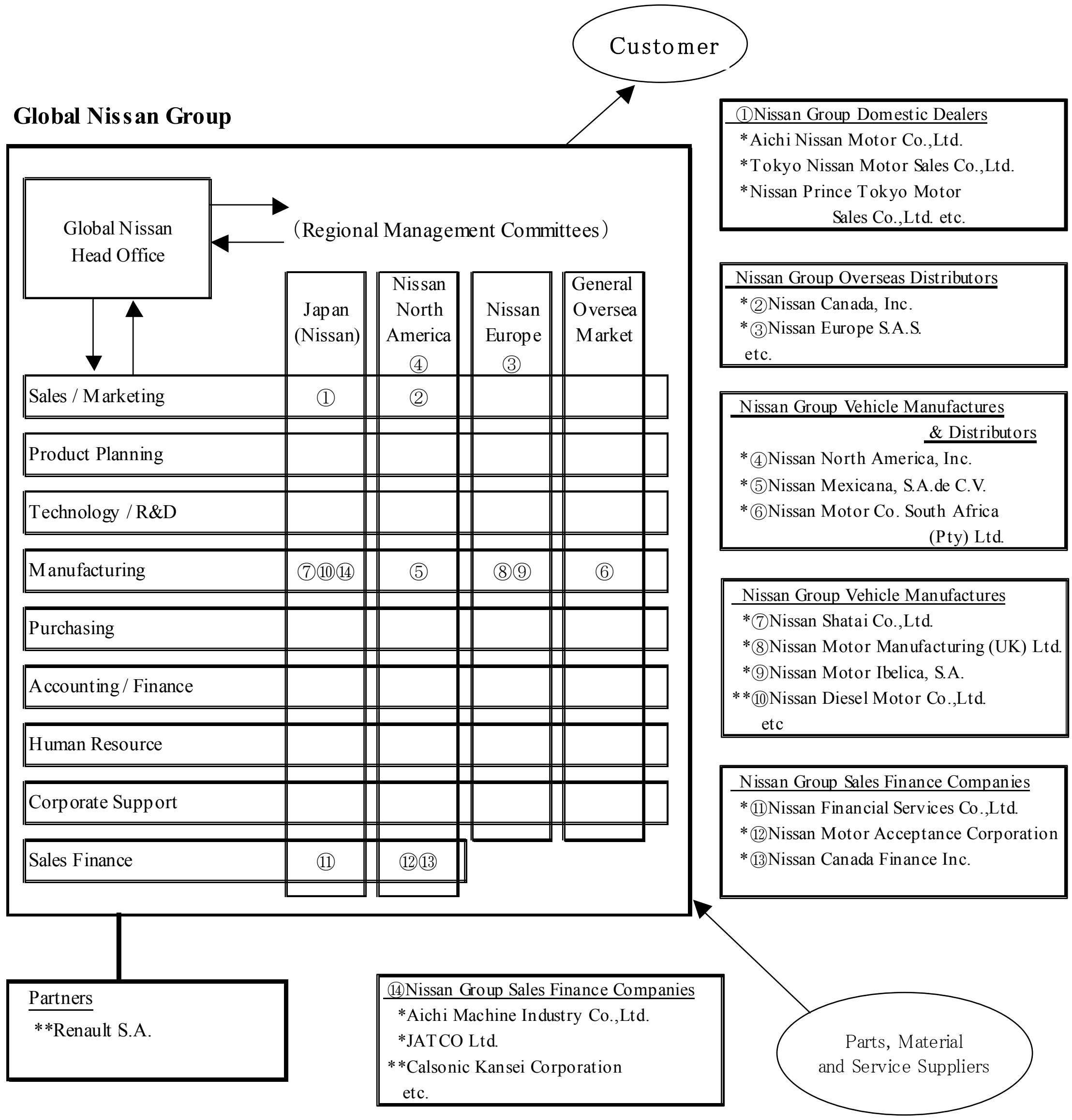
1. Description of Nissan group

The Nissan group consists of Nissan Motor Co., Ltd. (the "Company"), subsidiaries, affiliates, and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine products and related parts. And also the Nissan group provides various services accompanying its main business, such as logistics and sales finance. The Company established Global Nissan (GNX) as a global headquarters function which is to focus on utilizing regional activities by 4 Regional Management Committees and cross regional functions like R&D, Purchasing, Manufacturing, etc., and Global Nissan Group is composed of this matrix.
The corporate group structure is as follows:



* Consolidated Subsidiaries
** Companies accounted for by equity method

・There are other associated companies; *Nissan Trading Co., Ltd., *Nissan Real Estate Development Co., Ltd..
・Our subsidiaries listed on domestic stock exchange markets are follows.
Nissan Shatai Co., Ltd.---Tokyo Aichi Machine Industry Co., Ltd.---Tokyo, Nagoya

2.Basic Policy regarding Corporate Governance and its Implementation Status

Corporate governance is an important responsibility of management.

The most important point regarding the corporate governance is to make clear the responsibility of management. At Nissan, clear management objectives and policy are published for shareholders and investors, and its achievement status and results are disclosed early and with as much transparency as possible.
This will make clear the responsibility of management, and will contributes to the enhancement of corporate governance.

Nissan has also adopted various system reforms. To be specific, the number of members on the board of directors was reduced from nine to seven after the shareholders' meeting in June 2003 to improve management efficiency.

The audit function has been strengthened by adopting three outside corporate auditors.
At the shareholders' meeting in June of this year, it is planned to increase the number of the corporate auditors from four to five, three of whom will still be outside corporate auditors.
Japan Internal Audit Office has been established to conduct internal audits of operations on a regular basis.
In addition, the Chief Internal Audit Officer conducts global audits.
Three-way auditing has been adopted through this combination of corporate auditors, auditing firms and internal audit functions.

Further, Nissan has established “Nissan Global Code of Conduct” and “Global Compliance Committee” to strengthen the function of compliance with laws and ethics and to avoid illegal and unethical conduct within the global Nissan group.

3. NISSAN 180 Update

Through its three-year business plan, NISSAN 180, Nissan has established a position among the world's most profitable automakers.

By implementing NISSAN 180, the company aims: to grow sales by 1 million additional units by the end of fiscal year 2004, measured between October 2004 and September 2005 and compared to fiscal year 2001; to achieve an 8% operating profit margin; and to reduce net automotive debt to zero at constant accounting standards. During fiscal year 2002, the company exceeded its operating profit margin and debt commitments; only the sales commitment remains.

In fiscal year 2003, the second year of NISSAN 180:

· Nissan sold 3,057,000 units worldwide, an increase of 287,000 units, or 10.4%, compared to fiscal year 2002.

· Operating profit reached 824.9 billion yen, yielding an operating profit margin of 11.1%.

· Auto return on invested capital reached 21.3%.

4. Fiscal year 2003 business performance

Overall, Nissan sold 3,057,000 vehicles worldwide in fiscal year 2003, marking the first time in 13 years that Nissan sold more than 3 million vehicles. Nissan launched 10 all-new models worldwide, representing 23 regional product launches. Sales increased in all regions.

In Japan, Nissan sold 837,000 units, a 2.6% increase, in a flat market. The March and the Cube contributed to the increase, ranking among the top 10 best-sellers every month. Nissan's market share increased 0.3%, to 14.2%, including minicars.

In the United States, Nissan sales increased 17.9% to 856,000 units in a market that grew by 1%. In the U.S. market, Nissan sells products in two channels: Nissan and Infiniti.

The Nissan Division grew by 16.1% with a richer mix. High-margin trucks rose 34.1%, driven by the Murano and the products from the company's new plant in Canton, Mississippi. Car sales increased by 6.5%, led by sales of the Altima and the new Maxima.

The luxury Infiniti Division had its best year ever, up 29.4%, to 124,000 units. Infiniti benefited from increased sales of the G35 sedan and coupe as well as the FX35 and FX45. The first full-sized Infiniti sport utility vehicle, the QX56, was launched successfully in February.

Nissan's U.S. market share for the full year came to 5.1%, up from 4.4%. The pace of growth accelerated in the last quarter of the fiscal year, with Nissan's share reaching 6.1% compared to 4.7% in the last quarter of 2002. Nissan continued to pursue its disciplined strategy to keep incentive levels low to avoid jeopardizing brand power for the sake of short-term market share gains.

In Europe, sales increased 14.4%, to 542,000 units. The Nissan Micra, with sales of 175,000 units in its first full year, was a primary contributor. The total also included growing sales of 4x4s, such as the X-TRAIL and Pick-up.

In General Overseas Markets, including Mexico and Canada, sales increased 9% to 822,000 units. The X-TRAIL was an important contributor, particularly in Australia, where sales were up 23.1%. In China, the new, locally produced Sunny helped to increase sales 30.4%, to 101,000 units.

Consolidated net revenues came to 7.429 trillion yen, up 8.8% from last year, mainly due to higher volume and mix. Movements in foreign exchange rates produced a negative impact of 111.6 billion yen. Previously announced changes in lease accounting reduced revenues by 18 billion yen, and changes in the scope of consolidation reduced revenues by 23 billion yen.

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Consolidated operating profit improved by 11.9% to a record 824.9 billion yen. As a percentage of net revenue, Nissan's operating profit margin reached 11.1%, keeping the company at the top level among global automakers.

Analyzing the variance between the operating profit in fiscal years 2002 and 2003, several factors are considered:

· The effect of foreign exchange rates produced a 48 billion yen negative impact for the full year.
 The average value of the dollar dropped 8.8 yen to 113.2 yen, yielding a negative impact of 101 billion yen.
 The euro rose 13 yen to 131.2 yen, producing a positive impact of 29 billion yen.
 Other currencies made a positive contribution of 24 billion yen.

· The change in lease accounting added 20 billion yen while the change in the scope of consolidation produced a minor negative impact of 4 billion yen.

· The impact of higher volumes and mix contributed 185 billion yen.

· Selling expenses increased by 72 billion yen.

· The improvement in purchasing costs amounted to 183 billion yen.

· Product enrichment and the cost of regulations had a negative impact of 83 billion yen.

· Nissan spent an additional 54 billion yen in R&D to further reinforce product and technology development.

· Manufacturing and logistics costs had a negative impact of 12 billion yen, including the costs associated with the startup of the Canton Plant.

· General and administrative and other expenses increased by 27.3 billion yen.

Non-operating loss decreased from 27.1 billion yen in fiscal year 2002 to 15.2 billion yen in fiscal year 2003. Net financial cost decreased from 16.5 billion yen in fiscal year 2002 to 15.7 billion year 2003. Net financial cost decreased from 16.5 billion yen in fiscal year 2002 to 15.7 billion yen in fiscal year 2003 due to the company's decrease in net automotive debt. As a result, consolidated

ordinary profit came to 809.7 billion yen, increasing from 710.1 billion yen in 2002.

Net extraordinary losses increased from 15.5 billion yen in fiscal year 2002 to 73.2 billion yen in fiscal year 2003. The increase was mainly due to last year's inclusion of a one-time gain of 56.3 billion yen from the sale of Nissan's Murayama Plant.

Income before taxes came to 736.5 billion yen. Taxes came to 219 billion yen for an effective consolidated tax rate of 29.7%.

Minority interests amounted to 13.8 billion yen compared to 700 million yen in fiscal year 2002 due to the increase in profits of companies that are fully consolidated but not fully owned.

Consolidated net income reached 503.7 billion yen, an increase of 1.7%, or 6.8% net margin in fiscal year 2003, compared to 495.2 billion yen in fiscal year 2002.

In the retail finance business segment, net sales came to 366 billion yen from 395.9 billion yen in fiscal year 2002. The decrease was a result of foreign exchange impact and the changes in lease accounting. Operating income came to 64.8 billion yen, up 8.2% from last year. Net income was increased by 4.9% to 38.3 billion yen compared to fiscal year 2002.

As disclosed last year, the inclusion of our Canton Plant and lease liabilities increased net automotive indebtedness to a total of 268.3 billion yen. In fiscal year 2003, cash from operations totaled 1.042 trillion yen, a 245 billion yen improvement over the prior year.

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Investing activities totaled 428 billion yen, including 52.7 billion yen of Nissan's investment into Dongfeng. The balance of the payment, amounting to 61.5 billion yen, will occur in the first quarter of fiscal year 2004.

oFinance activities totaled 232.8 billion yen. The total includes 92.3 billion yen for the purchase of treasury stock, 74.6 billion yen for the payment of dividends and 65.9 billion yen for the repayment of maturing debts and lease obligations.

Foreign exchange rates produced a negative impact of 126.9 billion yen to cash flow.

As a result, net automotive debt at new accounting standards totaled 13.6 billion yen at the close of fiscal year 2003.

Nissan exceeded its targeted 20% return on invested capital, reaching 21.3% for fiscal year 2003.

5. Fiscal year 2004 financial forecast

Nissan operates in the context of a changing world, with risks and opportunities. Risks include adverse foreign exchange rate fluctuations and rising commodity prices and interest rates. The company's greatest opportunities lie in the accelerated implementation of all its action plans during the final year of NISSAN 180.

Based on its outlook for fiscal year 2004, Nissan forecasts full-year consolidated net sales to reach 8.176 trillion yen, a 10.1% increase from fiscal year 2003. Operating profit is expected to be 860 billion yen, up 4.3% from fiscal year 2003, giving an operating profit margin of 10.5%. Ordinary profit is expected to reach 846 billion yen. Net income is forecasted to be 510 billion yen. Capital expenditures are expected to be 480 billion yen. Auto return on invested capital is expected to remain above 20%.