Annual Report
Year Ended March 31, 2001

NISSAN

Contents

On the cover: the new Nissan brand symbol, proudly displayed on the sleek new Z–the greatest-selling sports car in history, realized in a new style for the 21st century.

When Nissan Motor Co., Ltd. opened its doors in 1933, it was a small, domestic manufacturer building and selling Datsun cars and auto parts. Today it is one of the world's leading automobile manufacturers, one dedicated to creating the cars that truly meet the needs of customers worldwide–and which looks to tomorrow's needs.

Today, the bold challenge for the future outlined by the Nissan Revival Plan has been enthusiastically taken up by Nissan employees, with results well ahead of schedule. Combined with the synergies created by the Alliance with Renault, this means that Nissan has made major steps in its plan to become a stronger, more competitive, more global and more profitable company.

Join us in this Annual Report, as we share our vision for the future of Nissan.

This Annual Report contains forward-looking statements on Nissan's future plans and targets, and related operating investment, product planning and production targets. Please note that there can be no assurance that these targets and plans will actually be achieved. Achieving them will depend on many factors, including not only Nissan's activities and development, but on the dynamics of the automobile industry worldwide and the global economy.

The phrase "fiscal year," or "FY," used in this annual report indicates Nissan's fiscal year, starting in April of the previous year and ending in March of the year stated. Thus, FY 2000 means the fiscal year from April 1, 2000, through March 31, 2001.

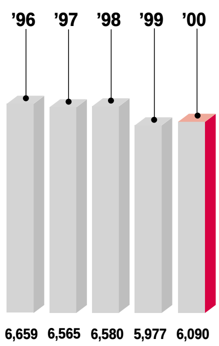
Financial Highlights

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2000, 1999, 1998, 1997 and 1996

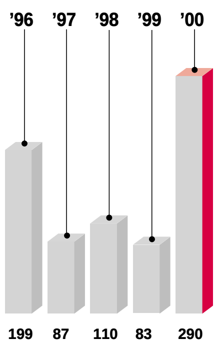
	Millions of yen (except per share amounts and number of employees)					*Millions of U.S. dollars* (Note 2)
For the years ended	**2000** (Note 1) **Mar. 31, 2001**	1999 *Mar. 31, 2000*	1998 *Mar. 31, 1999*	1997 *Mar. 31, 1998*	1996 *Mar. 31, 1997*	**2000** ***Mar. 31, 2001***
Net sales	**¥6,089,620**	¥5,977,075	¥6,580,001	¥6,564,637	¥6,658,875	**$49,110**
Operating income	**290,314**	82,565	109,722	86,883	199,380	**2,341**
Net income (loss)	**331,075**	(684,363)	(27,714)	(14,007)	77,743	**2,670**
Net income (loss) per share (Note 3)	**83.53**	(179.98)	(11.03)	(5.57)	30.94	**0.67**
Cash dividends paid (Note 4)	**0**	0	17,591	25,130	17,589	**0**
Shareholders' equity (Note 5)	**¥ 957,939**	¥ 563,830	¥ 943,365	¥1,006,790	¥1,070,418	**$ 7,725**
Total assets (Note 5)	**6,451,243**	6,175,658	6,606,331	7,608,091	7,188,106	**52,026**
Net consolidated automotive debt	**952,700**	1,348,700	1,867,100	2,273,900	–	**7,683**
Number of employees	**133,833**	141,526	131,260	137,201	135,331	

Notes: 1. Figures of 2000 are calculated based on new accounting rules. Please refer to "Financial Review" on page 36 for changes in the accounting rules.
2. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at ¥124=$1, the approximate exchange rate on March 31, 2001.
3. Net income (loss) per share amounts are based on the weighted average number of shares of common stock outstanding during each year. Figures for net income (loss) per share are in exact yen and U.S. dollars.
Number of shares outstanding as of March 31, 2001: 3,977,295,210.
4. Cash dividends during the full year by subsidiary companies to non-Nissan minority shareholders are not included.
5. Shareholders' equity and Total assets for fiscal years 1996-1999 were restated in accordance with the changes in the regulations relating to the presentation of translation adjustments effective fiscal year 2000. Please refer to the Notes on page 45.

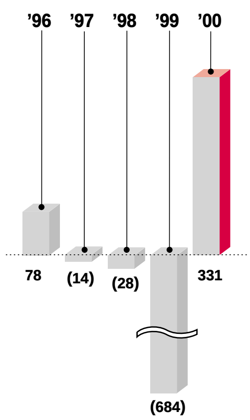
Net Sales
(Billions of yen)



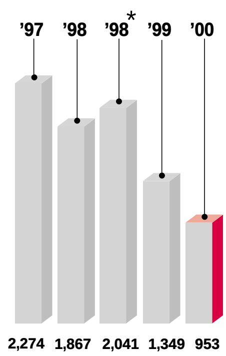
Operating Income
(Billions of yen)



Net Income(Loss)
(Billions of yen)



Net Consolidated Automotive Debt
(Billions of yen)



*restated under the new GAAP

Message From Management

After its first full fiscal year of implementation, the Nissan Revival Plan has produced the best consolidated financial performance in the company's history as far as we can reliably trace it.

Nissan's operating performance and financial situation have improved markedly. Prospects for profitable growth are built in these results. The people of Nissan wholeheartedly embraced the spirit of the NRP, leading to a significant over-achievement of our commitments.

Fiscal year 2000 is only a first step in the right direction. The challenge is long-lasting improvement in a very competitive landscape. Without a swift return to profitability, all our other plans and ambitions would have been in vain. NRP's first commitment of returning Nissan to profitability this year was a prerequisite.

As we close fiscal year 2000, a new term begins as we start to unveil the newly designed vehicles which will renew our line-up with customer focused products and services. It will bring us new business opportunities.

By continuing the implementation of NRP with the same determination and speed by strengthening our alliance with Renault and leveraging the high level of complementarity between the two companies, Nissan is prepared to face the risks and continue on its path of profitable growth.

Fiscal year 2001 is the second year under the NRP and already there are signs that Nissan is changing profoundly. Customers are seeing the change in our products and services. Shareholders are also seeing the change in our stock price, our renewed dividend payments and our financial performance such as the steady reduction in our net automotive debt which is below one trillion yen for the first time in 15 years.

Within our balanced alliance with Renault, we will strive to maintain the spirit and momentum of NRP as we continue restoring Nissan's performance towards lasting profitable growth.

当社平成12年度の報告書をお届けするに当たり、一言ご挨拶申しあげます。

当社が「日産リバイバル・プラン」による経営再建をスタートして一年が経過いたしました。計画の順調な遂行により、当期は、過去最高となる連結決算を、皆様にご報告できることとなりました。

業績及び財務状況はともに著しい改善を遂げ、今後も引き続き利益ある成長を持続できることが、これらの結果からもご理解いただけることと存じます。当社の全従業員がこの「日産リバイバル・プラン」の精神を心に刻みつけたことが、コミットメント（必達目標）を大きく上回る業績に結びつきました。

当期の好業績は、再生への歩みの中での最初のステップにすぎません。真の挑戦は、今後も熾烈な競争の中で、改善・向上を長年にわたり達成し続けることにあります。連結当期純損益の迅速な黒字化がなければ、その他の計画や目標は全て無意味なものとなってしまいます。つまり、今回の黒字化は、「日産リバイバル・プラン」の最初のコミットメントであり、全ての前提条件となっておりました。

当社は、当期に商品・サービスに焦点を合わせたお客様指向の新型車を相次いで発表し、ラインナップの再構築に着手いたしました。これは大きなビジネス・チャンスをもたらします。ルノーとの提携関係を一層強化し、両社の補完をさらに高度化することにより、これまで同様、当社は決意とスピードをもって「日産リバイバル・プラン」をさらに推進してまいります。リスクに適切に対処し、利益ある成長を持続する準備は整っております。

平成13年度は「日産リバイバル・プラン」第二年目となりますが、既に当社が大きく変化しつつある兆しが現れております。お客様には、当社の商品・サービスにおいて、また、株主の皆様には、当社の株価上昇、復配による配当金支払い、また、過去15年間で初めてとなる自動車事業の連結実質有利子負債残高1兆円以下への削減などの財務状況改善により、この変化を感じていただけるものと存じます。

当社といたしましては、ルノーとのバランスのとれた提携の中、引き続き利益ある成長に向け、業績向上を図るべく、「日産リバイバル・プラン」の精神とその推進力を持続し、その遂行に向け邁進してまいる所存でありますので、今後とも、一層のご支援とご指導を賜りますようお願い申しあげます。

Yoshikazu Hanawa
Chairman

Carlos Ghosn
President
Chief Executive Officer

Moving Ahead in Strength

Building on the Successes of the Nissan Revival Plan

On October 18, 1999, Nissan introduced a three-year plan to revive the company. The Nissan Revival Plan (NRP) is a bold, sweeping program with a goal of nothing less than recreating the organization; a plan that sets the stage for the creation of lasting, profitable growth.

One year after the launch of the NRP, the plan is fully engaged worldwide in every function and every region. Customers see the change in Nissan products and services; suppliers see the change in processes and an improved spirit of collaboration; shareholders see the change in Nissan's improved market value. Employees, too, know that they are working for a revitalized company with clear changes in management strategy and direction.

The NRP is moving faster, has a far deeper impact and has created higher results than many thought possible. The word is out: Nissan is back.

Meeting the Commitments

Backing up the NRP are three fundamental commitments taken by Nissan's executive committee:

- Nissan will return to net profitability in fiscal year 2000
- Nissan will achieve a minimum operating income to sales margin of 4.5 percent by fiscal year 2002
- Nissan will reduce consolidated net automotive debt to less than ¥700 billion by fiscal year 2002

If any of these are not met, the executive commitee has promised to resign.

The NRP is **moving faster**, has a **far deeper impact** and has created **higher results** than many thought possible.

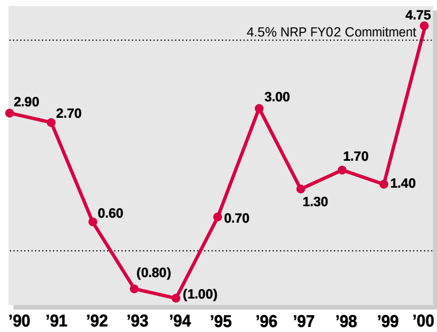
Nissan is back.

On May 17, 2001, Nissan reported a net income of ¥331.1 billion and an operating income of ¥290 billion. Not only did this performance clearly fulfill the first commitment of the NRP, it also marked the best financial performance in the history of the company.

In these results the company shows remarkable progress in meeting the remaining two commitments. Operating income for the year more than tripled, bringing Nissan's consolidated operating margin to 4.75 percent—higher than the commitment of a minimum 4.5 percent for fiscal year 2002, and a full two years ahead of the deadline.

Consolidated Operating Margin

Fiscal years 1990–2000
(percent)

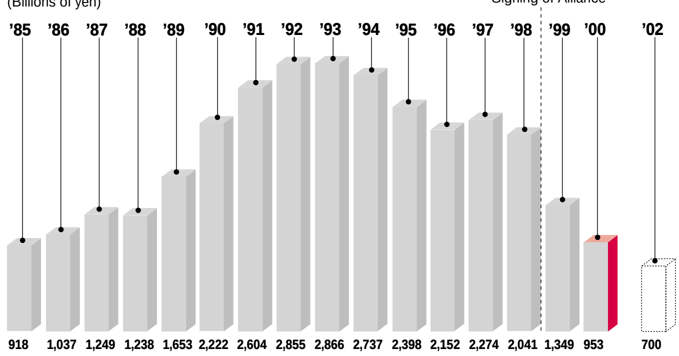


Figures before Fiscal year 1994 are adjusted by current rate method.

For the first time in 15 years, Nissan's consolidated net automotive debt at the close of the year fell below ¥1 trillion, to ¥953 billion. This is less than half the net debt on the books at the close of fiscal year 1998, when the Alliance with Renault was signed.

Consolidated Net Automotive Debt

Fiscal years 1985-2000
(Billions of yen)



Revival Plus Growth

When Nissan announced the NRP, the company did not compute any growth to meet its commitments. However, sales grew 4.0 percent during the first year, from 2.5 to 2.6 million units. Despite a retail sales decline in Japan, Nissan experienced growth in every other major market including the United States, Europe and Mexico.

Reallocating Resources to Product

"There is no problem at a car company that good products can't solve," Nissan President Carlos Ghosn said when he announced the Nissan Revival Plan—a theme which began to turn to reality in fiscal year 2000. Central to the NRP is an aggressive, global product launch plan, with 22 new vehicles being introduced over three years.

In Japan, the company has already started by launching the first four models under NRP during fiscal year 2000. The Bluebird Sylphy, X-TRAIL, Cima and Primera were all launched in the market during the fiscal year; all four have had a great reception in the marketplace. The company unveiled the new Caravan in April, the Skyline in June, will launch a new Stagea and March by the end of fiscal year 2001, and six all-new vehicles in 2002.

When Nissan announced the NRP,

it did not compute any growth to meet its commitments—

but, in fact, Nissan experienced growth globally.

In North America, Nissan will launch at least 10 new vehicles through 2002. In January, the public received a vivid look at the new Nissan with the unveiling of three exciting concept cars at the North American International Auto show. The company revealed perhaps the most anticipated Nissan in history—the next generation Z-car—and showed concepts for a full-size pickup truck, as well as a performance-based crossover SUV for its top-end Infiniti Division. In April, the company unveiled the all new Altima which will go on sale in September of 2001, the first US car launched under the NRP.

In Europe, customers had their first look at the new four-wheel drive X-TRAIL, which will go on sale in September of 2001. Nissan also unveiled a concept of the European version of the Primera to be launched early 2002. With 10 new products slated for Europe, the company will replace virtually every product in the lineup under the NRP.

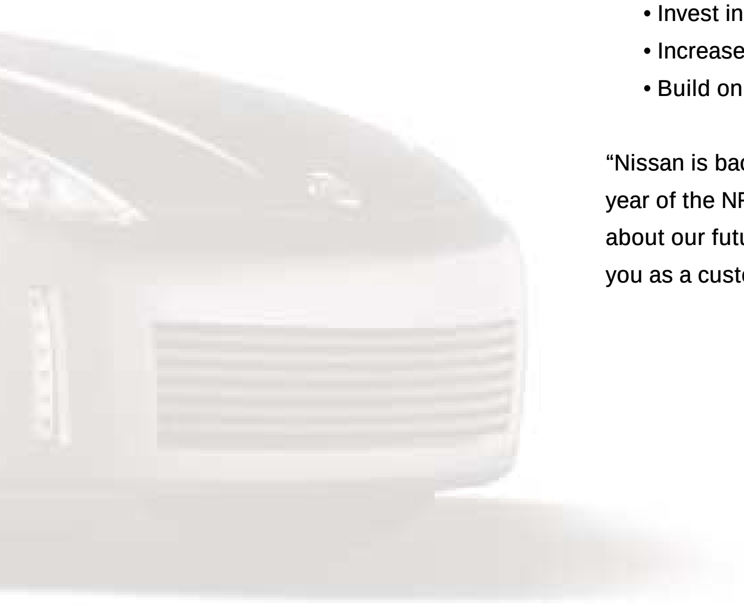
Meanwhile, Nissan will continue to respond to the market with improvements in existing vehicles—new styling, enhanced engine modifications and innovative features and service.

Only a Beginning

Fiscal year 2000 is only a first step in the right direction. Nissan has met its first challenge in a competitive market—but the goal will always lie ahead. The NRP's first commitment of returning Nissan to profitability has been clearly met; without a swift return to profitability, all other plans and ambitions would have been in vain.

As Nissan implements the NRP to realize even higher potential, the company will continue to:

- Introduce a steady supply of exciting new products
- Enhance the Nissan brand image
- Invest in the new technologies that make cars and trucks more enjoyable, safer, and more ecologically friendly
- Invest in growth worldwide
- Increase the efficiency and capacity utilization of all facilities
- Build on the synergies of the Alliance with Renault



"Nissan is back with determination," Carlos Ghosn noted in his review of the first year of the NRP. "We are as passionate about our current achievements as we are about our future goals. Nissan will continue to surprise you; it will strive to delight you as a customer and as a shareholder."

Risks and Opportunities

While the results of the Nissan Revival Plan have been more than just encouraging, every new business year brings both new challenges and new prospects—which Nissan is carefully monitoring, and making the necessary reactions.

The threat of further economic slowdowns and the potential increase in incentives in the global automotive markets is a risk which is clearly present today.

- In North America, a slowdown in the US economy much greater and more precipitous than that earlier forecast is a genuine possibility. In the wake of a softer US economy, the Mexican market could also slow down from its record pace of last year.
- In Europe, a soft start to the year recommends caution.
- Japanese market activity remains at a low level, in an economy that still shows no tangible signs of recovery.

However, Nissan's biggest asset remains the Nissan Revival Plan. The effects of the NRP will be seen in growth, with an increasing number of new products and a continuously enhanced brand. The NRP will also bring increased cost competitiveness and the freeing of more resources to be invested in core businesses.

Post NRP: Looking to the Future

Today, after the significant steps in reestablishing the credibility of Nissan and its returning the company to much stronger performance, Nissan has begun developing its Post-NRP plans to carry it into the years 2003 to 2005.

The guidelines for post NRP planning address three areas critical to the company's sustained performance: growth, profitability and debt.

Growth: Add one million units worldwide by 2005.

To fuel this growth, Nissan will provide attractive new products. In the three years to fiscal year 2005, Nissan will launch 22 all-new models, a steady flow averaging seven new models every year.

Three critical areas for Nissan: Growth. Sustained profit. Debt.

Sustained profit: Position Nissan at the top level of profitability in the auto industry. Enhanced profit will be built on growth in volume, a more favorable product mix, stronger brand identity, cost competitiveness, and accelerated and amplified synergies with Renault.

Debt: Eliminate Nissan debt by 2005.

Zero debt means controlled and managed financial constraints. It means the flexibility to invest and grow within the strict guidelines of increased profitability targets and an optimized financial structure.

Nissan's debt has been declining steadily since fiscal year 1998, from ¥2.1 trillion to ¥1.4 trillion by the end of 1999, and to ¥953 billion in fiscal year 2000. This sets the way for less than ¥700 billion, the commitment for the end of fiscal year 2002.

Over the coming year, the company will develop specific action plans to achieve the goals laid out for Post NRP. Meanwhile the Nissan Revival Plan will continue to do nothing less than recreate the company.

Brand power is about **long-term profitability** and **growth**; it is not a marketing gimmick.

Brand Identity

Brand power is about long-term profitability and growth; it is not a marketing gimmick.

Creating a new brand identity has been one of the first steps in the NRP—it is essential to building and sustaining the revival process. Nissan lacked a clear identity; as a result, it was selling its cars at a significant discount.

Nissan has always been known for its technological and engineering prowess, for its imagination and passion. So the redefinition of the brand has come from within, building on Nissan's strong heritage, as well as in looking toward what the company wants to be in the future. The process is global, involving many different people from many Nissan functions.

The brand logo is what many first think of when they consider brand—and the look of the Nissan brand symbol has been refined, for a sleek symbol more in keeping with the streamlined, responsive, technically strong, profitable company being realized by the NRP.

But the symbol is just that—an image that captures part of the far greater brand identity. Nowhere is the brand identity more clearly evident than in Nissan's products themselves—but it is in all elements of the company as well, so that customers can truly see and feel it.

Brand is about profit; it is about growth. While launching the 22 new vehicles during the NRP, the company is establishing a strong, consistent brand identity. Nissan is builiding not merely an enhanced identity of the company but the very key to the growth and continued profitability at the heart of the NRP.

New Concepts for the Future

Profitable growth comes first and foremost from outstanding products. Nissan's newest concept cars point the direction for the future—bold reflections of the company's enhanced brand identity. The stronger bond between design and engineering spelled out in the Nissan Revival Plan has resulted in stunning new cars that, more than anything else, announce that Nissan truly is back.

Z Car

The original 1970 Z car is a classic–still contemporary after more than 30 years, a symbol of Nissan's high standards and unique character. The bold new Z is once again an icon for the company; its cutting-edge engineering and technology is a concrete illustration of the new Nissan. The new Z promises to deliver the performance and high design qualities of today's cutting-edge sports cars at a truly affordable price. It exceeds all expectations; it is, quite simply, a stunning achievement.

**IT EXCEEDS ALL EXPECTATIONS;
IT IS, QUITE SIMPLY, A STUNNING ACHIEVEMENT**

New Concepts for the Future

A glimpse into the future direction of the Infiniti product; a sports car driver's vehicle first, followed by the practicality of a sports utility vehicle. "We started with a blank piece of paper and asked, 'What kind of vehicle do we want to drive?' " said Mark McNabb, vice president and general manager of the Infiniti Division. "The result is a vehicle with performance far above that of current SUVs–a car that redefines the Crossover Luxury SUV market."

FX45

Chappo

“The αT show truck is a follow-up to our announcement that Nissan will produce a full-size, V8-powered, US-assembled truck within the next few years,” said Carlos Ghosn. “Our message: Nissan is serious about entering the full size truck market, both in size and impact. The αT pushes the envelope of contemporary pickup truck styling, and is only a hint of the aggressive performance targets Nissan is developing for our full-size pickup. Following our strong heritage in compact pickup trucks, when it comes to the new big Nissan truck, we will not be content to follow the crowd!”

Alpha Truck

“Chappo’s unique interior was conceived not just for driving, but as a social space to meet and relax,” said Shiro Nakamura, Nissan Senior Vice President and Design Director. “It reflects the needs of future generations, who will increasingly demand personal, diverse lifestyle and recreation solutions. We want our cars to be more than just a vehicle but an extension of our owners’ lifestyles. You’ll see a lot of Chappo in all of our new products.”

IN THE NEWEST INCARNATION OF A CLASSIC, NISSAN'S DESIGNERS AND ENGINEERS THOUGHT FIRST ABOUT THE CUSTOMER, THEN JOINED IN A NEW LEVEL OF TEAMWORK TO REDEFINE THE IDEA OF A FOUR-DOOR SEDAN—A WAY OF WORKING ECHOED IN ALL NEW NISSAN AUTOMOBILES.

Growth Through the Product: Creating a Customer-Focused Car

Stéphane Schwarz

Shiro Nakamura

Identify your customer; create the car that meets tomorrow's consumer needs by listening carefully to today's user. Combine Western tastes and Japanese roots; create a fusion of hard and soft, cold and warm, high technology and a very human touch, futurism and recollection. And, more than anything, create a car that gives its owners new joy and the maximum satisfaction possible—one that lets them know that they made the right purchase decision. These were the concepts Nissan designers and engineers pursued as they recreated a classic, and came up with the new Primera.

Design is more than the surface of the vehicle; engineering is more than creating the physical objects that realize the design concept. From the outset of the Nissan Revival Plan, the understanding is that growth must come from a customer-driven process resulting in an outstanding product; design and engineering must join to form a closer working relationship to reflect the customer's desires.

Thus in beginning the process of creating a new Primera, the work began

with the customer. Through research on the Primera's target users, it was found that more people want a car that is distinctive in appearance, that early on adopts advanced technologies and provides solid performance.

The research also allowed for the target customer to be clearly identified: those who enjoy active lifestyles and prefer products that are distinctive and original, people who want the real thing in their cars and see their cars as a means of self expression.

Challenging an Orthodoxy

This was the basis for the design brief: a Japanese and European design team were given the opportunity to explore new avenues in packaging, form, surface treatments and details. "Imagine a familiar, practical car—but imagine it covered in snow," said Stéphane Schwarz, studio chief designer at Nissan Design Europe. "Think about how the snow softens the lines of the car and changes its shape. A four-door saloon car is probably the most familiar shape of all for consumers, and the Primera is Nissan's challenge to that orthodoxy. It says we have the confidence to reformulate even the most established of forms."

From initial sketches, a bold image quickly emerged: a monosilhoutte shape that smoothly encompasses hood, cabin and trunk. The traditions of sedan car design have almost completely been left behind and replaced with a fluid, aerodynamic profile.

The close communication between design and engineering teams was critical from the start, so that the initial image could be faithfully reproduced in the production model. Whenever there was a conflict between designer and engineer, it was resolved by asking the question: is this relevant to the customer?

Advanced Human-Machine Interface

But the Primera is advanced not only in the way it looks and performs, but also in the way it communicates with the driver. It boasts an advanced human-machine interface that achieves new forms of communication by making the equipment easy to see and operate even during high-speed cruising. It does not simply display large amounts of information; it allows the driver to immediately and easily analyze, extract and make quick use of the information obtained while safely operating the vehicle.

The relationship between design and engineering also resulted in a vehicle that provides an optimum balance of handling and ride comfort, surpassing that of rival models.

As Yoshihiro Matsuo, Nissan Chief Product Specialist, summed it up, "Our intention in developing the new Primera was not simply to create a third-generation model, but to create a product that will be the next-generation mainstream car in this class." It is a car that will not only make a major contribution to Nissan's growth, but which highlights a new dedication to design and engineering excellence.

THE CLEAREST SIGN OF SUCCESS FOR A CAR MAKER: THE GROWING POPULARITY OF ITS PRODUCT. IN NEARLY EVERY ONE OF ITS MARKETS AROUND THE GLOBE, NISSAN HAS SEEN GROWTH BEYOND THE EXPECTATIONS OF MANY JUST A SHORT TIME AGO, WHILE IN JAPAN THE SUCCESS OF NEW MODELS IS PART OF A PLAN TO REBUILD THE NISSAN BRAND—AND PROFITABILITY AT HOME.

"A strong and positive brand identity is part of everything we do. Our goal is to be thoughtful about the needs of our customer from their first visit to a Nissan showroom and throughout the life of their car—and starting all over when they return to buy their next Nissan."

Norio Matsumura
Executive Vice President

Growth Around the Globe

"When we announced the Nissan Revival Plan and said that we were not computing any growth, it's not that we weren't looking for growth," explained Nissan Executive Vice President Norio Matsumura. "We simply did not want to rely on it. However, during the past year our global unit sales increased four percent, from 2,530,000 to 2,632,000 units."

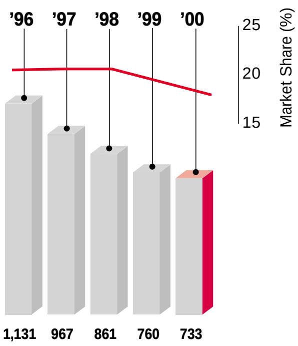
While Nissan has been laying the foundation for future growth, the company saw sales rise in every major market with the exception of Japan. As the new Nissan brand image comes into force—enhancing and expanding Nissan's presence globally—its current model lineup has successfully driven new growth.

Meanwhile, the company is building the strength of its associated businesses. Parts and service is extremely important to both dealers and customers; the company has been working through the year to increase global coordination, boosting efficiency and more quickly meeting customer needs.

Nissan Financial Services Co., Ltd. (NFS) was created in Japan on July 1, 2000. The full-service, branded sales finance company offers a wide range of products to Nissan customers, from loans and leases to insurance, credit cards, and rental cars. Combined with Nissan Motor Acceptance Corporation (NMAC) in the US, NFS is a core part of Nissan's sales and marketing operations. "NFS is a key tool for our sales staff and, more importantly, for our customers," says Minoru Nakamura, President of NFS. "The service and products we provide make it easier to not only purchase, but to own a Nissan."

Total demand in Japan increased 3.5 percent to 4.1 million units; this slight increase combined with a sluggish economy suggests there is no definite market turnaround trend.

Unit Sales
(Thousands of units, retail sales basis)



Japan

The Japanese economy saw no strong signs of improvement in the past fiscal year. However, as the domestic auto market experienced a slight 3.5 percent increase last year, Nissan sales declined 3.6 percent from fiscal year 1999 to 733,000 units, representing a 17.8 percent market share. The slight decline was part of the company’s plan to focus on improving profitability in the home market while preparing for new product launches in 2002.

In the second half, the company launched the first wave of the 22 new products with a new customer focus, as promised by the NRP. The Bluebird Sylphy, X-TRAIL, Cima and Primera have all been well received by the market. These cars have given Nissan a good start in restoring profitability and brand image.

On April 2, 2001, Nissan announced the decision to enter the mini-vehicle market, working with Suzuki Motor Corporation, Japan’s leading mini-vehicle maker. The first car will be launched in 2002, with the aim of expanding the customer base by attracting those who might not have considered Nissan in the past. With more than 80 percent of mini-vehicle buyers owning another car, the company expects the exposure to a Nissan minicar will lead to more buyers considering the purchase of another Nissan.

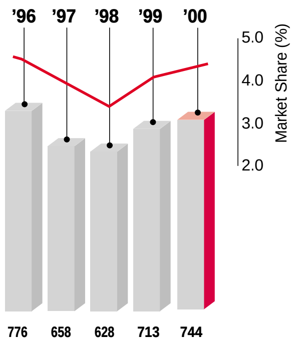
United States

Coming off a record pace of 17.4 million units for fiscal year 1999, the US market cooled swiftly in the second half, ending the year down 1.5 percent at 17.1 million units. Nissan has forecast a continuation of the drop which began in the fourth quarter with the cooling of the economy.

Despite the slowdown in the US, strong product performance drove Nissan sales up—a 4.3 percent sales jump for the year, to 744,000 units.

Twice as many of the all-new Sentra were sold as in the previous year, with the vehicle offering buyers a small car with power and spaciousness. The Sentra CA offered California customers nothing less than the cleanest gasoline powered car in the world. Meanwhile the Xterra continued to be the hottest SUV in the market for the second year in a row.

Unit Sales
(Thousands of units, retail sales basis)



Infiniti had its second straight record sales year, up 3.4 percent to 77,800 units. Sales of the I30 and the QX4 SUV, with a new, more powerful engine, were strong. Infiniti's Total Ownership Experience (TOE™) continues to rank the brand at top levels of customers satisfaction.

Europe

While the European market dipped slightly–down 1.2 percent to 16.7 million units–the UK market was turbulent, and performance on the continent was mixed. Yet Nissan sales increased by 3.5 percent to 533,000 vehicles, all due to strong new products. A slight downward trend has continued into the first quarter of fiscal year 2001.

While the European market dipped slightly—down 1.2 percent—and the UK market remained turbulent, Nissan sales increased by 3.5 percent to 533,000 vehicles due to strong new products.

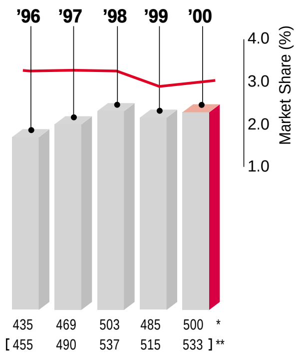
In March, Nissan launched the all-new Almera to strong response, with Almera sales jumping 17.3 percent. The Almera Tino was a hit addition to the lineup, as the MPV segment has skyrocketed in Europe. The vehicle, produced at Nissan's Barcelona plant, soared past company forecasts with sales of 29,930, or more than 3,000 units per month, since its launch in July, 2000.

A European boom in four-wheel drive sales also arrived in 2000; Nissan was able to meet growing demand with the Patrol and Terrano II. The company is preparing for the new X-TRAIL to be launched in the market during the fall of 2001.

RENAULT NISSAN

Nissan and Renault moved swiftly in 2000 to integrate back office operations in Europe. Operations in Switzerland and the Netherlands merged into single legal entities (SLE) which coordinate operations for both Nissan and Renault. Both companies will maintain separate and distinct retail outlets; however, both the companies and customers will benefit from greater efficiencies and convenience in finance, service and logistical support.

Unit Sales
(Thousands of units, retail sales basis)



* Western Europe:17 major countries
** Retail Sales in Total Europe

Asia/Oceania

After a solid recovery in 1999, the ASEAN and Taiwan markets remained strong in 2000. Overall market demand rose 19.5 percent, led by Thailand with a 20 percent increase in overall vehicles sales.

The introduction of the new Sunny and strong Datsun Pickup Truck sales led Nissan sales to outperform the market with a 42.6 percent increase. Nissan also picked up market share in Taiwan, seeing stable sales as the total market declined. In Singapore, Nissan maintained in the top position with a 22 percent market share.

Gulf States

Spurred by an increase in petroleum revenues and improved exchange rates, vehicle demand increased in Saudi Arabia and the Gulf region. Nissan sales grew 15.9 percent in the Gulf states on strong sales of the Sunny, Datsun Pickup Truck and the Patrol.

Mexico

Mexican automobile sales continued a trend of strong growth into 2000, with industry-record sales of 854,000 units. Nissan remained the number-two automaker in Mexico with record sales of 173,000 units—a 20.3 percent market share.

Growth was fueled by the continuing strong sales of the Tsuru, the best-selling car in Mexico for the fourth year running (and Nissan's best selling car of the past decade), and by the successful launch of new models including the Sentra. Launched in October, the Sentra has won high praise in Mexico, including being selected as Car of the Year by the automobile magazine ***Motor y Volante***.

Latin America and the Caribbean

Total market demand in Latin America grew 6.3 percent for 2000, with growth in Brazil and Venezuela. The market declined elsewhere in the region. Nissan sales throughout the region declined by 10 percent to 40,000 units in 2000.

In the Caribbean, successful sales promotion campaigns in Puerto Rico, the Dominican Republic and Panama resulted in increased market share. Other markets fell along with a total demand decrease.

NISSAN'S TECHNICAL SKILLS ARE AT THE HEART OF EVERY PART OF THE DRIVING EXPERIENCE— FROM THE ENJOYMENT OF THE DRIVE TO INCREASED SAFETY AND REDUCED ENVIRONMENTAL IMPACT.

Always at the Cutting Edge

A Technological Edge for the Environment

Nissan has gained a well-deserved reputation for being a leader in developing environmental technologies, and in taking active steps toward reducing environmental impact:

- Nissan was the first automobile manufacturer in the US to install equipment for the recovery and recycling of chlorofluorocarbons (CFC-12) and hydrofluorocarbons (HFC-134a) refrigerants at all its US dealerships.
- Nissan was among the first automakers worldwide to eliminate the use of CFCs as a foaming and cleaning agent in manufacturing processes.
- Nissan was the only automaker to receive the US Environmental Protection Agency (EPA) "Best of the Best" award for protecting the ozone layer.
- Nissan is curbing HFC emissions in Japan—where there are no government regulations regarding HFCs.
- Nissan was the only automaker to receive the prestigious 1999 Climate Protection Award from the US EPA.

Nissan continues to add to these accomplishments in its new products as well. The new Bluebird Sylphy is a gasoline-fueled sedan that achieves exhaust emission levels that are 50 percent lower than the standards demanded by the Japanese Ministry of Land, Infrastructure and Transport “cleanest exhaust emission” level—making it the cleanest car of its class in Japan.

Clean Leaders

The same clean QG18DE engine used in the Bluebird Sylphy is also the powerplant in the Sentra CA (“clean air”) released in the California, US market. Because of the technologies applied, the Sentra CA has been certified as the cleanest car in the world—so clean that, depending on air conditions, the air behind the car may be cleaner than that in front! The Sentra CA meets the stringent Super Ultra Low Emissions Vehicle (SULEV) standards set by the California Air Resources Board (CARB). The vehicle also is the only gasoline-fueled car that is certified as meeting CARB’s Zero Evaporative Emissions standard; the Sentra CA does not emit air-damaging components into the air when parked, as many vehicles do.

Nissan Firsts

Nissan’s fuel efficiency technology doesn’t end with the engine, however. The company was the first in the world to successfully bring to market a continuously variable transmission, the EXTROID CVT. Using disks and power rollers rather than conventional CVT belt drives, the transmission provides a 10 percent increase in fuel efficiency—and is composed entirely of Nissan original CVT technology.

Tomorrow’s environmental technologies are also a major focus of today’s Nissan as well. The company recently announced an alliance with Renault for the launching of an intensive five-year fuel cell development program that will involve 300 engineers and technicians, with test runs of a special fuel cell Xterra already underway.

Improving Safety and Driving Pleasure

Nissan has created a number of technologies that not only increase safety, but do so while improving the driving experience as well. This can be as simple as improving the technology of meters and dials, as high-tech as advanced IT system built into the vehicle, or as indispensable as technologies that can help the driver react more effectively when the unexpected occurs.

Lane Keeper

In the new Cima, the driver's workload is greatly reduced by the introduction of the world's first lane-keeping assistance system. Along with helping to keep the car in the correct lane during normal operations, it can also help to keep the car running true on a straight segment of an expressway when road banking, crosswinds or other factors unexpectedly deviate the vehicle from its course.

ALL MODE 4WD System

The new X-TRAIL—an instant hit in the Japanese market—takes four-wheel-driving one step further. The ALL MODE 4x4 system is a 4WD designed for a front-wheel-drive layout, and is intended to eliminate anxieties about unpaved, wet or snowy roads. The system detects the road surface condition and instantly provides the optimum torque distribution, from 2WD to 4WD. During ordinary urban driving, the system operates in 2WD mode, achieving low fuel consumption. On slippery surfaces, the system's electronic control ensures that torque is immediately transferred to the rear wheels to provide excellent traction. The driver can also select one of three modes—Auto, 2WD or Lock (providing a fixed front/rear torque distribution of 57:43)—with the touch of a switch.

IT Driving

Automobiles provide people with an outstanding level of personal mobility and freedom—something Nissan believes will grow even more quickly in the future. One way to create an even closer human-machine interface is through the possibilities of the IT age.

Seen especially clearly in the new Primera and Cima, IT can provide all kinds of information to make the drive safer and more enjoyable. Rather than simply providing more information, which could simply overload the driver, it should make the information easy to see, extract and analyze, even during high-speed driving. The large-scale LCD screen in the Primera is a good example; carefully positioning of the wide screen allows a quick glance for information from running information to detailed navigation to engine functions. Control switches are positioned intuitively for ease of access and simple operation. Nissan engineers are working to provide drivers with new telematics services that are attractive and affordable—but not complex.

Superior Powerplants

Nissan engine technology has long stood apart, a symbol of the company's engineering prowess.

The three-liter V6 VQ engine has been selected for seven years running by Ward's Communications as one of the ten best engines available in the US, due to its power, smoothness and quiet operations.

The new 4.5-liter, direct-injection V8 VK45 engine used in the Cima takes advantage of a wide range of advanced features to provide both class-leading power and low fuel consumption—so low that it qualifies as low-emission vehicle (LEV) by the Japanese Ministry of Land, Infrastructure and Transport.

And the QG18DE engine is the powerplant that makes the Sentra CA the world's cleanest gasoline-fueled engine—and the winner of a number of environmental and technical awards in Japan and the US.

CREATING ITS VEHICLES CLOSER TO THE MARKET IN WHICH THEY WILL BE SOLD ALLOWS NISSAN TO REDUCE COSTS, MEET GROWING DEMAND AND BE MORE FLEXIBLE, RESPONDING SWIFTLY TO LOCAL MARKET NEEDS. NEW INVESTMENTS ARE LAYING THIS IMPORTANT GROUNDWORK FOR FUTURE GROWTH.

Investing for Growth

Investment for the future is a key component of the Nissan Revival Plan–sustained profitability, after all, cannot come from cost-cutting alone. As the demand for Nissan products has grown, so has investment in the manufacturing facilities around the world to place production where it is needed.

Nissan's Flexible Manufacturing System (FMS) is the auto industry's most flexible system for assembling vehicles; its most modern production lines can see more than seven different Nissan models running down the same line. Through ***kaizen***–"the search for continual improvement"–Nissan production, already known as the industry's most productive, leads the way into the 21st century.

North America

In North America, Nissan began construction on a new US$930 million manufacturing plant in Canton, Mississippi–the first new facility to carry Nissan into the 21st century. Scheduled to begin production in the summer of 2003, the plant will employ 4,000 people

RENAULT NISSAN

The Alliance in Mexico

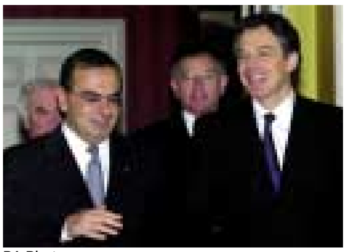
The first joint production by Nissan and Renault comes with a US$400 million investment over seven years in–and the return of Renault to–Mexico. The production of the Renault Scénic at Nissan's Cuernavaca plant marks the first-ever sales of a compact monocoupe in the Mexican market. This production also increases Nissan's production capacity utilization in Mexico, while enabling Renault to increase its strength both in Mexico, and later into Central America, the Caribbean, and Latin America.

and have the capacity to produce 250,000 units annually, The Canton plant will produce a full-size pickup truck, a full-size SUV, and the next-generation Nissan mini-van. In addition, Nissan has begun a US$1 billion investment over the next four years which will triple engine production at its Decherd, Tennessee plant, and to maximize its vehicle production capacity utilization at its Smyrna, Tennessee plant.

Both investments are part of Nissan's goal of meeting its projected sales of one million units in North America, as well as to decrease costs, respond more quickly to local conditions, and reduce exposure to currency fluctuations.

Europe

In the United Kingdom, Nissan began the year 2001 with an announcement that makes it the largest automobile producer in the nation–the decision to produce the next-generation Micra at its Sunderland plant. Named the most productive plant in Europe by both the Harbour and EIU reports, Sunderland will employ 5,000 and is projected to produce 500,000 cars annually. The Micra represents the first common platform of the Nissan-Renault Alliance in Europe; the plant will also continue to produce the Almera and the new Nissan Primera for Europe.



PA Photos

Japan

Production capacity utilization in Japan has risen dramatically following one of the most difficult tasks in reorganizing its global manufacturing base to meet the needs of the future: the closure of the Murayama, Aichi Machine Minato and Nissan Shatai Kyoto plants. As a result, domestic capacity has risen from 51 percent before the closures to more than 74 percent. The shutdowns required a lot from everyone involved. However, they proceeded smoothly and without disruption; not a single unit of production was lost as the company transferred equipment and production to the remaining sites.

At the same time, Nissan considerably simplified its plant organization by progressively specializing factories by segment and concentrating our lower volume diversity at a single site in the Nissan Shatai Shonan plant.

A COMPLETE OVERHAUL OF PURCHASING OPERATIONS BROUGHT AN 11 PERCENT REDUCTION—AHEAD OF NISSAN'S EIGHT PERCENT COMMITMENT AND 10 PERCENT TARGET. BY GLOBALIZING OPERATIONS, WORKING TOGETHER WITH ENGINEERING AND BEING MORE OPEN TO SUPPLIERS, NISSAN HAS REDUCED COSTS WHILE MAINTAINING QUALITY AND DURABILITY.

RENAULT NISSAN

Joint Purchasing Organization
Building on the synergies created by the Alliance, Nissan and Renault have established the Renault-Nissan Purchasing Organization (RNPO), equally owned by both companies. By utilizing this joint purchasing organization, a savings of five percent will be realized on joint projects, beginning with the C-platform. RNPO will initially handle some 30 percent of both companies' annual global purchasing turnover, with further expansion to 70 percent expected based on the delivered performance.

Cutting Costs—Ahead of Schedule

Perhaps nowhere has the Nissan Revival Plan provided more benefits, and moved ahead more quickly, than in purchasing. Accounting for more costs than any other area of Nissan's operations, purchasing was given an ambitious task in the NRP: to reduce costs by 20 percent over three years. One year later, costs have already been cut by average of 11 percent–a reduction that is well ahead of schedule.

To accomplish this, Nissan first brought together regional purchasing operations in Japan, North America and Europe into a single organization that can better take advantage of the company's global purchasing power.

Next was the Nissan 3-3-3 concept. Three partners: suppliers, purchasing and engineering, working together in closer teamwork. Three regions: Japan and Asia; the Americas; and Europe, the Middle East and Africa. A time frame of three years: 2000, 2001 and 2002. Nissan 3-3-3 encourages the company's suppliers to work more closely with Nissan engineers to reduce costs without compromising durability or quality. This may mean improved engineering, or the review of standards and specifications. To date, this effort has resulted in more than 80,000 suggestions–as well as great improvements in cost and efficiency. It also allows suppliers to share the best practices, costs levels and performance on a worldwide basis.

THE NISSAN REVIVAL PLAN IS FREEING FINANCIAL RESOURCES FOR NISSAN INVESTMENT IN ITS CORE BUSINESSES; ASSET SALES HAVE PLAYED AN IMPORTANT ROLE IN SUPPORTING INVESTMENTS WHILE REDUCING THE OVERALL LEVEL OF AUTOMOTIVE DEBT.

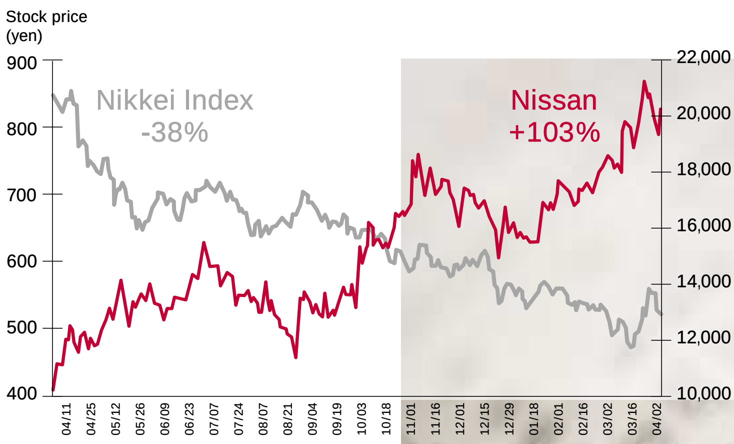
The NRP—Boosting the Bottom Line

For the first time in 15 years, Nissan's net automotive debt at the end of the fiscal year fell below one trillion yen, to ¥953 billion. To put this in perspective, this is less than half the net debt on the books at the time of the signing of the Alliance with Renault at the close of fiscal year 1998.

Sales of real estate, marketable securities, non-core operations and affiliate companies in fiscal year 2000 generated ¥341 billion in cash proceeds for the company, compared to the ¥200 billion forecast.

Net financial costs were halved to ¥31.1 billion as the company reduced net automotive debt and re-engineered funding sources. Today, all Nissan borrowing is managed on a consolidated basis by the global treasury department, allowing it to systematically secure the most cost effective and balanced source of funds worldwide.

The improved profit picture for fiscal year 2000 restored Nissan's equity position. Consolidated shareholder equity came to ¥957.9 billion, allowing Nissan to pay a seven yen per share dividend—its first since 1998.



Nissan's share price more than doubled over the fiscal year, from ¥409 on April 1, 2000, to ¥831 on April 2, 2001. The results of the NRP meant that the company produced ¥1.6 trillion in value for shareholders, moving against a strong negative trend in the market.

SOCIAL RESPONSIBILITY IS TAKEN VERY SERIOUSLY AT NISSAN—IT IS AN INTEGRAL PART OF ALL OUR ACTIVITIES, NOT SIMPLY A CORPORATE SLOGAN.

A Good Global Citizen

The Environment

Nissan is doing much more than looking to the future of environmental technology; it has created vehicles that are friendly to the environment at every stage of the product lifecycle, from development to recycling end-of-life vehicles. This is clearly illustrated in the Sentra CA and Bluebird Sylphy—the cleanest gasoline-fueled cars in the world—and in the technologies that will make Nissan cars more recyclable at the end of their useful life. As early as the spring of 1999, all of Nissan's Japanese seven major production facilities, four major overseas manufacturing centers and the product development process all achieved ISO 14001 environmental certification. The company continues to research into new eco-friendly technologies as well, from direct-injection engines and continuously variable transmissions, to hybrid electric vehicles, fuel cell vehicles, and other alternative fuel vehicles.

Safety

To ensure the highest safety performance possible, Nissan designs and engineers all its vehicles based on the comprehensive Triple Safety concept. This novel concept looks at the key interactions between people and vehicles. Information Safety forewarns the driver of potential danger; Control Safety assists the driver in avoiding potential danger; and Impact Safety works to reduce injuries when an accident occurs. Through this work, Nissan has been awarded more AAA ratings—the highest safety rating in the Japan Ministry of Transport (today the Japanese Ministry of Land, Infrastructure and Transport) Japan New Car Assessment Program—than any other Japanese automaker. Today, new IT Driving technologies being developed by Nissan promise not only a more pleasant driving experience, but a safer one as well.

Building on Cultural Diversity

The development of a successful company culture, in all locations around the world, is the highest priority for a truly effective global company, one that can cope with consolidation and change. Second, but still critically important, is managing the cultural differences of people, because this is a vital tool to enrich the company culture.

Developing a common vision and a global company culture—a shared corporate determination—will continue to be a main force in Nissan's growth. Cultural diversity is seen as a catalyst for the growth of the company, not a crutch. Appreciating the differences between cultures and incorporating them, not forcing them, into every facet of Nissan's business will continue to create the dynamic synergies that began with the Alliance with Renault.

Giving Back to the Community

When Nissan made the announcement of its new US$930 million assembly plant in Canton, Mississippi, the company also revealed that it had established the Nissan Mississippi Scholarship Program. The Program will draw from a US$1 million fund to help state high school students pay for college education,part of what the company sees as "a new partnership" between Nissan and Mississippi.

It's the kind of relationship Nissan is building in communities around the world, from the Nissan Science Foundation, established in 1974 to contribute to academic advancement and cultural development in Japan, to the sponsoring of sports at all levels, to outright grants and the donation of vehicles to social welfare groups.

NISSAN EXECUTIVES

From left: Patrick Pélata, Nobuo Okubo, Itaru Koeda, Hisayoshi Kojima, Norio Matsumura, Thierry Moulonguet, Yoshikazu Hanawa, Carlos Ghosn

BOARD OF DIRECTORS AND AUDITORS

Representative Board Members

Yoshikazu Hanawa
Chairman

Carlos Ghosn
President

Board Members

Itaru Koeda
Hisayoshi Kojima
Norio Matsumura
Thierry Moulonguet
Nobuo Okubo
Patrick Pélata

Auditors

Keishi Imamura
Hiroshi Moriyama
Hideo Nakamura
Haruhiko Takenaka

(As of June 21, 2001)

CORPORATE OFFICERS

President
Chief Executive Officer
Carlos Ghosn

Executive Vice Presidents
Itaru Koeda
Purchasing
European Operations

Hisayoshi Kojima
Manufacturing
Vehicle Production Engineering
Powertrain
Industrial Machinery
Marine

Norio Matsumura
Global Sales & Marketing
North American Operations
GOM Operations
Global Parts Business

Thierry Moulonguet
Chief Financial Officer
Finance & Treasury
Group IS

Nobuo Okubo
Customer Service
Technology and Engineering Development
Vehicle 3-3-3 Promotion Office
Advanced Engineering

Patrick Pélata
Corporate and Product Planning
Program Director's Office
Design

Vice Chairman
Kanemitsu Anraku
External and Government Affairs

Senior Vice Presidents
Eiichi Abe
Masahiko Aoki
Eiji Imai
Hajime Kawasaki
Yukio Kitahora
Takashi Kitajima
Ryoso Kodama
Jean-Jacques Le Goff
Iwao Nakamura
Katsumi Nakamura
Shiro Nakamura
Bernard Rey
Kuniaki Sasaki
Toshiyuki Shiga
Shigeru Takagi
Tadao Takahashi
Keisuke Takebe
Kazuhiko Toida
Shirou Tomii
Kuniyuki Watanabe
Shuji Yamagata

(As of July 1, 2001)

Corporate Data

(As of March 31, 2001)

Nissan Motor Co., Ltd.

17-1, Ginza 6-chome
Chuo-ku, Tokyo 104-8023
Japan
Phone: +81(0)3-3543-5523

Date of Establishment

December 26, 1933

Paid-in Capital

¥496,606 million

Common Stock

Issued and outstanding:
3,977,295,210 shares

Number of Shareholders

116,055

Major Registered Shareholders

	% of total
Renault	36.8
The State Street Bank and Trust Company	2.5
The Dai-ichi Mutual Life Insurance Company	2.4
Japan Trustee Service Bank Ltd. (Trust)	2.0
Nippon Life Insurance Company	2.0
Bankers Trust Company Client Lending A/C	1.8
The Chase Manhattan Bank N.A. London S.L. Omnibus A/C	1.7
The Mitsubishi Trust and Banking Corporation (Trust)	1.4
The Chase Manhattan Bank N.A. London	1.3
The Industrial Bank of Japan, Limited	1.3

Securities Traded

- Tokyo Stock Exchange
  Osaka Stock Exchange
  Nagoya Stock Exchange
  Fukuoka Stock Exchange
  Sapporo Stock Exchange
  (7201 T)
- NASDAQ: (One American Depositary Receipt represents two shares underlying stock) (NSANY)
- Frankfurt Stock Exchange (NISA GR)

Transfer Agent and Registrar for Common Stock

The Chuo Mitsui Trust & Banking Co., Ltd.
33-1, Shiba 3-chome
Minato-ku, Tokyo 105-8574
Japan

Depositary and Transfer Agent for American Depositary Receipts

Morgan Guaranty Trust Company of New York
60 Wall Street
New York, NY 10260-0060,
USA

Auditor

Century Ota Showa & Co.

Major Offices and Facilities

Corporate Headquarters (Tokyo, Japan)
Nissan North America (Gardena, US)
Nissan Europe
(Amsterdam, The Netherlands /Tráppes, France)

Nissan Technical Center (Atsugi, Japan)
Nissan Technical Center North America (Farmington Hills, US)
Nissan Technical Centre Europe (Cranfield, UK)
Nissan Design America (San Diego, US)
Nissan Design Europe (Geretsried, Germany)

Major Production Sites

Japan

Oppama Plant
Tochigi Plant
Kyushu Plant
Yokohama Plant
Iwaki Plant

North America

Nissan North America (Smyrna, US)
Nissan Mexicana S.A. de C.V.

Europe

Nissan Motor Manufacturing (UK) Ltd.
Nissan Motor Ibérica S.A. (Spain)

CONSOLIDATED FIVE-YEAR SUMMARY

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2000, 1999, 1998, 1997 and 1996

	Millions of yen (except per share amounts and number of employees)					Millions of U.S. dollars(Note 2) (except per share amounts)
For the years ended	**2000**(Note 1) **Mar. 31, 2001**	1999 Mar. 31, 2000	1998 Mar. 31, 1999	1997 Mar. 31, 1998	1996 Mar. 31, 1997	**2000** **Mar. 31, 2001**
Net sales	**¥6,089,620**	¥5,977,075	¥6,580,001	¥6,564,637	¥6,658,875	**$49,110**
Operating income	**290,314**	82,565	109,722	86,883	199,380	**2,341**
Net income (loss)	**331,075**	(684,363)	(27,714)	(14,007)	77,743	**2,670**
Net income (loss) per share(Note 3)	**83.53**	(179.98)	(11.03)	(5.57)	30.94	**0.67**
Cash dividends paid(Note 4)	**0**	0	17,591	25,130	17,589	**0**
Shareholders' equity(Note 5)	**¥ 957,939**	¥ 563,830	¥ 943,365	¥1,006,790	¥1,070,418	**$ 7,725**
Total assets(Note 5)	**6,451,243**	6,175,658	6,606,331	7,608,091	7,188,106	**52,026**
Long-term debt	**1,402,547**	1,655,610	1,591,596	1,669,642	1,969,423	**11,311**
Depreciation and amortization	**360,191**	434,553	498,444	508,012	436,756	**2,905**
Number of employees	**133,833**	141,526	131,260	137,201	135,331	

Notes: 1. Figures of 2000 are calculated based on new accounting rules. Please refer to 3. ACCOUNTING CHANGES on page 47 for changes in the accounting rules.
2. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at ¥124=$1, the approximate exchange rate on March 31, 2001.
3. Net income (loss) per share amounts are based on the weighted average number of shares of common stock outstanding during each year. Figures for net income (loss) per share are in exact yen and U.S. dollars.
Number of shares outstanding as of March 31, 2001: 3,977,295,210.
4. Cash dividends during the full year by subsidiary companies to non-Nissan minority shareholders are not included.
5. Shareholders' equity and Total assets for fiscal years 1996-1999 were restated in accordance with the changes in the regulations relating to the presentation of translation adjustments effective fiscal year 2000. Please refer to the Notes on page 45.

Sales and Production (units) For the years ended	**2000** **Mar. 31, 2001**	1999 Mar. 31, 2000	1998 Mar. 31, 1999	1997 Mar. 31, 1998	1996 Mar. 31, 1997
Global vehicle production(Note 1)	**2,613,948**	2,402,264	2,465,863	2,754,598	2,742,640
Japan	**1,313,527**	1,336,918	1,528,461	1,671,510	1,662,776
United States	**352,927**	348,214	279,392	396,887	409,958
Mexico	**334,061**	216,140	169,339	184,699	146,614
Spain	**153,807**	105,245	96,000	99,885	107,790
United Kingdom	**332,532**	286,865	275,993	277,509	248,026
Others(Note 4)	**127,094**	108,882	116,678	124,108	167,476
Global unit sales (wholesale)	**2,564,160**	2,415,433	2,541,736	2,567,878	2,710,043
Japan	**725,842**	758,603	872,507	981,512	1,140,010
North America(Notes 2 and 3)	**985,168**	874,160	656,789	678,488	809,133
Europe(Note 3)	**513,048**	500,836	549,547	494,092	451,809
Others(Note 2)	**340,102**	281,834	462,893	413,786	309,091

Notes: 1. All the figures for global vehicle production are on an April to March basis.
2. Unit sales in Mexico for 2000 and 1999 are included in "North America" according to new geographical segmentation applied at April 1999. Those for years before 1999 have still been included in "Others."
3. Sales for Europe and Mexico are on a January to December basis.
4. Production units in "Others" for fiscal year 1999 was corrected by 2,386.

FINANCIAL REVIEW

THE BEST FINANCIAL PERFORMANCE THAT CAN BE RELIABLE TRACED FOR NISSAN—THE RESULT OF THE FIRST FULL FISCAL YEAR OF THE NISSAN REVIVAL PLAN. THE OUTSTANDING RESULTS FOR 2000 ARE ONLY A FIRST STEP IN THE RIGHT DIRECTION, AN INDICATION THAT NISSAN HAS MET ITS FIRST COMMITMENT, IN A COMPETITIVE GLOBAL MARKET. BUT THE GOAL LIES AHEAD: THE QUICK RETURN TO PROFITABILITY IS ONLY THE FIRST STEP IN REALIZING NISSAN'S AMBITIONS AND PLANS.

FISCAL YEAR 2000 REVIEW

Net Sales

Consolidated net sales came to 6.09 trillion yen, a 1.9% increase from last year. To be consistent, changes in accounting methods and the scope of consolidation (such as the consolidation of Aichi Machine Industry and the spin-off of the aerospace division) accounted for a net 0.5% increase. Other primary factors of the increase in sales include the net impact of volumes, mix and prices for a total of 4.7% offsetting the negative impact of foreign exchange variations of 3.3%.

Operating Income

Nissan's consolidated full year operating income improved from 82.6 billion yen to 290.3 billion yen, more than tripling last year's performance. As a percentage of net sales, the operating margin more than tripled from 1.4% to 4.75%, reaching a level higher than the NRP commitment of a minimum 4.5% for fiscal year 2002, two years in advance.

On the cost side, the improvement has been quite significant. Purchasing costs were cut by 11% and due to the rapid pace of implementation of the NRP, costs were reduced in all other fields in line with our targets, improving both the gross and operating income.

Details at the variance in major areas between last year's 82.6 billion yen operating income and this year's 290.3 billion yen are follows:

Foreign exchange: Foreign exchange rates generated a significant negative impact to operating income of 83.6 billion yen as the yen was stronger on average for the year against all currencies. This amount is the net consolidated impact of all currencies, 9.4 billion yen coming from the dollar and 63.1 billion yen coming from European currencies.

Accounting changes and scope of consolidation: The changes decided last year to bring Nissan's accounts closer to internationally accepted standards resulted in a positive net impact of 22.2 billion yen. The positive impact relating to the change in the depreciation method more than offset the negative impact due to the recognition of current pension liabilities as an operating expense (see Note1).

Volume/Mix: The drop in volumes in Japan had a negative impact that was more than offset by the positive effect of higher sales in the United States, Europe and other markets. The mix effect, however, was negative, mostly in Japan and North America. In total, volumes and mix had a negative impact of 12.1 billion yen on operating income.

Product enrichment and competitiveness and the cost of regulations had a negative impact of 82.3 billion yen in all of our major markets, but primarily in Japan and North America.

The single most important item contributing to the improvement in profitability is purchasing costs. The reduction of 11% in purchasing costs contributed 287 billion yen to operating income.

Sales expenses, net of the impact of foreign exchange and purchasing, decreased sharply by 77.6 billion yen with significant reductions in incentive spending in Japan, North America and Europe as well as in warranty and labor costs.

General and administrative expenses, also net of the impact of foreign exchange and purchasing, were lower by 17.4 billion yen coming mostly from lower labor costs in Japan.

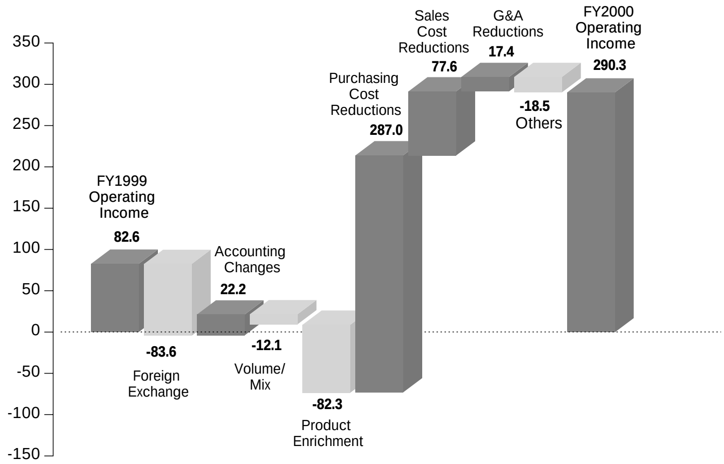
Note 1: Changing Accounting

(a) Depreciation: Effective April 1, 2000, Nissan Motor Co., Ltd. changed its depreciation method of property, plant and equipment to the straight-line method. Until the year ended March 31, 2000, depreciation of property, plant and equipment was calculated by the declining-balance method at rates prescribed by the Corporate Tax Law of Japan.

(b) Pension Service Cost: The method of accounting for prior service cost regarding the tax qualified pension plans (TQP) and government sponsored welfare pension fund plans (WPF) from expensing upon payment was changed to recognizing such cost as expense when actuarially determined or when payment becomes liable.

Impacts on Operating Income: Fiscal Years 1999 vs 2000

(Billions of yen)



Ordinary Income

Ordinary income, which increased by 283.9 billion yen in 2000 from a loss of 1.6 billion yen in 1999. Net non-operating expenses declined by 76.2 billion yen for the following reasons:

1) Net financial costs were halved to 31.1 billion yen. This was achieved by a combination of a decline in the volume of net automotive indebtedness and by a fast re-engineering of our funding to lower cost sources. All of Nissan's borrowings are managed on a consolidated basis by the global treasury department, allowing the company to systematically secure the most cost effective and balanced source of funds worldwide.
2) The sale of marketable securities generated 38.6 billion yen in profits, compared to 14.3 billion in 1999. These are realized profits and do not include 2.6 billion yen in unrealized pre-tax gains calculated at March 31 closing prices.

3) Nissan is amortizing the remainder of its past pension liabilities over a period of 15 years. For the full year, an amount of 24.7 billion yen was expensed' where nothing was charged in fiscal year 1999.
4) Other net non-operating items contributed a profit of 9.2 billion yen compared to a loss of 37.9 billion yen last year. Included in this line are the companies accounted for by the equity method, and shares in domestic parts suppliers.

After taking into account net extraordinary profits of 7.4 billion yen, net income before tax came to 289.7 billion yen. No further charges for restructuring were taken in fiscal year 2000.

Net Income

Current taxes amounted to 68.1 billion yen, but their impact was offset by the recognition of deferred taxes in an amount of 130.6 billion yen. Nissan is beginning to recognize more deferred tax assets as the company returns to profitability.

Minority interest represented a charge of 21.1 billion yen as a result of the improved profits of fully consolidated which are not 100% Nissan owned.

Bottom line, Nissan earned a consolidated 331.1 billion yen, or 5.4% of sales.

FINANCIAL POSITION

Asset

Total consolidated assets decreased 89.9 billion yen to 6,451.2 billion yen as compared to 6,541.2 billion yen at the end of fiscal year 1999.

With the expansion of the retail finance business, finance receivables increased by 490.0 billion yen. Also, deferred income taxes increased by 104.4 billion yen, while through the introduction of Global Cash Management System and reduction of interest bearing liabilities, cash on hand and in banks decreased by 194.5 billion yen. Finally, due to the reclassification of the translation adjustment to equity, total assets decreased by 365.5 billion yen.

Debt

Net automotive debt declined steadily throughout the year. Cash generated from asset sales, combined with improved cash from operations, contributed to a significant reduction of 396 billion yen in debt. For the first time in 15 years, Nissan's net automotive debt at the close of the year is below 1 trillion yen, at 953 billion. This is less than half the amount of net debt that was on the books at the close of fiscal year 1998 at the time of the signing of the Alliance with Renault.

Shareholders' equity

The improved profit picture in fiscal year 2000 has served to restore Nissan's equity position. Consolidated shareholders' equity came to 957.9 billion yen, allowing the company to propose a 7-yen per share dividend at the shareholders' meeting in June. The net automotive debt/equity ratio came to 1, a very substantial improvement from 2.4 in 1999 and the lowest ratio since 1989. At the same time, Nissan's share price doubled from 409 yen on April 1, 2000 to 831 yen on April 2, 2001, producing 1.6 trillion yen in value to the shareholders.

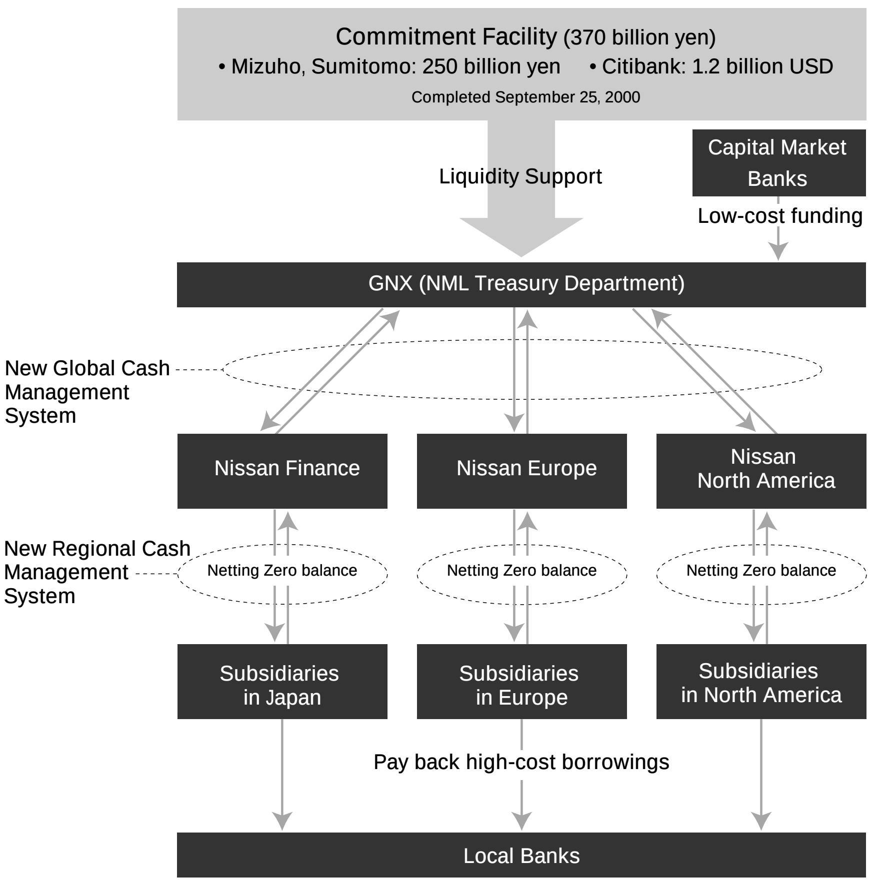
Cash Flow

Consolidated cash generated from operating activities reached 73.3 billion yen coming mainly from a major increase of income before income tax and depreciation and amortization. In total, cash and cash equivalents decreased by 202.2 billion yen from the beginning to the end of fiscal year 2000.

FINANCIAL STRATEGY

In January 2001, Nissan started the Global Cash Management System. By this system, fund raising and daily cash (cash on-hand) management in the global Nissan group are concentrated into GNX (Nissan Global headquarters). GNX raises funds by lower funding cost and allocates the funds to regional head offices (Japan, North America, Europe). Also, the regional head offices manage cash flows of subsidiaries in each region to minimize cash on hand. This new system makes Nissan available to minimize total financial costs incurred by Nissan fund raising and interest baring liabilities.

Global Cash Management System



CONSOLIDATED BALANCE SHEETS

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2000 and 1999

		Millions of yen		Thousands of U.S. dollars (Note 4)
ASSETS	As of	**2000** **Mar. 31, 2001**	1999 Mar. 31, 2000	**2000** **Mar. 31, 2001**
Current assets:				
Cash and cash equivalents (Note 9)		**¥ 288,536**	¥ 490,708	**$ 2,326,903**
Short-term investments (Notes 2(e) and 20)		**4,392**	253,017	**35,419**
Receivables, less allowance for doubtful receivables (Notes 5 and 9)		**1,724,569**	1,163,724	**13,907,815**
Inventories (Note 6)		**559,088**	547,351	**4,508,774**
Other current assets		**463,358**	369,763	**3,736,758**
Total current assets		**3,039,943**	2,824,563	**24,515,669**
Property, plant and equipment, at cost (Notes 7 and 9):		**6,091,206**	6,218,437	**49,122,629**
Less accumulated depreciation (Note 3(c))		**(3,309,486)**	(3,370,433)	**(26,689,403)**
Property, plant and equipment, net		**2,781,720**	2,848,004	**22,433,226**
Investments and other assets (Notes 2(e), 9 and 20):				
Investment securities:				
Unconsolidated subsidiaries and affiliates		**138,048**	188,388	**1,113,290**
Other		**174,848**	30,426	**1,410,065**
Other assets		**316,684**	284,277	**2,553,903**
Total investments and other assets		**629,580**	503,091	**5,077,258**
Total assets		**¥6,451,243**	¥6,175,658	**$52,026,153**

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 4)
As of	**2000** *Mar. 31, 2001*	1999 *Mar. 31, 2000*	**2000** *Mar. 31, 2001*
Current liabilities:			
Short-term borrowings and current portion of long-term debt (Note 9)	**¥1,429,516**	¥1,316,560	**$11,528,355**
Notes and accounts payable (Note 8)	**948,597**	995,785	**7,649,976**
Accrued income taxes	**54,884**	30,497	**442,613**
Other current liabilities	**677,809**	638,104	**5,466,202**
Total current liabilities	**3,110,806**	2,980,946	**25,087,146**
Long-term liabilities:			
Long-term debt (Note 9)	**1,402,547**	1,655,610	**11,310,863**
Accrued retirement benefits (Notes 2(h), 3(a) and 10)	**400,713**	127,325	**3,231,556**
Long-term accrued pension cost (Note 3(a))	**–**	222,981	**–**
Accrual for losses on business restructuring	**74,531**	164,590	**601,056**
Accrual for warranty costs (Note 3(b))	**154,557**	152,342	**1,246,427**
Other long-term liabilities	**270,973**	248,044	**2,185,267**
Total long-term liabilities	**2,303,321**	2,570,892	**18,575,169**
Minority interests in consolidated subsidiaries	**79,177**	59,990	**638,524**
Shareholders' equity (Notes 11, 15 and 23):			
Common stock, ¥50 per value:			
Authorized–6,000,000,000 shares;			
Issued –3,977,295,210 shares in 2000 and 3,977,293,751 shares in 1999	**496,606**	496,605	**4,004,887**
Capital surplus	**690,262**	690,262	**5,566,629**
Retained earnings (deficit)	**87,626**	(237,301)	**706,661**
Unrealized holding gains on securities (Note 2(e))	**1,438**	–	**11,597**
Translation adjustments (Note 2(b))	**(316,481)**	(365,526)	**(2,552,266)**
	959,451	584,040	**7,737,508**
Less treasury common stock, at cost; 3,587,173 shares in 2000 and 51,206,345 shares in 1999	**(1,512)**	(20,210)	**(12,194)**
Total shareholders' equity	**957,939**	563,830	**7,725,314**
Contingent liabilities (Note 18)			
Total liabilities and shareholders' equity	**¥6,451,243**	¥6,175,658	**$52,026,153**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2000, 1999 and 1998

	Millions of yen			Thousands of U.S. dollars (Note 4)
For the years ended	**2000** *Mar. 31, 2001*	1999 *Mar. 31, 2000*	1998 *Mar. 31, 1999*	**2000** *Mar. 31, 2001*
Net sales	**¥6,089,620**	¥5,977,075	¥6,580,001	**$49,109,839**
Cost of sales (Notes 3(c), 7 and 12)	**4,633,780**	4,568,233	4,921,422	**37,369,194**
Gross profit	**1,455,840**	1,408,842	1,658,579	**11,740,645**
Selling, general and administrative expenses (Notes 3(c), 7 and 12))	**1,165,526**	1,326,277	1,548,857	**9,399,403**
Operating income	**290,314**	82,565	109,722	**2,341,242**
Other income (expenses):				
Interest income	**7,692**	9,712	13,282	**62,032**
Interest expense	**(42,241)**	(73,979)	(102,920)	**(340,653)**
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	**9,239**	(19,033)	(13,795)	**74,508**
Other, net (Note 13)	**24,694**	(711,919)	(6,819)	**199,145**
	(616)	(795,219)	(110,252)	**(4,968)**
Income (loss) before income taxes and minority interests	**289,698**	(712,654)	(530)	**2,336,274**
Income taxes (Note 14):				
Current	**68,105**	40,503	14,329	**549,233**
Deferred	**(130,637)**	(30,589)	11,757	**(1,053,524)**
	(62,532)	9,914	26,086	**(504,291)**
Minority interests	**(21,155)**	38,205	(1,098)	**(170,605)**
Net income (loss) (Note 19)	**¥ 331,075**	¥ (684,363)	¥ (27,714)	**$ 2,669,960**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2000, 1999 and 1998

	Millions of yen			Thousands of U.S. dollars(Note 4)
For the years ended	**2000** **Mar. 31, 2001**	1999 Mar. 31, 2000	1998 Mar. 31, 1999	**2000** **Mar. 31, 2001**
Common stock:				
Balance at beginning of the year				
(2000–3,977,293,751 shares;				
1999–2,513,043,751 shares;				
1998–2,513,043,751 shares)	**¥ 496,605**	¥ 203,755	¥ 203,755	**$ 4,004,879**
Private placement (Note 11)				
(1999–1,464,250,000 shares)	**–**	292,850	–	**–**
Conversion of convertible bonds				
(2000–1,459 shares)	**1**	–	–	**8**
Balance at end of the year				
(2000–3,977,295,210 shares;				
1999–3,977,293,751 shares;				
1998–2,513,043,751 shares)	**¥ 496,606**	¥ 496,605	¥ 203,755	**$ 4,004,887**
Capital surplus:				
Balance at beginning of the year	**¥ 690,262**	¥ 397,412	¥ 397,412	**$ 5,566,629**
Private placement (Note 11)	**–**	292,850	–	**–**
Conversion of convertible bonds	**0**	–	–	**0**
Balance at end of the year	**¥ 690,262**	¥ 690,262	¥ 397,412	**$ 5,566,629**
Retained earnings (deficit):				
Balance at beginning of the year	**¥(237,301)**	¥ 653,433	¥ 681,320	**$(1,913,718)**
Net income (loss)	**331,075**	(684,363)	(27,714)	**2,669,960**
Cash dividends paid	**–**	–	(17,591)	**–**
Bonuses to directors and statutory auditors	**(131)**	(141)	(253)	**(1,056)**
Other (Note 15)	**(6,017)**	(206,230)	17,671	**(48,525)**
Balance at end of the year	**¥ 87,626**	¥(237,301)	¥ 653,433	**$ 706,661**
Unrealized holding gains on securities (Note 2(e)):				
Balance at beginning of the year	**¥ –**	¥ –	¥ –	**$ –**
Net change during the year	**1,438**	–	–	**11,597**
Balance at end of the year	**¥ 1,438**	¥ –	¥ –	**$ 11,597**
Translation adjustments (Note 2(b)):				
Balance at beginning of the year	**¥(365,526)**	¥(311,230)	¥(275,695)	**$(2,947,790)**
Net change during the year	**49,045**	(54,296)	(35,535)	**395,524**
Balance at end of the year	**¥(316,481)**	¥(365,526)	¥ (311,230)	**$(2,552,266)**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal years 2000, 1999 and 1998

	Millions of yen			Thousands of U.S. dollars (Note 4)
For the years ended	**2000** **Mar. 31, 2001**	1999 Mar. 31, 2000	1998 Mar. 31, 1999	**2000** **Mar. 31, 2001**
Operating activities				
Income (loss) before income taxes and minority interests	**¥ 289,698**	¥(712,654)	¥ (530)	**$ 2,336,274**
Depreciation and amortization relating to:				
Leased assets	**133,145**	175,962	217,826	**1,073,750**
Other assets	**227,046**	258,591	280,618	**1,831,016**
Provision for doubtful receivables	**17,320**	26,561	18,949	**139,677**
Unrealized loss on securities	**14,152**	29,827	43,433	**114,129**
Unrealized loss on leased vehicles	**7,619**	26,706	11,650	**61,444**
Interest and dividend income	**(11,139)**	(13,415)	(19,328)	**(89,830)**
Interest expense	**108,188**	119,176	189,074	**872,484**
Gain on sales of property, plant and equipment	**(55,497)**	(321)	(11,598)	**(447,556)**
Loss on disposal of property, plant and equipment	**16,730**	29,682	9,882	**134,919**
Gain on sales of securities	**(65,043)**	(42,053)	(47,155)	**(524,540)**
Amortization of net retirement benefits obligations at transition	**24,729**	–	–	**199,427**
Provision for accrued retirement benefits	**62,075**	–	–	**500,605**
Retirement benefits paid	**(67,351)**	–	–	**(543,153)**
Amortization of prior service cost	**–**	222,981	–	**–**
Provision for losses on business restructuring	**–**	164,590	–	**–**
Business restructuring costs paid	**(28,035)**	–	–	**(226,089)**
Receivables	**(100,533)**	41,536	96,670	**(810,750)**
Finance receivables	**(389,555)**	(8,400)	71,350	**(3,141,573)**
Inventories	**16,633**	43,146	179,195	**134,137**
Notes and accounts payable	**24,476**	(40,814)	(51,316)	**197,387**
Other	**(6,837)**	110,303	(184,675)	**(55,137)**
Subtotal	**217,821**	431,404	804,045	**1,756,621**
Interest and dividend received	**8,024**	11,569	24,942	**64,710**
Interest paid	**(109,206)**	(121,607)	(170,533)	**(880,694)**
Income taxes paid	**(43,388)**	(29,275)	(13,940)	**(349,903)**
Net cash provided by operating activities	**73,251**	292,091	644,514	**590,734**
Investing activities				
Decrease in short-term investments	**3,690**	57,540	17,081	**29,758**
Purchases of investment securities	**(9,294)**	(25,682)	(27,222)	**(74,952)**
Proceeds from sales of investment securities	**177,731**	57,825	53,582	**1,433,315**
Long-term loans made	**(2,280)**	(7,439)	(9,834)	**(18,387)**
Collections of long-term loans receivable	**9,831**	5,269	7,417	**79,282**
Purchases of property, plant and equipment	**(197,216)**	(238,347)	(245,794)	**(1,590,452)**
Proceeds from sales of property, plant and equipment	**98,692**	85,859	90,546	**795,903**
(Increase) decrease in leased assets	**(170,146)**	(153,793)	71,893	**(1,372,145)**
Proceeds from sales of subsidiaries' stock resulting in changes in the scope of consolidation (Note 16)	**10,331**	40,779	18,499	**83,315**
Additional acquisition of shares of consolidated subsidiaries	**(2,568)**	(10,237)	–	**(20,710)**
Proceeds from sales of business (Note 16)	**40,379**	–	–	**325,637**
Other	**25,265**	7,814	(2,563)	**203,750**
Net cash used in investing activities	**(15,585)**	(180,412)	(26,395)	**(125,686)**
Financing activities				
Decrease in short-term borrowings	**(16,403)**	(831,150)	(356,716)	**(132,282)**
Increase in long-term borrowings	**248,298**	213,909	559,070	**2,002,403**
Increase in bonds and debentures	**50,000**	295,313	207,222	**403,226**
Repayment or redemption of long-term debt	**(555,045)**	(563,055)	(881,670)	**(4,476,170)**
Proceeds from issuance of new shares of common stock	**–**	585,700	–	**–**
Proceeds from sales of treasury stock	**25,975**	–	–	**209,476**
Repayment of lease obligations	**(15,919)**	(18,460)	(21,228)	**(128,379)**
Cash dividends paid	**–**	(340)	(17,591)	**–**
Net cash used in by financing activities	**(263,094)**	(318,083)	(510,913)	**(2,121,726)**
Effect of exchange rate changes on cash and cash equivalents	**7,155**	(30,567)	(24,830)	**57,702**
(Decrease) increase in cash and cash equivalents	**(198,273)**	(236,971)	82,376	**(1,598,976)**
Cash and cash equivalents at beginning of the year	**490,708**	695,265	613,395	**3,957,323**
Increase due to inclusion in consolidation	**564**	33,668	121	**4,548**
Decrease due to exclusion from consolidation	**(4,463)**	(1,254)	(627)	**(35,992)**
Cash and cash equivalents at end of the year	**¥ 288,536**	¥ 490,708	¥ 695,265	**$ 2,326,903**

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nissan Motor Co., Ltd. and Consolidated Subsidiaries
Fiscal year 2000 (Year ended March 31, 2001)

1. BASIS OF PRESENTATION

Nissan Motor Co., Ltd. (the "Company") and its domestic subsidiaries maintain their books of account in conformity with the financial accounting standards of Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile. The accompanying consolidated financial statements have been prepared in accordance with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

Until the year ended March 31, 1999, the consolidated financial statements included the accounts of the Company and its significant subsidiaries (owned more than 50%), and investments in certain unconsolidated subsidiaries and significant affiliates (owned 20% to 50%) were accounted for by the equity method.

In accordance with the revised accounting standard for consolidation which became effective the year ended March 31, 2000, the accompanying consolidated financial statements for the years ended March 31, 2001 and 2000 include the accounts of the Company and any significant companies controlled directly or indirectly by the Company. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated in consolidation.

Due to this change in the accounting standard for consoldiation, the number of consolidated companies increased by 139 in the year ended March 31, 2000. At the same time, the number of companies included in the consolidated financial statements on an equity basis decreased by 23. The major companies formerly accounted for by the equity method which were included in consolidation pursuant to this change in accounting standard are Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., Nissan Credit Corporation, Nissan Real Estate Development Corporation and Automakers (Pty) Limited. The decrease in the number of consolidated subsidiaries reflects the 9 companies sold (primarily finance companies in Europe) and the 9 companies merged with other subsidiaries. The total effect of these changes in the scope of consolidation was to decrease retained earnings by ¥91,319 million at April 1, 1999.

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 have been charged or credited to operations and are directly reflected in retained earnings.

Investments in subsidiaries and affiliates which are not consolidated or accounted for by the equity method are carried at cost or less. Where there has been a permanent decline in the value of such investments, the Company has written down the investments.

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

(b) Foreign currency translation

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, except for the components of shareholders' equity which are translated at their historical exchange rates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year, except for those of the subsidiary in Mexico which are translated at the rate of exchange in effect at the balance sheet date. A revised accounting standard for foreign currency translation became effective April 1, 2000. The effect of the adoption of the revised standard on the consolidated financial statements was immaterial for the year ended March 31, 2001. Due to a change effective the year ended March 31, 2001 in the regulations relating to the presentation of translation adjustments, the Company has presented translation adjustments as a component of shareholders' equity and minority interests in consolidated subsidiaries (instead of as a component of assets or liabilities) in its consolidated financial statements for the year ended March 31, 2001, and has restated the previously reported consolidated financial statements for the years ended March 31, 2000 and 1999.

(c) Cash equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

(d) Inventories

Inventories are stated principally at the lower of cost or market. The cost of finished products, work in process and purchased parts is determined primarily by the average method, and the cost of raw materials and supplies is determined primarily by the last-in, first-out method.

(e) Short-term investments and investment securities

Until the year ended March 31, 2000, marketable securities had been valued principally at the lower of cost or market, cost being determined by the moving average method, and investment securities other than marketable securities had been stated at cost determined by the moving average method.

A new accounting standard for financial instruments, which became effective April 1, 2000, requires that securities be classified into three categories: trading, held-to-maturity or other securities. Under the new standard, trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. 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, included directly in shareholders' equity. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

As of April 1, 2000, the Company and its consolidated subsidiaries assessed their intent to hold their investments in securities and classified their investments as “held-to-maturity securities” or “other securities” and accounted for the securities at March 31, 2001 in accordance with the new standard referred to above. As a result, marketable securities of ¥232,250 million ($1,872,984 thousand), which had been included in short-term investments, were reclassified to investment securities as of April 1, 2000.

The effect of the adoption of this new standard for financial instruments was to increase income before income taxes and minority interests by ¥19,889 million ($160,395 thousand) for the year ended March 31, 2001.

(f) Property, plant and equipment and depreciation

Depreciation of property, plant and equipment of the Company and foreign consolidated subsidiaries is calculated principally by the straight-line method based on the estimated useful lives and the residual value determined by the Company. See Note 3(c). Depreciation of property, plant and equipment of the domestic consolidated subsidiaries is calculated principally by the declining-balance method. Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income.

(g) Leases

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.

(h) Retirement benefits

Until the year ended March 31, 2000, accrued retirement benefits were stated at the amount which would be required to be paid if all employees covered by the retirement benefit plans voluntarily terminated their employment at the balance sheet date, less the amounts expected to be covered by the pension plans.

Costs with respect to the pension plans are funded at an amount determined actuarially. Prior service cost is being funded over a period of 14 years. The Company and certain consolidated subsidiaries charged such prior service cost to operations when actuarially determined or when payment became liable. See Note 3(a).

In accordance with a new accounting standard for retirement benefits which became effective April 1, 2000, accrued retirement benefits for employees at March 31, 2001 have been provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of March 31, 2001, as adjusted for unrecognized net retirement benefit obligation at transition, unrecognized actuarial gain or loss, and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees. The net retirement benefit obligation at transition is being amortized principally over a period of 15 years by the straight-line method.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods (principally 9 years through 18 years) which are shorter than the average remaining years of service of the employees. Certain foreign consolidated subsidiaries have adopted the corridor approach for the amortization of actuarial gain and loss.

Prior service cost is being amortized as incurred by the straight-line method over periods (principally 9 years through 15 years) which are shorter than the average remaining years of service of the employees.

The effect of the adoption of the new standard for retirement benefits was to decrease income before income taxes and minority interests by ¥35,042 million ($282,597 thousand) for the year ended March 31, 2001.

(i) Income taxes

Until the year ended March 31, 1999, deferred income taxes were recognized by the Company only for timing differences between financial and tax reporting with respect to the elimination of unrealized intercompany profits and other adjustments for consolidation purposes, although tax-effect accounting had been adopted by the foreign consolidated subsidiaries.

In accordance with a new accounting standard for income taxes which became effective March 31, 2000, deferred tax assets and liabilities have been recognized in the consolidated financial statements for the years ended March 31, 2001 and 2000 with respect to the differences between financial reporting and the tax bases of the assets and liabilities, and were measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

The effect of the adoption of the new standard for income taxes was to increase total assets by ¥14,736 million, total liabilities by ¥63,343 million and deficit by ¥64,330 million at March 31, 2000, and to decrease net loss by ¥34,238 million for the year ended March 31, 2000.

(j) Research and development costs

Research and development costs are charged to income when incurred.

A new accounting standard for research and development costs became effective the year ended March 31, 2000. However, the adoption of this new standard had no effect on the consolidated statement of operations for the year ended March 31, 2000.

(k) Revenue recognition

Revenue is generally recognized on sales of products at the time of shipment.

(l) Derivative financial instruments

The Company and certain consolidated subsidiaries have entered into various derivative transactions in order to manage certain risks arising from adverse fluctuations in foreign currency exchange rates, interest rates and stock prices. In accordance with a new accounting standard for financial instruments which became effective April 1, 2000, derivative financial instruments are carried at fair value with changes in unrealized gain or loss charged or credited to operations, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as an asset or a liability. Receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding foreign exchange contract rates.

(m) 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 appropriations. See Note 23.

3. ACCOUNTING CHANGES

(a) Effective April 1, 1999, the Company and certain consolidated subsidiaries changed their method of accounting for prior service cost regarding the tax qualified pension plans (TQP) and the government-sponsored welfare pension fund plans (WPF) from expensing such cost upon payment, to recognizing this as expense when actuarially determined or when payment became liable. This change was made in order to establish a solid financial position, considering the fact that the materiality of the unfunded prior service cost of the TQP increased due to the low rate of return on the pension assets and as the level of funding of the WPF did not reach the minimum level of funding required at March 31, 1999. In addition, certain consolidated subsidiaries changed their method of accounting for retirement allowances to provide an accrual at 100% of the amount which would be required to be paid if all employees voluntarily terminated their employment at the balance sheet date instead of providing an accrual at 40% of such amount in order to conform their accounting policies to that of the parent company. The cumulative effect of these changes amounted to ¥275,876 million at April 1, 1999 and was recorded as a special loss for the year ended March 31, 2000.

The effect of these changes in method of accounting was to increase operating income by ¥14,230 million and loss before income taxes and minority interests by ¥261,646 million, to decrease income tax expense by ¥14,057 million and to increase minority interests by ¥13,930 million and net loss by ¥233,659 million for the year ended March 31, 2000.

(b) Until the year ended March 31, 1999, the Company and its domestic consolidated subsidiaries provided an accrual for warranty costs to cover the cost of services for the following fiscal year in order to fulfill their liability under the terms of their warranty contracts and based on their historical experience. This method of provision was in accordance with the Corporation Tax Law of Japan. Effective April 1, 1999, the Company and its domestic consolidated subsidiaries changed their method of accounting for warranty costs to provide an accrual to cover the cost of all services anticipated to be incurred during the entire warranty period (ranging from 3 to 5 years) in order to achieve a better matching of revenue and expenses and to establish a solid financial position, considering the increasing difference between the requirements of the Corporation Tax Law and the existing conditions as well as from a more long-term and international point of view. The cumulative effect of this change amounted to ¥48,493 million as of April 1, 1999 and was recorded as a special loss for the year ended March 31, 2000.

The effect of this change in method of accounting was to increase operating income by ¥14,446 million and to increase loss before income taxes and minority interests and net loss by ¥34,047 million for the year ended March 31, 2000.

(c) Effective April 1, 2000, the Company changed its method of depreciation of property, plant and equipment to the straight-line method. Until the year ended March 31, 2000, depreciation of property, plant and equipment was calculated by the declining-balance method at the rates prescribed in the Corporate Tax Law of Japan. The Company also changed the useful lives and the residual value of property, plant and equipment to the estimated useful lives and estimated economic residual value determined by the Company.

The effect of these accounting changes was to decrease depreciation expense by ¥29,804 million ($240,355 thousand) and to increase operating income by ¥28,672 million ($231,226 thousand) and income before income taxes and minority interests by ¥29,052 million ($234,290 thousand) for the year ended March 31, 2001.

4. U.S. DOLLAR AMOUNTS

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥124 = US$1.00, the approximate rate of exchange in effect on March 31, 2001, has been used. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

5. RECEIVABLES

Receivables at March 31, 2001 and 2000 consisted of the following:

	Millions of yen		*Thousands of U.S. dollars*
As of	**2000** *Mar. 31, 2001*	1999 *Mar. 31, 2000*	**2000** *Mar. 31, 2001*
Notes and accounts receivable	**¥ 570,896**	¥ 492,380	**$ 4,604,000**
Finance receivables	**1,185,568**	695,531	**9,561,033**
Less allowance for doubtful receivables	**(31,895)**	(24,187)	**(257,218)**
	¥1,724,569	¥1,163,724	**$13,907,815**

Finance receivables principally represent receivables from customers on loans made by financing subsidiaries in connection with sales of automobiles.

6. INVENTORIES

Inventories at March 31, 2001 and 2000 were as follows:

As of	Millions of yen 2000 Mar. 31, 2001	1999 Mar. 31, 2000	Thousands of U.S. dollars 2000 Mar. 31, 2001
Finished products	**¥416,222**	¥388,444	**$3,356,629**
Work in process and other	**142,866**	158,907	**1,152,145**
	¥559,088	¥547,351	**$4,508,774**

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at March 31, 2001 and 2000 is summarized as follows:

As of	Millions of yen 2000 Mar. 31, 2001	1999 Mar. 31, 2000	Thousands of U.S. dollars 2000 Mar. 31, 2001
Land	**¥ 798,767**	¥ 866,318	**$ 6,441,669**
Buildings and structures	**1,328,949**	1,408,553	**10,717,331**
Machinery and equipment	**3,893,514**	3,867,543	**31,399,306**
Construction in progress	**69,976**	76,023	**564,323**
	¥6,091,206	¥6,218,437	**$49,122,629**

Depreciation of property, plant and equipment for each of the three years in the period ended March 31, 2001 was as follows:

For the years ended	Millions of yen 2000 Mar. 31, 2001	1999 Mar. 31, 2000	1998 Mar. 31, 1999	Thousands of U.S. dollars 2000 Mar. 31, 2001
	¥334,168	¥433,667	¥492,475	**$2,694,903**

8. NOTES AND ACCOUNTS PAYABLE

Notes and accounts payable at March 31, 2001 and 2000 consisted of the following:

As of	Millions of yen 2000 Mar. 31, 2001	1999 Mar. 31, 2000	Thousands of U.S. dollars 2000 Mar. 31, 2001
Notes and accounts payable	**¥600,936**	¥610,444	**$4,846,258**
Accrued expenses and other	**347,661**	385,341	**2,803,718**
	¥948,597	¥995,785	**$7,649,976**

9. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

At March 31, 2001 and 2000, short-term borrowings and the current portion of long-term debt consisted of the following:

As of	Millions of yen 2000 Mar. 31, 2001	1999 Mar. 31, 2000	Thousands of U.S. dollars 2000 Mar. 31, 2001
Loans, principally from banks	**¥ 463,284**	¥ 614,141	**$ 3,736,161**
Import bills payable	**10,868**	9,686	**87,645**
Commercial paper	**229,447**	220,000	**1,850,379**
Current portion of long-term debt	**725,917**	472,733	**5,854,170**
	¥1,429,516	¥1,316,560	**$11,528,355**

The annual interest rates applicable to short-term borrowings outstanding at March 31, 2001 and 2000 ranged principally from 0.1% to 12.0% and from 0.1% to 12.8%, respectively.

At March 31, 2001 and 2000, long-term debt consisted of the following:

	Millions of yen		*Thousands of U.S. dollars*
As of	**2000** ***Mar. 31, 2001***	1999 *Mar. 31, 2000*	**2000** ***Mar. 31, 2001***
Debt with collateral:			
Loans from banks and other financial institutions due through 2008 at rates ranging from 0.5% to 8.0%	**¥ 641,157**	¥ 401,895	**$ 5,170,621**
Debt without collateral:			
Loans from banks and other financial institutions due through 2008 at rates ranging from 0.1% to 10.1%	**537,889**	619,246	**4,337,815**
Bonds in yen due through 2007 at rates ranging from 1.7% to 3.6%	**556,700**	583,000	**4,489,516**
Notes in Australian dollars due through 2001 at rates 6.9%	**2,123**	5,764	**17,121**
Step-down coupon and zero coupon notes in yen and U.S. dollars due through 2001	**–**	9,896	**–**
Medium-term notes in U.S. dollars due through 2002 at rates ranging from 7.3% to 9.1%	**10,032**	8,589	**80,903**
Euro medium-term notes in yen, U.S. dollars, Deutsche mark and Australian dollars due through 2009 at rates ranging from 0.2% to 9.6%	**162,097**	280,387	**1,307,234**
1.6% convertible bonds in yen due 2003	**2,566**	2,567	**20,694**
Floating rate bonds with warrants in yen due 2004	**215,900**	215,900	**1,741,129**
Other	**–**	1,099	**–**
	2,128,464	2,128,343	**17,165,033**
Less current portion	**725,917**	472,733	**5,854,170**
	¥1,402,547	¥1,655,610	**$11,310,863**

The 1.6% convertible bonds due 2003, unless previously redeemed, are convertible at any time up to and including March 28, 2003 into shares of common stock of the Company at the conversion price of ¥685.30 per share as of March 31, 2001.

See Note 11 with respect to information on the warrants issued with the floating rate bonds due 2004.

At March 31, 2001, if all outstanding convertible bonds had been converted at the then current conversion price and all warrants had been exercised at the then current exercise price, 647,830 thousand new shares would have been issuable.

The conversion price of the convertible bonds and the exercise price of the warrants are subject to adjustment in certain cases which include stock splits. A sufficient number of shares of common stock is reserved for the conversion of all outstanding convertible bonds and the exercise of all warrants.

The maturities of long-term debt are summarized as follows:

Year ending Mar. 31,	*Millions of yen*	*Thousands of U.S. dollars*
2002	¥ 725,917	$ 5,854,170
2003	366,071	2,952,186
2004	378,220	3,050,161
2005 and thereafter	658,256	5,308,516
	¥2,128,464	$17,165,033

The assets pledged as collateral for short-term borrowings of ¥351,359 million ($2,833,540 thousand) and long-term debt of ¥641,157 million ($5,170,621 thousand) at March 31, 2001 were as follows:

	Millions of yen	*Thousands of U.S. dollars*
Cash	¥ 33	$ 266
Receivables	676,449	5,455,234
Investment securities	3,091	24,927
Property, plant and equipment, at net book value	386,306	3,115,371
Other	3,345	26,976
	¥1,069,224	$8,622,774

In addition to the above, at March 31, 2001, investment securities totaling ¥8,526 million ($68,758 thousand) were pledged as collateral for long-term debt of affiliates of ¥16,515 million ($133,185 thousand), which has not been reflected in the accompanying consolidated balance sheets.

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that collateral and guarantors for present and future indebtedness will be given at the request of the lending bank, with reasonable and probable cause, and that the bank shall have the right to offset cash deposits against any obligation that has become due or, in the event of default, against all obligations due to the bank. The Company has never been requested to provide additional collateral.

Certain of the agreements relating to long-term debt provide that the Company, if requested, be required to submit its proposal for the appropriation of retained earnings and to report other significant matters to the lenders for their review and approval prior to their presentation to the shareholders. No such requests to the Company have ever been made.

10. RETIREMENT BENEFIT PLANS

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans, tax-qualified pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheet as of March 31, 2001 for the Company's and the consolidated subsidiaries' defined benefit plans:

Fiscal year 2000 *(As of Mar. 31, 2001)*	*Millions of yen*	*Thousands of U. S. dollars*
Retirement benefit obligation	¥(1,462,142)	$(11,791,467)
Plan assets at fair value	717,359	5,785,153
Unfunded retirement benefit obligation	(744,783)	(6,006,314)
Unrecognized net retirement benefit obligation at transition	350,121	2,823,557
Unrecognized actuarial gain or loss	66,431	535,734
Unrecognized prior service cost	(72,381)	(583,718)
Net retirement benefit obligation	(400,612)	(3,230,741)
Prepaid pension cost	101	815
Accrued retirement benefits	¥ (400,713)	$ (3,231,556)

The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table. In the year ended March 31, 2001, the Company and certain consolidated subsidiaries made amendments to their welfare pension fund plans with respect to the age of eligibility for annuity payments for the government-sponsored portion of the benefits in accordance with the amendments to the Welfare Pension Insurance Law of Japan in March 2000, and also made amendments to their lump-sum payment plans and tax-qualified pension plans. As a result, prior service cost was incurred.

The components of retirement benefit expenses for the year ended March 31, 2001 are outlined as follows:

Fiscal year 2000 *(For the year ended Mar. 31, 2001)*	*Millions of yen*	*Thousands of U. S. dollars*
Service cost	¥57,881	$466,782
Interest cost	45,390	366,048
Expected return on plan assets	(31,092)	(250,742)
Amortization of net retirement benefit obligation at transition	25,232	203,484
Amortization of actuarial gain or loss	(239)	(1,927)
Amortization of prior service cost	(10,848)	(87,484)
Other	480	3,871
Total	¥86,804	$700,032

The assumptions used in accounting for the above plans were as follows:

Fiscal year 2000 *(As of Mar. 31, 2001)*	Domestic companies	Foreign companies
Discount rates	3.0%	4.9%–7.5%
Expected return on assets	mainly 4.0%	7.5%–9.0%

11. SHAREHOLDERS' EQUITY

In accordance with the Commercial Code of Japan, the Company has provided a legal reserve by appropriation of retained earnings, which is included in retained earnings. This reserve amounted to ¥50,938 million ($410,790 thousand) as of March 31, 2001 and 2000. The Code provides that neither additional paid-in capital nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors.

On May 28, 1999, the Company issued 1,464,250 thousand new shares of common stock at ¥400 per share to Renault, a French corporation, for ¥585,700 million in the aggregate.

On the same date, the Company issued to Renault floating rate bonds due 2004 with warrants which amounted to ¥215,900 million. The warrants, which may not be transferred to a third party, entitle Renault to subscribe for shares of common stock of the Company at an exercise price of ¥400 per share. The rights under the warrants are exercisable up to and including May 21, 2004; however, exercise of the warrants by Renault is limited to the extent that Renault's equity interest in the Company may not exceed 39.9% within a four-year period from the date of issuance of the bonds with warrants.

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs included in selling, general and administrative expenses and manufacturing costs for the year ended March 31, 2001 and 2000 amounted to ¥231,672 million ($1,868,323 thousand) and ¥238,622 million, respectively.

13. OTHER INCOME (EXPENSES)

The components of "Other, net" in "Other income (expenses)" for each of the three years in the period ended March 31, 2001 were as follows:

	Millions of yen			Thousands of U.S. dollars
For the years ended	**2000** ***Mar. 31, 2001***	1999 *Mar. 31, 2000*	1998 *Mar. 31, 1999*	**2000** ***Mar. 31, 2001***
Dividend income	**¥ 3,447**	¥ 3,703	¥ 6,046	**$ 27,798**
Net realized gain on sales of securities	**38,599**	14,338	36,056	**311,282**
Unrealized loss on securities	**(14,152)**	(29,827)	(43,433)	**(114,129)**
Gain on sales of property, plant and equipment	**55,497**	321	11,598	**447,556**
Gain on sales of investment securities	**26,444**	27,715	11,099	**213,258**
Foreign exchange loss	**(2,797)**	(8,611)	(39,748)	**(22,556)**
Amortization of net retirement benefit obligation at transition	**(24,729)**	–	–	**(199,427)**
Amortization of prior service cost(Note 3(a))	**–**	(275,876)	–	**–**
Provision for losses on business restructuring	**–**	(232,692)	–	**–**
Provision for warranty costs(Note 3(b))	**–**	(48,493)	–	**–**
Other	**(57,615)**	(162,497)	11,563	**(464,637)**
	¥24,694	¥(711,919)	¥(6,819)	**$199,145**

14. INCOME TAXES

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' taxes and enterprise tax, which, in the aggregate, resulted in statutory rates of approximately 42% for 2001 and 2000 and 48% for 1999. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation. The effective tax rate reflected in the accompanying consolidated statement of operations for the year ended March 31, 1999 differs from the statutory rate primarily because of the effect of timing differences in the recognition of certain income and expenses for tax and financial reporting purposes and the effects of permanently nondeductible expenses and of tax credits for research and development expenditures.

The effective tax rates reflected in the consolidated statements of operations for the years ended March 31, 2001 and 2000 differ from the statutory tax rates for the following reasons:

For the years ended	**2000** *Mar. 31, 2001*	1999 Mar. 31, 2000
Statutory tax rate	**41.9%**	(41.9)%
Effect of:		
(Decrease) increase in valuation allowance	**(60.9)**	40.5
Different tax rates applied to foreign subsidiaries	**(2.9)**	0.5
Other	**0.3**	2.3
Effective tax rate	**(21.6)%**	1.4%

The significant components of deferred tax assets and liabilities as of March 31, 2001 and 2000 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
As of	**2000** *Mar. 31, 2001*	1999 Mar. 31, 2000	**2000** *Mar. 31, 2001*
Deferred tax assets:			
Net operating loss carryforwards	**¥229,993**	¥331,862	**$1,854,782**
Accrued retirement benefits	**140,747**	129,491	**1,135,057**
Accrual for losses on business restructuring	**35,541**	75,398	**286,621**
Other	**230,721**	301,433	**1,860,653**
Total gross deferred tax assets	**637,002**	838,184	**5,137,113**
Valuation allowance	**(280,347)**	(522,834)	**(2,260,863)**
Total deferred tax assets	**356,655**	315,350	**2,876,250**
Deferred tax liabilities:			
Reserves under Special Taxation Measures Law, etc.	**(50,875)**	(208,849)	**(410,282)**
Difference between the cost of investments and their underlying net equity at fair value	**(82,269)**	(85,785)	**(663,460)**
Unrealized holding gains on securities	**(4,455)**	–	**(35,928)**
Other	**(116,671)**	(53,237)	**(940,895)**
Total deferred tax liabilities	**(254,270)**	(347,871)	**(2,050,565)**
Net deferred tax assets (liabilities)	**¥102,385**	¥ (32,521)	**$ 825,685**

15. RETAINED EARNINGS (DEFICIT)

Other changes in retained earnings (deficit) for each of the three years in the period ended March 31, 2001 were as follows:

	Millions of yen			*Thousands of U.S. dollars*
For the years ended	**2000** *Mar. 31, 2001*	1999 Mar. 31, 2000	1998 *Mar. 31, 1999*	**2000** *Mar. 31, 2001*
Adjustments for revaluation of the accounts of the consolidated subsidiary in Mexico based on general price-level accounting (Note 2(a))	**¥ 4,346**	¥ (13,432)	¥16,394	**$ 35,048**
Cumulative effect of adoption of tax-effect accounting	**–**	(98,568)	–	**–**
Adjustments to retained earnings at beginning of the year for inclusion in or exclusion from consolidation or the equity method of accounting for subsidiaries and affiliates, and certain other adjustments	**(10,363)**	(94,230)	1,277	**(83,573)**
	¥(6,017)	¥(206,230)	¥17,671	**$(48,525)**

16. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Summary of assets and liabilities of companies excluded from consolidation following the sale of their stock

The following is a summary of the transferred assets and liabilities, the relevant selling prices and the net cash inflows from sales of stock of Satio Yamagata Co., Ltd., and thirteen other companies in the year ended March 31, 2001, from sales of stock of Sendai Nissan Motor Co., Ltd., Ehime Nissan Motor Co., Ltd., and five European sales finance companies (in Germany, the United Kingdom, Spain, Italy, and the Netherlands) in the year ended March 31, 2000 and from sales of stock of Australian sales finance companies and two other companies in the year ended March 31, 1999:

	Millions of yen			Thousands of U.S. dollars
For the years ended	**2000** ***Mar. 31, 2001***	1999 Mar. 31, 2000	1998 *Mar. 31, 1999*	**2000** ***Mar. 31, 2001***
Current assets	**¥41,441**	¥278,797	¥69,587	**$334,202**
Fixed assets	**40,385**	49,181	72,616	**325,686**
Gains on sales of subsidiaries' stock	**4,254**	9,459	6,683	**34,306**
Current liabilities	**(46,563)**	(195,676)	(84,600)	**(375,508)**
Long-term liabilities	**(12,596)**	(99,799)	(35,305)	**(101,581)**
Minority interests in consolidated subsidiaries	**(3,360)**	0	(8,791)	**(27,097)**
Proceeds from sales of stock	**23,561**	41,962	20,190	**190,008**
Cash and cash equivalents held by subsidiaries	**(13,230)**	(1,183)	(1,691)	**(106,693)**
Net proceeds	**¥10,331**	¥ 40,779	¥18,499	**$ 83,315**

(b) Summary of assets and liabilities excluded following the sales of business

Fiscal year 2000 *(For the year ended Mar. 31, 2001)*	*Millions of yen*	*Thousands of U. S. dollars*
Current assets	¥26,325	$212,298
Fixed assets	33,700	271,774
Gains on sales of tangible fixed assets	6,856	55,290
Current liabilities	(12,346)	(99,564)
Long-term liabilities	(3,625)	(29,234)
Accrual for losses on business restructuring	(10,522)	(84,854)
Proceeds from sales of stock	40,388	325,710
Cash and cash equivalents	(9)	(73)
Net proceeds	¥40,379	$325,637

(c) Significant non-cash transactions

The assets and liabilities recorded under finance leases for the year ended March 31, 2000 amounted to ¥4,613 million.

17. LEASE TRANSACTIONS

(a) Lessees' accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets as of March 31, 2001 and 2000, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen			*Thousands of U.S. dollars*		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 49,533	¥15,191	¥ 34,342	$ 399,460	$122,508	$276,952
Other	150,443	79,713	70,730	1,213,250	642,847	570,403
Total	¥199,976	¥94,904	¥105,072	$1,612,710	$765,355	$847,355

	Millions of yen		
Fiscal year 1999 *(As of Mar. 31, 2000)*	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 75,338	¥ 39,200	¥ 36,138
Other	175,213	82,722	92,491
Total	¥250,551	¥121,922	¥128,629

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥52,053 million ($419,782 thousand), ¥57,882 million and ¥25,044 million for the years ended March 31, 2001, 2000 and 1999, respectively. Depreciation of the leased assets computed by the straight-line method over the respective lease terms and the interest portion included in lease payments amounted to ¥49,136 million ($396,258 thousand) and ¥3,160 million ($25,484 thousand), respectively, for the year ended March 31, 2001, ¥53,532 million and ¥3,756 million, respectively, for the year ended March 31, 2000, and ¥22,541 million and ¥1,407 million, respectively, for the year ended March 31, 1999.

Future minimum lease payments subsequent to March 31, 2001 on noncancelable operating leases and finance leases accounted for as operating leases are summarized as follows:

	Millions of yen		*Thousands of U. S. dollars*	
Year ending Mar. 31,	Finance leases	Operating leases	Finance leases	Operating leases
2002	¥ 40,835	¥ 5,451	$329,314	$ 43,960
2003 and thereafter	65,283	18,168	526,476	146,516
Total	¥106,118	¥23,619	$855,790	$190,476

(b) Lessors' accounting

The following amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets relating to finance leases accounted for as operating leases at March 31, 2001 and 2000:

	Millions of yen			*Thousands of U.S. dollars*		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥103,398	¥49,204	¥54,194	$833,855	$396,806	$437,049
Other	5,073	2,958	2,115	40,911	23,855	17,056
Total	¥108,471	¥52,162	¥56,309	$874,766	$420,661	$454,105

	Millions of yen		
Fiscal year 1999 *(As of Mar. 31, 2000)*	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥101,063	¥48,822	¥52,241
Other	4,617	2,687	1,930
Total	¥105,680	¥51,509	¥54,171

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥37,591 million ($303,153 thousand), ¥38,332 million and ¥54,760 million for the years ended March 31, 2001, 2000, and 1999, respectively. Depreciation of the assets leased under finance leases accounted for as operating leases and the interest portion included in lease income amounted to ¥23,751 million ($191,540 thousand) and ¥2,125 million ($17,137 thousand), respectively, for the year ended March 31, 2001, ¥22,397 million and ¥1,962 million, respectively, for the year ended March 31, 2000, and ¥39,087 million and ¥3,301 million, respectively, for the year ended March 31, 1999.

Future minimum lease income subsequent to March 31, 2001 for noncancelable operating leases and finance leases accounted for as operating leases is summarized as follows:

	Millions of yen		*Thousands of U. S. dollars*	
Year ending Mar. 31,	Finance leases	Operating leases	Finance leases	Operating leases
2002	¥22,138	¥117,014	$178,532	$ 943,661
2003 and thereafter	38,777	102,931	312,718	830,089
Total	¥60,915	¥219,945	$491,250	$1,773,750

18. CONTINGENT LIABILITIES

At March 31, 2001, the Company and its consolidated subsidiaries had the following contingent liabilities:

	Millions of yen	Thousands of U. S. dollars
As endorser of notes receivable discounted with banks	¥ 663	$ 5,347
As guarantor of employees' housing loans from banks and others	243,033	1,959,943
	¥243,696	$1,965,290

In addition to the above, at March 31, 2001, the Company was committed to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates in the aggregate amount of ¥3,908 million ($31,516 thousand) at the request of the lending banks. In addition, the Company provided letters of awareness to financial institutions regarding the indebtedness of an affiliate which amounted to ¥22 million ($177 thousand). The Company also provided letters of awareness to financial institutions to whom outstanding trade receivables of ¥90,085 million ($726,492 thousand) had been sold. The outstanding balance of installment receivables sold with recourse amounted to ¥230 million ($1,855 thousand) at March 31, 2001.

19. AMOUNTS PER SHARE

The computation of basic net income (loss) per share is based on the weighted average number of shares of common stock outstanding during each year. Diluted net income (loss) per share is computed based on the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of the shares of common stock to be issued upon the conversion of convertible bonds and the exercise of warrants.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective years.

Amounts per share of net assets are computed based on the number of shares of common stock outstanding at each balance sheet date.

	Yen			U.S. dollars
For the years ended	**2000** **Mar. 31, 2001**	1999 Mar. 31, 2000	1998 Mar. 31, 1999	**2000** **Mar. 31, 2001**
Net income (loss):				
Basic	**¥83.53**	¥(179.98)	¥(11.03)	**$0.674**
Diluted	**79.45**	(179.98)	(11.03)	**0.641**
Cash dividends applicable to the year	**7.00**	–	–	**0.056**

	Yen		U.S. dollars
As of	**2000** **Mar. 31, 2001**	1999 Mar. 31, 2000	**2000** **Mar. 31, 2001**
Net assets	**¥241.07**	¥236.71	**$1.944**

20. SECURITIES

(a) Information regarding marketable securities classified as held-to-maturity debt securities and other securities as of March 31, 2001 is as follows:

Marketable held-to-maturity debt securities

	Millions of yen			Thousands of U.S. dollars		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)
Securities whose fair value exceeds their carrying value:						
Government bonds	¥ 62	¥ 64	¥ 2	$ 500	$ 516	$ 16
Corporate bonds	361	366	5	2,912	2,952	40
Others	97	97	0	782	782	0
Subtotal	¥ 520	¥ 527	¥ 7	$ 4,194	$ 4,250	$ 56
Securities whose carrying value exceeds their fair value:						
Corporate bonds	¥1,803	¥1,761	¥(42)	$14,540	$14,202	$(338)
Subtotal	¥1,803	¥1,761	¥(42)	$14,540	$14,202	$(338)
Total	¥2,323	¥2,288	¥(35)	$18,734	$18,452	$(282)

Marketable other securities

Fiscal year 2000 *(As of Mar. 31, 2001)*	*Millions of yen* Acquisition cost	Carrying value	Unrealized gain (loss)	*Thousands of U.S. dollars* Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:						
Stock	¥ 17,536	¥ 33,438	¥ 15,902	$141,419	$269,661	$ 128,242
Debt securities	32	35	3	258	282	24
Subtotal	¥ 17,568	¥ 33,473	¥ 15,905	$141,677	$269,943	$ 128,266
Securities whose acquisition cost exceeds their carrying value:						
Stock	¥ 91,441	¥ 78,446	¥(12,995)	$737,427	$632,629	$(104,798)
Debt securities	3,046	2,977	(69)	24,565	24,008	(557)
Subtotal	¥ 94,487	¥ 81,423	¥(13,064)	$761,992	$656,637	$(105,355)
Total	¥112,055	¥114,896	¥ 2,841	$903,669	$926,580	$ 22,911

(b) Sales of securities classified as other securities amounted to ¥145,621 million ($1,174,363 thousand) with an aggregate gain of ¥43,888 million ($353,935 thousand) for the year ended March 31, 2001.

(c) The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities as of March 31, 2001 is summarized as follows:

Fiscal year 2000 *(As of Mar. 31, 2001)*	*Millions of yen* Due in one year or less	Due after one year through five years	Due after five years through ten years	*Thousands of U.S. dollars* Due in one year or less	Due after one year through five years	Due after five years through ten years
Government bonds	¥ 90	¥ 87	¥ 0	$ 726	$ 702	$ 0
Corporate bonds	700	7,771	1,010	5,645	62,669	8,145
Other debt securities	97	65	0	782	524	0
Total	¥887	¥7,923	¥1,010	$7,153	$63,895	$8,145

(d) The carrying value and related fair value of current and noncurrent marketable securities at March 31, 2000 were as follows:

Fiscal year 1999 *(As of Mar. 31, 2000)*	*Millions of yen* Carrying value	Estimated fair value	Net unrealized gains (loss)
(1) Current:			
Stock	¥207,077	¥283,925	¥ 76,848
Bonds	761	860	99
Others	920	943	23
Subtotal	¥208,758	¥285,728	¥ 76,970
(2) Noncurrent:			
Stock	¥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

21. DERIVATIVE TRANSACTIONS

(a) Summarized below are the notional amounts and the estimated fair value of the derivative transactions outstanding at March 31, 2001:

(1) Currency-related transactions

	Millions of yen			Thousands of U.S. dollars		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Notional amount	Estimated fair value	Unrealized gain (loss)	Notional amount	Estimated fair value	Unrealized gain (loss)
Options:						
Call options, sold:						
YEN	¥ 367			$ 2,960		
(Premium)	(12)	¥ (38)	¥ (26)	(97)	$ (307)	$ (210)
Forward foreign exchange contracts:						
Sell:						
£ stg.	¥ 16,044	¥ 15,813	¥ 231	$ 129,387	$ 127,524	$ 1,863
US$	9,418	10,036	(618)	75,952	80,936	(4,984)
Others	1,576	1,557	19	12,710	12,557	153
Buy:						
£ stg.	31,639	30,669	(970)	255,153	247,331	(7,822)
US$	23,640	23,602	(38)	190,645	190,339	(306)
Others	11,801	11,279	(522)	95,170	90,960	(4,210)
Currency swaps:						
US$	¥236,755	¥(15,857)	¥(15,857)	$1,909,315	$(127,879)	$(127,879)
EURO	99,877	813	813	805,460	6,556	6,556
Others	19,128	1,667	1,667	154,258	13,444	13,444
Total	–	–	¥(15,301)	–	–	$(123,395)

Note: The notional amounts of the forward foreign exchange contracts and currency swaps presented above exclude those entered into to hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contracted rates in the accompanying consolidated balance sheets.

(2) Interest-related transactions

	Millions of yen			Thousands of U.S. dollars		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Notional amount	Estimated fair value	Unrealized gain (loss)	Notional amount	Estimated fair value	Unrealized gain (loss)
Interest rate swaps:						
Receive/floating and pay/fixed	¥256,495	¥(4,424)	¥(4,424)	$2,068,508	$(35,677)	$(35,677)
Receive/fixed and pay/floating	200,769	9,502	9,502	1,619,105	76,629	76,629
Receive/floating and pay/floating	6,727	0	0	54,250	0	0
Options:						
Caps sold	¥224,969			$1,814,266		
(Premium)	–	(538)	(538)	–	(4,339)	(4,339)
Caps purchased	¥224,969			$1,814,266		
(Premium)	123	538	415	992	4,339	3,347
Total	–	–	¥ 4,955	–	–	$ 39,960

(3) Stock-related transactions

	Millions of yen			Thousands of U.S. dollars		
Fiscal year 2000 *(As of Mar. 31, 2001)*	Notional amount	Estimated fair value	Unrealized gain (loss)	Notional amount	Estimated fair value	Unrealized gain (loss)
Options:						
Call options, sold	¥42,510	¥(1,799)	¥(1,799)	$342,823	$(14,508)	$(14,508)
Put options, purchased	25,100	1,356	1,356	202,419	10,935	10,935
Total	–	–	¥ (443)	–	–	$ (3,573)

(b) Summarized below are the notional amounts and the estimated fair value of the derivative transactions outstanding at March 31, 2000:

(1) Currency-related transactions

	Millions of yen		
Fiscal year 1999 *(As of Mar. 31, 2000)*	Notional amount	Fair value	Unrealized gain (loss)
Forward foreign exchange contracts:			
Sell:			
EURO	¥ 59,442	¥54,622	¥ 4,820
£ stg.	12,079	12,331	(252)
US$	10,399	10,349	50
Others	1,903	1,902	1
Buy:			
US$	71,795	73,109	1,314
Options			
Calls, sold:			
US$	¥ 13,056		
(Premium)	(87)	(43)	44
EURO	8,600		
(Premium)	(60)	(27)	33
Puts, purchased:			
US$	12,550		
(Premium)	87	102	15
EURO	8,000		
(Premium)	60	88	28
Currency swaps:			
US$	¥340,610	¥36,975	¥36,975
Others	21,010	2,927	2,927
Total	–	–	¥45,955

Note: The notional amounts of the forward foreign exchange contracts and currency swaps presented above exclude those entered into to hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contracted rates in the accompanying consolidated balance sheets.

(2) Interest-related transactions

	Millions of yen		
Fiscal year 1999 *(As of Mar. 31, 2000)*	Notional amount	Fair value	Unrealized gain (loss)
Interest rate swaps:			
Receive/floating and pay/fixed	¥444,109	¥(4,435)	¥(4,435)
Receive/fixed and pay/floating	244,328	8,882	8,882
Receive/floating and pay/floating	20,670	1	1
Receive/fixed and pay/fixed	8,000	(13)	(13)
Options:			
Caps sold	¥ 49,938		
(Premium)	(1)	(351)	(350)
Floors sold	3,000		
(Premium)	(8)	(15)	(7)
Caps purchased	125,982		
(Premium)	829	1,090	261
Collars	1,000		
(Premium)	–	5	5
Total	–	–	¥ 4,344

22. SEGMENT INFORMATION

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sales of products in the automobile segment. These products, which are sold in Japan and overseas, principally in North America and Europe, include passenger cars, buses and trucks as well as the related components. As net sales, operating income (loss) and total assets of the automobile segment constituted more than 90% of the consolidated totals for the years ended March 31, 2001, 2000 and 1999, the disclosure of business segment information has been omitted.

The geographical segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2001, 2000 and 1999 is as follows:

Fiscal year 2000 *(For the year ended Mar. 31, 2001)*

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
	Millions of yen						
Sales to third parties	¥2,536,750	¥2,469,918	¥822,756	¥260,196	¥6,089,620	¥ –	¥6,089,620
Inter-area sales and transfers	1,381,037	12,134	17,606	2,410	1,413,187	(1,413,187)	–
Total sales	3,917,787	2,482,052	840,362	262,606	7,502,807	(1,413,187)	6,089,620
Operating expenses	3,743,458	2,331,590	867,648	258,617	7,201,313	(1,402,007)	5,799,306
Operating income (loss)	¥ 174,329	¥ 150,462	¥ (27,286)	¥ 3,989	¥ 301,494	¥ (11,180)	¥ 290,314
Total assets	¥4,984,516	¥2,416,774	¥425,172	¥ 76,373	¥7,902,835	¥(1,451,592)	¥6,451,243

	Thousands of U.S. dollars						
Sales to third parties	$20,457,661	$19,918,694	$6,635,129	$2,098,355	$49,109,839	$ –	$49,109,839
Inter-area sales and transfers	11,137,395	97,855	141,984	19,435	11,396,669	(11,396,669)	–
Total sales	31,595,056	20,016,549	6,777,113	2,117,790	60,506,508	(11,396,669)	49,109,839
Operating expenses	30,189,178	18,803,145	6,997,161	2,085,621	58,075,105	(11,306,508)	46,768,597
Operating income (loss)	$ 1,405,878	$ 1,213,404	$ (220,048)	$ 32,169	$ 2,431,403	$ (90,161)	$ 2,341,242
Total assets	$40,197,710	$19,490,113	$3,428,806	$ 615,911	$63,732,540	$(11,706,387)	$52,026,153

As a result of a change in the method of accounting for depreciation of property, plant and equipment as well as in the useful lives and residual value of the related assets as explained in Note 3(c), operating income for "Japan" increased by ¥28,672 million ($231,226 thousand) for the year ended March 31, 2001 over the corresponding amount for the previous year.

Fiscal year 1999 *(For the year ended Mar. 31, 2000)*

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
	Millions of yen						
Sales to third parties	¥2,626,866	¥2,217,775	¥876,931	¥255,503	¥5,977,075	¥ –	¥5,977,075
Inter-area sales and transfers	1,328,623	22,499	13,216	2,766	1,367,104	(1,367,104)	–
Total sales	3,955,489	2,240,274	890,147	258,269	7,344,179	(1,367,104)	5,977,075
Operating expenses	3,936,059	2,152,934	928,259	261,355	7,278,607	(1,384,097)	5,894,510
Operating income (loss)	¥ 19,430	¥ 87,340	¥ (38,112)	¥ (3,086)	¥ 65,572	¥ 16,993	¥ 82,565
Total assets	¥5,288,346	¥1,674,905	¥405,638	¥ 70,420	¥7,439,309	¥(1,263,651)	¥6,175,658

(a) During the year ended March 31, 2000, the Company reorganized its North American operations in order to operate this entire region, including Mexico, as one market. In connection with this change, the Company redefined its geographical segments to integrate the Mexican segment into the North American segment in order to achieve consistency between its geographical segmentation and its business strategy, thus making the segment information more useful. Because of this change in geographical segmentation, total sales, operating income and total assets for "North America" increased by ¥176,433 million, ¥9,764 million and ¥250,020 million, respectively, and those for "Eliminations" decreased by ¥100,078 million, ¥537 million and ¥6,717 million, respectively, for the year ended March 31, 2000 as compared with the corresponding amounts for the previous year.

(b) As a result of a change in the method of accounting for prior service cost of the pension plans as explained in Note 3(a), operating expenses for "Japan" decreased by ¥14,230 million and operating income increased by the same amount for the year ended March 31, 2000 as compared with the corresponding amounts for the previous year. In addition, because of a change in the method of accounting for accrued warranty costs as explained in Note 3(b), operating expenses for "Japan" decreased by ¥14,446 million and operating income increased by the same amount for the year ended March 31, 2000 as compared with the corresponding amounts for the previous year.

	Fiscal year 1998 *(For the year ended Mar. 31, 1999)*							
	Japan	North America	Mexico	Europe	Other foreign countries	Total	Eliminations	Consolidated
	Millions of yen							
Sales to third parties	¥2,863,603	¥2,087,195	¥232,249	¥1,122,876	¥274,078	¥6,580,001	¥ –	¥6,580,001
Inter-area sales and transfers	1,386,053	57,420	47,884	18,073	4,632	1,514,062	(1,514,062)	–
Total sales	4,249,656	2,144,615	280,133	1,140,949	278,710	8,094,063	(1,514,062)	6,580,001
Operating expenses	4,227,059	2,121,544	270,794	1,115,931	274,735	8,010,063	(1,539,784)	6,470,279
Operating income	¥ 22,597	¥ 23,071	¥ 9,339	¥ 25,018	¥ 3,975	¥ 84,000	¥ 25,722	¥ 109,722
Total assets	¥4,828,867	¥1,770,033	¥284,190	¥ 816,486	¥ 64,115	¥7,763,691	¥(1,157,360)	¥6,606,331

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the foreign consolidated subsidiaries, for the years ended March 31, 2001, 2000 and 1999 are summarized as follows:

	Fiscal year 2000 *(For the year ended Mar. 31, 2001)*			
	North America	Europe	Other foreign countries	Total
	Millions of yen			
Overseas sales	¥2,429,722	¥794,251	¥554,221	¥3,778,194
Consolidated net sales				6,089,620
	Thousands of U.S. dollars			
Overseas sales	$19,594,532	$6,405,250	$4,469,524	$30,469,306
Consolidated net sales				49,109,839
Overseas sales as a percentage of consolidated net sales	39.9%	13.0%	9.1%	62.0%

	Fiscal year 1999 *(For the year ended Mar. 31, 2000)*			
	North America	Europe	Other foreign countries	Total
	Millions of yen			
Overseas sales	¥2,179,489	¥885,956	¥478,812	¥3,544,257
Consolidated net sales				5,977,075
Overseas sales as a percentage of consolidated net sales	36.5%	14.8%	8.0%	59.3%

During the year ended March 31, 2000, the Company reorganized its North American operations to operate this entire region, including Mexico, as one market. In connection with this change, the Company redefined its overseas segments to integrate “Mexico” into “North America” and “Central & South America other than Mexico” into “Other foreign countries” in order to achieve consistency between its geographical segmentation and its business strategy and thus to make the segment information more useful. Because of this change, overseas sales and overseas sales as a percentage of consolidated net sales for “North America” increased by ¥167,289 million and 2.8%, respectively, and those for “Other foreign countries” increased by ¥56,208 million and 0.9%, respectively, for the year ended March 31, 2000 over the results of the previous year.

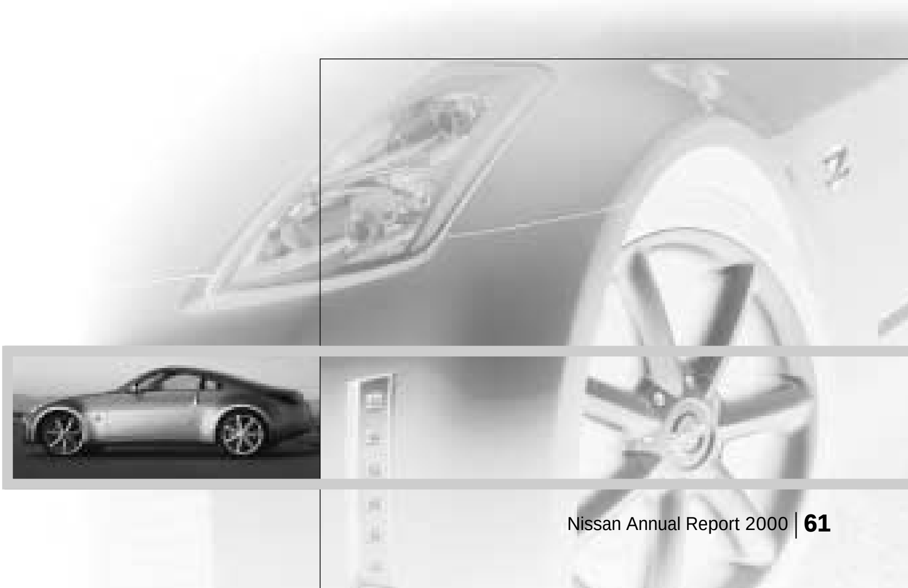
	Fiscal year 1998 *(For the year ended Mar. 31, 1999)*				
	North America	Central and South America	Europe	Other foreign countries	Total
			Millions of yen		
Overseas sales	¥2,104,252	¥245,161	¥1,135,819	¥504,792	¥3,990,024
Consolidated net sales					6,580,001
Overseas sales as a percentage of consolidated net sales	32.0%	3.7%	17.3%	7.7%	60.6%

23. SUBSEQUENT EVENTS

(a) The following appropriations of retained earnings of the Company were approved at a shareholders’ meeting held on June 21, 2001:

	Millions of yen	*Thousands of U. S. dollars*
Year-end cash dividends (¥7.00 = U.S.$0.056 per share)	¥ 27,841	$ 224,524
Bonuses to directors	260	2,097

(b) On June 15, 2001, the Company issued 0.95% unsecured bonds due June 15, 2005 in the amount of ¥70,000 million ($564,516 thousand).



REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

CENTURY OTA SHOWA & CO.
ERNST & YOUNG INTERNATIONAL

■ Certified Public Accountants
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho
Chiyoda-ku, Tokyo 100-0011
C.P.O. Box 1196, Tokyo 100-8641

■ Phone: 03 3503-1100
Fax: 03 3503-1197

The Board of Directors
Nissan Motor Co., Ltd.

We have examined the consolidated balance sheets of Nissan Motor Co., Ltd. and consolidated subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2001, all expressed in yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements, expressed in yen, present fairly the consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at March 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2001 in conformity with accounting principles and practices generally accepted in Japan consistently applied during the period except for the changes, with which we concur, in the methods of accounting for prior service cost of the pension plans, warranty costs and depreciation of property, plant and equipment as described in Note 3 to the consolidated financial statements and in the method of geographical segmentation as described in Note 22 to the consolidated financial statements.

As described in Note 2 to the consolidated financial statements, Nissan Motor Co., Ltd. and consolidated subsidiaries have adopted new accounting standards for consolidation, research and development costs and tax-effect accounting effective the year ended March 31, 2000 and for employees' retirement benefits, financial instruments and foreign currency translations effective the year ended March 31, 2001 in the preparation of their consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2001 are presented solely for convenience. Our examination also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 4 to the consolidated financial statements.

Century Ota Showa & Co.

Tokyo, Japan
June 21, 2001

See Note 1 to the consolidated financial statements which explains the basis of presentation of the consolidated financial statements of Nissan Motor Co., Ltd. and consolidated subsidiaries under Japanese accounting principles and practices.

NON-CONSOLIDATED FIVE-YEAR SUMMARY

Nissan Motor Co., Ltd.
Fiscal years 2000, 1999, 1998, 1997 and 1996

	Millions of yen (except per share amounts and number of employees)					*Millions of U.S. dollars (Note 2) (except per share amounts)*
For the years ended	**2000** (Note 1) **Mar. 31, 2001**	1999 Mar. 31, 2000	1998 Mar. 31, 1999	1997 Mar. 31, 1998	1996 Mar. 31, 1997	**2000 Mar. 31, 2001**
Net sales	**¥2,980,130**	¥2,997,020	¥3,319,659	¥3,546,126	¥3,690,441	**$24,033**
Operating income	**127,762**	(15,674)	15,165	85,626	112,917	**1,030**
Net income (loss)	**187,485**	(790,694)	(34,809)	(16,548)	51,333	**1,512**
Net income (loss) per share (Note 3)	**47.14**	(204.93)	(13.85)	(6.59)	20.43	**0.380**
Cash dividends paid (Note 4)	**7.00**	0.00	0.00	10.00	7.00	**0.056**
Shareholders' equity	**¥1,450,159**	¥1,263,075	¥1,477,498	¥1,529,898	¥1,538,453	**$11,695**
Total assets	**3,576,466**	3,563,853	3,595,272	3,661,093	3,230,355	**28,842**
Long-term debt	**798,009**	909,178	750,028	622,515	605,871	**6,436**
Depreciation and amortization	**49,074**	89,858	105,229	98,803	103,677	**396**
Number of employees	**30,747**	32,707	39,467	39,969	41,266	

Notes:
1. Figures of 2000 are calculated based on new accounting rules. Please refer to 3. ACCOUNTING CHANGES on page 47 for changes in the accounting rules.
2. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at ¥124=$1, the approximate exchange rate on March 31, 2001.
3. Net income (loss) per share amounts are based on the weighted average number of shares of common stock outstanding during each year. Figures for net income (loss) per share are in exact yen and U.S. dollars. Number of shares outstanding as of March 31, 2001: 3,977,295,210.
4. Cash dividends paid represent the amounts proposed by the Board of Directors as applicable to the respective years, together with the interim cash dividends paid.

MAIN SUBSIDIARIES AND AFFILIATES

(As of March 31, 2001)

JAPAN

Aichi Machine Industry Co., Ltd. *
Head Office: Nagoya, Aichi
Manufacture and sales of engines, transaxles and other related components

Calsonic Kansei Corporation **
Head Office: Nakano-ku, Tokyo
Manufacturer of car air conditioners, radiators, mufflers, interior and exterior components, meters, harnesses, and air bags

JATCO Transtechnology Ltd. *
Head Office: Fuji, Shizuoka
Development, production and marketing of automatic transmissions and components

Kinugawa Rubber Industrial Co., Ltd. **
Head Office: Chiba, Chiba
Manufacture and sales of automotive and other parts made from rubber and synthetic resin

Nissan Diesel Motor Co., Ltd. **
Head Office: Ageo, Saitama
Manufacturer of heavy- and medium-duty trucks and diesel engines

Nissan Financial Services Co., Ltd. *
Head Office: Chiba, Chiba
Auto credit, car leasing, car rental, and card business

Nissan Kohki Co., Ltd. *
Head Office: Koza-gun, Kanagawa
Manufacturer of vehicle engines, axles, and marine and industrial equipment engines

Nissan Shatai Co., Ltd. *
Head Office: Hiratsuka, Kanagawa
Manufacturer of passenger and commercial vehicles

Unisia JECS Corporation **
Head Office: Atsugi, Kanagawa
Manufacture and sales of automotive components and systems, office machines, housing equipment, and mechanical and electrical machinery

NORTH AMERICA

Nissan Canada, Inc. *
5290 Orbitor Drive, Mississauga, Ontario, L4W 4Z5, Canada
National Sales Company in Canada

Nissan Mexicana, S. A. de C. V. *
Av. Insurgentes Sur No. 1958, Col. Florida, C.P. 01030 Mexico D.F. 03920, Mexico
Manufacturer and National Sales Company in Mexico

Nissan Motor Acceptance Corporation *
990 West 190th Street, Torrance, California 90502, U.S.A.
Financing and leasing service of Nissan Products

Nissan North America, Inc. *
18501 South Figueroa Street, Gardena, California, 90248, U.S.A.
Headquarters for management of North American operations such as production, sales and overall strategic management

EUROPE

Nissan Europe N. V. *
Johan Huizingalaan 400, 1066 JS Amsterdam, The Netherlands
Headquarters for management of European operations such as production, sales and overall strategic management

Nissan Motor Ibérica, S. A. *
Calle Panama 7, 08034 Barcelona, Spain
Manufacturer in Spain

Nissan Motor Manufacturing (UK) Ltd. *
Washington Road, Sunderland
Tyne and Wear SR5 3NS, U.K.
Manufacturer in the United Kingdom

ASIA

Nissan Motor (China) Ltd. *
Room Number 3302B, 33rd Floor, Hennesy Centre, East Wing, 500 Hennessy Road, Causeway Bay, Hong Kong
National Sales Company in China

Siam Nissan Automobile Co., Ltd. ** ◆
74 Moo 2 Bangna-Trad Road, KM 21
Srisajarakea-yai Bangsaetong Samutprakarn, 10540, Thailand
Manufacturer in Thailand

Yulon Motor Co., Ltd. **
39-1 Po Kung Keng, Shi Hu Tsuen, San Yi Miao Li Hsien, Taiwan, ROC
Manufacturer in Taiwan

LATIN AMERICA

Colibri do Paraná Ltda ◆◆
BR277 KM73-Esrada da Roseira s/n
Av. Renault 1300, CEP 83070-900
Borda do Campo,
S. J. dos Pinhais, PR, Brazil
National Sales Company in Brazil

MIDDLE EAST

Nissan Middle East F. Z. E *
P.O. Box 61111 Jebel Ali
Dubai, U.A.E.
Headquarters for sales and marketing in Middle East

AFRICA

Automakers (Pty) Limited *
Ernest Oppenheimer Street, Rosslyn, Pretoria, South Africa
Manufacturer in South Africa

OCEANIA

Nissan Motor Co. (Australia) Pty. Ltd.*
260-284 Frankston-Dandenong Road, Dandenong, Victoria 3175, Australia
National Sales Company in Australia

* Consolidated subsidiary
**Unconsolidated subsidiary or affiliate company by the equity method

◆ Nissan Motor Co., Ltd. increased its holdings in Siam Nissan Automobile Co., Ltd. from 25% to 74.9% in FY2001.
◆◆ Colibri do Paraná Ltda, newly established National Sales Company in Brazil, was not consolidated in FY2000 but in and after FY2001.

FOR FURTHER INFORMATION, PLEASE CONTACT

Investor Relations,
Financial Communications
Nissan Motor Co., Ltd.
Treasury Department
17-1, Ginza 6-chome, Chuo-ku
Tokyo 104-8023, Japan
phone: +81(0)3-5565-2207
fax: +81(0)3-5565-2228

JAPAN

Nissan Motor Co., Ltd.
Communications Department
17-1, Ginza 6-chome, Chuo-ku
Tokyo 104-8023, Japan
phone: +81(0)3-5565-2141
fax: +81(0)3-3546-2669

NORTH AMERICA

Nissan North America, Inc.
Corporate Communications
18501 South Figueroa Street
Gardena, California 90248, U.S.A.
phone: +1(310)771-5631
fax: +1(310)516-7967

EUROPE

Nissan Europe N.V. Paris Branch
Communications Department
Parc de Pissaloup
13, Avenue Jean d'Alembert
B.P. 123
78194 Tráppes cedex, France
phone: +33(0)1 30 13 67 51
fax: +33(0)1 30 13 68 70

Corporate Information Website
http://www.nissan-global.com/

Investor Relations Website
http://ir.nissan-global.com/

This annual report is printed on recycled paper.

NISSAN
MOTOR COMPANY

2001-07-12000
Printed in Japan